Selectboard Meeting Minutes

April 14, 2025

Present: Pat Harvey, and Michael Teetsel

Guests Present: Kristen LaPell, Rob Gardner, Terry Severy, John Champion, Mary Fratini, Suzie Smolen, Larry Straus, Mike McIntyre, John Lambert, Nancy Woolley, Barb Shenton, Doon Hinderyckx

Guests Present on Zoom: Orca, Martha Slater, Troy LaPell, Deb Matthews, Paula & Kevin Dougherty, Louis Donnet, Robert Franks (phone), Burma Cassidy- Wissner

Pat called the meeting at 6:15 p.m.

Pat confirmed the open meeting law conformity.

Prior Meeting Minutes: Pat moved to approve March 24, 2025, selectboard meeting minutes with a correction. Michael seconded. All in favor. So, approved

Change to the Selectboard Meeting time from 6:15pm to 5pm or 5:30pm decision: Pat proposed to change the time of all scheduled selectboard meetings to 5pm starting with the next selectboard meeting. Mike seconded. All in favor. So, approved.

Appoint TRORC (Two Rivers Ottauquechee Regional Commission) TAC (Transportation Advisory Committee): Pat said that Doon was the representative in the past and asked if he would like to continue in that role. Doon agreed to continue as the Transportation representative. Pat moved to appoint Doon as a continued representative on the advisory committee. Mike seconded. All in favor. So, agreed.

Discussion about Petition received on March 27, 2024, with verified and approved signatures: A petition was received on March 27th signed by 95 approved signatures. Pat reached out to Jim Barlow, the town attorney, and read his comment aloud. He felt in his opinion the Rochester selectboard is not legally obligated to warn a special town meeting to vote on this article. Vermont statute provides that the selectboard may warn of a special municipal meeting when it is deemed necessary and shall call a special meeting with 5% of the voters. However, he felt the statutory right to petition for a special town meeting is subject to the restriction that the business petitioners seek to conduct at the special town meeting is properly delegated to the voter's authority. The Rochester selectboard has general supervision of the affairs of the town. This broad representation includes authority to undertake many administrative duties imposed and authorized by the statutory laws concerning the safety, convenience and health of their townspeople. The selectboards general supervisory authority is derived from statute, not from a vote of the electorate. It is generally recognized that 24 V.S. A§ 872(a) included supervision over town buildings by contrast when a municipality has opted the municipal manager form of government, this authority is vested in a municipal manager who has charge and supervision of all public town buildings, repairs, there on and the repairs of buildings of the towns school district upon requisition of the school directors. The Vermont Supreme Court has consistently recognized a selectboards authority to make decisions and take action concerning town owned property, while the legislature can create exceptions or limits to the authority granted under 24 V.S.A § 872 (a) the legislature has imposed no limit or exception for managing or operating municipal buildings. Acting under authority granted in 24 V.S.A.872 (a) the Rochester selectboard is legally authorized to consider and accept proposals for repurposing the former Rochester high school building, which the town doesn't presently own but intends to acquire under provisions of 6a of the articles of agreement for the Rochester Stockbridge Unified School district and the terms of a recently executed purchase and sale agreement for the property. Because the article in the petition does not set forth a clear right, which is within the province of the town meeting to grant or refuse through its vote, the Rochester selectboard is not legally obligated to call a special town meeting to vote on the petitioned article. Pat noted this is available if

anyone wanted to read it. She said the cost of the legal opinion did cost the taxpayers $375. Pat said the way the petition was written with rescind the decision made by the selectboard, the selectboard never adopted a plan from VHI. She said they have only supported their plan. She said we can't rescind a decision that the selectboard did not make. She stated that because it wasn't clearly written, they didn't want to act upon it. Pat indicated there may be more proposals to hear about the use of the building and a vote may come later. Mike said there has been some misunderstanding about votes and wanted to make clear that the selectboard has not decided about whether there will or will not be a vote.

Permission for the Fourth of July festivities-Martha Slater: Marth asked the board for their permission to hold the annual Fourth of July parade. She is asking for input on a theme for the parade. She said there will be games for kids on the park with live music on the bandstand. Pat suggested noting this particular year we are celebrating a milestone with the State of Vermont commemorating the 250-year anniversary. She thought that might be a good theme. Pat moved to allow Martha to decide on the Fourth of July festivities. Mike seconded. All in favor. So, approved.

