

Garrett Leather Corporation
\$4,100,000
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 316110

COMPANY INCENTIVES

- Approximately \$70,000 in sales tax savings

EMPLOYMENT

- Current Jobs = 32
- Projected Jobs = 42 (2 years after

PROJECT HISTORY

- project completion)
- No public hearing was required since all benefits are below the \$100,000 level.
 - 12/16/2015 - ECIDA Board of Directors adopts a Negative Declaration in accordance with SEQRA.
 - 12/16/2015 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: Garrett Leather Corporation
 Project Address: 75 Boxwood Lane
 Cheektowaga, New York 14227
 (West Seneca Central School District)

Agency Request

A sales tax exemption in connection with the acquisition and equipping of an existing 80,000 sq. ft. facility.

Building Acquisition	\$2,150,000
Renovation	\$1,400,000
Manufacturing Equipment	\$ 50,000
Non-Manufacturing Equipment	\$ 250,000
Soft Costs	\$ 250,000
 Total Project Costs	 \$4,100,000
 85%	 \$3,485,000

Company Description

Garrett Leather began operations in 1988 in the home of the current owner and since 1998 has been located on Niagara Street in the City of Buffalo in the former Mentholatum Building. The Niagara Street facility consists of 70,000 sq. ft. of space over four floors.

Garrett is a high end manufacturer and distributor of upholstery leather and leather products. They sell to various industries including aviation, cruise ships, motor coach, residential designers, yacht manufacturers and commercial designers across the world. Some of their largest customers include Dassault Falcon, Gulfstream and Royal Caribbean.

Project Description

Garrett is purchasing the former Miken Systems Building located in the Town of Cheektowaga. The Cheektowaga facility is 80,000 sq. ft. on a single floor and will provide the company with a more efficient layout for the handling and managing of over 2 million sq. ft. of leather inventory.

The building is outdated and in need of significant renovations to bring it up to the global standards expected of a headquarters facility. Major renovations include replacing/repairing the roof, installing new heating units throughout the facility and completely rebuilding the office area.

The company's projected growth requires additional square footage and the existing building is unable to accommodate its needs.

Intermunicipal Move

In accordance with the Agency's Intermunicipal Move Policy, Both Mayor Brown and Supervisor Holtz have been notified of the company's desire to relocate. The company has met with representatives of the City of Buffalo.

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 = \$4,100,000 85% = \$3,485,000
Employment	See Recapture Period	Maintain Base = 32 Projected = 10 85% = 8 Recapture Jobs = 40
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	See Recapture Period	Adherence to pay equity policy
Recapture Period	2 Years after Project Completion	Recapture of state and local sales taxes

Recapture applies to:
State and Local Sales Taxes

Recapture

Pursuant to Section 875 of New York General Municipal Law, the agency may recover or recapture from the company any state sales tax and use tax exemption benefits taken by the company that are in violation of the GML.

In addition, it is the recommendation of the ECIDA's Policy Committee to recapture the local share of sales tax.

At completion of project company must certify i) total investment amount equal to or greater than 85% of amount proposed ii) confirm that company has maintained base jobs of 32 and created 85% of projected jobs = 8 iii) adherence to local labor policy iv) adherence to pay equity policy.