

**AGENDA**  
**REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS**  
**Monday, August 20, 2018 at 9:00 am**  
**State Capitol, Room 303**  
**Helena, MT**

**ACTION ITEMS**

- 0818-1**    **Timber Sales**  
**Beaver Creek West Timber Sale**  
*Benefits: School for Deaf and Blind*  
*Location: Sanders County*  
**Approved 5-0**
- 0818-2**    **Land Banking Parcels: Preliminary Approval for Sale**  
*Benefits: Common Schools*  
*Location: Liberty, Rosebud and Teton Counties*  
**Approved 5-0**
- 0818-3**    **Land Banking Parcels: Final Approval for Sale**  
*Benefits: Common Schools*  
*Location: Sanders County*  
**Approved 5-0**
- 0818-4**    **Easements**  
*Benefits: Capitol Buildings, common Schools, Public Land Trust*  
*Location: Big Horn, Custer, Golden Valley, Liberty, Ravalli, Toole, Treasure, Yellowstone Counties*  
**Approved 5-0**
- 0818-5**    **Informational Item: 2018 Real Estate Project List**  
*Benefits: Common Schools, University of Montana, Pine Hills School, State Normal School, Public Buildings*  
*Location: Custer, Flathead, Gallatin, Lincoln, Missoula, Sanders, and Yellowstone Counties*

**PUBLIC COMMENT**



# 0818-1

## TIMBER SALES

Beaver Creek West Timber Sale



**Land Board Agenda Item  
August 20, 2018**

**0818-1 Timber Sale: Beaver Creek West Timber Sale**

**Location: Sanders County  
Section 26, T24N, R31W**

**Trust Benefits: School for Deaf and Blind (MSDB) Trust**

**Trust Revenue: \$109,701 (estimated, minimum bid)**

**Item Summary**

**Location:** The Beaver Creek West Timber Sale is located approximately 17 miles northwest of Thompson Falls, MT.

**Size and Scope:** The sale includes 3 harvest units (*44 acres*) of skyline and tractor logging.

**Volume:** The estimated harvest volume is 3,825 tons (*637 MBF*) of sawlogs.

**Estimated Return:** The minimum bid is \$26.65 per ton, which would generate approximately \$101,936.00 for the Deaf and Blind (MSDB) Trust and approximately \$7,765 in Forest Improvement fees.

**Prescription:** This sale has a Seed Tree harvest prescription that will capture the value of trees susceptible to insect and disease while reducing future fuel load.

**Road Construction/Maintenance:** DNRC is proposing approximately 400 feet of new road construction, approximately 200 feet of new fence line construction and approximately 2,850 feet of wire fence line removal. Proposed changes to fencing configuration will better facilitate both timber sale and agricultural operations.

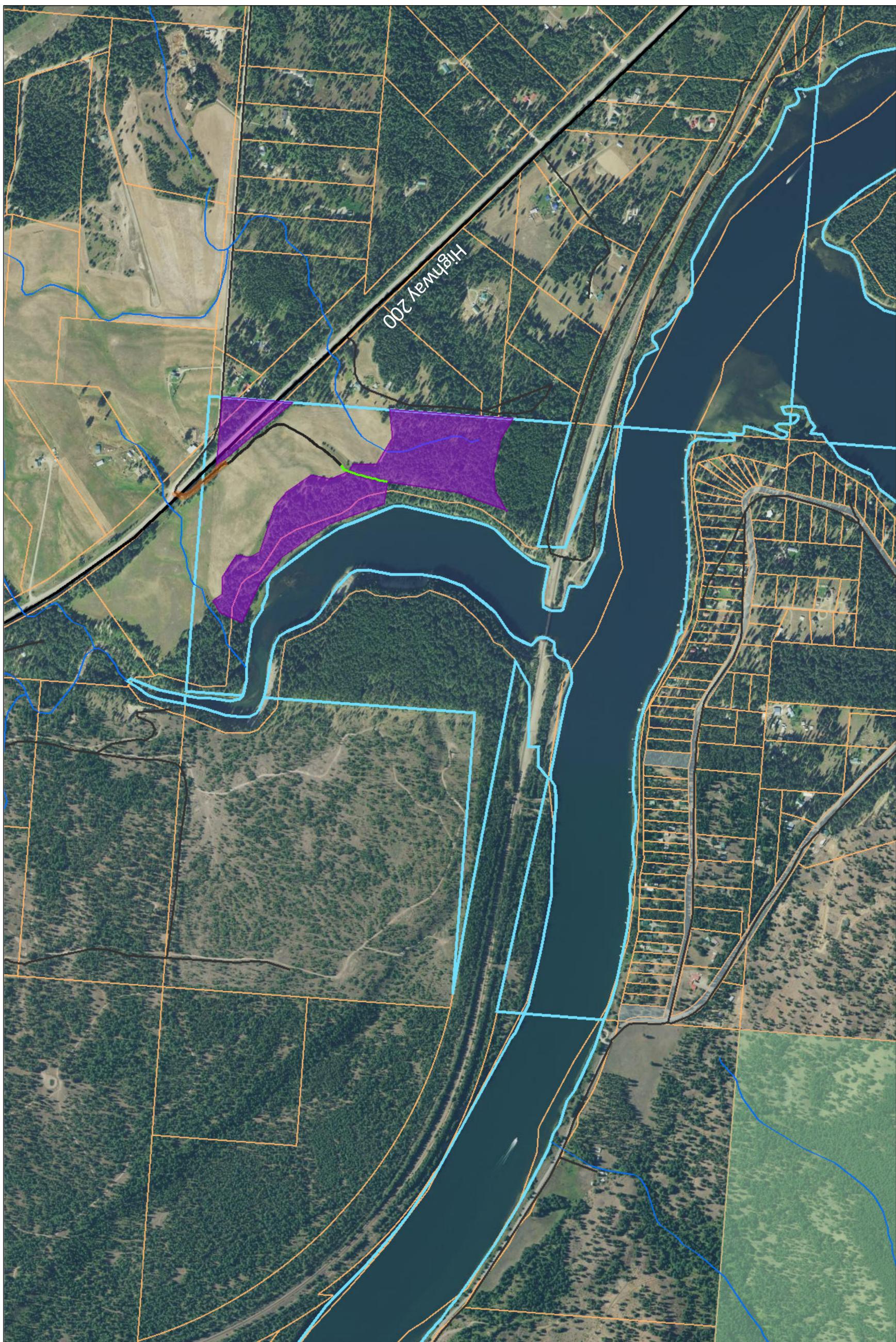
**Access:** Access is obtained from MT Highway 200 near mile marker 33 and directly across from South Hill Road.

**Public Comments:** Five comments were received. Internal and external issues and concerns were incorporated into project design and planning. Montana Fish, Wildlife & Parks expressed a concern in the retention of wintering whitetail deer habitat and these concerns were adapted into harvest unit design. A State of Montana archeologist visited the site to conduct an inventory of the sale area per Tribal requests. No cultural or fossil resources were identified. Hauling across an adjacent hayfield would be limited to winter/frozen conditions and after hay harvest because of the lessee's concerns for resource impacts.

**DNRC Recommendation**

The Director recommends the Land Board direct DNRC to sell the Beaver Creek West Timber Sale.

Beaver Creek West Harvest Unit and Haul Road Map



	Existing Road		Perennial Stream		USFS Land
	New Road		Intermittent Stream		BLM Land
	Road Reconstruction		Proposed Harvest Units		MT FWP
	Haul Route		DNRC Surface Tracts		



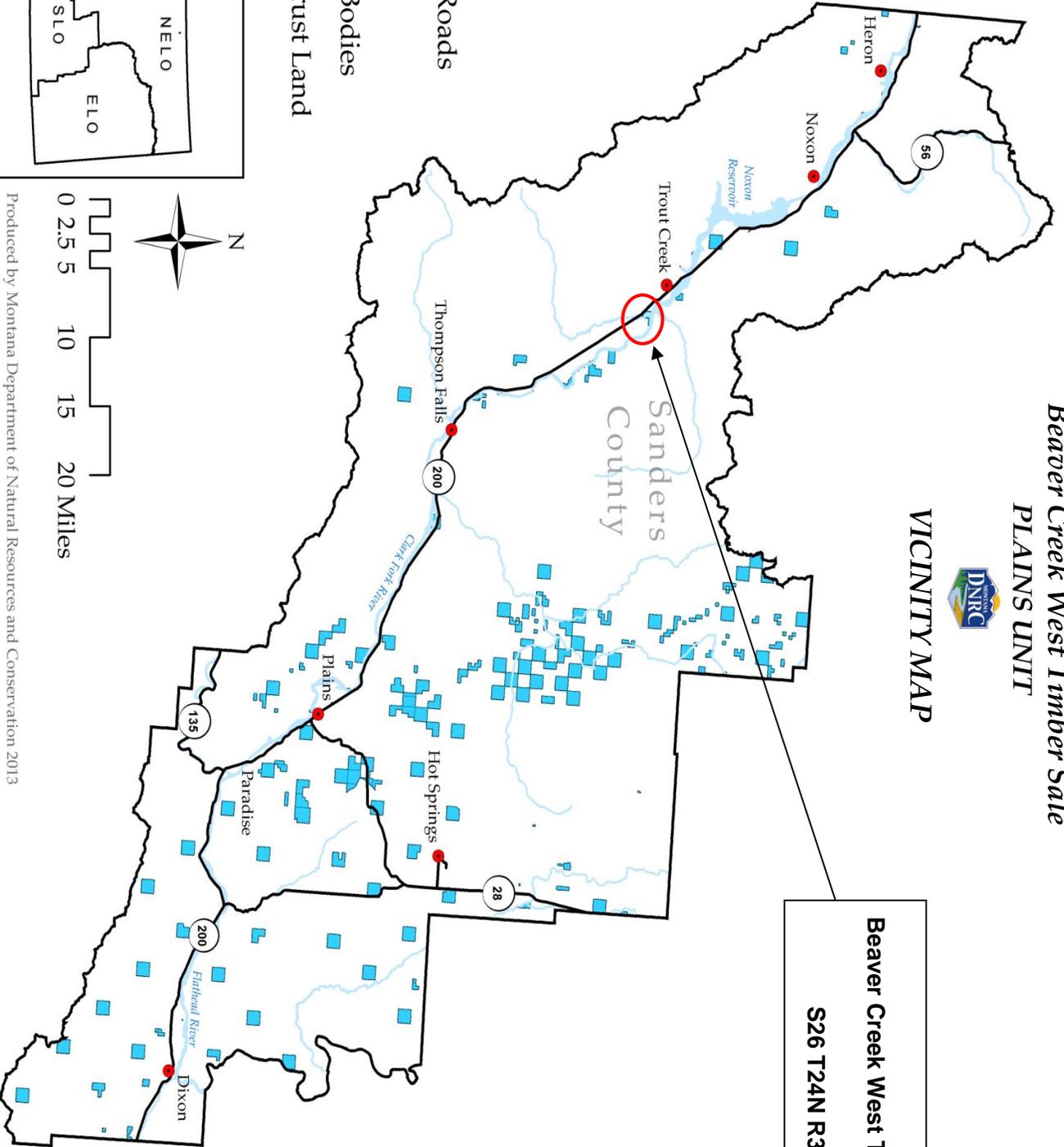
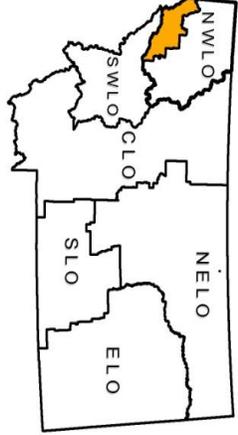
*Beaver Creek West Timber Sale  
PLAINS UNIT*



**VICINITY MAP**

**Beaver Creek West Timber Sale  
S26 T24N R31W**

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



Produced by Montana Department of Natural Resources and Conservation 2013  
 Datum: NAD 1983 Montana State Plane



# 0818-2

## LAND BANKING PARCELS

Preliminary Approval for Sale



**Land Board Agenda Item  
August 20, 2018**

**0818-2A Land Banking Parcel: Preliminary Approval for Sale  
A. Liberty County**

**Location: Liberty County**

**Trust Benefits: Common Schools**

**Trust Revenue: Appraisal to be completed after preliminary approval**

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) is requesting preliminary approval to sell two parcels totaling approximately 200 acres nominated for sale in Liberty County. The sales were nominated by the lessee and are located approximately 30 miles northwest of Chester, Montana.

<b>Sale #</b>	<b># of Acres</b>	<b>Legal</b>	<b>Nominator</b>	<b>Trust</b>
1042	120±	W2NE4, NW4SE4, T35N-R4E, Sec. 9	Lazy T3 Red Angus, Inc.	Common Schools
1043	80±	W2SE4, T35N-R4E, Sec. 4	Lazy T3 Red Angus, Inc.	Common Schools

The sale parcels have been used primarily for livestock grazing purposes and currently support 177 AUMs combined.

The sale parcels are surrounded entirely by private land and are not legally accessible by the public. The sale of these parcels would not restrict or eliminate access to adjacent private land.

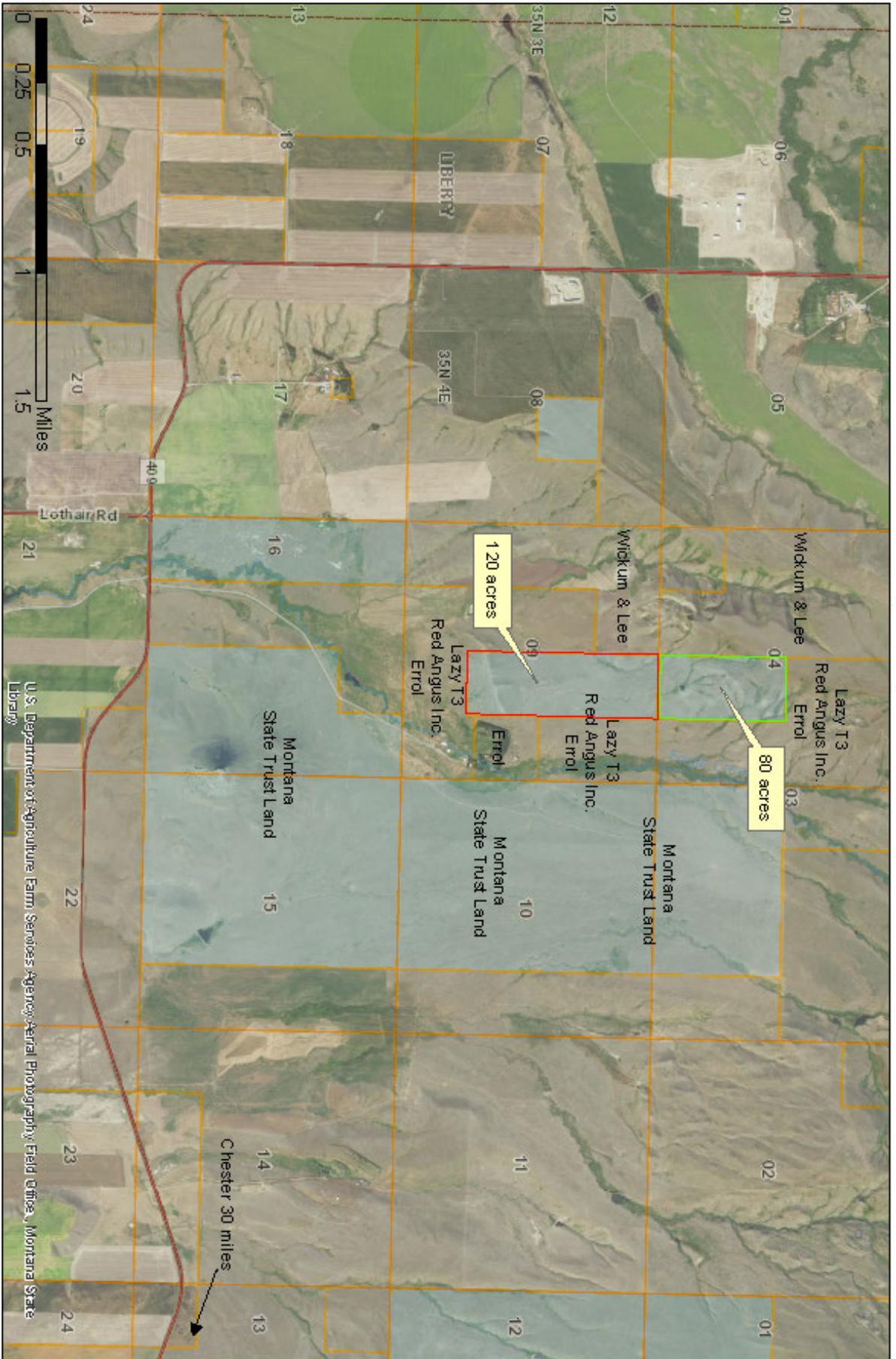
MEPA scoping is ongoing, and no potentially negative issues related to the sale of these parcels have been identified.

With the Land Board's preliminary approval to sell these parcels, DNRC can continue the due diligence necessary to fully evaluate these parcels and process them for sale.

**DNRC Recommendation**

The director recommends the Land Board grant preliminary approval to sell these parcels.

Liberty County Land Sales



Location: Section 4 & 9 T35 N, R4 E  
 Prepared by: RMWV  
 Prepared on: 2 AUG 2018  
 Projection: NAD 1983 - MT State Plane

- Legend**
- Land Sale #1042
  - Land Sale #1043
  - Parcel
  - Montana State Trust Land

**Land Board Agenda Item  
August 20, 2018**

**0818-2B Land Banking Parcel: Preliminary Approval for Sale  
B. Rosebud County**

**Location: Rosebud County**

**Trust Benefits: Common Schools**

**Trust Revenue: Appraisal to be completed after preliminary approval**

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) is requesting preliminary approval to sell one parcel totaling approximately 640 acres nominated for sale in Rosebud County. The sale was nominated by the lessee and is located approximately 23 miles northeast of Forsyth, Montana.

<b>Sale #</b>	<b># of Acres</b>	<b>Legal</b>	<b>Nominator</b>	<b>Trust</b>
1047	640±	ALL, T9N-R41E, Sec. 16	Don Youngbauer	Common Schools

The sale parcel has been used primarily for livestock grazing purposes and currently supports 141 AUMs.

The sale parcel is surrounded by private land and is not legally accessible by the public. The sale of this parcel would not restrict or eliminate access to adjacent private land. The Bureau of Land Management (BLM) also has checkerboard ownership in this region, but the agency's ability to access their parcels will not be affected by Sale No. 1047.

MEPA scoping is ongoing, and no potentially negative issues related to the sale of this parcel have been identified.

With the Land Board's preliminary approval to sell this parcel, DNRC can continue the due diligence necessary to fully evaluate and process the parcel for sale.

**DNRC Recommendation**

The director recommends the Land Board grant preliminary approval to sell this parcel.

### Rosebud County Land Sales



Location: Section 16 T9N, R41E  
 Prepared by: RMMV  
 Prepared on: 2 AUG 2018  
 Projection: NAD 1983 - MT State Plane

- Legend**
- Land Sale #1047
  - Parcel
  - Bureau of Land Management
  - Montana State Trust Land



**Land Board Agenda Item  
August 20, 2018**

**0818-2C Land Banking Parcel: Preliminary Approval for Sale  
C. Teton County**

**Location: Teton County**

**Trust Benefits: Common Schools, Public Buildings**

**Trust Revenue: Appraisal to be completed after preliminary approval**

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) is requesting preliminary approval to sell three parcels totaling approximately 200 acres nominated for sale in Teton County. The sales were nominated by the lessee and are located approximately 15 miles northwest of Choteau, Montana.

<b>Sale #</b>	<b># of Acres</b>	<b>Legal</b>	<b>Nominator</b>	<b>Trust</b>
1044	80±	W2SE4, T25N-R6W, Sec. 2	Miller Colony, Inc.	Common Schools
1045	80±	W2NE4, T25N-R6W, Sec. 11	Miller Colony, Inc.	Common Schools
1046	40±	SW4NE4, T25N-R6W, Sec. 3	Miller Colony, Inc.	Public Buildings

The sale parcels have been used primarily for livestock grazing purposes. There are calving facilities on Sale No. 1044 which will be appraised as non-residential, lessee-owned improvements separate from the minimum value for the land.

Sale No. 1046 is surrounded entirely by private land and is not legally accessible by the public. Sale Nos. 1044 and 1045 are bordered to the southeast by other state trust lands leased by Miller Colony, Inc., for agricultural and grazing purposes. Together, this block of state trust lands is surrounded entirely by private land and not legally accessible by the public. The sale of these three parcels would not restrict or eliminate access to adjacent private land.

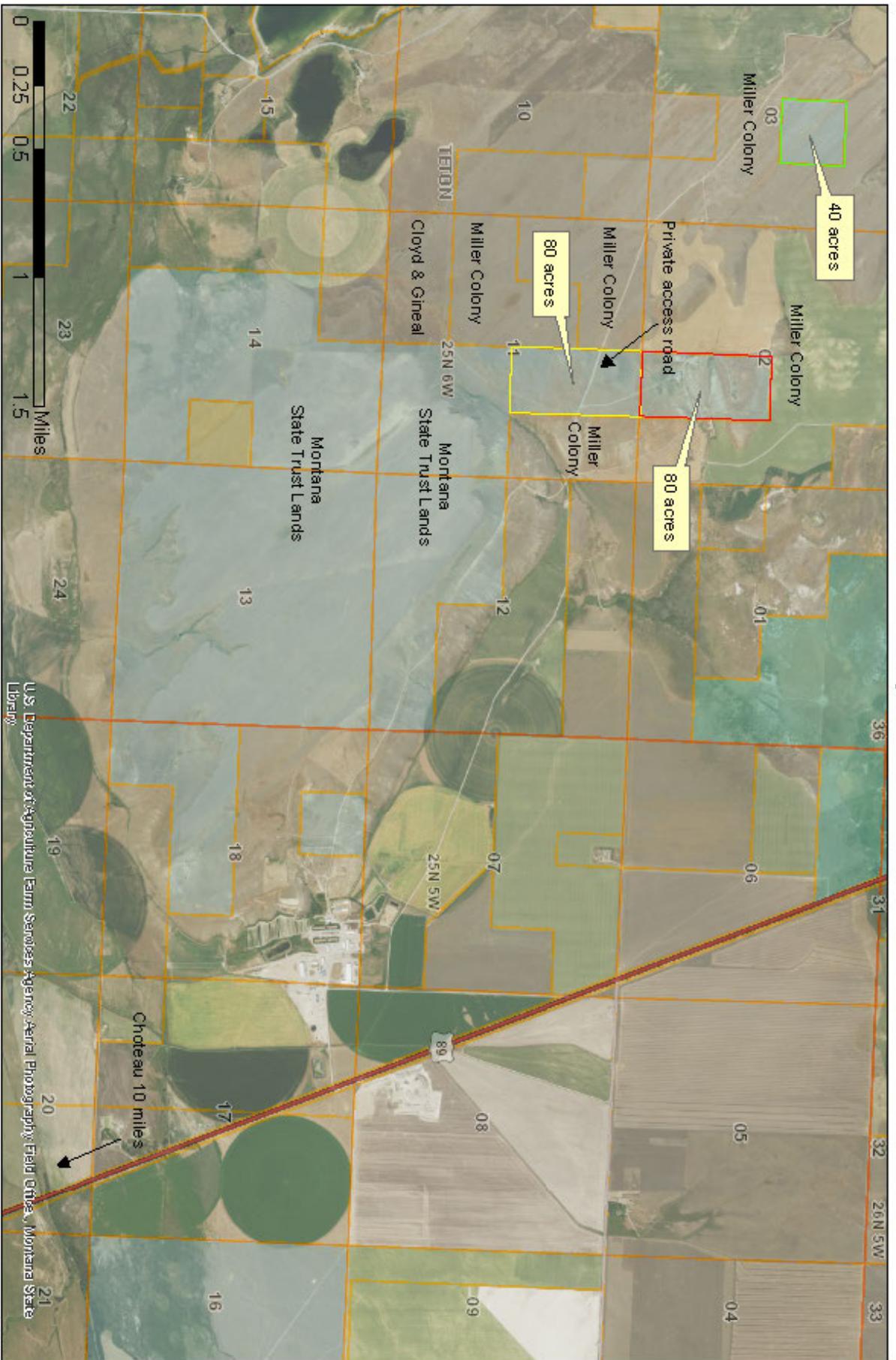
MEPA scoping is ongoing, and no potentially negative issues related to the sale of these parcels have been identified.

With the Land Board's preliminary approval to sell these parcels, DNRC can continue the due diligence necessary to fully evaluate these parcels and process them for sale.

**DNRC Recommendation**

The director recommends the Land Board grant preliminary approval to sell these parcels.