Discussion about the use of private/personal and/or business use of digital communication(s) while under oath to serve the tax paying public-Robert Franks: Robert asked if town officials and employees attended the Act 167 training that was put into law on January 1, 2025. He felt these were mandated classes for all town employees. Pat said we have a designated agent who has completed the course. Pat indicated she has completed the course several times. Town clerk made a comment that the state was putting together trainings for all to attend in the coming year.

Discussion about a HS building proposal-Rob Gardner: Rob Gardner presented to the selectboard his proposal put together by a local developer for the high school building (attached). Rob said this proposal would work in parallel with the VHI project proposal. Rob felt this could open more doors to money for a housing project. Martha made a comment noting that the former high school has an auditorium, but the elementary school has a gym/lunchroom, and they would need to be considered in this plan. Pat said there is concern with installing an elementary school within a community center. She said there could be a task force to investigate this plan further. She asked if anyone wanted to be a part of the task force to reach out. Comment was made to have the proposal submitted to the housing committee, budget committee and the planning commission as well.

Discussion about consideration of adopting Park & Ride lighting proposed by GMP (Option 2): Pat said the consideration for Option 2 which was presented at the last selectboard meeting was the best option for lighting the Park & Ride.

Complaint pertaining to clean up at 3620 VT Route 100: The Town received a complaint from someone in Twitchell Settlement about the property asking for help with rodents and having it cleaned up. Pat said it would be best to reach out to the Town Health Officer to make a site visit. She will make the call.

Read and sign a Debarment and Suspension form for NBRC (Norther Borders Regional Commission) resolution: Pat noted these are two certificates that cover the town for a grant we are applying for towards the high school building. Pat read the Debarment form and signed the document to say we are in good standing as a town. The other part of this form is for the Assistant Town Clerk/Grant administrator to sign and show in good faith the town is in good standing as well. The Resolution was read aloud by Mike.

Library Updates: Barb Shenton came to the board to have two members appointed to open trustee seats due to current resignations. Pat asked that they be put on the next agenda for an action item.

Utilities Updates: Terry said the utilities are fine. Terry said the repairs to the fire truck are estimated to cost $33,000. He estimates the truck will be out of service for about three weeks. Mike asked if he could learn a little more about the utility facilities. He will reach out and set up a time to meet.

Selectboard Updates:
Pat said there was a little curiosity with the solar cell tower outside the town office. It was assigned for emergency uses. She noted the company that contracted with the State of Vermont that dissolved. She said the unit is not functioning. She wanted to know what the purpose is and what we can do with it. She reached out to the company and received a message from Coverage Co. The solar towers are funded with federal funds through the Economic Development agency and as part of the agreement the sites must remain available for the Rochester lease duration which ends 2029 so the equipment can be made available for the Public Good or a new network can be found. The unit is not active. Someone approached Pat to see if they could take it out of our hands. The unit cannot be given away.

Pat said the ARPA funding was all closed out and reported. She felt it was spent wisely. She thanked Doon and Frank for their help in finding ways to spend it for the towns benefit.

Pat said there was discussion in a past meeting about Visiting Nurses and their services. She said they received a response from them to say they will be providing services to our town. She said we will not be pulling the funding for their services.

Public Comment: Suzie Smolen asked about the sign at the Skip Mart. Pat said the sign would need another discussion at the Planning meeting. She said they are working with the owner. Suzie would like to suggest consideration of the selectboard and whoever else would like to do a walk-through town on the existing sidewalks and their placement in town so they can be clearly identified. Pat said the sidewalks were brought up in a study 7-8 years ago for revitalization and the cost was a factor in tabling the project at that time. She said we do have access to a grant to replace smaller sections at a time. She said it's very complicated and expensive. If a grant comes out for sidewalks again, we could look into applying.

Nancy Woolley made a comment to thank Kevin Dougherty and Kristen LaPell for their emails to the public and the Farmer's Market people to come on this past Saturday morning to rake the park. She said they were lucky to have Kevin and Paula Dougherty, John Fratini, Davey Domina, and Jeremy Reid from Stockbridge. She said today the town crew picked up all the piles.

