CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	Bullis Creek Land Banking Project
Proposed Implementation Date:	Fall 2006
Proponent:	State of Montana, DNRC CLO
Location:	T3S R9E Sections 18 & 20
County:	Park
Trust:	Common Schools

I. TYPE AND PURPOSE OF ACTION

Offer for Sale at Public Auction, 1270 acres of state land currently held in trust for the benefit of Public Schools. Revenue from the sale would be deposited in a special account used to purchase replacement lands meeting acquisition criteria related to legal access, productivity, potential income and proximity to existing state ownership which would then be held in trust for the benefit of Public Schools. The proposed sale is part of a program called Land Banking authorized by the 2003 Legislature. The purpose of the program is for the Department of Natural Resources and Conservation to overall, diversify uses of land holdings of the various trusts, improve the sustained rate of return to the trusts, improve access to state trust land and consolidate ownership.

II. PROJECT DEVELOPMENT

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

Provide a brief chronology of the scoping and ongoing involvement for this project.

A legal notice was published in the Livingston Enterprise on March 24, 2006 requesting comments be submitted on the proposal by April 10, 2006.

A letter, requesting comments be submitted by April 10, 2006 was sent to interested parties on March 14th, including adjacent landowners (listed on the Land Ownership data base of the Natural Resources Information System administered by the Montana State Library), the Park County Commissioners, the Montana Department of Fish Wildlife and Parks and members of the Negotiated Rulemaking Committee who participated in writing the Administrative Rules for the Land Banking Program. A complete list of the individuals contacted is included in Attachment B of this EA.

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

None

3. ALTERNATIVES CONSIDERED:

Proposed Alternative: Offer approximately 1270 acres of State Land for sale at Public Auction and subject to Statutes addressing the Sale of State Land found in Title 77, Chapter 2, Part 3 of the Montana Codes Annotated. Proceeds from the sale would be deposited in the Land Bank Fund to be used in conjunction with proceeds from other sales for the purchase of other state land, easements, or improvements for the beneficiaries of the respective trusts, in this case Common Schools.

No Action Alternative: Defer inclusion of this tract in the Land Banking Program, maintain state ownership of this tract at this time and continue to lease the grazing values.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

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

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

Soils on the tracts are silty complex and well drained, typical of the bench terrain with short steep side hills into draws throughout the Paradise valley, they are moderately erosive and suitable for Rangeland. There is little potential for mineral development although the potential sale of the property would not include mineral rights. No direct or cumulative impact to soils is anticipated as result of the proposal.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

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

This tract is located approximately 2 miles from the Yellowstone River. There is an intermittent stream in the north half of section 20 and few springs in the NW ¼ of section 18. The intermittent stream flows into Bullis Creek, and the springs drain into Strickland Creek, prior to flowing into the Yellowstone River. No direct or cumulative impacts to water quality are anticipated as a result of the proposal.

6. AIR QUALITY:

What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

The tract of land is located approximately seven miles south of Livingston Mt. Air quality is currently good. Impacts to air quality may result from a variety of activities including road use, agricultural burning, wildfires, industrial development, vehicle emissions or heating system emissions among others. It is unknown what land use activities may be associated with a change in ownership, however the tracts are a very small percentage of the valley airshed and we do not expect direct or cumulative effects would occur to air quality as a result of the proposal.

7. VEGETATION COVER, QUANTITY AND QUALITY:

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

The vegetation is dominated by sagebrush, bluebunch wheatgrass, needle and thread, blue grama, and native forbs. Houndstounge and Canada thistle are numerous around the springs in the NW ¼ of section 18 and leafy spurge is prevalent on the steep slopes of the S ½ S ½ section 20. Vegetation may be affected by numerous land management activities including livestock grazing, development, wildlife management or agricultural use. It is unknown what land use activities may be associated with a change in ownership; however the vegetation on this tract is typical of a land throughout the vicinity and there are no known rare, unique cover types or

vegetation on the tracts. We do not expect direct or cumulative effects would occur to vegetation as a result of the proposal.

