

Food Incubator/ Public Commercial Kitchen Briefing 2024



Table of Contents

Acknowledgements..... 1

Introduction 2

Kitchen Council 3

eKitchen 6

No More Empty Pots Food Hub 8

Independence Regional Ennovation Center 11

Wisconsin Innovation Kitchen..... 13

University of Nebraska Lincoln Food Processing Center 16

Iowa State University Food Science & Outreach Resources 18

Resources..... 19

Acknowledgements

The Institute for Decision Making (IDM) at the University of Northern shares this brief as a glimpse into some of the complex and interrelated issues involved in creating and operating shared-use and commercial kitchens. The examples and best practices included provide perspective and offer a starting place for planners to undertake additional research and evaluation for their own unique situations, opportunities, and projects. IDM wishes to acknowledge and thank Drew Kamp (lead researcher); the staff members of eKitchen, No More Empty Pots, Independence Regional Ennovation Center, and Wisconsin Innovation Kitchen; and the University of Nebraska’s Food Processing Center, Iowa State University’s Department of Food Science and Human Nutrition, and ISU Farm, Food and Enterprise Development for sharing their knowledge and expertise.

Introduction

The state of Iowa has observed an increase in the number of food-related businesses in recent years. The early stages of business development or expansion can be exciting but challenging times for entrepreneurs. Core challenges include ensuring food safety during product packaging and scaling production to meet increased consumer demand. Food incubator and public use commercial kitchen programs are often developed in communities to address similar challenges, formalize operations, offer business development assistance, and provide food preparation spaces compliant with health codes and local zoning.

Food incubators or commercial kitchens appeal to a variety of small business owners and aspiring business owners and allow for access to commercial-grade equipment, production space, storage options for production, and packaging equipment for food products for both wholesale and retail markets. Other advantages of an incubator can include business guidance, professional development, and possibilities for peer networking.¹

The successful launch (2022) of the **Black Business & Entrepreneurship Accelerator (BBEA)** in Waterloo, IA by the organization 24/7 Blac, is an example of a food incubator program whose participants may use and/or need access to a commercial kitchen. As of 2024, many of the BBEA's 50+ alumni include food-related businesses. This growing interest in food related businesses has sparked interest in elevating the food incubator program and creating a public/incubator focused commercial kitchen in the Waterloo/Cedar Fall area (Cedar Valley). In an effort to provide background information to organizations considering these types of programs, this briefing was developed to provide an overview, best practices and lessons learned from food incubators and commercial kitchens located in the Midwest. This brief will analyze how facilities were developed, their services offered, challenges overcome, and how operations are sustained.

A total of five food incubators/commercial kitchens are included in this briefing:

- [The Kitchen Council](#) in Council Bluffs, Iowa
- [The eKitchen](#) in Scottsbluff, Nebraska
- [No More Empty Pots](#) in Omaha, Nebraska
- [The Ennovation Center](#) in Independence, Missouri
- The Wisconsin Innovation Kitchen in Mineral Point, Wisconsin

For a comprehensive guide to planning, launching, and managing a shared-use/commercial kitchen, download the **[Shared Kitchen Tool Kit](#)**. The Shared Kitchen Tool Kit was developed by The Food Corridor, Inc. and Fruition Planning and Management, LLC, in partnership with Purdue University Extension's Local Food Program, with funding provided by the USDA North Central Regional Sustainable Agriculture Research and Education program.

¹ For this report, a commercial kitchen (or shared-use kitchen) is a licensed commercial space that is certified for food production. Renters or members can use the kitchen by the hour or day to produce food while fulfilling regulatory compliance. Food entrepreneurs, ranging from chefs, caterers, food trucks proprietors, bakers, to value-added producers, can benefit from the shared kitchen instead of spending capital to build or lease their own facility. A food incubator is an example of a shared-use kitchen that provides kitchen rentals. Food incubators can also provide kitchen rental but can provide additional services like business development training, and access to services such as legal aid, packaging, label printing, and distribution. Danovich, Tove (2016-02-26). "What Are Food Incubators and Do They Create Viable Businesses?". Eater. Retrieved 2020-05-06. (Wikipedia, 2024)

Kitchen Council

Council Bluffs, IA



Facility Development

The Kitchen Council was formed in 2017 out of the need to stimulate food- and culinary-related entrepreneurial development in Council Bluffs, Pottawattamie County, and Southwest Iowa. The Council Bluffs Area Chamber of Commerce, Greater Omaha Chamber, Iowa West Foundation, Iowa Economic Development Authority, Iowa Western Community College, and the Iowa Small Business Development Center partnered to identify a tangible way to assist food-related start-ups in the metro area. A market and project/demand-based analysis of the need and gaps in services and resources revealed food production to be an area in need of emphasis. Several food incubators and startups were toured before the planning organizations decided to invest in a facility and organization for programming. The original plan and facility received its funding from the Greater Omaha Chamber, the Council Bluffs Chamber, the Iowa West Foundation, and the Iowa Economic Development Authority, with Iowa West bearing the primary cost due to their access to financial resources and mission.

The original facility, a former Famous Dave's restaurant building in the MAC Entertainment District, was the starting point to begin the program. However, the location restricted the possibilities for future growth due to size and upscaling issues. In 2020, the program relocated to the new Pottawattamie Arts Culture and Entertainment (PACE) facility.

