Rainier Beach Food Innovation Center: Kitchen Incubator Business Model for City of Seattle Community Development Planning

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Executive Summary

Seattle is experiencing a boom in food-related businesses, yet is still a challenging market for immigrants and underserved communities to reach. In order to build a vibrant food system, Seattle neighborhoods need to have the proper tools for starting community-driven economic development, such as kitchen incubators.

Kitchen incubators, a type of training program for developing food businesses, give entrepreneurs both kitchen space and early business support. Two of the strongest kitchen incubators, Hot Bread Kitchen in NYC and La Cocina in San Francisco, have successfully graduated members of low-income and ethnic minorities. While kitchen incubators are growing nationally and are becoming economic catalysts in their neighborhoods, none exist in Seattle.

In 2012, the Seattle Department of Planning and Development began working with Rainier Beach food innovation partners in development of a Food Innovation Zone to bring economic growth to the neighborhood. The Food Innovation Zone is “a community based initiative to create a transit-oriented development in [the] Rainier Beach Light Rail Station that will become a center for local food economy to grow.” The Food Innovation Zone could include a Food Innovation Center, which would contain a kitchen incubator. Bringing a kitchen incubator to Rainier Beach could create new jobs and businesses, which are likely to stay local, leveraging diversity to foster a food-based community. The neighborhood’s urban farms and a light industrial zone give it value-added opportunities to become a hub of food related businesses.

To build the Food Innovation Zone, the Seattle Department of Planning and Development is working together with the Jonathan Rose Companies and stakeholders from various local non-profits. The Department of Planning and Development requested that a Public Service Clinic from the Evans School evaluate the potential for the kitchen incubator.

The main goals of this project are to:

- Define kitchen incubator
- Synthesize best practices models
- Propose a kitchen incubator model for Rainier Beach

In order to determine the best strategy for Rainier Beach, we evaluated the following research questions:

- What are the most effective best practices for an urban kitchen incubator?
- What are the mechanisms that encourage and assist economically disadvantaged people to develop and sustain interest in the kitchen incubator?
- What are the most effective techniques for partnering public and private organizations with the kitchen incubator?

Our findings were that:

- We defined *kitchen incubator* to be a type of business incubator set within a commercial kitchen that provides mentorship and support to early phase food-related businesses.
- Currently there are no kitchen incubators existing in Seattle that meet our definition.
- Rainier Beach cannot become a self–sustaining community without local business development. A kitchen incubator matches the community request for food-based businesses in Rainier Valley.
- Successful kitchen incubators have unique selling points, such as niche markets.
- The new kitchen incubator will require government support and community partnerships.
- We developed a matrix to measure success of the kitchen incubator (Appendix E).

After a literature review, along with evaluation of interviews and online surveys, we have the following priority recommendations:

- The Rainier Beach Food Innovation Center should include a stand-alone kitchen incubator.
- Accept a small cohort of users, and then scale slowly.
- The kitchen incubator should have a product specialty.
- Include Rainier Beach businesses in all phases of planning and development to promote community integration.

The kitchen incubator has the possibility of activating the Food Innovation Zone and may generate jobs and business opportunities for underserved minorities in Rainier Valley. This report also includes recommendations for attracting end users, enrollment, staffing, and funding. The attached business plan (Appendix D) provides more financial and marketing detail. This report supplies tools for community partners to start their own community-driven economic development.
Chapter 1: Introduction

There is momentum to build community-based economic development in Rainier Beach, where poverty levels and unemployment rates are higher than the county average.\(^4\) With the recent Light Rail expansion, community groups have discussed the opportunity of starting a Food Innovation Zone around their LINK Light Rail station.\(^5\) This zone would be home to the Food Innovation Center and a kitchen incubator, which may lead to economic improvement to the neighborhood.\(^6\)

The Food Innovation Zone is “a community based initiative to create a transit-oriented development in [the] Rainier Beach Light Rail Station that will become a center for local food economy to grow.”\(^7\) To initiate local transit-oriented development, a planning method that encourages walkable communities around transit hubs,\(^8\) a Food Innovation Center has been proposed. It will consist of one or two buildings, and house commissary and training kitchens, along with a café, classrooms, and other facilities such as a kitchen incubator.\(^9\)

Kitchen incubators are a type of business incubator; these programs, along with accelerators, have been offering support and education to new businesses in the US since 1979.\(^10\) Some already have a very high rate of success — for example, only 10% of businesses accepted to the TechStars accelerator fail.\(^11\) At this time, no research exists on translating that success to non-technological fields or products.

The kitchen incubator in the Food Innovation Center could capitalize on Seattle’s booming food industry,\(^12\) as that growth is still in an early stage in Rainier Beach. This progress may be hindered because the cost of starting a new food related business is very high, stopping many from entering the market. A new entrepreneur not only requires access to a commercial grade kitchen, but appropriate business knowledge for both production and sales of the good, along with any potential startup costs.

\(^5\) Robert Scully (City of Seattle Planning & Development) in discussion with the authors, November 2013.
\(^9\) Kristin Ryan (Jonathan Rose Companies) in discussion with the authors, November 2013.
Through a kitchen incubator and other business offerings, the future Food Innovation Zone could act as a catalyst to increase community and economic development. It can highlight Rainier Beach’s rich diversity of skills and businesses, while the nearby light rail station connects Rainier Beach and Southeast Seattle to the rest of the commercial Seattle Metro region.

**Project Goals**

The City of Seattle is assisting Rainier Beach food innovation partners in the development of a Food Innovation Zone. This zone, which would include a rezone of the area around the Rainier Beach Light Rail Station to enable development of light industrial and food businesses to boost the local economy, has plans to include a flagship building, the Food Innovation Center. A key element in the Center is the creation of a kitchen incubator, which aims to:

- Create more job opportunities in Rainier Beach through boosting local food businesses
- Offer education/training to local food businesses
- Build partnerships with public and private organizations
- Help local food businesses to release more value-added food production

To support these goals, this report aims to:

- **Provide a definition of what a kitchen incubator is.** As there is no consensus between regulating bodies on the definition of a “kitchen incubator,” it is critical to define for the scope of this project.
- **Synthesize best practices models for Rainier Beach.** Building a sustainable, functional model for the kitchen is critical in a project with little to no incoming funding support. We must model both how to best run this kitchen incubator for our particular region and community.
- **Propose a kitchen incubator model for Rainier Beach.** In looking at the available literature, best practices, and data, we will determine what options are the most viable and beneficial for the community of Rainier Beach.

**Study questions**

In order to assist the goals of the project, this study will address the following questions:

- What are the most effective best practices for an urban kitchen incubator?

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13 Robert Scully (City of Seattle Planning & Development) in discussion with the authors, November 2013.
14 Robert Scully (City of Seattle Planning & Development) in discussion with the authors, November 2013.
• What are the mechanisms that encourage and assist economically disadvantaged people to develop and sustain interest in the kitchen incubator?
• What are the most effective techniques for public and private organizations partnering with the kitchen incubator?
• What are the most effective strategies for businesses in the kitchen incubator to attract outside buyers for their food production?

The questions above gave us direction while researching key literature for the project, beginning with the background research.

**Background on Rainier Beach**

In this section, we present findings on the characteristics of Rainier Beach to provide context of the neighborhood. Rainier Beach is located in the southeast corner of the City of Seattle and is part of Rainier Valley. According to the 2010 census by the City of Seattle Department of Planning and Development, the average household size in Rainier Beach is 2.6, with a total of 1,331 households and a population of 3,583. Nearly 75% of the people rent their houses.

**Table 1. Rainier Beach Racial Characteristics.**

The neighborhood is predominantly African-American, with the remainder mainly Asian and Caucasian (Table 1). Based on “Rainier Valley South: Fulfilling the Promise,” the City of Seattle found in their case statement that:

> “The 2005-2009 [American Community Survey] data [shows] an estimate of 30 percent of households with incomes in the past twelve months that were below the poverty

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level; 20.8% of those 25 and older with a high school diploma or equivalent; and 34% speaking only English at home. In addition, from 2000 to 2008, Rainier Beach lost 14% of its covered jobs.”

There’s both a huge need for jobs and an opportunity to create new infrastructure in the neighborhood. However, not only are there few job options, the community tends to focus on sticking to their racial groups for new jobs, making it harder for multiple racial groups to branch out when one is thriving.16 In addition, Rainier Beach’s “uninviting commercial core” for businesses stems from a history of high rent forcing businesses to focus on survival rather over appearance, creating a less than welcoming space for outside visitors.17 These two issues combined make it much harder for businesses to grow in Rainier Beach, creating fewer job opportunities and promoting migration to other neighborhoods.

Historically, Rainier Beach has been a vocal community against gentrification, working actively to preserve their cultural diversity even as Seattle populations shift.18 In addition, groups such as Rainier Beach Moving Forward are working to support community initiatives and promote diversity in the region.19

Reasons behind the Selection of Rainier Beach

From the lack of established businesses to the current state of the commercial core, Rainier Beach needs more opportunities for community-developed entrepreneurship. This is something that the local community has been willing to support for years.20 In addition, the diversity of the region has the potential to be an untapped resource to bring new business concepts to the Seattle metro region.21

The overarching goal of creating the Food Innovation Center is to strengthen Rainier Beach’s economy, which would, in turn, support the greater Seattle economy. This will be the first food business center to be serving the surrounding communities in this way in the state. In addition, this project has the potential to turn Rainier Beach into an economic power in the Seattle region.

Rainier Beach is a historically underserved region of Seattle with a depressed economic base and few in-neighborhood job opportunities. Bringing a kitchen incubator to Rainier Beach not only offers new job and business options to the neighborhood, but provides a benefit to all of south Seattle and Rainier Valley. If phased sustainably, the incubator can be the beginning of a diverse commercial zone and an economic catalyst for south Seattle.

**Economic Catalyst**

Since the formation of the first business incubator in the United States in 1979, incubators have formed over 19,000 businesses and more than 245,000 jobs have been added to the national economy. Any incubator will bring resources for new jobs and businesses, but a kitchen incubator will use local diversity and skills in food to promote building community roots and strengthen both the local and regional economy. Incubator and accelerator programs have the ability to obtain a much higher level of success for new businesses through their support and assistance.

This business methodology could encourage new food businesses to flourish in Rainier Beach, joining the larger movement of food innovation. This type of program will require policy support from all levels of local government.

**The Food Innovation Center within Current Policy**

The kitchen incubator will be one piece within a larger building, and part of a larger movement in food-based economic policy. Across the United States, from Cleveland’s zoning code changes for urban agriculture to the Rutgers Food Innovation Center’s alliance with the New Jersey
Department of Agriculture, how the United States views food policy is changing. As the Seattle metro region has yet to join this process, Rainier Beach’s incubator will be the area’s testing ground for innovation in food and community-based development.

This program brings together multiple areas of policy, including food systems, community based economic development, and transit-oriented development. One group that could assist with developing these policies would be the Regional Food Policy Council, who highlights food needs in western Washington.

Now that we have summarized the current situation in Rainier Beach and explained the need for an economic catalyst, next we will define terms. These terms are used throughout the paper, key literature, and the greater food industry.

**List of Terms**

In this section we will define business terms and kitchen types associated with food-based ventures as used in this paper. The list of business terms are arranged alphabetically and the kitchen types are organized by size, biggest to smallest.

**Business Terms**

These terms are organized alphabetically.

*Accelerator* - A business accelerator is generally a 3-6 month program designed to move a startup company’s work from concept to development. These are more aggressive ventures, and have rigid expectations on milestones and products.

*Food Business* - A food business is a business, enterprise or activity (other than primary production) that involves handling food intended for sale, or the sale of food.

*Food Processors/Food Processor License* - A license required for anyone processing food that will be distributed. There are exceptions, such as for beekeepers. No training is required, but

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certification is still necessary through the Washington State Department of Agriculture, and will be required for all the kitchen incubator users who wish to distribute their products. The license cost is based on gross sales and starts at $55/year.  

