



Plant Modernization - Western NY

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information - Company Receiving Benefit

Project Name	2025 MODIFICATION- Plant Modernization & Infrastructure Upgrades- Western NY
Project Summary	The purpose of the multi-year multi-phase plant project is to modernize and revitalize the Applicant's Buffalo, NY manufacturing facility. Much of the building structure and equipment in the plant date back to the 1970's. Some building components, such as load bearing columns, roofs, etc. have come into disrepair, while the aging manufacturing equipment, such as the whey plant evaporator and dryer equipment cannot keep up with current capacity demands. The plant's future economic viability needs a production capacity increase of 30%, which requires the construction of an entirely new whey plant building, and infrastructure upgrades for the installation of new mozzarella and ricotta cheese production equipment, including required regulatory plant wide infrastructure upgrades. 2025 MODIFICATION: As modernization and revitalization work continues at the South Park Avenue facility in Buffalo, NY, Lactalis is progressing through the final stages of engineering approvals for several project phases that were previously pending. These phases could not be accurately costed prior to this amendment; however, Lactalis has now confirmed eligible expenditures following the most recent internal and engineering reviews. The scope of work includes the renovation of existing production areas currently in disrepair, as well as the repurposing of underutilized, non-production space to create approximately 18,000 square feet of modernized, production-ready area. This will allow Lactalis to integrate new processing and production equipment that supports their long-term capacity and operational goals. In addition, Lactalis will construct a new 10,000 sq ft building for the new engine room adjacent to the existing structure. This upgrade will expand their ammonia cooling capacity from 1,500 tons to 2,400 tons and increase boiler heating capacity from 2,000 HP to 3,600 HP—critical enhancements to support the plant's growth and energy efficiency targets. This project is part of a broader multi-year investment strategy at the Buffalo facility, where Lactalis is committing up to \$100 million through 2030. The aim is to improve efficiency, expand capacity—particularly for key product lines like mozzarella and ricotta—and extend the life of our infrastructure. Originally founded as Sorrento Cheese, the South Park site has been part of the Lactalis network since 1992, and remains a cornerstone of our U.S. manufacturing footprint. Complementing these upgrades, Lactalis has also opened a new \$2 million Culinary & Sensory Institute next to the plant, which serves as a dedicated hub for R&D, product testing, and quality assurance. Together, these investments reflect their commitment to strengthening operational excellence, supporting product innovation, and ensuring continued contributions to the Buffalo community.
Applicant Name	Lactalis American Group, Inc.
Applicant Address	2375 South Park Avenue
Applicant Address 2	
Applicant City	Buffalo
Applicant State	New York

Applicant Zip 14220
Phone (647) 784-5567
Fax
E-mail jim.kourtis@ca.lactalis.com
Website LactalisAmericanGroup.com
NAICS Code 3115

Business Organization**Type of Business**

Corporation

Year Established

1980

State

Delaware

Indicate if your business is 51% or more (Check all boxes that apply)☐ [No] Minority Owned☐ [No] Woman Owned**Indicate Minority and/or Woman Owned Business Certification if applicable (Check all boxes that apply)**☐ [No] NYS Certified☐ [No] Erie Country CertifiedIndividual Completing Application

Name Jim Kourtis
Title Government Funding & Industry Relations,
North America
Address 2376 South Park Avenue
Address 2
City Buffalo
State New York
Zip 14220
Phone (647) 784-5567
Fax
E-Mail Jim.KOURTIS@ca.lactalis.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application No
Name Jeffrey McGiveron
Title Director- Tax & Insurance
Address 2376 South Park Avenue
Address 2
City Buffalo
State New York
Zip 14220

Phone (716) 823-6262
Fax
E-Mail Jeffrey.mcgiveron@us.lactalis.com

Company Counsel

Name of Attorney Jennifer Elmer
Firm Name N/A (in-house counsel)
Address 2376 South Park Avenue
Address 2
City Buffalo
State New York
Zip 14220
Phone (716) 823-6262
Fax (716) 823-6454
E-Mail jennifer.elmer@us.lactalis.com

Benefits Requested (select all that apply).

