

**AGENDA**  
**REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS**  
October 18, 2021, at 9:00 a.m.  
State Capitol, Room 303  
Helena, MT

**ACTION ITEMS**

- 1021-1    **Timber Sales** **APPROVED 5-0**  
          **A. McCully Ridge Salvage**  
          *Benefits: Common Schools*  
          *Location: Sanders County*  
          **B. Upper Swede II**  
          *Benefits: Common Schools*  
          *Location: Flathead County*
- 1021-2    **Land Banking Parcels: Preliminary Approval for Sale** **APPROVED 5-0**  
          *Benefits: Pine Hills School*  
          *Location: Chouteau County*
- 1021-3    **Land Banking Parcels: Set Minimum Bid for Sale** **APPROVED 5-0**  
          *Benefits: Common Schools*  
          *Location: Rosebud County*
- 1021-4    **Land Banking Parcels: Final Approval for Sale** **APPROVED 5-0**  
          *Benefits: Common Schools*  
          *Location: Powell County*
- 1021-5    **Cabin and Home Sites: Set Minimum Bid for Sale** **APPROVED 4-1**  
          **A. Lewis and Clark County** **COMMISSIONER DOWNING OPPOSED**  
          *Benefits: Common Schools*  
          *Location: Lewis and Clark County*  
          **B. Flathead County**  
          *Benefits: Montana Tech*  
          *Location: Flathead County*
- 1021-6    **Easements: Standard Grant** **APPROVED 5-0**  
          *Benefits: Common Schools, Public Land Trust- Nav. Rivers*  
          *Location: Carter, Gallatin, Wibaux, & Yellowstone Counties*
- 1021-7    **DNRC Miles City Administrative Office Compound – Application No. 19137**  
          *Benefits: Common Schools* **APPROVED 5-0**  
          *Location: Custer County*

**PUBLIC COMMENT**



# 1021-1

TIMBER SALES:

A. McCully Ridge Salvage

B. Upper Swede II





**Land Board Agenda Item  
October 18, 2021**

**1021-1A Timber Sale: McCully Ridge Salvage**

**Location: Sanders County  
Section 4, T23N, R27W**

**Trust Benefits: Common Schools Trust**

**Trust Revenue: \$350,909 (estimated, minimum bid)**

**Item Summary**

**Location:** The McCully Ridge Salvage is located approximately 22 air miles north of Plains, Montana in Sander county.

**Size and Scope:** The sale includes 7 harvest units (361 *acres*) of skyline and tractor logging.

**Volume:** The estimated harvest volume is 20,875 tons (3,140 *MBF*) of sawlogs.

**Estimated Return:** The minimum bid is \$16.81 per ton, which would generate approximately \$350,909 for the Common Schools Trust and approximately \$93,311 in Forest Improvement fees.

**Prescription:** This sale has a harvest prescription of seedtree, which is an even-aged management strategy where 6 - 8 trees per acre are retained to provide adequate seed source to regenerate harvested units with the desired species.

**Road Construction/Maintenance:** The Department of Natural resources and Conservation (DNRC) is proposing 2.1 miles of new road construction, 4.0 miles of road reconstruction, and 8.0 miles of road maintenance.

**Access:** Access is obtained by the County Road #56 and the McCully Ridge RAA.

**Public Comments:** Two comments were received that were in support of the proposed forest management project. Internal and external issues and concerns were incorporated into project planning and design.

**DNRC Recommendation**

The director recommends the Land Board direct DNRC to sell the McCully Ridge Salvage Timber Sale.

# State Trust Land Vicinity Map

## Plains Unit

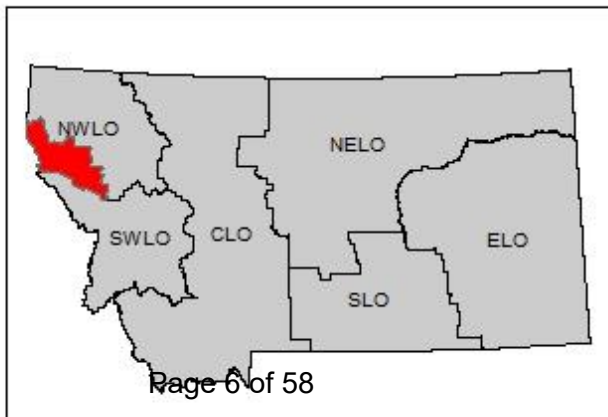
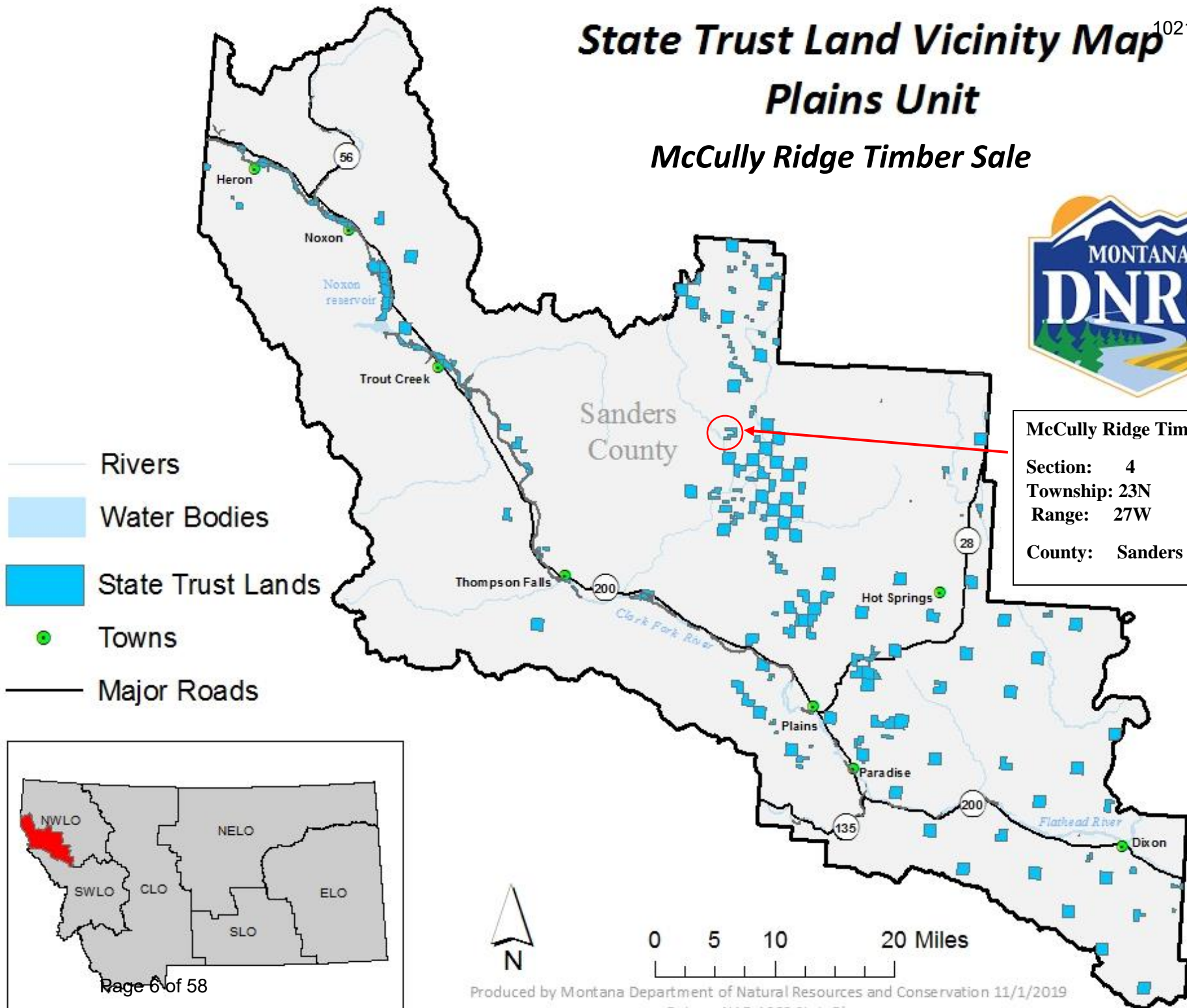
1021-1A

### McCully Ridge Timber Sale



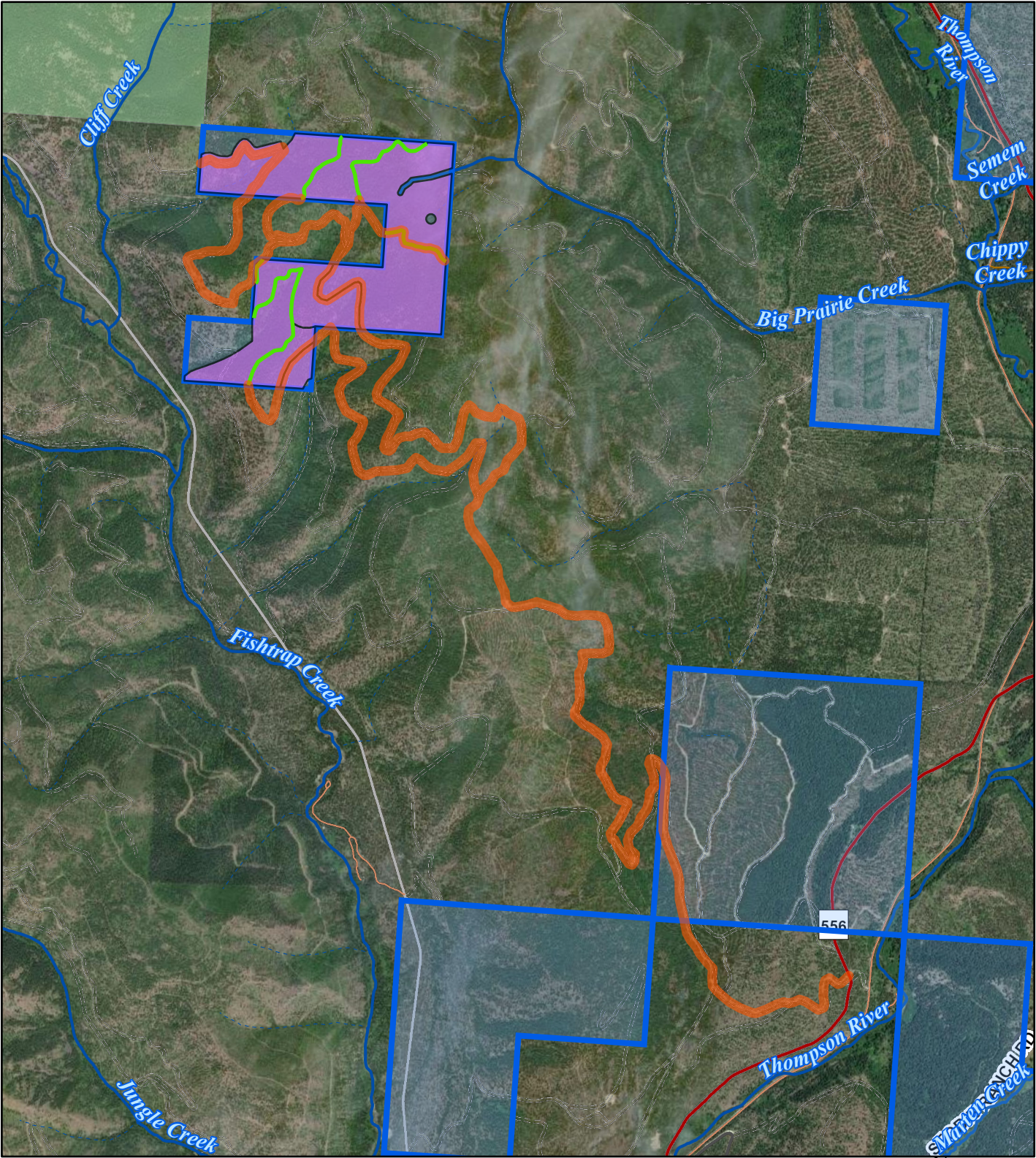
#### McCully Ridge Timber Sale

Section: 4  
Township: 23N  
Range: 27W  
County: Sanders





# McCully Ridge Salvage Timber Sale Haul Route



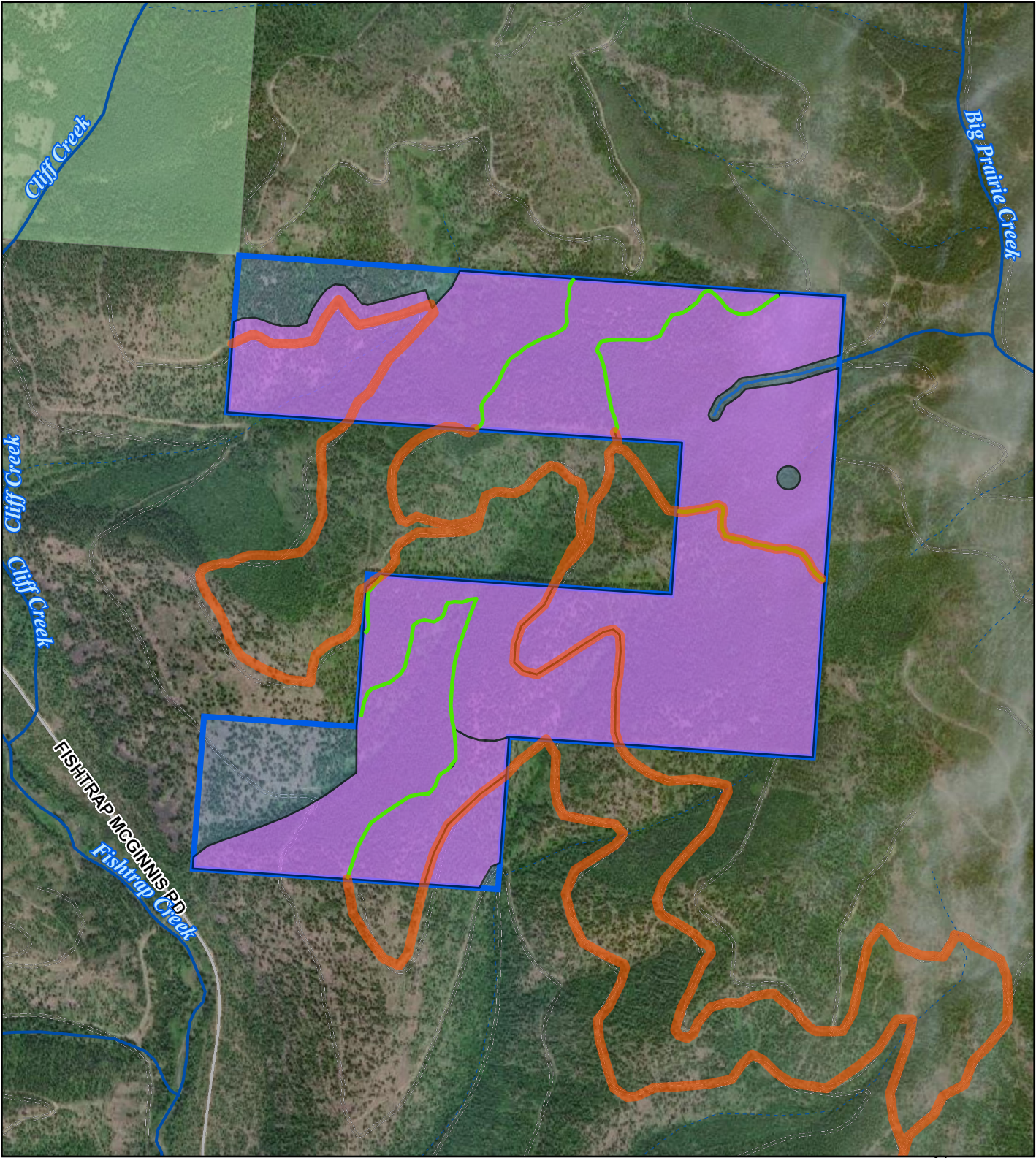
- McCully Haul Route
- New Road
- McCully Ridge Salvage Harvest Units
- DNCR Trust Lands
- Perennial Stream
- Intermittent Stream
- US Forest Service

0 0.7 1.4 Miles





# McCully Ridge Salvage Timber Sale Harvest Units



- McCully Haul Route
- New Road
- McCully Ridge Salvage Harvest Units
- DNRCTrust Lands
- Perennial Stream
- Intermittent Stream
- US Forest Service

0 0.25 0.5  
Miles



**Land Board Agenda Item  
October 18, 2021**

**1021-1B Timber Sale: Upper Swede II**

**Location:** Flathead County  
Section 34, T34N, R23W

**Trust Beneficiaries:** Common Schools

**Trust Revenue:** \$49,261 (estimated, minimum bid)

**Item Summary**

**Location:** The Upper Swede II Timber Sale is located approximately 8 miles northeast of Olney, MT.

**Size and Scope:** The sale includes 5 harvest units (*79 acres*) of cable & ground-based logging.

**Volume:** The estimated harvest volume is 3,801 tons (*0.645 MMBF*) of sawlog material.

**Estimated Return:** The minimum bid is \$12.96 per ton, which would generate approximately \$49,261 for the Common Schools Trust and approximately \$19,157 in Forest Improvement fees.

