



DONALD W. WYATT DETENTION FACILITY

Due to the lack of bed space for both federal and county prisoners, plus a major financial deficit in government funds, the county of Central Falls, Rhode Island, wanted to develop a privately financed prison facility to house all detainees and prisoners. To speed up the process, the county of Central Falls subscribed to the US Marshals Service to develop a facility. Even though Central Falls ranked second by the US Marshals (first was the Plymouth County Correctional Facility), they started to lobby for the facility in their town. Eventually, after the US Marshals dropped all private initiatives, Central Falls was able to develop, construct and operate their own detention center with the promise from the US Marshals to deliver the necessary number of prisoners.

This case is about the hurdles of the first phases of a BOT-project. The objectives of this case are to analyze the difficulties in attracting a user within the development process and the uncertainty of the eventual revenues. The importance of a supportive environment and the manner in which it was taken care of were significant.

The authors acknowledge the assistance of Donald W. Wyatt, Steve Smith, and David Cornell.

Graduate student Arjan Bol prepared this case under supervision of Prof. Spiro N. Pollalis as a basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation, a design process or a design itself.

Copyright © 2002 Spiro N. Pollalis and Arjan Bol.

3.1 INTRODUCTION

Central Falls is a small city in Rhode Island, the smallest state in the United States. This city lies wedged between several larger communities just north of the state capital, Providence. It was named after the Blackstone River Falls that powered the birth of the modern textile industry. The textile industry moved away by the end of the 1950s, leaving old mill buildings, three-story tenements, but no vacant land to develop.



Fig. 3.1: Central Falls in Rhode Island.

Today 17,000 people live in this working-class community and the total area of Central Falls is just 1.2 square miles, making it the most densely populated city in Rhode Island and one of the most densely populated in the United States. The city was originally settled by European immigrants who came to work in the textile mills along the Blackstone River. In the last decade, Central Falls attracted many new immigrants, mainly from Latin America, because of relatively low rents.

The city government in Central Falls consists of a mayor and a five- person city council who each represent one of the five districts in Central Falls. Elections for mayor and city council are held every two years.

By the end of the 1980s, the city of Central Falls was experiencing severe financial problems. The deficit in 1989 was estimated at US \$2.4 million out of a US \$10 million budget. Since all land in Central Falls was already developed, it was hard to find new projects to increase the tax base. Tom Lazieh, a life-long resident of Central Falls, was elected mayor in November 1989. He was determined to get Central Falls out of financial problems and lower the 10% unemployment rate. He stated in 1990,

"I am trying to restore pride and confidence in Central Fall's future. We need new, creative solutions to our problems. We will go after anything we can to produce the financial rewards for our community. We will consider all projects. We may not accept all, but we will consider them."

3.2 BACKGROUND

The US Marshals Service is a federal institution charged with the care of pre-sentence detainees facing trial or sentencing under federal criminal statutes. The Marshals Service does not own or operate prisons, this is the responsibility of the Bureau of Prisons (BOP). The Marshals Service obtains beds for detainees in three ways. First, by using BOP beds, second, by obtaining beds under Cooperative Agreement Programs (CAP), which guarantee long-term allocations in state or local facilities in exchange for up-front capital funding, and third, through Intergovernmental Agreements (IGA), which provide short-term allocations in state or county facilities in exchange for per diem rates.

Donald W. Wyatt was in charge of the US Marshals Service office in Rhode Island. By 1989, together with colleagues in neighboring states, he was desperate to find beds for federal detainees. The situation was so bad that Wyatt announced,

"I almost got into a fight with my wife because I suggested that I was thinking of putting some prisoners in our home back room."

It was hard for the Marshals Service to obtain beds in the New England area because there was only one BOP facility in the proximity in Danbury and Connecticut. The use of this prison by the US Marshals had two major disadvantages. First, this prison was filled with prisoners from the Bureau of Prisons, leaving little space for pre-trial detainees. Second, because of its location, the prison required a ten-hour round-trip when inmates had to be brought to trial in Providence or Boston.

The use of IGAs and CAPs also caused disadvantages. As local jails were drastically overcrowded, they could rarely take in federal pre-trial detainees in addition to state and county inmates. All this led to pre-trial detainees spread throughout New England and New York states, with even talk of relocating prisoners as far away as Texas. Sometimes Wyatt had 80 prisoners spread in eleven institutions in nine different states.

During the 1980s, Wyatt had tried to develop new beds in several ways but these alternatives failed. According to Wyatt, this was mainly due to the "not in my back yard syndrome" in many communities. Wyatt and his colleagues in neighboring states were practically begging the US Department of Justice in Washington to do something about the situation, since both US Marshals Service and the Bureau of Prisons are part of the US Department of Justice.

