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Plant lays down roots

Biodiesel development on way, aims to renew IP site

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A biodiesel plant at the old International Paper site will pump out 123,000 gallons of fuel a day by this time next year, making it one of the top 10 producers in the country.

Construction on the plant is well under way, though the only visible sign of that progress from East Lake Road is a new sign at the entrance to the old IP plant and work on a railroad bridge that leads into the site. That work has temporarily closed part of East Lake Road.

But deep inside the property, infrastructure work is on track to complete the \$35 million plant by early fall 2007 in the north yard of the former paper mill site.

"In November, the buildings should start going up," said Brad Davis, president of Lake Erie Biofuels. "We're on schedule as long as the weather cooperates."

Lake Erie Biofuels is under the umbrella of Erie Management Group, started in 2004 by Samuel P. "Pat" Black III, whose father was one of the founders of Erie Insurance.

The city's economic leaders believe the biodiesel plant's opening will be a boost to both the Erie economy and the city's morale.

The city's hopes for a revitalized economy have been dampened by recent setbacks, including the failure of Herb Fiss to open his much-anticipated juice factory and the delay in the Koehler Brewery Square project. Fiss, a Florida businessman, still owes more than \$420,000 for economic development loans from the city and Greater Erie Industrial Development Corp. Also, the project at the Koehler Brewery Square is on hold while developers continue to try to lock down another \$3.2 million in bank financing.

"Given the other news lately, the success of this biodiesel project is very important," said Erie Mayor Joe Sinnott. "It shows we can make these projects happen. Erie Management Group has done a wonderful job of putting this together and actually bringing it to fruition."

Steve Sterrett, the co-owner of Melody Dairy Mart, 1402 East Lake Road, is happy that jobs are on their way back to the old IP site -- now renamed the SB3 Industrial Park, a nod to Samuel Black III.

Business slowed at the mart after IP shut down, Sterrett said.

"People moved out, families were gone," Sterrett said. "So we're excited about anything that goes over there. Jobs there are going to help us out."



Sign at the entrance of the SB3 Industrial Park on East Lake RD. (Jack Hanrahan / Erie Times-News)

The biofuels plant will employ 38 people on its 13 acres, Davis said. That, of course, is nowhere near the 775 jobs lost when IP closed in 2002.

But the plant is just one of at least five companies Erie Management Group will headquarter on the site, said Erie Management President Stan Shumway. The group has promised GEIDC it will employ a minimum of 300 people on the 109-acre property by December 2008.

"We'll make that deadline," Shumway said. Already, 25 people are working on the site in the former IP administration building.

"They're on the fast track," said Bob Grice, the director of development for the GEIDC. "They're showing a real commitment to Erie."