Teton County Land Sales



Location: Section 2, 3, 11 T25 N, R6 W  
 Prepared by: RMWV  
 Prepared on: 30 JUL 2018  
 Projection: NAD 1983 - MT State Plane

- Land Sale #1044
- Land Sale #1045
- Land Sale #1046

- Parcel
- US Fish and Wildlife
- Montana State Trust Land



# 0818-3

## LAND BANKING PARCELS

Final Approval for Sale



**Land Board Agenda Item  
August 20, 2018**

**0818-3 Cabin and Home Sites: Final Approval for Sale**

**Location: Sanders County**

**Trust Benefits: Common Schools**

**Trust Revenue: \$24,800**

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) is requesting final approval for sale of 1 cabin site nominated for sale in Sanders County. This sale was nominated by the lessees in conjunction with the Cabin and Home Site Sale Program.

<b>Sale #</b>	<b># of Acres</b>	<b>Legal</b>	<b>Nominator</b>	<b>Trust</b>
876	1.08 ±	Lot in SW4SW4, COS 3489, T23N-R26W, Sec. 6 Sanders County	Darvin Struck	Common Schools

The parcel is currently leased as a cabin/home site and produces an average income for residential leases statewide.

The parcel will be sold with the access provided to the current lessee under their lease agreement.

**Economic Analysis**

Short term – The average rate of return is as follows:

<b>Sale #</b>	<b>Rate of Return</b>
876	2.388%

Long term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through the department'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 2.78% on acquisitions with income generated from annual lease payments.

**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 variously disturbed over the course of many years of occupation and development. This sale will have no effect to state owned heritage properties.

**Background**

Sale #876 received preliminary approval in May 2017. In June 2018, the Land Board set the minimum bid for the land and the maximum value of compensation for the improvements at the appraised value below:

<b>Sale #</b>	<b>Minimum Bid for the Land</b>	<b>Maximum Value of Improvements</b>
876	\$24,800	\$91,000

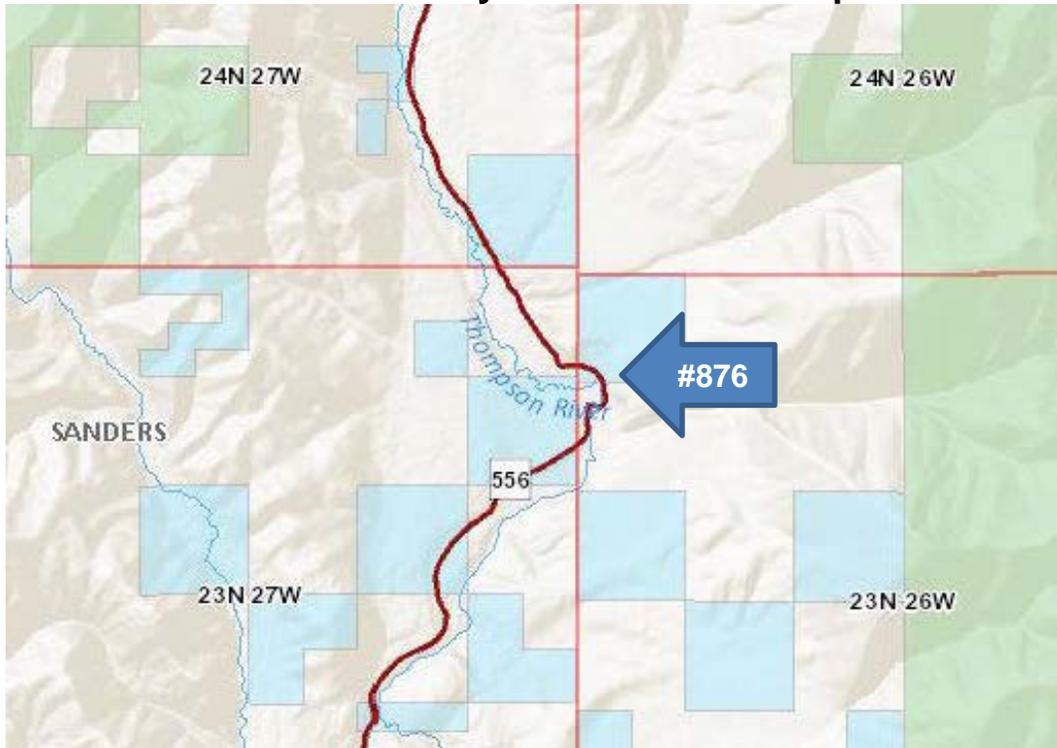
**Sale Price**

Sale #876 sold at public auction on August 2, 2018. There was one bidder who was the current lessee. The parcel sold for the minimum bid amount listed above.

**DNRC Recommendation**

The Director recommends final approval for the cabin site lot at the value shown above. The sale will close within 30 days of final approval by the Land Board.

### Sanders County Sales Location Map



### Sale Number 876

Lot in SW $\frac{1}{4}$ SW $\frac{1}{4}$ , T23N-R26W Sec. 6





0818-4

EASEMENTS



**Land Board Agenda Item  
August 20, 2018**

**0818-4 Easements**

**Location:** Big Horn, Custer, Golden Valley, Liberty, Ravalli, Toole, Treasure, Yellowstone

**Trust Benefits:** Capitol Buildings, Common Schools, Public Land Trust

**Trust Revenue:** Capitol Buildings = \$ 455.00  
Common Schools = \$ 13,221.00  
Public Land Trust = \$ 410.00

**Item Table of Contents**

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APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Ravalli County Elec. Coop, Inc.  
 1051 Eastside Hwy  
 Corvallis, MT 59828

Application No.: 18219  
 R/W Purpose: a buried electric distribution line  
 Lessee Agreement: ok  
 Acreage: 1.16  
 Compensation: \$1,740  
 Legal Description: 10-foot strip through NW4SW4, SW4NW4 Sec. 26,  
 and N2SE4 Sec. 27, Twp. 2N, Rge. 19W, Ravalli County  
 Trust Beneficiary: Common Schools

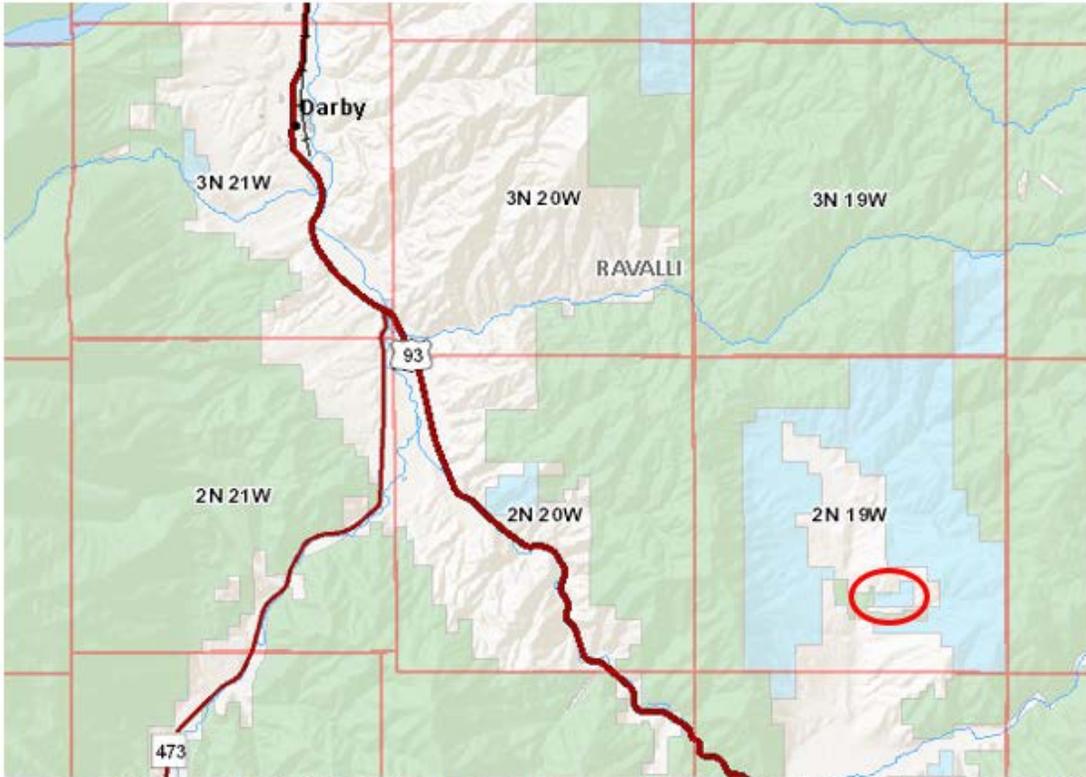
Item Summary

Ravalli Electric Coop (REC) has received a request for service by private land owner near Sula, MT. Multiple routes were considered for this project, however due to various issues and concerns the least impactful route determined was to install alongside the existing Forest Service Road 73206 through land owned by the State of Montana. As this ground has been previously disturbed minimal impacts are expected.

DNRC Recommendation

The Director recommends approval of this electric distribution line.

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R/W Application 18219

APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: NorthWestern Energy  
 11 E. Park  
 Butte, MT 59701

Application No.: 18286  
 R/W Purpose: an overhead 12.47 kV electric distribution line  
 Lessee Agreement: N/A (Historic)  
 Acreage: 0.08  
 Compensation: \$100  
 Legal Description: 30-foot strip through NE4NW4, Sec. 32, Twp. 32N, Rge. 4E,  
 Liberty County  
 Trust Beneficiary: Common Schools

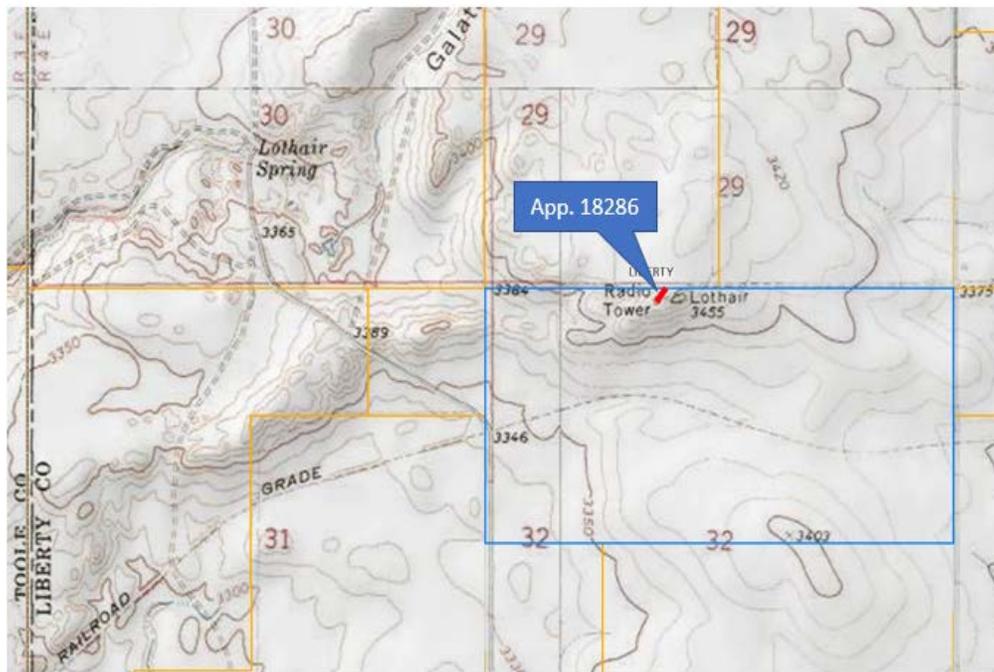
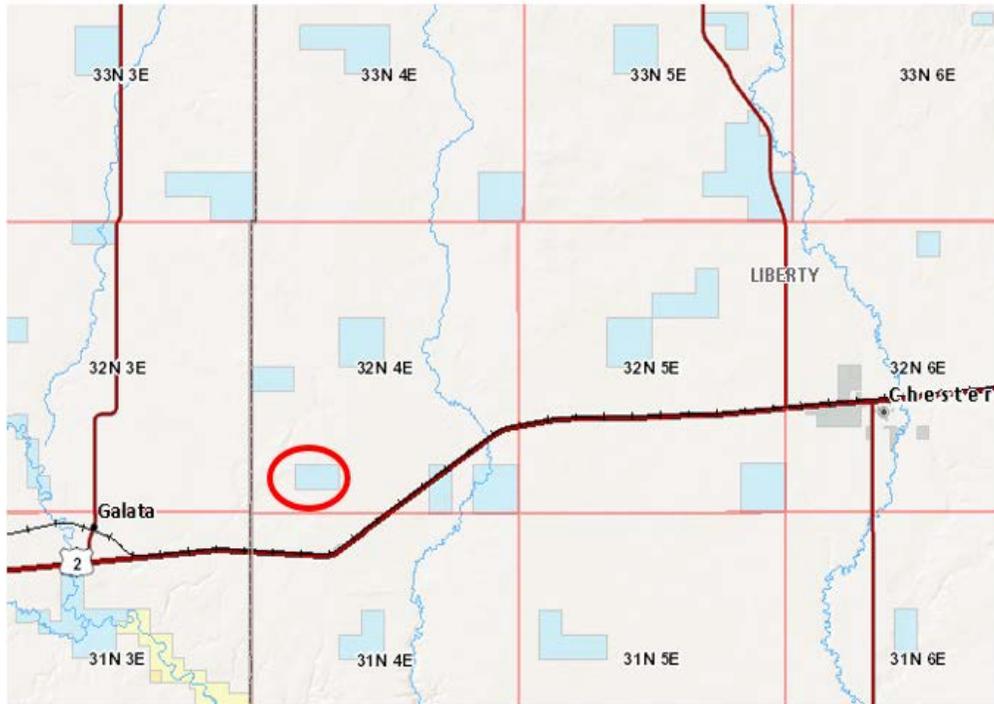
Item Summary

Northwestern Energy has made application for multiple overhead electric distribution, transmission lines, and natural gas pipelines that were constructed on state lands many years ago without proper authorization from the Land Board. Pursuant to §77-1-130, MCA Northwestern Energy is requesting recognition of these overhead electric distribution and transmission lines as historic rights of ways.

DNRC Recommendation

The director recommends approval of this historic right of way for Northwestern Energy.

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R/W Application 18286

APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: NorthWestern Energy  
11 E. Park  
Butte, MT 59701

Application No.: 18287  
R/W Purpose: a buried 2-inch natural gas line  
Lessee Agreement: N/A (Historic)  
Acreage: 0.09  
Compensation: \$100  
Legal Description: 20-foot strip through SE4SE4, Sec. 36, Twp. 33N, Rge. 5E,  
Liberty County  
Trust Beneficiary: Common Schools

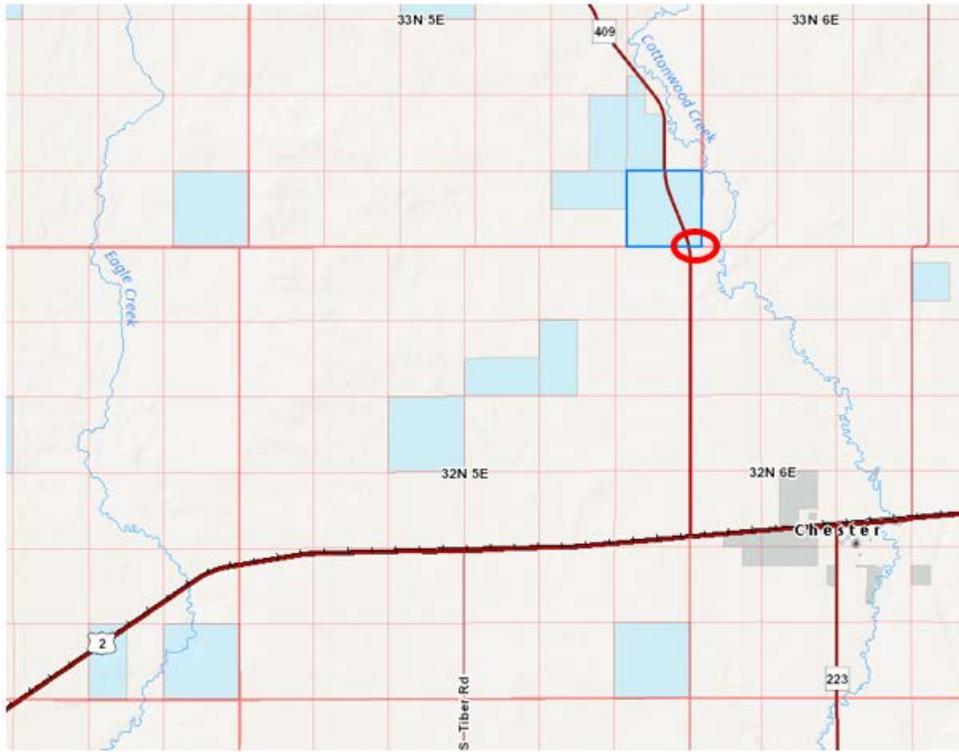
Item Summary

See page 3 for summary.

DNRC Recommendation

See page 3 for recommendation.

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R/W Application 18287

APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Northern Telephone Coop. Inc  
 PO Box 190  
 Sunburst, MT 59482

Application No.: 18288  
 R/W Purpose: a buried fiber optic cable  
 Lessee Agreement: ok  
 Acreage: 1.21  
 Compensation: \$303  
 Legal Description: 20-foot strip through W2NW4, Sec. 5, Twp. 34N, Rge 2W,  
 Toole County  
 Trust Beneficiary: Capitol Buildings

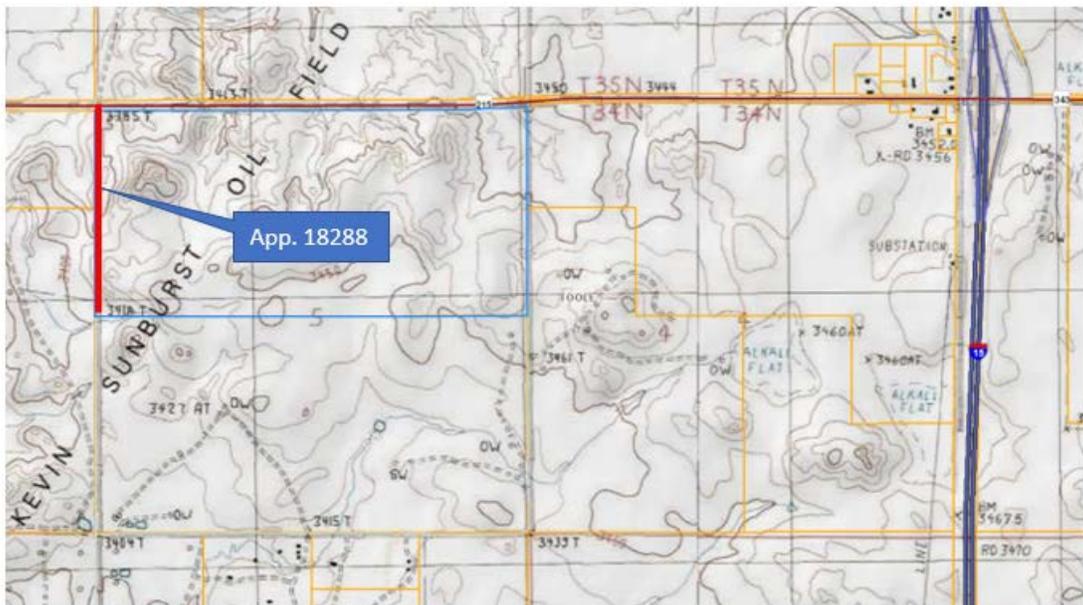
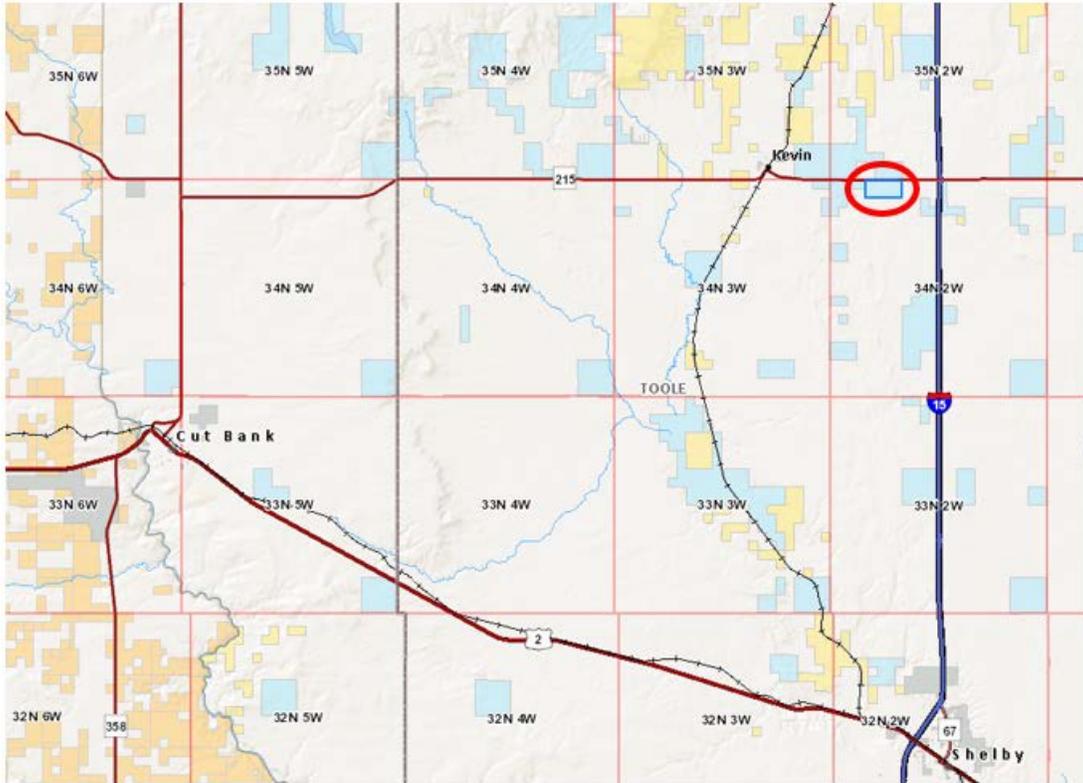
Item Summary

Northern Telephone Cooperative is proposing to upgrade existing infrastructure in the Kevin Exchange service area. The upgraded fiber optic cables will provide high speed data and broadband services to rural area around Kevin Montana. Installation of the fiber optic cable is mainly along existing road right-of-way with minimal impacts expected.

DNRC Recommendation

The Director recommends approval of the Northern Telephone fiber optic project.

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R/W Application 18288

APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Northern Telephone Coop. Inc  
PO Box 190  
Sunburst, MT 59482

Application No.: 18289  
R/W Purpose: a buried fiber optic cable  
Lessee Agreement: Ok  
Acreage: 4.53  
Compensation: \$1,132  
Legal Description: 20-foot strip through N2N2, E2E2, Sec. 16, Twp. 35N, Rge. 2W,  
Toole County  
Trust Beneficiary: Common Schools

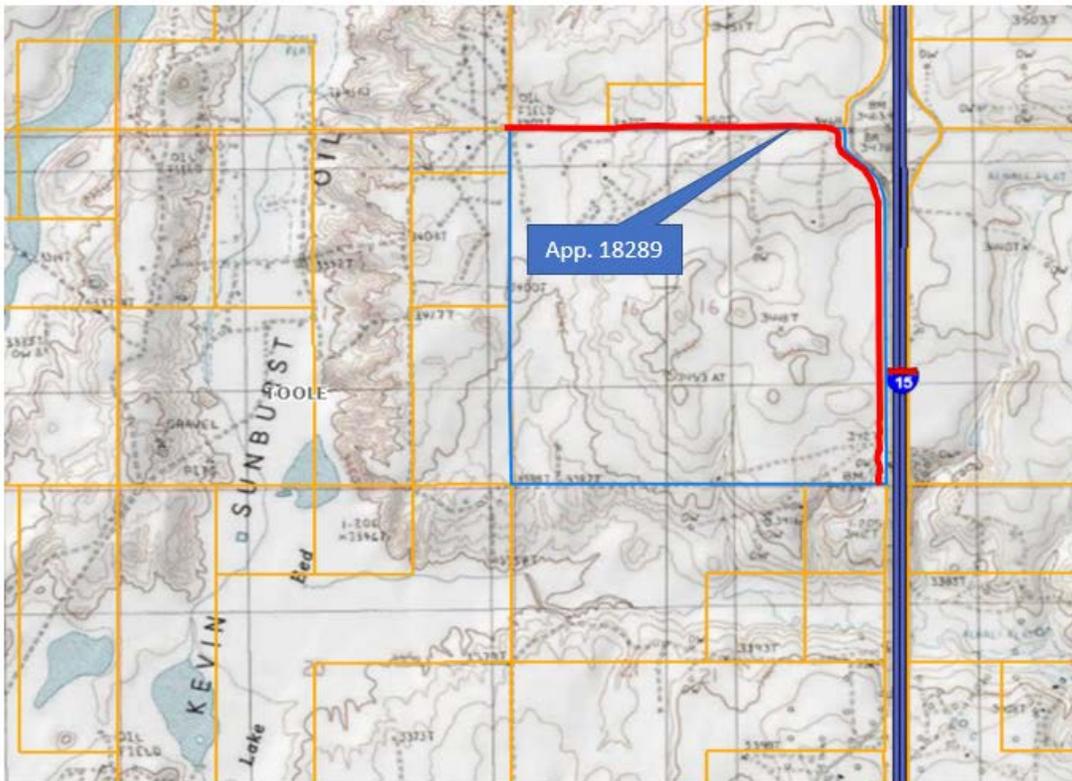
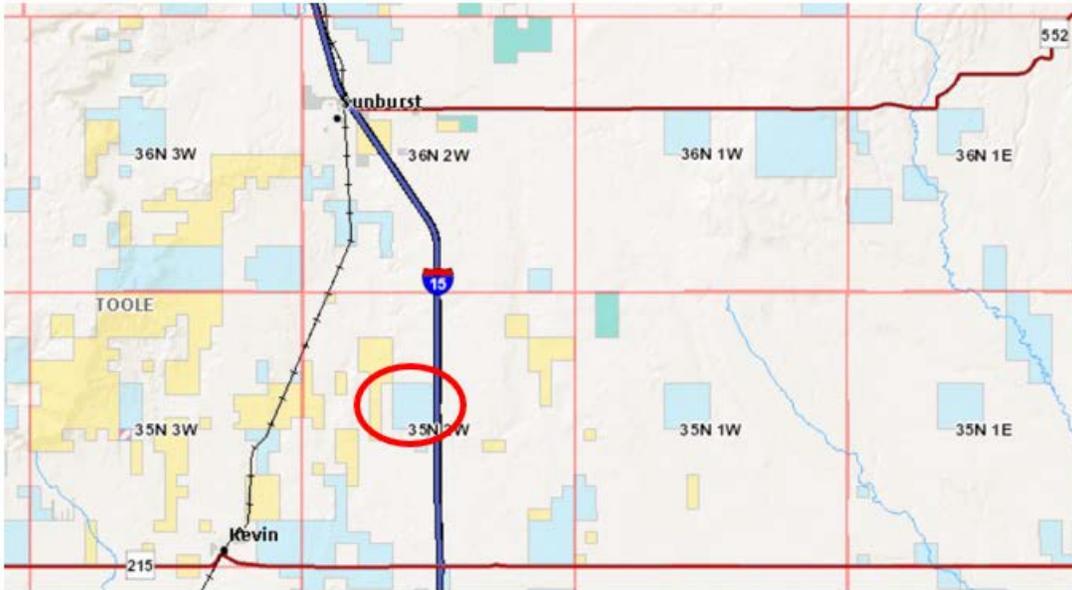
Item Summary

See page 7 for summary

DNRC Recommendation

See page 7 for recommendation.

