

TRANSCRIPT EXCERPTING
TESTIMONY BEFORE
THE WILLIAMSTOWN PLANNING BOARD
APRIL 28, 2016

(Source: Bill Densmore, GreylockNews.com) STORY LINK: <http://bit.ly/1UoQt2X>

The following are excerpts of public testimony before the Williamstown Planning Board at its meeting on Thurs., April 28, 2016. The board was considering whether it should recommend an amendment to a proposed "Citizens Petition" seeking a zoning change for the 207-acre Waubeeka Golf Links property in South Williamstown. The change, sought by developer Michael Deep, would permit him to develop a "New England country-style inn" on 10 acres along U.S. Route 7 (New Ashford Road). The excerpts are as transcribed by Bill Densmore from an audio recording of the proceedings.

An appeal to seek accurate construction and tax numbers -- and quality jobs

Testimony of Foster Goodrich, who lives on New Ashford Road, across the street from the proposed hotel site:

I've spent the last 15 years traveling the U.S. developing opportunities for construction companies and developers and part of startup, the Noble Energy Company, focus on solar. So my background is on cost structure, development, economic development across the U.S. outside of Williamstown. My personal experience has been in excess of \$5 billion that I have been directly involved with.

So I feel like I do have substance in this area. I did write a letter to the board and pass it along as well as to the newspaper. My point tonight and my purpose in being here is to try to ground folks on numbers. At the end of the day the town is going to vote, they are going to make their own decision. There's a lot of talk about what it will and will not bring. So I've been doing research, outside of my own experience.

Your average 120-room hotel is a \$7 million to \$8 million build. So your average Marriott that you see out there is \$8 million, and is generally built on 6-8 acres. Our tax rate if you take that into consideration, is going to bring in about \$100,000 to \$160,000 in revenue because it is the assessed value of the property and the tax rate.

So when we talk about a \$500,000 windfall of revenue to the town, it is grossly overstated and I think it is really important, based on statistics and facts, that the community understand that.

There are ratios for employment that are generally sought in relation to hotels and they are somewhere between a quarter to a half of the number of rooms that are existing in the hotel. The majority of those are non-fulltime employment opportunities so that the income, the revenue that is driven to the employees is significantly less.

As an example, your average hotel manager makes between \$45,000 and \$50,000 a year and that is the highest paid individual at the hotel. Your average cleaning lady or cleaning man has on average 10 rooms per day to clean, so your average occupancy, so here's an interesting number, your average break-even point for a hotel in the US is 60% occupancy.

So if you're planning on actually earning any revenue from the hotel without any of the site restrictions, without any of the waterways water issues, anything associated with the decline of property values or the decline in the population in Northern Berkshire County, you are going to have an occupancy rate that is in excess of 60% on this hotel to even break even.

So when we talk about a \$500,000 windfall of revenue to the town, it is grossly overstated and I think it is really important, based on statistics and facts, that the community understand that.

And when we talk about the costs of construction, when we look at about \$40,000 per room – [that] is what average folks do this [for], but we're talking about people that do this professionally for a living. They have structured documents that have been prepped by architects, they have all of the layout in advance, they know exactly how they want to do it and there are enormous efficiencies to that.

So what I'm trying to say is that I am not necessarily completely opposed to a development of property at Waubeeka. What is my greatest frustration in all of these conversations are the ups and the downs, the turnarounds and the misperception of the information an actual factual cost data that is relevant and is in the marketplace currently that is being sent out via Facebook and other efforts, to mislead folks. And that is my greatest frustration.

So having been working for developers, having been a part of a development company, having personally driven \$5 billion worth of vertical construction, I'd be a hypocrite to say I'm not for construction. It has fed my family, it has put my kids through school and it is how I've made by living. But I want the town to be making smart choices for the right reasons.

The number of jobs that are going to be created by this opportunity are not going to recycle a great deal of money into this community

And the last thing I'll say is in regards to economic development, whether it is me working in North Carolina, New York, Pennsylvania, Massachusetts, Connecticut or any of the last states where I've spent the last 15 years leaving this community to be a part of economic development. All of those major agencies, all of Gov. Pataki's, everybody is looking to increase the number of full-paying positions that average over \$40,000 a year and ideally are \$60,000 and the communities that bring in those businesses that do that typically give away tax incentives so they can bring in the individuals who will live in the community to recycle the money, so they are living in a community in which their rent money, their mortgage money, the money they are spending on groceries, goods and services is recycled.

