AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
February 18, 2020 at 9:00 a.m.
State Capitol, Room 303
Helena, MT

ACTION ITEMS

0220-1 **Timber Sale: Beaver Lake 2020**
Benefits: State Normal School, Public Buildings, Montana Tech, and MSU 2nd Grant
Location: Flathead County

0220-2 **Land Banking Parcels: Set Minimum Bid for Sale**

A. Sale # 1073
Benefits: Common Schools
Location: Fergus County

B. Sale # 1077
Benefits: Common Schools
Location: Fergus County

0220-3 **Cabin and Home Sites: Final Approval for Sale**

A. Fallon County
Benefits: Common Schools
Location: Fallon County

B. McCone County
Benefits: Common Schools
Location: McCone County

C. Missoula County
Benefits: MSU 2nd Grant, Pine Hills
Location: Missoula County

D. Prairie County
Benefits: Common Schools
Location: Prairie County

E. Sanders County
Benefits: Public Buildings, Common Schools
Location: Sanders County

0220-4 **Cabin and Home Sites: Set Minimum Bid for Sale No. 1027**
Benefits: Pine Hills
Location: Missoula County

0220-5 **Easements:**
Benefits: Common Schools
Location: Lake, Musselshell Counties

PUBLIC COMMENT

0220-1

TIMBER SALE:

Beaver Lake 2020

Land Board Agenda Item
February 18, 2020

0220-1 Timber Sale: Beaver Lake 2020
Location: Flathead County
Section 7, 8, 17, 18, 19, and 20, T31N, R22W

Trust Beneficiaries: State Normal School, Public Buildings, Montana Tech, and MSU 2nd Grant

Trust Revenue: $ 691,306 (estimated, minimum bid)

Item Summary

Location: The Beaver Lake 2020 Timber Sale is located approximately 4 air miles northwest of Whitefish, MT.

Size and Scope: The sale includes 19 harvest units (*647 acres*) of ground-based logging.

Volume: The estimated harvest volume is 26,941 tons (*4,189 MMBF*) of sawlogs.

Estimated Return: The minimum bid is $25.66 per ton, which would generate approximately $691,306 for the State Normal School, Public Buildings, Montana Tech, and MSU 2nd Grant trusts and approximately $124,467 in Forest Improvement fees.

Prescription: This sale has a harvest prescription of seedtree, Improvement (selection), old-growth maintenance, and overstory removal treatment designed to reduce fuel loads in the Wildland Urban Interface by creating a mosaic of age classes and desired future conditions, as well as improve growth of existing trees.

Road Construction/Maintenance: The Department of Natural Resources and Conservation (DNRC) is proposing 0.76 miles of road reconstruction, and 15.6 miles of road maintenance.

Access: Access is obtained through State and County roads.

Public Comments: 12 comments from organizations and individuals were received. There was concern that we follow the Beaver Lakes Recreational Use Easement and MOU associated with the easement by protecting trail systems, minimizing disruption to recreationists, and reshaping road systems. There was also concern for safety in a high recreational use area.

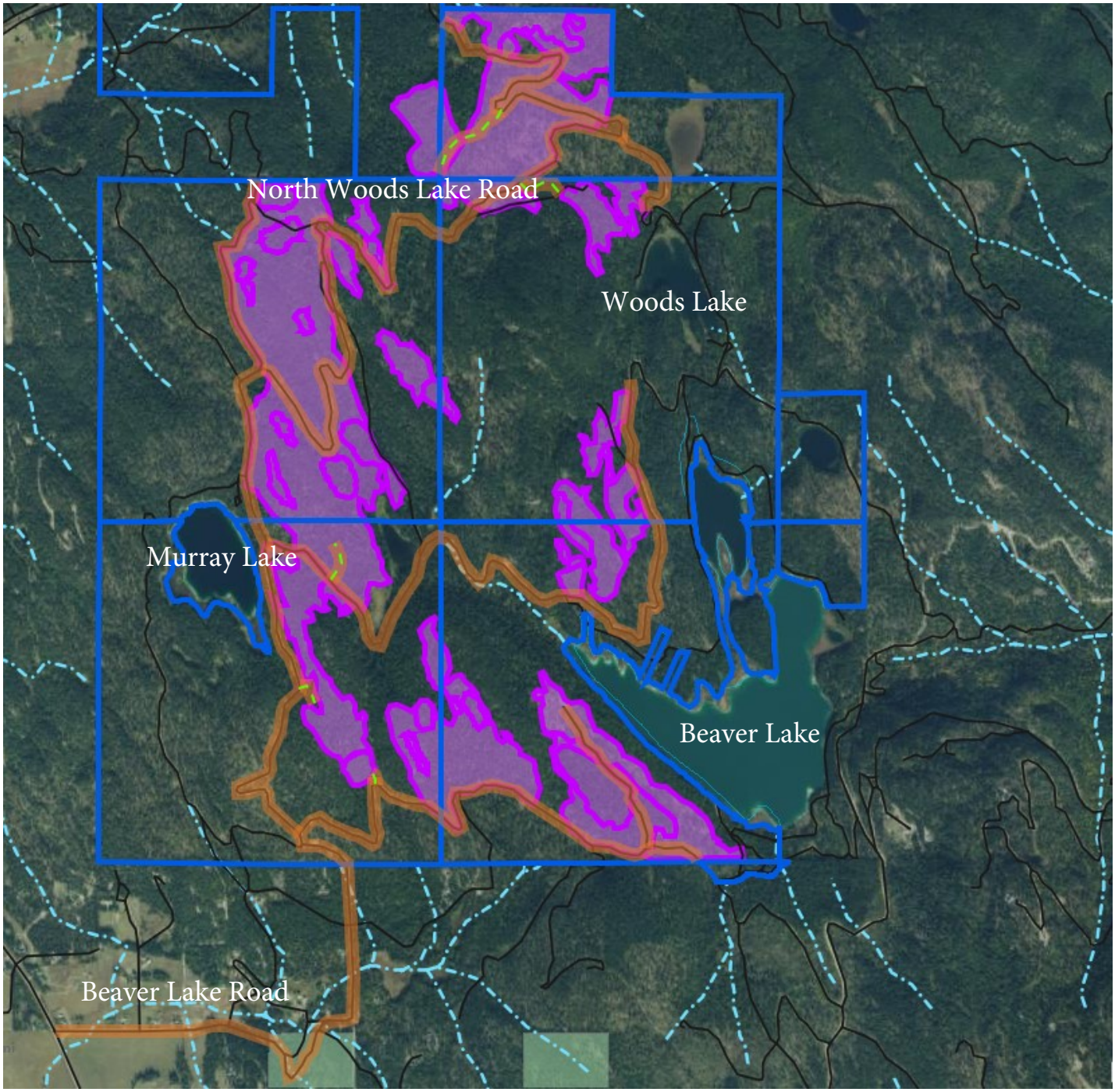
Internal and external commenters also expressed concern that silvicultural treatments address fuels reduction within the wildland urban interface near Whitefish with no clearcutting. Wildlife corridors were incorporated into the project.

These concerns are to be incorporated into the contract partly through design, timing of operations when recreational use is less, use of social media with cooperation with City of Whitefish, and follow up treatments to assure fuels treatments are adequate.

DNRC Recommendation

The director recommends the Land Board direct DNRC to sell the Beaver Lake 2020 Timber Sale.