Facility Ownership, Management & Operations

PACE is located within a renovated industrial building that once housed an International Harvester manufacturing plant. PACE is a licensed 501(c)(3) organization that owns and operates the facility, which also includes an event space, theater, classrooms, bar, art gallery, artist/entrepreneurs' offices, dance studio and offices, meeting rooms, and museum (part of the gallery). It includes a 5,000 square foot facility with commercial/food grade kitchen equipment, production space, and dry and cold storage options. The facility is large enough to accommodate growth of member businesses but has a maximum capacity of 20 members.

The Kitchen Council is located within PACE. While PACE owns and operates the entire facility, the Kitchen Council, a subsidiary of the 501(c)(6) organization Advance Southwest Iowa (the economic development organization for Council Bluffs and Pottawattamie County), leases 5,000 square feet of space and oversees all operations and daily affairs of the commercial kitchen. The Kitchen Council has one full-time employee, the Managing Director, but there is a need for an additional part-time associate in 2024

As of 2023, the Kitchen Council had 17 active members and a waiting list of five businesses considering the facility. Members range from professional chefs (who previously worked for Google and catered major events) to bread makers, pit masters, and specialists focused on charcuterie boards, sweet treats, and vegan/gluten free products. Members receive 24/7 secure access and an array of programming provided by the Advance Southwest Iowa's economic development and entrepreneurial team, Iowa Small Business Development Center (SBDC) at Iowa Western Community College (IWCC), Iowa Western Community College's Culinary Arts Program, Nebraska Enterprise Fund (NEF) (for financing), and the Iowa West Foundation (creative funding).

Program resources include:

- Guidance on what it takes to start a business and where to begin
- Assistance in navigating health department regulations and licensing
- Flexible commercial workspace at reasonable rental rates
- Community of like-minded entrepreneurs
- Expansive network of partner organizations and business opportunities
- Programming, events, educational resources and networking

Members are often introduced to the Kitchen Council through word of mouth and referrals from program partners such as SBDC, NEF, IWCC, Advance Southwest Iowa, Council Bluffs Area Chamber of Commerce, Iowa West Foundation, local banks and lenders, PACE, and the Greater Omaha Chamber of Commerce. The Kitchen Council also has a strong online presence and utilizes Facebook and Instagram social media platforms to promote the organization and its members.

Members have two membership options. The first option is a full-time membership that provides 24/7 access to the kitchen, two storage shelves, and available cold storage for \$450/month. The second option is a nights and weekends only option that provides access to the facility from 6 pm-6 am (M-F), 24-hour availability on the weekends, two storage shelves, and access to cold storage for \$350/month. Additional shelf or speed racks for storage are available to any member for an additional \$50/month. Program support for all members includes: legal, accounting, planning, marketing, sales, workshops, tasting events, industry expertise, co-working space, and assistance in navigating health department regulations and licensing.

While membership fees offset some of the operational costs, the affordable space and services provided through the financial support of the Iowa West Foundation, City of Council Bluffs, and Pottawattamie County, and other private funders/investors enables the Kitchen Council to function.

The cost of the PACE facility was \$25 million and it has been fully operational since 2019. (Note: A breakdown of the cost of the commercial kitchen and Kitchen Council related improvements was not provided and is included in the overall project cost). The Kitchen Council operates on a \$300,000 budget.

Kitchen Council Strengths:

- Kitchen Council is the only state-of-the-art commercial kitchen within a 300-mile radius of Council Bluffs.
- The initiative has strong community and financial partners including the Iowa West Foundation, Advance Southwest Iowa, Greater Omaha Chamber of Commerce, and the Charles E. Lakin Foundation.
- Its location in Council Bluffs and within PACE provides easy access, high visibility, and ongoing foot traffic.
- Services are provided by Iowa Western Community College, Metropolitan Community College, UNL, ISU, SBDC, the Nebraska Enterprise Fund, and local financial institutions.
- There is strong commitment to organizational goal setting and tracking metrics and key performance indicators (KPIs).

Kitchen Council Weaknesses:

- There needs to be stronger plans of work outlining expectations, exit strategies, and commercialization goals for individual members.
- Staffing levels and staffing coordination have not always paralleled the scaling and growth of the organization/facility.

Insights & Lessons Learned

The Kitchen Council appears to be successful and a model for others considering similar facilities and programs. However, it would have been helpful to plan and clarify member benefits, services, and expectations for business transition/exit prior to launching the Kitchen Council and signing the first member. As of late 2023, several members remained in the facility despite having met their goals and metrics. Chef Around the Block and Veg.Edible are former members that have since opened brick and mortar facilities. These businesses can be a model for other members. Graduating businesses make room for accommodating the waiting list of new members and entrepreneurs.

Similarly, clarifying these details would reduce confusion and improve overall communication. This would have been especially helpful during the period of operational ownership change from the Omaha Chamber of Commerce to Advance Southwest Iowa in 2023. As previously mentioned, the Kitchen Council could have done a better job of ensuring appropriate levels of staffing and member assistance as the program began to grow. To address this need, the Kitchen Council hired a Facilities and Membership Specialist to assist the full-time Managing Director, and there are plans to hire a part-time associate.

Finally, it would be impactful for the Kitchen Council to develop strategies and programs to assist their members in reaching goals of commercialization, packaging, and distribution goals. Currently, technical guidance and assistance from mentors like ConAgra and other food companies is helpful but members lack the facilities and equipment necessary to perform larger batch production and packaging as provided in programs such as [The Food Processing Center](#) at the University of Nebraska – Lincoln.

eKitchen

Scottsbluff, NE



Facility Development

The eKitchen serves Scottsbluff, Nebraska and the surrounding area. It is housed in a former senior living facility that the local economic development organization, Twin Cities Development (TCD), took possession of to renovate and utilize for workforce housing in the community. The eKitchen was added as part of this initiative, with the senior living facility's commercial kitchen being converted to a community kitchen for local food entrepreneurs.

