

AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
February 16, 2021, at 10:00 a.m.
Mazurek Justice Building, Supreme Court Chambers
Helena, MT

ACTION ITEMS

- 0221-1 **Cabin and Home Site Sales: Final Approval for Sale** **APPROVED 5-0**
 Missoula County
 Benefits: MSU 2nd
 Location: Missoula County
- 0221-2 **Cabin and Home Site Sales: Set Minimum Bid for Sale** **APPROVED 5-0**
 A. Missoula County
 Benefits: MSU 2nd
 Location: Missoula County
 B. Sanders County
 Benefits: Common Schools, Public Buildings
 Location: Sanders County
- 0221-3 **Easements:** **APPROVED 5-0**
 Benefits: Common Schools
 Location: Richland and Rosebud Counties

PUBLIC COMMENT

0221-1

CABIN AND HOME SITE SALES:

Final Approval for Sale

**Land Board Agenda Item
February 16, 2021**

0221-1 Cabin and Home Sites: Final Approval for Sale

Location: Missoula County
Trust Benefits: MSU 2nd
Trust Revenue: \$439,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval for sale of 5 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
1082	1.622±	Lot 12, Clearwater River West Shore, COS 5310, Section 10, T16N-R15W	Susan Hedahl	MSU 2 nd
1083	2.471±	Lot 13, Clearwater River West Shore, COS 5310, Section 10, T16N-R15W	Michael England	MSU 2 nd
1084	3.133±	Lot 14, Clearwater River West Shore, COS 5310, Section 10, T16N-R15W	Betty Dustin	MSU 2 nd
1085	1.412±	Lot 15, Clearwater River West Shore, COS 5310, Section 10, T16N-R15W	Catherine M. White	MSU 2 nd
1086	1.013±	Lot 16, Clearwater River West Shore, COS 5310, Section 10, T16N-R15W	Tim & Karen Tanberg	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
1082	4.320%
1083	5.024%
1084	5.142%
1085	4.967%
1086	3.498%

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 by the Land Board in April 2020 (Approved 5-0) 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 November 2020 (Approved 5-0).

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.

Access/Recreational Use:

As part of the cabin site sale process, the State will convey any access that it has and can be conveyed to the purchaser of the cabin or home site property. Current cabin/home site access is limited to the lessee and does not provide access or recreational use to the general public. State lands classified as cabin or home sites are closed to general recreational use by the public in accordance with ARM 36.25.150(1)(a). Therefore, the State is not selling land under the cabin site sale program that the public is permitted to use for recreation. Rather, the funds generated by these sales will go towards purchasing new lands that will have dedicated public access and recreational opportunities.

Appraised Values of Land and Improvements

Sale Nos.	Appraised Land Value	Appraised Improvements Value	Final Sale Price
1082	\$86,000	\$46,000	\$86,000
1083	\$86,000	\$249,000	\$86,000
1084	\$86,000	\$263,000	\$86,000
1085	\$86,000	\$188,000	\$86,000
1086	\$95,000	\$351,000	\$95,000

Sale Price

These sales sold at public auction on January 8, 2021. 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.

Clearwater River West Shore, Missoula County



- LeaseStatus**
- Active
 - Vacant
- Sale Year**
- 2016
 - 2017
 - 2019
 - 2020
- County
- Trust Lands
- Pending Sales**
- Pending Sales



0 0.05 0.1 0.2 Miles



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

0221-2

CABIN AND HOME SITE SALES:

Set Minimum Bid for Sale

- A. Missoula County
- B. Sanders County

**Land Board Agenda Item
February 16, 2021**

**0221-2A Cabin and Home Sites: Set Minimum Bid for Sale
A. Missoula County**

Location: Missoula County
Trust Benefits: MSU 2nd
Trust Revenue: \$728,500

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for 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. Preliminary Land Board approval was granted in April of 2020 (Approved 5-0).

Sale No.	Acres	Legal Description	Nominator	Trust
1098	1.580±	Lot 11, Seeley Lake Outlet East, COS 4875, Section 4, T16N-R15W	Cannon Investments, LP	MSU 2 nd
1099	1.221±	Lot 14, Seeley Lake Outlet East, COS 4875, Section 4, T16N-R15W	Mathew J. Johnson	MSU 2 nd
1100	1.093±	Lot 15, Seeley Lake Outlet East, COS 4875, Section 4, T16N-R15W	Wallace, Nila, & Holly Beebe	MSU 2 nd
1101	1.699±	Lot 26, Seeley Lake Outlet East, COS 4875, Section 4, T16N-R15W	Timothy J. & Cindy A. Thurston	MSU 2 nd
1102	1.813±	Lot 27, Seeley Lake Outlet East, COS 4875, Section 4, T16N-R15W	Mitchell Parrish, Jeremy Jensen, Cody Mickelson	MSU 2 nd
1103	1.646±	Lot 28, Seeley Lake Outlet East, COS 4875, Section 4, T16N-R15W	Steve & Diane Holden	MSU 2 nd
1004	1.774±	Lot 7, Seeley Lake Outlet West, COS 5140, Section 4, T16N-R15W	Ronald & Nancy Michaelson	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
1098	2.661%	1102	3.659%
1099	3.059%	1103	6.832%
1100	4.413%	1004	2.134%
1101	6.055%		

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.

