

June 20, 2014

To: Steve Shatz, Deb McMenemy, Chuck Gillett and Jorja Marsden

You may not have had a chance to read our original letter of April 30<sup>th</sup> opposing Elm Court's proposed expansion. Here we will re-present our reasons and tell you about recent developments.

We are opposed to the size, scale and commercial nature of the proposed hotel annex. A 112 room, 100,000+ square foot hotel with spa, public restaurant and parking lots to accommodate 160+ vehicles is way too large for our narrow residential road. Travaasa claims the annex will not be seen from the road – what *will* certainly be seen are cars and trucks coming and going and patrons and staff circulating throughout the grounds.

Section 6.3.6 (b) of the Town's Zoning Bylaws requires that the Board must find that the proposed use is "essential or desirable to the public convenience or welfare at the proposed location." We find that Travaasa's proposed hotel is **not** desirable to the abutters, the other residents of Old Stockbridge Road, or the neighborhood. We have been talking with our neighbors and so far have signatures from over 60 residents. We will deliver a complete list with signatures and addresses of those who are against the proposal on Monday. We all worry about the commercial direction this proposal would take our neighborhood. We all oppose the size, scale, and increased traffic. We all feel this hotel would be a permanent detriment to the character of our residential neighborhood.

Old Stockbridge Road is narrow with no defined shoulders. In fact, there are many sections of the road with dangerous drop-offs or ditches at the road's edge. There are no sidewalks (people walk, run and bike on the side of the road). Trucks are barred. Speed limits range from 25 to 35 mph. It is not a commercial thoroughfare. Sight lines, due to several hills and curves, are limited.

A new Elm Court Annex would mean *increased* traffic as many as 600 additional trips a day (more delivery trucks, passenger cars and garbage trucks), *increased* risk of pedestrian, bicycle and vehicular accidents, *greater* noise levels, *more* environmental degradation, *increased* night-sky light pollution, and eventually *reduced* property values. Would you want to buy a single-family house near a 112-room Courtyard by Marriott-style hotel?

This proposed expansion is unnecessary. In our view, Elm Court does not need 96 additional rooms; it could succeed with the current 16 guest rooms in the main house, without any Annex. Compare it with Wheatleigh with 19 rooms and Blantyre with 21. Both have been operating as luxury country inns for many years. *Please see attached appendices.*

A more modest approach would be less expensive to build, less costly to manage and would make less of an impact on the environment and our neighborhood. Furthermore, a smaller resort has a greater chance of achieving higher year-round occupancy rates. Travaasa claims they cannot succeed with a smaller plan. How do we know this? They haven't presented a Business Plan. When asked how much they are charging, on average, for a room they said they didn't know. (*See attached list of unanswered questions.*)

We are aware that there could be increased tax revenues but consider the situation of second-home owners. Three-quarters of town tax revenue comes from this disenfranchised group ... a group for whom aesthetics, the character of the neighborhood, the level of traffic and the quality of life matter a great deal. This massive commercial hotel might well bring down housing values thus lessening over-all tax revenue.

We attended the June 9<sup>th</sup> Historic Preservation Commission meeting when they reviewed the plans proposed by Travaasa. Apparently they had not seen them before. Five of the seven commissioners were present, but Pam Sandler had to recuse herself so she could help the applicant present the plans leaving only four to vote. Unfortunately, Ms. Sandler is the only architect and the best qualified Commissioner to analyze and interpret architectural drawings. As a result, her professional and objective opinion was unavailable to her fellow Commissioners.

The annex/spa is a very complex and large-scale project, one that requires sufficient time to understand and review. The Travaasa team (eight professionals) spent about an hour trying to explain their plan. Three of the four Commissioners said they were concerned about the scale of the project. Two Commissioners voiced concern that if a project of this size failed the town would be left with an abandoned, immense shell subject to deterioration. It's been hard to make the current Elm Court successful; one twice as big won't be any easier.

Even with these significant concerns, the four Commissioners voted to approve the plan. We feel there was a rush to judgment. The Commission did not have sufficient time to digest the plans and implications of such a large-scale project and that due diligence was not done.

Consider all these factors: the size, scale and commercial nature of the project, the increased traffic, safety issues, and that of the 60+ neighbors we've already spoken with, only three support an expanded Elm Court. Therefore we ask you to deny this Special Permit. More thorough study into the potential detriments to the neighborhood needs to be done and a less intrusive solution proposed. As presented, this project will permanently alter the character of Old Stockbridge Road. It is not authentic, it is not necessary, it is not appropriate.

