

AN AGREEMENT

Relative to the extension and improvement of the
Municipal water system of the City of Saratoga Springs, NY

THIS AGREEMENT is made as of the day and date last signed by a party hereto between THE CITY OF SARATOGA SPRINGS, a municipal corporation with offices at City Hall, 474 Broadway, Saratoga Springs, NY 12866 (hereinafter referred to as "City"), and PADDOCK VIEW DEVELOPMENT LLC, a New York limited liability company, having an address at c/o Graypoint LLC, 321 Broadway, Suite 202, Saratoga Springs NY 12866 (hereinafter referred to as "Paddock").

RECITALS

Paddock has proposed that the existing City water line at its terminus at the intersection of Morgan Street and Seward Street be extended by continuing the 8 inch waterline north along Seward Street until the intersection with Clement Avenue, and such waterline shall then continue east on Clement Avenue until it connects back into the existing water line that exists west of the intersection of Clement Avenue and Clinton Street. Additionally, Paddock has proposed to further extend the 8 inch waterline along Denton Road north and then west starting from the intersection of Seward Street and Clement Avenue to a meter located in the City of Saratoga Springs near the intersection of Denton Road and Bloomfield Road and leading to the Paddock facility on Bloomfield Road in the Town of Greenfield. A summary of the proposal showing all improvements is attached to this Agreement as Attachment "A".

The proposal would benefit Paddock by bringing water service to its facility. It would also provide a substantial public benefit by providing new water lines that can be utilized by new users in the City of Saratoga Springs. This installation will also provide a loop in the system, improving pressure and redundancy in the area. It would also improve overall water quality in the area. A copy of the City Engineer's review letter is attached to this Agreement as Attachment "B".

Paddock and the City agree that the maximum cost of the project is estimated at Three Million Six Hundred Ninety-Nine Thousand Eight Hundred Ninety Dollars (\$3,699,890.00). An estimate of costs, including materials, labor, and related costs, is attached to this Agreement as Attachment "C".

To bring about immediate construction of the project without a large expenditure of municipal funds, Paddock proposes to construct, at Paddock's expense, the project described in Attachment "A", provided that the City reduce the cost of municipal water through the new line to Paddock over a period of time sufficient to offset Paddock's contribution. Paddock estimates that it will use approximately 50,000 gallons of municipal water per day at its facility. Pursuant to the terms of the City's current water rates resolution, Paddock is required to pay three (3) times the standard rate for city water because its facility is located outside the City of Saratoga Springs.

NOW, THEREFORE, the parties agree as follows:

1. Paddock will pay for the costs of all materials, all construction and labor costs, all engineering and professional services, and all other costs and charges reasonably attendant to the construction of the project described in Attachment "A". All specifications and work shall be subject to review and approval by the City Engineer and by all other governmental departments and agencies whose approval is required by law.
2. Paddock and the City acknowledge that the project shall be undertaken on lands of the City of Saratoga Springs, and shall remain at all times under the supervision and control of the City of Saratoga Springs, its officers, agents, employees, and representatives.
3. The City shall waive all costs and charges for inspections of the project as it may be authorized to charge by law.
4. All materials comprising the project shall at all times be the property of the City.
5. Paddock shall apply and the City shall cooperate with all necessary and required approvals and permits from the New York State Department of Health, and the Town of Greenfield. Paddock shall be responsible for paying any fees, costs or charges required for such applications. Upon Paddock's completion of the improvements described on Attachment "A" hereto, the City shall accept the completed work and improvements and shall commence delivery of City water to Paddock through the completed water line serving the Paddock facility within a reasonable time thereafter.
6. As consideration for the costs paid by Paddock pursuant to this agreement, the City shall, upon the commencement of the delivery of city water to Paddock through the completed water line, forego the charging and collection of three (3) times the standard rate for water accounts outside the city, and shall charge Paddock 1.5 times said rate for the term of this agreement. This reduction in rate is based upon Paddock anticipated use of approximately 50,000 gallons of city water per day over the period of this agreement.
7. The term of this agreement shall be FORTY (40) YEARS from the date of its signing by both the City and Paddock. The City and Paddock agree that said term is a fair and reasonable estimate of the period sufficient to offset Paddock contribution under this agreement. A calculation showing how this estimate was arrived at is attached to this agreement as Attachment "D". The City and Paddock acknowledge that the estimate is made in good faith and based upon reasonable criteria.
8. The terms of this agreement shall remain in effect only between the City and Paddock. No part of the reduction in water rates agreed to herein shall be transferable by Paddock to any other water user, water account, creditor, beneficiary or successor in interest, provided that Paddock may assign this agreement to (i) any entity that is owned, controlled by or is under common control with Paddock, its affiliates and/or subsidiaries, or to (ii) any purchaser of the subject property served, provided such purchaser agrees in writing to assume all obligations of Paddock hereunder.