*Incubator* - An incubator is a type of business venture built around mentoring new businesses. Typically, all incubators tend to have some specific focus that drives their work, whether by the group being supported or the business category. Incubators tend to focus on three different aspects of business to increase economic success:  
- Assist new businesses to form and start  
- Stabilize existing small and medium sized businesses  
- Expand small existing businesses to medium sized businesses

**Kitchen Types**

Kitchens are organized in terms of size, from largest organization to smallest.

*Commercial Kitchen* - In Washington State, a commercial kitchen is legally defined as any kitchen built in a non-residential building. These are considered “permanent food establishments” as they will be placed at a set location for more than 21 days. In addition, there are certain requirements, such as at least one inspection by the County per year, depending on the kitchen’s risk assessment. There are further equipment requirements from the Washington State Retail Food Code, Chapter 246-215, such as “equipment for cooling and heating food.”

*Commissary Kitchen* - Also known as a shared-use kitchen, a commissary kitchen is a commercial kitchen owned and managed by a separate organization from the food business. Definitions of commissary kitchens can vary in both kitchen type and requirements by state and often by county. In King County, the legal definition for a commissary is “an approved food establishment where food is stored, prepared, portioned, or packaged for service elsewhere.”

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32 “Starting a Food Business in King County.” *Public Health: Seattle & King County*. N.p., n.d. Web. 10 Mar. 2014.
In addition, a commissary kitchen has minimum plumbing standards, such as “a 3-compartment sink, a mop sink for dumping waste water, and a hand wash sink.” Other requirements include a commercial grade refrigeration unit or space and a sink specifically for food preparation. 36 ‘Commissary Kitchen’ and ‘Commercial Kitchen’ are often used interchangeably when discussing kitchen needs for food business operations.

**Kitchen Incubator** - A kitchen incubator, also known as a culinary incubator, is a business incubator dedicated to early-stage catering, retail and wholesale food businesses. 37 For this project specifically, a kitchen incubator is a facility that assists small food businesses with all aspects of growth, including business classes, kitchen access, and mentorship, within a commercial-grade kitchen. While some commercial or commissary kitchens may offer additional training or support for a fee, these are not done as any form of formal training, mentorship, or ongoing programs.

A kitchen incubator is not:
- **A cottage industry.** The kitchen incubator must be done within a commercial or commissary kitchen space.
- **Indefinite training.** Participating users must “graduate,” which can be based on milestones or time within the program.
- **Retail facilities.** There can be food storage and retail in the same building, but these are separate, and licensed individually.

It is also important to understand that the term “kitchen incubator” is used broadly in the food industry. We have found many programs that self-define as kitchen incubators but do not meet our criteria. Currently we do not consider any programs in the Seattle area to qualify as kitchen incubators.

**Co-Packer, or Co-Packing Facility** - Also known as a “licensed WSDA Food Processor,” these are facilities used by businesses to process food products for sale outside of their home county due

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to insurance and health safety requirements. Co-packing facilities can offer additional services, such as commissary kitchen space, depending on the site.

*Cottage Food Operation* - The state of Washington has allowed for some food business owners to run small operations from their homes, known as cottage businesses or cottage food operations. As the business owner may cook out of their home, no extra space is required, and may reduce initial cost of entry. However, cottage industry laws are strict: “gross sales... may not exceed $15,000 annually,” each new item for sale must be approved, and no items can be shipped.

*Non-Commercial Kitchen* - Residential kitchens not approved for cottage food operation, and all commercially zoned kitchens not cleared for food distribution and sale.

This chapter reviewed project goals, study questions, background on Rainier Beach, the Food Innovation Center as an economic catalyst and within the current policy, and defined key terms. This information served as the foundation for the rest of the project, beginning with the methodology.

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Chapter 2: Methodology

Introduction

In this section we cover four sections: a literature review, existing kitchen incubators case studies, an online survey, and informal interviews. Below is an overview of the methods used before covering them in more detail.

Literature Review

In order to identify a proper definition of kitchen incubator, its operating model, and its social impact, our research focused on a literature review of food business analysis. This included material from kitchen incubator websites and related economic reports.

Kitchen Incubator Case Studies

We evaluated existing kitchen incubator models and best practices to build a thorough understanding of both project scope and identify similar work done within this area. Through the literature review, we created a list of kitchen incubators. This list was refined through the project to identify kitchen incubators that match our definition, which is a type of training program for developing food businesses and gives entrepreneurs both kitchen space and early business support. This included perspectives from both in-state and out-of-state incubators and kitchens. For our paper, we also examined four kitchen incubators in depth: La Cocina in San Francisco; Hot Bread Kitchen in New York City; CropCircle Kitchen in Boston; and Rutgers Food Innovation Center in Bridgeton, New Jersey.

Online Survey

We created an online survey through Survey Monkey to gather more information on existing food businesses and incubators, both in Seattle and regionally. The aim was to learn basic ideas about a kitchen incubator model, as well as cover concepts not fleshed out in the literature review and interview data. We created survey questions by identifying what additional information we would need to answer the research questions. Our clients then gave feedback and added questions to obtain specific information. The questions were geared towards the following groups of people:

- People who hope to start a food-related business
- People who already own a food-related business (further divided into businesses of 0-2 and 2+ years)
- People who work in a kitchen incubator, either as participants or managers/staff
Questions generally covered the potential end user’s experience with kitchen incubators (or similar shared kitchen spaces), best practices, funding issues, training, and other related topics.

**Informal Interviews**

In addition to the above, we conducted informal interviews with the following people and groups:

- Robert Scully, City of Seattle Department of Planning & Development
- Kristin Ryan, Jonathan Rose Companies
- Food Truck owners in Seattle (completed anonymously)
- Exhibitors at the Northwest Foodservice Show (April 13-14, 2014)

These were done throughout the research process to both refine our knowledge and gain insight into the current state of food affairs in King County.

**Methodology Limitations**

The major limitation is the lack of existing resources: kitchen incubators are very new, and as such there is little scholarly material. The research was conducted from January to April. The survey data was compiled from March to April 2014. The short time frame for the survey meant it was challenging to obtain responses, as kitchen users generally keep nonstandard hours.

**Literature Review**

The literature review was performed to gather information and to gain understanding of the role of kitchen incubators. This section was split into two parts: kitchen incubators in the United States and incubators as economic catalysts.

**Kitchen Incubators in the United States**

Generally, a retail business incubator model will train entrepreneurs with the expertise, networks, and tools they need to bring them success during the critical first few years.  

Kitchen incubators use that same system in a commissary kitchen environment for food-based and food-related products and services.

Kitchen incubators are primarily a non-profit support structure, with a significant percentage of their users being women, an ethnic/racial minority, or coming from low-income backgrounds.

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People work in kitchen incubators both to partner with other people and to start their food business at a lower cost. 46

In terms of kitchen specifics, the most common size for an incubator is between 1,000 and 2,999 square feet. 47 A regular kitchen incubator includes office space, business support, a kitchen, equipment rental, and some form of storefront. 48 Most incubators also offer supplemental education to help teach participants how to strengthen their business plans, navigate the intricacies of distribution, and comply with regulatory procedures. In some cases, kitchen incubators even offer access to finance and advertising to their participants. 49 After the initial incubation period, these food businesses have a higher chance of becoming stable in the community. 50

Specifically to Rainier Beach, support to small-scale, minority and immigrant-owned businesses is already being offered in the City’s economic development policies. 51 Its combination of its urban farms and a light industrial zone gives Rainier Beach value-added opportunities to become a hub of food related businesses. 52 A kitchen incubator rooted in Rainier Beach has potential to create food-based jobs and kickstart a more urban economy. 53

**Incubators as economic catalysts**

Informal business incubators have been in the U.S.A. as early as 1959 54 and have been increasing in number and becoming more organized ever since. The first incubator started to allow the building owner to both increase occupancy and allow tenants to share space, resources, and ideas. The building was economically efficient for the owner and allowed a

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cluster of people working on similar projects to work together. The concept has evolved over time to what we know them as today: centers where like-minded people can join together to launch businesses in a safe environment. The number of incubators in America has grown from 12 in 1980 to over 1,000 in 2010, and continues to grow.  

Business incubators generally focus on three stages of business support:  

- **Starting a new business** - These incubators assist people who are starting from the very beginning and have an idea that they would like to turn into a business.  
- **Assisting with stabilizing a small- to medium-sized business** - In this incubator system, the businesses are established but generally need assistance with the process of scaling up, marketing, and becoming stable.  
- **Helping small- to medium-sized businesses expand** - Businesses with less than ten employees can work with incubators to help find the capital and financing needed to increase the number of employees and product reach.  

The current rate of survival for graduates of incubators ranges from 86% to 90% within different sectors. At this time there is very little data on the success rates of incubators that focus on food businesses. Still, the success in incubators and accelerators is significant: in comparison, 50% of small businesses fail within the first year and 95% fail within 5 years. The rate for restaurants failing in the first year is even higher, with Small Business Trends suggesting that as many as 60% of new restaurants will shutter within twelve months. Incubator and accelerator programs have the ability to obtain a much higher level of success for new businesses through their support and assistance. In addition, these new businesses tend to stay local - according to Aernoudt, 84% of technology incubator participants stay in their community. For a region like Rainier Valley, this is possibly  

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the most critical aspect. With the incubator, there is the potential for Rainier Beach to assist businesses to develop and stay in the neighborhood, fostering economic growth and stability.

**Kitchen Incubator Case Studies**

We researched different kitchen incubators across the country. Below are further comments on four that meet our definition guidelines with different strengths. The full table of information can be found at Appendix A.

**La Cocina: San Francisco, California**

Strength: Sales Opportunities and Connections

La Cocina is a successful kitchen incubator that has brought up many small food businesses - their mentored companies generated $4.1 million in revenue from 2013 alone. One of the strongest factors in La Cocina’s success is its ability to act as a connector. Through its established extensive network of all kinds of food sales opportunities including storefronts, farmers markets, pop-ups, and events, participants have an amazing potential to showcase their products. Beyond partnerships, each La Cocina member has their own food sales spaces: both a reserved space on a well-known farmer’s market, and at their retail food kiosk in San Francisco. Participants graduate with a high sensitivity for food business management and strong outreach skills.

**Hot Bread Kitchen: New York, New York**

Strength: Product Specialization

Hot Bread Kitchen has positioned itself as a bread expert, from their staff down to their distribution network. While this kitchen incubator only accepts foreign-born business owners from low-income households, applicants are trained exclusively in bringing bread products to market. This allows them to maximize resources and efforts to not only targeting the right participants, but in creating the best networks for their members.

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62 Geetika Agrawal (Business Development Manager, La Cocina) in discussion with the authors, February 2014.
CropCircle Kitchen: Boston, Massachusetts

Strength: Facilities and Distribution

Founded in 2009, CropCircle Kitchen is Boston’s only non-profit commissary incubator. They put significant amounts of effort into annual kitchen maintenance, and can accommodate specialty equipment as required by their participants. CropCircle also has a direct partnership with a local food distributor, FoodEx, for sourcing, warehousing and distribution. Under this partnership, members’ products can be sold directly to the marketplace.

Rutgers Food Innovation Center: Rutgers, The State University of New Jersey - Bridgeton, New Jersey

Strength: University Laboratories and Facilities

Founded in 2008, the Rutgers Food Innovation Center is a kitchen incubator within the New Jersey Agriculture Experiment Center within Rutgers, The State University of New Jersey. Part of the urban and agriculture research division of Rutgers, the Center is part of a growing trend to include business incubation as part of a university’s services. With a 23,000 square foot facility, the Rutgers Center is unusual in several ways. First, by being tied to the New Jersey Agricultural Experiment Station, the facility offers food safety testing, such as “Microbiological Testing,” which confirms that food products meet health safety standards. Second, it is a multi-level incubator, catering to not only new businesses, but existing/established food-related businesses as well. Third, the Center has an extension specialist, a scientist who researches plant development and production to assist business owners in producing better food. All these options together have built a well-rounded incubator that can support businesses at any stage of development.