The need for the eKitchen was identified in Twin Cities Development's regional economic development study completed in 2014. The study showed a major need for a certified kitchen rental space to enable area food entrepreneurs to scale their businesses. TCD led the facility development by using their funds from the USDA Community Food Projects Competitive Grant Program.

This arrangement has served Twin Cities Development well. Though the eKitchen's ability to scale is limited due to the size of the existing facility, the use of an existing commercial kitchen enabled eKitchen to quickly provide services to the community. This start-up model was similar to that of the Kitchen Council's use of a former restaurant.

Facility Ownership, Management & Operations

The eKitchen facility is owned and operated by Twin Cities Development, a 501(c)(6) economic development organization. The organization has a staff of four individuals. The Executive Director and Housing Coordinator oversee the daily operations of the eKitchen and a maintenance company is contracted to clean and maintain the space regularly. (Note: The same company that cleans the public portions of the housing units is contracted to clean common areas of the eKitchen.)

The eKitchen is a 24/7 accessible, secured facility. The program's website states:

The eKitchen, an extension of Twin Cities Development's innovative eCenter, is designed to give food entrepreneurs a leg up by providing an exceptional space to grow their hobby into a business. Entrepreneurs can access a quality commercial-grade space without the costs of a commercial location, which may be a barrier for start-up companies. The remodeled kitchen, located in the Northfield Apartments at 2350 Five Rocks Road, Gering, Nebraska, boasts new stoves with ovens, large prep spaces, and available storage if needed.

Tenants can lease space anywhere from a few hours to a week or longer. Additionally, there is access to office areas on site, and TCD offers coaching as well as other readiness tools and resources through its eCenter.

Members/tenants receive business services, licensing assistance, and resources to help them start and grow their business. Twin Cities Development and their partners also assist members in finding funding and bricks and mortar locations when appropriate. The program has a capacity of 10-member tenants (Note: In 2023, 9 of 10 membership slots were filled) with additional options for non-members to rent space for one-off large events when available.

Program resources include:

- Training Workshops hosted by Western Nebraska Community College and Scotts Bluff/Gerring United Chamber of Commerce
- Assistance with writing a business plan, short- and long-range projections, budgeting, and incubation metrics
- Aid in connecting with angel investors, venture capitalist firms, and traditional funding
- Mentorship and professional strategic sources
- Business innovation networking

Member recruitment and program promotion is through social media marketing, word of mouth, and referrals. The informal intake and outtake processes are managed by a simple calendar for scheduling the space.

Membership fees are the primary funding mechanism for the eKitchen. However, memberships do not cover all costs requiring the program be subsidized by TCD's housing initiative and organizational funds. The facility needed only minor repairs/updates to make it usable, and the cost to build and maintain it was quite small. Primary recurring expenses are the utility fees which can be attributed to the commercial grade refrigerators and freezers and other large pieces of electrical equipment. Due to these cost factors, TCD is considering increasing their membership rate and fees. This would also involve formalizing their processes, scheduling, and reassessing their fee structure including a possible storage fee are planned improvements.

Membership rate and fees (with \$150 deposit):

- » Hourly with a two-hour minimum for \$20/hour;
- » Daily for 8-12 hours at \$75;
- » Weekly for \$250;
- » Monthly for \$650.

Insights & Lessons Learned

Interviewees noted ongoing needs and areas of improvement for the program including the need to:

- Assess and formalize eKitchen's member intake and outtake processes.
- Purchase or develop a more effective scheduling system to manage space usage among tenants, staff, and others. Train tenants on using the scheduling calendar.
- Develop a process to evaluate a tenants' ability to pay membership and rental fees and how to address instances of nonpayment.
- Simplify the payment process to minimize errors.
- Develop and enforce stricter cleaning requirements and penalties.
- Establish clear expectations for members and provide consistent oversight/monitoring/rule enforcement.
- Conduct regular assessments of members to measure satisfaction, identify unmet needs, and highlight ideas for improving the program.
- Gather data and measures of progress that may be used for future fundraising.

No More Empty Pots Food Hub



Omaha, NE

Facility Development

No More Empty Pots (NMEP) offers commercial kitchens and other food storage and prep space to local food entrepreneurs in the Greater Omaha area. The facility includes space for hosting events and meetings, business startup programming, educational activities, and a traditional food hub where people can order local foods and pick up food boxes. The concept for NMEP started in 2010 when 10-12 community leaders/stakeholders formed a steering committee and began meeting to discuss ways to create a stronger, more resilient food system around locally produced goods.

The steering committee gathered community input and data over a three-year period before forming a plan of action. These efforts led to the commissioning of a report (2013) done by Crossroads Research Center on local foods for economic development, education, health disparities, food incubator, and community farming. As noted, the initial mission was to create a stronger and more resilient food system. One key goal was to locally produce as many items as possible to create a value-added system and supply chain to foster interdependence between the organization and community.

After the report was completed, the committee began acting on some of the noted recommendations. It partnered with a local philanthropist and Realtor to find the space and purchase the current facility on 30th Street for \$218,000 in 2014. The facility needed repair but was attractive because of its location in the heart of the community to be served, Northeast Omaha. Currently, the facility is debt free and valued at over \$4 million after a recent buildout.

