

1 STATE OF NEW YORK : COUNTY OF CHAUTAUQUA  
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3 PUBLIC HEARING ON PROPOSED PROJECT AND  
4 FINANCIAL ASSISTANCE RELATING THERETO  
5 -----

6 Minutes of Public Hearing held before  
7 GREGORY L. PETERSON, General Counsel for the  
8 Chautauqua County Industrial Development  
9 Agency, at 200 Harrison Avenue, Third Floor,  
10 Jamestown, New York on Wednesday, March 25th,  
11 2009 at 9:00 AM, pursuant to notice.

12 APPEARANCES:  
13 PHILLIPS LYTLE, LLP  
14 BY: GREGORY L. PETERSON, ESQ.,  
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20 General Counsel for the  
21 County of Chautauqua  
22 Industrial Development Agency.  
23

1 APPEARANCES CONTINUED:  
2 NAME AFFILIATION

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3	Dr. Rudy Mueller	Citizen
4	Gary R. Maas	Damon & Morey
5	Jeff Walker	Roswell Park
6	Rochelle Krowinski	Roswell Park
7	Jim Zadoorian, Ph. D.	WCA Hospital
8	Hadley Weinberg	Citizen
9	Paul Neureuter	Krog Corp.
10	Peter Walker, MD	WNYUA, LLC
11	Richard Dixon	CCIDA
12	Carol Rasmussen	CCIDA
13	Sue Case1	CCIDA
14	Bill Daly	CCIDA
15	Gregory Peterson	CCIDA Counsel
16	Richard Terhaar	WNYUA, LLC
17	Michelle Smith	WNYUA, LLC
18	Robert Kenyon	City of Jamestown
19	Greg Linqvist	Empire Zone
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1 (Whereupon, Exhibit A was marked for  
2 identification.)

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4 MR. PETERSON: Good morning. I am Greg  
5 Peterson. I am from Phillips Lytle. I am  
6 General Counsel for the County of Chautauqua  
7 Industrial Development Agency. I have been  
8 directed by the members of the Agency to hold

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9 a public hearing today. Today is March 25th,  
10 2009 and as indicated, the time is now 9  
11 o'clock.

12 For the record, we're at the offices of the  
13 Agency, 200 Harrison Street, Jamestown, New  
14 York, County of Chautauqua, New York. This is  
15 a public hearing pursuant to section 859-A --  
16 if anyone wants to read the public hearing  
17 notice, it's on the table -- of the New York  
18 General Municipal Law as amended.

19 The Agency has received applications for  
20 financial assistance in connection with the  
21 following manner and I'll read this for the  
22 record: 117 Foote Avenue, LLC, a New York  
23 limited liability company, which I'll

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1 hereafter refer to as 117 Foote, Southern Tier  
2 Management Services, LLC, a New York limited  
3 liability company. I'll refer to them as  
4 Southern Tier and Western New York Urology  
5 Associates, LLC, a New York professional  
6 service limited liability company known as  
7 Western New York Urology and collectively,  
8 I'll refer to them as the Applicants,  
9 presented certain applications for financial  
10 assistance to the Agency which application  
11 requested that the Agency consider a project  
12 consisting of the following:

13 The acquisition of an interest in an

14 approximately three-acre parcel of land  
15 located at 117 Foote Avenue, Jamestown,  
16 Chautauqua County, New York, the renovation of  
17 the existing approximately 24,834 square foot  
18 building located on the land and the  
19 construction of two additions thereto  
20 comprising a total of approximately 6,953  
21 square feet, together with parking,  
22 landscaping and related improvements to the  
23 land and the acquisition and installation

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1 therein and thereon of certain furniture,  
2 fixtures, machinery and equipment, all of the  
3 foregoing for use as a state-of-the-art  
4 specialty medical facility.

5 In addition, we may have requested the  
6 granting of certain financial assistance with  
7 respect to the foregoing, including potential  
8 exemptions or partial exemptions from sales  
9 and use taxes, mortgage recording taxes and  
10 real property taxes but not including special  
11 assessments and ad valorem levies. Further  
12 requested, the sale of the Project Facility by  
13 117 Foote to Southern Tier and the lease  
14 thereof to Western New York Urology and such  
15 other persons and entities as may be agreed  
16 upon by the Agency.

17 The Project Facility would be initially  
18 owned, operated and/or managed by 117 Foote or  
19 such other entity as may be designated by the

20 Applicant and agreed upon by the Agency.  
21 Notice of this public hearing was published in  
22 The Post Journal on February 20th, 2009 and  
23 provided to the Chief Executive Officer of

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1 each affected tax jurisdiction.

2 The purpose of this hearing is to provide  
3 an opportunity for all interested parties to  
4 present their views, both orally and in  
5 writing with respect to the project. I  
6 should point out that we have, obviously, a  
7 stenographer here and the capable hands of  
8 Megan who will be transcribing this and  
9 submitting it to the Board of Directors of the  
10 County of Chautauqua Industrial Development  
11 Agency who will consider these applications on  
12 Friday at 2 o'clock at a public hearing, a  
13 public meeting I should say, which will be  
14 held here at the Industrial Development  
15 Agency.

16 In order to start the hearing procedurally,  
17 I'm asking the Applicants to go first.  
18 Hopefully, they'll keep their remarks fairly  
19 short. If anybody goes on a little bit too  
20 long, I'll exercise the discretion of the  
21 Chair and say, pick it up and so, with that,  
22 I'll start with Paul Neureuter and for  
23 everybody, if you could just indicate who you

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1 are and maybe your position and then, make  
2 your presentation. Paul?

3 MR. NEUREUTER: Thank you, Mr. Peterson.  
4 Again, thank you and by way of introduction,  
5 I'm Paul Neureuter. I'm the President of the  
6 Krog Corporation. The Krog Corporation is the  
7 parent entity so-to-speak of 117 Foote Avenue,  
8 LLC, the current owners of the property that  
9 we're talking about this morning.

10 We've entered into an agreement with  
11 Southern Tier Management to sell the property  
12 upon completion of some construction work.  
13 Just again, by way of a bit of background,  
14 Krog has been very active in development in  
15 Jamestown in particular in the last couple of  
16 years and been looking forward into the coming  
17 year or two.

18 We estimate something on the area of \$30  
19 million of investment has occurred in  
20 Jamestown and will occur in the coming years  
21 on a variety of projects, the BWB Center, the  
22 Riverwalk Center, 117 Foote and other projects  
23 that are pending here in the near future that

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1 we'll be pleased to announce as it gets a  
2 little bit closer. That investment has been  
3 significant to the City. It has generated  
4 construction projects expenditures, it has

5 generated construction jobs on the order of 25  
6 full-time jobs annually over the past three  
7 years and looking forward again into the  
8 coming year as well.

9 More importantly, those projects have  
10 generated significant property tax income for  
11 the City. The Riverwalk Center contributes  
12 \$300,000 a year in property taxes. BWB Center  
13 will contribute something in the order of  
14 \$100,000 to \$200,000 a year in property taxes.  
15 Both of those properties were lying foul  
16 before we began and in fact, the BWB Center  
17 property produced zero taxes for the City and  
18 County prior to construction.

