

# Research office complex envisioned for site reclaimed from Route 195

01:00 AM EDT on Thursday, June 9, 2011

By Paul Grimaldi

Journal Staff Writer



Victory Square is planned for the site now occupied by Victory Finishing Technologies.

*The Providence Journal / Frieda Squires*

PROVIDENCE — A former Rhode Island auto dealer has plans for the first large-scale private development in the industrial district envisioned as the home for research companies by city and state leaders working to restart Rhode Island's moribund economy.

The businessman, Richard Gudoian, leads an investment group proposing a research office campus on the site of a shuttered factory complex off Eddy Street. The group's plan includes 750,000 square feet of building space and a parking garage on a 7.5-acre site that lies between the South Side hospital campus and the land that once lay beneath the path of Route 195.

Those 35 acres that will become available by the relocation of Route 195 are considered to be one of the most valuable economic opportunities in the state. The site under consideration lies between the old highway land and the three-hospital campus farther down Eddy Street, on land that once housed a jewelry factory and various commercial uses.

The development would cost more than \$100 million and take years to complete. Labeled Victory Square, the development hinges on at least two agreements falling into place in the coming weeks.

The first is completion of a court-sanctioned land purchase, now expected shortly after July 4. The second is passage of a multi-year tax-stabilization plan to be considered Thursday night by a City Council committee.

Gudoian, who leads the private JAG Investment Realty company, will need final approval from city planning officials and, ultimately, lease or investment commitments from one or more research entities intending to locate there. Gudoian is the former owner of the Inskip and Newport Auto dealerships. JAG expects to spend between \$9 million and \$10 million to purchase the property, clean up the land and raze the buildings at 145 Globe St., once home to the defunct Victory Finishing Technologies Inc., according to his lawyer, Thomas E. Carlotto. The price includes about \$600,000 in overdue property taxes — about half of what's owed by Edward Marandola Jr., Victory's former owner — and legal fees. Marandola's businesses fell into receivership more than a year ago and his holdings are being sold off to satisfy his debts.

"We now have truly solvent players who are going to be paying taxes who'll generate private-industry jobs in a much-needed area, drawing on the city's academic and health-care institutions," said Vincent Indeglia, the court-appointed lawyer overseeing the Marandola case.

[David Ortiz](#), a spokesman for Mayor Angel Taveras, wrote in an e-mail, "The city wants to see the parcel developed in a way that supports [the mayor's] efforts to create jobs, generate new property taxes for the city and grow the Knowledge District into an economic engine for the city and all of Rhode Island."

City Council President Michael Solomon said the tax-stabilization plan, which would last 13 years, is an appropriate inducement from the cash-strapped city to spur development.

The city would forgo the first three years of property taxes after it approves Gudoian's plans. The tax break then would drop by 10 percent a year for a decade, meaning the city wouldn't see the full benefit of property taxes from Victory Square for more than a decade.

"Right now, we need to give people incentives; builders are being cautious," Solomon said.

According to Ortiz, "The tax stabilization being proposed for Victory Square is the city's first-ever tax-stabilization agreement that protects taxpayers with 'claw-back' provisions, which require the developer to pay the city back if the project doesn't hit its benchmarks for timely development and the creation of new jobs." Solomon said Gudoian's plans fit into the ideas for the district now under consideration as part of a broad study of development issues begun by Taveras.

Gudoian's plan is a smaller version of one first put forward by Marandola, the former jewelry company owner.

Marandola teamed with Commonwealth Ventures, a real-estate investment firm run by Brown University graduate Richard A. Galvin, to create a redevelopment plan for the Victory site and some contiguous lots, Indeglia said. They had "deep

conversations” with city officials about plans for 1 million square feet of building space in a campus-style setting that included a parking garage.

But in the end, Gudoian outbid Marandola’s group in a court-sanctioned auction for the Victory property.

[pgrimald@projo.com](mailto:pgrimald@projo.com)