

About REI |

The MSU EDA University Center for Regional Economic Innovation (REI) seeks to identify and develop new economic development tools, models, policies and practices to support innovative economic development high-growth enterprises and job creation in distressed regions across the state. REI has established a new economic development ecosystem to cope with the ever-changing global and regional dynamic. Through this ecosystem, we engage innovative and creative minds which result in new economic development practices.

The REI University Center was established in 2011 with support from the U.S. Department of Commerce, Economic Development Administration, and in collaboration with the following MSU offices:

Office of the Provost
Vice President for Research & Graduate Studies
University Outreach & Engagement
MSU Extension Office
Institute for Public Policy & Social Research
School of Planning, Design, & Construction
Department of Geography
College of Social Science

MICHIGAN STATE
UNIVERSITY | Center for Community
and Economic Development
University Center for Regional Economic Innovation

MSU EDA University Center for Regional Economic Innovation
Center for Community & Economic Development
1615 E. Michigan Avenue
Lansing, MI 48912 USA
<http://www.reicenter.org>



The statements, findings, conclusions, and recommendations are those of the authors and do not necessarily reflect the views of the Economic Development Administration, U.S. Department of Commerce, or Michigan State University.

Operation Above Ground: Improving Licensing for New Food Businesses to Promote a Stronger Detroit Food Economy

Jess Daniel
Rebecca Baylor
Lead Policy Researcher
FoodLab Detroit, Client

2014 Co-Learning Plan Series

MSU EDA University Center for Regional Economic Innovation

MICHIGAN STATE
UNIVERSITY | University Outreach
and Engagement

Operation Above Ground:

Improving Licensing for New Food Businesses to Promote
a Stronger Detroit Food Economy

Michigan State University

Center for Community and Economic Development

EDA University Center for Regional Economic Innovation

Jess Daniel

Rebecca Baylor

Lead Policy Researcher

FoodLab Detroit, Client

This project is supported in part pursuant to the receipt of financial assistance from the United States Department of Commerce- Economic Development Administration. The statements, findings, conclusions, and recommendations are solely those of the authors and do not necessarily reflect the views of any federal agency or Michigan State University.

Contents

INTRODUCTION	5
BACKGROUND	6
FoodLab Detroit	6
What Is A Shared or Shared-Use Kitchen?.....	7
POLICY ENVIRONMENT OF DETROIT.....	7
The Institute of Population Health (IPH).....	7
The Michigan Department of Agriculture and Rural Development (MDARD).....	8
The Process	8
INTERVIEWS: Policy Problems.....	9
My Ordered Steps Catering.....	10
Sister Pie.....	10
Ms. Ruth’s Catering.....	10
Detroit Kitchen Connect.....	11
RECOMMENDATIONS: How to generate more good food businesses	12
Create a Culture of Collaboration	12
Arrange a FREE quarterly Meeting with FoodLab and IPH	12
Establish a Memorandum of Understanding (MOU)	12
Synergize Stakeholders	12
City Network of Shared-Use Kitchens	13
Increase Consistency Among Inspectors	13
Establish Consistent Policy for the Number of Businesses Licensed Out of a Kitchen	13
Establish Consistent Policy for the Number of Simultaneous Kitchen Users	13
Make Licensing Paperwork and Process Transparent	13
FoodLab Publishes Licensing Paperwork Online.....	13
City Health Department Publishes Licensing Paperwork Online	13
Create an Interactive Licensing Website.....	14
Lower the Barriers to Licensing.....	14

Lower the Cost of Licensing	14
Expedite the Licensing Process for Targeted Groups	14
COMPARISONS: Learning Lessons from other cities	14
Philadelphia, PA:	15
New York, NY:	15
Hart, MI:	16
WHY SUPPORT SHARED-USE KITCHENS IN DETROIT?	16
Eliminating Financial Leakage	16
Using Existing Community Assets	16
Shared Kitchens Discourage Monoculture Businesses	17
Shared Kitchens Unite the “two Detroits”	17
CLOSING REMARKS	17
REFERENCES	18

INTRODUCTION

The objective of this report is to improve the municipal policies surrounding food businesses and to streamline the licensing process in Detroit. Specifically, this study outlines several policy recommendations related to businesses that operate out of shared-use kitchen spaces and must be licensed by the Institute of Population Health (IPH). Current policy does not enable the effective use of shared-use kitchens, which are a vital resource for budding businesses, the local economy, and the city's citizens.