19 The BW -- pardon me, 117 Foote is also a  
20 building that has been vacant for many, many  
21 years. It currently produces about \$4,500 a  
22 year in real property taxes. Upon completion,  
23 we think that that building will generate,

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1 given a pilot, will generate about \$835,000 in  
2 tax revenue for the City and County in the  
3 coming ten years. The value of the abatements  
4 that have been requested is approximately  
5 \$135,000. If you fake that property tax  
6 income and look at it as a revenue stream and  
7 then, look at that on an annual basis, the  
8 return on investment that the project  
9 generates from an abatement first, its

10 standpoint is in excess of 50 percent a year  
11 ROI which a very valid return we think.

12 I want to keep my comments focused solely  
13 on the real estate redevelopment aspect of  
14 this. I'm not qualified to speak to the  
15 medical issues at hand. Dr. Walter, I think,  
16 is much more attuned to that and Mr. Terhaar  
17 is much more attuned to that. What we focus  
18 on is looking at ways to redevelop properties  
19 and our goal here was to use the BWB Center,  
20 use the Riverwalk Center and most importantly,  
21 use 117 Foote Avenue as a vehicle to bring  
22 properties that are underperforming in  
23 Jamestown up to a higher standard, to a higher

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1 level of quality, to incentivize other  
2 development and I think what you've seen in  
3 other properties that we've improved here in  
4 the area is indicative of what will occur once  
5 117 Foote is done. We think that that will  
6 generate continued economic development for  
7 the City. Thank you very much.

8 MR. PETERSON: Thank you. Dr. Walters?

9 DR. WALTER: Good morning, everyone. I'm  
10 Peter Walter. I'm a urologist here in  
11 Jamestown and if you don't know me now,  
12 there's a good chance you'll know me in the  
13 future because most people require the  
14 services of a urologist.

15 I'm a partner in a local urology group and  
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16 the real estate entity that's going to be  
17 managing this project. I'd like to give you  
18 just a little background. I came to Jamestown  
19 in 1994 and at the time, the majority of the  
20 patients were leaving the area for their  
21 urology care.

22 I learned very quickly that patients are  
23 smart, they're educated consumers and if you

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1 don't provide excellent care, they're going to  
2 leave. We worked very hard to grow the  
3 practice. There's now three partners. In the  
4 last year alone, we invested about \$700,000 in  
5 new equipment including a lithotripter and  
6 state-of-the-art digital endoscopes.

7 Back in 1994, if you got a kidney stone,  
8 you had to wait a month to have your treatment  
9 and the treatment was being done at Warren  
10 General Hospital. Now, if you get a kidney  
11 stone, we can treat you any day of the week in  
12 our office so, we had significant improvements  
13 to the care and that's just one example.

14 Still, we found that we're losing patients  
15 to some of the major centers in the Buffalo  
16 area, Cleveland, Pittsburgh and as a  
17 physician, that's frustrating. We'd like to  
18 be able to provide excellent care to our  
19 patients here in town. So, our dream, our  
20 vision is to create a center of excellence

21 where we'll provide the best care possible  
22 with the best facilities and the best  
23 technology.

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1 The actual plan is to invest about \$10  
2 million in a rundown building in the decayed  
3 area of Jamestown. It's going to be a  
4 beautiful, state-of-the-art, modern medical  
5 facility. It's estimated that it will create  
6 about 45 construction jobs with a payroll of  
7 about \$2.5 million. When the project is  
8 completed, we plan on providing about 60 new  
9 jobs to be housed in that facility.

10 The three urologists are going to take the  
11 risks for this project. All the revenue  
12 generated by this project is going to stay in  
13 town. None of it's going to leave town. I  
14 need to speak to you briefly about prostate  
15 cancer because that's a major part of the  
16 practice of modern urology. It's the most  
17 prevalent cancer in males in the United States  
18 and it's the second leading cause of cancer  
19 death.

20 We looked at our numbers and were surprised  
21 to find that on average, we diagnose about one  
22 new case of prostate cancer a day. Now, we  
23 found that just in terms of prostate cancer,

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1 we're losing a significant number of patients  
2 in the area to larger centers. The radiation  
3 therapy equipment that we had in town was  
4 fairly antiquated and historically, we've had  
5 a very strong relationship with WCA Hospital.  
6 We approached WCA Hospital to collaborate to  
7 work together to get the new facilities that  
8 will really be the best possible.

9 We did have a meeting with WCA Hospital  
10 back in September of 2007 and based on that  
11 meeting, we felt good going forward and we  
12 actually put a deposit on a new linear  
13 accelerator based on that. Unfortunately,  
14 WCA's relationship with Roswell precluded the  
15 continuing of that relationship and I think  
16 that hands were kind of tied in that respect.

17 Now, we have a situation where we've got a  
18 new linear accelerator, we've got a deposit on  
19 it and what are we going to do? Do we go  
20 forward or what? We did a needs analysis.  
21 Based on the number of new cancer cases  
22 diagnosed in Chautauqua County every year,  
23 it's estimated that this County could actually

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1 support 2.4 linear accelerators for radiation  
2 oncology treatment centers. So, actually,  
3 we're pretty fairly underserved so, to fill  
4 this void, we chose a machine that has the  
5 latest technological innovations for the

6 treatment of prostate cancer.

7 The prostate is very closely associated  
8 with other organs such as the bladder and the  
9 rectum and precision is highly important. The  
10 newer technologies can deliver a higher dose  
11 of radiation to the prostate. You get better  
12 killing of cancer cells with less side effects  
13 to the adjacent organs and that new technology  
14 is very important and we really have to have  
15 it if we have any hope of keeping our prostate  
16 cancer patients in the area and being able to  
17 serve our patients here.

18 Any rumors you may hear about the economic  
19 death or demise of WCA Hospital as a result of  
20 this project, these are greatly exaggerated.  
21 Based on the needs analysis, there's certainly  
22 room for two linear accelerators in this town.  
23 We envision actually working together,

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1 collaborating, being able to support each  
2 other. In the event of an equipment  
3 malfunction, we can treat each other's  
4 patients so that the patients can get  
5 uninterrupted care. It's not unusual for the  
6 machines to sometimes go down because of the  
7 high technology involved.

8 So, to summarize, our dream, our vision is  
9 to create a urologic center of excellence  
10 right here in Jamestown, a state-of-the-art  
11 facility. I think the community wins because

12 we're going to provide improved care to our  
13 patients so they don't have to leave town. I  
14 think the hospital wins because our strength  
15 supports the hospital.

16 Historically, we've been very large in  
17 referring to the hospital for surgical  
18 services and diagnostic services. As a  
19 specialty, we utilize our operation room block  
20 time higher than any other specialty and we  
21 have always had a good, strong relationship  
22 and our strength only helps the strength of  
23 the hospital and it will help our group to

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1 remain strong so that there will be a urology  
2 presence in the community for a long time to  
3 come. We are having difficulty maintaining  
4 care in some of the specialties.

5 As physicians retire, we're finding it  
6 difficult to recruit new physicians to fill  
7 those vacancies. We want to remain strong  
8 here because as I said earlier, there's a good  
9 chance that most of us are going to need  
10 urologic care as we get older. It's an aging  
11 community as well so, thank you for giving me  
12 the opportunity to speak to you today.

