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## WilmerHale Helps Rhode Island Transform Bankrupt Amusement Park into State Park

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Through WilmerHale's pro bono efforts on behalf of The Rocky Point Foundation, Rhode Island has gained its first substantial new state park in decades, on the 124-acre waterfront site of the former Rocky Point Amusement Park.

Rocky Point has witnessed much history since it was first developed in the 1840s. The first telephone call by a US president was made by Rutherford B. Hayes in 1877 from Rocky Point to Providence, where Alexander Graham Bell was awaiting the President's call. Rocky Point was a favored location for factory and union outings; on the day in 1892 when Lizzie Borden's parents were murdered in Fall River, Massachusetts, the police were slow to respond, because most officers had traveled by ferry to the department's annual outing at Rocky Point. In a brief 1914 stint with major league baseball team the Providence Grays, Babe Ruth hit a home run out of the ballfield at Rocky Point, into Narragansett Bay. The amusement park boasted the "World's Largest Shore Dinner Hall," where 4,000 diners could be served simultaneously, each with a water view. Rides included the House of Horrors, the Corkscrew Rollercoaster, the Flume and the Enterprise.

The park survived several hurricanes, but ultimately it could not survive the financial pressures brought upon it in the late 20th century. In the 1990s, it was foreclosed upon by its secured lender, and then the secured lender itself was placed into a federal receivership proceeding by the US Small Business Administration (SBA).

Over the next 15 years, a number of developers attempted to purchase the property for condominium development, including the national builder Toll Brothers. But in 2009, with development pressure having slackened due to the recession, a group of local neighbors and conservation-minded citizens—led by John Howell, publisher of the Warwick Beacon newspaper in Warwick, Rhode Island—created The Rocky Point Foundation with the goal of preserving the Rocky Point property for public use.

WilmerHale Partner George Shuster (who grew up and lives in Warwick), with assistance from Senior Associate Ben Loveland, Special Counsel Barbara Kirschten and Partner Dennis Jenkins, took on the pro bono representation of the foundation from its inception, organizing the entity and obtaining section 501(c)(3) status from the IRS. WilmerHale then assisted the foundation with a

strategy for obtaining the public bond financing that would be necessary to negotiate a purchase of the property from the SBA as receiver. Despite difficult economic times, a \$10 million bond referendum was placed on the November 2010 ballot and approved by a statewide majority, including 38 of Rhode Island's 39 cities and towns.

Upon passage of that referendum, WilmerHale guided the foundation as it assisted the State of Rhode Island Department of Environmental Management in negotiating the terms of the purchase of the property from the SBA. In late 2012, a deal was finally reached between the SBA and the state, with a purchase price of just over \$9.6 million. The sale was approved by Judge Ronald Lagueux in Providence federal district court on February 13, 2013, and closed on March 28.

Thanks in significant part to the efforts of the foundation and WilmerHale, Rocky Point will once again be fully open for public use by fall 2013. While there is unlikely to be a full amusement park in Rocky Point's future, the foundation is continuing to work with city, state and federal agencies on the plan for the park's development and long-term financing.



*(On the edge of what was the "World's Largest Saltwater Pool," Partner George Shuster and Rhode Island Governor Lincoln Chafee discuss the prospects for a new Rocky Point State Park at a public awareness event in fall 2012.)*