

AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
August 15, 2022, at 9:00 a.m.
State Capitol, Room 303
Helena, MT

ACTION ITEMS

- 0822-1** **Department of Fish, Wildlife & Parks: Purchase of Property for addition to Mt. Haggin Wildlife Management Area** **APPROVED 3-2**
Benefits: N/A (non-trust land) **AMENDED MOTION APPROVED 5-0**
Location: Deer Lodge County
- 0822-2** **Timber Sale: Ashley Schoolhouse** **APPROVED 5-0**
Benefits: Public Buildings, Common Schools
Location: Flathead County
- 0822-3** **Cabin and Home Site: Final Approval for Sale** **APPROVED 5-0**
Benefits: Common Schools
Location: Chouteau County
- 0822-4** **Easements: Standard Grants** **APPROVED 5-0**
Benefits: Common Schools, MSU-Eastern/UM-Western, Public Buildings, & Public Land Trust Nav. Rivers
Location: Daniels, Dawson, Gallatin, Madison, Mineral, and Richland Counties

PUBLIC COMMENT

0822-1

DEPARTMENT OF FISH, WILDLIFE & PARKS:

Purchase of Property for addition to Mt. Haggin
Wildlife Management Area

**Land Board Agenda Item
August 15, 2022**

0822-1 Department of Fish, Wildlife & Parks: Purchase of Property for addition to Mt. Haggin Wildlife Management Area

Location: Deer Lodge County, Sections 19 & 30, T4N, R10W
Trust Benefits: N/A (non-trust land)
Trust Revenue: N/A

Item Summary: Department of Fish, Wildlife and Parks (FWP) proposes to purchase a fee simple interest in an approximately 829-acre property for an addition to the Mt. Haggin Wildlife Management Area (WMA) in Deer Lodge County, Montana (“Willow Creek Addition”). The parcel is accessed from Highway 569 and is 3-4 miles S-SE of Anaconda (see attached map). The landowners, Roger and Gayle Burnett, wish to sell this parcel to FWP at the appraised value of \$2,590,000.00 to increase access and opportunities at the WMA for public hunting, fishing and recreation for neighboring residents, Deer Lodge County residents and visiting recreationists to enjoy.

The property provides habitat and potential opportunity for hunters to harvest elk, mule deer, pronghorn and ruffed grouse. Acquisition of this property would increase cohesive management of Mt. Haggin WMA, especially in terms of fire management, and would increase public access to land already managed for fisheries, wildlife and recreational opportunities. It contains one mile of Willow Creek where recent data has confirmed the presence of pure strain westslope cutthroat trout and a potential bull trout reintroduction site.

The property is bordered on the north by a subdivision, and further subdivision to the northeast and east of this property is possible. The landowners are highly motivated to sell this site to FWP to add to the WMA. If FWP does not purchase it, the property will likely be quickly sold and possibly subdivided.

Currently, this property contains three structures, but the landowners would donate these structures to FWP. Therefore, the property was appraised without the value of the three structures. FWP proposes to pay the appraised value of \$ 2.59 million. The sources of funding for the purchase, as well as estimated due diligence, closing and maintenance costs, are as follows:

Willow Creek Addition to Mt. Haggin WMA Costs

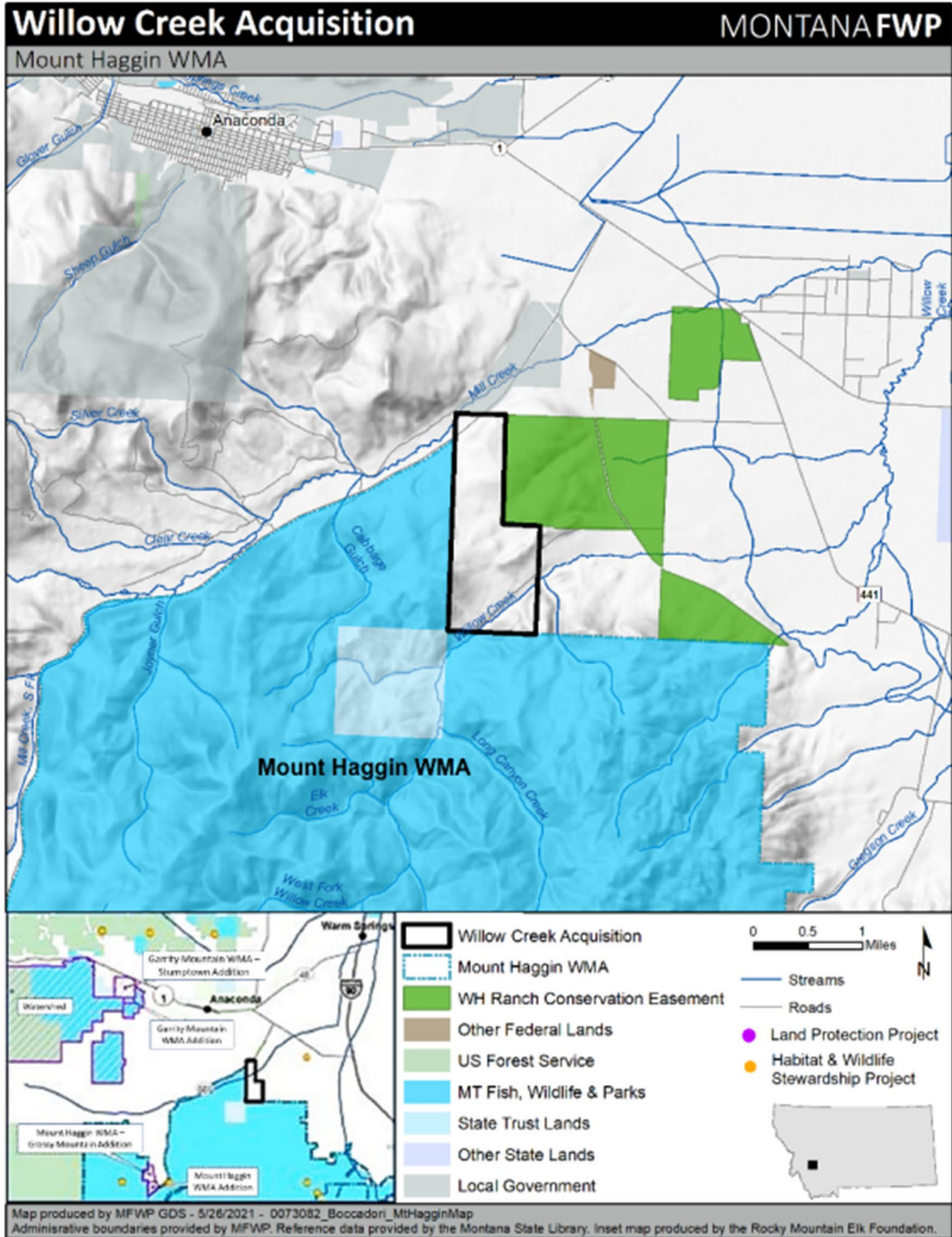
Purchase Price	\$ 2,590,000.00
US Pittman-Robertson (US FWS)	1,942,500.00
Habitat Montana	389,100.00
RMEF and MT Fish & Wildlife Cons. Trust	258,400.00
Due Diligence, closing	40,000.00
Development (fencing/markers, signage, parking)	1,000.00
Weed control five year plan	45,000.00
Total	\$ 2,676,000.00

FWP's intends to maintain the proposed addition for public use under the current WMA management plan. FWP will pay the equivalent of property taxes to Deer Lodge County pursuant to MCA 87-6-103.