IN WITNESS WHEREOF, the City and Paddock have signed this agreement on the dates indicated.

Dated:

THE CITY OF SARATOGA SPRINGS

By: John Safford, Mayor

Per Council Approval

Dated:

PADDOCK VIEW DEVELOPMENT LLC

By: Jack Esler, Authorized Signatory

(Notary Page to Follow)

STATE OF NEW YORK
COUNTY OF SARATOGA

COUNTY OF SARATOGA

On this _____ day of _____, 2025, before me, the undersigned, personally appeared John Safford, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public	Comm. Exp.
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Comm. Exp.

STATE OF NEW YORK
COUNTY OF SARATOGA

COUNTY OF SARATOGA

On this _____ day of _____, 2025, before me, the undersigned, personally appeared Jack Esler, Authorized Signatory, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

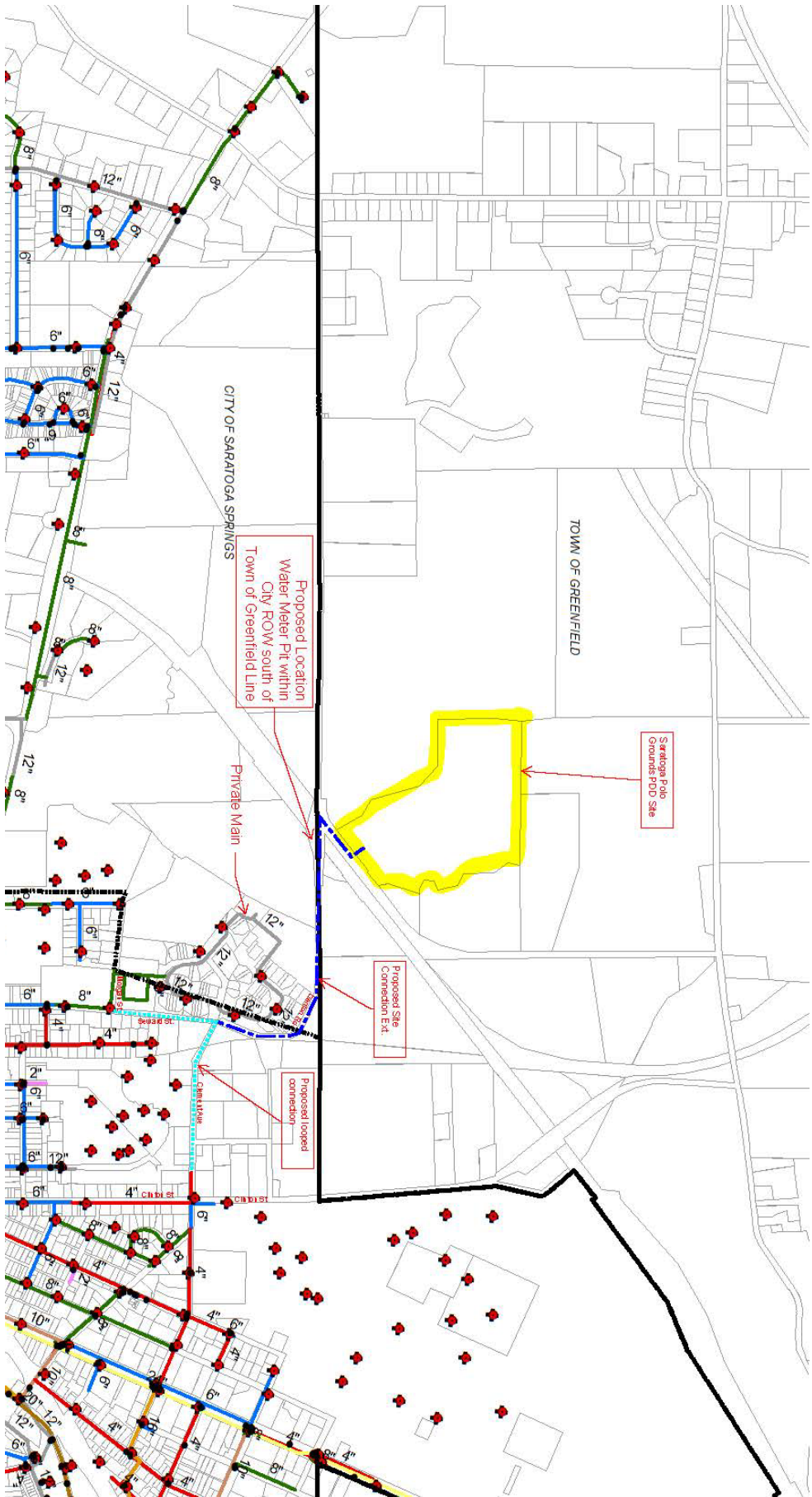
Notary Public	Comm. Exp.
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Comm. Exp.

