



Edgewood Sports Complex Ad Hoc Task Force

April 16, 2020

Recommendation Regarding the Purchase of Edgewood Sports Complex

Submitted by Task Force Members:

George Bertram, *Board of Selectmen*

Dan Colton, *Finance Director*

Tom Connor, *Vice-Chair, Board of Finance*

Tom Marks, *Strategic Plan Commission*

Charlie Rosa, *Chairman, Parks and Recreation Commission*

Hugh Sullivan (Advisor), *Architect, Bennett Sullivan Associates Inc.*

John Michaels (Advisor), *Chairman, Board of Finance*



On January 23rd, the Town of Southbury signed an Option to Purchase Agreement for the Edgewood Bath and Tennis Club. Southbury's 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 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.

Pursuant to the signing of this option agreement, First Selectman Jeff Manville announced the formation of an ad hoc task force to review this proposed acquisition and make a recommendation. The Task Force was asked to consider the following:

- Is this purchase an appropriate option to replace the current Town pool?
- Does the financial impact justify the investment?
- Recommend any engineering studies and inspections as may be proper to determine the condition of the Edgewood facility.
- Suggest any additional actions as necessary to achieve thorough due diligence.

The following report details the findings and conclusions of the Ad Hoc Task Force, which were considered when determining a recommendation.

Is This Purchase an Appropriate Option to Replace the Current Town Pool?

To determine if the Edgewood complex was an appropriate option to replace the Town pool, the Task Force compared the size and amenities of the two pools and considered the utilization of both options.

The Edgewood pool compares favorably with the Ballantine Pool, exceeding the capacity of the current Town Pool in several areas:

	Pool Area	Decking	Pool House	Swimming Weeks	Parking Spaces
Edgewood	4,914 SF	14,250 SF	5,312 SF	18	159
Ballantine	4,604 SF	6,400 SF	1,640 SF	14	62

Additionally, the Edgewood Pool offers several amenities unavailable at Ballantine:

- Sloped, zero-entry access
- Water heaters, which allow the pool to open earlier, close later, and maintain an efficient temperature
- Water features in the shallow end for younger children

- Pool and facility lighting
- A fully ADA compliant bathhouse, including locker room and bathroom access.

In addition to a state-of-the-art swimming pool, the Edgewood Sports Complex offers other facilities including:

- 6 USTA-grade tennis courts
- A full-size basketball court
- 2 paddle tennis courts
- A 3500 SF playground
- A beach volleyball court
- A commercial-grade kitchen and liquor license

The sum of the facilities at the Edgewood Sports Complex campus allows the Town to serve all the populations currently served by the Ballantine pool, as well as serve new segments of our community. These groupings include:

- Summer Swim Families, who use the pool recreationally.
- Sharks Swim Team, who use the pool for training and competitions in the summer season. The Edgewood pool offers the more common 25-yard distance, whereas Ballantine offers non-standard 25-meter lanes.
- Senior Swimmers, who may currently have difficulty accessing the Town pool because of non-working lifts and narrow stairs, will benefit from the zero-entry feature of Edgewood, which will increase senior programming.
- Parks and Rec Summer Campers, who currently take a bus to Ballantine for swimming pool access, would be able to walk across the street from their camp at Long Meadow Elementary to access the Edgewood pool.
- Beginning Swimmers will be able to take lessons at Edgewood in a dedicated shallow end, separate from swim lanes.
- Recreation Tennis Players will be able to enjoy USTA-grade courts.
- Pickle Ball participants, who play one of the fastest-growing sports, especially among seniors, will finally have access to public courts.
- Basketball players, who have been enjoying the crowded courts at Community House Park, will enjoy the full-size court at Edgewood
- Paddle Tennis enthusiasts will enjoy two of the only courts in the immediate area, and among the very few public courts in the entire state.

As an outsized alternative to the Ballantine pool, with the ability to serve a wider swath of our citizen population, the Task Force finds Edgewood to be an appropriate option to replace the Town pool.

Does the Financial Impact Justify the Investment?

To assess the financial impact of a potential Edgewood purchase, the Task Force studied a Financial Impact Analysis (Appendix A) prepared by the Finance office. Once the financial impact was understood, the Task Force considered how the impact would affect taxpayers. Finally, the Task Force weighed the purchase of Edgewood versus a replacement of the facility at Ballantine park.

