CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: Montana City parcel land banking proposal

Proposed

Implementation Date: Summer 2005
Proponent: Montana. DNRC

Location: E2W2, section 12 T9N R4W

County: Jefferson

I. TYPE AND PURPOSE OF ACTION

The DNRC is proposing to nominate this 160-acre parcel for sale under the provisions of the Land Banking statute (77-2-361 through 367 MCA). The proceeds from the sale of the State Trust land would be held temporarily, pending the purchase of other land, easements or improvements for the beneficiaries of the respective beneficiary. The goals of the Land Banking program are to diversify land holdings in order to minimize risk of loss, to maximize the sustained rate of return to the trusts, to improve access to State Trust land, and to consolidate State Trust ownership.

II. PROJECT DEVELOPMENT

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

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

The following were notified via mail about the proposed action: the lessee, adjacent landowners, Jefferson County, other possible interested parties per the attached Scoping List (Exhibit 1). Legal ads were also run in the Boulder Monitor and the Helena Independent Record.

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

NA

3. ALTERNATIVES CONSIDERED:

Alternative 1. No action – The land would not be sold.

Alternative 2. Recommend to DNRC and Board of Land Commissioners to proceed with the sale proposal.

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.

Currently there is an unreclaimed fill and riprap pit in the southern portion of the parcel. The pit has seen no commercial activity for over thirty years. A sale under_Alternative_2 would include surface minerals and gravel, but not subsurface mineral rights. The potential for commercial mineral development for all

surface and subsurface minerals on the parcel is considered low to none. The value of any residual material should be recouped in the sale process of Alternative 2.

Approximately 25 acres of the parcel were farmed for dryland agriculture in the past but converted to grass in the 1990s. Future conversion to agriculture under Alternative 1 would not be likely because the parcel doesn't meet DNRC criteria for breaking.

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.

Currently there are no surface or developed ground water resources on the parcel. An ephemeral drainage is present on the north end of the parcel. Little Prickly Pear Creek and its riparian corridor are near, but not on the southeast corner of the parcel.

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.

None. Neither alternative would impact air quality.

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 Montana Natural Heritage Program reported there are no rare plants or cover types on the parcel. Previously disturbed areas have persistent weed problems with Dalmation Toadflax and Whitetop.

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.

No Impact. Mule deer and several non-game species make some use of the parcel and the adjacent Ash Grove (a large commercial cement plant) property, however the habitat value is limited by the small size (160 acres) and the developed nature of land immediately to the south and west (Montana City).

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.

No impact. No threatened or endangered species or unique resources are expected to be impacted by the proposal. The Montana Natural Heritage Program reported that a review of their database found no record of species of special concern.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

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

On March 29-30, 2005, the DNRC staff Archaeologist completed a Class III level intensity inventory of cultural and paleontologic resources on a contiguous block of 160 acres of state owned land legally

described as the E1/2-W1/2 of Section 12, T9N R3W in Jefferson County, Montana. During the course of inventory one cultural resource site was identified, evaluated and formally recorded. This cultural property consists of three single tiered cairns (rock heaps or clusters) of unknown age. The archaeological site was evaluated and determined to be an insignificant resource. Transferal of this property to private ownership will have No Adverse Effect to state owned Heritage Properties.

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 parcel is located immediately north of Montana City, a rapidly growing community, but is not a prominent feature.

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 parcel is near Montana City subdivision on two sides and the Ash Grove cement plant to the south.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:

List other studies, plans or projects on this parcel. 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.

No impact. The area is covered under zoning guidelines by Jefferson County. The current classification is Basic Resource (minimum size 160 acres with one primary residence).

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.

None. The sale of the parcel will not impact the human population. Any future activity on the parcel will be governed by local and state regulation.

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

None. The sale of the parcel will not impact the human health and safety. Any future activity on the parcel will be governed by local and state regulation

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

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

The sale of the parcel will not impact industrial or commercial activities and production. The existing grazing lease would be cancelled, which would be a minor impact to the lessee. The lessee leases the surrounding Ash Grove land for grazing. Any future activity on the parcel would be governed by local and state regulation

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.

None. Neither alternative would have impacts on employment.

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.

In the event a non-tax exempt entity purchased the parcel under Alternative 2 any income derived from the taxable value would increase taxes paid to Jefferson County.

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

None. No impacts are anticipated under either alternative. Any changes would be addressed by local planning and zoning regulations.

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.

The parcel currently is leased for grazing under a DNRC grazing lease (# 4088). Additionally, easements have been issued for power lines and an access road. Any sale would be subject to current easements and agreements. The parcel is located in an area zoned as a Basic Resource area by Jefferson County, which has a 160 acre minimum acreage limitation

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

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

None. Currently, the parcel is accessible by a county road to the west boundary. However due to its small size and location, a minimal amount of use is occurring. The parcel provides recreational use for walking by local residents. It is located adjacent to the Ash Grove property which currently allows walking access to the public.

