

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	2007 Land Banking – Lewistown Unit – NELO – Lease # 8373, & 8394
Proposed Implementation Date:	2008
Proponent:	These tracts were nominated by the Department of Natural Resources and Conservation Lewistown Unit Office.
Location:	T36N, R8E, section 35, NE¼SW¼, 40 acres T37N, R9E, section 4, Lots-9,10,11, 44.34 acres T37N, R9E, section 5, Lots-8,9,10, SW¼NW¼, 84.79 acres Total Acres: 169.13
County:	Hill, County
Trust:	Public Buildings

I. TYPE AND PURPOSE OF ACTION

Offer for Sale at Public Auction 169.13 acres of state land currently held in trust for the benefit of Public Buildings. Revenue from the sale would be deposited in a special account, with monies from other sales around the State, to purchase replacement lands meeting acquisition criteria related to legal access, productivity, potential income and proximity to existing state ownership which would then be held in trust for the benefit of the same beneficiary Trusts in relative proportion. The proposed sale is part of a program called Land Banking authorized by the 2003 Legislature, and updated by the 2007 Legislature. The purpose of the program is for the Department of Natural Resources and Conservation to overall, diversify uses of land holdings 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.

- A letter was distributed in September 2004 to all state surface lessees informing them of the Land Banking Program and requesting nominations be submitted by lessees between October 1, 2004 and January 31, 2005. *(The lessee nominated tracts were proposed at that time and are now being considered as part of the second Statewide round of Land banking sales.)*
- A letter was sent April 3, 2007 to all state surface lessees of grazing tracts 80 acres and less in Chouteau, Hill, Blaine and Fergus Counties inquiring their interest in DNRC nominating these small acreage tracts for sale. The small acreage tracts that lessees were interested having sold were nominated by DNRC for sale.
- Legal notices for Hill and Blaine County land sales were published in The Havre Daily News on March 6, 13, 20, 2008, and in the Blaine County Journal, News opinion on March 5, 12, 19, and 26, 2008.
- Direct mailings were made to lessees, adjacent land owners, County Commissioners, and a host of organizations and individuals who had expressed previous interest in this process. A full listing of contacts is attached.
- Follow-up contacts were made by phone, mail, or email with parties requesting additional information. These are also included in the appendix.
- The tracts were also posted on the DNRC web page at, <http://dnrc/mt.gov/TLMSPublic/LandBanking/LBTest.aspx>

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

No other governmental agencies have jurisdiction over this proposal.

3. ALTERNATIVES CONSIDERED:

Alternative A (No Action) – Under this alternative, the State retains the existing land ownership pattern and would not sell the 169.13 acres of Public Buildings Trust Land contained in Sec. 35, T36N, R8E; Sec 4, T37N, R9E; & Sec. 5, T37N R9E.

Alternative B (the Proposed action) – Under this alternative, the Department would request and recommend approval by the Land Board to sell the proposed land locked tracts. If approved by the Board, the sale would be at public auction, subject to the requirements found in Title 77, Chapter 2, Part 3 of the Montana Codes Annotated. The income from the sale would be pooled with other land sale receipts from across the State to fund the purchase of other state land, easements, or improvements for the beneficiaries of the respective trusts. *(The State would then review available lands for sale which would generally have access and an increased potential for income. A separate public scoping and review would be conducted when a potentially suitable parcel was found. It is not possible for this analysis to make any direct parcel to parcel comparisons.)*

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

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| <ul style="list-style-type: none">• <i>RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.</i>• <i>Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.</i>• <i>Enter "NONE" If no impacts are identified or the resource is not present.</i> |
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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.

A variety of soil types are found across these tracts. USDA – NRCS soil survey indicated Land Capability Classification as a mixture of 3E, 3W, 4E, 4W, 6E and 6S soils. The majority of the acres are class 4W, 6E and 6S soils, which are not suitable for small grain crop production. Overall the topography is steep rugged breaks/badlands with a couple flat benches above the steep terrain. The proposal does not involve any on the ground disturbance, so there are no soil effect differences between the alternatives. It is expected that this land will be used for livestock grazing in the future. The State owns, and would retain ownership of, all mineral rights associated with these tracts.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

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 no recorded water sources within these tracts. No water quantity and/or quality issue will be impacted by the proposed action.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

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 proposal does not include any on-the-ground activities, or changes to activities.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

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 majority of the acres proposed for sale are native rangeland typical of the Northern Mixed Grassed Prairie. There is one small area that contains crested wheatgrass. Range sites are dominated by breaks/badlands with many of the acres classified as unsuitable according to past DNRC field evaluations. Species composition is dominated by grasses which include western wheatgrass, needle and thread grass, blue grama, thread leaf sedge, sandberg bluegrass and prairie junegrass. Sub-dominate species include various forbs and shrubs. Noxious weeds have not been identified according to previous inspections. Current range condition varies from fair to excellent with an estimated average carrying capacity or stocking rate assessed at .08 AUMs per acre.

