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Socioeconomic Baseline Report Update

1.0 INTRODUCTION AND BACKGROUND

Lander County is located in the north central portion of the state of Nevada. It is a rugged area dominated by vast, sweeping valleys of sage, and bordered by majestic pine-covered mountain ranges. There is a great deal of wildland offering unique opportunities for outdoor recreation. Adjoining counties include Churchill, Elko, Eureka, Humboldt, Mineral, Nye and Pershing. Lander County was created on December 19, 1862 and named in honor of General Fredrick W. Lander who was a prominent road builder for the Department of the Interior. Lander is the ninth largest of Nevada's seventeen counties, covering approximately 5,621 square miles (14,558 square kilometers) and accounting for nearly 5.1 percent of Nevada's total surface area of 110,540 square miles (286,297 square kilometers). Lander County's population was 5,794 or 0.3% of Nevada's total of 1,998,257 people in 2000. Leading employers based on 2006 average employment include Government with 29 percent; Natural Resources and Mining with 34.5 percent; and trade, transportation and public utility with almost 22 percent.

Lander County is unique in that all of its communities have strong transportation links to California and other western markets including Boise, Idaho and Salt Lake City, Utah. Lander County with its major rail lines (Union Pacific/Burlington Northern), an extensive highway system (US Interstate 80 and US Highway 50), and air service is an ideal location from which to transport goods.

Lander County is an area rich in ranching and mining. Ranchers rounding up cattle on horseback or shepherders tending their flocks on rugged mountainsides are a common site. Untamed, open and full of western flavor, Lander County offers recreational opportunities ranging from fishing and big game hunting to camping, backpacking and golfing.

Over 100 years ago, towns surfaced and grew overnight because the area was rich in minerals and gemstones. Today that sense of boom or bust is still in the air. Large mining operations continue to yield billions of dollars out of the County's mountains and high desert valleys. Battle Mountain lies in the middle of the most productive gold mining areas in the United States.

1.1 Purpose and Organization

This report provides a baseline description of existing conditions in Lander County as of 2007. The report provides information on social, economic, public services and facilities, and natural resources available in Lander County and its communities. The report will be used to measure potential changes to Lander County as a result of the high-level nuclear waste repository at Yucca Mountain and associated transportation activities. Additionally, material presented in the

following chapters represents a compilation of previous impact investigations undertaken for the repository program.

The baseline report contains information about population, labor force, employment, wages, fiscal conditions, natural resources, and land uses. The Yucca Mountain draft and final environmental impact statement contained very little information about Lander County. This report will help supplement the lack of information developed by DOE. The baseline report will be updated annually as part of Lander County's on-going efforts to assess potential impacts associated with the Yucca Mountain Project.

2.0 LANDER COUNTY DEMOGRAPHIC CONDITIONS

Since 1990, the population of Lander County has decreased from 6,266 in 1990 to 5,797 in 2000. In the last two years the population has increased from 5,277 in 2003 to 5,655 in 2006. Population should continue to increase as employment opportunities expand in Lander County. Population growth in the southern portion of Lander County has remained more stable with minor increases in the Kingston area (Table 2-1).

Similar to other mining communities, there is a high percentage of working age households with families in Lander County. About 73.0 percent of the households in Lander County were composed of family households, nearly 40 percent are family households with children under 18. Persons age 65 and older comprised about 7.0 percent of Lander County's population whereas persons age 65 and older comprised about 11 percent of the population statewide. Lander County also has a high concentration of Hispanics accounting for approximately 18.5 percent of the total population in 2000 (2000 Census).

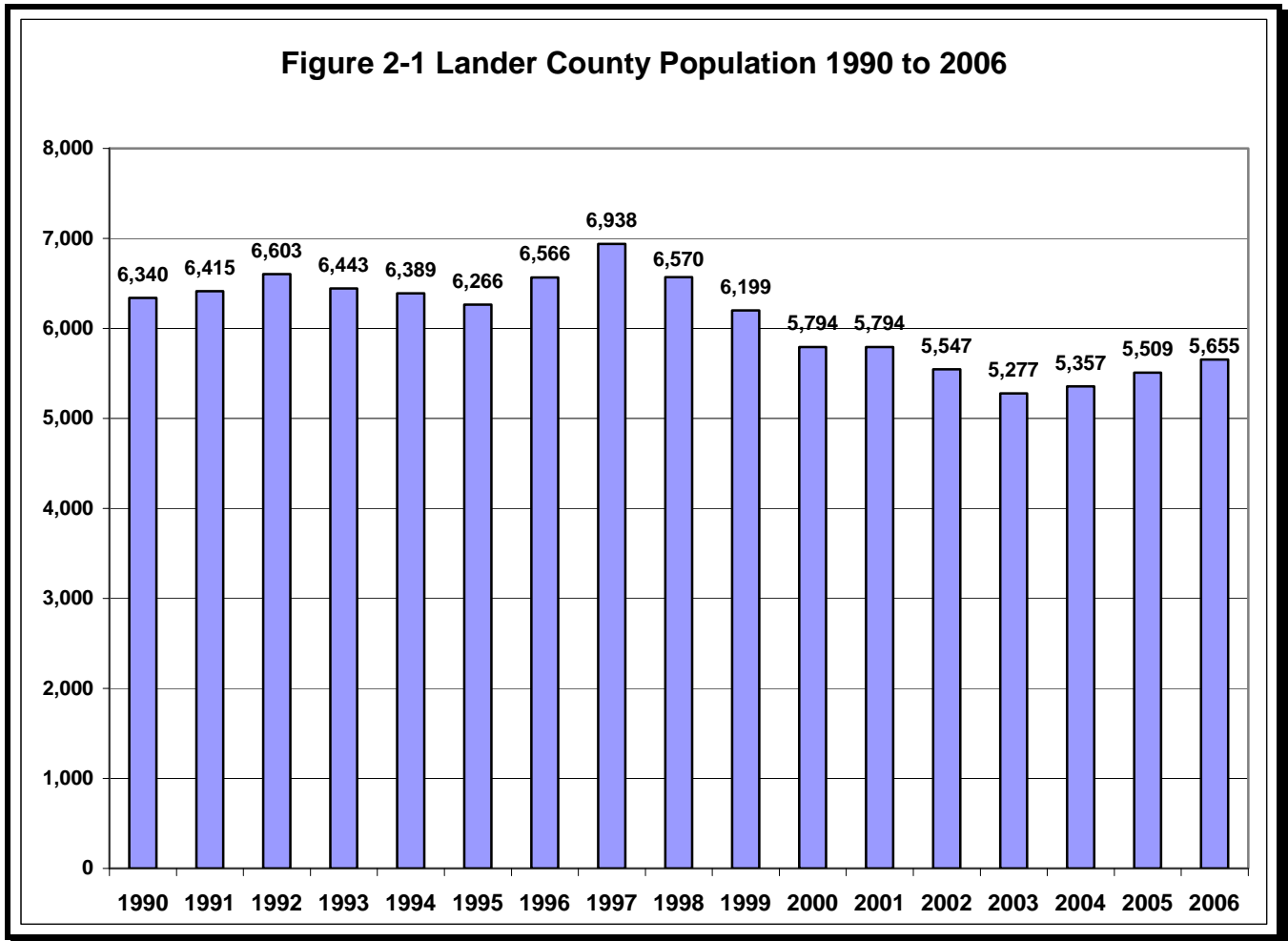
About 75 percent of the households in Lander County own their own home. Among Hispanics, the largest minority group in Lander County, almost 80 percent of the households were owners in 2000. High homeownership rates in Lander County are due to general housing affordability and the use of mobile homes as the principal housing structure. Generally, mobile home housing provides a less expensive option as compared to conventional single-family housing.

Table 2-1
Demographic Characteristics
Lander County, Nevada

Population	1990	2000	2006	90-06% Chg.
Lander County	6,266	5,794	5,655	-14.5%
Battle Mountain	3,542	3,453	2,740	-29.3%
Austin		305	287	-3.9%
Kingston		219	306	28.4%
	County		Nevada	
Age 65 Older-2000	7.0%		11.0%	
% Family Households-2000	72.8%		66.3%	
% Population White-2000	86.1%		75.2%	
% Population Hispanic-2000	18.9%		19.7%	
Unemployment-2006	4.5%		4.1%	
Per Capita Income-2005	\$31,893		\$35,744	
Median Household Income-2007	\$58,700			

Source: 2000 Census, Nevada State Demographer, Bureau of Labor Statistics, U.S. Dept of HUD.

