

AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
January 19, 2021, at ~~9:00 a.m.~~ Meeting Time Change to 10:00 a.m.
Mazurek Justice Building, Supreme Court Chambers
Helena, MT

ACTION ITEMS

- 0121-1 **Land Banking Parcels: Set Minimum Bid for Sale** **APPROVED 5-0**
Benefits: Common Schools
Location: Musselshell County
- 0121-2 **Cabin and Home Sites: Final Approval for Sale** **APPROVED 4-0**
A. Flathead County **Mr. Downing Abstaining**
Benefits: Montana Tech
Location: Flathead County
B. Missoula County
Benefits: MSU 2nd
Location: Missoula County
- 0121-3 **Easements** **APPROVED 5-0**
Benefits: Common Schools, Public Land Trust – Nav. River
Location: Flathead, Musselshell, and Phillips Counties

PUBLIC COMMENT

0121-1

LAND BANKING PARCEL:

Set Minimum Bid for Sale

**Land Board Agenda Item
January 19, 2021**

0121-1 Land Banking Parcel: Set Minimum Bid for Sale

Location: Musselshell County

Trust Benefits: Common Schools

Trust Revenue: \$95,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) requests to set minimum bid for one parcel totaling approximately 160 acres nominated for sale in Musselshell County. The sale was nominated by the lessee and is located approximately 15 miles northwest of Roundup, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
1055	160±	SW4 T10N-R24E, Sec. 24	Byron Boucher Farms, Inc.	Common Schools

The sale parcel has been used primarily for livestock grazing purposes and can support 112 AUMs.

This sale parcel is surrounded by private land and is not legally accessible by the public. The sale of this parcel would not restrict or eliminate access to adjacent private land.

No potentially negative issues were identified through the MEPA process regarding the sale of this parcel.

Economic Analysis:

Short term – The average rate of return on the sale parcel is 1.07%. The parcel would continue to receive this return if it remains in state ownership.

Long-term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement land through the department's Land Banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.91% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

Scoping letters were sent to regional Tribal Historic Preservation Officers. No response was returned that identified a specific cultural resource issue. A Class I (literature review) level review was conducted by the DNRC staff archaeologist for the area of potential effect (APE). This entailed inspection of project maps, DNRC's sites/site leads database, land use records, General Land Office Survey Plats, and control cards. The Class I search results revealed that no cultural or paleontological resources have been identified in the APE, but it should be noted that Class III level inventory work has not been conducted there to date.

Because the topographic setting and geology suggest a low to moderate likelihood of the presence of cultural or paleontologic resources, because the Holocene age soils are thin, and because the entire tract was previously cultivated disposition of the state parcel is expected to have No Effect to Antiquities. No additional archaeological investigative work is warranted.

Background:

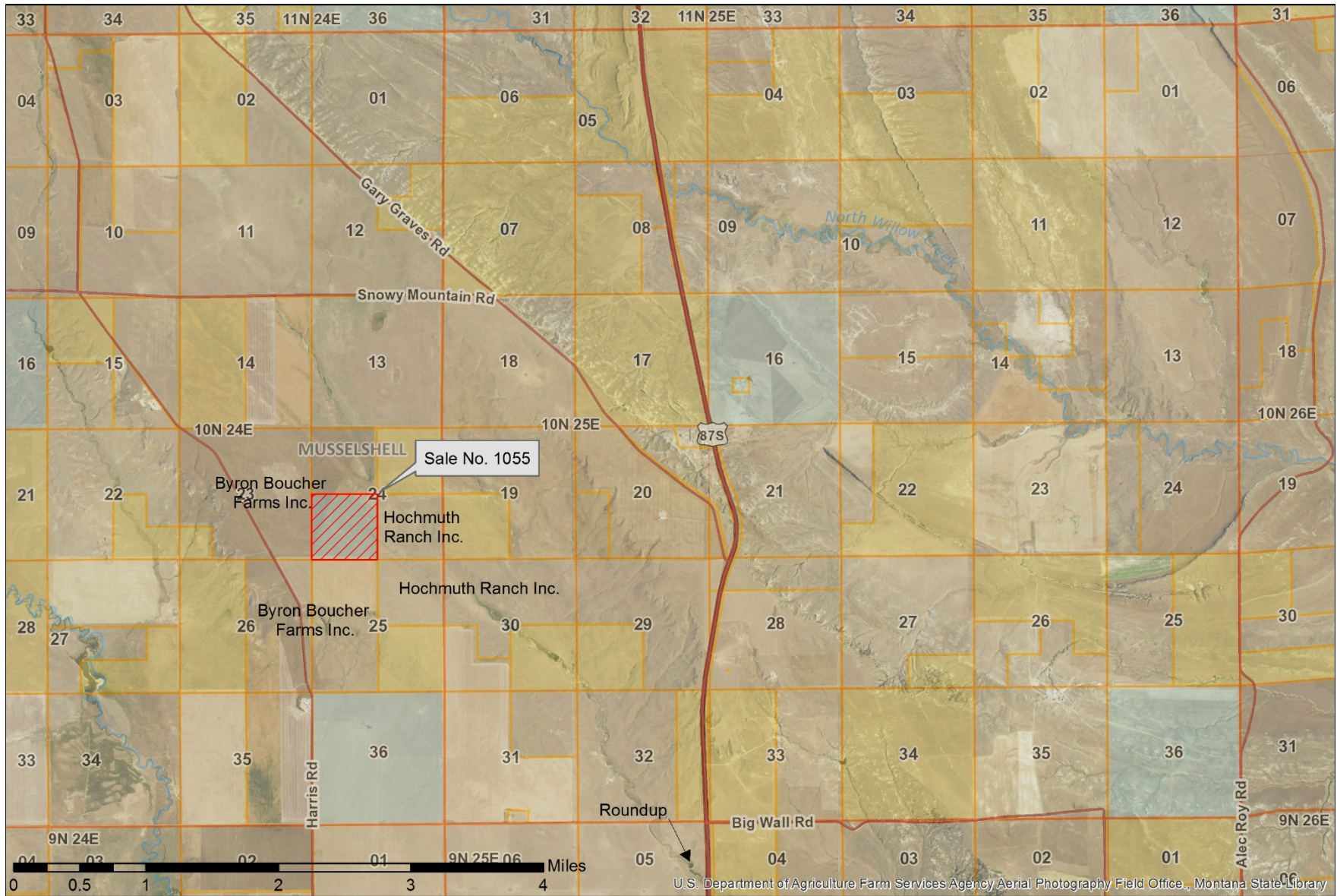
In July 2019, the Board granted preliminary approval for this parcel to continue through the Land Banking sale evaluation process.

Appraised Value:

Sale #	Appraised Value	Recommended Minimum Bid
1055	\$95,000	\$95,000

DNRC Recommendation

The director recommends the Land Board set the minimum bid for this parcel at the appraised land value shown above.



Location: Musselshell County
 Prepared on: 26 JUNE 2019
 Prepared by: DNRC REMB Staff
 Projection: NAD 1983 - MT State Plane

Musselshell County Sale: Byron Boucher Farms, Inc.
 Sale No. 1055, Common Schools

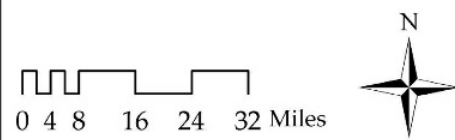
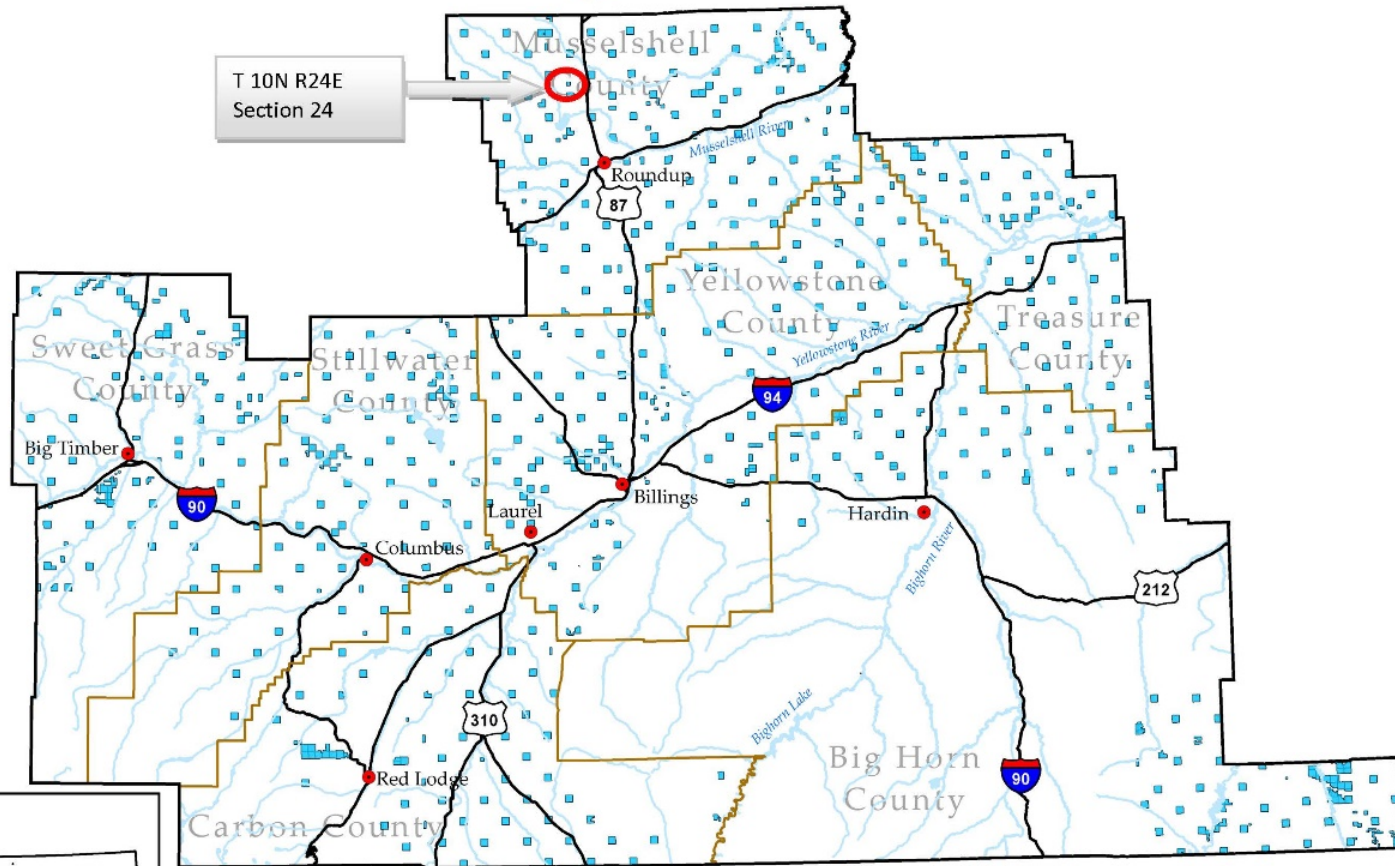
Owner Parcel
 Land Sales
 Montana State Trust Land
 Bureau of Land Management



