SOCIOECONOMIC

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SUMMARY OF
EXISTING SOCIOECONOMIC SETTING

1 ECONOMIC ENVIRONMENT

1.1 Lincoln County

Industrial Composition. The manufacturing sector, which includes timber harvesting and wood products manufacturing, represents 17.7 percent of all businesses in the county. The major employer in the wood products industry is Champion International located in Libby, Montana. Other major wood products employers in Lincoln County include Owens & Hurst Lumber Company in Eureka, Plum Creek Timber Company in Fortine, and Gwynn Lumber Company in Eureka.

Three mining employers in Lincoln County account for approximately 7 percent of all employment in the county. In 1979, ASARCO, Inc. developed the Troy Unit, a silver and copper mine near the town of Troy, that currently employs approximately 350 workers. The other dominant mining operation in Lincoln County is W.R. Grace, Inc., which operates a vermiculite mine near Libby.

Employment Conditions. Manufacturing (wood products industry) is the primary employer in Lincoln County and comprises approximately 20 percent of all employment in the county. Manufacturing is followed by the service and retail trade sectors which employ approximately 17 percent and 14 percent, respectively.

The largest government employers in Lincoln County are the U.S. Forest Service (USFS), U.S. Army Corps of Engineers, and Bonneville Power Administration. Approximately 8 percent of all workers in the county are employed by the federal government (primarily USFS with 300 employees), whereas almost 11 percent are employed by state and local governments.

The unemployment rate in Lincoln County has varied from 8.9 percent in 1970 to a high of 15.5 percent in 1980. Since 1980, the unemployment rate in Lincoln County has averaged about 11 percent of the civilian labor force.

Total employment in Lincoln County has increased little between 1970 and 1986, with the major increase in number of employees in the government and service sectors. The civilian labor force in Lincoln County has grown from 7,275 in 1970 to 8,725 by 1988, representing a 19.9 percent increase in 18 years. In 1986, manufacturing (wood products) comprised 1,545 jobs of the total 7,590 jobs, or approximately 20.4 percent of all jobs in the county. Farm employment, while not a major contributor to the job market, almost doubled between 1970 and 1980, but has remained at about the same level since that time. Between 1980 and 1986, construction employment has steadily declined from 1,610 to 323 employees by the end of the 7-year period. Total number of government jobs decreased 11.5 percent between 1986 and 1980, primarily due to the reduction of the federal government civilian work force.

Total employment is projected to increase to 8,230 persons by year 2005 and remain at that level through year 2010. This increase represents an annual growth rate of 0.3 percent which is identical to the historical 1970-85 growth rate. Most employment growth is projected to occur in private industry; more specifically, the service sector is expected to grow 45.5 percent or by 510 jobs, while the retail trade sector is projected to grow approximately 7 percent or by 73 jobs. Manufacturing (wood products) is projected to decrease by approximately 425 jobs by year 2010, a 28 percent increase.

Income Conditions. In 1987, average wages for all workers in Lincoln County was $334 per week, nearly 6 percent higher than average wages of all workers in Montana. The highest paying jobs in Lincoln County are mining jobs which pay over 50 percent more than the average job in the county.

In 1970, per capita income for Lincoln County was $3,279, or about 93 percent of the state per capita income. By 1980, per capita income in Lincoln County had increased to $8,960. Although increasing each year, per capita income has declined to about 80 percent of the state average.

Total earnings in current dollars nearly doubled between 1970 and 1980, representing an annual growth rate of 5.1 percent compared to the state growth rate of 9.7 percent. Since 1980, total earnings for

Lincoln County have increased from $94,156,000 to $126,123,000, representing an annual growth rate of 5.0 percent, or about the same as the 1970-80 rate. In 1970, the major sources of personal income for Lincoln County were construction (Libby Dam) and manufacturing (wood products), generating 61 percent of all earnings in the county.

Since 1980, earnings from manufacturing have continued to increase at approximately the same annual rates as between 1970 and 1980. Earnings from the construction industry have fallen by 25 percent from 1980 levels due to the completion of the Libby Dam; however, earnings from the mining industry have offset the decline and have provided Lincoln County with a new major source of income.

Total earnings for Lincoln County in constant 1982 dollars are projected to increase from $26.1 million in 1986 to $204.5 million by 2010, representing an annual rate of increase of 2.0 percent. This growth rate is less than the 1980-86 growth rate of 2.8 percent, but is consistent with the projected state growth rate of 1.6 percent over the same period.

Fiscal Conditions. Total taxable valuation peaked in Lincoln County in fiscal year (FY) 1986 at $36.5 million. Since that time, valuation has dropped 14.4 percent with no accompanying decrease in population. The major component of the tax base in Lincoln County is Land and Improvements which amounts to nearly 46 percent of the total tax base.

The major revenue source to Lincoln County government is intergovernmental transfers (47.6 percent in FY 1988). Between 1980 and 1988, revenues from property taxes increased 78 percent from $759,188 to $1,350,312. General fund revenues also increased by approximately the same amount during this 8-year period.

Expenditures for Lincoln County peaked in FY 1986 at $323.00 per capita, but since that time, expenditures have dropped by 5 percent. In FY 1988, 23.4 percent of the budget was spent on general government, 21.6 percent on public safety, and 41.3 percent on public works. Spending for general government increased marginally between FY 1980 and FY 1988, while general fund expenditures remained stable over the 8-year period.

Municipalities. Taxable valuation for Libby has declined from $3,814,500 in FY 1980 to $3,066,900 by FY 1988, representing a 19.6 percent decline in the tax base. Total revenues for Libby have decreased approximately 5 percent since 1980. This decline in total revenues somewhat masks the precipitous decline in property tax revenues--from $294,562 in FY 1980 to $197,782 in FY 1988. Total expenditures for Libby have changed little since FY 1980. Public works expenditures have increased from 21 percent of the budget in FY 1980 to about 44 percent of the current budget. The city of Libby uses enterprise funding to operate their sewer and water systems. Revenues are collected from monthly fees and usually total about $500,000.

