

Economic Development: What's in it for Food Manufacturers?

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Fairfield, Calif., located halfway between San Francisco and Sacramento, is home to some of the world's top name-brand food manufacturing companies, including the Jelly Belly Candy Company. The candy manufacturer has its headquarters in Fairfield on a 35-acre campus. The company makes 16 billion jelly beans a year in over 50 flavors and sells them worldwide.

Jelly Belly moved to Fairfield almost 30 years ago because its Oakland, Calif., plant, 35 miles away, could no longer keep up with demand. In 1986, the company built a 100,000-square foot plant in Fairfield, and over the years continued to buy surrounding land. Today, Jelly Belly has 485,000 square feet on its campus and is one of the city's largest employers with 461 employees. Its factory tour is one of the nation's top visitor attractions for families, drawing half a million visitors a year to what is largely a manufacturing plant.

Available space was a key reason for Jelly Belly's decision to locate in Fairfield. The city, with a population of 107,684 and 36.7 square miles in size, also has assets in addition to available space that attracted the candy maker, and continues to attract numerous food manufacturers.

Other food manufacturing facilities located in Fairfield include Abbot Nutrition,

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makers of Similac, Pedialyte and other nutritional products; Sepay Groves Olive Oil, which creates and bottles olive oil; and Engelhart Gourmet Foods, makers of sausages, including traditional German and gourmet poultry sausages with brands such as Schwarz, Home, Le Pique Nique, and Leon's BBQ.

Guittard Chocolate Company, the oldest continuously family-owned chocolate company in the nation, has its distribution, warehouse, shipping, and repacking operations in Fairfield. It has been gradually migrating some of its manufacturing to the city from Burlingame, California, 50 miles away.

In addition, Columbus Salame, a San Francisco manufacturer of dried sausage and deli products since 1917, recognized the value of a Fairfield location and in 2005 purchased 17 acres of land, which is being held for future use.

Another of the city's assets that appeals to food manufacturers is excellent transportation access to ports, rail and airports. The city is bisected by Interstates 80, 680 and Highway 12, making it a good trucking zone and allowing companies to easily move their products on north-south and east-west corridors.

Further enhancing Fairfield's accessibility is the fact that city leaders created new industrial business parks and redirected a local highway from the city's downtown to its perimeter in order to provide easy access to those parks. Another area of the city's infrastructure includes state-of-the-art sewer and water systems, with capacity for build out. The water supply is of high quality and plentiful, a rarity in drought-stricken California, and of such importance to food manufacturers that it's expected to draw more companies to Fairfield's food cluster. The city currently has 100 available acres in its Solano Business Park where Jelly Belly and several other food companies are located and an additional 100 acres throughout the city.

Another factor that appeals to food manufacturers is less expensive prices for commercial and industrial space compared to the surrounding Bay Area. There's a large, well-qualified workforce made up of a dynamic, young population of 48,400 men and women with more than 1.1 million workers available within a 30-mile radius. Solano Community College in Fairfield offers a mechatronics certificate program that produces job-ready students with technical skills able to handle complex maintenance and operations tasks required in manufacturing. City officials are accessible, very supportive of manufacturing and have a streamlined permitting process. This allows for reduced development review and processing times, making it as quick and easy as possible to build a plant. Those elements influenced snack food manufacturer, Calbee America, Inc., a Japanese snack food manufacturer that makes Snapea Crisps, Shrimp Flavored Chips and Lentil Snaps, when it was searching for a site in 2006 to move its 10,000-square foot Sebastopol plant located 45 miles away in Sonoma County. Calbee's president at the time, Masanori Yasunaga, said he looked at sites throughout the San Francisco Bay Area, from north of Santa Rosa and south to Fremont, a distance of approximately 75 miles, and chose Fairfield because its location near major freeways offered a good distribution point.

In 2007, Calbee completed construction on a 40,000-square foot facility, four times

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larger than its plant in Sonoma County, and offering the ability to expand by 35,000-square feet. In interviews following his move to Fairfield, Yasunaga said his decision was influenced by the excellent transportation access, and consistently noted that the city's water quality and supply, a critical element in the manufacturing process, influenced his decision to move to Fairfield.

Just as city officials were forward-thinking in creating easy access to business parks, so were they farsighted about expanding the water infrastructure to ensure capacity for Fairfield's residents and businesses. Anheuser-Busch built a brewery in the city in 1976, and that was the driving force for the investment in the water infrastructure.

Fairfield created a partnership with the neighboring city of Vacaville, resulting in the 1990 opening of the city's second water treatment plant, North Bay Regional Treatment plant, with capacity for both cities. The first plant, Waterman Water Treatment plant, was built in 1975 and modernized in 2010, almost doubling its capacity from 16 million to 30 million gallons per day (mgd) and integrating new technology into the treatment process.

As important as it is to recruit food manufacturers to the city, Fairfield's economic development team also realizes the value in business retention and commits itself to visiting business leaders on a regular basis. The goal is to provide them with critical information about programs through which the city can provide assistance and incentives, including its business loan program, availability of financing for building fees and sewer fees, its sales-tax rebate program for qualified businesses, utility incentives and workforce training programs offered by the State of California. One of those programs, ETP, is a state-funded employee training assistance program that provides funds to businesses to offset the cost of employee training. The program works to ensure that businesses will have the skilled workers they need to remain competitive. The Governor's Economic Development Initiative (GEDI) is another program of which the city keeps businesses informed. It includes sales and use tax exemptions, new employment tax credits and income tax credits.

Fairfield officials see a bright road ahead for its food manufacturing cluster because of a business-friendly environment, available space to attract additional businesses, its impressive list of attributes, especially an ample supply of water, as well as state programs to help employers develop skilled, competitive workers. All these elements combined make the city's economic development team confident that the food manufacturing industry is a niche that will continue to help the city grow and thrive into the future.

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