



# EXPLORATORY RESEARCH STUDY ON SHARED USE COMMERCIAL KITCHEN IN INDIANAPOLIS

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## 1. Executive Summary

This document provides a detailed analysis and study of shared use kitchen if has to be setup in Indianapolis considering the demand and supply of this facility. It covers initial understanding of shared kitchen, factors affecting setup of shared kitchen and its study in context of Indianapolis as location. Detailed analysis on demand side is carried out by studying monthly and annual events at Indianapolis pointing towards economic and geographic feasibility of opening a shared kitchen in Indianapolis. In order to widen understanding, the supply side is analyzed by studying existing shared kitchen facility in Indianapolis and their geographic distribution. This helps to arrive at the best recommended location and key favoring factors supporting the setup of shared kitchen in that location.

## 2. About Shared Use Commercial Kitchen

A shared-use kitchen, also known as a commercial kitchen rental, is a licensed and inspected facility that is designed for multiple food entrepreneurs to use. This facility supports the food entrepreneurs by providing commercial grade equipment (like stoves, oven, refrigerator, freezer etc.), a dedicated food preparation and storage space, the flexibility to rent by hour/day or week which is cost effective and a facility that meets all health code regulations to prepare food for sale.

It is mainly used by food truck operators who want to prepare food in advance for events or sales, Restaurant startups to test recipes, and fulfill initial orders and Caterers to Prepare food for events without needing a dedicated kitchen<sup>[1]</sup>. The key benefit is Reduced overhead costs involved in setting up infrastructure for opening a standalone kitchen and scalability wherein the users can adjust their usage based on business needs.

## 3. Key Factors affecting the setup of Shared Use Commercial Kitchen

There are many factors that influence <sup>[2]</sup> the decision of whether and where a shared kitchen must be setup. Following are the key factors identified that impact the decision making:

Demand and Market Saturation	Location and Accessibility	Target Customer Base	Additional Considerations
<ul style="list-style-type: none"><li>• <b>Thriving food truck industry concentrated in specific area</b> creates a demand for shared-use kitchens where food truck operators can prepare and store food</li><li>• <b>Strong restaurant startup</b> scene in the city</li><li>• Areas with <b>limited options</b> might be prime locations for new shared kitchens to fill the gap</li></ul>	<ul style="list-style-type: none"><li>• <b>Proximity to Foodie Hubs</b> having high concentration of restaurants, cafes, and food-related businesses providing ease of access to customers</li><li>• Locations with <b>easy access to major roads or highways</b> that enable efficient transportation of prepared food</li><li>• Areas with <b>lower commercial rent and property costs</b> are more appealing</li><li>• <b>Zoning regulations</b> might restrict the operation of commercial kitchens in certain areas</li></ul>	<ul style="list-style-type: none"><li>• Shared-use kitchens might cater to a <b>specific customer base</b> like a kitchen might be designed for <b>bakers</b> or focus on providing <b>incubator space for small catering businesses</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Availability of the physical infrastructure</b> to accommodate a shared-use kitchen (ventilation, plumbing, electrical capacity) can influence location choices. Existing buildings that can be converted readily would be better choice</li><li>• <b>Adequate parking Availability</b> is often crucial for shared-use kitchens, especially those catering to food trucks or businesses requiring frequent deliveries.</li></ul>

## 4. About Indianapolis Food Scene

The Indianapolis food scene is **Booming and Diverse with range of options**<sup>[3]</sup>, from upscale restaurants and **trendy food trucks to local favorites** and ethnic cuisines like Little Taste of Ethiopia. There has been increased focus **on Farm-to-Table** with an emphasis on fresh, local ingredients (like Taxman Brewing Company that partners with nearby farms) and **Food Truck Culture**<sup>[4]</sup> with frequent events and gatherings throughout the city.

Indianapolis has a growing startup culture, with initiatives and resources available for aspiring entrepreneurs with programs like **Indylicious Incubator** that provides mentorship, workspace, and resources specifically for food startups in Indianapolis. **Shared-Use Kitchen Options** like **Haughville Shared Kitchen** and **Indy's Kitchen** offer affordable space and resources for food businesses to launch and grow. Zoning regulations in Indianapolis can vary depending on the specific location.

