

## **Voter Options for Discussion on Repurposing the Roxbury Village School as at February 4<sup>th</sup>, 2025**

The original Selectboard discussion document from December 2024 can be found on the home page of the Town website. That document includes background and supporting documents surrounding this topic.

You will see from the Town Meeting Warning that this year voters are being asked to consider three advisory, non-binding, articles related to the Roxbury Village School (RVS). The Selectboard is keen to give voters a voice on how best to proceed. Your vote will convey your sentiment and provide guidance to the Selectboard who is standing by to formulate action plans with the best interest of taxpayers in mind.

Article 4 asks voters whether or not the Town should buy back RVS per the merger agreement for one dollar (\$1)? *The Merger document provides that if the Town does not take the building back then the school district is free to sell RVS to someone else. While this is clearly an option, the Selectboard feels it is not in the best interest of the Roxbury taxpayer to just let Montpelier reap the benefits of selling the building that was built and paid for by Roxbury taxpayers.*

Article 5 lists three main options where each voter is being asked to pick one. The options, assume a Yes vote on Article 4 and are listed in no order of importance. *Pros & Cons associated with these three options are presented in this document for your consideration. After the Warning was finalized a 4<sup>th</sup> option became available due to a change by a potential lessee. That option is explained & explored later in this document.*

- Article 5 – Option A:     sell the RVS building but retain the Town Hall for Town use
- Article 5 – Option B:     consolidate municipal functions (Town Office, Library, etc...) under one roof and sell or lease the smaller buildings
- Article 5 – Option C:     lease the RVS building out to one or more tenants

Article 6 asks voters that if it is agreed we should buy back RVS, then appropriate \$75,000 as an estimated amount for property related expenses to keep & maintain the building over the next year. *It is assumed that if we were to lease out portions of the building then most if not all could be offset and if we were to sell RVS then the funds may not all be spent. So, any remaining amount from these budgeted monies are to be directed to the Municipal Building Repair Fund.*

To-date the Selectboard has opted to not yet spend funds on determining the estimated cash value of Town bldgs. Having buildings properly assessed by a third party in our current environment is said to cost something like \$3k-\$5k per building.

To try and estimate what sort of property tax the Town could see in the event of a sale, we did consult our listers and they pointed us to the Town Report from March 2024. The Town report has the assessed value for our buildings as reflected in the Grand List. Because RVS is not yet Town owned and so not on that Town Report list, the listers then provided an Appraisal Summary for RVS showing a revision date of May 3<sup>rd</sup>, 2022.

Most importantly, numbers in the option discussions below are best estimates only. None of the calculations consider yearly inflation, rent increases, compound interest or unforeseen maintenance costs. It is simply a snapshot of today's prices and assumes you never touch the principle invested and always take the net dividend.

**Article 5 – Option A:**      *Keep the Town Hall at a minimum and sell the rest of the building and land*

***Discussion Notes:***

Selling could unlock capital which could be conservatively invested to generate ongoing interest income for the Town. Or the unlocked capital could be used to buy down the cost of a new Town Garage or other infrastructure improvements. Selling RVS could also potentially open the property up to generating annual property tax receipts by expanding our Grand List.

If the Town were to net \$1.5M after costs from the sale of RVS and conservatively invested in a money market account at 4%, those dollars could generate \$60,000 in annual investment income. Together with an estimated \$17,773 in annual property tax receipts the Town could receive roughly \$77,773 per year.

We believe that RVS is carried on the school's books for insurance purposes at \$2.7M. However, there is a big difference between the insurance value, which is what the insurance company will pay to rebuild the structure, verses the actual cash value, which is what someone would be willing to pay you for the land and structure.

Per information from our Listers with a revision date of May 3<sup>rd</sup>, 2022, RVS appears to have an appraised value of \$1,925,800. With a Municipal tax rate of .1814 and a Highways tax rate of .7415, we estimate a sale of the building could generate an annual property tax receipt to the town of approximately \$17,773 excluding the pass-through school tax.

