

AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
Thursday, November 21, 2019 at 9:00 am
State Capitol, Room 303
Helena, MT

ACTION ITEMS

- 1119-1 **Timber Sales**
 A. Meadow Peak
 Benefits: Common Schools
 Location: Flathead County
 B. Tim-Burr Saddle
 Benefits: Public Buildings, MSU 2nd, Eastern/Western
 Location: Mineral County
- 1119-2 **Land Banking Parcels: Minimum Bid for Sale**
 Benefits: Common Schools
 Location: Custer and Rosebud Counties
- 1119-3 **Land Banking Parcels: Final Approval for Sale**
 Benefits: Common Schools
 Location: Liberty County
- 1119-4 **Cabin and Home Site Sales: Minimum Bid for Sale**
 A. Missoula County
 Benefits: Pine Hills Schools
 Location: Missoula County
 B. Fallon County
 Benefits: Common Schools
 Location: Fallon County
 C. Prairie County
 Benefits: Common Schools
 Location: Prairie County
 D. McCone County
 Benefits: Common Schools
 Location: McCone County
 E. Sanders County
 Benefits: Public Buildings, Common Schools
 Location: Sanders County
 F. Missoula County- Sale No. 995
 Benefits: MSU 2nd
 Location: Missoula County
- 1119-5 **Cabin and Home Site Sales: Final Approval for Sale**
 A. Flathead County
 Benefits: Montana Tech
 Location: Flathead County
 B. Sweet Grass County
 Benefits: Common Schools
 Location: Sweet Grass County
 C. Missoula County
 Benefits: MSU 2nd
 Location: Missoula County

1119-6 **Easements**
Benefits: Common Schools
Location: Big Horn and Fallon Counties

1119-7 **Informational Item: 2019 State Trust Lands Report**
Benefits: N/A
Location: Statewide

PUBLIC COMMENT

1119-1

TIMBER SALES

A. Meadow Peak

B. Tim-Burr Saddle

**Land Board Agenda Item
November 21, 2019**

1119-1A Timber Sale: Meadow Peak

**Location: County: Flathead
Section 16, T27N, R26W**

Trust Beneficiaries: Common Schools

Trust Revenue: \$358,006 (estimated, minimum bid)

Item Summary

Location: The Meadow Peak Timber Sale is located approximately 14 air miles west of Marion, Montana.

Size and Scope: The sale includes 10 harvest units totaling 317 acres of tractor logging.

Volume: The estimated volume is 21,084 tons (3.4 MMBF) of sawlogs.

Estimated Return: The minimum bid is \$ 16.98 per ton which would generate approximately \$358,006 for the Common Schools Trust and approximately \$101,414 in Forest Improvement fees.

Prescription: The Meadow Peak project has old growth maintenance, seed tree, and shelterwood prescriptions. Shelterwood and seed tree prescriptions are designed to provide for western white pine and western larch regeneration and to promote healthy, disease/insect resistant stands. Old growth maintenance prescriptions are designed to retain old growth attributes while improving the health and vigor of residual trees.

Road Construction/Maintenance: The Department of Natural Resources and Conservation (DNRC) is proposing 1.2 miles of new road construction, 1.5 miles of road re-construction, and 10.8 miles of road maintenance.

Access: Access to the project area will be obtained through temporary road use agreements with the Kootenai National Forest, Weyerhaeuser, Inc., and property owned by Montana Forest Products.

Public Comments: Two public comments were received. One from the Fort Peck Tribal Historic Preservation Office and another from Weyerhaeuser, Inc. The first comment deferred any response or comment to the Confederated Salish and Kootenai Tribes. DNRC has no record of any cultural resources in the project area. If an unanticipated cultural resource is discovered, all project related activities will cease until the resource can be adequately evaluated. Weyerhaeuser is in support of the timber sale.

DNRC Recommendation

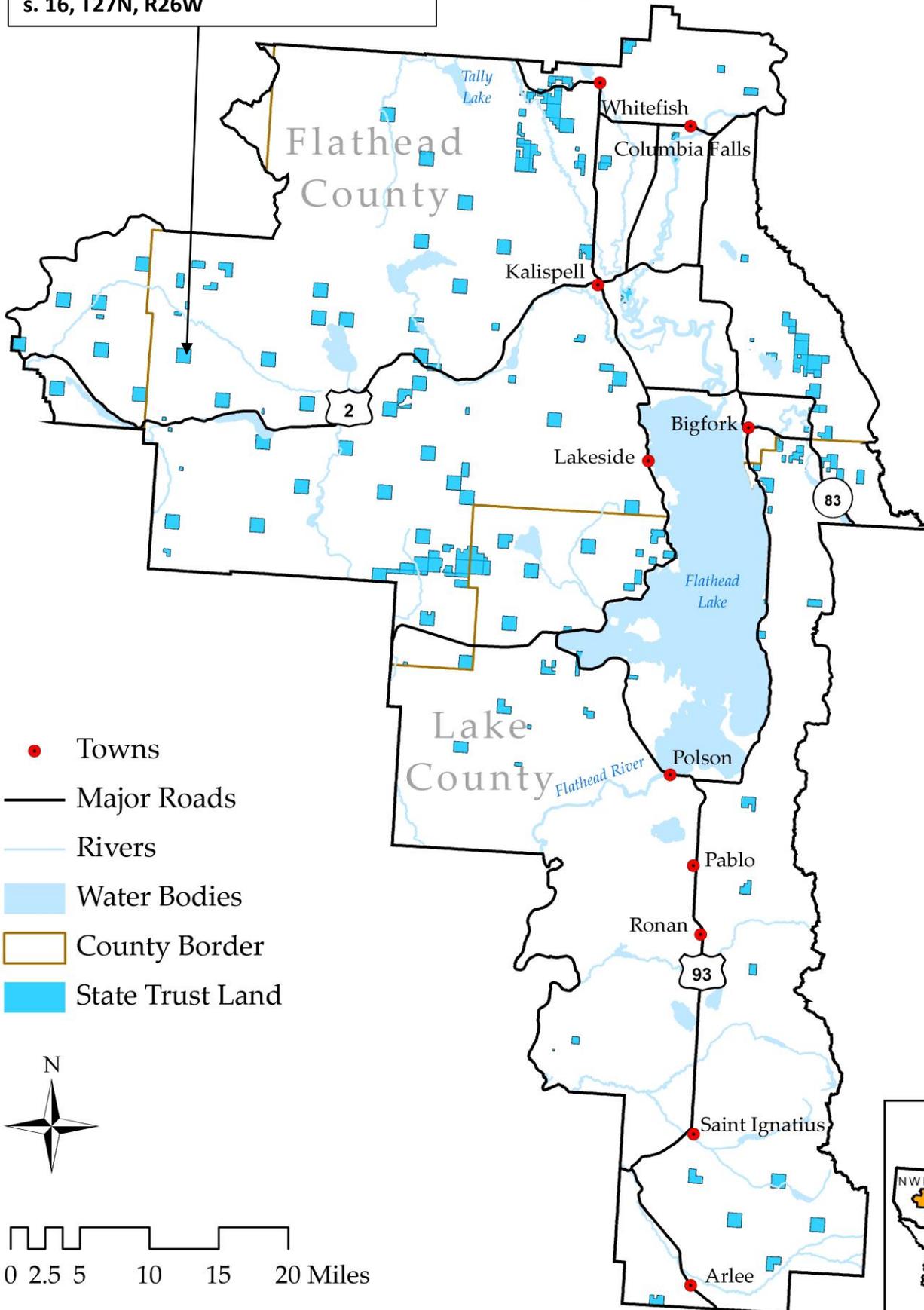
The director recommends the Land Board direct DNRC to sell the Meadow Peak Timber Sale.

MEADOW PEAK TIMBER SALE VICINITY MAP KALISPELL UNIT

1119-1A



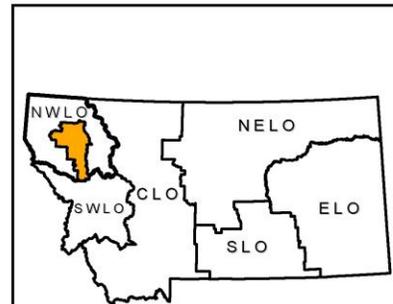
Meadow Peak Timber Sale
s. 16, T27N, R26W



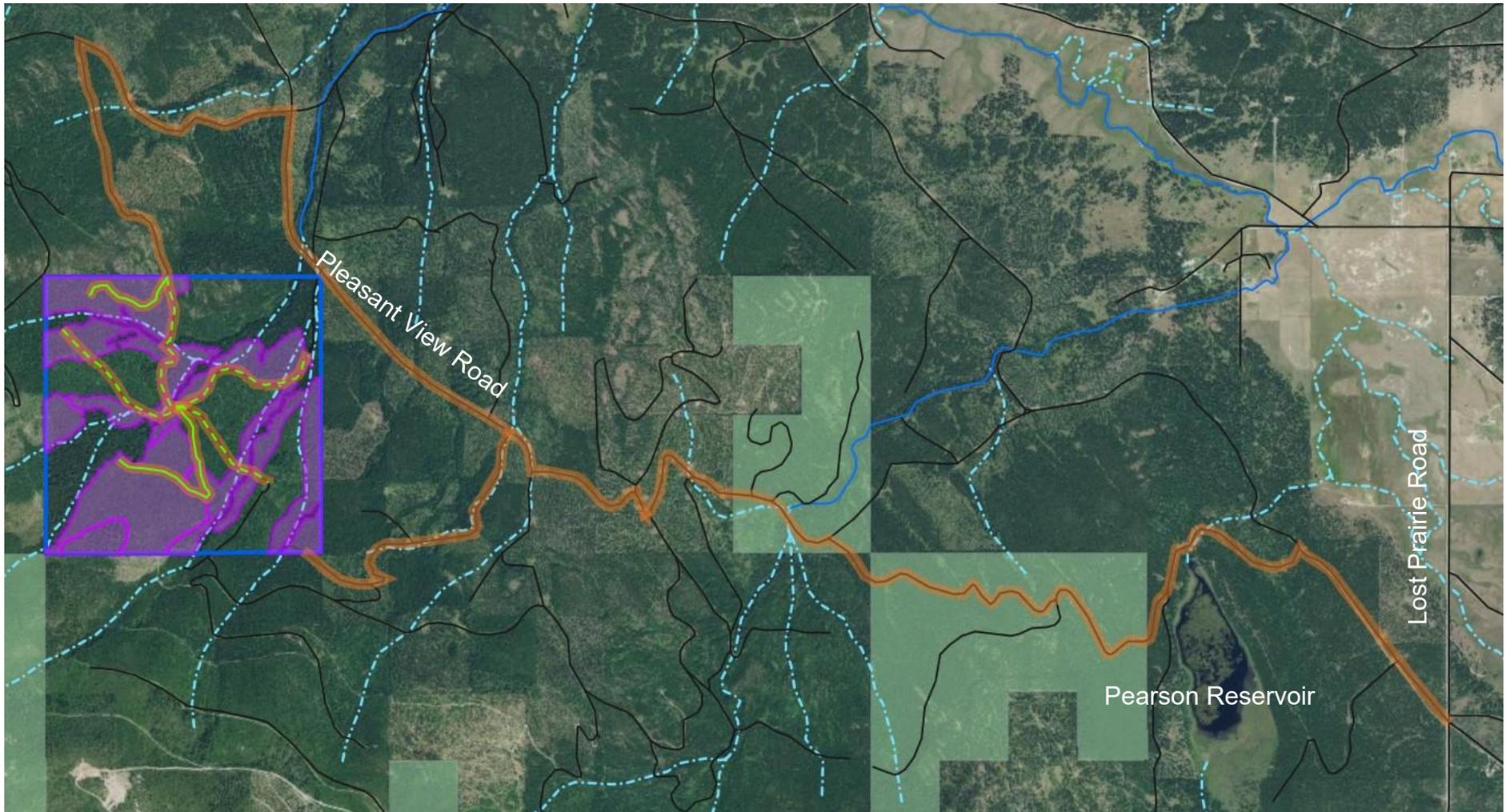
- Towns
- Major Roads
- Rivers
- Water Bodies
- County Border
- State Trust Land



0 2.5 5 10 15 20 Miles



Meadow Peak Timber Sale Haul Route and Harvest Units



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



**Land Board Agenda Item
November 21, 2019**

1119-1B Timber Sale: Tim-Burr Saddle

Location: Mineral County
Sections 27, 28, 33 & 34 T18N, R27W

**Trust Beneficiaries: Public Buildings, MSU 2nd Grant,
Eastern College-MSU/Western College-U of M**

Trust Revenue: \$272,502 (estimated, minimum bid)

Item Summary

Location: The Tim-Burr Saddle Timber Sale is located approximately 3 miles southwest of St. Regis, Montana.

Size and Scope: The sale includes 2 harvest units, 243 acres of tractor logging and 121 acres of skyline logging.

Volume: The estimated harvest volume is 17,042 tons (2.5 MMBF) of sawlogs.

Estimated Return: The minimum bid is \$15.99 per ton, which would generate approximately \$272, 502 for the Trust Beneficiaries (*Public Buildings, MSU 2nd Grant, Eastern College-MSU/Western College-U of M*) and approximately \$60,670 in Forest Improvement fees.

Prescription: This sale has a combination of overstory removal and sanitation harvest prescriptions designed to reduce insect and disease issues and to promote forest health.

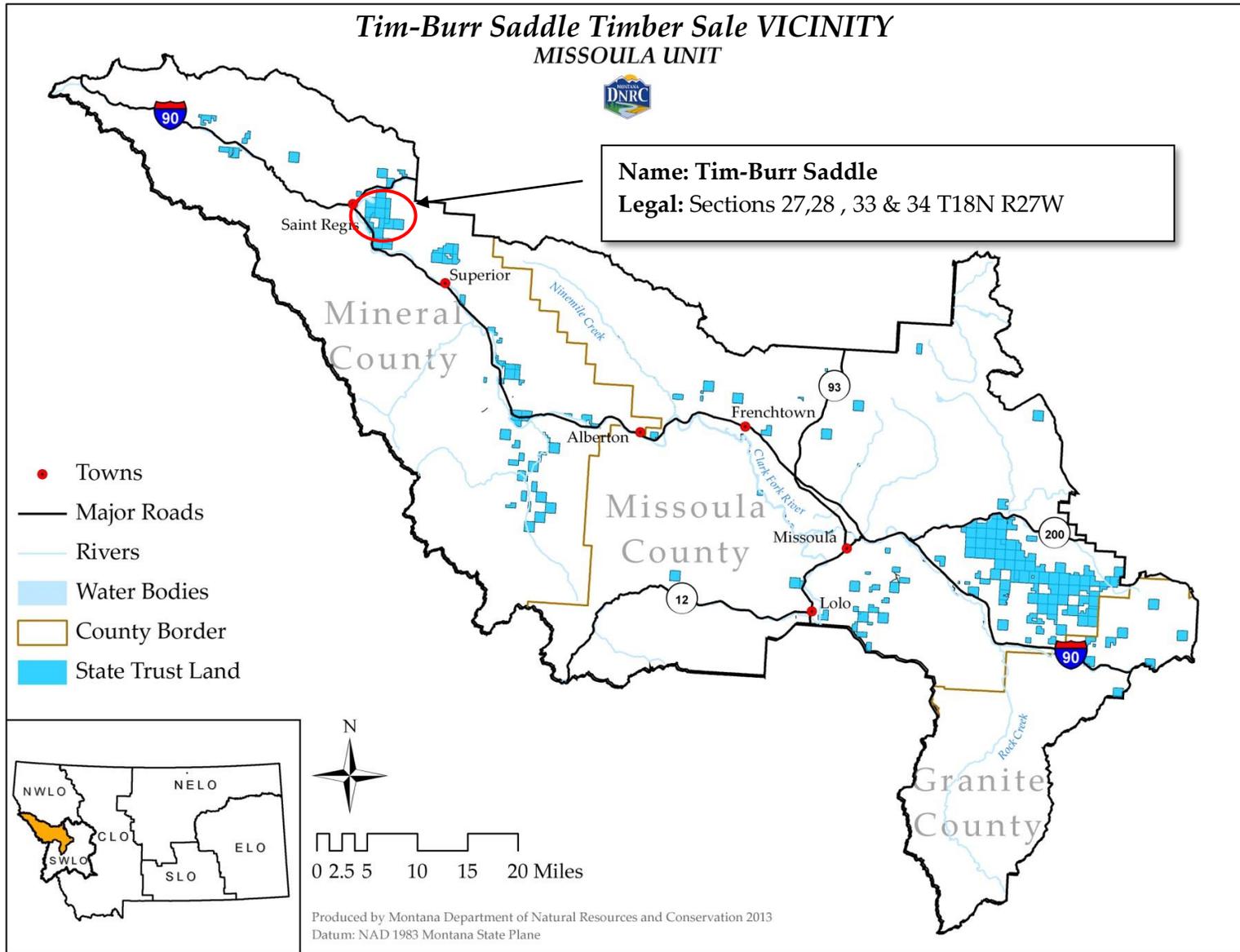
Road Construction/Maintenance: The Department of Natural Resources and Conservation (DNRC) is proposing 1.2 miles of new permanent road construction and 6.3 miles of road maintenance.

Access: Portions of the road are on a cost share road.

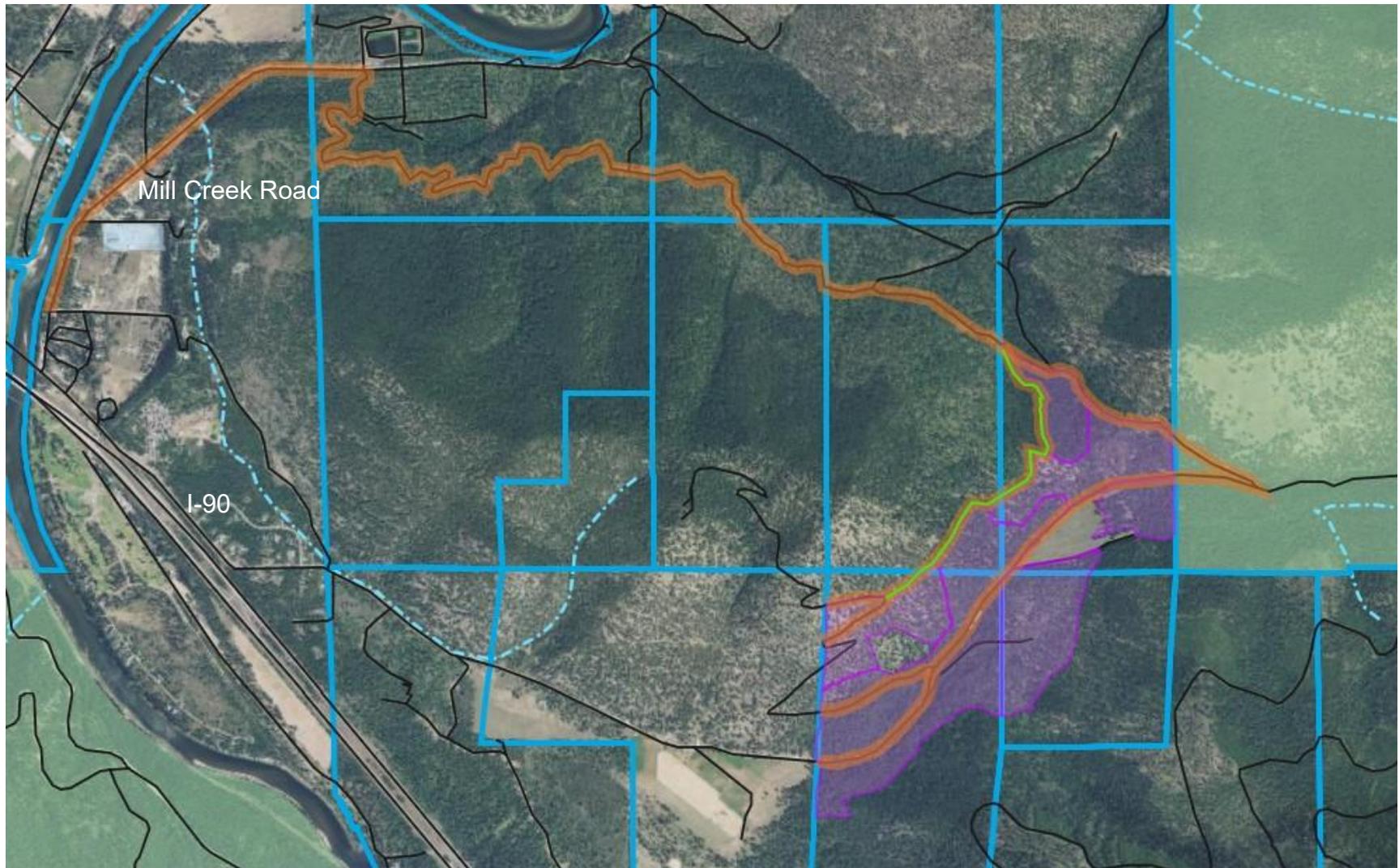
Public Comments: There were five public comments total. Two nearby land owners had questions about the duration of truck traffic. After explanation on when trucks would be driving on the roads both land owners were understanding. Two comments were received from Fish, Wildlife and Parks (FWP). Wildlife concerns are addressed in detail in the wildlife analysis section of the environmental analysis (EA). The Mineral County Resource Coalition (MCRC) commented in favor of the management and were curious about changes to motorized use. The motorized use designation(s) in the area will not change following implementation of the project. These issues and concerns were incorporated into project planning and design and will be implemented in associated contracts.

DNRC Recommendation

The director recommends the Land Board direct DNRC to sell the Tim-Burr Saddle Timber Sale.



Tim-Burr Saddle Timber Sale Haul Route and Harvest Units



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



1119-2

LAND BANKING PARCELS:
MINIMUM BID FOR SALE

**Land Board Agenda Item
November 21, 2019**

1119-2 Land Banking Parcel: Set Minimum Bid for Sale

Location: Custer and Rosebud Counties

Trust Benefits: Common Schools

Trust Revenue: \$3,225,001

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bids for nine Land Banking parcels totaling approximately 5,440 acres nominated for sale in Custer and Rosebud Counties. The sales were nominated by the lessee and DNRC and are located in the vicinity of Miles City, Montana, in Custer and Rosebud Counties.

Sale #	# of Acres	Legal	Nominator	Trust
126	640±	ALL T8N-R39E, Sec. 36, Rosebud County	Coffee Cattle Company	Common Schools
1049	640±	ALL, T4N-R48E, Sec. 16, Custer County	Coffee Cattle Company	Common Schools
1050	640±	ALL, T4N-R47E, Sec. 36, Custer County	Coffee Cattle Company	Common Schools
1051	640±	ALL T2N-R44E, Sec. 16, Rosebud County	Coffee Cattle Company	Common Schools
1052	640±	ALL T2N-R46E, Sec. 16, Custer County	Coffee Cattle Company	Common Schools
1053	640±	ALL T2N-R45E, Sec. 36, Custer County	Coffee Cattle Company	Common Schools
1054	640±	ALL T1N-R45E, Sec. 16, Custer County	Coffee Cattle Company	Common Schools
1060	320±	W2 T7N-R51E, Sec. 34, Custer County	DNRC	Common Schools
1061	640±	ALL T3N-R47E, Sec. 16, Custer County	Coffee Cattle Company	Common Schools

The sale parcels have been used primarily for livestock grazing purposes.

Sale No. 126 is surrounded entirely by private land (Coffee Nefsy Limited Partnership) and is not legally accessible by the public.

