

MEMORANDUM OF UNDERSTANDING
BETWEEN
VERMONT DIVISION FOR HISTORIC PRESERVATION
AND
Q DEVELOPMENT

WHEREAS, the Division for Historic Preservation ("the Division") reviews proposed undertakings for purposes of Criterion 8 of Act 250 as part of the procedure in lieu of obtaining a permit or permit amendment as set forth in 10 V.S.A. section 6086b. The purpose of the Division's review under Act 250 is to provide the Environmental District Commission with the information necessary to make a positive finding under the "historic sites" aspect of Criterion 8.

WHEREAS, Q Development ("the Applicant") proposes to demolish nine buildings in Newport, Vermont, known as the "Spates block," (the "Demolition") in preparation for future development. The project site is located on Main Street, Second Street, and Central Street, in the Downtown Development District designated by the state pursuant to Title 24 Chapter 76A in the city of Newport, Vermont.

WHEREAS, the site of the Project is within the Newport Downtown Historic District, which was listed in the National Register of Historic Places on September 28, 2006.

WHEREAS, the structures to be demolished are contributing resources to the Historic District.

WHEREAS, the Division has received and reviewed certain documentation regarding the project site, including an Archaeological Resources Assessment dated February 5, 2015, prepared by Charles Knight, Ph.D., Assistant Director, University of Vermont, Consulting Archaeology Program, and an Historic Resources (Architecture) Report dated February 6, 2015, prepared by Catherine A. Quinn, Historic Preservation Specialist, University of Vermont, Consulting Archaeology Program.

WHEREAS, the Division has also received and reviewed a comprehensive set of photographs that document the extant conditions of the subject buildings prior to abatement and selective demolition activities, a letter from Chief Seth DiSanto of the Newport Police Department to the Division dated 2/12/2015, an email from Chief Jamie LeClair of the City of Newport Fire Department to A. Stenger dated 2/12/2015 and an email from Assistant State Fire Marshall Paul Cerutti of the VT Department of Public Safety, Fire Safety Division to A. Stenger dated 2/23/2015, all which describe the safety concerns and need for prompt action to eliminate a safety hazard.

WHEREAS, the design for the future development has not been completed yet, but it is anticipated that it will include two floors of commercial and retail space, with three floors above that for short term and extended stay residential suites (the "Project").

WHEREAS, the Division has significant concerns regarding the Demolition and its potential negative impacts on the Historic District, particularly in regards to the risk that the Project may not be fully funded and that the Demolition may leave a hole in the middle of the Historic District, which would harm the Historic District both aesthetically and financially, thus putting additional historic sites at risk of abandonment and decay.

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WHEREAS, the Division also has significant concerns regarding the Project, in particular the overall height, massing and form of any new structure. Once built, the new structure(s) will become the largest non-contributing structure within the historic district (non-contributing because it was not constructed within the period of significance and does not support the areas of significance as documented in the historic context).

NOW THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, the Division and the Applicant agree as follows:

1. The Applicant agrees to consult with the Division on the schematic design of the Project prior to submitting their business plan to the EB-5 program for funding of the Project.
2. The Applicant agrees to consult with the Division on the design for the Project. In particular, the Applicant agrees to work with the Division to ensure an appropriately designed structure is built that responds to the other resources in the District; is compatible with the architectural character of the historic district, and is in keeping with the Secretary of the Interior's *Standards for Rehabilitation*.
3. In the event construction of the Project has not commenced by September 1, 2017, the Applicant will spend up to \$250,000 to restore the parcel to useable condition for the general public, i.e. a park-like, green space setting, by removing all foundations walls above grade, bringing the entire block up to a consistent grade, bringing in topsoil, planting grass, installing some small trees, planting beds, and park-style benches for public use, and maintaining the site as a green space until such time as construction commences (the "Contingency Work"). The Contingency work shall be completed by May 15, 2018.
4. If, as of September 1, 2017, construction of the Project has not commenced, but is scheduled to commence before May 15, 2018, the Division shall reasonably consider waiving the Contingency Work, however, if the project has not commenced by May 15, 2018, in no event shall the completion date for the Contingency Work be extended beyond May 31, 2018.
5. In consideration of the above, the Division shall inform the District Commission that the Demolition will not have an undue adverse impact on a historic site, and therefore that the Demolition meets subdivision 6086(a)(8)(historic sites).

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WE, THE UNDERSIGNED PARTIES, AGREE TO BE BOUND BY THIS AGREEMENT.

Vermont Division of Historic Preservation:

Q Development:

Date: 3/6/15
Signature: *Laura Trieschmann*
Name: LAURA TRIESCHMANN
Title: SHPO

Date: 3/3/15
Signature: *[Signature]*
Name: Bill Steeger
Title: Partner