Vegetation may be affected by numerous land management activities including livestock grazing, development, wildlife management or other agricultural use. It is unknown what land use activities may be associated with a change in ownership; however the vegetation on these tracts is typical of a land throughout the vicinity and there are no known rare, unique cover types or vegetation on the tracts. It is expected that this land will be used for grazing livestock in the future. The proposal does not include any on-the-ground activities, or changes to activities and therefore we do not expect direct or cumulative effects would occur to vegetation as a result of the proposal.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

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.

These tracts provide habitat for a variety of big game species (elk, mule deer, whitetail deer, pronghorn antelope), predators (coyote, fox, badger), upland game birds (sharp tail grouse, Hungarian partridge), other non-game mammals, raptors and various songbirds. The proposal does not include any land use change which would yield changes to the wildlife habitat. The proposed action will not impact wildlife forage, cover, or traveling corridors. Nor will this action change the juxtaposition of wildlife forage, water, or hiding and thermal cover.

There are no unique or critical wildlife habitats associated with the state tracts and we do not expect direct or cumulative wildlife impacts would occur as a result of implementing the proposal. The proposed action will not have long-term negative effects on existing wildlife species and/or wildlife habitat because of its relatively small scale.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

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 specific on-site observations of Threatened or Endangered species have been recorded and no important habitats have been identified on the state lands. A review of Natural Heritage data through NRIS was conducted in November, 2007. the survey indicates that the Greater Short-horned Lizard (*Phrynosoma herenandesii*) may occupy Sec 4, and 5, T37N, R9E. This information is on file.

The proposal does not include any activities which would alter any habitat so no effects are expected.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

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

Past DNRC field evaluation forms indicated the presence of scattered stone circles located on these tracts. A class III level inventory and subsequent evaluation of cultural and paleontologic resources will be carried out if preliminary approval of the parcel nomination by the Board of Commissioners is received. Based on the results of the Class III inventory/evaluation the DNRC will, in consultation with the Montana State Historic Preservation Officer, assess direct and cumulative impacts.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

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.

These tracts are located in a remote area of Hill County Montana and are not highly visible from a county road. The state land does not provide any unique scenic qualities not also provided on adjacent private lands. The proposal does not include any on-the-ground activities, so there would be no change to the aesthetics.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

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.

There are 5,165,870 acres of Trust land and more than 4.6 million acres of Common School surface ownership in Montana (TLMS power search, 11/29/2007). There are approximately 155,864 acres of Trust land in Hill County. This proposal includes 169.13 acres in Hill County, a small percentage of the state land within this County.

There are additional tracts of state land currently under consideration for sale through the Land Banking Program throughout the State. A total of 799.94 acres of state land have been nominated for sale in Hill County and approximately 20,000 total acres statewide. In Hill County, the lands being considered for sale represent 0.51% of the State Trust surface ownership in Hill County. The total statewide 20,000 acres being considered for sale represent 0.38% of the statewide Trust surface ownership.

The potential transfer of ownership will not have any impact or demands on environmental resources of Land water, air or energy.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

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.

There are no other projects or plans being considered on the tracts listed on this EA.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

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.

No impacts to human health and safety would occur as a result of the proposal.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

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

The tracts included in this proposal are leased by Prairie Sun Farms Inc. and Prairie Mountain Ranch Inc., which are both owned by the same individual, and used for grazing. Sale of the land to Prairie Sun Farms Inc. and Prairie Mountain Ranch Inc. would add to their ranching operations. Below is a table that indicates the State rated carrying capacity of the tracts being considered for sale.

legal	acres	Lease #	State rated carrying capacity
NE $\frac{1}{4}$ SW $\frac{1}{4}$, Sec. 35, T36N, R8E	40	8373	4 AUMs
Lots-9,10,11, Sec 4, T37N, R9E	44.34	8394	4 AUMs
Lots-8, 9, 10, SW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec 5, T37N, R9E	84.79	8394	6 AUMs

This proposal does not include any specific changes to the agricultural activities.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

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 proposal would have no affect on quantity and distribution of employment.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

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.

