



PRI X, LP Submission



Response to Request For
Proposals for the redevelopment
and use of up to 5.03 acres of
land situated at



The Galilee Fishing District
307 Great Island Road,
Narragansett, Rhode Island



Dated Submitted:
November 15, 2021



CONCEPTUAL RENDERING ONLY

PRI X, LP is a Rhode Island limited liability partnership comprised of the ownership of Procaccianti Companies, Inc. and Paolino Properties, both of Rhode Island. These two firms joined to create PRI X, LP (“PRI X”), which currently possesses a lease-hold interest in the 5.03 acres of land (“Site”) which is the subject of this RFP and this Response.



Procaccianti Companies is one of the largest and most respected privately-held real estate investment and services firms in the United States. Founded in 1958, our successful track record spans over six decades and our experience includes thousands of transactions representing more than \$10 billion of diversified real estate investments. We are a vertically integrated alternative asset manager with a broad national platform having owned, developed, managed or financed investment real estate in more than 170 cities across 32 states coast to coast. Procaccianti has owned, managed, developed or financed over 200 hotels from coast to coast, as well as extensive holdings in office buildings, retail centers, marinas, fuel and convenience stores and more.

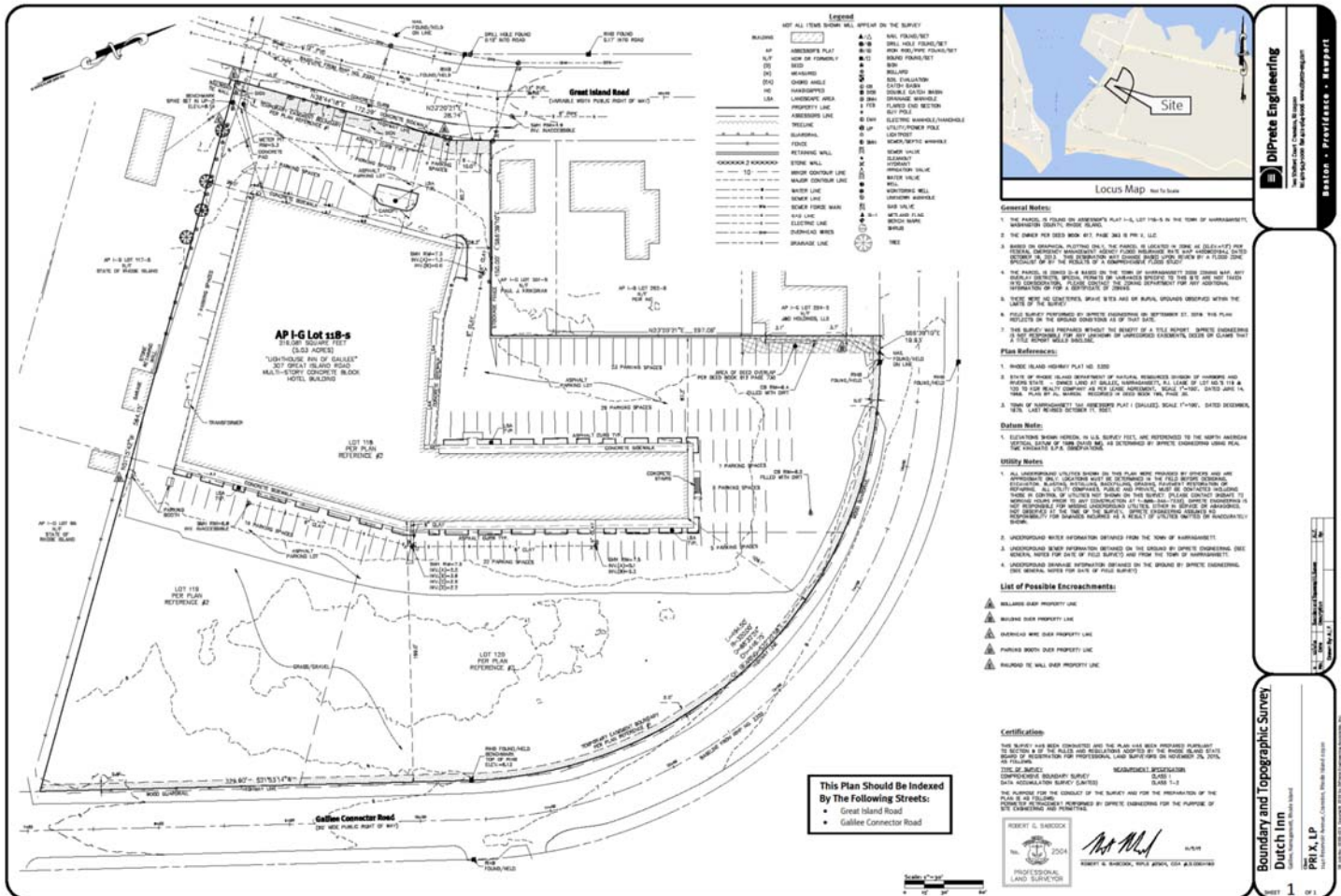
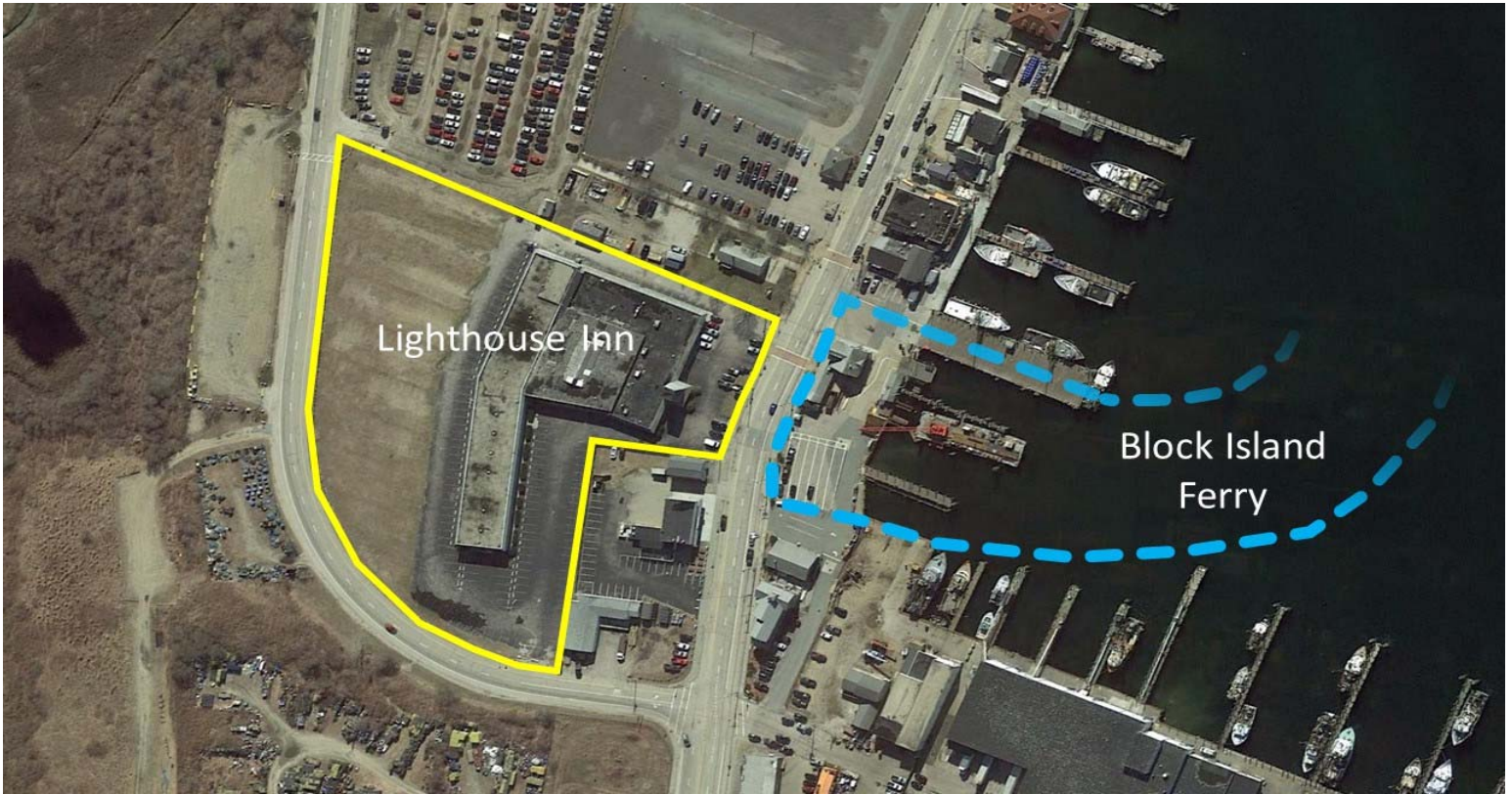
Paolino Properties, since 1900, has embraced a mission that combines a reverence for tradition with progressive practices and policies. It is a mission that has withstood the test of time in serving our clients, expanding our portfolio, and setting the standard for commitment, reliability and operational excellence. Paolino Properties is a fourth-generation family-owned and operated real estate investment, development, and management company. As one of the largest family-owned commercial real estate companies in the state of Rhode Island, Paolino Properties manages more than forty properties totaling nearly three million square feet.

