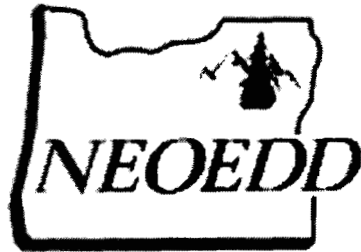


**Feasibility Study for a
Commercial Shared-Use Kitchen for
Wallowa County**

**Northeast Oregon
Economic Development District**



With additional funding from



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Enterprise, OR 97828
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Commercial Kitchen Feasibility Study

Executive Summary

In 2011, the Northeast Oregon Economic Development District (www.neoedd.org) undertook a Commercial Kitchen Feasibility Study in Wallowa County, Oregon. The study involved a review of existing kitchen facilities, a survey of potential kitchen users, case studies of kitchens operating in other regions, and information gathering on food safety regulations. Results of the study showed that several kitchens are currently available for rent by licensed food businesses. With minor modifications, several other existing kitchens have good potential for use by food businesses. The study also showed that shared-use kitchens can be expensive to equip and manage and are typically subsidized by revenue other than kitchen rental fees.

Purpose of the Study

Wallowa County is a place where, like many rural areas, many residents require more than one source of income to survive. Some recent economic development activities in Wallowa County have focused on increasing the viability of food businesses, including local food/agritourism initiatives, community food assessments, grass-fed beef marketing research, food licensing workshops, etc. A number of existing and potential food business owners faced the obstacle of the lack of a certified commercial kitchen that would allow them to produce and sell value-added products or allow them to more confidently run catering businesses. These business approached the Northeast Oregon Economic Development District (NEOEDD) with the suggested solution of combining resources to develop a shared-use commercial kitchen.

Examples of Shared-Kitchen Uses

- Making value-added products (jams, pickles, salsa, pies, etc.), and ready-to-eat packaged items (soups, sandwiches, salads, etc.) for sale
- Caterers preparing food for events, meetings, etc.
- Gardeners tackling large-scale canning and freezing projects
- Teaching space for cooking classes for children and adults, residents and visitors

The feasibility study examines the need for and proposed uses of a shared-use commercial kitchen and provides information needed to make decisions on how and when to move forward with facilities that will meet local needs.

The study sought to answer the questions of:

- Who would use the facility and how?
- Are there existing kitchens that could be upgraded or does a new, more comprehensive facility need to be constructed?
- Is there a source of operating subsidies or partnerships that could support the kitchen?

Methodology

NEOEDD staff worked with a volunteer advisory committee of small business owners and local partners to look at options for commercial kitchens, the goal being to have a kitchen that would be beneficial to the community, to the user groups, and to the local economy. Components of the study included (1) a needs assessment/user survey and public forum to accept input from the larger community, (2) analysis of existing local facilities and collection of information from facilities outside the area, including revenues and expenses, (3) synthesis of this information into a comprehensive report, and (4) public presentation and discussion of findings, including possible next steps.

User Survey

An online User Survey was set up and the public and interested businesses were invited to share information on their proposed uses of a shared commercial kitchen. There were ten respondents to the Survey. Results are compiled below.

Types of Kitchen Uses (could indicate more than one)

- Caterer (3)
- Specialty/Gourmet Food Producer (8)
- Community Cooking (2)
- Value-added Farm Produce (4)
- Church/School/Community Group (2)
- Individual (home canning, etc.) (2)
- Cooking classes/workshops (2)

Current Projects

Current projects included:

Custom meals on wheels

Catering wide range of events

Frozen veggies

Canning local produce, jams and pickles, etc

Ravioli w/ stuffing of either wild or organically raised foods

Soup Kitchen once per week

Garlic

Cooking classes for high school students about how to eat and cook healthy before they head to college

Future Projects

Future projects were described as:

Catering, streamlined take out, community supported kitchen (CSK)

Prepared foods for farmers markets; processed foods with excess produce

Frozen fruits and desserts

Dried foods for backpacking

Healthy meals for caregivers

Baking for farmers market

Pickled garlic, dried garlic, peeled or mashed garlic, other processed food involving garlic

A place to prep foods for private dinners
Sausages, cured meats
Cured beef products

Facilities Currently Used

Most survey respondents reported they were using unlicensed home kitchens or unlicensed rental kitchens, both of which were not suitable for producing foods for sale. Some respondents were using licensed domestic kitchens, but faced inadequate size, storage and equipment.

Equipment Needs

Listed in order of importance: Food processor; standard range/oven; walk-in cooler; commercial mixer; walk-in freezer; dishwasher; large canning equipment; filling and packaging equipment; convection oven; dehydrator/drying equipment; steam jacketed kettle; pressure canner.

Other desired equipment: labeling equipment, holding equipment such as hot boxes or warmers, scale, baking proofer, garlic peeler, cutting boards, meat grinder, casing stuffer.

Customers/Markets

Types of markets/customers included: catering customers, farmers market shoppers, tourists, regular customers, farm stand customers, care facility, local food stores, and general public.

Amount of Use

Survey respondents were asked about the amount of time they would use the facility. Responses varied from 40 hours a week to 2 hours a week, with several users only interested in seasonal use. On a seasonal basis, the combined total use by survey respondents could range from 300 to 400 hours per month.

Season of Use

Fall (September – November) was the season of highest anticipated use, followed by winter (December to February), summer (June to August) and spring (March to May).

Time of Use

Nearly all respondents preferred day time hours of usage (8 am to 5 pm, Monday – Friday). One respondent preferred evening use.

