

## NEWS RELEASE

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# Augusta Canal Authority to Buy Sibley Mill

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AUGUSTA, GA: The Augusta Canal Authority has entered into a contract with Avondale Mills, Inc. to purchase the Sibley Mill, Authority Executive Director Dayton Sherrouse and Authority Chairman Robert Woodhurst announced today. The purchase price is \$800,000.

The property includes the landmark 19<sup>th</sup> Century textile mill and outbuildings and approximately 20 acres of land stretching from the banks of the Augusta Canal to the Savannah River and the hydroelectric plant.

It is not the intent of the Authority to be a long term owner of the property.

Avondale ceased textile manufacturing at Sibley in 2006, but continues to operate the mill's hydroelectric power plant. The Authority will take over the hydro operation, stabilize the buildings and perform required environmental remediation.

The Authority acquired Sibley in order to safeguard and protect the property, located within the Augusta Canal National Heritage Area, explained Sherrouse. The Authority doesn't plan to be the long-term owner of the mill.

"We want to protect this important historic resource," said Sherrouse. "When the economy improves, we will consider offers from interested developers. In the mean time, we want to protect the structure from 'demolition by neglect,'" he said, referring to the fate of some historic properties that have been lost through deterioration or collapse.

The acquisition will enable the Authority to complete many of the pre-development activities that will ultimately make the property more marketable for a developer to complete the redevelopment Sherrouse said. He stressed that the canal was originally built in 1845 to promote economic development and this purchase is consistent with that goal and will be the first step in returning the property to active use as a viable component of the local economy.

The Authority has a 120-day inspection period prior to final closing in order to identify any unknown structural and environmental problems. Barring unforeseen inspection findings, closing is expected on August 31, 2010. Sherrouse stated that the Authority would be conducting their own environmental inspection of the property to complement previous assessments by Avondale. "Our goal is to have the site approved under the Brownfield Program pursuant to Georgia's Hazardous Site Reuse and Redevelopment Act," he said.

The Authority will file for the transfer of Sibley's hydropower license and operation from the Federal Energy Regulatory Commission after closing and continue producing electricity from the operation of the hydroelectric plant.

Within the next several months the Authority will finalize funding of the \$800,000 initial purchase price from several available options.

The property behind Sibley reaching to the Savannah River is part of the purchase. Acquisition allows the Authority to complete a long-delayed recreational trail project along the Savannah River levee that had been postponed due to right-of-way issues. Work to install pedestrian bridges across the tailraces (the outflows to the Savannah River) from Sibley and King Mills will begin after final closing.

The Sibley is the second historic mill purchased by the Augusta Canal Authority to promote preservation along the canal. In 2001 it purchased the Sibley's neighbor, King Mill, for approximately \$250,000 after that mill was abruptly shuttered by its owners. The authority then leased the building to a new operator, Ohio-based Standard Textile. Standard continues to operate King to make textiles for the health care industry.

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