

Project Summary Sheet

FHFCU HQ LLC and FHFCU LOT LLC

February 2019

Project Description

Under the limited liability companies FHFCU HQ and FHFCU LOT, First Heritage Federal Credit Union will be building a new headquarters on the former Corning Hospital site in the City of Corning. While the 27,500 sq. ft. building will mainly house back-office operations, about 20% of the building will be dedicated to retail customers walking into the facility or using the drive-thru.

Total Project Investment \$10,300,000

Jobs Retained 73

Job Created 20

Benefit to Cost Ratio 99:1

Estimated PILOT Savings \$430,502

Estimated Mortgage Tax Savings \$0

Estimated Sales Tax Savings \$320,000

Total Savings \$750,502

Comments The project will be located on land that was remediated under the Brownfield Cleanup program and will be placed back on the tax roll.

Estimated Project Start Date June 2019

Estimated Project Completion Date June 2020

Evaluative Criteria for Back Office/Data/Call Centers

1. **Wage Rates (above median wage for area)** – The cost benefit analysis indicates the average salary per worker in the banking industry is \$55,000. The salaries created and retained through this project range from \$31,100 to \$50,500 to \$104,250, plus benefits equaling about 32% of salary. Therefore this criteria has been met.
2. **Regional Wealth Creation** – 53% of the company's sales are earned outside of the County, with 13% of that total coming from Tioga County, PA, thereby generating new wealth for the local community.
3. **Retention/Flight Risk** – With a foothold in the Tioga County, PA market, management could have chosen to build a smaller operations facility there to accommodate its growing membership, as the organization has outgrown its existing headquarters and needs to expand. IDA benefits make the expansion in Corning financially feasible and allows the organization to retain all local jobs and create 20 new ones.

Application To

**STEBEN COUNTY INDUSTRIAL DEVELOPMENT AGENCY/
STEBEN 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: FHFCU HQ LLC and FHFCU LOT LLC
Applicant Address: 110 Village Square, Suite 101; Painted Post, NY 14870
Phone: (607) 936-4667 Fax: (607) 936-3808
Website: www.fhfcu.org E-mail: tpisano@fhfcu.org
Federal ID#: 83-3512030 (FHFCU HQ LLC); 85-3532878 (FCFCU LOT LLC) 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: There are two parcels involved in this project. The building parcel (TA No. 318.46-1-18) will be owned by FHECCLHO LLC; The parking lot parcel (TA No. 318.09-1-13) will be owned by FHFCU LOT LLC.
Federal ID#: _____

B) Authorized Signatory:

Name: Thomas J. Pisano
Title: President
Address: 110 Village Square; Suite 101; Painted Post, NY 14870
Phone: (607) 937-1258 Fax: (607) 936-3808
E-Mail: tpisano@fhfcu.org

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

Name: _____
Title: _____
Address: _____
Phone: _____ Fax: _____
E-Mail: _____

D) Company Counsel:

Name of Attorney: Richard P. Rossettie
Firm Name: Rossettie Rosettie & Martino LLP
Address: 269 West Pulteney Street
Phone: (607) 936-3739 Fax: _____
E-mail: rick@rrmlaw.com

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

1. Exemption from Sales Tax Yes or No
2. Exemption from Mortgage Tax Yes or No
3. Exemption from Real Property Tax Yes or No
4. Tax Exempt Financing * Yes or No

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

F) Business Organization (check appropriate category):

Corporation Partnership
Public Corporation Joint Venture
Sole Proprietorship Limited Liability Company
Other (please specify) _____
Year Established: 2019
State in which Organization is established: New York

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

<u>Name</u>	<u>% of ownership</u>
<u>First Heritage Federal Credit Union</u>	<u>100% owner of both LLC entities</u>
_____	_____
_____	_____

H) Applicant Business Description:

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

The real estate entities in this application were created by First Heritage Federal Credit Union for the purpose of developing the new Headquarters Building on Denison Parkway in Corning

First Heritage was established in 1954 by a group of 10 employees from Ingersoll-Rand Company. Today First Heritage FCU as a community chartered federal credit union, serves more than 39,000 members