Public Comments: FWP published an environmental assessment, accepted public comment for 30 days, and held a public hearing in Butte. The process generated 36 public comments including very strong support from the community. The Deer Lodge County Commissioners expressed support for this acquisition. The County Commission did express concern over increased incidents of deer and mountain lions being reported in Anaconda. This concern was addressed in the Decision Notice, released March 8th, by noting that FWP's Region Two Supervisor met with County Commissioners to discuss solutions and that FWP had increased mountain lion quotas in the area. The Decision Notice recommended proceeding with the acquisition. The Fish and Wildlife Commission approved this purchase unanimously on June 22, 2022.

Rationale for Land Board Action: Anaconda and nearby communities such as Butte would benefit from this acquisition. The area's population is increasing, and with it so is the demand for public access for hunting and recreation.

FWP Recommendation: FWP recommends the Land Board approve FWP's fee simple acquisition of the Willow Creek addition to Mt. Haggin Wildlife Management Area.



0822-2

TIMBER SALE:

Ashley Schoolhouse

**Land Board Agenda Item
August 15, 2022**

0822-2 Timber Sale: Ashley Schoolhouse

**Location: Flathead
Sections 8 & 16, T27N R23W**

Trust Beneficiaries: Public Buildings (83.5%) & Common Schools (16.5%)

Trust Revenue: \$507,649 (estimated, minimum bid)

Item Summary

Location: The Ashley Schoolhouse Timber Sale is located approximately 3 miles east of Marion, Montana.

Size and Scope: The sale includes 7 harvest units (*468 acres*) of ground-based tractor logging.

Volume: The estimated harvest volume is 15,790 tons (*2.5 MMBF*) of sawlogs.

Estimated Return: The minimum bid is \$32.15 per ton, which would generate approximately \$507,648 for the Public Buildings and Common Schools Trusts and approximately \$66,792 in Forest Improvement fees.

Prescription: This sale would utilize a combination of commercial thinning, old growth restoration, and a small amount of shelterwood harvest prescriptions, which are designed to maintain and restore old growth stands, manage insect and disease outbreaks, and reduce fuel loading in the wildland urban interface.

Road Construction/Maintenance: In conjunction with the sale, the Department of Natural Resources and Conservation (DNRC) is proposing 5.1 miles of road maintenance.

Access: Access is obtained through existing easements with Southern Pine Plantations.

Public Comments: Three public comments were received. An adjacent landowner was concerned about road runoff, adequate property line surveying, and potential public trespass onto his property. DNRC contacted the landowner and explained plans to address his concerns. F.H. Stoltze Land and Lumber expressed support for the proposed project. Lastly, the Northern Cheyenne Tribe commented they will defer the project information to the tribe closest to the project area.

DNRC Recommendation

The DNRC recommends the Land Board direct DNRC to sell the Ashley Schoolhouse Timber Sale.

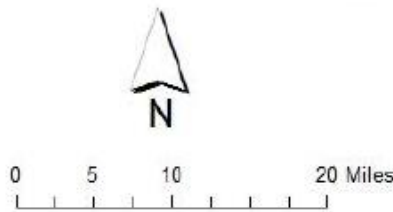
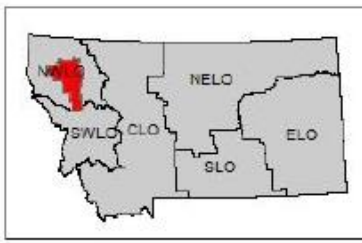
State Trust Land Vicinity Map Kalispell Unit

VICINITY MAP

Project Name: Ashley Schoolhouse Timber Sale
Project Location: Sections 8 & 16 T27N R23W
County: Flathead