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.

Access/Recreational Use:

As part of the cabin site sale process, the State will convey any access that it has and can be conveyed to the purchaser of the cabin or home site property. Current cabin/home site access is limited to the lessee and does not provide access or recreational use to the general public. State lands classified as cabin or home sites are closed to general recreational use by the public in accordance with ARM 36.25.150(1)(a). Therefore, the State is not selling land under the cabin site sale program that the public is permitted to use for recreation. Rather, the funds generated by these sales will go towards purchasing new lands that will have dedicated public access and recreational opportunities.

Appraised Values of Land and Improvements:

Sale Nos.	Appraised Land Value	Appraised Improvements Value
1098	\$146,000	\$235,000
1099	\$72,000	\$203,000
1100	\$71,500	\$150,000
1101	\$73,000	\$145,000
1102	\$147,000	\$228,000
1103	\$73,000	\$239,000
1004	\$146,000	\$206,000

DNRC Recommendation

The director recommends that the Land Board set the minimum bid for these cabin sites at the appraised land value and the maximum value of compensation for the improvements shown above.

**Land Board Agenda Item
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**0221-2B Cabin and Home Sites: Set Minimum Bid for Sale
B. Sanders County**

Location: Sanders County
Trust Benefits: Common Schools, Public Buildings
Trust Revenue: \$82,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for 2 cabin sites nominated for sale in Sanders County. These sales were nominated by the lessees in conjunction with the Cabin and Home Site Sale Program. Preliminary Land Board approval was granted in April of 2020 (Approved 5-0).

Sale No.	Acres	Legal Description	Nominator	Trust
1115	1.627±	Tract 2, COS 3491, Section 36, T24N-R27W	Jerry Pope & Michelle Day	Common Schools
1116	2.280±	Lot 7, Mudd Creek, COS 3534, Section 12, T22N-R27W	Dennis K. Mayhew	Public Buildings

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
1115	2.145%
1116	1.587%

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.

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.

Access/Recreational Use:

As part of the cabin site sale process, the State will convey any access that it has and can be conveyed to the purchaser of the cabin or home site property. Current cabin/home site access is limited to the lessee and does not provide access or recreational use to the general public. State lands classified as cabin or home sites are closed to general recreational use by the public in accordance with ARM 36.25.150(1)(a). Therefore, the State is not selling land under the cabin site sale program that the public is permitted to use for recreation. Rather, the funds generated by these sales will go towards purchasing new lands that will have dedicated public access and recreational opportunities.

