

## **NOTICE OF PUBLIC HEARING**

**NOTICE IS HEREBY GIVEN** that a public hearing pursuant to Article 18-A of the New York State General Municipal Law will be held by the Counties of Warren and Washington Industrial Development Agency (the “Agency”) on August 15, 2024, at 4:00 pm local time, at the Warren County Municipal Center, Committee Room, located at 1340 State Route 9, Lake George, (Town of Queensbury), New York 12845. The public hearing may also be live streamed on You Tube under Warren Washington IDA or available via ZOOM at the following information:

<https://us02web.zoom.us/j/82463603974?pwd=7FRLEFfh1RMEBeQL58woeZpqO7ImX9.1>

Meeting ID: 824 6360 3974

Passcode: 642340

Dial by your location

+1 646 558 8656 US (New York)

Find your local number: <https://us02web.zoom.us/u/kbJmB54Swb>

Adirondack Radiology Associates, P.C., a professional business corporation established pursuant to the laws of the State of New York, having an address of 170 Carey Road, Queensbury, New York 12804 (the “Company”) and Carey Road Medical Building LLC, a limited liability company established pursuant to the laws of the State of New York, having an address of 18 Division Street, Suite 401, Saratoga Springs, New York 12866 (the “Owner”) have requested that the Agency provide financial assistance in the form of a real property tax abatement and a sales tax abatement regarding a certain retail project (the “Project”) to consist of: (i) the acquisition by the Agency of a leasehold interest in certain real property located at 170 Carey Road in the Town of Queensbury, County of Warren, New York and being known as tax map parcel number 309.13-2-31.113 (the “Land”); (ii) the planning, design, expansion, construction and maintenance by the Company of an approximately 4,325 square foot addition to the facility located on the Land (collectively, the “Improvements”); (iii) the acquisition of and installation in and around the Land and Improvements by the Company/Owner of machinery, equipment, fixtures and other items of tangible personal property (the “Equipment” and, collectively with, the Land and the Improvements, the “Facility”) to be used by the Company as a medical facility; and (iv) entering into a straight lease transaction with the Company or the Owner, as the case may be (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain a leasehold interest in the Facility for a period of time and sublease such interest in the Facility back to the Company or the Owner, as the case may be (the “Straight Lease Transaction”), all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, Chapter 862 of the Laws of 1971 of the State of New York (collectively, the “Act”), as amended.

The Agency may be providing financial assistance with respect to the Project in the form of sales tax exemptions related to the construction and equipping of the Project Facility and a payment in lieu of taxes, which are consistent with the policies of the Agency. Should other financial assistance be requested, it shall be consistent with the policies of the Agency.

A representative of the Agency will be in attendance at the above-stated time and place to hear and accept written comments from all persons with views in favor of or opposed to the granting of financial assistance contemplated by the Agency or the location or nature of the Facility. The application of the Company/Owner is available for public inspection during normal business hours at the offices of the Agency, located at 5 Warren Street, Glens Falls, New York 12801.

Minutes of the hearing will be made available to all necessary parties.

Counties of Warren and Washington  
Industrial Development Agency  
Juan Gonzales, Chairman  
Published: August 3, 2024

**Adirondack Radiology Associates, P.C. and  
Carey Road Medical Building LLC (Bonacio)  
Applications For Investment Incentives**

From: Chuck Barton, Chief Executive Officer

Date: July 31, 2024

The purpose of this memorandum is to set forth the facts and considerations utilized by the Counties of Warren and Washington Industrial Development Agency (“WWIDA”) in rendering a decision to provide financial assistance via investment incentives to Adirondack Radiology Associates, P.C. (ARA) and Carey Road Medical Building LLC (CRMB), associated with Bonacio.

ARA plans to introduce new specialized medical imaging technology to our region by investing \$2.35 million in an Open MRI Scanner and a PET/CT Scanner, and another \$0.93 million in building modifications for the equipment. ARA is located in a medical facility at 170 Carey Road, Queensbury, owned and operated by CRMB. ARA is looking to expand into the eastern portion of the building to accommodate the new equipment by early 2025. ARA is applying for sales tax exemption for the new medical equipment. CRMB is applying for property and sales tax exemptions to pass along these benefits to ARA via a triple net lease agreement. Hence a single Findings Statement for two interrelated applications.