**Prescription:** This sale has a harvest prescription of seedtree, which is an even-aged management strategy where 6 – 8 trees per acre are retained to provide adequate seed source to regenerate harvested units with the desired species.

**Road Construction/Maintenance:** The Department of Natural Resources and Conservation (DNRC) is proposing 1.3 miles of new, temporary road construction, 1 mile of road improvement, and 12 miles of road maintenance.

**Access:** Access is obtained through the State-owned Upper Whitefish Road.

**Public Comments:** One letter was received from Montana Fish, Wildlife and Parks. The letter addressed the timber sale in general and no specific issues were identified.

**DNRC Recommendation**

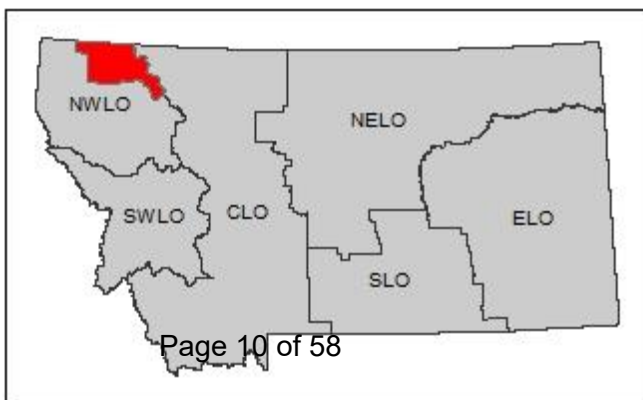
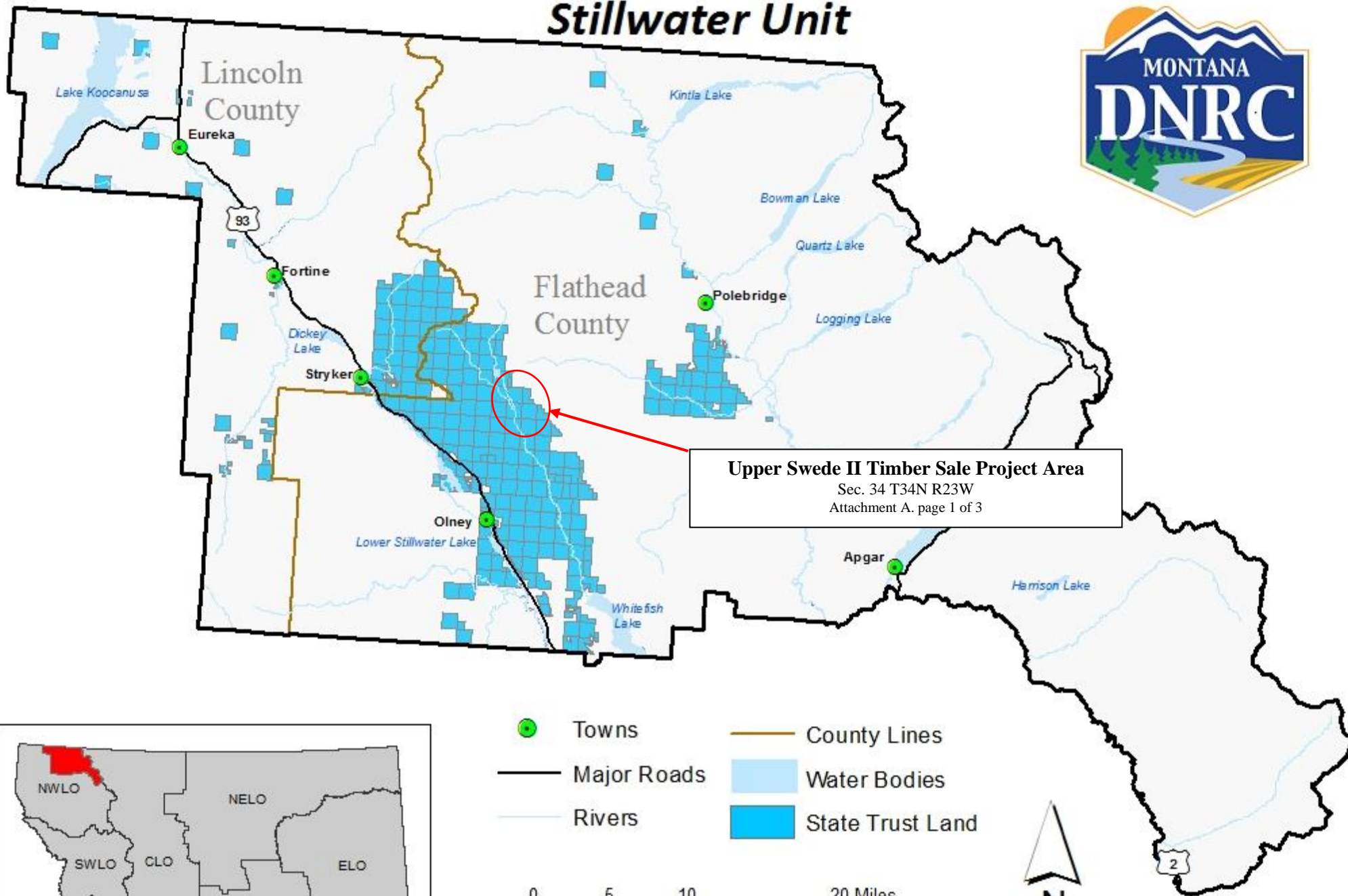
The director recommends the Land Board direct DNRC to sell the Upper Swede II Timber Sale.



# UPPER SWEDE II TIMBER SALE VICINITY MAP

## Stillwater Unit

1021-1B



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

0 5 10 20 Miles

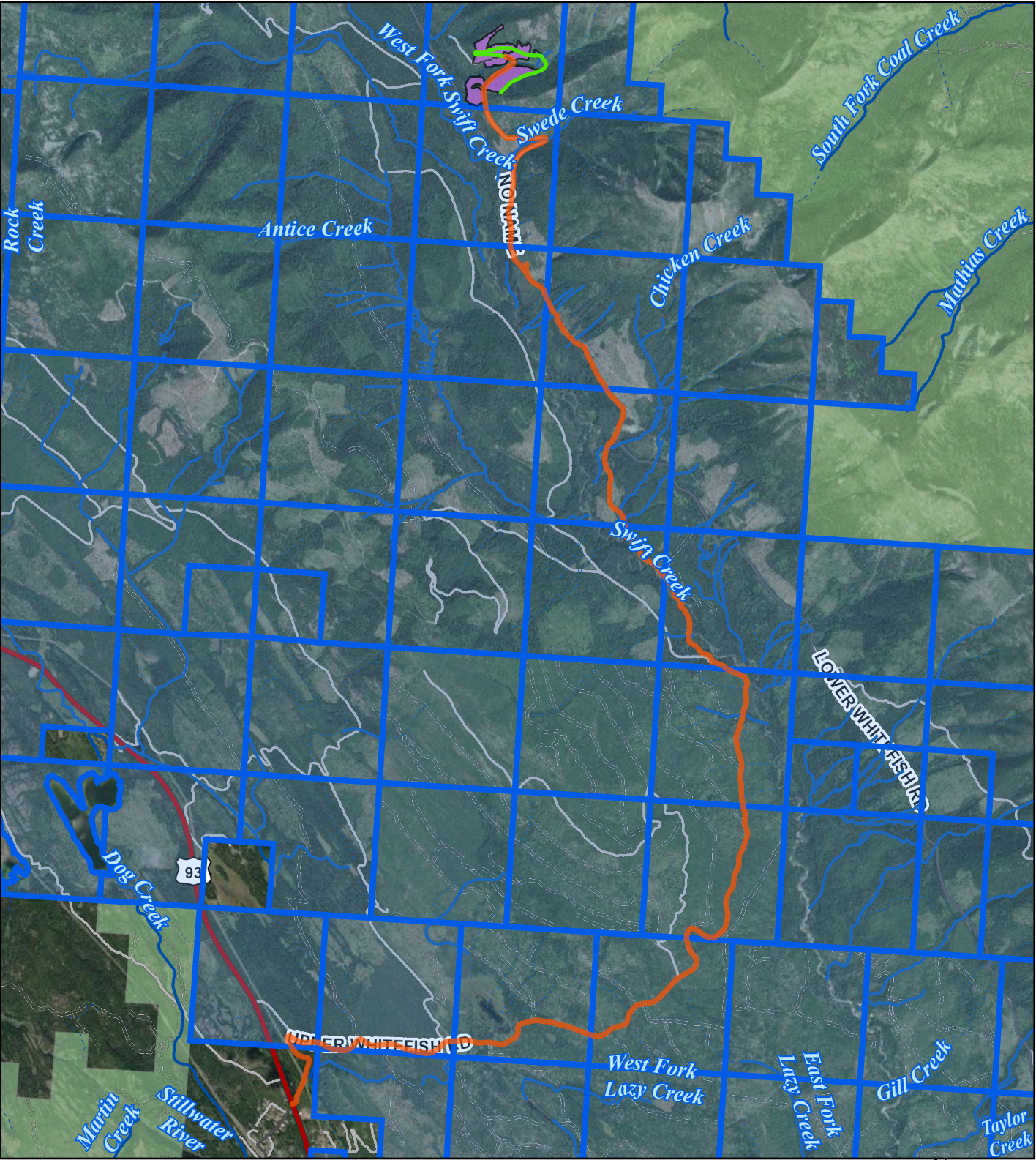


Produced by Montana Department of Natural Resources and Conservation 11/1/2019

Datum: NAD 1983 State Plane



# Upper Swede II Timber Sale Haul Route

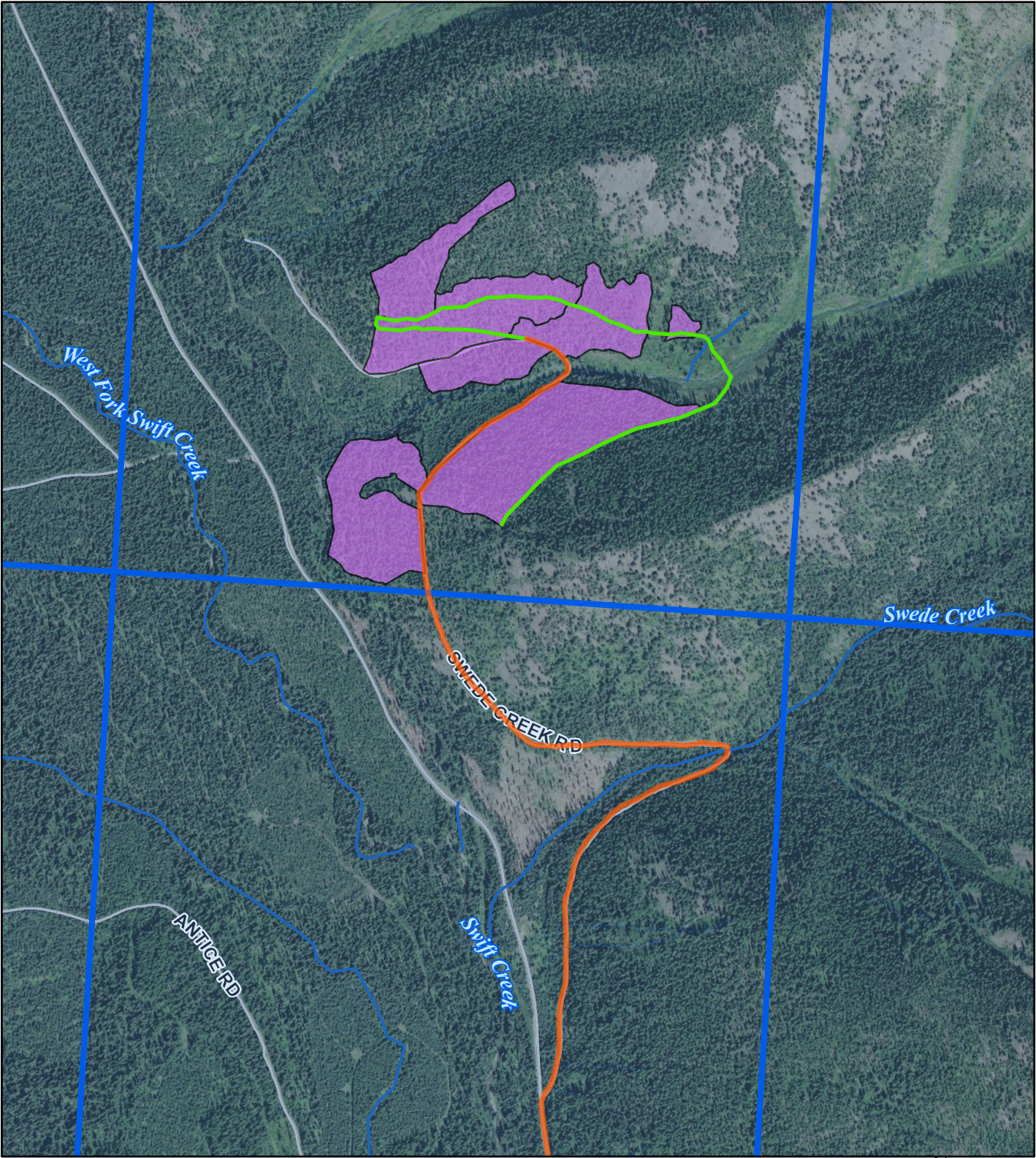


- Haul Route
- New Road
- Upper Swede II Harvest Units
- DNRCTrust Lands
- Perennial Stream
- Intermittent Stream
- US Forest Service
- State of Montana Misc.
- Highways\_cadastral\_Labels
- <all other values>
- NHS INTERSTATE
- <all other values>
- NHS INTERSTATE





# Upper Swede II Timber Sale Harvest Units



- Haul Route
  - New Road
  - Upper Swede II Harvest Units
  - DNRC Trust Lands
  - Perennial Stream
  - Intermittent Stream
- | Highways_cadastral_Labels |                    |
|---------------------------|--------------------|
| <all other values>        | <all other values> |
| NHS INTERSTATE            | NHS INTERSTATE     |

0 0.25 0.5 Miles





# 1021-2

LAND BANKING PARCELS:

Preliminary Approval for Sale



**Land Board Agenda Item  
October 18, 2021**

**1021-2 Land Banking Parcels: Preliminary Approval for Sale**

**Location: Chouteau County**

**Trust Benefits: Pine Hills School**

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

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) is requesting preliminary approval to sell four (4) parcels totaling approximately 200 acres nominated for sale in Chouteau County. The sales were nominated by the lessee and are located approximately 30 miles north of Great Falls, Montana.