In the beginning of 1989, the US Marshals Service sent out a solicitation for a detention center of about 300 beds in the Boston-Providence area. The Marshals Service asked for proposals to be built and operated by private contractor. The jails would be used solely for federal pre-trial inmates. The federal government wanted to have an option to purchase the facility at the end of a set period of time, and the private party would be paid with a "flat per diem rate" for every inmate. The US Marshals Service guaranteed to fill 90% of the jail's capacity. The site, of at least 15 acres, had to be within an hour's drive of the US district courts in Boston and Providence.

The Marshals Service used a two-step selection process for the contract. First, a Request for Qualification (RFQ) was issued to select the qualified parties for the project. Second, the selected parties received a Request for Proposals (RFP). The proposals of broad designs had to be submitted to the Washington office by February 20, 1990. Each proposal must receive clearance from the appropriate local officials. Norman Cox acted as a consultant of the US Marshals during this process.

Detention Center Associates

By the end of the 1980s, Donald W. Wyatt had met several groups wanting to develop a private prison or jail. One of these groups consisted of William Brody, a lawyer in Providence, Jack Marshall, owner of Marshall Contractors of Rumford, Rhode Island, Mike Doyle, a public relations expert who advised many Rhode Island politicians, and Antony Ventetuolo, a prison consultant who had worked at the Rhode Island Department of Corrections. In 1989, they formed Detention Center Associates (DCA). DCA responded to the RFQ of the US Marshals Service and, in August 1989, DCA was judged well qualified. DCA received an RFP in December 1989.

Donald W. Wyatt strongly supported the idea of establishing the detention facility to Rhode Island. In the summer of 1989, he received a call from a city planner in Central Falls, informing him there was a location that could be used to develop a jail. City officials thought building the jail might help to solve some of the desperate fiscal problems of Central Falls. This privately built and operated jail would bring jobs and tax revenue to the city. Wyatt called Ventetuolo and suggested that he take a look at this location in Central Falls.

The location, at the intersection of Blackstone and High Streets, was bordered on two sides by railroad tracks. At the site was an old mill, once the home of American Spinning Industries, but was empty since the company went bankrupt. This firm left a debt of US \$700,000, of which US \$500,000 was an unpaid government loan and US \$200,000 from back-property taxes. The site consisted of three parcels of land.

The Commerce Bank of Worcester, Massachusetts, owned the biggest parcel; Amtrak, the railroad company, owned a small parcel, and the City Redevelopment Agency of Central Falls owned and kept some small garages on another small area.

The DCA partners considered this lot a good location for the private jail project, and they contacted Mayor Tom Lazieh immediately upon his election in November 1989 as they considered local support essential for the feasibility of the project. After they presented their plans, Lazieh reacted:

"The concept of the project had to be researched. The idea was interesting enough to pursue. This was a way for Central Falls to do something for itself. However, I was afraid that this project would start a political controversy with a hostile city council and a harrasive local press."

Lazieh demanded the project be as transparent as possible and to prevent the 'rumor factor', Lazieh wanted a public announcement of the project and a formal presentation by developers to the City Council and all other city boards. The presentations caused reactions of both curiosity and interest, though mostly positive. In the end, all boards voted unanimously to support the project with a City Council vote 4-1 in favor.

DCA started making plans to submit to the US Marshals Service. To save construction costs, they would use the old structure of the building. Prefabricated rotund units would be placed in the old mill to make it into a detention facility, and construction costs were estimated at US \$14.4 million. Marshal Contractors did most of the design work and in spring 1990, DCA submitted a proposal for a 230-bed detention center to the US Marshals Service.

In June 1990, the Marshals announced they had awarded a tentative contract for a private jail to a team that proposed a facility in Plymouth, Massachusetts. The Central Falls proposal had ranked second. All parties involved in the Central Falls proposal were disappointed, and the DCA partners had already put funding and efforts into the project. For Mayor Lazieh, a financial opportunity for his city was withdrawn. He announced,

"No other city in this region has unanimously gone out and supported a detention facility. It is frustrating, it is upsetting, and it is not just or fair. The federal government has an opportunity to provide a project that is necessary, has community support, and is not going to be dragged through an appeal process for a year or two. We can begin construction tomorrow."

The Central Falls supporters stated Plymouth should not have won the contract as it did not meet requirements issued by the US Marshals Service as the site control was not entirely established.

Moreover, in the opinion of the Central Falls supporters, the Plymouth project lacked the public support so apparent for the Central Falls proposal.

Major Lazieh and DCA did not want to give up the project and began lobbying to get the federal detention center in Central Falls. For this purpose Rhode Island's US Senator Chafee and US Representative Machtley met with US Attorney General Dick Thornburgh, who oversaw both the US Marshals Service and the BOP, as part of the Department of Justice.