This document recognizes several factors considered by the WWIDA and is intended to provide a concise record of the issues considered as well as the justification for the investment incentive package, if offered and approved by the WWIDA Board.

## **DESCRIPTION of COMPANIES**

Adirondack Radiology Associates, P.C. is a local radiologist physicians practice for over 50 years with eighty-five employees providing outpatient medical imaging services in facilities located in Queensbury, Glens Falls, Saratoga, and Albany. Forty-five of the employees are in Warren County. There are currently nine partners with equal ownership. Diagnostic services include CAT scan, DEXA scans, Interventional Radiology, Mammography, MRI scan, Nuclear Medicine, PET/CT scan, Ultrasound, and X-rays. ARA also provides professional diagnostic interpretations for medical imaging exams performed by Glens Falls Hospital and Hudson Headwaters Health Network.

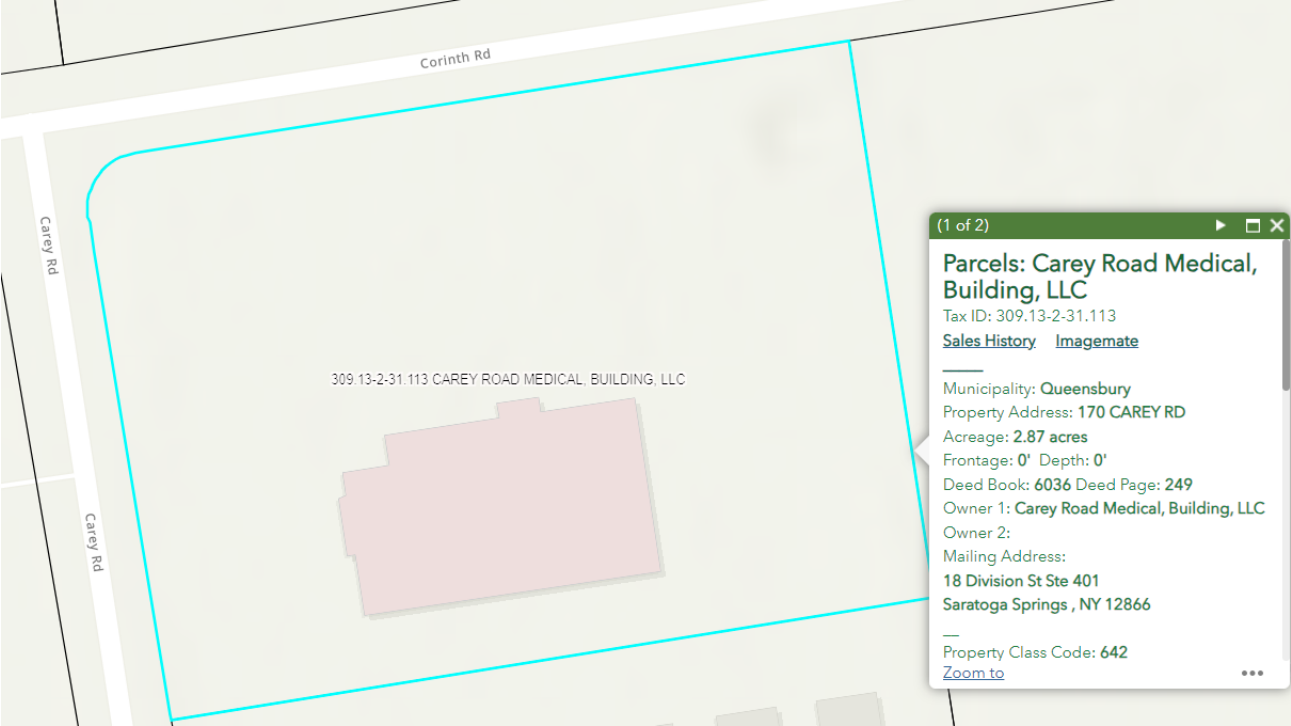
ARA is initiating actions to contend with a challenging healthcare environment with decreasing Medicare Physician Fees (down 1.8% in 2024 per ARA's application) and reimbursements along with physician shortages. ARA planned actions are upgrading technology utilizing Artificial Intelligence (AI) that will provide quicker and higher quality results. This more modern technology will improve patient efficiency and capacity, offer more sophisticated imaging services to local residents, and attract talented radiologists who appreciate the opportunity to utilize the newest technology.

