CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	2007 Land Banking – Helena Unit – CLO – 2, T16N, R4W
Proposed Implementation Date:	2008
Proponent:	This tract was nominated by the lessee, the Dearborn Ranch, and brought forward now by DNRC.
Location:	T16N, R4W, sec.2 SE, SENE, E2SW, 280 acres
County:	Lewis & Clark County
Trust:	Public Buildings

I. TYPE AND PURPOSE OF ACTION

Offer for Sale at Public Auction, 280 acres of state land currently held in trust for the benefit of Public Buildings. 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.

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. *(These tracts were nominated at that time and are now being considered as part of the second Statewide round of Land banking sales.)*
- Legal notices were published in the Helena I.R. on 11/11 and 11/18/2007, and in the Great Falls Tribune on 11/4 and 11/11/2007.
- Direct mailings were made to lessees, adjacent land owners, County Commissioners, State Legislators (from the involved Districts and who were associated with the legislation), and a host of organizations and individuals who had expressed previous interest in this process. A full listing of contacts is attached as Appendix B.
- Follow-up contacts were made by phone, mail, or email with parties requesting additional information. These are also included in Attachment B.
- 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 280 acres Public Building Trust Land contained in Section 2-T16N-R4W at the present time.

Alternative B (the Proposed action) – Under this alternative, the Department would request and recommend approval by the Land Board to sell the proposed tract. 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 this tract. The proposal does not involve any on the ground disturbance, so there are no soil effect differences between the alternatives. The State does own, and would retain ownership of, all mineral rights.

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.

There are only ephemeral drainages, springs and small intermittent stream segments on the land proposed for sale. There are no recorded water rights upon this tract.

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.

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.

Vegetation may be affected by numerous land management activities including livestock grazing, development, wildlife management or agricultural use. It is unknown what land use activities may be associated with a change in ownership; however the vegetation on this tract is typical of a land throughout the vicinity and there are no known rare, unique cover types or vegetation on the tract. Range conditions are currently rated excellent on this tract. 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.

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.

These tracts provide habitat typical of surrounding lands for a variety of species common to this area, Elk, Mule Deer, Whitetail Deer, upland game birds, raptors, coyote, fox, badger, songbirds, etc. The proposal does not include any land use change which would yield changes or effects to the wildlife habitat. The nominating lessee has indicated that if they were to purchase the lands at auction, the land use as ranch pasture land would continue unchanged. There are no unique or critical wildlife habitats associated with the state tract and we do not expect direct or cumulative wildlife impacts would occur as a result of implementing the proposal.

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. The potential for intermittent use by Grey Wolf, a wide ranging species with the ability to utilize many types of habitat, is present.

The proposal does not include any activities which would alter any habitat, so no effects are expected in either alternative.

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

The presence or absence of antiquities is presently unknown. A class III level inventory and subsequent evaluation of cultural and paleontologic 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.

The tract is visible, or partially so, from other adjacent lands and from public roadways. 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.

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 5,166,510 acres of Trust land surface ownership in Montana *(TLMS power search, 1/2/2008).* Approximately 213,173 acres are in the Public Buildings Trust, statewide. There are approximately 136,220 acres of Trust Land in Lewis & Clark County, with 5,873.93 of these acres leased by the Dearborn Ranch. This proposal includes 280 acres, a small percentage of the state land even in just this area.

There are additional tracts of state land currently under consideration for sale through the Land Banking Program. An additional 2,360.04 acres of state land in Lewis and Clark County, all leased by the Dearborn Ranch, are being evaluated under separate analysis. Cumulatively, these lands considered for sale represent

45% of the lands leased by the Dearborn Ranch, 1.9% of the State Trust surface ownership in Lewis & Clark County. Statewide there are additional lands currently under consideration for Land Banking, totaling approximately 20,000 acres, representing 0.38% of the statewide Trust surface ownership.

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

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 this tract.
Grazing Lease Range evaluations have been conducted on this tract and are in the Department files.

There are 5 related EAs currently being prepared titled "2007 Land Banking – Helena Unit – CLO – *STR*", which evaluate the potential sale of the following tracts.

T15N, R3W, section 18, Lots 1, 2, 3, 4, E2W2, E2, 600.04 acres
T16N, R3W, section 16, all, 640 acres
T16N, R4W, section 16, all, 640 acres
T16N, R4W, section 28, N2NW, SENW, S2SE, 200 acres
T16N, R4W, section 34, NWNW, SENW, NWSE, S2S2, 280 acres
(Total of 2360.04 acres)

Each tract is being considered under a separate review and document due to slightly different effects, primarily related to recreational uses from other adjacent private lands.

Total land banking acreage under consideration in this area is 2,640.04 acres.

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.

