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Chatham Mill project advances, evolves its socioeconomic mission

By Richard Craver Winston-Salem Journal 1 hr ago



The old Chatham Mill textile complex at Chatham Road and Northwest Boulevard has become the Mill 800 Apar
Photos by David Rolfe/Journal

A long-decrepit section of Northwest Boulevard has reached the halfway point in a blight-to-bright transformation.

The goal is spending about \$50 million to breathe new life into a series of abandoned manufacturing buildings, some of which served as the former Chatham Manufacturing Co. textile plant at 800 Chatham Road.

The hope is helping convert that section from a socioeconomic outlier to an integral part of the remarkable downtown Winston-Salem revitalization effort.

“There’s 111 years of history in this plant that we’re planning to restore into a vibrant asset once again,” co-developer Kenneth Reiter said.

The first phase has been successful, with the bulk of the 170 apartments in the Mill 800 complex occupied.

Construction is nearing completion for a 50,000-square-foot center of office, retail and public space at 854 Northwest Blvd. That project includes a central worship and community initiatives hub for Two Cities Church, which has attracted more than 700 attendees since launching in the fall of 2016. The \$2.8 million project also will include development at 870 Northwest Blvd.

The final phase is projected to begin in spring 2019 with the conversion of Building 23 into 46 loft apartments by summer 2020. The building was once used by Western Electric for World War II aeronautics defense-technology development. Most of those lofts would be about 800 square feet.

About \$14 million of the combined initiative is being covered by federal and state historic mill-rehabilitation tax credits. The developers were made eligible for up to a \$750,000 loan from the city of Winston-Salem, as well as having secured at least \$2.2 million in grant and loan funding.

“It’s a huge opportunity to be a catalyst given it is equal distance from downtown and West End, along with the Hoots Beer Co. project (at 840 Mill Works St.),” said Jeff MacIntosh, the Winston-Salem City Council member who represents the area.

““I think it will encourage others to step in and make it one seamless effort for downtown.”

Project description

The plant had several owners and occupants over the years, including Chatham, The National Carbon Co., Western Electric, Adele Knits, Twin City Warehouses and DataChambers, before operational activity there ended in 2005. The mill is listed on the National Register of Historic Places.

Chatham Mill Ventures purchased the former plant campus and about 300,000 square feet of mostly warehouse space for \$645,000 in April 2012.

“We’re trying to reconnect the connection of this site to downtown, to West End Historic District and the neighborhoods,” Reiter said.

“That’s what really attracted us. We’re hoping to be a pebble in the pond that creates a far-reaching ripple effect.”

The developers knew patience would be key given that the future of state historic rehabilitation tax credits was uncertain in 2012 with the Republican-controlled General Assembly.

Those credits would be critical to securing additional financing as the financial services industry warily recovered from the Great Recession. The legislature altered its stance on the tax credits enough in September 2015 to make them worth pursuing again.

Developers also recognized that while downtown was becoming a trendy place to live, particularly for those who worked in the area, the Chatham property was enough off the normal traffic flow that “it was best for demand to exceed supply organically before starting our residential project,” co-developer Jerry Deakle said.

It would be just more than three years before Deakle and Reiter held a ground-breaking ceremony on a chilly May 2015 morning.

The initial plan was to develop the loft apartments first, but the developers flipped their strategy as they felt more confident in demand for the Mill 800 project.

Phase I, which was completed in 2016, features 170 one- to three-bedroom rental apartments ranging in size from 800 square feet to 1,300 square feet. Monthly rents range from \$800 to about \$1,500.

The apartments are pet-friendly, with social-activity rooms. The five-story roof has been converted into a terrace for outdoor gatherings, and the former railroad track into a recreation area. There’s also a natural-light atrium at the core of the complex.

The targeted demographic, Reiter said, is a “workforce renter” of resident doctors, nurses, administrators, city and county staff and other professionals not able or willing to pay for a luxury downtown unit.

Deakle said that while many of the tenants are in their 20s and 30s, there are some retirees and younger baby boomers.

“The Chatham Mill complex continues to transform a forgotten industrial site into a vibrant place to attract our next generation of Winston-Salem residents,” Macintosh said.

“This is the type of project that puts us in the race for high-quality jobs as we compete for talent and innovation.”

Two Cities Church

The Two Cities Church project came about after Deakle and Reiter determined the time was not right to move forward on the retail element of their plans.