ARA plans to reduce duplicative facility expenses by over \$150,000 annually by ceasing utilization of its older technology at its leased facility on Bay Road, terminating the Bay Road facility lease, and expanding its operation with the new technology at the leased facility owned by Carey Road Medical Building LLC. The CRMB LLC members are Trio Property Holdings LLC, Belamada Holdings LLC, 67 Hoffman LLC, and Sonny and Julie Bonacio.

Bonacio Development will modify 4,325 square feet of available space in the eastern portion of the CRMB medical building to house ARA's new technology and additional employees. Bonacio Development is a subsidiary of Bonacio, a construction, development, and management company based in Saratoga and serving the Northeast area for over 35 years.

# PROJECT DESCRIPTION

The Adirondack Radiology Associates leased medical facility to be expanded in Queensbury is located at 170 Carey Road on a 2.87 corner lot off Corinth Road. The Tax Lot ID is 309.13-2-31.113. GIS and satellite images are illustrated below.



ARA is currently leasing the western portion of the building from CRMB and wishes to expand into the vacant eastern portion (4,325 square feet) with the new imaging technology. When the project is complete, ARA will utilize the entire building.



Adirondack Radiology has explained the new technology is unique to Warren County and will accommodate Washington County residents as well. The Open MRI Scanner, particularly helpful for claustrophobic patients, will have significantly faster scan time and be integrated with Artificial Intelligence enhanced imaging technology.



The PET/CT Scanner is a diagnostic tool for cancer and metastatic disease detection and is also very useful in monitoring a patient's response to the cancer treatment plan. The scanner also has a bright future in Amyloid PET for Alzheimer's assessment, Cardiac PET, and Theragnostic cancer treatment. The incentive applications will require Warren and Washington Counties' consent to the unique offering in our region.



## ANALYSIS OF PILOT and ABATEMENT REQUEST

The Adirondack Radiology Carey Road medical facility will be primarily used in making sales of services to customers who personally visit the site for unique medical services provided by the proposed new Open MRI and PET/CT scanning technology. There is no similar medical technology in Warren and Washington counties. The counties with similar technologies are Saratoga and Albany. The Agency will need to consider the uniqueness of the medical technology for Warren and Washington county residents to approve the ARA/CRMB project for WWIDA investment incentives.

The investment incentives requested for the ARA/CRMB project are the following:

1. Property tax incentives in the form of a Payment In Lieu of Taxes (PILOT). CRMB is applying for a qualified 10-year PILOT within WWIDA's Uniform Tax Exemption Policy that will benefit ARA (via its obligation to pay property taxes per a triple net lease agreement with CRMB for a term of the PILOT). The PILOT payments will be for a term of 10 years with an 50% exemption of real property taxes on the value of the improvements for years 1 through 5 and a 25% exemption of real property taxes on the value of the improvements for years 6 through 10, after construction is completed. This totals an estimated \$122,050 in payments over ten years versus an estimated \$195,280 without the investment incentive. The **estimated property tax benefit is \$73,230 over 10 years** (see Appendix for details.).
2. **State and County sales tax abatement** totaling 7% based on up to \$2,380,000 investment by ARA and \$300,000 by CRMB subject to sales tax. The WWIDA calculates the **estimated benefits to be \$166,600 for ARA and \$21,000 for CRMB.**

The proposed total investment incentives for ARA and CRMB before administrative fees is estimated at \$260,830 over ten years. (The ARA and CRMB applications do not include request for mortgage recording tax abatement.)