The committee overcame the sizable cost of the project through strong support from over 100 individual and private foundation funders, as well as a grant from the USDA Community Food Projects Competitive Grant Program. Fundraising is continuous. As No Empty Pots grows, the committee continues to add bigger individual and foundation funders and grow their partnership and collaborative model to share costs and increase impact. For example, NMEP developed a partnership with 75 North, another Northeast Omaha nonprofit, to open a greenhouse, micro-lab and market, science lab, training facility, and commercial kitchen, to expand warehousing, distribution, and packaging capabilities. 75 North will own the facility, with NMEP providing targeted staffing and support totaling around \$700,000/year in operating costs. No More Empty Pots may need up to 20 additional employees to accommodate the new partnership.

Facility Ownership, Management & Operations

No More Empty Pots is a 501(c)(3) organization, which owns the 30th Street facility and all its programming. The 30th Street facility is managed by a team of 27 people, with 17 being full-time employees and nine being part-time employees. The day-to-day management is currently led by a two-person team consisting of a Facilities Manager and Assistant Facilities Manager. The annual budget for operations and maintenance of the 30th Street facility is \$1.9 million (2022), of which \$1 million goes to staffing. Staff wages range from \$18 to \$45/hour.

The 30th Street facility is open to the public 9 am-6 pm (M-F), with the kitchens open 5 am-11 pm. If necessary, members can receive 24/7 access but, to date, the demand for that level of access is limited and not at a level to justify ongoing 24/7 access.

NMEP offers a variety of services and programs to clients and the community including:

- Culinary Certificate Program - in partnership with Metropolitan Community College
- Commercial Kitchen rental
- Entrepreneurial Journey courses
- A food subscription service, which grew dramatically during the pandemic
- Community education courses and online educational resources

Commercial kitchen related programming per the NMEP website:

The **Entrepreneur Journey** is a community-funded program to ensure that small business owners and aspiring business owners have access to the resources they need to reach their goals. Business owners participating in the program are paired with a NMEP staff member “coach” who works with them on their journey to define goals and connect to resources. The program has found that the coaches are a critical factor in the success of the businesses.

Entrepreneur Journey benefits include:

- Exclusive access to No More Empty Pots sponsored workshops and classes
- Opportunities to meet and learn with other small business owners
- 1: 1 access to Business Coaches
- Support with local food procurement
- Business promotion in NMEP medias
- Ability to rent Commercial Kitchen spaces
- Information on events and resources within the ecosystem
- Interpreter services as requested
- There are no fees required to participate in the Entrepreneur Journey though participants are required to pay for their own permitting and licensing as required. The program is moving to a cohort model in 2024

The [Commercial Kitchen](#) space may be rented by the public; however, preference is given to those participating in The Entrepreneur’s Journey. Commercial kitchen offerings include:

- A shared-use kitchen
- A production kitchen
- The Kids Kitchen
- A dish pit
- Cold and dry storage
- A prep area

A security deposit of \$200 is required and then the kitchen can be rented for as low as \$10/hour for non-peak hours and \$15/hour for peak hours. Storage, prep tables, and dish pot services are also available for a small fee.

The facility also provides sign up access to the following via an online scheduling system:

- The rooftop - which has classes, events, a catering kitchen, and rooftop garden for locally sourced foods
- The Cups Café at Florence for social events
- Meeting/video conferencing space in the Incubator Conference Room or Community Room
- The Incubator Lobby - for meetings and interactive events
- The twelve-person Kids Kitchen for classes, art projects, and other community initiatives

As previously noted, their large network of [partners and collaborators](#) allows NMEP to be agile while meeting the community and their clients at their specific level of need. The overall impact of NMEP's collective programs per the [2023 Annual Report](#) is impressive. Over 4,300 individuals were touched by programming in 2023 and over \$3.1 million was raised in grants and donations. Food related entrepreneurship was a small but important part of the organization's offerings, with 40 business owners completing The Entrepreneur Journey in 2023. Though not provided in the 2023 Annual Report, 25 local food entrepreneurs booked a combined 1,907 kitchen rental hours in 2022.

NMEP has evolved into a complex organization that relies on a variety of data, donor, and client management software. These tools include UniteUs for tracking and referrals, Tableau, Excel, Google Suite, BitQuiry, Salsa (for donor management), and Golden for volunteers. All action, events, client assistance, and activities are recorded and the data is used to drive all decisions within the organization. No More Empty Pots uses the data and information they accumulate to successfully tell the organization's story to the public and funders. Leadership also anticipates conducting an impact study to highlight investments, return on investment, economic impact, and total impact of overall programs and services.

Insights & Lessons Learned

NMEP leadership suggests other organizations considering similar facilities and programs do the following:

- Be more deliberate (and intentional) with organizational growth. Avoid growing "as fast as possible" to better manage and onboard people. Related to staffing, instill a culture and then hire, fire, evaluate, and grow.
- Document, communicate, and hold individuals and participants accountable from the beginning of the project to ensure everyone is on the same page and understands expectations. Prioritize establishing operations and clear policies.
- Follow a motto of "always get it right versus being right" and work to ensure follow up and follow through is always done.
- Be as communicative and transparent as possible to foster trust and accountability and to continually strengthen the organization's culture.
- Be committed to continuous improvement and never rigid or unwilling to change or adapt.
- Consider using the entrepreneurial operating system (EOS) and the corresponding software, as well as software such as Zenefits (HR and people management), Litmus (marketing), Google Suite (open information sharing and compilation), Food Corridor (shared kitchen management software), and Food Inspector Access to streamline the inspection process and ensure accountability and transparency on both sides.
- Use data, analytics, and technology when and wherever possible to tell your story and maximize efficiency.