Offering a wide array of banking products and services at 9 branch locations, the credit union continually follows its mission, "Our Family Helping Yours" by effectively improving the financial well-being and lives of our members

Estimated % of sales within County/City/Town/Village: Steuben County - 47%

Estimated % of sales outside County/City/Town/Village, but within New York State: Chemung - 40%

Estimated % of sales outside New York State but within the U.S.: Tioga County, PA - 13%

Estimated % of sales outside the U.S. 0%

(*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. 70% Steuben County

Section II: Project Description & Details

A) Project Location:

Municipality or Municipalities of current operations: Steuben County

Provide the property address of the Proposed Project:

210 East Denison Ave and 201 East First Street, Corning, NY 14850

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: _____

See attached Supplemental Narrative

What are the current real estate taxes on the proposed Project Site? Zero

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

Land: \$ unknown

Buildings(s): \$ n/a

Are Real Property Taxes current? Yes or No. If no, please explain N/A

Town/City/Village: City of Corning School District: Corning-Painted Post Area 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: Riedman Purcell CH I LLC

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: Site was the former location of the Corning Hospital. The site has been remediated and is currently vacant.

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 project will consist of a New Credit Union Headquarters building. The project will be a three-story 27,500 square foot building complete with parking and site improvements. On-site employee and member parking totaling 80 spaces, site access improvements, and member drive-thru lanes will also be constructed as part of this project.

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): This project is an expansion of services into the City of Corning to help First Heritage Federal Credit Union continue to expand its member (customer) base, service area and increase its employment. This location allows First Heritage to increase visibility in the community which translates into continued growth for the organization. Additionally, better positions the credit union to meet its mission to serve those with modest means.

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 financial assistance provided by the Agency is critical to the financial feasibility of the project. The magnitude of the project would have to be significantly scaled back or considered to be not undertaken at all if assistance from the IDA is not available.

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? This project is a significant part of the redevelopment of the former Corning Hospital site. It complements and melds well with the projects planned for the site, creating another significant architectural feature along Denison Parkway. First Heritage also brings a significant employment factor into Downtown Corning. Without the IDA's assistance, all these benefits are lost.

C) Will Project include leasing any equipment Yes or No

If Yes, please describe: _____

D) Site Characteristics:

Describe the present zoning/land use: Residential Transition (RT)

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

If not, please describe required zoning/land use: The current zoning (RT), allows for the office component but excludes the banking function of the project. We are working on a change in Zoning to Commercial (C) to allow for both components of the project.

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements: The project has been presented to the Planning Board. Approval for the Zoning change is anticipated by February 2019.

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: A portion of the project is located within a Brownfield Site - however the site has been remediated and has been cleared for development.

E) Provide any additional site information or details that may be applicable to the proposed project: In response to Question F below, the project will include a retail banking component that

equates to approximately 20% of the entire new building.

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

Industrial	<input type="checkbox"/>	Back Office	<input checked="" type="checkbox"/>
Acquisition of Existing Facility	<input type="checkbox"/>	Retail	<input checked="" type="checkbox"/>
Housing	<input type="checkbox"/>	Mixed Use	<input type="checkbox"/>
Equipment Purchase	<input type="checkbox"/>	Facility for Aging	<input type="checkbox"/>
Multi-Tenant	<input type="checkbox"/>	Civic Facility (not for profit)	<input type="checkbox"/>
Commercial	<input checked="" 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>1,200,000</u>
<u>1.68</u> acres _____ square feet	
2. New Building Construction: <u>27,500</u> square feet	\$ <u>6,600,000</u>
3. New Building Addition(s): _____ square feet	\$ _____
4. Reconstruction/Renovation: _____ square feet	\$ _____
5. Infrastructure Work:	\$ <u>700,000</u>
6. Manufacturing Equipment:	\$ _____
7. Non-Manufacturing Equipment (furniture, fixtures, etc.):	\$ <u>1,000,000</u>
8. Soft Costs: (professional services, etc.):	\$ <u>800,000</u>
9. Other, Specify: _____	\$ _____

TOTAL Capital Costs: \$ 10,300,000

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

\$ 0

Sources of Funds for Project Costs:

- 1. Bank Financing: \$ _____
- 2. Equity (excluding equity that is attributed to grants/tax credits): \$ _____
- 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:

Private Financing \$ 10,300,000

Total Sources of Funds for Project Costs: \$ 10,300,000

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

If Yes, describe particulars: Some of the design and preconstruction fees have been paid as well as some legal fees.