Sale No. 1049 is surrounded entirely by private land (Farmland Reserve Inc. & Tongue River Ranch LLC) and is not legally accessible by the public.

Sale No. 1050 is surrounded entirely by private land (Coffee Nefsy Limited Partnership & Tongue River Ranch LLC) and is not legally accessible by the public.

Sale Nos. 1051 and 1052 are surrounded entirely by private land (Coffee-Nefsy Limited Partnership) and are not legally accessible by the public.

Sale No. 1053 is surrounded entirely by private land (Coffee-Nefsy Limited Partnership & Coffee Ranch LLC) and is not legally accessible by the public.

Sale No. 1054 is surrounded entirely by private land (Coffee Ranch LLC) and is not legally accessible by the public.

Sale No. 1060 is surrounded entirely by private land (Montana Ranch LLC & Bernard & Edythe Hardy) and is not legally accessible by the public.

Sale No. 1061 is surrounded entirely by private land (Pine Ridge Land & Livestock LLC & Coffee Nefsy Limited Partnership) and is not legally accessible by the public.

Together, these scattered parcels of state trust lands are surrounded entirely by private land and not legally accessible by the public. The sale of these nine parcels would not restrict or eliminate access to adjacent private land.

No potentially negative issues were identified through the MEPA process regarding the sale of these parcels.

Economic Analysis:

Short term – The average rate of return for these sale parcels are as follows:

Sale No.	Rate of Return	Sale No.	Rate of Return
126	0.41%	1053	0.35%
1049	0.30%	1054	0.36%
1050	0.42%	1060	0.00%
1051	0.38%	1061	0.30%
1052	0.41%		

These parcels would continue to receive these returns if they remain in state ownership.

Long-term – The funds from the sale of these parcels 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 2.62% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

The state parcel proposed for sale was inventoried to Class III standards for cultural and paleontological resources. No cultural or paleontological resources were identified. A formal report of findings has been prepared and filed with the Montana State Historic Preservation Office per the requirements of the Montana State Antiquities Act.

Background:

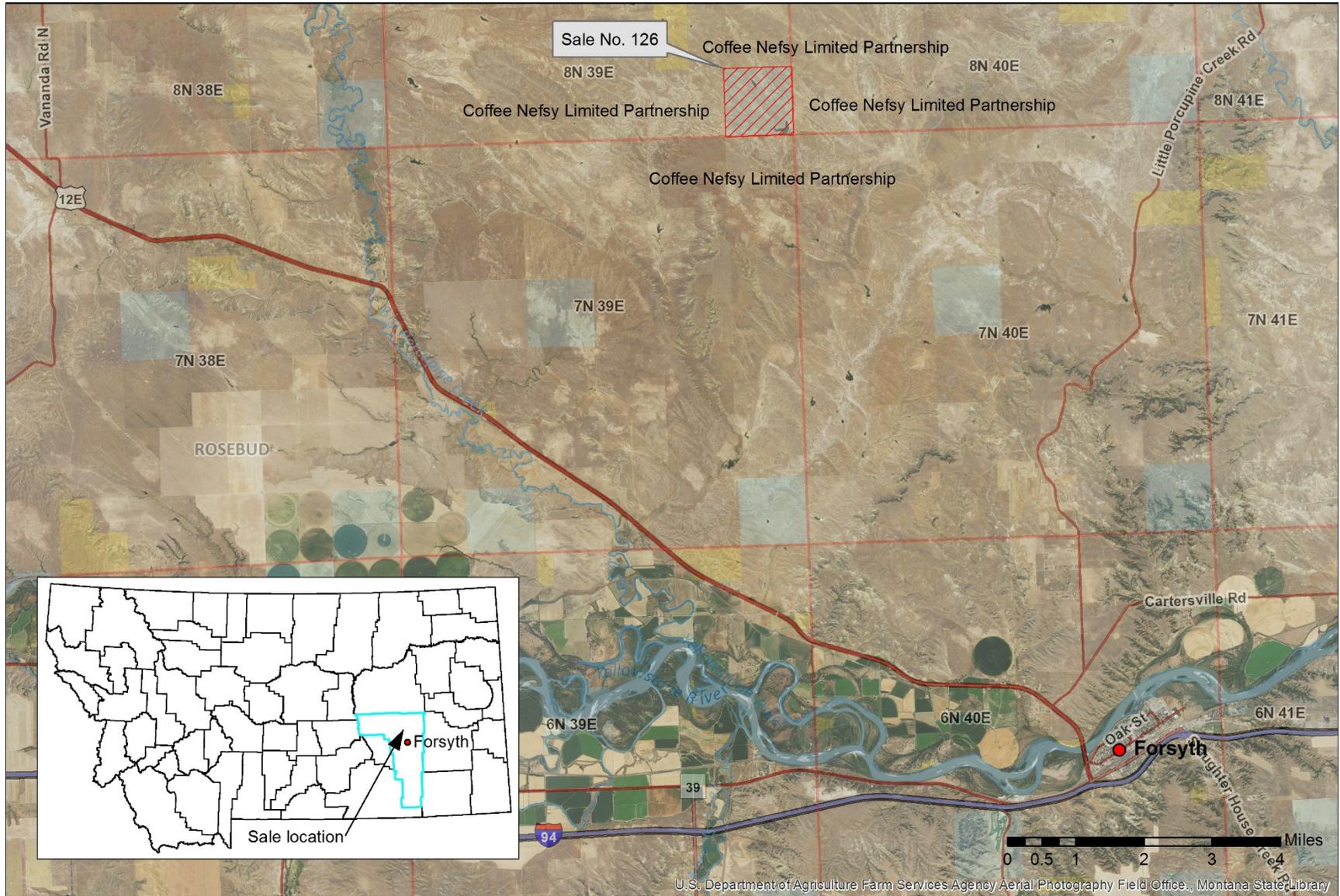
In May and June of 2019, the Land Board granted preliminary approval for these parcels to continue through the Land Banking sale evaluation process.

Appraised Value:

Sale #	Appraised Value with Access	Recommended Minimum Bid
126	\$320,000	\$320,000
1049	\$397,143	\$397,143
1050	\$397,143	\$397,143
1051	\$397,143	\$397,143
1052	\$397,143	\$397,143
1053	\$397,143	\$397,143
1054	\$397,143	\$397,143
1060	\$125,000	\$125,000
1061	\$397,143	\$397,143

DNRC Recommendation

The director recommends the Land Board set the minimum bid for these parcels at the appraised land values shown above.

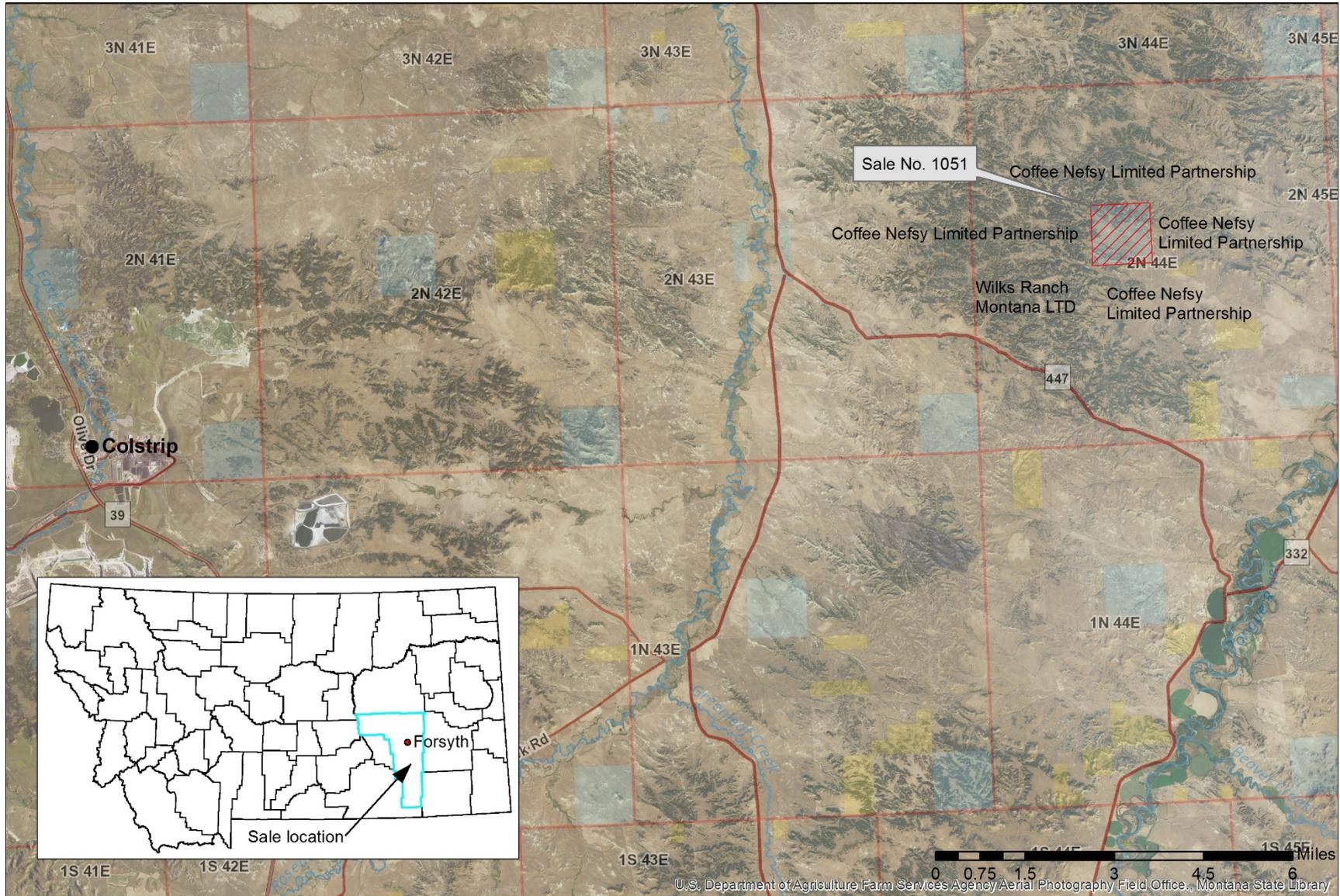


Location: Rosebud County
 Prepared on: 03 MAY 2019
 Prepared by: DNRC REMB Staff
 Projection: NAD 1983 - MT State Plane

Rosebud County Sale: Coffee Cattle Company
 Sale No. 1051 & 126, Common Schools

Land Sales
 Montana State Trust Land
 Bureau of Land Management



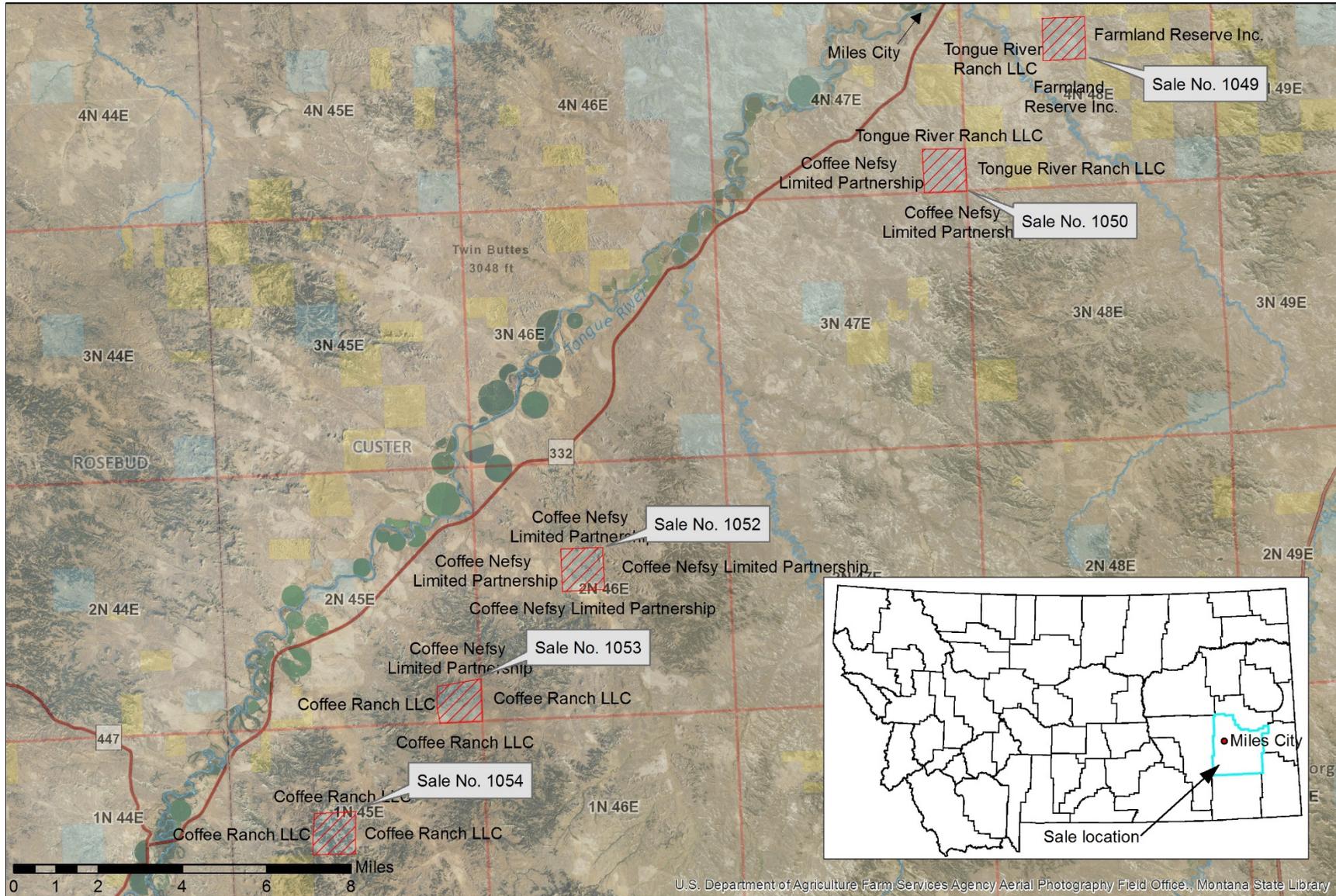


Location: Rosebud County
 Prepared on: 03 MAY 2019
 Prepared by: DNRC REMB Staff
 Projection: NAD 1983 - MT State Plane

Rosebud County Sale: Coffee Cattle Company
 Sale No. 1051 & 126, Common Schools

Land Sales
 Montana State Trust Land
 Bureau of Land Management



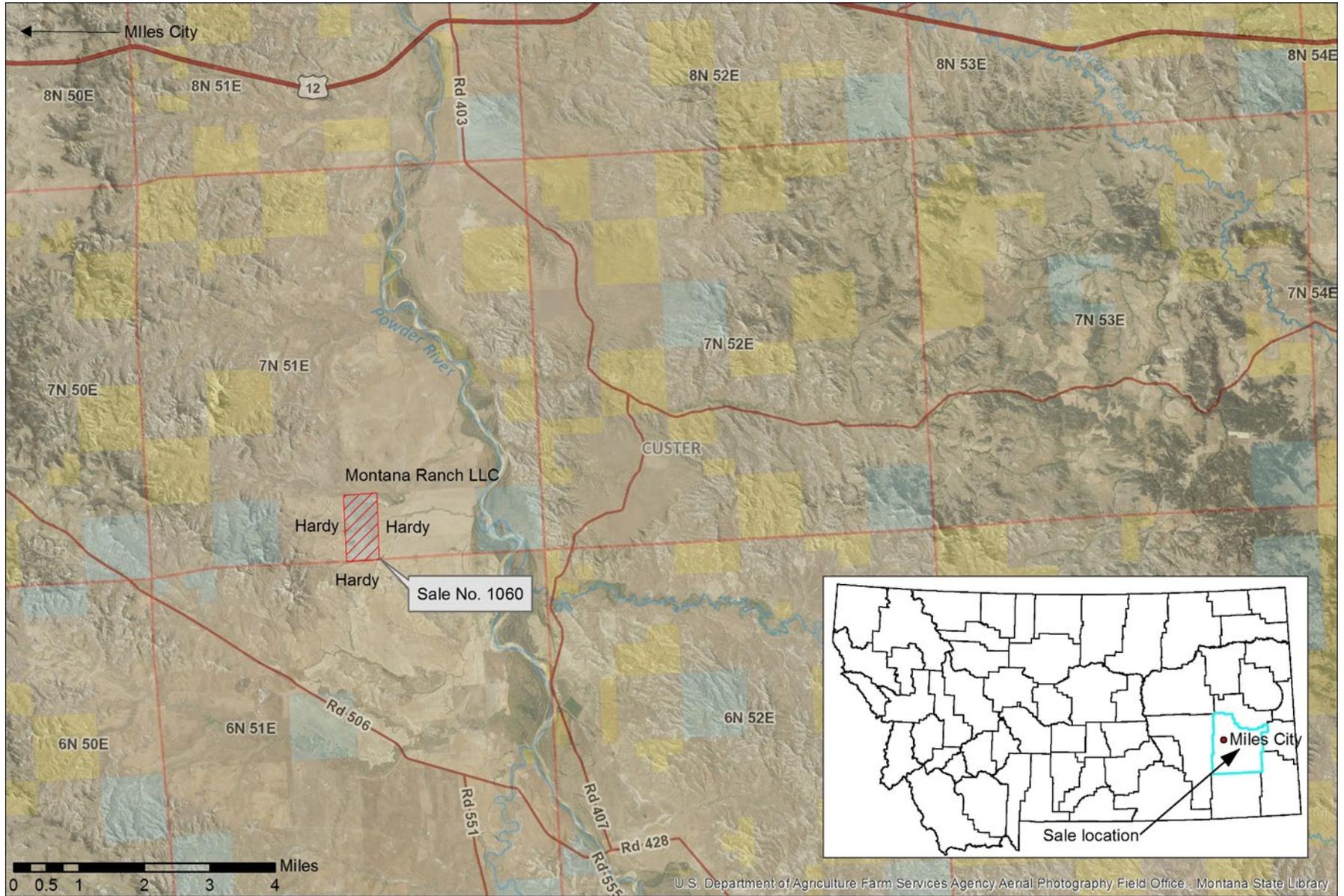


Location: Custer County
 Prepared on: 03 MAY 2019
 Prepared by: DNRC REMB Staff
 Projection: NAD 1983 - MT State Plane

Custer County Sales: Coffee Cattle Company
 Sale Nos. 1049, 1050, 1052, 1053 & 1054, Common Schools

Land Sales
 Montana State Trust Land
 Bureau of Land Management



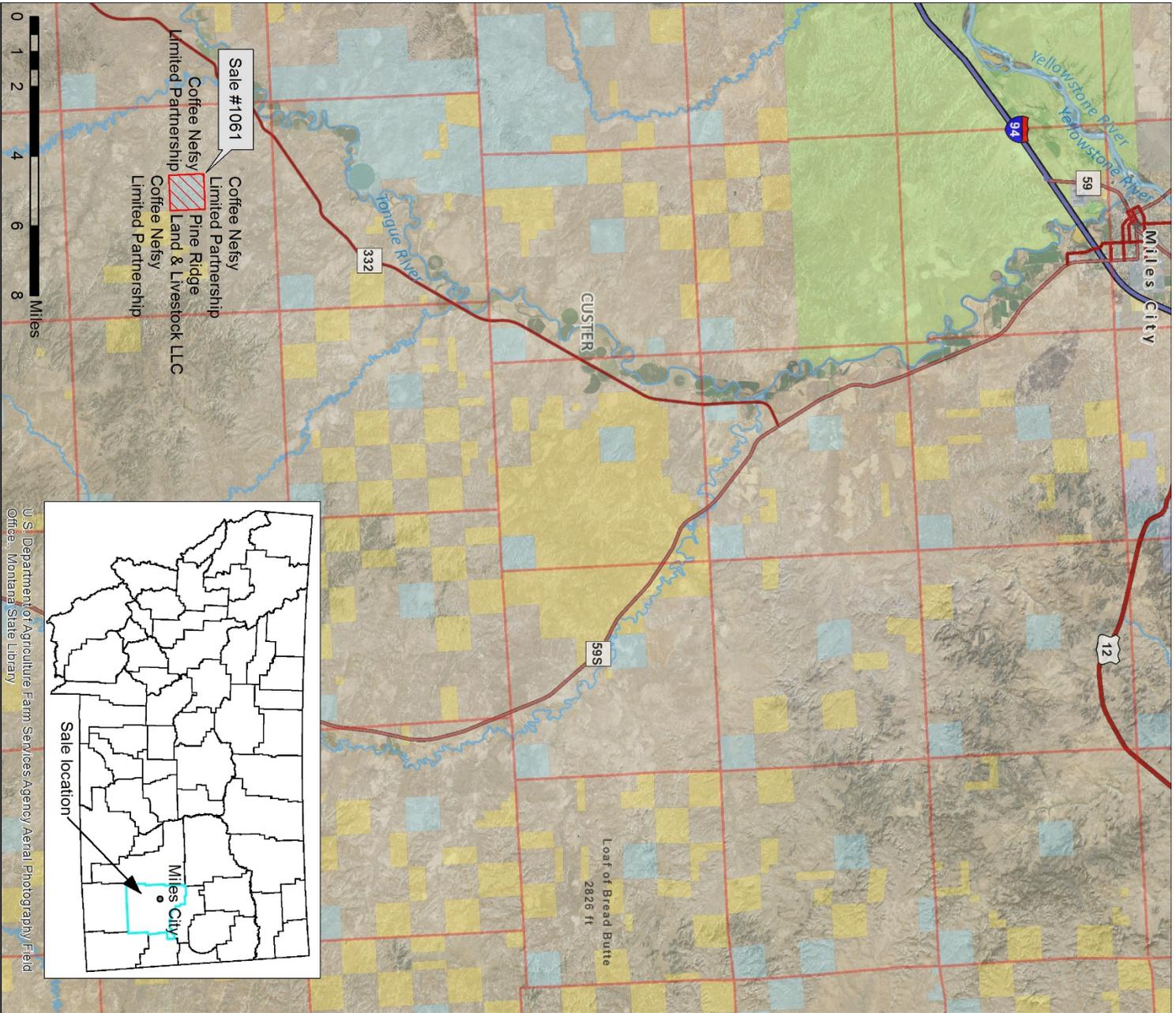


Location: Custer County
 Prepared on: 03 MAY 2019
 Prepared by: DNRC REMB Staff
 Projection: NAD 1983 - MT State Plane

Custer County Sale: DNRC
 Sale No. 1060, Common Schools

Land Sales
 Montana State Trust Land
 Bureau of Land Management





U.S. Department of Agriculture Farm Services Agency Aerial Photography Field Office, Montana State Library

Sale: 1061 Common Schools to Coffee Cattle Company

Location: Custer County

Prepared on: 22 MAY 2019

Prepared by: DNRC REMB Staff

Projection: NAD 1983 - MT State Plane

 Land Sale

 Montana State Trust Land

 US Dept of Ag.

 Bureau of Land Management



1119-3

LAND BANKING PARCELS:
FINAL APPROVAL FOR SALE

**Land Board Agenda Item
November 21, 2019**

1119-3 Land Banking Parcel: Final Approval for Sale

Location: Liberty County

Trust Benefits: Common Schools

Trust Revenue: \$70,000

Item Summary

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

Sale No.	Acres	Legal Description	Nominator	Trust
1042	120±	W2NE4, NW4SE4, Section 9, T35N-R4E	Lazy T3 Red Angus, Inc.	Common Schools
1043	80±	W2SE4, Section 4, T35N-R4E	Lazy T3 Red Angus, Inc.	Common Schools

The parcels have been used primarily for livestock grazing purposes. These sale parcels are small, isolated, and generally not efficient to manage.

