



Shared Kitchen Incubator

Program Implementation Plan

A food entrepreneurship initiative

Undertaken in partnership with
The Hazleton Innovation Collaborative (THInC)

Developed by
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Setting the Stage

One of the events having the greatest impact on food business start-up and management is the Food Safety Modernization Act (FSMA). Launched in 2011, this act re-assigned much of the responsibility for safe food in the U.S. to the Food and Drug Administration (FDA), whereas previously a great deal of the oversight was through individual state departments of agriculture or health. Over the past decade, within the jurisdiction of FSMA, new policies, procedures and rules have been designed by a clinically-minded FDA to convey the idea that food borne illness can be virtually eliminated if the food producer thinks through every step that is taken, determines what might go wrong (called a “hazard”) and turns to the most current research to receive the solution to prevent that hazard.

At present, the rules within FSMA affect most strongly any business processing a “packaged” food product—that is, something not made for immediate consumption. The FSMA rules initially applied only to the largest of food businesses. Setting up and operating a small, local food business stayed fairly simple, with the usual guidance from Pennsylvania Food Law. However, in September 2018 FSMA’s Preventive Controls for Human Foods (PCHF) rule began to apply across the board, with the addition of “very small businesses” to those needing to comply. Since FDA was not staffed to be able to inspect every enterprise, the Pennsylvania Department of Agriculture (PDA) was deputized to ensure that the regulations found in Title 21 Code of Federal Regulations Part 117 – which mandate Good Manufacturing Practices (GMPs) for food establishments across the country – are followed by ALL food businesses (including start-ups). This means any business doing interstate/internet sales must be FDA-registered, fully complying with PCHF.

This history has changed what food businesses in Pennsylvania are allowed to do, making it much more challenging to make and sell food – even for those selling locally. Shared kitchens have had to support their current tenants, ensuring that they come up to compliance. Some shared facilities that previously co-packed products for farmers have ceased doing so, because the rules now in force do not allow them to “break even” financially on the transaction (or their co-packing fees run more than the farmer can charge the customer.)

At present, this has affected primarily packaged products – not the food sold by restaurants, caterers, food trucks, coffee shops, etc. However, FDA’s “New Era of Smarter Food Safety,” *Core Element 3: New Business Models and Retail Food Modernization* says that FDA is exploring ways to further modernize and help ensure the safety of foods sold at restaurants and other retail establishments. This means that all food businesses will likely come under Federal rules and requirements by the year 2030.

This substantial change provides new direction for shared kitchen incubators, offering opportunities and challenges. The opportunity comes with the increased complexity of food production, so that businesses that are registered as Limited Food Establishments (LFE) by PDA (such as bakers, makers of jelly, sauces, and pickles) need to produce in a way that makes using a commercial, rather than residential, kitchen the best option. This increases those food entrepreneurs’ need for a shared kitchen. However, the food incubator must not only provide access to commercial equipment and facilities (accompanied by business planning, marketing, etc.) but also be engaged in ensuring that their tenants learn, understand and comply with the new rules. The kitchen manager must help tenants by providing referrals for such areas as product benchmark testing (pH and aW*), referrals to qualified professionals for development of scheduled process and PCHF food safety systems, and by remaining vigilant when it comes to matters of kitchen sanitation and prevention of cross-contamination from one producer’s goods to another.

This is the setting of the report that follows.

*aW means “water activity.” Many foods must be tested for the amount of water that is not bound, in their fully processed state. Foods are to be processed so that the amount of available moisture, sometimes combined with the acidity (pH) will inhibit the growth of bacteria, yeasts and mold.

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Note related to this plan: Many of the ideas and tools for shared kitchen incubator management are found in these resources:

Meador McCausland, Dawn, Rachael Miller, Ashley Colpaart, Meghan King. (2018) Shared Kitchen Toolkit: A Practical Guide to Planning, Launching and Managing a Shared-Use Commercial Kitchen. Fort Collins, CO: The Food Corridor. Available at: <http://www.thefoodcorridor.com/resources/>

Topaloff, Alice. (2014) The Shared Use Kitchen Planning Toolkit. Leopold Center for Sustainable Agriculture, in collaboration with Iowa State University Extension. Available at: [Shared-use kitchen planning toolkit \(iastate.edu\)](http://www.shared-use-kitchen-planning-toolkit.iastate.edu)

Usage of the Shared Kitchen Toolkit and The Shared Use Kitchen Planning Toolkit is recommended as the THInC partners prepare and launch this kitchen, to access detailed instructions and resources for shared kitchens and additional sources of information.

Introduction

Community Setting

This report describes the steps of ramping up capacity, onboarding of tenants and ongoing management of services to food entrepreneurs who become tenants of the Hazleton Shared Kitchen Incubator. It also addresses marketing/promotion needed to attract tenants, and the educational/service component to be supplied to entrepreneurs, equipping them for eventual launch to their own independent businesses.

No economic development project on an American community in 2020 can ignore the Covid-19 Pandemic and the effects of mitigation of this health crisis on the economy. Since February, employment and economic challenges have been exacerbated, due to the impact of the Covid-19 related social distancing and quarantines — that nationally have resulted in the closure of typical "main street" businesses (retail, food service and other services) — which made up more than half of Hazleton's pre-Covid downtown economy.

Prior to February 2020, the local economy in Luzerne County and the Greater Hazleton Area had been struggling for years, experiencing high poverty and unemployment due to the gradual shut down of anthracite coal mining and associated industries. The Greater Hazleton Area has higher levels of poverty and unemployment, accompanied by lower average household income and educational attainment than that found in Luzerne County as a whole.

Financial solvency, limited financial literacy, and inability to secure government assisted emergency grant and loan programs threaten the permanent disappearance of this already fragile local economy.

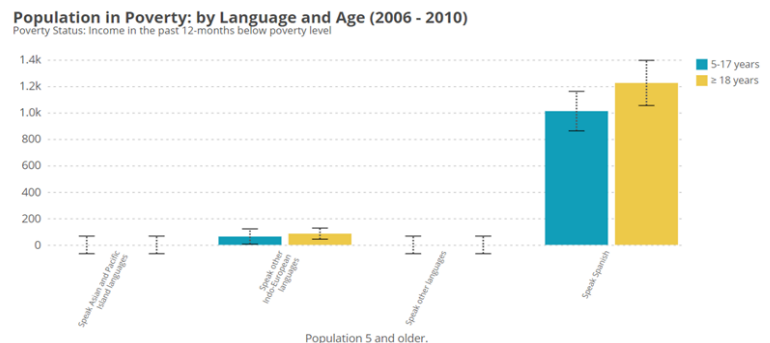
Faced with the impacts that Covid-19 had on this already-challenging economic situation, the Downtown Hazleton Alliance for Progress, together with the Greater Hazleton Chamber of Commerce, CAN DO, the city and local and regional economic development partners, proactively formed the COVID-19 Recovery & Resiliency Task Force to help coordinate small businesses recovery efforts and identify new initiatives and programs to help them rebound. A key task was the identification of several business recovery initiatives, designed to supplement the broader “Get Businesses Back on Their Feet” initiative being undertaken in cooperation with the Greater Wilkes Barre Chamber of Commerce and other partners. A unifying aspect of all initiatives was that they focused on perceived community strengths.

One of these community strengths is the culinary diversity of Hazleton. The original residents of coal era Hazleton were mostly of Polish, Slovak, Lithuanian, and German ethnicity, and later Italian; in recent years, there has been a significant influx of people self-identifying as Hispanic, diversifying the local cuisine. This makes the development of a shared kitchen incubator a *natural response* to economic challenges.

Language and cultural barriers that exist in Hazleton have resulted in accelerated poverty for decades, adding more challenges for the community that must be addressed by the shared kitchen incubator. 22.1% of Wilkes-Barre & Hazleton Cities' citizens are speakers of a non-English language (this is above the national average of 21.9%), due to a rapid influx of new residents relocating in recent years from Dominican Republic, (n=7,969) followed by Mexico (1,109) and Ecuador (495). In 2018, the most common non-English language spoken in Wilkes-Barre & Hazleton Cities was Spanish. 18.8% of the overall population of Wilkes-Barre & Hazleton Cities identify their primary language as Spanish, with an additional 0.319% speaking Other Indo-European Languages.

As seen in this chart, a significant portion of Spanish-speaking and other language speaking Hazleton residents live in poverty.

How many non-English speakers in Hazleton live in poverty?



In the spring of 2020 a kitchen was installed at the Hayden Family Center for the Arts located at 31 W. Broad Street. The kitchen was inspected by a PDA Sanitarian and confirmed appropriate for the Center's use. A secondary location for pop-up retail space was designated within The HUB Welcome Center at 15 W. Broad Street in Downtown Hazleton, providing a future venue for shared-kitchen tenants to gain a sales foothold (this location also is co-located with the Hazleton LaunchBox).

The creation of facilities for food entrepreneurship represents the first step toward building a shared kitchen incubator project. The next step will entail development of the infrastructure designated to guide this project toward launch. When the project takes off, it is anticipated that food entrepreneurs will lease the kitchen by the hour or day to produce food in an environment that enables fledgling businesses to adhere to the Pennsylvania Food Law, Federally mandated Good Manufacturing Practices, and rules associated with the Food Safety Modernization Act. Start-up food enterprises (chefs, caterers, food trucks proprietors, bakers, and value-added producers) will benefit monetarily and fraternally from sharing equipment and the facility, rather than individually building and equipping or renting enterprise-owned facilities.

As a shared kitchen **incubator**, the project will not only provide access to inspected space and commercial equipment, but also offer business development training; access to ecosystem service referrals for legal aid; and guidance in packaging, label printing, and distribution for the resulting food products.

Mission Statement

Values

The Hazleton Shared Kitchen Incubator supports:

- Empowerment for the next generation of food entrepreneurs
- Entrepreneurial spirit of citizens and small-scale food producers
- Economic vitality of a community that buys locally made products

Mission

Providing support to food entrepreneurs and culinary students as they set up enterprises that will produce quality, local food to support both our community's economic growth, and the health and well-being of families across the greater Luzerne County region.

Vision

The Hazleton Shared Kitchen Incubator will reduce hurdles and create opportunities for starting new food businesses, encourage the growth of local food businesses, and improve inclusion and equity in the food economy by

- Increasing local money circulation with more opportunities to "buy local"
- Growing more jobs in the community
- Improving the economic opportunities for underserved and limited resource entrepreneurs, including those for whom English is a second language
- Improving workforce training opportunities to enter the food industry through hands-on training and access to commercial equipment
- Increasing the opportunity for budding entrepreneurs to contribute to "Getting Hazleton Businesses Back on Their Feet"
- Creating the opportunity for the Hazleton Campus of Lackawanna College to replicate the Scranton Center for Independent Living culinary/kitchen skills program in our community
- Providing opportunity for interns from the Keystone Job Corps Center to put culinary skills into practice as they work side-by-side with tenants

Goals

By September 30, 2021, pre-opening activities will be accomplished to complete needs evaluation, fine-tune a financial feasibility assessment, and establish kitchen operations and conduct. Steps reaching this goal will be:

- Design and deployment of an updated survey of interested food entrepreneurs
- Development of three-year projections related to revenues and expenditures associated with the incubator kitchen
- Job description written for the center manager/monitor (currently designated as Ali McKittrick) and strength-based assignment of additional necessary tasks to members of the Management Team
- Development of kitchen marketing tools and activities to increase community understanding, support, and tenant buy-in
- Launch of Hazelton Campus of Lackawanna College sponsored Center for Independent Living sessions in the kitchen to try out the “feel” of kitchen usage and bring in modest revenues from daily rentals

By March 31, 2022, the shared kitchen incubator will provide space, equipment and oversight for a minimum of 5 food entrepreneur/tenants. Steps toward reaching this goal include:

- Holding a ribbon-cutting event to promote the project to the larger community
- Marketing the shared kitchen opportunities with food entrepreneurs as well as economic development groups throughout the region
- Providing tours by appointment for potential tenants, followed by tenant meetings (when social distancing measures are relaxed) to increase awareness about the project's growth and potential
- Initiation of mentorship and education programs for tenants

By September 30, 2022, at least 9 food entrepreneurs will regularly use the shared kitchen an average of 8 hours per week per individual. Motivation for continued and expanded use will be facilitated by:

- Quarterly tenant meetings (jointly conducted by the kitchen manager/monitor, the Hazleton Launch Box and CAN DO) for the purpose of providing "next steps" to active food entrepreneurs and collect suggestions from these stakeholders
- Continued project marketing in the community to recruit potential tenants
- Full deployment of the pop-up marketplace in the HUB Welcome Center to engage the larger community
- Recognition of tenants who have begun to grow their business or worked with Keystone Job Corps Interns, supporting the empowerment/entrepreneurial spirit/economic vitality mission of the project

Summary

This report includes operational, marketing, and educational plans for the shared use of the commercial kitchen located at the Hayden Family Center for the Arts by tenants from the community. Food entrepreneurs (tenants) will have access to the kitchen infrastructure, dry and refrigerated storage space, and food entrepreneurship training, equipping them to start and manage a for-profit venture. Further, the plan assumes coming retail sales opportunities available to these entrepreneurs at the HUB Welcome Center and elsewhere in the community.

Project Description

Overview

Use of a public building like the Hayden Family Center for the Arts to facilitate the establishment of new food businesses is in the best spirit of an economic development initiative, and presents a win-win situation for all. For the Hazleton Art League, it allows more complete use of a kitchen that is currently underused, because it was designed to be used as a shared kitchen. Space on another floor of the building has been re-purposed for use as a storage area for individual food business owners' supplies and their finished products (prior to distribution to customers).

Generically, shared kitchens are appropriate for the following types of food businesses:

- Culinary entrepreneurs, caterers, food products – anyone who needs a production kitchen
- Bakers who need deep ovens, lots of prep space and a large commercial mixer
- Culinary instructors who are hosting cooking classes
- Food truck operators who need a place to get water, ice, cook space and storage

A needs assessment (on-line survey) was introduced mid-2020 to collect information about the types of foods that might be made in the kitchen. The marketing section will provide a more thorough evaluation of the findings, but drawing on early responses of this assessment, initially, the Hazleton Shared Kitchen Incubator might focus on three specific categories of tenants:

- **Ethnic or Specialty Food producers** — individuals who prepare pick-up or delivery casseroles and meals, for retail distribution through farmers markets; this group of tenants might use the kitchen as a commissary for mobile food establishments (i.e., food trucks).
- **Bakers** — individuals who make bread, cookies, bagels, and other fresh, ready-to-eat baked goods — some may be displaced from home based ventures (Limited Food Establishments) because of zoning issues, customer demand in excess of home capacity, or because of home kitchens that don't comply with PDA standards; for others, their first business address will be the shared kitchen.
- **"Jarred" food producers** — individuals who make jams, jellies, syrups, salsa; any kind of packaged food product that has a pH of 4.0 or less; consideration will also be given to those making products between 4.6 and 4.0.

