

Champlin's Realty Associates v. Coastal Resources Management Council et al, Nos. 20-168, 169 (October 14, 2022) <https://www.courts.ri.gov/Courts/SupremeCourt/SupremeOpinions/20-168,169.pdf>

Holding:

The Supreme Court of Rhode Island denied the request by Champlin's and the Coastal Resources Management Council (CRMC) to incorporate and merge the Memorandum of Understanding (MOU) into a consent order of the Supreme Court.

Key Takeaways:

1. The settlement agreement between CRMC and Champlin's to modify Champlin's dock expansion plan in the Great Salt Pond on Block Island is not valid because CRMC did not have the authority to mediate.
2. The MOU between CRMC and Champlin's modified dock expansion plan is devoid of findings of fact required for CRMC to approve an application, and did not follow an open, traceable decision-making process required in CRMC's regulations.
3. While CRMC has the authority to modify a final decision, it can only do so if the final decision *was an approval*. Because Champlin's application was originally denied by CRMC, the Court found CRMC had no authority to modify the previously denied application.

Facts:

Champlin's Realty Associates (Champlin's) filed an application with CRMC in 2003 for a permit to extend its marina 240 feet into the Great Salt Pond on Block Island to accommodate 140 additional boats.

The application was denied in 2006, and again in 2011 by CRMC. This issue has been appealed to Rhode Island Superior and Supreme Court multiple times. This analysis is limited to the most current Rhode Island Supreme Court decision on October 14th, 2022.

In 2021, Champlin's and CRMC filed a joint motion seeking to incorporate and merge the Memorandum of Understanding (MOU) into a consent order of this court. The intervenors (the Town of New Shoreham, the Committee for the Great Salt Pond, the Block Island Land Trust, the Block Island Conservancy, the Conservation Law) and the attorney general filed a motion to oppose Champlin's and CRMC's motion.

In 2021, the Rhode Island Supreme Court remanded the matter to Superior Court to determine the validity of the MOU.

The Superior Court cited strong public policy in favor of settlements, and determined that CRMC and Champlin's could enter settlement discussions and proceed to mediation. Superior

Court found CRMC “was not precluded by state law or by its own regulations to resolve cases through mediation.”

Analysis:

1. CRMC’s Denial of Champlin’s Expansion

After *Champlin’s I* where the Court remanded the application be heard by CRMC, who again denied Champlin’s proposed marina expansion, Champlin’s argued CRMC’s second denial was arbitrary and capricious, and that CRMC did not follow the Court’s mandate to “reopen the hearing on Champlin’s application”.

The Rhode Island Supreme Court disagreed, and was satisfied “that the CRMC appropriately implemented both the letter and spirit of this Court’s mandate in Champlin’s I.” The Court noted CRMC rendered a decision containing 91 findings of fact explaining the rationale for denying Champlin’s application as evidence of the denial not being arbitrary.

2. Who is the Controlling Authority on Water Quality

Champlin’s argued that CRMC is not the controlling authority on the water quality aspect of their permit application because Rhode Island Department of Environmental Management (DEM) issued their application a water quality certificate.

The Rhode Island Supreme Court found that DEM’s analysis is limited in scope, and therefore CRMC’s review of all the evidence is the “ultimate determination with respect to water quality.”

3. Mediation and MOU

Champlin’s and CRMC engaged in private mediation resulting in a joint Memorandum of Understanding (MOU). Both Champlin’s and CRMC sought the Court incorporate and merge the MOU into a consent order of the Court. The intervenors opposed it, claiming “CRMC lacked the power to add or subtract from the record, or alter or amend its findings and conclusions, while the final order is on appeal.”

Champlin’s and CRMC argued “the role of an administrative agency changes after a final decision of the agency is issued and an appeal has been taken from that final decision.”

The remand justice agreed with Champlin’s and CRMC and determined “the role of an administrative agency changes after the final agency decision is issued”- “from that of a quasi-judicial authority to that of an advocate for the agency ruling.” The remand justice concluded CRMC could enter settlement discussions.

The Rhode Island Supreme Court disagreed, finding that the remand justice, CRMC, and Champlin’s did not find any caselaw or statutory law to support that determination. The Supreme Court found CRMC is bound by its enabling legislation, stating “we find no support in our jurisprudence for the proposition that an administrative agency can, under any circumstance, act not as an agency but merely as a litigant. An administrative agency’s statutory and regulatory

responsibilities do not end when its final decision is appealed; rather, an agency’s advocacy on appeal is in furtherance of the administrative process.”

The Rhode Island Supreme Court found the MOU between CRMC and Champlin’s served in essence as a modification to Champlin’s application. The Court found CRMC’s regulations do not allow them to modify a denied application. The Court found CRMC can only modify an approved application if the modification is less than or equal to the existing approved permit.

The Rhode Island Supreme Court also did not find any regulation “permitting a post-final-decision settlement to be discussed in an executive session and then approved in an open session”. The Court found that the MOU does not comport with CRMC’s regulations because it did not contain the required findings of fact required under the Coastal Resources Management Program and therefore could not legally function as CRMC’s final decision.

As a result, the Rhode Island Supreme Court affirmed the judgement of the Superior Court, and held the remand justice erred in determining the CRMC and Champlin’s had the authority to mediate.

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