

Project Summary Sheet

2-4 Market Street Corning, LLC

September 2019

Project Description

2-4 Market Street Corning is a real estate holding company owned by Bob Bates. Bob plans to buy the former Tony R's restaurant at 2-4 Market Street in Corning and lease the facility to his son and daughter-in-law, Christopher Bates and Isabel Bogadtke, who own and operate F.L.X. Hospitality. F.L.X. Hospitality is a restaurant and winery group that owns F.L.X. Winery in Dundee, F.L.X. Table in Geneva, Element Winery, and several other businesses. Christopher is a Master Sommelier, which is earned by having the highest qualifications in the hospitality industry and outstanding taste and evaluation skills, including wine and food pairing. There are 165 Master Sommeliers in the United States and 262 in the world. Seeing that there is a gap now in the Corning market with the vacancy of Tony R's, Christopher and Isabel would like to bring their food and beverage expertise to the area by offering regional and international wines and beers paired with locally sourced foods and a wood-fired grill.

Total Project Investment \$1,390,000

Jobs Retained 0

Job Created 18

Benefit to Cost Ratio 111:1

Estimated PILOT Savings \$151,633

Estimated Mortgage Tax Savings \$9,375

Estimated Sales Tax Savings \$72,000

Total Savings \$233,008

Comments This project would fill a large, vacant building on a key corner in the City's vibrant downtown and support the economic development strategies of both the Gaffer District and the City of Corning.

Estimated Project Start Date September 2019

Estimated Project Completion Date April 2020

Evaluative Criteria for Retail Projects

1. Market study for services not readily available, plus the impact on existing businesses

- a. A market study provided by Bob Bates indicates that the restaurant, which will be split into multiple sections, will fill gaps in the Corning market including fine dining with locally sourced prime beef prepared on a woodfired grill, communal dinners and wine and beer tastings paired with locally sourced foods. The goal is to provide more than a meal, but rather a food and beverage experience that will draw residents from outside the County and visitors to the region. Also noted in the study is information from Corning's Gaffer District. In 2010, the organization created a strategic plan focused on making the area a dining destination after it found research showing restaurants average 40% higher sales than retail businesses. Bob believes that his tenant's designation as a Master Sommelier will attract residents and visitors to the area, thus increasing sales tax for the community and foot traffic for other businesses in the Gaffer District.
- b. Mark Ryckman, City of Corning Manager, will be contacted to confirm the IDA's findings pertaining to the project.

2. Regional Wealth Creation

- a. Total State Benefits - \$1,344,000
- b. Total Regional Benefits - \$23,523,000

3. Highly Distressed Census Tract – N/A

4. **Urban or Town Center Location** – The restaurant is in the commercial district in the City of Corning, within walking distance of people living on the City's southside, Corning Incorporated's headquarters, the Corning-Painted Post High School, and several other large employers.
5. **Elimination of Slum or Blight** – Due to the large size of the building (about 12,000 sq. ft.) and money required to convert it to another use, if not a restaurant, there is a strong possibility that the building would be vacant for an extended period of time if not for the investor. This would be a detriment to the City, as it is located on a heavily traveled, visible corner adjacent to Centerway Square.
6. **Alignment with Local Planning and Development Efforts** – Retaining and attracting restaurants to the City's Business improvement District, known as the Gaffer District, is part of the organization's strategic plan. The Gaffer District's research shows that restaurants are more profitable than retail stores as has set out to make the Market Street corridor a dining destination. A letter of support from the City of Corning's Director of Planning and Economic Development confirms that the project also supports the City's Economic Development Strategic Plan.

No. 4603 19 10

Application To
**STEUBEN COUNTY INDUSTRIAL DEVELOPMENT AGENCY/
STEUBEN AREA ECONOMIC DEVELOPMENT CORPORATION**
For
FINANCIAL ASSISTANCE**

Section I: Applicant Information

Please answer all questions. Use "None" or "Not Applicable" where necessary.

A) Applicant Information-company receiving benefit:

Applicant Name: 2-4 Market Street Corning, LLC

Applicant Address: PO box 331

Phone: 585-943-7820

Fax: NA

Website: FLX Hospitality.com

E-mail: _____

Federal ID#: 84-2429359

NAICS: _____

Will a Real Estate Holding Company be utilized to own the Project property/facility? ☒ Yes or ☐ No

What is the name of the Real Estate Holding Company: Same as above

Federal ID#: _____

B) Authorized Signatory:

Name: Robert W. Bates

Title: Member

Address: 9790 Oak Hill Rd, Arkport, NY 14807

Phone: 585-943-7820

Fax: NA

E-Mail: Bob@elementwinery.com

C) Corporate Contact (if different from individual completing application):

Name: _____

Title: _____

Address: _____

Phone: _____

Fax: _____

E-Mail: _____

D) Company Counsel:

Name of Attorney: Tracy Jong
Firm Name: Tracy Jong Law Firm
Address: 2300 Buffalo RD, Building 100A , Rochester NY 14624
Phone: 585-247-9170 Fax: 585-247-9171
E-mail: tjong@tracyjonglawfirm.com

E) Identify the assistance being requested of the Agency (select all that apply):

- | | |
|-------------------------------------|---|
| 1. Exemption from Sales Tax | <input type="radio"/> Yes or <input type="radio"/> No |
| 2. Exemption from Mortgage Tax | <input type="radio"/> Yes or <input type="radio"/> No |
| 3. Exemption from Real Property Tax | <input type="radio"/> Yes or <input type="radio"/> No |
| 4. Tax Exempt Financing * | <input type="radio"/> Yes or <input type="radio"/> No |

* (typically for not-for-profits & small qualified manufacturers)

F) Business Organization (check appropriate category):

Corporation	<input type="checkbox"/>	Partnership	<input type="checkbox"/>
Public Corporation	<input type="checkbox"/>	Joint Venture	<input type="checkbox"/>
Sole Proprietorship	<input type="checkbox"/>	Limited Liability Company	<input checked="" type="checkbox"/>

Other (please specify) _____
Year Established: _____
State in which Organization is established: _____

G) List all stockholders, members, or partners with % of ownership greater than 20%:

<u>Name</u>	<u>% of ownership</u>
Robert W. Bates	100%
_____	_____
_____	_____

H) Applicant Business Description:

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility: See Attached

Estimated % of sales within County/City/Town/Village: 30%

Estimated % of sales outside County/City/Town/Village, but within New York State: 50%

Estimated % of sales outside New York State but within the U.S.: 15%

Estimated % of sales outside the U.S. 5%

(*Percentage to equal 100%)

I) What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in County/City/Town Village. 25%

Section II: Project Description & Details

A) Project Location:

Municipality or Municipalities of current operations: Operating Company - Dundee and Geneva

Provide the property address of the Proposed Project:

2-4 Market Street

Corning, NY

Will the Project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?

☐ Yes or ☒ No

If Yes, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry: _____

What are the current real estate taxes on the proposed Project Site? \$38,000

If amount of current taxes is not available, provide assessed value for each:

Land: \$ _____

Buildings(s): \$ _____

Are Real Property Taxes current? ☒ Yes or ☐ No. If no, please explain _____

Town/City/Village: _____ School District: _____

Does the Applicant or any related entity currently hold fee title to the Project site? ☐ Yes or ☐ No
If No, indicate name of present owner of the Project Site: Corning Property Management Co

Does Applicant or related entity have an option/contract to purchase the Project site? ☒ Yes or ☐ No

Describe the present use of the proposed Project site: Restaurant

B) Please provide narrative of project and the purpose of the project (new build, renovations, and/or equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility): _____
The building will be leased to The FLX Table a restaurant group with operations in ,
Dundee, and Geneva, NY presently employing over 30 full and part time employees.
The group intends to put 3 unique operations in the building, 1. retail wine and beer
sales 2. A modern American Bistro, and 3. a wood fired Grill.
See Attached for further description

Describe the reasons why the Agency's Financial Assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary): See Attached

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency?