Type of Business

Seven survey respondents expected to be operating a part-time business; two expected to operate a full-time business, and one indicated they were a non-profit.

Other Services

Two businesses indicated the need for an on-site office, including phone, copier, fax, etc.

Training

When asked about the need for various types of training, survey respondents indicated the need for training in the following priority order:

- Tie - Meeting local, state and federal health regulations for food preparation and food product distribution
- Tie - Marketing assistance for a food-related business
- Preparing a business plan for a food-related business
- Required liability insurance
- Tie - Starting a business legally
- Tie - Microenterprise and self-employment opportunities
- Obtaining and using credit
- Storage for delivery of local foods

Licensing

Licenses are required for businesses that produce or process food for sale to the public. Licenses are issued to the owner/operator of the business producing the food, not to the kitchen facility itself. The types of license required varies depending on the type of food product, its ingredients and its form, such as packaged food, prepared food, or ready-to-eat foods. Either the Oregon Department of Agriculture or the Wallowa County Health Department will be responsible for licensing facilities that produce food for sale. Meat and dairy processing have different regulations and are not covered in the scope of this project or report. A food business operator must also complete a one-time registration with the US Food and Drug Administration if the food produced will be sold to wholesale customers.

Oregon Department of Agriculture

The Oregon Department of Agriculture (ODA) licenses and inspects all food establishments and food processors, except restaurants and caterers. Food processing is defined as “the cooking baking, heating, drying, mixing, grinding, churning, separating, extracting, cutting, freezing or otherwise manufacturing a food or changing the physical characteristics of a food. Food processing also means the packaging, canning or otherwise enclosing of such food in a container, but does not mean the sorting, cleaning or water-rinsing of a food.” A commercial kitchen is likely to have users who may require both a Bakery Establishment License (for cakes, breads and other baked goods) and/or a Food Processing Establishment License (for end products like jams and condiments).

The Oregon Department of Agriculture allows some food products for sale to be produced in a licensed domestic kitchen. ODA provides licenses for domestic kitchen operations for baking or food processing. Requirements for a Licensed Domestic Kitchen include:

- Doors – any domestic kitchen doors must be kept closed during operation of the domestic kitchen.
- People – No one other than the licensee and employees directly under his/her supervision are permitted to directly engage in the processing, preparing, packaging, or handling of commercial food and no other person than the licensee and employees are allowed in the domestic kitchen during operating hours.
- Children – No infants or children allowed in kitchen during domestic kitchen processing activity.

- Pets – No pets allowed – ever – in the same building that houses the domestic kitchen.
- Domestic Activity – All domestic activities must be completed before any commercial processing or baking takes place.
- Storage – Separate closed storage facilities are required for ingredients, finished products, cleaning materials, labels and packaging materials, as well as a separate refrigerated storage for perishable materials. Storage of medical supplies is not permitted in the domestic kitchen. A separate storage area must be provided for household cleaning materials and other chemicals or toxic substances.
- Domestic Kitchens shall be available for inspection between 8 am & 5 pm weekdays or other production times.

Activities that cannot be done in a licensed domestic kitchen include low acid food canning, dairy processing (like homemade ice cream or yogurt) and some meat processing. Catering cannot be done in a domestic kitchen. Preparation of acidified foods (like pickles) might be permitted in a domestic kitchen, but it can require an analysis of the product from a process authority and certification of the business operator by attending Better Process Control School (one is offered at Oregon State University, 541 -737-3131). Oregon House Bill 2336, the new Farm Direct Bill which takes effect on January 1, 2012, allows farmers to process and sell acidified foods they grow or raise, without having to be licensed or inspected (see Exceptions below).

Wallowa County Health Department

The County Health Department licenses restaurant-style food producers, those who produce ready-to-eat foods. Temporary Restaurant Licenses are required for Farmer's market restaurants and food carts and any ready-to-eat food processing done off site must be done in a facility with either a Restaurant License or Caterers License.

All types of licensed facilities are required to have adequate and safe food storage (pantry space, refrigerator and hot food warmer); a sanitizing dishwasher or washing regime; hand-washing, food prep and dishwashing sinks. A Food Handlers Permit should be held by anyone operating or using a licensed kitchen to produce foods for public consumption.

In Wallowa County, Rustin Rock is the contact for both Oregon Department of Agriculture licensing – 541-969-7544 and Wallowa County Health Department licensing – 541-612-0741.

Exemptions

There are some exceptions which allow certain types of foods for sale to be produced in an unlicensed and uninspected kitchen. Anyone who thinks they are producing a food which is exempt from licensing and inspection should contact both the County Health Department and Oregon Department of Agriculture to confirm their exemption before producing or selling food products.

Exemptions include:

1) An establishment or organization that prepares for sale directly to the consumer, the following food items shall be exempt from licensure and the provisions of ORS 624.010 to 624.120, and 624.310 to 430:

(I) Candy, candied apples, and non-potentially hazardous confections.

2) Under Oregon House Bill 2336, which was passed in May of 2011, farmers can process and sell some foods they grow or raise, without having to be licensed or inspected. Regulations for this bill take effect January 1, 2012. According to this Bill, the farm direct marketer who processes farm products for sale must still process food in a space that provides for the clean, healthful and sanitary condition of the food provided to retail purchasers.

