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CEDAS Academy Economic Development Series

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WebEx Housekeeping

- **Today’s webinar is being recorded.** The full recording will be made available to CEDAS members on the CEDAS member portal [www.cedas.org](http://www.cedas.org) within about a week. Slides will be available on request and at [https://communities.extension.uconn.edu/](https://communities.extension.uconn.edu/).

- **Participant audio has been muted to prevent background noise.** You may join the audio by computer or by phone. +1-415-655-0002 Access code: 648 156 441

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- **After you close your webinar window you will be directed to an short evaluation.** Please take a moment to tell us how we did!
Connecticut Economic Development Association, is a not-for-profit organization committed to advancing the practice of economic development within the state of Connecticut. CEDAS encourages communication among its members by providing a forum for discussion and information exchange.
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The Re-Urbanization of Manufacturing

A CEDAS Academy Webinar
August 9, 2018 | 11:00 a.m. - 12:00 p.m. ET

This webinar is free and offered as a cooperative program of CEDAS and the University of Connecticut Extension Program in Community & Economic Development.
Today’s Presentation

This webinar is part of our Reuse, Recycle, Rejuvenate Series and we hope you learn:

- The status of re-urbanization of manufacturing in the US and the Northeast as well as current research, and references
- Lessons learned from other communities in developing and sustaining urban manufacturing centers
- Opportunities, successes, and challenges of urban manufacturing in addressing broader community goals as well as for low income and underserved communities
Our Presenters

Katy Stanton, Program Director, Urban Manufacturing Alliance
As program and membership director, Katy works closely with the Urban Manufacturing Alliance’s (UMA) network to build programming that brings people together between and within cities to support urban manufacturing. She oversees many of UMA’s key research and activities, including UMA’s Communities of Practice, in-person events, national research, and membership communication. Building off of 10 years in campaign politics across the country, Katy takes a community-organizing approach to growing UMA’s network. She believes that manufacturing creates equitable pathways for people of all backgrounds. She is driven by creating opportunities for storytelling so that people can open their minds to this kind of place-based economic development. Katy also loves cities, having lived in Washington D.C., London, Milwaukee, Los Angeles, San Francisco, and Philadelphia before returning to her hometown of Madison, WI, where she lives with her husband and two cats.

Tanu Kumar, Senior Fellow at the Pratt Center for Community Development
Tanu Kumar is a Senior Fellow at the Pratt Center for Community Development, consulting on economic development projects that foster more equitable and resilient communities through research, planning, and policy. She is working on several initiatives focused on advancing equity in the innovation economy and manufacturing sector, including the Urban Manufacturing Alliances's Equitable Innovation Economies initiative and Pratt's EquiP Partnership. She holds an Master's in Regional Planning from Cornell University.
Reuse, Recycle, Rejuvenate: Re-urbanization of Manufacturing

Katy Stanton, Program Director
Urban Manufacturing Alliance

August 9, 2018
urbanmfg.org
Agenda

1. What is urban manufacturing?
2. Why is urban manufacturing important to a city’s economy?
3. What are the challenges urban manufacturers face?
4. Why the Urban Manufacturing Alliance (UMA)?
5. What are strategies and policies that stakeholders are utilizing to help these businesses thrive?
WHAT IS URBAN MANUFACTURING?
What does manufacturing look like today?
What does manufacturing look like today?

Scale:
- Employment
- Sales volume
- Units

Business model:
- Flexible vs. Fixed
- Intent to commercialize
Making: often craft-based, with design or technology components
Place-Based Manufacturing: reached/ing scale, looking to grow
A Closer Look: Small Firms as Big Employers

<table>
<thead>
<tr>
<th>City</th>
<th>Number of manufacturers with &lt; 20 employees</th>
<th>Percentage of manufacturers in city</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York City</td>
<td>5,488</td>
<td>82.8</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>4,914</td>
<td>80.3</td>
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<tr>
<td>San Diego</td>
<td>906</td>
<td>74.7</td>
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<tr>
<td>Philadelphia</td>
<td>696</td>
<td>73.6</td>
</tr>
<tr>
<td>San Jose</td>
<td>688</td>
<td>71.7</td>
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<tr>
<td>San Antonio</td>
<td>616</td>
<td>71.2</td>
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<tr>
<td>Phoenix</td>
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<td>Chicago</td>
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<tr>
<td>Dallas</td>
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</tbody>
</table>

Source: The Federal Role In Supporting Urban Manufacturing. Brookings/Pratt, April 2011
Global Manufacturing: established, legacy manufacturers
WHY IS URBAN MANUFACTURING IMPORTANT?
Why Cities?

