

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: GASLIGHT VILLAGE AD HOC

DATE: SEPTEMBER 10, 2010

COMMITTEE MEMBERS PRESENT:

SUPERVISORS KENNY
MONROE
THOMAS
MERLINO
BELDEN
MCCOY
CONOVER

OTHERS PRESENT:

PAUL DUSEK, COUNTY ATTORNEY/ADMINISTRATOR
JOAN SADY, CLERK OF THE BOARD
KEVIN GERAGHTY, BUDGET OFFICER
SUPERVISORS BENTLEY
CHAMPAGNE
MCDEVITT
STEC
STRAINER
TAYLOR
ROBERT BLAIS, MAYOR, VILLAGE OF LAKE GEORGE
JEFFREY TENNYSON, SUPERINTENDENT OF THE DEPARTMENT OF
PUBLIC WORKS
KATE JOHNSON, DIRECTOR OF TOURISM
TANYA BRAND, GROUP TOUR PROMOTER
FRANCIS O'KEEFE, COUNTY TREASURER
DON LEHMAN, *THE POST STAR*
THOM RANDALL, *ADIRONDACK JOURNAL*
DAVID CEDERSTROM, *THE CHRONICLE*
TONY HALL, *THE LAKE GEORGE MIRROR*
CHARLENE DIRESTA, SR. LEGISLATIVE OFFICE SPECIALIST
*PLEASE SEE ATTACHED SIGN-IN SHEETS FOR ALL ADDITIONAL
ATTENDEES*

Mr. Kenny called the meeting of the Gaslight Village Ad Hoc Committee to order at 9:32 a.m.

Motion was made by Mr. Belden, seconded by Mr. McCoy and carried unanimously to approve the minutes from the September 3, 2010 Committee meeting; subject to correction by the Clerk of the Board.

Mr. Kenny stated there was an additional request to utilize the parking lot on the Gaslight Village Property and asked Robert Blais, Mayor of the Village of Lake George, to present the request. Mayor Blais explained the request was from the Bike Ride for Cancer event for which participants would ride from the Town of Lake George to Ticonderoga. He added they were requesting use of the parking lot on the former Gaslight Village property on October 2, 2010 to park approximately 100 vehicles for which they were willing to pay the usual fee of \$5 per vehicle. Mayor Blais noted he had contacted David Decker, Project Manager/Director of the Lake George Watershed Coalition, and had determined that no demolition or construction activities would be in progress on that date.

Motion was made by Mr. Conover, seconded by Mr. Belden and carried unanimously to authorize the Bike Ride for Cancer event to utilize the parking lot on the Gaslight Village Property on October 2, 2010 to park approximately 100 vehicles at a rate of \$5 per vehicle. *The necessary resolution was authorized for the September 17, 2010 Board meeting.*

Concerning the invoices submitted by the Town of Lake George to the County for reimbursement, Mr. Kenny noted that copies of both the invoices submitted had been

forwarded to the Committee members; *copies of same are on file with the minutes*. Paul Dusek, County Attorney/Administrator, stated he had requested Jeffrey Tennyson, Superintendent of the Department of Public Works (DPW), to review the hours listed on the invoices for mowing activities. Mr. Dusek read the report which noted the following:

- ▶ mowing hours reported were reasonable given the size of the property, ground conditions and obstacles on the site;
- ▶ the hours would include work at the site, equipment maintenance time and cutting disposal time;
- ▶ maintenance hours had decreased over time which was likely due to the Town removing debris and establishing lawn in areas which had been previously overgrown;
- ▶ the invoice did not include other charges, such as equipment rental or fuel; and
- ▶ the labor rate of \$15.50 per hour did not appear to include the cost of fringe benefits.

Motion was made by Mr. Belden and seconded by Mr. Merlino to authorize reimbursement in accordance with the invoice submitted by the Town of Lake George.

Mr. Conover asked for clarification on whether or not the rate of \$15.50 per hour included fringe benefits and Mr. McCoy replied in the negative. Mr. Dusek pointed out there were charges on the invoice for work completed other than mowing and landscaping. Mr. McCoy mentioned there was a lot of work completed on the property by the Town of Lake George which had not been reflected in the invoice, including maintenance work completed in 2010.

