

# THE STAR-HERALD

## Construction under way on new pellet mill

By Kathy McCarty

*Staff Writer*

ASHLAND — A fire that destroyed a pellet mill in March might have meant the end of the line for some business owners, but that hasn't been the case for Matt Bell, owner of Northeast Pellets LLC.

Almost immediately after fire leveled the facility last spring, Bell took action, removing debris and leveling what remained at the site. In the months that followed, he's been busy working up plans for a bigger and better facility, with construction currently under way to rebuild the business.



THE REBUILDING OF NORTHEAST PELLETS got under way just over a month ago in Ashland. Here, a crew works for owner Matt Bell, measuring lumber for the wall of one of seven buildings that will serve as the new home to the pellet manufacturing business. (Staff Photo/Kathy McCarty)

“We've been on site a little over a month. Ashland's a great town to work with. Jim (Jim Gardner, town manager) has been great, allowing me the use of his office from time to time, where I've held business meetings and worked on my plans for the new mill,” said Bell. “Mark Rafford's let me use his excavator. I've used some of the byproduct from Boralex (what's left after they burn wood chips) as fill around the site.”

Bell said he has a good working relationship with his business neighbors at the Industrial Park.

“All the businesses in the park share equipment. If I need something, all I have to do is ask, and they do the same,” he said.

The original facility measured approximately 15,000 square feet and was all under one roof. The new facility will be larger, with multiple buildings.

“The new facility will be closer to 20,000 square feet, with a combination of seven buildings, including an office,” said Bell. “The separate structures are designed to increase efficiency and help keep dust down.”

The new facility will have a separate office space, an area for pellet processing and bagging, a fireproof wall adjacent to the electrical room, among other features. The blower and dryer unit and concrete slab are all that remain from the original structure.

Bell said constructing a separate space for his office was a safety measure.

“We lost everything in the fire. All our records were lost. The office will now be located away from the processing portion of the mill, so in an emergency situation, important data will be safer. I'm also going with an online backup system,” he said.

Bell said construction work was being done, in part, by some of his employees, while Buck's Construction was handling concrete work.

“We were lucky that the concrete foundation for the original structure only sustained minor damage during the fire, as heavy equipment moved debris. Buck’s is working on concrete for the additional space — new buildings,” said Bell, as he gave a tour of the work in progress.

Construction is expected to be completed later this winter or early next spring. Once it is, Bell is looking forward to getting back to the work of producing pellets.

“I plan to increase production by about 25 percent, with some additional automation over what we had previously.

We were producing about 480,000 tons a week before the fire. I’d like to increase that. We averaged four and a half tons an hour. I’d like to increase that to about seven tons an hour,” said Bell.

Bell said he plans to continue processing and bagging pellets but also plans to add bulk delivery.

“We’ll be better set up for loading bulk. I see a shift coming in the market, both residential and light commercial,” said Bell. “My theory behind bulk — my goal is to deliver it right to the home or business.”

He said bulk delivery may be a new idea now but as the pellet market grows, more people will be using the product but not everyone has a method of transport.

“I’ve seen folks have to borrow vehicles or wait until a friend or relative could pick up a load. This will make it easier for customers to get my product. Fuel trucks make deliveries; I figured ‘why not?’ I can do the same with pellets,” said Bell. “I’m working with Agricap and College of the Atlantic in Bar Harbor — looking at transportation and packaging.”

In addition to the convenience factor, Bell said delivery will be ‘greener,’ in that less packaging will be necessary.

“It (delivery) makes it (pellets) truly a green product. A customer won’t have the packaging waste they currently have with bags of pellets. There’d be no bags,” said Bell.

Bell expects to begin production with 17 employees but anticipates seeing that number grow, once production picks up.

“I expect to have slightly over 20 employees, when everything’s up and running,” Bell said.

Bell said one of the hurdles he’s had to overcome was financing.

“Insurance money has been slow coming in, but what has, I’ve put back into rebuilding. I’ve also been able to obtain some additional financing,” explained Bell. “The original structure cost about \$4.5 million and we produced about \$3.5 to \$4 million in pellet sales annually. The new facility is expected to cost a little over \$5 million but will be larger, and I expect production numbers to be up, compared to the old mill.”

What could have been a terrible year for the 29-year-old entrepreneur, keeps getting better and better. In addition to construction of the new facility moving along at a steady pace, in June Bell was named Aroostook County’s 2009 Young Entrepreneur of the Year and, most recently, was recognized as one of Maine Biz’s “Ten people shaping the future of Maine’s economy.”



SEVEN SEPARATE BUILDINGS will stand where one once stood, serving as the new home of Northeast Pellets LLC in Ashland (Staff photo/Kathy McCarty)