

GOSHEN RESEARCH TEAM VISITS TO LUDLOW, VERMONT

(This report was compiled from notes by Dick Ambler, Bea Jillette, Evelyn O Connor,
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The following report contains quotations and statements
which are not attributed to specific sources. They express opinions and facts that
were recorded by the Goshen teams, some of which are contradicted by other opinions
and facts presented in this same report. However, this is the information that the Goshen Research
Teams received, and it is information that the people of Goshen
will need to interpret.

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(M, W, F from 8:30am-12:00 and 1:00-5:00pm)

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Highway Superintendent; Ambulance Chief; *Jay Jourkoic*, Selectman;

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People Interviewed: *George Fairchild, Transfer Station Manager; Cathy Burns, Vermont Properties and Development; Kevin Davis, Mary Davis Real Estate*

GENERAL INFORMATION

Vermont Tax Structure: Vermont is funded through a sales tax, an income tax, a school tax and a local property tax.

Okemo Ski Resort: In 1956 the Okemo Ski Area began as a small ski area for Ludlow residents. It was funded by 520 stockholders who were mostly local people. Snow making and trail grooming did not exist. In the 1960's skiers built some A-frames and small chalets. In 1981, when the ski area was facing bankruptcy, Tim and Diane Mueller bought controlling shares, and eventually bought the remaining shares. Part of the ski area is leased from the State of Vermont; 65% of ski trails are on state land, the rest are on private land. From 1985 to the early 90's Winterplace, Kettle Brook and Solitude Village were developed with condos, high capacity lifts and new trails. (Low income condos on the east side of town were required as part of the Solitude project.) The Muellers then purchased the 168 acre Jackson-Gore property which is the current focus of development at Okemo. The ultimate goal of the Jackson-Gore Development is to create a four-season resort. Other ski areas recently acquired and/or leased by the Muellers are Crested Butte and possibly Steamboat Springs in Colorado, and Mt. Sunapee Resort in New Hampshire.

Structure of Planning and Zoning Boards in Ludlow: In 1990 the planning board split into two boards which are now the (1) Planning Board and (2) The Development Review Board (which is like our Zoning Board).

Planning Board: This 5-member citizen board writes regulations, but does not review development proposals.

Development Review Board (DRB): Seven citizens sit on this board. The state controls the powers of the DRB which acts in a quasi-judicial fashion. It gives the DRB the right to look at impacts on traffic, fire, safety, police, ambulance, light pollution, character of neighborhoods, etc. The DRB reviews development proposals for "Permitted Uses" and "Conditional Uses." Permitted uses are specified in the Zoning Ordinance and comply with state and local requirements. "Conditional Uses" go beyond what the state specifies and are more complicated than "Permitted Uses." After public hearings, the board goes into a deliberative session and makes a decision. Condominiums are in the "Conditional Use" category. The state is **very** involved; it requires developers to fill out forms that describe development impacts, and inspects properties to assess environmental impacts. The town of Ludlow requires "Ability to Serve" impact letters from the town's fire, police and school departments for each phase of development.

Zoning Board: This board handles all special exceptions and deals with all legal issues. Vermont law specifies that zoning ordinance amendments must be approved by the voters in towns with less than 2,500 people, and approved by the Selectboard in towns with more than

2,500 people. Five percent of the residents can petition for an amendment and another five percent can demand a 2/3 vote. This provision of Vermont state law hurts small communities. Ludlow re-wrote its zoning ordinance in 1991 to get a handle on Planned Unit Developments (PUD's) and the town is redoing the zoning regulations again to straighten out legal items, non-complying structures and non-conforming uses - to close loopholes and remove ambiguity.

Current zoning regulations require 40,000 square feet (one acre=43,500 square feet) per dwelling unit, and a three-story or 35 foot height limit, whichever is less, on buildings.

The Planning Board writes, the Development Review Board interprets, the people vote.

Enterprise Fund: The Enterprise Fund is a negotiated dollar amount to help mitigate the adverse impacts on Ludlow by the Jackson-Gore development. (Some people said that three town officials, acting on their own, met with representatives of the mountain in seven secret meetings. They looked at the Master Plan, decided what they would need as a result of the Jackson-Gore development, and came up with a figure of \$1.4 million dollars to be paid to Ludlow by Okemo over a twelve year period. There was one public hearing which was "gavelled with 6 hands still in the air." There are no minutes and no tape of this hearing.)

The Enterprise Fund is required mitigation to meet Act 250 requirements, not a gift to the town. The money was originally intended for fire, school and ambulance capital items, not operating costs. Payments are based on a percentage of skier visits and vary each year. Last year the town received \$80,000, but will receive less this year. The Ludlow Enterprise Fund Committee is currently composed of nine members from the town and "the mountain." It takes requests for funding and passes them on to the Selectboard and Village Trustees, who make the ultimate decisions. This fund will end after 12 years and then the town will have to pick up capital costs thereafter. The Town Manager said that each one cent increase in the tax rate raises \$60,000, so that with proper planning the regular taxes should be able to take care of things after the Enterprise Fund ends.

