



Trust Lands Management Fiscal Year 2021 Review



- K-12: 2021 School Year Enrollment: 145,632 public school children
- OPI Budget: \$904 million
- OPI Pupil Budget: average state share per student \$6,209



- Trust Lands Common Schools Distribution: \$47.7 million or \$327 per student
- Trust Lands Contribution to the OPI Budget: 5.3%
- School Facility & Technology Fund: \$4.5 million





Agriculture & Grazing Management

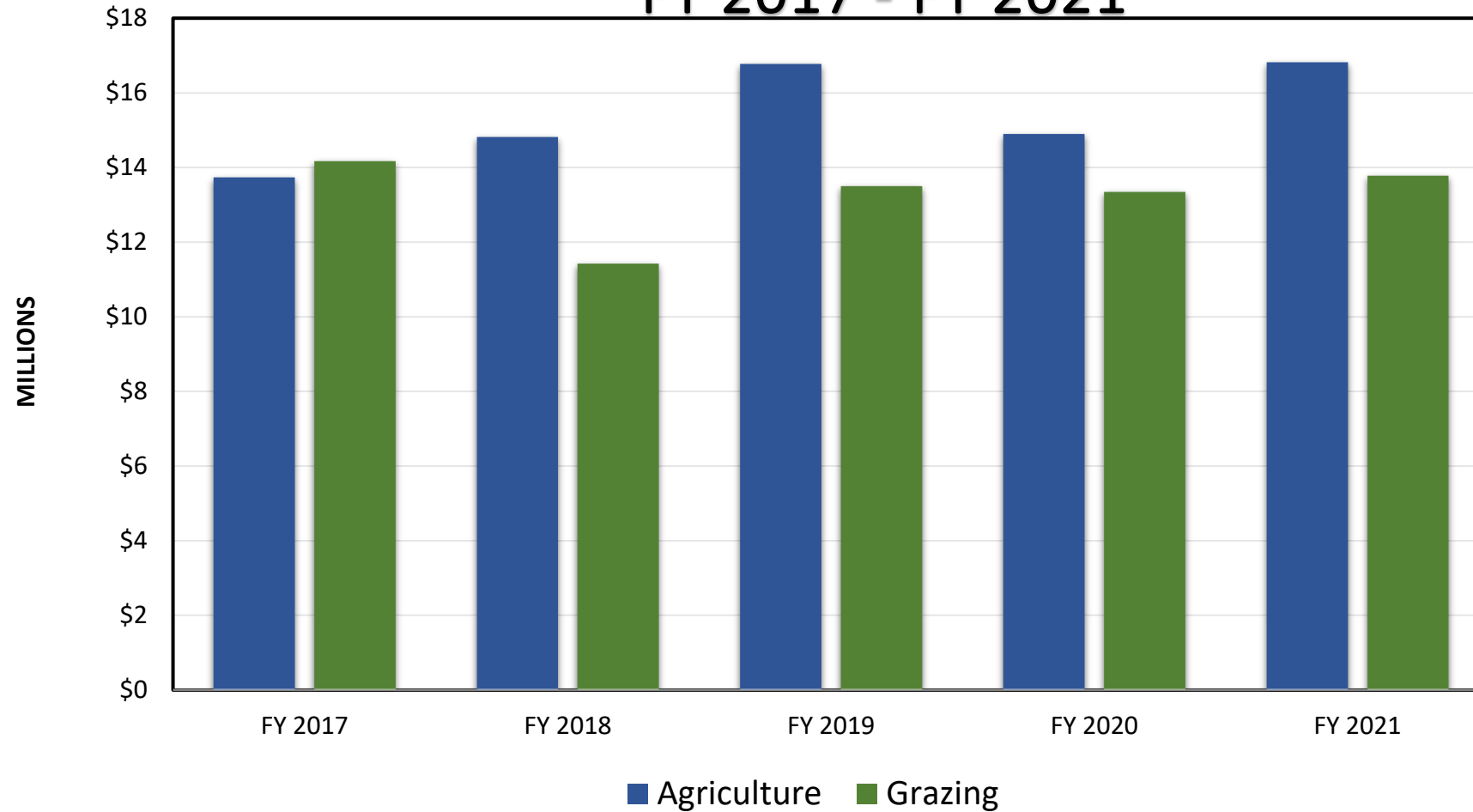
Agriculture Lease Revenues: \$16.8 million

- 9.2 million bushels of wheat
- 1.3 millions bushels of barley
- 117 thousand tons of hay

Grazing Revenues: \$13.7 million

- An increase in beef cattle prices resulted in an increase of the grazing rate from \$12.92 AUM to \$13.41/AUM

