

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
1	Economic Impacts	<p>The study did not include information on the impacts to our community the last time the mine closed, nor information on what happened to other mining communities when a local mine closed. According to a February 21, 2013 ABC news article about the Lincoln Mine, “County Supervisor Brian Oneto says businesses from catering to construction have seen increases.” What happened to those businesses when the Lincoln Mine closed in 2014?</p>	<p>If the mine ceases operation early, then the projected annual economic benefits and costs of the proposed project would not materialize for the years the mine was closed, i.e., the economic impact in those years would be zero relative to the status quo (the mine never opening). The change in economic output would be negative (a loss) relative to the mine operating, but not a loss relative to the mine never opening.</p>
2	Economic Impacts	<p>How will the closing of the mine—which could be well before its 80-year projected life span—affect the local economy and the mine employees who would be out of work? What happens to the businesses that have come to depend on the money the miners were spending?</p>	<p>If the mine ceases operation early, then the projected annual economic benefits and costs of the proposed project would not materialize for the years the mine was closed, i.e., the economic impact in those years would be zero relative to the status quo (the mine never opening). The change in economic output would be negative (a loss) relative to the mine operating, but not a loss relative to the mine never opening.</p>
3	Economic Impacts	<p>On the slide for "Community Impact" of \$61.1M, you note that the total includes Indirect+Induced+Rise Payroll+New Facilities. Rise Payroll of \$38.1M plus Indirect+Induced of \$23M totals \$61.1M. Is the cost of New Facilities zero?</p>	<p>The pie chart showing the annual “Community Impact” is for Year 4+, i.e., full operation, at which time all construction has been completed. That is why the cost of new construction is not shown. The cost of new construction is indeed included in the annual Community Impact calculations for the construction phase (Years 1-2). Please see Table 3-3 in the report.</p>

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
4	Economic Impacts	Fed data shows that mining creates more indirect impacts than induced by double. This report posits that the opposite is true: induced impacts will be greater. What causes this discrepancy?	The indirect and induced impacts were determined through IMPLAN, which calculates inter-industry linkages specific to the local area. Direct employment impacts generally lead to induced impacts through the purchases of goods and services by employee households. Without knowing the specific data referenced, it may be that the data applies to the entire United States or other geography or is using different definitions or methodology.
5	Economic Impacts	How much variability in the economic impacts would correlate with the variability in the price of gold?	The changing price of gold would impact the mineral property tax, which is re-evaluated annually by the County Assessor based on actual changes in extraction, proven reserves, and gold prices. The variability in the price of gold would not necessarily change the economic impact analysis if the project continued to operate as proposed, i.e., maintains the same number of jobs and expenditures. Rather, it would impact the project proponent’s profits, which are presumed to be spent non-locally. Of course, it is possible the price of gold (or other economic conditions) could cause the proponent to reduce or cease operations. If the project proponent were to cease operations, then the economic impacts would be zero. Evaluating the probability or timing of such a scenario is highly speculative and outside the scope of our study, which is to evaluate the annual economic impacts of the project if it operates as proposed.
6	Environmental Concerns	Why does the report not include the incidence and consequent costs (i.e., healthcare expenses and loss of work time) of illnesses relative to the mine’s toxic and carcinogenic air emissions?	It is outside the scope of this study to determine what environmental impacts will or will not happen if the proposed project moves forward. This study necessarily relies on the findings of the environmental experts that Nevada County engaged to evaluate the project, which are documented in the EIR.

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
7	Environmental Concerns	If property well(s) are impacted by the mine operations, their property value would decrease substantially, which would also reduce the County’s property tax revenues. Why was this not addressed by the report?	As directed by Nevada County, our main analysis relies on the official findings of the Draft EIR, which does not anticipate impacts to wells after required mitigation measures are implemented. Evaluating alternate scenarios of environmental impacts and their probability is outside the scope of this report.
8	Environmental Concerns	In RDN’s Economic Impact Report for Santa Barbara County it was concluded that the impact of expanding the oil industry would seriously impact tourism, which contributed to the rejection of the proposal. Why was there no similar analysis done here?	The IMPLAN model includes inter-industry linkages between mining and tourism/recreation (and other industries), which means that the impact to tourism is included in the analysis. We do not have any direct evidence that tourism would be impacted by the IMM in a way that justifies a separate analysis.
9	Environmental Concerns	How much more money will it cost the average motorist (fuel, ruined tires, cracked windshields, car washes, etc.) who drives, four times a day (Work, school, shopping, etc.) the same route as the trucks that transport the debris to the Centennial Site and back each year? How much time will motorists lose due to truck congestion, each year?	The EIR indeed states that certain intersections would be significantly impacted by increases in traffic. However, it does not contain specific enough information on the impact on the average motorist that we could reliably quantify the associated economic cost for them specifically. Note that increased costs to motorists would presumably also mean revenues for local gas stations, car repair shops, etc.—point being that a project may have all sorts of ripple effects throughout the economy. The scope of our study is to focus on the total economic effects, as modeled by IMPLAN, the fiscal effects on County tax revenues, and the overall effect on property values.
10	Environmental Concerns	Are the mitigation costs of the 83 environmental impacts identified in the Draft EIR, including six Significant and Unavoidable Impacts, included in the RGV annual expenses?	Yes, the RGV expenses include the costs of mitigating the anticipated environmental impact findings of the Draft EIR.