Foods included in the Oregon Farm Direct Bill				
Food Item	No Sales Limit	\$20,000 sales limit	Additional labeling requirement	Allowed for Consignment Food must be clearly and conspicuously labeled with the name and business address of the agricultural producer
Fruits,vegetables, herbs, (fresh/dried)	X			X
Parroasted grains	X		X	
Nuts in shell	X			X
Shelled Nuts	X			
Eggs in shell	X		X	Consignment allowed when the egg producer has an egg handler license
Honey pure	X		X	
Grains, whole or cracked	X		X	
Flour	X		X	
Legumes/Seeds Fresh or dried	X		X	
Canned fruit, syrups, preserves, jams, jellies		X	X	
Salsa and hot sauce		X	X	
Sauerkraut or lacto-fermented vegetables		X	X	
Pickles		X	X	

A few important sections of this bill are included below:

SECTION 1.

6) 'Producer-processed products' means foods:

(a) For which the principal ingredients are agricultural products grown, raised and harvested by the same agricultural producer that bottles, packages or cans the food; and

(b) For which ingredients other than principal ingredients are limited to herbs, spices, salt, vinegar, pectin, lemon or lime juice, honey and sugar.

Section 2 (2)

Subsection (1) Applies to farm direct marketer sales of the following types of agricultural products:

(a) Fresh fruit, vegetables and herbs.

(b) Fruit, vegetables and herbs, if those items are cured or dried by the agricultural producer as part of routine post-harvest handling.

(c) Dried fruits, vegetables and herbs for which drying is not part of routine post-harvest handling, if:

(A) The principal ingredients are grown by the agricultural producer; and

(B) The product is labeled with a list of ingredients and the name and address of the agricultural producer.

(d) Shelled nuts and unshelled nuts, if those items are cured or dried by the agricultural producer as part of routine post-harvest handling.

(e) Fruit-based syrups, preserves, jams, fruits and vegetables, if those items are:

(A) Producer-processed products;

(B) Acidic foods;

(C) Labeled with a list of ingredients and the name and address of the agricultural producer; and

(D) Bottled, packaged or canned by an agricultural producer that during the preceding calendar year had annual sales of fruit-based syrups, preserves and jams, fruits and vegetables described in subparagraphs (A) to (C) of this paragraph that in total did not exceed \$20,000 or a higher limit established by State Department of Agriculture rule under section 3 of this 2011 Act.

(f) Shell eggs.

(g) Honey, if not combined with other food ingredients.

(h) Whole, hulled, crushed or ground grains, legumes and seeds, if of a type customarily cooked before consumption.

(i) Parched or roasted grains, if of a type customarily cooked before consumption.

(j) Popcorn, nuts, peppers and corn on the cob, if those items are roasted at the place of purchase by the agricultural producer after purchase and not sold for immediate consumption.

(6) (a) In addition to any other required labeling, agricultural products described in subsections (2)(e) to (i) or (3)(d) or (e) of this section shall bear on the label a statement informing consumers that the product is not prepared in an inspected food establishment. Except as provided in paragraph (b) of this subsection, the required wording for the label statement is: 'This product is homemade and is not prepared in an inspected food establishment.'

Case Studies

Adelante Mujeres

Adelante Mujeres is a non-profit organization located in Forest Grove, population 21,083. Adelante Mujeres serves low-income Latina women and their families in the areas of education, empowerment and enterprise. They recently began providing access to commercial kitchen facilities, primarily targeting the low-income Latino community, although the kitchen is open to any small business food producer. Adelante Mujeres didn't have a kitchen of their own and realized it was too expensive to start from scratch, so they researched existing kitchens and partnered with Centro Cultural, a nonprofit organization located in nearby Cornelius. Centro Cultural has a similar mission of working with the Latino community and has a suitable kitchen facility in their community center building. Adelante Mujeres handles most of the management and promotes use of the kitchen to their constituents and contacts. Centro Cultural receives rent for use of the kitchen as well as some funds for a part time staff person to open and close the kitchen and be present when it is in use.

Kitchen users are required to enroll in business classes at Adelante Mujeres, or to have already participated in those classes, or enrolled in a similar business course that is offered at the local community college. Before using the kitchen, business owners must provide a copy of the appropriate license. Overarching liability insurance is being provided by Centro Cultural as long as the food business owner can meet operating requirements. Adelante Mujeres meets with interested business owners, schedules kitchen uses, handles day to day operations, collects deposits and fees, and offers additional business assistance. Kitchen users are offered the first 3 months or first 120 hours of kitchen use, whichever comes first, for free. After that, kitchen users are expected to pay \$15 per hour.

Total budget for the kitchen initiative is \$50,000 for the first year, not including the cost of delivering the business classes which are funded outside the program through other grants. Grants from the National Association for Latino Community Asset Builders (\$17,000); USDA Rural Business Enterprise Grant (\$25,000) and cash and in-kind from Adelante Mujeres (\$8,000) are being used to cover start-up costs for management, equipment/supplies, kitchen rent and contracted services. At Adelante Mujeres, three part time staff are involved. One works directly with participants, one provides on-site kitchen management, and one manages the grants and partnership agreements. At Centro Cultural, the project contracts for one part-time position for on-site management (shared responsibility with Adelante Mujeres), and for time required by the Executive Director to meet partnership agreement and funding obligations. One challenge is that the initiative started up after the busy season and clients are not interested in joining the program until next spring when they gear up for Farmers Market sales, or they want to use the kitchen now, but they do not have their licenses yet.