<b>Sale No.</b>	<b>Acres</b>	<b>Legal Description</b>	<b>Nominator</b>	<b>Trust</b>
<b>1174</b>	40	SE4NW4, Section 22, T25N-R3E	Rancho Deluxe Pheasant Farm, LLC	Pine Hills School
<b>1176</b>	40	NE4NW4, Section 29, T25N-R3E	Rancho Deluxe Pheasant Farm, LLC	Pine Hills School
<b>1177</b>	80	E2SW4, Section 20, T25N-R3E	Rancho Deluxe Pheasant Farm, LLC	Pine Hills School
<b>1178</b>	40	NW4NW4, Section 20, T25N-R3E	Rancho Deluxe Pheasant Farm, LLC	Pine Hills School

The sale parcels have been used primarily for livestock grazing purposes and have below average productivity for agricultural and grazing lands statewide.

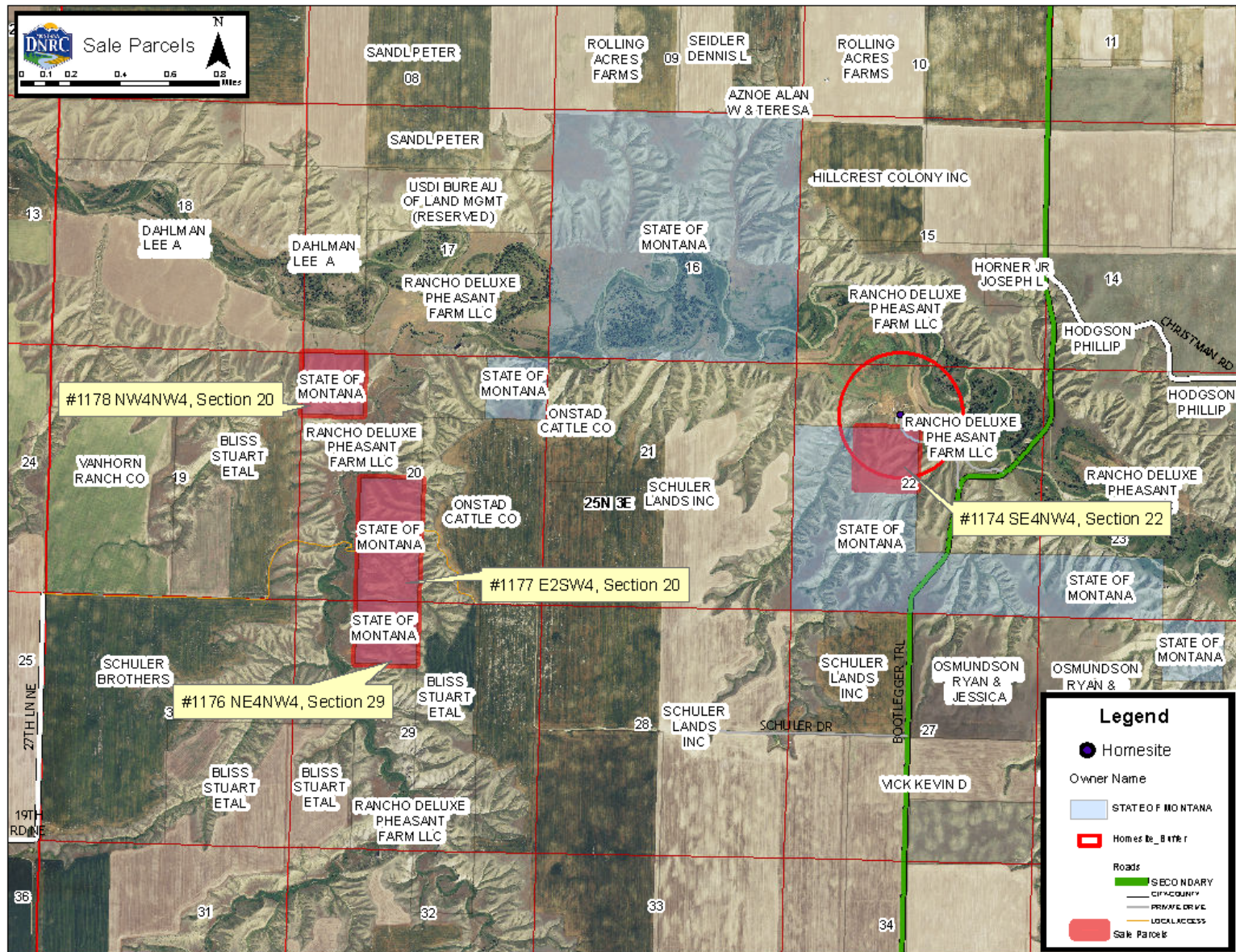
Sale numbers 1176, 1177, and 1178 are surrounded by private land and not legally accessible by the public. The sale of these parcels would not restrict or eliminate access to adjacent private land. Sale number 1174, however, is a forty-acre portion of a legally accessible 320-acre parcel located along Bootlegger Trail. The parcel is located adjacent to an occupied dwelling and contains the driveway to the dwelling. The recreational utility of the forty-acre parcel is constrained by the location of the homesite immediately adjacent to the parcel, as ARM 36.25.139 (c) prohibits shooting within ¼ mile of an occupied dwelling. Approximately twelve acres are unencumbered by the recreational use restriction and likely receive little use.

MEPA scoping has been completed, and no potentially negative issues related to the sale of this parcel have been identified. Public comments received regarding these sales include one reply from Senator Russell Temple, SD 14. Senator Temple expressed support of sale number 1178 only. He strongly opposed sale of the remaining three parcels (sales 1174, 1176 and 1177). Two comments in support of the sales were received after the comment period had closed from Senator Ryan Osmundson and Senator Lew Jones.

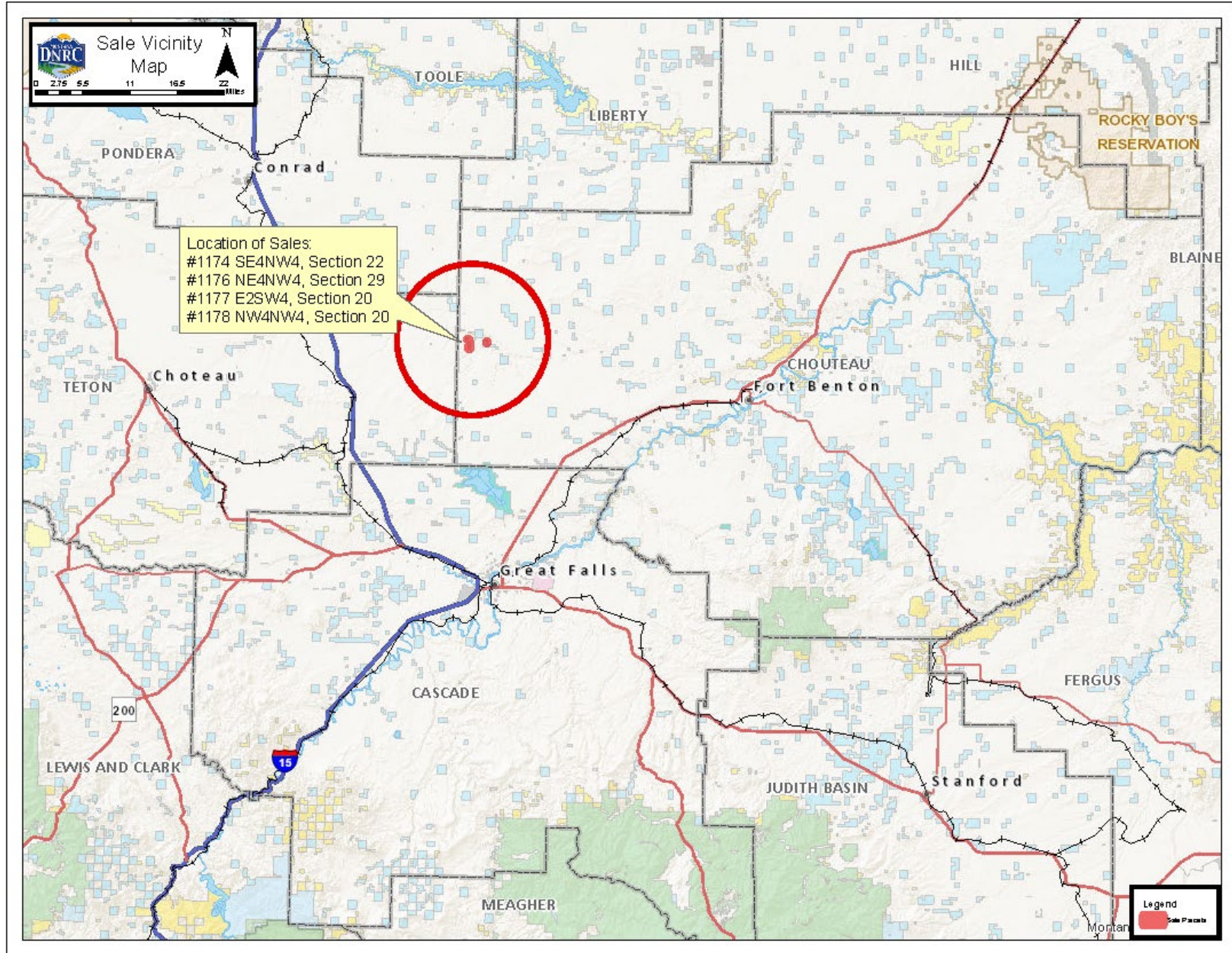
With the Land Board's preliminary approval to sell these parcels, DNRC can continue the due diligence necessary to fully evaluate these parcels and process them for sale.

**DNRC Recommendation**

The director recommends preliminary approval to sell these four (4) parcels.







# 1021-3

LAND BANKING PARCELS:

Set Minimum Bid for Sale





**Land Board Agenda Item  
October 18, 2021**

**1021-3 Land Banking Parcel: Set Minimum Bid**

**Location: Rosebud County**

**Trust Benefits: Common Schools**

**Trust Revenue: \$415,000**

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) requests to set minimum bid for one parcel totaling approximately 640 acres nominated for sale in Rosebud County. The sale was nominated by the lessee and is located approximately 8 miles east of Colstrip, Montana.

<b>Sale #</b>	<b># of Acres</b>	<b>Legal</b>	<b>Nominator</b>	<b>Trust</b>
1180	640±	ALL T2N-R42E, Sec. 36	Genie Land Co.	Common Schools

The sale parcel has been used primarily for livestock grazing purposes and has below average productivity for agricultural and grazing lands statewide.

Sale No. 1180 is entirely surrounded by private land and is not legally accessible by the public. The sale of this parcel would not restrict or eliminate access to adjacent private land.

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

**Economic Analysis:**

Short term – The average rate of return on the sale parcel is 0.20%. The parcel will continue to receive this 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 land 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:**

A Class III cultural and paleontological resources inventory was conducted of Section 36, T2N R42E. Despite a detailed examination, no cultural or fossil resources were identified on the parcel. 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 is on file with the DNRC and the Montana State Historic Preservation Officer.

**Background:**

In March 2021, the Board granted preliminary approval (Approved 5-0) for this sale to move forward in the evaluation process.

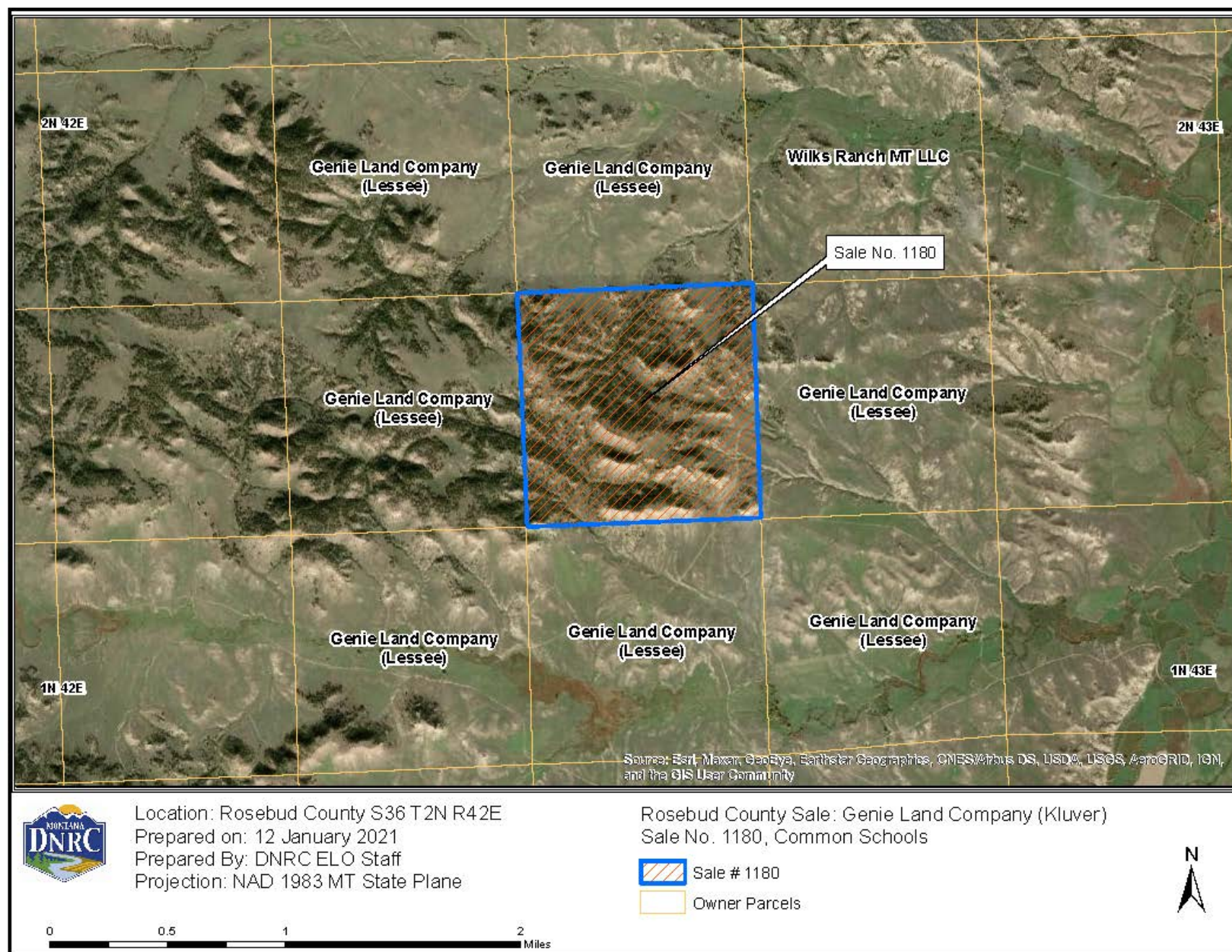
**Appraisal:**

The appraisal was prepared by Montana General Certified Appraisers J. Scott Crosby and Valerie Crosby of Crosby Analytics, LLC in Cowley, Wyoming in August of 2021.

