In 1822 the Ellicotts purchased the Dorsey Forge and chartered the Avalon Company. By the late 1830s the upgraded iron works employed 30 people and was producing bar iron. A mill town of fifteen duplex houses formed the Village of Avalon.

The Avalon Iron Works rolled rails for the Baltimore and Ohio Railroad starting in 1848. At the zenith of production in 1854, Avalon produced 44,000 kegs of nails annually.

The catastrophic flood of 1868 destroyed much of the iron works and the village. The only surviving structure of Avalon is this building housing the History Center. This house is located on the pictures beside the (*). It originally was one of the duplex houses in the village.