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
11	Environmental Concerns	Did RDN review any of the comments submitted by the community in response to the DEIR, and if not, why not? What happens if your Report’s assumption and reliance about the DEIR and Rise are incorrect? Will the report be updated to reflect corrections?	The scope of our analysis is to assess the economic impacts based on the findings of the EIR, which is the County’s official source for the anticipated environmental impacts. Comments on the Draft EIR will be addressed in the Final Environmental Impact Report upon release. Should the findings of the EIR change between the Draft and Final, RDN and the County will review the need for updates to the economic impact analysis.
12	Environmental Concerns	Discuss the economic impact to the value and perception of approving an industrial mining operation to the brand of a green County and Cities. Will this challenge the value of the brand?	Perception and market expectations can play a role in impacting the economy or brand. Our interviews with local businesses and our surveys of local Realtors provide community insights into this discussion.
13	Environmental Concerns	Why did RDN not wait for the final EIR to be made public before you did the Economic Impact Report. If the Environmental Impact Report was flawed and you based your study on this flawed report, would your results not then be flawed?	While the Economic Impact Report relies on the Draft EIR for key assumptions and environmental impacts, the two processes are largely separate. Given the timeline provided to produce this report, RDN proceeded with the analysis using the Draft EIR, but with the understanding that revisions could be needed if the Final EIR contained significant revisions, e.g. changes in mitigation costs. Having now reviewed the recently released Final EIR, our understanding is there were no revisions that would warrant updates to our economic impact analysis.

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
14	IMPLAN	<p>While IMPLAN is commonly used it is not without its detractors. Please comment on the following including how can the economic results be complete without including all the costs?</p> <p>“The single most disturbing aspect of the IMPLAN model for local economic analysis is the wildly unreasonable values they have for multiplier effects. IMPLAN is a model designed to generate large impact numbers to please a client who wants to lobby someone.” (Source: Carolina Journal - Economist Dr. Donald A. Coffin, Indiana University)</p> <p>The economic study includes a “multiplier effect” to measure spending as it passes through the economy and is “multiplied”. Multipliers do not take into account risk, secondary spending to mitigate risk or the law of diminishing returns. (Source: paraphrased from John Locke Foundation website)</p>	<p>IMPLAN multipliers are built from publicly available data on interlinkages between industries. Multipliers vary and can be both positive and negative. Like any model, IMPLAN has limitations and can also be wittingly or unwittingly misused or the results misinterpreted. However, we do not see the design as inherently biased to inflate total economic impacts.</p>
15	IMPLAN	<p>Is IMPLAN the same software program used by RGV in their Economic Impact Study (March 2021)? Isn’t this program used widely by US companies for the purpose of selling their projects to authorities for approval? Does IMPLAN take into account local labor shortages? Did RDN take into account the published expert reviews of IMPLAN that describe the inherent bias toward project developers?</p>	<p>IMPLAN is widely used to assess economic impacts at the regional level. Like any model, IMPLAN has limitations and can also be wittingly or unwittingly misused or the results misinterpreted. IMPLAN multipliers, which drive much of the results, are built from publicly available data on interlinkages between industries. Multipliers vary and can be both positive and negative. Accordingly, we do not see IMPLAN as a tool with inherent bias toward project developers.</p>

