

# BONNER BUSINESS CENTER

## Shared-Use Commercial Kitchen

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208-263-4073, [www.BonnerBusinessCenter.com](http://www.BonnerBusinessCenter.com)

It sounds like a dream; you can cook up a batch of jam (or is it spaghetti sauce?) from Aunt Martha's recipe, sell it at the Farmer's Market and make some extra cash. Maybe you grow the main ingredient. What a great way to make some money doing something you enjoy! Maybe some supermarket executive will take notice and insist that she wants to add it to her inventory, and before long, you'll be rolling in cash. It could happen! It has happened, but there are a few challenges to be met along the way.

For one thing, the local health department has its own ideas of what you need to make food to sell to others, starting with access to a commercial kitchen. That's where we can help. The Bonner Business Center (BBC) operates a shared-use commercial kitchen, available to food entrepreneurs in the inland northwest. The kitchen is FDA certified and rents by the hour. In addition, we have both dry and refrigerated storage, which rents by the month.

Being a food producer is somewhat more complicated than some other kinds of businesses. Beyond the normal business issues, there are food safety regulations and some specialized food technology skills needed. We can help you find resources to meet these needs.

Below is a list of requirements which includes food safety issues, as well as insurance and business requirements we place on kitchen users. In most cases, these do not need to be taken in the sequence that they are presented. You can work on insurance, licensing and the BBC application at the same time.

### ***Food Safety Regulations***

#### **Food Processing License**

Every company which prepares food for resale at the BBC must hold a Food Processor or Food Service license from the Panhandle Health District. Food Processors manufacture and package food sold through retailers or other outlets to the end consumer. Food Service organizations serve food directly to the end consumer. In either case, we need a copy to post in the kitchen.

The application for the Food Producers license is available on the Panhandle Health District website at

<http://www.phd1.idaho.gov/environmental/food/documents/FoodProcessingApp.pdf>.

That document assumes that you're building or remodeling a facility. Rather than trying to fill out all the physical details of the facility, you can note that you'll be working at the Bonner Business Center, and the Panhandle Health District personnel will understand.

After you have submitted your application and the BBC has received the results of your background check, we will issue a “commissary agreement letter” advising the Panhandle Health District that you will be working in our facility.

While you can work with any of the environmental health offices of the Panhandle Health District, the Sandpoint office is most familiar with our operation. Even if you live at some distance from Sandpoint, it may be more efficient to make an appointment with the health inspector here to get your paperwork started. The Sandpoint office can be reached by phone at (208) 265-6384.

### **Food and Drug Administration (FDA) Review**

The Panhandle Health District will forward your information to the FDA for their review. The FDA will determine if their agency will regulate your business, based on the product, the volume and the estimated percentage in interstate commerce. The Panhandle Health District needs the FDA's determination before proceeding with your license.

The packaging of products containing more than 3% meat requires oversight by the U. S. Department of Agriculture (USDA), and the BBC kitchen is not approved or equipped for that kind of operation. Meat cooked and served directly to the end consumer (a restaurant or catering operation) is permitted.

If the FDA determines they will not assume jurisdiction for your food business, your plans will be reviewed by the Panhandle Health District under the requirements of Idaho Code.

### **Labeling Requirements**

The FDA specifies requirements for labels on food packages. These include regulations as to what you can call your product, as well as the contents and nutritional information. You can find a Food Labeling Guide online at <http://www.fda.gov/Food/GuidanceComplianceRegulatoryInformation/GuidanceDocuments/FoodLabelingNutrition/FoodLabelingGuide/default.htm>. There is an exemption for the nutrition labeling for small businesses that may apply to you, but you must apply annually. You can find details of the requirements and procedures at <http://www.fda.gov/Food/GuidanceComplianceRegulatoryInformation/GuidanceDocuments/FoodLabelingNutrition/ucm053857.htm>.

On the other hand, the University of Idaho Food Technology Center in Caldwell can calculate your nutritional label data from your recipe, and they provide that service at a very reasonable cost, so it may be simpler to add the data than to file for the exemption. You can learn more about the Food Technology Center online at <http://www.cals.uidaho.edu/ftc/>.

