Conditional Use Permit Application

for the

Morgan Family Gravel Pit

July 2008

2850.010

MORRISON MAIERLE, INC.
An Employee-Owned Company
APPLICATION FORM

The Undersigned hereby makes application for a CUP pursuant to the requirements as outlined in the Interim Zoning Regulation.

1. NAME OF APPLICANT: TMC Inc. c/o Jerry Rice, General Manager
2. ADDRESS OF APPLICANT: P.O. Box 69 Belgrade, MT 59714
3. PHONE NUMBER OF APPLICANT: (406) 388-6844
4. LEGAL DESCRIPTION OF SUBJECT PROPERTY: Southeast ¼ Less ROW & Less Cemetery Section 35, T2S, R4E
5. DOR#: 06 0797 25 1 01 01 0000
6. GENERAL LOCATION: 1.5 Miles north of Gallatin Gateway on U.S. Hwy 191 north of the intersection with Zachariah Lane
7. ZONING DISTRICT: interim CURRENT ZONING: interim
8. CONDITIONAL USE TO CONSIST OF THE FOLLOWING: An operation that mines sand and gravel and batches asphalt
9. ARE ANY VARIANCES BEING REQUESTED? IF YES, PLEASE EXPLAIN: No
10. ARE THERE ANY COVENANTS OR DEED RESTRICTIONS ON THE PROPERTY? IF YES, PLEASE INCLUDE COPY: YES [X] NO

I understand that the filing fee accompanying this application is not refundable. I hereby certify that the above-listed information is true and correct.

Jerry Rice
APPLICANT’S SIGNATURE

DATE: 7-31-08

FOR OFFICE USE ONLY

DATE FILED: SEP 3 0 2008
FILING FEE: SEP 3 0 2008
ZONING COMMISSION HEARING DATE: SEP 3 0 2008
ACTION TAKEN: RECOMMENDED

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Document Organization

The following information is provided to fulfill the application requirements for a gravel mine Conditional Use Permit (CUP) application as specified in the recently adopted Gallatin County Interim Zoning Regulation for Operations that Mine Sand and Gravel or Operations that Mix Concrete or Batch Asphalt (Regulation).

Included in the Appendix is a draft of the Environmental Assessment for this project as prepared by the Montana Department of Environmental Quality. Their Environmental Assessment discusses, in detail, the same issues that are to be discussed by the Gallatin County's CUP process. Because of this, much of the discussion provided to meet Gallatin County requirements will be abbreviated to minimize duplication. However, unlike the State process, the Gallatin County CUP process requires that the County Commission make additional, specific “findings” when rendering a CUP decision.

As a consequence of the above, the organizational theme for the CUP will be to address and respond to the “findings” requirements stated in Section 6.1.a-d of the Regulation. Items a-d require the Applicant address: a) compliance with applicable growth policies; b) impacts on nearby properties, property values, land uses or residents; c) impacts on groundwater, streams or wetlands; and d) impacts to public services and facilities. This commentary regarding the findings is preceded by an Overview of the application and followed by a series of Appendices that provide supplemental information and documents referenced throughout the text and required by the CUP process. The Appendices are presented in the sequence as listed in the Conditional Use Application Form and Required Information publication provided by the County Planning Department.

Application Overview

In order to satisfy the interim zoning regulation approved by the Gallatin County Commission on May 7, 2008, the following Conditional Use Permit (CUP) application to allow development of a gravel pit mine with related activities is being submitted.

TMC, Inc. (TMC) has submitted an Open cut Mining application to the Montana Department of Environmental Quality (MDEQ) for a permit to operate a 53-acre sand and gravel mine in Gallatin County. The objective is to mine an existing alluvial terrace bench laterally, to a total depth of approximately 25-feet. This will, in essence, relocate the toe of the bench to the southeast boundary of the site. The long term reclamation plan is to return the site to pasture land. The site is located approximately 1.5 miles North of Gallatin Gateway on the east side of Highway 191, as can be seen on the following vicinity map. The proposed mine is located in the SE ¼ of Section 35, Township 2 South, Range 4 East. Access to the site will be directly from US Highway 191.
TMC proposes to mine the parcel in three phases. None of the phases are intended to mine gravel below the seasonally high ground water table. Phase I mining will commence by stripping the topsoil and overburden material to create berms approximately 12 feet high. The berms will be placed along the west, north and south perimeters of the permit area and will serve as both visual and auditory buffers. Provided on the pages following this Overview is a series of Development Plan maps showing the overall site and progression of mining activities over the roughly 10-year life of the mine.