SALE # 1055 BYRON BOUCHER VICINITY MAP SOUTHERN LAND OFFICE



T 10N R24E
Section 24



Produced by Montana Department of Natural Resources and Conservation 2013
Datum: NAD 1983 Montana State Plane

- Towns
- County Border
- Major Roads
- Rivers
- Water Bodies
- State Trust Land

0121-2

CABIN AND HOME SITES:

Final Approval for Sale

A. Flathead County

B. Missoula County

**Land Board Agenda Item
January 19, 2021**

**0121-2A Cabin and Home Sites: Final Approval for Sale
A. Flathead County**

Location: Flathead County
Trust Benefits: Montana Tech
Trust Revenue: \$2,543,200

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval for sale of 6 cabin sites nominated for sale in Flathead County. These sales were nominated by DNRC in conjunction with the Cabin and Home Site Sale Program.

Sale No.	Acres	Legal Description	Winning Bidder	Trust
981	0.327±	Lot 3, Echo Lake, COS 18885, Section 5, T27N-R19W	McKay Steed	Montana Tech
982	1.124±	Lot 17, Echo Lake, COS 18885, Section 5, T27N-R19W	McKay Steed	Montana Tech
801	1.866±	Lot 31, Echo Lake, COS 18885, Section 5, T27N-R19W	McKay Steed	Montana Tech
1108	1.803±	Lot 42, Echo Lake, COS 18885, Section 5, T27N-R19W	Scott Hollinger	Montana Tech
1109	3.462±	Lot 44, Echo Lake, COS 18885, Section 5, T27N-R19W	Bradley & Caylee Low	Montana Tech
1110	2.977±	Lot 45, Echo Lake, COS 18885, Section 5, T27N-R19W	Bradley & Caylee Low	Montana Tech

The parcels are classified as cabin sites but are not currently leased. The parcels produce less than the average income for residential leases statewide. The parcels will be sold with the access that would be provided under a lease agreement and can be conveyed by DNRC.

Economic Analysis

Short term – The average rates of return on these sale parcels are as follows. The parcels will continue to receive these returns if they remain in state ownership.

Sale No.	Rate of Return	Sale No.	Rate of Return
981	0.000%	1108	0.000%
982	0.000%	1109	0.000%
801	0.000%	1110	0.000%

Long term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through DNRC's Land Banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.91% on acquisitions with income generated from annual lease payments.

Background

Sale Nos. 1108, 1109, and 1110 were granted preliminary approval in April 2020 to proceed through the Cabin and Home Site Sale Program. Sale Nos. 981, 982, and 801 were granted preliminary approval at the beginning of a previous program cycle in April 2018. The Land Board set the minimum bid for the land and the maximum value of compensation for the improvements in October 2020.

Cultural/Paleontological Resources

A Class I level of cultural resource inventory was conducted for each of the proposed sales. Home sites typically contain numerous structures and the ground surfaces within most home sites have been variously disturbed over the course of many years of occupation and development. These sales will have no effect to state-owned heritage properties.

Appraised Values of Land

Sale Nos.	Appraised Land Value	Final Sale Price
981	\$368,200*	\$368,200
982	\$336,000	\$410,000
801	\$389,600*	\$404,000
1108	\$375,000	\$407,000
1109	\$368,000	\$466,000
1110	\$390,000	\$488,000

*Sale Nos. 981 and 801 currently have improvements valued at \$7,200 and \$6,600, respectively. DNRC owns these improvements, as per 77-2-314, MCA, which will be transferred to the winning bidders with the land. As such, the appraised improvements values have been included in the appraised land values.

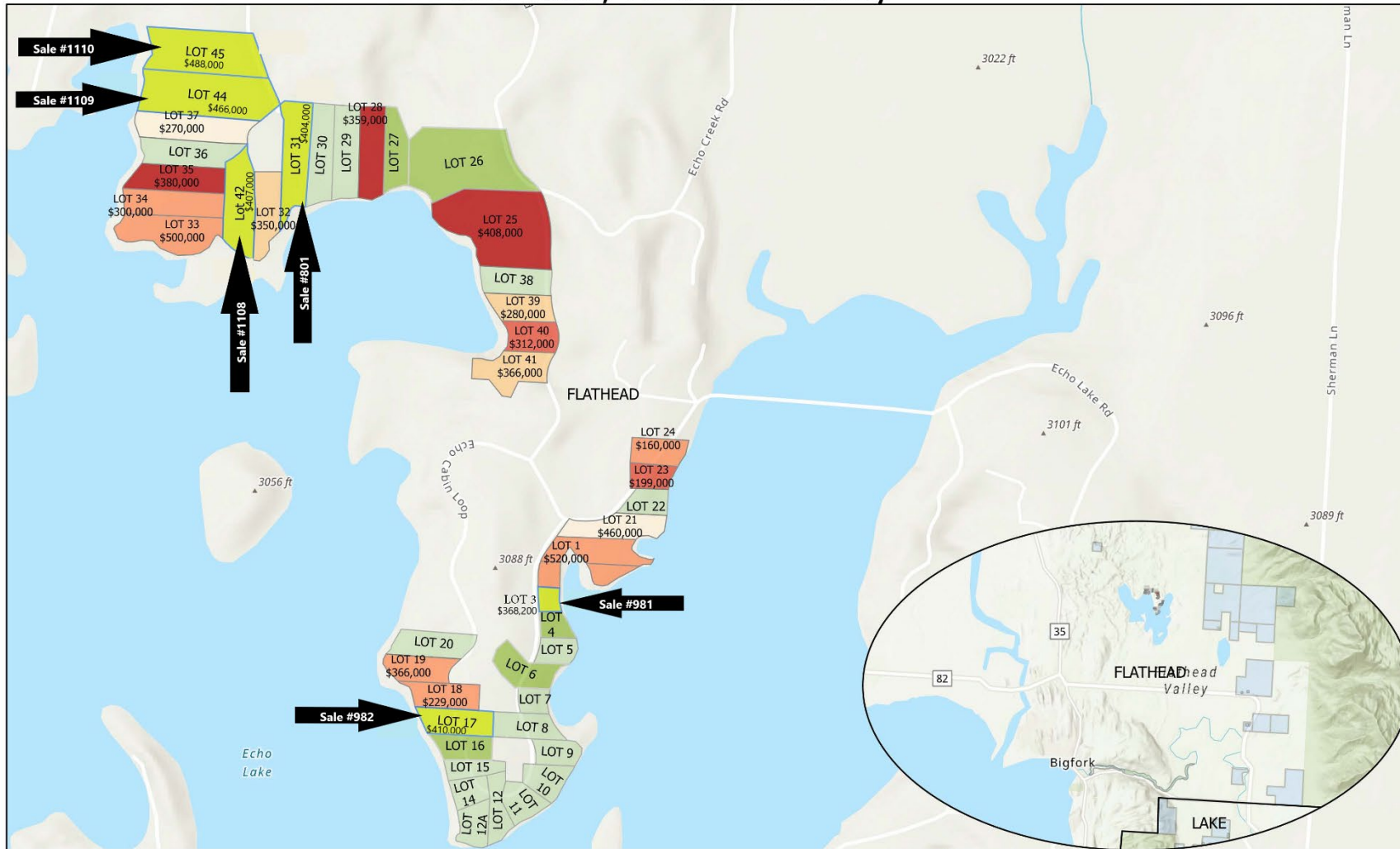
Sale Price

These sales sold at public auction on December 10, 2020. DNRC received a bid deposit from 2 to 5 qualified bidders for each sale, and there was competitive bidding for each site except Sale No. 981. The sites sold for the final sale prices listed above.

DNRC Recommendation

The director recommends the Land Board grant final approval for the sale of these cabin sites at the final sale prices shown above.

Echo Lake, Flathead County



Active Sales

LeaseStatus

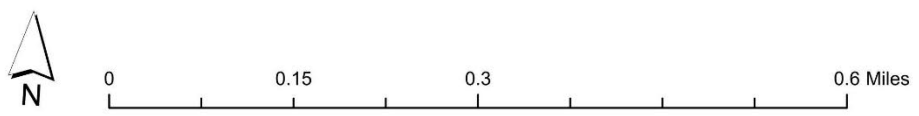
- Active
- Vacant

Sale Year

- ≤2015
- 2016
- 2017
- 2018
- 2019
- 2020

County

Trust Lands



Trust Lands Cabin Site Sales
Map Created by REMB staff
October 2020

**Land Board Agenda Item
January 19, 2021**

**0121-2B Cabin and Home Sites: Final Approval for Sale
B. Missoula County**

Location: Missoula County
Trust Benefits: MSU 2nd
Trust Revenue: \$287,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval for sale of 7 cabin sites nominated for sale in Missoula County. These sales were nominated by the lessees in conjunction with the Cabin and Home Site Sale Program.