Mr. Geraghty stated a resolution had been passed by the County in 2008 that no County funds would be used for maintenance of the property. He added that the previous Supervisor for the Town of Lake George had offered to utilize Town labor for maintenance of the property at no cost to the County. Mr. Geraghty voiced his opinion that reimbursing an invoice for maintenance work completed up to 2 ½ years ago would set a precedent that would allow other municipalities to present invoices for work completed on behalf of the County. He noted there were no funds budgeted for maintenance of the property and he recommended a policy be developed to address how these costs would be funded in the future. Mr. McCoy responded the Conservation Easement required that the property be maintained and the Town of Lake George had done so. Mr. Dusek stated reimbursement of the invoice would not be allocated from the County budget, as the reimbursement would be from revenues generated by parking fees. Mr. McCoy stated he had asked the Committee at the beginning of 2010 if they wanted the Town of Lake George to continue to maintain the property to which they had replied affirmatively. Mr. Belden inquired as to the dollar amount of the invoice anticipated for 2010 and Mr. McCoy responded he was unsure of the amount but noted it was not significant. Mr. McCoy announced the Town of Lake George would not complete the mowing on the property in 2011. Mr. Belden noted there would be no funds available in the DPW budget to cover the expense of maintaining the property.

Chairman Monroe apprised the former Supervisor for the Town of Lake George had stated that any work completed on the former Gaslight Village property would be done at the Town's expense and the County had made their position clear that no County funds would be contributed toward maintenance of the buildings. He added the invoice included a number of items pertaining to painting and work on the Opera House roof. He conceded it was reasonable to reimburse the Town of Lake George for the mowing and brush cutting; however, he added, the lack of back up documentation could cause a problem for the County Auditor.

Mr. Stec questioned if the motion on the floor was to reimburse the total amount of the invoice as presented and Mr. Kenny replied affirmatively. Mr. Stec suggested the motion be amended to authorize reimbursement for only the items relating to mowing, brush cutting, general landscaping and salaries for parking attendants. Mr. Dusek stated the total of the invoice submitted was \$25,916 and the total of the items relating to painting and work on the Opera House roof was \$5,456.

Mr. Belden amended his motion to authorize reimbursement to the Town of Lake George for invoiced items relating to mowing, brush cutting, general landscaping and salaries for parking attendants; excluding items relating to painting and work on the Opera House roof; and Mr. Merlino amended his second to the motion; the motion was carried by majority vote, with Mr. Kenny voting in opposition. *The necessary resolution was authorized for the September 17, 2010 Board meeting.*

Mr. Kenny stated the next item for discussion was the proposal from the Town of Lake George to renovate the Cavalcade of Cars building at their expense. He added there were members of the public in attendance who had requested to address the Committee. Chairman Monroe pointed out that the Committee had heard numerous opinions from the public and asked that comments be limited to new statements. Mr. Kenny requested that any groups or organizations wishing to speak appoint one person to represent them.

Patty Kirkpatrick, Lake George business owner, voiced her displeasure with the Committee meeting being scheduled on a Friday morning during a very busy tourism weekend. She said she had delayed the opening of her business in order to be in attendance. Ms. Kirkpatrick apprised there had been statements made that the business community had not expressed their opinion on the Cavalcade of Cars building; however, she added, she had a petition signed by the owners of 15 businesses in Lake George which represented over 100 employees who were in favor of renovating the building. She opined that a renovated building would result in increased employment and sales tax. She added that she felt the interests of very few people had been represented in previous Committee meetings as the business owners were unable to attend meetings during the work day. Mr. Kenny noted for the record that due to regularly scheduled Committee meetings, Friday, September 3, 2010 and Friday, September 10, 2010 were the only available dates to schedule the two Gaslight Village Ad Hoc Committee meetings prior to the September 17, 2010 Board meeting.

Joanne Gavin, of the Lake George Citizens Group, said she represented a group of over 400 people. She quoted the ConsultEcon Inc. study, as follows: 'the rehabilitation of the Cavalcade of Cars building will likely do little to help reposition Warren County as a significant player in generating new convention and event business'. She voiced her opinion that everyone who had an interest in the building has had the opportunity to speak. She said it was time for the Committee to make a decision and move on.