Exemption from Sales Tax	Yes
Exemption from Mortgage Tax	No
Exemption from Real Property Tax	No
Tax Exempt Financing*	No

* (typically for not-for-profits & small qualified manufacturers)

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility. Also list all stockholders, members, or partners with % ownership greater than 20%.

The Applicant is a subsidiary of Group Lactalis, which is a global dairy company that owns and operates dairy manufacturing plants around the world, including 11 manufacturing plants operating in the U.S. The Buffalo, NY location is one of the Applicant's and its affiliated 11 manufacturing plants. This manufacturing plant employs 401 manufacturing employees for a combined workforce of more than 746 employees in Buffalo, NY, which includes 180 employed at the headquarters site. The Buffalo manufacturing plant produces mozzarella, ricotta, provolone, brie, and whey. On average this plant processes 750 million lbs of raw milk annually from 230 dairy farms located throughout WNY. This translates into more than \$145MM in annual milk purchases from WNY dairy farms. 97% of raw milk used in this plant is produced in NYS. Applicant is 100% owned by LAG Holding, Inc., a subsidiary of Group Lactalis.

Estimated % of sales within Erie County	3 %
Estimated % of sales outside Erie County but within New York State	6 %
Estimated % of sales outside New York State but within the U.S.	89 %
Estimated % of sales outside the U.S.	2 %

(*Percentage to equal 100%)

For your operations, company and proposed project what percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County?

15

Describe vendors within Erie County for major purchases

Lactalis America Group that belongs to a global family of companies, and having a national footprint, purchases goods and services locally, nationally and at a global level to leverage its buying power and gain economies of scale. As of the beginning of 2022, the company's annual operating expenses from this Buffalo location is estimated at over \$750MM, outside of payroll expenses for more than 746 employees. \$750MM is spent within Erie County. Outside of payroll expense, the company's largest expense is milk, which is sourced from around 40 dairy farmers in WNY. The company uses a variety of local service providers and contractors for their capital investment projects. They have cold storage facilities in Erie County where they spend more than \$650K annually. A major service provider in WNY is National Traffic Safety, which is used to manage their logistics invoices and payments. This vendor processes more than \$120MM in freight invoices annually.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

2375 South Park Avenue

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo

Current Address (if different)

Current Town/City/Village of Project Site (if different)

SBL Number(s) for proposed Project

133.78-3-2.113, 133.78-3-9, 133.78-3-10, 133.78-3-11, 133.78-3-12

What are the current real estate taxes on the proposed Project Site

\$100,319.92

If amount of current taxes is not available, provide assessed value for each.

Land

\$ 0

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

*The ECIDA has an unpaid tax policy and you will be required to certify all taxes and PILOTS are current.

Does the Applicant or any related entity currently hold fee title or have an option/contract to purchase the Project site?

Yes

If No, indicate name of present owner of the Project Site

Does Applicant or related entity have an option/contract to purchase the Project site?

No

Describe the present use of the proposed Project site (vacant land, existing building, etc.)

More than 700MM pounds of milk is collected at the Buffalo plant each year for dairy product production. Supporting hundreds of farms, 97% of all milk processed at Lactalis in Buffalo comes from New York State dairy farmers. The plant produces Galbani Ricotta and Mozzarella Cheeses, along with Whey Powder, Galbani Provolone and Président Cut-and-Wrap Brie. Lactalis produces all its Galbani Ricotta Cheese for the United States in this facility, representing \$33+MM in annual retail sales. Galbani is the No. 1 Ricotta brand in the country. Both Galbani and President are premier global brands. The site consists of two distinct plants- the cheese plant and the whey plant. The cheese plant houses the production equipment to produce mozzarella, provolone, brie, and ricotta cheese. A key by-product of the cheese making process - whey- is then pumped from the cheese plant to the whey plant. The whey plant primarily consists of the evaporator and the dryer equipment responsible for processing the whey liquid into whey powder. The site also has shipping/receiving bays to receive raw milk, and other raw materials, and to ship the finished cheese and whey products, all transported solely by truck. There are a number of large vats and silos in the plants, as well as ambient and refrigerated warehouses. Finally, the site also houses an R&D facility.