New plans

This lobbying, however, was deemed unnecessary. In July 1990, the US Marshals Service suddenly announced they canceled the private detention facility plan and therefore, would not award a final contract for the Plymouth or any other facility. Officially, the US Department of Justice rejected the US Marshals Service's plan because federal institutions were not allowed to award contracts with a term longer than one year. This was because under federal law, contracts were subject to the annual appropriation of federal funds.

However, in Central Falls there was still hope for a jail in their city. Mayor Tom Lazieh and the DCA partners wanted to go ahead with the project and asked the US Marshals Service informally if the project was worth pursuing. The Marshals Service responded it still desperately needed beds for inmates.

When he heard the Plymouth project had been canceled, Bill Brody asked David Cornell to come to Central Falls and talk about the possible development of the jail. Cornell worked for Beacon Construction Company, the builder of the canceled jail in Plymouth. More expertise on the team might help to make the Central Falls project more feasible and in Bill Brody's words,

"David Cornell was the developer of the winning proposal. For us being ranked second, it seemed a logical thing to contact him now that the Plymouth project was canceled."

When Cornell met the Central Falls group in July 1990, he told them that he was very interested in assisting the development of a detention center in Central Falls. Even though he expected the Plymouth jail project would eventually go forward, he thought there was also an opportunity for a jail for the US Marshals Service in Central Falls. It did not take long for Cornell to come to terms with the Central Falls group.

"The whole deal was actually put together in one day", he said.

David Cornell brought with him the team from the canceled Plymouth project consisting of the architectural firm Durrant Flickinger and investment banker Dillon Read. There was an understanding that Detention Center Associates would remain involved in the project because of their previous efforts.

3.3 PROGRAM

The new proposal for the facility included the housing of federal prisoners. Due to the lack of cells in the region of Central Falls, the US Marshals Service initiated the plan for a privately-financed detention center with 220 beds. Flexibility in moving inmates who needed to be separated had to be considered and the facility should include different types of cells.



Fig. 3.2: Artist's impression of the Donald W. Wyatt facility (Cornell Cox Group LP).

3.4 ORGANIZATION

In July 1990, the new team started working to develop a detention facility in Central Falls. The old concept of the private detention facility was not feasible anymore. The US Justice Department had prevented the US Marshals Service from awarding long-term contracts with capacity guarantees to private parties. In one year, Intergovernmental Agreement (IGA) seemed to be the only contract the US Marshals Service was allowed to enter.

Mayor Lazieh decided the city would step in to make the continuation of the project possible. As the US Marshals Service could only enter into an IGA with a public entity, plans were made to establish the Central Falls Detention Facility Corporation (CFDFC), a special non-profit corporation to develop the detention facility. This corporation would be set up as an instrument and agency of the city, though the city of Central Falls would not be liable for CFDFC. The special-purpose corporation was established to own the facility and award the contracts for development and the operation of the facility, with CFDFC being merely involved in activities concerning the new detention facility.

In the proposed structure, the board of directors of CFDFC was appointed from resident electors by the Mayor of Central Falls. The city council's approval was necessary for the appointments to the board, and it contained five board members who were initially appointed for two to three years and thereafter for five

years. The board members were paid only for their expenses. A single majority of the board would be sufficient to make decisions for the CFDFC.

Cornell Cox and Brown & Root join the team

By the end of 1990, the Beacon Company decided to get out of the prison development business. As David Cornell had already contributed extensively to the project, he decided to leave the Beacon company to further develop the Central Falls and the Plymouth projects. After the US Marshals Service canceled the private facility project, a new plan emerged in Plymouth for a privately-financed prison operated by the county sheriff. This approximately 1000-bed facility was developed to house not only state and county prisoners, but also some 300 prisoners for the US Marshals Service. David Cornell was actively involved in the new Plymouth project.

The day after he left Beacon, Cornell contacted the construction company Brown & Root in Cornell's hometown Houston. Cornell told them he wanted to develop the facilities in Central Falls and Plymouth and needed a contractor on the team. He asked if Brown & Root was interested in replacing Beacon. Shortly afterwards, Cornell and David Wheeler of Durrant Flickinger, the architect for the projects, presented the plans for the new facilities, and Brown & Root decided to be part of the team.

Following this, Cornell decided to join forces with Norman Cox, who had worked for the US Marshals Service as a consultant during the selection process for the canceled private facility project. Cornell and Cox believed that by combining Cornell's development expertise with Cox's operational expertise, they formed a well-rounded firm. Their firm was named Cornell Cox.

