



# TOWN OF ST. JOHNSBURY

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## **Meeting of the St. Johnsbury Select Board August 28<sup>th</sup>, 2023 @ 6:00 pm**

### **Present-**

Select Board: Steve Isham (via zoom), Tracy Zschau, Frank Empsall, Brendan Hughes, Dennis Smith

Staff: Chad Whitehead, Joe Kasprzak, Rachel Waterhouse, Kresten Sterling

Public: Jim Brown, Scott Campbell, David Belden, Dana Gray, Don Smith, Gillian Sewake (via zoom), Barbara Edelman (via zoom), KATV, Peter VanStraten (via zoom), Eric Skovsted (via zoom)

### Agenda Amendments:

- None

### Public Comment:

- None

### Warrants:

- On a motion by Brendan and second by Dennis to approve the warrants as presented. All in favor.

### Minutes:

- On a motion by Brendan and second by Tracy to approve the minutes from the July 10<sup>th</sup>, 2023 meeting as presented. All in favor. Dennis abstained
- On a motion by Dennis and second by Brendan to approve the minutes from the July 24<sup>th</sup>, 2023 meeting as presented. All in favor.
- On a motion by Dennis and second by Brendan to approve the minutes from the Aug. 14<sup>th</sup>, 2023 meeting as presented. All in favor.

### Liquor/Tobacco License:

- None

### Energy Committee Appointments:

- Chad Whitehead, Town Manager explained that the Energy Committee is recommending the appointment of student member Donley Johnson. Chad mentioned that Donley is a St. Johnsbury resident and a 10<sup>th</sup> grader at St. Johnsbury Academy. He is a proud resident who enjoys hiking and biking. He is passionate about the environment and has participated in a letter writing group which

advocates for politicians and businesses to support eco-friendly policy. Last year he attended the 2022 Youth Environmental Summit through the school. He hopes to have a positive impact on the natural world.

- On a motion by Tracy and second by Brendan to appoint Donley Johnson to the Energy Committee for the remainder of this year. All in favor.
- The board expressed their enthusiasm for students to get involved with this committee.

#### STJREFGP Transformation Grant Recommendations:

- Chad Whitehead, Town Manager explained that Town received \$2,139,413.67 in ARPA funds, it was given an exemption and became unobligated general funds. The Select Board allocated those funds for the STRFGP. He explained that the Select Board has the flexibility to use the funds as they see fit. As for Aug. 24<sup>th</sup>, 2023 the Select Board had already obligated \$1,243,488 in funds, leaving a remaining balance of \$895,925.67. Chad explained that the Town is recommending retaining \$200,000 at this time, leaving a balance of \$695,925.67.
- He explained that St. Johnsbury Baseball had requested a micro grant in the amount of \$5,000 to replacing fencing. He explained that it was recommended by the committee but never made it forward. It was an administrative thing on our behalf.
- On a motion by Dennis and second by Tracy to award St. Johnsbury Baseball \$5,000 for fencing repair from the STRFGP. All in favor.
- Chad mentioned that following the award of \$5,000 to St. Johnsbury Baseball it leaves a remaining balance of \$690,000.
- Chad explained that the Town has been working with legal with regards to the transformation grants as several projects include site acquisition or site control. He explained that these awards can be done in several different ways including grant awards or it can be a loan that is provided with 0% interest and have set terms including conditions of loan forgiveness which would also give the Town the ability to put a mortgage on a property or project. In turn allowing the Town to regain funds back to them should a project sell or not succeed. Chad explained that the Town is working with the Town's Attorney to develop contracts for these funds to protect the Town's best interest.
- Frank explained he would like the board to review the transformation grant applications and discuss them.
- Discussed how History and Heritage applied for both the transformation grant and the planning and implementation grant. Frank said he was looking for a recommendation to award History and Heritage \$40,000 and instruct the Town to make finding the remaining funding a priority.
- Chad provided a summary of the History and Heritage application request.
- Tracy expressed that her understanding was applicants were asked if they only received partial funding would they still be able to move forward. Chad explained that this was asked and they would still be able to move forward with the project. History and Heritage said they would continue to fundraise for this project. The project would still move forward but just not as fast as if the Town was to just hand them the funds.
- Dennis asked if Chad had reached out to others for funding. Chad said he had some outreach with Preservation Trust regarding the project but there is no commitment from them at this time. He explained that they do look at the History and Heritage Center as a good partner. He explained that the Town Manager's office can continue to help support fundraising efforts and one of those would be through coordination conversations with Preservation Trust of VT.
- Tracy said there were some ideas on other state funds they might pursue, that are sometimes less money in type of grants. She explained that in her experience hearing the Town is going to put some money towards a project can help a lot of other dollars. Chad agreed that was what interested VT Preservation Trust and could have impacts on their eligibility and competitiveness.

