



# OPENING COMMUNITY FACILITIES TO FOOD ENTREPRENEURS

**GUIDANCE FOR COMMUNITIES AND FACILITY OPERATORS** 



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Salt of the Earth Enterprise Kitchen (SEEK) at St. John's Episcopal Church, a program of The Council of Churches of Greater Bridgeport, Connecticut. Photo credit: Sara Johnson.

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### Introduction

Communities around the country are seeking innovative strategies for supporting their local economies through food entrepreneurship. Local food businesses can help create jobs, support local farms, build economic opportunities, and revitalize communities. For individuals facing economic and social barriers, food entrepreneurship can also offer a vital pathway to better financial prospects. However, a lack of access to affordable commercial kitchen space too often hampers entrepreneurial opportunities and creates hurdles for entrepreneurs and farmers interested in making value-added products. Communities are increasingly recognizing that kitchen access is an issue to address if they wish to advance local food-based economic opportunities.

Commercial kitchen access can feel like a "chicken and egg" problem for communities seeking to cultivate food entrepreneurship. Since food businesses need access to a licensed commercial kitchen to make products for sale, it is difficult to grow new businesses and value-added opportunities without affordable commercial kitchen space. However, a strong entrepreneurial base is needed to make a dedicated shared kitchen or kitchen incubator financially sustainable without operating subsidies.

Shared kitchens and incubators give entrepreneurs affordable, flexible use of a commercial kitchen to launch and grow their businesses. A shared kitchen is a licensed commercial space and equipment rented to multiple individuals or business entities to commercially prepare or handle food that will be offered for sale or distribution.¹ Kitchen incubators are similar but also offer assistance and services that help entrepreneurs succeed. Kitchen incubators are mission-driven entrepreneurial support organizations with kitchen facilities that support the growth of startup and emerging businesses for the benefit of the local economy, food system, and/or underserved entrepreneurs.²

Shared kitchens and kitchen incubators exist in communities throughout the U.S. and are structured in a variety of ways. They are for-profit, nonprofit and publicly owned, as well as developed through joint partnerships and sponsorships. They can be found in

Shared kitchens and incubators give entrepreneurs affordable, flexible use of a commercial kitchen to launch and grow their businesses.

urban, suburban and rural areas. Facilities in rural areas can be particularly helpful for farm-based food entrepreneurs and provide resources that may not otherwise be accessible to a region's rural farmers. The Vermont Food Venture Center is one such example.<sup>3</sup> This shared-use business incubator offers commercial kitchen space, processing, cold and dry storage, and business development and marketing services. It has served over 130 entrepreneur clients within a few

<sup>&</sup>lt;sup>1</sup>Adapted from definition in Shared Use Kitchens: A Policy Landscape Report. Colpaart, Ashley M., Grahn, Wendy, & Seymour, Devon. (2017). Shared-use Kitchens: A Policy Landscape Report. Fort Collins, CO: The Food Corridor. https://drive.google.com/file/d/0B6KNb3JpFJl8TlY1dmZMd0haNzg/view

<sup>&</sup>lt;sup>2</sup>Kitchen incubators are also known as "incubator kitchens," "culinary incubators," or "food business incubators." Definition adapted from *Shared Kitchen Toolkit*: Meader McCausland, Dawn, Miller, Rachael, Colpaart, Ashley & King, Meghan. (2018). *Shared Kitchen Toolkit: A Practical Guide to Planning, Launching and Managing a Shared-Use Commercial Kitchen*. Fort Collins, CO: The Food Corridor. <a href="https://drive.google.com/file/d/1AxPanVpXpElcJUVQjpkBAfjk4yFo-fEw/view">https://drive.google.com/file/d/1AxPanVpXpElcJUVQjpkBAfjk4yFo-fEw/view</a>

<sup>&</sup>lt;sup>3</sup> Vermont Food Venture Center, a program of the Center for an Agricultural Economy. <a href="https://hardwickagriculture.org/farmers-food-businesses/shared-use-commercial-kitchen">https://hardwickagriculture.org/farmers-food-businesses/shared-use-commercial-kitchen</a>

years' time. Organized as a nonprofit entity, it is considered a highly creative regional economic development partnership with Vermont state and local agencies.<sup>4</sup>

Shared kitchens and incubators are increasingly being recognized for their contributions to local food systems and economies. However, they are not attainable for all communities. The primary obstacle to their development is financial — these facilities are costly to build and challenging to sustain on rental revenue alone. As an alternative to building a dedicated kitchen facility, community stakeholders often wonder if existing, underutilized kitchens could be opened to food entrepreneurs.

Kitchens in community-serving facilities such as religious buildings, community centers, event centers, meal service facilities, schools, job training programs, granges, and clubs often sit idle much of the day and renting them to food businesses presents an efficient solution that can benefit both parties.

Community facilities that have been approached by entrepreneurs looking to rent kitchen time may wonder if sharing or repurposing their kitchens could provide new income and outreach opportunities. While renting out these community-serving kitchens makes intuitive sense from a community perspective, facility managers recognize that entrepreneurs have unique needs that are not always compatible with other uses. A lack of knowledge about which facilities are suitable and how to manage shared-use rentals has made many facilities hesitant to welcome food business renters.

This publication aims to provide practical guidance for community stakeholders and facility operators considering entrepreneurial uses of kitchens in community facilities such as places of worship, community halls, soup kitchens, event centers, and educational



Photo Credit: Oddfellows Hall, Eastsound, WA

buildings. It is intended as a starting point to help facilities evaluate kitchen rental opportunities and develop effective management strategies. The Guidance for Facilities section offers tips for understanding entrepreneur needs, assessing suitability and compatibility, developing management systems, and building successful partnerships.

This guide also highlights ways that community stakeholders, such as local leaders, food and agriculture groups, producer and business networks, economic development agencies, and microenterprise and entrepreneurial service organizations, can help expand access to these kitchens through outreach and support. It profiles a promising strategy for matchmaking entrepreneurs with community-based kitchens, known as Kitchen Connect programs.

Stakeholders play an important role in connecting these facilities and their clients to the larger entrepreneurial ecosystem in a community. While this guide is focused on leveraging community facilities as a strategy for expanding kitchen access, it is important to recognize that kitchen access alone is rarely enough to cultivate new, successful food businesses in a community. Stakeholders must also invest in fostering a strong ecosystem with entrepreneurial support services and market opportunities that help businesses overcome challenges and grow to be successful.

<sup>&</sup>lt;sup>4</sup> A case study of the Vermont Food Venture Center and its related partnerships can be found in: Phillips, Rhonda & Waring, Sarah. (2016). Food-based entrepreneurship. In Phillips, Rhonda & Wharton, Christopher (Eds.), *Growing Livelihoods, Local Food Systems and Community Development* (pp. 91-110). London: Earthscan.

# **Benefits and Limitations of Kitchens in Communities Facilities**

Kitchens in community-serving facilities such as religious buildings, community centers, event centers, meal service facilities, schools, job training programs, granges, and clubs are under-recognized resources for supporting entrepreneurship opportunities. These kitchens are often underutilized by their host organization, leaving many hours of the day available for potential use by entrepreneurs.

Leveraging these existing kitchen assets can be more efficient than building new facilities to serve entrepreneurs, particularly in communities with limited entrepreneurial activity and dispersed populations. However, entrepreneurs have specific needs that may not be compatible with every facility, and utilizing kitchens designed for other purposes can have important drawbacks. This section highlights a number of the benefits and limitations of using these kitchens as entrepreneurial support facilities.