Ag & Grazing Revenues FY 2017 - FY 2021

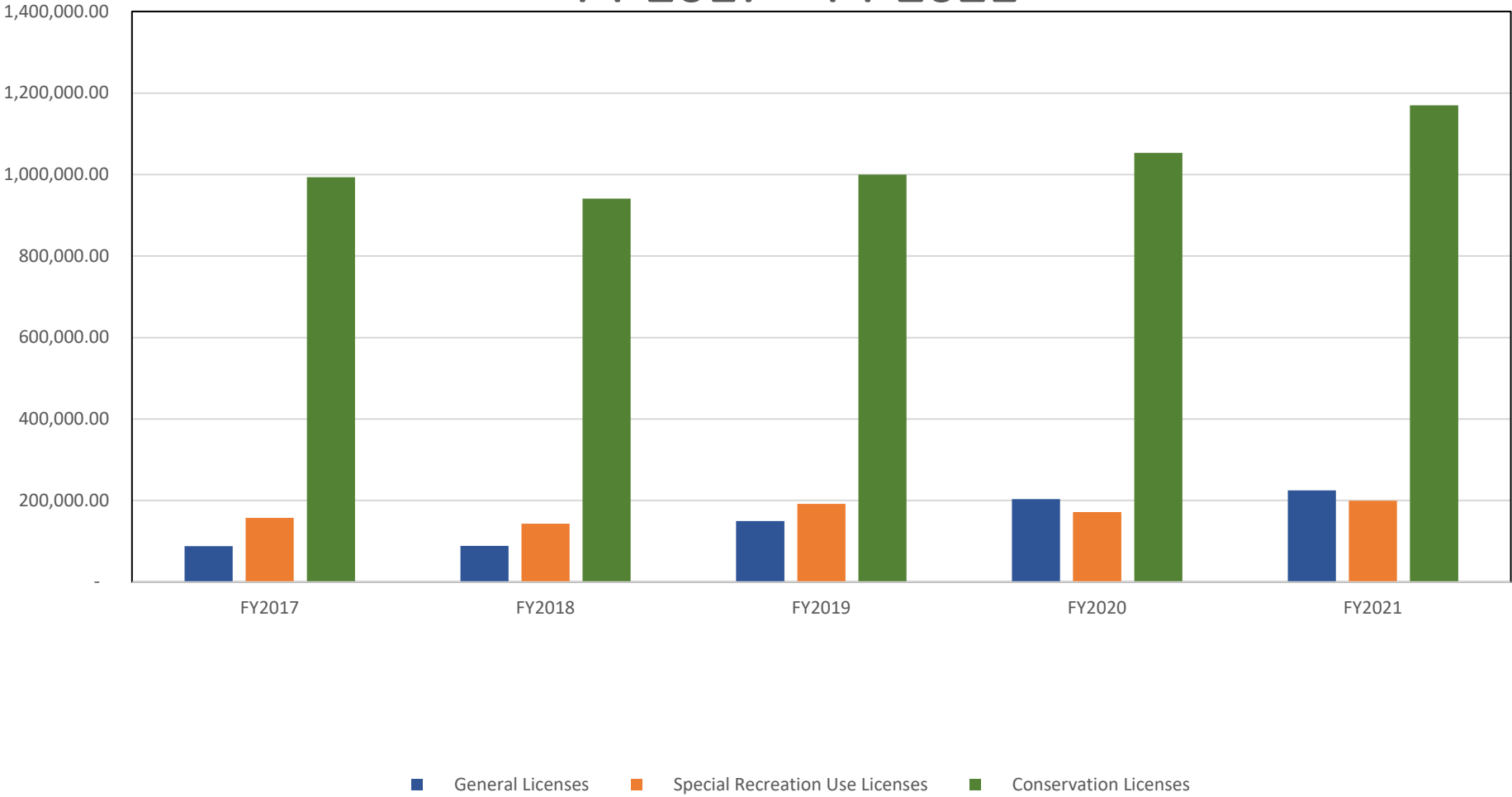


Recreational Use/Public Access

In FY 2021, DNRC elevated recreational use as a standalone program within the Trust Lands Management Division. In response to increased use and demand for trust land for both dispersed and concentrated recreational use, the department is focusing on program development and broad range solutions to balance Montana's outdoor recreation heritage with the fiduciary duty of trust land management.



Recreational Use/Public Access FY 2017 – FY 2021





Minerals Management

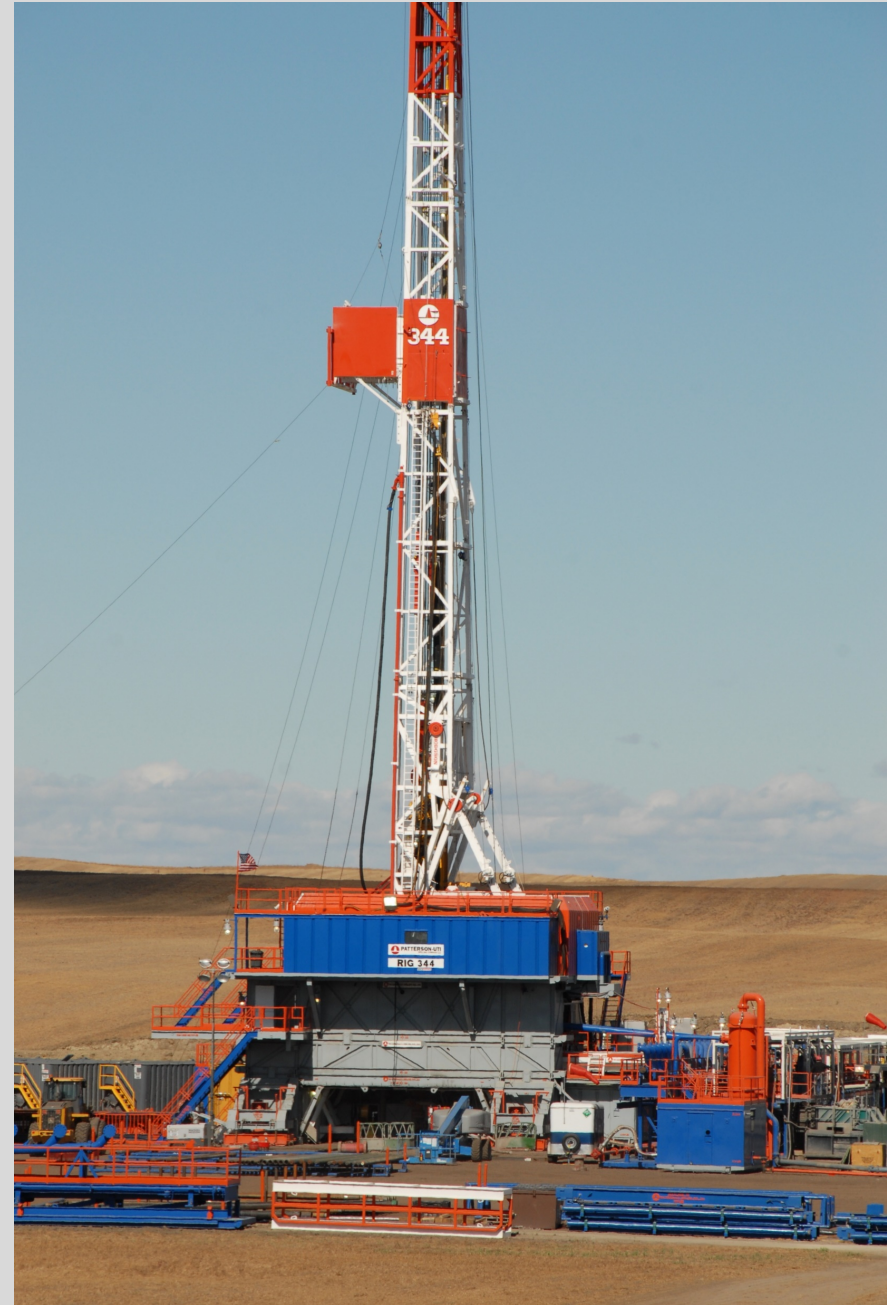
- In FY 2021, revenue from mineral activities totaled \$20.2 million
- Average price per barrel: \$47.18
- Oil & Gas royalty revenue: \$6 million
- Coal royalty revenue: \$13.1 million
- Oil & Gas rentals & bonus revenue: \$729 thousand

