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Real Estate

Warehouses are a boon for a rural South Jersey town better known for its sweet corn, tomatoes, and peaches

With cold-storage capacity at a premium and demand for fresh foods growing, Vineland is seeing a flurry of new and expanded warehousing.



Michael A. Levari Sr.'s companies are major providers of cold-storage services in Vineland. "We're building another 120,000 square feet as we speak, and we're not done yet," he said. ALEJANDRO A. ALVAREZ / Staff Photographer

by <u>Kevin Riordan</u> Updated Jul 27, 2022

Long known for its sweet corn, tomatoes, and peaches, Cumberland County, N.J., also is producing an abundance of cold-storage warehouse space, as well as food processing and packaging facilities.

Eleven such construction or expansion projects — including an oat milk plant in Millville, a commercial dairy in Bridgeton, and a hydroponic leafy greens-growing facility in Vineland — have been reviewed by the county planning board in the last 18 months. Ten cold storage warehouses operate in Vineland alone, and many are locally owned, city officials said.

"In 2021 we built 115,000 square feet. We're building another 120,000 square feet as we speak, and we're not done yet," said Michael Levari Sr. a Vineland native whose two companies, First Choice Freezer and Cold Storage, and M&O Freezer and Cold Storage, are landmarks on North Mill Road in the city.

"The buildings we're building? They're not even done, and they're full," said Levari, whose companies employ 48 people, most of them local.



A forklift operator unloads a refrigerated truck at M&O in Vineland. ALEJANDRO A. ALVAREZ / Staff Photographer

Warehouse development is advancing south along I-295 and the New Jersey Turnpike as online retailers offer ever-faster fulfillment and the demand for fresh food grows. But <u>cold-storage</u> <u>space remains near capacity</u> on the East Coast.

Thus, Vineland — a sprawling and diverse city of 59,000 with two industrial parks and multiple exits on Route 55 — "is in a good spot," said Sandy Forosisky, the city's director of economic and community development.

Some warehouse proposals are generating fierce opposition in the more densely populated parts of New Jersey, including one <u>nevertheless approved last month</u> by West Windsor Township, Mercer County. Not so in 69-square-mile Vineland, the state's largest city as measured by land area.

"In Cumberland County, most warehouse development is happening in industrial parks," said Matthew E. Pisarski, the county's head of planning.

"Developers are rehabbing existing structures, or building adjacent to, or in proximity to similar land uses," he said. "The utilities are already there. Developers see [sites] that are ready to go. The source materials for value-added food processing are right here."

The port connection

Route 55 connects Vineland to the Walt Whitman Bridge and the Port of Philadelphia, also known as <u>PhilaPort</u>, where cargo container volume has grown steadily in recent years. In February, Gov. Tom Wolf announced <u>more than \$240 million for continued PhilaPort expansion</u>. The success of those expansion plans depends in part on the future availability of cold storage space in South Jersey and elsewhere in the Philadelphia region.

"People want to eat fresh food and seasonal produce and vegetables all year round, and we have built our network to handle perishables," said Sean E. Mahoney, PhilaPort's director of marketing.

"Fifty percent of our containerized cargo is refrigerated. We have to move cargo off the terminal as quickly as possible, and we can only do that with the sort of investments that Mr. Levari and others are making in South Jersey," Mahoney said.

Cumberland County is among the smallest (by population) and poorest of New Jersey's 21 counties. But it also has a workforce accustomed to the demands of agriculture and warehousing.

"We're a blue-collar community, and these are blue-collar jobs," said Kim Ayres, senior vice president at the Cumberland County Improvement Authority.

Progresso, the canned-soup company founded in Vineland by two Italian immigrant families in 1942, <u>was shut down by owner General Mills in 2017</u>, and more than 300 people lost their jobs.

But the Cumberland County-based <u>F&S Fresh Foods</u> purchased the plant, reopened it as a processing and packaging facility for snack fruits and veggies, and now employs more than 500, said Forosisky.

"It's cultural," said Ethan Byler, executive vice president of <u>Stanker & Galetto Inc.</u>, a construction company that has called Vineland home for 75 years.

"Vineland grew from agriculture and then went into processing and trucking and storing food," Byler said. "All that infrastructure is here."

Haile Perez, 37, is the married father of a young daughter and lives in Millville. He's worked as a truck driver and forklift operator for five years at M&O and likes "being with a company that's doing great" and expanding.

"It's a family-oriented place, and they treat me like family," Perez said. "We have a lot of local customers, and we're keeping business here in Vineland."



