

# Kitchen Incubator Overview



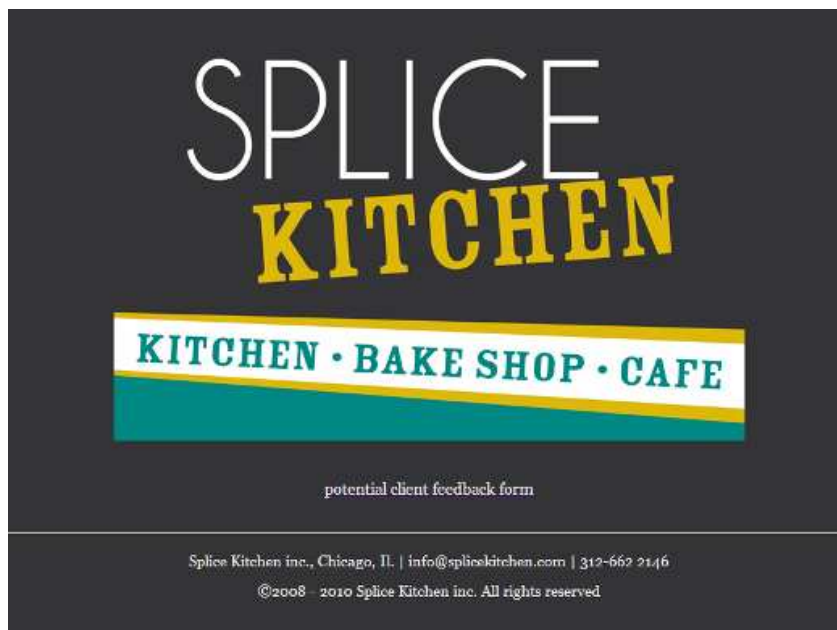
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potential client feedback form

## Kitchen Incubator Overview

***Definition: Commercial Kitchen available on a contracted, hourly basis to food entrepreneurs. Also called “contract kitchens” or “shared-use kitchens.”***

### Economic Benefits:

- JOBS! Lowers barriers to entry, businesses started with more support/less risk
- Strengthens local economy by supporting entrepreneurship
- Job creation without government subsidies
- More city revenues- licenses, taxes

### Food Safety Benefits:

- Facility manager serves as on-site, non-cooking food safety manager
- Sanitation certification is a prerequisite
- During busy times, businesses have safe facility to use for overflow
- Alternative to starting up in home kitchens

### Food System Benefits:

- Illinois imports 90% of the food we eat
- Export \$48Billion annually
- Food system status is a state security issue—what happens in an emergency?
- Incubators are one part of building healthy local food system
- Illinois Food Farms and Jobs Act/Task Force – Incubator subcommittee
- State of Illinois also at work on Kitchen Incubator policy

### Facility Profile:

- Single owner/operator
- Designed for 1-4 users at any time
- Once facility is booked, additional users are not added
- Each user has dedicated tables, sinks and storage
- Only common areas are dishwashing and janitorial

### User Profile:

- Micro businesses of 1-3 people
- 75% bakery/pastry/confection offerings
- Others caterers/restaurants in need of space for festivals or special events
- Seasonal farmer’s market vendors

### Seasonality:

- Jan-April –very slow
- May-October—busy season, in support of Farmer’s Markets, street fairs, festivals
- November-December – moderate

# Kitchen Chicago Alumni



## Hoosier Mama Pie Company

Description: Artisan Pies  
 Location: 1618 1/2 W. Chicago Ave.  
 # Employees: 6  
 Created: October 2005  
 Operated in Kitchen Chicago: 3 years



## Floriole Bakery

Description: Rustic French pastries made with local ingredients  
 Location: 1220 W. Webster  
 # Employees: 12  
 Created: May 2006  
 Operated in Kitchen Chicago: nearly 2 years



## Bleeding Heart Bakery

Description: Local sustainable punk rock pastries  
 Location: 1955 W. Belmont & 1010 North Blvd., Oak Park  
 # Employees: 20  
 Created: May 2005  
 Operated in Kitchen Chicago: 7 months



