

**Eastman Machine**  
**\$1,665,000**  
**INDUCEMENT RESOLUTION**

**ELIGIBILITY**

- NAICS Section - 333249

**COMPANY INCENTIVES**

- Approximately \$91,088 in sales tax savings
- Approximately \$26,000 in real property tax savings
- Approximately \$7,500 in mortgage tax savings

**EMPLOYMENT**

- Retained Jobs - 126
- Projected New Jobs - 3
- Total Jobs After Project Completion - 129
- Annual payroll: \$8,500,000
- Estimated salary of jobs to be created: \$45,000
- Estimated salary of jobs to be retained: \$65,000

**PROJECT HISTORY**

- 12/30/2020 - Public hearing held.
- 02/24/2021 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 02/24/2021 Lease/Leaseback Inducement Resolution presented to the Board of Directors

**COMPANY HISTORY**

- 1982 - \$2,067,000 Tax Incentive
- 2013 - \$485,000 Tax Incentive

Project Title: Eastman Machine  
 Project Address: 775 & 779 Washington Street  
 Buffalo, New York 14203  
 (Buffalo City School District)

**Agency Request**

A sales tax, real property tax and mortgage tax exemption in connection with the construction of a 7,400 sq. ft. addition to the company's existing facility.

Building Addition	\$1,435,000
Non-Manufacturing Equipment	\$ 180,000
Soft Costs	\$ 50,000

Total Project Cost	\$1,665,000
85%	\$1,415,250

**Company Description**

Eastman Machine Company is a cutting machine manufacturer, providing custom engineered solutions and innovative technologies for a variety of industries. Eastman offers the industry's widest range of classic, hand-held and manually-operated fabric cutting machines as well as a comprehensive line of fully automated, computerized cutting and plotting systems. Almost all of the company's sales are to customers located outside New York State with 32% to international customers.

**Project Description**

The project consists of the construction of an approximately 7,400 sq. ft. expansion to the company's existing 130,000 sq. ft. facility. The planned uses for the space include storage for purchased items that are to be used in the assembly process.

Eastman contracted with Insyte Consulting to develop a plan to determine the best solution for this expansion which is required due to the projected growth of automatic machines, feeders, spreaders and accessories.

**New Tax Revenue Estimated**

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 7-year abatement period	Additional Local Revenue Over 7-year abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$0	\$200,000	\$2,200	\$5,000	\$4,800
Combined Tax Rate: \$24.08				

## 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 = \$1,665,000 85% = \$1,415,250
Employment	Coincides with 7-year PILOT	Maintain base: 126 Create 85% of Projected Projected = 3 85% = 2 Recapture Employment = 128
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 7-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 7-year PILOT	Adherence to Policy
Recapture Period	Coincides with 7-year PILOT	Recapture of Mortgage recording tax, state and local sales taxes

Recapture applies to:  
 State and Local Sales Taxes  
 Real Property Tax  
 Mortgage Recording Tax

### Recapture

Pursuant to New York State General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that is in violation of the GML.

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 126 jobs and created 3 FT jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.