Initial mining activity will use front-end loaders at the toe of the alluvial terrace bench where the existing access road meets the main permit area. This initial mining will create an area large enough to position a truck scale and a crusher. Mining of Phase I will continue for approximately three years from the vicinity of the scale to the southeast toward the Farmers Canal. In the first year, an area of approximately four acres will be mined down 15 feet to provide a site for the wash plant. This depth will allow sediment ponds to be dug eight feet deep and still remain above the level of seasonal high ground water. Water for the mining operations, washing and dust control, will likely come from surface water rights held by the property owner (Morgan Family, LLC).

When mining of Phase I has been completed, Phase II will commence mining operations with front-end loaders working from the scale area to the northeast. A mobile crusher will be set up at the site as needed and periodically moved to stay within the active mining areas. The wash plant will be moved from the south side of the sediment ponds to the north side. Once it has been determined to have sufficient space for stockpiles in Phase II, reclamation of Phase I will commence from south to north.

The scheduled completion date for Phase II is 2014. Phase III will then be mined in a fashion similar to Phases I & II. Reclamation of the mine will run concurrently with mining operations. Therefore, the entire area will be completely reclaimed by the end of 2017, or the 10-year life of the mine. At final reclamation in the year 2017, the site will be reclaimed with a wheatgrass seed mix and used for pasture land for grazing livestock. The reclaimed surface will be sloped from the undisturbed surrounding ground into the pasture bowl to a depth of roughly 25 feet. The reclaimed side slopes will be scarified or disked, seeded and graded to a 3:1 or flatter slope.
Findings Commentary (from Section 6.1 a-d of the Regulation)

A paraphrased version of the four primary findings subjects noted in Section 6.1, a-d of the Regulation is provided in bold italics followed by the Applicants response.

Finding A:  *Is the proposed operation in conformity with applicable Growth Policies?*

Response: The site of the Morgan gravel pit is in the jurisdiction of the Gallatin County Growth Policy (Growth Policy). The Growth Policy does not account directly for the creation or operation of sand and gravel mines. However, it can be argued that many of the goals and policies of the Growth Policy are met by these types of operations. It should be noted that the subject property is also located within the proposed Gallatin Gateway Community Plan area. Because this community plan has yet to be adopted, the focus of this section remains on compliance with the County adopted Growth Policy. The following is a list of the goals as established in the Growth Policy with a response as to how this conditional use request meets these goals.

Conclusion: Based on the following detailed discussion and the mitigation measures proposed in the application, it is the opinion of the Applicant and their representatives that the Morgan gravel mine is in compliance with the Growth Policy.

*Protect Water Quality*

Potential water quality impacts have been considered throughout the MDEQ Opencut Permit Application process. Groundwater levels have been monitored since September of 2007. The results of the monitoring program have provided a baseline estimate of groundwater levels that can be used to determine eventual depth of the gravel mine. As stated previously, the Applicant’s intention is to keep the gravel pit floor above groundwater. This, along with the other measures proposed in the application to MDEQ and discussed in the MDEQ Environmental Assessment (MDEQ EA), will minimize the potential for pollution of groundwater.

There are no wetlands, water bodies, or streams located within the proposed site. The development plan for the site has been designed to retain all precipitation and contain any potential runoff from the site. Therefore, surface water features are protected from any adverse impacts. The operation will observe and maintain a 75-foot setback from the Farmers Canal to avoid any impacts on that conveyance ditch. Further discussion on the impacts to water resources can be found in the discussion on item C, below.
Assure Sustained Water Quantity

Water quantities should be unaffected by the operation of this sand and gravel mine. A sufficient supply of water can be achieved by utilizing existing water rights on the property. Water will be required for the temporary and seasonal operation of a wash-plant and dust control. The wash operation will not require an appropriation beyond that which is currently available to the owner. There appear to be at least five surface water rights available to the property that could be used for the wash-plant and dust control operation. These would provide an adjusted available volume of approximately 2.5 cfs (1120 gpm) to use at a wash-plant. A table detailing these water rights is provided in the Appendix.

Conserve Important Habitat

The subject property is not located in an area considered to be critical wildlife habitat. This site borders U.S. Highway 191 and is currently used for agricultural purposes. There are no fisheries on the site and this operation would not impede wildlife access whatsoever, as this is not a migratory corridor. Plant species on the property consist of those common in similar pasture lands and the property does not harbor any known critical plant communities. A noxious weed management plan has been prepared and submitted for review and approval by both the MDEQ and the Gallatin County Weed District. A copy of the approved Weed Management Plan is provided in the Appendix. These findings are sustained by the Draft MDEQ Environmental Assessment for the project.