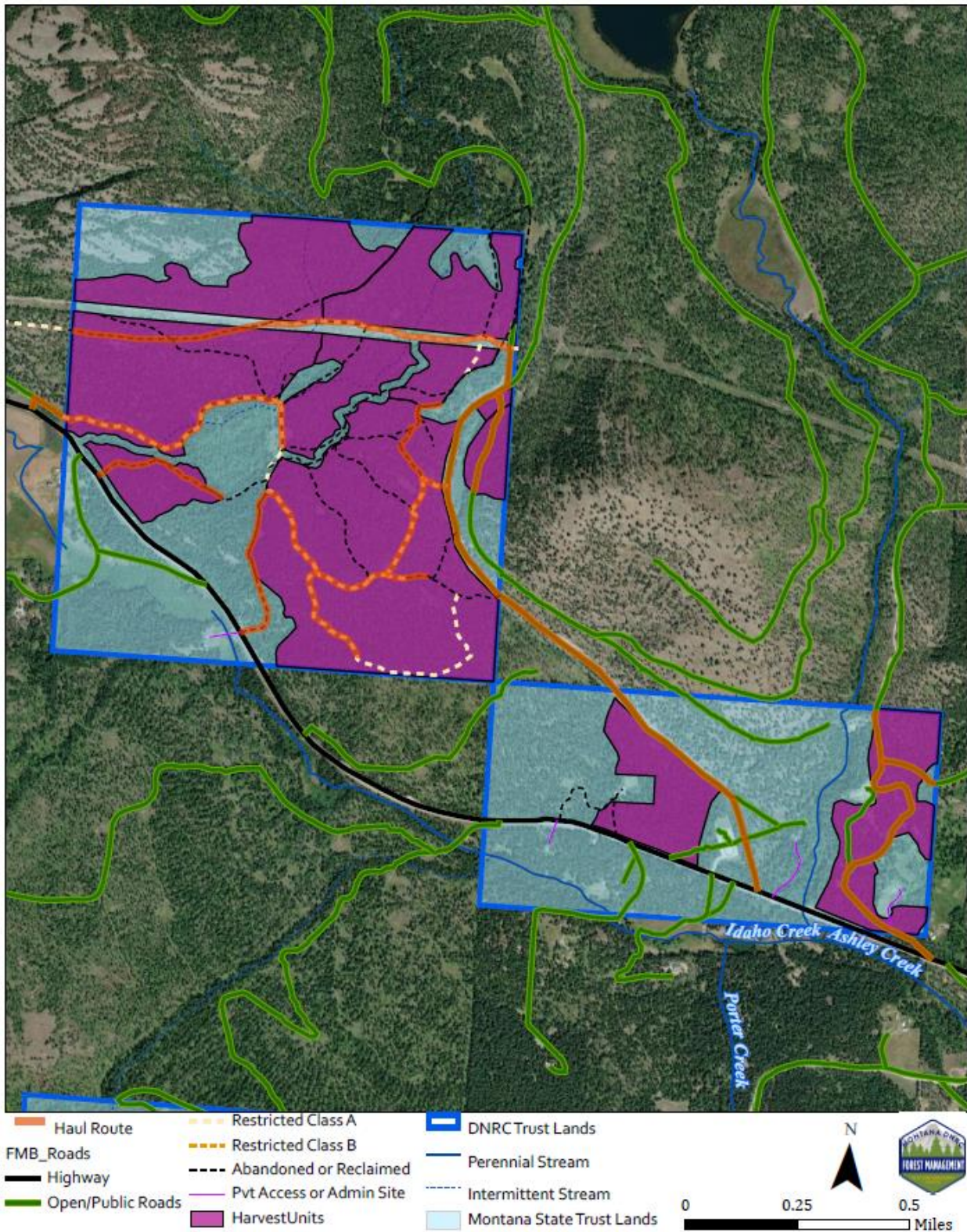


- State Trust Land
- Water Bodies
- Towns
- Rivers
- County Lines
- Major Roads



Produced by Montana Department of Natural Resources and Conservation 11/1/2019
Datum: NAD 1983 State Plane

Ashley Schoolhouse Timber Sale Haul Route and Harvest Units



0822-3

CABIN AND HOME SITE:

Final Approval for Sale

**Land Board Agenda Item
August 15, 2022**

0822-3 Cabin and Home Site: Final Approval for Sale

Location: Chouteau County
Trust Benefits: Common Schools
Trust Revenue: \$12,500

The Department of Natural Resources and Conservation (DNRC) is requesting final approval for one (1) home site nominated for sale in Chouteau County. This sale was nominated by the lessee in conjunction with the 2020-2021 Cabin and Home Site Sales Program.

Sale No.	Acres	Legal Description	Nominator	Trust
1159	0.48±	Lots 7, 8, & 9 of Block 30, School Addition to City of Geraldine T21N-R11E, Section 1	Rick Shinaberger	Common Schools

The parcel is currently leased as a home site and produces below average income for residential leases statewide. The parcel will be sold with the access that is currently provided under their lease agreement and can be conveyed by DNRC.

Background

Preliminary Land Board approval was granted in April of 2020 (Approved 5-0), and the Land Board set the minimum bid for the land and the maximum value of compensation for the improvements at the appraised values in May of 2022 (Approved 4-1).

Cultural/Paleontological Resources:

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

Access/Recreational Use:

As part of the cabin and home 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.

Economic Analysis:

Short term – The average rate of return on this sale parcel is 4.982%. The parcel will continue to receive this return if it remains in state ownership. The income rate of return will

likely grow smaller over the next 20 years, as average annual value appreciation is greater than the annual rent increase.

Long term – The funds from the sale of this parcel 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 3.04% on acquisitions with income generated from annual lease payments. However, the rates of return on land acquired more recently have been higher, ranging from 3.46% on acquisitions purchased within the last five years to 3.41% for lands acquired within the last ten years.

Appraised Values of Land and Improvements:

The appraisal was prepared by Montana General Certified Appraiser Ernest F. Goettlich V of Northern Acres Appraisal Services, LLC in Havre.

Sale Nos.	Appraised Land Value	Appraised Improvements Value	Final Sale Price
1159	\$12,500	\$57,500	\$12,500

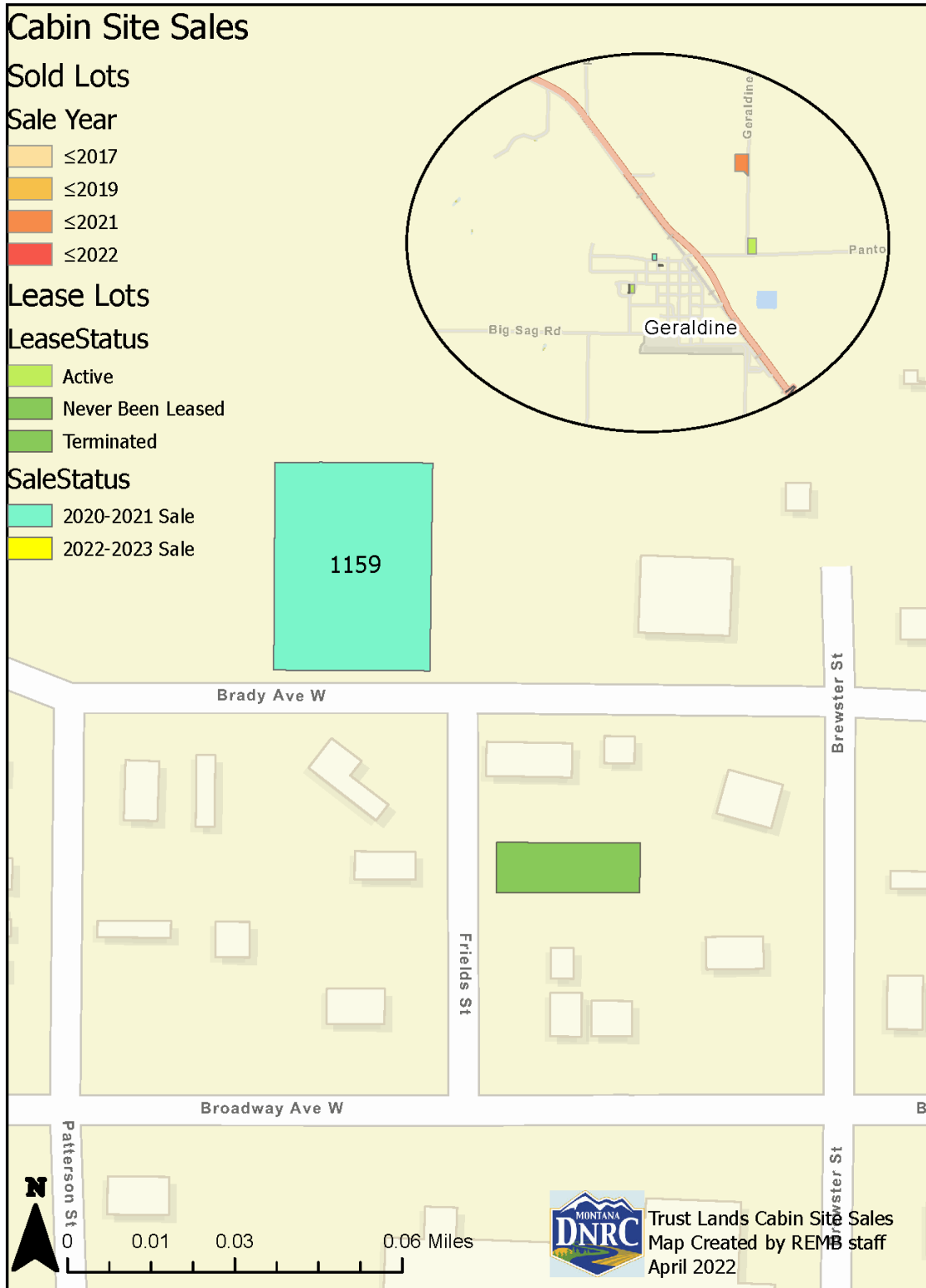
Sale Price

The cabin site was sold at public auction on July 22, 2022. There was one qualified bidder for the auction. The site sold for the final sale price listed above.

