

CHAPTER 1

What It Means to Recast Your City

IN 2019, I WAS IN A VAN FULL OF RESIDENTS and visitors being driven down the old neighborhood main street of McComb-Veazey, a historically Black and Creole neighborhood in Lafayette, Louisiana. At one intersection, Tina Bingham, the driver, pointed in different directions and explained, “That used to be our grocery store, but it closed ten years ago and is a hair supply store now. Over there, we used to have an old bank building, but the property owner let it sit empty for so long it became a safety hazard and was bulldozed last year. And this old car dealership building with the glass front right along the street edge just sits empty and is used for storage.” In every direction we looked, we saw vacant lots or buildings that had seen better days.

This neighborhood had once been home to zydeco music legends, markets, and churches and had been a cultural center for Creole foods. It was clear from Bingham’s description of the old main street that it had been the heart of the neighborhood, a place where people came together. Over time, this area had been cut off from downtown and the neighboring areas by new railroad tracks, then by the state highway, and now by

the threat of a new elevated highway. There had been little investment coming to the area for a long time.

Now, though, neighborhood leaders are working hard to change things for the better. Bingham, who leads the McComb-Veazey neighborhood association and serves as the community development director for the local chapter of Habitat for Humanity, has brought those two organizations together to redevelop delinquent properties and create new homes and community spaces in the neighborhood. This old main street was next on her list—the residents didn’t own any of that property and had lost control over that space a long time ago.

I was there to find ways to get locally owned small-scale manufacturers into these spaces to bring this main street back—for the neighborhood and by the neighborhood. On our tour, we met neighborhood business owners offering amazing Creole food such as boudin and pickled okra but who had no place to grow, and no place to get business development support. Bingham believed in the value of the skills of her neighbors and the history of the place, and she knew that this street could be so much more. She recognized that small-scale manufacturing businesses—business that make products—could help bring the neighborhood back to life.

The Secret Sauce: Small-Scale Manufacturing

Small-scale manufacturing businesses create a tangible product—in any material—that can be replicated or packaged; my catch-all is “hot sauce, handbags, and hardware.” The business can be all about technology (for example, a supply chain business that uses 3D printers to supply parts for the Department of Defense) or can be artisan (for example, a consumer-facing business that handcrafts leather handbags). It can be food-based (beer or chocolate anyone?), or it can be food material-based (all-natural lotions). It can sell direct to consumers, sell wholesale to retailers, or sell into business-to-business supply chains.

Such businesses are considered small scale because of their number of

employees and the amount of space they need. Small-scale manufacturing businesses have fewer than fifty employees; most of the time, they have fewer than twenty. Their space needs are smaller, too; they generally need less than 5,000 square feet of space, and most need less than 1,000 to 2,000 square feet. They can operate in storefronts and smaller spaces that are not considered “manufacturing” and in general, large, distant industrial spaces don’t serve their needs because of their small space requirements. In addition, these businesses are modern manufacturing and are most often quiet, clean, and great neighbors.

Small-scale manufacturing businesses help us create thriving places, with business ownership opportunities and good-paying jobs that other business types cannot fulfill. They are the hidden gems in the economic development strategy and downtown reinvestment efforts of every place (yes, I really mean *every* place).

You already have some type of small-scale manufacturing business in your community, and as you learn more about these businesses in this book, you may start to notice them. One example is Katie Stack’s shop, Stitch & Rivet in Northeast Washington, DC. There, you can walk in and see three employees busy at their sewing machines. Little pieces of leather are neatly piled on the table corners, and the sound of the machines makes the air hum with activity. The front of the small shop is filled with Stack’s leather and waxed canvas bags alongside items from complementary producers—some jewelry, funny gift cards, and other small items that round out the shop. It is easy to see all the activity because this business is in an 800-square-foot microstorefront alongside other small producers in a real estate development project called the Art Walk at Monroe Street Market, NE.

Stitch & Rivet is one of a few dozen shops along this walkway. These businesses are an essential part of what makes this project work: they fill a pedestrian walkway with active storefronts that you can’t find anywhere else in the city.

These kinds of product businesses—called small-scale manufacturing—are a critical part of what makes local real estate and economic development work. I often call them hidden gems because they are in every community. The owners are working hard, with their heads down, and are rarely brought into discussions about downtown and business development opportunities, yet they are essential engines to local economies.

Tell Me More!

These businesses are all over the United States. I mean it. They are everywhere—in homes, storefronts, corners of warehouse space, coworking offices, and garages. In some cases, they are a second or third source of income for a household; in others, they are scaling businesses expanding throughout national and international markets.