The population density of Lander County in 2000 equaled .05 persons per square mile. With an estimated population of 3,453, over 59.6 percent of the County's population lives in Battle Mountain area. The total County population was 5,794 in 2000. The entire County is designated by U.S. Census Standards as rural. More recently, the Nevada State Demographer estimated Lander County's population for 2005 at 5,509 persons. The 2006 population of the County's unincorporated towns was Austin 287, Battle Mountain 2,740 and Kingston 306. Figure 2-1 shows historic population growth in Lander County.



Source: Nevada State Demographer 1990-2006.

Table 2-2 shows the 2000 and 2006 county population, population rankings and changes in ranking for Nevada's seventeen counties. Population for Lander County decreased from 6,266 in 1990 to 5,794 in 2000. Lander County maintained its population rank as twelfth among Nevada's seventeen counties in 2000 and 2006.

Table 2-2 Lander County Population, Rank of Population and Change in Population Rank, State of Nevada, 2000 to 2006.

County	2000		2006		Change in Rank
	Population	Rank	Population	Rank	
Clark	1,375,765	1	1,874,837	1	0
Washoe	339,486	2	409,085	2	0
Carson City	52,457	3	57,701	3	0
Lyon	34,501	6	54,031	4	2
Douglas	45,291	4	51,770	5	-1
Elko	41,259	5	48,339	6	-1
Nye	32,485	7	44,795	7	0
Churchill	23,982	8	27,371	8	0
Humboldt	16,106	9	17,751	9	0
White Pine	9,181	10	9,542	10	0
Pershing	6,693	11	6,955	11	0
Lander	5,794	12	5,655	12	0
Mineral	5,071	13	4,399	13	0
Lincoln	4,165	14	3,987	14	0
Storey	3,399	15	4,110	15	0
Eureka	1,651	16	1,460	16	0
Esmeralda	971	17	1,262	17	0
Urban ¹	1,767,708		2,341,623		
Rural ²	230,549		281,427		
TOTAL	1,998,257		2,623,050		

Source: U.S. Department of Commerce. "Census 2000 Redistricting Data (PL-94-171) Summary File, Table PL1 and 1990 Census." Bureau of Census: Washington D.C. 2000 and 1990.

¹ Urban counties of Nevada are Carson City, Clark and Washoe Counties.

² Rural counties are the remaining fourteen of Nevada's seventeen counties.

Of interest is the growth of Nevada's urban counties (Carson City, Clark, and Washoe) growing from 1,036,569 in 1990 to 2,341,623 in 2006. Growth in these areas was fueled primarily by new employment in the service sectors and by immigrating retired and semi-retired persons. The rural counties of Nevada have also realized population growth, increasing from 165,264 in 1990 to 230,549 in 2000. The rural portion of the population increased to 281,427 in 2006. However, even with the rural Nevada population increase, the proportionate urban share of Nevada's population increased from 86.25 percent in 1990 to 88.46 percent in 2000. Total state population increased 31.3 percent from 2000 to 2006.

Trends in the Census of Population data from 1990 to 2006 for Lander County can be summarized as follows:

- Lander County's 2006 population of 5,655 ranked the county twelfth among Nevada's seventeen counties.
- Lander County did not change its rank among counties in the state of Nevada from 2000 to 2006.

- Lander County’s population decreased from the 2000 Census to the 2006 state estimate by 139 persons. This means that Lander County realized a population decrease of 2.5 percent since 2000. However, Lander County experienced its 4rd consecutive year of population increase (See Figure 2-1). This trend is expected to continue in 2007.

Demographic characteristics of an area include age and gender of residents. Demographic composition changes slowly over time as new residents are added through birth and immigration, and as resident population is lost through death and outmigration.

Table 2-3 shows county median age for 1990 and 2000. Even at the state and national levels, the population is aging. Median population age for the nation increased from 32.9 years in 1990 to 35.3 years of age in 2000, while the state of Nevada increased from 33.3 years in 1990 to 35.0 years of age in 2000 (U.S. Department of Commerce, 2000 and 1990). For all counties in the state of Nevada, median age was older in 2000 than in 1990.

**Table 2-3 Median Age by County for the State of Nevada
1990 and 2000.**

County	1990	2000
	years of age	years of age
Carson City	36.6	38.7
Churchill	33.0	34.7
Clark	33.1	34.4
Douglas	36.2	41.7
Elko	29.4	31.2
Esmeralda	35.8	45.1
Eureka	33.3	38.3
Humboldt	30.6	33.4
Lander	28.7	34.1
Lincoln	33.4	38.8
Lyon	36.4	38.2
Mineral	33.9	42.9
Nye	36.5	42.9
Pershing	31.7	34.4
Storey	37.6	44.5
Washoe	33.6	35.6
White Pine	33.8	37.7
State Of Nevada	33.3	35.0
U.S.	32.9	35.3

Source: U.S. Department of Commerce. “Census 2000 Redistricting Data (PL-94-171) Summary File, Table PL1 and 1990 Census.” Bureau of Census: Washington D.C. 2000 and 1990.

For Lander County, the median age increased from 28.7 years of age in 1990 to 34.1 years of age in 2000. Also, compared to the median values for the state and the nation, Lander County has a younger population. The younger population is due to the workforce age

households that are associated with mining. The age-population data for Census 1990 to 2000 for Lander County can be summarized as follows:

- Median age for Lander County has increased to 34.1 years of age in 2000, compared to 28.7 years of age in 1990.
- The aging of the population is a state and national trend; however, Lander County's aging has been less.
- With overall population for Lander County decreasing from 1990 to 2005, population decreased by -13 percent. Also, this age group's proportionate share of total population decreased from 1990 to 2000.

Lander County as well as other northeastern counties in Nevada have a strong mining influence and, therefore, elevated levels of working age persons. Fluctuations in age distribution of the population in Lander County is due largely to the extent mining exists and associated support industry.

Table 2-4 shows the change in population by race for Lander County, the state of Nevada, and the nation. From 1990 to 2000 in Lander County, White population decreased by -13.67 percent, Black or African-American population increased by 33.33 percent, American Indian or Alaska Native population decreased by -21.69 percent, Pacific Islander population increased by 37.50 percent, and other race population increased by 125.44 percent. Overall, Lander County population from 1990 to 2000 decreased by -7.53 percent. The Hispanic or Latino population in Lander County increased by 284 persons, or 35.99 percent from 1990 to 2000.

Table 2-4 Population by Race for Lander County, 1990 and 2000.

Race	1990		2000		Percentage Increase from 1990 to 2000
	Number	Percent of Total (%)	Number	Percent Total (%)	
White	5,663	90.38	4,891	84.41	-13.67
Black or African-American	9	0.14	12	0.21	33.33
American Indian or Alaska Native	295	4.71	231	3.39	-21.69
Asian & Pacific Islander	16	0.26	22	0.38	37.50
Other Race	283	4.52	638	11.01	125.44
Total	6,266	100.00	5,794	100.00	-7.53
Hispanic or Latino (of any race)	789	12.59	1,073	18.52	35.99

Source: U.S. Department of Commerce. "Table DP-1, Profile of General Demographic Characteristics: 2000." Bureau of Census: Washington, D.C., 2001.

Trends in the Census of Population by Race from 1990 to 2000 for Lander County can be summarized as follows:

- In Lander County, the proportionate share of total county population that is White decreased from 90.4 percent in 1990 to 86.2 percent in 2000 declining by 13.7 percent from 1990 to 2000.
- From 1990 to 2000, Lander County Hispanic or Latino population increased by 284 persons, or 36.0 percent from 1990 to 2000.
- Proportionate share of total Lander County population that was Hispanic or Latino increased from 12.6 percent in 1990 to 16.4 percent in 2000.
- For the state of Nevada, proportionate share of total state population that is White decreased from 84.3 percent in 1990 to 75.2 percent in 2000 despite growing by 48.3 percent from 1990 to 2000.
- From 1990 to 2000, state of Nevada Hispanic or Latino population increased by 169,551 persons or 216.7 percent from 1990 to 2000.
- Proportionate share of total state of Nevada population that is Hispanic or Latino increased from 10.4 percent in 1990 to 19.7 percent in 2000.
- For the nation, proportionate share of total national population that is White decreased from 80.3 percent in 1990 to 75.1 percent in 2000 despite growing by 5.9 percent from 1990 to 2000.
- Proportionate share of total national population that was Hispanic or Latino increased from 8.99 percent in 1990 to 12.55 percent in 2000.

