



FOR IMMEDIATE RELEASE

January 27, 2021

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Lackawanna and ECIDA Board Issue Approvals for New Sucro Sourcing Expansion at Former Bethlehem Steel Site

Former industrial structures to get new life as modern distribution, storage and refinery facilities

Lackawanna—The City of Lackawanna has announced completion of the environmental review, and issued a site plan approval for Sucro Sourcing’s new \$19 million investment in the former Bethlehem Steel site. In addition, the Erie County Industrial Development Agency (ECIDA) Board of Directors approved Wednesday a sales tax, property tax (PILOT) and mortgage recording fee incentive package for the project which will help the sugar cane refiner and distributor create 45 new expansion related jobs, with an annual payroll of \$2,968,000 over the ten-year term of the PILOT agreement.

The project will transform the remains of three abandoned and decaying industrial structures on the former steel complex into newly refurbished and repurposed facilities to include a raw storage warehouse, a sugar refinery, packaging and finished good warehousing and offices, all supporting growth of Sucro Sourcing’s local sugar import/distribution operation and projected growth plans. Starting February 1, 2021 and continuing over a two-year period, Sucro Sourcing will expand its Lackawanna sugar operation through a multi-phased development initiative to include the following:

- **Raw Storage Facility** –The foundation of the former Steam Station No 1 building will be used to construct a new 45,000 square foot raw sugar storage facility, Sucro’s second on the site. Last November, Sucro announced plans to invest \$1 million to construct its first on-site storage facility; a 35,000 square foot remake of the former Blowing Engine House No.3, which is targeted for completion in the first quarter of 2021.
- **Packaging Facility**– the former Power House No.1 building will be transformed into offices and finished product storage/packing for subsequent distribution by train and truck using existing infrastructure, including the Gateway Metroport. This phase will include installation of underground utilities and construction of permanent access roads, parking lots, greenspace and storm water controls. The new intermodal facility is projected to open in late 2021.
- **New Sugar Refinery**– The final phase will involve repurposing the former Boiler House No.3 facility for refining bulk or raw sugar to finished food grade product. The new refinery, which is targeted for start-up in the fall/winter of 2022, would be the first sugar refinery of its type built in North America.

Upon completion of the entire development project, it’s anticipated that Sucro Sourcing will create a total of 75 new jobs in Lackawanna and expand its ability to receive approximately ten ocean freighters per year and distribute sugar to customers within the Great Lakes region.

“Sucro Sourcing’s significant investment in its Lackawanna operation will be a huge step forward in our efforts to rebuild the city’s business base and increase local job opportunities,” **said Lackawanna Mayor Annette Iafallo**. “The vision for transforming these once vibrant industrial structures into clean manufacturing operations will breathe new economic life into Lackawanna and Erie County for years to come.”

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The new raw goods storage, packaging/distribution and refinery facilities will be located on a 12-acre parcel within the former steel plant complex that Sucro Sourcing has under contract to purchase. This parcel is being remediated under New York State Department of Environmental Conservation oversight through the New York State Brownfield Cleanup Program. Sucro Sourcing is expected to close on the land purchase deal at the end of January.

“The expansion of Sucro Sourcing in Lackawanna shows once again how attractive the former Bethlehem steel site is to business, as evidence by their \$19 million private investment there and the creation of 45 new jobs that will be supported by this expansion,” **said Erie County Executive Mark Poloncarz**. “In addition, old and unused buildings on the site are part of this project and will be transformed into modern, accessible business spaces to suit Sucro Sourcing’s expanded needs. This is a win-win and we are excited to see this project begin.”

The ECIDA incentive package includes \$393,750 in sales tax savings on future purchases of construction materials and equipment; approximately \$2,886,000 in future property tax savings (PILOT) divided over ten years once the project is complete; and a one-time discount on the Erie County mortgage recording fee, saving approximately \$112,500. The \$3.4 million incentive package will generate 45 new jobs and nearly \$30 million in payroll during the ten years of the PILOT agreement, in addition to Sucro’s \$19 million in private investment in the facility.

“The decision by Sucro Sourcing to expand in Lackawanna is a testament to the strong partnership among New York State, Erie County, the ECIDA and the City of Lackawanna to restore the former Bethlehem Steel complex to productive re-use,” **said ECIDA President and CEO John Cappellino**. “The growing interest in the site is the direct result of effective collaboration among our partners, which has encouraged private investment in the future of this property.”

In addition to the substantial truck and rail assets of the former steel plant property, the adjoining Gateway Metroport provides a unique and convenient break-bulk location for subsequent shipment via nearby rail and Thruway lines to end-user destinations in Canada, the U.S east coast, and U.S. central states.

The Gateway Metroport complex offers a highly accessible in-land deep water port to help companies with international supply chains avoid the extensive delays often encountered at other ports when unloading foreign freight. U.S. Customs operations are set up on-site in the Free Trade Zone to process cargo.

“Sucro Sourcing has implemented a strategy of developing creative and innovative supply chain solutions to meet the needs of the modern food and beverage industry” **according to Sucro Sourcing Founder & CEO Jonathan Taylor**. “Sucro has successfully grown into new categories as we increase our network of customers seeking greater innovation and lower costs. Through this continued and significant expansion in Lackawanna, NY, we seek to build on this success, which will benefit many local partners throughout the supply chain.”

Sucro Sourcing is a rapidly growing and dynamic sugar trade partner for sugar mills, processors, distributors, and food and beverage manufacturers – and a 100% cane sugar supplier. The company is based in Coral Gables, Florida with additional operations in Canada, Mexico, the Caribbean and multiple locations throughout South America. Sucro also operates a sugar refinery in Hamilton, Ontario. The Lackawanna operation just recently opened a new liquid sugar processing facility, and is already a major supplier to several leading global multinational food companies.

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For more information:

- City of Lackawanna - www.lackawannany.gov
- Erie County Industrial Development Agency - www.ecidany.com/bethlehem-steel
- Gateway Trade Zone - <https://www.ecidany.com/foreign-trade-zone>
- Sucro Sourcing, LLC - www.sucro.us

The City of Lackawanna is a culturally diverse city of nearly 18,000 located on the shores of Lake Erie, just south of the City of Buffalo. Lackawanna offers attractive economic development options for new and expanding businesses, including those associated with partnership efforts to redevelop the former Bethlehem Steel site as a commerce park for clean manufacturing, distribution as well as city-owned and private land parcels – all conveniently located near long-established and easily accessible to the NYS Thruway, rail and port infrastructures. Lackawanna is home to Our Lady of Victory Basilica, a national shrine, which is within walking distance of the Buffalo and Erie County Botanical Gardens and Olmstead-designed South Park. For more information visit www.lackawannany.gov

The Erie County Industrial Development Agency is a public benefit corporation sanctioned by the State of New York to offer tax incentives to qualified businesses, and is dedicated to furthering economic development, adaptive reuse of qualified properties, job creation and ensuring a thriving business environment in Erie County. The staff of the ECIDA are not employees of the City of Buffalo, the County of Erie, or the State of New York. The ECIDA does not receive operating funds from taxpayer revenues. The ECIDA receives its operating funds by collecting fees from businesses that enter into contracts with the Agency, from investments, and from loan fees. For more information, visit www.ecidany.com

