

COMMISSARY KITCHEN PROGRAM

COVID-19 Coronavirus Local Fiscal Recovery (CLFR) Funding
December 2021 – March 2023

Food and Facilities Program
Division of Environmental Health
Public Health - Seattle and King County

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SUMMARY OVERVIEW

1. Project background

The COVID-19 pandemic significantly impacted catering companies and mobile food units due to fewer people working in their usual places of employment and the canceling of social events, such as weddings, parties, and other cultural events. The Commissary Kitchen Program used Coronavirus Local Fiscal Recovery (CLFR) funding to provide financial assistance to small, low-income caterers and mobile food units that closed or worked fewer hours during the COVID-19 pandemic.

2. Project scope

To respond to COVID-19's negative economic impacts on these businesses, this program provided funding for operating expenses. This included payments for annual business permits and a portion of their monthly commissary kitchen access usage fees. This program also made educational training available to support businesses in outreach, marketing, and best business practices. The program funding was designed as a one-year plan that began on April 1, 2022, and ended on March 31, 2023.

3. Outreach to identify commercial commissary kitchens

The initial program outreach started with a webinar invite for thirty identified commercial commissary kitchens within King County. The webinar provided an opportunity to hear more about the program and ask questions about the Request for Applications (RFA) process. Through the RFA, the program identified five commissary kitchen businesses, representing nine different kitchen locations, to partner with King County in this program. The partnership agreement contract included each commissary kitchen business providing each program participant a monthly discounted access fee.

The decision to work with nine different commissary kitchens within Seattle, South & West Seattle, and Tukwila ensured commissary kitchen access coverage for a vast majority of caterers and mobile food trucks throughout King County.

Other factors used for the selection process of commissary kitchens to participate in the program included having access to power and parking for mobile food trucks. Additional factors included an

adequate workspace with a fully functional kitchen that allow for frying, grilling, and baking, enough refrigeration to provide for proper cooling of foods, and flexible operating hours for early morning access and overnight hours.

The one-year partnership with each commissary kitchen included a provision for the commissary kitchen ownership to provide an eighteen-hundred-dollar allocation for every caterer and/or mobile food truck program participant. This public-private partnership granted up to \$75,000.00 in savings to caterers and mobile food trucks from the owners of the commissary kitchens, showing their willingness to also assist with the reestablishing of these heavily impacted businesses.

The participating commissary kitchens were:

- Artisan Community Kitchen, in Tukwila.
- CuliNex Kitchens, in Tukwila.
- Distinguished Foods Kitchen Rental, in West Seattle.
- KBM Seattle, located in the North Delridge area of West Seattle.
- Seattle Commissary Kitchens, with four different Seattle locations:
 - Marginal Way South.
 - 1st Ave South.
 - South Weller Street.
 - 4th Avenue South.

4. Outreach to identify impacted businesses

The initial program outreach identified more than two hundred individual catering and/or mobile food unit businesses that had an expired permit, were in late renewal status, or did not renew their 2021/22 annual operating permit. The program sent an overview letter by email and general mail to each last known business contact. In addition, we contacted some businesses via phone, and answered many questions about the program by phone. We found out that many businesses had extended themselves to the point of not being able to consider reestablishing and were permanently closed. As the program launched and expanded, we identified forty-two businesses that needed assistance and could participate fully. Several other businesses looked at the program for assistance but could not change commissary kitchens to work within the program's contracted participating commercial kitchens.

Of the 42 participants, 29 were catering companies that produced a variety of products for events, parties, special orders, and residential home consumption. The products included baked goods, sweet pastries, family meal kits, Cajun flair, plant-based foods, north Indian cuisine, and beignets, among others. The other 13 program participants were mobile food trucks that offered locally sourced salads, warm grain bowls, barbeque meats, fried chicken, tamales, and other menu items.

5. Funding and educational provisions

This program provided each business up to nine hundred dollars monthly to assist with commissary use fees. This expense came to a year-end total of \$293,631.00 for the King County covered portion of the monthly access use fees, paid directly to the commissary kitchens.

The program funding also paid for the 2022/23 annual operating permit fee and any transfer fees associated with plan review to change commissary kitchens. This came to a total expense of \$35,289.00 for the forty-two businesses.

Launch Industries LLC provided training opportunities to business operators with a small food business education series on:

1. **Mastering Food Costing**
Taught how to master your food cost to ensure you are meeting your objectives, considering proper conversions, spoilage/waste, pricing, and margins.
2. **Finance & Bookkeeping: Understanding Your Profit & Loss**
Turn a Profit & Loss statement into a useful tool that helps you understand and drive your business. Reviewed the essentials of using QuickBooks Online to manage your finances.
3. **Managing Your Brand Online**
Taught methods on how to manage your company's brand online. Discussed all the major services to pay attention to, from Google to YELP to third-party pickup and delivery services, catering sites, and more.
4. **No HR Manager? No Problem.**
Was intended to demystify the entire "employment life cycle" from recruiting to onboarding orientation and training, performance management, promotions, and terminations. This included a review of important employment laws, recommended paperwork, and apps.

These 90-minute training sessions also allowed for an additional question-and-answer period. Each training was offered twice, both mid-morning and late afternoons on different days, to allow business owners flexibility with scheduling.

Each business was also allowed to schedule a private one-hour, one-on-one session with the training consultant for assistance regarding any business need.

