

**STATEMENT OF THE HONORABLE ANDY HAFEN
MAYOR, CITY OF HENDERSON, NEVADA**

**Before the
HOUSE COMMITTEE ON NATURAL RESOURCES
SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES**

**On
H.R. 2512
THE THREE KIDS MINE REMEDIATION AND RECLAMATION ACT**

December 13, 2011

Chairman Lamborn and members of the Subcommittee, my name is Andy Hafen and I am the Mayor of the City of Henderson, Nevada. As Mayor, I also serve as Chairman of the Henderson Redevelopment Agency. I appreciate the opportunity to appear before the Subcommittee to discuss H.R. 2512, the Three Kids Mine Remediation and Reclamation Act, and to urge the Committee to move this legislation toward enactment. The Three Kids Mine legislation is essential to the implementation of an innovative public/private partnership that the City and its Redevelopment Agency have pursued to resolve a longstanding blight in our community, namely, environmental contamination and public safety hazards associated with the abandoned Three Kids Mine.

Henderson is located just south of the City of Las Vegas. From its origins as the townsite adjacent to a World War II-era federal magnesium production plant, Henderson has grown since its 1953 incorporation to become the second largest city in Nevada, with over 270,000 residents and encompassing over 100 square miles of land. Henderson has been nationally recognized for the quality of life offered to its residents as well as its favorable business climate. We are proud of our progressive approach to careful planning and sustainable development as well as our demonstrated commitment to the environment.

In his July 14 appearance before this Subcommittee, the sponsor of H.R. 2512, Congressman Joe Heck, described in detail the environmental problems at the Three Kids Mine site. The proposed remediation and redevelopment site consists of approximately 1,262 acres of Federal and private lands within the City. The Three Kids Mine was owned and operated by various parties, including the United States, as an open pit manganese mine and milling operation from approximately 1917 through 1961. The site also was used to store Federal manganese ore reserves until 2003. In the half century since mining operations ceased, residential development has occurred next to the site. The site today contains unstable open pits as deep as 400 feet, large volumes of mine overburden and tailings, and mill facility foundations. Contaminants of concern include arsenic, lead and petroleum compounds.

H.R. 2512 enjoys the support of the entire Nevada Congressional Delegation. The legislation would require the Secretary of the Interior to convey the 948 acres of Federal lands at the overall 1,262-acre project site to the Henderson Redevelopment Agency at fair market value, taking into account the costs of investigating and cleaning up the entire mine and mill site, which includes 314 acres of now-private lands that were used historically in mine operations. Such costs would be calculated only after a comprehensive site assessment, and using nationally-recognized remediation cost estimating methodologies. Upon Patent issuance, the Federal

Government would receive a release of liability for environmental conditions at the site. Finally, before the Federal lands are conveyed, the State must execute a comprehensive Mine Remediation and Reclamation Agreement with a responsible party under which the cleanup of the entire site will occur. The enforceable agreement must include financial assurances to ensure timely performance and completion of the cleanup project.

Reclaiming the Three Kids Mine site will require the management of at least 12 million cubic yards of mine residue. The proposed "Presumptive Cleanup Remedy" is to use the existing on-site mine pits as permanent repositories for the mine residue, but only after site characterization, detailed engineering, and in accordance with a step-by-step work plan that will be implemented pursuant to the required Mine Remediation and Reclamation Agreement. Complete, permanent, and protective cleanup of the site is a high priority for the Nevada Division of Environmental Protection as well as for the City and its residents. It is time to remove this blight from our community.

I would like to highlight two important aspects of this planned remediation project. First, the estimated 350 million dollar cleanup will be financed with private capital and Nevada tax increment financing at no cost to the Federal Government. The Nevada Community Redevelopment Law allows the Henderson Redevelopment Agency to finance the cleanup of blight conditions such as an abandoned mine through use of an "increment" of property taxes collected within a designated redevelopment area over a 30-year "capture period." The "increment" is a portion of the assessed value of the property which increases in value following cleanup and as the subsequent commercial and residential redevelopment build-out occurs. Henderson annexed the Three Kids Mine site and placed it in the Lakemoor Canyon Redevelopment Area in 2009. The use of tax increment financing available through the Henderson Redevelopment Agency is critical to the long-term success of this project.

Second, only through the assemblage of the 948 acres of Federal lands with the 314 acres of private lands can a cost-effective and comprehensive cleanup be achieved. As the large pits suitable for use as mine residue repositories are located on the private lands, cleanup of the Federal lands without having the pits available as on-site mine residue repositories would require cost-prohibitive excavation, transportation and off-site residue disposal at a permitted landfill. Cleanup solely of the private lands also is not a viable option because limiting the redevelopment area to only 314 acres would not generate sufficient tax increment to render cleanup and redevelopment economically feasible. In addition, it would be inappropriate for the City to authorize residential and commercial development on what effectively would be an "island" of property immediately abutting unremediated environmental and public safety hazards.

In closing, enactment of H.R. 2512 is essential for the City and its Redevelopment Agency to move ahead on this unique public/private partnership strategy to clean up the Three Kids Mine site. For over four years, the City of Henderson has worked closely with stakeholders including the Department of the Interior and the Nevada Division of Environmental Protection to advance this project. While much work remains ahead, we are confident that the Three Kids Mine site can be successfully reclaimed through this program, ultimately resulting in the resolution of a longstanding environmental problem while facilitating the development of a master-planned community that will be home to over 15,000 new City residents and numerous businesses.

Mr. Chairman, members of the Subcommittee, thank you for the opportunity to testify in support of the enactment of H.R. 2512. I would be happy to answer any questions that you might have.