

# The Quinebaug Regional Technology Park

*Pomfret Come Join Us*



# Tony Falzarano

Mayor

# Doug Cutler

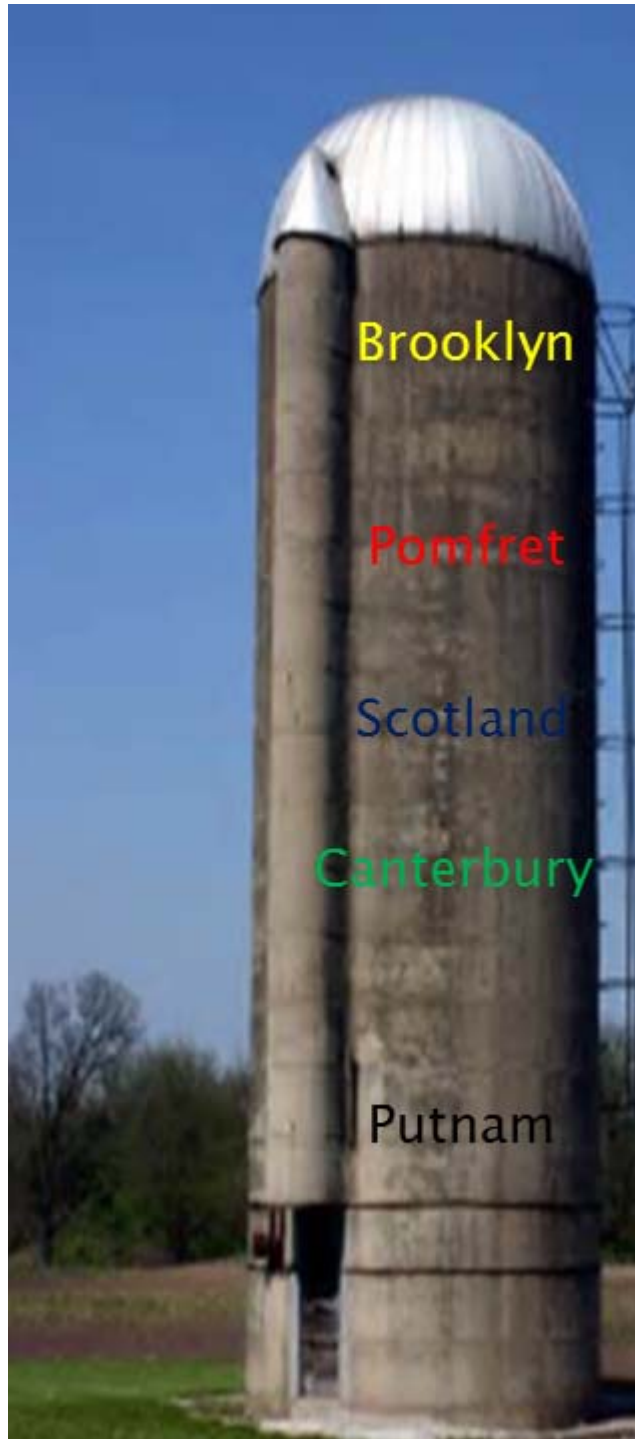