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

The tract included in this proposal is leased by the Dearborn Ranch for grazing.

legal	acres	Lease #	State rated AUM capacity
SE,SENE,E2SW, 2, T16N, R4W	280	L-6777	85 AUM *(0.30 AUM/ac.)*

This proposal does not include any specific changes to the agricultural activities. The nominating lessee indicated that grazing would continue unchanged if they purchased these lands.

No direct 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.

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.

As State Trust lands, these properties are tax exempt. If the parcel in this proposal is sold, and use continues as agricultural land, Lewis & Clark County would receive additional property tax revenues of approximately $225. *(Land value from Cadastral web site*0.0307 taxable rate*.50745 the mill rate for SCD 45)*

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. As State Trust lands within the Helena Unit fire affidavit area, the lands are currently receiving wildland fire protection from DNRC. If sold, the land owner could choose to continue wildland protection with DNRC, though enrollment and assessment for affidavit fire protection; or this coverage could be declined, in which case wildland fire protection would be by the Wolf Creek – Craig FSA. As a FSA, assessments are based upon structures, so unless a new landowner built on these lands, there would be no assessment for the county fire protection. If enrolled for DNRC affidavit wildland fire protection, the estimated cost would be not over $45 per ownership, plus not over $0.25/acre for acreages >20 acres. (§ 76-133-201 MCA).

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.

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.

State Trust lands which are legally accessible to the recreationist are available for general recreational use with the purchase of a General recreational Use License. Through agreement with FWP, activities associated with hunting, fishing, and trapping are allowed on legally accessible state lands through the purchase of the Conservation license. Other types of recreational use require either a “State Land Recreational Use License”, or a “Special Recreational Use License”, depending upon the type of use.

In general, there a 4 methods of gaining legal access for recreational purposes.

1. Access via a public road or easement for public access.
2. Access via a recreationally navigable river.
3. Access via other adjacent public lands, when there is a legal access to those lands.
4. Access via permission of an adjoining landowner.

The lands in this proposal are only accessible by method 4, the permission of an adjoining landowner. The land in sec 2, T16N, R4W is fully surrounded by the Dearborn Ranch.

The Dearborn Ranch manages hunting upon their lands primarily by invitation, with an objective to manage for large bull elk.

If the lands are sold, hunting access would be controlled by the new landowner. If the Dearborn Ranch purchases these lands at auction, hunting access would remain unchanged.

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.

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.

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 as parts of larger pastures of mixed state and private land. 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 tract was nominated by the lessee with the intent of purchasing the tract and continuing use as grazing land.

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.

legal	acres	*Lease income in 2007*
SE,SENE,E2SW, 2, T16N, R4W	280	$668.95 *($2.39/ac.)*

The 2006 annual report for DNRC shows statewide Ag./Grazing gross revenue at $16,852,496 on 4,631,106 ag./grazing acres, for an average ag./grazing income of $3.64/acre. This tract is classified as grazing land for Department land management purposes. This parcel has below average income per acre, and little potential for different future uses by the state.

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 tract for sale. The revenue generated from the sale of this tract 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:** D.J.Bakken, Helena Unit Manager	**Date:**
	Title:	

V. FINDING

25. ALTERNATIVE SELECTED: for 2, T16N, R4W

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.

