



Trust Lands Management Fiscal Year 2020 Review

- K-12: 2020 School Year Enrollment: 149,178 public school children
- OPI Budget: \$864.4 million
- OPI Pupil Budget: average state share per student \$5,795



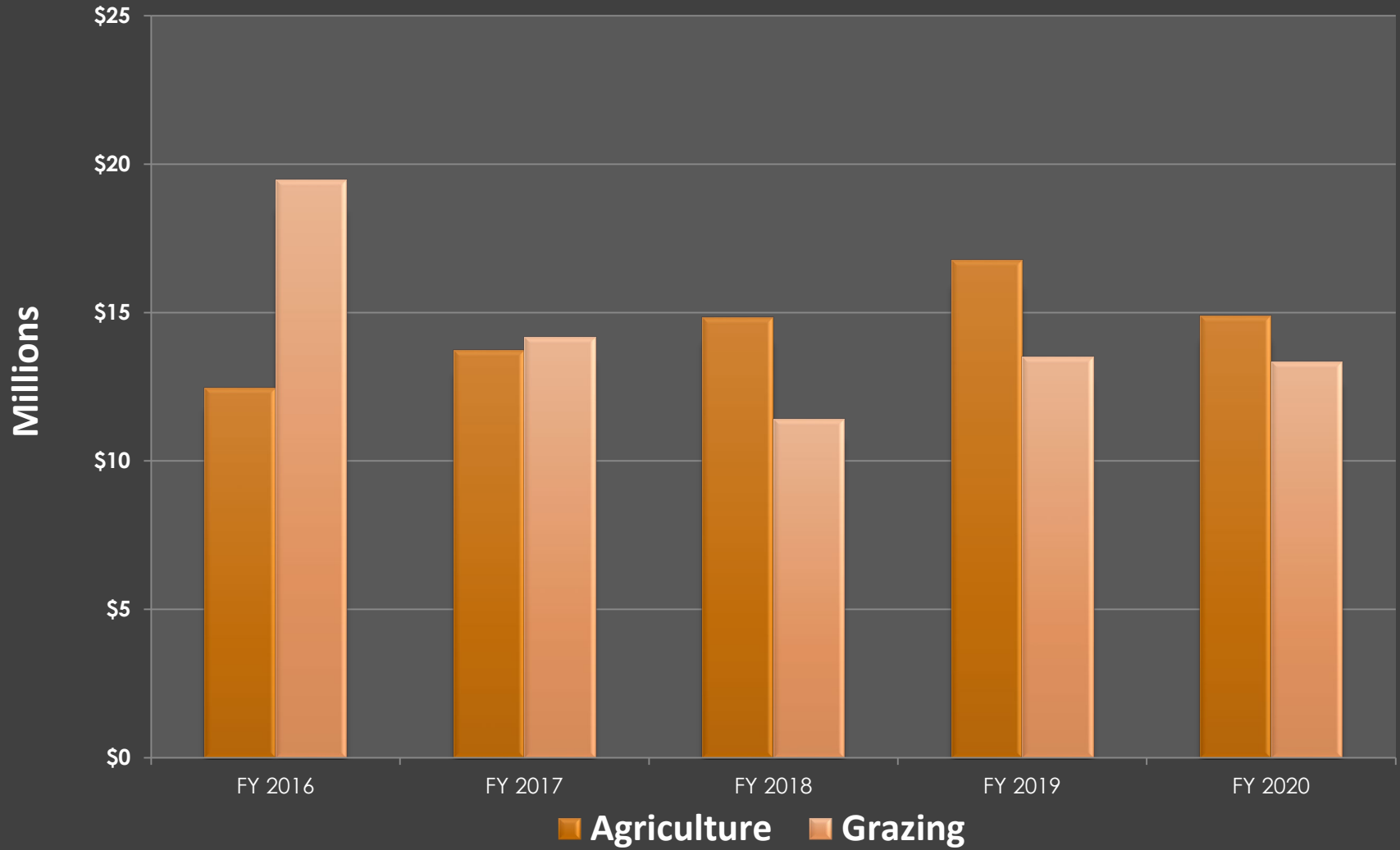
- **Trust Lands Common Schools Distribution: \$41.2 million or \$276 per student**
- **Trust Lands Contribution to the OPI Budget: 4.8%**
- **School Facility & Technology Fund: \$1.7 million**

Agriculture & Grazing Management



- **Agriculture Lease Revenues: \$14.8 million**
 - 8.36 million bushels of wheat
 - 1.0 million bushels of barley
 - 92.5 thousand tons of hay
- **Grazing Revenues: \$13.3 million**
 - A decrease in beef cattle prices resulted in an decrease of the grazing rate from \$13.10/AUM to \$12.92/AUM.
- **Recreational Use**
 - 526,455 conservation licenses were sold, generating \$1,052,910 for the trust beneficiaries.

Ag & Grazing Revenues FY 2016 - FY 2020



Minerals Management

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- In FY 2020, revenue from mineral activities totaled \$22.4 million
- Average price per barrel: \$43.53
- Oil & Gas royalty revenue: \$7 million
- Coal royalty revenue: \$13.6 million
- Oil & Gas rentals & bonus revenue: \$1.8 million



- During FY 2020:
 - 500,123 acres under 1,295 lease agreements for Oil & Gas:
 - 615 leases are producing from 232,865 acres
 - 900 thousand barrels of oil
 - 2.1 million mcf (thousand cubic feet) of gas
 - 14,692 acres under 31 lease agreements for Coal:
 - 6 leases are producing from 2,520 acres.
 - 5.7 million tons of coal

