

# Real Estate Journal

THE LARGEST WEEKLY COMMERCIAL/INVESTMENT NEWSPAPER IN THE WORLD

## ReArch Co., Red River Computer Co. and The Common Man Inn & Restaurant redeveloping Monadnock Mills



Aerial, 21 Water Street - Claremont, NH



Interior #1, 21 Water Street - Claremont, NH



Interior #2, 21 Water Street - Claremont, NH

Having once held the title of the largest city in New Hampshire, the Upper Valley community of Claremont has recently seen its share of slow times. A once booming textile town that produced linens for the White House and the Waldorf Astoria the mills began to close down during the last 40 years until the 1980s and 1990s when the formerly grand brick and timber frame structures sat mostly vacant and deteriorating. The arrival of the new millennium though, has brought a new attitude and a fresh approach to bringing Claremont out of its own shadow as the emerging low-cost alternative to the Lebanon/Hanover area just up I-91.

The opportunity to relocate to a high quality and less expensive location equally convenient and more livable for their employees has proved to be a winning concept for the Red River Computer Company, formerly of Lebanon. An IT solutions provider specializing in government and institutional contracts, the firm has grown exponentially since its inception in 1995 and was named the #1 High Tech Firm for 2007 by the New Hampshire Business Review as well as one of the 20 Fastest Growing Companies in 2008 by Business NH Magazine.

In late May, Red River opened the doors to their custom designed headquarters at 21 Water St. in the former Wainshal Building at the Monadnock Mills. With a combination of hardwood finishes, glass and steel juxtaposed alongside the original timbers and weathered brick of a century-plus old mill building it's easy to justify the decision to relocate. To top it off are the views of Mt. Ascutney to the northwest and the roaring Sugar River just below. By simultaneously providing the company with an outstanding value on their new offices as well as offering their employees a location featuring affordable and abundant housing options it is no wonder that Red River has been so successful over the past decade and a half.

As shareholders in Wainshal Partners, LLC the three principals of Red River, Rick Bolduc, Richard Mann, and Nick Anderle are partners in the redevelopment of the former Monadnock Mills #2 & #6 (as the Wainshal Building is also known) in to mixed-use commercial space. The other partners are John Illick of Sugar River Mills Redevelopment, LLC and Rusty McLear and Alex Ray of Woven Label, LLC. The latter two are also partners in the Common Man Inn & Restaurant located in the first two floors of the Wainshal building and the old Woven Label mill next door.

Alex Ray is a restaurateur in New Hampshire, having created the Common Man Family of Restaurants and eight other eateries of similar high regard. Ray's newest addition is the Claremont location featuring his always eclectic and creative decorating tastes, a riverside patio, and a dining room floor that slides back to reveal the waters just below customers' feet. Ray's business partner, Rusty McLear brings his own track record of success that is suited to the restoration of the Monadnock Mills. McLear's first major hospitality renovation was the restoration of a dilapidated textile mill on Lake Winnepesaukee into the Inn and Spa at Mill Falls in Meredith. Since that start, McLear has gone on to renovate a variety of other historic structures including his newest, The Common Man Inn in Claremont, featuring 35 unique boutique-style rooms set in two of the former Monadnock Mills buildings. The inn's rooms are decorated amidst rough hewn timbers and

exposed brick and stone. With one featuring a private, riverside Jacuzzi. Ray and McLear have worked together on numerous projects and their newest collaboration appears poised to continue upon their past success.

The third partner, and project developer, in this undertaking is real estate developer and construction industry veteran, John Illick of Sugar River Mills Redevelopment, LLC. It was Illick who lit the initial spark when his purchase offer for the Monadnock Mills was accepted by the city of Claremont in 2004. With an architect's eye for seeing possibilities where others might not take a second look, Illick - a native Vermonter who lives across the Green Mountains in Middlebury - set about putting together a proposal and a team that would restore these historic buildings to their former elegance and functionality. With the city's go ahead, Illick and his partners purchased mills #2 & #6 and hired on UK Architects of Hanover to work with his own commercial and residential construction firm, ReArch Company, based out of South Burlington.

