

Table 3-4
 Industrial Employment and Wages
 Lander County and the State of Nevada: 2005

Industry	Lander County			State of Nevada		
	Avg Emp	% of Total	Wages	Avg. Emp	% of Total	Wages
Total	2,031	100.0%	\$733	1,145,773	100.0%	\$713
Nat. Resources and Mining	656	31.4%	\$1,100	11,701	1.0%	\$1,084
Construction	*	*	\$553	118,174	10.3%	\$816
Manufacturing	*	*	*	45,932	4.0%	\$816
Trade, Transportation,	372	21.2%	\$452	204,140	17.8%	\$641
Information	*	*	*	14,883	1.3%	\$917
Financial Activities	20	1.1%	\$379	61,993	5.4%	\$888
Professional Services	26	1.5%	\$1,031	133,609	11.7%	\$873
Education and Health Services	284	16.2%	\$693	79,868	7.0%	\$800
Leisure and Hospitality	163	9.3%	\$201	312,466	27.3%	\$509
Other Services				25,383	2.2%	\$522
Government	272	15.5%	\$658	135,495	11.8%	\$972

Source: Nevada Employment Security Dept., 2005, *limited data.

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: 2005

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

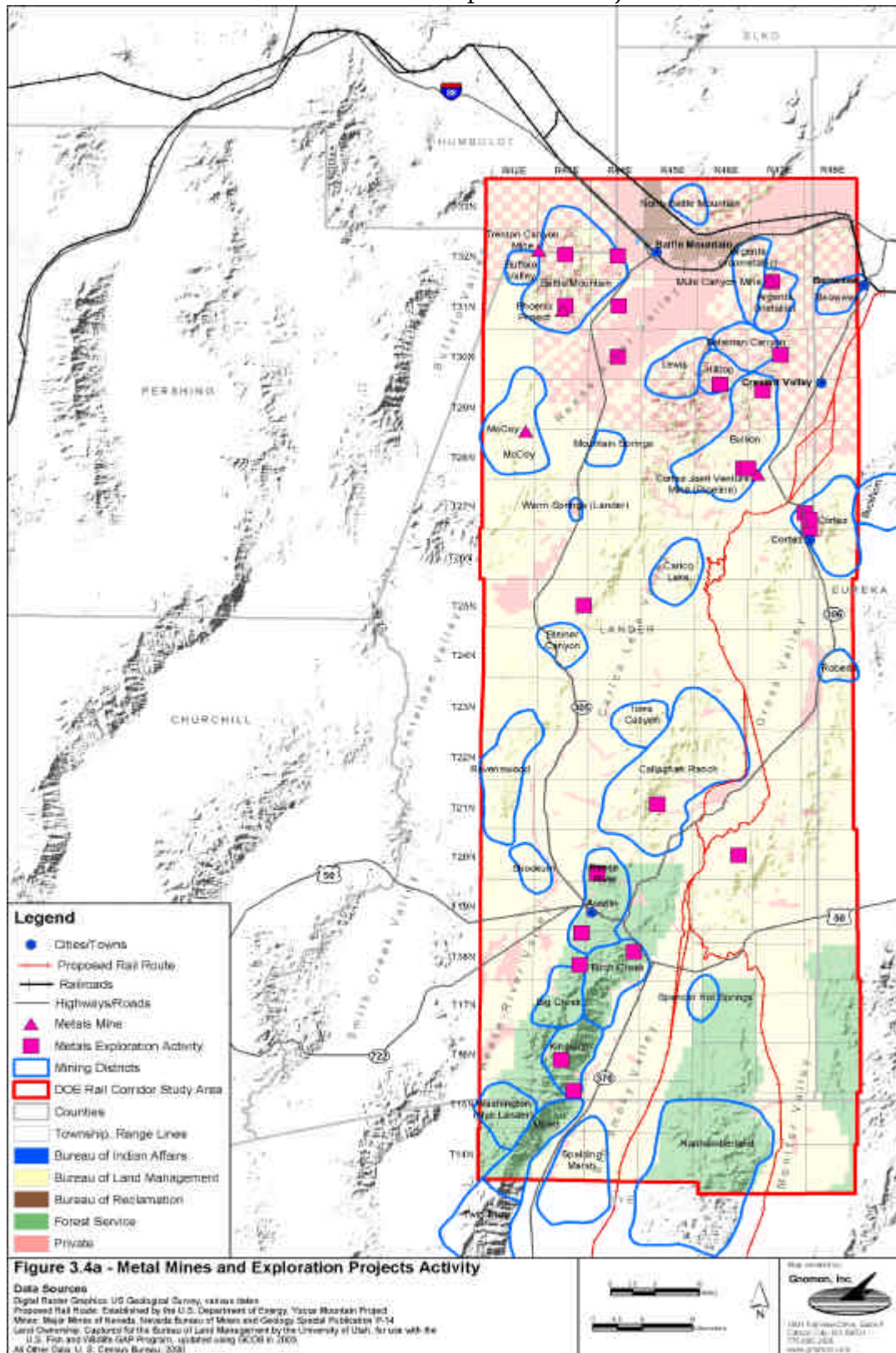


Figure 3-3
Barite Mines and Exploration Projects

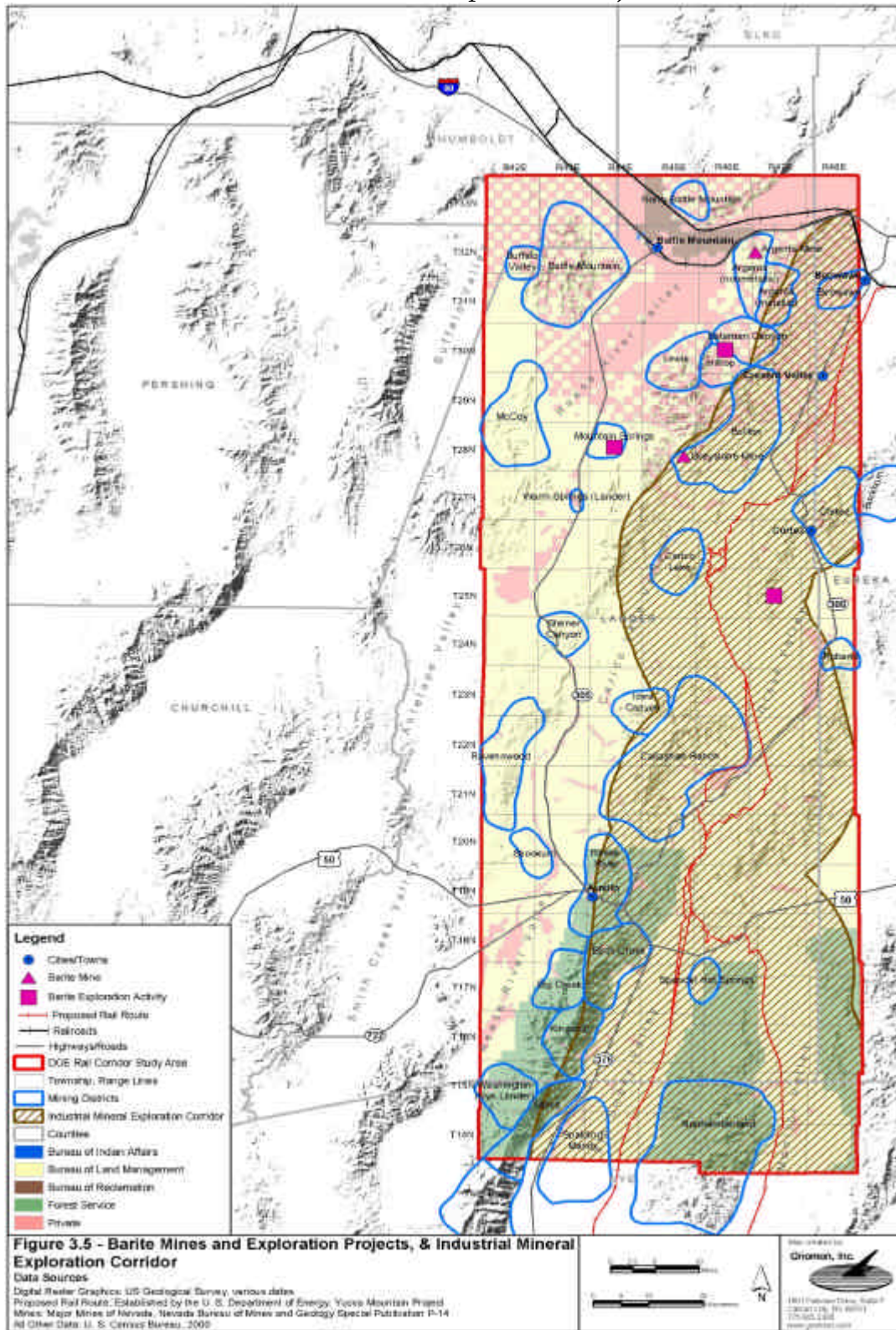


Figure 3-4
Geothermal Leases

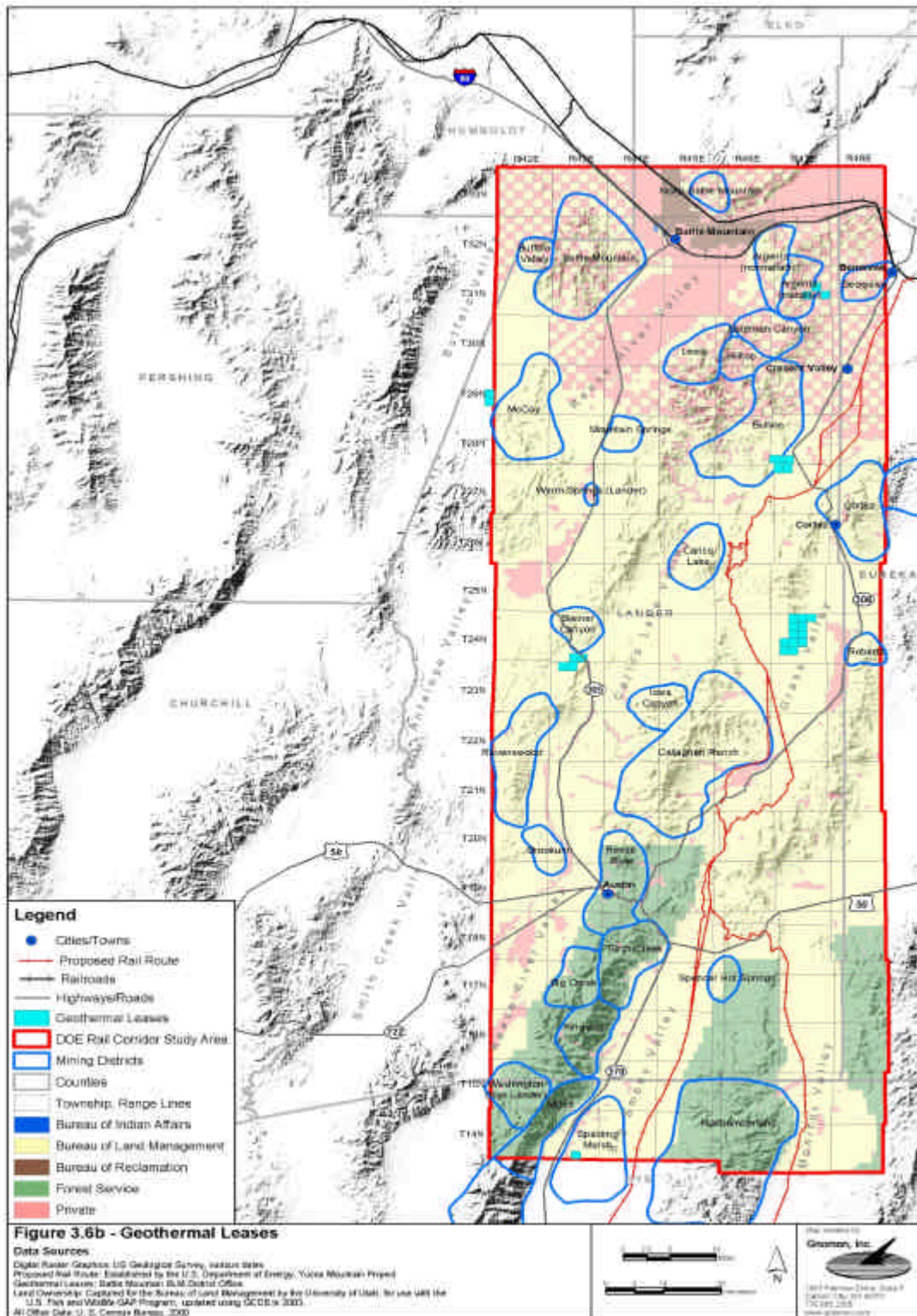
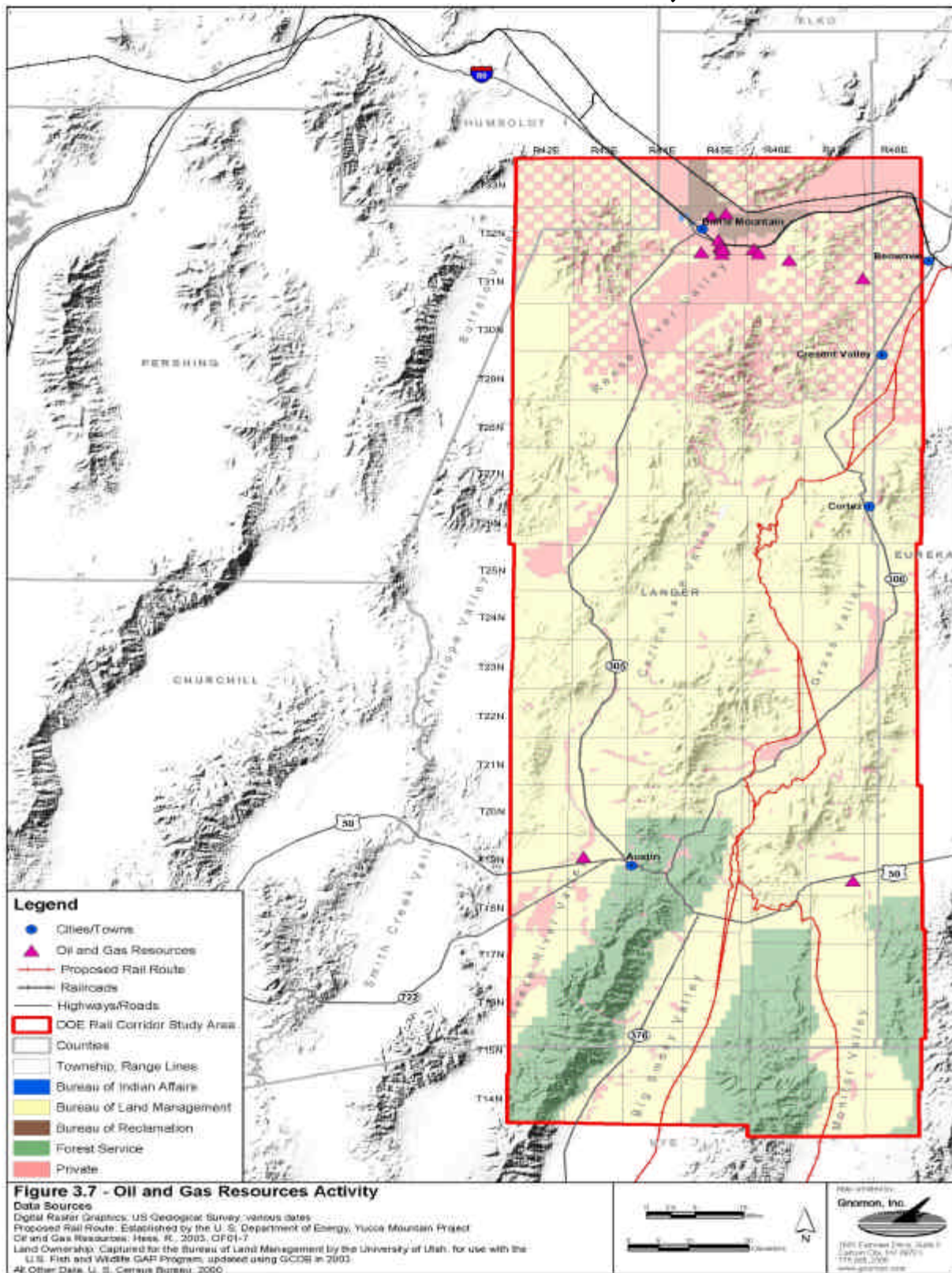


