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THE FLATLANDER COMMUNITY KITCHEN FUND

An economic engine for Champaign County

On July 27 last year, our community lost a young man with a huge vision. Daniel Schreiber was a computer science student and genius turned artisanal chocolate-maker. The California native placed firm roots right here in Champaign-Urbana, set a course for his vision of a bean-to-bar chocolate company, and began toiling away to make his dream come true.

Not long after opening his chocolate factory in east Urbana, Dan suddenly died. He was only 24.

Even with his youth and his company's infancy, Dan's business was attracting national markets and attention, for he was making some of the finest chocolate in all of this country.

As Dan worked to grow his operation, he quickly learned the struggles, costs, challenges, and roadblocks to establishing a small food-based business operation in our area. He had begun to work with others in the community to use his experiences – and his factory – to create a “community kitchen” – a certified, shared-use facility that could be used by others to help foster new food-based businesses and entrepreneurs in our community.

The costs involved in establishing food-based businesses are no small potatoes. Outfitting a certified kitchen is a substantial investment, with costs ranging from \$50,000 to \$500,000 depending on size and scope. For many with dreams of their own businesses, such costs are insurmountable. Add in marketing, licensing, and other needs and dreams quickly extinguish.

In our drive to protect public health – which no one denies is important – we have however set a chilling effect on cultivating and promoting small food-based businesses and entrepreneurs in our community.

There is a solution however: the Flatlander Community Kitchen, a fully equipped, commercially licensed shared-use kitchen. The kitchen will give entrepreneurs a leg up on such issues facing new small businesses, helping new ideas germinate and allowing existing ideas really take root.

Our vision of the Flatlander Community Kitchen has multiple components. In addition to the certified shared-use kitchen, it will also play host to business development classes, hands-on cooking courses, ideally a retail outlet and possibly even a café and/or restaurant, and provide special event meeting space for the community's use. Small office areas and storage units will also be available for budding entrepreneurs and larger operations alike.

So how will the community kitchen work? Equipment and space is owned by the Flatlander Fund and rented out by fee on a contracted, hourly basis to users. The space and equipment would be available 24 hours a day, seven days a week. This set-up minimizes start-up costs and spreads costs out over many users. It makes the use of both space and equipment affordable to all, thereby lowering risk. Users pay only for what they use, removing the burden of long leases and wasted down time from fragile young businesses. Combined buying power drives prices down and business potential and profit up.

Licensing obligations are also shared, reducing a process that is often burdensome and costly. There is shared learning and cooperative help, easing the learning curve for new entrepreneurs. The planned retail component and shared marketing potential gives emerging businesses easy and inexpensive ways to reach and test the public with their goods.

As you might imagine, the kitchen will feature the same traditional equipment found in a commercial kitchen: 3-basin sinks, hand washing stations, walk-in fridges. All of this equipment will need to be purchased, supplied by lease, or donated. If you have access to any of the items shown, the Flatlander Fund wants to hear from you!

So who is our market? The Fund envisions five types of kitchen users: professional cooks (caterers, bakers), entrepreneurs with start-up ventures, those seeking to expand operations, people looking to hold cooking classes or demonstrations; and one-time users such as folks looking for a large kitchen to cook for a crowd and perhaps host an event, party, or gathering.

Perhaps most importantly, rather than merely being a landlord, the Flatlander Community Kitchen will play an active role in helping our tenants succeed by providing them not just with the physical facility and supplies they need, but also with critical training and technical assistance that will be crucial to their success. Such training will be offered in partnership with entities like the University of Illinois, Parkland College, SCORE, local business and food experts, and others. That combination truly is the recipe for success and can mean the difference between a 20% success rate and an 80% one.

In 2003, a Buy Fresh, Buy Local campaign sprung up in an 8-county area in northern Iowa. The program helps food growers and processors who direct-market to consumers, restaurants, grocery stores, and institutions succeed in their efforts.

In the seven years that have passed since its inception, the initiative has sparked over \$2 million of new food sales in the region.

Now we can't yet predict the exact impact the Flatlander Community Kitchen will have on our local economy, but it is heartening to hear that across the river, our neighboring state – in a region not so dissimilar to ours – is experiencing such success.

To those of us involved in or passionate about local or specialty foods, though, this sort of success isn't that shocking. Recent trends point to the growing market shares that organic, local, and other specialty foods command, even during tough economic times. Just take a look at the explosive growth of the Common Ground Food Co-op right here in town which undertook a major expansion on the brink of a recession. They not only weathered the downturn, but in the last two years, saw membership roles explode by nearly 100% – despite the fact that the public no longer need join to shop. Revenues also skyrocketed by close to 200%. In 2008, they were named the Chamber of Commerce's Small Business of the Year. This is but one example, but a great hometown one.

