

# Plant opening is ray of sunshine

By Dianne Straley  
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In a small sign that times might be getting better for the local furniture industry, a California manufacturer has bought an old Thomasville plant in Hickory and will be producing residential upholstery pieces by the end of April.

Fairmont Seating Co. has hired about 22 workers and expects to employ at least 200 by the end of 2014. It had about 20 applicants for every position, said Paul Savicki, vice president of manufacturing for Fairmont Seating.

The plant will make sofas, sectionals, loveseats and other upholstered pieces. Its parent company, Fairmont Designs, chose Hickory for its first furniture-manufacturing plant east of the Mississippi. It has a distribution center in Memphis.

The Hickory plant will reduce transportation cost for the firm's East Coast customers, said company president Brian Edwards.

Fairmont will produce about 50 pieces a day initially and should be up to 150 to 200 pieces by the end of this year, Savicki said.

The firm initially considered moving to High Point because of the national furniture market there. Savicki said he and Catawba County recruiter Julie Pruett were able to persuade company officials to choose Hickory instead because of the thousands of skilled furniture workers here.

"I told them my success was based on the quality of people I could recruit," Savicki said.

"Between me and Julie, we sold them on Hickory."

He has plenty of workers to choose from. The four-county region has seen employment in the furniture industry plummet, from 32,213 in 2000 to 13,897 in 2010, according to the N.C. Employment Security Commission. Chinese furniture imports account for much of that decline.

Furniture Today, an industry trade publication, says the Fairmont plant is part of a small trend among manufacturers to increase U.S. production. "Owning factories in China has worked for decades but now the scene is changing," said George Tsai, chairman of Fairmont. "China's cost is escalating."

Tsai told Furniture Today that the rising cost of labor and raw materials, difficulties of ocean transport and rising fuel costs are making U.S. manufacturing more sensible.

The company has pledged to spend at least \$1.5 million on equipment in the next three years, as well as employ 200 workers. If it meets those goals, the city of Hickory and Catawba County will each give the firm \$25,000, said Pruett, director of business recruitment for the county's Economic Development Corporation.

The state also will give the company a tax break if it meets those goals. The 200 jobs must be maintained through 2017 or the company must repay the incentives.

Manufacturing equipment is taxable and adds to the area's tax base, Pruett says. Local governments do not count the plant's purchase price when it calculates incentives because the plant was already on the tax rolls, she said.

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The purchase price was not revealed but Catawba County says the 12 acres and two buildings at 207 20<sup>th</sup> St. S.E. in Hickory have a tax value of \$1.4 million. The Thomasville plant had been vacant about six months before Fairmont's arrival, Pruett said.

The company expects to invest more than \$2.8 million in real estate and equipment, according to the city of Hickory.

Pruett says it is difficult to convert old furniture plants to other manufacturing uses, which often need higher ceilings. So it was ideal to have a furniture company move into the old Thomasville building.

Savicki said he worked in that plant 16 years ago, when Highland House operated there. He comes to Fairmont from Bernhardt Furniture, where he managed the contract seating division.

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