

Tyngsborough Country Club

Property Overview



2 Houses

48 Sherburne Ave
(2.04 acres)

56 Sherburne Ave
(2.25 acres)

3 Golf Course Parcels

85 acres total

56.7 acres

18.8 acres

9.45 acres

2 Riverfront Parcels

3.7 acres (unbuildable)

1.1 acres and 2.6 acres



Overview of TCC Options

1) Town purchases TCC to run as Golf Course

- Requires TM borrowing authorization
- Requires debt exclusion ballot vote

TCC current annual revenue is consistent with neighboring municipal golf courses:

- Highest revenue years- \$450-500,000 per year
- Lowest revenue years- \$327,000 (2018, poor weather and news of potential sale hurt business)

Groton Country Club 2017 revenue and expenses= ~\$450,000

- Self managed with town employees

Chelmsford Country Club revenue, 2017= ~\$336,000

- Sterling Golf Management Company, provides 10% of revenue back to town for long-term capital improvements

Overview of TCC Options

- 2a) Current owner takes property out of Chapter Land, runs Golf Course for one year, Town loses Right of First Refusal.
- Conventional Subdivision
 - ~37 lots
 - Requires Town to take no action
 - Estimated 56 new school-age students
 - Estimated \$512,698 new annual tax revenue
 - Estimated \$929,087 new cost of public services
 - Net annual deficit \$416,389 (Fiscal Impact Analysis completed by ESE Consultants on behalf of Toll Brothers 10-16-2018)
- 2b) Attempted zoning change
- Toll Brothers proposed 55+ Development
 - 204 units, no public open space/recreation component (or)
 - 66 Unit 55+ development, w/ Town option to purchase remainder of golf course for open space/recreation
 - Requires zoning change/Town Meeting authorization

Conventional Subdivision

Toll Brothers Proposals

- 66-204 55+ age restricted units
- Toll offered land owner \$4.85 Million for all properties
- A request to change zoning was being prepared when the Town held a public meeting to discuss potential public benefits of purchasing the property
- A decision was made to enter negotiate with land owner to preserve the country club as a golf course and or open space
- As a result, the landowner halted negotiations w/ Toll and halted attempted zoning change, to bargain with the town in good faith

Consideration for purchasing TCC

Option 1: Town purchases TCC to run as Golf Course

This is the only option that preserves the main 85 acre Tyngsborough Country Club parcels; all other options lead to some form of residential development

New Revenue or Use Options

- No longer just a golf course, options to add walking trails, winter cross country skiing, 300 feet from current 79 acre Sherburne Nature center trail network
- Lease portion of property for new function hall and restaurant
- Utilize Request for Proposals process to identify interested business owners who will invest in the property to bring additional uses or revenue to the property while maintaining the golf course and open space
- Subdivide buildable lot(s) from the site (on non-golf course portions) for resale. Use funding to lower borrowing costs. Possible residential development.

TCC Valuation Data

	Price per acre	Acres	Total
Golf Course Sales Comps	\$43,543	85	\$3,701,194
56 Sherburne Ave	\$290,000	1	\$290,000
48 Sherburne Ave	\$550,000	1	\$555,000
		Total	\$4,537,694

Golf Course Sales Comp Analysis
 - Middleton, Chelmsford,
 - Groton, Attleboro,
 - Millbury

	low estimate	high estimate	Lots	Total
Cost per lot	\$60,000	\$91,173	37	\$2,220,000-\$3,373,401
56 Sherburne Ave	\$280,000	\$300,000	1	\$290,000
48 Sherburne Ave	\$550,000	\$560,000	1	\$555,000
	Total	Total		\$3,065,000 - \$4,218,401

Rough Land Value Analysis
 -Tynsborough Assessors Office
(updated w/ Keller Williams Market Assessment for residential Properties)

	low estimate	high estimate	Lots	Total
Land Appraisal	\$1,133,610	\$2,293,500	36	\$2,293,500
56 Sherburne Ave	\$280,000	\$300,000	1	\$290,000
48 Sherburne Ave	\$550,000	\$560,000	1	\$555,000
			Total	\$3,138,500

Appraised Value (36 lots)
 -Keller Williams Commercial And Government Affairs Division

3 Golf Course Parcels

85 acres total

~\$4,00,000 total

56.7 acres= ~\$2,500,000

18.8 acres= ~\$1,000,000

9.45 acres= ~\$500,000

2 Riverfront Parcels

3.7 acres (unbuildable)

