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REVIVAL

New leaders ponder how to resurrect a factory town.

Lexington Mayor Newell Clark

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No longer run of the mill: "There's got to be a balance that's never existed before," Mayor Newell Clark says.

THE BATTLE OF LEXINGTON

After losing jobs and people, a factory town fights to remake itself.

By David Bailey

Lewis Brindle holds on tighter as a blast of wind from a passing truck tries to wrest the sign from his scarred fists. It advertises today's special at a nearby grill in downtown Lexington. He's making $5 an hour as a human billboard, but his callused hands hint of days when he didn't have to accept free meals. "I started at old Dixie when I was 16 years old," Brindle says. That was in 1964. Why finish high school when Dixie Furniture Co., which employed more than 1,000 workers in 15 buildings that sprawled over 31 acres along the Southern Railway tracks, was paying good money?

He would wind up a supervisor, making $11 an hour, "which was all right for this area." But outside ownership, imports and intense competition would bring old Dixie down. Beginning in 1987, it and several affiliates were bought, reinvented, sold and leveraged into Lexington Home Brands. Brindle, like hundreds of others, was laid off in 2005. That October, the company closed its last U.S. wood-furniture factory.

Brindle has struggled since. He attended community college to learn a new trade, then tried bricklaying. "But I couldn't hold up for anything like that," he says. So he holds a sign as cars roll by. "I'm mainly doing this here so I won't be sitting at home on my butt all day."

PHOTOGRAPHY BY STEVE EXUM

He looks down the street. "The Lexington that I knew growing up is gone."

The last decade has been no kinder to this city of about 19,000 than it was to him and the company he hung his hopes on. Though in the heart of the Piedmont, the most prosperous part of the state, Lexington lost population, down 5%, from 2000 to 2010, the last census showed. Compare that with statewide growth of 18.5%. Or with nearby cities such as Thomasville, which grew 35.2%, or Salisbury, 27.2%. The population of Davidson County — of which Lexington is the seat — increased 10.6%.

Manufacturing, Bob Timberlake says, "was our life." It fed families and sustained the American dream.

Some say Lexington's growth was stunted because it botched an annexation that would have brought 2,000 new residents and has lackluster schools. But mostly the city shrank because its manufacturing base, predominantly furniture and textiles, shriveled, causing people to move away. "They went to other towns to find jobs," says Bob Timberlake, the artist who found fame with his paintings of the rural landscape that surrounds his hometown. Manufacturing "was our life. It's what fed everybody. It gave promise to students that they were going to have a job and the American dream when they got out of school." Now those jobs have gone halfway around the globe, where workers are paid half what Lewis Brindle makes as a human billboard.

The numbers are grim. From 2006 to 2011, unemployment hovered around 16%. Manufacturing, which provided more than half the jobs in 1980, comprises less than a third now. One of every four residents lives in poverty, compared with 15.5% statewide. Almost half those under 18 are poor; the state figure is one in five. "I've never seen anything like it in my lifetime," Timberlake says. "But I can't imagine living anywhere else in the world."

Lexington's plight is not unique. Since 2008, the 12 counties of the Piedmont Triad Partnership, Davidson among them, have lost some 90,000 jobs, more than any other region of the state. And it is the loss of manufacturing jobs that hurts most. Between 2005 and 2010, North Carolina lost 137,154 — nearly a quarter — in what once, by several measures, was considered the nation's most industrialized state. Of those the N.C. Department of Commerce considers competitors, only Georgia and Michigan shed a larger portion of their manufacturing industry. Unlike many small Tar Heel towns, Lexington can boast of attractions such as Timberlake's gallery, NASCAR team owner Richard Childress' vineyard and its famous barbecue. But this is a place that made its name known around the world by making things. Now it's struggling to find a way to remake itself.

Legend has it that a horseman tore into town in 1775 with news that fighting had erupted between colonial militia and British regulars in the Massachusetts village of Lexington, so local patriots adopted the name for their own hamlet. By 1810, their town could boast a store, tavern, post office and population of 83. Incorporation came in 1827, and the North Carolina Railroad followed in 1855, triggering a building boom. By 1858, it had a grand Greek Revival courthouse.

