

## **Exhibit H – Operational Statement**

## Operational Statement Form

Please use this form to clearly explain the proposed project. This information will assist all individuals, departments and agencies in their review and drafting of comments, conditions, suggestions or recommendations. The goal is to facilitate an accurate and complete description of your project in order to avoid unnecessary delays in gathering additional information. If you have any questions about the requested information, please call Development Services at (559) 621-8277.

Note: If the Operational Statement is not submitted or if the submittal is illegible, unclear or incomplete, the review of your project will not be accepted for processing.

**Project Description:**  
General Plan Amendment, Rezone and Development Application is being submitted by Armen Devejian, Architect of Associated Design & Engineering, Inc. on behalf of Busseto Foods and pertains to 18.9 acres of property located at 2325 S. West Ave. Fresno APN: 477-030-20 / 477-030-21 zoned RS-5 with a planned land use of Residential, Medium Density.

The applicant is requesting authorization to:  
Amend the planned land use designation to *Employment - Light Industrial*, and rezone the property to *IL (Light Industrial)*.

The proposed development will consist of

\*\*\* Please see attached narrative, exhibits and descriptive materials (provided). \*\*\*

The existing site currently consists of vacant (undeveloped) with 0 existing parking spaces  
The proposed hours of operation are from to on See attached breakdown of days / times.  
Other facts pertinent to this project are as follows:

\*\*\* Please see attached narrative, exhibits and descriptive materials (provided). \*\*\*

- Project Narrative:** (communicate in detail all characteristics of your project; provide as much detail as possible; include basic information such as applicant/project name, business, product or service, anticipated traffic- customers, deliveries, etc., any special events, number of employees, required equipment, on-site storage, demolition or adaptive reuse of existing structures, noise generation, any hazardous materials, etc.)

APPL. NO. P20-04209 EXHIBIT O-1 DATE 01/04/2021  
PLANNING REVIEW BY DATE  
TRAFFIC ENG. DATE  
APPROVED BY DATE

CITY OF FRESNO DARM DEPT

## BUSSETO FOODS OPERATIONAL STATEMENT

October 2020

APPL. NO.	P20-04209	EXHIBIT	O-2	DATE	01/04/2021
PLANNING REVIEW BY				DATE	
TRAFFIC ENG.				DATE	
APPROVED BY				DATE	
CITY OF FRESNO DARM DEPT					

Busseto Foods is a manufacturer and marketer of Italian Style Specialty Meats, operating out of Fresno since 1981, when it began as Rapelli of California. Busseto Foods has operated since 1981 out of their location at 1090 West Church. Over the years the Busseto Foods business has grown tremendously, and now operates not only at 1090 West Church, but owns a Distribution Center and offices at 1351 N. Crystal Ave., and leases a Freezer for the storage of meat at 2413 S. Fruit Ave, which is on the Southeast corner of Church and Fruit. All three facilities play vital roles in the rapidly growing business that is Busseto Foods. The Project now being presented for consideration and approval is the construction of a state of the art, 475,000 sq. ft. facility that will encompass all activities under one roof. This facility will be among the largest of its kind in our industry, and will be a crown jewel for the southwest section of Fresno- complete with a fully developed, architecturally pleasing, fenced, security-controlled facility. The Project is located directly south across Church Avenue from the current operating facility at 1090 West Church. The site involves two parcels which are in the process of being merged. Adjacent parcels include a Ponding Basin directly to the South, Vacant, but farmed property to the East, our facility to the North, and an operating junkyard to the West. This Project does not support the General Plan, however through this Application we are going through a General Plan Amendment from Residential to Light Industrial. This important Project, however, will bring jobs, revenue, and an aesthetically pleasing facility to the Southwest portion of Fresno, while playing an important role in supplying our customers all across the United States, Mexico, and Japan with our products.

