

REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
AGENDA
AUGUST 18, 2025 AT 9:00 A.M.
STATE CAPITOL, ROOM 303
HELENA, MT

ADMINISTRATIVE ITEMS

Approval of the August Land Board Agenda
Approval of the July Land Board Meeting Minutes

ACTION ITEMS

0825-1 Cabin and Homesite: Set Minimum Bid for Sale

A. *Location: Flathead County*

Benefits: Montana Tech

B. *Location: Sanders County*

Benefits: Capitol Buildings

0825-2 Easements

Location: Chouteau, Gallatin, Garfield, and Granite Counties

Benefits: Common Schools, MSU-Eastern/UM-Western, and Public Land Trust

PUBLIC COMMENT

0825-1

CABIN AND HOME SITES:
SET MINIMUM BID FOR SALE

- A. Flathead County
- B. Sanders County

**Land Board Agenda Item
August 18, 2025**

0825-1A Cabin and Home Sites: Set Minimum Bid for Sale

Location: Flathead County

Trust Beneficiaries: Montana Tech

Trust Revenue: \$1,480,000

Item Summary:

The Department of Natural Resources and Conservation (DNRC) is requesting to set minimum bid for two (2) cabin sites nominated for sale in Flathead County. These sites were nominated by the lessees in conjunction with the 2024-2025 Cabin and Home Site Sales Program.

Sale No.	Acres	Legal Description	Nominator	Trust
2075	0.699 ±	Lot 9, Echo Lake COS 18885 T27N-R19W Section 5	Kyle & Darcy Schellinger	Montana Tech
2076	1.485 ±	Lot 36, Echo Lake COS 18885 T27N-R19W Section 5	Randall Fitzner	Montana Tech

These parcels are currently leased as cabin sites and produce above average income for residential leases statewide.

Background:

Preliminary Land Board approval was granted in December of 2024 (Approved 4-0) for the sites to be included as part of the 2024-2025 Cabin and Home Site Sales Program.

Cultural/Paleontological Resources:

Home sites typically contain numerous privately owned structures and the ground surfaces within most home sites have been extensively disturbed over the course of many years of occupation and development.

For State Antiquities Act compliance, a Class I (literature review) level review was conducted by the DNRC staff archaeologist for the area of potential effect (APE). This entailed inspection of project maps, DNRC's sites/site leads database, land use records, General Land Office Survey Plats, and control cards. The Class I search results revealed that no cultural or paleontological resources have been identified in the APE of each homesite boundary. It should be noted that previous Class III level inventories have been conducted in or around many of the tracts proposed for sale. These sales will have no effect to state-owned heritage properties, and no additional archaeological investigative work will be conducted.

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 purchasers of the cabin or home site properties. Current cabin/home site access is limited to the lessees 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 shown in Figure 1 below.

The parcels will continue to receive these returns if they remain in state ownership.
The income rates of return may grow smaller, as average annual value appreciation may be greater than the annual rent increase, as shown below.

Figure 1: Rates of Return at Current Appraised Values

Sale Number:	Rate of Return
2075	2.003%
2076	2.07%

Figure 2: Sale 2075-Review of Past Incomes and Values; Forecast Income & Values:

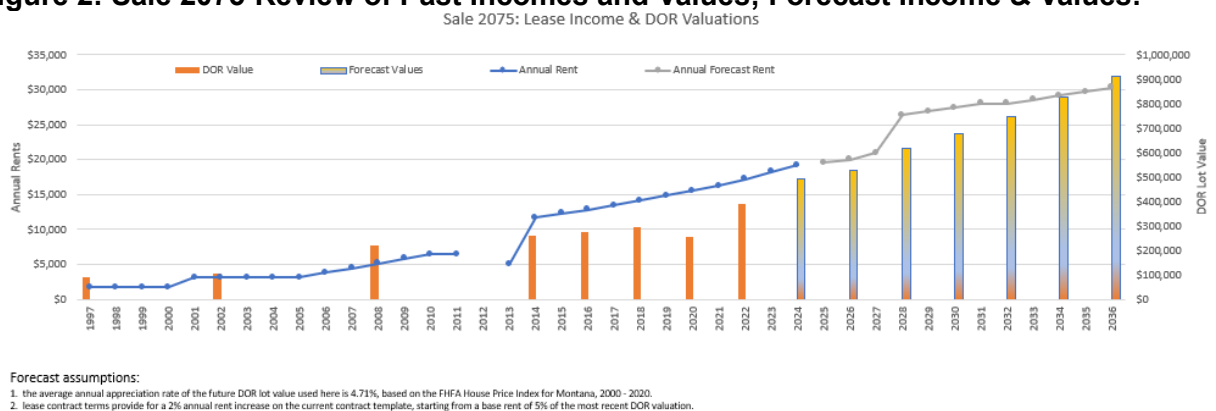
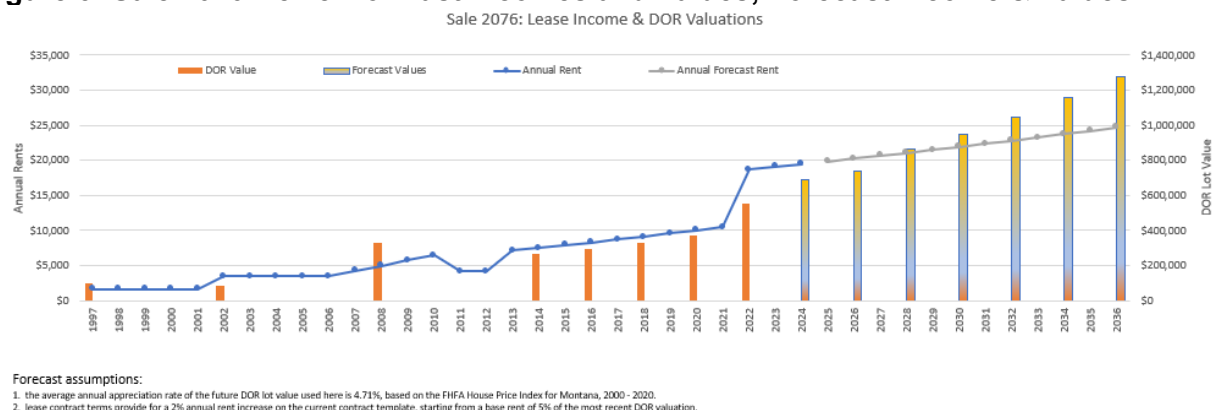


Figure 3: Sale 2076-Review of Past Incomes and Values; Forecast Income & Values:



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 3.17% on acquisitions with income generated from annual lease payments. However, the rates of return on land acquired more recently have been higher at 3.42% 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 a 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 in the last 10 years
	Income Rate of Return	Various (see Figure 1)	3.17%	3.42%
2075	2.003%	\$735,000	\$464,362	\$430,418
2076	2.07%	\$745,000	\$486,600	\$451,030