What this means is that more and more consumers are saying yes to local foods, local vendors, and local businesses.

How many people remember the local Farmer's Market of 15 years ago? It was certainly busy and bustling even back then. How many have visited that same market this past year? Busy and bustling doesn't even begin to describe it. Traversed by thousands each Saturday and pushing the limits of the lot it's in, the Market has become Saturday routine for countless families and a selling point for those we seek to lure to our community.

The rising popularity of local foods is not confined to the consumer market, however. More and more restaurants are saying yes to local foods and local producers, too – restaurants like Silvercreek, Bacaro, Milo's, Crane Alley, Timpone's, Luna and others not only source some of their food from local vendors, but proudly display such on their menus. And more and more shops and stores are stocking locally produced items, too – stores like Schnuck's, World Harvest, Art Mart, and many others.

This all points to a growing stability in the specialty foods market and a promise of exiting returns for our community.

Other communities are capitalizing on this trend. From 2001 to 2007, the number of community kitchens like Flatlander around the US grew by 650%, from 20 to over 150 today.

These mini-economic development engines are attractive to communities because they have the potential to have big impact with reasonable up front capital. While there are as many funding models as there are kitchens, their attractiveness to communities lies in their prospects for creating and retaining local jobs, generating and recycling local tax revenues, and engaging communities, strengthening loyalties, building pride in our community, and forging new connections.

Let's look briefly at one nearby model: Kitchen Chicago. Open five years ago, the business today is home to approximately 15 small enterprises. Additionally, in those five years, the kitchen has helped to launch 11 storefront enterprises that employ over 70 people.

The Flatlander Community Kitchen will be operated through a diversified funding stream, including earned income and other sources. Rental fees for the kitchen, office and storage space, and special events will comprise a large part of the budget. There will also be program fees for classes and workshops. Should a retail space or café or restaurant become a part of this project, there will be retail income from these sources.

A wide variety of grants from state, federal, and private foundations that support healthy eating, training and education, anti-obesity, local foods, and similar initiatives will also be pursued. These are hot funding areas right now with ample funding available. And because of the local job and business and tax benefits, we also intend to pursue local government support in the form of grants, rebates, allocations, abatements, etc.

Finally, we intend for this project to be supported by the community to fuel its start-up and to help maintain operations and programs. For start-up, public and local businesses support will be solicited in the form of in-kind donations for equipment, space, supplies, and labor. Major and capital campaign gifts will also be sought. Community fundraising will be on-going, with annual campaigns run for general support and special events.

The Flatlander Community Kitchen promises to be one of the most exciting small business incubators our community has seen. While not on the scale of the multi-million research parks that draw national and international talent to our community and pushes out UI-generated business concepts and models, Flatlander promises instead a sort of home-grown version: a place for friends and neighbors to ignite their dreams, a place where local jobs – filled with dignity and respect – will take root, a place where local dollars will flow in and back out and stay right here at home, a place where local healthy foods will electrify a community, a place that will gather and unite people, and a place where all measure of new learning will take place.

This community kitchen concept started here with Dan. After his sudden passing the volunteers behind the Flatlander Fund have pursued an unconventional – but direct – route to making the kitchen a reality. Because of the circumstances, we did not have the luxury of a planning timeline or a quiet phase to work out all the details. Still, in just a half a year, we have raised well over \$40,000 in cash and pledges and have a fleet of over 100 volunteers pitching in.

We know there is a lot of work left to do, and with a growing base of volunteers and supporters, we stand ready to do it. So, what's next for the Flatlander Fund? In January, the Fund launched a region-wide community e-survey to gauge usage interest and determine the community's commitment to such a project. We will embark on more kitchen research and site visits and will develop a business plan and pro formas. As we move forward, we will look to secure project partners and necessary capital while also

enlisting community support through fundraising efforts, events, and educational efforts. Finally, a time will come for the Fund to acquire the right space and corresponding equipment.

In addition to great fare, full bellies, and more local foods, this business incubator is unique and exciting in its effort to draw a diverse community together for a common vision – a common vision around new jobs and dynamic new ventures, around new entrepreneurs and increased local revenues, and around good food and learning. Please join the Flatlander Community Kitchen Fund in making this important economic development project a reality for our community.