

# Edgewood Purchase Option

## Frequently Asked Questions

On January 23, the Town of Southbury signed an Option to Purchase Agreement for the Edgewood Bath and Tennis Club. The Southbury Board of Selectmen voted unanimously to approve the signing after an executive session review.

Per this agreement, the Town paid a \$3,000 non-refundable Option Fee to Edgewood for the right to purchase their 10.51 acres of land, all facilities, and equipment for \$2,000,000. The purchase option expires on July 31, 2020. The \$3,000 Option Fee will be applied towards the Purchase Price if the Town does purchase Edgewood.

For details about the Edgewood property, please see the initial press release sent by the Town of Southbury, [here](#).

The following FAQ has been prepared by the First Selectman's Ad Hoc Task Force, which has been tasked with reviewing this proposed acquisition and making a recommendation on whether or not to purchase the Edgewood property.

### **THE PURCHASE OPTION**

#### **Why is the Town looking to purchase a private pool club in the first place?**

The primary reason is to replace the Town Pool at Ballantine Park, which is near the end of its useful life. Experts estimate that the pool, built in 1972, will be usable for the 2020 season as-is. After that, expensive patching and repair work would be required for continued operation.

Additionally, the Edgewood facility has amenities such as:

- Pool Heaters – add four weeks to the swimming season
- Zero Depth Entry feature for ADA access
- Six USTA grade tennis courts that can also be used for Pickleball
- A Full-size basketball court
- Two Paddleball courts
- Gym area with a wide range of cardio and strength training equipment
- Commercial kitchen with service windows
- Large deck and patio area – three times more than Ballantine

- An ADA compliant pool house, with HVAC that is three times the square footage as the one at Ballantine
- More parking spots than Ballantine (159 vs. 62)
- Edgewood also offers potential for future development and improvements.

### **What is the total acquisition cost for the Edgewood Facility?**

The negotiated purchase price is \$2,000,000. After factoring in closing costs (\$40,000), court resurfacing (\$50,000) and \$25,000 of contingency expenses, the total cost to the town would be **\$2,115,000**.

### **What are the steps to completing the purchase of the Edgewood Facility?**

On February 3, the First Selectman appointed an ad hoc task force to study the Edgewood property and make a recommendation as to whether the Town should purchase the property.

There will be two meetings to gather feedback. The first is a presentation of the Task Force's findings on April 1. There will be a second meeting on April 6, where the Task Force will answer questions that have been submitted from residents.

On April 8, the Task Force will formally submit their recommendation to the Board of Selectmen and the Board of Finance.

In a special joint meeting on April 13, the Board of Selectmen and the Board of Finance will review the report submitted by the Task Force and vote whether to exercise the option or not.

### **Will there be a Town Meeting or referendum to vote on approving the purchase?**

On March 21, Governor Ned Lamont issued [Executive Order No. 71](#), which suspends the in-person budget adoption requirement for municipalities as a measure to slow the spread of coronavirus. This order encourages municipal leadership to approve both town and school budgets, without a town meeting or referendum. The Board of Selectmen and the Board of Finance will confer on this.

### **Why were the early stages of the negotiation kept private for so long?**

As with any negotiation, especially those concerning privately-owned businesses, there is usually a non-disclosure agreement in place to protect both parties. From the Town of Southbury's position, the non-disclosure agreement prevented other bidders from entering the process at the eleventh hour and raising the price of the acquisition.

*Note that a backup offer, for a higher price, has reportedly been received by Edgewood's owners. This backup offer came in shortly after we announced the option deal from Southbury.*

## **PROPERTY IN THE TOWN OF MIDDLEBURY**

### **Why is the Town considering purchasing property in another town?**

The Town has considered many options to replace or rebuild the Town Pool. The Edgewood property is half a mile from the Southbury town line. It sits directly across the road from Long Meadow School, which serves both Middlebury and Southbury students as part of Region 15.

There is precedent for other municipalities owning property and/or operating outside of their borders. For example, the city of Bridgeport has some city offices, such as Parks and Recreation, located in Trumbull. Bridgeport also owns a golf course in the Town of Fairfield.

The location of Edgewood, near the intersection of borders for the Towns of Southbury, Middlebury, Woodbury, and Oxford, makes it ideal for a regional facility in the future. The Pool Team has discussed that possibility. However, regionalization is not part of our short-term plans if the acquisition is approved.

### **How much longer would the drive to Edgewood be than my drive to Ballantine?**

In a survey of 30 randomly selected addresses evenly spread through the Southbury borders, the average drive time to Edgewood was four minutes and twenty-two seconds (4:22) longer than the drive to Ballantine.

### **Will Southbury have to pay taxes to the Town of Middlebury?**

Yes. Currently, the Town would pay approximately \$35k in annual property taxes and \$18k in sewage and water assessments. Those costs are included in the prospective P&L for Edgewood.