The Interstate highways like **I-65, I-70, and I-465** provide easy access within the city and connect Indianapolis to other major metropolitan areas. Moreover, the **Rental costs** in Indianapolis are generally **lower** than the national average, making it a more affordable location for startups compared to some other cities.

## 5. Exploratory Research Study

In order to conduct research study of distribution of shared use kitchen in Indianapolis we will analyze the supply and demand of these shared used kitchen. This will help to better understand the economic and geographic feasibility in setting up shared kitchen.

### 5.1 Shared Use Kitchen Demand Analysis

In order to study the demand following analysis is conducted

1. Events happening in Indianapolis where food trucks participate along with their location and frequency are identified and studied
2. Locations where there is major concentration of food trucks are identified

Basis the online resources a list of events<sup>[6]</sup> that happen in Indianapolis where food trucks participate along with their location along with frequency of these events has been captured below. This list also captures the schedule of events, the location, approximate footfall and food trucks that have participated in the past. Past data has been taken as reference point to capture this detail

Monthly events at Indianapolis

Event Name	Category	Event Type	Date (Past Event)	Location Details	Food Trucks participated in past
First Friday - Fountain Square	Art Walk, Live Music	Monthly	6-Oct-23	Fountain Square Cultural District	Cupcake on Wheels Indy, Yoki Taco, Grub House on the Go
Food Truck Mondays at White River State Park	Food Trucks	Monthly	Every Monday (May-September)	White River State Park	Stacked Burger Bar
Broad Ripple Farmers Market	Market	Monthly	Every Saturday (Year-Round)	Broad Ripple High School Parking Lot	Big Hoffa's BBQ, Cupcake on Wheels Indy

Larger annual events at Indianapolis

Event Name	Category	Event Type	Date (Past Event)	Location Details	Food Trucks participated in past	Footfall range
Breweries - Trivia Night (Taxman)	Entertainment	Varies	21-Sep-23	Taxman Brewing Co. (Fort Wayne Ave)	Nacho Mama's Food Truck, Condado Tacos	100-1000 people depending on weekend or weekday
Flanner House Art Fair	Art Fair	Yearly	September (Exact Dates Vary)	Flanner House (1301 Flanner Street)	The Wandering Sage, Cupcake on Wheels Indy	1,00,000 people in 3 day event
Indianapolis 500	Sporting Event	Yearly	May 28 (Typically Last Weekend in May)	Indianapolis Motor Speedway		75000 people attended in 2023
Gen Con	Gaming Convention	Yearly	Typically Late July - Early August	Indiana Convention Center		60,000-80,00 in recent years

Following analysis can be drawn after studying the above list:

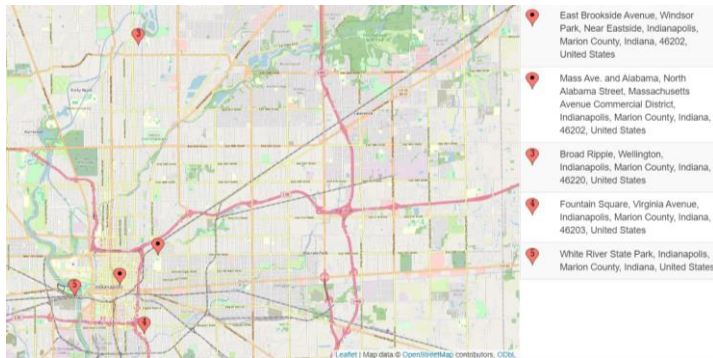
- An average count of 58,000 people can be considered visiting these kind of large annual events. Considering the possibility of minimum of 5% to maximum of 30% of the visiting population actually visiting a food truck to buy food. We get count of minimum 3000 to maximum of 17000 people visiting food trucks.
  - Pricing an average food item at \$15 – the food truck owners can earn minimum of \$43,000 to maximum of \$2,60,000.
  - Assuming this revenue is divided across by 5 different food trucks; an individual food truck would make sales of \$8000 to \$50,000 by participating in this event.

