Given the detailed nature of the final report, the cost vs. control information gathered by the Commercial and Housing Subcommittees of the 2010-2011 Fairfield Hills Master Plan Review committee is provided below in two forms. First, a community summary is provided that calls out the core messages of the work. Then, the full report is provided for those interested in gaining a deeper understanding of the overall approach.

Community Summary

1) The current master plan calls for preservation/reuse of the following buildings: Newtown, Woodbury, Stratford, and the Duplexes. These are the ones that are deemed of most architectural value.

2) The remaining buildings need to be either demolished or refurbished, in order to not pose an ongoing safety risk: Danbury, Shelton, Norwalk, Plymouth, Stamford, Kent, Canaan, Cochran, and the white houses.

3) Original Fairfield Hills bond has been spent, so remaining demolition will require some mix of additional town funds and/or developer investments. Three sample scenarios below:

A). Town demolishes all of the buildings listed in 2) above
Projected bond amount: $15,000,000 **Estimated TOTAL lifetime cost per household:** $1,965

Results: Turns campus into "green field" (with exception of the buildings listed in 1, which would still be available for leasing.) Provides for option of town green and all playing fields included in Master Plan. Allows town to choose own mix of public and private development on remainder of land.

Considerations: Most expensive option. However, maximizes town control and, can support private development by removing potential "disincentives" that may "scare" smaller companies and/or developers off. Maximum for private development: TBD by town based on emerging opportunities.

B) Town demolishes Danbury, Shelton, Kent, Plymouth, & Cochran (leaves Norwalk, Stamford, Canaan, and White Houses)
Projected bond amount: $10,000,000 **Estimated TOTAL lifetime cost per household: $1,310**

Results: Provides for option of town green in front of the Municipal Building and adjacent Arts Center. Opens up the areas planned for playing fields in the current master plan.

Considerations: Private developers will need to be found to address other buildings on re-use/demolition list. In return for demolishing other buildings, developers would control (within zoning regulations) how land underneath those buildings is to be used (an estimated 40 acres).

C) Town demolishes Danbury, Shelton, and Kent (leaves Plymouth, Cochran, Norwalk, Stamford, Canaan, and the White Houses)
Projected bond amount: $5,000,000 **Estimated TOTAL lifetime cost per household:** $655

Results: Provides for option of town green. Opens up land for multi-purpose fields, but not baseball-softball fields.

Considerations: Private developers will need to be found to address other buildings on re-use/demolition list. In return for demolishing other buildings, developers would control (within zoning regulations) how land underneath those buildings is to be used (an estimated 55 acres).

Detailed Cost vs. Control Report

Looking at Capital Costs

To have meaningful public discussion, we need to understand pertinent trade-offs, in this case, the ability to control the property for public use and what that control will cost us. One possible approach to informing our discussion is to pull out those costs that are a part of making the property usable, specifically the demolition costs[1]. Any repurposing can then be considered an "add on," and costs/benefits tallied independently. For example, the added costs for making the campus desirable for development (ala, town leases) – i.e., additional parking, infrastructure (e.g., water and sewer), and sidewalks – could then be understood and discussed more directly.

The following three scenarios are intended to help provide perspective on overall capital costs. These scenarios are crafted based on the layout of the uses provided in the Master Plan and the anticipated costs for razing the buildings, as provided in [1], specifically:

	7/01/2009 Projections
Danbury	$205,000
Shelton	$2,000,000
Norwalk	$400,000
Plymouth	$1,250,000
Stamford	$565,000
Kent	$3,000,000
Canaan	$3,000,000
Cochran	$3,750,000
White Houses	$200,000
Total	$14,370,000