Suzie thanked the road crew for they commendable work this winter.

Meeting adjourned at 7:44 pm

Respectfully submitted,
Julie Smith

A Talking Paper
For the Development of Residential Housing
In the town of Rochester, Vermont

Introduction

We assume that the reader is familiar with the basics of the issue, the state and condition of the two school buildings, and the size and location of the property.

This talking paper is based on Rob Gardner's collaboration with Phil Cregg, a professional developer (whose bio is at the end of the paper) and who is the primary the author of this paper. Phil and his wife Fayth bought the old Harvey's Mountain View Inn up in the hollow and they hope to make Rochester their permanent home.

It would have been impossible to make this project overview without Phil's generous gift of his time and professional expertise and if his wife Fayth had not reached out with the initial offer to help. They are both thoughtful, generous people, with a genuine desire to help the community.

The Concept

The concept is to renovate the high school building (as proposed by the re-purposing committee) and then to move the elementary school into the renovated building and demolish the elementary school building in order to build residential housing on that site.

The elementary school will require about half to two thirds of the high school building to function so the rest would be available to fulfill the vision of the re-purposing committee. The SU would then lease the building to pay for the energy costs and maintenance of the renovated high school building, costs which will have been significantly reduced by improving the heating system, insulation and adding new efficient window and door units during renovation. Such costs should be in relative parity to the old elementary school building. Of course, this would require the SU as a

partner in the project and that the elementary school property would be assigned or sold to the town of Rochester for the purpose of development.

The demolition of the elementary building would be an expense that would need to be funded by some source other than the development effort, perhaps as part of federal or state housing funds, or sources yet to be determined. As the Black River report clearly shows, the elementary building (like the high school building) is in desperate need of renovation work and is past its useful life as a school building. It is now an accident waiting to happen.

After demolition of the elementary school, the town would make the property available to a developer at no cost and the development process would proceed. Something like fifty to a hundred housing units would be built on the property which appears to be above the 100-year flood plain. The number and size of the units would depend on the economic metrics of unit size and projected return on investment on the property, as determined by the developer. Sewerage treatment and water would have to be supplied, but the costs of these would be borne by the developer, as would all environmental concerns, act 250 issues, and all the very complex elements inherent in the development of residential housing.

Of course, all this rests on the assumption that a developer would find the project to be an attractive and profitable endeavor, and we have no way of knowing yet whether this is the case. Phil's analysis of this is, however, optimistic.

This is a major project that would require some years to complete from beginning to end but would increase the town's population and tax base, add kids to the school and customers to the town's business base. If the project were successful, the high school building would be preserved, and the project could be transformational to the town of Rochester and its future.

The Project

These are the steps the town would take to realize this project:

1. Step one. To determine whether the town is interested in exploring housing development and a modified approach to the high school repurposing project. The town leadership must take psychological ownership of the concept and its potential, and of course the people of the town would need to be fully informed of its scope, potential returns and risks.

2. Development Real Estate Broker

The town must identify a development real estate broker to advise on the elementary school site for its development potential. The real estate broker can advise on what type of demand there would be for housing on a site and location like this and if developers will be interested.

A good broker will be able to advise the town throughout the process of transferring the land to a developer. The real estate broker can also advise on whether the town needs to demolish the existing elementary school building for the property to be a viable option for development. Cregg's opinion is that the building needs to be demolished by the town because the cost of demolition is much greater than the value of the land. Phil believes a local agent, Kyle Kershner, would be a good resource. We don't know if he handles these types of commercial transactions, but we imagine that he could at least point us in the right direction.

3. Site Feasibility Analysis

A civil engineer should perform an initial feasibility analysis for development of the site. Their analysis should include a determination of the buildable areas on the site, the size of building the site can accommodate, a conceptual analysis of the required sewer and domestic water infrastructure, and the required stormwater management.