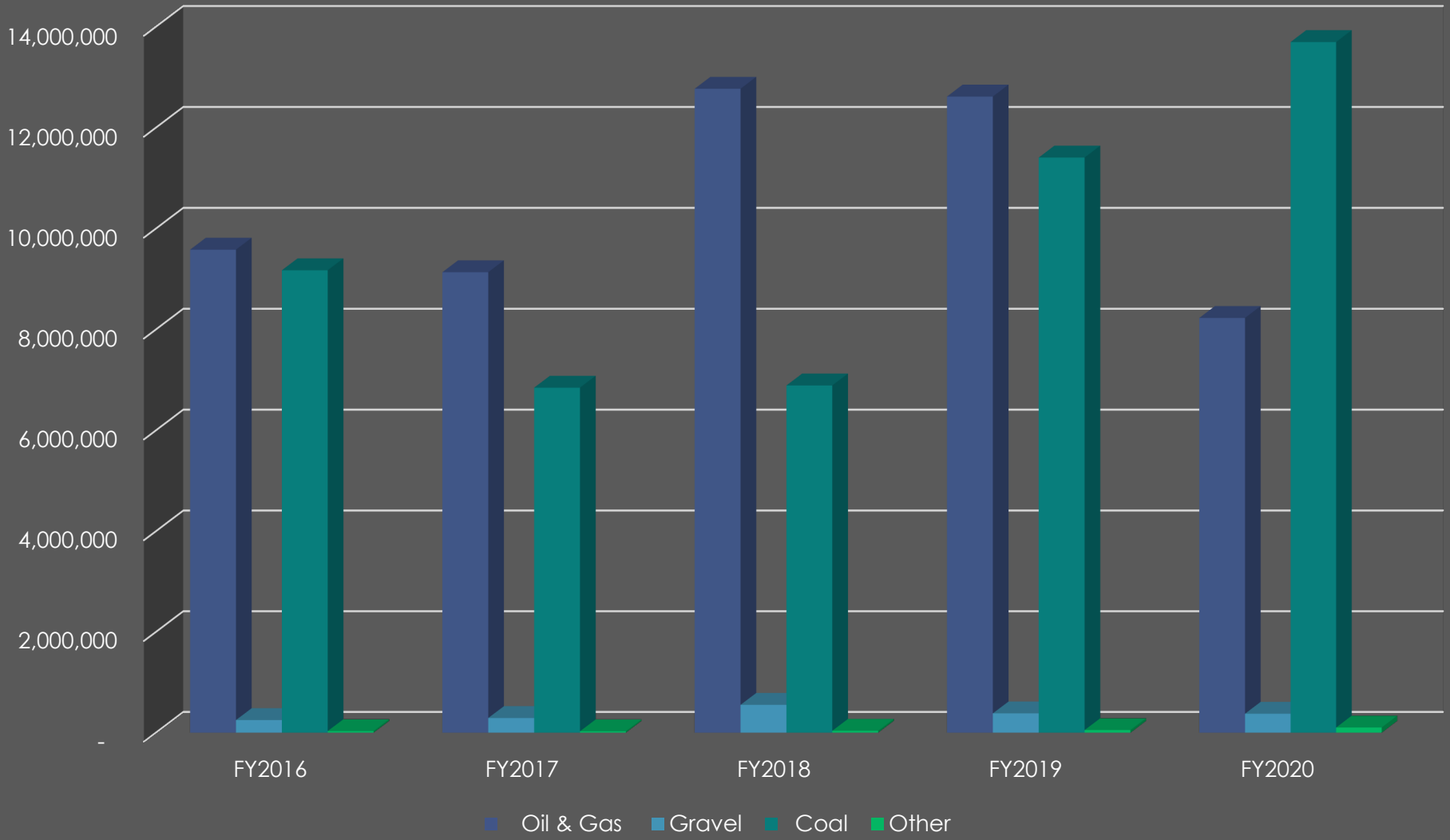


Oil & Gas Lease Auctions

- Four quarterly auctions per year.
- Generated \$359 thousand in bonus revenue in FY 2020.
- 67% increase over the previous 3-year average.
- However, wide fluctuations in quarterly lease auction revenues.



Figure 3
Mineral Revenues
FY2016 - FY2020

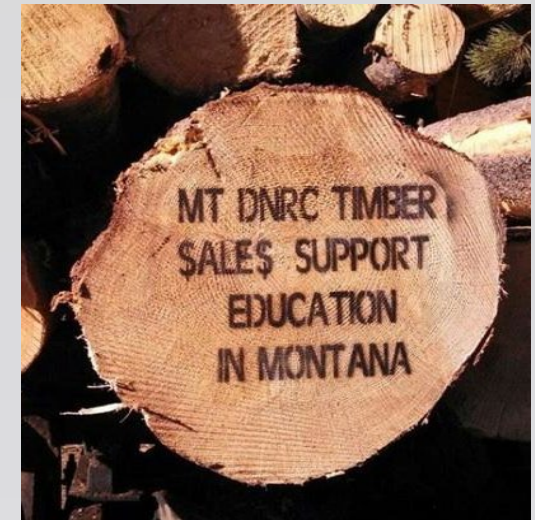


Minerals Management

Forest Management

Fiscal Year 2020:

- 53.9 million board feet sold of the 59 offered
 - Value of \$10.5 million
 - Average stumpage price decreased 12% to \$171 per MBF.
- 45.3 million board feet harvested
 - Value of \$10.5 million
- 326,926 seedlings planted

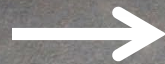


Forest Management

- Initiated the amendment process to include approximately 14,000 of acquired lands (Stillwater State Forest) in the Department Forest Management Habitat Conservation Plan.
- Completed and adopted the 2020 Sustainable Yield Calculation.
- Continued deployment and improvement of “NextGen” data and data systems to include FM Pro, a Forest Improvement data management application