As for the necessity of the investment incentives, the ADA application explains the medical service provider is contending with a challenging healthcare environment with decreasing Medicare reimbursements and physician shortages. ADA is consolidating its Queensbury facilities to reduce operating expenses and investing in new technology to improve medical services and operational efficiency. The new technology is also expected to improve recruiting talented medical staff. The ARA application states, "Without the ability to recruit and retain radiologists, the practice could dissolve. This was the case with Women's Health OB/GYN practice closing their doors in Glens Falls and Saratoga Springs in August 2023." The incentives lower the financial risk associated with the high expense of the new technology. The CRMB application states, "If financial assistance is not received, the investment in new technology cannot be made. As a result, the expansion project will not

be undertaken. The [local] impact...is a loss of jobs and the loss of local availability of critical cutting-edge medical services.”

Prior to its approval and based on the contents of the application, the Agency shall make a finding that the closure of one of ARA’s facilities is reasonably necessary to preserve the competitive position of ARA in its industry.

### **COMMUNITY and ECONOMIC IMPACTS:**

The proposed ARA/CRMB project will provide qualitative and quantitative benefits to residents in Warren and Washington counties. Specific community and economic benefits of the project include:

1. **Provide cutting-edge medical services with several patient benefits:**
  - a. **Open MRI Scanner:**
    - i. Accommodate claustrophobic patients.
    - ii. Provide better resolution, detection, and accuracy via AI.
    - iii. Provide faster scan time and enable more scheduling capacity.
  - b. **Positive Emission Tomography (PET) / Computer Axial Tomography (CT) Scanner:**
    - i. Provide Amyloid PET for Alzheimer's assessment; Cardiac PET availability/utilization with new F-18 radioisotope; and Theranostic Cancer Treatment Therapy utilizing new radioisotope tracers.
    - ii. Provide better resolution, detection, and accuracy via AI.
    - iii. Provide faster scan time and enable more scheduling capacity.
2. **Attract talented medical staff seeking to utilize latest medical technology.**
3. **Enable more competitive medical service provider (and lower risk of closure).**
4. **Facilitate an estimated \$600,000 in construction labor and \$300,000 in construction materials (100% New York State, 60% W & W Counties).**
5. **Retain five and create 1.5 Full-Time Equivalent employment positions** with estimated total annual wages and benefits of \$875,000.
6. **Generate estimated PILOT payments of \$122,050** over ten years.



7. **Generate Community Cost Benefit Ratio estimated at 1 to 28** over the ten years. The estimated “cost” of all State, County, and Town incentives is \$260,830. The estimated “benefits” to the community per information in the two applications is estimated at \$7.4 million including 75% conservative factoring. The Community Net Benefit estimated at \$7.1 million over ten years (before any net present value adjustment). (See Appendix for details.)
8. **The net present value adjusted Community Net Benefit is \$5.6 million** over ten years at a 4% net present value rate each year. (See Appendix for details.)

In conclusion, approving the ARA/CRMB applications would clearly benefit the economic and community interests of the residents of Warren and Washington Counties.





5 Warren Street, Glens Falls, NY 12801

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IDA Project Applicants: Adirondack Radiology Associates, P.C. (ARA)  
Carey Road Medical Building LLC (CRMB)

Project Type: Medical Facility

Project Street Location: 170 Carey Road

Project Municipality: Town of Queensbury

Parcel Identification: 309.13-2-31.113

Project Description: Upgrade medical facility with new unique technology.

Total Investment:      ARA            \$2,486,000  
                                 CRMB            \$931,131

IDA Benefits Provided: Payment In Lieu of Property Taxes  
Sales and Use Tax Exemption

Community Benefits:      a. Provide unique cutting-edge medical services locally.  
(over ten years)            b. Attract talented medical staff.  
                                 c. Enable more competitive medical service provider.  
                                 d. Generate over \$900,000 in local construction activity.  
                                 e. Retain five positions and create 1.5 FTE jobs for \$875K.  
                                 f. Generate PILOT payments of \$122K.  
                                 g. Community Cost Benefit Ratio: 1 to 28.  
                                 h. Net Community Benefit: \$5.6M (NPV @ 4%).