Nominal value- included in \$4M purchase price

Additional funding options

\$500k Federal Grant

\$500k Grant match within budget and/or free cash

Total expected borrowing:

\$3-3.5 Million

(not including potential redevelopment opportunities to further reduce cost)



Cost to Purchase- Additional Considerations

- TCC owners will include in sale all Golf Course Equipment (~\$200,000+)
- TCC owners will replace roof of Function Hall and make other necessary repairs to building prior to sale (~\$30,000+)
 - These items would not have been provided to the Toll Brothers, or any other future land developer, as part of their transaction, the property owners would have held a surplus auction for their equipment and ceased further improvements to the property. These additional cost considerations are only available to the Town.
- Value of preserving open space
- Value of license to irrigate with water from Merrimack River
- Participation and training from current owners during transition
- Value of State/Federal grants (~\$500,000+)
 - This funding is only available to the Town to offset our purchase cost, not available to private developers

Tyngsborough Country Club Inventory Assessment			
Item	Low	High	Average
Kubota Tractor/Loader	\$6,000.00	\$6,000.00	\$6,000.00
John Deere Tractor	\$6,000.00	\$6,000.00	\$6,000.00
Jacobsen G-Plex Mower	\$5,000.00	\$5,000.00	\$5,000.00
Kubota Zero Turn Mower w Bagger	\$6,500.00	\$11,000.00	\$8,750.00
Kubota Zero Turn Mower	\$2,000.00	\$2,000.00	\$2,000.00
Jacobsen 5 Reel Fairway Mower	\$10,000.00	\$10,000.00	\$10,000.00
Jacobsen Tri-Plex Mower	\$5,500.00	\$16,000.00	\$10,750.00
Toro Top Dresser	\$4,500.00	\$7,250.00	\$5,875.00
(20) Club Car Golf Carts	\$58,000.00	\$78,000.00	\$68,000.00
Jacobsen Slice-Seeder 3PH	\$2,500.00	\$5,000.00	\$3,750.00
Jacobsen Drum Aerator 3PH	\$10,400.00	\$10,400.00	\$10,400.00
Toro Pro Core 648 Aerator	\$17,000.00	\$18,500.00	\$17,750.00
Toro 3 Point Hitch Debris Blower	\$1,500.00	\$3,000.00	\$2,250.00
Smithco Greens Roller	\$4,500.00	\$4,500.00	\$4,500.00
Hydro Seeder w/ Trailer	\$7,000.00	\$16,000.00	\$11,500.00
John Deere Diesel Water Pump	\$10,000.00	\$10,000.00	\$10,000.00
Smithco Sprayer (gas)	\$3,000.00	\$3,000.00	\$3,000.00
Assorted Gas Hand Tools	\$5,000.00	\$10,000.00	\$7,500.00
Backup Electric Water Pump	\$3,000.00	\$3,000.00	\$3,000.00
Berkely Backup Pum for JD Motor (new)	\$4,350.00	\$4,350.00	\$4,350.00
John Deere 3PH Aerator (new)	\$350.00	\$480.00	\$415.00
TOTALS			
	\$172,100.00	\$229,480.00	\$200,790.00

