

# Industrial Properties Rehabilitation Case Studies



## Renfro/Roberts Leaf Mill

165 Virginia Street  
Mount Airy, NC 27030

100,000 sq ft  
Condominiums  
1892, addition 1956

Built in 1892 as a tobacco leaf plant in downtown Mount Airy, Roberts Leaf Plant was converted to a sock manufacturing facility by Renfro Hosiery in the early 1900's. The building became vacant in the 1990's and was donated to a local non-profit museum. Purchased by two local businessmen after sitting vacant for years, renovation began in 2002. The developers cleaned out the interior, demolished insignificant "add-on" buildings, and proceeded to renovate the remaining 100,000 square feet of buildings into high end owner occupied condominiums. Thirty-seven units now exist with a tax value in excess of six million dollars.

Listing on the National Register of Historic Places made tax credits available for the project. While tax credits are often used as an equity tool requiring that the property be held and rented for at least 5 years, the developers of Renfro chose to apply the state and federal credits in a pass-through structure that allowed the condominium buyers to benefit from the tax credits. In addition to the marketing benefit of available tax credits, the pass-through structure created a property that was owner occupied rather than renter occupied. Possibly the first project in North Carolina to use this pass-through structure the Renfro development experienced a preconstruction sell out of the entire project within 120 days.

The Mount Airy planning board and fire department were very helpful with rezoning needed to allow the project to move forward. The biggest building code challenge was one of fire separation of the individual units.

## Quick Stats

### Description of Surrounding Area

The building is located in the downtown area, adjacent to a public housing project and other vacant industrial properties and renovated commercial offices

### Problems and Resolutions

Compliance with state building codes concerning fire separation were the biggest challenge. State and county building code officials were very helpful and co-operative. City planning board and fire department was very helpful in rezoning property for residential use.

### Architects/Builders/Owner

**Architect** : Stuart McCormick of Lambert Architecture

**Builder**: Lee Mills Construction

**Owner**: Gene Rees, Lee and Judy Mills

### Cost

**Total renovation cost** - \$5 to 6 million

**Per Square foot cost**- construction \$85, Demolition \$3

**Cost estimates for new construction for same use** - \$ 20 million

### **Source of Funding**

**State** - \$2 million dollars - "passed through" to end buyers

**Private** - 100% estimates are \$105 to \$125 per square foot)

### **Use**

The building began as a tobacco leaf plant and was converted to a sock manufacturing plant in the early 1900's. The building has been converted to 37 high-end, owner occupied condominiums.

### **Community Benefits**

The downtown is nearly fully occupied with approximately 80 retail stores, 20-30 commercial offices and professionals, and an active tourist trade, all in the face of manufacturing job losses in the community. This project has encouraged the renovation of neighboring streets and buildings

### **Description of Property**

100,000 square foot masonry structure

**Date of Construction** - 1892 original building, addition 1956

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

**Date of renovation** - 2002

### **Awards**

Caraway Award of Merit

### **Description of Outcome**

**Status** - Renovation completed, 100% occupied Provided proof that downtown housing can work in a smaller community and in renovated properties. Owner occupied condominiums provide maximum downtown stabilization. Tax value of the property presently exceeds \$6 million dollars and the resale prices of the condominiums have increased nearly 40%.