



nerej

Redevelopment of Arctic Mill property to add housing options - project being rehabilitated by Knight Street Capital

August 12, 2022 - Rhode Island



Photo credit Kendra Gravelle of RICentral.com

West Warwick, RI Governor Dan McKee, U.S. senator Jack Reed, congressman Jim Langevin, RI Housing and state and local leaders celebrated the beginning of the redevelopment and adaptive reuse of the historic Arctic Mill into rental housing and commercial space. The Arctic Mill development is the adaptive reuse of two separate historic textile mill buildings into a mixed-use complex comprised of both commercial space and residential rental apartments.

Located along the Pawtuxet River, the 19th century Arctic Mill is being rehabilitated by Knight Street Capital, the developer responsible for the recent rehabilitation of Pontiac Mills in Warwick. The redevelopment effort will produce a total of 136 rental units, 105 which will be market rate and 31 for households earning up to 100% of Area Median Income (AMI). Once completed, the development will also feature 10,000 s/f of office and retail space, including an onsite brew pub.

The funding for Arctic Mill comes from various sources, including Federal Historic Tax Credits, RI Housing's Workforce Housing Loan, the Rebuild RI Tax Credit program, and developer equity. The total development cost is \$32.7 million. Administered by Commerce RI, the Rebuild RI Tax Credit program provides gap financing for commercial office, industrial, residential, mixed-use development, ground-up construction, and historic rehab, offering redeemable tax credits covering up to 20% – and, in some cases, 30% – of project costs. The state program helps qualified

developers and business owners close financing gaps in projects that promise to deliver economic development benefits.

The Rebuild Rhode Island tax credit is not paid out until the project has received a certificate of occupancy and then is paid out over 5 years.

“As Rhode Island continues to lead the region in economic recovery, the Arctic Mills project promises to increase our state’s affordable and market-rate and housing supply while creating good paying jobs in the construction and aligned trades all while reinvigorating one of Rhode Island’s historic mills” said governor McKee. “For Rhode Island to be an attractive place to live, work, and raise a family, we must address the availability and quality of housing – that means everything from providing supports to those experiencing homelessness, to increasing affordable housing, to ensuring we build more workforce housing for our middle-class families. Our Administration’s quarter-billion-dollar housing proposal currently before the General Assembly will allow Rhode Island to do more projects like this and create much needed housing options at all levels.”

“This is about preserving our history, investing in the future, and revitalizing neighborhoods. I’m pleased that this project will utilize federal investments to breathe new life into this historic property and do so in a way that will ensure more working families can afford a place to live and new businesses can find a place to thrive,” said senator Reed.

“Creating more affordable housing options for working Rhode Island families is essential to economic growth and development throughout Rhode Island,” said congressman Langevin. “The transformation taking place at Arctic Mills is a win-win for our state as it’s expanding rental housing options while also preserving a significant piece of our state’s history.”

“Adaptive reuse projects like Arctic Mill exemplify the mix of creativity and determination needed to push the needle forward and address the shortage of units in communities across the State,” said deputy secretary of Housing Josh Saal. “The rehabilitation of this facility into a mixed-use, mixed-income development will assure we will create the housing infrastructure needed to ensure our communities continue to economically thrive, while paying homage to our State’s industrial history.”

Town manager colonel Mark Knott said “West Warwick is proud of our historic industrial past. Many of our residents remember working and growing up in the surrounding neighborhood, raising families, supporting one another and creating a tight-knit community in its shadows. The renovation of the property ensures this over 150 year old structure will play an important role in our town’s future.”

Built in 1865 using the stone walls of an earlier mill structure built in 1852 on the site, the main mill building sits alongside a stone dam on the Pawtuxet River in the Arctic section of West Warwick. In 1885, the property was bought by B. B. & R. Knight, who operated 35,824 spindles and 1,039 looms in the mill. The mill continued to be used for textile manufacture into the 20th century before being used by NATCO Products Corp., which occupied the mill until recently. A second building on the

site, a former guardhouse will be renovated for commercial use.

“It’s an exciting day to celebrate what will be a true transformation of this historic property,” said Larry Phillips, Knight Street Capital. “We recognize that Rhode Islanders need a range of housing options and at different price points. The homes we are creating here will meet a growing demand for both market rate and middle-income housing.”

RIHousing’s Workforce Housing program seeks to expand the range of housing options available in Rhode Island by addressing the affordable housing needs of a segment of the state’s population who are increasingly caught in the gap between rising market rents and ineligibility for other affordably assisted housing.

“There is a growing awareness of the challenges facing middle-income workers. Today’s high demand paired with low supply has driven housing prices up and out of reach for many middle-income workers, and many local governments are exploring and implementing strategies to stimulate the creation of workforce housing,” said Carol Ventura, executive director of RIHousing. “The WHIC program is one important tool that helps respond to the need for middle-income housing by filling a growing and significant gap in a tight housing market of rising rents that has been exacerbated by the COVID-19 pandemic.”

The new rental homes will help meet the need for rental options in the central part of the state. The property’s central location provides easy access to major highways as well as public transportation, shopping, recreational and educational facilities. Once completed, the property will include a variety of amenities including media rooms, a boxing gym, breakout rooms and more. The architects for the project are Urban Design Group, LLC.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540