Capital Improvement Program (CIP): Ludlow does not have a CIP.

Impact Fees: Ludlow does not have an Impact Fee Ordinance. The town does have a pay-up-front wastewater impact charge, and the Fire Department has a thirty-five cents per square foot impact fee on new commercial and multi-family buildings.

Master Planning for Okemo: Vermont's Act 250 has provisions for master planning. There are 10 major criteria (and about 20 others) which need to be approved. There may be "findings" from Act 250 which have to be addressed to get a permit to construct. It gives opponents an opportunity to appeal. An environmental impact study is the first step in the master plan process to determine if there are wetlands, wildlife habitat, endangered species, prehistoric sites, etc. Buffers are put around these areas, and trails are then planned. (The state was concerned about a bear habitat and corridor, so Okemo built fewer trails at a distance from this area.) Real estate layout follows and is based on trail locations and topography. A mix of condos and single family homes made sense at Solitude because of the steep topography and proximity to trails; condominiums make more sense at Jackson-Gore because cluster development around the slopes makes the product more marketable.

Okemo hires an analyst to look at the impact of growth.

Construction is financed by bank loans and real estate sales of “when finished” units because ski sales can’t cover these costs.

The first master plan in 1991 looked at the main mountain to include a summit lodge, expansion into the Solitude area, a few lifts, trails, and some condo and single home real estate development.

The 1997 Master Plan for Jackson-Gore contains three phases. “Everything that is projected is in the master plan, and we will stick to it.” Future units are only shown as general blocks - subsequent detailed plans will be based on the economics of the time. The first phase, with a hotel and 117 condo units, is complete. The first floor of the hotel houses a restaurant, bar, video emporium, and the Okemo real estate sales office. A proposal for night skiing was dropped after residents complained about light pollution. Okemo currently wants to get rid of some landscaping and parking requirements.

The second and third phases of Jackson-Gore include plans for condos, a small water park, a 9-hole golf course, miniature golf, and a health and recreation facility. Retail store plans were dropped after local business people complained, and were replaced by a conference center which will house a maximum of 500 people.

Jackson-Gore Debate: (Con) In 1998 the Muellers built Phase I of the 165 acre Jackson-Gore development with a 40,000 square foot per unit density as required by the zoning ordinance. The density was not appealed. The first phase permit was good - the board held firm on one acre zoning.

In 1998 Okemo presented Phase II to the Ludlow Development Review Board (DRB). The DRB unanimously disapproved this phase because the Muellers proposed a special “overlay district” which doubled the original 40,000sf/unit density to 20,000sf/unit and increased height limitations. The DRB also said that water slides, golf courses etc. do not qualify as open space. The Muellers returned in 1999 with the same proposal. The DRB suggested that they talk with the Planning Board to see if it would change the zoning regulations, but Tim Mueller said he “didn’t have time for that.” The Selectboard changed in March and appointed three new members to the DRB who had no experience in zoning or public government. Okemo petitioned for the density, height and other changes to reduce permitting requirements for its special overlay district and asked that they *apply retroactively to Phase I*. They also asked for “lockouts” (parts of units that can be rented separately at any time, thereby adding to the number of people using the condos). Voters approved the amended overlay district by 411-406. A petition for a vote to reconsider was defeated on May 11, 2004 by 17 votes out of 956 votes cast. (*Background:* In the early 1990’s Solitude was the sole project at Okemo. Tim Mueller and the Ludlow Zoning Administrator discussed density “in private.” Okemo was permitted a 20,000 square feet per unit density, which doubled the number of units they could build. Because they successfully “ran the stoplight once” they feel they have the right to employ the 20,000sf standard at Jackson-Gore). They did not have enough land to do what they wanted under the original permit, so they tried to change the zoning.

(Pro) A dwelling unit is a living space with bedroom, bath and kitchen facility. Ludlow zoning defines a dwelling unit as occupying 40,000 square feet. This is also the standard for a single family home in Ludlow. At some point there was a ZBA decision to allow a duplex within a single 40,000 square foot area, and because of that a subsequent board extrapolated that 20,000 square feet should be the standard for a condo. Okemo has built units on the 20,000sf standard in the past and Ludlow has accepted them. The Jackson-Gore plan sets out 325 condos on 165 acres. The State Environmental Court, which handles reviews of environmental

disputes, interpreted the ordinance to say that Ludlow has no residential density requirement at all - the ordinance only says that a residence has to be on 40,000 square feet, and this means a residence could be as much as a 100 unit development. The Ludlow Planning Board had been working with Okemo to clarify the density requirement, but its composition changed last year and the new board has taken a hard line (which is that the ordinance is very clear that 40,000sf is required). "The board doesn't want to work with you if you want to create your own zoning amendment." Okemo has been "forced to create its own zoning district" by petition. This change was enacted when the voters narrowly approved the new district in March, and was the subject of a revote by petition on May 11. If the vote had gone against Okemo, they would probably have gone to court for they "had a vested interest in the March vote."