This helps us conclude the viability of such food trucks to use shared kitchen to prepare and store their food for such large-scale events. Since average monthly membership<sup>[10]</sup> cost for using shared kitchen would range between \$250-\$2000 with basic amenities and the revenue earned is far exceeding this cost.

- There are majority events been conducted around the Broad Ripple Avenue<sup>[7]</sup>, Indiana State Fairgrounds, White river state park and the Indianapolis downtown area where the food trucks are participating. Thus, these locations could be prime spot for a new shared kitchen scouting for location to setup facility.
- It can also be noted that throughout the year there are good number of events happening especially around May to September being the peak months. This indicate for the shared use kitchen that these months would be peak usage time when the maximum business revenue can be earned.
- There are only handful of events specifically focused for food trucks; however there is majority of events belonging to art and cultural fairs category. Thus providing scope to food truck operators to function in these kind of events. This also indicates that the shared use kitchen owners must work closely with art and cultural organization and communities so that food truck operators participating in such events can reach out to them.

Exploratory research is conducted to identify prominent areas where there is frequent food truck activity thus indicating high concentration<sup>[8]</sup> of food truck. Below are the key locations in Indianapolis identified

#### Map indicating exact location



- **Central Business District (CBD):** Lunch crowds and events like First Fridays (<https://www.circlecityind.com/first-friday>) draw food trucks to this area.
- **Mass Ave.:** This trendy corridor with bars, restaurants, and breweries often features food trucks, especially during evenings and weekends.
- **Broad Ripple:** This lively neighborhood is known for its arts scene and nightlife attracts food trucks, particularly for events like the Broad Ripple Art & Music Fest.
- **Fountain Square:** It has a vibrant atmosphere with frequent events like the Fountain Square Music Walk, attracting food trucks.
- **White River State Park:** During warmer months, this park hosts "Food Truck Mondays," a recurring event featuring multiple food trucks.

Thus the shared use kitchens can certainly target the above locations for opening up new kitchen considering the ease of access to food truck operators and proximity to the key events

## 5.2 Shared Use Kitchen Supply Analysis

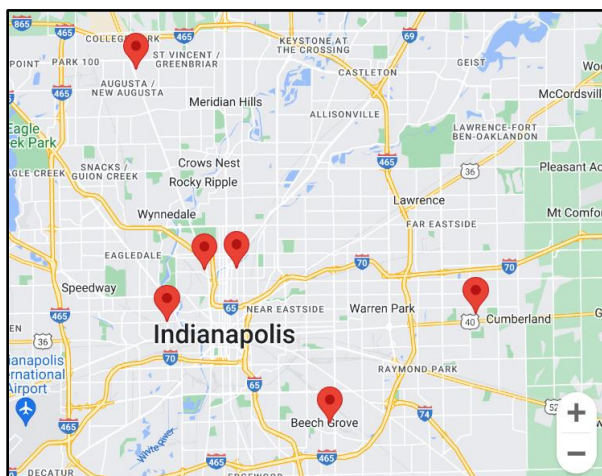
In order to study the supply of shared use kitchen in Indianapolis we can analyze the

1. List of existing shared use kitchen and their geographic distribution
2. Identifying those shared kitchen with focus on food truck

Below is the list of shared use kitchen and the ones highlighted in blue denote those shared use kitchen that have prime focus on food trucks<sup>[9]</sup> and identify themselves as food truck friendly