Taxable valuation in Troy increased slightly between FY 1980 and FY 1987 from $700,800 to $731,400. In FY 1988, the taxable valuation declined by $60,500. Revenues to the municipality of Troy increased nearly 56 percent between FY 1980 and 1988, from $95,959 to $149,529. Revenue from property taxes and transfers have remained stable, while revenues from other sources such as fines, fees, charges for service, and license and permits, increased from $7,070 in FY 1980 to $77,219 by 1987. Expenditures for general government in Troy usually require about one-third of the budget, whereas expenditures for public safety require approximately 40 percent of the budget. In 1987, the municipality of Troy purchased a power distribution system for approximately $600,000. This system is now operated using enterprise funding. The revenues from sales are expected to exceed $660,000 in FY 1988.

School Districts. Similar to the Lincoln County tax base, the taxable valuation for Libby School District #4 (elementary and high school) declined by approximately 5 percent between FY 1986 and 1988. Total revenues to Elementary School District #4 increased 40.5 percent between 1981 and 1988 from $3,654,071 to $5,136,205. Most of this increase was from the state equalization program which rose from $785,228 in FY 1981 to $1,883,149 by FY 1988. The per average number belonging (ANB) expenditures at the Libby Elementary School District have risen from $3,048 per student in FY 1981 to a high of $3,697 in FY 1987. In FY 1988, per ANB expenditures declined slightly to $3,593.

Total revenues at Libby High School District #4 have risen by approximately 40 percent since FY 1981. Of the total revenues raised in FY 1988, nearly 80 percent (or $2.4 million) was general fund revenues. Per ANB expenditures at the high school level peaked in FY 1987 at $4,265 per student and then declined to $4,057 for FY 1988. Since FY 1981, general fund expenditures comprised approximately 80 percent of the Libby High School budget.

Between FY 1981 and FY 1986, the taxable valuation for Troy School District #1 (high school and elementary) increased by almost 200 percent. This increase is entirely attributable to the ASARCO copper and silver mine near Troy which began production in 1981. Total revenues for Troy Elementary School District doubled between FY 1981 and FY 1988, increasing from $863,584 to $1,768,535. During this same period, general fund revenues increased from $633,645 to $1,207,639. Expenditures for Troy Elementary School District increased by over 100 percent between FY 1981 and FY 1986, while per ANB expenditures increased by over one-third during this same time period.

Revenues at Troy High School District #1 increased from $601,432 in FY 1981 to $1,080,340 by FY 1986. Since 1986, total revenues at the high school have increased approximately 15 percent. Per ANB expenditures at the high school peaked in FY 1986 at $5,470, and since that time, slight decreases in per ANB expenditures have been experienced in High School District #1.

1.2 SANDERS COUNTY

Industrial Composition. In Sanders County, there are 5 establishments which employ over 50 persons. In the wood products industry, Washington-Idaho Forest Products (W-I) is the largest single employer in the county, employing up to 140 people during full operations. The Thompson River Sawmill, east of Thompson Falls, is the other major sawmill in Sanders County, employing approximately 65 persons during full production. The largest mining employer in Sanders County is U.S. Antimony Company which operates a small mine and concentrator facility southwest of Thompson Falls. The major employer in the service sector is Clark Fork Valley Hospital in Plains. USFS is the primary government employer in Sanders County, with ranger stations in Plains and Trout Creek. There are no major state government offices in Sanders County outside of a few highway and job service employees located in Thompson Falls.

Employment Conditions. Farming-related employment in Sanders County accounted for over 13 percent of all jobs in the county, while manufacturing (wood products) accounted for 15.5 percent of all jobs. The retail trade and service sectors made up approximately 16 percent of all jobs, whereas government jobs totalled nearly 20 percent of all employment. The available civilian labor force in Sanders County increased 48 percent or by almost 1,300 persons between 1970 and 1980. However, between 1980 and 1985, the labor force declined by nearly 700 persons and, since 1985, the labor force has remained stable with 3,283 persons listed in the available civilian labor force in 1988.

The unemployment rate in Sanders County has averaged 14.5 percent since 1980, twice the unemployment rate for all of Montana. Total employment in Sanders County peaked in 1984 at 3,926 jobs, followed by a reduction of over 500 jobs by 1985. Most of this loss in jobs occurred in the service sector, decreasing from 1,008 jobs in 1984 to 555 jobs by 1985. Farm employment in Sanders County totalled approximately 450 jobs in 1986, or about 13 percent of all employment.

Total employment is projected to grow from 3,450 in 1990 to 3,520 by year 2010, representing an annual growth rate of less than 1 percent. All of the growth is projected to occur in private industry, with 220 new jobs being created in the service, retail trade, and finance sectors. The potential for developing ASARCO's Rock Creek Mine near Noxon is not reflected in the baseline projection. The Rock Creek Project would employ approximately 350 persons, which would increase mining employment to nearly 400 persons.

Income Conditions. In 1987, the average weekly wage for all workers in Sanders County was $277, nearly 13 percent less than the average for the state. The highest paying jobs in Sanders County are with the federal government, followed by jobs in transportation and utilities, state government, and mining. In 1970, per capita income for Sanders County was $3,268 or about 81 percent of the national average and 93 percent of the state average. Since that time, however, even though per capita income in Sanders County had risen to $8,724 by 1986, per

capita income was still below the national and state figures by 60 and 74 percent, respectively.

Total earnings in current dollars for Sanders County increased by over 300 percent between 1970 and 1980. Almost all sectors of the economy increased during this period. Since 1980, however, total earnings in Sanders County have changed marginally, peaking at $47.1 million in 1984, and then declining to $43.1 million by 1986. Industries that have suffered a major reduction in earnings during the 1980-86 period are wholesale trade which declined by $1.3 million, retail trade which declined by $0.8 million, and services which declined by over $3.3 million.

Total earnings in constant 1982 for Sanders County are projected to increase from $41.6 million in 1990 to $76.6 million by 2010, representing an annual rate of increase of 3.0 percent. This growth rate is higher than the 1980-85 growth rate of 0.3 percent, but is consistent with the projected state growth rate of 1.6 percent.

