Lewis and Clark County
Community Development and Planning
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To: Board of County Commissioners
From: Matt Heimel, Special Districts Planner
Date: 10/6/16
Re: Shoco Ranch Conservation Easement (CE) Project

GENERAL INFORMATION

DATE OF APPLICATION: 1/4/16 (Level 1), 7/26/16 (Level 2), 9/27/16 (Amended Level 2)

MEETING DATES: 1/21/16 (Level one pre-application); 8/22/16 (Site visit); 9/6/16 (Citizens Advisory Committee regular public meeting, first meeting on project); 10/4/16 (Citizens Advisory Committee regular public meeting, second meeting on project); 10/13/16 (County Commission regular public meeting)

PROPERTY OWNER: Sally Shortridge, 3506 Secondary Hwy 435, P.O. Box 333, Augusta, MT, 59410

SPONSOR ORGANIZATION: The Montana Land Reliance, 324 Fuller Ave., P.O. Box 355, Helena, MT, 59624

PROPERTY LEGAL LOCATION:

- Parcel I:
  Township 20 North, Range 7 West, P.M.M., Lewis and Clark County, Montana
  Section 34: SE1/4
  Section 35: All, LESS SE1/4 south of County Road and LESS NW1/4 north of County Road, and LESS a 1.77 acre tract in the NE1/4NE1/4
- Parcel II:
  Township 20 North, Range 7 West, P.M.M., Lewis and Clark County, Montana
  Section 33: Parcel A of Certificate of Survey No. 3085841 located in the N1/2S1/2

GENERAL LOCATION: The property is west of and partly adjacent to Secondary Hwy 435 and south of Smith Creek Rd, and is bisected by Smith Creek flowing west to east.

GENERAL PROJECT DETAILS

A) PROPOSAL

On September 27, 2016, the sponsoring organization submitted an amendment to the level two application to update the funding request. Funding for the conservation

easement of $783,000 is requested from the County (90% of the appraised value, with the addition of project relate costs), proposed to be applied to a 836 acre conservation easement on the property. Details of the updated requests are included in the attached amended application document.

The original level 2 application requested $810,000.00 (100% of the appraised value of the conservation easement) from the County Open Space Bond Fund.

C) PRESENT LAND USE

The property is currently utilized for livestock grazing and management, agricultural land stewardship, irrigated hay/grass/alfalfa meadows, and offers private hunting, fishing, hiking, horseback riding, cabin lodging, and recreation reservations.

D) ADJACENT LAND USE

North: Rangeland
East: Agricultural
South: Rangeland
West: Rangeland

CAC RECOMMENDATION

On October 4, 2016, at a regularly scheduled and noticed public meeting of the Citizens Advisory Committee (CAC), the CAC voted 10-0 affirmatively on the following motion:

"I move that the CAC recommend that the Shoco Ranch Conservation Easement Project advance to the BOCC for consideration and approval, subject however, to the Board of County Commissioner's assessment of the degree to which the project leverages County funds. The CAC finds that the Shoco Ranch Conservation Easement Project has considerable merit, including conservation of working farms and ranches, habitat for fish and wildlife, water resources, and open lands, and that the conservation easement will positively impact patterns of growth and development, in addition to contributing to the conservation of large blocks of land an protecting an important riparian wildlife corridor. This recommendation is contingent upon County legal staff's review to confirm the application's compliance with the due diligence requirements of the Open Lands Program Guide."

ATTACHMENTS

- Shoco Ranch CE Level 2 Application
- Amended Level 2 Application
- Shoco Ranch CE Project Maps

SHOCO RANCH

Lewis and Clark County Open Lands Program
Level Two Application

Landowner and Agency Identification

Landowner:

Shoco Ranch
Sally Shortridge
P.O. Box 333
Augusta, MT 59410
406-562-3553 (Ranch)
406-235-0176 (Cell)

Sponsoring Organization:

The Montana Land Reliance
324 Fuller Avenue
P.O. Box 355
Helena, MT 59624
406-443-7027

General Description of the Property:

a. Size of the property – total acreage and amounts by sub-ownership categories (i.e., deeded, leased, permitted public land, etc.).

The Shoco Ranch consists of 836 acres and is solely owned by Sally Shortridge. The ranch is in two parcels (one being 160 acres and one being approximately 677 acres) that are not contiguous but within ¼ mile of each other. Shortridge holds the leases on two adjacent parcels of State of Montana Trust lands (State Lands) that are not included in this purchase proposal.

b. Size of the area to be included in the conservation easement or land purchase – total acreage and percentage of deeded land.

The entire (100%) Shoco Ranch property (836 deeded acres) is being included in this application for the purchase of a Deed of Conservation Easement (Easement).

c. Permitted home sites – identify any existing home sites and future home sites that will be permitted in the conservation easement.

There are two residential building envelopes within the Easement boundaries. Existing Building Envelope #1, as depicted in Exhibit F of the Easement that is attached to this application as Appendix XII, is located on the home/headquarters parcel (677-acre piece), and encompasses a residence, 1908 barn, two shops, and various agricultural structures. One additional residence will be permitted within Existing Building Envelope #1 which consists of approximately 42 acres. Also on the home/headquarters parcel are two primitive cabins (no utilities) that are located outside of the 42-acre building envelope. These two cabins must remain primitive in nature and cannot be expanded in size or upgraded for use as full-time, permanent residences.