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

No potentially negative issues were identified through the MEPA process regarding the sale of these parcels.

Economic Analysis:

Short term – The average rates of return on Sale No. 1042 is 0.97% and 0.99% for Sale No. 1043. The parcels will continue to receive these returns if they remain in state ownership.

Long term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through DNRC'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 2.62% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

The state parcels proposed for sale were inventoried to Class III standards for cultural and paleontological resources. No cultural or paleontological resources were identified. A formal report of findings has been prepared and filed with the Montana State Historic Preservation Office per the requirements of the Montana State Antiquities Act.

Background:

In August 2018, the Land Board granted preliminary approval for these parcels to continue through the Land Banking sale evaluation process. After an appraisal in April 2019, the Land Board set the minimum bid at the appraised value with access as follows in July 2019:

Appraised value of sale parcel:

Sale No.	Appraised Value with Access	Recommended Minimum Bid
1042	\$42,000	\$42,000
1043	\$28,000	\$28,000

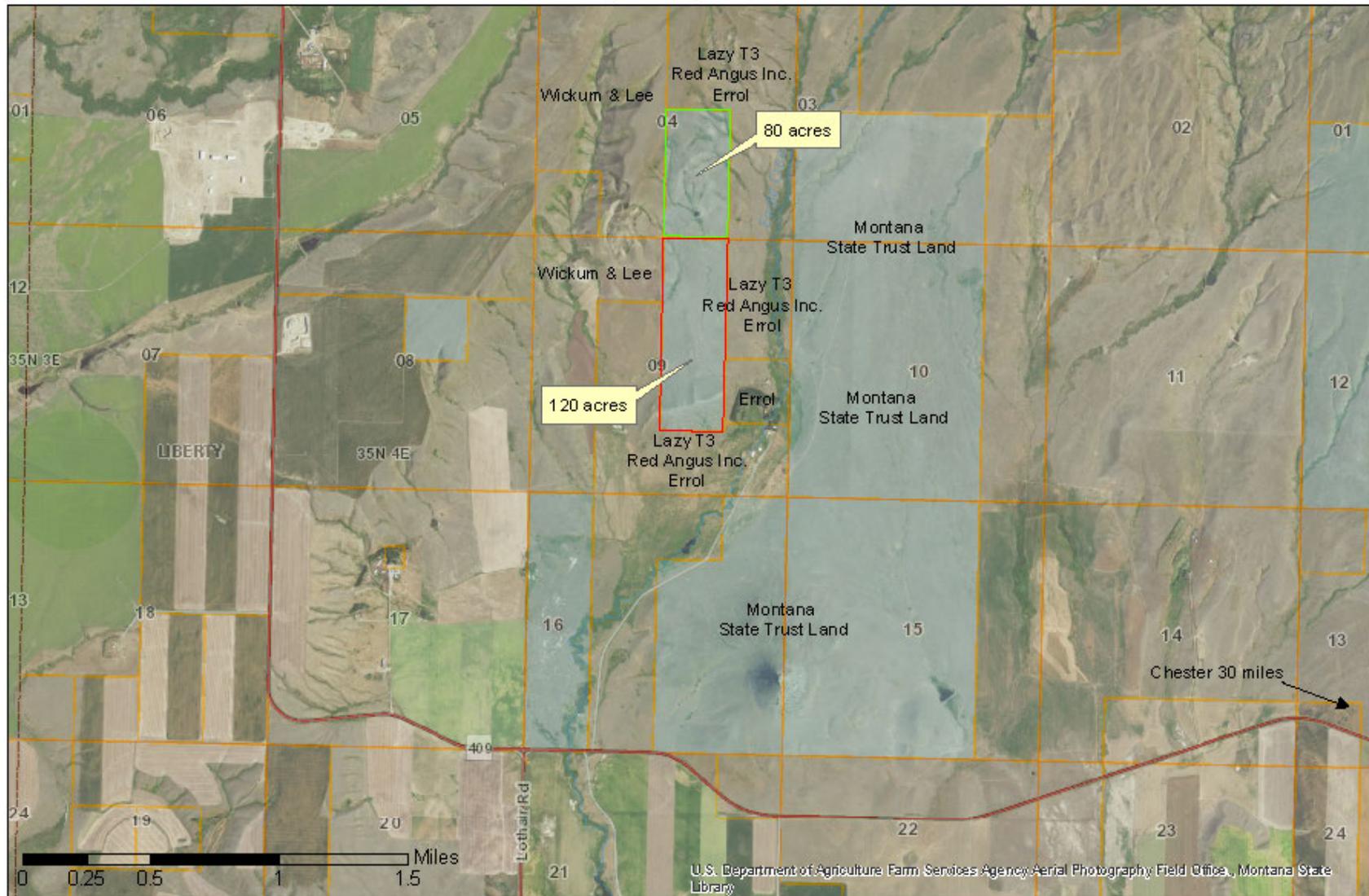
Sale Price:

The parcels sold at a public auction on October 29, 2019. There was one bidder for each sale, which was the current lessee. Each parcel sold for the minimum bid shown above.

DNRC Recommendation

The director recommends the Land Board grant final approval for these Land Banking sales at the values shown above. The sales will close within 30 days of final approval by the Land Board.

Liberty County Land Sales



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

Legend

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



1119-4

CABIN AND HOME SITE SALES: MINIMUM BID FOR SALE

- A. Missoula County
- B. Fallon County
- C. Prairie County
- D. McCone County
- E. Sanders County
- F. Missoula County Sale No. 995

**Land Board Agenda Item
November 21, 2019**

1119-4 A Cabin and Home Sites: Set Minimum Bid for Sale

A. Missoula County

Location: Missoula County
Trust Benefits: Pine Hills
Trust Revenue: \$403,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for four cabin sites nominated for sale in Missoula County. These sales were nominated by the lessees in conjunction with the Cabin and Home Site Sale Program.

Sale No.	Acres	Legal Description	Nominator	Trust
1026	1.04 ±	Lot 6, Elbow Lake T15N-R14W, Sec. 20, Missoula County	Jim & Rebecca Sparks	Pine Hills School
1028	0.84 ±	Lot 15, Elbow Lake T15N-R14W, Sec. 20, Missoula County	Gayla Nicholson & Jeff Dickerson	Pine Hills School
1037	0.69 ±	Lot 22, Elbow Lake T15N-R14W, Sec. 20, Missoula County	Steve Jarvis	Pine Hills School
1029	0.55 ±	Lot 23, Elbow Lake T15N-R14W, Sec. 20, Missoula County	Greg, Autumn, Brian, & Erin Browning	Pine Hills School

The parcels are currently leased as cabin sites and produce an average income for residential leases statewide. The parcels will be sold with the access that is currently provided under their lease agreements and can be conveyed by DNRC.

Economic Analysis:

Short term – The average rates of return on these sale parcels are as follows. The parcels will continue to receive these returns if they remain in state ownership.

Sale No.	Rate of Return
1026	4.393%
1028	4.318%
1037	5.393%
1029	3.938%

Long term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through DNRC'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 2.62% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

A Class I level of cultural resource inventory was conducted for each of the proposed sales. 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. These sales will have no effect to state-owned heritage properties.

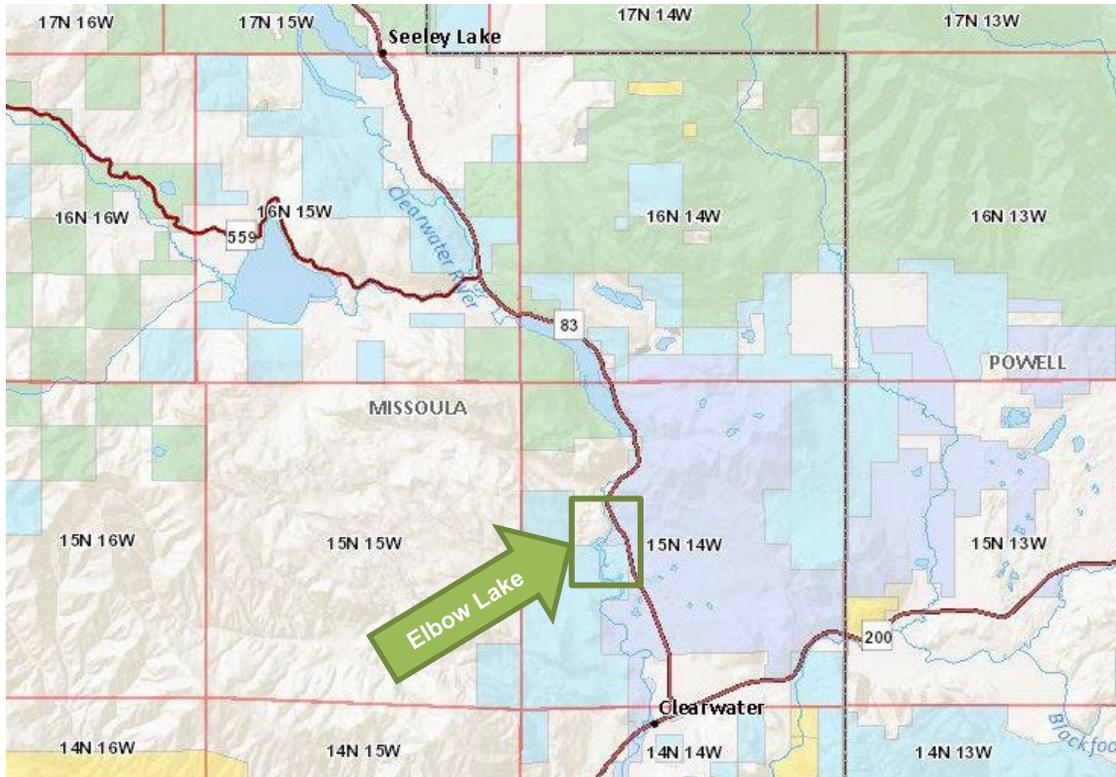
Appraised Values of Land and Improvements:

Sale Nos.	Appraised Land Value	Appraised Improvements Value
1026	\$132,500	\$172,500
1028	\$85,500	\$59,000
1037	\$95,000	\$165,500
1029	\$90,000	\$66,500

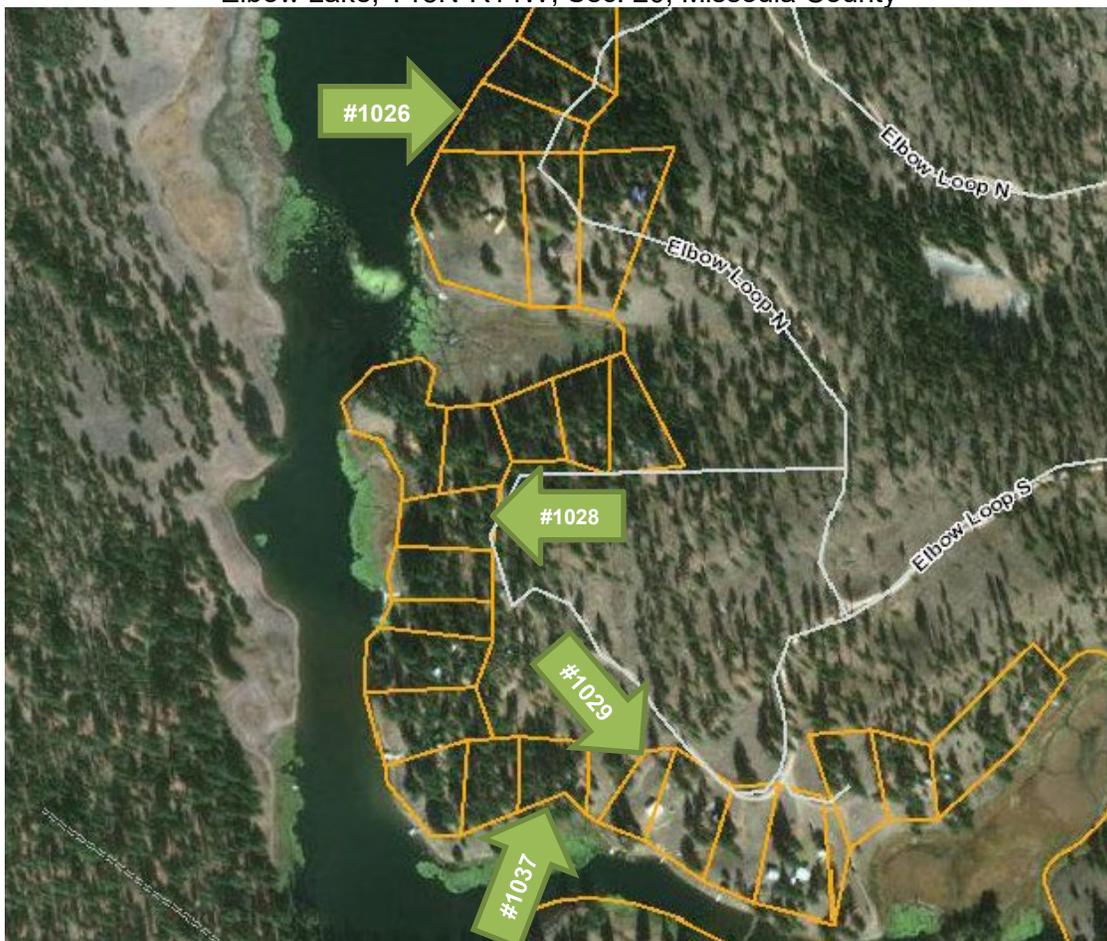
DNRC Recommendation

The director recommends that the Land Board set the minimum bid for these cabin sites at the appraised land value and the maximum value of compensation for the improvements shown above.

MISSOULA COUNTY SALES



Elbow Lake, T15N-R14W, Sec. 20, Missoula County



**Land Board Agenda Item
November 21, 2019**

**1119-4B Cabin and Home Sites: Set Minimum Bid for Sale
B. Fallon County**

Location: Fallon County
Trust Benefits: Common Schools
Trust Revenue: \$52,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for a cabin site nominated for sale in Fallon County. This sale was nominated by the lessees in conjunction with the Cabin and Home Site Sale Program.

Sale No.	Acres	Legal Description	Nominator	Trust
948	14.96±	Tract 1 of COS 0104837, T6N-R57E, Sec. 36, Fallon County	Shelley Mackay & Barnet J. Dean	Common Schools

The parcel is currently leased as a cabin site and produces an average income for residential leases statewide. The parcel will be sold with the access that is currently provided under the current lease agreement and can be conveyed by DNRC.

Economic Analysis:

Short term – The average rates of return on this sale parcel is 1.345%. The parcel will continue to receive this rate of return if it remains in state ownership.

Long term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through DNRC'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 2.62% 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.

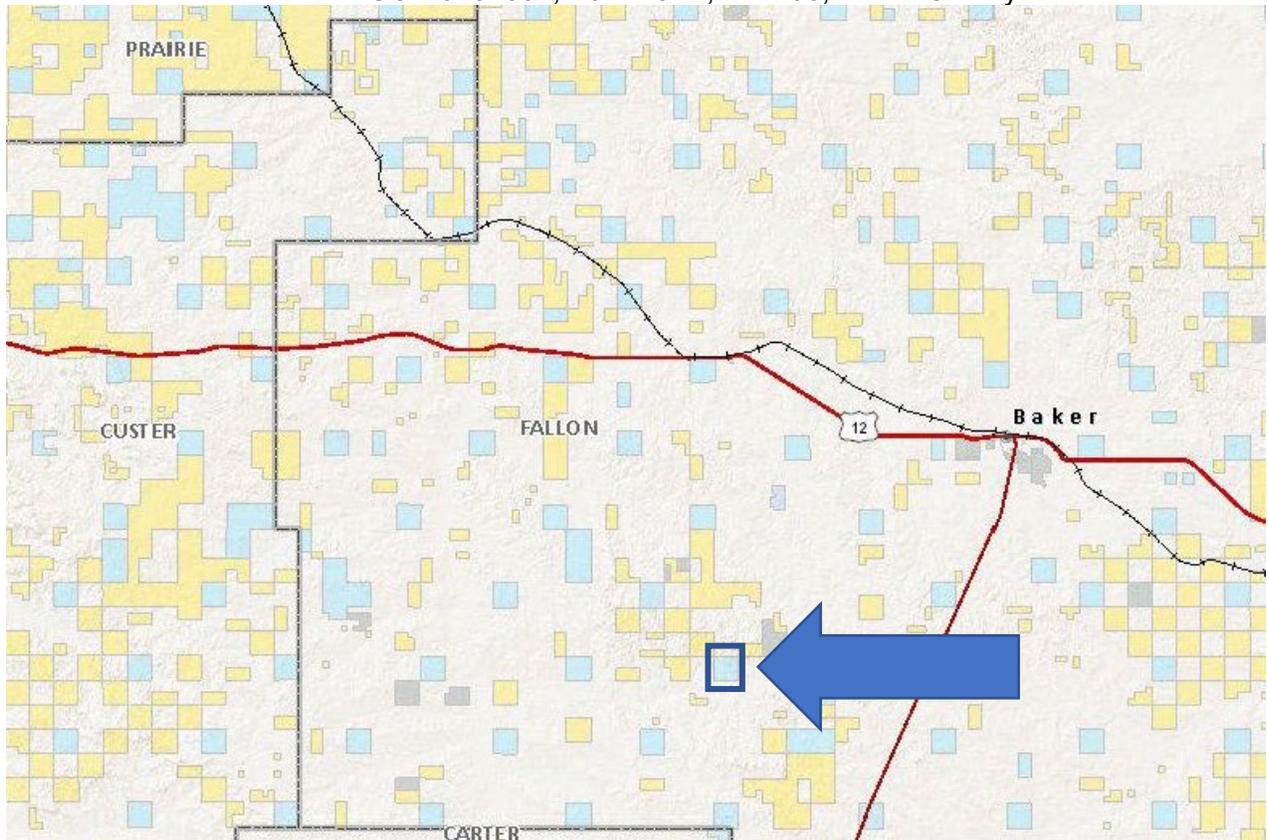
Appraised Values of Land and Improvements:

Sale No.	Appraised Land Value	Appraised Improvements Value
948	\$52,000	\$90,000

DNRC Recommendation

The director recommends that the Land Board set the minimum bid for this cabin site at the appraised land value and the maximum value of compensation for the improvements shown above.

FALLON COUNTY SALE
Tract 1 of COS 0104837, T6N-R57E, Sec. 36, Fallon County



**Land Board Agenda Item
November 21, 2019**

**1119-4C Cabin and Home Sites: Set Minimum Bid for Sale
C. Prairie County**

Location: Prairie County
Trust Benefits: Common Schools
Trust Revenue: \$24,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for a cabin site nominated for sale in Prairie County. This sale was nominated by the lessees in conjunction with the Cabin and Home Site Sale Program.

Sale No.	Acres	Legal Description	Nominator	Trust
970	8.74±	Tract 1 of COS 19-97, T16N-R47E, Sec. 36, Prairie County	Cathie Dolatta	Common Schools

The parcel is currently leased as a cabin site and produces an average income for residential leases statewide. The parcel will be sold with the access that is currently provided under the current lease agreement and can be conveyed by DNRC.

Economic Analysis:

Short term – The average rates of return on this sale parcel is 2.914%. The parcel will continue to receive this rate of return if it remains in state ownership.

Long term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through DNRC'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 2.62% 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.

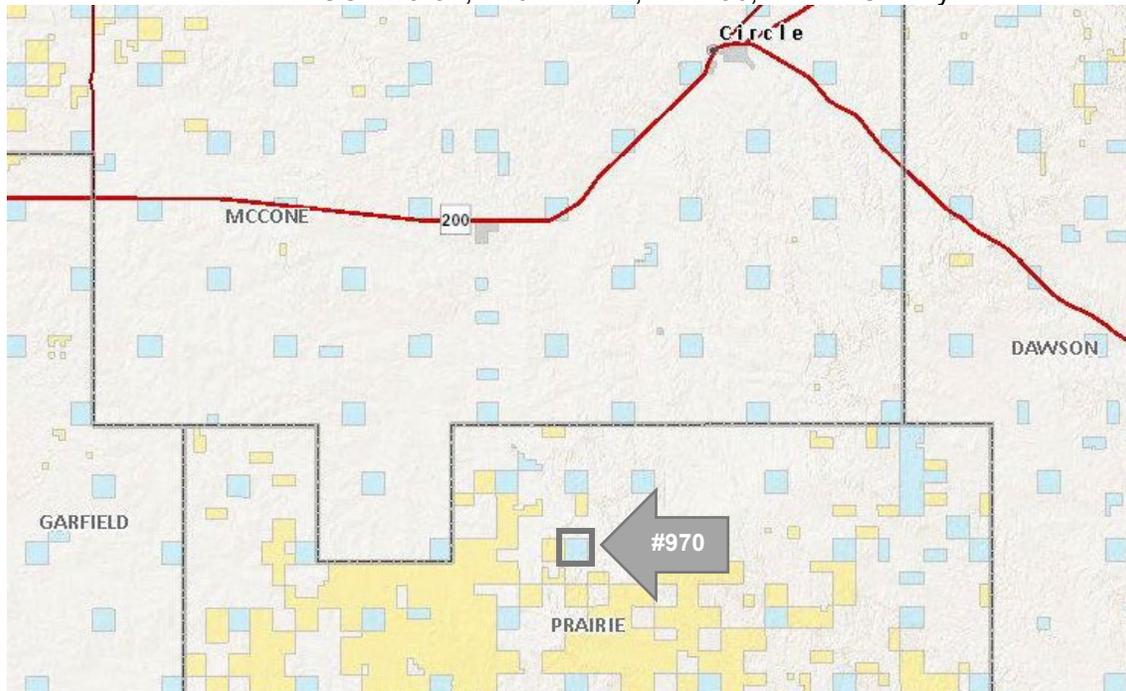
Appraised Values of Land and Improvements:

Sale No.	Appraised Land Value	Appraised Improvements Value
970	\$24,000	\$116,000

DNRC Recommendation

The director recommends that the Land Board set the minimum bid for this cabin site at the appraised land value and the maximum value of compensation for the improvements shown above.

PRAIRIE COUNTY SALE
Tract 1 of COS 19-97, T16N-R47E, Sec. 36, Prairie County



**Land Board Agenda Item
November 21, 2019**

**1119-4D Cabin and Home Sites: Set Minimum Bid for Sale
D. McCone County**

Location: McCone County
Trust Benefits: Common Schools
Trust Revenue: \$56,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for a cabin site nominated for sale in McCone County. This sale was nominated by the lessee in conjunction with the Cabin and Home Site Sale Program.

Sale No.	Acres	Legal Description	Nominator	Trust
971	20.60±	Tract 1 of COS 194112, T17N-R46E, Sec. 16, McCone County	Michael Thoeny	Common Schools

The parcel is currently leased as a cabin site and produces an average income for residential leases statewide. The parcel will be sold with the access that is currently provided under the current lease agreement and can be conveyed by DNRC.

Economic Analysis:

Short term – The average rates of return on this sale parcel is 1.249%. The parcel will continue to receive this rate of return if it remains in state ownership.

Long term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through DNRC'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 2.62% 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.

