

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **OCCUPANCY TAX COORDINATION *joint with* TOURISM**

DATE: JULY 25, 2006

Committee Members Present:

Occupancy Tax:

Supervisors: Caimano
Tessier
Gabriels
Kenny
Merlino
Wm. Thomas

Committee Members Absent:

Supervisor Haskell

Tourism Comm. Members Present:

Supervisors Tessier
Belden
Gabriels
Kenny
Stec
Merlino

Committee Members Absent:

Supervisor Sheehan

Others Present:

Kate Johnson, Tourism Coordinator
Vonda Beattie, Sr. Account Clerk, Tourism Dept.
Joanne Conley, Assistant Tourism Coordinator
Pam Morin, Group Tour/Convention Promoter
Joan Parsons, Commissioner of Administrative &
Fiscal Services

Joan Sady, Clerk
Paul Dusek, County Attorney
Francis O'Keefe, County Treasurer
Fred Austin, Fort William Henry
Jason Sherry, Lake George Forum
John Lemery, Counsel to Lake George Forum
Mrs. Tessier, Queensbury
Carlene A. Ramsey, Sr. Legislative Office
Specialist

Mr. Caimano called the meeting to order at 1:26 p.m. as he acknowledged the advertised time for the meeting to begin was 1:30 p.m. He declared that he would gladly welcome any new guests to the meeting and he would bring them up-to-date.

Vonda Beattie, Senior Account Clerk with the Tourism Department, distributed an Agenda packet to each of the Committee members and a copy is on file with the minutes.

Motion was made by Mr. Kenny, seconded by Mr. Merlino and carried unanimously to accept the minutes of the previous meeting, subject to correction by the Clerk.

Mr. Caimano began his Agenda review with Item 1a, Occupancy Tax Revenue. He referred to the Occupancy Tax Report included with the Agenda packet, and he noted the County Treasurer had provided the quarterly collections for 2004, 2005 and 2006. Specifically, he noted, the 2nd quarter's collections in 2006 of \$341,957 as compared to 2005 of \$292,745, which had increased by 16.8%. He said he felt the 16.8% increase was good news for the County.

Upon further examination of the figures presented in the report, Mr. Caimano noted the %Change column appeared to represent 3 years for the 1st two quarters and only two

years for the last two quarters. He agreed with Mr. Kenny's comment, that the numbers presented were not comparing "apples to apples" and did not present the information needed to make decisions.

Discussion ensued with regards to the Occupancy Tax Collection procedures.

Mr. Stec, as a member of the Tourism Committee, said he felt the record should reflect that if the Occupancy Tax Committee had the authority to require a more consistent reporting structure, then he felt the Committee should move in that direction.

Mr. Caimano explained the County Treasurer had continuously offered to provide whatever report the Committee wanted, provided it was in the best interests of the County. He said he would entertain a resolution that would direct the County Treasurer to report on a more consistent collection basis.

Motion was made by Mr. Tessier and seconded by Mr. Wm. Thomas to direct the County Treasurer to record the collections on a more consistent basis so that a more reliable report would be produced, upon which sound business decisions could be made.

Mr. Gabriels suggested the County Treasurer may just need to explain the collection figures a bit more thoroughly. Mr. Caimano clarified that he would prefer to clearly define what the Committee needed in the report which may prompt the County Treasurer to suggest an even better method to use.

Discussion ensued.

Mr. Dusek queried whether or not the Committee was looking for a Board Resolution with regards to the Occupancy Tax Collection Report.

Mr. Stec observed that although it may be nicer to ask the Treasurer, he felt it would be cleaner to change the law. He pointed out the County Treasurer had already indicated he would report in whatever fashion the Committee needed.

Mr. O'Keefe entered the meeting at 1:31 p.m.

Mr. Caimano welcomed Frank O'Keefe, County Treasurer, to the meeting. He explained the Committee was just considering a resolution which would more clearly define what type of Occupancy Tax Collection Report the Committee needed.

