

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: COUNTY FACILITIES

DATE: APRIL 18, 2007

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**COMMITTEE MEMBERS PRESENT:**

SUPERVISORS HASKELL  
O'CONNOR  
F. THOMAS  
CHAMPAGNE  
VANNESS  
GERAGHTY

**COMMITTEE MEMBER ABSENT:**

SUPERVISOR GIRARD

**OTHERS PRESENT:**

REPRESENTING CONLEY ASSOCIATES:

TIM CONLEY  
LIZ KORMOS  
FRANK MOREHOUSE, SUPERINTENDENT OF BUILDINGS  
WILLIAM THOMAS, CHAIRMAN  
PAUL DUSEK, COUNTY ATTORNEY  
HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE &  
FISCAL SERVICES

JOAN SADY, CLERK OF THE BOARD OF SUPERVISORS

SUPERVISORS BELDEN  
BENTLEY  
CAIMANO  
GABRIELS  
KENNY  
MASON  
MERLINO  
STEC  
TESSIER

JOANN MCKINSTRY, DEPUTY COMMISSIONER OF  
ADMINISTRATIVE & FISCAL SERVICES

WILLIAM LAMY, DPW SUPERINTENDENT

JOAN PARSONS, MANAGEMENT ANALYST

FRANK O'KEEFE, TREASURER

JULIE PACYNA, PURCHASING AGENT

FRED AUSTIN, BUILDING PROJECT COORDINATOR

TODD LUNT, HUMAN RESOURCES DIRECTOR

BETTY MONAHAN, TOWN OF QUEENSBURY

KATHLEEN SONNABEND, TOWN OF QUEENSBURY

DAVID KENNY, DAYS INN

PHIL TUCKER, GREATER CAPITAL REGION BUILDING  
TRADES COUNCIL

JOHN J. MARTIN, CLARK PATTERSON ASSOCIATES

JON NORRIS, CLARK PATTERSON ASSOCIATES

JOHN HORGAN, BOVIS LEND LEASE LMB, INC.

AMANDA ALLEN, LEGISLATIVE OFFICE SPECIALIST

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Mr. Haskell called the meeting of the County Facilities Committee to order at 9:30 a.m.

Motion was made by Mr. F. Thomas, seconded by Mr. VanNess and carried unanimously to approve the minutes of the prior meeting subject to correction by the Clerk of the Board.

Copies of the agenda were distributed to the Committee members, *a copy of which is on file with the minutes.*

Mr. Haskell noted that Tim Conley of Conley Associates had requested permission to address the Committee, and privilege of the floor was extended to him.

Mr. Conley began by thanking the Committee for the opportunity to speak at their meeting. He explained that Conley Associates was a real estate advisory firm based in Albany, NY which provided real estate services to entities such as the State of New York, the State Dormitory Authority, State University of New York and many of the major hospitals located throughout the State. Mr. Conley explained that, through the grapevine, his firm had learned of the Health and Human Services building project and he was in attendance to present the services his firm could provide to the County in relation to the project.

Conley Associates was a firm that maintained several different in-house facets such as engineering, accounting, legal, architectural and financial experience, Mr. Conley apprised. He said that their services were contracted by various groups to assist in approaching real estate purchases and development from a defined analytical aspect, disclosing all options available in a competitive environment, for the best interest of the client. Mr. Conley stated that in learning of the County's recent quandary with respect to the new Health and Human Services Building and its placement, he felt that his firm could be a great asset in the decision making process. He explained that by analyzing all of the options available, comparing the costs of those options and creating a competitive bidding environment for the project, a decision in the best interest of the County could be made and his firm was able to complete this process.

Mr. Conley apprised that in the past his firm had completed transactions for other Governmental entities such as traditional leases, development with control leases (*leases in which their client was in direct control of the development as if they were the owner but without putting forth the funds necessary to build such facility and also securing a non-recourse position*), sale lease-backs (*wherein their client gained ownership of the property at the termination of the lease period for \$1*) and joint venture transactions (*where the developer takes all risk in constructing the building and the client retains shared ownership through either proprietary or non-proprietary means*). He said that financial transactions had also been completed for their various clients, such as those that made the client both the lender and the tenant and also to reverse that situation making the developer the lender while their client remained the tenant with controlling ownership of the land, allowing them to maintain the asset while not actually carrying the asset cost in their financial statements. Mr. Conley stated that this was a favorable maneuver for not-for-profit agencies and Government entities as they were able to maintain the asset of the property without the liability.

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Mr. Conley stated that if the Committee was interested in the services offered by his firm he would be more than happy to provide a powerpoint presentation at a future meeting to further explain the services available.

