



CITY OF HUGHSON
ECONOMIC DEVELOPMENT COMMITTEE MEETING
CITY HALL COUNCIL CHAMBERS
7018 Pine Street, Hughson, CA

AGENDA
MONDAY, JUNE 24, 2013 – 5:30 P.M. – 6:00 P.M.

CALL TO ORDER:

ROLL CALL:

Mayor Matt Beekman
Councilmember George Carr
Councilmember Jeramy Young
Business Member Marie Assali
Business Member Jim Duarte

Staff to be Present: Raul L. Mendez, City Manager

1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):

Members of the audience may address the City Council on any item of interest to the public pertaining to the City and may step to the podium, state their name and city of residence for the record (requirement of name and city of residence is optional) and make their presentation. Please limit presentations to five minutes. Since the City Council cannot take action on matters not on the agenda, unless the action is authorized by Section 54954.2 of the Government Code, items of concern, which are not urgent in nature can be resolved more expeditiously by completing and submitting to the City Clerk a "Citizen Request Form" which may be obtained from the City Clerk.

2. PRESENTATIONS: None.

3. NEW BUSINESS:

- 3.1:** Review and Discuss Economic Gardening.
- 3.2:** Review and Discuss Food Entrepreneurship.
- 3.3:** Other Items.

8. EDC COMMENTS:

ADJOURNMENT:

WAIVER WARNING

If you challenge a decision/direction of the City Council in court, you may be limited to raising only those issues you or someone else raised at a public hearing(s) described in this Agenda, or in written correspondence delivered to the City of Hughson at or prior to, the public hearing(s).

UPCOMING EVENTS:

July 4	▪ Independence Day- HOLIDAY- CITY HALL CLOSED
July 8	▪ City Council Meeting, Council Chambers, 7:00pm
July 11	▪ Congressman Denham’s Mobile Office, City Chambers, 11-12 am
July 16	▪ Planning Commission Meeting, Council Chambers, 6:00pm
July 22	▪ City Council Meeting, Council Chambers, 7:00pm
August 12	▪ City Council Meeting, Council Chambers, 7:00pm
August 20	▪ Planning Commission Meeting, Council Chambers, 6:00pm
August 26	▪ City Council Meeting, Council Chambers, 7:00pm

RULES FOR ADDRESSING CITY COUNCIL

Members of the audience who wish to address the Economic Development Committee are requested to complete one of the forms located on the table at the entrance of the Council Chambers and submit it to the Committee. **Filling out the card is voluntary.**

**AMERICANS WITH DISABILITIES ACT/CALIFORNIA BROWN ACT
NOTIFICATION FOR THE CITY OF HUGHSON**

This Agenda shall be made available upon request in alternative formats to persons with a disability; as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) and the Ralph M. Brown Act (California Government Code Section 54954.2).

Disabled or Special needs Accommodation: In compliance with the Americans with Disabilities Act, persons requesting a disability related modification or accommodation in order to participate in the meeting and/or if you need assistance to attend or participate in a City Council meeting, please contact the City Clerk’s office at (209) 883-4054. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.

AFFIDAVIT OF POSTING

DATE: June 21, 2013 **TIME:** 4:00pm
NAME: Sandy Cortes **TITLE:** Office Assistant II

Notice Regarding Non-English Speakers:

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Hughson City Council shall be in English and anyone wishing to address the Council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

General Information: The Economic Development Committee meets in the Council Chambers on the fourth Monday of each month at 5:30 p.m., unless otherwise noticed.

EDC Agendas: The Economic Development Committee agenda is now available for public review at the City's website at www.hughson.org and City Clerk's Office, 7018 Pine Street, Hughson, California on the Friday, prior to the scheduled meeting. Copies and/or subscriptions can be purchased for a nominal fee through the City Clerk's Office.

Questions: Contact the City Clerk at (209) 883-4054.



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Economic Gardening

Economic gardening is an entrepreneurial approach to economic development that seeks to grow the local economy from within. First pioneered in Littleton, Colorado in 1989, its premise is that local entrepreneurs create the companies that bring new wealth and economic growth to a region in the form of jobs, tax revenues, per capita income, and a vibrant local business sector. Economic gardening seeks to focus on growing and nurturing local businesses rather than hunting for "big game" outside the area.

Littleton's approach has resulted in a 71 percent increase in employment and a tripling of sales tax revenues (not adjusted for inflation) since 1989--a much higher rate than the region as a whole--while providing no incentives or tax breaks to recruit or attract outside businesses to the city.

What differentiates economic gardening from other entrepreneurship development strategies is its focus on providing market research and high-level technical assistance to small growth-oriented companies. The focus is on providing accurate, timely and relevant information to local entrepreneurs about key areas such as their competitors, customers, markets, and industry trends. Armed with this kind of information, a small business owner can make better strategic decisions, avoid costly mistakes, and successfully grow his or her enterprise. Market research is a discipline practiced by all Fortune 500 companies; economic gardening programs allow smaller companies to gain access to the same kind of tools and information and thus enjoy the same advantages as their larger counterparts.

Economic gardening strategies help local small businesses discover how to reach markets outside the region. In turn, these exporting growth-oriented companies can spur the formation of local business suppliers and service firms to support them. More and better-paid workers also increase the demand for local goods and services, recirculating wealth throughout the local and regional economy.

An effective economic gardening (EG) program needs to be built from the ground up--that is, from the local community level first. EG is a strategy that operates within a larger entrepreneurial development system that is unique to each community. It must be integrated into the formal and informal systems that are already in place within that community. Our white paper, *10 Tips for Implementing an Economic Gardening Project* provides help for communities that want to explore an economic gardening in their locality. In addition, in partnership with the [Center for Rural Entrepreneurship](#), we provide consulting and training services to assist communities in the exploration and implementation process.

Economic gardening programs currently operate in several locations around the country, and even in locations in Australia and Japan. U.S.-based economic gardening projects include statewide initiatives in Wyoming, Florida, Kansas, and Washington, as well as local and regional programs in Montana, Wisconsin, Portland (OR), and several other locations.

10 Tips for Implementing an Economic Gardening Project (Revised and expanded April 2010)

Developing an economic gardening program in your community seems like the right way to go. What do you do next?

[Download Our Free White Paper](#)

Supporting Entrepreneurship Blog

Best practices and research on supporting entrepreneurship

[Read our blog!](#)

ICMA Report

Strengthen Your Local Economy through Economic Gardening

by Christine Hamilton-Pennell

This ICMA report describes the key elements of an economic gardening program, provides overall implementation considerations, examines the features of currently existing economic gardening models, and provides specific tips and strategies for implementing an economic gardening program at the local level.