4. Hire an Attorney

The town needs to understand what options it has to make sure that it gets what it wants out of the development. It would not benefit the town for someone to take the land and build a single home or a very small number of housing units. You also do not want the developer to flip the land for a

profit. The town should maintain control over the density of the development, aesthetics, and affordable housing requirements. Without full knowledge of Vermont law, we can't yet know, but this might achieved with a restricted deed, a special zoning district, a revision to the town's zoning ordinance that requires town approval for developments over a certain size, and so forth. The attorney will also be heavily involved as the town negotiates with developers and creates a contract to transfer the land. If something goes wrong after the developer takes control of the land, the attorney will be needed to work through any issues. The initial consultation should not result in a large legal expense.

Ideally the town needs a firm that specializes in these types of matters. Langrock, Sperry, and Wool is a large law firm in Vermont that has attorneys who specialize in different areas. Phil has a contact there if the town needs an introduction. They are not the cheapest option, but the attorney's work could have a major impact on the success of this project.

5. Marketing the Property

If the real estate broker, civil engineer, and the attorney see a path forward, the town can then have the real estate broker begin marketing the property. The broker should create marketing materials for the property similar to the attached example from a development opportunity in Massachusetts found on loopnet.com The real estate broker can approach developers directly and also list the property online. The town will probably not find a developer interested in the property overnight. This could take some time. Once the property is sold to the developer, the ball is in the developer's court to manage the project from design through occupancy.

6. Owner's Project Manager

The town should hire an Owner's Project Manager (OPM) for the renovations to the high school. The OPM will manage the design team and the contractor for the renovations. It is important that the owner's project manager has experience working in the area, experience in K-12 education facilities and a good understanding of mechanical, electrical, and plumbing systems. One of the first duties of the OPM will be to create a conceptual budget for the project.

7. Design Team

With the help of the OPM, the town will hire a design team for the high school renovations. This usually starts with an architect. The architect can then provide recommendations for an MEP engineer (mechanical, electrical, and plumbing). The town should request multiple options for the MEP engineer to get multiple prices and to have the opportunity to interview multiple companies. The architect and MEP engineer are the most critical members of the design team.

A structural engineer and a civil engineer will also be required. The architect can help with recommendations. Phil believes that the repurposing committee has a very strong civil engineer, VHB, who already worked on the initial design phase.

The various design team members typically enter a contract with the Architect who manages the design process. This is the cleanest way to manage the design team so there is one main point of contact. You also only need to pay for one company for design service rather than paying them all separately.

8. Existing Conditions Evaluation

The design team will perform site visits to evaluate the existing conditions at the site.

9. Drawings

There are usually three progress sets of drawings that are issued by the design team for review (schematic design drawings, design development drawings, and construction documents). Each progress set of drawings for the high school should be reviewed by the OPM and potentially people in town who work in the industry. There could be a small group who reviews the plans to ensure that the scope is captured properly. Comments from this group should be submitted to the design team to address.

10. General Contractor

The OPM will manage a request for proposal (RFP) for a general contractor for the high school renovations. The lowest qualified bidder will be selected

to perform the renovations. Value engineering may be required if the pricing is over budget.

11. Construction
The general contractor will procure the required permits, hire the subcontractors, and execute the renovations. The OPM will manage the construction process and will review and approve contractor's invoices along with the Architect.

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Frequently Asked Questions:
Any project of this complexity will generate myriad questions, and we have tried to anticipate some of them here.

1) How realistic is this?

The initial reaction that Phil received from his colleagues who specialize in planning these types of projects was positive. He thinks that if the town can demonstrate that there is demand for the development and that the financial returns are solid, there would be developers/investors who would be interested in the project.

As far as the feasibility/design of the construction is concerned, there is always a way to make it work. The deciding factor will be keeping costs down to a level where the investors can achieve their desired return on investment. Like any business venture, it will ultimately come down to making money for the investors.

2) Will the flood plain issues be taken care of because the elementary school site is above the flood line?

It looks like enough land on each site sits above the 100-year floodplain to facilitate development. We would need to consult an engineer like VHB to perform a site assessment confirming that the site works, but everything seems to indicate that the site is buildable. Phil was happy to see that VHB was the engineer that performed the site assessment for the high school

repurposing project. They are a good company, and Phil has contacts in their Boston office he can go to for advice.

3) What about the money, how does it all get paid for?