### History:

Some history of the Company is useful in understanding the full scope of the Project. Busseto Foods began as Rapelli of California, in May 1981. A Mr. Francois Vecchio, who's family operated a salami business in Switzerland called Rapelli, came to the United States wanting to start a salami company based on European traditions and technologies, and called the company Rapelli of California, and operated at what was then a 6,000 sq. ft. very small and antiquated, facility. Unfortunately, the business climate for "European Style" Salami was not favorable in the 80's, and in 1989, Mr. Vecchio sold the majority of the company to an Italian company called IBIS- located in a quaint village named Busseto. IBIS was managed by an Italian group who saw into the future that a company with roots to Italy could be of value to the US market, and vice versa- many of the meat products popular in the States could also have value in Italy and Europe. Although they could see a bright potential, the facility needed modernized and expanded, so the group took out an Industrial Development Bond, and built the companies first expansion, completing in early 1991. The group then determined that to really navigate the American markets, they needed an American to run company. Mike Grazier joined the

company in August of 1991, having had successful careers at Foster Farms, and Armour Food Company. The company's revenues in 1991 were \$1.9 M- with severe financial losses, and approximately 17 employees. The next few years saw revenue growth, but even larger losses as the company completely reformulated its product lines, packaging, and customer base to find a fit in the evolving American market. In 1996, a request to change our name was made by Rapelli in Switzerland, who wanted sole rights to the Rapelli trademark. We decided to name the company Busseto Foods, as an homage to the owners village in Italy, and took the opportunity to completely rebrand our company—packaging was given a fresh new look, and with new products, a new look and a new name, Busseto Foods was “born”!

As these changes were happening, there was a shift in consumers purchasing preferences as well. Younger adults were traveling more, experiencing new tastes, and new cuisines, and among them was a universal love for Italian dry cured meats; salami, prosciutto, coppa, pancetta- all began to be produced right here in Fresno and sold across the U.S., as well as on cruise ships, airlines, and exports as well. The company's growth, and now profitability, convinced ownership that it was time to expand the company's facility to allow for more production, which was completed in late summer 2001. This created the need for more dry storage space, as well as an expanded distribution center, so on September 11, 2001, we purchased the facility at 1351 N. Crystal Ave—what timing!

However, despite the events of 9/11, the 2000's saw the sales and profits of the Company continue to grow in double digits—consumers all over the United States were becoming familiar with Busseto Foods and its vast line of products, all made right here in Fresno.

More expansions followed, and sales approached \$20 million when the Company was purchased in 2007 by Fratelli Beretta, SpA., an Italian family owned food business that has been in operation since 1812—still actively managed by the seventh generation of the Beretta family, operating 27 plants in Europe and around the world. (At the same time as the Busseto Foods purchase was made, the group also purchased approximately 20 acres across the street from the Church Avenue facility, the site where we are now planning this Project). This provided Beretta and Busseto with market advantages of two strong brands in the US, as well as seven generations of know-how. This partnership advanced the Company's growth even faster, and in 2017, Busseto was selling some \$58 M of Italian Specialty Meats around the US. In 2017, the Beretta group opened a state of the art 200,000 sq. ft. facility in Mount Olive, New Jersey. Between the two facilities, sales exceeded \$100M.

What is fueling this growth is an American marketplace that loves Italian Style Specialty Meats, or what is commonly referred to as “Charcuterie”- the growth in consumption of these meats are outpacing the perennial favorites of ham, roast beef, and turkey, and virtually all retailers carry wide assortments of “charcuterie”. Not only is there a strong demand for these products, but the producers of these types of meats are relatively small- nationally only 7 to 8 companies in this category are of scale to meet the exploding demand.

When the growth in this category is analyzed, the demand for these products is driven on both coasts- dense populations and lifestyles paint a market landscape where the Northeast and West, and California in particular, are consumption hot spots- so the Beretta market strategy for the US is to have two powerful production plants on each coast- as mentioned earlier, the Mount Olive New Jersey plant has been built, and now the time has come to place a state of the art plant in California, which we hope, will be at the 20 acre site adjacent to our current facility. The idea is to create one of the most technologically advanced, stunningly beautiful plants right here in Fresno- a plant that will support the growth in the Beretta/Busseto Italian Style Meats all across the US!

The Products: Also useful in this analysis is a fundamental understanding of the products produced in our facility. The Dried Cured Meats category revolves around 4 major product lines: 1.) Salami's, which are ground pork stuffed into casings, and whole muscle cuts like 2.)Pork Bellies for Pancetta, 3.)Pork Shoulders for Coppa, and 4.)Pork Legs for Prosciutto.