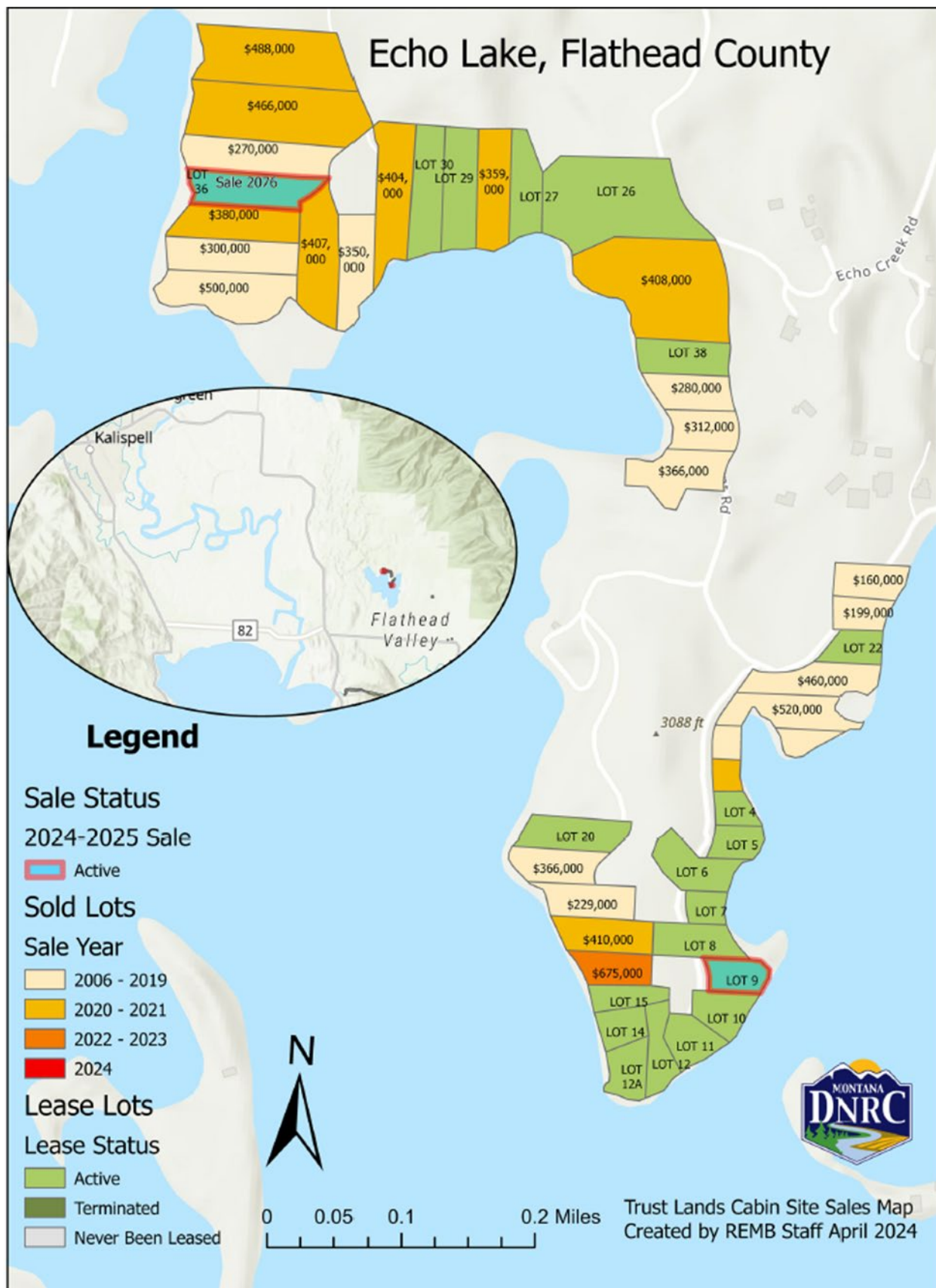
Appraised Values of Land and Improvements:

The Appraisals of these cabin sites were prepared by Montana General Certified Appraiser Jennifer McGinnis, MAI of McGinnis Real Estate Appraisal Group, LLC in Polson, Montana.

Sale No.	Appraised Land Value	Appraised Improvements Value
2075	\$735,000	\$275,000
2076	\$745,000	\$305,000

DNRC Recommendation:

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



**Land Board Agenda Item
August 18, 2025**

0825-1B Cabin and Home Sites: Set Minimum Bid for Sale

Location: Sanders County

Trust Beneficiaries: Capitol Buildings

Trust Revenue: \$90,000

Item Summary:

The Department of Natural Resources and Conservation (DNRC) is requesting to set minimum bid for one (1) cabin site nominated for sale in Sanders County. This site was nominated by the lessee in conjunction with the 2024-2025 Cabin and Home Site Sales Program.

Sale No.	Acres	Legal Description	Nominator	Trust
2077	0.79±	Tract 1 Sanders County COS 3820 T22N-R27W, Section 2	Glenda Bradshaw	Capitol Buildings

This parcel is currently leased as a cabin site and produces below average income for residential leases statewide.

Background:

Preliminary Land Board approval was granted in December of 2024 (Approved 4-0) for the site to be included as part of the 2024-2025 Cabin and Home Site Sales Program.

Cultural/Paleontological Resources:

Home sites typically contain numerous privately owned structures and the ground surfaces within most home sites have been extensively disturbed over the course of many years of occupation and development.

For State Antiquities Act compliance, a Class I (literature review) level review was conducted by the DNRC staff archaeologist for the area of potential effect (APE). This entailed inspection of project maps, DNRC's sites/site leads database, land use records, General Land Office Survey Plats, and control cards. The Class I search results revealed that no cultural or paleontological resources have been identified in the APE of each homesite boundary. It should be noted that previous Class III level inventories have been conducted in or around many of the tracts proposed for sale. These sales will have no effect to state-owned heritage properties, and no additional archaeological investigative work will be conducted.

