

MONTANA SAGE GROUSE HABITAT CONSERVATION PROGRAM



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Public Scoping Notice

Sage Grouse Stewardship Account Grant Application

Proposed Marc Lewis Property Conservation Easement

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 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 Montana Sage Grouse Habitat Conservation Program (Program) invited submission of complete applications by May 13, 2019. The Montana Land Reliance (MLR) submitted a grant application request for funding to support the purchase of a perpetual conservation easement on the Marc Lewis Property. MLR is an IRS 501(c)(3) non-profit organization and is qualified private organization. MCA § 76-6-204.

The Marc Lewis Property is located about nine miles north of Grass Range area in Fergus and Petroleum counties. The landowners own a total of 3,743 acres of land in the area across four separate parcels. MLR and the landowner are seeking state and private matching funds to place a perpetual conservation easement on two parcels, totaling 2,011 acres. These are shown as parcels A and B in the figures below.



Hosted by the Montana Department of Natural Resources and Conservation
Director's Office: (406) 444-2074



If this project is selected for funding, the landowners are interested in donating a conservation easement on the remaining 1,732 acres, shown as parcels C and D in the figures below. All four parcels are located in a designated Core Area.

Parcels A and B are adjacent to the 44 Ranch, upon which MLR already holds a conservation easement that was funded through the Stewardship Account. Nearby and adjacent public lands also contribute to the scale of land conservation and connectivity of sage grouse habitats offered by this project. Portions of Parcels A and B adjoin large blocks of U.S. Bureau of Land Management land, and the ranch also adjoins two State School Trust Land sections. The lands are managed primarily for livestock production.

The proposed easement area has 32 sage grouse leks within 12 miles, 14 of which are located within four miles. Four leks are located within two miles. No active leks have been documented on the property. See figures below.

There are presently no residential buildings located on the 2,011 acres of land proposed for funding. There are also low levels of existing disturbance on Parcels A and B.

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 conservation easement. 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 MLR (the grant applicant) for the proposed conservation easement on the Marc Lewis Property. Results do not include non-deeded lands within the perimeter of the proposed easement (i.e. federal, state, and private land inholdings owned by entities other than the Marc Lewis Property are excluded from HQT results and also from the easement itself).

The HQT results show that the proposed easement on Parcels A and B would conserve good quality habitat. The functional acres gained per physical acre of the project per year for Parcels A and B is 0.408. Higher numbers indicate more functional acres would be conserved and the habitat is of higher quality for the physical acres included in the proposed project. See the HQT figures below.

A perpetual easement on Parcels A and B would generate 32,865.59 total credits after the 40% baseline. This equates to 0.163 credits created per physical acre of the project per year. 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 market value of the proposed easement on parcels A and B is \$326,788. MLR is formally requesting \$ 176,788 from the Stewardship Account to put towards purchasing the easement on parcels A and B. State funds would be matched with \$150,000 from The Conservation Fund (a private source).

MLR is also requesting an additional \$38,000 in project costs that are directly related to the purpose of the grant to create mitigation credits. Additional project costs include a market appraisal, the resource documentation report, title commitment, the mineral remoteness report, recording costs and a contribution to MLR's stewardship account to pay for monitoring and long term site stewardship. MLR's total request from the Stewardship Account is \$214,788.

MSGOT may consider awarded funding for Parcels C and D, in addition to Parcels A and B. Parcels C and D are lower quality habitat. Under this scenario, MLR's total request increases to \$496,238 from \$214,788. The requested amount from MSGOT for Parcels C and D alone is \$281,450. The HQT results for all parcels combined (A, B, C and D) are a total of 37,977.12 functional acres gained, or 37,977 credits. This means that an additional 5,111.53 functional acres could be gained (or credits created after 40% baseline) if MSGOT were to award an additional \$281,450 (compared to a total of 32,865.59 credits for \$214,788 for Parcels A and B).

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, exurban development,



mechanical or chemical sagebrush control, improper livestock management, and energy development.

The terms of the conservation easement are expected to permit the following activities, consistent with the conservation values protected by the easement: current agricultural practices and production of livestock, haying and cultivation of previously cultivated land, and retention of the existing building area and their maintenance.

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

If selected for funding, MSGOT would own the credits, but MLR would hold the easement. The requirements for mitigation credit sites would be fulfilled through the combined actions of the landowner, MLR and MSGOT. MLR would monitor the property independently and will work with land owners to monitor the easement annually into perpetuity. MLR will provide annual monitoring reports to the Program. MLR's stewardship account would provide the financial assurances necessary for the credit site. These funds would be available to restore impaired habitat due to breach of the easement terms. MSGOT's reserve account would be used to replace credits due to unforeseen events. Additionality would be met by protection of the habitat in perpetuity and avoiding loss of habitat that might not otherwise be protected. Duration and durability would be met because the proposed project would protect habitat in perpetuity through the terms of the conservation easement. 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.