Respectfully yours,

Barney and Julie Edmonds, 316 Old Stockbridge Rd

### Some Unanswered Questions

#### Permitting process –

- Given the scope of this project and given the impact it will make on the neighborhood and on Old Stockbridge Road, why didn't the Stockbridge Planning Board play a more significant role in the permitting process?
- The Historic Preservation Commission said they do not normally review projects of this scope that they would usually go to the Planning Board.
- The applicant for the Special Permit is Chris Manning, the Amstar executive who co-founded Travaasa, found and bought Elm Court and spearheaded the effort to pass the amendment to the bylaw – why did he leave Amstar just a few weeks before this Special Permit meeting?
- In the Special Permit application Front Lawn submitted where do they present the construction schedule and the protections they will put in place to control noise, debris and dust to say nothing of how they'll mediate existing lead paint and asbestos during a lengthy period of construction?
- Travaasa insists it needs at least 112 guest rooms to be profitable. When we asked their CEO what will they charge for a standard room in the Annex he said, "I don't know." Where's their business plan? We find it hard to believe they would enter into a project which will require tens of millions of dollars without knowing, in advance, their break-even number, their Return on Investment (ROI) and all the other data required in a proper Business Plan.
- Without seeing their business plan how can the Selectmen know if this venture has a good chance of success?

#### Scope creep –

- When Travaasa initially proposed their ideas for a hotel Annex they wanted 80 rooms. A year later they want 96 rooms. Why this 20% increase?

- Initially Travaasa planned to transform servants' quarters within the existing Elm Court into modern spa facilities. A year later they want a large and separate Spa building which block the read of the mansion. Why the change?
- Initially Travaasa planned to offer (according to The Berkshire Eagle) a “wide variety of 20 to 30 daily activities and classes for guests and the public using day passes in the areas of adventure, culture, culinary, fitness as well as spa and wellness. The resort would have a farm, equine operations, and a greenhouse.” A year later their application has no mention of a farm, equine operations or a greenhouse. And nowhere in their Traffic Study do they reference the impact of the public attending 20 – 30 classes and activities at Elm Court. Nor does the Traffic Study show the impact of their proposed 60-seat public restaurant/café. What is the real impact on road safety traffic this proposed resort will make?

#### Historic design –

- Has Travaasa ever developed a property listed on the National Register of Historic Places?
- Travaasa says it wants to preserve the historic value of Elm Court and plans on building an Annex which will “retain the original style of Elm Court, use materials, design elements and angles to match the mansion.” When you look at the site plan with the Annex it becomes evident that it shares the same rectangular footprint of a typical Courtyard by Marriott hotel.

This is not surprising as the architectural firm they hired to design the Annex specializes in contemporary rectangular box hotels. Will this Annex truly reflect the historic style and qualities of the mansion or is it designed to comfort guests with the “Courtyard by Marriott” brand experience? Please see ... [johnsonbraund.com/hospitality.html](http://johnsonbraund.com/hospitality.html)

#### Size & scale & function –

- What is the gross square footage of Elm Court? We've seen various numbers ranging from 50,000 to 55,000 square feet.
- What is the stand-alone gross square footage of the Annex; the Bridge Connector; and the Spa?

- How big is the Elm Court estate? Is it “90+ acres” as Travaasa states on its Application or is it 86 acres as indicated on the town property map?
- On the Special Permit Application, Front Yard describes the *current* use of their property this way: “Presently functioning as a bed and breakfast, function facility and café/restaurant.” To the best of our knowledge Elm Court does not have a public restaurant/café; they have a guest dining room.

## APPENDIX 1

Number of Guest Rooms		Some July High-Season Rates
Stonover Farm	5	435 - 575
Kemble Inn	13	365 - 525
Wheatleigh	19	715 - 1,875
Birchwood	10	199 - 369
Old Inn on the Green	11	285 - 385
Brook Farm Inn	15	270 - 429
Blantyre	21	675 - 1,400
The Porches	47	189 - 285
Red Lion Inn	108	399 -
Cranwell Resort	107	390 - 661
Canyon Ranch	126	1,300 - 1,600

## APPENDIX 2

Some things we learned from the Amstar.com corporate website ... and two international associations of luxurious boutique hotels. This is from their website –

“Cradle to Grave” Investment Management Process At Amstar, the investment professionals underwriting a particular investment are responsible for the performance of the investment from acquisition through disposition. This ensures a seamless transition between acquisition and operations and aligns the interests of the organization directly with those of our clients.