Sandy Forosisky, Vineland's director of economic and community development, and Michael A. Levari Sr., who heads cold-storage businesses in the area, at a warehouse under construction. ALEJANDRO A. ALVAREZ / Staff Photographer

A tradition of food innovation

Established as <u>a multi-ethnic colony of farmers in 1861</u> by <u>Charles K. Landis</u>, a South Jersey developer with a utopian streak, Vineland has a sturdy grid of broad boulevards, has <u>generated</u> <u>its own electricity</u> since 1899, and is home to one of the largest <u>cooperative produce auctions</u> in the Eastern United States.

Farming and food-processing innovations are something of a tradition in Cumberland County, where Upper Deerfield Township is home to <u>Seabrook Brothers & Sons</u>, a family-owned successor to <u>Seabrook Farms</u>, the company that helped introduce frozen vegetables to American consumers in the 1940s.

Food production and processing have thrived even as the massive glassmaking facilities that helped put Cumberland, Gloucester, and Salem Counties on the map<u>have disappeared</u>.

In 2018, Millville, a city of 27,000 just south and west of Vineland, attracted <u>Oatly</u>, the Swedish oak milk company, said Nick Catalana, general manager of <u>Innovation Foods</u>. The longtime family-owned firm partnered with Oatly to develop the first phase of the project; a second phase is set to open this fall.

Oatly's Millville operation represents a \$120 million investment by the partnership. It has already created 30 jobs and is expected to create 70 more positions, Catalana said.

The company's presence also creates opportunities for local contractors, suppliers, and vendors such as M&O, which handles "100% of their product," Levari said.

Ray Compari, Millville city administrator, has been talking to several developers of warehouse and food-processing facilities interested in locating in the James R. Hurley Industrial Park adjacent to the Millville Airport.Read moreALEJANDRO A. ALVAREZ / Staff Photographer

There are other synergies, as well; city administrator Ray Compari said an Italian meatprocessing company also is seeking to build a facility in Millville, where there is plenty of space available at two industrial parks served by rail and the city airport.

"The continued agricultural nature of South Jersey, and having a location [close to] Philadelphia, Wilmington, Baltimore, and the Shore, makes it a really good area to place these types of facilities [and] distribute product to a very large swath of consumers," said Nolan Lewin, executive director of the <u>Rutgers Food Innovation Center</u> in Bridgeton. The city of 24,000 is also the seat of Cumberland County.

The food innovation center was established in 2001 and provides technical and other assistance to several hundred businesses, including local start-ups and home-based enterprises, annually. The center helped the <u>Impossible Foods</u> company commercialize <u>its plant-based Impossible</u> <u>Burger</u>.

With <u>Schär</u>, the gluten-free Italian baking company, "we helped rebuild their recipe for the American palate and source local ingredients," Lewin said. Schär has since built a 50,000-square-foot commercial bakery in Swedesboro and created 100 jobs, he said.

Preserving farmland

Developers also have expressed interest in vacant industrial land, a portion of which has freight railroad service, along the 31-square-mile township's Route 77 corridor, Upper Deerfield officials said.

"We have interest because of our agricultural community," Mayor Jim Crilley said, adding that development will not occur "at the expense of our agricultural community."

About 22,000 of the 66,000 acres of farmland in Vineland have been permanently preserved from development. Ed Wengryn, a researcher with the <u>New Jersey Farm Bureau</u>, an 8,300-member trade organization, said the success of food processing and other agriculture-related businesses can help sustain farming.

"When you have businesses that use local products, add value to local products, and extend the shelf life of local products, it means more farmers will invest in growing these products," he said.

<u>Author</u> and local historian Patricia A. Martinelli, whose family goes back "several generations" in Vineland, said she is pleased to see her city and county's rich agricultural heritage creating jobs and otherwise leveraging sorely needed economic development. "A lot of folks need work," she said.

For farmer Kevin Flaim, concerns about weather and pests are nothing compared with the challenge of inflation this year. He's been farming for half a century, and operates his family's 400-acre R&R Flaim farm with his brother, Robert.

And although Flaim says he can see the value of more cold-storage warehousing in and around Vineland, as well as local food processing, he's concerned that for family farms — even in Vineland — the math may no longer add up.

"We're the only business that pays retail and sells wholesale," he said by phone Tuesday, while on a break from planting cauliflower. "Our costs for fertilizer and diesel are increasing 40% to 45% and 50%. It's rough."

Flaim, whose farm markets a number of products under its own Panther label, said he still enjoys the work.

"I like watching the product grow," he said. "But I missed my kids growing up, because of working. And I don't want to miss my grandchildren growing up."



Inside M&O Freezer and Cold Storage. "When you have businesses that use local products, add value to local products, and extend the shelf life of local products, it means more farmers will invest in growing these products," said Ed Wengryn, a researcher with the New Jersey Farm Bureau.