The number of jobs that are going to be created by this opportunity are not going to recycle a great deal of money into this community . The owners of the development are not going to live in this community. There is no developer in this community right now that develops hotels, that manages hotels. Mike does not live in Williamstown. I am having a very hard time with how we talk about how so much opportunity is going to come from this and we cannot actually track it and bring it back to Williamstown in a practical, functional way.

So I ask that the community at large look at the numbers, look at what is being proposed, look at the true value add to Williamstown. .I agree with what [former Selectman] Jane [Allen] said, there is always a balance. I don't enjoy the taxes I pay. But I make my living outside of Williamstown. I am one of the few. I probably spent 11 days in my house last summer – four months – 11 days. Because I'm in and across the country driving opportunity and figuring out what's going on.

So, if there are real questions about dollars or cost per square foot, or tax revenue or any of that, I am happy to provide more data to the larger community to make smart choices about economic development and growth. And that's all I have to say.

Realistic numbers, pending ‘knowing what’s going to get built’

Testimony of attorney and former Town Moderator Stanley Parese, who represents developer Michael Deep, replies (excerpt):

The average Marriott does not have a 300-seat banquet facility, is not a destination resort. Cranwell sold, which is a destination resort with a spa and golf course, in July 2015 for \$18 million. Kempton Hotels just built a \$30-million hotel in Manchester, Vt. Williamstown also has a room tax so the room tax revenue get’s placed on top of the real-estate tax revenue.

So there is no intention to mislead anybody. There’s also no ability, until we know what’s going to get built, to hit on the dime. But we are confident that we are suggesting numbers that are realistic, or we wouldn’t be saying them if we didn’t think they were. And if ah, if you know. You know what? If someone wants to laugh while I’m talking that’s just fine. *[Parese was reacting to laugh-like noise from South Williams resident Sherwood Guernsey as we was talking]*

The average Marriott does not have a 300-seat banquet facility, is not a destination resort. Cranwell sold, which is a destination resort with a spa and golf course, in July 2015 for \$18 million. Kempton Hotels just built a \$30-million hotel in Manchester, Vt.

Information about tax assessments

Testimony of Sherwood Guernsey, a South Williamstown resident and near-abuttor to the Waubeek property. Guernsey is a former Massachusetts state representative.

I hadn’t intended to speak on this issue but there are some facts I just think we should just be aware of in terms of the revenue side. And again I’m one who supports a reasonably sized hotel, always have, [and] understand that that would bring in revenue in and of itself. There’s going to be some kind of, if it is bigger than the smaller hotel we have been talking about before, and Mike may be talking about something that’s bigger.

Well, if it is a smaller hotel, it isn’t that it is going to bring nothing. It is still going to add to the revenue. But I will point out that right now -- these figures came from the tax collector in Williamstown -- that the Williams Inn, real-estate and personal property tax, brings in \$65,000, not the \$300,000 that has been in ads. Sixty-five thousand, not \$300,000. The Orchards, which is a 49-room hotel – by the way the Williams Inn is 124. The Orchards, a 49-room hotel and real-estate and personal property taxes there are \$39,658. OK? And [town assessor] Bill Barkin, I’ve had many discussions with him and I know many other people have. The way in which the tax revenue is developed is looking at all the lodging facilities and then saying, OK, we’re going

the Williams Inn, real-estate and personal property tax, brings in \$65,000, not the \$300,000 that has been in ads. Sixty-five thousand, not \$300,000. The Orchards, which is a 49-room hotel – by the way the Williams Inn is 124. The Orchards, a 49-room hotel and real-estate and personal property taxes there are \$39,658.

to uniformity and consistency for similarly sized, similarly placed lodging facilities you're going to have about the same kind of revenue. That's from Bill Barkin.

So, I don't think we're looking at anything like the numbers that have been on ads, and I just thought I'd bring that up as long as that was an issue.

Comparison to the derelict Pownal Race Track

Testimony of town resident and native Roger Lawrence, who lives approximately six miles from the Waubeeka site, near South Street.

There are a couple of positions. I think because we are community the idea that a solution would benefit one party and harm another doesn't really speak to the notion of a community. So I think it's possible that a solution can come about here which does benefit all properties, but I think that is only going to happen if do that in an informed way.

