

## CHECKLIST ENVIRONMENTAL ASSESSMENT

<b>Project Name:</b>	Patterson Land Banking Tract
<b>Proposed Implementation Date:</b>	Fall 2013
<b>Proponent:</b>	Patterson Report Service, Inc. (Grazing Lessee)
<b>Location:</b>	Sale #705: Section 16, Township 1 North, Range 28 East (640 acres)
<b>County:</b>	Yellowstone County

### I. TYPE AND PURPOSE OF ACTION

Offer for sale at public auction, an isolated 640-acre parcel of State Land that is currently held in Trust for the benefit of Common Schools. Revenue generated from the sale of this parcel would be deposited into a special account to be used to purchase replacement lands meeting acquisition criteria related to legal access, productivity, income generation and potential for multiple use. The new parcel would then be held in Trust for the benefit of Common Schools. This proposed sale is being initiated through the Land Banking program (Montana Code Annotated §77-2-361 through 77-2-367). The purpose of this program is to allow the Department of Natural Resources and Conservation to primarily dispose of parcels that are isolated and produce low income relative to similarly classified tracts and purchase land with legal public access that can support multiple uses and provide a rate of return equal to or greater than the parcels that were sold. Additionally, this program allows for the Trust land portfolio to be diversified, by disposing of grazing parcels that make up a majority of the Trust land holdings and acquire other types of land, such as agricultural lands.

### II. PROJECT DEVELOPMENT

#### 1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

*Provide a brief chronology of the scoping and ongoing involvement for this project.*

A letter soliciting comments and explaining the proposed sale was sent to the lessee, property owners adjoining the state parcel, and other interested parties on 1 July 2013 requesting that comments be submitted on the proposal by 1 August 2013. A complete list of individuals and interested parties contacted is included on Attachment C of this EA.

Legal notices were published in the Billings Gazette on 21 and 28 July 2013 requesting that comments be submitted on the proposal by 16 August 2013.

The Southern Land Office did not receive any comments regarding the sale of this particular section.

#### 2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

None

#### 3. ALTERNATIVES CONSIDERED:

**Proposed Alternative:** Offer 640 acres of Trust Land for sale at public auction and subject to statutes addressing the sale of Trust Land found in M.C.A. §77-2-301 et seq. Proceeds from the sale would be deposited in the Land Banking Fund to be used in conjunction with proceeds from other sales for the purchase of other Trust Land, easements, or improvements for the beneficiaries of the respective trusts, in this case Common Schools.

**No Action Alternative:** Defer inclusion of this tract in the Land Banking Program which would maintain the current State ownership of this tract, as well as continue the existing grazing lease.

### III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES* potentially impacted are listed on the form, followed by common issues that would be considered.
- Explain *POTENTIAL IMPACTS AND MITIGATIONS* following each resource heading.
- Enter "NONE" if no impacts are identified or the resource is not present.

#### 4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

*Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.*

The subject property mainly consists of clay soils, with some loams in the southwest and north-central portion of the property. There are two pockets of soils in the section that combined contain a total of approximately 147 acres of Class 3 agricultural soils, which the Soil Survey defines as "...*having severe limitations that reduce the choice of plants or that require special conservation practices, or both.*" There is some dryland agriculture on the adjoining land owned by the lessee that is south of the subject section and contains similar soils. The property also has rimrocks that run roughly north to south in the far eastern part of the section. These soils provide range production that is less than the state average grazing parcel. No impact is expected since the current grazing use is expected to continue with the potential that some land in the far southwest corner of the section could be converted to dryland agriculture.

#### 5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

*Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.*

There are three developed water sources on the section. First is a stockwater well located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$  that is filed in the State's name and also contains a stockwater tank and pipeline that moves water onto the private land to the west. There is also a developed spring registered in the State's name in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ . Finally, there is a spring in the SE $\frac{1}{4}$  that is not registered with Water Resources and is undeveloped. The existing grazing use is expected to continue; therefore no adverse impacts to water quality, quantity or distribution are anticipated.

