DRAFT CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	The Vermiculite Mountain Land Exchange
Proposed Implementation Date:	Fall 2018
Proponent:	DNRC and Kootenai Development Company
Location:	See list of tracts below
County:	Lincoln
Trust Beneficiary:	Common Schools

I. TYPE AND PURPOSE OF ACTION

The Montana Department of Natural Resources and Conservation (DNRC) and the Kootenai Development Company are proposing a land exchange in Lincoln County. The proposal identifies 640 acres of State Land located within the Libby Superfund Site OU3 to be exchanged for Kootenai Development Company's 1,239.43 acres of deeded private land (See Attachment #1).

State Trust Land			
County	**Legal Description**	**Trust**	**Acres**
Lincoln	Sec. 16, T31N, R30W	CS	640
		Total acres	**640**

W.R. Grace and Co.		
County	**Legal Description**	**Acres**
Lincoln	Sec. 7 T29N, R27W	640
Lincoln	Gov't Lots 1, 2, 3, 5, 6 and 7; SWNE; W2SE; E2SW; SENW Sec. 1 T29N, R28W	442.41
Lincoln	Gov't Lot 4; SWNW; W2SW Sec. 1 T29N, R28W	157.02
	Total acres	**1,239.43**

The DNRC has long been unable to manage this State Land section due to contamination from asbestos, resulting from the adjacent WR Grace vermiculite mine (no longer in operation). This mine site, along with neighboring properties that currently reside within a Superfund site, is managed by the US Environmental Protection Agency (EPA) who refer to this administrative area as Operable Unit 3 (OU3).

The proposed action would consolidate private ownership of lands within the Superfund Site OU3, as well as consolidate five isolated State Trust land parcels into one block of Trust Lands totaling 2,945.54 acres.

If this exchange is approved, the DNRC would receive net gains in lands under trust management. This would include a net gain in land value of $840,000.00, a gain in annual income generation potential of $9,436 a year, a net gain of 599.4 acres of land, and a gain in thousands of acres of public access.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

Provide a brief chronology of the scoping and ongoing involvement for this project. List number of individuals contacted, number of responses received, and newspapers in which notices were placed and for how long. Briefly summarize issues received from the public.

Public Scoping was conducted for preliminary Land Board approval, and consisted of the following:

A public Notice was published in the Western News on October 6, and 13, 2018.

Additionally, scoping letters were mailed and emailed to a comprehensive list of interested parties including individuals, adjacent landowners, private organizations, and agency representatives totaling approximately 78 recipients. The scoping list for this project was made up of the Libby Unit and Land Banking scoping lists and is available upon request.

Comments on this land exchange proposal were accepted September 29 through October 27, 2017. Comments in support of the land exchange were received from Kootenai National Forest and the Lincoln County Commissioners. No other comments were received, and no issues were identified.

Following is the project development timeline:

In October 2017, WR Grace submitted a formal application for a land exchange to acquire trust lands Section 16 T31N R30W. The Montana State Board of Land Commissioners (Land Board) met on November 20, 2017 and voted 5-0 in favor of preliminary approval of the W.R. Grace and Co. Land Exchange, and DNRC began due diligence to evaluate the proposed exchange.

In November 2017, W.R, Grace began pursuing efforts to purchase land from Weyerhaeuser, to provide in exchange for 640 acres of trust land. DNRC advised W.R. Grace that any private land proposed for exchange must meet the Exchange Criteria, including equal or greater value, equal or greater income to the trust, and equal or greater acreage. In December 2017, DNRC and W.R. Grace agreed on the private land parcels to be included in the proposed exchange, and in February 2018, W.R. Grace, through its subsidiary Kootenai Development Company, finalized purchase of Section 1 T29N R28W and Section 7 T29N R27W from Weyerhaeuser.

An appraisal of the state and private lands proposed for exchange was completed, reviewed, and accepted in August 2018. The state-owned Section 16 was appraised for highest and best use, under the hypothetical condition that it has not been contaminated by asbestos and with the extraordinary assumption that it has legal access. A Phase 1 Environmental Site Assessment was also completed by West Central Environmental Consultants, Inc in August 2018. DNRC examined lands proposed for exchange and estimated current standing volume and potential timber sale development costs on the state-owned section, as well as current volume and annual sustainable yield that could be harvested from the proposed exchange parcels in order to establish value and rate of return.

At this point, DNRC is soliciting public comment for 30 days on this draft environmental assessment that evaluates the potential effects of two alternatives described below. Public comment on this draft environmental assessment will end on Friday, October 26, 2018 at 5pm. All substantive comments will then be addressed and published, along with the decision, in a final environmental assessment. Please submit all written comments to:

Montana DNRC - Libby Unit
Attn: Dave Marsh
177 State Lands Office Road
Libby, MT 59923-7820

E-Mail: dmarsh@Mt.gov

Verbal comments may be submitted by telephone at: (406) 293-2711, ext. 6

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:
Examples: cost-share agreement with U.S. Forest Service, 124 Permit, 3A Authorization, Air Quality Major Open Burning Permit.

None

3. ALTERNATIVE DEVELOPMENT:
Describe alternatives considered and, if applicable, provide brief description of how the alternatives were developed. List alternatives that were considered but eliminated from further analysis and why.

Two alternatives are listed below. Only the action alternative will be discussed at length throughout the remainder of this checklist EA.

No Action - Under this alternative the DNRC would continue to hold an isolated section of asbestos-contaminated land that is currently under jurisdiction of the EPA as a superfund site. This parcel would continue to generate no revenue to the Commons Schools Trust. Public access to 640 acres of trust land would continue to be impacted by EPA restrictions.

Action – Under this alternative, 640 acres of asbestos contaminated land, regulated under the authority of the US Environmental Protection Agency (EPA) as a super fund site, would be exchanged for 1,239.43 acres of private forest land outside of Superfund site boundaries. Surface assets from these 1,239.43 acres, would become available to the Montana Department of Natural Resources and Conservation (DNRC), to be managed in accordance with department policy and direction, as a source of revenue for the Common Schools Trust. Additionally, the acres received in the exchange would consolidate other trust lands, creating a 2,945.54 acre block more easily managed at a natural landscape level, as well as improving public access to state trust land.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

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

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:
Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify direct, indirect, and cumulative effects to soils.

Summarized descriptions listed below were taken from the *Soil Survey Kootenai National Forest Area, Montana* (Kuennen and Nielsen-Gerhardt, 1995). This reference was used to identify landtypes and soil characteristic for the subject parcels.

