CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	2008 Land Banking – NELO – Lewistown Unit **-Lease # 1462**
Proposed Implementation Date:	2008
Proponent:	These tracts were nominated by the DNRC.
Location:	**STATE LEASE # 1462** T23N, R8E, section 12, SW4SE4 Total Acres: 40
County:	Chouteau County
Trust:	School of Mines

I. TYPE AND PURPOSE OF ACTION

Offer for Sale at Public Auction 40 acres of state land currently held in trust for the benefit of School of Mines. Revenue from the sale would be deposited in a special account, with monies from other sales around the State, to purchase replacement lands meeting acquisition criteria related to legal access, productivity, potential income and proximity to existing state ownership which would then be held in trust for the benefit of the same beneficiary Trusts in relative proportion. The proposed sale is part of a program called Land Banking authorized by the 2003 Legislature, and updated by the 2007 Legislature. The purpose of the program is for the Department of Natural Resources and Conservation to overall, diversify uses of land holdings of the various Trusts, improve the sustained rate of return to the Trusts, improve access to state trust land and consolidate ownership.

A map is attached of the lands within Chouteau County showing those parcels of land considered for sale under Land Banking.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:
Provide a brief chronology of the scoping and ongoing involvement for this project.

- A letter was distributed in September 2004 to all state surface lessees informing them of the Land Banking Program and requesting nominations be submitted by lessees between October 1, 2004 and January 31, 2005. *(The lessee nominated tracts were proposed at that time and are now being considered as part of the second Statewide round of Land banking sales.)*
- A letter was send April 3, 2007 to all state surface lessees of grazing tracts 80 acres and less in Chouteau, Hill, Blaine and Fergus Counties inquiring their interest in DNRC nominating these small acreage tracts for sale. The small acreage tracts that lessee were interested having sold were nominated by DNRC for sale.
- Legal notices for Chouteau County land sales were published in The Fort Benton River Press on March 3, 12, 19 & 26, 2008.
- Direct mailings were made to lessees, adjacent land owners, County Commissioners, and a host of organizations and individuals who had expressed previous interest in this process. A full listing of contacts is attached.
- Follow-up contacts were made by phone, mail, or email with parties requesting additional information. These are also included in the appendix.
- The tracts were also posted on the DNRC web page at, http://dnrc/mt.gov//TLMSPublic/LandBanking/LBTest.aspx

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

No other governmental agencies have jurisdiction over this proposal.

3. ALTERNATIVES CONSIDERED:

Alternative A (No Action) – Under this alternative, the State retains the existing land ownership pattern and would not sell the 40 acres of School of Mines Trust Land contained in T23N, R8E, Section 12, SW4SE4

Alternative B (the Proposed action) – Under this alternative, the Department would request and recommend approval by the Land Board to sell the proposed land locked tracts. If approved by the Board, the sale would be at public auction, subject to the requirements found in Title 77, Chapter 2, Part 3 of the Montana Codes Annotated. The income from the sale would be pooled with other land sale receipts from across the State to fund the purchase of other state land, easements, or improvements for the beneficiaries of the respective trusts. *(The State would then review available lands for sale which would generally have access and an increased potential for income. A separate public scoping and review would be conducted when a potentially suitable parcel was found. It is not possible for this analysis to make any direct parcel to parcel comparisons.)*

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

A variety of soil types are found across these tracts. USDA – NRCS soil survey indicated Land Capability Classification as a mixture of 3e, 4e, 6w, and 7e soils. The majority of the acres are class 4e and 7e soils, which are generally unsuitable for small grain crop production. Most acres would not meet current DNRC breaking criteria. *("If properly managed, soils in classes 1, 2, 3, 4 are suitable for the mechanized production of commonly grown field crops and for pasture and woodland. The degree of the soil limitations affecting the production of cultivated crops increases progressively from class 1 to class 5. The limitations can affect levels of production and the risk of permanent soil deterioration caused by erosion and other factors. Soils in classes 5, 6, 7 are generally not suitable for mechanized productions without special management. Capability subclasses indicate the dominant limitations in the class, E, shows that the main hazard is the risk of erosion unless a close growing plant cover is maintained." From USDA-NRCS Soil Survey).*

The proposal does not involve any on the ground disturbance, so there are no soil effect differences between the alternatives. It is expected that this land will be used for livestock grazing in the future.
No direct, indirect or cumulative effects are anticipated.

