million, with $15 million of that coming from port bonds. The state has put up $10 million for the project, and the terminal operator will invest $5 million. The facility will look similar to a grain elevator or bulk commodities facility, with silo storage facilities, an unloading facility for trucks and rail cars and a conveyor delivery system to the ship loader.

An additional $14 million from the U.S. Department of Transportation’s Transportation Investment Generating Economic Recovery discretionary grant program will also work in conjunction with the project for intermodal improvements. That TIGER grant will re-locate the railroad interchange in downtown Pascagoula and move it east of Miss. 611 and will re-route the Mississippi Export Railroad’s line after it crosses the bridge near the old International Paper Co. site.

Instead of asking for $15 million in bonds, the port asked to borrow up to $24 million to give the project an cushion in case additional modifications to the wharf are needed.

**Pellet Plant Gains Steam In Snowflake**

Southwest Renewable Resources has started up a wood pellet plant at the site of the former Smith Moul-ding plant near Snowflake, Ariz. The operation currently employs five while running one shift, but will increase to 12-15 employees and run around-the-clock by the end of the year, according to Tracy Wilson, one of three partners in the venture along with Allen Kauffman and Dan Holderman.

They bought the pellet-making equipment from the owners of the now defunct Precision Pellet business last December. “These gentle-men who had the pellet facility we bought did a very good job of creating clean pellets,” Wilson says. “When the logging industry shut down they had to shut down. We bought their equipment, and they trained us and taught us how to operate it, so we’re making a very clean pellet.”

Wilson says Southwest Renewable Resources is also busy developing other uses beyond wood stove pellets, including making a product for use as fuel in biomass electric cogeneration plants. “We’re getting a lot of interest from overseas,” he says.

Based in Apache Junction, South-west Renewable Resources chose the abandoned Smith site for several reasons, one being that it’s close to I-40 so they can truck-ship.

Wilson says Apache Railway might play a part in the company’s shipping strategy. “We’ve been approached by some Asian buyers...