

EXCHANGE AMONG  
MIKE DEEP AND BILL DENSMORE  
REGARDING THE WAUBEEKA HOTEL PROPOSAL

VIA EMAIL, APRIL 2-3, 2016

From: Bill Densmore [mailto:wpdensmore@gmail.com]  
Sent: Friday, April 01, 2016 1:36 PM  
To: Mike Deep <michaeldeep@deepassociates.net>  
Subject: Fwd: FILE NOTE: Discussion with Mike Deep at town hall this morning

Mike:

I made a few notes from our unplanned discussion at town hall this morning and they are below. I would like to do a blog post at <http://www.greyllocknews.com> about the comments as I have reported them. But before I do, I wanted you to have a chance to confirm that I got what you said correctly on these points.

Can you take a look please and let me know?

Thanks!

-- bill

On Sat, Apr 2, 2016 at 9:25 PM, Mike Deep <michaeldeep@deepassociates.net> wrote:

Dear Mr. Densmore,

Thanks for your email. See my comments below ("From Mike").

DENSMORE RECOLLECTION OF DEEP COMMENT AT TOWN HALL:

**1) "If I don't get this zoning change approved I'm going to build 120 units of affordable housing there. The golf course is gone."**

COMMENT VIA EMAIL FROM MIKE DEEP:

- From Mike: I have said all along that Waubeeka is losing money and neither I nor anyone else will continue to subsidize it indefinitely. It's not possible. Waubeeka was built in 1966, 50 years ago, and it was a good model in 1966. Things change. In order for a golf course to provide a first class venue, tees must be mowed, greens must be cut and rolled, fairways have to be mowed, roughs have to be managed and each of these jobs requires specialized labor and specialized machines. Today, the average golf course mower cost nearly \$40,000. Expenses (insurance, energy, fuel, labor, equipment) have risen dramatically, yet green fees have not kept pace.

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We are in an area where golf is a seven-month sport at best, and something as natural and unavoidable as rain, on a tournament day, reduces income substantially. Even Jim Goff who is a super smart and successful businessman could not make money at Waubeeka. He was exploring turning it into housing because he had no good options. That was a terrible heartbreak to him because he loves golf (he was on

the golf team at Yale), comes from a golfing family and grew up with golf (his dad Rudy was the head pro at Taconic for 20 years), loves Waubeeka (he won a high school championship playing here for Mt. Greylock), and invested a great deal of his money into the golf course during the time he owned it. \

When I purchased it from Jim I gave him my word I'd try to save it, and that's what I'm doing. If I wanted to flip it to make a quick dollar I could have done that as soon as I bought it. Instead, I have put my heart and soul and a lot of my money into this golf course. I didn't need to lose a lot of money for these past years or put myself through this effort of trying to get the town to work with me.

You asked me if I would sell the golf course as soon as I got a zoning change and walk away with a windfall profit. As you might remember, I said that I did not want to sell Waubeeka for any price until the resort was built and all the Williamstown residents would see what a beautiful and lasting structure was on the property. That will probably at best be a four- to five-year process from now, so if you add the years I've already owned it, it will be a vision six to seven years in the making. There will be nothing quick about any of this.

“A windfall profit sir would have been me shutting down the golf course the day after I bought, plowing under this gorgeous 50-year-old gem, and then cutting it up into nine lots to make nine McMansions on the site. If I wanted to do that I would have done it by now.”

As I mentioned to you, I envision the Waubeeka resort as a worldwide destination, with a spa, swimming pool, tennis courts and other amenities befitting this type investment. A windfall profit sir would have been me shutting down the golf course the day after I bought, plowing under this gorgeous 50-year-old gem, and then cutting it up into nine lots to make nine McMansions on the site. If I wanted to do that I would have done it by now. Please don't ever say I got in this to make a windfall profit. If Waubeeka is not allowed to change its business model it will be gone. If that happens, it will be one of the saddest days of my life. I love this golf course and I'm trying to save it.

If the zoning change is not approved and Waubeeka goes out of business I will explore all of my options as would

any property owner. I have said that publicly and repeatedly. There are several options that will be explored:

1. Among those options certainly is a 120 unit single family housing development under chapter 40B which would help the town in its effort to provide affordable housing.
2. Another option is the by-right selling of 9 home lots using the frontage available on routes 7, 43 and Old Mill Road.
3. The third and very much preferred option is to build a resort inn with a 300 seat banquet facility as proposed to the Williamstown Planning Board since September, 2015.