- Brendan mentioned that he thought History and Heritage is a huge impact to the Town and an asset. He asked if they would be receiving a grant or a loan. Chad said the recommendation was a grant.
- Frank mentioned that History and Heritage is a great thing for our community and it should be supported.
- Frank mentioned that the remaining transformation grant applications were broken down into three groups. 2 of the 5 applications fall under planning and engineering which are R.I.N.K and the NVRH project.
- Chad read the summary of the R.I.N.K application. He explained that this application is about getting the harder engineering pieces down including a final cost feasibility and some of the more technical aspects of the project. He explained that R.I.N.K has a letter of commitment from Elevate 802 which highlights that this piece is the piece needed to determine whether or not they can operate successfully an ice rink in St. Johnsbury.
- Dennis mentioned that he thought \$200,000 was a lot of money for a study especially with no commitment to the property. Frank mentioned that this is one of those projects where we would obligate funds with conditions. Dennis said he would agree to conditions but \$200,000 is still a lot to commit.
- Tracy said she shares Dennis's concerns with regards to a feasibility study without commitment from the landowner to pull the property off the market during the time of the studies.
- Brendan mentioned when it actually comes down to transformational things this would be a huge asset to the Town, the infrastructure and tourism in Town. He mentioned that he feels the same way as Dennis and Tracy but highlighted that there has been more commitment with the project now than in the past.
- Chad read the summary for NVRH Workforce Housing application. Workforce housing continue to be a significant priority for NVRH as it seems to be the single biggest barrier in recruitment. NVRH would like to provide land on Breezy Hill for a housing development. The funding would be used for engaging with a design firm for analysis of local code zoning, permitting and understanding all the units possible. \$200,000 request that would leverage an additional \$400,000. NVRH outlined some funds would be available from the USDA Forest Service for this project.
- Tracy commented that she thought it was pretty unique to have a hospital work with the US Forest Service to provide the Town is market rate housing. She commended NVRH for being upfront with regards to the challenges they are facing.
- Brendan mentioned that he thought it was great that this project funding was available to those who may not otherwise get the funding. He said he really likes this application.
- Dennis mentioned that he likes this application as well and really likes that they are pressuring market rate housing which the community needs.
- Frank commended NVRH on being proactive on moving forward with new housing which is desperately needed for St. Johnsbury.
- Frank mentioned that 2 of 5 applications fall under site acquisition which would be Tru Temper and the Caledonia Food Coop.
- Chad reviewed the Tru Temper application. The Town of St. Johnsbury is seeking \$200,000 for the STJRFGP to help with the site acquisition and remediation of the property located at 575 Concord Ave. The goal is to secure access to the property, remediate and prepare the site for development. Chad explained this would
- Brendan explained that this project checked a few boxes for him. He liked how it was an invested into the Town as well as a remediates a blighted property in Town. This also addresses the housing shortage and brings a large business to the area.