3.0 ECONOMIC ACTIVITY

3.1 Personal Income

In 2005, Lander County residents received approximately \$162.8 million in personal income. Of this amount, approximately \$89.1 million were total earnings in the County in the form of wages and salaries, other labor income and proprietor's income. This number is adjusted to net earnings of approximately \$124.3 million by taking into account social security contributions and commuting adjustments. Just over \$19.0 million was in the form of unearned income from dividends, interest and rent. Approximately \$19.4 million came from transfer payments, such as social security, food stamps, unemployment payments and veteran's benefits. These income figures are shown in Table 3-1.

Table 3-1 Personal Income of Lander County Residents, 2005.

Income Category	(\$1,000)	(\$1,000)
Wages and Salaries	\$89,066	
Other Labor Income	\$23,771	
Proprietor's Income	\$9,735	
Total Earnings in Lander County		\$122,572
Less Personal Social Security Contributions	\$11,518	
Plus Residence/Commuting Adjustment	\$13,291	
Net Earnings of Lander County Residents		\$124,345
Dividends, Interest and Rent	\$19,090	
Transfer Payment	\$19,378	
Total Personal Income, Lander County Residents		\$162,813
Per Capita Personal Income-2005		\$31,893

Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis: Washington, D.C. 2004.

Social Security contributions are subtracted from total earnings in order to better measure income available to Lander County residents before income taxes (a concept called personal income by economists). Approximately \$11.5 million of personal contributions to social insurance programs such as social security, Medicare, unemployment, etc. were paid by residents of Lander County.

A commuting adjustment is made to total earnings since some people who earn income in Lander County are not county residents. These people commute into the county to work and take their paycheck back to their county of residence. Lander County residents do the same; work outside the county and bring income back to Lander County. Approximately \$13.291 million more in income is earned by workers who live in Lander County, but work outside of Lander County. This value is added to total earnings in Lander County to derive net earnings for Lander County residents.

Table 3-2 gives the percentage breakdown of Lander County's income by source, and presents similar data for the state and nation. Net earnings by Lander County residents are approximately 73.45 percent of total personal income compared to 73.66 percent, and 71.93 percent for the state and nation, respectively. Dividends, interest, rents, and transfer payments in Lander County account for a smaller percentage of total personal income than in the state or nation. The last line of Table 3-2 shows Lander County's per capita income is lower than that of the state and nation. At \$31,893, Lander County's 2005 per capita income was approximately 12 percent less than the state's \$35,744 and approximately 7.2 percent less than the nation's average of \$34,471.

**Table 3-2 Comparison of Personal Income Sources
Lander County, State of Nevada and the U.S., 2003.**

Personal Income Source	Lander County	Nevada	U.S.
	(%)	(%)	(%)
Wages and Salaries	57.88	58.59	57.02
Other Labor Income	8.86	6.90	6.52
Proprietor's Income	6.17	8.18	8.40
Less Personal Social Insurance Contributions	3.31	4.00	4.28
Plus Residence/Commuting Adjustments	3.86	-1.37	-0.01
Net Earnings of Residents	73.45	73.66	71.93
Dividends, Interest and Rents	14.65	21.29	18.87
Transfer payments	11.90	10.41	13.50
TOTAL	100.0	100.0	100.0
Per Capita Personal Income-2005	\$31,893	\$35,744	\$34,471

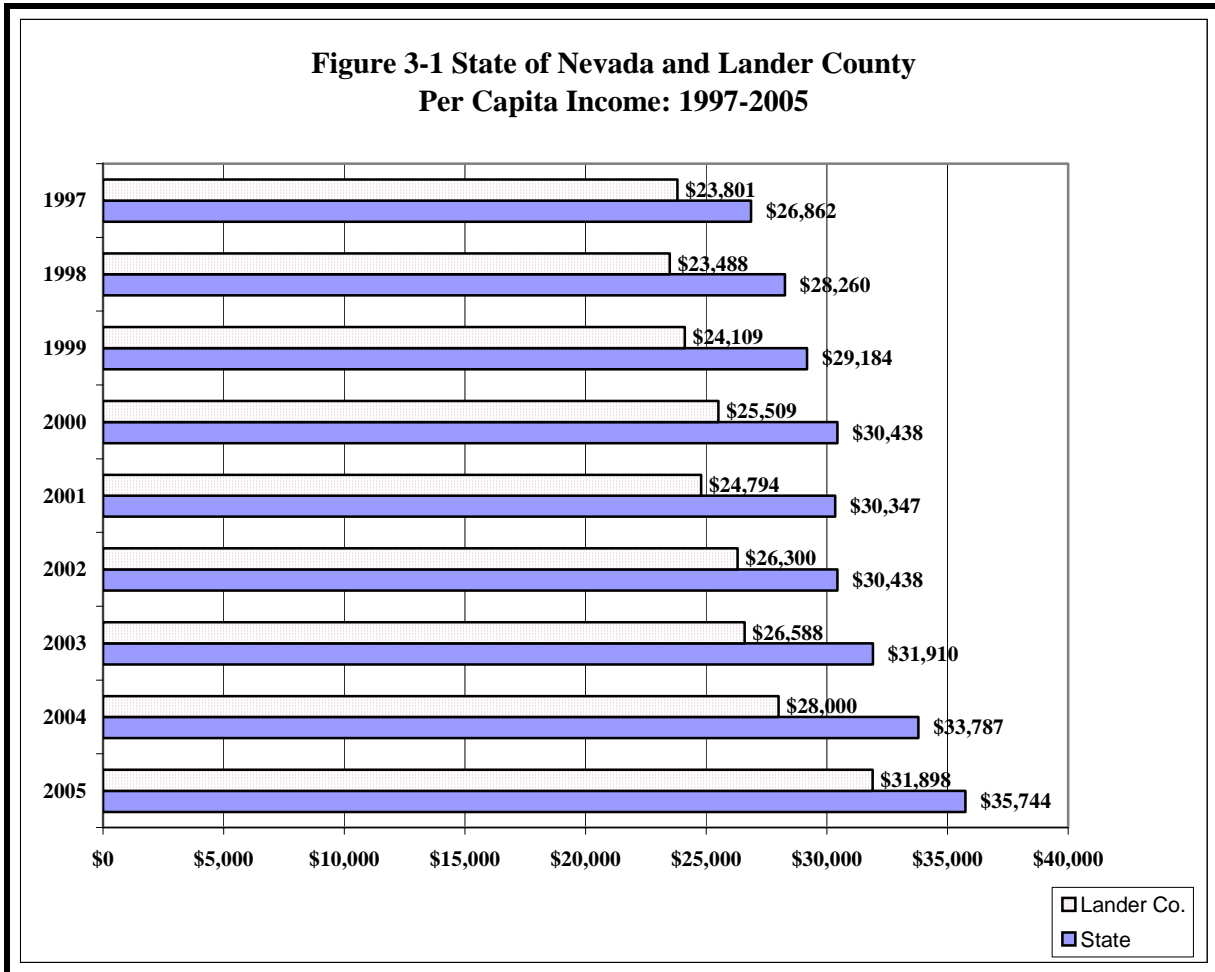
Source: U.S. Department of Commerce, "Regional Economic Information System." Bureau of Economic Analysis, Washington, D.C. 2003.

Figure 3-1 compares growth in per capita income between Lander County and the State of Nevada. In 2005, the per capita income in Lander County was approximately \$3,851 less than the State of Nevada. In 2004 the difference was much higher at \$5,787.

The trend in Lander County personal income can be summarized as follows:

- Per capita income for Lander County in 2005 was \$31,893, which was 12 percent less than the state's average (\$35,744) and approximately 7.2 percent less than the nation's average (\$34,471).
- Total 2005 place of work earnings for Lander County were \$122.6 million. Place of work earnings are adjusted by adding the net resident adjustment to derive resident earnings. For Lander County, the net residence adjustment for 2005 was \$13.3 million. This means \$13.3 million more was earned by people living inside Lander County but working outside Lander County than as compared to people living

outside Lander County and working in Lander County. This may constitute an injection of potential spending to Lander County. This amount is likely to grow as mining employment increases and gains in local population is realized. The amount of earnings outside Lander County dropped from 2004 to 2005 while the total earnings increased.



Source: U.S. Department of Commerce

- Proportionate share of total earnings from dividends, interest and rents; and transfer payments are 26.6 percent in Lander County. This proportionate share is lower than the state value of 31.70 percent and the national value of 32.4 percent. This might mean a lower retiree population base for Lander County.