Sale No.	Acres	Legal Description	Nominator	Trust
1092	2.654±	Lot 4, Morrell Flats, COS 5840, Section 14, T16N-R15W	Richard Jimmerson & Sylvia Miller	MSU 2 nd
1093	1.443±	Lot 18, Seeley Lake Development, COS 6161, Section 4, T16N-R15W	Elizabeth Moody, et al.	MSU 2 nd
1094	0.832±	Lot 23, Seeley Lake Development, COS 6161, Section 4, T16N-R15W	Richard & Sharon Evans	MSU 2 nd
1095	1.464±	Lot 30, Seeley Lake Development, COS 6161, Section 4, T16N-R15W	Janet & Steven Gustuson	MSU 2 nd
1096	1.335±	Lot 37, Seeley Lake Development, COS 6161, Section 4, T16N-R15W	Rye Svingen, Callie Puls, & Timothy Svingen	MSU 2 nd
1097	1.367±	Lot 45, Seeley Lake Development, COS 6161, Section 4, T16N-R15W	Robert & Nancy Quirino	MSU 2 nd
1105	1.142±	Lot 8, Seeley Lake North, COS 5994, Section 16, T17N-R15W	Lori A. Kennedy	MSU 2 nd

The parcels are currently leased as cabin sites and produce an average income for residential leases statewide. The parcels will be sold with the access that is currently provided under their lease agreements and can be conveyed by DNRC.

Economic Analysis

Short term – The average rates of return on these sale parcels are as follows. The parcels will continue to receive these returns if they remain in state ownership.

Sale No.	Rate of Return	Sale No.	Rate of Return
		1095	6.581%
1092	3.993%	1096	5.646%
1093	6.531%	1097	5.646%
1094	3.344%	1105	6.287%

Long term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through DNRC’s Land Banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.91% on acquisitions with income generated from annual lease payments.

Background

These sales were granted preliminary approval in April 2020 to proceed through the Cabin and Home Site Sale Program. The Land Board set the minimum bid for the land and the maximum value of compensation for the improvements in October 2020.

Cultural/Paleontological Resources

A Class I level of cultural resource inventory was conducted for each of the proposed sales. Home sites typically contain numerous structures and the ground surfaces within most home sites have been variously disturbed over the course of many years of occupation and development. These sales will have no effect to state-owned heritage properties.

Appraised Values of Land and Improvements

Sale Nos.	Appraised Land Value	Appraised Improvements Value	Final Sale Price
1092	\$77,000	\$115,000	\$77,000
1093	\$35,000	\$162,000	\$35,000
1094	\$35,000	\$24,000	\$35,000
1095	\$35,000	\$41,000	\$35,000
1096	\$35,000	\$127,000	\$35,000
1097	\$35,000	\$192,000	\$35,000
1105	\$35,000	\$209,000	\$35,000

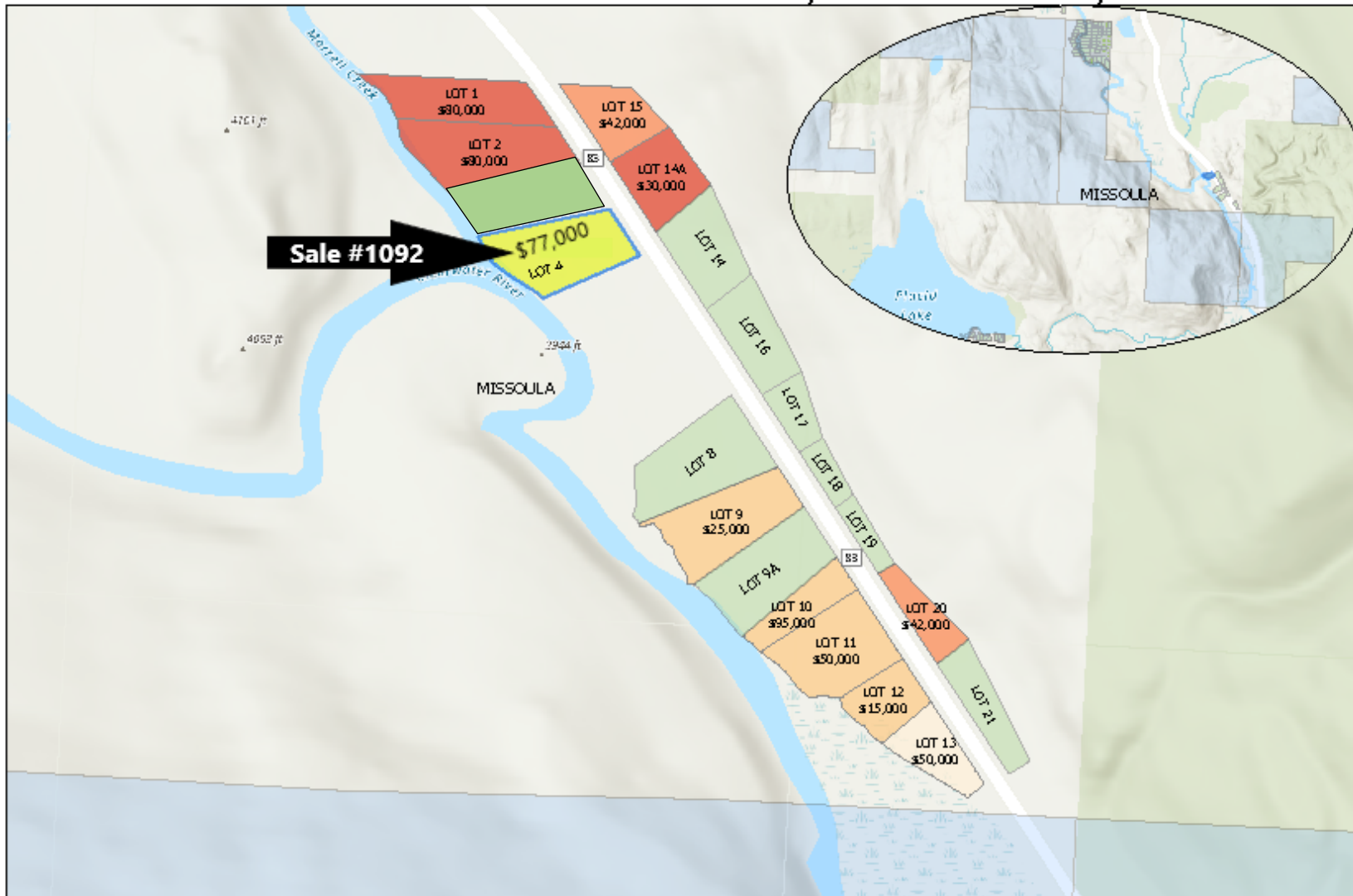
Sale Price

These sales sold at public auction on December 11, 2020. DNRC received a bid deposit from one qualified bidder for each sale who was the current lessee. The sites sold for the final sale prices listed above.

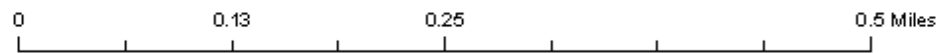
DNRC Recommendation

The director recommends the Land Board grant final approval for the sale of these cabin sites at the values shown above.

Morrell Flats, Missoula County

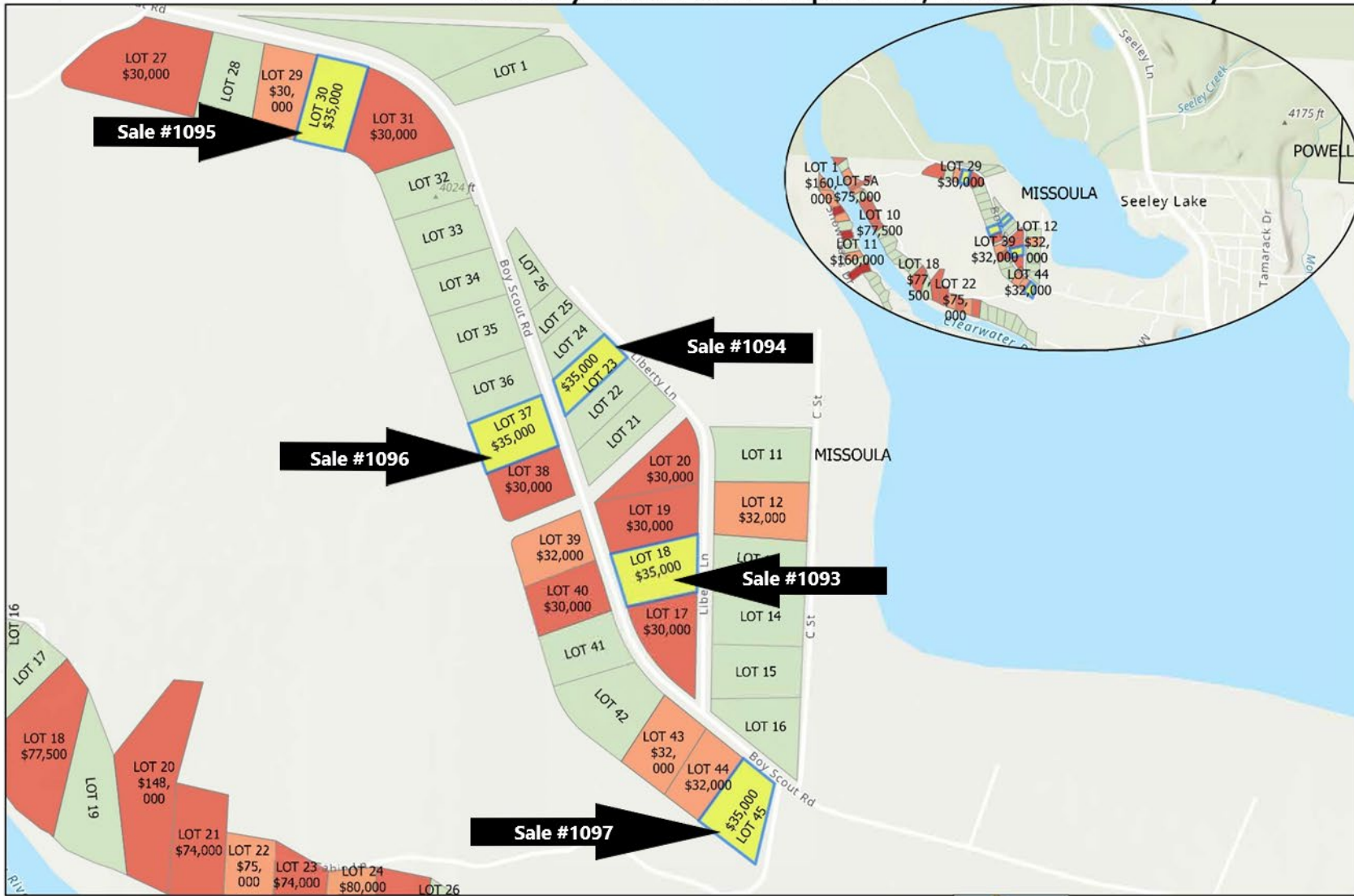


- Active Sales
- LeaseStatus
 - Active
 - Vacant
- Sale Year
 - ≤2015
 - 2016
 - 2017
 - 2018
 - 2019
 - 2020
 - County
 - Trust Lands