Authors of this report are participants in the ongoing, grassroots campaign called *Operation Above Ground (OAG)*, organized by *FoodLab Detroit* and *Detroit Kitchen Connect*. An in-depth analysis of other shared-use kitchens across the country, as well as surveys and interviews were conducted to arrive at the current findings. Our study determined that, at present, the municipal licensing process required of individual business owners is unnecessarily expensive, time consuming, and confusing. In the event that the city's contract with IPH is renewed or dissolved, we hope that necessary changes will take place to correct these issues.

Those committed to meeting the needs of the community through alternative and innovative business strategies are experiencing many roadblocks in dealing with IPH. In fact, many are forced to operate as underground, unlicensed enterprises.

Several beneficial outcomes can be achieved with a few simple policy changes. Based on comparative practices, the following should be done in order to foster growth and improvement:

- Create a more open culture of collaboration between FoodLab and IPH
- Increase consistency of information among municipal health inspectors and their supervisors
- Make the licensing paperwork and process transparent
- Lower the cost of licensing

The aforementioned form the recommendations of this report, which are intended to help:

- The City of Detroit to achieve a viable economic expansion opportunity
- Detroit-based entrepreneurs gain needed self-reliance as they seek to operate out of shared commercial kitchens
- Incubate a forward-thinking, good food movement composed of licensed food processors

BACKGROUND

Over the past 60 years, the City of Detroit has gone through, or perhaps it would be more accurate to say that it has survived through, many extreme difficulties that other cities have never experienced. In the early 1900s, the invention of the automobile created an industrial boom that tripled Detroit's population between 1910 and 1930 to 1,568,662 people.ⁱ However, due to deindustrialization, white flight, suburbanization, and economic depressions, a steady population decline ensued.

Consequences for such radical changes have resulted in problems associated with poverty, unemployment, crime, commuting, and a lack of resources. Whole neighborhoods can be found empty. In 2010, Detroit had a population of only 713,777, an African American racial make-up majority of 82.7%, median household income of \$26,955, and persons below poverty level of 38.1%.ⁱⁱ

Now Detroit is going through radical changes once again in the form of its 2013 bankruptcy, and citizens are looking at ways to better the cost of living and business environment. A way to accomplish these goals is by improving food business policies, especially in regards to shared-use kitchens. This will help to stimulate the economy as well as provide healthier ways of living.

FoodLab Detroit

FoodLab Detroit was created in 2011 by a group of Metro-Detroit food entrepreneurs who wanted to build a support network and help contribute to the growing food movement in the city. Since its creation, this nonprofit has held business boot-camps, established a steering committee, completed many community projects, and has grown to the point where it now not only has working members, but partners, allies, and leaders. A couple of these past and current projects include Detroit Kitchen Connect, which is providing kitchen space to entrepreneurs, online and in person meet-ups where businesses share information, and several helpful directories and compasses for businesses to follow toward success. One of these current projects, Operation Above Ground, involves businesses uniting to making plans and aspirations in creating better Detroit food policies for the four business models of shared kitchens, catering services, establishments, food trucks, and pop-up kitchens. This report is a product for Operation Above Ground (OAG).

What Is A Shared or Shared-Use Kitchen?

Shared kitchens, also known as shared-use kitchens, are places made available for small food businesses through retail agreements. In a city like Detroit, there are many large institutional food preparation facilities, commonly found in churches, schools, and community centers. These kitchens give businesses the ability to make their food products without being required to own their own commercial kitchen. Shared kitchens are registered and legal commercial kitchen spaces as sanctioned by that areas particular health department. The Institute for Population Health (IPH) is the city of Detroit's particular version of a health department. Further detail and analysis will be explained later, including legality and documentation for businesses, and how the Institute for Population Health is involved. Examples of places that might be used and considered as shared kitchens are the kitchens of churches, community centers, restaurants, theatres, schools, or other such large well-kept commercial kitchen spaces with licensed kitchen equipment. Types of businesses that might use such kitchens include catering companies, baking companies or entrepreneurs that prepare and package food products. Catering businesses can include those that might deliver or sell food within the building of the shared kitchen. Packaged businesses might be those that produce cookies, oils, teas, breads, or any food that is not sold directly to consumers.