DNRC Upland Parcel (Section 16, T31N R30W): The soil survey identifies five landtypes in this parcel. These landtypes include:

- 324—This landtype consists of moraines from glacial till deposits. Dominant slopes are generally in the 15-35 percent range. Vegetation typically found on this landtype is a mixed forest of Douglas-fir, western larch, ponderosa pine and lodgepole pine over an understory of shrubs and pinegrass. Potential annual timber production on this landtype is considered moderate.
- 325—This landtype consist of seldom used floodplains and alluvial fans along mountain streams. The soils are generally alluvial deposits over glacial till. Dominant slopes are in the 5-25 percent range. Vegetation is a mixed forest of subalpine fir, Engelmann spruce, Douglas-fir, western larch, lodgepole pine and black cottonwood over an understory of shrubs and forbs. Potential timber production on this landtype is considered high.
- 328—This landtype consist of glaciated mountain slopes with soils formed in glacial till. Dominant slopes are in the 15-35 percent range. Vegetation is a mixed forest of subalpine fir, western larch,

lodgepole pine, Douglas-fir and Engelmann spruce over an understory of shrubs and forbs. Potential timber production on this landtype is considered high.

- 329—This landtype consist of moraines formed in compact glacial till. Dominant slopes are in the 15-35 percent range. Vegetation is a mixed forest of subalpine fir, Engelmann spruce, Douglas-fir, western larch and lodgepole pine over an understory of forbs and low shrubs. Potential timber production on this landtype is considered high.
- 520—This landtype is found on mountain slopes with soils from weather micaceous rocks. Dominant slopes are in the 15-35 percent range. Vegetation is a mixed forest of western larch, Douglas-fir, and lodgepole pine over an understory of forbs and low shrubs. Potential timber production on this landtype is considered high.

No cumulative effects from management of this parcel exist. According to the section records located at the Northwestern Land Office no road construction or timber harvest has been implemented.

W.R. Grace and Co. Upland Parcels (Section 7, T29N R27W and Section 1, T29N R28W): The soil survey identifies five landtypes in these two sections which include:

- 102—This landtype consists of terraces formed in lacustrine deposits. Dominant slopes are generally in the 0-15 percent range. Vegetation typically found on this landtype is a mixed forest of western hemlock, western redcedar, grand fir, western larch, Douglas-fir, and lodgepole pine over an understory of shrubs and forbs. Potential annual timber production on this landtype is considered moderate/high.
- 108—This landtype consists of terraces formed in lacustrine and glacial outwash deposits. Dominant slopes are generally in the 0-15 percent range. Vegetation typically found on this landtype is a mixed forest of western hemlock, western redcedar, grand fir, western larch, Douglas-fir, and lodgepole pine over an understory of shrubs and forbs. Subalpine fir and Engelmann spruce may be found along drainageways. Potential annual timber production on this landtype is considered high.
- 301—This landtype consist of glaciated mountain slopes with soils formed in compact glacial till. Dominant slopes are in the 15-35 percent range. Vegetation is a mixed forest of Douglas-fir, ponderosa pine, western larch and lodgepole pine over an understory dominated by shrubs. Potential timber production on this landtype is considered moderate.
- 352—This landtype consist of glaciated mountain slopes with soils formed in compact glacial till. Dominant slopes are in the 20-60 percent range. Vegetation is a mixed forest of western larch, Douglas-fir, lodgepole pine and grand fir over an understory of low shrubs and forbs. Potential timber production on this landtype is considered high.
- 355—This landtype consist of glaciated mountain slopes with soils formed in compact glacial till. Dominant slopes are in the 20-50 percent range. Vegetation is a mixed forest of, Douglas-fir, western larch and lodgepole pine over an understory of shrubs and forbs. Potential timber production on this landtype is considered high.

Cumulative effects from management include land removed from timber production for roads. Approximately 9.7 miles of road have been constructed on these two sections. Additional impacts from skid trails exist but are not quantified.

No Action Alternative: No direct, indirect or additional cumulative impacts to geology or soils would be expected.

Action Alternative: Under this alternative, the lands would be exchanged and ownership would changed. However, at this time, no activities are planned on these lands. Therefore, no additional direct, indirect or cumulative effects would result from the implementation of this alternative. Future management actions would require a separate MEPA process.

Kuennen, Louis J. and Marci L. Nielsen –Gerhardt. 1995. Soil Survey of Kootenai National Forest Area, Montana. USDA Forest Service, Kootenai National Forest, Libby, Montana.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

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

Existing water resources were identified using GIS resources and USGS topographic maps

DNRC Upland Parcel (Section 16, T31N R30W): Two streams are identified within this parcel. Both streams are shown on USGS maps as intermittent and contributing to Rainy Creek approximately 2-3 miles above the confluence with the Kootenai River.

W.R. Grace and Co. Upland Parcels (Section 7, T29N R27W and Section 1, T29N R28W): Several forks of an intermittent stream are identified within this parcel. The stream is shown on USGS maps as contributing to Wolf Creek.

Due to the intermittent flow characteristic of these channels, the presence of fish would not be expected. No water rights were found on any of these parcels.

No Action Alternative: No direct, indirect or additional cumulative impacts to water quality or quantity would be expected.

Action Alternative: Under this alternative, the lands would be exchanged and ownership would change. However, at this time, no activities are planned on these lands. Therefore, no additional direct, indirect or cumulative effects to water resources would result from the implementation of this alternative. Future management actions would require a separate MEPA process.

6. AIR QUALITY:

What pollutants or particulate would be produced (i.e. particulate matter from road use or harvesting, slash pile burning, prescribed burning, etc)? Identify the Airshed and Impact Zone (if any) according to the Montana/Idaho Airshed Group. Identify direct, indirect, and cumulative effects to air quality.

There would be no direct impacts to air quality as a result of the proposed land exchange. Indirectly, 640 acres of asbestos contaminated land, regulated under the jurisdiction of the EPA as a superfund site with strict environmental safety protocols (largely due to airborne contamination), would be exchanged for 1,239.43 acres. Also, future, proposed management actions on the proposed DNRC acquired property would be subject to Montana Environmental Policy Act (MEPA) review.

7. VEGETATION COVER, QUANTITY AND QUALITY:

What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify direct, indirect, and cumulative effects to vegetation.

No change to vegetation communities would occur directly as a result of this land exchange. Indirectly, 1,239.43 acres would move from private, corporate timber, and natural resource management practices to Montana DNRC timber and natural resource management practices, in exchange for 640 acres of asbestos-contaminated property owned by the state but controlled by the EPA.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify direct, indirect, and cumulative effects to fish and wildlife.

