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Report to the Vermont Legislature

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Act No. 151. (H.806)

An act relating to the Southeast State Correctional Facility.

**Submitted to:** House Corrections and Institutions Committee, Senate  
Institutions Committee, The Town of Windsor

**Submitted by:** Christopher Cole, Commissioner of Buildings & General  
Services

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**Report Date:** December 15, 2018

In 2018, the Vermont Legislature passed h. 806, requiring the Department of Buildings and General Services (BGS) to explore the highest and best future State use for the former Southeast State Correctional Facility (SESCF) in Windsor, Vermont.

*Sec. 1. SOUTHEAST STATE CORRECTIONAL FACILITY; REPORT*

*(a) The Commissioner of Buildings and General Services shall investigate and analyze options for the future use of the Southeast State Correctional Facility and the surrounding 118.57 acres of land owned by the Department. As part of the investigation, the Commissioner shall consult with the Secretary of Administration and any other State entities that would have a potential use for the facility or land.*

*(b) On or before December 15, 2018, the Commissioner of Buildings and General Services shall submit a report, which shall include an analysis and recommendations on the highest and best State use resulting from the investigation described in subsection (a) of this section to the House Committee on Corrections and Institutions, the Senate Committee on Institutions, and the Chair of the Town of Windsor Selectboard.*

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## **History**

The land was purchased by the State of Vermont over 100 years ago. The Southeast State Correctional Facility first operated as a farm run by inmates to supply food to the former Windsor State Prison located in downtown Windsor. The site was developed into a correctional facility in the 1930's.

At its peak, SESCOF housed approximately 100 inmates and featured a dairy barn, slaughterhouse, wood shop and license plate manufacturing facility. Inmate work crews provided labor for the Town of Windsor and other local communities, produced wooden toys for the Toys for Tots program and rehabilitated old bicycles.

While SESCOF had a reputation as Vermont's most beautiful correctional facility, it was also the most expensive to operate. The physical layout of the buildings and the site meant that an unusually high ratio of corrections officers to inmates was required and in 2017, it was decided that it was no longer fiscally reasonable to operate as a correctional facility. The campus has been mothballed since late 2017.



## Appraisal

In the spring of 2018, BGS retained the services of Martin Appraisal Services, Inc. to develop an appraisal report for the Southeast State Correctional Facility.

The facility consists of 27 structures totaling 86,248 square feet situated on 118.57 acres. The value estimate for the facility “as is” was \$1,100,000.



There are three buildings that could provide functional office units with only minor upgrades. These buildings contain a total 12,391 SF and each could be utilized as separate office buildings or similar type commercial use. Three of the buildings (10,800 SF) could be used with little or no renovations for light industrial space. There are four other buildings (18,060 SF) that are of lower quality but could be used as storage or commercial garage areas. Dormitory and dining buildings could be renovated to serve as multi-family housing. There are also a number of buildings on the campus that are in poor condition and do not add value, several of which will need to be demolished as shown in the building overview.



<b>Building Overview</b>					
<u>#</u>	<u>Name</u>	<u>Size</u>	<u>Qual.</u>	<u>Cond.</u>	<u>Highest &amp; Best Use</u>
1 & 2	BGS Office & Garage	3,270	Avg.	Avg.	Office with Shop Area
3	Gate House	600	Avg.	B. Avg.	No Value - Possible Demo
4	Education	5,600	Avg.	Avg.	Office/Commercial
5 & 6	Dorm, Dining & Service	12,768	Avg.	Fair	Renovate - Multi-family
7	North Country	3,013	Avg.	Avg.	Renovate - Multi-family
8	Administration	3,521	Avg.	Avg.	Office
9	Plate Shop	5,000	Avg.	Avg.	Light Industrial
10	Sign Shop	4,000	Avg.	Avg.	Light Industrial
11	Maintenance Shop	1,800	Avg.	Avg.	Contractors' Shop
12	Maintenance or Storage	963	Low	Fair	Accessory Storage or Garage
13	Maintenance Garage	1,120	Low	Fair	Accessory Storage or Garage
14	Boiler House	768	Avg.	Avg.	Support - No Value
15	Saw Mill	5,248	Low	Avg.	Storage or Light Industrial
16	Slaughter House	720	Low	Fair	Accessory Storage or Garage
17	Lumber Storage Unit	4,200	Low	Avg.	Cov. Storage - No Value
18	Creosote	2,732	Avg.	Fair	Light Industrial
19	Heifer Barn	6,864	Avg.	Fair	Storage or Renovations
20 & 21	Cow Barn & Milk House	14,343	Low	Poor	Demolition
22	Greenhouse	3,216	Avg.	Good	Greenhouse
23	Hay Barn	2,850	Low	Poor	Cold Storage - No Value
24	Oil Shed	96	Avg.	Avg.	Support - No Value
25	BGS Sheds	3,456	Low	Avg.	Cold Storage - No Value
26	Pump House	100	Avg.	Avg.	Support - No Value
27	Water Storage	N/A	Avg.	Avg.	Support - No Value
	Total All Structures	86,248			

In addition to the buildings noted above, the silos on the property will need to be taken down. Additional documentation of the site will be required by Historic Preservation before this work can commence, though none of the buildings are required to be preserved.

It was the conclusion of the appraiser that the highest and best commercial use of the property in its current improved state would be to subdivide it or create a condominium association and sell the buildings individually for a variety of potential uses including affordable housing, offices, and light industrial uses. If the State did not have the capacity to take on this type of development project, it could be sold to an entrepreneur or real estate developer who could anticipate a profit from selling the individual properties.