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
16	Gold Production / Mineral Property Tax	<p>Does RDN agree with this statement from the Applied Economics report?</p> <p>“Mineral resources that are not mineral reserves do not have demonstrated economic viability. Rise Grass Valley has not completed a feasibility study to establish mineral reserves and therefore has not demonstrated economic viability of the Idaho Maryland Mine.”</p>	<p>RDN’s report uses existing information sources, including the report by Applied Economics, to establish a reasonable range of estimated mineral property tax revenue. The lower bound of our estimate assumes that no additional minerals are found beyond the 212,000 ounces of proved reserves from Emgold’s 2002 mineral resource calculation. The upper bound of our estimate assumes that additional mineral reserves are found and secured at a rate comparable to similar operations, based on data provided to Nevada County by Rise Grass Valley.</p>
17	Gold Production / Mineral Property Tax	<p>RDN argues that mineral property tax accounts for a sizable portion of the County's tax revenue. In RGV's Economic Impact Study by Applied Economics, Figure 4 shows that mineral processing is all done outside of the County. Does this mean that revenue from gold processing will be created outside of the county and that the mineral property tax will be zero?</p>	<p>The mineral property tax is related to the value of minerals that are economically viable to be extracted. In addition to the property tax paid on the sales price of the land, this tax will go to the County and other local jurisdictions, regardless of where the gold is processed.</p>
18	Gold Production / Mineral Property Tax	<p>Since RGV has not done a study to determine the measured reserves of the mine, but Emgold did do such a study, why didn’t RDN use Emgold’s 212,000 ounces of proven reserves as the only reliable estimate of the reserves available?</p>	<p>The mine’s mineral property tax is a large portion of the project’s potential tax revenue, but the total supply of extractable minerals is currently unknown. RDN used Emgold’s stated proven reserves as a lower bound because it is the level that is currently known. Since Emgold did not reopen the mine, however, they also did not conduct further exploration, which may lead to finding more mineral reserves. The upper bound of our range assumes additional mineral reserves are secured at a rate comparable to that of similar mines, as estimated by Rise Grass Valley.</p>

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
19	Gold Production / Mineral Property Tax	I saw a comment alluding to a report that the mine could close after 11 years. What would the conditions have to be for the mine to close after 11 years?	If the project proponent does not find any additional proven mineral reserves, then after three years of construction and ramp-up and eight years of minimal extraction they would run out of reserves to extract.
20	Gold Production / Mineral Property Tax	Rise’s \$68.3M in expenses have nothing to do with local spending. Total expenses are used to compute net profit which in turn drives mineral reserve estimates which then impacts County Revenues. It is not a local spending issue. Please respond?	Mineral reserve estimates (low and high cases) are not based on total expenses. Rather, the estimated mineral reserves are used to compute associated RGV operational revenues and expenses in order to calculate a net present value (NPV) of the mineral property. The NPV is then used to establish the mineral property tax, which is collected by Nevada County and spent locally.
21	Gold Production / Mineral Property Tax	The Mine’s DEIR notes that expenditures for gold mineral processing are explicitly not in Nevada County or CA. Why is this not considered by RDN since it would affect revenue to the County? Is processing gold out of the County a way to not pay County and CA taxes on gold produced?	The gold ore extracted from the mine will be partially processed on-site into gold concentrate. Final processing will occur off-site. Our understanding is that the local expenditures provided by RGV already exclude those associated with off-site processing. Mineral property tax would still be assessed and levied locally each year based on the value of the mineral extracted and processed on-site. We confirmed with a representative from the Nevada County Assessor’s Office and the San Bernardino Assessor’s Office (which has an active gold mine with similar off-site processing) that the use of the market price for gold is reasonable for estimating the locally levied mineral property tax because the value-add of off-site processing is relatively small. From these discussions, as well as the relevant technical reports from an operating gold mine, the cost to refine and sell gold concentrate is less than 1% of the market value of the final gold obtained. Accounting for these costs would thus have a negligible impact on the mineral property tax estimates in the report.

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
22	Gold Production / Mineral Property Tax	The prospectus calls for 80 years of mining. Why is it assumed that they will be able to produce 108,000 ounces of gold for all 80 years, and therefore pay that amount in taxes as a benefit to the County?	The estimate of 108,400 ounces per year is derived from RGV’s estimates for annual production and the fact the proposed project is for an 80-year lease. This assumption was made to provide a high-end estimate of production for the purpose of estimating mineral property tax and the mine’s potential impact to the County General Fund. Notice that a low-end estimate is also provided, which assumes the mine would close after 11 years due to lack of finding new mineral reserves.
23	Gold Production / Mineral Property Tax	The low-end estimate assumes expenses would go down at the same rate as gold production. Why would low-end production rate reduce expenses at same rate? What about fixed labor expenses and hauling cost of waste which would be the same no matter how much gold is pulled out?	The low end estimate assumes that fixed costs would also scale proportionate to the decreased level of production. That is, given the lower production, RGV’s would employ fewer employees and haul less waste. In reality, certain fixed costs will likely not scale directly with production. We used this simplified expense scaling only for purposes of estimating a low-end scenario for the mineral property tax. We believe this is a reasonable assumption for estimation purposes given that the mineral property tax is highly uncertain, and it is unknown to what extent the mine operator would alter production in response to a lack of new mineral reserves.