Existing Building Envelope #2, as depicted in the Easement (Appendix XII), consists of 9.5 acres and contains one residence (an apartment within the shop) and one cabin. One additional residence will be permitted within this envelope. The cabin within this building envelope does have electricity and an associated well; however, cannot be expanded in size or upgraded for use as a full-time, permanent residence.

d. Water/Mineral Rights – identify any other rights appurtenant to the property and whether they will remain with the property.

There are 150 acre-feet of Florence Canal and Elk and Smith creek water rights associated with Shoco Ranch and the landowner intends that they remain with the property. See Appendix VIII for additional water rights information.

The mineral rights have been severed from the Shoco Ranch by previous owners. A Mineral Remoteness Report is attached to this application as Appendix VII. This report found that surface mining on the property "is so remote as to be negligible" in accordance with Treasury Regulations. Further the mineral guarantee (also included in Appendix VII) reflects various oil and gas leases – all of which have expired per the terms of the leases.

e. Hazardous materials – confirm that no hazardous materials, as defined by the federal government, are known or believed to be present on the property both above and below ground. If the land is contaminated, the contamination has been identified and a description is included as to how the material can be removed from the property and the site reclaimed.

There are no hazardous materials known or believed to be present on the property to the best of the fourth generation landowner and sponsor's knowledge. An Environmental Report was prepared and is attached to this application as Appendix IV.

f. Other Conservation Easements and Public Lands – adjacent or nearby existing or proposed conservation easements and/or public land that would enhance the purpose of this application.

The Shoco Ranch is located approximately 4 miles southwest of the town of Augusta, in the north-central portion of Lewis and Clark County. The Easement will protect 836 acres intersected by Smith Creek and bordered on three sides by State Lands. The 160-acre parcel of the property is bordered along its entire southern boundary by a block of contiguous State Lands that includes approximately 7,750 acres. This same block of State Lands borders most of the southern portion of the 677-acre parcel as well. The eastern boundary of the 677-acre parcel is bordered by a 158-acre piece of State Lands. Directly north of the Shoco Ranch and across Smith Creek Road lays a block of contiguous property comprised of roughly 13,420 acres (7,160 acres of State Lands; a 4,721-acre property that borders Nilan Reservoir that is protected by a conservation easement; and approximately 1,539 privately owned acres that are used for grazing). The protection of the Shoco Ranch, in association with the State Lands and other protected property, provide a wildlife corridor and

valuable riparian areas in the Smith Creek drainage. There are six (6) current public access points to the State Lands that border the Shoco Ranch and numerous other public access points to these same lands within 2.5 to 3 miles of the property. The general public can access Smith Creek via three points on the Shoco Ranch boundary via the high water mark. Additionally, there is another access point on the bridge that lies approximately a ½ mile west of the Shoco Ranch's border on Smith Creek Road. Please see Appendix IX, Public Access Points Map.

g. Commercial Activities – identify and describe any existing and/or proposed commercial activities occurring on the property.

Current commercial activity on the Shoco Ranch include upland bird hunting, fishing, deer hunting, farming, and cattle ranching. Shoco Ranch offers pheasant and chukar hunts to clients from September thru March. Each fall, Shoco Ranch offers its clients white-tailed deer hunts along with stays at the cabins on the ranch.

Funding: Describe the general budget of the project and any of the following that apply.

- What funding is requested from the County and how will they be applied.

  This request is for the purchase of the Easement for $810,000.00 (100% of the appraised value of the conservation easement). This value has been established by a qualified appraisal obtained for the Shoco Ranch (see Appendix V).

- Will the County's funds be matched through donation of land value and/or other funding sources? If so, what amounts have been approved or requested, or are pending approval?

  The landowner and sponsoring organization are asking for the total purchase price for this Easement. Project costs related to the completion of the Easement (environmental assessment, appraisal, title insurance, resource (baseline) documentation report, mineral remoteness report, deed preparation, legal review, and closing and recording fees) in the amount of approximately $20,000 will be covered by the landowner and the sponsoring organization.

- If applicable, describe the total project costs, including transaction costs and stewardship fees.

  In addition to the project costs noted above ($20,000), the landowner has agreed to make a donation to MLR's "Land Protection Fund" for the stewardship and monitoring of the Easement in the future. Total costs, including this donation, will be approximately $40,000.

Conserve Working Farms and Ranches: Describe the value of the property in terms of continuing or restoring the historic land use, and identify any of the following characteristics that apply.

Shoco Ranch is currently owned and operated by Sally Shortridge. Sally is the fourth generation of females to operate and live on the ranch. She is the great-granddaughter

of the original settlers to take the reins of the ranch. The Shoco Ranch has significant farm and ranching values today, as it has for over 100 years. There are approximately 250 acres available for crop production, and much of the remainder is high quality native range – all of which is available for livestock grazing. This ranch has been operated with many sustainable and innovative practices. Rotational grazing of livestock and utilizing biological bugs for weed abatement to name just a few. Current stewardship and operational practices maintain a sustainable working family ranch with financial contributions to the local economy. Sally Shortridge sees the Easement as a way to sustain the operation for generations to come, foregoing subdivision and development. The current stewardship practices make the agricultural ranch sustainable by protecting the health of the land and the environment.

