

## CHECKLIST ENVIRONMENTAL ASSESSMENT

<b>Project Name:</b>	2011 Land Banking – Lewistown Unit – NELO – Sec. 15, 35N, 11E
<b>Proposed Implementation Date:</b>	2011
<b>Proponent:</b>	This tract was nominated by Gildford Hutterian Brethren Inc., Gildford Montana
<b>Location:</b>	T35N, R11e, Sec. 15, NW4NW4,E2NW4,W2NE4, 200-acres
<b>County:</b>	Hill, County
<b>Trust:</b>	Common Schools

### I. TYPE AND PURPOSE OF ACTION

Offer for sale at public auction, 200 acres of state land currently held in trust for the benefit of the Common Schools Trust. Revenue generated from the sale of these parcels would be deposited in a special account used to purchase replacement lands meeting acquisition criteria related to legal access, productivity, potential income generation and potential for multiple use. The new parcel/parcels would then be held in trust for the benefit of the Common Schools Trust. This proposed sale is being initiated through the Land Banking Program (Montana Code Annotated 77-2-361) that was approved by the Legislature in 2003. The purpose of this program is to allow the Department of Natural Resources and Conservation to dispose of parcels that are difficult to manage and, have very limited potential and allow the Department to purchase land that can support multiple uses and will 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 farm land, which typically produces greater return on investment.

### 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, requesting comments be submitted by September 2, 2011, was sent to interested parties including adjacent landowners, the Hill County Commissioners, Land Board members, legislators, government agencies, special interest groups and others. A complete list of the individuals contacted is included as an attachment to this EA. A public notice was published in the Havre Daily News on requesting comments be submitted by September 2, 2011.

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

DNRC/TLMD and NELO are not aware of any other agencies with jurisdiction or other permits needed to complete this project.

#### 3. ALTERNATIVES CONSIDERED:

**Alternative A (proposed Action)** – Offer 200 acres of State Land for sale at public auction and subject to statutes addressing the sale of State Land found in M.C.A. 77-2-301 et seq. Proceeds from the sale would be deposited in the Land Bank Fund to be used in conjunction with proceeds from other sales for the purchase of other State

Land, easements, or improvements for the beneficiaries of the respective trusts, in this case the Common Schools Trust. If a sale is consummated, the State would not be able to control the type of future development

or activities that could occur on the surface estate. However, per M.C.A. 77-2-304 the State would retain the subsurface mineral rights.

Alternative B (No Action) – Defer inclusion of this tract in the Land Banking Program.

### 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.*

A variety of soil types are found across these tracts. USDA – NRCS soil survey indicated Land Capability Classification is 3E soils. The majority of the acres are class 3E, which are generally suitable for small grain crop production. A portion of the tract is backwater from a reservoir downstream, the majority is under intense livestock use. Topography is flat to gently rolling. The proposal does not involve any on the ground disturbance. 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 is a dam located downstream on private land that backs up into the nominated tract. This is annual spring runoff. 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 acres proposed for sale are classified as sacrifice, and a small amount of native rangeland typical of the Northern Mixed Grassed Prairie. The native range land species composition is dominated by grasses which include western wheatgrass, needle and thread grass, blue grama, thread leaf sedge, sandberg bluegrass, fringed sagewort, and prairie junegrass. Sub-dominate species include various forbs and shrubs. Noxious weeds have not been identified according to previous inspections. The average carrying capacity or stocking rate for this tract is assessed at .1375 AUMs per grazing 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 this tract is typical of land throughout the vicinity and there are no known rare, unique cover types or vegetation on the tract. It is expected that the land use will not change in the future. The proposal does not include any on-the-ground activities, or changes to activities.

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#### **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.*

Current intense use of the DNRC parcel, as well as its physical relation to nearby farm/ranch operations severely restrict any habitat value that this tract may have. Any terrestrial wildlife use would be very short term if at all.

Waterfowl are often present on the livestock reservoir, they will most likely not be affected by the action alternative as the dam is located downstream on private land.

There are no perennial streams, and hence, no fisheries within the DNRC parcel. There would be no direct, in-direct or cumulative effects to aquatic life or fish with implementation of the action or non-action alternatives.

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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.*

No issues regarding threatened or endangered terrestrial wildlife species were identified. The Montana National Heritage Program Identified *Ammodramus savannarum*, (Grasshopper Sparrow) as being the only species of concern that would possibly be affected by an action alternative. Given the habitat of the Grasshopper Sparrow as being primarily grasslands lessens the possibility of any effects due to the current intensive use and agricultural traffic near and through the tract.