Economic quality of life is difficult to measure because of differences in cost of living and non-monetary income between locations. However, per capita income is still an important basis for comparing economic quality of life, especially among geographically similar areas. On this basis, the quality of life in Lander County lags behind that of many Nevada counties. Table 2-3 lists the 2005 per capita income for each county shown, and in comparison, Lander County had the ninth highest 2005 per capita income at \$31,893 in Nevada. In comparison,

the 2005 per capita income level for the state of Nevada was \$35,744 while the national average was \$34,471.

**Table 3-3 Nevada County
Per Capita Income and Rank, 2005.**

County	Per Capita Income	Rank
Douglas	\$47,303	1
Washoe	\$41,382	2
Carson City	\$37,898	3
Esmeralda	\$35,345	4
Clark	\$34,980	5
Churchill	\$33,681	6
White Pine	\$32,672	7
Storey	\$31,916	8
Lander	\$31,893	9
Elko	\$30,127	10
Eureka	\$30,052	11
Nye	\$28,761	12
Humboldt	\$27,668	13
Mineral	\$26,363	14
Lyon	\$24,400	15
Lincoln	\$22,150	16
Pershing	\$19,764	17
State of Nevada	\$35,744	
U.S.	\$34,471	

Source: U.S. Department of Commerce. "Regional Economic Information System." Bureau of Economic Analysis, Washington, D.C. 2005.

3.2 Employment and Wages

This section provides an overview of Lander County employment and wages. Table 3-4 shows employment by industry and average annual wages for 2006. The total average wage in Lander County is slightly higher than the State of Nevada. The higher total wage level in Lander County is primarily due to mining industry wages. Approximately 34 percent of the employment in Lander County is in the mineral industry whereas about the same percentage of the employment in the State of Nevada is associated with gambling. Improving economic conditions are resulting from an increase in the labor force, population growth and lower unemployment rates.

Table 3-4
Industrial Employment and Wages
Lander County and the State of Nevada: 2006

Industry	Lander County			State of Nevada		
	Avg Emp	% of Total	Wages	Avg. Emp	% of Total	Wages
Total	2,023	100.0%	\$849	1,271,202	100.0%	\$770
Nat. Resources and Mining	691	34.2%	\$1,242	13,844	1.1%	\$1,084
Construction	58	2.9	\$867	142,679	11.2%	\$816
Manufacturing	*	*	*	50,234	4.0%	\$816
Trade, Transportation, Information	444	21.9%	\$543	233,182	18.3%	\$641
Financial Activities	22	1.1%	\$402	65,719	5.2%	\$888
Professional Services	44	2.2%	\$1,099	158,481	12.5%	\$873
Education and Health Services	298	14.7%	\$743	161,210	12.7%	\$800
Leisure and Hospitality	216	10.7%	\$225	338,639	26.7%	\$509
Other Services	5	.25%	981	29,808	2.3%	\$522
Government	245	12.1%	\$753	61,289	4.82%	\$972

Source: Nevada Employment Security Dept., 2006 *limited data, less than 10.

Table 3-5 provides labor force, employment and unemployment from 2000 to 2006. Overall, unemployment rate has moved lower following a downturn in the mining industry in late 1990s and early 2000. Over the next several years, employment should increase and the unemployment rate should continue to decline as mining employment expands in Lander County. Since 2004, the labor force has increased by nearly 400.

Table 3-5
Labor Force and Unemployment
Lander County: 2001-2006

	2006*	2005	2004	2003	2002	2001
Labor Force	2,830	2,430	2,450	2,474	2,630	2,709
Unemployment	120	120	116	140	170	189
Unemployment Rate	4.2%	4.8%	4.7%	5.7%	5.7%	7.0%
Total Employment	2,710	2,310	2,334	2,334	2,460	2,520

Source: Nevada Department of Employment, Training and Rehabilitation, * 2006 first 5 months.

Mining and government are the largest single employers in Lander County followed by trucking and services. Table 3-6 shows the major employers located in Lander County. In

2006 Newmont Mines will also become one of the County’s largest employers with operations at the Pheonix Mine south of Battle Mountain.

Table 3-6 Major Employers, Lander County: 2006

Company	Sector	Number of Employees
Cortez Gold Mines	Mining	400-499
Lander County Schools	Government	100-199
Lander County	Government	100-199
M-I Holdings	Mining/Chemical	90-99
Battle Mtn. General Hospital	General Medical	70-79
John Davis Trucking	Transportation	60-69
Etcheverry Food Town	Supermarkets	60-69
Bureau of Land Management	Government	50-59
Colt Broadway Flying J.	Gasoline Station/Rest.	50-59
Halliburton Energy Services	Chemical/Fertilizer	30-39

Source: Nevada Department of Employment Security, 2006

3.3 Mining

Lander County has high mineral resource potential for various metals and industrial minerals, construction materials, and geothermal resources (See Figures 3-2 to 3-5). The construction and operation of a rail line in Lander County has the potential to interfere with existing and future operations and production. The proposed Crescent Valley route passes through prolific mining areas, including those at the expanding Pipeline and Cortez mines near the west end of the valley. A report prepared in 2003 assessed potential impacts to mineralized areas and districts along the proposed rail corridors. Additional work is needed to better determine the potential impacts, beneficial or negative, in the Crescent Valley area, especially where exploration successes have resulted in significant new mineral resource discoveries.

There are a wide range of mineral resources in Lander County, many identified from past-historic production and development. Gold and silver are the dominant metals explored for and developed today. The most notable recent gold-silver discoveries are south of the old Cortez Mine, where an additional +7 million ounces of gold mineralization has been defined in two deposits – Pediment and Cortez Hills. These two new discoveries have helped to accelerate exploration activity in the area. Renewed exploration for gold-silver mineralization is increasing significantly in the Hilltop, Bullion, Bateman Canyon, Cortez, Callaghan Ranch, Buffalo Valley, and Battle Mountain mining districts.