ATTACHMENT "A"

The following is a summary of work proposed by Paddock View Development LLC under this agreement:

1. Paddock will, at its expense, create the engineering plans, estimates, schematic and diagrams needed to have the herein described plan of work reviewed and approved by the City Engineer of the City of Saratoga Springs and such other governmental departments and agencies whose permits or approvals are needed to undertake this plan of work.
2. Paddock will, at its expense, construct and install, by means of directional boring, a 8 inch HDPE or by means of open cut, an 8 inch DIP potable water line within the boundary of the City of Saratoga Springs road known as Seward Street, from a point in an existing 8 inch potable water line located within the boundary of said Seward Street, said point being at the intersection of Seward Street and Morgan Street. Said line shall be constructed in a generally northly direction to a point opposite, more or less, the intersection of Seward Street and Clement Avenue.
3. Paddock will, at its expense, construct and install an 8 inch HDPE or DIP potable water line in Clement Avenue, from an existing 4 inch water main in said Clement Avenue to the intersection of Clement Avenue and Seward Street. Said line shall be constructed in a generally westerly direction, directionally boring under Clement Avenue and connecting to the 8 inch HDPE potable water line described in paragraph "2" above.
4. Paddock will, at its expense, construct and install an 8 inch HDPE or DIP potable water line from the intersection of the two 8 inch HDPE or DIP potable water lines described in paragraphs "2" and "3" above, to a water meter to be located within the City limits at Paddock expense and connected to Paddock's property in the Town of Greenfield via a private lateral line. Said line shall be constructed by directional boring and shall continue along the boundary of Denton Road from its intersection with Clement Avenue and Seward Street firstly in generally northernly direction, then generally westerly as Denton Road curves.
5. Along the route of the said potable water line along the boundaries of Seward Street, Clement Avenue and Denton Road, Paddock will, at its expense, construct and install fire hydrants at intervals required by applicable laws, codes, rules and regulations, as agreed upon between Paddock and the City.
6. All work shall be performed in accordance with applicable municipal codes, rules and regulations of the City of Saratoga Springs and other governmental agencies.
7. A depiction of the project is included as part of this Attachment.



Attachment “B”

See Saratoga Springs City Engineer Letter



City of Saratoga Springs
OFFICE OF CITY ENGINEER
CITY HALL

474 Broadway, Room 10
Saratoga Springs, New York 12866

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JAMES SALAWAY, P.E.
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AMY VALYOU
PRINCIPAL ENGINEERING TECHNICIAN

BOGDAN POPA
SENIOR ENGINEERING TECHNICIAN

December 19, 2025

Commissioner Chuck Marshall
Department of Public Works
City of Saratoga Springs
474 Broadway
Saratoga Springs, NY 12866

Commissioner Marshall,

I have reviewed the proposal to extend water service to the City line with a private extension into the Town of Greenfield serving Paddock View Development. While the City Council elects to extend water services, I can only provide opinion on the engineering elements involved with the potential project. Prior to the receipt of the proposed agreement, I was aware that meetings occurred with the project sponsor and this proposal is not their initial consideration offered to the City.

From an engineering perspective, the City currently lacks water distribution infrastructure where Paddock View is intended to install it. While I cannot speculate on the reason infrastructure lacking improvement in this area, the presence of shallow bedrock could be a contributing factor. Because bedrock a likely factor, I do find the included EDP estimate to be accurate.

Secondly, the lack of infrastructure in this location has prevented connecting existing water system customers via looped connection. Currently, Birch Run where the distribution network consists of ownership by two separate homeowner associations dead ends within itself. In speaking with system operators and residents, the lack of looping has led to high suspended solids and turbidity leading to discoloration of the water. Paddock View's proposal will not create an immediate connection but presents an opportunity for future City connection currently prohibitive.