No fish are likely to inhabit any of the streams in the identified parcels due to the intermittent flow characteristics. Therefore, no further analysis is deemed appropriate for fish.

DNRC Upland Parcel (Section 16, T31N R30W):

This parcel is comprised of well-stocked, mature forest with a canopy >40% as identified by aerial photo interpretation and DNRC's GIS timber inventory data. Suitable habitat for wildlife species preferring well-developed forest with a relatively closed canopy is likely present. A variety of wildlife species, including birds, using forested habitat utilize the parcel. Because the parcel does not contain any roads, habitat security for wildlife is likely high, although the adjacent vermiculite mine site could disturb sensitive wildlife species when active. The effects of vermiculite containing asbestos on wildlife presence and health is unknown but would not be expected to exclude wildlife from using the parcel.

No cumulative effects from management of this parcel exist. According to the section records located at the Northwestern Land Office, no road construction or timber harvest has been implemented.

W.R. Grace and Co. Upland Parcels (Section 7, T29N R27W and Section 1, T29N R28W):
These two parcels contain well-stocked forested wildlife habitat consisting of a mix of tree size classes. Past forest management in these parcels has resulted in regenerating stands of timber averaging pole-sized in diameter. Suitable habitat is abundant for wildlife species preferring forest stands of regenerating conifers with a relatively closed canopy (>40%). Small stands of larger, mature trees with a more open canopy are present on south and southwest facing slopes. Approximately 9.7 miles of road have been constructed on these two sections, of which approximately 5.6 miles are open to public motorized use. Roads, particularly open roads, reduce habitat security for wildlife.

Cumulative effects from management include previous timber harvest and land removed from timber production due to roads.

No Action Alternative: No direct, indirect or additional cumulative impacts to wildlife or wildlife habitat would be expected.

Action Alternative: Under this alternative, the lands would be exchanged and ownership would change. However, at this time, no activities are planned on these lands that would alter wildlife habitat or human access. Therefore, no additional direct, indirect or cumulative effects to wildlife or wildlife habitat would result from the implementation of this alternative. Future management actions on Section 7, T29N R27W and Section 1, T29N R28W would require a separate MEPA process.

---

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

DNRC Upland Parcel (Section 16, T31N R30W):
Grizzly bears in northwestern Montana are considered a federally threatened species. This parcel is located approximately 4.2 miles outside of grizzly bear non-recovery occupied habitat associated with the Cabinet-Yaak Ecosystem (CYE). Habitat preferred by grizzly bears, such as avalanche chutes, berry fields, and riparian areas do not appear to be present within the parcel. While a wide-ranging grizzly bear could occasionally pass through the area, appreciable use by bears would not be expected due to the distance from recovery zones, lack of preferred habitat and very low density of bears found within the CYE.

Canada lynx are considered a federally threatened species. Approximately 27 acres of 640 acres (4.2%) of potentially suitable habitat is present. The rest of this parcel consists of forest habitat types not preferred by Canada lynx, such as open Douglas-fir habitat types found on dry south-facing slopes. Thus, appreciable use of this area by Canada lynx would not be expected.

W.R. Grace and Co. Upland Parcels (Section 7, T29N R27W and Section 1, T29N R28W):
These parcels are approximately 0.25 miles (at the closest point) outside of grizzly bear non-recovery occupied habitat associated with the Cabinet-Yaak Ecosystem (CYE). Habitat preferred by grizzly bears, such as avalanche chutes, berry fields, and riparian areas do not appear to be present within the parcel. Additionally, approximately 9.7 miles of road are present, of which approximately 5.6 miles are open to public motorized use and likely discourage use of section 7 by grizzly bears. While a wide-ranging grizzly bear could occasionally

pass through the area, appreciable use by bears would not be expected due to the distance from recovery zones, lack of preferred habitat, roads present and very low density of bears found within the CYE.

Although no DNRC forest inventory data is available for these parcels, habitat data on adjacent DNRC lands suggests that suitable lynx habitat is present in both parcels. Similar to the DNRC upland parcel (Section 16, T31N R30W) and DNRC lands currently adjacent to the W.R. Grace parcels, habitat is likely a mosaic of suitable and unsuitable types for lynx. Thus, suitable lynx habitat is not contiguous throughout these parcels but may be contiguous with blocks of suitable habitat in adjacent DNRC and USFS lands. Use of these parcels by Canada lynx is possible but limited by the abundance and spatial composition of appropriate habitat types.

Sensitive Species:
All properties considered in this proposal have suitable habitat or habitat potential for a number of sensitive species including fisher, flammulated owl, and pileated woodpecker.

No Action Alternative: No direct, indirect or additional cumulative impacts to threatened, endangered, or sensitive wildlife species or their habitat would be expected.

Action Alternative: Under this alternative, the lands would be exchanged and ownership would change. However, at this time, no activities are planned on these lands that would alter wildlife habitat or human access. Therefore, no additional direct, indirect or cumulative effects to threatened, endangered, or sensitive wildlife species or their habitat would result from the implementation of this alternative. Future management actions on Section 7, T29N R27W and Section 1, T29N R28W would require a separate MEPA process.

---

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

A Class III cultural and paleontological resources inventory was conducted of the area of potential effect on state land. Despite a detailed examination, no cultural or fossil resources were identified. No additional archaeological or paleontological investigative work is recommended. The proposed project will have *No Effect* to *Antiquities* as defined under the Montana State Antiquities Act. A formal report of findings has been prepared and is on file with both the DNRC and the Montana State Historic Preservation Officer.

---

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

Changes to aesthetics would not occur as a direct result of the proposed land exchange. Indirectly, land management decisions on 1,239.43 acres would shift from private, corporate control to control by the DNRC. Any proposed management actions on these acres would fall under Montana Environmental Practice Act review, in exchange for 640 acres of asbestos contaminated state land, currently under regulatory control by the EPA.

---

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:
Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify direct, indirect, and cumulative effects to environmental resources.

No demands on environmental resources of land, water air, or energy would be expected to occur as a result of the proposed land exchange.

---

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

On August 30, 2018 West Central Environmental Consultants, Inc. performed a Phase I Environmental Site Assessment on the Kootenai Development Company 1239.43 acre property to be acquired through the exchange identified as: Section 1, T29N, R28W and Section 7, T29N, R27W. The Phase I ESA concluded "no evidence of Recognized Environmental Conditions in connection with the subject property".