# **Benefits of Utilizing Existing Community Facilities**

There are benefits for both facilities and entrepreneurial ecosystems that can be realized by pursuing greater access to community facilities. In addition to the potential to generate income for the facility, serving entrepreneurs gives facilities the chance to play an important role in fostering their local food economies.

## **Provides Community Outreach Opportunities for Facilities**

Supporting entrepreneurs and small local businesses can revitalize communities, foster economic opportunities, and rekindle a sense of pride in the community. Serving entrepreneurs, particularly those with limited resources or those facing barriers, can provide new outreach opportunities for mission-driven organizations



Facilities designed for emergency food programs, such as the one shown here operated by Opportunities Industrialization Center (OIC) of Washington, are often well-equipped with commercial kitchen equipment but may lack the storage space entrepreneurs need to prepare their products.

Photo credit: Dawn Meader McCausland

and religious congregations. Playing a role in helping individuals pursue their dreams can invigorate organizations and forge new connections between the facility and larger community.

## **Generates Income for Community Facilities and Programs**

Many of these facilities are in need of additional revenue to keep up with building maintenance and fund community-serving programs. Rental income, while generally modest, can help shore up struggling facilities and bring new life to underutilized neighborhood assets. Rentals can also provide financial support for vital community programs, such as emergency food services or training programs. Valuable synergies can also be created between entrepreneurs and other on-site activities through catering, events and cooking classes.

### Offers an Alternative to Building New Shared Commercial Kitchens

Using an existing kitchen can be an effective way to expand kitchen access in small or nascent entrepreneurial communities that may not have enough businesses to support a dedicated facility. Sharing underutilized kitchens is often the most viable way to increase kitchen access in areas with limited kitchen demand or insufficient leadership to support a new facility. Leveraging the capital already invested in the facility, and the facility's other sources of revenue or support, can help underwrite the costs of the kitchen. Existing kitchens can also be used to expand capacity when an incubator program outgrows its facility and wishes to serve additional clients.

## Lays a Foundation for Future Kitchen Investments

For communities aspiring to build a shared kitchen for entrepreneurs, expanding access to existing kitchens can be a low-risk way to gauge demand and learn about entrepreneurs' needs. Understanding the kinds of food businesses looking for space, their production needs, and the barriers they face can inform the design of future facilities and business support services in



With aspirations to develop a full-service incubator kitchen, The Well, a community development corporation in Akron, Ohio, began renting out its existing kitchen to food entrepreneurs on a limited basis while planning and fundraising for an expanded kitchen. Recognizing that its social enterprise, Compass Coffee, was only utilizing the kitchen during morning hours, The Well used the older kitchen as a testing ground to refine their long-term vision and gain tangible experience with managing shared-use rentals. This rental experience informed their kitchen design, management strategy, and understanding of Akron's entrepreneurial support needs. The Summit Kitchen Connect program provided entrepreneur referrals, guidance and sample documents that helped The Well make the leap. Through a partnership with Asian Service in Action (ASIA, Inc.), an experienced local microlender and social service organization, The Well received a **USDA Community Food Project grant** to build out the kitchen incubator, Akron Food Works, in 2019.

critical ways. Leveraging existing facilities first can free up stakeholders to focus on building local entrepreneurial ecosystems and support services that are vital for business growth. These support services can help cultivate a pipeline of potential kitchen clients to make a future facility more financially sustainable.

### **Expands Opportunities and Reduces Barriers**

Community facilities can also expand choices in places that already have shared kitchens or kitchen incubators. Facilities have different assets and having multiple kitchen options allows facilities to serve different needs. Multiple kitchen locations can also be more practical for communities with dispersed populations, limited transit, or traffic congestion. For entrepreneurs with limited resources, having rental options closer to where they live can reduce barriers and improve kitchen access. Hosting entrepreneurs in more neighborhoods also raises the visibility of entrepreneurship throughout the community and may help channel rental income into underserved areas that need investment.

# **Limitations of Existing Community Facilities**

While there are many benefits to opening community facilities to food entrepreneurs, kitchens designed for other purposes can have



Photo Credit: Compass Coffee, The Well

limitations that make them challenging for entrepreneurs to use. When compared to shared commercial kitchen facilities specifically designed for food businesses to share, community facilities typically have drawbacks. These limitations, described below, are most relevant when there are other shared commercial kitchens available (or contemplated) and the use of an existing community facility is being compared to other options. In communities where a dedicated shared kitchen is not yet viable, these facilities may still be the best option available.

#### **Availability**

Because community facilities often have other primary uses, the hours the kitchen is available to rent may be more limited or less reliable than in a dedicated shared kitchen facility, particularly during peak hours. After-hours access may not be practical for all facilities, particularly if the kitchen is embedded inside the facility and other areas cannot be easily secured.

#### **Capacity**

Because these kitchens were designed for other uses, such as meal service or light food prep, their layout often accommodates just one or two users at a time. This limits the number of entrepreneurs the kitchen can serve and its revenue potential. Single-user kitchens also lack the networking opportunities and sense of community that some entrepreneurs value in a coworking setting.

#### **Equipment**

Compared to kitchens designed for production, the equipment in community facilities may not be as efficient, reliable or high-performing. This is particularly true of smaller facilities designed for light, occasional use. Smaller capacity equipment, such as small mixers or ovens, can reduce productivity, making these kitchens less cost-effective for businesses looking to scale up. In addition, the variety of equipment may be limited, making it difficult for food entrepreneurs who need specialized equipment to use these kitchens.



Shared kitchens and kitchen incubators like those shown here are generally designed for efficient production. They typically offer multiple workstations, larger capacity commercial grade equipment, and often specialized equipment for bottling and packaging. Kitchens in community facilities that are designed for foodservice or light use may accommodate fewer entrepreneurs and be less efficient in comparison. (Top) Chef's Space, Louisville, Kentucky. (Bottom) **ETA's Commercial Kitchen Rental**, **Highland Park, Illinois.** 

#### **Storage**

Community facilities may not have adequate storage space for entrepreneurs to store ingredients, supplies and products on an ongoing basis. More information about storage is provided in later sections.

#### Continuity

Facilities with other primary uses naturally have competing needs and this can make them more vulnerable to disruptions in availability due to changes in the organization's financial circumstances, programs, or mission strategy. These disruptions or closures can negatively impact food businesses that rely on the space. Entrepreneurs and stakeholders may have little influence on the facility owner's decisions or priorities. Cultivating access to multiple facilities through outreach and Kitchen Connect programs (discussed in a later section) can help reduce the impact of a facility discontinuing rentals.

#### **Support**

Entrepreneurs with access to a network of supports and market opportunities are more likely to be successful. Kitchens run by organizations without expertise in business or the food industry may offer less support and guidance. Without other assistance, entrepreneurs in community facilities may struggle, or grow more slowly than they would in an incubation-type facility with integrated services. Investing in entrepreneurial support programs and cultivating relationships between these programs and kitchen facilities can help overcome these challenges.



Photo credit: Jodee Ellett

### The Unique Needs of Food Entrepreneurs

To evaluate which community facility kitchens are the right fit for food entrepreneurs, it is important to first understand what entrepreneurs are looking for in kitchen space and what makes renting to food businesses unique. Early stage food businesses generally book time on an hourly or daily basis, similar to event rentals. But they also have activities that extend beyond the rental period that necessitate an ongoing contractual relationship. These activities include licensing approval, monthly storage, and after-hours access. Kitchens often use the term "client" rather than "renter" to reflect this special relationship. The three most common entrepreneur needs (short rental periods, licensing approval, and storage space) are explored further in this section.