Figure 3-2
Metal Mines and Exploration Projects

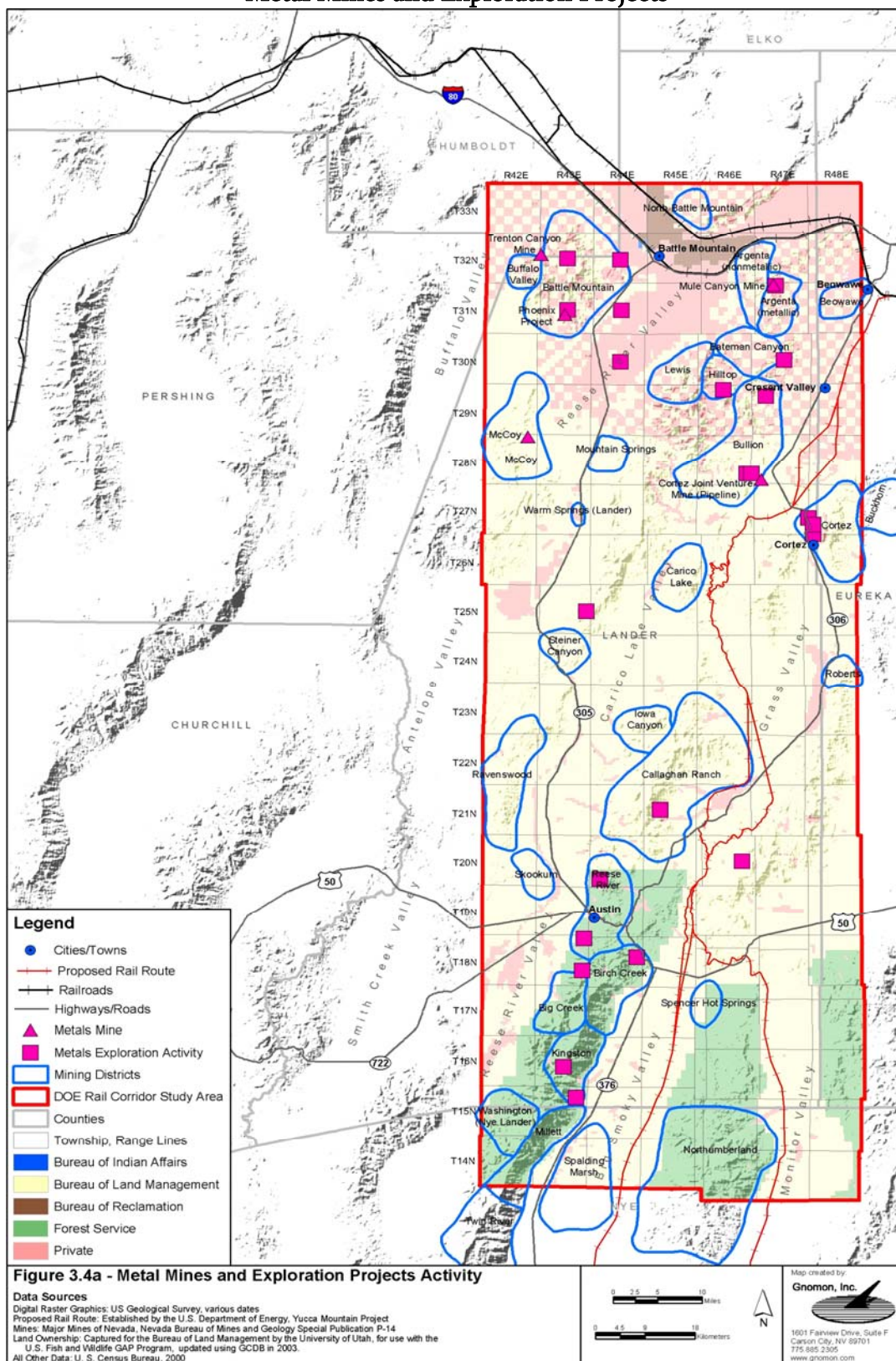


Figure 3-3
Barite Mines and Exploration Projects

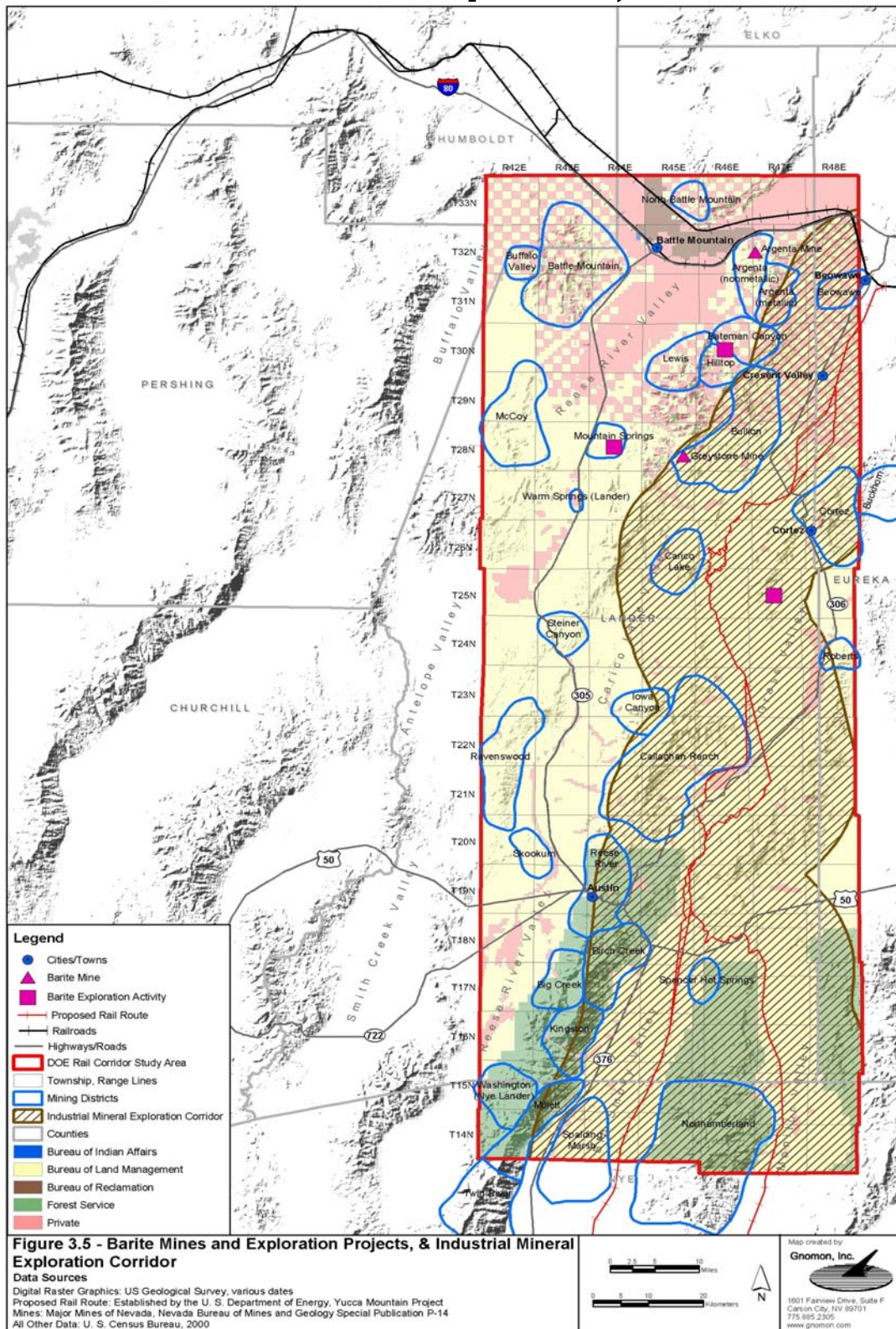


Figure 3-4 Geothermal Leases

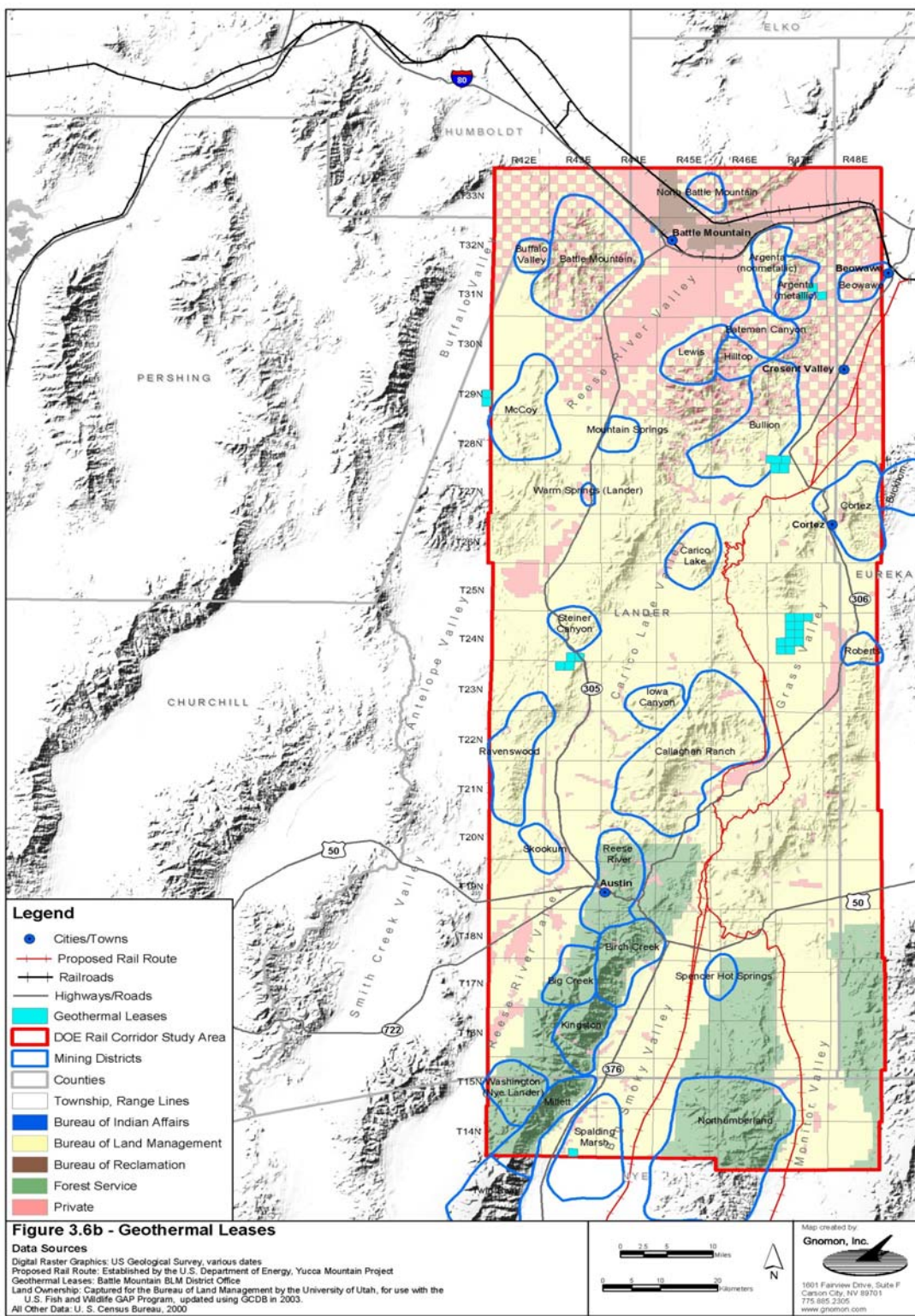
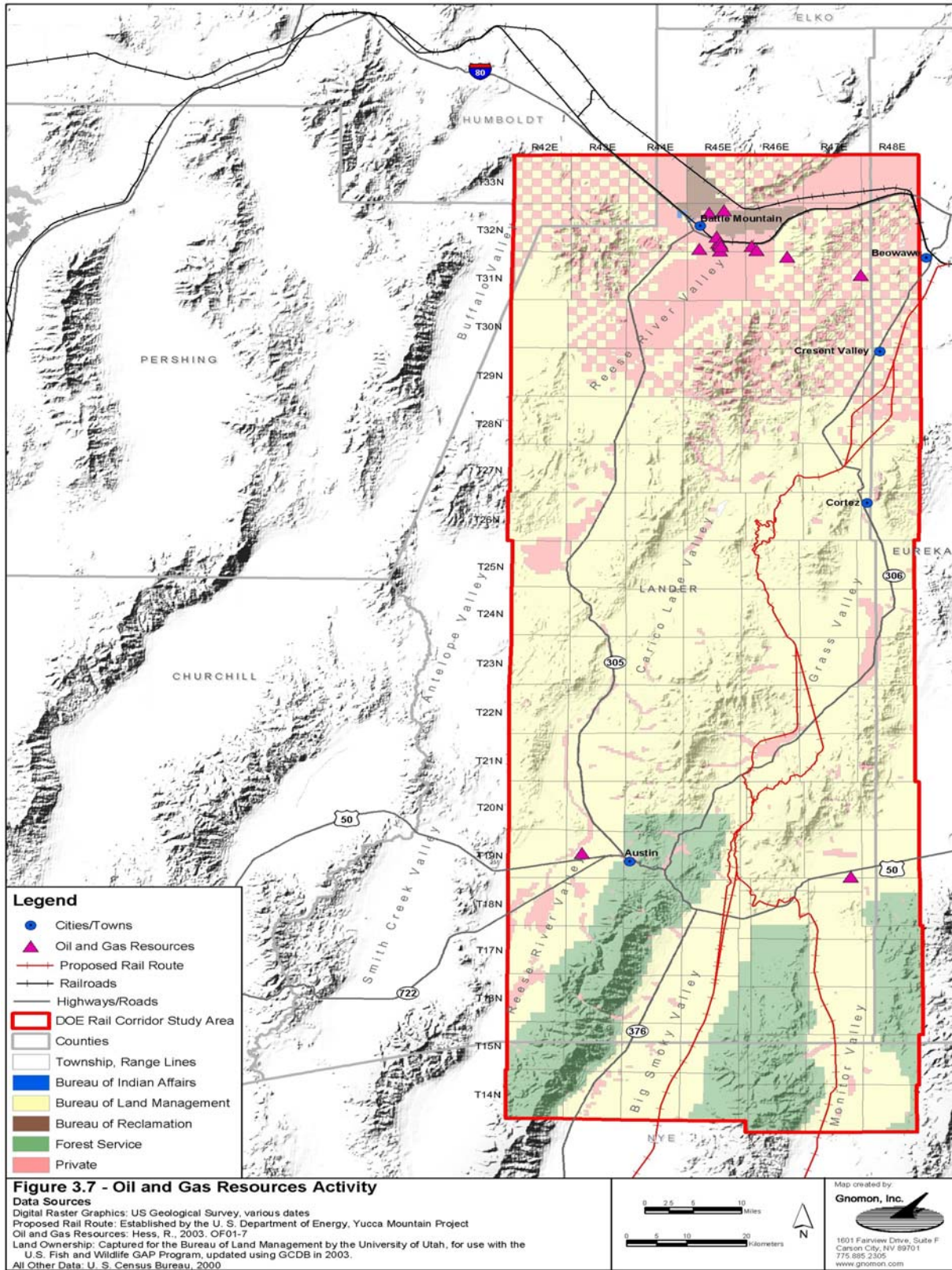


Figure 3-5 Oil and Gas Resources Activity



Barite is currently the dominant industrial mineral resource developed. Renewed barite exploration is advancing in the Mountain Springs, Bateman Canyon, and Argenta mining districts. Access to a rail line would open up exploration for and ultimately development of wide array of industrial mineral and construction material resources – both of which are highly sensitive to transportation costs.

There has been a significant increase in geothermal leasing activity in Lander County, especially notable in Crescent Valley. This leasing activity is a prelude to increased exploration and potential development of geothermal for various business opportunities not limited to power production.

3.4 Activity Levels Along the Proposed Yucca Rail Corridors

Mineral production and exploration activity in Lander County have both been on the decline in recent years, from approximately 1997 through 2002. This was due in part to market conditions (low gold price), as well as to an increasingly difficult regulatory regime. There appears to be a resurgence of exploration and development activity (gold-silver mainly) across Nevada in 2003, in response to a stronger gold price (>370/ oz Au). Some regulatory changes and improvements have also occurred recently, and this is beginning to favorably influence investment in U.S. mineral properties. Elevated exploration and development activities are prominent in Lander County, highlighted by new discoveries and expansions in the area of the Cortez-Pipeline Mine complex, as well as development and