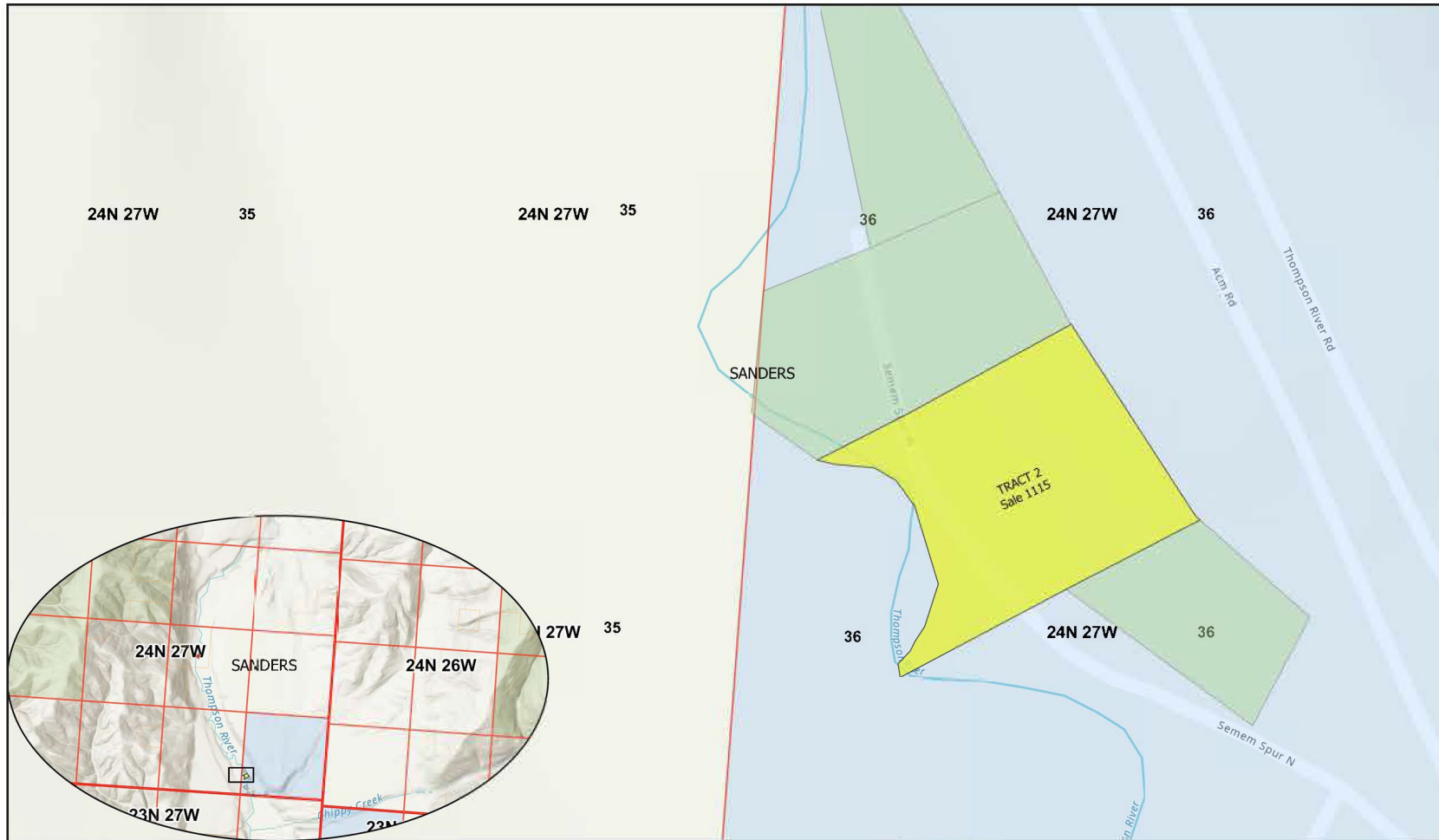
Appraised Values of Land and Improvements:

Sale No.	Appraised Land Value	Appraised Improvements Value
1115	\$50,000	\$110,000
1116	\$32,000	\$18,000

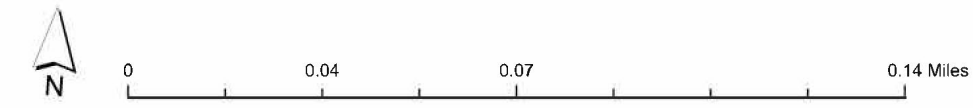
DNRC Recommendation

The director recommends that the Land Board set the minimum bid for these cabin sites at the appraised land value and the maximum value of compensation for the improvements shown above.