Independence Regional Ennovation Center



Independence, MO

Facility Development

The Independence Regional Ennovation Center (REC) is a 30,000 square foot facility located in a former hospital. It is owned by the Independence School District and was managed by the Independence Chamber of Commerce from 2010 until July 2023. In 2023, the REC became its own 501(c)(3) nonprofit organization with an 18-member Board of Directors. The Independence School District's superintendent and the Independence City Manager are permanent members of the Executive Committee. The remaining members are prior clients and graduates. The REC is managed by an Executive Director and an Office Manager/Facilities Coordinator. The Center also has a contracted executive chef.

Purchase and buildout cost \$15 million to transition the facility from a hospital to the current facility, which includes a kitchen and business incubator among other programs. The City of Independence funded \$12 million of the project and the school district covered the remaining \$3 million. The REC currently houses the School District's offices along with the Ennovation Center. The Ewing Marion Kauffman Foundation grants the center funds on an annual basis in support of key programming and resources including the Food Biz Conference and access to the University of Missouri-Kansas City and Kansas State University libraries and business resources.

A pre-development study conducted by the City, School District, and Independence Chamber of Commerce identified needs and community gaps in an effort to prepare for and adequately serve the targeted clientele and community. The facility has six commercial kitchens for rent, one large shared communal kitchen, and six bio-level one labs. The incubator has traditional office and meeting space, and in all, houses 80-100 clients. The labs and kitchen space adhere to all necessary Food and Drug Administration, Centers for Disease Control and Prevention, state, and local permit requirements and regulations.

The Ennovation Center considered expanding the facility into vacant space within the existing facility, but found it be financially unfeasible, as the necessary cleanup, buildout, and utility improvements would exceed \$4 million. Therefore, the Ennovation Center is contemplating opening an expansion in Eastern Independence, which is the area in the community experiencing the strongest population growth.

Facility Ownership, Management & Operations

As noted, the School District owns and maintains the building in which the kitchen/business incubator is located. The District controls access, security, keys/keycards, and addresses issues related to the building's physical structure. The District also provides a receptionist to monitor the lobby and staff the front office, and operates a cafeteria within the building for staff and clients.

The REC owns and repairs the equipment in the labs, kitchens, and shared office space. Upkeep and maintenance fees average \$42,000 per year. A reserve fund has been established to cover future repair and upgrade expenses. All assets are now owned by the newly formed nonprofit and the membership fees and lease revenues go towards covering the annual operating and maintenance costs. One significant benefit of co-location with the school district is that the REC does not have to pay utilities.

The program has a capacity of 80 businesses selecting from three membership packages.

- 10 hours - \$190 per month
- 50 hours - \$800 per month
- 100 hours - \$1,300 per month
- Note: Additional time may be purchased for \$19/hr.

For those wishing to use the lab spaces or office and meeting spaces, the REC offers month-to-month leases at a price of \$6 per square foot with lease termination requiring a 30-day notification.

Only two clients are allowed to use the space more than 100 hours per month. Dry storage, lockers, freezers, and coolers are available for a monthly fee of \$1 per square foot. Clients operating a seasonal food truck with dormant or nonoperational months, must pay \$8.50 per month to keep their existing space/time allotment. All payments are processed using the [Food Corridor](#) software program.

The Ennovation Center provides equipment, towels, cleaning supplies and contracts with a service for regular cleaning of the entire facility. However, users of the kitchen must attend a cleaning training and are expected to clean up after themselves and maintain their space and supplies in a clean and orderly manner. If flagged for a cleaning violation, the client is first warned, then required to redo the training, and finally fined for not following facility policy.

Many of the REC's early clients remained in the facility for several years due to a lack enforcement of graduation requirements. Current requirements state that clients can utilize the space for up to five-years or until they reach over \$1 million in annual revenue. If a client uses the space for more than 5-years, they must submit a formal request and gain approval from the Board of Directors to remain in the program. Clients needing more than two spaces are referred to the Chamber of Commerce's Vice President of Economic Development for assistance with relocating within the region.

To support the REC's clients, the City uses these businesses (caterers, bakers, product manufacturers) exclusively for City-hosted events. The Truman Foundation has a similar relationship with REC clients. Both relationships help to elevate the profile of the program. Outside of regular online and social media marketing, the Ennovation Center does not do extensive promotion or marketing. Strong connections with partnering organizations and referrals generate a steady stream of inquiries.

Insights & Lessons Learned

REC leadership shared the following recommendations and lessons learned:

- Design all six kitchens to be the same and equip kitchens with identical appliances, equipment, hardware, etc. A lack of uniformity can cause issues when a client needs to use an item or appliance that is not available in their space but is being used by another client.
- Build out additional space for future expansion from the start of the project. The REC is currently out of space and expanding within the existing facility initially left unrenovated is not financially feasible. New renovation would require a new/separate HVAC and other infrastructure upgrades. A rough build out would have enabled the REP to benefit from economies of scale that are eliminated with the start of an entirely new project.
- Though recently implemented, graduation requirements have freed up some space, the limitations of adaptive reuse of the hospital leave the program searching for new locations for expansion.
- Provide space that is not shared with the School District, as the co-location restricts REC from working with alcohol or hemp/cannabis-based businesses or hosting events with alcohol at the facility. As of April 2024, the REP has turned away over 120 such prospective businesses.

Wisconsin Innovation Kitchen

Mineral Point, WI



Facility Development

The Innovation Kitchen was a \$1.5 million FDA approved, state-inspected, and licensed food processing facility. It was undertaken as a project to expand the production and distribution of Papa Pat's Farmhouse Recipes at Hodan Community Services (HCS). HCS is a rehabilitation center for adults with disabilities started in 2001. Papa Pat's was launched to generate revenue for the center and provide the individuals receiving services a variety of work-based learning opportunities. The Innovation Kitchen is an expansion of the initial concept. The program is located in a former Dairy Queen. It provided rentable space for food entrepreneurs and caterers wanting to expand production and storage without undertaking significant capital investment and risk.