Like the Yadkin River east of town, Lexington rolled on, reflecting ups and downs in the national economy. Erlanger Cotton Mills and Co. came along in 1914, making dimity-check fabric for BVD underwear. Housing 1,400 workers and their families, the mill village had its own community hall, day nursery, kindergarten, schools, dairy and church. "It was not just a mill, it was a community," says Joe Sink Jr., former publisher of *The Dispatch*, the newspaper his family owned until sold to The New York Times Co. in 1973. (It was sold again in January to Daytona Beach, Fla.-based Halifax Media Holdings LLC). Sink attended Grimes Elementary with mill kids. "They weren't any

Mike Davis Sr. teaches new skills for new jobs — how to operate a vertical computerized milling machine.

different from me," except they had their own gymnasium, swimming pool and subsidized housing — 25 cents a month per room.

Textile mills created jobs, but it was furniture factories that made the town famous. By the early 1900s, the town had Lexington Chair Co., The Crowell Furniture Co. and Standard Parlor Furniture Co., among others. But first among them was Dixie Furniture Co. A factory with that name dated back to the turn of the century, but Henry Link organized his company in 1936 with 90 employees to produce moderately priced bedroom furniture. In 1940, after visiting auto plants in Detroit, he added motorized conveyors that would turn Dixie into the largest manufacturer of bedroom furniture in the world. It spawned affiliates to produce solid-wood bedroom and dining furniture, boys' and girls' bedroom furniture and, in the 1970s, wicker furniture. By 1986, Lexington Furniture Industries, the umbrella organization for the various branches, was the nation's ninth-largest furniture maker, with revenue of $205 million and 4,500 employees. By then, furniture manufacturing employed one in four of Davidson County's workers.

But that was then, and this is now. Furniture, tobacco and textiles, which accounted for 70% of the state's manufacturing jobs in 1947, provided less than a third by 1996. Manufacturing itself became less of a factor in the state economy as jobs went overseas. Then the last recession pummeled the sector, which fell from 14.2% of total Tar Heel employment in 2005 to 10.9% in 2010.

"Within Lexington, furniture manufacturing is limited at present to two or three companies," says Burr Sullivan, president and CEO of the local chamber of commerce. "Stanley Furniture closed its plant in early 2010. We do have United Furniture, an upholstery manufacturer based in Mississippi that opened its Lexington plant two years ago and now has 460 employees. Linwood Furniture is located in a community just outside Lexington. Lexington Home Brands operates a distribution plant here for products sourced in Asia."

Chris Reddick, 55, is one of hundreds of former furniture workers trying to retool their lives. She recalls the day four years ago when she was laid off at Drexel Heritage's Plant 37. "I went home a'crying because that place had been there forever. I mean, my momma worked there, my father-in-law and my mother-in-law worked there 20 years and retired from there. I never thought I'd see that plant closed." Cobbling together government grants and scholarships, she is earning a four-year teaching degree from Salisbury-based Catawba College, which offers classes at Davidson County Community College's Lexington campus. "It's mind-boggling," she says, "because you have to get your brain to working again. The first test I had, I thought, 'What have I got myself into?'"

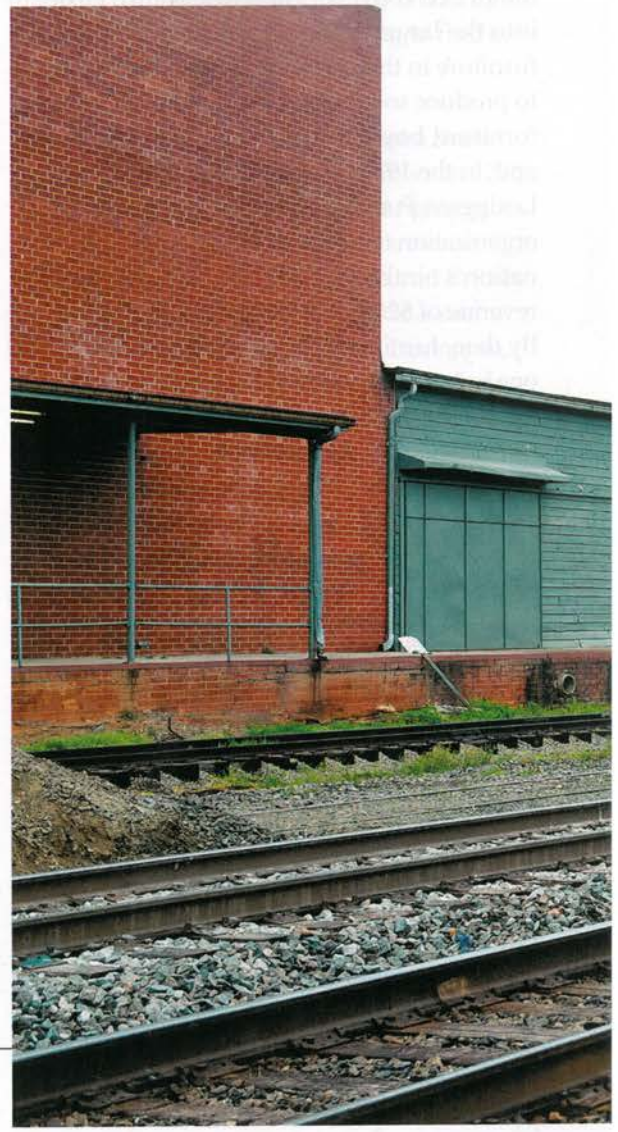
There are manufacturing jobs to be had, but they require a different set of skills, which DCCC tries to provide. On a three-day bus tour in February to highlight innovative industry partnerships with community colleges, Vice President Joe Biden and his wife, Jill, came visiting. As part of their tour, they toured the school's Advanced Manufacturing Lab, an almost obligatory stop for dignitaries. Here, bathed in fluorescent light and nearly hospital clean, a series of lathes and mills hooked to a computer panel teaches students to design, create and machine parts from blocks of metal. Randy Ledford, dean of the community college's School of Business, Engineering & Technical Studies, points to a blinking monitor set into an industrial-gray machine the size of a minivan. This, he says, "is where students learn to talk to machines."

