



**OPEN LANDS BOND PROGRAM  
FARRELL RANCH CONSERVATION EASEMENT**

**STAFF REPORT FOR BOARD OF COUNTY COMMISSIONERS**

**CASE PLANNER:** *KW* Kevin Waller

**REVIEWED/  
APPROVED BY:** *TW* Terry Nelson

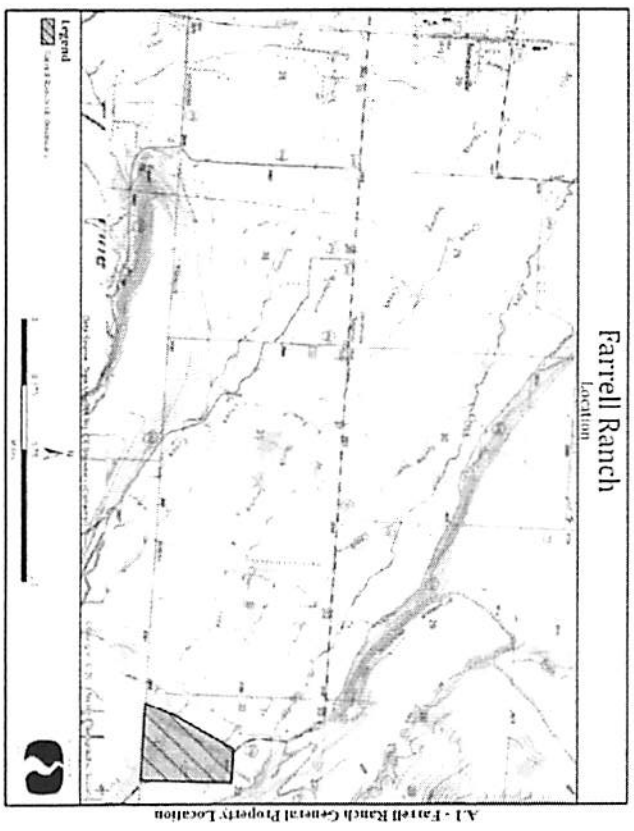
**PUBLIC MEETINGS/  
HEARING:**

Open Lands Board Meeting (site visit)	Sept. 24, 2015
OLB Conservation Subcommittee Meeting	Oct. 13, 2015
OLB Meeting (BCC Meeting Room)	Oct. 15, 2015
BCC Site Visit	Oct. 23, 2015
BCC Public Hearing	Nov. 9, 2015

**APPLICANT:** Hattie Farrell  
George E. and Hattie H. Farrell Revocable Family Trust  
1163 Middle Burnt Fork Rd.  
Stevensville, MT 59870

**SPONSORING AGENCY:** Kyle Barber  
Bitter Root Land Trust  
170 S. 2<sup>nd</sup> St., Suite B  
Hamilton, MT 59840

**PROJECT LOCATION:** The Farrell Ranch project is located along the west side of Middle Burnt Fork Rd., approximately 1/3 mile south of that road's intersection with Iron Cap Drive, and approximately 3 ¼ miles east of the Town of Stevensville (see Location Map, following page).



**Location Map**  
(Source Data: Bitter Root Land Trust)

**INTRODUCTION**

Farrell Ranch, located approximately 3¼ miles east of Stevensville along Middle Burnt Fork Rd., is comprised of a single parcel totaling 93 acres. The property is currently a mixture of irrigated hay ground and pasture. While the property contains a single family residence and several agricultural outbuildings within an identified 4-acre building envelope on the eastern portion, the conservation easement will allow for one new residence to be constructed within the established building envelope. The landowner's ultimate plans with the property include potentially selling it to a young rancher that will uphold and continue to maintain the property's agricultural heritage.