POLICY ENVIRONMENT OF DETROIT

A problematic political history is the cause for many major factors in current Detroit city policy designs. Many food business entrepreneurs find it very difficult to start their own business. Shared kitchens can be the answer to many fundamental policy problems that currently exist within the City of Detroit for these entrepreneurs. However, in addition to city laws, food entrepreneurs must follow state rules and guidelines. According to the state government, there are two different types of food businesses that work out of a shared kitchen: those that sell, store, or manufacture foods and those that serve foods that can be immediately consumed.ⁱⁱⁱ

There are several key players, processes, and problems one must know in order to understand the food policy environment of Detroit. Two main governmental organizations exist for enforcing food laws and policies within Detroit. One is the local health department, known as the Institute for Population Health (IPH), and the other is the Michigan Department of Agriculture and Rural Development (MDARD).

The Institute of Population Health (IPH)

The story of IPH is interesting as far as common health departments go. In 2012, Detroit's department of health (known at the time as the Department of Health and Wellness Promotion) made the controversial transition of their services and responsibilities to the privately owned and newly created company known as the Institute for Population Health.^{iv} The request for nonprofit

status was made and approved, and ever since then IPH has been contracted directly through the State of Michigan. Its revenue comes from services provided to citizens, as well as state, federal, and private grants, without reliance on Detroit.^v IPH has a board of six members, a secretary, vice chair, board chair, and head officer (Institute for Population Health).

The Michigan Department of Agriculture and Rural Development (MDARD)

Made up of 10 different offices and divisions, the Michigan Department of Agriculture and Rural Development (MDARD) have a food and dairy safety division that protects Michigan public health against harmful foods. This division contains a Food Safety and Inspection program, a Milk and Dairy Product Safety and Inspection program, and works towards preventing foodborne illness outbreaks and initiates food recalls when necessary. Additionally, a Food SAFE team partners with the United States Food and Drug Administration (FDA) in case of food emergencies.^{vi} Detroit food entrepreneurs are often required to become certified with MDARD for different food related issues and products.

The Process

To explain Detroit's policy environment, we first must begin by giving an example of how a low-level food business that sells, stores, or manufactures food might be created and expanded. If, for example, a Detroit cookie business wanted to create and package their own cookies for retail, they would be able to do this on their own in their own kitchen under the Michigan Cottage Food law with no interference by the city of Detroit. Enforced by MDARD, this law allows Michigan residents to bake and package their products out of their own homes as long as they follow the normal Michigan Food Law, as well as additional regulations that exist in conjunction to being able to work out of a home.^{vii} Such regulations include, but are not exclusively subject to, proper packaging, labeling, or storage in the primary domestic residence. Products must be sold directly from the cottage food operator to the consumer. That means not over Internet, mail order, or wholesale to restaurants or stores, but directly through farmers markets, road side stands, or other direct market means. The business must also make no more than \$20,000 per year in gross sales.^{viii}

It is relatively easy for this cookie packaging business to get started in Detroit, but what if you were a quickly growing business wanting to gross more than \$20,000? What if you wanted your business to sell over the Internet or through stores? What if your little home kitchen is too small or doesn't have adequate kitchen equipment? Because these business goals would exceed the Cottage Kitchen Law, the first thing you would need to do is find a shared kitchen that would be willing to take in your type of business. As of now, there are no clear laws that prohibit a certain amount of businesses to share one kitchen space. However, the capacity depends on the size of the kitchen and the hours the kitchen is open and available for use. After finding a suitable

shared kitchen, it must be determined if your business falls under city or state regulations. As stated earlier, if you have a baking business that deals with wholesale processing then you must become licensed through MDARD. Depending on the product you are making and your estimated gross revenue, you will have to buy a certain type of license. Because there are so many different types of foods and specialty laws that go with each of these types of foods, it can seem somewhat complicated. Contacting MDARD or the Michigan Business One Stop will aid—must gather all recipes, labels, and a Standard Operation Procedures (SOP) document—you in determining what type of state license you need.^{ix} When the license that you need is obtained, you are then prepared for a scheduled inspection. The SOP is a map of the shared kitchen that you will be using and the designated shared business areas clearly defined for each single business (see Figure 1 for an example). One last step when becoming licensed in Detroit through MDARD involves becoming a Certified Food Manager with a ServSafe Certificate, as mentioned briefly in the previous section.^x This certification requires that the manager of the business work at least 20 hours per week in the kitchen facility in which they are certified.^{xi} After obtaining this certification and once the inspection is completed, one will then have to wait for their application to be processed. After being granted the state license, they will have a certified shared kitchen food business that can sell, store, and manufacture food.