- Does the property contain "prime, unique, statewide, or locally important" agricultural soils, as defined by NRCS?

  Yes, NRCS lists 400 acres of the Shoco Ranch as qualifying prime soils. Please see Appendix IX, Soils Designation Map, for complete soils classifications.

- Is the property contiguous with other working lands?

  Yes. The Tee Bar Ranch Company has lands to the north and west of the larger parcel of the Shoco Ranch which are utilized for livestock grazing and connect the Shoco Ranch to the large block of State Lands (also utilized for grazing). The Parsons' property and lands owned by Haystack, LLC (LF Ranch) have deeded contiguous livestock grazing operations to the 160-acre parcel of Shoco Ranch. The Blenton Ranch Co., property that is located approximately 2 miles north of Shoco Ranch is protected by a conservation easement at the head of the drainage near Nilan Reservoir.

- Is this property currently a working farm or ranch?

  Yes. The Shoco Ranch has been a working ranch along Smith Creek for nearly 100 years (four generations of the Shortridge family have worked the ranch). There is summer pasture for 250 head of cattle and 20 horses. There is approximately 250 acres of hay meadows which are leveled with gravity fed gated-pipe irrigation. The ranch boasts yields of 4.5 ton of grass/alfalfa on average per irrigated acre. Shoco Ranch employs four seasonal workers improving the local economy.

- Is there an existing farm or ranch management plan in place?

  The landowner has developed a "Total Ranch Plan". This plan includes a Mob Grazing Plan which allows ample recovery time by rotation of paddocks. This method allows for short duration, high intensity grazing which improves pasture while increasing stocking rate. This grazing method of dividing meadows into long strips secured by electric and permanent fences utilizes daily moves, which monitor the degree and focus on animal performance. The hay meadows are leveled and are irrigated with gravity fed, gated-pipe irrigation. The Weed

Control Plan utilizes chemicals which discourage weed invasion. Shoco Ranch participates in the innovative practice of releasing Flea Beatles for leafy spurge destruction and Cyphocleonus achates for biological control of knapweed. Also developed in the "Total Ranch Plan" is the Streambank Protection Plan. This waterway protection plan ensures streambank stabilization and provides for fenced off riparian and wetland protection.

Conserve Working Forests: Describe the value of the property in terms of protecting or improving forest uses, and identify any of the following characteristics that apply.

The Shoco Ranch provides high quality bottomland agricultural-meadows and a rich and diverse riparian community along Smith Creek.

- Is the property located within the urban/wildland interface?

  No.

- Is the location deemed to be an area of high risk for wildlife?

  No. Most of the property is rated at 'low risk' for fuel hazards due to the prevalence of riparian habitat and hay ground.

- Is there a current forest management plan?

  No. There is not a forest management plan due to the minimal amount of forest lands on this property.

- Is the property, or a portion of it, classified as forest land/commercial timber for tax purposes?

  No.

- Is the forest being actively managed for current or future timber harvest?

  No.

Protect Habitat for Fish and Wildlife: Describe the value of the property as fish and wildlife habitat and include any of the following that apply.

The Shoco Ranch provides high quality fish and wildlife habitat throughout and lies within a US Fish and Wildlife Service's national priority conservation region along the Rocky Mountain Front. One of the primary conservation attractions to the Shoco Ranch is its repeated use as a spring calving grounds for elk. Up to 150 elk cows have been seen in the bottomlands with the calves. Smith Creek is used as an important travel corridor for grizzly bear attracted to the area as well as a tremendous fishery producing prized wild brown, rainbow, and cutthroat trout. This creek functions as an important thermal refuge for the trout which can be exposed to severe dewatering. It provides good summer flows and cool water temperatures all summer long as it conveys irrigation

water from Nilan Reservoir (Dave Yerk, MTFWP Wildlife Biologist). This associated riparian area is important for nesting waterfowl, raptors, and migratory songbirds. The native grass range on the terrace provides good grass for elk and many of the other important species throughout the year.

- Does the property contain significant wildlife habitat?

  Yes. The ranch provides important wildlife habitat for many species, including white-tailed deer, elk, grizzly bear, lynx, mountain lion, beaver, rainbow and brown trout, and many species of birds including bald eagles and other raptors (Laura Conway, USFS, Lewis and Clark National Forest, Wildlife Biologist).

  The majority of the property is identified as a Class 2 Crucial Wildlife Habitat rank (2nd highest) as identified by MTFWP (CAPS system). Crucial Habitat rank depicts relatively ranked areas containing the resources, including food, water, cover, shelter, and "important wildlife corridors," that are necessary for the survival and reproduction of aquatic and terrestrial wildlife and to prevent unacceptable declines, or facilitate future recovery of wildlife populations, or are important ecological systems with high biological diversity value. See the CAPS link below for further information: http://fwp.mt.gov/gis/maps/caps (Brent Lonner, MTFWP, Wildlife Biologist)

- Is there a diversity of habitat for wildlife or fish on the property?

