

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	Daniels County Land Sale
Proposed Implementation Date:	2012
Proponent:	These tracts were nominated by the lessee Glenn A. Kleeman, and brought forward now by the DNRC.
Location:	N2, SE4, Less 5 acres in S2SW4SE4SE4 of Section 36 – Twp 36N – Rge 44E; Lots 3 & 4 of Section 30 – Twp 36N – Rge 45E; N2SE4, N2SW4SE4, SW4SW4SE4, W2SE4SW4SE4, W2E2SE4SW4SE4 of Section 25 – Twp 36N – Rge 44E; and SW4 of Section 25 – Twp 36N – Rge 44E.
County:	Daniels County
Trust:	Common Schools

I. TYPE AND PURPOSE OF ACTION

Offer for Sale at Public Auction 840.98 acres of state land currently held in trust for the benefit of Common Schools. 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 Trust.

Sale #	Legal
659	N2, SE4, Less 5 acres in S2SW4SE4SE4 of Section 36 – Twp 36N – Rge 44E
661	Lots 3 & 4 of Section 30 – Twp 36N – Rge 45E
658	N2SE4, N2SW4SE4, SW4SW4SE4, W2SE4SW4SE4, W2E2SE4SW4SE4 of Section 25 – Twp 36N – Rge 44E
657	SW4 of Section 25 – Twp 36N – Rge 44E

The 2003 State Legislature passed statutes (77-2-361 through 367 MCA) authorizing the Department of Natural Resources and Conservation (DNRC) to sell State School Trust Lands and utilize those funds to purchase replacement lands for the school trust through a process called Land Banking. To date approximately 50,000 acres of mostly isolated lands have been sold and 48,000 acres of accessible replacement lands have been purchased, under the Land Banking program.

Currently 24% of Daniels County is state owned school trust land. This is the highest concentration of state land within any county in Montana. The concentration of state land presents land management difficulties for farmers and ranchers and interest has been expressed by these groups and local elected officials to offer for sale a portion of the state lands within the County. A goal of land sales within Daniels County is to reduce the level of state ownership within the County.

Four maps are attached to this EA checklist showing the proposed acreage for sale in each respective section.

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 January, 2011 to state surface lessees, currently holding leases in Daniels County, informing them of the Land Banking Program and requesting nominations be submitted.
- The lessee nominated the tracts and paid a \$100.00 application fee.
- Legal notices were published in the in the Daniels County Leader 11/10/2011 to 11/17/2011

- Direct mailings were made to lessees, adjacent land owners, County Commissioners, State Legislators (from the involved Districts and who were associated with the legislation), and a host of organizations and individuals who had expressed previous interest in this process. A full listing of contacts is attached as Appendix C.
- Notice of proposed sale was also posted on the DNRC web page at, <http://dnrc.mt.gov/PublicInterest/Notices/November/DanielsScopingLandBanking.pdf>

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 and does not sell these tracts.

Alternative B (the Proposed action) – Under this alternative, the Department would request and recommend approval by the Land Board to sell the tracts listed on this EA. 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.

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.

No unusual geologic features are present. Topography consists primarily of gently rolling plains except on the tract of Sale #661 where a steep ridge runs north-south through the tract. Soils are stable in areas with permanent vegetation cover and the farm land is well managed and shows very little soil erosion.

A variety of soil types are found across the tracts. USDA – NRCS soil survey indicated Land Capability Classification as mainly class 3e soils which are capable of being farmed. The remainder of the soils ranges from class 4e to class 7e and are less suitable for dryland ag production. The majority of Sale #659 is currently used as farmland. The remaining parcels are located near a homesite of the nominating lessees and are primarily used as grazing land and wintering ground for livestock.

The nominating lessees indicated that they would continue to manage the native rangeland in the same manner whether the land is sold or not. Since it is expected that this land will continue to be used for livestock grazing, dryland agriculture, and wintering livestock in the future, no direct, indirect, or cumulative impacts are anticipated from the proposed action.

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.

The existing land use practices of nominated parcels are expected to continue whether land is sold or not. No direct, indirect, or cumulative effects to water quality, quantity, and/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.

The existing land use practices of nominated parcels are expected to continue whether land is sold or not. No direct, indirect, or cumulative effects to air quality 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.

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 this land will be used for grazing livestock in the future. The nominating lessee has indicated that if they purchased this tract, the land use would remain as grazing land. 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.

A review of Natural Heritage data through the NRIS was conducted regarding plant species. There were no plant species of concern noted or potential species of concern noted on the NRIS survey.

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.

The area is not considered critical wildlife habitat. However, this tract provides habitat for a variety of big game species (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.

The nominating lessees have indicated that if they purchased this tract, the land use would remain as grazing land. There are no unique or critical wildlife habitats associated with the state tract and no direct or cumulative wildlife impacts are expected to occur as a result of implementing 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.

A review of Natural Heritage data through the NRIS was conducted, as well as tract specific requests for wildlife concerns were made to the Montana FWP. Montana FWP did not provide any site specific comments regarding wildlife. The NRIS survey identified 16 Species of Concern and 6 Potential Species of Concern that may inhabit the region where the lands are to be sold. Six of these species require streams, lakes or other mesic habitat types to exist, one requires sagebrush, and the others are primarily grassland species. The nominator of the land has indicated that if he purchases the land management will exist as it does today, resulting in no change of habitat types.