Town Administrator

# Owen Tarr

# Scott Pempek

Selectmen

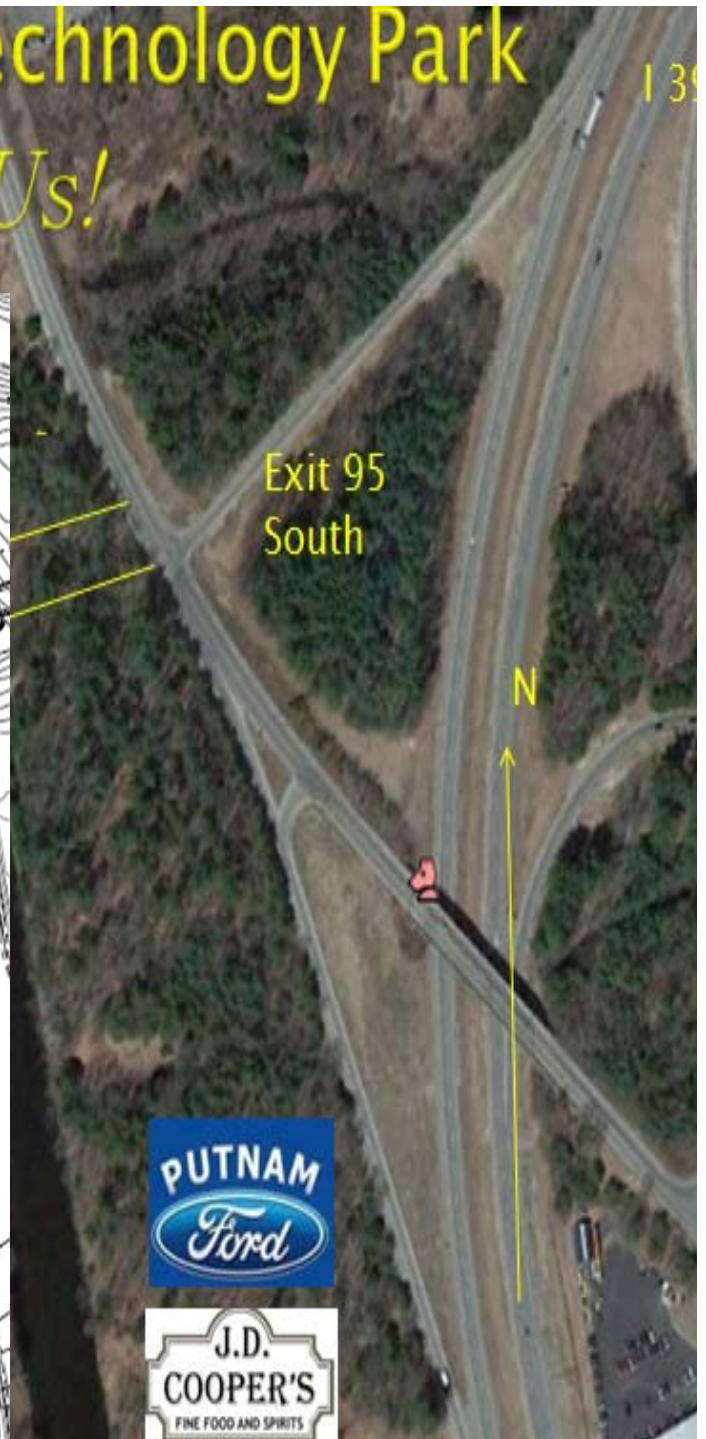
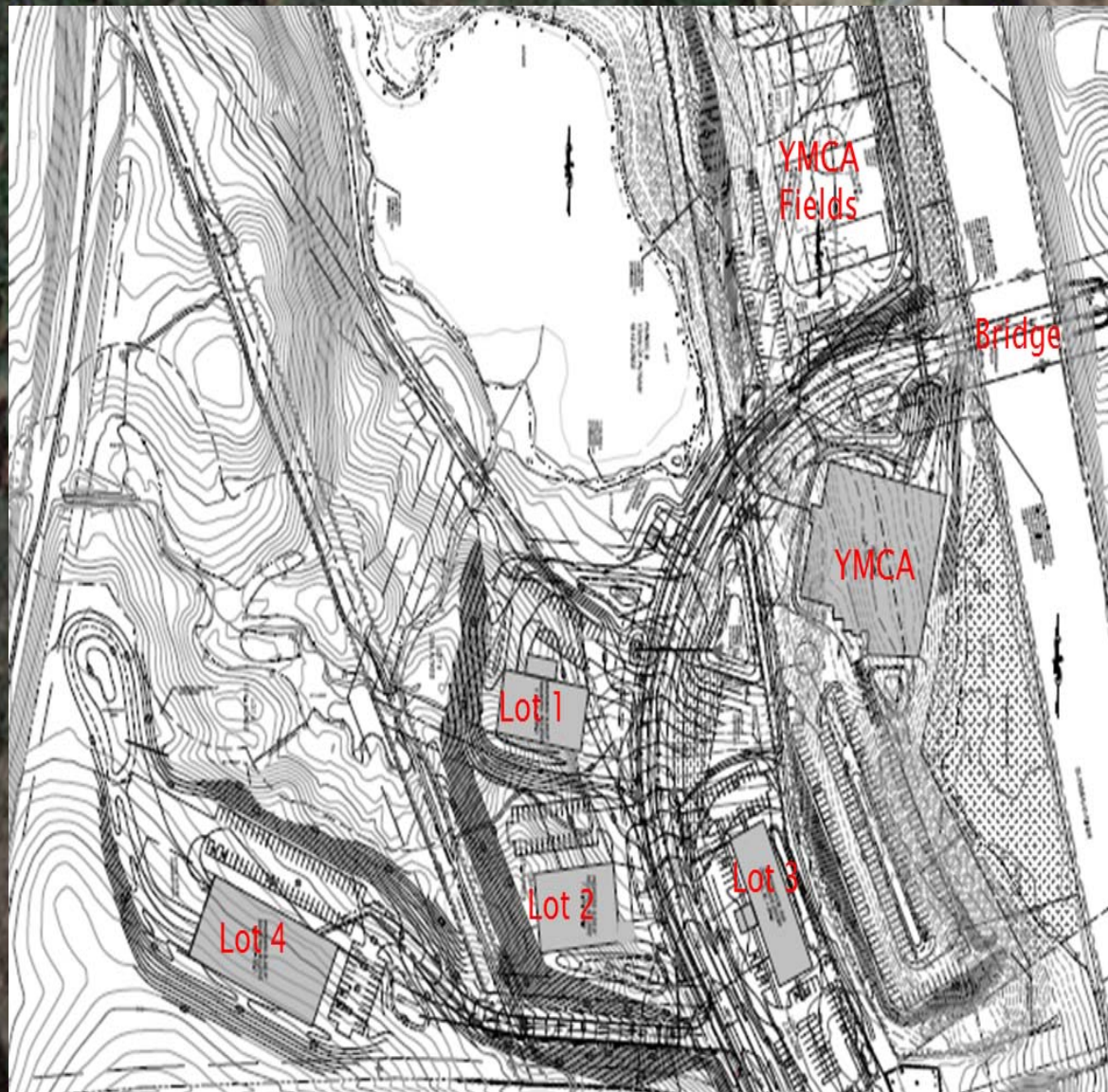
Town of Putnam

