

Daily Gazette article

Friday, February 15, 2008

<http://www.dailygazette.com/>
See HTML Version of article

\$25M facility would be built in industrial park

By Stephen Williams

Wood pellet processing plant proposed

MOREAU — A maker of wood pellets for burning in residential, commercial and industrial furnaces wants to build a \$25 million processing plant in the Moreau Industrial Park.

Woodstone NY Inc., headquartered in Hingham, Mass., has applied to the Saratoga County Industrial Development Agency for economic development incentives that could total more than \$800,000 over the next decade.

The pellet-maker would employ about 35 people at the plant, while buying lower grade wood from local suppliers in the Adirondacks and elsewhere.

"More important is the 200 to 300 jobs that will be secured in the logging industry," said Albrecht Von Sydow, one of the principals in the company.

Wood pellet advocates say they offer more efficient heat than uncompressed cord wood, while providing a renewable domestic alternative energy source to oil and gas.

Woodstone will be investing \$25.2 million, and is asking for IDA financing of \$17.3 million. The IDA will hold a public hearing on the application at 8 a.m. March 20, at the Moreau Town Hall.

The company has been meeting with Moreau town officials to discuss transportation routes and other issues, but hasn't yet filed an application for town site plan approval.

"We're going to be supportive and hope it creates jobs," said Moreau Supervisor Preston L. Jenkins Jr. "Our region has lost a lot of the logging industry because of competition in paper from Asian pulp mills, but this should help revitalize activity in that industry in a part of the state with some of the highest unemployment."

Jenkins said the only issues he's aware of involve concerns about the transportation routes between the Northway and the industrial park for wood delivery trucks. "It's a clean industry that doesn't use any chemicals," he said. "They just dry the wood out and compress it."

The facility would locate on 90 acres in the Moreau Industrial Park, a heavy-industrial site along the Hudson River opposite Hudson Falls whose only other tenant is currently a chemical company.

The large amount of acreage is needed for wood storage, Von Sydow said. Wood is then brought into the processing building to be dried and compressed into pellets that burn efficiently.

Woodstone currently has a plant it purchased in Holland, Mich., and is in the process of getting approval for another in Berlin, N.H., Von Sydow said.

Wood pellets are the preferred fuel in the residential wood furnaces that have become popular in rural areas in the last few years, and are also seen as a domestically produced alternative to fuel oil in some commercial furnaces.

The plant will operate around-the-clock, with no immediate plans to go beyond the 35 people it now projects hiring.

"It's very automated," said Larry Benton, executive director of the IDA. "The real job impact is on the wood industry,"

Benton said the pellet plant won't be buying lumber-grade wood, but could provide some competition to area paper

plants that will increase the price loggers get for their lower-quality wood.

IDA approval would qualify Woodstone for an estimated \$175,000 exemption from the state sales tax on building materials, a \$30,000 mortgage recording tax exemption, and a property tax exemption on buildings that could be worth about \$550,000 over a 10-year period.