

## **\$220M conversion of Providence power plant to nursing schools nearly done** *South Street Landing, the largest current development project in Providence, is on track to be completed by January.*

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PROVIDENCE, R.I. — South Street Landing, the largest current development project in Providence, is on track to be completed by January.

Developer CV Properties LLC, of Boston and Southport, Connecticut, is turning the long-vacant, cavernous old South Street Power Station into Brown University administrative offices and a shared nursing education center for the University of Rhode Island and Rhode Island College.

Students are expected to start classes next fall, CV Properties spokesman Eric Cote tells The Providence Journal. Nursing students will practice what they're learning in simulated emergency rooms — facilities designed to replicate a hospital setting. Brown University will occupy the two top floors of the building, which the developer is adding to the original structure.



Who: Developer Richard A. Galvin, founder of CV Properties, is leading the redevelopment project. Galvin, 59, graduated from Brown with an economics degree in 1979. Gilbane Inc., the Providence construction and real-estate development firm, is supervising the work of more than three dozen subcontractors. Technically, two separate real-estate entities (affiliated with CV Properties) and National Grid own the land beneath the project.

What: The former power station once generated most of the electrical power for the city of Providence. Now, the redevelopment project is expected to include the renovated and expanded university building, a parking garage and two new seven-story apartment buildings collectively called The River House, with 174 apartments for Brown graduate students and others.

When: Talk of creating shared space for the two schools' nursing programs dates back four or five years. By June 2013, the three universities, Galvin and state and city leaders were deep into negotiations about how to turn the old power station into a shared facility. Groundbreaking was December 2014.

Where: South Street Landing has a strikingly high-profile presence in the city's Jewelry District, a brick behemoth near Route 195 at the intersection of South and Eddy streets. It's riverfront property, on the west side of the Providence River. It's also just south of about 26 acres of vacant former Route 195 land that state leaders are working to develop.

Why: Galvin got involved when he replied to Brown's request for a developer to build student housing near its new medical school, which opened in 2011 in a renovated jewelry factory on Eddy Street. The idea of converting the old power station into university space emerged as Galvin and university leaders grappled with the question of what to do with the "hulking, empty building."

### The Money

Project cost: \$220 million, according to CV Properties.

Price of property: \$5,290,301, paid on July 27, 2015, for the old power station and 3.66 acres (four separate parcels), according to the city assessor's office.

CV South Street Landing LLC, of San Diego, California, paid \$2,290,301 for 350 Eddy St., the parcel with the old power station.

CV River House LLC, of the same San Diego address, paid \$3 million for 2 South St., 11 Point St. and 15 Point

St., the parcels where the apartments will be built.

**Investors:** When CV Properties announced its purchase of the South Street building that summer, the development firm announced it did so with an undisclosed investment from Wexford Science & Technology of Baltimore, a real-estate investment and development company.

Historic tax credits are helping finance the project: \$22 million in federal credits and \$27 million in state credits.

**Taxes:** The City of Providence granted the South Street Landing project three separate tax-stabilization agreements in 2014 and 2015, for the three parts of the project. Those agreements limit the taxes owed on the garage, the nursing school and the apartment buildings through 2029. In the early years, those three properties will be billed \$297,863 in taxes, an amount that will increase to \$1.23 million by 2029. In all, the three properties are expected to generate about \$10 million in property taxes over 15 years.

**Lease payments:** Once URI and RIC begin operating the Nursing Education Center, the two state colleges (and, therefore, Rhode Island taxpayers) will pay an estimated \$6 million annually to CV Properties to lease about half the converted power station. Separately, Brown will lease its administrative space.

**Parking payments:** Initially, the state will pay CV Properties \$360,000 annually for Nursing Education Center spaces in the garage. That amount will rise to about \$470,000 in the seventh year of the lease and eventually adjust to reflect fair market value.

**Options:** The leases for the nursing school building offer Brown and the state the option to buy their respective leased portions of the property in years 6 and 12.

## The Components

**The main building:** Will house university nursing classrooms and administrative offices.

**Parking garage:** CV Properties is building a 744-space parking garage that's northwest of the main building — on about 1 acre of a 5.5-acre parcel owned by National Grid, which is being leased to the developer. The garage is on track to be completed by year's end. In response to critics who have questioned why the building doesn't seem to match initial architectural renderings, Cote said it's not finished. When it is, he said it will look like those renderings. Then, he predicts, people will realize, "Oh, this is actually a very nice garage and it has aesthetic appeal."

**Electrical substation:** National Grid began construction in the spring on a new substation, sandwiched between the parking garage and the Providence River, to replace the old substation that is still attached to the main South Street Landing building. That substation now helps power the Providence Hurricane Barrier, the main Brown University campus and several hospitals. Work is expected to be complete in 2018, National Grid spokesman David Graves said. Once power is switched over from the old to the new substation, the existing substation will be demolished.

## More

**Quick view:** National Grid's "[Work Zone Cam](#)" offers a time-lapse movie of the substation construction. As everything moves at warp speed on your screen, you'll see not only work on the substation but also the parking garage rise up on the vacant land. Then, to see the current status of the project, click on the Home icon at the bottom left of the screen.

**The River House:** CV Properties expects in early 2017 to begin building these two new apartment buildings on the Davol Square parking lot that's south of the main building, spokesman Eric Cote said. Those who now park there are expected to begin using the new parking garage. The River House is scheduled for completion in 2018.

**Next steps:** CV Properties and Wexford, the two firms developing and financing the South Street Landing redevelopment project, have also proposed building a life-sciences complex on about 5 acres of former Route 195 land. That land is visible from South Street Landing, across Eddy Street and to the north. Negotiations continue among those firms, Commerce Secretary Stefan Pryor and the I-195 Redevelopment District Commission.

Galvin has said the first phase of that three-phase project would cost about \$250 million. Wexford's corporate ownership has since changed, but talks continue with state leaders.