[Purchase this report through the ICMA bookstore](#)

[Read an excerpt \(PDF\)](#)

Grow Your Own

Read the *Stanford Social Innovation Review* article, Winter 2010, "Grow Your Own: How Economic Gardening Nurtures Local Businesses," by Anne Stuhldreher. The article discusses the Littleton, Colorado Economic Gardening program and profiles Littleton company, ChurchPartner, which was able to grow its company through the services received.

[Read the article](#)

Economic Gardening: Next Generation Applications for a Balanced Portfolio Approach to Economic Growth

The U.S. Small Business Administration devoted an entire chapter of its 2006 report, *The Small Business Economy: Report to the President*, to the benefits of economic gardening.

[Download the full report](#)

Competitive Intelligence for Small Businesses: Littleton's Economic Gardening Program

Read Christine's article from the December 2004 issue of *Competitive Intelligence* magazine.

[Download the Article](#)



Growing Local Economies

Resources • Training • Consulting

Ten Tips for Implementing an Economic Gardening Project

Revised and Expanded April 2010

A White Paper from **Growing Local Economies, Inc.**

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Ten Tips for Implementing an Economic Gardening Project

By Christine Hamilton-Pennell

Growing Local Economies, Inc. www.growinglocaleconomies.com

Revised and Expanded April 2010

I am frequently asked to give advice to communities that are considering implementing an economic gardening program. They want to know what to do next to move forward in the process. The answer to this question varies by community. Each community has a unique set of features, assets and needs. To sustain an economic gardening program, a community must assemble its key players, develop a common understanding of the process and goals, be committed for the long haul, and share a passion for doing things differently.

Here are ten suggestions to get you started in the process:

1. Approach EG with an asset-based mindset.

Develop an inventory of community and business assets available to you. What is the “wealth” in your community? What skills can you tap into? What organizations can you partner with? What works well now? Who is already motivated and passionate to make something happen? What systems and organizations already exist to support entrepreneurs? What cultural and recreational amenities do you have? What assets can you leverage that are outside of your community?

Your list of assets should include the “usual suspects” such as economic development organizations, chambers of commerce, civic and social groups such as Rotary and Kiwanis, Small Business Development Centers, SCORE, workforce centers, universities and community colleges, and financial institutions. Other groups and individuals that also provide value to your community include:

- Public and university libraries
- Professional business associations and groups
- Utility companies
- Successful entrepreneurs
- Entrepreneurs and inventors groups
- Arts and cultural entities
- Healthcare agencies
- Non-profit organizations
- Youth entrepreneur clubs and initiatives
- K-12 education system
- Technology organizations
- Incubators and technology transfer programs
- Churches and other religious institutions
- Recreation and leisure amenities
- Sports organizations
- Community foundations and loan funds
- Elected officials
- City/county governments
- Council of governments
- Policy makers
- Consultants
- Tourism office
- Continuing education and training programs
- Youth programs such as Scouts and 4-H
- Senior centers
- Venture and angel investors
- Microfinance organizations
- Professionals who serve small businesses, such as lawyers, accountants, financial advisors, designers, and marketing professionals

Look for individuals in your community who have skills and expertise in areas such as business coaching and mentoring, finance, employment/workforce development, research, marketing, meeting facilitation, organizing/managing projects, public speaking, legal support, and fund raising.

Perhaps the most important assets you can identify in your community are the individuals who can become champions and advocates for your economic gardening project. They might be successful entrepreneurs who want to give back to their community, or individuals within any of the groups or organizations listed above.

2. Develop a collaborative effort among key players

Once you have identified the assets in your community, explore which entities and individuals are likely to become partners and key stakeholders in moving your EG project forward. Get these key folks to the table so you can come to a common agreement on goals and directions for the project, as well as identify who will take responsibility to carry out each separate piece. This can be a daunting task. If key stakeholders are not willing to take ownership of the project, then your community may not be ready to launch an economic gardening initiative. You may have to step back and address the political and community development issues that are driving your locality. “Success in the New Economy requires that a whole array of institutions—universities, school boards, firms, local governments, economic development agencies—work in new and often-uncomfortable ways” (*The 2008 State New Economy Index*, Kauffman Foundation, p. 65).

Here are a few tools and resources to help you get started in that essential process:

- **Appreciative Inquiry** uses a systematic set of processes to discover what works in an organization or initiative and to move towards inventing its most desired future. Visit the Appreciative Inquiry Commons to learn more, <http://appreciativeinquiry.case.edu/>.
- **Asset Based Community Development (ABCD)** is an approach that considers local assets and existing community strengths as the primary building blocks of sustainable communities. To find out more, visit the Asset Based Community Development Institute’s website for more information and resources, <http://www.abcdinstitute.org/>, or read the informative article on Wikipedia, http://en.wikipedia.org/wiki/Asset-Based_Community_Development.
- **World Café**, <http://www.theworldcafe.com/>, offers a process for leading collaborative dialogue and knowledge sharing, particularly for larger groups. This powerful conversational process allows communities to think together, evoke collective intelligence, and create actionable results.

Two of the key considerations you must build into your EG program are the audience you want to target and the performance evaluation metrics you want to collect. What set of metrics does each partner need for their own reporting purposes, and how can you build that into the EG program from the outset?

Another crucial component is coordination of the project. Someone must serve as the “switchboard” to connect your target entrepreneurs to the resources they need. The coordination function also encompasses customer screening, maintaining referral networks, keeping a database of businesses served by the program, doing follow-up surveys, and reporting results.

3. Determine your target business audience

One of the most important questions an economic gardening project needs to answer is, “Who will we serve?” Economic gardening programs around the U.S. take a variety of approaches, depending on their identified goals and community expectations. Some EG programs support all types of small businesses; others work only with growth-oriented companies. The important thing is to know which group of businesses you are targeting and why.

In terms of choosing a target audience, focusing on growth-oriented companies will produce the greatest economic impact on a region, because they bring money into the community from outside markets. Sometimes referred to as Stage 2 businesses, these companies usually have between 10-99 employees and at least \$1 million in revenues, although growth-oriented companies can be found across the entire universe of companies. They are also relatively young companies (less than five years old). Growth companies can range from companies with a local market that want to expand and reach external markets (often through e-commerce), to companies that have specialized expertise or knowledge and primarily sell to external markets.

Rapidly expanding, high-growth companies, sometimes referred to as “gazelles,” are a rarity in many communities, making up only three to five percent of all businesses. Most small localities do not have the technical resources to support their needs, and these companies typically have the connections and technical assistance they need to grow, and will do it with or without us.

Another potential target audience is companies with one to nine employees and less than \$1 million per year in revenues. Known as Stage 1 companies, they are by far the largest group of businesses in the U.S. They collectively represent 28 percent of all the employment in the United States. Most of these firms are start-ups and lifestyle businesses, but some of them are growth-oriented companies as well.