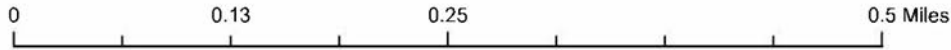


Trust Lands Cabin Site Sales
Map Created by REMB staff
October 2020

Seeley Lake Development, Missoula County



- Active Sales
- LeaseStatus**
- Active
- Vacant
- Sale Year**
- ≤2015
- 2016
- 2017
- 2018
- 2019
- 2020
- County
- Trust Lands

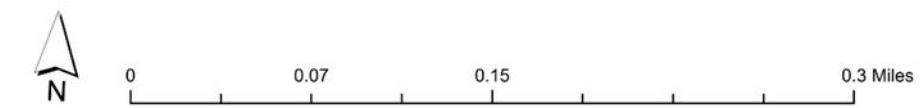


Trust Lands Cabin Site Sales
Map Created by REMB staff
October 2020

Seeley Lake North, Missoula County



- Active Sales
- LeaseStatus
 - Active
 - Vacant
- Sale Year
 - ≤2015
 - 2016
 - 2017
 - 2018
 - 2019
 - 2020
- County
- Trust Lands



Trust Lands Cabin Site Sales
Map Created by REMB staff
October 2020

0121-3

EASEMENTS

**Land Board Agenda Item
January 19, 2021**

0121-3 Easements

Location: Flathead, Lake, Musselshell, and Phillips Counties

Trust Benefits: Common Schools, Public Land Trust – Nav. River

**Trust Revenue: Common Schools = \$60,266
Public Land Trust = \$43,577**

Item Table of Contents

Applicant	Right-of-Way Purpose	Term	Page(s)
NCP Bayou 2, LLC	Private Access Road	Permanent	24-25
Flathead County	Public County Road	Permanent	26-27
Roy W. and Linda B. Gardner	Private Access Road	Permanent	28-29
Montana Department of Transportation	Highway Construction and Maintenance	Permanent	30-31
Triangle Telephone Cooperative Association, Inc.	Buried Telecommunications Cable	Permanent	32-40

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	NCP Bayou 2, LLC 541 Jetton Street Davidson, NC 28036
Application No.:	18968
R/W Purpose:	a private access road to a single-family residence and associated outbuildings and to conduct normal resource management activities
Lessee Agreement:	N/A (not leased)
Acreage:	4.46
Compensation:	\$20,962.00
Legal Description:	30-foot strip through Gov. Lot 1, NW4NW4, Sec. 16; N2NE4, NE4NW4, Sec. 17, Twp. 24N, Rge. 17W, Lake County
Trust Beneficiary:	Common Schools

Item Summary

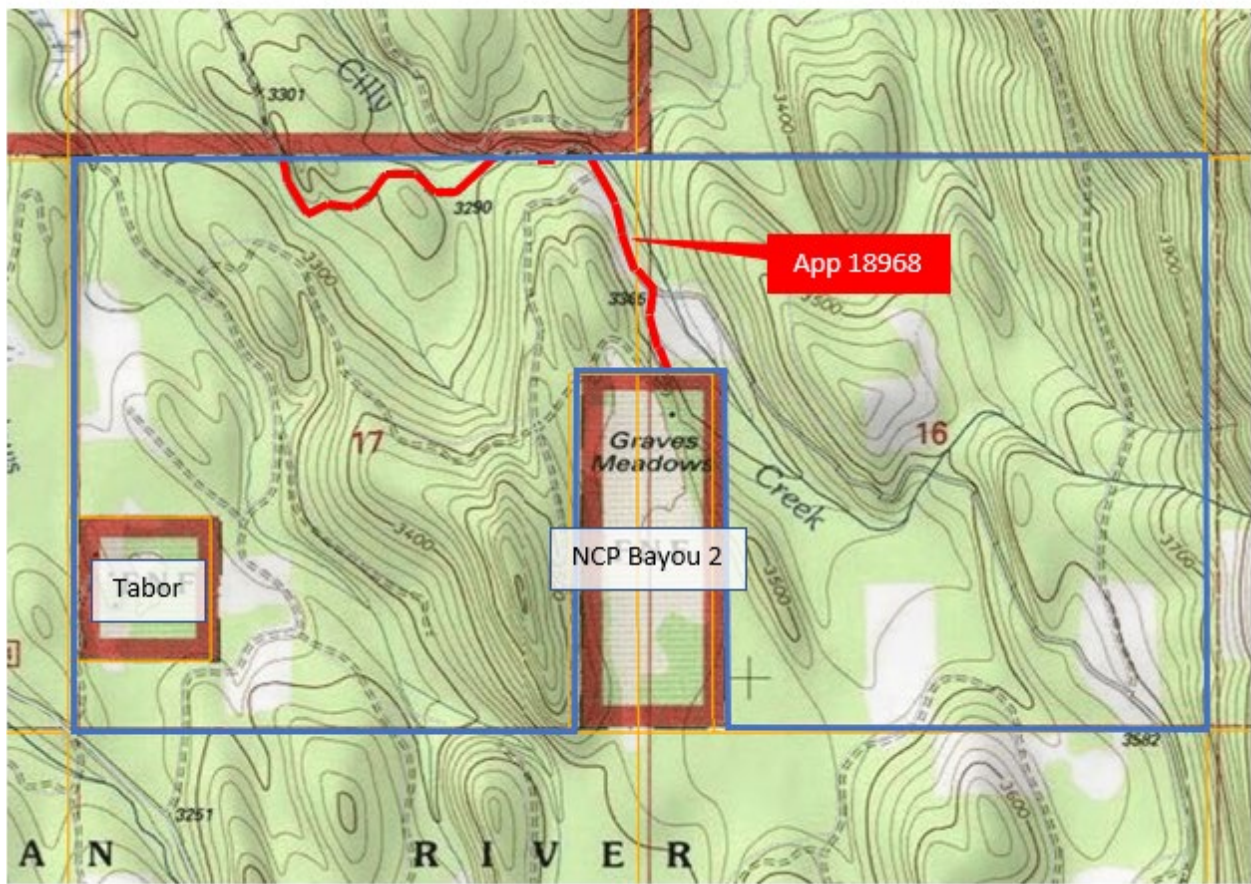
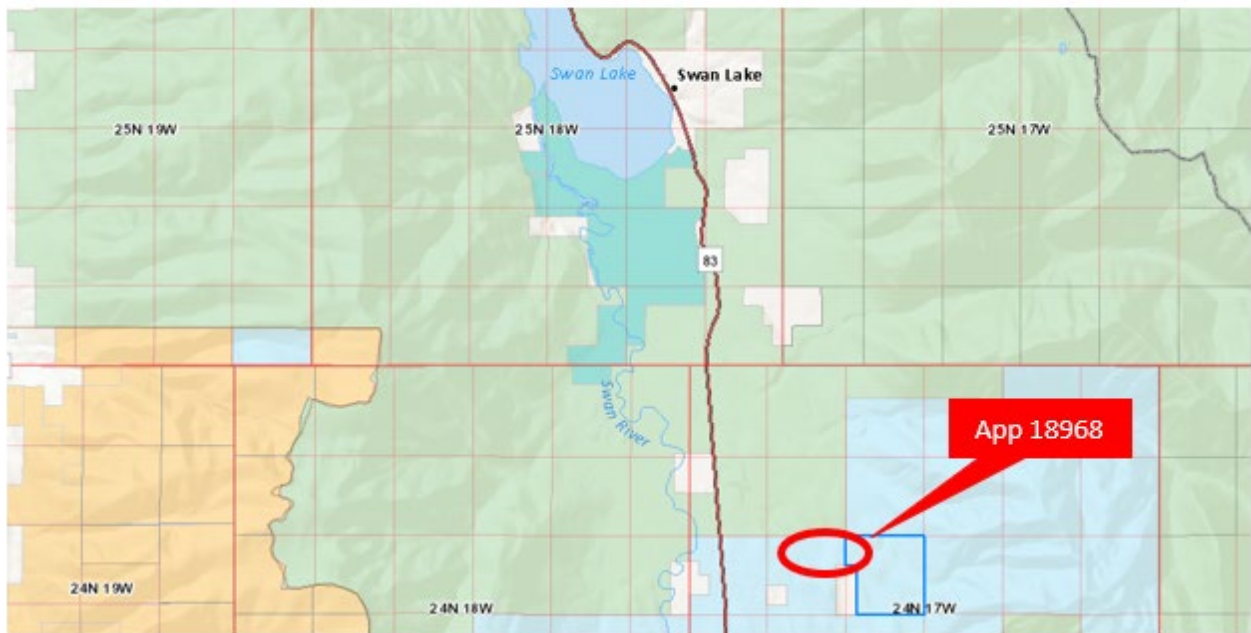
NCP Bayou 2 has made application under the Private Access Policy to obtain an easement across State Land to access its private lands for private residential use and resource management. Cilly Creek Road, a Forest Service managed and maintained road, provides access for the general public up to the affected State Trust land sections. As the State Land is legally accessible a reciprocal opportunity does not exist with the applicant. The State Trust land is managed under the Habitat Conservation Plan (HCP) as grizzly bear recovery habitat and, as such, motorized traffic is restricted. The road on State Land is currently gated and locked and, if this easement application is approved, the applicant will be required to keep the gate closed and locked during periods of use to comply with the habitat conservation plan. The easement, if granted, will restrict the use to only one single-family residence to reduce adverse effects and impacts to the HCP. The following property is to be accessed from this easement.

