

**Sucro Real Estate NY, LLC**  
**\$19,000,000**  
**INDUCEMENT RESOLUTION**

**ELIGIBILITY**

- NAICS Section - 311314

**COMPANY INCENTIVES**

- Approximately \$393,750 in sales tax savings
- Approximately \$2,886,000 in real property tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$112,500

**EMPLOYMENT**

- Retained Jobs = 5
- Projected New Jobs = 45
- Annual payroll: \$2,968,500
- Estimated salary of jobs to be created: \$47,000
- Estimated salary of jobs to be retained: \$45,000

**PROJECT HISTORY**

- 12/30/2020 - Public hearing held.
- 01/25/2021 - City of Lackawanna adopts a Negative Declaration in accordance with SEQRA.
- 01/27/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Sucro Real Estate NY, LLC

Project Address: 2303 Hamburg Turnpike  
 Lackawanna, New York 14218  
 ( Lackawanna Central School District)

**Agency Request**

A sales tax, mortgage recording tax and real property tax exemption in connection with the acquisition and renovation of a 174,000 sq. ft. facility and construction of a new 33,600 sq. ft. building

Land/ Building Acquisition	\$ 3,000,000
New Construction	\$ 1,000,000
Renovation	\$ 6,500,000
Infrastructure	\$ 1,500,000
Manufacturing Equipment	\$ 6,000,000
Non-Manufacturing Equipment	\$ 100,000
Soft Costs	\$ 900,000
 Total Project Cost	 \$19,000,000
 85%	 \$16,150,000

**Company Description**

The applicant The applicant is a wholly-owned subsidiary of Sucro Holdings, LLC and was founded in 2014. They are a cane sugar wholesaler with operations that span the U.S. Canada, European Union, Carribean and the Andean regions. Sucro operates a similar facility in Hamilton, Ontario where they produce liquid and refined sugar for industrial customers. The company's existing company base includes Kraft-Heinz, Wholesome Sweeteners, Kellogg's and Nestle. 60% of the company's sales are to customers outside Erie County and 29% to those located outside New York State.

**Project Description**

The project consists of the renovation of two existing buildings on the former Bethlehem Steel site. The existing buildings encompass approximately 174,600 sq. ft. In addition, the company will construct a new 33,600 sq. ft. facility and purchase approximately \$6,000,000 of production equipment. The buildings will accommodate new bulk and finished product storage, logistical operations as well as sugar refining operations.

The company is also in the process of completing environmental remediation pursuant to the Brownfield Cleanup Program.

### New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue Over 10-year abatement period	Additional Local Revenue Over 10-Year PILOT Period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$10,000,000	\$137,700	\$629,600	\$365,400
Combined Tax Rate: \$36.54				

### Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project amount = \$19,000,000 85% = \$16,150,000
Employment	Coincides with 10-year PILOT	Maintain base = 5 Create 85% of Projected Projected = 45 85% = 38 Recapture Employment = 43
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
Recapture Period	Coincides with 10-year PILOT	Recapture of Mortgage recording tax, state and local sales taxes and real property tax

Recapture applies to:  
 State and Local Sales Taxes  
 Real Property Tax  
 Mortgage Recording Tax

### Recapture

Pursuant to New York State General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that is in violation of the GML.

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 5 jobs and created 45 jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.