CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	Fergus County Land Banking Sale
Proposed Implementation Date:	Fall 2024
Proponent:	Charles Oke
Location:	T19N, R26E, Sec 36 – Common Schools
County:	Fergus County

I. TYPE AND PURPOSE OF ACTION

Offer for sale at public auction, one parcel encompassing 640 acres of state trust land currently held in trust for the Common School trust beneficiaries, located in Fergus County.

Revenue from the sale would be deposited in a special account used to purchase replacement land meeting acquisition criteria related to legal access, productivity, and potential income which would then be held in trust for the beneficiary. The proposed sale is part of the Land Banking program authorized by the 2003 Legislature. The purpose of the program is to diversify the land portfolio of the various trusts, improve the sustained rate of return to the trusts, improve access to state trust land, and consolidate 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.

DATE	GROUP AND / OR INDIVIDUALS CONTACTED
January 10 to February 21, 2024	Montana Environmental Policy Act - Public Scoping Individuals and organizations contacted: Trust Land lessees, adjacent landowners, County Commissioners, Negotiated Rulemaking Committee members, Land Banking scoping list and DFWP Region 4. One comment from a county commissioner and one question from a member of the public were received regarding the proposed sale.

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

None

3. ALTERNATIVES CONSIDERED:

Alternative A- No action, do not sell Trust Land.
Alternative B- Sell Trust Land

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.

Class VI AND VII silty clay soils dominate the range sites with small inclusions of Class III and IV soils.

Over half of the acreage within this tract is currently occupied by a prairie dog town. Due to the nature of prairie dogs, their presence has had an impact on the stability and production of the soils within this tract.

No direct, indirect or cumulative effects are anticipated.

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.

Dovetail Creek, an ephemeral tributary of the Musselshell River bisects the parcel from west to east. A reservoir in the northern half of this tract provides additional livestock water.

No impact is expected. No direct, indirect or cumulative effects 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.

The parcels are located within a class II air shed. No direct, indirect or cumulative effects are anticipated.

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 is typical for the area including western wheatgrass (*Agropyron smithii*), green needle (*Stipa viridula*), bluebunch wheatgrass (*Agropyron spicatum*), needle and thread (*Stipa comata*), big sagebrush (*Artemesia tridentata*), silver sagebrush (*Artemesia cana*), cheatgrass (*Bromus tectorum*), and native forbs. 50.7 acres in the NW4 was previously farmed and planted to an alfalfa / tame grass stand in 1998. A search of the Montana Natural Heritage Program database indicates there are no known rare, unique cover types or vegetation on the tracts.

Vegetation may be affected by numerous land management activities including livestock grazing, conversion to cropland, development or wildlife management. It is unknown what land use activities may be associated with a change in ownership; however the vegetation on this land is typical of land throughout the vicinity and there are no known rare, unique cover types or vegetation on these tracts.

No direct, indirect 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.

A variety of wildlife species including elk, mule deer, antelope, fox, coyote, sage grouse, sharp-tail and non-game birds use this tract during various times of the year. No seasonal concentrations of wildlife are known to exist on the tracts.

No direct, indirect or cumulative effects are anticipated.

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 search of the Natural Heritage Resource data base did not identify habitat for any threatened or endangered species. The search did identify habitat within Fergus County for following sensitive species; Black-tailed Prairie Dog and Greater Sage Grouse.

A prairie dog town covers over half of this tract and a good portion of the grazing lessees deeded land to the east. The proposed sale should have no adverse impacts to the Black-tailed prairie dog if current management stays the same as the lessee has indicated.

The proposed land banking tract lies within designated general sage grouse habitat outlined in the Governor's Executive Order 12-2015. No sage grouse leks are known to exist on the property. The northwestern quarter section has been previously broken for farming and is no longer suitable sage grouse habitat. Dovetail creek bisects the parcel with unsuitable habitat. In addition, over half of this tract is occupied by a prairie dog town that has further degraded the sagebrush plant community. Sage brush constitutes approximately 5% of the plant community. Farm land exists immediately adjacent to the parcel to the west and Mr. Berg's homestead lies immediately to the east. The parcel thus provides poor sage grouse habitat.

No direct, indirect or cumulative effects are anticipated

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

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

The state parcel proposed for sale (Section 36, T19N R26E) in Fergus County was inventoried to Class III standards for cultural and paleontologic resources in June of 2019 (see following bibliographic citation). No cultural or paleontologic resources were identified on the state tract. A cultural and paleontologic resources inventory report has been prepared and is on file with the Montana Department of Natural Resources and Conservation (DNRC) and the Montana State Historic Preservation Office (SHPO). The DNRC fulfilled its Montana State Antiquities Act mandates by completing cultural and paleontologic resources inventory and reporting, then consulting with the SHPO. The SHPO concurred with the DNRC that sale of the state tract would result in No Effect to Heritage Properties. No additional cultural or paleontologic resources inventory or evaluation work is necessary.