Beaver Lake 2020 Haul Route and Harvest Units



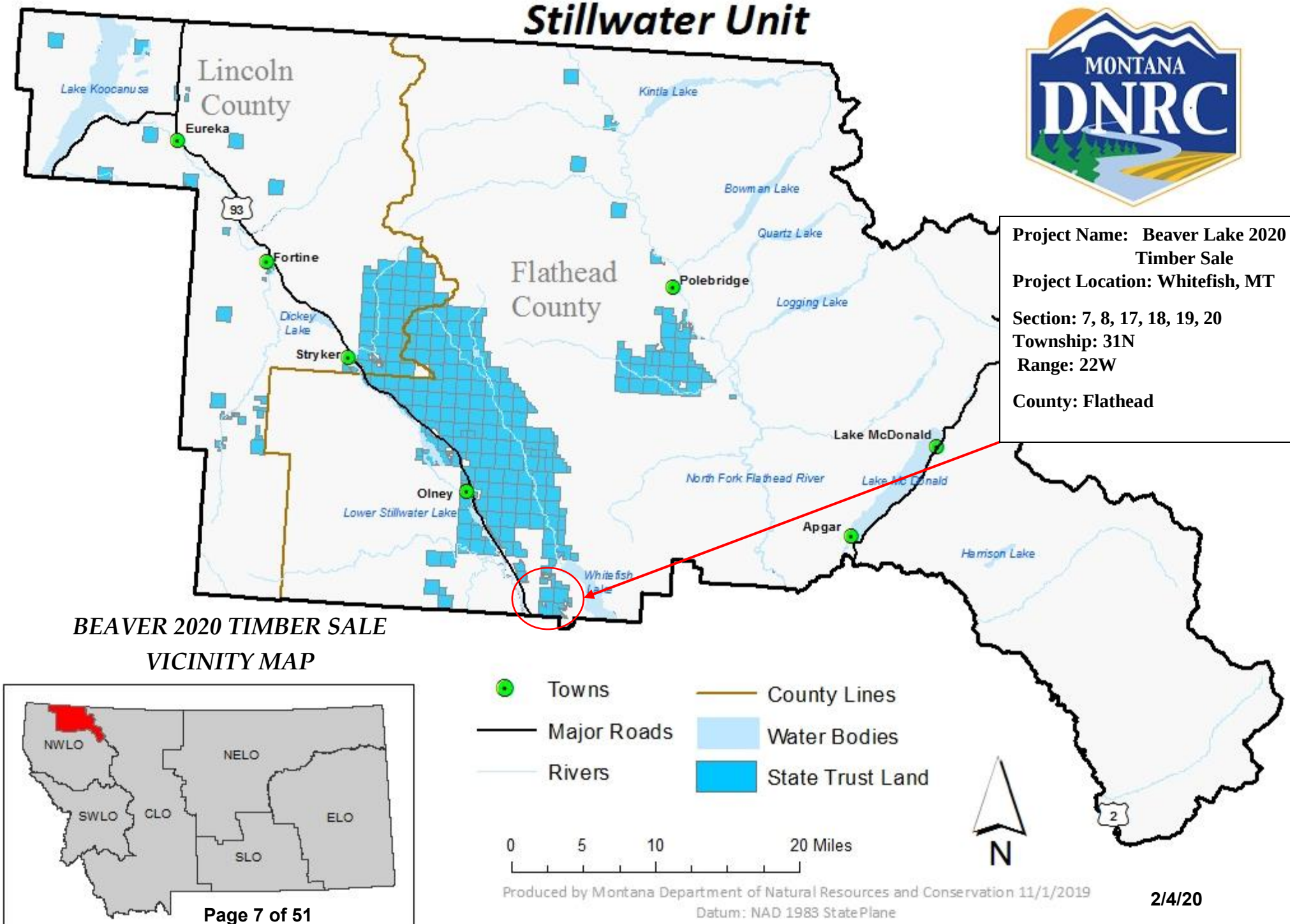
Existing Road
New Road
Road Reconstruction
Haul Route
Perennial Stream
Intermittent Stream
Proposed Harvest Units
DNRC Surface Tracts
USFS Land
USFWS Land
BLM Land
MT FWP

N

State Trust Land Vicinity Map

Stillwater Unit

0220-1



Project Name: Beaver Lake 2020 Timber Sale
Project Location: Whitefish, MT

Section: 7, 8, 17, 18, 19, 20
Township: 31N
Range: 22W

County: Flathead

BEAVER 2020 TIMBER SALE VICINITY MAP

2/4/20

0220-2

LAND BANKING PARCEL:

Set Minimum Bid for Sale

A. Sale No. 1073

B. Sale No. 1077

Land Board Agenda Item
February 18, 2020

0220-2A Land Banking Parcel: Set Minimum Bid for Sale #1073
Location: Fergus County

Trust Benefits: Common Schools

Trust Revenue: $352,000

Item Summary
The Department of Natural Resources and Conservation (DNRC) requests to set minimum bid for the sale of one parcel totaling approximately 640 acres nominated for sale in Fergus County. The sale was nominated by the lessee and is located approximately 24 miles north of Winnett, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
1073	640±	ALL, Section 36, T19N-R26E	Jon & Connie Berg	Common Schools

Sale parcel 1073 includes approximately 640 acres of grazing land. The parcel has below average productivity for agricultural and grazing lands statewide. The lessee currently holds a lease and license on the site, and an additional party, Under Wild Skies Outfitters, holds a temporary recreational use license on the parcel. Licensees do not have preferential rights in the Land Banking Sale Process but can participate in the public auction.

This isolated parcel is surrounded by private land except for 320 acres of BLM land to the north that is not legally accessible to the public. Eight total comments were received in opposition to the sale citing lack of access for hunting. Two of these comments were from adjacent land owners and the remaining six were parties who receive seasonal permission to access the state parcel from one of the current adjoining land owners, Double R Outfitters, LLC.

No potentially negative issues were identified through the MEPA process regarding the sale of this parcel.

Economic Analysis:
Short term – The average rate of return on the sale parcel 1073 is 0.39%. This parcel would continue to receive this return if it remains 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 2.91% on acquisitions with income generated from annual lease payments.

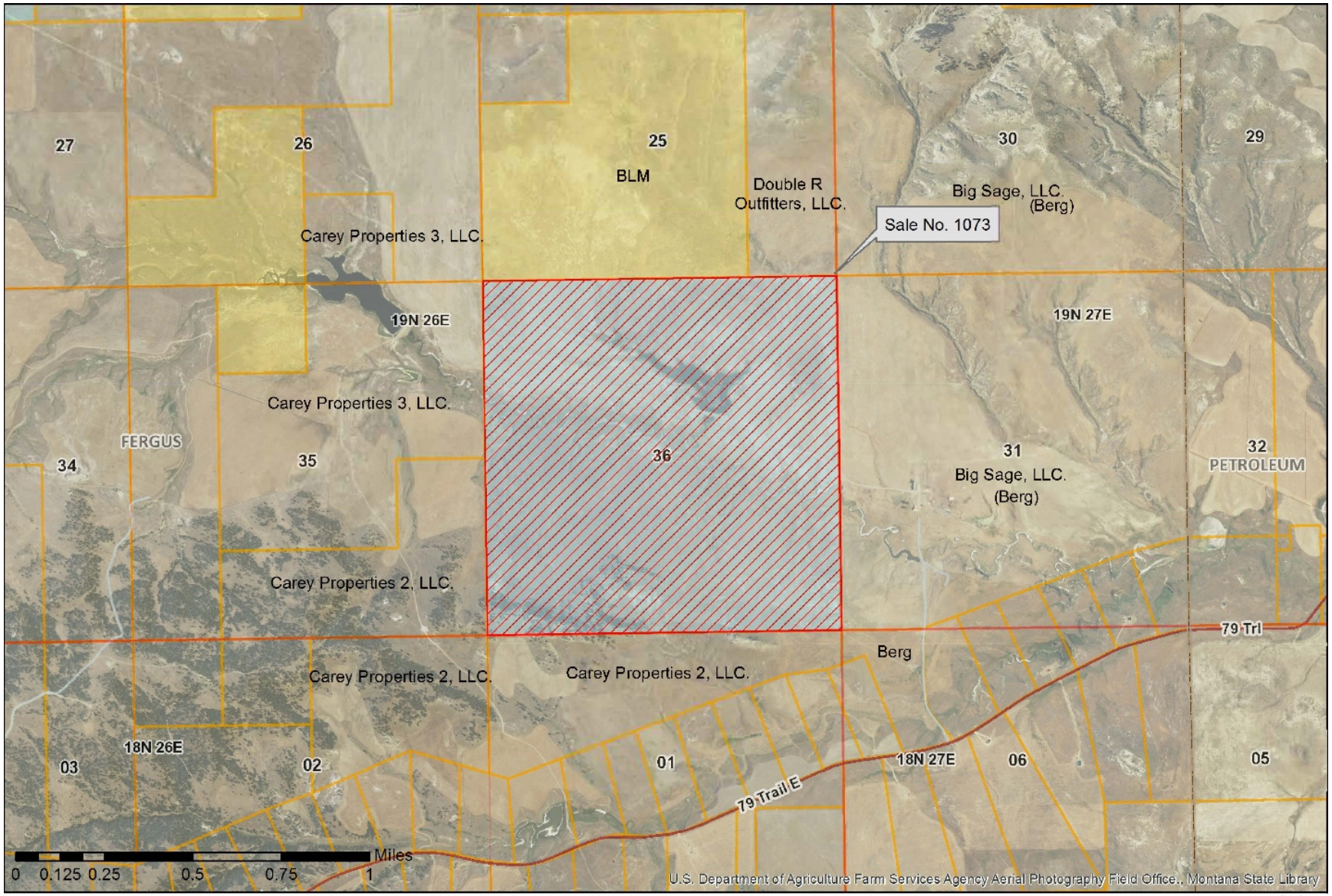
Cultural/Paleontological Resources:
The state parcel proposed for sale was inventoried to Class III standards for cultural and paleontological resources. No cultural or paleontological resources were identified. A formal report of findings has been prepared and filed with the Montana State Historic Preservation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

Background:
In August 2019, the 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
1073	$352,000	$352,000

DNRC Recommendation
The director recommends the Land Board set the minimum bid for this parcel at the appraised land value shown above.