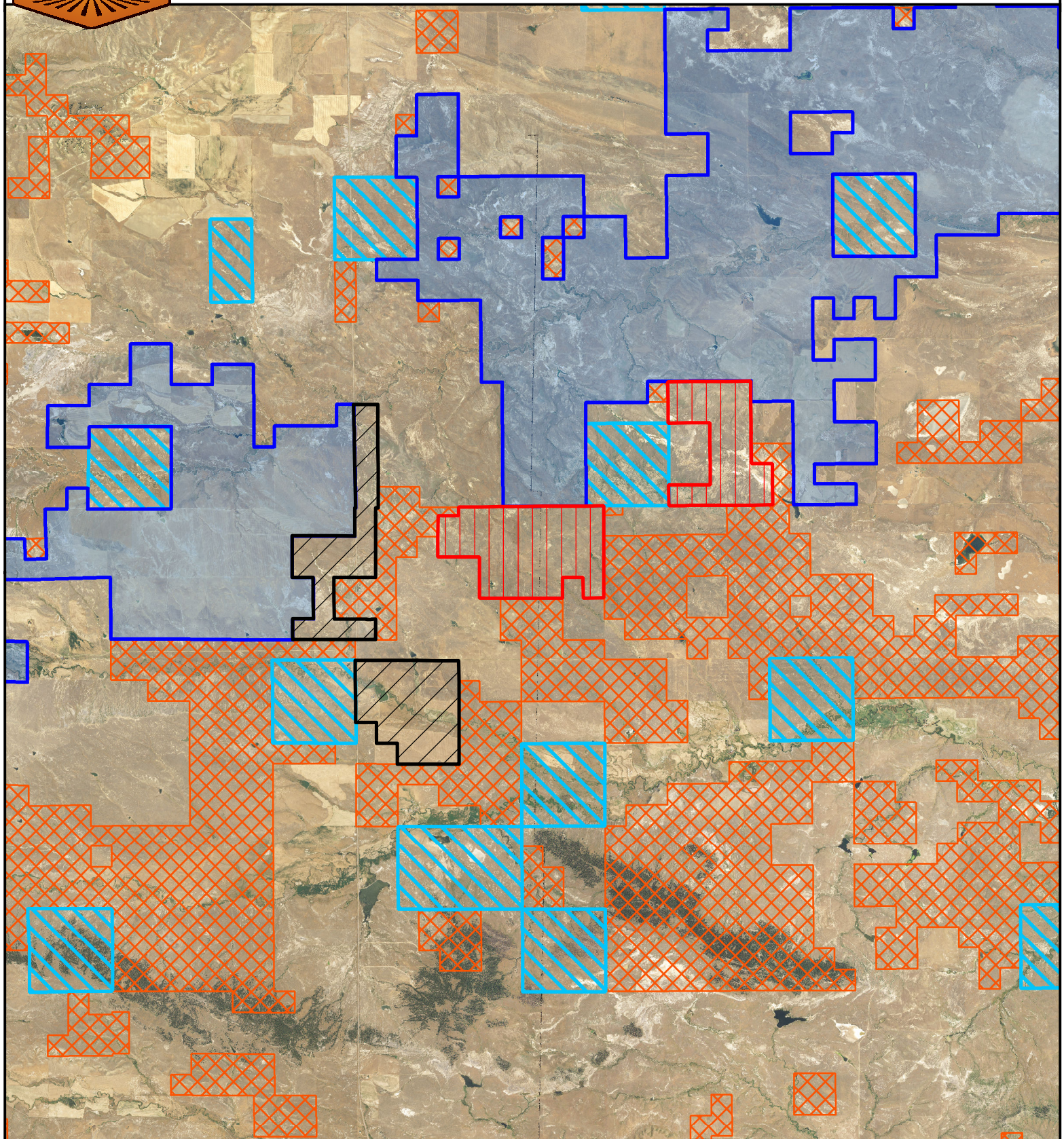
Interested parties have until June 24, 2019 to submit concerns or comments relating to this project. Mail written comments to Carolyn Sime, Sage Grouse Habitat Conservation Program, 1539 11th Ave, Helena, MT 59620. Written comments must be received on or before June 24, 2019.


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.