<b>Sale Nos.</b>	<b>Appraised Land Value</b>	<b>Recommended Minimum Bid Value</b>
<b>1180</b>	\$415,000	\$415,000

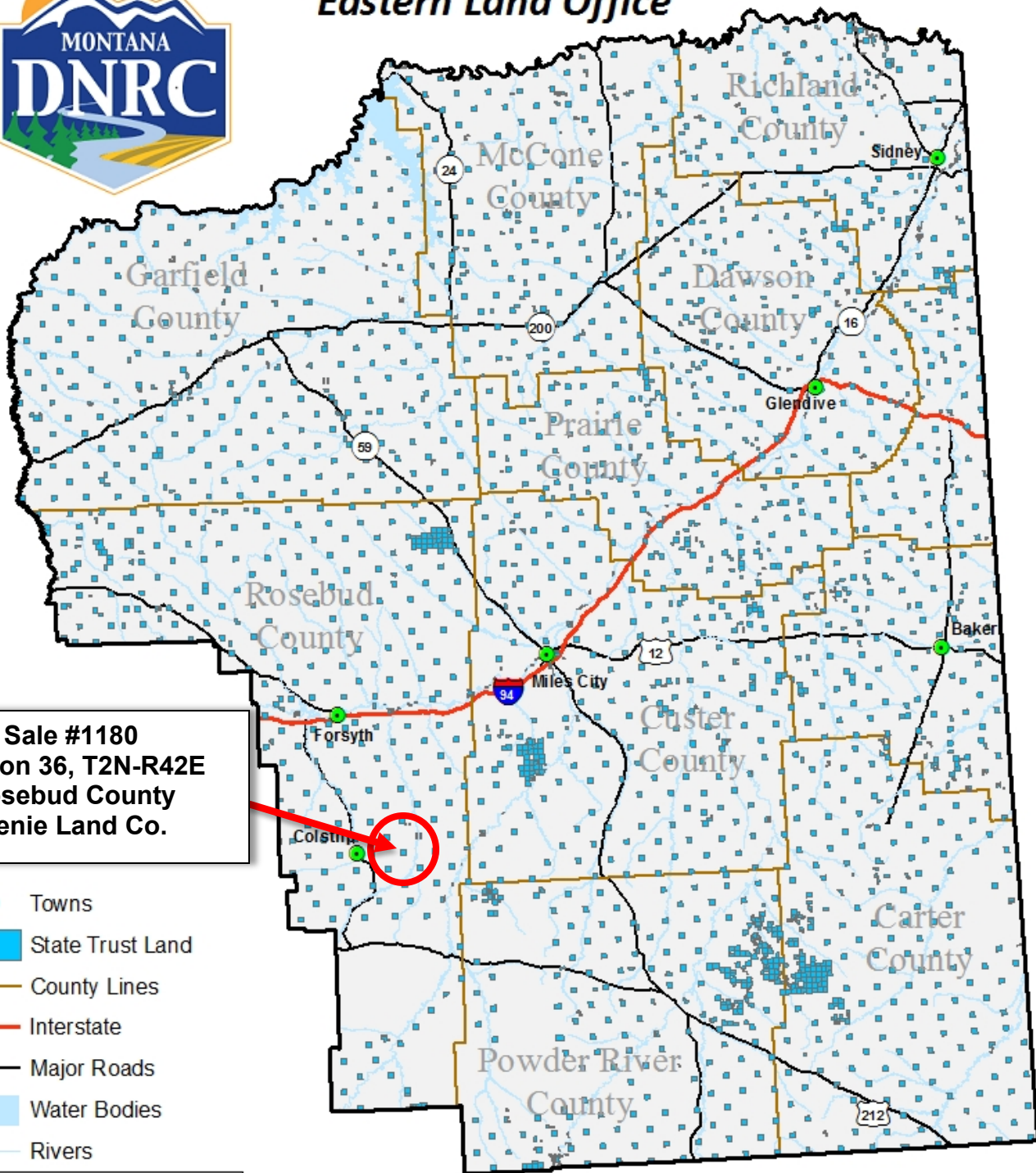
**DNRC Recommendation**

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



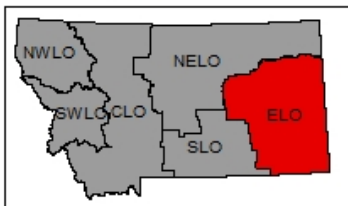


# State Trust land Vicinity Map Eastern Land Office



**Sale #1180  
Section 36, T2N-R42E  
Rosebud County  
Genie Land Co.**

- Towns
- State Trust Land
- County Lines
- Interstate
- Major Roads
- Water Bodies
- Rivers



0 10 20 40 Miles



Produced by Montana Department of Natural Resources and Conservation 11/1/2019  
Datum: NAD 1983 StatePlane

# 1021-4

LAND BANKING PARCELS:

Final Approval for Sale



**Land Board Agenda Item  
October 18, 2021**

**1021-4 Land Banking Parcel: Final Approval for Sale**

**Location: Powell County**

**Trust Benefits: Common Schools**

**Trust Revenue: \$736,000**

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) requests final approval for sale of one parcel totaling approximately 640 acres nominated for sale in Powell County. The sale was nominated by the lessee and is located approximately 5 miles southwest of Helmville, Montana.

<b>Sale #</b>	<b># of Acres</b>	<b>Legal</b>	<b>Nominator</b>	<b>Trust</b>
1168	640±	ALL, T13N-R12W, Sec. 36	Robert E. Meyer	Common Schools

The sale parcel has been used primarily for grazing purposes and can support 115 AUMs.

This sale parcel is surrounded by private land (Wales Brothers/Meyer Company Ranch) and is not legally accessible by the public.

MEPA scoping has been completed, with no potentially negative issues related to the sale of these parcels identified.

**Economic Analysis:**

Short term – The average rate of return on the sale parcel is 0.19%. The parcel will continue to receive this 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 land 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 DNRC archaeologist conducted a Class III intensity level cultural and paleontological resources inventory of the state tract. During the course of inventory six cultural resources associated with past Native American occupants of the region were identified and formally recorded. These are 24PW833-24PW836 and Isolated Finds 1-2. All were determined ineligible for listing in the National Register of Historic Places. As such, the proposed land sale would 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 the DNRC and the Montana State Historic Preservation Officer.

**Background:**

In November 2020, the Board granted preliminary approval for this parcel to continue through the Land Banking sale evaluation process. In July 2021, the Board set the minimum bid at the appraised value.

**Appraised Value:**

The appraisal was prepared by Montana General Certified Appraiser Gregory Thornquist of Elkhorn Appraisal Services in Helena, Montana.

<b>Sale #</b>	<b>Appraised Value</b>	<b>Final Sale Price</b>
1168	\$736,000	\$736,000

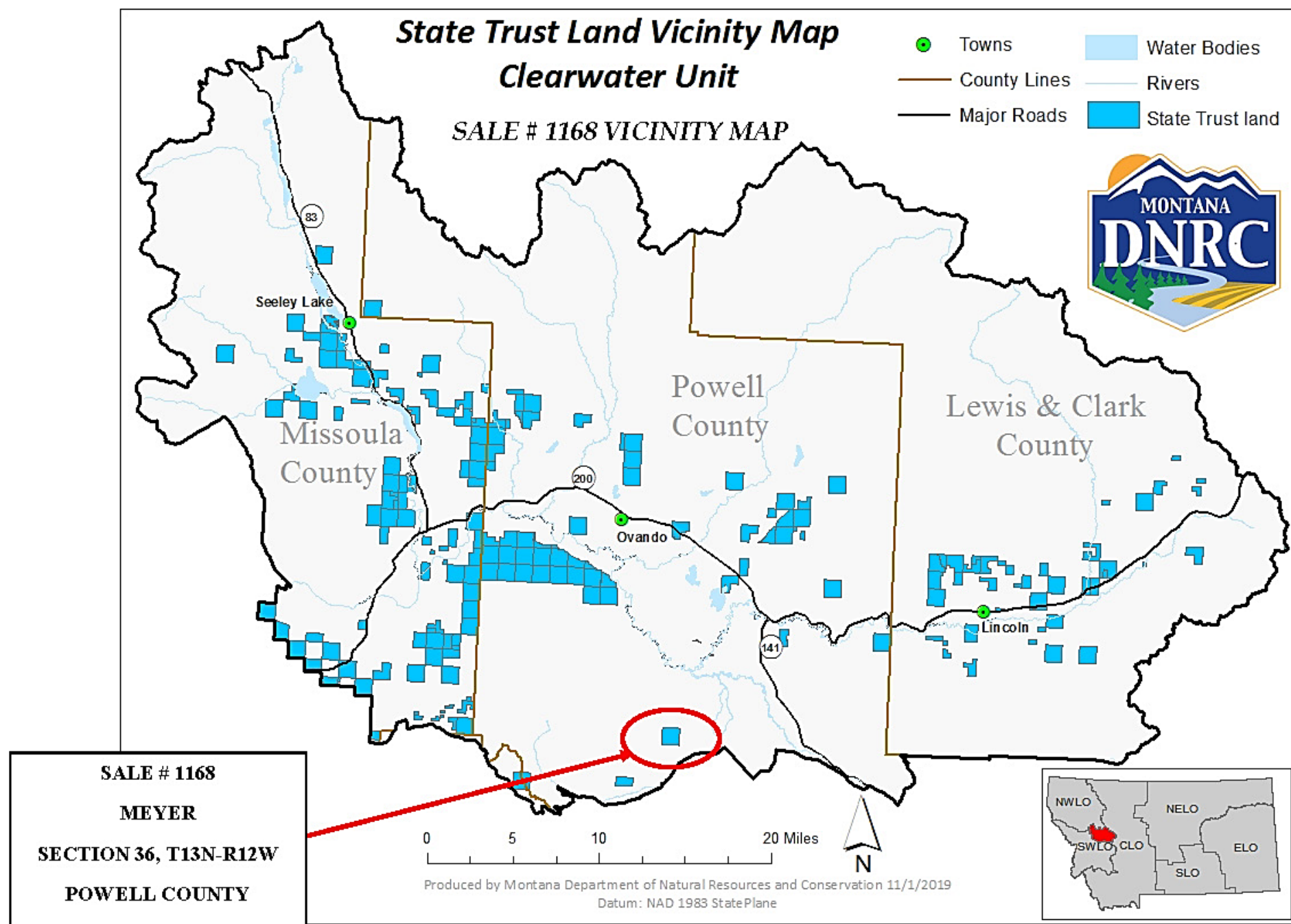
**Sale Price**

The parcel sold at public auction on September 15, 2021. There was one qualified bidder for the sale, which was the current lessee. The parcel sold for the final sale price shown above.

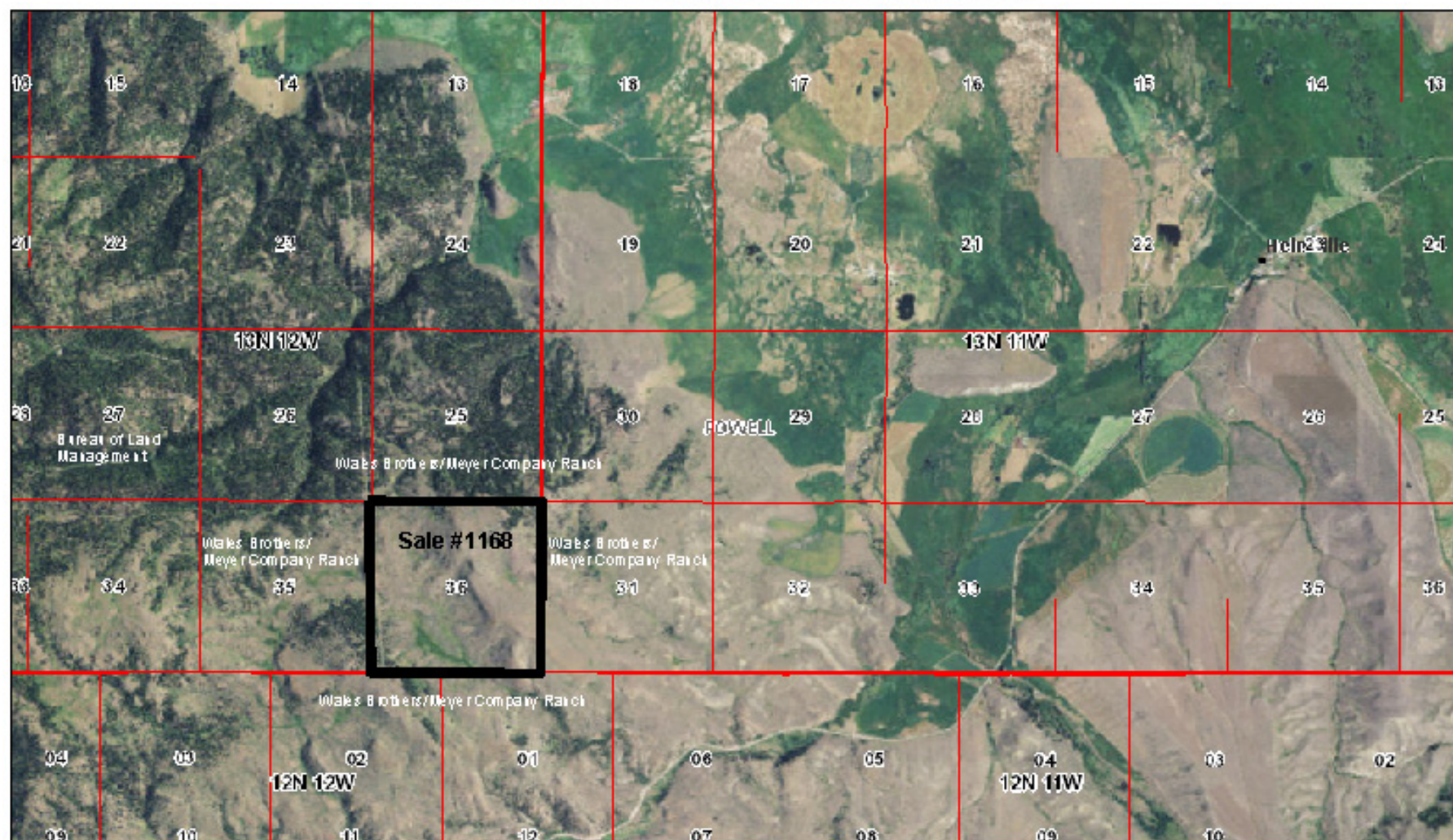
**DNRC Recommendation**

The director recommends the Land Board grant final approval for this Land Banking sale at the value shown above.





## MEYER RANCH LAND BANKING SALE

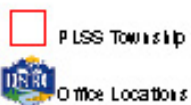


October 28, 2020

PLSS First Division

Section

Protected Block



Office Locations

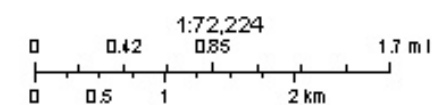
PLSS Township

State Parks

Non-Forest Service Wilderness Areas

Forest Service Wilderness Areas

Counties



Montana State Library, Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community, Montana

Map Author

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# 1021-5

CABIN AND HOME SITES:

Set Minimum Bid for Sale

A. Lewis and Clark County

B. Flathead County



**Land Board Agenda Item  
October 18, 2021**

**1021-5A Cabin and Home Sites: Set Minimum Bid for Sale**

**Location:** Lewis & Clark County  
**Trust Benefits:** Common Schools  
**Trust Revenue:** \$120,000

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for 2 cabin sites nominated for sale in Lewis & Clark County. These sales were nominated by the lessees in conjunction with the Cabin and Home Site Sale Program. Preliminary Land Board approval was granted in April of 2020 (Approved 5-0).