- During FY 2021:
 - 429,535 acres under 1,126 lease agreements for Oil & Gas:
 - 608 leases are producing from 229,225 acres
 - 908 thousand barrels of oil
 - 2 million mcf (thousand cubic feet) of gas
 - 14,692 acres under 31 lease agreements for Coal:
 - 6 leases are producing from 2,520 acres.
 - 6.7 million tons of coal

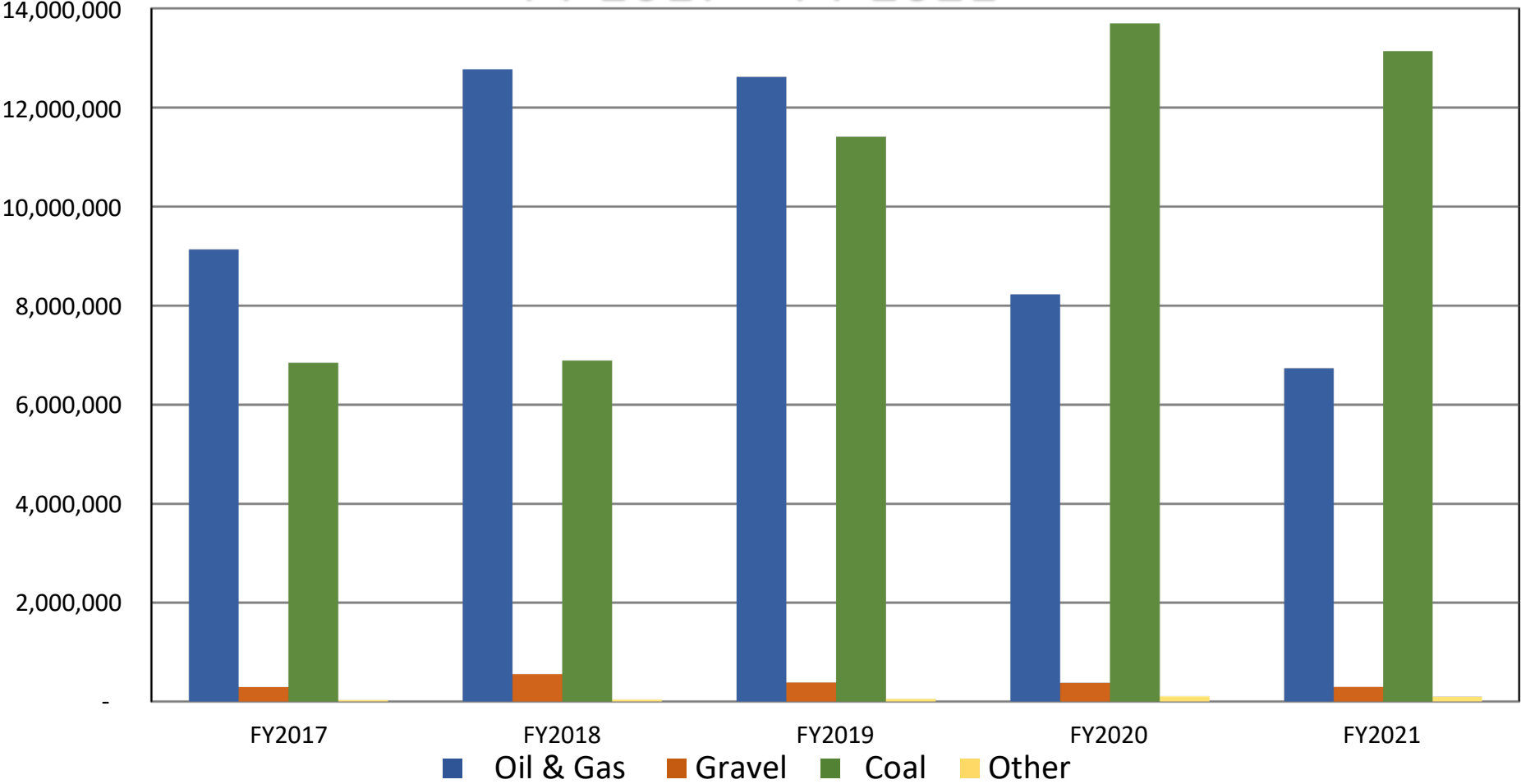


Oil & Gas Lease Auctions

- Four quarterly auctions per year.
- Generated \$101 thousand in bonus revenue in FY 2021.
- 91% decrease over the previous 3-year average.
- However, wide fluctuations in quarterly lease auction revenues.