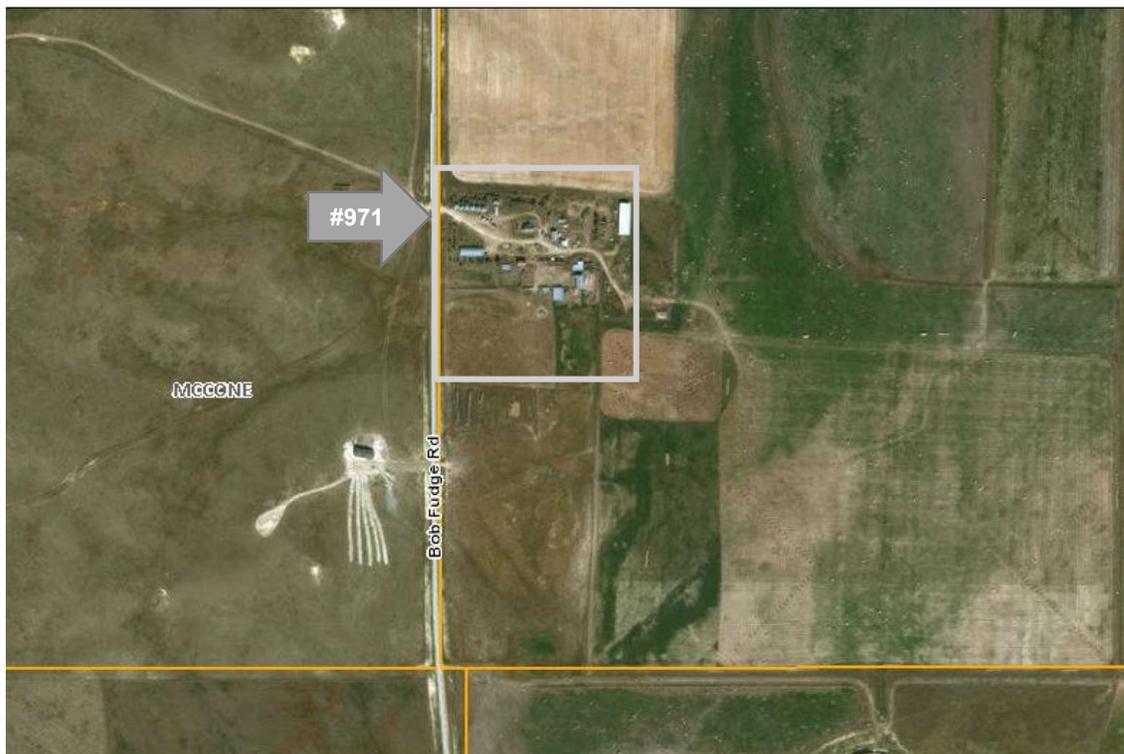
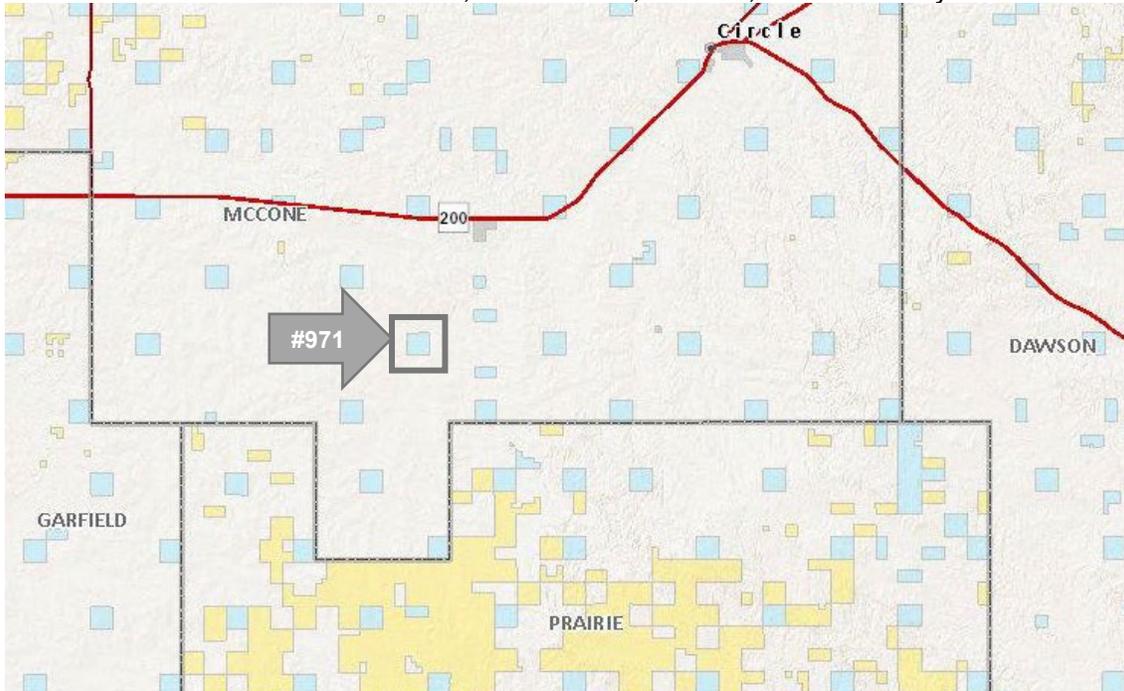
Appraised Values of Land and Improvements:

Sale No.	Appraised Land Value	Appraised Improvements Value
971	\$56,000	\$82,000

DNRC Recommendation

The director recommends that the Land Board set the minimum bid for this cabin site at the appraised land value and the maximum value of compensation for the improvements shown above.

MCCONE COUNTY SALE
Tract 1 of COS 19-97, T16N-R47E, Sec. 36, Prairie County



**Land Board Agenda Item
November 21, 2019**

**1119-4E Cabin and Home Sites: Set Minimum Bid for Sale
E. Sanders County**

Location: Sanders County
Trust Benefits: Public Buildings, Common Schools
Trust Revenue: \$120,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for three cabin sites nominated for sale in Sanders County. These sales were nominated by the lessees in conjunction with the Cabin and Home Site Sale Program.

Sale No.	Acres	Legal Description	Nominator	Trust
973	1.229 ±	Tract 1, COS 3579 T23N-R27W, Sec. 12, Sanders County	Kenneth & Katrina Strowbridge	Public Buildings
974	1.421 ±	Tract 1, COS 3581 T24N-R27W, Sec. 26, Sanders County	George Croft & Pam Sandall	Common Schools
975	0.918 ±	Tract 1, COS 3580 T23N-R27W, Sec. 26, Sanders County	Deborah Allen	Public Buildings

The parcels are currently leased as cabin sites and produce an average income for residential leases statewide. The parcels will be sold with the access that is currently provided under their lease agreements and can be conveyed by DNRC.

Economic Analysis:

Short term – The average rates of return on these sale parcels are as follows. The parcels will continue to receive these returns if they remain in state ownership.

Sale No.	Rate of Return
973	1.810%
974	2.821%
975	2.086%

Long term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through DNRC'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 2.62% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

A Class I level of cultural resource inventory was conducted for each of the proposed sales. 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. These sales will have no effect to state-owned heritage properties.

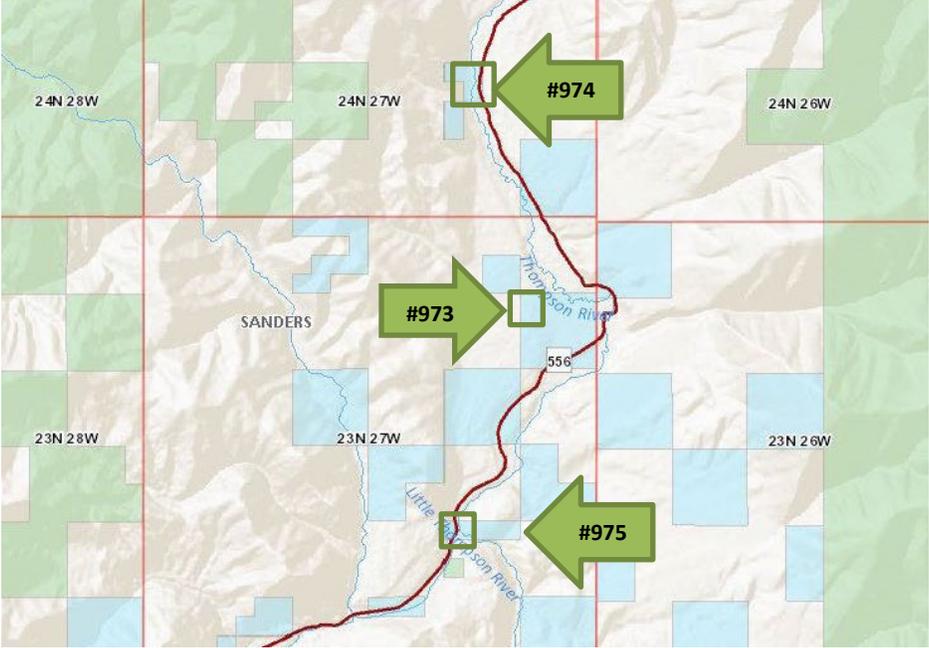
Appraised Values of Land and Improvements:

Sale Nos.	Appraised Land Value	Appraised Improvements Value
973	\$40,000	\$130,000
974	\$40,000	\$100,000
975	\$40,000	\$37,000

DNRC Recommendation

The director recommends that the Land Board set the minimum bid for these cabin sites at the appraised land value and the maximum value of compensation for the improvements shown above.

SANDERS COUNTY SALES

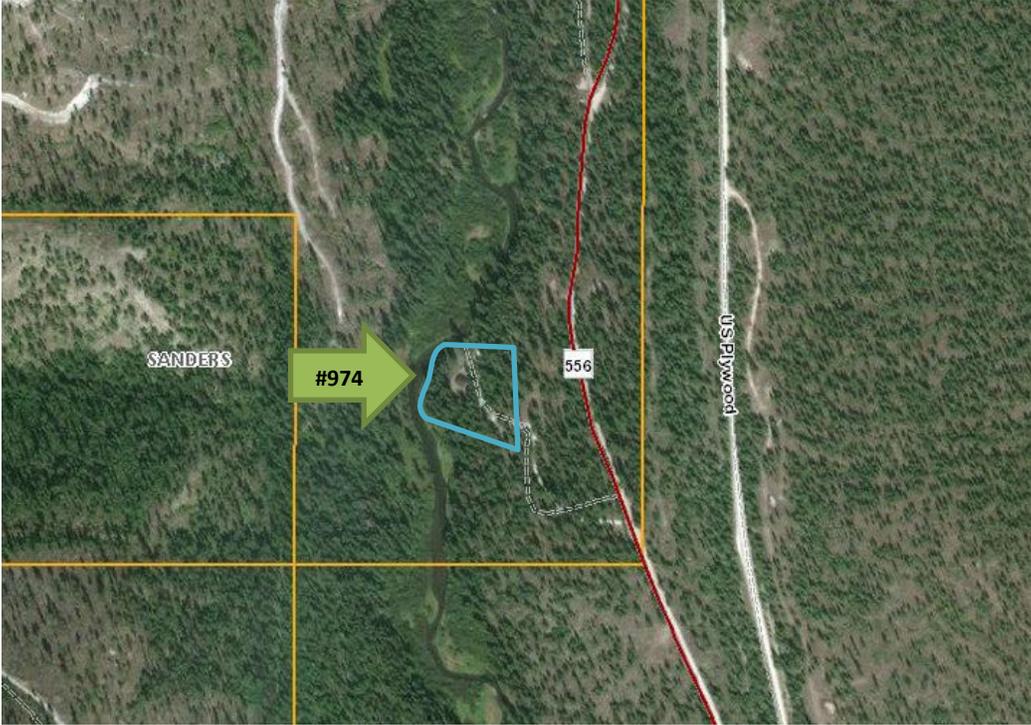


SALE 973

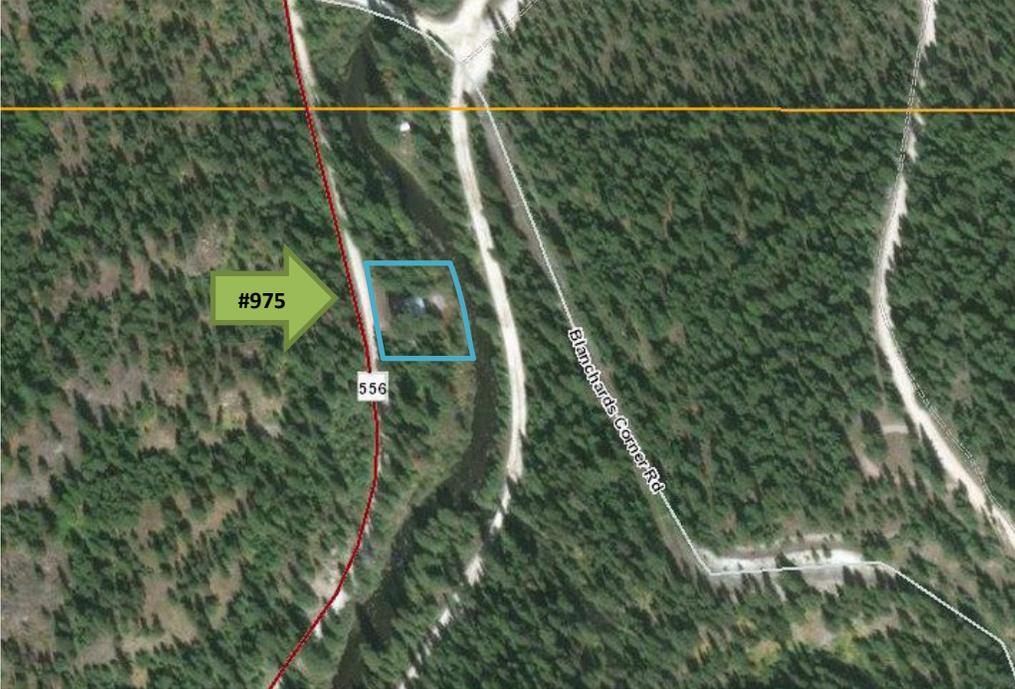
Tract 1, 3579, T23N-R27W, Sec. 12, Sanders County



SALE 974
Tract 1, 3581, T24N-R27W, Sec. 26, Sanders County



SALE 975
Tract 1, COS 3580, T23N-R27W, Sec. 26, Sanders County



**Land Board Agenda Item
November 21, 2019**

1119-4F Cabin and Home Sites: Set Minimum Bid for Sale

F. Sale No. 995

Location: Missoula County

Trust Benefits: MSU 2nd

Trust Revenue: \$513,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) requests to set the minimum bid for the sale of a cabin site in Missoula County. This sale was nominated by the lessees in conjunction with the Cabin and Home Site Sale Program and brought to the Land Board for preliminary approval in April 2018.

Sale Number	# of Acres	Legal	Nominator	Trust
995	2.037±	Lot 1, Placid Lake West, COS 5049, Sec. 30, T16N-R15W, Missoula County	Terry Vick & Bryce Yasenak	MSU 2 nd

This sale parcel is currently leased as a cabin site and produces an average income for residential leases statewide.

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

Economic Analysis

Short term – The average rate of return for the sale parcel is 2.614%.

Long term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through DNRC'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 2.62% 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.

Appraised Value

The values for this sale parcel was set after a hearing on the originally-appraised value of the land which took place in October 2018. The hearing was requested by the sale proponents within the time frame allotted by the Cabin and Home Site Sale Program process.

The hearing examiner recommended no change from the original appraised value of the land after additional consideration, which resulted in the following values:

Sale #	Original Appraised Value of the Land	Value of the Land Determined by the Hearing	Appraised Value of Improvements	Value of the Improvements Determined by the Hearing
995	\$513,000	\$513,000	\$152,000	<i>Value of improvements not considered at hearing.</i>

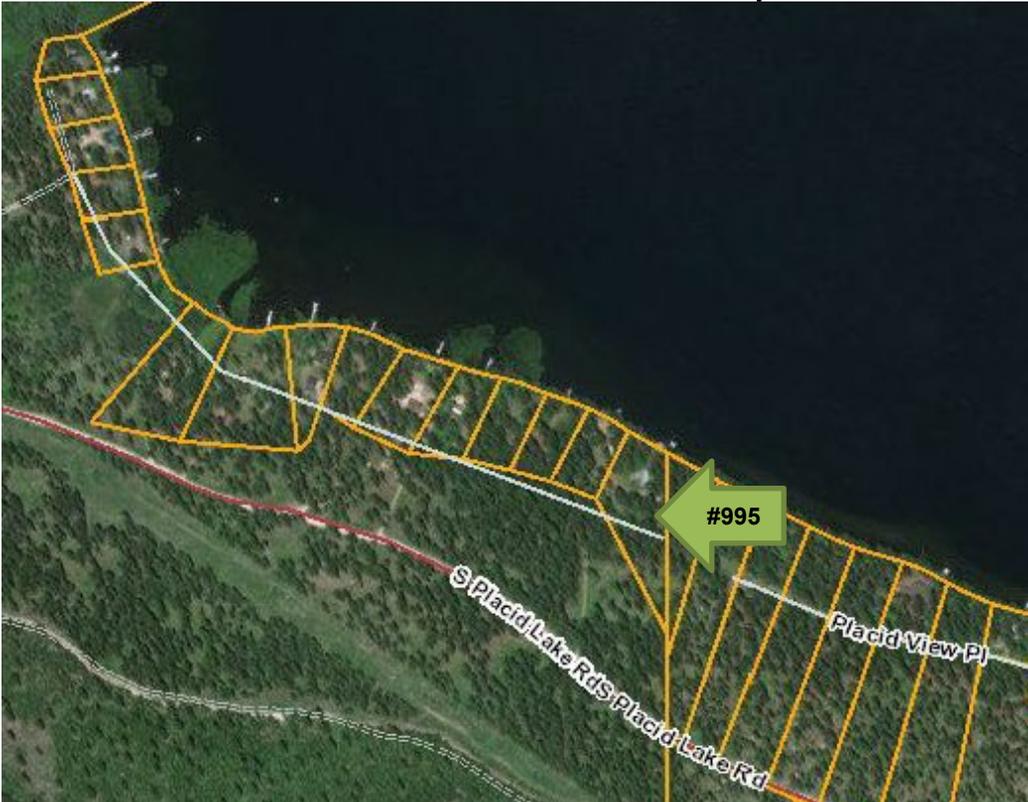
DNRC Recommendation

The director recommends that the Land Board set the minimum bid for this sale parcel at the value of the land determined by the valuation hearing and the maximum value of compensation for the improvements as shown above.

MISSOULA COUNTY SALE



Sale No. Placid Lake West
T16N-R15W, Sec. 30, Missoula County



1119-5

CABIN AND HOME SITE SALES:
FINAL APPROVAL FOR SALE

- A. Flathead County
- B. Sweet Grass County
- C. Missoula County

**Land Board Agenda Item
November 21, 2019**

**1119-5A Cabin and Home Sites: Final Approval for Sale
A. Flathead County**

Location: Flathead County
Trust Benefits: Montana Tech
Trust Revenue: \$2,586,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval for sale of ten cabin sites nominated for sale in Flathead County. These sales were nominated by DNRC and the lessees in conjunction with the Cabin and Home Site Sale Program.

Sale No.	Acres	Legal Description	Nominator	Trust
953	1.245±	Lot 10, Rogers Lake T27N-R23W, Sec. 30	Jeremy Thompson	Montana Tech
977	4.537±	Lot 25, Echo Lake T27N-19W, Sec. 5	Kevin & Jeannette Zemp	Montana Tech
978	1.434±	Lot 28, Echo Lake T27N-19W, Sec. 5	Leisha & Ronald Cook	Montana Tech
979	1.471±	Lot 35, Echo Lake T27N-19W, Sec. 5	Ryan James	Montana Tech
983	2.361±	Lot 4, Beaver Lake T31N-R22W, Sec. 20	Steve & Jennifer Burrough	Montana Tech
985	1.802±	Lot 7, Beaver Lake T31N-R22W, Sec. 20	Barnes Revocable Trusts	Montana Tech
986	2.41±	Lot 10, Beaver Lake T31N-R22W, Sec. 20	John Ulitsch & Hunter Dominick	Montana Tech
987	2.011±	Lot 11A, Beaver Lake T31N-R22W, Sec. 20	Keri Thorn & Richard Graves	Montana Tech
988	1.296±	Lot 13A, Beaver Lake T31N-R22W, Sec. 20	Ginger Theissen, Nicolette R. Ward, & Darlene Benson	Montana Tech
989	1.235±	Lot 18, Beaver Lake T31N-R22W, Sec. 20	Felicia & Dave Hutchison	Montana Tech

These sales are currently leased as cabin sites and produce an average income for residential leases statewide.

The parcels will be sold with the access currently provided under their lease agreements.

Economic Analysis

Short term – The average rates of return for these sale parcels are as follows:

Sale No.	Rate of Return	Sale No.	Rate of Return
953	7.682%	985	5.264%
977	4.215%	986	2.882%
978	1.569%	987	2.040%
979	1.780%	988	2.449%
983	4.342%	989	3.481%

Long term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through DNRC'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 2.62% 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 sales. 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. These sales will have no effect to state-owned heritage properties.

Background

These sales were granted preliminary approval in March and April 2018 to proceed through the Cabin and Home Site Sale Program. In September 2019, the Land Board set the minimum bid for the land and the maximum value of compensation for the improvements as follows.

Sale Nos.	Appraised Land Value	Appraised Improvements Value	Final Sale Price
953	\$92,000	\$151,000	\$92,000
977	\$408,000	\$55,000	\$408,000
978	\$359,000	\$65,000	\$359,000
979	\$380,000	\$80,000	\$380,000
983	\$247,000	\$93,000	\$247,000
985	\$198,000	\$85,000	\$198,000
986	\$220,000	\$0	\$265,000
987	\$240,000	\$143,000	\$240,000
988	\$222,000	\$115,000	\$222,000
989	\$175,000	\$211,000	\$175,000

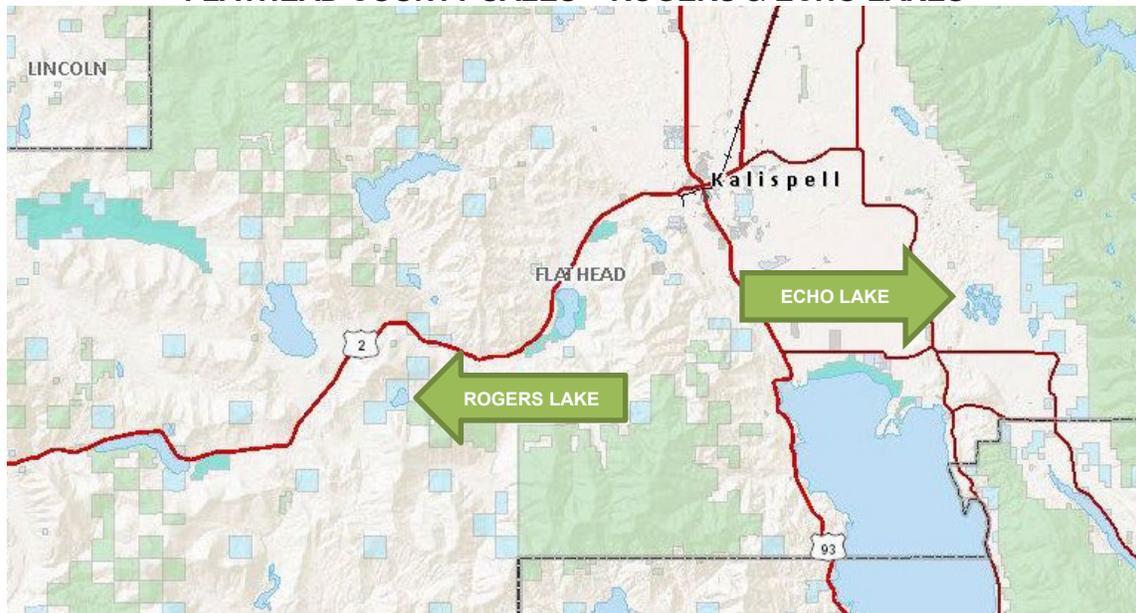
Sale Price

These sales sold at public auction on October 30, 2019. There was one bidder for each sale who was the current lessee, with the exception of Sale No. 986. DNRC received bid deposits from two qualified bidders, one of which was the lessees. Sale No. 986 sold to the lessees for a final sale price of \$265,000. The other parcels sold for the minimum bid amounts listed above.

