

# CHECKLIST ENVIRONMENTAL ASSESSMENT AND RECLASSIFICATION CAPABILITY INVENTORY

Project Name: Amsterdam Road Commercial Lease	Proposed Implementation Date: 01/31/2020
<p>Proponent: Bozeman Unit DNRC</p> <p>Description of Project: The Montana Department of Natural Resources and Conservation (DNRC) Trust Land Management Division (TLMD), Bozeman Unit is proposing the conversion of 427.14 acres of State land described as the Section 11, Township 1 South, Range 4 East from Classified "Ag &amp; Grazing" to "Other" for the purpose of commercial leasing for development.</p> <p>The lands involved in the proposed action are held by the State of Montana for the Support of the Common Schools (<i>Enabling Act of February 22, 1889</i>). The Board of Land Commissioners (Land Board) and the DNRC are required by law to administer these State Trust Lands to produce the largest measure of reasonable and legitimate return over the long run for these institutions [<i>1972 Montana Constitution, Article X, Section 11; Montana Code Annotated (MCA) 77-1-202</i>].</p> <p>This land is currently classified as Ag &amp; Grazing land and is leased by Larry Dyk. This land is outside the City Limits of Belgrade, but within the city's zoning jurisdiction. It is currently zoned PL1 – Public Lands and Institutions. The DNRC has identified this parcel as a candidate for future development in the Real Estate Management Plan. Reclassifying this land from Ag &amp; Grazing production to Other would allow the use of a commercial lease for management and income generation of this land.</p>	
<p>Type of Reclassification: <b>FROM:</b> <input checked="" type="checkbox"/> Grazing <input type="checkbox"/> Timber <input checked="" type="checkbox"/> Ag <input type="checkbox"/> Other</p> <p style="padding-left: 100px;"><b>TO:</b> <input type="checkbox"/> Grazing <input type="checkbox"/> Timber <input type="checkbox"/> Ag <input checked="" type="checkbox"/> Other</p> <p style="padding-left: 100px;"><b>ACRES:</b> 427.14 Acres</p> <p style="padding-left: 100px;"><b>TRUST(s):</b> Common School</p>	
Location: NE¼NE¼NE¼ Section 36, T1N. R4E	County: Gallatin

<b>I. PROJECT DEVELOPMENT</b>	
<p>1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED: Provide a brief chronology of the scoping and ongoing involvement for this project.</p>	<p>11/19/2004 – Final Real Estate Management Programmatic EIS. Parcel identified for development.</p> <p>4/11/2007 – Belgrade City Hall – Public Meeting, Land use planning for the State of Montana Amsterdam Road Parcel. Attendees included, DNRC Staff, City of Belgrade Staff and the Public.</p> <p>2/21/2018 – Belgrade Transportation Plan Meeting, Amsterdam Road &amp; State Land impact. City of Belgrade City Hall.</p> <p>12/04/2019 - Scoping letters were sent to adjacent</p>

	<p>landowners requesting comments on the reclassification of the land. The scoping notice was also posted on the DNRC Public Notices website at <a href="http://dnrc.mt.gov/public-interest/public-notices">http://dnrc.mt.gov/public-interest/public-notices</a> , and Legal advertisements soliciting comment on the proposed action were ran in the Bozeman Chronicle on 12/8/19 and 12/15/19.</p> <p>4 comment letters were received, one of which was accompanied by 9 signatures and 2 phone calls. The concerns in these letters express opposition to the reclassification based on a desire associated with maintaining the ground as open space/agricultural ground, along with concern regarding traffic on Amsterdam, Thorpe &amp; Frank Roads.</p>
<p>2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:</p>	<p><b>City of Belgrade</b> - The property is within the City of Belgrade Official Zoning Map. All development will be reviewed and permitted by the City of Belgrade. The Parcel has been recommended for Annexation by the City of Belgrade.</p>
<p>3. ALTERNATIVES CONSIDERED:</p>	<p><b>Alternative A – Reclassify the land to other, pursue future development and annex into the City of Belgrade.</b></p> <p><b>Alternative B – Do not Reclassify the land to other, the land would remain as classified Ag &amp; grazing land.</b></p>

