

Humboldt County

**Catalyst Fund
Application
for
Cyanco Company, LLC.**



Governor's Office of Economic Development

Las Vegas 702-486-2700

Reno 775-687-9900

Toll Free 800-336-1600

INTRODUCTION

LOCAL GOVERNMENT SUBMITTING – Humboldt County

Authorized Representative

Name: David Mendiola

Title: County Manager

Organization: Humboldt County

Street Address: Humboldt County, 50 W 5th Street, Winnemucca, NV 89445

Mailing Address: Humboldt County, 50 W 5th Street, Winnemucca, NV 89445

Phone Number: 775-623-6300

Email Address: Dave.Mendiola@hcnv.us

To the best of my knowledge and belief, the information contained in this Catalyst Fund Application is true and correct, as evidenced by my signature below.

Signature

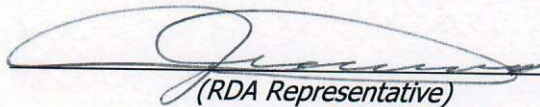


(Local Government Representative)

Date

8-13-18

Signature



(RDA Representative)

Date

8-27-2018

PROJECT CHARACTERISTICS (check all that apply)

- | | |
|--|---|
| <input checked="" type="checkbox"/> Construct New Facility | <input type="checkbox"/> New Business / Start-up |
| <input type="checkbox"/> Expand/Renovate Existing Facility | <input type="checkbox"/> Relocation from Out-of-State |
| <input checked="" type="checkbox"/> Purchase Machinery & Equipment | <input type="checkbox"/> Relocation within Nevada |

INDUSTRY CLUSTER

If applicable, identify the industry cluster within which this project falls.

- | | | |
|---|--|--|
| <input type="checkbox"/> Aerospace and Defense | <input type="checkbox"/> Health & Medical Services | <input checked="" type="checkbox"/> Mining & Materials |
| <input type="checkbox"/> Agriculture | <input type="checkbox"/> Logistics & Operations | <input type="checkbox"/> Renewable Energy |
| <input type="checkbox"/> Business IT Ecosystems | <input checked="" type="checkbox"/> Manufacturing | <input type="checkbox"/> Tourism, Gaming & Entertainment |
| <input type="checkbox"/> Other | | |

A statement of project relevance to supply chains, sectors and clusters targeted by the State Plan for Economic Development -

Cyanco has been a vital part of the community in Winnemucca and a mission critical enabler of Nevada's mining industry for nearly 30 years. Every gold and silver mine in Nevada relies on frequent shipments from the company's Winnemucca facility for production of precious metals.

GRANT/LOAN SUMMARY

Amount requested: \$140,000.00

AWARD PER PERIOD:

Period 1:

- \$6,500 per Incremental Primary Job x 8 jobs paying over \$25 per hour
- \$9,000 per Incremental Primary Job x 2 jobs paying over \$35 per hour

Period 2:

- \$6,500 per Incremental Primary Job x 8 jobs paying over \$25 per hour
- \$9,000 per Incremental Primary Job x 2 jobs paying over \$35 per hour

DISBURSEMENT TERMS:

Period 1 – For new primary jobs which pay over \$25.00 per hour:

No payment if less than 4 primary jobs are created

\$6,500 per job created up to 8 primary jobs

For new primary jobs which pay over \$35.00 per hour:

No payment if less than 1 primary job is created

\$9,000 per job created up to 2 primary jobs

Period 2 – For new primary jobs which pay over \$25.00 per hour:
 No payment if less than 4 primary jobs are created
 \$6,500 per job created up to 8 primary jobs

For new primary jobs which pay over \$35.00 per hour:
 No payment if less than 1 primary job is created
 \$9,000 per job created up to 2 primary jobs

Maximum Payment agreement: \$140,000

NEW TAX REVENUE ESTIMATES (10-Year Cumulative)

Local Taxes

Property	\$3,286,780	\$799,123	\$4,085,903
Sales	\$965,863	\$211,252	\$1,177,115
Lodging	\$0	\$13,384	\$13,384

State Taxes

Property	\$186,152	\$71,122	\$257,274
Sales	\$657,054	\$136,894	\$793,948
Modified Business	\$121,053	\$120,024	\$241,077
Lodging	<u>\$0</u>	<u>\$432</u>	<u>\$432</u>
Total	\$5,216,902	\$1,352,231	\$6,569,133

** Does not include impacts related to the Catalyst Fund grant.

The proposed plans, projects, or programs to which the grant or loan will apply: -

In order to increase its production of solid sodium cyanide for global markets, Cyanco Company, LLC is currently considering investing in adding solids capacity at its Winnemucca facility (which currently only produces sodium cyanide in a solution form). The new facility will have an annual production capacity of 60 million pounds, and the product will be destined almost exclusively for mines outside of the continental US.

The expected benefits of the grant or loan expressed as Jobs, Investments and wage levels: -

The company's Winnemucca facility currently employs 40 fulltime permanent workers. The proposed expansion would add 20 fulltime permanent jobs, plus 62 temporary employees during engineering, design, and construction. Wages for these permanent jobs would average \$62,500 for production workers, \$78,000 for maintenance workers, and \$115,000 for professional and engineers.

A statement on the significance of this grant or loan to the company's described plans: -

Cyanco Company, LLC is considering Nevada or Texas as a location for it new solid cyanide facility. The incentives provided by the State of Nevada improves the rate of return on the capital investment to meet Cyanco's investment hurdle rate and to make the continued investment in the Winnemucca facility a priority over expanding the manufacturing facility in Texas.