### **Quality Control Assurance Program Requirements**

The license holder or a designated person must develop a “Hazard Analysis and Critical

Control Point” (or HACCP) plan that covers quality control for the operation. This must be submitted to and approved by the regulatory authority. The plan must include:

- An organizational chart that identifies persons responsible for quality control operations.
- A process flow diagram outlining the processing steps from the receipt of the raw materials to the production and packaging of finished products or group of related products.
- A list of specific points in the process which are critical control points that must have scheduled monitoring.
- Product codes that establish and identify the production date and batch.
- A manual covering sanitary maintenance of facility and hygienic practices to be followed by employees.
- A records system allowing for review and evaluation of all operations including the quality assurance program results. These records must be kept for a period of time that exceeds the shelf life of the product by six (6) months or for two (2) years, whichever is less.

The Panhandle Health District has templates and handouts to assist you in the development of your Quality Control Assurance Program and/or HACCP plan.

Some FDA-regulated products may require additional special schooling or certifications. Your contact person at the FDA or the Panhandle Health District will be able to help you with those requirements. Classes and review of your products and processes are available from the Washington State University Extension Food Processing unit in Pullman, Washington. You can find them online at <http://foodprocessing.wsu.edu/> or by phone at 509-335-2845. They offer classes, including the Better Process Control School, and product evaluation by an FDA Food Process Authority.

### **Individual Certification – Food Handler's Permit**

At least one member of any crew working in the kitchen will need a food handler's permit, as will the manager. There's a free questionnaire online at <http://www.idahofoodsafetyexam.com/>. Create a login for yourself and you'll be taken immediately to the quiz. The content of the manual you're being quizzed about is in a column to the right, so it is, in essence, an open book test. There are 50 multiple choice questions, and when you pass, the website presents a certificate which you can print as your permit.

Though it's not a requirement, the food handler's permit is so easy to get that we suggest you require it of all members of your crew, so that everyone is watching out for food safety.

### ***BBC Requirements***

In order to rent the Commercial Kitchen at the Bonner Business Center, the Economic Development Corporation of Sandpoint, our parent organization, has a few requirements

beyond the food safety regulations. These are:

- A background check (we'll be giving you the keys to the kingdom),
- A \$100 deposit (security against future billings) and if you rent a locked cabinet, a key deposit of \$25. These deposits are refundable if you decide to quit working at the BBC and have paid your bill and returned your keys.
- A product and general liability insurance policy which names the Economic Development Corp. of Sandpoint as an additional insured party. The policy must be in the amount of at least \$1 million per occurrence and \$2 million aggregate. Since the premiums are based on your annual sales, it's not too bad while you're getting started, and if you have a good relationship with an insurance agent, that would be the place to start looking. Most of our small users are near the minimums the insurance company will write. Lumping this with other coverage sometimes lowers those minimums, as the company is already working with you.
- We require that each user leave the kitchen clean and ready for the next user. Failure to do that may result in added charges for clean-up.
- We require that during at least your first use of the kitchen, that you work with one of our experienced kitchen users, who will show how to use the equipment, explain our cleaning requirements and help you establish an effective work flow. This activity is typically scheduled during normal office hours, Monday – Friday, 8:30am – 5:00pm. Scheduling outside that time frame is entirely at the discretion of our employee, and the kitchen client is responsible for the overtime costs. When you have demonstrated your capability to use the kitchen properly, you are free to schedule time in the evenings or on the weekend as you wish.

We can help you find glass, and we have a label printer who is right in the incubator.

In addition, we offer business counseling through the Idaho Small Business Development Center or SCORE. Check with the BBC office for these services.

### ***Kitchen User Checklist***

Use this checklist as a convenient guide to the major points of becoming a food producer.

- Apply to Panhandle Health District for Food Preparer's License.
- Prepare HACCP plan.
- Submit food products for process analysis, if needed.
- Take "Better Process" class, if required.
- Determine labeling requirements.
- Obtain Food Handler's Permits for key personnel.
- Submit BBC application and background/credit check releases for owners.
- Obtain product and general liability insurance policy naming EDCS as an additional insured.
- Pay required deposits.
- Schedule first work schedule with BBC's kitchen supervisor.