13 MR. PETERSON: Thank you. Gary?

14 MR. MAAS: Gary Mass, Damon and Morey,  
15 Counsel for Southern Tier and Western New York  
16 Urology. I'll try not to repeat what's

17 already been said today but we've got, I think  
18 it's over here right?

19 MR. PETERSON: There.

20 MR. MAAS: An old building in Jamestown  
21 that has been highly visible and that the City  
22 has been trying to develop for a number of  
23 years. Dr. Walter has taken it on to create a

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1 state-of-the-art facility which includes not  
2 only urological services, but there are a  
3 second and third floor in that facility that  
4 will be utilized for other specialty care for  
5 the medical community in Jamestown so that  
6 you'll have a one-stop area or building that  
7 patients can go to receive care. As Paul  
8 mentioned, there's \$4 million of new  
9 construction, \$5 million in new construction,  
10 Paul?

11 MR. NEUREUTER: The total project is about  
12 \$5.5 million.

13 MR. MAAS: And 45 construction jobs, I  
14 believe. In addition, we'll be bringing in  
15 approximate 50 to 53 new full-time jobs which  
16 are highly-paid positions in areas that  
17 Jamestown needs, principally, back filling  
18 physicians who are retiring and leaving.

19 Dr. Walter mentioned that there is a need  
20 in this community for redundancy in radiation  
21 and oncology therapy and that the area could  
22 support as least two radiation oncology units.

23 I believe, Doctor, that you already have a

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1 waiting list for July, isn't that correct.

2 DR. WALTER: Yes.

3 MR. MAAS: So, that is just evidence that  
4 we current have a backlog of needs in the  
5 community as people with prostate cancer are  
6 already waiting in line three or four months  
7 to begin their treatments.

8 I would suggest to the group here that this  
9 is a worthwhile project that develops a  
10 building in Jamestown that had begged for  
11 development for quite some time now and will  
12 keep both physicians and individuals in the  
13 community so that they don't have to travel to  
14 Erie and Buffalo to perform this treatment  
15 which generally requires a number, I want to  
16 say 35 or 40 treatments over a relatively  
17 short period of time, which makes it very  
18 difficult to ask patients to travel two and a  
19 half hours each way to Buffalo or Erie.

20 I submit to the group that this a  
21 worthwhile project that deserves the support  
22 of the Chautauqua County Industrial  
23 Development Agency. Thank you.

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1 MR. PETERSON: Thank you. Just being

2 consistent with letting the Applicants speak  
3 first, Rick, do you want to say something at  
4 this point?

5 MR. TERHAAR: I was going to wait until the  
6 end to summarize.

7 MR. PETERSON: Dr. Mueller?

8 DR. MUELLER: I'm Dr. Rudy Mueller. I'm a  
9 physician at Primary Care in Jamestown, New  
10 York. I'm a County legislator but I really  
11 come as a citizen and physician. I think the  
12 urology group, Peter, they're great physicians  
13 and they take care a lot of my patients and  
14 most of my patients are elderly and I consider  
15 them friends.

16 I really want to see Jamestown develop and  
17 that building is a mess and it's great to see  
18 it getting developed, however, I had to cancel  
19 some patients to come here this morning  
20 because I am opposed to us building another  
21 linear accelerator in town. I think it's more  
22 evidence of how we duplicate services,  
23 however, it drives costs up and it's one of

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1 the many reasons why our health care costs are  
2 higher. I do not believe that this community  
3 can support two linear accelerators. We  
4 already have one in Warren.

5 There's tremendous debate on how aggressive  
6 to treat prostate cancer, the effectiveness of  
7 PSA testing, the over-testing, over-



8 utilization and there's a whole controversy in  
9 itself. I think that when physicians, you  
10 know -- and there's tremendous evidence out  
11 there that when you buy equipment, especially  
12 the more expensive the equipment, the  
13 potential for over-utilization, overuse is  
14 there.

15 I'm not saying that that's going to happen  
16 here, but that is a risk. The hospital just  
17 has a linear accelerator and I'm sorry for the  
18 timing on this, Peter and you know, I'm sorry  
19 things could not work out and I think the  
20 building can still be successful but there's a  
21 linear accelerator, two of them in town. I  
22 just don't see supporting it. Again, maybe in  
23 our downtime by maybe you could work something

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1 out with warren. I am not opposed to the  
2 other things. It's the linear accelerator  
3 it's the access technology and you know, I am  
4 sorry. Again, I just think it's a mistake to  
5 have two of them in town. More patients are  
6 opting for surgery or even opting not to have  
7 surgery. I have had less and less patients  
8 getting radiation. The surgical techniques  
9 are better so, I see actually less use of  
10 that.

11 The waiting line, I have not had a waiting  
12 line issue on the radiation. I know that the

13 equipment was down, but that it was for  
14 getting the new equipment in at WCA. Roswell  
15 is one of the top ten cancer treatment  
16 hospitals in the nation and we have an  
17 agreement with them. They're actually the  
18 place that developed the PSA testing and the  
19 effectiveness of it and here, we have a  
20 collaboration with them and you know, I think  
21 we should continue that and again, Peter, I  
22 consider you a friend and I hope we're still  
23 friends. I just -- the linear accelerator,

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1 two of them in town, I don't think we can  
2 afford it and that's why I came here today.

3 MR. PETERSON: Thank you. Jim?

4 DR. ZADOORIAN: Good morning, everybody and  
5 I'd like to, on behalf of WCA, your elected  
6 medical leadership and our Board of Directors  
7 and our over 1,300 employees, I've been asked  
8 to address the IDA this morning and submit our  
9 written comments into the record and I'd like  
10 to touch briefly on the highlights therein.

11 First, let me say WCA is deeply  
12 appreciative of the IDA. Your leadership,  
13 your dedication and your continuous efforts to  
14 improve the County's business environment and  
15 provide these services and develop  
16 infrastructure along with your collective  
17 leadership, the results of your work has  
18 increased employment, introduced capital into

19 the local economy and overall, has enriched  
20 the quality of life experience and it's  
21 something that we as a community should be  
22 very proud of.

23 Second, WCA is deeply, deeply aware that

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1 its medical staff is working harder today and  
2 perhaps facing more challenges than ever  
3 before. WCA likewise, is working harder today  
4 than ever and we've been working very, very  
5 hard to find collaborative opportunities that  
6 pool resources in our community with respect  
7 to our medical services that ultimately add  
8 for the community's betterment.

9 A recent example with the parties around  
10 the table, Krog brought about transformation  
11 and reform in development of the old Ames  
12 building which is now a terrific example of a  
13 medical office building with the Jamestown  
14 Area Medical Associates, the JAMA practice,  
15 over at the Riverwalk and in that example, WCA  
16 was also involved in that relationship.

17 We have leased three spots in that building  
18 and as a matter of fact, have outfitted one of  
19 the sites with a state-of-the-art endoscopy  
20 suite so, we are accustomed to working and  
21 trying to find opportunities where we can  
22 combine resources that ultimately bring about  
23 medical care to the community that's based on

1 appropriate capacity.