---

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:
Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

These tracts are used by a variety of wildlife to include large ungulates (elk, mule deer, white-tailed deer, and occasional moose), small to large sized predators and omnivores (weasels, red fox, coyotes, bobcats, grey wolves, mountain lions, black bear), numerous species of small mammals (mice, voles, ground squirrels, rabbits, marmots, ect.), various raptors (red-tailed hawks, golden eagles, American kestrels, prairie falcons, ect.) upland game birds (blue grouse, ruffed-grouse, possibly Hungarian partridge), and numerous non-game bird species (a wide variety of migrant and resident bird species associated with available habitats).

From a wildlife perspective the two sections provide winter range habitat for large numbers of elk. Hundreds of elk consistently spend a considerable amount of time feeding and bedding during the winter and early spring months in section 18. Mt FW&P have counted up to 600 elk in section 18 during their annual elk surveys and large groups of elk are routinely observed in this area between January and April. Section 18 has become a key elk winter range because of it's abundant source of forage (grass), it's open, gentle, wind swept south facing slopes, and it's lack of human activity during the winter months. A large portion of the 1,000 – 1,200 elk that occur in the winter range count unit between West Pine Creek and Interstate Hwy. 90 spend part of the winter on or adjacent to sections 18 and 20. In addition to winter use, smaller numbers of elk remain year round and calve in this general area.

It is unknown what land use activities may be associated with a change in land ownership. A change in future land management direction on these sections could potentially alter wildlife use and distribution.

---

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

Occasional use by Bald Eagles may occur on the state land due to it's proximity to the Yellowstone River two miles to the east. However there are no nesting sites, primary use or home range areas identified on the state land.

Occasional use by grizzly bear or wolf could possibly occur on the state land due to it's proximity to the Greater Yellowstone region. No grizzly bear occurrence on the state tract has been established, however wolves have been sighted within 2 miles of these parcels and due to the use by elk are expected to use this area in the future. No direct or cumulative impact to Threatened, Endangered or unique wildlife is anticipated as a result of the proposal.

A Lynx was trapped in 1994 approximately 2 miles north east of these parcels and this was considered a rare and unusual location for lynx in Park County, though it was forested ground. The state parcels sections 18 & 20 are not habitat in which lynx would typically be found as they are rangeland and not heavily timbered, nor would they be expected in this area due to their normal distribution.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

Identify and determine effects to historical, archaeological or paleontological resources.

The presence or absence of antiquities is presently unknown. A class III level inventory and subsequent evaluation of cultural and paleontologic resources will be carried out if preliminary approval of the parcel nomination by the Board of Commissioners is received. Based on the results of the Class III inventory/evaluation the DNRC will, in consultation with the Montana State Historic Preservation Officer, assess direct and cumulative impacts.

11. AESTHETICS:

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

There are no prominent topographic features on the state land. However, the state land does not provide any unique scenic quality not also provided by adjacent lands. No direct or cumulative impact to aesthetics is anticipated as result of the proposal.

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:

Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

These tracts totaling 1270 acres are part of the common school trust of which there are more than 4.6 million acres within the state, 33,400 acres within Park County. These tracts are currently the only tracts in Park County under consideration for sale under the Land Banking Program. The statutes limit the sale of trust land to a maximum of 20,000 acres prior to purchasing replacement lands. The potential sale of this tract would affect an extremely small percentage of the common school trust land if replacement land was not purchased before the statute expires and even less impact if replacement land is purchased as anticipated.

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

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:

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

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

These tracts totaling 1270 acres are part of an initial proposed sale of state land not to exceed 20,000 acres within the state and under concurrent analysis. There are no known state or federal actions in the vicinity and no known future actions proposed by the state which would have cumulative impacts with this proposal.

