

Cameron International Corporation (Compression Division)
\$6,560,652
INDUCEMENT RESOLUTION

HIGHLIGHTS

- Eligibility: NAICS Section - **33 manufacturing**



COMPANY INCENTIVES

- Approximately \$183,000 in sales tax savings

Project Title: Cameron International Corporation (Compression Division)
 Project Address: 3101 Broadway
 Cheektowaga, New York 14227
 (Cheektowaga Central School District)
 NAICS: 333912

Agency Request

A sales tax abatement in connection with the expansion of the company’s existing testing stations and installation of a new cooling tower.

New Building Construction	\$ 3,232,876
Renovations	80,000
Manufacturing Equipment	2,113,776
Soft Costs	272,000
Other (Feed Line)	<u>862,000</u>
 Total Project Cost	 \$ 6,560,652
 85%	 \$5,576,554

Company Description

Cameron is a leading provider of flow equipment products, systems and services to worldwide oil, gas and process industries. Leveraging its global manufacturing, engineering and sales and service network, Cameron works with drilling contractors, oil & gas producers, pipeline operators, refiners and other process owners to control, direct, adjust, process, measure and compress pressures and flows. The Cheektowaga facility manufactures, assembles and tests compressors for plant and air separation applications.

Cameron is a 180 year old company headquartered in Houston, Texas with 300 locations around the world. The company has over \$8 billion in sales and 2/3 of its products are shipped to overseas customers. Major customers include Praxair, Linde, Air Liquide and Air Products.

Project Description

The company is expanding and separating its current electrical substation. They are installing an additional feed line (with the help of National Grid) which will improve test productivity ultimately resulting in timelier customer shipments. In addition, a new 3,000 sq. ft. cooling tower will be installed.

The compressor industry is very competitive and, as has been reported, the Compressor Division is for sale. The planned infrastructure upgrades at the Cheektowaga location is an effort to maintain an up to date and modern location and to be at the forefront of growth within the overall Cameron corporate structure.

Project Incentives

- Approximately \$183,000 in sales tax savings

Project Benefits

- The project is anticipated to retain employment at the Cheektowaga plant.

Employment

<u>Current</u>	<u>New Jobs Projected</u>	<u>Total of Current and projected Jobs</u>
584	0	<u>2 Years after Project Completion</u>
		584

Current Jobs to be Retained
100

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 = \$6,560,652 85% of total project amount = \$5,576,554
Employment	See Recapture Period	Maintain 100% of base =584
Local Labor	Construction period	Adherence to policy including quarterly reporting
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 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 portion of the 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 will maintain base employment of 584 and iii) confirm adherence to ECIDA local labor hiring policy.

Project History

- 07/30/2014 Public Hearing Held. Transcript attached
- 8/19/2014 Inducement Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA.
- 8/19/2014 Lease/Leaseback Inducement Resolution presented to the Board of Directors

Company History

- 7/23/1980 \$1,000,000 Inducement Resolution
- 7/11/1990 \$8,059,300 Inducement Resolution
- 10/11/1995 \$3,178,000 Inducement Resolution
- 11/03/1996 \$6,529,300 Inducement Resolution