Lessons from the Case Studies

Based on the four kitchen incubator types, we learned several lessons in terms of cost concerns and opportunities for the Center (Table 2).

First, there are tradeoffs for broad versus niche kitchen incubators. Although a broad kitchen incubator usually requires higher daily costs, it has the potential to recruit more participants than a niche one. However, a niche kitchen incubator has higher expert credentials and

specialized support. And from all these studies, kitchen incubators benefit their end users greatly in terms of connections and training, regardless of type.

Table 2. Cost-Benefit Analysis of kitchen incubator types.

<table>
<thead>
<tr>
<th></th>
<th>Benefits</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No kitchen incubator</strong></td>
<td>No extra costs.</td>
<td>Rainier Beach will not add food-related jobs and businesses.</td>
</tr>
<tr>
<td><strong>Kitchen Incubator (Broad)</strong></td>
<td>High opportunity for a wide participant pool. Standard maintenance.</td>
<td>Higher regular costs (lecturers, hosting events, etc.) than simply running a commissary kitchen.</td>
</tr>
<tr>
<td><strong>Kitchen Incubator (Niche)</strong></td>
<td>Can tailor classes to participant needs.</td>
<td>More expensive than a commissary kitchen, cheaper than a broad incubator. However, if there’s a need to change/adapt standards, may be difficult (new equipment, alliances, etc.).</td>
</tr>
<tr>
<td><strong>Kitchen Incubator (University)</strong></td>
<td>Potential access to laboratory testing for food safety standards.</td>
<td>Would need to convince a University to either offer services or move facilities on-site. Adding any laboratory space in the Center would be an additional cost.</td>
</tr>
</tbody>
</table>

The methods described in this chapter allowed us to build understanding of kitchen incubators. We learned that kitchen incubators are broadly defined; while there are various different types, most have the ability to act as an economic catalyst.
Chapter 3: Data Summary

After completing the literature review, case studies, and gathering the online survey data, we now discuss the summary of the data we collected. There are two major components in this chapter: the evaluation of current kitchen incubators, and results from the online survey.

Evaluation of Existing Kitchen Incubators

As kitchen incubators are broadly defined, we needed a method to determine best practices. The criteria listed below were used on existing kitchen incubators as references for our recommendations.

- Location
- Date established
- Square footage
- Number of kitchens on site
- Cost of membership
- Number of members
- Application practices
- Membership requirements
- Funding model
- Goods produced
- Dual purpose as commissary or other kitchen
- Retail space

Our data reflects the following kitchen incubators that met our criteria:

- HBK Incubates/Hot Bread Kitchen
- Pacific Gateway Center--Culinary Business Incubator Facility
- Chefs Center of California (formerly Mama's Small Business Kitchen Incubator)
- 21 Acres
- Mi Kitchen es su Kitchen
- Kitchen Chicago
- Cropcircle Kitchen
- La Cocina

(See Appendix A for raw data.) We determined that the all criteria we collected information on had large ranges. Cost of membership varied from $10/hour of kitchen usage (21 Acres) to $30/hour (CropCircle). Kitchens on site were as few as one (La Cocina) to as many as 31
(Kitchen Chicago). Regardless, one constant was that all programs had rigorous application processes, and applicants had to include a solid business plan in order to be considered.

**Online Survey**

Our survey (Appendix B), with 31 questions in total, was sent out to Rainier Beach Food Innovation Center partners (Appendix C) via email and the general public through Twitter from March 8 to 14, 2014. Through Jessica Tupper’s and Annabelle Allen’s twitter accounts, over 27,000 impressions were reported via Tweetreach, a Twitter impression-tracking tool, and 18 replies were reported.

Below is the summary of the questions 1-19. Question 1 is a classification question that leads to different respondents to different sections of our survey. Question 2-10 are for people who want to start or already have their own food businesses, while question 11-19 are answered by people currently working at kitchen incubators. Questions 20-31, which covered demographics, were skipped by most respondents and omitted from the summary. In addition, almost all respondents asked to be left anonymous.

**Classification Question**

*This section allowed us to sort respondents based upon their background. Their answers placed them into one of two sections: prospective and current food-related business owners and incubator employees.*

**Question 1. Please pick the answer that best describes you.**

This question was posed to determine their level of involvement in food business operations, and had four options: if they wanted to start a business, owned a food business (further divided into how long they had been in operation), or if they were employed in a kitchen incubator. Half the respondents already were running their own food business. Three wanted to start a business, and six were employed at kitchen incubators in some capacity.

**Prospective and Current Food-related Business Owners**

*Nine questions were asked of respondents who either seek to start or currently own a business. The purpose of this section was to gain insight on how people currently start businesses and where they are obtaining information to do so.*

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Question 2. What was your motivation to start a food business?
The majority (six out of ten respondents) started their company based on their passion or personal interest. Interestingly, only three replies were because they had yet to find their idea in Seattle yet.

Question 3. Please describe your food business.
While there were a wide variety of business types, the majority of the responses were from caterers.

Table 3. Business types within the survey.

They didn’t go into further detail on the types of food they were selling. We also received responses from food banks, training services, and other groups in peripheral food work who were not explicitly making/selling food products. Some respondents chose multiple answers. Omitted answers included canned/pickled goods, frozen goods, halal/kosher, and jams/jellies.

Question 4. Where do you sell or plan to sell your products?
We found a huge variety of selling options, from food trucks to online (Table 4). The most popular was through a retail storefront, though we did not ask them to specify whether it was their own space or owned by someone else.
Table 4. Survey results on method of selling products.

<table>
<thead>
<tr>
<th>Methods of selling products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food truck</td>
</tr>
<tr>
<td>Farmers markets</td>
</tr>
<tr>
<td>Online</td>
</tr>
<tr>
<td>Pop-up shops</td>
</tr>
<tr>
<td>Restaurants/bars</td>
</tr>
<tr>
<td>Retail storefront</td>
</tr>
<tr>
<td>Foodservice</td>
</tr>
<tr>
<td>Wholesale</td>
</tr>
<tr>
<td>Grocery/specialty stores</td>
</tr>
<tr>
<td>Cafes/Wholesale</td>
</tr>
</tbody>
</table>

Question 5. Is there a cultural/ethnic basis for your products/service?
When asked if there was a cultural basis to their business/product, six of ten respondents replied yes. Surprisingly, of those that answered with more information, none were of the groups we expected, leaning more towards multicultural foods from non-African/Southeast Asian regions, such as “New Zealand pies” and “Hawaiian-Korean fusion.” We suspect this is because we mainly heard from established businesses, not new groups.

Question 6. Where have you gone for information/resources for starting your food business?
There were ten respondents and some chose more than one answer. This information indicated that current food business owners have vastly used the internet (70%) and local government (50%) resources to start their business. Social media (30%) and friends and family (30%) are used less in the process to gain information. It is of note that multiple respondents reported the food programs in the community colleges as a resource that was utilized. The Seattle Community College system has food-related programs at both Seattle Central Community College and South Seattle Community College.

Question 7. What is your culinary background prior to starting this business?
Most of the ten respondents to the survey have some experience in the food industry prior to launching their business. Most respondents worked in a family kitchen (60%) or a restaurant kitchen (40%).
Question 8. Would you be interested in signing up for any training classes for small food businesses?
It seems that offering business classes to the public is not something of interest to the group that was surveyed as indicated by seven of the ten respondents.

Question 9. What kind of classes are you interested in taking?
Of the four that answered, two were interested in business-related courses, one was interested in cooking techniques, and three were interested in networking opportunities.

Question 10. Would you be interested in participating in a kitchen incubator? A kitchen incubator assists small food businesses with all aspects of growth, including business classes, kitchen access, mentorship, etc.
Of the ten replies, respondents were split on participating in an incubator, with 50% reporting yes and 40% reporting maybe.

**Incubator Employees**

*In this section of the survey, we asked nine questions to respondents who are employed by kitchen incubators in the United States. The goal of this section was to gain knowledge on best practices of kitchen incubators, spanning from student recruitment to employee background.*

Question 11. How do people find your kitchen incubator?

*Table 5. Methods for finding about a kitchen incubator.*

<table>
<thead>
<tr>
<th>Method</th>
<th>Number of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends and families</td>
<td>3</td>
</tr>
<tr>
<td>Websites</td>
<td>3</td>
</tr>
<tr>
<td>Local media (radios, TVs, newspapers, etc.)</td>
<td>4</td>
</tr>
<tr>
<td>Social services</td>
<td>1</td>
</tr>
</tbody>
</table>

All four respondents chose local media, followed by three of them choosing friends and families as well as websites (Table 5). One respondent chose social service channels. Only one of them mentioned intentional recruitment.
**Question 12. What have been the biggest challenges for your participants?**
Lack of experience and financial problems are the biggest challenges for kitchen incubator participants, chosen by three of the four respondents. Intrinsic motivation is not a problem to participants.

**Question 13. Do participants “graduate” from your incubator?**
All four kitchen incubator owners that responded said that their participants do graduate. Determinants of graduation include sufficient revenue to take their business to the next level, participants deciding to move into their own space, and proficiency in operating all facilities.

**Question 14. What are the major milestones for participants in the incubator?**
There were four answers to this question. One respondent claims that “getting started” is the most exciting thing for first-time participants. In addition to that, reaching break-even points, capacity increase, and forming business plans were listed as important moments for entrepreneurs.

**Question 15. What is the selling point of your kitchen incubator?**
Competitive prices and business assistance stand out from the four responses. Specifically, one kitchen incubator allows entrepreneurs to get started without the cost of building out their own kitchen and technical assistance. They also have knowledgeable staff that can provide timely advice.

**Question 16. Assume there is an opportunity tomorrow to improve your kitchen incubator. What would you do?**
This was a free response question, and the four answers varied greatly. Sample replies included:
- “Have a trained person who can do a mini-course in food processing/licensing for each person who needs it”
- “Hire more employees to increase our availability for technical assistance and individual business attention and check-ins”
- “Upgrade some equipment”

**Question 17. What is your job title?**
As a free response question, the four answers had a wide range, including an administrator, executive director, founder, managing consultant, and even a development and outreach specialist.
Question 18. What is your job background for this position?
One of the three respondents has “38-year experience in the food industry, owned a restaurant, own nationwide consulting company, and founded and operated over six kitchen incubators.” The other two answers were “food industry experience” and “willing to work for a non-profit”.

Question 19. How did you get or find your current position?
This question had three replies. Kitchen incubator employees found their jobs through typical employment channels for food staff, such as newspapers and Craigslist.

We will expand on our results from the literature review, case studies, and survey in Chapter 4, along with recommendations for the kitchen incubator.
Chapter 4: Findings and Recommendations

In this section we will first talk about our findings from Chapter 3, and then finish with recommendations for the Food Innovation Center’s kitchen incubator.

Findings from the Data

From the literature review, we identified and explored these key findings:

*Incubators are effective at increasing new business success.* The current rate of survival for graduates of incubators ranges from 86% to 90% within different sectors.67 Incubator and accelerator programs have the ability to obtain a much higher level of success for new businesses through their support and assistance.

*Incubator graduates tend to stay local.* Data has shown that 84% of technology incubator participants stay in their community.68

Based on the survey responses, we discovered a few major trends:

*There are a variety of distribution channels for food products.* The most popular was through a retail storefront, but answers ranged from food trucks to online storefronts.

*The new kitchen incubator will require obtaining government support and partnerships.* As evidenced by survey responses, small food businesses rely on the local government for information to start their businesses. Using the City of Seattle Department of Planning & Development connections to develop more partnerships with local government will improve the kitchen incubator’s advocacy and reaching clients. This will also assist in mobilizing vital local capital at the beginning.

*Members often have food experience but still expect training.* Over half of the small food business starters had some experience in food industry, and most were in catering. However, they were still expecting commercial food training as part of kitchen incubators.