POSITIVE AND NEGATIVE IMPACTS

Population: Ludlow has 2,502 year round residents. This can increase to 15,000 people during the ski season, and 12,000-15,000 people when condo housing is rented out in the summer.

Property Values: Everyone interviewed said that property values have increased dramatically.

Real estate values are going up faster than the the town can update the Grand List (used to set tax rate). Ludlow has a town office called "Listers."

Housing: 85% of Ludlow homes are owned by out-of-staters because the local people can't afford to buy them. The elderly are being shut out; a camp that paid \$800 in taxes is now paying \$6,200.

Housing prices are high, but that's business. Senior citizens have a problem but they have a problem anywhere. It happens anywhere, tourism or not. Real estate will keep on going up.

Locals and young people can't afford to buy homes here. A tiny house sells for over \$200,000, a little house that looks like it should sell for \$60,000 to \$70,000 sells for \$400,000. It's good if you're in the business of buying and selling.

There is an influx of low income renters - single mothers, people with poor social skills. They can't afford to buy so they rent.

Ludlow Taxes: Municipal taxes are low with a two-tiered rate:

Primary home owners pay \$1.54 per \$100 evaluation
Second home owners pay \$1.06 per \$100 evaluation).

School taxes are high at \$1.88 per \$100 evaluation; Ludlow contributes about \$7 million to the state of Vermont. On July 1 there will be two Grand Lists of property (for Primary and Secondary home owners). The state sets the rate for the educational tax on the Primary home owners. The town sends money to the state, and the state returns a subsidy. Residents are taxed at a state rate plus a local "adder."

Taxes doubled when Ludlow became a "donor" town due to its high property values.

The ski development would not increase the burden on the taxpayer without the education tax. Ludlow is a "Gold Town." The condo development along with Act 60 produces a "Catch 22" effect.

Taxes generated by Okemo are very significant and more than cover costs to the municipality. There has been a significant change in the school taxes which took a huge jump in 1998 with Act 60. Before Act 60 Ludlow had incredibly low taxes. Act 68, to make school funding fair, drove up Ludlow's taxes. Their tax rate is the second least affected in Windsor County and the tenth lowest in the state.

Town Manager: He was brought up in Cavendish, spent his college days here. He has been in banking, ran the Pico Ski Resort, was Chairman of the Board of BCBS, and has been in real estate development. He is a long time friend of the Muellers. The Muellers have done things for the community, like a scholarship program for the high school students and fixing turf at the town ballfield. They are good neighbors. The town employs about 35 people, not counting the schools. Ludlow has an active recreation program; it has more ball fields than any town he has known. Ludlow is a "poster child for Robin Hood taxation;" it has the third largest Grand List in the state - it is a "Gold Town." Property values are the third highest in Vermont. The property value dynamic is not unique to the resort industry; demand drives prices up. Ludlow is in the floodplain of the Black River, and has four flood control dams. Merchants are organizing to think more about the future. Schools are a challenge; before Act 60 not much was spent on schools, now they have a challenge with the physical aspects of the schools. Ludlow is an interesting place to retire; there are people from different places with different skills. "I make no bones about my resort bias - in winter the downtown is a vibrant, happy place to be." One grocery store, convenience stores, and arts and crafts shops are due to the mountain. Affordable housing is a challenge. There are more lawyers and realtors than before. "The main challenge is keeping peace in the valley." He tries to get all information to the town boards and trustees, and works hard with employee groups. When asked what will happen when the Claremont solid waste regional pact ends in 2007 he said that their people are attending meetings. He thinks the incinerator will operate into the foreseeable future because the market will drive it some place. If the economy crashes, Ludlow should be OK. There are multiple employers in town. "One of the last things you can take from an American after his gun and his car is his vacation." The recreation industry would suffer but survive.

Selectmen: The situation appears to be a mismatch between the resources of the mountain and those available to town officials. On any Okemo proposal, Okemo is regularly represented by their lead attorney, Larry Slayson, either alone or with several attorneys at once. The town boards have numerous other responsibilities and occasionally must line up across the table with no legal representative present. In regard to Okemo, the current Selectboard is composed of two pro members, two con members and one undecided member.

Town Clerk: The sales of condos and refinancing due to low mortgage rates have combined to increase the workload a great deal, but no extra staff has been added. With closing on the quarter-share units (with up to four owners per unit) at the big Jackson-Gore condo building, ten books have been filled since December. Normally this is a whole year's work. The town charges for this paperwork, so it makes money for the town. They have a large room, which is about the size of the entire Goshen Town Office, just for storage of record books.