IV. IMPACTS ON THE HUMAN POPULATION

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

14. HUMAN HEALTH AND SAFETY:
Identify any health and safety risks posed by the project.

No impacts to human health and safety would occur as a result of the proposal..

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

The tracts of land are currently leased for grazing purposes (291 Unit Months). The current lessee, Greenfield Financial Group, LLC, requested the nomination for sale of the tract. The Greenfield Financial Group, LLC owns all of the land surrounding section 18 and substantial acreage adjacent to section 20, both of which it leases from the State and manages for livestock grazing and wishes to incorporate the state land into its deeded ownership. Land in the N ½ N ½ of the section SE of section 20 have been subdivided and developed into residential lots. There is no legal public access to the state land which is surrounded entirely by private lands. Potential purchasers therefore are adjacent private landowners. The state land is currently not zoned.

It is unknown if a change in use would occur if the tract was transferred to another owner. Any future change in land use would be subject to review under state and local regulations intended to address impacts to local industrial, commercial and agricultural activities. No direct or cumulative impacts are anticipated as a result of the proposal.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:
Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

The proposal would have no affect on quantity and distribution of employment.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:
Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

Currently the tract is not assessed taxes. If the property were to be sold and purchased by a private land owner, it is estimated Park County would receive approximately $722.00 per year in assessments.

18. DEMAND FOR GOVERNMENT SERVICES:
Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services

The proposed sale would not have an impact on government services.

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.

The tract is currently not zoned.

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

The tract of state land does not provide access to any recreational or wilderness areas in the vicinity. The Yellowstone River, located 2 miles east of these tracts are heavily used for recreational purposes but is not affected by activities on the trust land. Recreational use of the state land is limited by access rights. Consequently adjacent landowners and acquaintances use the state land throughout the year for general recreational uses such as walking wildlife watching, possible horseback riding etc. The same users also hunt deer and elk on the section 20 tract during the fall hunting season.

The potential transfer of ownership on this tract may have an impact on the ability of the adjacent landowners to continue their use this land for recreational purposes. It is unknown what recreational uses would be allowed under different ownership.

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

The potential ownership transfer of this tract would not require additional housing or impact population changes. It is unknown what land uses would occur under new ownership. Any future proposal to develop the property and increase housing would be subject to review under state and local regulations.

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

There are no native, unique or traditional lifestyles or communities in the vicinity that would be impacted by the proposal.

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

The Paradise Valley like most valleys and scenic areas in Montana has a rich history and ranching tradition that is continually encroached upon by surrounding residential and recreational development.

The potential sale of the state land will not directly or cumulatively impact cultural uniqueness or diversity. It is unknown what management activities would take place on the land if ownership was transferred

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

These tracts currently have a grazing lease for 291 Animal Unit Months (.23 acres/AUM) at a rate of $6.22/AUM and generate an income of $1810.02 annually or approximately $1.43/acre in 2005. The state-wide average income derived from the use of the surface acres in all classifications of state lands last year was approximately $7.25 per acre. The $1.43 per acre for grazing is less than the average return of $1.53 for grazing on State land as a whole in 2005, and the AUM per acre is less than the state average of .26 acres/AUM. Assuming a value of $2500.00 per acre, the current annual rate of return on the land is approximately 0.06%.

However, the annual appreciation of land in the Paradise Valley is estimated to be above the state average and in excess of 3%. There is no indication the tract, if remaining in state ownership, would be used for purposes other than grazing and it is likely the future income would remain relatively stable.

An appraisal of the property value has not been completed to date. Under DNRC rules, the appraisal would be conducted after preliminary approval to proceed is granted by the Board of Land Commissioners and the Department is conducting more detailed evaluations in order to make a final determination on whether to offer the tract for sale. However, at this time, given the real estate market in the Paradise Valley, we believe the value of this tract is above the average value of trust lands in the state. The revenue generated from the sale of this tract is intended to be combined with other revenue in the Land Banking Account to purchase replacement property for the benefit of the Trust. It is anticipated the replacement property would have legal access and be adjacent to other trust lands which would provide greater management opportunities and income. If replacement property was not purchased prior to the expiration of the statute, the revenue would be deposited into the permanent trust for investment.