- SW4SW4NW4, W2W2SW4, Sec. 16, Twp. 24N, Rge. 17W
- SE4SE4NE4, E2E2SE4, Sec. 17 Twp. 24N, Rge. 17W

DNRC Recommendation

The director recommends approval of the application of NCP Bayou 2, LLC.

R/W Application 18968



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Flathead County 800 South Main Street Kalispell, MT 59901
Application No.:	18984
R/W Purpose:	a public county road known as North Fork Road
Lessee Agreement:	N/A (not leased)
Acreage:	7.81
Compensation:	\$35,145.00
Legal Description:	60-foot strip through E2SW4, NW4SW4, W2NW4, Sec. 16, Twp. 37N, Rge. 22W, Flathead County
Trust Beneficiary:	Common Schools

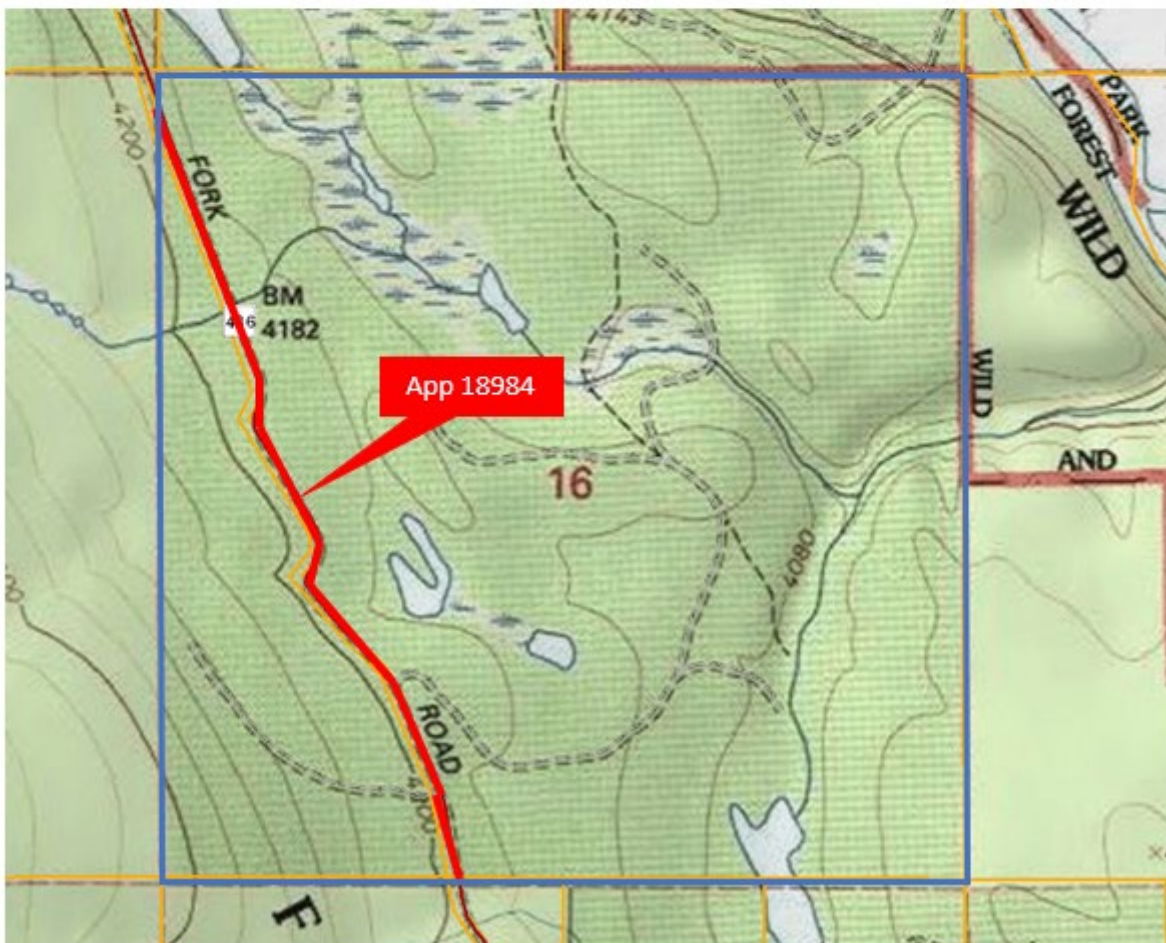
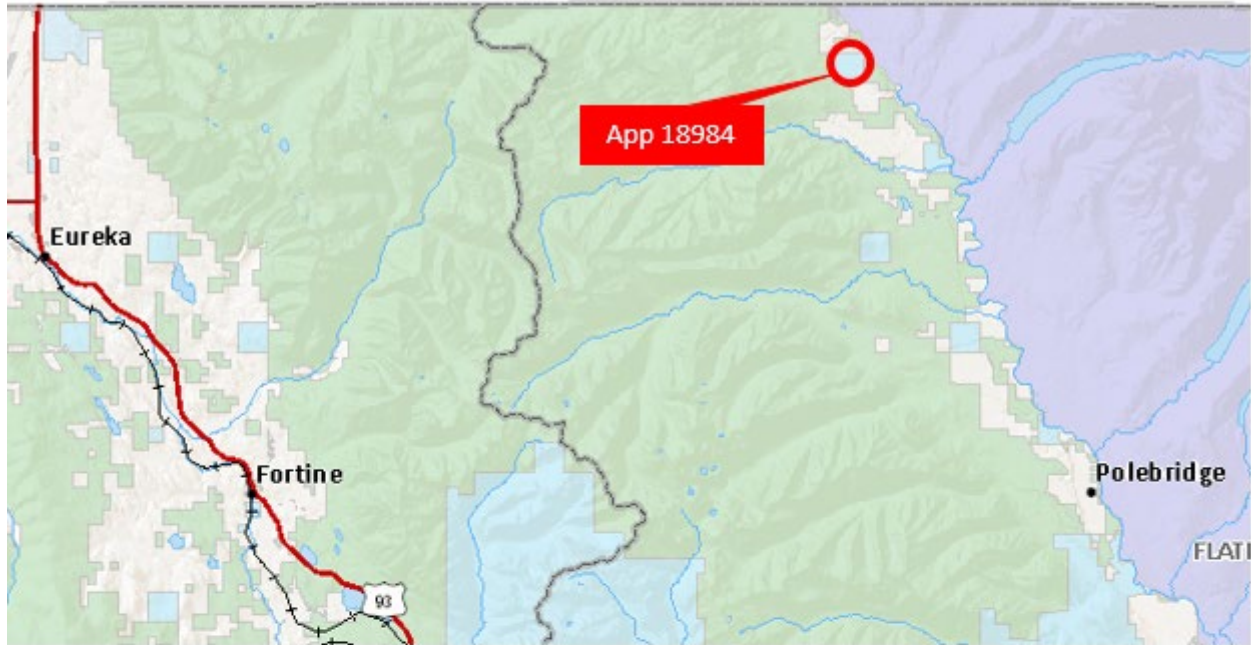
Item Summary

Flathead County has made application to obtain an easement on the North Fork Road encroaching on State Trust land, 2 miles south of the Canadian border. The entire North Fork Road system was constructed by the Forest Service in the 1950's and later assigned to Flathead County. The Forest Service obtained access easements from all landowners along the approximate 56-mile route from Columbia Falls to the Canadian border, except through this one section of State Trust land. The lack of an easement was discovered at the time Flathead County, in partnership with the Forest Service, National Park Service and the US Border Patrol, submitted an application through the Federal Lands Access Program for funds to reconstruct and resurface the roadway. The issuance of an easement will cure the current trespass situation and clarify the access rights of the public, including private landowners who rely on this road for access to their properties.

DNRC Recommendation

The director recommends approval of the application of Flathead County

R/W Application 18984



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Roy W. & Linda B. Gardner
 1395 James Norris Road
 Angier, NC 27501

Application No.: 18995
 R/W Purpose: a private access road to conduct normal farming and ranching operations and timber management

Lessee Agreement: N/A (Historic)
 Acreage: 1.33
 Compensation: \$670.00
 Legal Description: 10-foot strip through E2W2, Sec. 16, Twp. 7N, Rge. 28E, Musselshell County
 Trust Beneficiary: Common Schools

