

WESTBOROUGH STATE HOSPITAL PROPOSED ACQUISITION TOWN OF WESTBOROUGH

August 27, 2013

So, What's the Deal?

- The Town would purchase the property for \$2.2 million to be spread over 10 years with no interest – or \$220,000 per year.
- As the Town sells parcels, the Town will reimburse the State 50% of the net proceeds. This can be reduced to 30%.

History

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

Future

- The Town's plan is to subdivide off the soccer fields and maintain this area as a Town recreation area.
- Subdivide the remaining area into lots that could be sold for commercial development.
- Building redevelopment/removal will be responsibility of purchasers.

Westborough State Hospital Boundary of Property to be Acquired

Westborough State Hospital

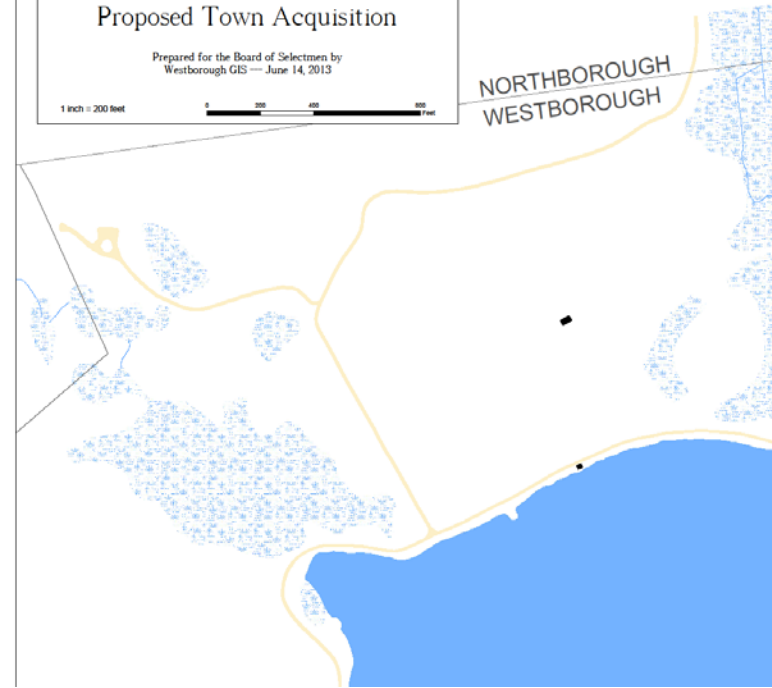
Proposed Town Acquisition

Prepared for the Board of Selectmen by
Westborough GIS — June 14, 2013

1 inch = 200 feet

0 200 400 600 Feet

NORTHBOROUGH
WESTBOROUGH



How would the Town benefit by owning Westborough State Hospital?

- With residential development of $500\pm$ and other developments that have been approved, the Town may have additional school costs.
- 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 the value of property taxes on this development.

