

MONTANA SAGE GROUSE HABITAT CONSERVATION PROGRAM



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Public Scoping Notice

Sage Grouse Stewardship Account Grant Application

Proposed Burgess Ranch 30-Year Term Lease/Restoration

June 6, 2019

Dear Interested Party:

The Montana Sage Grouse Habitat Conservation Program (Program) is soliciting public scoping comments on a grant application submitted to the Montana Sage Grouse Oversight Team (MSGOT) for funding from the Montana Sage Grouse Habitat Stewardship Account.

The purpose of the Stewardship Account grants is to provide competitive grant funding and establish ongoing free-market mechanisms for voluntary, incentive-based conservation measures that maintain, enhance, restore, expand, and benefit sage grouse habitat and populations on private lands. The majority of Stewardship Account funds must be awarded to projects that generate mitigation credits, which MSGOT makes available to developers to offset the residual impacts of development through compensatory mitigation after developers have already implemented avoidance, minimization, and reclamation efforts.

The Program invited submission of complete applications by May 13, 2019. The Garfield County Conservation District submitted a grant application request for funding to support a payment for a 30-year term lease and additional restoration projects on the Burgess Ranch in Garfield County. Garfield County Conservation District is an agency/organization eligible to apply for Stewardship Account grants MCA §§ 76-15-101 et seq., MCA §76-22-110(3).

Term leases are similar to perpetual easements in that the landowner receives payment in exchange for voluntarily not exercising rights to develop certain surface uses of the property (e.g. subdivision, conversion to crop land). Term leases differ from perpetual conservation easements in that term leases are for a fixed number of years only, and the landowner decides the number of years or duration of the lease. At the expiration of the term, the lease expires, and the landowner is free to exercise those rights once again. The minimum lease duration is 15 years. Here, the landowner has selected a duration of 30 years.



The Burgess Ranch is located in the northeastern part of Garfield County, about 26 miles east and 12 miles north of Jordan and south of Haxby Point (which is on the Charles M. Russell National Wildlife Refuge). The Burgess Ranch is a few miles west of where Flat Creek enters the refuge. A portion of the project occurs in General Habitat and a portion occurs in a Core Area. The lease would entail a total of 12,901 acres of deeded land.

In addition to the term lease, Burgess Ranch and the Garfield County Conservation District propose to undertake additional restoration efforts on lands that would be included in the lease. Restoration efforts entail reseeding about 2,765 acres of crop land back to rangeland. Additionally, as many as 15 miles of fence will be marked. Most of the acres proposed for reseeding back to rangeland occur in General Habitat, bringing these lands back to rangeland from cultivated crop land. If selected for funding, the restoration work costs would be cost-shared with NRCS, and those lands would be included in the term lease. Additional funds are contributed by the Bird Conservancy of the Rockies.

The Burgess Ranch is primarily managed for livestock production through a managed grazing system. In addition to the deeded lands of the ranch, the Burgess Ranch holdings are adjacent to large blocks of U.S. Bureau of Land Management Lands and State Trust Land in a checkboard fashion. The Burgess Ranch holds current grazing permits on these lands within the overall project boundary (about 23,440 acres), and they are managed holistically through the grazing system.

The Burgess Ranch proposed lease/restoration lands have 31 active sage grouse leks within 12 miles, 20 of which are located within eight miles. Eleven leks are located within four miles and six leks are located within two miles. Two leks are within the project boundaries. See figures below.

MSGOT and the Program are required to apply the current designated Habitat Quantification Tool (HQT) to any project that is selected for funding from the Stewardship Account. MCA § 76-6-109(4). The HQT is the scientific method used to evaluate vegetation and environmental conditions related to quality and quantity of sage grouse habitat and to quantify and calculate the number of credits created by a conservation project. MCA § 76-6-103(9). MSGOT approved the current version of the HQT and accompanying Policy Guidance Document in October, 2018.

The HQT considers the many biophysical attributes of Greater Sage-grouse seasonal habitats to estimate habitat functionality across multiple spatial and temporal scales. The HQT also accounts for existing human disturbances (e.g. roads, cropland, energy development, etc.). These measures of habitat, expressed as functional acres, are used for calculating conservation benefits (i.e., credits) from mitigation projects. Using habitat quality, expressed as functional acres, provides a common “habitat currency” that can be used for both credit and debit projects to ensure accurate accounting of habitat gains and losses and allows comparisons across projects using a common metric that is calculated in the exact same way.

The HQT starts with a baseline map of habitat quality, or presently existing functional acres on the landscape. Next, the HQT calculates the number of functional acres that would be created (or



gained) because of the proposed 30-year term lease and restoration efforts. Applicable policy modifiers are applied, based on the number of functional acres gained and calculated by the HQT. Once a conservation project is implemented, the total functional acres created (after application of policy modifiers) is converted to credits at a 1:1 ratio.