#### **Short Rental Periods**

Entrepreneurs and early stage food businesses typically need to rent kitchen space on a recurring basis for short periods, such as two, four or eight hours. The total amount of time they rent per month varies depending on their product, sales channels, and stage of business.

For example, a caterer may use the kitchen to prep for special events on an irregular schedule, while a baker might make goods to sell at a farmers market on the same day every week. Farmers looking to process agricultural products may need short-term, seasonal access to create value-added products.

As businesses become more established, they often use more consistent blocks of hours and may become anchor tenants who use 30 or more hours per week. Kitchens sometimes target their rentals to businesses at a particular stage, such as those that are just launching, or those who are more established, depending on their community impact and revenue goals.

Often a complementary mix of anchor tenants and startups with different product types is preferred.

Facilities with dining areas can also consider hosting pop-up restaurants or regularly scheduled food service, if permitting and zoning allows. For example, the Odd Fellows Hall in the small community of Eastsound on Orcas Island, Washington, hosts Chimaya Restaurant every weekday for lunchtime dining.<sup>5</sup> This arrangement provides the entrepreneur with an affordable place to test their restaurant concept. It also generates revenue to support the facility and furthers the voluntary society's mission to serve the community.

#### **Licensing Approval**

With the exception of states that allow certain low-risk foods to be made at home under "cottage food" laws, most food businesses need to obtain a license and use an approved commercial kitchen to sell food legally. In order for the business to be licensed, the kitchen must be inspected by the appropriate agency — typically the local health department or the state department of agriculture.

Licensing requirements can vary depending on the food products being made and how they are sold. They also vary between jurisdictions, making it impractical to summarize them here. In most states, each business renting the kitchen receives its own license regardless of any license that the facility holds for its activities. However, there are some jurisdictions where businesses may produce under the facility's license. Generally, once a business is licensed it cannot use another kitchen without obtaining a license in the new space. Informal food businesses that sell food in violation of licensing laws can face a variety of penalties.

<sup>&</sup>lt;sup>5</sup> Odd Fellows Hall, Eastsound, Washington. <u>http://www.oddshall.org/kitchenstuff.html</u>

Additional information about the licensing process, and other permits that may be required, is provided in the Guidance for Facilities section.

#### **Storage Space**

Most entrepreneurs need to store ingredients and products on-site between rental periods. Licensing requirements restrict off-site storage options and it can be impractical or expensive to buy new supplies each time, particularly if specialty or bulk-order ingredients are involved.

Cold, dry, and freezer storage is typically rented by the shelf on a monthly basis and can be an additional source of revenue for facilities. Storage is key for attracting steady clients, and a lack of storage will significantly limit rentals. Facilities without storage are generally only suitable for occasional use by certain types of very small businesses. More information about storage is provided in the Guidance for Facilities section of this guide.

#### **After-Hours Access**

Making the kitchen available to rent 24/7 provides flexibility to entrepreneurs and helps to maximize the use of the kitchen. Some community facilities limit access to times when building staff are present. However, restricting rentals to traditional business hours can significantly reduce the revenue potential.

Most kitchens provide after-hours access through a key, keypad and/or security system. Security cameras and monitoring systems are often used to prevent problems and improve accountability when staff are not present. An alternative approach used by facilities managed by Mi Kitchen Es Su Kitchen is to hire an on-site kitchen assistant and build the staff cost into the rental fees.<sup>6</sup> The kitchen assistant adds value by helping the business with food prep and cleaning, and also provides oversight of kitchen

use and sanitation. Hiring on-site staff is most practical when there are multiple, regular users in the kitchen at a time.

#### **Researching Local Needs**

In addition to these common needs, it is equally important to understand the unique needs and characteristics of businesses in the local community that are looking for kitchen space (such as types of products, stage of business, and growth goals). Some communities may have greater interest from food trucks and caterers while others may predominantly serve farmers looking to make value-added products. Understanding what entrepreneurs are making and at what scale will help facilities evaluate if their needs are compatible with those of the kitchen.

Stakeholders can play a role by studying the local entrepreneurial needs and sharing findings with community facilities. More detailed information about researching entrepreneur needs and managing shared use is available in the Shared Kitchen Toolkit: A Practical Guide for Planning, Launching and Managing a Shared-Use Commercial Kitchen.<sup>7</sup>



Odd Fellows Hall on Orcas Island, Washington, offers a kitchen and dining area that entrepreneurs like Mai Lan can use as a part-time café space.

<sup>&</sup>lt;sup>6</sup> Mi Kitchen Es Su Kitchen is an incubator kitchen management and consulting firm based in New York, New York. http://www.mikitchenessukitchen.com/index.html

<sup>&</sup>lt;sup>7</sup> Meader McCausland, Dawn, Miller, Rachael, Colpaart, Ashley, & King, Meghan. (2018). *Shared Kitchen Toolkit:*A Practical Guide to Planning, Launching and Managing a Shared-Use Commercial Kitchen. Fort Collins, CO: The Food Corridor. <a href="https://drive.google.com/file/d/1AxPanVpXpElcJUVQjpkBAfjk4yFo-fEw/view">https://drive.google.com/file/d/1AxPanVpXpElcJUVQjpkBAfjk4yFo-fEw/view</a>

### **Common Rental Management Approaches**

Successful kitchen rentals require an investment of time in client recruitment and kitchen management. There are several different ways to structure the kitchen rental management depending on the organization's goals and management capacity. While many facilities choose to manage rentals in-house, there are also third-party leasing and partnership arrangements, such as the Kitchen Connect model, that can help offset the workload and make it more feasible for small facilities with limited staff to offer rentals. The three most common management structures are described below, however, the options are not limited to these. Management approaches are continuing to evolve and there is considerable variation, particularly among facilities leveraging partnerships and technology to enhance their rental operations.

#### **Direct Rentals**

Facilities that already manage venue rentals, such as community and event centers, often work directly with entrepreneurs interested in renting the kitchen area. This gives the facility full control over the leasing process, including client approval and scheduling. These facilities often have on-site rental management staff who can create kitchen rental forms and policies, handle marketing, and manage scheduling, billing, policy enforcement, and facility maintenance.

Direct rentals are also more common in facilities looking to expand their mission impact by supporting entrepreneurs in their existing programs. For example, job training programs, culinary schools, or social service organizations may consider renting their kitchens to program participants interested in starting their own ventures. In addition to kitchen space, these programs sometimes offer incubation or business support services (such as start-up classes, accelerators, or business incubation



**Sonoma Community Center in** Sonoma, California, has successfully managed entrepreneur rentals of its **Rotary Kitchen for more than 15** years as part of its mission to serve the local community. The kitchen hosts a dozen small food businesses as well as cooking classes, catering, and concessions for events. The **Director of Events handles rental** inquiries, scheduling, billing, and oversight of kitchen cleaning and sanitation. Renovations to the kitchen in the Center's 101-year-old building were made possible through a generous grant from the local Rotary Club. In addition to enabling entrepreneur access, the kitchen upgrades have benefited other facility activities that involve catering and food service.

programs) to help client businesses become more successful. When client businesses are successful it has greater benefits for the community and results in more rental revenue and kitchen clients over time. The income earned from direct rentals varies considerably depending on several factors, including how desirable the space is, how many hours it is available, the rates charged, the competition, and how much marketing the kitchen does. Some community facilities bring in a few hundred dollars a month from a handful of clients, while well-designed, utilized and managed facilities can earn thousands each month. Kitchens that can accommodate more than one client at a time have the potential to earn considerably more than those renting to just one. Further information about how to get started with direct rentals is provided in the Guidance for Facilities section.