Protect Air Quality

Short term air quality will be protected through the MDEQ permit process. In the long term, past ten years, land use of the property will revert back to agricultural pursuits. As stated in the Draft MDEQ EA, the most common cause of air quality degradation associated with a sand and gravel mine operation is typically dust. Large quantities of dust can be attributed not only to the operation itself but to the transport of the processed material over un-paved roads. Air quality can be preserved through the use of Best Available Control Technology (BACT). This typically includes the use of water and water spray bars to limit the amount of dust generated during the crushing/screening process and the use of baghouses, wet scrubbers and/or condensers limit the amount of dust created by the batching of asphalt. Chemical stabilizers or Tackifiers can aid in limiting the amount of dust generated on the unpaved roads during transit. Other possibilities include vegetation of the stockpiles to aid in long term dust control during the period in which the mine is in operation. The MDEQ ultimately determines a sand and gravel mines compliance with federal and state guidelines for air quality. It should
be noted that dust emissions from sand and gravel mines have been found to be similar to those that would be found in many agricultural activities such as the use of plows, discs, seed drills, swathers, combines and balers.

Minimize Soil Erosion

The overall development and phasing plan of this sand and gravel mine will help minimize soil erosion. This mining operation will be developed in three phases, as the transition between phases occurs, reclamation of the previous phase will begin. By utilizing this method, the large amounts of the erosive topsoil stockpiles will be re-deposited in stages rather than experiencing long term exposure throughout the duration of the operation. Overburden stockpiles will be re-vegetated to further control erosion caused by both water and wind.

Conserve Open Space

Open Space will be conserved through the temporary use of a sand and gravel mine. By utilizing the property in this fashion, it is less likely that it will convert to an alternative use that would reduce open spaces, such as residential and/or commercial uses. Following the completed reclamation of the subject property, it is intended to revert back to a type of open space, that is, agricultural use.

Encourage Residential Development in Areas Planned or Zoned for Residential Use

In general, residential uses are not encouraged for this area by the Growth Policy. The proposed use is consistent with this policy because residential uses are not proposed.

Locate Commercial and Light Industrial Development in Areas Planned or Zoned for that Usage.

Not applicable to this application. This area is not zoned.

Manage Heavy Industrial Development

A sand and gravel mine could arguably be considered a heavy industrial development, which is currently regulated by the MDEQ through the Opencut Mining Act. The Growth Policy seeks to limit the adverse impacts of this type of use on adjacent land uses. The site is located in an area that is largely agricultural, agricultural land uses would be among those least affected by the operation of a sand and gravel mine. Lower residential densities coupled with the absence of busy commercial centers would seemingly create ideal locations for these types of operations due to access off an arterial road, versus local/residential roads,
adequate physical separation of uses and the prospect of continued open space because of continued agricultural uses after reclamation.

**Protect Historic and Pre-Historic Features**

There will be no known impacts as a consequence of this operation. A Class I cultural resources information file search has been completed on the property by the Montana State Historic Preservation Office. As a result of that search, historic features are not known to exist.

**Conserve Scenic Resources**

Impacts to scenic resources will be temporary. Following reclamation of the site, visual resources will be unchanged.

**Provide a Safe and Efficient Transportation System**

The CUP application is consistent with this policy. A Traffic Impact Study (TIS) and update has been completed to assess the potential impacts of the uses proposed on the site and recommend improvements necessary to mitigate those impacts. Further discussion on the specifics of the TIS and the Montana Department of Transportation recommendations can be found item D, below.

**Provide for Local Services and Public Facilities**

Local services and public facilities will not be adversely affected by the sand and gravel mine proposed here. The operation of this mine will require limited emergency services. Multi-user public water and wastewater systems are not needed. Solid wastes will be disposed of at approved facilities. Parkland is not required or proposed with this application; however, the potential for open space conservation is conceivably greater with the temporary use proposed than with alternative residential or commercial uses.

**Provide Cost Effective Extension of Public Facilities**

Not applicable to this application.

**Protect Human Life and Property from Natural Hazards**

Not applicable to this application.
Preserve Productive Farm and Ranch Lands

The subject property is located in an area that is largely agricultural. The site for the sand and gravel mine is located within a larger agricultural property on a portion of the property that is dominated by a large alluvial terrace bench and used primarily as pasture land. By utilizing a small portion of the larger property for this use, the remainder of the property can remain productive agricultural land. After the reclamation of the site, this area will be re-seeded and put back into production as pasture land. The existing top soil will be stripped, stockpiled and then replaced during reclamation.