The word “grave” concerns us, as does the way they divide their portfolio into two columns: current or exited. ‘Exited’ is business-speak for walking away with your money, taking it to the bank and waiting for the next real estate opportunity.

Chris Manning, Senior Vice President of Amstar and the head of its Travaasa “experiential” lodging business, sits on the board of The Preferred Hotel Group an international association of independent hotels including Travaasa's two properties, Hana in Hawaii and Travaasa in Texas.

We visited The Preferred Hotel Group website to see how many rooms these hotels have. It's a bit unclear but it appears that the one in Texas has 70 guest rooms and in Hawaii 72 rooms (25% smaller than what they want at Elm Court). Both these properties, just as Elm Court will be, are listed among **Preferred BOUTIQUE Hotels**.

We looked at ten of their Preferred Boutique members – from Sedona, Arizona, Big Sur, California, and San Miguel Allende, Mexico – and the average number of rooms per hotel was 38. (The largest, other than their own two Travaasa hotels) was XV Beacon in Boston with 63 rooms. The smallest was an exquisitely restored 15<sup>th</sup> century palace in Salamanca Spain with only 17 rooms.)

Then we went to the **Relais & Chateaux** international association of luxury hotels. We looked at a couple of their outstanding properties in the United Kingdom which certainly equal and probably exceed Elm Court in luxury, location, setting and amenities.

- **Glenapp Castle Hotel** in Scotland is, like Elm Court, a restored Victorian country mansion – a classic baronial estate on 36 acres with glorious gardens and a view across the Irish Sea. They are a success with 17 guest rooms.
- In England, **Cliveden** a staggeringly magnificent country estate outside London on the banks of the Thames sits among 376 acres of forests, meadows and gardens. They are a success with 37 rooms.
- Closer to home we found in Washington Connecticut the well-known **Mayflower Inn**

with 30 rooms.

- On Nantucket, the equally famous **Wauwinet** offers 32 rooms.
- Finally in the Berkshires there's **Blantyre**, another member of the Relais & Chateaux brand, with only 21 rooms on their 117 lovely acres

### APPENDIX 3

**"Berkshire hotel frenzy is a win-win"**

POSTED: 12/03/2013 12:09:40 AM EST

By Clarence Fanto, Special to The Eagle

#### LENOX

It's all beginning to make sense now.

At first glance, the surge of hotel projects in a five-mile zone between the Pittsfield-Lenox line and Stockbridge has appeared rather baffling.

**By my count, within a year or two an extra 550 rooms could be added to the 4,500 already competing for tourist dollars in Berkshire County. At present, nearly 1,000 of those are in Lenox.**

But the "no room at the inn" signs generally go up only on summer and fall-foliage weekends. Year-round, according to Smith Travel Research, fewer than half the available rooms in the county's major hostelries have heads in beds, to borrow some hospitality industry lingo. Even the average in July and August hovers around 65 percent, indicating that there are vacancies mid-week.

Here's the list of new hotels either under construction, awaiting approval from town boards or tied up in litigation:

- The Hilton Garden Inn, 95 rooms on South Street (Route 7 & 20) in Pittsfield near the Lenox town line. On hold until legal challenges from a competitor across the highway are resolved.
- Berkshire Mountain Lodge, 140 rooms on Dan Fox Drive in Pittsfield, formerly the Patriot Suites. Soon to reopen following major renovations, with 140 suites available for time-share customers.
- Courtyard by Marriott, 92 rooms, now relocated to a portion of the Brushwood Farms property across from the Lenox Commons mixed-use complex. The project, facing delays posed by a quixotic challenge from environmentalists,

- abandoned its Dan Fox Drive location in favor of a site that needs zoning board permits but may have a smooth ride since it's in an area ideal for development.
- Spring Lawn Resort, an ambitious 94-room project next to Shakespeare & Company in Lenox that has just won a favorable recommendation from the town's Planning Board and now must navigate a more complex route through the Zoning Board of Appeals.
  - Elm Court Inn, nearly 100 rooms on Old Stockbridge Road, just over the border from Lenox, under development with most local government approvals in place.

According to hospitality industry experts, each proposal can be justified on its own merits.