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

Mortgage Amount (include sum total of construction/permanent): \$ 0

Estimated Mortgage Recording Tax Exemption Benefit (product of Mortgage Amount as indicated above multiplied by 1.25%): \$ 0

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:

\$ 4,500,000

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

\$ 360,000

*** 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: June 2019
2. Estimated completion date of Project: June 1, 2020
3. Project occupancy – estimated starting date of operations: July 1, 2020
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:
 City of Corning Planning Board

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 upon THREE Years 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 upon THREE Years after Project Completion*
Full Time	73	73	20	20
Part Time				
Total FTEs	73	73	20	20

*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 or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management	104,250	34,000
Professional	50,500	16,700
Administrative		
Production		
Independent Contractor		
Other	31,100	10,260

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

	Address	Address	Address
Full time	See Supplemental Document		
Part Time			
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? _____
 20 ____%. **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 _____

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
See attached				

*Apply equalization rate to value

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

Thomas J. Pisano (name of CEO or other authorized representative of Applicant) confirms and says that he/she is the President (title) of First Heritage Federal Credit Union (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:

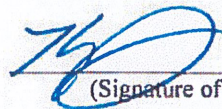
§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment 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.

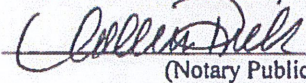
STATE OF NEW YORK)
COUNTY OF Steuben) ss.:

Colleen B. Roll, being first duly sworn, deposes and says:

1. That I am the President/CEO (Corporate Office) of First Heritage FCU (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 12 day of February, 2019.


(Notary Public)

Colleen B. Roll #01RO5033278
Notary Public, State of New York
Qualified in Steuben County
My Commission Expires
September 19, 2022

SECTION II: Project Description & Details

Supplemental Narrative

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:

From a strategic perspective, the occupancy of a new corporate headquarters is critical in the short term as well as for long term needs. Currently, First Heritage FCUs (FHFCU) Main Office is located at 110 Village Square in Painted Post, NY. This location includes both a retail branch and the majority of back office support for all our retail location outlets. With continued strong growth and recently created positions, FHFCU has maxed out the space at this location and finds it is time to start making decisions on physical space.

With retail outlets in Steuben and Chemung Counties in NY and Tioga County PA, we researched possibilities for solutions and opportunities in all three areas. The Board of Director's (BOD) concluded that they are in favor of us staying close to the area where roots of FHFCU were initially established – Corning/Painted Post geographic area.

With the proposed construction of a new location at the Corning Hospital Development site, FHFCU management believes this location provides a solution for the short and long term needs that will allow us to prosper and serve our membership for years to come. That said, management also realizes the limitation of resources (mostly monetary) and keeps an open mind to other locations that may make for a better business decision.

With a proposed construction of the new corporate headquarters, we anticipate the relocation of a large percentage of employees working out of our Painted Post locations (we also lease a small footprint at 166 Village Square). The BODs has agreed that FHFCU would still have a physical retail branch location in Painted Post. Thus, some current retail facing positions in Painted Post would remain. The following details estimated FTE assignments as they would play out if the proposed new location is constructed, this can be considered short term needs and a way to insure these FTE positions remain in Steuben County:

<u>Location</u>	<u>FTE's</u>
Relocation – Painted Post to Corning (Denison Parkway)	66
Relocation – Elmira Heights to Corning (Denison Parkway)	<u>7</u>
Estimate FTE – Day 1 New Building	73
Approximate Remaining Positions – Painted Post	5 to 6

First Heritage Federal Credit Union
New Headquarters Building, Corning, NY
Steuben County IDA Financial Assistance Application

Equally important as resolving our short term needs is to address the long term. Planning for future growth is critical so that we do not face the same space issues quickly that we face today. This is highly important so that we are positioned to meet our organization mission, to improve the financial lives of our members and serve those of modest means.

