

Eastman Machine Company \$485,000 INDUCEMENT RESOLUTION

HIGHLIGHTS

Eligibility: NAICS Section -
33 Manufacturing

COMPANY INCENTIVES

- Approximately \$42,000 in sales tax savings



Manually Operated Cutting Machine



Automated Cutting Systems

Project Title: Eastman Machine Company
Project Address: 779 Washington Street
Buffalo, New York 14203
(Buffalo City School District)
SIC/NAICS: 3541/333512

Agency Request

A sales tax exemption in connection with the purchase of machinery and equipment which will serve to update the company's headquarters and allow for work currently subcontracted to be performed in-house.

Equipment	\$485,000
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Company Description

Eastman Machine Company is a cutting machine manufacturer, providing custom engineered solutions and innovative technologies for a variety of industries. Eastman serves customers in almost every country from its world headquarters in Buffalo, New York (USA), and through an international network of sales, support and engineering staff.

Eastman manufactures hand-held and manually-operated fabric cutting machines built to precise specifications; as well as a comprehensive line of fully automated, computerized cutting and plotting systems.

The company was founded in 1888 by George Eastman. Between 40 and 50% of sales are to customers outside the U.S.

The ECIDA has had a long history with the company dating back to 1982 with the issuance of a \$2M industrial revenue bond. Subsequently the Regional Development Corporation ("RDC") and Industrial Land Development Corporation ("ILDC") assisted the company with several working capital loans, two of which are outstanding and paying as agreed.

They are located in the City of Buffalo in a 120,000 sq. ft. two-story facility containing manufacturing, assembly & storage areas on the first floor and offices, conference rooms, repair and assembly on the second floor.

Project Description

Companies like Eastman face competition both domestically and abroad and forces them to maintain facilities at peak performance.

The project will involve upgrades to the facility in the form of new wiring/cabbling for both telephone and data transmission.

Eastman Machine Company

Additional upgrades include:

New Phone System for entire facility (VOIP)

New ERP system implementation including software

Replacement of AS 400 with a current IBM processor

Machinery and equipment for production area

A reconfiguration of the production area to expand operations and allow contract work, currently being performed by an outside company to be done in-house.

Project Benefits

The project is anticipated to create 20 jobs over 2 years.

Project Incentives

- Approximately \$42,000 in sales tax savings.

Employment

At Application:	102
Year 2:	122

Project History

No public hearing was required since project benefits are below \$100,000

3/26/2012 Lease/Leaseback Inducement Resolution presented to the Board.

Company History

1982	2,067,000 Bond Closed
1999	\$500,000 RDC Loan Closed
2008	\$202,500 ILDC Loan Closed
2009	\$500,000 RDC Loan Closed