LEWIS (MARCUS) PROPERTY



 Subject Property (Donated)
Property Acreage: 1,732

 BLM
 State Trust

 Subject Property (Sage Grouse)
Property Acreage: 2,012

 MLR Conservation Easement

0 1 2
Miles



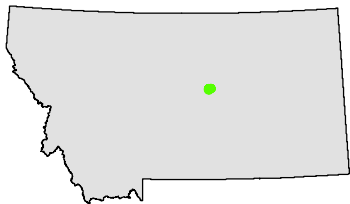
Map Created By: Matt Bell Created On: March 18, 2019
Projected Coordinate System: NAD 1983 State Plane Montana FIPS 2500

Marc Lewis Property - Surrounding Public Lands



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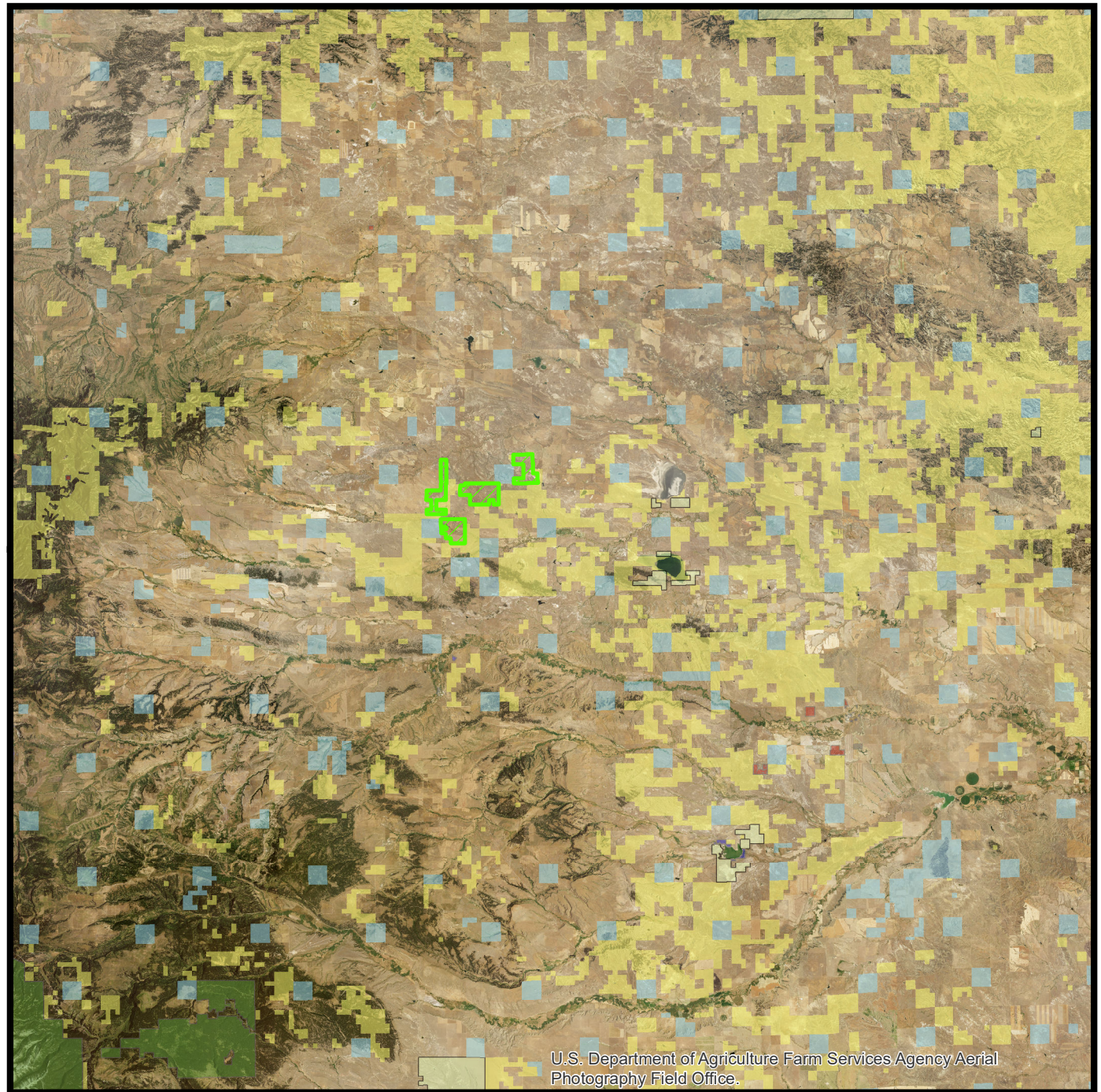
-  **Project Area**
-  **US Bureau of Land Management**
-  **US Fish and Wildlife Service**
-  **US Forest Service**
-  **State of Montana**
-  **Montana State Trust Lands**
-  **County Government**



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.