#### 6. AIR QUALITY:

*What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.*

No Impact. The existing use is expected to continue.

#### 7. VEGETATION COVER, QUANTITY AND QUALITY:

*What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.*

The vegetation on this tract is typical of land in the surrounding area and could be effected by various land management activities including livestock grazing, development, wildlife management or agricultural use. A search of the Montana Natural Heritage Program database indicates there are no known rare, unique cover types or vegetation on this tract. The existing grazing use is expected to continue and therefore, no direct or cumulative effects are anticipated.

#### 8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

*Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.*

This parcel of Trust Land is used by a variety of wildlife species typical of undeveloped land throughout this portion of Yellowstone County. Wildlife populations can be affected by land use activities associated with livestock grazing, residential development or agricultural practices. A variety of wildlife species including

antelope, mule deer, turkey, pheasant and numerous non-game birds use the tract during various times of the year.

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**9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:**

*Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.*

A proposed project area search of the Montana Natural Heritage Program database identified one vertebrate animal, the Pinyon Jay, listed as a species of concern. The Pinyon Jay has been observed west of the Trust land but could traverse or utilize the section since it does contain areas of pine trees in the eastern portion of the section which provide food and shelter opportunities. The existing grazing land use is expected to continue; therefore, no significant impacts are anticipated.

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**10. HISTORICAL AND ARCHAEOLOGICAL SITES:**

*Identify and determine effects to historical, archaeological or paleontological resources.*

This parcel proposed for sale was inventoried to Class III standards for cultural and paleontological resources during August, 2013. One cairn site (24YL1892) and a diffuse lithic scatter (24YL1893) were identified and recorded. No paleontology was identified. The DNRC has consulted with the SHPO and has concluded that site 24YL1893 is not eligible for listing in the National Register of Historic Places. Site 24YL1892 has not been adequately evaluated, but will not be disturbed if the tract containing it leaves state ownership.

A cultural resources inventory report has been prepared and is on file with the DNRC, (Helena) and the Montana State Historic Preservation Office (Helena): Rennie, Patrick J. 2013 *A Cultural Resources Inventory of Selected Parcels of State land in Stillwater and Yellowstone Counties*. Report prepared for the DNRC (Helena, MT). Report dated September, 2013.

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**11. AESTHETICS:**

*Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.*

No Impact. The existing grazing use is expected to continue.

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**12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:**

*Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.*

No Impact. The existing grazing use is expected to continue.

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**13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:**

*List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.*

This tract is the only section Yellowstone County that is currently under analysis to be sold. There are no other known state or federal actions in the vicinity and no known future actions proposed by the state that would have cumulative impacts with this proposal.

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**IV. IMPACTS ON THE HUMAN POPULATION**

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" if no impacts are identified or the resource is not present.*

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**14. HUMAN HEALTH AND SAFETY:**

*Identify any health and safety risks posed by the project.*

The implementation of the proposed action is not expected to have a significant adverse impact on human health and safety.

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**15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:**

*Identify how the project would add to or alter these activities.*

No Impact. The existing grazing use is expected to continue.

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**16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:**

*Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.*

No Impact. The existing use is expected to continue.

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**17. LOCAL AND STATE TAX BASE AND TAX REVENUES:**

*Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.*

This tract is currently tax-exempt and the sale of this tract to a non-exempt entity would add it to the county tax base, thus marginally increasing tax revenue to Yellowstone County.

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**18. DEMAND FOR GOVERNMENT SERVICES:**

*Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services*

No Impact. The existing grazing use is expected to continue.

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**19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:**

*List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.*

Implementing the proposed action would not conflict with the 2008 Yellowstone County/City of Billings Growth Policy. In addition, the property is not presently zoned by Yellowstone County.