Several individuals and entities partnered to make the kitchen a reality. These included Tom Schraeder, the Executive Director of Hodan Community Services, Rick Terrien, the Executive Director of the Iowa County Area Economic Development Corporation, Scott and Annette Pierce, Food Service Directors for HCS, the Wisconsin Department of Commerce, the United States Department of Agriculture, the Iowa County Board of Supervisors, and local construction and design teams. This group commissioned a study by Edgewood College to survey community kitchens across the United States to determine feasibility and sustainability, as well as best practices for ongoing operations.

The study concluded there are two main reasons community kitchens fail: lack of consistent production staff and lack of adequate business support. The planning committee worked to address the two issues by ensuring all members of the kitchen staff were food service certified in the state of Wisconsin prior to being hired and developing strong relationships with support service providers.

Initial funding came in the form of a \$750,000 Community Development Block Grant from the Wisconsin Department of Commerce. Hodan Community Services provided funding of \$56,000 to match funding received from the USDA for the purchase and installation of equipment. A community fund drive for equipment raised an additional \$100,000 from over 300 donors. Cummins Emission Solutions, Alliant Energy, and other organizations donated office furniture, shelving, and equipment. Local volunteers donated time and labor to finalize the buildout of the facility.

As mentioned with other programs, the size and scale of the project were dictated by the availability of an existing facility with food grade space and a kitchen. The budget and funds raised were based on the buildout of the former Dairy Queen building. To no surprise, this resulted in no space being available for expansion. All available land at the site was used in the initial design.

The Innovation Kitchen's proximity to a major highway was helpful as it made the location readily accessible by both trucks and clients. The location outside of Mineral Point is a more rural setting than many of the other programs evaluated in this report. While the location did make it easier for trucks to access and clients to distribute their goods, anyone without transportation found it challenging to get to the facility.

Facility Ownership, Management, & Operations

Unfortunately, mismanagement of funds led to the loss of three of five staff members and a key customer. The Wisconsin Innovation Kitchen was forced to close in Q1 2024.

While in operation, the Wisconsin Innovation Kitchen was owned and operated by Hodan Community Services (HCS), a nonprofit organization supporting adults with developmental disabilities. Though HCS owned the facility, there was a professional production management team that oversaw daily onsite operations. The team consisted of a Production Manager and Production Supervisor. Both interfaced with customers, but the manager scheduled production and oversaw product creation and placement into individual packaging. The supervisor prepared product packaging, supervised developmentally disabled staff, placed individual products into mass packaging to prepare it for shipment, and invoiced customers.

The Innovation Kitchen's original focus was to develop products from its own recipes, manufacture entrepreneurs' and farmers' products, and provide a community kitchen for rental by area entrepreneurs. Additionally, work-based learning opportunities would be provided for developmentally disabled adults receiving assistance from Hodan Community Services. Hodan Community Services often served as a starting point for these individuals in obtaining permanent employment.

Initially, the facility was staffed with a team of five including a facility director, two assistant directors, and two general staff members. The larger team allowed for efficient and consistent production. However, after experiencing several problematic rentals, the Innovation Kitchen ceased all rentals. These rentals left the facility in extreme disrepair. After staff spent multiple hours cleaning and resorting the facility, it was determined that rental fees and deposits could not cover necessary staffing costs.

The Innovation Kitchen specialized in producing sauces, mixes, blends, and liquids/beverages that can be cooked in kettles, pumped, and packaged/bottled. The Innovation Kitchen served as a small-scale co-packer, helping source packaging and labeling needs, and properly labeling bottles, pouches or jars of product. The Kitchen also provided the capacity to scale recipes to enable production and distribution of large quantities, assisted entrepreneurs in obtaining necessary state approvals, source ingredients, and submit and analyze samples needed for testing. Finally, the Kitchen provided food processing and packaging for entry-level clients and served as an alternative production line for existing companies interested in exploring the expansion of a line of production with minimal capital investment.

The Innovation Kitchen attracted clients through an informational website that described the steps necessary to schedule production as a client of the center. Similarly, the Innovation Kitchen's Facebook page supported word of mouth promotion and referrals (the primary method used to attract clients.)

Throughout its tenure, the Innovation Kitchen had as many as 30 to 35 clients at a time. Most clients only required processing of a small batch of their product once or twice per year – often to meet seasonal demands. The fee structure was dependent on the complexity of the recipe, required packaging, and availability of the packaging. Too late in the development of the project, the Kitchen determined that having a nearby or onsite warehouse for short-term storage of goods and products would have been most helpful. Instead, the Kitchen ended up having to utilize a space that was not in close proximity, thereby making it less convenient for clients and distribution partners.

Production agreements and short-term storage rental space for ingredients and finished products helped to make the Innovation Kitchen financially sustainable. The annual budget was approximately \$341,435. The Kitchen's financial position was aided by a three-year USDA Farmers Market & Local Foods Promotion Program grant received in 2019. The grant enabled the Kitchen to purchase equipment that increased production and overall efficiency.

Strengths of the Innovation Kitchen included:

- The cleanliness of the facility.
- Its location off a major highway (Mineral Point).
- The Kitchen's ability to serve as a minimum volume, co-packing facility allows the serving of farmers and entrepreneurs many others needing small batch processing. This unique characteristic attracted clients from across WI and IA and from as far away as Texas.
- The Kitchen provided work-based learning opportunities for developmentally disabled individuals. The individuals developed pride in their work, were equipped to become valuable members of the workforce, and filled needed positions that contributed to the local economy.