The first-year operational target (to be attained by September 30, 2022) will be two or three tenants from the first two categories (total 5-6 kitchen users). Ideally, these tenants will arrange to use the shared kitchen on a regular production schedule (every week or month). The mixture of entrepreneurs from the two categories will lend itself well to a schedule that fits current size and scope of the kitchen, with minimal additional investments (potentially some shared implements, pots and pans, a commercial kitchen scale and various other standard “restaurant” kitchen supplies –larger added equipment might be a proofer/\$1,200 or a single deck combi oven/\$2,800 and a commercial planetary stand mixer/\$800). Once the survey question was amended to allow respondents to select multiple choices for needed equipment, 9 of 15 indicated they would need a commercial mixer, and 8 specified that they would need baking sheets. This points to potentially (if given the option to choose from) the respondents would also have had mixing bowls, implements and knives, etc. as required). At present, tenants will need to provide their own ingredients, pots, pans, utensils, trays, food storage containers (when using the dry, cold and/or freezer storage), hair restraints, gloves, and aprons. Preliminary discussions with Cal Herring of the Keystone Job Corps Center point to his culinary instructors being able to assist in producing a small list of specific items that will likely be used by many tenants who are just starting their business for future funding.

Future Steps

The introduction of the third category of potential tenants would be best served by waiting until at least the second year of full operation, since producers of jarred products and other food items with shelf life might require additional equipment (such as a steam kettle or tilt skillet (\$7,500 to \$10,000+), a manual filling

machine (food grade (\$500)), pressure canner, and labeling machine. Small testing devices (pH meters and a aW meter) calibrated and lent by the facility are usual items based on FSMA PCHF and GMP standards. This need for additional equipment (and the capital investment therein) is one indicator that inclusion of this group should be delayed. To clarify, these photos are of shared kitchens equipped for packaged food production:



These pictures demonstrate steam kettles, expansive work areas, filling machines, large refrigeration units and storage units that are part of a typical shared kitchen where packaged food products are made. Facilities like these have loading docks where deliveries can be received, and at which the tenants can easily pick up their finished products for transport. The picture on the upper right is in the small room that can just be seen at the back of the picture that is upper center. It demonstrates shared space allocated to the pizza manufacturer (packaging items in the far area), working comfortably with the kombucha bottlers closer in the forefront. It is this uncrowded, well-equipped setting that is suited to today’s packaged food production.

Since registered Food Establishments must comply with current Good Manufacturing Practices associated with the Food Safety Modernization Act, at the time they are added to the shared kitchen “mix,” protocols will have to be upgraded to ensure no cross-contamination occurs. Entrepreneurs in this group will also need to work with a process authority, like Cornell Food Venture Center, to

- gain training via Better Process Control School
- have benchmark pH and aW tests conducted
- file scheduled processes for each unique product in their line

They will also need to register their business with FDA and potentially file for Qualified Facility (which basically allows them to be regulated by PDA rather than FDA). This level of complexity further signals a need to wait until the “rhythm” of usage by the retail food/baker group has been well-established.

(SIDELINE NOTE: Interview with Jocelyn Sterenchock from CAN DO included discussion that perhaps they would think about setting up a shared kitchen incubator for this third category of tenants in a separate location that would potentially offer more kitchen space to house the equipment and storage space required for tenants’ ingredients, packaging, and finished product. Such a facility would potentially house a walk-in cooler for farmers to amass fruit and vegetables in season to production quantities to for tenants to add value to local agricultural products.)

It is anticipated that tenant/members will have access to the kitchen from 6 a.m. to 11 p.m., 7 days of the week, throughout the year. Weekend and evening hours will increase the attraction of the kitchen for start-up business owners (often fitting their enterprise around a full-time job) as well as suit the schedules of established entrepreneurs who are accustomed to extended production hours. Potentially, bakers may apply for overnight (midnight to 6 a.m.) use of the kitchen.

In addition to kitchen and storage space, these tenants will be provided

- referral to ServSafe® training and certification (appropriate to the needs of category 1 or 2 tenants) by one of the following groups:
 - the University of Scranton SBDC
 - Mark Bakos & Associates, offering the class at the Comfort Inn in Hazleton on a quarterly basis
 - Penn State Extension (PS Extension also offering ServSafe® in Spanish language)
 - Brenda Lidy, originally taught at Keystone College but now provides class independently
 - The Pennsylvania Restaurants and Lodging Association (have offered this class regularly in Wilkes-Barre)
- opportunities for appropriate business management training for their specific food venture, as outlined in the Educational Training portion of this report
- opportunities to network with other tenants via shared kitchen time and quarterly tenant group meetings
- marketing support by way of pop-up retail space available at The HUB Welcome Center (soft launch first year, regular availability in second year)
- continued business mentorship from the Wilkes University SBDC, the PSU LaunchBox, SCORE and/or CAN DO

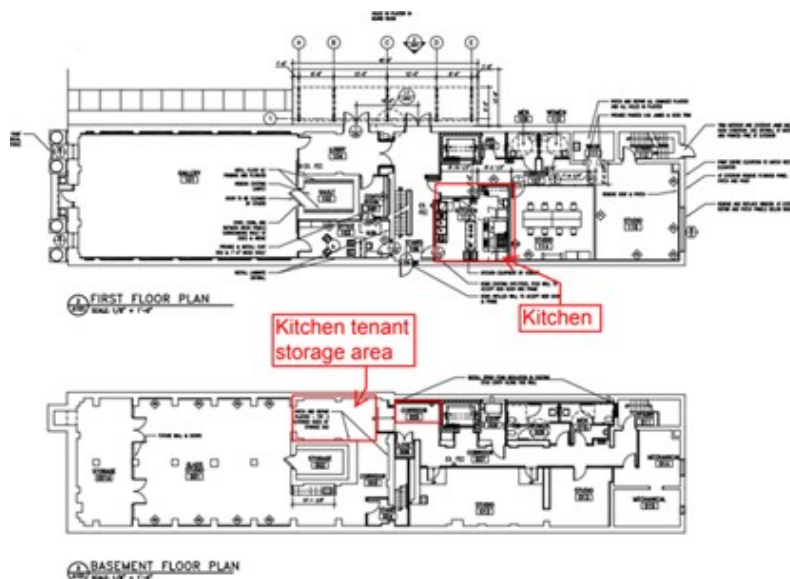
Location

The primary location of the Hazleton Shared Kitchen Incubator is a commercial kitchen located at the Hayden Family Center for the Arts, 31 W. Broad Street, Hazleton PA. Entrepreneurs making food items in the kitchen may also distribute their products through a retail area located at The HUB Welcome Center, 15 W. Broad Street, Hazleton. This facility is accessible to entrepreneurs throughout the NE Pennsylvania region, but will focus initially on offering opportunity to individuals living in Hazleton, or within Luzerne County and northern Schuylkill and Carbon Counties.

The kitchen has equipment that one would find in a restaurant or event facility; with suitable additions described above, the production area would also be appropriate for preparation, hand-made manufacture, and packaging of **small runs** of (shelf-stable) product. Storage space for individual users' utensils, ingredients, packaging materials, and finished products is also available within the Hayden Family Center.

By collaborating with the Hazleton Shared Kitchen Incubator, the shared kitchen tenants gain affordable access to a commercial kitchen, as well as a business development support. The downtown Hazleton location is more accessible to resource stressed users, as well as start-ups who have a "day job" which would leave limited hours to travel to established shared commercial kitchens that currently exist in Carbondale (1 hour drive), Easton (1 hour 15 minute drive), and Coopersburg (1 hour drive).

When comparing access to a retail outlet (at The HUB Welcome Center), the only other shared kitchen that has offered the opportunity for retail is in Easton —space that would benefit a caterer, primarily, in comparison to packaged goods retail.



Facilities

The Hazleton Shared Kitchen Incubator is located in downtown Hazleton — both kitchen and associated retail outlet sharing space with the Art League and the PSU LaunchBox. Tenants may access the kitchen and use dry storage space, on a prearranged basis, for a nominal fee. The area within the Hayden Family Center to be devoted to the shared kitchen incubator project is outlined in red in the floorplans on the previous page. It is noted that the actual kitchen space is approximately 300 square feet located on the first floor, and storage is comprised of about 30-40 linear feet of wall space located in the basement of the building. The storage area is suitable for tenants to keep their personal equipment and utensils, ingredients, packaging and labeling supplies, and a small number of cases of finished product. Each tenant will be provided a cage on wheels to allow for easy transport of work items via elevator to the kitchen.

Equipment currently in the kitchen is comprised of the following:

- Bun/sheet pan rack
- Reach-in freezer (18.44 cu. ft.)
- Restaurant range (gas, 24", 4 burners) with space saver oven
- Convection oven (gas, double-deck, 5 racks, 13 rack positions)
- Exhaust hood
- Reach-in refrigerator (18.44 cu. ft.)
- Microwave oven (Amana commercial – 0.8 cu. ft. capacity)
- Work table (stainless steel, L-shaped 84"W X 36"W, 30"D includes prep sink bowl)
- Work table (stainless steel, 84"W X 30" D)
- Food waste disposer with cone assembly
- Hand sink (wall mounted)
- Garbage can with swing lid
- Dishwasher (Hobart under counter)

Three compartment sink with over-shelf

The kitchen is also equipped with exhaust fans, a sprinkler system, and lighting over the work table.

As currently configured, the kitchen is best arranged for bakers and ethnic/specialty food producers (for retail sales). As described above, very small scale manufacture of jarred products might also be possible, as long as all processing (including filling and capping) can be done by hand according to the scheduled process for their specific products; any established processor who moves to this kitchen or start-ups who want to expand beyond local sales will require solitary use of the kitchen during their processing, and availability of a steam kettle or tilt skillet, a manual filling machine (food grade), pressure canner, and labeling machine in order to accommodate the production runs for wholesale.

Additional equipment that may be considered when potential tenants have inquired and financing is available:

- Food processor
- Fryer
- Broiler
- Smoker
- Dehydrator
- Food slicer
- Meat grinder

- Dough kneader
- Additional freezer/refrigerator or walk-in coolers/freezers for storage space
- Scales
- Heat sealer
- Ice machine

Preliminary Coordination

This project launched in an untraditional matter (due to funding availability) — in that the kitchen was planned and initial equipment bought, as well as commissioning of this report — before an in-depth needs assessment was performed. Such an assessment would have provided the project team with a more complete idea of who their tenants would likely be, and the types of production patterns to be supported.

For this reason, this project would benefit from the collaborators taking a step back during the first 9 months of 2021, to gain a stronger sense of what is being offered to beneficiaries of the shared kitchen, to develop an effective management team to oversee kitchen operations before any tenants onboard, and to build a structure for provision of educational opportunities and services to meet collective and individual food entrepreneurs’ needs. The rationale for devoting time to a coordination step is threefold:

- There has been a slow response to the Needs Assessment (on-line survey) that has been employed. To date, there have been 15 responses from potential tenants and an additional phone call from an inquirer. The project’s chance of success would be enhanced by gaining more community response to make certain that the opportunities the shared kitchen project provides address not only the dreams of entrepreneurship, but also uncover the barriers that have been recognized by would-be food entrepreneurs and the level of business support that will be necessary to overcome those barriers. Rather than develop “another survey,” new activities should be undertaken to begin gathering quality data through a series of community meetings (or focus groups), as soon as social distancing protocols are lessened in 2021. These meetings will allow real-time response to kitchen founders’ questions that will lead to a Value Proposition for the kitchen, thus turning the perspective to how the beneficiaries might use this resource.

Partnering with Greater Hazleton Hispanic Business Association, the Hazleton LaunchBox, CAN DO, and the Chamber of Commerce will extend the reach to underserved clients.

(Sideline Note: See Chapter “Understanding Your Market,” in The Food Corridor’s Shared Kitchen Toolkit for additional information and guidance in how to gather data related to community needs.)

The Project Team Members have found information sessions via Zoom, advertised via social media, to be successful ways to capture this kind of quality data. They have capability to do these in both English and Spanish, for a more inclusive effort.

- Interviews of project contacts (from the supplied list) illustrated the need for more discussion about the “nuts and bolts” of the project before marketing or onboarding takes place, the subjects of this discussion including:
 - Established staffing/assignment of responsibility for the regular tasks of kitchen oversight and management. One of the Best Management Practices for sustainable shared kitchens is that there must be a visible manager/cheerleader for the project. While tenants (as well as board members) may come and go, this individual serves as the go-to person who deals with the hard issues.
 - Need for the Hayden Family Center to secure janitorial services for routine thorough cleaning of kitchen and storage areas. Although pre- and post-work session cleaning will be required of all tenants, there is a need for professional janitorial skillsets to maintain the GMPs that PDA will require.
 - Assignment of responsibility for maintenance of the kitchen calendar, recording of actual hours that each tenant has used on a monthly basis and subsequent invoicing/collection. This type of “office work” can be done by the manager or by an accounting/bookkeeping firm.

- Security issues related to the entirety of Hayden Family Center. It is understood that the building is set up so that access could be limited to back half of first floor (with kitchen, elevator, restrooms) and basement, with the rest of building secured, but at this time there is nothing in place to close off the project area. Because tenants will be using the facility during evenings, weekends, etc. — and potentially accessing storage when they don't have the kitchen booked, each tenant will need to be issued a key, or a code based lock will need to be purchased and installed.
- Because of uncertainties around Covid-19 most local group/entity contacts interviewed were very tentative about the type of educational and mentoring services their groups could deliver — at present, the duration of social distancing requirements is unknown. There was a hesitation to “think outside the box” beyond things they had done in the past if kitchen tenants might need new types of support. By building in the buffer time and learning what the beneficiaries recognize as their needs, a stronger educational/service plan can be developed, far more focused on needs and wants of the tenants.

As this shared kitchen incubator has as its primary goal to assist in economic recovery of the Greater Hazleton area, it will be important to engage stakeholders and cultivate the support of the larger community during the Preliminary Coordination stage. By holding community outreach events, the project team will be able to gather input, confirm community needs, and see how the shared kitchen incubator project will be supported by the community. By doing this, the kitchen will potentially not follow this initial plan, but rather pivot to offer a more sustainable project that truly reflects the post-Covid priorities of the community, with a more inclusive, more collaborative launch.

In addition to building a more complete view of community priorities, these outreach events will serve as initial promotional opportunities for the kitchen project, enabling the THInC partners to build the cadre of volunteers, committee members and cheerleaders to bolster and sustain the shared kitchen incubator in the future.

A planning grant may be needed to provide adequate resources for outreach events, so the THInC partners will keep their eyes open for any new funding in early 2021 that might lend itself to this purpose.

Community outreach for the shared kitchen incubator may be accomplished by any or all of these approaches:

- Visioning workshops and listening sessions for potential tenants (virtual and later F2F) where they have the opportunity to share their challenges, needs, wants, related to the incubator
- Inviting a kitchen manager from another shared kitchen to discuss how their program “works,” to increase potential tenants’ perception of what a shared kitchen is, and the limitations
- Working with an elected official or government office to increase awareness of the need for this kitchen project (and gain legislators’ support for grant initiatives)

All information and events will include translation and interpretation (potentially from the Hazleton Launch-Box) to ensure Hispanic community inclusion.

