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FEATURED

Allegany County IDA mulls aid for \$500 million cheese plant in Belvidere

By BOB CLARK Olean Times Herald

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A tractor-trailer idles in front of the Empire Cheese plant off Haskell Road in Cuba on Tuesday. Owner Great Lakes Cheese Co. Inc. is seeking tax abatements to build a \$500 million plant in Belvidere, creating 200 new jobs and maintaining more than 200 existing jobs, but the firm would close the longtime Cuba facility in the process.

Bob Clark/Olean Times Herald

BELVIDERE — A \$500 million cheese plant would bring 200 new manufacturing jobs to Allegany County, officials said, but would close and relocate the current plant from nearby Cuba.

The Allegany County Industrial Development Agency hosted a conference call-based public hearing Tuesday on tax benefits for a new Great Lakes Cheese plant with a construction cost of approximately half a billion dollars. The plant would employ more than 450 workers and offer room for expansion.

Craig Clark, executive director of the IDA, said that officials with the Ohio-based company hope to purchase 210 acres of land in the towns of Amity and Angelica near the Crossroads area — close to Interstate 86 Exit 30 — for a 486,000-square-foot cheese-making facility and a 50,000-square-foot wastewater treatment plant.



The project would be among the most expensive one-time construction projects in Allegany County history.

The current 229 jobs at subsidiary Empire Cheese in Cuba, Clark said, would be relocated to Belvidere — about 15 minutes away along Interstate 86 — after the new plant is finished. An additional 200 jobs would also be added during the move, with space for expanding further and creating more jobs in the future.

The construction work is expected to employ hundreds of construction workers over five years, he said, while the milk being brought in will support 600 existing agricultural jobs as well as 100 more across the region.

Great Lakes Cheese purchased the former Empire Cheese plant in Cuba in 1993, expanding it in 2003. The privately-held company operates eight facilities in five states and employs around 3,000 workers.

In recent years, Clark said, the company has begun building “super plants” to expand capability and lower costs. The Belvidere operation would be the fifth — and largest by square footage — super plant operated by the company.

Under the proposal, the firm would see \$170.8 million in estimated county, local and school property tax breaks, up to \$21 million in sales tax abatement — for purchases of materials and equipment to build and furnish the facility — and up to \$9 million in tax breaks for mortgage and recording taxes if borrowing is needed to purchase the property.

While the Payment in Lieu of Taxes (PILOT) agreement has not been finalized, Clark said the local tax incentive would grant a 100% exemption for all property taxes on the project for the first 15 years, then increase the property’s tax levy by 20% every year for five years until the property is taxed at full value.

None of the abatements carry a cost to local taxpayers, Clark said, and are just waiving taxes that otherwise would have been paid by Great Lakes Cheese.

“You are competing with other states and other counties that offer a lot more incentives,” Clark said.

Dan Spitzer, an attorney for the IDA, noted the new facility will have a payroll of about \$9 million a year, with the facility expected to have a payroll of about \$360 million put into the community over the next 20 years.

Empire State Development Corp. is also assisting in helping site the plant, Clark said. While ESD’s plans were not available by press time, previous expansions in Cuba and Adams each attracted large amounts of state aid.

Both ESD and the IDA will have clawback provisions, Clark added, in case job counts do not meet expectations or other unexpected contingencies occur.

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THE ISSUE RAISED by the majority of callers, however, is what will become of the Cuba facility.

The majority of speakers on the call were Cuba residents, including town and village officials, expressing dismay at losing the facility in Cuba and seeking help getting Great Lakes Cheese to find an alternative use for the facility or helping find a new occupant.

“This is impacting our community greatly,” said Town Supervisor Lee James.

Jenny Bilotta of Cuba noted that the current facility, assessed at \$4.4 million, is taxed around \$188,000 a year by the Cuba-Rushford Central School District, the town of Cuba and Allegany County — funds that may disappear from municipal coffers if the plant closes.

“That’s going to have a huge effect on the taxpayers,” she said, adding other industrial sites in the town, such as two facilities previously used by Acme Electric, remain unused. “I think that more effort should have been put in to keep that here.”

Clark said the IDA was originally approached through Invest Buffalo Niagara — a nonprofit that helps companies with siting new facilities in Western New York — for an unknown manufacturer looking for a place to expand, and the Belvidere site was proposed.

“Once we realized who that was, we worked very hard with Great Lakes Cheese at sites in Cuba,” Clark said. “We worked an extra six months to find them a site in Cuba.”

Issues such as available space, utility costs and highway access ruled out many sites, Clark said, with only the Belvidere site meeting the criteria of the company.

“We worked with Great Lakes Cheese over those 18 months,” he said, with 70 sites investigated in the area. “They worked on several different sites in Cuba — it didn’t work out.”

As the new plant is constructed, Clark said production will continue in Cuba — putting off its closing for about five years. In that time, he and Spitzer said, work will begin on finding a new user for the facility so it can remain occupied and on the tax rolls.

Connie Doyle, from the Cuba Village Planning Board, noted the long history of cheese production in the town would be lost by the move.

“It’s our heritage,” she noted, with cheese production dating back to the beginning of the 1800s. What began on small dairy farms with handmade products, the first industrial manufacturing began in the 1870s and continues to the present with Great Lakes.

Long embracing its dairy heritage, the village and town have become known for cheese much in the same way nearby cities like Corning and Bradford, Pa., have become known for glass and Zippo lighters, respectively.

County Legislator John Ricci, R-Cuba, said he laments the loss to Cuba, but he preferred the move to Belvidere over a move to another area — where there would be no benefits to the county.

“We all want it to stay in the county. I’m a legislator first, a Cuba resident second,” Ricci said.



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