As an example, Mr. Caimano said he questioned if the Sagamore Hotel had submitted its collections at the same time of year in 2004, 2005 and 2006.

Mr. O'Keefe explained the current report presented the collections submitted for each individual Town. As for the quarterly collections at the top of the report, he stated that the majority of the enterprises submitted its collections in a consistent manner from

year to year. From that, he said he had broken the figures down for each individual Town.

Extensive discussion ensued.

Responding to questions from various Supervisors, Mr. O'Keefe explained the comparative figures for 2004, 2005 and 2006 were "running along the same vein." He reminded the Committee members that the County had originally allowed the businesses to select either monthly or quarterly reporting periods. He said the majority of the businesses were in compliance, with the exception of the "mom and pop" businesses throughout the County.

Mr. Gabriels reiterated the earlier statements with regards to a consistent reporting method for a reliable comparison of the quarterly collections.

Mr. O'Keefe commented that each time he prepared the report, he tried to out think the Supervisors, and provide what he felt the Supervisors wanted. He acknowledged it was very difficult to understand exactly what the Supervisors were looking for. He requested that someone could "drop me a note and tell me exactly what you want" and he could respond accordingly.

Following further discussion, Mr. Caimano suggested the resolution on the floor should be rescinded and either he, or the Chairman of the Board, would discuss with the Treasurer the type of comparative report the Committee was seeking.

Mr. Caimano returned to the Agenda review at Item 2, 250th Anniversary of the Battle of Lake George. He invited Mr. Dusek to explain his concerns to the Committee.

Mr. Dusek reminded the Committee of its decision to fund the Occupancy Tax Application from the 250th Anniversary of the Battle of Lake George Organization, in the amount of \$5,000. Since that time, he said he learned the Organization was only a Committee and not a formal corporation, and subsequently it could not acquire the insurance coverage required by the County. As a result, he apprized the Village of Lake George had offered to serve as the main sponsor of the event and thus provide the County with the required insurance coverage.

As the County Attorney, Mr. Dusek reported he saw no problem with the County accepting the offer from the Village of Lake George to sponsor the event and execute the County's agreement. He stated a resolution would be required to amend the prior resolution regarding the sponsorship.

Motion was made by Mr. Gabriels and seconded by Mr. Merlino to accept the County Attorney's recommendation to amend the Occupancy Tax Funding agreement, regarding the 250th Anniversary of the Battle of Lake George, to list the Village of Lake George as

the sponsor of the event and recipient of funds.

Mr. Kenny queried if such an arrangement would interfere with the County's policy regarding local sponsorship.

Mr. Tessier, as Supervisor for the Town of Lake George, stated he was not clear whether or not the Organization had already received funds from the Town and/or Village for the same event.

Mr. Gabriels said he felt the bottom line was that the Village could provide the proper insurance protection and the Committee had already reviewed the application and determined the event was qualified to receive the funds.

Mr. Dusek further clarified that providing the Agreement was amended to name the Village of Lake George as the sponsor of the event there would be no legal ramifications. He said in this instance the Village was acting as a sponsor for an event the County had elected to fund. As for the Occupancy Tax funds distributed to each municipality, he stated, those funds were left up to the municipality to decide how to use the money. He reiterated that he felt they were two different issues.

Discussion ensued.

Mr. Merlino commented that his understanding was that the Village would receive the \$5,000 for the express purpose of funding the 250th Anniversary of the Battle of Lake George, which was completely separate from the County's agreement with the municipalities. He said it appeared to be similar to the County passing through the funds to the snowmobile clubs. Mr. Dusek concurred that the Village would be serving as the pass-through agency.

Mr. Caimano said he now understood the proposed amendment would not be setting any type of legal precedent. Mr. Dusek agreed.