The resulting insights from community outreach will provide the fuel to go forward in the current direction, or to pivot to a more relevant program. The needs and challenges shared will reinforce the types of production best suited to initial tenants (recruitment in September), and the types of production that will need to have delayed or excluded because of the need for additional equipment or because the chosen product will not be profitable in a small-scale environment (for example, most bulk frozen products, or any canned products needing a retort).

To pursue this “preliminary coordination” phase does not negate the need for the plans included in this report, but rather will ensure that, as a living document, plans can be modified with relative assurance that actions and activities will be in the best interest of both the shared kitchen incubator, and those who use its resources.

For this reason, the timeline recommended in this report has the first year of kitchen usage beginning around September 30, 2021, providing time to clarify commitments, learn more about potential tenants’ needs and wants (and generate greater awareness of the project in the community) and potentially locate funding for additional equipment and personnel that may be necessary for a successful endeavor.

Operations

Onboarding of Tenants

Once initial opening activities take place, potential and current food businesses will be encouraged to make contact, inquiring about tours and applications. This onboarding process will include the “sales pitch” for the kitchen, potential tenant screening, and fitting client-education activities associated with Hazleton Shared Kitchen Incubator to the specific need of tenants, while laying the foundation for an effective working relationship between intake and graduation.

All potential tenants will go through an identical kitchen onboarding process regardless of their skill level or previous shared kitchen experience, providing the opportunity to establish clear expectations about behavior, kitchen use, and tenant/management policies. While the process will be consistent, the amount of time for a prospective tenant to go from initial inquiry to first booking may take weeks to months, due to individual readiness, motivation and personal schedule.

During the first year of operation, the manager/coordinator of the shared kitchen will hold monthly open houses to introduce those who are interested in applying; if the first-year tenant goals numbers are met or surpassed, in ensuing years the kitchen manager may transition to screening applicants through intake forms or phone calls (with perhaps quarterly or semi-annual meetings), and then inviting those who match the program to take a tour and learn more.

Because of the work involved in processing new applications (and to assess the interest of inquirers), an application fee of \$20 will be assessed. This fee will be applied to the first two hours of kitchen rental when accepted as a tenant; it will not be returned if the “fit” is not seen as right (this will avoid receipt of applications from those who truly are not interested).

Open house meetings will provide inquirers the information to determine whether their needs match what the Hazleton Shared Kitchen Incubator has to offer. By including a tour of the kitchen, inquirers can see the Shared Kitchen's space, storage, equipment, availability, procedures and services, mission and culture and judge whether they align with their business aspirations. Some information gained by the Kitchen Manager during the Open House will include answers to these questions:

- What stage of business is the inquirer in and what are their business goals?
- Do they meet the acceptance criteria and rental requirements?
- Will the inquirer get along with current clients and contribute to the kitchen’s culture?
- What is their production process and is their food product a good fit for the capacity of the kitchen?
- Does the kitchen have the space, equipment, and **availability** they need?
- Do they need appropriate educational services or outside referrals to meet their goals?

During (or after) attending the Open House, inquirers who are serious in their interest will be asked to complete an Application Form. The Application will be available in English and Spanish language, and will collect standard information to evaluate the credit-worthiness of each tenant, as well as basic data. A sample application form is found in the Attachments to this report.

As stated above, payment of the \$20 application fee must accompany this Application. After receiving the application, the kitchen manager (and others on the Project Team) will review the information to determine whether the tenant is a "good match;" assuming this is "a go," the Kitchen Manager will check the references and run a credit check.

Once this process is complete, the intake process will continue with the collection of tenant documents, a security deposit of \$150, and signing the user rental agreement.

The basic documents that the tenant will be asked to provide at intake include:

- Business license
- Proof of liability insurance
- Food handler or manager certification (most common being ServSafe®)

- PDA Food enterprise registration application for their product (registration will be complete after inspection at the kitchen)
- Application or intake form
- Form of identification (for example, copy of driver's license)

Because the shared kitchen is an incubator, a schedule will be agreed upon at intake for each tenant to work with the Wilkes SBDC, the Hazleton LaunchBox, or CAN BE to prepare a business plan and financial statements or projections for their on-going enterprise. Start-up ventures may work on a Business Model Canvas initially instead of a full business plan.

Once the intake process is complete, the Kitchen Manager will provide a comprehensive orientation and kitchen walk-through to the new tenant, during which the kitchen's policies and procedures, cleaning standards, and expectations for proper use of equipment, cleaning supplies, food storage and waste management will be reviewed. The kitchen culture of networking and respect — as well as the communication channels that are appropriate — will also be addressed. Any updates to this orientation will be conducted during quarterly networking meetings for all tenants and/or an electronic newsletter.

After this orientation, the tenant will schedule an appointment with the PDA sanitarian so that he/she may conduct the inspection necessary to register the applicable type of enterprise (retail establishment, food establishment, or mobile food) before any commercial product is made. The kitchen time related to the initial PDA inspection appointment will be provided to the new tenant at no charge (subsequent annual or bi-annual inspections will be made by PDA when the tenant is using the kitchen in a for-fee basis). Certain tenants will also be expected to arrange for additional training or plans that the PDA sanitarian requires for them to legally make their food products.

The final stage of onboarding will be accomplished when the tenant provides a copy of the PDA registration for their business, an updated copy of their Certificate of Insurance which lists Hazleton Shared Kitchen Incubator as “additional insured” and their payment of the \$150 deposit fee (as described further in the “Scheduling and Fees” section).

Ongoing Kitchen Services

The primary service offered by the Hazleton Shared Kitchen Incubator will be access to a commercial facility with industrial equipment for small-scale food business owners. This section specifies the standards by which tenant/members will be permitted to have on-going use of the kitchen.

To be a successful user of this facility, the tenant **shall** consistently meet the following requirements:

- All tenants must have **current** Food Safety Certification – ServSafe® certification or other standard acceptable to Pennsylvania Department of Agriculture’s Bureau of Food Safety
- Retail food entrepreneurs — those who serve food and/or drinks directly to the consumer (i.e. food cart and truck vendors, farmers market vendors) — will demonstrate the ability to consistently comply with the PA Food Law outlined by the PDA Sanitarian.
- Packaged food processors must create **not Potentially Hazardous Foods** according to FDA and PDA guidelines (i.e., most baked goods, naturally acidic foods having a pH below 4.0, and products having a low water activity level). They will
 - verify pH and other attributes like soluble solids by a benchmark commercial laboratory test
 - consistently comply with the Current Good Manufacturing Practices as outlined in PDA's Current GMPs - Food Establishment Checklist (a copy of this document is in the Report Attachments).
- All tenants must secure and maintain product liability insurance which provides coverage to the food entrepreneur's venture, as well as the Hazleton Shared Kitchen Incubator, minimum \$2,000,000 in coverage.
- All tenants must maintain their registration as a **Food Establishment (wholesale), Mobile Food (for those using the kitchen as a commissary) or Retail Food Establishment** in good standing with the Pennsylvania Department of Agriculture to make their product(s) at this location.

Scheduling and Fees

Kitchen space will be available by reservation to all approved tenants. As part of onboarding, tenants will determine in consult with the kitchen manager the days and times that best fit both the tenant's and kitchen's calendars, with a goal of setting established days/hours for each session that a tenant works by his/her third month of usage.

As multiple tenants begin to use the facility, the shared kitchen manager will be responsible for keeping a schedule of the hours of use approved for each tenant. This schedule will be posted in a prominent place in the kitchen (and on a tenant-accessible website), verifying the rights of specific tenants to use the facility during a specific time segment. This will avoid confusion, enable multiple users to co-exist in the kitchen (when appropriate), and ensure that all have a positive experience, accomplishing what is necessary for their own business to flourish. The time allotted (and billed for) will be adequate for each user to pre-clean the work area and equipment, make the intended quantity of product and to clean up the area and equipment afterward. The kitchen will receive additional maintenance and detailed cleaning in the same manner as the other sections of the food processing areas are maintained — this more generic cleaning being done by janitorial employees of the Hayden Family Center — on at least a semi-weekly basis. The janitor will also be responsible for emptying trash cans and replacing rest room supplies as needed.

At the beginning of each shift, the tenant will gain admittance to the shared kitchen through the specified entrance, utilizing the key or code that was issued upon their approval as a tenant. Ordinarily, a tenant will not require constant supervision while he/she is using the kitchen; however, the shared kitchen manager should be on-site during day hours and reasonably available by phone after hours to respond to specific questions about kitchen usage and to ensure, by sporadic monitoring, that the food safety standards are being maintained.

In general, the fees charged to the tenants will be as follows:

\$10 per hour for access to the kitchen

\$10 per month for use of a storage cage

\$10 per week for use of a shelf in the storage area refrigerator/freezer (NTE 7 days for retail tenants or 3 weeks for food enterprise tenants unless by special arrangement—any use of the refrigerator or freezer in the kitchen suite must conclude at the end of the work session, and so will not incur an additional charge).

Although initially the tenants will schedule their billable work hours in an "a la carte" manner as described above, eventually they will learn the amount of time most sessions take, enabling many tenants to book a standard number of hours per month, paid for in full, with additional hours offered at an "overage" rate as described in this chart:

Monthly Plan Name	Cost	Number of Hours	Overage Rate/ Hour
Startup	\$400	40	\$9
Scale	\$800	80	\$8
Executive	\$1600	160	\$7

By applying this "level billing" strategy for kitchen hours, invoicing and accounting will be simplified for the kitchen management. It will also provide a stronger ability to judge how the (more consistent) revenues cover the costs of operation. As tenants continue at the incubator, participating in this type of billing will help them begin to develop a mindset related to the direct costs associated with their enterprise — a starting place for developing awareness of their breakeven point. As such, any portion of the monthly cost will not be refundable unless extenuating circumstances are provided to the kitchen manager.

Tenants will arrange with the kitchen manager in advance for access to specific equipment, stating the estimated number of hours this access will be needed. This time estimate should include at least 1/2 hour prior to processing for pre-cleaning of the area and 1 hour post processing to restore the work area to its original state. The kitchen manager will confirm start and stop times, sending the information to (the billing agent) for invoicing. While using “a la carte” scheduling, the tenant will have 60 days after receipt of the invoice to submit payment, unless he/she needs to access the kitchen again — in which case, the tenant's account must be paid in full to make a new reservation to access the kitchen.

As part of the in-take procedure, a \$150 deposit will be required of all tenants — this will ensure that tenants will not neglect making appropriate payments for use of the facility; it will also stand as a cleaning deposit for tenants who neglect to clean as they go, necessitating that janitorial personnel must prepare the space for the next user of the kitchen. Upon graduation/terminal departure from the shared kitchen, a tenant may petition to be refunded his/her deposit (assuming these funds have not been used to replace damaged/lost utensils or equipment, or fund remedial cleaning of the kitchen or storage area, as a result of activities related to tenant usage). In the same spirit, any tenant whose \$150 deposit is fully appropriated to damage or cleaning expense may either be required to post another deposit or have their usage of the kitchen terminated. Potential reasons for termination will be reviewed with all tenants during the onboarding process so that there are "no surprises."

Customer Service

Tenants needing special arrangements (such as solitary use of the facility or production assistance from Keystone Job Corps interns) will need to contact the kitchen manager by phone or email to discuss the date, length of use, and rate of compensation.

Initially, tenants will use their own bowls, pans, utensils and tools; they are responsible for ingredients, packaging, and labels as appropriate to product. As soon as additional funding is secured, the kitchen will make available some items that tenants may use. It is understood that individuals who use kitchen-owned equipment and work surfaces will wash/rinse/sanitize and (if applicable) return the room to the same order in which it was found before leaving the kitchen. If an item that becomes damaged while in use by a tenant, the user will notify the kitchen manager so that a determination can be made whether the item needs repaired or replaced. If the damage occurs because of negligence, the cost of replacement will be debited from the tenant's security deposit.

In order to maintain equipment and the kitchen in general, the Hazleton Shared Kitchen Incubator will arrange for the services of professional janitorial cleaning of the production area (i.e., kitchen) on a regular basis. While kitchen linens and aprons will not be supplied at the shared kitchen, space will be designated in the kitchen (such as a cubby) where individual tenants can store **clean** towels, aprons, gloves and hairnets/beard nets. It is the responsibility of all tenants to remove any items that have been used to be laundered before bringing them back into the kitchen.

Along with sharing space, the Hazleton Shared Kitchen Incubator will also provide the following standard consumable goods and shared equipment:

- paper towels
- toilet paper
- hand soap
- dish soap
- sanitation chemicals
- trash bags
- mop
- mop bucket
- broom

Tenant Inventory Management

In addition to accessing a commercial kitchen, tenants will have optional access to dry storage space to store personal equipment, ingredients, packaging and labeling materials, and finished product waiting to be shipped, for which they will be charged \$10 a month.

The space assigned to each tenant will consist of a cage on wheels, to store items between kitchen use, and to facilitate transfer of supplies by elevator between the storage area and the kitchen. Tenants needing more space than their assigned utility cage will need to contact the kitchen manager to arrange for temporary storage of the additional materials/equipment/product.

All tenants will be aware of the need to keep their storage areas organized and sanitary. No finished product will remain in the kitchen complex for more than one week, and will be date marked as specified by PDA. All ingredients stored for future use will be placed in appropriate, food-grade storage containers (as opposed to open bags); for those using the storage area refrigerator or freezer, previously used ingredients will also be date marked for inventory and safety purposes.

The kitchen manager will inspect the storage area on a weekly basis, making the appropriate tenants aware of any concerns.

Licenses, Permits & Regulations

All tenants of the Hazleton Shared Kitchen Incubator must comply with the retail, farmers market, and food enterprise registration requirements set by the Pennsylvania Department of Agriculture, Bureau of Food Safety and Laboratory Services. This includes compliance with appropriate sections of the Current Good Manufacturing Practices checklist.

Types of products and processes in which tenants are engaged must be suited to registration as a Retail Food Establishment (with the kitchen serving as a commissary for a mobile food unit, or bakery) or a Farmers Market Vendor (commercially processing product to be sold retail through local markets). In year two, assuming the addition of equipment appropriate to processing foods with shelf-life, tenants may also be registered as a Food Establishment (commercially storing, packaging, making, cooking, mixing, processing, bottling, wholesale baking, canning, freezing, packing or otherwise preparing or transporting or handling food).

To this end, all applications for tenant status will be subject to an initial evaluation by the PDA sanitarian, to confirm that the product(s) intended can indeed be made safely, according to Pennsylvania Food Law, Current Good Manufacturing Practices (CGMPs) and industry standards.

When considering Food Establishment items, the products should be low-pH jarred items or non-Time/Temperature Controlled for Safety (TCS) baked goods. In the case of Retail Food Establishment and Farmers Market Vendor tenants, a wider range of point-of-purchase consumption products may be considered because these items will be direct marketed and therefore there will not be a supply chain between the producer and customer.