<b>Sale No.</b>	<b>Acres</b>	<b>Legal Description</b>	<b>Nominator</b>	<b>Trust</b>
<b>1118</b>	1.794±	Lot 1, Lincoln Flats, COS 3242262, Section 16, T14N- R8W	Edward, Sue, & David Trapp	Common Schools
<b>1119</b>	1.015±	Lot 20, Lincoln Flats, COS 3242262, Section 16, T14N-R8W,	Marvin & Judith Hagen	Common Schools

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

**Cultural/Paleontological Resources:**

A Class I level of cultural resource inventory was conducted for each of the proposed sales. Home sites typically contain numerous structures and the ground surfaces within most home sites have been disturbed over the course of many years of occupation and development. These sales will have no effect to state-owned heritage properties.

**Access/Recreational Use:**

As part of the cabin site sale process, the State will convey any access that it has and can be conveyed to the purchaser of the cabin or home site property. Current cabin/home site access is limited to the lessee and does not provide access or recreational use to the general public. State lands classified as cabin or home sites are closed to general recreational use by the public in accordance with ARM 36.25.150(1)(a). Therefore, the State is not selling land under the cabin site sale program that the public is permitted to use for recreation. Rather, the funds generated by these sales will go towards purchasing new lands that will have dedicated public access and recreational opportunities.

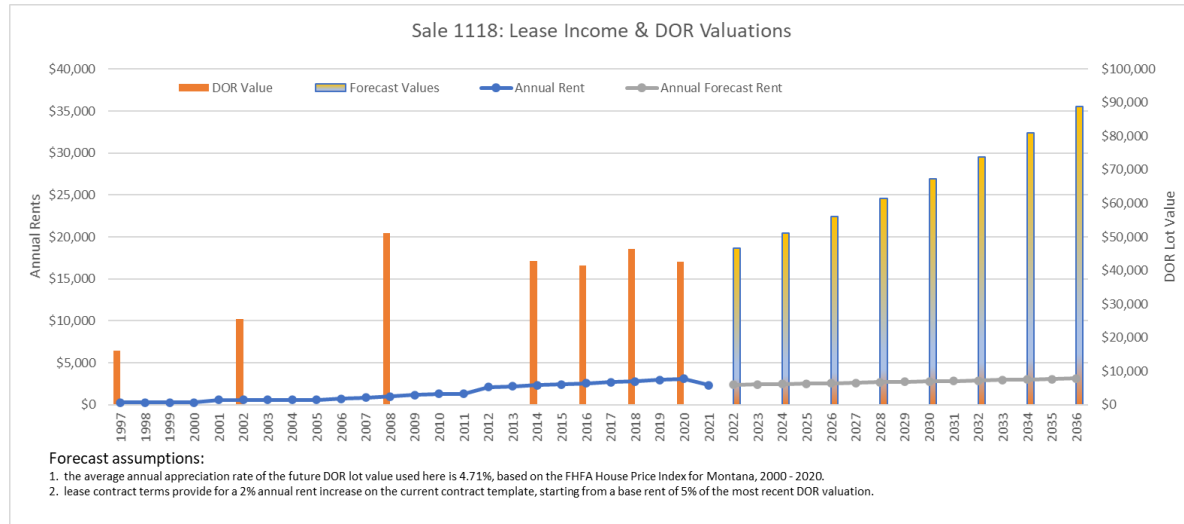
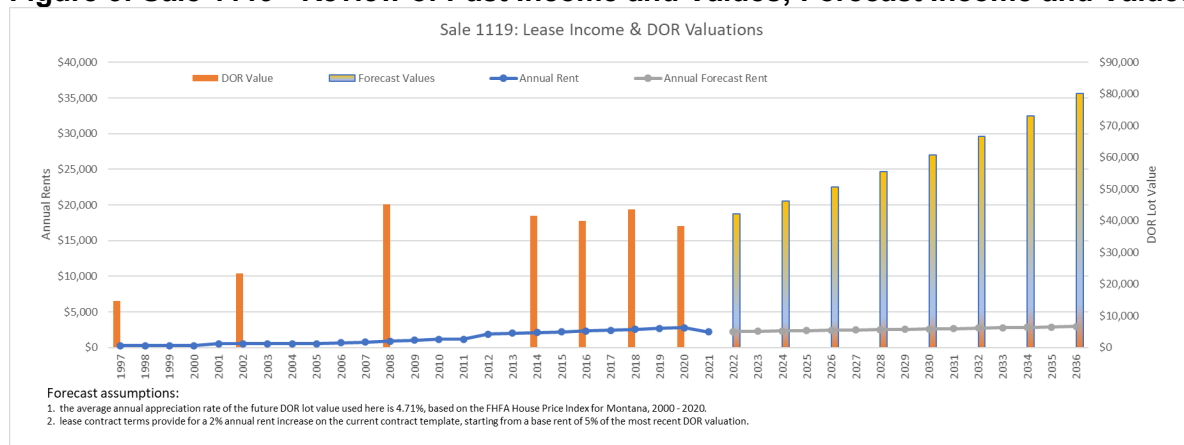
**Economic Analysis:**

Short term – The average rates of return on these sale parcels are as shown in Figure 1. The parcels will continue to receive these returns if they remain in state ownership. The income rates of return will likely grow smaller over the next 20 years, as average annual value appreciation is greater than the annual rent increase, as shown in Figures 2 and 3 below.



**Figure 1: Rates of Return at Current Appraised Values**

Sale No.	Rate of Return	Sale No.	Rate of Return
1118	3.512%	1119	3.775%

**Figure 3: Sale 1119 - Review of Past Income and Values; Forecast Income and Values**

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. However, the rates of return on land acquired more recently have been higher, ranging from 3.54% on acquisitions purchased within the last three years to 3.21% for lands acquired within the last ten years. Figure 4 shows hypothetical lot values derived from the 3-year average net revenue of the current lease, at a sample range of income rates of return that could be anticipated when the sale proceeds are used for a land banking acquisition.

**Figure 4: Lot Values derived from 3-year Average Net Income at Sample Rate of Return**

Sale Number		Rate of Return at Current Appraised Value for Land	Average Rate of Return on all Land Banking Acquisitions	Average Rate of Return on Land Banking Acquisitions within the last 3 years	Average Rate of Return on Land Banking Acquisitions within the last 5 years	Average Rate of Return on Land Banking Acquisitions within the last 10 years
	Income Rate of Return	Various (see Figure 1)	2.91%	3.54%	3.16%	3.21%
1118	Derived Lot Value	\$65,000	\$78,445	\$64,484	\$72,239	\$71,113
1119	Derived Lot Value	\$55,000	\$71,341	\$58,645	\$65,697	\$64,674

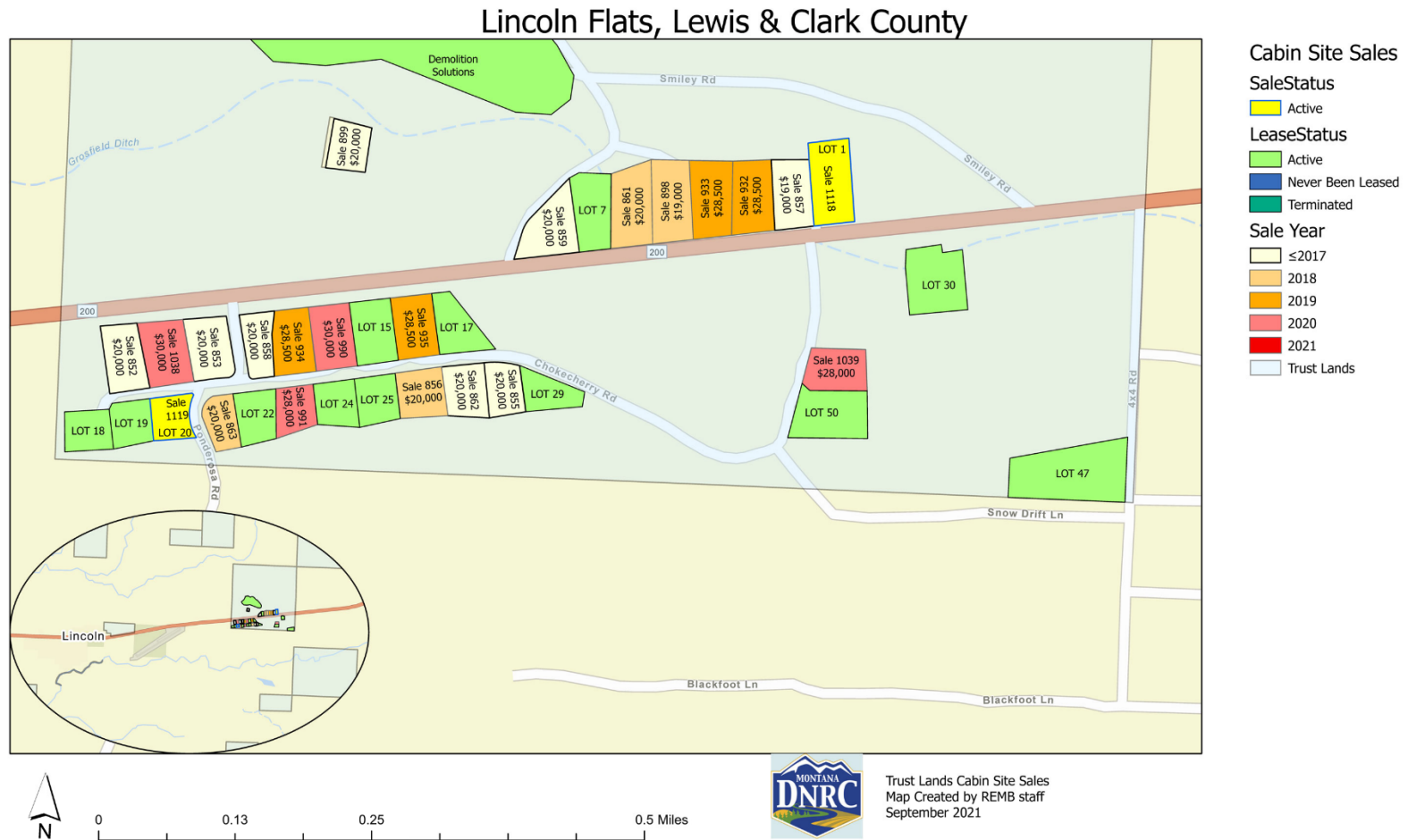
**Appraised Values of Land and Improvements:**

The appraisal was prepared by Montana General Certified Appraiser Thomas A. Faulkner of Creekstone Appraisal Services, Inc. in Stevensville, Montana. The appraiser determined the Highest and Best Use of Lot 1 is as vacant land due to the lack of comparable sales, age, and condition of the improvements. If listed on the open market, the appraiser believes a buyer would demolish the improvements to make way for a new home. Because of this, the appraiser assigned no value to the improvements on the lot. ARM 36.25.705 (17) stipulates that after appraisal, the “department shall present its findings, conclusions, and recommended values of land and improvements to the board and the lessee or improvement owner.” With the concurrence of the improvement owner, DNRC recommends that the maximum amount paid for the improvements be set at the Department of Revenue value of \$44,000.

Sale Nos.	Appraised Land Value	Appraised Improvements Value	Department of Revenue Improvements Value	DNRC Recommendation of Improvement Value
1118	\$65,000	\$0	\$44,000	\$44,000
1119	\$55,000	\$162,000	n/a	\$162,000

**DNRC Recommendation**

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





**Land Board Agenda Item  
October 18, 2021**

**1021-5B    Cabin and Home Sites: Set Minimum Bid for Sale**

**Location:** Flathead County  
**Trust Benefits:** Montana Tech  
**Trust Revenue:** \$1,812,200

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for 4 cabin sites nominated for sale in Flathead County. These sales were nominated by the DNRC in conjunction with the Cabin and Home Site Sale Program. In March of 2018, the Board granted preliminary approval (Approved 5-0) for Sale Numbers 949 and 950. In April 2020, the Board granted preliminary approval (Approved 5-0) for the other two sites to be included as part of the Cabin Site Sales Program.

<b>Sale No.</b>	<b>Acres</b>		<b>Nominator</b>	<b>Trust</b>
<b>949</b>	1.376+	Lot 3, Rogers Lake, COS 20991, Sec. 30, T27N-R23W	DNRC	Montana Tech
<b>950</b>	1.654+	Lot 5, Rogers Lake, COS 20991, Sec. 30, T27N-R23W	DNRC	Montana Tech
<b>1112</b>	0.815+	Lot 1, Rogers Lake, COS 20991, Sec. 30, T27N-R23W	DNRC	Montana Tech
<b>1114</b>	1.212+	Lot 16, Rogers Lake, COS 20991, Sec. 30, T27N-R23W	DNRC	Montana Tech

The parcels are currently unleased as cabin sites and do not produce income for the Trust Beneficiary. The parcels will be sold with the access that could currently be provided under a lease agreement and can be conveyed by DNRC.

**Cultural/Paleontological Resources:**

A Class I level of cultural resource inventory was conducted for each of the proposed sales. Home sites typically contain numerous structures and the ground surfaces within most home sites have been disturbed over the course of many years of occupation and development. These sales will have no effect to state-owned heritage properties.

**Access/Recreational Use:**

As part of the cabin site sale process, the State will convey any access that it has and can be conveyed to the purchaser of the cabin or home site property. Current cabin/home site access is limited to the lessee and does not provide access or recreational use to the general public. State lands classified as cabin or home sites are closed to general recreational use by the public in accordance with ARM 36.25.150(1)(a). Therefore, the State is not selling land under the cabin site sale program that the public is permitted to use for recreation. Rather, the funds generated by these sales will go towards purchasing new lands that will have dedicated public access and recreational opportunities.

Economic Analysis:

Short term – The average rates of return on these sale parcels are as shown in Figure 1. The parcels will continue to receive these returns if they remain unleased and in state ownership. Even if the cabin site lots were leased, the forecast income rates would likely not keep up with the property value appreciation, as shown in Figures 2 through 5 below.