Kathleen Sonnabend, resident of the Town of Queensbury, stated that the County had been considering a number of proposals for the Health and Human Services Building, one of which was a leasing proposal. She noted they had been advised that the price to purchase the building at the end of the leasing period could not be decided until the end of the leasing term, as that price had to be of fair market value. Keeping this fact in mind, Ms. Sonnabend asked how Mr. Conley's firm was able to negotiate the lease and subsequent purchase of property for \$1, bypassing the need for purchase at fair market value. Mr. Conley replied that there were several State leases in effect at that time with a \$1 buy-back clause at the end of the leasing term. He explained that the fair market value for these buildings was established at the commencement of the lease using the net present value and factored into the lease price.

Mr. Champagne requested that Paul Dusek, County Attorney, be called to the meeting to respond to this statement as it was not in accordance with what the Committee had been advised prior. Mr. Haskell agreed and Mr. Dusek was summoned to the meeting.

While waiting for Mr. Dusek to arrive, Mr. Haskell apprised that the meeting would continue with the review of the new business listed on the agenda.

Frank Morehouse, Superintendent of Buildings, stated that agenda item 3a pertained to a request to extend the existing contract with Northern Fire Systems, Inc. for the term July 1, 2007 through June 30, 2008 for the testing of fire alarms at the Municipal Center. Mr. Morehouse noted that the price of the contract would be the same as the one expiring on June 30<sup>th</sup>.

Motion was made by Mr. F. Thomas, seconded by Mr. Geraghty and carried unanimously to approve the request to extend the existing contract with Northern Fire Systems, Inc. for the term commencing July 1, 2007 and terminating June 30, 2008 for the testing of fire alarms at the Municipal Center and the necessary resolution was authorized for the April 20<sup>th</sup> Board meeting. *A copy of the resolution request form is on file with the minutes.*

Mr. Morehouse apprised that agenda item 3b was a request to amend the existing contract with Mahoney Notify for the term May 2, 2007 through May 2, 2008 at a cost of \$702. He explained that the contract facilitated the monitoring of the Municipal Center's fire alarm systems while the building was closed.

Motion was made by Mr. Geraghty, seconded by Mr. F. Thomas and carried unanimously to approve the request to extend the existing contract with Mahoney Notify for a term commencing May 2, 2007 and terminating May 2, 2008 at a cost of \$702 and the necessary resolution was authorized for the April 20<sup>th</sup> Board meeting. *A copy of the resolution request form is on file with the minutes.*

Mr. Dusek entered the meeting at 9:40 a.m.

For Mr. Dusek's benefit, Mr. Haskell re-introduced Mr. Conley and asked him to reiterate Ms.

Sonnabend's question and his response. Mr. Conley stated that Ms. Sonnabend had questioned the County's ability to enter into a lease transaction, for new construction, taking ownership of the property at the end of the term at a cost of \$1. He explained that this process was implemented quite frequently by establishing the value of the building, using its net present value, at the beginning of the lease term for consideration in determining the lease price. Mr. Conley added that the building plans, materials specifications and location would be reviewed to develop a lease agreement that would be implemented in the competitive bidding process to notify the developers exactly where and what would be built, specified materials and the terms of the agreement, leaving them only to determine what the lease rate would be, with full knowledge that at the end of the 25-year lease term the entity would then own the building.

Mr. Dusek asked if prevailing wage rates would be paid in this process and Mr. Conley replied that it would depend on the Governmental entity and the ownership. He said that in the past some entities, such as the Office of Mental Health and Retardation Redevelopment, had not paid prevailing wage rates; however, in working with other County agencies they were required to do so. Mr. Dusek stated that if prevailing wage rates were required the cost would be no different than if the County constructed the building at its own costs and Mr. Conley agreed; however, he added, rather than laying out millions of dollars, or financing millions, to develop the building the County would be signing a lease obligation requiring the developer to sustain the financial aspect of the project construction, rather than the County. Mr. Dusek asked if the County would have the ability to opt out of the lease in any given year and Mr. Conley replied that this option could be established within the lease agreement guaranteeing a certain term. He added that frequently an amortization schedule was included in the lease agreement for the improvements to the building specific to the tenant and not to the building. Mr. Conley explained that the superstructure of the building would be constructed and the infrastructure inserted; however, the interior build-out would be priced separately to meet the County's needs. He said that in many similar situations, the developer would determine the cost to produce the 'vanilla box', which was considered the building, mechanical systems, wiring and such. The tenant improvement budget would be derived from the determinations made as to the County's needs for interior walls and such, and would be amortized over the term of the lease separately from the building Mr. Conley added. He stated that if the County elected to opt out of the leasing agreement prematurely they would be responsible for the lump sum owed on the custom interior finishes.

Mr. Conley clarified that his firm was interested in assisting the County to determine their most viable options and in order to determine which of the many mechanisms employed by his firm would be the most beneficial, further research of the needs of the project would have to be performed. He said that assuming the County had the availability of unlimited tax free financing to fund the project and did not require the use of bonds for any additional projects in the near future, it might be in the County's best interest to proceed in constructing the building itself; however, he stated, he could not make any definite recommendations without researching the matter further. Mr. Conley apprised that the State and other not-for-profit organizations elected to use this leasing method for their building projects because they typically had several similar projects scheduled for the future and did not want to exhaust all bonding prospects. Mr. Conley noted that an option to purchase the building at any point could also be included in the leasing agreement and by taking these steps, all of the risk would be transferred to the developer as they were responsible for the initial construction costs.