DNRC Recommendation

The DNRC recommends the Land Board grant final approval for sale of this home site at the value shown above.

Sale 1159, Chouteau County



0822-4

EASEMENTS:
Standard Grant

**Land Board Agenda
Item August 15, 2022**

0822-4 Easements

Location: Daniels, Dawson, Gallatin, Madison, Mineral, Richland

**Trust Benefits: Common Schools, MSU-Eastern/UM-Western, Public Buildings,
Public Land Trust (Nav. Rivers)**

**Trust Revenue: Common Schools = \$ 9,911
MSU-Eastern/MSU-Western = \$ 36,110
Public Buildings = \$ 2,970
Public Land Trust = \$ 2,450**

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Superior Rural Fire District 105 Cedar Street Superior MT 59872
Application No.:	19340
R/W Purpose:	a rural fire station
Lessee Agreement:	N/A (Unleased)
Acreage:	2.0
Compensation:	\$36,110
Legal Description:	a tract of land in the NE4SE4, Sec. 22, Twp. 15N, Rge. 25W, Mineral County
Trust Beneficiary:	MSU-Eastern/UM-Western

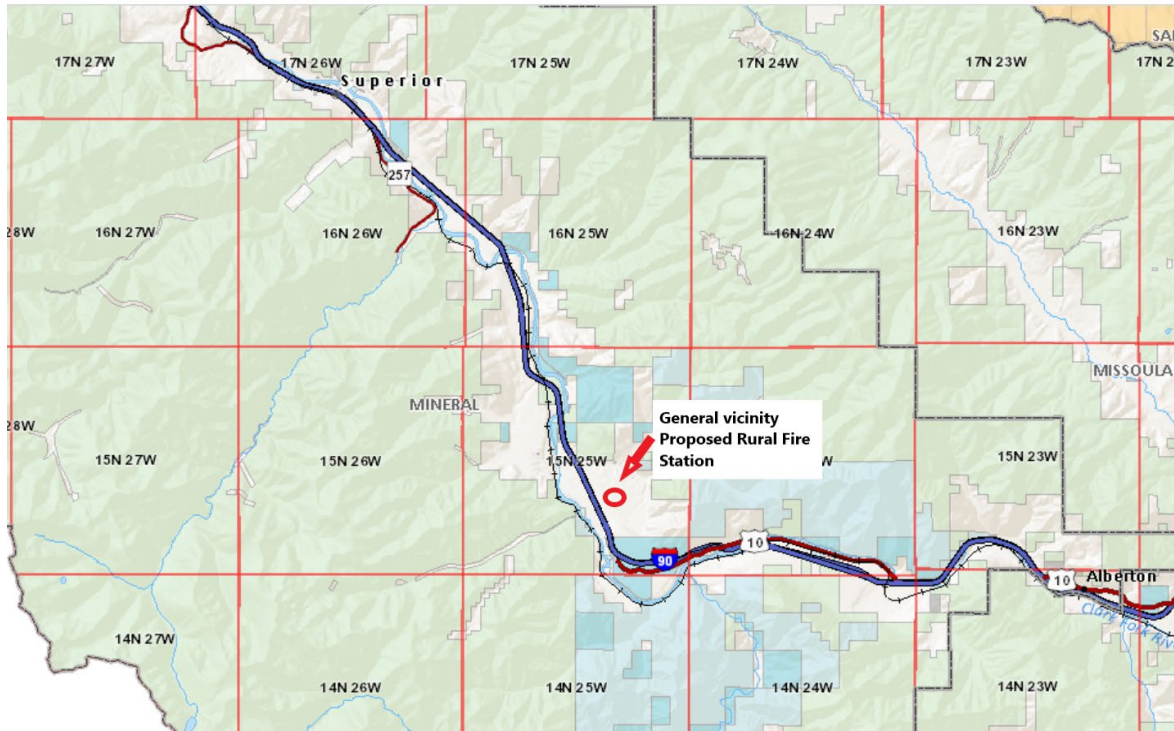
Item Summary

The Superior Rural Fire District is requesting an easement on a 2-acre parcel of land which was retained when the surrounding State Land was sold in 1932. The proposed use is construction of a garage to house a new structure engine, a new wildland engine and an existing water tender. They also propose to have an above-ground 48,000 gallon water tank. The 2-acre parcel was once an easement occupied by a rural schoolhouse that eventually closed. The school district officially terminated their easement in 1999. This location is the best available to serve the rural landscape between Superior and Alberton and recent annexation of over 5,000 acres to the Superior Fire District necessitates a location that will help lower response times that are now hovering around 40 minutes. Rural landowners in the area requested the annexation and most that will be served are supportive. Comments were received from two individuals during public scoping and concerns ranged from light pollution to wildlife impacts. All comments were addressed, such as motion sensor lights only will be used at the fire hall and staff biologists confirmed that this two acre parcel is not considered vital wildlife habitat with it being in the open and bounded on two sides by public roads. Traffic concerns will be mitigated by the Fire District with egress being along the west boundary onto a straight stretch of paved county road with adequate sight distance to the north and south. Given past history of responses in the area the Fire District anticipates responding to calls approximately 10 times a year. This proposed use of the 2 acre parcel serves a good public purpose and lessens the Department's management of a parcel of land that is too small to lease under conventional agricultural and grazing practices.

DNRC Recommendation

The DNRC recommends approval of the application of the Superior Rural Fire District.

