



**MIDDLETOWN**  
Rhode Island

**TOWN ADMINISTRATOR**

**TOWN OF MIDDLETOWN**

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To: Middletown Town Council, Middletown Planning Board  
From: Town Administrator Shawn J. Brown  
Subject: *Middletown Center* Question & Answer Sheet  
Date: March 19, 2025

## Introduction

The *Middletown Center* Development is a Town initiative designed to enhance quality of life, promote economic growth, provide tax relief and create a welcoming, pedestrian-friendly environment for Middletown residents and visitors alike. The Town recognized early on that it could not afford to redevelop this site on its own, and it would need partnerships with private developers to achieve its vision.

The planning process for *Middletown Center* began with extensive research, community engagement, and strategic planning. Through multiple public meetings, town officials gathered resident feedback, conducted land-use studies, and consulted with economic development experts to determine the best possible uses for the site.

Key milestones in the project's development include:

- Comprehensive planning studies to evaluate the site's potential for mixed-use development.
- Community visioning sessions to incorporate resident priorities and concerns.
- Partnership development with experienced real estate and infrastructure experts to design a plan that benefits the town both financially and socially.
- Public hearings and advisory committee reviews to ensure transparency and alignment with Middletown's long-term strategic goals.

After completing the purchase of the former Navy Lodge parcel from the Navy and follow-up research, Middletown issued a Request For Information (RFI) in 2021. The current development partners were selected as the best response to the RFI based on key metrics.

The goal has always been to create a balanced and well-integrated development that includes housing, business opportunities, and public spaces while maintaining the unique character of Middletown. This project reflects the town's commitment to smart growth, sustainability, and responsible financial stewardship.

## Questions & Answers

### **Q1 — What is the purpose of the *Middletown Center* project?**

**A1 —** *Middletown Center* is the proposed redevelopment of 15 acres of town-owned land along West Main Road from Coddington Highway north to the intersection with Valley Road.

The Town has entered into a development agreement with three local developers who are partnering with Middletown to create a vibrant mixed-use development that combines commercial, residential and retail uses. Importantly, the project will bring in new revenue to the Town and creates the potential for redevelopment of West Main Road.

The project design aims to create a pedestrian friendly village for Middletown residents, especially those who live in *Middletown Center* housing and the surrounding neighborhoods. The goal is to create amenities like a town common, sustainable modes of transportation for pedestrians, bicyclists and public transit, retail stores and restaurants.

The development incorporates a mix of hospitality, market rate and affordable housing, retail, food, and entertainment, and will feature a town-owned open space expected to be developed as a park for recreation and community gatherings.

### **Q2 — Why does the project include a hotel, and is it necessary?**

**A2 —** The developers have said the *Middletown Center* project cannot go forward without the inclusion of the hotel, which is a strategic component designed to support both the local economy and housing market. The extended-stay units and traditional hotel rooms will accommodate business travelers, tourists, and military personnel from Naval Station Newport, which currently faces a shortage of long-term lodging options.

This hotel is necessary because:

- Naval Station Newport frequently requires temporary lodging for personnel, contractors, and trainees.
- The demand for hotel rooms on Aquidneck Island exceeds the current supply, especially during peak tourism seasons.
- The hotel could help reduce the pressure on short-term rental markets, keeping more residential properties available for long-term residents.
- It will generate significant tax revenue through hotel and meals taxes, contributing to town services and infrastructure.

By strategically locating the hotel within *Middletown Center*, the town can capture visitor spending, support the local economy, and provide much-needed accommodations for both military and civilian guests.


### Q3 — How will this projects financially benefit the Town of Middletown?

A3 — The goal is to generate new revenue streams for the Town through lease payments, hotel and meal taxes and property taxes that can be used to support other Town projects and provide relief for Middletown taxpayers.

Our estimate is the revenue stream to the town once the development is built will be at least \$1.1 million annually. That amount will increase over the years.

The redevelopment of this underutilized parcel can also be an economic engine for the Town by generating immediate jobs and encouraging new investment in the other commercial properties in the area.

The project has the potential to significantly revitalize the area and impact the broader economy on multiple fronts.