Fiscal Conditions. Total taxable valuation in Sanders County increased from $19.5 million in FY 1980 to $30.9 million by FY 1986. Since 1986, however, total taxable valuation for Sanders County has declined by 4.1 percent. Total revenues for Sanders County more than doubled between FY 1980 and FY 1986. Revenue increases were attributable to both increased property taxes and federal and state

intergovernmental transfers. Per capita expenditures (in real dollars) declined between 1980 and 1986 and then increased in 1988 to $439 per person. Expenditures for general government usually total about 20 percent of the budget, while expenditures for public safety make up around 10 to 15 percent of the budget.

Municipalities. The taxable valuation for Thompson Falls declined from $1.1 million in FY 1980 to $0.9 million by FY 1986. Total revenues for Thompson Falls increased from $157,865 in FY 1980 to $273,672 by 1988. Property taxes comprise about 50 percent of all revenues. Per capita expenditures (in real terms) increased from $104 per person in 1980 to $243 by 1986. Since 1986, per capita expenditures have declined to a low of $148 per person. Spending for general government operations usually amounts to about 15 to 20 percent of the budget.

School Districts. The taxable valuation in Noxon has increased dramatically since 1986 for both the high school and the elementary districts. Elementary school revenues almost doubled between 1981 and 1986, but have remained stable since that time. Per ANB expenditures at the elementary school level have declined 15.5 percent since 1986. In FY 1988, general fund expenditures comprised approximately 60 percent of the total elementary budget, while transportation accounted for 8 percent, and retirement totalled 8 percent of the budget.

Total high school revenues have increased from $462,924 in 1981 to $598,067 by 1986, but have declined by approximately 8 percent since that time. General fund revenues usually total about 70 percent of all high school revenues. Similar to revenues, expenditures for Noxon High School have declined about 8 percent since 1986 even though enrollment has remained stable. General fund expenditures make up approximately 70 percent of total spending at the high school.

The taxable valuation for Trout Creek Elementary School has nearly doubled since 1986 due to reassessment of centrally assessed utilities. Total revenues for Trout Creek Elementary have changed little over the last 8 years peaking in 1986 at $426,659 before declining to $359,063 by 1988. Per ANB expenditures have increased steadily since 1981, peaking at $5,737 per student in 1988. Total expenditures also peaked in 1988 at $418,781.

Taxable valuation for the Thompson Falls School District nearly doubled between 1981 and 1986, but since 1986, valuation has declined by approximately 8 percent. In 1988, taxable valuation was $8.1 million for the elementary school and $9.0 million for the high school.

Elementary school revenues have remained at approximately the same level ($1.5 million) since 1986. Similar to revenues, elementary school expenditures and the pattern of expenditures have changed very

little over the past 3 years. The Thompson Falls elementary school budget totals about $1.5 million of which two-thirds is spent for general fund purposes, 6 percent for transportation, and 9 percent on retirement.

High school revenues have increased by 42.6 percent since 1981, but for the last 2 years, have remained at the same approximate level--$811,000. Per ANB expenditures at the high school have declined since 1981 to $3,788 in 1988. Of the total expenditures at Thompson Falls High School, approximately three-fourths are for general fund purposes while about 8 percent is spent each on retirement and transportation.

2 DEMOGRAPHIC AND POPULATION CONDITIONS

2.1 Lincoln County

Demographic Conditions. The population of Lincoln County tends to be younger than the population of the state as a whole. In 1980, almost 9 percent females and 8 percent males of Lincoln County residents were 65 years old or over as compared to the state average of 12 percent females and 9 percent males. The median age for Lincoln County and the state are comparable at approximately 28 years old for both males and females.

In 1980, the median family income in Lincoln County was about 5 percent lower than the state figure ($17,480 for Lincoln County and $18,413 for the state). In Lincoln County, nearly 69 percent had

completed 12 years or more of school as compared to 75 percent at the state level.

Lincoln County had a slightly lower death rate than the state in all years of study (1985, 1986, and 1987), with a death rate of 8.2 per 1,000 population at the state level and 7.0 per 1,000 for the county in 1987. Cancer and heart disease were the 2 leading causes of death recorded at both the state and county levels.

Since 1940, the population of Lincoln County has more than doubled. The largest increase occurred between 1960 and 1970 due to the construction of the Libby Dam. Because the dam was constructed in the late 1960s, the 1970 census count included a number of temporary construction workers. Thus, the decline in population between 1970 and 1980 for Lincoln County is attributable to the out-migration of construction workers when the Libby Dam was completed.

The population of Lincoln County is projected to increase only marginally throughout the 20-year projection period. The natural increase (births over deaths) for Lincoln County from 1980 through 1987 was approximately 150 to 200 persons per year, so the projections for Lincoln County indicate continued out-migration from the county.

2.2 Sanders County

Demographic Conditions. In the Heron/Noxon area, there tends to be a higher proportion of females in the 18 to 64 year age category than in

the same age group in Thompson Falls, Sanders County, and Montana. The median age for both males and females was approximately 30 years old in 1980.

Sixty-eight percent of the Sanders County population had completed at least 12 years of school as compared to the 75.4 percent for the state. Median family income was $14,549 in Sanders County, over 21 percent lower than the state average of $18,413 in 1980.

The birth rate per 1,000 was lower in Sanders County (13.1 per 1,000) as compared to the state (15.1 per 1,000), while the death rate was higher at the county level (10.9 in Sanders County and 8.2 in the state per 1,000). There is a higher incidence of persons dying from heart disease and cancer in Sanders County than in Montana.

Between 1940 and 1980, the population of Sanders County increased by 25 percent or 1,749 people. This growth rate is about one-half the state growth rate for the same time period. Unlike the county, the population of Thompson Falls doubled between 1940 and 1980 increasing from 736 to 1,478 people. Since 1980, the population of both Sanders County and Thompson Falls has changed very little indicating net out-migration from both places.

The population of Sanders County is expected to increase from 8,675 in 1980 to 10,370 by year 2010, representing an annual growth rate of

about 0.6 percent. This growth rate is less than the historic annual growth rate of 0.9 percent for Sanders County that occurred between 1940 and 1980. The population of Thompson Falls is projected to increase from 1,478 in 1980 to 1,767 by the year 2010, a growth rate slower than the historical growth that occurred between 1940 and 1980.

