

# ARTISAN ZONING

## **THE PROBLEM**

Over the past several decades, urban economies 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 easier access to advanced manufacturing technologies.

Cities are now seeing a new generation of small, local makers and manufacturers develop sustainable ways to make a middle-class living. These producers are the bakers, small-batch brewers, woodworkers, hardware start-ups and artists that enrich the city landscape, support the creation of new family-sustaining jobs, and lift up the city's tax revenue. But without specific zoning laws in place that give producers accessible and affordable locations to set up shop, cities risk stunting the growth of this diversified, resilient economy, in an era where both consumers and nearby businesses are increasingly hungry for locally fabricated products.

## **THE SOLUTION**

Artisan zoning is an approach to land use and development that provides space for small-scale manufacturers that produce little to no vibration, noise, fumes, or other nuisances, meaning they can fit within a wide variety of industrial, commercial, and even residential districts. Planning departments don't always need a total zoning code overhaul to carve out more spaces for these types of businesses – in some cases, cities have pursued changes or additions to ordinance language instead of drafting new zoning maps from scratch. Some creative approaches include building ordinances around existing but 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 artisan or fabrication zones – are predicated

on their potential boon to the economy. Many types of light manufacturers run low-maintenance and low-cost operations, and can support the revitalization of underserved areas.

## **POLICY SOLUTIONS**

One of the most creative ways to make space available for artisan manufacturers while revitalizing neighborhoods is to tap into low-cost, vacant, or unutilized real estate that can be repurposed to host a community of producers. Only a small percentage of businesses or communities active in the artisan industry may know they can take advantage of this real estate, so legislators play a key role in widely communicating this approach to those who are looking to ramp up their operations.

When reviewing whether to create artisan zoning changes, elected officials act as the liaison between the planning department and the public. There should be clear consensus on the potential economic and sustainability benefits of supporting small-scale producers in mixed use areas, while also making sure community members are being heard as they question what types of changes new zoning laws may bring to the neighborhood. For example, if artisan manufacturers in the food and beverage industry also want to sell their products out the door, it's important to make sure the business community and residents agree on issues like business traffic or noise. **Indianapolis** is currently navigating this issue, as artisan food and beverage businesses look to expand their retail operations into the night hours.

Legislators can also play a role in making sure zoning language is clear enough that non-industrial interests cannot take advantage of land use changes designed to benefit small businesses. For example, **Philadelphia's** zoning revision in 2012 included an industrial-residential classification that labeled industrial components as optional, meaning a housing developer could build a new apartment condo under the industrial-residential classification without having to provide any space for manufacturers.<sup>1</sup> City council members successfully passed a

bill<sup>2</sup> three years later that required development projects under this provision to mark off 50 percent of the combined ground floor area of all buildings sharing the same lot for light industrial or artisan use, or 60 percent for non-residential use like retail.

Lawmakers can also push the consensus on wraparound partnerships at the municipal level to make sure local makers get the support they need to grow. They can help ensure businesses in the artisan zone know how to access support from local workforce development organizations to connect with job seekers, as well as provide information on how to bid on procurement opportunities for their class of services.

But beyond residents and workforce organizations, officials need to ensure community organizations, anchor institutions, and the small producers themselves are part of the zoning process from start to finish. In order to overcome opposition, advocates can often find allies in unlikely places: the local health department that wants to combat food deserts by allowing local food producers to set up shop in residential areas, neighborhood groups that want local jobs and to fill blighted buildings, police officers who want to reduce the number of vacant buildings that are associated with crime, and transit proponents who support local jobs in residential areas because it means less people need to drive into the city center.

After new zoning ordinances have been established and new spaces are opened up to artisan manufacturers, legislators will be responsible for coordinating closely with enforcement agencies to ensure that new and sometimes experimental approaches to adopting new work spaces fall in line with safety and security codes. That includes setting up an annual schedule for site visitations. There may also be a need to set expectations in artisan zones around the varying schedules of their users, from garbage pickups to parking requirements.

Finally, lawmakers may want to consider long-term planning for the preservation of light manufacturing space in artisan zones. These zones may run the risk of falling victim to their own success as they draw in a mix of new production and residential uses. As residential development sets in, the economics of the production space may change, pricing out artisan producers. To guard against this, lawmakers should explore opportunities to support mission-driven industrial developers that provide an important source of affordable light-manufacturing space.<sup>3</sup>

### **CITIES WITH ARTISAN ZONING CODES**

**INDIANAPOLIS, IN.** Indianapolis began overhauling its zoning ordinance in 2012, with special emphasis on increasing high paying jobs, using the surplus of vacant properties, decreasing the mileage traveled by residents and reducing the need and opportunity for crime. The Division of Planning created two

new designations, Artisan Manufacturing and Artisan Food and Beverage, which allowed small manufacturers to start working in non-industrial areas. It also included a blight-fighting provision that allows artisan manufacturers to work in buildings in certain land use categories that have been vacant for five years, making artisan manufacturing the most easily-permitted form of manufacturing throughout the city. Reactivating these spaces has increased the property value and in turn the tax revenue for the city, and they now provide affordable spaces for start-up companies with a uniqueness that reflects the city's history.<sup>4</sup>

**NASHVILLE, TN.** Nashville started reevaluating its standing zoning ordinance in 2011, with an interest in creating opportunities for manufacturing in the city. It created the "Artisan Zoning" designation for light manufacturers looking to start up in mixed use districts and some live-work districts. One stand-out success of this push has been the Wedgewood Houston plan, which turned approximately 5 acres of what was previously a tow-truck lot into a mixed use space for housing, artists, and light manufacturers.<sup>5</sup> That district is now considered the artisan campus of Nashville, led by maker spaces like Fort Houston, which opened with 10,000 square feet in 2011 but is expanding to a 45,000 square foot space this year.

**BOZEMAN, MT.** Bozeman, with a population of just over 45,000, has been championing a pro-artisan zoning framework since allowing artisan manufacturing to take hold in retail areas like downtown in 2014.<sup>6</sup> As part of the addition, producers must work in an enclosed space, can't hold storage outdoors, or expand beyond 3,500 square feet. The new framework was meant to assist those who create goods with hand tools or "small-scale, light mechanical equipment," and now permits these producers to work in dense areas like downtown. This change is rooted in the city's 2009 economic development plan, which designated manufacturing as one axis to create mid- to high-wage jobs and spur more diversity among the community and its businesses.

### **ADDITIONAL RESOURCES**

For more case studies and detailed examples of artisan zoning, visit **Urban Manufacturing Alliance's (UMA)** Land Use and Real Estate Development Community of Practice or Albany Law School's Community Development Clinic who has worked in partnership with UMA on this area of research.

*Co-authored by the Urban Manufacturing Alliance*