Kitchen incubator managers feel what their participants are most lacking in is business knowledge. While a good product and cooking skills are important, knowing how to run a business is also essential to success.

Every kitchen incubator requires a unique selling point. This is necessary to drive interest and skills, and also determine who will be interested in applying.

Staff will need to be prepared for small daily issues and stick to the major problems. Usually a kitchen incubator has limited staff and is easily buried in small endless daily tasks. The best skill for the future kitchen incubator’s manager to have is the ability to stay focused on major issues and delegate small tasks.

With these points, and the data from best practices and case studies, we were able to solidify our concepts for the kitchen incubator plans. In the next section, we evaluate kitchen incubator types, and then present our recommendations.

**Kitchen Recommendations**

**Building Options**

We first decided to address options for the incubator. We have identified five options for the kitchen incubator. The three listed below are viable options:

- **Sharing space with the commissary kitchen.**
- **Building a separate space for the kitchen incubator in the original plans.**
- **No kitchen incubator on site.**

These options are not being evaluated further, as they either delay building and/or reduce opportunities for incubator participants:

- Building a separate facility/building for the kitchen incubator at a later date.
- Building the commissary kitchen, then using the funds to build the kitchen incubator in the Food Innovation Center.

We compiled the viable options into the summary matrix (Table 6). The summary matrix is a tool for evaluating our three options against criteria for success of the project. There are three types of criteria: goals, community, and cost, ranked in order of importance. The options have been evaluated against each criterion as high, moderate or low. Rankings for each are briefly explained in the boxes. In the matrix, KI stands for kitchen incubator, and FIC refers to the Food Innovation Center.
<table>
<thead>
<tr>
<th>Policy Options</th>
<th>1. Status Quo: No Kitchen Incubator</th>
<th>2. One kitchen in FIC shared by both kitchen incubator and commissary kitchen</th>
<th>3. Build a dedicated kitchen for the incubator within the FIC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goals</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job outlook for incubator participants</td>
<td>Low; Without an incubator there would be no catalyst for job growth</td>
<td>High; Incubators have been proven to be successful in creating jobs</td>
<td>High; Incubators have been proven to be successful in creating jobs</td>
</tr>
<tr>
<td>Education/Training for business assistance</td>
<td>Low; No additional education or training resources would be brought to the community</td>
<td>High; Incubator will have business and job training for participants</td>
<td>High; Incubator will have business and job training for participants</td>
</tr>
<tr>
<td>Networking/Partnerships: ability for participants to make professional &amp; business connections</td>
<td>Low; Those who seek to start a food business would need to gain connections on their own</td>
<td>High; Participants will work alongside commissary kitchen tenants and other coworkers.</td>
<td>Moderate; Networking opportunities will need to be part of the incubator program. Participants will not be working alongside commissary tenants.</td>
</tr>
<tr>
<td>Efficacy of Project Goals</td>
<td>Low; No goals will be met</td>
<td>Moderate; Sharing space could cause incubator participants to not have enough kitchen time</td>
<td>High; Incubator will have dedicated space and facilities for classes, training, and networking</td>
</tr>
<tr>
<td>Support by Rainier Valley community</td>
<td>Low; Community supports FIC</td>
<td>High; Community would like to see programs create positive change in their community</td>
<td>High; This option brings the greatest amount of dedicated support to community</td>
</tr>
<tr>
<td>Ability for kitchen incubator to serve as a model for other communities</td>
<td>Low*</td>
<td>High; If a commissary kitchen already exists a similar program could be easily created</td>
<td>High; This incubator is based upon best practices of other similar programs</td>
</tr>
<tr>
<td>Costs</td>
<td>Low; No action requires no additional funds</td>
<td>Moderate; Costs will be shared with commissary kitchen</td>
<td>High; Will need full kitchen incubator to be built</td>
</tr>
<tr>
<td>Long-Term Financial Sustainability</td>
<td>High; No costs</td>
<td>High; Commissary kitchen will offset/subsidize kitchen incubator</td>
<td>Moderate; Most kitchen incubators need outside financial support through grants, space rentals, etc.</td>
</tr>
</tbody>
</table>
Matrix Analysis
We do not recommend continuing the status quo as it fails to meet all criteria. Rainier Beach cannot become a self-sustaining community without some form of local business development, and the kitchen incubator matches the community requests for food-based businesses in Rainier Valley.

Option 2 and 3 meet the criteria that will be beneficial to the community, and we recommend both as potential forms to use in constructing the kitchen incubator. Option 2, as a shared-use kitchen, has priority registration needs and space limitations. Community residents need to be able to access to the space/program. As the kitchen incubator participants pay less, there could be an incentive to push them out in favor of commissary kitchen users, who would bring in revenue. Option 3 does not have those limitations, but would be more expensive to initially build as it is a separate kitchen.

With these limitations in mind, we recommend the following actions be taken within the Rainier Beach kitchen incubator:

Evidence and analysis indicate many benefits from building a kitchen incubator. Rainier Beach will be able to contribute to the local economy if the kitchen incubator is built.

That it be a stand-alone kitchen. The final design needs to be large enough to support both commissary kitchen needs and incubator cohort usage. If it is not financially feasible, the shared-use kitchen option will still cover most of our policy goals.

Here are our specific recommendations for the kitchen itself:

Initial cohort size. We recommend a first cohort size of five or fewer, with an absolute maximum of ten. It is important that the size be low so that the staff can properly support each group.

Niche market. The kitchen incubator should have a niche, whether bread, desserts, or catering. It should be based on the applicant pool and research. Purchases should be delayed for non-essential kitchen gear until the cohort has been accepted. This allows for fewer initial purchases of specialty equipment up front that will not be used.
Halal, Kosher, and other dietary limits. Dietary limits for the kitchen incubator would be based upon the applicant pool and products being produced. Because Halal and Kosher cooking both require certain cooking and setup needs, we recommend further research into this before adding either certification to the kitchen. Other dietary limits, such as gluten-free, will not be made standard but could be phased in depending on cohort needs.

Commercial/Commissary usage of incubator. Incubator participants are given first priority for equipment, storage, kitchen time/usage, but if big enough blocks of time are free the space could be used by participants of the commercial/commissary kitchen. This enables an additional revenue source for the incubator.

Specific Actions
Next we are going to be making recommendations for specific actions to be taken within the kitchen in approximate chronological order. These are:

- Phasing Strategy
- Attracting End Users
- Enrollment Methodology
- Staffing Recommendations
- Funding Recommendations
- Evaluation Criteria (for future sustainability)

Further expansion on these sections is detailed in the Business Plan (Appendix D).

Phasing Strategy

In this section we offer our recommendations for phasing in new cohorts and reaching capacity in the kitchen incubator. We do not recommend starting with a full cohort, due to potential costs and unknown funding capabilities.

At the end of each phase there should be a review for staffing needs of the kitchen, curriculum, and the functionality for the cohort size.

Phase I: (Years 1-3)
- Set up kitchen incubator
- Hire staff
- Recruit initial cohort of incubator participants
Phase II: (Years 3-6; repeated as needed)
- Determine logistics of kitchen based upon participants (Kosher, Halal, gluten-free, etc.)
- Begin cohort training process
- Recruit next cohort for incubator
- Evaluate if any participants are able to graduate
- Start annual fundraising events
- Integrate with farmers’ markets (possibly creating a Rainier Beach market in FIZ)
- Evaluate training process, alter curriculum as needed

Phase III: Full capacity
- Incubator is at full capacity for participants
- Fundraising events should grow substantially in size, determine if a gala is appropriate at this time
- Start online business as a sales venue as well as advocacy opportunity

Subsequent Phases:
At the end of each three year period:
- Evaluate the state of the kitchen incubator, determine if the curriculum is still effective and the cohort size is still appropriate
- Evaluate opportunities for expansion to a larger facility or branches in other neighborhoods
- Recruit new cohort
- Evaluate whether the current cohort is ready to graduate
- Future potential options: host buyer events for Seattle, media campaigns

Possible future steps:
- Invite the Washington State University Agricultural Extension to join the Center in some capacity. This partnership could bring laboratory testing services and additional training opportunities to the kitchen incubator.
- Build a satellite facility at Rainier Beach High School or invite students for training.

Attracting End Users
Marketing process. Given as this group may not be active on social media or have consistent internet access, we suggest focusing efforts first on two methods for reaching potential applicants: open houses, and flyers at community centers and hubs, such as the community

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69 Tammy Morales, in discussion with the authors, March 2014.
board at King Donuts. Following on the marketing plan recommendations submitted by the Foster School of Business, potential end users should be targeted by these factors:

- *Emotional response.* There should be excitement about the possibility of starting your own business to fruition, and how the kitchen incubator can help.
- *Business support, and its ability to jump start their efforts.* This should initially be done by receiving statements from users of places like La Cocina or Hot Bread Kitchen, and eventually use comments or video interviews from program graduates.
- *A statement of commitment to cultural diversity in Seattle.* Marketing should highlight not only businesses, but a variety of products, and how food diversity is appreciated and supported.

*Open Houses.* In order to generate excitement and allow potential users to view the facilities we recommend offering open houses. Each phase of open house events should be offered multiple times and at different hours/days of the week, to accommodate as many schedules as possible.

- Open House I - Three months before the application deadline, invite the community to talk with staff about the program.
- Open House II - Two months before the deadline, use this time to answer specific questions on the application and about the program.
- Open House III - One month until the deadline.

*Application process.* Priority will be granted to Rainier Beach residents and low income individuals/families, but we will offer spots to the general population if not enough businesses are ready to join the cohort that year.

*Benefits to enrollment.* Potential participants should feel that not only the program is worth their time, but it will be effective fairly rapidly. This ensures interest both in enrollment and staying in the program.

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• *Classes.* Tailoring lectures to the applications from each cohort creates an environment suited to the particular needs of each group.

• *Networking opportunities.* Offer opportunities to connect participants to buyers, media, and other food-based companies.

• *Trade member access/promotional opportunities.* Having buyers and press come directly to the kitchen incubator reduces up-front marketing costs and increases distribution options.

*Long term users.* The ideal situation is to produce long-term users for the commissary kitchen who can afford the higher rates to subsidize future cohorts. One way to do this is to support each group as much as possible during their time in the program - that way, even if they fail as a company, they will promote the program to others.

**Enrollment Methodology**

Application Requirements
Each applicant will have to provide:

• **A business plan, or other evidence of traction.** While people just generating their idea would be accepted, the plan/comments should include proof that the concept is at least fleshed out.

• **Proof of low-income status.** La Cocina follows the U.S. Department of Housing and Urban Development’s documentation system on income,\(^{71}\) which we will also follow for determining income status.

• **Residency information.** Given that priority is to Rainier Beach and South Seattle residents, we must confirm they reside in those regions.

Application Priority
After the application deadline, the team should evaluate applicants in this priority. They should only move on to the next tier as necessary to fill the cohort.

• Tier I - Rainier Beach residents who also fall within the low income requirement.

• Tier II - All applicants who fall within the low income requirement.

• Tier III – All applicants who do not fall within tiers I & II.

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After confirming residency and income, applications will be reviewed on the idea’s uniqueness, traction, and viability to market. The application review committee should be both members of the Board of Directors and local food business owners.

**Staffing Recommendations**
These are based on the assumption that the Food Innovation Center will have some staff specifically for the Center, such as an Executive Director. Evaluation of the staff size/needs should be done at each cohort shift.

- **Kitchen Manager**: Assists incubator participants with cooking, teaches classes, and answers questions.
- **Program Manager**: Oversees application process, sets up space scheduling, runs community outreach for incubator. This employee will also need to oversee financing and budgeting.
- **Communications Manager**: Oversees communications for the kitchen incubator, coordinates events. This employee could also support the Food Innovation Center.

**Funding Recommendations**
The marketing and funding review completed by the Foster School of Business team for the entire center estimated an $8 million dollar construction cost, including the kitchen. As of this report, $1.2 million in grants have been applied for through the Equitable Transit-Oriented Development Fund managed through the City of Seattle Office of Housing, Impact Capital and Enterprise, and a Washington State Capital Budget application.  