#### **Third-Party Leasing**

Managing hourly rentals can take time and not all facilities have the interest or capacity to manage a busy kitchen. In these circumstances it can be beneficial for facilities to seek a partner organization who can run the rental program (including any business assistance) as part of their mission. The third-party organization generally handles client recruitment, training, scheduling, and billing and may also manage cleaning and maintenance.

In this arrangement, the facility will usually lease the kitchen area to the third-party organization for a monthly rental fee. The organization then makes the kitchen available to entrepreneurs on an hourly or daily basis. The monthly rate negotiated with the third party is likely to be more modest than what the facility could potentially earn renting directly to entrepreneurs. However, these agreements bring predictable, steady income without day-to-day management responsibilities, which may be preferred for facilities with limited staff.

There is a wide range of organizations that have a stake in the success of small food businesses and may be interested in taking this role. These include entrepreneurial or microenterprise



Salt of the Earth Enterprise Kitchen (SEEK) has a shared rental agreement with St. John's Episcopal **Church in Bridgeport, Connecticut,** that ensures the church has access to the kitchen for its weekly soup kitchen and congregational activities.8 The kitchen is available for SEEK to rent to entrepreneurs outside of these times. The program is a project of the Council of **Churches of Greater Bridgeport** and is managed by their Center for **Food Equity and Economic Development (FEED). FEED's work** building "community wealth through innovative food-based initiatives" (including job training and entrepreneurial support) aligns with the church's community outreach goals.9

service providers, agriculture and food systems organizations, culinary training programs, and local economic development agencies. Identifying an interested and qualified program partner may involve networking, community engagement, or formal Request For Proposal (RFP) processes.

<sup>&</sup>lt;sup>8</sup> Council of Churches of Greater Bridgeport, Center for Food Equity and Economic Development, Bridgeport, Connecticut. <a href="http://feedbridgeport.ccgb.org/">http://feedbridgeport.ccgb.org/</a>

<sup>9</sup> http://feedbridgeport.ccgb.org/

Leasing to a third party can be a good option for facilities looking to repurpose kitchens they no longer use, such as institutions that have consolidated or outsourced their food services. Exclusive use arrangements can be more straightforward to negotiate and manage. However, shared use arrangements that ensure the facility owner has use of the kitchen for its own programs can also be negotiated. In this scenario, the facility owner will set aside specific times when the kitchen is reserved for the host organization's activities, such as religious services, trainings or meal services.

The contract between the facility and organization may be a formal lease or a facility use agreement, depending on the needs of the parties, the lease terms, and local laws. The use agreement may reserve kitchen time for the facility owner's use and place certain limitations on things like the types of activities allowed, number of users, use of non-kitchen areas, and after-hours access.

## **Kitchen Connect Programs and Other Support Partnerships**

Beneficial partnerships can also be created with organizations that provide guidance and support to small food businesses, such as entrepreneur service providers, local food groups, or initiatives such as Kitchen Connect programs. In addition to promoting client success, these partnerships can alleviate some of the workload for facilities in areas like marketing and client support.

Kitchen Connect programs are an emerging, promising partnership model that expands access to underutilized kitchens by assisting both entrepreneurs and community facilities through the rental process. The programs undertake community outreach to encourage community facilities to open to entrepreneurs and develop a network of available community-based kitchens. They then act as matchmakers

between entrepreneurs looking for space and facilities looking to rent their kitchens. Importantly, Kitchen Connect programs also offer guidance to both parties about the rental, licensing, and start-up processes.

The level of support these programs offer varies from limited to extensive. Some Kitchen Connect programs are predominantly information clearinghouses that facilitate rental relationships with online kitchen listings and sample documents. The Iowa Kitchen Connect program offers an online "Resource Oasis" for entrepreneurs to learn how to start a food business in the state, including licensing, insurance, and food safety guidance. For kitchens, they provide a suite of sample rental documents (such as applications, agreements, and sanitation procedures) to help them launch a rental program. The program is a project of Iowa Valley Resource Conservation and Development with funding from Iowa City, Johnson County, and the University of Iowa.<sup>10</sup>

Other programs, like Summit Kitchen Connect, offer referrals as well as staff that guide facilities through the development of a rental program. They provide information on licensing, sample documents for facilities, and online kitchen listings for eight participating kitchens in Summit County, Ohio. In addition to helping entrepreneurs connect with kitchens, staff offer personalized guidance on the steps to starting a food business as well as referrals to other community resources. The program is run by the Summit Food Coalition with support from Fund for Our Economic Future.<sup>11</sup>

The most robust Kitchen Connect programs offer a suite of business incubation services for clients who rent space from affiliated kitchens. Eastern Market was the first to develop the Kitchen Connect model — Detroit Kitchen Connect — in an effort to support entrepreneurs

<sup>&</sup>lt;sup>10</sup> lowa Kitchen Connect, a program of Iowa Valley Resource Conservation and Development, Amana, Iowa. https://iowakitchenconnect.com/.

<sup>&</sup>quot;Summit Kitchen Connect, a program of Summit Food Coalition, Akron, Ohio. https://www.summitfoodcoalition.org/sfc-kitchen-connect/



Christ Church Episcopal in Hudson, Ohio, became aware of the need for kitchen access through outreach by Summit Kitchen Connect. Thanks to the support from Summit Kitchen Connect, the church received referrals of entrepreneurs who already had a clear vision for their business and knowledge about the licensing processes. Minimal upgrades to the kitchen were required by licensing, primarily in sanitation improvements that benefit all church uses. Schedule and storage constraints limit the number of entrepreneurs the church can serve and the revenue it earns. However, the support Christ Church Episcopal received from Summit Kitchen Connect made it easier for the congregation to offer kitchen rentals as a community outreach activity.

and revitalize Detroit neighborhoods. Clients go through a required workshop and apply to join the incubation program, which offers personalized guidance throughout the early stages of business. Clients are referred to kitchens once they are ready and have obtained their business licenses, insurance, and food safety training. Staff walks them through the licensing process and supports both parties until the client business is ready to graduate from the incubation program.<sup>12</sup>

Kitchen Connects GSO is a short-term incubator program that offers services to entrepreneurs in coordination with two local kitchens. The program focuses specifically on low-risk packaged food products that feature locally-sourced ingredients. Participants apply to join and receive food safety training, a Business 101 course, access to a kitchen, marketing guidance, and three opportunities to sell at the popular Greensboro Farmers Curb Market. The program is a partnership between the Market, the two participating kitchens — Guilford County Cooperative Extension's Shared Use Kitchen and Out of the Garden Project (a food security program) — and the City of Greensboro.<sup>13</sup> Initial funding came from a USDA Local Food Promotion Program (LFPP) grant.<sup>14</sup>

<sup>&</sup>lt;sup>12</sup> Detroit Kitchen Connect, a program of Eastern Market Corporation, Detroit, Michigan. https://detroitkitchenconnect.com/

<sup>&</sup>lt;sup>13</sup> Kitchen Connects GSO: <a href="https://www.kitchenconnectsgso.com/">https://www.kitchenconnectsgso.com/</a>

<sup>&</sup>lt;sup>14</sup> Local Food Promotion Program: <a href="https://www.ams.usda.gov/services/grants/lfpp">https://www.ams.usda.gov/services/grants/lfpp</a>

While the service models vary, the common thread between Kitchen Connect programs is their goal of facilitating access to community-based kitchens and reducing barriers for entrepreneurs. Unlike third-party leasing, Kitchen Connect programs facilitate but do not manage rentals. The facility collects and retains rental revenues, and handles day-to-day kitchen management, such as scheduling, policy enforcement, and maintenance. In taking a support role, Kitchen Connect programs are mindful of the autonomy of both rental parties and seek to empower them to create effective working relationships.