☒ Yes or ☐ No

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency: The additional cost of sales tax - over the construction and Equipment adds \$60,000 to \$75,000 dollars to the Capital budget which represents and added 5% to.
the overall cost. The mortgage recording taxes savings would be another \$12,000.
These added to the capital cost would add almost a dollar to the rent.
The tax abatement will allow the tenant to build up it's sales over a reasonable tirr

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and County/City/Town/Village? 25 +/- full time jobs will not be created also the potential lose of \$1,469,965 in sales
tax projected income

C) Will Project include leasing any equipment ☐ Yes or ☒ No

If Yes, please describe: _____

D) Site Characteristics:

Describe the present zoning/land use: General Business

Will the Project meet zoning/land use requirements at the proposed location? ☒ Yes or ☐ No

If not, please describe required zoning/land use: _____

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements: NA

Is the proposed project located on a site where the known or potential presence of contaminants is complicating the development/use of the property? If yes, please explain: NO

E) Provide any additional site information or details that may be applicable to the proposed project:

F) Select Project Type for all end users at project site (you may check more than one):

Industrial	<input type="checkbox"/>	Back Office	<input type="checkbox"/>
Acquisition of Existing Facility	<input checked="" type="checkbox"/>	Retail	<input checked="" type="checkbox"/>
Housing	<input type="checkbox"/>	Mixed Use	<input type="checkbox"/>
Equipment Purchase	<input checked="" type="checkbox"/>	Facility for Aging	<input type="checkbox"/>
Multi-Tenant	<input type="checkbox"/>	Civic Facility (not for profit)	<input type="checkbox"/>
Commercial	<input type="checkbox"/>	Other _____	<input type="checkbox"/>

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, complete the Retail Questionnaire contained in Section III of the Application.

Retail Sales*: ☒ Yes or ☐ No

Services*: ☐ Yes or ☐ No

*For purposes of this question, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

G) Project Information:

Estimated costs in connection with Project:

- | | |
|---|-------------------|
| 1. Land and/or Building Acquisition: | \$ <u>416,300</u> |
| _____ acres <u>6000 Lot Size</u> square feet | |
| 2. New Building Construction: _____ square feet | \$ _____ |
| 3. New Building Addition(s): _____ square feet | \$ _____ |
| 4. Reconstruction/Renovation: <u>12000 To</u> square feet | \$ <u>500,000</u> |
| 5. Infrastructure Work: | \$ _____ |
| 6. Manufacturing Equipment: | \$ <u>200,000</u> |
| 7. Non-Manufacturing Equipment (furniture, fixtures, etc.): | \$ <u>50,000</u> |
| 8. Soft Costs: (professional services, etc.): | \$ <u>223,700</u> |
| 9. Other, Specify: _____ | \$ _____ |

TOTAL Capital Costs: \$ 1,390,000

Project refinancing; estimated amount
(for refinancing of existing debt only)

\$ _____

Sources of Funds for Project Costs:

1. Bank Financing:	\$ <u>750000</u>
2. Equity (excluding equity that is attributed to grants/tax credits):	\$ <u>130000</u>
3. Tax Exempt Bond Issuance (if applicable):	\$ _____
4. Taxable Bond Issuance (if applicable):	\$ _____
5. Public Sources (Include sum total of all state and federal grants and tax credits):	\$ _____
Identify each state and federal grant/credit:	
<u>Redec / Loan</u>	\$ <u>150000</u>
<u>Stredc / Loan</u>	\$ <u>150000</u>
<u>City of Corning / Loan</u>	\$ <u>100000</u>
<u>Main Street / Grant</u>	\$ <u>110000</u>
 Total Sources of Funds for Project Costs:	 \$ <u>1390000</u>

Have any of the above costs been paid or incurred as of the date of this Application? ☒ Yes or ☐ No

If Yes, describe particulars:

Yes some architectural, Legal cost, Bank cost total of \$15,000 +/-

Mortgage Recording Tax Exemption Benefit: Amount of mortgage that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent): \$ 750,000

Estimated Mortgage Recording Tax Exemption Benefit (product of Mortgage Amount as indicated above multiplied by 1.25%): \$ 9,375

Sales and Use Tax: Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax - said amount to benefit from the Agency's Sales and Use Tax exemption benefit:

\$ 900,000

Estimated State and local Sales and Use Tax Benefit (product of 8% multiplied by the figure above):

\$ ~~80,000~~ 72,000

*** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.*

Real Property Tax Benefit:

IDA PILOT Benefit: Agency staff will indicate the amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit year and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in Section IV of the Application.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon Sources of Funds for Project Costs as depicted above in Section II(G) of the Application.

H) What is your Project timetable (provide dates):

1. Start date – acquisition of equipment or construction of facilities: 9/30/19
2. Estimated completion date of Project: 4/30/20
3. Project occupancy – estimated starting date of operations: 5/1/20
4. Have construction contracts been signed? ☐ Yes or ☒ No
5. Has financing been finalized? ☒ Yes or ☐ No

I) Have site plans been submitted to the appropriate planning department?

☐ Yes or ☒ No

If yes, has the Project received site plan approval from the planning department?

☐ Yes or ☒ No.

If yes, please provide the Agency with a copy of the related State Environmental Quality Review Act (“SEQRA”) determination that may have been required to be submitted along with a copy of the approved site plans.

Please provide the Agency with the status of any required planning department or other approval:
We will need building permit, NYS LA permit

J) Is the Project necessary to retain existing employment: ☐ Yes or ☒ No

Is the Project necessary to expand employment: ☒ Yes or ☐ No

K) Employment Plan (Specific to the proposed Project location):

	Current # of jobs at proposed project location or to be relocated to project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of jobs to be CREATED after project completion			Estimate number of residents of the Labor Market Area in which the Project is located that will fill the jobs to be created after project completion*		
			12 months	24 months	36 months	12 months	24 months	36 months
Full Time	0	0	8	10	12	4	6	8
Part Time			12	12	12	12	12	12
Total FTE			14	16	18	10	12	14

*For purposes of this question, please estimate the number of FT and PT jobs that will be filled, as indicated in the third column, by residents of the Labor Marker Area, in the fourth column. The Labor Marker Area includes Steuben, Schuyler, Chemung, Yates, Allegany, and Livingston Counties.

Salary and Fringe Benefits for Jobs to be Retained and/or Created:

Category of Jobs to be Retained and Created	Average Salary for Jobs Created	Average Fringe Benefits for Jobs Created	Average Salary for Jobs Retained	Average Fringe Benefits for Jobs Retained
Management	45000	9000		
Professional				
Administrative				
Production	24,960	15,600		
Independent Contractor				
Other				

Employment at other locations in the state: (provide address and number of employees at each location):

	Address <i>Geneva</i>	Address <i>Dundee</i>	Address
Full time	20	10	
Part Time	10	5	
Total FTEs			

Please note: The Agency may utilize the foregoing employment projections, among other items, to determine the Financial Assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.

Section III Retail Questionnaire

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

- A. Will any portion of the project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

☒ Yes or ☐ No. If the answer is yes, please continue. If no, proceed to section IV.

For purposes of Question A, the term “retail sales” means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the “Tax Law”) primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

- B. What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? 100%.
If the answer is less than 33% do not complete the remainder of the retail determination and proceed to section IV.

If the answer to A is Yes AND the answer to Question B is greater than 33.33%, please answer the questions below:

1. Will the project be operated by a not-for-profit corporation ☐ Yes or ☒ No.
2. Is the Project location or facility likely to attract a significant number of visitors from outside the economic development region in which the project will be located?

☒ Yes or ☐ No

If yes, please provide a third-party market analysis or other documentation supporting your response.

3. Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality within which the proposed project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services?

☒ Yes or ☐ No

If yes, please provide a third party market analysis or other documentation supporting your response.

4. Will the project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York?

☒ Yes or ☐ No.

If yes, explain The tenant will be increasing local full time jobs by 30 +/-

5. Is the project located in a Highly Distressed Area, as defined by the US Census Bureau?

☐ Yes or ☒ No

Section IV: Estimate of Real Property Tax Abatement Benefits and Percentage of Project Costs financed from Public Sector sources

Section IV of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

Estimates provided are based on current property tax rates and assessed values.

PILOT Estimate Table

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property*	County Tax Rate/1,000	Local (town/village/city) Tax Rate/1,000	School Tax Rate/1,000

*Apply equalization rate to value

Abatement Year	Current Taxes	New Without PILOT	Total Tax Liability	Proposed PILOT New	Total PILOT New + Existing	PILOT Savings
Total						

Section V Representations, Certifications and Indemnification

This Section of the Application can only be completed upon the Applicant receiving, and must be completed after the Applicant receives, IDA Staff confirmation that Section I through Section IV of the Application are complete.