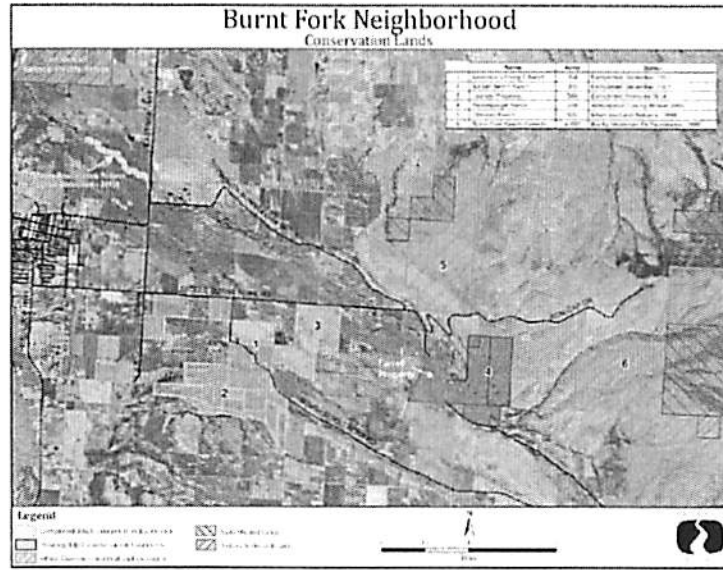
The property's primary values proposed for conservation are working agricultural lands, proximity to other working agricultural lands and preserved lands, wildlife habitat, and

scenic open space. Landowner Hattie Farrell and her late husband, George, purchased the ranch in 1963 as a dairy farm, later transitioning to a beef cattle operation. Mrs. Farrell desires to see the property remain in agricultural production in perpetuity.

The area surrounding the Farrell Ranch is primarily rural residential, vacant, and agricultural land. Existing OLBP Conservation Easement properties maintained through BRLT, which include Sunset Bench Ranch, Severson's Flying E Ranch, and Laursen Property are all within an approximate 1½-mile radius of Farrell Ranch, while other conservation easements including Olmsted Ranch and Burnt Fork Ranch are also within an approximate 1½-mile radius. In addition, the Lazy Burnt Fork Ranch, a pending Open Lands Program and BRLT project, is directly adjacent to Farrell Ranch's eastern boundary.



**Property Aerial Map**  
(Source Data: Bitter Root Land Trust)



**Nearby Conservation Easements**  
(Source Data: Bitter Root Land Trust)

**LEGAL DESCRIPTION OF PROPERTY**

**Legal Descriptions and Ownership:**

Real Property owned by the Hathe H. Farrell Revocable Family Trust, as to an undivided 1/2 interest, and the George E. Farrell Revocable Family Trust, as to an undivided 1/2 interest, being more particularly described as follows.

The SE 1/2 SW 1/4 of Section 33, Township 9 North Range 19 West, P.M.M., Ravalli County Montana. Also all that portion of the W 1/2 of SW 1/4 and NE 1/4 of SW 1/4 of Section 33, lying above and East of the Easterly line of the right of way of the Bitter Root Valley Irrigation Company through said SW 1/4 of said Section 33, which said Easterly line of right of way is particularly described as follows, to-wit: Beginning at a point on the Southerly line of the SW 1/4 of Section 33, which bears East 458 feet from the SW corner of said Section, and running thence North 20 deg. 25 min. East 961 feet, thence North 27 deg. 40 min. East 1942 feet to a point on the Northerly line of said SW 1/4 of said Section 33, which bears East 1602 feet, from the quarter corner between Section 32 and 33, all in Township 9 North, Range 19 West of the Montana Meridian, Ravalli County, Montana.

Recording Reference: Book 232 of Deeds, page 748 and Book 232 of Deeds, page 749

## **FUNDING REQUESTED FROM THE OLBP**

**\$150,000.00 (See Appendix A, Funding Worksheet)**

## **APPLICATION REVIEW INFORMATION**

The pre-submission meeting was held on July 30, 2015, and the full application was submitted on September 14, 2015, and determined complete on September 22, 2015. The Open Lands Board (OLB) conducted a site visit on September 24, 2015, and the OLB Conservation Subcommittee met to discuss the proposal on October 13, 2015. The OLB subsequently conducted a Public Meeting to review the proposal on October 15, 2015. The Ravalli County Board of County Commissioners (BCC) conducted a site visit on October 23, 2015, which will be followed by a Public Hearing to review the proposal on November 9, 2015. **This Conservation Easement is being reviewed under the Ravalli County criteria and procedure, as adopted by Resolution 2256 by a majority of the Board of County Commissioners on December 5, 2007.**

## **PUBLIC AND AGENCY COMMENTS RECEIVED**

Neither public, nor agency, comments have been received to date.