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

0 10 20 Miles

Marc Lewis Property - Aerial Imagery of Project Area



MONTANA SAGE GROUSE
Habitat Conservation Program



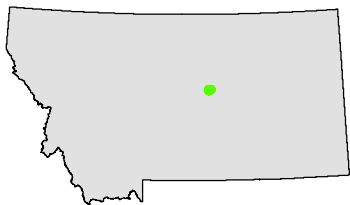
Project Area



US Bureau of Land Management



Montana State Trust Lands

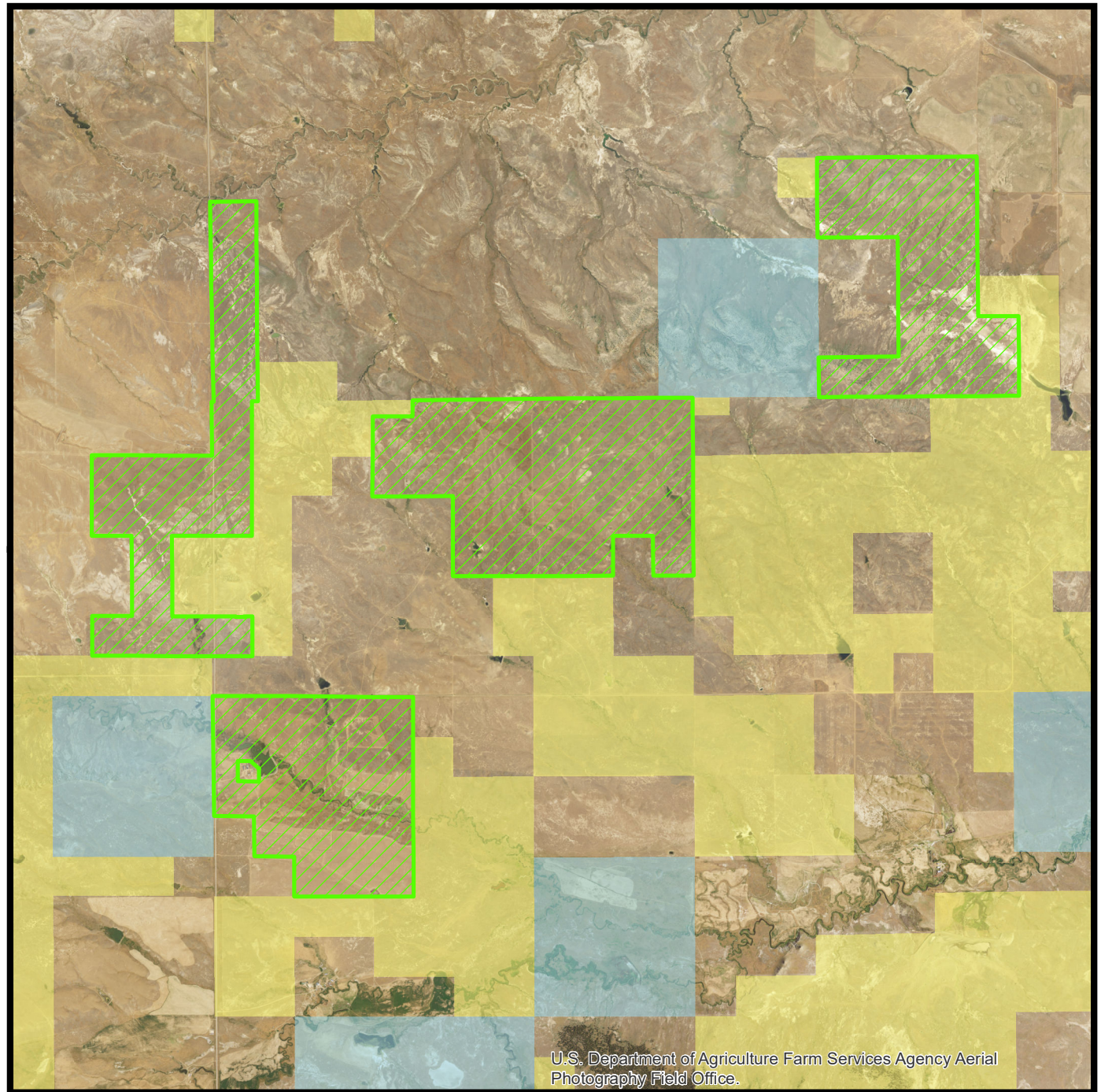


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Grant Program\Second Cycle 2019\Complete
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Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.