Corvallis First United Methodist Church Commercial Kitchen

This facility is located in the Community Center of the Corvallis First United Methodist Church (CFUMC), in Corvallis, Oregon (population 54,462). The kitchen is primarily used for church activities, including twice weekly suppers, and weekly "jamming" sessions where jam is made and given away, as well as cooking and food preservation classes. The kitchen is available for use by microenterprises through a Memorandum of Understanding between the Ecumenical Ministries of Oregon (EMO), Interfaith Food

and Farms program and CFUMC. The purpose of this partnership is to allow entrepreneurs to use the kitchen to develop small businesses. Through this agreement, EMO and CFUMC outlined shared responsibilities for tasks such as screening micro-enterprise kitchen users, enforcing rules and regulations, obtaining licensing and permits, coordinating and scheduling use of the kitchen, and providing funding to cover additional costs for janitorial and miscellaneous expenses. The kitchen has been available for microenterprises since 2009. A grant from USDA partially funded costs of materials, utilities and janitorial time, and a part-time coordinator to oversee both cooking classes and microenterprise assistance. The church had hoped that they would have a few year round microbusinesses using the facility, but the reality has been that mostly farmer's market vendors want to use the space and they all want to use it at the same time during the summer season. Other challenges have included improper use of equipment, access (need for someone to open and close the church), labeling of refrigerated food items, and the amount of time (of volunteers or staff) and space required to accommodate microenterprises. It is likely that they will discontinue making the kitchen available to microenterprises.

Columbia Gorge Community College Commercial Kitchen

This commercial kitchen is located at the Columbia Gorge Community College Small Business Development Center in Hood River, population 7,162 (Hood River County has total population of 22,346). The kitchen operates as a business incubator facility serving new and existing food businesses by providing inexpensive processing space and professional business counseling services. The facility opened in 2002 with funding provided by grants from the U.S. Forest Service and the U.S. Department of Agriculture, Rural Development for purchase of equipment and remodel of the space.

The kitchen is licensed by Oregon Department of Agriculture for Commercial Food Processing & Baking. It includes:

- 2,000 square foot food production facility, specifically designed to help entrepreneurs
- Fully equipped with Blogett convection ovens, Hobart mixers, Robot Coupe food processor, 60-gallon cooker/mixer
- Refrigerators, freezers, walk-in cooler, and dry storage
- Food preparation, processing, sanitizing
- Packaging area includes bottle-filler, weight-pack, labeling machine, package sealers
- Facility available to rent to specialty food processors and caterers
- Demonstration area, meeting, & banquet room
- Business incubator services provided by Columbia Gorge Community College Small Business Development Center
- Part of the college campus with classes & technical assistance available to kitchen tenants
- Low cost of \$15 per hour

The kitchen requires prepayment for every reservation as they had trouble collecting from users in the past. In order to meet Oregon Dept. of Agriculture law and the local Health Department requirements, users must store all their food ingredients on site. They cannot take product ingredients home if they are not entirely used. The kitchen provides dry storage on site for a fee of \$1 per lineal shelf foot. They are not currently charging for walk-in cooler shelf space or the freezer shelf space. The biggest problem they have at this time is that previous users abandon old product and someone has to follow up. This

entails the tedious task of monitoring what is in storage and contacting each user to come and get the outdated product or throw it out.

Before any user can use the kitchen they must present the liability insurance that holds the college harmless (there is a clause in the contract that requires this language on each user's insurance policy). They also require current food handler's cards and the appropriate food license, be that a catering license, or a Dept. of Agriculture license (bakery, food preservation, etc.).

The Oregon Department of Agriculture Food Safety Specialist and the local sanitation inspector visit the facility regularly and also conduct surprise inspections. Per the Bioterrorism Act, food processors who produce products for wholesale must register with the Food and Drug Administration. The facility pays \$300 per month for someone to supervise the kitchen – train others how to use the equipment and be there when processing is happening. Maintenance of equipment is costly, with over \$2,000 of parts and repairs in the first eight months of 2011. The college subsidizes many of the expenses for janitorial services, garbage services, electrical repair and outlet installations, etc. In 9 years, the kitchen has never broken even and they are considering closing the facility due to the looming budget cuts facing the college.

Made in the Methow

This shared kitchen project was started by a local group in 1999, in the remote community of Twisp, Washington, a town of 4,000 full time residents. Several entrepreneurs needed a location to produce their food products, and several farmers also said they were interested in preparing value-added products from their produce. Partnership for Sustainable Methow (a nonprofit organization with a mission to encourage and support activities that foster long-term sustainability and well-being in the Methow Valley) received a grant, matched 1 to 1, to create the kitchen from an empty retail space. The kitchen was designed for commercial processing. The grant also funded a part-time manager.

Usage was always heavier during the summer months. At its peak, the kitchen was rented 5 -6 days a week during the summer months. The kitchen was used by a salsa maker, a baker, a tamale maker, and a tofu producer.

When funding for the part-time manager ran out after a couple years, the Partnership for Sustainable Methow gave the kitchen users 6 weeks to figure out what to do. They decided to make it a cooperative, and it eventually grew into having a retail store front, including not just food, but any item made in the Methow Valley.

Rent from Partnership for a Sustainable Methow was \$400 a month. They needed \$750 a month to break even, paying electricity, insurance, and each operator had their own insurance. The facility offered segregated dry and refrigerated storage, paid for by the shelf or bin, etc. Size of facility was 25 by 70 feet, one third of the space was walk-in cooler and dry storage, the store front was about 1/6 of the space, and the rest was processing area.