The church, which holds services now at 630 N. Patterson Ave., expects to move into its new space in time for services on Oct. 21. There are plans to hold four identical services that day at 9:15 and 11 a.m. and at 4 and 5:45 p.m.

“We are a church for all people. We are diverse socioeconomically, as well as generationally, with many college students, young professionals and many from the medical community,” said Kyle Mercer, the church’s lead pastor.

“We believe in moral proximity and that it matters where our church gathers. We will dream big, start small and go deep.”

Mercer, a Pittsburgh native, is married with three children. He received his Master’s of Divinity from Southeastern Seminary in 2014 and led the college ministry at First Baptist Church in Durham for three years before helping to plant Two Cities in Winston-Salem in the summer of 2016.

“Our mission and vision is to give every man, woman and child repeated opportunities to see, hear and respond to the gospel of Jesus Christ,” Mercer said.

Mercer said the church became interested in the developers’ Northwest Boulevard plans out of their “eagerness to be a part of the community (there)” as part of living up to its mission and its name.

“We realize we are at the intersection of many different and diverse neighborhoods. We are moving into that community and are looking forward to learning a lot,” Mercer said.

Two Cities said part of its outreach will include neighborhood-related schools and nonprofits.

“It will take time to figure out where we could best serve,” Mercer said. “We have already begun to build partnerships with and serve Cook Elementary and the Winston-Salem Rescue Mission.”

Funding for project

The \$2.8 million projects at 854 and 870 Northwest Blvd. are being funded mostly from a \$1.2 million loan by First Community Bank and \$1 million from American South Real Estate Fund.

The fund was launched recently with the goal of “investing in projects across the South that benefit communities struggling with high levels of poverty and disinvestment.” The fund’s grant is going for property redevelopment.

“We are excited to see a new source of capital for projects, such as Chatham Mill,” Reiter said. “The American South Real Estate Fund is a great financial tool for these types of challenging redevelopments in communities that need revitalization.”

Deborah La Franchi, the fund’s chief executive, said the office and church hub project “hits the sweet spot for what we are hoping to accomplish” — investments in the \$50 million to \$75 million range.

“This newest phase of Chatham Mill’s redevelopment continues to transform the site’s abandoned and deteriorating buildings,” La Franchi said.

“The workforce and affordable housing that has been built, coupled with the future community services to be provided, are aligned directly with the fund’s mission to positively impact the communities where we invest.”

The fund has a presence in 10 states in the Southeast, with the overall Chatham Mill project serving as one entrance point into North Carolina.

“We believe Northwest Boulevard has the potential now to what Trade Street had in Winston-Salem about 15 years ago,” La Franchi said.

“We want our efforts to help serve as a catalyst for new capital for developers willing to take on the risk/reward of a major revitalization effort for those in low-income and poverty communities.

“We’re very comfortable with these transformative projects and believe we can be a very valuable tool in the local economic toolbox,” she said. “We would like to be involved in additional projects that make sense, both in Winston-Salem and across North Carolina.”

La Franchi said the Two Cities aspect of the initiative was a bonus attraction.

“Churches tend to be next to multifamily areas and schools that represent great outreach opportunities,” she said

Expectations for future?

The developers and Mac-intosh realize it is challenging to expand not only the radius of what encompasses downtown, but also the perception.

“Certainly before the Chatham Mill project happened, most people would think the area was fringy to downtown,” MacIntosh said.

“But now, it has taken steps toward changing the definition and boundary of what we call downtown, similar to efforts involving Martin Luther King Jr. Drive. This corridor is a natural place to look as the Central District continues to shrink in available land.

MacIntosh said he and the developers recognize they will continue to have to show patience with expectations for future development, particularly restaurants, along Northwest Boulevard.

“We don’t think it needs to be a huge bang project to get the ball rolling, but I believe there has been enough development for small landowners to consider redeveloping their properties,” MacIntosh said.

“It’s amazing how much \$1 million could leverage, and I think it could create a bunch of change.”