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

0

1.5

3 Miles



Percentage Conserved Lands within 4 Miles of the Marc Lewis Ranch Conservation Easement (Montana Land Reliance)













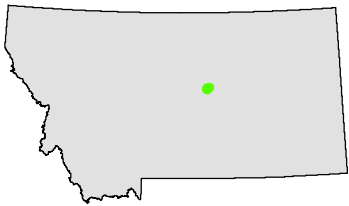
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Project Information

-  Direct Project Footprint
-  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%

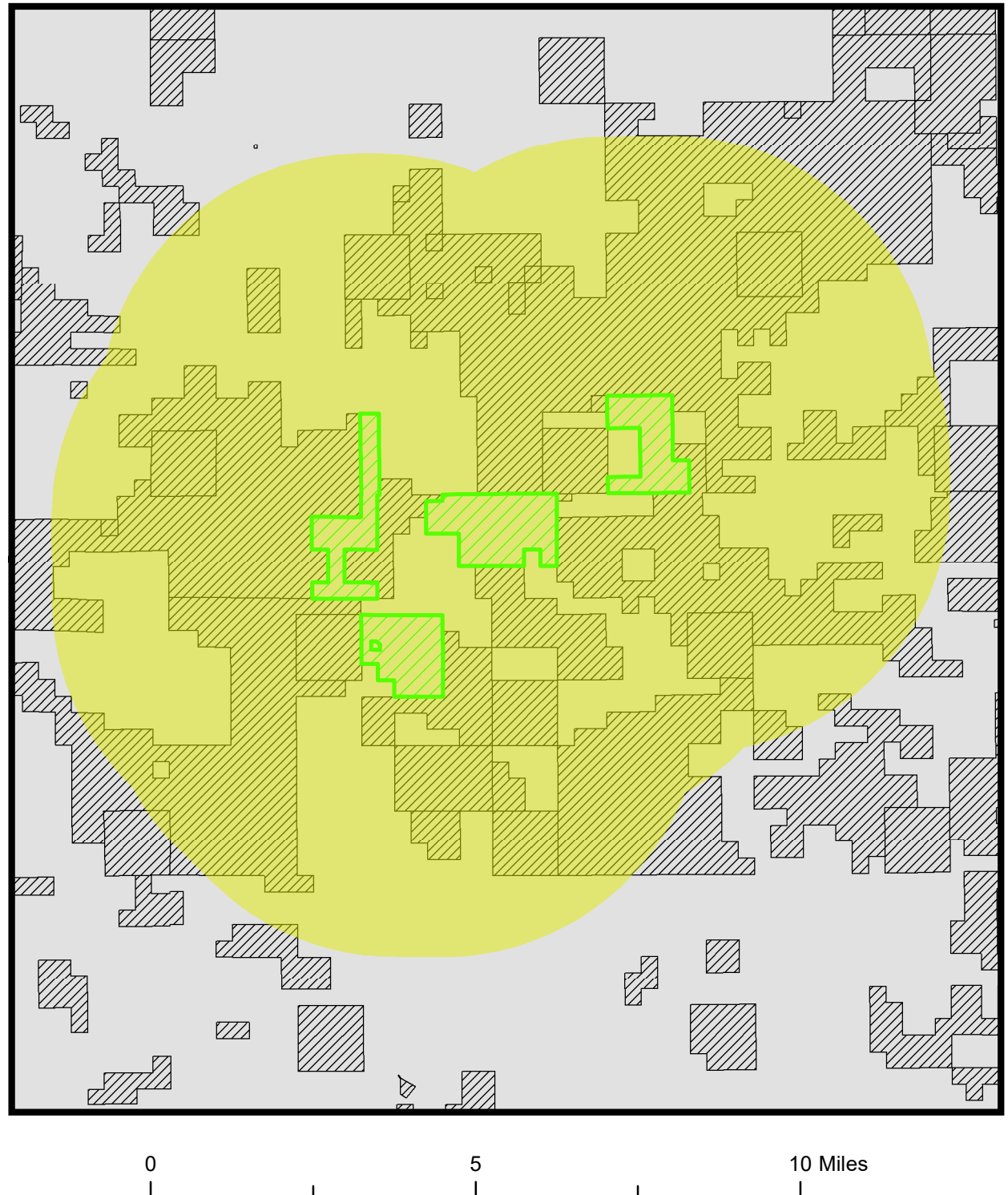


Map Information:

Map Date: 5 June 2019

File Path: G:\CARD\10 Sage Grouse HCP\
Grant Program\Second Cycle 2019\Complete
Applications due May13\ArcMap
_Scratch_Folder\4MileConservedLands

