

Castleton-Hubbardton *ad hoc* Committee on the Future of CVS  
May 19, 2022, meeting

Minutes

Committee member attendees: Mary Lee Harris (Chairperson, by telephone), Bob Gibbs, Joe Mark (notetaker). Rick Grabowski was called away on a Fire Department emergency.

Other attendees: G. Ray Ault, Andrew Beautley, Sherill Blodget, Jay Brannock, Tearsa Brannock, Bill Church, Martha Francis-Clifford, Susan Day, Ted Day, Charlotte Gerstein, Michael Hall, Gretiena Johnson, Stephen Johnson, Nancy LaFrancois, Karen McLaughlin, Ann Niklasson, Caitlin Perry, JoAnn Riley, Matt Riley, Emilio Rosario, Marley Rosario, Matthew Ryan, Jeff Schroeder, Pat Schroeder, Angela Sillars, Tim Smith, Diane Gray Spangenburg, Bryce Taylor, Keith Whitcomb, Jennifer Woodbury, David Woolpy

The meeting was proceeded by self-tours of the CVS building starting at 5:30 pm.

1. Mary Lee Harris (MLH) began the meeting at 6:02 pm.
2. Bob Gibbs (BG) made a motion to approve the minutes of the 4/21/22 meeting. Joe Mark (JTM) seconded the motion. All approved.
3. MLH invited Ray Ault, a commercial realtor, to speak to the committee and the over 30 assembled citizens.
  - a. Ray described his professional background. He's been a realtor since 1973. In 1980, he became a commercial real estate specialist.
  - b. He mentioned that the appraisal of CVS was done two years ago in January. He said that over the last two years, the *home* real estate market has increased dramatically and that, while commercial real estate prices have increased, they have not "skyrocketed." He estimates that commercial real estate values have increased 10 to 15% over what they were two years ago.
  - c. The CVS building is approximately 23,000 square feet. It sits on a 3.55 acre parcel, which is part of the property. In addition, CVS leases a one acre parcel, the deed of which dates back to the 18<sup>th</sup> Century.
  - d. A deferred maintenance report concluded that, overall, the building is in good shape. There are five or six issues that should eventually be addressed. The most expensive of these would be the replacement of the roof. This is estimated to cost between \$500,000 and \$590,000. An abandoned underground fuel tank should also be removed. Often the terms of the purchase and sale agreement require the seller to pay for removal of the tank.
  - e. He doesn't normally recommend that the buyer address deferred maintenance priorities of "moderate" importance unless they intend to make good use of the building. If the roof were not to be replaced, it should be inspected on a frequent basis, especially in winter.
  - f. If these deferred maintenance issues weren't addressed before going to market, it could take 24 months to sell the property.
  - g. Most owners would expect a buyer/tenant to address the deferred maintenance in exchange for a discounted purchase/lease rate.
  - h. Ray gave examples of some recent commercial sales. The original Hubbardton Forge manufacturing facility, which he didn't expect to be very marketable, received two offers within the first 30 days and sold within 90 days. The former CVPS building at 45 Union Street in Rutland, a 24K square foot building, had been appraised by the City of Rutland for \$925,000 and sold for \$650,000. The 17K square foot USFS building on Rutland's North Main Street sold for \$1.8M, representing an unusually high per square foot sale price.
  - i. Ray said that a commercial property like the CVS typically becomes available every six months.