After taking over operations as a coop, they knew they needed more money. They set it up so that if you were a vendor in the storefront, you worked a certain number of hours a month manning the retail. One

food processor agreed to make soups and salad dressings that could be sold in the store and the store would get the sales revenue. The food processor's time making the food products counted toward membership, and coop reimbursed her for the ingredients. They sold packaged pints and quarts of refrigerated soup. After four days in the refrigerator case, they froze it and then sold it frozen. There was no waste. It was a good product and had good sales that really helped out with income for the facility.

This configuration lasted about 3 -4 years, until coop members got burned out. At that point, only one food processor was still using the kitchen. One processor had died, another had moved to a licensed kitchen built at her residence, and one had to leave because their operation was too wet for the flooring in the facility. There was not enough use of the kitchen to cover costs. The kitchen was shut down in 2005 and the equipment sold.

Lessons learned. Think about different users, smells can be overpowering when someone is processing a large amount of chopped garlic or onions. It is really difficult to self-monitor kitchen use. When they lost their manager and converted to self-policing, there were issues with people not cleaning up after themselves, the garbage not being emptied, etc. The original organizers put a lot of work into, but there weren't new people coming along who needed it. Some of the organizers were local farmers who thought they wanted to make value-added products, but then they never did. They bought dehydrators for example and only used them one time in four years.

Pasco Specialty Kitchen

The Pasco Specialty Kitchen was established in 2003 with funding from U.S. Department of Commerce Economic Development Administration (EDA), North American Development Bank, and the Community Development Block Grant (CDBG) program of the Washington Department of Housing and Community Development. The Kitchen is located in Pasco, Washington, population 56,300. The Kitchen is owned by the City of Pasco and operated by the Pasco Downtown Development Association (PDDA) as an incubator for businesses that manufacture and market specialty food products to the public. It is one of the largest such facilities in the United States.

The Kitchen, located in downtown Pasco, is a USDA and Organic licensed commercial kitchen equipped with the following:

- dishwashing, cooking and baking areas
- gas stovetop, convection ovens, steam kettle, steam and hold oven
- mixers, food processor, microwave and meat/cheese/vegetable slicer
- refrigerators, freezers and storage space

Food products for resale that may be produced in the kitchen include:

- acid or acidified foods (batch coded and pH tested)
- baked goods, candies and frozen food
- catered and restaurant foods
- no processing of any meat or fish products for resale

The Kitchen also houses the Commercial Foods Academy, a joint partnership between the City of Pasco and the Pasco School District. With some city funding and the use of the city-owned Kitchen, the academy trains Pasco High School students for careers in the Tri-Cities' growing food processing industry. The Commercial Foods Academy at the Pasco Specialty Kitchen opened in 2005. The commercial foods science portion of the academy is the first and only program of its kind in the State of Washington to receive career and technical education funding through the Office of the Superintendent of Public Instruction.

The Pasco Specialty Kitchen currently has more than 40 tenants, 23 are high-use tenants, 12 are seasonal, and a few are hobbyists. Hourly rental rates vary from \$12/hour to \$17/hour, with the lowest rates being charged for night time usage, and discounts for those using the facility more than 20 hours per month. Freezer/cooler space, dry storage, pallet space, and drawer space are available for an additional fee(s). Tenants are also charged a \$50 annual marketing fee, which includes associate memberships in area Chambers of Commerce and Visitor Bureau, as well as a listing on the Pasco Specialty Kitchen website.

All tenants are required to have a food handler's card, as well as product liability insurance and all relevant licenses. There are also requirements regarding cleaning of rented space, personal hygiene and standards for food storage. On-site management provides kitchen users with information regarding licensing, insurance and labeling requirements. Information on business planning and referrals to business development services are also available. A 13 page license agreement outlines the agreements between the tenant and the Pasco Downtown Development Association (as agent for the City of Pasco). The license agreement covers parking, indemnity, non-discrimination, and insurance.

The Pasco Specialty Kitchen has an annual budget of \$96,000. Rental fees cover less than 50% of the cost of operations. Other funding comes from a variety of sources including the Pasco School District and the City of Pasco community/economic development funds. The facility manager is constantly looking for additional funds to cover cost of operations. Major expenses include payroll 40%, utilities 16% (water, electric, gas, garbage, phone), administrative fee 15%, janitorial 8%, and equipment/repairs 8%.

The Farm Kitchen

This privately owned and operated facility is located in Poulsbo, WA, population 9,200. The kitchen is set up as an S-Corporation. Prior to starting The Farm Kitchen, one of the partners had opened and operated a successful bakery for 12 years. The other partner had 15 years experience in small business management and marketing. The kitchen operates as one element of a larger event facility that the owners rent out to business and private clients for retreats, classes, parties and weddings. The overall facility includes 18 acres with gardens, guest house, outbuildings, kitchen and public event spaces. The commercial kitchen rental is available as a supplement to the primary business of renting the entire facility. As a stand-alone rental, the kitchen is available on a first-come, first-served basis, with priority usage being given to the owners when catering weddings, etc.

Monitoring and management of the kitchen is handled by the owners who are on site. Forms area also used to create a paper trail for daily clean-up, recording freezer and refrigerator temperatures, etc.

The kitchen has two rooms totaling 1,000 sq ft, and is equipped with:

- Hobart food chopper, Cuisinart, dough sheeter, scales
- 2 gas ranges, 2 convection ovens, stone 3 deck ovens
- utensils & pans & pots, cutting boards, metal bowls & colanders
- dish washer, 3 compartment sinks, vegetable washing sink
- walk-in refrigerator (100 square feet of space), 60' linear shelf space and room for 4-6 rolling racks
- About half the space in a 10x10 walk in freezer
- Users supply their own knives, specialty tools, towels, sheet pan papers, storage containers, etc.