When addressing the anticipated needs of the proposed new building, focus was placed on understanding organizational needs well out in the future. Prior to any programming or schematic design a comprehensive visioning process took place. Based on FHFCU long range growth projections, by year end 2030 total FTE count at the proposed new building would increase around 106 FTEs. In essence, FHFCU would be adding 33 new positions at the site. Again, this is based on future growth projections for the organization. If growth is a bit slower than estimated, some of these new hires may be delayed for a period of time. Conversely, more rapid growth could result in acceleration of hires. The majority of these positions would be back office support and contact center agents. The design and size of the new building would max out FTE count around that 106 level, so it is evident that FHFCU plans to add a significant amount of Human Capital (FTE's) over a fairly short time horizon in Steuben County.

Beyond the time of maxing out space at the new building, FHFCU would look to lease operational, non-retail space preferably as concurrent to the Denison Parkway area as possible. This also has the potential to add even more FTEs.

Additionally, it should be of importance to note that we have planned a 400 square foot Community Room on our main banking floor to offer to community partners a place to hold meetings free of charge. We have learned that there is an increasing need for this.

SECTION II: Project Description & Details
 K) Employment Plan:

<u>Employment at Other Locations in NY State</u>	<u>Full time</u>	<u>Part Time</u>	<u>Total FTEs</u>
11 Steuben Street; Addison NY	5	0	5
23 W Market Street; Corning NY	2	0	2
218 Prescott Avenue; Elmira Heights NY	14	0	14
1707 Cedar Street; Southport NY	6	0	6
167 Seneca Street; Hornell NY	5	0	5
501 Gardner Road; Horseheads NY	7	0	7

Note: Additional locations at Village Square, Painted Post NY exist and not included in above table. Those positions are slated to move to the proposed new location.

Current plans call for Village Square location to remain a retail branch location after a move to the proposed new location. Estimated FTE's 4.

Also, certain employees who are currently located at Elmira Heights location deducted based on their proposed move to the new location.

First Heritage Credit Union Steuben County IDA PILOT Assessment

Existing Assessment	\$0	
City of Corning Tax Rate/\$1,000	\$11.62	26%
2015 County Tax Rate/\$1,000	\$8.43	19%
2015 Corning-Painted Post School District Tax Rate/\$1,000	\$24.55	55%
2015 Total Tax Rate/\$1000	\$44.60	
Current Taxes		
Town Tax Payment	\$0	
County Tax Payment	\$0	
C-PP School District Payment	\$0	
Total Estimated Tax Revenue	\$0	
Proposed Additional Assessment		
New Town Tax Payment	\$2,145,000	
New County Tax Payment	\$24,925	
New C-PP School District Payment	\$18,082	
Total Estimated New Revenue	\$52,660	
	\$95,667	
Mortgage		
Taxable Investment	\$0	
IDA Sales Tax Abatement	\$4,500,000	
Mortgage Tax Abatement	\$360,000	
	\$0	
Payment in Lieu of Tax Savings 10		
Year Proposal With Current		
Assessed Value and Tax Rates	\$430,502	

