Appendix B.

MURRAY DOUGLAS, MURRAY CREEK, AND DOUGLAS CREEK CONSERVATION EASEMENTS SOCIO-ECONOMIC ASSESSMENT

MONTANA FISH, WILDLIFE & PARKS

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I. INTRODUCTION

House Bill 526, passed by the 1987 Legislature (§§ 87-1-241 and 87-1-242, MCA), authorizes Montana Fish, Wildlife & Parks (FWP) to acquire an interest in land for the purpose of protecting and improving wildlife habitat. These acquisitions can be through fee title, conservation easements, or leasing. In 1989, the Montana legislature passed House Bill 720 requiring that a socioeconomic assessment be completed when wildlife habitat is acquired using Habitat Montana monies. These assessments evaluate the significant social and economic impacts of the purchase on local governments, employment, schools, and impacts on local businesses.

Although FWP does not intend to expend Habitat Montana funds to acquire Conservation Easements subject to this proposal, FWP has chosen to prepare this Socio-Economic Assessment consistent with Habitat Montana-funded projects.

This socioeconomic evaluation addresses the acquisition of three distinct conservation easements totaling approximately 10,760 acres in the southern Blackfoot Watershed in Powell Co. Subject lands are currently owned by The Nature Conservancy (TNC), the Blackfoot River Ranch, Inc., and the Manley Family Limited Partnership (Manley Ranch). This report addresses the physical and institutional setting as well as the social and economic impacts associated with the proposed conservation easement acquisition.

II. PHYSICAL AND INSTITUTIONAL SETTING

A. Property Description

The proposed project would result in FWP purchasing three distinct conservation easements from willing private sellers. The 7, 940-acre Murray Douglas property consists of former Plum Creek Timber Co. land purchased by TNC in 2004. The 1,340 Douglas Creek property is owned by the Manley Ranch and the 1,450 Murray Creek property is owned by the Blackfoot River Ranch. Both ranches have managed these properties for many years.

B. Habitat and Wildlife Populations

These parcels are primarily sparsely stocked Douglas fir, ponderosa pine, lodgepole pine, and quaking aspen forests with native grass and woody shrub understory vegetation. The properties and the adjacent lands are important year-round elk habitat and support numerous mule deer. Moose, white-tailed deer, black bear, grizzly bear, wolves, bobcat, mountain lions and many other species use the properties' forested habitats year-round.

C. Current Use

The Murray Douglas property was managed as industrial timberland and, to a lesser extent for livestock grazing, for decades prior to its sale to TNC in 2004. This property has historically been open to public hunting and is heavily used for that purpose each year. TNC has kept the land open to the public since they acquired it.

The Blackfoot River Ranch and Manley Ranch have historically used their properties to support cow-calf ranching operations including summer grazing and limited hay production. Some commercial and non-

commercial timber management has occurred on these properties within the last 10 years. Public access has been granted at the landowners' sole discretion.

D. Management Alternatives

- 1. Purchase the Murray Douglas, Murray Creek, and Douglas Creek conservation easements.
- 2. No purchase

FWP Conservation Easement Purchase

FWP's intent upon purchase of the three conservation easements would be to

- Protect and enhance a large and important block of montane forested wildlife habitat;
- Contribute to the overall function, integrity, and management of adjacent private, DNRC, and Bureau of Land Management lands surrounding the property;
- Maintain and improve public recreational access in a popular fall hunting area; and,
- Maintain the Land as working forest and range.

In addition, stated Conservation Values would be protected at less cost to FWP while eventually private landowners to continue valuable land management activities that improve the efficiency and capacity of their other nearby forest and ranch lands.

No Purchase Alternative

The no purchase alternative requires some assumptions since use and management of the property would vary depending on what future owners decide to do with the properties. There is potential for subdivision of this land that would impact the habitat and access opportunities for the public.

III. SOCIAL AND ECONOMIC IMPACTS

Section II identified the management alternatives this report addresses. The Conservation Easements would ensure long-term protection of important wildlife habitat and consistent management of these properties. Section III quantifies the social and economic consequences of the two management alternatives following two basic accounting stances: financial and local area impacts.

Financial impacts address the cost of the conservation easement purchase to FWP and discuss the impacts on tax revenues to local government agencies including school districts.

Expenditure data associated with the use of the properties provides information for analyzing the impacts these expenditures may have on local businesses (i.e., income and employment).

A. Financial Impacts

FWP applied for and received a grant of \$2,900,000 from the USDA Forest Service Forest Legacy Program in 2010 to fund FWP acquisition of interest in land in the Murray, Douglas, Black Bear Cr., and Sturgeon Cr. area of the Blackfoot Watershed. This grant award, combined with the private landowners' donation of 25% of the property's 2013 appraised value would entirely fund these proposed acquisitions. No FWP funds would be used in this transaction.

The financial impacts to local governments include the potential changes in tax revenues resulting from the conservation easement purchase. The sale of conservation easements on the land to FWP would not change the tax revenues that Powell County currently collects on the subject properties. The properties under conservation easement would remain in private ownership, and would be taxed at the same rate and for the same land-use as before the transaction.

Traditional uses of the properties, including livestock production and timber management, are expected to continue or be enhanced following completion of the project.

B. Economic Impacts

There would not be any significant negative financial impacts to local businesses associated with the purchase of the three conservation easements by FWP. Traditional uses of the properties, including livestock production and timber management, are expected to continue or be enhanced following completion of the project. The potential for these activities to continue is explicitly protected by this proposal. Public recreation, particularly fall hunting, is an important local economic driver; these opportunities are expected to be maintained and enhanced by this proposal.

IV. FINDINGS AND CONCLUSIONS

The FWP purchase of the proposed conservation easements, would provide long term protection for wildlife habitat, maintain the open space and integrity of the land, enhance public recreation, and ensure the continued opportunity to actively manage timber and grazing on the subject lands.

These actions will not cause a reduction in tax revenues to Powell County. Overall financial impacts to local business will be minimal but positive in the long-term as active management of the land continues or increases. Recreational opportunities will be enhanced which may result in small yet positive impacts for local businesses that provide services to recreationists.