2 Third, with respect to the business  
3 development activity, we appreciate that  
4 extremely as well. WCA is one of the  
5 community's longest standing corporate  
6 citizens and we are if not the, one of the top  
7 principal agents of the economy in the  
8 community. Together with our medical staff,  
9 WCA infuses into the local economy on an  
10 annual basis upwards of a quarter of a billion  
11 dollars a year, a quarter of a billion dollars  
12 a year into the local economy.

13 We are one of the top employers in the  
14 local economy. One in every ten jobs in this  
15 community is supported by hospitals, by our  
16 hospital. So, we are a principal agent of the  
17 economy and we are also, as a principal agent,  
18 deeply committed to any initial development  
19 activity that has a positive impact on the  
20 overall community and brings to the community  
21 much-needed medical enterprise.

22 To this end, WCA recently invested millions  
23 into building and technology at its cancer

1 care center at the Jones Campus. To this end,  
2 we did this to deliver the County's most  
3 advanced radiation therapy available. The

4 investment included a comprehensive state-of-  
5 the-art radiation system, which a fully-  
6 equipment linear accelerator that is on par  
7 with the technology at national cancer  
8 institute, designated comprehensive care  
9 centers such as Roswell Park.

10 The program builds upon a 30-year  
11 relationship with Roswell and it's emphasis is  
12 on evidence-based care delivery between the  
13 largest medical center in the County and one  
14 of the nation's most prominently nationally-  
15 recognized, designated comprehensive care  
16 center, Roswell Park. Moreover, the clinical  
17 affiliations extends our capacity to advance  
18 evidence-based treatment, given our combined  
19 access to scientific evidence and radiation  
20 therapy.

21 with respect to this initiative, planning  
22 and execution for this initiative underwent an  
23 exhaustive and comprehensive review and it

1 happened over a three-year period. Those  
2 involved included our elected medical  
3 leadership, a radiation oncologist, WCA Board  
4 of Directors and the Roswell Park Cancer  
5 Institute Board of Directors, along with their  
6 Radiation Oncology Department. The  
7 relationship also went under strict scrutiny  
8 from clinical, legal, programmatic and

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operational points of view.  
Relative to the proposed WCA/Western New York relationship, it also underwent strict scrutiny and it was introduced as Dr. Walters pointed out, approximately in September 2007 or roughly two years after WCA had already started its planning process with Roswell Park as it related to a radiation cancer center at Jones Hill and within that two year-period, that recommendation to begin to explore the relationship with Roswell came out of a WCA medical leadership Board retreat where the recommendation was made back in 2004.  
So, there's a two-year period in which we had already advanced our planning process with

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Roswell Park but at the time when we were presented with the opportunity with Western New York, we did consider it with all due diligence and the relationship with Roswell Park in which to present that to our Board of Directors and our elected medical staff. In that respective timeline, Dr. Walter had mentioned that in September of 2007, there was a meeting with WCA and based on the outcome of that meeting, it was the impetus, if I understood the comments that led to the purchase or the contemplation of a purchase of the linear accelerator.

The fact is, in August of 2007, we had a

15 correspondence from Mr. Terhaar as it related  
16 to his acknowledgement that they were in the  
17 process of finalizing a deal with area medical  
18 facilities over a two-year period. So, the  
19 initiative to purchase linear accelerators  
20 preceded the timeframe in which Dr. Walters  
21 represented relative to the acquisition of a  
22 linear accelerator which is indicative of  
23 their intention in which to secure these

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1 machines, irrespective of the relationship  
2 with WCA.

3 Getting back to our review of the proposed  
4 relationship with Roswell Park and the  
5 proposed relationship with Western New York  
6 Urology, our elected medical leadership and  
7 our Board reviewed both propositions and we  
8 focused as to our clinicians on comprehensive,  
9 multi-disciplinary health care as it relates  
10 to all the cares that we provide, including  
11 the radiation oncology program and the opinion  
12 of the elected medical leadership and our  
13 Board of Directors was very simply the Roswell  
14 Park/WCA relationship simply more closely  
15 advances programmatic quality goals they we  
16 had set forth in relation to the Board  
17 directive and the clinical staff directive and  
18 the simple fact of the matter was, the  
19 decision was based on clinical and

20 programmatic goals that our elected medical  
21 staff and Board felt were most appropriate and  
22 where we wanted to go.

23 I'd like to address the capacity issue as

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1 we've heard from the Applicants, a  
2 representation as it relates to community  
3 need. With respect to 117 Foote Avenue,  
4 again, we recognize the economic development  
5 benefits of it and we are supportive of the  
6 building with the exception of the 1,870  
7 square foot vault that would house the linear  
8 accelerator and with respect to, in our  
9 opinion, the result of subtraction by  
10 addition.

11 Presently, for the record, there are four  
12 linear accelerators in our primary and  
13 secondary market. WCA has a state-of-the-art  
14 linear accelerator that's operating on par  
15 with that as you would find at Roswell Park  
16 and is less than a half mile away. Warren  
17 General is within 20 miles of WCA. It has a  
18 linear accelerator. Brooks Memorial in  
19 Dunkirk has a linear accelerator and Olean  
20 General, as recently as November of last year,  
21 November of last year, brought on-line a new  
22 linear accelerator and similar partnership  
23 with Roswell Park as we have.

30



1           So, for the record, there are four linear  
2           accelerators within the immediate and primary  
3           market. Now, with respect to IMRT or  
4           Intensity Modulated Radiation Therapy which  
5           was referenced earlier by the Applicant, it's  
6           the type of radiation therapy that's most  
7           likely to be delivered at 117 Foote Avenue.  
8           The New York State Cancer Registry reports 857  
9           annual cases of cancer in Chautauqua County,  
10          857 cases in the aggregate.

11          Now, of those cases, about 25 percent or  
12          207 are located in body sites -- to be clear,  
13          of the 850 some odd cases of cancer, there's  
14          about 207 or 25 percent of the total of those  
15          cases in the entire County of Chautauqua  
16          County are cancer site locations that are  
17          commonly or consistently used for recommended  
18          for IMR treatment and these sites includes  
19          prostate, brain thyroid, neck, et cetera.

20          So, there's a relatively small percent of  
21          the total cancer cases in this County that are  
22          property for IMR treatment based on clinical  
23          research and of the 207 cases, about 60

31

1           percent are ultimately IMR treated. Some  
2           patients with those cancers may determine  
3           watchful waiting is appropriate. Others may  
4           determine surgery is appropriate. Others may

5 choose a radioactive seed implant. So, on  
6 average, in the total County of Chautauqua,  
7 based on the cancer registry specific to New  
8 York State and good clinical literature as it  
9 relates to utilization for IMRT, the number is  
10 not 853 total cases. It nets down to about  
11 124 cases in the entire County.

12 Now, when you factor out of those cases  
13 relative to geographical proximity, there are  
14 other service sites such as to Brooks Memorial  
15 and Olean General, the probable catch area in  
16 Jamestown drops to approximately 70 to 80  
17 cases a year for IMRT-appropriate services.

