



TOWN OF ST. JOHNSBURY

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Meeting of the St. Johnsbury Select Board February 26th, 2024 @ 6:00 pm

Present-

Select Board: Steve Isham, Frank Empsall, Tracy Zschua, Dennis Smith, Brendan Hughes

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

Public: KATV, Jim Brown, Gillian Sewake (via zoom), Todd Wellington, Jim Impey, Evan Olsen

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 Dennis and second by Brendan to approve the minutes from the Feb. 12th special meeting with the noted corrections. All in favor.
- On a motion by Dennis and second by Tracy to approve the minutes from the Feb. 12th regular meeting with the noted corrections. All in favor.

Liquor/Tobacco License:

- Frank presented the following liquor and tobacco license requests:
 - KPH Drugs- 2nd Class
 - Tack Room LLC- 1st Class
 - Tack Room LLC- Outside Consumption
 - Tack Room LLC- 3rd Class
- On a motion by Dennis and second Tracy to approve the liquor and tobacco licenses as presented. Brendan abstained. All in favor.

St. Johnsbury 2024 Mileage Certificate:

- Chad Whitehead, Town Manager explained that this form is required by VT Agency of Transportation to be completed yearly. It states the miles of highways in the Town of St. Johnsbury. Chad explained that the Town currently has 4.743 miles of Class 1 Highway, 11.20 miles of Class 2 Highway, 82.22 miles of Class 3 Highway and 28.607 miles of State Highway. He explained that the pilot payments the Town receives are based on these numbers.
- Steven Beauregard, Director of DPW mentioned that the road mileage has not changed since last year. He highlighted that VT Agency of Transportation has raised the rate of the payments though.
- On a motion by Brendan and second by Dennis to approve the St. Johnsbury 2024 Mileage Certificate as presented. All in favor.

VTrans Annual Financial Plan:

- Chad explained that this is also an annual form that is completed for VTrans. He explained that the Financial Plan certifies that the funds raised by municipal taxes are equivalent to or greater than a sum of at least \$300 per mile for each mile of Class 1, 2 and 3 of Town highway.
- Steve Beauregard mentioned that nothing has changed in the last year.
- On a motion by Brendan and second by Dennis to approve the VTrans Annual Financial Plan as presented. All in favor.

Certificate of Compliance for Town Road and Bridge Standards:

- Chad explained that the certificate of compliance for Town road and bridge standards certifies that the Town meets the standard requirements. He explained that this is another certificate that is required to be completed each year.
- On a motion by Brendan and second by Dennis to approve the Certificate of Compliance for Town Road and Bridge Standards as presented. All in favor.

560 Railroad Street Tax Stabilization:

- Joe Kasprazk, Assistant Town Manager approached the board regarding the tax stabilization application for 560 Railroad Street. Joe explained the tax stabilization request process and that the Select Board has the sole authority to approve or deny any tax stabilization request. He explained that the application for 560 Railroad Street has been reviewed by the Tax Stabilization Committee which has recommended moving the application forward to the Select Board. He explained that most tax stabilization contracts the Town has entered into follow a 7 year plan, where the first 3 years are at the current rate and then the rate increases 20% each year for years 4-7.
- Evan Olsen from Northern Boarder Center provided an overview and update on the project. He highlighted that the project at 560 Railroad Street will create rental apartments for workforce housing, build on the downtown revitalization and creative economy. The building has been gutted, they are working on tightening up the plans and scope of work and then construction will begin. Evan mentioned that if awarded the tax stabilization it would allow Northern Board Center to pay down more of the debt from the project making it so they can keep the rent affordable. This project will increase the tax base in St. Johnsbury with around 5 million in construction, increase the economic activity in Town, address a vacant and blighted building, and create jobs. He expressed that community support is helpful in securing additional funds for the project.
- Tracy asked if they had a projected timeline. Evan said hopefully within a year.
- Dennis asked if the surprises during the demo would be costly. Evan said the main surprise during the demo was what looks like a water main break which undermined the slab the property sits on. They will be working on making those repairs to the slab.