Access/Recreational Use:

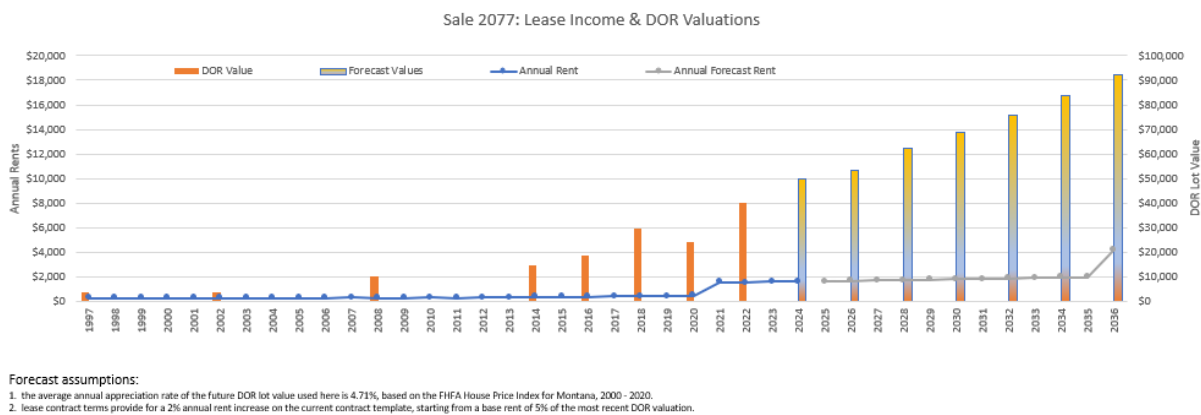
As part of the cabin site sale process, the State will convey any access that it has and can be conveyed to the purchaser of the cabin or home site property. Current cabin/home site access is limited to the lessee and does not provide access or recreational use to the general public. State lands classified 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 rate of return on this sale parcel is 1.396%. The parcel will continue to receive this return if it remains in state ownership. The income rate 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 Figure 1 below.

Figure 1: Sale 2077-Review of Past Incomes and Values; Forecast Income & Values:



Long term – The funds from the sale of this parcel 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 3.17% on acquisitions with income generated from annual lease payments. However, the rates of return on land acquired more recently have been higher at 3.42% for lands acquired within the last ten years. Figure 2 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 2: Lot Values derived from 3-year Average Net Income at a 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 in the last 10 years
	Income Rate of Return	1.396%	3.17%	3.42%
2077	Derived Lot Value	\$90,000	\$39,643	\$36,745

Appraised Values of Land and Improvements:

The appraisal was prepared by Montana General Certified Appraiser Nicholas J. Hogan, MAI of Hogan Real Estate Appraisal Group, LLC in Missoula, Montana.

Sale No.	Appraised Land Value	Appraised Improvements Value
2077	\$90,000	\$83,000

DNRC Recommendation:

The DNRC recommends that the Land Board set the minimum bid for this cabin site at the appraised land value and the maximum value of compensation for the improvements shown above.

Plains Remote, Sanders County

Legend

Sale Status

2024-2025 Sale

Active

Sold Lots

Sale Year

2025

2022-2024

Lease Lots

Lease Status

Active

Terminated

Never Been Leased

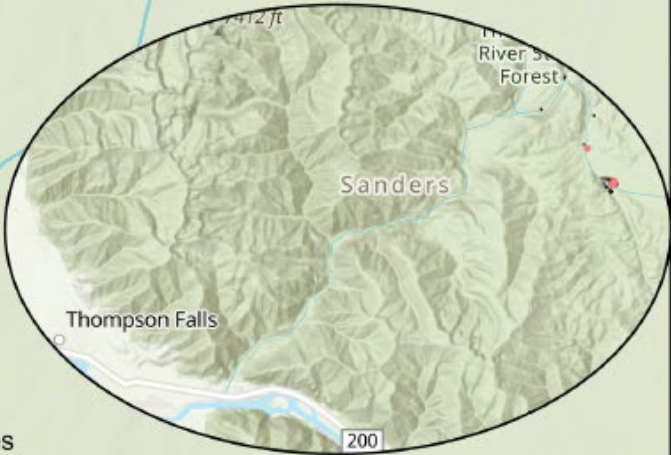
2024-2025 Sale



Trust Lands Cabin Site Sales Map
Created by REMB Staff July 2025



0 0.02 0.04 0.08 Miles



0825-2

EASEMENTS

**0825-2 EasLand Board Agenda Item
August 18, 2025**

0825-2 Easements

Location: Chouteau, Gallatin, Garfield, and Granite Counties

Trust Beneficiaries: Common Schools, MSU-Eastern/UM-Western, and Public Land Trust