EA Checklist Prepared By:	**Name:**	Craig Campbell	**Date:**	4/11/06
	Title:	Bozeman Unit Manager		

V. FINDING

25. ALTERNATIVE SELECTED:

Offer 1270 acres of state land for sale at public auction.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

I have evaluated the comments received and potential environment effects and have determined significant environmental effects would not result from the proposed land sale.

The majority of comments received on the proposal are related to potential impacts associated with possible future residential development on the state and surrounding lands. The 1230 acres of state land is entirely surrounded by private land and substantially within an 11,000 acre land base currently operating as “Ameya Preserve”. The vision of Ameya Preserve is to create a community with commitment to protecting the natural world. A preliminary phase I development proposal has been submitted by Ameya Preserve to the Park County Planning Board and is under consideration. The phase I development proposal does not include any of the state land but is on lands directly adjacent to the north.

It is unknown to what extent development may occur in the future. It is likely some development on adjacent private lands will occur and that development will occur with or without the sale of the state lands. Any development occurring in this vicinity is subject to state and local regulations and impacts associated with development will be reviewed by appropriate agencies. Attached is a statement from Ameya Preserve identifying the development on the state lands they expect to occur if they were to purchase the property. The planned development at this point in time is minimal and the primary elk winter habitat is planned to be put into conservation easement. It is reasonable to assume development is more likely to occur on the current state parcels if it is placed in private ownership. However it is also reasonable to assume development will have less impact if it is planned across a larger landscape rather than simply by existing ownership

boundaries. Consequently, I have concluded significant indirect and cumulative impacts would not occur as a result of the proposed land sale.

The direct impacts associated with the proposed land sale are in my determination, clear. The lands included in this proposal are a very small percentage of the total state land ownership and do not include any critical habitat or unique features when considering the entire or regional state land base. Revenues from the sale of these tracts would be used to purchase other lands currently in private ownership. The objective of the Land Banking Program is to purchase replacement lands which block up existing state lands, have legal access and greater revenue potential. The result of the land sale and subsequent land acquisition would be a slight increase in Trust revenue and a slight increase in legally accessible state land with associated increase in recreational use. If replacement lands are not purchased in Park County, there would be a slight increase in local tax base due to the change to private ownership. The lands acquired under the Land Banking Program would likely have wildlife values which may or may not be similar to the tracts under consideration in this proposal. The state land (Section 18) along with surrounding private lands does provide important winter range for a large elk population and elk is an important resource to the region. However they are abundant in the Paradise Valley, estimated population numbers exceed management goals and the simple transfer of ownership would not impact the elk use. Additionally, there has not been any critical habitat for threatened or endangered species associated with the state lands.

---

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

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

EA Checklist Approved By:	**Name:**	Garry Williams
	Title:	Area Manager, Central Land Office
Signature: Garry Williams		**Date**: 8/4/2006

Wade A. Dokken
Ameya Preserve
1007 East Main
Suite 101
Bozeman, MT 59715

Gary Williams
Area Manager
Montana State Department of Natural Resources and Conservation

August 2, 2006

Re: Sections 18 & 20 Township 3 South, Range 9 East

Dear Gary;

Thank you for our meeting of last Friday. As the owner of Ameya Preserve and the lesee of the state sections under discussion, I would like to respond to your requests with a full statement of all the benefits that would be realized by the constitutionally directed beneficiaries of the state trust lands, the state of Montana, Park County, the wildlife of Montana, and the citizens of Montana.