Figure 1: Rates of Return at Current Appraised Values

Sale No.	Rate of Return	Sale No.	Rate of Return
949	0%	1112	0%
950	0%	1114	0%

Figure 2: Sale 949 - Review of Past Income and Values; Forecast Income and Values

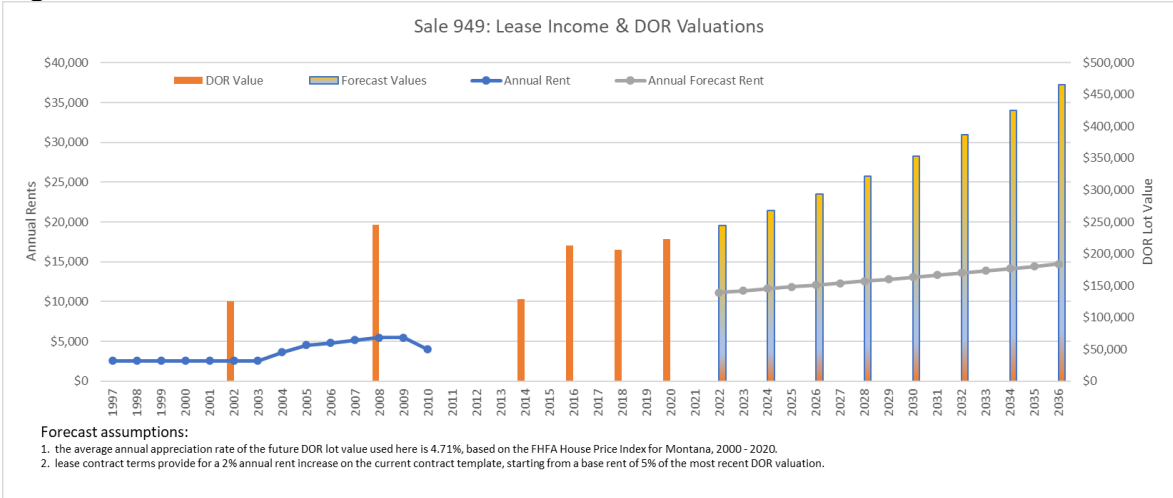
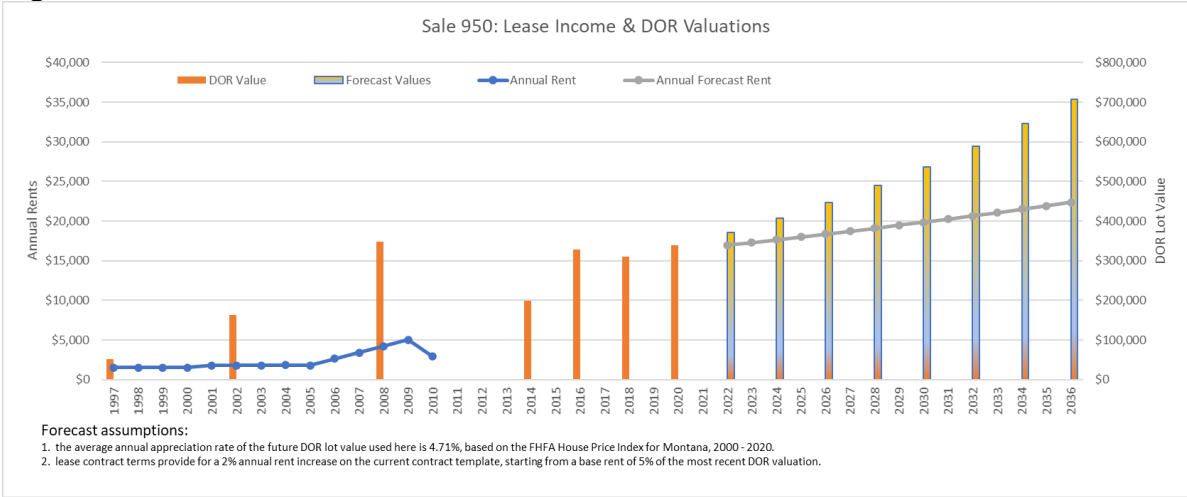
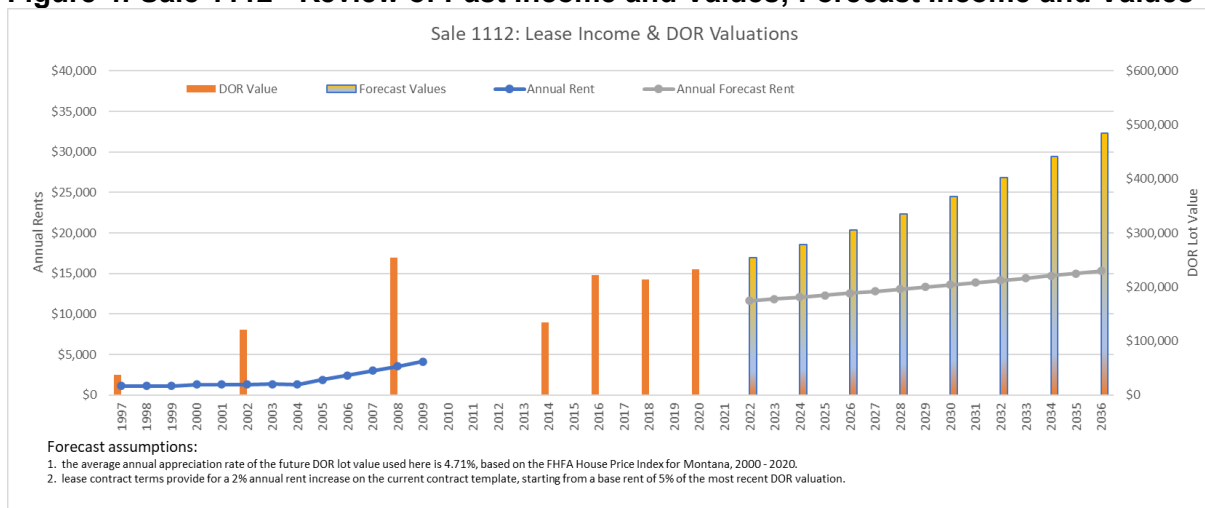
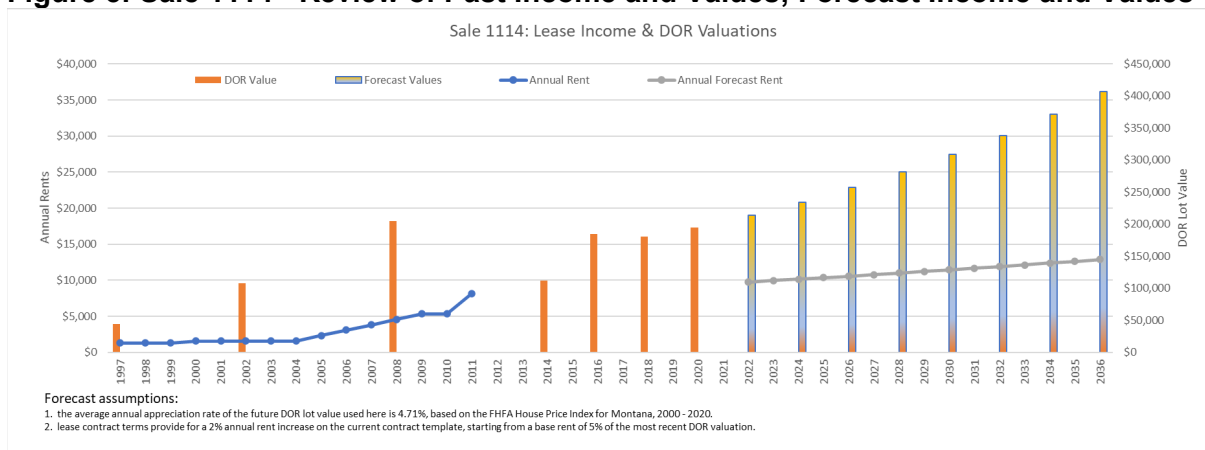


Figure 3: Sale 950 - Review of Past Income and Values; Forecast Income and Values



**Figure 4: Sale 1112 - Review of Past Income and Values; Forecast Income and Values****Figure 5: Sale 1114 - Review of Past Income and Values; Forecast Income and Values**

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. However, the rates of return on land acquired more recently have been higher, ranging from 3.54% on acquisitions purchased within the last three years to 3.21% for lands acquired within the last ten years.

**Appraised Values of Land and Improvements:**

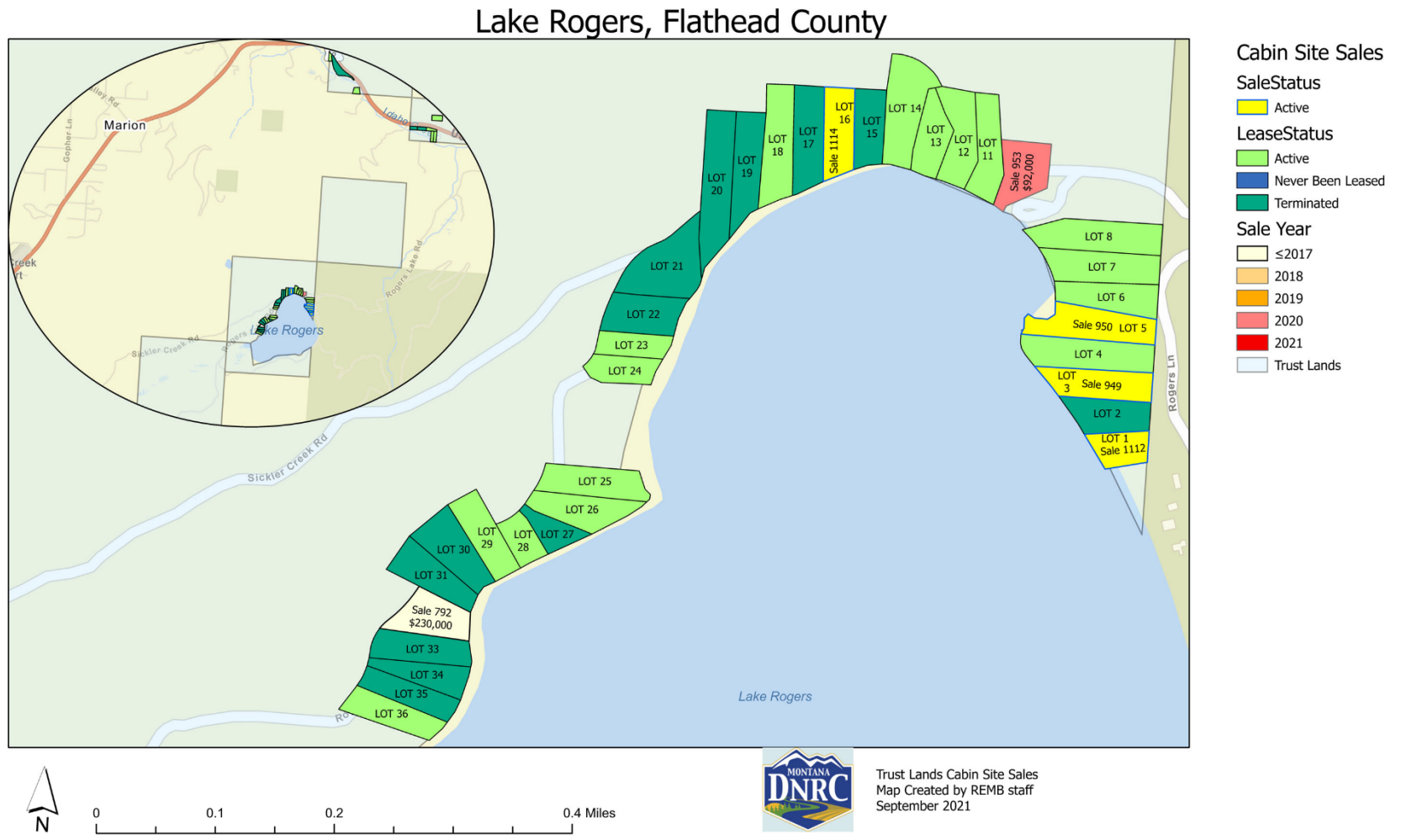
The appraisal was prepared by Montana General Certified Appraiser Elliott M. Clark, MAI, of Clark Real Estate Appraisal in Whitefish.

<b>Sale Nos.</b>	<b>Appraised Land Value</b>	<b>Appraised Improvements Value</b>	<b>Recommended Minimum Bid</b>
<b>949</b>	\$430,000	n/a	\$430,000
<b>950</b>	\$455,000	\$7,200	\$462,200
<b>1112</b>	\$477,000	n/a	\$477,000
<b>1114</b>	\$436,000	\$7,000	\$443,000

DNRC owns the improvements on Sale Numbers 950 and 1114, as per 77-2-314, MCA. As such, the recommended minimum bid values include both the appraised improvements value and the appraised land values.

**DNRC Recommendation**

The director recommends that the Land Board set the minimum bid for these cabin sites at the values shown above.





# 1021-6

EASEMENTS:

Standard Grant





**Land Board Agenda Item  
October 18, 2021**

**1021-6 Easements: Standard Grant**

**Location:** Carter, Gallatin, Wibaux Yellowstone

**Trust Benefits:** Common Schools, Public Land Trust - Nav. River

**Trust Revenue:** Common Schools = \$4,224  
Public Land Trust = \$7,800

**Item Table of Contents**

<b>Applicant</b>	<b>Right-of-Way Purpose</b>	<b>Term</b>	<b>Page(s)</b>
Range Telephone Cooperative	Buried Fiber Optic Cable	Permanent	46 - 47
NorthWestern Energy	Buried Natural Gas Pipeline	30-Year Term	48 - 49
Montana Dept. of Transportation	Highway Construction and Maintenance	Permanent	50,52
Wibaux County Commissioners	Public County Road	Permanent	51 - 52
USDA – Custer-Gallatin National Forest	Amend and Restate Existing Trail	Permanent	53 - 54

## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant:	Range Telephone Cooperative 2325 E. Front St. Forsyth, MT 59327
Application No.:	19136
R/W Purpose:	a buried fiber optic cable
Lessee Agreement:	ok
Acreage:	3.64
Compensation:	\$2,184.00
Legal Description:	20-foot strip through Gov. Lots 4, 5, 12, 13, 14, 15 & 16, Sec. 36, Twp. 8S, Rge. 60E, Carter County
Trust Beneficiary:	Common Schools