Trust Revenue: Common Schools \$23,751, MSU-Eastern/UM-Western \$1,430, and Public Land Trust \$971

Item Table of Contents

Applicant	Right-of-Way Purpose	Term	Page(s)
Cole Living Trust	Private Access Road	Permanent	TBD
Burchco, LLC	Private Access Bridge	Permanent	TBD
Sandy Arrow Ranch, LLC	Private Access Road	Permanent	TBD
Town of Jordan	Utility Easement and Lagoon	Permanent	TBD

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Cole Living Trust
188 Ramshorn Peak Lane
Bozeman, MT 59718

Application No.: 11154 (Renewal)
R/W Purpose: a private access road to a single-family residence and associated outbuildings

Lessee Agreement: ok
Acreage: 0.26
Compensation: \$1,430.00
Legal Description: 30-foot strip through W2SE4, Sec. 18, Twp. 2S, Rge. 2E, Gallatin County

Trust Beneficiary: MSU-Eastern/UM-Western

Item Summary:

Cole Living Trust is requesting a renewal of their existing access easement that was issued in 1998 for a term of 30 years. At that time access easement requests were processed under a 1995 Land Board policy which limited private access roads to 30 year terms. However, this policy was later repealed in 2004 due to the impact it had on the sale of property and ability of individuals to obtain 30-year loans when such an easement had less than 30 years left in its term. Additionally, the advent of the historic right of way program in 2001 provided for permanent access easements which conflicted with the policy. DNRC staff inspected the property and completed a review for renewal and recommends approval to issue a permanent access easement to the Cole property.

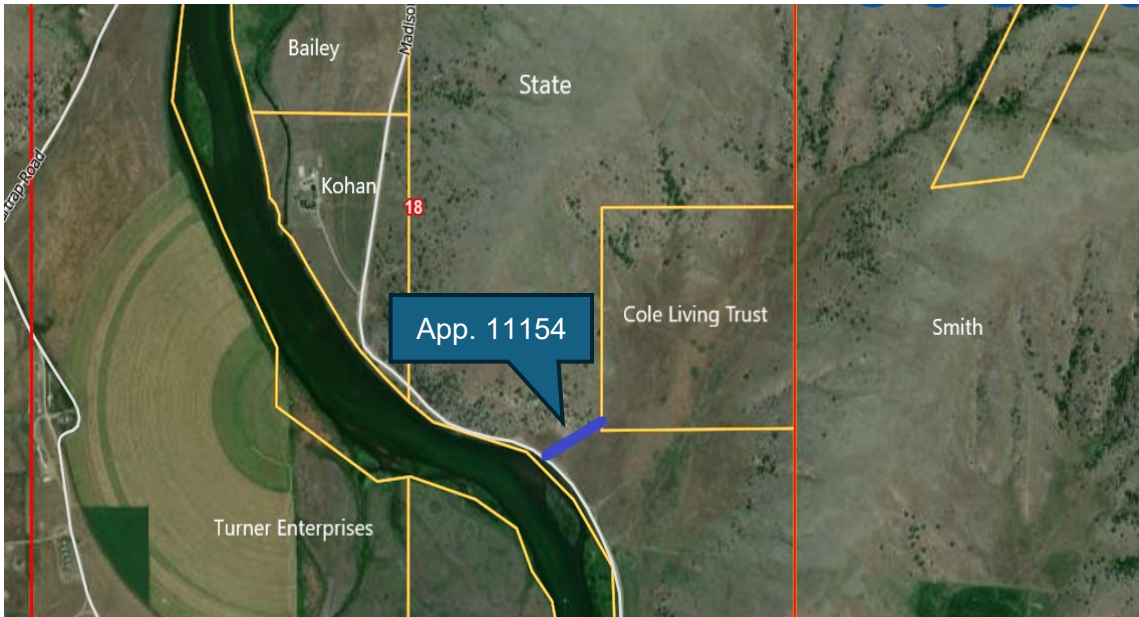
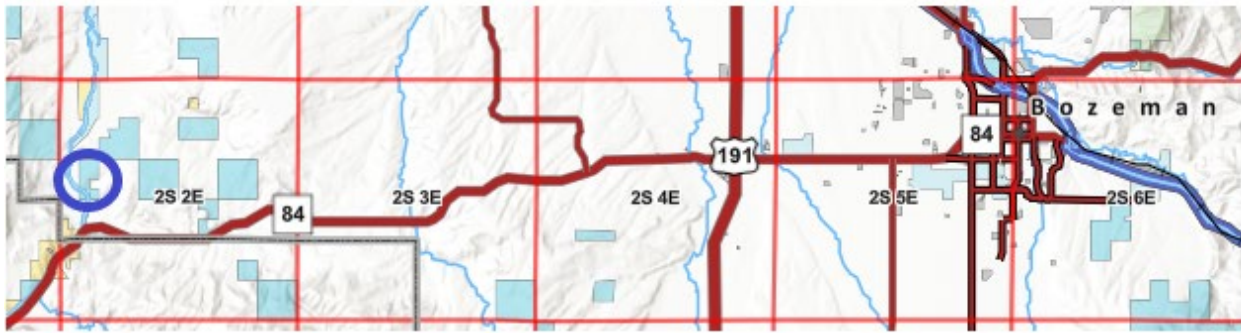
Cole Living Trust private land to be accessed is described as follows:

- Parcel A, Section 18, Township 2 South, Range 2 East

DNRC Recommendation:

The DNRC recommends approval of the application of the Cole Living Trust.

Application #11154



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Burchco, LLC
145 East Mill Street
San Bernardino, CA 92408

Application No.: 19835
R/W Purpose: a private access bridge for the purpose of conducting normal farming and ranching operations

Lessee Agreement: N/A (Navigable River)
Acreage: 0.04
Compensation: \$971.00
Legal Description: 20-foot strip across the Clark Fork River in NE4SE4, Sec. 17, Twp. 11N, Rge. 13W, Granite County

Trust Beneficiary: Public Land Trust

Item Summary:

Burchco, LLC is requesting an easement for construction of a private bridge to access private lands on both sides of the Clark Fork River in order to conduct farming and ranching operations. The proposed bridge has received permits from Granite County Conservation District and the Granite County Floodplain Administrator. Other permits that may be needed will be obtained and grant of an easement will be subject to Burchco obtaining those permits. DNRC sent out scoping letters for this proposal and did not receive any public comments.

Burchco, LLC's private land to be accessed is described as follows:

- NE4, NW4SE4 and E2SE4 lying NE of Interstate 90, Section 17, Township 11 North, Range 13 West

DNRC Recommendation:

The DNRC recommends approval of the application of Burchco, LLC.

Application #19835



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Sandy Arrow Ranch, LLC
1301 Fifth Avenue, 40th Floor
Seattle, WA 98101

Application No.: 19845
R/W Purpose: a private access road to a single-family residence and associated outbuildings and to conduct normal farming and ranching operations

Lessee Agreement: N/A (Historic)
Acreage: 2.79
Compensation: \$2,790.00
Legal Description: 30-foot strip through E2SW4, NW4SW4, SW4NW4, Sec. 36, Twp. 21N, Rge. 13E, Chouteau County

Trust Beneficiary: Common Schools

Item Summary:

Sandy Arrow Ranch, LLC is requesting an easement for a private access road for the purpose of accessing a single family residence and to conduct normal farming and ranching operations. This application is made pursuant to amendments of §77-2-101, MCA for recognition of historic uses across State Trust Land.