Upon confirmation of their product line, all potential tenants must prepare the appropriate application package(s) and arrange for the PDA sanitarian to conduct an inspection at the Hazleton Shared Kitchen Incubator for purpose of granting registration. Only after this registration has been approved and paid for, and the tenant further apply with the City of Hazleton Department of Zoning for a Business License, will the onboarding of the tenant be complete.

Risk Management

Because the kitchen incubator is located within their building, The Hazleton Art League will confer with their insurance provider, describing the variety of business activities that will take place on their premises to ensure that they are adequately covered. Part of this discussion should be an inquiry about the advisability of a Business Owner's Policy (BOP), which will bundle a facility liability, property insurance, and other aspects of coverage. Because The HUB Welcome Center might store inventory and increase foot traffic into their building related to the retail aspects of this project, this entity should also confer with their insurance provider, and add appropriate coverage.

In addition to this project level insurance coverage, each business/individual who has been approved as a tenant must purchase \$2 million product liability insurance coverage, listing the Hazleton Art League as “additional insured,” and present a copy of the Certificate of Insurance at the time they onboard.

Any tenants who bring additional employees into the kitchen to assist in food preparation/production must list the Hazleton Art League on their workers' compensation policy. This may include those tenants who use the services of interns from the Keystone Job Corps Center, if these interns are provided compensation for their work.

Special considerations related to insurance are as follows:

- Event space rental — the Hazleton Campus of Lackawanna College has expressed interest in holding cooking/food service skills classes for individuals with intellectual challenges (replicating the sessions that are held at the Scranton Center for Independent Living). In addition to paying the rental fee for the kitchen, they will be required to provide a Certificate of Insurance with the Hazleton Art League named as “additional insured.”
- Details about insurance coverage:
 - General liability — This policy will protect the shared kitchen/Hazleton Art League assets and covers many of the legal fees incurred in the event of a lawsuit. It also provides coverage for many unforeseen expenses like property damages or a visitor to the kitchen/sales area slipping and injuring themselves.
 - Workers’ compensation — Insures employees who suffer a work-related injury or illness that renders them unable to work, and is paid for by the tenant who has paid employees assisting him/her in the kitchen.
 - Product liability — Even though a general liability policy will include some product liability, in the case of food products, it is not sufficient to cover the court costs and damages if there is a food borne illness. This insurance needs to be secured by each business (i.e., tenant) related to their own production, and because tenants do not control all aspects of the kitchen, each tenant’s policy must also insure the Hazleton Art League. In the event that the shared kitchen begins co-packing or producing their own kitchen-branded food goods, a separate policy to cover product liability will also be needed. The Food Liability Insurance Program, described at [Who Qualifies for FLIP's Food Insurance Coverage and Policies | FLIP \(flipprogram.com\)](#) provides coverage for this type of activity, as well as many other food production activities.

In addition to adequate insurance coverage, there are two demonstrations of due diligence that will be part of the Hazleton Shared Kitchen Incubator conduct – those being:

- compliance in venture-appropriate registration with the Pennsylvania Department of Agriculture for each tenant, and
- joint kitchen/tenant compliance with the Current Good Manufacturing Practices as described in the “Modernized GMPs Checklist for PA Food Establishments.”

The requirement that tenants be registered with Pennsylvania Department of Agriculture as a Food Establishment, Retail Food Establishment, or Farmers Market Vendor carries the stipulation that a business plan related to safe food practices be prepared and reviewed by the sanitarian at the time of registration; this will ensure that a standard of food safety has been set — this standard to be maintained by use of the [Modernized GMPs Checklist](#) for PA Food Establishments. The checklist is intended to serve as a guideline to help food establishments organize and document that they continue to meet the standards set forth in Title 21, Code of Federal Regulations Subpart B. A copy of this Checklist is included in the Attachments.

Individually, tenants who wish to use the kitchen must provide proof of successful food safety certification training (ServSafe® or other equivalent) and must attend an initial kitchen usage training session, covering kitchen pre-cleaning, usage, and post-cleaning processes. Individuals who will use specialized equipment, such as a convection oven, steam kettle, or dehydrator (if/when available), will be required to attend a hands-on training about commercial processing methods, prior to use.

Marketing/Promotion Plan

Target Market (Tenants)

Initially, a small group of food entrepreneurs who have responded to the needs assessment survey will typify the core of users. The chart below demonstrates that the largest group of potential tenants anticipated making baked goods (n=7), followed by prepared foods/catering (n=4), and those wanting to make soups, vegan food and organic food (n=2 for each of these categories). Beyond baked goods, among the processors of foods with some shelf life, two indicated that they want to make condiments, and one jelly/jam, one sweets and candies, one frozen items.

Although a relatively small group of respondents have participated in this survey, it is clear that there is a potential demand for a the kitchen will be used both as a "commissary" for those preparing ready-to-eat items and a "facility" for products with shelf life.

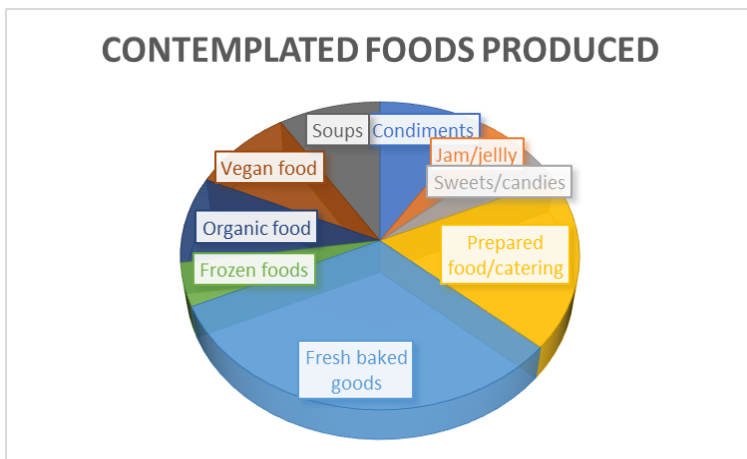
The responses do not include any farmers looking for an aggregation center for fruit and vegetable matter to be converted to value-added products. While this is certainly a group that might use the kitchen, farmers would contrast to those listed above in their desire for timeliness of kitchen access, and storage space. They would bring their farm-fresh fruit and vegetables into the kitchen over a period of time, accumulating a volume sufficient for making commercial batches of pickles, jams, jellies, salsa, etc. The accumulation of agricultural product requires additional walk-in refrigerated units and freezers which are not available at present at the Hazleton Shared Kitchen Incubator. Ultimately, the farmers would likely need someone to co-pack the value-added products for them since processing and harvest times often coincide, and they might also need finished-product storage until they could arrange for pickup. It will be difficult for the Hazleton Shared Kitchen Incubator to accommodate this type of enterprise — and so this type of use will not happen within the initial phase of the project (if ever). Potentially, this type of activity would be more suited to a commercial kitchen in an industrial park which would have a loading dock and commercial processing, packaging and labeling equipment that Can Do has contemplated building in the future.

It is anticipated that community meetings or focus groups to be held between the present and September 30, 2021 will provide an updated profile of tenants who will be the “customers” of this kitchen, and appropriate adjustments made to the plans that are included in the Overview/Project Description and Goals sections of this report.

Local Market Factors

The location of the Hazleton Shared Kitchen Incubator is accessible to entrepreneurs throughout the NE Pennsylvania region, especially offering opportunity for food entrepreneurship assistance to individuals living in Hazleton, or within Luzerne County and northern Schuylkill and Carbon Counties. The effects to population and employment opportunities due to the loss of the coal industry have been stated earlier in this report. The more recent effects of Covid-19 on the economy have been especially dire for food service. Owners of established restaurants that also offer catering services have voiced concern about encouraging catering and other retail food business development by accepting tenants with a focus on point-of-purchase and delivery.

On the other hand, the growing interest in local food as a reaction to Covid-19 is seen as having a positive influence in ultimately building social networks through farmer/non-farmer interactions as consumers seek out CSAs, farm stands, and attend farmers markets. Assuming this trend stays in force into 2021, it could benefit food entrepreneurs who purchase their ingredients from local producers and sell at these local venues.



A secondary market for food ready-to-eat that would lend itself well to the specialty/ethnic food category is sales through food trucks. Tenants will use the shared kitchen as their commissary, prepping food that will be taken through a final step (where necessary) upon order. Discussions with CAN DO have indicated that most of the large industries in Humboldt have kitchens and cafeterias for their employees. Others, as seen through the pandemic, have actually hired a food truck and paid for their employees' lunches from the truck, so this type of food service is recognized and appreciated. Humboldt alone is 10 miles long with some industries occupying up to 70 acres and millions of square feet under one roof—covering 3 different counties and municipalities. While zoning for each jurisdiction and licensure may differ and will cause some challenges, at the same time trucks that are “invited” to park onsite to serve a specific set of employees will benefit. CAN DO said there is definitely a need (which will potentially extend beyond the Covid-19 emergency) and provide a marketplace for shared kitchen tenants.

Beyond market demand for new food establishments, it is important to look at rules and regulations that impact on the success or challenge experienced by a shared kitchen incubator. Since 2018, very small businesses making products appropriate to wholesale, or interstate/internet sales have been required to register with FDA and comply with the Food Safety Modernization Act, Preventive Controls for Human Foods rule. The survey includes four people who would fall in the category of packaged foods for wholesale/interstate and internet sales. If included as clients in the Shared Kitchen Incubator, these entrepreneurs would need to comply with Good Manufacturing Practices, have a written scheduled process (the series of steps and safeguards for their product to be made consistently, following industry standards) — often necessitating their use of industrial equipment not currently in the kitchen (steam kettle, bottling machine, labeler, etc.). As stated earlier in this report, this is the rationale for opening the kitchen first to retail foods (farmers market, food trucks and bakers), and upon adding necessary equipment for processing and packaging, moving later to processors for products with shelf life, or considering CAN DO's interest for a second shared kitchen that is equipped better for this type of food production.

The Competition

Within a reasonable commute from the Hazleton area, there are three other shared kitchens. According to the representative from CAN DO, there are two restaurants that have made available their space during off-hours. A brief description of each of the competitors for food business incubation follows.

The Kitchen Incubator at Carbondale Technology Transfer Center, Carbondale PA is located centrally for access of tenants from Lackawanna, Wayne, Wyoming, Bradford Counties. Having received their initial equipment in 2008, they have a 12 year track record of providing space for small run food production and they have gained capacity to support retail food businesses, as well. Their rates of \$15 per hour are affordable for most businesses, and they supply cabinets for dry storage to their tenants at no additional cost. There is a one-time application processing fee of \$25 and a security deposit of \$200. Notably, they have a bottling machine and a specialized candy kitchen. They supply access to the kitchen, but no established educational program for their tenants.

Dragonfly Hill Farm and Kitchen, Coopersburg PA is a new shared kitchen, built by a food entrepreneur to process the agricultural products grown on the small farm. It is situated in the Lehigh Valley. The security deposit is \$500. In addition to a \$250 annual fee that allows users to do “a la carte” use at \$25 per hour, they offer packages that range from \$250/\$440/\$800/\$1440 per month (10/20/40/80 hours per month); \$500 security deposit. Where licensed supervision is required, the cost is \$10 per hour. The facility includes two pods—a cook's pod and a baker's pod, to which an electric convection oven, 30-gallon electric kettle, ice maker, KitchenAid® tabletop mixer, blender, rolling racks, immersion blender, or slicer can be added (some at additional cost). Tenants provide their own ingredients, pots, pans, utensils, trays, food storage containers (when using the dry, cold and/or freezer storage), hair restraints, gloves, and aprons.

Common Space, Easton PA—This facility has offered a commercial kitchen that can be rented by the hour; although their Facebook site indicates that they are currently in operation, they have relinquished the domain for their informational site due to Covid-19. Fees and deposits were similar to the Dragonfly Hill Kitchen, at the end of 2019—but they do have a track record of a number of years, and the facility is operated by an experienced chef who operates his own event/catering business at the address.

According to Jocelyn at CAN DO, **two restaurants in Hazleton** did provide “after hours” rentals for food business start-ups. The Poppy Press Coffee Company had allowed a baker to use their kitchen at night time (although Covid-19 may have curtailed this), and the Ovalon Bar & Grill had provided space to a venture making fermented products. No information about the cost of this kitchen space, and it would not supply any capacity for education/support of the individual start-ups.

Initial Marketing Strategies

The community engagement activities discussed in the Preliminary Coordination section will enable the project team to continue gauging interest in shared kitchens and begin building a mailing/prospect list as September approaches (at the same time, allowing for the business model for this shared kitchen to become clearer). At first, this list will not be used as a tenant recruiting list, but rather a promotional list for classes and workshops centering around the area of food business development.

A “natural” match for an introductory class/meeting in food business development would have been the Penn State *Food for Profit* workshop. However, over the past two years this program has evolved from in-person sessions to on-line only (according to discussion with Linda Falcone from the Wyoming Co. Extension Office). In place of *FFP*, there is potential for having the Wilkes University SBDC in sponsor of a session of *Building your Food Business* — a similar class currently available through the University of Scranton SBDC. In addition, the Hazleton LaunchBox might offer a specialized, food business-focused session of the Idea Test Lab to assist entrepreneurs in validating customer needs, identifying key customer characteristics, defining target markets, building a customer experience map, and evaluating potential competitors to build a reputation and prepare a set of entrepreneurs who are kitchen-ready on opening day.

Assuming the community meetings or focus groups lead to a stronger sense of the perceived need related to the shared kitchen in the Hazleton community, a soft launch will take place at the end of September 2021. At that time, a website nested within one of the partner organizations (TBD), will be used to increase community awareness about the shared kitchen incubator, share links to upcoming educational opportunities, and include a subsite, with tenant-focused info: a “how to” checklist for applying, the kitchen equipment list, and some photos. Examples of this type of web presence can be found at:

<https://www.centralmarketyork.com/yorkkitchen> (a shared kitchen that was originally organized by the York County Economic Alliance—see <http://business.ycea-pa.org/list/member/yorkkitchen-york-19026>)

If a partner organization is not found to publicize the Shared Kitchen Incubator (or if promotion beyond the Hazleton area is sought), consideration will be given to using The Kitchen Door, an established site to which food entrepreneurs turn. Some examples of listings for similar shared facilities listed on The Kitchen Door are:

<https://www.thekitchendoor.com/kitchen-rental/old-gregg-school> (referencing a kitchen in the community center described at <http://www.oldgreggschool.org/home/our-facilities/commercial-kitchen/>)

<https://www.thekitchendoor.com/kitchen-rental/center-for-culinary-enterprises>

As the kitchen grows (and especially if the second year brings addition of packaged food producers), it would be advisable to look for funds to develop a stand-alone website like these:

<http://crowdedcookhouse.com/>

<https://dragonflyhillfarmandkitchen.com/>

<https://www.artisanexchange.net/>

Growing the Value Proposition

A value proposition (in marketing) is defined as “an innovation, service, or feature intended to make a company or product attractive to customers.” It extends beyond just providing access to the kitchen and a bit of individualized business guidance. By consciously paying attention to the REAL reason why people in Hazleton might come to the kitchen, and share their “membership” in this program, there needs to be a level of excitement and interest (a “buzz”) created around The Shared Kitchen Incubator. This will be accomplished through a variety of activities and opportunities that may, in some instances, bring in some additional rental fees, but in other occasions just underscore the joy of food in the community.

