

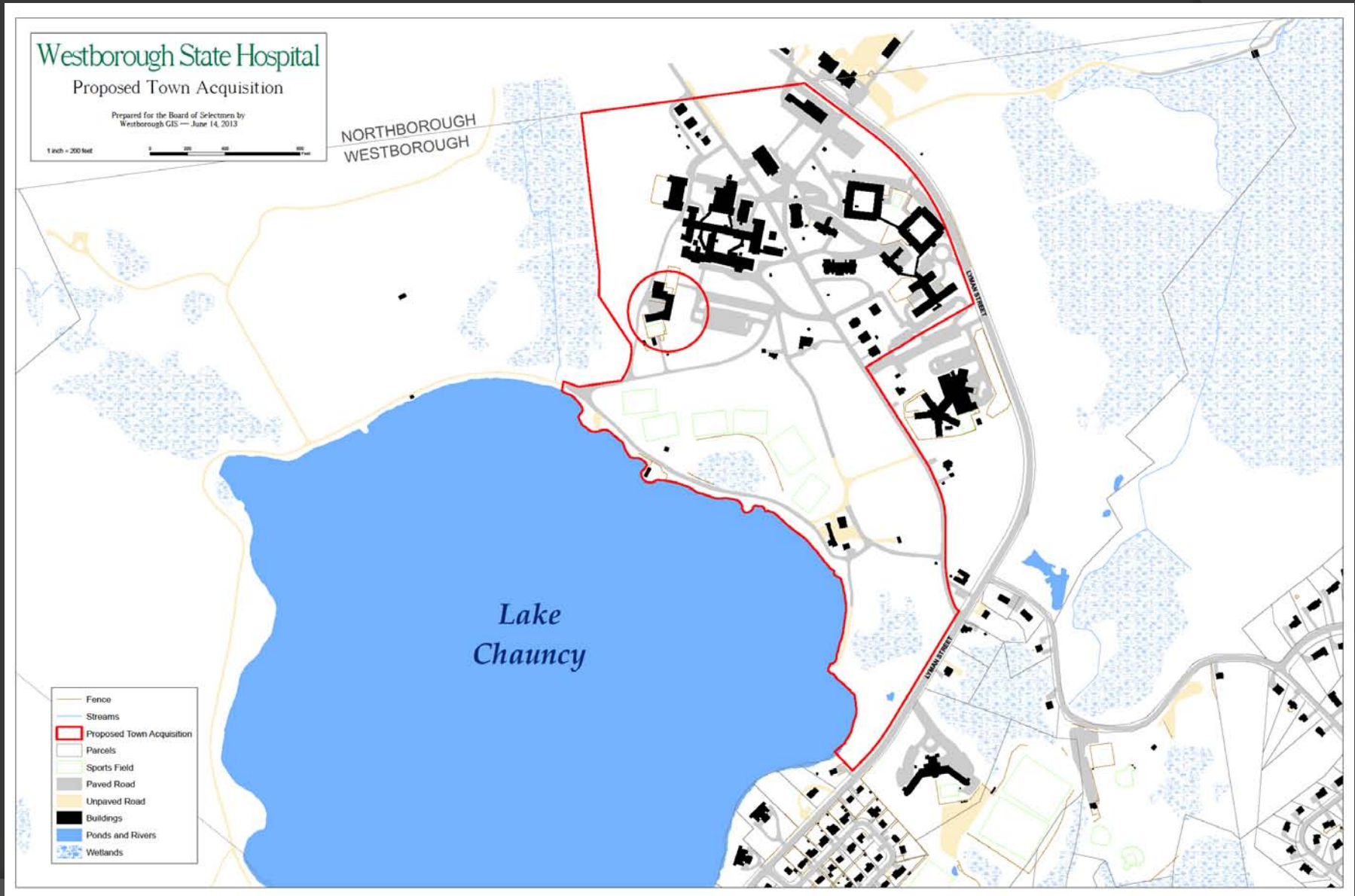
# WESTBOROUGH STATE HOSPITAL PROPOSED ACQUISITION TOWN OF WESTBOROUGH

June 17, 2013

# History

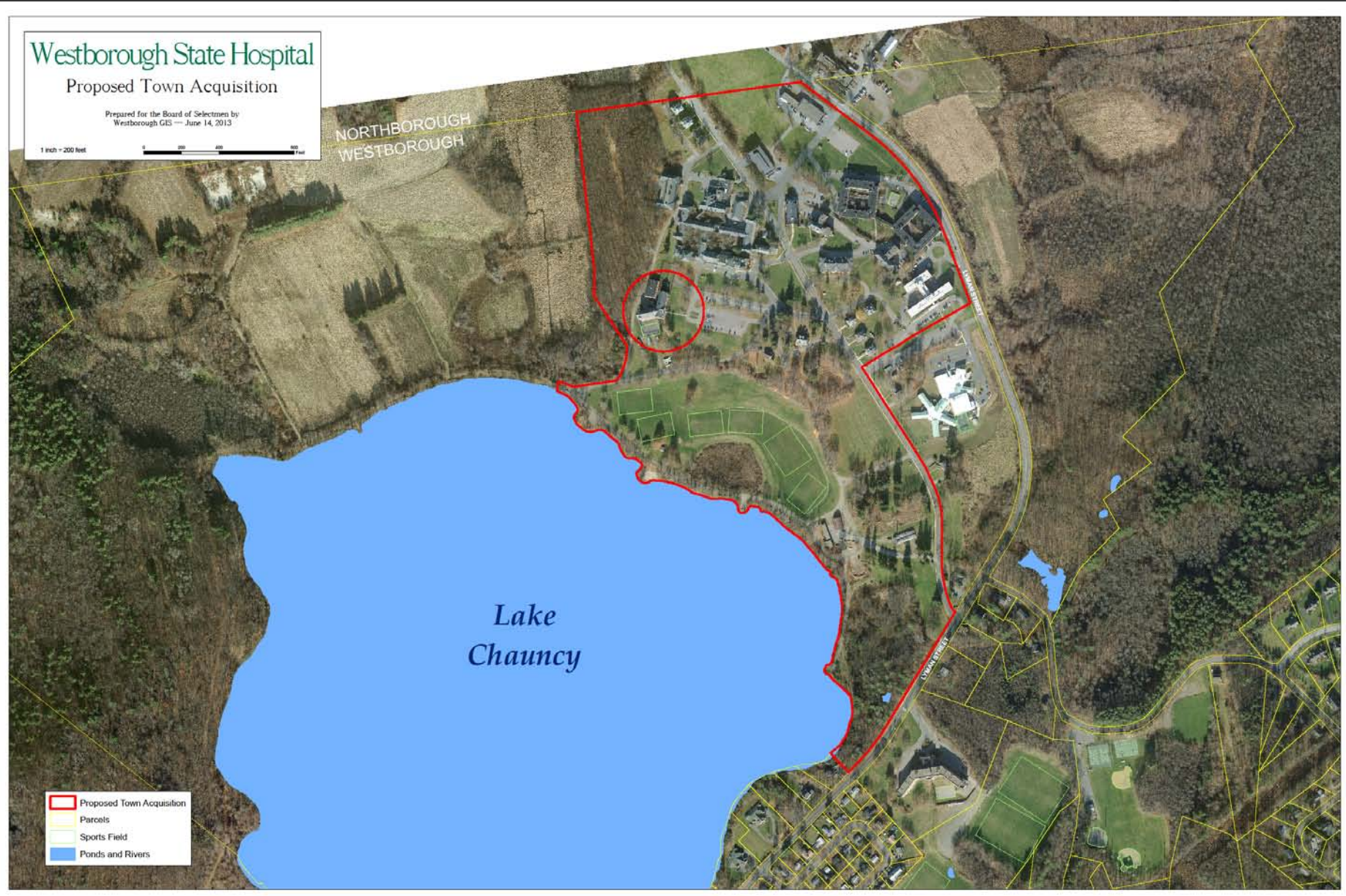
- Westborough State Hospital closed in 2010 and the State created the Westborough State Hospital Re-Use Commission.
- The Commission issued a report in 2011 undertaken by Sasaki Associates that indicated a highest and best use of approximately 500 residential housing Units.
- A public meeting in 2011 residents requested the Town get involved to control the future redevelopment.

# Westborough State Hospital Boundary of Property to be Acquired





# Westborough State Hospital Boundary of Property to be Acquired



# How would the Town benefit by owning Westborough State Hospital?

- With residential development of 500± and other developments that have been approved, the Town may need to construct a new school.
- If the property was lost to a developer, the Town would need to purchase approximately 12 acres to replace the 6 soccer fields.
- There is a potential for an estimated 1,000,000 square feet of commercial development and value of property taxes on this development.

# Potential Cost Avoidance - Schools

## Annual Cost

New School Debt Service	\$	900,000	*
New School Operating Cost	\$	5,262,578	**
Total Potential School Cost	\$	6,162,578	

\* Based on \$26 million with MSBA paying 50% average debt for 20 years @ 3.5%

\*\* Based on the Hastings School Operating budget

# Cost Avoidance – Soccer Field Replacement

Per Acre Price	\$	200,000
Acres Needed		12
Acquisition Cost:	\$	2,400,000
Construction Cost:	\$	2,000,000
Total Cost	\$	4,400,000
Average Annual Cost:	\$	300,000

# Total Annual Cost Avoidance

## Potential School Construction/

Operations Cost:	\$	6,162,578
