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Town board continues talks with SUNY Canton

By Dick Sterling

Officials from SUNY Canton and the St. Lawrence County Industrial Development Agency (IDA) continued to discuss a proposed bio-diesel plant with Town of Gouverneur officials Friday afternoon during a luncheon meeting, which was also attended by Assemblywoman Dierdre Scozzafava.

Bert A. Corey, director of the Canton Small Business Development Center at SUNY Canton, and Anthony P. LaBarge, also from SUNY Canton, met with town board members, Assemblywoman Scozzafava and Ray Fountain, director of the county IDA, at a Friday meeting at Gentry's Clam Cove in Gouverneur.

The group listened as Gouverneur Town Supervisor Don Peck continued to sell Gouverneur as the future home for a \$14 million bio-diesel plant that would provide as many as 31 employment opportunities. The plant would use both soy oil and other oils to produce a bio-diesel fuel that can make petroleum based diesel fuel burn cleaner and more efficiently. The fuel additive is required by the federal government, and many state governments.

All indications are that Gouverneur, Massena and Ogdensburg are the three communities that are attempting to land the facility, which should be in production by the end of 2004. Mr. Peck continued to push Gouverneur as a home for the plant.

"I told you before, and we haven't changed a bit, that we want that plant, and the jobs that go with it, right here in Gouverneur. We have a lot to offer, and we'll do whatever we need to show you just how serious we are," said Mr. Peck.

The Gouverneur supervisor said that he had spoken with the town's grant writer, Phil Smith, and would be willing to provide up to \$450,000 in improvements to help get the plant off the ground.

"Mr. Smith said that we would be able to apply for a small cities grant, for up to \$450,000, so that we could help with infrastructure improvements at the new plant. Whether that's electrical or plumbing, or building roads, time would tell. But he said the money is available to us, and we'd be willing to take those steps to help swing those that make the final decision."

The project, through IDA, would also be able to take advantage of a payment in lieu of taxes (PILOT) agreement that would allow the new business to operate for five years tax exempt, and then pay 50 percent of the tax bill for an additional five years. Mr. Peck said the town would also be willing to negotiate another PILOT after the ten-year deal with the IDA expires.

"I'm not sure what we can do legally, but we certainly are willing to sit down and work something out. If tax incentives make a difference, then we'll offer them."

Mr. Peck said that the town has sent a letter outlining what they would be willing to do to help sway the decision makers. "We've settled on two pieces of property. One is located on Quarry Road, Jeff Stowell owns the 25 acres in question, and would be willing to sell it for \$80,000. The other property is already owned by the town and consists of just over 100 acres, it's located next to our wastewater treatment plant off Owl Road. This may be the best location, considering we already own it. That property would be offered at no charge," said Mr. Peck.

Mr. LaBarge indicated that the plant would be built at one location or another in the near future.

"Our operating company, Northeastern Bio LLC, has been formed. Our business plan is between 80 and 90 percent complete, and our partner company, West Central, based in Iowa, would just love to have a plant in the Northeast."

Mr. LaBarge added that the

market for the fuel will be at a peak shortly after the new plant is scheduled to begin production.

"In 2006 the Federal Environmental Protection Agency (EPA) will reduce the limits on sulfur in diesel fuels. A two percent blend with bio-diesel fuel would meet those standards. In addition, at least 23 states will have similar requirements in place. State lawmakers are pushing for New York to be on line by that time as well. This is certainly a trend for the future," said Mr. LaBarge.

Mr. LaBarge noted that if New York were to follow suit they would require 26 million gallons of the bio-diesel fuel per year. The St. Lawrence County facility would produce a good share of that amount. He added that Senator James Wright is expected to introduce legislation in the next session to require New York to use the bio-diesel blend.

Mr. Peck asked the officials from SUNY what more Gouverneur could do to try and win the plant.

"I think it's important to ask the neighbors of the plant what they think," said Mr. Corey. "Get their feelings, and hopefully their blessings, about having this plant located next to them. It's a clean, quiet and safe industry, but if it's welcome in a community, that could be an important factor."

Mr. LaBarge said that, like anything, the bottom line will be an issue.

"If you can offer us something that makes more economical sense than the other communities, of course we're going to listen. Gouverneur has been very aggressive in trying to have this plant located here. We have also asked some questions concerning Gouverneur."

"For example we've spoken with the New York Power Authority, to see what they can do in Gouverneur to get as a decent price for power for the plant," said Mr. Corey.

Mr. Fountain noted that the Small Cities Grant could also help

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Gouverneur.

"I know that all of the communities are entitled to some of that money, but in Gouverneur's case you may have more available to you. The other communities may have already used up their allotments."

Mr. LaBarge also commented on the possibility of growing soybeans in St. Lawrence County.

"In the Ottawa Valley there's 155,000 acres of soybeans grown per year. Even if St. Lawrence County doesn't grow a lot of soy, the people that run the Ottawa operations have indicated that they would be willing to deal with us. New York State currently produces 170,000 acres of soybeans. This plant will require 255,000 acres per year to operate at full capacity."

Board member Eldon Conklin believed that offering an impressive package is the key to success.

"We have to be willing to offer something in taxes. That property has been sitting there for years with little, or no activity. It's been vacant for years. If we don't do this now I'm sure it will continue to sit idle for many more years to come."

Mr. Peck echoed Mr. Conklin's feelings.

"We need this plant in Gouverneur. I've said that from the start. We will be aggressive and do whatever we need to do to get it here. It's just what we want, an environmentally safe operation that will supply jobs and a \$750,000 per year payroll. And I'm sure it would be a stepping stone to other businesses opening up in the Gouverneur area. And when you factor in the new jobs at Kinney's, WiseBuys and the possibility of the mines opening again, we could be on the verge of an economic boom in the Gouverneur area. We will continue to fight for this plant," concluded Mr. Peck.

The decision on which community gets the bio-diesel plant is expected to be made in the next few weeks.