The State owns, and would retain ownership of, all mineral rights associated with these tracts.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

The proposal does not include any on-the-ground activities, or changes to activities. No effects to water quality would occur.
No direct, indirect or cumulative effects are anticipated.

6. AIR QUALITY:
What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

The proposal does not include any on-the-ground activities, or changes to activities. No effects to air quality would occur.
No direct, indirect or cumulative effects are anticipated.

7. VEGETATION COVER, QUANTITY AND QUALITY:
What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

All acres proposed for sale are native rangeland typical of the Northern Mixed Grassed Prairie. Range sites are dominated by silty and overflow sites. Species composition is dominated by grasses which include Junegrass, blue grama, western wheatgrass, green needlegrass and needleandthread. Silver sagebrush and sedges are also present. This tract contains a carrying capacity (Stocking Rate) assessed at .250 AUM's per acre.

The proposal does not include any on-the-ground activities, or changes to activities and therefore we do not expect direct or cumulative effects would occur to vegetation as a result of the proposal.
No direct, indirect or cumulative effects are anticipated.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:
Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

The proposal does not include any land use change which would yield changes to the wildlife habitat. The proposed action will not impact wildlife forage, cover, or traveling corridors. Nor will this action change the juxtaposition of wildlife forage, water, or hiding and thermal cover.
No direct, indirect or cumulative effects are anticipated.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:
Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

No specific on-site observations of Threatened or Endangered species have been recorded and no important habitat has been identified on the state lands. A review of Natural Heritage data through NRIS was conducted in November, 2007. This information is on file.

The proposal does not include any activities which would alter any habitat, so no effects are expected in either alternative.
No direct, indirect or cumulative effects are anticipated.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:
Identify and determine effects to historical, archaeological or paleontological resources.

A class III level inventory and subsequent evaluation of cultural and paleontological resources will be carried out if preliminary approval of the parcel nomination by the Board of Commissioners is received. Based on the results of the Class III inventory/evaluation the DNRC will, in consultation with the Montana State Historic Preservation Officer, assess direct and cumulative impacts.

11. AESTHETICS:

Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

These tracts are located in a rural agricultural area and not highly visible from a county road. The state land does not provide any unique scenic qualities not also provided on adjacent private lands. The proposal does not include any on-the-ground activities, so there would be no change to the aesthetics in either alternative. No direct, indirect or cumulative effects are anticipated.

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:

Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

There are 5,165,870 acres of Trust land and more than 4.6 million acres of Common School surface ownership in Montana *(TLMS power search, 11/29/2007)*. There are approximately 267,200 acres of Trust land in Chouteau County. This proposal includes 40.0 acres in Chouteau County, a small percentage of the state land within this County.

There are additional tracts of state land currently under consideration for sale through the Land Banking Program. An additional 1867 acres of state land in Chouteau County, and approximately 20,000 acres statewide are being evaluated under separate analysis. These lands, considered for sale, represent 0.7% of the State Trust surface ownership in Chouteau County, and 0.38% of the statewide Trust surface ownership.

The potential transfer of ownership will not have any impact or demands on environmental resources of Land water, air or energy.

No direct, indirect or cumulative effects are anticipated.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:

List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

There are no other projects or plans being considered on the tracts listed on this EA.

IV. IMPACTS ON THE HUMAN POPULATION

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

No impacts to human health and safety would occur as a result of the proposal.
No direct, indirect or cumulative effects are anticipated.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:
Identify how the project would add to or alter these activities.