There are no threatened or endangered species, sensitive habitat types, or other species of special concern associated with the proposed land sale.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

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

The DNRC conducted a Class III level inventory of cultural and paleontologic resources in response to the proposed sale of state land in Daniels County, Montana. Approximately 5,015 acres were inspected to Class III inventory standards. The remainder (all previously or actively cultivated land) was inspected only at a distance via automobile to identify any obvious structures or land forms that might require further investigation.

During the course of fieldwork, four cultural resources were identified. Two are archaeological properties (24DN0016 and 24DN0139) associated with past Native American occupants of the region. Two are historic properties (24DN0136 and 24DN0140) associated with late 19th and early 20th Century settlement and development of the region. Although site 24DN0139 has not been evaluated to determine its significance in archaeology, site 24DN0136 (The Daniels County segments of the Great Northern Railway route) has been determined to be eligible for listing in the National Register of Historic Places (NRHP). In stark contrast, site 24DN0140 is recommended here to be ineligible for listing in the NRHP.

Although site 24DN0016 may contain archaeologically important cultural remains, a limited subsurface testing program and visual inspection suggests that the state owned portion of the property does not contain such deposits. Thus, the state owned portion of the site constitutes an element of the resource that does not contribute to its NRHP importance.

No additional archaeological investigative work is recommended for this proposed land sale. A formal report of findings has been prepared and is on file with the DNRC (DNRC Cultural Resources Inventory Report #2011-6-6) and the Montana State Historic Preservation Officer. As a final note, neither Judith River nor Hell Creek geologic formations are found on or beneath the surfaces of any of the tracts in western Daniels County.

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 State land tracts nominated for sale are located in a rural agricultural area used for production of small grain, hay, and cattle. The nominated parcels are generally indistinguishable from adjoining State and private lands.

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. 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.

The existing land use practices of the nominated parcels are expected to continue whether land is sold or not sold. 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.

There are no known state proposed actions, places or projects proposed in the sale area.

IV. IMPACTS ON THE HUMAN POPULATION
• <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>

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. No direct, indirect, or cumulative effects to human health and safety are anticipated.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

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

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. No direct, indirect, or cumulative effects to industrial, commercial, and agriculture activities and production 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 existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. No direct, indirect, or cumulative effects to quantity and/or distribution of employment 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.

If sold, parcels would move from tax exempt status to taxable status, which will provide income to the county. The exact amount is unknown until the assessor appraisal is completed.

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 existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. Accessible lands will be controlled by the purchaser in the future, and they may or may not allow public access. Traffic from recreationalists may be reduced if public access is denied or limited. No other traffic changes are anticipated.

No impacts to the demand of government services are anticipated. All state and private lands in Daniels County are under the County Coop wildfire protection program. The proposed sale will not change the fire protection plan in the area.

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.

There are no zoning or other agency management plans affecting this land. The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. 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.

A goal of DNRC in the sale of this and other like parcels is to reduce state school trust ownership within Daniels County. School trust lands constitute 24% of land ownership within Daniels County and with most state land located in the western half of the county where approximately 50% of the land is state owned. Almost all state school trust land in Daniels County is legally accessible from either a county road or adjoining state land. In order to reduce state land ownership within Daniels County it is necessary to sell publically accessible lands.

Through the public scoping process the DNRC staff received three individual and one agency comments. Of these 4 commenter's, one expressed the opinion that no school trust land with public access should be sold due to the loss of recreational access to these lands, and two expressed the concern that no state land should be sold. DFWP was the final commenter and categorized their comments into priorities.

DFWP grouped areas of state land sales into six complexes that they called priorities. They expressed concerns of the sale of Priorities 1-4 due to the loss of public hunting opportunities. The sale of their priorities 5 and 6 would have minimal loss of public recreation opportunities.

The DFWP identified priority 1 area—The DNRC did not receive nomination of these parcels from the State's surface lessee. Therefore, these tracts were removed from further sale consideration.

DFWP priority 2 area: This DFWP priority effects DNRC sale #'s 673, 656, 655, 665, 672, 671, 670, 669, 668, 666, 652, 654, 653, 651, 649, 648, and 650. These lands are generally a mixture of agriculture and grazing lands. A home site exists on this property and is being considered for sale. Recreational opportunities on these properties are presently restricted by the no hunting/shooting state statue limiting recreational opportunities within ¼ mile of an occupied dwelling. Legal hunting opportunities for deer, upland game birds, and other sought after species exist on this property. Woody/shrubby draws are present and provide habitat for numerous game species. The sale of these properties would diminish public recreational opportunities as they exist today.