Problem is, the lingua franca of computers is a four-letter word to many students: math. "There are good jobs out there starting with salaries of $40,000-50,000 a year," he says. One local company has 16 openings. "And here are the steps you're going to have to follow in order to get those jobs: Take math and science."

This proved a stumbling block for his own father, Ledford says. At age 50, after working in one sock plant after another, each of which closed as jobs departed, "he tried to go back to school on two occasions, but he just wasn't able to gain the skill sets he needed for these high-tech jobs we have"— even with his son tutoring him. "He couldn't get past the math part." Even for recent high-school graduates, the coursework can be daunting. "Designing things requires quite a bit of calculus, differential equations and linear algebra," Ledford says. In the computer-aided machining curriculum, for example, "two out of three students don't make it through the second year."

Some blame poor preparation. "We have one of the worst school systems in the state," Sink says. That's questionable, but there's no doubt the city schools could be better. Seven of 10 third- to eighth-graders in the county system passed end-of-grade tests last year; only about half of Lexington's did. Nearly nine of 10 high-school students in the county system passed end-of-course tests; barely two-thirds in the city system did. The statewide rate is 80%.

What happened to the city's schools, which once were far superior to the county's, is what occurred in many of the state's smaller cities, as well as in the inner cities of its large ones. "Folks that could, took their children out of the city school system," says Frank Callicutt, a new member of the City Council with three children in the system. They put them in private schools or got them into the county system, where 80% of the students are white. Nearly three quarters of Lexington's students are minorities.



Even the shuttered factories, city boosters believe, have potential as a foundation on which to build the future.

A staggering 92% get free or reduced-rate lunches, compared with 53% statewide. "We can improve Main Street and we can improve jobs here, but no one is going to live here until we improve the school system," Callicutt says.

But it's not all the school system's fault, says Antionette Kerr, executive director of the nonprofit Lexington Housing Community Development Corp. "We raised a generation of children in poverty." For years, the city clung to a dream. "People thought this manufacturing savior would come and automatically all social issues that surrounded the economic downturn would go away." All the while, she says, Lexington was in denial about the root problem: "children living in poverty."

Manufacturing, according to the new mayor, cannot be the centerpiece of Lexington's recovery. "There's got to be a balance that's never existed before," Newell Clark says. "We need to become a business-friendly environment to help entrepreneurs and small business owners." With that as a backdrop, last year's municipal elections shaped up as a referendum on the city's future.

On one side, there was John Walser, 72, who came onto the City Council in 1991 and had been mayor since 2007. "I'm right proud of what we've done here," he said during the campaign. "I think the status quo has been

pretty good for most people compared to the rest of the country. We have a better record of jobs than almost any city in the country." In announcing his candidacy, Clark vowed, "After today, it's not business as usual in Lexington." He told how he had left a good job as a professional photographer and college instructor in Santa Barbara, Calif., to move back in 2007 to take over Standell Properties, the family business, because his hometown was where he wanted to raise his family.

Predictably, change won. Clark, 40, became one of the city's youngest mayors ever, and of four seats up for election on the eight-member council, only one incumbent won.

"Our generation is not embarrassed by what happened to our city. ... We're going to rebuild this place."