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.

None. No impact is expected under either alternative. Current county regulations would regulate any development under Alternative 2. The current regulations require minimum lot size of 160 acres and allows one principle building.

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

None. No impact is expected under either alternative.

23. CULTURAL UNIQUENESS AND DIVERSITY: How would the action affect any unique quality of the area?						
None. No impact is expected under either alternative.						
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.						
Current income from the parcel to the trust is \$257.76 yearly based on \$45.00 from farm program payments and \$212.76 from grazing rental. Yearly income per acre is \$1.61. Income from all sources is not expected to change significantly under current management. Assuming a land value of \$1,000.00 per acre the return on asset value would be 0.16%. It should be noted that an appraisal has not yet been completed so actual value may differ from the assumed value.						
Comparatively the estimated return on asset value for all agricultural and grazing land in the Central Land Office is 0.37%. This would indicate the parcel presently returns a lower return on asset that average values for Central Land Office, and also a lower return than the statewide agricultural and grazing land average of 0.25 percent. This indicates a higher return on asset value could be expected under Alternative 2.						
EA Checklist Prepared By:	Name:	Robert Vlahovich	Date:	March 14 2005		
	Title:	Special uses coordinator				
V. FINDING						
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25. ALTERNATIVE SELECTED:						
I have selected Alternative 2, and recommend continuation of the land sale proposal.						
26. SIGNIFICANCE OF POTENTIAL IMPACTS:						

The transfer of ownership of the 160 acre parcel in Jefferson County will not result in any significant effects to the human or natural environment. Any future land use changes will be regulated by local and statewide regulations.

Statewide regulations.							
27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:							
EIS		More Detailed EA	x No Fu	ırther Analysis			
EA Checklist Approved By:	Name:	D.J. Bakken					
	Title:	Helena Unit Manager					
Signature:			Date:	3/18/2005			
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Exhibit 1

DNRC Jim Skinner Jeff Hagener, Director Dept. of Fish, Wildlife & Parks 2755 Valley Drive Helena, MT 59635 P.O. Box 200701 Garry Williams Kevin Chappell Helena, MT 59620-0701 Jeff Collins Chris Burrell Gary Frank P.O. Box 4403 DEQ Patrick Rennie 1520 East Sixth Avenue Helena, MT 59604 Dan Bushnell Helena, MT 59620 Bill Orsello/Stan Frasier Bob Vogel Anne Hedges Montana Environmental Montana Wildlife Montana School Boards **Information Center** Federation Association PO Box 1184 PO Box 1175 One South Montana Ave Helena, MT 59601 Helena MT 59624 Helena MT 59624 Daniel Berube Dore Schwinden Ellen Engstedt 27 Cedar Lake Dr. Deadhead Montana Wood Products Butte, MT 59701 Dept. of Labor and Industry Po Box 1149 Helena MT 59624 Gordon Morris Jack Atcheson, Sr Janet Ellis Montana Association 3210 Ottawa Montana Audubon Of Counties Butte MT 59701 **PO Box 595** 2715 Skyway Dr. Helena MT 59624 Helena, MT 59601 Jeanne Holmgren Leslie Taylor Nancy Schlepp **DNRC** MSU Bozeman MT Farm Bureau Federation 502 S 19th, Suite 4 P.O. Box 201601 P.O. Box 172440 Helena, MT 59620-1601 Bozeman, MT 59717-0001 Bozeman MT 59715 Ray Marxer Rosi Keller Univ. of Montana Matador Cattle Co. 9500 Blacktail Rd. 32 Campus Dr Dillon, MT 59725 Missoula, MT 59812-0001 State Historic Preservation **Environmental Quality Tribal Historic Preservation**

Council

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Kootenai Tribes P.O. Box 278 Pablo, MT 59855

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Public Lands Access Association, Inc. Attn: John Gibson 2518 Broadwater Billings, MT 59102 Montana Environmental Information Center Attn: Jim Jensen, Ann Hedges, P.O. Box 1184 Helena, MT 59624 Montana Wildlife Federation Attn: Dave Majors 3289 Wood Duck Lane Stevensville, MT 59870 MonTRUST P.O. Box 457 Helena, MT 59624

The Nature Conservancy Bernie Hall 32 South Ewing, Suite 215 Helena, MT 59601 MT Coalition for Appropriate MgMT of State Lands Attn: Jack Atcheson 3210 Ottawa Butte, MT 59701

MT Audubon Council Attn: Janet Ellis P.O. Box 595 Helena, MT 59624

Stuart Lewin 615 Third Avenue North Great Falls, MT 59401 Jefferson County Planning County Courthouse Boulder, MT 59632 Ash Grove Cement Co. 6720 SW Macadam Ave, Suite 300 Portland, OR 97219-2370

Gary and Dawn Wheelock 111 Microwave Hill Road Clancy, MT 59634 Ash Grove Cement Company 100 Highway 518 Clancy, MT 59634

Figure 1. A text description of the zoning can be obtained by contacting the DNRC, 8001 N. Montana Ave, Helena, MT, or the Jefferson County Planning and Zoning Office.

