# WORK SESSION OF THE

**BRIGHAM CITY COUNCIL FOR**

**PRESENTATION BY NATURE FOOD PRODUCTS**

**AND**

**REVIEW OF ACADEMY SQUARE PROJECT AND REVIEW OF BIDS**

**DECEMBER 5, 2013**

**5:30 PM**

PRESENT: Dennis Fife Mayor

Scott Ericson Councilmember

Ruth Jensen Councilmember

Brian Rex Councilmember

Mark Thompson Councilmember

Tyler Vincent Councilmember

DJ Bott Councilmember Elect

Tom Peterson Councilmember Elect

ALSO PRESENT: Jim Buchanan Emergency Services Director

Mary Kate Christensen City Recorder

Jared Johnson Building Official

Paul Larsen Economic Development Director

Kristy Law Recreation Manager

Tyler Pugsley Public Works Director

Jason Roberts Finance Director

Paul Tittensor Police Chief

**Presentation by Nature Food Products**

Mr. Larsen came forward and introduced Johnny, Michael and Steven Lau from Yosemite Meat Company in Modesto California.

Mr. Michael Lau came forward and gave a history of their company. His father started with a small butcher company in 1981. They have expanded their business to wholesale markets to deliver to ethnic markets throughout San Francisco, Sacramento and Southern California.

In 1991 the place where they purchased hogs closed down so they purchased a plant and expanded to harvesting. They have expanded to become one of the top 25 U.S. pork processing companies. They only do pork at this time, but they distribute everything.

They employ 160 people at the plant. Of these, 52% have been with them over five years; 22% have been with them for 10-21 years. They are a small business and try to treat their employees like family.

They are very dedicated to the community and give a lot to Red Cross, Japan aid for the tsunami, local FFA and 4-H and are heavily involved in local colleges.

They are now looking at a new venture called Nature Food Products. After a long search, they are now trying to building in Brigham City. Their potential location is at Watery Lane and West Forest. They plan to do the development in three phases.

Phase I would be the swine harvest facility. They plan to process 2,000 hogs per day with a potential for 3,500 hogs per day. Their goal is to ship their products to California and other western states. Some people may think that meat production is a bad work environment. He said it may not be the most glamorous job but they try to keep their company as clean as possible. This is because they want to produce a safe, high quality product and maintain worker safety.

They will employ 120+ people in the area. They hope to be the first fully transparent facility in the United States and try to change the stigma of the meat industry.

During their second phase they hope to add a processing room to process carcasses into wholesale and real products. This phase will add 60-80 individuals.

The final phase will be advanced meat processing, such as bacon and sausage. This should employ an additional 60-80 employees.

By the end of Phase 3 they will have 250+ employees with up to $10 million in total salaries. They expect an additional 500-1,000 in support industry employment. There will be an economic impact of over $190 million and over $3 million state revenue.

Mr. Lau said he understands that people have concerns with meat processing plants. He addressed each of those issues.

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Odor - there are many things that can be done to mitigate odor.

* No plans for rendering
* No inedible products stored for more than 12 hours
* Full enclosed livestock handling, air circulation
* No on-site livestock truck wash
* Animal evacuation plan

Utilities

* Water reclamation potential
* New efficiencies in processing
* Waste water treatment

Trucking

* Close proximity to highway; preferred route Watery Lane
* Infrastructure improvements

Humane Handling

* Focus on quality; the better an animal is treated the higher quality
* New technology
* Expert advice

Wages

* Expected 25% in management
* Engineers and drivers
* Expect to meet the county average

Benefits

* Health and dental insurance
* Life insurance
* 401K
* Bonuses
* Worker Safety

Mr. Lau continued that there is also the potential of a gas station/convenience store development on the corner of West Forest and Watery Lane. It will be separated from the meat processing plant with trees and landscaping.

Mr. Lau opened it up for questions from the Council and audience.

DeAnna Hardy, County – Ms. Hardy was concerned about bringing industry into Utah because it is the second driest state in the country. With more industry and more people moving in there will not be enough water to sustain everyone.