In a February 10th meeting of the Board of Finance, Town Finance Director Dan Colton presented a Financial Impact Analysis to understand better the operational costs and liabilities in running and maintaining a facility like Edgewood. Director Colton's model was based on most recent years' financial statements, supported by its tax returns. By extrapolating and categorizing expenses, Director Colton was able to compare and project the cost of running the facility versus that at Ballantine Park.

The analysis shows, when based on a \$350 price point (2020 Ballantine family season pass is \$320), Edgewood would be able to run as a self-sustaining entity. In contrast, the Ballantine pool costs the Town approximately \$90,000 net. The revenue projections at Edgewood factor in facility memberships, as well as tennis court rentals by Region 15 and other local schools, and revenue from leasing out the rights to operate the snack bar.

The Task Force has stress-tested the Financial Impact Analysis for downside risk, focusing on the variables that could most likely impact revenue projections. These tests suggest that even if membership numbers are materially below the conservative base case projections that the Edgewood facility can still operate on a self-sustaining basis without subsidy from the Town (albeit with little excess profit). Even with very pessimistic and improbable membership assumptions, Edgewood still would require less support from the Town than Ballantine currently does, and provides the Town with better mitigation options to offset costs.

Considering the Town, in last year's budget considerations, has earmarked \$1,200,000 for a pool solution, and would pay the remaining balance from the Town unassigned general fund, the impact for the average taxpayer would be negligible, considering:

- There would be no bonding required, which eliminates debt service, and as a result, would not require the Town to adjust the mill rate to fund the purchase. Edgewood would be purchased with a zero tax increase.
- The target family pool pass price increase would be nominal, from \$320 at Ballantine park in 2020 to \$350 at Edgewood in 2021.
- Long-term maintenance is built into the financial model, with a special rolling revenue fund allocated for upkeep and repair.

With a firm understanding of the financial impact, the Task Force set out to determine the cost of a replacement option at Ballantine. In the late spring of 2019, the engineering firm Weston & Sampson did a structural report of the Ballantine

pool and discovered that the concrete degradation went deeper than anticipated, eliminating all financially practical repair options.

Weston & Sampson also determined that the bathhouse at Ballantine did not meet the current ADA standard, and would require a significant upgrade to do so. The Weston & Sampson report estimated that the total cost of replacing the Ballantine pool and bathhouse would be \$4,600,000.

This requirement was affirmed by State Building Inspector Paul Bette, who told Mr. Bertram that “we would be required to provide ‘accessibility’ in the pool house if we redo the pool at Ballantine. He was quite clear about it. If we don’t have handicapped accessibility in the pool house, then we’d have to provide it during any remodeling.

The Task Force sought the opinion of several pool and concrete experts, including Drakeley Pools, Scott Pools (who built Ballantine pool in 1972), J&J Pools, and the YMCA of Waterbury. These experts provided estimates for the replacement of the pool, which did not include site work, renovation of the bathhouse, landscaping, and in some cases, decking or electric.

The Task Force asked Hugh Sullivan, of Bennett Sullivan Associates Inc (Sullivan) to consult as an independent arbiter of the range of pool estimates. In addition to the pool, Sullivan also provided expertise in the area of ADA compliance to recommend appropriate specifications and projected costs for a new bathhouse, parking, and septic.

Sullivan’s analysis suggested the complete Ballantine project would cost approximately \$3,729,000.

As the low range estimate of \$3.729 million is still nearly double the cost of a potential acquisition, with far fewer amenities, this Task Force favors the purchase of Edgewood to a replacement project at Ballantine. Given the financial implications to the taxpayers of Southbury stated previously, along with the ongoing fiscal net cost, the Task Force finds that the financial impact of the purchase of Edgewood is justified.

NOTE: *The task force has sought a third Ballantine replacement estimate from the firm Aquatectonic in White Plains, NY. Aquatectonic specializes in designing pools, water features, and spas for municipalities. We do not have the estimate as of the submission date of this report but will submit an addendum when it becomes available, which we believe will be no later than April 20, 2020.*

Recommend any Engineering Studies and Inspections as may be Proper to Determine the Condition of the Edgewood Facility.