State School Trust Lands are currently exempt from property tax. If State Trust Lands represent 6% or greater of the total acres within a county, a payment in lieu of taxes (PLT) is made to the counties to mitigate for the State Trust Land tax exempt status. Counties will not realize an adjustment in the PLT payment as a result of an increase or decrease in State Trust Land acreage.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

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

Being remote grazing lands, no traffic changes would be anticipated. All state and private land are under the County Coop wildfire protection program. The proposed sale will not change fire protections in the area.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

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.

These tracts are surrounded by private land. There are no zoning or other agency management plans affecting these lands.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

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.

These tracts are not legally accessible to the general public because they are surrounded by private land and there are no public roads or easements across private land to the state land. If the tracts are sold, hunting access would be controlled by the new landowner as is the current situation.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

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

The proposal does not include any changes to housing or developments.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

There are no native, unique or traditional lifestyles or communities in the vicinity that would be impacted by the proposal.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

23. CULTURAL UNIQUENESS AND DIVERSITY:

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

The State Trust lands in this proposal are currently managed for grazing. The State lands are generally indistinguishable from the adjacent private lands, with no unique quality.

The potential sale of the state land would not directly or cumulatively impact cultural uniqueness or diversity. It is unknown what management activities would take place on the land if ownership was transferred.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

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.

legal	acres	2007 Lease Income	Income per acre
NE¼SW¼, Sec. 35, T36N, R8E	40	\$28.04	\$.70
Lots-9,10,11, Sec 4, T37N, R9E	44.34	\$28.04	\$.63
Lots-8, 9, 10, SW¼NW¼, Sec 5, T37N, R9E	84.79	\$42.06	\$.49
			\$.61 on average

The statewide stocking rate for grazing land on 4.3 million acres averages .26 AUMs per acre or a total of 1.11 million AUMs (2006 DNRC Annual Report). 2006 statewide grazing land gross revenue was \$6.98 million (\$6.99 per AUM) on 4.3 million grazing acres for an average income of \$1.62 per acre (2006 DNRC annual Report). On average, these tracts nominated for sale are below the average statewide stocking rate (.08 AUMs / ac) and income for grazing land (\$.61 / acre).

An appraisal of the property value has not been completed to date. Under DNRC rules, an appraisal would be conducted if preliminary approval to proceed is granted by the Board of Land Commissioners. The Department is conducting more detailed evaluations at this time in order to make a determination on whether to offer the tracts for sale. The revenue generated from the sale of these parcels would be combined with other revenue in the Land Banking Account to purchase replacement property for the benefit of the Trust. It is anticipated the replacement property would have legal access and be adjacent to other Trust lands which would provide greater management opportunities and income. If replacement property was not purchased prior to the expiration of the statute, the revenue would be deposited into the permanent trust for investment.

EA Checklist Prepared By:	Name: Barny D. Smith	Date: April 2, 2008
	Title: Lewistown Unit Manager, Northeastern Land Office	
Signature: /S/ Barny D. Smith		Date: April 2, 2008

V. FINDING

25. ALTERNATIVE SELECTED:

I have selected the Proposed Alternative B, recommend the tract receive preliminary approval for sale and continue with the Land Banking process.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

I have evaluated the comments received and potential environment affects and have determined significant environmental effects would not result from the proposed land sale. The tract does not have any unique characteristics, critical habitat or environmental conditions indicating the tract should necessarily remain under management by the Department of Natural Resources and Conservation. There are no indications the tract would produce substantially greater revenue or have substantially greater value to the trust in the near future.

This tract is entirely surrounded by private lands which control access to the state land and which will likely remain unchanged if the parcel is sold. It is likely the tract will continue to be managed in a manner consistent with the surrounding private land.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

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EIS

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More Detailed EA

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No Further Analysis

EA Checklist Approved By:	Name: CLIVE ROONEY
	Title: Area Manager, Northeastern Land Office
Signature: /S/ Clive Rooney	
Date: April 2, 2008	