### **Will residents of other towns be allowed to access Edgewood?**

There are discussions with neighboring towns about the potential for partnership in the Edgewood property. The Edgewood club currently has residents from several towns in their membership, and there may be an opportunity for those families to be "grandfathered" in purchasing a membership from the Town. However, we would give priority memberships to Southbury residents.

## THE TOWN POOL

### **Why does the Town Pool need to be replaced?**

The Town Pool at Ballantine Park has outlived its projected lifespan, approaching 50 years of operation. Without significant upgrades, experts estimate that the pool will only last one or two more seasons before needing considerable repairs or perhaps be shut down completely.

### **What is the cost to repair or rebuild the Town Pool versus acquiring Edgewood?**

Initially, the Town hired Weston and Sampson, a large engineering firm with pool design and construction experts on staff, to develop cost estimates to repair or rebuild the Ballantine pool. The Weston and Sampson estimate for a repair project was **\$2,900,625**, and their assessment for new construction was **\$4,651,641**. Those numbers were a shock to the Town officials and volunteers involved with the project. Note that these estimates included the cost to rebuild the pool house to comply with ADA standards.

The Ad Hoc Task Force sought estimates from two pool construction companies located in nearby towns, as well as opinions from other experts, and received a wide range of estimates when compared with the original Weston and Sampson report.

The Task Force engaged Bennett Sullivan Associates Inc., a well-respected architectural and engineering firm in Southbury, to be an impartial third party arbiter and mediate the various costs. Bennett Sullivan did engineering and design work on the pool and pool house at Edgewood.

After due consideration, Bennett Sullivan came up with an estimate for a new pool and pool house at **\$3,729,000**. This number includes the cost of the required inspections and testing, as well as a reasonable contingency.

Both Bennett Sullivan Associates Inc, as well as the State of Connecticut, have informed us that any alterations to our pool would require bringing the adjoining Pool House up to full ADA and State building compliance. That's something we should want to do, in any case.

Note that the acquisition cost for Edgewood, which is fully ADA compliant, with closing costs, court resurfacing, and a \$25,000 contingency included, is **\$2,115,000**.

### **Why is it so costly to repair the Town Pool? And why wasn't the maintenance done sooner to avoid a larger, lump-sum expense?**

Ballantine pool has received active maintenance throughout its lifetime, which has led to its long lifespan. But even the most diligent maintenance program can only slow and not completely stop, natural degradation over time.

The Board of Finance had earmarked \$1.2 million for a significant restoration of the Town Pool, to include a reconstruction of the top 18 inches of the pool and deck drainage. However, a detailed engineering analysis by Weston and Sampson revealed that the structural problems ran deeper than we thought, and the entire structure of the pool basin would need to be replaced at a much higher cost.

Additionally, building codes have tightened since the last pool house renovation in 2012, and ADA compliance is more strictly enforced. Because of the significant work required to the pool, the pool house would have to be brought up to code.

### **Why does the Town need a pool? Why not close Ballantine and save money?**

Some folks in Town would prefer not to have an outdoor pool. They suggest that we shutter the Ballantine Pool at the end of its life, and not spend the money to acquire Edgewood. This option would leave us without a Town Pool.

In 2018, the town of Southbury adopted its first Strategic Plan, as required by the Town Charter. The Strategic Plan identified three goals, each with two strategic pillars for the purpose of setting the priorities for town governance and responsible and sustainable town growth.

One of these goals is to improve Quality of Life in Southbury, with a corresponding strategic pillar of "Improve Cultural and Recreational Opportunities". A 2018 community survey indicates that *73.8% of residents place a high value on the recreational and cultural opportunities in Southbury and believe that Southbury should continue to invest in them.*

Maintaining a public swimming pool would clearly be a priority based on the goals laid out in the Town's Strategic Plan. Additionally:

- Having a pool was and is a source of pride for the Town, and separates us from neighboring towns that don't have a public pool.
- Learning to swim is an essential skill that prevents drownings. Having a first-rate Town pool with active programs facilitates this learning.
- Having a Town pool helps keep Southbury desirable for young families.

## **What will become of the Town Pool if we buy Edgewood?**

If the Town purchases Edgewood, the Ballantine pool will be decommissioned in a safe and secure way. The pool would likely cease operation as a pool beginning in 2021. The Town Pool will be in service for the 2020 season, regardless of the Edgewood acquisition.

We would like to see some adaptive reuse of the Ballantine pool once it closes, but there have not been discussions about that reuse yet.

## **THE EDGEWOOD FACILITY**

### **Will the purchase of Edgewood raise my taxes?**

The current plan is to purchase the property using funds in the Town's reserve. By not bonding the project, the purchase of Edgewood will not directly impact your mill rate or your taxes. Additionally, the Town has already earmarked \$1.2 million for Town Pool repairs, so the Town will only need to withdraw the balance, approximately \$900k, from the unassigned general fund to complete the purchase.