#### Town Of Middletown Financial Analysis

Projected Annual Revenues From Middletown Center At 600-740 West Main Road

Real Estate Revenue Estimates	Assessment	Tax Rate (Per \$1,000)	Total Projected Annual Tax Revenue
144 Room Hotel (At \$110K Per Room)	\$15,840,000	\$12.98	\$205,603
150 Apartments (At \$130K Per Unit)	\$19,500,000	\$12.98	\$253,110
30,000 SF Mixed Retail	\$5,550,000	\$12.98	\$72,039
Tangible	\$2,500,000	\$18.70	\$46,750
<b>Total Projected Real Estate Tax</b>	X	X	\$577,502

Projected Hotel Revenue	State Formula	Total Estimated Annual Revenue
144 Room Hotel	Middletown Receives 1 Percent Projected Hotel Revenues (\$614,952) For Local State Lodging Tax	\$61,495
144 Room Hotel	Middletown Receives 25 Percent Of Projected State Lodging Tax (\$307,476) Revenues	\$76,869
<b>Total Projected Hotel Revenues</b>	X	\$138,364

(The annual revenues for the Middletown Center hotel were estimated using the following formula of: 144 rooms x 365 days = 52,560 total room nights available x a projected 60% occupancy rate = 31,536 total room nights sold x an average daily room rate of \$195 = \$614,952)

Meals & Beverage Tax Projections	Anticipated Formula	Total Estimated Annual Meals & Beverage Revenues
Two Restaurants With Full Liquor Licenses	The Projections From The Two Restaurants Was Based On Market Research & Commonly Held Industry Standards	\$30,000

Year 1 Anticipated Revenues From Middletown Center	Annual Total
Real Estate Tax	\$577,502
Hotel Tax	\$138,364
Meals & Beverage Tax	\$30,000
Ground Lease (\$375,000 First Payment   Escalates 12.5% Every 5 Years)*	\$375,000
<b>Total Projected Annual Revenues To Middletown</b>	\$1,120,866

### Q4 — How will the project support local businesses?

A4 — A thriving local economy is built on strong, locally-owned businesses, and the *Middletown Center* project is designed to provide new opportunities for local entrepreneurs, small businesses, and retail operations. The development will introduce new commercial spaces, creating a business-friendly environment that attracts customers and enhances the overall economic vitality of Middletown.

Key benefits for businesses include:

- Increased foot traffic from residents and visitors living, working, and shopping in and adjacent to the town center.
- Modern retail and entertainment spaces that provide opportunities for local business growth.
- A stronger local economy through increased consumer spending and job creation.
- A balanced mix of retail, dining, and services, ensuring that the development serves both residents and tourists.

By fostering a business-friendly environment, *Middletown Center* will help retain and attract businesses, generating new jobs and economic opportunities for the town's residents.

Our development partners also report the construction and businesses at *Middletown Center* will create approximately 200 temporary and 100 permanent jobs.

**Q5 — How will the community benefit from new public spaces created as part of *Middletown Center*?**

**A5 —** One of the defining features of the *Middletown Center* project is its focus on creating attractive and functional public spaces that enhance the community's quality of life. Instead of simply buildings, the project integrates green spaces, walking paths, a connecting bicycle path and gathering areas that encourage interaction, relaxation and recreation.

The development plan includes:

- Approximately 1.5 acres of open space for recreation and community events such as farmers' markets, concerts, and seasonal festivals.
- Enhanced pedestrian areas and bike-friendly pathways to promote non-vehicular travel.
- Parks and open spaces designed to provide areas for relaxation and outdoor activities.
- A bike path along the western boundary of the site connecting West Main Road to Coddington Highway.
- Landscaping and public seating areas to create a welcoming and visually appealing environment.

By emphasizing connectivity and outdoor engagement, *Middletown Center* will offer residents a new focal point for social and cultural activities, further strengthening the town's community spirit.

**Q6 — What types of housing are included, and how much will be designated as affordable?**

**A6** — Of the 15 acres, more than one-third will be dedicated to residential housing, with 150 new housing units (15 three-bedroom units, 95 two-bedroom units, and 40 one-bedroom units) in several three-story buildings.

Fifteen units will be classified as affordable for tenants earning no more than 80 percent of Area Median Income. The inclusion of affordable housing requires no investment from Middletown taxpayers or external public funding, which can add extensive time to the development cycle of such units.