18 Now, with respect to existing capacity for  
19 that catchment, right now, up at WCA hospital,  
20 it has a state-of-the-art, fully equipped  
21 linear accelerator that is in partnership with  
22 one of the nation's leading cancer institutes.  
23 We're presently averaging 15 cases a day and

32

1 this is in the first few months of operation,  
2 15 cases a day. Cancer treatment for this  
3 protocol as the literature suggests is about  
4 15 minutes per treatment. So, if we treated  
5 15 at a 15-minute treatment slip, we could  
6 treat four patients an hour. An eight-hour  
7 day would, in effect, give us capacity with  
8 the existing state-of-the-art equipment to  
9 treat 32 patients. We're presently operating  
10 at 15 cases. So, we are under at half

11 capacity here in Jamestown.

12 There are three other linear accelerators  
13 in this County. There's a linear accelerator  
14 in Warren General which is less than 20 miles  
15 a way. There's a total catchment area here  
16 based on the New York State Cancer Registry  
17 representing about 124 cases in the aggregate  
18 for IMR-related treatment and WCA is presently  
19 operating at half capacity after making a  
20 significant investment of millions of dollars  
21 to bring this equipment on-line.

22 The matter of record in terms of intentions  
23 to bring the equipment on-line is well-founded

33

1 as well. The Post Journal, our  
2 representations and records relative to the  
3 State of New York date back over a year  
4 indicating our intentions in which to move  
5 ahead with the project so, there was no  
6 surprise that we were moving ahead. There's  
7 no debate in the literature as it relates to  
8 the clinical need for the services we're  
9 providing as it relates to the standards of  
10 the National Cancer Institute and there's no  
11 debate as it relates to the technological  
12 capacity which we have and there's no debate  
13 as to relates to our ability to serve the  
14 capacity in Jamestown.

15 Based on the national statistics relative

16 to IMRT utilization and based on the fact that  
17 the New York State Cancer Registry which  
18 records the data are clear in terms of overall  
19 demand in this market.

20 Now, in closing, WCA absolutely supports  
21 our physicians. We absolutely support  
22 economic development. We absolutely support  
23 building revitalization and we absolutely

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1 support any medical advice but having said  
2 that, WCA also supports the principle of  
3 public policy such as right sizing community  
4 capacity so not to add unnecessary excess and  
5 cost into our health system, particularly  
6 today, in today's economy when rising health  
7 care costs are one of the public's foremost  
8 concerns. Consequently, with respect to the  
9 117 Foote Avenue project, again, we are in  
10 support of the project with the exception of  
11 the 1,870 square foot linear accelerator vault  
12 because it simply add subtraction by addition  
13 and the community already has sufficient need  
14 with respect to capacity.

15 Also, as a matter of record, in our written  
16 comments in the February 17 minutes of the IDA  
17 Board meeting, there was a representation of  
18 fact pattern and we have submitted some  
19 corrections for the record. To hit the  
20 highlights --

21 MR. PETERSON: Jim, if we could, we'll add  
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22 this and incorporate that by reference.

23 DR. ZADOORIAN: Okay. So, let me close

35

1 here. So, in closing, WCA would like, again,  
2 to reaffirm its support for the IDA, to  
3 reaffirm its commitment and continue to work  
4 with our physician community and area  
5 developers and we're continuing to search for  
6 ways to assist with economic development to  
7 revitalize our community and develop our local  
8 ties and bring about transformative, economic  
9 change within our region. Thank you.

10 MR. PETERSON: Thank you. Jeff?

11 MR. WALKER: My name is Jeff Walker. I'm  
12 the Executive Vice President of Roswell Park  
13 Cancer Institute and I'll just take two  
14 minutes. Mr. Zadoorian did an excellent job  
15 of summarizing all aspects of this.

16 First of all, I'm not a clinician, I'm not  
17 a physician, I'm an administrator. I have  
18 dealt with Roswell Park in the leadership  
19 capacity the past couple years. Prior to  
20 that, I was six years at Ohio State  
21 University's Comprehensive Cancer Center  
22 managing the cancer center there and then, for  
23 15 years before that, with the University of

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1 the Pittsburgh Cancer Institute, University of  
2 Pittsburgh Medical Center and all I wanted to  
3 say was that Roswell has work to do, continued  
4 work to do and remember, Roswell is an  
5 institution that is focused solely on cancer,  
6 has focused on cancer for more than 100 years  
7 in Buffalo, New York.

8 We are an NCI designated cancer center,  
9 comprehensive cancer center. There's only 41  
10 in the country. We are, by many accounts,  
11 considered experts in cancer. We would expect  
12 to be. Of our 3,300 employees that dedicate  
13 their time to cancer, more than a third of  
14 those individuals dedicate their time to  
15 cancer research, to developing new treatments  
16 that are brought on-line and really, what our  
17 efforts have been in terms of coming out to  
18 the communities with Jamestown and WCA has  
19 been to bring that expertise, simply to bring  
20 that expertise and to help community hospitals  
21 to raise their level of care and the quality  
22 that they deliver as it relates to the cancer  
23 to bring those new treatments and that's

□

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1 exactly what we've done with WCA and Olean and  
2 Bradford, in Ithaca, at Rochester General  
3 Hospital. That's where our focus has been.

4 I think there was a comment made about  
5 money going out of Jamestown and I can tell  
6 you, at least as it relates to our agreement

7 with WCA, the medical -- I'm sorry, the  
8 radiation oncologist and the physicists that  
9 are employed by Roswell work obviously here  
10 full-time and live in Jamestown so, those  
11 dollars don't flow out to Buffalo. Those  
12 individuals are in contact with Buffalo, with  
13 our Department of Radiation Oncology and our  
14 leadership there.

15 As such, we're there to help, we're there  
16 to educate and make sure that all systems are  
17 running and running properly here and my only  
18 concern would be exactly what Jim kind of  
19 expresses, is that you truly want to avoid a  
20 medical arms race, if you will, in terms of  
21 the proliferation of high-end equipment. It's  
22 really not justified in this particular case  
23 for exactly the reasons that Jim laid out and

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1 it only creates cost and ultimately, it's  
2 detrimental certainly to WCA as obviously, an  
3 economic engine in Jamestown, but also to the  
4 patients, ultimately and obviously, we want to  
5 be collaborative with Roswell and to the  
6 extent we can continue to be collaborative  
7 with WCA, we certainly will.

8 We want to continue to develop that 30-year  
9 relationship and certainly, with Western New  
10 York Urology as they exist down here. We  
11 certainly want to be collaborative so, I just

12 wanted to make those comments and just state  
13 that I thought Jim laid out a really, pretty  
14 broad but detailed explanation of the contacts  
15 and the events that transpired. Thank you.

16 MR. PETERSON: Thank you. Hadley?

17 MR. WEINBERG: My name is Hadley Weinberg  
18 and wear several hats. I am a neighbor of Dr.  
19 walters. The property next to his building is  
20 owned by an organization I manage and is  
21 leased to my wife who is a physician in town.  
22 I also am a Board member of the hospital of  
23 WCA and other organizations in town.

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1 I'm here representing all of you in this  
2 community as a volunteer member of the WCA  
3 Board. This hospital is owned by all of us,  
4 all of you and is for your benefit. This  
5 non-profit medical center employs more than  
6 1,300 employees and with the medical staff as  
7 indicated, contributes over \$200 million in  
8 the community. The IDA and with Krog and  
9 development in the community has been very  
10 favorable.