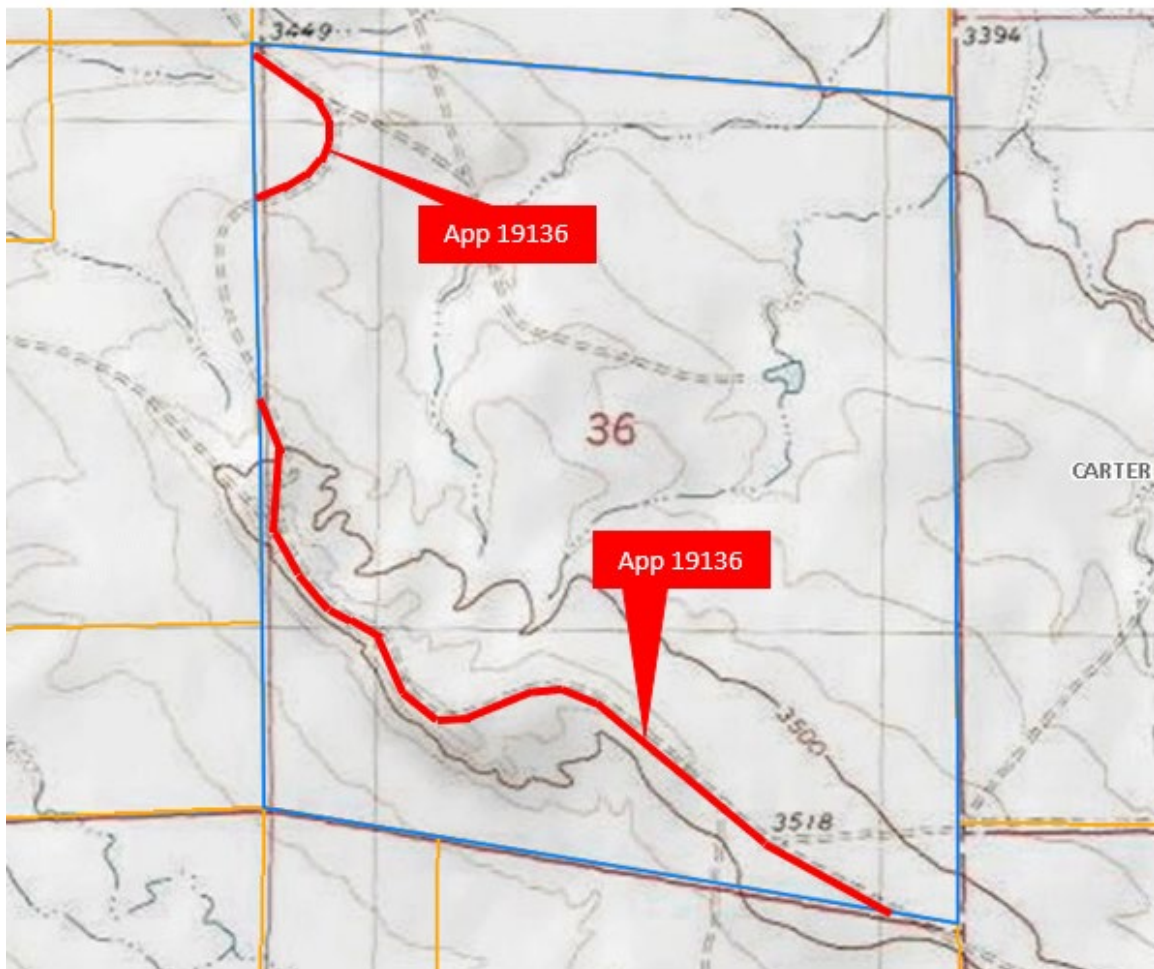
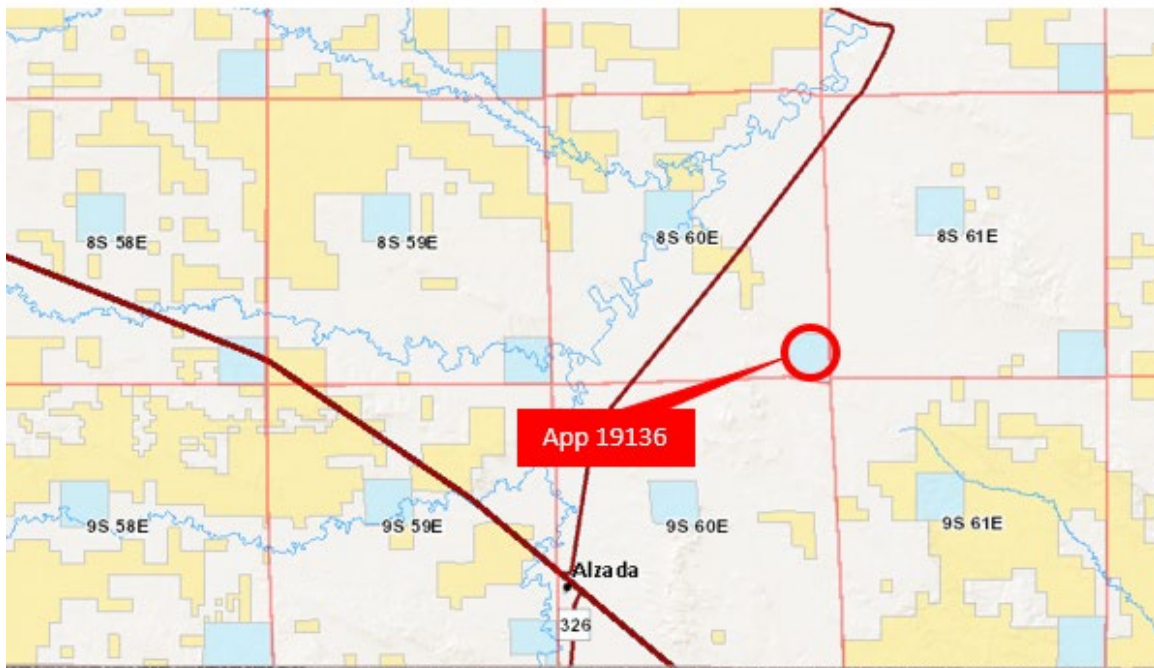
### Item Summary

Range Telephone Cooperative is requesting an easement to place a fiber optic cable across State Trust land in rural Carter County. This easement is part of a project to provide upgraded services in the Alzada area. The cable will be installed using a direct plow method and is located along existing roadways where ground disturbance has previously occurred. The project is within general Sage Grouse habitat and has received approval from MSGOT. Range Telephone has agreed to mitigation, including seasonal construction as outlined in Governor's Execution Orders 12-2015 and 21-2015.

### DNRC Recommendation

The director recommends approval of the application of Range Telephone Cooperative.

## R/W Application 19136



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant:	NorthWestern Corporation 11 East Park St. Butte, MT 59701
Application No.:	19138
R/W Purpose:	a buried 8" natural gas pipeline
Lessee Agreement:	N/A (Nav. River)
Acreage:	0.60
Compensation:	\$7,800.00
Legal Description:	30-foot strip across the Yellowstone River in the SW4SE4, SE4SW4, Sec. 15, Twp. 2S, Rge. 24E, Yellowstone County
Trust Beneficiary:	Public Land Trust - Nav. River

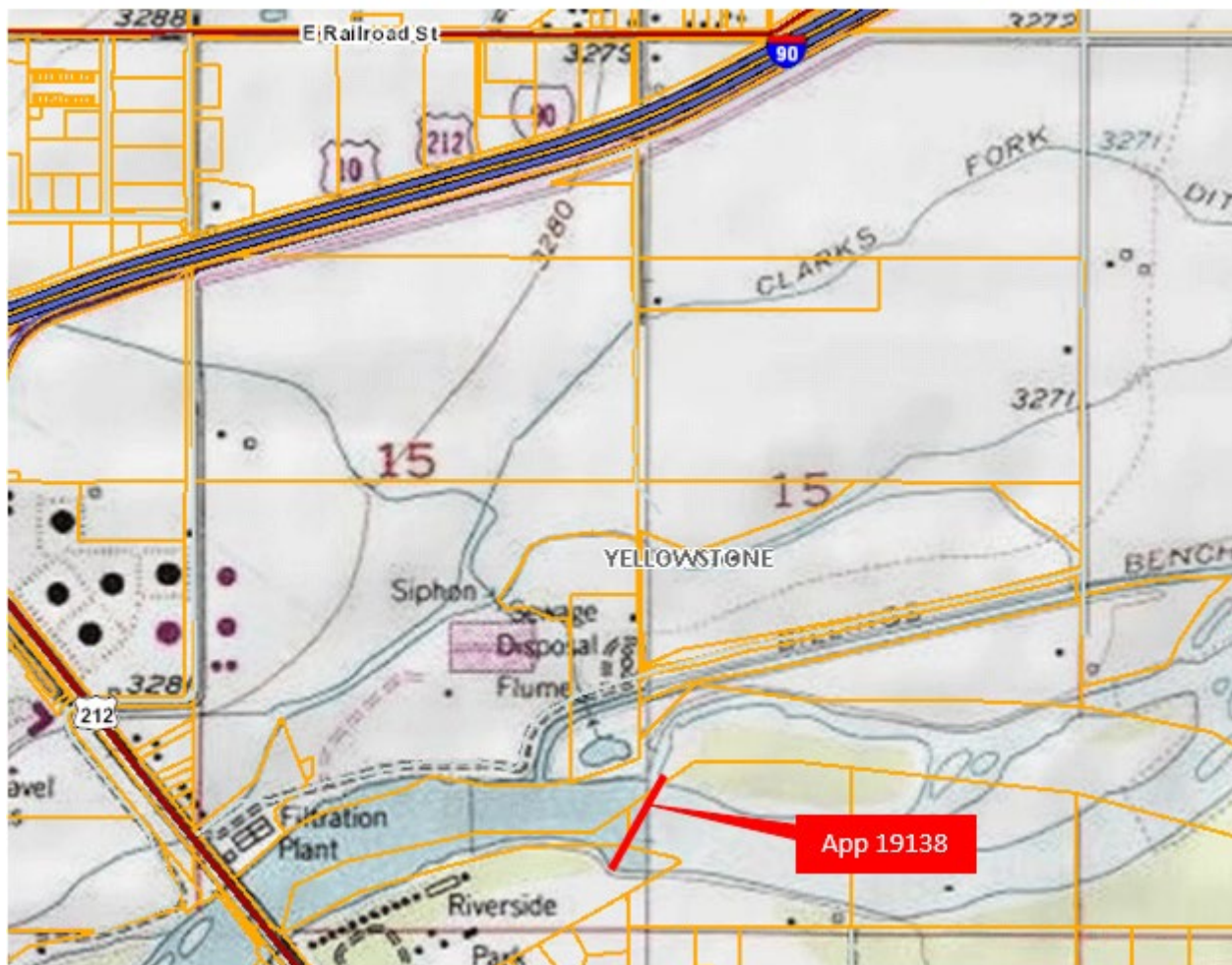
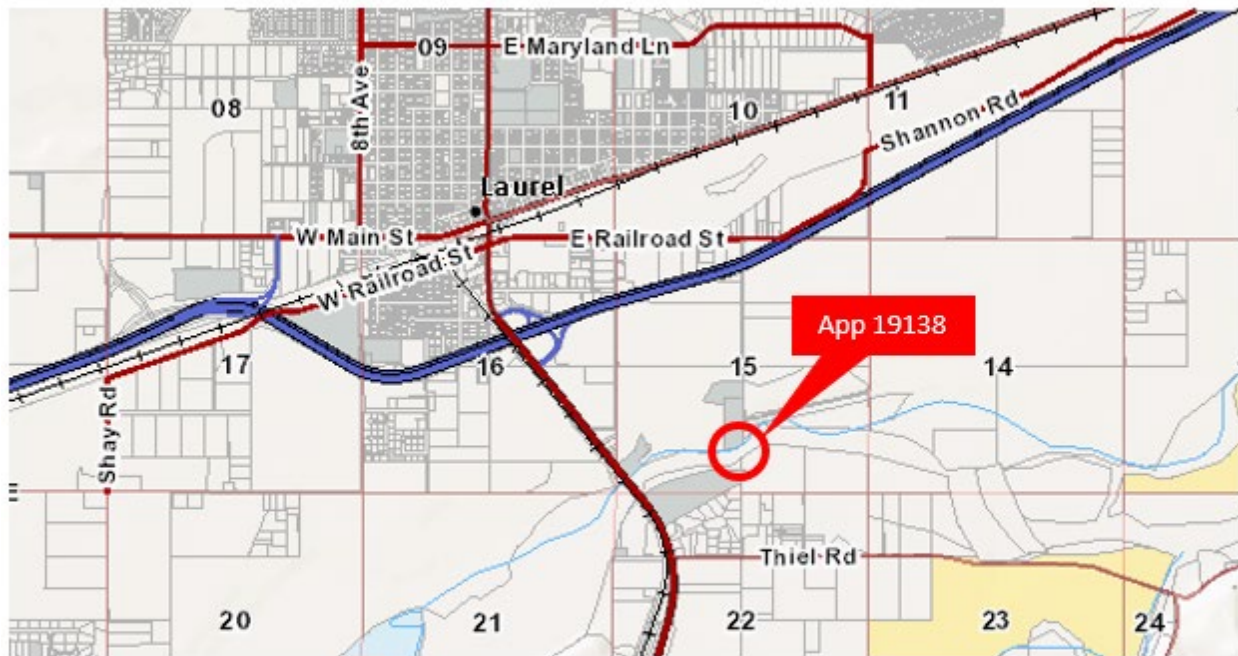
### Item Summary

NorthWestern Corporation is requesting an easement under the bed of the Yellowstone River for the purpose of connecting existing pipelines to a proposed natural gas power generation station to be located near a refinery in Laurel. This proposed plant will provide additional electricity to the growing Pacific Northwest. The pipeline will be directionally bored under the river to a depth of 50-feet below the river bed.

### DNRC Recommendation

The director recommends approval of the easement request by NorthWestern Corporation for a 30-year term.

## R/W Application 19138





## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant:	Montana Department of Transportation PO Box 201001 Helena, MT 59620-1001
Application No.:	19139
R/W Purpose:	highway construction and maintenance, including occupancy by public utilities as defined in §69-4-101 MCA
Lessee Agreement:	ok
Acreage:	1.46
Compensation:	\$1,168.00
Legal Description:	a tract of land in the NE4NW4, NW4NE4, Sec. 36, Twp. 13N, Rge. 59E, Wibaux County
Trust Beneficiary:	Common Schools

### Item Summary

Montana Department of Transportation (MDT) is proposing to reconstruct a section of Montana Highway 7 south of Wibaux. The scope of the project involves reconstruction to include 4' shoulders, slope flattening along four curves and upgrade of curve signage. Additionally, two bridge structures will be replaced with box culverts. The primary purpose of the project is to improve curve safety by slope flattening and upgraded signage.

### DNRC Recommendation

The director recommends approval of this easement request by MDT.



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant:	Wibaux County Commissioners 203 Wibaux St. S Wibaux, MT 59353
Application No.:	19140
R/W Purpose:	a public county road
Lessee Agreement:	ok
Acreage:	1.09
Compensation:	\$872.00
Legal Description:	tract of land in the NE4NW4, NW4NE4, Sec. 36, Twp. 13N, Rge. 59E, Wibaux County
Trust Beneficiary:	Common Schools

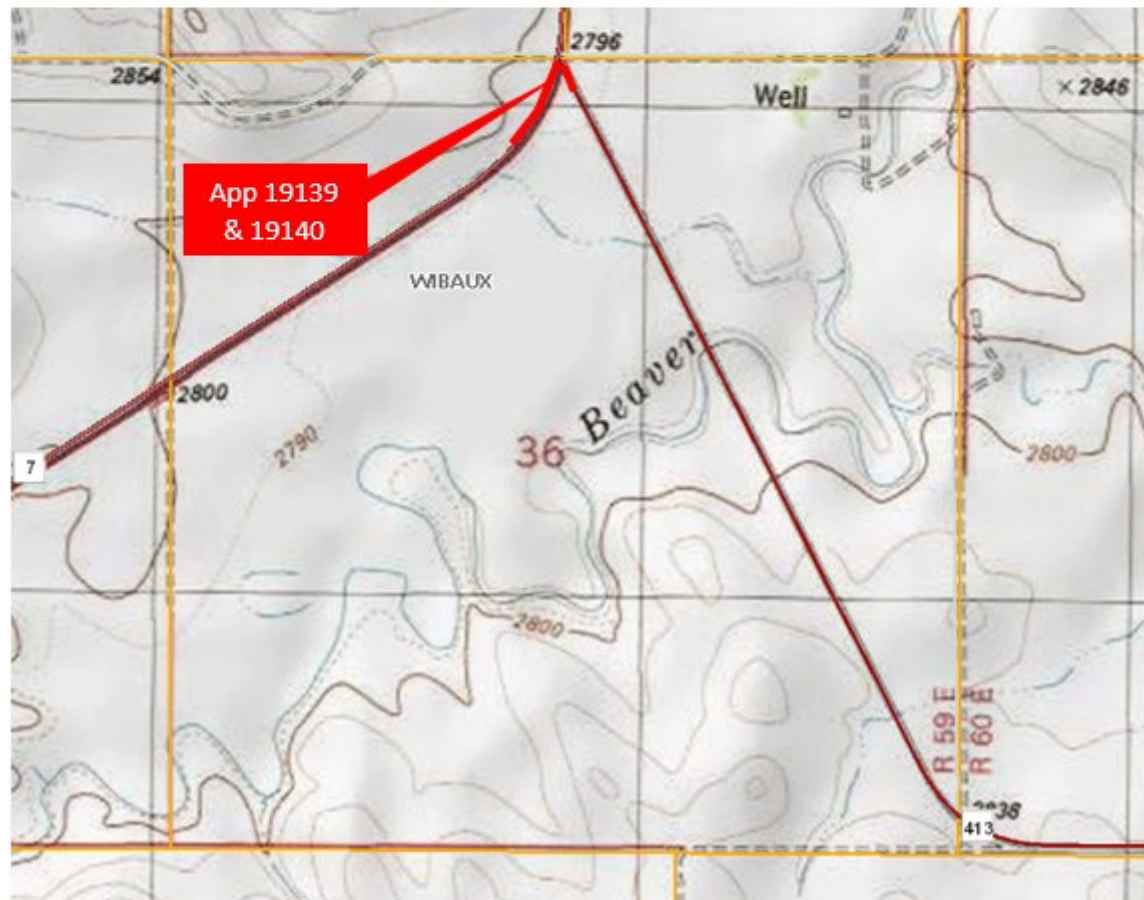
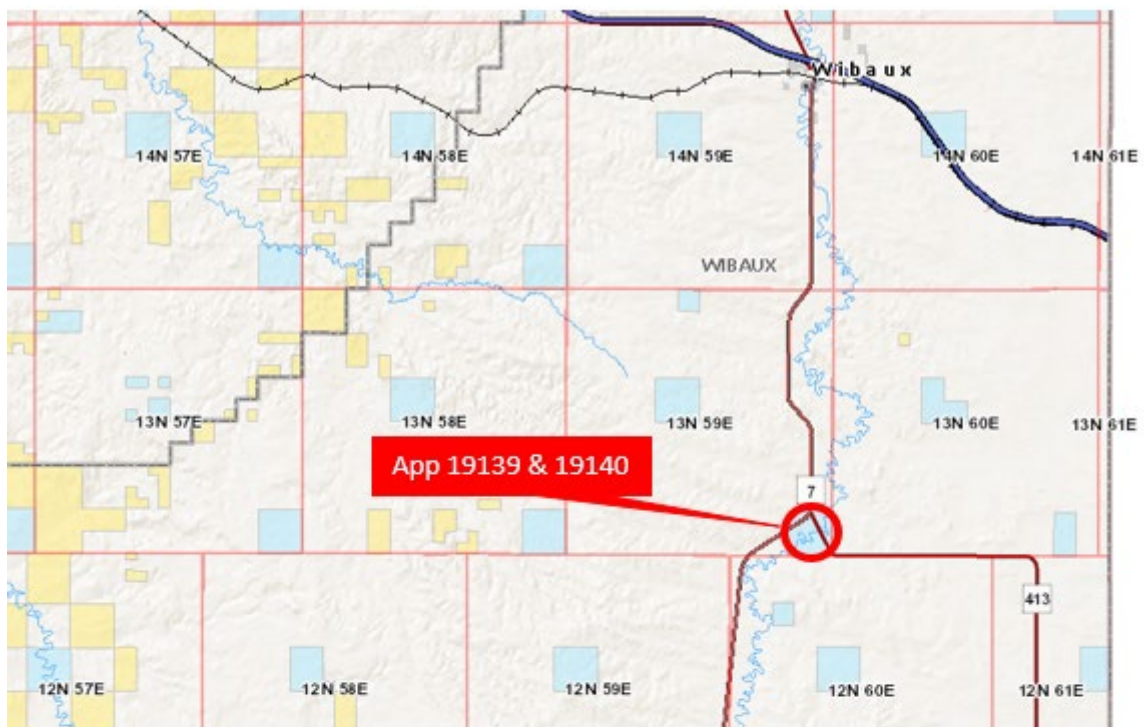
### Item Summary