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R/W Application 18289

APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Northern Telephone Coop. Inc  
PO Box 190  
Sunburst, MT 59482

Application No.: 18290  
R/W Purpose: a buried fiber optic cable  
Lessee Agreement: ok  
Acreage: 0.61  
Compensation: \$152  
Legal Description: 20-foot strip through NE4NE4, Sec. 21, Twp. 35N, Rge. 2W,  
Toole County  
Trust Beneficiary: Capitol Buildings

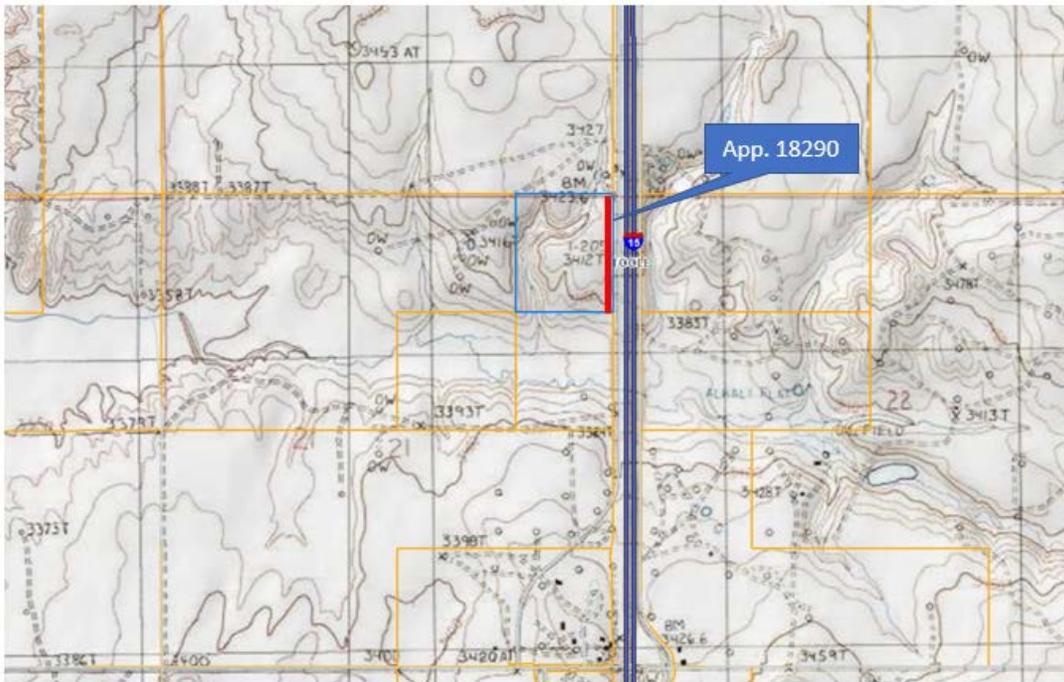
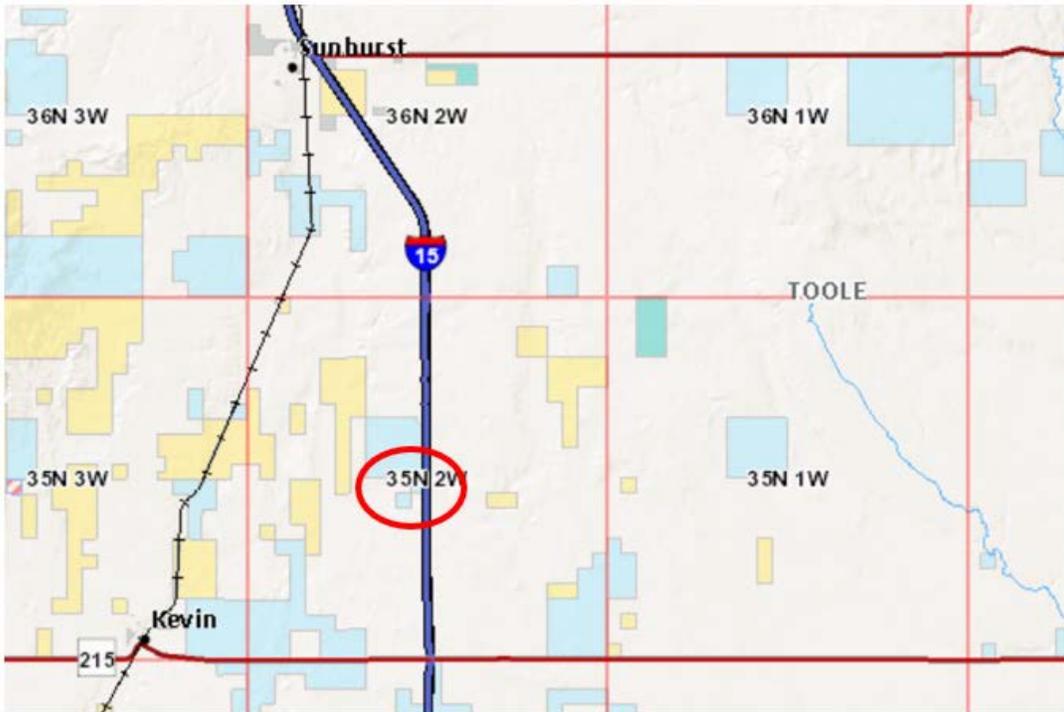
Item Summary

See page 7 for summary

DNRC Recommendation

See page 7 for recommendation.

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R/W Application 18290

APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: NorthWestern Energy  
11 E. Park  
Butte, MT 59701

Application No.: 18291  
R/W Purpose: an overhead 12.47 kV electric distribution line  
Lessee Agreement: N/A (Historic)  
Acreage: 8.03  
Compensation: \$5,825  
Legal Description: 30-foot strip through N2NW4, N2NE4, SE4NE4, E2SE4,  
Sec. 36, Twp. 30 N, Rge. 5 E, Liberty County  
Trust Beneficiary: Common Schools

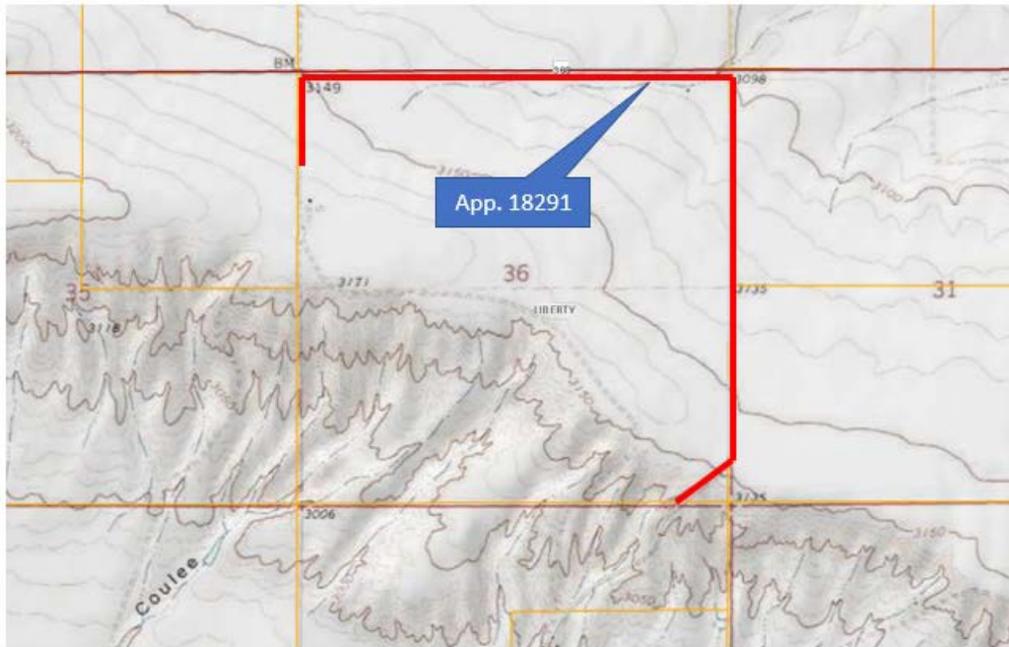
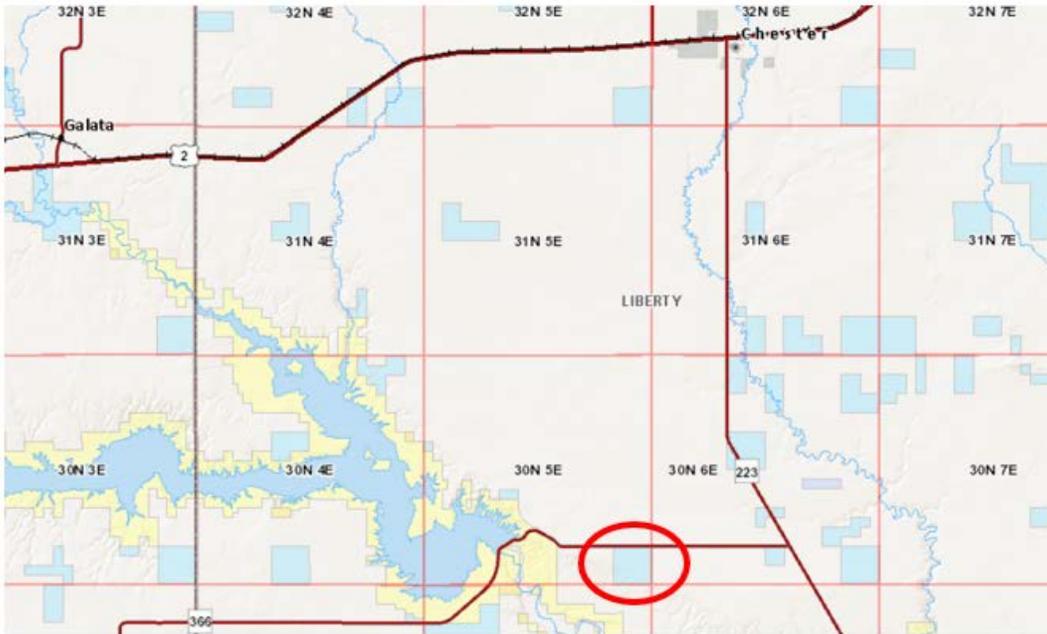
Item Summary

See page 3 for summary.

DNRC Recommendation

See page 3 for summary.

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R/W Application 18291

APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Mid-Rivers Telephone Coop.  
 PO Box 280  
 Circle, MT 59215

Application No.: 18316  
 R/W Purpose: a buried fiber optic cable  
 Lessee Agreement: Ok  
 Acreage: 1.96  
 Compensation: \$1,176  
 Legal Description: 16-foot strip through S2, Sec. 36, Twp. 7N, Rge. 20E,  
 Golden Valley County  
 Trust Beneficiary: Common Schools

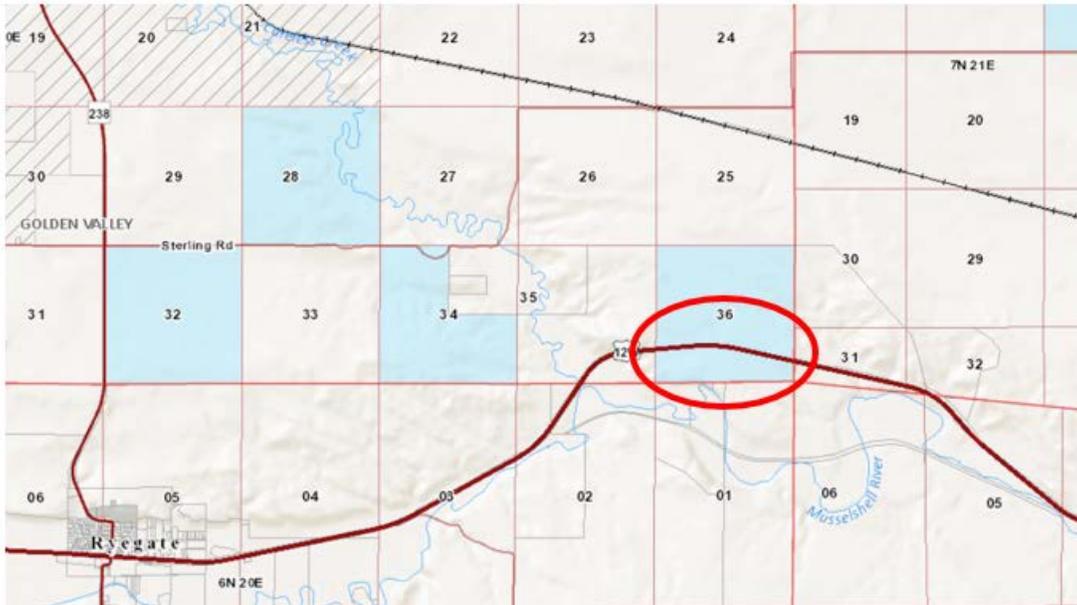
Item Summary

Mid-Rivers Telephone Cooperative is proposing to construct additional infrastructure in the Ryegate service area. The new fiber optic cables will provide high speed data and broadband services to rural Golden Valley County. This project is mainly along existing road right-of-way and minimal impacts are expected.

DNRC Recommendation

The Director recommends approval of the Mid-Rivers Telephone fiber optic project.

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R/W Application 18316

APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Mid-Rivers Telephone Coop.  
PO Box 280  
Circle, MT 59215

Application No.: 18317  
R/W Purpose: a buried fiber optic cable  
Lessee Agreement: ok  
Acreage: 1.95  
Compensation: \$975  
Legal Description: a 16-foot strip through S2S2, Sec. 10, Twp. 6N, Rge. 21E,  
Golden Valley County  
Trust Beneficiary: Common Schools

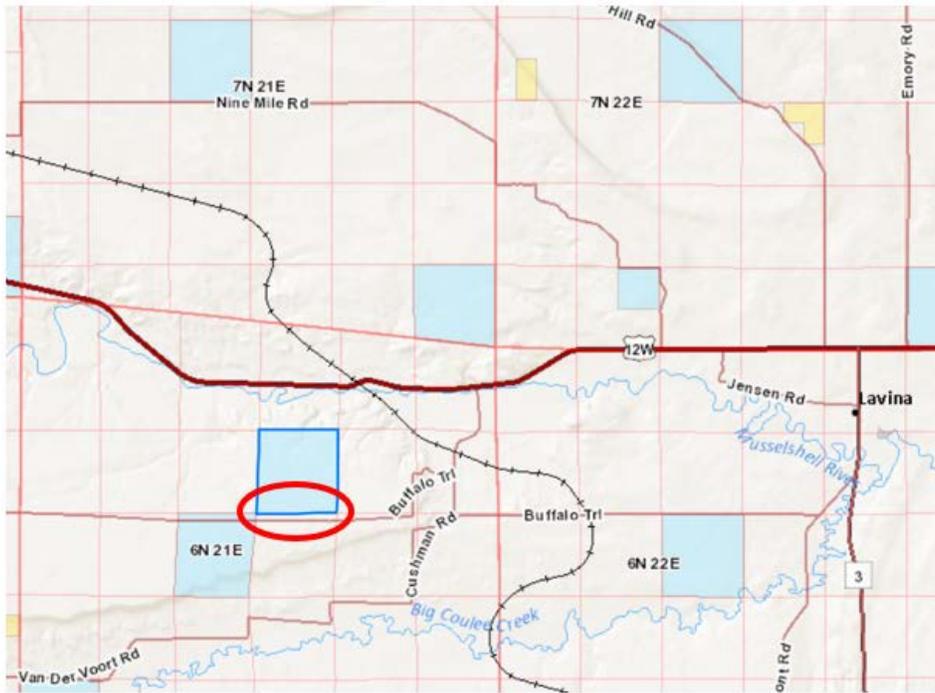
Item Summary

See page 15 for summary

DNRC Recommendation

See page 15 for recommendation.

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R/W Application 18317

APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Marias River Electric Coop. Inc.  
PO Box 729  
Shelby, MT 59474

Application No.: 18318  
R/W Purpose: an overhead 12.47 kV electric distribution line  
Lessee Agreement: N/A (Historic)  
Acreage: 0.61  
Compensation: \$550  
Legal Description: 16-foot strip through Gov. Lot 1, SE4NE4, Sec. 4, Twp. 32N,  
Rge. 3E, Toole County  
Trust Beneficiary: Common Schools

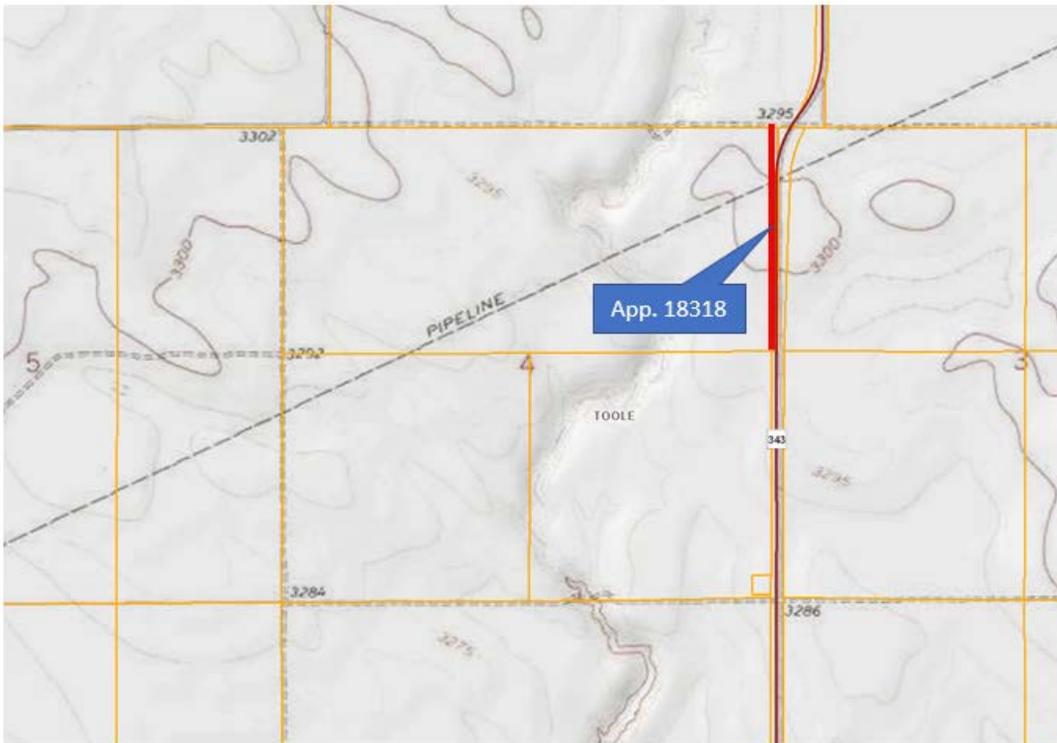
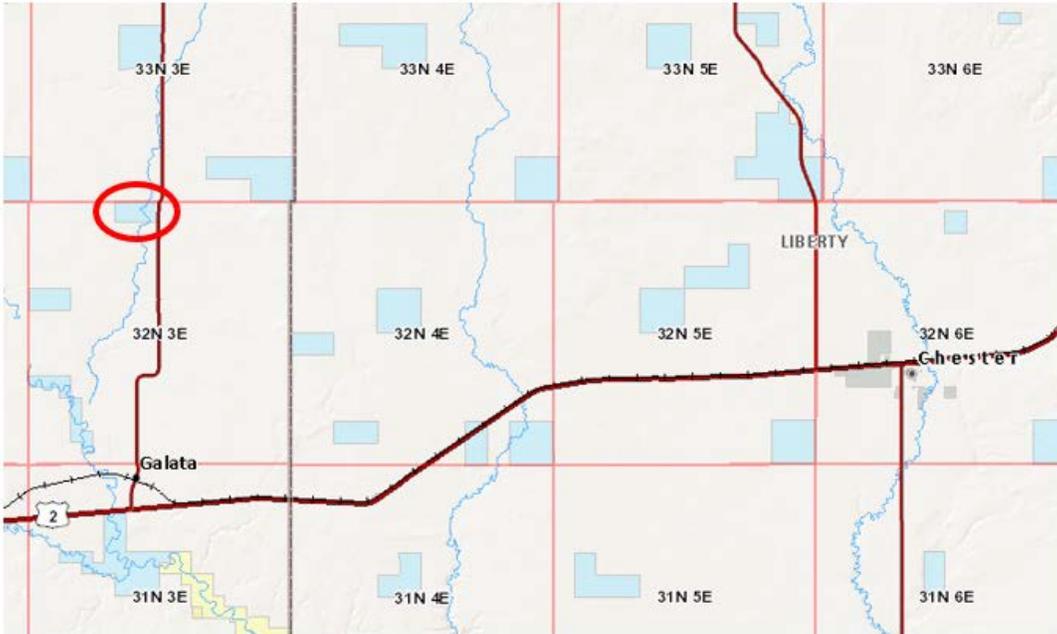
Item Summary

Marias River Electric Coop Inc. has made application for multiple overhead electric distribution lines, that were constructed on state lands many years ago without proper authorization from the Land Board. Pursuant to §77-1-130, MCA Marias River Electric Coop. Inc is requesting recognition of these overhead electric distribution and transmission lines as historic rights of ways.

DNRC Recommendation

The director recommends approval of this historic right of way application.

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R/W Application 18318

APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Mid-Rivers Telephone Coop.  
 PO Box 280  
 Circle, MT 59215

Application No.: 18319  
 R/W Purpose: a buried fiber optic cable  
 Lessee Agreement: N/A (Navigable River)  
 Acreage: 0.27  
 Compensation: \$100  
 Legal Description: 16-foot strip across the Big Horn River in S2SE4, Sec. 5, Twp. 3N,  
 Rge. 34E, Bighorn County  
 Trust Beneficiary: Public Land Trust - Navigable River

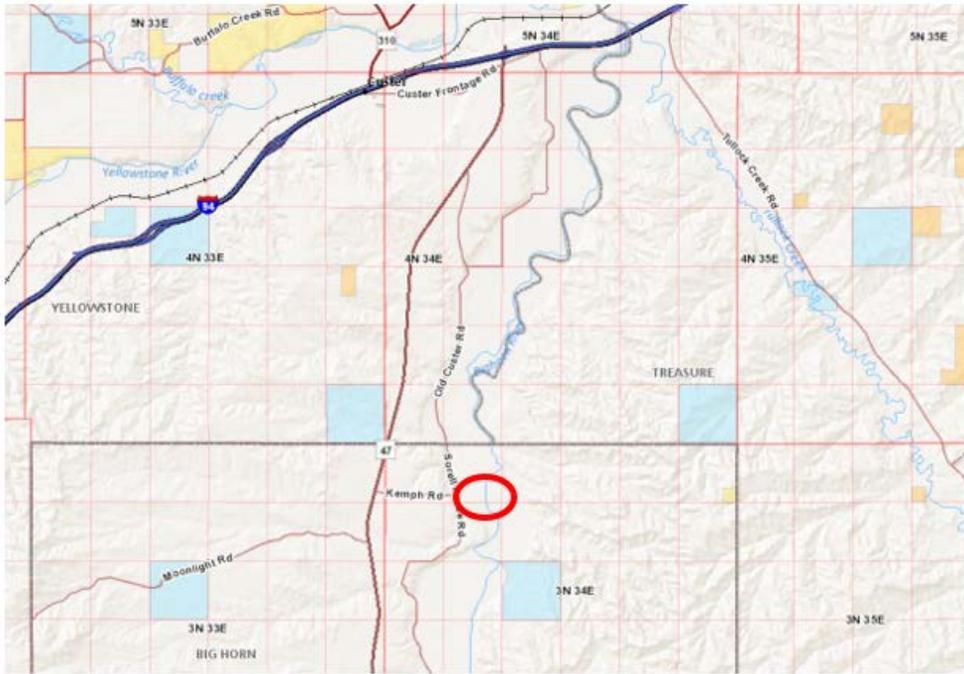
Item Summary

Mid-Rivers Telephone Cooperative is proposing to construct additional infrastructure in the Custer service area. The new fiber optic cables will provide high speed data and broadband services to rural Bighorn County. The cables will be directional drill bored under the river, therefore minimal impacts are expected.