Mineral Revenues FY 2017 – FY 2021





Forest Management

- 57.7 million board feet sold of the 59 offered
 - Value of \$10.5 million
 - Average stumpage price increased 5% to \$180 per MBF.
- 64.1 million board feet harvested
 - Value of \$12.8 million
- 363,739 seedlings planted

- Implemented an updated Sustainable Yield Calculation to increase harvest to 60.0 MMBF with additional opportunity volume of 8.3 MMBF
- Adopted new comprehensive Forest Management Administrative Rule revisions
- Next Gen Data and Data Systems fully integrated into other TLMD Bureaus and programs establishing a stable platform for enhanced mobile technology and Remote Sensing applications as well as eventual public facing data portals

MTDNRC - FMPro

Find address or place

Digitize New Project

Add Data from Existing Source

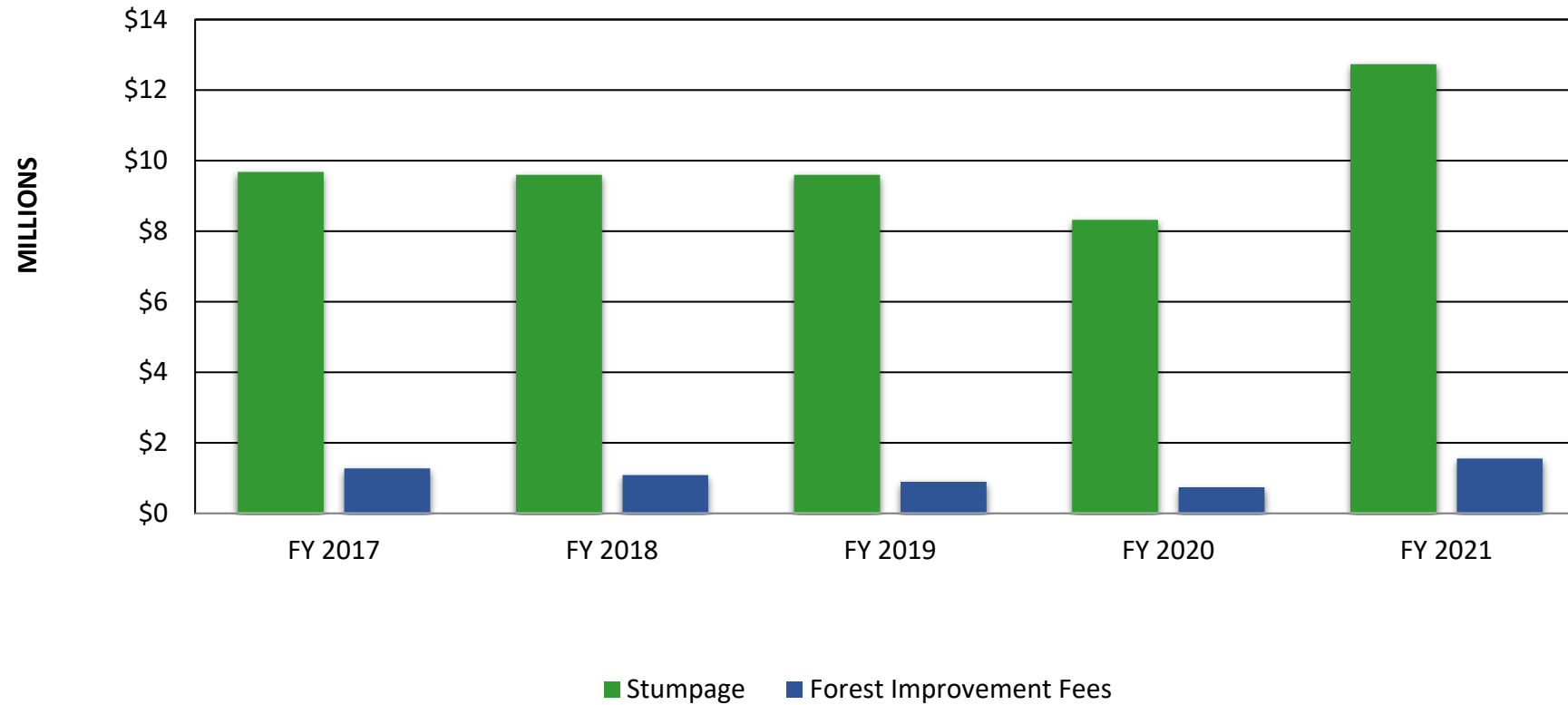
Project Point | Project Line | Project Polygon | Project Survey

Options | Filter by map extent | Zoom to | Clear selection | Refresh | Create Report | Edit Project

Delete this Project?	Project Name:	DNRC Unit:	Work Needed:	Method project will be accomplished?	What is the current status of this project?	What is scheduled date for this project?	Scheduled_FY	Acres Scheduled	Length (feet) Scheduled	Length (miles) Scheduled	What was the accomplished date for this project?	Acres Accon
no	Cilly Excaline Unit 1513	SWN	TreePlanting	Fl_contract	Completed	5/1/2018, 12:00 AM	2018	39.04	0.00	0.00	5/31/2018, 12:00 AM	39.00