6. Project evaluation

Upon a one-year completion of the project, 41 of 42 participating business remained in operation. In an end-of-program survey, noted in section 7, over half of the businesses said they would not have remained open without this program. Additionally, businesses that participated in the various trainings provided positive feedback and takeaways from new things learned.

One business closed halfway through the program, and another has since closed due to several financial impacts on their business. Both businesses that closed were identified as caterers; one could not gain enough marketplace awareness to build their brand and cover expenses, and the other struggled to gain recognition. Neither business participated in a private one-on-one business consultation nor attended any of the training sessions offered.

7. End of program survey of participants

The participating businesses completed an end-of-program survey.

survey link: <https://forms.office.com/g/S9KjpkG8Sm>

The survey asked participants to answer seventeen questions. All responses were anonymous so that participants could provide honest feedback. We provided the survey in English and Spanish and followed up with several messages and a phone call. The survey ended with a 40% participation rate. Program participants stated:

- The financial assistance provided did help them to reestablish or stay in business.
- More than half of the businesses surveyed stated they would not have remained in business

without this program.

- Businesses responded positively by stating they plan to remain in business, even after this financial program has ended, except for one closed business.
- We found out there was a range from 15 to 40 hours per week that businesses used their commissary kitchen for food prep, storage, and dishwashing, and no business will need to change/move to a different commissary kitchen.

Additional specific questions and highlighted responses are included within this summary report.

When asked about the educational training sessions and outcomes, businesses stated:

- “Not to try and do everything yourself solicit help one task at a time.”
- “Branding with social media and customer response time and engagement. Focus in on segmented marketing.”
- “Food costing was important to us. The consultant recommendations were helpful, and we plan to implement her suggestions.”
- “How the community can come together as a team and assist small businesses in a time of need.”
- “How to search and open a new restaurant.”

When asked about other programs/trainings that businesses would like to see in the future, they stated:

- “We love to learn more about financials and loan opportunities. The pandemic affected our business so bad and that it feels like starting all over again from the beginning. The only difference is that we now have experience, otherwise, it’s back to the beginning.”
- “For this program or something similar to continue.”
- “Food costing and where small businesses can secure funding for growth.”
- “Angel Investors participation on how to garner their attention for investing.”
- “Continued financial support and financial literacy for businesses.”
- “Marketing, reaching customers in social media.”

Identified roadblocks to business expansion:

- “Funding is my biggest roadblock to growing and expanding my business.”
- “Rising costs i.e., supplies, rental space, event fees.”
- “There are many factors in running a small business like ours, cost of food and supplies skyrocketed in the last 2 years making it difficult to run a business and maintain a good service to our clients.”
- “More and more the process to keep a food truck is becoming more costly.”
- “New permits and increase in fees are not helping specially if you plan to serve multiple counties.”
- “Capital, for growth expansion.”
- “Time, Staffing, Finding Jobs, High Prices.”

When asked about anything else you would like to share, businesses stated:

- “I’m very thankful to have been a part of this program. It helped keep me afloat and allowed

me to continue. This is a great program and I hope it continues.”

- “I have learned and gained the advantage you gave me to stay in my business and I appreciate a lot and we’ll look forward to work with you again, thank you.”
- “We truly appreciate this program. The struggle in running a small business like ours was a big challenge after the pandemic. We had limited help from other programs but King County step up and provided relief to our business. We anticipate a better year and look forward to more success. Thank you for being part of our journey.”
- “Very good program, would have liked for it to continue longer and expand it towards market permits waived for 1st-time business owners.”
- “I’m very thankful for this program. It was a tremendous help.”

8. Conclusion

This program successfully assisted forty individual businesses in recovering from the economic downturn that COVID-19 had on small independent food businesses. Being able to provide financial assistance to cover annual permit fees and a large portion of monthly commissary use access fees did bridge the gap from the loss of income and gave these businesses the opportunity to survive and remain active, as noted from the comments business operators shared: *“helped keep me afloat and allowed me to continue” “learned and gained the advantage you gave me to stay in my business” “truly appreciate this program... Thank you for being part of our journey.”*

There are financial impacts when operating any business, but small caterers and mobile food trucks rely on the ability to get out and find new and returning customers for events, parties, and/or having people willing to get out and find a food truck for lunch or dinner. The training sessions provided new ideas for branding and marketing in the digital online era and how to approach true profit and loss by knowing your actual food cost and the cost of doing business. One operator noted that finding investors is a challenge for small businesses. This program provided support as Public Health found a financial opportunity to assist small food service businesses. There is a need for additional financial support for both existing businesses and new startup businesses, but currently, there are no forms of public funding established at this time for such a program.

9. Future Recommendations

The need for access to affordable commercial commissary kitchens is and will continue to be key to the success of small businesses. Access to commercial kitchens is a well-known barrier to new and emerging food entrepreneurs. Therefore, the following actions and services can be considered to continue to support small food operators:

- Forge partnerships with private commercial kitchen owners to reduce the financial barrier through financial assistance/commercial kitchen voucher programs.
- Map out all the kitchens that currently exist throughout the county as a resource for operators.
- Identify underutilized commercial kitchens in community centers, faith-based organizations, and schools and explore the possibility of availing these kitchen facilities for small food vendors.
- Educate/inform restaurant owners with adequate space about renting out/sharing their kitchens when it is not fully utilized.
- Invest in technology (e.g., third-party applications) to make searching commercial kitchens easier.