Sr No.	Shared-Use Kitchen	Location	Benefits to food truck owners	Websites
1	The Cooking Station Indy	8329 Michigan Rd., Indianapolis, IN 46268 (northwest side)	- Open 24/7 - Designed and priced for small culinary businesses -identifies as food truck friendly	<a href="http://www.thecookingstationindy.com/">http://www.thecookingstationindy.com/</a>
2	Haughville Shared Kitchen	2108 W. Michigan St., Indianapolis, IN 46222 (Haughville neighborhood)	- Three complete kitchens and a D4 corner - Additional space for tastings/classes - has parking facility -flexible payment model - pay as you go/one time use/monthly/six monthly /annually -supports food truck operators	<a href="https://www.haughvillesharedkitchen.com/">https://www.haughvillesharedkitchen.com/</a>
3	Indy's Kitchen	2442 Central Ave, Indianapolis, IN	- 24/7 access - Caters to food businesses of all sizes -event space available -identifies as food truck friendly	<a href="http://www.indyskitchen.com/">http://www.indyskitchen.com/</a>
4	Kitchen Corner Commissary	Beech Grove, IN (not directly in Broad Ripple, but close)	-flexible payment model - pay as you go/one time use/monthly/six monthly /annually -identifies as food truck friendly	<a href="https://www.kitchencorner.biz/">https://www.kitchencorner.biz/</a>
5	Flanner House Kitchen	2424 Doctor MLK Jr St, Indianapolis, IN	- Complete kitchen for rent - Additional storage options	
6	Stargazer Enterprise Inc	10202 E Washington St, Indianapolis, IN 46229, USA	-affordable rates -identifies as food truck friendly	<a href="http://www.stargazerinc.net/">http://www.stargazerinc.net/</a>

Their geographic distribution is indicated below



Analyzing shared kitchens located closely to the events identified; it is found that below shared Kitchens have maximum proximity to the key locations near to the events

- **Indy's Kitchen** is the closest option to **Central Business District (CBD)**: While no shared kitchens are listed directly in the CBD. It's about a 1.5-mile drive from the center of the CBD.
- **Haughville Shared Kitchen** is the closest option for **Mass Ave**, situated about 2 miles away.
- **Kitchen Corner Commissary** is not directly in Broad Ripple, but it's the closest. It's approximately 3.5 miles away to **Broad Ripple**

Below areas can be **prospective location to setup** a new shared use kitchen as there are **no Listed Shared Kitchens** in this area or in the immediate vicinity.

- Fountain Square
- White River State Park
- Indiana State Fairgrounds

## 6. Key Recommendation

The best location to setup a shared kitchen would definitely be firstly the one which has limited options and has multiple advantages basis which **Fountain Square** area is being recommended to FoodX for setting up the shared kitchen.

Following favorable factors are the key considerations indicating the feasibility of setting up a new shared kitchen at **Fountain Square**:

1. **Vibrant Atmosphere:** Known for its arts and cultural scene, nightlife, and frequent events like the Fountain Square Music Walk. Setting up a shared kitchen here could attract potential customers for food trucks and chefs using the kitchen.
2. **Less Competition:** Absence of no existing shared kitchen facility in Fountain square is major advantage of this location
3. **Proximity to Downtown Indianapolis:** Being close to downtown Indianapolis makes Fountain Square easily accessible for both locals and tourists. This can potentially increase foot traffic and draw in a larger customer base for shared kitchen.
4. **Less seasonal dependence:** This location thus also doesn't have much dependence on seasonality of events as there are already existing restaurants and food chains which could make use of this type of shared kitchen indicating stable profitability
5. **Existing Demand:** Food trucks already frequent the area, suggesting a potential customer base for prepared food as well.
6. **Community Focus:** A shared kitchen could be seen as a positive addition to the the neighborhood known for its tight-knit community. Establishing a shared kitchen in Fountain Square may benefit from strong local support potentially attracting local chefs and entrepreneurs encouraging community engagement and loyalty.
7. **Diverse Culinary Offerings:** Fountain Square hosts a variety of restaurants and eateries, showcasing a diverse culinary landscape. A shared kitchen here could tap into this diversity, attracting different types of culinary professionals.
8. **Parking:** Limited Parking can be an initial challenge in Fountain Square, that can be resolved through shared parking agreement by collaborating with nearby businesses with underutilized parking lots after business hours or on weekends to offer designated parking spots for kitchen users at a reasonable fee.



## 7. Future Scope of Work

1. Detailed cost benefit analysis of the top 3 best locations to setup a shared use kitchen to get better understanding.
2. Comparative study of the shared use kitchen setup in other cities in United States to establish benchmarks and reference points.
3. Detailed study of customer segments besides the food trucks to understand their needs and requirements in order to cater to larger customer base contributing to profitability of shared kitchen.

## 8. References

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