# Appendix

**Carey Road Medical Building LLC (Bonacio) INCENTIVES ESTIMATION**

50% FIRST FIVE YEARS AND 25% SECOND FIVE YEARS

Version Date: 07 26 2024

2024 Base Value 309.13-2-31.113	Est. New Construction Dollar Value	Estimated New Assessed	2024 County Tax Rate / 1000	2024 Town Tax Rate / 1000	Village Tax Rate /1000	2023-24 School Tax rate / 1000		
\$2,785,000	\$931,131	\$3,716,131	\$3.85900	\$0.82100		\$16.29229		
100% Total Project								
PILOT YEAR	% PAYMENT	COUNTY PILOT AMOUNT	TOWN PILOT AMOUNT	VILLAGE PILOT AMOUNT	SCHOOL PILOT AMOUNT	TOTAL PILOT	FULL PAYMENT W/O PILOT	ESTIMATED NET EXEMPTION
1	50%	\$1,797	\$382	\$0	\$7,585	\$9,764	\$19,528	\$9,764
2	50%	\$1,797	\$382	\$0	\$7,585	\$9,764	\$19,528	\$9,764
3	50%	\$1,797	\$382	\$0	\$7,585	\$9,764	\$19,528	\$9,764
4	50%	\$1,797	\$382	\$0	\$7,585	\$9,764	\$19,528	\$9,764
5	50%	\$1,797	\$382	\$0	\$7,585	\$9,764	\$19,528	\$9,764
6	75%	\$2,695	\$573	\$0	\$11,378	\$14,646	\$19,528	\$4,882
7	75%	\$2,695	\$573	\$0	\$11,378	\$14,646	\$19,528	\$4,882
8	75%	\$2,695	\$573	\$0	\$11,378	\$14,646	\$19,528	\$4,882
9	75%	\$2,695	\$573	\$0	\$11,378	\$14,646	\$19,528	\$4,882
10	75%	\$2,695	\$573	\$0	\$11,378	\$14,646	\$19,528	\$4,882
Totals		\$22,458	\$4,778	\$0	\$94,814	\$122,050	\$195,280	\$73,230
FULL ANNUAL PAYMENT		\$3,593	\$764	\$0	\$15,170	====>	\$19,528	
<b>Estimated Tax Exemptions:</b>		<b>Estimated Cost Benefit Ratio:</b>		<i>I have read and reviewed the Section V information completed by the WWIDA.</i>				
Property	\$73,230	Assumption:		Estimated Total Project Cost	\$931,131	Name:		
Sales & Use 7%	\$21,000	\$300,000		Gross Benefit All Incentives	\$94,230	Signature:		
Mortgage 1.25%	\$0	\$0		Gross Benefit / Cost Ratio	10.1%	Date:		
Gross Benefit	\$94,230	\$931,131						
IDA Fee 0.9%	(\$8,380)							
IDA Legal Est.	(\$11,000)							
<b>Net Benefit</b>	<b>\$74,850</b>							

**Adirondack Radiology Associates INCENTIVES ESTIMATION**

50% FIRST FIVE YEARS AND 25% SECOND FIVE YEARS

Version Date: 07 26 2024

2024 Base Value	Est. New Construction Dollar Value	Estimated New Assessed	2024 County Tax Rate / 1000	2024 Town Tax Rate / 1000	Village Tax Rate /1000	2023-24 School Tax rate / 1000		
\$0	\$0	\$0	\$3.85900	\$0.82100		\$16.29229		
0% Total Project								
PILOT YEAR	% PAYMENT	COUNTY PILOT AMOUNT	TOWN PILOT AMOUNT	VILLAGE PILOT AMOUNT	SCHOOL PILOT AMOUNT	TOTAL PILOT	FULL PAYMENT W/O PILOT	ESTIMATED NET EXEMPTION
1	50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	75%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	75%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	75%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	75%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	75%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals		\$0	\$0	\$0	\$0	\$0	\$0	\$0
FULL ANNUAL PAYMENT		\$0	\$0	\$0	\$0	====>	\$0	
<b>Estimated Tax Exemptions:</b>		<b>Estimated Cost Benefit Ratio:</b>		<i>I have read and reviewed the Section V information completed by the WWIDA.</i>				
Property	\$0	Assumption:						
Sales & Use 7%	\$166,600	\$2,380,000	Estimated Total Project Cost*	\$2,486,000	Name:			
Mortgage 1.25%	\$0	\$0	Gross Benefit All Incentives	\$166,600	Signature:			
Gross Benefit	\$166,600		Gross Benefit / Cost Ratio	6.7%	Date:			
IDA Fee 0.9%	(\$22,374)	\$2,486,000	* Excludes building renovation cost since included in Bonacio CRMB LLC application.					
IDA Legal Est.	(\$9,000)							
<b>Net Benefit</b>	<b>\$135,226</b>							

