



# CAMP SEWATARO

Article 25

Town Meeting 2019

# Property Description

- Approximately 44 acres located at 1 Liberty Ledge
- Listed in the 2013 Open Space and Recreation Plan
- Summer Day Camp, celebrating its 60<sup>th</sup> anniversary this year
- Has numerous active and passive recreational and educational activities including swimming, nature, fields, tennis, fishing, climbing, kayaking and more
- 33 lots separately assessed lots- 31 buildable
- The camp operates under a Special Permit granted by the Town of Sudbury's Zoning Board of Appeals. The Special Permit would require a compliance review by the Zoning Board of Appeals under new ownership.



# Property Description contd.



- The property is located in the Single Residence A Zoning District.
- The total building square footage amounts to approximately 30,000 square feet. In addition to the two ponds, the property has 4 outdoor pools, two basketball courts, two tennis courts, a horseback riding arena, two soccer fields, one lacrosse field, and one softball field, as well as various other activity spots.
- There are 25 buildings across the site, some of which are sheds.
  - *Three of which are residences, which will be delivered to the town vacant*

# Property Description Contd.

- The Planning Board approved a subdivision for the property in 1998 for 35 residential building lots. That subdivision plan has since expired because certain conditions were not met.
  - *In order for the subdivision to be completed, an extension or new approval by the Planning Board would be required.*





The data shown on this map are provided for informational and planning purposes only. The user assumes all responsibility for the use or interpretation of the data.

Project: 10/20/2010 at 10:51 AM



- Parcel
- Water
- Highway
- Local Road
- Utility
- Other





# History

- In Fall 2018, the owners of Camp Sewataro approached the Town of Sudbury to inform the Town they planned to sell the property in the Spring of 2019 through a competitive RFP process. In past years, other options had been explored, including Community Preservation Committee (CPC) applications for the purchase of restrictions or development rights.
- Upon hearing of the potential sale, the Town Manager submitted a CPC application for the May 2019 Town Meeting.
- During goal setting, the Board of Selectmen set a goal to work on the Camp Sewataro acquisition in 2019. They wanted to consider this item at the October 2019 Town Meeting.
- The Board of Selectmen submitted a placeholder warrant article for the acquisition of Camp Sewataro for the 2019 Annual Town Meeting.
- At the end of February, the Town received the appraisal on the property as well as a copy of the RFP.
- On March 26, the Board of Selectmen voted to submit a bid in response to the Camp Sewataro RFP.
- In April, negotiations commenced and on April 18, the Board of Selectmen voted to sign a letter of intent with the property owner



# Letter of Intent

- Good faith agreement between Town of Sudbury and Liberty Ledge LLC
- Purchase 33 parcels, consisting of 44 acres of land with improvements
- Purchase price: \$11,269,700
- Includes donation of camp assets, including tangible and intangible personal property
  - *All rights and interest in Camp Sewataro*
- Purchase contingent on Town Meeting and Election approvals
- Land restrictions: no cell towers and no field lighting over 20 feet in height
- Tentative closing October 1, 2019
- Vision: use the land for open space, recreation, preservation and other municipal purposes.

# Estimated Tax Impact of Acquisition

- \$11,269,700 at closing
- Requires a Proposition 2 ½ election vote
  - *Temporary tax increase for the life of the bond (20 years)*
- Debt payments begin at \$1,014,273 and reduce annually with a final payment of \$586,024
- Average single family home in Sudbury would pay \$168 in the first year, decreasing to \$98.43 in year 20
  - *If values stayed the same would pay approximately \$2,636.60 over the life of the bond.*

# Fiscal Analysis: Town Appraisal

- The property is appraised for the highest and best use, which is defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value.
- The highest and best use for the site under the current zoning is single family residential
- \$10,370,000

