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## POLITICS

# After 45 years, wind energy might finally give this East Providence site a purpose

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EAST PROVIDENCE — Unlike most of the Rhode Island shoreline, this vacant stretch of grass and gravel jutting into the Providence River wasn't formed by receding glaciers.

The South Quay (pronounced "key") was created by the Providence and Worcester Railroad in the 1970s, a 33-acre riverfront boondoggle never used in nearly a half century.

Now, East Providence, a Boston developer and state commerce officials want to use this white elephant to capture a big piece of the coming offshore wind power construction boom for Rhode Island.

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They've teamed up on a plan to build a \$100-million wind port on the Quay where turbine pieces would be delivered, assembled and sent out into the Atlantic.

What they've been missing is money. Now, flush with federal COVID-19 cash, that might not be as much of a problem.

Gov. Dan McKee is expected to include a chunk of money for offshore wind port expansion in his upcoming budget, including for the South Quay. When he talks about investing in the "blue economy," this is a big part of what he means.

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McKee "has expressed that the blue economy is a priority for the state ... and has indicated that creating additional port facilities in East Providence is an idea we ought to pursue," state Commerce Secretary Stefan Pryor said Thursday. "It would be premature to offer a specific figure, but I would not be surprised if in one way or another, the East Providence project is included in the governor's budget submission."

East Providence Mayor Roberto DaSilva has asked McKee to put \$35 million for the South Quay in his budget and sounds confident that money is coming. The state has already committed \$15 million in "Rebuild" tax credits and another \$200,000 in two Commerce Corporation grants to the project.

With the state money and an unspecified contribution from RI Waterfront Enterprises LLC, which owns the South Quay, project proponents hope to be able to secure federal funding from one of a number of grant programs. (Last year the city applied for a federal Department of Transportation grant for the wind port but didn't get it.)

A few months ago, U.S. Rep. David Cicilline singled out the South Quay as a worthy recipient of funding from the infrastructure bill passed by Congress last year.

"I see this as a huge financial benefit to my community, but also, I don't want to see Rhode Island fall behind in offshore wind to Massachusetts, Connecticut and New Jersey when we are positioned to be a leader," DaSilva told The Journal.

## **1976: Plans for container port go nowhere**

Today, if industrialists wanted to fill in 30 acres of the harbor on a speculative venture, they'd have their work cut out for them.

But when the Providence and Worcester Railroad got the green light to build the South Quay in 1976, coal was still king in much of the country and environmental regulations were comparatively lax.

Providence and Worcester's original plan was to build a container port at South Quay that would take advantage of the deep-water channel in the river and the rail lines running by the site.

But after the area was cordoned off from the rest of the river with an earthen berm in 1979, the project stalled, held back by legal challenges, financial problems and shifting market conditions.

By 1987, the railroad had proposed building a coal terminal to supply a proposed power plant in Woonsocket, but that idea never went anywhere.

The railroad finally filled in the Quay with silt and gravel in the early 1990s, but by the turn of the millennium, East Providence was looking away from heavy industry on the waterfront toward homes, amenities and recreation.

Where a rail line once passed the South Quay, the East Bay Bike Path now sits in the old right of way. Outdoor concerts are held next door at Bold Point Park.

After the site sat fallow for decades, the city nearly lost the opportunity to use the South Quay for offshore wind two years ago when the Narragansett Bay Commission attempted to seize it as a dumping site for "tunnel muck" from the ongoing sewer overflow project.

DaSilva and East Providence lawmakers moved to block the Bay Commission move just before the COVID pandemic arrived.

## **The site: 'Laydown' space for turbine components**

The city sees an offshore wind terminal as an industrial job-producer that would take advantage of the site's unique location without causing any new environmental problems or bothering nearby residents.

Wind turbine segments would arrive at the port by water, be unloaded and assembled there and then shipped out to wind farms by water.

The Port of Providence and Quonset's Davisville port are also offshore wind staging areas (you can see the outline of ProvPort's new turbine fabrication building from South Quay), but there's great demand for flat, empty "laydown" space to store giant turbine blades and towers.

Grant applications from last year for the South Quay say it would have 28 acres of laydown space, compared with 35 acres at ProvPort, 58 acres ("terminal/laydown") at Quonset and 21 acres in New Bedford.

For the trucks that do need to get to the South Quay, the state is in the process of building a new highway ramp that will connect from Route 195 to Waterfront Drive, which leads directly to the property.