Robert W. Bates (name of CEO or other authorized representative of Applicant)
confirms and says that he/she is the Member (title) of
2-4 Market Street Corning, LLC (name of corporation or other entity) named in the attached
Application (the "Applicant"), that he/she has read the foregoing Application and knows the contents
thereof, and hereby represents, understands, and otherwise agrees with the Agency and as follows:

- A. Job Listings: In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.
- B. First Consideration for Employment: In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C. Annual Sales Tax Filings: In accordance with Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant. Copies of all filings shall be provided to the Agency.
- D. Employment Reports: The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, salary levels, contractor utilization and such other information (collectively, "Employment Reports") that may be required from time to time on such appropriate forms as designated by the Agency. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT Agreement between the Agency and Applicant and, if applicable, an Event of Default under the Agent Agreement between the Agency and Applicant. In addition, a Notice of Failure to provide the Agency with an Employment Report may be reported to Agency board members, said report being an agenda item subject to the Open Meetings Law.

- E. The Applicant acknowledges that certain environmental representations will be required at closing. The Applicant shall provide with this Representation, Certification and Indemnification Form copies of any known environmental reports, including any existing Phase I Environmental Site Assessment Report(s) and/or Phase II Environmental Investigations. The Agency may require the Company and/or owner of the premises to prepare and submit an environmental assessment and audit report, including but not necessarily limited to, a Phase I Environmental Site Assessment Report and a Phase II Environmental Investigation, with respect to the Premises at the sole cost and expense of the owner and/or the Applicant. All environmental assessment and audit reports shall be completed in accordance with ASTM Standard Practice E1527-05, and shall be conformed over to the Agency so that the Agency is authorized to use and rely on the reports. The Agency, however, does not adopt, ratify, confirm or assume any representation made within reports required herein.
- F. The Applicant and/or the owner, and their successors and assigns, hereby release, defend and indemnify the Agency from any and all suits, causes of action, litigations, damages, losses, liabilities, obligations, penalties, claims, demands, judgments, costs, disbursements, fees or expenses of any kind or nature whatsoever (including, without limitation, attorneys', consultants' and experts' fees) which may at any time be imposed upon, incurred by or asserted or awarded against the Agency, resulting from or arising out of any inquiries and/or environmental assessments, investigations and audits performed on behalf of the Applicant and/or the owner pursuant hereto, including the scope, level of detail, contents or accuracy of any environmental assessment, audit, inspection or investigation report completed hereunder and/or the selection of the environmental consultant, engineer or other qualified person to perform such assessments, investigations, and audits.
- G. Hold Harmless Provision: The Applicant acknowledges and agrees that the Applicant shall be and is responsible for all costs of the Agency incurred in connection with any actions required to be taken by the Agency in furtherance of the Application including the Agency's costs of general counsel and/or the Agency's bond/transaction counsel whether or not the Application, the proposed Project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion and agrees that the Agency shall not be liable for and agrees to indemnify, defend, and hold the Agency harmless from and against any and all liability arising from or expense incurred by: (i) the Agency's examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the proposed Project described herein or the tax exemptions and other assistance requested herein are favorably acted upon by the Agency; (ii) the Agency's acquisition, construction and/or installation of the proposed Project described herein; and (iii) any further action taken by the Agency with respect to the proposed Project including, without limiting the generality of the foregoing, all causes of action and attorney's fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law and the policies of the Agency that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency, any mortgage recording tax exemption claimed by the Applicant and approved by the Agency, and/or any real property tax abatement claimed by the Applicant and approved by the Agency, in connection with the Project, may be subject to recapture and/or termination by the Agency under such terms and conditions as will be established by the Agency and set forth in transaction documents to be entered into by and between the Agency and the Applicant. The Applicant further represents and warrants that the information contained in this Application, including without limitation information regarding the amount of the New York State and local sales and use tax exemption benefit, the amount of the mortgage recording

tax exemption benefit, and the amount of the real property tax abatement, if and as applicable, to the best of the Applicant's knowledge, is true, accurate and complete.

- H. This obligation includes an obligation to submit an Agency Fee Payment to the Agency in accordance with the Agency Fee policy effective as of the date of this Application
- I. By executing and submitting this Application, the Applicant covenants and agrees to pay the following fees to the Agency and the Agency's general counsel and/or the Agency's bond/transaction counsel, the same to be paid at the times indicated:
 - (i) a non-refundable \$750 application and publication fee (the "Application Fee");
 - (ii) an amount equal to one percent (1%) of the total project costs, unless otherwise agreed to by the Agency; and
 - (iii) all fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel and/or the Agency's bond/transaction counsel, thus note that the Applicant is entitled to receive a written estimate of fees and costs of the Agency's general counsel and the Agency's bond/transaction counsel; and (2) other consultants retained by the Agency in connection with the proposed project, with all such charges to be paid by the Applicant at the closing.
- J. If the Applicant fails to conclude or consummate the necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable proper or requested action, or withdraws, abandons, cancels, or neglects the Application, or if the Applicant is unable to find buyers willing to purchase the bond issue requested, or if the Applicant is unable to facilitate the sale/leaseback or lease/leaseback transaction, then, upon the presentation of an invoice, Applicant shall pay to the Agency, its agents, or assigns all actual costs incurred by the Agency in furtherance of the Application, up to that date and time, including but not necessarily limited to, fees of the Agency's general counsel and/or the Agency's bond/transaction counsel.
- K. The Applicant acknowledges and agrees that all payment liabilities to the Agency and the Agency's general counsel and/or the Agency's bond and/or transaction counsel as expressed in Sections H and I are obligations that are not dependent on final documentation of the transaction contemplated by this Application.
- L. The cost incurred by the Agency and paid by the Applicant, the Agency's general counsel and/or bond/transaction counsel fees and the processing fees, may be considered as a cost of the Project and included in the financing of costs of the proposed Project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.
- M. The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). **Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.**
- N. The Applicant acknowledges that it has been provided with a copy of the Agency's Policy for Termination of Agency Benefits and Recapture of Agency Benefits Previously Granted (the "Termination and Recapture Policy"). The Applicant covenants and agrees that it fully understands that the Termination and Recapture Policy is applicable to the Project that is the

subject of this Application, and that the Agency will implement the Termination and Recapture Policy if and when it is so required to do so. The Applicant further covenants and agrees that its Project is potentially subject to termination of Agency financial assistance and/or recapture of Agency financial assistance so provided and/or previously granted.

- O. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

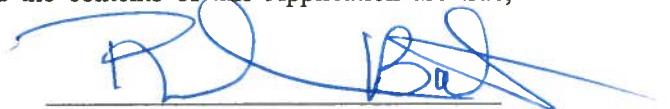
§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

- P. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
- Q. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.
- R. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.
- S. The Applicant and the individual executing this Application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations and covenants made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

STATE OF NEW YORK)
COUNTY OF) ss.:

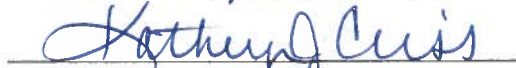
_____, being first duly sworn, deposes and says:

1. That I am the member (Corporate Office) of 2-4 Market Street Corning, LLC (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.



(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury
this 19 day of September, 2019



(Notary Public)

KATHRYN J. CRISS
NOTARY PUBLIC
State of New York, County of Steuben
License # 01CR6149492
Commission Expires July 10 2022

Section 1:

Applicants Information: H.

2-4 Market Street Corning, LLC, 2-4 Market, will purchase the existing build – presently a vacant 10, 500 sq. ft. building in the center of downtown Corning. The building is the former home of Tony R's Steak house and was operated as such from 2008 until July of this year. The Present owner is Corning Property Management Co. See Attached Bio on Robert Bates.

In March of this year negotiation between 2-4 Market and Corning finally lead to a Purchase and Sales contract acceptable to both parties.

2-4 Market will renovate the building for use by FLX Table. The cost associated with the renovation is approximately \$700,000 including soft cost. 2-4 Market will also provide \$250,000 in equipment and furnishings.

FLX Table is a successful restaurant group that presently operates in Geneva and Dundee, NY.

See attached Bio on FXL Table and their key people.

Robert W. Bates, Owner RWB Development, LLC

Bob joined NCB Community Works, LLC in January of 2004 where he is responsible for the development of affordable housing. He started in housing in 1978 as a rural housing advocate in upstate NY where he helped form the NYS Rural Housing Coalition. Since then he has worked in all areas of affordable housing, as a lender with NCB in the early eighties, as a consultant doing 515s in the mid eighties, later as the Director of Development for an urban Not for Profit, and then as the Vice President of Development for a large private affordable housing group. He has developed single-family ownership programs, lease to own programs, and multi-family projects primarily in the Mid Atlantic region utilizing HOME, FHBL, CDBG, LIHTC, Section 515, HUD, State Housing Trust Funds, and AHC Funds. He is presently working to develop and implement a model for the preservation of RD Section 515s, which allows the active participation of the tenants in the long-term operation and control of the units.

