# Vacant to Vibrant: Revitalizing Brownfields into Incubator Spaces for Economic Development

The industrial and warehouse spaces that once housed thriving businesses in your community may now be ripe for <u>brownfield</u> <u>redevelopment</u>. These buildings can offer a new opportunity for catalytic redevelopment while bridging the past to the present.

Bringing an incubator space into your community means creating a supportive space for small businesses to grow together. These spaces can drive economic growth and support local entreprenuers, while providing a venue to share knowledge and build a strong sense of community among founders and operators. An incubator can become an anchor that brings in and sustains economic activity.

EPA has resources and expertise to help communities return brownfield properties to safe and sustainable reuse. Learn more about EPA's <u>Brownfields</u> and <u>Land Revitalization</u> Program.

### **Common Types of Incubators**

Incubator spaces span from art-based collectives to traditional manufacturing and production spaces. Common types include:

- Maker spaces for creative or artisan businesses
- Light industrial or manufacturing spaces
- Food production and/or retail spaces
- Biotechnology and shared lab spaces
- Other technology-based co-working and labs

# What Makes an Incubator Space Successful



# Smart Programming and Financing

Well-defined goals and mission to enable buy-in

Combine several grant sources

Utilize tax credits and incentives to overcome funding challenges

Combine the assistance of multiple stakeholders



# **Strong Community Ties**

Identify a strong project champion

Build upon existing community relationships

Public access can support marketing and visibility

Outreach and training programs can help build the incubator workforce



# Flexible Physical Space

Planning for different needs through a mix of spaces to for different stages of the businesses

Utilize contractors with industrial/HVAC expertise

Ensure access to utilities and provide adequate space for truck loading and visitor parking



# **Supportive Services**

Affordable rent is critical for tenants

Training and mentorships for businesses (e.g., "How to apply to be an LLC", permit support)

On-site dedicated support person can manage space and tenant concerns

Partner with workforce development programs



# **Maker Spaces**

Maker spaces host a variety of creative and production activities such as architecture, interior design, wood working, metal working, furniture, product design, textiles, graphic design, marketing and print, and other artist studios. Small artist studios can also be a shared amenity for the community contributing to the neighborhood's vibrancy and can function as open studios and retail spaces for their tenants and hosting community programs, events, and classes.

#### **Benefits**

Reduces upfront capital costs for new businesses; reduces operating costs by sharing costs; provides a shared ecosystem for collaboration

#### **Example Tenants**

- Interior designers and textile makers
- Metal and wood workers or fabricators
- Furniture makers
- Graphic designers, marketing, and print makers
- Small artist studios

# **Light Manufacturing**

Light industrial or manufacturing spaces are most similar to previous uses on an industrial site. Manufacturing incubators accommodate businesses that require larger footprints, typically associated with building materials and product manufacturing, as well as smaller, supplementary services such as small food and beverage manufacturing or small offices for related services in architecture, design, construction management, and general contracting. Tenants provide a wide variety of construction materials, such as processed timber, steel and aluminum products, and can share equipment for any processing or production needs.

#### **Benefits**

Reduces upfront/overhead costs; provides a viable option for large-scale, underutilized industrial sites; avoids difficult land assembly for industrial uses in urban settings; provides option to concentrate back-office or maintenance services

#### **Example Tenants**

- Building material production
- Processed timber, custom millwork, or interior detailing businesses
- Steel and aluminum product manufacturing or processing
- Marble or stone processing and detailing



Planned Collaborative Maker Space Lee, MA Artist collective and brewery



Greenpoint Manufacturing and Design Center Brooklyn, NY Light manufacturing space



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# Food Production/Retail

One of the more recognizable incubator spaces are food production and retail spaces. Depending on the needs of the food-based ecosystem, these could take the form of a food hall, shared kitchen space, or other more sophisticated production facilities. Food halls and shared kitchen spaces tend to be more public-facing, offer retail or merchandising opportunities, and are intended for small-scale producers. Food production incubators are more similar to typical manufacturing spaces where specialized equipment is needed and serve larger-scale producers.

#### **Benefits**

Reduces upfront capital and ongoing overhead costs; provides a shared ecosystem for collaboration and innovation; may share a unified branding to reach larger audiences

#### **Example Tenants**

- Food and beverage production, canning, or labeling
- · Restaurant prep space
- Shared kitchens for start up businesses
- · Food hall with multiple vendors

# **Bio-Tech/Lab Spaces**

Biotech and shared laboratory spaces are less common than other types. Successful biotech and shared lab spaces require existing relationships to biotech related uses in the region, such as other biotech clusters, start-ups, and universities. Biotech incubators provide shared lab spaces and equipment for new and burgeoning biotech firms and could offer training opportunities to bolster employment pipelines from local high schools or colleges. As lab spaces have more stringent requirements, such as floor-to-floor height, vibration ratings, and stringent ventiliation and wastewater controls, it can be difficult and cost-prohibitive for small start-up biotech firms to find a suitable space. Providing a collective space that matches these requirements adjacent to existing research institutions will foster an ecosystem of biotech research and businesses development.

#### **Benefits**

Reduces operational costs; provides a shared ecosystem for collaboration and innovation

#### **Example Tenants**

- Start-up labs
- · Training facilities for local colleges and universities





7800 Susquehanna

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# Building a Business Incubator in Your Community How to Get Started

# Start with examining the local market:

- Assess the market demand and small business potential.
- Decide the type of incubator and operations approach and determine space needs.
- What are the characteristics of top industries, consumer base, and business environment?
- Can potential incubator tenants access the materials they need from local or regional sources? How reliable is the local supply chain?

#### **Market Data Needs:**

- Demographics and Labor Force
- Retail Supply and Gaps
- Real Estate Market Information
- Stakeholder and Community Input

#### **Process Overview**

#### **Data Collection**

- Conduct or review any necessary environmental site assessments to understand potential remediation and risk management needs.
- Collect historical data on industrial land uses, employers, major companies, and industries in the geography and examine how these industries have performed over time.
- Analyze demographic and labor force information, real estate market conditions, retail supply and demand, and other qualitative data to understand existing and unmet demand for businesses and space.

# **Incubator Type and Program Selection**

Once a target industry or cluster has been identified, determine the incubator type that best suits the industry need.

- For example, if there are several small food entrepreneurs working from their homes, a food hall with a shared kitchen may be an appropriate incubator type.
- The type and size of industrial brownfields that are available for redevelopment also plays a
  role in determining the type of incubator and what uses are suitable.

# **Operational Decisions**

Throughout the process, project leads should consider various options for operating structure and funding sources to ensure long-term viability.

- Key operational decisions include who will own and manage the space, how will its ongoing
  or temporary operations be funded, and who will manage any accompanying marketing,
  maintenance, programs, and other business support operations.
- Stakeholders involved in the process may play an important support role and may potentially take on operations as the space is built and tenants move in.

