

# County's Workforce Confirms Ethan Allen Expansion



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Catawba County residents will slowly begin to see a rise in employment as Ethan Allen announced plans to hire new employees and rehire former employees.

Ethan Allen, who announced its expansion in June, received additional incentives from Catawba County Commissioners on Aug. 17 after Maiden Town Council agreed to provide incentives to the large furniture company a few weeks ago. The incentives came after Ethan Allen agreed to add 152 new jobs and rehire 150 people previously laid off, according to Nathan Huret, Catawba County Economic Development existing industry coordinator. Currently, Ethan Allen employs 540 people.

A contractual agreement between Catawba County and Ethan Allen said the company must invest \$2.5 million by Dec. 31, 2011. In addition to the monetary investment, Ethan Allen also has to show documentation where they have hired the 302 additional people.

Huret explained Ethan Allen will receive 67 percent of their property taxes paid on the expansion portion of the building annually for three years. The incentive equals \$8,065 per year for a maximum of \$24,195.

The grant reimbursement will begin in 2012, which is based on a time frame provided by Ethan Allen on when the expansion will be complete and when they hope to hire and rehire employees.

"The biggest component is the fact that it's all positive benefit," Huret said. "The jobs, the investment, nothing is coming out of a general fund or taxpayers' pockets in any way for this. It's being self-funded. Ethan Allen pays their taxes and are getting back the taxes they paid. Really it's Ethan Allen financing their very own incentive grant."

Even though the incentives offered to Ethan Allen are appealing, Huret said the contract between the county and Ethan Allen is not the reason the Maiden facility was chosen.

"The incentives are never the reason someone comes to your county or town," Huret said. "The main component they were looking at was the workforce. Those skills are inherent in this area. Not a lot of places in this world can do that and do it at the level Catawba County and Maiden citizens can do."

With Catawba County's unemployment rate at 15.5 percent, Employment Security Commission Manager Alan Mackie said any announcement of new jobs in the area is a good sign, especially for the county's furniture base.

"This is a bed rock industry for the Unifour and particularly Catawba County," Mackie said. "Let's hope our run of good news the last couple of months continues."

Ethan Allen's Maiden facility will become the lead upholstery manufacturing operator for its company by transferring the current upholstery services from its Chino, Calif., plant.

"The severe recession has resulted in many challenges and also created opportunities to accelerate the reinvention process in establishing a stronger enterprise," said Farooq Kathwari, Ethan Allen chairman and CEO, in a press release. "We very much regret the impact of this consolidation to our Chino associates. Our plan to expand upholstery operations in Maiden, where we have been operating since 1949, will start immediately. We are pleased that the state and local governmental authorities in North Carolina worked with us in this transition."

Catawba County Commission Chairwoman Kitty Barnes said that for at least two years it has been good to create more jobs for county residents.

"We are pleased to see both new jobs created, as well as some people laid off being called back," Barnes said. "An upholster is truly a craftsman. I know I'm very proud of the craftsmen work that people here in the Catawba Valley have put in themselves."

Barnes said commissioners still hope more jobs will find a home in Catawba County.

"As a group of commissioners, we've talked about the desire to do as much as we can for our traditional manufacturing base," she said. "We want to attract other industries to spread that base and pay attention to those also looking to expand right here."

Other area companies bringing jobs to the area include Target Distribution Center employed 500 people; BSN Medical will invest \$2 million and create 25 jobs; Apple will have a \$1 billion investment and 50 direct jobs in their data center and 250 indirect jobs on site; and Heil Screw Products in Conover will bring 10 new jobs.

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