Location: Fergus County
Legal Description: S36 T19N R26E
Prepared on: 15 JULY 2019
Prepared by: DNRC REMB Staff
Projection: NAD 1983 - MT State Plane

Fergus County Sale: Berg
Sale No. 1073, Common Schools

Land Sale | Montana State Trust Land | Bureau of Land Management

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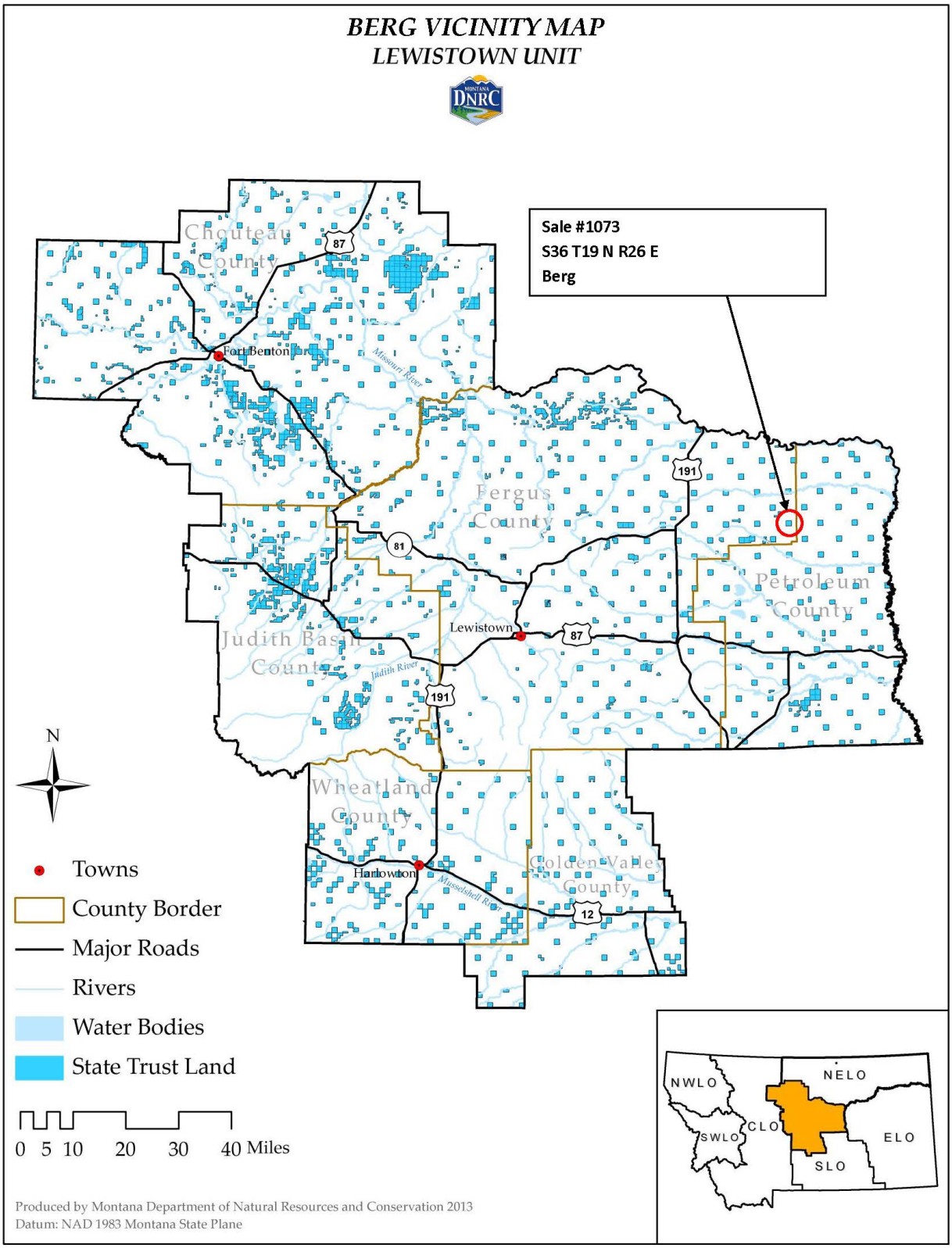
BERG VICINITY MAP
LEWISTOWN UNIT
Sale #1073
S36 T19 N R26 E
Berg
Chouteau County
Fergus County
Petroleum County
Judith Basin County
Wheatland County
Golden Valley County
Fort Benton
Lewistown
Harlowton
Missouri River
Judith River
Musselshell River
87
191
81
12
N
Towns
County Border
Major Roads
Rivers
Water Bodies
State Trust Land
0 5 10 20 30 40 Miles
Produced by Montana Department of Natural Resources and Conservation 2013
Datum: NAD 1983 Montana State Plane
NWLO
NELO
SWLO
CLO
ELO
SLO

Land Board Agenda Item
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0220-2B <u>Land Banking Parcel: Set Minimum Bid for Sale #1077</u>
Location: Fergus County

Trust Benefits: Common Schools

Trust Revenue: $368,000

<u>Item Summary</u>
The Department of Natural Resources and Conservation (DNRC) is requesting preliminary approval to sell one parcel totaling approximately 640 acres nominated for sale in Fergus County. The sale was nominated by the lessee and is located approximately 10 miles southeast of Winifred, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
1077	640±	ALL, Section 16, T20N-R20E	Rolling Hills Gumbo Ranch, Inc.	Common Schools

Sale parcel 1077 includes approximately 119 acres of hay land and 521 acres of grazing land. The parcel has below average productivity for agricultural and grazing lands statewide.

The parcel is surrounded entirely by private land and is not legally accessible by the public.

No potentially negative issues were identified through the MEPA process regarding the sale of this parcel.

Economic Analysis:
Short term – The average rate of return on the sale parcel 1077 is 0.66%. This parcel would continue to receive this return if it remains 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 2.91% 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 Antiquities, as defined under the Montana State Historic Preservation Act were identified. Further, neither Judith River nor Hell Creek geological formations occur on or beneath the ground surface of the subject state tract.

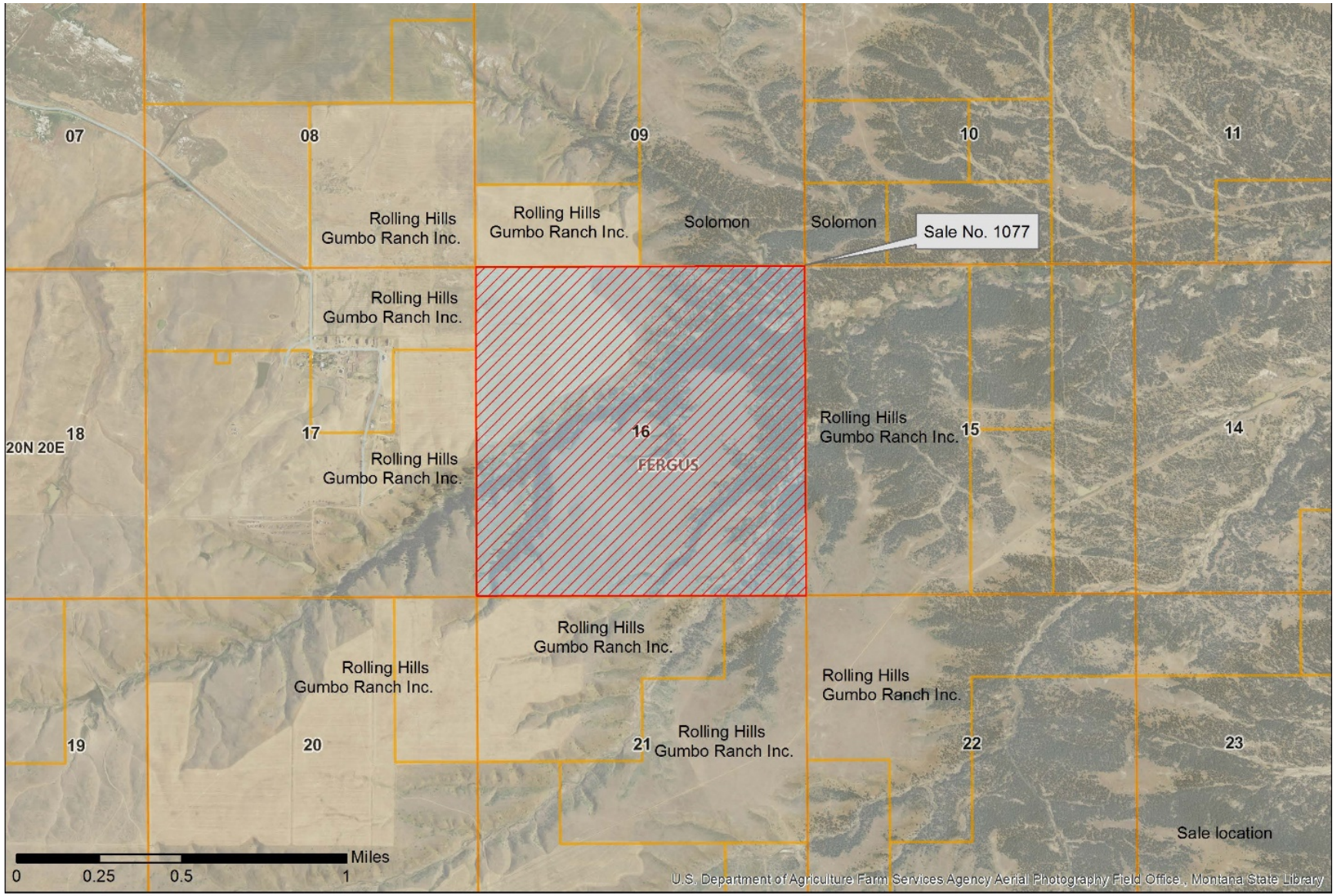
Background:
In August 2019, the Board granted preliminary approval for these parcels to continue through the Land Banking sale evaluation process.