Special legislation

The establishment of the Central Falls Detention Facility Corporation had to be approved by the Rhode Island General Assembly, the state legislature. Brody and Doyle, the former DCA partners, now acted as consultants to achieve the necessary legislation. Brody set up the legislation while Doyle lobbied to get the bill passed. In June 1991, the General Assembly approved the establishment of CFDFC by special legislation in Chapter 421 of the Public Laws of 1991 of the State. This established the framework within which CFDFC had to act. It gave certain powers to CFDFC and exempted it from certain state and local statutory requirements.

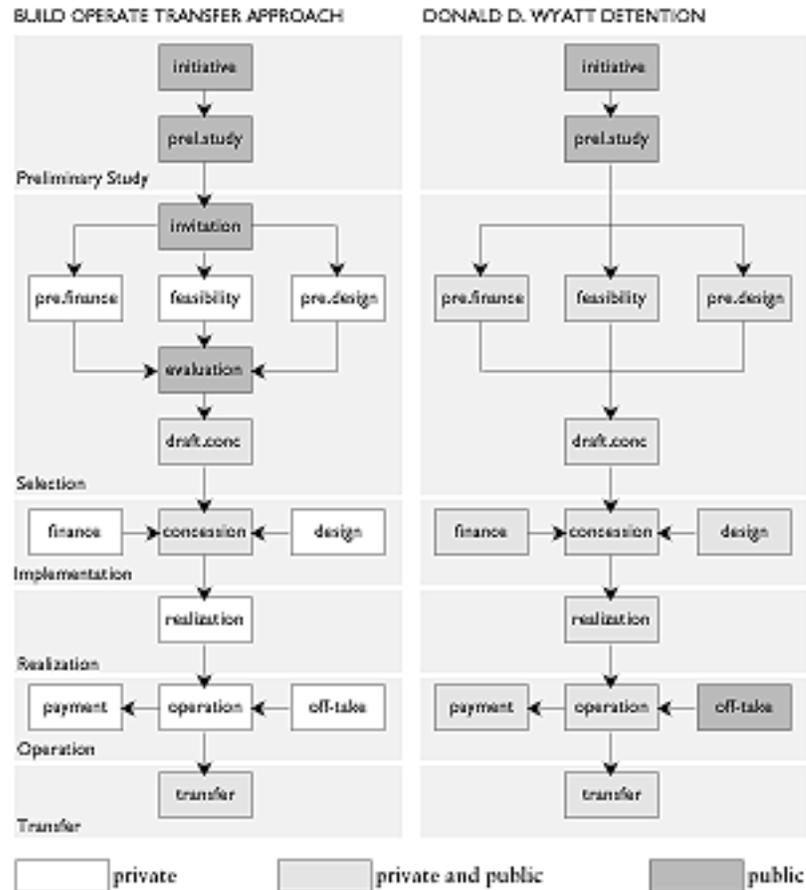


Fig. 3.4: Organization development scheme.

City approval

After the special legislation, city approval was the last hurdle in order to establish CFDFC. In July 1991, the final plans were presented to the residents and the City Council of Central Falls in the auditorium of the Central Falls Junior-Senior High School. Mayor Lazieh spoke in favor of the proposal. Donald W. Wyatt, who by now had retired, also attended the meetings and spoke in support of the project.

There was extensive discussion and a multitude of questions to be answered. However, after three long nights, the City Council, with a 4-1 vote, approved the plans. In August 1991, the City of Central Falls officially established CFDFC and Major Lazieh appointed five Central Falls citizens to the board: a retired police detective, the owner of a printing firm, a gas station owner, an undertaker, and a retired advertising manager.

3.4 FINANCING

When David Cornell joined the Central Falls project, he included Anita Molino of Dillon, Read & Co. for the financing. She is recognized as one of the few experts in the field of private financing of public facilities. Molino planned to finance the new facility with revenue bonds, a bond payable from a specific course of revenue and to which the full faith and credit of an issuer with taxing power is not pledged. In that respect, it differs from a general obligation bond that is secured by the full faith and credit of an issuer with taxing power. In this project, the payment of the principal amount and interest of the revenue bonds would come from the per diem payments of the US Marshals Service and possibly other federal entities. The possibility of housing state prisoners in the new facility was never considered because Rhode Island law does not permit housing state prisoners in private facilities.

Financing problems

In the initial project financing plan, Central Falls Detention Facility Center would issue revenue bonds to finance the development. Anita Molino was cautious about the project financing, and in her own words said,

"I told everybody up front that the financing was going to be difficult. This was not a good time for speculative investments."

In the spring of 1992, the project stalled for a few weeks because the Central Fall Detention Facility Center (CFDFC) could not get a high enough bond rating for the revenue bonds to attract investors. CFDFC had no financial history of its own, and the investors did not consider the IGA a sufficient guarantee for future income because the IGA contained no long-term guarantee.