# Fiscal Analysis: Assessed Value

	Assessed Value	Tax rate	Tax
■	\$11,269,700	\$17.91	\$201,840

# Land Preservation in Sudbury

Property Preserved	Type	Size (acres)	Price	# Potential Lots	Avg. Cost/Lot	Avg. Cost/Acre	Year	Taxes Paid	Type of acquisition
Meachen	OSP	55	\$4,010,000	11	\$365,000	\$73,000	1997	\$0	fee
Weisblatt	OSP	44	\$4,950,000	44	\$215,000	\$112,500	1998	\$2,515	fee
Piper	OSP	70	\$2,550,000	9	\$283,000	\$36,400	2000	\$13,200	fee
Dickson	CPA	2.39	\$440,000	1	\$440,000	\$184,100	2002	\$672	fee
Cutting	CPA	58	\$4,700,000	21	\$223,800	\$81,000	2004	n/a	AG/ fee (4 acres)
Libby	CPA	24.06	\$2,631,439	6	\$438,500	\$109,370	2005	\$18,087	fee
Nobscot	CPA	303	\$8,600,000	47	\$183,000	\$28,400	2008	n/a	CR
Fairbank Farm	CPA	33	\$750,000	3 (12)	\$250,000	\$22,727	2011	n/a	Ag restriction
Johnson Farm	CPA/OSP	33	\$2,900,000	40B (313)		\$87,879	2015	\$14,789	fee
Pantry Brook	CPA	94	\$7,600,000	34	\$223,529	\$80,851	2012	n/a	Development rights
Broadacres Farm	CPA/OSP	33.61	\$5,500,000	13	\$423,077	\$163,642	2018	\$13,144	Fee
Sewataro	OSP	46	\$11,269,700	33 (31)	\$341,506/\$363,539	\$244,993	2019	\$201,840	fee

# Fiscal Analysis: Potential future taxes

Assessment	\$745,653 home	\$1,150,000 home	\$1,400,000 home	\$2,000,000 home
Estimated new revenue	\$413,994	\$638,492	\$777,294	\$1,110,420
Current Revenue	\$201,840	\$201,840	\$201,840	\$201,840
Net increase to revenue	\$212,154	\$436,652	\$575,454	\$908,580

<sup>[1]</sup> Estimated new revenue for 31 homes

<sup>[2]</sup> Current taxes paid on parcels

# Fiscal Analysis: Expenses

Number of Children	.59 children per home	0.69 children per home	0.73 children per home	1 child per home	1.25 children per home	2 children per home	2.6 children per home	3 children per home
Total Students	19	21	23	31	39	62	81	93
Cost to Educate	\$243,466	\$269,094	\$294,722	\$397,234	\$499,749	\$794,468	\$1,037,934	\$1,191,702
General municipal Cost	\$31,651	\$31,651	\$31,651	\$31,651	\$31,651	\$31,651	\$31,651	\$31,651

In this analysis, the Town is using the same conservative approach used in the Quarry North analysis and assuming a cost of \$12,814 per student.

# Fiscal Analysis: Expenses

# of children	.59	.69	.73	1	1.25	2	2.6	3
Total Municipal Expenses	\$275,117	\$300,745	\$326,373	\$428,885	\$531,400	\$826,119	\$1,069,858	\$1,223,353
Excess/ (deficiency) revenue \$726,000 home	\$-73,875	\$-99,503	\$-125,131	\$-227,643	\$-330,158	\$-624,877	\$-868,343	\$-1,022,111
Excess/ (deficiency) revenue \$1,150,000	\$161,535	\$135,907	\$110,279	\$7,767	\$-94,748	\$-389,467	\$-632,933	\$-786,701
Excess/ (deficiency) Revenue \$1,400,000	\$300,337	\$274,709	\$249,081	\$146,569	\$44,054	\$-250,665	\$-494,131	\$-647,899
Excess / (deficiency) Revenue \$2,000,000	\$633,463	\$607,835	\$582,207	\$479,695	\$377,180	\$82,461	\$-161,005	\$-314,773



# Camp Financials 2018

- Tuition: \$3,328,380
  - \$670-\$810 *per week*
- Camp expenses: \$2,324,711
- Rent and other expenses paid to affiliated entity: \$982,308
- Total excess revenue before affiliated entity expenses: \$1,014,357
- Total excess revenue after affiliated expenses: \$32,049

# Camp Financials 2016 and 2017

## ■ 2016

- *Tuition: \$3,134,350*
- *Camp Expenses: \$2,236,546*
- *Affiliated Entity Expenses:  
\$856,896*
- *Net Camp Expenses: \$900,130*
- *Net Camp and entity expenses:  
\$43,232*

## ■ 2017

- *Tuition: \$3,184,610*
- *Camp Expenses: \$2,222,606*
- *Affiliated Entity Expenses:  
\$924,494*
- *Net Camp Expenses: \$963,919*
- *Net Camp and entity expenses:  
\$39,425*

# Camp Financials 2018 contd.

## ■ Major Expenses

- *Payroll: \$1,120,460*
- *Repair and maintenance: \$191,973*
- *Insurance: \$151,442*
- *Transportation: \$221,739*
- *Professional fees: \$73,676*
- *Credit card fees: \$79,210*
- *Pensions: \$50,050*
- *Activities: \$62,884*
- *Utilities: \$48,091*
- *Office supplies: \$27,141*

# The Future Use of Camp Sewataro

- When the Board of Selectmen made their offer, their vision was to use the land for open space, recreation, preservation and other municipal purposes.
- This is a unique land preservation acquisition because there is the possibility and opportunity for future uses, some of which could bring potential revenue sources.

