

A new industry in city's future?

By News Record Staff | Posted: Tuesday, April 19, 2016 10:55 am

Campbell County entered into an agreement Tuesday with REX Carbon LLC that would give the company an option to buy 50 acres of land that the county owns east of Cam-plex for an activated carbon plant.

Commissioners said that, if the permitting process goes smoothly, it could be between 1½ to 2 years before the plant is up and running.

The actual sale of the property would happen after all the permits are obtained.

Commissioner Micky Shober called it a “value-added product” that uses a coal that now sells for about \$10 a ton and turns it into something that could sell for \$1,500 a ton.

Activated carbon, also known as activated charcoal, can be produced from a bituminous or subbituminous coal and is used in a wide variety of products, primarily for filtration and to remove impurities. Water filtration systems use activated charcoal to remove impurities in drinking water, according to a county press release.

It also has many large industrial applications, such as filtering impurities from flue gases in coal-fired power plants, and even has significant medical applications.

Activated carbon comes from coal, “which makes Campbell County the ideal location for this type of operation,” the press release said.

“It fits in the green process that seems to be where the United States and the world are headed,” Shober said.

The commissioners have been working with REX Carbon for some time to reach an agreement, Commissioner Mark Christensen said.

The county's goal in using its property east of Cam-plex was to bring in “game-changing things,” he said. “This is the beginning of this process.”

The plant will bring a number of jobs to Gillette — construction and long-term jobs that should always have been the goal of economic development, Christensen said. The first phase is expected to have 30 production or operations jobs and eight to 10 management and technician jobs, according to the county press release.

Construction would provide about 100 jobs. All told, that first phase could create an estimated \$2 million annual payroll to Campbell County, the county said.

At this point, REX Carbon is anticipating two phases, but Christensen said it could grow to up to four or five, and each phase could mean an additional 30 jobs, he said.

“That’s how we actually build an economy,” he said.

Given a depressed economy in which an estimated 1,000 to 2,000 jobs have been lost recently in the mineral extraction industries, “it’s welcome news,” Christensen added.

The manufacturing plant would be located on land east of Cam-plex that the county bought in 2013 from Wyodak Resources Development Corp. for about \$535,000. The commission said it hoped that the 247 acres could be turned into a business or industrial park that could “reap long-term benefits for the Campbell County economy.”

Originally, the commissioners looked at the site as a possible rail spur to support the needs of large industrial companies hoping to start businesses here. That became unfeasible when a private developer decided to provide a rail spur and commissioners maintained their position of supporting private industry.

They continued to hope to use it to support economic diversification.

Icon Construction of Dayton Ohio, has been retained by the plant owner to perform engineering, procurement and construction management of a coal-based activated carbon plant with a capacity of 22,500 to 45,000 tons per year, according to the press release.

To support the project and help create the industrial park, Energy Capital Economic Development will seek a \$4.5 million Business Ready Community-Committed Business grant to build the infrastructure for the business. The grant would pay for roads, power, water and other infrastructure necessary to support the activated carbon plant and other industries that will occupy the industrial and business park in the future, the county said.

“When we purchased the land, it was to bring large industrial businesses to Campbell County that would diversify our economy and hopefully use coal, oil, gas or other local natural resources as their raw material,” Shober said. “It is exciting to finally realize all the work we have put into economic development over the years is beginning to pay off.”