According to the *Shared Kitchen Toolkit*, “Kitchens are learning that rentals as a sole revenue source do not generate enough to cover operating expenses.” This points to opening the kitchen to additional rental uses and programming to expand the revenue streams while supporting the Hazleton community. Food-related events not limited to the kitchen tenants — such as cooking contests, featured chef presentations, ethnic foods mini-festivals, and pop-up events, either held at the Hayden Center or in The Welcome Center (but always under the banner of the Shared Kitchen Incubator project) will serve to build valuable connections between the kitchen, local food businesses, and the community.

Should the kitchen have tenants who use the facility as a commissary for their food trucks, and these trucks then provide services in Humboldt and other similar high-employment areas will provide opportunity for word-of-mouth promotion of the Shared Kitchen Incubator as a place to launch a food business successfully.

In addition to Lackawanna College’s duplication of the Scranton CIL (described earlier in this report), there might be opportunity for other culinary instruction and cooking classes to regularly hold sessions in the kitchen. Entrepreneurs who hesitate to make and sell food items, but who want to share the heritage of their family’s unique recipes, would pay for hours of kitchen use so that their students could have hands-on opportunities to make and sample the fare. This specific type of use would not require the entrepreneur/instructor to have a retail food establishment registration, giving easier entrance to a type of business ownership that uses their talents, while promoting the culinary arts at the Shared Kitchen Incubator. In the same way, homeschool groups and charter schools might want to rent/use the kitchen for their “home economics” units.

When community activities resume post-Covid, health related instruction (for example, Penn State Extension’s Dining with Diabetes (<https://extension.psu.edu/dining-with-diabetes>) might be hosted at the Shared Kitchen Incubator as a community service. If there are costs associated with bringing such programming to the community, potentially the THInC partners could approach local health care providers to request their sponsorship of a class.

What is listed above is by no means an exhaustive list of the types of activities that would be undertaken to grow the kitchen’s value proposition, but as a starter list for the THInC partners to use when brainstorming how to incorporate the larger community with The Shared Kitchen Incubator.

Management & Organization

Management Team

During the kitchen launch phase (January 1, 2021 to September 30, 2021), a number of tasks must be undertaken, in addition to those items described in the “Preliminary Coordination” section. These tasks are hiring staff, obtaining insurance (beyond what is already in place by Hazleton Art League and DHAP?), finalizing the rental documents, and implementing an onboarding process. Complementary to these tasks, the kitchen incubator marketing efforts will also need to be underway prior to launch in order to build brand awareness and support recruitment efforts.

Assuming that there are not funds for a paid, ongoing Kitchen Manager or an Incubation Coordinator — requiring that start-up and early kitchen usage must be carried out by multiple players (Management Team) — it will be important to designate individuals with “boots on the ground” whose job will be to ensure that their assigned tasks are consistently accomplished. By June 30, 2021, these individuals should be named and apprised of their roles, so that they receive any instructions that they need, enabling them to begin work on October 1, 2021. This will provide the head start needed to develop management systems, engage in marketing, and begin tenant recruitment efforts. Because the Hazleton Shared Kitchen will offer incubation services, 19

appointing individuals who will bear responsibility for these tasks will ensure that pre-incubation services are available, to assist entrepreneurs in moving from idea to start-up phases. Some of the team members may need time to complete industry training programs (food safety, incubation management, etc.) or develop fresh connections with the local community that directly relate to this project. This pre-launch appointment will provide notice and opportunity for these pre-requisites to be completed.

The following is a list of Management Team Roles — as individuals are recruited, their name should be added to ensure that all necessary tasks have been assigned: (Note: this list should have THInC partners review and concurrence, with tasks not to be assigned eliminated from the roster. If a good delegate for a specific task is not available, put TBD if the THInC partners will continue to look in the community for someone to fulfill the role — and if a specific contractor is to be hired for a task, place "contractor" in place of a name):

Task/Role	Name
Executive Director	
Kitchen Manager/Monitor	
Administrative Assistant	
Incubation Services Manager	
Development/Fundraising Director	
Maintenance Manager	
Marketing/Communications Coordinator	
Accounting Specialist	
Procurement Manager	
Events Manager	

Briefly, these are descriptions of each role listed above:

Executive Director—the “face” of The Shared Kitchen Incubator; this individual must be the point of contact related to the center and the “cheerleader” who ensures that it is sustainable.

Kitchen Manager/Monitor—the individual who knows “who’s in the kitchen” on a daily basis; he/she keeps the calendar and is the person to whom tenants turn when there are questions, disputes, emergencies. This person will also make judgments about debiting portions of the security deposit when the kitchen is left in disarray or equipment damaged.

Administrative Assistant—the keeper of the records, maintaining a count of hours of usage for each tenant and group so that appropriate fees are allotted.

Incubation Services Manager—the person who oversees connections between kitchen usage and educational services/mentoring delivered.

Development/Fundraising Director—the individual who continues to look for additional resources both in the local community, and on the state and federal level, to capture funds to support administration as well as make additional capital purchases.

Maintenance Manager—Individual who keeps apprised on the equipment in the kitchen and general upkeep of both the actual kitchen space and the supply area; oversees janitorial and knows about any warranties and the appropriate individuals to call for routine repairs.

Marketing/Communications Coordinator—Person who will convey information about web page content,

take care of news releases related to events, follow up with inquirers who may want to be tenants.

Accounting Specialist—Individual or entity that maintains the billing for each tenant/group using the kitchen for a fee; sends out invoices and deposits payments, keeping overall financial records.

Procurement Manager—Person who oversees purchase of routine supplies (see page 13 for list) as well as initiating contact for any new capital purchases made.

Events Manager—Individual overseeing committees for various food contests, demonstrations, fests, etc.

In all cases, key individuals' passion for the kitchen's mission will be confirmed as a requirement of taking on a specific task, as a single-minded support of the overall project will help to build strong team cohesion necessary for shared kitchen success.

Because interviews with established shared kitchen incubator managers often indicate that they underestimated the amount of staffing they need for operations and implementation of programs, the Hazleton Shared Kitchen Incubator may decide to hire contractors for specific duties to reduce the workload for the members of THInC partners, and to promote a seamless transition from pre-launch to post-launch. In most cases, these contractors will have special expertise not available in THInC partners, or in the community.

Essential Roles

Many of the tasks described above will extend after the launch of the shared kitchen incubator—it is up to the THInC partners whether the committee arrangement is working, or whether more centralized authority need to rest with the Kitchen Manager/Monitor and the Incubation Services Manager. Whether this consolidation occurs or not, the roles of Executive Director, Development/Fundraising Director, and Marketing/Communications Coordinator will remain separate. Each of these areas requires a specific “vision” mindset that addresses the larger project, beyond daily concerns. The entity fulfilling the role of Accounting Specialist will continue to manage the finances, billing, and collections. Having acknowledged that, the following describes how the committee tasks might be collected under these two managers.

Kitchen Manager/Monitor — A kitchen manager would be hired or designated to oversee day-to-day tasks, post-launch, and be on-call to address:

- Coordination with Hazleton Art League on facility use and management
- Onboarding of new tenants
- Scheduling and usage records
- Procurement of supplies
- Special event management (shared with Incubation Services Manager)
- Conveying requests for technical assistance needed by tenants (related to regulatory compliance, business development, graduation benchmarks, etc.)
- Providing data to the Development/Fundraising Director as requested (to convey to funders of any grants received for this project, or support new proposals)

Because it is presumed that the kitchen manager/administrator will not have a commercial food production skillset, there will need to be identified an individual or entity who can address the following issues for kitchen tenants and/or the entire facility. During the first phase on onboarding, when the tenants are primarily retail food establishments (farm market, food trucks, bakers) guidance in this area may be received from the culinary educators from a partner organization, a ServSafe® instructor or the PDA sanitarian. When/if tenants include those making food products appropriate to wholesale, interstate, and internet sales, The Shared Kitchen Incubator may need to engage a food safety consultant, to provide assistance in the following areas:

- Standard operating procedures compliance
- Safe food handling procedures

- Cleanliness and sanitation
- Safety and security monitoring
- Cleaning and shared-ware supplies
- Refrigeration temperatures
- Storage management
- Waste management
- Routine maintenance and equipment inspection
- Deep cleaning accomplishment

In short, the kitchen manager/monitor will need multiple skillsets — facility management and administrative oversight, as well as a high level of emotional intelligence to communicate with all types of people from diverse backgrounds and cultures.

Incubation Manager —The Shared Kitchen Incubator will need an individual, distinct from the Kitchen Manager/Monitor with an entrepreneurship training and coaching mindset, who will ensure that this does not become just a “place where people make food.” The Incubation Manager has the responsibility to keep an eye on the end goal of “graduation” to an independent business venture for every tenant. This spinning off to independence is the true test of shared kitchen incubator success.

As such, the Incubation Manger will be responsible for:

- Entrepreneurship onboarding (an appointment to determine business education and services needed for each tenant)
- Drafting individual tenant education plans
- Referrals to mentorship groups (SCORE, Hazleton LaunchBox, CAN BE)
- Provide targeted notices for applicable upcoming training
- Contacting the Keystone Job Corps for intern assignment
- Referrals to the Wilkes University SBDC or Hazleton LaunchBox for business plan support
- Conveying requests for technical assistance needed by tenants (related to regulatory compliance, business development, graduation benchmarks, etc.)
- Providing data to the Development/Fundraising Director as requested (to convey to funders of any grants received for this project, or support new proposals)

Because the Hazleton Shared Kitchen Incubator will likely open their doors to those who have recently come to the United States , bilingual or multilingual proficiency with cultural competency will be an important component of this role. Early discussions with Jocelyn Sterenchock, Director of Economic Development for Greater Hazleton CAN DO, Inc., indicate that this might be a role for someone from CAN DO, potentially backstopped by the bilingual/cultural services of Fermin Diaz of PSU LaunchBox.

Educational Plan

The Need to be Seamless

As Business Development Professionals have learned, most entrepreneurs would rather be “doing” than “planning.” Business plans and projections are seen as necessary to provide to a lender when seeking outside funding, but often get put on the shelf once the loan is secured. Yet, the development of mission, vision and values—and the setting of goals and objectives as the measuring rod of business success are essential if a business will be sustainable.

Although most of the 15 respondents to the survey indicated that they needed “financial” assistance, this could be translated as “find me money.” The focus on “let me in the kitchen” overshadows drafting a written plan, comparing projected and actual cash flow, effectively using social media to engage customers and many other business management activities that are required in 21st century business.

Without developing each tenant’s business acumen, a shared kitchen ceases to be an incubator, reverting to being just a shared community kitchen. Graduation from the incubator stops, as the tenants become lifelong occupants.

While it has been recognized that kitchen incubator ventures stay longer than other enterprises (such as tech businesses) because so much of the capital investment (equipment) is not made early in the process, for the incubator to be effective and to have room for additional start-ups, it must be part of the mindset that they will do business at that site “temporarily.”

For this reason, potential users of the kitchen must be made aware of the expectation that they will learn and build their business, not just cook and sell food. The Incubation Manager must engage each tenant from the start, determining what educational needs the entrepreneur has, and “assign” activities that will help in the building of knowledge, mindset and skills. The Shared Kitchen Incubator must be prepared to ask a tenant to leave, if he/she does **not** take part in business skill development, just as they would be asked to leave if they repeatedly did not clean up after themselves or thoughtlessly damaged equipment.

To aid in providing this seamless educational service, a survey of partner organizations was conducted to assess current, and still needed, support for the tenants of The Shared Kitchen Incubator.

Shared Kitchen Incubator Tenant Education/Training Needs

As stated previously in this plan, shared kitchen incubators are differentiated from shared community kitchens because of the mentoring and training (both in culinary and business aspects) which the tenants receive. According to *The Food Corridor*, mission-serving, revenue producing services that shared kitchen incubators provide most often fall into the following categories:

- Business Planning and Launch Assistance
- Production Services
- Marketing and Design Services
- Sales/Market Opportunity Development
- Product Development and Food Safety Services
- Financial Services
- Graduation Services
- Other Entrepreneurial Ecosystem Services

Using this list of possible types of educational/training services, further broken down to a specific set of actions/activities, a survey of the community collaborators was accomplished to determine where referrals might be made – and where potential “holes” in service exist in the greater Hazleton region (NE Pennsylvania). What follows is a synthesis of these discussions, denoting specific organizations and their contribution.

Business Planning and Launch Assistance

- Wilkes University SBDC, Hazleton LaunchBox, and CAN DO/CAN BE will be able to assist with
 - Ideation/pre-incubation/feasibility phase guidance (for LaunchBox, this would be Idea Test Lab)
 - Business planning
- Wilkes University SBDC will also be able to assist with
 - Financial planning
 - Incorporation and business license assistance
 - Financial services referrals
- University of Scranton SBDC (upon collaboration with Wilkes SBDC) will be able to
 - guide tenants in determination of which food registration category applies
 - assist tenants for whom it applies to register with FDA and submit Acidified Foods and Qualified Facility attestation (necessary for food businesses wanting to sell interstate and via internet)
 - offer *Building your Food Business* workshop
- The PDA Sanitarian will review applications for Retail Food, Farmers Market, and Food Establishment registrations and conduct annual/bi-annual (instructional) inspections at which updated food safety standards will be discussed.

Production Services — this is an area requiring food production expertise, so much of this category falls in the “not yet available” status; there may be the need to hire a consultant to fill this area, but items that could be covered include:

- For consistent facility standards, the Kitchen Manager may oversee provision of:
 - Sanitation and production supplies - cleaning solvents, paper towels, plastic wrap, etc.
 - Bi-weekly cleaning of the facility
- The Keystone Job Corps Center may provide temporary staffing (via student interns)

Marketing and Design Services

- Wilkes University SBDC and the Hazleton LaunchBox can provide
 - Marketing strategy and support
 - Branding, product positioning and design
 - Social media support (Wilkes SBDC interns or GA’s when available)
- Hazleton LaunchBox can also supply web design and e-commerce assistance
- Wilkes University SBDC’s interns/GA’s can supply consumer and market research
- The PDA Sanitarian can supply assistance with packaging materials and label content for items made by registered Food Establishments

Sales/Market Opportunity Development — another area with much “not yet available”

- Wilkes University SBDC provide connections to resources and referrals for growth
- Downtown Hazleton Alliance for Progress, in partnership with the Greater Hazleton Chamber of Commerce, could provide on – and off-site retail and farmers markets through a seasonal farmers market, held in a park adjacent to the shared kitchen incubator

Product Development and Food Safety Services

- Wilkes University SBDC can guide product market testing (focus groups, etc.)