# The Future Use of Camp Sewataro

- We have explored and discussed several possible scenarios including:
  - *1. Maintain as open space and recreational space*
  - *2. Continue to run Camp Sewataro*
  - *3. Lease camp*

# Option 1: Maintain as Open Space and Recreational Space

- Below is a list of the annual maintenance and utility costs for the camp currently:
- Mowing: \$10,000
- Water (Irrigation and Pools) \$17,000
- Spring Clean Up: \$5,000
- Fall Clean Up: \$8,000
- Snow Removal: \$2,000
- Tree Work: \$2,000
- Maintenance of Pools and Ponds: \$19,500
- General Maintenance of Outside Facilities: \$15,000
- Utilities for Buildings: \$16,000
- Total with Insurance \$144,500

# Option 1, contd.

## Accessibility

- One consideration and cost would be making this property handicap accessible. Under the Americans with Disabilities Act (ADA), which covers local government operations, services, programs, and activities must be accessible to people with disabilities in the most integrated setting possible. We may be required to remove barriers in existing buildings where it is “readily achievable”. If a service is being offered in a location that is not physically accessible, the requirement of access may be achieved by offering through alternative means or through barrier reduction. However, under the law, the priority should be integration.
- If we made any alterations or changes to any of the facilities, we would be required to make the facilities compliant with ADA standards. Additionally, the pools and other amenities should be accessible. Without a full accessibility inventory of every building and facility, it is not possible to ascertain what the full extent of the required changes may be.
- After taking ownership, the Town would hire an architect to do a full analysis of the accessibility issues, and determine what immediate steps need to be taken, if any.
- Likely require alterations to roads and walkways, bathrooms and building entrances.

# Option 2: Run Camp Sewataro

- Based on the financial documents received from the seller, Camp Sewataro is a profitable enterprise.
- Camp operates 8 weeks per year
- They have 4 full time employees and 175 seasonal employees.
- The Camp has 1300 campers per summer, with 600 per day.



# Option 2: If Town decides to run Camp Sewataro

- Unlikely that we would be able to start running Camp Sewataro next summer in its current form
- Create an Enterprise Fund at Fall Town Meeting, but by law could only budget for FY2021, starting July 1, 2020
  - *Only option to start paying employees before July 1, 2020 is an override at Fall Town Meeting*
- We would be required to have the camp inspected and certified by our insurance company, which takes several months.
- Still need to address accessibility if it's a public camp
- Suggestion: Do RFP for Summer of 2020 to find an operator, while Town determines how and whether to operate its own programming.

# Option 3: Purchase property and lease to a camp

- Based on my research and conversations with the property owner, there are camp operators who are interested in renting space for camps.
- There are several models throughout the nation and brokers who specialize in these types of transactions.
- There are not, however, many large outdoor sites like this one to make comparisons to.
- We do know, however, that Camp Sewataro pays \$575,000 rent for eight weeks, and pays for all the costs of repair and maintenance for the facility, with the exception of the four rental units. It is responsible pay paying taxes
- The LLC pays the taxes: Approximately \$375,000 in rent after taxes

# Option 3: Contd.

- The Town could consider purchasing the property and leasing it during the summer months, and using it for Town programming and activities the remainder of the year.
- Under that scenario:
  - Revenues: \$375,000
  - Operating expenditures: \$120,416 (Expenditures for 10 months of the year)
- This analysis does not include the debt payment, any personnel or other capital needs.
- Under this scenario, the Town would have to enter into a competitive RFP process under Massachusetts General Law Chapter 30B in order to enter into a lease or camp management contract.

# American Camp Association survey (2017)

- 813 camps participated (181 from New England)
- 23% rented their facility
- In 2016, the median gross revenues from the reporting camps was \$360,999. However, independent non-profit camps median gross income was \$1,160,000. The New England median for all camps was \$350,000. It should be noted that the all camps includes non-profit and for profit camps, including camps run by governments.

# Residential A Zoning District

- Allows for single family dwelling
- Other uses may be allowed with special approvals
  - *Boarding house, cluster development, flexible development, senior residential, incentive senior development*
  - *Kennels, nursing homes, assisted living*
- Protected uses allows
- Municipal uses allowed.
- Minimum lot .92 acres

# Debt schedule

<u>Year</u>	<u>Level principal (\$)</u>
1	1,014,273
2	991,734
3	969,194
4	946,655
5	924,115
6	901,576
7	879,037
8	856,497
9	833,958
10	811,418
11	788,879
12	766,340
13	743,800
14	721,261
15	698,721
16	676,182
17	653,643
18	631,103
19	608,564
20	586,024

# Sudbury Camp today

- The Town runs four separate summer camps each summer with 1,070 campers. We hire 44 additional staff to assist with camp. In this analysis, we will not be including Sudbury Adventure because that camp operates off site. In 2018, our summer camp revenue was \$260,719.
- Fee Structure
  - *Preschool: \$195 per week*
  - *Summer Camp: \$503 for two weeks*
- Total Camp expenses in 2018 were \$215,000.