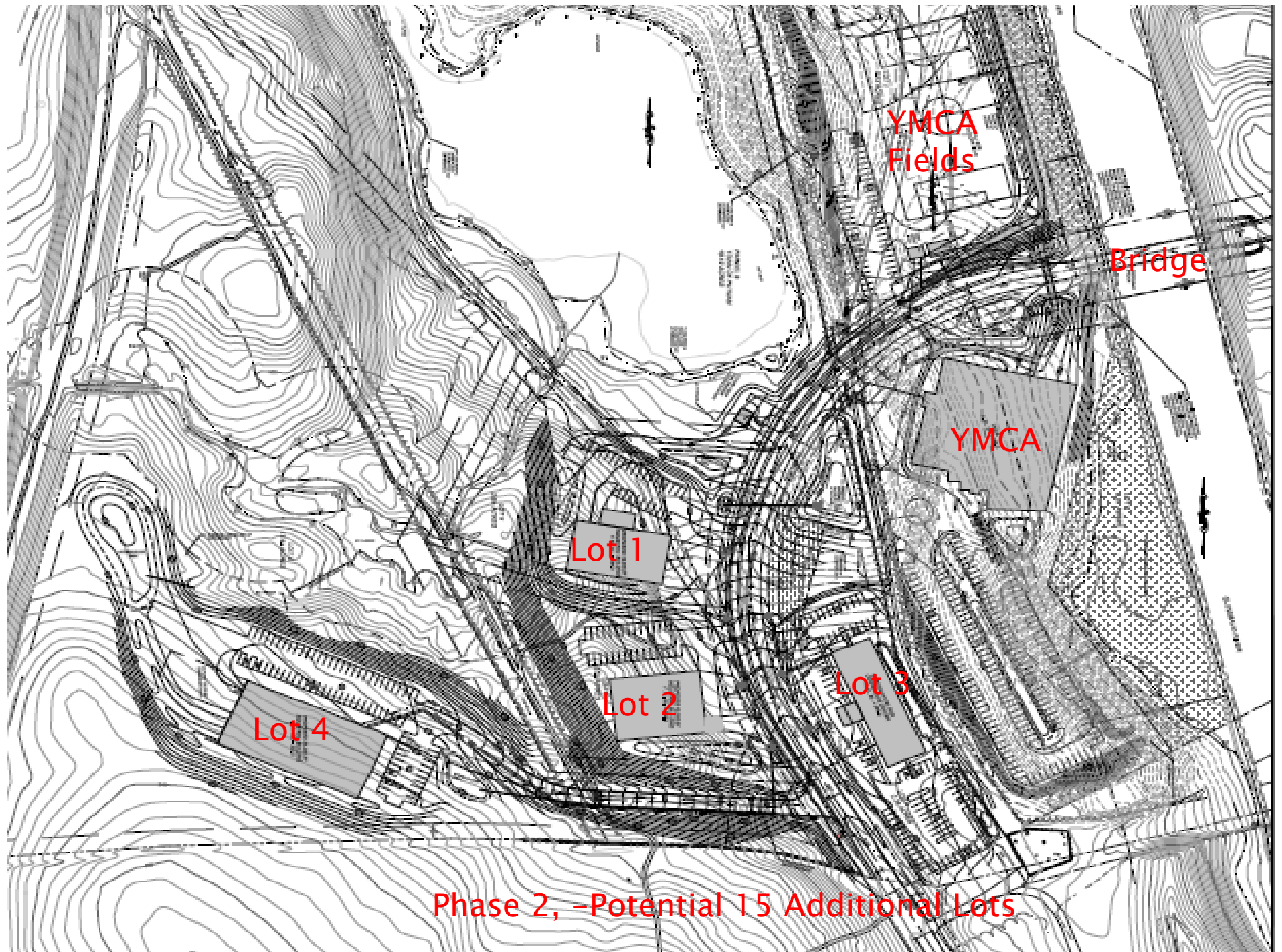




# Quinebaug Regional Technology Park

*Come Join Us!*







Work had already Started on the YMCA Site, June 30<sup>th</sup> 2014 Target Date



4/25/14  
Y.M.C.A.  
Site





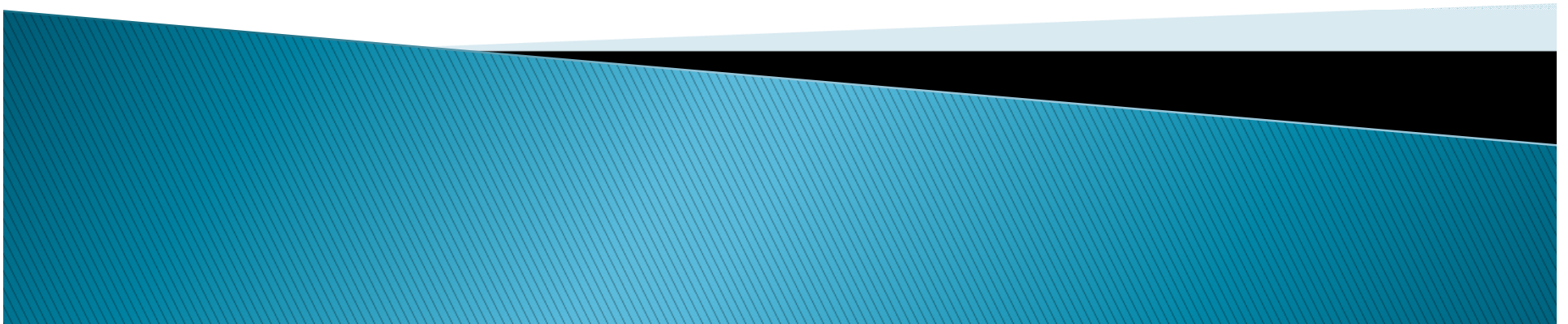






# *The Facts and Figures*

Draft Form, All Numbers are Estimates





- ▶ Located at Exit 95 off Interstate 395 in Putnam.
- ▶ Phase 1: 62 Acres of Land Donated\* to the Town of Putnam by Wheelabrator.
- ▶ Bridge to access the park paid for by grant from the State of Connecticut.
- ▶ 15 Acres of the Land will host the Regional Community YMCA
- ▶ Remaining 40 +/- Acres will be subdivided into 4 lots. Phase 1