The Phase I ESA also noted that approximately 0.3 acres of an open cut gravel pit is located on the on the subject property in the southeast corner of section 7. This open cut gravel pit is in the process of reclamation and site closure. Reclamation work is scheduled for final inspection in 2019. Contractual responsibility for closure of the associated open cut gravel permit will be retained by Weyerhaeuser in the buy/sell agreement.

IV. IMPACTS ON THE HUMAN POPULATION

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

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

No human health and safety risks would be expected to occur as a direct result of the proposed land exchange. Future actions relative to the exchange in land would be analyzed under MEPA review on land to be acquired by DNRC. Lands disposed of by DNRC would be subject to decisions made on behalf of Kootenai Development Company.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

Identify how the project would add to or alter these activities.

No changes to industrial, commercial and agricultural activities and production would be expected as a direct result of the proposed land exchange. Indirectly, it is anticipated that DNRC owned land would be managed to provide natural resource-based production such as timber. Future, proposed land management activities would be subject to MEPA review on DNRC owned lands. Future land management activities on land owned by Kootenai Development Company would be subject to their own decisions.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:

Estimate the number of jobs the project would create, move or eliminate. Identify direct, indirect, and cumulative effects to the employment market.

No changes to the number of jobs would be expected to occur as a direct result of the proposed land exchange.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:

Estimate tax revenue the project would create or eliminate. Identify direct, indirect, and cumulative effects to taxes and revenue.

The Kootenai Development Company currently pays taxes to Lincoln County for the 1,239.43 acres at forest land tax rates. The 640 acres of DNRC lands are tax-exempt and therefore no tax assessments are paid on those lands. The project would have a direct effect on the amount of taxable forest land acres. Lincoln County would lose approximately $854.00 of tax revenue due to a decrease of 599.43 acres out of the county tax base. Lincoln County Commissioners are aware of the proposal and support the exchange.

18. DEMAND FOR GOVERNMENT SERVICES:

Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify direct, indirect, and cumulative effects of this and other projects on government services

No changes would occur as a result of this proposed land exchange.

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

This proposed land exchange would allow the Montana DNRC to manage assets on 1,239.43 acres in exchange for 640 acres of asbestos contaminated land currently under EPA regulated authority.

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

No wilderness areas are nearby. Under DNRC management, an additional 1,239.43 acres of land would be publicly accessible, in exchange for 640 acres of land that is currently subject to the regulatory authority of the EPA, including restrictions on public motor vehicle access through Rainy Creek.

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

No changes to population or housing would be expected to occur as a direct result of the proposed land exchange.

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

None identified.

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

None identified.

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

The proposed land exchange of 640 acres of State Land is located within the Libby Superfund Site. The DNRC has long been unable to manage this State Land section due to contamination from asbestos, resulting from the adjacent WR Grace vermiculite mine (no longer in operation). This mine site, along with neighboring properties within the superfund site are managed by the US Environmental Protection Agency (EPA), who refer to this administrative area as Operable Unit 3 (OU3). The trust land parcel's inclusion within the Libby Superfund site will continue to preclude public access for the foreseeable future.

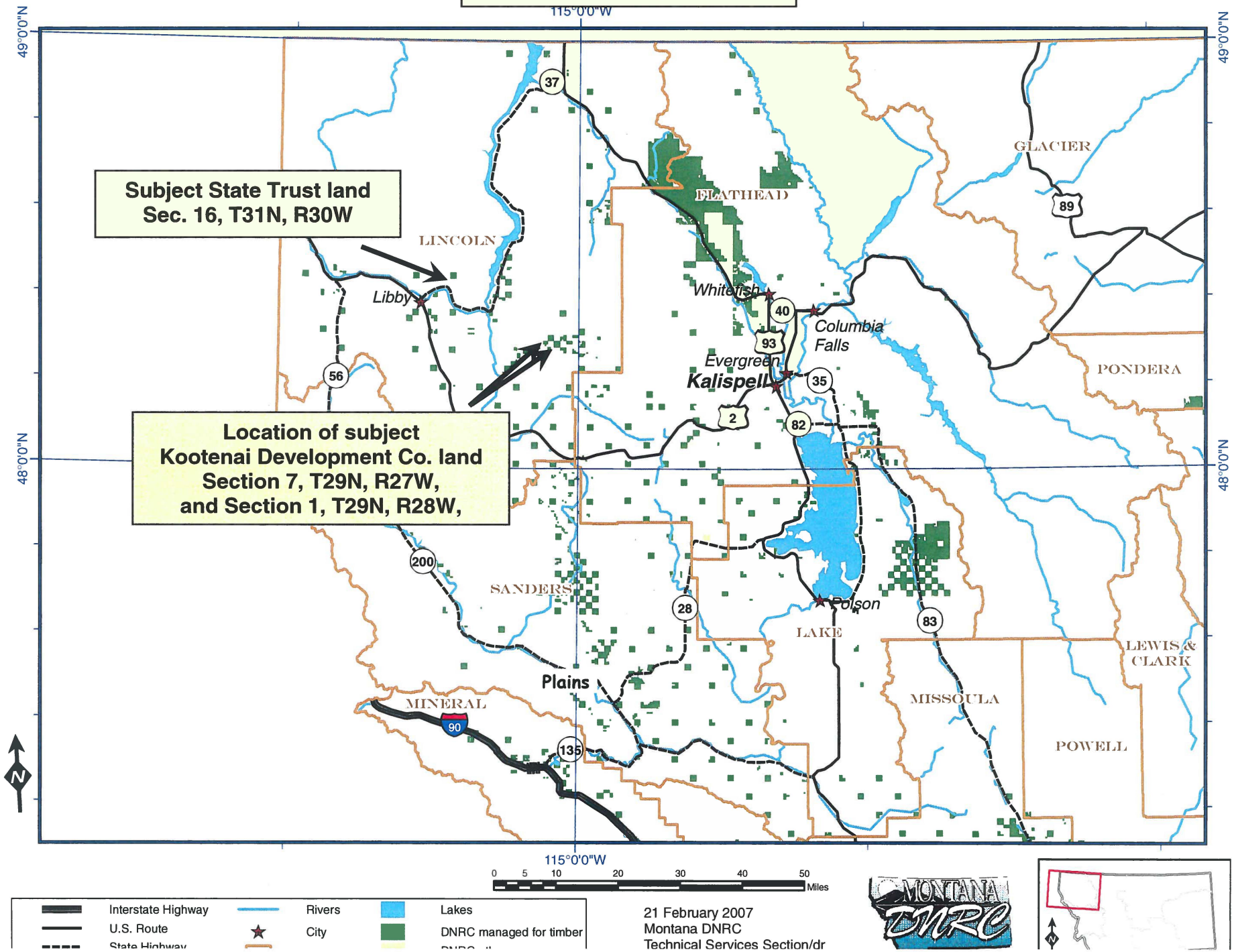
The state's 640 acres does not generate income due to the inability to manage the timber located within the superfund site. The private land offered in the exchange contains a total of 1239.43 acres of forest land. The projected annual income from the private lands is $9,436 with a .49% rate of return.