Given that this is not enough to support starting the incubator, we have the following recommendations:

- Additional grant support.
- Partnerships with mission-driven organizations.
- Angel Investing.
- Venture Capital.
- Crowdfunding.

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These options are further expanded in the Business Plan (Appendix D). In addition, we offer the following funding recommendations for once the kitchen incubator is running:

- **Teaching/demonstration cooking events.** Groups such as The Pantry at Delancey offer in-depth cooking classes to the general public that are incredibly well-received.\(^{73}\) Bringing in chefs could be a way to both promote the space and raise revenue. Later, commissary kitchen and kitchen incubator users could be invited to teach as well.
- **Sponsorship opportunities.** There are a large number of brands in Seattle, from Alaska Airlines to Bing, who regularly support local food events and efforts. Bringing them on as sponsors for training, events, or even the FIC itself are possibilities.
- **Charity events and galas.** La Cocina, one of the more successful kitchen incubators, relies on regular charity events. For their 2014 gala event, tickets started at $50 and quickly rose to $15,000, with “James Beard Award Nominee Chef Ashley Christensen” cooking for the evening.\(^{74}\) While bringing in a celebrity chef is expensive, well-recognized chefs are a huge opportunity for funding and awareness. We recommend running at least one major event before opening, and one to two a year from then on: one for major support with local celebrity chefs, and another to showcase the cohort’s work from the past year.

**Evaluation Criteria**

In order to measure the impact of kitchen incubator at Rainier Beach in the future, we developed a set of criteria to evaluate the success of the kitchen incubator (Appendix E). The criteria are divided into two parts: the first examines the kitchen incubator itself (Table 7), while the other checks how the kitchen incubator functions as an economic catalyst in Rainier Beach (Table 8). All the indicators for the evaluation\(^ {75}\) have a recommended weight to better quantify the importance of each criteria.

We recommend utilizing these criteria during the beginning and end of each planning phase to confirm on-target success:


### Table 7. Evaluation Criteria - Kitchen Incubator Indicators

<table>
<thead>
<tr>
<th>Criteria</th>
<th>High(7-10)</th>
<th>Mid(4-6)</th>
<th>Low(0-3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure (20%)</td>
<td>KI is self-sustainable</td>
<td>KI has profit</td>
<td>KI strikes a balance</td>
</tr>
<tr>
<td>KI facility and space</td>
<td>A variety of facilities and enough space for participants</td>
<td>Basic facilities and no surplus space for participants</td>
<td>Limited facilities and crowded space for participants</td>
</tr>
<tr>
<td>Program support (50%)</td>
<td>Professionalism of staff</td>
<td>Staff with food background with management experience</td>
<td>Staff with limited professional knowledge</td>
</tr>
<tr>
<td>Distribution network</td>
<td>Network with all kinds of sales channels, procurement contracts with stable customers</td>
<td>Partnership with a few customers and not stable</td>
<td>No network; no contracts</td>
</tr>
<tr>
<td>Packaging access</td>
<td>Provide cost-effective packaging access</td>
<td>Offer high cost packaging access</td>
<td>No access</td>
</tr>
<tr>
<td>Regulatory agency partnerships</td>
<td>Strong partnership with regulatory agencies</td>
<td>Limited partnerships</td>
<td>No partnerships</td>
</tr>
<tr>
<td>Business assistance (30%)</td>
<td>Courses</td>
<td>Courses in business start-ups, marketing, technology, funding resource and targeting food businesses</td>
<td>Limited courses in business and not targeting food businesses</td>
</tr>
<tr>
<td>Licensing guidance</td>
<td>Strong support for on-site licensing</td>
<td>Limited support for on-site licensing</td>
<td>None or minimal support</td>
</tr>
<tr>
<td>Guest speakers with practical experience</td>
<td>Guest speakers from many different sectors of food business</td>
<td>Guest speakers from limited sectors of food business</td>
<td>No guest speakers</td>
</tr>
</tbody>
</table>

**Infrastructure (20%)**
- **Self-sustainability.** As the main requirement for program functionality, financial sustainability is an important indicator for success.
- **Facility equipment and space.** These are the two key elements for participants. Well-planned kitchen incubators can offer enough equipment and space for participants; poorer programs will have only basic equipment and limited space.

**Program Support (50%)**
- **Staff.** Well-trained, professional staff lends their knowledge, experience, and networks to directly affect the kitchen incubator’s quality.
- **Distribution network.** As new business owners, kitchen incubator participants are reliant on the incubator for assistance in moving their products to market, along with promoting goods and services. Distribution networks such as supermarkets, farmers’
markets, storefronts, online sales, and restaurants are usually connected to strong incubator programs.

- **Packaging access.** As product demand increases, participants will need ways to scale product packaging. While not required, some kitchen incubators have on-site co-packing facilities, and some offer cost-effective packaging access.

- **Regulatory agency partnerships.** Good partnerships with food regulatory agencies help facilitate more effective food production. Participants could also learn the local food code and practice with them before tests. Regulatory agencies push food businesses to become more formal and reliable to customers.

## Business Assistance (30%)

- **Courses.** Business classes on funding resources, marketing, and financing covers a wide variety of cohort training needs before market entry.

- **Licensing guidance.** Navigating county and state food code is one of the greatest challenges for new businesses. Providing professional assistance saves participants time and effort they can focus more on their business.

- **Guest speakers.** Lecturers with practical experience grant both real world knowledge and experience on the local food industry, along with networking opportunities.

Another aspect to examine is the success of the kitchen incubator in the future according to its performance as an economic catalyst. We recommend using the below as criteria:

### Table 8. Evaluation Criteria – Economic Catalyst Indicators

<table>
<thead>
<tr>
<th>Criteria</th>
<th>High(7-10)</th>
<th>Mid(4-6)</th>
<th>Low(0-3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survival rate of food business cultivated in KI (10%)</td>
<td>Higher survival rate than the national average</td>
<td>Similar survival rate to the national average</td>
<td>Lower survival rate than the national average</td>
</tr>
<tr>
<td>Revenues generated by KI participants and graduates (15%)</td>
<td>High revenue</td>
<td>Medium revenue</td>
<td>Low revenue</td>
</tr>
<tr>
<td>Jobs created by KI participants and graduates (20%)</td>
<td>3+ jobs created per business</td>
<td>1 - 2 jobs created per business</td>
<td>No jobs created</td>
</tr>
<tr>
<td>Income change of KI participants and graduates (20%)</td>
<td>Income increase</td>
<td>Same as before</td>
<td>Income decrease</td>
</tr>
<tr>
<td>Inclusion of vulnerable groups and women (15%)</td>
<td>75%-100% of cohort</td>
<td>25%-75% of cohort</td>
<td>0%-25% of cohort</td>
</tr>
<tr>
<td>KI Educational impact on Rainier Beach (20%)</td>
<td>Rainier Beach residents are 75%-100% of cohort</td>
<td>Rainier Beach residents are 25%-75% of cohort</td>
<td>Rainier Beach residents are 0%-25% of cohort</td>
</tr>
</tbody>
</table>

- **Survival rate of food businesses cultivated in the kitchen incubator (10%).** This would be compared to the average rate of successful new food businesses in King County.

- **Revenues of food businesses cultivated in the kitchen incubators (15%).**
- Jobs created by the kitchen incubator (20%).
- **Income change of kitchen incubator participants (20%).** This should be evaluated after starting the program, and also after 3+ years and/or products reach market.
- **Educational impact on Rainier Beach (15%).** While initially the incubator will offer classes only to members, over time some classes can be opened to the general public.
- **Assistance for low-income, ethnic and women groups (20%).** The coverage of low-income, ethnic or women participants indicates how many vulnerable groups are benefiting from kitchen incubators.

This chapter covered findings from the data and presented kitchen recommendations that included phasing strategies, attracting end users, funding and staffing recommendations, as well as evaluation criteria. These findings support our endorsement that Rainier Beach could benefit from a stand-alone kitchen incubator. Next, in our concluding summary, we will review our paper and summarize goals and findings.
Chapter 5: Concluding Summary

Rainier Beach’s Food Innovation Center is a unique opportunity to model a kitchen incubator within Seattle to revitalize an underserved neighborhood. Incubator and accelerator programs have the ability to obtain a much higher level of success for new businesses through their support and assistance. In addition, incubator participants tend to stay in their region, which could start community-driven economic development to Rainier Valley.\textsuperscript{76}

The goals for this paper were to:

- **Define what a kitchen incubator is.** We define a kitchen incubator as a facility that assists small food businesses with all aspects of growth, including business classes, kitchen access, and mentorship, all within a commercial kitchen.

- **Synthesize best practices models.** By evaluating the major types of kitchen incubators, from niche to Agricultural Extensions, we created recommendations on the type of kitchen best for Rainier Valley: a niche model built to the needs of the first cohort.

- **Propose a kitchen incubator model for Rainier Beach.** We have the following recommendations for the kitchen incubator:
  
  - Build a separate kitchen for the kitchen incubator within the Food Innovation Zone from the commissary kitchen.
  - Accept a small cohort of users (five or fewer) for the first year, then scale slowly.
  - Hire a Kitchen Manager, a Program Manager and a Communications Managers to supervise space and connect the kitchen to the community.
  - Use guest speakers as an opportunity to include Rainier Beach businesses.
  - Offer coworking space for kitchen users both as work space and for regular networking with other local businesses.

These points are further expanded upon in the Business Plan (Appendix D). In the future, coordinating with a land grant University, such as Washington State University, could provide access to food testing and other services.

Rainier Beach, with untapped food diversity and skills, may benefit from a kitchen incubator. While we believe a stand-alone kitchen incubator is the best solution, a shared space with the commissary kitchen could still offer more economic growth than the status quo. Regardless of

final goals, phasing should be done in three year intervals, to allow for slow cohort expansion as funding shifts. The Evaluation Criteria Matrix (Appendix E) can be used to determine whether the kitchen is successful and areas to improve.

For next steps, we recommend that the Rainier Beach community partners assess funding capabilities to make a decision on what type of kitchen incubator to build. Rainier Beach citizens should be invited to public forums to determine interest in starting businesses through the kitchen incubator. There should also be a person or organization tapped to champion the kitchen incubator to potential partners, government agencies, and the public.

The neighborhood’s urban farms and a light industrial zone give it value-added opportunities to become a hub of food related businesses. This kitchen incubator has the potential to serve as a community-driven economic development model to the Seattle region, and Washington State. We hope this paper can be a toolkit for the Rainier Valley community partners, as well as other communities, for their planning and future decisions.