DNRC Recommendation

The Director recommends approval of the application for Mid-Rivers Telephone Coop.

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R/W Application 18319

APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Mid-Rivers Telephone Coop.  
PO Box 280  
Circle, MT 59215

Application No.: 18320  
R/W Purpose: a buried fiber optic cable  
Lessee Agreement: N/A (Navigable River)  
Acreage: 0.43  
Compensation: \$175  
Legal Description: 16-foot strip across the Big Horn River in NE4NE4, Sec. 33  
Twp.5N Rge. 34E, Treasure & Yellowstone County  
Trust Beneficiary: Public Land Trust - Navigable River

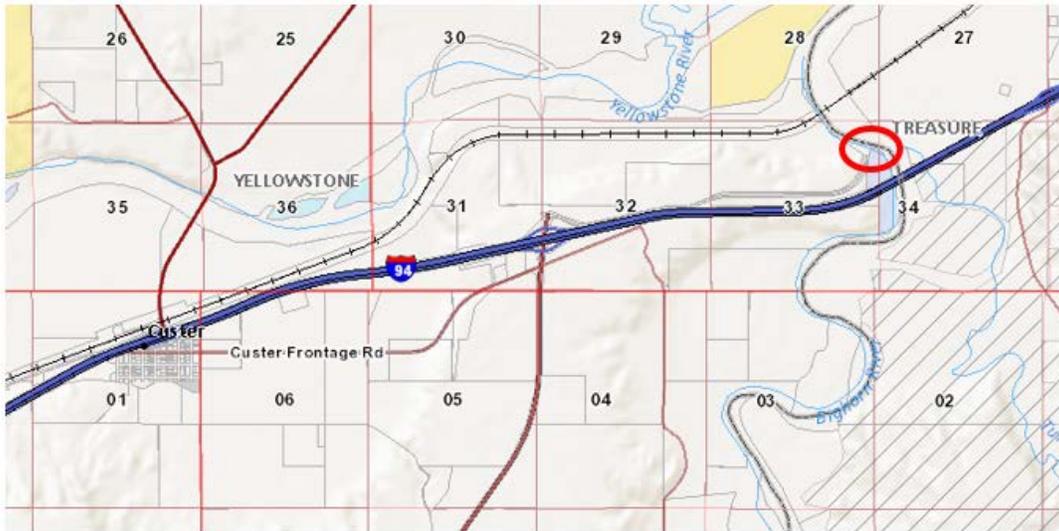
Item Summary

See page 21 for summary.

DNRC Recommendation

See page 21 for recommendation.

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R/W Application 18320

APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Mid-Rivers Telephone Coop.  
PO Box 280  
Circle, MT 59215

Application No.: 18321  
R/W Purpose: a buried fiber optic cable  
Lessee Agreement: N/A (Navigable River)  
Acreage: 0.36  
Compensation: \$135  
Legal Description: 16-foot strip across the Yellowstone River in SENE, NESE,  
Sec. 35 and SWNW, Sec. 36, Twp. 5N, Rge. 33E,  
Yellowstone County  
Trust Beneficiary: Public Land Trust - Navigable River

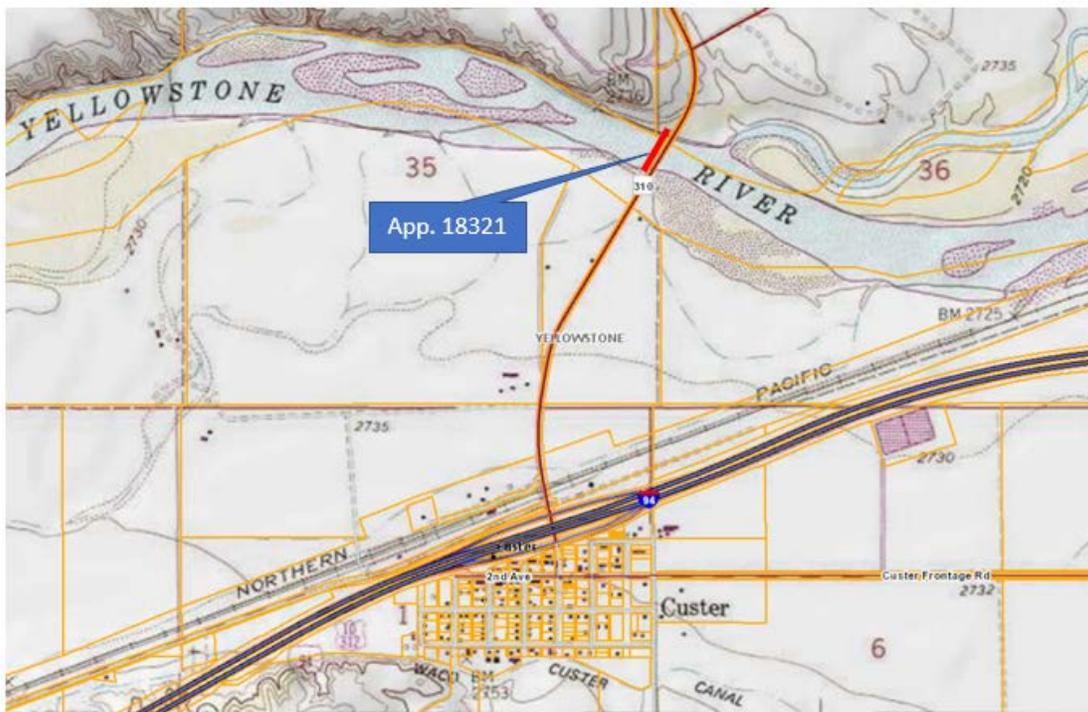
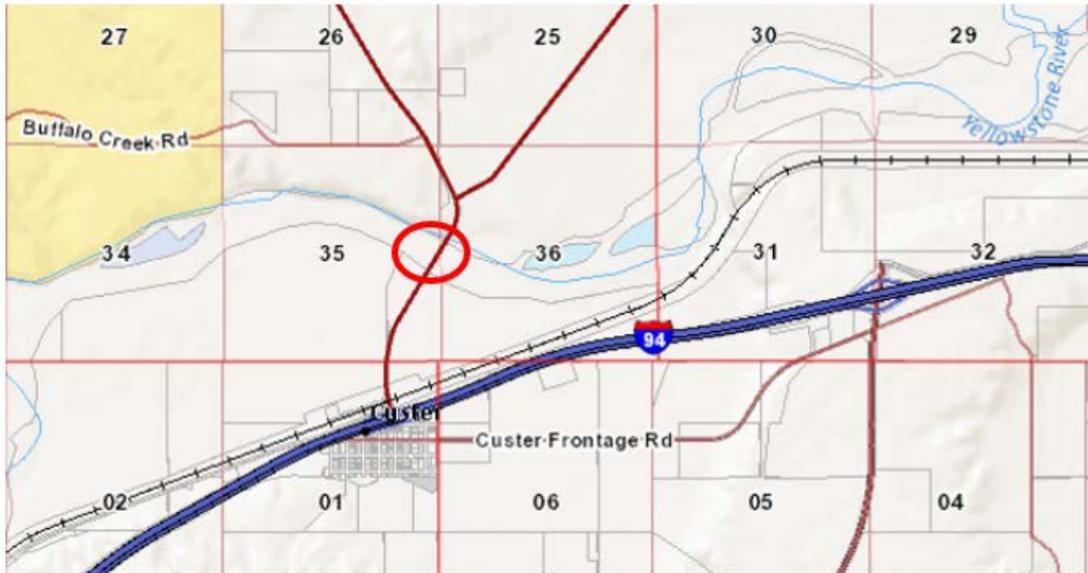
Item Summary

See page 21 for summary.

DNRC Recommendation

See page 21 for recommendation.

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R/W Application 18321

APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Range Telephone Coop, Inc.  
 2325 Front St.  
 Forsyth, MT 59327

Application No.: 18322  
 R/W Purpose: a buried fiber optic cable  
 Lessee Agreement: N/A (Historic)  
 Acreage: 4.06  
 Compensation: \$1,623  
 Legal Description: 20-foot strip through N2NW4, NW4NE4, S2NE4, E2SE4, Sec. 16,  
 Twp. 1N, Rge. 54E, Custer County  
 Trust Beneficiary: Common Schools

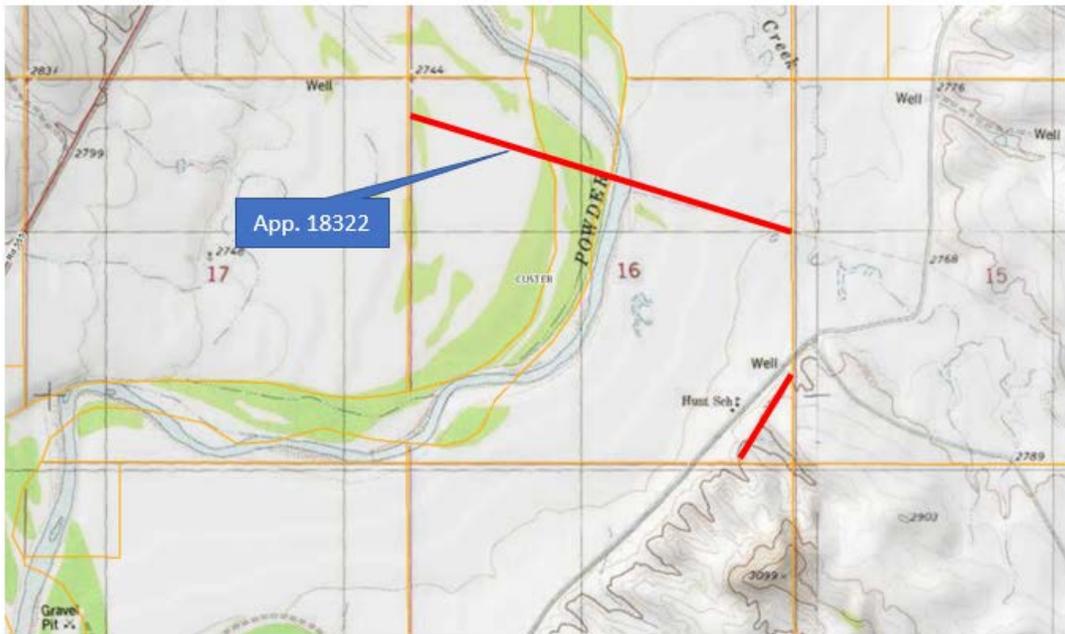
Item Summary

Range Telephone Coop. has made application for a buried fiber optic cable that was constructed on state lands many years ago without proper authorization from the Land Board. Pursuant to §77-1-130, MCA Range Telephone is requesting recognition of this buried fiber optic cable as a historic right of way.

DNRC Recommendation

The director recommends approval of this historic right of way for Range Telephone.

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R/W Application 18322



# 0818-5

INFORMATIONAL ITEM

2018 Real Estate Project List



**Land Board Agenda Item  
August 2018**

**0818-5 INFORMATIONAL ITEM – 2018 REAL ESTATE PROJECT LIST**

**Location:** Custer, Flathead, Gallatin, Lincoln, Missoula, Sanders, Yellowstone

**Trust Benefits:** Common Schools, University of Montana, Pine Hills School, State Normal School, Public Buildings

**Trust Revenue:** N/A

**Item Summary**

The Trust Lands Management Division (TLMD) is required to identify Real Estate Projects annually through a Project Identification Team (PIT) consisting of Real Estate Bureau and land office staff. The PIT must report their identified Projects to land board per ARM 36.25.909(3)(A).

A Real Estate Project (Project) is a proposal to develop state trust land for a commercial, industrial, residential or conservation use, or a public facility where no such use existed previously, when one or more of the following are required by a local government: a) subdivision approval; b) annexation; or c) development or amendment of a growth policy or neighborhood plan. Real estate project also means the development of entitlements on state trust lands proposed for sale or exchange.

In FY18, the PIT added one new project to the FY19 Project List: Penwell Bridge, in Gallatin County.

**Background:**

The *Real Estate Management Plan Record of Decision (ROD)* was approved in July 2005. The ROD provides the TLMD with consistent policy and direction in the selection and implementation of management activities (residential, commercial, industrial, and conservation) on state Trust Lands.

The PIT selected the Projects on the following table in adherence to the ROD. The ROD defines a comprehensive process that includes both extensive site investigation and participation of the public and local units of government. These Projects successfully completed the required analysis which ensures development is physically possible and legally permissible. Further, the Projects meet the three goals of the Real Estate Management Plan:

Goal A: Share in Expected Community Growth – these projects capture on state Trust lands a share of development taking place in Montana’s communities.

Goal B: Plan Proactively – Land Office staff has participated in numerous neighborhood/community meetings and worked closely with local officials during design and ongoing development of these projects. The Department works cooperatively with local communities in locating projects in designated growth areas and strategic rural areas.

Goal C: Increase Revenue for Trust Beneficiaries – the selected projects increase revenue from the lands proposed for development and generate the greatest amount of revenue per acre.

The Project list will be made available to the public on the DNRC website.





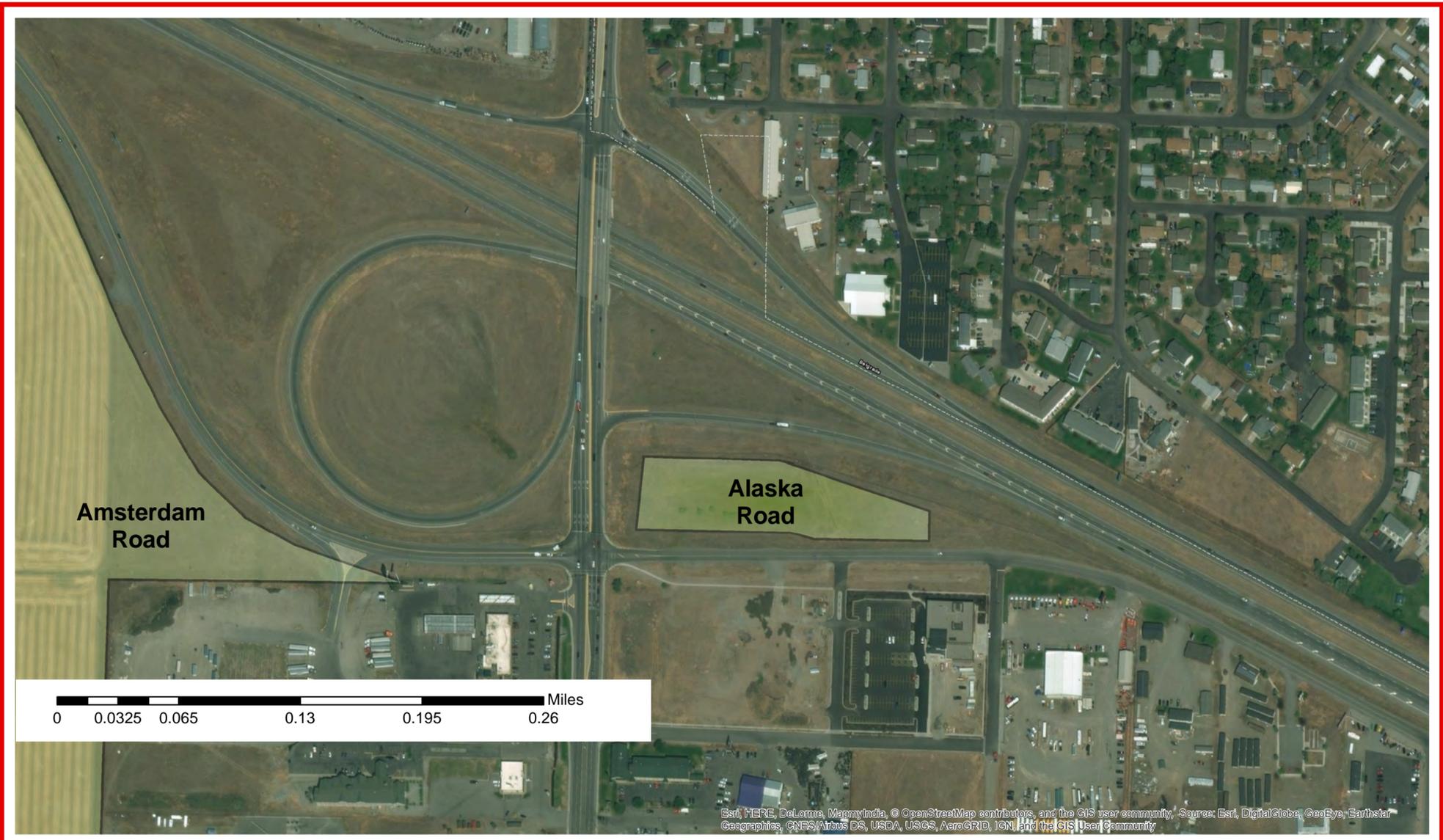
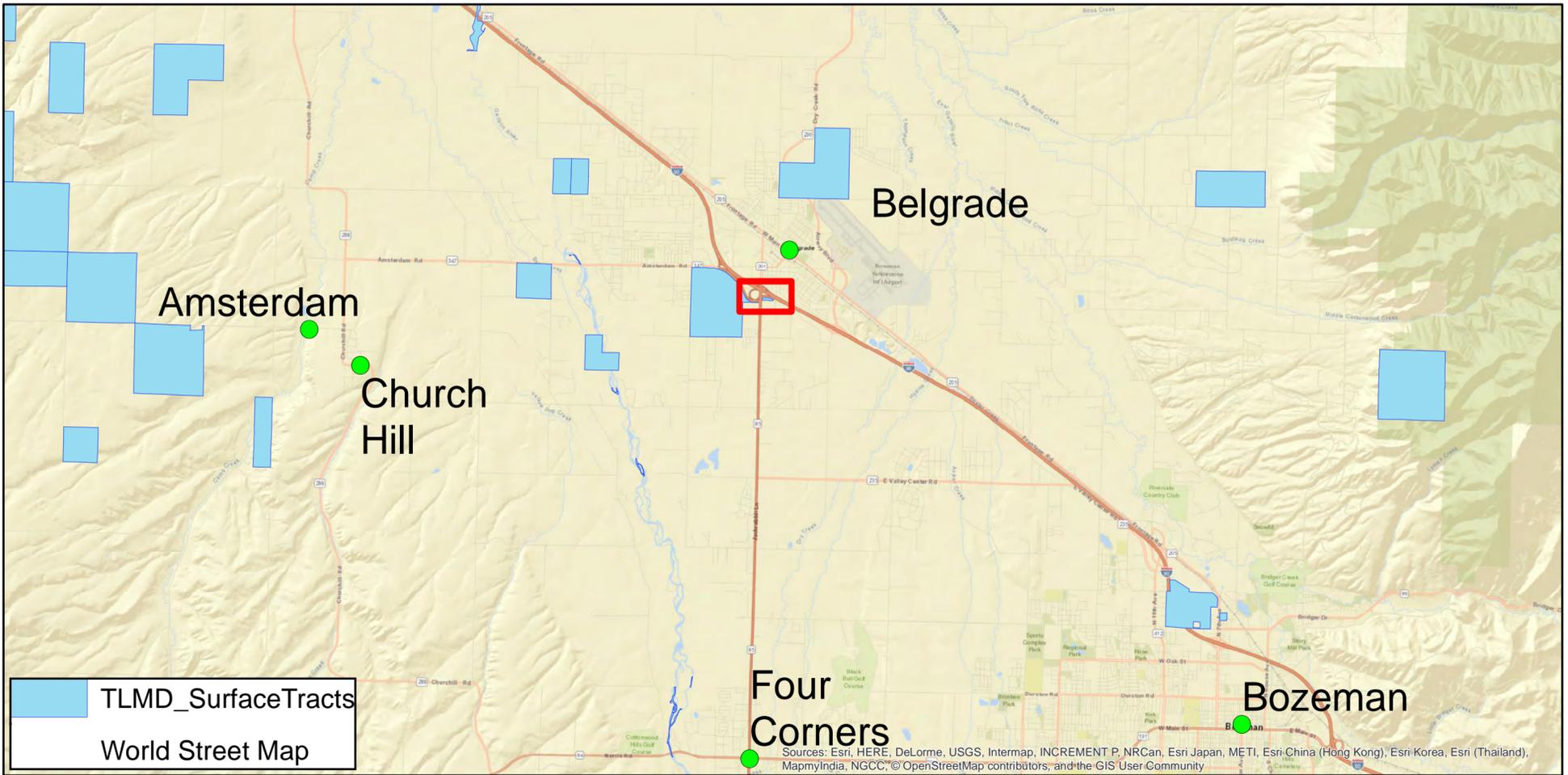
## 2018 REAL ESTATE PROJECT LIST

DNRC has identified the following Real Estate Projects in compliance with the agency's Real Estate Management Plan.