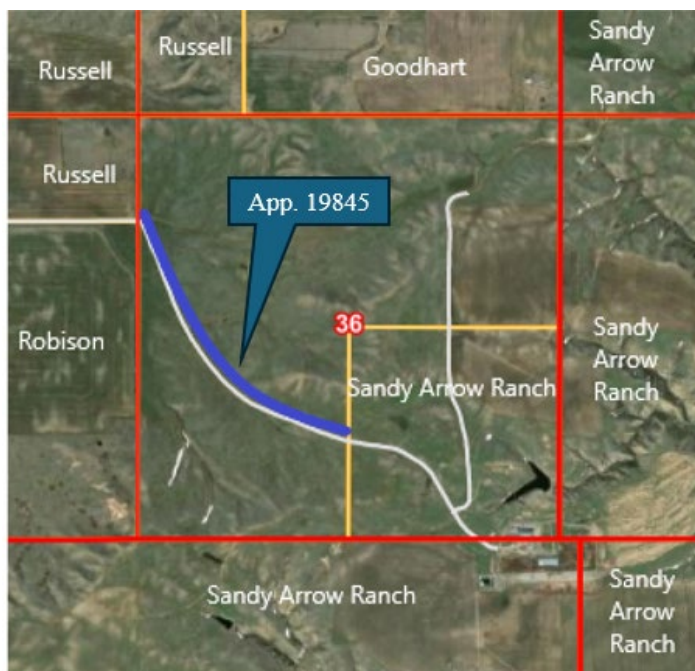
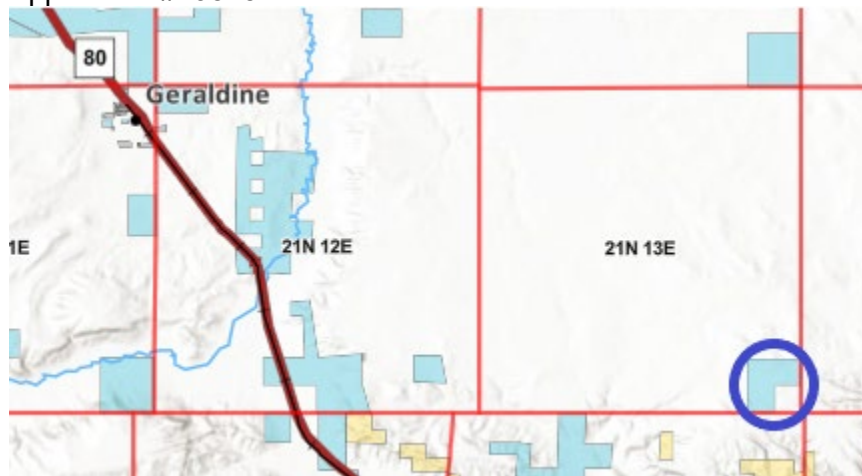
Sandy Arrow Ranch, LLC's private land to be accessed is described as follows:

- Lots 1-22, S2NW4, SW4, Section 1, Township 20 North, Range 13 East
- Lots 1-5, SE4SW4, S2SE4, Section 6, Township 20 North, Range 14 East
- SE4, Section 36, Township 21 North, Range 13 East
- Lots 3-4, E2SW4, SE4, Section 30, Township 21 North, Range 14 East
- All, Section 31, Township 21 North, Range 14 East

DNRC Recommendation:

The DNRC recommends approval of the application of Sandy Arrow Ranch, LLC.

Application #19845



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Town of Jordan PO Box 484 Jordan, MT 59337
Application No.:	19846
R/W Purpose:	wastewater treatment lagoon and buried sewer forcemain pipeline
Lessee Agreement:	ok
Acreage:	38.11
Compensation:	\$20,961
Legal Description:	tract of land in the NW4NW4 and a 30-foot strip through W2NW4, Sec. 16, Twp. 18N, Rge. 38E, Garfield County
Trust Beneficiary:	Common Schools

Item Summary:

Town of Jordan has requested an easement for expansion of the existing wastewater treatment facility on Trust lands. The proposal is to construct an additional lagoon cell for the treatment of wastewater, which will be pumped through a new forcemain pipeline with a lift station to transport wastewater from the existing lagoons to the new cell. The proposed forcemain pipeline will cross Big Dry Creek and will be directionally bored to mitigate concerns with fish passage and water integrity. Additionally, this area is within sage grouse habitat and the Town has elected to contribute to the stewardship program to mitigate impacts. This expansion and upgrade of the existing facilities has been in process since 2014 and has been through DEQ review.

DNRC Recommendation:

The DNRC recommends approval of the application of Town of Jordan.

Application #19846