Users are required to have a business license, food-handling training and certification, business liability insurance, Farm Kitchen safety & sanitation orientation and to provide a damage\security deposit.

The security\damage deposit is \$100.00. Fees are charged per person per hour.

For monthly users (use in consecutive months) fees are:

Caterers & General Food Producers

Per hour\per person, first 20 hours \$10.00 hr. Hours over 20 hrs \$8.00 hr per person

Bakers

Per hour\per person, first 20 hours \$13.00 hr. Hours over 20 hrs \$10.00 hr per person

Minimum charge \$60 per use

For occasional users, fees are:

Per hour, first person \$15.00

Additional people each \$10.00

Deposit of \$100 due upon scheduling date

Minimum \$50 per use

Bonner Business Center

The Bonner Business Center is a business incubator facility located in Sandpoint, Idaho, population 7,635. The Business Center opened in 1992 and has a variety of rental facilities available at favorable rates, including 10 executive offices, 6 industrial manufacturing bays, a conference room and a 1,400 square foot shared-use commercial kitchen. A conference room, fax, copy and secretarial services are available for a fee. Business counseling services are available through the Idaho Small Business Development Center and SCORE (Service Core of Retired Executives).

The kitchen was developed in partnership with the Economic Development Corporation of Sandpoint. It is currently owned and operated by the City of Sandpoint and is available to food entrepreneurs in the inland northwest. The kitchen is FDA certified and rents by the hour. The facility is not licensed for processing of products containing more than 3% meat.

Use of the kitchen has increased with the downturn in the economy. Use is seasonal, with higher use in the summer. The main users produce barbecue sauce, salad dressing, spaghetti/pizza sauce, salsa, and berry products (jelly, jam, syrup and sauce). Total use ranges from a low of 90 hours per month to a high of 300 hours per month. Scheduling is handled through an on-line system that is working well. In FY 2009-2010 the kitchen generated \$19,440 in rents and fees, which was not enough to cover the cost of

operation. Revenue from an adjacent 15,000 square foot industrial building owned by the City subsidizes the cost of operating the Business Center, including operation of the kitchen. The kitchen used to have a separate director, but management of the business incubator is now part of the city planner's job. The center also has a full-time secretary and a very part-time kitchen staff member.

Before entering into a rental agreement with a kitchen user, the Business Center requires a background check. Once results of the background check are received, the Business Center issues a "commissary agreement letter" advising the Panhandle Health District that the business will be working in their facility. Users must then provide the Business Center with a copy of a valid Food Processor license (for packaged food sold through retailers or other outlets to the end consumer) or a Food Service license (for food served directly to the end consumer). The food business manager and a least one member of any crew working in the kitchen must also have a food handler's permit. Users must also provide proof of product and general liability insurance policy which names the City of Sandpoint as an additional insured party. The policy must be in the amount of at least \$1 million per occurrence and \$2 million aggregate. A \$100 security deposit and a \$25 key deposit are also required.

The kitchen features:

- A 40 gallon steam-jacketed kettle
- Two convection ovens
- A 6-burner stove with conventional oven
- A large brazier pan
- A chopper
- Two mixers
- A bottle filler
- Walk-in cooler and freezer
- A commercial dish washer
- Locked storage for dry ingredients and refrigerated storage for rent by the month.

Rental Rates

- Hourly rate \$13.75 /hour
- >40 hrs./month \$13.00 /hour
- off-hours (10p-5a) \$12.00 /hour

Kitchen Storage

- Cabinet \$8.25 /month
- Cooler Shelf \$12.00 /month
- Pallet \$8.25 /month
- Freezer Shelf \$12.00 /month

Kitchen Supplies

- \$2.00 /session for consumables (hair nets, aprons, trash bags, cleaning supplies, etc.)

Wallowa County Kitchens – Basic Information and Suitability for Producing Foods for Sale

Name	Location	Contact	Food Processing	Baking	Ready to Eat Packaged Foods	Catering	Classes or Home Canning
Lostine Presbyterian Church Manse Kitchen	Lostine	June Colony, 541.569.2388	Not at this time	Yes	Not at this time	Not at this time	Yes, cooking classes and home canning are unlicensed uses.
Cold Storage	Frozen Storage	Dry Storage	Cost				Notes
Limited	Limited	Yes	By donation				This kitchen must be used under supervision of kitchen manager, June Colony. Standard size oven, refrigerator and freezer. No dishwasher; double sink with additional dishpan are used to meet "triple sink" dishwashing requirements. The owner hopes to increase equipment available via donated items. A standard label template will be provided and users will be assisted to customize the labels to meet requirements of baked goods produced for sale.
Name	Location	Contact	Food Processing	Baking	Ready to Eat Packaged Foods	Catering	Classes or Home Canning
Currie Kitchen	Joseph	Sherri Currie, 541.398.2425	Yes	Yes	Yes	Yes	Not suitable.
Cold Storage	Frozen Storage	Dry Storage	Cost				Notes
Yes	Limited	Limited	\$80 for full day				Available on case by case basis. Has regular oven, indoor smokers oven, stainless steel prep tables, two commercial refrigerators, commercial ice machine, small commercial dishwasher. No late night use. Must have own license and insurance.