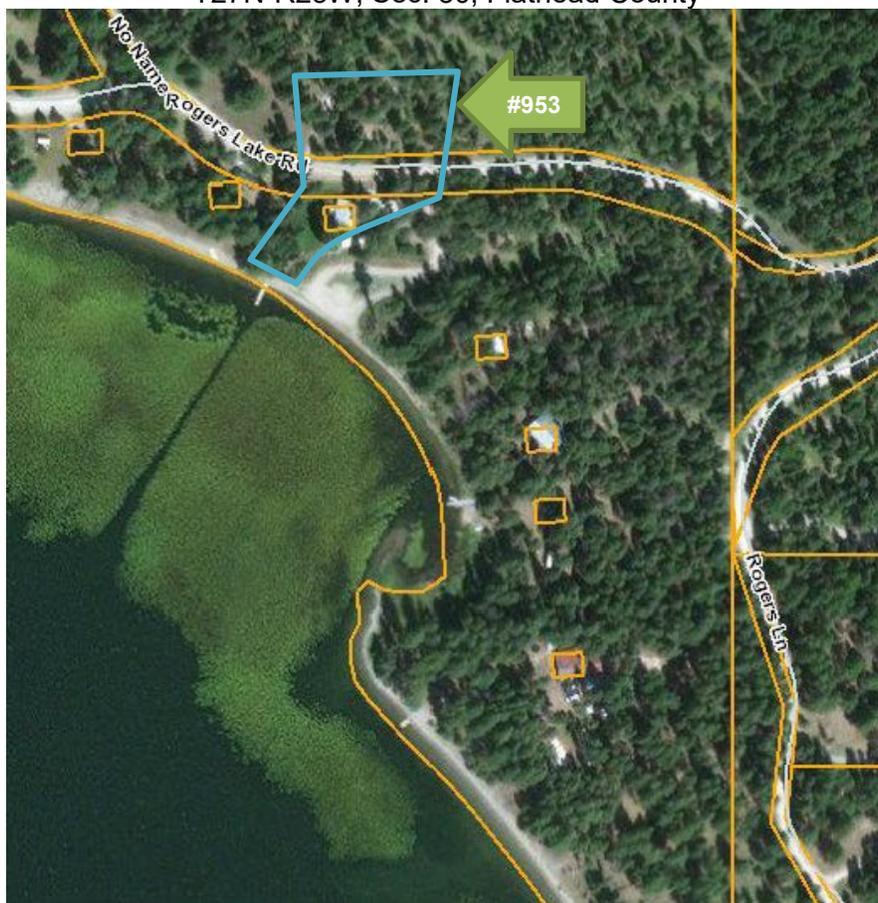
DNRC Recommendation

The director recommends the Land Board grant final approval for the sale of these cabin sites at the final sale prices discussed above. The sales will close within 30 days of final approval by the Land Board.

FLATHEAD COUNTY SALES – ROGERS & ECHO LAKES



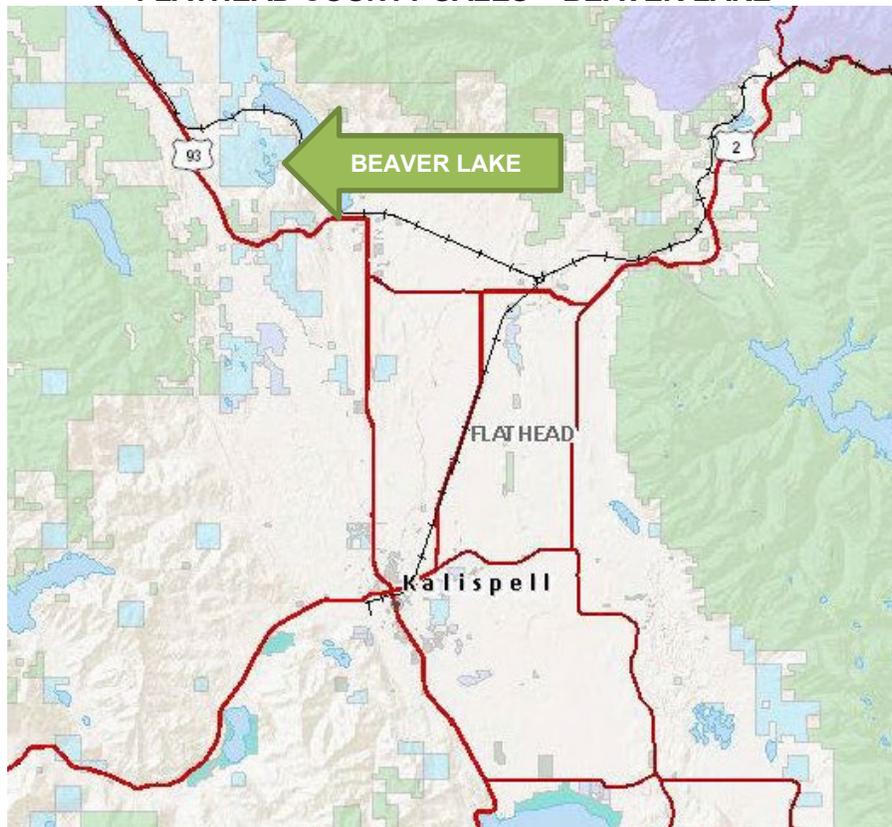
Rogers Lake
T27N-R23W, Sec. 30, Flathead County



Echo Lake
T27N-19W, Sec. 5, Flathead County



FLATHEAD COUNTY SALES – BEAVER LAKE



Beaver Lake

T31N-R22W, Sec. 20, Flathead County



**Land Board Agenda Item
November 21, 2019**

**1119-5B Cabin and Home Sites: Final Approval for Sale
B. Sweet Grass County**

Location: Sweet Grass County
Trust Benefits: Common Schools
Trust Revenue: \$63,500

Item Summary

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

Sale No.	Acres	Legal Description	Nominator	Trust
946	4.22±	Tract 1, COS 158543, T1N-R15E, Sec. 29 Sweet Grass County	Howard Roberts	Common Schools

The parcel is currently leased as a cabin site and produces an average income for residential leases statewide. The parcel will be sold with the access that is currently provided under the existing lease agreements and can be conveyed by DNRC.

Economic Analysis

Short term – The average rate of return on this sale parcels is 0.507%.

Long term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through DNRC'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 2.62% 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 sales. 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

This sale was granted preliminary approval in March 2018 to proceed through the Cabin and Home Site Sale Program. In September 2019, the Land Board set the minimum bid for the land at \$63,500 and the maximum value of compensation for the improvements at \$76,000.

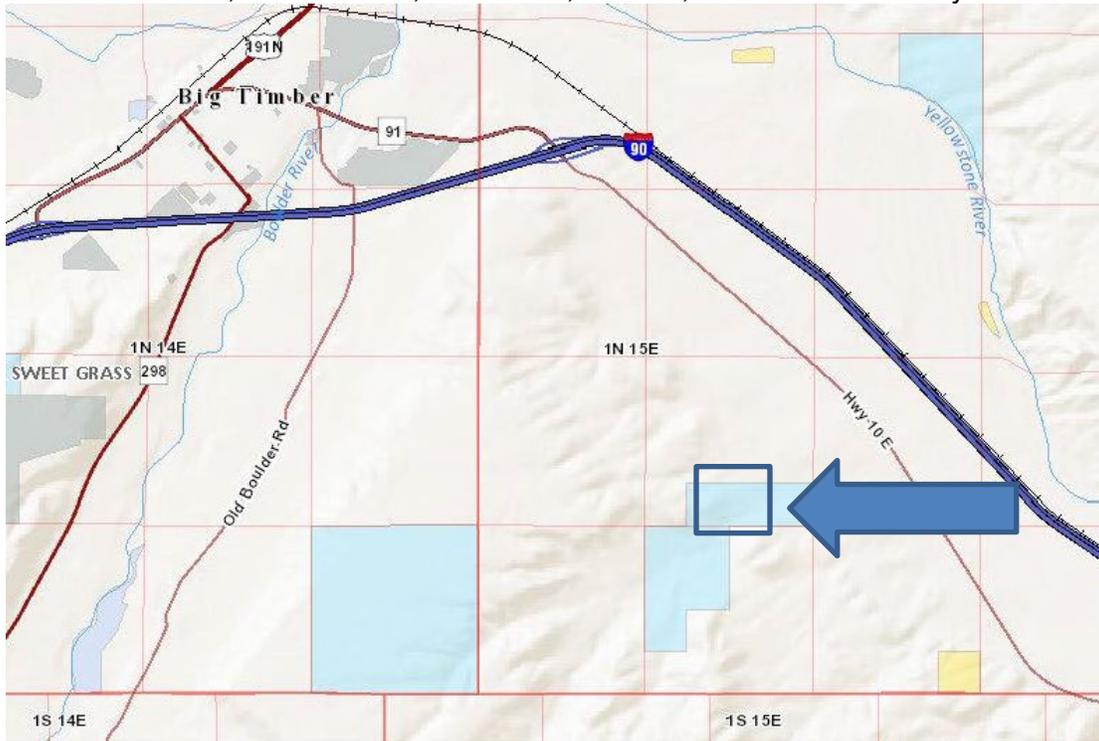
Sale Price

This sale sold at public auction on October 31, 2019. There was one bidder for the sale, which was the current lessee. The parcel sold for the minimum bid for the land of \$63,500.

DNRC Recommendation

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

SWEET GRASS COUNTY SALE
Tract 1, COS 158543, T1N-R15E, Sec. 29, Sweet Grass County



**Land Board Agenda Item
November 21, 2019**

**1119-5C Cabin and Home Sites: Final Approval for Sale
C. Missoula County**

Location: Missoula County
Trust Benefits: MSU 2nd
Trust Revenue: \$539,000

Item Summary

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

Sale No.	Acres	Legal Description	Nominator	Trust
996	0.951±	Lot 2, Placid Lake West, COS 5049, Section 30, T16N-R15W	Nick Natalie-Lopuch	MSU 2 nd

The parcel is currently leased as a cabin site and produces an average income for residential leases statewide. The parcel will be sold with the access that is currently provided under the existing lease agreements and can be conveyed by DNRC.

Economic Analysis

Short term – The average rate of return on this sale parcel is 2.052%.

Long term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through DNRC'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 2.62% 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 sales. 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

This sale was granted preliminary approval in April 2018 to proceed through the Cabin and Home Site Sale Program. In September 2019, the Land Board set the minimum bid for the land at \$539,000 and the maximum value of compensation for the improvements at \$61,000.

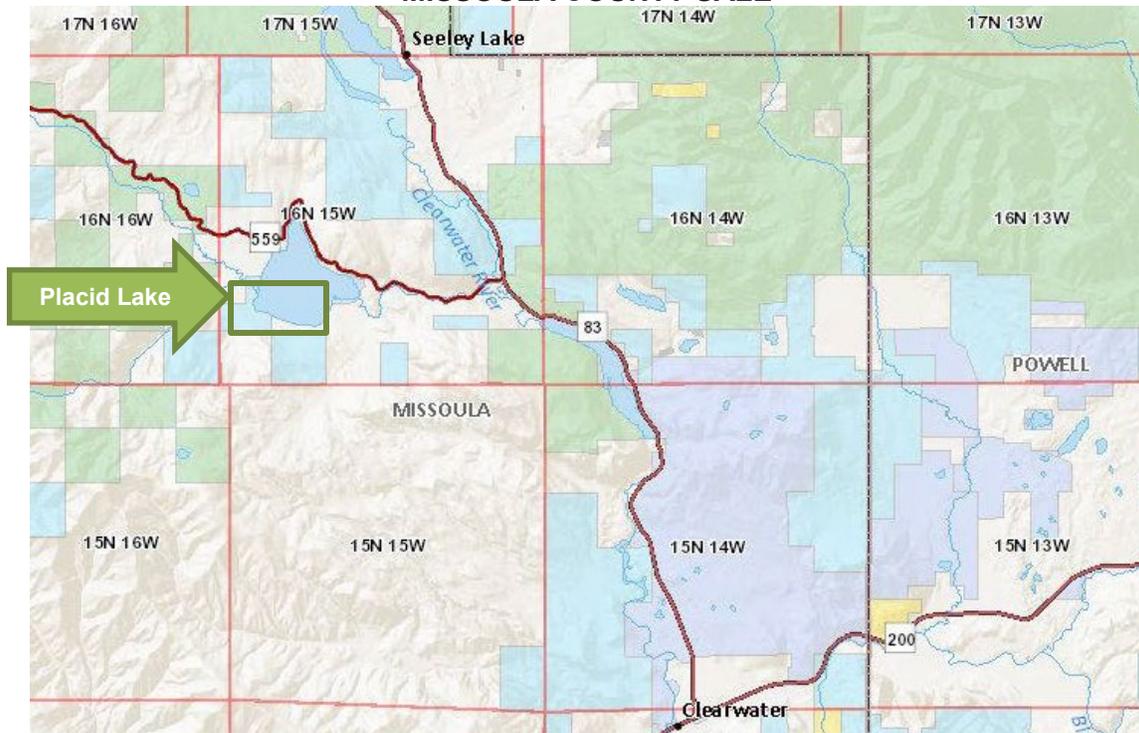
Sale Price

This sale sold at public auction on November 1, 2019. There was one bidder for the sale, which was the current lessee. The parcel sold for the minimum bid for the land of \$539,000.

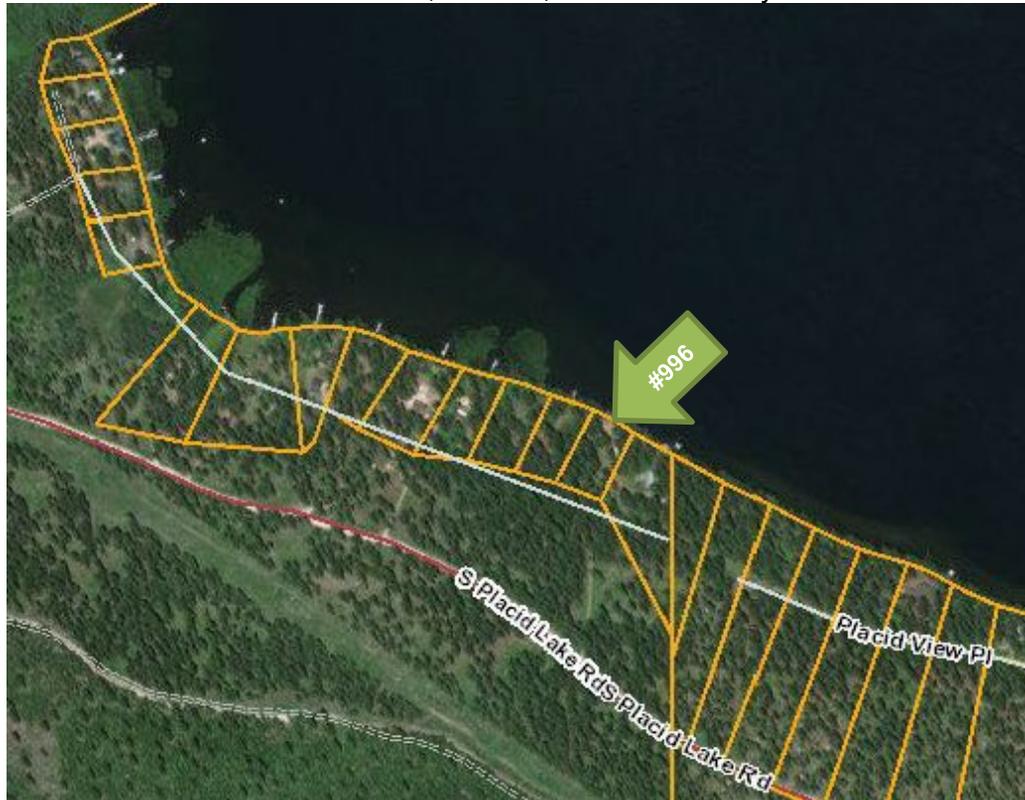
DNRC Recommendation

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

MISSOULA COUNTY SALE



Placid Lake West
T16N-R15W, Sec. 30, Missoula County



1 1 19-6

EASEMENTS

**Land Board Agenda Item
November 21, 2019**

1119-6 Easements

Location: Big Horn, Fallon Counties

Trust Benefits: Common Schools

Trust Revenue: Common Schools = \$3,178

Item Table of Contents

Applicant	Right-of-Way Purpose	Term	Page(s)
Porter Ranch LLC	Private Access Road	Permanent	2-3
Mid-Rivers Communications	Buried Fiber Optic Cable	Permanent	4-9

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Porter Ranch LLC
 1677 N. Heights Ave.
 Sheridan, WY 82801

Application No.: 18798
 R/W Purpose: a private access road for the purpose of conducting normal farming and ranching operations

Lessee Agreement: N/A (Historic)
 Acreage: 2.14
 Compensation: \$1,284.00
 Legal Description: 30-foot strip through E2NE4, NW4NE4, Sec. 36, Twp. 8S, Rge. 41E, Big Horn County

Trust Beneficiary: Common Schools

Item Summary

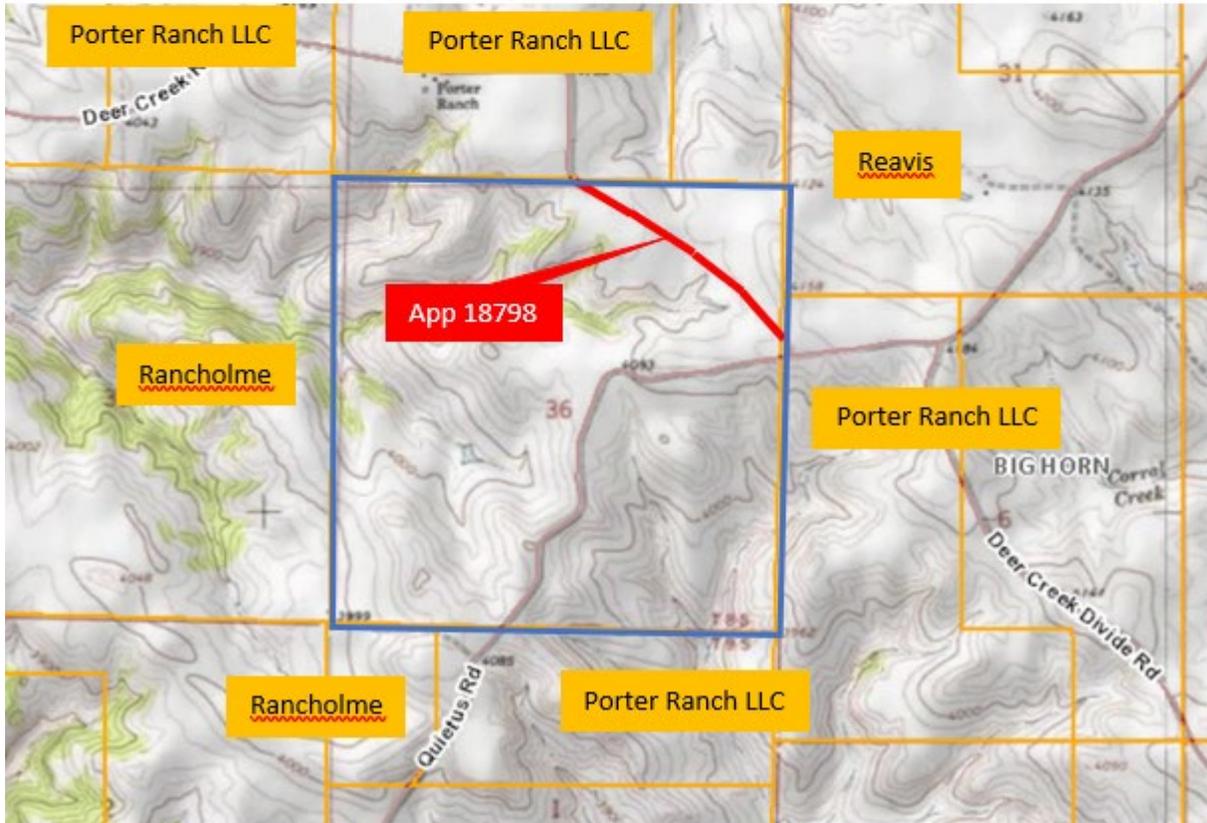
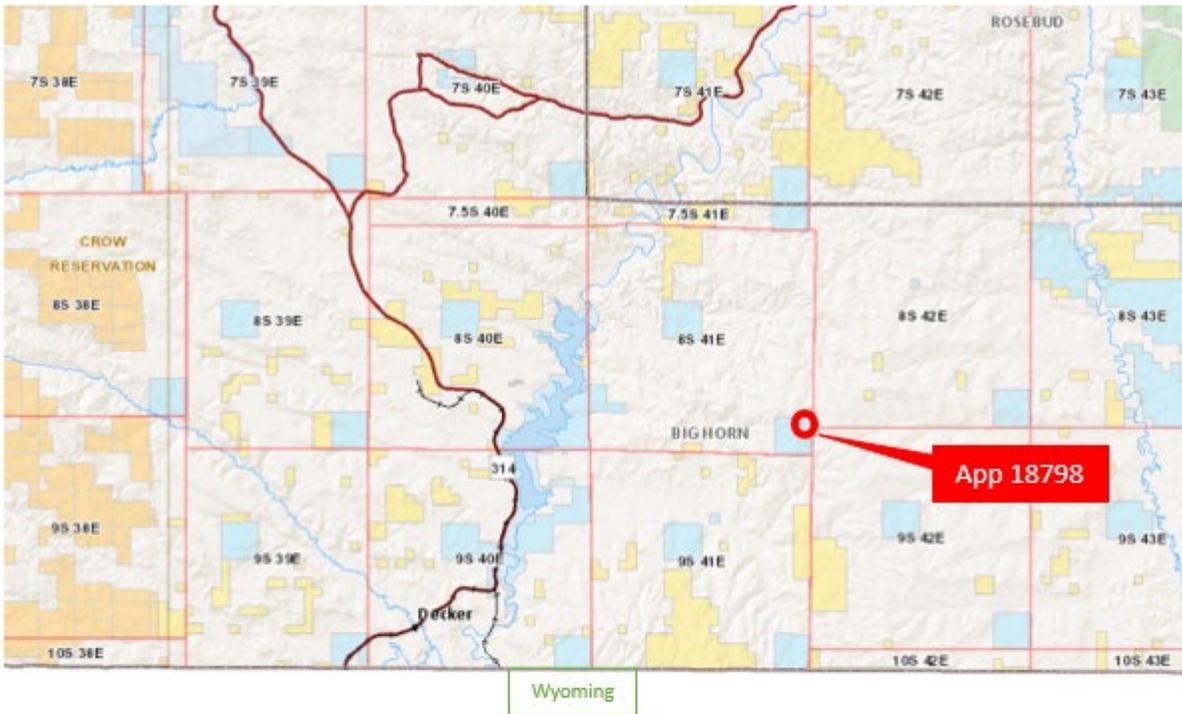
Porter Ranch LLC has made application for the use of an existing road for access to a single-family residence and conducting normal farming and ranching operations. The road has been in place for years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The private property to be accessed is described as:

- ALL, Sec. 24, Twp. 8S, Rge. 41E
- All, Sec. 25, Twp. 8S, Rge. 41E
- SE4, NE4, NW4, Sec. 26, Twp. 8S, Rge. 41E

DNRC Recommendation

The director recommends approval of this historic easement request.

