

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: OCCUPANCY TAX COORDINATION

DATE: MAY 10, 2007

COMMITTEE MEMBERS PRESENT:

SUPERVISORS CAIMANO
KENNY
GABRIELS
HASKELL

OTHERS PRESENT:

KATE JOHNSON, DIRECTOR OF TOURISM
VONDA BEATTIE, SR. ACCOUNT CLERK, TOURISM
HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE &
FISCAL SERVICES
JOANN MCKINSTRY, DEPUTY COMMISSIONER OF
ADMINISTRATIVE & FISCAL SERVICES

COMMITTEE MEMBERS ABSENT:

SUPERVISORS TESSIER
MERLINO
MONROE

JOAN SADY, CLERK OF THE BOARD
SUPERVISOR STEC
ROBERT METTHE, DIRECTOR OF INFORMATION
TECHNOLOGY
FRED AUSTIN, BUILDING PROJECTS COORDINATOR
CHARLENE DIRESTA, LEGISLATIVE OFFICE SPECIALIST

Mr. Caimano called the meeting of the Occupancy Tax Coordination Committee to order at 9:32 a.m.

Motion was made by Mr. Kenny, seconded by Mr. Gabriels and carried unanimously to approve the minutes of the January 29, 2007 Committee meeting, subject to correction by the Clerk of the Board.

Copies of the Warren County Occupancy Tax Revenues & Expenditures Reports for both the year ending 12/31/06 and for the first quarter of 2007 (1/1/07 - 3/31/07) were distributed to the Committee members; however, Mr. Caimano stated that the purpose of the meeting was to discuss the acquisition, lease or construction of a Tourism building. *Copies of both Warren County Occupancy Tax Revenues & Expenditures Reports are on file with the minutes.*

Mr. Caimano apprised that the only Committee member present who had not seen the Power Point presentation given by the Treasurer's Office at the Tourism Committee meeting on May 2, 2007 was Mr. Haskell and added that with the exception of the delinquent taxes the report was favorable. Mr. Haskell asked what th amount of delinquent taxes totaled. Joan Sady, Clerk of the Board, retrieved the minutes from the Tourism Committee meeting and stated that there were eleven lodging properties unpaid for 2006 and eight that had made partial payments which amounted to approximately an additional \$100,000 in revenue.

Kate Johnson, Director of Tourism, apprised that letters had gone out on May 2, 2007 stating that if the delinquent taxes were not paid within ten days, the issue would be referred to the County Attorney. Mr. Haskell questioned if Francis O'Keefe, Treasurer, had indicated whether the lodging properties that were delinquent for 2006 were the same ones that were delinquent for 2005 and Mr. Caimano replied in the negative.

Hal Payne, Commissioner of Administrative & Fiscal Services, apprised that he had spoken with Richard Murphy, Deputy Commissioner of Fiscal Services, with respect to the Tourism building. Mr. Payne added that at the end of 2006 there was \$2, 247,400 in the reserve fund for Occupancy Tax. As of January 1, 2007, he continued, \$2,150,000 was appropriated for the 2007 County budget, leaving a balance of \$97,400 in the reserve fund for Occupancy Tax.

Mr. Payne informed the Committee that the Kenny Brock Partnership property would cost \$72,000 for a one-year lease. He added that Robert Metthe, Director of Information Technology, had estimated it would cost an additional \$30,000 to equip the building with phone and computer lines. Mr. Metthe stated that he had reworked the figures and it would be closer to \$25,000. Mr. Payne added that after placing signage on the property and hiring additional staff, the final cost would exceed the funds available in the 2007 County budget. Mr. Caimano apprised that the type of lease offered was a triple net lease, which meant that the County would have to reconstruct the interior of the building to suit the needs of the Tourism Department.

Mr. Caimano stated that the funds were not available to make the Kenny Brock Partnership property a viable solution. Mr. Payne added that Kenny Brock Partnership would have to evict two of their current tenants, which would delay the process approximately thirty days to three months. Mr. Caimano recommended that the Committee devise a plan for the Tourism building for next year and include the cost in the 2008 County budget.

