

# Factors merge to attract new plant

By ANN TURNER News Record Editor [aturner@gillettenewsrecord.net](mailto:aturner@gillettenewsrecord.net) | Posted: Sunday, April 24, 2016 6:00 am

It took an old connection, an investment and the right timing for Campbell County to attract a proposed activated charcoal manufacturing firm and its 30-plus permanent jobs.

Campbell County Commissioners announced a deal Tuesday that would give REX Carbon LLC, a Dayton, Ohio-based company, the option to buy 50 acres of land east of Cam-plex for its factory.

In the deal, REX would pay \$200,000 for the property, which is part of a 247-acre plot that the Campbell County Commission bought from Wyodak Resources Development Corp. in 2013 for about \$535,000.

To actually get the project off the ground will require even more things to fall into place, but local officials are confident the \$40 million to \$50 million REX Carbon project can be completed in about two years.

Their bigger hope is that REX Carbon is just the one of several industries that they can attract to use Campbell County's abundant minerals and manufacture products here.

## The connection

It was the failure to land another project three or four years ago that actually contributed to the activated coal project, said Phil Christopherson, CEO of Energy Capital Economic Development.

The company that will build the factory is Dayton, Ohio-based Icon Construction, which had been out in the region looking for sites for a different type of project.

One of those trying to help the company find a site was David Spencer, Northeast regional director of the Wyoming Business Council. While he's now based in Buffalo, he worked in a similar capacity for many years in Gillette.

At that point, Icon couldn't find a site with the right fit.

Spencer didn't hear from them for a while and then the company called a year ago with a different project in mind, one involving taking coal and making it into activated charcoal, which is used in a variety of filtering processes, like those in a filtered water pitcher.

Icon, which worked to put the deal together for REX Carbon, eventually settled on the site near Gillette.

Christopherson credits Spencer's earlier connection with Icon to making the difference. That "loose

connection” in economic development helps, he said.

“That’s some of what happened in this case,” he said. “They looked all over Northeast Wyoming. They looked at several sites and settled on this one.”

The reason was threefold, Christopherson said. It was close to the coal supply it needs, the price was right and the possibility of Wyoming Business Council grants for infrastructure sweetened the deal.

REX Carbon is affiliated with REX American Resources Corp., which historically had been a specialty retailer in the consumer electronics and appliance industry that later invested in alternative energy entities, including synthetic fuels and ethanol, according to its website.

This would be its first activated carbon plant, Christopherson said.

Campbell County already is home to an activated charcoal manufacturer. Atlas Carbon fully launched its activated carbon plant earlier this year at the old Fort Union coal mine off Garner Lake Road.

Christopherson said the two companies will use different processes to make their products. While Atlas uses a unique technology, REX plans to use an older method.

“It is a similar plant and they will compete in the activated carbon market, but that is a worldwide market, so it’s not like they’re competing head to head with each other,” Christopherson said, adding that a second plant could actually even attract others.

“It will build a certain synergy in that type of industry,” he said.

Spencer said he realized the potential when another large producer of activated carbon visited Wyoming several times over the past two years trying to find a potential site but couldn’t make it work.

There’s also been an upswing in demand because its use has expanded into clean flue gases in power plants.

The investment

Christopherson attributed part of REX’s interest in Campbell County to the site. Much of the land that the county bought in 2013 originally had been pledged to a proposed venture between General Electric and the University of Wyoming. Gillette was one of the finalists in the 2009 bidding process, losing the bid to Cheyenne.

The GE-UW coal gasification project never materialized, but the land remained an option, and eventually the county bought it, hoping to turn it into a business-ready industrial park, much like the one that Cheyenne had that attracted the GE-UW project.

“They wanted to fill a niche that the private sector really wasn’t willing or able to sell,” Christopherson said.

Commissioner Mark Christensen said the goal of that property was to bring in “game-changing” industries that needed space that didn’t compete with private business developments.

“These are things that have refinery natures or something else that didn’t necessarily fit in the traditional industrial parks that are available,” he said Tuesday. “This is the beginning of that process and that project.”

Instead of shipping out raw materials to be manufactured elsewhere, projects like REX reverse that process, creating jobs here, he said.

“We’re now shipping out a product of higher value and get the benefit of the jobs that bring that about,” Christensen said.

It shows that the county is “finally doing what we’re supposed to do in economic development,” he said.

The right timing

The project depends on several things, not the least of which is an air quality permit from the Wyoming Department of Environmental Quality, which REX already applied for last week.

Campbell County also will apply to the Wyoming Business Council for a \$4.5 million grant to build infrastructure supporting the site, including an extension of Boxelder Road to the property.

The Business Council has a \$41.5 million budget for the next two years, so the project would eat up 10 percent of its budget.

Christopherson said he didn’t think it would be a problem.

“I think they’ll be very excited about this primarily because it’s a business that’s committed to come. It’s a manufacturing type of business, plus it’s a value-added business,” Christopherson said.

“They’re taking coal that we have here and adding value to that, so it’s right in line with everything the Business Council and governor wants to do.

“This is exactly the type the Business Council wants to support and bring into the state,” he said. “If the state could put that entire \$41.5 million into businesses that are committed to come here, provide jobs and do value-added, they would be very happy.”

Spencer agreed.

“Obviously, committed business projects are our highest priority and with the downturn in the economy, we’re going to be looking at any things like this that’s positive to the economy,” he said.

Still work ahead

Before those 100 to 120 construction jobs materialize, before the 30-plus full-time permanent

positions are created and before the estimated yearly payroll of \$2 million to \$2.5 million materialize, much needs to happen, Spencer said.

REX must submit a business plan within 60 days for the Business Council grant and an air quality permit must be obtained.

“I characterized it to Phil (Christopherson) that we’re at the 10-yard line at the other end of the field. We still have a long ways to go here. But at least we’re over this first step and we’ve got them committed to location,” Spencer said.

“I think we could easily see this under construction by next summer sometime,” he added. “They’re pretty committed to the project from what I can tell. But until the steel comes up out of the ground, I never take anything for granted on these things.”