Protect the Right to Farm and Ranch

The right to farm and ranch is protected by utilizing a portion of the subject property, for the temporary use as a sand and gravel pit. The gravel pit operation will provide additional income to the land owner that will, arguably, contribute to the economic viability of their agricultural land use.

(End of discussion on Growth Policy compliance)

Findings Commentary (from Section 6.1 a-d of the Regulation)

Finding B: Show that the operation will not have significant impacts on nearby properties, property values, land uses or residents.

Response: Overall, there will not be significant adverse impacts to adjacent land uses and property values. This is due to the physical separation between the gravel mine and adjacent uses and mitigation measures offered. These are further detailed in the MDEQ EA.

It is the intent of the applicant to limit the gravel mine’s impact on neighboring properties and their owners through the use of revegetated soil berms situated in a way that provides both a visual and auditory buffer from the mining operation. Normal hours of the crushing operations will be limited to Monday through Friday, 7 a.m. to 7 p.m. Work on Saturdays will limited to 8 a.m. to 5 p.m. and will consist of hauling the material off-site and maintenance of the equipment and facilities on site; no crushing is proposed. The mine would not be open on Sundays. Short term, specific projects that will be limited to 3 month periods will require that the hours of operation be extended to 6 a.m. to 10 p.m.

Based on the findings of a report commissioned by the MDEQ regarding the impacts associated with sand and gravel mines on adjacent property values, the effect of these operations appear to be negligible. The report, Gravel Pits: The Effect on Neighborhood Property Values, was prepared by Phillip Rygg, MAI in February of 1998. The purpose of this study was to determine “whether the existence of a gravel pit and gravel crushing
operation impacts the value of surrounding real property”. The subject gravel pit and real properties involved in the study were located approximately 7 miles north of Bigfork, Montana. Mr. Rygg compared sales of properties within the ½ mile area of influence to comparable properties outside of this area to determine whether or not there was a discrepancy between influenced properties and uninfluenced properties that could be attributed to the presence of a neighboring gravel pit.

The conclusions of the report were that based on the “investigation of the properties (involved in the study) and analysis gathered, and subject to the assumptions and limiting conditions stated in the report…the subject gravel pits had not adversely affected the value of the surrounding real property”.

This report was peer reviewed in April of 1998 by Jim Fairbanks of the Property Assessment Division of the Montana Department of Revenue. Mr. Fairbanks concurred with the findings in the Rygg report and added that “similar arguments” had been made “regarding the presumed negative influence of gravel pits (in Missoula County), BPA power lines, neighborhood character change, and traffic and other nuisances” he continued to note that “In virtually ALL cases, negative value impacts were not measurable”. Mr. Fairbanks concluded that “Potential purchasers accept newly created minor nuisances that long time residents consider value diminishing”.

Through the Opencut Mining permit process; these mines are in operation for an established, limited time period, in the case of the application presented here, 10 years. What is conceivably more likely; is that the operation of a sand and gravel mine creates a short term marketability disadvantage rather than a long term property value decrease.

In conclusion, the need for gravel resources within Gallatin County versus a sand and gravel mines impact on adjacent properties is difficult to accurately measure. Currently, demand for gravel resources in Gallatin County remains high. A limited gravel resource increases the cost of the product, which is then distributed throughout the industries that rely on the resource. On balance, the need for gravel resources in reasonable locations, amounts and costs provides a distinct public benefit. This outweighs, to some extent, the perceived inconveniences of having a gravel mine operation, which is a temporary use, as a neighbor.

Findings Commentary (from Section 6.1 a-d of the Regulation)

Finding C: Show that the operation will not have significant impacts on groundwater, streams or wetlands.

Response: Overall, the mines proposed depth (+/- 25-feet), operations plan and location minimizes the opportunity to impact water resources or wetlands. Significant impacts to water resources and wetlands are not anticipated.
Groundwater: Groundwater levels have been monitored since September of 2007. The results of the monitoring program have provided a baseline estimate of groundwater levels that can be used to determine eventual depth of the gravel mine. As stated previously, the Applicant’s intention is to keep the gravel pit floor above groundwater. This, along with the other measures proposed in the application to MDEQ and discussed in the MDEQ Environmental Assessment (MDEQ EA), will minimize the potential for pollution of groundwater.

The sand and gravel mine is not proposed to remove material beyond a depth of roughly 25 feet, or above the ground water level. There will not be any fuel storage or other harmful chemicals kept on site thus eliminating the possibility of groundwater degradation through the introduction of these types of contaminants.

