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Koch Foods expansion moving forward

By Eric Robinette

FAIRFIELD — The planned expansion of Koch Foods is not only going forward, but ground broke on the project Monday.

The project had been delayed due partly to an increase in grain prices brought on by last year's drought, Koch spokesman Mike Lazarus. However, the project is on again and due to bring nearly 400 jobs to the city by the time the project is completed.

"Everything is back on track," Lazarus said Tuesday. Company officials had not been available for comment until Tuesday morning.

The project, announced last July, calls for a 170,000 square-foot addition to the existing 185,000 square foot plant. Koch Foods plans to spend \$45 million on the project to retain the 800 jobs already at the facility, and to add at least 390 more jobs within the next three years, the company had said.

"There's been a significant shift in the agricultural market over the past six months. We've had some relief on the pricing side of the feed," Lazarus said.

Greg Kathman, the city's economic development manager said that the project is moving forward, but the part that's under way now is the smaller support services section. The larger portion, encompassing the coolers and freezers, has not begun yet, and that's where most of the job creation is, he said.

Lazarus said Kathman was correct, but that is because support systems have to come first.

"There has to be support before the manufacturing can be up and running," he said, adding that timetables for completing various phases of the project, and the respective employment numbers for each phase, were not immediately available.

Koch has more than 20 facilities nationwide, supplying chicken to such companies as Kroger, Steak n' Shake, Sonic, Ruby Tuesday and many others. It does business in six states, including Mississippi, Alabama, Georgia and Illinois.

The City of Fairfield is providing a 75 percent property tax incentive, and area schools will also benefit from the expansion. Fairfield City Schools will receive \$42,600 per year over 10 years, and Butler Tech will receive \$1,300 annually over 10 years. Despite the initial delay, those agreements have not changed, Lazarus said.

Councilman Jeffrey Holtegel had said the Koch expansion accounted for 80 percent of the job creation in the next three years.

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