The second type of food business that works out of a shared kitchen is one that serves food to be immediately consumed, such as restaurants or catering businesses. Somewhat similar to our previous example, these businesses must instead obtain authorization through IPH, Detroit's Health Department, as opposed to MDARD. For this second example, we will use a catering service to describe the process. After finding a shared kitchen that will allow you to conduct your business, the next thing a catering entrepreneur needs is to determine how much their licensing fee is going to cost. This depends on how much seating you have in your establishment. For a shared kitchen caterer with no need for dining-in customers, it does not matter if they have zero seats or 50 seats because the fee remains the same. After 50 seats, licensing costs increase.^{xii} Once that is determined, it is up to our catering entrepreneur to visit the IPH office during their business hours when someone is available to take their application and fee. When that is completed, like our cookie business, they must collect their recipes, labels, ServSafe Certificate, SOP, and schedule an inspection. After the inspection, and IPH grants the license, our catering business is official and ready to start their business. Figure 2 shows the process for both types of businesses that sell, store, or manufacture foods and businesses that serve foods that can be immediately consumed.

INTERVIEWS: Policy Problems

In order to understand the challenges that existed for businesses, eight interviews were conducted with Detroit food entrepreneurs. From these interviews, the main issues that were expressed by the entrepreneurs involved the IPH and revolved around inconvenience, confusion, or monetary difficulties.

My Ordered Steps Catering

The first interview conducted was with Ann M. Alexander, from My Ordered Steps Catering, LLC. Ann works out of a kitchen in Berkeley, because it is much easier for her to start and maintain a business outside of the city, even though she would prefer to be located in Detroit. A benefit of this is that in the City of Berkeley, Oakland County, the health department only requires two yearly inspections, unlike the regulations in Detroit. However, the work that she is doing is on hold because she hasn't been able to find a shared kitchen to use. She has to use a food truck in Oakland County to sell the food she makes and maintain her business. Again, she would rather take her work to Detroit, but finds that there are too many restrictions and fees. The alternatives are difficult as well, such as opening an establishment. In regards to the

IPH, she believes that a new health department means new people to create new rules and inspections.^{xiii}

Sister Pie

Lisa Ludwinski of Sister Pie was interviewed twice, once over the phone and once in person. Lisa has her own bakery business with an assortment of different desert products. She used the Michigan One Stop website to license her packaging business through the State of Michigan. Lisa shares a kitchen with four other businesses out of a place called the Hanna House. She found that the SOP and paperwork that she needed to create for IPH was a lot of work and very lengthy (Figure 1 is the SOP for Sister Pie). The ingredients list was very often repetitive and unnecessary. She also did not get a clear understanding of what rules exist for sharing a kitchen and thought that IPH workers were inconsistent with requirements. She sympathized with all catering companies who have to pay the required fees. When discussing what it takes to open a shared kitchen, she described how difficult it was to find an available kitchen with suitable equipment. A lot of work and money goes fixing up or buying new equipment that is not up to code. In addition, a shared kitchen owner has to recruit businesses and make sure that those businesses are in regulatory compliance and have an SOP.^{xiv}

Ms. Ruth's Catering

Ruth O'Quin of Ms. Ruth's Catering is not a member of FoodLab Detroit. However she is another business working out of the Hanna House, conducting catering services alongside Sister Pie. She was able to articulate how painful and difficult it was for her to start her company. After a long and bumpy process of trying to get help and information from IPH workers on clear steps towards becoming a legal operation in Detroit, she finally became certified at the end of November. She did not receive her certification letter in the mail until three months later. She also found it ridiculous that even though she was only in business for one month for the year of 2013, she had to pay the full yearly fees for 2013, and then the full yearly fees for 2014 two months later.^{xv}

Detroit Kitchen Connect

Devita Davision is the coordinator of Detroit Kitchen Connect. Detroit Kitchen Connect is run through the Detroit Eastern Market, and as mentioned earlier in this report, works as a shared kitchen (Detroit Eastern Market). As a strong advocate of the Detroit food community as well as across America, Devita has had an extremely difficult time trying to coordinate and communicate with the leaders of IPH. She has found, and has been told by other FoodLab Detroit members, that IPH ground workers who come out for site inspections are often times helpful, but inconsistent with one another referencing what the laws require. She has recognized that there are no clear stipulations about the size of the kitchen space a business must have to work within in order for it to work in a shared kitchen. It has been her experience that IPH leadership has made no efforts to work with local food and business organizations.^{xvi}