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**20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:**

*Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.*

This parcel does not have legal public access so the only persons who can legally access the tract are those that can get permission from the adjoining private landowner, who is also the state grazing lessee. Therefore, implementation of the proposed action is not expected to have a significant adverse impact on access to and quality of recreational and wilderness activities.

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**21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:**

*Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing.*

No Impact. The existing grazing use is expected to continue.

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**22. SOCIAL STRUCTURES AND MORES:**

*Identify potential disruption of native or traditional lifestyles or communities.*

The implementation of the proposed action is not expected to have a significant impact on social structures and mores.

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**23. CULTURAL UNIQUENESS AND DIVERSITY:**

*How would the action affect any unique quality of the area?*

Implementation of the proposed action is not expected to have a significant impact on cultural uniqueness and diversity.

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**24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:**

*Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.*

This 640-acre parcel currently has a grazing lease for 124 Animal Unit Months (0.1935 AUMs/acre based on 620 useable acres) at the minimum lease rate that is currently \$9.94/AUM. The total income generated from the tract was \$1,232.56 or approximately \$1.93/acre in 2013. The average annual net income from this tract for the past 3 years, less a \$0.26/acre management cost, has been \$939.43 or \$1.47/acre. Based on the DNRC information for Fiscal Year 2012, the average net income for the 4.3 million acres of grazing land was \$1.63/acre. Therefore, this tract is producing below average revenue per acre.

An appraisal of the property value has not been completed to date. Under DNRC rules, the appraisal would be conducted after preliminary approval to proceed is granted by the Board of Land Commissioners and the Department is conducting more detailed evaluations in order to make a final determination on whether to offer the tract for sale. The revenue generated from the sale of this tract is intended to be combined with other revenue in the Land Banking Account to purchase replacement property for the benefit of the Common Schools Trust. It is anticipated the replacement property would have legal access, which would provide greater management opportunities and income. Assuming an appraised value of \$400/acre, the current annual return on the asset value for this tract is 0.37%.

<b>EA Checklist Prepared By:</b>	<b>Name:</b> Jeff Bollman, AICP	<b>Date:</b> 18 September 2013
	<b>Title:</b> Area Planner, Southern Land Office	

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**V. FINDING**

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**25. ALTERNATIVE SELECTED:**

The proposed alternative has been selected and it is recommended that the property receive preliminary approval for sale and continue with the Land Banking process.

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**26. SIGNIFICANCE OF POTENTIAL IMPACTS:**

The Southern Land Office did not receive any comments from the public on this proposed sale. The potential environmental effects as described in this document have been reviewed and it has been determined that no significant environmental effects would result from the proposed land sale of this 640-acre tract. The tract does not have any unique characteristics, critical habitat or environmental conditions indicating it should necessarily remain under management by the Department of Natural Resources and Conservation. There are no indications the tract would produce substantially greater revenue to the Trust in the near future.

The transfer of ownership of this 640-acre tract is not expected to have any significant adverse effects on the human or natural environment.

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**27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:**

