

Edenton, North Carolina



	Edenton
Population (2000)	5,394
Municipal budget (2006)	\$17.5 million ⁷⁴
Per capita income (2000)	\$13,260
Median household income (2000)	\$25,240
Poverty rate (2000)	25%
Minority population (2000)	58%
Proximity to urban center	70 miles to Norfolk, VA
Proximity to interstate highway	80 miles
Strategic approach	Residential development (historic preservation)
Timeframe	1995-2006

Edenton's strategy is to preserve its historic assets in order to create conditions for private sector investments in the community. Working together, the Town of Edenton and Preservation North Carolina transformed the old Edenton Cotton Mill Village – the historic living quarters for mill workers and their families – from dilapidated shacks to modern village residences. By 1999, after improving the village's infrastructure and initiating an intense marketing campaign, Preservation North Carolina sold all 48 of the village residences. With the aid of incentives, each residence was completely renovated in the ensuing years. The transformation was sufficiently impressive as to land the village on the pages of *Southern Living Magazine*. In addition to the increased publicity, Edenton has seen property values in the village increase nearly 20 times and the mill houses have attracted artisans and entrepreneurs to town.

The community and its history

Edenton is often referred to as one of the South's prettiest small towns. Incorporated in 1722, it has a well-preserved residential historic district and courthouse. The downtown also is well preserved and is considered by many to be a poster child of successful downtown revitalization.

Historically, Edenton's proximity to the Albemarle Sound meant that the shipping and fishing industries played a major role in the town's economy. Just before the 20th century, the textile industry came to Edenton. The Edenton Cotton Mill, built in 1898, was the town's economic anchor and largest employer for nearly 100 years. As was common

⁷⁴Interview with Janet Hines, Town of Edenton finance officer, Colquitt, Ga., June 4, 2007.

Elected officials in Edenton partner with an historic preservation nonprofit organization to turn the dilapidated Edenton Cotton Mill into a new economic asset for the community. This public-private partnership has resulted in upgraded infrastructure, private investment in real estate, increased property values and preservation of Edenton's historic assets.

during the heyday of textile manufacturing, the Edenton Mill provided low-cost housing for mill workers in an adjacent mill village. When the Edenton Mill owner, Unifi, announced it was closing the plant in the fall of 1995, the devastating effect was especially concentrated in the Edenton Mill Village. Long-time Edenton Town Manager Anne Marie Knighton recounted her worry over the plant's closure: "When Unifi closed, the mill village neighborhood was in serious danger of becoming blighted. Windows were boarded up and the remaining residents were just a few retirees paying very low rents. We weren't sure what was going to happen to the village."

The strategy

Edenton's strategy is to turn a potential liability into an asset by assisting in the turnabout of the Edenton Mill Village. As soon as Unifi announced closure, the Edenton town manager, the Edenton-Chowan County Chamber of Commerce and Myrick Howard, president of the nonprofit Preservation North Carolina (PNC) contacted the corporation about donating the mill. In December 1995, just three months after the closing, Unifi, PNC and the Town of Edenton reached an agreement under which the entire mill property (including the mill village) would be donated to Preservation North Carolina. "The town was instrumental in convincing Unifi to donate the mill instead of selling it to a developer," said Beth Taylor, a former Edenton Cotton Mill worker now working for the nonprofit's Edenton office. "Had it been sold to a developer, we would have lost this incredible historic village."

After the transaction was complete, Preservation North Carolina faced the challenge of selling old, deteriorating mill houses in rural Chowan County. It overcame initial local resistance to subdivide the mill village property to sell the homes individually. It also had to create a market. An aggressive promotional campaign in the winter of 1996 seemed to pay off. In April 1996, more than 5,000 people attended an open house at the village. Other than a few cosmetic improvements, the model home was not renovated. It was intended to provide interested buyers with an image of what a mill house could look like with just a few improvements. The real renovation work, in keeping with the organization's philosophy, was left to the property owner. Preservation North Carolina, however, attached strict protective covenants and required design review for all of the cotton mill homes. This gave buyers the assurance that the distinctive architectural features that made the homes so appealing would remain. The organization also stipulated that all homes in the village be owner occupied to ensure the residences' upkeep.

Over the next three months, 26 mill homes sold for \$20,000 to \$30,000 each, 10 times their assessed value just one year earlier. Given these clear market indicators, Edenton's town manager applied for Community Development Block Grant funding to upgrade the water and

sewer lines into the village. In mid-1997, Edenton began construction. The community's infrastructure investment spurred further private sector investment, and by December 1999, all 48 homes in the village had been sold.

Over the next five years, these new village residents renovated their homes. Through a partnership with Preservation North Carolina, Vic Alexander of the Edenton BB&T bank set up a special loan package for homeowners that combined construction financing and the permanent mortgage into one understandable lending package. Local officials invested in a boardwalk along the nearby Queen Anne's Creek in 2000, adding value to properties in the mill village. Lastly, in an effort to prevent gentrification, existing residents – mostly retired mill workers – were given the option to buy their homes at a discounted price or continue renting at a favorable rate. A number of workers purchased their homes, the first they ever owned, and a few continue to rent to this date.⁷⁵

From the town's perspective, the mill renovation has been a tremendous boost. For example, the 1996 property tax value of the entire village was \$610,485. In 2006, renovations to the village raised the value to \$12,110,659, over 19 times larger. Average home prices increased from approximately \$3,000 to \$25,000. And the benefits have reached far beyond increased property values. "The unique mill homes have attracted a number of artists and entrepreneurs to our town," said Knighton, the town manager. The mill transformation is spreading to surrounding areas as well. In 2006, an abandoned peanut mill across from the Edenton mill opened as a commercial office building. By creating a market for historic mill homes, Preservation North Carolina and Edenton spurred massive private investment and preserved an historic asset.

What are the lessons from this story?

Historic preservation is an economic development strategy. Edenton demonstrates that strategic historic preservation, done with the goal of stimulating private investment, can increase both tourism spending and local property values. In addition, local investments in historic preservation create local jobs. Preservation North Carolina estimates that every \$1 million invested in building rehabilitation creates 41 jobs, whereas an equal investment in new construction creates 36 jobs.⁷⁶ Edenton's story also demonstrates that historic properties have the potential to attract creative entrepreneurs to the community.

Through public-private partnership, an economic development liability can be turned into an economic development asset. The Edenton Cotton Mill was a potential liability for the community. Town officials and the nonprofit Preservation North Carolina partnered to market the village, establish covenants and ownership agreements, and upgrade the village infrastructure,

⁷⁵ A few transactions involving existing residents were exempted from the stipulation that all properties be owner-occupied.

⁷⁶ Rypkema, Donovan D. *Profiting from the Past: The Impact of Historic Preservation on the North Carolina Economy*. Preservation North Carolina, 1998.

creating a market for the rural mill village. This partnership allowed them to reduce investment risk and create a secure vision of what the mill village could look like, enticing significant investment from outside the region.

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