Whether the decision was made to lease or build, Mr. Conley stated that his firm could assist the County as they maintained a development process which could be employed to decrease the costs of construction. He reiterated that it would be most beneficial for his firm to return to a future meeting to provide a detailed presentation if the Committee was interested.

From Mr. Conley's statements, Mr. Dusek deduced that Conley Associates proposed the use of their firm's expertise to review the project and make it better, possibly at a lower cost, and Mr. Conley agreed. Mr. Conley added that his firm would not look at a single transaction, but would review the project globally to gain a sense of the accomplishments desired for the future and giving options for the County's selection, as well as the projects possible pit falls. Mr. Dusek stated that although he did not think that the County would necessarily save money by electing the leasing option discussed, employing the expertise of the Conley Associates might be of interest to the County.

Mr. Champagne stated that it would be beneficial to have a better understanding of the services offered by the Conley Associates and an idea of the costs associated with them. He added that he was in favor of a more detailed presentation by Mr. Conley's firm.

Discussion ensued.

Mr. O'Connor stated that although he was sure all of the Supervisors were interested in saving the taxpayer money, it was very important to be cognizant of the amount of time spent designing the current building specifications to maximize its use and to establish a working flow for both visitors and employees. He said that the Health and Human Services building was certainly not a 'vanilla box' and a building identical to the schematic drawings developed was the desire of the Committee, not something merely similar. Mr. O'Connor stated that it was important to keep this in mind as an extended period of time had been spent developing the plans and direction for the project. Mr. Haskell agreed that countless hours had been spent developing the plans for the building to ensure its efficiency.

Mr. VanNess stated that prior lease proposals had been submitted to the County, one of which entailed a \$17.50 per sq.ft. lease price with a fair market value buyout of the building at the end of the lease term. Mr. VanNess asked if the process suggested by Mr. Conley was implemented, would that price increase to account for the fair market value purchase of the building, and Mr. Conley replied that this was partially correct, although the end results and costs would not be known until the competitive bid process was completed. Mr. Conley suggested that the County review the competitive aspects of both leasing a building constructed by an alternate developer and constructing the building themselves to determine which would be the most viable option based on the expert consultation of Conley Associates. He said that many developers would look at the rate of return over the leasing term to determine the leasing price, incorporating the net present value of the building and developing the end profit based on building, land, development and operation costs. Mr. Conley stated that the County had the ability to negotiate the allowable profit because Governmental entities were very secure and sought-out tenants.

Mr. Conley distributed copies of a brochure describing Conley Associates and the strategic real estate services offered, *a copy of which is on file with the minutes*. He asked the Committee members to look

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over the brochure and contact him at their leisure with any further questions.

Discussion ensued.

It was the consensus of the Committee that Conley Associates should be invited back to a future Committee meeting to give a more detailed presentation on the services available. Mr. Haskell set the tentative date for such meeting as April 24<sup>th</sup> at 10:30 a.m. *Note: Subsequent to the meeting it was determined that an RFP (Request for Proposal) was necessary before proceeding with Mr. Conley's presentation as there were several companies that offered similar advisory services.*

Moving forward with the subject of the Health and Human Services Building, Mr. Haskell reminded the Committee that at their March 30<sup>th</sup> meeting, Richard Schermerhorn, of Schermerhorn Commercial Properties, had offered the sale of his property, on which he had initially proposed to build a structure to house the Health and Human Services Building for lease to the County, at a price of \$1.2 million; however, a 45-day time limit had been set for this proposal. He noted that the reason for the Committee meeting had been to discuss this option and decide if it was viable in order to meet the deadline set by Mr. Schermerhorn. Mr. Haskell apprised that he had received a letter from John McCormack, of McCormack Industries, Inc., offering a parcel of his own property for sale to the County, and he read the correspondence aloud to the Committee; *a copy of the letter is on file with the minutes.* Mr. McCormack's letter explained that the property he offered consisted of a 38-acre parcel adjacent to the northern boundary of the Municipal Center property for a price of \$1.2 million, the same price as the Schermerhorn property. Mr. Haskell displayed an area map of the McCormack property for the Committee's review and he noted that there were now two options for the purchase of property to consider.

Mr. W. Kenny stated that he had reviewed the needs of the project and the space available at the Municipal Center campus and devised an additional option for the new Health and Human Services Building. Referring to a large map of the Municipal Center, he displayed two areas where additions could be made to the existing building to facilitate the additional space needed. Mr. W. Kenny explained that additions could be constructed in the grassy spaces near the DMV (Department of Motor Vehicles) and Real Property Tax Services portions of the building. He said that if two-story wings were built in each of these spaces the Municipal Center would be increased by 80,000 sq. ft.; however, he pointed out that although the additions would include slightly less space than the proposed Health and Human Services building, he felt that a considerable amount of money could be saved by using this option. He said that in reviewing prior estimates received concerning the addition to the face of the Municipal Center, he found it curious that the price per square foot was identical to that of construction of a new building, as the site for the proposed construction required extensive site work while the addition to the current building would not.