Forest Management Bureau FY 2017 - FY 2021





Real Estate Management

- FY 2021 Revenue by Program
- ROW/Easement: \$10.7 million
- Residential Leasing: \$2.24 million
- Commercial Leasing and Licensing: \$2.46 million
- Hydro Lease: \$5.09 million* undistributed \$24.5+ million in hydro revenue currently (held in escrow)



Land Banking Sales FY 2021

- Sold: 33 Cabin Sites for \$2.9M
- Sold: 16 Land Sales of 2,153 acres for \$1.4M
- Total Land Banking Sales: 49 parcels for \$4.3M

Cabin Site Sales Highlights

- 2020/2021 sale program in progress
 - 31 sold to date
 - 56 sites being processed
 - 75+ expected to sell
- Solicitation for 2022/2023 sale program began in September



Plains Remote cabin site



Olney cabin site



Placid Lake cabin site



Rights-of-Way/Easements

- 135 rights-of-way/easement applications approved by the Land Board
- 20 cabin site sale legal access easements issued
- Completed two significant reciprocal access agreements with SPP Montana resulting in legal access being acquired to 6,200 acres of Trust Land in western Montana and two private reciprocal agreements providing access to 1,150 acres of Trust Land in eastern Montana

Property Management

Commercial Leasing

- Bozeman/Belgrade area is receiving heavy Commercial interest as property values soar and land availability decreases.
- Several projects in Gallatin County are at different stages of development – from Request for Proposals to planning and infrastructure installation to building construction.



North Park – Bozeman – Infrastructure currently being installed.

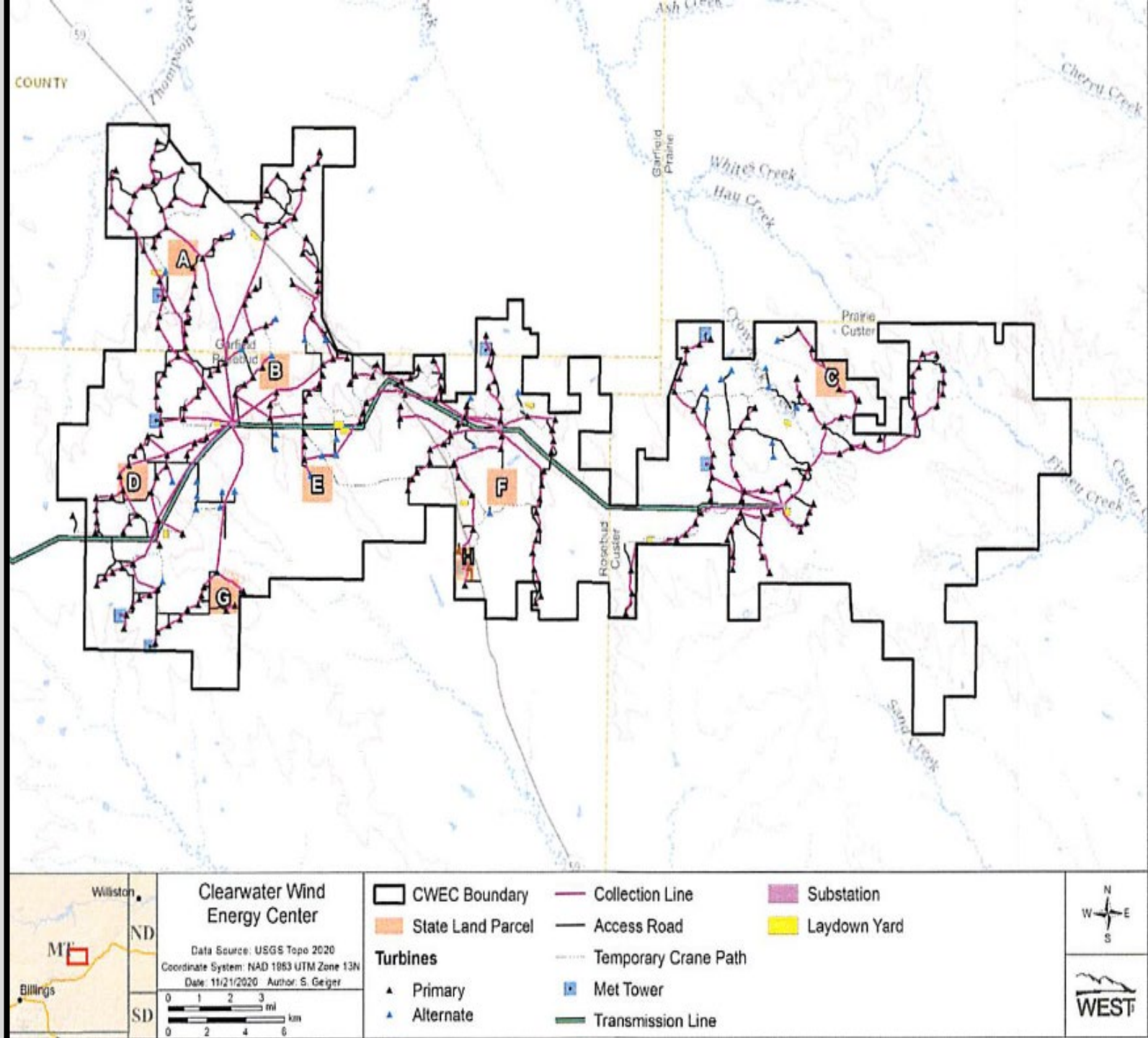


Ace Storage – Penwell Bridge Road - Belgrade

Property Management

Alternative Energy Leasing

- Wind development lease on 2,560 acres in Garfield & Rosebud Counties signed on July 1, 2021.
- First wind project lease since Judith Gap Wind Farm in September 2004.
- First year base rent begins at \$35,700 with anticipated increase at full operations date to exceed \$100,000 annually.