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## Potential Cost for Soccer Field

Land Acquisition/Development:	\$	300,000
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Total Potential Cost:	\$	6,462,578
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# Potential Additional Property Taxes from Commercial Development

Estimated Value Per 1,000 s.f.	\$	67,561
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Estimated Total Value 1,000,000 s.f.	\$	67,561,000
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FY13 Property Tax Rate	\$	18.97
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Potential <u>Annual</u> Property Tax Gain	\$	1,281,632
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# Main Administration Building





# Talbot Building



# So, What's the Deal?

- The Town would purchase the property for a negotiated amount unrestricted as far as future use.
- After purchasing the land, the Town can re-sell all or portions of the land and will reimburse the Commonwealth a portion of the net proceeds.
- The Town is negotiating attractive financing with the State.

# How would the Town benefit by owning Westborough State Hospital?

- ◉ With residential development of 500± and other developments that have been approved, the Town may need to construct a new school. (Estimated cost \$6.2 million per year)
- ◉ If the property was lost to a developer, the Town would need to purchase approximately 12 acres to replace the 6 soccer fields. (Estimated cost \$300,000 per year)
- ◉ There is a potential for an estimated 1,000,000 square feet of commercial development and value of property taxes on this development. (Estimated tax revenues of \$1.3 million per year).
- ◉ In summary, purchasing the State Hospital will result in lower property taxes.