Sanders County

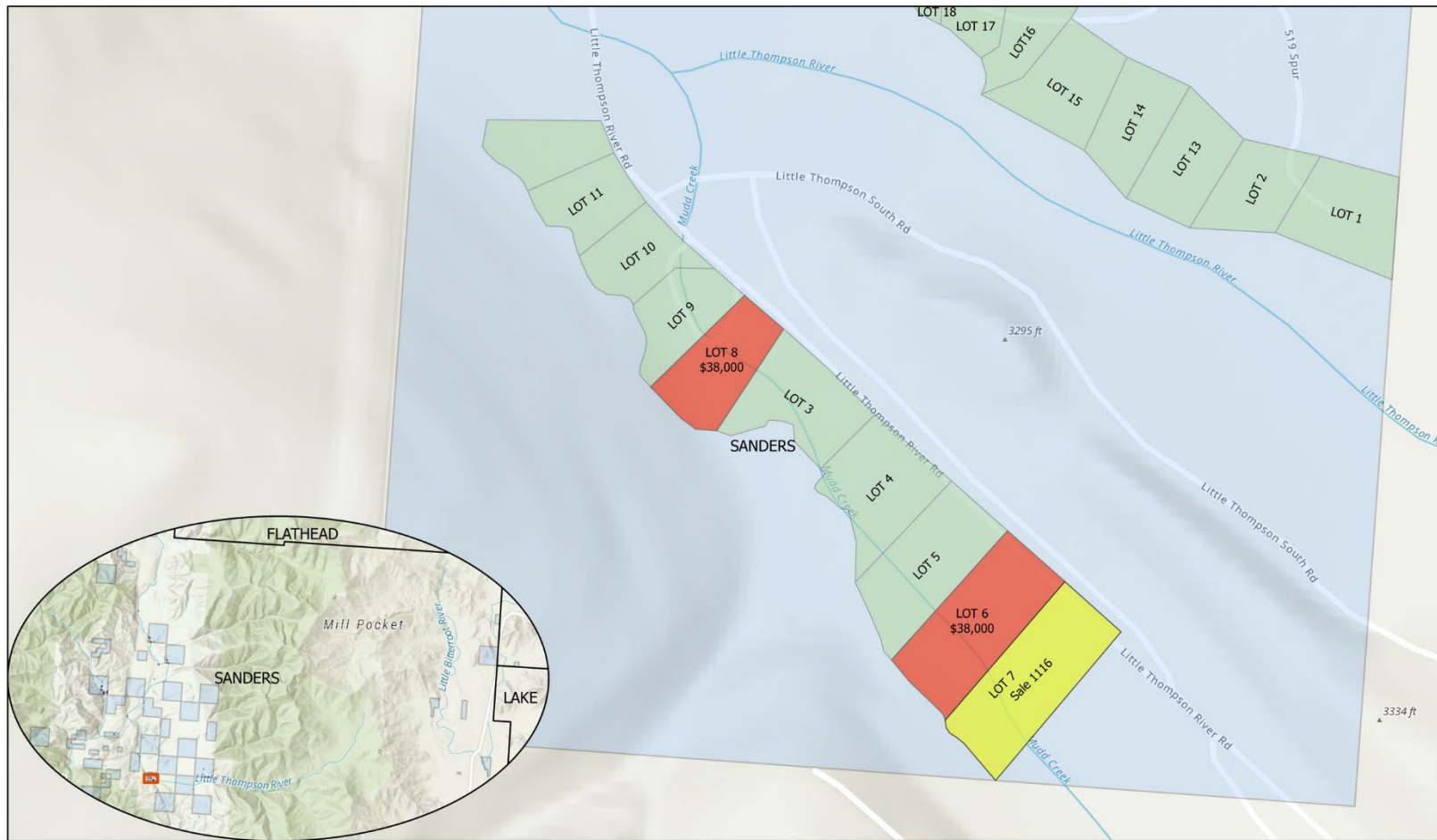


- LeaseStatus
 - Active
 - Vacant
- Sale Year
 - ≤2015
 - 2016
 - 2017
 - 2018
 - 2019
 - 2020
- County
- Trust Lands
- Active Sales
- SaleStatus
 - Active

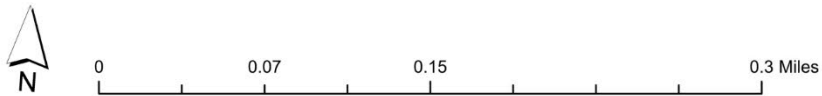


Trust Lands Cabin Site Sales
Map Created by REMB staff
January 2021

Mudd Creek, Sanders County



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



Trust Lands Cabin Site Sales
Map Created by REMB staff
January 2021

0221-3

EASMENTS:

**Land Board Agenda Item
February 16, 2021**

0221-3 Easements

Location: Richland, Rosebud

Trust Benefits: Common Schools

Trust Revenue: \$10,120

Item Table of Contents

Applicant	Right-of-Way Purpose	Term	Page(s)
Nielsen Ranch, LLC	Private Access Road	Permanent	22-23
Montana Department of Transportation	Highway Construction and Maintenance	Permanent	24-27
McKenzie Electric Cooperative, Inc.	Overhead Electrical Distribution Line	Permanent	28-30

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Nielsen Ranch, LLC
67 Nielsen Lane
Forsyth, MT 59327

Application No.: 19003
R/W Purpose: a private access road to conduct normal farming and ranching operations

Lessee Agreement: ok
Acreage: 0.01
Compensation: \$100.00
Legal Description: 15-foot strip through SW4SW4, Sec. 16, Twp. 7N, Rge. 40E, Rosebud County
Trust Beneficiary: Common Schools