Mr. Kenny stated that he was opposed to leasing a building for Tourism, and added that he felt the County should design and construct their own building. He added that they should decide the maximum amount to be budgeted for the construction of the building equal to what it would cost to lease a building for a thirty year time period. He further noted that the size of the proposed building should be decided by the amount of funds designated as the maximum amount allotted.

Mr. Haskell stated that the County would not be able to occupy the Kenny Brock

Partnership property until July at the earliest, which would cut the lease amount for the year to \$36,000 (half of \$72,000) plus the cost of phone and computer lines (\$25,000). Mr. Caimano stated that signage, rebuilding the interior of the building to the County's specifications and taxes would also have to be considered in the cost of that property. He added that he thought the initial cost for this year would be at least \$200,000.

Mr. Kenny expounded that he was opposed to the Kenny Brock Partnership property's location because it was not visible from the highway. Mr. Haskell apprised that there would be signage out front to let people know the location of the Tourism building. Mr. Caimano stated that signs would also be needed at Northway Exit 20, advising tourists which way to go. Ms. Johnson said that she felt that the location offered great visibility and added that she also liked the location across the street from the property, the current Basketville building. Mr. Kenny stated that he felt the Basketville location was preferable. Mr. Haskell said that tourists on their way to Vermont for vacation, might stop in to pick up brochures for their next years' vacation. He added that the current location of the Tourism Department, within the Municipal Center, was unfavorable.

Mr. Caimano stated that he felt the best location for the Tourism building would be right off the Northway Exit 17, should it ever become available. Ms. Johnson said that Exit 9 was also a very busy location. She added that the Information Center was not open on a daily basis until the beginning of the season and was only open Friday and Saturday in the winter; however, the restrooms were open daily.

Mr. Caimano questioned if the Committee wanted to do anything this year or wait until 2008. Mr. Kenny replied that the Committee should not wait until 2008 and added that he felt the Committee should explore the possibility of constructing a building. Mr. Haskell apprised that the County's number one industry was Tourism and added that he felt the Tourism Department could double the amount of information that they distributed, if they occupied the Kenny Brock Partnership property. He further added that although the County would not benefit this year from a move to that building, he felt that they would benefit in 2008. Mr. Kenny apprised that the majority of the tourists who entered the Information Center, were looking for information on restaurants, attractions, hotels, etc.

Mr. Caimano asked Fred Austin, Building Projects Coordinator, if he had anything that he would like to add. Mr. Austin stated that he would turn the issue over to William Lamy, Superintendent of DPW (Department of Public Works), and ask him to apply for a permit for a curb cut off on Route 9 across from the Northway Exit

20. He continued that it used to be acceptable to have an entrance-only permit, opposite of the exit ramp. He further noted that he agreed with Mr. Kenny that a building should be constructed as opposed to leased. Mr. Austin apprised that the building should be easily accessible and added that he did not feel that the Basketville location met that criteria.

Mr. Haskell questioned how long it would take to obtain a permit and to construct a new building. Mr. Caimano answered that he did not know; however, he felt that the Committee should consult with Mr. Lamy to find out.

Mr. Haskell apprised that if the proposed Health and Human Services building and the Tourism building were both built on the Municipal Center property that it would create a traffic flow problem. Mr. Caimano stated that he was in favor of the idea of leasing the Basketville building. Mr. Austin said that when they toured the Kenny Brock Partnership building, he and Frank Morehouse, Superintendent of Buildings, had also looked at the Basketville building. He added that he felt that location had everything that the Tourism Department needed, such as plenty of room out back, a loading dock and great visibility from Route 9.