**Could Waubeeka fail?
We know that there
are three motels and
hotels in Williams-
town that are for sale
. . . Also, Williams
College plans to
demolish the existing
Williams Inn and
replace it with a
smaller one.**

I haven't heard much discussion about the notion of the scale of the hotel. We heard the gentleman [Foster Goodrich] speak a few minutes ago who sounded very authoritative when he said that in order to be economically viable that a hotel needed about 60 percent occupancy. That suggested that if the hotel is too large that it might fail. I think that no one wants to see a failed hotel on that site. But I'd like to address that possibility and think about a way that that might not happen.

Could Waubeeka fail? We know that there are three motels and hotels in Williamstown that are for sale. I don't know exactly what the reasons are for they're being for sale but there are three people who are in the business right now that want to get out of the business. Also, Williams College plans to demolish the existing Williams Inn and replace it with a smaller one. I think if Williams College thought there was enough business to sustain a larger hotel it would build a bigger hotel. So, here are a couple of indications that there's some amount of limit to the amount of rooms that could be occupied here.

What I think that the residents of South Williamstown in particular seem to support the idea of there being a hotel there; they just don't want to see a failed hotel. What would a failed hotel at that location look like? We actually have quite a precedent here, if we drive five minutes up the road, we can look at the southern gateway to Pownal and there's a failed business of approximately the same scale. That was formerly farmland.

I actually grew up in Williamstown, I remember the farmland that was there before that project was built and it was a stunning approach to Pownal. Pownal was really a beautiful place to come into as Williamstown is a beautiful place to come into – today.

So, when that project was created, we were hearing the same arguments for, in support of creating the racetrack, that we're hearing now. That it was a business that was going to increase the tax base and that was going to bring jobs into the community. That site's about 150 acres; the Waubeeka property is about 200 acres – so there is a roughly similar scale.

The building that now stands as an empty hulk on that site is a 200,000 square foot building. We've heard proposals for a hotel close to that size. So if a hotel like that were built and it failed, we already know what it would look like because all we have to do is drive up the road five minutes and we can see for ourselves. It stands adjacent to Route 7, it introduces visitors to the town.

That business operated for 21 years and it's empty now. At last report, the owners of that property were saying that they felt they were going to have no choice, and this is a quote, but to petition the town of Pownal for property-tax relief. I don't know if that has gone through or not but that was the most recent information I had. But what that means is the business is gone, the jobs are gone, and now the tax is gone, and what remains is an empty hulk and the estimated demolition of that would be \$1 million.

So, going forward, because it appears that there may be some resolution coming here, I hope that everybody, the developers and the town Planning Board,, considers the size and the scale of the hotel and that it be scaled so that it can achieve that 60 percent occupancy so that it stays in business because I think everybody would like to see that. Thank-you.

A view that Chapter 61B designation will prevent golf-course development

Testimony of Selectman Hugh Daley:

I'm really excited for you guys, because from what I've heard tonight, 33 percent of this parcel could go into a conservation restriction, five percent of it could be developed, which is a small increase over the currently developed area, and the remaining portion remains a golf course.

One of the economic deterrents pulling that land out, to use it in the future is it has been in this thing called [Mass. General Laws Chapter] 61B. In order to pull a piece of land out of 61B, you have to pay all the back taxes that were accrued what that land was getting a tax break for being in 61B. So you have to pay all of those back taxes to bring it up to, to get square with the community that you didn't pay taxes to. This parcel, to pull 100 acres out of 61B is a check that nobody's going to be able to write and successfully develop that parcel. There is an economic deterrent to further development at that parcel. So we don't need, in my opinion, some sort of contractual obligation in order to make sure that it can't be.

This parcel, to pull 100 acres out of 61B is a check that nobody's going to be able to write and successfully develop that parcel. There is an economic deterrent to further development at that parcel. So we don't need, in my opinion, some sort of contractual obligation in order to make sure that it can't be.

I actually, personally, have a little bit of a philosophical issue with conservation restrictions in certain times because we have all been around long enough to know that what the future brings – it's a mystery. We don't know, and to make decisions today for kids, 50 years from now, let's say my grandkids want to move back to town and there's no housing. It's because we're booming. Something incredible has happened here and now we have some flat land that is in a permanent conservation restriction. From a decision that this community made today.

So the point of that is, if we can achieve the same thing, using this economic deterrent, if we can develop – put 33 percent of it away – develop only 5 percent of it and the rest of it's held as a golf course? I think you guys have a real opportunity here tonight. And I really hope you exercise it. If I weren't leaving, I would be excited to hear our discussion about this. Because I think tonight's the night. I think you can do this. I'm expecting you to. I'm pulling for you. We can't have this go down. This is a real opportunity. Let's not squander it.

--- END EXCERPTS ---