These businesses are growing in new ways because of e-commerce. Many are native to the internet; others are legacy businesses making the transition.

Throughout this book, I use the terms *downtown* and *main street* to refer to any specific place you want to make great. To become a thriving place, however, each place needs to be valued and supported, and small-scale manufacturing businesses are essential to creating a thriving place with businesses that benefit the community. These businesses help diversify the tenant base in our downtown or neighborhood main street, and they also make our local economies and markets more inclusive and resilient. They help a place feel valued and allow more people to contribute to the success of main street and the local business community.

These businesses offer an opportunity to build stronger connections between people, increase the economic resiliency of the neighborhood, and create more wealth building opportunity for more people in the community. Here’s why those pieces are important.

Connection

People crave connections to one another. Even in the age of COVID-19, we try to find ways to safely connect, celebrate, and build community both online and in person. Small-scale manufacturing businesses give us a reason to come together.

They are the vendors at our festivals and farmers' markets showcasing their products and making people proud of what is made in their community. They are also the "cool factor"—you can see something made in person and you won't find that business anywhere else. These business owners welcome the opportunity to come together, procure materials from one another, and attract other producers to the area.

Small-scale manufacturing businesses on main street and at festivals make people proud because they see their neighbors showcasing their skills. These businesses can fill storefronts on an empty main street and attract foot traffic (people love seeing stuff made), even while earning most of their revenue from online sales. Successful small-scale manufacturing businesses attract more business owners because entrepreneurs want to be around other entrepreneurs.

Resiliency

Economies are stronger when they are diverse. This diversity means that the community is not completely dependent on one sector (like tourism) to bring in all the local revenue, but can be supported by other parts of the economy as well. Cities with a diverse set of businesses can weather market changes more successfully and are less likely to lose their growing businesses to other cities or countries.

Even during the COVID-19 shutdowns and pauses, having a diversity of businesses allowed some places to continue to build revenue while others were closed. The Baltimore makerspace Opens Works closed at the start of COVID-19, but quickly reopened to become an essential

producer of personal protection equipment that local hospitals desperately needed. Small-scale manufacturing businesses add a sector to the local economic development strategy that helps expand that diversity. They are there in the community and might be able to grow or hire more local employees with the right business development programs.

Community Wealth Building

Today, the power and energy behind local small businesses are more important than ever. Local efforts to buy from small businesses exploded during the COVID-19 shutdowns, bringing more and more people to focus on the importance of these businesses as the backbone of our local economies. Small-scale manufacturing businesses expand this opportunity.

Residents are proud to see these businesses create and sell products. The product businesses can access a strong local market alongside a global market through the internet. As more people gravitate toward unique and custom products online, artisan businesses grow in power, and dollars spent on them are increasing.¹ The power to build community wealth pairs with the national interest in unique products, allowing these business owners to bring revenue into the community from far away. Local residents can use their skills, be business owners, build community wealth, and retain what is special about the neighborhood's culture with these businesses.

More Economic Opportunity

Small-scale manufacturing businesses can make a major difference to help more people create economic opportunities, regardless of education or background. This business sector often includes many people who have been excluded from opportunities in the past. Someone who has an entrepreneurial spirit and the ability to make something can become a business owner; they just need the right support and the right space in

town to become a thriving addition to the business community. Small-scale manufacturing businesses are found in every part of our communities and include people across racial, ethnic, immigrant, and income types. This kind of entrepreneurship can help families create economic opportunity for themselves and the people around them. Small-scale manufacturing businesses often hire from within the community and on average pay 50 to 100 percent more than retail or service jobs.²

Who They Are and Where They Go

What are these businesses, and what kind of space do they use? Here are a few examples to illustrate some of the variety and the terms used to define the different kinds of businesses, starting with the smallest and scaling up.

Artisan Businesses and Microenterprises

Artisan businesses are stand-alone businesses that produce goods, often by hand or with a small set of tools. They have a few defining characteristics: they are full-time producers, they are generally a sole proprietor business or have one to five employees, and they sell their goods online or at local markets.

These businesses may be technology and hardware based, such as Small Batch Assembly in Reston, Virginia, which creates custom electronic components. Or they may make and sell artisan consumer products, such as Stitch & Rivet in Washington, DC, the business that produces leather bags mentioned earlier. Or they could be a family food business, such as a boudin wholesale and retail company in Lafayette, Louisiana.

