

'Test kitchens' enjoying bounty

Local food-industry incubators see uptick

BY MEGHAN STREIT

Alexis Frankfort, co-owner of local food-industry incubator Kitchen Chicago, says the recession hasn't curbed her appetite for expansion.

Demand to rent space at her firm is increasing, and the poor economy is actually providing a lift, Ms. Frankfort says. Some clients have postponed plans to move into their own facilities because financing is difficult to secure, and they have continued to rent space at Kitchen Chicago. Others have come on board after losing their full-time jobs and deciding to start a business.

"The day after New Year's, we had a bunch of new e-mails from prospective clients and a steady flow since," says Ms. Frankfort, who owns Kitchen Chicago with husband Jeff Leverenz. "There's more new interest than last year at this time."

Kitchen Chicago rents space at

\$10 to \$24 an hour to local clients, which have included Get Baked Chicago and Hoosier Mama Pie Co. The firm, started by the couple in 2005, has outgrown its current digs on Chicago's Northwest Side, she says. In March, the operation will move to a building six times larger in the West Loop.

Kitchen Chicago is one of about 30 such firms nationwide, including four others in the Chicago area, according to CulinaryIncubator.com. A growing niche, "test kitchens," which are licensed commercial kitchens, provide shared equipment and workspaces for caterers, restaurateurs and specialty foodmakers who can't afford to open their own facilities.

Another test kitchen, Now We're Cooking in Evanston, has seen a similar uptick due to people recently laid off, owner Nell Funk says. Her company, which opened in 2007, has about 18 clients.

"We continue to see a steady stream of people, some who are just figuring out how to get started," Ms. Funk says. Other local



Alexis Frankfort



ERIK LINGER

A food-industry incubator was essential for Marie and Danny Lena, who set up shop in Kitchen Chicago a few years ago. They went on to start Papa Lena's Healthy Foods. "I would not have ever been able to do this" without Kitchen Chicago, Mr. Lena says.

test kitchens include Commercial Kitchen of Carol Stream and Looking for Cooking in Homewood. Another, Splice Kitchen, is expected to open in Chicago this spring.

Still, expanding during a recession is a risky proposition for anyone in the food business, particularly startups.

Starting a small food business can be done without a lot of upfront costs, especially with the help of an incubator, says Dinah Adkins, president of the Athens, Ohio-based National Business Incubation Assn. But with the weak economy, "people are going to

treat themselves less," she says. For high-end foods, "I think the market for that is shrinking."

Ms. Frankfort of Kitchen Chicago says her revenue leveled off last year after jumping 20% in 2007, primarily because the company is at capacity in its current space. But she expects an increase in revenue this year because the larger space will allow more clients. The firm posted a profit last year, she says, declining to provide figures.

An incubator was a foothold for Danny and Marie Lena. A few years ago, after tinkering with family recipes for roasted red pepper

chips and Sicilian pizza, the Lenas set up shop in Kitchen Chicago. The West Town couple then started Papa Lena's Healthy Foods and now sell products at Whole Foods and specialty shops.

Without Kitchen Chicago, "I would not have ever been able to do this," Mr. Lena says.

Ms. Frankfort plans to expand Kitchen Chicago by renting out the West Loop space for private parties and cooking demonstrations.

"Our clients are excited about the move," she says. "So far, we haven't seen any signs of our business slowing down."