  Yes. This property contains native grasslands, wetlands, ponds, creeks, and riparian areas. This Easement will support conservation investments complementing riparian areas. It will create a valuable corridor with a protected buffer for wildlife and fisheries. Due to the natural watercourse within the Easement, additional consideration for wildlife diversity should be recognized.

  Specific to wildlife, habitat diversity on the property is loosely and perhaps a bit vaguely defined as fair. Having the riparian habitat that runs through a good portion of the property does add value to the area due to the significance of this sort of habitat to a large number of species. The upland habitat types are important areas for seasonal and/or year-round use by big game such as white-tailed and mule deer, elk, and antelope. The riparian areas in this location also accommodate these species along with a larger diversity of wildlife to include grizzly bear. Maintaining intact and unfragmented riparian habitat (and immediately surrounding habitat) is important for wildlife in this and many other locations. This area is within the Rocky Mountain Front Terrestrial Focal Areas for the Montana State Wildlife Action Plan - Tier I, Other Priority: Greatest conservation need. These areas are defined as having a clear obligation to use resources to implement conservation actions that provide direct benefit to these areas. These areas were selected by MTFWP Regions as high priority. More information can be found at: http://fwp.mt.gov/fwpDoc.html?id=70173 (Brent Lonner, MTFWP Wildlife Biologist)

- Has the property been identified as an area critical to the lifecycle of some wildlife species (summer or winter range, migration corridors, spawning habitat, etc.)?

  Yes. This property contains the migration trails for the grizzly bear population and is a primary elk birthing and calving area. Smith Creek, located on the property, is a prime spawning fishery for brown and cutthroat trout. US Forest Service (USFS) biologist Laura Conway has identified 30 different species in this area, some of which are Threatened and Endangered Species.

  This property falls primarily within a mountain/foothill habitat type which is important to both summer and wintering species in this area. Large game readily use this habitat type for winter range. Smaller wildlife (game and nongame) species readily use these habitat types both during the summer and winter periods.

  Riparian bottoms such as Smith Creek runs through the property act as important wildlife corridors during portions of the year. Keeping these areas as intact as possible is important to limit interruptions related to corridors such as this. Again, see the website below for further details on how critical this area is related to this. http://fwp.mt.gov/gis/maps/caps/" (Brent Lonner, MTFWP, Wildlife Biologist)

- Is there habitat for Threatened and Endangered, or Sensitive species of wildlife or fish?

  Yes. Laura Conway, biologist for USFS – Lewis and Clark National Forest has identified two species under "Threatened & Endangered" listing -- grizzly bear and Canada lynx (designated Critical Habitat). Under the "Sensitive Species" there are 30 identified species, including but not limited to, bald eagle, harlequin duck, grey wolf, and Western toad. The Montana Natural Heritage Program identifies 11 Species of Concern and 1 Special Status Species for the township and range where the Shoco Ranch is located. Both of these lists are provided at the end of this application.

  Smith Creek provides spawning habitat for the westslope cutthroat trout and Western pearl shell clams within the waterway corridor.

  The property contains habitat that may overlap with a multitude of wildlife species that are either defined as Species of Greatest Conservation Need (SGCN) or perhaps currently federally listed as Threatened or Endangered. See the CAPS link below to look for further information related to this. http://fwp.mt.gov/gis/maps/caps/ State Wildlife Action Plan > State Wildlife Action Plan Terrestrial > Species of Greatest Conservation Need > SGCN Range Maps > (Brent Lonner, MTFWP Wildlife Biologist)

- Are there streams or rivers with high habitat ratings from MTFWP?

  Yes.

- Is there intact native riparian habitat?

  Yes. More than 4 miles of waterways run through the property with extensive areas of riparian habitat.

Provide Opportunities for Outdoor Recreation: Describe the value of the property for outdoor recreation, and identify any of the following that apply.

By protecting the Shoco Ranch from subdivision and commercial development with this Easement a wildlife corridor and riparian areas will be maintained. The Shoco Ranch Easement will protect approximately 836 acres almost entirely bisected by Smith Creek. When coupled with the immediately contiguous State Lands, it will create a southern block in the neighborhood of 7,750 acres. Additionally, directly north of the Shoco Ranch and across Smith Creek Road lays another block of contiguous property comprised of State Lands, private lands, and previously conserved private lands roughly 13,430 acres in size. The wildlife corridor, riparian areas, and Smith Creek will be enhanced by the protection of the Shoco Ranch and are accessible to the general public via six access points near the ranch, as well as numerous other access points that are within 2.5 to 3 miles of the ranch (see Appendix IX, Public Access Points Map). Further, there are three access points along Smith Creek on the ranch, and one additional access point a ¼ mile from the ranch that are available to any fisherperson willing to wade within the high-water mark. This will enable current and future residents and visitors alike to enjoy the hunting and fishing opportunities on these lands. Protection of private lands in this area will help ensure that hiking, birdwatching, camping, and recreational public activities can continue as a legacy.

- Will the proposed project maintain or increase legal and physical access for the public to existing public land or waters?

  While access is not mandated in the Easement; this project will continue to provide the opportunity for outdoor recreation as stated in the criteria of the bond language to the contiguous blocks of public land referenced above. Additionally, the considerable block of State Lands south of the project can be accessed directly off Highway 435 in Section 2 of T19N, R7W. Directly north of the Shoco Ranch and across Smith Creek Road lays another block of contiguous property comprised of State Lands, private lands, and previously conserved private lands.