High HQT scores correspond to areas of high quality sage grouse habitat and are shown in warm, red colors on HQT maps. These will typically be areas with high levels of intact sagebrush, good brood-rearing habitat, high densities of breeding male sage grouse (i.e., many leks with strong numbers of males displaying on them), and low levels of human disturbance. Higher numbers of functional acres gained translates to more credits created per physical acre of conservation.

For purposes of considering the number of credits that might be created by each conservation project proposed for funding from the Stewardship Account, the Program has run the HQT using the spatial data provided by the Garfield County Conservation District (the grant applicant) for the proposed 30-year term lease and the individual restoration projects that would also occur within the boundary of the proposed lease. Results do not include non-deed lands within the perimeter of the proposed term lease/restoration area (i.e. federal and state lands) since the lease terms would not be applicable to public land inholdings).

The HQT results show that the 30-year term lease/restoration on the Burgess Ranch would restore and conserve habitat. The functional acres gained per physical acre of the project per year for is 0.347, with a significant portion of that contributed by the restoration of cropland to rangeland. Higher numbers indicate more functional acres would be created through restoration and conservation, and the habitat is of higher quality for the physical acres included in the proposed project. See the HQT figures below.

A 30-year term lease on the Burgess Ranch would generate 140,193.68 total credits. This equates to 0.362 credits created per physical acre of the project per year, after application of a 10% multiplier for newly-created functional acres through restoration. The 40% baseline adjustment is not applied to term leases less than 31 years. Higher numbers indicate more credits are created per year for each physical acre included in the proposed project. Higher numbers are more favorable, and more credits would be created per dollar expended from the Stewardship Account.

The estimated payment for a 30-year term lease is \$546,755.34. The full amount of the lease would be paid using Stewardship Account funds through a one-time payment. The costs to implement the restoration work could be either a one-time payment or reimbursable as they are implemented. Garfield County Conservation District is also requesting an estimated \$20,000 in project-related costs that are directly related to the purpose of the grant to create mitigation credits. Additional project costs include doing the required annual monitoring for compliance with the lease terms, preparing and submitting an annual monitoring report, and the costs associated with the key function required for all credit sites in the Montana sage grouse mitigation system. The final project costs for the duration of the 30-year term lease/restoration project will be finalized later this summer and are not expected to exceed \$30,000.



The U.S. Fish and Wildlife Service identified the following threats of habitat loss and fragmentation in this part of Montana: conversion of sagebrush grassland to cropland, mechanical and chemical sagebrush control, improper livestock management, and energy development.

The terms of the 30-year lease are expected to permit the following activities, consistent with the habitat values protected by the lease: current agricultural practices and production of livestock, haying and cultivation of previously cultivated land. Lands where the Burgess Ranch could envision adding an additional building or other small scale land improvements were excluded from the lands used to calculate HQT scores/credits and that would be covered by the lease.

The terms of the lease are expected to prohibit the following: subdivision, industrial and commercial surface uses for wind or solar development, gravel mining other than small scale use to maintain existing roads on the ranch, new road construction, and new land conversion to cultivated crops.

If selected for funding, MSGOT would own the credits, but Garfield County Conservation District would hold the 30-year term lease. The requirements for mitigation credit sites would be fulfilled through the combined actions of the landowner, Garfield County Conservation District, and MSGOT. Garfield County Conservation District would monitor the property independently and will work with the landowner to monitor the lease annually for 30 years. Garfield County Conservation District will provide annual monitoring reports to the Program.

The source of funds necessary to provide the financial assurances to restore this credit site should the habitat (and thus credits) be impaired through breach of the lease terms or an “act of God” event like a wildfire has not yet been determined. Options include reliance on existing or future grant opportunities to cover the restoration costs, obtaining an insurance policy or bond, or relying future agency cost-share opportunities. Research into various options, costs, and funding sources is ongoing. MSGOT’s reserve account would be used to replace credits. Additionality would be met by protection of the habitat for the duration of the lease (i.e. 30 years) and avoiding loss of habitat that might not otherwise be legally protected from surface development, cultivation, or subdivision. Duration and durability would be met for the 30-year term because the proposed project would protect habitat according to the terms of the lease. The site is appropriate given its location in a Core Area and the high HQT results. The site provides suitable breeding, nesting, and brood-rearing habitat.

In accordance with the Montana Environmental Policy Act, public comment and concerns about the project and potential environmental impacts must be considered and analyzed in an environmental assessment. The assessment will be available for public review and comment in the summer of 2019. MSGOT is expected to select grant recipients in the fall of 2019.

Interested parties have until June 24, 2019 to submit concerns or comments relating to this project. Mail written comments to Carolyn Sime, Sage Grouse Habitat Conservation Program, 1539 11th Ave, Helena, MT 59620. Written comments must be received on or before June 24, 2019.



