

TRAVEL & TOURISM

CHASING 365

INVESTORS HAVE PUMPED MILLIONS OF DOLLARS INTO LAKE GEORGE IN RECENT YEARS. NOW THE COMMUNITY SEES AN OPPORTUNITY TO ATTRACT NEW CROWDS AND BECOME A YEAR-ROUND DESTINATION.



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Katie and Will Carson were knee-deep in renovations at The Lighthouse Grill when Memorial Day weekend arrived.

It did not matter that the restaurant's 80 indoor seats were not yet open for business. The Carsons still had seating for 195 on the deck overlooking the southwestern tip of Lake George. They ended up serving 1,800 customers over the three-day holiday weekend.

The turnout explains why the thirtysomething couple is bullish about the future of the Adirondack Mountains resort community and why – despite rising interest rates – they invested more than \$5 million to purchase and reimagine the restaurant, tour boat, motel and boat rental businesses that Katie's father and grandfather ran for four decades.

Longtime resort and hotel operator Dave Menter and his children have a similar outlook. His sons and daughter-in-law collectively invested \$18.8 million in December to buy two Lake George waterfront resorts – the Depe Dene and Lakefront Terrace.

“We believe in this market as much as we ever have,” said Menter, who has owned and operated hotels with his wife, Theresa, around Lake George for nearly 40 years. “We are seeing a mix of new money coming in and local people who are reinvesting and there are a lot of people still looking to buy properties in the area.”



Will and Katie Carson, owners of The Lighthouse Grill in Lake George.

A look at real estate transactions illustrates Menter's point. During the five years prior to the Covid-19 pandemic, \$61 million was spent buying hotels, cabins, retail shops, restaurants and resort properties in the village and town of Lake George. Another \$61 million has been invested in resort and restaurant acquisitions over the past three and a half years.

Those tallies do not include the tens of millions of dollars that resort owners have spent upgrading rooms, remodeling banquet space and replacing furniture.

"There is no question that investment in construction has proliferated since Covid," said Dan Barusch, director of planning for the town and village of Lake George.

The average number of building permits issued annually prior to the pandemic was 100 for the town of Lake George. The number has grown every year since, jumping to 130 in 2020 and 143 last year.

Momentum behind the Lake George resort market serves as the backdrop for two initiatives that business and community leaders believe will push them closer to their goal of becoming less seasonal and more of a year-round destination.

Fort William Henry resort president Sam Luciano and Adirondack Studios founding principal Tom Lloyd are part of a group who want to hire Montreal entertainment firm Moment Factory to create an interactive video, music and light show they believe will attract 120,000 additional visitors to Lake George between December and the end of March.

Moment Factory, which has developed similar shows for "bad guy" singer Billie Eilish, the Notre Dame Basilica in Montreal and the opening gala of Disney Shanghai, would create a lighted winter attraction at the Fort William Henry resort museum. It is projected to bring in enough visitors to increase countywide hotel revenues by \$6.88 million during the first year alone, while increasing hotel occupancy tax collections by \$275,000.

"It will solve issues that every business has faced for decades," Lloyd told members of the Warren County Occupancy Tax Committee last month. "It is absolutely going to make a huge impact on ... the economic activity in the months when we drive through Lake George Village and see all of the shops closed and all of the restaurants closed and all of the hotels closed."

The group is asking the Warren County Board of Supervisors for \$3 million, enough to cover the majority of the \$4.85 million cost for the first year. Executives involved with the project expect they will be able to repay the county nearly \$3.3 million by using half of the annual profits from the show, and through an estimated \$800,000 increase in occupancy tax that would be collected over the next five winters.

There are two issues they need to overcome. County leaders must agree to help with the financing by July 7 to ensure the winter show will happen this year. And the county needs to make sure there is enough money in its occupancy tax fund to cover all of its commitments for helping communities fund projects that are designed to put more heads in beds.

Benefits will include more year-round employment opportunities, more hotel revenue to fund renovations, more consistent cash flows and it will be easier to fill restaurants in the winter, Lloyd said.

“If not now, then when? And if not this, then what?” Lloyd asked county leaders. “If we cannot capitalize on this opportunity, competing counties will and we will lose a competitive advantage and market share.”