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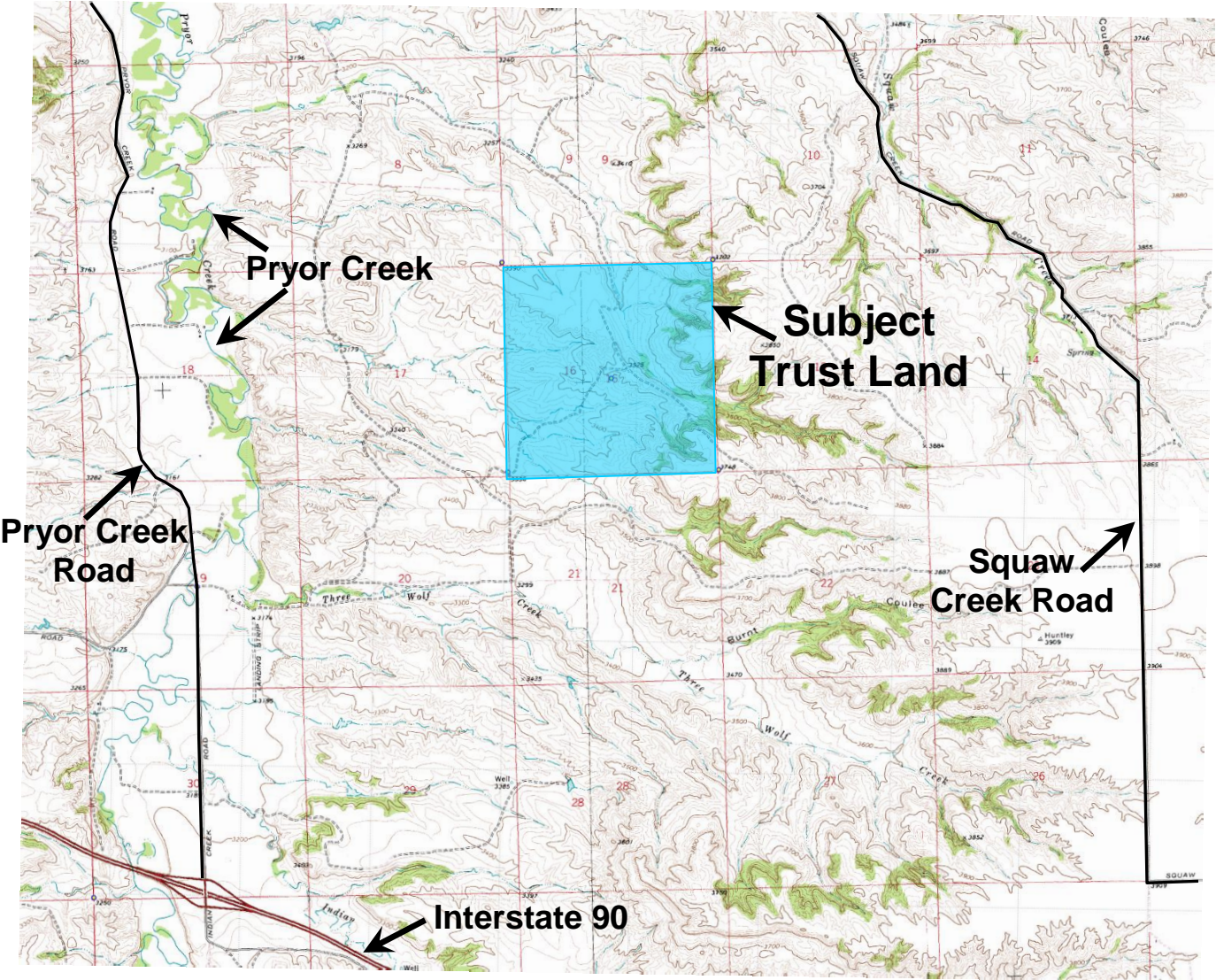
More Detailed EA