Surface water: There are no natural surface waters flowing through or adjacent to the subject property. However, the site is bordered on the southeast by the Farmers Canal. The Farmers Canal Ditch Company and the applicant have discussed potential impacts to the canal and both parties are working together to mitigate any impacts. A record of these discussions is provided in Appendix I. One of the potential mitigation measures discussed is lining of the canal, if deemed necessary. This could have potential benefit to both parties. Those would be: 1) limiting water loss from the canal, to the benefit of the Ditch Company and 2) reducing seasonally high water tables induced by leakage which would allow mining to a greater depth, to the benefit of the Applicant.

Surface water resources will be necessary for the operation of the wash-plant and dust control; however, as noted previously, and in the MDEQ EA, there are options available to provide the source for the water.

Drainage control and surface runoff: As indicated in the Applicant’s Opencut application to MDEQ, drainage control measures have been proposed, as required. The development plan for the site has been designed to retain all precipitation and contain any potential runoff from the site, including that which will be created by the wash plant.

Wetlands: There are no wetlands on site. All drainage and surface runoff will be contained within the site, minimizing potential for sedimentation of adjacent properties. Wetlands will be unaffected by the proposed sand and gravel mine.

**Findings Commentary (from Section 6.1 a-d of the Regulation)**

**Finding D:** *Show that the operation will not have significant impacts on public services and facilities.*

**Response:** The proposed gravel mine will not have significant impacts on public services and facilities. It generates few demands for public services and adds to the overall economy in terms of providing jobs, increased tax revenues and an important
building material. The most significant public impact would be on the intersection of the access road and Highway 191. The Montana Department of Transportation (MDT) will regulate this and has indicated that they will require an intersection upgrade to assure public safety.

**Water Supply and Sewage Disposal:** Water supply for domestic uses and fire protection are not required or needed. Sewage disposal on the site is not necessary. There are options available to provide water supplies for the wash-plant operation. As a consequence, there is no impact on public services or facilities regarding water supply or sewage disposal.

**Solid Waste Disposal:** As indicated in the MDEQ EA and OpenCut Application, solid waste will be removed from the site and disposed of in approved locations.

**Roads and Access:** Access to the site will be provided off of U.S. Hwy. 191 north of Zachariah Lane. At this time, MDT has recommended that the access road intersection be upgraded. The Applicant has indicated that it will comply with the MDT recommendations to upgrade the intersection.

A Traffic Impact Study (TIS) and update was completed and the reports have been submitted to MDT. The study and subsequent update found that the proposed approach onto U.S. Hwy. 191 would accommodate the traffic levels that can be anticipated with the uses proposed. The study concluded that the proposed sand and gravel mine would not require additional improvements to the proposed intersection to mitigate traffic related impacts. The Montana Department of Transportation (MDT) reviewed the TIS and has provided comments as to the mitigation of impacts associated with the proposed use. However, MDT found that improvements to the intersection would be necessary and would include turn lanes and acceleration lanes on U.S. Hwy. 191. The TIS update was completed in response to MDT’s recommendations that safety concerns associated with high speed traffic movements and a large number of truck turning movements be evaluated. A copy of the TIS, the update to the TIS and a copy of the MDT recommendations are provided in the Appendix.

There are no County roads impacted by the proposed gravel mine or County encroachment permits required.

**Utilities:** Beside the need for electrical power for portions of the operation, there is no need for additional utility services. There are no anticipated impacts on utility service providers.

**Emergency Services:** There are no significant impacts anticipated.
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Fire protection: The site lies within the jurisdictional boundary of the Gallatin Gateway Rural Fire District. Fire protection can be provided from the Gallatin Gateway Fire Station located approximately 1.5 miles away.

Police protection: The Gallatin County Sheriff's Department, located approximately 10.5 miles away in Bozeman, will provide Police protection.

Emergency medical: Emergency medical response services will be provided by American Medical Response, also located in Bozeman. Hospital facilities are located in Bozeman approximately 10.5 miles away.

Schools: This proposal will not have any effect on local school districts.

Salesville Cemetery: The Board of Directors for the Salesville Cemetery was notified of the proposed sand and gravel mine. In that notification, the applicant requested suggestions for any possible mitigation efforts that would insure that the cemetery would be unaffected by the operation. The Board responded with a letter requesting that operations be suspended during any funeral services held at the cemetery and the applicant has agreed to do so. The applicant will be provided at least two days notice prior to any services being held at the cemetery. Copies of both the Applicant’s letter to the cemetery Board and the Boards response are provided in the Appendix.

(End of Discussion on Findings Commentary from Section 6.1 a-d of the Regulation)

Note: Items e and f of Section 6.1 of the Regulation pertain to a finding that all other applicable permits have been secured and that public notice and hearing requirements have been met. These items will be completed as a consequence of the overall review process.