

Gopher State Ethanol liquidating assets, including St. Paul plant

Curt Brown, Star Tribune

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[Gopher State Ethanol](#), the sour-smelling, history-making, bankrupt alternative-fuel plant in the heart of St. Paul, is officially kaput. Company officials said Tuesday that they are liquidating all assets, including 20 prime acres, ethanol-making equipment and all remnants of the defunct, castlelike Schmidt Brewery on W. 7th Street.

When it opened in 2000, the revamped brewery became the nation's first urban maker of the corn-based alternative fuel. But odor and noise problems plagued the plant for years, sparking neighborhood complaints and lawsuits.

When it filed for bankruptcy with [debts of nearly \\$37 million](#) in August, company officials hoped to reorganize and reopen. They've now given up, with the approval of U.S. Bankruptcy Judge Dennis O'Brien.

"This is quite significant because we can finally say Gopher State is not going to produce ethanol again," said David Kreitzer, Gopher State's president.

Bidders have until Feb. 17 to tour the facility and make offers through a California auction firm and Gopher State's bankruptcy attorney in Minneapolis.

The future of the plant is up in the air, but neighbors say they hope developers will preserve the historic brewery, cash in on the spectacular views of the Mississippi River and convert the plant to a housing and retail development.

"The city will be following this very closely, and if it's a noncity entity that purchases it, no matter what happens, it will be with the city's approval," said City Council Member Dave Thune, whose ward includes the plant. "We're hopeful that no one goes in there under the impression that they can make a lowball bid and cob together an ethanol plant because it won't fly."

Kreitzer said it's conceivable, but unlikely, that a bidder would try to make ethanol at the plant again. No such parties have surfaced in the past few months.

"I think everyone went in with the best intentions," said Diane Gerth, president of the West 7th/Fort Road Federation neighborhood group. "But the optimism kind of blinded some people to what would happen."

Gerth said that the old brewery has no historic preservation protection in place, but that neighbors are scrambling to make sure whoever comes in doesn't bulldoze the century-old brick structures.

"We hope any developer will recognize that this is a special landmark in St. Paul with amazing potential," she said. "... We're looking forward to a wonderful new phase in the area's history."