The production of these items involves a lengthy process of fermentation and drying, where the products are not cooked, but instead slowly air-dried in atmosphere-controlled rooms that mimic centuries-old processing techniques, utilizing the most modern of technologies. Since the products are air-dried and not cooked, the drying process must be done in a controlled manner, and the processes can take months- which means the facility must have adequate space to air dry the salamis and whole muscle products across various time periods- 3 weeks in the case of salami to over 10 months in the case of prosciutto. This production, where modern technology and traditions meet, creates a clean, non odor-emitting, process- and all done in a modern facility that will make Fresno a proud ambassador for one of the largest and most modern facilities in the industry.

With the growth in the category, and the facility to back it up, we anticipate producing 500,000 to 600,000 pounds per week initially at the facility, including nearly 80,000 pounds of prosciutto each week for nearly 10 months before the product can be released into the marketplace, due to the drying times necessary for prosciutto. Salamis and other whole muscle products will dry anywhere from 3 weeks to 10 weeks.

The principal raw material for our product line is pork. Pork trimmings are used for the salami products, and will ship to us in frozen state, typically in 60 lb. boxes, and stored in our freezer, while the fresh whole muscle cuts will arrive weekly from the Midwest. As the salami and whole muscle products are first produced, manufacturing equipment required includes large grinders, stuffers, and an abundant supply of drying racks, from which the products hang to dry. Prosciutto production equipment will include robotics to salt the legs, and hang them on specially designed "trees", or racks. Equipment needed to make all this happen includes specific drying room equipment, such as we have currently, that regulates temperatures and humidity in the rooms.

Once dried to its precise specification, the salamis and many of the whole muscle meats will be sliced and packaged at the facility, as nearly 75% of our product lines are sliced, the remaining is sold in whole, or bulk form. Slicing lines, and auto-filling equipment will be utilized to efficiently slice and package the salamis and whole muscle meats.

#### Operating Hours

Initially we anticipate operating 5 days per week, Monday through Friday and utilizing one production, and two slicing shifts. Operating hours will mirror what we are currently experiencing: A pre-op inspection begins at approximately 3:30 AM, followed by production that starts at 5:00 AM, with the production concluding at 2:00 PM. Slicing and Packaging begins at 5:00 AM, with the first shift ending at 1:30, and the second shift ending at 10:30 PM. Sanitation crews will begin at 9:00 PM, and finish at the Pre-op. This all results in a 24-hour operation, with the bulk of activity occurring during “normal” business hours.

#### Shipping and Receiving:

Under the current operations, Busseto utilizes a leased freezer to store raw materials, a production plant where the product is stuffed, dried, sliced and packaged, and a third facility where finished product is stored and shipped out to our customers. Upon completion of the Project, the freezer operations will be folded into our new facility, as well as the storage, shipping and receiving activities that are currently done at our facility at 1351 N. Crystal. This will immediately reduce shuttle truck activities between the three facilities as those activities will then come under one roof.

Current plans, once the Project is completed, is to keep the facility at 1090 West Church operating with a reduced employee count, and focus on some specialized products. We estimate approximately 25 employees will be retained at that site, while we anticipate 160 employees will work at the Project site. Temporary/part-time employees will be seasonal in nature and will fluctuate between 20 to 50 employees. The fourth quarter, (Sept-Dec) is an extremely busy time of year in our category, with a seasonal lift of 25-30% in orders during that time period. Operations may increase to 6 or 7 days during this time period as well.

#### Other Considerations:

**Truck Traffic:** As earlier stated we operate currently with 3 locations, resulting in truck traffic between all three: Shuttle trucks bring the raw material from the freezer to the plant, Shuttle trucks bring finished goods to the distribution center, and Shuttle trucks bring packaging materials, dry goods such as spices and cardboard boxes, and some WIP to the plant. Shipments from our distribution center to customers occur daily as well. Under the new Project, the inter-facility traffic all but disappears as all operations will be done from the Project facility. However, truck traffic estimates are as follows:

### Monday: 14 trucks

Shipping – 5 trucks	Most pickups 1:00-5:00pm	- Weight Avg. 25,000 lbs
Receiving - 3 trucks	8:00 – 12:30pm	- Weight Avg 30,000 lbs
Freezer - 3 trucks	8:00 – 12:30pm	- Weight 40,000 lbs