<b>II. IMPACTS ON THE PHYSICAL ENVIRONMENT</b>	
RESOURCE	[Y/N] POTENTIAL IMPACTS N = Not Present or No Significant Impact will occur. Y = Impacts may occur (explain below) <i>LAND CAPABILITY CHARACTERISTICS</i>
<p>4. GEOLOGY, SOILS AND MINERALS:</p> <p>Are fragile, compactible or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations? Are there any mineral characteristics and how would reclassification impact development? If any lands are proposed for breaking, what are the soil types &amp; capability classes, texture, "T" factor, Wind Erodibility Group (WEG), and slopes? What crops will be grown and what are their potential yields? Will there be any mitigation measures implemented to address identified soil</p>	<p>[N] The USDA soil survey for Gallatin County indicates the soils on this 427-acre site are classified as 48.1% Beaverell Loam, 0 to 2 % slopes; and 37% Beaverell-Beavwan complex, 0 to 2% slopes &amp; 15% Beaverell cobbly loam, 0 to 2% slopes.</p> <p><b>Alternative A</b> –It would be expected to continue as an Ag &amp; Grazing License until a proposal for development was accepted &amp; development plans were approved by the City of Belgrade Planning.</p> <p><b>Alternative B</b> - The land would remain classified Ag &amp;</p>

## II. IMPACTS ON THE PHYSICAL ENVIRONMENT

<p><i>limitations?</i></p>	<p>grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC's trust obligations.</p>
<p>5. WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality?</p>	<p>[N] There are no groundwater resources present. The surface water resources consist of irrigation ditches which predated State ownership. The development activities will be reviewed and permitted by the City of Belgrade.</p> <p><b>Alternative A</b> – The reclassification and development activities would not negatively impact the ground water.</p> <p><b>Alternative B</b> – The land would remain classified Ag &amp; grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC's trust obligations.</p>
<p>6. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I airshed)?</p>	<p>[Y] The parcel is located just south of I-90 and Amsterdam Road in Belgrade. Residential and commercial activities are other uses adjacent to this parcel. The parcel is currently Ag &amp; grazing land, and during agricultural management there can be an increase in particulate associated with harvest and planting. Current high use of Amsterdam road results in increased vehicle emissions during high use periods.</p> <p><b>Alternative A</b> – No net changes in air quality are identified by the implementation of the proposed action. Any future development activities will be reviewed and permitted by the City of Belgrade. The planning process could propose a redistribution of traffic from Amsterdam Road allowing some of the vehicle emissions to be dispersed. It is unknown what development might take place.</p> <p><b>Alternative B</b> – The land would remain classified Ag &amp; grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC's trust obligations.</p>
<p>7. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be permanently altered? Are any rare plants or cover types present? <i>What is the existing vegetation?</i></p>	<p>[Y] Vegetative ground cover is predominantly cultivated fields of barley and alfalfa. There are areas infested with spotted knapweed and Canada thistle. There are no rare plants on the site. Weeds are controlled by the lessee.</p> <p><b>Alternative A</b> – It would be expected to continue as a Ag &amp; Grazing License until a proposal for development was accepted &amp; development plans were approved by the City of Belgrade Planning.</p> <p><b>Alternative B</b> - The land would remain classified Ag &amp; grazing, but development or other proposals to increase</p>

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revenue to the Trust would still be sought and considered to meet the DNRC's trust obligations.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:  
Is there substantial use of the area by important wildlife, birds or fish? *What wildlife resources use or occupy the area?*

[N] Current agricultural use of the land provides seasonal habitat for fauna such as insects, small animals (which are prey for raptors, fox, and coyote), deer, geese and field birds.

**Alternative A** –It would be expected to continue as a Ag & Grazing License until a proposal for development was accepted & development plans were approved by the City of Belgrade Planning. Development of the site will shift habitat from ag/field and green space corridors to an urban/suburban environment.

**Alternative B** - The land would remain classified Ag & grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC's trust obligations.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Sensitive Species or Species of special concern?

[N] There are four species of concern listed in the Montana Natural Heritage database; the Hoary Bat, Great Blue Heron, Bobolink and Alberta Stone fly. There are four sensitive plants species potentially present in the vicinity of the parcel, but no plant observations have been made on the parcel itself. Other species could potentially use habitat associated with the parcel, however, agricultural habitat of this type is not particularly limited in this area, particularly considering the parcel lies adjacent to the town of Belgrade.