But while home sales in Roxbury have been at a premium, the RVS building is a different animal. What is the likelihood we could find a buyer willing to pay \$1.9M for an empty school building in rural central Vermont? In our favor we do have the traffic study

done over the Memorial Day weekend which logged over 10k vehicles passing by the Tennis Camp heading south. The location near the intersection of Rt 12A and Warren Mountain Road clearly has value. What that value actually is remains to be understood.

***Issues/Questions:***

- a. There are existing non-school users tied into the RVS water and septic systems. These users are the Roxbury Union Congregational Church, the Roxbury Free Library and for water only, the Frazier property. Any sale would need to consider these users.
- b. decisions would have to be made for having water & septic for Town Hall or not?
- c. if we also keep the classroom behind the Town Hall, do we relocate kitchen & bathrooms into portions of that space too?
- d. can the playground & raised beds be salvaged/relocated to the Garner property or the Third Branch Park?

***Pros:***

- a. retains use of Town Hall for Red Cross emergencies, various Town Meetings and other functions
- b. proceeds could generate estimated \$60,000 annually from a conservative investment at 4%
- c. proceeds could generate some amount of cash for buying down the cost of other infrastructure improvements (Town Garage?)
- d. a sale could generate an estimated \$17,773 annually from property taxes, excluding the pass-through school tax, growing our Grand List
- e. lower insurance costs for covering only the Town Hall or retained portion as opposed to insuring the entire RVS building as it exists today
- f. retaining smaller portion means lower cost of overhead and upkeep
- g. no management of multiple tenants required as perhaps only MRSB afterschool enrichment program
- h. current real estate market is good

***Cons***

- a. finding a buyer could be a long process and we would have to maintain the building until such time as it is sold
- b. once sold, we lose control over uses for the building
- c. in addition to the normal selling costs of a real estate broker fee, appraisal fee, inspection fee and repairs as required by any inspection, if sold within 5 years of

taking ownership, we would owe the Montpelier Roxbury School District \$180,000 for upgrades per the merger agreement and the answers to our questions in July

- d. if bought by a non-profit which meets the very specific requirements for exemption, the Town could be denied full realization of property taxes \*
- e. renovation costs could be incurred depending on answers to Questions b. & c. above
- f. lose existing area for playground and potential community gardens
- g. eliminates possibility of perhaps becoming a school again
- h. high cost to build a new public school if one was ever needed, which could be tens of millions of dollars
- i. if buildings remain attached then little say over appearance of non-Town portion, or use of non-Town portion, special buyer who wants to be attached may be hard to find

*\* Unless exempted under specific requirements, non-profit-owned properties do indeed pay full property taxes. Only public buildings, churches or other pious uses, and fully charitable uses are exempt such as active churches, public schools or charitable entities that serve the public as a whole.*

*"For the public, pious, or charitable use exemption to apply under the law, the property must meet all the following conditions:*

- o *the property must be dedicated unconditionally to public use;*
- o *the primary use must directly benefit an indefinite class of persons who are part of the public, and must also confer a benefit on society as a result of the benefit conferred on the persons directly served; and*
- o *the property must be owned and operated on a not-for-profit basis.*

See Vermont law here: [32 V.S.A. § 3802\(4\)](#)

**Article 5 – Option B:**      *Consolidate municipal functions (Town Office, Library, etc...) under one roof and sell or lease the smaller buildings*

### ***Discussion Notes:***

The Town could use this opportunity to consolidate the functions and costs of the Library, Town Office, Community Hall / Senior Center and the Historical Society buildings under one roof. Then the unused buildings could be sold or leased to further the Town's goal of Village revitalization.

If sold at the Grand List stated values, we estimate unlocking approximately \$653,000 in capital for renovations and/or investment while bringing in an additional \$6,000 annually in property tax receipts.

If leased, we estimate the potential combined leasing income for three of these buildings could be approximately \$6,334 per month or about \$76,000 annually.

An analysis using reports going back to 2007 and supplied by the Town Clerk shows that our operating costs per year for the Library, Town Office and Community Hall / Senior Center buildings runs about \$36,000 annually.

