

# Bastrop IP Loss yet to hit hard

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**BASTROP** — For all the talk of this one-mill city becoming a ghost town, the big changes augured by the devastating closure of International Paper's Louisiana Mill have yet to truly hit home.

Things seem much the same as they ever were, minus the familiar, cottony billows of smoke ascending from the mill.

It's still tough to find a booth on a weekday morning at the favorite local diner, Pippen's Eat-A-Bite, and other locals businesses are faring just as well for the time being.

The Christmas season sales tax collections were unprecedented, according to Mayor Clarence Hawkins and Morehouse Parish sales tax collection administrator Ron Carter.

Hawkins said the city is holding up well. "I don't see mass depression or mass hysteria," Hawkins said. "Attitude wise, people are going on." But Hawkins knows what's coming.

The impact of the mill's closure in late November — which eliminated about 550 jobs — will decimate the city budget. "My \$10 million budget? IP makes up 20 percent of my revenue without even considering the money that the employees spend," Hawkins said.

IP spent \$4 million to \$7 million every year on equipment and other supplies, meaning the city received \$400,000 to \$700,000 in sales tax revenue from IP last year (a more precise figure is not publicly available).

Tax revenues from IP will gradually decrease over the next few months before disappearing, perhaps by April, Hawkins said. Hawkins said the city will respond to the revenue loss by cutting city services and personnel. The personnel reduction will be spread across all departments, excluding fire and police. "The public doesn't want police and fire touched — those are more or less sacred," Hawkins said.

Hawkins said that Morehouse Parish's Economic Development Corp. receives calls daily from companies that want to buy IP's facility and use it to produce products like biofuels. But IP is not inclined to sell the facility in the near term, Hawkins said. "That's not on their agenda," he said.

Kinny Haddox, spokesman for IP, said the company doesn't expect a sale soon. "What IP is doing right now is focusing on getting all the employees all the help they are entitled to," Haddox said. "IP currently does not have any definitive plans, but will explore its options. That could include a sale of the facility."

Both IP and Hawkins said a sale would take at least a year, but more likely two to four years. IP will use that time to survey the facility and transport equipment that can be utilized at its 23 other U.S. mills. IP's reticence to immediately sell the facility vexes Hawkins. "There seems to be a disconnect," Hawkins said. "To me, it makes sense for you not to have to pay somebody to rip equipment out and ship it somewhere else when there are people that want to buy the facility right now." IP also told Hawkins that it will not sell the facility to a company that produces products that compete with IP. "It's not IP's intention to sell it as a pulp or paper mill," Haddox said.

Hawkins is concerned that any wait increases the possibility that former employees will be forced to move elsewhere for work. But he remains optimistic that the city can diversify and attract new business.

"What I'm looking for is not another 800-pound gorilla, but several 100-pound gorillas," Hawkins said. "If we get another 800-pound gorilla, we'll end in the same shape we are now — we'll be terrorized if they leave."