Mr. Caimano called the question and the motion was carried unanimously to amend the Occupancy Tax Funding agreement, regarding the 250th Anniversary of the Battle of Lake George, to list the Village of Lake George as the sponsor of the event and recipient of funds; and authorized a resolution be prepared for the August 18th Board meeting.

Mr. Dusek further apprised the NYS DEC (New York State Department of Environmental Conservation), as owner of the Battlefield Park, required a MOU (Memorandum of Understanding) with the County. Therefore, he requested authorization to prepare such an agreement for Chairman Thomas' signature.

Motion was made by Mr. Gabriels, seconded by Mr. Merlino and carried unanimously to authorize the County to enter into a Memorandum of Understanding with the NYS DEC

with regards to the use of the Battlefield Park from September 15 through September 17, 2006 for the 250th Anniversary of the Battle of Lake George event. The Committee further authorized a resolution be prepared for the August 18th Board meeting.

Returning to Agenda review, Mr. Caimano stated Item 3, Lake George Forum, would be held for the later portion of the meeting. He continued with Agenda Item 4, Occupancy Tax "Event" Funding and he directed attention to the funding report included with the Agenda packet. He pointed out that \$14,649.77 in 2005 funds remained available.

Next, Mr. Caimano moved to Agenda Item 5, Smith Travel Research Reports. He extended his appreciation to Mr. Austin for putting forth his analysis of the report.

Mr. Gabriels referred to the DaySTAR Trend Response Report and he said it was his understanding the "T" in the far right column indicated the data was for one year only. Mr. Caimano concurred.

Returning to Agenda review at Item 6, Occupancy Tax Expense Information, Mr. Caimano pointed out the Agenda packet included the Paul Kaza Associates' Expense Report and the Promotion Expense Summary.

Responding to Mr. Caimano's questions, Ms. Beattie confirmed the Paul Kaza Associates' expenses appeared to be running on schedule.

Next, Mr. Caimano returned to Agenda Item 3, Lake George Forum. He stated the representatives from the Forum had requested time to address both the Occupancy Tax and Tourism Committee members.

Privilege of the floor was extended to John Lemery, who explained he was an attorney with Lemery Greisler, Limited Liability Corporation (LLC), counsel to the Lake George Venture Partners, LLC. Jason Sherry, General Manager for the Forum, distributed a handout to all in attendance and a copy is on file with the minutes. Mr. Sherry indicated that he was a stock holder in the Lake George Venture Partners, LLC, as well as the Forum's General Manager. (Please note the last page of the Alternative Options handout includes a list of the Lake George Forum owners.)

Mr. Lemery expounded that the Lake George Venture Partners, LLC (referred to as the LLC from this point forward) was a group of private business owners who had joined together to develop the Lake George Forum through private investment. He explained the LLC members had been watching as the County explored the possibility of building a convention center, and he was aware the County had authorized a study to be conducted by the Pinnacle Advisory Group. He further observed that the County was considering various sites, including the former Gaslight Village property, as well as the property along State Route 9 near the Six Flags Great Escape Park.

Mr. Lemery apprised that the Board Members of the LLC had obtained a copy of the Pinnacle Study, reviewed it thoroughly, and developed a proposed Expansion Plan for the Lake George Forum.

Mr. Lemery directed attention to page 3 of the Expansion Plan (included with the handout) and reviewed the Comparison Chart in detail. He pointed out the LLC proposed to renovate the Forum to meet or exceed the needs identified in the Pinnacle Study. One variance, he noted, was that the Pinnacle Group had recommended a full service kitchen and in-house food and beverage service. He said the Lake George Forum proposed to bring in a local establishment, via the competitive bid process, which would avoid competition with established businesses.