During his involvement in affordable housing he has developed or preserved over 750 rental units utilizing the section 515 program under USDA. He has also developed or preserved over 500 units of rental housing utilizing the LIHTC program. His activities include developing some of the first joint ventures between private for profit developers and Not for Profit organizations in multi-family. He worked with NYS RHS and a not for profit owner to do one of the first consolidation of Section 515 loans which led to the preservation of 80 units of senior housing and the addition of a senior community facility. The senior community facility included a commercial community kitchen that provided the basic space for a regional meals on wheels program,

He has worked for the last 4 years to develop a viable portfolio model that will allow several smaller housing properties to be combined. By combining smaller properties they can be preserved using several programs including tax exempt bonding which requires economies of scale that traditionally have been unavailable in rural communities. In joining with LNWA and forming RHPA they have closed on one of the first portfolio transfers.

As of 2019 RHPA, LLC under the guidance of Robert Bates has added 285 Units in PA in 2008, 305 Units in WV in 2011, 200 Units in New Jersey in 2017, and presently holds the development Rights to 513 addition units in WV – 136 units are presently funded and will be completed in the next 12 months. The remaining units will be developed and rehabbed over the next few years.

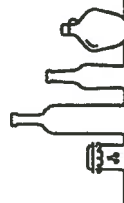
Robert has also developed a successful Winery – The Element Winery, LLC which ships around the country and internationally. He has also added a vineyard in 2017.



FEAST & CO.
CATERING



F.L.X.
Culture House



FLX. PROVISIONS

F.L.X. **HOSPITALITY**

WWW.FLXHOSPITALITY.COM

FLX HOSPITALITY

Founded in 2014 with the opening of F.L.X. Winery, five years later the company owns and operates F.L.X. Table, F.L.X. Fry Bird, F.L.X. Provisions, F.L.X. Culture House, Feast & Co. Catering, Element Winery, Colloquial Wines and Ikigai Vineyard.

Members:

Christopher P. Bates, Master Sommelier-With nearly 25 years of hospitality experience in all aspects of restaurant and hotel operations. Christopher, and his wife Isabel, founded F.L.X. Hospitality in 2014, and now operate and oversee all the operations. In 2017 F.L.X. Table was voted Best New Restaurant in the United States, and in 2018 Best Winery Restaurant in the country by USA Today's Ten Best Awards.

Christopher's past experience include positions as General Manager of The Inn at Dos Brisas and Hotel Fauchere. Christopher passed the Court of Master Sommeliers Master Sommelier exam in 2013, and is now a member of the Board of Directors. Additional accomplishments and achievements include leading the Inn at Dos Brisas to acceptance in Relais & Chateaux, Relais Gourmand, and receiving the Mobil Five Star award. He has won titles such as the Best Sommelier in America (TopSom) and Best Young Sommelier in the World (Chaine de Rotisseurs).

Christopher's areas of expertise include concepting, creative solutions, BOH operations, beverage program development, efficiencies and problem solving.

Isabel Bogadtke- With 21 years of hospitality experience, Isabel has a wealth of knowledge focused on FOH and operations. Isabel is the Director of Operations for F.L.X. Hospitality and oversees all FOH operations, sales and administrative operations. Growing up in Berlin, Isabel worked for Burg Schlitz a Relais & Chateaux property in Germany before moving to Frankfurt where she worked at the Michelin starred Brick restaurant. Along with Christopher, she has spent 7 years managing The Inn at Dos Brisas and later the Hotel Fauchere.

Isabel was awarded Best Service in the World by Mobil Travel Guide and remains the only person to have ever received this honor. Isabel is a Certified Tea Specialist

Andrew Welder-Andrew Welder has 28 years of hard time in the restaurant industry. Andrew joined the F.L.X. Hospitality team as CFO in 2018 and oversees the finance and accounting of all company operations. His experience spans folding pizza boxes in his father's Philadelphia regional restaurant, to sommelier and service director of some of New York City's most inventive and iconic restaurants, to concepting, building and executing his own south Jersey restaurant. Andrew executed the successful sale of his restaurant in December of 2018.

Prior to opening his own restaurant, Andrew was involved in opening Aix with Chef Didier Virost (Jean George Group) and Keith Treyball (ESquared Hospitality) and Japanese super restaurant Megu (FoodScope). Andrew spent his remaining New York years working for the

FLX HOSPITALITY

Batali/Bastianic group. There he took a deep dive into Italian wine and service. He has a special love for the wines of Barolo and Friuli.

Andrew has a proven track record of creating a positive and dynamic culture among staff while driving sales. Perhaps his greatest asset is the ability to make restaurant operations efficient and profitable. Starting with financial modeling, Andrew is able to apply his knowledge of purchasing, front and back of the house to create systems that empower employees and drive profit. He focuses on ease of process and efficiency. He has a strong belief that when systems are easy to implement, and the results mutually benefit management and staff, they will also be successful.

Linnea Shumway-Linnea began as the Executive Chef of F.L.X. Table where her passion, dedication and focus quickly led to her being promoted to be the Culinary Director of F.L.X. Hospitality. Linnea graduated from Paul Smith's with a Bachelors Degree in Culinary Arts, before beginning her career at Twin Farm's, Relais & Chateaux. As a Sous Chef of one of the most exclusive destination hotels, where cuisine is a driving factor, Linnea has experience delivering a wide range of cuisine with the mentality that anything is possible.

Linnea will be responsible for concepting, menu development, kitchen layout and design, overall of FOH & BOH integration, team training, opening, and continued operations.

Hailie King-Our Finance Controller, Hailie, gained much of her hospitality experience while working for various hotels. Her career began with Hilton Worldwide where she expanded the Hilton Imperial Dubrovnik's marketing strategy to successfully target a more Western reach. She continued on to learn Front Office operations with Widewaters Hotels and then transitioned to the Boston Marriott Copley Place upon graduation from R.I.T.. As an Assistant Restaurant Manager at the Boston Marriott Copley Place, she fearlessly led over 70 team members amongst three vastly different food and beverage outlets in an extremely high-volume environment. Under her guidance, the 1,147 room hotel was able to successfully rebrand their room service concept, expand their beverage program, and set major sales records amongst the restaurant outlets all while reducing beverage cost and improving productivity. Her passion for numbers strengthened as she streamlined purchasing and data analysis processes for her department. Upon returning to the Finger Lakes, she was introduced to F.L.X. Hospitality and has proven to utilize her vast skillsets to optimize financial procedures and promote growth amongst our various restaurants.

Hailie brings corporate operations experience to our team, as well as high volume hotel systems, and her overall experience with accounting. Hailie will focus of our bookkeeping and accounting and will contribute her hotel and F&B experience.

Pierrick Bouquet, 32

Co-founder, *La Nuit en Rosé*; CEO, *ABLE Wine Marketing Agency*
New York City

Arbiter of rosé for the masses

Known for his innovative wine-marketing approach, Bouquet launched America's first rosé wine festival, *La Nuit en Rosé*, in 2014. It's been an overnight success, as approximately 6,000 attended this year's event. Bouquet also leads *ABLE* in deploying creative tasting experiences for clients like *Le Grand Cercle des Vins de Bordeaux*, *Wines of Corsica* and *Wines of South Africa*.



Christopher Bates, 34

Winemaker, *Element Winery*; restaurateur, *FLX Winery*, *FLX Table*, *FLX Culture House*
Finger Lakes, New York

Upstate tastemaker

Following a stint as the general manager of a *Relais & Chateaux* hotel, this master sommelier returned to his upstate New York stomping grounds to kick-start an epicurean revolution. Today, he's the winemaker and owner of *Element Winery*, as well as a budding restaurateur, with casual (*FLX Winery*), fine-dining (*FLX Table*) and beer-focused (*FLX Culture House*) eateries.

Sommeliers of the Year

EXTRAORDINARY WINE PROFESSIONALS AND THE BOTTLES
THAT TELL THE STORIES OF THEIR LIVES.