Figure 3-5
Oil and Gas Resources Activity



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.

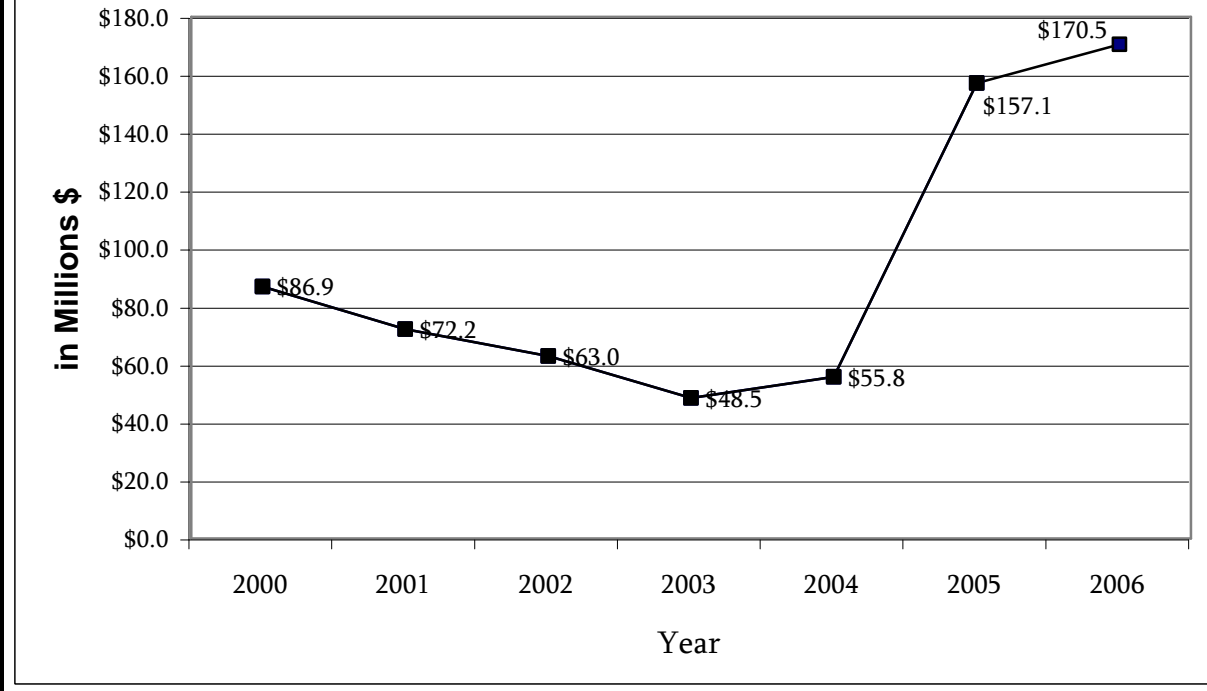
The most significant gold-silver development has been in the area of the Cortez Joint Venture (Pipeline) Mine (60% Placer Dome and 40% Kennecott). According to published data from Placer Dome, the Cortez Joint Venture Mine in Crescent Valley as of December 31, 2002 had a projected mine life of 10 years, 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 2005. The taxable sales have shown significant declines 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. As of May 2006 total taxable sales for the 11-month period was just over \$155 million.

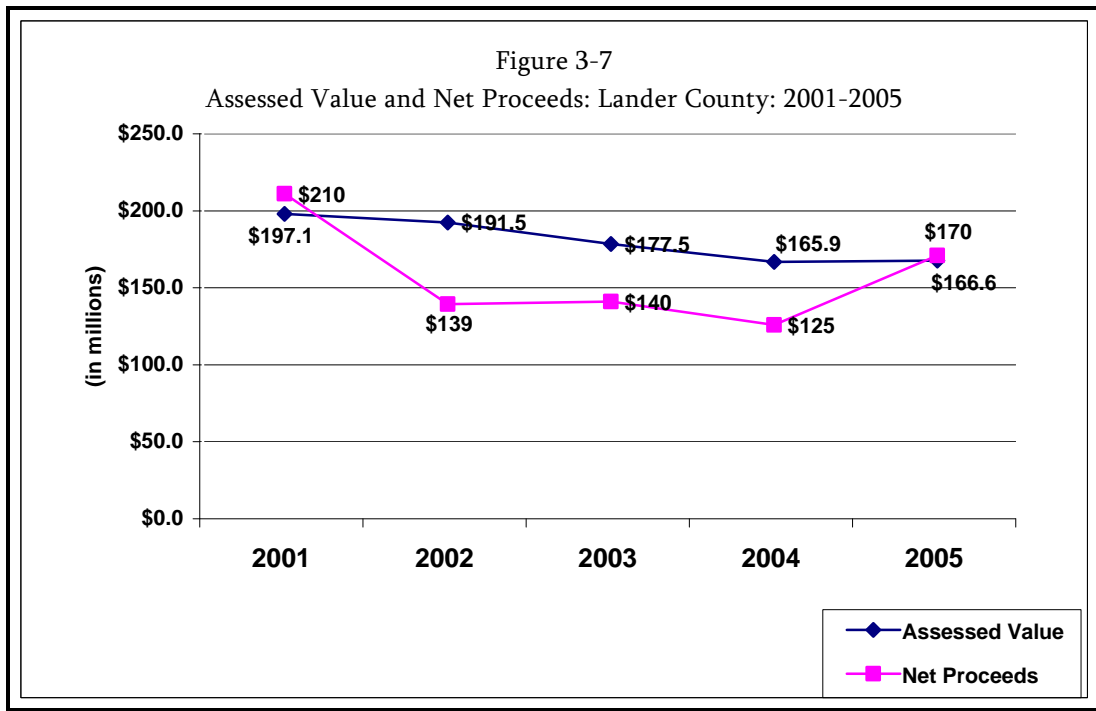
Figure 3-6
 Lander County
 Taxable Sales: 2000-2006