Sincerely,

James Salaway, P.E.
City Engineer

Attachment C
SEE EDP OPINION OF COSTS



ENGINEER'S OPINION OF COST
EXTENTION OF WATER TO SARATOGA POLO PDD
LAST REVISED: DECEMBER 2025

WORK ITEM	QNTY	UNIT	UNIT PRICE	ITEM PRICE
See Bellamy Construction Cost Estimate	1	LS	\$3,057,760.00	\$3,057,760.00

Construction Subtotal: **\$3,057,760**
Contingency 10%: **\$305,776**

SOFT COSTS

Engineering Design	5%	\$168,177
Construction Administration & Inspection	3%	\$100,906
Legal, ROW, Bonding Etc.	2%	\$67,271

Subtotal: **\$336,354**

BUDGET TOTAL: \$3,699,890

CONTINUATION SHEET

AIA DOCUMENT G703 (1992)

PAGE ____ OF ____ PAGES

AIA Document G702, APPLICATION AND CERTIFICATE FOR PAYMENT, containing
Contractor's signed Certification is attached.

INVOICE # :

JOB :

APPLICATION NUMBER :

APPLICATION DATE :

PERIOD TO :

ARCHITECT'S PROJECT NO :

Use Column I on Contracts where variable retainage for line items may apply.

A	B	C	D	E	F	G	H	I
ITEM NO.	DESCRIPTION OF WORK	UNITS	Unit Cost	Total		Rate	Total	
	Watermain Extention to Saratoga Polo PDD							
1	General conditions	1.00	40,000.00	40,000.00				
2	Environmental controls	1.00	15,500.00	15,500.00				
3	Traffic controls	6800.00	8.00	54,400.00				
4	Survey	6800.00	1.20	8,160.00				
5	Utility locations	6800.00	6.00	40,800.00				
6	Tie in @ 0+00	1.00	12,000.00	12,000.00				
7	HDD 8" DR11 clay sand soils with bedrock conditions	6800.00	375.00	2,550,000.00				
8	8" Gate Valves (every other hydrant)	8.00	4,500.00	36,000.00				
9	Hydrant assemblies	17.00	14,500.00	246,500.00				
10	Chlorination / pressure testing	6800.00	2.00	13,600.00				
11	Restorations	6800.00	6.00	40,800.00				
12								
13								
TOTAL				3,057,760.00			-	

ATTACHMENT D

As shown in Attachment “C”, the estimated costs for the improvements set out in Attachment “A” is \$3,699,890.00. These improvements will be a substantial public benefit and are not presently scheduled as projects under the City’s Capital Budget.

Paddock water usage has been conservatively estimated at 50,000 gallons per day over the next five (5) years. The calculations herein are based on usage of 50,000 gallons per day.

Paddock will pay three (3) times the standard rate for water accounts inside the city. The inside account rate calculated using a sliding scale based on usage per 1,000 cubic feet with an additional \$16 service fee applied to quarterly billing. 50,000 gallons per day equates to 4,562,500 gallons per quarter, assuming 365 days per year and 91.25 days per quarter. 4,562,500 gallons per quarter equates to 610 MCF (610,000 CF) per quarter based on conversion ratio of 1,000 cubic feet (1 MCF) = 7,480 gallons. 610,000 CF falls within the 225,001-750,000 cubic feet tier, billed at \$13.64 per thousand cubic feet (1 MCF). Paddock therefore pays \$40.92 per 1 MCF. If, as proposed herein, Paddock paid 1.5 times the said rate, it would save \$20.46 per 1 MCF. At a usage of 6.685 MCF per day, Paddock would save $\$20.46 \times 6.685 = \136.77 per day. In one year, Paddock would save \$49,921.05. Over 40 years, Paddock would save \$1,996,842.

The use of Paddock’s \$3,699,890.00, if borrowed and repaid as municipal debt service at four and one-half percent (4.5%) over 40 years, would generate average annual debt of \$200,900.00 per year. Over 40 years it would cost the borrower \$8,040,000.00.

The sum of \$3,699,890.00 invested at 1% over 40 years would yield \$5,508,000.00. If invested at 2%, it would yield \$8,171,000.00
If invested at 3%, it would yield \$12,070,000.00.

The reduction of \$1,996,842 in water cost to Paddock under this agreement is reasonable in light of the future value of Paddock’s present contribution of \$3,699,890.00 together with the public benefit of the immediate construction of the new water line.