Application 19340



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Nicholas and Susan Schutter
P O Box 505
Manhattan MT 59741

Application No.: 19373
R/W Purpose: a private access road to conduct normal farming and ranching operations

Lessee Agreement: N/A (Historic)
Acreage: 3.19
Compensation: \$4,716.00
Legal Description: 15-foot strip through NW4NE4, E2NE4, N2SE4, Sec. 30, Twp. 1N, Rge. 3E, Gallatin County
Trust Beneficiary: Common Schools

Item Summary

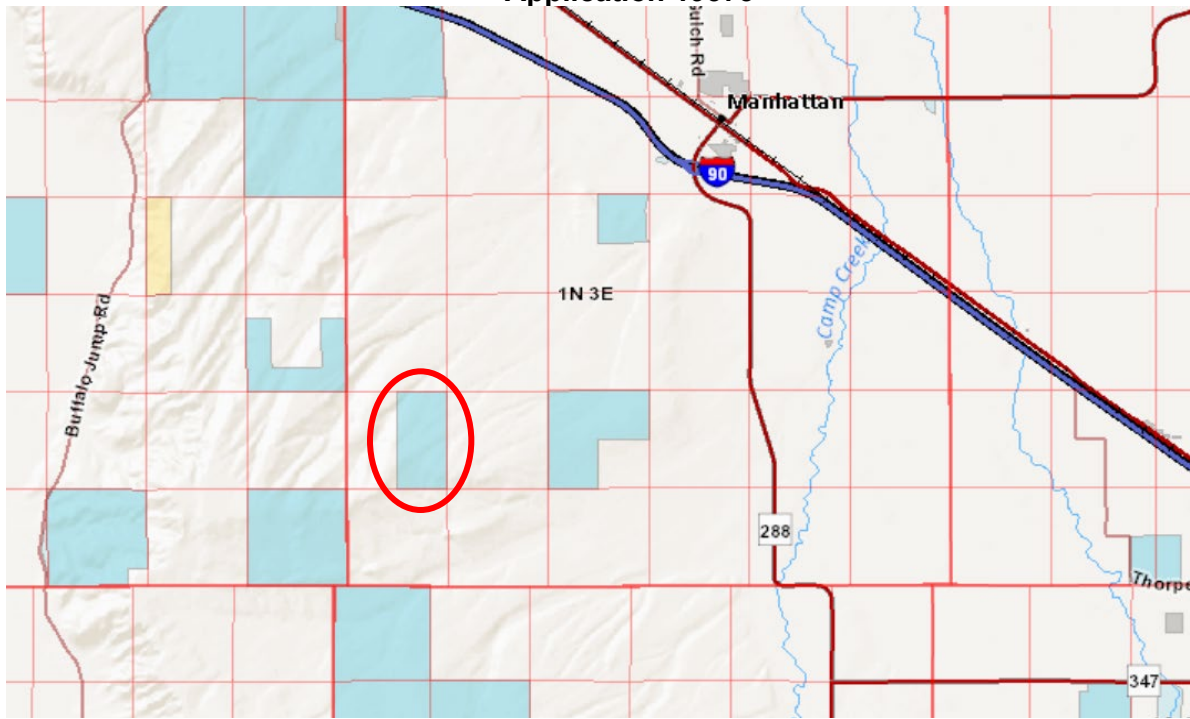
Nicholas and Susan Schutter have made application for the use of an existing road to conduct normal farming and ranching activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is landlocked and another landowner would need to grant access along with the applicant in order to obtain access to the State Land. Applicant is the lessee of the affected State Land. The private property of applicant to be accessed is described as:

- SE4: Sec. 19, Twp. 1N, Rge. 3E, Gallatin County
- W2: Sec. 30, Twp. 1N, Rge. 3E, Gallatin County

DNRC Recommendation

The DNRC recommends approval of the application of Nicholas and Susan Schutter.

Application 19373



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Titus 22, LLC
 7528 Hwy 287 N
 Harrison MT 59735

Application No.: 19376
 R/W Purpose: a private access road to conduct normal farming and ranching operations

Lessee Agreement: N/A (Historic)
 Acreage: 2.97
 Compensation: \$2,970.00
 Legal Description: 15-foot strip through NW4NW4, S2NW4, S2NE4, Sec. 12, Twp. 2S, Rge. 1W, Madison County

Trust Beneficiary: Public Buildings

Item Summary

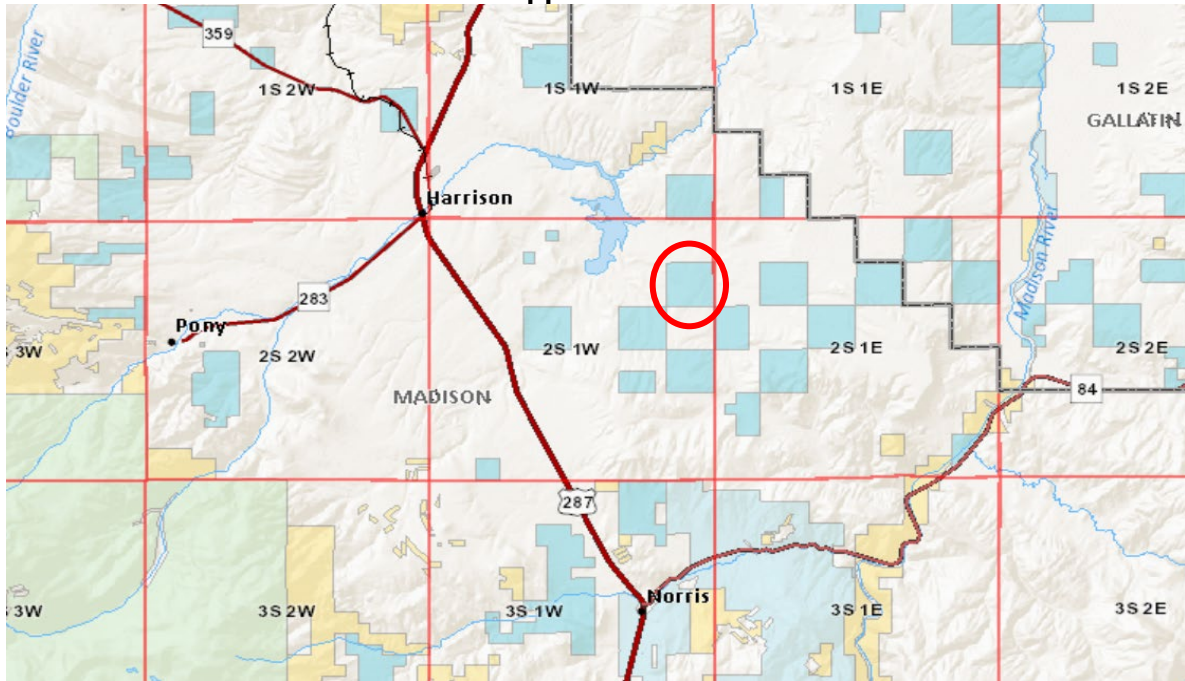
Titus 22, LLC has made application for the use of an existing road to conduct normal farming and ranching activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is landlocked and another landowner would need to grant access along with the applicant in order to obtain access to the State Land. Applicant is the lessee of the affected State Land. The private property of applicant to be accessed is described as:

- All: Sec. 6, Twp. 2S, Rge. 1E, Madison County
- N2: Sec. 7, Twp. 2S, Rge. 1E, Madison County

DNRC Recommendation

The DNRC recommends approval of the application of Titus 22 LLC.