The Port Authority steps in

Mayor Tom Lazieh asked Governor Sundlun of Rhode Island if there might be other ways to finance the project. Sundlun thought that Lazieh was "gutsy to step up to bat", and he told Lazieh there might be a possibility that the revenue bonds would be issued by the Rhode Island Port Authority and Economic Development Corporation. This was one from a dozen state agencies in Rhode Island that could issue bonds without the General Assembly's or voter's approval. Governor Sundlun, as chairman of the Port Authority's meetings, appointed many members and authorized its budget.

The Port Authority is described in its financial report in the following way:

"The Rhode Island Port Authority and Economic Development Corporation was authorized, created and established in 1974 by an act of the General Assembly of the State of Rhode Island for the purpose of acquiring and developing real and personal property to promote the economic development of the state. The Authority, a government agency and public instrument of the State, has a distinct legal existence from the State and has the power to issue tax-exempt industrial development bonds to accomplish its corporate purpose."

Since the Central Falls project could be considered an economic development project, the Port Authority could issue bonds and lend the proceeds to CFDFC. In this way, the bonds would be backed by a pledge from the Port Authority, though this would not mean the project was backed by a pledge from the State of Rhode Island. Because the Port Authority had its own credibility within the marketplace and has its own reserves, investors would feel more confident about investing money in the project. If the money coming in from the project was not enough to repay the investors, the Port Authority would intervene.

Loan and Trust agreement

Mayor Lazieh presented the new plans to the Board of the Port Authority, and on March 2, 1992, the Board approved the "Loan and Trust Agreement" between the Rhode Island Port Authority and the Central Falls Detention Facility Corporation.

Under this agreement, CFDFC was granted a US \$30,106,000 loan from bonds issued from the Port Authority. The loan would be paid back in an amount equal to the principal repayment plus the interest on the bonds, and was secured by all property and rights of the Central Falls Detention Facility Corporation. Once the bonds were paid in full in 2023, the City of Central Falls would become the owner of the facility.

The biggest part of the loan was used to finance the construction of the project, and also funded a US \$2.9 million Capital Reserve Fund with an amount equal to its greatest annual debt service. This money could be used if the funds from the operation of the facility not be enough to pay back investors. Furthermore, the loan financed the capitalized interest and the finance-related costs of the bonds issue.

SOURCES OF FUNDS	
Proceeds of the 1992 bonds	\$ 30,106,000.00
	<u>\$ 30,106,000.00</u>
USE OF FUNDS	
Project Cost	\$ 22,582,107.00
Capitalized Interest	\$ 3,972,950.00
Cost of Issuance	\$ 160,000.00
Underwriter's discount	\$ 451,325.00
Capital Reserve Fund	\$ 2,939,617.00
	<u>\$ 30,106,000.00</u>

Table 3.1: Sources and uses of funds (Courtesy CFDFC).

The taxable US \$30,106,000 bond issue was divided into two parts. The US \$6,347,000 term bonds with a 8.2% interest rate would mature in 2008, with principal amounts repaid starting 1994. The US \$23,759,000 term bonds with a 9.125% interest rate would mature in 2023. The buyers of these bonds would be paid interest only until 2008, and from then to 2023, the principal amount would be repaid together with the interest. Dillon Read & Co. and Fleet Securities acted as underwriters for the bonds and purchased the bonds with a US \$451,325 discount. The bonds were all sold in July 1992.

To give the future investors a greater sense of security, Fleet National Bank, an independent trustee, was appointed, responsible for receiving and disbursement of all funds associated with the development and operation of the new facility. During operation, the US Marshals Service and possibly other federal agencies would pay fees for imprisonment of inmates to the trustee. The trustee would first pay the investors their principal and interest, then the operator would be paid for his direct costs. Finally, if there was any deficit in the Capital Reserve Fund, money would go into that fund.