Building	Electricity	Telephone	Fuel	Insurance	Maintenance		Total
					Yearly	Long Term	
Library	\$ 700	\$ 1,500	\$ 1,300	\$ 943	\$ 2,055	\$ 2,050	\$ 8,548
Town Office	\$ 1,300	\$ 2,800	\$ 2,500	\$ 1,708	\$ 5,955	\$ 3,725	\$ 17,988
Community Hall	\$ 500	\$ 600	\$ 1,000	\$ 1,149	\$ 3,305	\$ 3,125	\$ 9,679
<b>Total</b>	<b>\$ 2,500</b>	<b>\$ 4,900</b>	<b>\$ 4,800</b>	<b>\$ 3,800</b>	<b>\$ 11,315</b>	<b>\$ 8,900</b>	<b>\$ 36,215</b>

Some things to note in the chart above include:

- Electricity costs are expected to be mostly offset by our new solar installation going forward
- Yearly maintenance costs were derived from whatever misc. costs could be gotten out of the Building Maintenance General Fund plus items from the Reserve fund paid out. The data included but was not limited to misc. costs used to upkeep a building and allocations for plowing/sanding, mowing and as an example, the town office gas generator.
- Long term costs were items that either are based on what has been paid out specifically like the town office roof to get a yearly allocation or estimates for items applicable such as water, sewer/septic, exterior maintenance & paving.

For the Library, consolidation could mean placing the library where the children are with plenty of parking. Consolidation could also mean expanded space and no longer storing books in the attic of the Community Hall, RVS and the Free Library by merging their entire collection into one space. The library was given thousands of titles by the school when they pulled out which Ryan and his crew have been diligently cataloging and assessing. Consolidating this new bonanza into the current Free Library building's footprint and existing collection seems a challenge.

For the Town Office, consolidation could mean expanded space for the ever-growing collection of documents being generated in the ordinary course of business. Yes, it would mean constructing a replacement vault, but like before, the big door could be salvaged. And Yes, we have recently been awarded monies to make energy efficiency upgrades to the Town Office, but perhaps that outlay of cash and time can be redirected or avoided entirely.

For the Historical Society, consolidation could mean having their special collection of items, pictures & memorabilia stored in a more controlled environment with heat &

electricity. I've been told by a resident that one day their safe will end up in the basement. Perhaps for historical purposes the building could be relocated as an addition onto RVS or somewhere on the RVS site and the land it sits on sold or repurposed.

For the Community Hall / Senior Center it could mean forgoing the expense of upgrading a building that needs a lot of work. In 2024 the Selectboard was presented with a \$500,000+ estimate from Black River Design. Yes, we have also recently been awarded monies to make energy efficiency upgrades and address its ADA issues, but perhaps that outlay of cash and time can be redirected or avoided entirely.

Selling some or all of these smaller buildings would help us unlock capital and possibly generate annual property taxes and an increase to the Grand List. With a Municipal tax rate of .1814 and a Highways tax rate of .7415, and values as listed in the March 2024 Town Report, we estimate sales of these buildings could generate additional property taxes of:

Building	Municipal Tax Value	Estimated Property Tax	Maintenance Costs	First Year Net	20yr Period Net
Library	\$ 169,123.00	\$ 1,560.84	\$ 8,548.00	\$ 10,108.84	\$ 202,176.72
Town Office	\$ 373,883.00	\$ 3,450.57	\$ 17,988.00	\$ 21,438.57	\$ 428,771.32
Communit	\$ 110,298.00	\$ 1,017.94	\$ 9,679.00	\$ 10,696.94	\$ 213,938.80
<b>Total</b>	<b>\$ 653,304.00</b>	<b>\$ 6,029.34</b>	<b>\$ 36,215.00</b>	<b>\$ 42,244.34</b>	<b>\$ 844,886.85</b>

Some things to note in the chart above:

- Estimated Property Tax column is the current tax rates applied to the Municipal Tax Value column. This does not include the pass-through school tax.
- Maintenance Costs are from the previous table
- First Year Net is the Property Tax plus the savings from not incurring the Maintenance Costs

If we sold the buildings just at these assessed values, we would generate \$653,304 which some or all could be used to offset renovation costs for consolidating into RVS. Property tax receipts are estimated to be approximately \$6,000 annually.

It has been stated that selling the smaller buildings eliminates the possibility of RVS perhaps becoming a public school again. This is deemed a remote possibility in light of the push for educational consolidation in Vermont. But in the future should it come to pass that we need a public school again here in Town, then future taxpayers can discuss and decide on constructing either a new school or a new municipal building.

