

Storey County

**Catalyst Fund
Application
for
Aqua Metals, Inc.**



Governor's Office of Economic Development

**Las Vegas 702-486-2700
Reno 775-687-9900
Toll Free 800-336-1600**

INTRODUCTION

LOCAL GOVERNMENT SUBMITTING – Storey County

Authorized Representative

Name: Pat Whitten

Title: County Manager

Organization: Storey County

Street Address: 26 B St, Virginia City, NV 89440

Mailing Address: PO Box 176, Virginia City, NV 89440

Phone Number: 775 847.0968

Email Address: PWhitten@StoreyCounty.org

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 09/06/2018

Signature



(RDA Representative)

Date 9/06/2018

PROJECT CHARACTERISTICS (check all that apply)

- | | |
|--|--|
| <input type="checkbox"/> Construct New Facility | <input type="checkbox"/> New Business / Start-up |
| <input type="checkbox"/> Expand/Renovate Existing Facility | <input checked="" type="checkbox"/> Relocation from Out-of-State |
| <input 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 type="checkbox"/> Manufacturing | <input type="checkbox"/> Tourism, Gaming & Entertainment |
| <input checked="" type="checkbox"/> Other – Headquarters | | |

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

The Headquarter operations will support company's existing manufacturing facility. Aqua Metals, Inc. is the world's only clean battery recycling company and built the world's first AquaRefining™ lead facility in Nevada's Tahoe Reno Industrial Center (TRIC) in mid-2016. Lead is an integral component in over a billion electrical storage devices used across the globe including every car and truck, hybrid and electric vehicle. Lead based batteries provide backup power for hospitals, electrify households and are the primary mode of energy storage for buildings, data centers and telecom. Lead is a finite resource with a rising demand.

GRANT/LOAN SUMMARY

Amount requested: \$150,000.00

AWARD PER PERIOD:

Period 1 - \$3,000 per Incremental Primary Job x 10 jobs jobs paying over \$30.00 per hour (6-month period)

Period 2 - \$3,000 per Incremental Primary Job x 20 jobs paying over \$30.00 per hour (12-month period)

Period 3 - \$3,000 per Incremental Primary Job x 20 jobs paying over \$30.00 per hour (12-month period)

DISBURSEMENT TERMS:

Period 1 – For new primary jobs which pay over \$30.00 per hour:

No payment if less than 5 primary jobs are created

\$3,000 per job created up to 10 primary jobs

Catalyst Fund Application from Governmental Entity

Period 2 – For new primary jobs which pay over \$30 per hour:

No payment if less than 10 primary jobs are created

\$3,000 per job created up to 20 primary jobs

Period 2 – For new primary jobs which pay over \$30 per hour:

No payment if less than 10 primary jobs are created

\$3,000 per job created up to 20 primary jobs

Maximum Payment agreement: \$150,000

NEW TAX REVENUE ESTIMATES (10-Year Cumulative)

Local Taxes

Property	\$140,769	\$167,002	\$307,771
Sales	\$15,288	\$60,365	\$75,653
Lodging	\$0	\$24,030	\$24,030

State Taxes

Property	\$7,272	\$193,681	\$200,953
Sales	\$6,120	\$483,989	\$490,109
Modified Business	\$658,483	\$256,278	\$914,761
Lodging	\$0	\$936	\$936
Total	\$827,932	\$1,186,281	\$2,014,213

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

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

The company is considering moving its corporate headquarters from California to Storey County. If Storey County is selected, Aqua Metals, Inc. will lease and fit-out the necessary office space to accommodate the relocation of its headquarters operations. The project is expected to involve primarily office space, though the company intends to accommodate various R&D activities as well, along with their associated equipment and facility requirements.

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

The incentives offered by the state will assist the company to off-set relocation and expansion costs incurred by moving its headquarter operations to Storey County. The funds will also assist to facilitate ongoing company growth via hiring and recruitment, workforce development, training and additional activities vital to the company's progression.

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

Overall annual operating costs are critical in the company's location decision making process. To the extent that any incentives can improve those costs, they become extremely influential to the site selection. As a headquarters operation with primarily professional and R&D functions involved, sales and property tax abatements are important, albeit less impactful than Catalyst Funds.

Catalyst Fund Application from Governmental Entity

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: -

The company anticipates the creation of 50 jobs within the next five years. These jobs will pay an average wage of \$67.73 per hour. Aqua Metals, Inc. 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. It is estimated that the project will create \$2,014,213 in new direct State and Local tax revenues over a 10-year period.