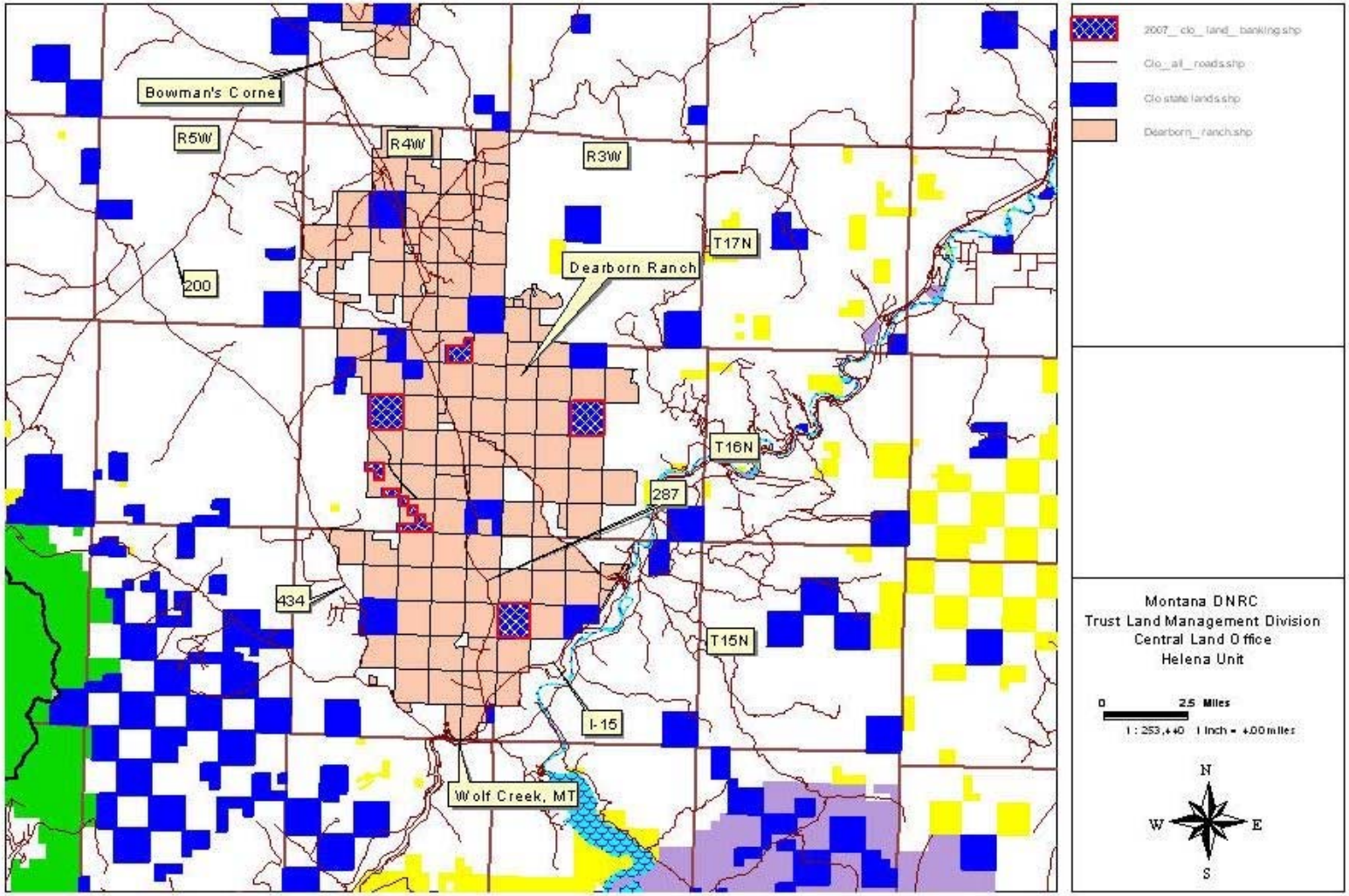
This tract is entirely surrounded by the Dearborn Ranch which controls access to the state land and does not allow general public use for recreational purposes. It is likely the tract will continue to be managed in a manner consistent with the surrounding private land.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

[ ] EIS [ ] More Detailed EA [X] No Further Analysis

EA Checklist Approved By:	**Name:**	Garry Williams
	Title:	Area Manager, Central Land Office
Signature: Garry Williams		**Date**: 1/14/2008