**Alternative A** - It would be expected to continue as a Ag & Grazing License until a proposal for development was accepted & development plans were approved by the City of Belgrade Planning. If the parcel were developed disturbance would be expected to be minimal, due to the current cultivated aspect of the lease and the proximity to Belgrade. Upon development the potential habitat for both the species of concern and the sensitive plants species will be altered.

**Alternative B** – The land would remain classified Ag & grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC's trust obligations.

10. HISTORICAL AND ARCHAEOLOGICAL SITES: *Are any historical, archaeological or paleontological resources present?*

[N] A Class III cultural and paleontological resources inventory was conducted of the area of potential effect (APE) on state land. Despite a detailed examination, no cultural or fossil resources were identified in the APE. No additional archaeological or paleontological investigative work is

**II. IMPACTS ON THE PHYSICAL ENVIRONMENT**

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.

11. AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light? *Are there notable aesthetic features on the tract?*

[Y] The 427-acre site, and the surrounding lands are relatively flat and are currently used for irrigated agriculture. There is a residential subdivision located to the east and south, Commercial development to the west and I-90 to the North.

**Alternative A** –It would be expected to continue as a Ag & Grazing License until a proposal for development was accepted & development plans were approved by the City of Belgrade Planning. If development were to proceed, the aesthetics would be expected to change from an agricultural environment to an urban/suburban environment.

**Alternative B** – The land would remain classified Ag & grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC’s trust obligations.

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY: Will the project use resources that are limited in the area? *Are there other activities nearby that will affect the project?*

[N] The parcel currently requires few resources, but electricity and access roads are on site and sewer and water hookups are located adjacent to the east boundary. Currently, the City of Belgrade’s sewer has no capacity.

**Alternative A** –It would be expected to continue as a Ag & Grazing License until a proposal for development was accepted & development plans were approved by the City of Belgrade Planning. Development will require a full contingent of utilities including water, sewer and potentially an internal road system. The City of Belgrade is currently out of sewer capacity but expects to have capacity by 2021. Any development would require City approval. The development of the proposal would allow the tracts irrigated water rights to be reviewed and potentially reallocated.

**Alternative B** – The land would remain classified Ag & grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC’s trust obligations.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract?

[Y] Montana DNRC, Trust Lands Division, Final Real Estate Management Programmatic EIS, November 19, 2004.

**II. IMPACTS ON THE PHYSICAL ENVIRONMENT**

The Belgrade Long Range Transportation Plan, Existing Volume to Capacity Ratios map. This map shows current traffic volume to capacity ratios

**Alternative A** –It would be expected to continue as a Ag & Grazing License until a proposal for development was accepted & development plans were approved by the City of Belgrade Planning.

The Final Real Estate Management Programmatic EIS, identifies this parcel for future development for diversification of the Trust Assets.

The Existing Volume to Capacity Ratios map indicates arterials and collector roads that serve this area currently have traffic volume well below capacity, except for Amsterdam Road which exceeds its capacity. The planning process for approving a use for this parcel would include transportation system considerations.

**Alternative B** – The land would remain classified Ag & grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC’s trust obligations.

**III. IMPACTS ON THE HUMAN POPULATION**

RESOURCE

[Y/N] POTENTIAL IMPACTS & CAPABILITY CHARACTERISTICS

14. HUMAN HEALTH AND SAFETY:  
Will this project add to health and safety risks in the area?

[Y] The Belgrade Long Range Transportation indicates that Amsterdam Road has exceeded its capacity to volume ratio, and that Thorpe and Frank Roads have a low capacity to volume ratio.

**Alternative A** –It would be expected to continue as a Ag & Grazing License until a proposal for development was accepted & development plans were approved by the City of Belgrade Planning. If developed traffic safety would be addressed by the City of Belgrade planning process.

**Alternative B** – The land would remain classified Ag & grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC’s trust obligations.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION:  
Will the project add to or alter these activities?

[Y] The 427-acre site under review is currently zoned PLI- Public Lands and Institutions District, by the City of Belgrade. The site is in irrigated agriculture and bordered by residential development to the south and west with commercial development to the east.