The State of Montana and Kootenai Development Company contracted an appraisal for the lands included in this exchange. The appraised values of lands are a net gain to the state of $840,000. The state land to be exchanged fair market value is $900,000. The private lands to be exchanged fair market value is $1,740,000. The State Land was appraised under the hypothetical condition that it has not been contaminated by asbestos, and with the extraordinary assumption that it has legal access. The appraisal assignment included the instructions to value the State Land with a discount applied for no legal access. The State Land value with a discount applied for no legal access is estimated at $225,000.

As a final conclusion, currently the DNRC is unable to manage the State Land or generate revenue. If this exchange is approved, the DNRC would be able to manage the acquired lands and receive net gains in public resources. This would include a net gain in land value of $840,000., a gain in annual income generation potential of $9,436/ year, a net gain of 599.43 acres of land, and a gain in thousands of acres of public access.

EA Checklist Prepared By:	**Name:**	Dave Marsh	**Date:**	9-24-2018
	Title:	Forest Management Supervisor		

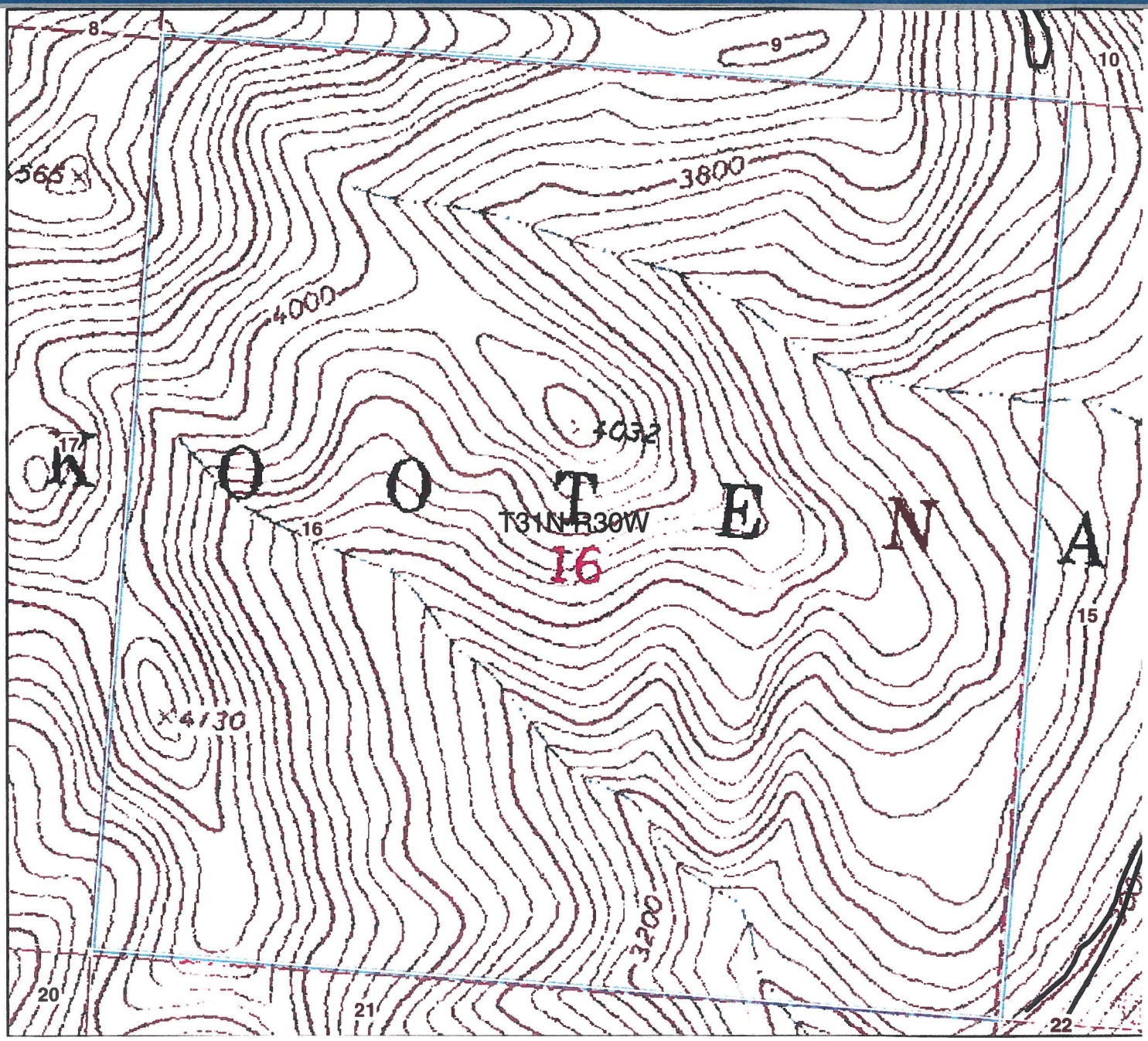
Vermiculite Mountain Land Exchange



State Trust Land

Section 16, Township 31 North, Range 30 West

Attahment #1



Legend

Ownership Trust Lands

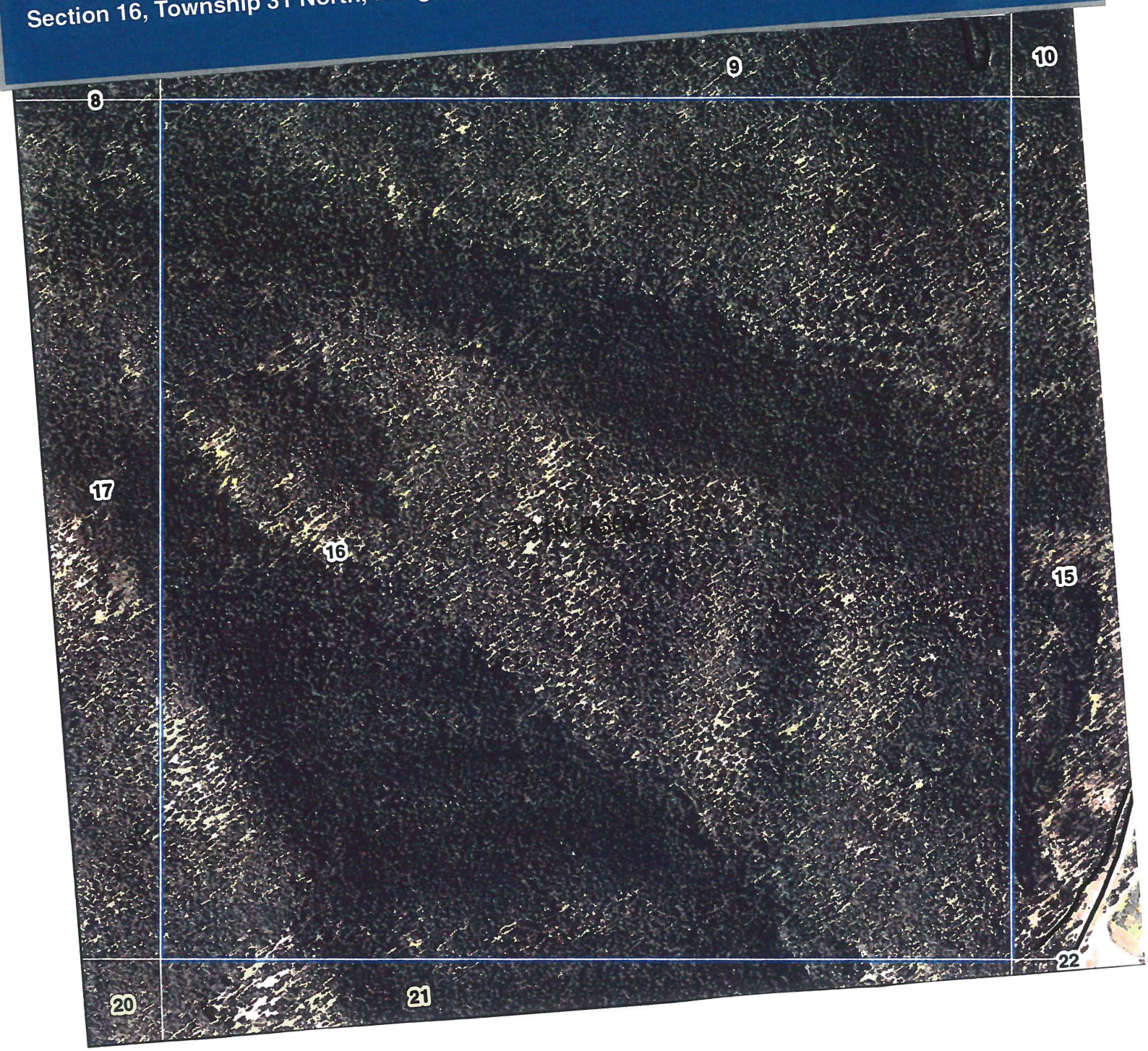
Montana DNRC
Northwestern Land Office
Timber