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### APPENDIX A-Kitchen Incubator Table

<table>
<thead>
<tr>
<th>Name</th>
<th>HBK Incubates/Hot Bread Kitchen</th>
<th>Pacific Gateway Center—Culinary Business Incubator Facility</th>
<th>Chefs Center of California (formerly Mama’s Small Business Kitchen Incubator)</th>
<th>21 Acres</th>
<th>Mi Kitchen es au Kitchen</th>
<th>Kitchen Chicago</th>
<th>Cropcircle Kitchen</th>
<th>La Cocina</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td>New York, NY (East Harlem)</td>
<td>Honolulu, HI</td>
<td>Pasadena, CA</td>
<td>Woodinville, WA</td>
<td>Long Island City, NY</td>
<td>Chicago, IL</td>
<td>Boston, MA</td>
<td>San Francisco, CA</td>
</tr>
<tr>
<td><strong>Square Footage</strong></td>
<td>2300 sq feet</td>
<td>2000 sq ft</td>
<td>5000 sq ft</td>
<td>4000 sq ft</td>
<td>36000 sq ft/3000 sq ft kitchen</td>
<td>4400 sq ft</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number of Kitchens on site</strong></td>
<td>2</td>
<td>12</td>
<td>4</td>
<td>31</td>
<td>25</td>
<td>4 prep stations/1 kitchen</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cost of Membership</strong></td>
<td>$500 annual fee + $17/hr (subsidized feeds available)</td>
<td>$17-$55/hr + deposit ($100-$500)</td>
<td>$10-$25/hour + deposit ($250-$300)</td>
<td>$180-$230 per shift (8 hours)</td>
<td>$14-$24/hour+$10-60/month storage</td>
<td>$30/hour</td>
<td>$20/hour for commercial rental + membership fee</td>
<td></td>
</tr>
<tr>
<td><strong>Number of members as of 1/2010</strong></td>
<td>63 members</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Requirements if accepted</strong></td>
<td>Business incorporation fees, food protection/handlers certification, insurance, workers compensation, licensing fees, production equipment and supplies</td>
<td>Intake/Enrollment Forms, Proof of Citizenship, Copy of Photo ID, Verification of Family Income, General Excess Tax License, Taxpayer Identification Number, TB Clearance, General Business Liability Insurance Policy ($1 million minimum), Temporary or Permanent Food License/Permit</td>
<td>No requirements listed</td>
<td>Business License, Current food handlers card, WSODA food processor or King County Health Permit, Business Liability Insurance, Kitchen Safety and Sanitation Orientation, Damage Deposit</td>
<td>Business License, Current food handlers card, WSODA food processor or King County Health Permit, Business Liability Insurance, Kitchen Safety and Sanitation Orientation, Damage Deposit</td>
<td>Valid City of Chicago food service sanitation Certificate, Proof of liability insurance (minimum $1 million), signed operating agreement with Kitchen Chicago, Shared Kitchen User license for business from the City of Chicago</td>
<td>Complete an intake form, provide a business plan, attend an intake meeting, provide evidence of insurance, provide evidence of Safedeo certification, provide a written work flow process specific to your food handling needs, and provide copies of all permits and licenses as needed</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>What is the funding model?</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>Supported by a $1.2 mil grant from the Henry T. Nicholas III Foundation</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Kitchen classes, night markets, media dinner, gift basket, conferences, SF Street Food Festival, private donations</td>
</tr>
<tr>
<td><strong>What is produced by the members?</strong></td>
<td>Unique product that is not highly represented in the market—all products are bread types</td>
<td></td>
<td>food truck operators, farmers market vendors, wholesalers, online businesses</td>
<td>Organic, local foods, Earth friendly packaging</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Is the kitchen shared with a commissary kitchen or other kitchen?</strong></td>
<td>Yes, and available for rental</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>N/A</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Retail space?</strong></td>
<td>Yes</td>
<td>Yes, space for food cart or vehicle</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Online</td>
<td></td>
</tr>
<tr>
<td><strong>Staff</strong></td>
<td>CEO, Chief Bread Officer, Program Director, Operation Director, Communications Manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7: Executive Director, Programs and Development Manager, Business Development Manager, Program Coordinator, Culinary Manager, Development and Communications Associate, Operations and Events Manager</td>
</tr>
</tbody>
</table>

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APPENDIX B-Online Survey

Evans School--Kitchen Incubator Survey

Survey for Kitchen Incubator Research

We are graduate students of the Evans School of Public Affairs at the University of Washington. For our degree project, we are looking at the viability of a kitchen incubator* in Seattle's Rainier Beach neighborhood. This survey is to help us collect data on the needs of the community and best practices of established kitchen incubators. It should take about five minutes to complete.

This information will be used in our final report and kept anonymous unless requested otherwise.

At the end of this survey, there will be an opportunity for you to leave your contact info if you are interested in receiving our findings. If you have any questions, please email us at evanskitchenincubator@gmail.com.

*A kitchen incubator is a commercial kitchen facility that also assists small food businesses with all aspects of growth, including business classes, kitchen access, and mentorship.

**1. Please pick the answer that best describes you:**

- I am hoping to start a food related business
- I have started a food related business in the last two years
- I have run a food related business for more than two years
- I am employed, own, or manage/run a kitchen incubator

**2. What was your motivation to start a food business? Check all that apply.**

- I want to start a new job.
- It's related to my previous job.
- It's my passion/personal interest.
- I haven't seen this product in Seattle yet.

Other (please specify):

[Box for additional input]
3. Please describe your food business. Check all that apply.

- Baking/pastry
- Canned/pickled goods
- Catering
- Chocolate/confections
- Food truck
- Freelance/personal chef
- Frozen goods
- Halal
- Jams/jellies
- Kosher
- Online storefront

Other (please specify)

4. Where do you sell or plan to sell your products? Check all that apply.

- From my food truck
- Farmer's Markets
- Online (Etsy, Mouth, etc.)
- Pop-up shops
- Restaurants/bars
- Retail storefront
- Foodservice
- Wholesale
- Grocery/specialty food stores
- Cafes/wholesale

Other (please specify)
### Evans School--Kitchen Incubator Survey

**5. Is there a cultural/ethnic basis for your food products/service?**

- [ ] Yes
- [ ] No

If yes, please briefly describe below.

---

**6. Where have you gone for information/resources for starting your food business?**

Check all that apply.

- [ ] Non-profit organizations
- [ ] Websites
- [ ] Friends and families
- [ ] Social media
- [ ] Other food business owners
- [ ] Local government
- [ ] None of the above

Other (Please specify)

---

**7. What is your culinary background prior to starting this business? Check all that apply.**

- [ ] I've worked in my family kitchen.
- [ ] I've worked in a restaurant kitchen.
- [ ] I've worked in a catering kitchen.
- [ ] I've worked in a food production facility.
- [ ] I have experience in food sales.

Other (please specify)

---

**8. Would you be interested in signing up for any training classes for small food businesses?**

- [ ] I've signed up for similar classes.
- [ ] Yes, I would be interested.
- [ ] No, I'm not interested.
**Evans School--Kitchen Incubator Survey**

9. What kind of classes are you interested in taking?

- [ ] Business-related courses
- [ ] Cooking technique/demonstration classes
- [ ] Networking opportunities

Other (please specify)


**10. Would you be interested in participating a kitchen incubator? A kitchen incubator assists small food businesses with all aspects of growth, including business classes, kitchen access, mentorship, etc.**

- [ ] I'm already a participant.
- [ ] Yes
- [ ] No
- [ ] Maybe

Please explain


**11. How do people find your kitchen incubator? Check all that apply.**

- [ ] Social services
- [ ] Local media (radios, TVs, newspapers, etc.)
- [ ] Websites
- [ ] Friends and families

Other (please specify)
Evans School--Kitchen Incubator Survey

12. What have been the biggest challenges for your participants? Check all that apply.

- Intrinsic motivation
- Lack of experience
- Problems of scaling up
- Financial problems
- The kitchen incubator lacks sufficient equipment

Other (please specify)

13. Do participants “graduate” from your incubator?

- Yes
- No

If Yes, what determines their ability to graduate?

14. What are the major milestones for participants in the incubator?

15. What’s the selling point of your kitchen incubator?

16. Assume there is an opportunity tomorrow to improve your kitchen incubator. What would you do?

17. What is your job title?

18. What is your job background for this position?
**Evans School--Kitchen Incubator Survey**

**19. How did you get or find your current position?**

<table>
<thead>
<tr>
<th>Space for answer</th>
</tr>
</thead>
</table>

**20. Which kitchen incubator do you currently work at?**

<table>
<thead>
<tr>
<th>Space for answer</th>
</tr>
</thead>
</table>

**21. How did you find out about your current kitchen space? Check all that apply.**

- [ ] Social services
- [ ] Local media (radios, TVs, newspapers, etc.)
- [ ] Websites
- [ ] Friends and family
- [ ] Not applicable
- Other (please specify): _[ ]_

**22. What are the best things about working there? Check all that apply.**

- [ ] Networking
- [ ] Location
- [ ] Classes/training
- [ ] Kitchen space
- [ ] Reputation
- Other (please specify): _[ ]_
23. What do you wish you could improve about working in your current space? Check all that apply.

- More kitchen space
- More specialized equipment
- More networking opportunities
- Longer working hours on site
- More training options available on site

Other (please specify)

Survey user demographics

This information is about you, the survey taker.

24. Gender:

- Male
- Female

Other (please specify)

25. Age Range:

- Less than 18
- 19-29
- 30-44
- 45-60
- Over 60
26. Education:
- Less than high school
- High school
- Some college
- Associate or bachelor
- Graduate degree

Other (please specify)

27. Annual Household Income:
- $0 - $24,999
- $25,000 - $49,999
- $50,000 - $99,999
- $100,000 - $149,999
- $150,000+

Other (please specify)

28. What state are you located in?

29. If you’re from the state of Washington, what city are you based in?

30. Can we use your responses for an academic paper and presentation?
- Yes, but keep me anonymous
- Yes, and you can list my organization and my name
- No, please don’t publish my responses

*31. Please leave your contact information (your name, organization, email address or phone number) to send you the results of this survey. We will not publish the information without your permission, but we may email you to ask follow up questions.

Other (please specify)
Evans School--Kitchen Incubator Survey

Thank you very much for your participation! We're excited to work on this project, and glad that you were interested in lending your knowledge to helping Seattle grow.
APPENDIX C - Rainier Beach Food Innovation Center Partners as of October 25, 2013

Andrea Dwyer, Seattle Tilth
Nate Moxley, Solid Ground
Paul Haas, Seattle Tilth
Harry Hoffman, Friend of RB Urban Farm, RBMF
Sam Osborne, Rainier Valley Food Bank
Glenn Turner, Emergency Feeding Program
Sharon Lerman, City of Seattle Office of Sustainability and the Environment
Susan Davis, Rainier Valley Chamber of Commerce
Ellen Greene, Skillup
Mike Skinner, Bainbridge Graduate Institute
Bob Glatt, South Seattle Community College culinary program
Lance Matteson, SEED
Matt Gurney, Farestart
Diane Skwiercz, Sweet Treats
Doug Medbury, Renton Technical College, associate dean of culinary arts
David Sauvion, RBMF
Patrice Thomas, RBMF, RBMA, SEED
Farzana Serang, CoFED
Beth Dufek, Impact Capital
Dwayne Marsh, HUD
Ryan Curren, City of Seattle, Community Cornerstones manager
Jemae Hoffman, VIA Architecture
Matt Roewe, VIA Architecture
Amanda Bryan, VIA Architecture
Katie Idziorek, VIA Architecture
Kristin Ryan, Jonathan Rose Companies
Robert Scully, City of Seattle DPD
Nora Liu, City of Seattle DPD

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78 Our thanks to Kristin Ryan (Jonathan Rose Companies) for providing this list.
APPENDIX D - Business Plan

Building a Kitchen Incubator in Rainier Beach: A Catalyst for Regional Success

One of the hardest challenges to bringing food new businesses to market is getting the space to get started at an affordable price. Not only are the commissary kitchens in Seattle practically full to capacity, but the rates are generally too high for economically disadvantaged business owners who are just getting started. Kitchen incubators, commercial kitchen spaces that also supply training, mentorship, and support to newly started food businesses, could help fill that gap, but do not currently exist in the Seattle Metro area.

Our goal is to bring a kitchen incubator to Rainier Beach as part of the planned Food Innovation Center, creating a new space to jump start food businesses and bring economic support to south Seattle.

Commissary versus Incubator

A commissary kitchen is a commercial kitchen that follows local business codes for sanitation, packaging, and distribution. In contrast, a kitchen incubator is a commercial kitchen with business support and mentorship similar to business incubators.

The closest self-identified kitchen incubators in Washington State are in Bainbridge Island (Farm Kitchen), Woodinville (21 Acres), and Tacoma (Free Range Kitchen). None already exist in Rainier Valley.

The Rainier Beach Food Innovation Center\textsuperscript{79}

The incubator will be part of the Rainier Beach Food Innovation Center, a building that will also support a full commissary kitchen, classrooms, offices, non-profits/businesses, and a retail storefront. Groups such as Seattle Tilth are currently working with the City of Seattle on predevelopment planning for the Food Innovation Center.