Name	Location	Contact	Food Processing	Baking	Ready to Eat Packaged Foods	Catering	Classes
Wallowa School Kitchen	Wallowa	Shelly Bernhardt 541 426 7636	Possibly	Possibly	Possibly	Possibly	Possibly, cooking classes are an unlicensed use.
Cold Storage	Frozen Storage	Dry Storage	Cost				Notes
Limited	Limited	Limited	Not currently for rent				Not available at this time. If this kitchen becomes available, possible use would likely be in summer only. Use of this kitchen would need to be negotiated with school administration and cooking staff. Would have to have own insurance and license. The school has had problems with people removing utensils/cookware and not cleaning up adequately. They are concerned about equipment maintenance costs, and supervision of use.
							Set up for food service, has commercial dishwasher, walk-in cooler, 2 large mixers, freezer, mobile ingredient bins, 2 mobile shelves, 1 electric range, 2 convection ovens, 1 triple sink, 1 hand wash sink, 1 bathroom, 1 can opener, 1 baking station, serving bay with cafeteria window. There are separate wet and dry prep areas, clean, sanitary surfaces, in good condition, well equipped. No separate locked storage for clients. Adjacent multi-purpose room.

Name	Location	Contact	Food Processing	Baking	Ready to Eat Packaged Foods	Catering	Classes or Home Canning
Wallowa Resources Old Hospital/ Care Center	Enterprise	Jeffrey Weckes 541 426-8053 ext. 24	Yes	Yes	Yes	Yes	The facility would be well suited to classes if it becomes available for rent by the hour. Cooking classes do not require a license. Home canning would be possible, but it is likely that other kitchens could be used that would be less expensive, such as churches.
Cold Storage	Frozen Storage	Dry Storage	Cost				Notes
Yes	Yes	Lots	Not currently for rent				<p>This kitchen is not currently available. It is expected to be vacated by the Care Center by the end of August 2012. Wallowa Resources is currently investigating potential future uses for the entire Care Center portion of the building, including the kitchen and would like to hear from businesses and organizations interested in leasing the facility.</p> <p>This kitchen is well suited to a number of food business uses as it is well equipped and has a large amount of dry storage space as well as cold and frozen storage. It has a separate dishwashing room with commercial dishwasher, newer walk in freezer (not operating), newer reach in freezer, newer reach in refrigerator, standard refrigerator, ice maker, 2 convection ovens, three electric ovens, electric grill with hood, 6 burner commercial electric stove, 2 microwaves, large toaster, 3 large rolling carts, 1 small rolling cart, 2 double sinks, 2 hand washing sinks. It does not have pans/bakeware or utensils. It will need more food prep space which could be added through steel covers for the double sinks. The freezer needs to be recharged and there a few other minor repairs. Wallowa Resources is willing to do some of the improvements depending on what kind of tenant moves in to the space. They will also work on getting all of the equipment working. The kitchen is adjacent to serving and dining areas and rooms suitable for additional storage and office functions. Freight receiving area is also adjacent to the kitchen.</p>

Name	Location	Contact	Food Processing	Baking	Ready to Eat Packaged Foods	Catering	Classes or Home Canning
Community Connection Kitchens	Enterprise and Wallowa	Carolyn Pfeaster 541 426 3840	No	No	No	Limited	Yes
Cold Storage	Frozen Storage	Dry Storage	Cost				Notes
Limited, during short-term events	No	No	\$50 deposit \$125 for kitchen only \$250 for kitchen and dining room				<p>These kitchens operate as part of a benevolent organization and as such are inspected, but they do not have adequate on site storage to accommodate most business uses. The kitchens can be rented by groups and private parties. Groups using the facility for public events such as fundraising would need to get their own temporary restaurant license and prepare all food on site. Private parties are not required to obtain a permit as food is only served to invited guests. Caterers can use the kitchen if they have a license to operate in another facility and prepare the food at that facility. Serving of alcohol requires an OLCC license, an additional deposit of \$100 and a certification of insurance in the amount of \$300,000. There is a rental agreement and orientation walk-through, as well as an extensive check list for clean-up after use. Borrowing of pans, etc. is strictly prohibited.</p> <p>The kitchen is well equipped and clean. Industrial mixer is no longer available to rental users. Available with rental are griddle, reach-in refrigerator, slicer, gas range, two ovens (convection in Enterprise, standard in Wallowa), double sink, hand sink, can opener, warming table, bakers station, pots, pans, serving ware, dishwasher, and mop sink/storage.</p>

Name	Location	Contact	Food Processing	Baking	Ready to Eat Packaged Foods	Catering	Classes or Home Canning
South Fork Grange	Lostine	June Colony 541 569 2388	No	No	No	No	Yes.
Cold Storage	Frozen Storage	Dry Storage	Cost				Notes
Limited	Minimal	Limited	\$20 - \$60				<p>This kitchen is not suitable for use to prepare food for sale or for public consumption. It can be used by members of the grange and their invited guests, private parties/events and for other unlicensed uses such as home canning projects and classes. The kitchen is available to rent seasonally – spring, summer and fall. Water is shut off in winter.</p> <p>There is no running hot water. Water for washing and cooking must be heated on the stove. The kitchen has new paint and flooring, but general condition is rather primitive. There is a double sink, mop storage, wood cook stove, standard electric stove and refrigerator/freezer. There is an outside entrance directly to the kitchen area and a pass-through to the main/dining area. Adjacent main area of grange hall provides additional work tables, dining area, staging, and a buffet with storage below. There is no separate hand washing sink in the kitchen area. This kitchen could be significantly improved by adding a water heater and hot water plumbing.</p>

