

Waterbury: Spaulding presents back-up fiscal plans

By [David Taube](#)

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WATERBURY — Although the Shumlin administration hopes otherwise, the state has come up with several back-up plans if the full amount of disaster aid sought by Vermont doesn't come through from the Federal Emergency Management Agency.

In one of the most detailed public briefings yet, Administration Secretary Jeb Spaulding outlined some options at a Monday night meeting in Waterbury to create and fund the new state office complex in Waterbury as well as a new 25-bed hospital in Berlin if FEMA funds fall short.

"They're not going to come in with no funding, but they may not come in at the level we had hoped on this particular package here in Waterbury and the state hospital," Spaulding said. "It could be significantly less than (the \$80 million to \$90 million range). Or it could be there."

The state could create a special lottery game that wouldn't affect education fund proceeds; sell several properties, including one in Essex, Building #617, which is worth some \$6 million; or reduce roughly \$15 million of up-front costs by having a private developer construct and own a heating plant at the site.

If the state needs money, another potential property to sell is the state office building in St. Albans. However, the state would first need to secure another space for office workers there.

Spaulding obtained information about revenue for a possible scratch-off game from the Vermont Lottery Commission on Tuesday. Those details, however, showed only \$900,000 or \$1 million might be generated over several years, he said. Spaulding said that revenue might not be worth the effort.

The state may also delay some projects it ordinarily would pursue in its capital projects bill. Other unanticipated surplus money at the end of the fiscal year could arise again, similar to a recent \$11 million savings from the previous fiscal year that was set aside for state facilities damaged by Tropical Storm Irene.

Last week at a news conference, Gov. Peter Shumlin reaffirmed the state's commitment to the state office complex in Waterbury and building the new state hospital in Berlin. Shumlin said if FEMA funds were insufficient, one possibility could be to reduce the number of employees brought back to Waterbury from around 950 to about 810.

"That's not what we want to do, but I think from Waterbury's perspective, that's about the worst-case scenario," Spaulding said.

That change would reduce the cost of the new state office complex in Waterbury

from about \$125 million to \$106 million, saving \$19 million if needed, according to the state.

The administration has said FEMA will not award zero money, but the options Spaulding described shows the state has worked out several scenarios.

Despite the uncertainty, Shumlin vowed to start the construction of the state hospital before this winter. He noted, however, that the state does not want to begin demolishing buildings at the Waterbury office complex because that could jeopardize funding eligibility.

The \$80 million to \$90 million in expected funds from FEMA apply to the new office complex and hospital, as well as additional psychiatric beds at certain medical facilities throughout the state, retrofitting space at the National Life building in Montpelier, and replacing an Agency of Agriculture and Agency of Natural Resources lab.

The total cost for those projects is more than \$180 million. The state expects funding from various sources, including private insurance.

Waterbury village and town officials and library commissioners met with Spaulding and two other key state officials Monday night during a public session, which had been scheduled before last week's spur-of-the-moment news conference in Waterbury.

The village and town offices have been temporarily located at the Main Street fire station, and officials have sought to secure a new facility since Irene's flooding significantly damaged the joint building, which also housed the police station.

The village and town have sought to obtain property at the state office complex with the library for a new facility for municipal offices, the library, a police station and other community uses.

Waterbury Select Board Chairman John Grenier asked Spaulding whether the amount of money from FEMA and the evaluation of buildings have to be resolved before selling two buildings, Stanley and Wasson halls, to Waterbury.

Spaulding said work with those two buildings could still be pursued and worked upon. FEMA checklists could even prioritize those buildings.

FEMA currently has to obtain price estimates for every building on the campus and evaluate every cost to bring each building up to code and to its previous condition, Spaulding said.

He said the state would not want to strike a deal with Waterbury for the property until officials know how much each building is worth. He said a signed letter would signal that readiness.

The state must also agree with the FEMA award amount, but could also appeal the figure, which could further extend the timeline.

“We are moving ahead and just being aware of the lines which we can’t go across,” Spaulding said. “I think there’s a lot of work we can get started on right away if Waterbury decides that’s something they really want to do.”

Library commissioners and village and town officials approved a request for proposals for architectural services for the municipal complex afterward.

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