N

State Trust Land

Section 16, Township 31 North, Range 30 West

Attahment #1



Legend

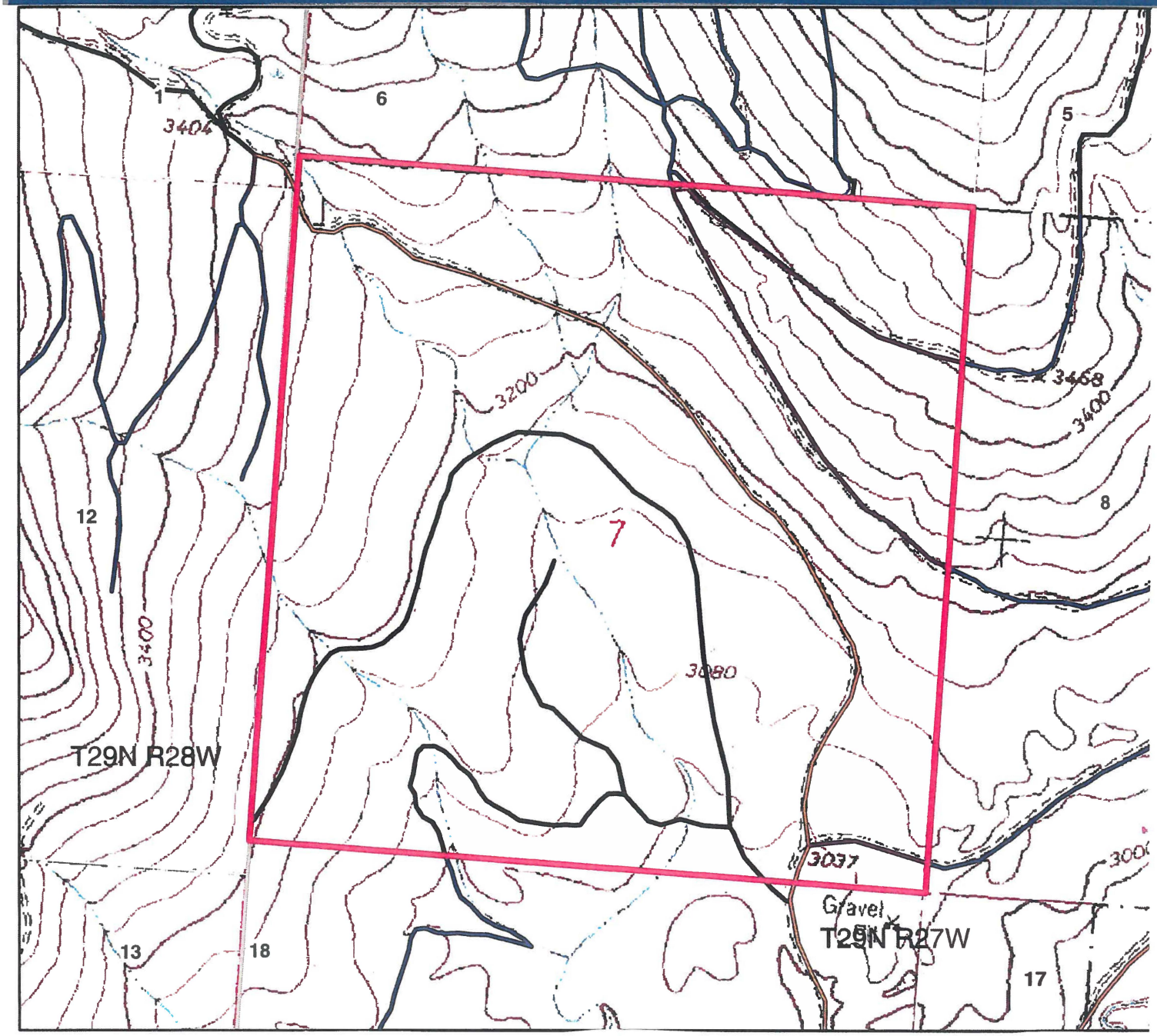
Ownership Trust Lands

Montana DNRC
Northwestern Land Office
Timber

Subject Kootenai Development Co. Property

Section 7, Township 29 North, Range 27 West

Attachment #1



Legend

Subject Kootenai Development Property

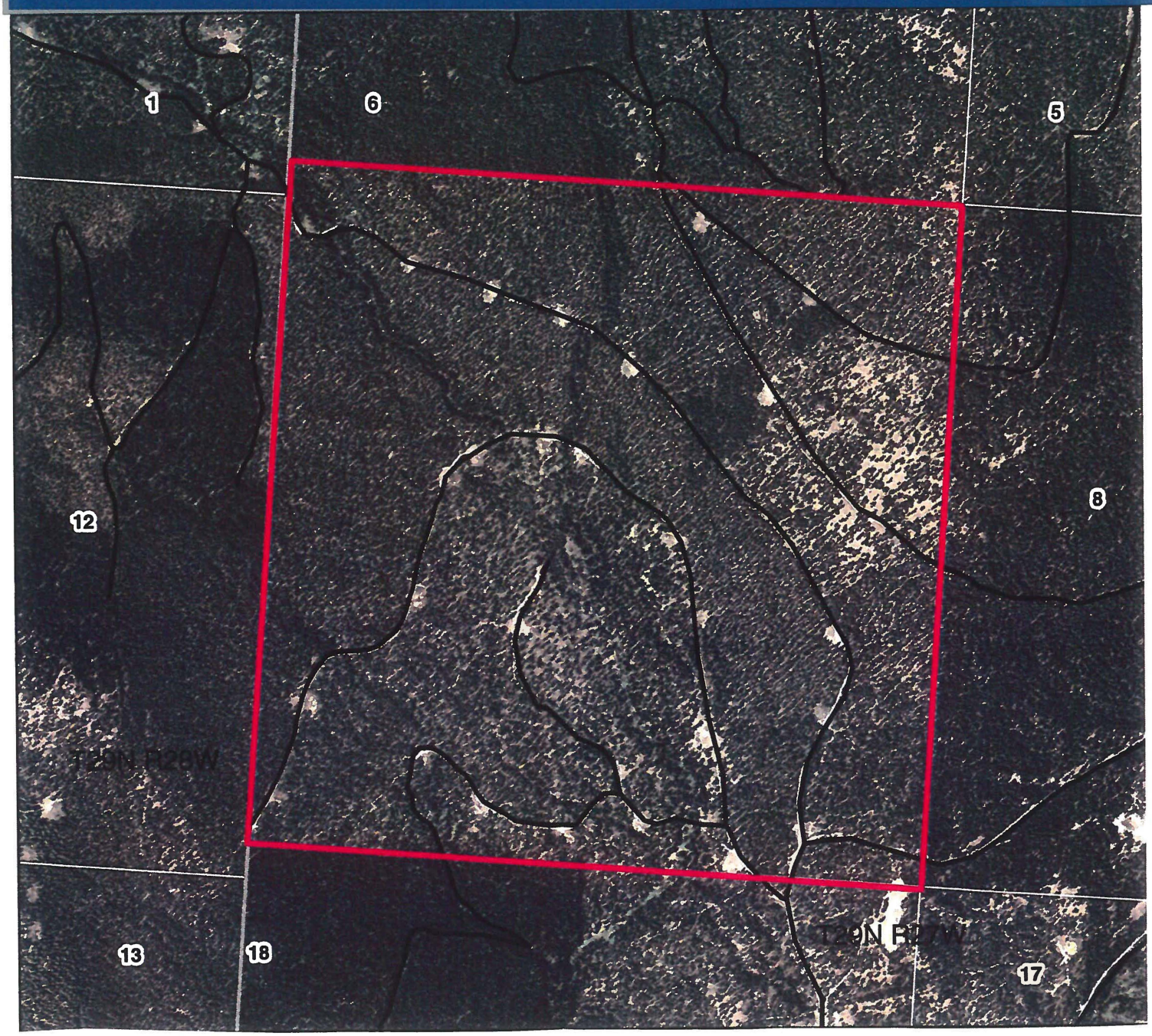
Montana DNRC
Northwestern Land Office
Timber