Appraised Value:

Sale #	Appraised Value with Access	Recommended Minimum Bid
1077	$368,000	$368,000

DNRC Recommendation

The director recommends the Land Board set the minimum bid for this parcel at the appraised land value shown above.



Location: Fergus County
Legal Description: S16 T20 N R20 E
Prepared on: 15 JULY 2019
Prepared by: DNRC REMB Staff
Projection: NAD 1983 - MT State Plane

Fergus County Sale: Rolling Hills Gumbo Ranch, Inc.
Sale No. 1077, Common Schools

Land Sale | Montana State Trust Land | Bureau of Land Management

N

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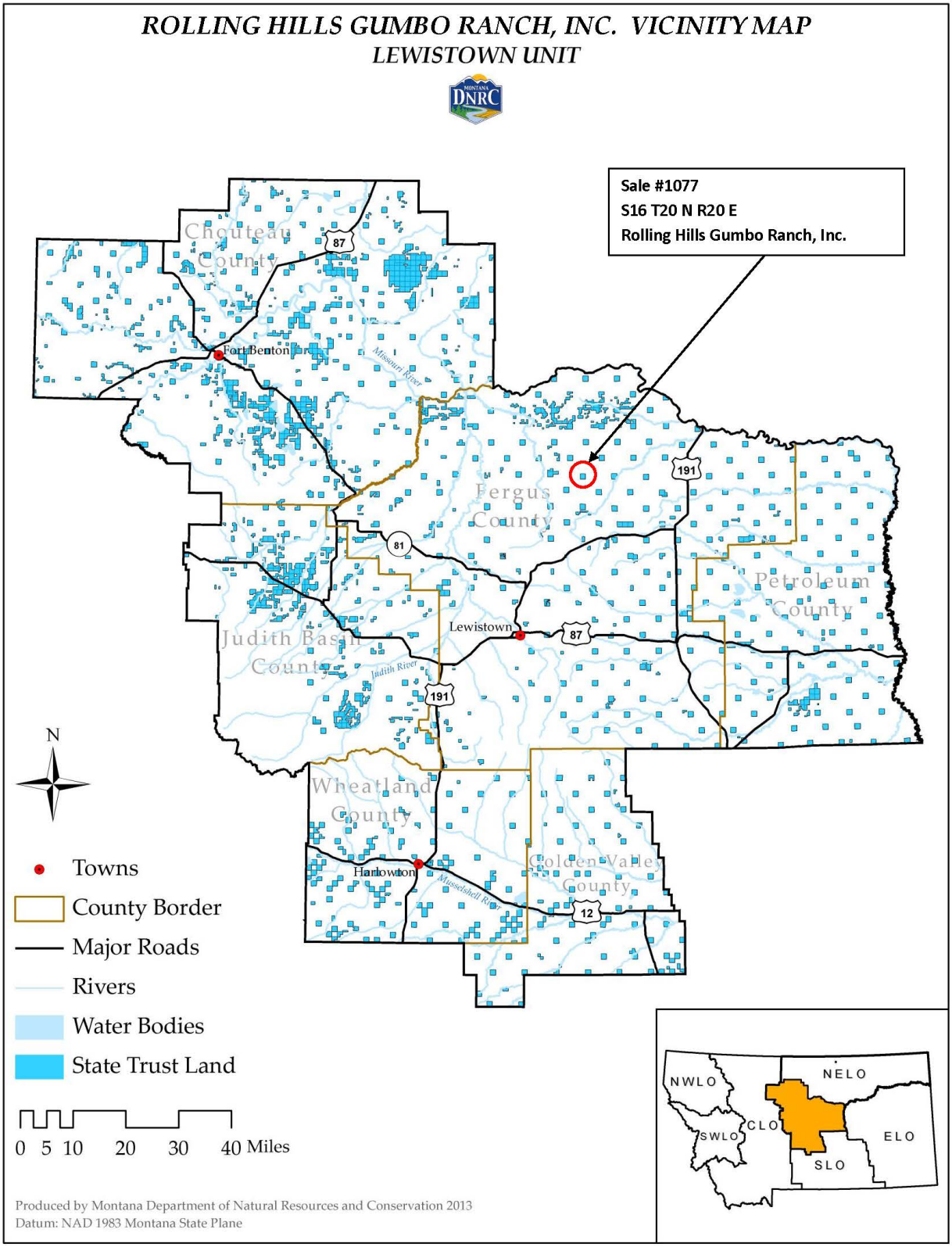

ROLLING HILLS GUMBO RANCH, INC. VICINITY MAP
LEWISTOWN UNIT
Sale #1077
S16 T20 N R20 E
Rolling Hills Gumbo Ranch, Inc.
Chouteau County
Fergus County
Petroleum County
Judith Basin County
Wheatland County
Golden Valley County
Fort Benton
Lewistown
Harlowton
Missouri River
Judith River
Musselshell River
87
191
81
12
N
Towns
County Border
Major Roads
Rivers
Water Bodies
State Trust Land
0 5 10 20 30 40 Miles
NWLO
NELO
SWLO
CLO
ELO
SLO
Produced by Montana Department of Natural Resources and Conservation 2013
Datum: NAD 1983 Montana State Plane

0220-3

CABIN AND HOME SITES:

Final Approval for Sale

A. Fallon County

B. McCone County

C. Missoula County

D. Prairie County

E. Sanders County

Land Board Agenda Item
February 18, 2020

0220-3A **Cabin and Home Sites: Final Approval for Sale A. 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 final approval for sale of one home 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	Shelley Mackay & Barnet J. Dean	Common Schools

The parcel is currently leased as a home 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 rate 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 2.91% 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
This sale was granted preliminary approval in March 2018 to proceed through the Cabin and Home Site Sale Program. The Land Board set the minimum bid for the land and the maximum value of compensation for the improvements of this sale in November 2019.

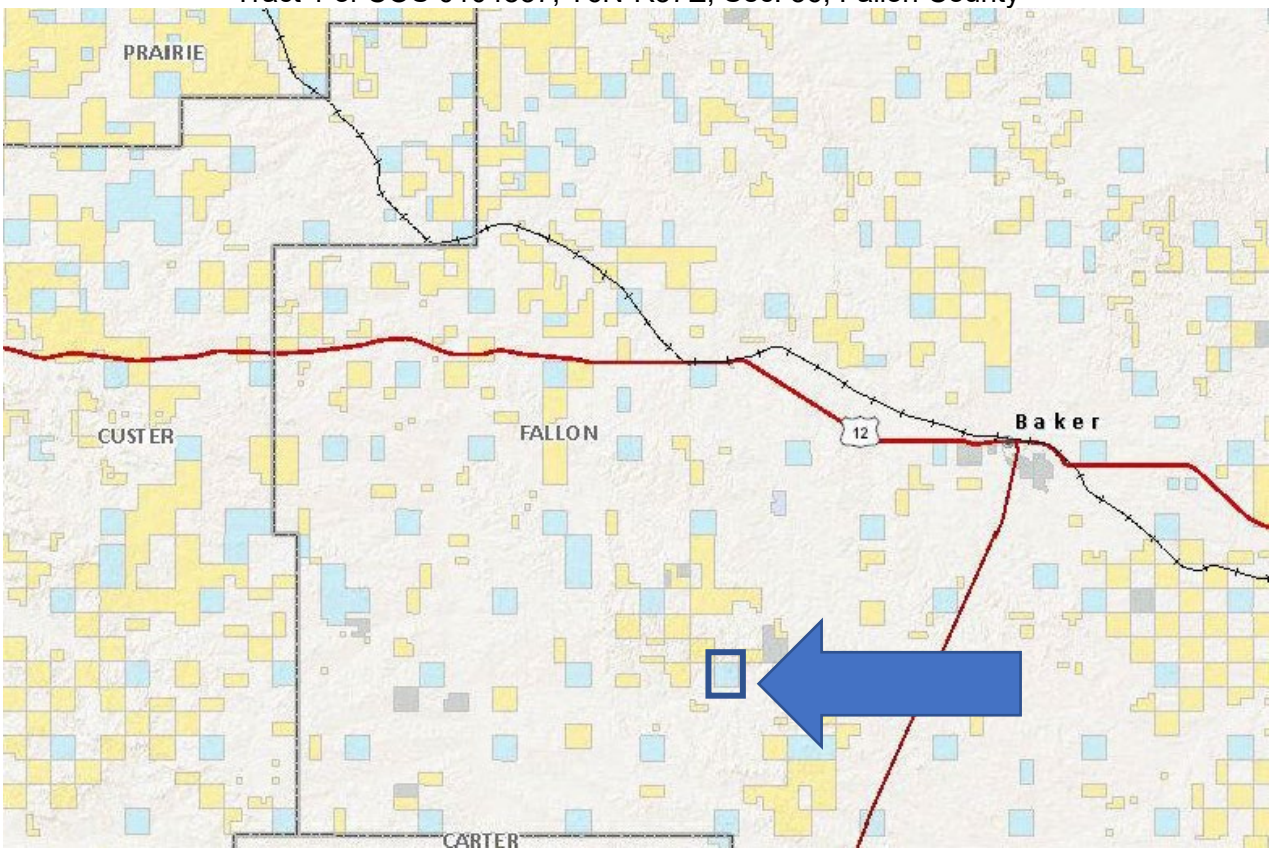
Sale No.	Appraised Land Value	Appraised Improvements Value	Final Sale Price
948	$52,000	$99,000	$52,000

Sale Price
This sale sold at public auction on January 9, 2020. DNRC received a bid deposit from one qualified bidder for the sale who was the current lessee. The site sold for the final sale price listed above.