In pursuing this [third] option please note the following:

- This proposed resort will yield to the Town \$500,000 in additional tax revenue every year after completion.
- Waubeeka will keep its 40 employees and add approximately 60 more jobs, making Waubeeka the 4th largest employer in Williamstown.
- Waubeeka will be another reason for tourists to visit Williamstown, yet, once built they will have the option to not only stay and play, but visit local restaurants and shop in local stores.
- Waubeeka will remain an 18 hole golf course and will provide the town not only with this wonderful amenity but visually it will be a great improvement over the current 3 buildings now occupying the property.

DENSMORE RECOLLECTION OF DEEP COMMENT AT TOWN HALL:

**2) He took issue with characterizing his resort to a citizen petition as "circumventing" the Planning Board. He said he reached a point where the planning board was not acting by a deadline that he had in his own mind and he had to get the petition filed at least 90 days before the town meeting, so he went ahead and filed it.**

COMMENT VIA EMAIL FROM MIKE DEEP:

• From Mike: On Jan. 26 during the fifth meeting at which the Waubeeka by-law was being discussed, the Planning Board took a vote and said they would no longer discuss Waubeeka unless among other things I produced a professional marketing study, and also a developer and gave them the developer's credentials.

People need to understand, the by-law does NOT create a by-right ability to build a hotel. It provides a right to ASK the ZBA to consider an application for a special permit to build a hotel, and the ZBA then needs to decide in favor by a 4 out of 5 vote after an exhaustive hearing process. There will be ample time to evaluate all aspect of any development, when there is an actual proposal made to the ZBA, which won't be for several years at best. I can only assume the Planning Board took that vote on Jan. 26 because they want to be the ones to evaluate the business plan of the resort and also the developer and the developer's credentials. If they were satisfied they'd start talking about the by-law again.

I have publicly taken issue with the idea that the Planning Board should be in the practice of evaluating business plans, or people wishing to come invest in Williamstown but, be that as it may, that's the vote they took.

I have said over and over that it will be impossible to get a developer interested in this project without a by-law. Developers ask two questions:

- (1) do you control the land (own it or have it under option), and
- (2) does the zoning allow a way for a project to be built?

If the answer to either of those most preliminary questions is no, they do not waste their time on you. Having the conversation shut down on Jan. 26 because I had no developer, there was simply no way I could have found one in time to get the by-law onto the town meeting warrant, and if through some miracle I could find a developer, we would still need to schedule a Planning Board meeting so they could evaluate the developer and his credentials, and the business plan, and then and only then we'd resume talking about the by law.

I made an assessment with the advice of my attorney and I believe it was a reasonable one: by then the time to get this on the town meeting warrant would have been gone. I did not end-run the Planning Board. The Planning Board stopped talking to me and asked me to do the impossible before they would start talking to me again.

The law in Massachusetts allows a citizens' Petition. The Planning Board does not get to refuse to talk to people and then accuse them of an end-run for exercising their statutory right to proceed by citizens' petition. People in Williamstown have a right to bring a citizens' petition for Waubeeka. If they don't have that right then no one else does either. There aren't two sets of rules, one for Waubeeka and one for everyone else. I don't think the people of Williamstown would ever accept the idea that they've lost the right to bring a citizens' petition.

**"I did not end-run the Planning Board. The Planning Board stopped talking to me and asked me to do the impossible before they would start talking to me again."**

DENSMORE RECOLLECTION OF DEEP COMMENT AT TOWN HALL:

**3) He insisted that he will not consent to a permanent restriction of the undeveloped land as a condition of getting zoning for a hotel. His argument is that no-one should tie up land**

**in perpetuity -- you never understand what the needs of future generations would be. He was unyielding on this point.**

COMMENT VIA EMAIL FROM MIKE DEEP:

- From Mike: I did not say that no land should be tied up in perpetuity. I was talking specifically about Waubeeka. Waubeeka is beautiful land with rolling hills with thousands of feet of frontage on two state highways, and at the convergence of those highways.