R/W Application 18798



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Mid-Rivers Telephone Cooperative PO Box 280 Circle, MT 59215
Application No.:	18800
R/W Purpose:	a buried fiber optic cable
Lessee Agreement:	ok
Acreage:	2.21
Compensation:	\$1,326.00
Legal Description:	16-foot strip through NE4NW4, W2NE4, N2SE4, SE4SE4, Sec. 16, Twp. 6N, Rge. 60E, Fallon County
Trust Beneficiary:	Common Schools

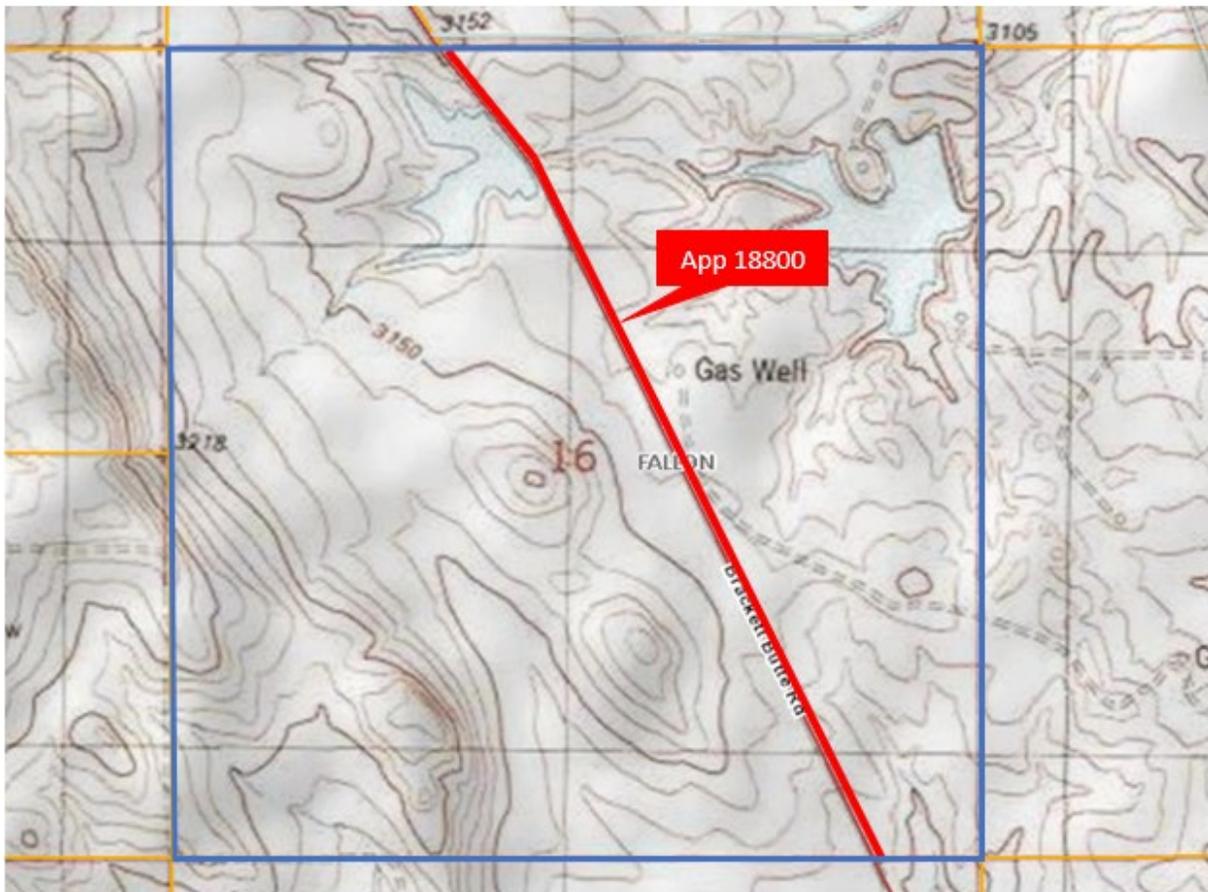
Item Summary

Mid-Rivers Telephone Cooperative is proposing to install a new fiber optic cable in rural Fallon County in the Carlyle exchange area to provide enhanced capabilities for rural customers. The proposed route is located along existing roads and previously disturbed ground and minimal impacts are expected. Two State Land sections impacted by this proposal are within general sage grouse habitat and one section is outside of habitat. Consultation with the Sage Grouse program has taken place.

DNRC Recommendation

The director recommends approval of this easement request for Mid-Rivers Telephone Cooperative.

R/W Application 18800



APPLICANTS AND RIGHTS OF WAY INFORMATION

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

Application No.: 18801
R/W Purpose: a buried fiber optic cable
Lessee Agreement: Yes
Acreage: 0.03
Compensation: \$100.00
Legal Description: 16-foot strip through SW4SW4, Sec. 16, Twp. 8N, Rge. 61E,
Fallon County
Trust Beneficiary: Common Schools

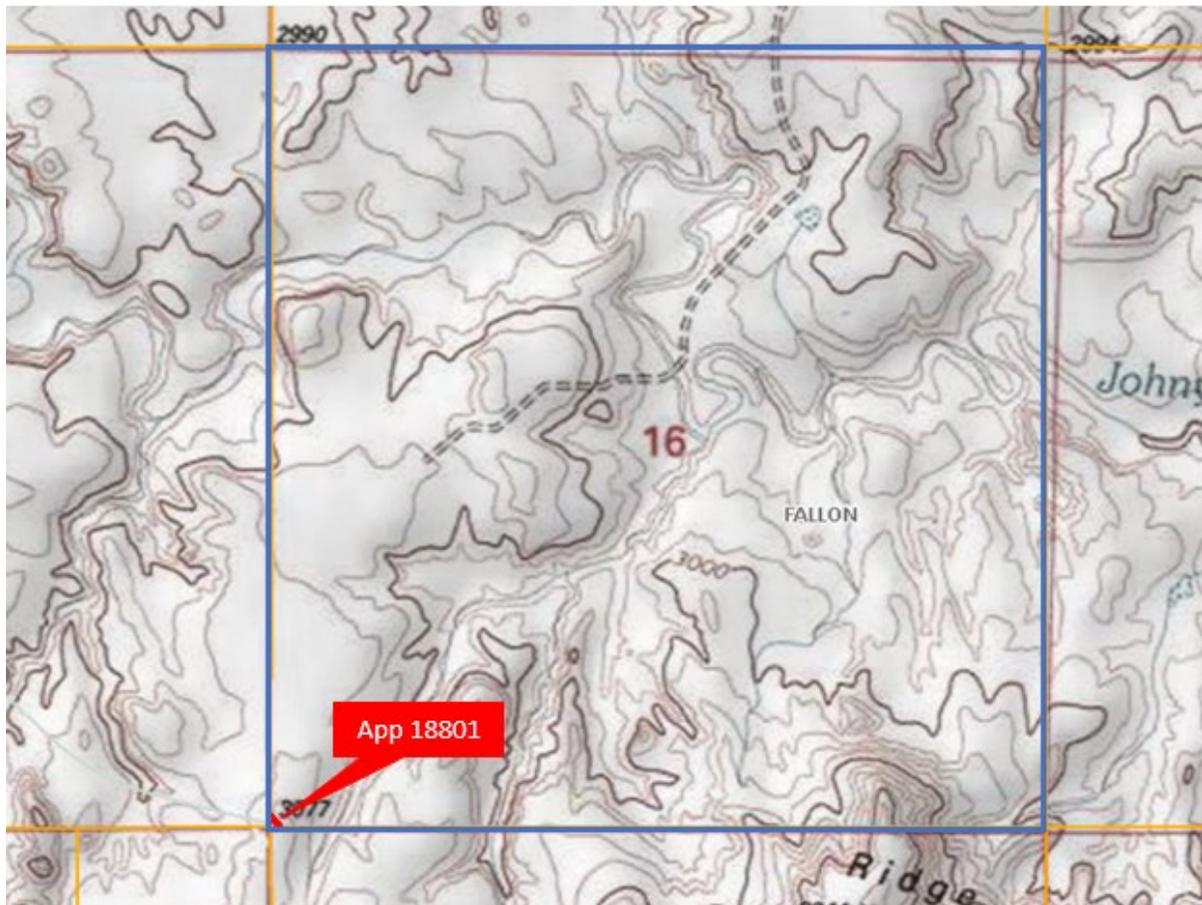
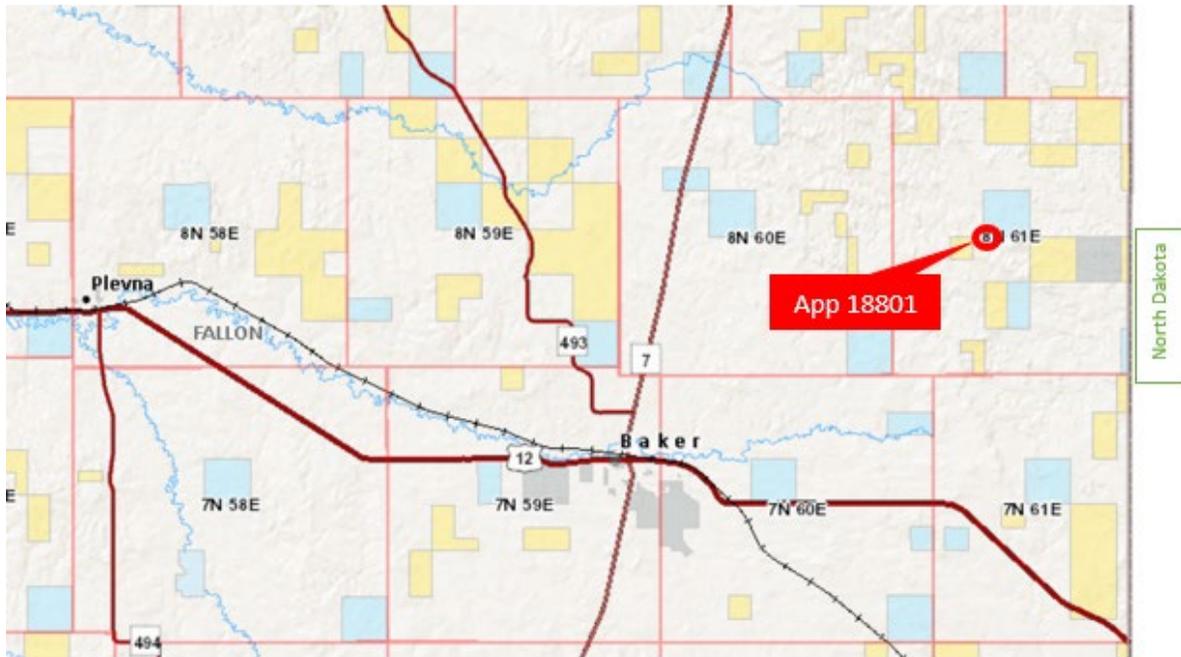
Item Summary

See page 4 for summary

DNRC Recommendation

See page 4 for recommendation

R/W Application 18801



APPLICANTS AND RIGHTS OF WAY INFORMATION

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

Application No.: 18802
R/W Purpose: a buried fiber optic cable
Lessee Agreement: ok
Acreage: 0.78
Compensation: \$468.00
Legal Description: 16-foot strip through Gov. Lot 1, NE4NW4, Sec. 16, Twp. 9N,
Rge. 61E, Fallon County
Trust Beneficiary: Common Schools

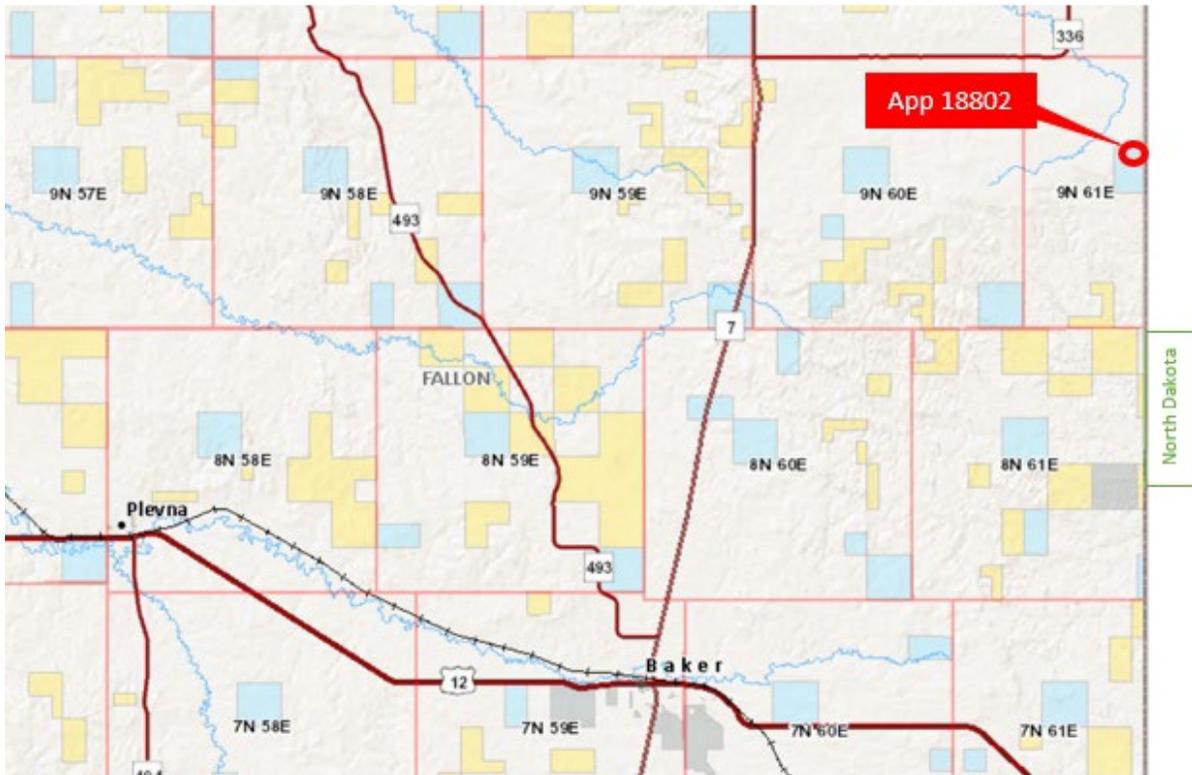
Item Summary

See page 4 for summary

DNRC Recommendation

See page 4 for recommendation

R/W Application 18802



1119-7

INFORMATIONAL ITEM:
2019 STATE TRUST LANDS
REPORT

Trust Lands Management FY 2019 Review



- **K-12: 2019 School Year Enrollment: 147,785 public school children**
- **OPI Budget: \$840.2 million**
- **OPI Pupil Budget: average state share per student \$5,685**



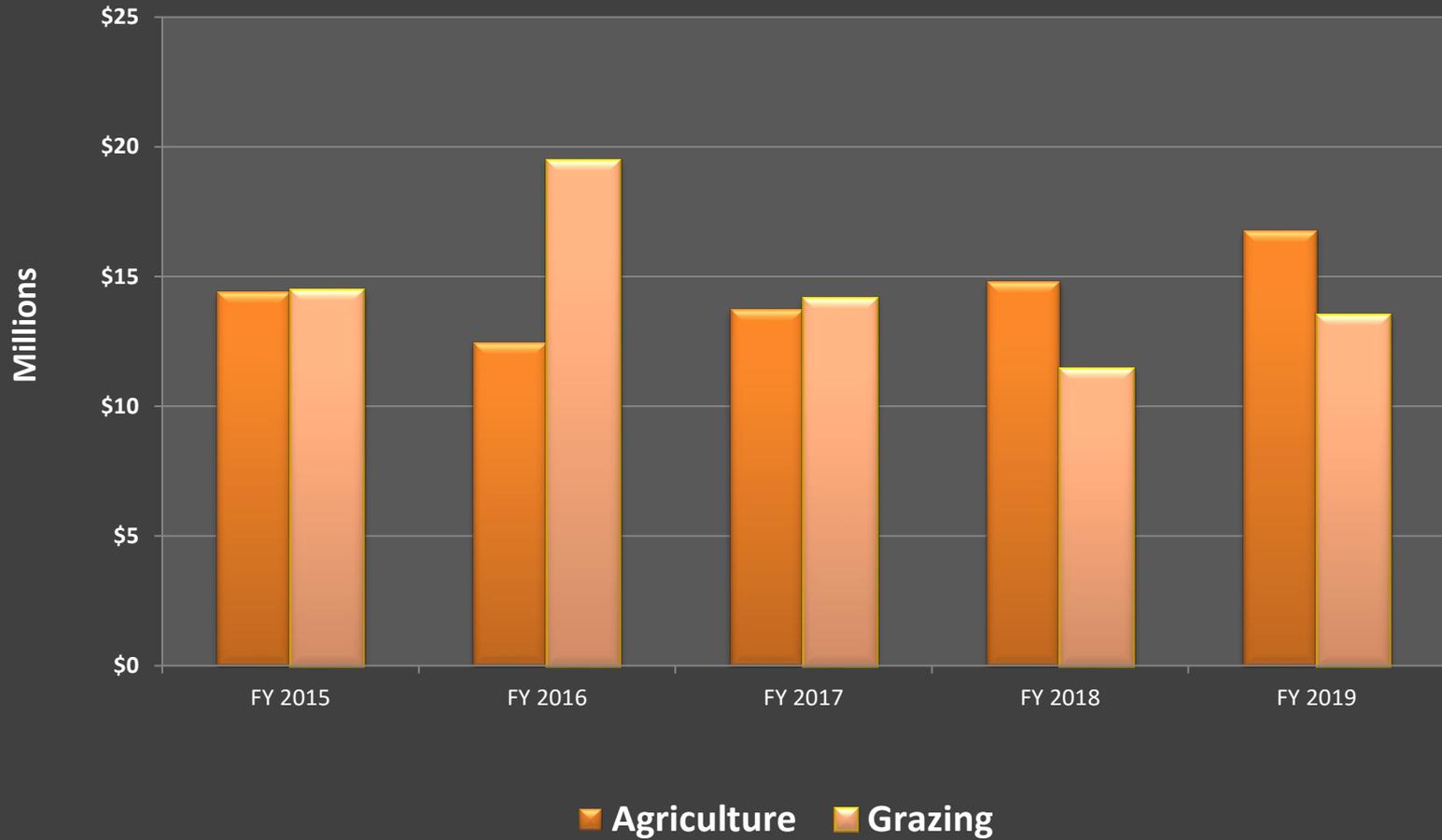
- **Trust Lands Common Schools Distribution: \$45.9 million or \$311 per student**
- **Trust Lands Contribution to the OPI Budget: 5.5%**
- **School Facility & Technology Fund: \$3.7 million**

Agriculture & Grazing Management

- **Agriculture Lease Revenues: \$16.8 million**
 - 5.15 million bushels of wheat
 - 666.5 thousand bushels of barley
 - 66 thousand tons of hay
- **Grazing Revenues: \$13.5 million**
 - An increase in beef cattle prices resulted in an increase of the grazing rate from \$11.03/AUM to \$13.10/AUM.
- **Recreational Use**
 - 499,969 conservation licenses were sold, generating \$999,938 for the trust beneficiaries.



Ag & Grazing Revenues FY 2015 - FY 2019



Minerals Management

- In FY 2019, revenue from mineral activities totaled \$24.4 million
- Average price per barrel: \$54.58
- Oil & Gas royalty revenue: \$10.4 million
- Coal royalty revenue: \$11.3 million
- Oil & Gas rentals & bonus revenue: \$2.2 million



Minerals Management

- **During FY 2019:**
 - **521,156 acres under 1,298 lease agreements for Oil & Gas:**
 - **611 leases are producing from 231,097 acres**
 - **1.2 million barrels of oil**
 - **2.4 million mcf (thousand cubic feet) of gas**
 - **14,692 acres under 31 lease agreements for Coal:**
 - **6 leases are producing from 2,520 acres.**
 - **6 million tons of coal**



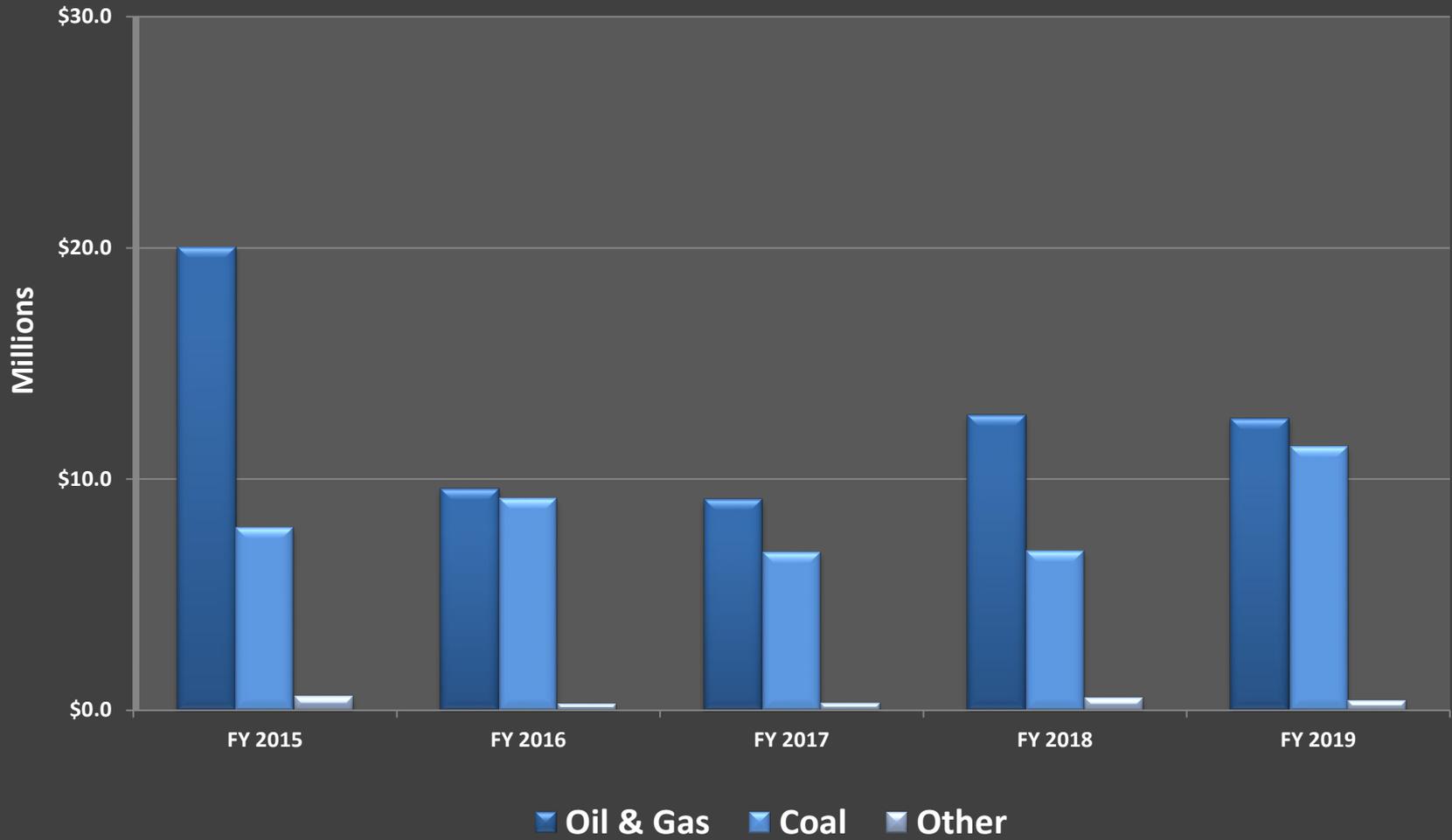
Minerals Management

Oil & Gas Lease Auctions

- **Four quarterly auctions per year.**
- **Generated \$1.16 million in bonus revenue in FY 2019.**
- **57% increase over the previous 3-year average.**
- **However, wide fluctuations in quarterly lease auction revenues.**



