

# City wants to level River Street mill

## NEXT RE-DEVELOPMENT TARGET

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WOONSOCKET – Borrowing a strategy that other communities have used to restore abandoned, blighted real estate to the tax rolls, the city has petitioned into receivership the owners of the defunct factory complex known as Dorado Properties LLC.



Though Dorado represents several structures, the immediate target of the Superior Court maneuver is 719 River St., a rambling wood and brick building in such disrepair it's not just an eyesore but a threat to public safety, city officials say. Built in 1890, the mill is owned by onetime Dorado principal Robert Picciotti Jr. of Narragansett, who owes some \$737,000 in back taxes and utility fees on the parcel, including 2.2 acres of land overlooking the Blackstone River.

Though the city petitioned Dorado Properties into receivership months ago, the matter is getting some attention now because the Law Department wants the City Council to authorize the demolition of the property. The job is expected to carry a price tag of around \$150,000, a tab the city would be required to cover, at least preliminarily, according to City Solicitor John DeSimone.

Theoretically, the city would be reimbursed, but when and to what extent are questions DeSimone and lawyer John A. Dorsey, the court-appointed receiver in charge of the parcel, are expected to explore with members of the council during a work session in City Hall tonight.

DeSimone says the whole point of the receivership petition is to force the owner's hand to do something with a property that's essentially been abandoned. If the city does nothing, he said, it's very likely the parcel will languish for the foreseeable future, continuing to pose a public safety hazard without generating any fiscal benefit for the city.

In a receivership petition, the court typically appoints a manager of sorts – the receiver – to settle up the debts of the ownership entity that is the target of the action. In this case, the court has appointed Dorsey to oversee the liquidation of Dorado's real estate assets at 719 River St.

As receiver, Dorsey is now calling for the demolition of the 83,000-square-foot property as a first-step toward getting the parcel ready for resale. The proceeds from such a transaction could be put toward the owner's debts, including the demolition costs and overdue taxes

With the court's approval, Dorsey has already obtained bids for the demolition of the parcel, according to DeSimone.

The city solicitor says receivership is a particularly useful tool in this case, because it gives the city a great deal of leverage over the fate of the parcel without actually assuming the risks of owning it. Given its history as a textile processing facility, for example, the site may require some environmental remediation in the future.

Though the timeline is uncertain, DeSimone believes the likelihood that the city will be eventually be reimbursed for the demolition is very good, since the city initiated the petition. Alternatively, the city has nothing to gain and a worsening public safety issue on its hands if it allows the parcel to remain idle.

"It's a no-brainer because, let's face it, it's a public safety issue, and probably you're going to find hazardous waste there," said DeSimone. "Obviously, the owner of the building has pretty much abandoned the property."

City Council President Dan Gendron said he's been briefed on the proposed demolition and wants to hear more details about the plan before he takes a firm position on it. Among the questions he has are how much the demolition will cost and how likely it is that the city will be reimbursed – for all or part of it.

"It's a wise thing, perhaps, to do these things without taking ownership of the property," said Gendron. "I'm not saying I'm against it, I just want to know what our chances are of getting our money back – at any point."

Officials are keenly aware the public safety nuisance the building poses. Not long ago, Gendron said, the city hired a company to erect a temporary chain-link fence around it.

While other municipalities have turned to receivership as a sort of redevelopment tool, DeSimone said the petition against Dorado Properties is a first for the city. He said he filed the petition shortly after he was appointed solicitor in January.

Tax Assessor Elyse Pare, the former deputy tax assessor in Providence, said the law department in that city had used receivership petitions to gain some leverage over properties in the hands of neglectful owners.

The city has previously attempted to drum up interest in the parcel by listing it for sale in an auction of tax-delinquent properties, but no one seems interested, given the existing condition of the site.

Back taxes have been accruing on the parcel at the rate of about \$17,000 a year, not including interest and penalties, according to city records. The tab currently stands at \$737,832, including \$16,443 in unpaid water and sewer fees.

The financial obligations associated with 719 River St. represent only a portion of Picciotti's debt to the city. He owes roughly \$1 million in back taxes and fees on several parcels, including \$219,000 on a 3,025-square-foot structure located at 787 River St., according to the assessor's records.

No action is expected at tonight's work session, but if the council reaches a consensus of approval on the proposed demolition, members may put it up for a vote at a regular meeting in the near future.