

**PURDUE
EXTENSION**

The Shared-Use Commercial Kitchen A Potential Centerpiece of the Entrepreneurial Center in Perry County, IN

Zuzana Bednarikova & Erin Emerson



About Perry County



County Background

Established	1814
County Seat <i>Population (2018)</i>	Tell City <i>7,270 inhab.</i>
Area	386 sq. miles
Population (2018)	19,141 inhab.
Population Density	50.4 people/sq. mile

Located along Ohio River, bordering Kentucky

Hilliest & one of the most forested counties in Indiana



Perry County, Indiana



©IAN JARBOE

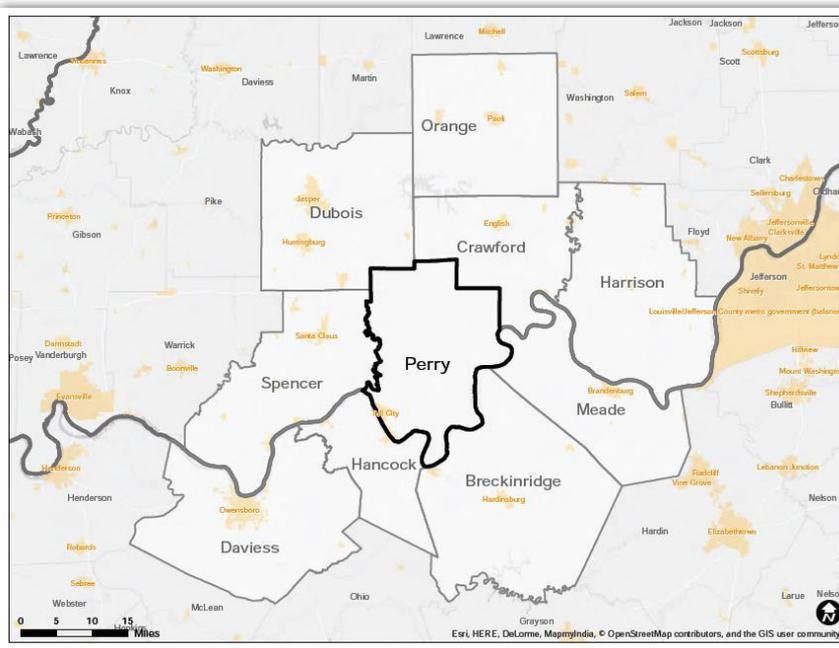


Economy/Industry at a Glance





Trends in Rural Communities



- Slow population growth
- Aging population
- Shrinking household size
- Diminishing median household income
- Relatively small percentages of residents with post-secondary education
- Remoteness of many households



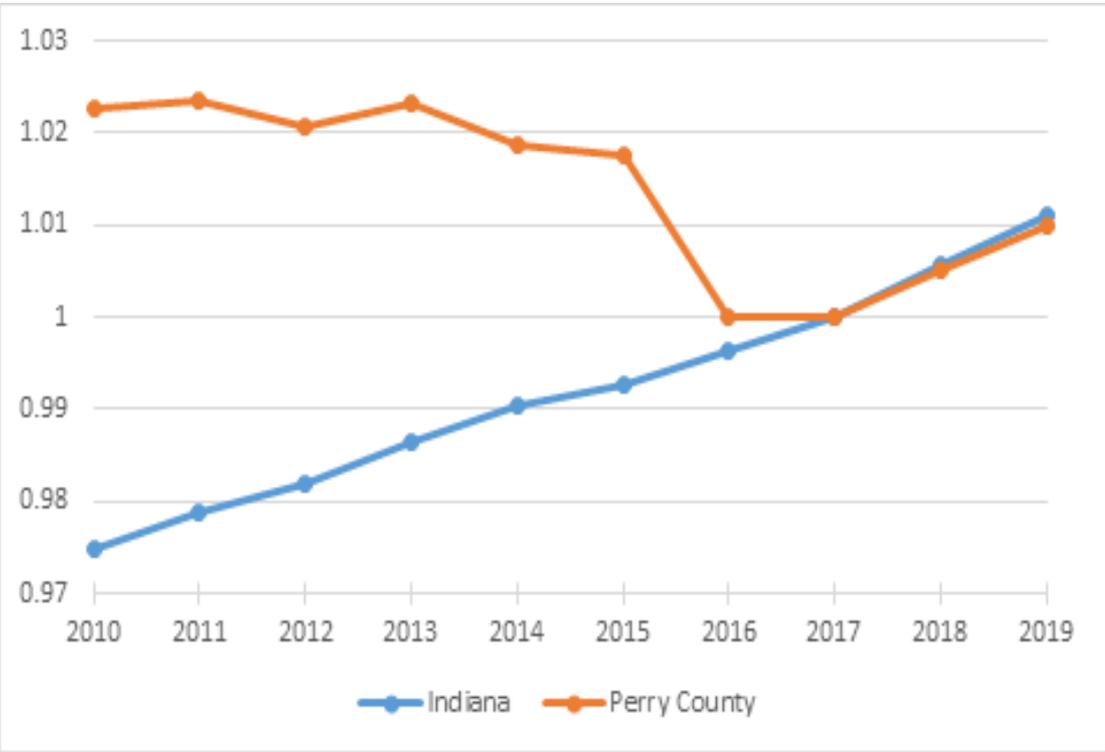
Quality of Life & Place, Workforce Development Talent Attraction & Population Growth