None of us knows what the needs of the town of Williamstown will be 100 years from now. For all we know Williams College might want to build an environmental studies graduate school some day in the future, or perhaps a tech company producing a product that is not even in anyone's imagination now. Perhaps they could build a gorgeous, environmentally friendly office campus. Waubeeka would be a wonderful location for such uses, which could provide many jobs in the economy of the future.

“None of us knows what the needs of the town of Williamstown will be 100 years from now . . . Perhaps they could build a gorgeous, environmentally friendly office campus. Waubeeka would be a wonderful location for such uses, which could provide many jobs in the economy of the future.”

“Waubeeka, with all that frontage on two state highways, and which has been run as a business for 50 years already, should not be removed from the opportunity of all future generations. I am firm on this point and I've said so repeatedly.”

The point is there are no other parcels of land in Williamstown with great access to two state highways at which such dreams might become reality. There is a lot of permanent open space in Williamstown and that is all well and good. But that means there are very, very few places left where the future can take shape. Williamstown is 46.8 miles in area, roughly 30,000 acres. According to the town's 2002 Master Plan, “The amount of privately owned, vacant land available for industrial or commercial expansion in Williamstown currently totals less than seven acres.” Seven out of 30,000. That's 0.023 percent. Please confirm with Andrew Groff, but my understanding is Williamstown currently has about 10,000 acres of permanently protected open space / and or land owned by the State, which is about 1/3 of the town. Again, please check with Andrew, but my understanding is that when you add the Upland Zoning

district (where no building is allowed), plus state Rivers Protection Act, Wetlands, and flood plain restrictions, upwards of 85% of the town cannot be built on.

Waubeeka, with all that frontage on two state highways, and which has been run as a business for 50 years already, should not be removed from the opportunity of all future generations. I am firm on this point and I've said so repeatedly.

**DENSMORE RECOLLECTION OF DEEP COMMENT AT TOWN HALL:**

**4) He acknowledged that what he plans is a time-share development. He is completely open about that. In fact, he says he has every intention of being open about what he's doing.**

COMMENT VIA EMAIL FROM MIKE DEEP:

- From Mike: I have said, over and over, that this development should be allowed to include what are known as “fractionals.” Fractional is a word for a

“I have said, over and over, that this development should be allowed to include what are known as ‘fractionals.’ Fractional is a word for a high-end time-share. Resort properties across the U.S. and around the world are developed using this model. Many of them are mixed into hotel properties in any number of ways.”

high-end time-share. Resort properties across the U.S. and around the world are developed using this model. Many of them are mixed into hotel properties in any number of ways. That is what professional resort developers do, they analyze the best way to make a property viable, using all the tools at their disposal. The fractional part of the hotel is not visually different from the rest of the hotel.

We have said over and over there are high-end resorts with fractional components in some of the most high-end destinations in the world: Vail and Aspen CO and Jackson WY to name a few, plus the Custom House in Boston. People come to a fractional to vacation. I do not understand why people are agitated about a high-end resort property having a fractional model or a partial fractional model.

Again, people need to keep in mind that under this by-law NOTHING CAN BE BUILT AT WAUBEEKA WITHOUT A ZBA SPECIAL PERMIT AND THAT SPECIAL PERMIT PROCESS WILL INCLUDE AMONG MANY, MANY ELEMENTS A REVIEW OF THE PROPOSED LOCUS PLAN, SITE PLAN, BUILDING PLANS AND FLOOR PLANS WITH ARCHITECTURAL ELEVATIONS. The Williamstown Zoning By-laws require all that and we are not seeking any exception from those requirements, and we've ADDED a requirement, at the request of the neighbors, that the project be architecturally compatible with the Five Corners Historic District.

**“I have said repeatedly I do NOT want to build an ugly, cookie-cutter, hotel. I therefore do not want to have the right to do that, and I don't under this by-law.”**

The Waubeeka overlay district is first and the ONLY zoning district in the history of Williamstown to include a specific architectural design requirement. I was fine having this added to the by-law because I have said repeatedly I do NOT want to build an ugly, cookie-cutter, hotel. I therefore do not want to have the right to do that, and I don't under this by-law. If the resort as a whole does not satisfy the Zoning Board of Appeals, we will not get our permit. If it does, we will. And when it is built, no one in town will know whether on any given night if a given guest is occupying a fractional they own or a hotel room they've rented. The use is the same. People on vacation.