BY MEGAN KRIGBAUM



Christopher Bates

FLX WIENERY AND FLX TABLE, GENEVA, NEW YORK

WHY HE WON: *This Master Sommelier is a Finger Lakes change agent: focusing on Syrah and Cabernet Franc instead of the usual white varieties at his Element Winery; operating a fancy hot dog stand (FLX Wienery) with an inappropriately excellent wine list; and launching a new 12-seat restaurant (FLX Table).*

1963

Dow's Vintage Port

In college I was really into Scotch, so my dad gave me a few wine magazines to check out. One reviewed a vertical of Dow's port; I started searching for the '63. That was the first bottle that pushed me into wine geekery and searchery.

1945

Domaine Huet Vouvray Moelleux

In 1945, Gaston Huet was freed from a concentration camp, and he walked all the way home to Vouvray—then set about making one of the greatest wines in the world. I searched for years to find the bottle I have in my basement.

2013

Pierre Luneau- Papin L d'Or Muscadet

This is what I want to drink 90 percent of the time. Everyone in Muscadet is clamoring for a more opulent style right now, but L d'Or has remained traditional—not too fancy, too ripe, too concentrated, or too textured.



Helen Johannesen

ANIMAL/SON OF A GUN/TROIS MEC/PETIT TROIS/
JON & VINNY'S/HELEN'S, LOS ANGELES

WHY SHE WON: *Although she runs the wine programs for five restaurants (and has a new wine shop, Helen's), she's made each exhilarating in its own right—from the aged Burgundies at Animal to the Austrian wine- and Champagne-dense list at Son of a Gun to the affordable selections at Jon & Vinny's.*

2012

Hubert Lamy Saint-Aubin La Princesse

Tasting wine with Hubert Lamy in his cellar last summer was amazing. He's one of the most intensely specific and regimented grower-producers. His wines were clean and precise and on their path. There was this truth to them.

2006

Monteverte Le Pergole Torte

I never really understood what Sangiovese could be until I had this. I'd had plenty of Chianti—bad and good—but this was different; it isn't defined by the rules.

2008

Domaine Fauray Saint Joseph Rouge Vieilles Vignes

Northern Rhône Syrahs are so great with Animal food. I brought this wine in and poured it by the glass—even though it was too expensive to pour by the glass. It changed my perspective, and my staff's perspective, on what northern Rhône Syrah is: playful, peppery, bright.

Megan Krigbaum, F&W's
former deputy wine editor,
is a contributing
editor to punchdrink.com.



THE RECIPE

FLX Table Brown Butter Caramel

Courtesy Christopher Bates, MS,
chef and sommelier, FLX Table,
Geneva, New York

FLX Table works this caramel into seasonal desserts year-round—always serving jars at the table for guests to help themselves.

- 4 tablespoons unsalted butter
- 1 cup granulated sugar
- ½ cup heavy cream
- 1 teaspoon kosher salt

Brown butter in heavy skillet (ideally with light-colored bottom) by cooking over medium heat and whisking or swirling pan until foaming has subsided and butter is golden-brown with a nutty aroma. Remove from heat and pour into a bowl, leaving as much sediment behind as possible.

Heat sugar in heavy, deep saucepan over medium heat. As sugar starts to melt, stir gently with heatproof rubber spatula. When sugar is completely melted and deep brown in color (it should register 330°F on a candy thermometer), add cream very slowly (it will bubble up). Whisk to break any clumps and make sure cream is well-incorporated, about 1 minute. Remove from heat and whisk in 3 tablespoons of brown butter and salt. Let cool before serving. Makes about 1 cup.

PAIR IT

D'Oliveiras 1910 Sercial Madeira

"I would eat this with the oldest example of D'Oliveiras Sercial you can track down," says Chef and Sommelier Bates, "preferably close to 100 years old—it will be worth whatever you can afford to spend! The caramel, passion fruit and spice notes, as well as the bright fresh acid will balance and contrast the rich, buttery smokiness of the caramel."

Forbes

May 17th 2019

Back Away From The Ketchup. These 5 French Fry Feasts Are Too Cool For Classic Condiments



The newest addition to the F.L.X. empire of Finger Lakes area restaurants, [F.L.X. Fry Bird](#) continues the brand's tradition of turning fast food into works of culinary art worthy of the region's abundance of fine wines. At F.L.X. Fry Bird, you'll find a trove of fried chicken presentations alongside just about every fried junk food imaginable, including, of course, potatoes. Try a more familiar approach to french fry feasting with Fry Bird's take on poutine, topping french fries with cheese curds and gravy, or combine nearly all of the creations above with fries topped in kimchi, curds, chipotle mayonnaise and cilantro for a more dramatically international preparation of America's favorite "vegetable."

Section 2:

Project Description: B

The F.L.X. Hospitality Group's Corning Project will create:

A one-of-a-kind enterprise and business model in the heart of Corning's Gaffer District that will serve as both a retail business and a food purveyor offering multiple dining options, unique menu items from locally sourced foods, an expansive and unparalleled wine cellar, wine and beer tastings paired with local foods, and direct sales of regional and international beers and wine.

A single location offering a range of unique dining experiences that will fill multiple gaps in Corning's current restaurant including fine dining with locally sourced prime beef prepared on a woodfired grill to An evaluation of the current retail and restaurant mix in Corning's Gaffer District indicates that the addition of F.L.X. Hospital Group's Corning project, with its distinctive combination of food and retail services, is important to the continued efforts to attract unique businesses, fill gaps in its current retail mix, complement the growing restaurant mix, and increase both consumer traffic and spending.

The concept of providing beer and wine tastings from both international and regional producers that are paired with local foods, together with access to an unparalleled wine cellar, will be an unprecedented business model for both Corning and the Finger Lakes Region. And the addition of a full-service steakhouse style restaurant featuring "a high-end woodfired grill" with international beer and wines together with local seasonal food products will fill gaps in the retail mix, restaurant style, beer and wine tasting, and locally sourced goods categories in the Corning's Gaffer District's roster of restaurants and retail businesses.

A regional tourism destination that will bring attention to the Corning area and is in direct alignment with local and regional marketing efforts targeted at primary and secondary target market groups visiting Corning and the Finger Lakes Wine Country region.

An effective and efficient business model that leverages the prime location, unique architectural design and spaces at 2 E. Market Street for an upscale food and retail operation.

Agency's Financial Assistance:

The financial assistance will make the rent to remain with in the existing market by reducing the capital cost by \$80,000 is sales tax and \$10,000 in Mortgage recording tax. The savings in capital cost allows the rent to be reduced by 9% or \$1.00 per square foot.

The Real Estate Tax Abatement will allow the tenant to grow its revenue to compensate for the full valuation of the taxes.

Sales tax projections are based on expected incomes:

Year 1. \$3,043,363 tax \$243,469

Year 2. \$3,389,249 tax \$271,139

Year 3. \$3,691,988 tax \$295,359

Year 4. \$3,998,798 Tax \$319,903

Year 5. \$4,251,322 tax \$340,105

Bob Bates - 2 E. Market Street, Corning

Steuben County IDA PILOT Assessment

Existing Assessment	\$820,000	
Corning City Tax Rate/\$1,000	\$11.79	26.3%
County Tax Rate/\$1,000	\$8.43	18.8%
Corning-Painted Post School District	<u>\$24.55</u>	54.8%
Total Tax Rate/1000	\$44.77	

Current Taxes

City Tax Payment	\$9,668
County Tax Payment	\$6,913
School District Tax Payment	<u>\$20,131</u>
Total Estimated Tax Revenue	\$36,711

Proposed Additional Assessment	\$0
New City Tax Payment	\$0
New County Tax Payment	\$0
New School District Payment	\$0
Total Estimated New Revenue	\$0

Mortgage	\$750,000
Taxable Investment	\$900,000
IDA Sales Tax Abatement	\$72,000
Mortgage Tax Abatement	\$9,375

Payment In Lieu of Tax Savings 10 Year Proposal With Current Assessed Value and Tax Rates

\$151,633

Abatement Year	Current Taxes	Proposed PILOT New	City	County	School	Pilot Savings
2021	\$36,711	\$7,342	\$1,934	\$1,383	\$4,026	\$29,369
2022	\$37,446	\$14,978	\$3,944	\$2,820	\$8,213	\$22,467
2023	\$38,195	\$19,097	\$5,029	\$3,596	\$10,472	\$19,097
2024	\$38,958	\$19,479	\$5,130	\$3,668	\$10,682	\$19,479
2025	\$39,738	\$19,869	\$5,232	\$3,741	\$10,895	\$19,869
2026	\$40,532	\$24,319	\$6,404	\$4,579	\$13,336	\$16,213
2027	\$41,343	\$28,940	\$7,621	\$5,449	\$15,870	\$12,403
2028	\$42,170	\$33,736	\$8,884	\$6,352	\$18,499	\$8,434
2029	\$43,013	\$38,712	\$10,195	\$7,289	\$21,228	\$4,301
2030	\$43,874	\$43,874	\$11,554	\$8,261	\$24,058	\$0
	\$401,980	\$250,347	\$65,928	\$47,139	\$137,280	\$151,633

F.L.X. Hospitality Group Project

2 E. Market Street

Corning, NY

F.L.X. Hospitality Group will locate and operate a unique business enterprise and major retail and restaurant destination in the former Tony R's restaurant property located at 2 E. Market Street in Corning's Gaffer District.

