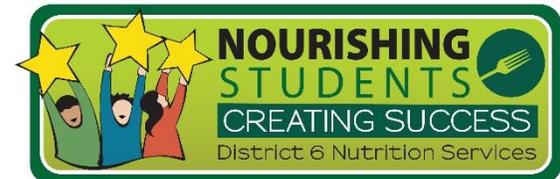


Renting Commercial Kitchen Space

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Introduction



- What does renting commercial kitchen space mean?
 - A commercial kitchen enters an agreement to offer their kitchen space and equipment (as they feel comfortable) to small and/or start-up food businesses for an hourly or periodic fee
 - Referred to as a commissary kitchen when used by other food service providers and businesses



Introduction

- Why consider offering commercial kitchen for rent?
 - Generate revenue for your department and district
 - Typical rate: \$40/hour
 - Support small and start-up food businesses
 - Lack of available commissary kitchen space for rent
- Small or start-up food businesses require production to take place in a commissary kitchen to expand beyond the Cottage Foods Act
 - Cottage Foods Act: CO Legislature passed in 2012, allowing the sale of certain types of “cottage foods” that are produced in unlicensed home kitchens
 - Net sales for each product must not exceed \$5,000 annually and must be direct to consumer sales (Colorado Department of Public Health and Environment)



How to Rent Commercial Kitchens

- How, What, and When
 - Applications, Agreements and/or Contracts, and Operating Policy Manual
 - Very important to have in place prior to renting
 - Develop internally
 - Examples available
 - Can use one or a combination
 - Lay the ground work to prevent issues and state expectations for both parties
 - Determine what is available for rent
 - Include use of kitchen “spaces”, equipment (large and small), chemicals and cleaning equipment, and storage (dry, cooler, freezer)
 - Some models include offering large equipment and storage for an additional rental fee
 - Schedule of Availability
 - Before or after work hours; weekends
 - Possibly during work hours
 - Communicate any closures (holidays, special events, etc.)



Applications, Agreements, Contracts

- Applications: the Vetting Process
 - Basic information about company and desired kitchen use
 - Business License Number
 - Type of business (pre-venture, new, existing)
 - Legal Status (sole proprietorship, partnership, or corporation)
 - Explanation of food products to be prepared and list of common ingredients
 - Business license (if applicable)
 - What equipment is required to produce and/or package
 - Number of employees
 - Days and hours of desired use
 - Basic storage requirements and shipping information

Applications, Agreements, Contracts

- Agreements and/or Contracts

- Terms of:

- Dates and hours of use
- Fees of usage
 - Space, equipment, storage (dry, cooler, freezer)
- Billing
- Deposit (if desired)
- Access to kitchen/facility
- Evaluations (as necessary)
- Collect Business Documents:
 - Food Handlers (or similar) Certification
 - HACCP Plans
 - Business License
 - Liability Insurance (\$1 million is typical)





Applications, Agreements, Contracts

- **Operating Policy Manual**

- Professional Conduct Standards
 - Cover school district specifics
- Deliveries
- Storing inventory
- Equipment protocol
- Food safety and sanitization standards and requirements
- Confidentiality agreement
- Missed appointments
- Notice of recalls, claims, and suits
- Dismissal from facility
- Any other SOP's

How to Rent Commercial Kitchens

- Scheduling, Tracking Time, and Invoicing
 - Google calendar (or similar) to schedule
 - Can “black-out” dates as necessary
 - Same with equipment and storage (ex: overnight cooks or available cooler space)
 - Tracking: email and excel spreadsheet with dates, times, hours
 - Invoice: excel template or internal district form
 - Food Corridor
 - AirBnB for kitchen rentals (schedules, tracks, and creates invoices)





Challenges and Considerations

- Openly discuss potential benefits and issues or barriers with your team
 - Include director(s), kitchen manager(s), and other stakeholders (finance)
- Make your expectations and rules explicit and clear to renters
 - Have your renters sign and agree to your expectations and guidelines
 - Allow for flexibility and for adaptations as necessary
 - Renters may have different needs to be addressed
 - Have a system to communicate feedback: continual
 - Initial check-in
 - Annual reviews
 - Create a plan for dismissal, communicate the plan with renters, and ensure documentation occurs as necessary



Questions?

- Examples of:
 - Application
 - Contract
 - Operating Policy
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