Provide narrative and purpose of the proposed project (new build, renovations) square footage of existing and new construction contemplated and/or equipment purchases. Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

The South Park Dairy processing facility plans to modernize the production areas and processing lines because they date back to the 1970's. Some building components, such as loadbearing columns, roofs, etc. have come into disrepair, and the aging manufacturing equipment cannot keep up with current capacity/market demands. The purpose of the proposed project is to upgrade the production areas for Galbani Ricotta and Mozzarella Cheeses, along with Whey Powder, Galbani Provolone and Président Cut-and-Wrap Brie processing production lines for the remainder of 2023, 2024, and into the future. The plant's future economic viability needs a production capacity increase of 30%, requiring key infrastructure upgrades for the installation of new mozzarella and ricotta cheese production equipment, a new building addition for the whey evaporator and dryer equipment, and important regulatory plant wide infrastructure upgrades. The total project costs for the new mozzarella and ricotta cheese capacity expansion project is estimated to cost \$22.5MM in new additions and renovations, manufacturing equipment purchases and infrastructure work. The work that's in scope for the cheese plant measures approximately 60,000 sq ft. The Whey plant project, measuring 6000 sq ft, is estimated to cost \$19.5MM in building renovations, manufacturing equipment purchases and infrastructure work. The Whey plant project will include the installation of a new evaporator to perform the initial moisture reduction of the liquid whey by-product from the cheese making process; and the subsequent installation of the dryer equipment to completely dry the liquid whey into a dry powder to be used as a high protein food ingredient. An additional \$2.5MM in estimated costs are proposed to address the repairing, restoring, and upgrading the existing plant infrastructure, such as the replacement of an end-of-life milk silo, constructing a receiving bay catwalk for improved worker safety, repair and replacement of failing roof system in the cheese plant, and major work on the aging electrical infrastructure to reliably and safely function in conjunction with all the electrical upgrades that are part of the aforementioned subprojects. The mozzarella and ricotta cheese capacity expansion projects will also require upgrades to the pasteurization equipment and the packaging equipment to reliably handle the increased throughput. The manufacturing plant currently employs 401 staff of which 400 are full time employees, with 1 part time employee. Within 24 months post project completion, the Applicant expects to hire an additional 27 FT staff and retaining all their current 428 employees. 2025 MODIFICATION: As modernization and revitalization efforts continue at the South Park Avenue facility in Buffalo, NY, Lactalis is finalizing engineering approvals for several previously pending project phases. Accurate cost reporting for these phases was not feasible prior to this amendment; however, Lactalis has now confirmed eligible expenditures following recent approvals. These upgrades are aligned with their broader multi-year investment strategy to expand capacity, improve production efficiency, and maintain the long-term viability of the site. 1) Repurposing Distribution Center Space- \$905,000 To avoid extended production downtime while conducting critical repairs, Lactalis will repurpose space from the warehouse and office areas in the distribution center. Specifically, coolers #8 and #9 will be converted from cold storage to dry storage. This change enables them to relocate existing dry storage areas and then convert that space into a dedicated ricotta cheese packaging area. 2) Demolition of Locker Area for New Mozzarella Production- \$5,500,000 Lactalis will demolish the current employee locker area to create approximately 5,600 sq ft of new production space. This new area will accommodate two cookers and four high-capacity mozzarella cheese molding lines to support a targeted 30% increase in production volumes. 3) Ricotta Equipment Installation & Spot Pack Room Renovation- \$2,600,000 Lactalis will renovate approximately 5,800 sq ft to install new milk ricotta production equipment. Additionally, they will refurbish the current Spot Pack room (roughly 7,000 sq ft) to prepare it for new ricotta cheese filler lines. 4) Overhaul of Deteriorated Production Area- \$2,500,000 The existing bulk filler room and adjacent spiral space will be demolished. These deteriorated areas will be fully modernized and brought up to current production standards, ensuring compliance and improved operational flow. 5) Construction of New Engine Room- \$3,120,000 To support the increased thermal and cooling demands from all new equipment installations, Lactalis will construct a new concrete building, approx. 10,000 sq ft, for the new engine room. The current engine room, with an ammonia cooling capacity of 1,500 tons and boiler capacity of 2,000 hp, lacks both the physical space and performance to accommodate future needs. With this expansion, cooling capacity will increase to 2,400 tons and boiler capacity to 3,600 hp. These improvements form part of Lactalis' broader commitment to invest up to \$100 million through 2030 at the Buffalo site. The facility currently processes 750 million pounds of raw milk annually and produces over 280 million pounds of finished dairy products, primarily mozzarella and ricotta cheese. The site sources milk from over 150 regional dairy farms, underscoring its critical role in the local supply chain. Lactalis is also enhancing innovation and product development capabilities through the recent opening of a \$2 million Culinary & Sensory Institute next door, which will serve as a hub for R&D, product testing, and quality assurance. Together, these efforts reflect Lactalis' commitment to operational excellence, innovation, and long-term investment in the Buffalo community.