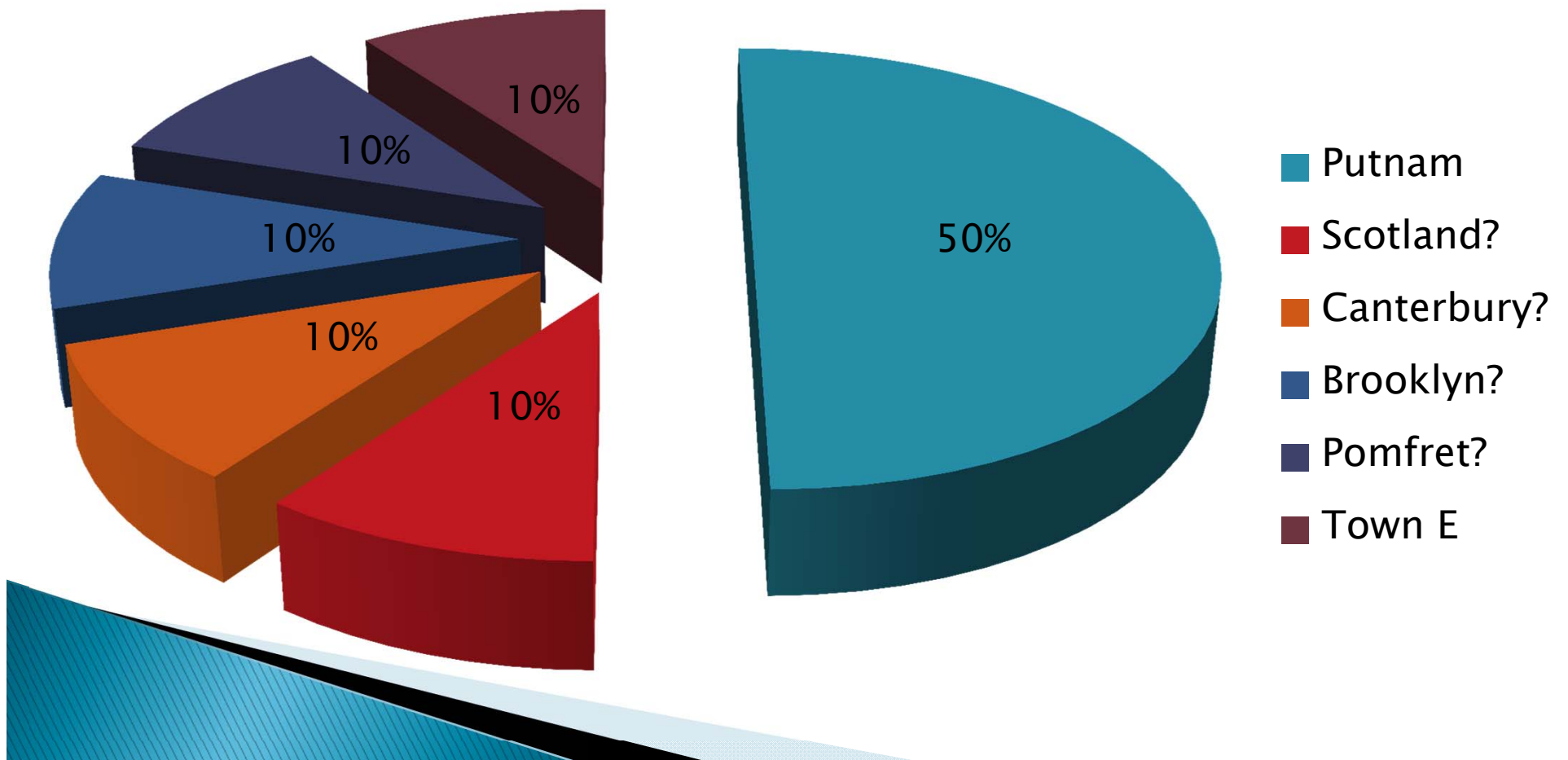
- ▶ The State of Connecticut will pay up to 75% of the development costs, if we get a partner(s)
- ▶ Without a partner, the State will reimburse us 50%.





# The Draft Plan

Share



# The Big Questions..

- ▶ What is the cost ?
- ▶ What is my R.O.I ?
- ▶ How Long will it take before I see a positive cash flow?





Estimated Development Costs						
Contract #	Contract Name	Scope	Consultant	Construction Cost Estimate	Contingencies Contract Admin and Inspection	Total
Contract 1	Bridge	bridge and easterly approach road	CME	\$3,000,000	\$400,000	\$3,400,000
Contract 2	Tech Park Road	Bond, Insur., mob/demob, layout	CME	\$10,000		
		E&S, clearing and grubbing		\$21,150		
		Road		\$188,438		
		Water main		\$160,000		
		Elec, tele, cable (conduit, sand, tape)		\$60,000		
		Bike Path		\$37,980		
		Sewer		\$104,880		
		Drainage		\$16,490		
		Loam, seed, fertilize, mulch		\$98,360		
Total				\$697,298	\$104,594.70	\$795,658
Contract 3	Off site Utilities	Bond, Insur., mob/demob, layout	J & D, F&O	\$7,000		
		E&S, clearing and grubbing		\$8,200		
		Sewer force main		\$0		
		Water main		\$200,180		
		Elec (conduit, sand, tape)		\$16,200		
		Bike path and fence		\$35,030		
Total				\$266,610	\$39,991.50	\$301,640
Contract 4	Tech Park Sewage Pump Station	pump station	Fuss and O'Neill	\$282,422	\$42,578	\$325,000
Contract 5	River Trail Extension	trail	J & D	\$103,550 *		
		gravel parking lot		\$6,975 *		
Total				\$110,525	\$16,578.75	\$117,500
Contract 6	Water Main	Quinebaug Ave to STP	Beta	\$660,000	\$99,000.00	\$770,525
	CL&P Fees					\$645,900
	Gas Main (does not include gas main on bridge)					
Total						

**\$7.6 Million**

# What is the Net Cost ?

- ▶ Our calculations indicate that the net cost to build the bridge to get across the river and provide: Road, Water, Sewer, Gas, Power ,and Data to all 6 lots (2 hosting YMCA)

