

CORRECTIONAL FACILITY AGREEMENT

KNOW ALL BY THESE PRESENTS that it, the State of Vermont, acting by and through its Secretary of the Agency of Administration, duly authorized, hereinafter referred to as "STATE" and it, the Town of Springfield, Vermont, acting by and through its Select Board, duly authorized, hereinafter referenced as "TOWN" do hereby stipulate and agree as follows:

WHEREAS the STATE and the TOWN are desirous of entering into an Agreement providing for the State to construct a 350 bed medium security correctional facility within the Town of Springfield on property commonly referred to as "Ho-Jo's Pits."

WHEREAS, the STATE's willingness to construct such facility and the Select Board's willingness to support this project is conditioned upon a favorable vote by the voters of the Town.

FURTHER, WHEREAS, the STATE's willingness to construct such facility and the Select Board's willingness to support this project is conditioned upon any Vermont Legislative appropriation of funds necessary to implement the Agreement in full, Vermont Legislative approval of real estate transactions and actual construction of the correctional facility within the Town of Springfield on property commonly referred to as "Ho-Jo's Pits."

NOW, THEREFORE, in consideration of the mutual benefits hereinafter set forth and contained, and subject to: the affirmative vote of a majority of the voters voting on this Agreement, any Vermont Legislative appropriation of funds necessary to

implement the Agreement in full, Vermont Legislative approval of real estate transactions and actual construction of the correctional facility within the Town of Springfield on property commonly referred to as "Ho-Jo's Pits", STATE and TOWN hereby agree as follows:

1. The STATE agrees to contribute \$3,000,000.00 towards the development of a community center, or civic improvement project of similar size and magnitude, as defined by the citizens after a public input process. This payment is conditioned upon STATE approval of the project.

2. The STATE will move from loan status to grant status \$1 million for Phase One of the Springfield CSO Remediation Project.

3. The STATE will contribute to the Town \$1 million as an economic development grant to be used for the Jones & Lamson Plant I site provided acceptable agreements can be made with the site owner. Otherwise, such funds to be set aside and used for other economic development projects within the Town of Springfield such as a project at the new industrial development site. This contribution is conditioned upon Agency of Commerce and Community Development approval of any alternative projects.

4. The STATE will strongly advocate for the award of \$750,000.00 in community development block grants to the Town over and above any Jones & Lamson Plant I grants. The Agency of Commerce and Community Development will determine the final amount based upon project review. However, such projects will have any local share requirements waived and will be outright grants to the Town so long as any such projects meet the federal waiver criteria.

5. The STATE will contribute 90% of the Vermont Route 143 Transportation Project costs under the usual and customary formula (80% federal funds and 10% State funds; total estimated project cost \$750,000.00) with subsequent projects up to an additional \$250,000.00 being funded for specific eligible projects which could include bridge, culvert, traffic signal, intersection and other similar work projects. The Town will receive priority status on any available enhancement grants.

6. The STATE will pay for the approximate ¼ mile extension of the sewer line and pump station to serve the National Guard Armory and the Town Garage in North Springfield, Vermont. The parties recognize the urgency of this remedial action and recognize that actual timing of construction will be subject to further negotiation.

7. The STATE will agree to pay when due its actual metered water and sewer charges at the rate of double the usual and customary charge for other users, but amounts due over the usual and customary charge shall not exceed the term of the bonds entered into by the TOWN to upgrade the water and sewer facilities, or a period of twenty years from the date the correction facility is opened, whichever is less. All excess amounts collected will be accounted for and repaid to the STATE, without interest, from a 10% surcharge on any industrial users in the industrial park to be located on land provided to the Town under this Agreement.

8. The STATE agrees to site the prison somewhere within the Ho-Jo's Pits area so as to reasonably maximize the area of any remaining property available for future industrial development and to offer at no charge any land acquired by the State which the State deems to be surplus to the correctional facility project to the TOWN for an expanded industrial park providing the TOWN with copies of any environmental

assessments commissioned by the Department of Buildings and General Services concerning the industrial park site prior to transfer of any surplus property to the TOWN.

9. The STATE will overbuild the infrastructure serving the new correctional facility in accordance with the May 1998 Report on Infrastructure Improvements for the Town of Springfield Utility Systems prepared by Dufresne-Henry, Inc. The STATE will install a water storage tank of sufficient capacity to maintain a fire-flow at the facility for a minimum of 2 hours without effect on the remainder of the water system. The STATE will install appropriate systems to minimize the effects of the facility on the TOWN's system including, but not limited to, grinders, grease traps and monitoring site(s). The STATE will construct the water and sewer lines and required pump stations from the existing plant to the correctional facility of sufficient quality to allow for reasonably anticipated increased traffic that may be associated with the industrial development on lands provided to the TOWN under this Agreement. The construction of this system will be monitored by the TOWN. Private connection to such newly constructed water and sewer facilities will be under the control and supervision of the TOWN. The STATE will not charge for subsequent connections. The TOWN shall be responsible for obtaining any necessary easements, or other interests in real estate, on land not owned by the STATE necessary for the construction of the water and sewer lines and required pump stations. Such acquisition of easements, or other interests in real estate shall be at the direction of the State and at its cost. One year after completion, the TOWN shall become responsible for the maintenance and replacement of the water and sewer lines and required pump stations, provided that the lines and pump stations are operating as designed.