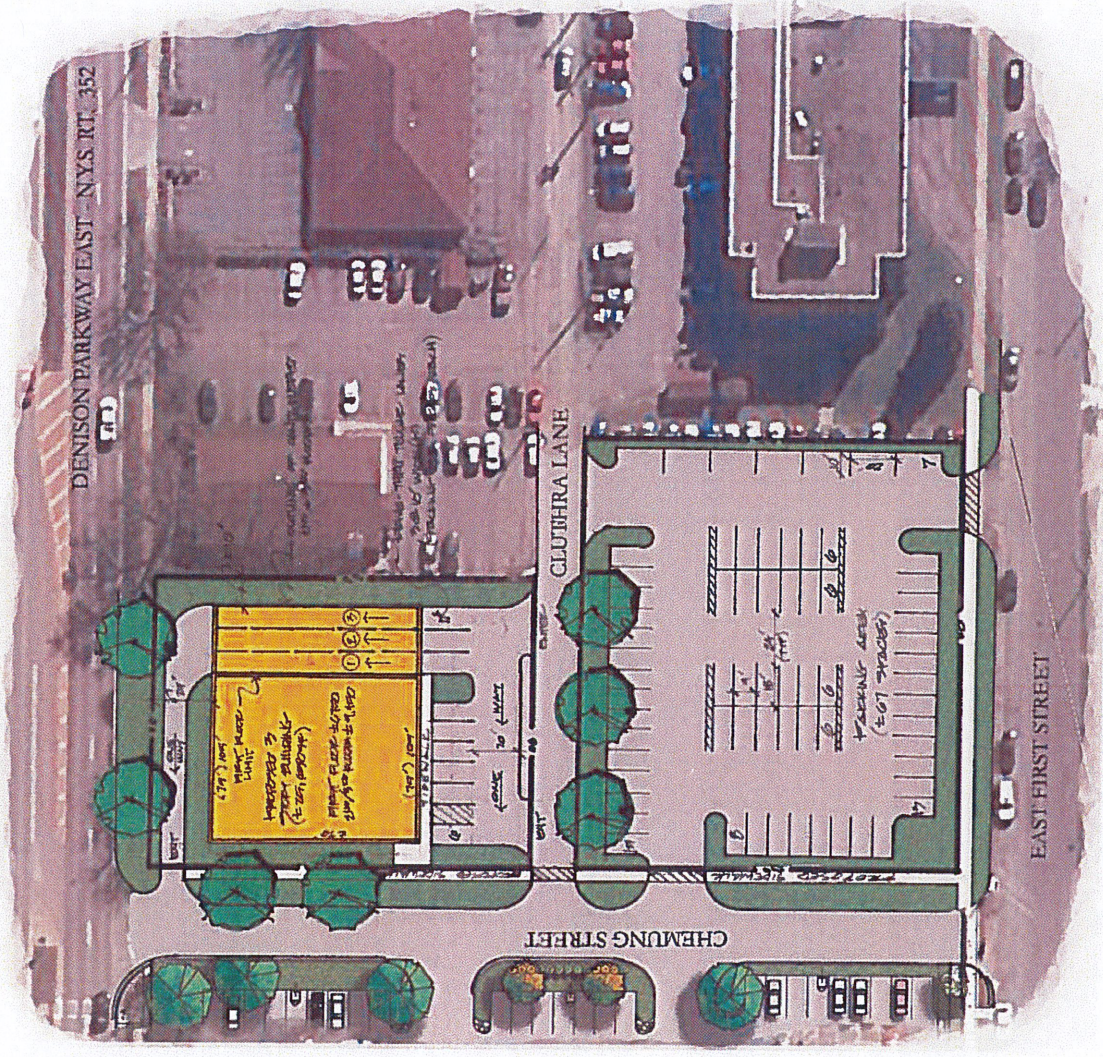
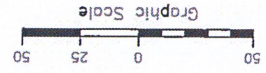
First Heritage Federal Credit Union
 New Headquarters Building, Corning, NY
 Steuben County IDA Financial Assistance Application

Abatement Year	Current Taxes	New Without PILOT	Total Tax Liability	Proposed PILOT New	Total PILOT New + Existing	Town PILOT Current Plus New	County PILOT Current Plus New	School PILOT Current Plus New	Pilot Savings
2020	\$0	\$95,667	\$95,667	\$9,567	\$9,567	\$2,492.49	\$1,808.24	\$5,265.98	\$86,100
2021	\$0	\$95,667	\$95,667	\$19,133	\$19,133	\$4,984.98	\$3,616.47	\$10,531.95	\$76,534
2022	\$0	\$95,667	\$95,667	\$28,700	\$28,700	\$7,477.47	\$5,424.71	\$15,797.93	\$66,967
2023	\$0	\$95,667	\$95,667	\$38,267	\$38,267	\$9,969.96	\$7,232.94	\$21,063.90	\$57,400
2024	\$0	\$95,667	\$95,667	\$47,834	\$47,834	\$12,462.45	\$9,041.18	\$26,329.88	\$47,834
2025	\$0	\$95,667	\$95,667	\$57,400	\$57,400	\$14,954.94	\$10,849.41	\$31,595.85	\$38,267
2026	\$0	\$95,667	\$95,667	\$66,967	\$66,967	\$17,447.43	\$12,657.65	\$36,861.83	\$28,700
2027	\$0	\$95,667	\$95,667	\$76,534	\$76,534	\$19,939.92	\$14,465.88	\$42,127.80	\$19,133
2028	\$0	\$95,667	\$95,667	\$86,100	\$86,100	\$22,432.41	\$16,274.12	\$47,993.78	\$9,567
2029	\$0	\$95,667	\$95,667	\$95,667	\$95,667	\$24,924.90	\$18,082.35	\$52,659.75	\$0
	\$0	\$956,670	\$956,670	\$526,169	\$526,169	\$137,087	\$99,453	\$289,629	\$430,502