  If the Shoco Ranch were not protected via this easement, it could be subdivided and marketed as a subdivision with access to thousands of acres of State Lands. Per the proposal, these State Lands will remain open to the public via the six referenced access points (see Appendix IX, Public Access Points Map) and Shoco Ranch will remain a working ranch.

- Does the proposed project include legal access for the public on the private land proposed for conservation?

No. However, access to Smith Creek can be obtained at the Highway 435 bridge crossing over Smith Creek, a bridge approximately a ¼ mile west of the Shoco Ranch, and at two access points on the ranch from adjacent State Lands, making the creek resource available to any fisherperson willing to wade within the high-water mark.

- Will the project secure access for the public to an existing, long-standing recreation or access site?

  As noted previously, there are six current public access points to the State Lands that border the Shoco Ranch and numerous other public access points to these same lands within 2.5 to 3 miles of the property (see Appendix IX, Public Access Points Map). Further, there are three access points on Smith Creek on the ranch and one a ¼ mile west of the ranch that are available to any fisherperson willing to wade within the high-water mark

- Does the site and type of access offer the possibility of recreation for people with physical limitations?

  The six State Lands access points near the Shoco Ranch might be accessible to people with physical limitations as they are along public roadways. There is direct access to Smith Creek via the bridges referenced above.

- Will the project create or maintain a trailhead or trail for use by the public?

  No.

- Does the project support an existing, adopted outdoor recreation plan or initiative?

  No.

Protect Water Resources and Water Quality: Describe the value of the property in terms of Water Resources and Water Quality, and identify any of the following that may apply.

An estimated 4.5 miles of Smith Creek flows through the Shoco Ranch just a few feet short of its confluence with Elk Creek. Smith and Elk creeks are tributaries critical to the water supply of the farm and ranch community of Augusta, as well as the many ranches fed by the Sun River downstream. Water quality and the quantity of water supplied by Smith and Elk creeks are of great importance to the region. Conservation of the Shoco Ranch will ensure its future protection. According to the Montana Department of Natural Resources and Conservation Water Rights Division, Shoco Ranch owns six domestic water claims filed as early as July 15, 1884; four irrigation claims beginning in June 1, 1883; and two stock water claims filed in March 31, 1871.

- Does the property contain high-quality wetlands?

  No (Montana DNRC).

- Are there lakes, ponds, or springs located on the property?

  Yes. There are a total of eight beaver ponds (three are 15 feet deep or more) located on this property. Additionally, there are warm water springs which are open to wildlife on a year-round basis.

- Does the property contain riparian areas with intact vegetation?

  Yes. Riparian vegetation is present in the floodplain and streambanks of Smith Creek. These areas provide significant wildlife habitat and shelter. Fencing is present as a means of limiting cattle access to the creek.

- Are there rivers/streams with perennial flows?

  Yes. Smith Creek is a perennial stream. Further, summertime flows are augmented by conveyance of Nilan Reservoir water to irrigators to the east.

- Does the property contain land in the 100-year floodplain?

  No.

- Are there water rights appurtenant to the property?

  Yes. There are 12 water rights owned by the Shoco Ranch. According to the Montana Department of Natural Resources and Conservation Water Rights Division, Sally Shortridge owns six domestic water claims filed as early as July 15, 1884; four irrigation claims beginning in June 1, 1883; and two stock water claims filed in March 31, 1871. Please see Appendix VIII for water rights information.

- Is the property within a watershed that is the source of a public water supply system?

  No. The town of Augusta has no classified public water supply. Groundwater wells are supported by Smith and Elk creeks which are upland of the unincorporated city.

- Is the property in an area that has been identified by a local, state or federal government agency as particularly sensitive in terms of its geology, soils, or risk to an aquifer?

  No.

- Has DEQ classified the waterway on the property as A-1 or better (per ARM 17.30.606-614)?

  No. The water use classification for Smith Creek is B-1 (suitable for drinking after treatment, cold water fishery) (Christine Weaver – MT DEQ).

Preserve Open Lands, Natural Areas and Historic Value: Describe the value of the property in terms of Open Lands, Natural Areas and Historic Value, and identify any of the following that may apply.

Preservation of the scenic and open-space values found on the Shoco Ranch provides substantial benefits to the people of the State of Montana, Lewis and Clark County, and the community around Augusta, in perpetuity, for future generations to experience and enjoy. The protection of open-space lands will maintain the rural, agricultural, and natural scenic qualities of the area and provide opportunities to continue traditional farming and ranching practices in perpetuity. The Shoco Ranch property can be easily seen by the general public traveling down Smith Creek Road and Highway 435, public roadways that border the Property and provide access to the vast amount of State Lands in this area. The general public recreating on those adjacent State Lands benefit from the protection of this landscape by ensuring the open-space will remain relatively undisturbed by prohibiting residential subdivision on the Property in perpetuity.

The Lewis and Clark County Commissioners have expressly recognized in Lewis and Clark County Resolution No. 2008-97, recording #3153419, passed and adopted August 12, 2008, and in the Lewis and Clark County Growth Policy, adopted February 15, 2004, the importance of preserving open-space lands, including working lands and land for protecting water and wildlife, in Lewis and Clark County.