3 SOCIAL ENVIRONMENT

3.1 Lincoln County

Social Life. The history of northwestern Montana has greatly influenced the social character, human interaction, and life-styles of current residents of the Libby area. Settlement of the region began with gold mining and a resource extractive economy has prevailed since that time with cyclical periods of high employment followed by periods of recession. In addition to the economic factors, ethnic heritage, occupations requiring strenuous physical labor, and the geographic isolation have directed the social evolution of residents of the Kootenai Valley.

The gold mining boom in southeastern British Columbia in 1859 attracted miners who passed through northwestern Montana enroute to the Canadian placer mines. While traversing the region in 1863, prospectors found placer deposits of gold on Libby Creek. A gold rush followed and the Old Town of Libby was founded by building of cabins and a store on Libby Creek, approximately 20 miles from the present city.

The construction of the Great Northern Railroad to Libby and Troy was completed in 1892. Following completion of the railroad, many new buildings were erected and businesses opened. Professional men and their families were attracted to the city because Libby was likely to become the county seat of Lincoln County.

Construction of the Great Northern Railroad also initiated the forest products industry in Lincoln County. By the 1920s, Lincoln County ranked tenth in lumber production of all counties in the United States. In 1924, Lincoln County produced more timber (i.e., 90,556,000 board feet) than all Montana counties except Missoula.

Social structure and interaction in the Libby/Troy area has been shaped primarily by geographic isolation, migration and settlement, resource extractive economy, extra-local influence on the economy, and a cyclical economy.

Large influxes of disparate ethnic groups did not have a major influence on the social character of the Libby/Troy area. Construction of the railroad brought small transient populations of Chinese and Greek, but the ethnic background of most settlers was northern European. The German and Scandinavian heritage that was originally associated with the lumber industry is evident today in Libby.

Libby area residents have adapted to the cyclic nature of the economy by living off the land (i.e., hunting, fishing, gardening, firewood gathering, and berry picking) and developing "do-it-yourself" skills. Local residents acquire vehicles, homes, and other possessions which are functional rather than ostentatious. Residents of Lincoln County, because of their livelihoods, are closely linked to the natural environment, have a conservative ethic, but do not favor preservation that would prohibit development of natural resources.

Community Services. There are 4 elementary schools, 1 junior high school, and 2 high schools in the Lincoln County study area. Libby School District #4 includes Asa Wood, McGrade, and Plummer elementary schools, Libby Junior High School, and Libby Senior High School. Troy School District #1 includes W.F. Morrison School (kindergarten through grade 8) and Troy High School (grades 9 through 12).

School enrollment of the Libby School District has decreased 17 percent during the past 9 years from 2,560 in 1980-81 to 2,126 in 1988-89. This decline in enrollment is projected to continue, reaching a low of 1,879 students by 1993-94.

The Troy School District school enrollment has fluctuated between 1980 and 1988 from a low of 571 in 1982-83 to a high of 719 in 1985-86. In the 1988-89 school year, enrollment was reported to be 685 students. Enrollment is projected to decrease during the projection period (1989 through 1993), reaching a low of 610 students by 1993-94.

Law enforcement services in the Lincoln County study area are provided by the Montana Highway Patrol, the Lincoln County Sheriff's Department, and the Troy Police Department. The Sheriff's Department is a consolidated city (Libby) and county law enforcement agency headquartered in Libby. There are 2 jail facilities in the study area--a 24-cell adult jail in Libby and a 2-cell juvenile holding facility in Troy.

Fire protection is provided by 2 rural fire districts (Libby and Troy), Libby Fire Department, Troy Fire Department, DSL, and USFS. The Libby and Troy Fire Departments (both rural and city) are volunteer departments. The rural/city Libby Fire Department has 28 volunteers and the Troy rural/city Fire Department has 25 volunteers.

Ambulance services are provided by the Libby Volunteer Ambulance Service and the Troy Volunteer Ambulance Service. The Libby Ambulance Service has an active volunteer staff of 30 with 75 percent trained as emergency medical technicians (EMTs). The Troy Ambulance Service operates with 24 volunteers with 10 certified EMTs and 3 trained in emergency mine rescue.

St. John's Community Hospital in Libby is the only public hospital in Lincoln County. In 1987, the 26-bed hospital operated at 48.7 percent capacity. The hospital has state-of-the-art equipment and offers 24-hour emergency care services. The Libby area is served by 15 licensed

physicians and the Troy area is served by 2 licensed physicians, one of which is on inactive status.

More than 50 percent of the households in Lincoln County use wells for water supply. In Libby, approximately 2,000 households are served by the municipal water system which obtains water from Flower Creek. The town of Troy receives its municipal water supply from 2 wells and O'Brien Creek. The Troy municipal system provides water to an estimated 450 residences and 53 commercial establishments.

Approximately 76 percent of the households in Lincoln County, including the town of Troy, utilize septic tanks for wastewater disposal. The city of Libby has operated a public wastewater treatment facility since 1964, and in 1985, converted from a primary to a secondary treatment facility (i.e., an activated sludge oxidation ditch system).

Lincoln County operates a solid waste district for collection and disposal of solid waste. The 2 landfills in the study area are located in Libby and Troy. Only solid inert material can be disposed at the Troy landfill site.

The Human Services Office is located in Libby. Funding for the social welfare program comes from state, federal, and county sources; however, the state administers the program. Services include aid to

families with dependent children, food stamps, medical services, general assistance, and fuel assistance.

The Lincoln County Department of Environmental Planning prepared the Lincoln County Land Use Plan in 1982. The Plan describes proposed land use patterns for the county as a whole and separately for each of 5 valleys where development may occur. Environmental planning in the Libby area is currently focused on 2 issues--the Air Pollution Control Compliance Plan and the Superfund Libby Groundwater Site Remedial Plan.