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
24	Gold Production / Mineral Property Tax	<p>Why does the report focus almost entirely on the high-end scenario? Why was an equally detailed assessment under the low-end not provided? Are the low and high end equally probable? What probability is assigned and what is the basis? Has RDN done any work to validate production or reserves beyond outlining high-end and low-end estimates? The most likely production scenario is somewhere in between. Why was that not considered?</p>	<p>Given the uncertainty of future mineral reserves, assessing the probability of one scenario versus another would be highly speculative. The scope of our report is to assess the local economic impacts of the project as proposed by the project applicant. RGV estimates mineral production of 108,400 ounces annually. This amount is the basis for their estimated payroll, expenditures, and for the associated environmental impacts detailed in the EIR. Thus, this level of production is the focus of our economic impact analysis. However, we wanted to provide a range of mineral reserve scenarios in Section 5 to highlight the importance and variability of this component of the mine’s impact to the County General Fund. We note that providing this low-end scenario was outside the scope of our study, but we deemed it important to include and reasonable to do so given the study period of performance and budget. Producing a secondary set of operational expenditures and economic impacts for a low-end production scenario would be much more significantly out of scope in terms of time and resources required. Therefore, our economic impact analysis focuses on the level of operation proposed by the project application and evaluated by the EIR.</p>

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
25	Gold Production / Mineral Property Tax	<p>Rise will not receive market price for the gold. The facility will output “gold concentrate” which requires costly processing, probably at a cyanide processing facility out of California. This will reduce the Mineral Reserves tax. What is the cost of refining the gold-concentrate per ounce? Why was this cost not used to reduce the estimated “sales price” of the gold produced. What would be the decrease in County tax revenues from Mineral Property taxes if the Proven Reserves are determined based upon a more realistic \$1200/oz expenses and a lower sales price due to the need for gold concentrate processing?</p>	<p>While a formal assessment would indeed subtract the value-add of off-site processing from the value of pure gold contained in the gold concentrate, that cost is estimated to be less than 1% of the market value of the final gold obtained. Accounting for the final off-site processing cost would thus have a negligible impact on the estimated mineral property tax.</p> <p>Our assessment is based on discussions with representatives of the Assessor Offices for Nevada County and San Bernardino County and a review of technical reports for the Castle Mountain Mine (San Bernardino County, CA) and the Mesquite Mine (Imperial County, CA), which both produce gold concentrate that require further processing off-site. The Castle Mountain and Mesquite Mine technical reports indicated that their off-site transportation and refining costs per ounce of gold were \$1.51 (2020 dollars) and \$1.30 (2019 dollars), respectively, which were less than 0.1% of the market price of gold at the time. The technical report for the Castle Mountain Mine further assumes that refiners will pay 99.5% of the market value for the gold. Thus, the all-in cost of transporting gold concentrate to a refinery, refining it, and selling the final gold to the refiner would cost less than 0.6% of the market value of the gold contained in the gold concentrate.</p>
26	Omitted Costs	<p>Can you tell us why the approximate \$3.5 million cost to clean up the Centennial site, essential to the mine's operation as stated in the RAP, is not included in the Economic Study?</p>	<p>The economic benefits and costs of cleanup efforts on the Centennial Site are a separate project that would occur before the proposed project could move forward. The scope of the proposed project assessed in the report pertains only to the construction and operation of the mine and its associated economic impacts on Nevada County.</p>

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
27	Omitted Costs	Why does the report not include the cost to the County of addressing opposition to the project that will result from any such approval of the Project?	The scope of our analysis is to assess the economic impacts of the project assuming it operates as planned and that the environmental impacts of the project are in line with the findings of the EIR. Estimating the potential costs to the County related to opposition to the project are outside the scope of our analysis.
28	Other	Did the economic analysis compare the impacts to the county budget from development of the site other than the mine?	Determining the opportunity cost, or next best alternative for the site, was not considered in this economic analysis. Doing so would require specific knowledge of the scope and operation of the next-best-alternative project. The scope of the analysis is to determine the economic costs and benefits of the proposed project relative to the status quo (no development), which is standard for economic impact studies.
29	Other	The report states that it is estimated 99 new residents would move to the area, yet there is no discussion about the housing stock, availability, price of homes and rentals in comparison to the salaries of the 99 new residents. I would like to see further analysis on where the new employees would be housed and if they could afford the high costs in our community.	Each of the 99 new workers that are expected to move to the area represent one household, so this translates to additional demand for about 99 housing units. The report, however, does not detail specifically where the new employees would choose to live or in what manner (i.e., rent, live with roommates, own, etc.). That is outside the scope of our report.
30	Other	Will the recording of the webinar be provided? How many participants joined the webinar?	The recording and slides used in the presentation have been provided to the County. Approximately 85 participants joined the webinar.
31	Other	Did RDN interview businesses in Whispering Pines Business Park, which sits over the mineral rights? What were the results of interviewing businesses within close proximity to the Mineral Rights area?	RDN reached out to 24 individual businesses and interviewed representatives from 8 businesses. Many of these businesses are located within the Mineral Rights area.

