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If feasible, plant would sell pellets locally

By JESSICA COLLIER, Enterprise Staff Writer

TUPPER LAKE - Plans to build a pellet plant in the Tupper Lake industrial park are still in the very early stages, but potential developers Claire and Tom Leonardi said they are hopeful about the project.

"We're cautiously optimistic that it's going to go forward," Tom Leonardi said.

The Leonardis formed Adirondack Woodsmen's Pellet Company LLC with Paul Mitchell, who owns Paul J. Mitchell Logging in Tupper Lake, and his wife to look into the possibility of building a pellet plant that would sell the wood pellets it produces locally.

The recently announced \$76,500 grant they are going to receive from the New York State Energy Research and Development Authority will cover about a third of the costs to perform a feasibility study, which would define what the facility's needs would be: Where it would need to go, what buildings would be needed, the work flow, what storage would be needed and how transportation would work, the Leonardis told the Enterprise.

It would also iron out the details of the financial projections, which they have already put some work into.

They would come out of the feasibility study with some engineered drawings, which they said would be necessary in order to move on to the next step of working with the state Adirondack Park Agency and other governmental bodies to get permits for the factory.

The four partners will finance the remaining two-thirds of the study.

Experience

Tom Leonardi said the experience the Mitchells have with running a successful logging company will complement his and his wife's experience.

The Leonardis used to live in Avon, Conn., bought a house in Long Lake in 1997 and moved there full-time in 2005. They both have backgrounds in venture capital investment.

Tom Leonardi has a law degree and is chairman and CEO of Nordington Partners, a 20-year-old Connecticut firm that has focused primarily on venture capital in the last few years, he said. He is the vice chair of the Adirondack Medical Center Foundation board and is on its finance committee, and he also sits on the board of the Hamilton County Empire Zone.

Besides venture capital investing, Claire Leonardi has experience in corporate strategic planning and financing and is now the finance chair and treasurer of The Wild Center's Board of Trustees. She also just joined the board of the Adirondack North Country Association.

When they started living in Long Lake year-round, they began looking for businesses to invest in, hoping to use their experience and background to help the region, they said.

"In terms of investment opportunities, what's driven us is, you see a tremendous need for job creation up here," Tom Leonardi said.

They identified biomass as a good investment opportunity early on, Claire Leonardi said. They figured there was a competitive advantage for the industry in the Adirondacks, since logging and wood products have been historically a significant industry and there is so much of the raw material available here.

"When we connected with the Mitchells, we felt we had all the ingredients, and that was when we started working," Claire Leonardi said.

Feasibility

Tom Leonardi said they won't know if the plan is possible until they complete the feasibility study.

"There's a lot of work and effort that still needs to go into it," he said.

"We've done enough preliminary work that we think this is a really good idea for the Adirondacks," Claire Leonardi said.

Environment

Since the Adirondack climate is so cold, she said there is the potential for a significant amount of local demand.

"Our focus is to have this be a local company which will access the raw materials locally, produce the pellets locally and hopefully have a local market demand to sell the pellets locally," Tom Leonardi said.

It would be more cost-effective to produce and sell pellets locally, he said. It would also be more environmentally friendly, saving on shipping costs, besides being a greener form of energy than other fuels. Plus, they plan to practice sustainable forestry.

Claire Leonardi said the investors are trying to focus on creating and selling energy rather than just producing a product, with the aim of reducing the region's reliance on foreign oil.

While their daughter Maria has interned with the Adirondack Council and is currently a fellow with Clean Air-Cool Planet, neither of the Leonardis has worked on projects with an environmental focus in the past. But they said it just made sense here, where the environment is one of the area's greatest assets.

"We're here because we love it here, and it's hard not to think about the environment when you're in the middle of the Adirondack Park," Claire Leonardi said.

Projections

They estimate the plant will cost \$13 million to \$15 million, which they expect would be funded with the help of banks and equity investors.

They anticipate the plant being able to produce 100,000 tons of wood pellets.

Plans call for a creation of about 25 direct jobs, but Claire Leonardi said she expects the plant would also create a large amount of indirect jobs, from pellet stove and boiler sales to installations.

She said they hope to be a cornerstone of a budding pellet market in the region and plan to build strong relationships with other pellet-related businesses that will hopefully spring up. They have found a large amount of interest in alternative biomass fuels in the area, and they hope to fill that need with a reliable supply of pellets.

While they didn't want to guess much of a timeline for a factory, they did estimate that in four to six months they would have the feasibility study completed and know whether they can move forward with their plans, they said.

OWD

Town Supervisor Roger Amell said at the Monday night town board meeting that the company had originally looked at the former OWD/Jardin Plastics plant on Demars Boulevard but decided it would cost more to alter that structure than to build one from the ground up.

"Hopefully they'll get some good feedback," Amell said.

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