DFWP priority 3 area: This DFWP priority effects DNRC sale #'s 659, 661, 658, 657, and 660. Two home sites are located on deeded land in the vicinity of the parcels being proposed for sale. Recreational opportunities on these properties are presently restricted by the no hunting/shooting state statue limiting recreational opportunities within ¼ mile of an occupied dwelling. The majority of these lands proposed for sale are located within ¼ mile of these two home sites. Additionally, landscape alterations have drastically reduced the habitat qualities of this area needed to attract game species. Minimal recreational activities are presently taking place. The sale of this land will not impact future recreational activities.

DFWP priority 4 area: This DFWP priority effects DNRC sale #'s 633, 634, 635, 636, 366, 365, 637, 645, 677, 640, 639, and 638. These sales are proposed to take place in the direct vicinity of two home sites (one on state land and a second on deeded land). Recreational opportunities on these properties are presently restricted by the no hunting/shooting state statue limiting recreational opportunities within ¼ mile of an occupied dwelling.. Some of these tracts are irregular shaped tracts and provide difficulty for recreationist to ensure they are on State owned lands. Other parcels are difficult to legally access.

Scattered parcels – Covers the remainder of the sales that are not referenced in this section and are scattered parcels not included within the DFWP priority areas and were of lesser concern to DFWP regarding sale.

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 existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. No direct, indirect, or cumulative effects to population and/or housing are anticipated.

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. There are no native, unique, or traditional lifestyles or communities in the vicinity that would be impacted by the proposal.

23. CULTURAL UNIQUENESS AND DIVERSITY:

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

The State Trust lands nominated for sale are currently used for grazing, agriculture, and wintering livestock. The State lands are generally indistinguishable from the adjacent private lands, with no unique qualities. The existing land use practices of nominated parcels are expected to continue whether land is sold or not sold. No impacts to cultural uniqueness and/or diversity 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.

Sale #	Legal	Acres	Acreage Classification	Carrying Capacity	Estimated Net Rate of Return %
659	N2, SE4, Less 5 acres in S2SW4SE4SE4 of Section 36 – Twp 36N – Rge 44E	476.3	120.19 Grazing 349.41 Ag 6.7 Unsuitable	53 AUMs	2.96
661	Lots 3 & 4 of Section 30 – Twp 36N – Rge 45E	72.18	72.18 Grazing	37 AUMs	3.30
658	N2SE4, N2SW4SE4, SW4SW4SE4, W2SE4SW4SE4, W2E2SE4SW4SE4 of Section 25 – Twp 36N – Rge 44E	132.5	93.4 Grazing 37.3 Ag 1.8 Other	125 AUMs	3.43
657	SW4 of Section 25 – Twp 36N – Rge 44E	160	140 Grazing 20 Other	45 AUMs	1.04
Totals		840.98	395.0 Grazing 5.0 Unsuitable	259 AUMs	

The State currently has 4.07 million acres classified as grazing land. The average stocking rate for the grazing acreage is 0.24 AUMs per acre for a total of 975,766 AUMs. 2010 statewide grazing land gross revenue was \$6,483,884.00 (\$6.12 per AUM) for an average income of \$1.59 per acre (2010 DNRC Annual Report).

- The average income per acre of grazing land will likely increase in the future because the Board of Land Commissioners recently approved a recommendation to increase the multiplier used to calculate the yearly AUM rental rate. The rental rate is determined by taking the multiplier times the average beef cattle price. The previous multiplier was 7.54 and it has been increased to 10.48. Since this rate is dependent on the future prices of beef which is unknown, it cannot be determined how much the rental rates will actually increase.

The State currently has 571,000 acres classified as agricultural land. Gross revenue from leasing the agricultural acreage for the 2010 fiscal year was \$11,472,726. The average income per acre of agricultural land was \$20.09 last year. The majority of the acreage is leased on a crop share basis with the minimum share of 25% set by statute; however, some leases are subject to cash lease agreements (2010 DNRC Annual Report).

The tracts nominated for sale have an average stocking rate of 0.31 AUMs/ acre. The estimated rate of return for each of these tracts is listed in the table above. This is based on an estimated sale value of \$250.00(+/-) per acre for grazing lands, \$350.00 per acre for agriculture, and \$400.00 per acre for other classified lands. The actual rate of return can't be calculated until the property value is determined. 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 to help 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: Matthew Poole
	Title: Land Use Specialist, Glasgow Unit, Northeast Land Office
Signature: /s/ Date: December 27, 2011	

V. FINDING

25. ALTERNATIVE SELECTED:

Alternative B—Action Alternative

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

The sale of the subject state school trust parcels will not result in a significant impact to health or the human environment. A goal of this land sale is to reduce state school trust ownership within Daniels County. As a result, the sale of publically accessible land is necessary as almost all state school trust land in Daniels County are accessible from a county road or adjoining state land. If all parcels nominated for sale proceed to final sale, 7280 acres or 3.2 % of all school trust lands within Daniels County would be sold. The sale of 840.98 acres does not represent a significant reduction in public recreational opportunity. Furthermore, none of the proposed sale parcels contain rare or unusual recreational attributes and no other adverse resource impacts are anticipated.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

☐ EIS
 ☐ More Detailed EA
 ☒ No Further Analysis

EA Checklist Approved By:	Name: Clive Rooney
	Title: NELO Area Manager
Signature: /s/ Date: December 27, 2011	