	<p><b>Alternative A</b> –It would be expected to continue as a Ag &amp; Grazing License until a proposal for development was accepted &amp; development plans were approved by the City of Belgrade Planning. If there was a development proposal the parcel would be annexed into the City of Belgrade and Zoned by the planning department for future use.</p> <p><b>Alternative B</b> – The land would remain classified Ag &amp; grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC’s trust obligations.</p>
<p>16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number.</p>	<p>[Y] Currently, few employment opportunities exist in relation to this land.</p> <p><b>Alternative A</b> –It would be expected to continue as a Ag &amp; Grazing License until a proposal for development was accepted &amp; development plans were approved by the City of Belgrade Planning. If development were to occur it would be expected to increase employment during construction at minimum.</p> <p><b>Alternative B</b> – The land would remain classified Ag &amp; grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC’s trust obligations.</p>
<p>17. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?</p>	<p>[Y] Currently the 427 acres do not contribute to tax revenue.</p> <p><b>Alternative A</b> –It would be expected to continue as a Ag &amp; Grazing License until a proposal for development was accepted &amp; development plans were approved by the City of Belgrade Planning. If development occurred, the land would be subject to tax revenue on the improvements and a beneficial tax on the land.</p> <p><b>Alternative B</b> – The land would remain classified Ag &amp; grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC’s trust obligations. The land is exempt from property taxation and would continue to generate no revenue for local taxing jurisdictions.</p>
<p>18. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed?</p>	<p>[Y] The parcel currently has a very low demand for government services except for a small wildfire risk.</p> <p><b>Alternative A</b> –It would be expected to continue as a Ag &amp; Grazing License until a proposal for development was accepted &amp; development plans were approved by the City of Belgrade Planning. If development activities were proposed for this site, they would require a conditional use permit from the Belgrade Planning Department. The</p>

	<p>Planning Director has indicated he will recommend annexation into the City of Belgrade to address the impact on government services. The development of the parcel would provide additional property tax revenue to fund governmental services.</p> <p><b>Alternative B</b> – The land would remain classified Ag &amp; grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC’s trust obligations.</p>
<p>19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: <i>Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?</i></p>	<p>[Y] The parcel is not within the Belgrade city limits, but it is within the city of Belgrade’s extra-territorial zoning jurisdiction. Any proposed use will have to go through the City’s conditional use process, and a conditional use permit issued.</p> <p><b>Alternative A</b> —It would be expected to continue as a Ag &amp; Grazing License until a proposal for development was accepted &amp; development plans were approved by the City of Belgrade Planning. If development activities were proposed for this site, they would require a conditional use permit from the Belgrade Planning Department.</p> <p><b>Alternative B</b> – The land would remain classified Ag &amp; grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC’s trust obligations.</p>
<p>20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES: <i>Are wilderness or recreational areas nearby or accessed through this tract? Is the land legally accessible and is there recreational potential within the tract?</i></p>	<p>[N] The 427-acre Ag &amp; grazing parcel, adjacent residential &amp; commercial development offers minimal recreational opportunities. Since the parcel is predominantly in cultivated agriculture, it is closed to recreation by statute when in crop.</p> <p><b>Alternative A</b> –It would be expected to continue as an Ag &amp; Grazing License until a proposal for development was accepted &amp; development plans were approved by the City of Belgrade Planning.</p> <p><b>Alternative B</b> – The land would remain classified Ag &amp; grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC’s trust obligations. The land would remain closed to recreation while in crop.</p>
<p>21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: <i>Will the project add to the population and require additional housing?</i></p>	<p>[Y] The land currently has no effect on housing.</p> <p><b>Alternative A</b> –It would be expected to continue as a Ag &amp; Grazing License until a proposal for development was accepted &amp; development plans were approved by the City of Belgrade Planning. It is possible that the City of Belgrade could approve residential use for parts of this</p>