These examples of problems are only limited to four interviews, the overall challenges recognized and expressed by Detroit's food entrepreneurs are listed as the following:

- Initial fees are too high for businesses to get started
- Cities outside of Detroit have more attractive and competitive business environments
- The IPH does not have support networks or programs for businesses that wish to grow
- The IPH rules are inconsistent, which manifests itself among IPH employees who contradict one another
- Starting a shared kitchen is extremely expensive and difficult to accomplish
- The ingredients list requirement is repetitive and often times unnecessary
- Rules about sharing kitchen space, such as a required size of space that a business must work within, are unknown and unclear
- Yearly certifications should be fairly prorated
- In order to receive, or turn in applications, applicants must visit the IPH office only during its weekday working hours
- There is no online IPH presence, from which entrepreneurs can gain information in order to better understand the licensing process
- There is no way to tell where one is in the process of certification or if there are problems with processing their licensing application
- Applications are not available on a website
- IPH leadership is uncooperative with community organizations
- Customer phone service is rude
- Unnecessary kitchen inspections and fees
- The IPH does not fulfill or live up to the values that they claim they aspire to

RECOMMENDATIONS: How to generate more good food businesses

This section of the report details how to improve the business licensing process for food entrepreneurs working out of shared-use kitchens in the City of Detroit. The primary focus of these recommendations is to help foster a more collaborative relationship between IPH, the municipal licensing body, and Detroit-based food businesses operating in shared kitchens.

Recommended policy changes are targeted at relatively simple problems, which can be overcome. As shown in the subsequent section of the report, these recommendations are based on policies that are already being successfully implemented in other states and municipalities.

Four categories of policy recommendations are presented. Where appropriate, each category includes of specific steps which can foster better licensing policy in the short, medium, and long-term.

Create a Culture of Collaboration

Interaction between IPH and FoodLab Detroit has been very limited since the induction of the new Health Department. Despite the overlapping interest of both parties to ensure safe, healthy, and Detroit-processed food reaches the city's citizens, their interactions have been largely negative. An amiable and understanding relationship needs to exist between IPH and FoodLab. Otherwise, mutual understanding about the licensing processes and the multifaceted needs of shared-use kitchen businesses cannot be reached. Below are some recommendations intended to help establish an effective working relationship between IPH and FoodLab.

Arrange a FREE quarterly Meeting with FoodLab and IPH

Shared-use kitchens are a unique and relatively new endeavor, as are the businesses operating these spaces. They are more multifaceted than any one business working out of any one kitchen could ever possibly be. FoodLab and IPH need to meet face-to-face so that the multiplicity of entrepreneurs and of IPH regulations can be completely understood by both parties.

Establish a Memorandum of Understanding (MOU)

The mutually beneficial relationship between IPH and its shared-use kitchen operations should be memorialized through a brief (2-5 page) MOU. Collaborative creation of an MOU helps ensure the two agencies formally establish: Mutual goals, individual responsibilities, a positive working relationship, and understanding of licensing requirements (Philadelphia, 2012).

Synergize Stakeholders

Create a Health Department and Food Business Advisory Council or designate a liaison to collaborate regularly with the department and Detroit Kitchen Connect. A diverse council or bipartisan liaison is necessary to establish strong ties between the various stakeholders within a healthy food production system.

City Network of Shared-Use Kitchens

Detroit should provide shared-used kitchens with both financial and social support. In other cities, non-profit shared-use kitchen facilities are leased from their respective cities at a low rate (Buckley, Pererson & Bingen, 2014). Given the state of blight and economic hardship in Detroit, a network of shared-use kitchen spaces leased from the city would be a beneficial arrangement.

Increase Consistency Among Inspectors

Currently, the information being given to individual businesses and shared-use kitchen operations is inconsistent and always changing. Confusion about which policies are actually legitimate and which rules were incorrectly cited by IPH licensing inspectors presents a huge barrier to successfully licensing these businesses. The following recommendations blossomed from some of the inconsistent information being given to Detroit entrepreneurs.

