

**TOWN OF WALLINGFORD, CONNECTICUT
SPECIAL WORKSHOP TOWN COUNCIL MEETING
TOWN COUNCIL CHAMBERS**

**Wednesday, February 19, 2014
WORKSHOP**

MINUTES

A Special Meeting of the Wallingford Town Council was called to order at 7:02 P.M. after which the Pledge of Allegiance was said. Councilors in attendance were as follows: Chairman Vincent Cervoni, Craig Fishbein, Thomas Laffin, John Letourneau, Christine Mansfield, Robert F. Parisi and Larry Russo. Councilors John Sullivan and Vincent F. Testa, Jr. arrived just after the Roll Call at 7:04 P.M. Mayor William W. Dickinson, Jr. was also present at the meeting.

2. Presentation and Discussion on the development of property located at 1181 Barnes Road by Winston Hospitality, Inc. - Chairman Vincent Cervoni

Guest panelists in attendance:

Robert Winston, CEO, Winston Hospitalities, Inc.

Jay Davies, Managing Director, Winston Hospitalities, Inc.

In his presentation, Mr. Winston discussed that they ran into unforeseen legal battles during the foreclosure and that during that time, there was damage to the building He talked about its cost. Mr. Winston noted the cost of steel. He talked of elevators and a traffic study and bond rates which the state lowered. He said that the hotel in Wallingford would have a state-of-the-art 4,000 sq. ft. of conference space and that with the help from tax breaks, he thinks it will be successful.

Mr. Winston talked about a seven-year (7) plan with a new assessment after construction. He said construction would take about one (1) to one and one-quarter (1.25) years and that the ramping up period to stabilize would be about three (3) to four (4) years. Mr. Winston noted jobs-hire local people; staff & construction. Mr. Winston said that they will work with the town's assessor. He said that he is asking the Council to set it under 1,265B, so that the assessor doesn't have to. He said that the assessor can't ramp the number year to year. Mr. Winston said that annual payroll cost is \$1 million. He reported that models vary and added that this is a low growth region. The writing on the windows is the tag of well-known graffiti artist that the police are investigating. Mr. Winston said the project is "ready to go as soon as the weather breaks"

Mr. Winston stated that the General Manager is in the range of \$85K to \$90K and that the bottom wage is not the minimum wage but above it and that growth opportunities exist for the unskilled worker. Winston Hospitalities, Inc. has strong benefits. He added that their work has been bid. Mr. Winston said that if the answer to their request is 'no' then they would mothball the building and look to sell it or carry it or hang on

until the market improves. He commented about security. Mr. Winston added that the town has first dibs or the assets if all fails.

Mr. Winston asked that while we are negotiating, how about not having it take effect until the building is completed. He appealed to the Council to not start until completion.

Mr. Davies said the mitigating risk elements were taxes and assessment and that the appeal of the property tax is an ongoing appeal. He said a tax-fixing agreement establishes certainty and then what follows flows to the town. Mr. Davies stated \$9.6 million for project completed.

The Town Council inquired of Winston Hospitalites:

Their investment in the project – Response was \$15 million

Why should this project be treated differently than another project

How long this project would take as some Councilors live nearby

How close are they to the town - \$3.2 million Town, and \$2.5 million Winston Hospitalities, Inc.

An explanation of “as is” versus “completed” and “completed” versus “stabilized completed”

If Winston Hospitalities, Inc. was trying to fix the mill rate –response was no

Are there are any traffic issues?-response that the town has gone the extra mile in solving

Are the current taxes are being paid-response was \$45K to \$50K and are also being appealed.

Comments from the Council included –

There is a loss of predictability during the process that needs to be stabilized for showing to the banks

This could be success story

There are hopes that we can work collectively and that it all works out.

No action was taken by the Town Council.

The Council addressed another meeting date when Winston Hospitalities, Inc. would be able to attend and decided that they would schedule a special meeting on March 18, 2014.

Councilor Parisi moved to adjourn. This was seconded by Councilor Letourneau. Vote was unanimous. The motion was carried and the meeting adjourned at 9:11 P.M.

Respectfully submitted,

Sandra R. Weekes
Secretary to the Town Council
From notes by Vice-Chairman Laffin
On February 19, 2014
This meeting was not recorded.

Chairman Vincent Cervoni

Date

Town Clerk Barbara Thompson

Date