The property is adjacent to lands owned by the State of Montana and administered by the Department of Natural Resources and Conservation, and therefore this Easement complements public land management activities and provides public benefits recognized by Treasury Regulation Section 1.170A-14(d)(4)(iv)(A)(*3*).

- Does the property contain scenic features that are strongly associated with the county's identity and sense of place?

  Yes. When traveling on the roads past Shoco Ranch one can see grazing cattle on lush green meadows, along with various wildlife species. This pristine view showcases open space unchanged since the 1800's.

- Will the project conserve unique geologic or geographic features?

  Yes. This Easement preserves scenic values of the Rocky Mountain Front and Hay Stack Butte, along Highway 435 for citizens and travelers alike.

- Does the proposed project help implement an adopted community plan or neighborhood vision?

  No. Augusta does not have a formal plan in place as of this date.

- Does the property adjoin a city, town, or unincorporated community?

  The town of Augusta is an unincorporated community located 4 miles from the Shoco Ranch.

- Are there threatened or endangered species, or species of concern on the property?

  Yes. Threatened and endangered species include: black-footed ferret, bull trout, Canada lynx, grizzly bear, and red knot birds. Sensitive species include: American peregrine falcon, bald eagle, black-backed woodpecker, harlequin duck, and grey wolf (Laura Conway, USFS L&C National Forest, wildlife biologist)

- Is there a particularly good example of a native habitat (e.g., native grasslands, healthy stands of aspen or limber pine, riparian plant associations)?

  There are hundreds of acres of native grasslands and rolling hills. The Shortridge family has worked hard to maintain wildlife habitat upon the ranch. There are a variety of riparian areas that exist that include gently rolling native grasslands, wooded creek bottoms, and grassy meadows. This habitat enhances wildlife protection and species development. Streambed protection and vegetation cover provides fishery enhancement and bird sanctuaries.

- Are there historic, archeological, or prehistoric sites located on the property including historic or prehistoric corridors and trails?

  Lewis and Clark Expedition traveled over the ranch on July 8, 1806, near the top of the hill "She-She Squaw" renamed as Chief Mountain/Haystack Butte (historian Curley Anderson).

  The original log homestead bunkhouse cabin has been preserved on the site. It was hand hewn from local cottonwood trees, look for the ax marks. The original cabin roof which was sod was updated to tin. The historic barn was built by a ship builder, Eric England, in 1908. Looking up from the inside it appears to be an inverted ship. This barn is designed to hold ten teams of horses and there is one stall that was dedicated to hold a permanent team. The flooring under this stall is made of cottonwood that wicks away moisture. Also featured in the barn is a hand-dug stone lined well along with a granary and harness room. Various Native American hunting artifacts have been found, including arrowheads and skinning knives.

- Are there any other outstanding or unique features of the property you would like to describe?

  This piece of property has significant historical value to the community as noted above. The majestic background of the Rocky Mountain Front traveling to Bean Lake on Highway 435 showcases this property. The Shoco Ranch with its lush, green hay meadows, grazing cattle, and sparkling creek create an iconic view that is unique to this property. Conservation of this land is essential in managing growth and development in this area. The property itself is nearly surrounded by or has contiguous boundaries with State Lands, which makes this a perfect project for land stewardship. It will help retain the open landscape, protect the unique natural resources, and maintain the pristine environment from land development for generations to come.

The Shoco Ranch is an important piece of property that will further the purposes of the Lewis and Clark Open Lands Program. If the ranch were not protected it could be subdivided and would provide special access to the multiple thousands of acres of State Lands that are currently accessible to the public via a six access points (see Appendix IX, Public Access Points Map).

Required Supporting Documentation: Please refer to the 'Required Attachments for Level Two Application for Projects Funded by the Open Lands Program, Lewis and Clark County, Montana' document.

I/we have prepared this application to the best of our ability and knowledge and request that Lewis and Clark County evaluate this request for funding based on the information contained herein. I/we understand the project selection process described in the Lewis and Clark Open Lands Program Guide. I/we understand that a recommendation that this project move to the Due Diligence Phase is not a guarantee of funding. If any information or circumstance changes substantially the project may be subject to reconsideration or reapplication, as described in the Program Guide.

I am authorized to sign this application as the applicant/landowner or a representative of the Sponsor.

S Shortridge — July 22, 2016

Sally Shortridge — Date

And/or

Lois Delger-DeMars — 7/22/16

The Montana Land Reliance — Date

By: Lois Delger-DeMars

Its: Managing Director

SHOCO RANCH

Lewis and Clark County Open Lands Program
Amendment to Level Two Application

Landowner and Agency Identification

Landowner:

Shoco Ranch
Sally Shortridge
P.O. Box 333
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406 562-3553 (Ranch)
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The Montana Land Reliance
Jay Erickson, Managing Director
Lois DeMars, Managing Director
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Helena, MT 59624
406-443-7027

The purpose of this amendment to the Level Two Application is to clarify the funding being sought from Lewis and Clark County Open Lands.

Funding: Describe the general budget of the project and any of the following that apply.