Mr. Caimano stated that he felt the Basketville building was a preferable location. Mr. Haskell agreed and added that the building was more "Adirondack looking"; however, the owner of the building did not respond to the RFP (Request for Proposal). Mr. Caimano suggested that the owner may not live in the area and probably was not aware of the County's need for a building. Mr. Caimano suggested that Mr. Payne contact the owner of the Basketville building about the cost to lease the building and to see if they would be interested in selling the property to the County.

Mr. Haskell questioned whether they could contact the owner about a lease because the County had submitted a RFP and received bids. It was the consensus of the Committee to consult with Paul Dusek, County Attorney, about the legal ramifications of approaching the owner of Basketville, since they did not respond to the RFP. Mr. Caimano said that the Committee would do everything possible to find a location for the Tourism building as quickly as possible.

Mr. Gabriels questioned if the RFP's for lease space needed to be rejected, since they were not going to accept any of the bids at this time. Mr. Payne replied that the bidders would have to be notified that the County would not be accepting any of the proposals. Mr. Caimano suggested authorizing Julie Pacyna, Purchasing

Agent, to notify bidders that the Committee had rejected all bids for lease.

Motion was made by Mr. Kenny and seconded by Mr. Gabriels to authorize the Purchasing Agent to advise bidders that the Occupancy Tax Coordination Committee had rejected all bids for lease of office space for the relocation of the Tourism Department.

Mr. Payne acknowledged that the Basketville location was also beneficial due to a large warehouse in the back of the building for storage. Mr. Caimano apprised that if the County was going to lease a building, the Basketville location was the most logical choice; however, he added that he would prefer purchasing the building instead.

Following discussions, Mr. Caimano called the question and the motion was carried by majority vote, with Mr. Haskell voting in opposition, to authorize the Purchasing Agent to advise bidders that the Occupancy Tax Coordination Committee had rejected all bids for lease of office space for the relocation of the Tourism Department.

Ms. Johnson reminded the Committee that they had previously discussed the concept of constructing a building on the McCormick property. Mr. Haskell apprised that Mr. McCormick had offered the property to the County for \$1.2 million and added that the County had architects and engineers assessing what, if anything, would be a suitable use for the property. Ms. Johnson questioned if there was currently excavating being done on the property and Mr. Caimano replied in the negative. Mr. Payne stated that a one hundred thousand square foot box store was being built behind the Reebok store on that property. Mr. Haskell apprised that Dave Kenny, of Kenny Brock Partnership, had offered to split the cost and ownership of the McCormick property with the County.

Mr. Caimano expounded that the only bid from the RFP that was feasible, in his opinion, was the offer to tear down the Olde Post Grill and sell the corner property to the County.

Mr. Austin remarked that it would be difficult for a bus coming off Exit 20 to be able to turn left off Route 9 into the Basketville parking lot, especially in the summer months.

Mr. Kenny stated that when the original projections for Occupancy Tax were

completed they had been expecting \$2.5 million in the first year. He continued that the projections stated that after a sustained period, for every 10% of increased expenses, they could expect 1% of increased revenue. He said that Occupancy Tax had increased expenses by 200% and revenue by 20% in the last three years and added a sustained period was usually five or more years and he felt that put them ahead of schedule.

Mr. Caimano commended Ms. Johnson and her staff and added that Occupancy Tax was up \$100,000 in the first quarter when compared to 2006. He further added that Linda Wohlers, Creative Director of Tourism, was doing an excellent job with advertising materials. Mr. Kenny apprised that the revenue was increasing and accredited it to the work of both the Tourism Department and Paul Kaza Associates, Inc.

Mr. Kenny expounded that if the lodging properties that were still delinquent in their 2006 Occupancy Tax, continued to be delinquent, then the law allowed action up to and including seizure of the property. Mr. Caimano agreed; however, he added, the first step was to turn it over to the County Attorney.

As there was no further business to come before the Occupancy Tax Coordination Committee, on motion made by Mr. Haskell and seconded by Mr. Kenny, Mr. Caimano adjourned the meeting at 10:00 a.m.

Respectfully submitted,

Charlene DiResta, Legislative Office Specialist