- Jim Brown asked if there were any surprises above the basement level. Evan said no they had a pretty good idea of what they were getting into there.
- Joe provided an overview of what the benefit could be based on today's tax rate. He projected that in 10 years the benefit will be around \$134,000.
- Jim Impey, Tax Stabilization Committee Member explained what a wonderful project this is for 560 Railroad Street and said that everyone on the committee was behind moving this tax stabilization application forward to the Select Board with the recommendation to approve the tax stabilization.
- Brendan asked about the jobs that the project will create. Evan explained that he doesn't expect Northern Board Center will be adding staff however they would need to contract out the property management which they expect would be someone relatively local.
- Frank mentioned that it sounds pretty good.
- Tracy asked if there were stipulations from a performance stand point. Joe mentioned that he would be happy to work on a draft agreement for the next Select Board meeting.
- Steve Isham asked if the 9 apartments would satisfy the requirements. Joe said yes from his stand point they would.
- Frank suggested that the St Johnsbury Tax Stabilization Guidelines be updated to include a housing stipulation. He expressed that he felt 560 Railroad Street is a positive piece of property and it is important to revitalize it.
- Joe explained that the guideline are only guidelines but he would work with the committee on amending them.
- Frank mentioned that he had no problem putting this up for a motion to approve the tax stabilization as recommended to the Select Board.
- Jim Brown mentioned that it fits a lot of the needs for the Town and has many components.
- On a motion by Brendan and second by Tracy to approve the tax stabilization for 560 Railroad Street. All in favor.

Rental Housing Improvement Grant Program Transfer:

- Joe Kasprzak, Assistant Town Manager approached the Select Board regarding a technical detail regarding the transfer of \$200,000 from the St. Johnsbury Revitalization Grant Fund to the Rental Housing Improvement Grant Program. He explained that the funds needed to be moved from the unallocated fund balance to the housing development reserve. He explained that \$100,000 of the funds were used in the 23-24 RHIGP and the remaining \$100,000 will be used in the 24-25 RHIGP.
- On a motion by Brendan and second by Dennis to transfer \$200,000 from the unallocated fund balance to the housing development reserve. All in favor.
- Jim Brown mentioned that the Planning Commission back in 20217 didn't properly make a motion and the ruling negated the bylaws that were in place. He explained how important it was to get the correct motions in.

Revised RHIGP Application:

- Chad Whitehead, Town Manager explained that Kresten met with the committee and they are recommending some revision to the Rental Housing Improvement Grant Program application.
- Kresten Sterling, Code Compliance Officer explained that the committee is looking to extend the application deadline time frame to allow for more applicants. They are also requesting adding 2 discretionary points for projects that meet compliance with all qualified Fire Safety requirements.

- Frank said that sounded good.
- Kresten mentioned that for 23-24 7 projects have been completed to date which brought 5 new rentals on the market plus 1 full rehab and 1 renovation.
- Kresten mentioned that they are in the final stages of setting up the energy resiliency meeting on March 20th.
- Steve Isham summarized that the Energy Committee has been working with Kresten and Municipal Energy Resources Committee to bring an Energy Resiliency Meeting to St. Johnsbury. This meeting will include vendors. He explained that the Energy Committee is helping get the word out and this event is not costing the Town anything. They will also be working on providing mentors to help with the RHIGP application.
- Dennis asked why the Fire Safety was only given 2 points on the scoring scale versus 3. Kresten explained that the committee went back and forth when determining how many points fire safety should be awarded for scoring. He explained that most of the fire safety requirements must be done anyways so this was just a way of helping with funds. He mentioned that sprinklers are expensive and in most cases didn't qualify before.
- Dennis mentioned that he would prefer to see the fire safety points at the same scoring scale as energy efficiency and HUD. He said he feels strongly it should be on equal footing as those.
- On a motion by Brendan and second by Dennis to approve the revised RHIGP application with the noted changes. All in favor.

