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Project of the Month: Interchange Development LLC completes phase one construction of Merchants Way in Concord, NH

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Concord, NH Interchange Development LLC has completed the first phase of Merchants Way, a new Market Basket anchored shopping center located adjacent to I-93 at Exit 17 in the Penacook area of the city. Phase 1 of the 43 acre Merchants Way development includes a new 81,000 s/f Market Basket supermarket, 22,000 s/f attached HomeGoods retail space, a 13,500 s/f New Hampshire Liquor & Wine Outlet, and a 2,200 s/f Wendy's Restaurant. The buildings were constructed in 2021 and 2022 along with two private roads, Merchants Way and Interchange Dr., which connect to Whitney Rd. and Rte. 4 next to I-93. The Merchants Way development complements the previously constructed Xtramart/Mobil convenience store with Dunkins and drive thru at Exit 17.

The northern portion of Concord and surrounding towns of Boscawen, Canterbury, Loudon, Webster, Salisbury, and Andover had long been without convenient commercial services, including a supermarket. The project is intended to serve the growing number of area residents who currently travel many round-trip miles to the nearest supermarkets in downtown Concord, Tilton, or Warner. Due to access constraints and the bridge over the nearby Merrimack River, the Merchants Way development site was the only property suitable to satisfy this demand. However, two major impediments to development included the long standing industrial zoning of the parcel and significant off-site improvements required to manage the heavy traffic on Rte. 4.

Securing permits for the Merchants Way development was a 15 year long process. Interchange Development identified the industrially zoned property as a viable commercial site in 2007, due to its

location adjacent to I-93 and frontage on busy Rte. 4, carrying approximately 20,000 vehicles per day at the time. Interchange Development proposed a commercial rezoning to develop the Merchants Way parcel for a new grocery store in 2008 and once again in 2011. The rezoning efforts were met with resistance from the city of Concord due to a nearby competing city-owned site in the village of Penacook, which after a decades long vetting process, eventually proved unsuitable for supermarket construction.

In 2018, the competing city site was developed residentially and after several public hearings and a public charrette, the city council approved rezoning of the Interchange Development land to allow Merchants Way to move forward. Merchants Way became home to the first Gateway Performance Zoning District in Penacook which allows for large scale commercial development including retail, restaurant, service, and office uses. As a Gateway location, the Merchants Way site is fully serviced by city water and sewer, fiber and cable high speed internet.

The successful rezoning, convenient location and underserved neighborhood attracted Market Basket and the NH Liquor Commission to sign with Interchange Development for phase 1 of Merchants Way. With these commitments in hand, in 2021, Interchange Development entered into a public-private partnership with the city to construct improvements to Rte. 4 and Whitney Rd. The city engaged VHB, Inc. to design a \$5 million road improvement project to include a single lane roundabout on Whitney Rd. at the main entrance of Merchants Way, a two lane hybrid roundabout on Rte. 4 at Whitney Rd., and to relocate the southbound entrance ramp to I-93.

TFMoran, Inc. designed the site work for multiple phases of Merchants Way for Interchange Development and conducted a significant traffic study of the Rte. 4 and Whitney Rd. corridors. Andrews Construction Co., Inc. constructed all of the site improvements for the phase 1 tenants including water, sewer, underground electric, surface and subsurface drainage, sidewalks, common roads and parking lots. Unitil worked with Interchange Development to provide nearly one mile of underground electric service sized to accommodate the power needs of the development and 12 Tesla superchargers and 4 universal EV chargers.

Merchants Way Current Tenants

Market Basket was brought into the project early, and is the major traffic generator and anchor to the Merchants Way development. Market Basket is known for its variety of brand names and its reputation of high-quality private label products. At 80,741 s/f, the new store is larger than the combined size of the two other Market Basket stores in the city. The Market Basket at Merchants Way opened on August 26, 2022.

The new Market Basket store features over 50,000 food items to shop from, including:

- Several thousand health-conscious items that are gluten free, organic, all natural, vegan, and plant based alternative foods.