**ADK Radiology Associates & CRMB LLC (Bonacio) Projects**

**Community Cost Benefit Analysis**

Version Date: 07 26 2024

Year	Community Tax Exemption "Costs"				Community "Benefits" from Applications with 75% Conservative Factor					TOTAL Quantitative Community Benefit	NET Quantitative Community Benefit
	ADK Rad. Sale Tax Exempt.	CRMB LLC Sale Tax Exempt.	CRMB LLC Net Prop. Tax Exempt.	TOTAL Tax Exempt. Cost	3 Months Construction Labor @ 75% Factor	Local/State Construction Materials @ 75% Factor	5 Jobs Retained Full Compens. 75% Factor	1.5 Jobs Created Full Compens. 75% Factor	PILOT Payments		
0	(\$166,600)	(\$21,000)		(\$187,600)	\$473,348	\$225,000				\$698,348	\$510,748
1			(\$9,764)	(\$9,764)			\$581,400	\$74,700	\$9,764	\$665,864	\$656,100
2			(\$9,764)	(\$9,764)			\$581,400	\$74,700	\$9,764	\$665,864	\$656,100
3			(\$9,764)	(\$9,764)			\$581,400	\$74,700	\$9,764	\$665,864	\$656,100
4			(\$9,764)	(\$9,764)			\$581,400	\$74,700	\$9,764	\$665,864	\$656,100
5			(\$9,764)	(\$9,764)			\$581,400	\$74,700	\$9,764	\$665,864	\$656,100
6			(\$4,882)	(\$4,882)			\$581,400	\$74,700	\$14,646	\$670,746	\$665,864
7			(\$4,882)	(\$4,882)			\$581,400	\$74,700	\$14,646	\$670,746	\$665,864
8			(\$4,882)	(\$4,882)			\$581,400	\$74,700	\$14,646	\$670,746	\$665,864
9			(\$4,882)	(\$4,882)			\$581,400	\$74,700	\$14,646	\$670,746	\$665,864
10	\$0	\$0	(\$4,882)	(\$4,882)	\$0	\$0	\$581,400	\$74,700	\$14,646	\$670,746	\$665,864
<b>TOTAL</b>	<b>(\$166,600)</b>	<b>(\$21,000)</b>	<b>(\$73,230)</b>	<b>(\$260,830)</b>	<b>\$473,348</b>	<b>\$225,000</b>	<b>\$5,814,000</b>	<b>\$747,000</b>	<b>\$122,050</b>	<b>\$7,381,398</b>	<b>\$7,120,568</b>

QUANTITATIVE Cost to Benefit Ratio is ==> **1** to =====> **28.3**

Net QUANTITATIVE Benefits - Net Present Value @ 4% **\$5,642,340**

**QUALITATIVE Benefits**

**A. New Technology - Open Magnetic Resonance Imaging (MRI) Scanner:**

1. Claustrophobic patients utilization.
2. Utilize Artificial Intelligence (AI) for better resolution, detection, and accuracy.
3. Faster patient scan time - reduce from 45 to as low as 15 minutes.
4. Expand scheduling capacity.

**B. New Technology - Positive Emission Tomography (PET) / Computer Axial Tomography (CT) Scanner:**

1. Amyloid PET for Alzheimer's assessment.
2. Cardiac PET availability/utilization with new F-18 radioisotope.
3. Theranostic Cancer Treatment Therapy utilizing new radioisotope tracers.
4. Utilize Artificial Intelligence (AI) for better resolution, detection, and accuracy.
5. Digital detectors for faster patient scan times.
6. Expand scheduling capacity.

**C. Improve availability of new technology to local residents (rather than needing to travel outside area).**

**D. Advance technology to facilitate recruitment of higher talented medical staff.**

**E. Enable more competitive medical service provider (and lower risk of closure).**