Building Inspector: Vermont towns do not have their own building codes. The Vermont Department of Labor and Industry handles all permits and building inspections. The town building inspector assures that all state permits are in order and issues Certificates of Occupancy (CO's) when construction is completed. About 200 permits were issued for new units last year. Inspection visits during construction involved about ten state inspectors, with

five on site full time. The Ludlow inspector visited the site about twice a week. One problem is that Okemo wants a CO at the very second a unit is completed, "piecemeal," because they want to sell the units as soon as possible. They do not want to wait for the entire project to be completed before requesting a CO. When called to do a final inspection things are frequently incomplete - sometimes smoke detectors are missing or electrical permits from the state are not in order.

Traffic: In winter it can take up to 45 minutes to go through town. The roads have not been widened. In winter no parking is allowed on Main Street.

Traffic is only bad on weekends and holidays; local people know when to avoid it

Traffic flows pretty smoothly. Some people are upset about the traffic, but there might only be a two or three hour period with a 30-40 minute wait.

There is no commercial parking in town; Ludlow can't afford to buy land for parking.

Traffic can get up to 30,000 people going through town on holidays (this includes Killington traffic.)

Highway Department: Ludlow has 58 miles of town roads, 3/4 of which are dirt. There are 7 employees in the winter and 6 in the summer. They do not receive any money from the Enterprise Fund. They plow State Rt. 103 in the winter between the town lines. There are no plans to widen the roads. Increased traffic has made a drastic impact on the roads; there is more wear and tear and they have to snowplow more often because there are more houses. Ancillary development has impacted the Highway Department because traffic going to private homes has to travel over town roads. Parking is a nightmare in snowstorms. The town puts \$15,000 each year in a Capital Reserve Fund, and is on a 7-year schedule for replacing its dump trucks. If necessary, the town will bond the purchase of new equipment. Okemo is easy to work with - they loan equipment if something is down. When the town grader broke down in the middle of a project the mountain loaned them their own grader - a \$160,000 piece of equipment - at no cost. Okemo's roads are built to town specifications and maintained by Okemo. They do their own snowplowing. Ludlow will not take over private roads.

Schools: The school population has dropped. Schools are falling apart; Ludlow can't afford to fix its schools, but the quality of education is good.

Student numbers have dropped because Ludlow is not affordable for people with children. This adversely affects the school tax because the cost-per-pupil rises (education expenditures are divided by the number of students to arrive at a "cost per pupil"). When the cost-per-pupil reaches a critical point the town becomes a "gold town." Their cost is \$9,000 per pupil but they only receive \$6,400 per pupil from the state. The difference is made up by taxes "on the backs of the year-round residents." The only way to lower the per pupil cost is to get more students by competing for out-of-town tuition students. They are doing an architectural study to upgrade their schools so they can attract students. Foreign workers do not impact the school system; Okemo runs the Okemo Mt. School for them. It is one of the best companies to support education - they gave \$45,000 for computers, and have funded a five-year music and drama program as well as scholarships for high school students. The Okemo Ski Ball has raised about one million dollars over time for educational programs.

Police: A town police force is not mandated in Vermont. The Ludlow force has increased from four to five employees; there should be seven so that they can follow up on crimes better, especially burglaries. The staff has EMT training. They have three vehicles, one of which has four wheel drive. They used to have a two-room facility at the Town Hall, but the town recently built a new 5,000 square foot building with help from the Enterprise Fund. It is located on the south side of the mountain because they couldn't find affordable property in the downtown. They did not get any impact fees. Ludlow has its own dispatch and also serves several other towns for a fee. The majority of crimes are burglaries related to drugs. Okemo has not generated a big increase in crime. The foreign workers are no problem. Okemo handles its own security 24 hours per day on winter weekends, and from 4:00pm to 2:00am during the week with two security people. Ludlow handles all crime investigations. Sheriffs are hired to cover Jackson Gore. The town receives money from Okemo to pay for traffic control at three intersections on weekends and holidays. On most weekends 2200-2400 cars are seen on the mountain; the most is 3200 cars. Traffic accidents are the bulk of winter calls - last winter they had 150 accidents in three months. There is a lot more criminal activity in the summer with burglaries, parties and DWI's. The police load will need to increase with the Jackson-Gore expansion.