Scale: 1"=50'

CORNING HOSPITAL REDEVELOPMENT PROJECT
 Sites 3 & 4
 Town of Corning, Chemung County, New York

Date: 02/19/2018
 Project Number: 2492A



Cost-Benefit Analysis for First Heritage Headquarters Project

Prepared by Steuben County IDA using InformAnalytics

Executive Summary

INVESTOR
FHFCU HQ
LLC/FHFCU Lot LLC

TOTAL INVESTED
\$10.3 Million

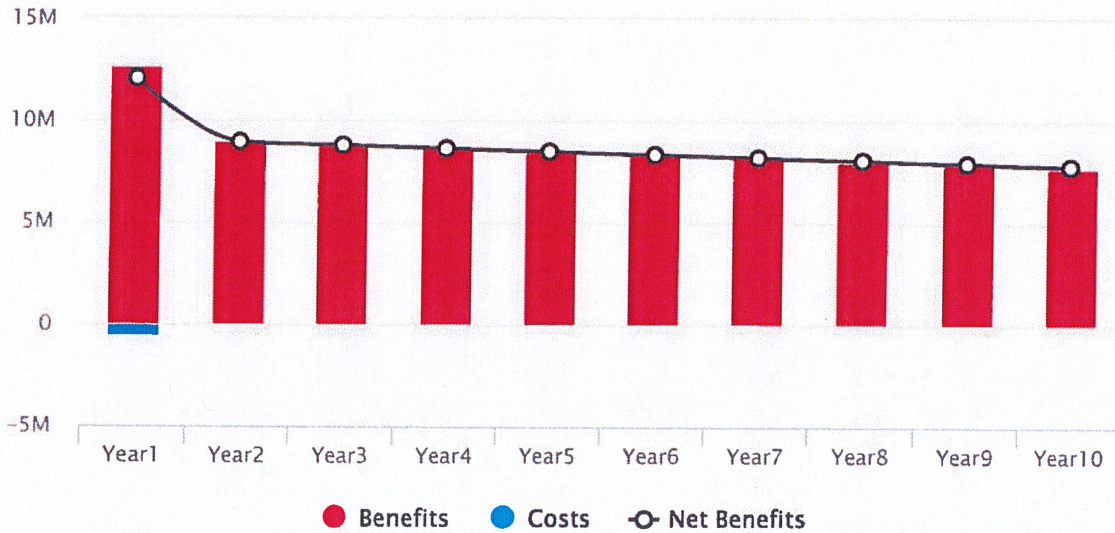
LOCATION
210 East Denison
Parkway, Corning NY
14830

TIMELINE
10 Years

F1 FIGURE 1

Discounted* Net Benefits for First Heritage Headquarters Project by Year

Total Net Benefits: **\$87,063,000**



Discounted at 2%

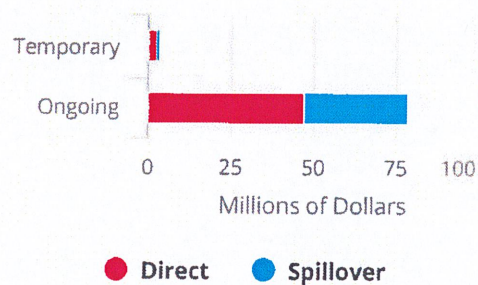
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

FHFCU HQ LLC/FHFCU Lot LLC proposes to invest \$10.3 million at 210 East Denison Parkway, Corning NY 14830 over 10 years. Steuben County IDA staff summarize the proposed with the following: The project will include the construction of a 27,500 sq. ft. corporate headquarters building for First Heritage Federal Credit Union. The credit union has currently maxed out on all of their locations and the \$10M project will support the credit unions continued expansion efforts in Steuben and the surrounding communities.

