

LOCAL

Lease approved for Middletown Center property. A look at what's planned



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The Town of Middletown has signed a 99-year lease with a group of developers to turn its vision for a [gateway into town](#) into a reality.

“There’s an unbelievable level of complexity with an agreement of this nature,” Town Administrator Shawn J. Brown said in a press release announcing the lease agreement. “We wanted to make sure we considered every contingency and possibility, so we’re protecting the town’s interests. All of that takes time, but I know everyone is extremely excited about this announcement. It’s been close to two decades in the making.”

On the corner of Coddington Highway and West Main Road is a small grassy field of undeveloped land right at the heart of the town’s commercial district. The town purchased the land for \$1.3 million in 2018, although plans to obtain the property had been in the works for a decade prior, and in 2021, the town officially launched a Request for Information process to develop the area into a kind of gateway to the town, unofficially dubbed “Middletown Commons,” before the name was changed to “[Middletown Center](#),” to avoid infringing on the name of a Carpionato Group property further uptown.



Vehicles pass the land along West Main Road that will be developed as part of the Middletown Center project. *Savannah Dunning/Newport Daily News*

Since October of that year, a trio of developers have been working alongside the town to propose a development that married resident desires for community space with a profitable model that made it worth the effort to the developers. Christopher Bicho, who owns the neighboring apartment complex The Landing, and hotel developers Rocky Kempenaar and James Karam, developed a vision of the property as containing a multi-family housing complex, mixed commercial-retail businesses and a 144-room hotel.

Affordable housing included in the mix

The town's hope for this land is multifaceted, as it is expected to contribute additional tax revenue for the town while also adding to the town's lack of affordable housing. The 235-page lease agreement, for example, requires the residential housing element to have at least 10% of its units qualify as "affordable housing," which it identifies as units for which qualifying applicants earn no more than 80% of the town's area median income. For Aquidneck Island, this means that one person earning \$62,600 or less, two people owning a collective \$71,550 or less, and a four-person group earning a collective \$89,400 or less would qualify for this housing.

Financial figures aim to boost town revenue

The additional tax revenue is nothing to dismiss, either. According to the release, the development is projected to contribute \$577,502 in annual property tax revenue and \$138,364 in annual hotel bed tax revenue. If these projections are correct, this would boost the town's \$56.1 million budget by 1.2%, not including the additional projected \$30,000 in annual meal and beverage tax revenue they hope to get by leasing space out to at least two restaurants, nor the revenue from the lease agreement itself, which is \$375,000 per year and escalates 12.5% every five years.

While the 99-year lease has been completed, there are still a few steps the developers need to take before shovels hit the ground. For starters, the project's development plan still needs to be reviewed by the town's Planning and Zoning Boards, which is expected to begin sometime in the coming weeks, according to the town's press release on the matter.

Additionally, the lease itself outlines other loose ends that need to be taken care of, namely a "restrictive covenant," the property encumbered from when it was initially transferred from the Navy to the town in the first place. The lease is not clear on what exactly this covenant is, only that the town is working to get it removed and that removal of the covenant is a condition precedent to the execution of any of the ground leases on the property. While unspecified, the lease also states that the restrictive covenant is related to the "Town Parcel," the northern section of the property where Pottsy Field sits, which is currently set aside for public use. This land was transferred from the federal government to the town in the 1970s through the Department of the Interior's Federal Lands-to-Parks program. It restricts use to be solely for recreation or public use in perpetuity.

Plans change for library location

While the project initially included a [new space for the Middletown Library](#), the town has since relocated the library project to a recently freed bit of land at 110 Enterprise Center. This move is expected to save the town money, as it was projected that a new library at West Main Road would cost \$32 million.