

Memorandum

To: Alice Ingerson, CPC Manager

From: Cindy Stone, Director, Historic Newton

Date: March 25, 2011

Re: Durant-Kenrick Questions

*Project Manager:* Cindy Stone

In addition, Joe Michelson has been hired as owner's representative and will be helping to process some of the requests for payment when we get to that phase. Brooke Lipsitt is chairing the Durant-Kenrick Transition Committee which is working through permitting and legal arrangements and assisting with construction oversight.

*Preservation Restriction:* Historic Newton has applied to the Massachusetts Historic Commission for a grant from the Massachusetts Preservation Projects Fund. We are doing this as part of our commitment to raise funds to match the CPC funding and to insure that we have sufficient funds to complete the project. It is our understanding that if we were to receive a grant and we choose to accept it, the MHC will require that we put an additional preservation restriction on the property which mandates that we run proposed waivers by them in addition to the Newton Historic Commission. I have discussed this with Paul Holtz at MHC at length who tells me that this is not an unusual practice. I have asked him for something in writing to verify my understanding of this situation which I can forward to the CPC.

It is our understanding that NHC and MHC will be willing to join Historic Newton in a petition to extinguish the Preservation Restriction on the property, should the Durant-Kenrick House be a total loss and Historic Newton determines that such removal of the Preservation Restriction is necessary.

*Fund Raising:* Please see attached reports which cover pledges and receipts and the restrictions placed on various aspects of our campaign. As of this date, approximately \$837,000 of our campaign contributions is restricted to the Durant-Kenrick Project. In late April 2011, we will hold a special board meeting at which the board will vote to restrict whatever additional funds are necessary to add up to the \$900,000 match mandated by the CPA agreements.

The strategy for the rest of the campaign includes house parties and neighborhood campaigns, additional gifts from council, board, Durant, and Kenrick family members, a direct mail campaign to the community, and a gala in January of 2012.

As we explained previously, we are now using the term "Operating Reserve" in lieu of the term "Endowment" because we were informed by a board member with expertise in

non-profit accounting, that “endowment” implies restriction by the donor. No matter what we call it, the purpose of the fund remains the same: to provide principal and income to support the preservation and operation of the Durant-Kenrick House and Grounds (e.g. annual operating costs as well as funding for major maintenance/upkeep). We expect the fund to be approximately \$2.3 million by the time Durant-Kenrick opens to the public. Our intention is to continue to build the fund to at least \$2.6 million. A copy of our proposed budget for operation of the site is attached.

*Updated Budgets and Scope:* We are also attaching a copy of our current budget for the project which totals \$2.35M. It has been five years since we developed our original budget and obviously costs have gone up and there are expenses which we had not anticipated. The budget, of course, is not final until such time as we have contracts for construction and other aspects of the project. The scope of work is essentially the same: restoration of the 1732 house, demolition of the unstable ell and replacement with a visitors’ entrance and a classroom/lecture space, and development of the grounds to reflect the history of the Durant farm and Kenrick nursery. The design of the classroom space has been refined and we have added a basement below the classroom for collection storage for items from the Durant-Kenrick collection.