With respect to potential traffic problems induced by an increased number of employees reporting to work at the Municipal Center, Mr. W. Kenny suggested that the work shifts be changed to implement three reporting times at 8:00 a.m., 8:30 a.m. and 9:00 a.m., staggering lunches and leaving times respectively. He said that not only would this alleviate the traffic problem, it might also make certain Department's work more efficiently. In addition, if the Glen Lake Road exit were changed to a one-way entrance, it would bypass any increased flow of traffic into the Courthouse

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Estates neighborhood and would not encroach any closer to that development than the Municipal Center was currently, Mr. W. Kenny advised. He said that the additions would require the loss of some parking; however, new parking arrangements had been planned for the building in any event. In addition, Mr. W. Kenny noted, the two additions would incorporate an additional 40,000 sq. ft. of combined storage space in the basement areas. He stated that this space might also be used for classrooms, if allowable by law.

Mr. Kenny reminded the Committee that for the past four years the County had procrastinated in replacing the counters and fixtures in the DMV area as they were not ergonomically correct. He stated that if the DMV were moved into one of the new additions the current DMV site could be converted for the use of the Public Health Department, eliminating the need for their placement in the new portion of the building. Mr. W. Kenny noted that the Tourism Department could also be added to one of the ends of the additions, making a more visible presence. He added that the costs of the schematics developed for the proposed Health and Human Services Building would not be lost as portions of the proposed building could be directly applied as additions to the Municipal Center without compromising the integrity of the plans or losing the intended flow of visitors and employees.

Mr. Haskell, noted that Mr. Kenny's suggestion reduced the square footage of the proposed Health and Human Services Building by almost 20,000 sq.ft. causing space constraints that would be further compounded by adding the DMV. He added that two separate magnetometers would also be required to facilitate the additions if the intended occupants of the new building were separated, as in Mr. Kenny's suggestion. Mr. W. Kenny clarified that because his suggestion would allow Public Health to use the space vacated by DMV, they would not be occupying the new additions, leaving an abundance of space for the remainder of the intended occupants. Also, he noted, because every Department would prefer security, they should consider securing the entire building and Mr. Haskell stated that he agreed with increased security measures.

Discussion ensued.

Mr. Haskell reminded the Committee that when additions to the Municipal Center were previously discussed the project engineers had determined that they would be more expensive because the existing building had to be renovated to meet current building codes. He said that in order to avoid this, the engineer had suggested connecting an additional building to the Municipal Center via a glass enclosed walkway. Mr. W. Kenny stated that although he was certainly not an engineer, he could not understand why it would be less expensive to construct an entirely new building on a separate site than to build it on the one occupied by the Municipal Center, as all utilities and parking were in place and minimal site work would be required. Mr. Haskell apprised that a meeting of the Core Team was scheduled directly following the close of the Committee meeting at which the engineers would be present and Mr. W. Kenny should address these concerns with the engineering staff at that time.

Discussion ensued.

Fred Austin, Building Project Coordinator, stated that if the Committee was seriously considering the purchase of the McCormack property for the placement of the new Health and Human Services

Building, the services of a traffic consultant would be required to review the impact of the placement on the volume of traffic. Mr. Haskell replied that the Committee would certainly take this into consideration.

David Kenny, owner of the Days Inn, stated that he had suggested the purchase of the McCormack property to the County in the past as it directly adjoined the Municipal Center Campus. He said that the McCormack parcel was a beautiful piece of property and he added that it would behoove the Committee to speak with Mr. McCormack regarding the purchase as he may be interested in lowering the asking price substantially. As far as the traffic studies suggested by Mr. Austin, Mr. D. Kenny apprised that such studies had already been completed by New York State to add an entrance to the Municipal Center directly across from the Northway Exit 20, and subsequently changing the classification of State Route 9. He said that although these studies reflected a decreased traffic flow by the new entrance, the only way to gain the approval of the Federal Government for such addition was to prove that it would be a vast improvement to the County. Mr. D. Kenny suggested that the County review these studies for possible improvement and implementation in the future.

William Lamy, DPW Superintendent, apprised that in response to the concerns expressed by the Board of Supervisors with respect to traffic issues on State Route 9 in the past year, he and Mr. W. Thomas had met with the NYSDOT (New York State Department of Transportation) Region 1 Director in February to request the update of the studies. Mr. Lamy stated that the traffic studies were currently being reviewed by the AGFTC (Adirondack Glens Falls Transportation Council) for updates accordingly. Mr. Haskell asked if a completion date had been estimated for this process, and Mr. Lamy replied in the negative; however, Mr. Lamy indicated that he would make contact with the appropriate parties to gain such information.