DNRC Statement on School Trust Lands

> The Enabling Act provided that proceeds from the sale and permanent disposition of any of the trust lands, or part thereof, shall constitute permanent funds for the support and maintenance of the public schools and the various state institutions for which the lands had been granted. The Montana Constitution provides that these permanent funds shall forever remain inviolate, guaranteed by the State of Montana against loss or diversion.
>
> The Enabling Act further provided that rentals received on leased lands, interest earned on the permanent funds arising from these lands, interest earned on deferred payments on lands sold, and all other actual income shall be available for the maintenance and support of such schools and institutions.

Today, sections 18 & 20 of Township 3 South, Range 9 East essentially do not accomplish this constitutional mandate. The annual rental income for these lands is $1,384.00. If we assume a very approximate market value for these parcels of $2 million, then the annual return on capital for these parcels to the Montana Common School Trust is .0692%, less than 7/100 of 1%. Defined another way, the State of Montana could receive $100,000 annually investing in United States 10 year bonds at 4.98%, a 72 times higher yield for the school children of the State of Montana.

This is why these sections have been nominated by the State of Montana for land banking, because their sale would dramatically improve the constitutionally mandated role of these lands.

I think it is also important to note that this valuation far exceeds the agriculture value of the land, and places a development value on the land many times greater than the agricultural value.

"We are considering these parcels because they meet the criteria to be a high priority for sale. This is based on lack of legal access, value of the parcels and the current income generated by the parcels to the School Trust." Quoting DNRC Letter to Park County Commissioners of April 18th, 2006.

There are other important reasons why the State of Montana should approve the sale of these lands, and I would like to comment on them.

Access

Sections 18 and 20 have no public access. The state has gone to the adjoining landowner and requested public access and access was denied. These lands are currently part of an 11,000 acre parcel named Ameya Preserve. These state sections have had no public access for the past decade. Prior to the formation of the Ameya Preserve as a single 11,000 acre parcel, the state sections were part of a 3,800 acre ranch for multiple decades which also provided for no general public access. Approximately ½ of this ranch or 1,900 acres had limited public hunting access, and the remaining ½ was accessible only for paid hunting. The remaining 7,200 acres was either private with no access, or it was forest land that has been swapped for other land, and the access is now elsewhere within Montana.

For the past 10 years of no hunting access, and no grazing, the wildlife population has increased dramatically. This has been very beneficial to the wildlife of the entire Paradise Valley. The previous landowner chose to subjugate his economic interests for the interests of the land. We will be doing the same. The resident elk herd has expanded from 450 head to 1,100 head according to separate counts by Montana Fish, Wildlife and Parks and our private biologists. These biologists believe this is the highest density population of elk in Montana outside of Yellowstone National Park.

Our intention over the 11,000 acres is to introduce public access in several very important ways:

Hunting Access

We have asked the Livingston Rod and Gun Club to help us design and manage a public hunting program. This program will be directed to disadvantaged youth (specifically the children of single mothers), and handicapped hunters. This will be for bow-hunting. We estimate this at 30 licenses.

- We have asked a local rancher to expand his hunting program of friends, family, neighbors, and limited outfitted hunts to include part of Ameya Preserve. This is an additional group of 20+ hunters.
- We have asked for zero compensation for any of this access. This will be non-vehicular access. Walking hunting only. Big game hunting only.