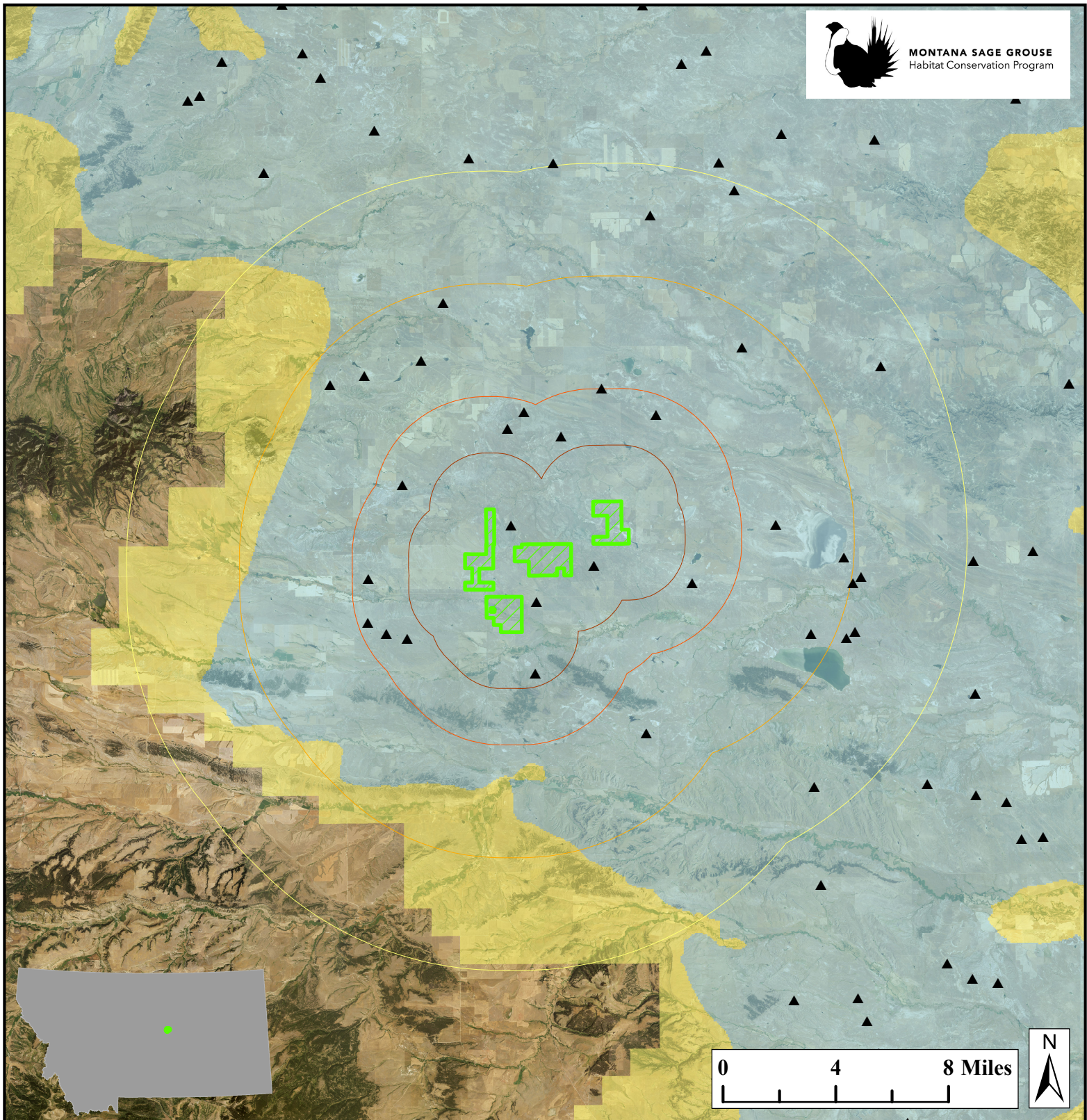
Land Management Dataset from: <http://mtnhp.org/stew.asp>



Marc Lewis Ranch Conservation Easement - Lek Proximity



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Project Information:

Map Date: 06 June 2019
PathFile: G:\CARD\10 Sage Grouse
HCP\Grant Program\Second Cycle
2019\Complete Applications due May
13\ArcMapFiles\ProximityToSGLeks