related exploration activity around the Phoenix Project near Battle Mountain. Additionally, increased interest in other sectors of mineral resource development is also occurring in Lander County, where exploration for geothermal resources, turquoise, and barite and other industrial minerals have been increasing (at varying rates) since 2002.

Claim Staking – An Indicator

An increase in claim staking activity is an indication of elevated mineral development activity levels. The number of claims is generally on the rise, especially since 2001-2002. The increase seen is based on general, brief reviews of records and files at the BLM and US Forest Service offices, as well as from personal communications with county recorder staff, and BLM and USFS personnel. Claim staking data summarized and presented here includes brief reviews of BLM claim data as it was obtained from this website – <http://www.blm.gov/lr2000/>.

Metal Mines and Exploration Projects

Figure 3-2 illustrated the active metal mines (triangles), according to the publication – Major Mines of Nevada 2002, (most recent publication at the time of this report). These metal mines include the Mule Canyon Mine in the Argenta Mining district (metallic portion), the

Trenton Canyon Mine straddling the Buffalo Valley-Battle Mountain districts, the Phoenix Project in the eastern Battle Mountain district, the Cortez Joint Venture (Pipeline) Mine in the Bullion district and adjacent pediment area (no mining district designation), and the McCoy Mine in the McCoy district. As well, exploration projects are illustrated in Figure 3.2 (squares). These in no way demonstrate all of the present activity, only those considered some of the most prominent. The strong gold price over the past year has resulted in renewed interest and activity in Lander County, especially near active mines and known resource areas.