3.2 Sanders County

Social Life. Sanders County, like Lincoln County, was first explored by David Thompson in the early 1800s. Thompson Falls, the county seat of Sanders County, came into existence with construction of the Northern Pacific Railroad in 1881. Although Thompson Falls did not experience a "boom" associated with mining, mines in Sanders County have produced gold, silver, copper, lead, and zinc. Metal production in Sanders County in 1939 was greater than metal production in any other northwestern Montana county.

Early in the history of the town of Thompson Falls, the hydropower potential of the Clark Fork River was recognized. The Thompson Falls Power Company was organized in 1890, and the Montana Power Company began negotiations to construct a dam and power plant in 1912. The dam and power plant were constructed at Thompson Falls in 1916.

The population of Sanders County is relatively sparse and dependent upon the natural resources of the area for employment, recreation, and in some cases subsistence. The limited possibilities for diversity of employment and life-styles have limited contact between the local population and significant numbers of different types of people from outside the area. The relative isolation of the population in Sanders County tends to have a homogenizing effect, resulting in the sharing of common life experiences and the development of similar perspectives toward life. Generally, the people of Sanders County are similar to Lincoln County residents in their social values and world view.

Community Services. In the Sanders County study area, there are 3 elementary schools, 1 junior high school, and 2 high schools. Thompson Falls School District #2 is the largest school district in the county and includes 1 elementary, 1 junior high, and 1 high school. Trout Creek School District #6 serves kindergarten through 8, and Noxon School District #10 has an elementary school (kindergarten through grade 8) and high school (grades 9 through 12).

During the period of 1980 to 1988, school enrollment of Thompson Falls School District fluctuated from a high of 650 in 1985-86 to a low of 587 in 1988-89. School enrollment is projected to continue to decline, reaching a low of 482 students by 1993-94.

School enrollment of Trout Creek School District has remained fairly stable between 1980 and 1987 at an average of 83 students. Between

1987-88 and 1988-89, school enrollment increased by 13.6 percent to 100 students. Enrollment is projected to remain at this level through 1993-94.

Noxon School District enrollment has fluctuated during the 1980-88 period from a high of 299 in 1982-83 to a low of 263 in 1987-88. School enrollment in the 1988-89 school is slightly higher than in 1987-88 with a reported enrollment of 278 students. School enrollment is projected to remain fairly stable at an average of 263 students through 1993-94.

Law enforcement services in the Sanders County study area are provided by the Montana Highway Patrol, the Sanders County Sheriff's Department, and the Thompson Falls Police Department. The Sheriff's Department is headquartered in Thompson Falls and is staffed by a sheriff, undersheriff, 5 deputies, and 7 support personnel; whereas, the Thompson Falls Police Department employs 2 full-time officers.

Fire protection is provided by 4 rural fire districts (Thompson Falls Rural, Trout Creek, Noxon Rural, and Heron), Thompson Falls City Fire Department, DSL, and USFS. The fire departments are staffed by volunteer firefighters.

There are 2 volunteer ambulance services in the Sanders County study area--one in Thompson Falls and the other in Noxon. The Thompson

Falls Ambulance Service has 11 volunteers, with 8 certified as EMTs and 4 trained and licensed to operate defibrillator equipment. The Noxon Ambulance Service is staffed by 18 volunteers, with 9 certified as EMTs.

Clark Fork Valley Hospital in Plains is the only licensed hospital in Sanders County. The 16-bed, privately-owned hospital operated at 34.8 percent capacity in 1987. The hospital offers 24-hour emergency care and has a helipad for air ambulance service.

Rural households within the Sanders County study area, not within the water service areas of Thompson Falls, Trout Creek, and Noxon, rely upon wells for water supply. The sources for the municipal water supply in Thompson Falls are Ashley Creek and 2 wells. In Trout Creek and Noxon, wells are the primary sources for the municipal water system.

Septic tanks are used for wastewater disposal in rural households in Sanders County, including the communities of Trout Creek, Noxon, and sections of Thompson Falls. The municipal wastewater treatment facility in Thompson Falls is a 3-cell aeration system that serves the business district and private residences south of the Burlington Railroad tracks.

There is no countywide solid waste district in Sanders County, rather each local community has a refuse board responsible for overseeing

solid waste operations in their area. Private contractors provide refuse collection and disposal services. There is a 10-acre landfill site about 11 miles west of Thompson Falls and an 80-acre site near Trout Creek. Feasibility studies are currently being conducted to determine whether the county should establish a countywide district and haul the refuse to a different county.

The social welfare program through the Human Services Office in Thompson Falls receives funding from county, state, and federal sources. The county-administered program provides services for aid to families with dependent children, food stamps, medicaid, and general assistance.

There is no formal planning board or planner, rather the county commissioners make the planning decisions on an as-needed basis. Air pollution is a problem in the Thompson Falls area and is being monitored daily. It is anticipated that the air quality will exceed EPA standards and, as a result, an Air Quality Control Compliance Plan would need to be prepared.

4 HOUSING

4.1 Lincoln County

In 1980, the U.S. Bureau of the Census reported that Lincoln County had 6,815 year-round housing units. Of the 6,063 occupied housing units, 74.7 percent were occupied by owners. The percent of owner-

occupied housing units was slightly higher than the state percent of 68.4 percent in 1980.

There are 6 realtors operating in Libby and Troy and, of these 6 realtors, 4 list their real estate for sale with the Multiple Listing Service. On November 4, 1988, in the Troy and Libby area, the Multiple Listing Service had 91 residential listings for sale (30 residential with acreage and 61 residential without acreage) and 55 parcels of land for sale (44 with less than 6 acres, 9 with 6 to 25 acres, and 2 with more than 25 acres).

4.2 Sanders County

Sanders County had 3,601 year-round housing units in 1980, with 3,180 occupied dwellings. Almost 77 percent of the occupied dwellings were owner occupied as compared to 68.6 percent for the state.

The real estate classified section of the Sanders County Ledger, a weekly newspaper in Thompson Falls, was monitored for 6 months in 1988 to determine the availability of real estate for sale and housing units for rent. During this 6-month monitoring period, there was an average of 18 homes and 8 mobile homes a week listed for sale. Rental units were limited with an average of 3 homes, 3 apartments, and 2 mobile homes listed for rent weekly.