Real Estate Project	Description	Grant	Office	County	Acres	Urban/ Rural	Status
Alaska Road	<b>Belgrade:</b> Commercial/Industrial development.	Common Schools	CLO	Gallatin	3.3	Urban	<b>Active Project:</b> This property is currently under a new Lease effective May of 2018 for a restaurant. Income generated through the commercial lease in FY18: <b>\$16,200</b>
Amsterdam Road	<b>Belgrade:</b> Anticipated mixed use development; will require annexation and rezoning of parcel.	Common Schools	CLO	Gallatin	450	Urban	<b>Active Project:</b> FY19 the Department will be researching commercial development feasibility. Property is currently occupied with an active agriculture lease and one home site.
Lewis & Clark Subdivision	<b>Bozeman:</b> Commercial/Industrial development.	Common Schools	CLO	Gallatin	28	Urban	<b>Active Project:</b> All lots at Lewis and Clark are under Lease or Option to Lease. Income generated through the commercial lease development in FY18: <b>\$274,050</b>
North Park	<b>Bozeman:</b> Commercial/Industrial development.	Common Schools	CLO	Gallatin	178	Urban	<b>Active Project:</b> North Park East is currently under an Option to Lease for a multiphase commercial/Industrial development. Presently the Department developer are working with local and State government (MDT) to secure adequate access and infrastructure. Income generated through commercial lease option in FY18: <b>\$40,875</b>
Fox Farm	<b>Great Falls:</b> Anticipated mixed use development; will require annexation and rezoning of parcel. A portion of the property fronts the Missouri River.	U of M	CLO	Cascade	90	Urban	<b>Active Project:</b> FY19 the Department will be researching the feasibility of developing the property by working with local governments, and contracting an appraisal for land value and highest & best use analysis.
Penwell Bridge	<b>Belgrade:</b> Anticipated commercial development; will require annexation and rezoning.	Common Schools	CLO	Gallatin	120	Urban	<b>New Project:</b> A Letter of Interest has been received for commercial development that may trigger annexation. FY19 the Department will work through due diligence on the property for possible future development.
Bull Pasture Subdivision	<b>Miles City:</b> Commercial/Industrial development.	Pine Hills School	ELO	Custer	60	Urban	<b>Active Project:</b> One of five lots are currently under lease. FY19 the Department will explore improving the condition of Ashland Street for enhanced site accessibility for marketing the unleased lots. Income generated through commercial lease development in FY18: <b>\$7,117</b>
Spring Prairie Commercial Infill (Section 36)	<b>Kalispell:</b> Commercial/professional development.	Common Schools	NWLO	Flathead	100	Urban	<b>Active Project:</b> Lease development on Kalispell's Section 36 is ongoing. Currently there are 9 leases and 2 Options to Lease for master development projects (a 25 acre professional development and an 8 acre residential development). Income generated through commercial lease development in FY18: <b>\$738,163</b>

Real Estate Project	Description	Grant	Office	County	Acres	Urban/ Rural	Status
Stillwater Industrial	<b>Lower Stillwater Lake area:</b> Identified as a Light Industrial/Residential Development Area in the Whitefish Neighborhood Plan.	State Normal School	NWLO	Flathead	40	Rural	<i>Project Pending market interest.</i>
Indian Springs Ranch	<b>Eureka:</b> Anticipated residential development.	Common Schools	NWLO	Lincoln	40	Urban	<i>Project pending market interest. The adjacent residential development entity has expressed interest in the parcel as a possible future phase of the Indian Springs Ranch development.</i>
Cripple Horse Creek	<b>Libby:</b> Anticipated commercial recreation development adjacent to an existing commercial resort on Lake Kookanusa.	Public Buildings	NWLO	Lincoln	162.5	Rural	<i>Project pending market interest.</i>
Libby Creek/ Ponderosa Plantation	<b>Libby:</b> Anticipated residential development.	Common Schools	NWLO	Lincoln	120	Rural	<i>Project pending market interest. A feasibility study resulted in a conceptual design for a residential subdivision with 2.5 acre lots. ROW issues to serve the property with a county road have been resolved. The county is currently constructing a road through the property that could serve residential development.</i>
Libby Golf Club area lands	<b>Libby:</b> Anticipated residential development adjacent to the Libby Golf Club.	Common Schools	NWLO	Lincoln	640	Rural	<i>Project pending market interest.</i>
Libby area lands - Cabinet Range View	<b>Libby:</b> Anticipated low density residential development.	Common Schools	NWLO	Lincoln	800	Rural	<i>Project pending market interest.</i>
Libby area lands – Kooconusa River View	<b>Troy:</b> Anticipated low density residential development.	Common Schools	NWLO	Lincoln	45.9	Rural	<i>Project pending market interest.</i>
Thompson Falls area lands	<b>Thompson Falls:</b> Anticipated commercial recreation or other commercial development adjacent to existing Thompson Falls Golf Course.	Common Schools	NWLO	Sanders	46	Rural	<i>Project pending resolution of ROW access issue.</i>
<b>Skyview Ridge Subdivision</b>	<b>Billings:</b> Mixed use development including lease for commercial development as well as sale of residential parcels.	Common Schools	SLO	Yellow-stone	285	Urban	<b>Active Project:</b> FY19 the Department will look at new ways to move project forward which could include some kind of DNRC/private partnership.
<b>Reserve Street</b>	<b>Missoula:</b> Commercial/professional development.	Common Schools	SWLO	Missoula	2.8	Urban	<b>Active Project:</b> One of the two lots included within this property, Lot A, is currently under an Option to Lease for a coffee roasting facility and approximately 6 retail/commercial units. Currently working with the City of Missoula for the Conditional Use Permit required for the roasting use. FY19 the Department will be working on rezoning the property and perfecting an approach to Lot B to increase the land value and marketability. The lots will be maintained for weeds, mowing and dead trees removed along the irrigation ditch. Income generated through commercial lease option on Lot A in FY18: <b>\$9,926</b>

# Alaska Road - Belgrade



## Legend

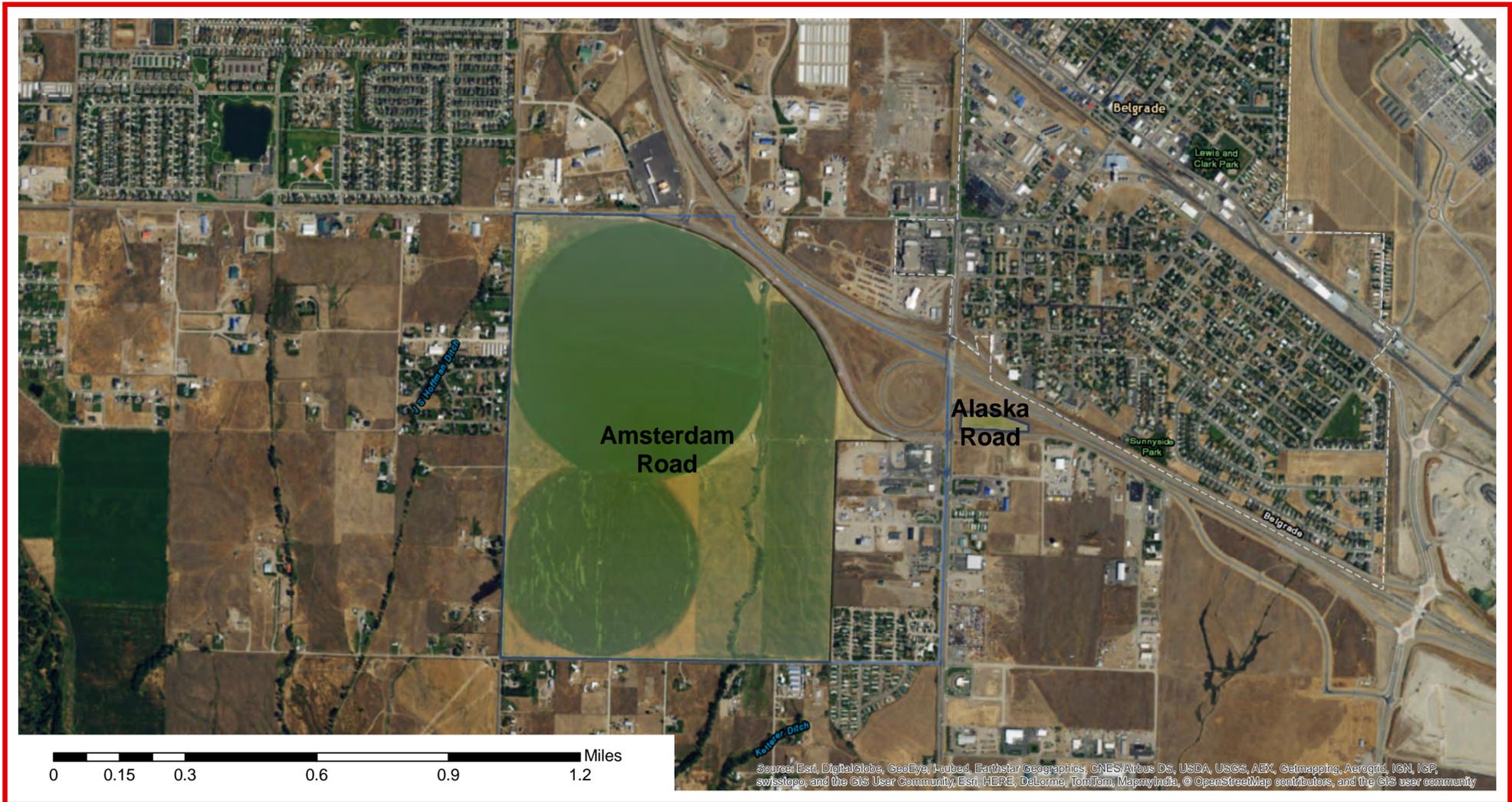
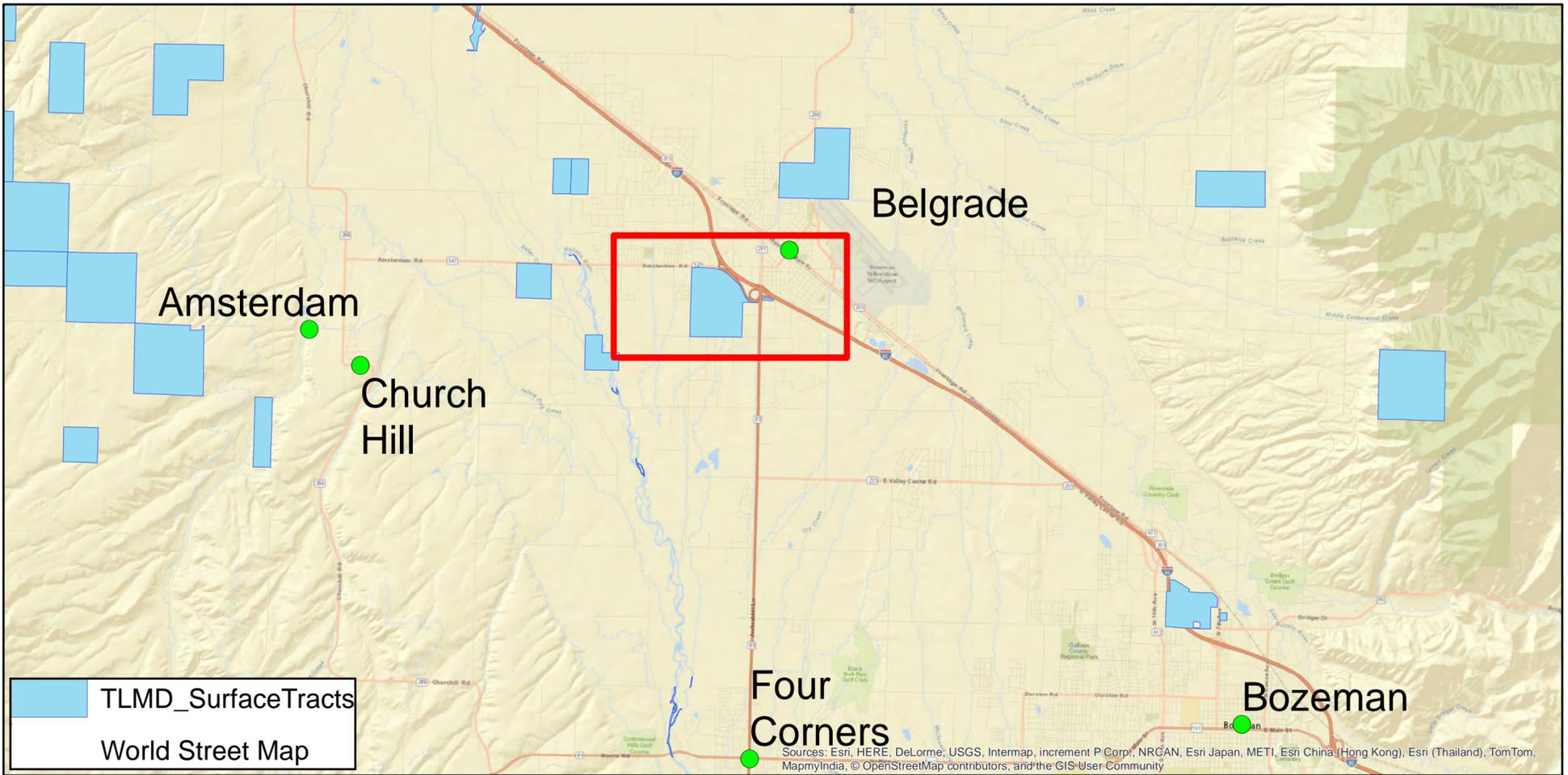
- World Boundaries and Places
- Commercial Projects *Development Project Area*
- Trust Land Tracts

Inset Area from top map shown in bottom map

**Location: Gallatin County, MT**  
**Date: 6-5-2018**  
**Prepared By: REMB Staff Member**  
**Projection: NAD83 Montana State Plane**



# Amsterdam Road, Alaska Road - Belgrade



## Legend



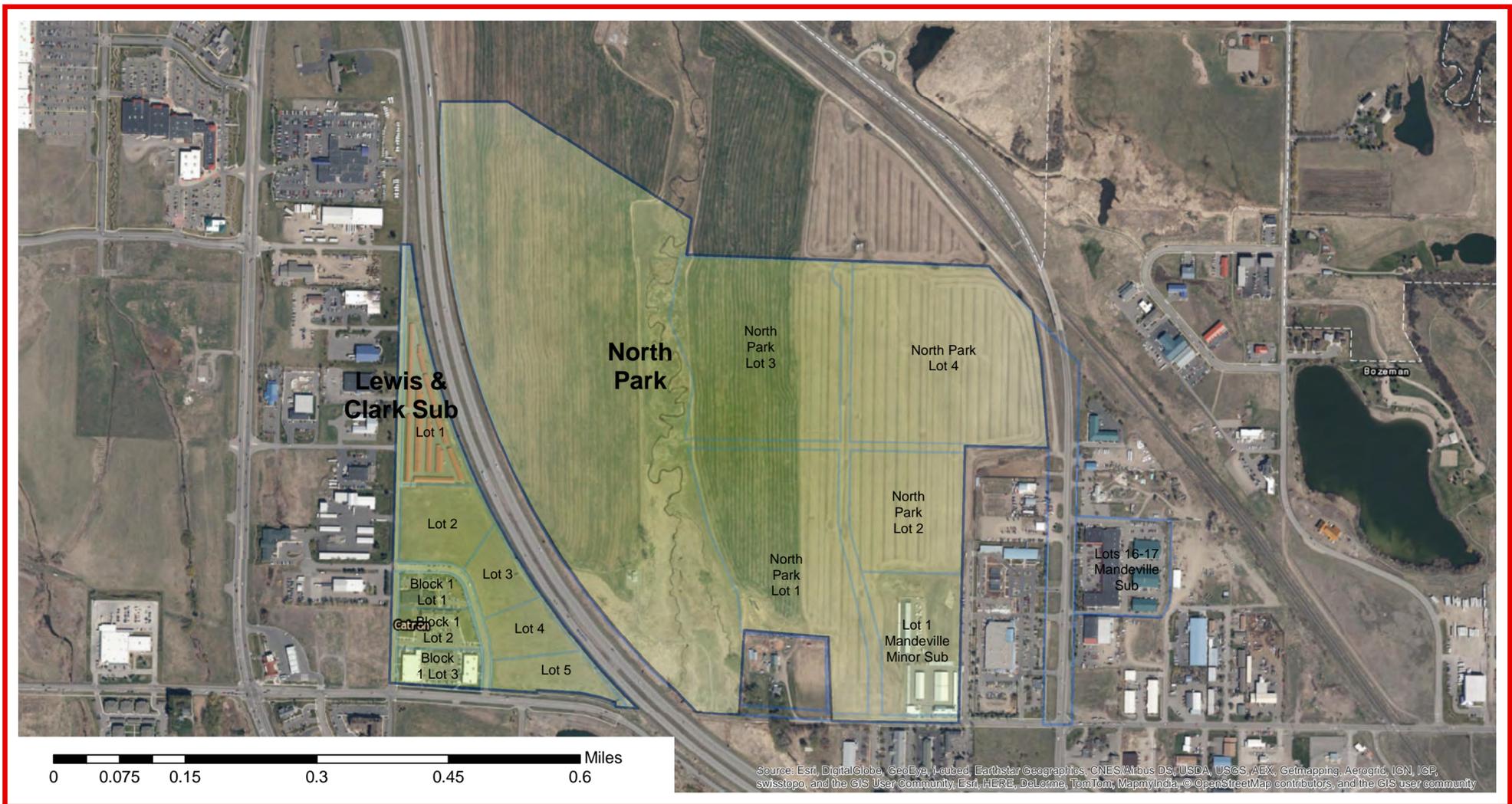
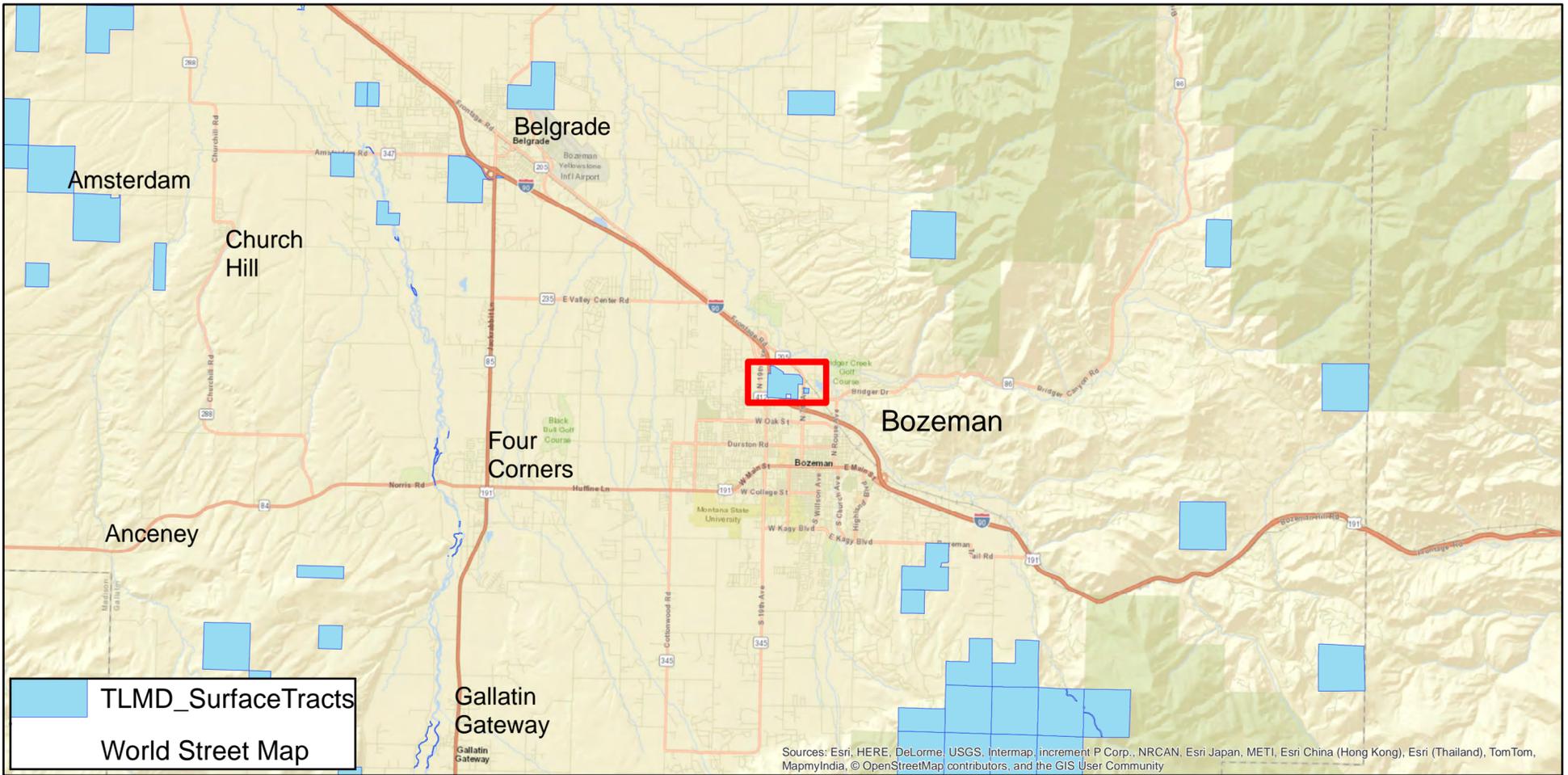
- World Boundaries and Places
- Commercial Projects *Development Project Area*
- World Imagery
- Trust Land Tracts

Inset Area from top map shown in bottom map

Location: Gallatin County, MT  
Date: 8-2-2017  
Prepared By: REMB Staff Member  
Projection: NAD83 Montana State Plane



# North Park, Lewis and Clark Sub - Bozeman



## Legend



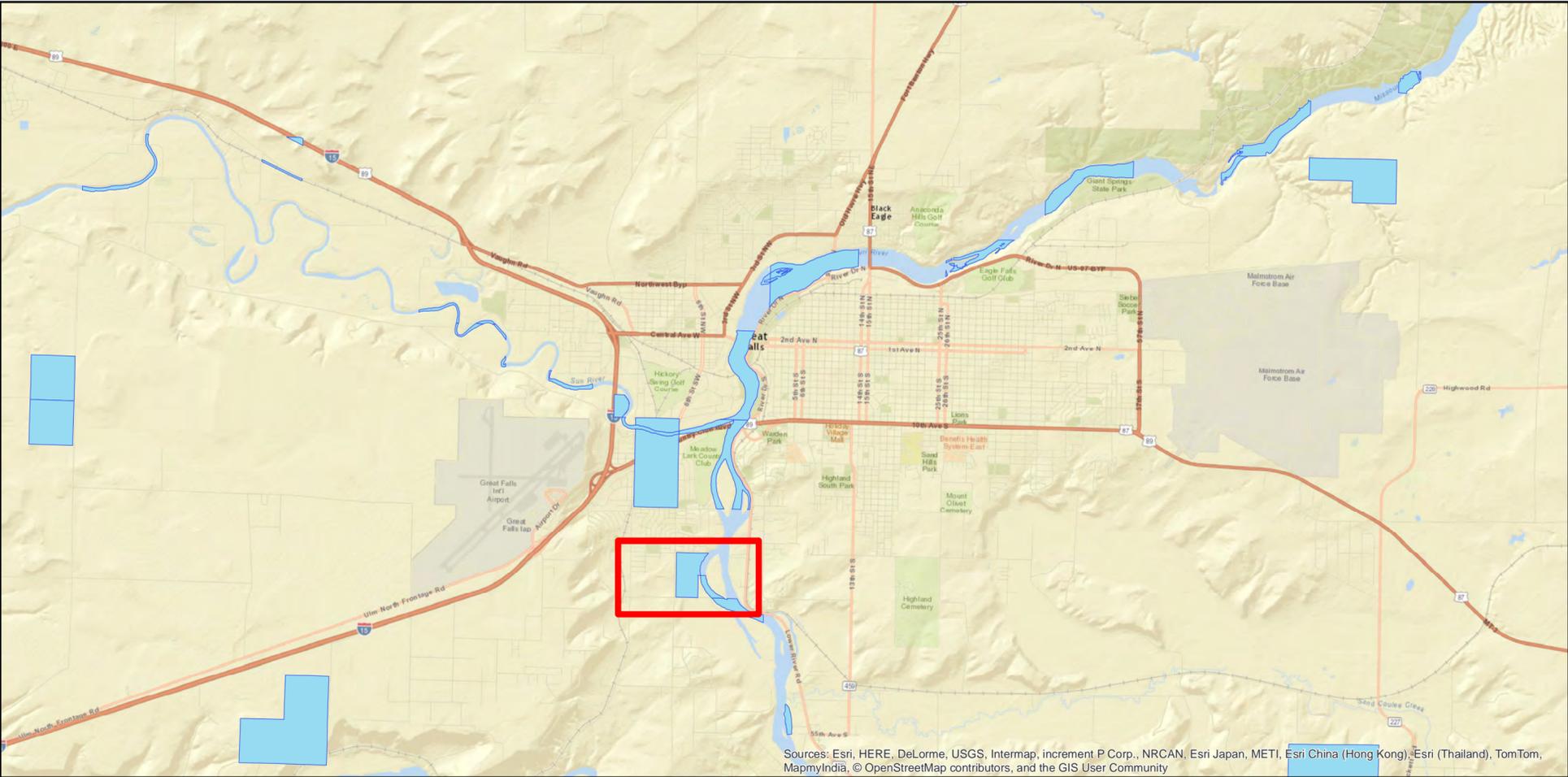
- World Boundaries and Places
- Commercial Projects *Development Project Area*
- World Imagery
- Trust Land Tracts

Inset Area from top map shown in bottom map

**Location: Gallatin County, MT**  
**Date: 8-2-2017**  
**Prepared By: REMB Staff Member**  
**Projection: NAD83 Montana State Plane**



