

City Manager (802) 334-5136  
334-3891  
City Clerk/Treasurer 334-2112  
334-3892  
Public Works 334-2124  
Zoning Adm./Assessor 334-6992  
Recreation/Parks 334-6345  
Fax 334-5632



City of Newport  
222 Main Street  
Newport, Vermont 05855

## House Commerce and Economic Development Committee Testimony

Paul L. Monette, Mayor

April 27, 2016

Good morning Chairman Botzow, Vice Chair Marcotte, and members of the committee. Thank you for allowing me the opportunity to speak today about the economic challenges facing the City of Newport in light of the recent EB5 fraud allegations.

Newport and the entire Northeast Kingdom have faced difficult economic times with high unemployment, challenges to attracting businesses, and good paying jobs. In 2007, a group of business leaders, residents and local officials worked together to have our Main Street and Causeway become part of the Designated Downtown program. The Newport City Renaissance group was formed and in 2009 proceeded to bring a Regional/Urban Design Assistance Team (R/UDAT) to our community. At that time Newport was the first community in New England to hold such an event. The five member R/UDAT team evaluated our local resources, held public meetings and truly engaged our local residents. After the week long event the team presented their vision for our community and a strategy to implement it.

The excitement never waned after their initial visit and the City made sure that our infrastructure from water to roads was in place. The renaissance group formed several committees from Design to Economic Restructuring. With the assistance of the forward thinking business leaders, residents and the City Council, the city was able to implement new Form Based Code Zoning and design a fair tax stabilization policy for potential businesses looking to locate in Newport. NVDA, our regional planning group,

## House Commerce and Economic Development Committee Testimony

Paul L. Monette, Mayor

April 27, 2016

was key to our region in achieving the Foreign Trade Zone Status which is a great asset to Newport and the surrounding area considering our proximity to Canada.

Local residents began to consider the natural resources of our area as tourist draws and began to generate new and exciting entrepreneurial events as a way to draw new audiences. Examples include major annual swim events on Lake Memphremagog, cycling tours, a tour boat, and a highly credible Jazz Festival. These events draw hundreds of visitors to our area throughout the seasons showcasing the natural beauty and pristine offerings.

Fast forward a few years to the announcement of the huge NEK EB5 initiative along with plans for the City of Newport. Local business owners and residents were excited that this may provide the tools to allow us the economic vitality we desperately wanted. The plan called for a biomedical facility and the revitalization of an entire city block with retail on the first floor and offices/hotel on the remaining floors. When residents and business owners began to get concerned over the continued delays I personally reassured them that we would see positive results. Why wouldn't we after seeing what was done up at Jay Peak.

I was stunned watching the governor's press conference on April 15th regarding the EB5 fraud allegations and the SEC investigation. I am disappointed and truly feel deceived with the realization that Newport City's Main Street development and what was planned for ANCBio now sits idle. After a few days the shock began to wear off and I started to look at this situation as if it was meant to be a rebirth for the City of Newport. While many look at this as a huge negative on our community I see it as a great opportunity. Now we know the status rather than receiving news of delays. Once we understand the ownership status of the Main St. property, we may have an opportunity to influence development and if required, pool our resources to move forward.

House Commerce and Economic Development Committee Testimony

Paul L. Monette, Mayor

April 27, 2016

The State of Vermont has pledged some resources to Newport City's rehabilitation and we believe we can leverage this relationship to strengthen these opportunities.

Our main priority right now is to have the properties available for timely development. This is critical for our economic future and we do not want to risk having the property sitting idle any longer than necessary. Both properties have had preparation investment completed which makes them more valuable to a potential developer knowing they will not have to deal with a major teardown on Main Street or a stormwater system at the former Bogner Plant.

In closing I want to stress to the committee that "Now is the time to move Newport City forward. Newport is open for business".

Once again, thank you for allowing me to address you today.

House Commerce and Economic Development Committee Testimony

Paul L. Monette, Mayor

April 27, 2016

### 2015 Newport Vermont Jazz Festival



### 2015 U.S. Winter Swimming Championship



House Commerce and Economic Development Committee Testimony

Paul L. Monette, Mayor

April 27, 2016

**Current Main Street Block - Newport, Vermont**



House Commerce and Economic Development Committee Testimony

Paul L. Monette, Mayor

April 27, 2016

**Current Main Street Block - Newport, Vermont**



House Commerce and Economic Development Committee Testimony

Paul L. Monette, Mayor

April 27, 2016

**Current Bogner Property**



House Commerce and Economic Development Committee Testimony

Paul L. Monette, Mayor

April 27, 2016

**Current Bogner Property**





**Current Bogner Property**