Improved Data

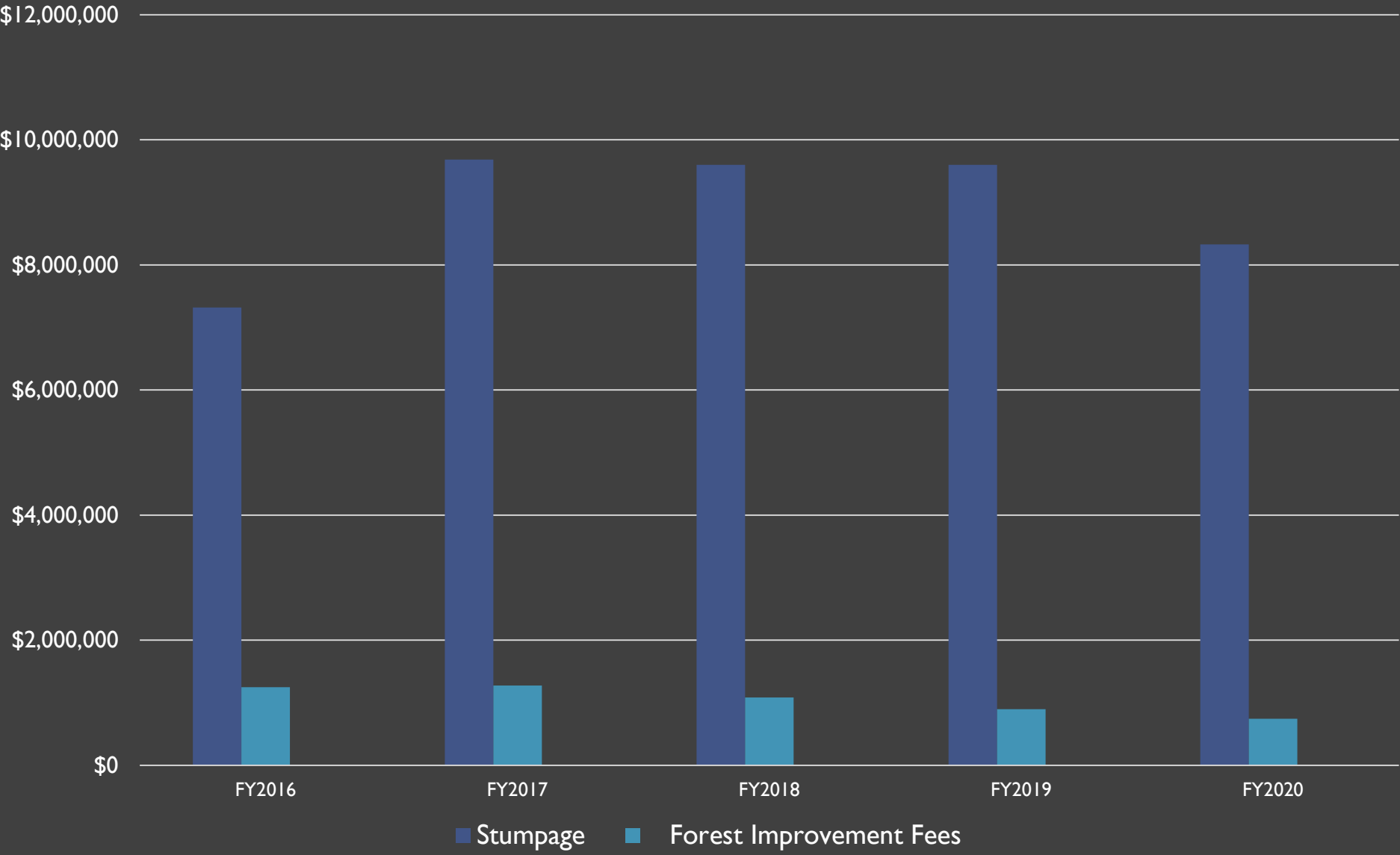


Restored Habitats
Gained efficiency



Higher ROI

Forest Management Revenue FY2016 - FY2020

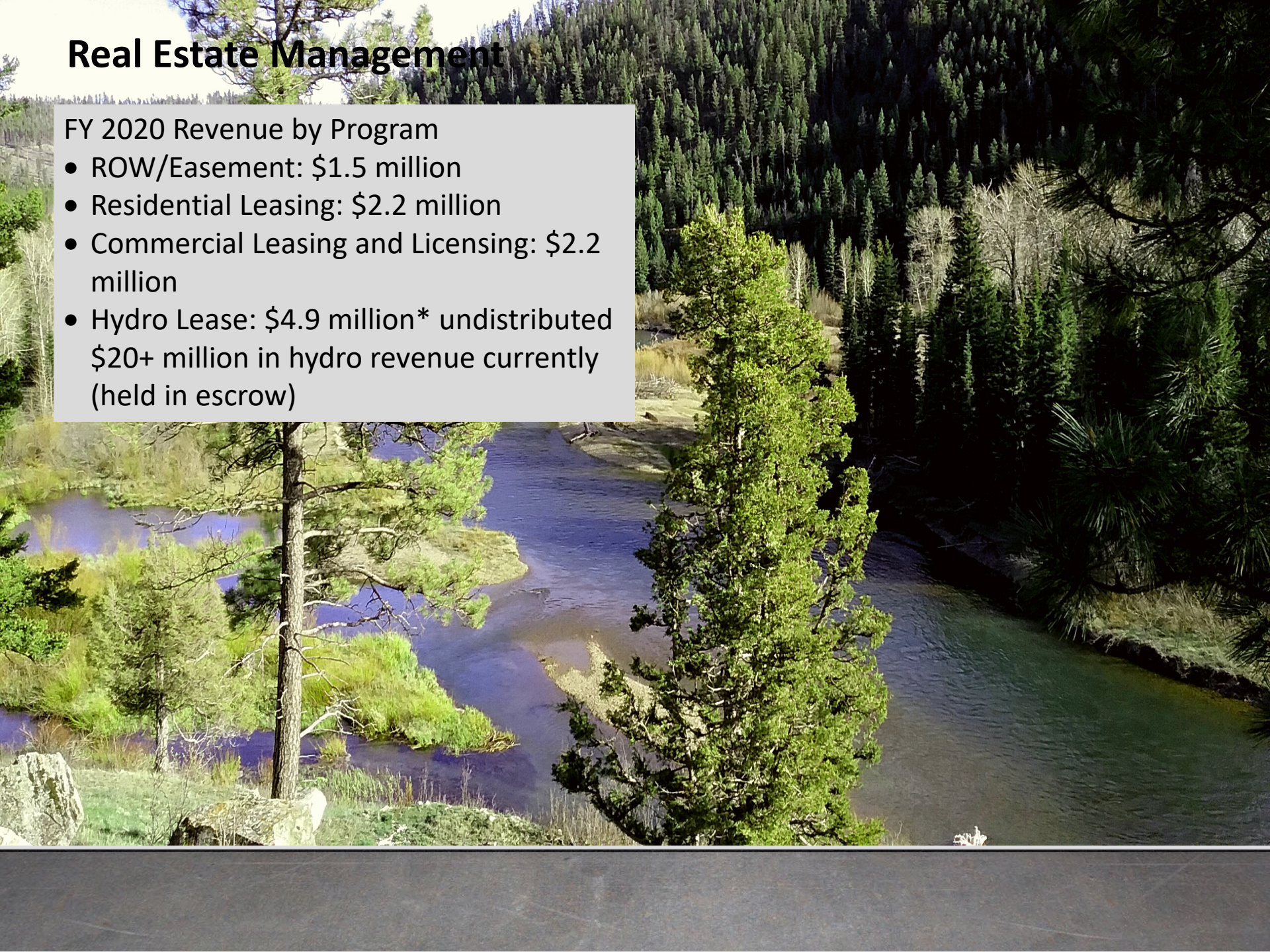


Forest Management

Real Estate Management

FY 2020 Revenue by Program

- ROW/Easement: \$1.5 million
- Residential Leasing: \$2.2 million
- Commercial Leasing and Licensing: \$2.2 million