Rennie, Patrick J.
2019 A Cultural and Paleontologic Resources Inventory of Section 36, T19N R26E: Fergus County, Montana. Report prepared for the DNRC (Helena,
MT). Report dated June, 2019.

The one question from a member of the public that was received inquired about the presence of cultural resources on the parcel. No cultural resources were noted in the inventory completed in 2019 noted above.

No direct, indirect or cumulative effects are anticipated.

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.

The parcel consists of an upland bench bisected by Dovetail Creek with some pine covered hills in the SW4. No change in aesthetics is expected as a result of sale.

No direct, indirect or cumulative effects are anticipated.

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.

Sale of the parcel does not require use of any limited natural resources. No direct, indirect or cumulative effects are anticipated.

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.

No other environmental documents pertinent to this area are known to exist. No direct, indirect or cumulative effects are anticipated.

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.*

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

Sale of the property will not result in any impacts to human health or safety.

No direct, indirect or cumulative effects are anticipated.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

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

50.7 acres in the NW4 was previously farmed and planted to an alfalfa / tame grass stand in 1998. These acres are now grazed in conjunction with the remainder of the tract. Surrounding land uses consist of both farming and ranching practices. The project proponent has indicated a desire to continue current operations.

The Fergus County Commissioner's comment regarding the proposed sale of this parcel was that he wanted it to stay in agricultural production. The project proponent has indicated that that is their intention.

No direct, indirect or cumulative effects are anticipated.

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.

The sale of the parcel would have no effect on the quality or distribution of employment. No direct, indirect or cumulative effects are anticipated.

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.

The parcels would move from tax exempt status to taxable status, which will provide income to the county. On average grazing land contributes $1-$2 per acre tax revenue resulting in $640 - $1,280 of new tax base for Fergus County.

No direct, indirect or cumulative effects are anticipated

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

The sale of the parcel would have no effect on the demand for government services. No direct, indirect or cumulative effects are anticipated.

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.

Fergus County has not adopted land zoning designations. No other local, state or federal management plans exist for the parcel.

No direct, indirect or cumulative effects are anticipated.

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's recreational value is limited because it has no means of legal access other than through permissive access through adjoining private lands currently. Access to this parcel after sale would continue to be through permissive access through deeded property.

No direct, indirect or cumulative effects are anticipated.

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.

This sale proposal will not result in any need for additional housing nor affect population.

No direct, indirect or cumulative effects are anticipated.

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

This sale proposal will not result in any change to native or traditional lifestyles. No direct, indirect or cumulative effects are anticipated.

23. CULTURAL UNIQUENESS AND DIVERSITY:

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

The parcels do not exhibit any unique qualities.

No direct, indirect or cumulative effects are anticipated.

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 one grazing lease that produces 95 total AUMs at a rate of $16.53 and generating an annual income of $1570.35. This parcel is also currently leased for outfitting at a rate of $0.375/acre or a total of $240 annually. Total income from the parcel is $1810.35 or approximately $2.83/acre. Statewide 4.3 million acres of grazing land produce an average carrying capacity of .25 AUM / acre and return of $4.13 / acre. Therefore, this tract is considered below average in productivity and revenue per acre.

An appraisal of the property value was completed in 2020 when this parcel was nominated for land banking sale by the previous lessee. The value determined for grassland was $550/acre. With the current annual rental, the return on the asset value for this tract is 0.45%. Average income rate of return on acquired parcels with income generated from annual lease payments is 3.28%. This would indicate a higher return on asset value could be expected under Alternative B, sale of the property.

EA Checklist Prepared By:	**Name:** Jocee Hedrick	**Date:** 02/22/2024
	Title: Lewistown Unit Manager	

V. FINDING

25. ALTERNATIVE SELECTED:

Alternative B – Sale. The parcel has no unique attributes and contributes below average income from grazing rental to the common school trust. The parcel does not have legal access which limits the recreational value of this tract. Sale and purchase of replacement land will generate more income and provide for public recreational access.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

No significant impacts are anticipated as a result of sale.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

[ ] EIS [ ] More Detailed EA [X] No Further Analysis

EA Checklist Approved By:	**Name:** Clive Rooney	
	Title: NELO Area Manager	
Signature:		**Date:** 2/22/24