- **Funding for the conservation easement of $783,000 is requested from the County.**

  This request is for the purchase of the Easement for $729,000 (90% of the appraised value of the conservation easement). This value has been established by a qualified appraisal obtained for the Shoco Ranch (see Appendix V). Easement value is $810,000 less $81,000 (10% landowner donation).

  Project costs related to the completion of the Easement (environmental assessment, appraisal, title insurance, resource (baseline) documentation report, mineral remoteness report, deed preparation, closing and recording fees) in the amount of $54,000 are also being requested from Lewis and Clark County.

  In addition to $729,000 for the conservation easement, the applicant and the landowner request the county reimburse the following transaction costs, stewardship fees, and miscellaneous expenses.

  Montana Land Reliance and Shoco Ranch Project Costs

Appraisal	9,000.00
Legal Review	2,500.00
Title	2,000.00
Mineral Guarantee	300.00
Mineral Remoteness Report	1,300.00
Resource Documentation Report	3,100.00

Environmental Assessment	750.00
Shoco Ranch consulting/legal	2,050.00
Closing Costs & Recording	1,200.00
Subtotal project costs	**22,200.00**
Land Protection Fund/Stewardship Endowment	27,000.00
Total costs covered by landowner	**$49,200.00**
MLR staff costs (staff time, document preparation, etc.,)	4,800.00
Total project costs	**$54,000.00**

- **The County's funds will be matched through donation of land value of $81,000.**

  The landowner and sponsoring organization are asking for 90% of the total purchase price for the Easement.

In summary, the total amount to purchase this Easement is $783,000 ($729,000 plus $54,000).

The landowner and the sponsoring organization (The Montana Land Reliance) have diligently pursued matching funds to no avail from other entities such as the Natural Resources and Conservation Service (Agricultural Land Easement), United States Fish and Wildlife Service, and the United States Forest Service. Lewis and Clark County Open Lands Program is the sole funding source identified to protect this working ranch.

We have reviewed this amendment to the application to the best of our ability and acknowledge and request that Lewis and Clark County evaluate this request for funding based on the information contained herein.

I am authorized to sign this application as the applicant/landowner or a representative of the Sponsor.