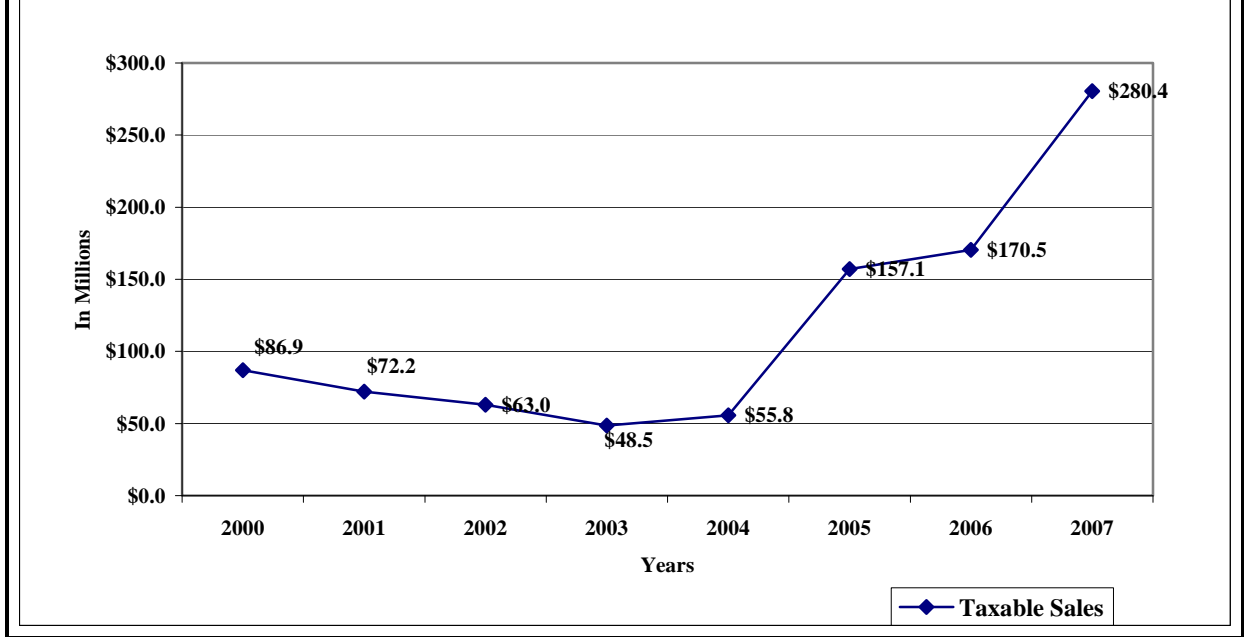
The most significant gold-silver development has been in the area of the Cortez Joint Venture (Pipeline) Mine (60% Placer Dome and 40% Kennecott). According to published data from Placer Dome, the Cortez Joint Venture Mine in Crescent Valley as of December 31, 2002 had a projected mine life of 10 years, with contained proven and probable mineral reserves of 7.9 million ounces of gold. Included in the mineral reserves is the Pediment deposit estimated at 1.2 million ounces (0.7 million ounces proven and 0.5 million ounces probable) and Gap estimated at 0.3 million ounces (0.05 million ounces proven and 0.25 million ounces probable) of gold. Phoenix is a gold-copper porphyry system, which was approved for development in January 2004. The Phoenix project was part of the Battle Mountain Gold acquisition in January 2001. Over the past two years, Newmont has significantly enhanced the project's rate of return by optimizing the process flow sheet, reducing the project's capital costs, identifying higher grade ore zones, and improving expected recovery rates. In addition to 8.5 million ounces of gold reserves, Phoenix has 660 million pounds of copper reserves.

3.5 Fiscal Conditions

3.5.1 Taxable Sales

Figure 3-6 shows trends in Lander County taxable sales from 2000 to 2007. The taxable sales declined from 2000 to 2004. More recently in 2005 the taxable sales have increased by more than \$100 million due to expenditures in the mineral industry particularly during start-up and construction of new mining and milling facilities. Strong taxable sales continue from 2006 to 2007 increasing by 64 percent to \$2804 million.

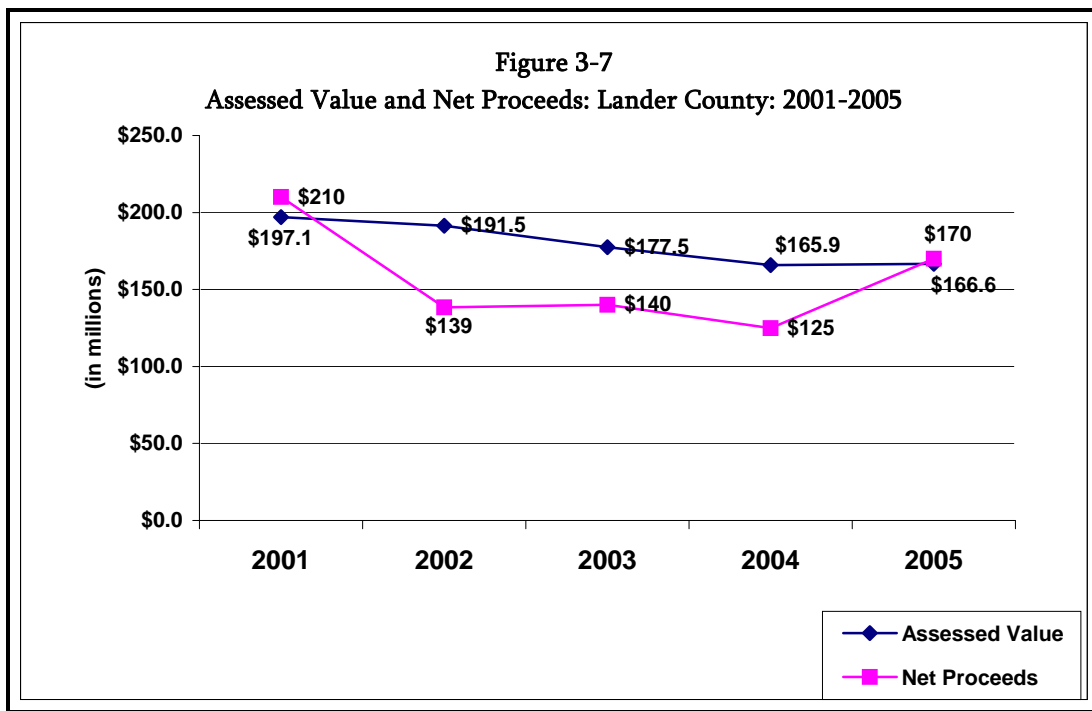
Figure 3-6
Lander County Taxable Sales: 2000-2007



Source: Nevada Department of Taxation, 2000 - 2007

3.5.2 Assessed Value and Net Proceeds

Figure 3-7 shows total assessed value and net proceeds of mines in Lander County from 2001 to 2005. Declines in net proceeds and assessed values occurred until recently. With new mining activities, both should see further increases.



Source: Nevada Department of Taxation

3.5.3 Revenues and Expenditures

Table 3-7 shows the statement of revenues and expenditures and fund balances for 2003, 2004, 2005 and 2006. Intergovernmental and taxes make-up the majority of revenue sources. Net proceeds comprise a large portion of the taxes received by the county. Tax revenues for Lander County increased substantially from 2004 to 2005 while expenditures remained relatively constant. Tax revenues declined somewhat in 2006. The end result is an increase in the ending balance. With increasing taxable sales for 2007, Lander County fiscal conditions should again see improvement.

General government and public safety are the largest expenditures categories in Lander County. They accounted for approximately 57 percent of the total government expenditures.

Table 3-7
Lander County Statement of Revenues and Expenditures: 2003-2006

Revenues	2006		2005		2004		2003	
Taxes	\$8,091,987	46.3%	\$9,274,953	50.7%	\$7,376,729	54.2%	\$6,013,294	33.9%
Licenses and Permits	\$837,820	4.8%	\$274,587	1.5%	\$197,256	1.4%	\$192,431	1.1%
Intergovernmental	\$6,173,045	35.3%	\$7,440,361	40.6%	\$5,122,256	37.6%	\$10,578,833	59.7%
Charges for Services	\$1,107,356	6.3%	\$644,643	3.5%	\$489,137	3.6%	\$287,771	1.6%
Fines and Forfeits	\$406,649	2.3%	\$342,022	1.9%	\$261,659	1.9%	\$249,188	1.4%
Earnings on Investments	\$691,861	4.0%	\$244,398	1.3%	\$16,124	0.1%	\$0	0.0%
Miscellaneous	\$179,861	1.0%	\$85,301	0.5%	\$152,750	1.1%	\$401,217	2.3%
Total	\$17,488,579	100%	\$18,306,265	100.0%	\$13,615,911	100.0%	\$17,722,734	100.0%
Expenditures								
General Gov't	\$3,605,422	30.5%	\$5,572,551	41.0%	\$4,487,807	33.0%	\$9,100,070	51.3%
Public Safety	\$3,083,300	26.1%	\$2,875,519	21.2%	\$2,727,406	20.0%	\$2,566,215	14.5%
Judicial	\$1,308,053	11.1%	\$1,282,063	9.4%	\$1,252,476	9.2%	\$1,181,083	6.7%
Public Works	\$1,548,217	13.1%	\$522,359	9.7%	\$1,506,648	11.1%	\$1,325,153	7.5%
Health/Sanitation	\$379,322	3.2%	\$603,841	3.8%	\$4,500	0.0%	\$4,500	0.0%
Welfare	\$542,690	4.6%	\$644,355	4.4%	\$604,713	4.4%	\$731,879	4.1%
Culture & Rec.	\$682,085	5.8%		4.7%	\$770,249	5.7%	\$696,821	3.9%
Community Support	\$146,077	1.2%	\$138,992	1.0%	\$68,455	0.5%	\$75,648	0.4%
Intergovernmental	\$24,516	0.2%	\$131,205	1.0%	\$54,544	0.4%	\$134,792	0.8%
Debt Service	\$490,836	4.2%	\$490,431	3.6%	\$463,282	3.4%	\$463,282	2.6%
Total	\$11,810,518	100%	\$13,577,663		\$11,940,080	100.0%	\$16,279,443	100.0%
Ending Balance	\$26,138,890		\$20,397,755		\$15,540,004		\$13,415,068	