- Hydro Lease: \$4.9 million* undistributed
\$20+ million in hydro revenue currently
(held in escrow)

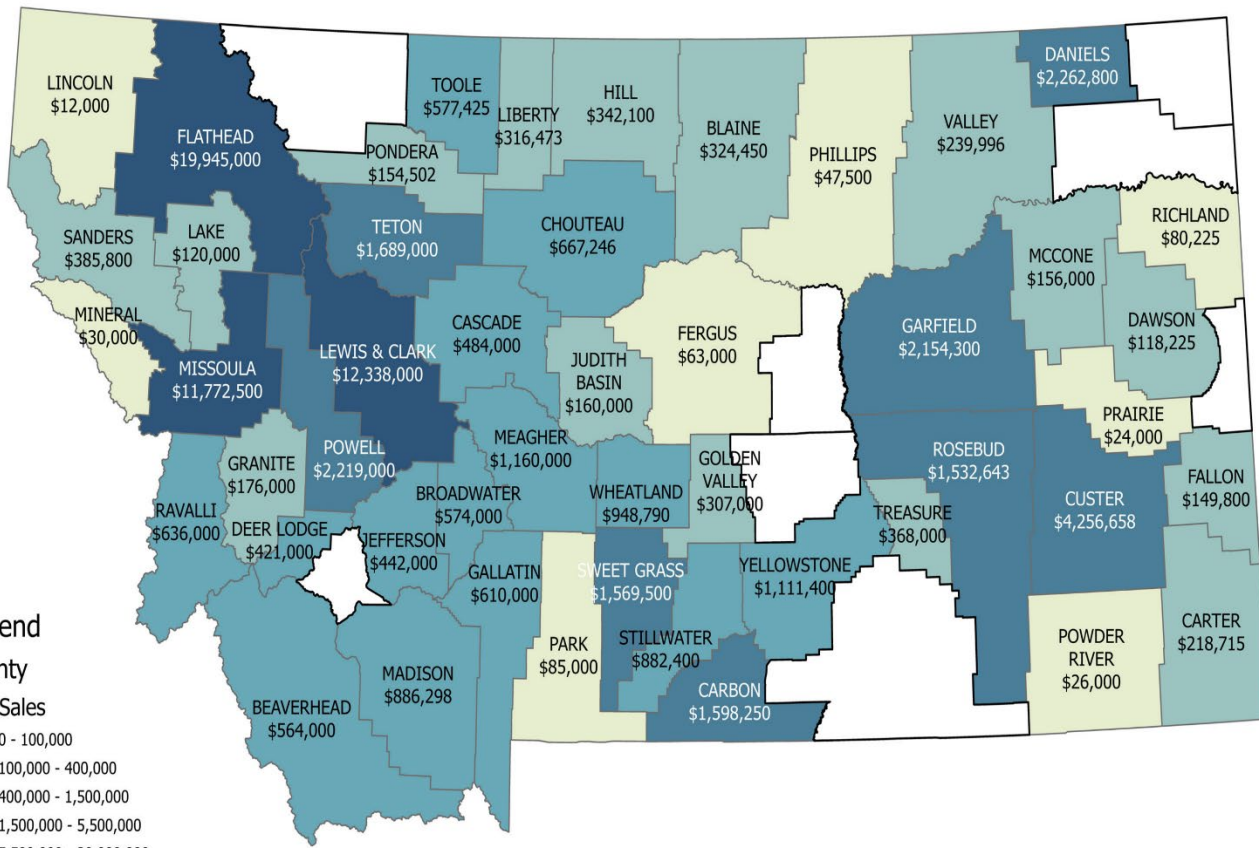


Land Banking Sales FY 2020

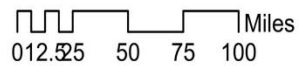
- Sold: 41 Cabin Sites for \$7.5M
- Sold: 12 Land Sales of 5,640 acres for \$3.6M
- Total Land Banking Sales: 53 parcels for \$11.1M