“Lifestyle” businesses (the so-called mom ‘n’ pops) are the small retail and service businesses in every community. They do not “grow” the local economy by bringing in new wealth, but they recirculate the wealth throughout the local community. They are essential to what makes a local community a vibrant and desirable place to live and work. They can also provide significant “political capital” for an EG program through their testimonials and support.

A number of local business organizations provide support to start-ups, the self-employed and lifestyle businesses. These usually include Small Business Development Centers, SCORE, and local chambers of commerce. Some EG programs partner with these entities to provide services such as market research and demographics.

The “sweet spot” for most local and regional EG programs may be the late Stage 1 and early Stage 2 companies that have been in business for one to five years, have a desire to expand, and have a potential or actual market outside the community. These companies can provide significant economic impact, and can benefit greatly from the services an EG program typically provides.

If you want to focus on this target audience, you might want to find companies that meet the following criteria:

- Firmly established (in business for 1-3 years)
- Have financial statements that include profit and loss and cash flow numbers
- Have a clearly defined market
- Demonstrate revenue growth over time (even if the company has not yet reached the break-even point)
- Clearly intend to grow (as expressed in the desire to hire employees, expand operations or market area, or seek capital investment)
- Have a product or service that is scalable and preferably unique (i.e., cannot be easily imitated)
- Have a potential or actual market outside the local region

You can also consider offering “tiered” services to different audiences. You might, for example, provide basic services to your lifestyle businesses and more comprehensive support to growth-oriented companies.

4. Find qualified business coaches

The most important aspect of an economic gardening program is the business coaching relationship. All businesses can benefit from a knowledgeable coach who can help them think differently about their strategy and figure out what they need to do to move to the next stage. Entrepreneurs who pay attention to their core strategy are more likely to be successful than those who don't. They need to understand the unique niche their business fills, who their ideal customers are, what motivates their customers to buy, and how to reach their potential market. They need to network with the people and organizations that can help them.

The Center for Rural Entrepreneurship identifies the following characteristics as essential in selecting a business coach (whom they refer to as an entrepreneur coach or E-coach):

- One who knows the game
- One who has played the game
- One who can teach the game
- One who can innovate to increase performance

The E-coach is not necessarily the “expert,” but is a person who knows how to network clients to the right answers in the right order. Coaching is part art form and part science. Since most E-coaches do not bring a fully developed set of skills to this job, they will also need ongoing mentoring and training to be successful (D. Macke, *Entrepreneur Coaching for Community Success*, Center for Rural Entrepreneurship, 2010).

A good business coach might be a successful retired entrepreneur, staff person at a college or university entrepreneurship program, incubator staff, or a person from any kind of setting who has business experience, knowledge of business strategy and a passion for helping local entrepreneurs.

It can be hard to find the technical expertise you need to support good business coaching, especially in small communities. But even if local expertise is not available in some fields, you can tap into a nationwide cadre of experts for free through SCORE. Visit the SCORE website,

<http://www.score.org/>, to find a counselor who is available to answer specific questions by e-mail. You can search the database of counselors by keyword, area of expertise, and state. The site also features online training, articles, and a free e-newsletter.

5. Connect with your target audience

Once you have determined your target audience, and have recruited qualified business coaches, you need to develop a strategy for reaching those entrepreneurs. How do you find them? Traditional advertising approaches (media, publicity from partner organizations, and direct marketing) are usually good ways to reach start-ups and local businesses. If you want to target growth-oriented companies, you will need to take a different approach.

“Our experience [with growth companies] suggests that if you take a very public approach to outreach you will likely create lots of traffic. The vast majority of this traffic will not match your targeting. A public approach to outreach raises expectations and the need for you to intake and respond to every inquiry for assistance. Significant time will be required, diverting limited resources from your actual target audience. In most cases we do not recommend a high profile and public outreach approach” (Don Macke, Center for Rural Entrepreneurship).

One successful strategy is to create a referral network of people in the community who are frequently in front of your target audience. Good candidates for the referral network include professionals such as bankers, accountants, lawyers, insurance agents, financial advisors, ministers, commercial real estate agents, and others who serve the small business community. Other likely sources of information are successful entrepreneurs, university and college professors in business or entrepreneurship programs, incubator staff, SBIRs, manufacturing groups, and technology transfer programs. With some overall guidance, this group can recognize and refer the right people to your EG program.

It is particularly challenging to find home-based businesses. Here are a few suggestions: You can often identify such companies by reading ads local business newspapers—particularly community or neighborhood publications and websites, checking online directories, and having conversations with people in local business and professional organizations. You can also hang out in coffee shops and look for local entrepreneur groups.

Existing EG programs have found that it is very important to do an initial screening or “pre-qualification” of potential clients before agreeing to help them. Knowing the criteria for your target audience allows you to match your clients through an interview or application process. It is also important to have the accepted entrepreneurs sign a service and confidentiality agreement that lays out both what you will do for them, and what information they will share with you (e.g., revenues, capital expenditures, etc.)

6. Connect with the broader economic gardening community

There are a number of ways to gather information and share tips across the EG community:

- Subscribe to free e-newsletters, social media groups, blogs, and e-mail lists covering entrepreneurship and business strategy.

- Join economic gardening groups on LinkedIn, Facebook, and Twitter. Periodically search these social media sites, as well as YouTube, (or set up filtering options) to find posts on economic gardening and locate others involved in EG initiatives.
- Set up Google alerts on EG or entrepreneurship topics.
- Join **econ-dev**, <http://www.littletongov.org/bia/economicgardening/econdev.asp>, an e-mail discussion list sponsored by the City of Littleton, Colorado. It encourages dialogue about entrepreneurial approaches to economic development—especially economic gardening—among industry professionals. There are more than 700 subscribers from around the world.
- Attend the annual EG conference that is usually held in June in various small localities around the U.S. These gatherings are usually announced in the econ-dev mailing list.
- Set up your own EG group if there is more than one program in your region.

Here are some free e-newsletters and blogs that you might find useful:

- **Policy Dialogue on Entrepreneurship**, from the Kauffman Foundation, <http://www.entrepreneurship.org/PolicyForum/>, provides a weekly update that “informs and connects thought leaders looking to understand policies that help entrepreneurs start companies, create jobs and re-start the economy.”
- **The Agurban® E-zine**, <http://www.boomtowninstitute.com/agurban.html>, is a free weekly electronic newsletter distributed by Agracel, Inc. and Boomtown Institute. It focuses on economic development best practices and successful initiatives such as revitalization, regionalism, developing entrepreneurs and many other economic development practices.
- **Rural Entrepreneurship News**, <http://www.energizingentrepreneurs.org/pages/sitemap.php>, a monthly newsletter from the RUPRI Center for Rural Entrepreneurship, summarizes developments in the field of rural entrepreneurship.
- **EntreWorks Insights**, <http://www.entreworks.net/Newsletter.php>, is a quarterly newsletter that reports on business trends, policy developments, and other issues affecting the business of economic and workforce development.