**\$800,000 Net Cost** ( Assuming we have 1 partner town)



# 10% Share Buy In.

▶ Initial Investment 10% Share	\$80,000
▶ Estimated Sale Price of *4 lots:	
▶ 1 @ \$200,000	\$200,000
▶ 3 @ \$257,000 =	<u>\$771,000</u>
▶	\$971,000
*Less 20% Wheelabrator	( \$194,000)
▶ Less Agent Commission	<u>(\$ 97,000)</u>
Net Proceeds Sale of Lots	\$680,000
	<u><b>\$(68,000)</b></u>
Net Investment	<b>\$12,000</b>

\*Price Base on \$36,000 Buildable Acre, \$5,000 Non Buildable





# Tax Revenue

- ▶ Tax Rate: \$15.07 per \$1,000
- ▶ Of Assessed Value of Land: \$65,600 per buildable acre x 7 : \$459,200 + \$2,630 per non-buildable acre x 1 : \$461,830 per lot
- ▶ of Assessed Value of Building: \$20 per square foot : \$1,400,000 per lot
- ▶ of Assessed Value of Personal Property: \$.10 per dollar of value @\$12.82 per square feet of building at 70,000 square feet of building = \$89,717 assessed value per building; \$89.71 x \$15.07 : \$1,351 per lot
- ▶ \$461,830 + \$1,400,000 + \$1,351: \$1,863,170 total assessed value per lot
- ▶ . \$1,863.17 x \$15.07: **\$28,075** tax revenue per lot



# Tax Revenue

- ▶ \$28,000 Per Lot x 4 = \$112,000 Per Year
- ▶ 10% Would Net \$11,200 Per Year
- ▶ Less 20% Maintenance Fee (-\$2,240)
- ▶ Net Tax Revenue per year \$8,960



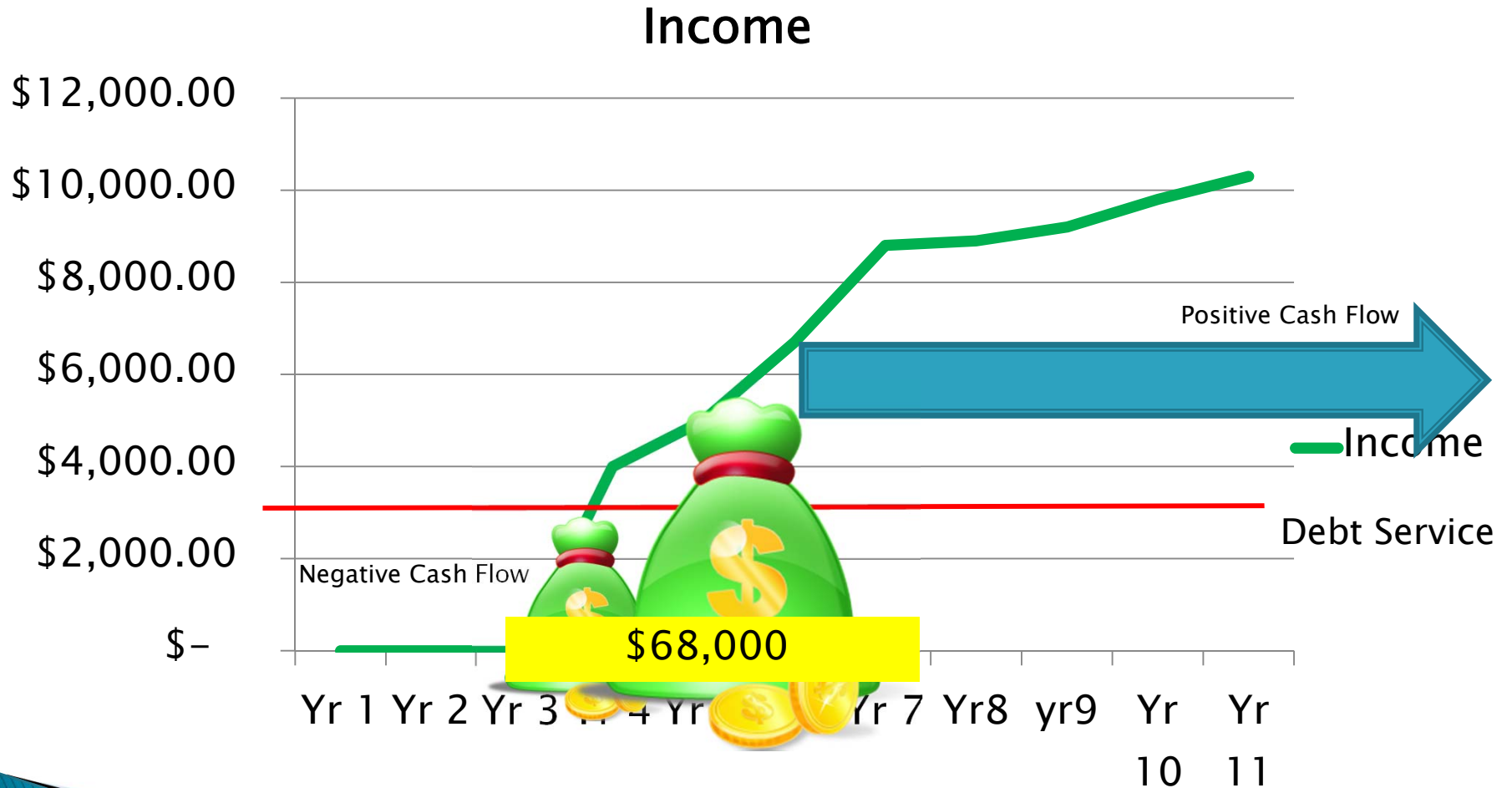
# What If?