AMEYA
PRESERVE

Community Enrichment

- Ameya Preserve Observatory. We intend to build an observatory as part of Ameya Preserve. This will either be a 20 or a 24 inch telescope, either of which would be the largest in the State of Montana. Montana State University's Physics Department has agreed to manage this facility. One of their astronomers has been selected for the Earthshine program, a sophisticated global-warming study focusing on the reflected light from the moon. The Ameya Preserve Observatory would be their facility for this research, and they would host public access to the observatory for educational and community benefit. MSU has expressed interest for the location of the observatory on a particular corner of section 20. However, this may be located on land that is now private.
- Ameya Preserve Nature Center. The Ameya Preserve will have a paid biological research program designed to study the resident wildlife and engage in a very active re-vegetation program. Prior to the land resting over the past 10 years, the aspen groves were degraded from over-grazing. We will be planting extensive aspen, cottonwood, willow and native fruit trees to increase the biomass of the entire 11,000 acre property. The Ameya Preserve Nature Center will be endowed to accomplish this work. There will be public access for schools to participate and learn of this program. This will be located on land that is now private, will include the study of wildlife improvements to the land now currently owned by the Common School Trust Fund. This represents new public access.
- Ameya Preserve Artist in Residence Program. The Ameya Preserve anticipates building a studio for visiting artists, and five cabins for their on-site residences. These artists will be there for workshops and to pursue their writing, painting, sculpting and additional arts in full view of the magnificent Absaroka Mountains. Again, we will be granting public access. Again, this will be located on land that is now private.
- Ameya Preserve Music Program. The Ameya Preserve anticipates building an amphitheater for the performing arts. Again, we will be granting public access. This will be located on land that is now private.
- Ameya Preserve Interpretative Center. We have been gathering archaeological specimens, preserving others, and recording more. We expect to house these to tell the history of the area and Ameya Preserve. Prior to our ownership two burials, one pre-Crow and one Crow, were discovered on the property. We want to honor the stewardship of this land over the millenniums, and construct a museum on the valley floor for this purpose. Again, this is currently private property, and again there will be public access for school children.

1007 E. Main Street, Suite 101 Bozeman, Montana 59715 tel 406.599.3779 fax 406.599.3779 www.ameyapreserve.com

AMEYA
PRESERVE

Conservation

Ameya Preserve is contemplated to be the finest environmental community in the United States, and certainly Montana. We have taken great care to accomplish this in all of our biological studies and planning. The key element necessary to attain this goal is to set aside the vast majority of this land into conservation easement and to set aside the most important land in a single contiguous piece, thus saving in perpetuity all of this land in its original state.

- We engaged Design Workshop, the leading environmentally sensitive land planner in the United States to do all of our land planning work. They concur that this will be the best environmental development in the United States. All design decisions by them have placed the environment as the highest value.
- We have decided to place this conservation easement with the **Montana Land Reliance**. Additionally we have decided to work with the **Conservation Fund of Montana** to create a community stewardship organization to manage this land. This CSO will be funded by a .5% transfer fee on all private property within Ameya Preserve. This should ultimately create an endowment in excess of $5 million.
- We would envision the vast majority of the entire Ameya Preserve to be placed in this conservation easement. We also envision 1,000 acres (if the state ultimately sells the land and we ultimately buy the land) of the current state lands to be placed in conservation easement. We will make this part of a deed restriction if it is part of the appraisal.

Land Utilization

We will use this land and this endowment to create an overall habitat that exceeds the quality of the habitat today. In our view this is a statement that is seldom made and never accomplished. We are today making the first and endeavoring to accomplish the second. We have done and will continue to do extensive base-line wildlife studies to give the data necessary to quantify our progress.

We intend to accomplish this in several key ways. Most importantly for wildlife, we are currently developing plans for 22 acres of surface water. These wetlands would extend from the valley floor to the furthest western reaches of the ranch, which extends over an approximately 8 mile range. These wetlands would be populated with aspen, cottonwood and willow. We believe this alone is a substantial improvement for both birds and mammals. Some of these wetlands will be in section 20 and others in section 18. The section 20 improvements would be the creation of surface water on the South Bullis drainage. The section 18 improvements would be shallow bullrush ponds favored by migrating waterfowl, deer and elk herds.

If these state sections are sold and we are the purchaser, we would be placing a permanent road where a ranch road now exists. This is at the corners of sections 18 & 20. Additionally we would, if the MSU Physics Department chooses, build the observatory on the southeast corner of

1007 E. Main Street, Suite 101 Bozeman, Montana 59715 tel 406.599.3779 fax 406.599.3779 www.ameyapreserve.com

section 20. Finally, we would anticipate a very small acreage use in the northernmost portion of section 18. We anticipate this use to be four acres.