- Tracy mentioned that she felt like the loan tool would be beneficial to this project and would protect the Town's best interest.
- Dennis mentioned that he agreed this project is creating housing and jobs in the Town. He mentioned his support of this project.
- Frank mentioned that it cleans up a blighted project and adds to the grand list in turn.
- Steve mentioned that he agreed with moving this project forward.
- Chad reviewed the Caledonia Food Coops application in the amount of \$200,000 to push forward in establishing a planned 10,000 sq. foot space in St. Johnsbury. Looking to use the funds to hire a project manager and purchase a piece of property.
- Steve mentioned that he strongly supports the food coop and that it is truly a transformational project in his mind. It would be a draw for farming in the kingdom and building the community.
- Brendan agreed and mentioned that it would bring more jobs to St. Johnsbury as well.
- Tracy mentioned that they have been working on this for a long time to lay the ground work and they are very committed to this project.
- Dennis very strong draw for the downtown.
- Frank agreed and said he would welcome it.
- Frank mentioned that the 1 of 5 applications falls under the category of construction which would be Northern Forest Center.
- Chad reviewed the Northern Forest Center. Plans include redevelopment of 560 Railroad Street providing St. Johnsbury with 9 rental apartments and 2 store fronts. This project is estimated at 4 million.
- Steve mentioned that the viewing the plans and taking a tour this is a huge need for market rate apartments. Expand downtown up Railroad Street.
- Brendan expressed that while projects like this are challenging but Northern Forest Center has the track record to be able to do this.
- Tracy mentioned that exciting project. Extensive positive track record and most shell ready project than any others.
- Dennis agreed that it was a great project for St. Johnsbury.
- Frank quoted VLCT that the funds should be used to support strong, resilient work with long term growth opportunities. He expressed he felt these projects all served that purpose. He provided the board with the following three options for obligation of the funds.
  - Option #1 funding each project evenly at \$130,000 a piece
  - Option # 2 fund the Coop, Tru Temper and NFC at a higher amount \$150,000 each and RINK and NVRH at \$100,000 each along with \$40,000 for History and Heritage.
  - Option #3 is to do nothing.
- On motion by Brendan and second by Dennis to award History and Heritage a grant in the amount of \$40,000 from the STJRFGP for their project and instruct the Town Manager to make their funding a priority. All in favor.
- Tracy clarified if options #1 and #2 would change with the allocation of the \$40,000. Chad said those numbers included the potential of \$40,000 being awarded to History and Heritage.
- Frank mentioned that he was in favor of option #2. Steve, Tracy, Brendan and Dennis agreed with option #2.
- On a motion by Dennis and second by Tracy to obligate \$150,000 for the Caledonia Food Coop, Tru Temper and Northern Forest Center and to obligate \$100,000 to R.I.N.K and NVRH with conditions including development of grant or loan agreements will be presented by the Town Manager to the Select Board for their award. All in favor.

#### Request for Authorization to go to Armory Bid Documents:

- Joe Kasprzak, Assistant Town Manager explained that the Town continues to move forward with the Armory project. Currently consultants are collecting samples.
- The abatement process is considered fully funded at this time. Coming to the Select Board this evening to ask the board to authorize the Town Manager to approve the bid documents to move forward with construction in the amount of \$250,000. This will run in parallel with the remediation bid documents.
- Funding options to move forward were addressed and included tax anticipation notice, opening the bond now or self-funding this portion of the project. After discussing with Finance the Town is recommending self-funding this portion of the project.
- Dennis asked where it would leave the reserve funds after self-funding this project. Joe explained that there is currently about 1.7 million in the general fund reserves.
- Chad explained that once the bond is obtained it would replace the self-funded portion of the project.
- On a motion by Dennis and second by Brendan to approve the use of \$250,000 from the general fund reserve for the Armory Bid Documents. All in favor.

#### Town Manager's Report:

- Chad Whitehead, Town Manager provided the following Town Manager's Report.
- Operations continue at the WWTF to get the new sludge press and conveyor system up and running.
- A meeting was held with Calx Ambulance Service and Frank and Steve Isham attended. The future of Calx was discussed along with a potential merger with the Town. Chad explained that it could work but there is a lot to iron out and the Town is still exploring it.
- Pleasant and Gilman project is wrapping up.
- Chad mentioned that the VT Rail is moving forward with a project to put in a salt shed on Bay Street. He explained that the railroad is exempt from obtaining a permit from the Town however there are concerns over the potential fill and the flood plains. Chad explained that he would keep the Select Board in the loop.
- Jim Brown mentioned his concerns with the sidewalk on Pearl Street and Eastern Ave in the area of the Farmers Market. He said it looks horrible with all the vegetation. Chad explained that the sidewalk project in the area has been completed but that he would take a look at the vegetation in the area to determine if it is on the Town's property.
- Frank mentioned that he has noticed a lot of fire hydrants that are out of service around Town. Chad said he will follow up with Steve Beauregard as to why they are bagged.
- Dennis asked if the Town still had hydrants in reserve. Chad said yes and explained that the fire hydrant system contains over 380 hydrants in St. Johnsbury.

#### Other Business:

- None

On a motion by Dennis and second by Brendan the board adjourned by unanimous decision.