Growth!

Population Index for Indiana and Perry County (Base Year = 2017)





What is a Shared-use Commercial Kitchen?

- A shared-use kitchen is a legally licensed commercial kitchen space that is certified to produce value-added food products.
- It is designed to offer the chance for entrepreneurs to **develop** culinary and business **skills** and provide a **learning environment** for students, **working environment** to food-based firms, and an **experimental environment** for innovators who want to try new concepts and food product prototypes.

Source: Purdue University: <https://www.purdue.edu/dffs/localfood/sharedkitchen/>

Chef Space, Louisville, KY



Venture Out Business Center,
Madison, IN



One World KitchenShare,
Bloomington, IN





Facility for the Shared-use Kitchen

Tell City Furniture / Swiss Plywood Manufacturing Facility

November 2019



November 2019



December 2019



January 2020





Methodology

- **Local Outreach**

- *Could Commercial Kitchen Rise from Perry County Ashes?*
- *Feasibility study examines potential for shared-use kitchen*
- Facebook page of Perry County – *Pick Perry*

- **Secondary Data Analysis**

- Shift-share analysis of industry trends in Perry County and Perry County Region;
- Local market conditions: trends in agriculture, food-related businesses, and consumer behavior in Perry County and Perry County Region.

- **Primary Data Collection**

- On-line Survey (N = 260)
- Focus Group Meetings (2 sessions)

- **Commercial Kitchen Tour**

- Chef Space, Louisville, KY – Food business incubator
- Venture Out Business Center, Madison, IN – Community-oriented commercial kitchen
- One World Business Center, Bloomington, IN – Commercial food business incubator





ENTREPRENEURIAL ASSETS AND CHALLENGES

- Local markets and networking
- The quality of local food
- Food and food producers' regulations, certifications, restrictions, licenses
- Difficulty in finding a market
- Aging farmers
- Limited experience in the food-related industry



Key Aspects of Success

1

Utilization of the Facility

2

Financial Sustainability

3

Facility Size and Features

4

Project and Stakeholder Development

5

Community Impacts



1. Utilization of the facility

- **Moderate demand** for the kitchen
- **Higher interest** in food entrepreneurship **among women**
- 80% of survey respondents are **not willing to pay rent of \$20 per hour**.
- Kitchen may be **underutilized at the early stage** of development (less than 4 hours per month).
- The service area - clients are willing to **travel up to two hours** to use the commercial kitchen.

Recommendations

- Strong **regional food clusters** could strengthen connections with specialty food and food manufacturing.
- Cultivate **partnerships** with service or education organizations in the area.
- Organize **classes and workshops**.
- Develop a **referral network** with diverse businesses and advisors.
- Create valuable synergies with organizations that can bring **additional expertise**.
- Operate under a **network of existing commercial kitchens**.