### Tuesday: 10 trucks

Shipping - 4 trucks	Most pickups 1:00-5:00pm	- Weight Avg. 25,000 lbs
Receiving - 3 Trucks	8:00 – 12:30pm	- Weight Avg 30,000 lbs
Freezer - 3 trucks	8:00 – 12:30pm	- Weight 40,000 lbs

### Wednesday: 11 trucks

Shipping - 5 trucks	Most pickups 1:00-5:00pm	- Weight Avg. 25,000 lbs
Receiving - 3 trucks	8:00 – 12:30pm	- Weight Avg 30,000 lbs
Freezer - 3 trucks	8:00 – 12:30pm	- Weight 40,000 lbs

### Thursday: 13 trucks

Shipping - 7 trucks	Most pickups 1:00-5:00pm	- Weight Avg. 25,000 lbs
Receiving - 3 trucks	8:00 – 12:30pm	- Weight Avg 30,000 lbs
Freezer - 3 trucks	8:00 – 12:30pm	- Weight 40,000 lbs

### Friday: 10 trucks

Shipping - 4 trucks	Most pickups 1:00-5:00pm	- Weight Avg. 25,000 lbs
Receiving - 3 trucks	8:00 – 12:30pm	- Weight Avg 30,000 lbs
Freezer - 3 trucks	8:00 – 12:30pm	- Weight 40,000 lbs

Misc. - Pallet truck deliveries 1 - 2 times a month  
Garbage pick-up every week

In addition, the facility receives UPS and Fed Ex deliveries daily, and sends out UPS/Fed Ex shipments 4 to 5 days per week.

The Project facility will not have a retail store on site, however the facilities will contain extensive training facilities modeled after the Mount Olive New Jersey facility aptly named the Beretta Academy, where employees, salespeople, and clients can train, visit, conduct meetings, host clients, and conduct tastings of our product lines.

Waste: Current operations discard approximately 20,000 lbs/week of cardboard, which will likely go to 30,000 lbs/week under the Project as the volumes grow. Plastic and trash are projected to increase from 18,000 lbs/week to 28,000 lbs/week.

Hazardous Materials: On site, as there are at the current production facility, there is Anhydrous Ammonia, structurally separated from the facility, that is used for chilling the glycol lines for the facility's refrigeration. In addition, there will be on site storage of sanitation chemicals, (sanitizers, disinfectants), as well as lubricants, caustics, hydraulic fluids and oils all commonly used materials at a food production facility.

We believe this proposed change is consistent with the General Plan goals and policies, as it reinforced the vision of Fresno's political leadership and supports the community through job creation in clean jobs, with permanent, full time employment opportunities to the neighborhoods in and around Southwest Fresno – a region of Fresno that has traditionally not had good jobs at good wages. Furthermore, we believe that the proposed change promotes the growth of the City in an orderly and sustainable manner, since the property is already considerably within city limits, and will not be detrimental in any way to the health, safety, peace, comfort or general welfare of the City's residents. The neighboring properties are existing food processing facilities to the north, a FMFCD retention basin to the south, ag land to the east and an automobile junkyard and salvage yard to the west.

We hope this Operational Report gives clarity as to the size, and scope of this project. We are happy to answer any questions you may have, and look forward to working together to bring a first-class, state of the art facility that will illuminate the Southwest of Fresno, bringing employment, revenue, and become a source of pride for Fresno in general and the Southwest area in particular.

#### **RECAP OF RELEVANT / REQUIRED INFORMATION:**

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<b>1. Project Site Address:</b>	<b>2325 S. West Avenue, Fresno CA 93706</b>
<b>2. Assessor's Parcel Number:</b>	<b>477-030-20 and 477-030-21</b>
<b>3. Acreage to be Amended and Rezoned:</b>	<b>18.9 acres</b>
<b>4. Existing Use:</b>	<b>Vacant (Undeveloped)</b>
<b>5. Existing Land Use Designation:</b>	<b>Residential, Medium Density</b>
<b>6. Existing Zone District:</b>	<b>RS-5</b>
<b>7. Proposed Land Use Designation:</b>	<b>Employment - Light Industrial</b>
<b>8. Proposed Zone District:</b>	<b>IL (Light Industrial)</b>
<b>9. Community Plan:</b>	<b>Southwest Fresno Specific Plan</b>
<b>10. ALUCP:</b>	<b>Fresno Chandler Executive Airport Safety Zone 6 – Traffic Pattern Zone</b>

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