Submit comments electronically and attach documents through the public comment web application tool located on the MSGOT webpage at <https://sagegrouse.mt.gov/Team>. Electronic comments must be received by 8:00 a.m. on June 24, 2019.

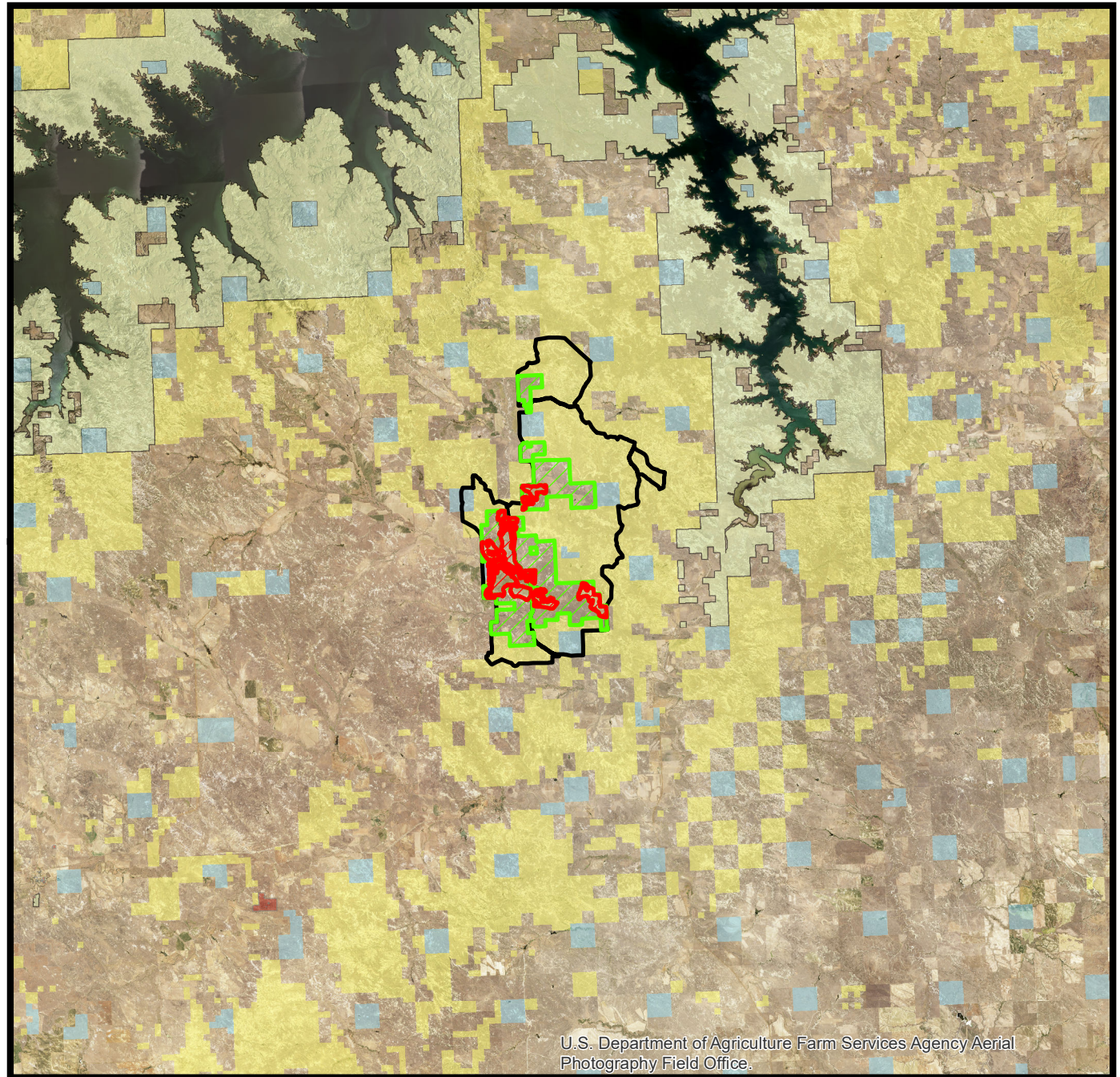
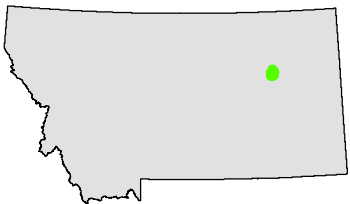


Sage Grouse Habitat Preservation, Restoration, and Enhancement in Central Eastern Montana - Garfield Burgess Ranch - Surrounding Public Lands



MONTANA SAGE GROUSE
Habitat Conservation Program

-  **Project Area**
-  **Project Restoration**
-  **Proposed Project Boundary**
-  **US Bureau of Land Management**
-  **Montana State Trust Lands**
-  **US Fish and Wildlife Service**
-  **County Government**



U.S. Department of Agriculture Farm Services Agency Aerial
Photography Field Office.