I. INTRODUCTION

U.S. Borax initiated baseline studies as part of the operating permit requirements for mining a silver/copper deposit located beneath the Cabinet Mountains Wilderness Area in the Kootenai National Forest, Sanders and Lincoln counties, Montana. The Montana Department of State Lands (DSL) and the Kootenai National Forest, primary agencies responsible for permitting mining operations, and U.S. Borax collectively developed a Plan of Study (POS) that defined the nature and extent of the baseline work (see Attachment A). Baseline studies were initiated in the spring of 1988.

In September 1988, Noranda Minerals Corp. (Noranda) and Montana Reserves formed a joint venture and purchased the silver/copper deposit from U.S. Borax and named the project the "Montana Project." Noranda, the designated project manager, continued the mine development activities that had been initiated by U.S. Borax.

A number of alternative sites were identified for portals, the processing plant, tailings disposal, and ancillary facilities. After reviewing the alternative sites, Noranda developed the proposed mining program described in the Application for a Hard-Rock Mine Operating Permit submitted to DSL. The operating permit application also serves as a proposed Plan of Operation to the Kootenai National Forest.

The operating permit application describes the project as a 20,000 ton per day operation accessed from 2 (twin) portals in Ramsey Creek; a mill site located adjacent to the Ramsey Creek portals; a portal in Libby Creek; 2 portals in the Rock Creek drainage for ventilation and emergency access; and a tailings impoundment in the Little Cherry Creek drainage. Access to the Ramsey Creek mine site would be via the existing Bear Creek Road. A new transmission line from Pleasant Valley to the mine site would provide

electricity for the proposed mining operation. It is projected that approximately 400 workers would be employed by Noranda, with most mining positions being filled by the local available work force.

Economic Consultants Northwest, under contract to Noranda, has prepared this appendix to the operating permit application. This report describes the existing social and economic environment of the defined study area in portions of Lincoln and Sanders counties, Montana. All work conducted complies with the Agreed-Upon POS (Attachment A) submitted to DSL and the Kootenai National Forest.

II. ECONOMIC ENVIRONMENT

The study area for the proposed Montana Project includes the southwestern portion of Lincoln County and the northwestern portion of Sanders County. Incorporated municipalities within the study area in Lincoln County are Libby and Troy. In Sanders County, Thompson Falls is the only incorporated municipality within the study area.

A. Lincoln County

1. Industrial Composition

The manufacturing sector, which includes timber harvesting and wood products manufacturing, represents 17.7 percent of all businesses in the county (Table 1). The major employer in the wood products industry is Champion International located in Libby, Montana. Champion International employs approximately 700 persons at full production and, depending on the time of year, also contracts with several hundred independent loggers. Other major wood products employers in Lincoln County include Owens & Hurst Lumber Company in Eureka, Plum Creek Timber Company in Fortine, and Gwynn Lumber Company in Eureka.

The wood products industry in Lincoln County relies not only on a national housing and construction market for selling products but also on the local availability of timber. These 2 factors together with the seasonality problem of harvesting timber create a very complicated and highly cyclical economy. Unemployment rates for the wood products industry vary from year-to-year and from season-to-season, ranging from almost 20 percent during the winter to around 10 percent during the summer.

TABLE 1

PRIVATE ESTABLISHMENTS BY EMPLOYMENT SIZE -
LINCOLN COUNTY, MONTANA

Category	Total Number of Establishments	Number of Employees				
		1-4	5-9	10-19	20-50	Over 50
All Establishments	492	336	85	44	21	6
Mining	3	1	0	0	0	2
Construction	27	22	4	1	0	0
Manufacturing	87	45	21	13	6	2
Transportation	22	14	4	2	2	0
Wholesale Trade	12	6	5	1	0	0
Retail Trade	138	84	32	15	6	1
Finance, Insurance, & Real Estate	16	13	0	1	2	0
Services	123	91	17	9	5	1
Other	64	60	2	2	0	0

Source: U.S. Department of Commerce, Bureau of the Census, 1986. County Business Patterns.

Three mining employers in Lincoln County account for approximately 7 percent of all county employment. In 1979, ASARCO, Inc. developed the Troy Unit, a silver and copper mine near the town of Troy, that currently employs approximately 350 workers. The other dominant mining operation in Lincoln County is W.R. Grace, Inc., which operates a vermiculite mine. This mine employs approximately 175 persons during full operations.

Other major private employers in Lincoln County are in the retail trade and services sector. The key employer in the services sector is St. John's Lutheran Hospital in Libby. Other large services sector employers include Pacific Power and Light and The General Telephone Company.

The largest government employers in Lincoln County are USFS, U.S. Army Corps of Engineers, Bonneville Power Administration, Lincoln County, Libby and Troy School Districts, and the municipalities of Libby and Troy. USFS maintains ranger district offices in Libby, Troy, Yaak, Canoe Gulch, and Eureka, while the Kootenai National Forest Supervisor's Office is located in Libby. Total USFS employment in the county is approximately 300 full-time employees.

2. Employment Conditions

Employment conditions for Lincoln County are presented in terms of the characteristics of the types of employment, historical trends of employment, and baseline employment projections for the county. Principal data sources for this analysis included the U.S. Bureau of Economic Analysis, the Montana Department of Labor and Industry, and the National Planning Association Data Services, Inc.

a. Employment Characteristics. Table 2 lists the percent of total employment by industry groups in Lincoln County and Montana. Manufacturing

TABLE 2

1985 EMPLOYMENT BY INDUSTRY AS A PERCENT OF TOTAL -
MONTANA AND LINCOLN COUNTY

Category	Montana	Lincoln County
Total Employment	100.0%	100.0%
Farm	8.0%	4.0%
Private	73.8%	76.1%
Mining	1.9%	7.5%
Manufacturing	6.0%	20.3%
Construction	5.5%	4.2%
Retail	17.9%	13.8%
Services	24.1%	17.1%
Other	18.4%	13.2%
Government	18.2%	19.9%
Federal (civilian)	3.2%	7.7%
Federal (military)	2.0%	1.3%
State and Local	13.0%	10.9%

Source: U.S. Department of Commerce, Bureau of Economic Analysis, 1985.