Item Summary

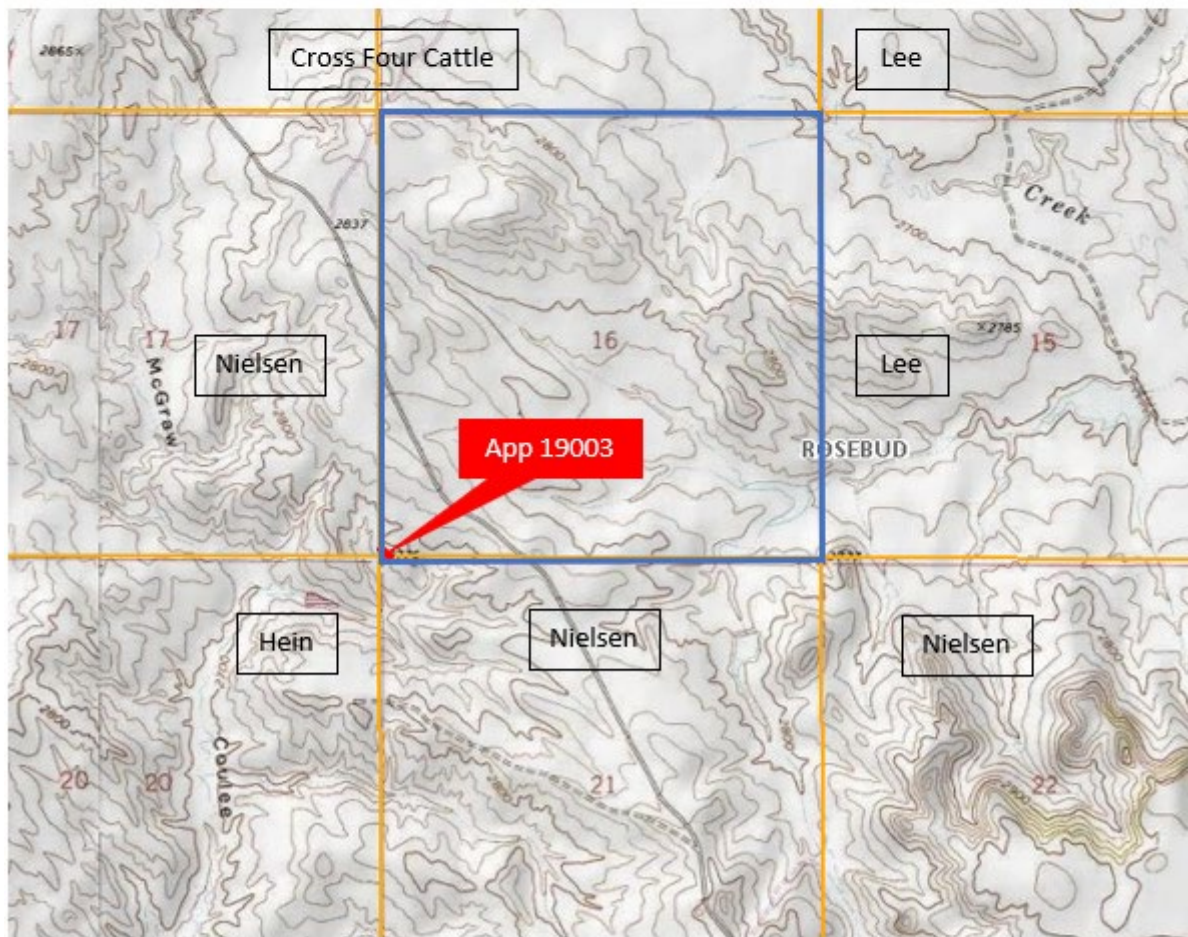
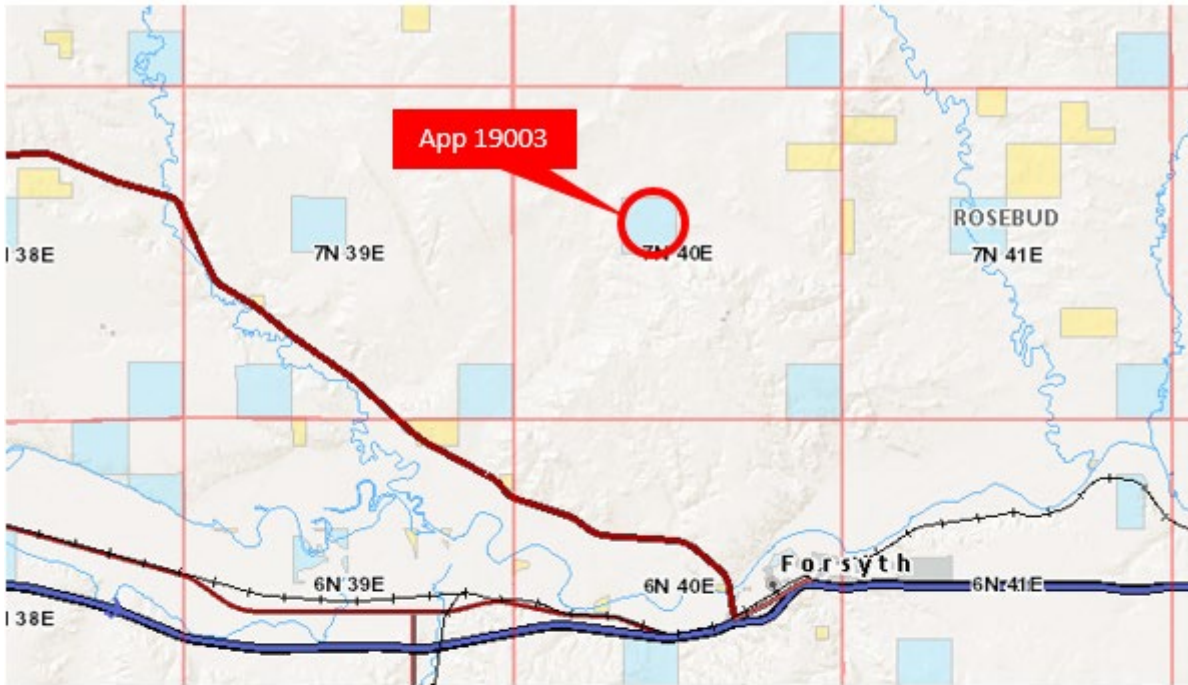
Nielsen Ranch has made application for the use of an existing road to conduct normal farming, ranching operations. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is legally accessible by a county road, therefore reciprocal access to the State is not needed. The private property of applicant to be accessed is described as:

- All: Sections 17, 18, 19, Twp. 7N, Rge. 40E, Rosebud County

DNRC Recommendation

The director recommends approval of the application of Nielsen Ranch, LLC.

R/W Application 19003



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Montana Department of Transportation
 PO Box 201001
 Helena, MT 59620-1001

Application No.: 19004
 R/W Purpose: highway construction and maintenance with drainage area and including occupancy by public utilities as defined in §69-4-101, MCA

Lessee Agreement: ok
 Acreage: 0.45
 Compensation: \$500.00
 Legal Description: a tract of land in the NW4NW4, Sec. 36, Twp. 20N, Rge. 59E, Richland County
 Trust Beneficiary: Common Schools

Item Summary

MDT is proposing to reconstruct a section of Montana Highway 261, starting near the southern border of Richland County thence north for 10.4 miles. The scope of the project involves major rehabilitation to address the integrity and safety of the roadway, including surficial landslides in embankment fills, cracking in the pavement, and vertical alignment concerns. The project is not located in sage grouse habitat, therefore consultation with the Sage Grouse Program was not required.

DNRC Recommendation

The director recommends approval of this easement request by MDT.

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Montana Department of Transportation
PO Box 201001
Helena, MT 59620-1001

Application No.: 19005
R/W Purpose: highway construction and maintenance, including occupancy by
public utilities as defined in §69-4-101, MCA

Lessee Agreement: ok
Acreage: 9.74
Compensation: \$7,792.00
Legal Description: a tract of land in NW4SE4, SW4NE4, Sec. 26; a tract of land in
S2SE4, NE4SE4, E2NE4, Sec. 23; and a tract of land in W2W2,
Sec. 13, Twp. 19N, Rge. 59E, Richland County