# Fox Farm Road - Great Falls



## Legend

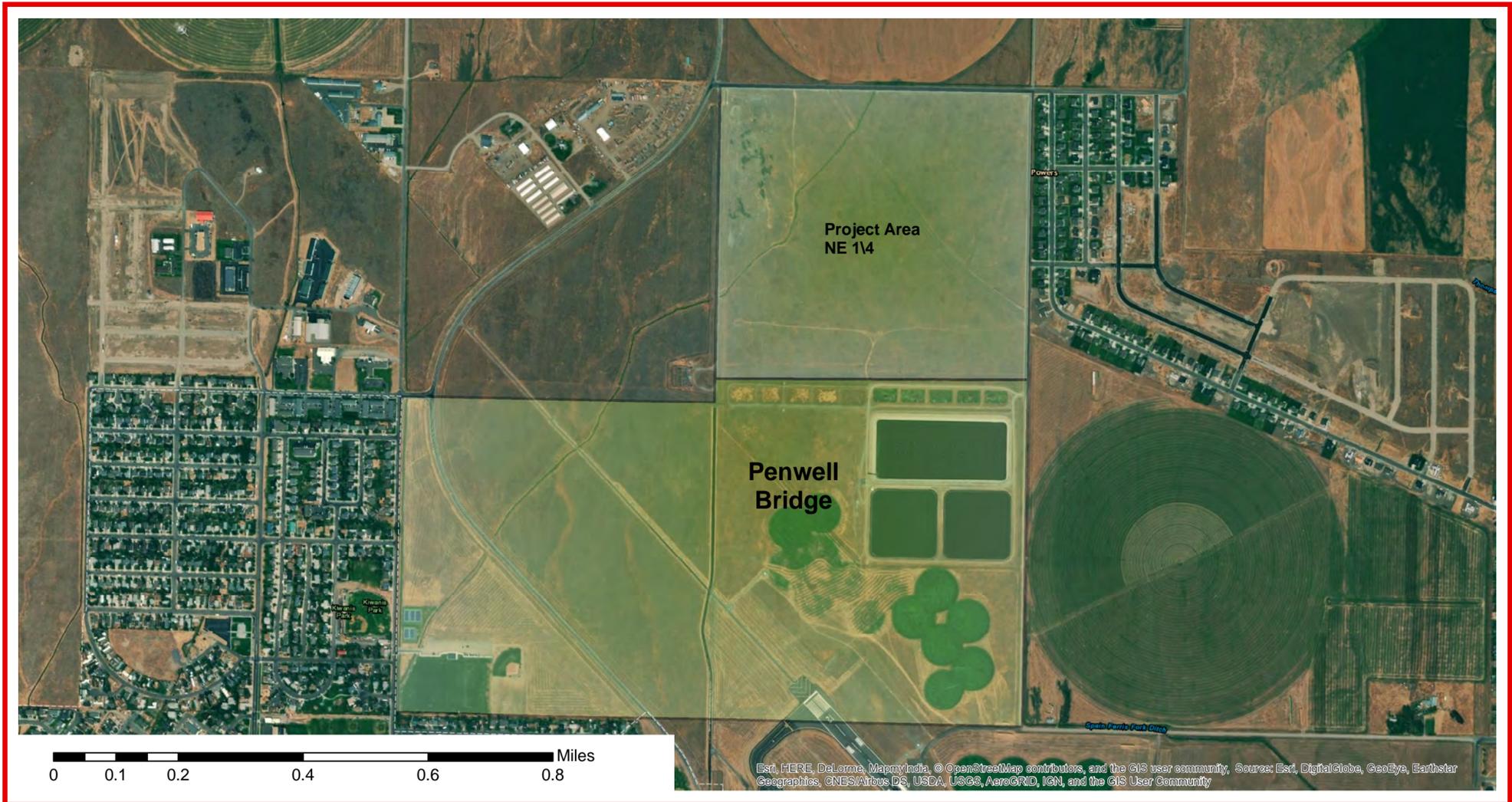
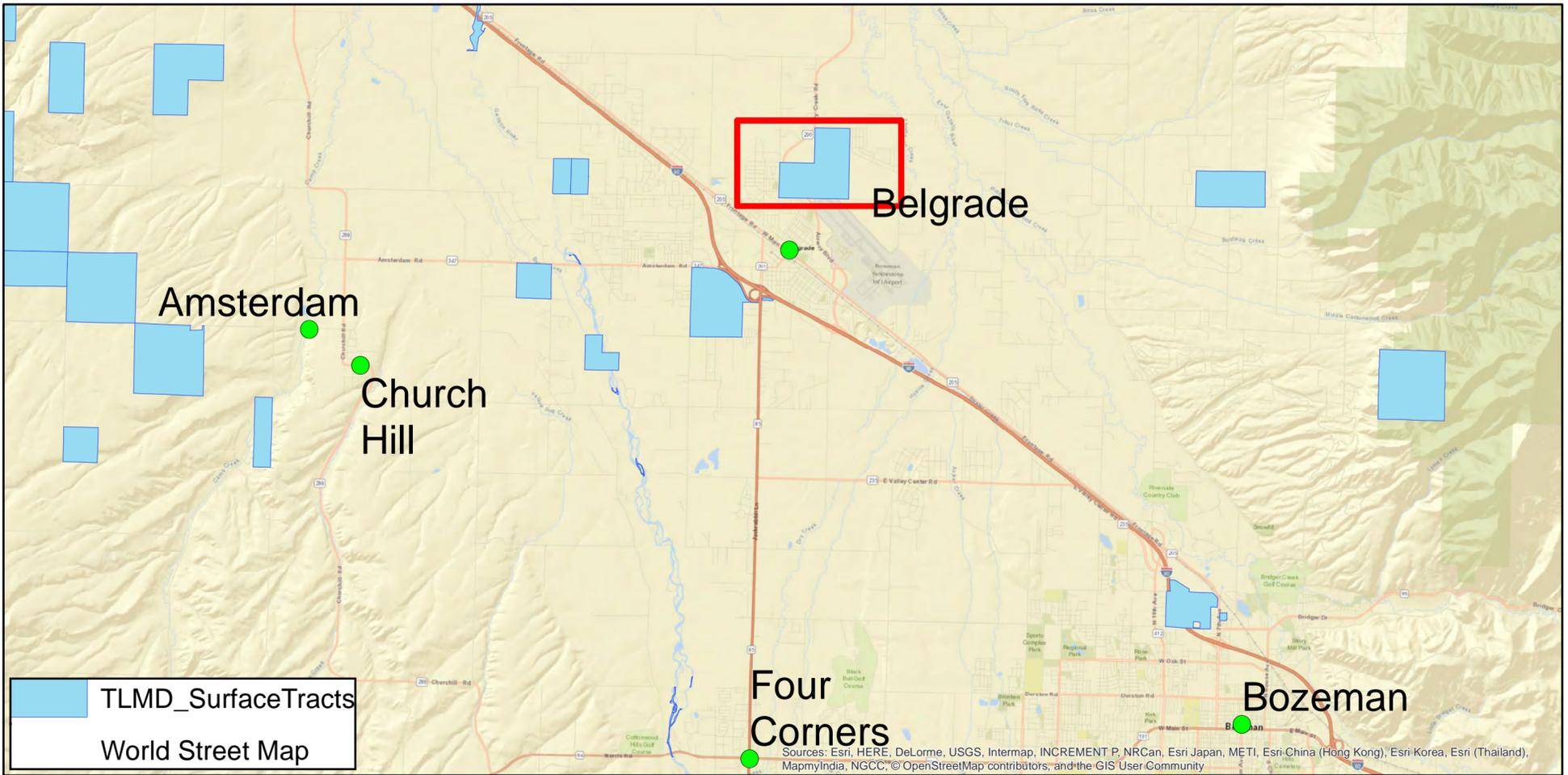


- World Boundaries and Places
- Commercial Projects *Development Project Area*
- World Imagery
- Trust Land Tracts

Location: Cascade County, MT  
 Date: 8-2-2017  
 Prepared By: REMB Staff Member  
 Projection: NAD83 Montana State Plane



# Penwell Bridge - Belgrade



## Legend

- World Boundaries and Places
- Commercial Projects *Development Project Area*
- Trust Land Tracts

Inset Area from top map shown in bottom map

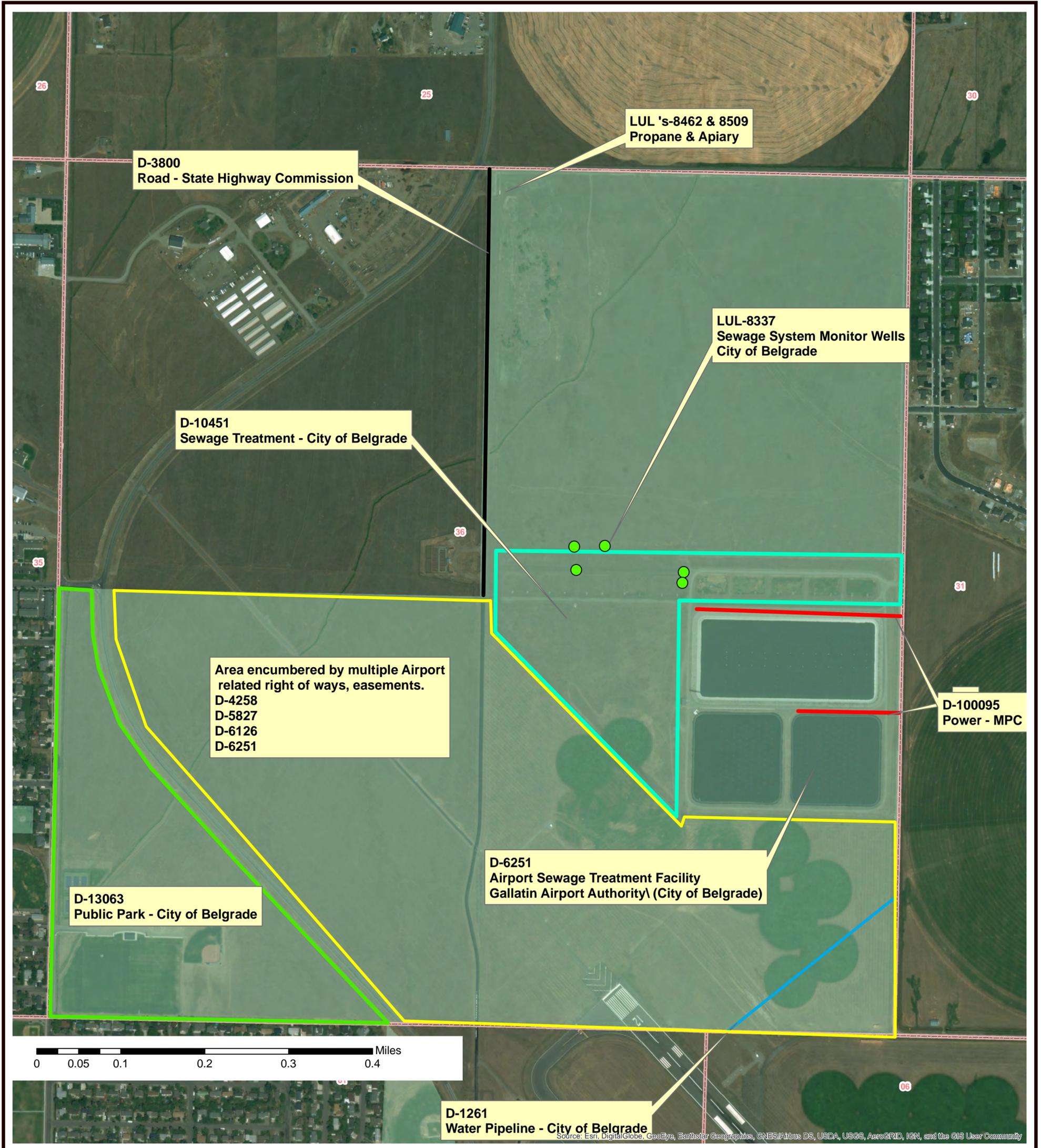
Location: Gallatin County, MT  
 Date: 6-5-2018  
 Prepared By: REMB Staff Member  
 Projection: NAD83 Montana State Plane



# Penwell Bridge Trust Land - Belgrade

## Existing Easements, Right of Ways, Licenses

0818-5



### Legend

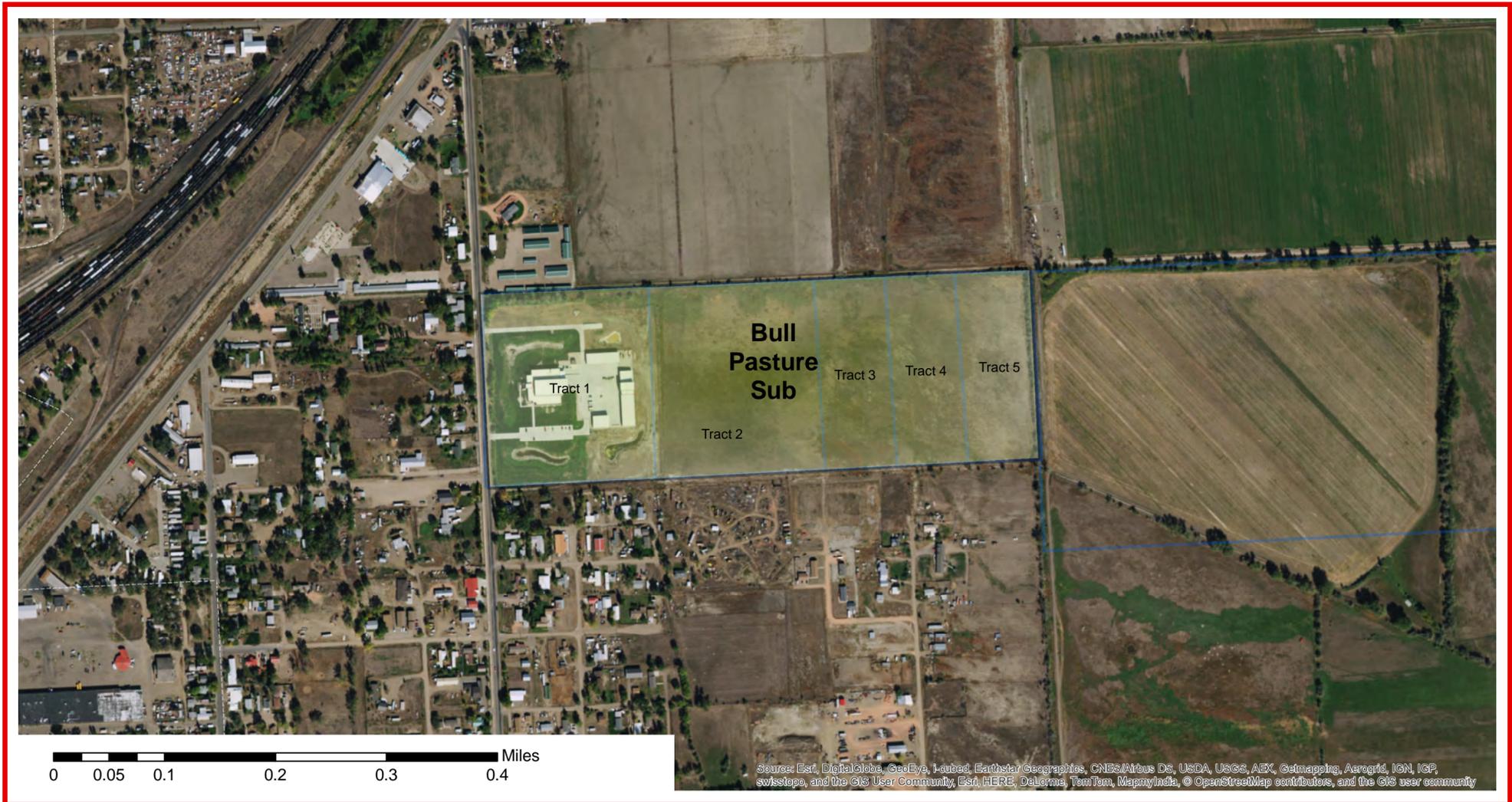
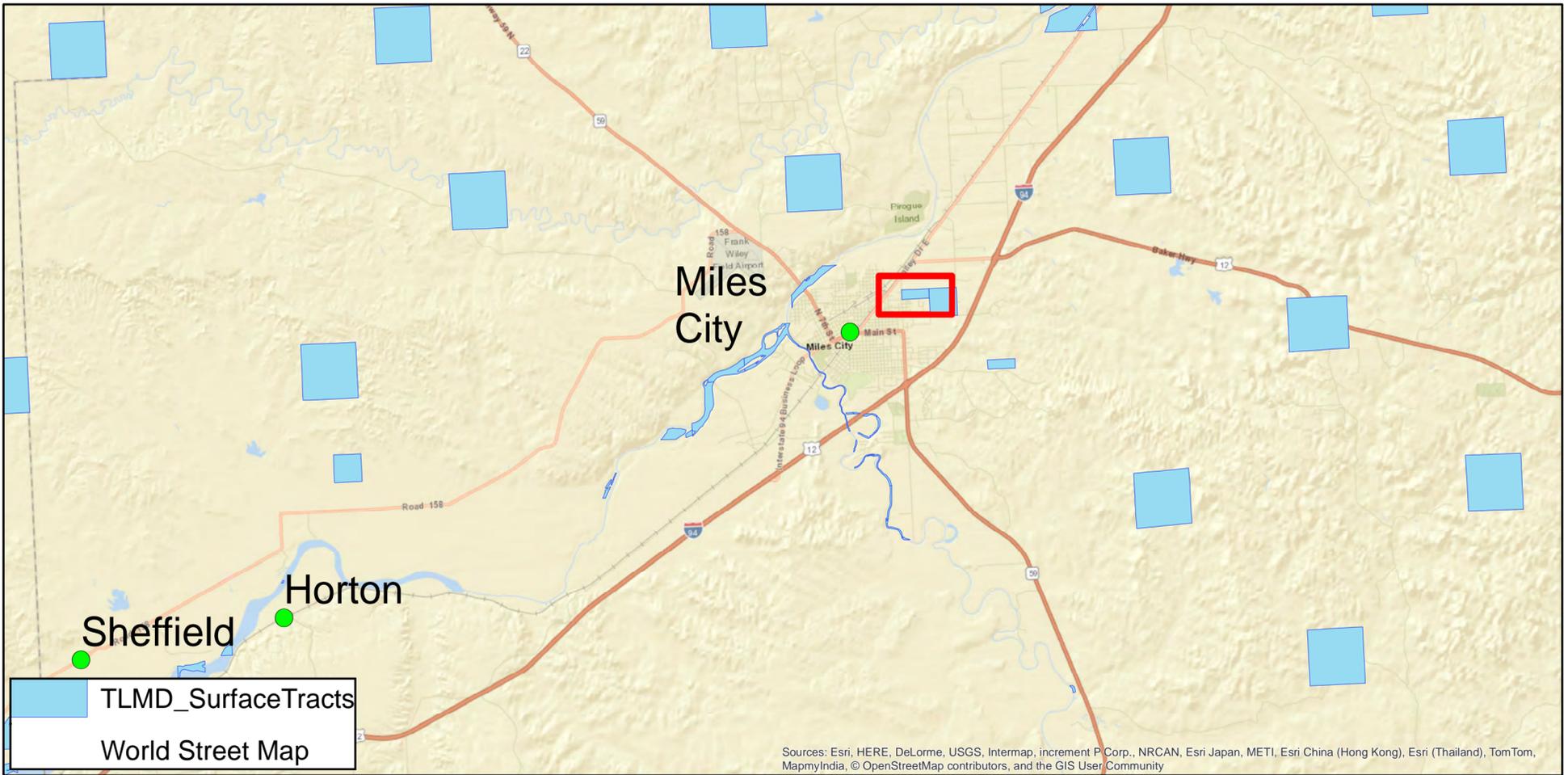
 Section

 TLMD\_SurfaceTracts

Location: Gallatin County, MT  
 Date: 6-5-2018  
 Prepared By: REMB Staff Member  
 Projection: NAD83 Montana State Plane



# Bull Pasture Sub - Miles City



## Legend



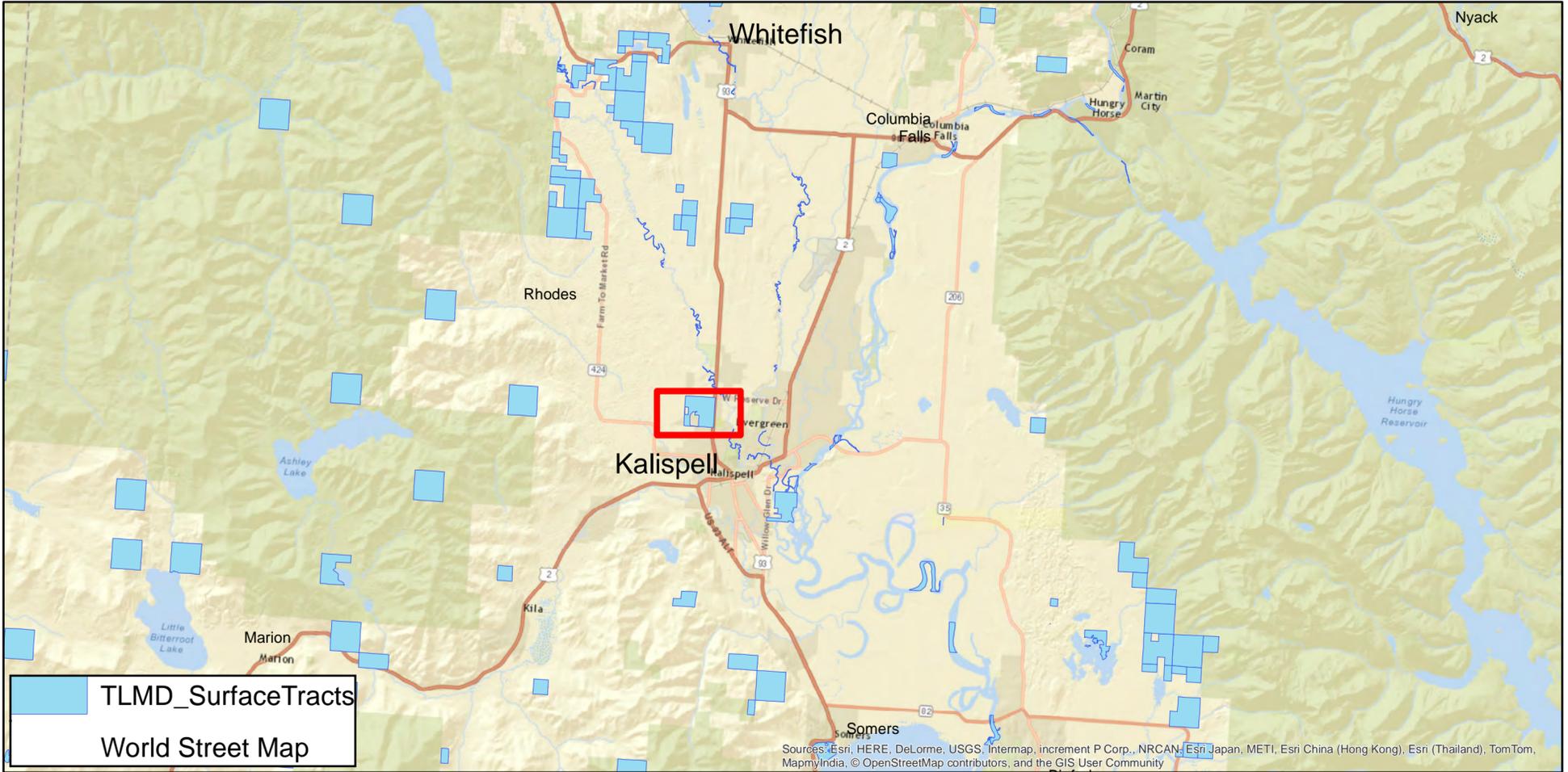
- World Boundaries and Places
- Commercial Projects *Development Project Area*
- World Imagery
- Trust Land Tracts

Inset Area from top map shown in bottom map

**Location: Custer County, MT**  
**Date: 8-2-2017**  
**Prepared By: REMB Staff Member**  
**Projection: NAD83 Montana State Plane**



# Spring Prairie - Kalispell



## Legend



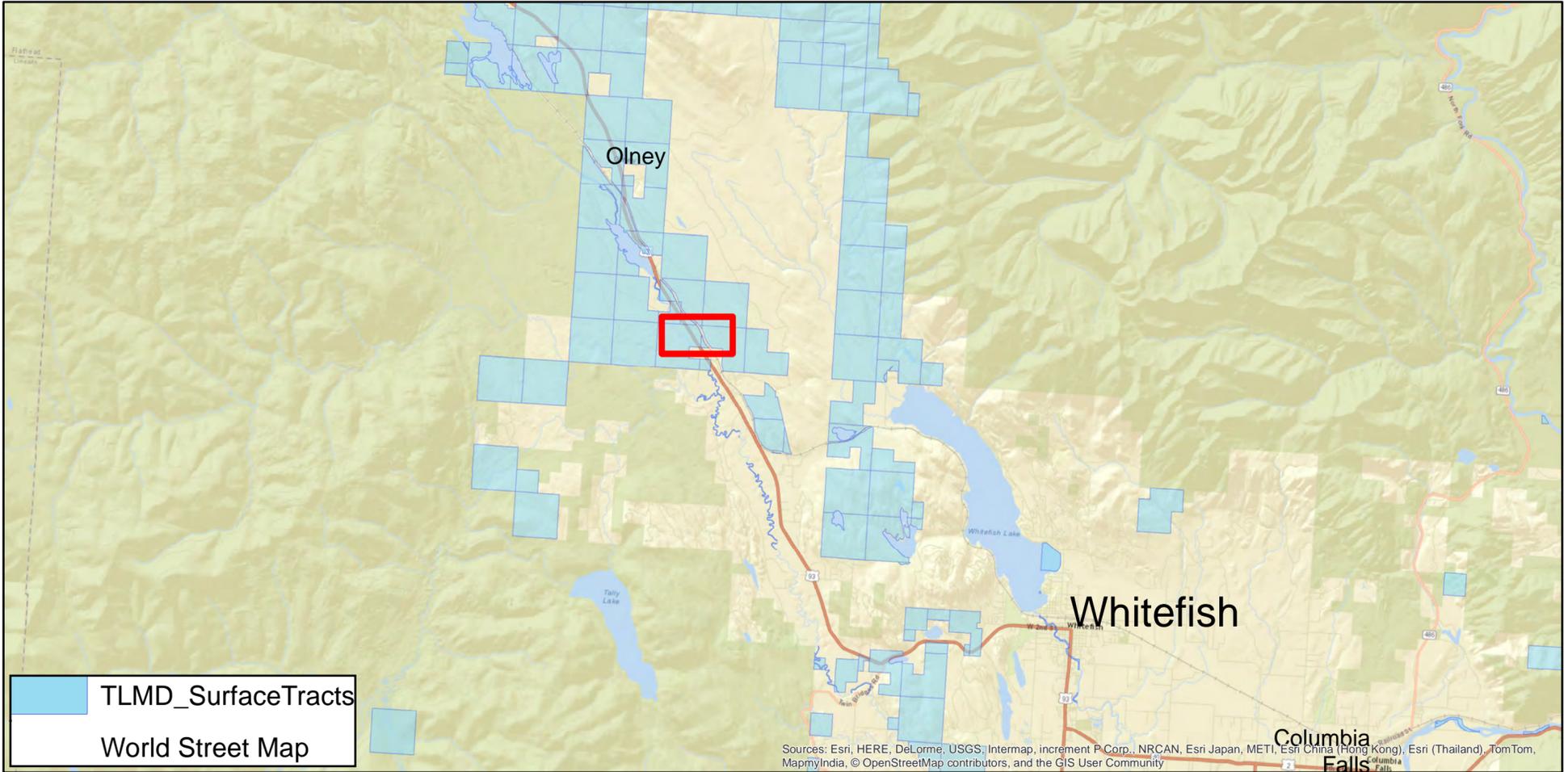
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- Commercial Projects *Development Project Area*
- World Imagery
- Trust Land Tracts