Project Information:

Map Date: 28 May 2019
Path File: G:\CARD\10 Sage Grouse HCP\
Grant Program\Second Cycle 2019\Complete
Applications due May 13\ArcMapFiles

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.

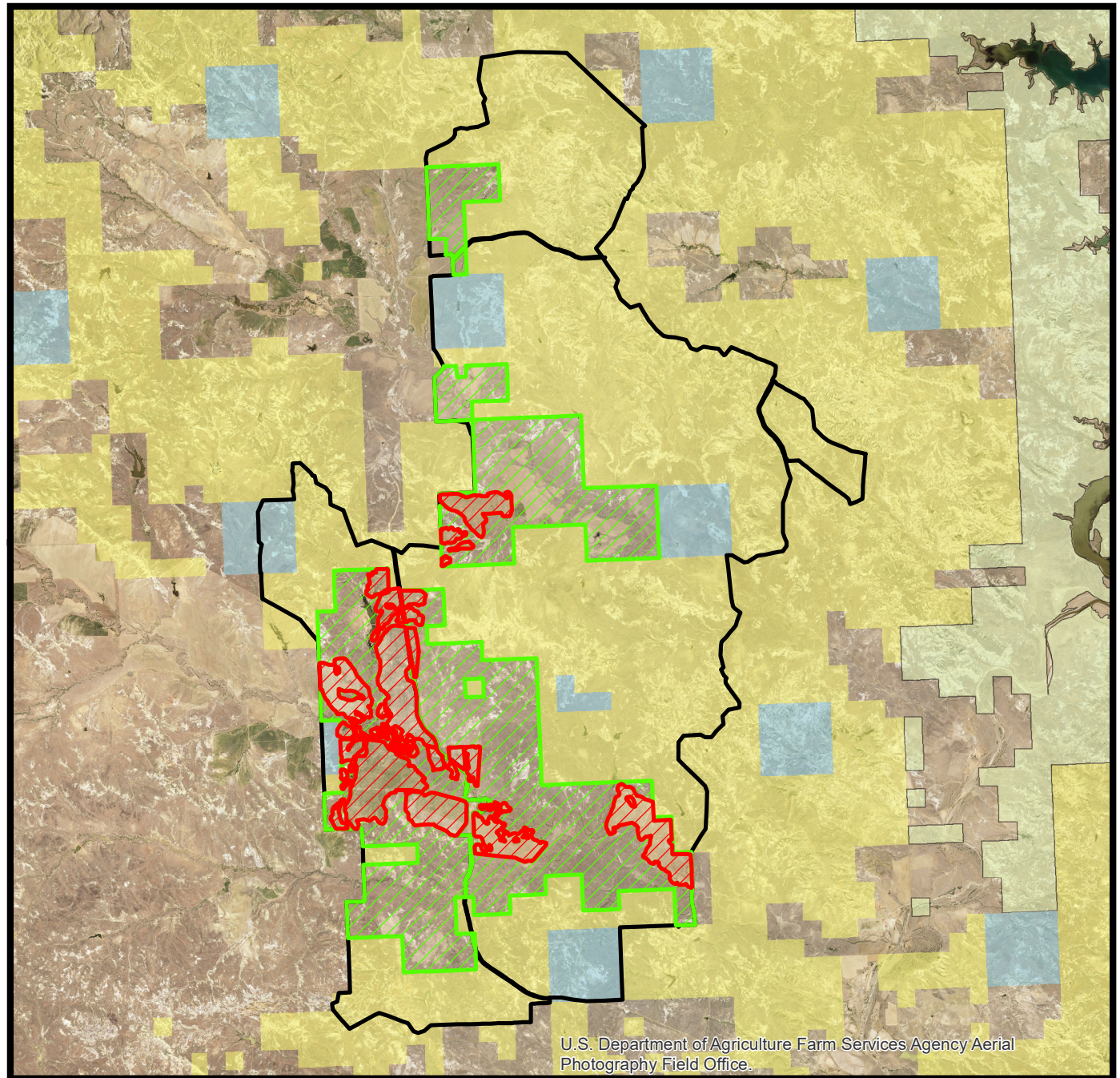
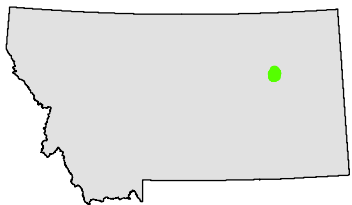
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Sage Grouse Habitat Preservation, Restoration, and Enhancement in Central Eastern Montana - Garfield Burgess Ranch - Aerial Imagery of Project Area



MONTANA SAGE GROUSE
Habitat Conservation Program

-  **Project Area**
-  **Project Restoration**
-  **Proposed Project Boundary**
-  **US Bureau of Land Management**
-  **Montana State Trust Lands**
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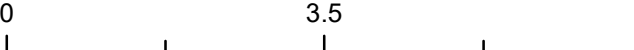
U.S. Department of Agriculture Farm Services Agency Aerial
Photography Field Office.