11 I look forward to continuing our programs  
12 that help in gender and enhanced community  
13 development but, community development,  
14 economic development, fact or fiction? As a  
15 graduate in public policy, I recall the  
16 evaluation of true economic development. It  
17 was often concluded that true economic



18 development for a community occurs when  
19 higher-quality, higher-paying permanent jobs  
20 are created which did not exist before the  
21 development.

22 These imported jobs thus, expand the  
23 economic pie, not shift or reallocate that

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1 over time. The jobs are only shifted when  
2 they are subsidized by the community with  
3 public hours. This is actually detrimental to  
4 the community as resources are used that do  
5 not provide economic expansion. It will be  
6 suggested that increase in the property tax  
7 base because of this economic development is  
8 good policy and this may be true, however, as  
9 the subsidy needed for this redevelopment or  
10 where the development proceeds without the  
11 public support.

12 This project, I would submit, no help is  
13 really needed. This project is going to be  
14 completed with or without public assistance as  
15 the linear accelerator was committed to, along  
16 with two other units, by the Buffalo-based  
17 Western New York Urology Associates several  
18 years ago.

19 Duplication of services. This project with  
20 result in five linear accelerators within 50  
21 miles. There's no medical need for this over-  
22 building and duplication of services.

23 Clinically or technologically, this is

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1 wasteful spending. If this was in the  
2 economic stimulus package, we would all be  
3 asking, why would we build another one.

4 Outward migration of benefits. Where do the  
5 profits go? Currently, any profits from the  
6 WCA/Roswell Park is re-invested in our  
7 community hospitals and supports such  
8 unprofitable enterprises as your emergency  
9 room. By supporting and subsidizing this  
10 additional unit, the profits from an estimated  
11 \$2 million of revenue that this may generate  
12 will funnel into two private organizations  
13 primarily based in the Buffalo area, the  
14 Western New York Urology Association and Krog  
15 Enterprises.

16 This profit being drained from your  
17 hospital and sent to Buffalo does nothing for  
18 you and me who live, work, pay taxes and  
19 support our community. Because of this  
20 conflict, the WCA medical staff is unlikely to  
21 support the Western New York linear  
22 accelerator. Weakening existing services.  
23 Draining this excess cash flow from your local

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1 hospital-based system will result in  
2 diminished resources can lead to a reduction

3 in jobs and other services. The message that  
4 should be sent to the community is that of  
5 supporting the existing services and the  
6 multi-million dollar commitments already made.  
7 I found it counterproductive and detrimental  
8 to the community to dilute our existing  
9 assets. This is the opposite of consolidation  
10 and shared services, something that we all  
11 have supported in this County and trying to  
12 support.

13 In summary, are we importing or exporting  
14 and expanding our workforce and economy?  
15 We're not importing new jobs, we're not  
16 expanding, no. Is the profit staying local?  
17 Not really. Will we expand or improve  
18 existing services? No. Will the project  
19 undermine existing services? Yes. Is the  
20 subsidy needed to complete the project? No.

21 I make this presentation as an individual,  
22 as a patient of Dr. Walter. I can say that,  
23 he can't. We don't want to have a HIIPA

1 violation but I make this as an Individual in  
2 the community who also happens to represent  
3 the WCA Board. I want to thank the IDA for  
4 its efforts to expand the economic engine and  
5 I want the County and the City to collect all  
6 the tax revenue it can. I pay those taxes in  
7 this County and City but I hope to support the

8 correct long-term investments that can enhance  
9 all the community's assets. If you  
10 want to provide public support for health  
11 care, let's help recruit additional doctors.  
12 That isn't what this project is going to do.  
13 I'm paraphrasing from President Obama last  
14 night: Our short-term interests need to give  
15 way to the long-term benefits to the larger  
16 community. Thank you.

17 MR. PETERSON: Thank you. Greg, you're  
18 here. I won't have to read the letter.

19 MR. LINDQUIST: I am here. Thank you. My  
20 name is Greg Lindquist. I am here on behalf  
21 of the Greater Jamestown Empire Zone and I am  
22 here today to speak in support of the Tax  
23 Lease police for the Krog Corp, 117 Foote

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1 Avenue, LLC. The ability to access the  
2 benefits provided under this tax lease  
3 application is an important inducement to  
4 complete the renovation of the former Period  
5 Brass building. Since the closure of  
6 Chautauqua Hardware, this facility has set  
7 dormant, subject to vandalism, blight and  
8 offered little in employment potential or  
9 contribution to the property tax base.

10 The Krog Corp. partnered with the City of  
11 Jamestown in a successful application for  
12 assistance under round two of Restore New York  
13 Communities Initiative for the redevelopment

14 of this approximate 25,000 square foot  
15 structure. The successful completion of this  
16 project will bring a resurgence of needed  
17 business activity and tax base to this long  
18 dormant facility.

19 Anchor tenancy proposed to the buildings  
20 will continue the medical corridor concept  
21 that is evolving in this sector of Jamestown.  
22 The renovation of a former 80,000 square foot  
23 big box department store in Brooklyn Square

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1 and state-of-the-art medical office and  
2 service delivery facility began to give  
3 definition to this area as a medical service  
4 corridor. The clustering of three major  
5 drugstore chains, drugstore chain outlets  
6 gives further clarity to this emerging  
7 concept.

8 Beginning with the Jones Hill Campus and  
9 running through Brooklyn Square to the  
10 proposed project and up to and including WCA  
11 Hospital, this area is become self-defined as  
12 a customer centric driven corridor for medical  
13 service delivery excellence. The Krog Corp.  
14 is a familiar developer to the City and has  
15 played an active role in economic development  
16 activities in the City of Jamestown in over  
17 the recent years.

18 In addition to the proposed project, they

19 have partnered with Jamestown Area Medical  
20 Associates in the renovation of the former  
21 Ames department store in Brooklyn Square.  
22 This \$10 plus million project provided for  
23 medical office suites in addition to a

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1 prosthetic and orthotics device business and  
2 MRI practice.

3 They, the Krog Corp. are also the developer  
4 for the \$7 million BWB complex in downtown  
5 Jamestown. This 48,000 square foot mixed use  
6 building is home to anchor tenants BWB  
7 Accounting and is also a recipient of Restore  
8 New York Communities Initiatives money. The  
9 application project located at 117 Foote  
10 Avenue is located in census tract 305 of the  
11 City of Jamestown as part of the Jamestown  
12 federal renewal community and as such is  
13 defined as an economically distressed area  
14 under HUD criteria for both high employment  
15 and low income.

16 Further, this parcel lies within the  
17 boundary of a New York State Empire Zone, that  
18 is, the Greater Jamestown Empire Zone and is  
19 in a brownfield opportunity area as approved  
20 by New York State. The approval of this tax  
21 lease application will create full -time  
22 construction jobs during the development phase  
23 of the project and upon completion will

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1 provided full-time, permanent job creation and  
2 provide for an increase in tax base and  
3 eliminated blight in this area of Jamestown.  
4 I thank you for the opportunity to comment on  
5 this tax lease application and I will submit  
6 this for the record.