Establish Consistent Policy for the Number of Businesses Licensed Out of a Kitchen

Clear and consistent policy on the number of businesses or firms allowed to operate out of a shared kitchen space is needed. This number is currently arbitrarily defined by inspectors even though it appears that no such “cap” exists for other incubator kitchens in the state (Steiner, 2014).

Establish Consistent Policy for the Number of Simultaneous Kitchen Users

No guideline about the number of businesses, which can operate out of a shared kitchen space at one time has been agreed upon in Detroit. It is recommended that more than one business be allowed to operate at one time as long as no threat to food safety or sanitation is present. This number should be formally agreed upon in writing within the MOU.

Make Licensing Paperwork and Process Transparent

The licensing process for food entrepreneurs is confusing at best. Information regarding what is required of businesses is not easily accessible online, which poses many problems for entrepreneurs with limited resources.

FoodLab Publishes Licensing Paperwork Online

No online documents related to licensing are present on the IPH website. It is essential that licensing paperwork be made available online. In the short-term, the licensing application, a “how to” map of the licensing process, and related documents can be posted to the FoodLab website. However, this is not a long-term solution.

City Health Department Publishes Licensing Paperwork Online

It is appropriate to request an updated licensing application, as well as and other documents pertinent to the licensing process, be posted to the city health department’s website. This

recommended step is listed as a medium-term goal because it may take a change of internal policy to post such paperwork.

Create an Interactive Licensing Website

Interactive licensing websites allow interested entrepreneurs to apply, submit, and pay for their licenses online. These interactive resources, such as the Michigan Business One Stop Portal, successfully streamline the licensing process. Licensing websites like these are very helpful, user-friendly, and ease the overall licensing process for businesses.

Lower the Barriers to Licensing

In addition to poor collaboration, and inconsistent or inaccessible information, other barriers prevent the creation of a strong network of food businesses in Detroit. The cost of the license itself poses an added impediment to operating above ground as a licensed enterprise. Further, policy in the city does not acknowledge the service that these businesses are trying to provide in their community. According to Mary Lee (2014), attorney and Associate Director of PolicyLink, “The city has an obligation to act with urgency and expedite those willing to fill specific needs [in their community].”

Lower the Cost of Licensing

The cost of licensing in Detroit is significantly higher than in surrounding municipalities. Lowering this economic barrier to licensing will spur greater economic development and social entrepreneurship in the city.

Expedite the Licensing Process for Targeted Groups

It is appropriate to speed the process of licensing for businesses who meet certain needs in Detroit. The licensing process for those operating in underserved areas (i.e., Detroit neighborhoods), sourcing locally, or selling healthier items should be expedited. Such policy exists in other cities and ensures that new businesses operate based on the social and environmental values expressed in existing policies.

COMPARISONS: Learning Lessons from other cities

Overall findings, gleaned from other cities’ success stories, are introduced to reflect on the internal and external policies affecting comparable shared-use kitchen operations. Based on an in-depth examination of shared or “incubator” kitchens elsewhere in the country and throughout Michigan, this comparative analysis demonstrates how inconsistent and unusual Detroit’s current policies truly are.

Three vignettes relating to shared kitchen operations are outlined below to reveal the strategies which contribute to the success of these other incubator kitchens. Each case was chosen because of its direct relation to the aforementioned policy recommendations.

Philadelphia, PA:

Creating a Culture of Collaboration

In the context of shared-use kitchen incubators, Philadelphia deserves a gold star for its capacity to unite agencies and synergize diverse groups of stakeholders. Specifically, the Philadelphia Department of Public Health uses a Memorandum of Understanding as a powerful political tool to unify its mission with that of the local shared kitchens (Philadelphia, 2012). Both organizations are committed to ensuring people's access to safe, healthy food. MOUs formally commemorate that the Health Department's primary goal cannot be achieved if an open and honest working relationship does not exist with the city's food processors. The MOU also serves the functional purpose of outlining the agencies mutual goals, individual responsibilities, and licensing requirements. To create a culture of collaboration, the Philadelphia Health Department successfully realized that the city's shared-use kitchen spaces are a relevant and vital resource.