Dave Kenny, Lake George business owner, concurred with Ms. Kirkpatrick that many of the Lake George business owners were unable to attend the meeting. He advised the majority of the hotel owners were in favor of renovating the building. He expressed his concern with the Town of Lake George's ability to cover the cost of renovations. He said he had an issue with the County arguing about reimbursing the Town of Lake George for the cost of maintaining the property. He advised the renovation of the building would generate an increase in sales and occupancy tax, along with sufficient revenue to cover the cost of maintaining the property.

Sasha Pardy, Lake George business owner, stated that she supported the renovation of the Cavalcade of Cars building on the former Gaslight Village property.

Luisa Craige-Sherman, Executive Director of the Lake George Chamber of Commerce, referred to the ConsultEcon, Inc. study and agreed that the portion read by Ms. Gavin had been included in the summary section of the report. She said it was clear that the ConsultEcon, Inc. report utilized the Pinnacle Report in the process of making conclusions. Unlike the Pinnacle Report, she continued, the report from ConsultEcon, Inc. failed to include information obtained from interviewing meeting and event planners. Ms. Craige-Sherman noted that meeting planners looked for facilities of various sizes to accommodate group needs. She referred to the summary section of the Pinnacle Report, which stated: the Charles Wood Foundation property ranked the highest in terms of its appropriateness for the following reasons:

- ▶ its proximity to the largest concentration of available lodging;
- ▶ its proximity to the largest concentration of restaurants and recreational amenities in Warren County;
- ▶ the parking availability;
- ▶ the site would be proposed as an exhibition center with a prominent location in the region, as well as an aesthetically pleasing one, near the shore of Lake George; and
- ▶ it allows us to be market positioned with all our competition.

Ms. Craige-Sherman voiced her opinion that a building on the former Gaslight Village property would not be in competition with the Glens Falls Civic Center or the Adirondack Sports Complex, as they were sporting venues. She advised that allowing the Town of Lake George to take charge of the property would alleviate the need for continued Committee meetings on the County level.

Frances Heinrich, member of the Lake George Town Board, requested the County reimburse the Town of Lake George for the total amount of the submitted invoice. She stated she was not in favor of any plan that included the Town of Lake George initiating a project without the support of the County or the Village of Lake George.

Mr. Kenny said he would recuse himself as Chairman of the Committee in order to participate in the discussion and he requested that Chairman Monroe, Vice-Chairman of the Committee, Chair the remainder of the meeting.

Mr. Merlino commented that the ConsultEcon, Inc. study had failed to include winter tourism, such as snowmobiling. He added the 2006 and 2007 winter seasons had generated almost \$4 million from snowmobiling. He said he would like to move the decision on the Cavalcade of Cars building to the full Board. Chairman Monroe noted the full Board would ultimately make a decision on the building regardless of the recommendation of the Committee.

Mr. Kenny read a prepared statement; a copy of which is on file with the minutes. He noted he had taken several positions during the course of discussions on the property; however, he added, after extensive review he was in favor of demolition of the building. He advised the offer from the Town of Lake George to renovate the building at their expense sounded good, but noted the previous Supervisor of the Town of Lake George had offered to mow and maintain the property at the Town's expense in the past and now the Town was requesting reimbursement for those expenses. Mr. Kenny apprised that although the Town of Lake George had offered to renovate the Opera House building at no cost to the County, in January the

Town had presented the County with an invoice for reimbursement of approximately \$25,000 which the County had declined to pay.

Mr. Kenny reported the Cavalcade of Cars building had been constructed in 1959 and was a Butler-type building with a life expectancy of 40 to 50 years. He advised the Town of Lake George had presented an artist's rendering of what the exterior of the building would look like; however, he continued, they had not presented a plan for the interior of the building. He voiced his opinion that groups who scheduled meetings or conventions had an expectation of minimum levels of comfort and accommodations that he did not feel would be present in the proposed renovations. He added the cost of renovating the building to even the most modest level would exceed \$2 million. He said the ConsultEcon, Inc. report stated the cost estimates for renovation ranged between \$675,000 and \$2 million. He advised the report also stated the renovation of the building might confirm a down market trajectory for Lake George if the project was completed in less than a first class way.