Since its inception in 2002 ReArch Company has established itself as a unique firm that specializes in taking on interesting projects that



Interior #3, 21 Water Street -  
Claremont, NH



Interior #4, 21 Water Street -  
Claremont, NH



Exterior, 21 Water Street -  
Claremont, NH

require an "intellectual and entrepreneurial approach", said Illick. "We view our management style as intelligence and thoughtfulness meets persistence and experience, and we pursue projects that are both challenging and fun." The nearly two centuries old mill buildings that had sat dormant for years on the banks of the Sugar River might not be someone else's version of "fun", but it is exactly the type of project Illick and his firm revel in. With a commitment to utilizing sustainable practices - including having recently erected over 120,000 s/f of LEED certified commercial space (much of it built to LEED Gold standards) at one of Illick's other developments, Technology Park in South Burlington - ReArch Co. saw the old mill buildings as a perfect example of both historic reuse and urban revitalization. ReArch's president, Bert DeLaBruere succeeded not only in rehabilitating the structures, but did so in accordance with the National Park Service's Historic Preservation guidelines, earning valuable tax credits to the partnership along the way. In addition, as a result of adding depreciable assets to an underdeveloped community hungry for new business Illick and his partners also acquired substantial new market tax credits which contributed heavily to the feasibility of the project.

The result is 21 Water St., a classic New England mill building set along the Sugar River. The Common Man Inn's lobby and 35 rooms occupy the first two floors with the Common Man Restaurant adjacent in the Woven Label building and connected by a timber frame covered walkway. Red River Computer Co. resides on the fourth and fifth floors in their new headquarters joined internally by a suspended wrought iron and wood staircase. The third and sixth floors are operated as space for lease by Sugar River Mills Redevelopment and feature nearly 20,000 s/f of Class A office space showcasing custom woodwork, exposed brick, rough hewn timbers, and views of the river and neighboring mountains. With a triple net lease rate including a full tenant fit-up allowance, 21 Water St. is priced below comparable quality spaces in the Lebanon/Hanover area 30 minutes up I-91.

Commercial and hospitality are only two components of the Monadnock Mills, though. The Lofts at Sugar River are beginning to take non-binding reservations on the loft-style condominiums in the former Peterson Building next door. Conceived of by Illick and already under construction by ReArch Co. the residences will feature custom quality finishes including hardwood floors, 14' ceilings, stainless steel appliances and exposed brick and original timbers.

Having made the decision to hold off marketing the lofts until completion of the commercial piece, Illick is amazed at the reaction he has seen. "Without any marketing whatsoever we are already seeing reservations coming in amidst a steady stream of inquiries," he said. The lofts will introduce an urban living model new to the Upper Valley targeting the wide portion of the bell curve. "The demographic for the lofts is all over the place," said Evan Langfeldt, director of sales and marketing for Sugar River Mills Redevelopment. "They appeal equally to the downsizing retirees whose kids are out of the house and want the ease of strolling down the street to the Claremont Opera House - just as much as they will to the young professionals who want to be close to the new restaurants and nightlife like the Common Man or Sophie & Zeke's."

The fact that the mills are only a half hour from Dartmouth College and Dartmouth-Hitchcock Medical Center - two of the largest area employers - may also be a contributing factor. Claremont is located between Okemo Mountain Ski Resort and Mount Sunapee, and only minutes from Vermont's Mt. Ascutney. The city also features an Amtrak station providing daily direct rail service to New York City and Washington, DC, with stops throughout Massachusetts and Vermont. With I-91 only minutes away, Manchester Regional Airport under an hour and a half, and Logan International Airport in Boston just over a two hour drive, Claremont couldn't be any more centrally located for New Englanders looking for a great value.

However, Illick is quick to point out that this project would have been dead in the water without a strong commitment from the city of Claremont to improve their infrastructure, including street upgrades, the creation of a riverside park, and the large scale construction of new parking. State of New Hampshire officials including Governor John Lynch were also integral to the project's success - not to mention federal HUD funds appropriated by US senator Judd Gregg for street upgrades and the Department of Transportation's funding of 80% of the design and construction of the architecturally stimulating pedestrian bridge that now spans the Sugar River and connects the mills to a new 116 space surface parking lot beside the Claremont Visitor's Center. The lot along with a recently completed 256 space parking garage adjacent to the Lofts at Sugar River were

funded by a \$10 million bond to be paid back over time by the increased tax revenues generated from the presence of new business and increased property values in the Tax Increment Financing zone.

"Without Claremont's aggressive attitude - and follow through - towards forming a true public/private partnership I never would have gotten involved here, because it wouldn't have made sense financially," Illick said. "Communities who have traditionally been overlooked by private sector dollars need to help themselves turn the corner - and that means investing in their future by making it attractive for developers to do high quality, beneficial projects like the Monadnock Mills." Without a business-friendly climate, the tireless work of city officials like city manager, Guy Santagate and Claremont's business development coordinator, Nancy Merrill, and the commitment to remake Claremont as a prosperous up and coming community it's clear that this project never would have come to fruition. Luck had nothing to do with Claremont's turnaround, and the city is finding itself much the same as its mill district on the banks of the Sugar River - restored and upgraded for the 21st century.