(wood products industry) is the primary industry in Lincoln County and comprises approximately 20 percent of all county employment. Manufacturing is followed by the services and retail trade sectors which employ approximately 17 percent and 14 percent, respectively. Approximately 8 percent of all workers in the county are employed by the federal government (primarily USFS), whereas almost 11 percent are employed by state and local governments. The major difference between Lincoln County and Montana employment distribution is the importance of the wood products industry and mining in Lincoln County. In Lincoln County, mining accounts for approximately 7.5 percent of all jobs, while only 2 percent of all employment in the state occurs in this sector.

The civilian labor force in Lincoln County has grown from 7,275 in 1970 to 8,725 by 1988, representing a 19.9 percent increase in 18 years (Table 3). This is a much slower growth rate when compared to the 47.3 percent increase in the statewide labor force over the same period.

The unemployment rate in Lincoln County has varied from 8.9 percent in 1970 to a high of 15.5 percent in 1980 (Table 3). Since 1980, the unemployment rate in Lincoln County has averaged about 11 percent of the civilian labor force. This rate is higher than the state rate which has averaged 7 percent over the last 18 years. In addition, the Lincoln County unemployment rate within any year has varied between 10 and 18 percent due to the seasonality of the wood products industry.

As measured by the 1980 census, the total labor force in Lincoln County is comprised of nearly 40 percent females which is consistent with the state average of 41 percent (Table 4). The major source of employment for females in Lincoln County is the retail trade and services sector, whereas

TABLE 3

RESIDENT CIVILIAN LABOR FORCE -
MONTANA AND LINCOLN COUNTY, SELECTED YEARS

Location/Category	1970	1980	1985	1986	1987	1988
Montana						
Civilian Labor Force	273,000	371,000	405,000	407,000	403,000	402,000
Employed Persons	261,000	348,000	374,000	374,000	373,000	374,000
Unemployed Persons	12,000	23,000	31,000	33,000	30,000	28,000
Unemployment Rate	4.4%	6.2%	7.7%	8.1%	7.4%	7.0%
Lincoln County						
Civilian Labor Force	7,275	6,999	8,719	8,823	8,704	8,725
Employed Persons	6,628	5,918	7,688	7,812	7,760	7,703
Unemployed Persons	647	1,081	1,031	1,011	944	1,022
Unemployment Rate	8.9%	15.5%	11.8%	11.5%	10.9%	11.7%

Note: Data for 1988 are based upon 12 month moving average through August 1988.

Source: Montana Department of Labor and Industry, Research and Analysis Bureau, Helena, Montana. November 1988.

TABLE 4

LABOR FORCE DISTRIBUTION BY SEX -
LINCOLN COUNTY, 1980

Industry Group	Male	Female
All Industries	60.6%	39.4%
Agriculture	67.0%	33.0%
Construction	88.7%	11.3%
Manufacturing	90.0%	10.0%
Transportation	88.4%	11.6%
Retail	39.1%	60.9%
Services	45.3%	54.7%
Government	51.8%	48.2%

Source: U.S. Department of Commerce, Bureau of the Census, 1980 Census.

males are most often employed in the manufacturing, construction, and transportation sectors.

Table 5 presents the number of job applicants by mine-related occupational groups registered at the Libby Job Service Office. The groups presented in this table are applicants that could be trained to work in jobs related to construction and operation of underground mines such as the proposed Montana Project. The total number of applicants varied between 900 and 1,300 over the 1-year monitoring period.

Table 6 lists characteristics of unemployed persons (i.e., based on a portion of those receiving unemployment compensation) in Lincoln County and Montana during May 1988. Eighty percent of the unemployed were males with the majority between the ages of 22 and 64. Of the 185 claimants of the Libby Job Service Office, 114 or over 61.6 percent were related to manufacturing, while the next largest industry for unemployed in Lincoln County was the services and retail trade sectors.

Lincoln County is comparable to the state with respect to age and sex distribution of unemployed people; however, differences exist by type of industry (Table 6). At the state level, the largest share of unemployed persons are associated with retail trade, manufacturing, and services sectors, whereas in Lincoln County, the majority of unemployed are associated with the manufacturing sector.

b. Employment Trends. Table 7 presents employment by industry in Lincoln County for selected years from 1970 through 1986. The figures listed in Table 7 are job-specific rather than resident-specific as previously reported in total labor force figures. As shown in Table 7, total employment in Lincoln County has increased little between 1970 and 1986, with the major

TABLE 5

JOB APPLICANTS -
LIBBY JOB SERVICE OFFICE

Occupation Category	1987			1988							
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Equipment Operators	136	108	96	116	153	166	157	NA	141	148	118
Truck Drivers	98	37	91	99	123	134	133	NA	120	91	100
Technicians (Mine-Related)	134	96	102	78	158	186	156	NA	141	145	115
Mechanics	58	18	40	13	68	71	64	NA	57	61	47
Laborers	635	540	484	573	715	731	736	NA	792	733	609
Other	197	178	169	53	220	245	242	NA	215	227	167

Note: Equipment operators include heavy equipment operators and log tractor operators. Truck drivers include tractor/trailer drivers, truck drivers (heavy), and truck drivers (light). Technicians (mine-related) include pipe fitters, plumbers, electrician/linemen, ironworkers, boilermakers, welders, sheet metal workers, carpenters, millwrights, cement finishers, and brick layers. Mechanics include auto mechanics, diesel mechanics, and small engine mechanics. Laborers include laborers (construction), laborers (store), fallers, loggers, and sawmill workers. Other includes material handlers.

Source: Montana Job Service, Libby, Montana.

TABLE 6

UNEMPLOYMENT CHARACTERISITCS - LINCOLN COUNTY
AND MONTANA, MAY 1988

Characteristic	State of Montana	Libby Job Service Office
Total Unemployed	3,321	185
Age/Sex Distribution		
Male	2,258	148
Under 22 years of age	92	9
22 to 64 years of age	2,139	131
65 and older	27	8
Female	1,063	37
Under 22 years of age	57	4
22 to 64 years of age	995	33
65 and older	11	0
Industrial Distribution		
Agricultural Services	25	2
Mining	106	3
Construction	471	5
Manufacturing	703	114
Transportation and Utilities	212	15
Retail Trade	797	16
Finance	86	6
Services	624	16
Government	77	8
Other Non-classified	220	0

Source: Montana Department of Labor and Industry, Research and Analysis Bureau, Helena, Montana, 1988.