State Trust Land

Commercial Development



Spring Prairie – Section 36

Kalispell Montana

Phases	Acres ±
Brightview	25.4
Timberwolf Center	38.9
Mountaineer	25.2
Morane	32.6

Cabela's
MacKenzie River
Sport Clips
Wells Fargo
Costco
Springhill Suites
Panera Bread
Krispy Kreme
Kidsports
Glacier High

Ulta
Pet Smart
Chick-fil-a
Discount Tire
McDonald's
HomeGoods
Mattress Firm
My Place
DNRC
Flathead 911

Michael's
Dressbarn
Holiday Inn
Famous Dave's
Applebees
T-Mobile
Hobby Lobby
Grease Monkey
DEQ
** More to Come

Verizon
Boot Barn
Starbucks
Lowe's
Med North
REI
MOD Pizza
Urban Bricks
USFS

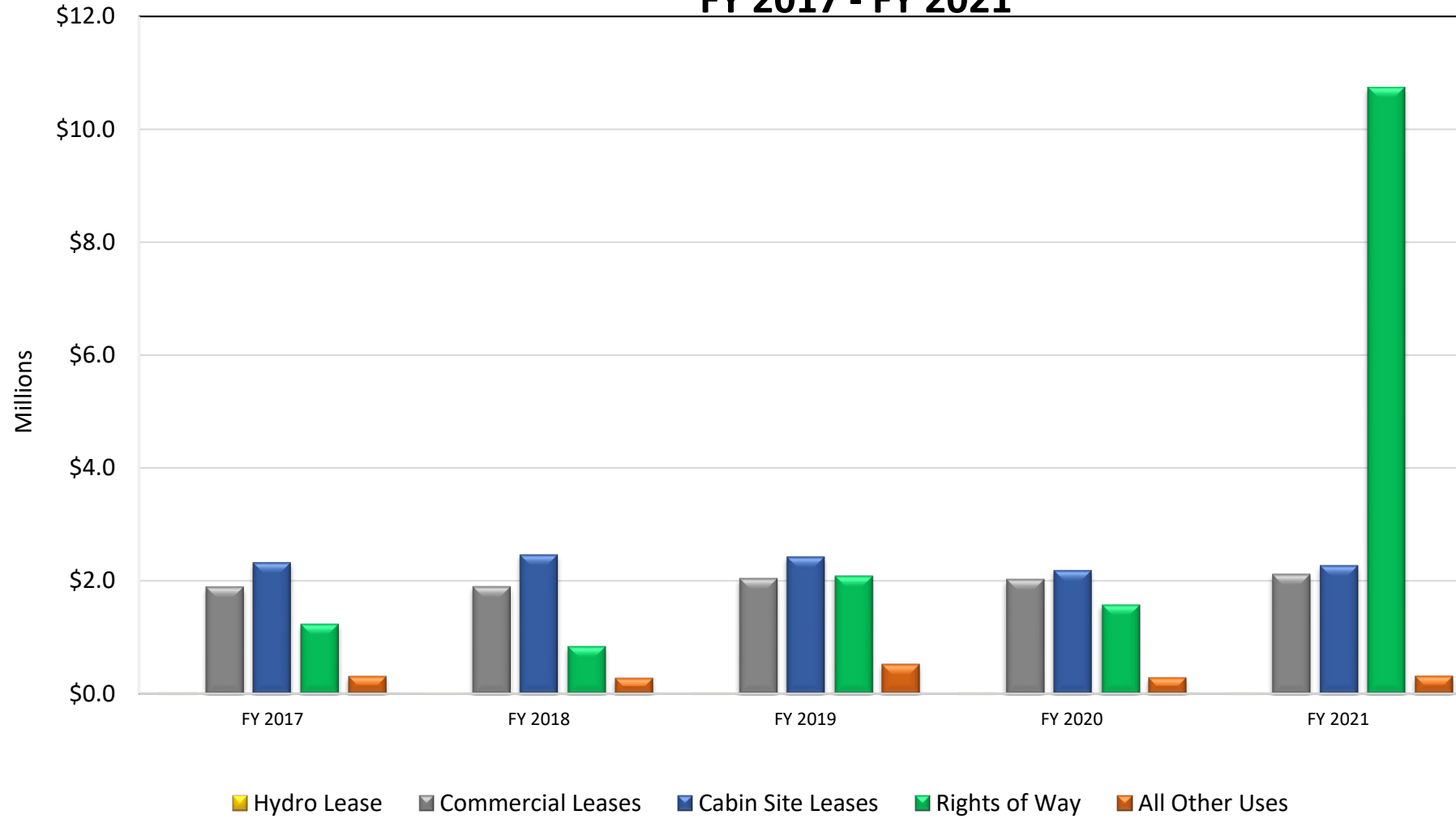


Section 36 in Kalispell continues to enjoy strong development with several projects currently under construction.