The Task Force met with a variety of experts in several fields to assess the condition of the Edgewood facility. This list includes:

- Site visit with Susie Jones, Owner of Edgewood
- Site visit with Jim O'Rourke of Waterbury YMCA
- Meeting with Scott Pools, who built Ballantine
- Call with Paul Bette, State Building Inspector
- Building inspection and report from National Property Inspections
- Meeting with Newtown Community Center
- Review of courts with R.S. Site and Sports
- Site visit with Bill Drakeley, whose firm built Edgewood pool
- Site visit with Mark Lancor of DYMAR, who designed site engineering plans for Edgewood
- Meeting with Hugh Sullivan to discuss Ballantine compliance upgrades.

The Task Force was not able to obtain a pool inspection report because the pool must be open and operating to do so. The Task Force recommends this be done once the pool is open for the upcoming 2020 season. Based on discussions with advisors and experts, the Task Force has every reason to believe the pool inspection will be satisfactory.

Every expert, inspector, and consultant we have spoken to has offered high praise for the condition of Edgewood and has recommended its purchase. Several of the experts, including National Property Inspections, YMCA Director Jim O'Rourke, and Architect Hugh Sullivan, have commented positively on the value of the purchase price.

William Drakeley of Drakeley Pools, who built the Edgewood pool, has vouched that the pool is in excellent condition, and suggested it could last upwards of an additional 50 years before needing major reconstruction.

The property inspection has returned 15 items noted to be in "poor" condition. These range from minor inconveniences, such as a broken gate latch or a leaky gutter, to superficial surface cracking on the basketball court. The seller has agreed to repair or replace 14 of the 15 items noted, with the one exception being court resurfacing, which this Task Force recommends including in the purchase price.

Any Additional Actions as Necessary to Achieve Thorough Due Diligence.

The Task Force believes it is crucial to solicit and respond to community input to gauge the Town's appetite for a potential Edgewood purchase.

Typically, the Task Force would have held a public meeting where citizens could attend a presentation and ask questions in an open forum. With the ongoing COVID-19 pandemic, public gatherings have been limited to no more than five people, eliminating the conventional method of sharing information and soliciting feedback.

As such, the Task Force conducted three public information meetings via digital broadcast. These meetings covered the following:

April 1, 2020 — An initial presentation of findings, following by answering questions submitted through the Town website. The April 1st presentation can be viewed on the Town website: https://southbury-ct.org/filestorage/20556/20567/20580/31615/Edgewood_Presentation_FINAL_4_1.pdf

April 6, 2020 — A revised presentation of findings, including new information and addressing frequent questions, followed by answering questions submitted through the Town website. The April 6th presentation can be viewed on the Town website: https://southbury-ct.org/filestorage/20556/20567/20580/31615/Edgewood_Presentation_APRIL_6_rev.pdf

April 13, 2020 — A new presentation, incorporating public feedback into the Task Force's recommendation, as well as addressing common misconceptions, followed by answers to submitted questions. The April 13th presentation can be viewed on the Town website: https://southbury-ct.org/filestorage/20556/20567/20580/31615/Edgewood_Presentation_APRIL_13.pdf

At the time of this writing, over 220 submissions of questions or feedback have been submitted through the town website. **55% of respondents approve of the Edgewood purchase**, an overwhelming majority compared to the 24.6% who oppose it. An additional 20.5% of respondents did not indicate a preference when submitting a question.

Among those who oppose the purchase, the three most common concerns were not wanting to purchase property in another town (Middlebury), not wanting to pay taxes in another town, and concern for the future of Ballantine Park.

Regarding purchasing a property in Middlebury, this Task Force sees no downside. An analysis of 30 randomly plotted addresses, evenly distributed geographically through Southbury, found the average drive time to Edgewood would increase four minutes and 22 seconds versus Ballantine. When the 30 addresses were replotted to represent the geographic density of single-family homes (primarily on the Eastern side of Southbury), that drive time difference was reduced to under two minutes (1:58). The drive to Middlebury may be longer for some, but shorter for others, and ultimately not significant enough to discourage pursuing the property.

Additionally, residents have already indicated their willingness to travel to Middlebury using current membership numbers. Edgewood has consistently had higher Southbury family membership numbers than Ballantine, despite costing three times as much. In the summer of 2019, Ballantine had 86 Southbury family memberships, and Edgewood had 128, nearly 50% more.

Regarding paying property and sewer taxes to the Town of Middlebury, this Task Force sees no downside. The Financial Impact Analysis has factored these items into its projections as expenses, and the model shows Edgewood operating on a self-sustaining basis.