Land Transactions



Legend
County
Total Sales
 0 - 100,000
 100,000 - 400,000
 400,000 - 1,500,000
 1,500,000 - 5,500,000
 5,500,000 - 20,000,000
 No Sales



Prepared by REMB staff
 June 2020

**Land Banking
 2006 -2020**

**Total Lands Sold:
 86,231 Acres
 \$75.2 M**

**Total Lands
 Acquired:
 98,228 Acres
 \$53.3M**



**Montana Trust Lands Land Banking
 Total Sales by County, 2006 - June 2020**



Cabin Site Sales Highlights

Echo Lake cabin site



- 41 cabin sites sold in FY 2020
- 2020/2021 sale program
 - 200+ sites considered
 - 100+ sites being processed
 - 80+ expected to sell



Rogers Lake cabin site

Morrell Flats cabin site south of Seeley Lake



- 238 rights-of-way/easement applications approved by the Land Board.
- Conversion of Big Arm State Park/Fishing Access site from a lease to an easement, realizing a \$10,000,000 benefit to the Common School permanent fund (payment made in FY21)
- 32 cabin site sale legal access easements issued
- Actively pursuing reciprocal easement exchanges to obtain and enhance legal access to trust land inholdings.



Rights-of-Way/Easements

Property Management

Commercial Leasing

- Mountaineer Parcel (right) - Kalispell. Last remaining commercial zoned parcel in Spring Prairie – lease option signed 10/2020 – 1st year lease revenue - \$145,000.
- Lands managed for intensive Real Estate leasing represent the smallest land classification at only 15,152 acres while generating 7 times more revenue per acre than all other programs.



Mountaineer Parcel – Spring Prairie – Kalispell



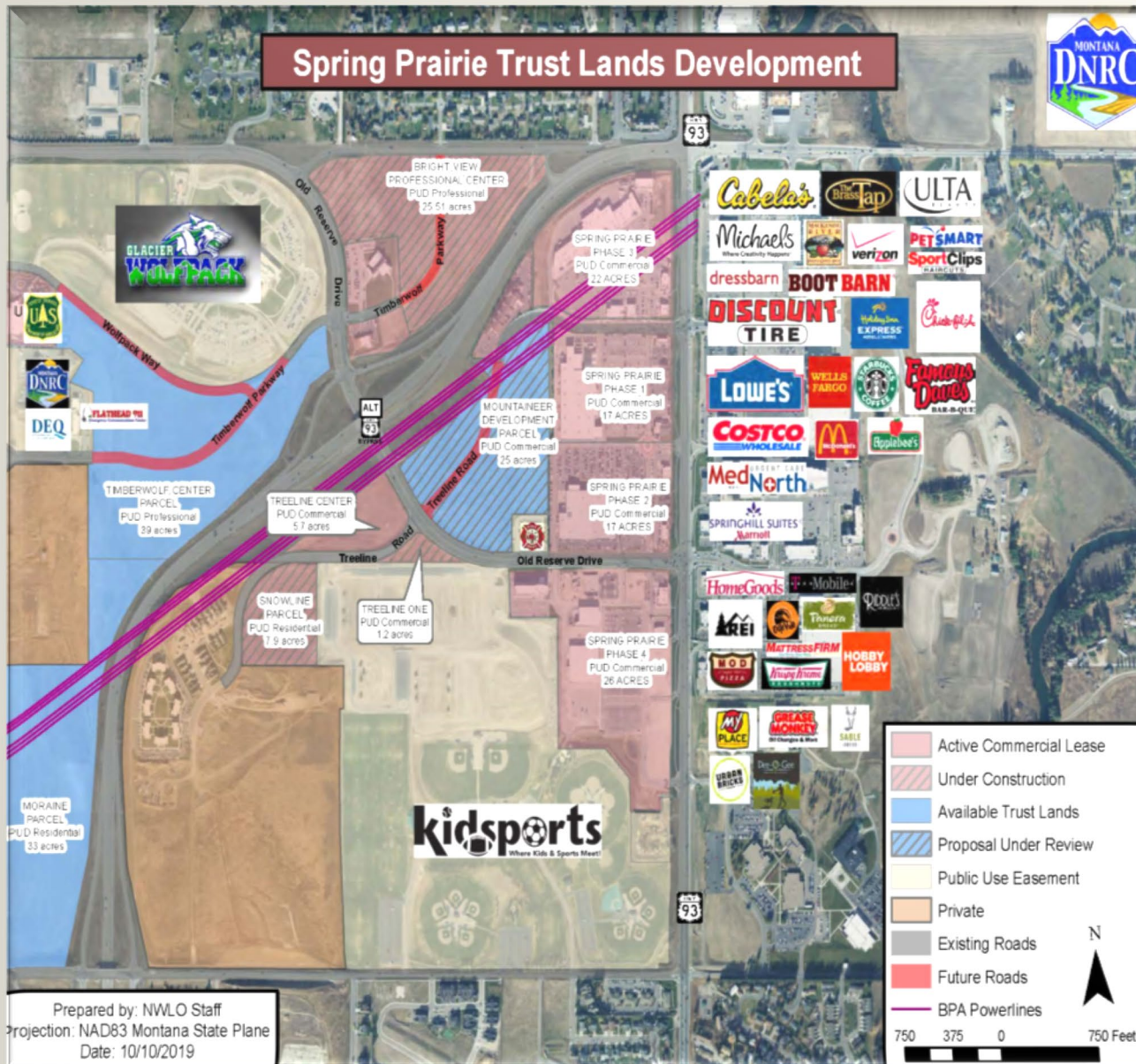
McKenzie River Pizza – Belgrade Interchange Opened May 2020