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



Project Footprint



2 Mile Buffer



4 Mile Buffer



8 Mile Buffer



12 Mile Buffer



Core Area



General Habitat



Connectivity Area



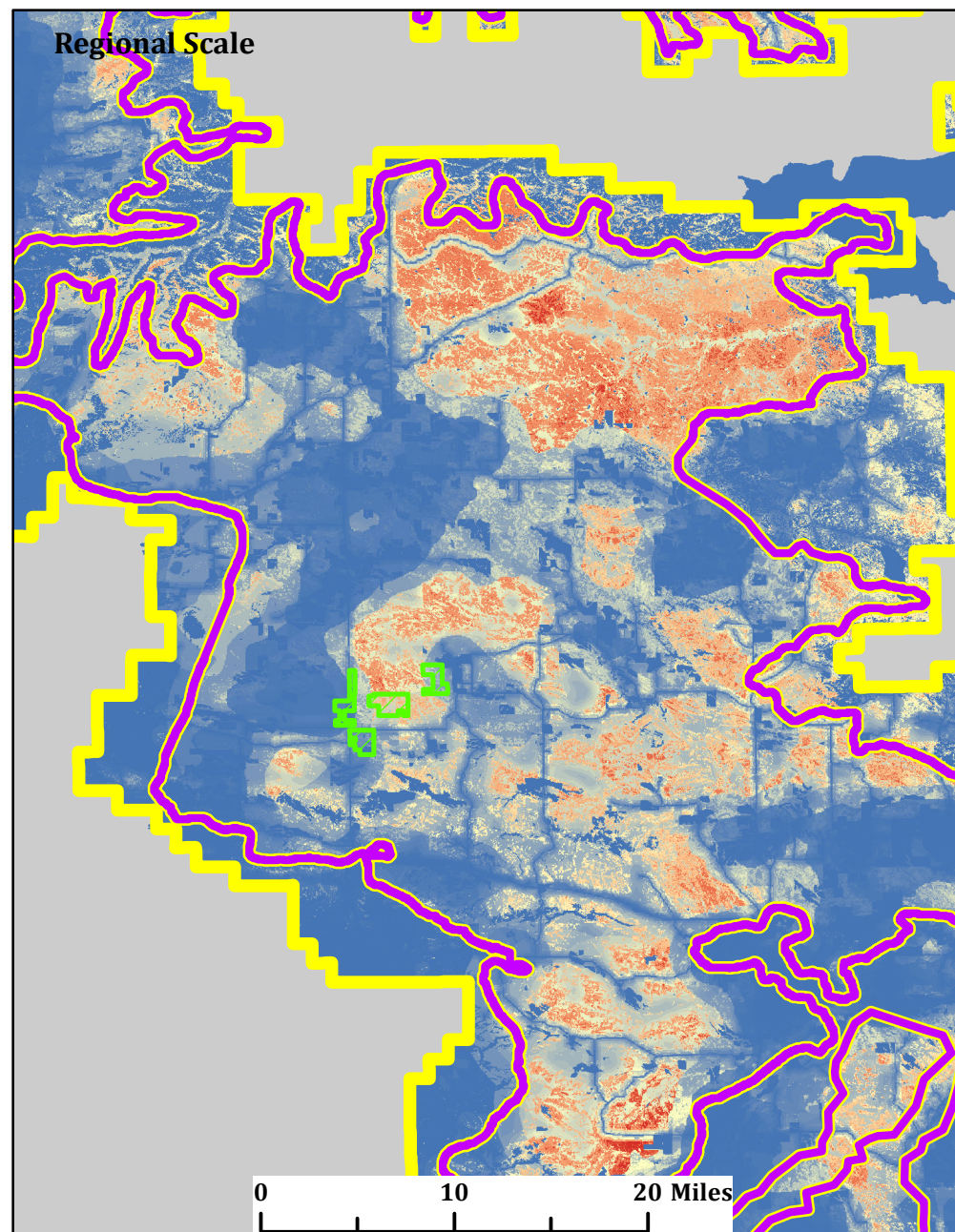
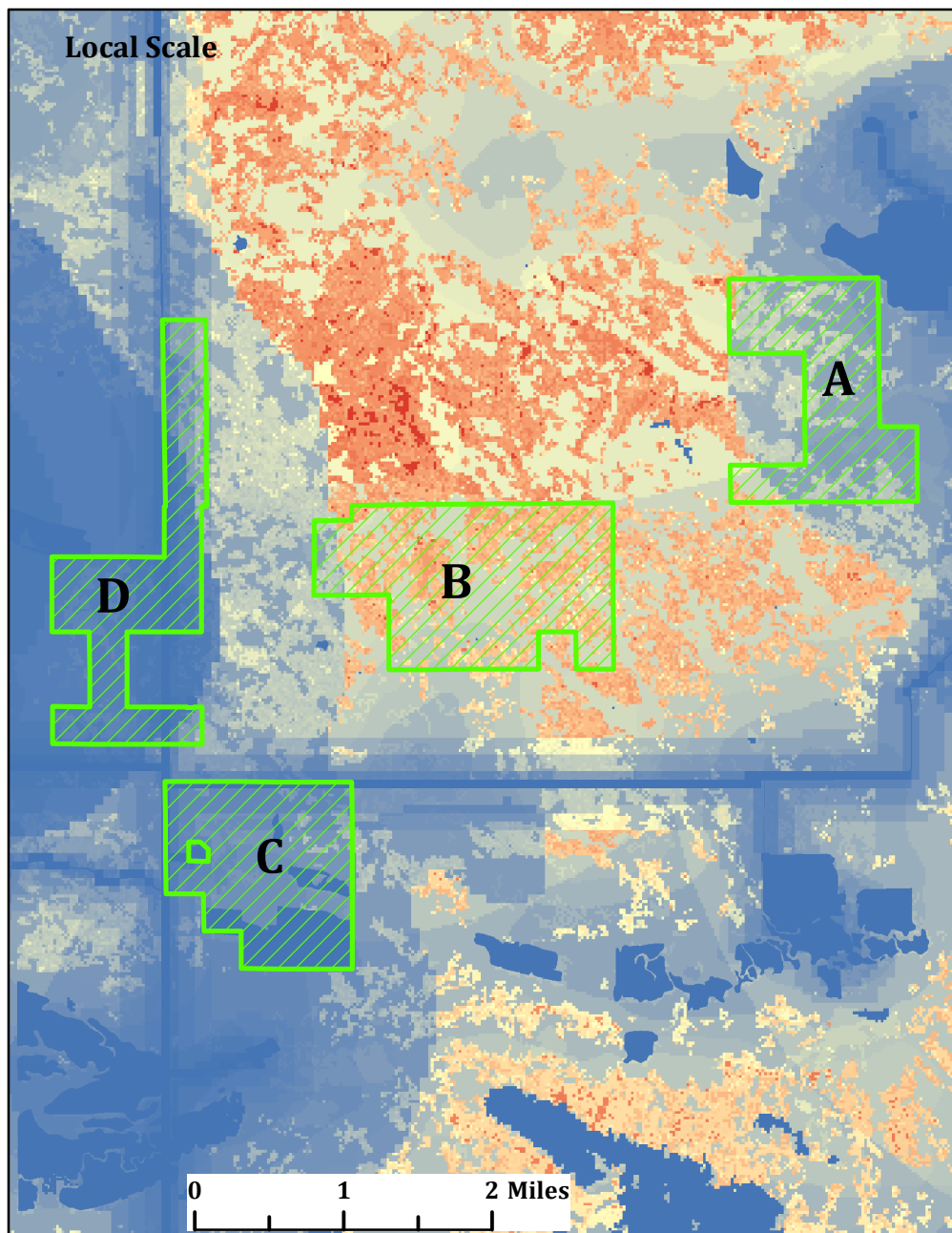
Sage Grouse Leks