Potential Cost Avoidance - Schools

		<u>Annual Cost</u>
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



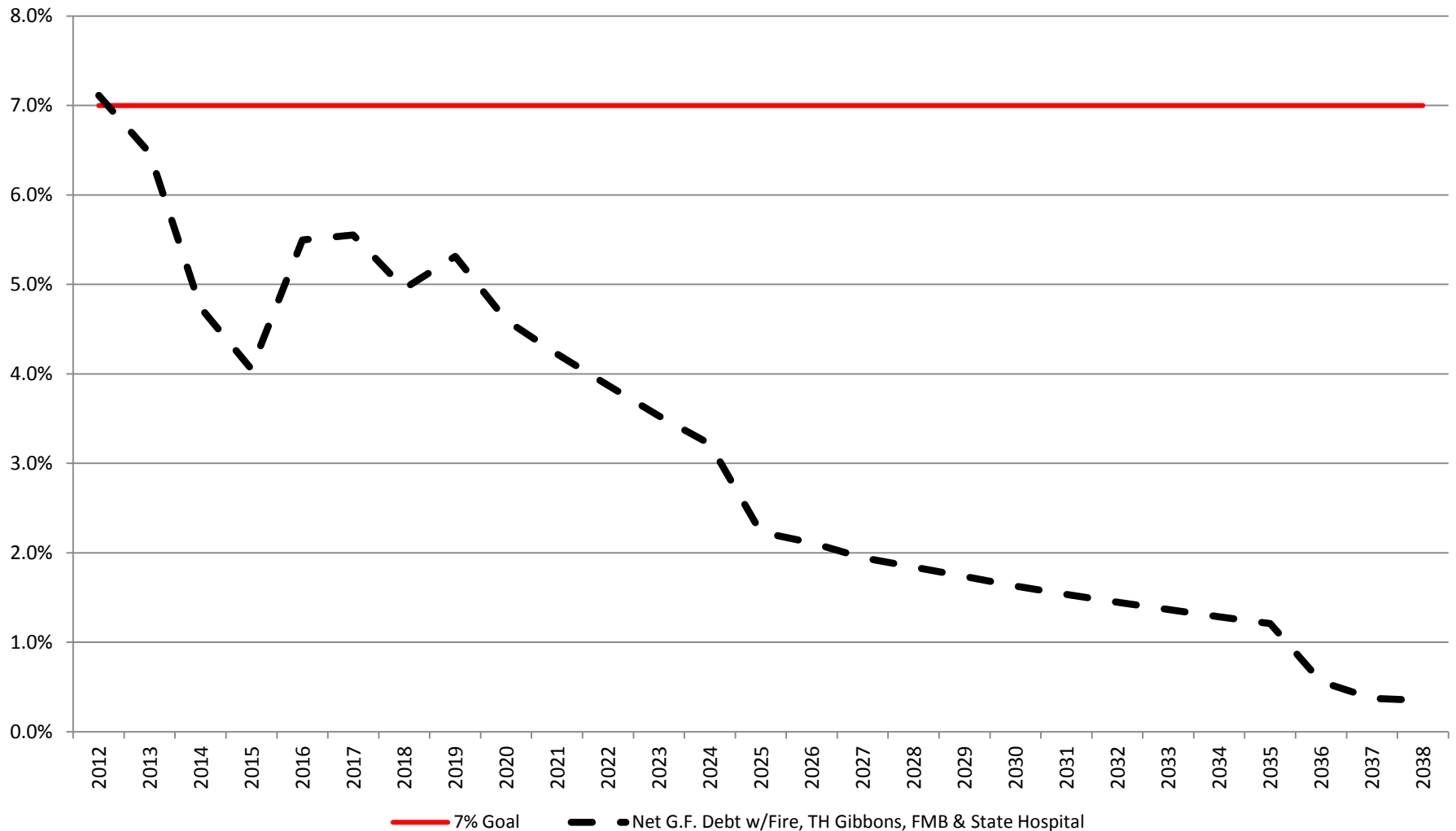
Talbot Building



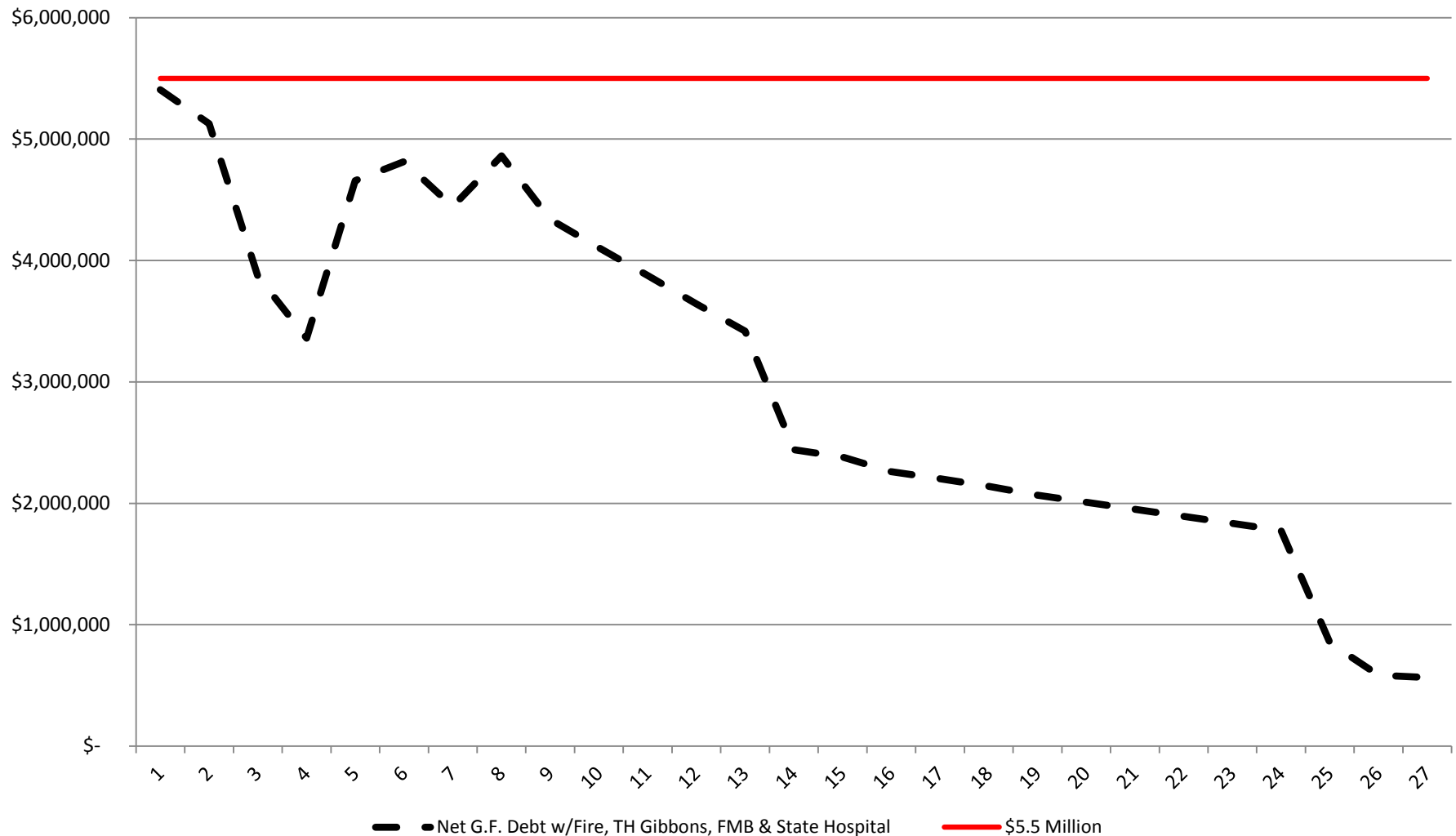
Close Up Photos of Talbot Bldg



Total Debt % w/Fire Station, Town Hall, Gibbons, Forbes & State Hospital



Total Debt \$ w/Fire Station, Town Hall, Gibbons, Forbes & State Hospital



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)**