No direct, indirect or cumulative impacts are anticipated as a result of the proposal.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:
Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

The proposal would have no affect on quantity and distribution of employment.
No direct, indirect or cumulative effects are anticipated.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:
Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

State School Trust Lands are currently exempt from property tax. If State Trust Lands represent 6% or greater of the total acres within a county, a payment in lieu of taxes (PLT) is made to the counties to mitigate for the State Trust Land tax exempt status. Counties will not realize an adjustment in the PLT payment as a result of an increase or decrease in State Trust Land acreage.

18. DEMAND FOR GOVERNMENT SERVICES:
Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services

Being remote grazing lands, no traffic changes would be anticipated. All state and private land are under the County Coop wildfire protection program. The proposed sale will not change fire protections in the area.

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:
List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

This tract is surrounded by private land. There are no zoning or other agency management plans affecting these lands.

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:
Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

These tracts are not legally accessible to the general public because they are surrounded by private land and there are no public roads or easements across private land to the state land. If the tracts are sold, hunting access would be controlled by the new landowner as is the current situation.
No direct, indirect or cumulative effects are anticipated.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:
Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing

The proposal does not include any changes to housing or developments. The nominating lessee has indicated that the lands would continue as grazing lands, if they purchase them at auction. No effects are anticipated.
No direct, indirect or cumulative effects are anticipated.

22. SOCIAL STRUCTURES AND MORES:
Identify potential disruption of native or traditional lifestyles or communities.

There are no native, unique or traditional lifestyles or communities in the vicinity that would be impacted by the proposal.
No direct, indirect or cumulative effects are anticipated.

23. CULTURAL UNIQUENESS AND DIVERSITY:
How would the action affect any unique quality of the area?

The State Trust lands in this proposal are currently managed for grazing. The State lands are generally indistinguishable from the adjacent private lands, with no unique quality.

The potential sale of the state land would not directly or cumulatively impact cultural uniqueness or diversity. It is unknown what management activities would take place on the land if ownership was transferred. The tracts were nominated by the lessee with the intent of purchasing and continuing use as grazing land.
No direct, indirect or cumulative effects are anticipated.

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:
Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

Total income in 2007 from the 40.0 acres was $69.40. This is equal to $1.74 per acre.

An appraisal of the property value has not been completed to date. Under DNRC rules, an appraisal would be conducted if preliminary approval to proceed is granted by the Board of Land Commissioners. The Department is conducting more detailed evaluations at this time in order to make a determination on whether to offer the tracts for sale. The revenue generated from the sale of these parcels would be combined with other revenue in the Land Banking Account to purchase replacement property for the benefit of the Trust. It is anticipated the replacement property would have legal access and be adjacent to other Trust lands which would provide greater management opportunities and income. If replacement property was not purchased prior to the expiration of the statute, the revenue would be deposited into the permanent trust for investment.

EA Checklist Prepared By:	**Name:** Barny D. Smith	**Date:** April 2, 2008
	Title: Lewistown Unit Manager, NELO	
Signature: /S/ Barny D. Smith		**Date**: April 2, 2008

V. FINDING

25. ALTERNATIVE SELECTED:

I have selected the Proposed Alternative B, recommend the tract receive preliminary approval for sale and continue with the Land Banking process.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

I have evaluated the comments received and potential environment affects and have determined significant environmental effects would not result from the proposed land sale. The tract does not have any unique characteristics, critical habitat or environmental conditions indicating the tract should necessarily remain under management by the Department of Natural Resources and Conservation. There are no indications the tract would produce substantially greater revenue or have substantially greater value to the trust in the near future.

This tract is entirely surrounded by private lands which control access to the state land and which will likely remain unchanged if the parcel is sold. It is likely the tract will continue to be managed in a manner consistent with the surrounding private land.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

	EIS		More Detailed EA	X	No Further Analysis

EA Checklist Approved By:	**Name:**	Clive Rooney
	Title:	Area Manager, Northeastern Land Office
Signature: /S/ Clive Rooney		**Date**: April 2, 2008