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
32	Project Employment	<p>Given the noted local labor shortages (pg. 17), it seems likely that a majority of the 213 local hires will come from existing local businesses.</p> <ol style="list-style-type: none"> 1) Has the impact of this large turnover in local employees been assessed? 2) Assuming the 213 local hires are replaced, how many will come from out of the area? 3) Has that replacement headcount been included in the assessment of impact on county population and the associated cost of county services? 	<p>(1 & 2) Our inputs to the IMPLAN model account for the number of jobs to be filled by local hires versus jobs expected to be filled by people moving into the county. So, the total economic impact does account for the impact of local hiring on other sectors. However, the output of the IMPLAN model does not provide breakdowns of how every position is filled, whether by job switching within the county, increases in labor force participation, or reductions in unemployment.</p> <p>(3) The report shows a small increase in population associated with the mine, and the small impacts associated with this increase are included in the assessment of impact on the cost of county services.</p>
33	Project Employment	<p>Of the 163 “indirect and induced jobs at local businesses”, how many are full-time and include benefits? How many of these jobs include benefits? What are the expected Employee Federal and State Taxes?</p>	<p>The 163 jobs are full-time equivalent. That is, two part-time positions would equal one full-time job. The outputs of the IMPLAN model do not have the level of specificity to determine the number of jobs with benefits or level of those benefits on a job-by-job basis.</p> <p>Our analysis is specific to impacts on Nevada County, so it omits federal and state tax revenues.</p>
34	Project Employment	<p>RDN states 99 workers out of 475 would move to Nevada County, each creating a household of 2.4 residents equaling about 240 new residents—is it therefore projected that RGV is responsible for all of the County population growth for the next 10 years?</p>	<p>The opening of the proposed project would not be explicitly accounted for in a general 10-year population growth projection such as those produced by the US Census Bureau or California Department of Finance. Thus, the population increase associated with the operation of the project would be in addition to the already expected population change in the County.</p>

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
35	Project Employment	Because there is no way to require those workers to live in Nevada County, wouldn't a more tenable economic analysis by RDN describe residency assumptions and provide alternate scenarios? For example, if half of the workers reside in the County, those 156 workers would result in \$23.7 million in labor income for the County, not \$45.4 Million?	We assessed the project as proposed by the applicant. Therefore, we used the residency assumptions provided by RGV given their estimates for the number of workers hired from the local population. We do not have data to support alternative assumptions.
36	Project Employment	How were the numbers of non-local hires determined? The 2008 economic study had a higher percentage of workers coming from out of town. Was this study considered? If so, why were the findings not included?	The number of local and non-local RGV hires were provided by RGV, though we had reviewed and considered the 2008 study from Hausrath Economics Group as well. In their report, the estimated percentage of workers coming from out of town was based on a socioeconomic study of mine-worker housing patterns at the McLaughlin Mine in Lake County, California. We do not have a reason to believe that the assumptions of the 2008 study would be more accurate for the proposed project than those provided by RGV.
37	Project Expenditures	Do RGV annual expenses of \$68.3 million (Table 5-4, pg. 52) include expenses for <ol style="list-style-type: none"> 1) Depreciation & Amortization 2) On-Site G&A and/or Corporate G&A 3) Mitigations, Exploration & Permitting 	<ol style="list-style-type: none"> 1) Not included. We expect most purchases of new equipment and financing expenses will happen outside of Nevada County. Expenses provided by RGV did not include depreciation. 2) Yes, for on-site G&A. No for corporate G&A, as most of those expenses likely do not take place in Nevada County. 3) Expenses related to mitigation and exploration (if it is part of their ongoing activities) are included. There are no separate line items for permitting expenses in the data we received from RGV.