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

FALLON COUNTY SALE

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



Land Board Agenda Item
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0220-3B **Cabin and Home Sites: Final Approval for Sale B. 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 final approval for sale of one home 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	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 rate 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 2.91% 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
This sale was granted preliminary approval in April 2018 to proceed through the Cabin and Home Site Sale Program. The Land Board set the minimum bid for the land and the maximum value of compensation for the improvements of this sale in November 2019.

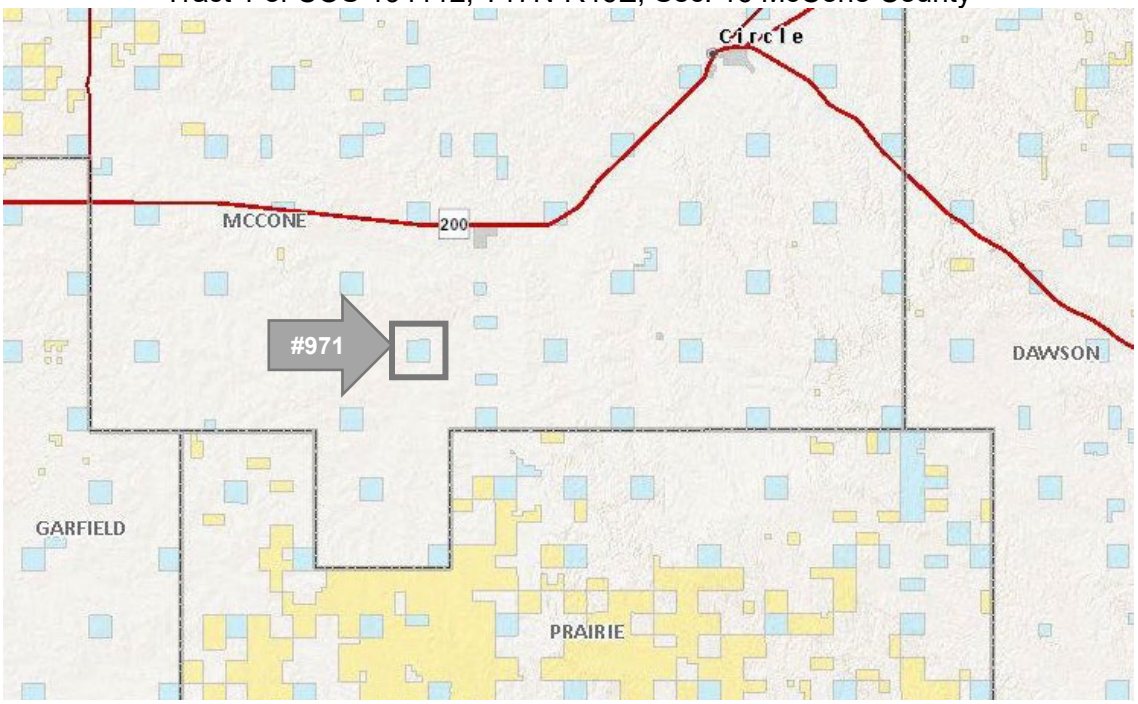
Sale No.	Appraised Land Value	Appraised Improvements Value	Final Sale Price
971	$56,000	$82,000	$56,000

Sale Price
This sale sold at public auction on January 9, 2020. DNRC received a bid deposit from one qualified bidder for each sale who was the current lessee. The site sold for the final sale prices listed above.

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

MCCONE COUNTY SALE

Tract 1 of COS 194112, T17N-R46E, Sec. 16 McCone County



Land Board Agenda Item
February 18, 2020

0220-3C **Cabin and Home Sites: Final Approval for Sale C. Missoula County**
Location: Missoula County

Trust Benefits: MSU 2nd and Pine Hills School

Trust Revenue: $916,000

Item Summary
The Department of Natural Resources and Conservation (DNRC) is requesting final approval for sale of five cabin sites nominated for sale in Missoula 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
995	2.037±	Lot 1, Placid Lake West, COS 5049, Sec. 30, T16N-R15W	Terry Vick & Bryce Yasenak	MSU 2nd
1026	1.04 ±	Lot 6, Elbow Lake T15N-R14W, Sec. 20	Jim & Rebecca Sparks	Pine Hills School
1028	0.84 ±	Lot 15, Elbow Lake T15N-R14W, Sec. 20	Gayla Nicholson & Jeff Dickerson	Pine Hills School
1037	0.69 ±	Lot 22, Elbow Lake T15N-R14W, Sec. 20	Steve & Annette Jarvis	Pine Hills School
1029	0.55 ±	Lot 23, Elbow Lake T15N-R14W, Sec. 20	Greg, Autumn, Brian, & Erin Browning	Pine Hills School

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
995	2.614%	**1028**	4.318%
1026	4.393%	**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 2.91% 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.

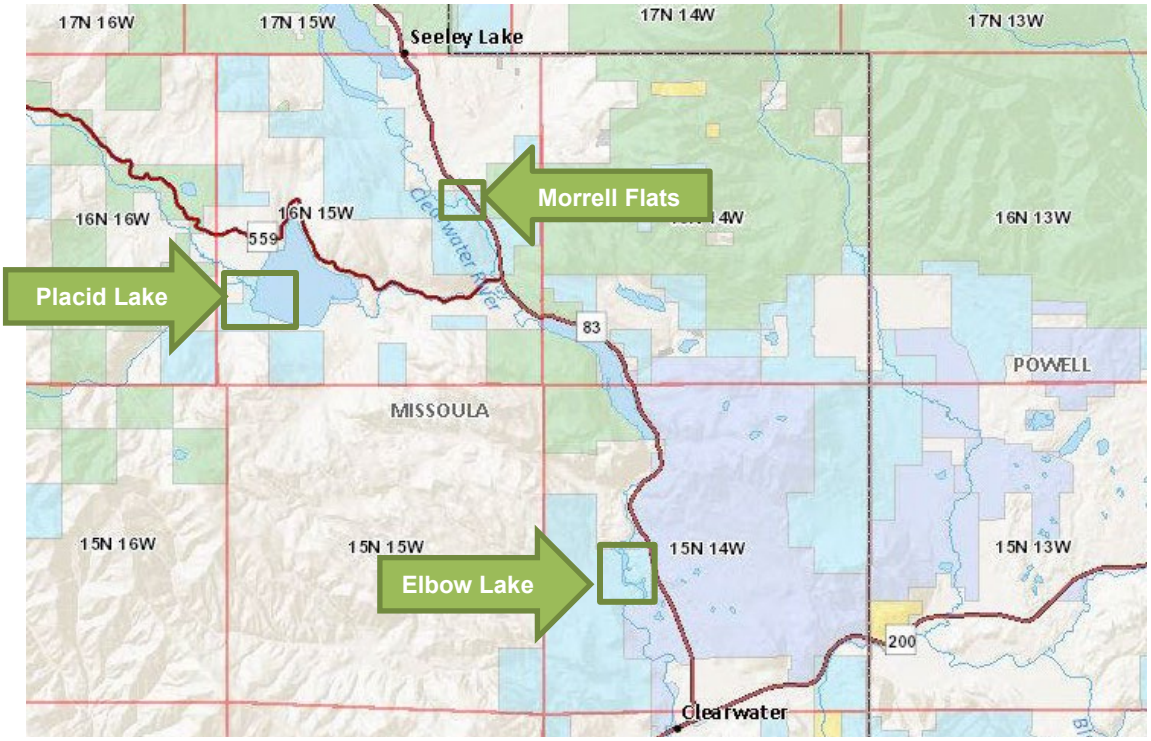
Background
These sales were granted preliminary approval in April and May 2018 to proceed through the Cabin and Home Site Sale Program. The Land Board set the minimum bid for the land and the maximum value of compensation for the improvements for Sale Nos. 995, 1026, 1028, 1037, and 1029 in November 2019.

Sale Nos.	Appraised Land Value	Appraised Improvements Value	Final Sale Price
995	$513,000	$152,000	$513,000
1026	$132,500	$172,500	$132,500
1028	$85,500	$59,000	$85,500
1037	$95,000	$165,500	$95,000
1029	$90,000	$66,500	$90,000

Sale Price
These sales sold at public auction on January 13, 2020. DNRC received bid deposits from one qualified bidder for each sale who was the current lessee. The sites sold for the final sale prices listed above.

