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City of Newport  
222 Main Street  
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TO: House Committee on Corrections and Institutions  
RE: Testimony  
DATE: February 19, 2019 *Paul L. Monette*  
FROM: Paul L. Monette, Mayor

Chair Emmons. Thank you for giving me the opportunity to address the committee regarding the Vermont Housing & Conservation Boards investments in Newport. It has been almost three years since the April 14, 2016 announcement of the EB-5 failure in our community.

In 2016, H.878 as passed by the house and senate included \$200,000.00 to assist economically distressed downtowns in the Northeast Kingdom. The funds were designated for specific projects in the field of affordable housing, historic preservation, community parks, public facilities, or public access to water projects. Up to 10 percent of the funds or \$20,000.00 were allocated to support pre-development or planning activities necessary for project implementation.

It was these planning funds that propelled the City of Newport's planning efforts in the wake of the EB-5 disappointment. The Vermont Housing Conservation Board stepped up immediately and Gus Selig paid a visit to Newport and met with our then new City Manager, Laura Dolgin. It was during this meeting that Gus explained the term 'economic driver' and from that point on, the planning flood gates opened. VHCB has been a resource to the City of Newport ever since and is held in high regard for the following reasons: they made themselves available, they followed through, they were exceptionally easy and humane to work with, and they are still available to us and even attended a meeting on our behalf held as recently as October.

The working relationship with VHCB allowed us to immediately commit and pool these funds with additional planning grant funds from the Vermont Agency of Commerce and Community Development. This resulted in the production of useful foundational studies and assessments that evaluated the City's condition at that time. The firm of White and Burke was hired to generate a Constraints and Opportunities Study, a Market Study, and a Feasibility study, an appraisal of the Main St. Development Site, and a Hotel Feasibility Study. Many other resources contributed to some of these grants including Paul Bruhn at Historic Preservation and Northern Communities Investment Corporation. At that time, the City had never confronted a problem of this magnitude and VHCB and VT ACCD were available to help us gather ourselves to develop a plan to recognize and build upon our assets.

The planning process began almost immediately. The EB-5 failure was announced in April of 2016, a planning meeting was held with the Newport City Council in August of 2016, and the grants and consultant procurement process occurred in December of 2016 and January of 2017. While we were assessing our situation during those first few months of 2017, the Vermont Land Trust (VLT) was busy engaging in a community process to decide how to best utilize their recently acquired 120 acres of prime agriculture located within the City limits and on the shoreline of beautiful Lake Memphremagog. The community process revealed that the most beneficial use for the land would be to establish recreational trails along the border of their property which would allow public access. The proposed trails will connect to existing trails to the north that connect to international trails over the Canadian Border, and to the south the trails will lead directly into Newport City's Designated Downtown.

As the VLT community process was being formalized, the City's planning efforts were well underway. It was clear that due to the timing of the availability of the VHCB's funds under H.878, that our window of opportunity for implementation was coming to a close. The City would not have a concrete plan in place that would move us to implementation within the required timeline. Rather than lose an opportunity for funding, the City Council voted at their March 18, 2018 meeting to transfer the remaining implementation funds of \$180,000 to the Vermont Land Trust's recreational trail development implementation. We were thrilled to do this because the concept would lead the City smoothly into developing an outdoor recreational economy and lead us to additional destination development opportunities.

Fast forward to today and the early VHCB funds provided us the impetus to leverage additional support, and proper planning and sequence working towards establishing ourselves as an outdoor destination. With the recent receipt of a Rural Communities Development Initiative Grant funded through USDA, we now have added capacity by working more closely with the professionals at our Regional Planning Commission, NVDA, and Northern Communities Investment Corporation (NCIC) to move towards implementation on a number of transformative infrastructure projects. This would not have been possible without the critical role of the Vermont Housing Conservation Board.

Thank you.