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Grant Program\Second Cycle 2019\Complete
Applications due May 13\ArcMapFiles

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.

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MONTANA SAGE GROUSE
Habitat Conservation Program

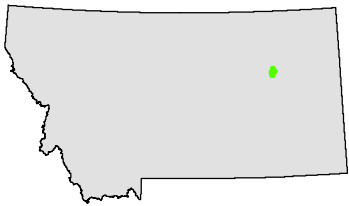
Percentage Conserved Lands within 4 Miles of the Burgess Ranch Conservation Lease and Restoration Project (Garfield County Conservation District)

Project Information

- Proposed Project Boundary
- Direct Project Footprint
- Proposed Restoration
- Conserved Lands

Percent of Conserved Lands within 4 Miles of Project Area

- 0% - 10%
- 10.1% - 20%
- 20.1% - 30%
- 30.1% - 40%
- 40.1% - 50%
- 50.1% - 60%
- 60.1% - 70%
- 70.1% - 80%
- 80.1% - 90%
- 90.1% - 100%

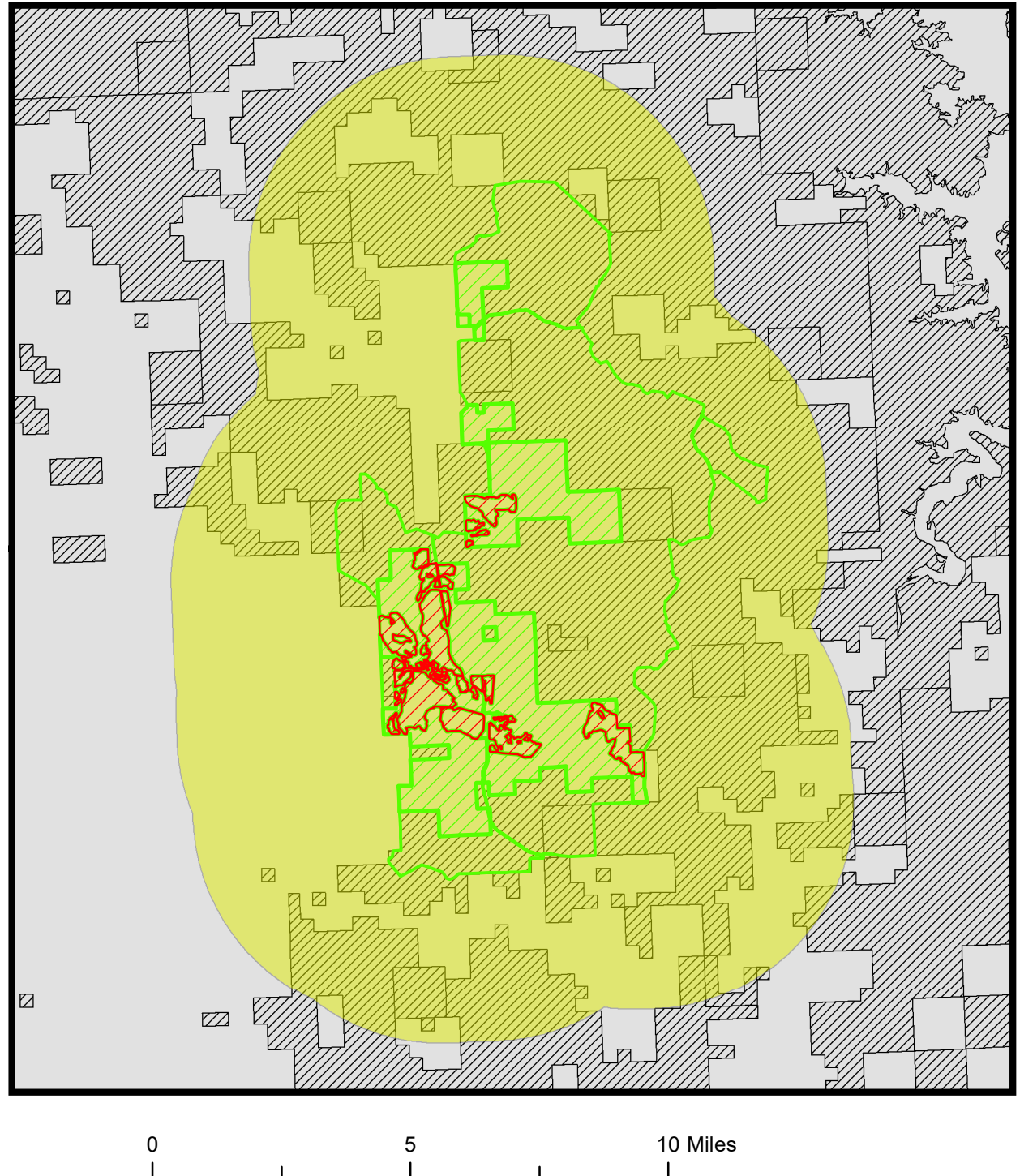


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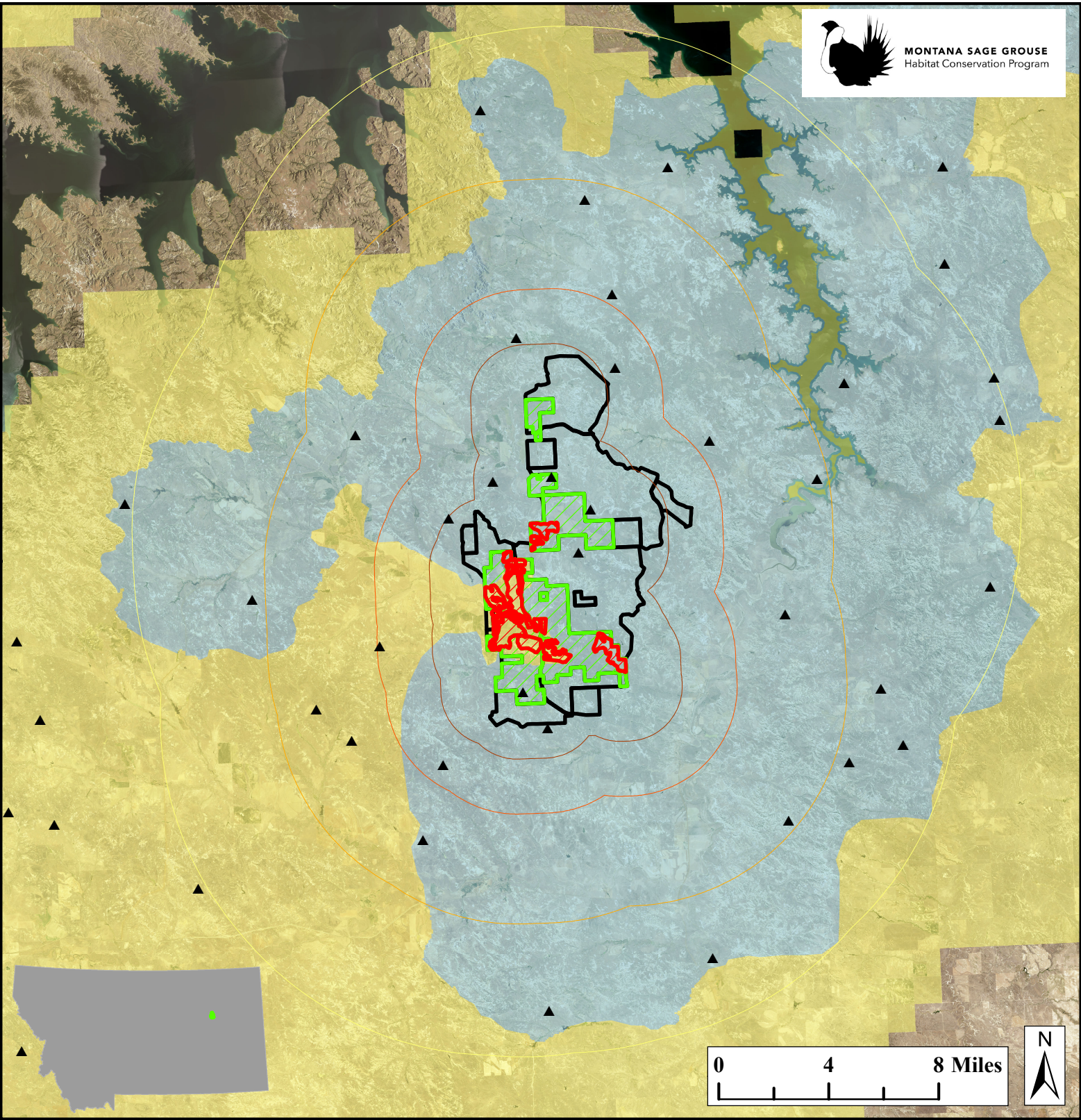
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Land Management Dataset from: <http://mtnhp.org/stew.asp>



Burgess Ranch Conservation Lease and Restoration - Lek Proximity



Project Information:

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2019\Complete Applications due May
13\ArcMapFiles\ProximityToSGLeks

Service Layer Credits: U.S. Department of Agriculture Farm Services
Agency Aerial Photography Field Office.