Weaknesses of the Innovation Kitchen included:

- A limited ability to scale and expand due to a narrow focus on sauces, mixes, blends, and liquid/beverages.
- Uncertainty of production involving fresh produce. Short shelf-lives and extensive cleaning requirements increased costs and priced the facility out of the market.
- The responsiveness of leadership to staff requests regarding repairs and maintenance needs of the facility.
- Poor contractor and subcontractor work during the facility's initial construction.

Insights & Lessons Learned

Innovation Kitchen staff learned several valuable lessons including:

- Select a contractor and architect for the renovation and build out based upon qualifications and not only cost. The Innovation Kitchen was not designed or built to be efficient or practical. Unfortunately, many shortcuts were taken to save money. Cheap, low-quality materials and equipment caused problems, required high utility usage, offered poor ventilation, and required ongoing maintenance/replacement.
- Place any freezers and refrigerator units outside the building to provide more production and storage space inside the facility.
- Include all staff in conversations regarding maximizing efficiency and the overall operation of the facility. These individuals may know details and have insights that others do not.
- Ensure all work is done by responsive, quality contractors/subcontractors, bonded and capable of fixing mistakes. The Innovation Kitchen had issues with their HVAC contractors when the heating unit was replaced, causing the roof to leak. Similarly, the kitchen ventilation was poorly done, allowing outside elements like feathers and snow to enter the system. The concrete work within the facility was subpar and not angled to allow for proper drainage. When leadership was made aware of the above challenges, they elected not fix the problems to save the money.

University of Nebraska Lincoln Food Processing Center

Lincoln, NE

The University of Nebraska-Lincoln Food Processing Center (FPC) was established in 1983 as part of the Institute of Agriculture and Natural Resources (IANR). The Center was created to address the growing needs of the food industry for research, development, and educational resources. Over the years, the FPC has evolved into a comprehensive facility that supports the entire spectrum of the food processing industry, from startups to established companies. The FPC began as a small initiative focused on food safety and quality, but expanded its services to include product development, business development, regulatory assistance, and technical support. Since opening, the Center has continually adapted to the changing landscape of the food industry, incorporated new technologies, and explored new methodologies to better serve its clients.

The purpose of the FPC is to foster innovation, ensure food safety, and support the growth and sustainability of food businesses. Its mission includes educating industry professionals and entrepreneurs through workshops, seminars, and tailored programs. Additionally, the FPC is dedicated to advancing food science research and collaborating with faculty and other research institutions to drive innovation. The center plays an important role in enhancing the quality and safety of food products, ultimately contributing to the health and well-being of consumers and the success of the food industry. The FPC helps companies navigate the complexities of food production, from concept to market.

Mission:

Advancing the food industry by...

Applying Science

- Growing the body of knowledge and strategically finding ways to share the science.
- State-of-the-art pilot plant facilities unmatched by peers.

Investing in People

- Building a future workforce through internships and pilot plant projects.
- Training and workshops that provide unique value.
- Anticipating technical and professional development needs of the industry and acting quickly to meet them.

Building Businesses

- Technical support for startup food companies.
- Consulting and analytical services that impact and add value to regional and national food commodities.

Vision:

Be the leading food science service center for connecting technology and knowledge with the food industry in America's heartland and beyond.

Goals:

- Grow Center revenue so FPC activity can continue to impact students, entrepreneurs, and other food businesses.
- Build an innovation ecosystem that links startups and entrepreneurs to technical resources.
- Leverage people, facilities, and emerging technology for discovery that advances the food industry.
- Develop and equip people (including our own) to positively impact the food industry.

The FPC offers a variety of services to support food entrepreneurs and businesses. The fee structure for these services can vary based on the specific program or assistance required. For instance, the Food Entrepreneur Assistance Program (FEAP) starts with a "Recipe to Reality" seminar, costs \$250 for the first person from a company and \$200 for each additional person. Following the seminar, entrepreneurs can access confidential, fee-based services through the "Product to Profit" program. Product to Profit includes business development, product development, labeling, and regulatory compliance. Fees for these tailored services are determined based on the specific needs and scope of the assistance required.

Additionally, the FPC provides various technical services, such as food safety consulting, product development, sensory analysis, and pilot plant testing. Each service has its own fee structure, typically detailed in personalized quotes provided after initial consultations. For example, pilot plant services, which include equipment use and expertise for product formulation and testing, are charged based on the time and resources required. Businesses interested in utilizing these services are encouraged to contact the center directly to receive detailed pricing information tailored to their specific projects.

The Food Processing Center (FPC) provides the following services:

- Applied Research and Engineering: conducting research to meet industry-specific needs and improve efficiency of processing.
- Labeling: fee-based assistance customized to meet FDA and USDA standards.
- Lab Services: microbiological testing to assure safety and quality.
- National Food Entrepreneur Program: assist through all steps of creating a food business. Work through a business plan and consultation through the entire business cycle.
- Pilot Plants: 20,000 sf of space equipped with food processing equipment to create samples, test new processing conditions and modifications, and gain technical information about ingredients.

Equipment includes:

- extrusion
- dehydration & drying
- baking
- high pressure processing
- canning
- liquid processing
- brewing
- vegetable processing
- dairy processing
- milling
- pasta
- environmental chambers
- packaging
- meat processing
- confectionary
- contract manufacturing

The Food Processing Center is currently focused on serving a variety of clients ranging from students and entrepreneurial startups, to regional and national food processors in need of research and development assistance. The FPC does not offer funding or formal technical assistance to clients. Funding is generated through client fees and support from state economic development programs, SBIR, and USDA.