Source: Lander County Audit Reports

4.0 HOUSING

4.1 Housing Market Conditions

Renewed mining activity is fueling a resurgence of growth in northeastern Nevada. As prices for precious metals (gold and silver) are nearing multi-year highs. Growth in the area and subsequently housing demand will be driven in a large part by new mineral production, exploration, construction activity, and higher demands for mining support services. Mining, however, remains a very cyclical industry in northeastern Nevada. Mining activity directly south of Battle Mountain (Phoenix Project) and in the Cortez area will continue to support growth and population in Battle Mountain for some period of time.

The construction of a coal fired power plant about 19 miles east of Battle Mountain will impact northern Lander County on a short-term basis with construction activities and provide some longer term operation employment. At the same time mine construction employees are expected in the Battle Mountain area in 2006.

Currently, northern Lander County is strongly dominated by the mineral industry. Recent downturns from the closure of the McCoy mine and Battle Mountain Gold operations resulted in significant local layoffs and relocation of mining employees outside Lander County. The proposed Phoenix Project south of Battle Mountain should have a significant impact on the Battle Mountain area, particularly starting in 2006 when mine operations are scheduled to begin. Construction activities are beginning and demand for temporary housing is occurring in Battle Mountain. The Phoenix project is proposed to have a long mine life (up to 30 years) that should help stabilize Battle Mountain. Manufactured housing had become the dominant structure used by many in the mineral industry as relatively short-term housing. Much of the existing stick-built residential structures are older, although some new construction of conventional housing has occurred.

The southern portion of Lander County has not seen the type of mineral development activity as experienced in the northern portion of the county. The communities of Austin and Kingston Nevada have relied more on tourism and outdoor recreation to fuel new growth. There is some interest for second home development which has driven growth in the Kingston area. The limited availability of private lands makes it difficult for large scale development to occur. There is a sizeable inventory of vacant undeveloped lots in the Kingston area of southern Lander County.

Table 4-1 shows units in structure for Lander County. Only 30 percent of the housing units in Lander County are single-family detached structures. The majority of housing (62.5 percent) were mobile homes. Only Nye County has a higher percentage of its housing stock comprised of mobile homes.

Resale and housing market activity increased substantially over 2004. Most conventional housing structures in Lander County sell for less than \$200,000. There were only 32 reported sales of stick built housing over the last year. The median sales price was \$90,000 in 2006 increasing from \$60,000 in 2004, and \$75,000 in 2005. In 2000 the implied median housing value was approximately \$82,400. Sales in 2006 generally ranged from \$50,000 to \$200,000 (Lander County, Assessor-2006). The average price of a single family home was \$99,900. Mobile Home housing sales in Lander County had a median price of \$103,000 in 2006 as compared to \$72,000 in 2005. The average price was \$110,645.

The availability of rental housing is also limited. The Nevada State Demographer only identifies 129 multi-family units. There are two small apartment complexes in Battle Mountain. Both are subsidized family apartments with limited use by elderly persons. Mobile homes and single family structures provide other types of rental opportunities. In 2000, rental vacancy rates were relatively high. At that time most rental units had a gross rent of less than \$750 per month (Table 4-1). The median gross rent was \$496 per month in 2000.

As new mining activities takes hold, housing costs will likely increase. This scenario is typically of cyclical industries as mining. Workers in the mineral industry typically have much higher wages than workers in other sectors of the local economy and tend to bid up prices creating potential affordability problems. With the limited availability of rental housing in the area, mining related employment could create affordability problems as the available housing stock is absorbed by the construction workforce and permanent full-time employees.

Available information on entry-level housing price and rentals rates is contained in Table 4-1. Affordability measures for single-family home prices suggest that Lander County remains very affordable, particularly compared to western Nevada communities. Affordability is not the problem in Lander County but more the availability of adequate housing. The ratio of median home values to median household income in 2005 was 1.23 as compared to 1.55 in 2006 (See Table 4-1). This ratio makes Lander County one of the most affordable communities in rural Nevada.

Table 4-1 Lander County-Housing and Demographic Profile						
Population	1990	2000	2003	2005	2006	
Lander County	6,266	5,794	5,277	5,509	5,655	
Battle Mountain	3,542	3,453	2,623	2,692	2,740	
Austin		305	271	288	287	
Kingston		219	271	288	306	
	County		Nevada			
Age 65 Older-2000	7.0%		11.0%			
% Family Households	72.8%		66.3%			
% Population White	86.1%		75.2%			
% Population Hispanic	18.9%		19.7%			
Unemployment-2004	4.3%		3.6%			
Per Capita Income-2004	\$28,000		\$33,787			
Median Household Income-2006	\$58,700					
II. Housing Inventory	Lander Co.		% of 2004	Nevada		% of 2004
Housing	1990	2004	Total	1990	2004	Total
Total Housing Units	2,586	2,582		466,297	976,030	
Single Family	876	770	29.8%	262,731	545,452	55.9%
Multi-Family	108	129	5.0%	180,510	339,477	34.8%
Mobile Homes	1,602	1,683	65.2%	75,617	91,101	9.3%
	1990	2000		1990	2000	
% Owner Occupied (1990 & 2000)	70.3%	75.3%		54.8%	60.9	
Subsidized Housing-2005	Units	Assisted				
Family Units	50					
Elderly Units	8					
% of Total Multi-Family Units	42.6%					
Section 8 Vouchers-2004	7					
Total Subsidized Rental Housing	62					
Homeless Facilities-2004	Lander Co.					
Shelters	Na					
Transitional/Permanent Housing	Na					
Special Needs Housing	Elderly-8 units					
III. Housing Costs	2006	2005	1995			
Median Value - Single Family	\$90,000	\$72,000	\$61,500			
Median Value/Median Income	1.55	1.23	1.27			
Median Value/Per Capita Income	2.82	2.57	3.19			
Entry Level Housing Costs -2004	\$70-\$150k					
Rental Housing-2000						
1 bedroom	\$300-\$500/mo.					
2 bedroom	\$300-\$750/mo.					
3 bedroom	\$500-\$1000/mo					

5.0 LAND USE AND PUBLIC FACILITIES

Almost 93 percent of the land in Lander County is managed by federal agencies such as the Bureau of Land Management and the U.S. Forest Service. This land is primarily used for livestock grazing, mining, and geothermal energy production. Only 7.0 percent of the land is held in private ownership (Figure A-1). Most of the private lands are located in the north in and around Battle Mountain, particularly lands that were formerly associated with the railroads.

The core of Battle Mountain Town is located north of Interstate 80. A variety of land uses occur within Battle Mountain Town boundaries (Figure A-2). The core commercial area of Battle Mountain is located primarily along Front St. Other commercial lands are found in and around the I-80/State Highway overpass. Industrial land uses within the Town of Battle Mountain occur principally north of the railroad (Figure A-3). Outside Battle Mountain town limits, the area is zoned one acre agriculture or greater (Figure A-4 and A-5), commercial or industrial lands. Commercial and industrial lands can be found to the east near the I-80 interchange. There are some vacant industrial lands approximately 2 miles west of Battle Mountain. Industrial use and zoning is also found in the vicinity of the Lander County airport.

Figures A-6 and A-7 show zoning and land uses in the Towns of Austin and Kingston. Most lands in Austin are zoned commercial and residential. There is a very limited availability of industrial land uses in the surrounding Austin area (A-8). Additional lands surrounding the airport are available for industrial development. Kingston lands are dominated by residential zoning and uses. There is a very small amount of commercial lands in the Town of Kingston. Outside the Kingston area, lands are zoned primarily agricultural (A-9).

Figure A-10 shows lands and resources in the immediate vicinity surrounding the rail corridor in Northern Nevada.