Leasing some or all these buildings means we retain ownership for possible future use.

We would also have a better say in the use of these buildings in the Village to be offices, homes or businesses. At \$10 per square foot plus utilities, we estimate we could possibly lease the Library, Town Office and Community Hall / Senior Center for a combined monthly revenue of \$6,334 or approximately \$76,000 annually.

Building	Building Sq Footage	Leased @ \$10 sq ft	Maintenance Costs	1st Year Lease	Monthly w/ Utilities	20 Year Lease
Library	1,052	\$ 10,520.00	\$ 8,548.00	\$ 19,068.00	\$ 1,589.00	\$ 381,360.00
Town Office	1,672	\$ 16,720.00	\$ 17,988.00	\$ 34,708.00	\$ 2,892.33	\$ 694,160.00
Community Hall	1,255	\$ 12,550.00	\$ 9,679.00	\$ 22,229.00	\$ 1,852.42	\$ 444,580.00
<b>Total</b>	<b>3,979</b>	<b>\$ 39,790.00</b>	<b>\$ 36,215.00</b>	<b>\$ 76,005.00</b>	<b>\$ 6,333.75</b>	<b>\$ 1,520,100.00</b>

In the chart above, square footages reflect finished space in present condition.

### ***Issues/Questions:***

- Town office and Community Hall share a septic
- Town office and Community Hall share water from the Town Garage
- it has been stated that if the existing Library building is no longer used as a Library, then it reverts back to being a Frazier owned building. Is this true?
- is there value in relocating the Historical Society building as an attachment to RVS or as a standalone structure somewhere on the RVS grounds?
- Town government may need to manage or hire a property manager
- There are existing non-school users tied into the RVS water and septic systems. These users are the Roxbury Union Congregational Church, the Roxbury Free Library and for water only, the Frazier property. Since the Town now obtains ownership, do we need to update policies and/or ordinances to help share costs?

### ***Pros:***

- more space & storage for the Library collection and Town office materials
- better environmental conditions for storing historical Town items & memorabilia
- generally, more space for Town functions both indoors & out
- possibly eliminate costs associated with improvements to the Community Hall / Senior Center and the Town Office
- consolidate/lower costs using one newer building with perhaps newer & better systems
- easier to manage one building
- ample parking
- personal safety improved for singular people sitting alone in small buildings
- Town Hall & commercial-type kitchen could remain resources for all residents

- j. selling the smaller buildings generates cash to the Town as well as possible annual property taxes depending on buyer \*\*
- k. buyers or lessees for the smaller buildings might be easier to find
- l. leasing the small buildings could generate cash flow for the Town
- m. selling or leasing could see buildings used to their full potential...potential professional offices, housing or business uses
- n. potential to attract new homeowners and cash to Roxbury
- o. small changes to smaller buildings may not potentially change the character of the Village as opposed to the large RVS facility

**Cons:**

- a. costs for dealing with shared septic and water between buildings
- b. leasing the small buildings and not selling, increases property management needs and Town govt may need to manage or hire a property manager
- c. renovation costs for a new vault, the possible relocation of the Historical building and other Town uses could be incurred
- d. selling off the smaller buildings could mean a conversation down the road for either a new school or a new municipal building should the Town be required to have a public school again
- e. less taxable sq ft as compared to the existing buildings (total sq ft in school vs combined existing smaller buildings)
- f. potentially not enough space for other services or needs (daycare)
- g. potential loss of use of existing Town buildings if sold
- h. limited identity for each Town entity

*\*\* Unless exempted under specific requirements, non-profit-owned properties do indeed pay full property taxes. Only public buildings, churches or other pious uses, and fully charitable uses are exempt such as active churches, public schools or charitable entities that serve the public as a whole.*

*"For the public, pious, or charitable use exemption to apply under the law, the property must meet all the following conditions:*

- *the property must be dedicated unconditionally to public use;*
- *the primary use must directly benefit an indefinite class of persons who are part of the public, and must also confer a benefit on society as a result of the benefit conferred on the persons directly served; and*
- *the property must be owned and operated on a not-for-profit basis.*

See Vermont law here: [32 V.S.A. § 3802\(4\)](#)

**Article 5 – Option C:**      *Keeping the Town Hall and commercial kitchen as available Town resources, lease out some or all of the remaining space*



## ***Discussion Notes:***

The Town retains ownership of RVS and leases out some or most of the space. In this way the Town maintains control over the building's appearance and tenant uses as well as the water and wastewater systems. The goal here would be to generate enough revenue to cover operating costs and to build up a reserve to help defray the periodic maintenance every building requires over time.