"What happened here is people wanted new blood," Timberlake says. "And it's about time. If you can't change, you're in trouble. You're going to be left by the wayside." Sink believes that the departure of industry and executives left a leadership vacuum in Lexington, just as it did in many other places across the state. "My take on Newell is he's young, and he needs the city to grow for him to make money in real estate." The same could be said of Callicutt, 35, a partner in Evans Properties Inc., who won an at-large seat. But he points out that, as a parent, he has a personal stake: Unless things improve, his children will leave Lexington when they grow up. "If I do all I can to change that, at least it won't be my fault."

The new blood believes downtown Lexington, with its historic buildings revitalized, can become a sort of small-business incubator. In addition to being the seat of county government, it already has a thriving hardware store, a grocery, several banks, jewelers, florists and antique and coffee shops. Even the shuttered factories have potential. In March, a meeting to gauge public support for revitalization of the city-owned, million-square-foot Lexington Home Brands Plant No. 1 drew 175 people. The city has hired Charlotte architectural firm Shook Kelley Inc. to study, among other things, whether shops, restaurants and residential housing might thrive in a once-industrial setting. "So many cities your size would absolutely kill for your downtown," Terry Shook told the assembled. "It is a great foundation to build on."

Many consider Chris Phelps the breed to breathe new life into the city. In 2010, he opened High Rock Outfitters. Using pressed-tin ceiling tiles, corrugated siding from a chicken house and old bricks, he turned a Main Street storefront into a hangout for young adults, many living within walking distance of downtown in restored historic homes. He soon discovered that coffee sales lagged as the day progressed and that sales of camping equipment and kayaks were highly seasonal. He decided to offer North Carolina wine, craft beer and local music, but that, he discovered, would require rezoning the property to operate what the city code called a nightclub, a concept that shocked many locals.

"My skin cringes at the word 'nightclub,'" he says. Weeks, then months went by before a zoning meeting was scheduled. "We had a huge turnout. We had something like 50 people there, standing room only." Only one person opposed the rezoning. High Rock Outfitters now serves organic Jamaican coffee during the day and Black Mountain's Pisgah Pale Ale at night. The space is jammed on weekends and even on weeknights if there's entertainment.

Bob Timberlake sits in his gallery, surrounded by duck decoys, model sailboats, handcrafted canoes and leather easy chairs and sofas he's helped design. From his window, he can see Interstate 85, where 70,000 cars a day go by. "I can't imagine being located in a better place than we are," he says. One of the things

City Council member Frank Callicutt and entrepreneur Chris Phelps play key roles in downtown revitalization.

Shook Kelley is studying is the feasibility of reopening the train depot for Amtrak service. That, Timberlake thinks, could turn the city into a bedroom community. "I see us having the potential of being a small, warm, friendly, responsible and successful small town. We can sit on our front porches and visit and listen to the birds and the bees. It's soothing to live here."

But it's rough running a business, even if you're Bob Timberlake Inc. "We're going through tough times and trying to keep things going," he says. One of his principal suppliers, Linwood Furniture Inc., filed for Chapter 11 bankruptcy protection from its creditors in March. "That was primarily a strategic decision to eliminate a bad contract," says his son, Dan, who was among the investors who opened Linwood in 2006 to make The World of Bob Timberlake furniture for Lexington Home Brands. His father had insisted that the world's most successful furniture line be built in America *(cover story, May 2008)*. "We have the utmost confidence in the management team," he adds.

"Every day I get up," his father says, "I'm trying to keep and create jobs." That's why he says he let his 20-year licensing contract with Lexington Home Brands expire in December 2010, a relationship that produced more than $26 million in royalties over the life of the agreement. "Ninety-nine percent of the furniture and furnishings in this gallery are made in America," most by Linwood and Hickory-based Century Furniture LLC. "I'm 75, and I could be doing something else and not worrying about this." His solution to Lexington's — and the nation's — problems is simple: Shop local and buy American. "If we don't rally around and buy American and help each other out, it can get even worse."

But can a simple solution work in a world growing ever more complex and competitive? Nearly a third of Lexington's working-age residents have not finished high school, compared with 16% statewide. Only about 38% of the workforce has some post-secondary education, compared with 55% statewide. Sink, the old newspaperman, calls it a "bleak picture," one he hopes the new political blood can correct. The young mayor says he's confident. "Our generation is not embarrassed by what happened to our city. We see it as an opportunity, and we're going to rebuild this place."

Meanwhile on Main Street, reminiscing about when he made some of the most sought-after furniture in the world, Lewis Brindle braces for an uncertain future and another buffeting from a passing truck. "I could go into a furniture plant today and crank up a band saw or a planer or something like that. But now it's all run by computer. I wouldn't even know how to turn it on." ■