Name	Location	Contact	Food Processing	Baking	Ready to Eat Packaged Foods	Catering	Classes or Home Canning
Cloverleaf Hall Kitchen	Fair Grounds Enterprise	Wallowa County Extension 541 426 3143	Limited	Limited	Limited	Limited	Yes, does not require a license.
Cold Storage	Frozen Storage	Dry Storage	Cost				Notes
Yes	Yes	No	Daily \$75 Hourly \$20				The Wallowa County Fair Board has jurisdiction over the facility, but the County Extension office currently manages scheduling and access. This kitchen has been used by a licensed food processor who completely uses all ingredients each time he prepares food so that onsite ingredient storage is not necessary. It has also been used by a licensed caterer. It could accommodate catering done under a temporary restaurant license, for uses that would not require ongoing onsite dry, cold or frozen storage. Most other uses would require dry storage for ingredients and utensils and currently there is no dry storage available. There is the potential to develop dry storage and also additional cold and frozen storage in other parts of the building if the Fair Board determines they would like to support more business use of the facility. The kitchen is also suited to non-licensed uses like classes, home canning, and private events. Equipment includes commercial gas flat top grill, 6 burner range and 2 ovens with hood/fire suppression system; 2 standard electric ranges/ovens; commercial dishwasher, triple sink, 2 handwashing sinks, dishwashing sink, microwave, 2 rolling steam tables, 2 rolling carts, 1 commercial reach-in refrigerator, 1 small chest freezer, 1 can opener, and a microwave. There are two stainless steel prep tables and limited counter space. The kitchen has some commercial pots/pans/bowls, baking sheets and baking pans, kitchen ware, dishes and silverware available for use with additional fee of \$35 per day. A cleaning deposit of \$50 is required for use of the kitchen. The kitchen features roll-up windows to adjacent meeting room (seats 40 with tables and chairs) and main hall (seats 600 with tables and chairs). Meeting room and main hall have separate fees and cleaning deposits.

Name	Location	Contact	Food Processing	Baking	Ready to Eat Packaged Foods	Catering	Classes or Home Canning
Joseph Civic Center	Joseph	Debbie Short 541 432 1015 Donna Warnock 541 432 3832	Not at this time	Limited	Not at this time	Possibly	Yes, classes and home canning do not require a license.
Cold Storage	Frozen Storage	Dry Storage	Cost				Notes
Yes	No	Not at this time	\$125 per day				The Civic Center belongs to the City of Joseph and is currently managed by the Joseph Chamber of Commerce. This kitchen can be used for private parties/events with food served to invited guests, and for other unlicensed uses such as home canning projects and classes. It may be able to accommodate a licensed baking operation if all ingredients were used each time and were not required to be stored on site. It could become suitable for temporary events (catered and public events), but would require modification of the food prep sink drain. There is not adequate on site storage to accommodate most licensed uses at this time. The kitchen is well set-up and equipped with a large gas grill, 10 burner gas range & 3 gas ovens, hood and fire suppression system; 1 convection oven, 2 reach-in commercial refrigerators, 1 large commercial dishwasher and dishwashing sink, 1 under-the-counter stainless steel dishwasher, 1 five unit electric food heating table, 1 slicer, 1 microwave, 1 two-drawer built-in Toastmaster, 1 butcher block counter, 1 formica covered food prep island, 1 double food prep sink, 1 hand wash sink, and multiple wooden cupboards and drawers, including some with locks. A roll-up window provides access from the main room to the dishwashing area and a large roll-up window provides access to the food warmer table (buffet service) from the main hall. There are also large coffee pots, cookware and baking sheets, and other miscellaneous cooking and baking utensils. Dishes, serving ware and table service are also available.

Conclusions

Shared commercial kitchens are often time-consuming to operate and manage. The biggest costs are typically management/administration, utilities, janitorial and repairs. A sample break down of overhead costs included management/administration at 55% of total expenses, utilities 16%, janitorial 8%, and repairs 8%.

Demand for kitchen rental in Wallowa County is small, perhaps 10 or fewer businesses. There are many interested kitchen users, not all of whom are businesses or who are required to be licensed. For example, many people are interested in teaching cooking classes, or in canning for home consumption. Neither of these types of uses require a license and are suited to many of the kitchens currently available through churches, etc.

Three kitchens in Wallowa County are currently available to rent for businesses wanting to produce food for sale. One of these kitchens is limited to supervised baking, another is in need of additional storage and the third is only available on a case-by-case basis and has limited space and equipment. The Joseph Civic Center and Wallowa Resources/Nursing Home kitchen all have good potential to serve a variety of food businesses with minor modifications.

The new regulations for sale of farm-direct products has made it possible for some businesses to produce their food products without license or inspection. In addition domestic licensed kitchens are an alternative for businesses producing baked goods and certain types of processed foods.

Recommendations

It appears that upgrading and supporting additional use of existing facilities is the best way to accommodate the varied and dispersed need for access to kitchen facilities for licensed food businesses in Wallowa County. This approach could be undertaken in partnership with facility owners, economic and community development partners (like NEOEDD), interested volunteers and kitchen users. It is likely that funding and other resources could be secured if there is volunteer and organizational support to improve access to kitchens in the area. There are also communities in neighboring counties who have similar needs and there could be advantages to developing a regional project to improve kitchens for shared use. Recommended steps could include:

- Work together with kitchen owners to improve existing and potential facilities
- Identify costs and sources of funds for needed repairs, equipment, and management support
- Where needed, develop management tools and agreements using existing examples, online scheduling, checklists, etc.
- Network with similar projects in Union and Baker counties, consider a regional initiative to leverage and share resources and information
- Provide additional food business training and referrals

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Wallowa County Fair

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