T1 TABLE 1

F4 FIGURE 4

Proposed Investments

Location of Investment

Description	Amount
CONSTRUCTION SPENDING	
First Heritage Corporate Headquarters	\$6,600,000
OTHER SPENDING	
land	\$1,200,000
infrastructure	\$700,000
FF&E	\$1,000,000
Soft Costs	\$800,000
Total Investments	\$10,300,000
Discounted Total (2%)	\$10,300,000



Map data ©2019 Google

May not sum to total due to rounding.

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 FHFCU HQ LLC/FHFCU Lot LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$422,000	\$401,000
Sales Tax Exemption	\$490,000	\$490,000
Total Costs	\$912,000	\$891,000

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	\$54,738,000	\$35,611,000	\$90,313,000
To Private Individuals	\$53,619,000	\$35,194,000	\$88,813,000
Temporary Payroll	\$2,434,000	\$770,000	\$3,204,000
Ongoing Payroll	\$51,185,000	\$34,424,000	\$85,609,000
To the Public	\$1,119,000	\$417,000	\$1,500,000
Property Tax Revenue	\$516,000	N/A	\$516,000
Temporary Sales Tax Revenue	\$27,000	\$9,000	\$36,000
Ongoing Sales Tax Revenue	\$567,000	\$381,000	\$949,000
STATE BENEFITS	\$3,244,000	\$2,079,000	\$5,324,000
To the Public	\$3,244,000	\$2,079,000	\$5,324,000
Temporary Income Tax Revenue	\$109,000	\$37,000	\$146,000
Ongoing Income Tax Revenue	\$2,456,000	\$1,597,000	\$4,053,000
Temporary Sales Tax Revenue	\$31,000	\$10,000	\$41,000
Ongoing Sales Tax Revenue	\$648,000	\$436,000	\$1,084,000
Total Benefits to State & Region	\$57,982,000	\$37,690,000	\$95,636,000
Discounted Total Benefits (2%)	\$53,386,000	\$34,604,000	\$87,954,000

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	\$83,061,000	\$630,000	132:1
State	\$4,893,000	\$262,000	19:1
Grand Total	\$87,954,000	\$891,000	99:1

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.

HARRIS BEACH PLLC
ATTORNEYS AT LAW

99 GARNSEY ROAD
PITTSFORD, NY 14534
(585) 419-8800

RUSSELL E. GAENZLE

DIRECT: (585) 419-8718
FAX: (585) 419-8801
RGAENZLE@HARRISBEACH.COM

February 21, 2019

Steuben County
Industrial Development Agency
7234 Route 54 North
P.O. Box 393
Bath, New York 14810

Re: FHDCU HQ, LLC and FHFCU LOT LLC Application For Financial Assistance

Dear Board Members:

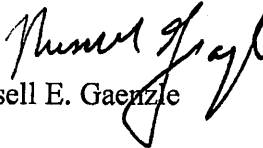
Please accept this correspondence in connection with FHDCU HQ, LLC's and FHFCU LOT LLC's (collectively, the "Company" or the "Companies") application to the Steuben County Industrial Development Agency (the "Agency") for financial assistance in connection with the Company's construction of its corporate headquarters at the former Corning Hospital site (the "Project").

According to the Application, (i) the Companies are each for-profit limited liability companies formed under NYS law, (ii) the Companies will lease the facility to First Heritage Federal Credit Union (a not-for-profit corporation, hereinafter the "Credit Union"), (iii) the Companies will undertake the Project as agent of the Agency and (iv) any financial assistance approved by the Agency will benefit the Companies and not the Credit Union and the Companies shall be responsible for all payments under any payment-in-lieu of tax agreement. In addition, the Agency and the Credit Union will not enter into any agreements or contracts and the Credit Union is not party to the Application.

Based upon the foregoing facts, the Project qualifies for financial assistance from the Agency in accordance with Article 18-A of the New York General Municipal Law.

Should you have any questions, please feel free to contact me at your convenience.

Very truly yours,


Russell E. Gaenzle

REG:sem