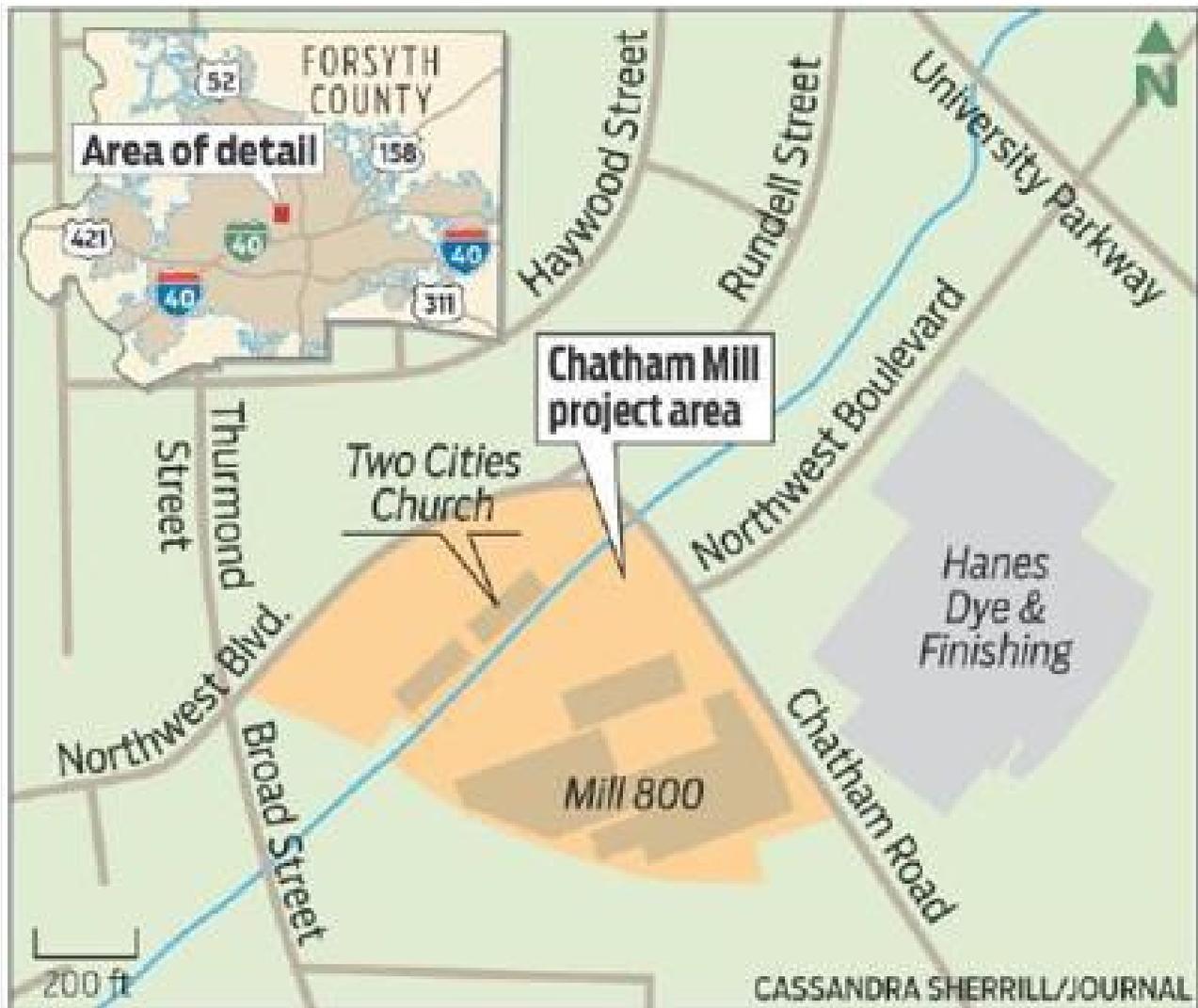
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Former textile mill continues development as apartments

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Chatham Mill history

The history of Chatham Manufacturing Co. starts in 1907 with the construction of the main mill buildings. Over the course of the next several decades, a series of buildings and structures were built to create the setting today.

The project is significant for both its contribution to industry and architecture.

Not only was the property the location where Chatham operated one of the region's largest wool production and blanket manufacturing facilities, but also served as an important engineering and design center during World War II and later as a research center for the burgeoning computer and telecommunications industry during the 1960s.

The complex is also significant architecturally, as it contains one of Winston-Salem's oldest mills associated with textile manufacturing, as well as other industrial buildings erected during the 1950s.

Notable is what the developers consider "an interesting and rare mixture of heavy timber frame and steel and concrete construction."

Richard Craver