## **The developer: Planning outdoor concert venue in addition to port**

RI Waterfront Enterprises bought the South Quay and a bow-tie-shaped property to the north in 2019 for \$4.5 million. It also owns the hillside land to the south, formerly belonging to Chevron, where plans to build apartments have gone unrealized.

The company is an investment partnership of Boston-based Mugar Enterprises, a family real-estate firm that has developed several shopping centers in suburban Massachusetts, and Live Nation concert promoter Donald Law.

Although offshore wind is the headliner, Waterfront Enterprises' plans for East Providence don't stop there.

The developer still wants to build a 5,000-seat amphitheater concert venue — similar to the Leader Bank Pavilion in Boston's Seaport — on the "bow-tie" property between the South Quay and city-owned Bold Point Park. Concerts at the venue would replace the Bold Point outdoor music series.

In the longer term, Waterfront Enterprises hopes to develop the ex-Chevron property south of the Quay but doesn't have any immediate plans for it, company COO Seth Grady said.

Grady declined to say how much upfront money Waterfront Enterprises is willing to put into the port project.

The owners of the South Quay aren't port operators, so they plan to emulate the management model used across the river at ProvPort, where a city-controlled nonprofit oversees a private operator, Grady said.

In the case of the South Quay, Waterfront Enterprises would likely lease the land to the public nonprofit and enter a revenue-sharing agreement with the state and the city.

Waterson Terminal Services operates ProvPort, and there's a good chance the company would be employed to run South Quay. The city's unsuccessful U.S. DOT grant application listed Waterson as the prospective terminal operator.

Having Waterson run both ports could make it easier to coordinate shipping and avoid taking business from each other, Grady said.

At one point, developers were looking at building apartments, shops or a hotel on the South Quay, taking advantage of its great waterfront views

But the land is outside the Providence hurricane barrier, only a few feet above the high-tide line on most days and is as flat as a billiard table, making it especially vulnerable to sea-level rise and big tropical storms.

As for the music venue, Grady said they hope to get it up and running by the summer of 2023.

## **Will RI lose out amid competition from neighboring states?**

Rhode Island leaders have been talking about making the state a hub for the offshore wind industry for at least a decade, but so have politicians in other states.

With several offshore wind farms in various stages of development off the Southern New England coast, ports throughout the region are maneuvering to host staging or support facilities for the massive projects.

In Massachusetts, officials in New Bedford last summer announced plans for a second offshore wind facility in the city, and a 42-acre staging area is being planned in Salem.

Officials in Somerset hope to repurpose the former Brayton Point power plant property for the wind industry.

Connecticut has planned a \$235-million pier construction project to create an offshore wind port in New London.

Is Rhode Island in danger of being left out?

Not really, according to Pryor.

"There is not an adequate amount of port acreage to launch the wind projects planned as things stand," Pryor said Thursday. "It is less a competition than a collective need — even with New London on one hand and New Bedford on the other."

The real competition between states might not be for turbine leases, but for federal money to build out the ports.

A Rhode Island "blue economy" cluster is one of 60 finalists for a federal "Build Back Better Regional Challenge" grant. Winners of the grants could get up to \$100 million.

## **Save The Bay's thoughts on environment impact**

Environmental group Save The Bay considers the original filling of the river to build the South Quay a big mistake.

But given the Quay's existence, using it to build wind farms is a decent option, said Save The Bay Baykeeper Michael Jarbeau.

"This development has been the least objectionable of the uses we have heard," he said Thursday. "It is at least good to see a water-dependent use."

## **When would construction begin, and how would the project be paid for?**

If project developers can secure enough money from the state and the federal government, construction of a South Quay port could begin by the end of this summer, Grady said.

Work will involve building out a new bulkhead for the shipping berths, paving the laydown area, building an access road, erecting support buildings and installing utilities.

A Commerce RI presentation from last year estimated construction would take up to two years.

Meanwhile, the developer, the city and the state would need to negotiate how they would divide revenue and who would manage the facility.

DaSilva said the project could be paid for using Tax Increment Financing, where future taxes and revenue pay off the borrowing used to fund construction.

He said one condition would be that if offshore wind for some reason doesn't pan out, the port won't turn toward less desirable heavy industry.

"We don't want this to be used for scrap metal or coal, salt and anything that would cause an environmental issue," DaSilva said.

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