

POLITICS

RI in 'heavy negotiations' to revive Providence's Superman Building, McKee is optimistic



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Gov. Dan McKee's administration is in "heavy negotiations" with the owner of downtown Providence's vacant "Superman Building" over a deal to bring the art deco skyscraper back to life after nearly a decade.

The current cycle of talks over converting the Industrial Trust office tower – Rhode Island's tallest building – into apartments have been going on since at least early autumn.

But McKee recently said he is optimistic an agreement can be reached, and people close to the talks say discussions have reached a new level from prior, failed efforts to make a deal.

'A lifeless void': Superman Building tops list of Providence's most endangered properties

Historical photos: Art deco 'Superman building' graces the Providence skyline

"We are in heavy negotiations on that building right now," McKee said on former Providence Mayor Joseph Paolino Jr.'s "In The Arena" television show. "The commerce team tells me we are negotiating something that has legs and we are hopeful that something is going to happen there in the not-too-distant timeframe."

Asked Thursday if the current negotiations felt different from earlier discussions he has been a part of, State Commerce Secretary Stefan Pryor said they did.

"We are in the midst of a constructive dialogue with the building owner," Pryor, who has been leading the state's effort to fill the building since 2015, said. "There remain some open issues. We are working collaboratively to resolve the remaining issues."

What will it take to save the Industrial Trust Building?

He listed four priorities for the state as it tries to hammer out a deal:

- Making sure the owner's economic assumptions are realistic
- Guaranteeing that at least some of the units in the building will be affordable
- Closing the financing gap on a residential conversion with money from "multiple sources" that would include the state, but not just the state
- Making sure the building owner, David Sweetser of High Rock Development, puts enough of his own money, or, "skin in the game," to make the conversion project work.

High Rock Westminster LLC bought the circa-1928 Superman Building in 2008 for \$33.2 million, but by 2013 sole tenant Bank of America moved out, leaving a giant void in downtown.

Waterfront apartments: What to know about the developer picked to construct an apartment building in Fox Point

Initial requests for public subsidies to convert the building into apartments were rejected by political leaders.

Then Gina Raimondo, governor at the time, embarked on a campaign to land new office tenants for the building, but they never came to fruition before the COVID pandemic walloped the commercial real-estate market.

In September, McKee said the owners of the Superman Building had asked for \$40 million in subsidies for a residential conversion, a total he did not seem comfortable with at the time. A source with knowledge of the negotiations said the total ask is actually closer to \$50 million.

They had estimated the renovated building would house 450 people.

RI budget: McKee's \$12.8-billion budget targets COVID recovery, avoids tax or fee hikes

Last fall High Rock said if converted to apartments the Superman Building would house around 450 people.

Pryor would not discuss any of the dollar figures now being negotiated or say what other sources of money, besides the state's and the owner's, he was looking to tap.

Although McKee did not set aside money for the Superman Building in his annual budget proposal last month, the Commerce Corporation has a number of incentive programs that could provide funding.

High Rock, through a spokesman, declined comment.

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