- University of Scranton SBDC, Mark Bakos & Associates, Brenda Lidy, The Pennsylvania Restaurants and Lodging Association, and Penn State Extension can provide food safety and certification testing (ServSafe®) upon request and adequate enrollment, Penn State Extension offers Spanish language ServSafe® training.
- Penn State Extension offers Food Processing Basics and Preventive Controls for Human Food certification classes, HACCP classes for specific types of food items
- The PDA Sanitarian can offer some quality assurance and compliance advising (HACCP, GMP, etc.) — more detailed classes are offered by the Cornell Food Venture Center (which also offers process authority services, shelf life and other quality and safety testing such as benchmark pH and aW measurement), and nutritional testing and labeling services
- Under the heading of Food safety training and certifications testing
 - Lackawanna College Hazleton Campus would rent the kitchen to replicate the CIL in Scranton and offer ServSafe® Training to individuals who apply for/qualify to receive training through the Office for Vocational Rehabilitation; this is potentially a way to introduce people interested in a culinary career to the Hazleton Shared Kitchen Incubator and at the same time get a quarterly stream of kitchen fees to the Art League.
- Production process assistance
 - Keystone Job Corps Center might be able to provide some interns who are ServSafe® certified with the goal of their students (most likely the more proficient, aged 20 to 24) assisting individual tenants as they make products and need "extra hands," in exchange for compensation and their learning about food business conduct (both catering and manufacturing/packaging).

Financial Services

- Wilkes University SBDC can provide support related to
 - Bookkeeping
 - Crowdfunding campaign assistance
- Both Wilkes University SBDC and CAN DO can provide support in
 - Microloans and Loan Application Preparation
- Wilkes SBDC can help prep business plans as microloan and loan applications and identify and refer to
 - Potential lenders
 - Investment pitch events
 - Venture capital and investor connections

Graduation Services

- This is an area where CAN DO believes they have a strength
- Wilkes University SBDC can assist with site selection and negotiation support
- Both Wilkes and the LaunchBox offer some human resource recruitment and training:
 - Wilkes SBDC offers employee manual development guidance and interviewing suggestions
 - Hazleton LaunchBox can supply this information through their partnership with PA Career Link - choosing the right employee
- Wilkes University SBDC can provide graduation marketing support

Other Entrepreneurial Ecosystem Services

- Wilkes University SBDC and SCORE can provide mentoring and entrepreneur-in-residence programs
- Wilkes University SBDC can also provide entrepreneur and business networking opportunities

Services and educational programs that were **NOT** found to be available among the Hazleton collaborators, clustered by their topic area, are:

Production Services

- Co-packing (this is becoming increasingly difficult to offer at shared kitchens, anyway)
- Bulk and split ingredient ordering services (may be initiated at some time by tenants group)
- Local food sourcing services
- Vendor discounts (may come in time)
- Package receiving (this would be difficult to institute)

Marketing and Design Services

- Product photography and video
- Marketing through kitchen branding and promotions (potentially once there is a kitchen track record)

Sales/Market Opportunity Development (maybe contact with NE PA Alliance would provide some of this)

- Sales channel advising
- Catering referral and booking services
- Distribution and/or distributor referrals and advising
- Buyer events and retailer relationships
- Trade show support and shared exhibit space
- Broker referrals, relationships and advising
- Connections to other food entrepreneurs for collaboration

Product Development and Food Safety Services (potentially a consultant will provide these, when warranted)

- Product ideation and strategy
- Product and recipe development
- "Clean label" product development
- Recall plan development and guidance

Financial Services

- Pricing guidance
- Investment advising and preparation
- Tax reporting guidance

Graduation Support

- Co-packing referrals and advising
- Facility design and specifications
- Growth fund support

Other Entrepreneurial Ecosystem Services

- Consulting services for shared kitchens/incubators (feasibility, business/operational planning, staff training, etc.) — may be needed by The Shared Kitchen Incubator in the future
- Training services for business support service providers

- Food cluster development support for economic development initiatives
- Local food branding program design and support

These seeming deficits in educational support should be reviewed by THInC partners to determine whether the type of activity will be needed from project launch, will be needed eventually, or never needed for the project to move forward. It is suggested that data gained by the Community Meetings/Focus Groups may guide this triage.

Financial Analysis

THInC Shared-Use Kitchen Incubator

Draft budget proposal 1/20/21

Operating Income	Year One	Year Two	Year Three	Year Four
Average number of clients/month	3	4	5	5
Average client hours/mo	15	15	15	15
Annual kitchen rental hours	540	720	900	900
Annual rental income @ \$10/hr	\$ 5,400	\$ 7,200	\$ 9,000	\$ 9,000
Anchor tenants/month (40 hrs)	0.5	1	2	3
Anchor tenant rent/month	400	400	400	400
Annual anchor tenant hours	240	480	960	1440
Annual anchor tenant revenue	\$ 2,400	\$ 4,800	\$ 9,600	\$ 14,400
Storage & program income	300	400	500	600
Annual CIL session hours		1000	1000	1000
Annual income CIL sessions @ \$10/hour		\$ 10,000	\$ 10,000	\$ 10,000
Total Kitchen use hours	780	2200	2860	3340
Total Kitchen income	\$ 8,100	\$ 22,400	\$ 29,100	\$ 34,000
Operating Expenses				
Insurance (for kitchen ops)	500	500	500	500
Utilities (assume \$2/kitchen hr)	1560	4400	5720	6680
Maintenance & repairs	500	750	1000	1000
Janitorial (@ \$50/wk)	1200	2600	2600	2600
Supplies	250	350	500	500
Kitchen Manager stipend @ 15% of kitchen use hrs + 8% CIL hrs x \$20/hr	\$ 2,340	\$ 5,200	\$ 7,180	\$ 8,620
Director @ 5% of client rental	\$ 390	\$ 600	\$ 930	\$ 1,170
Total Kitchen Expenses	\$ 6,740	\$ 14,400	\$ 18,430	\$ 21,070
Net Income	\$ 1,360	\$ 8,000	\$ 10,670	\$ 12,930

**Note: This budget was revised from original contained in report to reflect discussions with client based upon assumed roles for staff responsibilities and expense estimates.*

The numbers provided above reflect potential financials if the focus groups/community meetings uncover greater interest and support for retail food enterprises (i.e., caterers, food trucks, farmers market stand vendors). The current kitchen layout and storage space is adequate and there will be less for start-up cash in-fusion when the equipment to support food establishment (packaged food product makers) is not purchased.

However, if the Preliminary Coordination step demonstrates the need for more (packaged, shelf-stable) food production, significant start-up dollars for steam kettles, glass-container canning equipment, filling machine, labeling machine, and diagnostic equipment (i.e., pH meters and aW meter/moisture gauge) — as well as walk-in coolers, more extensive storage, and potentially a loading dock for ingress of supplies and output of finished product will also be needed. In this case, onboarding of all tenants might have to be delayed for an extended period, while grant funding is secured to purchase equipment and to hire a kitchen supervisor who is versed in commercial food production, and use of the equipment.

Sources of Additional Funding

If a second phase of funding is required, it is better to seek grants than loans, as the cash flow in shared kitchens (especially in initial years) is variable, making it difficult if not impossible to keep abreast of the payments. The large challenge is that many government agencies and foundations have turned their focus toward Covid-19 and other emergency relief for established ventures, rather than new projects.

The best source of funding for this type of project is from U.S. Department of Agriculture Rural Development grants (<https://www.rd.usda.gov/programs-services/rural-business-development-grants>) — both Enterprise and Opportunity Grants can be used for aspects of rural business incubator development. The contact working at the Tunkhannock Service Center, Tunkhannock, PA is Jason Cali, jason.cali@usda.gov (570)836-5111, ext. 123.

Note: you may also hear of the USDA Value Added Producers Grant , but this is limited to incubators owned by individual farmers or farmer cooperatives, so not a possibility for this project.

Other sources of support might come from in-kind donations of used equipment. Because shared kitchens remain a popular type of venture, a crowdfunding campaign might provide additional dollars. See “The 7 Best Crowdfunding Sites of 2020” at <https://www.thebalancesmb.com/best-crowdfunding-sites-4580494>

Conclusion

In accordance with the requirements of this project, this report contains evidence of the following work:

- Educational Services — Zoom meetings and phone calls were made to representatives from agencies on the contact list, accumulating information about existing and potential programs to support shared kitchen incubator users, as described in the “Tenant Educational Plan.”
- Recruitment —The results of the shared kitchen survey were reviewed and analyzed, and phone contact was made with an interested person who had declined to participate in the on-line survey. This provided insight into the types of potential products and production methods that people were considering. It also showed that very few people were willing to pay \$35 per hour for the kitchen, and the ones who were willing to pay that fee expected to access an established kitchen with advanced equipment and support. The “Overview” and “Future Steps” sections describe the potential tenants most suited to the kitchen, and their needs.
- Operations — The report contains a business/operations plan delineating a series of steps to work from the present state of the project to support retail food establishments and, potentially, processors of packaged products who will be making limited runs that can be supported by the current kitchen equipment. To support the “Operations” and “Management & Organization” sections of the report, the following items were provided:
 - Initial estimated revenues and expenses have been provided; an example of three-year projections for a similar operation has been provided for reference as more aspects of this project (such as staffing) come to light.
 - Sample Application and Background/Policies/Procedures handouts have been attached to the report.
 - A potential fee schedule has been discussed, and the impact of various levels of hourly fees compared in the financial discussion.
 - PDA documents addressing Good Manufacturing Practices and Date Mark standards were provided.
 - The President of the Hazleton Art League and the Executive Director of Downtown Hazleton Alliance for Progress were advised of the need for zoning compliance and each tenant’s responsibility to apply for a City of Hazleton Business License.
- Equipment —The descriptions of equipment in the quote from Edward Don & Co were reviewed, as well as pictures of the kitchen and proposed storage space to get a more accurate idea of how the kitchen was outfitted (since travel restrictions were largely in effect during the contract period); suggestions to enhance what the kitchen currently offers, as well as those additions needed to expand to be of more interest to food processors, were provided with average costs of item, addressed in the “Overview” section; lists of items found in similar shared kitchens were offered in the “Facilities” section.
- Marketing strategies — making the community and potential tenants aware of the kitchen are addressed in the “Preliminary Coordination” section and more fully in the “Marketing/Promotion Plan.”

The Hazleton Shared Kitchen Incubator Tenant Application

Date: _____

Name: _____

Phone: _____
Cell/Home Phone email

Home Address: _____

City/State/Zip: _____

Business Name: _____

Business Address (if different from above): _____

City/State/Zip: _____

Business Status: Pre-Venture Projected Start Date: _____

New (1st Year) Start Date: _____

Existing Start Date: _____

Legal Status:

Type of Business:

Sole Proprietorship

Specialty Food Producer

Corporation (EIN _____)

Caterer

Limited Liability Company (EIN _____)

Baker

Farmers market vendor

Food truck/trailer

Other _____

Where are you currently preparing food?

At home

Commissary kitchen

Food truck/trailer

Not yet preparing food commercially

Other _____

What business insurance policies do you currently have in place?

- Product liability
- General liability
- Worker's Compensation
- None

Other _____

How familiar are you with the regulatory processes governing the products that you plan to make?

- Have had approved products in the past.
- Have some knowledge of the approval process.
- Have not begun to research the process.

Are you ServeSafe Certified?

- Yes (date you will need to renew ___/___/___)
- No

Do you have a written business plan?

- Yes
- No

What products do you make?

Please be specific. Example: Baker who sells breads, muffins, and fruit based pastries at farmers markets

What kinds of equipment do you need?

- Bun/sheet pan rack
- Restaurant range (gas, 24", 4 burners) with space saver oven
- Convection oven (gas, double-deck, 5 racks, 13 rack positions)
- Microwave oven (Amana commercial)
- Work Table (stainless steel, L-shaped 84"W X 36"W, 30"D includes prep sink bowl)
- Work table (stainless steel, 84"W X 30" D)
- Dishwasher (Hobart under counter)
- Hobart Mixer—20 qt
- Proofer

Other _____

Will you need storage on the premises?

- Dry storage
- Cold storage
- Freezer storage

If you require the same fixed schedule each week select the days you need each week

- I don't need a fixed schedule
- Sunday
- Monday
- Tuesday
- Wednesday
- Thursday
- Friday
- Saturday

Approximately how many hours a week do you plan on using the Kitchen? _____

Will you have employees working in the Kitchen with you?

- Yes (how many? _____)
- No

How do you sell, or plan to sell, your product?

- Farmer's market, food truck, direct to customer
- Retail to quick shops, specialty shops
- Wholesale to restaurants, stores
- On social media or website
- I am not certain how I will sell products

Other _____

What small business development services would be useful to you? (Please check all that apply)

- Starting a business: writing a business plan, structuring the business, identifying essential business needs
- Bookkeeping and financial analysis: spreadsheets, food cost, cost analysis
- Determining type of food business registration and requirements that apply
- Marketing: target customer, pricing, advertising
- Branding: product positioning and design
- Social media support
- Web design/e-commerce
- Local sales identification (farmers market, pop-up stand, etc.)
- Product market testing (focus groups)
- Microloans and Loan application preparation
- Venture capital investor identification and pitch preparation
- Employee recruitment and training
- Interviewing suggestions and employee manual preparation
- Business mentoring/coaching: one-on-one consulting, group seminars
- Networking with other food entrepreneurs

Date you would like to begin using the kitchen? ___/___/___

Shared Kitchen Incubator **Background/Policies/Procedures**

BACKGROUND

Many potential food producers are unable to enter the market because of the high cost of constructing a commercial kitchen facility. The Hazleton Shared Kitchen Incubator offers an affordable, shared kitchen, assistance of experts, and a community of entrepreneurs with whom to network. Our mission at the Hazleton Shared Kitchen Incubator is to provide support to food entrepreneurs and culinary students as they set up enterprises that will produce quality, local food to support both our community's economic growth, and the health and well-being of families across the greater Luzerne County region.

Faced with the impacts that Covid-19 had on this already-challenging economic situation, the Downtown Hazleton Alliance for Progress, together with the Greater Hazleton Chamber of Commerce, CAN DO, the city and local and regional economic development partners, proactively formed the COVID-19 Recovery & Resiliency Task Force to help coordinate small businesses recovery efforts and identify new initiatives and programs to help them rebound. A key task was the identification of several business recovery initiatives, designed to supplement the broader "Get Businesses Back on Their Feet" initiative being undertaken in cooperation with the Greater Wilkes Barre Chamber of Commerce and other partners. A unifying aspect of all initiatives was that they focused on perceived community strengths.

One of these community strengths is the culinary diversity of Hazleton. The original residents of coal era Hazleton were mostly of Polish, Slovak, Lithuanian, and German ethnicity, and later Italian; in recent years, there has been a significant influx of people self-identifying as Hispanic, diversifying the local cuisine. This makes the development of a shared kitchen incubator a "natural response" to economic challenges.

In the spring of 2020 a kitchen was installed at the Hayden Family Center for the Arts located at 31 W. Broad Street. The kitchen was inspected by a PDA Sanitarian and confirmed appropriate for the Center's use. A secondary location for pop-up retail space was designated within The HUB Welcome Center at 15 W. Broad Street in Downtown Hazleton, providing a future venue for shared-kitchen tenants to gain a sales foothold (this location also is co-located with the Hazleton LaunchBox).