Led by Managing Partner Joseph R. Paolino, Jr. and Partner/Owner Donna Paolino, our highly-trained staff of 35 hard-working men and women offer clients an exceptional attention to detail that drives success. Providing convenient locations and attractive, well-maintained properties is the cornerstone of the company. With a diverse portfolio of retail, commercial, residential, and hospitality properties, the Company has experience in partnering with a wide-ranging client base to ensure success. The Firm currently owns and manages prestigious Class A office space, Class B commercial properties, retail shopping centers, high-end residential developments, a world-class marina in Newport, and more than 1,000 parking spaces within the city of Providence. Paolino Properties owns and manages the prestigious 100 Westminster Street in the heart of downtown Providence, where the company is currently headquartered.

As of this writing, the remaining term of the ground lease is twenty (20) years, expiring on July 31, 2041 if all remaining 5-year options are exercised.

PRI X has been forthcoming with the State of Rhode Island, its Department of Environmental Management and the Town of Narragansett in its efforts to identify, establish and execute a redevelopment plan acceptable to the stakeholders. With this RFP and Response, PRI X has identified a path to the future use and enjoyment of the Site.

Nothing in this Response to Request for Proposals shall act to waive any rights of PRI X, LP under the DEM Ground Lease as amended.



Point 1: Our Vision

Overall, PRI X has two phases to its Response:

Phase I:

PRI X proposes to demolish most, but not all, of the existing hotel building. PRI X proposes to maintain the single-level front section which faces Great Island Road. This section would be extensively redeveloped with new rooflines, front façade and signage, all in the style of a typical New England fishing village. This front section would then be divided into separate footprints and marketed to local business ideally as space for coffee shops, breakfast and lunch outlets, convenience items, ice cream outlets and similar users who can take best advantage of the pedestrian traffic generated by the Block Island Ferry passengers and parking. Additionally, Phase I will include the removal of the front parking area and its replacement with extensive landscaping, park benches, history tablets and the like to augment the retail offerings.

The balance of the Site will be used initially for parking to service the local area, the retail stores and, of course, the Block Island Ferry.