Application 19376



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Titus 22, LLC
 7528 Hwy 287 N
 Harrison MT 59735

Application No.: 19377
 R/W Purpose: a private access road to conduct normal farming and ranching operations

Lessee Agreement: N/A (Historic)
 Acreage: 1.96
 Compensation: \$1,960.00
 Legal Description: 15-foot strip through NE4NE4, S2NE4, N2SE4, SW4SW4, Sec. 36, Twp. 1S, Rge. 1W, Madison County

Trust Beneficiary: Common Schools

Item Summary

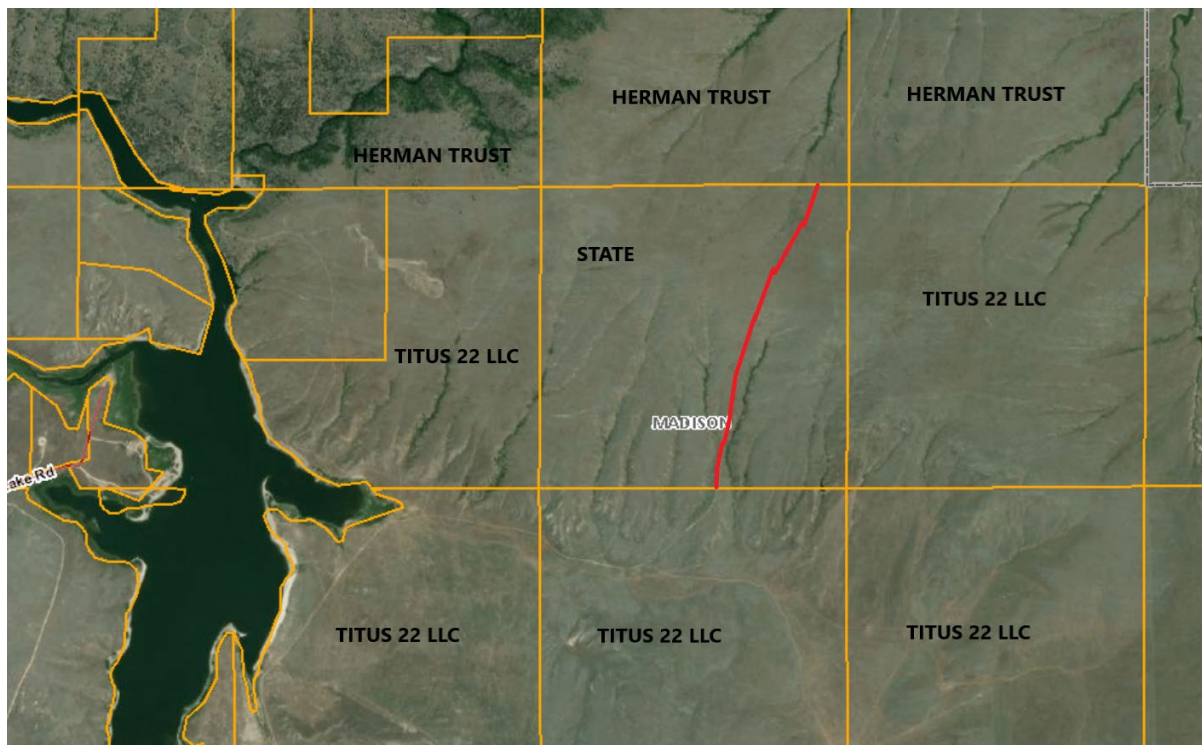
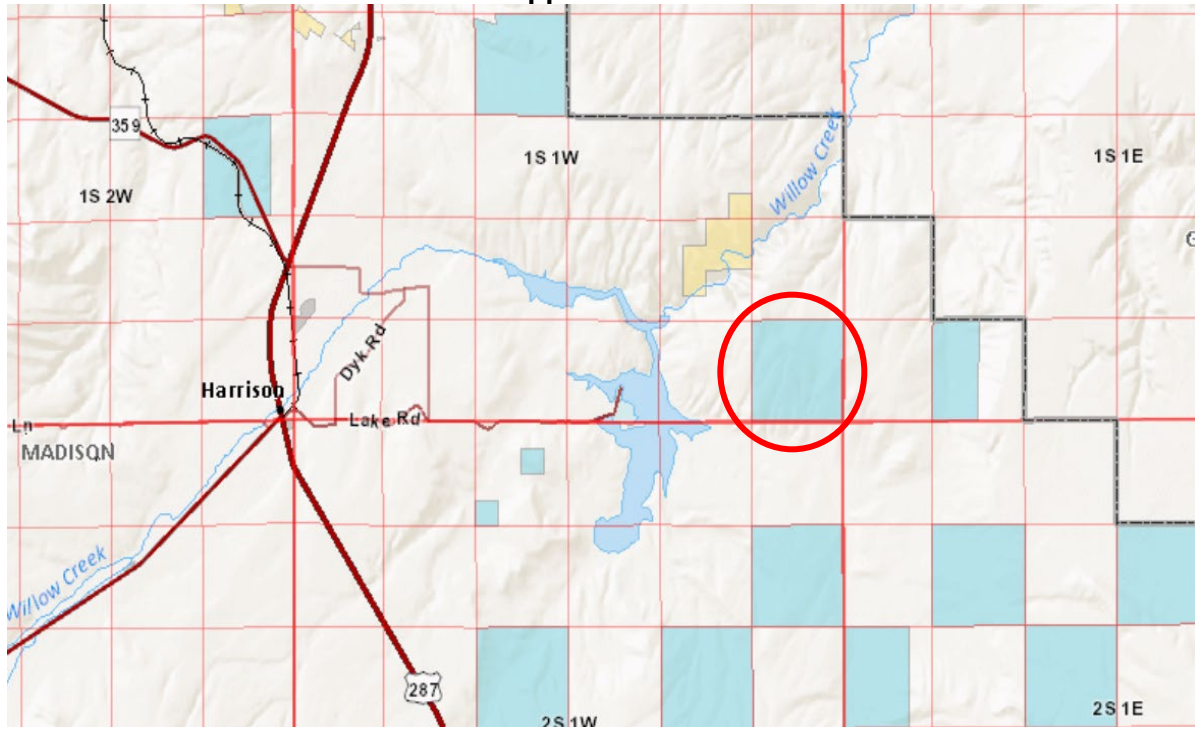
Titus 22, LLC has made application for the use of an existing road to conduct normal farming and ranching activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is landlocked and another landowner would need to grant access along with the applicant in order to obtain access to the State Land. Applicant is the lessee of the affected State Land. The private property of applicant to be accessed is described as:

- All: Sec. 31, Twp. 1S, Rge. 1E, Madison County

DNRC Recommendation

The DNRC recommends approval of the application of Titus 22, LLC.