N

Subject Kootenai Development Co. Property

Section 7, Township 29 North, Range 27 West

Attachment #1



Legend

Subject Kootenai Development Property

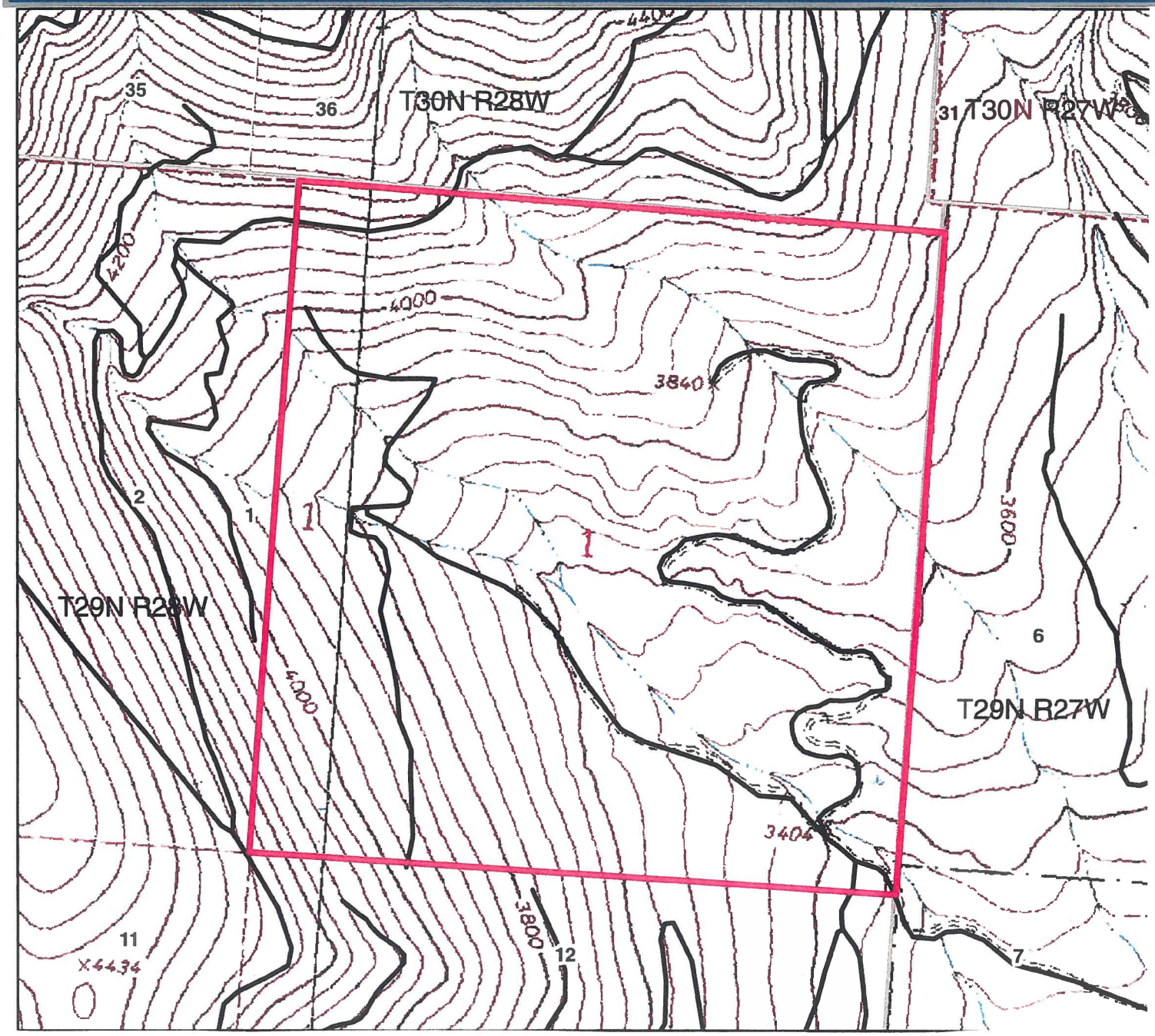
Montana DNRC
Northwestern Land Office
Timber

N

Subject Kootenai Development Co. Property

Section 1, Township 29 North, Range 28 West

Attachment #1



Legend

Subject Kootenai Development Co. Property

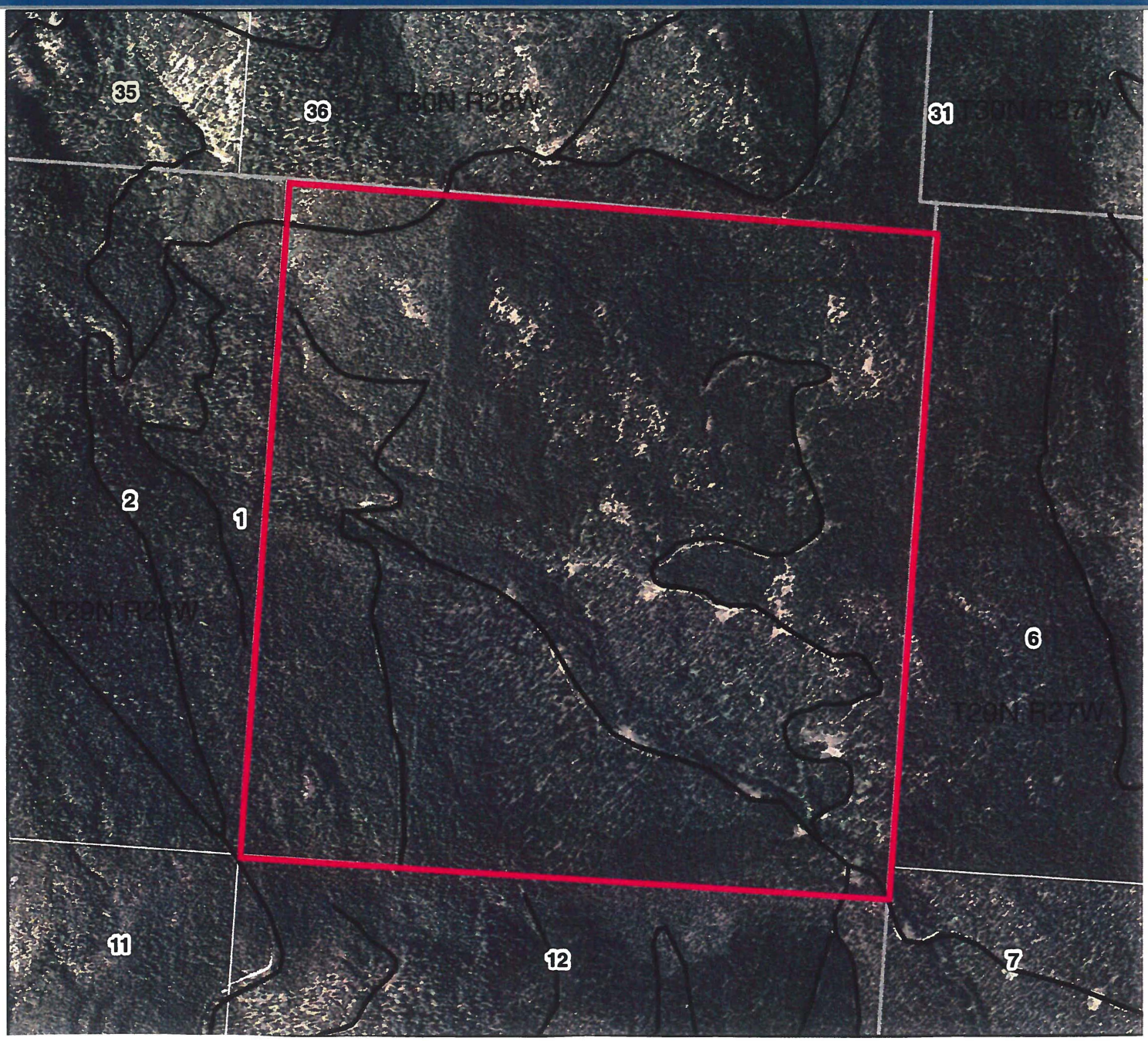
Montana DNRC
Northwestern Land Office
Timber

N

Subject Kootenai Development Co. Property

Section 1, Township 29 North, Range 28 West

Attachment #1



Legend

Subject Kootenai Development Co. Property

Montana DNRC
Northwestern Land Office
Timber

N