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
38	Project Expenditures	In the low-end scenario from Table 5-5, is the cost of mine closure and cleanup after 8 years included in the Economic Report?	Tables 5-4 and 5-5 in the report present estimated ranges related to mineral production of the mine for purposes of estimating property tax revenue, which is unrelated to the cost of mine closure and cleanup. If the mine closes, then the mineral property tax revenue would be zero, so expenses related to mine closure and cleanup would not impact the estimates presented in Table 5-5. We note that RGV’s project expense estimates did not include expenses related to mine closure or cleanup, so those expenses (and their associated economic impacts) are not included in our analysis.
39	Project Expenditures	Discuss the impact to reliability of PG&E’s electricity service when adding the new IMM substation. Is there a reliability index and would it change?	We do not have a reliability index. However, we contacted PG&E directly and they indicated that there is not expected to be any disruption to service and that the increase in demand can be met without issues.
40	Project Expenditures	In the "Expenditures Adjustments" slide, you noted that "expenditures are reduced" by \$7.5M. Is it correct that this \$7.5M just moves to another category (e.g., non-local)	Yes, the adjustments shown are for expenditures that are more accurately considered non-local. For example, RGV’s electric spending with PG&E is not a local expenditure because they would simply be added to PG&E’s grid. Note non-local expenditures do not impact Nevada County.
41	Project Expenditures	If other expenditures were evaluated and adjusted, why weren’t the payroll expenditures (salary) evaluated and adjusted? Their salary estimates are very inflated.	It is common procedure in this type of study to review expenditures and the likelihood that the expenditures can occur locally. In doing so, we determined that some expenditures were unlikely to happen in Nevada County. For labor, however, we do not have information to suggest that such payroll could not or would not be supported in the area.

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
42	Project Expenditures	The Mine's payroll total of \$38.1 million includes more than net take home income and includes not just gross income but also various benefits that do not accrue to the local county. Why would those be included as net economic benefits to Nevada County?	Benefits are part of total compensation and accrue to local employees. To the extent that these benefits result in local economic activity, the IMPLAN analysis includes their local impact.
43	Project Expenditures	Your study related to increase in retail sales assumes those sales would all be local. Given there are not large-scale mining supply retail stores in the area, should not your study have taken into account that a significant amount of the retail purchases by RGV will be made outside the County.	The increase in retail sales can be attributed to households purchasing goods from retailers, which includes both indirect and induced spending. Table 3-2 includes RGV's local (not total) expenditures on goods and services related to operation of the mine.
44	Project Expenditures	NID confirmed that they can "serve" the new water request as defined in the DEIR, but they also made significant requests based on the inadequacy and uncertainty of the draft reports analysis. NID's recommendations included prebuilt hookups to 2 additional neighborhoods, a comprehensive well monitoring plan for several more neighborhoods, and a \$14M bond. Why are these recommendations not mentioned?	These recommendations are mentioned on page 55 of the report. As with other comments and concerns regarding the EIR, NID's comments are addressed as part of the CEQA process.

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
45	Project Feasibility	Why was there no investigation into Rise Grass Valley’s financial background or if it is financially feasible for them to proceed with the proposed project?	The purpose of this study is to assess the economic impacts of re-opening the Idaho-Maryland mine as proposed by the project applicant. Questions regarding the financial background of Rise Grass Valley or the financial feasibility of the project are outside the scope of this study. Although the study assumes the project proponent would construct and operate the mine as they proposed, the economic impacts would be the same if another operator were to purchase the mine and follow the same project plan because they would be subject to the same constraints, conditions, and requirements.
46	Project Feasibility	The low-end estimated mineral property tax (assuming Emgold’s numbers are correct) assumes that gold production would amount to 26,000 ounces a year for 8 years. Could RGV maintain that level of production? How many employees would it need to retain to achieve this decreased production number? Have you estimated what the economic effects would be for Nevada County at that level of production?	The purpose of this study is to assess the economic impacts of re-opening the Idaho-Maryland mine as proposed by the project applicant, which has only one construction and operational scenario. Analyses regarding the financial and operational feasibility of the project under alternative scenarios are outside the scope of this study, though we include a range for mineral property tax revenue given that the mineral resources are uncertain.
47	Project Timeline	What do the authors make of the wide discrepancy between the report's assumptions made on the operational schedule provided by Rise Gold (full operation after 3 years), and the actual experience of the three best case studies showing 10-15 years for that level to be reached?	The scope of our study was to evaluate the project as proposed by the applicant. While the timeline of the project may change, the annual economic impacts during full production are expected to be consistent with the report.