Business Strategies
- Shorter supply chains
- Local/Custom products
- Workforce productivity
- Advanced manufacturing technologies

Competitive Advantages
- Transportation hubs
- Strong consumer markets
- Dense labor markets
- Major tech hubs
Often Still Pays a Living Wage

Challenges of Urban Manufacturing

**Land Use**
- High Costs
- Aging Infrastructure
- Land Use Conflicts

**Workforce Development**
- Skills gap
- Access to technology

**Ecosystem Building**
- Cities have vast, complex, hidden networks
- Contract manufacturers, consumer markets, government agencies

**Equity**
- Access to jobs and opportunity
THE URBAN MANUFACTURING ALLIANCE
Mission
To cultivate networks, learn from each other, share and amplify what works from city to city, and to support the implementation of local, regional and national policies that encourage the development of environmentally sustainable, diverse, innovative, and equitable manufacturing in urban settings.

Vision
The Urban Manufacturing Alliance envisions a future where urban manufacturing is thriving in our cities, creating dense, vibrant networks of businesses, talent, communities and consumers, and reflecting the diverse communities in which it is located through the ownership and employment opportunities it offers.
Who is UMA?
How we do our work:

**Core Strategies**

- Communities of Practice
- Movement Building
- Shaping Policy
- Collaborative Research
Core Strategy #2

Movement Building
Shaping Policy

Core Strategy

#3

Discovering Your City’s Maker Economy

BY THE NATIONAL LEAGUE OF CITIES, IPI, RECAP CITY
AND THE URBAN MANUFACTURING ALLIANCE

ARTISAN ZONING

Policy Brief
Local Progress: The National Municipal Policy Network

Over the past several decades, urban economics in the United States evolved at jarring speed. As major manufacturers shifted their operations overseas, thousands of blue-collar jobs at the city level were lost and the availability of blue-collar jobs diminished. Yet many urban areas are experiencing signs of manufacturing job stabilization, spurred in part by a growing demand for specialty products and custom access to advanced manufacturing technologies.

Cities and communities all over the country are looking to attract new generations of local makers and manufacturers who can develop sustainable ways to make middle-class living possible. These producers are the fabricators, small batch brewers, woodworkers, handcrafters and artisans who make the city’s landscape, support the creation of a new family sustaining industry, and lift up the city’s tax revenue. By working with specific zoning laws and other policies, cities can foster the growth of this diversified, resilient economy, in an era where both consumers and locally based businesses are increasingly hungry for locally fabricated products.

Artisan zoning is an approach to land use and development that provides space for small-scale manufacturers that produce items for urban consumption, such as homes, cafes, or other businesses, meaning they are fit within a wide variety of industrial, commercial, and even residential districts. Using this type of zone, developers need to show zoning review and can carve out space for these types of businesses. In some cases, cities have pursued changes or additions to ordnance language to further encourage change. Some creative opportunities include building small studios for existing businesses in unoccupied industrial facilities, or requiring that new residential buildings devote part of their bottom floor to light industrial production. Proposals for these types of additions—often referred to as urban or fabrication zones—are predicated on their potential to boost the economy. Many types of light manufacturers can lower maintenance and insurance costs, and can help revitalize some underdeveloped areas.