The creation of facilities for food entrepreneurship represents the first step toward building a shared kitchen incubator project. Food entrepreneurs may lease the kitchen by the hour or day to produce food in an environment that enables fledgling businesses to adhere to the Pennsylvania Food Law, Federally mandated Good Manufacturing Practices, and rules associated with the Federal Food Safety Modernization Act. Start-up food enterprises (chefs, caterers, food trucks proprietors, bakers, and value-added producers) benefit monetarily and fraternally from sharing equipment and the facility, rather than individually building and equipping or renting enterprise-owned facilities.

As a shared kitchen **incubator**, the project not only provides access to inspected space and commercial equipment, but also offers business development training, and access to ecosystem service referrals for legal aid, and guidance in packaging, label printing, and distribution for the resulting food products.

APPLICATION PROCEDURE

Food producers wishing to become tenant companies at the Hazleton Shared Kitchen Incubator must first complete an application. The proposed product or operation must be feasible to be produced in this facility. The selection process will include a careful review of prospective tenant's business goals, interviews with the Kitchen Manager/Monitor, and may include screening by the Kitchen Incubator Executive Director. Potential tenants must demonstrate a clear business idea, and the financial capacity to carry out their plan.

KITCHEN ORIENTATION

All users must attend mandatory orientation session(s) to become acquainted with the Kitchen Incubator policies, operating procedures and admission requirements. A partial list of admission requirements includes:

A completed application.

ServSafe Certification.

A current PDA Retail, Farmers Market, Mobile Food or Food Establishment registration, as dictated by the type of production and marketing of food.

Appropriate business and product liability insurance.

KITCHEN SCHEDULING

Kitchen Manager/Monitor will schedule kitchen use based on space availability on a first come, first reserved basis. Space will be scheduled the last week of the month for the following month. Scheduling will reflect availability of space and time in the appropriate area. Please be sure to schedule your work needs in advance to assure that the space (and time) that you need will be available.

REGULAR CLEANING

The Kitchen Checklist – Inspection/Cleanliness will be used by all tenant companies/users to help monitor cleaning activities and success in the Kitchen Incubator. The Kitchen will also be subject to regular inspections by the Pennsylvania Department of Agriculture sanitarian.

Commercial cleaning will be performed periodically. The Kitchen Manager/Monitor will determine frequency. Commercial cleaning **does not substitute** for individual daily cleaning.

EQUIPMENT

Equipment located in the kitchen incubator is of commercial quality and has been designed and equipped to provide maximize efficiency in food production.

STORAGE

Individual secured storage space is available for rent for freezer, cooler and dry storage. Tenant companies will be allowed to affix their own locks on each cage on wheels. The Hazleton Shared Kitchen Incubator will assume no responsibility for the security of any user items stored at the Kitchen Incubator.

ENTRANCE/ACCESS TO THE KITCHEN INCUBATOR

Tenant companies will access the facility through the door adjacent to the kitchen, using a key provided by the Hazleton Art League office. Tenants must note their time in and time out on the usage logs for both the kitchen suite and storage areas.

INSURANCE & LICENSES

Each Kitchen Incubator tenant company must maintain a minimum of \$2,000,000 of product liability insurance and general liability insurance – with the Hazleton Shared Kitchen Incubator listed as an additional insured in each case. Proof of such insurance must be provided to the Kitchen Manager/Monitor before use of the facility will be permitted.

Each tenant must maintain at all times a Business License issued by the City of Hazleton., and registration with the Pennsylvania Department of Agriculture’s Bureau of Food Safety for a Retail Food Enterprise, Farmers Market Vendor, Mobile Food Establishment, or Food Establishment, as their products and marketing dictate.

MANUFACTURED PRODUCTS

Only those items that will be used for human consumption will be deemed appropriate for manufacturing at Hazleton Shared Kitchen Incubator.

UTENSILS

The Hazleton Shared Kitchen Incubator will provide commercial kitchen equipment for use in the manufacturing of your food products. The Kitchen Incubator will not provide all of the equipment that may be required for production. Users must provide their own common utensils and equipment including stirring spoons, measuring cups, mixing bowl, cooking trays, etc., and any specialized equipment required.

OTHER REGULATIONS/POLICIES & PROCEDURES

ALL TENANTS MUST COMPLY:

- Wear protective hair restraints at all times. (Hair covers, beard covers).
- Wear clean outer garments and shoes. Use disposable aprons. (No street clothes, no open toed shoes or sandals, no ball caps, and shirts or blouses must be worn).
- Wash hands frequently with soap before starting work, and after each absence from the work area, after use of the restroom and any time hands become soiled or contaminated. Dry hands with paper towels.
- Remove all chains or loose jewelry that might fall into food or equipment.
- Remove all hand jewelry before manipulating or handling food.
- No person afflicted with an open cut, infected wound, boil or communicable disease may work in any capacity in the kitchen.
- No person with a temperature of 101degrees or above, dry cough, or with significant contact with a person testing positive for the coronavirus may work in the kitchen before having a verified negative test for Covid-19.
- No smoking is allowed in the kitchen, storage rooms, walk-in refrigerators, dock areas or any other part of the building.
- No animals are permitted anywhere on the premises.
- Wipe up spills right away and sanitize surfaces as needed during use and when production is completed.
- No pesticides, hazardous materials or detergents may be used when preparing food products.
- Clean up floors and mop up floor spills as needed during use and when production is completed. Kitchen must be left clean and ready for next use.
- Dispose of empty containers, boxes and wrappers.
- Turn off, clean and return equipment to storage position when no longer needed.
- Wash dirty dishes, pans, pots, and utensils using the furnished cleaning products and final rinse sanitizer.
- Properly close and secure doors after completing checkout by the proscribed procedure when leaving the kitchen facility.

The Hazleton Shared Kitchen Incubator was created to assist aspiring food entrepreneurs become established in the market. The successful operation of this facility requires cooperation from all tenant companies.

I have read the terms, conditions and policies as outlined above and agree to abide by. I have received a copy of the terms, conditions and policies.

SIGNED:

Name

Business Name

Date

PERSONNEL – Qualification & Training			Yes/No/NA
1.	§117.4(a)	Did you ensure that all individuals engaged in manufacturing, processing, packing, or holding food are qualified to perform their assigned duties?	
2.	§117.4(c)	Did you ensure that supervisory personnel have the education, training, or experience (or a combination thereof) necessary to supervise the production of clean and safe food?	
3.	§117.4(b)	Did you train employees in the principles of food hygiene and food safety?	
4.	§117.4(d)	Do you have and maintain records documenting training of qualified individuals?	
5.	§117.305	Do your training records meet general record requirements (facility name/address, trainer sign/date, accurate, legible, etc.)?	
6.	§117.315	Did you retain training records for at least 2 years after they were prepared?	
PERSONNEL – Employee Health & Hygienic Practices			Yes/No/NA
7.	§117.10(a)	Does management take all reasonable measures and precautions to ensure disease control by excluding employees who by supervisory observation or medical examination appear to be ill or have open lesions or other abnormal source of microbial contamination?	
8.	§117.10(a)	Are employees instructed to report health conditions that might contaminate food, food product surfaces or food packaging materials to their supervisor?	
9.	§117.10(b)(1)	Do employees protect against contamination of food and allergen cross-contact by properly wearing suitable outer garments, hair nets, beard coverings, etc.?	
10.	§117.10(b)(2)	Do employees maintain adequate personal cleanliness?	
11.	§117.10(b)(3)	Do employees wash hands thoroughly before work and after each absence from their work station?	
12.	§117.10(b)(4)	Do employees remove unsecured jewelry and other objects that might fall into food?	
13.	§117.10(b)(5)	Are gloves used for food handling made of an impermeable material and maintained in a clean sanitary condition?	
14.	§117.10(b)(6)	Do employees properly wear effective hair restraints (hair and beard covers, etc.)?	
15.	§117.10(b)(7)	Do employees store clothing or other personal belongings away from areas where food is exposed or where equipment or utensils are washed?	
16.	§117.10(b)(8)	Do employees confine eating, drinking, gum chewing, and use of tobacco to areas where food is not exposed or equipment and utensils are not washed?	
17.	§117.10(b)(9)	Do employees protect against allergen cross-contact and against contamination with microorganisms or other foreign substances such as perspiration, cosmetics, medicines, etc.?	
FACILITY & GROUNDS			Yes/No/NA
18.	§117.20(a)	Are the grounds about your plant under your control kept in a condition that will protect against the contamination of food?	
19.	§117.20(a)(1)	Are areas within the vicinity of the plant kept free from litter and waste with grass and weeds trimmed?	
20.	§117.20(a)(2)	Are roads, yards and parking lots maintained to prevent sources of contamination?	
21.	§117.20(a)(3)	Is there adequate drainage of outside areas that may contribute to contamination?	
22.	§117.20(a)(4)	Are systems for waste treatment and disposal operated in a manner to protect against contamination?	
23.	§117.20(a)(5)	Are steps taken to prevent potential sources of food contamination where bordering grounds not under the control of the facility are not maintained?	
24.	§117.20(b)	Are the plant buildings and structures of suitable size, construction, and design to maintain sanitary operations and to produce safe food?	
25.	§117.20(b)(1)	Does the plant building(s) provide sufficient space for placement of equipment and storage of materials to permit maintenance of sanitary operations and production of safe food?	

FACILITY & GROUNDS (cont.)			Yes/No/NA
26.	§117.20(b)(2)	Are food processing areas effectively separated (i.e. location, time, partition, etc.) from other operations which may cause contamination of food being processed or allergen cross-contact?	
27.	§117.20(b)(3)	Are there proper precautions to protect food in outdoor bulk vessels?	
28.	§117.20(b)(4)	Are floors, walls and ceilings constructed to facilitate adequate cleaning and repair?	
29.	§117.20(b)(4)	Does drip or condensate from fixtures, ducts and pipes cause or potentially cause contamination of food, food contact surfaces or food packaging materials?	
30.	§117.20(b)(4)	Are aisles and working spaces unobstructed and of adequate width to permit employees to perform their jobs and protect against contamination of food by clothing or personal contact?	
31.	§117.20(b)(5)	Is there adequate lighting in all hand-washing and toilet areas, and dressing and locker rooms?	
32.	§117.20(b)(5)	Is there adequate lighting in all areas where food is processed, packed, or stored and where utensils and equipment are cleaned?	
33.	§117.20(b)(5)	Are food products and processing areas protected against contamination from breakage of light bulbs and other glass fixtures?	
34.	§117.20(b)(6)	Is air quality and ventilation or other control systems adequate to prevent contamination by dust, odors, vapors (including steam and noxious fumes) and/or other airborne substances?	
35.	§117.20(b)(6)	Are fans and other air blowing equipment located in a manner to prevent allergen cross-contact and contamination of food, food contact surfaces and food packaging materials?	
36.	§117.20(b)(7)	Are doors, windows and other openings protected by adequate screening or other protection to eliminate entry by insects, rodents and other pests?	
SANITARY OPERATIONS			Yes/No/NA
37.	§117.35(a)	Are buildings, physical facilities, fixtures, etc. kept clean and in a good state of repair?	
38.	§117.35(a)	Are cleaning and sanitizing of utensils and equipment performed in a manner to protect against contamination and allergen cross-contact?	
39.	§117.80(c)(1)	Are equipment and utensils properly cleaned and sanitized and, as necessary, equipment are taken apart for thorough cleaning?	
40.	§117.35(b)(1)	Are cleaning compounds and sanitizing agents free from microorganisms and used in a safe and effective matter?	
41.	§117.35(b)(2)	Are cleaning compounds, sanitizing agents, pesticide chemicals and other hazardous materials identified, kept in original containers and stored separate from raw materials?	
42.	§117.35(c)	Are the processing areas maintained free of insects, rodents, and other pests?	
43.	§117.35(c)	Are effective measures taken to exclude pests from processing areas?	
44.	§117.35(c)	Are insecticides and rodenticides used and stored so as to prevent contamination of food, food contact surfaces and food-packaging material?	
45.	§117.35(d)	Are all utensils and equipment food-contact surfaces cleaned and sanitized at intervals frequently enough to protect against allergen cross-contact and contamination of food?	
46.	§117.35(d)(1)	Are food-contact surfaces used for manufacturing or holding low-moisture food dry and in a sanitary condition at the time of use?	
47.	§117.35(d)(2)	In wet processing, are food contact surfaces cleaned and sanitized before use and after any interruption during which contamination could occur?	
48.	§117.35(d)(3)	Are single-service articles (paper cups, towels, etc.) stored, handled, dispensed, used and disposed of in an appropriate manner?	
49.	§117.35(e)	Are non-food-contact surfaces of equipment cleaned at intervals frequently enough to protect against allergen cross-contact and contamination of food, food contact surfaces and food-packaging materials?	
50.	§117.35(f)	Are cleaned and sanitized portable equipment with food-contact surfaces and utensils stored in a manner that protects them from contamination (e.g. splash, dust, etc.)?	

SANITARY FACILITIES & CONTROLS			Yes/No/NA
51.	§117.37(a) & §117.80(b)(1)	Is the facility's water supply from approved source and of adequate quantity and quality for its intended uses?	
52.	§117.37(a)	Are the water temperature and pressure maintained at suitable levels for intended use?	
53.	§117.37(b)	Is the plumbing adequately sized, designed, installed and maintained in a manner to prevent contamination?	
54.	§117.37(c)	Is the sewage disposal system adequate?	
55.	§117.37(d)	Are adequate toilet facilities provided, equipped and maintained clean and in good repair?	
56.	§117.37(e)	Are adequate hand-washing facilities provided where appropriate (convenient, equipped, running water at a suitable temperature, etc.)?	
57.	§117.37(f)	Is all refuse properly conveyed, stored, protected where necessary from pests and disposed of in an adequate manner?	
EQUIPMENT & UTENSILS			Yes/No/NA
58.	§117.40(a)(1)	Are all plant equipment and utensils designed to be adequately cleanable and properly maintained?	
59.	§117.40(a)(2)	Is equipment designed and used in a manner that precludes contamination with lubricants, fuel, contaminated water, metal fragments, and other contaminants?	
60.	§117.40(a)(3)	Is equipment installed and maintained so as to facilitate the cleaning of equipment and adjacent areas?	
61.	§117.40(a)(4) and (5)	Are food-contact surfaces of equipment made of corrosion-resistant, non-toxic and durable material?	
62.	§117.40(a)(6)	Are food-contact surfaces and utensils properly maintained to protect food?	
63.	§117.40(b)	Are seams on food-contact surfaces smoothly bonded or otherwise maintained to minimize accumulation of dirt, organic matter, etc.?	
64.	§117.40(c)	Are the non-food-contact surfaces of equipment in the food handling areas constructed that it can be kept in a clean and sanitary condition?	
65.	§117.40(d)	Are holding, conveying and manufacturing systems designed in a way to be maintained in a clean and sanitary condition?	
66.	§117.40(e)	Are freezers and cold storage compartments fitted with appropriate temperature measuring and/or recording devices to accurately show the compartment temperature?	
67.	§117.40(f)	Are instruments and controls for measuring, regulating, or recording temperature, pH, water activity, acidity, etc. accurate, maintained (i.e. calibrated), and adequate in number?	
68.	§117.40(g)	Are compressed air or other gases mechanically introduced into food or used to clean food-contact surfaces or equipment treated in such a way to protect food from unlawful indirect additives?	
PROCESSES & CONTROLS			Yes/No/NA
21 CFR 117.80(a)- General.			
69.	§117.80(a)(1)	Are all operations conducted in accordance with adequate sanitation principles?	
70.	§117.80(a)(2)	Is there an appropriate quality control operation employed to ensure that food is suitable for human consumption and that food packaging material is safe and suitable?	
71.	§117.80(a)(3)	Are the facility sanitation functions under the supervision of a competent individual(s)?	
72.	§117.80(a)(4)	Are all reasonable precautions taken to ensure that production procedures do not contribute to allergen cross-contact and contamination from any source?	
73.	§117.80(a)(5)	Are chemical, microbial, or extraneous material testing procedures used when necessary to identify sanitation failures or possible allergen cross-contact and food contamination?	
74.	§117.80(a)(6)	Is any adulterated food (within the meaning of PA Food Safety Act) either rejected or treated/processed to eliminate the contamination?	