Property Management Alternative Energy Leasing

- Average annual revenues increase of 11.15% over past 6 years.
- First year commercial lease revenue surpassed residential lease revenue.
- 3 wind development leases under consideration.



Spring Prairie Trust Lands Development



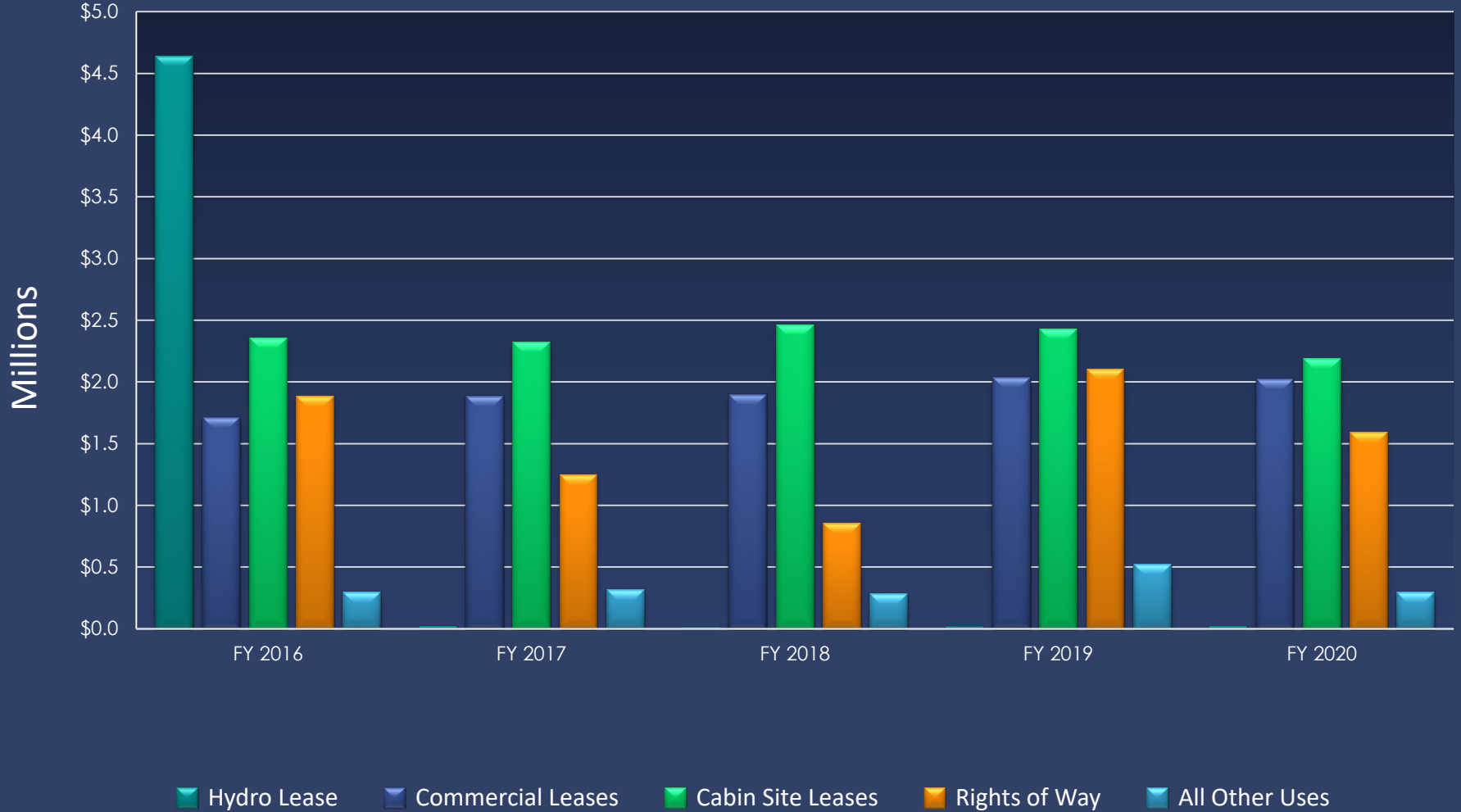
Prepared by: NWLO Staff
 Projection: NAD83 Montana State Plane
 Date: 10/10/2019

Anticipate strong demand and competitive RFP's for remaining in-fill sites.

The department is pursuing historic ROW easement grant with BPA Powerline for significant revenue potential.

Section 36 is currently producing \$904,636 per year with 11 ground leases.