Mr. Caimano stated that although the update of the traffic studies was already in progress, the project could not be started in the near future because there was a five year waiting period to be placed on the NYSDOT project list. Mr. Lamy said that he thought the project could be completed more quickly; however, during the upcoming meeting scheduled with NYSDOT he could certainly address the matter. Mr. Caimano stated that they did not have the ability to wait for the new entrance and road to be placed before proceeding with the Health and Human Services Building project.

Mr. Stec stated that the County was at a standstill with the AGFTC, TIP (Transportation Improvement Plan) and other related groups because of the Exit 18/Main Street Project. He said that he did not think there would be any financing available for other projects, such as a new entrance to the Municipal Center, until those projects were completed. Mr. Stec stated that in addition, Warren County was not the only party involved in the AGFTC, as it was a tri-county organization and projects in other communities, such as Moreau and Washington County, had been put on hold to manage the Exit 18/Main Street Project already. He noted that he did not think the other involved Counties would be agreeable to adding another Warren County project to the list while theirs were delayed further. Mr. Stec said that although he agreed with Mr. D. Kenny's idea for design, he also agreed with Mr. Caimano's statement that this was not a project that would be completed quickly. He advised that the road might very well solve many of the traffic issues experienced; however, they should likely plan for a five-year waiting period for the completion of the

entrance.

With respect to the McCormack property, Mr. Stec stated that he agreed with Mr. D. Kenny in that it was a very large and beautiful parcel and was unknown to most people. He said that there had been talk about placing office complexes on that property in prior years, which to his recollection, had received mostly positive feedback from the neighboring residents. Mr. Stec stated that the neighbors were generally acceptive of the placement of similar projects on the property, provided that the project was done properly and with an adequate buffer left between them.

Mr. Stec suggested an additional alternative to the construction of a new Health and Human Services Building might be to purchase the entire CNA Building for occupation by various County Offices. He said he thought that the building could be purchased for significantly less than the cost to construct a new building and if that price were doubled to account for renovations, the Committee might be pleasantly surprised at the total costs, comparative to the costs of construction. Mr. Stec apprised that he had spoken with LeRoy Akins, Mayor of the City of Glens Falls, who was in favor of the purchase and had predicted the addition of a parking deck in light of the other developing activity going on around the building, alleviating any parking issues. He stated that if alternative options were being considered for the Health and Human Services Building, feasibility studies for the purchase of the CNA Building should be completed and seriously reviewed.

Discussion ensued.

Mr. Haskell stated that a meeting had been held with Bruce Levinsky, owner of the CNA Building, during which Mr. Levinsky had indicated that although he was very interested in leasing the Building to the County, he was not willing to sell it. Mr. W. Thomas stated that Mayor Akins had promoted the sale to himself and Mr. Stec and he asked if they were positive that Mr. Levinsky was not interested in selling his property. Joan Parsons, Management Analyst, confirmed that Mr. Levinsky had stated, during a telephone conference call, that he was not willing to sell the CNA Building.

Returning to Mr. Schermerhorn's offer of the sale of his property to the County for \$1.2 million, Mr. Haskell asked the Committee to decide whether or not they were interested in the property, keeping in mind the 45-day time limit placed on the sale by Mr. Schermerhorn.

Mr. W. Thomas stated that Mr. Dusek had performed a review of the property purchase when it had been offered previously at a cost of \$1.5 million. During this study, Mr. Dusek had found that the County would lose approximately \$700,000, including site work, by not constructing the building on County-owned property and although the purchase price had decreased, the County would still lose approximately \$400,000 and Mr. Dusek confirmed these figures.

Mr. Stec stated that he was not in favor of the purchase of the Schermerhorn property as he would prefer not to remove developable, tax generating, office or commercial property, such as the Schermerhorn parcel, from the tax rolls. He added that in light of the estimated price of constructing the Health and Human Services Building, the County needed to find ways to spend less money and not more.

Discussion ensued.

Mr. VanNess apprised that in speaking with Mr. Schermerhorn subsequent to his proposal, he had learned that Mr. Schermerhorn was under the impression that the County would eventually build the proposed Health and Human Services Building on thier own property and he had made the offer thinking that the property could be used for future expansion projects. Mr. VanNess stated that he did not feel that the purchase was feasible, although he was appreciative of Mr. Schermerhorn's offer.

Ms. Sonnabend addressed the Committee, stating that as a Town of Queensbury taxpayer, she preferred not to have any property removed from the tax rolls; however, she apprised, the purchase of the McCormack property made much more sense to her as it was contiguous with County-owned property and she felt that there would be far less concern from surrounding residents. In addition, she noted, if the County did not purchase the Schermerhorn property it was very likely that Mr. Schermerhorn would construct an office building on the parcel, adding to the Queensbury tax dollars. Ms. Sonnabend stated that the placement of the Health and Human Services building on the McCormack property would also lead to a more connected campus which she felt would be more efficient than splitting up the Departments as they were currently.

