



## Rough & Ready Lumber

National Community Fund I, LLC's NMTC financing supports facility upgrades and working capital for a rural Oregon lumber company.

### THE PROJECT:

Rough & Ready Lumber (the Project), a producer of high quality lumber in severely distressed non-metropolitan Josephine County, Oregon, utilized \$11 million in federal NMTC allocation from National Community Fund, I LLC (NCF) to upgrade its planer mill and invest in working capital to further strengthen and expand its operations. The facility is the only sawmill in Josephine County and provides much needed traded-sector manufacturing jobs to a local economy dependent on natural resources.

Lack of supply inventory forced the 92 year-old family run company to shutter its mill in the spring of 2013. Recognizing the mill as an important economic and environmental resource to the local community and to forest health, Ecotrust CDE, LLC directed net \$4 million of federal and state NMTC proceeds to the Project. Together with a \$1 million concessionary loan from Business Oregon, Rough & Ready Lumber was able to reopen the mill in the summer of 2014.

NCF's NMTC financing allowed Rough & Ready Lumber to upgrade its planer mill so that it can keep pace with the market for its products and provided required working capital to finance inventories. The stronger working capital position will allow the company to expand its log inventory, ensuring consistent raw material supply.

### PROJECT LOCATION:

30365 Redwood Highway, Cave Junction, OR 97523

### COMMUNITY IMPACTS:

- Create 64 quality permanent jobs that will pay living wages and include full health care benefits, retirement savings plans, and life insurance coverage. Target at least 75% of the direct Permanent FTE jobs to be filled by residents of Low-Income Communities and/or Low-Income Persons by utilizing Work Source Oregon Employment Department as its first source for referral of qualified

applicants for all job openings as required by the First Source Hiring Agreement, posting job announcements for staff positions at local employment agencies, local publications and establishing a presence at local job fairs.

- Create approximately 20 pre-development and construction Jobs. Target at least 50% of the direct Predevelopment or Construction FTE jobs to be filled by residents of Low-Income Communities and/or Low-Income Persons by posting job announcements for staff positions at local employment agencies, local publications and establishing a presence at local job fairs.
- Provide job training for approximately 5-10% of the permanent employees annually in the areas of boiler operation, lumber drying, maintenance, quality control, saw filing, book-keeping and human resources.
- Create environmentally sustainable outcomes by using best commercial efforts to maintain the Forest Stewardship Council (“FSC”) chain of custody certification of its mill.
- The ongoing operation of the mill will allow for expansion or creation of new businesses in the surrounding area such as infrastructure and suppliers (e.g. loggers, truckers, biomass contractors, mill service suppliers, fuel and electricity, legal and accounting, business consulting, employee benefit plans, environmental consulting, IT software and consulting).

## KEY COMMUNITY DEMOGRAPHICS:

- Poverty Rate: **31.7%**
- Median Family Income: **54.3% of benchmark**
- Unemployment Rate: **2 times the national average**

## FINANCING:

- Total Project Cost: **\$11.0 million**
- NCF NMTC Allocation: **\$11.0 million**

## PROJECT PARTNERS:

- United Fund Advisors (National Community Fund I, LLC)
- JP Morgan Chase