Municipality or Municipalities of current operations

Buffalo, NY; Walton, NY; Nampa, ID; Merrill, WI; Belmont, WI; Wausau, WI; Turlock, CA; Tulare, CA; Battleboro, VT; Londonderry, NH; Casa Grande, AZ

Will the Proposed Project be located within a Municipality identified above?

Yes

Will the completion of the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the state?

No

If the Proposed Project is located in a different Municipality within New York State than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

No

(If yes, you will need to complete the Intermunicipal Move Determination section of this application)

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

Yes

If yes, please explain and identify out-of-state locations investigated, type of assistance offered and provide supporting documentation available

The Applicant is facing mounting pressures as it strives to maintain operations of the Buffalo plant. The post-Covid economic conditions have been challenging given supply-chain issues, recent sharp rise in interest rate, decreased access to capital, increase in the cost of goods, etc. Furthermore, it was discovered that a competitor is constructing a new plant in New York State within 60 miles of the Buffalo plant. This will invariably put further pressures on the aging Buffalo plant whose building structures and production equipment date back to the 1970's. The increased competition will also put pricing pressure for locally sources raw milk, and labor talent. Should the attempts to modernize and revitalize the plant fail to come to fruition the site risks scaling down production volumes, and production capacity would either be absorbed into one of the Applicant's other plants across the U.S., or the possible construction of an entirely new facility at a different location. This project is being approached in a phased manner with the objective to retain production operations at the Buffalo plant, while allowing the Applicant to investigate potential alternatives should the economic realities in future years prevent the project's completion.

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

Yes

If yes, please indicate the Agency and nature of inquiry below

Lactalis has had preliminary discussions with Ms. Lorrie Abounader, Sr. Project Manager, Western NY, Empire State Development regarding government grant programs for equipment. No applications have been started and an anticipated funding to be received.

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:**Describe the reasons why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)**

A majority of the manufacturing facilities and the processing equipment date back to the 1970's. Some building components, such as load bearing columns, roofs, etc. have come into disrepair, and the aging manufacturing equipment, cannot keep up with current capacity demands. The plant's future economic viability needs a production capacity increase of 30%, requiring key infrastructure upgrades for the installation of new mozzarella and ricotta cheese production equipment, new building addition for the whey evaporator and dryer equipment, and important regulatory plant wide infrastructure upgrades. The Applicant also faces mounting pressures as it strives to maintain operations of the Buffalo plant and is competing with other manufacturing facilities within Lactalis USA for limited capital investment funds. The financial assistance and support from local government agencies play a key part in determining the future roadmap of any given facility when determining where to make capital investments. The financial assistance sought from the Agency will have a significant impact in reducing the large capital investment forecasted to modernize and revitalize the Buffalo plant. The Applicant estimates the Agency's financial assistance has the potential of reducing the projects timeline by up to 18-months. This would result in the plant increasing their targeted 30% production capacity increase sooner. The Applicant forecasts that at a minimum there would be 27 new full time positions within 24 months following the project completion, all of which will be local hires; which will already add to the current 401 employees at the existing location and supported by an additional 345 employees at corporate office and distribution center locations. Presently, the proposed project is the initial phase in an overall capacity and efficiency improvement initiative at the Buffalo plant. The total cost of all project phases is slated to be over \$100MM. All planning for subsequent phases critically depend on the success of this initial phases and key learnings gained from the completion of the proposed project.