Mr. Kenny agreed with Mr. Merlino that the renovated building could be used as a gathering place for snowmobilers and ATV (All Terrain Vehicles) riders in the winter; however, he added, there were at least two other facilities in the area that could host that type of event and it was unlikely there would be more than a few of these events held each year. Mr. Kenny stated most buildings of the type being considered operated at a deficit and he asked if the County was ready to add an additional budget expense in order to maintain the building.

Mr. Kenny apprised there were a lot of activities in Lake George for groups in the summer months; however, he added, very little was offered between the months of October and May. He stated they should proceed with the demolition of the Cavalcade of Cars building, the cost of which would be covered by grant funding. The three largest events in Warren County: Americade; the Adirondack Nationals Car Show; and the Hudson Valley Volunteer Firemen's Association, Mr. Kenny pointed out, had all stated that they would prefer open space on the former Gaslight Village property.

Mr. McCoy said he had heard several Supervisors state that the ConsultEcon, Inc. report had been unfair in its assessment of the Tourism Department. He questioned the belief that the report had been wrong about the Tourism Department but was right about the Cavalcade of Cars building. He stated he did not expect large businesses to hold conferences in Lake George in the winter; however, he added, there was the possibility of attracting events such as ski, snowmobile, snowboarding and ATV exhibitions. He advised the major chain hotels in the Town of Lake George were open year round and many of the local businesses had stated they would remain open if there was an increase in winter tourism. Mr. McCoy remarked the renovation of the Cavalcade of Cars building was currently the only viable expansion of business in Lake George.

Mr. Conover stated the County had made its position clear that there were no available funds to contribute towards the rehabilitation of the building on the former Gaslight Village property. He said he understood the concern that if the building was to be demolished after the grant funding was no longer available it would be done at an expense to the County. He said he was uncomfortable with the concept of taking the decision about the future of the property out of the Town's hands. He added the County should defer to the wishes of the Town and noted if the business community wanted to retain the building, it should be retained. Mr. Conover said he was prepared to support another resolution making it clear that no County funds would be contributed towards the renovation of the Cavalcade of Cars building. Chairman Monroe

clarified that the County was not taking the decision away from the Town of Lake George, they would merely be stating their position on the future of the property.

Brief discussion ensued.

Chairman Monroe requested Dave Decker, Project Manager/Director of the Lake George Watershed Coalition, to provide an update on the demolition schedule. Mr. Decker reported the bid specifications had been released and the due date for demolition bids was September 16, 2010 and added the New York State Department of Transportation (NYS DOT) would receive their bids for the Highway Reconstruction Project on the same day. He advised there was a \$1.2 million grant which had been applied for through the Town of Queensbury to demolish the buildings and complete the stormwater improvement project on the south parcel. Mr. Decker explained the bid specifications had been established to require contractors to place bids on all three scenarios: the base bid consisting of demolition of all the buildings on the property; the first alternate consisting of demolition of all the buildings with the exception of the Cavalcade of Cars building; and the second alternate consisting of demolition of only the Cavalcade of Cars building. He apprised that based on the current estimates there was sufficient grant funding to cover the cost of demolishing all of the buildings on the property; however, he added, the level of asbestos and the cost of abatement were unknown at this time. Additionally, he continued, a portion of the TEP (Transportation Enhancement Program) grant funds could be directed towards demolition expenses. He pointed out that if TEP grant funding was used, the property could not be utilized to generate profit and any revenue received could only be used for property maintenance.

Discussion ensued.

Mr. Geraghty asked for clarification that the Town of Lake George was proposing to cover the cost of renovations, upkeep and maintenance for the Cavalcade of Cars building with the cost of maintenance for the remainder of the property and the environmental park being covered by revenue generated by the property and Mr. McCoy replied affirmatively. Mr. Geraghty requested the proposal in writing and Mr. McCoy responded it would be provided in writing as requested.