Discussion ensued.

Motion was made by Mr. VanNess, seconded by Mr. F. Thomas and carried unanimously to thank Mr. Schermerhorn for his offer but respectfully decline.

Mr. Haskell stated that the McCormack property offer entailed no time constraints and he suggested that the project engineers be directed to review the property as a possible option for placement of the Health and Human Services Building, returning to the Committee with a cost analysis. Mr. Haskell apprised that he had never seen the property himself; however, he said that it was worth reviewing the topographical maps available to determine the feasibility of placing the project there.

Betty Monahan, Town of Queensbury resident, addressed the Committee stating that she encouraged the County to closely review and consider the purchase of the McCormack property as it would keep the current campus from becoming landlocked and developed by another real estate developer. In addition, she noted, the County needed to look to the future, when additional expansion might be required.

Mr. Haskell assured that the project engineers would be directed to review the existing topographical maps to determine if the property was appropriate for the proposed Health and Human Services Building and the costs associated with locating it there.

Mr. Champagne apprised that he had walked the McCormack property and he reminded the Committee that some years ago the property had been basically landlocked, requiring a double lane road for fire purposes. He said that there was a right-of-way access between the parcels owned by Mr. D. Kenny; however, the road was far less adequate than what was required by the Town as far as width for road construction. From that prospective, Mr. Champagne said that he questioned the real value of the property to any party other than the County or another adjoining landowner as

there was no other adequate access to the parcel.

Mr. Haskell agreed with Mr. Champagne, adding that he had spoken with Mr. D. Kenny in great detail with respect to the property. Without buying another parcel, the McCormack property seemed to be landlocked to anyone without adjoining property, he explained.

Discussion ensued.

Mr. Tessier expressed that he felt it was ridiculous to change the schematic design of the proposed Health and Human Services Building considering the amount of time and money spent producing it. He said that if the building designed was what was needed they should decide where to put it and give the job to the lowest bidder, rather than exploring additions to the Municipal Center and other such ideas.

Mr. Haskell stated that he did not want to make any final decisions on the project until all options had been extensively reviewed and he assured all present that those steps would be taken.

Moving on, Mr. Haskell apprised that there was an old diesel generator in the basement of the Municipal Center which the County had tried to give away several times, to no avail, as in order to remove the generator it had to be completely dismantled because the building was basically built around it. Mr. Haskell stated that he was under the impression that the Town of Chester was interested in the generator, which was leaking oil and had to be removed, and he asked the Committee to consider giving it away to any community able to remove it.

Mr. VanNess suggested that in order to make the deal legal, a \$1 selling price should be attached to the item, and Mr. Bentley stated that more could be received by selling the generator to a salvage yard.

Motion was made by Mr. VanNess, seconded by Mr. F. Thomas and carried unanimously to authorize Mr. Morehouse to sell the generator to any community wanting it, and able to remove it within 30 days, for \$1 and to pursue a junk dealer for its sale if no community was interested.

Referring to the county-owned property located parallel to the Municipal Center on State Route 9 and Gurney Lane Road, Mr. Haskell asked the Committee to consider selling the property, thereby returning it to the tax rolls for increased revenues. He said that it was a very unique time to sell the property and they could always refuse the bids if they decided against the sale.

Mr. Geraghty asked if a permissive referendum was necessary to sell County-owned property and Mr. Dusek replied that it was not. Mr. Dusek apprised that the parcel would have to be advertised for public bidding and in order to have the ability to reject the highest bid, a minimum price would have to be set. He suggested that if the Committee was not sure that they wanted to sell the property, he would not advise them to put the property out for bid.

Mr. Geraghty asked how many acres the parcel consisted of and what the appraised price for the property was. Mr. Haskell replied that it was a 6.7 acre parcel that had been assigned an estimated

value of \$600,000 by the Real Property Tax Services Department. Mr. Champagne and Mr. Stec agreed that they felt the estimate was far less than the actual value of the property. Mr. O'Connor asked if there were any funds to be gained by logging the timber on the property and Mr. Haskell replied that there was not.

Discussion ensued.

It was the consensus of the Committee that an appraisal of the property should be performed to determine the minimum asking price for the property.

Motion was made by Mr. VanNess, seconded by Mr. F. Thomas and carried unanimously to authorize the appraisal of the County-owned property located at State Route 9 and Gurney Lane Road, for further Committee discussion to set a minimum price for the public bid of the property.

Mr. Tessier stated that he was opposed to the sale of County-owned property because in prior years the County had sold 165 acres at the Airport site and had subsequently been forced to buy it back for expansion purposes. He said that in light of the fact that the Committee was already discussing the need for land for future expansion it made absolutely no sense to sell County-owned property. Mr. Tessier stated that the County was currently experiencing space constriction because they had not reacted appropriately 20 years ago to land available for sale at that time. Mr. Haskell agreed that he was not normally in favor of selling County-owned property; however, in this instance the unused parcel could be sold to recoup the majority of funds needed to possibly purchase the McCormack property.