Inset Area from top map shown in bottom map

Location: Flathead County, MT  
Date: 8-7-2017  
Prepared By: REMB Staff Member  
Projection: NAD83 Montana State Plane



# Stillwater Industrial - Olney Area



## Legend



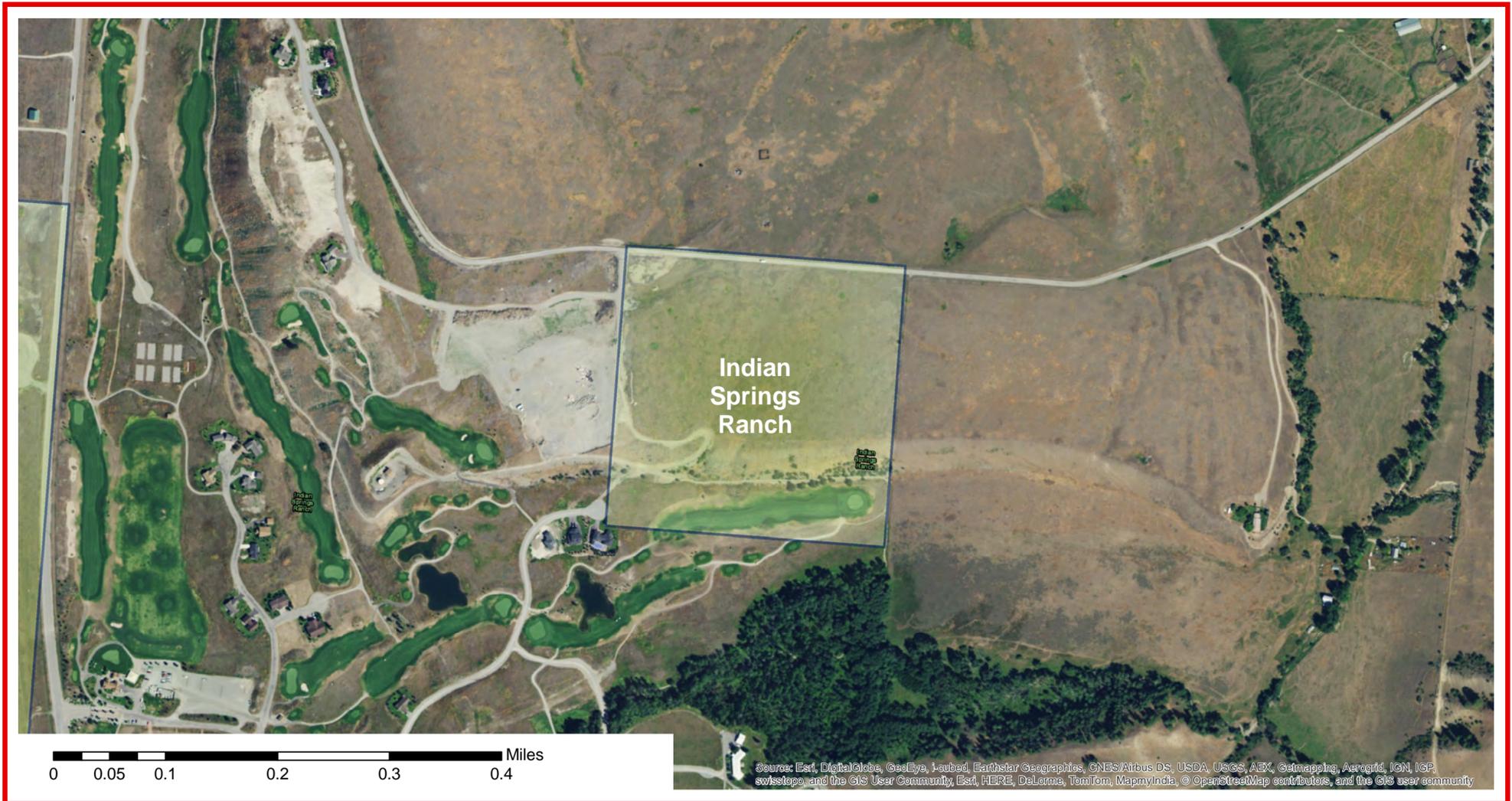
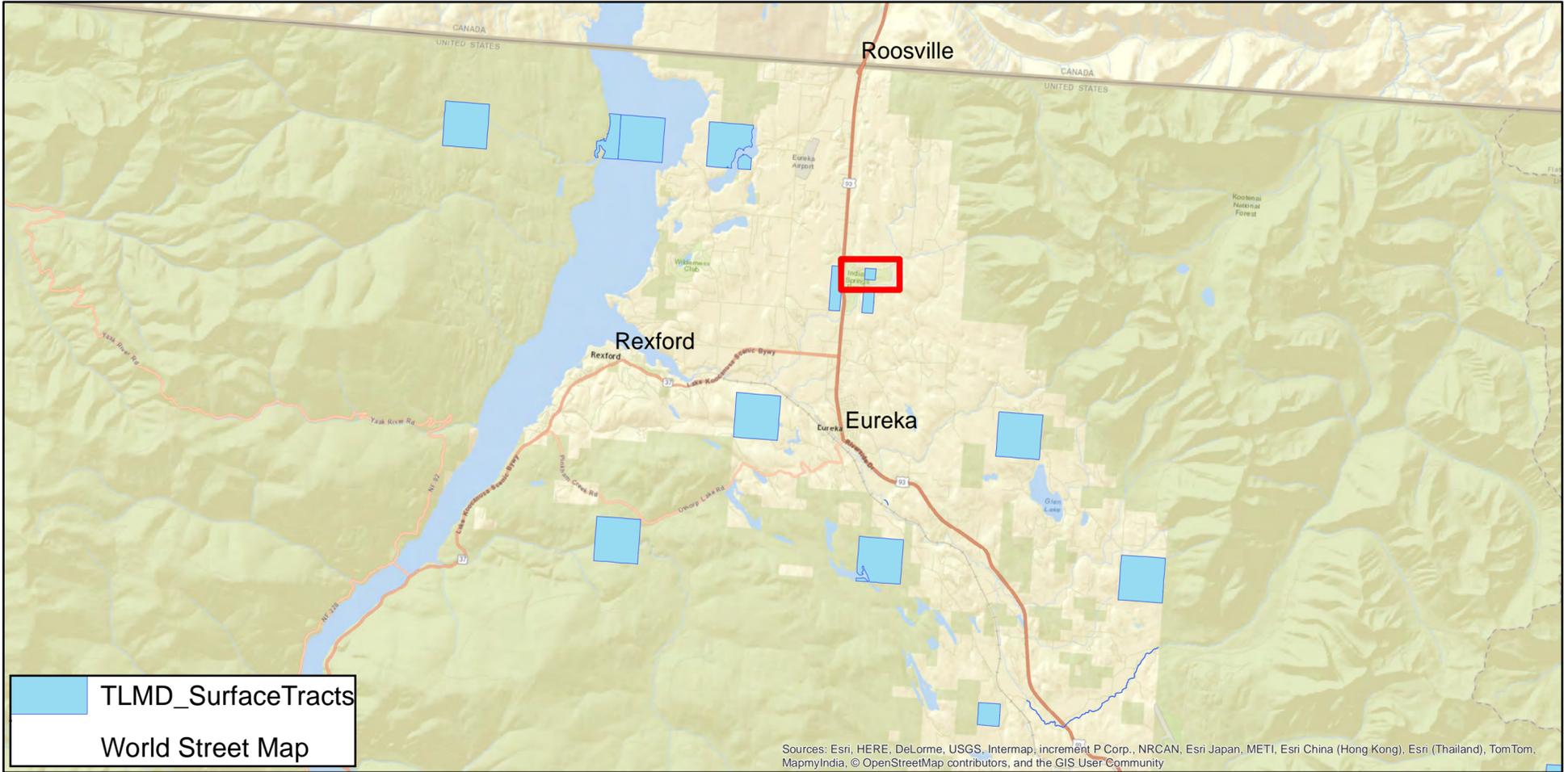
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Inset Area from top map shown in bottom map

Location: Flathead County, MT  
 Date: 8-7-2017  
 Prepared By: REMB Staff Member  
 Projection: NAD83 Montana State Plane



# Indian Springs Ranch - Eureka



## Legend



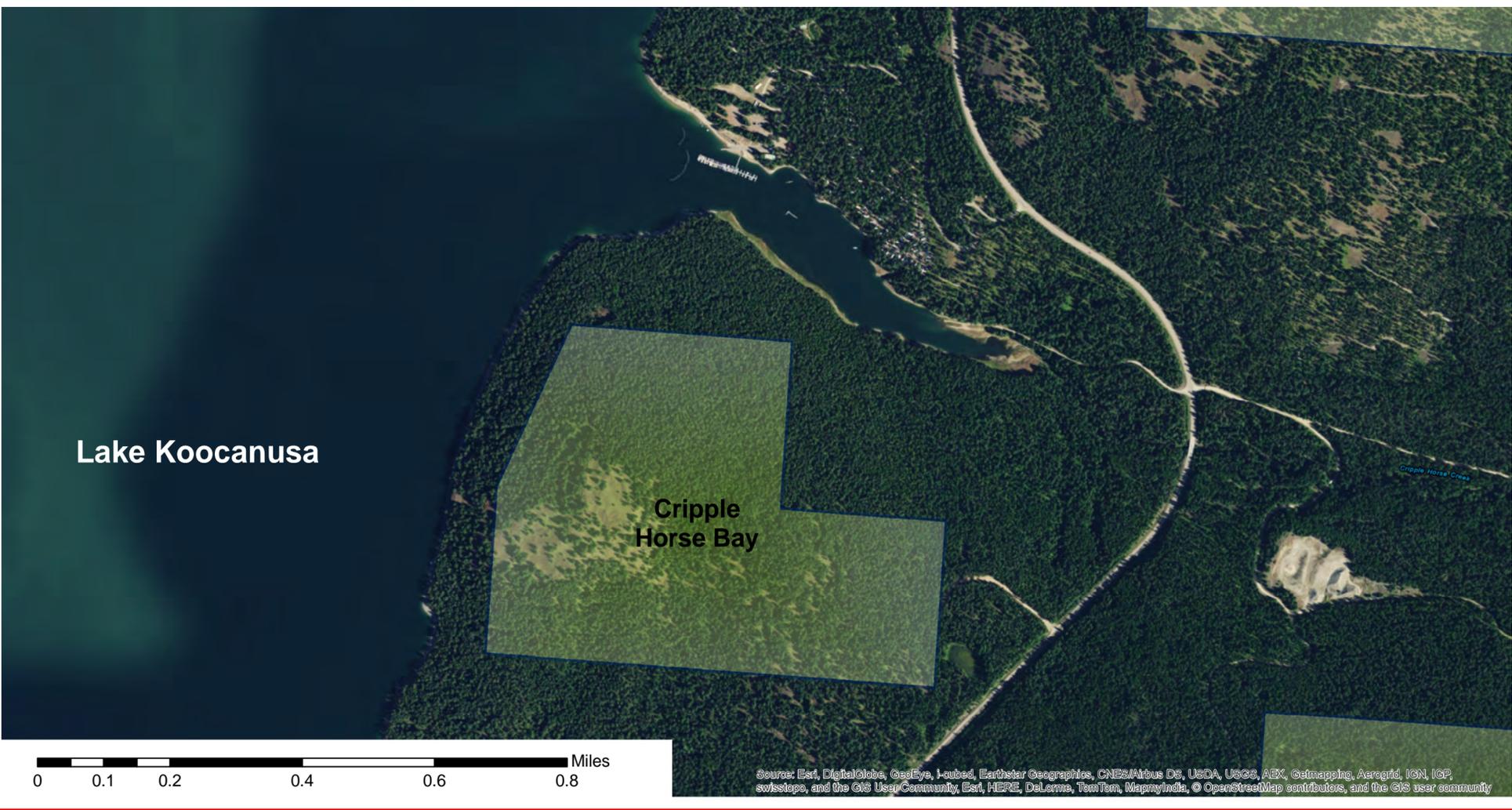
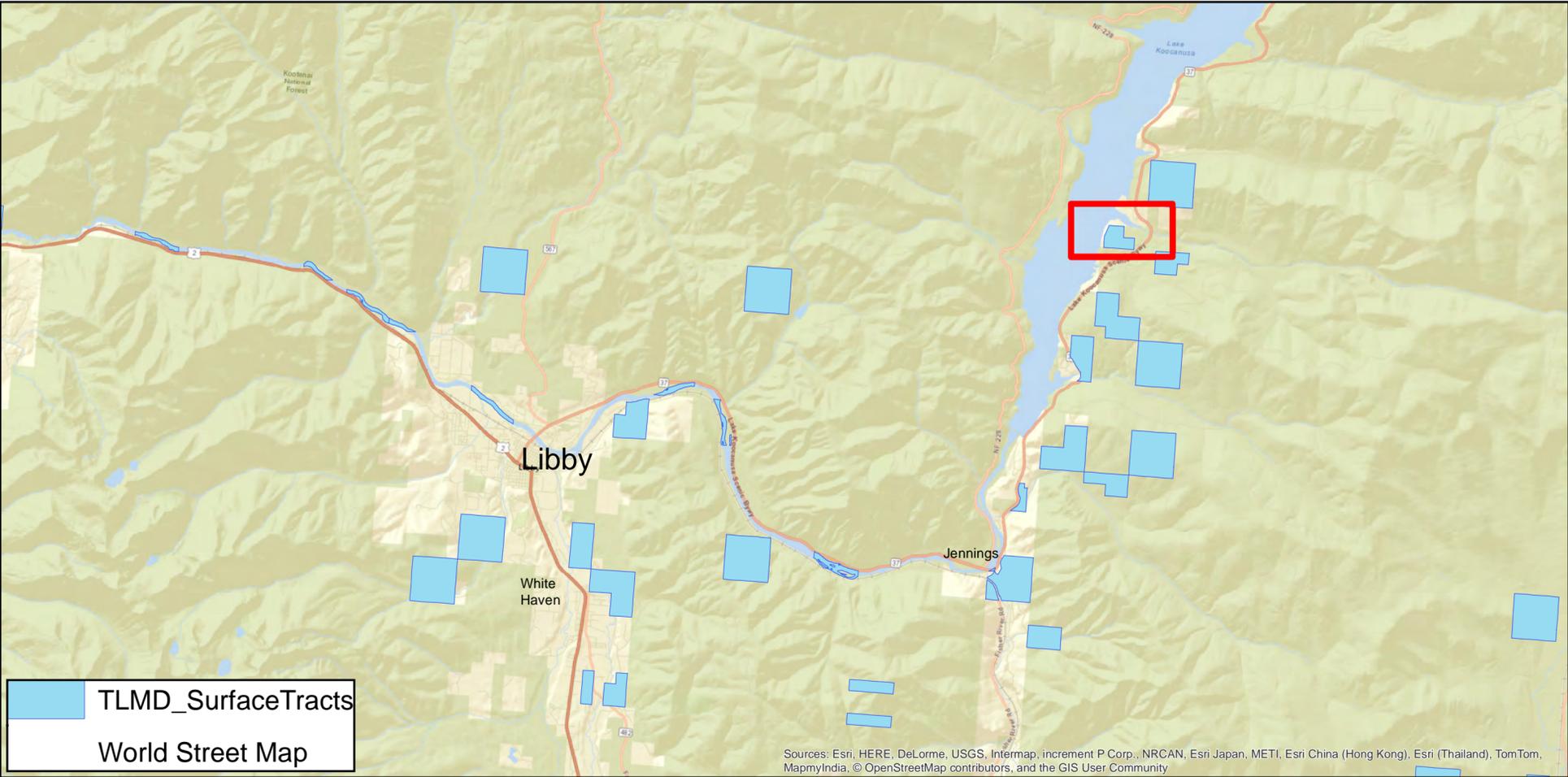
- World Boundaries and Places
- Commercial Projects *Development Project Area*
- World Imagery
- Trust Land Tracts

 Inset Area from top map shown in bottom map

Location: Lincoln County, MT  
 Date: 8-7-2017  
 Prepared By: REMB Staff Member  
 Projection: NAD83 Montana State Plane



# Cripple Horse Creek - Libby Area



## Legend



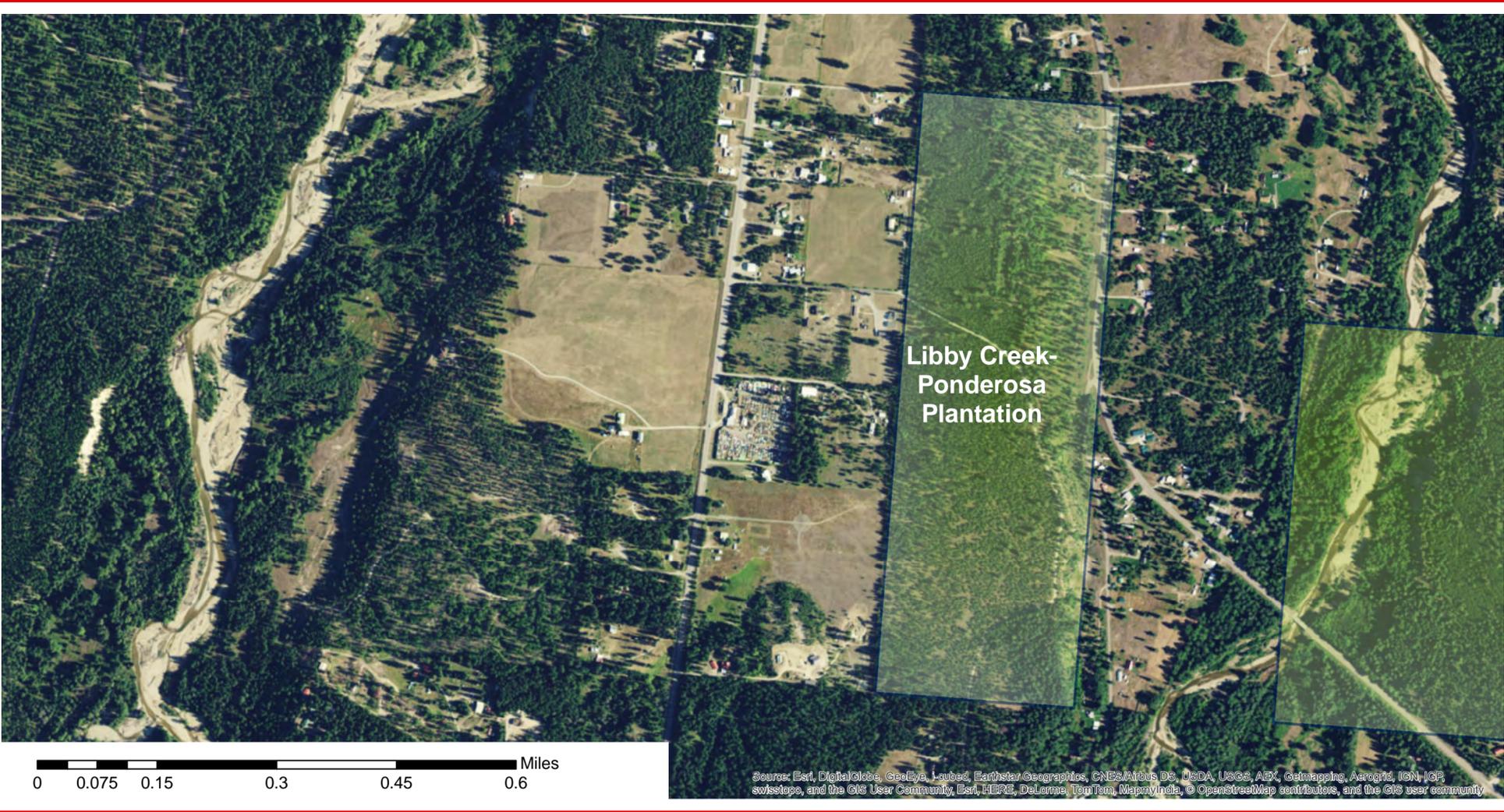
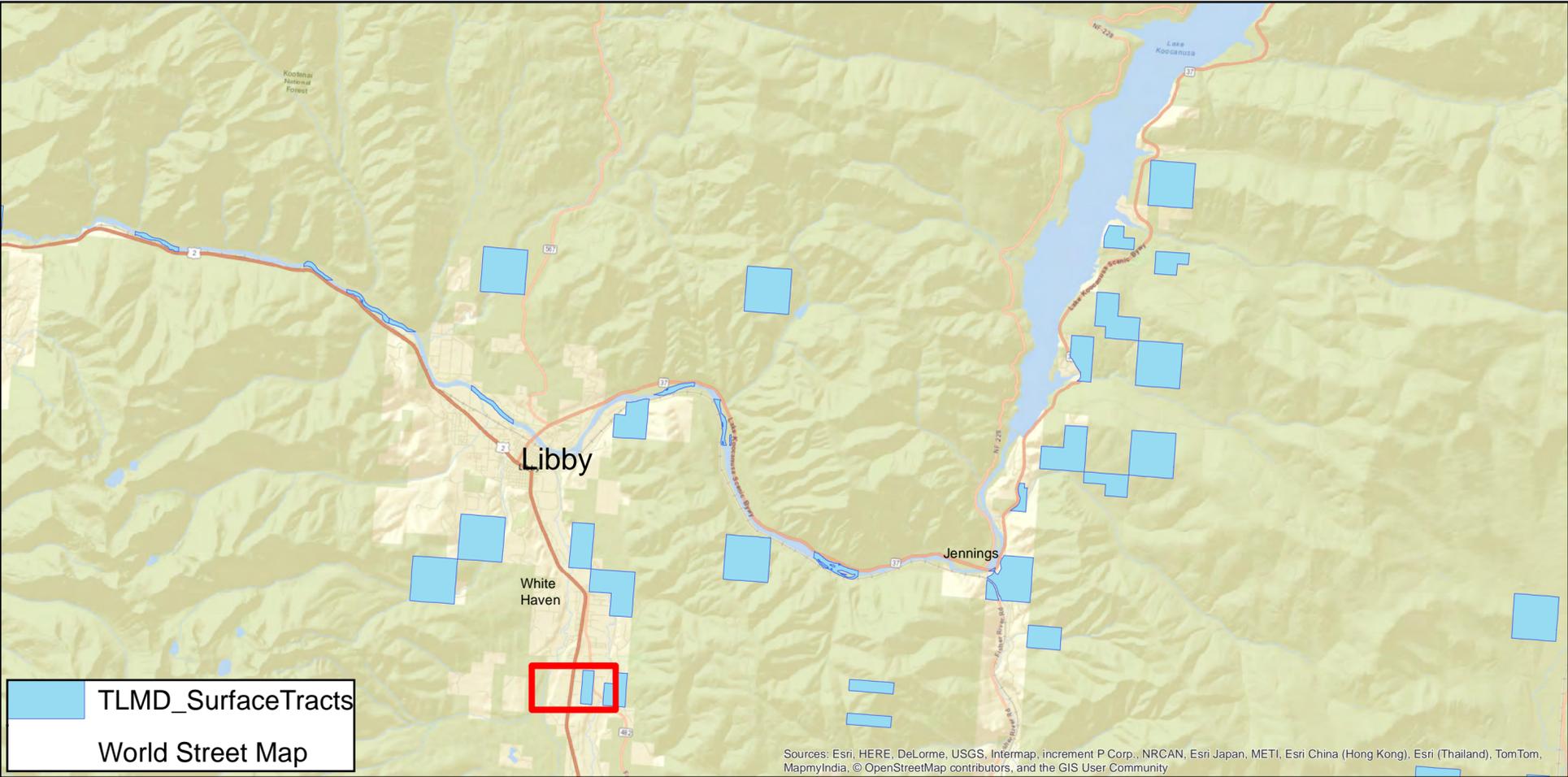
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- Commercial Projects *Development Project Area*
- World Imagery
- Trust Land Tracts

Inset Area from top map shown in bottom map

Location: Lincoln County, MT  
Date: 8-7-2017  
Prepared By: REMB Staff Member  
Projection: NAD83 Montana State Plane