7 MR. PETERSON: Thanks, Greg. Anybody --  
8 Rick, did you want to exercise your --

9 MR. TERHAAR: Sure. I don't want to take  
10 much of your time. My name is Rich Terhaar.  
11 I'm the administrator for Western New York  
12 Urology Associates and I think everyone has  
13 done an excellent job of weighing out the  
14 issues that we've been talking about relative  
15 to this project. There's a couple points,  
16 though, that I wanted to clarify for the  
17 record from Western New York Urology's point  
18 of view.

19 First of all, this vision, this dream of a  
20 center of excellence in urology at 117 Foote  
21 is about having a center of excellence in  
22 urology. A very large port of urology is  
23 oncologic care. Of the cases that Mr.

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1 Zadoorian went through, I believe that 162  
2 were cases of prostate cancer patients, in  
3 particular, coming up to his number of 207 or

4 so that he felt had a need in Chautauqua  
5 County, there's a significant number of other  
6 types of cancer cases but this is about  
7 urology and obviously, oncology and urology an  
8 the prevalence of prostate cancer in  
9 Chautauqua County is very, very significant.  
10 Redeveloping the blighted building, continuing  
11 to grow a practice, Dr. Walter and his  
12 partners have invested well over \$1 million  
13 within the same block proximal to the hospital  
14 which has generated a significant amount of  
15 income for the hospital long-term in terms of  
16 the business they've brought and I think the  
17 continued investment by the IDA and by the  
18 physicians will beget the hospital even more  
19 for the years to come because the practice  
20 will grow.

21 I think the currently leased space within  
22 the building has also generated significantly  
23 more and will help the overall goal of being

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1 able to recruit physicians and other quality  
2 companies that create jobs into the area.  
3 It's no question that there's a shortage of  
4 physicians locally an nationally and it's a  
5 challenge for everybody.

6 The needs analysis specifically, fair to  
7 say that I understand Mr. Zadoorian's numbers.  
8 I disagree. New York State doesn't have a  
9 prescribed methodology in a private



10 environment for a needs analysis so, both of  
11 us have the right to our own opinions, but the  
12 American College of Radiology or the American  
13 Society of Radiation Therapy, Radiation  
14 Oncologists believe that about two-thirds of  
15 all cancer patients end up getting radiation  
16 at one time or another during the course of  
17 treating the disease and I personally believe  
18 as to other physicians, radiation oncologists  
19 I've talked to, the need is significantly  
20 higher in Chautauqua County.

21 The need doesn't appear to be higher based  
22 on the amount of cases that are retained, but  
23 I think that issue of ours is patients

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1 migrating from the area as I had said in our  
2 original meetings on February 17th. We think  
3 that's definitely an issue. We know it's an  
4 issue to the degree of 20 percent or more in  
5 urology. I don't consider machines outside of  
6 the County borders as within the service area.  
7 I can tell you that even if we evaluated the  
8 specific type of technology that's being  
9 utilized, it is not the same.

10 The only other machine within the County  
11 other than WCA is very antiquated. It's  
12 probably not even fair to call it Generation  
13 One technology. We're now really into  
14 Generation Three or Four.

15           So, bringing it back to the thing about  
16           urology and the unified campus and the center  
17           of excellence and because such a large part of  
18           the practice of urology is oncology, if you're  
19           coming in for 43 days for treatment, do you  
20           want to come into a center where your  
21           urologist and radiation oncologists are working  
22           hand-in-hand, or do you want to go and drive  
23           20 miles or whatever the distance may be and

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1           the technology may not even be equivalent?  
2           Our belief is that we can create the very best  
3           in the unified campus approach and stop the  
4           flow of the patients out of the County and  
5           that's what this is all about.

6           So, primarily about the practice of urology  
7           an oncology is a very important part of it,  
8           but I hope that if there are issues, there's  
9           two different applications that we have up for  
10          consideration by the Board, one is the  
11          practice and the equipment which includes the  
12          linear accelerator which is what has been the  
13          major topic in this meeting and the other is  
14          the real estate and the redevelopment and the  
15          creation of future space that should create  
16          future good paying jobs for the area and I  
17          would respectfully ask that the IDA Board keep  
18          those two issues separate because I believe  
19          they are separate.

20          The migration of profits out of the area,

21 to speak to Mr. Weinberg's comments, I can  
22 tell you from Western New York Urology's point  
23 of view, where there are profits, those

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1 profits definitely stay local. The budget is  
2 very tight to do this project in the first  
3 place and if the incentives from the IDA do  
4 not come through, if we choose to move forward  
5 and Krog is taking significant risk and the  
6 physicians take a limited risk at this point,  
7 we're going to have to rework financing if we  
8 want to make it work and make some decision  
9 about what we're going to do, but what is done  
10 absolutely stays local and when it comes to  
11 Krog, I can say Paul told me there are no  
12 profits left so, there won't be any money  
13 going to Buffalo.

14 The medical arms race, public versus  
15 private, WCA certainly being public, Roswell  
16 being public, that's everyone's personal  
17 opinion I think. It's coming that we're going  
18 to have a chance to exercise with our vote  
19 over the next year or two within the health  
20 care reform and how we do things locally. If  
21 you look at how our dollars are expended and  
22 you want to say who deploys what dollars more  
23 effectively, the private environment or the

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1 public environment that truly creates greater  
2 access for the residents of the City of  
3 Jamestown and the residents of the County of  
4 Chautauqua, I personally believe in the  
5 private model and I think that the overall  
6 efficiency of what can be done and the speed  
7 at which it can be done and the cost of which  
8 it can be done all have superior merit.

9 A testament to that in radiation and  
10 oncology is something that we, which we're  
11 talking about here today, if you look  
12 advertising dollars, I don't think that it's  
13 any secret or unknown to anybody that the  
14 organizations that are here today have a  
15 significant advertising campaign ever since  
16 the center opened in Buffalo, which I don't  
17 have any information on in terms of true cost,  
18 but rumored to be over a cost of a million  
19 dollars and I would certainly think so, given  
20 my experience and the amount that they have  
21 covered the markets with billboards and  
22 advertising.

23 Western New York Urology Associates, I

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1 think over the same period, probably has spent  
2 less than \$2,000 in response to some of these  
3 programs, their child's play at their school.  
4 We take the dollars that we have available to  
5 us. We don't escalate costs like a hospital.

6 we're not reimbursed like a hospital. We just  
7 get paid a set amount so, you either make it  
8 work or you don't. We take the dollars and we  
9 invest them in care.

10 We really believe that the way to win  
11 overall and remain a viable practice in the  
12 life of the patient is to plain and simply  
13 provide the best service and we believe that  
14 the community physicians and referral  
15 networks, like Dr. Mueller, understand that,  
16 can appreciate those details and advertising  
17 and those other things to try to win when they  
18 don't work. So, you're not going to find us  
19 doing that.

20 The e-mail that Jim referenced, I will take  
21 credit for that and it was 100 percent  
22 accurate and I think what Dr. Walter said  
23 would have shed a little light on it. We were

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1 negotiating a deal for opening a center in  
2 Buffalo. I was coming to the final terms of  
3 the deal in August of 2007. The fiscal year  
4 ends in September. We met with Mr. Zadoorian  
5 in September and at that point, when we had a  
6 gentlemen's agreement on collaboration, the  
7 physicians chose to add a third machine so,  
8 that contract was executed in September of  
9 2007. So, it's completely accurate. I just  
10 want to provide the whole context and I do

11 believe that's it. Thank you very much.