Real Estate Revenues FY 2016 - FY 2020



Real Estate Management

Permanent Fund Balance

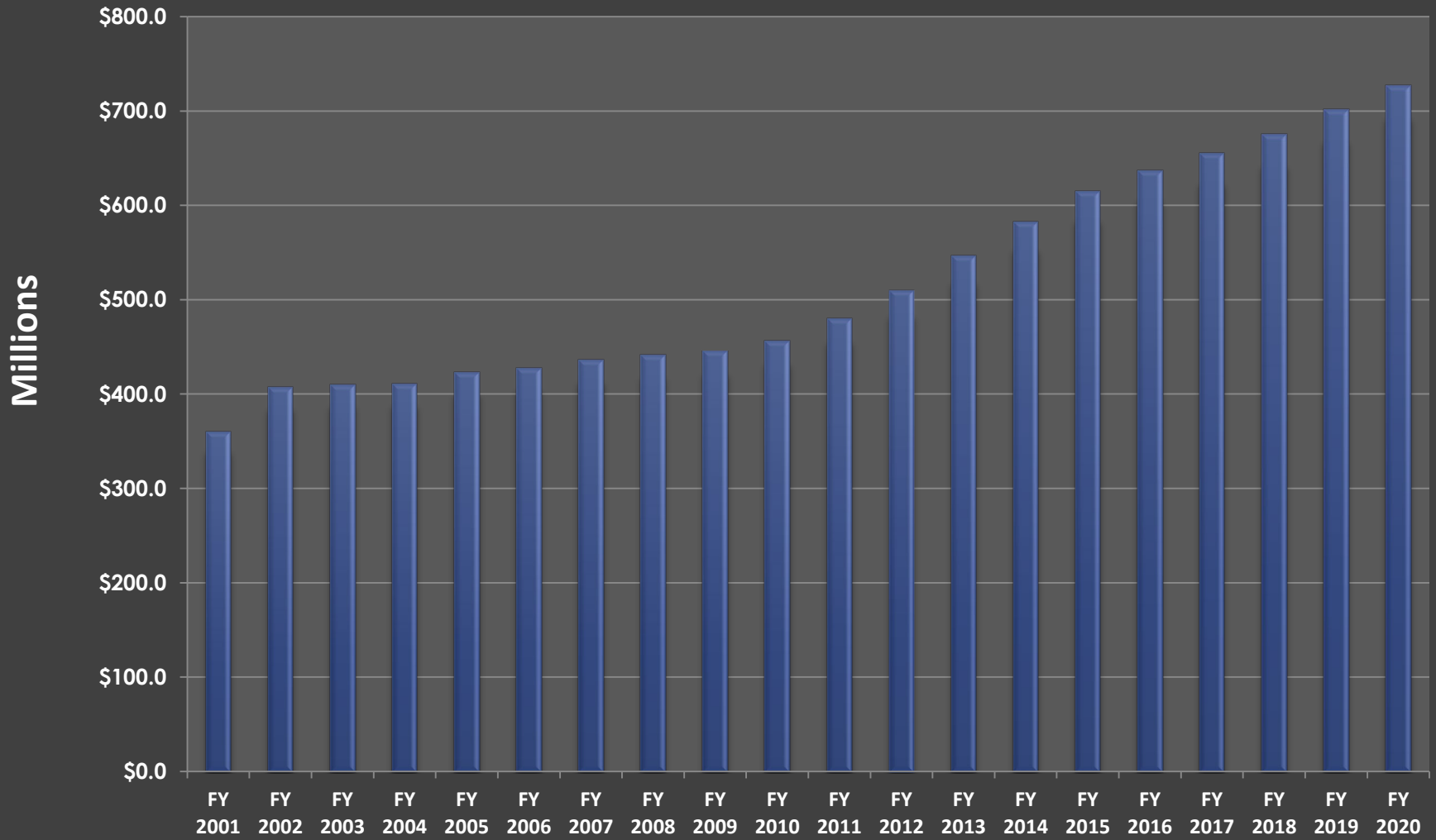
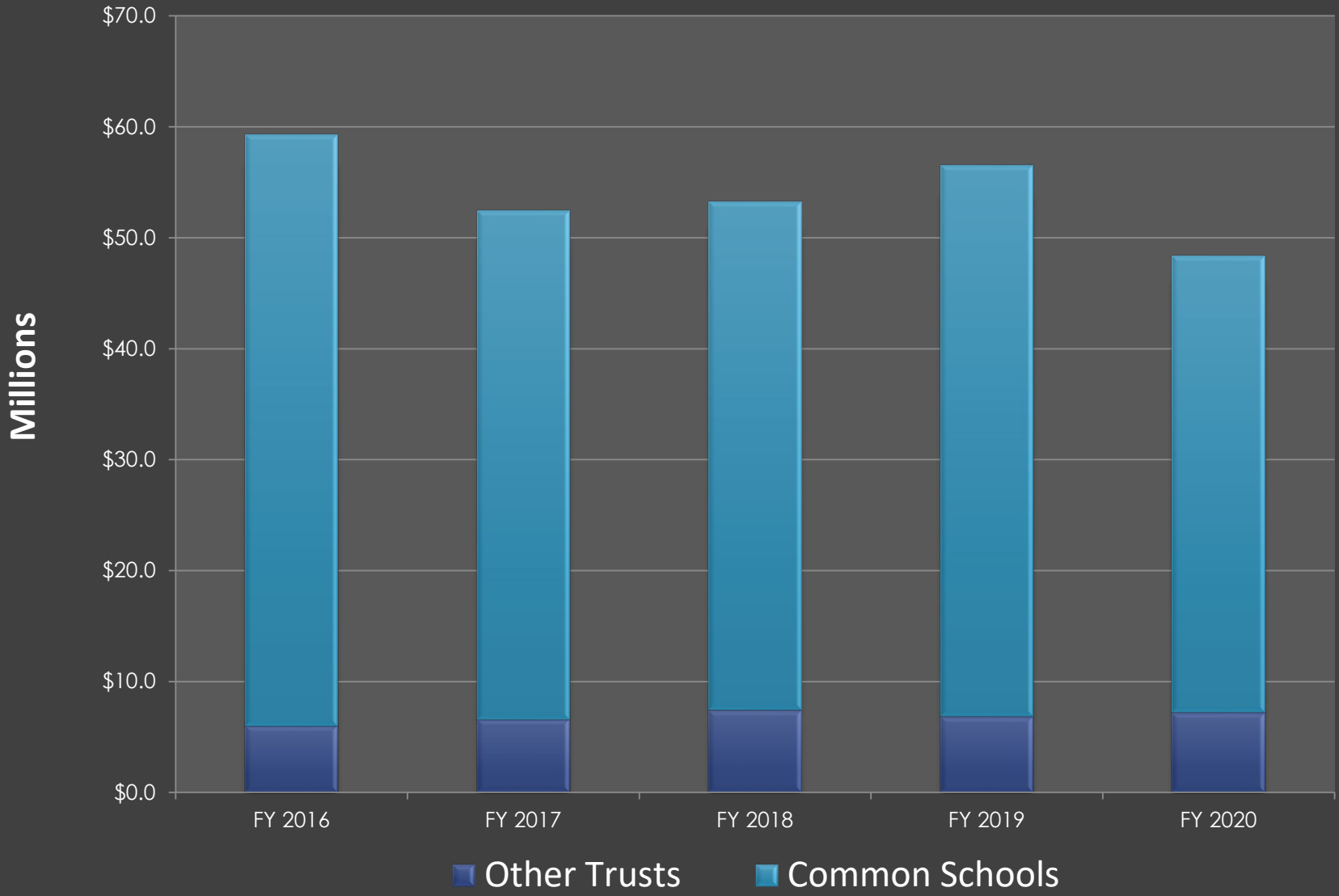