You have probably seen these businesses in your community. Think of the holiday markets that popped up in your community (before COVID-19). Many of those vendors are from your community. They might be part-time producers working nights and weekends to create

that product, or they might be full-time businesses growing out of their home. These vendor businesses often make jewelry, bags, candles, or other consumer products.

Based on interviews conducted by Recast City (my firm; more below), we also know that many of these business owners would love to scale up but do not have access to business training courses or mentors in product businesses or have affordable space to help them succeed and grow. The businesses that are starting to scale up often lease 400 to 800 square feet of space. They may prefer interior spaces for production-only use, or they may be great microretail street-front tenants and produce in the back half of their open retail space. They also may choose to do all their production at home, even as a full-time business. Space is expensive, and profit comes first. When they have the right support, however, these businesses can be the pipeline of small-business growth, job creation, and wealth building within your community.

Artisan businesses can bring a street front to life as a group of micro-retailers or as temporary vendors for festival and holiday markets. They can also share existing larger spaces, either as part of larger food hall projects or within urban industrial properties. That is where they start.

Scaling Micromanufacturing

Scaling micromanufacturing businesses are those starting to grow. They have dedicated production space and more tools of their own. They generally have five to twenty employees and often sell through wholesale outlets, as well as online or at local markets.

These producers generally need 1,000 to 5,000 square feet of space. Their businesses may be producing custom-designed screen-printed shirts, such as Gorilla Joe Printing Co. in Youngstown, Ohio, or focus on custom consumer products, such as Harper's Naturals in Knoxville, Tennessee. The small-manufacturing businesses may be in textiles with

their own cut-and-sew team for contract production, such as Sew Love in South Bend, Indiana, or create and package new dessert food products, such as Whisked in Capital Heights, Maryland, just outside Washington, DC.

The businesses that get to this stage jumped major hurdles to get there. Not only did they create a successful business with a strong revenue model, but they also they saved up or qualified for access to capital to build out a space with production equipment. This step is much more difficult than just adding more people with computers to a tech company. Micromanufacturing growth means thousands of dollars of equipment to help the business increase efficiency and output. And like artisan businesses, these businesses are often going it alone, with little or no mentorship or support from the local business community.

Some of these businesses will not want retail frontage and will select existing industrial districts or back-of-the-building options for space. Others might be wonderful storefront users, such as Zeke's Coffee in Baltimore, Maryland, and Washington, DC, which has a coffee shop at the street front and production in the rear, with wholesale distribution to the region out the back door.

Production at Scale

Small-scale manufacturing includes those businesses producing at scale for broad distribution. In this classification, the producers top out at about fifty employees, but some of these businesses continue to expand in the same space. These businesses generally use 5,000 to 30,000 square feet of space. The maximum size of the business will be most dependent on the size of spaces in the community.

These businesses include coffee roasters, such as Pan American Coffee Company in Hoboken, New Jersey, and distilleries or breweries, such as Rhinegeist in Cincinnati, Ohio. The range of businesses also includes

full-scale design production, such as the custom wallpaper and art from Studio Printworks in Hoboken, New Jersey, with employees who hand silkscreen one-of-a-kind wallpaper for the New York City market.

One example shows what these businesses can mean to a neighborhood. The business owners of Rhinegeist Brewery purchased their building after their first few very successful years. They bought an old brewery in the Cincinnati Brewery District and filled the 120,000-square-foot building with a mix of brewing capacity, taproom, and community space. They knew that people craved a place to come together, and they wanted to be that place. (The day I visited, the community space was set up for indoor whiffle ball!) The essential part of this type of business is that it can still fit into the fabric of the neighborhood and into existing buildings to help reenergize the local economy and the people who live there.

Many of the production-at-scale businesses work with major brands or distributors and only operate in wholesale. They will not need the million square feet of space at the edge of town, and they will want to be a part of a community of producers. Others, such as Rhinegeist Brewery, purposefully become community gathering places or attractions for other product businesses to locate nearby. Breweries are now anchors for main streets and neighborhood centers, such as Burlington Beer Works in Burlington, North Carolina, a cooperative brewery on the town's main street launched by two thousand local residents.

In all these cases, the production stays in the city, employs people from the community, and attracts other business creators to the place.

Shared Kitchen, Shared Woodshop, and Shared Textile Space

Shared commercial kitchen, woodshop, textile, or production spaces provide access to space and tools to local small producers for a fee or with a sublease. These shops are often focused on tools within one industry, such as a health-inspected, commercial kitchen for food production