Spring Lawn and Elm Court, known as boutique hotels, would cater to high-end visitors from New York and Boston who have plenty of spending power, thanks to the stock market run-up and an economic recovery that has benefited the nation's most affluent group but has yet to trickle down to the middle class and below.

The Hilton and Marriott hotels, with less expensive rates, are aimed at travelers who flock to well-known brands in order to win frequent-guest points that yield a variety of perks. These destinations also feature the modern amenities that many visitors crave.

The Berkshire Mountain Lodge, renamed just a few weeks ago, represents the revival of a time-share market that took a severe beating during the recession but now is poised for recovery.

For the sake of simplicity, let's crunch some numbers that apply to projects such as the Hilton and the Marriott. Assume a \$200 per room nightly average year-round. Based on 50 percent occupancy, annual revenue would total nearly \$3.5 million.

People in the know report that a 10 percent profit margin is par for the course. So, a rock-bottom minimum of \$350,000 a year for the hotel owners looks like a tidy profit. Here in Lenox, my adopted hometown, the benefits outlined by the developers of the newly hatched Marriott proposal are obvious -- town coffers would see a one-time \$400,000 bonanza from a water and sewer line hookup fee, another \$75,000 a year in real estate taxes, and close to \$300,000 a year in extra "tourist tax" revenue. Hundreds of new jobs will be created.

Of course, town boards must exercise their due diligence, and it would be folly to assume a slam-dunk for proposals seeking approvals.

But developers have researched the market and concluded that Berkshire County remains a top destination for visitors, especially with more attractions year-round. They say new

rooms would expand the hospitality pie without jeopardizing the resorts and smaller inns already on the scene.

If all these assumptions turn out to be valid, the arrival of these big-league hotels may be a win-win for the tourist economy that looms ever larger as our county's fastest-growing private-sector industry.

At certain times of the year, we "locals" may grumble about crowds and traffic congestion. But if you've ever lived in a metropolitan area, you know that such complaints should be laughed off as the small price we pay for living in a highly desirable region whose considerable merits should never be taken for granted.

#### APPENDIX 4

Richard Wise, the founder and former long-time owner of RW Wise, high-end jewelers in Lenox, wrote the following letter to the Eagle in a challenge to Fanto's thinking.

LETTER to the editor of THE EAGLE:

Clarence Fanto's Dec. 3 column "Berkshire hotel frenzy is a win-win" serves up a heavy dose of wishful thinking combined with more than a dollop of forgetfulness.

He cites some rosy micro-statistics and forgets about some unfortunate macro-realities. He forgets that the leading edge of the baby boom, the population bubble that fueled the dramatic expansion of tourist-based business in the Berkshires over past 30 years is retiring at the rate of 10,000 per day (Pew Research).

Fanto also forgets that at Tanglewood, the engine that drives Berkshire tourism, attendance at all but a couple of blockbuster concerts, is in a downward spiral. According The Eagle, Tanglewood's star reached its apogee in 1998, declining steadily since and overall attendance this year was down 9 percent. The average Boston Symphony Orchestra concert addresses itself to a sea of gray hair and 40 percent of all retiring boomers (46-65+) haven't saved a dime (Charles Schwab).

The county's other cultural attractions face similar challenges. How is the addition of 50 percent additional rooms in Lenox going to play off against this stark reality? Although he admits that current occupancy rates are below this figure, Fanto blithely predicts a 50 percent occupancy rate at these new venues. The columnist insists that travelers will flock to brand names such as Hilton and Marriott to score frequent guest points and this will take place without any injury to the existing mom and pop properties. Big assumption?

Would anyone come to the Berkshires and pay an average of \$1,200 per couple for a cultural weekend just to win a free night at the Oshkosh, Wisconsin Marriott?

Berkshire tourism has seen a single digit increase or rather rebound since 2008. The plain facts are that competition from these new properties will certainly take a chunk out of the three-night minimums that tourists hate, but most smaller properties insist makes their businesses viable. And, as Fanto notes these new hostelries will certainly pull in "hundreds . . ." of low-paying, dead-end service jobs in their wake.

"A win-win"? In 1687, Isaac Newton famously said; "what goes up, must come down." With the bursting of the baby boom bubble our audience is declining and clearly a 50 percent increase in the supply in Lenox rooms means something's gotta give. Fewer people means less business. It's simple physics.

RICHARD W. WISE