The relationship between the kitchens and a Kitchen Connect program is sometimes formalized into agreements or memorandums of understanding, depending on the amount of cooperation involved. If the degree of coordination is limited, informal referral relationships or simple kitchen listing agreements may be sufficient.

Currently most Kitchen Connect programs are supported by grants and revenues from other sources rather than fees collected from kitchens or entrepreneurs. There is the potential for programs to create revenue-sharing or fee agreements with the facilities to offset the cost of providing services that benefit the facility, such as marketing and licensing support.

Alternative funding possibilities include a client membership or referral fee, sponsorships, or financial partnerships with public, nonprofit, or for-profit entities interested in supporting economic growth and local food. New Kitchen Connect programs should develop a sustainability plan to ensure services continue after initial funding ends.

#### **Crafting the Right Approach**

When determining which management approach to adopt, the facility will want to evaluate its mission-related and financial goals, consider its management capacity, and explore partnership opportunities that may exist in the community. From a community impact perspective, entrepreneurs benefit from access to a team that is connected to the food industry and motivated to help them overcome challenges. Facilities with limited management capacity or expertise in business or the food industry may prefer to lease to a third party or develop support partnerships that can help guide entrepreneurs through the start-up process. If a Kitchen Connect program is not available, other stakeholder groups, such as entrepreneurial support organizations, microenterprise organizations, small business development centers, and various food systems groups, may be able to provide similar support to entrepreneurs.



Photo credit: Jodee Ellett

### **Guidance For Facilities**

Practical information for establishing a successful kitchen rental program

# Evaluating the Opportunity to Rent to Food Business

Before welcoming entrepreneurs, facilities should evaluate whether the kitchen is suitable and likely to meet the organization's impact and revenue goals. This requires gaining insight about the local small food businesses looking to rent space, researching licensing and regulatory requirements, and assessing the kitchen assets and their condition. This research will help the facility determine if kitchen rentals are permitted and, if so, evaluate the revenue potential and likely return on investment for any necessary kitchen improvements.

# **Understand the Needs and Competition**

When considering whether to rent to food entrepreneurs, it is important to take time to understand what types of clients the kitchen will serve and how much need there is for kitchen space. The goal is to get a picture of the how many businesses are looking for kitchen space, what they are making, their scale of production, how much kitchen time they need, and what other kitchen choices they have in the community. This information will help management assess compatibility concerns and revenue potential. It is best to do outreach directly to

entrepreneurs through surveys, meetings, and interviews. Reaching out to business service providers can also provide valuable insights as well as network building opportunities. Guidance for conducting market research is provided in the *Shared Kitchen Toolkit*.<sup>15</sup>

Facilities should also consider how the facility fits in with other kitchens and support resources in the community. Check out other kitchens that are available to rent, what they offer, and what they charge. Kitchen listing services and classified ads can help managers identify similar kitchens. Look for opportunities to differentiate the facility from other kitchens based on its unique assets, such as location, equipment, amenities, availability, etc.

Reflecting on the value the kitchen provides to clients will help management position it to attract and retain clients. Some facility characteristics may be desirable to certain types of businesses, even those that might be seen as a limitation for the facility. For example, smaller community facilities that are rented to one user at a time may be preferred by businesses with special production needs (such as odor, temperature, or allergen control), and those that have not warmed up to the idea of coworking and prefer to work alone.

<sup>&</sup>lt;sup>15</sup> Meader McCausland, Dawn, Miller, Rachael, Colpaart, Ashley, & King, Meghan. (2018). *Shared Kitchen Toolkit*: A Practical Guide to Planning, Launching and Managing a Shared-Use Commercial Kitchen. Fort Collins, CO: The Food Corridor. <a href="https://drive.google.com/file/d/1AxPanVpXpElcJUVQjpkBAfjk4yFo-fEw/view">https://drive.google.com/file/d/1AxPanVpXpElcJUVQjpkBAfjk4yFo-fEw/view</a>

<sup>&</sup>lt;sup>16</sup> Examples include: thekitchendoor.com, culinaryincubator.com, commercialkitchenforrent.com, cookithere.com, craigslist.org and offerup.com. Authors make no endorsement.

#### Research Licensing and Regulatory Requirements

Consulting with the local licensing bodies should be among the first tasks the facility does to determine whether renting to food entrepreneurs is viable in a given facility. The local health department and the state department of agriculture may both need to be involved if the facility plans to rent to both foodservice and packaged/value-added food businesses. The requirements can differ depending on what is being made and where it is sold, so it is valuable to know what types of clients the facility hopes to accommodate before reaching out to licensing agencies.

The licensing agencies will conduct inspections to identify any necessary improvements or upgrades needed to meet licensing standards. Each jurisdiction is unique in its requirements and the two agencies may have different requirements for the equipment, materials, and layout of the kitchen. Inspectors will evaluate whether there are adequate sinks, proper ventilation, cleanable surfaces, adequate refrigeration, and pest control. They will also assess the condition of key equipment, sanitation policies, and other food safety practices necessary to prevent potential hazards. If the



Photo credit: The Well

kitchen is in a rural area served by a well or septic system, additional water testing and system upgrades may be necessary.

In addition to food safety license approval, the facility may also need approval from a variety of other local, regional or state agencies, depending on local requirements and the extent of repairs and renovations involved. These can include:

- Fire inspectors
- Building inspectors
- · Wastewater management agencies
- City planning/zoning departments
- Business licensing departments

In some cases, renting space to entrepreneurs may be considered a new use or business activity that requires special land use approval. Facilities located outside of commercial business zones may face greater hurdles. Planning and zoning departments may be unfamiliar with this type of mixeduse, multi-tenant activity happening in a community facility. Education and outreach may be necessary to help regulatory agencies understand the community benefits and the scale of commercial activity occurring on-site so they can determine the appropriate classification.<sup>17</sup>

### Assess the Kitchen's Assets and Their Condition

An inventory of the kitchen's assets should be taken to understand what the kitchen offers and to help position it to attract clients. Kitchens may lend themselves to certain types of processes depending on the equipment available. A complete list of the facility's equipment, amenities, and services

<sup>&</sup>lt;sup>17</sup> Additional guidance on working with regulatory agencies can be found in the Facility Design and Development chapter of the *Shared Kitchen Toolkit*. Meader McCausland, Dawn, Miller, Rachael, Colpaart, Ashley, & King, Meghan. (2018). *Shared Kitchen Toolkit*: A *Practical Guide to Planning*, *Launching and Managing a Shared-Use Commercial Kitchen* (pp. 102-120). Fort Collins, CO: The Food Corridor. <a href="https://drive.google.com/file/d/1AxPanVpXpElcJUVQjpkBAfjk4yFo-fEw/view">https://drive.google.com/file/d/1AxPanVpXpElcJUVQjpkBAfjk4yFo-fEw/view</a>

should be made available to potential clients and referral partners. The kitchen's assets, such as equipment, storage space, and mechanical systems should be evaluated to determine whether additions, repairs, or upgrades will be needed. Plumbing and electrical systems may also require upgrades to ensure they can accommodate increased usage, particularly if new equipment will be added.