*pricing based on assumption that all equipment is used unless otherwise noted

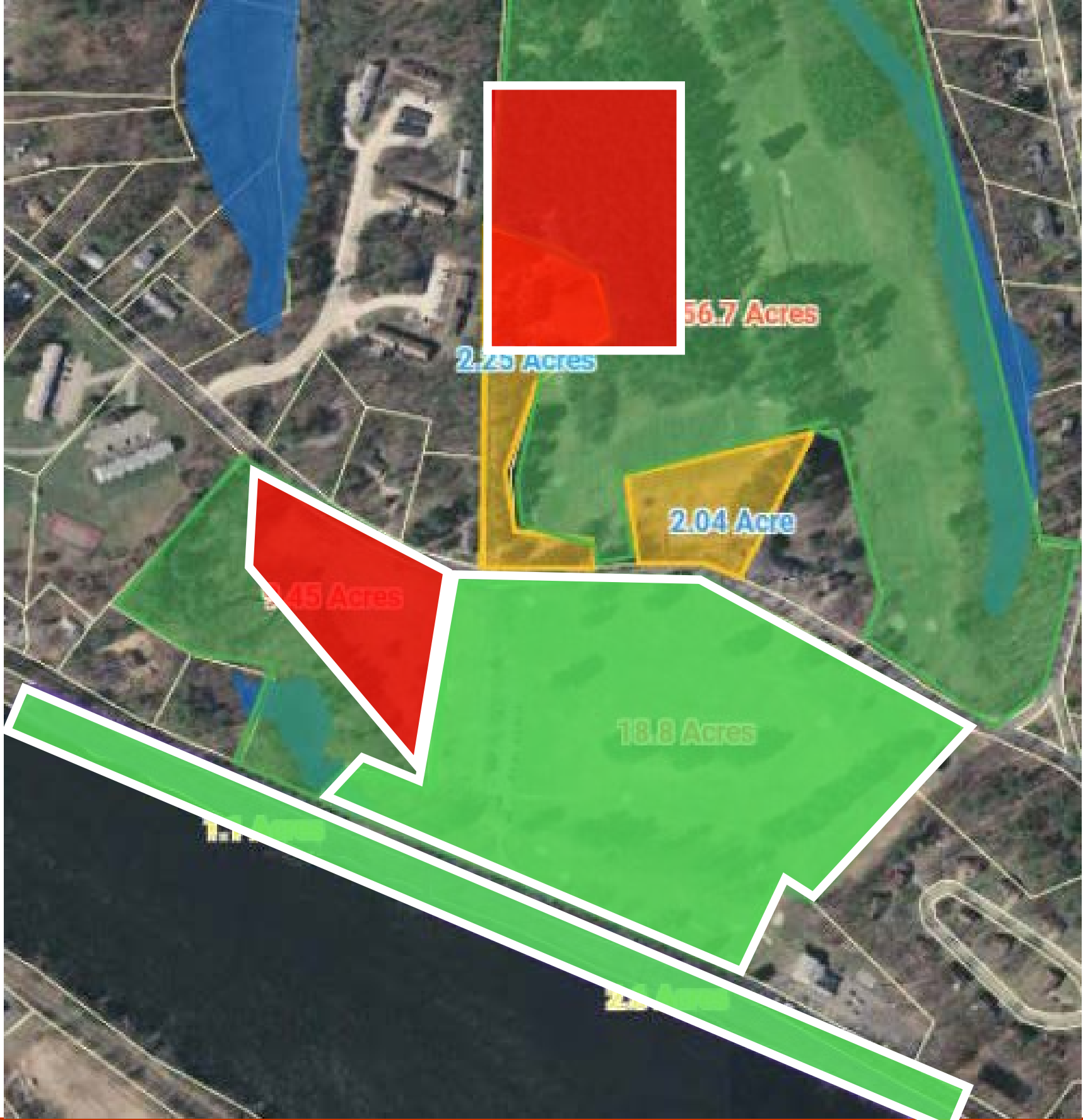
	Land and Water Conservation Fund (LWCF) Grant Program	Local Acquisitions for Natural Diversity Grant Program (LAND)	Parkland Acquisitions and Renovations for Communities (PARC) Grant Program
Issued by	Executive Office of Energy & Environmental Affairs	Division of Conservation Services	Division of Conservation Services
Maximum Grant	\$1,000,000.00	\$400,000.00	\$400,000.00
Minimum Grant	\$400,000.00	n/a	n/a
Reimbursement Rate	50%	52-70%	52-70%
Deadline to Apply	Thursday, April 11, 2019	Thursday, July 11, 2019	Thursday, July 11, 2019
Eligible Projects	Acquisition of parkland, development of a new park, renovation of an existing park, development of trails, or acquisition of conservation land	Purchase of land in fee simple; purchase of a Conservation Restriction; purchase of land for conservation and recreation purposes	Acquisition of parkland, development of new parks, improvements to existing parks; acquiring and developing land for park and outdoor recreation purposes
Restrictions	Land becomes protected Article 97 Land	Land must be assigned to ConCom or AgCom to hold and manage the property Active recreation or developed uses are prohibited (i.e.- Golf Course)	Small Town (population less than 35,000) eligible only for \$100k unless the project is accessible via public transportation or has parking 100 cars Land becomes article 97 land
Deadline to Complete	30-Jun-21	June 30, 2020 or June 30, 2021 depending on FY Contract Date	June 30, 2020 or June 30, 2021 depending on FY Contract Date
Requirements	Must have approved or currently under review open space and recreation plans Requires 100% funding approval through Town Meeting Vote Land must remain open to anyone, not local residents only ADA Compliant	Supports the purchase of forests, fields, wetlands, wildlife habitat, unique natural, cultural, or historical resources, some farmland Eligible applicants include Municipal Conservation & Agricultural Commissions with an up to date open space and recreation plan (or have submitted a draft by the deadline) Be able to show approval for acquisition of land & budget approved for cost of project	Must show approved budget for 100 % of the costs of the project Must have an approved or under review Open Space and Recreation plan at grant deadline
Award Date	Appraisal to Yellow Book Standards	Must submit appropriate appraisal	Must submit appropriate appraisals
Grant Workshop Dates	100 days after grant deadline (July-Aug 19')	120 days after grant deadline (Nov 19')	120 days after grant deadline (Nov 19')
		May 15 & May 16	May 15 & May 16