In addition, the proposed housing development provides housing availability for Naval Station Newport expansion of operations for the U.S. Coast Guard and National Oceanic & Atmospheric Administration. All told, an additional 500 to 600 personnel are expected to be relocated to the Navy base.

**Q7 — How does the relocation of the library impact on the overall project?**

**A7** — The Town had considered building a new library on the northern end of the property, but the rapidly rising costs of construction and unidentified financing made the \$32 million project a difficult goal to achieve.

Instead, Town officials found a pre-existing building at 110 Enterprise Center (where the local farmers’ market takes place) that was a better site for a new library for multiple reasons.

Besides being more affordable, it’s a better location, with ample space for programming on a single level and adjacent to a large senior housing development. Even with renovations, the cost is less than half of what a new building would cost, saving Middletown taxpayers approximately \$14 million to



**Town Of Middletown Financial Analysis**  
Middletown Public Library - Cost Of New Construction Vs. Purchase & Renovation

Purchase Of 110 Enterprise Center	New Construction	Purchase & Renovate
Cost Of Building Purchase	X	\$3,300,000
Projected Renovation Costs (29,952 SF x \$250 Per SF)	X	\$7,488,000
Land Purchase To Relocate Public Benefit Conveyance For West Main Recreation Complex	X	\$1,000,000
Construction Of New Multipurpose Fields	X	\$1,000,000
<b>Subtotal</b>	<b>X</b>	<b>\$12,788,000</b>

Construction Of A New Library At 740 West Main	New Construction	Purchase & Renovate
Cost Of Construction (31,551 SF X \$800 Per SF)	\$25,240,800	X
Cost To Operate Library During Construction Period	\$1,000,000	X
Land Purchase To Relocate Public Benefit Conveyance For West Main Recreation Complex	\$3,000,000	X
Construction Of New Multipurpose Fields	\$3,000,000	X
<b>Subtotal</b>	<b>\$32,240,800</b>	<b>X</b>

Reimbursements	New Construction	Purchase & Renovate
Estimated Reimbursement For Buying 110 Enterprise Center (10% Of Purchase Price)	X	(\$330,000)
Estimated Reimbursement For Renovating 110 Enterprise Center (29,952 SF x \$250 Per SF   The Maximum Reimbursement Is 50% Of Renovation Cost)	X	(\$3,744,000)
Estimated Reimbursement For New Construction At 740 West Main (31,551 SF x \$300 Per SF   The Maximum Is 50% Of Project Cost)	(\$9,465,300)	X
<b>Subtotal</b>	<b>(\$9,465,300)</b>	<b>(\$4,074,000)</b>
<b>Total Estimated Cost</b>	<b>\$22,775,500</b>	<b>\$8,714,000</b>
<b>Estimated Cost Avoidance</b>	<b>X</b>	<b>\$14,061,500</b>
<b>Cost Of Project Per Square Foot</b>	<b>\$722</b>	<b>\$291</b>

\$15 million.

In addition, transition to the new space will occur in half the time that new construction would take and eliminates the need to find a temporary home for the library during construction.

The Library Board of Directors has indicated the new location is far superior to the West Main Road location and frees up a substantial amount of open space on the West Main Road property.

The development partners had no role in the decision to move the library to Enterprise Drive.

**Q8 — What steps are being taken to address traffic congestion and pedestrian safety?**

**A8 —** Traffic congestion and pedestrian safety are key concerns for any development of this scale, and the development plan incorporates specific improvements in infrastructure and pedestrian-friendly design.

Traffic mitigation strategies include:

- Enhanced pedestrian crossings and dedicated bike lanes to promote safer walking and cycling.
- Intersection improvements along West Main Road and Coddington Highway to limit bottlenecks.
- New traffic flow patterns to reduce congestion during peak hours.
- Public transportation enhancements to encourage the use of alternative travel options.

These improvements will create a safer, more efficient transportation system, benefiting both drivers and pedestrians. In addition, the developers will be required to conduct a traffic study of the impact the proposed development will have on traffic in the area. They will also need to obtain approval from the Town's Planning Board and the Rhode Island Department of Transportation.

**Q9 — What changes were made to the original development plans based on public and Planning Board feedback?**

**A9 —** The developers received public input at Planning Board and Town Council hearings in April and June 2022 and responded to concerns about the location of the hotel, the need for stormwater improvements, traffic studies, and recreational opportunities.