Mr. Thomas stated the ConsultEcon, Inc. report said the former Gaslight Village property was a community project. Initially, he continued, the County had contributed \$1.3 million to the purchase of the property for the purpose of an environmental project with the condition that a portion of the property be designated as festival space. At that time, he added, the Town of Lake George had wanted to retain both buildings. Mr. Thomas continued it was later determined that the Opera House building would be demolished. He voiced his opinion that the County should support the Town of Lake George's proposal for the Cavalcade of Cars building. Chairman Monroe pointed out the original concept for the property was to have an open festival space; however, he noted, when the documents were drafted they were done so in a way that made retaining the buildings an option.

Mr. Kenny apprised unless the building was of a sufficient size to support large gatherings, it would not attract events. He advised there was an agreement in place stating that revenue generated on the property be utilized for the purpose of maintaining the property with any remaining revenue being disbursed based on the initial investment (County 62%; Town of Lake George 19%; and Village of Lake George 19%). He added if there was a shortfall in the cost of maintaining the property, the County would be required to contribute 62% of the cost of the

shortfall. Based on the Pinnacle Report, he continued, the projected first year deficit for a building on the property was \$982,000.

Mayor Blais apprised the Village of Lake George had initiated the project as an environmental project to protect the Lake with a festival space to generate revenue to cover the cost of maintenance of the environmental park. He announced that residents of the Village of Lake George also paid Town of Lake George taxes and were opposed to retaining the Cavalcade of Cars building. Mayor Blais said the business plan developed by the Village of Lake George showed that sufficient revenue could be generated to maintain the environmental park and make improvements on the festival space. He said when the project was initiated, the priority, other than the preservation of the Lake, was parking and open space. He noted five separate studies had been completed pertaining to the former Gaslight Village property, all of which stated the building would not have a significant impact on tourism.

Mr. Bentley questioned the legality of leasing the building to a company and allowing them to renovate it and Mr. Dusek responded he had conferred with the attorneys from the Village and Town of Lake George to share ideas; however, he added, they had not reached a conclusion and would confer a second time to review the documents. Mr. McDevitt commented that he represented the residents in the City of Glens Falls, Ward 2, who had no interest in the project other than how it would effect County taxes. He voiced his opinion that the only way the renovation of the Cavalcade of Cars building would be beneficial was if there was \$3 to \$4 million available to renovate the building in a first class fashion. He advised the facts supported the demolition of the building and retaining the building could be a detriment to the County.

Motion was made by Mr. Merlino and seconded by Mr. McCoy to accept the proposal from the Town of Lake George to renovate the Cavalcade of Cars building at their expense and allow the issue to be discussed at the full Board meeting. Mr. Thomas stated as a Committee they should make a recommendation to the Board.

Chairman Monroe called the question and the motion failed with Messrs. Kenny, Belden, Thomas and Chairman Monroe voting in opposition to accept the proposal from the Town of Lake George to renovate the Cavalcade of Cars building at their expense and allow the issue to be discussed at the full Board meeting. Prior to casting his vote, Mr. Thomas requested clarification that the motion was to move the issue to the full Board for discussion, to which he received an affirmative reply.

Chairman Monroe questioned if the issue could be presented at the Board meeting without a recommendation from the Committee and Mr. Dusek responded the issue could only be introduced if there was a motion to waive the rules with a 2/3 majority vote. Mr. Dusek added that if the issue went through the Committee with a recommendation, then it would automatically be considered by the Board. Mr. McCoy questioned if no resolution was presented at the Board meeting would the prior resolution stating that the building be retained would remain in effect. Mr. Kenny responded there was not a resolution that stated the building would be retained, only that the Board would consider the option of retaining the building. Mr. Dusek pointed out that if the County did nothing at this point, the building would remain due to the fact that there was no adopted resolution stating the building would be demolished.

Mr. Stec reiterated that if the Committee did not reach a decision today, it would require a 2/3 majority vote to waive the Rules of the Board in order to introduce a resolution at the Board meeting. He voiced his concern that if there was no action from the Committee today, it was

very likely there would be no action taken at the Board meeting. Mr. Champagne questioned if all issues brought from the floor at a Board meeting required a 2/3 majority vote in order to waive the Rules of the Board and Mr. Dusek replied affirmatively. Mayor Blais urged the Committee to find a way to allow the issue to be voted on at the full Board meeting.

