Township Professional Support

**Environmental:**
- Ken Lucianin / Matrix New World
- Craig McCarrick / Matrix New World

**Financial Advisors:**
- Michael Hanley / NW Financial
- Wayne Seaton / Motivate Capital Markets

**Bond Counsel:**
- Everett Johnson / Wilentz, Goldman & Spitzer

**Real Estate Counsel:**
- John Dusinberre

**Green Acres Grant Writers:**
- Catherine Kapura / Millennium Strategies

**Property Appraisal:**
- Mark Hendricks / Hendricks Appraisal

**Township Professional Staff:**
- BA Jack Sayers, Attorneys Richard Trenk & Ken Kayser, CFO
- John Gross, Engineer Len Lepore, Tax Assessor Kevin Dillon
Rock Spring Club

- Opened in 1925
- 138 Acres of Land
- 18 Hole Golf Course
- Club House
- Pool / Paddle Ball / Tennis
- Maintenance Garage
2005: 51 Acres Purchased for $10,000,000.00
  - Roughly $193,528.00 Per Acre
2006: 4.6 Acres Purchased for $1,750,000.00
  - Roughly $379,034.00 Per Acre
2007: 4.7 Acres Purchased for $465,000.00
  - Roughly $98,663.00 Per Acre
2009: 11.21 Acres Purchase for $1,700,000.00
  - Roughly $151,650.00 Per Acre
2011: 6.35 Acres Purchased for $1,120,000.00
  - Roughly $176,211.00 Per Acre

77.86 Acres with Total Cost of $15,035,000.00
Average Per Acre Cost of $199,817.00
Rock Spring Club: 138 Acres Equates to $27,574,746.00
  Adjusted for Inflation: $33,179,478.00
Purchase of Rock Spring Club

$11,283,000.00
PURCHASE PRICE

ANTICIPATES AN APRIL 30TH CLOSING

$3,000 PER DAY FROM APRIL 30TH TO JUNE 30TH

MONTCLAIR GOLF CLUB AGREES TO MAINTAIN & PREPARE COURSE FOR PLAY PRIOR TO CLOSING

PURCHASE INCLUDES ALL EQUIPMENT & CONTENTS OF CLUB HOUSE
$1,000,000 VALUE

INCLUDES “ROCK SPRING” NAME
Potential Private Development

- Property is **CURRENTLY ZONED** for 2-Acre Lots
- Roughly 60 Large Single Family Homes
- West Orange Impact:
  - No Open Space
  - No Recreation Space
  - Neighborhood Infrastructure Concerns
  - Impact on Schools
  - Significant Tax Revenue
Large Residential Development

Impact on West Orange:
- No Open Space
- No Recreation Space
- Neighborhood Infrastructure Concerns
- Impact on Schools
- Significant Housing Options - Market & Affordable
- Significant Tax Revenue
- 10-20 Units Per Acre
Current Private New Jersey Golf Club Development

- Eagle Ridge Golf Course, Lakewood, NJ: 1,100 Potential Residential Units
- Minisceongo Golf Club, Ramapo, NJ: 700 Potential Residential Units
- Edgewood Golf Club, River Vale, NJ: Residential Development
Essex County

- Essex County Officials Engaged & Cooperative
- Montclair Golf Club Did Not Accept Offer
- Essex County Purchase Impact on West Orange
  - Maintains Golf & Open Space
  - Complete Loss of Tax Revenue
  - No Recreation Space For West Orange Residents
Township Property Taxes

Property Assessed at Roughly $14,500,000.00

Property Currently Generates $585,000 in Annual Property Taxes

Municipal 25% - $146,250.00
Board of Education 62% - $362,700.00
Essex County 13% - $76,050.00

Township Absorbs Full Loss of Tax Revenue
GOLF Operations

- Golf Clubs Struggling Financially
- Golf Remains Popular Sport & Activity
- Proposal Includes Golf Operations for Two Golfing Seasons
- Operator Will Incur Risk
- Township Collects Fee
- Several Successful Golf Operators
- Two Golf Seasons Provides Review Time
Township Development

NO TOWNSHIP PLAN FOR DEVELOPMENT

Township Goals for Property:

- Golf Course
- Recreation Facility
- Walking/Running Path
- Open Space / Park Land
- Small Scale Residential Development
- Department of Public Works
Township Development

