



News Release

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Settlements at Centredale Manor Restoration Project Will Generate Millions for Cleanup & Secure Elderly Housing in North Providence, R.I.

BOSTON – Federal, state and local officials have reached agreements with the owners of Brook Village and Centerdale Manor to contribute to the cleanup of the Centredale Manor Restoration Project Superfund Site in North Providence, RI. The agreements will generate at least \$3.6 million towards the cleanup of the site.

Both parties are limited partnerships whose only significant asset consists of an apartment building that provides affordable housing to the elderly. The apartment buildings are located on the site. Today's decision not only generates funds for the cleanup, it ensures that 223 units of elderly housing built more than 20 years ago will continue to operate for many years to come.

The agreements, in the form of Consent Decrees, will be subject to a 30-day public comment period which will begin after the agreements are published in the Federal Register. Following the public comment period, the decrees will become effective after being approved and entered by the federal court. At that time, EPA will release the owners of Centerdale Manor and Brook Village from responsibility for all future Superfund issues related to the site.

"This is a great settlement for EPA, the State of Rhode Island and the local community," said Robert W. Varney, regional administrator for EPA's New England office. "It is a cooperative and creative approach to generating the necessary funds to continue this important cleanup while ensuring that Brook Village and Centerdale Manor remain financially viable as affordable housing complexes."

"I'm pleased that we have successfully arranged a settlement with the federal government that benefits both the residents of North Providence and the citizens of Rhode Island," Governor Donald L. Carcieri said. "This settlement will provide funding to help clean up a contaminated site in the heart of our state, while ensuring that the residents of Brook Village and Centerdale Manor aren't displaced from their homes. These agreements will also further my administration's goal of cleaning up contaminated properties around Rhode Island so they can be put back into productive use."

The state Attorney General office reviewed the settlement on behalf of the state.

"This settlement furthers the public interest by ensuring the long-term viability of 223 affordable elderly housing units in North Providence at a time of critical shortages, by providing cash for site remediation at a time of limited Superfund budgets, and by preserving the ability to seek cost recovery from other parties," Attorney General Patrick C. Lynch said. "It's a good, cooperative effort that has brought about positive results on various fronts, especially in sustaining affordable housing for our senior citizens."

The Department of Justice lodged the Consent Decrees in U.S. District Court, Providence.

"The Consent Decrees represent yet another step in our efforts to ensure a safe and healthful environment for our citizens," U.S. Attorney Robert Clark Corrente said. "This case is an unfortunate and unnecessary legacy of our industrial past and it is important that the government continue to search for the responsible parties and hold them accountable."

"This settlement is beneficial to North Providence residents and interested parties alike," said A. Ralph Mollis, Mayor of North Providence. "I am pleased that our federal and state agencies have reached a cooperative agreement with the organizations representing Brook Village and Centerdale Manor. This agreement accomplishes the goals of my administration as it protects affordable housing for North Providence's senior citizens while moving the cleanup of the Woonasquatucket River forward."

Both limited partnerships will generate the funds for the settlements by refinancing each property's mortgage with Rhode Island Housing. As part of the transaction, the parties will agree to continue to operate the buildings as subsidized elderly housing for 40 more years.

"These apartments are irreplaceable. Neither North Providence nor Rhode Island can afford to lose a single affordable apartment, let alone 223. This settlement ensures they will remain affordable for another generation of Rhode Islanders," said Richard Godfrey, the agency's executive director.

The settlements, called a "cash-out" settlement, represent the maximum equity that can be realized from the new mortgages subject to state and federal requirements. Under the two agreements, Brook Village and Centerdale Manor will:

- pay EPA about \$1.1 million and \$1.9 million respectively after the closing of the refinancing transactions;
- pay the State of Rhode Island about \$104,200 and \$172,900, respectively after the closing of the refinancing transactions;
- place \$150,000 each in an escrow account to cover ongoing obligations at the site, and;
- pay \$68,450 each to the Department of Interior for natural resource damages and assessment costs.

In return, the parties and Rhode Island Housing will be released from any further EPA or State of Rhode Island costs associated with the site, and will receive protection from potential contribution lawsuits by other liable parties.

Brook Village completed construction of its apartment complex in November 1977 and currently provides affordable elderly housing to about 100 residents. Centerdale Manor constructed its apartment complex in 1982 and currently provides affordable elderly housing to about 130 residents. Although both building owners purchased their properties after the contamination was generated, they are still legally responsible for the contamination under the Superfund law.

Brook Village and Centerdale Manor have been funding and performing cleanup work at the site along with other companies that either operated at the site previously or generated waste material that was taken to the Site. EPA will continue to look to the remaining parties to fund and perform future cleanup work at the site.

During the public comment period, the proposed Consent Decrees may be examined at the Office of the United States Attorney, Fleet Center, 50 Kennedy Plaza, 8th Floor, Providence, Rhode Island 02903 and at U.S. EPA Region 1, One Congress Street, Boston, Massachusetts, or on the following Department of Justice website: <http://www.usdoj.gov/enrd/open.html>.

Comments on the Consent Decrees should refer to *United States v. Centredale Manor*, and/or *United States v. Brook Village*, D.J. Ref. 90-11-3-07101 and be sent to:

Assistant Attorney General, Environment and Natural Resources Division
P.O. Box 7611
U.S. Department of Justice
Washington, D.C. 20044-7611

For more information about the Centredale Manor Restoration Project, visit EPA's website:
<http://www.epa.gov/ne/superfund/sites/centredale>.

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