Chairman Monroe stated the previous motion had been to accept the proposal from the Town of Lake George to renovate the building at their expense. Mr. Thomas disagreed stating the motion had been to move the issue to the full Board for discussion. Brief discussion ensued pertaining to clarification of the previous motion.

Motion was made by Mr. McCoy and seconded by Mr. Thomas to retain the Cavalcade of Cars building. Mr. Stec stated the motion was unnecessary and Mr. Dusek agreed clarifying that the building could not be demolished without action from the three parties. Mr. Stec explained that if the Committee did not send a resolution to the full Board recommending demolition, the building would be retained unless 2/3 of the Board voted to waive the rules and vote on a resolution at that time. He advised if this Committee could not come to a decision he would be willing to schedule a Finance Committee meeting prior to the Board meeting to allow a resolution to be presented to the full Board. Mr. McCoy withdrew his motion and Mr. Thomas withdrew his second to the motion.

Discussion ensued.

Mr. Dusek questioned for clarification if the Town of Lake George's proposal was to have the County retain the Cavalcade of Cars building provided the Town assume the cost of renovations, repair and maintenance. Mr. Belden suggested a commitment to that effect would need to be made in writing. Mr. Merlino asked if future Town Boards could reverse their commitment and Mr. Dusek responded there was a general rule of law that one administration could not bind another administration on some contracts.

Mr. Stec suggested that if the Committee wanted the decision to be made at the Board meeting it would be best to authorize two separate resolutions in order to allow the full Board the opportunity to discuss and vote on both. He added the first resolution would be to accept the proposal from the Town of Lake George to renovate the Cavalcade of Cars Building on the former Gaslight Village property to be paid by the Town of Lake George with the understanding that no funds would be contributed by the County towards the renovations; and the second resolution would be to reject the proposal from the Town of Lake George to renovate the Cavalcade of Cars Building on the former Gaslight Village property and support demolition of same. Chairman Monroe advised that since there was confusion of the previous motion, there should be a motion to rescind it.

Motion was made by Mr. Thomas, seconded by Mr. Kenny and carried unanimously to rescind the previous motion to accept the proposal from the Town of Lake George to renovate the Cavalcade of Cars building at their expense and allow the issue to be discussed at the full Board meeting.

Mr. Kenny stated that regardless of the decision reached on the Cavalcade of Cars building, there would be a financial impact on Warren County and he advised the issue be referred to the Finance Committee to discuss the possible financial impact. Mr. Belden suggested a Finance Committee meeting be scheduled prior to the Board meeting. Mr. Stec apprised if the two resolutions he had suggested were authorized by this Committee, there was no need for an

additional Finance Committee meeting. Mr. Champagne requested Mr. Dusek to obtain a definitive answer prior to the Board meeting as to whether the agreement by the Town of Lake George to pay for the costs associated with the building would be binding to future Boards.

Motion was made by Mr. McCoy, seconded by Mr. Thomas and carried by majority vote, with Messrs. Kenny, Belden and Chairman Monroe voting in opposition, to accept the proposal from the Town of Lake George to renovate the Cavalcade of Cars Building on the former Gaslight Village property to be paid by the Town of Lake George with the understanding that no funds would be contributed by the County towards the renovations. *The necessary resolution was authorized for the September 17, 2010 Board meeting.*

Motion was made by Mr. Kenny, seconded by Mr. Belden and carried by majority vote, with Messrs. Thomas and McCoy voting in opposition to reject the proposal from the Town of Lake George to renovate the Cavalcade of Cars Building on the former Gaslight Village property and support demolition of same. *The necessary resolution was authorized for the September 17, 2010 Board meeting.*

Mr. Stec and Mr. McDevitt both expressed their surprise that both motions had not been unanimous given that the reason for two resolutions had been in the interest of fairness. Following a brief discussion, it was determined that it was not necessary to schedule a Finance Committee meeting prior to the September 17, 2010 Board meeting.

As there was no further business to come before the Gaslight Village Ad Hoc Committee, on motion made by Mr. Merlino and seconded by Mr. McCoy, Chairman Monroe adjourned the meeting at 11:19 a.m.

Respectfully submitted,
Charlene DiResta, Senior Legislative Office Specialist