12 MR. PETERSON: Thank you. Anybody else to  
13 be heard?

14 DR. WALTER: Just a few closing comments.  
15 It's very interesting to hear the different  
16 perspectives today and I certainly respect  
17 everybody's opinion and everybody's methods of  
18 getting the numbers. I'm not an administrator  
19 and I'm not an economist. I do disagree with  
20 the projected numbers for cancer cases that  
21 would be treatable.

22 I think the numbers given by Mr. Zadoorian  
23 were grossly underestimated. Just in 2008, we

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1 diagnosed 229 cases of prostate cancer and  
2 we're well ahead of that pace for 2009.  
3 References were made to the numbers of linear  
4 accelerators in the area and the duplication  
5 of services. Let me tell you that not all  
6 linear accelerators are created equal. Some  
7 of those are so antiquated and so out-of-date  
8 that you really wouldn't want to be treated on  
9 these so, those projected numbers are actually  
10 inflated because the latest technology is  
11 available only at maybe two of those.

12 Dr. Mueller, who's not a urologist, made  
13 the comment that more and more patients are  
14 opting for surgery. That's actually not true  
15 at all. More and more patients are opting for  
16 radiation and oncology. When we're counseling

17 patients about the treatment options, we use a  
18 normalgram that has been constructed by Sloan  
19 Kettering in New York and that normalgram  
20 shows in the majority of the cases, patients  
21 have a better outcome with radiation therapy.

22 Patients are saying, gee, I can do better  
23 without having to be cut, without an open

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1 incision or even robotically, more and more  
2 patients are choosing radiation oncology so  
3 that's going to increase the number of  
4 patients who desire treatment. I just wanted  
5 to add that perspective as a clinician. Thank  
6 you.

7 MR. PETERSON: Thank you.

8 DR. ZADOORIAN: I just would like to make  
9 two brief comments.

10 MR. PETERSON: Okay, but I don't want to get  
11 point/counter-point.

12 DR. ZADOORIAN: I understand. That's not  
13 the intent. Just again, for the record, New  
14 York State Cancer Registry is the standard  
15 that's used relative to represent cancer  
16 treatment cases in the County. Our  
17 projections are based off those, number one.

18 Number two, the representation earlier as  
19 it relates to hospital reimbursement,  
20 hospitals are not reimbursed on a cost basis.  
21 They're reimbursed on a perspective method as

22 a matter of fact since 1983 and quite frankly,  
23 we don't get paid based on the cost. We get

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1 paid on our efficiency as well and finally,  
2 the representation as it relates to having to  
3 continue to move outside the community for  
4 these services, again, WCA has a state-of-  
5 the-art linear accelerator in relationship  
6 with Roswell Park that is the same standard  
7 that you would get at network, national cancer  
8 institute that's a half mile away. They're  
9 currently operating at half capacity. The  
10 waiting list is represented, as it relates for  
11 urological oncology patients, could, in  
12 effect, be delivered right now today without  
13 having to add any additional capacity in the  
14 market because we're operating at half  
15 capacity. Thank you.

16 MR. PETERSON: Thank you, Jim. Jeff? Last  
17 word.

18 MR. WALKER: I wanted to clarify that  
19 Roswell is actually one of the 21 nation  
20 cancer centers, the comprehensive cancer  
21 centers including Johns Hopkins, University of  
22 Michigan and many others that came together as  
23 a group called the National Comprehensive

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2 guidelines for cancers, one of them being  
3 prostate cancer and it is those guidelines,  
4 it's that evidence-based guidelines from the  
5 experts across the country that are the  
6 guidelines that we employ with WCA in the  
7 treatment of prostate cancer here in WCA and I  
8 just want to be clear that I don't believe  
9 that western New York Urology is willing or  
10 has taken the guidelines to heart and to the  
11 extent that they would, I think a joint  
12 collaboration with WCA and with Roswell would  
13 be something that we would certainly want to  
14 explore but we need to do this based on  
15 evidence, how we treat cancer, how we treat  
16 prostate cancer specifically and there is  
17 great evidence out there based on expert  
18 across the country so, thank you.

19 MR. PETERSON: Thank you and thanks  
20 everyone. Thanks everyone for coming to the  
21 public hearing today. Let me tell you the  
22 next steps. The next steps is Megan will soon  
23 be concluding the transcripts. We have --

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1 everything has been presented here but we also  
2 have exhibits which will be able to -- you  
3 will be able to read that was presented here,  
4 as well. They will be on-line and available  
5 to the public through the Chautauqua County  
6 Industrial Development Agency website which is

7 CCIDA.com and probably as early as this  
8 afternoon.

9 I look to Megan and all of this will be  
10 submitted to our Board members, obviously  
11 available to the public, obviously available  
12 to the media should they choose to grab it.  
13 We will be considering these applications at  
14 the County of Chautauqua Industrial  
15 Development Agency Board 2 o'clock Friday. At  
16 that time, you are welcome to attend. Since  
17 you had an opportunity to talk today, we  
18 probably will not permit you to talk then  
19 because it's Board deliberation but  
20 nevertheless, it's open to the public.

21 MR. NEUREUTER: Did you say two, Greg?

22 MR. PETERSON: Two.

23 MR. NEUREUTER: Because we had it scheduled

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1 for ten.

2 MR. PETERSON: Two o'clock.

3 MR. NEUREUTER: Two o'clock?

4 MR. PETERSON: Two o'clock and it's here.

5 MR. NEUREUTER: Okay.

6 MR. PETERSON: And unless anybody has any  
7 specific questions, feel free to ask me  
8 anything afterwards but otherwise, I will call  
9 this public hearing to an end at 10:11 a.m.  
10 Thank you so much for coming.

11

12 (Whereupon, Exhibits B through F were marked  
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for identification.)

(whereupon, the hearing concluded at 10:11

a.m.)

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1 STATE OF NEW YORK)  
2 ) ss.  
3 COUNTY OF ERIE )

4  
5 I, Megan E. Pelka, Notary Public, in and for  
6 the County of Wyoming, State of New York, do  
hereby certify:

7 That the witness whose testimony appears  
8 hereinbefore was, before the commencement of  
9 their testimony, duly sworn to testify the  
10 truth, the whole truth and nothing but the  
11 truth; that said testimony was taken pursuant  
12 to notice at the time and place as herein set  
13 forth; that said testimony was taken down by  
me and thereafter transcribed into  
typewriting, and I hereby certify the  
foregoing testimony is a full, true and  
correct transcription of my shorthand notes so  
taken.

14 I further certify that I am neither counsel  
15 for nor related to any party to said action,  
16 nor in anyway interested in the outcome  
thereof.

17 IN WITNESS WHEREOF, I have hereunto  
18 subscribed my name and affixed my seal this  
\_\_\_\_\_ day of \_\_\_\_\_, 2009.

19  
20 -----  
21 Megan E. Pelka  
22 Notary Public,  
State of New York, County of Erie  
My commission expires 06/12.

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