The F.L.X. Hospitality Group's Corning Project will create:

- A one-of-a-kind enterprise and business model in the heart of Corning's Gaffer District that will serve as both a retail business and a food purveyor offering multiple dining options, unique menu items from locally sourced foods, an expansive and unparalleled wine cellar, wine and beer tastings paired with local foods, and direct sales of regional and international beers and wine.
- A single location offering a range of unique dining experiences that will fill multiple gaps in Corning's current restaurant including fine dining with locally sourced prime beef prepared on a woodfired grill to casual dining, communal feasts, and wine and beer tastings paired with locally sourced foods.
- An economic driver that is projected to attract 90% of its patrons from outside the Corning area resulting in new tourism spending and sales tax revenue.
- A regional tourism destination that will bring attention to the Corning area and is in direct alignment with local and regional marketing efforts targeted at primary and secondary target market groups visiting Corning and the Finger Lakes Wine Country region.
- An effective and efficient business model that leverages the prime location, unique architectural design and spaces at 2 E. Market Street for an upscale food and retail operation.

A Unique Business Enterprise in Corning, NY

An evaluation of the current retail and restaurant mix in Corning's Gaffer District indicates that the addition of F.L.X. Hospitality Group's Corning project, with its distinctive combination of food and retail services, is important to the continued efforts to attract unique businesses, fill gaps in its current retail mix, complement the growing restaurant mix, and increase both consumer traffic and spending.

The concept of providing beer and wine tastings from both international and regional producers that are paired with local foods, together with access to an unparalleled wine cellar, will be an unprecedented business model for both Corning and the Finger Lakes Region. And the addition of a full-service steakhouse style restaurant featuring "a high-end woodfired grill" with international beer and wines together with local seasonal food products will fill gaps in the retail mix, restaurant style, beer and wine tasting, and locally sourced goods categories in the Corning's Gaffer District's roster of restaurants and retail businesses.

The F.L.X Hospitality Group Corning project will be a one-of-a-kind business enterprise in Corning's Gaffer District, as well as Finger Lakes Wine Country, by offering the following breadth of services.

- Wood-fired Grill: Filling the need for a steakhouse offering with a high-end wood fired grill, full time butcher service and selection.
- Authentic Experiences and Locally Sourced Foods: Meeting growing consumer demand for products ranging from beers and wines to beef menu items from local cattle - something unique to Corning as well as the entire country.

- Modern American Bistro: Casual restaurant dining and bar.
- Kitchen Table: A unique dining experience in both Corning and the Finger Lakes Region, offering communal feasts served in the center of the kitchen.
- Wine Cellar: The expansive wine cellar will provide access to a some of the world's most rare and unique wines, from the affordable to ultra-expensive.
- Options For Private Dining Experiences.
- F.L.X Hospitality (first floor retail): A tasting and retail area offering a wide selection of regional and international beer and wines available for both tastings and on-site retail sales.

Economic Driver in Corning, NY

Research generated by Corning's Gaffer District indicates that restaurants are the major economic driver in downtown Corning, as well as in as in benchmark communities such as Geneva, Sarasota Springs and Glens Falls.

In 2010, Corning's Gaffer District adopted a business mix recruitment strategy focused on becoming a "dining destination" based on evidence that restaurants have more sales than retail businesses by an average of 40%.

Corning's Gaffer District continues to report that restaurants generate more revenue per business than retail establishments. A recent assessment of the success rates of the restaurant and retail businesses indicates that the strategy to become a dining destination has worked and should be continued.

The proposed F.L.X. Hospitality Coring project is expected to not only advance that strategy, but also become a major driver and business anchor based on several key indicators.

- F.L.X. has a strong history of building a strong customer base from outside its immediate service area. Data from the F.L.X. Geneva operation reports that 91% of all sales are from outside the Ontario County.
- Its historic ability to attract customers from major metropolitan areas throughout the Northeast, with 10% coming from the NY City metro area.
- A reservation waiting list of 3 months at the Geneva restaurant, a key indicator of consumer demand.
- The strong financial performance of F.L.X. Provisions, a New York State wine & food retail store model, where all the wines available for sale are also available to taste on site. F.L.X Provisions at Geneva reports the following.
 - ✓ Estimated 94% of sales are from customers originating outside of Ontario County.
 - ✓ High conversion rate: 81% of customers who taste wine in FLX Provisions make a wine retail purchase. (out of area customers who visit F.L.X. Provisions spend money)
 - ✓ \$61 Average Net Purchase Value.
 - ✓ \$407% sales growth from year one to year two, showing a strong demand for a unique concept.

Tourism Destination Magnet in Corning, NY

The F.L.X. Hospitality Group establishment in Corning, NY is expected to become a major retail and restaurant destination and magnet for drawing customers from both inside and outside the immediate Corning area. The F.L.X. Corning operation also will fill several important destination niches and be a factor in both the Gaffer District and the Finger Lakes Wine Country region's ability to attract an increased number of visitors. This is based on recent consumer-based market research conducted by four nationally recognized firms in 2018 and 2019. The research results and conclusions demonstrate a direct alignment with the F.L.X. Corning project based on motivations and desires of the primary and secondary target market groups that visit the region. (See detailed description of the target market groups below.)

The assertion that the project will become a tourism destination and magnet for key target market groups is supported by several factors including the following.

- The owner, Mr. Christopher Bates, is internationally recognized as a creative chef one of only 229 Master Sommeliers in the world. He is in demand from Dallas to New York City and South Africa to China.
- Existing travel patterns of visitors to Corning and the Finger Lakes Region supports the projection that the majority of patrons will be from outside of Steuben County and Finger Lakes Wine Country because of the project's unique combination of services, strong alignment with the primary target market groups, and the region's existing markets including cities such as Buffalo, Rochester and Syracuse; major metropolitan areas such as New York City, Philadelphia and Toronto; and Central Pennsylvania.
- Compared to the average potential visitor, these target market groups travel more for wine experiences, culinary experiences, and outdoor activities. "They're willing to splurge when they're taking a trip, on things such as culinary or one-of-a-kind experiences."¹
- With its unique culinary experience and wine pairing the F.L.X. Hospitality Corning project will showcase the region's authenticity. It also has the capacity to be a tourism destination for the primary target groups identified in consumer-based market research and a key factor in growing visitation rates based on its link to their desire for:
 - ✓ Experiences centered around wine
 - ✓ Learning about wine and beer
 - ✓ Learning about wine through experts
 - ✓ Locally sourced foods

The National Travel Center prepared the Challenges And Opportunities In Wine Tourism Marketing report for Finger Lakes Wine Country (FLWC) in 2018. It was reported that *"Food is a very important part of wine tourism. Wine visitors want culinary experiences related to their wine experiences, making marketing food and wine together a winning combination. And, wine regions are selling "experiences."*² In addition, national market research conducted by both Pew and the National Travel Center informs us that Millennials are the

¹ Finger Lake Visitor Landscape Report. Insight Strategy Group. June 2019.

² National Travel Center, Challenges And Opportunities In Wine Tourism Marketing. Prepared for Finger Lakes Wine Country. 2018.

most avid consumers of craft beer and their wine consumption is predicted to increase as personal wealth increases with age, and younger GenXers will become the largest wine-consuming demographic in 2021.