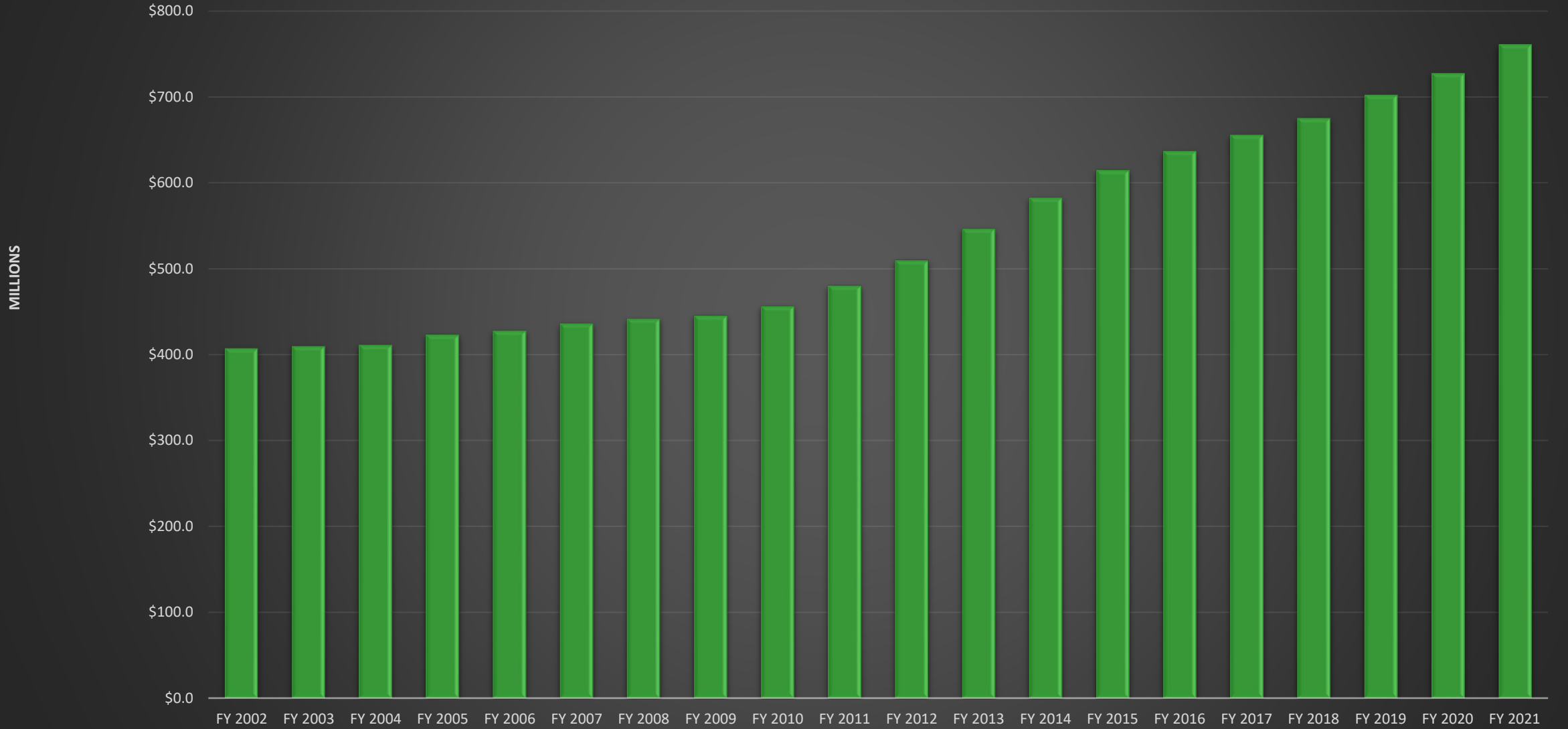
FY 2021 Section 36 revenues - \$ 940,340