<u>Use / Control Scenarios</u>

1. The town provides about $15,000,000 in capital funds (not necessarily all at once) to raze all of the buildings noted in [1]. This effectively turns the campus into a "green field" that the town can then decide how best to leverage for the public good, while leaving the buildings identified for reuse in the Master Plan and subsequent implementation[2] available for leasing. Note, this option does not preclude additional/alternate private development of the property. It just removes potential disincentives that may "scare" smaller companies and/or developers off.
2. The town provides about $10,000,000 in capital funds to raze Danbury, Shelton, Kent, Plymouth, and Cochran. This scenario opens up the areas that are planned for playing fields in the current master plan. In addition, it provides for the option of having a town green in front of the Municipal Building and an adjacent Arts Center[2]. The other buildings are taken care of by private interests, either via reuse or demolition. The developers are then in control (within zoning regulations) of how the underlying land is used and are free to optimize their return on investment, within those guidelines. Governance, i.e., town ownership and lease vs. direct purchase is discussed in the companion commercial report, as it may impact the likelihood of finding developers willing to shoulder the burden of reuse/demolition. This option provides

[1] There will likely be some other required improvements to the infrastructure, needed regardless of added development, including water and sewer improvements, estimated at $2M and $1.5M, respectively.

[2] Note that instead of using the $1,250,000 money to demolish Plymouth, it could be added to the $3,750,000 currently allocated to a band shell [1] for refurbishing the building, if possible.

access to all of the buildings slated for reuse identified in the Master Plan or a possible maximum of about 40[3] acres that could be offered for private development.

3. The town provides about $5,000,000 in capital funds to raze Shelton, Kent and Danbury. This option opens up land for the multi-purpose fields, as noted in the current master plan, though loses the baseball/softball fields. It also provides for the option of having a town green in front of the Municipal Building. The other buildings are taken care of by private interests, either via reuse or demolition. Like scenario 2, the developers are then in control (within zoning regulations) of how the underlying land is used and are free to optimize their investment, within those guidelines. Governance, i.e., town ownership and lease vs. direct purchase is discussed in the companion commercial report, as it may impact the likelihood of finding developers willing to shoulder the burden of reuse/demolition. This option provides access to all of the buildings slated for reuse identified in the Master Plan or a possible maximum of about 55[3] acres that could be offered for private development.

The following projected costs for the bonds needed for each scenario, provided by Robert Tait[3][4] are:

		Scenario 1	Scenario 2	Scenario 3
20 YEAR BONDING	***	$15,000,000	$10,000,000	$5,000,000
1st Year Add'l Debt Svs Payment		$1,350,000	$900,000	$450,000
10th Year Add'l Debt SvsPayment		$1,080,000	$720,000	$360,000
20th Year Add'l Debt SvsPayment		$780,000	$520,000	$260,000
1st Year Effect on Mill Rate		0.3509	0.2339	0.1170
10th Year Effect on Mill Rate		0.2807	0.1872	0.0936
20th Year Effect on Mill Rate		0.2028	0.1352	0.0676
1st Year Effective Tax Increase using a Base Mill Rate of 24.00.		1.46%	0.97%	0.49%
1st Year Tax Increase: Amount based on a house with an Assessed Value of $350,000		$122.82	$81.87	$40.95
Total Lifetime Cost (total of payments)		$21,300,000	$14,200,000	$7,100,000
Total Lifetime Cost per Household (350,000 assessed value) – for entire 20 years		$1,965	$1,310	$655

*** Principal payments are level funding each year (same amount); hence the annual debt service payments (principal and interest) decline over time.

In summary, every household would have to pay, on average, about $2000 (total, over 20 years) to enable to town to maintain control over the Fairfield Hills campus. More particularly, the Mill Rate would increase from a base of 24 to 24.35, 24.23, or 24.12, depending on scenario. Again, note that some empty buildings would remain, i.e., those slated for reuse in the current master plan (Newtown, Woodbury, Stratford, and the Duplexes), for the town to use as it determines best.

Sources

[1] Fairfield Hills Authority, "FFH Capital Appropriations Calculations & Assumptions, Rev #3," received via email from Walt Moytyka.
[2] Fairfield Hills Authority, Board of Finance Meeting, October 22, 2009.
[3] Personal emails from Robert Tait (Jan 3-17, 2011).

[3] This number is based on eye-balling the planning zones map provided in the master plan and is not necessarily accurate.
[4] The calculations are based on 4% interest. Should interest increase to 6%, the total lifetime cost for bonding $15,000,000 increases from $21,300,000 to $24,450,000 (about 15% more).