7. Explore free and low-cost resources for information and research

Even if you don't have a large budget to hire a researcher or purchase online databases, you can still offer research services to your businesses.

In terms of research staff, many EG programs have been able to utilize reference librarians in public and university libraries to help them with market research for targeted clients. Smaller public libraries may not have the capacity to provide this kind of support. Some programs have also had success using university interns or graduate students. In both cases, the administration must fully support the involvement of their staff or students in such an endeavor, and someone must coordinate and supervise their efforts.

Some business research needs are too complex or specific to answer using local resources and may require the use of contract researchers. A good source for locating research experts in most industry fields is the Association of Independent Information Professionals, www.aiip.org.

The first place to look for free business resources is your local public library. Most public libraries of any size have business collections and online databases available to their clientele. Check with your local public librarian to find out what business resources are already available and how your community might access them. Some community college or university library resources may also be available to the larger community.

In addition, here are five great web-based resources you can explore.

- **JJ Hill Library**, <http://www.jhill.org/>, offers a moderately priced individual user subscription to a robust set of business resources. Among the resources available are the Dun & Bradstreet Million Dollar Total database, DemographicsNOW, Gale Business and Company Resource Center and several databases for newspaper and trade journal articles. License agreements restrict how you can use the information and to whom you can disseminate it.
- **Hoovers**, <http://www.hoovers.com/free/>, is primarily a subscription site, but you can find basic company information (drawn from Dun & Bradstreet databases) as well as industry overviews and trends for free.
- **Thomas.net**, <http://www.thomasnet.com/>, is a comprehensive source of industrial and information, including products, suppliers, services, and CAD drawings, primarily from the manufacturing sector.
- **U.S. Census Bureau Business & Industry**, <http://www.census.gov/econ/index.html>, provides economic statistics by geography, sector (e.g., construction, retail trade, and transportation), and frequency. The site includes the Economic Census, which profiles American business every five years, from the national to the local level. You'll also find statistics on county business patterns, e-commerce, foreign trade, monthly wholesale and retail trade, and many other economic topics.
- **Valuation Resources**, <http://valuationresources.com/>, links to industry resources for over 250 industries that are available from trade associations, publications, and research firms. Included are industry overviews, issues, trends, and outlooks, financial ratios and benchmarking, compensation surveys, and valuation resources.

You can also download the free white paper, “Free and Low-Cost Information Resources for Supporting Local Entrepreneurs” from Growing Local Economies, <http://www.growinglocaleconomies.com>.

8. Focus on Internet and social media marketing opportunities

The Internet has helped level the playing field for smaller and more rural communities. Providing high-speed Internet access throughout the community is crucial to allow local businesses to take advantage of opportunities to their sell products and services outside the local area—and bring wealth back into the community. Social media sites such as Facebook and Twitter have exploded across the Internet landscape in the last couple of years, and offer

numerous ways that businesses can communicate with their customers, keep up with their market, and find new partners.

Any business that has unique products or services that people want to buy outside the local area, and can deliver the goods to these customers, has the potential to set up a profitable Internet or e-Bay store for relatively little cost. There are numerous tools on the Web to assist with this process.

Businesses can drive Web traffic to their site through search engines. They can optimize their Web sites to make it easier for search engines to find them, and they can use pay-per-click ads on Google to show up on the first page of search results even if their site doesn't show up on the first page "organically." Businesses should also consider having a blog on their website, sending out an e-newsletter, and exploring other forms of social media.

John Jantsch's website, Duct Tape Marketing (www.ducttapemarketing.com), offers numerous tips and free resources to small business owners on how to use the Internet and social media as effective marketing vehicles. Topics include Twitter for business, pay per click advertising, business blogging resources, and marketing with RSS. You can also sign up for John's valuable weekly e-newsletter.

9. Develop an entrepreneurial support system that has "no wrong doors."

If you have several organizations where people can go to get business help, make sure each one offers appropriate referrals to the others. Erik Pages of EntreWorks Consulting, <http://www.entreworks.net/>, refers to this approach as "no wrong door." No matter which door (i.e., service provider) a business owner enters, they will get to the information and resources they need. This means that each service provider must understand what every other provider offers, and who is eligible for their services.

A service called USSourceLink, <http://www.ussourcelink.com/>, offers a turnkey package for the implementation of a resource provider network within a particular region. This package offers a systematic way to identify and organize services offered by local resource partners into a searchable online database, as well as providing a business tracking feature. You can see how the system works on the Kansas City network's website, <http://www.kcsourcelink.com/> and learn more about how to bring this toolset to your community.

Even if your community cannot afford a commercial product, you can create a simple database or spreadsheet that captures the information about business service providers in your area, and share it with all other partners.

10. Be open to crazy ideas!

Listen to ideas from all sources about how to support local entrepreneurs, no matter where they come from or how crazy they may seem when you first hear them. Those ideas from "left field" can jolt you out of your familiar thought patterns and produce fresh and sometimes startling new insights. You may find yourself trying something totally new that no one has thought of before.

Practice saying, "That's an interesting idea. Tell me more!"

Christine Hamilton-Pennell

Christine Hamilton-Pennell, M.L.I.S, M.A.R., is Founder and President of Growing Local Economies, Inc., a company that provides consulting and training to economic development, small business, and library audiences.

Christine is an accomplished speaker and trainer on topics such as Supporting Local Entrepreneurs as an Economic Development Strategy, Starting an Economic Gardening Project, Meeting the Research Needs of Small and Growing Businesses, and The Role of Libraries in Economic Development. Over the past several years, she has made dozens of presentations to local, state, national, and international groups.

Previously, she served as the Economic Intelligence Specialist for the Business/Industry Affairs department of the City of Littleton, Colorado. In this position she provided strategic consulting, competitive intelligence, marketing support, and customized research to businesses within the city as part of their Economic Gardening project. Prior to joining the City of Littleton, she owned an independent research company for five years.

With a background in both economic development and business research services, Christine is uniquely qualified to assist communities in implementing a local entrepreneurship support project. Her particular passion and expertise is “economic gardening,” an entrepreneurial approach to economic development that seeks to support local entrepreneurs by focusing on the three pillars of information, infrastructure, and connections.