Item Summary

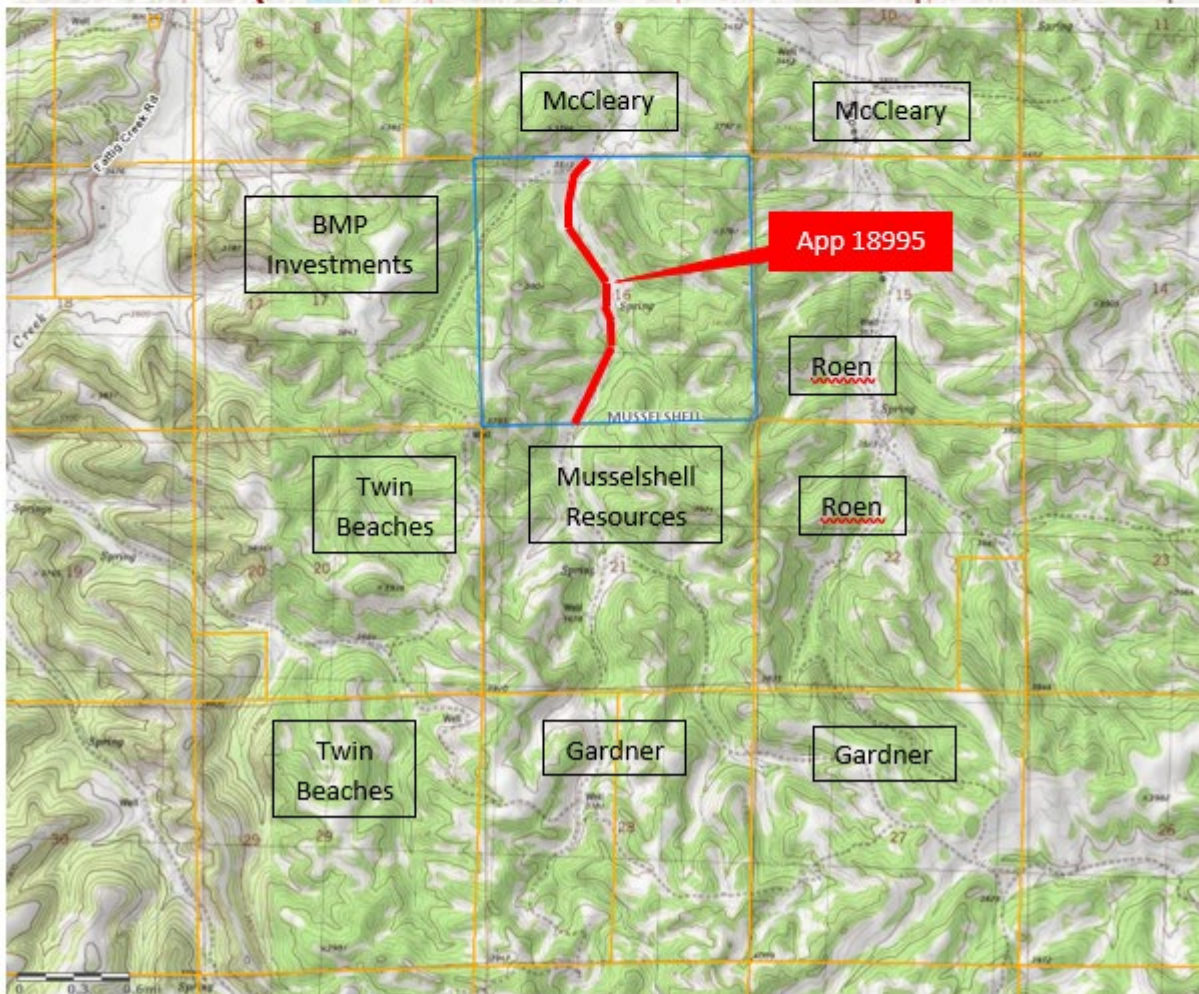
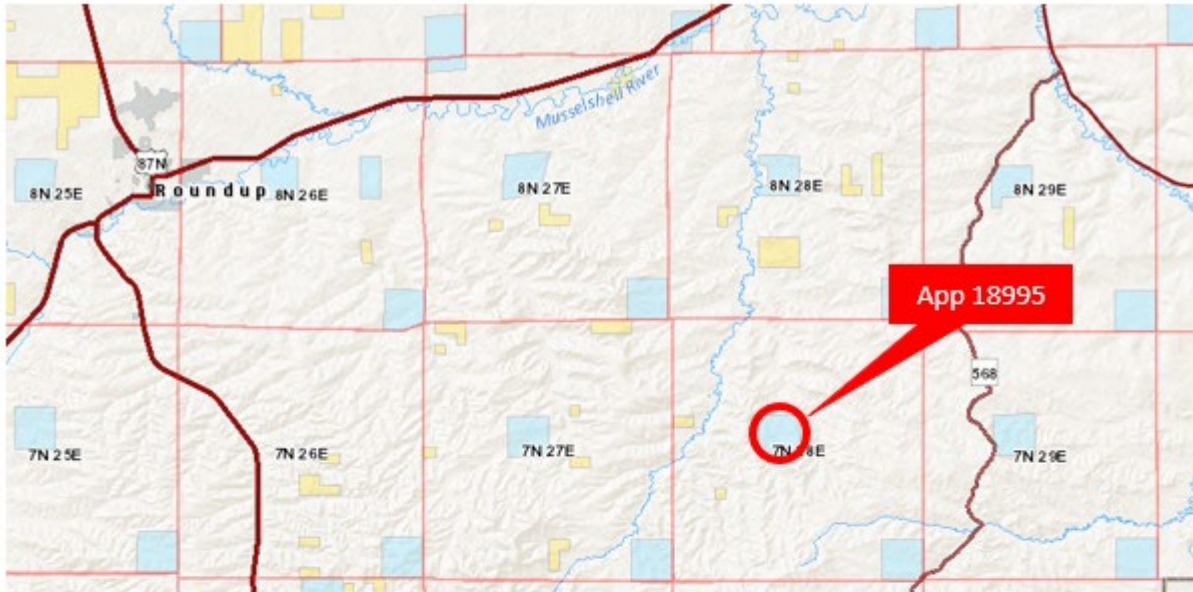
Roy and Linda Gardner have made application for the use of an existing road to conduct normal farming, ranching, and timber management activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is not legally accessible, and the Gardner's do not have the ability to reciprocate legal access to the State. The private property of applicant to be accessed is described as:

- All: Sec. 28, Twp. 7N, Rge. 28E, Musselshell County

DNRC Recommendation

The director recommends approval of the application of Roy and Linda Gardner.

R/W Application 18995



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Montana Department of Transportation PO Box 201001 Helena, MT 59620-1001
Application No.:	18996
R/W Purpose:	highway construction and maintenance, including occupancy by public utilities as defined in §69-4-101, MCA
Lessee Agreement:	N/A (Nav. River)
Acreage:	4.03
Compensation:	\$43,577.00
Legal Description:	a tract of land across the Yellowstone River between Gov. Lots 2 & 6, Sec. 34, Twp. 1N, Rge. 26E, Yellowstone County
Trust Beneficiary:	Public Land Trust - Nav. River

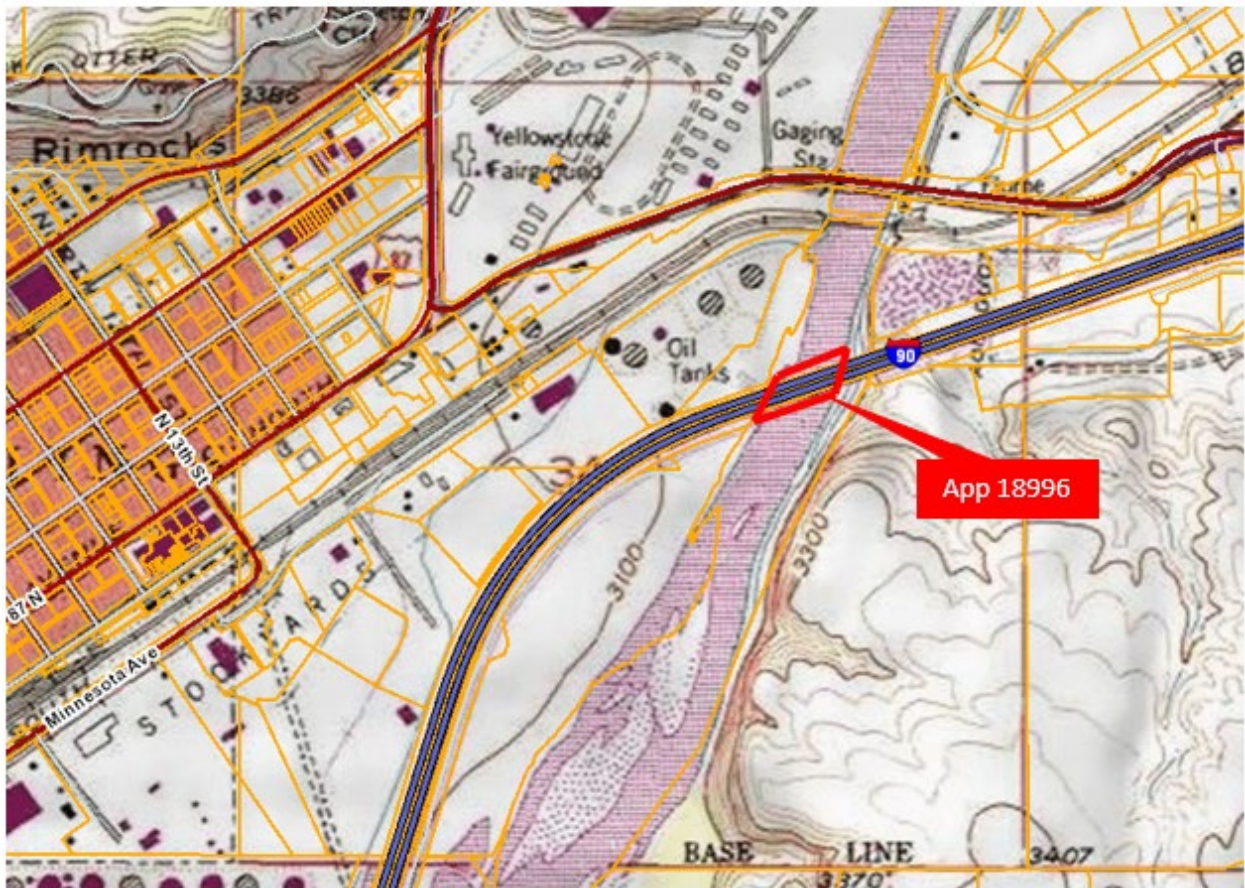
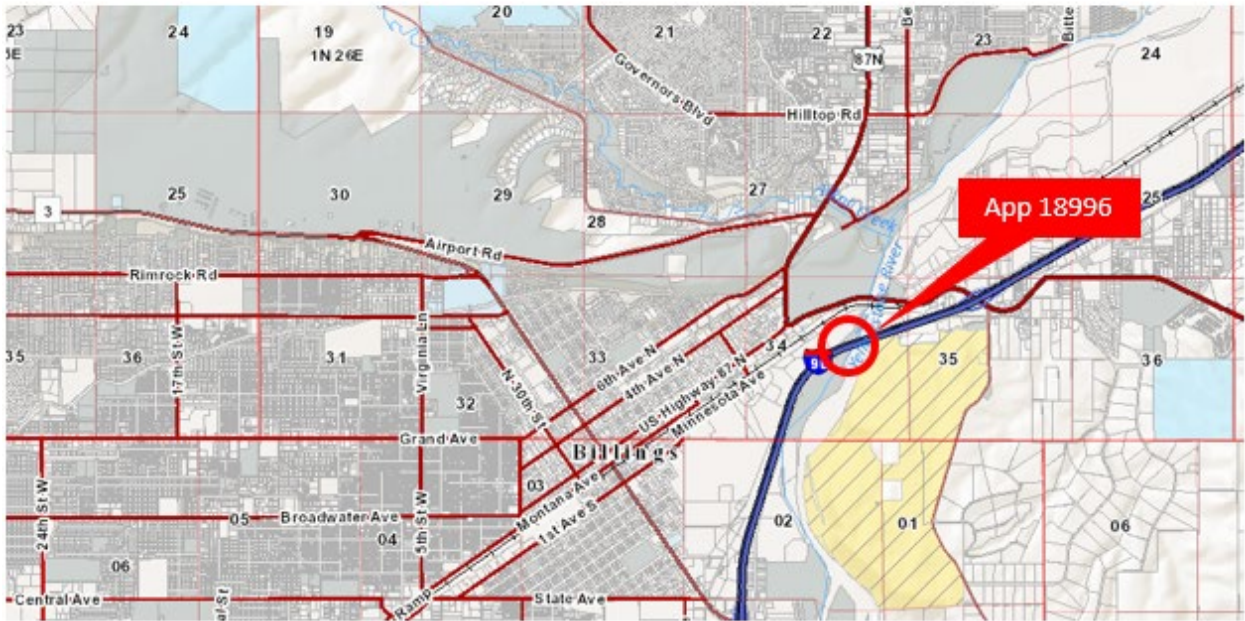
Item Summary