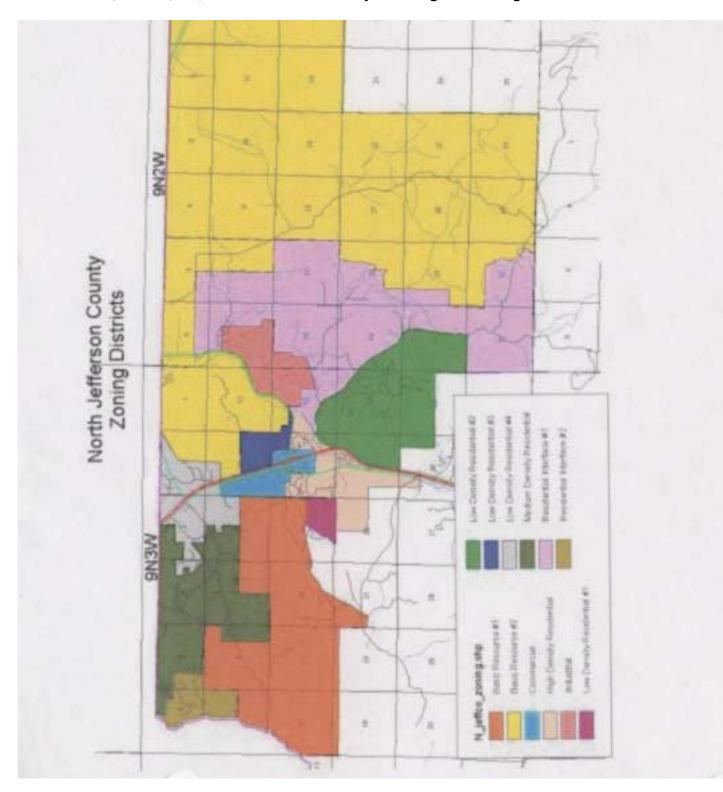


Figure 2 Topographic Map of the Montana City Land Banking Parcel.

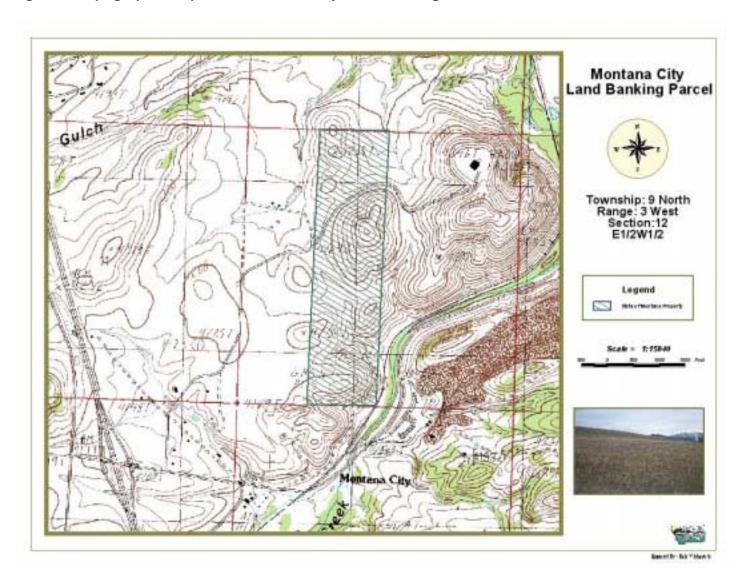
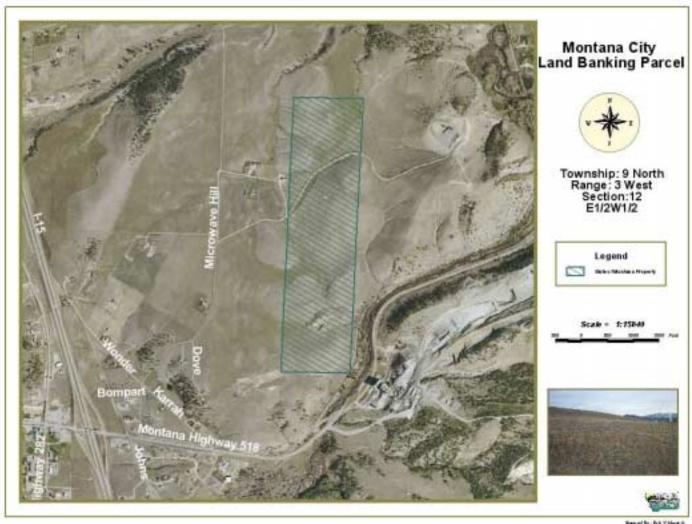


Figure 3. Aerial Photograph of the Montana City Land Banking Parcel.



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