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

MISSOULA COUNTY SALES



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

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

Land Board Agenda Item
February 18, 2020

0220-3D **Cabin and Home Sites: Final Approval for Sale D. Prairie**
Location: Prairie County

Trust Benefits: Common Schools

Trust Revenue: $24,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval for sale of one home site nominated for sale in Prairie 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
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 home 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 rate 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 2.91% 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

This sale was granted preliminary approval in April 2018 to proceed through the Cabin and Home Site Sale Program. The Land Board set the minimum bid for the land and the maximum value of compensation for the improvements of this sale in November 2019.

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

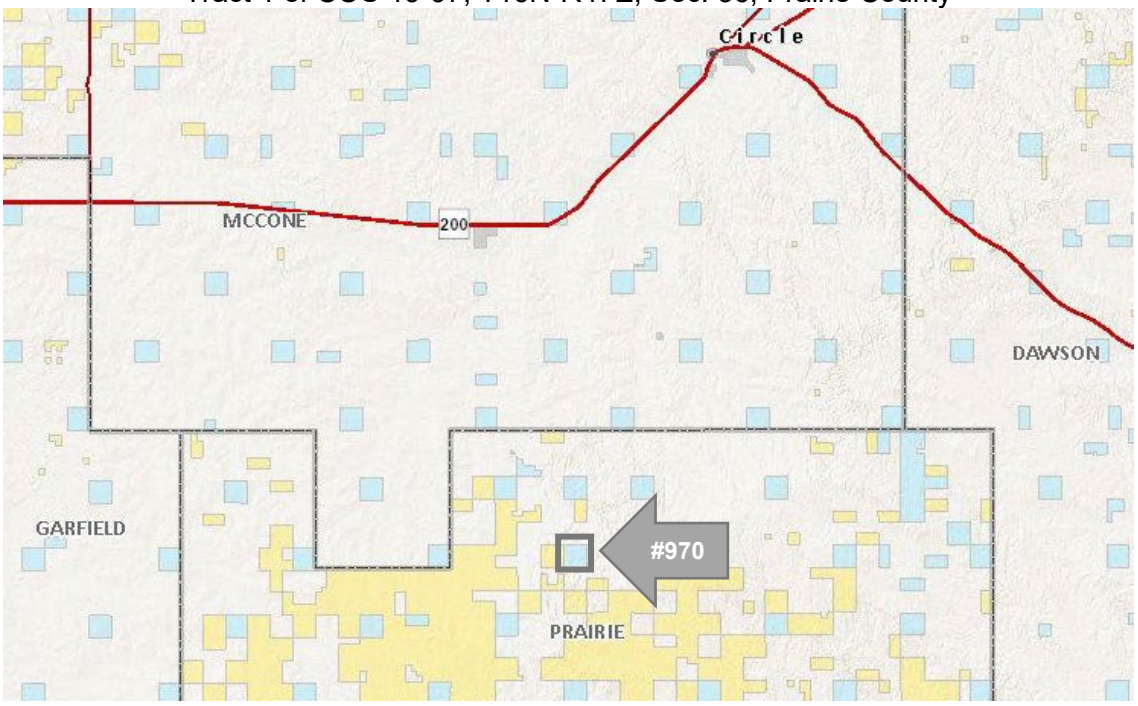
Sale Price
This sale sold at public auction on January 10, 2020. DNRC received a bid deposit from one qualified bidder for each sale who was the current lessee. The site sold for the final sale prices listed above.

DNRC Recommendation

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

PRAIRIE COUNTY SALE

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



Land Board Agenda Item
February 18, 2020

0220-3E **Cabin and Home Sites: Final Approval for Sale D. Sanders County**
Location: Sanders County

Trust Benefits: Public Buildings, Common Schools

Trust Revenue: $155,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval for sale of 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	Kenneth & Katrina Strowbridge	Public Buildings
974	1.421 ±	Tract 1, COS 3581 T24N-R27W, Sec. 26	George Croft & Pam Sandall	Common Schools
975	0.918 ±	Tract 1, COS 3580 T23N-R27W, Sec. 26	Deborah Allen	Public Buildings

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
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 2.91% 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 April 2018 to proceed through the Cabin and Home Site Sale Program. The Land Board set the minimum bid for the land and the maximum value of compensation for the improvements of these sales in November 2019.

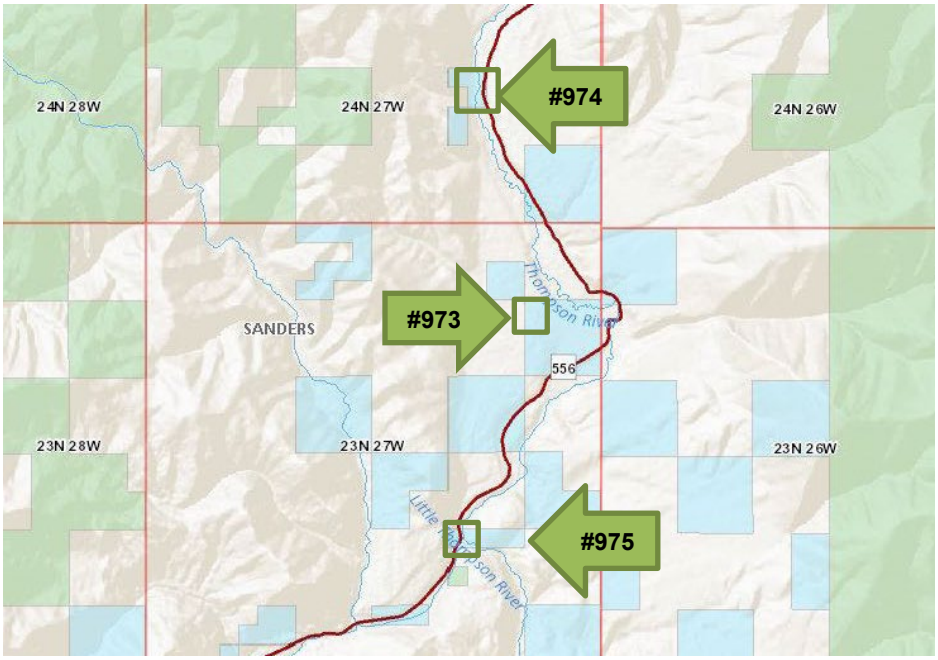
Sale Nos.	Appraised Land Value	Appraised Improvements Value	Final Sale Price
973	$40,000	$130,000	$40,000
974	$40,000	$100,000	$40,000
975	$40,000	$37,000	$75,000

Sale Price
These sales sold at public auction on January 13, 2020. DNRC received bid deposits from one qualified bidder for each sale numbers 973 and 974 who was the current lessee. DNRC received bid deposits from two qualified bidders for sale number 975, the winning bidder was the current lessee. The sites sold for the final sale prices listed above.

DNRC Recommendation

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

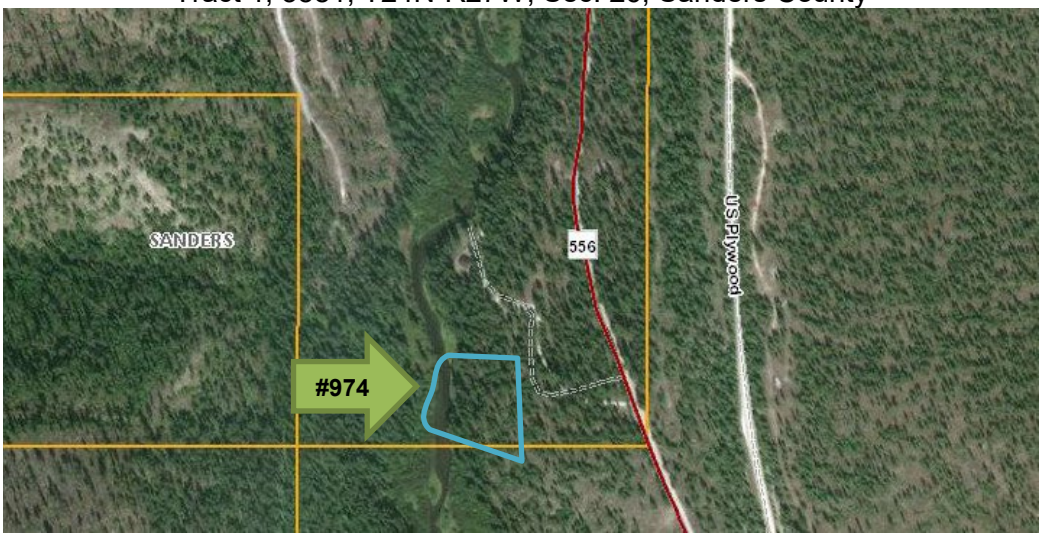
SANDERS COUNTY SALES



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

0220-4

CABIN AND HOME SITES:

Set Minimum Bid for Sale No.1027

Land Board Agenda Item
February 18, 2020

0220-4 Cabin and Home Sites: Set Minimum Bid for Sale No. 1027
Location: Missoula County

Trust Benefits: Pine Hills

Trust Revenue: $90,000

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 May 2018.

