

# Industrial Properties Rehabilitation Case Studies



## Revolution Mill

Greensboro, NC

540,000 sq feet  
Business Center, Medical lab, Manufacturing  
1886 – 1913

Revolution Cotton Mill, built in 1899, for the Cones and Sternbergers, was named for its intended impact on the southern textile industry. The first flannel mill in the region, Revolution Mill grew to be the world's largest flannel production facility by the 1930's. Sold to Revolution Associates for redevelopment as condominiums, after Cone Mills closed the plant in 1982, it was determined that the mill layout was not suited to condominium development. The mill was then sold to Revolution Studios, LLC, present owner of the property.

Revolution Studios, using a campus approach that included shared reception areas and studio offices, divided the project into two phases and began renovation of Phase One in 2003. The renovation is ongoing with 18 months left on the scheduled Phase One. As the project has progressed, the tenant mix has evolved. Present tenants include the Nussbaum Center for Entrepreneurship, a small business incubator: a nonprofit organization offices; a cabinet shop and showroom, which takes advantage of existing loading docks; a coffee roasting company; various small businesses; and most recently, a medical laboratory and medical offices. Many would consider the current tenants mix incompatible, but this mix of office, manufacturing, and medical allows maximum use of the existing facility with a relatively minimum renovation of at least part of the building. Currently the property rents at the low end of Class A office space, but based on the lease inquiries, the owner/developer believes that the property will transition into higher end office and medical rental.

Although the mill was nominated to the National Register of Historic Places in the mid-1980's, the developer has not used tax credits in the redevelopment. Upfit is paid for by the tenant and primary construction is done by employees of the developer. Space is renovated after leasing. This approach has maintained interior renovation costs of \$25-30 per square foot. Exterior renovation has been limited and reception area costs and site costs have been absorbed by the developer.

The City of Greensboro has been very cooperative with the development in the areas of zoning and building inspections. The project has been permitted under the new Rehab Code and there are plans being discussed for a possible new access to the site that would include a greenway and bike path.

## Quick Stats

### Description of Surrounding Area

The property is located on a well-traveled 4 lane road that serves as a link to the fast growing northeastern Guilford County area. It is one of several mills in the vicinity. There is an adjacent mill village of small houses currently selling for \$75,000- \$85,000.

### Problems and Resolutions

Used New Rehab code

The City of Greensboro has been very cooperative in the rehabilitation of the mill. The adjoining mill village initially requested that roads connecting the mill and the adjacent residential neighborhood be closed. Roads are currently blocked in a reversible manner.

### **Architects/Builders/Owner**

**Owner-** Revolution Studios, LLC Primary construction done in-house Project consist of two phases with eighteen months remaining in phase one.

### **Cost**

**Construction cost for rental space** - \$25-\$30 a square foot not including reception area. Tenants pay for upfit. **Exterior renovation and site costs** - absorbed by the developer. Exterior renovation to date has been limited. Developer is controlling cost by using in-house employees to fabricate windows, etc.

**Cost estimates for new construction for same use** - significantly higher

### **Renovation Success**

Formerly empty building now houses class A office rental. Demand for this space is outpacing construction.

### **Source of Funding**

Private

No tax credits

### **Use**

Mixed use including business incubator, small offices, manufacturing, and medical offices and labs.

### **Community Benefits**

Developer currently working with the city to create a new entrance to the property that would include a public greenway and hiking/bike path to link the property more closely with downtown.

### **Description of Property**

540,000 square foot masonry structure

**Date of Construction** - 1899,1904,1915

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

**Date of renovation** - began 2003, renovation ongoing

### **Description of Outcome**

**Status** – Ongoing: value of the property has quadrupled since the project began. There is increasing demand for medical facilities in the area and Revolution Mill is providing a unique solution for the need.