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency

Yes

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and Erie County?

Lactalis USA operates 11 dairy processing facilities in California, Arizona, Idaho, Wisconsin, Vermont, New Hampshire and New York. In assessing the feasibility of major capex investments, and ultimately awarding major project dollars to a facility, the company looks at many factors including the extent to which local government agencies act as partners to support these future investments. There is a real risk that failure by the Erie County to support our future projects at the South Park facility may result in either indefinite postponement of the project phases or the termination of such projects in favor of relocating needed capex dollars to another state/plant. The company, which presently has 45 unfilled position and forecasts adding an additional 27 positions at completion of the project phase in 2030, may need to considerably scale back or even eliminate hiring as it reassess the future viability of the plant and the 401 employees that currently work there. The proposed \$22MM in project costs for construction, which would invariably utilized local construction workers and locally sourced material, would also fail to materialize. Finally, the success of the proposed project, which is the initial phase of the the plant's overall initiative to increase production capacity, will have major influence on whether the subsequent phases of the project would proceed. All future phases are forecasted to cost over \$100MM, and anticipated to occur between 2026 and 2030. Understandably, this first phase, that will take place between in 2024 and 2025, will provide the company key takeaways on how to plan and execute future project phases, including how the local government agencies supported the company's project efforts.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

If yes describe if site is accessible by either metro or bus line (provide route number for bus lines)

Project is located on South Park Avenue, a major bus route with major connections in close proximity. NFTA bus routes #14, #16, & #42.

Has your local municipality and/or its planning board made a determination regarding the State Environmental Quality Review (SEQR) for your project?

Yes

If YES indicate in the box below the date the SEQR determination was made. Also, please provide us with a copy of the approval resolution and the related Environmental Assessment Form (EAF) if applicable.

If NO indicate in the box below the date you anticipate receiving a SEQR determination for your project. Also, please insure that the ECIDA has been listed as an "involved agency" on the related EAF submitted to the appropriate municipality and/or planning department.

Apr-10-2023

Will the Project meet zoning/land use requirements at the proposed location?

Yes

Describe the present zoning/land use

The parcels on South Park Ave. primarily are zoned D-IL. The land use primarily falls under property type code 710: Manufacturing & Processing with some portion of the site classified under property type code 331: Commercial vacant land with minor improvements

Describe required zoning/land use, if different

N/A

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

N/A

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

No

If yes, please explain

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?

No

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

No

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?

Yes

If yes, describe the efficiencies achieved

The modernization work includes the installation of new heating and cooling units that will be of higher efficiency compared to the existing equipment, which is over 20 years ago. The energy efficiencies will be further improved with additional insulation, better system design, improved SEER ratings, etc. The project also includes installation of new production equipment for new whey plant where the energy source will be replaced from natural gas to electricity to drive the large electric fans. This will have a positive impact in reducing our carbon emissions.

You may also attach additional information about the machinery and equipment at the end of the application.

Does or will the company or project occupant perform research and development activities on new products/services at the project location?

Yes

If yes, include percentage of operating expenses attributed to R&D activities and provide details.

The Applicant allocates approximately 7% to 10% of the total operating expenses for research and development activities.

Will onsite child daycare facilities be available on the project site?

No

If yes, please describe.

Select Project Type for all end users at project site (you may check more than one).

For purposes of the following, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, you will need to complete the Retail section of this application.

Retail Sales	No	Services	No
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Please check any and all end uses as identified below.

No Acquisition of Existing Facility	No Assisted Living	No Back Office
No Civic Facility (not for profit)	No Commercial	No Equipment Purchase
No Facility for the Aging	No Industrial	No Life Care Facility (CCRC)
No Market Rate Housing	No Mixed Use	No Multi-Tenant
No Retail	No Senior Housing	Yes Manufacturing
No Renewable Energy	No Other	

For proposed facility please include the square footage for each of the uses outlined below

If applicant is paying for FFE for tenants, include in cost breakdown.

