

# Allen Harim nixes planned Millsboro processing plant

Scott Goss and Brittany Horn, The News Journal 6:20 p.m. EDT October 30, 2015



(Photo: GARY EMEIGH/THE NEWS JOURNAL)

Allen Harim Foods has given up plans to open a new poultry plant in Millsboro, ending a multi-year effort that once promised 700 jobs but ultimately produced only legal battles with local environmental groups.

“Our company has a strategic plan that guides us in every decision we make, and we have concluded that our best course of action in Millsboro is to not process live chickens,” CEO Steve Evans said in a statement announcing the decision on Friday.

The South Korean company with a U.S. headquarters in Seaford said it plans to continue using the 470,000-square-foot former Vlastic pickle factory as a warehouse for packaging material and equipment while it looks for someone else to lease the property.

“Nothing major took place,” company spokeswoman Sylvia Nicholson said. “It was just strategic decision.”

While Allen Harim downplayed the reversal, local residents who had opposed the facility over environmental concerns claimed victory over the company – after months of failed attempts to stop the project in court.



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“This is encouraging because it sends out the message that communities do matter,” said Maria Payan, an organizer with Socially Responsible Agricultural Project. “Standing up for yourself and trying to protect the natural resources in Delaware – it can happen with organizing. Three cheers for neighborhoods.”

Dotty LeCates, who has lived near the factory for more than 40 years, said her retirement will be even better without the addition of Allen Harim’s chicken processing plant

“Even the governor doesn’t seem to realize if we don’t start protecting our natural resources, what is life going to be like,” LeCates said Friday. “But let me tell you, on this Indian River, we have some of the most gorgeous sunsets and it is picture perfect.”

The poultry producer first announced in April 2013 that it was looking to purchase the 107-acre property and convert the facility into a processing plant capable of handling up to 2 million small, “ginseng” chickens targeted to buyers in South Korea and Asian markets within the United States.

At the time, Gov. Jack Markell and other state, county and town officials praised the company’s proposal, which included plans to create hundreds of jobs and invest \$100 million in the plant near Iron Branch Road.

On Friday, a spokeswoman from Markell’s office directed questions about Allen Harim’s decision to state agriculture secretary Ed Kee.

“Every business has to make decisions about what is best for their customers and bottom line, and change those plans as necessary,” Kee wrote in a statement.

Despite the loss of 700 potential jobs, Kee said he is pleased Allen Harim will be using the Millsboro facility “to expand its footprint and operations in Delaware, and to maximize the productive use of that location with good tenants.”

For some, that proposal was seen as much needed economic development that would help the community recover from the loss of 130 Sussex County jobs that disappeared in 2011 when Pinnacle, owner of the Vlastic brand, consolidated its operations in Michigan.

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But for others, the idea of a nearby chicken processing plant raised concerns about odors, traffic and potential contamination to local waterways, among other objections.

More than 1,000 homes and two schools are located within a 2-mile radius of the 40-year-old plant.

"Back when the [pickle] plant used to be going, I used to have pickles float by my pier with vinegar," said Ken Haynes, who lives within 1,500 feet of the plant. "I used to call DNREC and get no answer ... by the time they would get down there, they're gone."

Before it closed, Pinnacle's pickle operation had run afoul of the state's Department of Natural Resources and Environmental Control (DNREC) for excessive nutrient discharge into an Indian River Bay tributary long rated as "impaired."

Initial tests at the site also detected unhealthy levels of lead and tetrachloroethene, or PCE, detected in groundwater under the site, along with chromium, nitrates and arsenic found in the soil.

Allen Harim promised to earmark \$10 million of its expansion budget to implement new technologies in wastewater and nutrient management. DNREC, meanwhile, agreed to designate the site as a brownfield, allowing the company to apply for up to \$225,000 in reimbursements to clean up the hazardous materials.

Local residents who opposed the plant on environmental grounds argued DNREC should insist Allen Harim pay for water-quality monitoring beyond the borders of the property.

Opponents of the plant formed Protecting Our Indian River and began working with Inland Bays Foundation Inc., Socially Responsible Agriculture Project, a group opposed to "factory" scale farming, and even national environmental and consumer advocate Erin Brockovich.

POIR first filed a lawsuit to overturn a land use exception granted by the Sussex County Board of Adjustment, arguing the board lacked evidence to support their finding and Allen Harim lacked standing to seek the exception.

A second suit followed that challenged an Environmental Appeals Boards' May 2014 decision to uphold DNREC's approval of the brownfield cleanup plan at the former pickle plant. That appeal was filed by Widener University Environmental and Natural Resources Law Clinic on behalf of POIR and the Inland Bays Foundation.

Superior Court Judge Richard F. Stokes rejected the first lawsuit in July, ruling the Board of Adjustment did not have to reach out to the Environmental Protection Agency or the Center for the Inland Bays before making its ruling.



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The second suit was dismissed in August when Stokes upheld Allen Harim's original brownfield cleanup plan approved by DNREC.

That ruling appeared to clear the way for the poultry producer to finally begin redevelopment of the site.



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Richard L. Abbott, the lawyer who represented the five plaintiffs in the first lawsuit, said he was surprised by Allen Harim's decision.

"Coincidentally, I was putting the finishing touches on our Supreme Court appeal," he said, adding that he has not received any official word from the company's attorney.

Haynes also he remained skeptical about the company's announced plans to give up on the Millsboro site after years of legal wrangling.

"Yeah, it's a good feeling but at the same time ... have i seen anything in writing? No," he said. "Over the two-and-a-half-year-period that we've been trying our best to stop this, we've been lied to by just about every agency, every government agency, so it's hard."

Allen Harim, meanwhile, appears to be turning its attention to convincing another company that the former Vlastic plant is deal worth taking.

"This is great economic development news for Sussex County," said John McClennan of Sperry Van Ness/Miller Commercial Real Estate, the Salisbury, Maryland-based broker hired to market the property.

"This is an extremely attractive large space that offers rail access, high ceilings, multi-loading configurations, high electrical capacity," he said in a statement, "and it's located in business-friendly Delaware."

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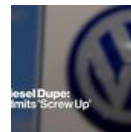
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