Mr. Lau said they have been working with Public Works on the amount of water they will use. If the City is not able to provide the water they need, this location will not be viable.

Becky Maddox, Brigham – Ms. Maddox asked how long their company has been in businesses. Mr. Lau said they have been in business since 1981.

Don Dunbar, Brigham – Mr. Dunbar asked about resurgence at the plant. Mr. Lau replied that they have discussed this with the waste water treatment operator and what they would require.

LuAnn Adams, County Commissioner – Ms. Adams said a lot of people have asked her if this company will use local trucking companies. Mr. Lau replied that they will. They will use as many local vendors as they can.

John Coleman, Brigham – Mr. Coleman was concerned about stories he has heard about processing plants in other parts of the country where the local shellfish population was greatly affected. He added that he had some experience working on the floor of a pipe welding company. They decided they would bring in some people from Louisiana and one of the first things one of the people asked was where they could get drugs. Mr. Lau responded that they do not discharge the waste water into the ground at all. Also, he realized that labor is a big issue and there is a lot of stigma about meat processing plants bringing bad people into the area. This is not true. They have a vigorous screening process. If they do not have good, hardworking people accidents happen. They will try to hire as many local employees as possible. They have zero tolerance policy on anything.

DeLoy Mecham, County – Mr. Mecham said he has worked with Johnny Lau for some time. There is no greater person than him. He has more patience than anyone he has ever met. He told his family that he would welcome them in his home anytime. He lives a half mile from where they want to build their plant and it doesn’t bother to him at all. It’s the best thing that could happen to this area.

Haven Hendricks – Mr. Hendricks works for the Utah Pork Producers Association. Pork producers are excited to have a pork processing facility in the area. About 50 years ago Troy Miller had a plant in Hyrum. When they sold out, they eventually closed that plant because they did not have the experience in the west on how to market their products. Mr. Hendricks said he has sold pigs to Johnny Lau 15 years ago and he is a quality person and has a quality family. They do things the right way. This was exemplified when they went to the Box Elder County Fair and bought some of the 4H pigs. Pork producers in Utah are excited to have this opportunity because since they lost their markets, pigs now have to be shipped to Idaho, California, Iowa or Kansas. In many cases this costs $45 a head. This will be a big boom for pork production in Utah. He added that Utah raises 1.2 million pigs and is ranked 14th or 15th in swine production in the United States.

Frederick Kluss, Brigham – Mr. Kluss said he has been told that in Stanislaus County where the Lau facility has been located for a number of years, no one has reported any type of odor problems or any emissions to the air quality. He asked Mr. Lau if this is true. Mr. Lau verified that this is true for their facility.

Leslie Robison, Brigham – Ms. Robison asked what happens to the pig excrement. Mr. Lau explained that there is very little. They have a plant schedule for when they are taken off feed. They have a very strict sanitation process between when they unload from the truck to processing. Everything is washed away and filtered out. Most of the excrement in the trucks will be washed out away from the facility. The only way the excrement gets smelly is if it sits and gets composted. Ms. Robison asked where most of the pigs will come from. Mr. Lau said a large percentage will come from Utah and others from Montana, Arizona and Idaho.

Sharlett Mason – Ms. Mason asked where the rendering products will go and where the truck wash will be located. Mr. Lau replied that the rendering products will go south of Salt Lake City. They have been working with L.W. Miller to put in some washes on some of their properties. There will be a number of washes.

Katie McFay – Ms. McFay works for the Bear River Migratory Bird Refuge. She asked Mr. Lau to confirm that the trucks will not be exiting off of Exit 363. Mr. Lau said they are working with the City and traffic flow because there needs to be some infrastructure improvements. They prefer the backside of the building. They do not plan on using Exit 363.