A statement of the estimated return-on-investment to the State in job creation, wage levels and capital investment for the term of the proposed grant/loan

Cyanco Company, LLC anticipates filling the new jobs from local labor pools. The project will result in the creation of direct and indirect jobs, and will also serve as a boost to the local economy for the foreseeable future. Additionally, Cyanco Company, LLC and its employees have continually worked with local governments, first responders, and law enforcement to ensure the health and safety of their community as it pertains to their product.

A statement of the fiscal character of the company

Cyanco is the largest global producer of sodium cyanide, a critical input in the gold and silver mining industry which it has been a part of for nearly three decades. Cyanco Company, LLC has provided an integral product to the Nevada mining industry allowing for effective extraction and essentially adding billions of dollars annually to Nevada's economy. Further, the company has been a tremendous community partner, not only to the city in which it resides, but to the region.

Proposed Catalyst Fund grant (Exhibit "A").

Local government support letter (Exhibit "B").

Local government application from the business (Exhibit "C"). To be provided

Cyanco Company, LLC

Catalyst Fund Application to Humboldt County



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Toll Free 800-336-1600

Applicant Information

BUSINESS SUBMITTING: **Cyanco Company, LLC**

Authorized Representative

Name: Justin Clark Title: Chief Financial Officer

Organization: Cyanco Company, LLC

Street Address: 1920 Country Place Parkway, Suite 400, Pearland, TX 77584

Mailing Address: 1920 Country Place Parkway, Suite 400, Pearland, TX 77584

Phone Number: 775 846 1131

Email Address: justin.clark@cyanco.com

To the best of my knowledge and belief, the information contained in this Catalyst Fund Application is true and correct, as evidenced by my signature below.

Signature



(Company Representative)

Date

8/13/18

BUSINESS SUMMARY

In order to increase its production of solid sodium cyanide for global markets, Cyanco Company, LLC is currently considering investing in adding solids capacity at its Winnemucca facility (which currently only produces sodium cyanide in a solution form). The project will comprise the construction of a solid sodium cyanide manufacturing facility with an annual production capacity of 60 million pounds. If Nevada is selected, in addition to the required process equipment, the scope includes 4,100 feet of new RR track with an RIP area, 2,500 feet of perimeter fencing, 120,000 sf of compacted gravel roadway and ISO storage area, 600 feet of pipe rack to connect with existing solutions plants, modifications to the existing control room/systems, and auxiliary utility systems (R.O. water, cooling water, plant air, electrical, etc.).

The project will employ 20 fulltime permanent employees plus 62 temporary employees during engineering, design and construction.

Attach a copy of a company presentation

Is this request for a Grant or a Loan - Grant

Amount requested - \$140,000.00

Total real property investment – \$30,638,000

Total personal property investment – \$12,938,000

Projected start date – TBD Completion date – TBD

Attach a schedule of jobs created with skills identified

Number of primary jobs that will be new to Nevada - 20 Average wage of new jobs - \$30.01

Cost of employee healthcare benefits (annual premiums paid by employer) - \$6,439.92 Per Employee

Percentage paid by employer – 76%

Healthcare Summary (check all that apply):

Medical Dental Vision Disability Life Insurance Dependent Coverage

Attach a schedule of employee benefits used in recruiting

Other Employee Benefits – See Attached

PROJECT CHARACTERISTICS (Check all that apply)

- | | |
|--|---|
| <input checked="" type="checkbox"/> Construct New Facility | <input type="checkbox"/> New Business / Start-up |
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INDUSTRY CLUSTER

- | | | |
|---|--|--|
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| <input type="checkbox"/> Business IT Ecosystems | <input checked="" type="checkbox"/> Manufacturing | <input type="checkbox"/> Tourism, Gaming & Entertainment |
| <input type="checkbox"/> Other | | |

BUSINESS CHARACTERISTICS

Please describe all the incentives that the business or project has applied for such as abatements, deferrals, training etc. including dollar amounts

Cyanco Company, LLC. has applied for the following State Tax Abatements:

Sales and Use Tax Abatement: \$ 627493
Modified Business Tax Abatement: \$26,764
Personal Property Tax Abatement: \$412,030

Please list all other sources of funding received or applied for by the business or project including local, state and federal loans, grants and matching programs – N/A

Please describe the long-term potential sustainability and viability of your business

Cyanco has been a vital part of the community in Winnemucca and a mission critical enabler of Nevada's mining industry for nearly 30 years. Every gold and silver mine in Nevada relies on frequent shipments from the company's Winnemucca facility for production of precious metals.

Today there are two plants at the Winnemucca operations with production capacity in excess of 240 million pounds annually. In October 2008, Oaktree Capital Management purchased Cyanco. Today, Cyanco has operations in Winnemucca, Nevada, Cadillac, Quebec, Hermosillo, Sonora, Cheyenne, Wyoming as well as offices in Montreal, Quebec and Reno, Nevada and Houston, Texas (corporate office). Cyanco also maintains a laboratory facility in Reno, Nevada for cyanide application and detoxification work by the Applied Technology Group.

Please describe any significant negative environmental impacts of your business – N/A

Catalyst Fund Application from Business Applicant

- Schedule of jobs to be created during Catalyst Fund grant period (Exhibit "A")**
- Schedule of proposed employee health insurance benefits (Exhibit "B")**
- 3-year financial statements for the business, audited preferred (Exhibit "C")**

CYANCO COMPANY, LLC

Business Entity Information			
Status:	Active	File Date:	04/06/2009
Type:	Foreign Limited-Liability Company	Entity Number:	E0196742009-6
Qualifying State:	DE	List of Officers Due:	04/30/2019
Managed By:		Expiration Date:	
Foreign Name:		On Admin Hold:	No
NV Business ID:	NV20091269591	Business License Exp:	04/30/2019

Additional Information	
	Central Index Key