MDT is proposing to reconstruct and widen Interstate 90 between the 27th Street Interchange and the Lockwood Interchange to address capacity needs. The project includes construction of additional lanes in both the eastbound and westbound directions, providing 3 lanes of travel in both directions. The reconstruction will also provide improvements to existing ramps on both ends of the project. This project requires replacing the existing interstate bridge with a wider structure to accommodate the additional traffic lanes. Because this bridge is part of the Interstate system, the MDT is requesting access control under the easement.

DNRC Recommendation

The director recommends approval of this easement request by MDT.

R/W Application 18996



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Triangle Telephone Cooperative Association, Inc. PO Box 1220 Havre, MT 59501
Application No.:	18997
R/W Purpose:	a buried telecommunications cable
Lessee Agreement:	ok
Acreage:	2.43
Compensation:	\$851.00
Legal Description:	a 20-foot strip through Gov. Lots 1, 2, 3, 4, Sec. 2, Twp. 31N, Rge. 27E, Phillips County
Trust Beneficiary:	Common Schools

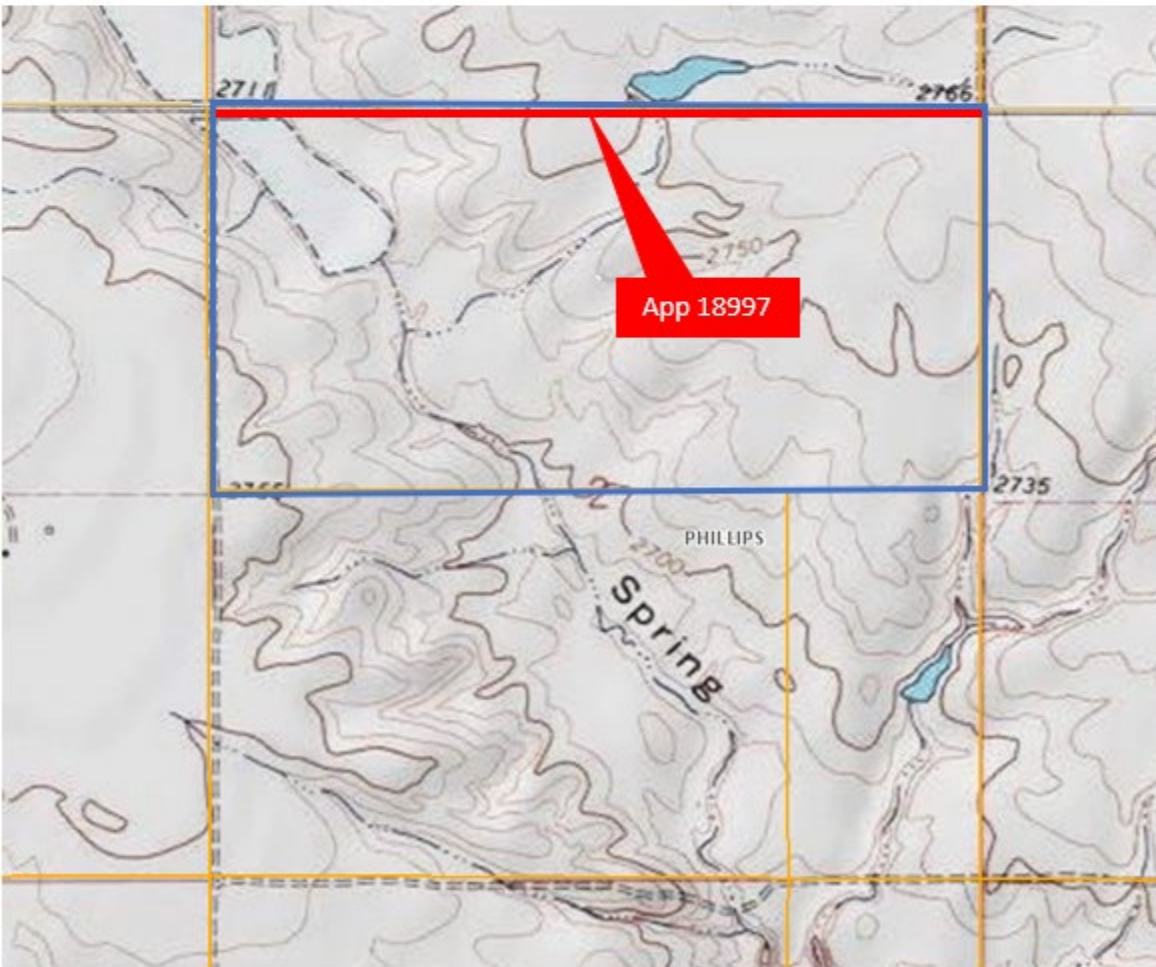
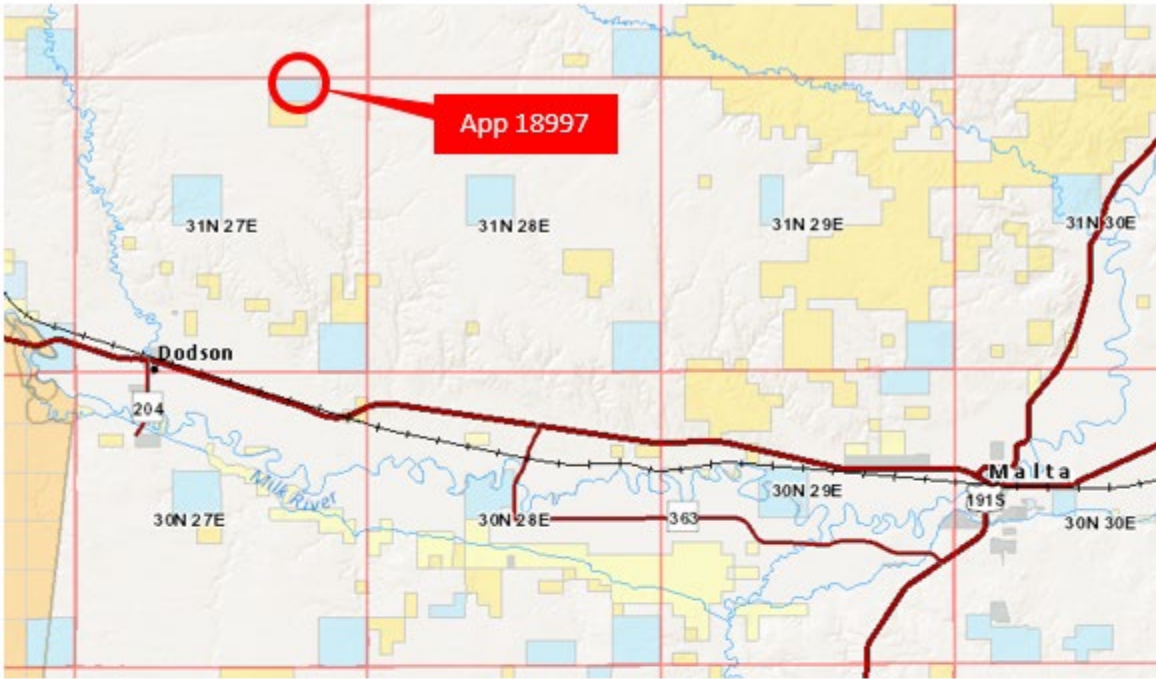
Item Summary

Triangle Telephone Coop. is proposing to upgrade existing telecommunications facilities in the South Malta Exchange area in Phillips County. The proposed project consists of burying fiber optic cable along an 86.5-mile corridor and crosses five sections of State Trust land. The entire project is within sage grouse habitat and Triangle Telephone has consulted with the Sage Grouse Program. Triangle has agreed to mitigation through the Program and if their requests for easements are approved, the easement issued will stipulate compliance with this mitigation plan. The new telecommunications cable will provide improved service to rural customers and provide future growth capabilities. Installation of the new cable will primarily be along existing roads and minimal impacts are expected.

DNRC Recommendation

The director recommends approval of the application of Triangle Telephone Coop.