No fish species, wetlands or sensitive plants occur on the DNRC parcel. There would be no direct, in-direct or cumulative effects to aquatic life or fish with implementation of the action or no-action alternatives.

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#### **10. HISTORICAL AND ARCHAEOLOGICAL SITES:**

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

Past DNRC field evaluation forms indicated that no cultural resources have been observed on this tract. 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.

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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.*

This tract is located in a rural area of Hill County Montana. 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 or cumulative impact to aesthetics is anticipated as a result of this 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.*

This 200 acre parcel of school trust land represents a fraction of the approximately 5.2 million acres of trust land statewide.

State law and administrative rules, limit the sale of trust land to a maximum of 20,000 acres prior to purchasing replacement lands. The potential sale of this parcel would affect a small percentage of the school trust lands if replacement land was not purchased before the statute expires and even less impact if replacement land is purchased as anticipated.

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

**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.

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

**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 this proposal.

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

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

The tract included in this proposal is leased by Gildford Hutterian Brethren Inc. for livestock use. Below is a table that indicates the State rated carrying capacity of the tract being considered for sale.

legal	acres	Lease #	State rated carrying capacity	Sacrifice acres
SEE PAGE ONE, T35N, R11E, S	200	1264	11 AUMs	114

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 effect on quantity and distribution of employment.

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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.*

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. Hill County would begin to receive direct property tax payments on 200 acres of land, estimated at \$450/acre under Alternative A.

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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*

Being rural agricultural 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.

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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.*

Any proposal to develop this parcel would be subject to review and approval under state and local regulations.

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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.*

There are no wilderness areas or access routes through this tract.

As this parcel is limited in size and bordered by a farm/ranch operation, it provides little in the way of recreational opportunities and does not provide access to any other lands open to recreation.

This tract does have public access from the county road but has minimal recreational and aesthetic value.

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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*

The potential sale of this parcel would not require additional housing or change population. It is unknown what land uses would occur under new ownership. Any future proposal to develop the property would be subject to review under state and local regulations.

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**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.

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**23. CULTURAL UNIQUENESS AND DIVERSITY:**

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

The State Trust land in this proposal is currently managed for livestock use. 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.

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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.*

legal	acres	2010 Income per sacrifice acre	2010 Income per grazing acre	Total 2010 Lease Income
SEE PAGE ONE, T35N, R11e, Sec. 15	200	\$12.50	\$2.06	\$1593.64

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 tract for sale. The revenue generated from the sale of this parcel 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.

Land Banking statute requires that land acquired as replacement property through Land Banking is "likely to produce more net revenue for the affected trust than the revenue that was produced from the land that was sold" (Section 77-2-364 MCA). Property considered for acquisition will include cropped or irrigated land, and/or land with recreational, timber, or commercial potential. All these land classifications or uses have the potential to produce a higher rate of return on State Trust land than the current revenue from the proposed disposal tract.

<b>EA Checklist Prepared By:</b>	<b>Name:</b> Monte McNally
	<b>Title:</b> Land Use Specialist
<b>Signature:</b>	<b>Date:</b>

## V. FINDING

### 25. ALTERNATIVE SELECTED:

I have selected the **Alternative A (Proposed Action)**. In the long term I do not expect this parcel will produce a reasonable return from traditional resource management activities considering the physical location of the property. In addition given the small size of the tract (200 acres), and the complexities associated with potential impacts to multiple adjacent residences, management costs are higher than for most lands.

I believe that it is not suitable for traditional land uses the DNRC commonly practices and therefore, it is in the best interest of the agency to divest itself of this parcel.

I recommend the parcel receive preliminary approval for sale and continue with the Land Banking process.

### 26. SIGNIFICANCE OF POTENTIAL IMPACTS:

I have evaluated the potential environment effects and have determined significant environmental impacts would not result from the proposed land sale. This parcel does not have any unique characteristics; critical habitat or environmental conditions indicating the parcel should necessarily remain under management by the Department of Natural Resources and Conservation.

No comments were received from the scoping process.

If this parcel is sold, all future actions or changes in land use would have to meet with all applicable laws and rules.

### 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

<b>EA Checklist Approved By:</b>	<b>Name:</b> Clive Rooney <b>Title:</b> Area Manager, Northeastern Land Office
<b>Signature:</b>	<b>Date:</b>