Ambulance: Ambulance calls have grown from 250 to 500 calls per year. They are staffed with about 20 volunteers (6-8 highly active) but started paying people to be on call this year. They have 2 ambulances - one was added due to "the mountain." A typical trip takes 20 minutes to the hospital in Springfield. The first year payment for their new building came from the Enterprise Fund. Car accidents are up, accidents and illnesses in homes are up. This is a \$500,000 per year service that is self-sustaining through user fees; "the mountain" guarantees payment for anyone taken "off the hill" who does not pay their bill. The "mountain folks" have insurance, pay the full rate unlike those on Medicare. Okemo has RN's there during the week as well as PA's, MD's and First Responders. Seven of their ambulance volunteers work for Okemo. They replace one ambulance every 4-5 years from money they put in a capital reserve fund. The hardest times to cover are Monday through Friday, 8:00am to 5:00pm, because their volunteers have jobs. A request for two full-time staff has been presented to the Town Manager. Traffic is an issue at times, but it is easier to answer calls on busy days because there are traffic control officers.

Fire Department: As a result of the Jackson-Gore development, the fire department added a foam pumper tanker truck that can fight fires in the underground parking garage, and replaced their ladder truck for one with a longer ladder. They received \$259,000 from Okemo in impact fees for the new foam truck. They are completely staffed by volunteers. They have a total of 3 pumper-tankers, one 102-foot aerial platform truck that can reach the top of the 5-story condominium at Jackson-Gore, a rescue truck with jaws of life/lighting/and cascade system for refilling air bottles, and one 4-wheel drive truck for brush fires. Water supply for the condos comes from a fire pond and their own stored water supply. The Okemo smoke alarms are tied into a professional alarm company which then contacts the police department dispatch. The department received money from the 35 cent Ludlow impact fee fund, makes \$30,000-40,000 each year on their Labor Day weekend auction, and has \$25,000 in escrow. They used to have about 70-80 calls a year; last year they had 113. There are more calls for car accidents than for fires. Daytimes are tough with everyone working.

Wastewater Treatment: Okemo furnishes its own water supply but is tied into the Ludlow sewer system. There are three employees at the treatment plant but there should be seven. For each condo unit there is a one-time up-front \$3,000 hookup charge plus \$686 per bedroom charge. There is also a \$120 per year fee for each condo unit. (Commercial businesses are charged differently.) They sample and test every day, and have monitoring equipment which works during the night. Other testing is done once a week in summer, and once a month in winter. Sludge is trucked to Glens Falls, New York, where it is incinerated. Effluent is emptied into the nearby river (Black River?).

Transfer Station: The Transfer Station is open Tuesday, Thursday, Saturday and Sunday from 8:00am to 5:00pm. There are two full-time staff people, with backups that can be called to help. There are also some Community Service people who sign up to help out, but they often don't show up. Ludlow owns a roll-off truck, which costs about \$20,000 and its own containers which cost \$4-5,000 each. They have a full time driver to empty containers. It is the homeowners at Okemo that use the transfer station, not the timeshare people. Okemo has not impacted the transfer station "that much." The condo owners have dumpsters and use outside haulers. They use Gobin to haul their solid waste to Wheelabrator in Claremont, NH. When they haul to Claremont they get \$30/ton for scrap metal, which pays for the trip. They are trying to do a similar thing with tires. They also do not burn anything, as they own a chipper. They would like to get a baler but this is expensive. If you bale newspapers, for example, you can make more money. A new ski shop is opening in town which will bring all its cardboard to the transfer station. This will be overwhelming; they will really need a baler. The Muellers are good corporate partners. When the Transfer Station needed new signs the Okemo sign shop made "big, beautiful signs" for them. The Muellers are helpful in things like that. They have been fair to the town in what they ask and what they do. Solid waste is trucked to Wheelabrator in Claremont by Gobin.

Environment: Waste water effluent being discharged into the river is regulated by the state. Swimming, fishing and use as drinking water is prohibited in 4.4 miles of the river (because it is polluted?); the EPA put it on the Impaired Rivers list because fish life has been affected. Recently the EPA extended the "no swim" area by another 1.5 miles. There is noise pollution from the snow guns which can be heard 3 miles away and sounds like jet engines. There is air pollution from an influx of cars and from the diesel generators used for snowmaking. The EPA says there is a lot of radon on the mountain - should they be digging into it?

The Ski Industry: The ski industry is clean and does not generate year-round traffic

The ski industry is down 20% in New England, due to aging baby boomers and other factors. It is way too expensive, most local people can't afford to ski.

Growth in skiing has leveled off and is starting to fall - so this is a little bit scary. It is way too expensive for locals. Now no one in town skis.

Recreation: Local kids get a reduced rate for season passes.

The locals don't play golf. It used to cost \$10, now it is about \$90-95. The local residents have lost out on the recreational end of it.

Okemo lets the local kids use the health club at the mountain year-round. They have a swimming pool and so on.

Skiing is too costly for local skiers to ski the mountain any more, but the Muellers do provide a good deal for local kids to ski. A ski ticket costs \$63 - the second highest in Vermont.

There is free instruction for school kids.

The 18 hole Fox Run golf course was purchased in 1997.