Sale Number	# of Acres	Legal	Nominator	Trust
1027	0.84±	Lot 10, Elbow Lake, COS 4921, Sec. 20, T15N-R14W, Missoula County	Jeffrey Denning & Terry Martin-Denning	Pine Hills

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 3.61%. 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 2.91% 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.

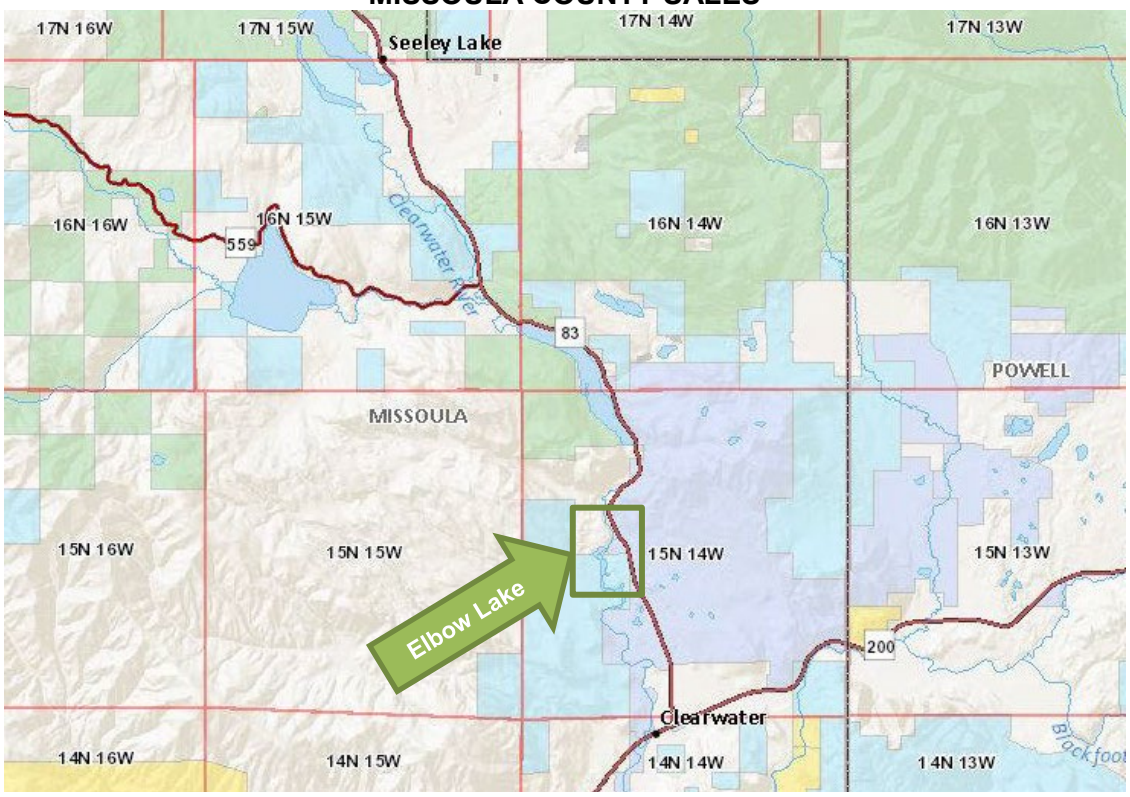
Appraised Values of Land and Improvements:

Sale No.	Appraised Land Value	Appraised Improvements Value
1027	$90,000	$131,500

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.

MISSOULA COUNTY SALES



Lot 10, Elbow Lake, T15N-R14W, Sec. 20, Missoula County

0220-5

EASEMENTS:

Land Board Agenda Item
February 18, 2020

0220-5 **Easements**
Location: Lake, Musselshell Counties

Trust Benefits: Common Schools

Trust Revenue: Common Schools = $1,372

Item Table of Contents

Applicant	Right-of-Way Purpose	Term	Page(s)
Missoula Electric Cooperative	Overhead Electric Line	Permanent	**Page 48-49**
Mid-Rivers Communications	Buried Fiber-Optic Cable	Permanent	**Page 50-51**

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Missoula Electric Cooperative, Inc 1700 West Broadway Missoula, MT 59808
Application No.:	18819
R/W Purpose:	an overhead 14.4kV electrical distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	0.06
Compensation:	$282.00
Legal Description:	an 8-foot strip through NW4NW4, Sec. 32, Twp. 23N, Rge. 17W, Lake County
Trust Beneficiary:	Common Schools