Small Scale Residential Development

- Small Portion / Roughly 15-18 Acres
- Along Northfield Avenue
- All Access to Property at Ridgeway Avenue
- Active Adult Community
- Roughly 175 Residential Units
- Applicable Affordable Housing
- Incorporated with Golf & Recreation
- Market Value of Developable & Approved Land Projected $7,500,000.00 Dollars
Phase II of Main Street Redevelopment REQUIRES Relocation

Roughly Two Acres Required

Mostly Vehicle Storage & Phasing

Potential Site on Property

Northfield Avenue Access

Construction Anticipated Cost of $5 Million

Main Street Redevelopment Agreement Provides $9.2 Million

Remaining Funds Supports Proposal
### Township Purchase of Rock Spring Club

<table>
<thead>
<tr>
<th>Issue Bonds Funded with Capital Budget</th>
<th>Green Acres Grant Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of Small Section of Property</td>
<td>Golf Operations</td>
</tr>
<tr>
<td>Recreation Complex Rental Fees</td>
<td>Public Works Relocation</td>
</tr>
</tbody>
</table>
## Township Purchase of Rock Spring Club

- **Purchase Price:** $11,283,000.00
- **Soft Costs:** $767,340.00
- **Total Bond Request:** $12,050,340.00

### Summary of Soft Costs: $767,340.00

- **Cost of Bond Issuance:** $44,500.00
- **Engineering:** $75,000.00
- **Environmental:** $40,000.00
- **Legal Costs:** $125,000.00
- **Closing Costs:** $37,500.00
- **Green Acres Application:** $50,000.00
- **Miscellaneous Costs:** $5,000.00
- **2019 Tax Amortization:** $390,340.00
Township Purchase of Rock Spring Club

2019 Cost to Township: $0.00

No 2019 Budget Impact
Township Purchase of Rock Spring Club

GREEN ACRES Grant Application

- 138 Acres of Land
- GREEN ACRES Provides 50% Funding for Undeveloped Land
- Undeveloped Land Proposed To Be Roughly 120 Acres
- Once GREEN ACRES Approves, Land is Protected Against Development
- GREEN ACRES Protected Land Can Be Used For Recreation & Open Space
- Undeveloped Portion of Land Anticipated to Return $5,238,708.00
## Township Purchase of Rock Spring Club

### Offsetting Revenues

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Township Budget Annual Cost</th>
<th>Golf Operations</th>
<th>Sale of Land</th>
<th>Green Acres Funding</th>
<th>Property Taxes</th>
<th>Total Revenue</th>
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<tbody>
<tr>
<td>2019</td>
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<td>$738,708.00</td>
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<td>TOTAL</td>
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<td>$1,100,000.00</td>
<td>$7,500,000.00</td>
<td>$5,238,708.00</td>
<td>$5,304,558.00</td>
<td>$19,143,266.00</td>
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</table>

Bond Paid in Full After 8 Years  
Total Does Not Include Potential Revenue from DPW Relocation
Financial Considerations

Green Acres Funding & Sale of Property Will Produce More Than $12 Million Dollars to Cover the Total Purchase Price and Bond within 8 Years of Acquisition

Small Development of Roughly 10% of Property Could Produce Three Times Current Property Taxes

Preserving Roughly 120 Acres of Property for Golf, Recreation, Park Land and Township Use
Community Perspective & Objectives

- **Financial**: Large Scale Residential Development
- **Preservation**: Preserve Property as Golf Course or Open Space
- **Recreation**: Purchase the property to develop recreational opportunities and facilities
- **Housing Advocates**: Allow Montclair Golf Club to sell to highest bidder for large scale residential development providing significant affordable housing options
For Our Consideration...

- Only Municipal Purchase of Golf Club in New Jersey
- Meeting Multiple Community Objectives
- Potential Improved Amenity
- Increased Property Values
- Realistic Path to Completely Fund Initial Bond in 8 Years
- Increased Property Taxes
- Protects Roughly 120 Acres
Community Meeting

Wednesday
February 27th, 2019
7:00pm
at Rock Spring Club
On the Council’s Agenda

- 2563-19 Ordinance - Authorizing Acquisition of Land
- 2564-19 Ordinance - Authorizing Issuance of Bonds
- 67-19 Resolution - Authorizing Competitive Contracting
- 68-19 Resolution - Requesting Local Finance Board Approval
- 70-19 Resolution - Executive Session Concerning Pending Tax Appeals & Potential Purchase of Rock Spring Club
Questions & Comments