Mr. Stec asked for the status of studies authorized for timber cutting on County-owned property and Mr. Lamy apprised that contracts had been signed to begin the studies and he would contact Mr. Stec with the exact progress of those studies.

Privilege of the floor was extended to Julie Pacyna, Purchasing Agent, to discuss the responses received from the RFP (Request for Proposal) authorized for the leasing of office space for the Tourism Department. *Copies of the bid tabulation information are on file with the minutes.*

Mrs. Pacyna apprised that three qualifying bids had been received, from Advance Rental & Supply; Kenny Brock Partnership and 333 Glen Street Associates, LLC c/o Merlin Development. She said that the Advance Rental & Supply bid consisted of a building to be constructed on a portion of the property occupied by the Trading Post Restaurant, next door to the Municipal Center. Mrs. Pacyna stated that the building would be constructed according to County specifications; however, it would not be complete for occupation in May as was the Committee's desire. The Kenny Brock Partnership bid was for the building currently occupied by the Reebok Outlet on Route 9, north of the Municipal Center, she apprised. Mrs. Pacyna explained that the first of the units would be available in May, and the remainder of the building would become vacant in November. She read that the third bid option was received from 333 Glen Street Associates, LLC c/o Merlin Development and was for space in the CNA Building, consisting of the first and fourth floors of the Building. Mrs. Pacyna noted that the first floor would be designated to the Tourism Department while the fourth floor would be used as additional office space for the Tourism Department or any other Departments that

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might be moved to that location. She advised that all three options had been bid at the same price of \$15 per sq. ft. with escalation allowances for the future.

Mr. Haskell stated that the Advance Rental & Supply bid could be eliminated as the building would not be ready within the time frame needed, leaving either the CNA Building or the Reebok Outlet as the viable options. He apprised that there was no doubt that the Reebok Outlet, located north of the Municipal Center near the outlet malls, would be more appropriate placement for the Tourism Department than the CNA Building and he asked the Committee for their opinions.

Mr. W. Kenny asked why leased space for the Tourism Department was being sought when the County intended to construct a new building and Mr. Haskell replied that the space was needed immediately and it was unknown when the new building would be constructed. Mr. Haskell clarified that the issue had arisen from the Court Systems need for additional space and in an effort to appease the Courts, the Committee had decided that the Tourism Department should be moved to alternate housing and the Planning Department moved to the space vacated by the Tourism Department to give that portion of the building to the Court System, thereby temporarily alleviating their space restrictions.

Discussion ensued.

Mr. Champagne asked if the Tourism Department was moved to a rented facility and changes made to give additional space to the Courts, would the State mandated requirements be met and Mr. Haskell replied that they would not; however, they would be appeased temporarily so that they might proceed with other projects. Mr. Champagne stated that it was his understanding that any renovations required to space occupied by the Court System would be reimbursed to the County by the State in leasing or rental fees and Mr. Haskell replied that this was not necessarily true. Mr. Morehouse clarified that the State would reimburse most of the costs of renovation to space occupied by the Court System; however, they would not cover the costs of any new construction, handicapped accessibility, elevators or stairwells.

Mr. Geraghty asked why steps were not being taken to either remove the old jail building or renovate it for future use and Mr. Haskell replied that this subject had been discussed and Mr. Dusek was currently working on an RFP for the removal of that portion of the building. Mr. VanNess clarified that in previous discussion it had been determined that the only value in that portion of the building was the scrap steel to be removed, and hopefully that value would cover the majority of the costs associated with the removal of the old jail.

Returning to the subject of leasing space for the Tourism Committee, Mr. Haskell asked the Committee how they wished to proceed.

Mr. O'Connor asked if the Reebok Building would be available for occupation in the time frame desired and Mrs. Pacyna advised that the 4,800 sq. ft. required would be available on May 1, 2007. Mr. Dusek stated that a lease would need to be negotiated with Kenny Brock Partnership if the Committee desired the use of their property and the Committee would also need a Resolution for the upcoming April 20<sup>th</sup> Board meeting so that he might begin such lease negotiations with Kenny Brock

Partnership.

Mr. Caimano asked how the Committee intended to fund the lease agreement as it was not included in the 2007 Budget and Mr. Haskell replied that a source of funding would have to be determined by the Finance Committee.

Discussion ensued.

Mr. VanNess stated that they had been able to survive with the space constraints thus far and he asked if the leasing of additional space could be delayed until 2008 when it could be included in that year's Budget. Mr. Caimano replied that they certainly could and he had asked the Committees to notify him of such upcoming costs when preparing the 2007 Budget. He stated that instances such as this one were responsible for breaking the Budget each year. Mr. Caimano noted that they may be able to fund the leasing costs through Occupancy Tax funding; however, that avenue would have to be thoroughly researched as it had been previously determined that Occupancy Tax funding could only be designated for advertising and promotion purposes.