Real Estate Revenues

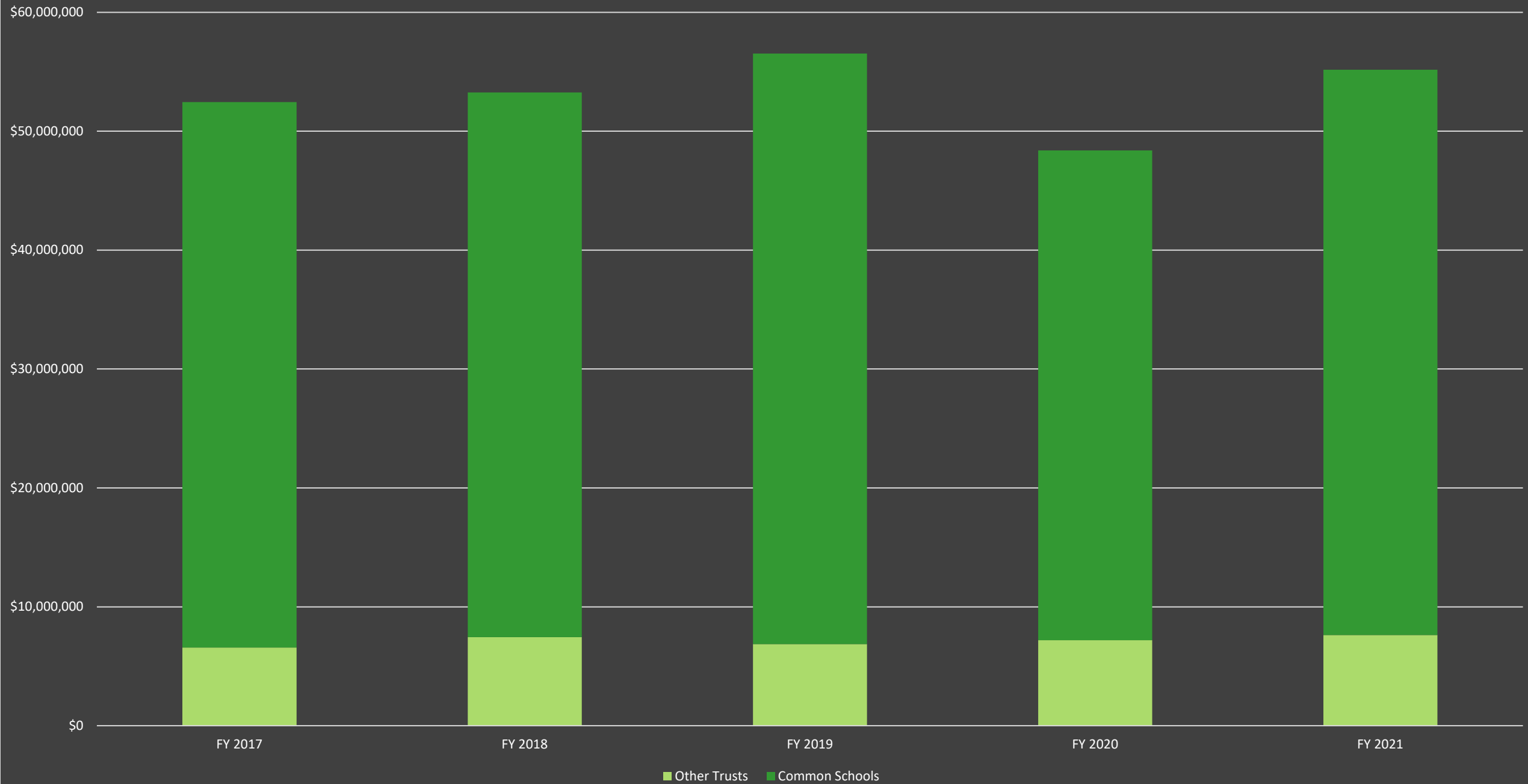
FY 2017 - FY 2021



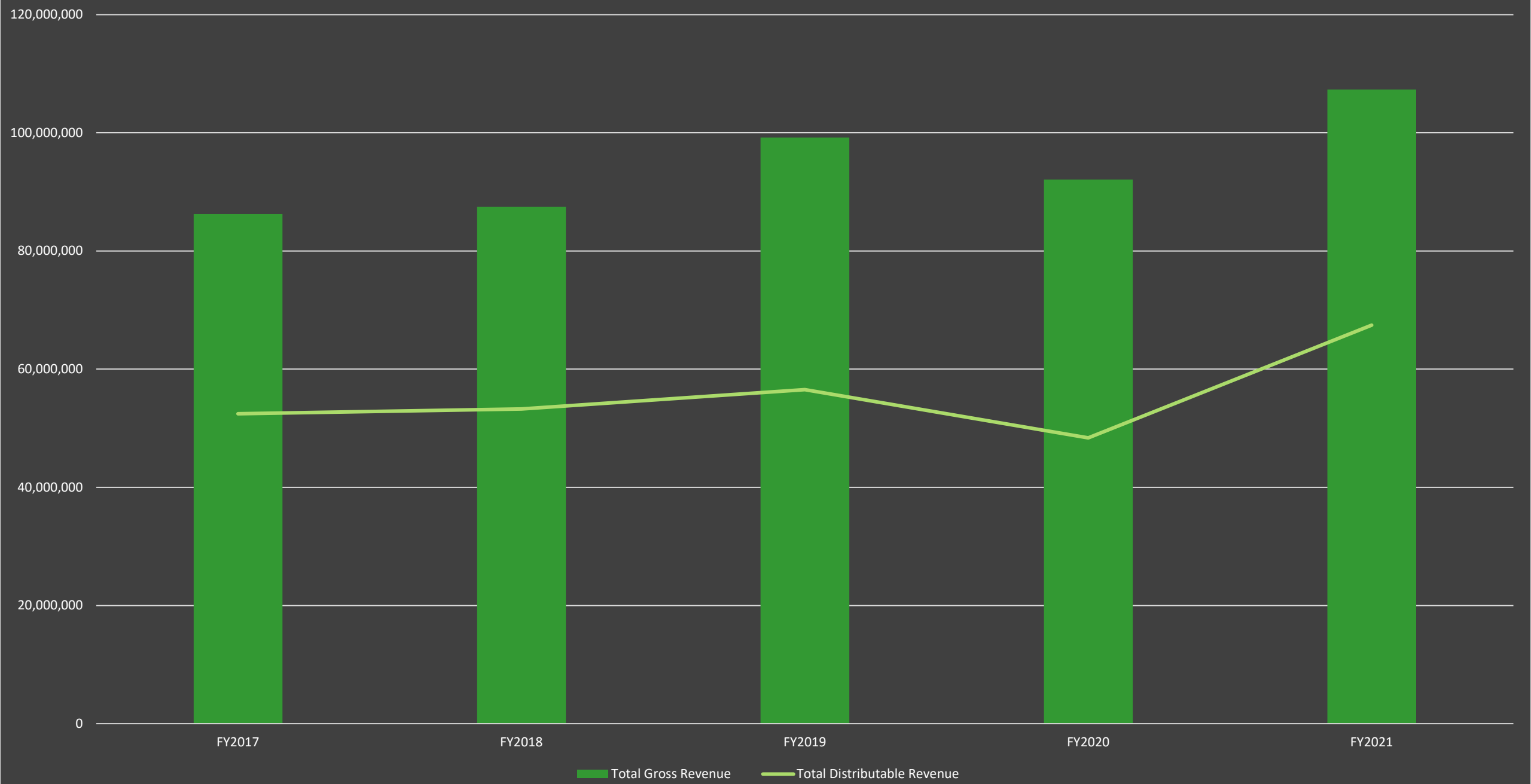
Permanent Fund Balance



Net Distributable Revenues



Distributable & Gross Revenue



This concludes the presentation
Happy to answer any questions