## **OPEN LANDS BOARD PROJECT SCORING WORKSHEETS REPORT**

The following report includes data from the OLBP Project Scoring Worksheets, which was compiled based on the findings of the OLB during their September 24, 2015 site visit to Farrell Ranch, after a review of the application materials, and after adjustments to average scores during the OLB Conservation Subcommittee meeting of October 13, 2015.

- ❖ Scores ranged from 57.00 to 69.00 points, with an average of 65.49 points, and adjusted average of 67.00 points.

## **OPEN LANDS BOARD CONSERVATION SUBCOMITTEE REPORT**

### **Background**

The Open Lands Board Conservation Subcommittee (OLB-CS) is tasked under the adopted Open Lands Bond Program (OLBP) Application Review Procedure with reviewing applications under the criteria in the Project Scoring Worksheet for the subject application, and performing a site visit on the subject property. This report summarizes the OLB-CS findings and recommendation to the full OLB.

### **Meeting**

On October 13, 2015, the OLB-CS met to discuss the Farrell project. OLB-CS members present were Jim Ellingson, Sharon Schroeder, Nat Sturgis, and Kent Myers. Also in attendance were Planner Kevin Waller and BRLT's Kyle Barber and Grant Carlson. The

average scores of the OLB members were adjusted, based on the OLB-CS discussion. The final, adjusted, total score was 67.00. The following discussions took place:

### **Findings**

Based on the application materials submitted and the property site visit, the OLB-CS made the following findings:

- **Project Scores:** Low 57.00, High 69.00, Avg. 65.49, OLB-CS Adjusted Score 67.00.
- **GA-4 (Weed Management):** The current lessor of the property's agricultural operations is doing a great job at managing weeds, especially considering that the lessor does not live on-site.
- **AR-4 (Irrigation):** Subsurface flows from higher ground to the east assist in the irrigation process and help recharge the property's hydrologic features.
- **AR-7 (Proximity to other Ag) and AR-8 (Proximity to other Conservation Easements):** The project is in proximity to a few other easement properties, and adjacent to a pending easement.
- **Special Attributes:** Adjacent to a pending conservation easement, easement momentum in the Burnt Fork area, and landowner's plans to potentially sell the property to a young rancher to further ensure a continued agricultural heritage.
- **Final Thoughts:** Strong neighborhood connectivity, wildlife habitat, and stream and cottonwood forest features. The amount of Open Lands Bond funds requested (\$150,000.00) in relation to the conservation easement value (\$170,000.00) is a high percentage.

### **OLB-CS Recommendation**

After consideration of the Farrell Ranch OLBP Application within the adopted criteria and procedure for the OLBP, the **OLB Conservation Subcommittee unanimously advised that the Open Lands Board forward a recommendation to the Board of County Commissioners to approve the Farrell Ranch proposal at the funding level requested.**

## **FULL OPEN LANDS BOARD REPORT**

### **Background**

The OLB is tasked under the adopted OLBP Application Review Procedure with reviewing applications under the adopted criteria and procedure. This report summarizes the OLB findings and recommendation.

## **Findings**

The full OLB convened on September 24, 2015 for a site visit, and on October 15, 2015, to discuss the Farrell Ranch conservation easement proposal, the deliberation and recommendation of the OLB-CS, and other staff comment (no public or agency comment has been received to date).

- ❖ The OLB adopted the findings of the OLB-CS, as reported.

## **OLB Recommendation**

After consideration of the Farrell Ranch Conservation Easement Application within the adopted criteria and procedure for the OLBP, the **Open Lands Board unanimously voted to recommend the Board of County Commissioners approve the Farrell Ranch proposal at the funding level requested.**

**RAVALLI COUNTY BOARD OF COUNTY COMMISSIONERS  
PUBLIC HEARING**

**NOVEMBER 9, 2015**

**Farrell Ranch  
CONSERVATION EASEMENT**

**PLANNING STAFF'S RECOMMENDED MOTION**

The Farrell Ranch application be *approved* at the funding level requested, based on the recommendation of the Open Lands Board, as outlined in this staff report.