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Bloomberg Businessweek

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Politics & Policy**California's Newest Business Craze: Homemade Food**By [Elizabeth Dwoskin](#) on January 02, 2013<http://www.businessweek.com/articles/2013-01-02/californias-newest-business-craze-homemade-food>

Granola makers, homemade vinegar producers, and other foodies in California have cause to rejoice today. As of Jan. 1, a new state law allows people who make food at home to sell it to restaurants and grocery stores.

Leave it to California to upend decades of public health consensus that food businesses need commercial licenses to ensure their food is safe and free of harmful contaminants. The [California Homemade Food Act](#) creates a new category of food production called a “cottage food operation.”

To qualify for a state permit under the law, aspiring cottage food operators must attend a food safety class and pass an exam developed by the California Department of Public Health. They have to label their products, pay a small fee, and submit to an annual kitchen inspection by health officials. Like commercial enterprises, the food producers aren't allowed to smoke or keep pets in the kitchen. When you consider the slim margins most commercial food businesses operate on, this streamlined regulatory process is probably a good deal for food sellers.

In many cities, the cost of rent itself can be crippling for entrepreneurs. New York has even offered city property free to aspiring restaurateurs through its “[kitchen incubator](#)” program.

Unfortunately for meat lovers, cottage food operators are prohibited from selling certain foods that could be hazardous, such as sausages and dairy products. The list of approved items includes jams, baked goods, dried pasta, granola, candy, chocolate, nut butters, mustard, vinegar, and roasted coffee.

The bill was the result of [protests](#) from a Los Angeles bread baker-turned activist who did a brisk business selling to local groceries until health regulators cracked down on his operation. And like [pot growers](#), another spottily regulated cottage industry in California that's also been subject to crackdowns, the food producers have limits on how profitable they can be before they no longer count as small time. In 2013, the revenue limit is \$35,000, and it rises to \$50,000 by 2015—not enough to get rich, but enough to supplement income without having to leave home.

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California Conference
of Directors of
Environmental Health

CALIFORNIA HOMEMADE FOOD ACT

FREQUENTLY ASKED QUESTIONS

AB 1616 (GATTO) – COTTAGE FOOD OPERATIONS

1. When does the new law go into effect?

The new law becomes effective January 1, 2013. The law requires the California Department of Public Health to carry out certain tasks associated with implementation, and imposes certain responsibilities on local planning and environmental health jurisdictions. The California Conference of Directors of Environmental Health (CCDEH) is working with other stakeholders to ensure that the law is implemented in an orderly and effective manner. Further information regarding the status of implementation can be obtained from your local environmental health agency.

Note: The information in this FAQ handout is intended to provide a uniform statewide response to questions posed and will be updated as needed. The questions & answers were evaluated by the CCDEH Ad Hoc AB 1616 Implementation Workgroup. This information should not be construed as a legal interpretation.

AB1616 Chaptered Law: http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab_1601-1650/ab_1616_bill_20120921_chaptered.pdf

2. What is a Cottage Food Operation (CFO)?

A CFO is an enterprise at a private home where low-risk food products are prepared or packaged for sale to consumers.

3. What is meant by “private home?”

“Private home” means a dwelling, including an apartment or other leased space, where individuals reside.

4. Are there limitations on the size of CFO’s sales?

- \$35,000 or less in gross sales in 2013
- \$45,000 or less in gross sales in 2014
- \$50,000 or less in gross sales in 2015 and beyond

5. Can a CFO have employees?

A CFO can have one full-time equivalent employee (not counting family members or household members).

6. What cottage food categories are permitted at a CFO?

Only foods that are defined as “non-potentially hazardous” are approved for preparation by CFO’s. These are foods that do not require refrigeration to keep them safe from bacterial growth that could make people sick. The California Department of Public Health will establish and maintain a list of approved cottage food categories on their website and will establish a process by which new foods can be added to the list and other foods can be challenged and removed. The initial list included in the new law includes:

- 1) Baked goods without cream, custard, or meat fillings, such as breads, biscuits, churros, cookies, pastries, and tortillas
- 2) Candy, such as brittle and toffee
- 3) Chocolate-covered nonperishable foods, such as nuts and dried fruit
- 4) Dried fruit
- 5) Dried pasta
- 6) Dry baking mixes
- 7) Fruit pies, fruit empanadas, and fruit tamales
- 8) Granola, cereals, and trail mixes
- 9) Herb blends and dried mole paste
- 10) Honey and sweet sorghum syrup
- 11) Jams, jellies, preserves, and fruit butter that comply with the standard described in Part 150 of Title 21 of the Code of Federal Regulations (These should be fruit products to assure that they are not potentially hazardous).
- 12) Nut mixes and nut butters
- 13) Popcorn
- 14) Vinegar and mustard
- 15) Roasted coffee and dried tea
- 16) Waffle cones and pizzelles

7. What are the two classifications of CFOs?

- Class A** CFO’s are only allowed to engage in “direct sale” of cottage food.
- Class B** CFO’s may engage in both “direct sale” and “indirect sale” of cottage food.

8. What is meant by “Direct Sale” of cottage food?

“Direct Sale” means a transaction between a CFO operator and a consumer, where the consumer purchases the cottage food product directly from the CFO. Direct sales include, but are not limited to, transactions at holiday bazaars or other temporary events, such as bake sales or food swaps, transactions at farm stands, certified farmers’ markets, or through community-supported agriculture subscriptions, and transactions occurring in person in the cottage food operation.

9. What is meant by “Indirect Sale” of cottage food?

“Indirect Sale” means an interaction between a CFO, a third-party retailer, and a consumer, where the consumer purchases cottage food products made by the CFO from a third-party retailer that holds a valid permit issued by the local environmental health agency in their jurisdiction. Indirect sales include, but are not limited to, sales made to retail shops or to retail food facilities where food may be immediately consumed on the premises.

10. Do I need any special Training or Certification to prepare Cottage foods?

A person who prepares or packages cottage food products must complete a food processor course instructed by the California Department of Public Health within three months of being registered or permitted.

11. Does a CFO need a permit to operate?

- Planning/Zoning:** All CFO’s need to obtain approval from their local city or county planning department. The Homemade Food Act gives planning departments several options to consider, so planning department requirements may vary between jurisdictions.
- Environmental Health:**
 - For “Class A” CFO’s (direct sale only), **registration** with the local enforcement agency and submission of a completed “self-certification checklist” approved by the local environmental health agency.
 - For “Class B” CFO’s (direct and indirect), a **permit** from the local environmental health agency is required.
- Other Requirements:** Check on other state or local requirements that may be applicable
- Registrations and permits are not transferable between:
 - Persons
 - Locations
 - Type of food sales [i.e., direct sales (Class A) vs. indirect sales (class B)]
 - Type of distribution

12. How much will the registration or permit cost the CFO?

Each local jurisdiction will establish fees that are not to exceed the cost of providing the service. Additional fees may be charged for inspection and/or enforcement activities if the cottage food operation is found to be in violation of California food safety laws on cottage food operations.