Jobs: The hotel and condominiums were built by out of town workers. Peripheral homes were built by local people.

Local people do well on “normal” homes. The development has provided work for local people, like plumbers and electricians.

Another source of jobs, unrelated to the mountain, is the Lucanek America talc mine which hires about 35 people.

About 130 foreign workers are hired from December-March; many are students happy to get the work. They are paid about \$7.50 per hour and in turn pay \$300 per month to rent a room furnished by Okemo. The majority have housekeeping jobs; when the occupancy rate goes down after March, Okemo’s own staff can handle the cleaning.

Most of the ski instructors are from Australia and New Zealand, because our winter is their summer. Jamaicans are brought in to do the housekeeping.

The problem with the ski business is that it is seasonal - local people can’t afford to work only part of the year.

Some local people have service jobs like groundskeeping and housekeeping.

Local Businesses: Skiers bring a lot of money into town

Small businesses in Ludlow are gone. There were two drug stores, now there is one chain drug store. There were two hardware stores, now there is one large hardware store. The clothing store is gone. There used to be 3 grocery stores, now there are 5 convenience stores and one small Shaws which raises its prices in the winter. These stores are for skiers - local people shop in Claremont or Rutland for groceries, gas and clothing.

There used to be one ski shop in town which has not been helped by Okemo expansion because a wealthy person came in with a chain of ski shops (there are now 5 ski shops in Ludlow).

Ludlow is “under-restauranted.” Prices go up in the winter.

There are hardly any hotels, motels or B&B’s in town. The community is largely condos.

Who is making money? A lot of people have made money.

The Muellers are the ones making the money. In 1978 they paid \$400,000 to get controlling interest in the mountain. Now they are selling land at \$750 thousand per acre at Solitude. Condos at Solitude are on sale for \$499,000, at Winterplace for \$350,000, and quartershares are selling for \$38,000. The big money is for places that are right on the ski trail (“hang access”).

Benson Chevrolet sold a record number of new vehicles in the past three years; it gets better every year. Okemo buys from Benson’s and so do their employees.

Ski tourists are good for the maple sugar business.

Gas stations and restaurants are doing well. There are not enough restaurants.

This is pretty much a one-company town - General Electric and the mills are gone. Tourism is the main attraction.

Benson Chevrolet: Started in 1928, this is the oldest Chevy dealer in Vermont. According to them, “The Muellers do an excellent job of building, pay attention to environment and aesthetics. They are a “class act,” honest and fair. They’ve always done the right thing the first time.” They give scholarships at school. “With the Muellers a handshake is good enough.” Benson’s business has picked up in the last three years and sales keep increasing. Most people at Okemo buy Chevrolets. What scares them is what comes next, but they said that Tim Mueller’s vision affects his employees. The Muellers have enough concern that they wouldn’t sell to someone who wouldn’t carry on with their vision.

The Real Estate Business: Units at Okemo are sold by Okemo Realty which is housed at the hotel. One local realtor is given exclusive right to sell these Okemo units.

The Muellers build the real estate and then sell most of it to others. There are 120 quarter-share units in the hotel, with 440 separate owners (not including “lockout units.”) Local people bought up some of the quarter shares as an investment. The real business at Okemo is not skiing; it is a massive real estate development.

Business is excellent because Okemo is a good ski area and there have been wealthy buyers for mountain properties. Very few buyers use banks to acquire these expensive properties - they use cash.

Vermont Properties and Development: This is a construction, real estate and property management firm located between the Okemo and Jackson-Gore entrances to the mountain. The Muellers thought there were not enough beds in the area for Okemo to stay viable as a ski area, hence the real estate development. Mention was made of the low income housing the Muellers had to build to satisfy state requirements. This was a big mistake because the low-income housing taxes the school system, especially because it means more special needs kids; kids with learning disabilities usually come from low-income families at the low-income housing. “Affordable housing,” which was characterized as housing units selling for \$180,000 to \$250,000, is better for the town. It would have been preferable for the town to put the money in a land trust. The majority of their real estate business is second homes, with 50% houses and 50% condos. Business has been strong - the Muellers have a “golden touch.” In Ludlow they have sold properties ranging from \$30,000 for a couple of acres of land up to \$3.5 million for private residences. Lakeside real estate prices have doubled. Jackson-Gore is like a hotel. This is the town’s first experience with quarter-share units. It’s new so it’s hard to tell the impact that it will have; it will probably bring in a more transient population. This realtor has high respect for Tim and Diane Mueller. “They are very hands-on, and you might see Diane serving soup or helping with a lift line.”

