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Thursday, February 8, 2007

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A new level of 'mixed use'

By Bridget Botelho, Contributing Writer

The



PBN PHOTO ILLUSTRATION BY DARRYL P. GREENLEE, WITH PHOTOS BY STEPHANIE EWENS
THE 480-ACRE Centre of New England includes everything from tidy rows of condominiums to big-box stores, along with smaller retail strips, restaurants and hotels.

The Centre of New England, a 480-acre project with retail, residential and industrial components, has been in the works for a decade now, and buildings are still going up.

"This is truly a town within a town we are building," said Robert Rapoza, director of real estate for Universal Properties Group, the Warwick-based developer. "With a project of this size, it's difficult to even guess at a completion date."

Such is the scope of the project that it is now New England's largest privately owned development, stretching into three towns: 420 acres are in Coventry, in what was once a gravel pit; about 60 acres in West Greenwich, and a small portion of land in East Greenwich.

The site adjoins the southbound side of Interstate 95, with about a mile of highway frontage stretching between Exits 6A and 7. It's also next to the GTECH Corporate Campus, home to Amgen and some GTECH Corp. operations slated for expansion in the near future.

Paul Sprague, acting director of planning for Coventry, said the town had been looking to expand its tax base, and the area where The Centre of New England is being built "was pegged as a perfect spot for commercial properties."

The zoning had to be changed to allow a "business park" on formerly industrial land. The plans for the site included retail, restaurants, hotels, offices, high-end condominiums, apartments and light-industrial facilities.

Tenants so far include big-box retailers such as The Home Depot, BJ's Wholesale Club and a Super Wal-Mart, plus Applebee's, The Wingate Inn and, in strip malls within the complex, Hollywood Nails, Honeydew Donuts, Payless Shoe Source, Cilantro Grille, Game Stop, United Parcel Service and others. Tenants in the industrial section include Champion Window, Mack Truck, Hertz Equipment Rental, Airborne Express, Primary Colors and Neighbor Care.

The town has provided incentives such as not charging any real estate taxes in the first year after a tenant moves in, and then

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phasing in the taxes in 10-percent increments, Rapoza said. The town also gave personal property tax abatements and forgave the inventory tax.

Still, Coventry's tax revenue from the complex has grown. While in 1998, the property only yielded \$36,000 in tax revenue, as of last year, the property was assessed at \$12,166,439 and the tax revenue, excluding Super Wal-Mart and Home Depot, was \$229,945, Sprague said.

"That revenue will increase exponentially for each property each year, with the graduated property tax scale," Sprague said.

But the project has not been without its critics, particularly because a development of this size in a mostly-rural, lightly developed town creates a slew of new challenges.

Beth Perry, who chairs the conservation committee at the Sierra Club Rhode Island Chapter, said "there have been environmental concerns raised over the years from citizens groups" in the area where the project is being built.

"The Sierra Group is particularly concerned about water quality and water availability for the existing and proposed projects there," Perry said. In addition, there are concerns about whether the local infrastructure can handle a big increase in traffic due to the Centre.

Sprague, the town planner, said traffic has not been an issue because of the Centre's proximity to the highway and traffic signals.

Infrastructure issues such as water consumption have been a greater challenge, but they are being addressed by the developer, he said.

As more and more units are built, he added, the town will also have to increase the number of fire and police officers, but it has yet to be seen by how much.

The next major addition to the development is expected to be a Marriott Residence Inn, for which more than two acres of land have been leased. Construction is slated to begin this spring, according to the developer's Web site. In addition, preliminary design work is being completed for a 250,000-square-foot, open-air "Village Center" for offices and more retailers.

The residential component is also starting to come together. Universal is starting to build 235 units of a 1,500-unit luxury condominium complex known as The Highlands at Hopkins Hill. About 100 units have been sold so far, Rapoza said, and the market will dictate when the rest of the units are completed.

"We will only build them as fast as they sell. If all the units sold tomorrow, we would build them all right away," Rapoza said. "We are at the mercy of supply and demand."

The condominiums are freestanding and resemble regular houses more than typical condos, with finished basements and heated garages, granite countertops, brushed nickel hardware, and wood floors. Prices range from \$250,000 to \$400,000, and the condo fees are \$179 per month, including sewer fees, landscaping, snow removal, trash removal, insurance for the common areas, and reserve funds.

The pricing of these "top-notch" units is in an affordable range in today's real estate market because Universal is building so many units, and on its own land, Rapoza said.

"If these condos were being built on a smaller scale, they would be much more expensive. We have the advantage of owning the 480 acres of property, and the construction is being done in bulk, keeping costs down," Rapoza said.

As for the demand, Walter Molony, a spokesman for the National Association of Realtors, said that condo sales peaked nationally in 2005 and then dropped by 10 percent in 2006.

But baby boomers' interest in high-end condos has been strong for a decade, he said. "Their kids have left home, and they don't need the space of a single family home anymore, or they don't want to rake leaves and mow lawns," Molony said.

Rapoza said Universal also plans to build less-expensive condominiums with fewer features for first-time homebuyers with limited budgets, who make up a significant portion of the condominium market. Those units will sell for less than \$200,000, he said.

Published 02/03/2007
Issue 21-43

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