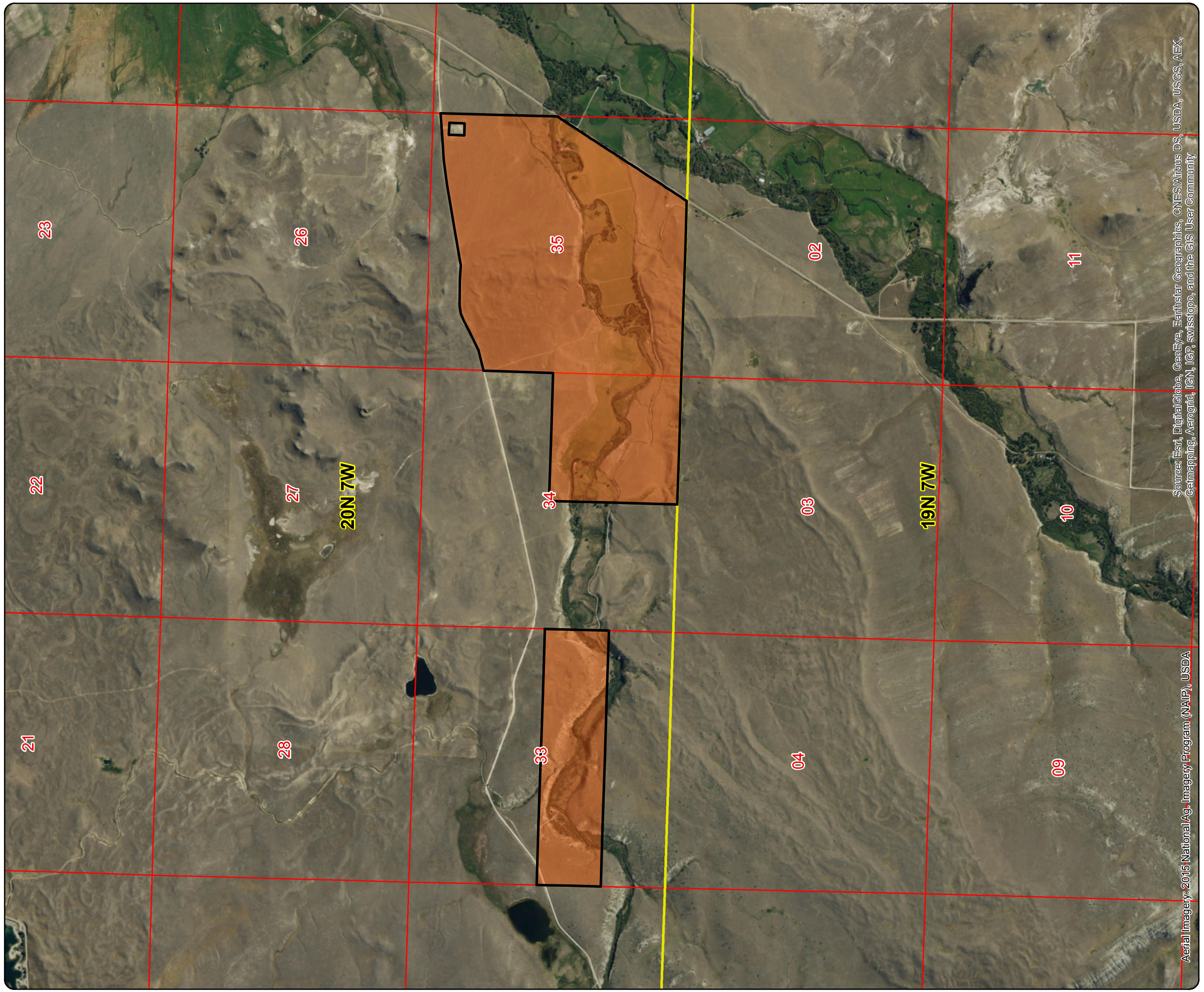
Sept 27, 2016

Landowner signature Date

And/or

9-27-2016

Sponsor representative signature Date



SHOCO PROPERTY
PROJECT AERIAL PHOTO MAP

Date: June 13, 2016

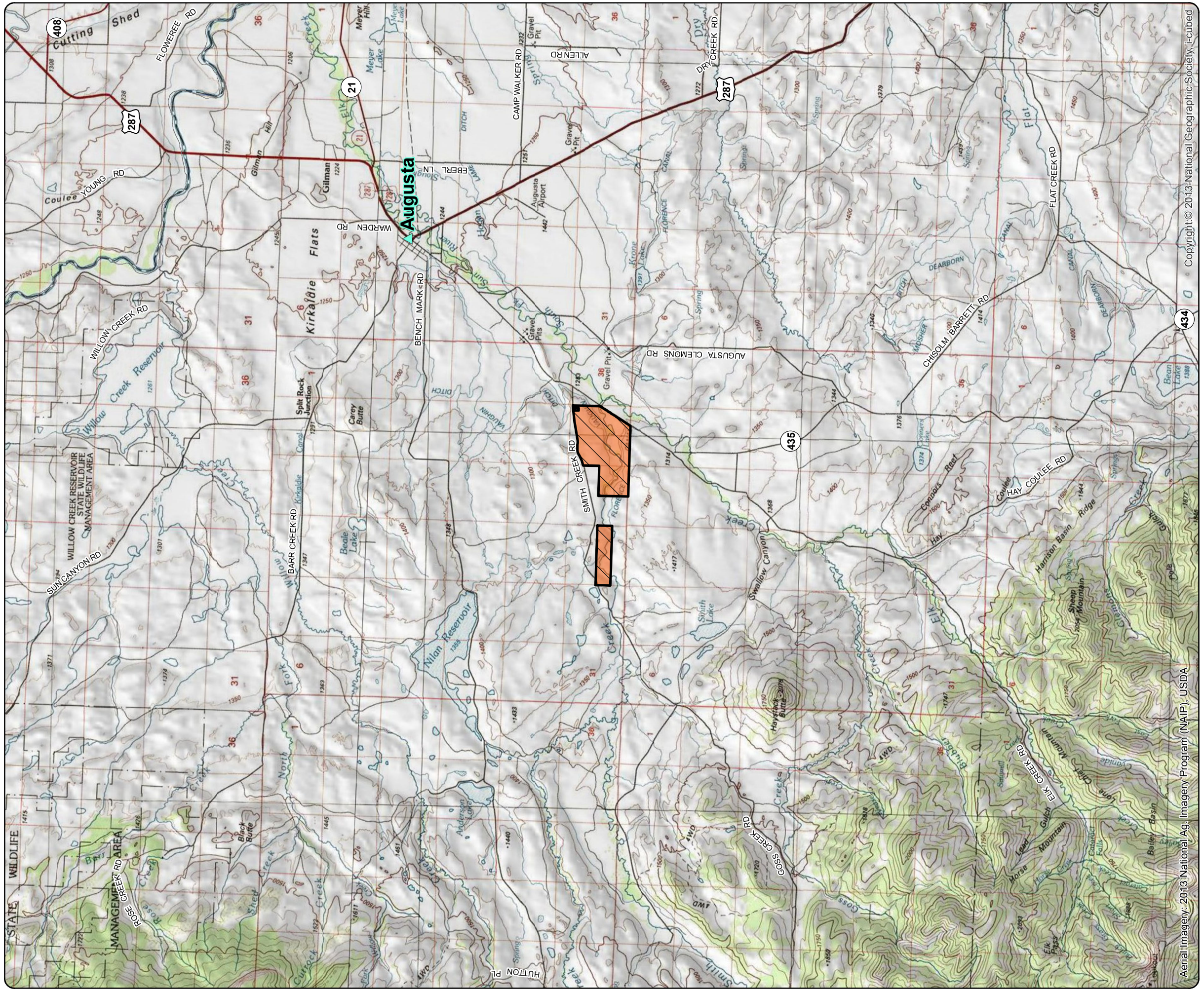
Subject Property

Property Acreage: 836

N

0 0.5 1 Miles

1:40,000



SHOCO RANCH PROPERTY LOCATION MAP

Date: June 29, 2016

Subject Property

Property Acreage: 836

Town / Local

Primary HWY

Secondary HWY

City - County Road

N

0 1 2 Miles

1:100,000