Trust Beneficiary: Common Schools

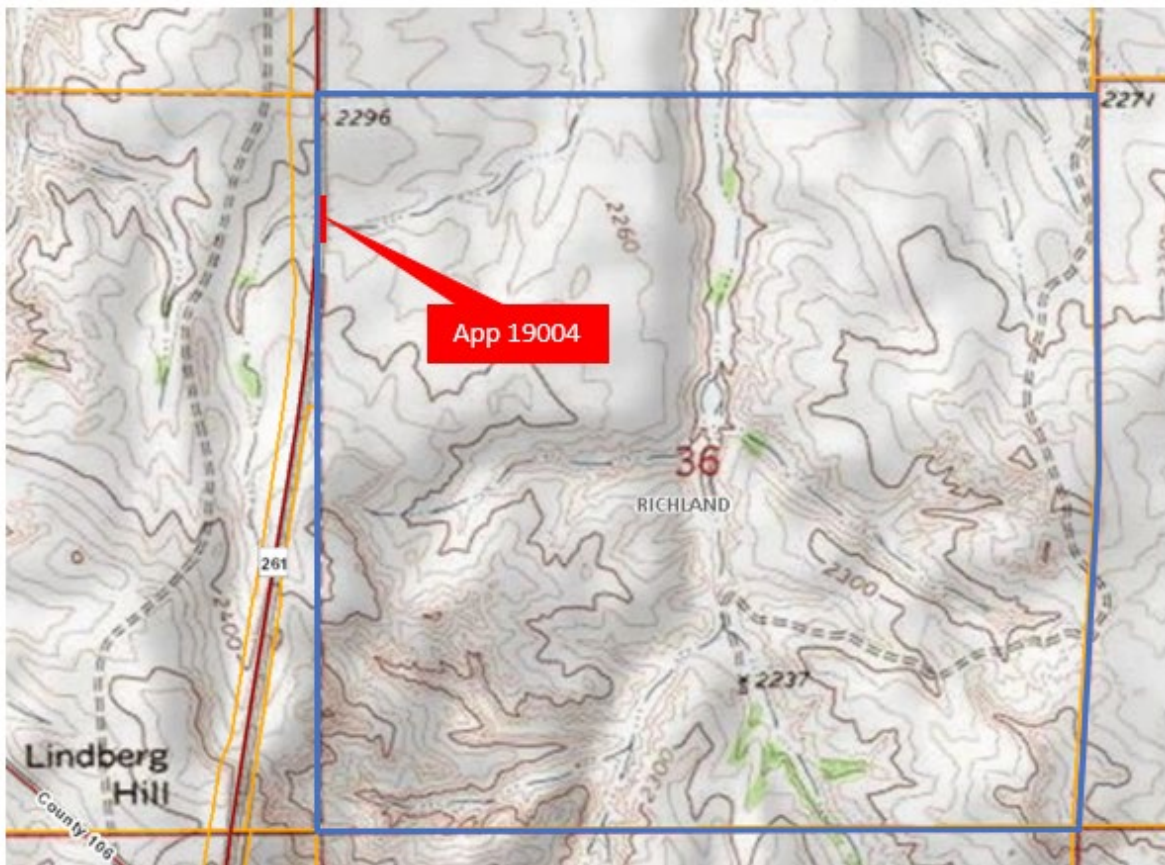
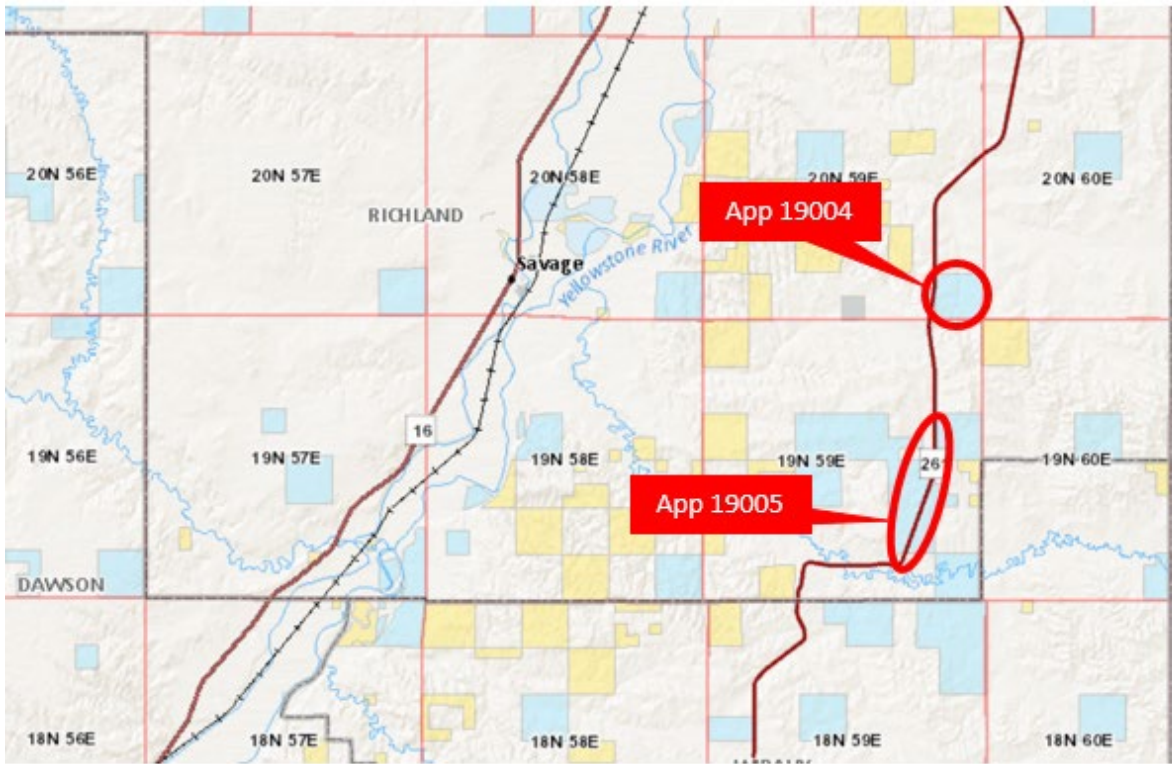
Item Summary