### **Running a facility like Edgewood is costly. Will the annual operating budget lead to an increase in taxes?**

A Financial Impact Study was done by Finance Director Dan Colton. These findings were presented at a February 10 meeting of the Board of Finance. He was using conservative estimates for the sale of memberships and the price of those memberships. Under these assumptions, Edgewood would operate at a modest profit, generating sufficient revenue to offset expenses and then some. Historically, Ballantine has operated at a \$90,000 annual deficit. Ballantine's pool operation is the only Park & Rec program in Town that runs at a loss. You can view a video recording of the February 10 Board of Finance meeting [HERE](#).

### **How much would the cost of a family pool pass increase at Edgewood?**

Nominally. For the upcoming 2020 season, the family pool pass fee will increase to \$320. We are currently targeting a \$350 price point for a family summer pool pass at Edgewood. To be clear, we have not yet established the membership rates for Edgewood.

**The Edgewood property is over 10 acres. Is there available space to develop the lot further?**

Yes. While there are opportunities to develop and improve the Edgewood property, the majority of the undeveloped acreage includes designated wetlands areas. It is possible to build into wetlands, with appropriate mediation, but we have not explored those options. There is an unencumbered area in front of the clubhouse building, which would be available for about 5,000 square feet of bathhouse expansion.

There is potential to build an elevated structure above the large parking lot, or to create a gymnasium upon the current location of the outdoor basketball court. This Task Force did nothing more than briefly discuss these options, and is not prepared to make recommendations on future improvements at this time.

**What is the projected lifespan of the Edgewood pool?**

The Edgewood pool opened in 2010 and is estimated to have a lifespan of 40 more years before needing significant improvement. A 50-year lifespan for a well-constructed, outdoor pool is standard, with proper maintenance. The Task Force had heard from experts that a well-built pool can survive up to 80 and even 100 years. The Task Force is comfortable in the 40 additional years of projected life.

Many mechanicals at Edgewood, including the filter and heaters, have been replaced in the past year or are in the process of being upgraded. These items will need replacement at some point before the pool closes.

The Finance Office has factored an annual maintenance and improvement budget into its financial impact analysis that would roll over from year-to-year and would offset any significant improvements required.

**How would the Town manage and maintain facility like Edgewood?**

If the Town were to exercise the option, it would be a priority to maintain the condition of the facility as it was received. The Task Force is looking at several management models and options to recommend how to best manage the facility.

**Will this be the site of a new Community Center for Southbury?**

There is significant potential for the property to be improved and developed further; however, the initial focus is on the evaluation of the property concerning executing a purchase agreement. We believe that this site has the potential to become a Community Center for

Southbury and perhaps the region, but that determination is not within the scope of this Ad Hoc Task Force.

## **LIFEGUARDS**

### **How would the Town manage lifeguards at Edgewood?**

When Finance Director Dan Colton first saw the Edgewood financials, he noticed that they used far fewer lifeguards than Ballantine while operating for more hours and days. That led to a review of Ballantine staffing, and it was determined that the Town has overstaffed lifeguards for many years. For this coming swim season, Ballantine will operate with fewer lifeguards, for savings of about \$30,000 per year.

Regarding the extended swim season at Edgewood, the Town is confident that it could staff local college students to fill out the season, even after other collegiate lifeguards return to school, as Edgewood currently does.

## **OPERATIONS MANAGEMENT**

### **Will the Town be able to manage an Edgewood facility properly?**

The Task Force is skeptical of the Town's ability to manage Edgewood, as are some of our citizens. To rectify that concern, the Task Force is considering several management options.

Keep in mind that the Town was "losing" about \$90,000 per year, every year, running Ballantine's pool. If we can figure out how to run Edgewood at break-even or a small profit, that's a plus.

Our goal would be to maintain Edgewood at the same standards, as did the current owner. We also would endeavor to preserve all of the same programs and camps that Edgewood currently operates. At this time, we have no plans to eliminate any of Edgewood's current programs. However, that could change as we learn more.

### **How will the Town manage membership if demand exceeds capacity?**

That would be an excellent problem to have. Firstly, as Southbury will retain ownership of the Edgewood facility, we would offer preferential rates to Southbury residents. The current proforma analysis shows a family membership fee of \$350 per year.

Residents of other towns could join at higher rates. The current proforma shows an “out-of-town” family price of \$800 per year. Note that the current Edgewood family membership fee is listed as \$1,100 per year, but that is discounted to \$1,000 if you buy in early.

As our proposed rates are much lower than Edgewood’s current prices, if you apply a Demand Curve analysis, a rational economist would expect that demand would soar and that the risk of demand exceeding capacity is real. Of course, we don’t know the slope of the Edgewood Demand Curve, so this is pure speculation.

If we do experience demand that exceeds capacity, we will cut off memberships. The first group to absorb the cut would be the “out-of-towners.” After that, Southbury residents would be allowed to join on a first-come-first-served basis. If you try to join and membership is already full, you would get on a waiting list. That’s how current programs operate at Park & Rec. You snooze, you lose. Having said all that, the Task Force does not currently foresee that demand will exceed capacity.

Note that the Task Force does not believe that the current demand for membership at Ballantine is representative of the future demand for membership at Edgewood.