Land Banking Proposals
Lewis & Clark County 2007



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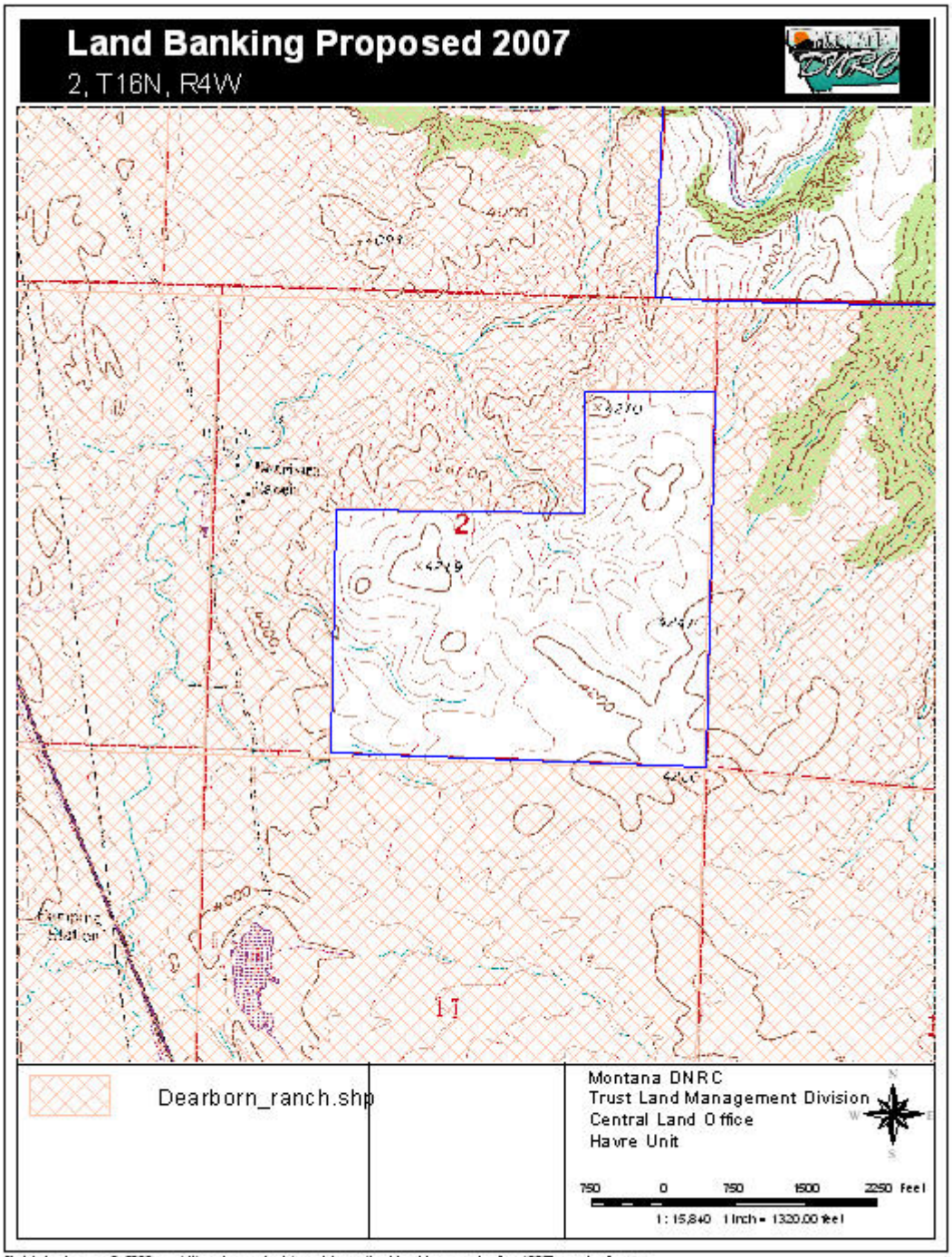

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Attachment B

Land Banking Contacts
2007 Helena Unit Proposals

Person	Organization
Mike Murray	Lewis & Clark County Commissioner
Ed Tinsley	Lewis & Clark County Commissioner
Andy Hunthausen	Lewis & Clark County Commissioner
John Ward	House Representative (R)
Dave Lewis	Senate (R)
Rick Ripley	House Representative (R)
John Cobb	Senate (R)
Tom Siebel, owner	Dearborn Ranch, First Virtual Group
Tom Harrington, manager	Dearborn Ranch
Jennifer L. Farve, attorney for Dearborn Ranch	Moore, O'Connell & Refling
Betty Ann Bay	Neighboring land owner
Mike Bay	Neighboring land owner
Phil Wirth	Wirth Ranch, neighboring owner
Harold Juedeman	Canyon Cattle Company, neighboring owner
Mary Sexton	DNRC Director
Tom Schultz	DNRC TLMD
Kevin Chappell	DNRC Ag./Grz. Mngt.
Monty Mason	DNRC Mineral Mngt.
David Groeschl	DNRC Forest Mngt.
Tom Hughes	DNRC Hydrologist
Jeanne Holmgren	DNRC Real Estate Mngt.
(Gary Bertellotti)	R-4 DFWP
Graham Taylor	FWP
Cory Loecker	FWP
Bryan Golie	FWP-Warden
Candace Durran	FWP
Ann Hedges	Montana Environmental Information Center
Bill Orsello	Montana Wildlife Federation
Stan Frasier	Montana Wildlife Federation
Bob Vogel	Montana School Boards Association
Ellen Engstedt	Montana Wood Products
Harold Blattie	Montana Association of Counties
Janet Ellis	Montana Audubon Society
Leslie Taylor	MSU Bozeman
Nancy Schlepp	Montana Farm Bureau Federation
Ray Marxer	Matador Cattle Company
Rosi Keller	University of Montana
Caroline Sime	The Wildlife Society, Montana Chapter

Montana Wildlife Federation	
Larry Copenhaver	Montana Wildlife Federation
Jack Atcheson, Sr.	
Darold Bennett	
Daniel Berube	
Jerry Christman	Christman Roofing
David R. Danicich	
Andrew Egge	
Peter Egge	
Gary Everson	
Robert A. Everson	
Mark Fopp	
Cameron Gillette	
Brent Hall	
Jerry Ida	
Brent Lonner	
Sean Mergenthaler	
Jim Mitchell	
Nick Morrison	
Tamer Rask	
Wayne Schottler	
Larry St. Clair	
Mike Wirth	