Depending on the condition of the kitchen, the investment needed to bring an existing kitchen up to the standards for commercial food production can be sizeable. Kitchens that have not been upgraded for many years may require repairs and improvements in order to meet licensing requirements and current codes. They may also be less attractive to clients if newer or betterequipped kitchens are available in the area.

#### **Equipment**

A complete set of reliable, basic equipment is critical. Essential kitchen equipment generally includes the following, although facilities with smaller capacity equipment may still be useful to some entrepreneurs:

- Stove with 6-8 burners and chargrill or flat top
- Commercial oven (such as convection, double stack convection, or baking deck oven)
- Commercial refrigerator (with space available for storage)
- Commercial freezer (with space available for storage)
- Dry storage (metal shelf units, cupboards or subdivided closets)

If equipment or systems are older or not used regularly, getting assessments early in the process will help facility owners determine their condition and whether it is feasible to move forward. Detroit Kitchen

Connect has found that the religious and community buildings they partner with typically require \$5,000-\$10,000 of upgrades before they can meet licensing standards and basic equipment needs of entrepreneurs. However, costs vary and can exceed this average.

It can be difficult for facilities to justify repairs or upgrades that may be needed if the revenue generated by clients will not provide a return on investment over a reasonable period of time. Therefore, it is important to research the demand for kitchen space, the types of users, the specific licensing requirements, and the revenue potential, to evaluate which kitchen investments make sense. In some cases, a particular upgrade may only be required by one of the licensing agencies (the health department or the department of agriculture) and a kitchen can pilot a rental program by first renting to entrepreneurs that do not need that license.

The facility may also consider applying for grants or loans, pursuing equipment donations, or creating crowdfunding campaigns to offset improvement costs. Detroit Kitchen Connect has helped participating churches and community facilities identify public and philanthropic grants to cover some of the costs of kitchen improvements.

Specialized and higher capacity equipment can give a kitchen a competitive edge and attract specific types of clients, such as bakers or bottled product makers. However, it is best to assess the demand for specialized equipment before making large investments. Some shared kitchens charge an extra fee for use of special equipment. Others allow clients to bring in their own specialized equipment and store it on-site for a monthly fee, if space allows.

#### **Storage**

Adequate storage is key to attracting steady users. The number of regular clients that a kitchen can accommodate is often limited by the amount of storage it can provide. If monthly storage is not offered, rentals are more likely to be sporadic and short term, reducing the income the facility earns.

Finding space to accommodate storage can be a challenge for community facilities with small kitchens or multiple uses. Sometimes it may be necessary to convert other areas near the kitchen into storage by bringing in additional refrigerators, freezers, shelving, cabinets, and doors. Secure access storage areas and locked storage cages for each client can help prevent loss or misuse of goods.

Kitchens often rent dry, refrigerated, and freezer storage by the shelf for a set monthly fee. Monthly storage rental rates generally range from \$10-\$50 per shelf, depending on the market. Sometimes kitchens prefer to bundle a basic amount of storage into a monthly rental package.

#### **Parking and Access**

It is important to consider the logistics of how clients will load and unload goods from the parking areas. Is there adequate parking on-site? Are there obstacles to unloading, such as stairs? Can goods be moved without disrupting other facility activities? Are there secure parking areas that could be rented out to food trucks or trailers? Is the location accessible to transit? Is it close to wholesale suppliers or farmers markets?

#### Receiving

If the facility has reception staff during normal business hours, it may consider offering package receiving as an additional service. Some facilities charge for this while others include it in their rental fees.



Example of metal storage shelf systems commonly used by shared kitchens.



Locked storage shelves are ideal for unsecured storage rooms.

Photo credit: Jodee Ellett

Photo credit: Jodee Ellett

#### **Evaluate Financial Goals**

Facilities seeking to generate income from rentals should develop financial estimates to evaluate whether they are likely to meet their financial goals. This includes estimating revenues based on anticipated rental hours and comparing that to anticipated increases in operating costs, such as higher utility expenses. There are a number of factors that play a role in how much revenue a kitchen earns, including the rate charged, the hours the kitchen is available, the number of concurrent users that can be accommodated, and ancillary income such as storage rentals. Additional information about developing rental rates and fees is provided in the following section.

When estimating revenue, it is important to be realistic about how many hours the kitchen is likely to be rented (referred to as utilization). The kitchen will likely only be rented for a fraction of the number of hours it is available, particularly if it is available 24/7. Kitchen utilization is most impacted by market demand, how desirable the kitchen is, kitchen availability, rental rates, sanitation practices, management, competition, and marketing. The amount of marketing and networking the kitchen does can have a significant impact on how much it is utilized.<sup>18</sup> It can take time to build a strong base of regular kitchen users, so it is wise to reduce estimates for the first couple years.

If the facility will be making investments in upgrades it may also need to evaluate the return on investment for those improvements, as discussed earlier. Facilities may wish to factor in how kitchen upgrades may benefit other kitchen uses or enable

other income-generating activities, such as special event rentals.

Entities that are tax-exempt should consult with an accountant and lawyer about the tax implications of kitchen rental revenue on the organization or facility's not-for-profit status. They should seek to understand any restrictions on revenue-generating activities as well as any new tax reporting or remittance requirements.

### Five Key Steps to Getting Started Renting a Kitchen

Once the facility has decided to offer kitchen rentals directly to entrepreneurs it must set up management systems to keep the kitchen running smoothly. There are five key steps involved launching a rental program:

- 1. Determine kitchen rental rates
- 2. Set up scheduling and billing systems
- 3. Develop management policies and procedures
- 4. Take measures to protect the facility
- 5. Market, network, and build community

This section provides an overview of these steps, but further guidance on kitchen management can be found in the *Shared Kitchen Toolkit.*<sup>19</sup>

## **STEP 1: Determine Kitchen Rental Rates**

Kitchen rental rates vary depending on what the facility offers and the local rental market. If there are other rental kitchens in the area, conducting research on what they offer and what they charge will help the facility

<sup>&</sup>lt;sup>18</sup> Additional information on marketing is provided in Step 5: Market, Network and Build Community in the next section, Five Key Steps to Getting Started Renting a Kitchen.

<sup>&</sup>lt;sup>19</sup> Meader McCausland, Dawn, Miller, Rachael, Colpaart, Ashley & King, Meghan. (2018). Shared Kitchen Toolkit: A Practical Guide to Planning, Launching and Managing a Shared-Use Commercial Kitchen. Fort Collins, CO: The Food Corridor. <a href="https://drive.google.com/file/d/1AxPanVpXpElcJUVQjpkBAfjk4yFo-fEw/view">https://drive.google.com/file/d/1AxPanVpXpElcJUVQjpkBAfjk4yFo-fEw/view</a>

determine competitive rates. Online kitchen listing services and local classified services are all good places to start.<sup>20</sup>

Most rental kitchens have an average hourly rate between \$10 and \$40 with rates near \$20 being the most common. Betterequipped facilities with specialized equipment often charge more than those with only basic equipment. Kitchens serving low-income entrepreneurs sometimes have lower rates subsidized by grants.

There are a variety of ways to structure rental rates. Hourly rates are most common but daily, monthly and package/bundle rates are also used by many kitchens. Some kitchens opt to create several options to appeal to different users, such as lower off-peak rates for overnight hours, hourly rates for occasional users, and monthly packages for regular users. However, more rental options can make tracking and bookkeeping more complex.



