

Officials laud \$2.1 million expansion

Smyth County Machine to add 35 jobs

BY STEPHANIE PORTER-NICHOLS
Staff

Countless drivers have travelled past the yellow manufacturing plant facing Interstate 81 from its location in the Atkins industrial park. Many of those drivers undoubtedly took in the large sign on the building's front that proclaimed Jesus as Lord. For one man, the image lingered in his thoughts.

Greg Sanders reflected on the power of the proclamation that was declared more strikingly than the business name. Then he thought he'd like to own that business one day.

That day came a little over two months ago on Tuesday, Nov. 6.

This Tuesday, Sanders stood next to Ralph Northam as the commonwealth's governor celebrated Smyth County Machine's decision to invest \$2.1 million in additional equipment and expanding its

product line.

The full-service machining and fabrication facility also plans to create 35 new jobs, which Sanders said, more than doubles the existing workforce of 30.

In his remarks at the public ceremony with Northam and other state, regional and local dignitaries, Sanders reflected on the artisan nature of the work done by Smyth County Machine's employees. He pointed to the sign serving as the ceremony's backdrop: American Made By American Craftsmen.

"That's our tagline," Sanders said, "and we're very proud of it."

The company CEO and president also expressed pride in his employees, saying Smyth County Machine is "not the bricks and machines. It's the people."

Sanders, a Wise County native, declared them to be some of the hardest

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LINDA BURCHETTE/SMYTH COUNTY NEWS & MESSENGER

Virginia Governor Ralph Northam presents a flag of the commonwealth to Greg Sanders, who acquired Smyth County Machine last fall and now serves as its CEO and president. Smyth County Board of Supervisors Chairman Todd Dishner and Virginia Tobacco Commission member Sandy Ratliff look on.

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working people anywhere.

Sanders also hailed the governor's office, tobacco commission and county officials, saying they offered "unbelievable support" for the company's plans. He quoted them as saying, "We want these jobs.... How can we help you?"

Virginia competed against Tennessee for the project. Sandy Ratliff, a member of the Virginia Tobacco Commission, noted that Sanders could have taken the work anywhere, but made a commitment to keeping it in Smyth County.

In a press release, Sanders, who also serves as CEO of the separate company Becker Global-America, said, "Smyth County is the place we want to be, and we are blessed to be in a position to provide jobs to the hardworking people of Southwest Virginia."

Smyth County Board of Supervisors Chairman Todd Dishner thanked Sanders for his vision and faith in the county. On a recent tour of the plant, Dishner said he saw the workers take raw aluminum or other metals and craft them into "anything imaginable." The craftsmanship, he said, is done with Smyth County pride.

Regarding Gov. Northam, Sanders said, "It's not about politics; it's about growth."

In his remarks, Northam declared, "It's all about the economy; it's all about jobs."

While Virginia is ranked fourth among the country's 50 states for doing business and boasts a statewide jobless rate of 2.8 percent, Northam acknowledged that some regions of the state, including Southwest Virginia, aren't faring as well. To help, the governor said, he included significant money in his proposed budget to expand broadband services around the commonwealth and is working with a bipartisan group to address the \$2.2 billion worth of needs identified for I-81.

Noting that he was here in August to celebrate Speyside Bourbon Cooperage's decision to locate in one of the former Merillat plants in Atkins, Northam said he's been to rural Virginia more than 100 times and he looks forward to returning to Smyth County for future announcements.

Dishner echoed the hope that the county will provide Northam with more opportunities to visit.

Smyth County worked with the Virginia Economic Development Partnership, Virginia's Industrial Advancement Alliance and the Virginia Tobacco Region Revitalization Commission to secure the project. Northam approved a \$100,000 grant from the Commonwealth's Opportunity Fund to assist with the project. The Virginia Tobacco Region Revitalization Commission approved \$200,000 for the project. Smyth County Machine is also eligible to receive state benefits from the Virginia Enterprise Zone Program, administered by the Virginia De-



partment of Housing and Community Development, as well as Sales and Use tax exemptions on manufacturing equipment. The Virginia Jobs Investment Program will provide funding and services to support the company's employee training activities.

Smyth County Machine, previously operated as Smyth County Machine and Welding Inc., launched in 1977 as a one-man operation in a small garage behind the home of Jim Holman. In 1984, the company hired its first four employees. By 1987, the business had grown so much that Holman worked with the county to purchase a lot in the then-new Mountain Empire Industrial Park.

Becker Global-America, which has a location in Bristol and provides technologically advanced mining products to surface and underground mines, is unaffiliated with Smyth County Machine, but is one of the company's major customers.



