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Lander County Testimony On AB 123
Assembly Ways and Means Committee
March 3, 2003

Mr. Brad Kelly, Lander County Commissioner

Battle Mountain Industrial Park - \$100,000

1. The Lander County economy is heavily dependent upon natural resource-based industries.
2. Nearly 93 percent of the land area in Lander County is controlled by the federal government.
3. The heavy reliance upon public land using natural resource industries has resulted in a narrow economic base and limited economic diversification in Lander County.
4. Lander County has suffered through periods of economic growth and decline making consistent provision of public facilities and services difficult.
5. Total employment in the County has declined from 2,570 persons in 1991 to 1,926 persons in 2001.
6. Mining employment in Lander County has fallen 48 percent from 1,284 workers in 1991 to just 663 persons in 2001.
7. Total annual mining payroll in the County has declined 28 percent from \$52,619,024 in 1991 to \$37,686,010 in 2001.
8. The loss of jobs and related employment has resulted in an annual deficit of over \$400,000 in the Battle Mountain sewer enterprise fund.
9. Since 1996, taxable sales in Lander County have fallen from \$128,237,907 in 1996 to \$62,926,997 in 2002.
10. Despite these constraints, Lander County is crossed by strategic infrastructure including mainline rail, U.S. interstate highway, natural gas lines, fiber optic and electrical transmission lines.
11. The County has embarked upon an initiative to develop improved industrial sites as a means to attract new industry to the Battle Mountain area. A feasibility study has been completed which has identified a preferred location for industrial development near the community. A Community Development Block Grant was obtained to enable completion of this analysis.

ASSEMBLY WAYS AND MEANS

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SUBMITTED BY: Lander County

I-1063

12. Lander County's request for financial assistance from the Legislature will assist with preparation of conceptual design and cost estimates for the Battle Mountain Industrial Park. Construction funding for improvements will be sought from the U.S. Economic Development Administration.

Battle Mountain Flood Control - \$200,000

1. Battle Mountain is subject to flooding from the Reese River.
2. Following extensive flooding in the 1960's, Lander County, following recommendations of the Federal Emergency Management Agency (FEMA), funded construction of a flood control levee.
3. FEMA has since determined that the existing flood control levee does not afford protection of Battle Mountain against flood hazards.
4. Despite the existing flood control levee, owners of property in Battle Mountain are required to obtain flood hazard insurance to ensure protection from loss. The average insurance policy runs \$600/year for residential properties and higher for commercial.
5. With an estimated 1,300 residential and commercial improved properties in Battle Mountain, annual costs for flood hazard insurance could be as high as \$780,000.
6. Recognizing the risk to property owners and the threat that urban flooding poses to water quality downstream, Nevada's Congressional delegation secured funding to study enhancements to existing flood control system in the Battle Mountain area. The U.S. Army Corps of Engineers has determined that raising the elevation of and extending the existing levee will afford the community needed protection from flooding.
7. FEMA has notified the Corps of Engineers and Lander County that if constructed as designed, the proposed levee improvements will result in the community of Battle Mountain being removed from the flood hazard area and will eliminate the requirement for flood hazard insurance.
8. Lander County anticipates that a significant percentage of property owner savings from not having to purchase flood hazard insurance will be spent in the County resulting in increased sales and use tax revenues, a portion of which will be returned to the State of Nevada.

9. Lander County is required to bear 35 percent of the cost of the project. In 1998, the Corps estimated the project cost at \$1.8 million. By 1999, the cost of the project had been revised by the Corps to \$1.9 million. Today, the project is estimated to cost \$2,400,000. Initiation of construction of the project has been delayed in part due to Lander County's inability to afford the balance of its share of project costs (\$840,000). The downturn in mining during the past few years has not helped.
10. Lander County has the capability to accrue in a capital projects fund all but \$200,000 (approximately \$640,000) of its share of the costs for the Battle Mountain Flood Control Project.
11. Senator Harry Reid has been able to earmark funding within the Corps budget to ensure that federal funds remain available to complete the project.
12. Lander County is requesting the Legislature's assistance in providing the last \$200,000 required to construct the Battle Mountain Flood Control Project.

Closing Thoughts

1. During the past nine years (1993-2002), Lander County derived Net Proceeds of Mines Taxes and Sales and Use Tax collections have contributed more than \$23,000,000 in funding to the State of Nevada.
2. During the last legislative session, Lander County's requests for assistance from the Nevada Legislature (AB 114, \$100,000 for Battle Mountain Industrial Park; AB 185, \$200,000 for the Battle Mountain Industrial Park) were not funded.
3. The \$300,000 requested through AB 123 will provide important public safety and environmental benefits; will assist in creating additional taxable activity in Lander County and should result in an excellent return on the Legislature's investment.