Photo credit: Odd Fellows Hall, Eastsound, Washington

Salt of the Earth Enterprise Kitchen (SEEK) offers packages of rates based on the number of hours used per month. The hourly rate decreases by 25% as the number of hours increases from four to 24 hours per month. Kitchen time is booked in four-hour increments to make sure each client has adequate time to set up, cook, and clean before the next reservation.<sup>21</sup> Kitchens participating in Detroit Kitchen Connect offer bookings on an hourly basis with similar rates. The program also offers lower scholarship rates to those who qualify. Mi Kitchen Es Su Kitchen books rentals for eight-hour periods with lower rates for overnight, off-peak times.

There are a variety of other fees and deposits the facility should consider as part of its management strategy. These include application fees, cancellation fees, cleaning fees, special equipment fees, and deposits. The facility should also identify what is included in the rental fees, such as cleaning supplies and paper products, and what is charged separately, such as storage. The *Shared Kitchen Toolkit* provides additional guidance on developing rates and fees.<sup>22</sup>

# STEP 2: Set up Scheduling and Billing Systems

One of the primary challenges community facilities face is balancing rentals with other uses. These facilities often juggle the needs of multiple, regularly scheduled programs, as well as special event rentals. They may also need the flexibility to accommodate last-

<sup>&</sup>lt;sup>20</sup> Examples include: thekitchendoor.com, culinaryincubator.com, commercialkitchenforrent.com, cookithere.com, craigslist.org and offerup.com. Authors make no endorsement.

<sup>&</sup>lt;sup>21</sup> See the current fee schedule and additional kitchen information in SEEK's listing on The Kitchen Door: <a href="https://www.thekitchendoor.com/kitchen-rental/salt-of-the-earth-enterprise-kitchen-st-johns-episcopal">https://www.thekitchendoor.com/kitchen-rental/salt-of-the-earth-enterprise-kitchen-st-johns-episcopal</a>

<sup>&</sup>lt;sup>22</sup> Meader McCausland, Dawn, Miller, Rachael, Colpaart, Ashley & King, Meghan. (2018). Shared Kitchen Toolkit: A Practical Guide to Planning, Launching and Managing a Shared-Use Commercial Kitchen. Fort Collins, CO: The Food Corridor. <a href="https://drive.google.com/file/d/1AxPanVpXpElcJUVQjpkBAfjk4yFo-fEw/view">https://drive.google.com/file/d/1AxPanVpXpElcJUVQjpkBAfjk4yFo-fEw/view</a>



Photo credit: Jodee Ellett

minute requests for funerals, shelter services, and community meetings. Therefore, schedule management is one of the most important functions in kitchen management.

Setting up an efficient scheduling system is key to avoiding conflicts and ensuring accurate billing. Online scheduling tools can streamline the process, allow multiple users to access the calendar remotely, and cut down on the staff time devoted to scheduling. Integrated calendar and billing systems, such as The Food Corridor, can reduce the workload further by automating payment and billing functions. Regardless of the system or technology used, kitchens should implement careful tracking of kitchen bookings.

Some kitchens opt to require a minimum number of hours per booking to make it more cost effective for the facility and reduce the likelihood of rentals running over their reserved time. It is always important to consider how the facility will track if a user stays longer than their reserved period. Access codes/cards, login sheets and cameras are often used to track the actual time in the kitchen.

Kitchens sometimes establish a minimum number of hours the kitchen must be rented in a month or season in order to discourage clients from using the kitchen to obtain a license but then cooking at home instead. Monitoring client kitchen usage, and their license status, in coordination with the health and agriculture departments is important for food safety and licensing approval.

### STEP 3: Develop Management Policies and Procedures

In addition to scheduling and billing, facilities should make sure they have procedures in place for managing day-to-day tasks and after-hours issues, such as responding to rental inquiries, enforcing sanitation, attending licensing inspections, addressing equipment failures, and scheduling routine maintenance of equipment.

Facilities with limited staff, committee-led decision-making structures, or volunteer-run operations can face special challenges in keeping up with day-to-day management in a timely manner. These organizations should consider hiring staff to manage the rental program, explore third-party leasing arrangements, or delegate responsibilities and decision-making to streamline the management process.

Comprehensive user agreements, policies and procedures ensure that the expectations are clear and any prohibited activities are understood by clients. These policies often include how to clean and sanitize properly, how to properly dispose of waste, access and closing procedures, maintenance reporting, emergency protocols, termination policies, and preferred communication methods. They may also specify areas the client is restricted from accessing, whether any equipment may be left unattended, whether sales or pickups can be offered

on-site, and restrictions on guests and children in the kitchen. The Resources at the end of this guide provide links to sample documents and the *Shared Kitchen Toolkit*, which further describes important policies and procedures.

Developing clear, fair policies and enforcing client responsibilities creates a foundation of understanding and accountability.

Conducting an orientation with new clients to review policies and provide training on proper equipment use and cleaning procedures can set the tone for responsible kitchen use. Creating a culture of cooperation inside a shared kitchen takes intention and a commitment to building goodwill and accountability among all kitchen users.

## STEP 4: Take Measures to Protect the Facility

Facility operators are naturally concerned with how to protect the property and avoid damage. There are a variety of risks that owners should take steps to address. These include property damage, theft, fire, food contamination, and physical safety. These risks can be mitigated through safety precautions (such as locks, entry tracking systems, and security cameras), adequate insurance, security deposits, proper sanitation, and clear policies and contracts.

Facilities should review their insurance policies carefully to ensure they have adequate coverage for these types of rentals. Most facilities require that clients have a minimum amount of liability insurance and list the facility as a named insured on their policy.

Cameras can be helpful for a variety of issues, including clarifying circumstances if

equipment fails, identifying any misuse of supplies, monitoring cleaning and sanitation practices, and verifying if clients overstay their reserved times.

## STEP 5: Market, Network and Build Community

Marketing the kitchen's availability and what it offers will help the kitchen be discovered by entrepreneurs searching for space. The kitchen can attract clients by advertising kitchen rentals on the facility's website as well as in classified ads and kitchen listing services.<sup>23</sup> Entrepreneurs will want to know basic rental information such as:

- Available equipment
- Storage availability and rates
- · Kitchen rental hours
- Rental rates
- License approvals
- Special features or restrictions
- Insurance requirements
- Contact information

Organizations may also wish to post inquiry forms, applications or policies and procedures on their website to streamline the screening and onboarding process.

Building relationships with the larger community, entrepreneurial support organizations, and local food groups can help strengthen the facility's rental program and attract new clients. Outreach to develop reciprocal referral relationships with the

Developing clear, fair policies and enforcing client responsibilities creates a foundation of understanding and accountability.

<sup>&</sup>lt;sup>23</sup> Examples include: thekitchendoor.com, culinaryincubator.com, commercialkitchenforrent.com, cookithere.com, craigslist.org and offerup.com. Authors make no endorsement.

following types of organizations can help foster a thriving client community over time:

- Local Small Business Development Centers (SBDCs)
- Microenterprise organizations
- Local economic development agencies
- Chambers of commerce
- Local business networks
- Culinary schools
- Food hubs
- Farmers markets
- Producers networks
- Food policy councils
- Local Extension offices
- Social media groups focused on local food and businesses

A kitchen's connectedness and sense of community can become one of its greatest assets, drawing new clients, partnerships and funding to the facility. Successful kitchens invest in building networks and community inside and outside of the kitchen for the benefit of their clients and their organization. Facilities that are open and connected can

play a vital role in nurturing thriving local food economies and their kitchens can become fertile ground for entrepreneurial dreams.