A statement of the fiscal character of the company: -

Aqua Metals, Inc. is the world's only clean battery recycling company. Ninety-six percent of all rechargeable batteries are lead-based. Lead is an integral component in over a billion electrical storage devices used across the globe including every car and truck, hybrid and electric vehicle. Lead based batteries provide backup power for hospitals, electrify households and are the primary mode of energy storage for buildings, data centers and telecom. Lead is a finite resource with a rising demand. For this reason, recycling is critical to keep pace with growing energy storage needs, Additionally:

- Lead acid battery market expected to grow from \$46.6 B in 2015 to \$85.5 B in 2025
- Lead batteries are the only 100% recyclable batteries available.
- 80% of the lead used to manufacture new batteries is recycled.
- Recycling is critical to keep pace with growing energy storage needs.

✓ Proposed Catalyst Fund grant (Exhibit "A").

✓ Local government support letter (Exhibit "B").

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

Aqua Metals, Inc.

Catalyst Fund Application to Storey County



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Applicant Information

BUSINESS SUBMITTING: **Aqua Metals, Inc.**

Authorized Representative

Name: Frank Knuettel Title: Chief Financial Officer

Organization: Aqua Metals, Inc.

Street Address: 1010 Atlantic Drive, Alameda, CA 94501

Mailing Address: 1010 Atlantic Drive, Alameda, CA 94501

Phone Number: 510 479 7635

Email Address: steve.cotton@aquametals.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

Steve Cotton
(Company Representative)

Date 8/30/2018

BUSINESS SUMMARY

Aqua Metals, Inc. is considering moving its corporate headquarters from California to Storey County. If Storey County is selected, Aqua Metals, Inc. will lease and fit-out the necessary office space to accommodate the relocation of its headquarters operations. The project is expected to involve primarily office space, though the company intends to accommodate various R&D activities as well, along with their associated equipment and facility requirements.

The company anticipates the creation of 50 jobs within the next five years. These jobs will pay an average wage of \$67.73 per hour. Aqua Metals, Inc. 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

The company is the world's only clean battery recycling company and built the world's first AquaRefining™ lead facility in Nevada's Tahoe Reno Industrial Center (TRIC) in mid-2016. Lead is an integral component in over a billion electrical storage devices used across the globe including every car and truck, hybrid and electric vehicle. Lead based batteries provide backup power for hospitals, electrify households and are the primary mode of energy storage for buildings, data centers and telecom. Lead is a finite resource with a rising demand. In recent years, tightening emissions regulations have forced many U.S. smelters to close. This has driven battery manufacturers and distributors to increasingly rely upon unregulated smelting operations in developing nations, negatively impacting the environment and human health. Finding a cleaner and more cost-efficient lead recovery and recycling method is critical to the lead recycling community. Aqua Metals, Inc.'s patented and patent pending lead refining technology, increases lead production to meet rising demand without increasing emissions while reducing environmental permitting requirements. AquaRefinings' modular design can be implemented in stand-alone facilities or licensed to partners for placement at existing battery recycling facilities, cost-effectively closing the loop on a profitable, circular economic model.

Attach a copy of a company presentation

Is this request for a Grant or a Loan - Grant

Amount requested - \$150,000.00

Total real property investment – \$120,000 Annual cost of lease space and \$420,000 in building improvements

Total personal property investment – \$33,000

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 - \$67.73

Cost of employee healthcare benefits (annual premiums paid by employer) - \$8,560 Per Employee

Percentage paid by employer – 85%

Governor's Office of Economic Development
Catalyst Fund Application from Business Applicant

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 type="checkbox"/> Construct New Facility | <input type="checkbox"/> New Business / Start-up |
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| <input type="checkbox"/> Purchase Machinery & Equipment | <input type="checkbox"/> Relocation within Nevada |

INDUSTRY CLUSTER

- | | | |
|--|--|--|
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| <input type="checkbox"/> Agriculture | <input type="checkbox"/> Logistics & Operations | <input type="checkbox"/> Renewable Energy |
| <input type="checkbox"/> Business IT Ecosystems | <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Tourism, Gaming & Entertainment |
| <input checked="" type="checkbox"/> Other – Headquarters | | |

BUSINESS CHARACTERISTICS

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

Aqua Metals, Inc. has applied for the following State Tax Abatements:

Sales and Use Tax Abatement: \$1,848
Modified Business Tax Abatement: \$ 106,990
Personal Property Tax Abatement: \$512

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 -

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

- 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")**