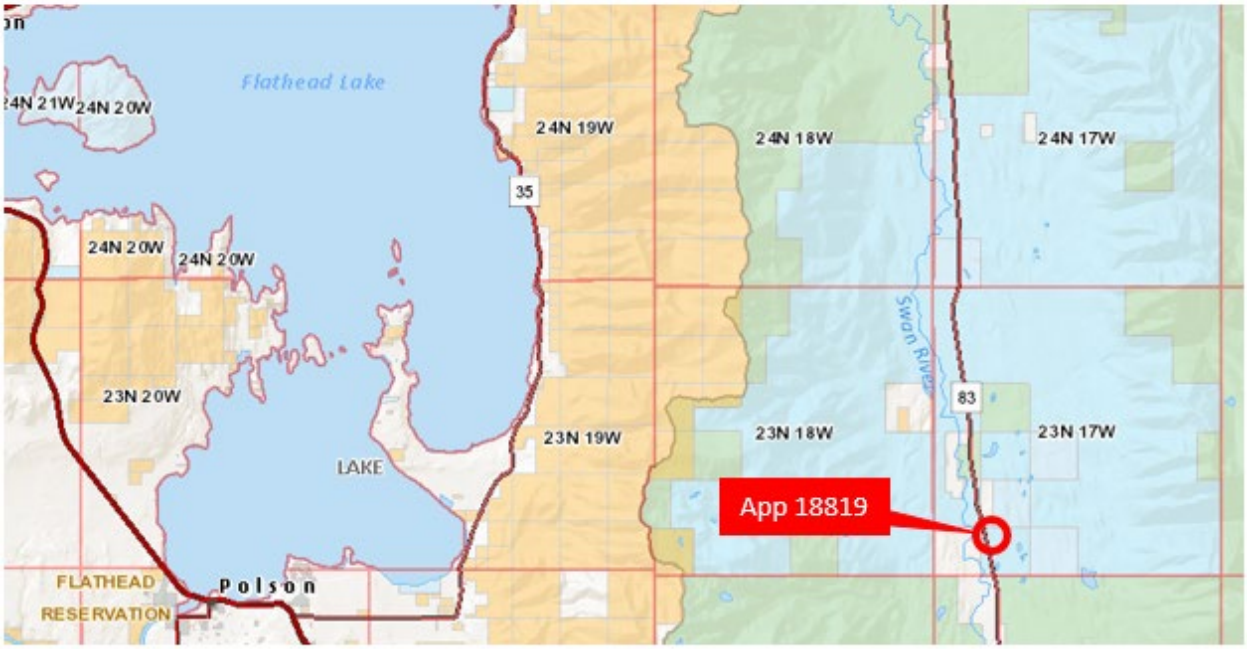
Item Summary

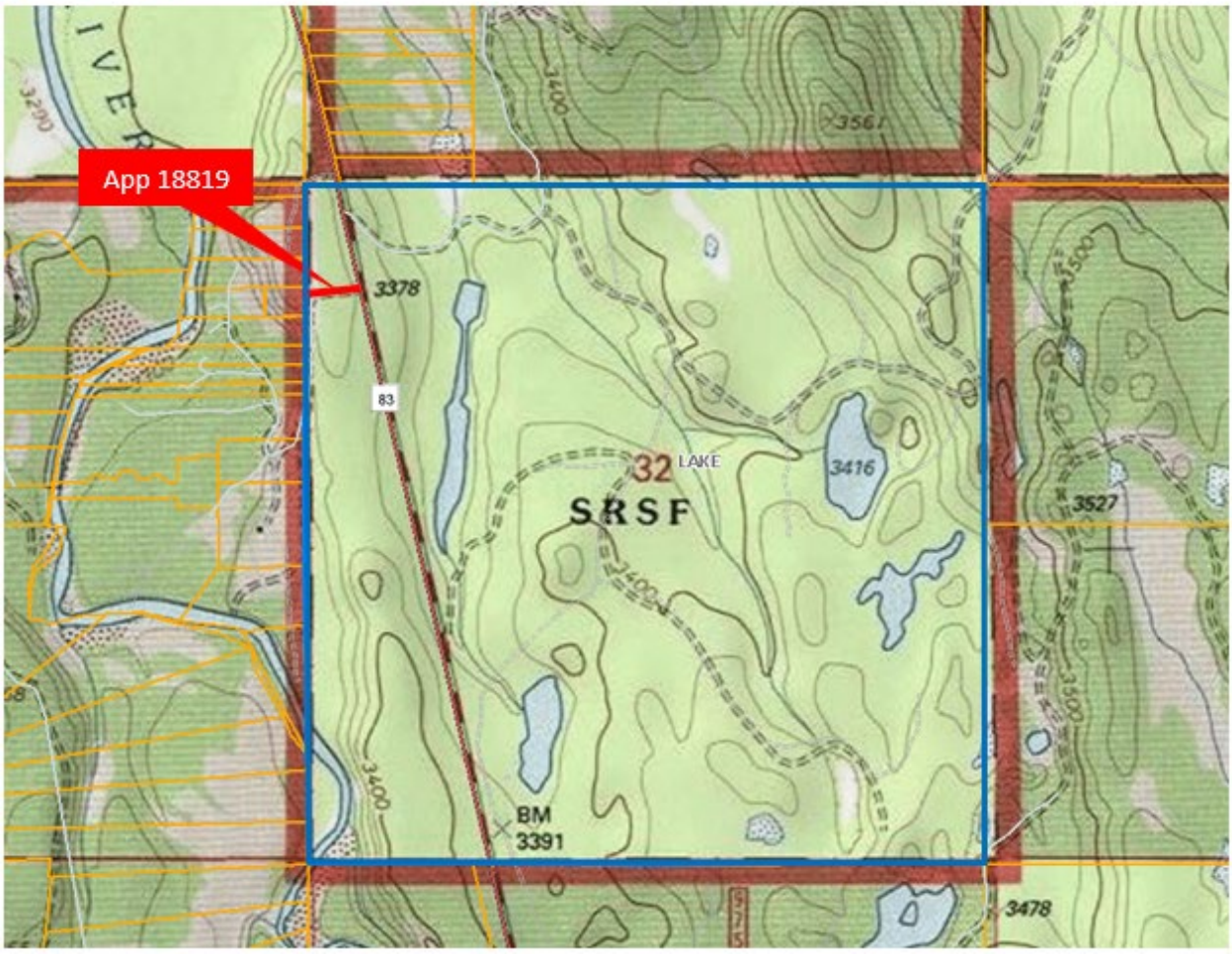
Missoula Electric Cooperative has made application for an overhead electric distribution line that was constructed on state lands many years ago without proper authorization from the Land Board. Pursuant to §77-1-130, MCA Missoula Electric Cooperative is requesting recognition of this overhead electric distribution line as historic right of way.

DNRC Recommendation

The director recommends approval of the historic rights of way for Missoula Electric Cooperative.

R/W Application 18819





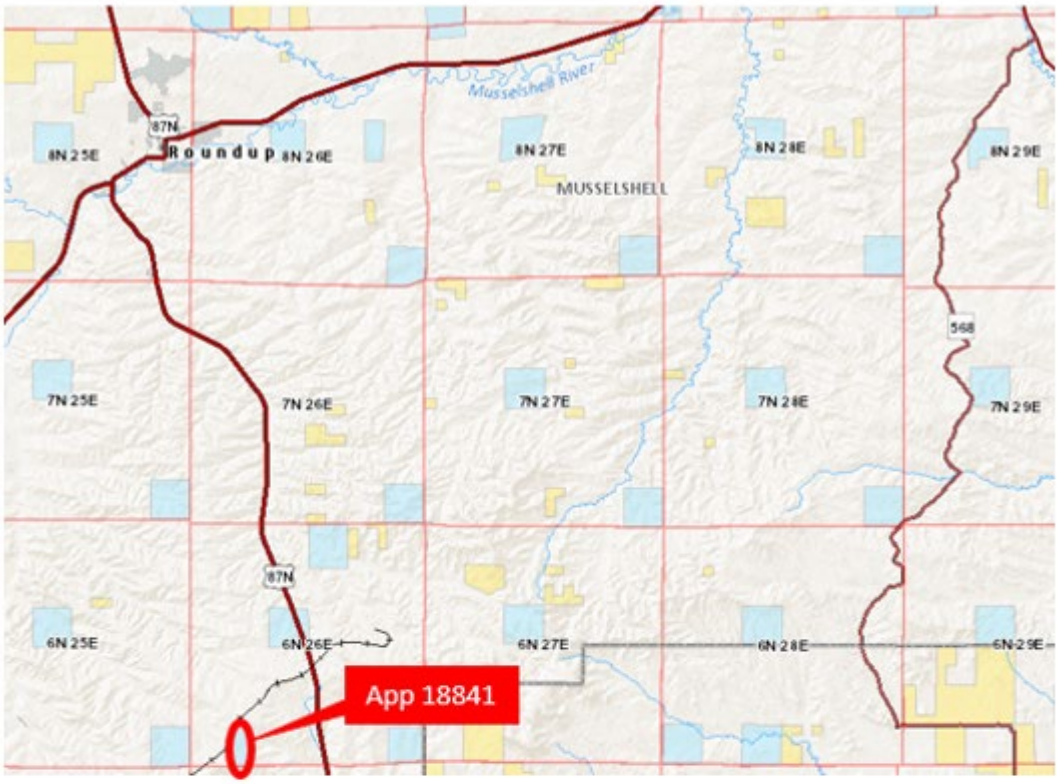
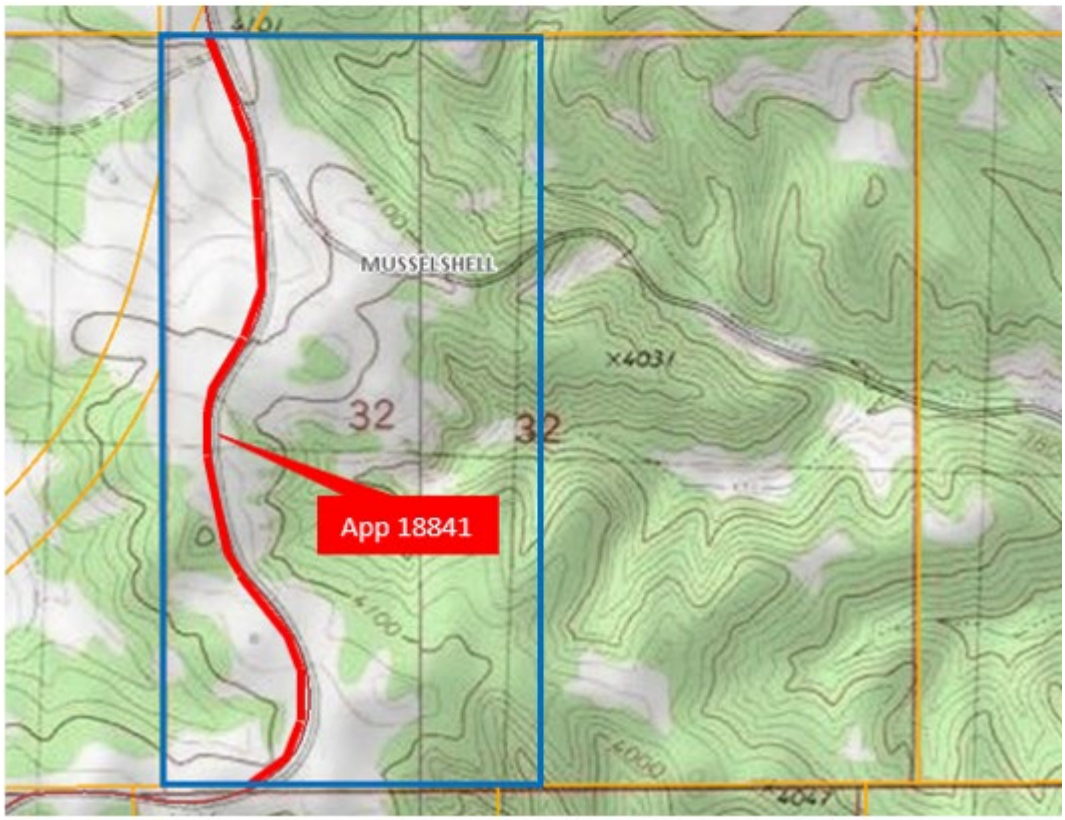
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Mid-Rivers Telephone Cooperative PO Box 280 Circle, MT 59215
Application No.:	18841
R/W Purpose:	a buried fiber optic cable
Lessee Agreement:	ok
Acreage:	2.18
Compensation:	$1,090.00
Legal Description:	a 16-foot strip through Gov. Lot 4, NW4SW4, W2NW4, Sec. 32, Twp. 6N, Rge. 26E, Musselshell County
Trust Beneficiary:	Common Schools

Item Summary

Mid-Rivers Telephone Cooperative is proposing to install a new fiber optic cable in rural Musselshell County in the vicinity of Roundup to provide enhanced capabilities for rural customers. The proposed route for this request is located along an existing road and previously disturbed ground and minimal impacts are expected. This parcel of State Land is within general sage grouse habitat and a mitigation plan has been developed by the Sage Grouse program. Mid-Rivers will be responsible to comply with the mitigation plan and should this easement request be approved, the easement document will stipulate compliance with the plan.

DNRC Recommendation

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

R/W Application 18841