Potential Redevelopment Areas

Potential for banquet facility/restaurant, ice cream stand, small residential subdivision (non-residential use would require zoning relief)

Potential for Permanent Conservation

Can still be used for golf course but has future potential use as passive or active recreation



Thank you for your consideration

Questions/Comments

Additional information, prior presentations and detailed appraisal information, is available at the following link:

<http://www.tyngsboroughma.gov/government/town-meeting/>



Additional backup for Slide 8- TCC Valuation Data

Golf Course Sales Comp Analysis

Golf Course Comparative Value Analysis							
Town	Year	Purchase Price	Acres	Price Per Acre	Adjusted based on CPI	Adjusted Price Per Acre	
Middleton	2019	\$3,800,000	52	\$73,077	\$3,800,000	\$73,076.92	Municipal
Chelmsford	1995	\$988,622	31.5	\$31,385	\$1,639,763	\$52,055.97	Municipal
Groton	1989	\$1,900,000	113	\$16,814	\$3,873,180	\$34,275.93	Municipal
Attleboro	2018	\$3,000,000	93	\$32,258	\$3,000,000	\$32,258.06	Municipal
Millbury	2018	\$3,100,000	119	\$26,050	\$3,100,000	\$26,050.42	Private development
Average	2008	\$2,557,724.40	82	\$35,916.88	\$3,082,588.60	\$43,543.46	Average
Tyngsborough*	2019	\$3,950,000	85	\$46,470.59	\$3,950,000	\$46,470.59	Municipal
*Requested Purchase Price							
Tyngsborough Value, Average Price/Acre				\$3,701,194 (85 Acres x \$43,543 per acre)			

Golf Course Rough Land Value Analysis

Tyngsborough Assessors Office

CURRENT LAND VALUATION METHOD:				ASSESSED VALUE	ROUGH VALUE - 50%			
	UNIT PRICE	UNIT TYPE	NO UNITS	AS IMPROVED	ACCOUNT FOR DEVELOPMENT COSTS	# OF LOTS		ROUGH VALUE
AVERAGE:	\$3.15	SF	43560	137,214	68,607			
	\$7,500	AC	0.5	3,750	1,875			
			1.5 AC	140,964	70,482	37		2,607,834
	UNIT PRICE	UNIT TYPE	NO UNITS	ASSESSED VALUE AS IMPROVED	ROUGH VALUE - 50% ACCOUNT FOR DEVELOPMENT COSTS	# OF LOTS		ROUGH VALUE
ABOVE AVERAGE:	\$3.50	SF	43560	152,460	76,230			
	\$7,500	AC	0.5	3,750	1,875			
			1.5 AC	156,210	78,105	37		2,889,885
	UNIT PRICE	UNIT TYPE	NO UNITS	ASSESSED VALUE AS IMPROVED	ROUGH VALUE - 50% ACCOUNT FOR DEVELOPMENT COSTS	# OF LOTS		ROUGH VALUE
GOOD:	\$4.10	SF	43560	178,596	89,298			
	\$7,500	AC	0.5	3,750	1,875			
			1.5 AC	182,346	91,173	37		\$3,373,401

	56 Sherburne Ave	1	\$319,900
	48 Sherburne Ave	1	\$511,600
	TOTAL		\$4,204,901

Additional backup for Slide 4- Overview of Options

Conventional R-1 Subdivision
(37) 65,000 SF Lots

The following calculations model the impact of the new development on FY 2017/2018 Budgets, as though the homes were already built, using current tax rate and budget numbers.