Community facilities and stakeholders are also encouraged to connect with local Extension offices and national food and incubation networks that can support them in their efforts to serve food entrepreneurs and farmers. These organizations provide guidance, research, and learning opportunities that can strengthen a kitchen's operations and community impact. Links to organizations and reference materials (such as guides, policy studies, and sample kitchen rental documents) are provided in the Resources section. Additional information on shared-use kitchens and local food economies can be found on the Purdue Extension Local Food Program website.24

The final section below highlights actions community stakeholders can take to support facilities and improve kitchen access for entrepreneurs in their communities.

<sup>&</sup>lt;sup>24</sup> Purdue Extension Local Food Program: <a href="https://www.purdue.edu/dffs/localfood/">https://www.purdue.edu/dffs/localfood/</a>

### **Ways Stakeholders Can Help**

Community stakeholders such as economic development organizations, entrepreneurial service organizations, food systems groups, community foundations, and state and local government agencies, can play an important role in encouraging community facilities to serve entrepreneurs. Three strategies showing success are kitchen outreach, grant or loan funds, and simplifying kitchen regulations.

#### **► KITCHEN OUTREACH**

- Share information with facilities about how renting the kitchen to entrepreneurs can benefit the facility, small food businesses, and the community as a whole to help them recognize the opportunity.
- Research the need for kitchen access among entrepreneurs and raise awareness of the challenges they face.
- Share resources and sample documents to help bridge the knowledge gap and make it easier for facilities to get started.
- Encourage interested facilities to list on kitchen rental sites or local classified services so they can be found by entrepreneurs.

## ► GRANT OR LOAN FUNDS FOR COMMUNITY FACILITIES

 Create a facility repair grant or low-interest loan program to help community facilities pay for upgrades needed to accommodate businesses and meet licensing requirements.

- Matching grants may help encourage facilities to make larger investments in improvements.
- Engage local foundations, public sector partners, food systems organizations, and local food and business investment groups to identify potential funders or grant administrators.

#### ► CLARIFYING AND STREAMLINING REGULATIONS

- Review current policies and requirements to identify potential barriers to small-scale commercial use of these kitchens.
- Revise zoning or land use codes to specifically permit rentals in designated areas or under specific conditions.
- Publish guidance for navigating the various requirements to simplify the process and reduce the cost, time, and uncertainty involved.

### **Resources:**

#### **Shared Kitchen Guidance:**

Meader McCausland, Dawn, Miller, Rachael, Colpaart, Ashley & King, Meghan. (2018). Shared Kitchen Toolkit: A Practical Guide to Planning, Launching and Managing a Shared-Use Commercial Kitchen. Fort Collins, CO: The Food Corridor. <a href="https://drive.google.com/file/d/1AxPanVpXpElcJUVQjpkBAfjk4yFo-fEw/view">https://drive.google.com/file/d/1AxPanVpXpElcJUVQjpkBAfjk4yFo-fEw/view</a>

International Business Innovation Association. Building Sustainable Food Incubators and Accelerators online course (fee required). <a href="https://inbia.org/training-and-education/specialty-courses/">https://inbia.org/training-and-education/specialty-courses/</a>

National League of Cities. (2016). *Municipal Action Guide: Food-Based Business Incubator Programs*. Washington, DC: Robbins. <a href="https://www.nlc.org/sites/default/files/2017-02/Food-Based\_Business\_Incubator\_Programs.pdf">https://www.nlc.org/sites/default/files/2017-02/Food-Based\_Business\_Incubator\_Programs.pdf</a>

#### **Organizations:**

Network for Incubator and Commissary Kitchens (NICK). https://www.facebook.com/groups/NICKitchens/

International Business Innovation Association (InBIA). https://inbia.org/

National Good Food Network (NGFN). http://www.ngfn.org/

Purdue Extension Local Food Program. https://www.purdue.edu/dffs/localfood/

#### **Sample Rental Documents:**

Iowa Valley Resource Conservation & Development, Iowa Kitchen Connect. <a href="https://iowakitchenconnect.com/">https://iowakitchenconnect.com/</a> <a href="https://iowakitchenconnect.com/">how-to-rent-your-kitchen/</a>

Out of the Garden Project (kitchen partner in Kitchen Connects GSO program). <a href="http://www.outofthegardenproject.org/shared-use-kitchen/shared-use-community-kitchen-resources/">http://www.outofthegardenproject.org/shared-use-kitchen/shared-use-community-kitchen-resources/</a>

Summit Food Coalition, Summit Kitchen Connect. https://www.summitfoodcoalition.org/sfc-kitchen-connect/

The Food Corridor collection of sample kitchen policies and procedures. <a href="https://drive.google.com/drive/folders/0Bwt1RSKcnLc1cEw3Q0JvbmFGYmM">https://drive.google.com/drive/folders/0Bwt1RSKcnLc1cEw3Q0JvbmFGYmM</a>

#### **Food Policy and Planning Resources:**

Colpaart, Ashley M., Grahn, Wendy, & Seymour, Devon. (2017). *Shared-use Kitchens: A Policy Landscape Report*. Fort Collins, CO: The Food Corridor. <a href="https://drive.google.com/file/d/0B6KNb3JpFJl8TlY1dmZMd0haNzg/view">https://drive.google.com/file/d/0B6KNb3JpFJl8TlY1dmZMd0haNzg/view</a>

Growing Food Connections, Local Government Food Policy Database. Hosted by State University of New York at Buffalo. <a href="http://growingfoodconnections.org/tools-resources/policy-database/">http://growingfoodconnections.org/tools-resources/policy-database/</a>

Pansing, Cynthia, Fisk, John, Muldoon, Michelle, Wasserman, Arlin, Kiraly, Stacia, & Benjamin, Tavia. (2013). *North American Food Sector, Part One: Program Scan and Literature Review*. Arlington, VA: Wallace Center International. http://www.wallacecenter.org/cityfoodsectorscan/

Pansing, Cynthia, Fisk, John, Muldoon, Michelle, Wasserman, Arlin, Kiraly, Stacia, & Benjamin, Tavia. (2013). *North American Food Sector, Part Two: A Roadmap for City Food Sector Innovation & Investment*. Arlington, VA: Wallace Center International. <a href="http://www.wallacecenter.org/cityfoodsectorscan/">http://www.wallacecenter.org/cityfoodsectorscan/</a>

Urban Land Institute. (2016). *Cultivating Development: Trends and Opportunities at the Intersection of Food and Real Estate*. Washington, DC: Norris, et al. <a href="http://ia71z1oozio1p7cpp37o43o1-wpengine.netdna-ssl.com/wp-content/uploads/sites/125/ULI-Documents/Cultivating-Development-Trends-and-Opportunities-at-the-Intersection-of-Food-and-Real-Estate.pdf">http://ia71z1oozio1p7cpp37o43o1-wpengine.netdna-ssl.com/wp-content/uploads/sites/125/ULI-Documents/Cultivating-Development-Trends-and-Opportunities-at-the-Intersection-of-Food-and-Real-Estate.pdf</a>



#### Extension

Purdue University Extension Local Food Program uses an interdisciplinary approach to local food systems redevelopment for Indiana. They work collaboratively to create programming, provide educational materials, and build a community of scholarship for local food system issues. Their creative partnerships are designed to engage leaders in community food systems, build local economies, and deliver science-based outreach for Indiana.

Purdue Extension Local Food Program 615 West State Street West Lafayette, IN 47907 1-888-EXT-INFO (1-888-398-4636) purdue.edu/dffs/localfood/

Order or download materials from Purdue Extension – The Education Store: www.edustore.purdue.edu



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