The Finger Lakes Tourism Alliance Comprehensive Regional Travel and Tourism Study was prepared in 2018 by Travel Market Insights. The study states that food represents 27% of tourist spending and is the #2 expenditure of visitors to the region following lodging. The study also found that 22% of all visitors travel to the region for the primary purpose of visiting wineries and that more than 40% of all parties visiting the region participate in wine tastings. When asked the question about the activities they would have participated in if they knew it was available, the highest ranked response was “fine dining.” Based on visitor satisfaction ratings, “lodging quality and dining choices are areas the region needs to consider and seek ways to improve.”³ In 2019 Finger Lakes Wine Country (FLWC) engaged Insight Strategy Group (ISG) to conduct a Baseline Market Research Study. It was concluded that there are two primary and two secondary target market groups, and all identify wine and culinary experiences as a top priority for visiting the region. This same conclusion was confirmed by Resonance, an international tourism marketing firm that is currently preparing an updated promotion program for FLWC. Both studies conclude these primary audiences resonate with what Finger Lakes Wine Country has to offer and are unique enough to target effectively with marketing campaigns.

Primary targets:

- Young travelers ages 22-34 without children.
- Affluent travelers with an annual household income (HHI) of more than \$100,000.

Secondary targets:

- Parents of older children (ages 14-21)
- National Wine Tourists

The Young Travelers Target Market Group: This group of travelers is 22-34 who are explorers by nature and have an affinity for outdoor, wine, and culinary travel experiences. They are easygoing and open to new experiences revolving around the outdoors, wineries, culinary excursions, breweries, and distilleries. This audience is 37% of the total regional population of potential visitors and they have a 33% higher interest in visiting the region than average potential tourists.

The Affluent Traveler Target Market Group: This group of travelers is 55-66 years old who enjoy the finer things in life and typically spend more on travel experiences. They are more established in life with a household income over \$100,000, are generally married, and most take a small trip 2-4 times per year. Similar to Young Travelers, they enjoy culinary, wine, and brewery experiences. Affluent Travelers are 28% of the total regional population of potential visitors and they have a 33% higher interest in visiting the region compared to the average.

National Wine Tourist Group: This audience is very interested in wine tourism around the country. They enjoy cooking and wine-dedicated events in unique settings. Lovers of locally sourced foods and wines, this group enjoys visiting wineries, scenic views, culinary experiences, and visiting breweries and distilleries.

Primary Target Market Group Perceptions

“I’m excited. It’s beautiful. It looks like it could be a short or a long trip. There’s lots to do.” –Younger Prospective Visitor, Male

“[They have] farm-to-table restaurants, local wineries. [It’s] organic, natural, fresh, and makes people feel good that they’re supporting something local.” –Younger Prospective Visitor, Female

SOURCE: FLWC BASELINE MARKET RESEARCH.
ISG. JUNE 2019

³ Finger Lakes Tourism Alliance Comprehensive Regional Travel and Tourism Study. Travel Market Insights. 2018.

Sources:

Finger Lakes Tourism Alliance Comprehensive Regional Travel and Tourism Study. 2018. Travel Market Insights.

Finger Lake Visitor Landscape Report. Insight Strategy Group. June 2019. Insight Strategy Group.

Challenges And Opportunities In Wine Tourism Marketing. Prepared for Finger Lakes Wine Country in 2018. National Travel Center.

Pew Research Center

ROC Restaurant Series

Resonance Consultancy

The Food Network

The Wine Enthusiast



CITY OF CORNING

500 NASSER CIVIC CENTER PLAZA
CORNING, New York 14830-2874
Phone: (607) 962-0340

City Manager
Fax 962-0578

Assessor
Fax 937-3358

City Clerk / Registrar
Fax 937-3358

Finance
Fax 937-3358

Fire
Fax 962-4258

Parks & Recreation
Fax 962-0578

Planning & Econ. Dev.
Fax 962-0578

Police
Fax 936-1657

Public Works
Fax 962-0578

Senior Citizen Center
962-8000
Fax 962-8901

September 18, 2019

James C. Johnson
Executive Director
Steuben County IDA
7234 Route 54
PO Box 393
Bath, NY 14810

RE: Letter of Support for 2-4 East Market Street IDA Application

Dear Mr. Johnson:

Please accept this letter of support for the project involving the redevelopment of 2-4 East Market Street. As you are aware, this project involves a prominent building within the Gaffer District which is currently vacant.

The redevelopment of 2-4 East Market Street is consistent with the City of Corning's planning initiatives, including the City's Comprehensive Master Plan, Economic Development Strategic Plan, and historic preservation goals. The City's Economic Development Strategic Plan highlights the need to continue to support the Gaffer District's programs that have revitalized Market Street and seek new ways to maintain and augment the success of Corning's downtown district. This partnership with the Steuben County IDA supports this strategy. The proposed project also will help capitalize on the rapid growth of the wineries throughout the Finger Lakes region and assist in drawing tourism traffic into downtown Corning with the development of a new retail space that will sell NYS wines, spirits, and food products and offer two distinctly different dining experiences.

The City of Corning appreciates its partnership with the IDA and its participation in projects that ensure the urban vitality of our community.

Sincerely,

Jennifer J. Miller

Director, Planning & Economic Development

Cost-Benefit Analysis for 2-4 Market Street Corning, LLC

Prepared by Steuben County IDA using InformAnalytics

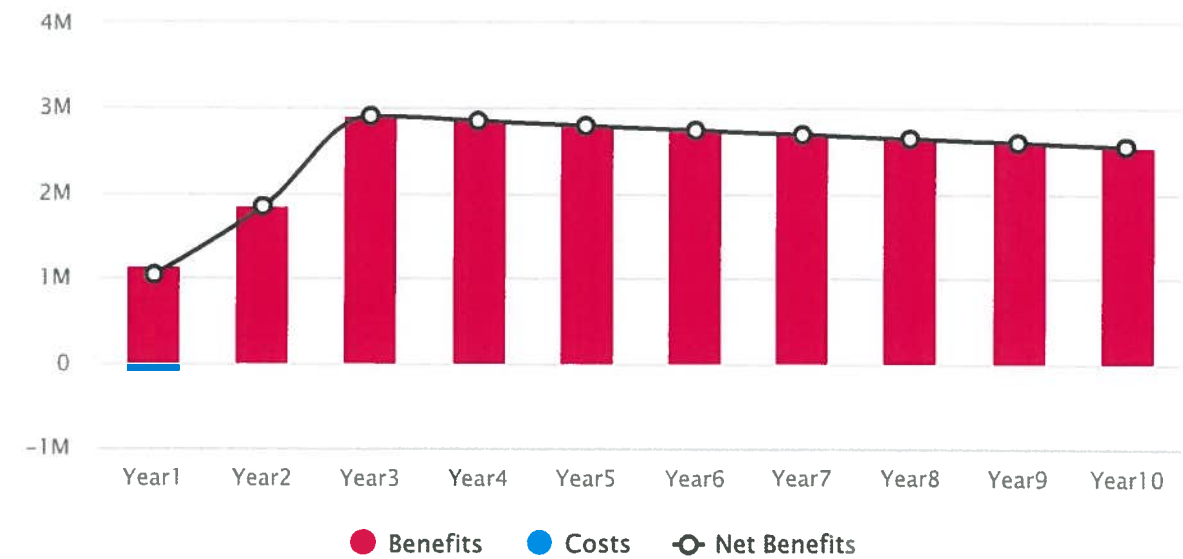
Executive Summary

INVESTOR	TOTAL INVESTED	LOCATION	TIMELINE
2-4 Market Street Corning, LLC	\$1.4 Million	2-4 East Market Street, Corning, NY	10 Years

F1 FIGURE 1

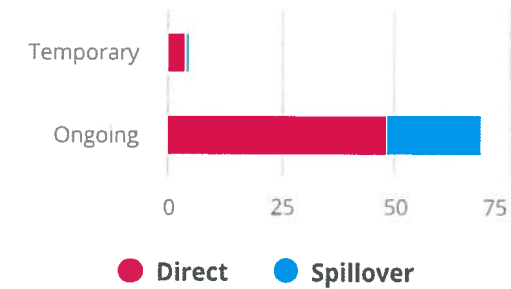
Discounted* Net Benefits for 2-4 Market Street Corning, LLC by Year

Total Net Benefits: \$24,644,000



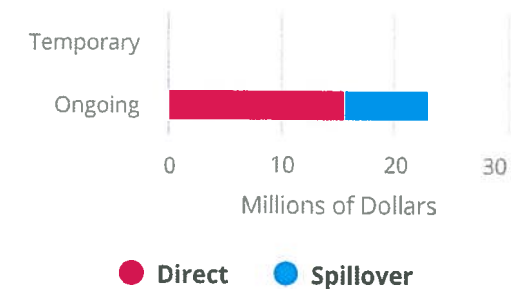
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

2-4 Market Street Corning, LLC proposes to invest \$1.4 million at 2-4 East Market Street, Corning, NY over 10 years. Steuben County IDA staff summarize the proposed with the following: 2-4 Market Street Corning is a real estate holding company owned by Bob Bates. Bob plans to buy the former Tony R's restaurant at 2-4 Market Street and lease the facility to his son and daughter-in-law who own and operate F.L.X. Hospitality, which owns two other restaurants in Geneva and Dundee, NY.