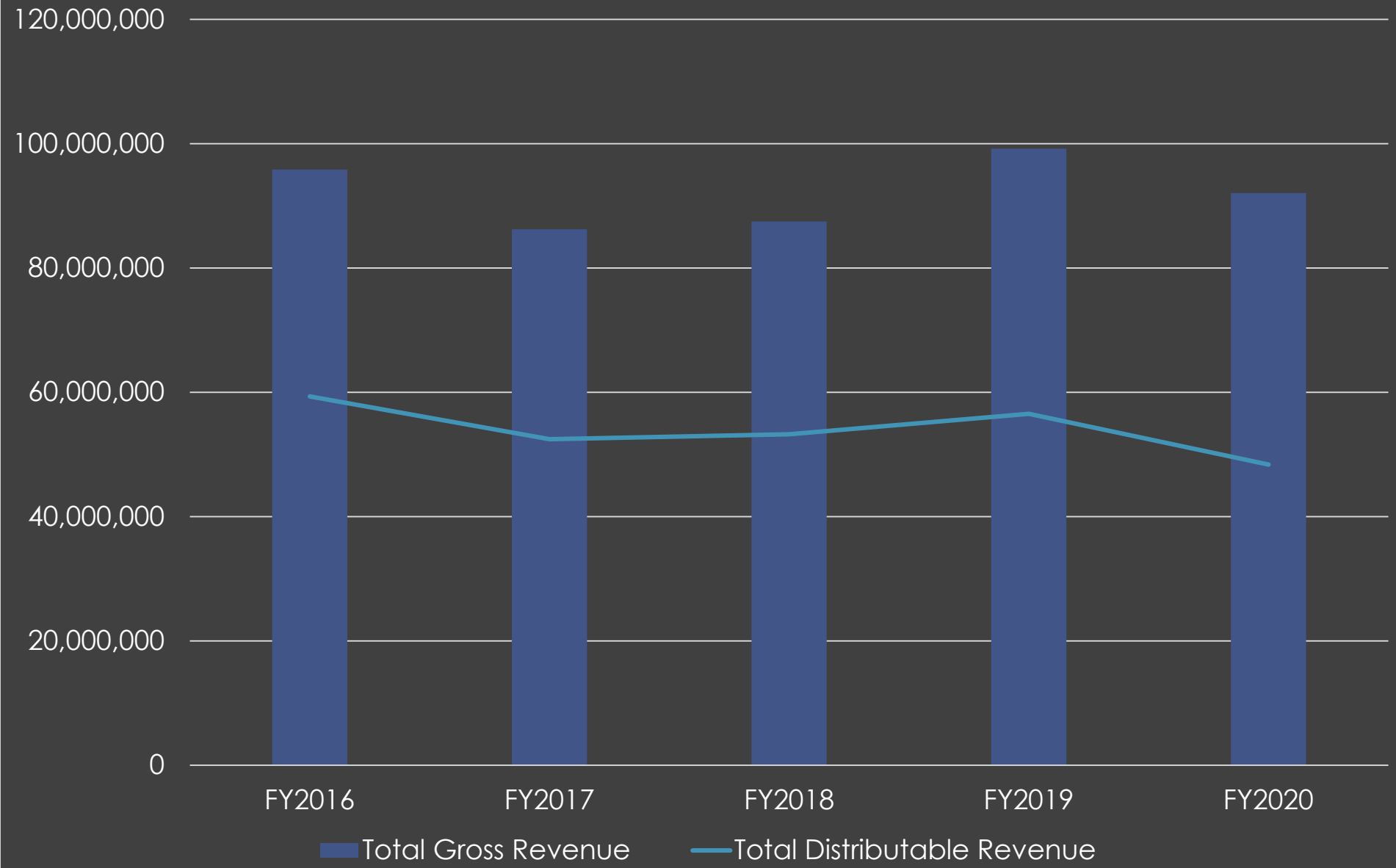


Figure 9
Net Distributable Revenues



Distributable & Gross Revenue



This concludes the presentation
Happy to answer any questions