Leks Within Buffer

2 Mile: 4
4 Mile: 14
8 Mile: 24
12 Mile: 32



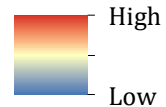
HQT Results: Marcus Lewis Property






Project HQT Metadata

HQT Date: 28 May 2019
Years Maintained: 100 Years

HQT Pixel Value



-  Project Direct Impact Footprint
-  Core Area
-  General Habitat



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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
								Core Area (10%)	General Habitat (5%)				
Marc Lewis Property	Preservation - Parcel A (Perpetual)	Central Service Area	100	NA	803.31	206.59	20,658.87	N/A	N/A	8,263.55	8,263.55	0.257	0.103
	Preservation - Parcel B (Perpetual)				1,208.88	615.05	61,505.10	N/A	N/A	24,602.04	24,602.04	0.509	0.204
	Preservation - Parcel C- Donation (Perpetual)				873.82	67.67	6,767.30	N/A	N/A	2,706.92	2,706.92	0.077	0.031
	Preservation - Parcel D- Donation (Perpetual)				847.65	60.12	6,011.54	N/A	N/A	2,404.61	2,404.61	0.071	0.028
	Preservation - Total (Perpetual)				3,733.65	949.43	94,942.81	N/A	N/A	37,977.12	37,977.12	0.254	0.102

Credit results do not include non-deeded lands within the perimeter of the project area (i.e. State Trust Lands other public lands not included). Integrated

6/4/2019