

COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY

ADIRONDACK RADIOLOGY ASSOCIATES, P.C. AND CAREY ROAD MEDICAL BUILDING, LLC. PUBLIC HEARING MINUTES

AUGUST 15, 2024

Juan Gonzales, Chair of the Counties of Warren and Washington Industrial Development Agency (the “Agency”), called to order a duly noticed Public Hearing for Adirondack Radiology Associates, P.C. and Carey Road Medical Building, LLC. at 4:00 p.m. on the 15th day of August 2024 at the Warren County Municipal Building, Lake George, New York.

Present:

Representing:

Juan Gonzales

WWIDA/WWCDC Chair

Kara Lais, Esq. (Zoom)

FMBF, Legal Counsel for WWIDA/WWCDC

Chuck Barton

WWIDA CEO

Ed Hanchett

Executive Director of Adirondack Radiology

Larry Novik

President of Bonacio Development

Minutes were taken by Alie Weaver, WWIDA Office Administrator

Mrs. Weaver read the minutes of the published statement (legal notice) describing the proposed project.

Mr. Barton introduced Mr. Ed Hanchett, Executive Director of Adirondack Radiology Associates, P.C., to discuss the project.

Mr. Hanchett stated that the project involves the closure of a current location at lease-end in December. Their current leased building on Carey provides expansion for new equipment and reduction of redundant expenses. The equipment to be installed includes an open MRI Unit and PET/CT Scanner. Mr. Hanchett noted that this new technology will be the first to exist in Warren and Washington counties.

Mr. Hanchett explained the open MRI unit is valuable to patients suffering from claustrophobia. With this unit’s new software and AI technology, scan time is also reduced, and patient capacity will be doubled. The PET/CT scanner is valuable for diagnosing and monitoring cancer care and will also reduce scan time and double patient capacity. PET scanning has proven to be helpful in identifying early stages of Alzheimer’s Disease.

In addressing the financial need for WWIDA’s assistance, Mr. Hanchett explained the extreme difficulties of surviving as a physician practice in the healthcare environment. The Medicare physician fee schedule has declined for the past ten years, and it has been proposed to decline again in 2025. This decline, combined with the increase in staff costs due to shortages in the medical field, creates the need for assistance. The WWIDA real property and sales tax incentives would help achieve the goal of expanding services at the Carey Medical Building and purchasing new technology.

Mr. Novik stated all of the benefits provided by the WWIDA would be a direct pass-through to Adirondack Radiology Associates, as a triple-net lease agreement is in place. The construction portion of this project is approximately \$900,00, with \$300,000 in material eligible for sales tax exemption.

Mr. Barton stated the estimated tax benefit for Carey Road Medical Building, LLC. is \$73,230 over ten years in real property taxes and \$21,000 in sales tax abatement. These benefits will be passed to Adirondack Radiology Associates.

Mr. Barton explained that Adirondack Radiology Associates, P.C.’s estimated sales tax abatement is \$166,600 from the \$2.83 million project expense.

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ADIRONDACK RADIOLOGY ASSOCIATES, P.C. AND CAREY ROAD MEDICAL BUILDING, LLC. PUBLIC HEARING MINUTES (cont.)

Regarding the cost benefit analysis and community impact, Mr. Barton explained the cutting-edge medical services would be locally available, attraction of talented medical staff, enabling a more competitive service provider, and lowering the risk of closure. This project will facilitate \$600,000 in construction labor, \$300,000 in construction materials in New York State with 60% within Warren and Washington counties. This project will retain five full-time equivalent employment positions and create an additional 1.5 employment positions. The PILOT payments will generate an estimated \$122,050 over ten years. The cost of the tax abatements versus the benefits to the community is a ratio of 1:28.

Ms. Lais stated that the Warren and Washington County Committee and Board meetings will be held in August and September to approve consent of the WWIDA incentives as this being a unique retail project.

A brief discussion ensued regarding equipment service sales tax exemption. Ms. Lais stated that she would need to review the equipment lease agreement to determine eligibility.

Mr. Gonzales asked if there were any questions or comments about the Adirondack Radiology Associates, P.C. and Carey Road Medical Building, LLC. project at three separate intervals. There being none, Mr. Gonzales adjourned the Public Hearing at 4:23 pm.