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No Further Analysis

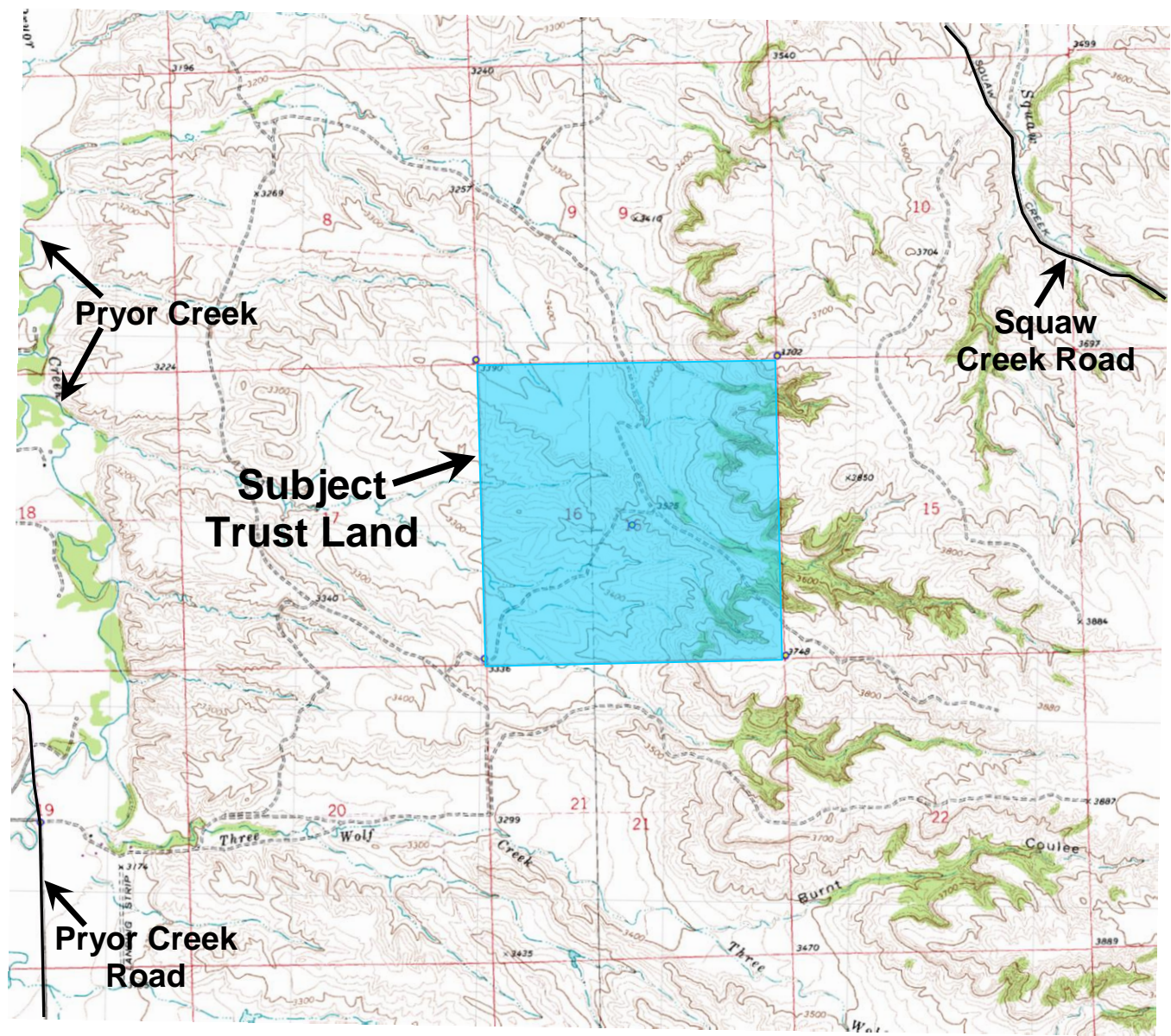
<b>EA Checklist Approved By:</b>	<b>Name:</b> Matthew Wolcott
	<b>Title:</b> Area Manager, Southern Land Office
<b>Signature:</b> /s/ Matthew Wolcott	
<b>Date:</b> Sept 19, 2013	

Attachment A – Area Map





Attachment B – Property Map





## Attachment C – List of Persons Notified in Patterson Land Banking Tract Scoping Process

Anne Hedges  
Montana Environmental  
Information Center  
PO BOX 1184  
HELENA, MT 59624

JAKE CUMMINS  
MT FARM BUREAU  
FEDERATION  
502 SOUTH 19<sup>th</sup>, SUITE 104  
BOZEMAN, MT 59718

John Gibson  
3028 Avenue E  
Billings, MT 59102

Bill Orsello or Stan Frasier  
MONTANA WILDLIFE  
FEDERATION  
PO BOX 1175  
HELENA, MT 59624