# Everwood Camp

- Owned by Town of Sharon and leased to private operator
- 37.40 acres with structures
- Tenant makes improvements for its own needs
- Day Camp
- June 1- Labor Day, as well as 28 days of set up and take down
- 3 year lease, with 2 ten year renewals
- Rent: Started at \$65,000 in 2010 and increased annually up to \$118,759.38 in year 19
  - *If fixed rent is less than taxes then not obligated to pay, if fixed rent is higher than real estate taxes then they pay delta*
- Community access allowed to trails during non-camp hours at the tenant's discretion



# School Capacity Study- Haynes school

- Haynes was built for 432 students (per SPS) post Quarry North development projections there would be 404 students.

# Potential building permit fees

- High end
- \$2,000,000 selling price
- \$527,000 in building permit fees
  - \$335,000 *lots*
  - \$1,700,000 *in construction costs*

# Broadacres vs Sewataro

	Broadacre	Sewataro
Acres	33.61	45.61
Improvements	1900 Farmhouse, three barns, and indoor riding arena.	Multiple camp buildings and accessory structures as well as three residences
Highest and Best Use	Subdivision as 13 Residential Building Lots	Definitive/ANR Subdivision of 31 residential building lots
Zoning	Parcel F09-0002: Residence A (RA) Parcel F09-0004: Residence C (RC)	Residence A (RA)
Wetlands	The subject contains substantial wetland and wetland buffer areas.	The subject contains two wetland areas on the southern portion of the site.
Appraised Value	\$5,000,000	\$10,370,000
Price offered	\$5,500,000	\$11,269,700
Price per lot	\$423,077	\$363,539

	Project Cost	1,850,000	1,500,000	3,562,000	500,000	11,269,700	
	Years	20	20	20	20	20	
	Interest Rate	4.00%	4.00%	4.00%	1.50%	4.00%	
	<b>Total</b>	<b>Stearns Mill</b>	<b>DPW</b>				
	<b>Debt Service</b>	<b>Dam and Bridge</b>	<b>Fuel Island</b>	<b>Broadacres</b>	<b>Sewer SRF</b>	<b>Sewataro</b>	
	<b>Net of MSBA</b>	<b>Estimated</b>	<b>Estimated</b>	<b>Estimated</b>	<b>Estimated</b>	<b>Estimated</b>	
<b>Year</b>	<b>Reimbursement</b>	<b>Debt Service</b>	<b>Debt Service</b>	<b>Debt Service</b>	<b>Debt Service</b>	<b>Debt Service</b>	<b>Total</b>
2019	1,512,768	-	-	-	-	-	1,512,768
2020	1,497,268	-	-	-	-	-	1,497,268
2021	1,409,256	166,500	135,000	320,580	6,250	1,014,273	3,051,859
2022	989,754	162,800	132,000	313,456	29,350	991,734	2,619,093
2023	804,460	159,100	129,000	306,332	29,351	969,194	2,397,437
2024	765,910	155,400	126,000	299,208	29,351	946,655	2,322,524
2025	698,460	151,700	123,000	292,084	29,351	924,115	2,218,710
2026	591,610	148,000	120,000	284,960	29,351	901,576	2,075,497
2027	577,900	144,300	117,000	277,836	29,351	879,037	2,025,424
2028	564,190	140,600	114,000	270,712	29,351	856,497	1,975,350
2029	560,480	136,900	111,000	263,588	29,351	833,958	1,935,277
2030	546,470	133,200	108,000	256,464	29,351	811,418	1,884,903
2031	532,460	129,500	105,000	249,340	29,351	788,879	1,834,530
2032	471,450	125,800	102,000	242,216	29,351	766,340	1,737,157
2033	-	122,100	99,000	235,092	29,351	743,800	1,229,343
2034	-	118,400	96,000	227,968	29,351	721,261	1,192,980
2035	-	114,700	93,000	220,844	29,351	698,721	1,156,616
2036	-	111,000	90,000	213,720	29,351	676,182	1,120,253
2037	-	107,300	87,000	206,596	29,350	653,643	1,083,889
2038	-	103,600	84,000	199,472	29,351	631,103	1,047,526
2039	-	99,900	81,000	192,348	29,351	608,564	1,011,163
2040	-	96,200	78,000	185,224	29,351	586,024	974,799
2041	-	-	-	-	29,351	-	29,351
	11,522,435	2,627,000	2,130,000	5,058,040	593,268	16,002,974	37,933,717