Application 19377



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Richland County
 % Montana Department of Transportation
 P O Box 201001
 Helena MT 59620-1001

Application No.: 19379
 R/W Purpose: public county road construction and maintenance, including
 occupancy by public utilities as defined in §69-4-101, MCA

Lessee Agreement: ok
 Acreage: 1.97
 Compensation: \$1,675.00
 Legal Description: tract of land in SE4SE4, Sec. 36, Twp. 25N, Rge. 58E,
 Richland County
 Trust Beneficiary: Common Schools

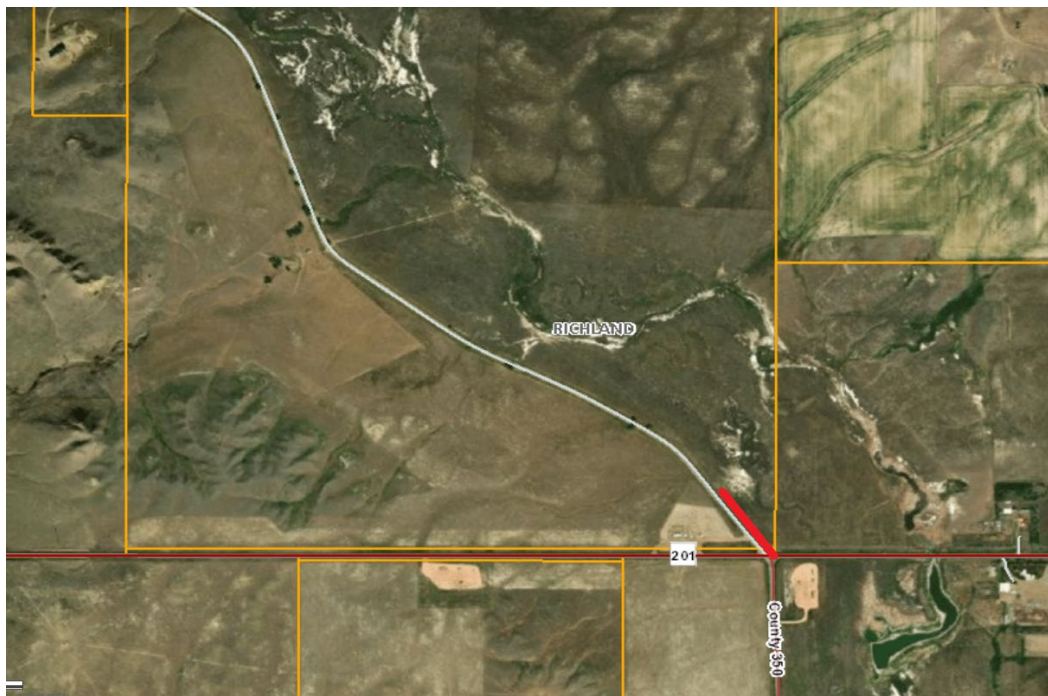
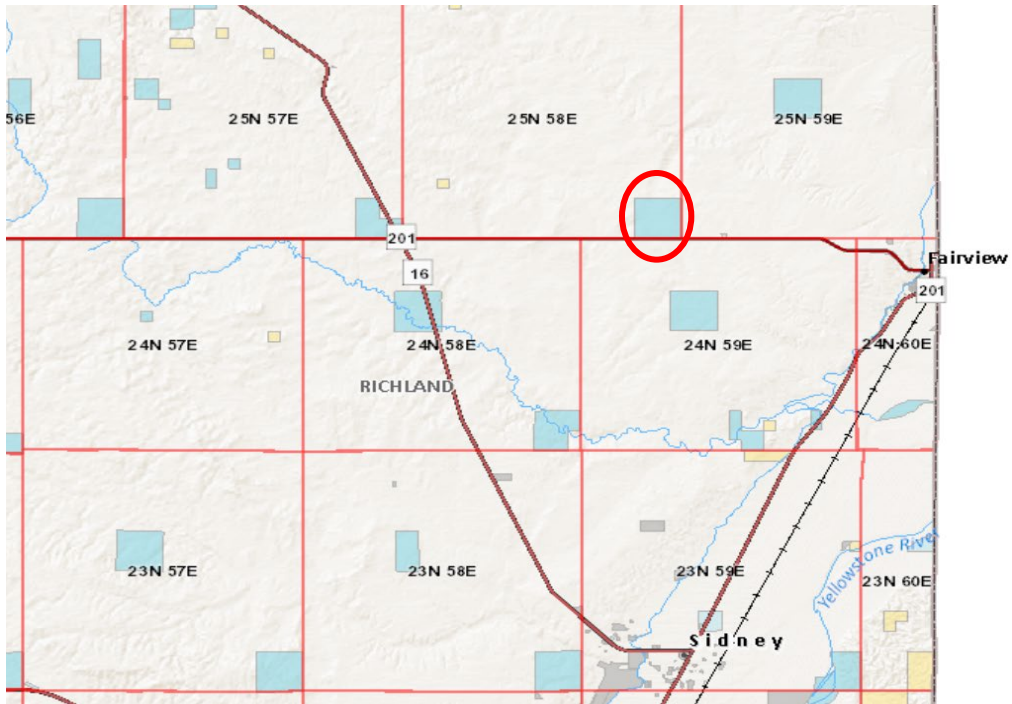
Item Summary

MDT will be re-aligning a portion of an existing county road in Richland County as part of the Fairview-West highway reconstruction project. MDT is requesting an area of additional easement on behalf of Richland County due to this reconstruction.

DNRC Recommendation

The DNRC recommends approval of the application of Montana Department of Transportation, on behalf of Richland County.