Source: Nevada Department of Taxation, 2004-2005

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 and 2005. 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. The end result is an increase in the ending balance. With increasing taxable sales for 2006, Lander County fiscal conditions should again see improvement.

General government and public safety are the largest expenditures categories in Lander County. They account for approximately 62 percent of the total government expenditures.

Table 3-7

Lander County Statement of Revenues and Expenditures: 2003-2005

Revenues	2005		2004		2003	
Taxes	\$9,274,953	50.7%	\$7,376,729	54.2%	\$6,013,294	33.9%
Licenses and Permits	\$274,587	1.5%	\$197,256	1.4%	\$192,431	1.1%
Intergovernmental	\$7,440,361	40.6%	\$5,122,256	37.6%	\$10,578,833	59.7%
Charges for Services	\$644,643	3.5%	\$489,137	3.6%	\$287,771	1.6%
Fines and Forfeits	\$342,022	1.9%	\$261,659	1.9%	\$249,188	1.4%
Earnings on Investments	\$244,398	1.3%	\$16,124	0.1%	\$0	0.0%
Miscellaneous	\$85,301	0.5%	\$152,750	1.1%	\$401,217	2.3%
Total	\$18,306,265	100.0%	\$13,615,911	100.0%	\$17,722,734	100.0%
Expenditures						
General Government	\$5,572,551	41.0%	\$4,487,807	33.0%	\$9,100,070	51.3%
Public Safety	\$2,875,519	21.2%	\$2,727,406	20.0%	\$2,566,215	14.5%
Judicial	\$1,282,063	9.4%	\$1,252,476	9.2%	\$1,181,083	6.7%
Public Works	\$522,359	9.7%	\$1,506,648	11.1%	\$1,325,153	7.5%
Health and Sanitation	\$603,841	3.8%	\$4,500	0.0%	\$4,500	0.0%
Welfare	\$644,355	4.4%	\$604,713	4.4%	\$731,879	4.1%
Culture and Recreation		4.7%	\$770,249	5.7%	\$696,821	3.9%
Community Support	\$138,992	1.0%	\$68,455	0.5%	\$75,648	0.4%
Intergovernmental	\$131,205	1.0%	\$54,544	0.4%	\$134,792	0.8%
Debt Service	\$490,431	3.6%	\$463,282	3.4%	\$463,282	2.6%
Total	\$13,577,663		\$11,940,080	100.0%	\$16,279,443	100.0%
Ending Balance	\$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) is 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 \$150,000. There were only 31 reported sales of stick built housing over the last year. The median sales price was \$75,000 in 2005 increasing from \$60,000 in 2004. In 2000 the implied median housing value was approximately \$82,400. Sales in 2005 generally ranged from \$50,000 to \$150,000 (Lander County, Assessor-2005). Mobile Home housing sales in Lander County had a median price of \$72,000 in 2005.

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 2004 was 1.01 (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		
Lander County	6,266	5,794	5,277	5,509		
Battle Mountain	3,542	3,453	2,623	2,692		
Austin		305	271	288		
Kingston		219	271	288		
	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	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	2005-06	1995				
Median Value - Single Family	\$72,000	\$61,500				
Median Value/Median Income	1.23	1.27				
Median Value/Per Capita Income	2.57	3.19				
Entry Level Housing Costs -2004	\$70-\$120k					
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).