All of the major pillars of the original concept plan (municipal space, residential, retail and a hotel) remain part of the design. They also incorporated several recommendations from the Middletown Center Citizens Advisory Committee (MCCAC) made in May 2023. The

MCCAC is a citizen advisory committee brought together to offer input from residents and other stakeholders.

These included adding a bike path to the western perimeter of the property, pushing the hotel further away from West Main Road, consolidating open space into a contiguous area, and placing emphasis on pedestrian safety and opportunities for public gathering spaces.

After the Feb. 5, 2025 special Planning Board meeting, the developers submitted a revised overlay district petition that included clarification of the public common area and reduced the maximum height for a hotel/hotel use from 75 feet to 55 feet.

**Q10 — What zoning and regulatory approvals are still needed before construction begins?**

**A10** — The development team has presented a proposed zoning overlay for the property, which is currently under review by the Planning Board. After public hearings and review, the Planning Board will make a recommendation on the overlay to the Town Council.

Then, the Town Council will hold additional public hearings on the zoning overlay. If the project proceeds, the developer will conduct due diligence on the property, including analysis and investigations with respect to title, survey, environmental conditions, soil and groundwater, traffic impacts and economic feasibility.

After due diligence is completed, the developer will file land use and other applications for permits or regulatory approvals with the Town and the State, which begins the development review process. That process will include additional public hearings on the details of the proposed development.

**Q11 — What are the plans for the West Main Road Recreational Complex within the development?**

**A11** — The West Main Road Recreational Complex — including Pottsy Field — is a Federal Lands to Parks (FLP) property that was transferred to the Town by the National Park Service (NPS).

The transfer of the approximately 3.8-acre parcel was made with certain restrictions, or covenants, requiring the land be used for recreational purposes. The Town has been aware of the restrictions on the site and the law allows the Town the opportunity to relocate those restrictions and the recreational use to a different piece of property.

Currently, the Town is exploring that option with the goal to move the bulk of the recreation complex to the northern portion of the West Main Road site.

The Town is also negotiating with the Navy over the control of two parcels located west of the former Kennedy School, which, when added to the land reserved for open space and recreation, will create nearly 5 acres of contiguous open space – 33 percent more than the existing 3.8 acres. The Town will control the development and use of that open space.

The town is also in conversations with the Potts family on how best to honor Sgt. Christopher Potts with a memorial dedication that is meaningful and respectful. A new location for the memorial to Sgt. Potts has always been part of the plan for development at this site.

### **Q12 — What environmental measures will be implemented?**

**A12** — The project will include modern stormwater management systems to prevent flooding, improve drainage and provide water quality treatment. These systems are designed to meet or exceed current state and local environmental regulations, ensuring that water is effectively managed on-site.

Environmental strategies include:

- Stormwater management systems to prevent runoff and reduce flooding risks.
- Preserving green spaces and planting native vegetation to promote biodiversity.
- Permeable surfaces and green infrastructure to absorb excess rainwater.
- Retention basins and drainage improvements to handle stormwater efficiently.
- Landscaping strategies that minimize erosion and improve soil stability.

### **Q13 — When will *Middletown Center* be completed?**

**A13** — The timeline for completion depends on approvals and construction schedules, but estimated milestones include:

- Library relocation within the next two years.
- Infrastructure and site preparation beginning shortly after approvals.
- Full buildout expected over several years, depending on market conditions and financing.

*Middletown Center* is a long-term investment in the community, ensuring a well-planned and sustainable future for residents and businesses.

### **Q14 — How can residents stay informed and provide input as these projects move forward?**

**A14** — Transparency and public engagement are top priorities throughout this development process. Everyone can stay involved by:

- Attending public meetings and hearings held by the Town Council and Planning Board.
- Following updates on the Middletown website for news and project developments.
- Participating in community feedback sessions and advisory committees.

By staying engaged, residents can help shape the future of *Middletown Center* and ensure it meets the needs of the community.

Information regarding the project is available on the Town's website at <https://mdl.town/MC-Planning> online.

And if there are questions that you'd like to see answered, send them our way to Public Affairs Officer Matt Sheley via email at [msheley@middletownri.gov](mailto:msheley@middletownri.gov). Have a great Middletown day.