



Scaling Food Production:

Taking the next steps in growing your
food business

PREP Katy Mabee | Southwest Sales Director
cook | create | connect PREP Kitchens

Introduction

- Who am I?
- Cottage Businesses
- Small Scale Producers
- Lease vs Move-in Ready Kitchens
- Equipment Needs and Purchasing
- Selecting a Commercial Kitchen
- CPG Success Stories
- PREP Dallas - Opening March!
- Q&A

Who am I?

- Katy Mabee | Southwest Sales Director
- Super Food Enthusiast
- Nearly 20 years of experience in food and hospitality
- Currently has the best job in the world



Cottage Businesses

- Cottage Overview
- In Texas:
 - Can't exceed \$50k in annual sales
 - Any foods that are not considered time/temperature control for safety (TCS) foods
 - Must be properly labeled
 - Must have a food handlers certification
- Limitations
 - Outgrowing home kitchen
 - Sales opportunities



Small Scale Producers

- Commissaries/Hourly Kitchens
 - Health permits
 - Food Manager's License
 - Insurance
- Pros
 - Budget friendly
 - Access to lots of equipment
 - Flexibility
- Cons
 - Sometimes not flexible!
 - Limited production space and storage
 - Contamination concerns
 - Growth limitations



Lease vs Move-in Ready Private Kitchens

UPFRONT COST	FROM	TO
Security Deposit / Initiation Fee	\$5,000	\$10,000
First & Last Month's Rent	\$8,000	\$16,000
Electricity Deposit	\$1,500	\$3,000
Gas Deposit	\$600	\$1,200
Water Deposit	\$500	\$1,500
Fats Oil Grease Permit	\$300	\$600
Grease Trap Install or Initial Cleaning/Certifications	\$750	\$25,000
Internet/Wifi	\$350	\$850
Existing Hood Cleaning	\$500	\$1,000
Ansul Set Up/Inspections	\$1,000	\$3,000
P & C Insurance	\$4,000	\$7,500
Modifications	\$25,000	\$250,000
Permits/Inspection Fee/Expediting	\$10,000	\$50,000
Rent burn during upfit	\$10,000	\$50,000
Legal	\$5,000	\$25,000
Architectural	\$5,000	\$25,000
Engineering (MEP)	\$5,000	\$25,000
Structural Engineering	\$3,000	\$15,000
Cost of your time during build out	?	?
MINIMUM STARTUP COST	\$75,000	\$400,000

MONTHLY COST	FROM	TO
Rent / Monthly fees	\$3,500	\$12,500
Cost of funds for build out	\$2,000	\$8,000
Gas	\$500	\$800
Grease trap pumping	\$200	\$500
Hood vent cleaning	\$350	\$550
Dumpster / Recycling	\$200	\$400
Fire alarm	\$85	\$155
Internet	\$125	\$250
Water / Sewer	\$400	\$850
Electricity	1,000	\$2,500
HVAC Maintenance / Repairs	\$500	\$1,250
CAM/ Taxes / Ins	\$800	\$2,300
Cooler / Freezer maintenance	\$250	\$500
MEP maintenance / Other	\$250	\$500
Cost of your time on vendor	?	?
MINIMUM STARTUP COST	\$10,500	\$25,000

Lease vs Move-in Ready Private Kitchens

- Initiation Fees / Deposits: \$3,500
- Monthly Base Dues / Rent: \$2,500 - \$10,000
- Monthly Utilities: \$300 - \$2,000
- Misc. Services Fees: \$500 +



Equipment

- Equipment: \$???
 - Dbl Stack Convection: \$5-\$15k
 - 6-burner: \$1,200 - \$8k
 - 30 qt mixer: \$2-\$16k
 - Tables: \$200+
 - Speed rack: \$150+
 - Katom



Selecting a Commercial Kitchen

- Research type of kitchen needed for your business
- Shared Kitchen vs Private Kitchen
- Research reputable facilities
 - References / Google Searches / Health inspection scores
- Shop reputable food sources
 - US Foods / Hardie's / Chef's Warehouse
 - Sysco / Ben E. Keith
 - Restaurant Depot

CPG PREP Member Success Stories

- Thanks Danks
- Funky Mello
- It's All Good Goods
- Sweet Charli Girl
- Kimbala



it's all good



PREP Kitchens Dallas



Q+A
