

# Industrial Properties Rehabilitation Case Studies



## Morganton Mill

305 East Union St.  
Morganton, NC

120,000 sq ft  
Mixed - commercial, city hall, apts, office  
1882. additions 1917 - 1927

In 1996 when Premier Hosiery closed their doors at the Morganton Trading Company Mill, the City of Morganton took action. The Morganton Redevelopment Commission, after a thorough environmental and historic assessment of the mill costing approximately \$30,000, purchased the Mill for \$250,000 from the bankruptcy court. The Mill had been operational for well over 100 years. Originally built in 1882, the Morganton Manufacturing and Trading Company was operating in the mill by 1900, producing wood products such as doors, windows and moldings. By 1909 the building was used for storage only. Garrou Knitting Mills refurbished the mill in 1917 and began a long history of textiles production at the mill. Additions were added to the mill between 1929-1930 to accommodate Morganton Full Fashion Hosiery Mill when it began operations. The two firms merged in 1960 to form Premier Hosiery owned and operated the mill from the mid 1960's until their bankruptcy in 1995. After purchase by the Morganton Redevelopment Commission, construction began in 1999 to return the mill to it's 1930's appearance. A number of buildings were demolished to recreate the open courtyard and bring light back into the center of the two major buildings that comprise the mill site. In 2002 the City Hall moved into 33,650 sq feet of the newly renovated mill.

## Quick Stats

### Description of Surrounding Area

The mill is located on the edge of downtown Morganton. The Mill is the cornerstone property of a 4.5 block city redevelopment area. The redevelopment area is bordered by US Hwy 70 Business and is located between two National Historic Register Districts (The Morehead -Lenoir Street District and the Downtown Historic District. The redevelopment area was comprised of both businesses (A&P, church) and residential.

### Problems and Resolutions

Property was green sheeted. Used primarily current building code with some use of existing buildings sub-code. Did not use new rehab code.

### Architects/Builders/Owner

#### Phase I:

**Architect:** Ron Morgan Advising Architect and Kevin Pfahl, Architect

**Builder:** Morris Construction Co., Greenville, SC

**Owner:** Morganton Trading Company, LLC.

#### Phase II:

**Architect:** J. Hyatt Hammond Associates, Inc., Greensboro , SC

**Builder:** Pending Approval

**Owner:** Pending - SunChase America, Ltd.

## Cost

**Total renovation cost** - Phase I - \$569,696 Entire mill- \$2,079,181

**Per Square foot cost**- Phase I construction cost \$27.07 per square foot.

**Cost estimates for new construction for same use** - \$4,535,874

## Renovation Success

Very well received. Note worthy for use of redevelopment commission involvement. Generated other economic development in the area.

## Source of Funding

**Local** - \$250K acquisition funding from Morganton Redevelopment Commission. City Council supplied \$30K for environmental assessment and professional services and surveys. Local Historic District provided 50% ad valorem deferral. Guaranteed city lease.

**State** - 20% tax credits

**Federal** - 20% tax credits, CDBG entitlement, Powell Bill Funds

**Private** - \$3.2M from developer

## Use

The property began as a mill for the manufacturing of Wood Products, moldings, doors, windows and dry goods in 1882. It was occupied by various industries until 1996 when Premier Hosiery closed. Today the property (Phase I) is occupied by City Hall and Morganton Cable.

## Community Benefits

The community benefits from the reclamation of a derelict area. The 4.5 block area has spurred the influx of new stores, restaurants, banks and pharmacies. The result is a new neighborhood with a historic feel.

## Description of Property

120,000 square foot masonry structure

**Date of Construction** - 1882 additions 1917 – 1927

**Local, state, national designation** - Listed in National Register of Historic Places

**Date of renovation** - 1999 began. Renovation of Phase I was completed in December of 2001.

## Description of Outcome

**Status** - Phase I, approximately 33K sq. ft. is complete and occupied. Phase II, approximately 89,000 sq ft is designed and awaiting financing. Has stimulated economic development in the 4.5 block area. Over \$35M in new investment has taken place since the completion of Phase I in December 2001. Projects include \$1M renovation and expansion of the Historic Gaston Church. (Church was considering moving out of the city prior to the Mill renovation). Other new buildings include a BB&T Bank, a Condominium Project, a Restaurant, a Drug Store (in a newly converted old building), a CVS Pharmacy, Retail (property to be renovated by the county), and a Movie Theatre. Safety, vagrancy, petty crime, and litter are no longer an issue in the area. Phase II will begin in the near future and includes 41 new residential units and 20,000 square feet of mixed use office/commercial space.