2. Financial Sustainability

- Sizeable share of limited resource of potential users
- The hour rates may need to be significantly lower than market rate

Recommendations

- Combination of revenue streams and funding supports - high service needs and lower rental rate.
- A combination of loans, grants, and philanthropy
- Determine the level to subsidize the facility as it matures.
- Preliminary approval to the submission of the application
- Rent generating activities:
 - Renting planned banquet space, cooler, freezer, and dry goods storage space
 - Hosting events that generate income
 - Collaborating with other organizations
 - **Recruiting anchor tenants and/or co-users that pay a stable monthly amount.**

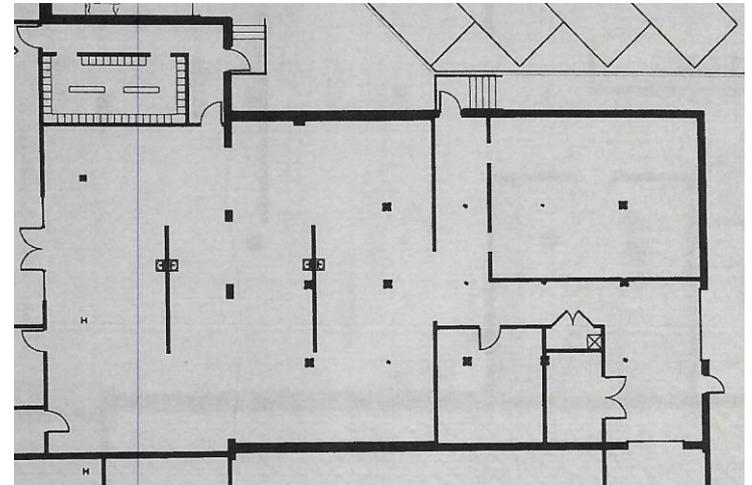


3. Facility Size and Features

- Planned 4,927 square feet
- Moderate scenario
- Standard equipment, such as ovens, range/cooktops, and grill

Recommendations

- Space for cooking classes for at least eight people
- Multiple stations and area with multiple uses
- Design directly for vendors
- COVID-19 impacts (co-working and common spaces must be adjusted in a manner that complies with COVID-19 safety criteria for these spaces)





4. Project and Stakeholder Development

Project Development

- High level of **PCDC partner's engagement** in decision-making.
- Identify the **leadership and management team** for the shared-use kitchen project.
- The shared-use kitchen's **missions as an incubator** for new businesses
- **Program planning** - understand barriers and strengthen of the market conditions
- Future **service expansion** focused on food industry-specific training, technical assistance, and market-building.
- The commercial kitchen owner and **manager's knowledge** about food regulation, regulatory processes, sanitation, and other rules
- Specify the **business model and strategy** for the financial sustainability of the project.

Stakeholder Development

- Deepen relationships with the local and regional business community and professionals, and the development of potential client networks.
 - managers from successful food businesses, small business owners, retail buyers, professional service providers, distributors, and culinary school staff.



5. Community Impacts

- Supporting existing businesses and guiding new food businesses → business success for potential tenants
- Classes and workshop
 - Food regulations and certifications
 - Cooking
 - Small business education
 - Safety compliance standards
- Better food quality and more fresh food
 - Production of premade meals: take-and-bake meals, quick eats, heat-and-eat, in the kitchen
 - bakery items, precut fruits and vegetables, canning and bottling, seafood, cider.
 - unique, diverse meals (non-American cuisine, vegan, vegetarian, organic),
- Connecting local businesses and community



Thank you!

Zuzana Bednarikova, Ph.D.

Research and Extension Specialist

Purdue University | Purdue Extension – Community Development

1341 Northwestern Avenue - Schowe House | West Lafayette, IN 47906

m: +1-463-224-0121

zbednari@purdue.edu

<https://cdext.purdue.edu/>

Erin Emerson

Vice President

Perry County Development Corporation | PO Box 731 | Tell City, IN 47586

812.547.8377 | 812.719.1891 | erin@pickperry.com | pickperry.com | #pickperry