Three Kids Mine and Mill Site Remediation and Redevelopment Project

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Location of 1,259-acre Three Kids Mine Project Site
Refresher Info: Current Land Ownership

- Project Site = 1,259 acres
- Located mostly outside SNPLMA Disposal Boundary
- Federal Lands = ~939 acres
  - ~325 acres Fully Developable
  - ~370 acres Limited Development
  - ~244 acres Easements/ROW
- Private Lands = ~320 acres
  - ~298 acres Fully Developable
  - ~22 acres Limited Development
- Project Site inactive except for two small commercial facilities on Private Lands
  - Gas Station (5 acres)
  - Boat Storage Yard (14 acres)
Over 400 acres of Site operated as open pit manganese mine and processing facility from 1917 to 1961.

The United States, through the Defense Plant Corporation (DPC), owned 446 acres of the Project Site from 1942 to 1955.

DPC leased site to U.S. instrumentality Metals Reserve Company (MRC).

Under contract with MRC, Manganese Ore Company constructed mill and operated 1942-1944 to produce manganese for national defense.

WWII-era was period of highest intensity of operations at Project Site.

United States contracted with Manganese, Inc. to beneficiate federally-owned ore 1950 to 1959.


Operations ceased in 1961 and Project Site has been essentially abandoned ever since.
**Refresher Info: Site Conditions Today**

- Sheer cliff open pits up to 370 feet deep.
- Large volumes of overburden, 10 stories high.
- Tailings Ponds over 60 feet deep; 1.4 million CY.
- Mill facility foundations and remnants present physical hazards.
- Contaminants include arsenic, lead and other “heavy metals,” petroleum hydrocarbons, occurring over +410 acres (~146 acres Federal Lands; ~266 acres Private Lands).
- 12 million CY of mine residue (enough to fill modern sports stadium six times).
- No reclamation for past 50+ years. Numerous proposals, but none realistic in terms of cost/scope.
- Encroaching residential development at Lake Las Vegas and east of site.
- Site cleanup a high priority for Nevada Division of Environmental Protection (NDEP).
Refresher Info: Footprint of Environmental Concerns
Milestones in Cleanup and Redevelopment Program  
as of our last AWMA presentation (2011)

2006: Lakemoor Development, LLC (Developer) secures Option Agreement for undeveloped Private Lands.

2007: Developer and Henderson Redevelopment Agency enter into MOU re: annexation and establishment of redevelopment area.


WIN-WIN for all parties (NDEP high priority, BLM liability and precedent-setting solution to other sites, COH cleanup of blight, Lakemoor ROI)

2007: Developer completes comprehensive Phase I Environmental Site Assessment and Parties agree on “Presumptive Remedy” – use on-Site mine pits as repositories for mine residue in appropriately engineered manner.

2008: GaiaTech Inc. prepares Cost Evaluation Report which estimates “reasonable case lower-end” cost of Project Site remediation/reclamation at $320m.

2008: Developer prepares Phase II Sampling and Analysis Workplan for NDEP review.

2009: City of Henderson annexes Project Site and establishes Lakemoor Canyon Redevelopment Area pursuant to Nevada Community Redevelopment Law.

2009: DOI Appraisal Services Directorate prepares Preliminary Estimate of Value for Federal Lands, “as clean” for “highest and best use” as residential/commercial, at $100-200K/acre, but PEV assumed all acreage as developable/unencumbered)

2010: BLM Director Abbey issues letter of support for collaborative public/private project; BLM Asst. Director Mike Poole testifies in House hearing to confirm federal support and liability.
Milestones in Cleanup and Redevelopment Program since the last AWMA presentation in 2011

2011: Developer and Henderson RDA completed Master Redevelopment Planning Agreement.

2012: Federal Legislation cleared House, but not Senate; to be reintroduced in next Congress.

2013: Federal Legislation cleared House in July; introduced in Senate in July; hearings in November (113th Congress).


2015: State Legislation becomes law June 1, 2015 to extend Tax Increment Financing to cover remediation, reclamation, and most infrastructure costs.

2014-6: Environmental consultants contracted and Phase II/ Cost Estimate work is resumed. Various meetings with BLM, NDEP, and City of Henderson commence to lead into Phase II analysis work, land appraisal work, and eventual cost evaluation by Secretary of Interior.
Tax Increment Financing (with changes in 2015)

- Environmental conditions constitute “blight” under Nevada Community Redevelopment Law.

- “Increment” of increased real property taxes flows back to Redevelopment Area over a typical 30-year “capture period.”

- Developer rights to reimbursement of cleanup and infrastructure costs with Tax Increment funds (up to 95% until costs reimbursed) governed by development agreement with City of Henderson Redevelopment Agency.

- Lakemoor Canyon Redevelopment Area (LCRA) established in 2009.

- A reset of the TIF was approved by the 2015 state legislature to extend the reimbursement to 45 years and to begin the timeframe with the transfer of BLM lands.

- 1,259-acre size of LCRA critical to build enough units to generate sufficient Tax Increment funds and to provide up to 3 million CY of “clean” soil needed for Presumptive Remedy.

- Tax Increment used to fund remediation as well as redevelopment infrastructure (water lines, sewers, roads, etc.).

- Tax Increment “back loaded” – most Tax Increment generated later in capture period when redevelopment completed.
Impact & Borrow Areas
Project Site Development Constraints
(to be factored into land values)

- Approx. 625 ac. Fully Developable (private/ federal)
- Existing Easements (SNWA, 1400’ power corridor)
- Site Topography Constraints (limited development)
- Residential Density Limits
- Recreation/Open Space Requirements
- School/Fire/Police Facilities
- Presumptive Remedy Soil Demands
- Mass Balance Grading
Work Completed to Date

- Phase I
- Phase II sampling
- Water & Sewer
- Conceptual Report
- Analysis of Existing Drainage Conditions
- Geotechnical Analysis
- Volumes Analysis (tailings, overburden, and pits)
- Land survey (1' topography and parcel boundary)
- COPC lists
On-site testing done before legislative delays
Conceptual Master Plan
*(current version)*

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Lake Las Vegas Parkway

Lake Mead Parkway

Phase 1 → Phase 2
Next Steps

- Sampling & Analysis Plan and Pilot tests (how to handle tailings)
- Record of Decision and Conceptual Site Model
- Civil Engineering, Construction Documents
- Specific Zoning with COH
- Corrective Action Plan (financial assurances)
- Land Transfers – public and private
- Remediation, Grading
- Off-sites
- Roads/Utilities/Infrastructure
- Land Sales to Homebuilders
- If TKM successful, federal government will use the Redevelopment / TIF process as precedent for hundreds/thousands of other similar areas near cities