

Leaders discuss industrial opportunities

[Shanna Cummings](#), News4Nevada Contributor

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The manufacturing and local industry panel consisted of (left to right) Lithium Nevada Corporation Vice President of Government Affairs/Community Relations Tim Crowley, Cyanco Sales Manager Steve Cochrane, Humboldt Ford General Manager Steve Kuhn, Humboldt County Commissioner Ron Cerri and Loon LLC. Operations Manager Paul Acosta. During his presentation, Cochrane displays a small model of an International Organization for Standardization (ISO) container, used to store sodium cyanide to be shipped to its destination.

Editor's Note: The annual Winnemucca Futures economic development forum took place on Jan. 30, and featured Humboldt County's industry and government leaders. What follows is the second of a four-part series.

Winnemucca Futures 2019 highlighted the advancements and trajectory of Humboldt County's government, industries and education. More than 165 people from Humboldt County and other locales attended the event, held at the Boys and Girls Club.

Lithium Nevada

Tim Crowley, VP of Government Affairs for Lithium Nevada, started off the panel on Manufacturing and Industry. The relatively new Nevada branch of Lithium Americas identified a "world class" lithium deposit in the Thacker Pass area of the McDermitt Caldera near Orovada. Mining the deposit requires a new process for the soft clay ore.

Crowley said the team initially intended to mine all of the claim, but changed directions due to complications with sage grouse habitat as well as infrastructure and topography challenges.

The Thacker Pass lithium project has a mine life of 46 years, Crowley said, and has the potential to produce 25 percent of the world's current demand for lithium. The US currently produces 2 percent of the world demand.

Crowley said the project was moving quickly and anticipated construction for the mine to begin in 2020, with production rolling out in 2022. He estimated hiring 900 workers to build the plant, and 290 direct



full-time employees once production begins. The mine should be a \$1.7 billion capital project, and will generate approximately \$6.7 billion in state and local taxes over the life of the mine.

Crowley also expressed some concerns, particularly workforce, housing and education in the Orovada area, but conversations are underway on ways to address these concerns.

Cyanco

Cyanco's Winnemucca plant is expanding to produce and transport solid sodium cyanide. Cyanco produces and delivers cyanide - a substance integral to gold mining - in an on-demand method similar to topping off a cup of coffee, said Sales Manager Steve Cochrane.

Cochrane said Cyanco started with a small plant in Winnemucca, and has grown to become the largest supplier of sodium cyanide in the world.

The Winnemucca plant expansion will convert excess sodium cyanide solution into solid briquettes to export to areas where transportation of liquid sodium cyanide isn't economical. Cyanco's decision to locate the expansion in Winnemucca rather than at their Alvin, Texas plant, came after months of negotiations with economic development authorities, Humboldt County administration and the Governor's Office for Economic Development to put together an incentive package.

Construction is already underway, and Cochrane said production should begin in 2020. The expansion will add 20 new jobs at first, with another 16 jobs over the course of the next year.

Humboldt Ford

General Manager Steve Kuhn spoke on behalf of Humboldt Ford, which opened its doors in Winnemucca following the closure of DeLong Ford dealership in early 2018. Humboldt Ford serves as an example of the role economic development and infrastructure can play in determining economic feasibility in a particular location.

Kuhn said when he was first approached by Ford with the proposal of opening a dealership in a rural town of approximately 8,000 people, he wasn't sure it would be economically viable. However, upon visiting Winnemucca, Kuhn said he realized the need for products and services in the area with the presence of large ranching and mining communities.

"We really looked at the infrastructure here in Winnemucca; it seemed like the businesses, citizens and local government put a real high priority in economic development in the area," said Kuhn. "The facilities, the events center, the arenas, the college - in a town this size these are things you just don't see. You start talking 80,000 instead of 8,000 then you start rivaling facilities - and not just facilities but support behind them, that meant a lot to us."

Humboldt Ford reports hiring 35 employees and \$12 million in sales in the first five months and plans for growth. They have recently begun expansion into accessories, rental car availability and shuttle service.

Humboldt Ford is a part of the Teton Auto Family, a group of locally managed Idaho-based dealerships which specialize in medium and small markets.

Agriculture

Humboldt County Commissioner and rancher Ron Cerri spoke about opportunities for value-added agriculture to build on the county's agricultural roots. Humboldt County is home to over 350 farms and ranches, bringing in \$135 million annually, but 100 percent of the county's agricultural commodities are transported out of the state or even out of the country. Value-added agriculture includes operations that use what farms and ranches in the county provide, circulating the commodities and the money within the county. Cerri gave examples like dairy operations, since the hay grown in this region is top-quality and improves the milk produced by the cows. Currently, the county's hay goes to California.

Cerri also mentioned growing hemp, a versatile and high-demand crop used in textiles, pharmaceuticals, paint and biofuels. Growing hemp here currently is challenging because it is such a new crop, and there aren't any processing plants nearby. However, the hemp industry is expected to grow 700 percent in the coming years.

Agriculture establishments use 90 percent of the groundwater pumped in Humboldt County, and the county pumps more groundwater than any other in the state. He said water will continue to be a valued resource.

Loon LLC - Airport Industrial Park Expansion

Operations Manager Paul Acosta gave an update of Loon LLC., the internet-carrying balloon launching company which has resided in Winnemucca at the airport industrial complex for the past five years.

Loon's core mission is to connect the unconnected, by attaching cell phone antennas to balloons and launch them 70,000 feet in the air, then directing them from the Winnemucca or Puerto Rico Launching facilities to remote areas around the world using the wind to provide connectivity where infrastructure is absent.

Loon went live with data-providing balloons in 2017 following hurricane Maria in Puerto Rico and was able to provide connectivity to nearly a quarter of a million people while their infrastructure was being rebuilt.

Loon began under Google's Project X research and development arm in Mountainview, California and graduated from the X program and become its own company under the umbrella of Alphabet. Google and Loon now both reside under the recently formed Alphabet parent company.

Loon is in phase three of expanding their facility, which included footprint growth to fifteen acres in Winnemucca. The larger facility will be complemented by a new launch system to support next-generation flight systems and support ongoing research and development.

Acosta said in searching for a home base for Loon in the western United States, they visited 30 locations in a three-month period, with the last one being in Winnemucca where he met with the airport fixed base operator and former city manager Steve West.

"The hospitality and the willingness to work with us as kind of a crazy science experiment was something that really drew me to the area," said Acosta.