Market Risks & Benefits

As most businesses fail in their first or second year, supporting new businesses is an exceedingly risky venture, one requiring alternative monetary sources. In addition, by targeting low-income end users, the potential for generating revenue from members is significantly reduced. However, by providing a venue for new businesses in Rainier Beach, especially ones

\textsuperscript{79} Robert Scully (City of Seattle Planning & Development) in discussion with the authors, November 2013.
that will stay in the region, we're expanding the potential for Rainier Beach as an economic growth center.

The major caveat is that system is not sustainable on its own - that is, the kitchen incubator as a standalone model cannot support itself. Instead, it can be sustainable through a combination of grants, fundraising events, and non-incubator space rentals.

**COMPETITIVE STRATEGY**
The major competition in Seattle is commissary kitchens, which are already established and have credibility. However, there are few commissary kitchens in south Seattle and none available for rental in Rainier Beach, so initially the project will have a competitive advantage simply by virtue of location.

After opening, we will defend our market position by means of support and opportunities for participant growth. A major goal of the kitchen incubator is to graduate businesses that move into renting the commissary kitchen. We plan the following benefits for our members to support graduation goals:

- **Location.** By being near the Rainier Beach Light Rail station, the Sea-Tac Airport and other South King County cities, we are offering easy access to both commuters as potential revenue sources and ways to easily acquire resources.
- **Space.** Kitchen incubator membership will include dedicated kitchen space and office space.
- **Pricing.** All members of the kitchen incubator will receive both sliding scale membership costs during their time in the kitchen and discounted rates upon graduation for using the on-site commissary kitchen.
- **Support.** Events from licensing training to public relations, to networking and general support will be offered in a yearly cycle for each incoming cohort.

**GO TO MARKET STRATEGY**
To attract initial potential kitchen incubator participants, Open Houses will be used starting before the building is completed. These will introduce the local community to the building, its resources, and discuss the application process.
Our Product
The kitchen incubator’s product is membership into that year’s cohort, with the goals of graduating members to the commissary kitchen and producing food products to sell on site. Membership will be encouraged as a ‘one-stop shop’ for getting a food business off the ground.

Marketing
There are four groups we need to market to:
- Kitchen incubator participants
- Customers to both visit the retail storefront and buy the products, online or elsewhere
- Local businesses to both support the program and become involved themselves
- Buyers and members of the press

Participants
Priority will be granted to Rainier Beach and low income residents, but we will offer spots to the general population if not enough businesses are ready to join the cohort that year.

Following the marketing plan submitted by the Foster School of Business, potential end users should be enticed by:
- *Emotional response*. There should be excitement about the possibility of starting your own business to fruition, and how the kitchen incubator can help.
- *A statement of commitment to cultural diversity in Seattle*. Marketing should highlight not only business opportunities, but a variety of products, and how food diversity is appreciated and supported.

As this group may not be active on social media,80 we suggest focusing efforts on the Open Houses and flyers at community centers and hubs, such as King Donuts.

Attracting Seattle to Visit
Rainier Beach is not currently a popular destination among Seattleites. To entice new customers, Visit Seattle’s marketing team should be contacted to coordinate a “Two Days in Seattle”81 campaign for Rainier Beach when the property nears completion. This may not have to necessarily be a separate campaign, but building hashtags/identity awareness for Rainier Beach as an individual tourist destination is a vital part of building sustainable interest. We recommend targeting a wide range of bloggers/influencers, particularly food writers, and

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80 Tammy Morales, in discussion with the authors, March 2014.
possibly building a landing page on visitseattle.com for this campaign. Also, there should be clear signage added to the Light Rail Station promoting the Food Innovation Center, ideally with large pictures displaying goods currently for sale.

**Rainier Beach Businesses**

We advise involving other local businesses and Rainier Beach community partners as early as possible. This can be through inviting partners to speak to the incubator or partnerships. We also suggest building some form of coworking space for potential users who are not interested in investing in private offices, as these could also be used by kitchen incubator and commissary kitchen members.

The Rainier Beach Business Association, as well as some other community based organizations such as Rainier Beach Move Forward (RBMF), will be invited to speak to kitchen incubator members, network at events, and promote their own services on site. Ideally 1-2 groups should have small offices on site when the incubator opens, such as tax groups who can work with the new businesses.

**Buyers and press**

Members of the press and buyers/trade associates should largely be treated as one group, as they both will be looking to advertise and use products as they get released, even if their end goals are different.

Press should be contacted as soon as building is started in order to begin advertising that the FIC exists, whereas buyers should not be approached until the first group from the incubator or commissary kitchen has product to sell.

After the first round of successful products, buyers and press can be invited on site 1-2 times a year, depending on how often end users are releasing new products. Since many local buyers plan around the Fancy Food Shows and the Northwest Foodservice Show, we will schedule events in coordination with these.

**Distribution options and potential partnerships**

From our survey of current food businesses in Seattle that use commissary kitchens, we found a wide range of distribution needs, from online (Etsy, Mouth, etc.), to farmer’s market stands, and even to wholesale buyers. These groups should also be absorbed as partners early on in development to establish working relationships before the end users join.
Our local distribution recommendations are:

- **Grocery stores such as Whole Foods Seattle, PCC Natural Markets, Metropolitan Markets, and Central Co-op.**
- **Farmers Markets.** In addition to the already existing market in Columbia City, we propose using the parking lot one day per week as the site for a farmers market in Rainier Beach. This will encourage food truck use and, by virtue of being near the Light Rail station, attract commuters.
- **Retail storefronts & cafes.** Beyond the Food Innovation Zone “Made in Rainier Beach” storefront, it will be essential to reach out to cafes and specialty stores to buy these products.

Our buyer recommendations are:

- **Northwest Foodservice Show.** While not a buyer per se, buying a booth here for members of the kitchen incubator could be used for showcasing new products to a large number of the local trade in a short amount of time for minimal cost. This is only for businesses ready to move large quantities of product.
- **Corfini Gourmet.** While Corfini primarily works in meats, they do work with some cheese/dairy producers, and only support locally made goods.
- **Amazon Fresh.** Amazon Fresh offers delivery throughout Seattle, keeping supplies local, and can provide alternative income without a middleman buyer. The Seattle Spotlight also gives an opportunity to stand out as a vendor.
- **Buyer’s Best Friend.** This online-mainly storefront acts as a buyer’s marketplace for newer businesses, and showcases products at the Fancy Food Show for groups too small to buy a full booth. This is a national option for brands ready to supply to places such as Whole Foods and national chains but not ready to work independently.

We also suggest these partners:

- **Washington State University Agricultural Extension.** As the state’s “land grant research university,” the WSU office has access to food-based training opportunities.
- **University of Washington.**

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MANAGEMENT TEAM RECOMMENDATIONS

All members of the current stakeholder group lack the experience and training to supervise a kitchen incubator. Therefore, we recommend the following team:

- **Kitchen Managers (1 or 2).** Kitchen managers will supervise use of kitchen space, teach classes, and assist in the kitchen. They will also oversee any in-kitchen volunteers.
- **Program Manager.** The program manager will oversee the application process, set up space scheduling, and run community outreach for incubator. They will also coordinate financial aspects of the incubator, assisted by the Kitchen Manager.
- **Communications Manager.** The communications manager will coordinate social media needs for the kitchen incubator and commissary kitchen, acting as a bridge when users graduate. When not assisting the members directly, their job will be to facilitate networking events, plan fundraising activities, and support the Kitchen Manager. This employee could be shared with the FIC.

We recommend the following qualifications for incubator employees:

- **Kitchen Manager**
  - 3-5 years of experience in running either hotel or restaurant kitchens.
  - Certification as certified a “food protection manager” to meet King County Health codes.
  - Has an active Food Handler’s Permit.
  - First aid training, or enough understanding of health standards to be willing to bar entry to anyone who is ill within King County Health Codes for risking violation of food safety standards.

- **Program Manager**
  - Bachelor degree in Business or related field.
  - 1-3 years’ experience in program management.
  - Finance and budgeting experience.

- **Communications Manager**
  - 3-5 years of experience in PR/promotions.
  - Preference for someone with experience in the food industry.
  - Experience in photography, writing for a variety of media types.
  - Preference for someone already connected to the local food media scene.
  - Knowledge and experience in Photoshop, Illustrator, InDesign, social media (Facebook, Twitter, Instagram, Google+, etc.), writing blog entries, and email promotions such as MailChimp.
These posts should be announced on common job search boards such as craigslist. The kitchen manager post should be additionally listed on food-specific forums such as Eater Seattle. We recommend posting the communications manager position to HuskyJobs to reach recent Communications and Business graduates.

We also recommend volunteers for these roles:

- **Board of Directors.** These people will assist in choosing the applicant pool for each year, and possibly act as mentors. We recommend inviting successful food truck and restaurant owners, chefs, influential members of the local food media, and Rainier Beach business owners and community leaders.

- **Assistant prep cooks.** Rainier Beach High School has a student chef program, and these students could volunteer as support during the school year while in training, with the possibility of being hired on by particular groups upon graduation.

- **General volunteers.** The space will need event support, PR assistants, volunteers with trade skills able to mentor the kitchen incubator members, and many other aspects that we cannot yet plan for. These could also be work experience positions for local high school students.

**TRACTION**

Here are the currently completed milestones:

- Basic plan designs created by VIA Architecture and the UW School of Architecture
- Marketing plan for the commissary kitchen by the Foster School of Business
- Survey completed by the Evans School of Public Affairs on existing kitchen incubators
- Review by the Foster School of Business estimating an $8 million dollar construction cost

In addition, these grant-based revenue options have already applied for:

- $1.1 million - Impact Capital Enterprise’s Foundation of Housing under the Equitable Transit-Oriented Development Fund
- $100,000 - Washington State Capital Budget application

Given that this is not enough to support starting the incubator, we have the following recommendations:

- **Additional grant support.** If the incubator is established as a non-profit, there are potential non-equity financial options, such as the resources on Foundation Finder.87

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• **Partnerships with mission-driven organizations.** Coordinating with organizations for monetary and non-monetary support, from volunteers to land donation, is a potential option to gain funding without losing equity.

• **Angel Investing.** This option has a thriving community in Seattle – and an angel conference, which offers $100,000 to winners, along with other opportunities.  

• **Venture Capital.** While requiring more of a loss of capital, and only viable if the incubator is not a non-profit, venture capital firms in Seattle are active and looking for new companies. Founders’ Co-op alone has raised over $10 million in startup capital this funding round for potential businesses.

• **Crowdfunding.** Kickstarter and Indiegogo, along with other microfunding websites, have been used to fund kitchen incubators nationally. As these sites currently don’t require lots of capital, microfunding or microinvestment efforts may be a way to gain initial traction. In addition, newer sites such as Subbable or Patreon, offer the ability to donate small monthly amounts.

Once the kitchen incubator is open and functioning the following options could be used for additional funding:

• **Teaching/demonstration cooking events.** Groups such as The Pantry at Delancey offer in-depth cooking classes that are incredibly well-received. Bringing in chefs could be a way to both promote the space and raise revenue. Later, commissary kitchen and kitchen incubator users could be invited to teach as well.

• **Sponsorship opportunities.** There are a large number of brands in Seattle, from Alaska Airlines to Bing, who regularly support local food events and efforts. Bringing them on as sponsors for training, events, or even the FIC itself are possibilities.

• **Charity events and galas.** La Cocina, one of the more successful kitchen incubators, relies on regular charity events. For their 2014 event, tickets start at $50 and quickly rise to $15,000. While bringing in a celebrity chef is expensive, there’s also a huge opportunity for funding. We recommend running at least one of these events before opening, and 1-2 a year from then on: one for major support with celebrity chefs, and another to showcase the results of our cohort’s work from the past year.


FINANCIAL OPPORTUNITIES

The incubator kitchen program itself will make little money due to the low cost of membership. The commissary kitchen, event rentals, and galas/fundraisers will need to support general costs during the year.