In summary, Mr. Lemery declared the proposed expansion to the Lake George Forum building appeared to have many advantages:

- ✓ the building already exists;
- ✓ an ice rink is in place;
- ✓ the expansion could be completed much sooner than any new construction project (see Key Construction Cost Comparison on page 4 of Expansion Plan);
- ✓ the majority of the structure had already been built with 2002 dollars, rather than 2006 dollars;
- ✓ by 2007, there would be five large motel/hotel properties within 1/8th of a mile from the Forum that could provide easy walking accessibility to the facility.

Mr. Lemery explained the Lake George Venture, LLC would like to offer the Lake George Forum for either sale or lease to Warren County, with the expansion constructed to meet the Pinnacle Study's specifications. He reported the suggested lease price was \$775,000 per year, and the direct sale price was \$13.5 million. In addition, he said, it was very possible the County could enter into a contract with the Forum, even before the Public Authority legislation was actually in place.

As one final comment, Mr. Lemery pointed out the State Legislature had recently decided to award grant funds to the Saratoga City Center, as well as the Lake Placid Convention Center. He pointed out the expansion to the Lake George Forum could be completed and operating well before either of those two venues. He further reported the Forum was a successful business, with contracts already in place, and built-in operating revenue that was not insignificant.

Privilege of the floor was next extended to Mr. Sherry, who referred to an illustrated diagram of the Proposed Convention Center Expansion to the Lake George Forum (see page 6 of the Alternative Options handout). He briefly described the design details, which included a 30,000 sf (square foot) main arena, a 20,000 sf trade show facility, a 10,000 sf ballroom and six break-out rooms. With the two main entrances, he noted the ice rink could continue to operate independently, when not required for certain trade show or banquet events.

Responding to Ms. Johnson's question, Mr. Sherry explained the loading door would be relocated to a new service entrance for easier vendor access.

Mr. Caimano commented the most interesting factor for him, was the facility could be operational by next summer. Therefore, he queried if the Committee members felt the LLC's proposal should be given at the Executive Host Committee meeting, scheduled for Friday, July 28, 2006.

Mr. Kenny declared that he felt there would be a number of discussions before anything could or would be decided upon.

Following a brief discussion, Mr. Caimano extended his appreciation to Messrs. Lemery and Sherry for the informative presentation. He invited them to attend the Executive Host Committee meeting as well.

Mrs. Tessier, a Town of Queensbury resident, referred back to the earlier discussion, regarding the Treasurer's report on the Occupancy Tax Collections. She stated that she strongly supported the original motion to define the Report's parameters via Board resolution.

Mr. Caimano clarified that the report's parameters would be clearly defined via an inter-department letter to the County Treasurer.

Mr. O'Keefe said it was his interpretation that the Committee would like all related businesses to report quarterly. He said he was concerned for the "mom and pop" enterprises. He declared, that as the County Treasurer, he would not be offended by specific requests; however, he stated the Committee did have to define what it wanted and he would inform all of the hotel/motel operators of the Committee's decision.

Mr. Gabriels expressed his concern that a change in the reporting requirements would be an onerous proposition to the "mom and pops" in the middle of the season. He said he was not comfortable with changing the requirements at this point.

Due to time constraints, Mr. Caimano declared he would table further discussion regarding the Occupancy Tax Collection Report until the next Committee meeting.

Mr. Caimano requested an executive session in order to discuss matters related to the employment history of a particular company, and its continued retention; and motion was made by Mr. Belden, seconded by Mr. Tessier, and carried unanimously, that executive session be declared pursuant to Section 105 (f) of the Public Officers Law.

Executive session was declared from 2:06 p.m. to 2:50 p.m.

Committee reconvened.

Motion was made by Mr. Belden, seconded by Mr. Tessier and carried unanimously to extend the contract with Paul Kaza Associates through December 31, 2006; and authorized a resolution be prepared for the August 18th Board meeting.

There being no further business to come before the Committee, on motion by Mr. Belden and seconded by Mr. Stec, Mr. Caimano adjourned the meeting at 2:53 p.m.

Respectfully submitted,
Carlene A. Ramsey, Sr. Legislative Office Specialist