



A rendering of the remodeled Item building, set to be completed in October 2021.

NEWS

FINANCING SECURED FOR FORMER DAILY ITEM BUILDING REDEVELOPMENT IN LYNN

BY GUTHRIE SCRIMGEOUR | April 7, 2021

LYNN – The development team seeking to turn the former *Daily Item* building into retail space and market-rate apartments has secured financing for the project.

ARC Realty Management, LLC, a Lynn-based real estate company owned by local brothers Hourmat Abdul Rauf and Hashmat Rauf, have secured \$6.65 million in loan financing to transform the 38-54 Exchange St. building into a mixed-use development.

Provided through a partnership between MassDevelopment and Newburyport Bank, the financing will enable the development team to convert the former newspaper building into 31 market-rate rental housing units and commercial space that would allow for seven retail tenants on the first floor.

"It's an important building. It's in the middle of the arts and cultural district, it's within walking distance of the train," said James Cowdell, Economic Development & Industrial Corporation of Lynn (EDIC/Lynn) executive director. "We think it's going to be very successful once it's completed."

"It's been going great," said ARC Realty Principal Hourmat Abdul Rauf, of the construction, which began in December 2020. "We're very fortunate and grateful that Newburyport and MassDevelopment got together to finance the project. We're looking forward to opening in October."

The project was originally supposed to begin in 2018, but stalled due to the financing process proceeding slower than expected.

MassDevelopment, the state's finance and development agency, 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.

"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."

The 119-year old building is undergoing a complete restoration, which includes a new roof and windows, a refinish of the 1900s original hardwood, and a restructuring of its interior layout. The apartments, geared toward young professionals, would cost between \$1,800 and \$2,000 for one-bedroom units.

Cowdell said that EDIC, which also provided a \$150,000 loan for the project, will work with ARC Realty to find tenants for the retail space that would be created.

"I'd love to see some shared kitchen space there," he said. "Something that will bring people into that area. We want to make it a hustling, bustling area."

Rauf said a couple of potential retail tenants have already expressed interest in the retail space, including two restaurants and a cafe operator.

The building was formerly owned by the Hastings & Sons Publishing Company, and featured a first-floor printing press and upper-floor newsroom and management offices. The building has been vacant since 2014, when the newspaper was sold to Essex Media Group and relocated its offices to 110 Munroe St.

ARC purchased the 35,000 square-foot building at 38-54 Exchange St. for \$1.4 million in December 2018 from Be Developer Group, an Atlanta-based firm, according to property records.

Construction on the project is underway and is expected to be completed by October 2021, Rauf said.

“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."

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