Application 19379



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	City of Glendive 300 South Merrill Avenue Glendive MT 59330
Application No.:	19381
R/W Purpose:	a 26" HDPE casing containing a 12" municipal water main pipeline
Lessee Agreement:	N/A (Navigable River)
Acreage:	0.66
Compensation:	\$2,450.00
Legal Description:	50-foot strip under the Yellowstone River in NE4NW4, NW4NE4, Sec. 35, Twp. 16N, Rge. 55E, Dawson County
Trust Beneficiary:	Public Land Trust – Navigable Rivers

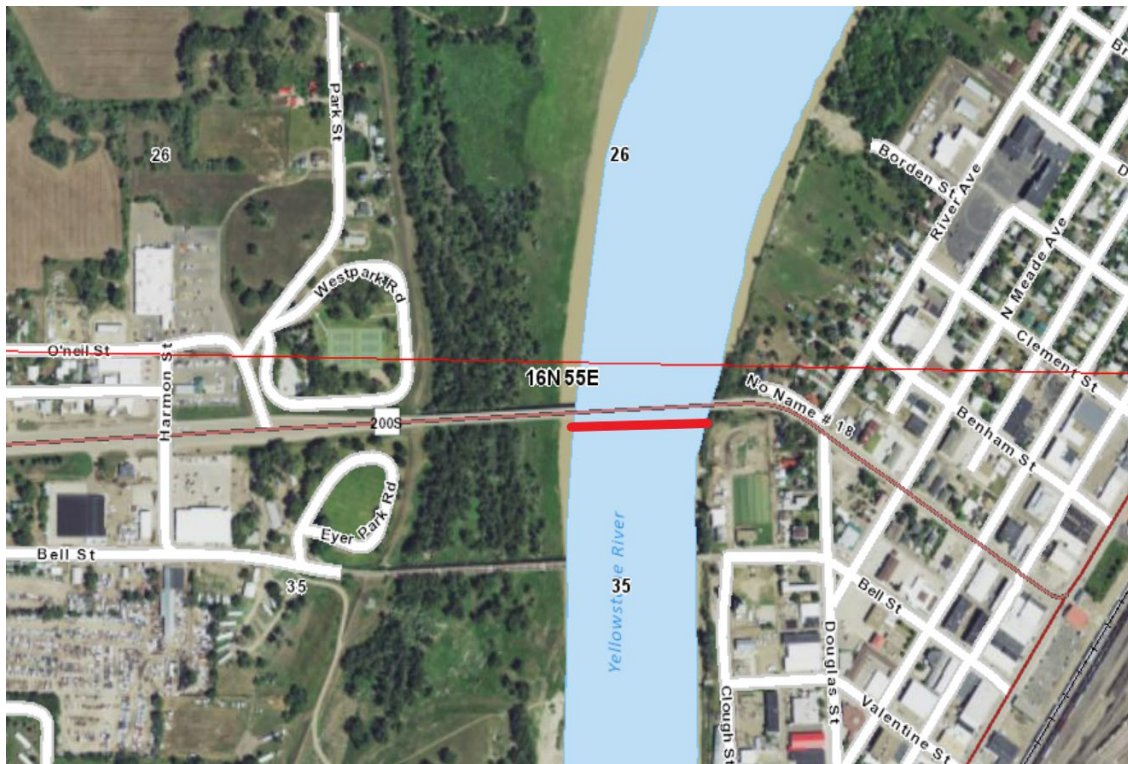
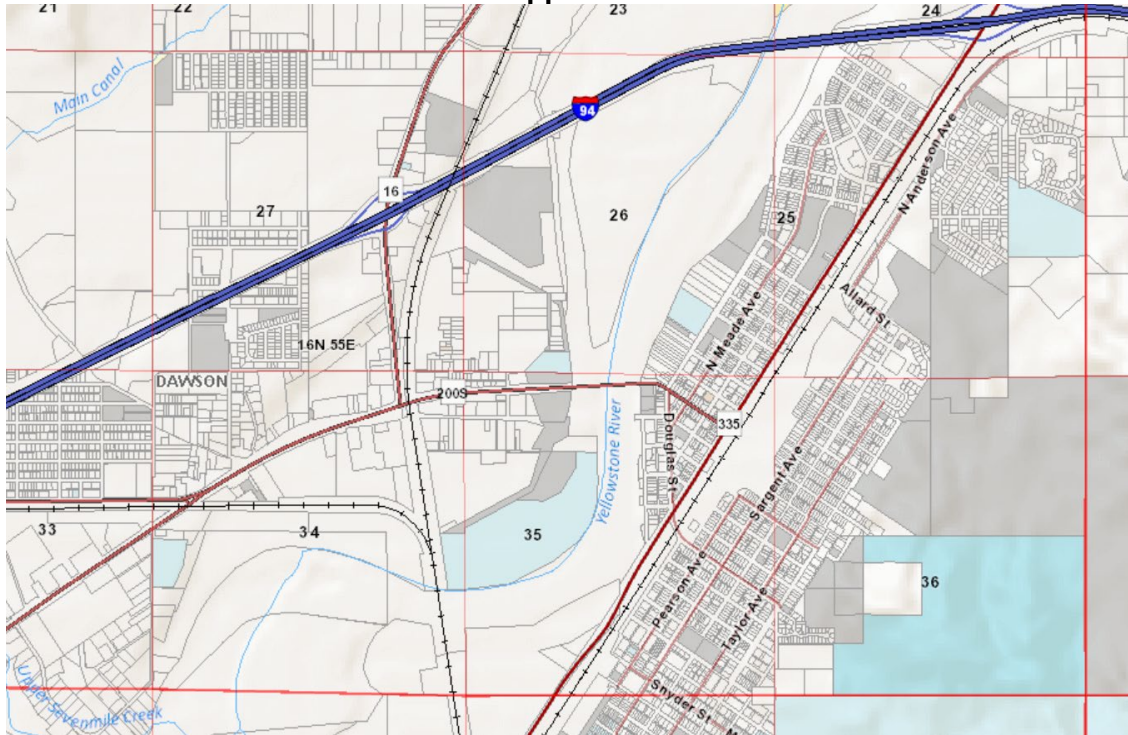
Item Summary

The City of Glendive is proposing a new 12" municipal water main pipeline to serve the west side of the City. The existing pipeline is a 57-year old above-ground pipeline located on the Bell Street Bridge that is susceptible to freezing during extreme cold and dead-ends within the City water infrastructure. The new pipeline is proposed to be bored 40 feet under the Yellowstone River and provide a redundant system loop to provide additional flow capacity. Due to the issues with freezing in the extreme cold, the option to locate the new pipeline in the same location on the Bell Street Bridge is not an acceptable option.

DNRC Recommendation

The DNRC recommends approval of the application of the City of Glendive.

Application 19381



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	NorVal Electric Cooperative, Inc. P O Box 951 Glasgow MT 59230
Application No.:	19382
R/W Purpose:	a buried 7200 volt electric distribution line
Lessee Agreement:	ok
Acreage:	2.4
Compensation:	\$1,560.00
Legal Description:	20-foot strip through W2W2, Sec. 9 and W2W2, Sec. 16, Twp. 35N, Rge. 46E, Daniels County
Trust Beneficiary:	Common Schools

Item Summary

NorVal Electric Cooperative is requesting an easement to replace aging overhead electrical lines with new buried lines in the Peerless service area. The entire project generally follows existing roads and disturbed ground to avoid potential land damage in the event of power outage that requires maintenance. On the two affected State Trust land parcels, the route follows a farm field access route along the west section line of Section 9 into Sec. 16. The cable will be knifed in, creating little disturbance to the land. Minimal impacts are expected.

DNRC Recommendation

The DNRC recommends approval of the application of NorVal Electric Cooperative.

Application 19382