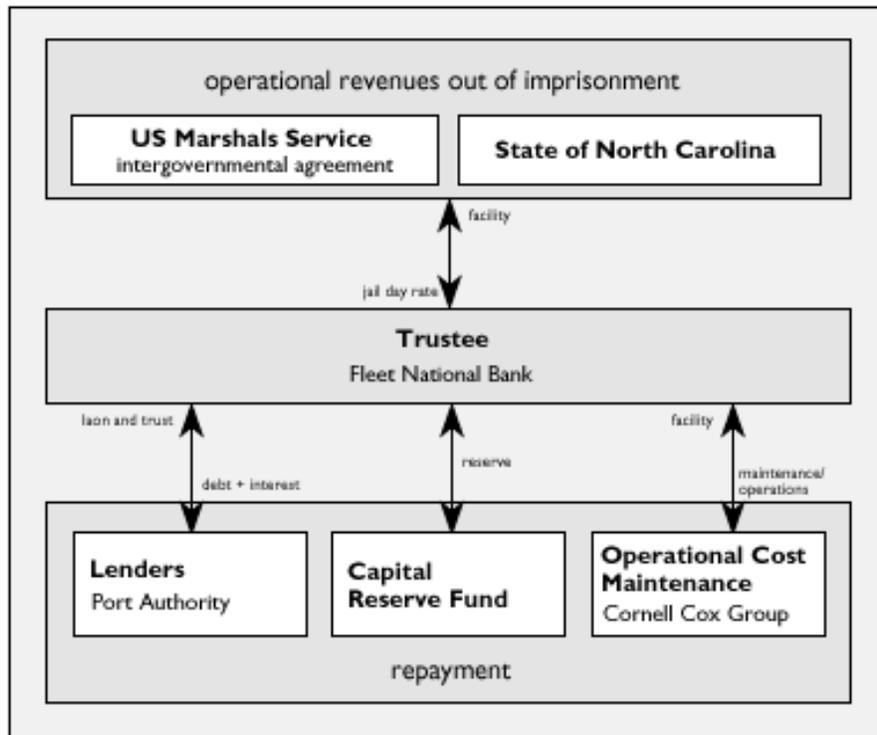


Fig. 3.3: Financial structure.

3.6 CONTRACTUAL RELATIONSHIPS

Between the time Cornell and his team joined the project and the passing of required legislation, negotiations took place between the US Marshals Service and private parties. The key factor in these negotiations was the daily rate per inmate (the per diem rate) the Marshals Service would have to pay. The per diem rate needed to be sufficient to pay the private operator for his operating costs and repay the principal and interest connected with the project financing. The negotiations resulted in the signing of an Intergovernmental Agreement between the US Marshals Service and CFDFC.

After its establishment, CFDFC entered into other contracts for the development and the operation of the new facility. Brown & Root signed a design-build contract for the construction of the facility and Cornell Cox received the contract to operate the facility. Detention Center Associates acted as a consultant for CFDFC under a consulting contract.

Intergovernmental Agreement

Even though the original plan failed, the US Marshals Service still needed new bed space for their pre-trial inmates. Donald W. Wyatt and his colleagues supported the new plan and tried to help the incentive in every way, resulting in the signing of the Intergovernmental Agreement on August 19, 1991 between

the Central Falls Detention Facility Corporation and the United States of America, acting for and through the US Marshal Service. This one year agreement would automatically be renewed annually for an additional one-year period if not terminated in writing by either party.

The IGA stated that the US Marshals Service would pay for the services of imprisonment with a per diem rate, initially set at US \$83.64 per detainee per day. Prior to the facility's opening, the per diem rate would be adjusted based on the actual costs of the construction and of the budgeted operations for the first year. Each year, the per diem rate would be re-negotiated and adjusted, based on the actual data of operation.

There were, however, certain risks associated with the IGA. Since the IGA was subject to the contracting authority of the US Marshals Service under federal law, it was subject to the annual appropriation of federal funds. This meant the IGA could be terminated in any year. Another risk was that under the IGA, the US Marshals Service was not obligated to house a minimum or particular numbers of federal pre-trial detainees at the Central Falls jail. Therefore, there was no certainty as to the income available to CFDFC under the IGA. However, the US Marshals Service stated that it contemplated housing a maximum number of inmates in the new facility in years to come.

The Arthur Andersen report

With the IGA there was not a long-term guarantee for housing prisoners from the US Marshals Service. Cornell Cox hired the prestigious consulting firm, Arthur Andersen & Co., to estimate the need for detention bed space. The Andersen report, dated November 1, 1991, concluded there was enough demand for the proposed 220-bed detention facility in Central Falls.

The report was based on interviews with and projections by the US Marshals Service concerning growth in federal detainee population. The report estimated that the Providence section of the US Marshals Service would need an additional 90 beds for the next decade, while the US Marshals Service in other parts of New England would need an estimated additional 315 beds. For the US Marshals Service's needs, the Anderson Report estimated the Immigration and Naturalization Service and the BOP together would need an additional 100 beds in this part of the country. Thus, the Andersen report stated that all together there was a potential need of about 500 beds for the facility in the future.

Design-Build contract

The cost of construction had risen to US \$21.2 million from the original US\$ 14.4 million. This increase was mainly due to the fact that, instead of using the structure of the old mill, a whole new facility needed to be built on the same location. At their first meeting in July 1990, Cornell and the DCA partners visited the proposed site in Central Falls, and Cornell had insisted the old structure could not be used because an entire new facility was necessary to meet contemporary correctional standards.