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
48	Property Values: Case Study Analysis	How were pre-mine property value trends related to the slight post-mine property value increases in two of the three comparison cities?	Without controlling for other factors (population density and property size, among others), patterns varied from mine to mine. For the Haile and Lincoln mines, appreciation accelerated after the mines opened, both for homes near the mine as well as for mines further away. The opposite occurred for the Coy mine. Other factors should be accounted for, which is why we used regression analysis to account for the effects of population density, property size, and other factors.
49	Property Values: Case Study Analysis	There are approximately 99 homes within 0.5 miles of the IMM operation. However, there do not appear to be any residences within 0.5 miles of either the Lincoln or Haile mines, so how can those be used to determine the IMM’s effect on property values here?	We recognize that there are no perfect matches—we chose cases we believe were the best match across several dimensions. Studies referenced in the literature review include varying impact areas – most much larger than 0.5 miles.
50	Property Values: Case Study Analysis	The report does not mention whether there is another gold mine in the United States that operates 24 hours a day, 7 days a week, and is surrounded by residential properties. I ask whether there is such a mine, or whether the IMM would be the only one?	We did not find any mines that exactly match the dimensions of the proposed project. The three U.S. mines we selected for the case study analysis are the most comparable to the proposed project that we found given their operational history, type of mine, and mining mineral.

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
51	Property Values: Case Study Analysis	The report says the Coy mine didn’t begin operating until 2009 and didn’t reach full capacity until 2010 so only 4 years of data were included post-production. Plus, the Coy Mine data is 8 years old. There must have been more current data available. Why was it not used?	We agree that more sales data would benefit the analysis. We obtained as large and complete datasets for each mine as we could that encompassed reasonable periods of time before and after opening. For the Coy Mine specifically, the timing of the mine’s opening was different than we thought in our initial research, which is why we have more years pre-production and fewer years post-production. To mitigate this, we supplemented our data purchase from CoreLogic with manual data collection on sales transactions from Zillow for a random sample of parcels, specifically to include both older and more recent sales. In total, our sample for the Coy Mine includes about 4,600 sales transactions from the pre-opening period and 3,700 sales transactions from the post-opening period.
52	Property Values: Case Study Analysis	Two of the three case study sites showed a reduction in population density once these mines became operational. If Nevada County shares a similar trend and incurs a reduction in population density, how much money will be denied to Nevada County?	<p>The negative differences between the average population density for home sales before and after mine operation of the Haile and Lincoln mines are not statistically significant. Additionally, the statistics in the summary table do not necessarily indicate a reduction in population density once the mines became operational. Rather, it could be that the pattern of homes sales that occurred near the mine when the mine became operational were, on average, in census tracts with a lower population density.</p> <p>Note the IMPLAN analysis for Nevada County does not indicate a decrease in population or total economic activity as a result of an increase in gold mining activity.</p>
53	Property Values: Case Study Analysis	Regarding impact on property values and the county general funds, was the loss of property values leading to loss of property tax revenue looked at? What was the finding? Or was this ignored since RDN concluded there would be no loss of property values?	Since we cannot rule out the possibility that there will be no effect on property values if the project operates as proposed and the environmental impacts match those estimated by the EIR, we do not estimate any anticipated average change in property values associated with the proposed project.

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
54	Property Values: Case Study Analysis	Did the authors of the study notice that each of the three case studies on property value have experienced environmental failures, including fees and fines totaling millions of dollars, and even a fatality at one? Should that be ignored as a negative economic impact?	The scope of our case study analysis was to evaluate the case study mines’ impacts on local property values only. To the extent that mine failures and fines impacted local property values in the case study areas, those effects are included in our analysis.
55	Property Values: Case Study Analysis	When you evaluated real estate value on 'similar projects' did the survey include the real estate value from the time the mine was approved or only from the start of operation? As in, did you consider the price drops prior to operation, when property owners would presumably try to sell?	The hedonic pricing analysis that we performed does look at periods pre- and post-operation, including periods in which there may have been knowledge or expectation of a mine opening.
56	Property Values: Case Study Analysis	With the study being admittedly unable to find appropriately similar projects for case studies, with hundreds of high-end homes located within 1/2 mile of the site, in an existing vibrant local multi-billion-dollar economy based on tourism and recreation, as a destination of retirement with median home sales around \$500,000, would the authors tend to agree that this indicates it is an unprecedented project?	The project is uncommon in the sense we were unable to find cases within our search criteria that matched the proposed project in every way, but many communities have formed around and continue to exist around many types of mines and other industrial activities.
57	Property Values: Case Study Analysis	The Sierra Foothills have seen a strong migration of people moving out of the larger cities to enjoy the quality of life. In the Amador County case study, was this migration factored into the growth in the area you are showing in your studies. Did the mine cause the increase in population or did the migration?	Population density was included in the regression analyses. While the results indicated that population density was correlated with sale price, we do not attempt to establish a causal link between the mine operation and changes in population.