Kyle Hardin  
Matador Cattle Co.  
9500 Blacktail Road  
Dillon, MT 59725

Lee Gustafson  
2040 Saddleback Drive  
Laurel, MT 59044

Bob Vogel  
Montana School Boards  
Association  
863 Great Northern Blvd, Suite 301  
Helena, MT 59601-3398

Rosi Keller  
University of Montana  
32 Campus Drive  
Missoula, MT 59812

Gary Hammond, Regional  
Supervisor  
Fish, Wildlife & Parks, Region 5  
2300 Lake Elmo Drive  
Billings, MT 59105

Daniel Berube  
27 Cedar Lake Drive  
Butte, MT 59701

Denise Juneau, Superintendent  
Montana Office of Public  
Instruction  
PO Box 202501  
Helena, Montana 59620-2501

Ray Mulé, Wildlife Program  
Manager  
Fish, Wildlife & Parks, Region 5  
2300 Lake Elmo Drive  
Billings, MT 59105

JULIA ALTERMUS  
MONTANA WOOD PRODUCTS  
PO BOX 1149  
HELENA, MT 59624

Leslie Taylor  
MSU Bozeman  
P.O. Box 172440  
Bozeman, MT 59717

Bonnie Lovelace  
Montana DEQ  
PO Box 200901  
Helena, MT 59620-0901

Harold Blattie  
Montana Association of Counties  
2715 Skyway Drive  
Helena, MT 59601

JANET ELLIS  
MONTANA AUDUBON  
PO BOX 595  
HELENA, MT 59624

Larry Copenhaver, Local Issues  
Conservation Director  
Montana Wildlife Federation  
PO Box 1175  
Helena, MT 59624

JACK ATCHESON, SR.  
3210 OTTAWA  
BUTTE, MT 59701

John Grimm, Chief  
DNRC Real Estate Management  
Bureau  
1625 – 11<sup>th</sup> Avenue  
Helena, MT 59620

Patterson Reporting Services,  
Inc.  
c/o Teen Patterson  
485 Pryor Creek Road  
Huntley, MT 59037

Sonya Germann, Chief  
Forest Management Bureau  
MT DNRC – TLMD  
2705 Spurgin Road  
Missoula, MT 59804

Will Wood  
Assessment Program Manager  
MT DNRC – FAMB  
2705 Spurgin Road  
Missoula, MT 59804

John & Joseph Mahan  
1903 North 3<sup>rd</sup> Road  
Huntley, MT 59037

Amy Helena, Forest Management  
Planner  
Forest Management Bureau  
MT DNRC – TLMD  
2705 Spurgin Road  
Missoula, MT 59804

Mike O'Herron, Planning Section  
Supervisor  
Forest Management Bureau  
MT DNRC – TLMD  
2705 Spurgin Road  
Missoula, MT 59804

Kevin Chappell, Chief  
DNRC Ag & Grazing Bureau  
1625 – 11<sup>th</sup> Avenue  
Helena, MT 59620

Monte Mason, Chief  
DNRC Minerals Management  
Bureau  
1625 – 11<sup>th</sup> Avenue  
Helena, MT 59620

Hugh Zackheim  
MT Dept of Fish, Wildlife &  
Parks  
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Helena, MT 59620-0701

Senator Taylor Brown  
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Huntley, MT 59037-9219

Carla Haas  
Montana Dept of Transportation  
PO Box 201001  
Helena, MT 59620-1001

Glenn Marx, Executive Director  
Montana Assoc of Land Trusts  
PO Box 675  
Whitehall, MT 59759

Representative Duane Ankney  
PO Box 2138  
Colstrip, MT 59323-2138

Tom Madden  
RE/MAX of Billings  
1250 – 15<sup>th</sup> Street West  
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Yellowstone County  
Board of County Commissioners  
PO Box 35000  
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