13. Will my CFO Registration/Permit allow me to sell at other retail venues?

There may be health permits required to sell at other locations, such as Certified Farmer’s Markets or Swap Meets. Please check with your local enforcement agency for additional permit requirements.

14. How often will a CFO be inspected?

- Class A** CFO kitchens and food storage areas (referenced in the law as the “registered or permitted area”) are not subject to initial or routine inspections.
- Class B** CFO kitchens and food storage areas are inspected initially prior to permit issuance, and then annually after that.
- Class A or B (Other Inspections)** The local environmental health agency may access, for inspection purposes, the registered or permitted area where a cottage food operation is located only if the representative has, on the basis of a consumer complaint, reason to suspect that adulterated or otherwise unsafe food has been produced by the cottage food operation or that the cottage food operation is found to be in violation of California food safety laws on cottage food operations.

15. What are the CFO’s operational requirements

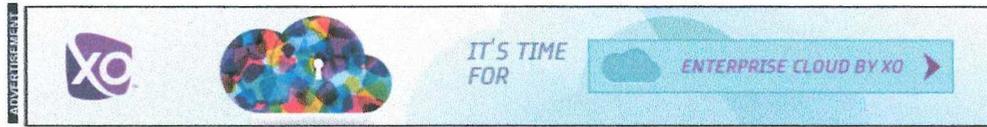
- All CFOs must comply with the following:
 - No domestic activity in kitchen during cottage food preparation
 - No infants, small children, or pets in kitchen during cottage food preparation
 - Kitchen equipment and utensils kept clean and in good repair
 - All food contact surfaces and utensils washed, rinsed, and sanitized before each use
 - All food preparation and storage areas free of rodents and insects
 - No smoking in kitchen area during preparation or processing of cottage food
 - A person with a contagious illness shall refrain from working
 - Proper hand-washing shall be completed prior to any food preparation or packaging
 - Water used in the preparation of cottage food products must be potable. Cottage food preparation activities include:
 - Washing, rinsing, and sanitizing of any equipment used in food preparation.
 - Washing and sanitizing hands and arms.
 - Water used as an ingredient of cottage food.

16. What would be my food labeling requirements?

- All cottage food products must be properly labeled in compliance with the Federal, Food, Drug, and Cosmetic Act ([21 U.S.C. Sec. 343 et seq.](#)) The label shall include:
 - The words “Made in a Home Kitchen” in 12-point type
 - The name commonly used for the food product
 - Name of CFO which produced the food product
 - The registration or permit number of the cottage food operation which produced the cottage food product and the name of the local enforcement agency that issued the number
 - Product ingredients in descending order by weight
- In a permitted food facility, cottage food products served without packaging or labeling shall be identified to the customer as homemade on the menu, menu board or other easily accessible location.

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The New York Times

April 28, 2013

Venture Capitalists Are Making Bigger Bets on Food Start-Ups

By JENNA WORTHAM and CLAIRE GAIN MILLER

What if the next big thing in tech does not arrive on your smartphone or in the cloud? What if it lands on your plate?

That idea is enticing a wide group of venture capitalists in Silicon Valley into making big bets on food.

In some cases, the goal is to connect restaurants with food purveyors, or to create on-demand delivery services from local farms, or ready-to-cook dinner kits. In others, the goal is to invent new foods, like creating cheese, meat and egg substitutes from plants. Since this is Silicon Valley money, though, the ultimate goal is often nothing short of grand: transforming the food industry.

“Part of the reason you’re seeing all these V.C.’s get interested in this is the food industry is not only is it massive, but like the energy industry, it is terribly broken in terms of its impact on the environment, health, animals,” said Josh Tetrick, founder and chief executive of Hampton Creek Foods, a start-up making egg alternatives.

Some investors say food-related start-ups fit into their sustainability portfolios, alongside solar energy or electric cars, because they aim to reduce the toll on the environment of producing animal products. For others, they fit alongside health investments like fitness devices and heart rate monitoring apps. Still others are eager to tackle a real-world problem, instead of building virtual farming games or figuring out ways to get people to click on ads.

“There are pretty significant environmental consequences and health issues associated with sodium or high-fructose corn syrup or eating too much red meat,” said Samir Kaul, a partner at Khosla Ventures, which has invested in a half-dozen food start-ups. “I wouldn’t bet my money that Cargill or ConAgra are going to innovate here. I think it’s going to take start-ups to do that.”

In the last year, venture capital firms in the valley have funneled about \$350 million into food projects, and investment deals in the sector were 37 percent higher than the previous year, according to a recent report by CB Insights, a venture capital database. In 2008, that figure was

less than \$50 million.

That money is just a slice of the \$30 billion that venture capitalists invest annually, but it is enough to help finance an array of food start-ups.

The venture capital firms helping to finance these businesses are some of the valley's most prominent names, in addition to Khosla: SV Angel, Kleiner Perkins Caufield & Byers, True Ventures and the Obvious Collection. Celebrities from Hollywood (Matt Damon), pro football (Tom Brady) and the tech world more broadly (Bill Gates) have also joined in.

"Consumers are interested in sophisticated experiences that are beautifully delivered, which we've seen happen on the Web and with products like the iPhone," said Tony Conrad, a partner at True Ventures, which was an early investor in the coffee company Blue Bottle. "Now, we're seeing that happen with food and beverage."

Still, some tech analysts and venture capitalists are skeptical that these companies, with their factories and perishable products, can reach the scale and market valuations of big Internet companies.

"I don't see a multimillion-dollar business coming out of any of these companies," said Susan Etlinger, an analyst with the Altimeter Group, a firm that advises companies on how to use technology. "The majority of Americans will not likely be able to participate, they're simply too expensive for them."

Venture capitalists have strayed from pure technology to food before. Restaurant chains like Starbucks, P. F. Chang's, Jamba Juice and, more recently, the Melt, were backed by venture capital. Recipe apps and restaurant review sites like Yelp have long been popular.

But this newest wave of start-ups is seeking to use technology to change the way people buy food, and in some cases to invent entirely new foods. Investors are also eager to profit from the movement toward eating fewer animal products and more organic food. They face a contradiction, though, because that movement also shuns processed food and is decidedly low-tech.

"It's not Franken-food," Mr. Kaul of Khosla Ventures said. "We're careful not to make it sound like some science experiment, but there is technology there."

Hampton Creek Foods, based in San Francisco, uses about a dozen plants, including peas, sorghum and a type of bean, with properties similar to eggs, to make an egg substitute.