A. Estimated Number of New Residents				
Unit Type	Quantity New Homes	Average Number of Residents Per Unit*		New Residents
Single-Family Home 4-5 Bedrooms	37	4.5	=	167

B. Estimated Number of New Public School Children				
Unit Type	Quantity New Homes	Average Number School Age Residents Per Unit*	New Resident	Age s
Single-Family Home 4-5 Bedrooms	37	1.5	=	56

C. Estimated Taxable Value of New Homes				
	Number of New Homes	Average Market Value Per Home*		Total Market Value
Single-Family Home 4-5 Bedrooms	37	\$ 850,000	=	\$ 31,450,000
Total Homes:	37	TOTAL MARKET VALUE:		\$ 31,450,000
x EQUALIZATION RATIO**:				0.95
TOTAL ASSESSED TAXABLE VALUE:				\$ 29,877,500

**Average delivered market-rate home prices provided by Toll Brothers, based on own-company sales in the region for similar home models, and based on local area comparable sales for new homes (all builders), using data from MLS reports and proprietary market research data.*

***According to the Massachusetts Department of Revenue, Division of Local Services, residential and commercial parcels in Tyngsborough are assessed at 95% of their market value. Qualified Open Space parcels in Tyngsborough are assessed at 0% of their market value. Personal Property (tangible goods) is assessed at 100% of market value.*

D. Estimated Tax Revenue Generated by New Homes in Tyngsborough				
Receiving Entity	Tax Rate per \$1000 of Assessed Value (2017 Rate)			Total 2017 Tax Revenues
Town of Tyngsborough & Tyngsborough Public Schools (Including Greater Lowell Regional)	\$ 17.16	=		\$ 512,698
TOTAL ANNUAL PROPERTY TAX REVENUE:				= \$ 512,698
AVERAGE Property Tax Per New Home:				= \$ 13,857

E. Estimated Annual Cost of Services for New Residents				
	Average Cost Per Resident or Pupil**	Number of New Residents or Pupils		Total Annual Cost
Town of Tyngsborough: Per Capita Tax-Supported Cost of Municipal Services	\$ 625	167	=	\$ 104,375
Tyngsborough and Greater Lowell Regional Schools	\$ 14,727	56	=	\$ 824,712
TOTAL ANNUAL COST OF PUBLIC SERVICES*:			=	\$ 929,087
AVERAGE Service Cost Per New Home:			=	\$ 25,110

Per capita cost of municipal services is calculated by dividing total Town of Tyngsborough FY 2017 General Fund Budget amount by number of residents, adjusted to subtract education costs and funds contributed by non-residential taxes and other revenue sources. Tyngsborough's Total FY 2017 General Fund Budget was \$36,433,297. Subtract \$24,563,454 for total education costs; subtract \$3,035,203 for Local Receipts revenues from sources other than taxes; the resulting amount to be raised by taxes for municipal services is approximately \$8,834,640. This amount divided by 12,300 residents (2017 US Census Bureau population estimate), equals \$718 per capita municipal services cost. Approximately 13% of this cost is paid by commercial and industrial property taxes and personal property taxes. The resulting per capita share of municipal service costs for residents of the Town of Tyngsborough is approximately \$718.87= **\$625 per capita, per year.**

** Per Pupil Cost for Tyngsborough School District reported by Massachusetts Department of Elementary & Secondary Education for Fiscal Year 2017. Tyngsborough pays into the Greater Lowell Regional budget on a per-pupil basis for Vocational Technology students.

Note: The Per Capita Multiplier cost of services calculation used herein was developed in the 1980's by the Rutgers University Center for Urban Policy Research, and has since become the industry standard method for computing public fiscal impacts of proposed development. This methodology does not account for increased capital or staffing costs that may be incurred incrementally due to population growth, such as the need for additional equipment or personnel. Such costs need to be determined by interviewing individual departments to see if they are at or near full capacity, if current equipment, infrastructure, and staffing levels are adequate, and if investments need to be made to accommodate new development. Projected revenue surpluses can be used pay for any needed investments through budgeted expenses, as permitted by state laws, or if expenses do not increase, the additional tax base may create a decrease in overall tax rates for existing and future residents.

F. Projected Net Annual Fiscal Impact on Town of Tyngsborough				
	Annual Property Tax Revenue	Annual Public Cost		Annual Net DEFICIT
Town of Tyngsborough (Including Schools)	\$ 512,698	\$ 929,087	=	\$ (416,389)
AVERAGE Net Deficit Per New Home:			=	\$ (11,254)