In August 1991, CFDFC signed a design-build contract with a fixed price of US \$21.2 million (including acquisition costs) with Brown & Root. Under this contract, Brown & Root was responsible "for the provision as an independent contractor, all engineering, design, procurement, construction and the equipping for a fixed price." The cost of acquisition of the land was also a part of the fixed price, and the parcels owned by the bank and the city were purchased, and the Amtrak parcel leased for forty years.

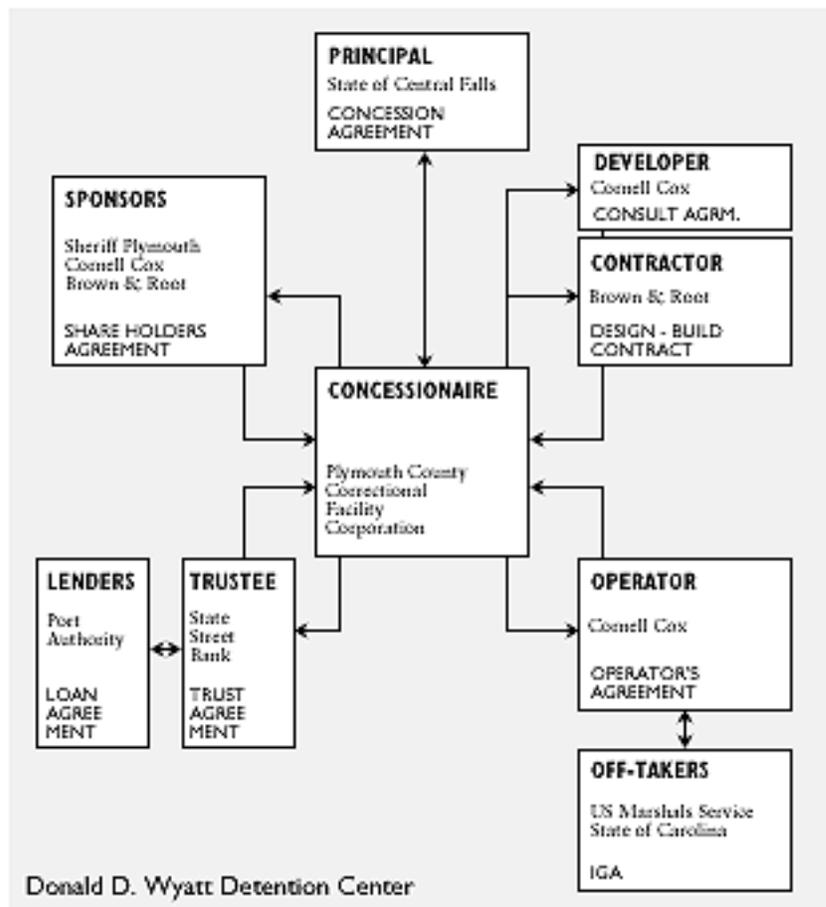


Fig. 3.5: Contractual relationship Organization.

In the design-build contract, Brown & Root guaranteed construction would be finished within 555 days after the financial closing. If this was not achieved, Brown & Root would pay US \$8,000 for every day's delay. There were bonuses in the event of an early completion. During construction, Brown & Root agreed to be paid monthly, based on estimated progress during the previous month.

With the design-build contract, the architect worked under a contract with Brown & Root. The plans and specifications were prepared under the supervision of the architectural firm Durrant Flickinger from

Colorado. The design-build contract stated the project would have to be constructed in accordance with federal and state standards for correctional facilities.

Brown & Root contracted Marshall Contractors of Rumford, Rhode Island, as general contractors for the project. Brown & Root had often worked with a local general contractor to make use of their local contacts. In this way, Brown & Root became the design-build manager. The owner of Marshall Contractors, Jack Marshall, was one of the original partners of DCA.

Operator's Agreement

Cornell Cox signed a contract with CFDFC to operate and manage the detention facility. The contract had a five year term, starting on the first day of operation and including an additional five-year term option.

Under the operator's agreement, Cornell Cox agreed "to pay all costs directly or indirectly associated with the operation of the project." For its services, Cornell Cox received an "operator per diem rate" of US \$53.46 per inmate day. This fee could be adjusted over the years if operational costs were increased.

Cornell Cox guaranteed that it would "comply with all laws and applicable court decisions applicable to the project and its operations and with American Correctional Association Standards in the operation of the project." Furthermore, it would give preference to Central Falls residents and businesses for the project.