Mr. Tetrick, its founder, started the company after working on alleviating poverty in sub-

Saharan Africa. He hired a protein chemist, a food scientist, a sales executive from Heinz and a contestant from the television show "Top Chef." Two large food companies are using the egg substitutes in cookies and mayonnaise, and he said he planned to sell them to consumers next month.

Unreal, based in Boston, makes candy that the founders say has no artificial colors or flavors, preservatives, hydrogenated fats or genetically modified ingredients, with at least 25 percent less sugar than similar candy on the market and added protein and fiber. The candy is sold in stores including CVS and Target.

Lyrical Foods makes cheese from almond milk and macadamia milk under the name Kite Hill, which is the first nondairy cheese to be sold by Whole Foods. Nu-Tek Salt uses potassium chloride instead of sodium chloride to lower sodium. Beyond Meat and Sand Hill Foods are making veggie burgers that their investors say taste and grill more like beef than others on the market.

Yet some investors say the projects have a better chance of success if they steer clear of selling actual food. "The food category has been a hard nut to crack because it's a perishable item," said Mark Suster, an investor at GRP Partners. "The No. 1 thing V.C.'s are looking for are scalable and repeatable, high-margin businesses. You can create those in food, it's just harder."

His firm, for instance, is tapping into the food industry by investing in Internet services like ChowNow, an online restaurant ordering company.

GoodEggs, another Web service, is a marketplace for local farmers and chefs who make artisanal goods like cheese, honey, jam and olive oil. Another company, Farmigo, is taking a similar strategy.

Kitchensurfing is a site that lets people hire private chefs to give pasta-making lessons or prepare an authentic Thai meal, just as one might book a room on Airbnb.

"Chefs spend all of their time working and at farmer's markets," said Chris Muscarella, the site's co-founder and chief executive, who has worked in restaurants. "They aren't sitting in front of a computer. So the fact that you're finally getting more chefs online through mobile devices is actually a big deal for the culinary world."

Still, food start-ups have their own challenges that are unfamiliar to tech entrepreneurs and investors, like a broken-down delivery truck or a bad oyster. These setbacks can be more difficult to recover from than a software malfunction.

In the early days of Plated, for instance, which sells ready-to-make dinner kits for recipes like

Greek lamb burgers with cucumber salad, the founders sank \$15,000 into building a customized refrigerated warehouse in Queens. Then they discovered that it would not cool lower than 70 degrees, unsuitable for food handling and preparation.

“We just had to walk away from that investment,” said Nick Taranto, one of the founders.

Bill Maris, a partner at Google Ventures, the search giant’s investment arm, said he was closely watching the trend.

He said, “Start-ups are unpredictable and all these companies are trying to take advantage of new technology and markets that are changing.”

But, he added, “in 2000, the same questions were asked about YouTube and no one knew how it would even work, let alone become a business.”

This article has been revised to reflect the following correction:

Correction: May 2, 2013

An article on Monday about venture capitalists’ interest in food-related start-ups misstated the restaurant experience of Chris Muscarella, a co-founder of the site Kitchensurfing. While he has worked in restaurants, he has not been a chef. The article also referred incorrectly to the investment history of Google Ventures. It has indeed made food-related investments, providing venture capital to Blue Bottle Coffee, a specialty retailer; it is not the case that it has not yet put money into such companies.

Bloomberg Businessweek**Small Business****Why Food Startups Are Getting Hot**By [Karen E. Klein](#) on July 11, 2011<http://www.businessweek.com/small-business/why-food-startups-are-getting-hot-07112011.html>

The U.S. restaurant industry [grew by 1.4 percent](#) in 2010, interest in new food co-operatives is at its highest level in 30 years, and sales of packaged ethnic foods are booming, fueled by adventurous Gen Yers raised on the Food Network. Even venture capitalists, long focused on technology startups, are grabbing plates and getting in line: Tech entrepreneur Jonathan Kaplan, creator of the Flip camera, reportedly snagged \$10 million in venture capital funding for his grilled-cheese restaurant concept, [The Melt](#). For more than two decades, CPA Karen Burns has worked as a partner at San Francisco consulting firm [Sensiba San Filippo](#) to help startup entrepreneurs break into the food and beverage industry. The market may be sizzling—particularly for organic, sustainable products—but poses extra challenges to new entrepreneurs, says Burns. She spoke recently with Smart Answers columnist Karen E. Klein. Edited excerpts of their conversation follow.

Karen E. Klein: Are you seeing a lot of interest from entrepreneurs who want to break into the food industry?

Karen Burns: It has really increased within the last five years. I think what's driving this trend are the many medical studies that are being done about issues like obesity in children, diabetes, and allergies. A lot of entrepreneurs are making products to help their customers with medical issues.

Gluten-free is an example. No one ever heard of these products just a few years ago. Now you can go into a major market and there'll be an entire aisle with products that are gluten-free.

What basic advice do you give to people who contact you for help?

Know your product and do that product well. Don't bite off too much, too early. Have a go-to-market strategy and be very successful with it before you expand. You can have a very tiny menu to start. You don't have to have 18 different SKUs [stock-keeping units] of products that you're selling.

Are you seeing venture capital funds get interested in food startups?

Definitely, especially within the last three to five years. An organization called the [Pacific Community Ventures Fund](#) is focusing specifically on the food and beverage industry. Now some other funds are cropping up that want to get in on it, too.

What other areas are particularly hot right now?

Ethnic food is big, particularly some of the Asian foods that have not traditionally been so popular in the U.S., like Taiwanese and Filipino. Being in the San Francisco Bay Area, there are so many Asian entrepreneurs who have come to our country in the last generation, all of them with family recipes. They locate in ethnic communities initially and serve people from their own niche, but eventually other people also want to try their menus and they take off in the mainstream.

What are the particular challenges of getting into the food business?

From day one, there are compliance issues: tax returns that need to be filed, even if you don't owe anything; product ingredient labeling; health department inspections. Like any business, startups need to do budgets and take their cash-flow forecasting to banks and outside investors.

If you want your company to be able to market itself as environmentally conscious, there are green initiatives that you can use to get various certifications in different states. There are some credits you may be able to get for that from a tax perspective and some programs that you may be able to find on your state or local level to help you finance it.

What do you recommend for early startups that want to get their products consumed?

So many of them start at farmer's markets, which is a great idea. [Trader Joe's](#) and Whole Foods ([WFM](#)) walk the farmer's markets looking for the next great thing. Of course, it can be a trap to get very wide distribution early on because the retailers' demands are extensive and the margins are very thin. I tell clients to watch their overhead very closely if they do get picked up by a volume retailer.

What's the funding picture like for small food companies?

