

GUEST COLUMN DOES A HOTEL REALLY MAKE 'CENTS?'

BY BOB KAMPF

Pros and cons about having a hotel on the grounds of the Culinary Institute property will most certainly take center stage, cooking up controversy once again in the kitchens of Hyde Park.

On the face of it, one would be led to believe that a grand, spanking-new hotel would help to make Hyde Park the unique conference center it should be. Certainly, many organizations could be attracted to our shores to hold annual meetings in the living room of the Roosevelts.

Construction would benefit the building industry, and there would be employment for many who are now on the unemployment line or in less attractive, part-time positions.

These, and other promising factors, will be highlighted by CIA personnel and town leaders, who envision giant steps of economic growth in the coming of Hyatt to Hyde Park.

Of course, the other side of the coin might be favored by local hospitality merchants in the motel and bed/breakfast industry. Like local restaurants, which may suffer somewhat from the fact that the CIA has four operating food-service establishments and one bakery, those in these businesses would most certainly wonder why they must compete with establishments that pay less than 100% of their taxes, if any taxes are paid at all.

The CIA is seeking a zoning change in order to work a deal with the Hyatt chain for the construction of the hotel. Some initial comment at town board workshops provided indication that this would be separate from the CIA. Indeed, it would become a private, tax-paying operation. Beware, however, of those bearing gifts!

Some of us locally see the Culinary Institute as a blessing in our midst, and, in many ways, it is just that. Others believe that the administration of the CIA could do more for the local economy in the form of payment in lieu of taxes (PILOTs), or by special offers to local taxpayers.

While Hyde Park provides year-round services to the CIA, discussion, a few years back, of what the CIA has done for the town turned up the fact that the CIA does offer a special dinner event for our firemen in the Roosevelt Fire Department, amounting to approximately \$25,000.

Very few other financial benefits to the town were reported. Meanwhile, the meals at all five CIA restaurants (which do not come cheap) just keep coming out of their kitchens.

HOSPITALITY EDUCATION

While on the town board a few years ago, when the Gagne project proposed a large hotel and conference center on the east side of Route 9, I questioned if the hotel would forever remain on the tax rolls, if constructed, or if the hotel would, one day,

become part of the CIA's expanding hospitality education program, which has gone from a simple two-year associate program to a four-year baccalaureate offering, and now, like Johnson and Wales and other culinary-centered institutions, into the hotel management realm.

Some at the CIA indicated they did not have plans for taking that next step at the time. Now, the Gagne project is on hold, and the Hyatt project looms ahead.

Hyatt is one of the world's top operators of full-service luxury hotels and resorts. "We are a hospitality company and it is our talented workforce that is taking care of our customers that ultimately makes the biggest difference for Hyatt," says Hyatt's vice president for recruiting, Randy Goldberg.

Hyatt has embraced emerging technology to find future leaders through its college campus recruiting program. Goldberg's company has designed its corporate management trainee (CMT) program for college graduates with great potential to become part of Hyatt's top management team. Trainees spend two months or more rotating through each department in the hotel before landing in their chosen area of concentration.

If one were to research where Hyatt concentrates its activities, they would find there are "training hotels" near such colleges as Temple University in Philadelphia and that several of their more than 365 hotels are located in close proximity to campuses at resort and vacation centers across the USA and in more than 45 countries. They may be under other names like Summerfield Suites, Andaz, or Grand Hyatt, but they are all under the same umbrella. What better location for their CMT program could exist than the campus of the premier culinary educational center of America? Maintaining a complete separation from the educational community there would be impossible. It would be only completely plausible that solid arrangements would be made to use, train and hire CIA graduates—while getting a "little" tax break in the process.

So, it behooves our town government to be cautious in considering this change and hotel construction. If Hyatt enters into a long-term agreement with the Culinary Institute, it could be under the guise of a "pooled income fund," which is tax exempt! Initially, those seeking the change might indicate that the hotel operation would enhance local property taxes, but for how long and in what percentage?

Not only should our town leaders be watching the agreement between the town and the CIA on the zoning amendments, they should be prepared to check, very carefully, any agreements being made between the CIA and Hyatt Hotels. The consequences of not doing so could lead to a bigger surprise than finding a piece of chocolate resting on your pillow. For those in our current hospitality industry in Hyde Park, and for future town boards, it could lead to nightmares!

Bob Kampf is a former five-term Hyde Park councilman from the 3rd ward, and retired principal of the Dutchess BOCES Technical Center, which operated a food services program for high school students.