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STATE OF VERMONT
LEGISLATURE

MEMORANDUM

To: Joint Fiscal Committee
From: Senator Robert Hartwell, Chair, Senate Committee on Institutions
Representative Alice Emmons, Chair, House Committee on Corrections and Institutions
Date: July 14, 2011
Subject: Historic Property Stabilization and Rehabilitation Special Fund Proposal

In Sec. 30 of Act 40 of 2011 (the Capital Bill) the legislature established a special fund related to historic property. A proposal for this program has been developed and you have received a copy of this proposal.

As required by Sec. 31 of this Act, we have reviewed the proposal. We approve of the July 7 proposal for the Historic Property Stabilization and Rehabilitation Special Fund and recommend that the Joint Fiscal Committee approve this proposal.

Act 40 Sec. 31. TRANSITION; FUNDING

(a) On or before July 15, 2011, the department of buildings and general services and the division for historic preservation shall develop a proposal for the program required in Sec. 30, 29 V.S.A. § 155(b), of this act and shall present the proposal to the chairs of the house committee on corrections and institutions and the senate committee on institutions. The chairs shall review the proposal and recommend to the joint fiscal committee whether or not to approve the proposal. After review of the proposal and the chairs' recommendations, the joint fiscal committee shall approve the proposal, disapprove the proposal, or direct the departments to amend and resubmit the proposal to the chairs by a date certain.

Approved 7/14/2011 by e-mail

HISTORIC PROPERTY STABILIZATION AND REHABILITATION FUND PROPOSAL

Purpose: The purpose of the Fund is to fund historic property stabilization and rehabilitation from the net proceeds realized from the sale and/or lease of other underutilized historic properties. This proposal describes how the Fund program will be implemented. This is a pilot program - - only including at this time historic properties owned by BGS and the Division for Historic Preservation as designated by the General Assembly.

Consensus proposal: The chairs of HCI and SI committees (Required), the Vermont Advisory Council on Historic Preservation, the Division for Historic Preservation, James Reardon, Department of Finance and Management, the Joint Fiscal Office, and Department of Buildings and General Services participated in the development and favorable review of the proposal.

This proposal is required to be submitted by ACT 40 of 2011 on or before July 15, 2011 to the JFC for the stabilization and rehabilitation fund program.

Nineteen (19) properties are potentially eligible with the General Assembly's approval to be leased and/or sold at an estimated value of between \$1 to 2 million.

Fourteen (14) properties are eligible for stabilization and rehabilitation fund dollars at cost of \$670,000.

Estimated sale or lease proceeds in FY 12 are \$ 100,000 (St. Albans Farm and Barn).

Proposal fills a funding gap and provides a higher level of stewardship of State-owned historic resources.

Allows state to comply with 22 VSA 14 which directs state agencies to develop plans for maintaining historic properties under their ownership and to institute procedures to assure that its plans and programs contribute to the preservation of historic properties in their portfolio, while avoiding unreasonable economic burden to the state.

Through the use of historic preservation easements and covenants, properties sold or leased will retain historical integrity.

Allows state to form private sector partnerships in order to stabilize and rehabilitate underutilized properties.

Fund seeded with \$100,000 FY12 appropriation and possible net proceeds from the sale or lease of properties approved in ACT 40 of 2011. November 15 balance limited to \$250,000. Any overage to General Fund for reallocation.

A self contained, funded program revenue to expenditures.

Whether to sell and/or lease a property is a decision the General Assembly will make each year based on Administration recommendations.

Important dates include:

7/15/11 HP and BGS submit proposal to JFC

11/1/11 HP and BGS annual review meeting

11/ 15 Fund balance this date limited to \$250,000

12/ 1 Draft report to HP-Advisory Council

1/15 Advisory group submits report to General Assembly

Like all new endeavors there is room for improvement in this program, so legislative recommendations can be found at the end of the proposal. An annual report will be provided to the Institution Committees with information about the program's successes, challenges, and opportunities for improvement.

mjo 7/18/2011