Stan Summers, County Commissioner – Mr. Summers said it has been a process to try and get this company in Box Elder County. There are people looking at western Box Elder County that will spin off from this. L.W. Miller has been hauling for the Laus for over 30 years, which is one of the reasons they looked in this area and also because of the workforce. When La-Z-Boy went out of business 160 people took the meat cutting class at Utah State. They are a great family and a great company. He added that Box Elder County is an agricultural community.

DeAnna Hardy, County – Ms. Hardy expressed concern with locating the plant inside City limits. She suggested putting it in the agricultural area developed by the County or further west by Little Mountain. She has been reading a report about Smithfield’s Foods, the largest pork producer and processor in the United States. It was purchased for $4.72 billion by someone in China. There have been a lot of problems with food coming from these processing plants. The dog and cat treats caused a lot of illness. There were 2,200 complaints and 365 cats have died. On August 31, 2013 the USDA Food Safety and Inspection Service lifted its restriction on import of process poultry from China for human consumption. She was concerned that the government is lessening the restriction on our food supply. She asked Mr. Lau if this means the meat will be produced here or if it will be shipped to China and then come back.

Mr. Lau said all the products will be produced, processed and sold here. Nothing will be sent overseas. He said he has a background in food safety and finds these reports interesting. Most of the food products that came from China were pet food from Shumway. They were recently merged with Smithfield’s Foods who produce products in the U.S. for U.S. consumption. They have very little exporting. China has their own regulations and the U.S. has their own regulations. The U.S. statistically samples all products that come through port. The system seems to be very satisfactory in keeping consumers healthy.

Mr. Lau also responded to Ms. Hardy’s comments about location. He said they did a lot of searching for property. There are some problems with locating further away. One is freeway access and the other is utility hookup.

Pauline Simonsen – Ms. Simonsen asked what will keep Nature Food Products from developing a rendering plant in the future. Mr. Lau said the main reason is because they do not know anything about rendering and it is not a business they want to get into.

Roger Fridal, Mayor of Tremonton – Mr. Fridal said he has had some experience with this company and said there are no issues. It is a great company.

Kathy Price, Brigham – Ms. Price said she is glad people do not have the attitude they did in Tremonton. She and her husband and children own Premium Meat Company. It is dirty and messy and is not rocket science. However, everyone likes bacon and meat. It is nice to see community support. She hoped they can work with Mr. Lau and welcomed them to the City.

Councilmember Thompson said he and others toured the plant in Modesto and it was very clean. There was no offensive odor at the plant and they discussed odor concerns with surrounding companies and there was no concern with them. He also said the employees know how to work and care about what they are doing. He felt that the Laus control who they employ. He felt very comfortable having them locate in Brigham City.

Councilmember Vincent said he also toured the plant and said he could learn a lot from the Laus with his own business. They run a very organized business. As a business owner he was very impressed with how clean their facility was and how professional they were with their employees. The tour group went through the process from start to finish. It is a very clean process and they are very professional. He noticed how happy their employees were and how hard they worked. He noticed how well groomed they were and how well they interact with one another. He could not smell anything from the parking lot. When they walked to where the hogs were staged before processing, he was six feet from the pens before he could get even a scent of an animal. He was impressed with how humane they are in their process. They drove throughout the community and asked people about the plant. The only complaint they heard was about the company that was there before them. Everyone said there was no scent coming from their plant. The jobs are not low income jobs and will compete with Autoliv and other companies in the County.

**Review of Academy Square Project and Review of Bids**

The Council did not review bids because the deadline to receive bids was extended a week. The Council set a special meeting for Thursday, December 12 at 5:00 to review bids. *[This was later cancelled.]*

Mr. Larsen gave an update on the Academy Square Project. The Letter of Credit for the REDLG loan was finally approved and accepted by USDA. The City is working with the developer to tailor the deed of trust to take advantage of the deferral period USDA allows. Once this is done they will be ready to sign the trust deeds so the City has the collateral and sign the loan agreement. After this, funds will be transferred. It is hoped the groundbreaking will be in January 2014.

The meeting adjourned at 6:55 p.m.