Finally, some respondents were concerned about the future of the pool at Ballantine Park, should the Town move forward with the purchase of Edgewood. The Task Force finds these concerns to be legitimate considerations.

It is beyond the scope of this Task Force to make a recommendation on the future of the Ballantine pool. Additionally, that project would require time and resources unavailable to the Task Force in the course of our current charge. However, the Task Force supports long-term planning for the Ballantine site and asks that a new Task Force be formed to explore future opportunities at Ballantine Park.

Endorsements

Several relevant parties have endorsed the acquisition of Edgewood, based on the findings and conclusions of the Ad Hoc Task Force. These include:

- Kevin Bielmeier, Economic Development Director
- Michael Ganem, Parks and Recreation Director
- Maria Papiro, Ballantine Pool Director
- Lucy Suter, Head Coach, Panther Aquatic Club
- Strategic Plan Commission

Notably, the Strategic Plan Commission is a bi-partisan group tasked with providing recommendations on how to implement the Town's Strategic Plan, a guiding document for Town governance. The nine-person Strategic Plan Commission includes three Republicans, three Democrats, and three are Unaffiliated and voted unanimously, 9 to 0, in support of the Edgewood acquisition.

Endorsement letters from all parties above are included in the attached Appendix.

Recommendation

The Edgewood Ad Hoc Task Force finds the Edgewood Bath and Tennis Club to be a fiscally responsible and appropriate option to replace the current town pool at Ballantine. As such, **we recommend exercising the Town's option to purchase** with the following provisions:

- The Town obtains a pool inspection report once the pool is open for the season.
- The Task Force remain in place to explore and recommend facility management options.
- The Task Force remain in place to explore community center options and improvements.
- A new Task Force be formed to explore future opportunities at Ballantine Park.

Recommended Purchase Price

The Task Force suggests the following monies be allocated for the purchase of Edgewood:

Edgewood Purchase Price	\$ 2,000,000.00
Closing Costs	\$ 40,000.00
Court Resurfacing Costs	\$ 50,000.00
Contingency	\$ 25,000.00
TOTAL ALLOCATION	\$ 2,115,000.00

Respectfully Submitted,

Edgewood Ad Hoc Task Force

George Bertram, *Board of Selectmen*

Dan Colton, *Finance Director*

Tom Connor, *Vice-Chair, Board of Finance*

Tom Marks, *Strategic Plan Commission*

Charlie Rosa, *Chairman, Parks and Recreation Commission*

APPENDIX A — Financial Impact Analysis

Town of Southbury Ballantine and Projected Edgewood Revenues and Expenditures

	<u>Current Ballantine</u>	<u>Proposed Edgewood</u>
Total Revenues:		
Southbury Residents	\$ 65,764	\$ 124,460
Non-Residents	6,182	128,000
Tennis & Other		60,250
Total Revenue	<u>\$ 71,946</u>	<u>\$ 312,710</u>
Expenditures:		
Labor	124,415	95,371
Operating	19,634	82,495
Tennis	-	5,508
Maintenance	17,940	44,791
Sewer Fees	-	18,340
Middlebury Property Taxes	-	35,435
Total Expenditures***	<u>\$ 161,990</u>	<u>\$ 281,939</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (90,044)</u>	<u>\$ 30,771 **</u>

** Excess revenue will be rolled into fund balance for future purposes

*** Based on 2019 actual expenditures

APPENDIX B — Letters of Endorsement

Kevin Bielmeier

Economic Development Director

https://southbury-ct.org/filestorage/20556/20567/20580/31615/Memo_from_Economic_Developme_Director.pdf

Michael Ganem

Parks and Recreation Director

https://southbury-ct.org/filestorage/20556/20567/20580/31615/Email_from_P%26R_director_Michael_Ganem.pdf

Maria Papiro

Ballantine Pool Director

https://southbury-ct.org/filestorage/20556/20567/20580/31615/Email_from_pool_director_Maria_Papiro.pdf

Lucy Suter

Head Coach, Panther Aquatic Club

https://southbury-ct.org/filestorage/20556/20567/20580/31615/Email_from_PAC_Coach_Lucy_Suter.pdf

John Monteleone

Strategic Plan Commission

https://southbury-ct.org/filestorage/20556/20567/20580/31615/Email_from_Strategic_Plan_Commission.pdf