- ▶ \$80,000
- ▶ USDA Loan, 40yr, @ 3%
- ▶ Cost-\$3,600 Per Year.
- ▶ You would still get:
  - ▶ \$68,000 when Lots are Sold
  - ▶ \$8,400 Per Year Income!
- ▶ Talk About Positive Cash Flow!



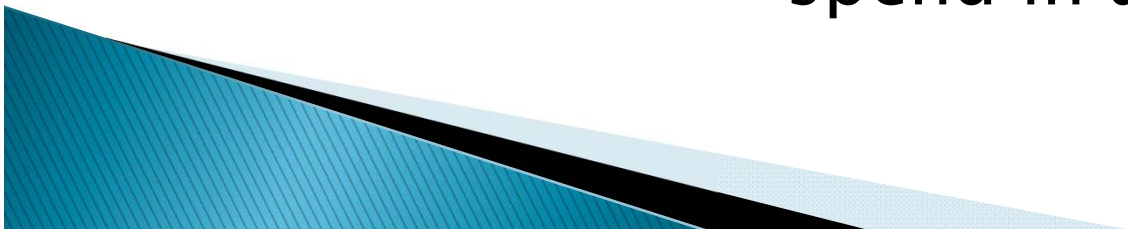


# Cash Flow Analysis



# Numerous Benefits

- ▶ To Rural Towns– Have your own Tech Park without the “ugly” Buildings!
- ▶ To Any Town– R.O.I. With the 75% Reimbursement Rate, it makes this a better R.O.I. than your own Industrial Park!
- ▶ Value Added– YMCA Attraction
- ▶ Jobs – Higher paying wages to spend in all towns!



# Is this right for Pomfret?

## Pomfret Connecticut



### Government

Government Form: Selectman-Town Meeting

Total Revenue (2011)	\$12,066,024	Total Expenditures (2011)	\$11,659,752	Annual Debt Service (2011)	\$178,127
Tax Revenue	\$7,588,642	Education	\$10,042,111	As % of Expenditures	1.5%
Non-tax Revenue	\$4,477,382	Other	\$1,439,514	Eq. Net Grand List (2009)	\$508,169,747
Intergovernmental	\$4,336,298	Total Indebtness (2011)	\$458,046	Per Capita	\$120,163
Per Capita Tax (2011)	\$1,794	As % of Expenditures	3.9%	As % of State Average	80%
As % of State Average	71.1%	Per Capita	\$108	Date of Last Revaluation (2011)	
		As % of State Average	4.8%	Moody's Bond Rating (2006)	A3
				Actual Mill Rate (2011)	21.55
				Equalized Mill Rate (2011)	14.93
				% of Grand List Com/Ind (2009)	6.8%



# Is this right for Pomfret?

## Government

Government Form: Selectman-Town Meeting

Total Revenue (2011) \$12,066,024  
 Tax Revenue \$7,588,642  
 Non-tax Revenue \$4,477,382  
 Intergovernmental \$4,336,298

Per Capita Tax (2011) \$1,794  
 As % of State Average 71.1%

Total Expenditures (2011) \$11,659,752  
 Education \$10,042,111  
 Other \$1,439,514

Total Indebtness (2011) \$458,046  
 As % of Expenditures 3.9%  
 Per Capita \$108  
 As % of State Average 4.8%

Annual Debt Service (2011) \$178,127  
 As % of Expenditures 1.5%  
 Eq. Net Grand List (2009) \$508,169,747  
 Per Capita \$120,163  
 As % of State Average 80%  
 Date of Last Revaluation (2011)  
 Moody's Bond Rating (2006) A3  
 Actual Mill Rate (2011) 21.55  
 Equalized Mill Rate (2011) 14.93  
 % of Grand List Com/Ind (2009) 6.8%

# Is this right for Pomfret?

- ▶ All the benefits, None of the mess!
- ▶ This!

