

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	Anderson Land Banking Project
Proposed Implementation Date:	Fall 2011
Proponent:	Pehr Anderson/Hayhook Ranch
Location:	T1N R9E Sections 36
County:	Park
Trust:	Common Schools

I. TYPE AND PURPOSE OF ACTION

Offer for Sale at Public Auction, 320 acres of state land currently held in trust for the benefit of Common Schools. Revenue from the sale would be deposited in a special account, with monies from other sales around the State, 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 Common Schools. The proposed sale is part of a program called Land Banking authorized by the 2003 Legislature, and updated by the 2007 and 2009 Legislatures. 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 February 07, and February 14, 2011 requesting comments be submitted on the proposal by February 25, 2011.

A letter, requesting comments be submitted by February 25, 2011 was sent to interested parties on February 7th, 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.

Meeting with the Park County Commission 3/21/2011 – Status Castle Mt. Road

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

No other governmental organizations have jurisdiction over this proposal.

3. ALTERNATIVES CONSIDERED:

Proposed Alternative: Offer approximately 320 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.

The soils consist mostly of the Cabba-Bacbuster-Gnojek complex and the Backuster-Whitlash-Vershal complex. These soils have textures that range from a clay loam to a silty clay loam. These soils are suited for grazing purposes and are not well suited for hay or grain production. There are no special reclamation considerations or unusual geologic features.

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.

There is a reservoir for the impoundment water collected during snow melt or high precipitation events of which the State has a stock water right. With the sale of the land the State would transfer the stock water right to the purchaser. 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 ten miles north 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. This proposal does not include any on-the-ground activities, or changes to activities therefore, no direct or cumulative effects are expected to 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.

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. The land is native rangeland that is dominated by invader and increaser plant species that consist of mostly pepperweed, cheatgrass, prickly pear cactus, western wheatgrass, and needle and thread. There are not many desirable grasses present, and as a result the state lease agreement requires a grazing management plan to hopefully improve the rangeland conditions. 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 and white-tailed deer), 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).

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.

Wolves are listed as present according to the Natural Heritage Program Species of Concern report. Occasional use by wolves could possibly occur on the state land, sporadic sightings have been reported in the Shields Valley but the valley doesn't currently support a pack.

No direct or cumulative impact to Threatened, Endangered or unique wildlife is anticipated as a result of the proposal.

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.

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.

This tract totaling 320 acres is 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. This tract is currently the only tract in Park County under consideration for sale under the Land Banking Program.

There are additional tracts of state land currently under consideration for sale through the Land Banking Program on a statewide basis. Each of these tracts is at a different stage in their review process, and is being examined under separate analysis. The authorizing legislation has placed a cap on the total land banking sales of 250,000 acres statewide. As of the end of January 2011, sold lands total 43,929 acres (94.9% were isolated) and purchased lands total 48,084 acres (all accessible). This represents a net increase part way through the program of 4,155 acres, though there is continual ongoing review for the purchase of replacement properties.

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.

If the decisions result in the sale of all of these proposed lands, the total lands sold statewide would increase from ~43,929 acres to ~44,249 acres (less than 18% of the amount currently allowed for sale under this Law).

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 tract of land s currently leased for grazing purposes (59 Animal Unit Months). The current lessee, Pehr D. & Gail K. Anderson, nominated the tract for sale. Pehr D. & Gail K. Anderson, Shiell & Sky Anderson and James R. Foster Trustee own the land surrounding the parcel. Pehr D. & Gail K. Anderson & Shiell & Sky Anderson manage their land for livestock grazing.

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 \$245.79 per year in assessments. (estimated tax revenues were provided by the Mt. Department of Revenue in Park County 3/3/2011)

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.

Access to this parcel is provided by what is currently considered Castle Mountain Road, a County Road closed for travel by resolution of the Park County Commission January 26, 1977 due to concerns of public health and

safety. Currently there are no plans to open this road up to motorized travel, utilizing the road right-of-way as a trail has been discussed and is being evaluated by a technical assistance grant provided by the National Park Service. Castle Mountain Road was the original road accessing Castle Mountain in Meager County for ore extraction and when petitioned by the County the Right-of-Way was 100" wide. Over the years as this road has meandered due to changing conditions on the ground to avoid areas that created difficult passage, it is uncertain whether the road is located within its petitioned easement or whether or not that easement accesses the State parcel located in N ½ Section 36 T1NR9E. Under any circumstances there is not a easement through the state parcel, but if this parcel were given preliminary approval an easement would be offered for sale to the County prior to Land Banking sale.

Recreational use of the state land is limited by the quality of access. Some hunters hike up the closed roadway and hunt the parcel for elk and deer.

The potential transfer of ownership on this tract may have an impact on the ability of the adjacent landowners and recreationist accessing the land by hiking up the closed road 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 State Trust lands in this proposal are currently managed for grazing uses as part of a larger pasture of mixed state and private land. The State lands are generally indistinguishable from the adjacent private lands, with no unique quality.

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.

This tract currently has a grazing lease for 59 Animal Unit Months (.18 acres/AUM) at a rate of \$6.23/AUM and generating an income of \$367.57 annually or approximately \$1.15/acre in 2010, the average income derived from the use of the surface acres in all classifications last year were approximately \$7.60 per acre. The \$1.15 per acre for grazing is less than the average return of \$1.59 for grazing on State land as a whole in 2010, and the AUM per acre is less than the state average of .26 acres/AUM.

Since the Land Banking program began the state has sold 43,929 acres generating \$23,166,327 in revenue, the state has acquired 48,084 acres while spending \$22,871,457. The average income of the acres sold was \$1.61 per acre while the average income for the acreage acquired is \$7.10 per acre.

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: 6/1/2012
	Title: Bozeman Unit Manager	

V. FINDING

25. ALTERNATIVE SELECTED:

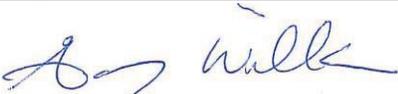
I have selected the No Action Alternative, to defer inclusion of this parcel in the Land Banking Program, to continue ownership of this tract as state land and to continue leasing the parcel for grazing purposes. This parcel is believed to have legal access via a petitioned county road although closed to vehicle use and is used to some degree by non-motorized recreationists. Although there is some uncertainty to the exact location and status of the road, opportunities for public land access in Park County is limited and of substantial interest to the public. Consequently, it would be premature to dispose of a parcel of state land which appears to be publicly accessible. In addition, the location of this parcel above the Shields River Valley and associated scenic views indicate there is potential for substantial increased value to the Trust in the near future.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

Significant impacts are not anticipated as a result of continuing current management activities on this parcel of trust land.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

EIS
 More Detailed EA
 No Further Analysis

EA Checklist Approved By:	Name: Garry Williams	
	Title: Area Manager, Central Land Office	
Signature:		Date: 1/27/2012