It is very positive that the funding efforts of the repurposing committee is significantly advanced. Phil feels that the money the committee is talking about spending on the community center would probably be better spent if it focusses on the needs of the elementary school and this might help them in fundraising. This won't matter if the elementary school is closed by the state, but it is a path forward if the school remains open.
The developer would fund all the costs of the residential development project. The biggest challenge will be finding a developer to take the project on in this economy. The good news is that residential is currently one of the hottest markets for developers.

One benefit to the town is that the development will result in additional property taxes. An extra $3k-$4k per unit in annual property taxes will be a big win for the town (even though a large portion will go to the state). The additional property taxes the town would collect from this development could help to finance debt payments if the town does end up taking on debt.

It is worth noting that there is an untapped income source in Rochester in taxes and licenses for short term rentals. Many towns in Vermont collect a 1% tax on gross meals and rooms receipts. Phil thinks the town could collect around $10k per year which isn't a large sum, but it's also not immaterial. Another potential option would be to require licensing for Airbnbs with an annual fee. If the town charged a $250 per year for the 60 short term rentals in town, they could collect an additional $15k per year in license fees. It would also allow the town to keep a better pulse on the short-term rental situation and potentially limit the issuance of new licenses in the future if the number of short-term rentals gets out of hand. The town could incorporate exemptions or lower fees for people who rent rooms or ADUs at their primary residence. This money might be earmarked for the maintenance and operation of the school.

4) What are the risks to the town?

We might not find a developer willing to take on the project in the near future. The site could sit vacant for a long time.

Grant money to renovate the high school might not be available.

Construction costs for the high school renovations could exceed estimates. The design should be value engineered, and a significant contingency should be established.

Tariffs will increase costs by about 2%-5% based on what Phil sees for projections in the Boston construction market.

The developer could build something that the town does not want. I think the planning and zoning committee should put together a solid plan that addresses this.

The developer could run out of money or go out of business before the project is complete. The town would have to deal with a partially finished building.

Investors could buy the units and use them as short-term rentals or charge high prices for long term rentals. I think this can be controlled, but it should be planned for as a first step.

5) What if it fails?

If the residential development fails prior to construction beginning, the town is left with an abandoned school building and a vacant lot. Though this is not any worse of a position for the town than they are already in.

If the residential development fails during construction the town will be stuck with a partially finished building on the site.

If the town takes on debt to finance enabling work for the project and the project never takes off, the town will be on the hook for the debt.

This may sound grim and there may be other risks we haven't considered, but it doesn't seem like the town will be in a much worse position than they are currently in, with two aging school buildings that they are paying to operate.

6) Who are the players?

—The Town of Rochester (select board, zoning committee, the public)
—The Rochester Housing Committee (Designation of a Neighborhood Development Area will limit challenges associated with Act 250)
—School board or supervisory union, who would agree to moving the elementary school and lease the high school building and pay for the new location
—State (regulations) various agencies
—Land use review board for Act 250, a major player
—Developer
—Investors (the developer will find them)
—Consultants - Architect, Mechanical Engineer, Civil Engineer, Environmental consultant
—Owner's representative for high school renovations
—General Contractor for high school renovations
—Attorney
—Bank if town takes on debt

7) Who manages the real estate venture (housing)?

The simplest option is for the residential units to be developed as condos with a member managed condo board. They would hire a property manager to manage budgets, HOA fees, maintenance, repairs, etc.

Apartments would require a much more hands on approach by a company who specializes in running apartment complexes. I doubt there are many companies like this that service our area.

Condo rules usually limit the number of units that can be used as rentals. Typically, rentals are capped at about 25% on a first come first served basis. This should allow for a good mix of tenants.

8) What about water and sewer?

The developer would need an engineer to design a wastewater treatment system. There are alternative treatment systems that treat large quantities of wastewater in a smaller footprint if a traditional septic system is not feasible. Residential sewer systems are typically designed for about 150 gallons per day per bedroom. There are various systems that can treat up to 200,000 gallons per day in a relatively small footprint (about 12' wide by 60' long). The water is then dispersed underground. Phil is not an expert on this, but there are technologies that exist to address sewage treatment for developments like this.

We expect the developer could tap into the city water main with a larger water line for the site, but a well might need to be drilled. A civil engineer would have to arrange this on the site in relation to the septic system.