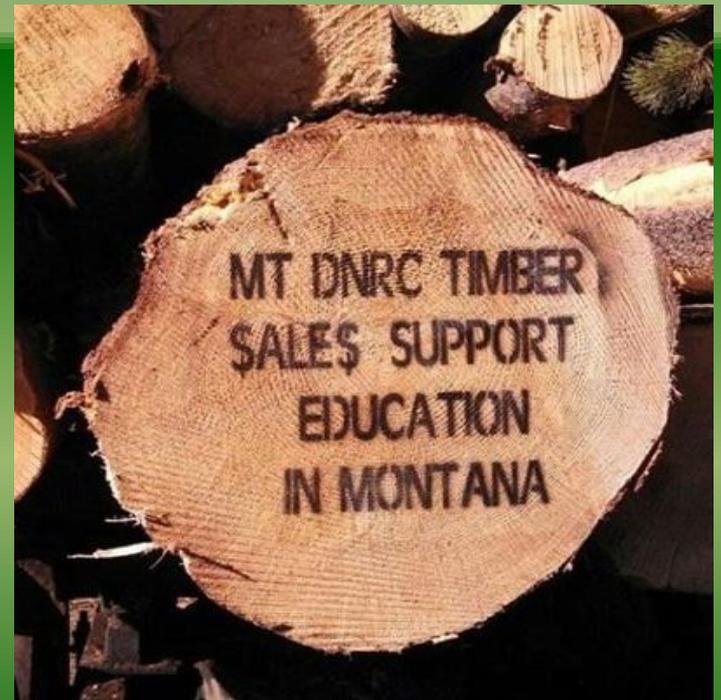
Mineral Revenues FY 2015 - FY 2019



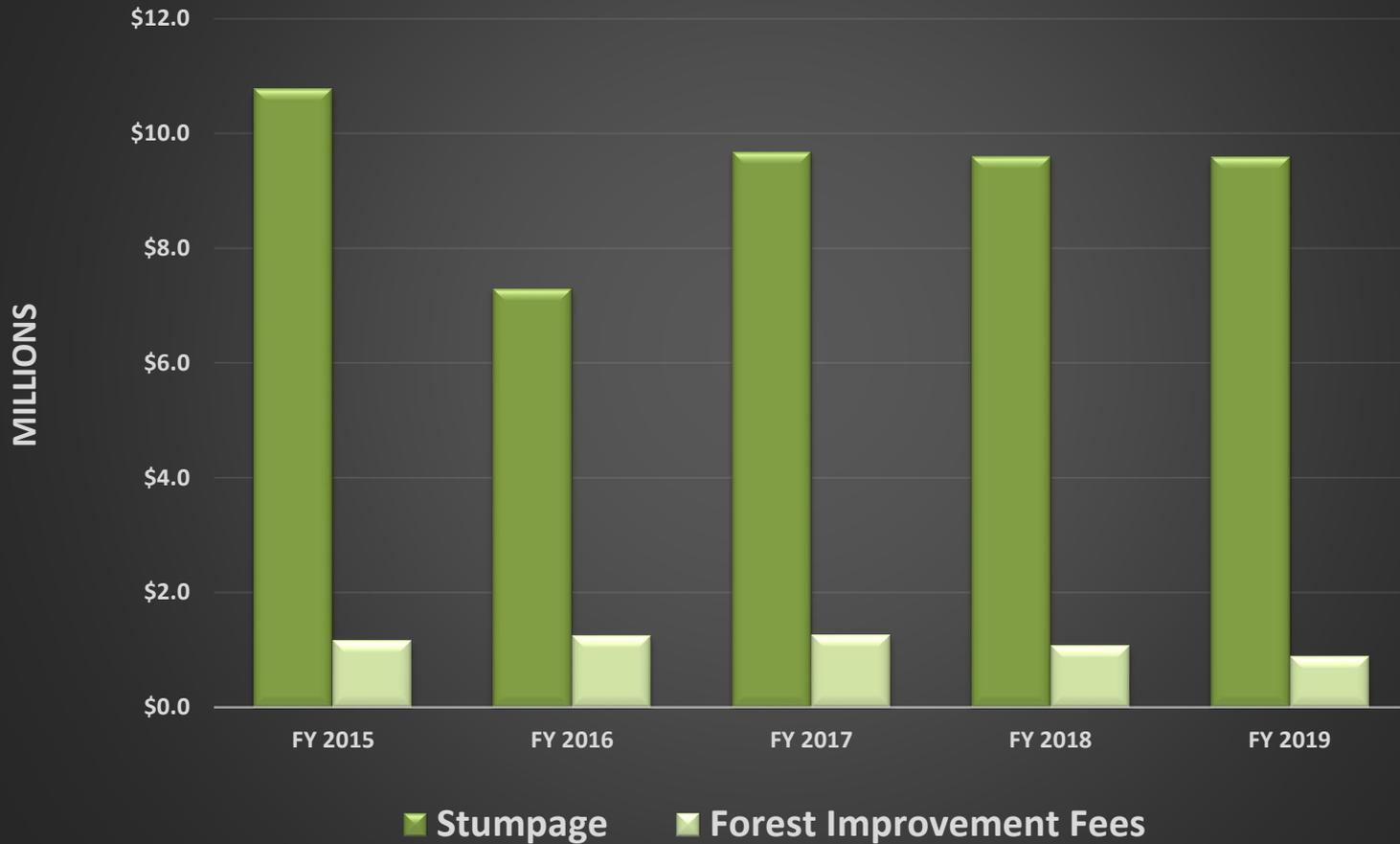
Forest Management

Fiscal Year 2019:

- **54 million board feet sold of the 58.7 offered**
 - **Value of \$11.2 million**
 - **Average stumpage price increased 8% to \$195 per MBF.**
- **54.8 million board feet harvested**
 - **Value of \$10.5 million**
- **208,015 seedlings planted**



Forest Management Revenue FY 2015 - FY 2019



Real Estate Management

FY 2019 Revenue by Program

- ROW/Easement: \$2.1 million
- Residential Leasing: \$2.4 million
- Commercial Leasing and Licensing: \$2.5 million
- Hydro Lease: \$4.9 million* undistributed
((\$14.4 million in hydro revenue currently held in escrow))



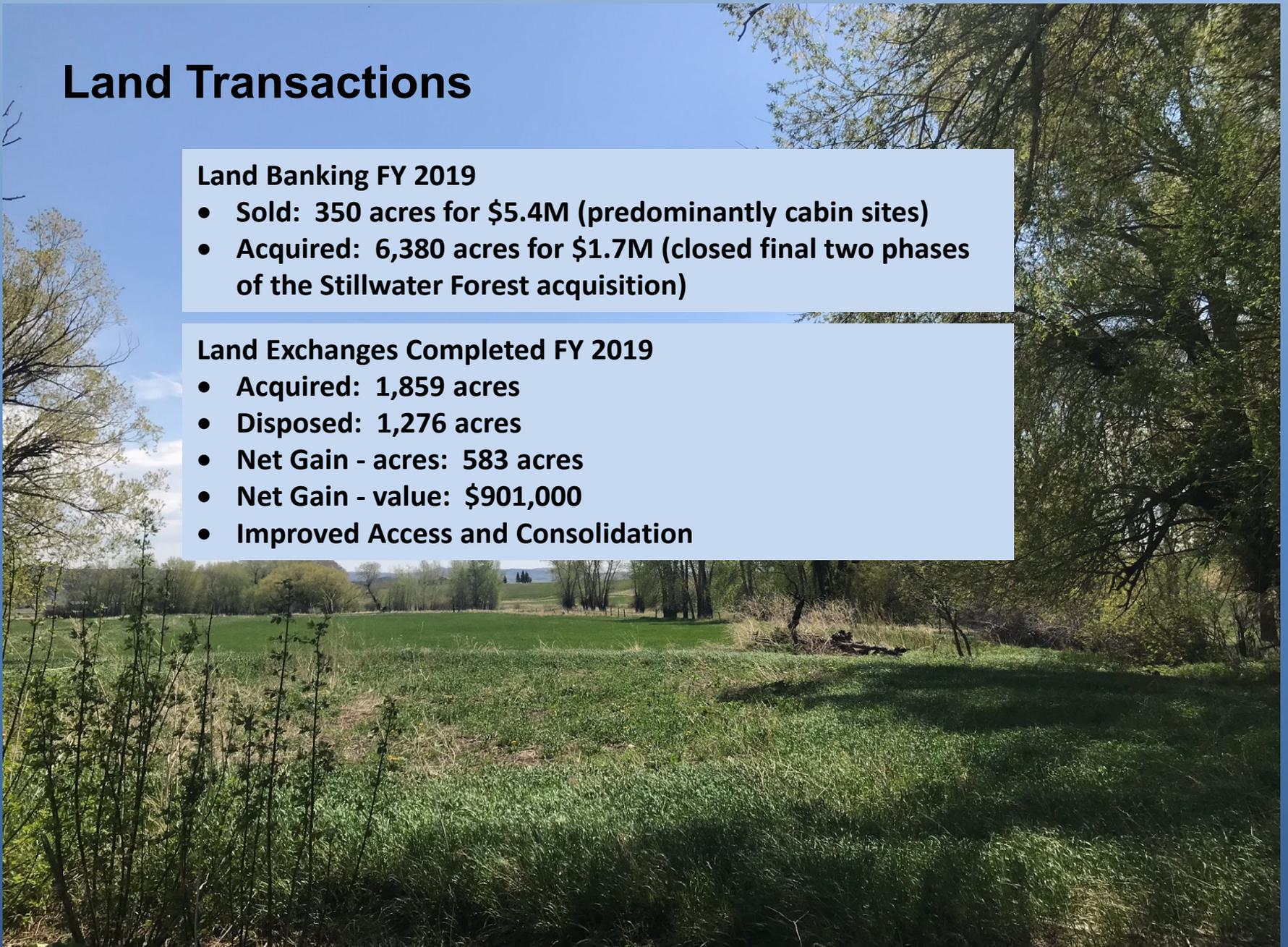
Land Transactions

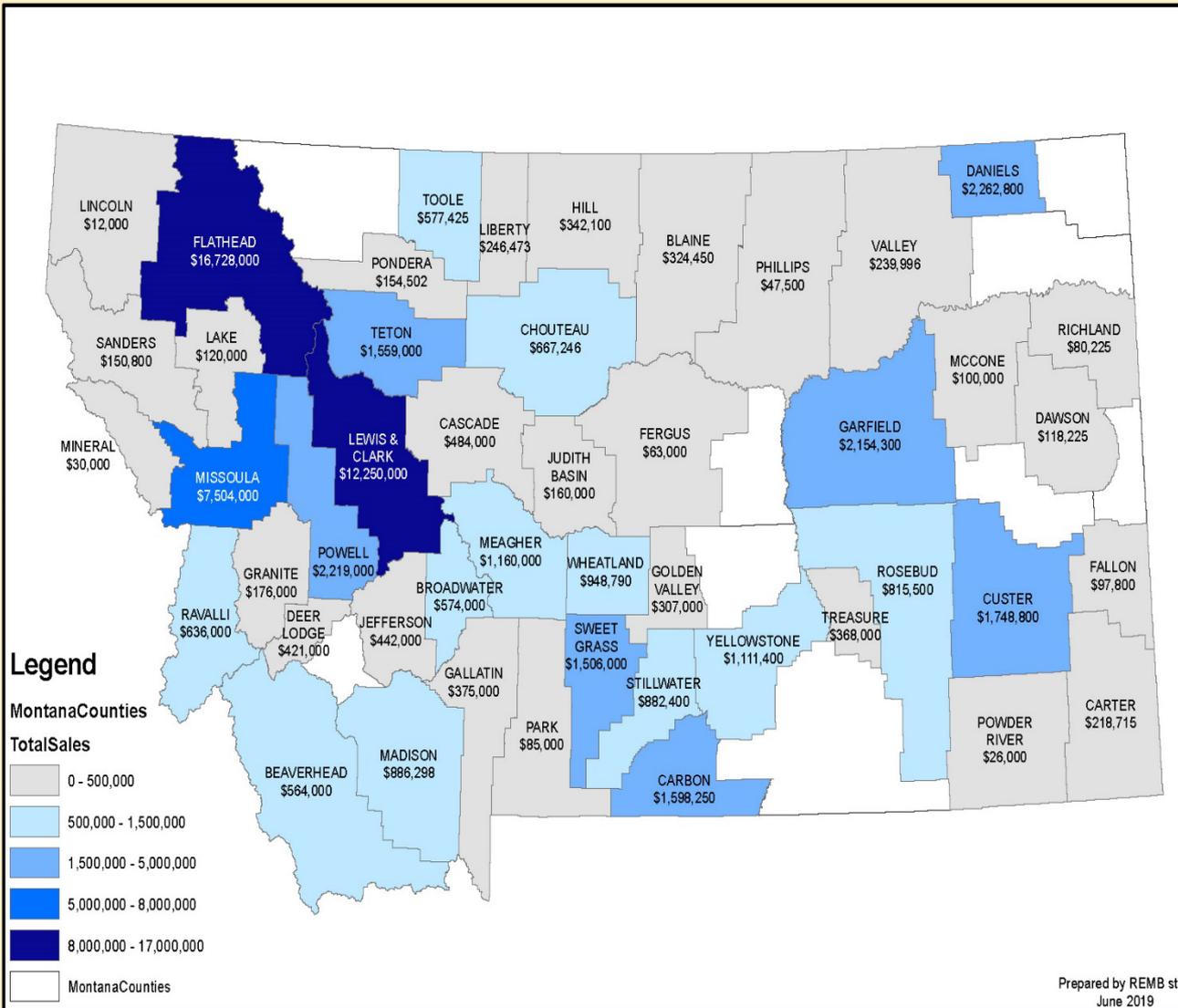
Land Banking FY 2019

- Sold: 350 acres for \$5.4M (predominantly cabin sites)
- Acquired: 6,380 acres for \$1.7M (closed final two phases of the Stillwater Forest acquisition)

Land Exchanges Completed FY 2019

- Acquired: 1,859 acres
- Disposed: 1,276 acres
- Net Gain - acres: 583 acres
- Net Gain - value: \$901,000
- Improved Access and Consolidation





Land Banking
2006 -2019

Total Lands Sold:
80,281 Acres
\$63.5 M

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



Montana Trust Lands Land Banking
Total Sales by County, 2006 - 2019



Cabin Site Sales Highlights

- 46 cabin sites sold FY 2019
- 20+ additional sites to close by end of the calendar year
- 200 lessees have formally elected to be considered for the FY20/21 sale programs



Beaver Lake cabin site



Echo Lake cabin site

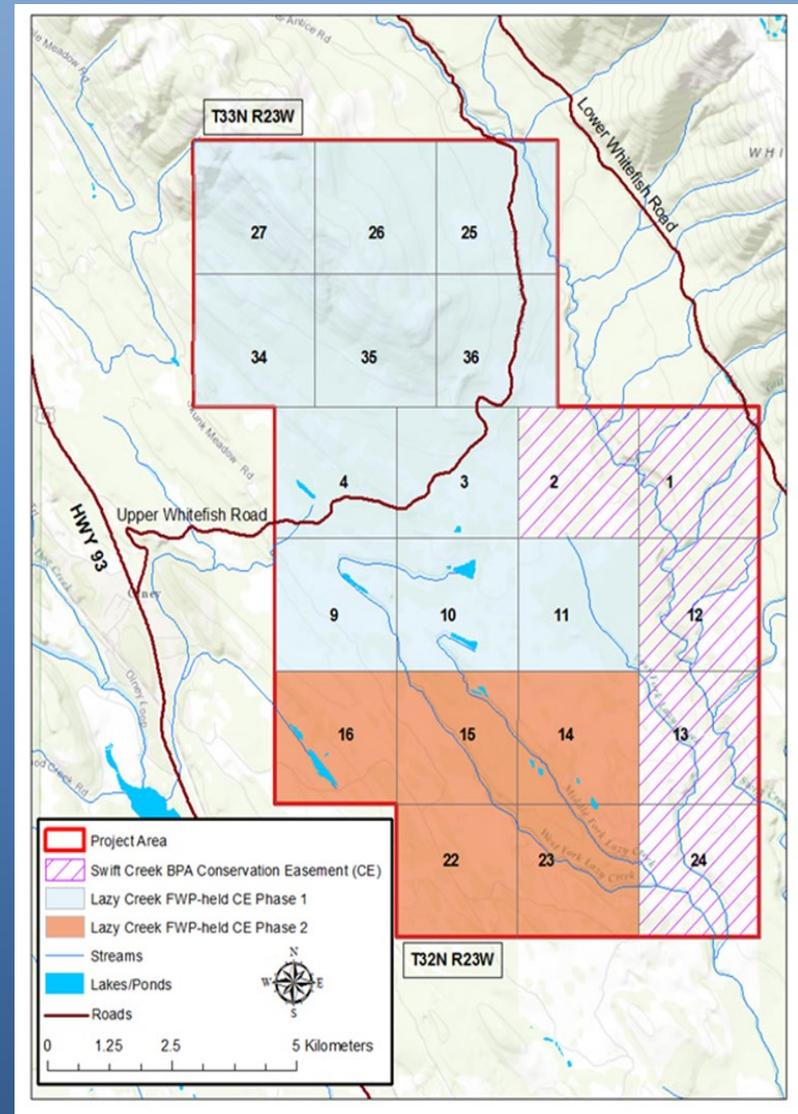


Seeley Lake Outlet cabin site

Land Acquisitions

Stillwater Lazy/Swift – final two phases completed in FY19 for the 13,398 acre inholding acquisition

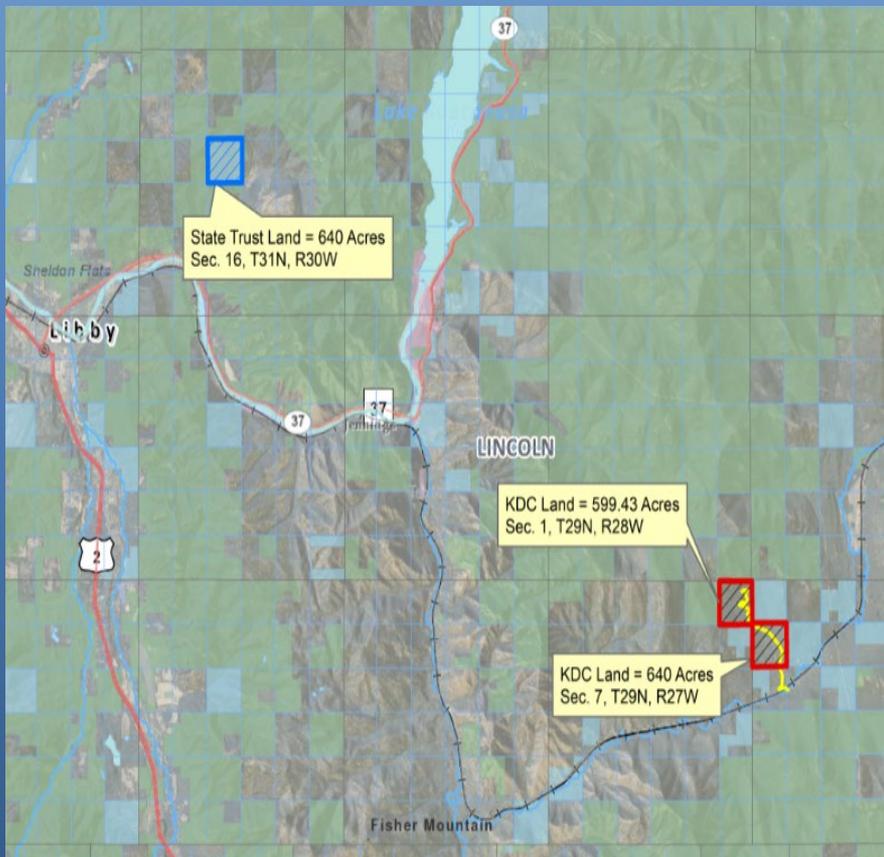
- **3,200 acre Lazy Cr purchase**
- **3,180 acre Swift Cr. Donation (BPA)**
- **6,380 total acres acquired with \$1,722,464 in land banking funds for an average \$270/acre.**
- **In-Lieu: The final Phase II completed package has been with the fed's since August of last year. The Common School Trust is owed 5,800 acres (Custer, Prairie and Richland Counties) of new trust land with a current value of \$2.29M. The department continues to push for closure of this important debt to the state.**



Land Exchanges

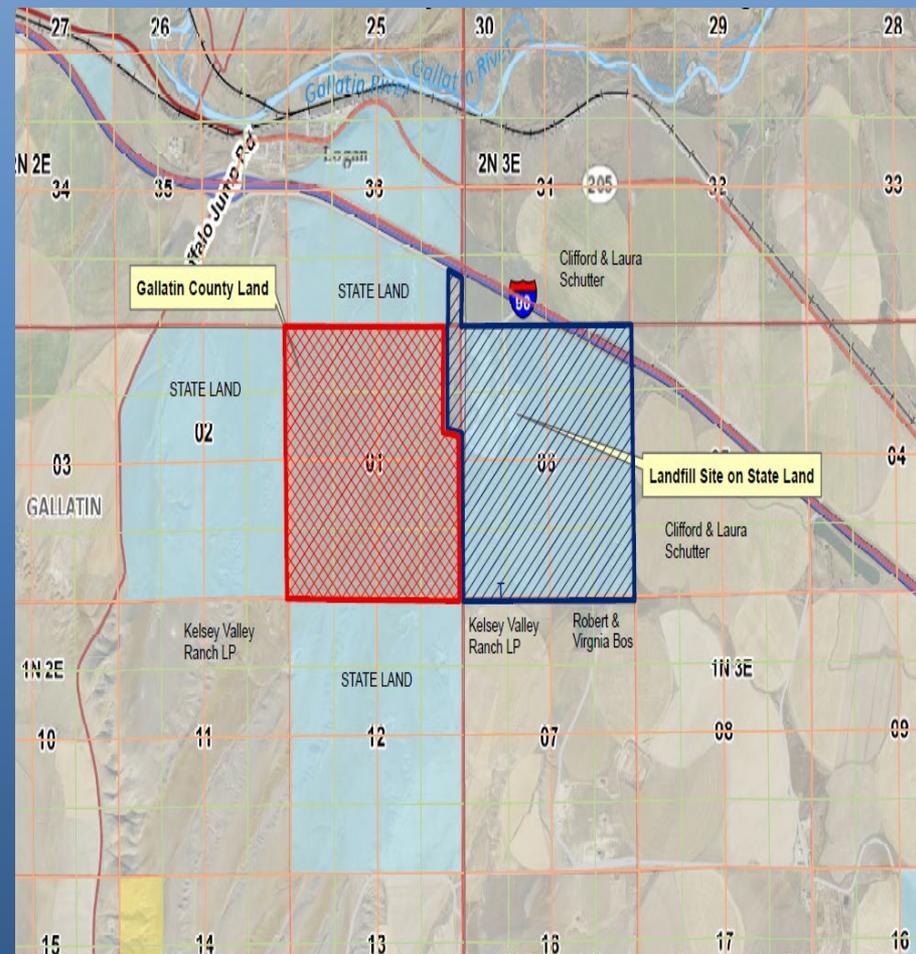
Vermiculite Mountain - Lincoln County

- Exchanged out of 640 acres within the OU3 superfund, Gained 1240 productive timbered acres with legal access
- Consolidated a block of 2,945 acres of trust land for future forest management



Logan Landfill Site - Gallatin County

- Exchanged out of 636 acre County landfill Site
- Gained 620 acres while increasing public access
- Consolidated a block of 4 sections of trust lands



Rights-of-Way/Easements

- **336 historic rights-of-way/easement applications approved by the Land Board. (private access roads, utilities and Counties)**
- **46 cabin site sale legal access easements**
- **Revenue back near the 5-year average, bringing \$2.1M to the permanent fund.**
- **Actively pursuing reciprocal easement exchanges to obtain and enhance legal access to trust land inholdings.**



Public Access Project Highlight

East Fork Blacktail Road Beaverhead County, South of Dillon

- DNRC stepped in to secure a full ownership assignment from U.S.F.S. for this popular public access to ~8,000 acres of Trust land, FWP WMA holdings and a popular BLM Campground.
- DNRC completed the bridge repairs necessary to insure this road remains open permanently.
- A true win-win for protecting and enhancing access to public and state lands.