Fractionals help finance a project (they are sold), they help with occupancy rates (people stay longer) which helps the financial stability of the resort and also means the guests will be in town for a longer period, spending their money in support of other businesses as well.

Waubeeka is now failing because it has a 50-year old business model. The new resort at Waubeeka should be allowed to operate using modern resort development tools, just like is done in the rest of the world.

It makes no sense to say, “We don't want to support this project because we're afraid the business will fail; but we want to tie one hand behind your back and not allow a developer to use all the tools that other high-end resort developers all over the world now use to succeed.” Businesses in Williamstown should not be asked to operate with business constraints which competitors in other markets don't face. And that is particularly true when the use, fractional ownership, will be invisible to anyone looking at the property.

**“Waubeeka is now failing because it has a 50-year old business model. The new resort at Waubeeka should be allowed to operate using modern resort development tools, just like is done in the rest of the world.”**

#### **DENSMORE RECOLLECTION OF DEEP COMMENT AT TOWN HALL:**

**5) I asked if he would sit for an informal discussion with Sherwood Guernsey on WilliNet, with me as moderator, and he said he would. He said he would do that with Sarah Gardner, as well.**

#### **COMMENT VIA EMAIL FROM MIKE DEEP:**

• From Mike: I am happy to do that. I have said over and over that I am happy to talk with anyone about this effort. If we do a sit down with Mr. Guernsey, who is a lawyer, I'm going to ask Mr. Parese to join us. I

am a businessman. I am not a lawyer, let alone a land-use lawyer. I have worked with Mr. Parese on this since August of last year. I want him to be available to respond to questions which I as a lay person might not have the technical knowledge to answer.

## ADDITIONAL MATERIAL ADDED SUNDAY, APRIL 3 AS A RESULT OF A FURTHER EMAIL EXCHANGE:

BILL DENSMORE WROTE:

**I remembered after writing you this email that there was one other exchange we had at Town Hall I forget to mention: The context was that I asked why you wouldn't consider just flipping the property if you could make a quick return on your money. You said that if someone offered you \$10 million for it tomorrow you wouldn't sell it. If you want to elaborate on that observation for the PDF document, please do so. To me, the implication of that remark is that you believe there is a strong probability you are going to get the approvals from the town to do what you are proposing, and that you will be able to net at least \$9 million in the process of partnering with a developer and selling of what you are terming "fractionals." Is that a fair inference? Thinking as a businessman, I can't infer anything else.**

COMMENT VIA EMAIL FROM MIKE DEEP:

On Sun, Apr 3, 2016 at 12:21 PM, Mike Deep <michaeldeep@deepassociates.net> wrote:  
Mr. Densmore,

In response to your question at the bottom of your email where you 'can't infer anything else':

No. Absolutely not. That would NOT be a fair inference at all. You're adding YOUR thoughts, YOUR words, Not mine. My comment, which anyone listening objectively would have understood in the context in which I said it -- namely the question you asked me -- said that I'm committed to trying to save Waubeeka and I'm not trying to turn a fast buck, even if it were a really big, really tempting fast buck.

"I'm committed to trying to save Waubeeka and I'm not trying to turn a fast buck, even if it were a really big, really tempting fast buck."

The dollar figure was off the top of my head, to make the point. It has no reference to anything. It was just meant to be an example of a big, tempting number. The point I was making was that if someone -- let's say a big-time luxury-housing development company -- who was NOT committed to saving Waubeeka came along and wanted to give me a lot of money tomorrow just to turn the land over to them so they could plow it under and carve it up into lots for McMansions -- I would NOT take their money, even if it were a lot of money. I would not be part of destroying this golf course just to take that fast buck because I'm committed to trying to save the golf course. That is what you asked about and that is what I answered.

The rest of what you wrote are YOUR words and YOUR thoughts. Not mine. I feel you owe me an apology for every question that you asked me which was taken out of context. You also owe the entire Town of Williamstown a sincere apology for not disclosing your position on this matter before making believe you are an objective journalist!

--- END OF DOCUMENT ---