**BCC Review Stage**

**OLBP Phase 4**

When considering a proposal, the BCC will have the following items available for consideration: the full application materials, site visit observations, all summary reports and recommendations submitted for review, and any discussions held within the public hearing process. Applications for funding from the OLBP should be considered within the adopted criteria and procedure for the OLBP (Resolution #2256).

Once the BCC has completed their review and the public hearing process, they will vote to approve or deny funding.

**OLBP Phase 5**

If the proposal is approved by the BCC, the following documentation will be required, before the County can release funds. The applicant shall provide the documentation to the Planning Department. The Planning Department will coordinate review of the following materials:

- Conservation Easement Document and Baseline Documentation Report
- Title commitment for the subject property and resolution of title issues
- Final appraisal
- Purchase agreement
- Environmental Hazard Survey concerning hazardous materials (as described by the federal government) that may or may not be located, used or disposed of on the property
- An agreement between the county and the qualifying sponsoring organization regarding joint responsibilities
- A Mineral Rights Statement
- A narrative describing the Closing Arrangement - where the closing is to occur, closing participants, settlement sheets, Escrow arrangements if required, the cost of closing, etc.
- Additional Documentation, as required by decision of the Board of County Commissioners (Res. 2256)
- The \$80.00 fee for Planning Department review of the above materials

## APPENDIX A – Project Funding Worksheet

### II. Proposed Funding

Preliminary Appraised Value of Conservation Easement.....\$170,000.00

**Anticipated Costs:**\*

Appraisal.....	\$12,000.00
Accounting Counsel.....	\$1,000.00
Legal Review (Farrell).....	\$1,500.00
Legal Review (BRLT).....	\$ 500.00
Baseline Study.....	\$2,500.00
Title Report/Commitment.....	\$1,000.00
Application (Open Lands Program).....	\$ 510.00
Printing.....	\$ 500.00
Project Assessment (25 hours @ \$45.00/hour).....	\$1,125.00
Project Facilitation (165 hours @ \$45.00/hour).....	\$7,500.00
Mineral Report & Remoteness Test.....	\$ 500.00
Environmental Hazard Assessment.....	\$ 750.00
Closing.....	\$ 400.00
Recording.....	\$ 250.00

Total Anticipated Costs.....	\$ 30,035.00*
Conservation Easement Value.....	\$170,000.00
Total Project Value (Easement Value + Total Anticipated Costs).....	\$200,035.00
Total Compensation Request for CE (from all funding sources).....	\$119,965.00
Total Costs.....	\$ 30,035.00
Total Requested Compensation + Total Costs (Total Purchase Price).....	\$150,000.00

**Matching Contributions:**

	Amount	% of Total Project Value	% of Total Purchase Price
Donated Easement Value (donated by landowner).....	\$50,035.00	25%	N/A

	Amount	% of Total Project Value	% of Total Purchase Price
Total Requested OLBP Compensation for CE Purchase	\$119,965.00	60%	80%
Total Requested OLBP Costs for CE Purchase	\$ 30,035.00	15%	20%
<b>Total Requested OLBP Payment</b>	<b>\$150,000.00</b>	<b>75%</b>	<b>100%</b>

(\$1,612/acre)

\* A note on Project Costs: Anticipated Project Costs reflect the best estimates of the applicants at the time the application is submitted. These Anticipated Project Costs are provided solely to explain how the applicants' total requested Open Lands payment was developed. Actual project costs will differ somewhat from those estimated on this Proposed Funding worksheet. It is critical to note that, in the event this project is funded by the Open Lands program, all actual costs (except recording, title insurance, and closing costs) will be paid in advance of closing by the applicants, not by Open Lands Program Funds. The applicants are requesting \$150,000.00 in Open Lands Bond Funds for the purchase of this conservation easement.