Mr. Haskell said that it was unfair for the Committee to have wasted the time of both the County and the three groups bidding on the RFP, if they had no intention of proceeding with the request. Mr. VanNess stated that he thought the RFP for lease space had been authorized some time ago, when the Committee had intended to gain additional space for both the Tourism and Board of Elections Departments, and it might have been the Committee's mistake in not eliminating the RFP when it was determined that the space was needed only for the Tourism Department. He added that if he were to vote on the issue again he would most likely vote against the RFP, as funding for this was not available within the Budget. Mr. VanNess said that if they were able to get by with the space currently available, they should do so.

Mr. D. Kenny addressed the Committee stating that although he would prefer that the Committee choose to lease his property for the Tourism Department's use, a more visible presence was needed for that Department, wherever they chose to place it, as the area was primarily tourist-related. He suggested that the Committee further research the use of Occupancy Tax funding for lease costs. In addition, Mr. D. Kenny stated that once placed, New York State might be interested in exhibiting at the more visible site, contributing to leasing costs and decreasing the portion required of the County. In closing, Mr. D. Kenny stated that if Warren County wanted to remain in the Tourism business, they should keep the tourists' needs in mind, rather than those of the local business people, and a more visible Tourism Department would certainly make the tourists feel welcome and important.

Motion was made by Mr. Champagne, seconded by Mr. Geraghty and carried unanimously to select the proposal received from Kenny Brock Partnership for lease space located at 1434 State Route 9 and refer same to the Finance Committee to determine a source of funding and also to authorize Mr. Dusek to begin negotiating lease terms with Kenny Brock Partnership.

Mr. Haskell stated that he agreed with Mr. D. Kenny's statement that in order to attract a higher volume of tourists a more visible presence was necessary. Mr. VanNess stated that he did not feel

that the space was necessary at this time and Mr. Haskell replied that he should make his feelings known at the upcoming Finance Committee meeting where funding would be discussed.

Mr. Sokol stated that he felt the discussion had been helpful and he apprised that at a recent Budget Committee meeting Mr. Caimano had suggested a three-year budgeting term for the future to review anticipated costs. He said that items, such as this one, could be accounted for by developing a business plan for the future.

Mr. Haskell said that although he did not think the use of a business plan was a bad idea, one major disaster could expend all of funds saved, impacting several future Budgets.

Mr. Caimano stated that it seemed to be the consensus of the Committee that he did not feel tourism was important to the County, and he found that personally offensive because it certainly was not the case. However, he said, he felt strongly that it was very important to get a grip on what they were doing financially for the best interest of the County, and keeping the Budget in mind, before making decisions such as this. Mr. Caimano reminded that, although he was aware of the space constraints facing the Committee, it was the State that had mandated the acceptable uses of Occupancy Tax funding and not the Budget Officer.

Discussion ensued.

Mr. F. Thomas stated that he was not sure why the costs for leasing could not be taken from Occupancy Tax, because it was, in fact, the promotion of Tourism. Mr. Dusek replied that he would have to closely review the matter to determine if these costs were eligible.

Mr. Champagne apprised that anyone whom had ever traveled had seen how extensive Tourism Centers could be and he saw a Tourism Department placed at the anticipated lease site as having great potential. He added that there was not an abundance of foot traffic at the current site within the Municipal Center and that could be greatly increased by moving the Department to a more visible site. Mr. Champagne said that he could foresee the revenue generated by moving the Tourism Department covering the leasing expenses incurred.

Mr. W. Thomas stated that Mr. F. Thomas had made a valid point in the use of the Occupancy Tax for leasing costs and Mr. Champagne had given the reason why the Committee should fight for that use.

Phil Tucker, Greater Capital Region Building Trades Council, agreed that a more visible venue for the promotion of tourism was necessary. He asked what interest the County had in the Tourism Building in Lake George and Mrs. Parsons replied that the County had made a commitment of \$30,000 for two years to that site. Mr. Tessier added that the funds contributed had been for two years, 2005 and 2006, so those funds had been expended. Mr. Tessier reminded the Committee that originally, plans had been made to place a tourism building in front of the Municipal Center, directly across from Exit 20 of the Northway, and \$80,000 had been budgeted to begin the project; however, he noted, the Public Safety Building project had been announced and the new building for tourism was forgotten and the funds budgeted were used in connection with the Public Safety Building

project.

Discussion ensued.

Mr. Lamy announced that he had contacted his office and found that Fountain Forestry had completed a review of aerial photography of County-owned property and they were scheduling a meeting to determine the future of the project. Mr. Haskell asked that he be notified of the meeting date and time as he would like to attend, and Mr. Lamy replied that he would certainly contact Mr. Haskell when the meeting had been scheduled.

As there was no further business to come before the Committee, on motion made by Mr. F. Thomas and seconded by Mr. Champagne, Mr. Haskell adjourned the meeting at 11:48 a.m.

Respectfully Submitted,  
Amanda Allen, Legislative Office Specialist