Scholle to expand plant, add jobs and new markets

BY STEPHANIE PORTER-NICHOLS

Staff

Construction is expected to begin this spring on a \$10.29 million expansion to a Smyth County manufacturer that is creating new jobs and has already begun hiring.

Thursday, the Virginia governor's office announced that Scholle IPN Packaging Inc., a manufacturer of sustainable packaging solutions, plans to expand its production facility in Chilhowie and add 42 jobs.

Scholle IPN is one of the world's largest packaging manufacturers, providing sustainable packaging for the food and beverage, agriculture, automotive, cleaning, personal care, and pharmaceutical sectors. Headquartered in Illinois, Scholle IPN operates in 14 countries with more than 2,000 employees worldwide. Today, Scholle IPN's Chilhowie operation employs about 115 people.

Gil Graham, Scholle IPN's director of operations, said Friday that the Chilhowie operation

has already started filling those 42 positions because of the length of time training requires. He expects another 30 or so people to be hired as the project moves forward.

The plant expansion is expected to take about two years with construction concluding by fall and new equipment being added over the next two years, Graham said. He explained that the operation will add new production equipment and some innovative processes.

Scholle's Chilhowie employees are reported to produce about 10 food grade items, including bags for fountain machines and other liquids, per second. Graham said the operation will expand into additional markets with this project.

Scholle has operated in Smyth County a little over 20 years and this, Graham said, is the first major undertaking.

With the opportunity for expansion, Graham said, Scholle has been "very fortunate, blessed."

"This is a key milestone in

Scholle IPN's long-range plan for our North American business," said Kent Kisselle, vice president and general manager of Scholle IPN's North America region, in a press release. "Our decision to expand in Chilhowie was necessitated by our continued growth in core flexible packaging markets along with the need to support our long-term strategic objectives. These initiatives include the development and application of a broad range of technologies to our business, and training our people in using these tools."

Kisselle praised the region's work ethic and potential for growth, saying, "Southwest Virginia is a strong fit in terms of high-quality labor availability and runway for additional investment, led by a solid leadership group ready to execute our strategic initiatives. I look forward to seeing the new Chilhowie plant footprint take shape in the coming months and welcoming our new team members

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as we prepare for an exciting 2020 and beyond.”

Scholle also emphasizes sustainability by reducing greenhouse gas emissions and landfill waste, while increasing social responsibility.

Employees are responsible for creating social impact initiatives, which has propelled them to sponsor adopt-an-angel programs, organize drives to collect back-to-school supplies and clothing, host fundraisers, and provide team sponsorships. Employees also created a community fund from which they make contributions to charities and service projects.

In 2016, the Southwest Virginia Alliance for Manufacturing (SVAM) awarded Scholle IPN Packaging of Chilhowie its 2016 Community Involvement award.

Scholle had worked with SVAM to give students a firsthand look at modern manufacturing. Smyth County students toured Scholle IPN and learned about manufacturing and potential careers.

For the last two years, Scholle IPN has received SVAM's Manufacturer of

the Year award.

For the 2018 award, Scholle IPN said, “One of the main reasons we were chosen for the award was due to our utilization and appreciation of our people. We involve our employees in process improvements and have a unique employee engagement program that recognizes their accomplishments. We recognize that our people are our greatest asset....”

In his statement, Virginia Governor Ralph Northam highlighted the region's people and the importance of manufacturing, saying, “Scholle IPN has a history of success in Southwest Virginia, and the company's decision to expand operations in Smyth County is a strong testament to the region's dedicated workforce and industry-leading training programs. With more than 240,000 Virginians employed in the manufacturing industry, this sector remains the backbone of many communities throughout our commonwealth. We are proud to support Scholle IPN as the company evolves its technology and continues to grow.”

Northam approved a \$125,000 grant from the Commonwealth's Opportunity Fund to as-

sist Smyth County with the project. The Tobacco Region Revitalization Commission approved \$195,000 in Tobacco Region Opportunity Funds. Scholle IPN will be eligible to receive Sales and Use Tax exemptions on manufacturing equipment, as well as benefits from the Port of Virginia Economic and Infrastructure Development Zone Grant Program. The company also qualifies for state benefits from the Virginia Enterprise Zone Program.

Todd Dishner, Smyth County Board of Supervisors chairman, celebrated the announcement and the partnership that brought the project to fruition. “We are extremely proud of the relationship that has developed with Scholle IPN over the years and look forward to growing and continuing this partnership well into the future,” he said.

The news came when the county, long plagued by high unemployment, is reporting its best jobless rate in years. For December 2018, Smyth County's jobless rate came in at 3.8 percent or 496 individuals unemployed. In January 2018, the county reported an unemployment rate of 5 percent.

