

Davidson County industrial park lands European company with plans for 770 jobs

By Richard Craver Winston-Salem Journal - July 25, 2017



Gov. Cooper talks about Davidson County project

THOMASVILLE — One of the biggest economic development projects in Triad history was announced Monday with an Austrian furniture and flooring industry supplier committing to a \$700 million project in Davidson County.

Egger Wood Products, based in St. Johann in the Tyrol province of Austria, said it eventually would create up to 770 advanced production and other jobs. The first phase, which is expected to take six years, will include 400 jobs and a \$300 million investment.

The particle-board plant project is estimated to require three phases and 15 years to complete.

Potential employees will have to wait at least 2½ years before working for Egger. Construction is not expected to commence until late 2018 to allow for permitting and infrastructure steps. With production set for early 2020, Egger has until 2026 to reach the first job criteria goal.

The project would be the first large development in the county-owned I-85 Corporate Center near Linwood.

The average Egger salary would be \$40,000, according to the Davidson Economic Development Commission. The county's average annual wage is \$36,836.

Egger supplies wood-based materials for the global furniture, wood construction and the flooring industries. It researched 50 U.S. sites before narrowing them down to Davidson County and sites in Georgia and South Carolina.

"The three sites were very close, but if you use an Olympic analogy, Davidson County's workforce, its proximity to the timber industry and overall infrastructure helped it win our gold by a nose," said Michael Egger, a co-owner of the company.

The ability for Egger to have a North American production facility "is vital to tap into the market and become a significant player for the growing demand in the U.S. for wood-based materials," said Walter Schiegl, the company's chief technology officer and member of its executive board. "Our goal is to position ourselves as the leading brand for wood-based solutions in the U.S., as we are already in Europe."

Schiegl said he has hopes that Egger having a presence in the United States will convince some European furniture manufacturers to make similar investments around its Davidson facility.

Schiegl said the company's U.S. sales activities to date "have already proved our product range is highly attractive for architects, designers, wholesalers and industry customers."

Up to \$10.3 million in incentives

Egger plans to build more than 4.5 million square feet of production space on more than 200 acres in the industrial park.

To put the Egger project into context, Ashley Furniture Industries Inc. has a 3.8 million-square-foot facility in Advance, its largest plant overall, where it has spent more than \$250 million and created more than 1,120 jobs. Ashley, the largest U.S. home furnishings manufacturer and retailer, has pledged to reach at least 1,650 jobs at the facility.

"North Carolina's legacy as a top state for furniture manufacturing and the availability of a skilled labor force is an excellent advantage for Egger's first entry into the U.S. market," Gov. Roy Cooper

said in a statement. “Egger could have gone anywhere in the U.S. for this project, but it chose Davidson County because of a workforce that is hard working, industrious and understands this industry like no other.”

Egger has been made eligible for up to \$5.3 million in performance-based incentives from the state Job Development Investment Grant, up to \$2.5 million from the One North Carolina Fund, and \$2.5 million in matching local incentives. It previously had qualified for a \$1 million grant from the Golden Leaf Foundation that will be used for sewer infrastructure at the location.

The Egger project is expected to receive assistance from Duke Energy, Norfolk Southern, the N.C. Community College System, state departments of Environmental Quality and Transportation, and N.C. Railroad.

The commission already has announced securing more than \$11.75 million in grants and no- or low-interest loans for the creation of the business park. The financing is being used to pay for land, site preparation, infrastructure and roadway improvements.

‘Commitment to the vision’

Tommy Hedrick, chairman of the Davidson economic commission, said securing the Egger project represents “the culmination of a long journey to develop the I-85 Corporate Center and the beginning of the investment and job creation vision we followed during the park’s creation.”

The first phase of the overall corporate center project, unveiled in April, sits on 431 acres of land. There are plans to compile more than 1,100 acres. County economic officials have said the industrial park could have as many as 9,000 jobs if it reaches its full potential.

The goal since the industrial park was disclosed in 2014 has been attracting advanced manufacturing, metal-working and other manufacturing companies, as well as supply chain companies, to a site that has attractive interstate and logistical advantages. Phase I will benefit from having at least 50 rail spurs for railroad cars to be restacked. The spurs have access to a switching station.

Davidson County officials determined in 2014 that the county’s workforce couldn’t wait any longer for the Commerce officials to bring potential projects to the park.

The site had been under consideration as part of a 2,400-acre megasite for a large manufacturer, such as automotive and aviation. It was among four finalists in 2007 for a Toyota Motor Corp. plant that would make 150,000 Corollas a year.

However, with Davidson County unable to secure all the land in time, Toyota chose to build in Blue Springs, Miss.

The Egger project is significantly bigger than other economic projects announced in the past 10 years.

That includes Timco Aerosystems in Wallburg, which would create 500 jobs over seven years and make a \$2.75 million investment.

A laminate flooring competitor of Egger, Mohawk Industries Inc., has at least 300 employees in Thomasville with its Unilin Flooring NC LLC subsidiary and at least 1,250 employees in the state.

'Manufacturing resurgence'

Anthony Copeland, the state's Commerce secretary, described the Egger project as "the perfect example of the manufacturing resurgence that we're experiencing in the state."

Stan Kelly, president and chief executive of Piedmont Triad Partnership, said the Egger project "is a result of years of careful planning and investment in the I-85 Corporate Center."

"I congratulate Steve Googe and the Davidson County team for their commitment to the vision of large-scale manufacturing there. This is exactly the type of impactful project that the Triad is well-positioned for."

Home-furnishings veteran Jerry Epperson said Egger likely decided it wanted "to be close to its raw materials and labor that has woodworking knowledge."

"Egger sells to the residential, office, hospitality, health care and other furniture sectors, some of which have factories in the area," said Epperson, managing partner of financial-services firm Mann, Armistead and Epperson of Richmond, Va. "North Carolina has a great industrial development program within its state government. This is another example of their good work."

Schiegl said that with the Davidson County production site, "we will be able to enhance our customer relationships, ensuring product availability and speed of delivery."

John H. Boyd, principal with site-selection consultant The Boyd Co. of Princeton, N.J., said Davidson officials should be able to attract promising options for the park with Egger as its lead tenant.

"Egger being in Davidson County will allow it to be a U.S. competitor in "speed to market" that's been embraced in the Amazon-influenced manufacturing sector," Boyd said.

"Egger sees speed to its U.S. customer base as leverage and a key sales narrative to expand its market share in the U.S. furniture and construction markets, something it has already achieved in Europe."