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
58	Property Values: Case Study Analysis	<p>As a property owner within the Mineral Rights area of the proposed mine, and a 30-year local real estate broker I strongly disagree with the conclusion that the consultant presents. "We do not estimate any anticipated average change in property values associated with the proposed project."</p> <p>Many of the case studies cited by the consultant do not include homes within a few hundred feet from the mine activities. As mentioned, there are 500 - 800 hundred homes that have built up adjacent to, around and within 2 miles of the project area. I would appreciate it if the consultant would apply a best and worst case scenario for property values. If the range of declination in value is zero to 15% to 40%, please use the current real estate values in the project area, estimated to be \$600,000 and provide a range of total dollars lost to homeowners. Having a range of dollars potentially lost in real estate values can provide another data point for comparison of the dollars gained in the county.</p>	<p>We found the case study locations to be the most comparable mine operations to the proposed project. Our literature review found that many studies used comparable or larger impact areas to those we used in the case study analysis.</p> <p>The results of the case study analysis were not conclusive in determining a positive or negative effect, given the confidence interval of our estimates contained zero impact. In other words, for a confidence interval that contains zero (at the chosen confidence level), it is not possible to rule out the hypothesis that there is no effect (that the aggregate effect may in fact be zero). If we were to assume a best- and worst-case scenario matching the tail ends of the confidence interval, the range would include both negative and positive outcomes. We believe such an analysis could be misleading and imply that all outcomes between the worst- and best-case scenarios are equally likely, which we do not know.</p> <p>It is important to note that the scope of our analysis is to evaluate the overall impact on property values, not the impact on individual properties. It is possible that certain individual properties would experience decreases in property value while others would see increases in property value. In aggregate, however, the results of our analysis indicate the predicted net effect on property values is not statistically different from zero.</p>

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
59	Property Values: Case Study Analysis	To identify the impacts on real estate for a particular project, changes in the values of comparable housing in a similar market that is not impacted by the mine must be used. Why was this standard practice for Real Estate appraisals using comparable housing not utilized?	Our difference-in-differences analysis divided homes into those near and far from the mine on the assumption that homes further from the mine would experience significantly reduced or no impacts compared to homes closer to the mine. This method of establishing an impact area and comparing homes within that area to homes outside the area is a suitable counterfactual and consistent with much of the economic literature.
60	Property Values: Literature Review	Why was the conclusion of Bixuan Sun’s An Econometric Analysis of the Effect of Mining on Local Real Estate Values ignored? It said: “Using 15 years of housing sales data and geographic information system (GIS), we found that generally the Ridgeway mine had a negative impact on local property values, but the negative impact accelerates as the property approaches the mine.”	We reviewed Bixuan Sun’s presentation as part of our literature review. However, we did not find a paper to accompany the presentation. For quality control, we limited our discussion of previous findings to published working papers or research papers.
61	Property Values: Literature Review	Property value impacts are generalized (but mostly negative from my reading). It doesn't seem to include the potential impact to individual properties (probability and magnitude) from events such as well dewatering or land collapse. Please comment.	The scope of our analysis was to evaluate the overall impact on property values, not the impact on individual properties. As noted in the report, it is possible that certain individual properties would experience decreases in property value while others would see increases in property value.

“The Economic Impact of the Proposed Idaho-Maryland Mine Project”

Community Q&A

#	Category	Community Question	Response from Robert D. Niehaus, Inc. (RDN)
62	Property Values: Realtor Survey	Why did RDN conclude that the proposed project would not have a significant impact on local property values when most survey respondents believe the proposed project would result in a large and permanent negative impact on local property values?	For this study, we took three major approaches to researching the potential impacts of the IMM on local property values. Our study includes the results of our literature review, case study analysis, and an opinion survey of local Realtors. While all methods have strengths and weaknesses, we prefer to primarily rely on the results of the case study analysis because it is the most data-driven method. We believe the literature review and survey are still valuable, which is why we included our findings in the report. But in the case study approach, we did not find that mine opening caused a statistically significant change in property values.
63	Property Values: Realtor Survey	Can RDN make available the interview protocols used for businesses and government (we don't see them in the Appendices)? p. 49.	Our interviews were guided by a list of questions drafted by RDN and reviewed by Nevada County. We drafted separate sets of questions relevant to business organizations, businesses, real estate professionals, private utilities, County/City services, emergency services, and school districts. Nevada County also assisted RDN by identifying key government contacts for relevant County/City services and emergency services. Regarding our interview protocol for business organizations and businesses, please see Section 3.5. Regarding our protocol for scoping interviews and survey of real estate professionals, please see Section 4.3.