Property Management

Commercial Leasing

- Lands managed for intensive Real Estate leasing represent the smallest land classification at only 15,152 acres, of the total 5.2M acres.
- However, these lands generate 7 times more revenue per acre than any other program.
- The Real Estate Management Bureau is aggressively pursuing commercial opportunities throughout the state.



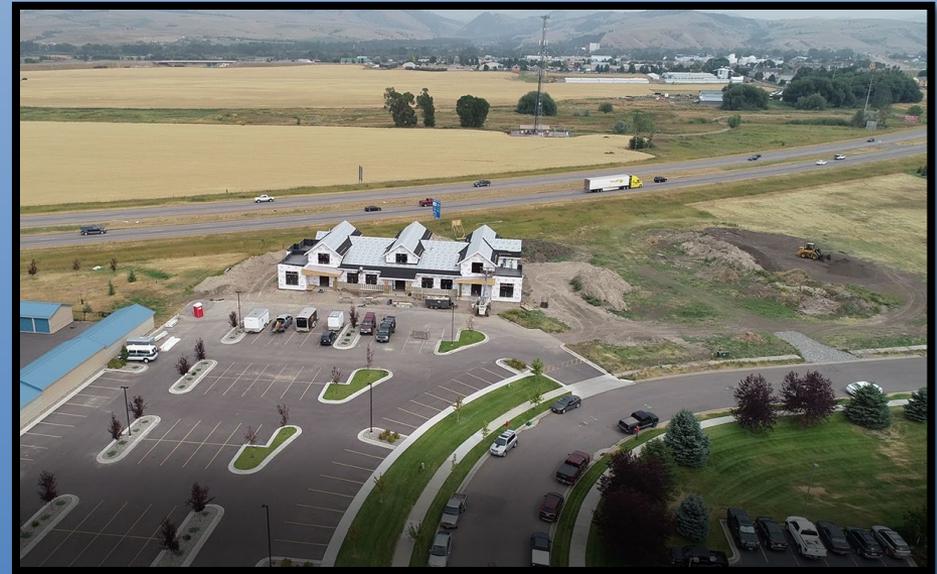
Development in Kalispell Treeline Center – Section 36

Real Estate Management

Property Management

Commercial Leasing

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

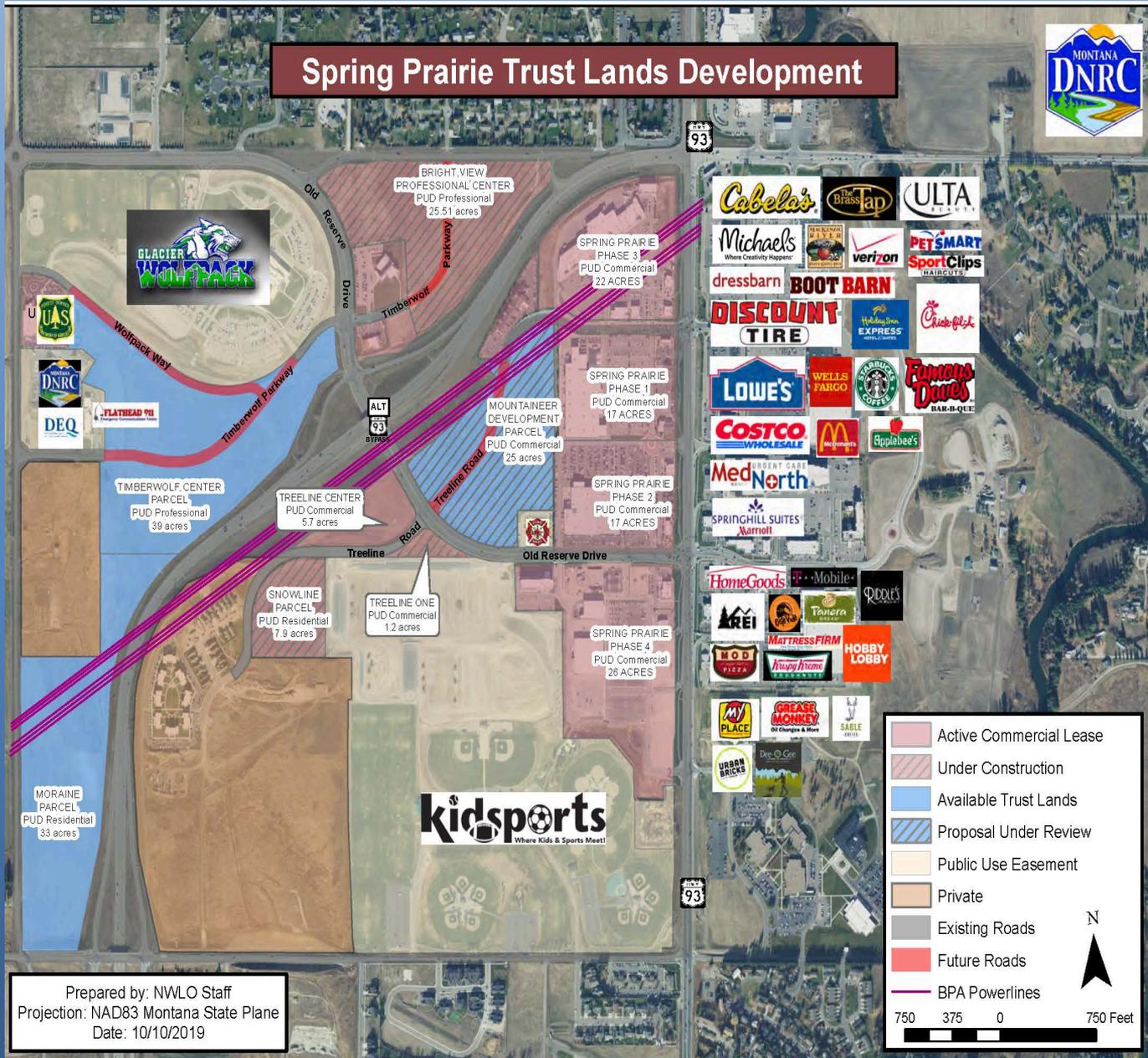


Development in Bozeman
South of Interstate: Lewis and Clark Subdivision
North of Interstate: North Park

Development in
Belgrade: Alaska Road



Spring Prairie Trust Lands Development



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

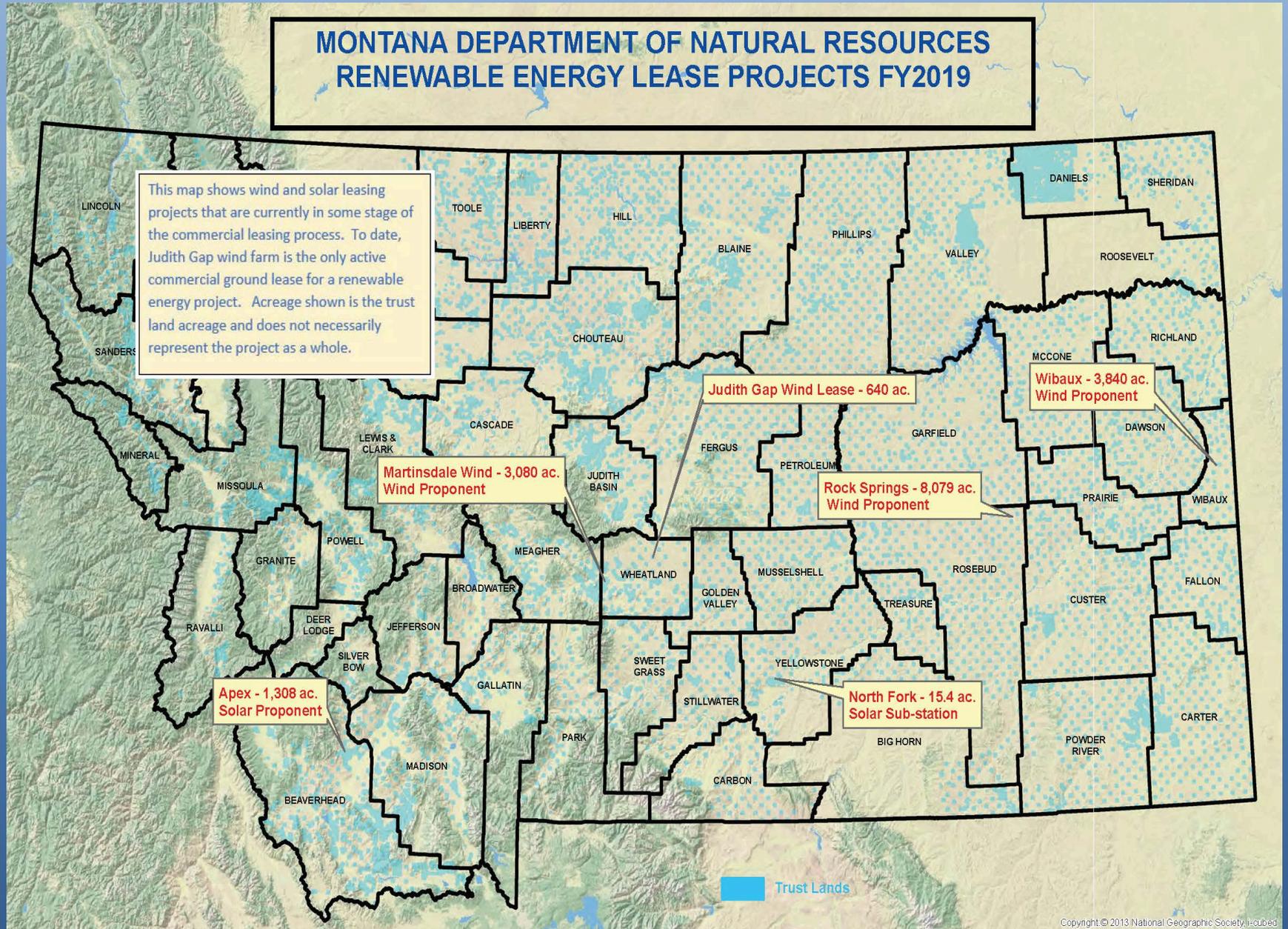
Section 36 is currently producing \$904,636 per year with 11 ground leases.

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

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

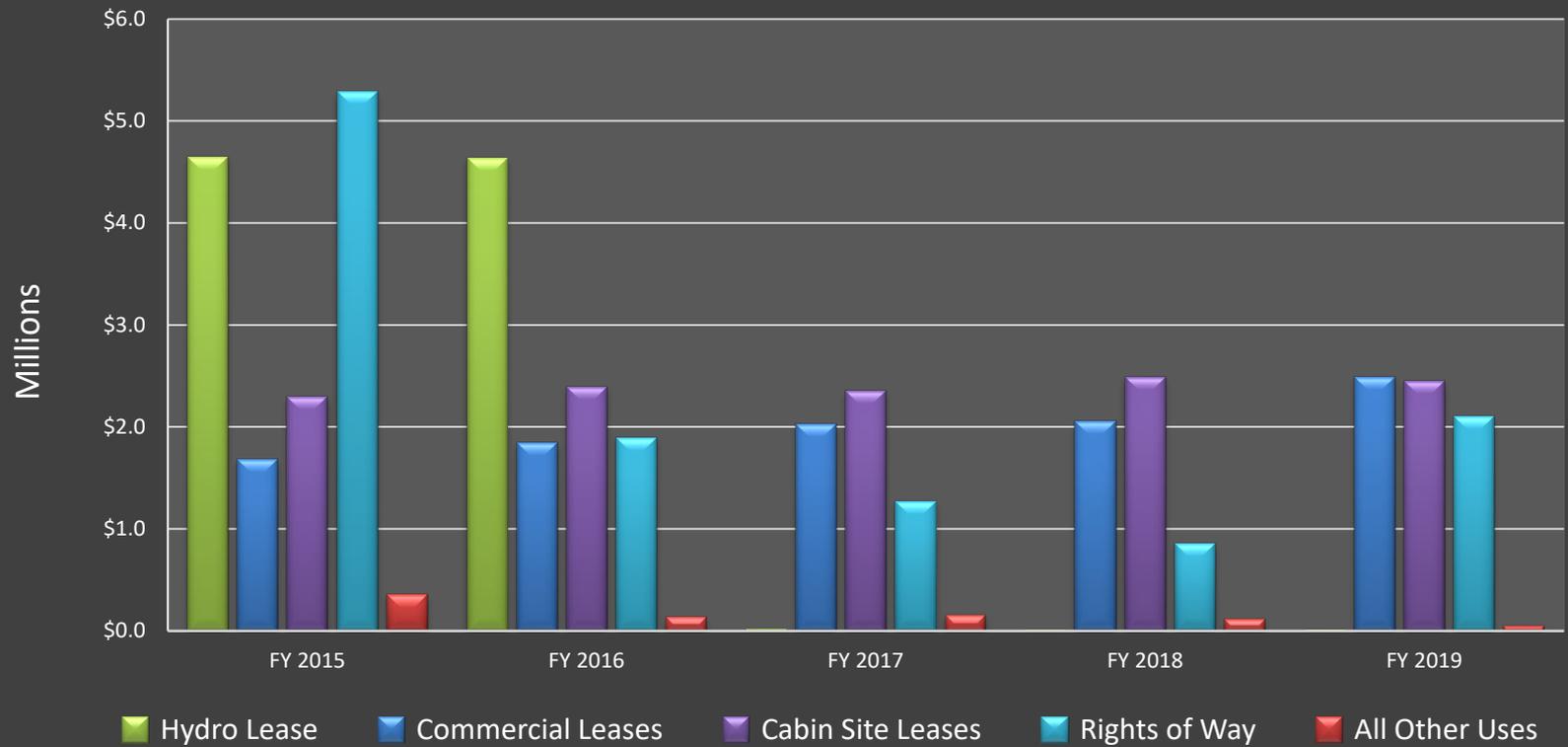
MONTANA DEPARTMENT OF NATURAL RESOURCES RENEWABLE ENERGY LEASE PROJECTS FY2019

This map shows wind and solar leasing projects that are currently in some stage of the commercial leasing process. To date, Judith Gap wind farm is the only active commercial ground lease for a renewable energy project. Acreage shown is the trust land acreage and does not necessarily represent the project as a whole.

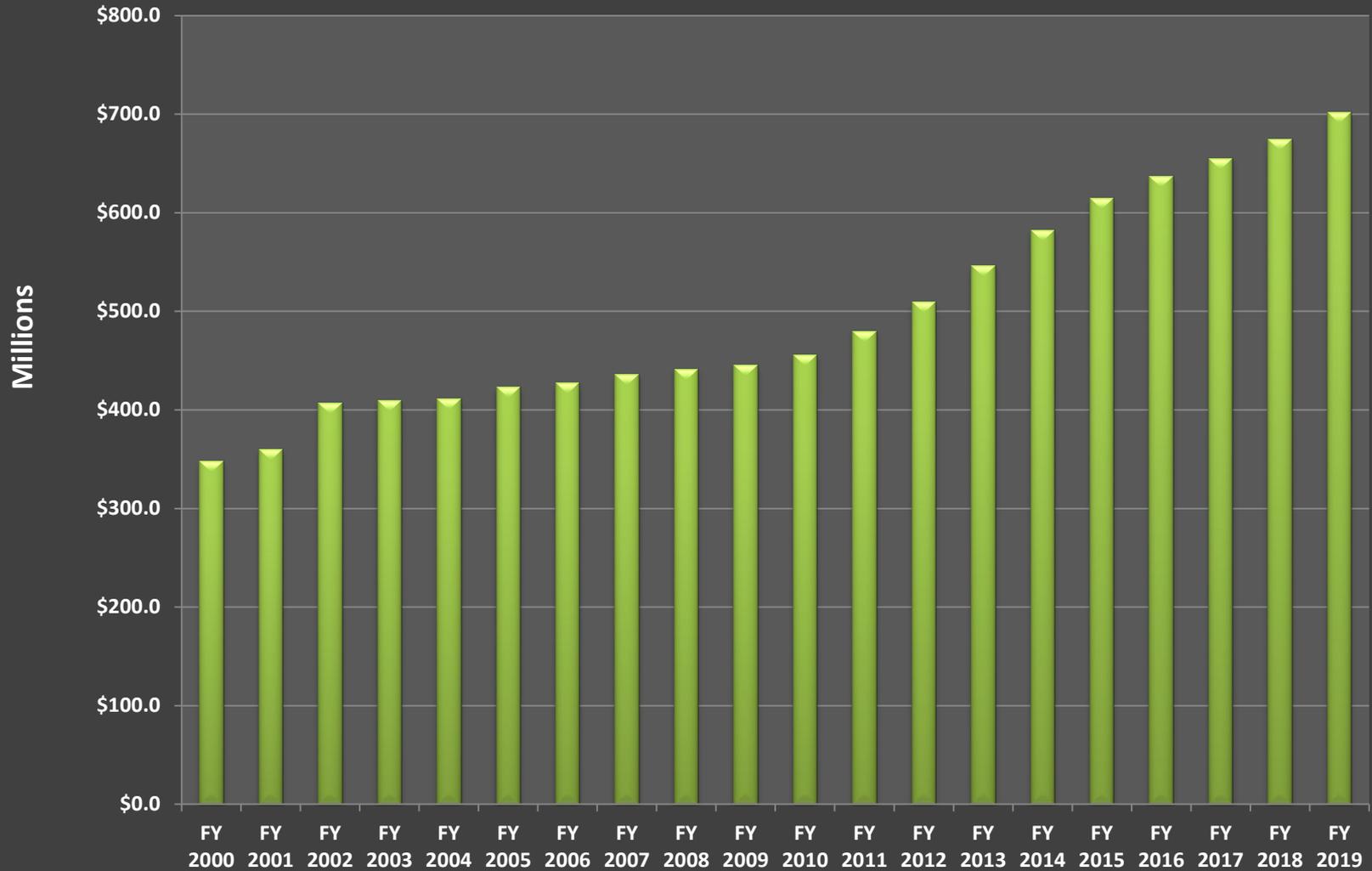


Real Estate Management

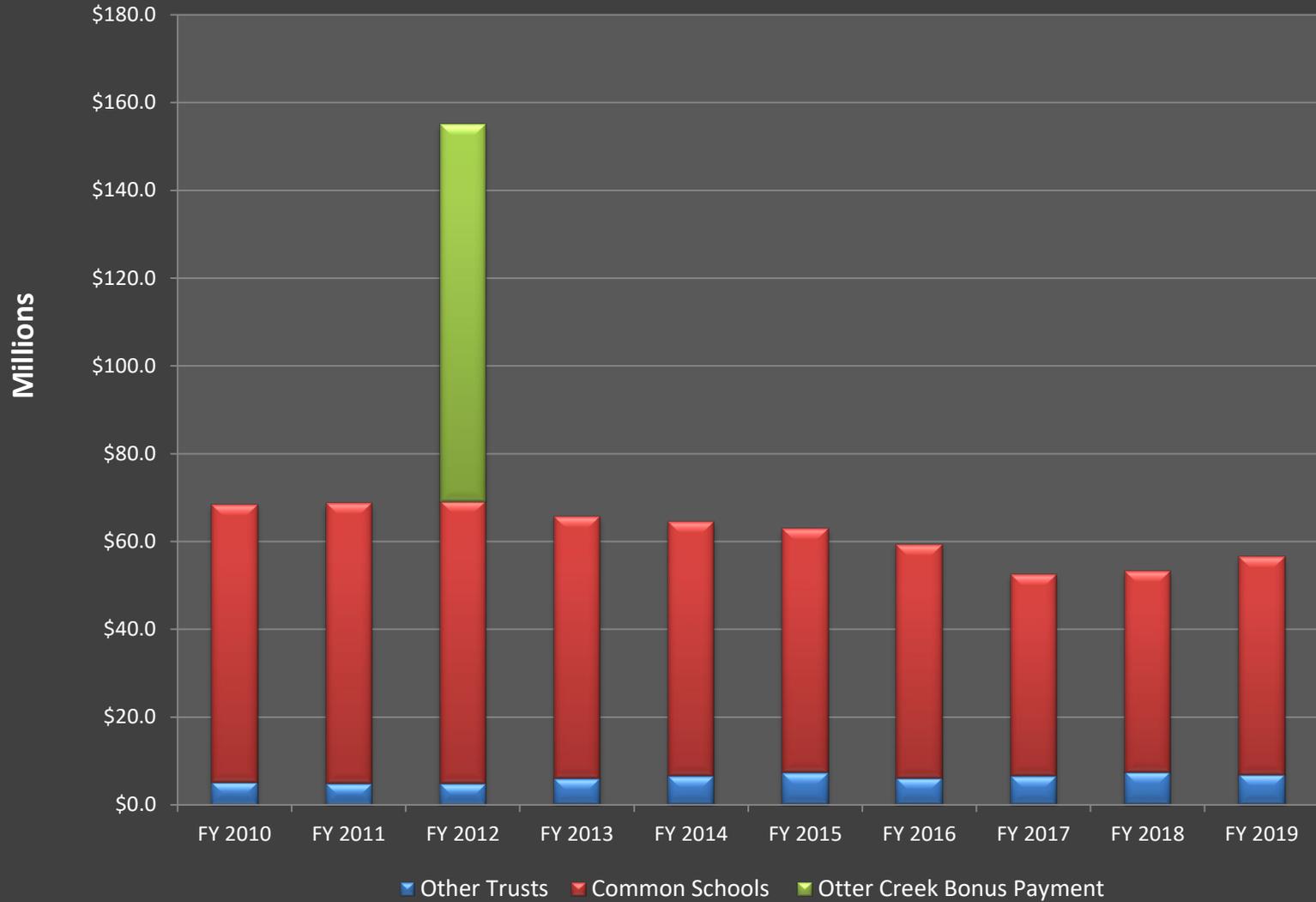
Real Estate Revenues FY 2015 - FY 2019



Permanent Fund Balance FY 2000 - FY 2019



Net Distributable Revenues FY 2010 - FY 2019



THE END