Downtown Transportation Fund:

- Chad explained that the Downtown Transportation Fund is funded by ACCD and would require a 20% match with a funding cap of \$200,000. He mentioned that in 2002 NVDA recommended the following projects including Eastern and Main, Railroad and Portland and Eastern and Railroad. A locomotion study was completed as part of the planning. He highlighted that the sidewalk on Pearl Street, the cross walk from Portland to Railroad, beautification of the parking lots and increased lighting and security were done through this fund. This year the Town is hoping to focus on Eastern Ave up to Main Street. The request from the transportation fund is to complete the design and plans for the project which would include reconfigured sidewalks and parking along Eastern Ave. This will give the Town an idea of what the repairs should look like. Chad explained that he expects the construction to be in the around of \$550,000. By applying now this allows the Town to get the engineering done while construction is taking place on Pearl Street. The estimated total cost of the engineering is \$140,000. Ideally \$112,000 will come from the Downtown Transportation Fund leaving a local match of \$28,000. He explained that the sidewalk reserve fund has room there to cover the local match.
- Frank asked if the approved sidewalk repairs on the corner of Railroad and Portland Street and the cross walk would happen this year. Chad explained that the project is in design with the intent to bid and begin construction this summer.
- On a motion by Tracy and second by Brendan to approve the Downtown Transportation Fund application as presented. All in favor.

Bay Street Infrastructure Planning Loans:

- Chad explained that as the LVRT corridor work begins on Bay Street it seemed like a good time to look at the below ground utilities that were identified in the long term CSO plan. He explained that the water main would need to be replaced and a transmission main would need to be constructed

on Bay Street. He mentioned that Step 1 and Step 2 for the DWSRF loan would be preliminary engineering and final design for the water on Bay Street. Step 2 for the CWSRF loan would be to get the wastewater portion of the project shovel ready.

- On a motion by Brendan and second by Dennis to approve the DWSRF Step 1 loan in the amount of \$20,400 and authorize the Town Manager to execute. All in favor.
- On a motion by Dennis and second by Brendan to approve the DWSRF Step 2 loan in the amount of \$65,200 and authorize the Town Manager to execute. All in favor.
- On a motion by Brendan and second by Dennis to approve the CWSRF Step 2 loan in the amount of \$73,000 and authorize the Town Manager to execute. All in favor.

Town Manager's Report:

- Chad Whitehead, Town Manager provided the following Town Manager's Report.
- Gillian Sewake would like to attend the next Select Board meeting to present the downtown statistics and give information about upcoming events.
- Town Informational Meeting is scheduled for Monday March 4th at 7:30 pm at the St. Johnsbury School.
- Town Meeting will take place on Tuesday March 5th from 8 am until 7 pm at the Town Office Building.
- The organizational meeting will be held at the next Select Board meeting on Monday March 11th.
- Joe Kasprzak, Assistant Town Manager had nothing to add.

Other Business:

- Jim Brown voiced his concern over Public Safety. He referenced a letter in the Caledonian Record written by Steve Isham addressing this concern. He mentioned that things are stark here. He suggested the Town talk with business owners and residents who share this concern as well. He suggested that maybe the Town look at a Drug Enforcement Agency only here but he believes Public Safety is a greater priority than housing right now.
- Frank agreed with him.
- Dennis mentioned that he understands there is a need but where does the Town get the funding for it. Jim Brown mentioned that he didn't have the answer to that but more talk on public safety needs to happen as it has fallen behind and the community needs some answers.

Executive Session:

- On a motion by Dennis and second by Brendan that there was a need for an executive session to discuss a matter that premature public knowledge would place the Town at disadvantage. All in favor.
- On a motion by Dennis and second by Tracy to enter executive session and invite the Town Manager and Assistant Town Manager. All in favor.
- Todd Wellington asked what the executive session was about. Chad said a real estate transaction.
- On a motion by Dennis and second by Brendan to exit executive session. All in favor.
- The chair had nothing to report.

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