Mary Davis Real Estate: This real estate office is located in a shopping center in the center of town. “Single family homes were not producing the occupancy rates that the Muellers wanted, which is why they shifted to creating fractional-share units.” Future units built at Okemo will always be fractional. In response to a question as to whether the “Gold Towns” were organizing to change the educational funding formula, Mr. Davis said when Act 60 started they raised money to get Republicans elected in the House and Senate. But they lost the battle “on every

count,” and it is clear now they will never win. They have the property values but not the votes. If it were not for Act 60 (now Act 68) then the second-home people would be funding the school and the community in Ludlow and it would be a huge benefit if the state had not changed the law. The state collects taxes and sends the money elsewhere. The Ludlow schools can barely scrape by.

The Mary Davis Real Estate office is the only local realtor given the exclusive right to sell Okemo real estate, and deals only in high-end sales. The office did earlier sales for Okemo before becoming involved with the Jackson-Gore project. Mr. Davis is very much in favor of the Jackson-Gore development. “We are a ski community, so we have condos and so on.” He also cares about the community; he wanted to keep “Sports Odyssey” from establishing in town and fought successfully to keep McDonald’s out of the local area. “We want *appropriate* development,” he said. Traffic is the only impact from the development. Some local people complain about this situation but anyone in town should know not to try to drive through town during peak hours, and you have to adapt for the benefit that the development brings. He is personally grateful to Okemo - the ski school has a great racing program, one of the best in the country. Everything about the development is good. The skiers bring “spending power” into the community. This is a healthy, environmentally clean business. The relationship between the “new” people and the “old” people is a challenge. It is difficult for locals to purchase property in town any more. It is still possible to buy property for \$100,000 or a duplex for a little over \$200,000 but you don’t get much for that amount of money. This is typical at ski resorts in Vermont (though not across Vermont as a whole). In response to a question as to whether he thought Goshen citizens would be forced to leave town as a result of the proposed development there, Mr. Davis responded that this is a challenge. But, he said, we need commerce and jobs in New England; we don’t want our communities to rot. “Goshen should embrace Jay Gamble (Manager of Mt. Sunapee Resort) as well as the Muellers and their business.”

Quality of Life/Town Character: A sampling of comments follow:

Ludlow used to be a small mill town with local people. Now the land is chewed up and subdivided and developed. It always seems worse after it is done. Ludlow was a real town before Okemo; in contrast, most other places where there are big ski developments were never towns before, they just developed as ski communities.

Okemo was a small ski area developed by Ludlow people with local ties. Now it is a massive real estate development, not a ski area.

Diane Mueller started the Okemo Community Challenge (OCC) 21 years ago which raises money for school programs. The Black River Players were started by the OCC or another voluntary organization of the Muellers and is now self-sustaining. They give three or four performances a year. The Muellers also contribute to Street-Scapes, a 501-C organization which beautifies the town with flower boxes and trees.

The ski area should be supported but not the housing expansion. The quality of life has gone down considerably. This is the price you pay when you have a good place and everyone wants to come here. Growth isn’t bad - just when its so fast you can’t control it.

Local residents have lost out on recreation; can’t afford to ski or play golf in Ludlow.

The pro is the economy - it has generated a lot of income for local businesses, but the negative is that local people can’t afford the property.

Housing is the biggest negative impact - there is an exodus of locals - this is a new town. Act

60 is part of the problem.

There is an increase in low income renters. People rent more than they buy - they can't afford to buy.

There is a huge impact on the town. The biggest impact is the number and wealth of out-of-state-people. Also, there are more developers and more entrepreneurs. The developers get their own people on the town boards. The General Manager of Okemo is on the Selectboard, a Village Trustee is a full time Okemo employee. Okemo exercises a lot of clout with advertising and getting the vote out.

It's good for Okemo, it's good for the state, but it's not good for Ludlow.

We were brainwashed by early improvements.

People are being squeezed out of town; the middle, middle-lower, and lower (income) can't live here.

The town has lost sight of the year round residents and caters to the skiers. The residents have to travel to Rutland or Claremont for gas and groceries.

If you are in the real estate business you want prices to go up. Here you have a ski area and developer who knows how to market downcountry. As they buy property the state gets money and marries the ski area but the town is going down the drain. Ludlow is the "Aspen of the East." Locals are being squeezed out.

There are still 3 churches in town, a Rotary Club, a strong library, and a Senior Center which serves lunch to about 15 people each day.

Ludlow has become a service oriented community. They give up their holidays and weekends and work while others play - clean up after them.

The biggest downfall here is that no one agrees on how to put development in one area rather than "all over the place." There aren't any real neighborhoods around here (Okemo).

Working with Okemo: Okemo says it worked with the town, heard their concerns, refined its plans and worked in harmony with the town, region and state.

Ludlow is up against big bucks. Okemo takes out full page ads in several newspapers, pays a professional survey service, sends out mailings which confuse the issue (i.e. "We're not doing anything different, this was planned from day one." They don't mention that the plan was turned down when first presented.) The Muellers did make a lot of improvements at the ski area - they are great entrepreneurs.