One of the most creative ways to make space available for artisan manufacturers while revitalizing neighborhoods is to use low-cost, vacant, or underutilized real estate that has been passed over by community developers. Only a small percentage of businesses and communities activist in the artisan industry may know they can take advantage of this potential, so legislators play a key role in communicating this approach to those who are looking to ramp up their operations. When reviewing whether to enact artisan zoning changes, it’s helpful to identify the balance between the planning department and the public. There should be clear consensus on the importance of providing new opportunities and the ability of such zoning to support business, industry and residents agree on issues like business traffic or噪音. Indianapolis is currently navigating this issue, as artisan food and beverage businesses look to expand their retail operations into the right zones. Legislators can also play a role in making sure the language is clear enough that new industrial initiatives can take advantage of land use changes designed to benefit small businesses. For example, Philadelphia’s zoning revisions in 2018 included an industrial ordinance that allowed industrial components as a conditional, meaning a housing developer could build a new apartment complex under the industrial residential designation without having to provide any space for manufacturers. City council members successfully pushed
Collaborative Research

Prototyping Equity

Local strategies for a more inclusive innovation economy

The State of Urban Manufacturing

Philadelphia City Snapshot
Approaching Challenges of Urban Manufacturing

**Land Use**
- Non-profit real estate development
- Artisan zoning ordinances

**Workforce Development**
- Community / Industry/ Non-profit partnerships
- Engaging non-traditional populations

**Ecosystem Building**
- Local branding organizations

**Equity**
- Program and policy development
Non-profit RE development: space for manufacturers

Spotlight: Brick City Makes
brickcitymakes.org
Artisan zoning ordinances: protecting industrial land

Artisan Manufacturing

"Application, teaching, making, or fabrication of crafts or products by an artist, artisan or craftsperson either by hand or with minimal automation and may include direct sales to consumers. This definition includes uses that employ activities and processes such as small-scale fabrication, welding, and coating, that are typically not permitted in non-industrial zoning districts."

Spotlight: Indianapolis
urbanmfg.org/project/artisan-zoning/
Workforce partnerships: building a community pipeline

**MANUFACTURING CONNECT**

High-school based program serving youth 9th through 12th grades.

**YMA**

Supporting alumni and young adults already working or interested in working in manufacturing.

**IAAM**

Training instructors to be technically, culturally and pedagogically competent.

Spotlight: Manufacturing Renaissance
mfgren.org
Engaging non-traditional populations: industry-led

Spotlight: Nehemiah Manufacturing
nehemiahmfg.com
Ecosystem building: local branding organization

Spotlight: Made in Baltimore
madeinbaltimore.org
Thank you!

To learn more and join our community, visit urbanmfg.org
Advancing Equity and Inclusion in Innovation & Manufacturing: Research and Practice

Making, Scaling, and Inclusion

What will it take to bring an equitable innovation economy to scale?

CEDAS Academy Reuse, Recycle, Rejuvenate: Re-urbanization of Manufacturing
August 9, 2018
@prattcenter @UrbanMfgAlliance
The share of FT workers living in poverty is higher amongst people of color.
Educational requirements are increasing, and the workforce isn’t prepared

Current educational attainment and projected state/national-level job education requirements by race/ethnicity and nativity: United States, AA degree or higher, 2015

Jobs in 2020
- White, U.S.-born: 45%
- White, immigrant: 55%
- Black, U.S.-born: 27%
- Black, immigrant: 40%
- Latino, U.S.-born: 28%
- Latino, immigrant: 15%
- Asian or Pacific Islander, U.S.-born: 64%
- Asian or Pacific Islander, immigrant: 60%
- Native American: 24%
- Mixed/other: 42%

IPUMS: Georgetown University Center on Education and the Workforce
Manufacturing wages are consistently higher than wages in other industries accessible to workers without a college degree.