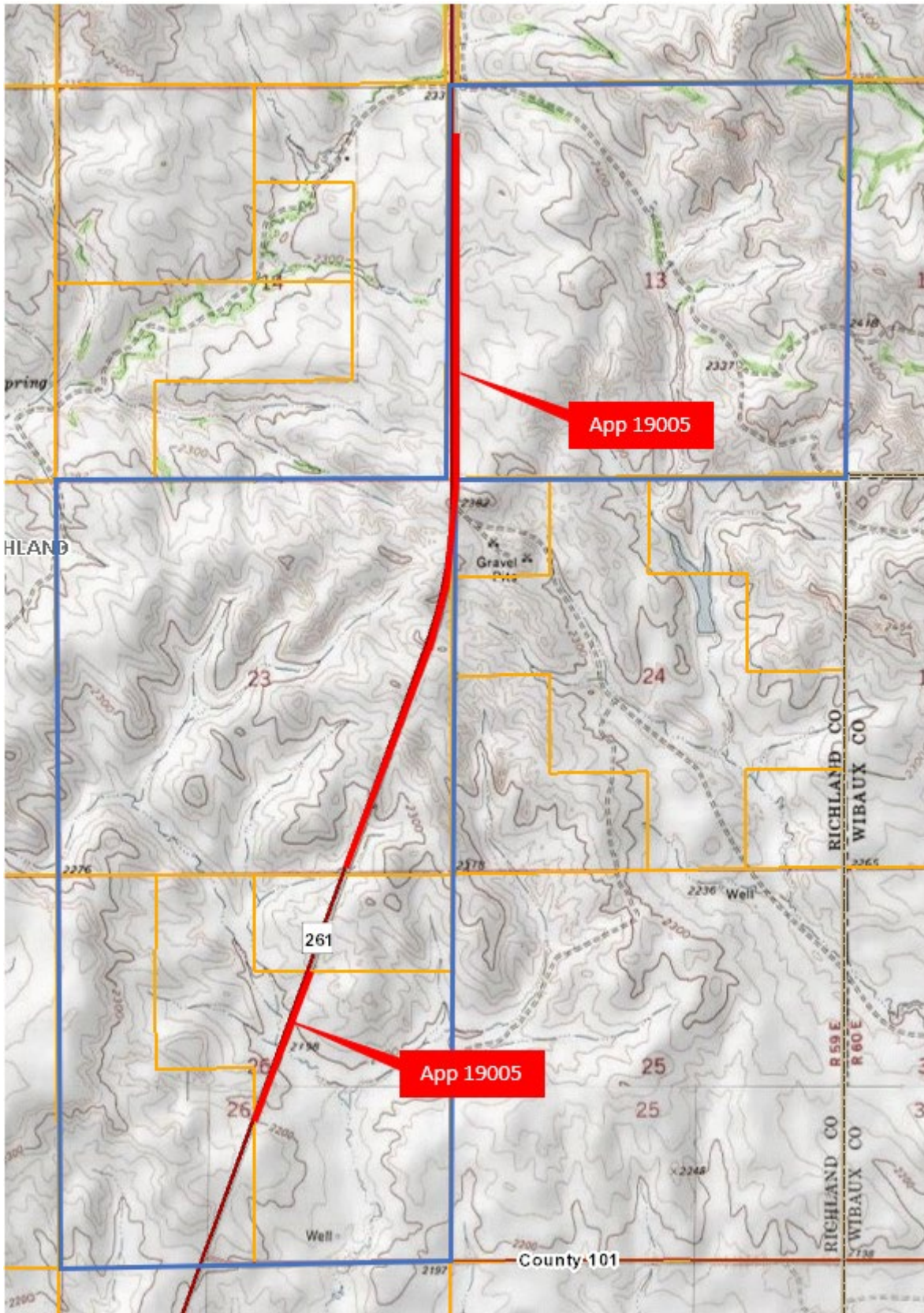
See summary on page 24

DNRC Recommendation

See recommendation on page 24

R/W Application 19004 & 19005





APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	McKenzie Electric Cooperative, Inc. PO Box 649 Watford, ND 58854
Application No.:	19022
R/W Purpose:	an overhead 14.4 kV electrical distribution line
Lessee Agreement:	ok
Acreage:	2.16
Compensation:	\$1,728.00
Legal Description:	two (2) 20-foot strips through NE4NE4, Sec. 23; a 20-foot strip through NW4NW4, Sec. 24; and four (4) 20-foot strips through S2SE4, Sec. 26, Twp. 19N, Rge. 59E, Richland County
Trust Beneficiary:	Common Schools

Item Summary

McKenzie Electric Coop. is proposing to relocate and reconstruct a portion of an existing overhead electric distribution line due to the afore-mentioned highway project and reconstruct existing infrastructure adjacent to county roads. The facilities provide service to customers in the rural Richland County area. The corridor for the relocation and reconstruction activities is along existing disturbed ground, therefore minimal impacts are expected. The project is not located in sage grouse habitat, therefore consultation with the Sage Grouse Program was not required.

DNRC Recommendation

The director recommends approval of the easement request by McKenzie Electric Coop.

R/W Application 19022