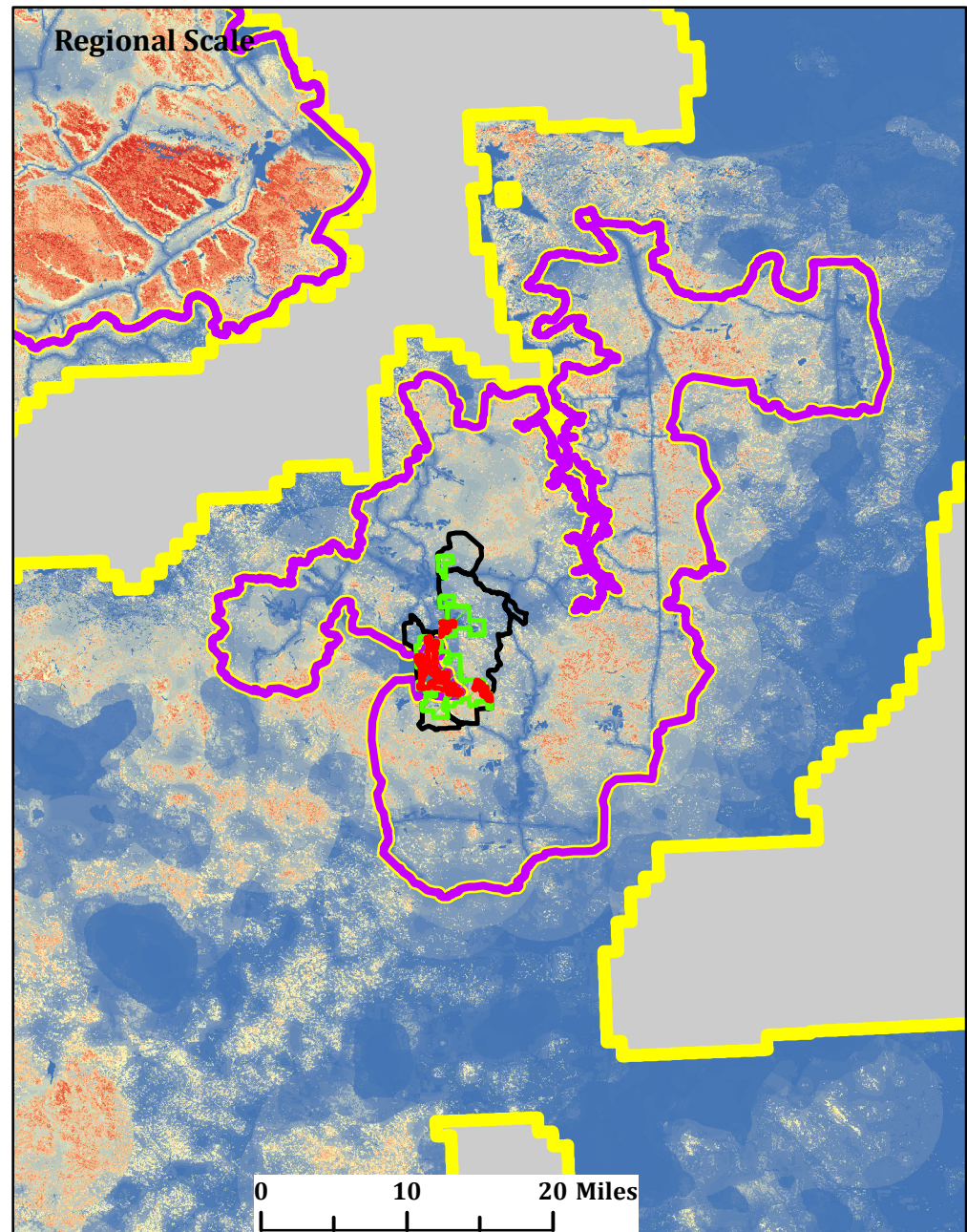
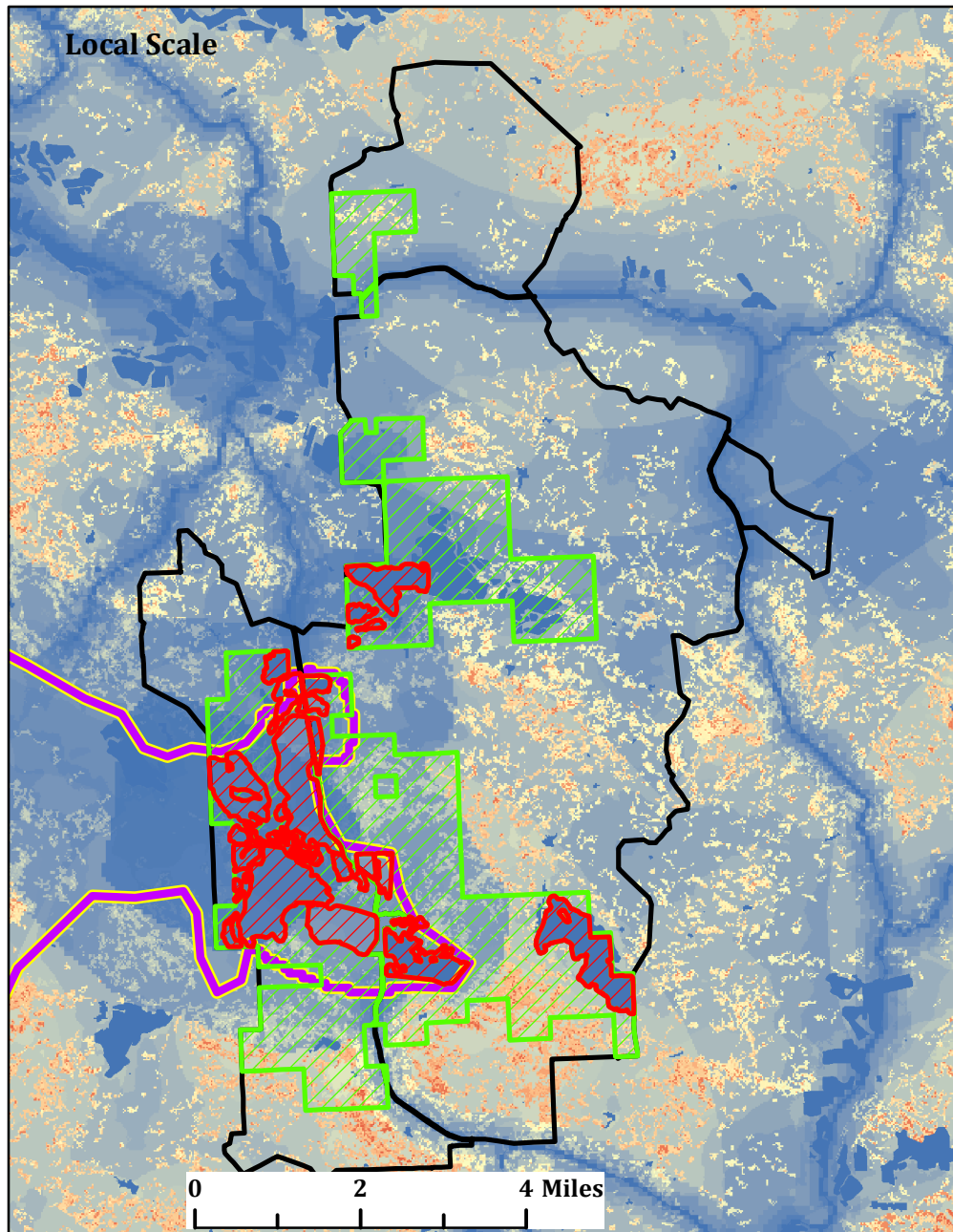
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|--|----------------------------------|--|--------------------------|
| | Project Footprint | | Core Area |
| | Project Restoration | | General Habitat |
| | Proposed Project Boundary | | Connectivity Area |
| | 2 Mile Buffer | | 8 Mile Buffer |
| | 4 Mile Buffer | | 12 Mile Buffer |