*Wage comparison of manufacturing with selected industries and local living wage, select U.S. Metropolitan Statistical Areas 2014*

Sources: BLS QCEW, 2014, CBP 2014, MIT Living Wage Calculator 2015 (two adults, two children measure)
State of Urban Manufacturing: manufacturing is still an industry of opportunity

Across 11 of 13 MSAs studied, production workers earn more than the living wage

Sources: BLS OES 2015, MIT Living Wage Calculator 2015 (two adults, two children measure)
People of color are under-represented in higher paying occupations within manufacturing

Demographics and median wages for select manufacturing occupations, U.S. 2010

<table>
<thead>
<tr>
<th>Occupation</th>
<th>White</th>
<th>Latino</th>
<th>Black</th>
<th>Asian or Pacific Islander</th>
<th>Native American</th>
<th>Median Hourly Wage</th>
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<tbody>
<tr>
<td>Butchers and meat processors</td>
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<td></td>
<td></td>
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<tr>
<td>Electronics assemblers</td>
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<td>Machinists</td>
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<td>Industrial engineers</td>
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<td>$40.13</td>
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<tr>
<td>Industrial production managers</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$45.17</td>
</tr>
</tbody>
</table>

Source: American Community Survey 2010, 5 year estimates
The Equitable Innovation Economies Initiative (EIE) helps cities pursue inclusive growth strategies in their innovation and manufacturing sectors to advance more equitable outcomes.
EIE Pilot Cities (2014-17)

INDIANAPOLIS

CLOSING OPPORTUNITY GAPS THROUGH INDUSTRIAL REDEVELOPMENT

NEW YORK

BUILDING A 21ST CENTURY PRODUCTION ECONOMY FOR ALL NEW YORKERS

PORTLAND

CULTIVATING DIVERSE LEADERS AND AN INCLUSIVE STARTUP CULTURE

SAN JOSE

BUILDING PATHWAYS TO GOOD-PAYING JOBS IN THE HEART OF SILICON VALLEY
EQUITY is just and fair inclusion into a society in which all can participate, prosper, and reach their full potential.

An INNOVATION ECONOMY positions knowledge, design, technology, entrepreneurship, and increased productivity as the drivers of economic growth.

An EQUITABLE INNOVATION ECONOMY leverages the productive gains of innovation to create good jobs and broaden access to these jobs for people of color and low-income communities, while expanding growth by increasing the talent pool and addressing inequality.
Four principles for an equity-driven growth model

1. Choose strategies that promote inclusion and growth simultaneously

2. Target programs and investments to the people and places most often left behind

3. Assess equity impacts at every stage of the process

4. Ensure meaningful community participation, voice and leadership
Reflections on the EIE process

**SUCCESSES**

- Visionary and creative thinking advances difficult and untested approaches
- Each city defined an equity focus and moved forward with implementation
- Data collection in progress for priority indicators

**INSIGHTS**

- Process built comfort discussing issues of race and equity, but change is long-term
- Involving community partners and stakeholders early is critical
- Lack of data on economic impact and demographics of the innovation economy and urban manufacturing is a challenge for decision-making
- Political turnover is a struggle; broader engagement and impact tracking needed to ensure replicability
1. Identify bold equity goals
2. Measure equity impacts at every stage
3. Expand networks and outreach strategies
4. Invest in minority and women-owned businesses
5. Develop cross-sector partnerships
6. Address barriers in workforce development
7. Create innovative land use models
The vision of Commonwealth Kitchen is “closing Boston’s wealth divide by supporting inclusive entrepreneurship and creating sustainable employment with a focus on people that have been impacted by racial, social, and economic inequality”
2. Measure equity impacts at every stage

EIE Pilot: select indicators designed to measure impact against equity goals

**Workforce Development**
- Youth residents of low-income neighborhoods
- African-American workers with less than a college degree

**Entrepreneurship and Business Development**
- Businesses owned or launched by women or people of color
- Businesses from a target neighborhood (e.g., communities of color or rezoning areas)

**Technology Transfer**
- Traditional manufacturers in a specific sector (e.g., metal work, machining)
- Public school students from low-income neighborhoods

**Target Communities**

**Indicators**
- Net new hires by job type (full-time & part-time)
- Internship or apprenticeship placements by job type
- Employees retained or hired
- Venture or seed investment raised to date (public or private sources)
- New products prototyped or brought to market
- Employees trained on new technology or processes
LISC Indianapolis, in partnership with the University of Indiana, has customized an online data collection platform to track and analyze equity outcomes across multiple partners and project sites.
NYC Economic Development Corporation retooled outreach strategies for its Next Top Makers program to increase interest amongst entrepreneurs of color and women.
Detroit Kitchen Connect, a food entrepreneur incubator program, partners with churches and CBOs to conduct outreach to entrepreneurs from disinvested communities.
Prosper Portland in partnership with the state of Oregon, launched a start-up fund to invest in early-stage businesses owned by members of underrepresented communities across a range of industries.