			Cost	% of Total Cost
Manufacturing/Processing	76,000 square feet	\$	62,014,038	100%
Warehouse	square feet	\$	0	0%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	square feet	\$	0	0%
Specify Other	square feet	\$	0	0%

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

<BLANK>

Provide estimate of additional construction cost as a result of LEED certification you are seeking	< BLANK >
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Will project result in significant utility infrastructure cost or uses	Yes
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What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

1/1/2024

End date : Estimated completion date of project

12/31/2027

Project occupancy : estimated starting date of occupancy

4/1/2024

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 0 square feet acres

2.) New Building Construction

\$ 3,120,309 10,000 square feet

3.) New Building addition(s)

\$ 1,125,000 6,000 square feet

4.) Reconstruction/Renovation

\$ 32,255,681 60,000 square feet

5.) Manufacturing Equipment

\$ 21,607,000

6.) Infrastructure Work

\$ 2,841,788

7.) Non-Manufacturing Equipment: (furniture, fixtures, etc.)

\$ 1,064,260

8.) Soft Costs: (Legal, architect, engineering, etc.)

\$ 0

9.) Other Cost

\$ 0

**Explain Other
Costs**

Total Cost \$ 62,014,038

Construction Cost Breakdown:

Total Cost of Construction	\$ 39,342,778 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 23,605,667
% sourced in Erie County	70%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit \$ 24,669,926

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): \$ 2,158,618

** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.

Project refinancing estimated amount, if applicable (for refinancing of existing debt only) \$ 0

Have any of the above costs been paid or incurred as of the date of this Application? No

If Yes, describe particulars:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits): \$

Bank Financing: \$ 0

Tax Exempt Bond Issuance (if applicable): \$ 0

Taxable Bond Issuance (if applicable): \$ 0

Public Sources (Include sum total of all state and federal grants and tax credits): \$ 0

Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)

Total Sources of Funds for Project Costs: \$0

Have you secured financing for the project? No

Mortgage Recording Tax Exemption Benefit:

Amount of mortgage, if any that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/bridge financing).

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$0

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit (485-a, 485-b, other):

IDA PILOT Benefit: Agency staff will indicate the estimated amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in the PILOT worksheet in the additional document section.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon the Sources of Funds for Project Costs as depicted above. The percentage of Project Costs financed from public sector sources will be depicted in the PILOT worksheet in the additional document section.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location).

The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and Genessee.

By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	400	400	27	27
Part time	1	1	0	0
Total	401	401	27	

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of Full Time Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of Part Time Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	73	\$ 79,122	\$ 11,294	0	\$ 0	\$ 0
Professional	33	\$ 94,122	\$ 15,698	0	\$ 0	\$ 0
Administrative	17	\$ 56,094	\$ 7,594	0	\$ 0	\$ 0
Production	304	\$ 60,902	\$ 4,872	1	\$ 55,127	\$ 4,410
Independent Contractor	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Total	427			1		

** Note that the Agency may utilize the foregoing employment projections, among other items, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.

Yes **By checking this box, I certify that the above information concerning the current number of jobs at the proposed project location or to be relocated to the proposed project location is true and correct.**

Employment at other locations in Erie County: (provide address and number of employees at each location):

Address	2376 South Park Avenue, Buffalo, NY 14220	500 Seneca Street, Buffalo, NY 14220	2375 South Park Avenue, Buffalo, NY 14220 (Distribution Center)
Full time	179	78	82
Part time	1	1	4

Total

180

79

86

Payroll Information**Annual Payroll at Proposed Project Site upon completion**

22,277,956

Estimated average annual salary of jobs to be retained (Full Time)

77,112

Estimated average annual salary of jobs to be retained (Part Time)

52,119

Estimated average annual salary of jobs to be created (Full Time)

47,515

Estimated average annual salary of jobs to be created (Part Time)

0

Estimated salary range of jobs to be created**From (Full Time)** 47,515**To (Full Time)** 47,515**From (Part Time)** 0**To (Part Time)** 0

Section III: Environmental Questionnaire

INSTRUCTIONS: Please complete the following questionnaire as completely as possible. If you need additional space to fully answer any question, please attach additional page(s).