## Swirlz Cupcakes

Description: Cupcake shop  
 Location: 705 W. Belden  
 # Employees: 8  
 Created: June 2006  
 Operated in Kitchen Chicago: 3 months



## Katherine Anne Confections

Description: handmade confections, truffles & caramels  
 Location: 5740 N. Milwaukee Ave.  
 # Employees: 4  
 Created: November 2006  
 Operated in Kitchen Chicago: nearly 1 year



## Bake.

Description: Classic American desserts  
 Location: 2246 W. North Ave.  
 # Employees: 2  
 Created: May 2008  
 Operated in Kitchen Chicago: 18 months

# Kitchen Chicago Alumni



## Butter Bella

Description: Handmade cookies  
 Location: 5740 N. Milwaukee Ave.  
 # Employees: 4  
 Created: February 2006  
 Operated in Kitchen Chicago: 9 months



## Blue Sky Inn

Description: Cafe for job training and employment for at-risk youth  
 Location: moving to 3720 N. Lincoln  
 # Employees: 6  
 Created: April 2007  
 Operated in Kitchen Chicago: nearly 2 years



## Perfect Peace Café and Bakery

Description: Faith based bakery  
 Location: 1255 W. 79th Street  
 # Employees: 8  
 Created: November 2006  
 Operated in Kitchen Chicago: 18 months



## Crummy Brothers

Description: online organic cookies  
 Location: utilizes co-packer in California  
 # Employees:  
 Created:  
 Operated in Kitchen Chicago: 3 months



## Tipsycake

Description: handmade confections, truffles & caramels  
 Location: 1043 N. California Ave.  
 # Employees: 2  
 Created: April 2005  
 Operated in Kitchen Chicago: 6 months

## Kitchen Incubator History & Recent Events

***Definition: Commercial Kitchen available on a contracted, hourly basis to food entrepreneurs. Also called “contract kitchens” or “shared-use kitchens.”***

Kitchen Chicago, Our First Incubator:

- Opened five years ago in Ravenswood, recently moved to PMD address, 324 N. Leavitt
- Currently home to about 15 small businesses
- Has helped launch 11 Chicago storefront enterprises that employ over 70 people

Licensing History:

- Kitchen Chicago held/holds Food Retail Establishment License
- Historically, City issued only ONE Food Retail license per premise
- Kitchen Chicago clients that attempted to apply for a business license were refused
- Logan Square Kitchen told one license per premise, all clients work under it in summer 2009
- Splice Kitchen told a license required for Splice and each client in winter 2010

February 2010:

- Multiple businesses begin applying for food retail licenses at Kitchen Chicago location
- DBA field investigators visit Kitchen Chicago requesting to see business licenses
- Issues fines/cease & desist for businesses operating without a license
- Two businesses immediately apply for licenses
- During initial health inspection, CDPH destroys \$7500 in food product
- Logan Square Kitchen receives threatening phone call from DBA, followed by DBA field investigation

April 2010:

- All kitchen incubator clients are required to apply for food retail establishment license
- Exception: Farmer’s Market vendors
- CDPH and DBA working for formulate new license for micro food enterprises
- Organized day of orientation for DBA and CDPH on Wednesday, April 28th
- Attended by DBA, Law, CDPH/Food Safety Division
- Working to educate policymakers— Alderman, etc.

# Kitchen Incubators & Licensing

Currently:

- Each facility has Food Retail Establishment License
- Until Feb 2010, all Incubator clients operated under Facility’s Business License
- Currently, all clients (except farmer’s market vendors) must have Food Retail Establishment License
- Each licensee requires its own individual health inspection-
  - 23 inspections in 3 months in 3 incubators, zero violations
  - DBA issuing licenses for varied terms; all pay \$660, but license expiration less than 2 years
- CDPH requesting weekly schedules from incubators of all users
  - Not appropriate for one business to provide information on another
  - No other food establishment are required

User Categories:

	User	Nature of use	License Recommendation
<b>1</b>	Micro food enterprises	Incubator serves as production facility	Micro Food Enterprise License
<b>2</b>	Existing licensees	Kitchen as overflow facility (caterers, restaurants)	Existing license sufficient
<b>3</b>	Non-commercial users	Recipe testing/menu development. No food sales to public	No license required-- no commercial activity
<b>4</b>	Farmer’s Market Vendors	Not required to have license or inspection (verbal confirm from DBA & CDPH, March 2010)	Letter of acceptance from Farmer’s Market provided in lieu of license (verbal confirm from DBA & CDPH, March 2010)