The Montana Department of Transportation has made application on behalf of Wibaux County for an easement to increase the width of easement adjacent to a county road/state highway intersection. The additional width is necessary to realign the intersection of the county road with the state highway and provide sufficient and safe sight distance. This application is part of the reconstruction project for the Montana Department of Transportation in the previous agenda item.

### DNRC Recommendation

The director recommends approval of the application of Wibaux County

## R/W Application 19139 &amp; 19140



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant:	USDA – Custer-Gallatin National Forest 10 East Babcock Street Bozeman MT 59715
Application No.:	16090 (Amended)
R/W Purpose:	amend and restate existing trail easement to include new segment across State Land and terminate rights on portions of the lower trail system in favor of Gallatin County
Lessee Agreement:	N/A (Unleased)
Acreage:	0.12
Compensation:	None
Legal Description:	30-foot strip through Gov. Lot 6 and NE4SW4, Sec. 6, Twp. 3S, Rge. 7E, Gallatin County
Trust Beneficiary:	Common Schools

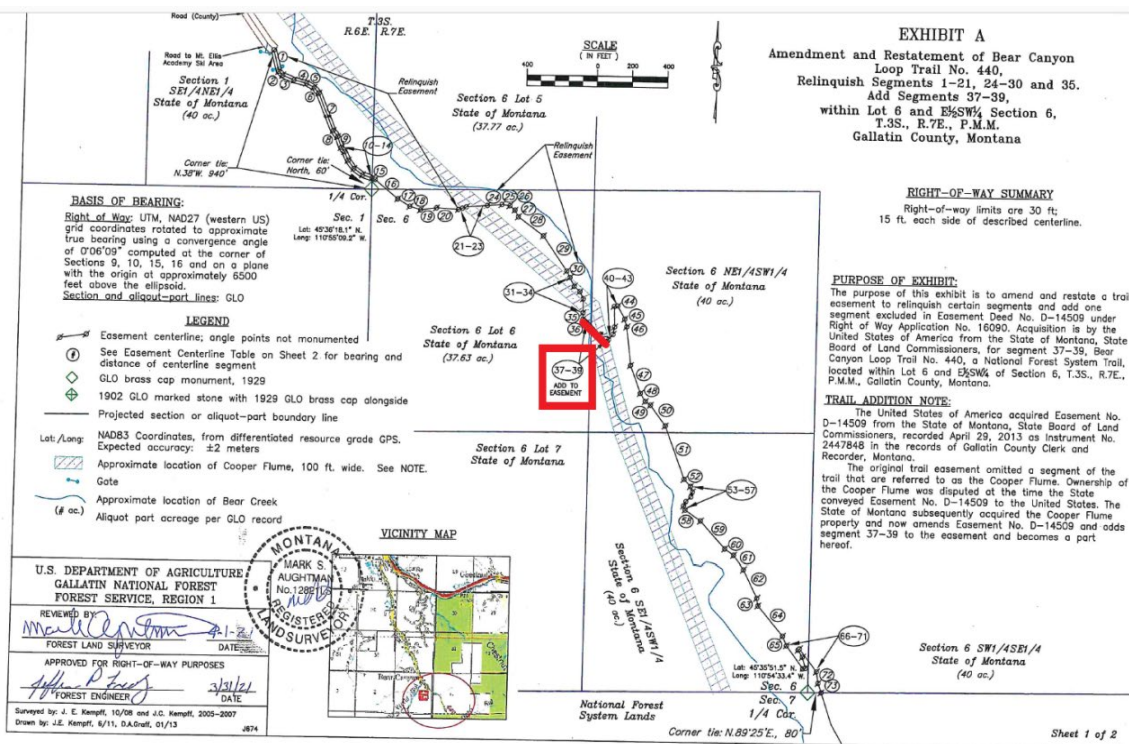
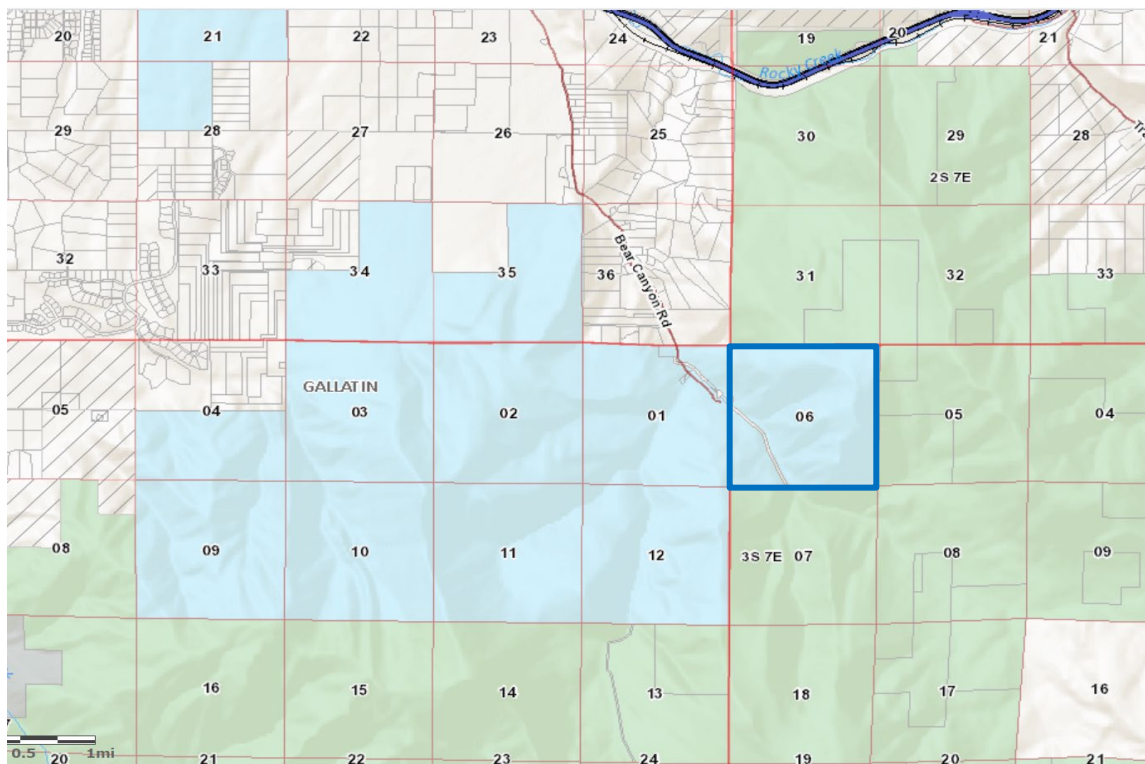
### Item Summary

In 2012 the Land Board approved an easement request by the Gallatin National Forest for a trail system in Bear Canyon on State Trust land. This trail system includes a portion of motorized access for vehicles less than 50" in width to a specific location and from that point south to the Forest Service lands the trail was non-motorized access only. A portion of the trail crossed a strip of land known as Cooper Flume which was privately owned, thus complete public access wasn't realized. Through the course of litigation involving the State, Gallatin County and the private landowner over the Bear Canyon Road, a settlement was reached wherein the State would acquire title to the Cooper Flume and in exchange the State would grant an alternate 5-acre parcel of land to the landowner. Also, within the settlement the Land Board agreed to grant a trail easement to Gallatin County over a portion of the existing trail easement issued to the Forest Service along with a secondary trail system paralleling the Forest Service trail on the west side of the Cooper Flume. In separate litigation between Gallatin County and the Forest Service, the Forest Service agreed to relinquish that portion of the trail system from the trailhead to the Cooper Flume crossing, where the new County Trail would begin. Since the State now owns the Cooper Flume, in the spirit of the various settlement agreements, the DNRC and Forest Service propose to amend and restate the 2012 trail easement to include the small crossing of the flume into the Forest Service easement and officially terminate their rights to the portion of trail now under the jurisdiction of Gallatin County. As the Forest Service compensated the Trust in 2012 for the entire trail system and is now relinquishing a significant portion of trail, in addition to complying with a court approved settlement, no additional fee is required of the Forest Service for this Amended and Restated trail easement.

### DNRC Recommendation

The director recommends approval of the amend and restate easement to the Custer-Gallatin National Forest.

## VICINITY MAP – APPLICATION #16090



# 1021-7

EASEMENTS:

DNRC Miles City Administrative Office  
Compound- Application No. 19137





**Land Board Agenda Item  
October 18, 2021**

**1021-7 DNRC Miles City Administrative Office Compound – Application No. 19137**

**Location: Custer County**

**Trust Benefitted: Common Schools**

**Trust Revenue: \$97,760**

**ITEM SUMMARY**

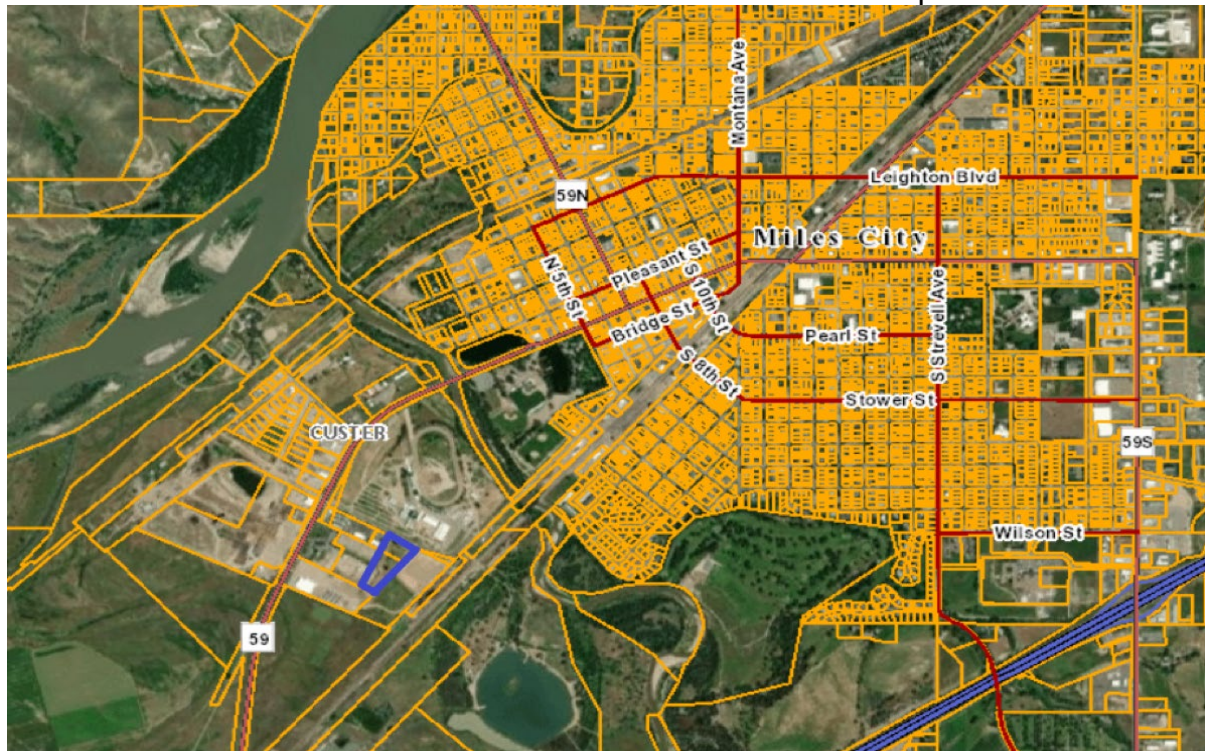
The Department of Natural Resources and Conservation (DNRC) is requesting an easement on 6.11 acres of State Trust land located in portions of Sections 4 and 5 of Township 7 North, Range 47 East for the purpose of constructing administrative offices to house staff for DNRC Trust Land Management Division (TLMD), Forestry and Fire Operations, and Conservation and Resource Development Division (CARDD) located in Miles City. In addition, a shop building is proposed for the purpose of housing State vehicles and equipment and for repair purposes. This property, described as Tracts DD and FF of a Dependent Resurvey by the Department of Interior, was acquired by the State in 2018 under the remaining In-Lieu selection process and adjoins the BLM's Eastern Montana/Dakotas District Miles City Field Office. The DNRC received authorization and an allocation to construct administrative offices in Miles City under HB 14 in the 2021 Legislative Session and it was determined this location was best suited for this purpose.

Because this proposal is a permanent disposition of State Trust Land for a public purpose, the Land Board has sole authority to approve this request. Pursuant to the Enabling Act of 1889 and Article X, Section 11 of the Montana Constitution, compensation for use of State Trust land must be made to the trust beneficiary, regardless of who the applicant is.

**DEPARTMENT RECOMMENDATION**

The director recommends approval of the easement request for an administrative office building in Miles City.

## VICINITY MAP – Eastern Land Office Administrative Office Complex



## DETAIL MAP