- j. In a “triple net lease” arrangement, the tenant would pay all expenses, including taxes.
  - k. He suggested a seller should expect a sale price of anything from -20% of the appraised value to +20% of that value. If you don’t want to “sit it very long,” ask the appraised value.
4. After Ray Ault had answered some questions, MLH thanked Ray for his presentation and asked Tearsa Brannock if she had had the opportunity to consider the appraisal information she had been sent and whether those numbers were manageable within her budget.
- a. Tearsa confirmed that she had received the appraisal information. She indicated that she had shared that with her lenders and that they believed they were within her price range. In fact, they advised her to purchase the facility rather than lease it.
  - b. Tearsa indicated that she would not need the entire building and that she would be willing to lease some of the space she doesn’t need to the Recreation Commission and/or to B&GCRC.
  - c. She said that the day care facility she was contemplating on Sand Hill Road would have included six to eight classrooms but that she chose to downsize that to six classrooms in order to stay within her budget.
  - d. Ann Niklasson asked whether other users could be in the building when it was in use as a day care center. Tearsa suggested that would have to be negotiated and may require a physical separation between the space used by a day care center and the space used, for example, by the Recreation Commission.
  - e. JTM asked about the gym and whether Tearsa would be willing to share it. She indicated that she might want to work out an agreement that allowed the day care center to use it at some times, for example, during inclement weather.
  - f. MLH asked how soon she’d like to move into the CVS building. Tearsa responded, “Before school started.”
  - g. Karen McLaughlin said she has known Tearsa and been impressed by her. Karen thought it would be good to have Tearsa’s program available for CU and its students.
  - h. Angela Sillars introduced herself as an assistant professor in CU’s early childhood education program who has worked with Tearsa. She too thought it would be beneficial to CU students to have Tearsa’s program at the CVS building.
  - i. JTM asked how many students she planned to serve. Tearsa replied 68.
  - j. MLH pointed out that Tearsa’s program was a Five Star Day Care center. Tearsa indicated that her program has had this classification for six years and that it was also a “universal pre-K.”
5. MLH introduced the topic of the draft memorandum of understanding.
- a. JTM described the MOU document and explained its background.
  - b. There was no discussion.
  - c. BG made a motion to approve the MOU and recommend it to the select boards of Hubbardton and Castleton for adoption. JTM seconded the motion. All were in favor.
6. MLH asked Joe Mark to report on his research into Rutland’s Godnick Center and Poultney’s Young At Heart Senior Center.
- a. Joe said in a long phone conversation with Kim Peters, head of the Rutland Recreation Department, he learned that the Godnick center, called Godnick Adult Center, was one of several facilities owned and operated by the City of Rutland. The recreation department has a \$2.5M budget, \$2M of which come from taxpayers; the other \$500,000 comes from donations, grants, and fees. Some revenue is generated by swim team rentals, fees associated with AAU tournaments, and meeting room rentals. Citizens pay \$10 a month for recreation membership, which gives them access to three fitness rooms, a game room, racquetball courts, and basketball courts. Most programs at the Godnick Adult Center are free, but some classes carry a fee. The recreation department consists of 12 full-time employees and operates on a 6:00 am to 8:00 pm schedule. In the summer, the department also employs 100 students.
  - b. JTM indicated that he spoke with both Poultney’s mayor and with Jonas Rosenthal, Castleton’s zoning administrator who is a member of the board of directors of the Young At

Heart Senior Center. In the case of Young At Heart Senior Center, the Town owns the building the center uses. The Town has insured the building, but the center has purchased renter's insurance in addition. The Town does some building maintenance, but the center pays for most operating costs: utilities, trash removal phone, internet, etc. The center employs a part-time director and a cook. Their budget is \$135,000, \$26,000 of which comes from the Town.

7. Mike Hall asked to be allowed to speak on behalf of the Recreation Commission. He explained that leading up to the Town Meeting Day vote on CVS, a group began meeting. Eventually that group began working to determine the purpose of the building. The Recreation Commission hoped to find a home for town recreation programs. Then their group proposed the creation of a full-time recreation director position. Mike said that equipment storage was a huge challenge.
  - a. Ann Niklasson added that there would not be an office for the recreation director at the Castleton town offices but that the director would be allowed space only in the town's conference room, from which he/she would be displaced in the event of a scheduled meeting in that space.
  - b. Karen McLaughlin asked how much space was needed. The answer was a small office, storage, perhaps a small meeting room. Ann Niklassen said they might need other spaces for classes, e.g., yoga instruction. Mike Hall added, three to four classrooms.
  - c. Ann Niklasson, responding to fee rates used in the Rutland recreation program, said her group thought Castleton membership fees could be twice as high, that is, \$20 per month.
  - d. Marley Rosario said she was appalled that "we're managing programs with nothing" and that, with proper facilities, much more could be offered.
  - e. Matt Riley asked Tearsa if her decision was based on purchasing alone. She replied that she would consider leasing but that her team recommends purchasing. Matt also mentioned that he was a Lego League team captain and would be interested in bringing that program to the CVS building.
  - f. Rutland police officer Emilio Rosario mentioned that he has worked with Kim Peters, of Rutland Recreation, and is impressed by all she and her team are doing.
  - g. David Woolpy, director of Boys and Girls Club of Rutland County, said their organization has 50 or 60 area youth as members, serving 30 to 40 a day. They charge \$50 per year for after-school care. If they were in CVS, there could be many other uses of the building during the day and after 6:30 pm. He mentioned that he was working with Mary Droege on a business plan and that B&GCRC would be willing to manage the building.
  - h. Pat Schroeder said her concern is that "we don't lose sight of this as a community project." She also expressed that there needs to be separation between day care and other programs.
  - i. Ted Day offered the opinion that the building could accommodate both a day care center and the Recreation Department.
  - j. Diane Gray Spangenburg said she had asked Castleton's town manager whether the building would be maintained by the Town. She reported he said no.
  - k. Tearsa Brannock asked how the other groups interested in using the building would gain the financial resources needed for the building's overhead.
  - l. Marley Rosario asked Tearsa how many openings there were for babies. Tearsa responded that square footage determines how many children can be served.
  - m. Emilio Rosario asked whether Rutland kids can come to Castleton's B&GCRC. David Woolpy answered yes.
8. The next meeting of the *ad hoc* committee will be on June 1 at 6:00 pm at the school.
9. BG made a motion to adjourn. JTM seconded the motion. All approved, and the meeting was adjourned at 7:36 pm.