9) Where do you get the developer?

The town would need to market the land with a real estate broker. You could advertise the land on a commercial real estate site like loopnet.com with a sale price of $1 to see who is interested. Phil found one land listing in Rutland that is marketed as a development site for apartments as an example -https://www.loopnet.com/Listing/65-Dyer-Rutland-VT/26731450/ .

There are several developers that do this type of work. Summit Properties is one developer that has developed properties like this in central Vermont (including a recent one in Middlebury). We could also speak with nonprofits who specialize in this type of work for advice. Evernorth and the Vermont Housing and Conservation Board could be good resources.

Having business plans for a few different options to demonstrate the profitability of the development opportunity might help with attracting developers. If this plan gets traction, Phil can ask his colleagues who specialize in real estate finance to help with sample proformas.

10) Where do you get the investors?
Typically the developer finds investors or funds the project through construction loans.

11) How do you estimate costs and unit prices?

It looks like the elementary school site could accommodate a 30,000 square foot building footprint.

A 30,000 square foot building footprint, two stories high would give you 60,000 square feet. Divided by an average apartment size of 1200, that would give you potentially 50 units, as an example.

The development costs for a multifamily residential building of this size would be about $250 per square foot (based on pricing seen in Boston). The total cost of the building would be about $15M, bringing the average cost per unit to $300,000. Investors for projects like this typically seek a return of about 15%, so an average sale price for a unit in the building would need be about $350,000 for the development to make sense to investors.

The development project managers in Phil's firm think that this sounds like a viable project that investors would be interested in. This is assuming that the land is free or very inexpensive. Of course this is just a thumbnail estimate, actual costs would be determined by the developer based on real world finances at the time.

Conclusion

The town has not engaged a project this large since the building of the high school building itself. The development of residential housing is big, complex, and challenging.

I think it is obvious, however, that the rewards are great. Doing nothing only increases the chances of the town's decline. Attempting this project opens the door to the town's growth and rebirth. It is a project for the future.

I suggest the select board give this serious consideration and open the door for the folks in town to learn about it fully and consider—as a community—if it is worth the effort and the risk. And then, the town either takes action if confidence in the future demands it, or not, if caution prevails.

Thanks for taking the time to consider this.

Rob Gardner

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Phi Cregg

Phil Cregg is a seasoned construction professional with a diverse background including heavy civil, international development, municipal infrastructure, and commercial construction. Phil was born and raised in North Texas and comes from a family of farmers and educators. Phil graduated from Texas A&M University with a Bachelor of Science in Construction Science and a minor in Business Administration.
His career began on the Gulf Coast of Texas, working as a field engineer and estimator for a company specializing in the construction of offshore oil production platforms.

He then transitioned to international development in Haiti. While in Haiti, Phil worked as a site supervisor for an international construction company that was awarded a contract with the US Naval Facilities Engineering Systems Command for the construction of emergency operations centers and fire stations for the Haitian government. While in Haiti, Phil also supervised the construction of a water treatment center in a rural community and worked on a variety of community development projects.

Returning to the U.S., he managed the construction of large-scale concrete water storage tanks across the Midwest, overseeing projects totaling over 50 million gallons of water storage capacity. He further expanded his experience as a project manager for a Boston based commercial construction company, delivering restaurant and retail projects throughout the country with contract values up to $10 million.

Currently, as a Senior Construction Manager for the largest publicly traded developer, owner, and manager of premier workplaces in the United States, Phil oversees the design and construction of complex commercial projects, including the conversion of office buildings to laboratories, office and laboratory fit outs, building amenities repositioning projects, and building infrastructure upgrades with single project budgets reaching $100 million.

His responsibilities include budgeting, feasibility analysis, design oversight, contract negotiation, contractor management, mechanical systems commissioning, and lease negotiations support. He has managed projects for high-profile tenants including Bank of America, Sanofi Pasteur, Moderna, and The Broad Institute of Harvard and MIT.
Beyond of his professional life, Phil and his wife Fayth own and operate a rental property in Rochester, the historic Harvey's Mountain Inn, a 10-bedroom inn and cottage. He is an avid sports fan, enjoys travelling, and spends most of his weekends working on home improvement projects.