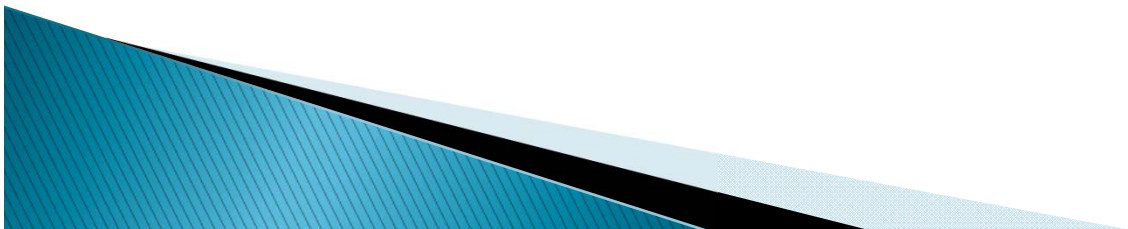


Not This!



# Risks?

- ▶ 1. How long will it take to build and sell the 4 lots?
- ▶ 2. What will the lots sell for and what will my share be?
- ▶ 3. What will the final assessed value be on the be on the land, building, and equipment?
- ▶ Let's take a look at some pessimistic scenarios..





# Some pessimistic scenarios

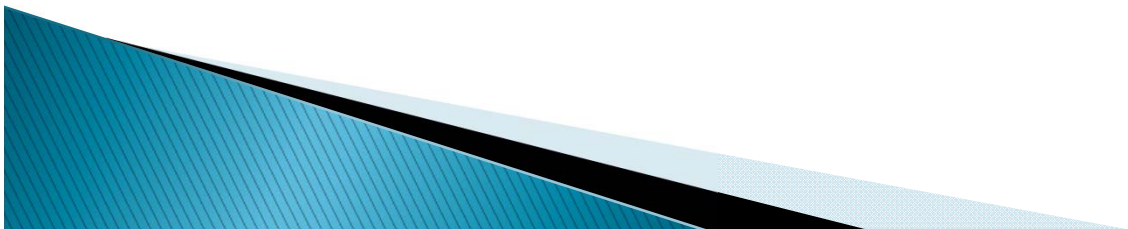
	My Example	10% Cut	20% Cut
Sale of Lots	\$971,000	\$ 873,900.00	776,800
Less 20% Wheelabrator	\$ (194,200.00)	(\$174,780)	(\$155,360)
Less 10% Commission	(\$97,100)	\$ (87,390.00)	(\$77,680)
Total Net Proceedes	\$679,700	\$ 611,730.00	\$ 543,760.00
10%	\$ 67,970.00	\$ 61,173.00	\$ 54,376.00
Tax Revenue	\$112,000	\$ 100,800	\$89,600
10% share	\$ 11,200.00	\$ 10,080	\$8,960
Less 20% Maintenance	(\$2,240)	\$ (2,016.00)	\$ (1,792.00)
Net Annual Tax Revenue	\$ 8,960.00	\$ 8,064.00	\$ 7,168.00
Buy in 10% Share	\$80,000	\$80,000	\$80,000
Lot Proceedes	(\$67,970)	\$ (61,173.00)	(\$54,376)
Shortfall	\$12,030	\$18,827	\$25,624
\$8960 Per Year Revenue			
Years to Break Even	1.3	2.3	3.6

# Additional Opportunities

- ▶ Phase 2
- ▶ Potential for 15 Additional Lots!



# Thank You!



# Putnam Connecticut



## Government

Government Form: Selectman-Town Meeting

Total Revenue (2011)	\$22,584,315	Total Expenditures (2011)	\$22,259,882	Annual Debt Service (2011)	\$5,325
Tax Revenue	\$8,773,866	Education	\$17,752,764	As % of Expenditures	0.0%
Non-tax Revenue	\$13,810,449	Other	\$4,501,793	Eq. Net Grand List (2009)	\$878,101,755
Intergovernmental	\$10,594,761	Total Indebtness (2011)	\$0	Per Capita	\$91,842
Per Capita Tax (2011)	\$918	As % of Expenditures	0.0%	As % of State Average	61%
As % of State Average	36.3%	Per Capita	\$0	Date of Last Revaluation (2011)	
		As % of State Average	0.0%	Moody's Bond Rating (2011)	n.a.
				Actual Mill Rate (2011)	13.94
				Equalized Mill Rate (2011)	9.90
				% of Grand List Com/Ind (2009)	23.1%

## Housing/Real Estate