



RECIPE FOR GROWTH

OFF THE CUF

By Mark Foggin

Kitchen incubators give food entrepreneurs something that's often difficult to find in New York: a licensed commercial kitchen at affordable rates. City economic development officials should support efforts to create more of them

EVEN IN A TIME OF ECONOMIC CONTRACTION, CERTAIN THINGS HOLD TRUE. For instance, we all have to eat. And in New York City—a food town with a huge immigrant population who long for the delicacies of their home countries—that need will always foster invention. If you've got a good recipe and know how to reach your target market, business opportunities beckon. Indeed, the city is home to a growing number of entrepreneurs who are trying their hand at food manufacturing and catering, from high-end chocolates and gourmet pickles to empanadas and Indian sweets.

But while all new businesses in the five boroughs encounter formidable challenges, food entrepreneurs often face a unique problem: finding affordable space in a licensed commercial kitchen.

A number of entrepreneurs in the food industry today work out of their kitchens at home. But to grow, these entrepreneurs typically need larger ovens, more counter space and additional storage capacity. Most importantly, health regulations require that food products be made in licensed commercial kitchens. The problem is that few of these nascent businesses have enough revenue coming in to justify a full-time licensed facility.

To solve this problem, many have turned to kitchen incubators: small spaces with shared ovens, ranges and industrial mixers that entrepreneurs can rent just when they need it—a few hours one week, a full shift later that month. These shared spaces have already helped many local entrepreneurs to get to the next level. In the future, they could pave the way for the next Goya Foods or Golden Krust—New York City startups that grow into industry titans—to emerge. Yet city and state economic development agencies have been slow to embrace the concept, and the city is just scratching the surface in terms of the number of entrepreneurs being served at these incubators.

Commentary/Op-Ed - June 2008

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This Off the CUF commentary urges city economic development officials to support the creation of additional kitchen incubators, which give food entrepreneurs something that's often impossible to find in New York: a licensed commercial kitchen at affordable rates.

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[Click here to read the full commentary \(PDF\).](#)

Update: In June 2008, the Center for an Urban Future published a policy brief titled “Recipe for Growth” that urged city economic development officials to create additional kitchen incubators. The piece, authored by Mark Foggin, showed that kitchen incubators give food entrepreneurs something that's often impossible to find in New York: a licensed commercial kitchen at affordable rates. Yet it revealed that there were only four of these shared facilities in the five boroughs, serving a total of 60 entrepreneurs—a fraction of the demand in a city that boasts a growing number of entrepreneurs who are trying their hand at food manufacturing and catering, from high-end chocolates and gourmet pickles to empanadas and Indian sweets.

City officials have now embraced our recommendation. On August 4, 2009, the New York City Economic Development Corporation (EDC) and the New York City Council announced a plan to build a kitchen incubator in East Harlem that will help aspiring entrepreneurs launch bakeries, catering firms and other food manufacturing businesses.

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The Real Estate Blog/New York Observer, by Lysandra Ohrstrom, June 04, 2008

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CEOs for Cities Blog, June 03, 2008

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Wall, by Joseph de Avila, January 25, 2011



CENTER FOR AN URBAN FUTURE
120 Wall Street, 20th Floor, New York, NY 10005
cuf@nycfuture.org © All Rights Reserved.