R/W Application 18997



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Triangle Telephone Cooperative Association, Inc.
PO Box 1220
Havre, MT 59501

Application No.: 18998
R/W Purpose: a buried telecommunications cable
Lessee Agreement: ok
Acreage: 0.09
Compensation: \$100.00
Legal Description: a 20-foot strip through NW4NW4, Sec. 16, Twp. 33N, Rge. 29E,
Phillips County
Trust Beneficiary: Common Schools

Item Summary

See summary on page 32

DNRC Recommendation

See recommendation on page 32

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Triangle Telephone Cooperative Association, Inc.
PO Box 1220
Havre, MT 59501

Application No.: 18999
R/W Purpose: a buried telecommunications cable
Lessee Agreement: ok
Acreage: 2.68
Compensation: \$938.00
Legal Description: a 20-foot strip through E2NE4, SW4NE4, W2SE4, SE4SW4,
Sec. 16, Twp. 33N, Rge. 28E, Phillips County
Trust Beneficiary: Common Schools

Item Summary

See summary on page 32

DNRC Recommendation

See recommendation on page 32

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Triangle Telephone Cooperative Association, Inc.
PO Box 1220
Havre, MT 59501

Application No.: 19000
R/W Purpose: a buried telecommunications cable
Lessee Agreement: ok
Acreage: 2.35
Compensation: \$823.00
Legal Description: a 20-foot strip through E2E2, Sec. 36, Twp. 33N, Rge. 26E,
Phillips County
Trust Beneficiary: Common Schools

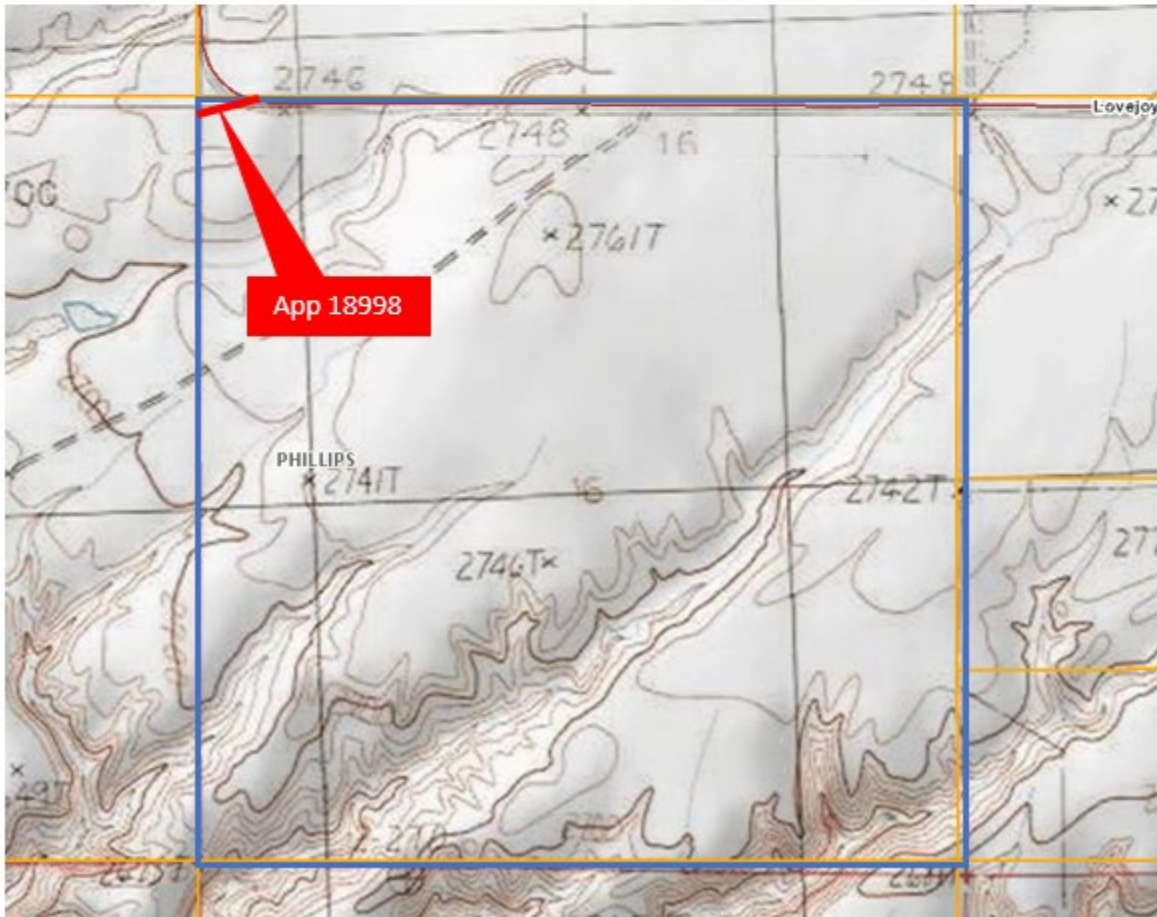
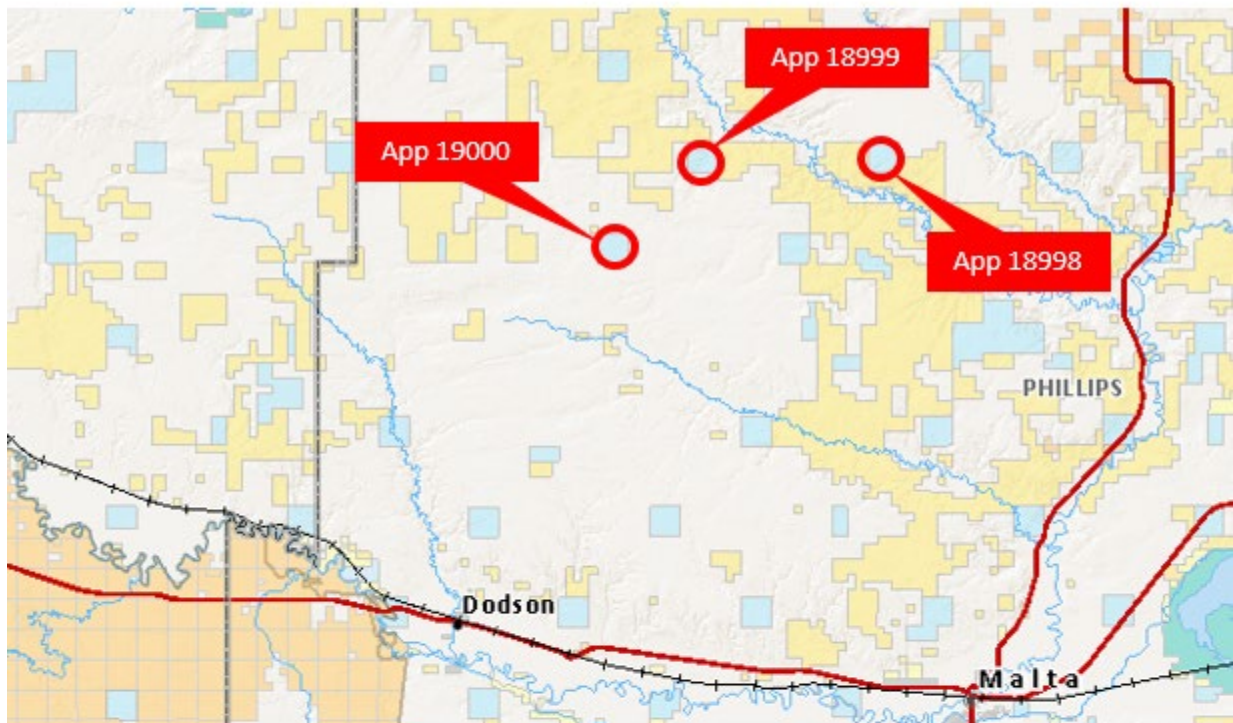
Item Summary

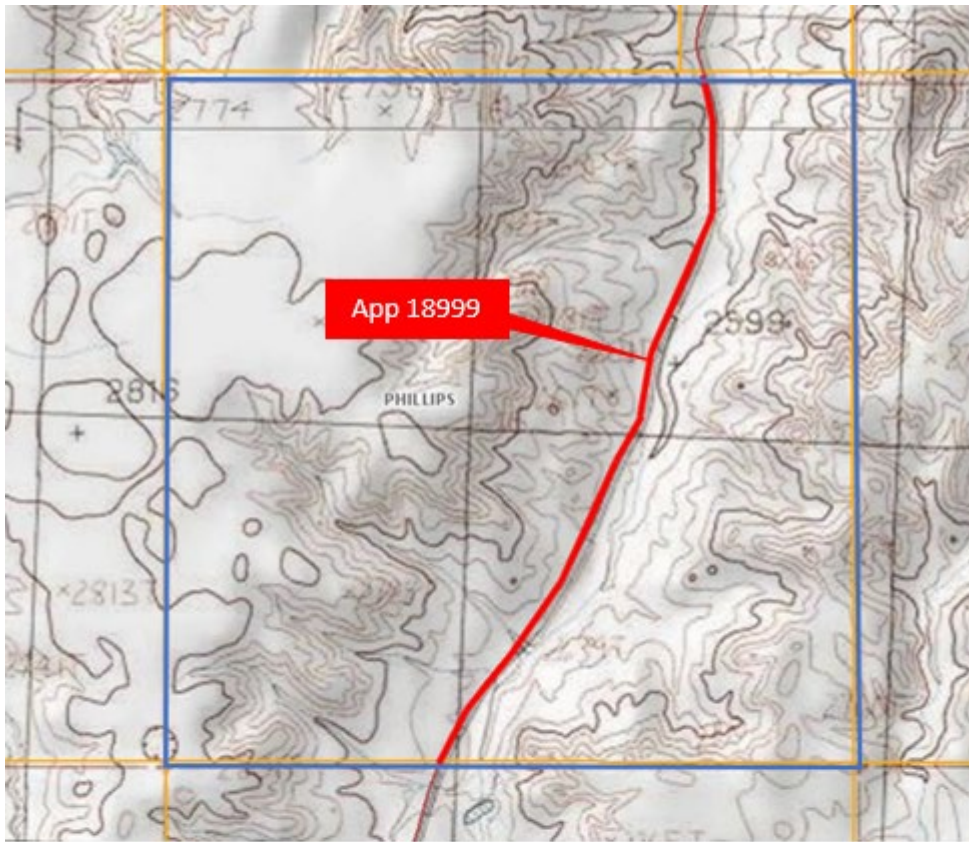
See summary on page 32

DNRC Recommendation

See recommendation on page 32

R/W Application 18998, 18999, & 19000





APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Triangle Telephone Cooperative Association, Inc.
PO Box 1220
Havre, MT 59501

Application No.: 19001
R/W Purpose: a buried telecommunications cable
Lessee Agreement: ok
Acreage: 2.22
Compensation: \$777.00
Legal Description: a 20-foot strip through N2N2, Sec. 21, Twp. 32N, Rge. 29E,
Phillips County
Trust Beneficiary: Common Schools

Item Summary

See summary on page 32

DNRC Recommendation

See recommendation on page 32

R/W Application 19001