Ameya Preserve

These conversations have occurred in the shadow of our plans for the Ameya Preserve property. The state lands are not absolutely essential for the accomplishment of our plans, but they can jeopardize our plans. The key utility of the state lands is the continued use of the existing road through the corners of section 18 & 20. Without this guaranteed access, we would need to build an egress road across our private land which would be in the center of the winter elk range, which is entirely possible, but more detrimental to wildlife. This we do not want to do.

The general goals of Ameya Preserve are to create the best environmental community in the United States. We want to create a plan that sets aside large blocks of critical wildlife habitat and does so in a way that is economically replicable. We are using very limited development, in very carefully designed density pockets to accomplish this subsidy. We believe that the best alternative would be for state and federal funds to set aside large blocks of land, but this no longer seems to be the trend. Therefore, our plan is attempting to use private funds to accomplish this critical public goal.

Community Outreach

While pursing this goal, we are also attempting to accomplish great things for the community of Livingston and Park County. Let me introduce several of these additional concepts:

- We have offered, and Habitat for Humanity has accepted our offer, to build a home in Livingston for every 50 lots we sell at Ameya Preserve. We have additionally offered to make an additional contribution for each of these homes to increase Habitat for Humanity's capacity for additional construction.
- We have offered, and the Livingston School High School has accepted, to pay for two advanced placement teachers for their high school. Ultimately this may be used for the development of an International Baccalaureate Program (the most advanced curriculum for high school students globally). These teachers would be able to teach an additional 5-6 advanced college preparatory courses to Park County students. Eventually the substantial tax revenue from our property taxes would fund these teachers and additional teachers with very minimal additional student volume.
- We have expressed our intention to create an endowment for the local community through a donation for every lot sale. Foundation Source, the largest administrator of private foundations in the United States will create a Charitable Giving Tree. Each buyer would be encouraged to do the same, and the residents would manage and allocate this money for the significant social service needs of the local community.
- We have commissioned the Economic & Planning Systems Company to do a fiscal impact study for the phase 1 preliminary plat submission for Park County. This phase 1 application represents less than 25% of our eventual plans, so I have extrapolated EPS's data to approximate for our final plan. In spite of our extraordinary rigor on

environmental issues, we will have extremely positive fiscal impacts to the local economy. These extrapolated fiscal impacts are outlined below. The job numbers are over the period of the build-out and the tax numbers are at the conclusion of the build-out. For purposes of these calculations we have assumed this is a seven year period.

- $1,036,332 in new estimated annual county real estate taxes
- $110,456 in new estimated annual county revenue
- 572 estimated additional local jobs annually over for 7 years at average annual wage of $35,000
- $145,848,000 in locally purchased materials
- $550,964 in estimated new annual primary school mill levies
- $604,980 in estimated new annual secondary school mill levies
- $967,476 in estimated new annual state-wide equalization school mill levies
- $455,096 in estimated new annual county-wide equalization school mill levies
- $149,984 in annual new estimated Park County Rural Fire District mill levies
- At this stage we have not gathered the complete data on the fiscal impacts from permanent annual expenditures and permanent new jobs created, but they would obviously be very significant and a substantial multiple of the previous numbers.

Conclusion

We believe that we have articulated a plan which allows the state to accomplish many crucial goals.

1. Dramatically increase annual revenue to the Common School Trust fund
2. Since this is land banking, the state will be able to purchase far more land than the proposed two sections that can be used for wildlife and public access.
3. Increase public access on private land where no access currently exists
4. Create very high value public access for science and the public
5. Contribute to a plan that conserves a critical portion of the land in the Yellowstone to Yukon migration corridor without the expenditure of state tax funds
6. Facilitate positive, healthy development for the citizens of Montana

Thank you for your attention.

Sincerely;

Wade A. Dokken

1007 E. Main Street, Suite 101 Bozeman, Montana 59715 tel 406.599.3779 fax 406.599.3779 www.ameyapreserve.com