I think it's getting a little bit better. We're starting to see that financial institutions have cleaned up their portfolios, bad debt is off their balance sheets for 2011, and they're willing to take on some new risk. Also, there clearly is an awakening in the [venture capital] market to invest in this area.

A lot of food production companies are family businesses, however, and they don't want to take on outside money. And all startup entrepreneurs should expect to have to personally guarantee the funding. That's a hard nut—but from the financial institution's point of view, if you're not willing to stand behind your business, why should they?

As people are coming out of the recession and trying to get financing, I'm advising them that it's okay to forecast a break-even quarter and then maybe have a slight profit. The bank would rather see you hit or exceed your forecast than have you forecast all roses and not hit it.

Q: Do you have any tax tips?

Definitely look to take advantage of [research and development] credits and [enterprise zone credits](#) at the federal and state levels. If you can locate your business in an inner city area, not only do you get tax relief but you might also get hiring credits and access to advisors that will give you low-cost or free consulting help.

If you're doing research on making a new product or making your existing products better, you can claim the R&D credit. Even if your business is not making money early on, you can start capturing the data and claiming the credits because there are carry-forward provisions that can be used in the future.

If your company is doing its production domestically, you can file for something called DPAD, the Domestic Production Activities Deduction. You fill out a form that calculates what your deduction is, based on sales relative to domestic production. Companies that do everything domestically get a higher permanent deduction. It's worth looking into.

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FaB cluster helps food entrepreneurs get started

Monday, May 27, 2013

By [Molly Newman](#)

Bree Schumacher started cooking homemade kale-based sauce for her children about a year ago. She never dreamed it would become a business.

But the Milwaukee food and beverage cluster, known as FaB Milwaukee, has a way of encouraging would-be entrepreneurs.

Schumacher's Italian and Mexican flavored dinner sauces won Milwaukee Area Technical College and Reliable Water's 2012 Milwaukee's Hottest Kitchen Entrepreneur Contest.

She received \$2,500 in seed money to get her business off the ground, an entrepreneurial consultation package from MATC and meetings with food industry executives at FaB.

While it took some doing, Schumacher and a scientist developed her homemade sauce into a recipe that could be made in large batches in a commercial kitchen, she said.

Now, her sauces are made at Contract Comestibles in East Troy, which has been manufacturing Busy Bree's Dinner Starters for about four months. The sauces are sold at local grocery stores.

There are about 450 food and beverage manufacturing companies like Schumacher's in the Milwaukee area, and many of them are involved in the FaB Milwaukee industry cluster.

FaB was founded by the regional economic development organization Milwaukee 7 and the Metropolitan Milwaukee Association of Commerce (MMAC) in 2012 to provide a central resource for the food and beverage industry to access information, job candidates and a network of potential partners, said Shelley Jurewicz, vice president of economic development for Milwaukee 7.

Its mission is to make the Milwaukee region an easy place to innovate, start, expand or locate a food or beverage business and it aims to drive industry job growth and make the area a leader in the food industry.

"The contact list that I've built for the network over the last actually two years now reaches about 500 companies," Jurewicz said.

The network reaches about 700 food and beverage professionals in the area. That includes manufacturing, food ingredients, grocery, urban agriculture, packaging, distribution, wholesale and related services.

"We are just starting to tap into the groceries and the markets," Jurewicz said. "We haven't fully put ourselves in the space on the restaurant (group)."

The cluster was formed after a 2008 Deloitte study showed the M7 should be focusing its limited resources on food and beverage and power and controls within the manufacturing space, she said. They have the most potential for growth in the region.

The food ingredients manufacturing industry is a \$71 billion industry that's expected to grow at a rate of 14.5 percent rate nationally. Wisconsin is ranked second nationally in organic food production, which is expected to grow at a 20 percent rate, she said.

And because of its abundance of fresh water, Milwaukee is placed competitively to support these industries, Jurewicz said.

"We're creating something that is creating the ecosystem for the cluster that we have here to thrive," she said. "We have to play with all shapes and sizes of companies here in the region that are in that space."

In addition to developing the area network, FaB is working with MATC to create food manufacturing courses and Milwaukee Public Schools to develop food programs.

There is a demand for the planned food entrepreneurship programs, said Armen Hadjinian, entrepreneur program coordinator at MATC. About 25 percent of the 80 who are enrolled in the general entrepreneurship program are planning or have started a food-related business.

The program includes introduction, communications, production, strategy and presentation skills courses. Students are instructed on topics like self-reliance and marketing on a tight budget.

One student in Hadjinian's class is working on a high end bakery and evening lounge concept. Another is roasting coffee beans.

Entrepreneurship is not as unusual as it was a generation ago, and many young people in the program are interested in controlling their own destiny by starting a business, he said.

"I think a lot of people are thinking now is the time to take the leap," Hadjinian said.

FaB is also in the process of posting a job board and creating a career center specifically for the food and beverage industry.

"We're really working with the companies, regardless of size, to make sure they have the talent to meet their needs," Jurewicz said.

The group will begin charging a membership fee in June for companies that wish to access the job board. The fee will be based on company size, to keep it feasible, Jurewicz said.

The membership will also include a detailed company profile in the FaB marketplace directory, to help businesses network with each other.

Long term, FaB hopes to support a boutique food manufacturing facility and a food industry campus for the group.

Its advisory board includes industry veterans Giacomo Falluca, president and chief executive officer of Palermo's Pizza, Cathy Henry, president and chief operating officer of Sysco Food Services and Eric Olesen, president and owner of kringle maker O&H Danish Bakery.

But the advisory board also includes entrepreneurial businesses, like Becky's Blissful Bakery, a Pewaukee gourmet candy company started by Rebecca Scarberry in 2007.

FaB recently hosted a food entrepreneur forum at Kasana Gourmet in Milwaukee's Historic Third Ward. The networking event put entrepreneurs like Scarberry in a room with experienced industry veterans like sausage pro Fritz Usinger.

"It was really fun to see the established industry turn out in support of the emerging industry," Jurewicz said. "Because we have such a strong network that's connected with each other now, we're just ripe with mentors to serve the industry."

Kasana is a new commercial kitchen that allows budding food businesses to test their products on a commercial scale.

Last year, Scarberry started teaching a food entrepreneurship course at Waukesha County Technical College. Those who utilize Kasana must first take her course to learn the ins and outs of commercial food production, she said.

"I've collected all of the information you need to start a business from the ground up," Scarberry said.

She uses her course to recruit new entrepreneurs to FaB.

"Just their website alone, there's just a wealth of information there," she said. "We're all in the same industry, so we're all having the same struggles. Everyone wants to see the business succeed because they truly know how much time, effort and resources go into starting a business." n

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