	<p>parcel.</p> <p><b>Alternative B</b> – The land would remain classified Ag &amp; grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC’s trust obligations.</p>
<p>22. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?</p>	<p>[N] The current Ag &amp; grazing land is in a transitional area adjacent to the City of Belgrade.</p> <p>Neither alternative would affect social conditions.</p>
<p>23. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?</p>	<p>[N] The tract is currently an Ag &amp; grazing tract, zoned PL1 by the City of Belgrade. Land uses in the area are transitioning from ag use to residential and commercial uses.</p> <p><b>Alternative A</b> –It would be expected to continue as a Ag &amp; Grazing License until a proposal for development was accepted &amp; development plans were approved by the City of Belgrade Planning. The reclassification and development activities proposed for this site would require a conditional use permit from the Belgrade Planning Department.</p> <p><b>Alternative B</b> – The land would remain classified Ag &amp; grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC’s trust obligations.</p>
<p>24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:</p>	<p>[Y] The 427-acre site is part of a Ag &amp; grazing tract. The last Ag &amp; grazing lease payment received was for \$20,758.00.</p> <p><b>Alternative A</b> – It would be expected to continue as a Ag &amp; Grazing License until a proposal for development was accepted &amp; development plans were approved by the City of Belgrade Planning, and would continue to receive approximately \$20,700.00 per year. In 2018, the parcel appraised for \$6,675,000. If a proposal were to be accepted by the DNRC and the development plans approved by the City of Belgrade to lease the entire parcel for development the Trust could realize up to \$330,000.00 per year, with a 2% escalator applied annually.</p> <p>The trust land is currently tax exempt and generates no tax revenue for local taxing jurisdictions. Under a commercial lease, the previously tax-exempt land would be taxable under beneficial use, and the privately-owned improvements would also be taxable; generating tax revenue for local jurisdictions.</p> <p><b>Alternative B</b> – The land would remain classified Ag &amp;</p>

grazing, but development or other proposals to increase revenue to the Trust would still be sought and considered to meet the DNRC's trust obligations, producing approximately \$20,700.00 per year and returning no tax revenue to the local jurisdictions.

Document Prepared By: Craig Campbell Date 01/06/2020

#### IV. ENVIRONMENTAL ANALYSIS FINDING

25. ALTERNATIVE SELECTED:

**Alternative A – Reclassify the land to other, pursue future development and annex into the City of Belgrade.**

27. Need for Further Environmental Analysis:

EIS       More Detailed EA       No Further Analysis

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

#### V. RECLASSIFICATION RECOMMENDATION AND APPROVAL

28. Land Office Recommendation, including Highest and Best Use:

The Central Land Office recommends reclassification from Agriculture and Grazing to Other. The lands involved in the proposed action are held by the State of Montana for the Support of the Common Schools (*Enabling Act of February 22, 1889*). The Board of Land Commissioners (Land Board) and the DNRC are required by law to administer these State Trust Lands to produce the largest measure of reasonable and legitimate return over the long run for these institutions [*1972 Montana Constitution, Article X, Section 11; Montana Code Annotated (MCA) 77-1-202*].

These lands have been considered for development as the highest and best use since the 2004 Final Real Estate Management Programmatic EIS and this consideration was reaffirmed by a professional appraisal report on the property August 7, 2018. The appraisal valued the property at \$6,675,000.00 for development, much greater than the lands capacity to generate revenue through agricultural production.

While we understand the desire to maintain farm land in the valley, this parcel is surrounded by development. As development continues in the vicinity, it will eventually be less desirable to farm due to the distance from other compatible uses. In the short term, this reclassification will not eliminate the farming currently on the land, but the reclassification does acknowledge the use will eventually change. Any development that occurs will require the plans to be approved by the Belgrade planning department in a public hearing. When development occurs, it is expected the property would be annexed into the City of Belgrade and zoned for future use, also a public process.

The classification to "Other" (commercial use) does not change the potential for open space proposals to be considered. However, to achieve this the Trust must be compensated at full market value for the use of the land. Some open space requirements may be imposed on the future developers of the parcel as part of the City planning process.

29. Recommendation by AG Bureau Chief:

Reasons for Recommendation:

\_\_\_\_\_  
AG Bureau Chief Signature

\_\_\_\_\_  
Date

Recommendation by REMB Bureau Chief:

Reasons for Recommendation:

\_\_\_\_\_  
REMB Bureau Chief Signature

\_\_\_\_\_  
Date

30. Final Decision on Reclassification by Trust Land Management Division Administrator:

Approve

Deny

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date