- A full-service Market's Butcher Block featuring certified angus beef steaks, roasts, chops, burgers, and marinated steak tips. Also, ready to cook meats – stuffed pork, chicken, kabobs, sausages, and pub burgers.
- A specialty cheese department offering over 300 varieties of imported and domestic cheeses.
- Market's Kitchen and Café for dine in or take out with complimentary Wi-Fi, and large screen tv's. Prepared food offerings include brick oven pizza, hot and cold dinners, sandwiches, subs, calzones, cheeseburgers, freshly made Niji Sushi, fresh cut fruit, fresh baked breads, pies, pastry, donuts, & muffins.

As of January 2023, Market Basket operates 88 stores in Massachusetts, New Hampshire, Rhode Island, and Maine. Market Basket is recognized by Consumer Reports as the top supermarket operator in Northeast and is known for its service, quality, value, variety, and store cleanliness. As reported in Consumers' Checkbook, a family of four that spends \$200 a week on groceries can save \$1,800 annually at Market Basket when compared to other supermarkets. The store offers unique 1950s style salmon-tone trimmed checkout counters and floor tile. Also, bucking the common trend of other supermarket chains, Market Basket has no self-checkout lanes. Seppala Construction was the general contractor for the Market Basket construction at Merchants Way.

The Merchants Way Market Basket is served by a stand-by power generator that accommodates all of the supermarket's needs, including refrigeration, heating, and site lighting. This capacity was tested during the recent power outage in Concord over the holidays this past December. The new Market Basket was one of the only supermarkets with power in the Capitol Region.

Concurrent with the Market Basket, Seppala Construction also built the abutting 22,000 s/f HomeGoods retail store. HomeGoods is a national chain of home furnishing stores selling furniture, linens, cooking products, pet supplies, art and home accessories. HomeGoods is owned by TJX Companies, and has sister companies Marshalls, HomeSense, T.J. Maxx, and Sierra. The HomeGoods at Merchants Way opened in October of 2022.

The first store to open at Merchants Way was a New Hampshire Liquor & Wine Outlet at 11 Merchants Way in August of 2022. The 13,500 s/f store features granite wainscot from a local quarry and a depressed loading dock for the high volume of sales anticipated at this interstate highway proximate store.

Interchange Development, the landlord, was successful in improving the NH Liquor & Wine Outlet building with a 50kw roof mounted solar array, the first time solar was included in newly constructed state liquor store. 603 Solar designed and installed the array sized to accommodate nearly all of the NH Liquor & Wine Outlet's electrical needs. Also, the NH Liquor & Wine Outlet site benefits from 12 Tesla superchargers and space allocated to four future universal EV charging stations.

The Merchants Way NH Liquor & Wine Outlet features over 4,000 sizes and varieties of wines and spirits, showcase special sections devoted to premium and ultra-premium spirits, high-end wine, as well as Outlet Price Busters and Wine Power Buys selections. The Outlet features LED fixtures, spacious aisles, and iPad kiosks for perusing inventory and wine and food pairings. According to the 2021 Annual Report, the NH Liquor Commission recently completed its most successful sales year in history, generating \$801 million in sales throughout the state. This allowed the NH Liquor Commission to deliver a record \$182.5 million to the New Hampshire General Fund and Other Funds in support of state programs.

Over the past decade, the New Hampshire Liquor Commission has embarked on a successful effort to burnish its image and build a nationally recognized brand through its 67 NH Liquor & Wine Outlets across the Granite State.

The Merchants Way NH Liquor & Wine Outlet is one of 40 new NH Liquor & Wine Outlets that have been renovated, relocated or newly constructed during that time, adhering to a specific design standard to better encourage and foster our brand recognition, improve access and shopability for the more than 12 million annual customers it draws from across North America.

The result of these efforts have proven mutually beneficial for New Hampshire residents and real estate development partners who benefit from the tenancy. Over the past five years, New Hampshire Liquor Commission sales have grown by 8.2%, from \$712.4 million to \$771.1 million. In Fiscal Year 2021, NHLC surpassed \$4 billion in total net revenue delivered to the state of New Hampshire, supporting essential state services including education, health and social services, transportation, natural resource protection, addiction treatment and prevention programs.

The New Hampshire Liquor Commission is proud of the relationship it has built with Interchange Development, the developers of Merchants Way, and continues to seek new strategic and mutually beneficial development partnership opportunities throughout New Hampshire to improve its offerings to customers and increase profitability for the state.