Leks Within Buffer

2 Mile: 7
4 Mile: 11
8 Mile: 21
12 Mile: 33

Sage Grouse Leks

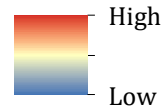
HQT Results: Sage Grouse Habitat Preservation, Restoration, and Enhancement in Central Eastern Montana - Garfield - Burgess Ranch








Project HQT Metadata

HQT Date: 29 May 2019
Years Maintained: 30 Years

HQT Pixel Value



-  Project Direct Impact Footprint
-  Project Restoration
-  Proposed Project Boundary

-  Core Area
-  General Habitat



MONTANA SAGE GROUSE
Habitat Conservation Program

Project Information						Raw HQT Score		Applicable Policy			Metrics			
Project Name	Project Type	Service Area	# of Years	Price per Credit for Lease Duration	Physical Acres	1 Year	Total (all years)	# of Credits awarded for newly created Fx-A		Baseline at 40%	Total Credits Available / Generated	Fx-A / PA / Yr	Credits / PA / Yr	Estimated Value of Project for Sage Grouse Habitat Conservation
								Core Area (10%)	General Habitat (5%)					
Garfield County Conservation District / Burgess Ranch	Preservation (Term)	Central Service Area	30	\$3.90	10,136.63	2,166.51	64,995.26	N/A	N/A	N/A	64,995.26	0.214	0.214	\$253,481.50
	Restoration				2,764.81	2,308.46	69,253.72	4,964.02	980.68	N/A	75,198.42	0.835	0.907	\$293,273.84
	ALL				12,901.44	4,474.97	134,248.98	4,964.02	980.68	N/A	140,193.68	0.347	0.362	\$546,755.34

Credit results do not include non-deeded lands withn the perimeter of the project area (i.e. State Trust Lands other, public lands not included). Integrated land management activities across public and

For Price per Credit for Lease Duration, See Table 1 in Application Information and Guidan

6/4/2019