# Libby Creek/Ponderosa Plantation - Libby Area



**Legend**



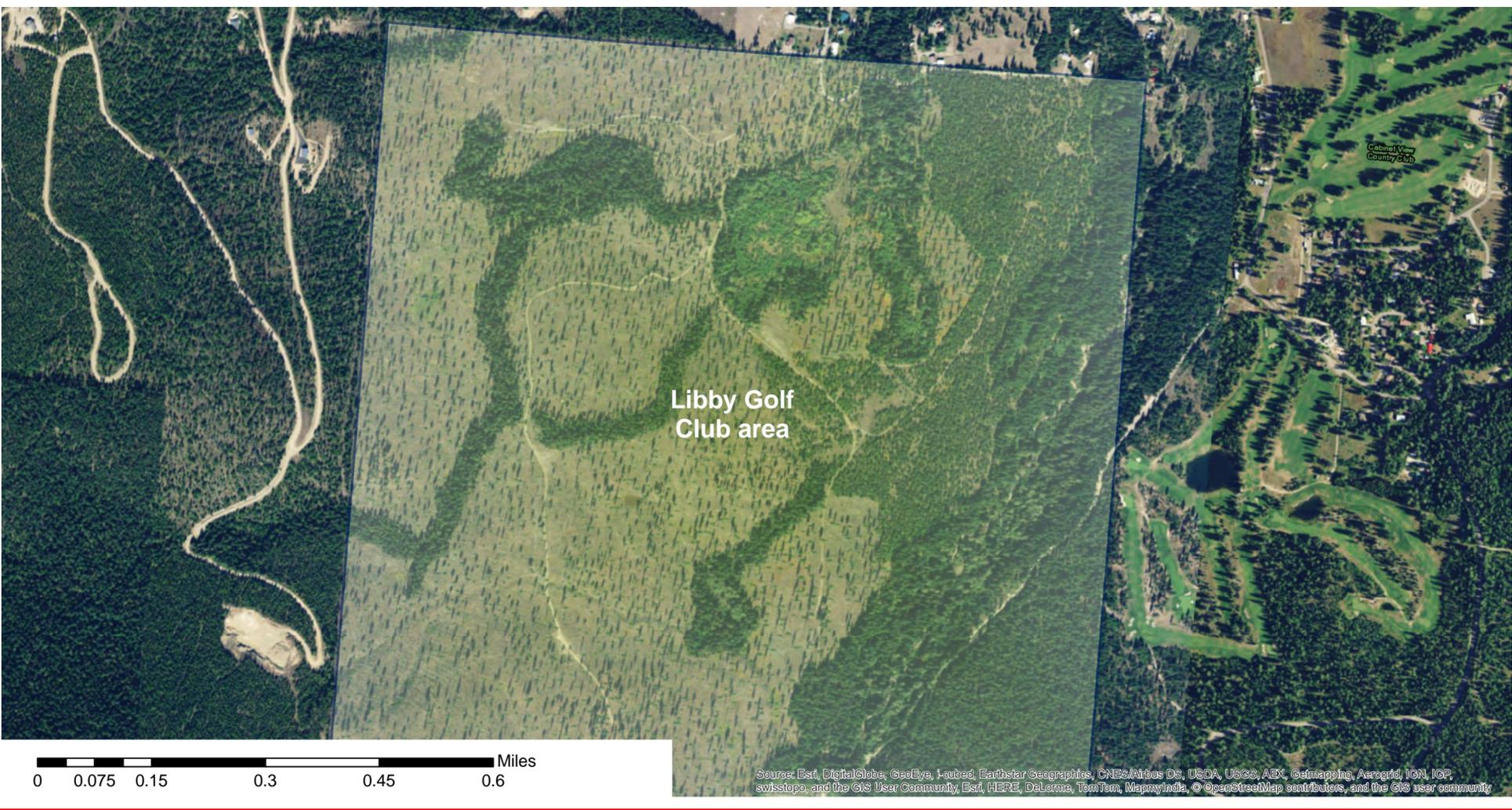
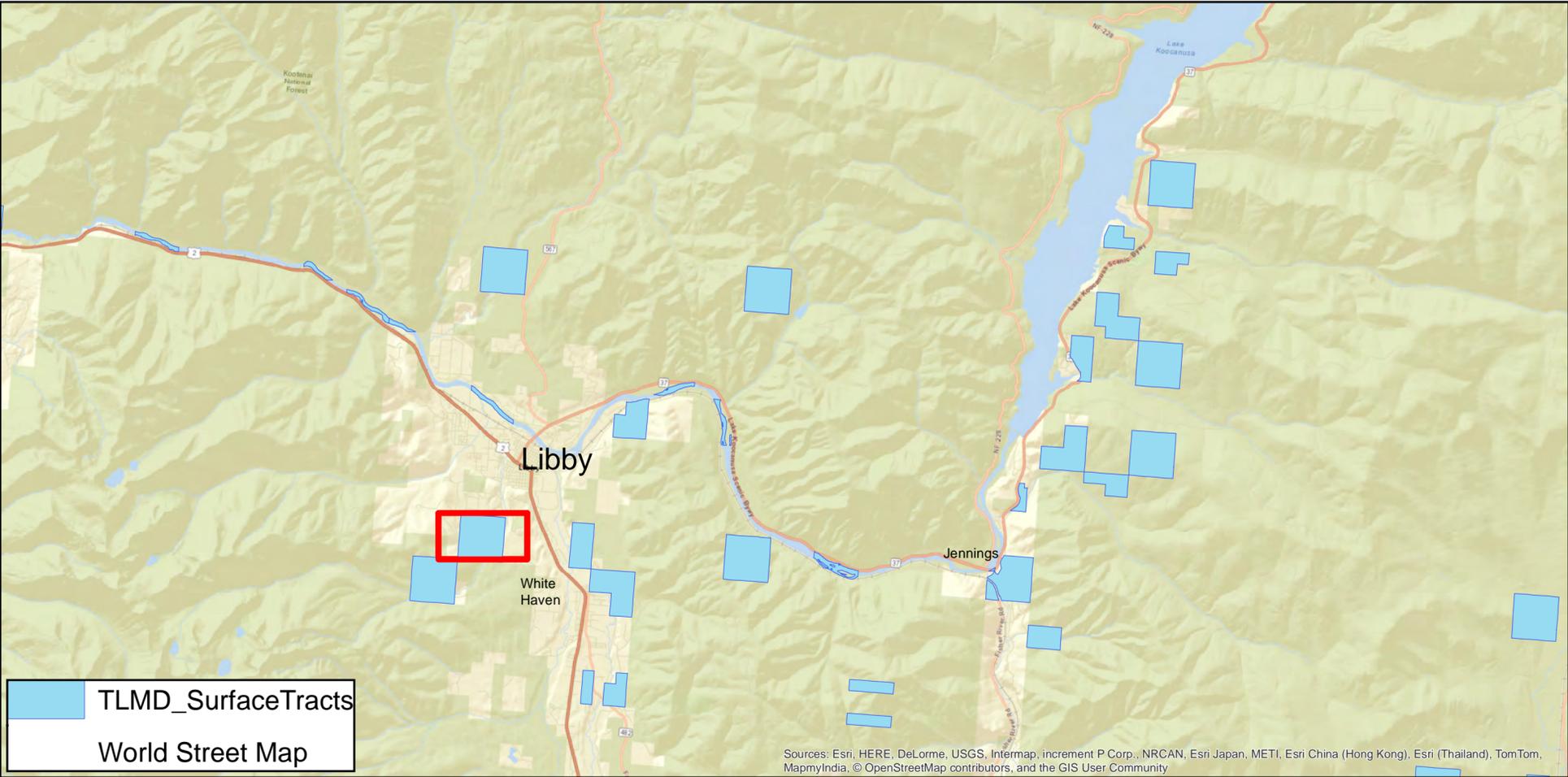
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- Commercial Projects *Development Project Area*
- World Imagery
- Trust Land Tracts

Inset Area from top map shown in bottom map

Location: Lincoln County, MT  
 Date: 8-7-2017  
 Prepared By: REMB Staff Member  
 Projection: NAD83 Montana State Plane



# Libby Golf Club Area - Libby Area



## Legend



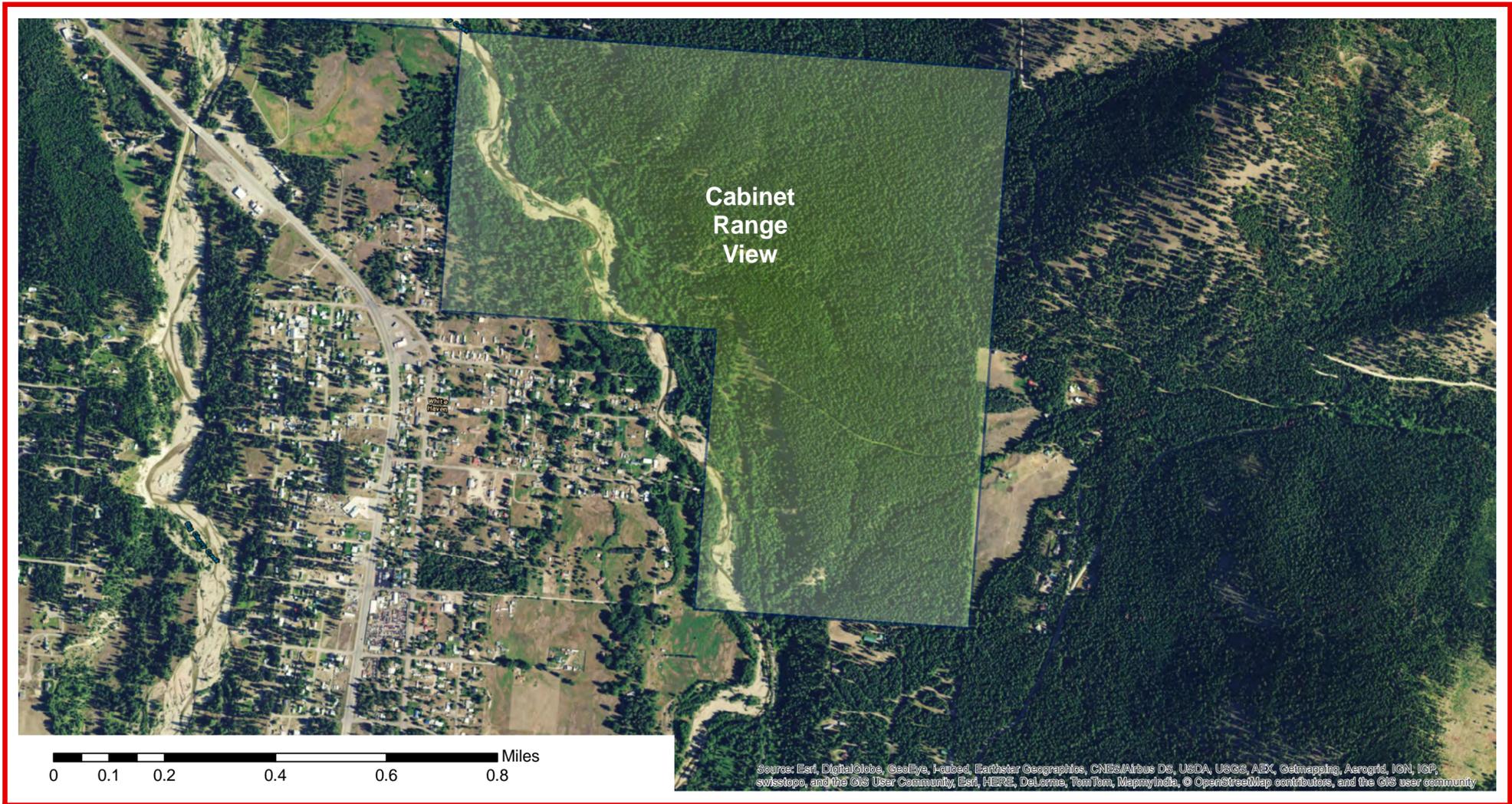
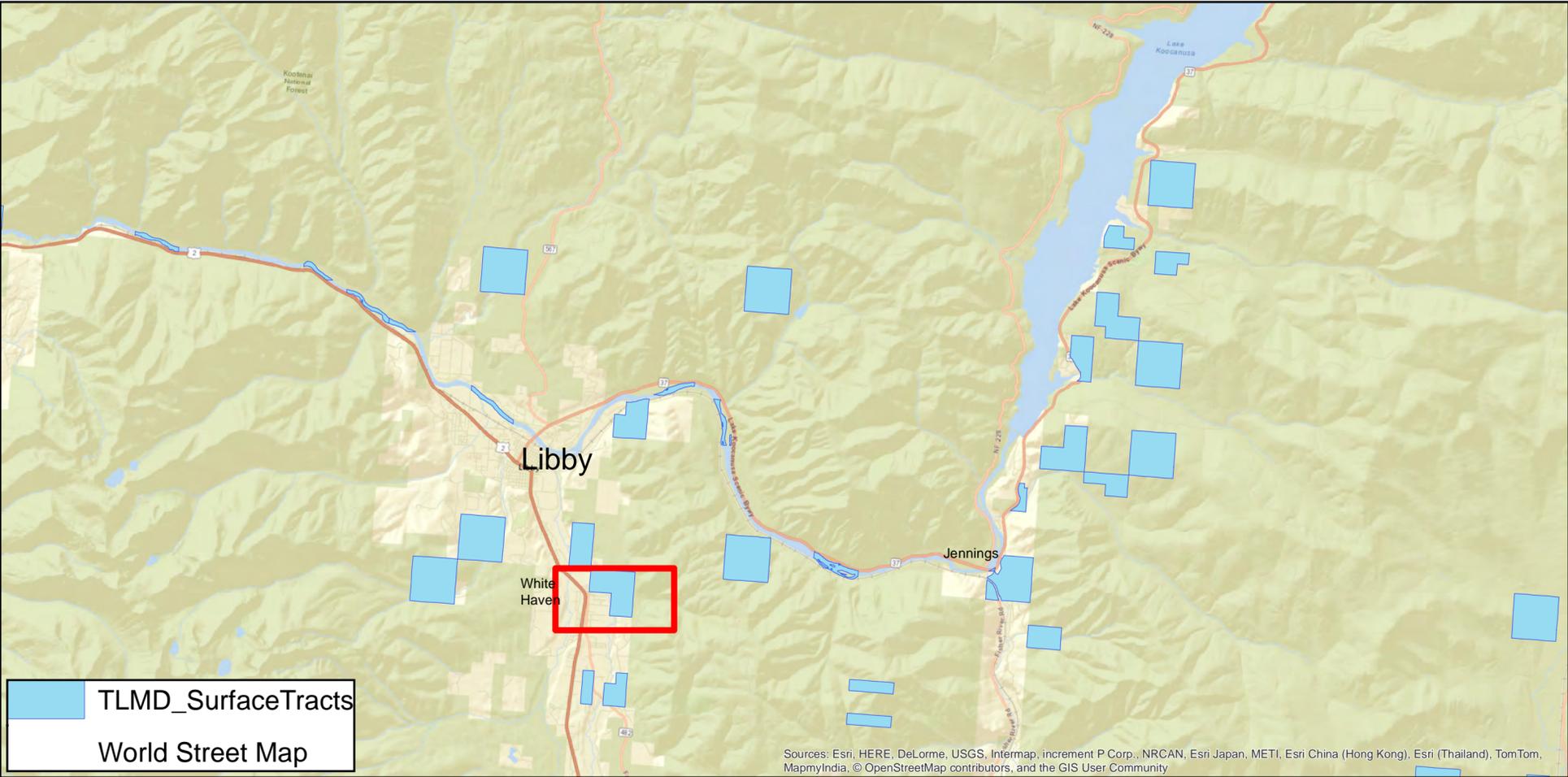
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- Commercial Projects *Development Project Area*
- Trust Land Tracts

Inset Area from top map shown in bottom map

Location: Lincoln County, MT  
Date: 8-7-2017  
Prepared By: REMB Staff Member  
Projection: NAD83 Montana State Plane



# Cabinet Range View - Libby Area



## Legend



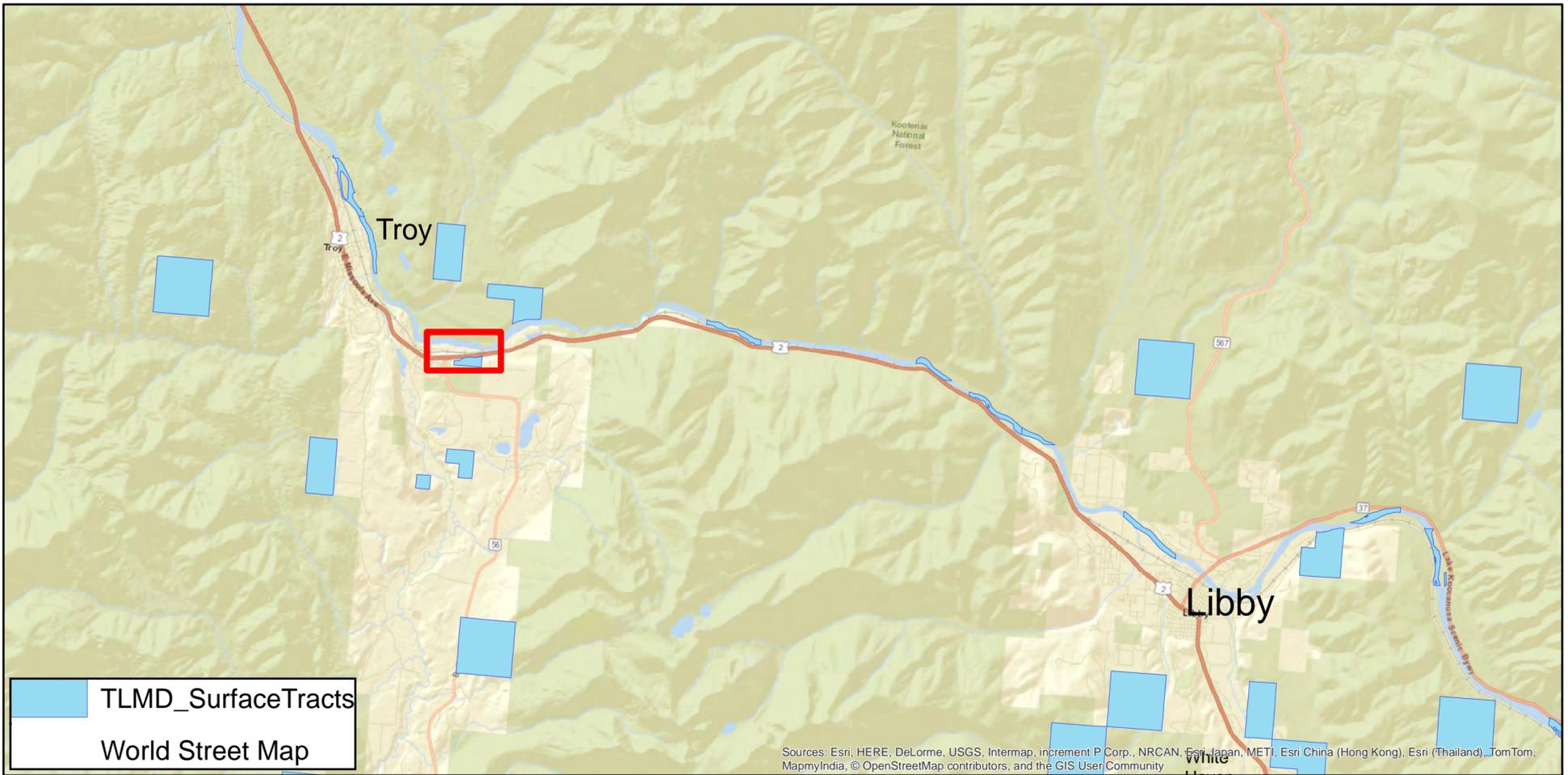
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- Trust Land Tracts

Inset Area from top map shown in bottom map

Location: Lincoln County, MT  
Date: 8-7-2017  
Prepared By: REMB Staff Member  
Projection: NAD83 Montana State Plane



# Koocanusa River View - Libby Area



## Legend



- World Boundaries and Places
- Commercial Projects *Development Project Area*
- World Imagery
- Trust Land Tracts

Inset Area from top map shown in bottom map

Location: Lincoln County, MT  
Date: 8-7-2017  
Prepared By: REMB Staff Member  
Projection: NAD83 Montana State Plane



# Thompson Falls Golf Course Area



## Legend



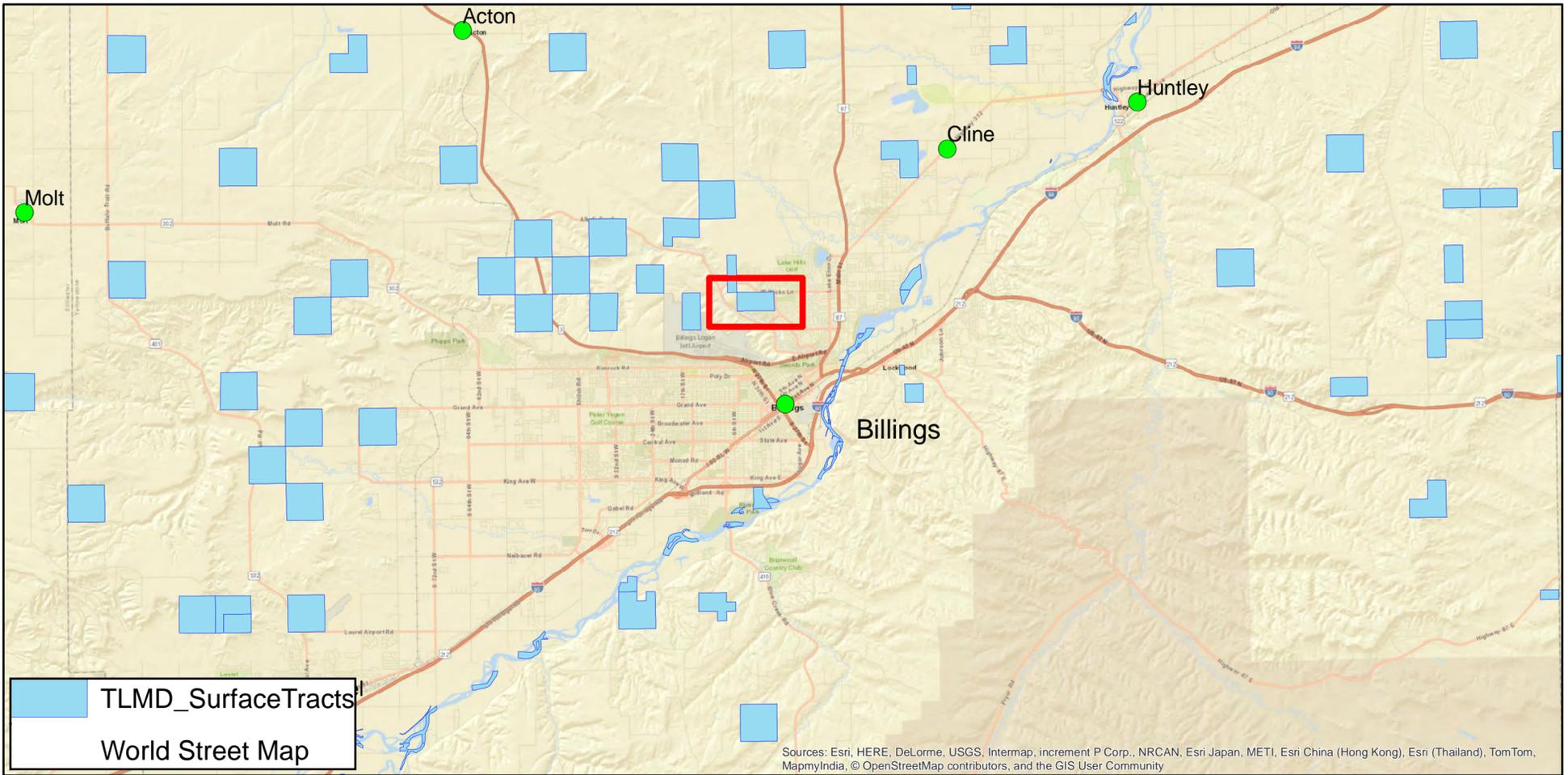
-  World Boundaries and Places
-  Commercial Projects *Development Project Area*
-  World Imagery
-  Trust Land Tracts

 Inset Area from top map shown in bottom map

Location: Sanders County, MT  
 Date: 8-7-2017  
 Prepared By: REMB Staff Member  
 Projection: NAD83 Montana State Plane



# Skyview Ridge Subdivision - Billings



## Legend



- World Boundaries and Places
- Commercial Projects *Development Project Area*
- World Imagery
- Trust Land Tracts

Inset Area from top map shown in bottom map

Location: Yellowstone County, MT  
Date: 8-2-2017  
Prepared By: REMB Staff Member  
Projection: NAD83 Montana State Plane



# Reserve Street - Missoula



## Legend



-  World Boundaries and Places
-  Commercial Projects *Development Project Area*
-  World Imagery
-  Trust Land Tracts

Location: Missoula County, MT  
Date: 8-2-2017  
Prepared By: REMB Staff Member  
Projection: NAD83 Montana State Plane

 Inset Area from top map shown in bottom map