TCD Construction, Inc. was the design build general contractor for the NH Liquor and Wine Outlet. Notable sub-contractors on the job include Andrews Construction, AA&D Masonry, Air Flow Concepts, LLC, Apollo Steel, LLC, Belletete's, Inc., Builder's Installed Products, CID Construction, Inc., Diamond Ceilings & Contracting, LLC, Dock & Door Handling Systems, Inc., Gove Electric, LLC, Ji-Cal Masonry, Inc., Kelly Bros. America New England, King Painting, Inc., Maguire Equipment, Inc., Northeast Flooring Solutions, Oliver Mechanical, Inc., Paramount Contracting, Prime Roofing Corp, RediMix Companies, Tri State Sprinkler Corp., Trickett Woodworks, and White Cap, L.P.

The Wendy's restaurant at 2 Merchants Way opened in October of 2022. The 2,200 s/f restaurant features 42 inside seats and 20 seats under an outdoor covered patio. Exterior finishes include embossed aluminum "KnotWood" siding and prefinished panels. The Wendy's recently introduced

Smart 2.0 design reduces environmental impact with features that promote energy efficiency. This next generation of Wendy's Smart designs complements the company's commitment to reduce the amount of energy used in company-owned and operated restaurants by 20% by 2025, as part of its participation in the Department of Energy's Better Buildings Challenge.

The Smart design prototype features outdoor patio furniture made from recycled materials and exterior and interior LED lighting that provides better quality lighting while lowering energy use. Kitchens are outfitted with Energy Star certified equipment, including fryers and high efficiency HVAC systems with options for refrigerators, ice cube compressors, and other equipment. Combined, these items cut down on restaurant energy consumption and CO2 emissions. A kiosk-centric ordering process also supplements interior menu boards.

The Wendy's Company is the world's third-largest quick-service hamburger company with approximately 6,600 franchise and company-operated restaurants in the U.S. and 30 countries worldwide.

The Wendy's restaurant was constructed by Hilson Contractors, Inc. Subcontractors who participated in the Wendy's construction include Andrews Construction, CAS Construction, Lazer Pro Foundations, NHT Electric, Brozini Plumbing, True State Contracting, Breault Roofing, Pure Tile, and Chase Glass.

Merchants Way Future Tenants

Service Credit Union and Jersey Mike's Subs will be opening in the spring of 2023 at 4-8 Merchants Way, a three unit commercial building now under construction adjacent to Wendy's. At 8 Merchants Way, the 2,500 s/f Service Credit Union is distinguished by its tall exterior stone faced structure, with visibility to Merchants Way traffic. A high vaulted ceiling and open concept floorplan are design elements inherent in the construction that will also feature two ATMs and a teller station under a two lane drive up canopy. Service Credit Union was started in 1957 as the Portsmouth Air Force Base Credit Union. It is now the largest credit union in New Hampshire with more than 342,000 members. Service Credit Union operates 37 branches in New Hampshire, Massachusetts, and North Dakota with 14 branches serving American military personnel stationed in Germany.

At 4 Merchants Way, the first Jersey Mike's Subs in Concord will open in a 1,500 s/f space offering both indoor and outdoor seating visible to Merchants Way. Jersey Mike's Subs delivers an authentic sub sandwich experience, with fresh sliced-to-order meats and cheeses, bread baked fresh daily and hot subs made on a flat top grill. Jersey Mike's Subs has over 2,300 restaurants nationwide.

TCD Construction, Inc. is also the design build general contractor for 4-8 Merchants Way which offers a combination of stone, Nichiha, and EFIS exterior. Andrews Construction is again providing site construction services. JCB Colby is constructing a stone retaining wall separating Wendy's and the drive through lanes for 8 Merchants Way. Interchange Development is seeking a retail, medical

or restaurant tenant for the remaining 2,680 s/f at 6 Merchants Way. Completion is anticipated in the spring of 2023.

Additional phases of the Merchants Way development have been approved by the city in a Comprehensive Development Plan; which includes a 6,500 s/f Urgent Care, 5,600 s/f retail and medical office space, 22,700 s/f junior retail anchor, 6,100 s/f restaurant, 14,800 s/f restaurant and retail building, and a six acre future industrial development component.

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