PHASE 1 STREETScape AND SITE PLAN



PHASE II BOUTIQUE HOTEL DEVELOPMENT

Point 1: Our Vision

Phase II

PRI X will then pursue economic feasibility and the development of a new independent-branded boutique hotel of between 20 and 40 rooms. In order to do this, PRI X must secure an extension of the ground lease term for a maximum of ninety-nine (99) years. This lease extension is required to effectively mitigate the costs of construction and to secure adequate financing. As discussed, any new construction on the Site will require that the first occupiable level be above eleven (11) feet due to flood plain and climate change concerns. Accordingly, building an elevated structure is more expensive than building the same structure on grade. Moreover, lenders will not entertain new construction and subsequent permanent financing with less than a 99-year term.

To be clear, Phase II is subject to, and contingent upon, PRI X being granted a total term of 99 years or, alternatively, PRI X acquiring the Site outright.





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Point 2: Whether Phase I alone is achieved, or Phase II is reached, the entire Site will be utilized.

Pointe 3: Both Phase I and Phase II can serve, directly and indirectly, the established and burgeoning commercial fishing industry headquartered in Galilee. The availability of food, commodities, convenience items and more at the retail storefronts bring another element to the area and its denizens. Further, the preservation of a dedicated parking element will provide parking for local workers regardless of their industry. Additionally, preserving a portion of the Site for parking will allow the expansion of specialty commercial fishing industry support groups on shovel-ready land.



Point 4: Projected employment for Phase I alone can easily reach 40 full time employees during the season. Once Phase II is operational, PRI X estimates an additional 20 person staff, bringing both Phases to a total estimated employment base of 60 persons.

Point 5 PRI X has a truncated term running to January 31, 2022, and has already filed a Lease Extension Notice to extend the term to December 31, 2027. To achieve Phase I, PRI X will require an additional five-year extension, bringing the current term, as extended, through December 31, 2032. Aside from achieving the goals of Phase I, PRI X, together with the Rhode Island Department of Environmental Management (“RIDEM”), will introduce legislation to the Rhode Island General Assembly to allow for a total overall term of 99 years in order to achieve Phase II. If granted, whether as an extension of the then-current remaining term or a new lease document with a new commencement date, PRI X will immediately commence the design and architectural plans for the boutique hotel component. Once PRI X secures the term extension and commences design, we anticipate a full design within 6 months, bidding and preliminary engineering to take an additional 4 months, and construction thereafter to take an additional 12-14 months.

PRI X hesitates making any assumptions as to the timing of the required legislation for the term extension.

Point 6: Based on its institutional knowledge and experience in meeting with and listening to members of RIDEM and the Town of Narragansett and its concerned citizens, PRI X feels it has a clearer understanding of how best to execute its plan to meet the acceptance of the various parties. As envisioned, with both Phases in place, the Site will contribute to the overall sense of being for Galilee and help advance the Port towards a more cohesive, well established and better focused pedestrian area.

Point 7: Please refer to “About the Respondent”.

Point 8: The parties of PRI X are both hoteliers and owners of various real estate asset classes including retail. Procaccianti Companies is among the largest privately-owned and operated hotel companies in America, with holdings from coast to coast, and from Michigan to Florida. Paolino Properties also has a varied asset class portfolio, including a Homeward Suites and the privately-branded The Beatrice, both in Providence, as well as extensive retail properties in southern New England.



Pointe 9: PRI X anticipates the value of the entire Site, net of land but inclusive of the completion and operation of both Phases, to be approximately \$9 million to \$11 million. PRI X is more than capable of generating the required debt and equity to successfully execute both Phases.

Point 10: PRI X is positioned to execute its plan in short order. RIDEM already has a demolition timeline in their possession as determined by PRI X, pursuant to the Memorandum of Agreement dated July 22, 2021. PRI X is already under lease with RIDEM on the Site and has existing financing on the Site already. Any other Respondent would be required to fund the balance of the financing should PRI X not be the selected Respondent.

Respectfully submitted,
PRI X, LP



Michael A. Voccola
Authorized Signatory

