

Worcester Magazine – extract from article This Old Mill by Noah Bombard

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**How to turn empty brick buildings into viable centers of commerce**

By Noah R. Bombard



12 Crane St. in Southbridge.

Gabriel McCarthy and his business partner purchased the dilapidated slaughterhouse at 12 Crane St. and took a chance. He got a \$1 million loan and put together \$1.5 million of his and his partner's money with a dream of converting the old mill into a vibrant destination with just the right mix of tenants. It's been a struggle and there were few grants available to him. But McCarthy looked around town and came to an important conclusion.

"I think the town of Southbridge is absolutely primed for redevelopment," he says.

In the case of 12 Crane St., McCarthy's anchor was his own restaurant, The Dark Horse Tavern. From there, he sought out businesses that would create a synergy together. And when he says synergy, he's not just waxing philosophically.

"We have a bakery and restaurant and the restaurant buys goods from the bakery," McCarthy says. "The pub buys beer from the brewery and the brewery supplies local restaurants as well. Hopefully we don't need the lawyers too much, but they're there, too."

The lawyers occupy the office space and there's a residential component as well. A function room that will hold 250 people and host live music and theatre is slated to open later this year.

McCarthy sought out his tenants — looking for just the right combination of businesses that would work. But it took more than finding good tenants. He had to offer them something — cheap rent.

“We kept our profit margin to an absolute minimum,” McCarthy says. “Startup businesses need to be on their feet before they can pay market-value rents.”

Like many of the mill conversion projects in the area, McCarthy says it's about luring the good tenants and then building a reputation as a place people want to be.

Tax incentives and marketing



Monika Agnello, owner and director of Sevengates Project Space at 12 Crane St..