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Newburyport Bank and MassDev. provide ARC with \$6.65 million loan

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Lynn, MA MassDevelopment has partnered with Newburyport Bank to provide ARC Realty Management LLC, owner of the vacant former Daily Item building at 38-54 Exchange St., with \$6.65 million in loan financing to support conversion of the property into a mixed-use development featuring 31 market-rate rental housing units and retail space.

In 2020, ARC identified air-quality issues following the removal of the building's first-floor printing press. MassDevelopment provided ARC with a \$130,000 Brownfields Redevelopment Fund loan to install a sub-slab depressurization system to eliminate indoor air-quality issues in order to continue the building conversion. The agency subsequently provided ARC with a \$2.8 million construction-to-permanent loan, in coordination with a \$2.8 million loan from Newburyport Bank, as well as a \$920,000 construction bridge loan. The Lynn Economic Development and Industrial Corp. also provided a \$150,000 loan for the project, which is expected to be complete by this October.

"Redeveloping and revitalizing prime urban spaces, like the former Daily Item building, is integral to our work spurring economic growth in Gateway Cities and other downtowns and town centers across the Commonwealth," said Housing and Economic Development secretary Mike Kennealy, who serves as chair of MassDevelopment's board of directors. "The Baker-Polito Administration is pleased that this treasured piece of Lynn's history will once again be a vital part of the downtown area."

"With this redevelopment project located in the heart of downtown Lynn and directly across from the Lynn MBTA commuter rail station, it will add housing, retail, and vibrancy to the city," said MassDevelopment president and CEO Dan Rivera. "MassDevelopment is pleased to deploy the various financing tools at our disposal, as well as partner with Newburyport Bank, to provide ARC Realty Management LLC with the resources it needs to bring the iconic former Daily Item building back to life."

"The former Lynn Item building is a historical asset within our community that will now be transformed into a cornerstone of the Exchange Street corridor and serve as a gateway into Lynn's revitalized downtown," said mayor Thomas M. McGee. "This mixed-use, transit-oriented development will be another important piece of the puzzle located adjacent to the commuter rail station and provide easy access to our walkable downtown. I want to thank MassDevelopment and Newburyport Bank for their support of this project to repurpose a building which has sat vacant for several years."

“Newburyport Bank is excited to partner with MassDevelopment to participate in financing the redevelopment of the historic Daily Item building,” said Mitch Marcus, senior vice president of commercial lending at Newburyport Bank. “The Daily Item is a North Shore institution and to be able to be part of the repurposing of their former headquarters in the heart of downtown Lynn is very gratifying. ARC Realty Management, LLC will provide 31 unique apartments and additional retail space as part of the ongoing revitalization of the downtown area. This project aligns perfectly with our mission of financing projects which continue to improve the communities in which we do business.”

The Daily Item building was formerly owned by the Daily Item newspaper, and featured a first-floor printing press and upper-floor newsroom and management offices. The building has been vacant since 2014, when the Daily Item relocated its offices to 110 Munroe Street in Lynn.

The building is located in an area previously served by MassDevelopment’s Transformative Development Initiative (TDI), a program designed to accelerate economic growth within focused districts in Gateway Cities. The program works with cross-sector partnerships to engage community members in actionable planning, implement local economic development initiatives, and spur further public and private investment. From 2015 to 2019 downtown Lynn was designated a TDI district, and during that time MassDevelopment helped position this key property for redevelopment.

ARC Realty Management LLC is a single-purpose real estate holding company based out of Lynn, Mass. BuildAR Group, Inc. is the general contractor for this project.

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