Speyside moves ahead with local plans

Ground is broken for Glade Spring stave mill

BY STEPHANIE PORTER-NICHOLS

Staff

Speyside Bourbon Cooperage officials were feeling the love Thursday morning.

At 11 a.m., officials from Smyth and Washington counties gathered at Highlands Business Park in Glade Spring to celebrate the ground breaking at the site of the company's future stave mill. The \$9 million mill is slated to create 35 jobs with production expected to begin as soon as August.

At the same time, the governor's office announced that the company would expand its manufacturing operation in Bath County, adding a second shift, creating 45 new jobs and

investing another \$114,000 in that plant. Speyside has been operating in Bath County for a year.

Like the mill being constructed in Glade Spring will do, the Bath County site manufacturers white oak staves (the narrow wooden staves that make up the sides of barrels) and headers for bourbon barrels.

Initially, Jim McCoy, manager of Speyside Bourbon Stave Mill in Virginia, said the Glade Spring plant will start with one shift. However, he mentioned that a second shift could be possible in the future.

That shift, McCoy said, will produce enough staves and headers to produce 500 barrels a day using about seven million

feet of white oak annually.

Those barrel components will be shipped to Speyside's cooperage, which is under development in the former Merillat plant in Atkins. There, workers are expected to produce 100 bourbon barrels an hour.

Bourbon barrels must be new, made of white oak, and then charred on the inside. Speyside has agreed that the stave mill will procure approximately 80 percent of the white oak logs used for stave production from Virginia growers. That's a \$13 million commitment.

"Speyside has quickly become one of our leading forest products industry partners in the commonwealth," said Secretary of Agriculture and Forestry Bettina Ring. "Their use of Virginia white oak has created tremen-

dous opportunities for forest landowners, and the fact that they continue to expand their operations here is a sign of their success and commitment to our forest products industry."

McCoy noted Thursday that the availability of timber was a key factor in the company's decision to locate in Southwest Virginia. He also noted the area's proximity to Tennessee and Kentucky, where most of the company's barrels are put to use.

McCoy hopes the Glade Spring mill will be fully staffed between August and mid-September.

While officials only broke ground ceremonially Thursday, heavy equipment broke ground for the mill last week. That was

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a relief to Washington County Supervisor Eddie Copenhaver, who represents Glade Spring. "I've worried every day 'til the dozers moved dirt the other day," he said, adding, "I'm looking forward to the first barrel."

To produce that first barrel, work is also moving ahead at the Atkins operation as the company renovates the plant. Speyside had earlier acquired a former Merillat plant in Jackson, Ohio, which is helping this renovation go smoothly. "There's not a lot of surprises," said Maggie Anderson, who is in project development for Speyside Bourbon Cooperage. However, she said, former Merillat employees wouldn't recognize the plant's interior.

The company is advertising for a plant manager and maintenance technician for the Atkins cooperage and a stave mill maintenance supervisor and office administrator for the Glade Spring site.

For the cooperage, Anderson anticipates that Speyside will start recruiting its initial 55 workers in

September. The number of employees is expected to grow to 150.

Some workers, she said, may be brought in early to install equipment and become familiar with the operation.

She described the work as being done partly by hand and in part by machinery designed by the company's team. The barrels, she said, incorporate "the craftsman's soul with modern technology."

Speyside will work with the Virginia Employment Commission and other agencies to hire its staff and it will announce openings on its Facebook page for the Atkins plant. That Facebook page already has more than 430 followers. The response has been wonderful, said Anderson. "We feel the love."

She said its Speyside's desire to be part of the community.

Todd Dishner, chairman of the Smyth County Board of Supervisors, reiterated the community's support of the company. "We're super glad to be part of this. We love it. We hope you feel the welcome."

Several officials emphasized the cooperative partnership between Smyth and Washington counties that helped bring this eco-

nomic development project to fruition.

Governor Ralph Northam said, "The company's significant footprint across Virginia is a strong testament to our business climate, robust supply chain, and skilled workforce. We look forward to Speyside's continued success in the commonwealth, and thank the company for choosing to reinvest in Virginia."

Speyside is benefiting from a worldwide boom in the bourbon market that has experienced double-digit growth in recent years.

Speyside Bourbon Cooperage Inc. is an offspring of Speyside Cooperage Ltd., founded in Scotland in 1947. In 2008 Speyside Cooperage was sold to the Tonnellerie François Frères Group, a publicly held company founded in 1910 and headquartered in France.

While international, Anderson said the company offers a family atmosphere. It was family business in Scotland that was bought by French family business.

The name Speyside comes from the River Spey in Scotland, which runs near where the family built its first operation.