T1 TABLE 1

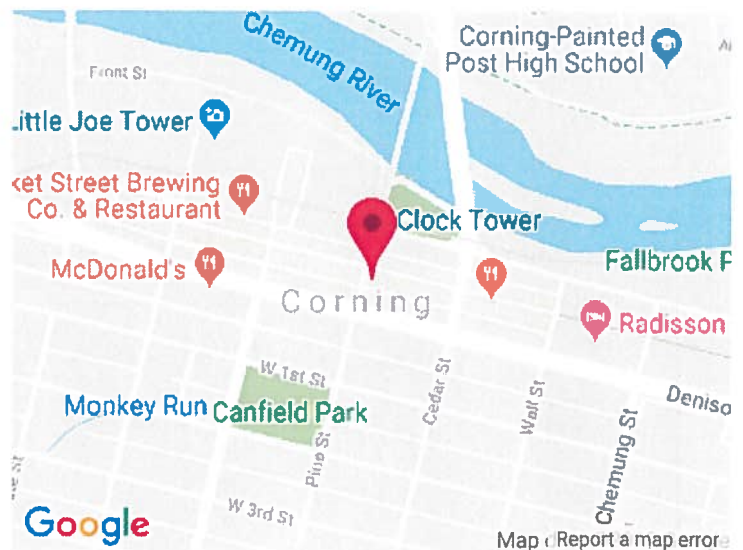
Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
2-4 Market Street Corning, LLC	\$500,000
OTHER SPENDING	
Building purchase	\$216,000
Equipment	\$400,000
Furniture/Fixtures	\$50,000
Soft costs	\$224,000
Total Investments	\$1,390,000
Discounted Total (2%)	\$1,390,000

May not sum to total due to rounding.

F4 FIGURE 4

Location of Investment



Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by Steuben County IDA. The report calculates the costs and benefits for specified local taxing districts over the first 10 years, with future returns discounted at a 2% rate.

T2 TABLE 2

Estimated Costs or Incentives

Steuben County IDA is considering the following incentive package for 2-4 Market Street Corning, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$150,000	\$143,000
Sales Tax Exemption	\$71,000	\$71,000
Mortgage Recording Tax Exemption	\$9,000	\$9,000
Total Costs	\$230,000	\$223,000

May not sum to total due to rounding.
* Discounted at 2%

T3 TABLE 3

State & Regional Impact (Life of Project)

The following table estimates the total benefits from the project over its lifetime.

Description	Direct	Spillover	Total
REGIONAL BENEFITS	\$17,496,000	\$8,418,000	\$25,914,000
To Private Individuals	\$17,304,000	\$8,325,000	\$25,630,000
Temporary Payroll	\$184,000	\$58,000	\$243,000
Ongoing Payroll	\$17,120,000	\$8,267,000	\$25,387,000
To the Public	\$192,000	\$92,000	\$284,000
Temporary Sales Tax Revenue	\$2,000	\$646	\$3,000
Ongoing Sales Tax Revenue	\$190,000	\$92,000	\$281,000
STATE BENEFITS	\$994,000	\$487,000	\$1,481,000
To the Public	\$994,000	\$487,000	\$1,481,000
Temporary Income Tax Revenue	\$8,000	\$3,000	\$11,000
Ongoing Income Tax Revenue	\$767,000	\$378,000	\$1,145,000
Temporary Sales Tax Revenue	\$2,000	\$739	\$3,000
Ongoing Sales Tax Revenue	\$217,000	\$105,000	\$321,000
Total Benefits to State & Region	\$18,490,000	\$8,904,000	\$27,394,000
Discounted Total Benefits (2%)	\$16,786,000	\$8,081,000	\$24,867,000

May not sum to total due to rounding.

T4 TABLE 4

Benefit to Cost Ratio

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$23,523,000	\$182,000	130:1
State	\$1,344,000	\$42,000	32:1
Grand Total	\$24,867,000	\$223,000	111:1

May not sum to total due to rounding.

* Discounted at 2%

CGR has exercised reasonable professional care and diligence in the the production and design of the InformAnalytics™ tool. However, the data used is provided by users. InformAnalytics does not independently verify, validate or audit the data supplied by users. CGR makes no representations or warranties with respect to the accuracy of the data supplied by users.

Short Environmental Assessment Form

Part 1 - Project Information

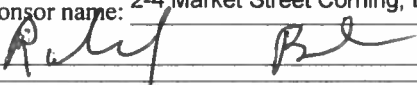
Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 - Project and Sponsor Information							
Name of Action or Project: 2-4 Market Street, LLC							
Project Location (describe, and attach a location map): 2-4 E Market St, Corning, NY							
Brief Description of Proposed Action: Rehab of existing building							
Name of Applicant or Sponsor: 2-4 Market Street Corning, LLC		Telephone: 585-943-7820					
		E-Mail: bob@elementwinery.com					
Address: PO Box 331							
City/PO: Arkport		State: NY	Zip Code: 14807				
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			<table border="1" style="width: 100%; text-align: center;"> <tr> <th style="width: 50%;">NO</th> <th style="width: 50%;">YES</th> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	NO	YES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
NO	YES						
<input checked="" type="checkbox"/>	<input type="checkbox"/>						
2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval: City of Corning Building Permit, NY SLA Permit			<table border="1" style="width: 100%; text-align: center;"> <tr> <th style="width: 50%;">NO</th> <th style="width: 50%;">YES</th> </tr> <tr> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> </tr> </table>	NO	YES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
NO	YES						
<input type="checkbox"/>	<input checked="" type="checkbox"/>						
3.a. Total acreage of the site of the proposed action? .14 acres b. Total acreage to be physically disturbed? 0 acres c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? .14 acres							
4. Check all land uses that occur on, adjoining and near the proposed action. <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input checked="" type="checkbox"/> Residential (suburban) <input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other (specify): _____ <input type="checkbox"/> Parkland							

5. Is the proposed action, a. A permitted use under the zoning regulations?	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
b. Consistent with the adopted comprehensive plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: _____	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
8. a. Will the proposed action result in a substantial increase in traffic above present levels?	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
b. Are public transportation service(s) available at or near the site of the proposed action?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
c. Are any pedestrian accommodations or bicycle routes available on or near site of the proposed action?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: _____	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	
10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water: _____	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	
11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment: _____	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	
12. a. Does the site contain a structure that is listed on either the State or National Register of Historic Places?	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	
b. Is the proposed action located in an archeological sensitive area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply: <input type="checkbox"/> Shoreline <input type="checkbox"/> Forest <input type="checkbox"/> Agricultural/grasslands <input type="checkbox"/> Early mid-successional <input type="checkbox"/> Wetland <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban			
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
16. Is the project site located in the 100 year flood plain?	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
17. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes, a. Will storm water discharges flow to adjacent properties? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? If Yes, briefly describe: _____ Existing build ing will not change the existing storm runoff _____	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES		

<p>18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)?</p> <p>If Yes, explain purpose and size: _____</p> <p>_____</p> <p>_____</p>	<p>NO</p> <p><input checked="checked" type="checkbox"/></p>	<p>YES</p> <p><input type="checkbox"/></p>
<p>19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility?</p> <p>If Yes, describe: _____</p> <p>_____</p> <p>_____</p>	<p>NO</p> <p><input checked="checked" type="checkbox"/></p>	<p>YES</p> <p><input type="checkbox"/></p>
<p>20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste?</p> <p>If Yes, describe: _____</p> <p>_____</p> <p>_____</p>	<p>NO</p> <p><input checked="checked" type="checkbox"/></p>	<p>YES</p> <p><input type="checkbox"/></p>
<p>I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE</p> <p>Applicant/sponsor name: <u>2-4 Market Street Corning, LLC</u> Date: <u>9-18-2019</u></p> <p>Signature: <u></u></p>		