

For Immediate Release
Contact
June 20, 2013

Paul Shanks
Office of the Governor
(804) 225-4262

**Governor McDonnell Announces 72 New Jobs in Isle of Wight County
– Franklin Lumber, LLC to reopen dormant International Paper Sawmill –**

Former IP mill employees bringing mill back into operation; AFID grant supports company, county development efforts

RICHMOND-Governor Bob McDonnell today announced that the former International Paper (IP) Franklin Sawmill, closed since 2009, has been purchased by Franklin Lumber, LLC and will restart operations by year's end. A new company started by former employees of the IP mill, Franklin Lumber will create 72 jobs with the reopening of the facility, with the potential to create additional jobs when a second shift is added, as market conditions allow. The new owners plan to make \$14.8 million in new capital investments to the facility over the next five years to increase the capacity and competitiveness of the mill.

Speaking about today's announcement, Governor McDonnell said, "Over the last three and a half years, our administration's focus has been on creating jobs and new economic opportunities for citizens throughout the Commonwealth, with an approach that fully incorporates all of Virginia's numerous and diverse economic sectors, including our two largest industries of agriculture and forestry. The forestry industry has long been among the top economic drivers for Virginia in general and this region in particular. Accordingly, I am pleased to see this sector continuing to gain strength, right along with the rest of Virginia's economy, as a result of our focused and strategic efforts."

Franklin Lumber plans to produce 60 million board feet of southern yellow pine lumber annually utilizing one shift. Its products will consist of dimensional lumber for retail, treating and truss manufacturers. The company will also have a strong market for its residual products, including IP, which will purchase wood chips for its recently re-opened fluff mill. More than 40% of Franklin Lumber's annual purchases of logs, estimated at almost 300,000 tons, will be sourced from Virginia. Total wood receipts paid to area loggers and landowners likely will exceed \$10 million on an annual basis.

"In addition to the 72 new jobs and new investments, the reopening of the mill will create important new opportunities for loggers and landowners in southeastern Virginia, who have the opportunity to benefit from a new purchaser of forest resources," said Todd Haymore, Secretary of Agriculture and Forestry. "With the Governor's Agriculture and Forestry Industries Development (AFID) Fund, and its Virginia-grown component driving purchases of the Commonwealth's high quality agricultural and forestry products, having been in place now for

almost one year, projects such as this one highlight the economic development gains that can be made while building on two of Virginia's largest industries."

"This mill was originally designed to have the capability of manufacturing a variety of lumber products. We plan to take advantage of this by manufacturing a diverse product line that will satisfy a wide range of customers. Our focus is on quality," said Franklin Lumber co-owner Perk Taylor.

"Upgrades in the mill will allow the sawmill to purchase and area loggers to deliver both large and small sawtimber. We believe the changes we are making in the mill which will allow us to cut all sizes of logs will be a benefit to area loggers and landowners," added fellow co-owner Terry Godwin.

Based on the IP facility's close proximity, Franklin Lumber and IP worked cooperatively to develop an agreement that enabled Franklin Lumber to purchase IP's dormant sawmill assets, lease the site, and operate the mill. The increased activity at the mill site also makes current and future forestry operations in the area more viable by providing further economic activity and a local source of wood residuals.

"The cooperative arrangement between IP and Franklin Lumber is a win-win situation and a great fit for the Franklin Mill and the community," said Franklin Lumber mill operations manager Jeff Stevens. "This is a great utilization of mill assets. We are very pleased to have repurposed another portion of IP property and look forward to welcoming our new neighbors."

The Virginia Department of Agriculture and Consumer Services worked with Isle of Wight County to help make the project a reality. Governor McDonnell approved a \$150,000 matching grant from the Governor's AFID Fund to assist Isle of Wight County with the project. The project is receiving additional assistance through the State's Enterprise Zone Program and through its Virginia Jobs Investment Program; the Virginia Department of Business Assistance will provide funding and services to support the company's recruitment, training and retraining activities.

"The Board is excited about the opportunities ahead for the local forestry industry in the County as well as regionally," said JoAnn West Hall, chairman, Isle of Wight County Board of Supervisors. "We are pleased to see a local team of experienced, former IP employees partnering to bring this exciting new project to fruition. With the opening of Franklin Lumber, we will once again have more options for our local forest landowners and loggers right here in our community. We are pleased to have this business in our community and look forward to a long working relationship for many years to come."

About the Agriculture and Forestry Industries Development Fund

The creation of the AFID was part of Governor McDonnell's jobs-creation and economic development agenda during the 2012 session of the General Assembly. Funded at \$1 million in each year of the biennium, the AFID is broken into two categories with \$750,000 going to large grants to assist local efforts in expanding current or attracting new agriculture and forestry

processing facilities using Virginia-grown products
(<http://www.vdacs.virginia.gov/agribusiness/afid.shtml>) and \$250,000 dedicated to small grants
to assist localities in improving local economic development efforts relating to agribusiness
(<http://www.vdacs.virginia.gov/agribusiness/planning.shtml>)

###