General Background Information

Address of Premises

2375 South Park Avenue, Buffalo, NY 14220

Name and Address of Owner of Premises

Sorrento Lactalis, Inc. 2376 South Park Avenue, Buffalo, NY 14220

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)

Premises is located on South Park Avenue, in a mixed use commercial district. The existing manufacturing site is approx. 16.0 acres or 697,339 Sq ft with the manufacturing facility taking up approx. 5.0 acres / 216,000 Sq ft one-story. The site also houses a distribution center approx. 1.6 acres or 70,000 Sq ft and has some ancillary parking. There are no wetlands, coastlines, rivers, etc.

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

Originally, Sorrento Cheese was founded by Louis Russo in 1947. That company moved to current plant location in 1960 and produced mozzarella and ricotta cheese. Sorrento Cheese was acquired by Besnier (Group Lactalis) in 1991. A major plant expansion project was undertaken in 1993 for retail mozzarella production. In 1997, the plant was expanded to house the shred department. Ricotta Production volume were doubled in 1997. Lactalis US Operations took the name Sorrento Lactalis in 1999, and established their corporate headquarters in Buffalo. DC Warehouse expansion was completed in 2000 and autopalletization was implemented in 2007. The company added the cut & wrap (Brie) department in 2012, a new whey bagger line in 2015 and two new packaging line- Mozzarella & Provolone in 2016.

Describe all known former uses of the Premises

The primary use of the plant is for the production of cheese.

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

No

If yes, please identify them and describe their use of the property

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

No

If yes, describe and attach any incident reports and the results of any investigations

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

No

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

No

If yes, provide the Premises' applicable EPA (or State) identification number

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

N/A

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

N/A

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

If yes, please identify the substance, the quantity and describe how it is stored

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

N/A

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

Waste water discharge under Buffalo Sewer Authority BPDES Permit No. 21-03-BU080. Storm drain

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

N/A

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

Is this a Single Use Facility or a Multi-Tenant Facility?

Single Use Facility

For Single Use Facility.

Occupant Name Lactalis American Group, Inc.
Address 2376 South Park Avenue, Buffalo, NY 14220
Contact Person Jim Kourtis
Phone (647) 784-5567
Fax
E-Mail jim.kourtis@ca.lactalis.com
Federal ID #
SIC/NAICS Code 3115

SS

Section VI: Retail Determination

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

No

If yes, complete the Retail Questionnaire Supplement below. **If no, proceed to the next section.**

Section VII: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Are you applying for tax incentives under the Adaptive Reuse Program?

No

Section VIII: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Current Address

City/Town

State

Zip Code

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?

No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?

No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Does this project involve relocation or consolidation of a project occupant from another municipality?

Within New York State

<BLANK>

Within Erie County

<BLANK>

If Yes to either question, please, explain

Will the project result in a relocation of an existing business operation from the City of Buffalo?

<BLANK>

If yes, please explain the factors which require the project occupant to relocate out of the City of Buffalo (For example, present site is not large enough, or owner will not renew leases etc.)

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc.)

If the project occupant is currently located in Erie County and will be moving to a different municipality within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located?

<BLANK>

What factors have lead the project occupant to consider remaining or locating in Erie County?

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

Section IX: Senior Housing

IDA tax incentives may be granted to projects under the Agency's Senior Citizen Rental Housing policy when the project consists of a multi-family housing structure where at least 90% of the units are (or are intended to be) rented to and occupied by a person who is 60 years of age or older.

Are you applying for tax incentives under the Senior Rental Housing policy?

No

Section X: Tax Exempt Bonds

In order to receive the benefits of a tax-exempt interest rate bond, private borrowers and their projects must be eligible under one of the federally recognized private active bond categories (Fed Internal Rev Code IRC sections 142-144, and 1394).

Are you applying for tax exempt bonds / refinancing of bonds related to a residential rental facility project?

No