10. The STATE will contribute towards the waste water treatment's facility's upgrade in an amount that represents a doubling of the STATE's capacity requirements for the new correctional facility as calculated in the May 1998 Dufresne-Henry, Inc. Report.

11. STATE will pay to TOWN, on or before August 1, 1999 and on or before each and every succeeding August 1 during the term of this Agreement, for basic municipal services rendered and to be rendered by TOWN to the STATE including fire and police protection and summer and winter highway maintenance of TOWN streets, the base sum of fifty-six thousand and 00/100 dollars (\$56,000.00), which base sum shall be adjusted for inflation from year to year in amounts determined by the following, in decreasing priority:

- (a). by an amount expressly appropriated in legislation;
- (b). by increasing the payment made during the preceding year by the percentage indicated in the chain-type Quality and Price Index.

The base sum to which the inflationary adjustment shall be added during each year shall be that amount of money which STATE was obligated to pay to TOWN during the immediately preceding fiscal year. By way of example, the payment called for hereunder to be made on August 1, 1999 will be the base sum of \$56,000.00 plus the inflation adjustment, which sum shall become the new base sum upon which the payment called for hereunder to be made on August 1, 2000 shall be based. However, at no time shall the total annual payment made hereunder be in an amount less than the annual payment made during the preceding year. Payments under this paragraph shall be a part of the annual budget request of the Department of Corrections and, as with

any other State agency, are subject to annual appropriations by the Vermont Legislature.

12. In the event that the TOWN becomes eligible during a fiscal year for a payment in lieu of taxes (PILOT) from the STATE under a program, such as 32 V.S.A. Chapter 123, Subchapter 4, for the land and/or structures associated with the correctional facility, the TOWN shall continue to receive payment from the STATE pursuant to the terms of paragraph 11 of this Agreement. However, if the payment available under the PILOT program for the land and/or structures associated with the correctional facility exceeds the amount the TOWN receives under paragraph 11, the TOWN may also collect the difference between the payments from the PILOT program. Should the payment available under the PILOT program for the land and/or structures associated with the correctional facility be less than the payment received pursuant to paragraph 11, the TOWN shall receive no payment from the PILOT program.

13. The STATE hereby agrees with the TOWN that the STATE shall not expand the facility footprint beyond the original as constructed design unless the need for increased bed space emerges. In that event, the STATE and TOWN shall enter into good faith negotiations to amend the readiness to serve impact section of this agreement. However, any expanded use as measured by the average daily census over any January-June or July-December period shall result in a proportional increase in the fees payable under Paragraph No. 11 hereof.

14. The STATE, acting through its Department of Corrections, shall only furlough to TOWN inmates originating from TOWN and shall notify TOWN through its

Police Department prior to the furlough of any inmate from any of the STATE's correctional facilities into TOWN.

15. STATE, by and through its Department of Corrections, shall promptly notify TOWN, through its Police Department, at any time a MAJOR INCIDENT shall occur at the facility. MAJOR INCIDENT shall be defined as any event the occurrence of which, pursuant to current Department of Corrections guidelines, requires the Department of Corrections to notify the Vermont State Police.

16. STATE agrees that no inmate work release programs or unsupervised inmate trips may at any time be made from the facility into the TOWN.

17. STATE agrees that it will provide at all times during the term of this Agreement at least four (4) beds at the facility for use as holding cells for persons lodged by State and local Police Departments. The four beds referred to in this paragraph shall not be considered as a part of the 350-bed count used in other portions of this Agreement.

18. The STATE intends that the correctional facility shall at all times be staffed by employees of the State of Vermont, however the parties acknowledge that this agreement cannot limit the prerogatives available to future administrations and legislatures. Except for pre-existing contracts for medical, nursing and mental health services, the STATE will not change to private administration of the correctional facility without giving the Select Board six months prior notice of its intent to do so.

19. This Agreement shall continue in force and effect until such time as it may be modified, amended or terminated by mutual consent of the parties hereto. This

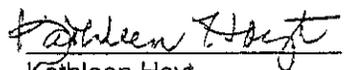
Agreement shall terminate of its own accord in the event that the State closes the correctional facility.

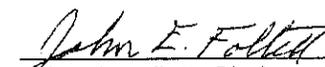
FOR THE STATE OF VERMONT

FOR THE TOWN OF
SPRINGFIELD, VERMONT

DATE: March 30, 1999

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Kathleen Hoyt,
Secretary of Administration
State of Vermont


John E. Follett, Chair
Select Board
Town of Springfield