4. Invest in minority and women-owned businesses

“We’re a very white, progressive city,” said Katherine Krajnak, Senior Industry Liaison at the Portland Development Commission (PDC).

The city’s 72 percent non-Hispanic white population ranks it as the whitest of America’s 50 largest metros. “But there’s diverse talent and diverse leadership in our community that we need to be supporting.”

PDC, Portland’s redevelopment, urban renewal, and economic development agency, has documented that change is coming—according to the National Equity Atlas, by 2040, 42 percent of the city’s population will be people of color. Recognizing the fact that Portland’s economic future is tied to growing the wealth of the city’s communities of color, the agency made equity and inclusion the central themes of its five-year strategic plan, adopted in 2015.

Equitable innovation Economies

The RIE initiative is a multi-year effort led by the Pratt Center for Community Development in partnership with PolicyLink and the Urban Manufacturing Alliance.

RIE helps cities pursue inclusive growth strategies in innovation and manufacturing to advance more equitable outcomes.

In its pilot phase, four cities—Indianapolis, New York City, Portland, OR, and San Jose, CA—have been collaborating to identify equity objectives, refine programmatic approaches, and track the impacts of their efforts focused on these sectors.
Cincinnati's Minority Business Accelerator supports businesses poised for growth by connecting them with contracting opportunities, networking and mentoring, and investment opportunities.

Mortar enables underserved entrepreneurs in Cincinnati to launch businesses that benefit their communities.
5. Develop cross-sector partnerships

Sierra College, a community college in Sacramento, has partnered with Hacker Lab to create community-driven makerspace on campus. The result has been deeper connections between pedagogy and making, and career exposure and hands-on learning for students.
6. Address barriers in workforce development

**EquiP Brooklyn**: A formalized collaboration between residents, educational institutions, and businesses founded on a shared goal of create pathways for neighborhood youth into career-based learning and work opportunities in the local creative, tech, and manufacturing sectors.

**Brooklyn Tech Triangle**
- 17,300 employees in 2015
- 53,000 by 2025

**NYCHA**
- 38% of adult residents have < HS degree
- 9% < College degree

**Brooklyn Navy Yard**
- 8,000 employees in 2016
- 16,000 by 2020

**Pratt Institute**
- Awards 1,000 degrees/year in creative disciplines
6. Address barriers in workforce development

Manufacturing apprenticeship, internship, and preparatory programs are addressing inclusion in the manufacturing workforce pipeline across the country. These programs are focused on women, youth, ex-offenders, immigrants, and other groups facing higher barriers to entry, especially into higher-skilled and good paying jobs.
7. Create innovative land use models

The City of San Francisco has introduced Production, Design and Repair (PDR) zoning designations that protect and foster manufacturing uses in appropriate locations, and also require enforcement mechanisms such as non-profit industrial management.

Image: SF Made
1. Continue knowledge sharing and opportunities for dialogue between and within cities to build a shared movement

2. Create and strengthen a platform to leverage that movement to shape policy in cities

3. Support efforts to scale inclusion strategies across UMA network

4. Help communities leverage urban manufacturing as an equitable, local economic development strategy
Thank you!

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www.prattcenter.net
www.urbanmfg.org
• Urban Manufacturing Alliance
  https://www.urbanmfg.org/

• State of Urban Manufacturing Report
  https://www.urbanmfg.org/project/state-of-urban-manufacturing/

• Made in Place Report - Smart Growth America
Questions for our presenters? What sparked your interest in today's presentation? What resources or insights would you like to share?
Register at: www.cedas.org

Stay tuned for more details regarding our final webinar in this series in September addressing Adaptive Reuse

Contact the CEDAS Program Committee Co-Chairs

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