PROCESSES & CONTROLS (cont.)

21 CFR 117.80(b)- Raw materials and other ingredients			Yes/No/NA
75.	§117.80(b)(1)	Are raw materials and other ingredients inspected, segregated or otherwise handled as necessary to ascertain they are clean and suitable for processing into food?	
76.	§117.80(b)(1)	Are raw materials and other ingredients stored in such a way to prevent allergen cross-contact, contamination or deterioration of food?	
77.	§117.80(b)(1)	Are raw materials washed or cleaned as necessary to remove soil or other contamination?	
78.	§117.80(b)(1)	If water is reused for washing, rinsing or conveying food, is it maintained at such quality to prevent allergen cross-contact or increasing the contamination level of food?	
79.	§117.80(b)(2)	Are raw materials or other ingredients that contain levels of microorganisms that may render the food injurious to public health pasteurized or otherwise treated?	
80.	§117.80(b)(3) & (4)	Do raw materials and other ingredients comply with FDA regulations, guidelines, and defect action levels for poisonous or deleterious substances?	
81.	§117.80(b)(5)	Are raw materials and other ingredients, including rework, held in bulk or in containers designed to protect against allergen cross-contact and against contamination?	
82.	§117.80(b)(5)	Are raw materials held at temperature and humidity levels that prevent food from becoming adulterated?	
83.	§117.80(b)(5)	Are materials scheduled for rework identified as such?	
84.	§117.80(b)(6)	Are frozen raw materials and other ingredients kept frozen?	
85.	§117.80(b)(6)	Is thawing done in a manner that prevents raw materials and other ingredients from becoming adulterated?	
86.	§117.80(b)(7)	Are liquid or dry raw materials and other ingredients that are received and stored in Bulk held in a manner that protects against allergen cross-contact and against contamination?	
87.	§117.80(b)(8)	Are allergen-containing raw materials, other ingredients and rework identified and held in a manner that prevents allergen cross-contact?	

PROCESSES & CONTROLS (cont.)

21 CFR 117.80(c)- Manufacturing operations			Yes/No/NA
88.	§117.80(c)(2)	Are food processing conditions and parameters controlled and monitored as are necessary to minimize the potential for microbial growth, allergen cross-contact and/or contamination?	
89.	§117.80(c)(3)	Are foods that can support the rapid growth of microorganisms (TCS foods) held at temperatures to prevent its adulteration during processing, packing and holding?	
90.	§117.80(c)(4)	Are measures that are taken to destroy or prevent microbial growth (i.e. lethality treatment, formulation, etc.) adequate to prevent food from being adulterated (process validation)?	
91.	§117.80(c)(5)	Is work-in-progress handled in a manner that protects against allergen cross-contact, contamination, and microbial growth?	
92.	§117.80(c)(6)	Are effective measures taken to protect finished product from allergen cross-contact and contamination by raw materials, other ingredients or refuse?	
93.	§117.80(c)(6)	Are food transported by conveyor protected against allergen cross-contact and contamination?	
94.	§117.80(c)(7)	Are equipment, containers, and utensils used to process food constructed, handled, and maintained, during production, in a manner that protects against allergen cross-contact and contamination?	
95.	§117.80(c)(8)	Are adequate measures taken to protect against inclusion of metal or other extraneous material in food (example: use of traps, sieves, metal detectors, magnets, etc.)?	
96.	§117.80(c)(9)(i)	Are food, raw materials and other ingredients that are adulterated disposed of in a manner to protect other food from contamination?	
97.	§117.80(c)(9)(ii)	When reconditioning of adulterated food is done, is a proven effective method used, or is the reconditioned food re-examined for adulteration?	

* This document serves as a guide only. The official regulations can be found in 21 CFR Part 117 which can be accessible at:
<https://www.gpo.gov/fdsys/pkg/CFR-2016-title21-vol2/xml/CFR-2016-title21-vol2-part117.xml>

PROCESSES & CONTROLS (cont.)

21 CFR 117.80(c)- Manufacturing operations			Yes/No/NA
98.	§117.80(c)(10)	Are mechanical manufacturing steps (i.e. washing, peeling, cutting, drying, etc.) performed so as to protect food against allergen cross-contact and against contamination?	
99.	§117.80(c)(10)	Are food protected from contaminants that may drip, drain, or be drawn into the food?	
100.	§117.80(c)(11)	Is heat blanching, when used, performed in an effective manner to prevent growth and contamination by thermophilic microorganisms?	
101.	§117.80(c)(12)	Are batters, breading, and other similar preparations treated or maintained in a manner that protects against allergen cross-contact, contamination, and microbial growth?	
102.	§117.80(c)(13)	Are filling, assembling, and packaging operations adequately performed to prevent allergen cross-contact, contamination and microbial growth?	
103.	§117.80(c)(14)	Are foods that rely principally on the control of water activity (aw) for preventing microbial growth processed and maintained at a safe moisture level?	
104.	§117.80(c)(15)	Are foods that rely principally on the control of pH for preventing microbial growth monitored and maintained at pH 4.6 or below?	
105.	§117.80(c)(16)	Is ice (when used) manufactured from potable water and stored and handled in a sanitary manner?	
WAREHOUSING & DISTRIBUTION			Yes/No/NA
<i>(see more FSMA Sanitary Transportation requirements if your facility is subject to the rule in 21 CFR 1 Subpart O)</i>			
106.	§117.93	Are finished products stored and transported under conditions that prevent contamination of the food, allergen cross-contact, and deterioration of the food and the container?	
107.	§117.93	Are finished products and containers clearly labeled to identify contents and the presence of any allergens?	
108.	§117.93	Are transportation vehicles properly designed, maintained and kept in sanitary conditions? Are they cleaned to remove potential contaminants from prior loads?	
109.	§117.93	Are products returned from distribution assessed for food safety, properly handled and disposed?	
Holding and Distribution of Human Food By-Product for Use as Animal Food (HFBUAF)			Yes/No/NA
110.	§117.95(a)(1)	Are containers and equipment used for HFBUAF before distribution designed, constructed of appropriate material, cleaned, and maintained to protect against contamination?	
111.	§117.95(a)(2) & (3)	Are by-products held for distribution properly identified and held in a manner to protect against contamination from sources such as trash?	
112.	§117.95(b)	Are labels that identify the by-products affixed to or accompany these HFBUAF products when distributed?	
113.	§117.95	Are shipping containers and bulk vehicles used for distribution examined prior to use to protect against contamination during transportation?	
DEFECT ACTION LEVELS			Yes/No/NA
<i>For examples of defect action levels that may render food adulterated, see the Handbook which can be accessible at: https://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/SanitationTransportation/ucm056174.htm</i>			
114.	§117.110(a) §117.80(b)(4)	Are quality control operations in place to ensure natural or avoidable defects are reduced to the lowest level currently feasible?	
115.	§117.110(b)	Is food, containing natural or unavoidable defects above current defect action levels prohibited from being mixed with other lots of food?	

Date Marking Guide for Retail Food Facilities

(Food Code Section 3-501.17)

This guide will provide practical information to implement food code date marking requirements that apply to many ready-to-eat, potentially hazardous foods. Some of the challenges operators may face, include:

- Determining which foods are required to be date marked,
- Developing a date marking system for employees to follow, and
- Ordering volumes and sizes of product that can be sold within seven days of opening.

Why is Date Marking Important?

Date marking is a means of controlling the growth of *Listeria monocytogenes*, a bacteria that continues to grow even at refrigerated temperatures. Date marking is a process assuring the food is discarded before these bacteria can cause foodborne illness.

How to Mark the Date

Food must be discarded within seven days, which means the day the food is prepared or opened plus six days. (Example: Food prepared on April 1 must be discarded on April 7.)

A food facility operator can choose any marking method that suits their needs. It's important to know whatever system you use, must be understandable, effective, consistently used by employees and clear to your inspector during the evaluation. It's recommended you provide a written policy for employees to follow.

What Does the Food Code Require?

You must date mark any food meeting all of the following:

- Potentially Hazardous Food (PHF)/Time-Temperature Controlled for Safety (TCS) food requires time and temperature control to limit the pathogen growth or toxin formation, and
- Ready-to-eat (RTE) foods that may be eaten without any additional preparation steps to make the food safe, and
- Foods stored under refrigeration for more than 24 hours.

What if I Freeze the Food?

Freezing food stops the date marking clock but does not reset it. So if a food is stored at 41° F for two days and then frozen at 0° F, it can still be stored at 41° F for five more days after removal from the freezer. The freezing date and the thawing date must be put on the container along with the preparation date as an indication of how many of the original seven days have been used. If food is not dated with these dates, it must be used or discarded within 24 hours.

What if I Combine Food that was Opened on Different Dates?

When different containers of foods are combined, the date of the oldest ingredient becomes the reference date. For example, if today is Wednesday, and you are mixing salad marked on Monday with salad marked on Tuesday, the combined salad marking would be based on a starting date of Monday.

Items Not Requiring Date Marking

Some foods prepared and packaged in an inspected food processing plant may not require date marking. These foods include:

- Deli salads-From a Food Processing Plant in accordance with 21 CFR 110.
- Semi soft cheeses – see chart.
- Hard cheeses – see chart.
- Cultured dairy products such as yogurt, sour cream, and buttermilk.
- Preserved fish products such as pickled herring, dried, or salted cod (under 21 CFR 114).
- Shelf-stable dry fermented sausages, pepperoni, and salami not labeled as “keep refrigerated.”

List of Some Hard and Semi-Soft Cheeses Exempt from Datemarking

Abertam	Limburger
Appenzeller	Lorraine
Asadero	Manchego
Asiago (medium or old)	Milano
Asiago soft	Monterey
Battelmatt	Muenster
Bellelay (blue veined)	Oaxaca
Blue	Oka
Bra	Parmesan
Brick	Pecorino
Camosum	Port du Salut
Chantelle	Provolone
Cheddar	Queso Anejo
Christalinn a	Queso Chihuahua
Colby	Queso de Bola
Coon	Queso de la Tierra
Cotija	Queso de Prensa
Cotija Anejo	Reggiano
Derby	Robbiole
Edam	Romanello
Emmentaler	Romano
English Dairy	Roquefort (blue veined)
Fontina	Samsøe
Gex (blue veined)	Sapsago
Gjetost	Sassenage (blue veined)
Gloucester	Stilton (blue veined)
Gorgonzola (blue veined)	Swiss
Gouda	Tignard (blue veined)
Gruyere	Tilsiter
Havarti	Trappist
Herve	Vize
Konigskase	Wensleydale (blue)
Lapland	

Deli Meats

Date marking applies to entire loaves of deli meats once the original package is opened. Refrigerated deli meats should be purchased in sizes that can be sliced and sold within seven days of opening. If this is not possible, a way to use up a slow moving loaf of deli meat is by making it into other products such as sandwiches. But do this right away instead of waiting until day seven.

What Date Applies if I Package Deli Items for Sale?

Date marking is the last day the product can be consumed safely. The "last date of sale" is a date the consumer sees on a package. Whenever a deli item is packaged for sale out of a self-service case, the package must be marked with the last date of sale (or sell-by date). The sell-by date shall take into consideration a reasonable period of time the product will be used in the consumer's home and still be wholesome and safe. Date marking then is used to determine a meaningful sell-by date.

For example, if a tub of potato salad was opened in the deli four days ago and you want to pre-package some half pound containers for sale in the self-service case, you must take into consideration those first four days when setting a sell-by date. Regardless of the date you choose, the product cannot be sold after day seven.

Our operation goes through refrigerated salami so fast that the loaf will be gone in less than four days. Do I still need to date mark it?

Yes, if the food is not going to be served, sold, or discarded within 24 hours, it must be date marked.

Demonstration of a completed 3-year projected budget for a Shared-Use Kitchen, excerpt from Iowa State University’s “Shared Use Kitchen Toolkit, to demonstrate likely categories of Income and Expense for future reference.

F. EXAMPLE OF PROJECTED BUDGET

ISU Extension Commercial Shared-Use Kitchen Incubator			
Projected Budget for 5,000 sq. ft. kitchen - Beginning January 1, 20xx			
	Year 1	Year 2	Year 3
Average number of clients	20	25	33
Average client hours/month @ 15 hr/month	300	375	496
Average rent rate/hour	\$ 20.00	\$ 20.00	\$ 20.00
Annual kitchen hours	3600	4500	5952
Annual rental income	\$ 72,000.00	\$ 90,000.00	\$ 119,040.00
Storage, training & misc. fees/month	300	500	500
Annual storage & misc. income	3600	6000	6000
Anchor tenant revenue/month	1200	1200	1200
Annual anchor tenant revenue	\$ 14,400.00	\$ 14,400.00	\$ 14,400.00
Total Kitchen Income	\$ 86,400.00	\$ 104,400.00	\$ 133,440.00
Operating Expenses:			
Benefits (.27 of base)	12690	13500	14580
Dues & subscriptions	500	500	500
Postage	400	500	600
Insurance	3000	3250	3500
Maintenance & repairs	1500	1500	1500
Miscellaneous	600	600	600
Supplies-office	2400	2600	2600
Supplies-operating	2000	2250	2500
Kitchen manager	35000	37000	40000
Hourly staff (kitchen) \$8 x 30hrs x 50 wks	12000	13000	14000
Professional Staff (two @ .5)	-	-	-
Telephone	2400	2600	2800
Travel/professional development	1500	1500	2000
Utilities	12000	12500	13000
Total operating Expenses	\$ 85,990.00	\$ 91,300.00	\$ 98,180.00
Net Over (Under) - Operations	\$ 410.00	\$ 13,100.00	\$ 35,260.00
Capital Improvement Fund (established for ongoing equipment purchases)	0	7804	9760
Net Over (Under)	\$ 410.00	\$ 5,296.00	\$ 25,500.00