New York, NY:

Lowering Barriers to Licensing & Creating a Culture of Collaboration

New York City is home to one of the most extensive networks of incubator kitchens in the nation. The shared taste for food, which is both grown and *processed* in New York, is seen as a major contributor to increased, and more equitable, economic development in the City (Khanduja, 2013). Similar to Detroit, there is a "mismatch" between the size of commercial kitchens, which stand as the infrastructural skeletons of the city's industrial heyday, and the needs of small producers today. Fortunately for New York, however, the underutilization of existing infrastructure has been realized as an opportunity to create a vibrant and thriving network of 8 shared-use kitchen incubators within the city. All of the non-profit kitchen operations in this network receive financial support from the city and collaborations between businesses and public markets are also supported (Khanduja, 2013). Of these kitchens, several focus on the need to increase employment opportunities during troubled economic times. The Hot Bread Kitchen Incubate, for instance, ensures economic development and community-wide benefits by focusing on the success of underrepresented food entrepreneurs (Hot Bread Kitchen, 2013). By (re)using existing commercial kitchen resources and expanding the equity of economic development, New York created a thriving network, which can be looked to for inspiration in the city of Detroit.

Hart, MI:

Making the Licensing Process More Transparent & Consistent Among Inspectors

Hart, Michigan is home to the state's first shared-use kitchen incubator, The Starting Block. FoodLab Detroit decided to interview Ron Steiner, co-founder and Director of the operation, because the enterprise, which began in 2005, is still successfully operating today. During the interview, Steiner highlighted the benefits of having a strong working relationship with one's licensing agencies. To start, he expressed that there are "no insurmountable barriers which cannot be addressed by the client willing to learn and change and get their license" (Steiner, 2014). Fortunately for businesses in Hart, Michigan, Steiner (2014) notes that the largest "challenge" for his clients is simply learning how to "walk through all the food safety and sanitary procedures." In fact, clients of the kitchen are able to work with their respective licensing agencies without much help from The Starting Block. Steiner also revealed several key insights about policies regarding daily kitchen operations:

- There is no limit or "cap" on the number of businesses which can be licensed to work out of the Starting Block
- Up to 3 businesses can operate out of the 1500 square foot shared-use kitchen at one time as long as no threat to food safety or sanitation is made
- Due to its position as a trusted non-profit organization, the city of Hart leases the building to The Starting Block at a reduced rate

WHY SUPPORT SHARED-USE KITCHENS IN DETROIT?

The benefits of supporting, maintaining, and growing good food businesses here in Detroit are plentiful. The aforementioned recommendations will stimulate a more successful political strategy for Detroit's network of shared-use kitchens. Many economic and social advantages will radiate with such infrastructure in place, including:

Eliminating Financial Leakage

As cited by many good food advocates and organizations, grocery leakage or the amount of money spent on groceries by Detroiters *outside* of Detroit, is a major issue. One national non-profit corporation, Social Compact, estimated in 2010 that grocery leakage is as much as \$200 million (Social Compact, 2010). Such figures are likely to have increased. Shared-use kitchen operations can reduce financial leaking by better meeting Detroiters' demand for healthy and affordable items at their local retailers (Treuhaft, Hamm & Litjens, 2009).

Using Existing Community Assets

As stated previously in the case of New York, shared-kitchens are economically viable because they operate within *existing* infrastructure. Creating a strong network of incubator kitchens does not require major investment of building new commercial kitchen spaces.

Shared Kitchens Discourage Monoculture Businesses

Shared kitchens develop diversity by discouraging a monoculture of similar business enterprises. As stated by Oren Hesterman (2012), founder of the Fair Food Network, "Diversity is one of the key principles of our redesigned food system because without it we weaken the system biologically and economically." Public policy, which supports shared kitchens in Detroit, is safeguarding itself against a rapid over-saturation of any one type of enterprise. Further, the opportunity for economic development is enhanced when businesses offer a variety of products and services.

Shared Kitchens Unite the "two Detroits"

Strengthening policy supportive of non-profit shared-use kitchens is advantageous because they foster the development of a diversity of entrepreneurs, not just a diversity of enterprises. From an economic standpoint, shared kitchens do not only draw employment from those who already have the capacity to work in other sectors (Khanduja, 2013). Other private shared-use kitchens often shift the role of those currently employed instead of creating new employment opportunities. The expansion of employment opportunities into neighborhoods will reduce the economic discrepancy between the two Detroits.

CLOSING REMARKS

Improving the licensing process for food businesses that operate out of shared kitchen spaces is integral to the future of Detroit neighborhoods and a continued entrepreneurial spirit within the city. The many roadblocks to licensing that exist in dealings with IPH are unnecessarily unsupportive of good, safe, and thriving food businesses. Several policy recommendations have been suggested to help correct current problems. The proposed improvements need to be implemented to streamline the licensing process.