Visitors and residents walk along the edge of Lake George.

DONNA ABBOTT-VLAHOS | ALBANY BUSINESS REVIEW

The push to transform Lake George from a summer playground into a year-round destination has become a familiar chorus since 2014 when developer Dave Kenny and his brother-in-law, Frank Dittrich, started building a six-story, \$38 million Courtyard by Marriott Hotel on Canada Street in the center of the village.

Kenny and Dittrich, who passed away in December, saw the Marriott as a critical first step to attract a new wave of visitors 365 days a year while encouraging more business owners to keep their doors open well after the leaves have fallen and snow covers the ground.

“Just having that big M on Canada Street was the beginning,” said Gina Mintzer, executive director of the Lake George Regional Chamber and Convention and Visitors Bureau. “Having a branded hotel like the Courtyard complements the independent ownership that we have here. It also encouraged a lot of people to up their game and invest in their properties.”

An influx of investments followed as Salim Amersi invested \$10 million to replace 50 older rooms at the Surfside on Lake George with larger quarters and balconies. And John Carr spent more than \$5 million to expand Adirondack Pub & Brewery on Canada Street and construct a distillery a couple doors away.

“How many times do you clean up the yard around your house and before you know it, your neighbor is outside working on their yard,” Mintzer said.

Those same dynamics were at play when the Courtyard by Marriott was built, and she believes it is continuing to have an impact on Lake George.

Mintzer was alluding to a second initiative that business and community leaders are working on that could lead to another infusion of investments for the area.



Image: Albany Business Review

Always busy during the summer, the village of Lake George is considering adding an interactive video, music and light show to attract more visitors during the winter months.

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Dan Barusch, the town and village planning director, is quarterbacking the community's plan to apply for up to \$10 million in economic development funding through New York's Downtown Revitalization Initiative and the New York Forward program.

If the community can work together and develop a plan by September, Barusch believes Lake George has an opportunity to qualify for an injection of state economic development money that will attract more private-sector investments.

"I am hoping we will see a spider-web effect that may come from it," Barusch said.

Two of the community's more urgent needs are more housing for year-round residents as well as seasonal housing for students who come to Lake George each summer to work in hotels and restaurants.

"We need to find ways to bolster the job opportunities we have in the shoulder season and the winter months," Barusch said.

That mindset was one of the factors that prompted Fort William Henry to invest \$10 million renovating its 18-acre resort over the past two years. The resort renovated its rooms and

conference center two years ago. This past year, Luciano and his team spent another \$5 million converting a post-and-beam carriage house into a year-round banquet center and wedding venue.

“With the investments we have made, we are positioned to become a franchise hotel,” Luciano said. “But if the community keeps getting closer to staying open 365 days a year, we would have no need to franchise.” @

Lake George's new look

Lake George has been a hot spot for investments. Here's a look at three recent projects in the community:



The Carriage House at Fort William Henry.

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Fort William Henry Resort

Project: Carriage House renovation

Status: Completed this spring

General contractor: BBL Construction Services of Albany

Investment: \$5 million

Why it matters: Part of the resort's push to host 180 weddings and corporate events per year starting in 2024



The Former Water Slide World amusement park.

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Schermerhorn Real Estate Holdings

Project: Rich Schermerhorn Jr. wants to redevelop the former Water Slide World amusement park

Location: Corner of Route 9 and Route 9L

Status: Acquired the 12-acre property for \$3 million in July 2022; project timing is unclear

Why it matters: One of the region's most prolific apartment builders is considering a project that could include retail, offices and 200-plus apartments for a community with high demand for more housing



Image: Albany Business Review

Melissa and Sean Quirk.

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Anchor Condominiums

Project: Sean and Melissa Quirk are converting King Neptune's Bar & Grill into two- and three-bedroom condos with fireplaces, granite countertops, dock space, and balconies overlooking the southwestern tip of Lake George

Status: Construction scheduled to begin this fall

General contractor: BBL Construction Services; architect AJA Architecture and Planning of Glens Falls

Asking price: Five condos starting at \$1.5 million

Why it matters: The couple makes their first step into what could become multiple condo developments in Lake George