It is astounding how a bank of attorneys can interpret your zoning code; a multi-million dollar decision will take you all the way to the mat.

Okemo's plans are fluid, never ending. You have to have very dedicated boards to hold the line.

The Muellers try very hard to have a helpful and cooperative relationship with the town.

If you are on a board and you don't like what's happening, you won't be on the board. The ski developer will have an employee take your place - so you lose.

The Muellers are excellent to work for; they bend over backwards to listen to concerns. They are very approachable.

Okemo keeps pushing. They have come back repeatedly to amend their permits. They have had 12 amendments since the Phase I Jackson-Gore permit. Most amendments are not substantial, but some are. They have gone for special exceptions on density and height. The first batch of houses were not supposed to be visible. Now you see the houses everywhere. There was a landscaping requirement, and now they want to get rid of that. "It is a full court press all the time and they never end the game."

ADVICE TO GOSHEN

Planning/Zoning: Look at the total impact on all town services, not one project at a time. Ludlow did not think of the big picture, what it could become - it was just a mill town. It did not foresee how much land could be chewed up and developed.

Ludlow has gone from one page to multi-page decisions. Write clear and thorough decisions.

Slick teams of lawyers are difficult and intimidating. Their team of lawyers focuses on one project while the town has many.

The town incurred \$18,000 in legal fees for Phase I of Jackson-Gore; this year it spent \$10,000. Ludlow is learning to do its own legal research.

Conditions won't slow down Okemo; if you give them a condition that costs \$200-300,000 they say OK. They are a first class operation.

Know your state enabling laws.

Ludlow now records and airs every Select and Planning Board meeting. There are no secret meetings.

Make sure the wording on regulations is clear. Be specific, don't leave wording open to differing interpretations.

Define Open Space clearly; it is hard for a developer not to go after open space, especially in small towns where the regulations are poorly written.

It is important to invest in town counsel when you have part-time, volunteer boards.

Ludlow has strong boards which don't give in. Before, members kept changing which made for weak boards. Now members are staying.

Definitely get an impact study by an independent agency.

Make sure you get media coverage for hearings, etc, and that coverage is accurate. Some local press coverage can be biased.

Stipulate that the town will never take over private roads in the development.

Building Inspection: Goshen will definitely need to hire staff to deal with 300 condos. Try to see the big picture and be prepared. Invest in a town counselor who deals with land use law. Include money in your budget to enable the town to work with counsel. Very dedicated boards are needed. Each board member will be labeled "Pro" or "Con." If you question something, you will be labeled "Con." Be very careful to go by the book and do not be intimidated.

Certificates of Occupancy should be granted in total, not piecemeal.

Police: Goshen's staffing would have to change. People in condos and expensive houses want service "24/7." You have domestics, DWI's increase - you will need more than one full time and one part time man.

Require all new units to have alarm systems that are handled through private security firms.

Ambulance: Town might contract with a private service if it doesn't have its own service.

Fire: The key thing is the number of volunteers more than the equipment. You can have the best equipment in the world, but without manpower it is useless. It is the most critical thing to look at - involve your fire chief. Hook in with mutual aid.

Make sure buildings have hydrants around them.

Heavily recommend a NFPA-13 sprinkler system in buildings in accordance with National Fire Protection specifications, which helps when manpower is reduced during the day.

Ludlow has volunteer firemen who work in Ludlow that can be Rapid Responders. A town like Goshen may need full time fire personnel.

Highway: Goshen will need the tools to do the job - might have to increase the number and quality of its vehicles.

Wastewater: Let the developer build the treatment plant - he has to follow state regulations. If the town wants to get into the wastewater business it becomes expensive for everyone.

Find out gallons flow; 200-210 gallons per day (per unit?) is a good starting place

If they tell you there will be 200 units, figure on 400

Ask where the effluent will go - indirect or leachfield? If indirect, it will go into a body of water and the state will be involved.

Transfer Station: Do what you need to do before you need to do it. Be ready for increased volume before it arrives. Get your buildings, equipment, and facilities ready. The more self-sufficient and self-sustaining you can be, the better it is. "Pay As You Throw" (PAYT) is a good approach. Now they charge businesses \$0.06 per pound for everything they bring in. It is unfair to charge everyone the same, when a householder might have just a couple of bags and businesses bring in so much. You need to negotiate with the developer to get clarity on what they will and will not do with their trash.

Real Estate: If the town needs to provide a mix of housing to balance the high-end properties look at "affordable" housing, not "low-income" housing. Have the developer pay for roads - they don't mind doing so. Cluster development is better for the town than single homes because you can have open land; there is less impact on the environment and the police and fire departments. Goshen should ask the developers to put in walking trails and acreage for a picnic area. Try to tap into Diane Mueller's energy - she is very knowledgeable.

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