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Cooking Up Innovation: A Guide to Creating a Shared Commercial Kitchen Facility

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Abstract

Interest in locally grown food has skyrocketed in recent years. Those planning to enter this growing industry must comply with strict health and safety codes at the federal, state, and county level. One promising innovation for start-up food businesses is the creation of local shared commercial kitchen facilities, licensed spaces dedicated to the processing and production of food for retail sale. In 2014 University of Wisconsin-Extension - Eau Claire County opened a shared commercial kitchen facility at the Eau Claire County Exposition Center. This guide summarizes important lessons learned in order to facilitate replication by Extension professionals around the country.

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Introduction

Consumer interest in locally grown food has skyrocketed in recent years. According to the United States Department of Agriculture (USDA) Census of Agriculture (2014, 1999), direct farm-to-consumer sales of food exceeded \$1.3 billion over nearly 145,000 farms in 2012, representing a 61% increase over 2002 figures and a 325% increase over 1992 figures. Additionally, the USDA National Farmers Market Directory (2013) currently contains listings for 8,133 active farmers markets across the United States, representing an increase of 364% over the Directory's 19-year history. This increase in consumer demand reveals an expanding market for small farmers and entrepreneurs to process local food for sale.

Individuals planning to become part of this growing industry must comply with strict health and safety codes at the federal, state, and county level. One such restriction stipulates that prepared food sold to the public must be processed in a designated "commercial kitchen" space. Aside from limited exceptions, such as Wisconsin's "Pickle Bill," home kitchens are largely unsuitable for retail-scale food processing. Finding or establishing a certified commercial kitchen space represents a significant barrier to start-up food businesses and ultimately deters many new businesses from being formed.

One promising solution to this issue is the creation of local shared commercial kitchen facilities, licensed public spaces dedicated to the processing and production of food items for retail sale. These facilities can be rented by the hour, allowing entrepreneurs the opportunity to prepare their recipes in an approved, affordable location. By reducing barriers for start-up businesses, shared commercial kitchen facilities can facilitate local economic development and spur innovation.

Different kitchen facilities offer different resources to their tenants. Some basic kitchens provide only the space and equipment necessary for food production. Others, commonly called "incubator kitchens," provide additional support through on-site resources and consultation. Many kitchens offer community classes for those interested in learning cooking, food preservation, and nutrition skills. The flexibility a commercial kitchen space provides makes it a useful resource for Extension programming in a wide range of departments. Examples of Extension kitchen use include food service training among at-risk high school students (Conner, Estrin, & Becot, 2014), experiential cooking classes for low-income adults (Franck, Vineyard, Olson, & Peterson, 2012), and summer nutrition programs for youth (Guion, 1998).

In May 2014 University of Wisconsin-Extension - Eau Claire County opened a shared commercial kitchen facility at the Eau Claire County Exposition Center. The Expo Center is a county-owned building that previously contained an underused kitchen. The process involved collaboration with city, county, and state-level stakeholders and required roughly 1 year from start to finish (refer to Table 1 for our project timeline). This guide summarizes important lessons learned in order to facilitate replication by Extension professionals in other states.

Table 1.
Eau Claire, Wisconsin Project Timeline

Summer/Fall 2013	<ul style="list-style-type: none"> • Preliminary stakeholder meetings • Formation of working group • Kitchen location secured • Preliminary facility inspection by local health department • Revenue sources and management structure confirmed
Winter 2013- 14	<ul style="list-style-type: none"> • Completion of facility improvements recommended by local health department • Tenant requirements established • Costs of operation assessed • Price structure set

	<ul style="list-style-type: none"> • Applications, policies, and facility agreement drafted
Spring 2014	<ul style="list-style-type: none"> • Application, policies, and facility agreement approved by county legal authority • Final facility inspection by local health department

An Extension Professional's Guide to Establishing a Shared Kitchen Space

- 1. Take stock of stakeholders.** Hold preliminary informal meetings with local small business development agencies and local food organizations. These meetings help assess local needs and establish preliminary links for future tenant referrals.
- 2. Form a small core working group.** Our working group consisted of three committed individuals: the director of the Eau Claire County Exposition Center, our Horticulture Educator, and a yearlong AmeriCorps*VISTA volunteer.
- 3. Secure an underused kitchen location.** For example, the Eau Claire County Exposition Center was heavily used on weekends for weddings, family reunions, and community events, but during the week the space was underused. What connections can your Extension office draw upon?
- 4. Plan for long-term management and financial sustainability.** Determine revenue sources and management structure early in the planning process. Having these components in place will provide a strong foundation for the future of the kitchen.
- 5. Decide on the scope of your project, and don't be afraid to start small.** Assess the time commitment your office can easily take on, and look to outside partnerships to support remaining functions. For example, start-up business counseling is a time-intensive yet important component to the incubator kitchen model. Perhaps an Extension educator in your area has the time and expertise to provide small business development counseling to kitchen tenants. However, if this is not feasible, it may be possible to partner with an outside organization to provide that service.
- 6. Decide which pieces of equipment to invest in first.** Basic equipment, such as a stove, oven, refrigerator, and sinks, are essential. Your local health department may also recommend facility improvements that should be budgeted for. If finances permit, more specialized equipment can be purchased later if necessary. Research the types of equipment offered in similar-sized kitchens, and seek used equipment when available.
- 7. Consider storage options.** Proper cold and dry storage is a popular amenity that enables kitchen renters to keep ingredients, equipment, or finished products at the kitchen facility. Charging a fee for the convenience of storage can also bring in extra revenue for the facility. However, security is very important to prevent cross-contamination. Consider whether storage is an option at your facility.
- 8. Assess your true costs of operation and structure your prices accordingly.** Be sure to

consider the administrative costs of processing tenant applications and inspecting for damages and cleanliness after each rental period. Failing to take all costs into consideration can threaten the long-term sustainability of the kitchen. For our kitchen's price structure, please refer to Table 2.

9. Establish tenant requirements. Research local, state, and federal licensing requirements. Standard requirements include proof of sufficient insurance, copies of ServSafe Food Handler's certificates and the food processing license, and a brief orientation at the kitchen site. For more information, refer to Table 2.

10. Seek professional legal guidance. Legal counseling is advised when crafting kitchen applications, policies, and facility use agreements. Proper legal counseling can clarify liability concerns.

Table 2.

Eau Claire County Exposition Center Shared Kitchen Specifications

Price Structure	<p>Kitchen Rental: \$15/hour (minimum 4 hours) <i>½ hour allotted free of charge at end of rental, to allow for thorough cleaning</i></p> <p>Application Fee: \$125 (Business) / \$25 (Private)</p> <p>Security Deposit: 10% of total contract fee (\$100 minimum)</p>
Tenant Requirements*	<ol style="list-style-type: none"> 1. Kitchen Application Submitted and Fees Paid 2. Facility Use Agreement (Lease) Signed 3. Copy of ServSafe Food Handler's Certificate for each employee 4. Copy of Food Processing License 5. Proof of Insurance (Minimum \$300,000) 6. Brief Orientation at Kitchen <p>*Requirements vary by kitchen location. Please consult with local and state licensing agencies for specific information.</p>

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