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## Jones: New Courtyard hotel will promote modernizing the Civic Center

by **Paul J. Nyden**  
Staff writer

CHARLESTON, W.Va. -- Charleston Mayor Danny Jones says the Courtyard by Marriott, the new hotel being built in Charleston on Kanawha Boulevard near the Elk River, will help revitalize downtown Charleston.

It will also promote modernizing the Charleston Civic Center into a facility that can attract convention business from around the country.

"We are way behind the times. If we are going to be a player in the convention business, we must remodel our Civic Center," Jones said.

The new hotel, which will have 120 rooms, is expected to open in mid-2014.

Union leaders -- including Steve White, executive director of the Affiliated Construction Trades Foundation -- have criticized the Courtyard by Marriott project for hiring primarily non-union workers. Many of them come from other states.

Charles H. Wendell from Charleston, S.C., is the developer of the new Courtyard by Marriott project. Wendell did not return a telephone message left at his Virginia Inn Management (VIM Inc.) offices in Fayetteville.

The Dickinson family will continue to own the property on which the new hotel is being built.

The Dickinson family, Nelle Chilton of Dickinson Properties and Lewis Payne with Kanawha Land Co. formed a business partnership with Wendell to build the new hotel.

"Wendell comes out of a right-to-work environment in the South," Jones said. "I talked to him about the differences in the labor environment up here. Wendell told me that one union contractor came in bidding \$500,000 over our budget."

But Jones believes local union construction workers will benefit from plans to modernize the Civic Center.

"It will cost \$50 million in government funds. Since it falls under [the jurisdiction of] the Davis Bacon Act, the jobs will be all union. It will be the biggest union project in Charleston since the Clay Center," Jones said.

White said, "the Dickinsons just lease property. They don't sell it. That drives some people away.

"I certainly hope Mayor Jones is not really satisfied with a developer that excludes local businesses from bidding opportunities to build that hotel.

"That is the issue in a nutshell. We have local businesses and workers who want to work there. And they have been shut out."

The Act Foundation, White said, has been "very supportive of renovation work at the Civic Center."

The Davis Bacon Act, passed in 1931, will require prevailing wages to be paid to workers renovating the Civic Center.

"Federal law will not allow low wages to be a competitive factor in bidding," White said, "since taxpayers will be paying for the Civic Center.

"Because taxpayers are footing the bill, our laws require there to be open competitive bidding. They cannot shut out and deny our local union contractors at that project. But that doesn't make what Wendell is doing right.

"What about all the local businesses that have been shut out? I would expect the mayor to come to their defense. If someone wants to do business in our city, they should make an effort to talk with them," White said.

Union construction workers typically make \$27 an hour or more, plus benefits. Many workers at the Courtyard by Marriott project are getting paid only \$9 or \$10 an hour, White said.

Jones said union leaders including Kenny Perdue, president of the West Virginia AFL-CIO, have helped promote renovation of the Civic Center.

"I believe we will break ground on that project in 18 months," Jones said. "We have a TIF [Tax Increment Financing] and one-half of 1 percent increase in sales taxes in Charleston on everything except food and cars.

"That new sales tax will help fund Civic Center renovations and our city pension systems.

"When the Civic Center renovation begins, I can't imagine it will be built by anything but union labor," Jones said.

Tax increment financing is a method that allows communities, under certain circumstances, to take property taxes from new projects -- and from other properties near those projects -- and use them to finance specific projects like the Charleston Civic Center upgrades.

Typically, property taxes go to counties, which typically use about two-thirds of the taxes they collect to fund school systems. The other third goes to fund county services, such as police and fire departments.

TIF taxes come from newly constructed buildings and from already existing buildings and properties in a nearby area known as the "TIF district."

White said, "Those areas could be as small as one block or half a city."

All property taxes assessed on the new Courtyard at Marriott will go into the TIF fund to finance renovation of the Civic Center, White said.

By increasing property values in the area, the Courtyard by Marriott should increase the values and taxes on other businesses and residences, such as the Captain D's and Shoney's restaurants or the Charleston Town Center Mall.

"If your property becomes worth 10 percent more because of a new TIF construction project, property taxes on those increased values will go into the TIF Fund," White said.

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