However, with goods being made on site there is an opportunity to buy products from both commissary kitchen users and incubator participants at wholesale to sell in the retail storefront/café. This gives the program product options to sell at little to no shipping costs. The majority of funds raised from selling these goods would go back to supporting the kitchen, which could be marketed on in the storefront.

Key assumptions:
- There are enough potential end users in Rainier Beach to support this endeavor.
- There are enough potential business owners to fill the first cohort.
- Commissary kitchen users would be interested in working in Rainier Beach, which while near the Light Rail station is still somewhat far from the downtown business core.

The average kitchen incubator currently requires approximately $100,000 in annual operating costs, and is generally not grant supported. However, as this is being spearheaded, at least initially, by the City of Seattle, there may be more grant opportunities available as the center develops.

In addition, Econsult Solutions (2013) determined that the average kitchen incubator has 25 or fewer users. As the funding is still uncertain, as is the amount of space available, a smaller entry cohort will not only give better support to participants, but allow the team to learn the ins and outs of running the incubator.

We suggest this phasing structure for growing the cohorts:
- Cohort 1-2: Five users or less.
- Cohort 3-5: A maximum of ten users.

After cohorts 2 and 5 have graduated, it should be evaluated whether these group sizes are sustainable.

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Rates and fees
Pricing/membership for qualified applicants will be done on a sliding scale based on income. Users will be required to provide evidence of current income. All graduates will also be offered entrance to the commissary kitchen, with the first year at a reduced rate as they work to scale. As there may not be enough qualifying businesses in Rainier Beach, especially early on, we also intend to offer space first to low income Seattle residents outside of Rainier Beach, including other South King County neighborhoods, then to all new food businesses in the Seattle metro area without income caps. Low income residents accepted into the cohort will pay the same base rate as Rainier Beach residents, whereas non-income-limited members will pay 50% of the commissary kitchen rental costs, but still be part of the same cohort and receive the same training and support.

There are few subsets of rates within this program:
- Kitchen rentals
- Office space
- Classroom/event space

There are two options: either utilizing the planned commissary kitchen’s open times for kitchen incubator users, or granting the kitchen incubator cohort a smaller, but still functional, kitchen space. (If the latter is implemented, shrinking the base commissary kitchen would be possible, as those users could rent any additional space from open times in the kitchen incubator.)

Of these, initially it is more financially feasible for the kitchen incubator space to be within the commissary kitchen, as we do not know cohort size, funding capability, or equipment needs.

As an example, if the kitchen incubator has its own space, here are our recommended base rates:

<table>
<thead>
<tr>
<th></th>
<th>Incubator Members</th>
<th>Commissary Users/Non-Profits</th>
<th>General Public</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kitchen rentals</td>
<td>$20/hour (with sliding scale options)</td>
<td>$25/hour</td>
<td>$50/hour</td>
</tr>
<tr>
<td>Office space</td>
<td>$100/month</td>
<td>$200-$400/month</td>
<td>$300-$700/month</td>
</tr>
<tr>
<td>Classroom space</td>
<td>$20/hour</td>
<td>$20/hour</td>
<td>$50/hour</td>
</tr>
</tbody>
</table>
*Kitchen rentals.* The $20/hour cost is based on the average cost for kitchen incubator usage, and our matrix of current commissary kitchen rates in Seattle (Appendix A). Offering a base rate, rather than a flat fee, allows for users to book space as needed. That being said, the final membership costs will be based on statement of income.

Opening available space to the commissary kitchen, non-profits on site, and general public opens up opportunities for extra funding during open hours. (As an example, if the kitchen were rented out by the general public for 100 cumulative hours/month, there would be $10,000 in initial extra profits - without cutting into the space needed for the cohort or shifting supervising time.) We will require all users of the kitchen to have active food handling permits and have active insurance, or apply for temporary insurance during the rental period.

*Pantry/Storage/Cold storage options.* The Food Innovation Center will have dry and cold storage options. Space can be included for free for incubator members and at cost for all other users. We recommend investigating the option of bulk purchasing certain staple items, such as flour and sugar, and offering them at a discount to users.

*Office space/coworking.* Having a desk on site means being able to take orders and do research without leaving the building. The regular coworking rates are in line with the current coworking rates in Seattle. We recommend opening this to food writers and photographers, especially if a meeting room can be turned into photography space. We also suggest offering a package with kitchen rental space to food photographers with food handling permits who are coworking on site, as there is a vocal collective of photographers in Seattle currently looking for such space (Tupper, per. comm.). All the current rates are based on 24/7 access options, and should be rented with priority to kitchen incubator members.

*Classroom/event space.* The classrooms are available as options for hosting not only classes, but new product releases and events. Offering it at a premium for the general public gives greater priority to kitchen incubator and commissary kitchen users, who should be encouraged to use the space as much as possible. In addition, offering event packages serves as an additional source of revenue both for the incubator and any end users who opt to be on-site caterers.

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Costs and cohort size

Overall, the average annual cost to run a kitchen incubator after startup costs is approximately $100,000, which can include the classroom space. This includes facility maintenance, equipment upkeep, and other basic costs.

For Seattle, we suggest the following base salaries (taxation not included):

<table>
<thead>
<tr>
<th>Costs</th>
<th>Salary</th>
<th>Number of people</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kitchen manager</td>
<td>$40000</td>
<td>2</td>
<td>$80000</td>
</tr>
<tr>
<td>Program/Communications</td>
<td>$35000</td>
<td>1</td>
<td>$35000</td>
</tr>
<tr>
<td>Janitor</td>
<td>$40000</td>
<td>1</td>
<td>$40000</td>
</tr>
<tr>
<td>Teacher rates</td>
<td>$1000</td>
<td>10</td>
<td>$10000</td>
</tr>
<tr>
<td><strong>Total Cost</strong></td>
<td></td>
<td></td>
<td><strong>$165,000</strong></td>
</tr>
</tbody>
</table>

Costs of a coworking facility are in the base upkeep of the room, which is part of general building maintenance, office furniture, and any basic technology we decide to include, such as monitors or netbooks, which we estimate to around $10-$15,000 in startup costs and under $1000/year in equipment maintenance.

Based on that, we recommend an entering cohort of five for the incubator, and offering space for up to ten members of the general public to rent the office space and up to 160 cumulative hours of kitchen usage per month not for the cohort.

<table>
<thead>
<tr>
<th></th>
<th>Group size</th>
<th>Hours (per month)</th>
<th>Months</th>
<th>Rates</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Kitchen rental</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cohort</td>
<td>5</td>
<td>80</td>
<td></td>
<td>$20</td>
<td>$16,000</td>
</tr>
<tr>
<td>General public</td>
<td>10</td>
<td>160</td>
<td></td>
<td>$50</td>
<td>$80,000</td>
</tr>
<tr>
<td><strong>Office space</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cohort</td>
<td>10</td>
<td>12</td>
<td></td>
<td>$100</td>
<td>$12,000</td>
</tr>
<tr>
<td>General public</td>
<td>10</td>
<td>12</td>
<td></td>
<td>$400</td>
<td>$48,000</td>
</tr>
<tr>
<td><strong>Total Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$156,000</strong></td>
</tr>
</tbody>
</table>

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### Annual Costs:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cost (including $1000 equipment maintenance)</td>
<td>$100,000</td>
</tr>
<tr>
<td>Staff wages/salaries</td>
<td>$165,000</td>
</tr>
<tr>
<td><strong>Total annual costs</strong></td>
<td><strong>$265,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Revenue from space</td>
<td>$156,000</td>
</tr>
</tbody>
</table>

**Revenue less Costs**  
- $109,000 (Deficit)

This does not account for pantry rental fees, additional space/event rentals, or any profits generated from the retail storefront. It also does not account for rental revenue generated from the commissary kitchen, only extra space in the kitchen incubator. Ideally revenues from the commissary kitchen should be utilized to support the majority of the deficit, which could later include any revenue from the retail storefront.

Given that these numbers are an estimate based on average local rates, further research into cost evaluation should provide options for building a program without a deficit. The kitchen incubator does have a higher risk of running a deficit early in the program, especially in the first 1-3 years, but should stabilize once the commissary kitchen is at capacity and the storefront is established.

**SUMMARY**

The Rainier Beach community has a great opportunity for building a kitchen incubator near the Light Rail Station which would increase job opportunities for the region and provide revenue to the Seattle metro area. It is reliant heavily on acquiring enough early funding, but once that is in place there is enough market interest from food businesses to support cohorts for years to come.
### APPENDIX E - Evaluation Criteria

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Criteria</th>
<th>High (7-10)</th>
<th>Mid (4-6)</th>
<th>Low (0-3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Kitchen Incubator Indicator</strong></td>
<td>Infrastructure (20%)</td>
<td>KI is self-sustainable</td>
<td>KI has profit</td>
<td>KI strikes a balance</td>
</tr>
<tr>
<td></td>
<td>KI facility and space</td>
<td>A variety of facilities and enough space for participants</td>
<td>Basic facilities and no surplus space for participants</td>
<td>Limited facilities and crowded space for participants</td>
</tr>
<tr>
<td><strong>Program support (50%)</strong></td>
<td>Professionalism of staff</td>
<td>Staff with food background with management experience</td>
<td>Staff with limited professional knowledge</td>
<td>Staff meet minimum job requirements but lack experience</td>
</tr>
<tr>
<td></td>
<td>Distribution network</td>
<td>Network with all kinds of sales channels, procurement contracts with stable customers</td>
<td>Partnership with a few customers and not stable</td>
<td>No network; no contracts</td>
</tr>
<tr>
<td></td>
<td>Packaging access</td>
<td>Provide cost-effective packaging access</td>
<td>Offer high cost packaging access</td>
<td>No access</td>
</tr>
<tr>
<td></td>
<td>Regulatory agency partnerships</td>
<td>Strong partnership with regulatory agencies</td>
<td>Limited partnerships</td>
<td>No partnerships</td>
</tr>
<tr>
<td><strong>Business assistance (30%)</strong></td>
<td>Courses</td>
<td>Courses in business start-ups, marketing, technology, funding resource and targeting food businesses</td>
<td>Limited courses in business and not targeting food businesses</td>
<td>No or few business courses</td>
</tr>
<tr>
<td></td>
<td>Licensing guidance</td>
<td>Strong support for on-site licensing</td>
<td>Limited support for on-site licensing</td>
<td>None or minimal support</td>
</tr>
<tr>
<td></td>
<td>Guest speakers with practical experience</td>
<td>Guest speakers from many different sectors of food business</td>
<td>Guest speakers from limited sectors of food business</td>
<td>No guest speakers</td>
</tr>
<tr>
<td><strong>Economic Catalyst Indicator</strong></td>
<td>Survival rate of food business cultivated in KI (10%)</td>
<td>Higher survival rate than the national average</td>
<td>Similar survival rate to the national average</td>
<td>Lower survival rate than the national average</td>
</tr>
<tr>
<td></td>
<td>Revenues generated by KI participants and graduates (15%)</td>
<td>High revenue</td>
<td>Medium revenue</td>
<td>Low revenue</td>
</tr>
<tr>
<td></td>
<td>Jobs created by KI participants and graduates (20%)</td>
<td>3+ jobs created per business</td>
<td>1 - 2 jobs created per business</td>
<td>No jobs created</td>
</tr>
<tr>
<td></td>
<td>Income change of KI participants and graduates (20%)</td>
<td>Income increase</td>
<td>Same as before</td>
<td>Income decrease</td>
</tr>
<tr>
<td></td>
<td>Inclusion of vulnerable groups and women (15%)</td>
<td>75%-100% of cohort</td>
<td>25%-75% of cohort</td>
<td>0%-25% of cohort</td>
</tr>
<tr>
<td></td>
<td>KI Educational impact on Rainier Beach (20%)</td>
<td>Rainier Beach residents are 75%-100% of cohort</td>
<td>Rainier Beach residents are 25%-75% of cohort</td>
<td>Rainier Beach residents are 0%-25% of cohort</td>
</tr>
</tbody>
</table>
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