REFERENCES

- Buckley, J., Peterson, H. C., and Bingen, J. (2014). The Starting Block: A Case Study of an Incubator Kitchen. *International Food and Agribusiness Management Review*.
- Hesterman, O. B. (2012). *Fair food: growing a healthy, sustainable food system for all*. New York: Public Affairs.
- Hot Bread Kitchen (2014). *Our Mission*. Retrieved on June 3, 2014 from <http://hotbreadkitchen.org/about-us/our-mission>
- Khanduja, J. (2013). *Shared Tastes: Economic Development, Local Food + Kitchen Incubators in New York City*. Graduate School of Architecture, planning, and preservation, Columbia University: NY, NY.
- Lee, M. (2014). Personal communication at the Food & Community Conference in Detroit May 20, 2014
- Philadelphia Department of Public Health and the Enterprise Center Community Development Corporation. (2012). Memorandum of Understanding. Personal communication.
- Sarah Treuhaft, Michael J. Hamm and Charlotte Litjens (2009). *Healthy Food for All: Building Equitable and Sustainable Food Systems in Detroit and Oakland*, Oakland, CA, Ann Arbor, MI and East Lansing, MI: PolicyLink, Fair Food Network, and the C.S. Mott Network, August 2009.
- Social Compact (2010). *City of Detroit Neighborhood Market DrillDown: Catalyzing Business Investment in Inner-City Neighborhoods*. Retrieved from http://socialcompact.org/images/uploads/2-9-2011_Detroit_DrillDown_Report.pdf
- Steiner, Ron. (2014, June 6). Telephone interview.

-
- ⁱ U.S Census Bureau. "Population of the 100 Largest Cities and Other Urban Places in the United States: 1790 to 1990." <http://www.census.gov/population/www/documentation/twps0027/twps0027.html>
- ⁱⁱ United States Census Bureau. "State & County QuickFacts: Detroit (city), Michigan." March 27, 2014. <http://quickfacts.census.gov/qfd/states/26/2622000.html>
- ⁱⁱⁱ Michigan Department of Agriculture and Rural Development. "Food Establishment Licensing Guide: Determine which agency to contact." http://www.michigan.gov/mdard/0,4610,7-125-1569_16958_16974-11873--,00.html
- ^{iv} Bukowski, Diane. "City Wants to Replace Health Dept. with Private "Institute for Population Health"." Voice of Detroit. May 21, 2012.
- ^v Department of Health and Wellness. "Department of Health and Wellness Promotion FY 2013 Budget." May 7, 2012.
- ^{vi} Michigan Department of Agriculture and Rural Development. "Divisions." http://www.michigan.gov/mdard/0,4610,7-125-1572_2875--,00.html
- ^{vii} Michigan Department of Agriculture and Rural Development. "Michigan Cottage Food Information." http://www.michigan.gov/mdard/0,4610,7-125-50772_45851-240577--,00.html
- ^{viii} Michigan Legislative Website. "Act 92 of 2000: Food Law." November 8, 2000. <http://www.legislature.mi.gov/%28S%28jt0jcuq4nkhzxfjargzxrmi%29%29/mileg.aspx?page=GetObject&objectname=mcl-act-92-of-2000>
- ^{ix} Michigan Business One Stop. "Michigan Business One Stop." State of Michigan. <http://www.michigan.gov/business>
- ^x County of Wayne, Michigan. "Environmental Health - Food Safety & Food Licenses." <http://www.waynecounty.com/hhs/FoodLicense.htm>
- ^{xi} Michigan Department of Agriculture and Rural Development. "Food Manager Certification". http://www.michigan.gov/mdard/0,4610,7-125-50772_45851_45855-182605--,00.html
- ^{xii} Institute for Population Health. "Plan Review Fee Schedule." December 2, 2012.
- ^{xiii} Alexander, Ann M. My Ordered Steps Catering, LLC, DBA SAMBUSAS. March 18, 2014 3:00 pm.
- ^{xiv} Ludwinski, Lisa. Sister Pie. March 19, 2014. 11:30 am. Phone interview.
- ^{xv} O'Quin, Ruth. Ms. Ruth's Catering. March 20, 2014. In person interview.
- ^{xvi} Davision, Devita. Detroit Eastern Market. March 20, 2014. In person and phone interview.