Licensing Recommendations-

- Micro Food Enterprise— *licensing an ENTERPRISE, NOT an establishment*
  - Allow micro enterprises to work in multiple venues, like caterers
  - Provides safeguards in cases of equipment failure/lack of availability
- Health Inspections
  - Currently, Food Retail Establishments inspected 4x/year
  - Over-inspection of incubators = under-inspection of other facilities
  - Micro Food Licensee would have review/consultation at health dept
  - Annual submissions of process and menus to CDPH, which would audit % or any changed menu
  - Inspections for each client is same as inspecting restaurant for change in menu or personnel
- Approachable fee
  - \$660/2 years drives businesses in homes or out of Chicago
- Health inspection violations/fines
  - Violating party receives fine – example: no hair restraint, only offending chef is fined
  - Facility violation- facility fined once, clients not fined—example: loose bolt on hand sink has leak— facility has minor violation, clients are not fined
  - Liability already defined by insurance industry—City does not need to redouble req’d
- Questions from Incubator owners
  - What is City of Chicago liability?
  - How does it affect licensing policy?

# Incubator Health Inspection Log: as of 5/10/10

- 25 Inspections of three facilities
- Zero fines, two minor corrections
- Owners receive less than 24 hours notice
- Owner must open building and be present
- 60-90 minutes per inspection
- Conceivably 4 inspections per licensee per year
- Resources could be better allocated for public's health

## **Kitchen Chicago:**

<u>Licensee</u>	<u>reason for inspection</u>	<u>Date</u>	<u>findings</u>	<u>Inspector</u>
Kitchen Chicago	regular inspection	2/8/10	no violations	Marc Cicero
Sunday Dinner Chicago	new licensee	2/8/10	no violations	Marc Cicero
Flora Confections	new licensee	2/8/10	no violations	Marc Cicero
5411 Empanadas	new licensee	2/19/10	no violations	Marc Cicero
DA's Deli	new licensee	2/19/10	no violations	Marc Cicero
Pasta Puttana	new licensee	2/19/10	no violations	Marc Cicero
Foiled Cupcakes	new licensee	3/2/10	no violations	Marc Cicero
Joseph Washington	new licensee	3/16/10	no violations	Marc Cicero
Amy Peterson	new licensee	3/16/10	no violations	Marc Cicero
Flirty Cupcakes	new licensee	3/23/10	no violations	Marc Cicero
Jorge	new licensee	4/13/10	no violations	Marc Cicero
Nima Namdar	new licensee	4/13/10	no violations	Marc Cicero
David Bryson	new licensee	4/19/10	need label approved	Marc Cicero
David Bryson	new licensee	4/23/10	no violations	Marc Cicero
Red Pandora	new licensee	4/23/10	no violations	Marc Cicero

## **Logan Square Kitchen:**

<u>Licensee</u>	<u>reason for inspection</u>	<u>Date</u>	<u>findings</u>	<u>Inspector</u>
Logan Square Kitchen	new licensee	8/19/09	no violations	Charity Okoro
Logan Square Kitchen	Task Force	9/15/09	no violations	Charity Okoro
Logan Square Kitchen	Investigation	2/10/10	tighten sink bolt	Charity Okoro
Tinycakes	new licensee	4/6/10	no violations	Betsy Guillen
The Baked Escape	new licensee	4/15/10	no violations	Betsy Guillen

## **Splice Kitchen:**

<u>Licensee</u>	<u>reason for inspection</u>	<u>Date</u>	<u>findings</u>	<u>Inspector</u>
Splice Kitchen	regular inspection	2/19/10	no violations	Michael Krajewski
Eat 300	new licensee	2/23/10	no violations	Michael Krajewski
Mamisma Chicago	new licensee	4/12/10	no violations	Michael Krajewski
Eat Fit	new licensee	5/5/10	no violations	Michael Krajewski