Iowa State University Food Science & Outreach Resources

Ames, Iowa

Iowa State University Food Science & Outreach Resources provides support to food businesses ranging from start-ups to established companies. Programming assists businesses as they navigate the complexities of food production and regulations. Services include food safety training, product development assistance, and nutritional analysis. Through these efforts, the department supports Iowa's local and regional food industry by helping ensure businesses have the tools and knowledge they need to succeed.

Farm, Food and Enterprise Development works with cottage and home-based food processing, commercial kitchens, and co-packing applications. Food production assistance focuses on non-hazardous products, such as cookies, bread, fruit jams or jellies, dry tea blends, and/or dry seasoning blends. These products may be produced in shared-use/commercial kitchens and are often sold at farmers markets, fairs, festivals, or other public events.

Staff note that Iowa has a limited number of shared-use/commercial kitchens compared to many other states. Similarly, Iowa has less than 10 co-packers and lacks an intermediary network between commercial kitchens, co-packers, packaging, warehouse, and distribution providers. ISU programming for home-based processors focuses those positioned to increase their annual revenues to over \$50,000. These businesses are best suited for transitioning to commercial kitchens to scale their operations and production. ISU programming prepares clients to work in a commercial kitchen environment, address oversight and inspection requirements, and understand issues related to food allergens.

ISU's numerous food and processing related resources include:

- [Small Food Processing Business Planning Program](#)
- [Small Food Processing Cohort Program](#)
- [Cottage-Food Based Processing](#)
- [Scaling Up Specialty Crop Processing Toolkit](#) (Offered in English, Spanish & Swahili)
- [Food Safety at the Farmers Market](#)
- [Helping Create Readiness and Relationships to Increase Local Procurement in Iowa's Schools](#)
- [Home-Based Kitchen Operations](#)
- [A Manager's Guide to Food Hub Finances](#) (Information likely helpful to shared-use kitchen managers)
- [Local Food Leader 101 Certification](#) (Information likely helpful to shared-use kitchen managers)

Resources

1105 Project – Kitchen

CommUnity Crisis Service and Food Bank
1105 South Gilbert Court
Iowa City, IA 52240
<https://builtbycommunity.org/1105-project-kitchen-rental/>

1105 Project’s kitchen is a full-service kitchen with multiple works stations available for local bakers, chefs and entrepreneurs. The kitchen offers dry, refrigerated and frozen storage space and access to professional grade kitchen equipment.

City Center Market

200 Sanborn Street
Florence South Carolina, 29501
<https://www.cityofflorence.com/local-foods-initiative/city-center-market/city-center-market-kitchen>

The City Center Market and Kitchen is operated by the City of Florence's Local Food Initiative and improves access for producers and consumers of local food by offering production, sales, and education facilities, hosting informative community programs, and improving city connectivity. The City Center Market Kitchen is a commissary style kitchen and its business model is to rent out kitchen time, equipment, and available cold or dry storage to Users. The shared-use kitchen is a place of business for the exclusive purpose of providing commercial space and equipment to multiple users to commercially prepare or handle approved food products. Products are sold wholesale or retail or distributed. To “commercially prepare or handle” includes, but is not limited to, the making, cooking, baking, mixing, processing, packaging, bottling, canning, or storing of food. The City Center Market Kitchen serves as a commercial production space, a packaging facility, and a commissary for food businesses.

Iowa Kitchen Connect

<https://iowakitchenconnect.com/>

Iowa Kitchen Connect, a program of Iowa Valley Resource Conversation and Development, started at a local level in Iowa City when three community leaders sought to address a need for community resources to support food entrepreneurs. It now serves kitchens and entrepreneurs for the entire state of Iowa. If you are an entrepreneur with questions or a kitchen manager that would like your space to be listed, please use the contact us form to reach out.

Iowa State University Food Science & Outreach Resources

Farm, Food and Enterprise Development - Food Business Specialists
2625 North Loop Drive, Suite 2430
Ames, IA 50010
pbhuber@iastate.edu
<https://www.extension.iastate.edu/smallfarms/>

Kitchen Council

1001 South 6th Street
Council Bluffs, IA 51501
<https://kitchencouncil.org/>

Mickle Center Shared Use Kitchen

1620 Pleasant Street

Des Moines, IA

<https://iowakitchenconnect.com/kitchen/micklecenterkitchen/>

Since opening in 2017, the Mickle Center Kitchen has facilitated the launch of over 50 small businesses in the Des Moines area. Businesses include a diverse group of food entrepreneurs distributing food through farmers markets, food trucks, direct to consumer, caterers, retail, food co-ops, events and more. Staffing for these businesses range from 2 to 20 employees.

No More Empty Pots

Omaha, NE

Entrepreneur Journey Program and Commercial Kitchen

<https://nmepomaha.org/>

Old Brick Commercial Kitchen

26 E. Market St

Iowa City, IA 52245

Old Brick is a community venue with a commercial kitchen that can be rented.

<https://oldbrick.org/>

The eKitchen

Twin Cities Development Association

NE 1620 Broadway

Scottsbluff, NE 69361

<https://www.tcdne.org/business-entrepreneurs/ekitchen>

The Ennovation Center

201 North Forest Avenue, #120

Independence, MO 64050

<https://www.ennovationcenter.com/>

Wisconsin Innovation Kitchen

851 Dodge. St.

Mineral Point, WI 53565

<https://www.facebook.com/WIInnovationKitchen/>