Leasing some or all of these spaces means we retain ownership of RVS for possible future use as a public school. We would also have a say in the use of the building in terms of the tenants we allow in. At \$18 per square foot, we estimate we could possibly lease 7,000 plus square feet of space for a combined monthly revenue of \$10,879 or approximately \$131,000 annually.

Currently there are three areas within RVS with proposed leasing options. One is for childcare, one is for the Bridges afterschool enrichment program and one is for a private school. No leases have yet been entered into.

A recent change with the private school after having done a walkthrough and initial discussions is their request to lease a different set of rooms for a shorter term. This change means less rent for the Town as more of the building is unspoken for. Without building modifications elsewhere, it also eliminates PreK. The requested rooms are the only rooms currently certified for PreK within RVS. This is the reason behind a new scenario which would be a mix of Options B & C and could allow for both hosting the private school as well as helping the Town with its revitalization plans. This request is under review and is exactly what we mean by saying, we are prepared to be nimble.

The proposed childcare center out of Randolph continues to disappoint. An official meeting and walkthrough have yet to be held as they have again called off an arranged visit. We are trying for other days in February and therefore, we may be at the point where we need to consider alternatives.

The Montpelier Roxbury School Board (MRSB) has confirmed that support for Bridges is in their budget for the coming year. It is the intention of the Selectboard to begin negotiations in earnest after Town Meeting and one of our topics is to try and secure a longer time commitment from the MRSB for this program. It is believed they would continue with their use of the "Bridges" room.

In addition to the above, a new possible lessor has emerged for one office and the kitchen. Discussions for these areas are in the earliest of stages.

**Issues/Questions:**

- a. would a full-time property manager be required or could this function be a task for a new Town employee?
- b. should the commercial-type kitchen remain a resource for all or be leased out?
- c. There are existing non-school users tied into the RVS water and septic systems. These users are the Roxbury Union Congregational Church, the Roxbury Free Library and for water only, the Frazier property. Since the Town now obtains ownership, do we need to update policies and/or ordinances to help share costs?

**Pros:**

- a. potential to cover all operating costs for the RVS building
- b. Town maintains control of tenants and uses
- c. shared use of space
- d. leasing keeps the building intact for being a public school again, if ever needed
- e. Roxbury residents may make use for offices or businesses and so not have to leave Town for work
- f. potential to attract new homeowners and cash to Roxbury
- g. Town Hall remains an available resource for all residents
- h. more sq ft revenue as compared to Article 5 – Option B
- i. tenants may fill a community need by the services they provide
- j. requested change for use of space could allow for both helping a Roxbury business whilst furthering the Town goals for revitalization (*see Option D*)
- k. rental real estate market is good now

**Cons:**

- a. Town takes on the responsibility & operating costs for another Town building (insurance, etc...)
- b. risk to taxpayers by having vacancies not generating cash flow
- c. requested change for use of space means the largest chunk of RVS still needs to be rented out
- d. Town government may need to manage or hire a property manager
- e. tenants spaces fall into disrepair during or after lease is up
- f. higher legal costs managing leases, especially if turnover high

***In Closing:***

Aside from the decision to purchase back RVS, you can see there is no perfect option on what to do next as each scenario comes with its own set of pros and cons. With your help, we will make the best decision with the information we have and are prepared to be nimble enough to adjust as we move through the process. This is evidenced by the new hybrid option developed after the Town Warning went to print.

Your opinion matters, so please attend Town Meeting if you can as this will be our first topic.

The Roxbury Selectboard

Rene Bouchard, Chair

Tim Martin

Nathan Donahue

Donna French

Jeremy Reed