Other options outlined included redeveloping the site after demolition of existing structures. Returning the land to its natural state would cost an estimated \$1.4 million. The value of the land if vacant would be approximately \$430,000. The cost of demolition exceeds the value of the land as if vacant, suggesting that redevelopment of this kind would not be financially feasible. This does raise the possibility of a land transfer to an entity that has a focus on economic development or community building.

## **Highest Best State Use**

Concurrent with the appraisal process, BGS engaged State agencies, departments and other State entities to ascertain interest in utilizing the facility in the future. Erring on the side of inclusion, we approached a wide cross-section of State government and partners.

Agency of Commerce and Community Development	Forests, Parks and Recreation
Agency of Digital Services	Green Mountain Care Board
Attorney General	Department of Housing
Agency of Agriculture, Food and Markets	Human Rights Commission
Agency of Human Services	Judiciary
Agency of Natural Resources	Labor Board
Agency of Education	Legislative Council
State Auditor	Department of Libraries
Buildings and General Services	Department of Liquor and Lottery
Center for Crime Victim Services	Military
Commission on Women	Natural Resources Board
Court Diversion	Public Service Department
Disabilities, Aging and Independent Living	Secretary of State
Department of Children and Families	State's Attorney
Department of Environmental Conservation	Department of Taxes
Defender General	Vermont Agency of Transportation
Department of Financial Regulation	Transportation Board
Department of Human Resources	Department of Tourism
Department of Mental Health	Vermont State Treasurer
Department of Motor Vehicles	University of Vermont
Department of Corrections	Vermont Criminal Justice Training Council
Department of Health	Vermont Humanities Council
Department of Labor	Vermont Veterans Home
Department of Public Safety	Vermont Housing Conservation Board
Department of Vermont Health Access	Vermont Historical Society
E911 Board	Vermont Public Television
Department of Fish and Wildlife	Vermont Student Assistance Corporation
Department of Finance	Vermont State Colleges

### **Future Potential State Use**

Two State departments expressed interest in utilizing up to three of the outbuildings. They were attracted to the mix of heated garages, workshop spaces and offices, that could be utilized for year-round vehicle storage and equipment maintenance, co-located with administrative functions.

Neither expressed interest in occupying the main dormitory and dining building which would need a fair amount of cosmetic work to create a hospitable office environment. The other buildings are closer to move-in condition but would require some fit up and HVAC improvements.

Both entities would be vacating state-owned office space in a downtown, with the potentially ripple effect of creating a void in a commercial center, but the change would relieve pressure on parking at their current location and eliminate an ongoing conflict related to storage of equipment at a remote site.

The facility is currently mothballed and staffed by two maintenance personnel. The cost of maintaining the facility is was approximately \$215,000 in FY2018 and is paid for by the Department of Corrections through FY19. Starting in starting in FY20 the cost will be charged to the Fee for Space program. Both maintenance personnel currently assigned to Windsor are retiring in the next year and their positions will be moved to staff the new Vermont Agriculture and Environmental Laboratory (VAEL). Over time, maintaining the facility will become increasingly difficult as demand for resources increases elsewhere in the region.

The interested Departments are paying less than \$100,000 annually for the space they currently occupy. Operational expenses would increase substantially if the space were to be occupied regularly. Fuel consumption would increase when heating buildings to an appropriate temperature for human occupancy. Custodial and maintenance levels would need to be adjusted and additional positions would be required to backfill the ones moved to VAEL.

The Department of Mental Health had designated Windsor as the COOP site for the Woodside Juvenile Rehabilitation Center but in the long term, the facility and its location are not ideal.

The State currently lacks the critical mass of programmatic need to operate the facility in a cost-effective manner.





## Possible Scenarios

1. Redevelop site as a correctional facility – The site as improved does provide the essential infrastructure to continue to operate as a correctional facility. The main dorm and dining buildings are not configured to be operated effectively and would need to be extensively renovated or replaced. The Town of Windsor has made it clear over decades of public comment that they do not favor such a facility.
2. Sell the property to the Town: No entity has a greater interest in the future use of the site than the Town of Windsor. With the latitude offered by ownership, Windsor could lead the effort with the community and local business entities to arrive at a future use that would best serve their interests. The existing industrial park in Windsor is at capacity.
3. The State subdivides property and sells individual buildings and lots: The State could plan, subdivide, market and sell the individual buildings over time to create a mixed-use development. The State engaged in a similar effort in Brandon in the 1990's at the Brandon Training School. It took nearly 20 years to complete the process of selling off the individual buildings. Managing a project of this scale would require additional staff to manage the administrative load.
4. Public/private partnership – The State occupies a portion of the site and manages the facility while leasing or selling additional space to nonprofits, small businesses, developers of maker spaces, co-working facilities, etc., taking advantage of the fiber optic transmission line running through the site. This would be an economic development venture that would require additional resources and positions for maintenance and business management.
5. Sell the property to a developer – The findings of the appraisal report indicate that any redevelopment scenario will require extensive effort to reconfigure, subdivide or market the property. The private sector would have more flexibility to manage this process.
6. Maintain in current mothballed state: Over time, potential uses may present themselves or market conditions may increase the value of the site. Strategically holding the property may be in the best interests of the State, but the annual cost of over \$200,000 to maintain the site and the need for staff or contractors to do the work may make that prohibitive. Any reduction in current maintenance levels will lead to rapid deterioration of the site and require decommissioning of the water system.
7. Demolish over time: Reduce maintenance levels to bare minimum for safety and security and demolish individual buildings as funding becomes available for the work. The goal would be to eventually return the site to a condition in which the state could retain it indefinitely without excessive overhead expenses. This could also be done in combination with several of the above scenarios (e.g. 3 & 4)