Consulting Agreement

DCA, involved in the project from the beginning, signed a one-year consulting contract with CFDFC. This agreement would be renewed automatically for additional one-year terms, if not terminated by one of the two parties. Under this contract, DCA acted as the developer for CFDFC, and as CFDFC's monitor and advisor for the administration, contracts and agreements, public relations, and the facility management. DCA was paid an hourly fee for its services.

3.7 DESIGN AND CONSTRUCTION

After the financing was finalized in August 1992, ground was broken. During the construction, Mayor Lazieh suggested the facility be named the Donald W. Wyatt Detention Facility. The parties involved agreed this was a suitable way to honor the now retired marshal for his efforts over the last decade in realizing a new detention facility. The construction went according to plan, and the facility was ready for occupancy in November 1993.

Design

Although the facility was originally designed to be a 220-bed facility, it could actually hold more than 300 inmates. The additional beds were designed to allow flexibility in moving inmates who needed to be separated. The facility consisted of six housing pods with different cell types and different capacities.

In addition to the housing units, the facility contained general security and administrative zones, and provided areas for public and visitor reception, detainee intake/release, holding cells, and staff support facilities.



Fig. 3.6: The Donald W. Wyatt Detention Facility (Durrant Group Inc.).

PODS	NUMBER OF UNITS	INMATES PER UNIT	TYPE OF CELLS
A		50	dormitory
B	35	70	two bed cell
C	35	70	two bed cell
D	14	56	four bed cell
E	14	56	four bed cell
F	8	8	one bed cell
TOTAL	106	310	beds

Table 3.2: Pods and units (Courtesy CFDFC).

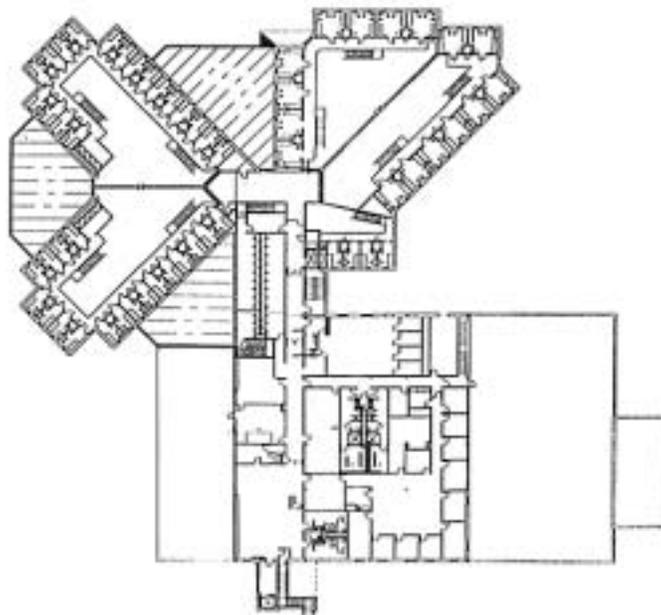


Fig. 3.7: Second floor plan (Courtesy CFDFC).

3.8 OPERATIONS

When the US Marshals Service started using the jail in July 1993, they delivered only 40 inmates instead of the estimated 220, creating a shortfall in income to pay the first interest on the bonds in January 1994. As other prisoners had to be found to fill the jail, the parties involved considered a variety of options. The Immigration Service had more than enough people to fill the jail, however, they did not have sufficient funds to use the facility. Another option was to use the facility as a distribution point for prisoners.

In December 1993, CFDFC signed a deal with the State of North Carolina to house 230 prisoners from that state. North Carolina "exported" prisoners because of its overcrowded prisons. The contract would run until December 28, 1995, and could be canceled by either party with 90 days notice. North Carolina would pay about US \$71 per prisoner per day. The Central Falls facility would only accept minimum to medium security prisoners and the operator could turn back any prisoners considered to be a security risk. The prisoners would be flown in by the US Marshals Service, who felt a moral obligation to help since they had not supplied the promised number of detainees.

CFDFC and the operator now faced other problems. The City Council that had supported the facility, was trying to take legal steps to stop the importation of the North Carolina prisoners, as they considered the North Carolina prisoners a higher security risk than the promised pre-trial detainees. Mayor Lazieh commented,

"All the Monday morning quarter backs started finger-pointing. This issue was used against me for political reasons."

Another problem was that the facility would be used as a prison, though designed as a pre-trial detention center or a jail, and instead of short-term pre-trial detainees, long-term convicted prisoners would be housed in the facility. The Donald W. Wyatt Detention Facility did not have all the necessary facilities to accommodate these types of prisoners.

Sources

- [1] Interview with Donald Wyatt, Central Falls, 1994.
- [2] Prospectus Donald W. Wyatt Detention Facility.
- [3] Interview with David Cornell and Steve Smith, May 2, 1994.