



# TOWN OF SOUTHBURY

## ECONOMIC DEVELOPMENT

501 Main Street South

Southbury, Connecticut 06488

(203) 262-0683

Fax: (203) 264-3719

## MEMO

To: George Bertram, Chairman, Ad Hoc Task Force on Edgewood  
From: Kevin Bielmeier, Economic Development Director  
Date: April 13, 2020  
Re: Edgewood Bath and Tennis Club

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Mr. Bertram,

The option by the Town of Southbury to purchase the Edgewood Bath and Tennis Club is, in my professional opinion, a good one for the following four reasons:

1. It is good economic development
2. It makes fiscal sense
3. It adds to the marketability of the town
4. It has the potential to be a revenue generator

### **Economic Development:**

- Parks and recreation improves the quality of life in communities and benefits the local economic development of a region. <sup>1</sup> A recent [survey](#) in Area Development notes that three-quarters of corporate executives rate quality-of-life features as important factors when choosing a location for a headquarters, or other company facility. <sup>2</sup>
- America's local park and recreation agencies generated more than \$154 billion in economic activity in 2015, the most recent year it was reported, nearly \$81 billion in value added and more than 1.1 million jobs that boosted labor income by \$55 million. <sup>3</sup>

### **Fiscal sense:**

- The estimated cost to repair the existing town pool at Ballantine Park is \$3,729,000.
- The estimated total cost to acquire the Edgewood facility is \$2,115,000. I have toured the proposed facility and by every comparison (see [presentation](#)) <sup>4</sup> it is superior and offers a far larger number of amenities to the residents of Southbury.
- Another option of course is to have no town pool at all. In the long run, however, this would diminish the value of the town, as parks and recreation facilities attract new residents and businesses to an area and, thereby, increase sales and tax revenue. <sup>5</sup>

### **Marketability:**

- Having a versatile recreational facility such as Edgewood would add to the marketability of the town for potential residential and commercial residents. According to a survey by the National Association of

Realtors, more than half of homebuyers say they'd choose a home that was close to parks and recreation facilities over one what was not, and that they would be willing to pay 10% more for that home.<sup>6</sup>

- Public facilities foster private investment. They anchor a community. <sup>7</sup> The facility would allow the town, and those who rent it, to host a wide variety of events which would attract people to visit, thereby increasing the visibility of Southbury, contributing to its marketability.
- The six USTA grade tennis courts present the opportunity to hold professional and semi-pro tennis tournaments, drawing in participants and spectators far and wide, adding to the economy, increasing community visibility and enhancing our community image.

### **Revenue generator:**

The Edgewood Bath and Tennis Club presents an opportunity for Southbury to generate revenue. According to the Financial Impact Study by Southbury's Financial Director, ([study](#))<sup>8</sup> The Club, as fore mentioned, has six USTA grade tennis courts which could be used to host professional tennis tournaments.

### **Revenue Opportunities:**

**#1** - There are three types of economic impact that potentially could come as a result of holding sporting events:

- **Direct impact:** The expenditure within our local economy as a direct result of holding sports events. This arises from the expenditure of each stakeholder group.
- **Indirect impact:** The purchasing of goods and services by companies serving spectators, participants and event organizers of sports events.
- **Induced impact:** The effect created as a result of additional wages and other income related to the hosting of sports events that is spent in the local economy. <sup>9</sup>

**#2** - Gatherings beyond sports, such as parties, business networking and other types of professional or personnel gatherings using the entire facility or parts of it, may generate rental revenue.

**#3** - Renting or managing opportunities of the other areas of the facility such as the children's area, the snack bar or the gymnasium, could produce additional opportunities for rental revenue.

**#4** - Beyond use by Southbury residents, there is the opportunity of regional membership / usage, with the option of market-rate admission pricing.

### **Summary:**

In summary, I believe that it is good for the town and its residents to have a high-quality pool and recreational facility such as Edgewood. It adds value to Southbury, aiding economic development and marketability, and it is a good investment that will not only pay for itself in a short duration, but be a revenue generator overtime.

## **References:**

- 1 Economic Impact of Local Parks, National Recreation and Park Association (2018) [Report](#)
- 2 31<sup>st</sup> Annual Survey of Corporate Executives, Area Development. (Q1 2017) [Survey](#)
- 3 Economic Impact of Local Parks, National Recreation and Park Association (2018) [Report](#)
- 4 Edgewood Finance Impact, Board of Finance, Town of Southbury. [Finance Report](#)
- 5 Five Economic Benefits of Parks and Recreation Facilities, HRG (April 10, 2019) [Article](#)
- 6 Reference to the National Association of Realtors' [Survey](#) in the HRG article (April 10, 2019)
- 7 This Is Why We Need to Support Public Facilities, Tri-City Herald. Craig Maloney and Michael Novakovich (August 2, 2019) [Article](#)
- 8 Edgewood Finance Impact, Board of Finance, Town of Southbury. [Finance Report](#)
- 9 The Economic Impact of Major Sporting Events, KPMG (September 2018) [Article](#)