TABLE 7

EMPLOYMENT BY INDUSTRY, LINCOLN COUNTY, 1970 AND 1980-86

Industry	1970	1980	1981	1982	1983	1984	1985	1986
Total Employment	7,042	6,948	7,024	6,852	7,397	7,393	7,357	7,590
Farm	133	251	268	286	303	298	295	294
Nonfarm	6,909	6,697	6,756	6,566	7,094	7,095	7,062	7,296
Private	5,732	5,101	5,270	5,057	5,603	5,540	5,597	5,884
Agricultural Services	92	167	135	171	235	253	238	270
Mining	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Construction	1,610	419	424	415	414	307	311	323
Manufacturing	1,731	1,421	1,436	1,092	1,397	1,425	1,497	1,545
Transportation, Communication, and Public Utilities	347	447	357	326	345	359	338	372
Wholesale Trade	73	82	94	91	97	93	96	91
Retail Trade	853	999	1,054	1,001	1,098	1,064	1,015	1,047
Finance, Insurance, and Real Estate	118	256	264	276	290	285	296	320
Services	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Government	1,177	1,596	1,486	1,509	1,491	1,555	1,465	1,412
Federal (civilian)	457	759	704	670	676	611	570	507
Federal (military)	142	107	84	81	96	100	99	107
State and Local	578	730	698	758	719	844	796	798

(D) = Data not shown to avoid disclosure.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, May 1988.

increase in number of employees in the government and services sector. The increase in jobs in the government sector occurred primarily in state and local governments.

Employment in the wood products industry (manufacturing) has changed little since 1980, except in 1982 when employment declined by 24 percent. In 1986, manufacturing (wood products) comprised 1,545 of the total 7,590 jobs, or approximately 20.4 percent of all jobs in the county.

Farm employment, while not a major contributor to the job market, almost doubled between 1970 and 1980, but has remained at about the same level since that time. Farm jobs comprise less than 4 percent of all jobs in Lincoln County (Table 7).

Mining employment is not listed in Table 7 to avoid disclosure of confidential information. As previously stated, however, the 2 major employers (ASARCO and W.R. Grace) employ approximately 500 to 550 persons, or over 95 percent of mine employees in the county.

The construction industry decreased dramatically between 1970 and 1980 (74 percent decline). Between 1980 and 1986, construction employment has steadily declined from 1,610 to 323 employees by the end of the 7-year period (Table 7). The primary reasons for the large decrease in construction levels were the completion of the Libby Dam following the 1970 census and the completion of the ASARCO Troy Mine following the 1980 census.

Total number of government jobs decreased by 11.5 percent between 1980 and 1986, primarily due to the reduction of the federal government civilian work force. In 1980, federal employment was 759 persons, but by 1986, had fallen to 507 persons, representing a 33 percent decline (Table 7). State and local government employment increased markedly between 1970 and

1980; however, between 1980 and 1986, employment in this sector increased just over 9 percent, a growth rate of less than 1 percent per year.

c. Baseline Employment Projections. Baseline employment projections presented in Table 8 were developed by the National Planning Association Data Services, Inc. in Washington, D.C. Attachment B describes in detail the methodology used to project employment in Lincoln County.

As illustrated in Table 8, total employment is projected to increase 7.4 percent from 7,660 in 1990 to 8,230 persons by year 2005 and remain at about that level through year 2010. This increase represents an annual growth rate of 0.3 percent which is identical to the historical 1970-85 growth rate of 0.3 percent.

Most employment growth between the years 1986 and 2010 is projected to occur in private industry; more specifically, the services sector is expected to grow 45.5 percent or by 510 jobs, while the retail trade sector is projected to increase by approximately 7 percent or by 73 jobs. Manufacturing (wood products) is projected to decrease by approximately 425 jobs by year 2010, a 28 percent increase.

All categories of employment within the government sector are projected to increase slightly throughout the 20-year projection period. State and local government employment is projected to increase by 122 jobs, while federal civilian employment is projected to increase by approximately 143 jobs.

3. Income Conditions

Income conditions for Lincoln County are presented in terms of the characteristics of the types of earnings, historical trends in earnings, and baseline income projections for the county. Principal data sources for this

TABLE 8

EMPLOYMENT PROJECTIONS IN LINCOLN COUNTY, BY INDUSTRY, 1990 TO 2010

Industry	1990	Projected 1995	2000	2005	2010
Total Employment	7,660	7,860	8,070	8,230	8,220
Farm	330	360	370	370	370
Non-farm	7,330	7,500	7,700	7,860	7,850
Private	5,850	5,970	6,110	6,220	6,170
Agricultural Services	320	370	430	470	480
Mining	760	830	870	860	810
Construction	250	200	170	160	140
Manufacturing	1,460	1,360	1,280	1,210	1,120
Transportation, Communications, and Public Utilities	370	370	370	370	360
Wholesale Trade	90	90	90	90	90
Retail Trade	1,030	1,060	1,090	1,120	1,120
Finance, Insurance, and Real Estate	340	370	400	420	420
Services	1,230	1,310	1,410	1,520	1,630
Government	1,480	1,530	1,590	1,640	1,680
Federal (civilian)	540	570	600	630	650
Federal (military)	110	110	110	110	110
State and Local	830	850	880	900	920

Note: Data may not add to total due to rounding.

Source: National Planning Association Data Services, Inc., Washington, D.C., February 1989.

analysis included the U.S. Bureau of Economic Analysis, the Montana Department of Labor and Industry, and the National Planning Association Data Services, Inc.

a. Income Characteristics. In 1987, the average wages for all workers in Lincoln County was $334 per week (Table 9), nearly 6 percent higher than the average wages of all workers in Montana. Within industry groups, the average wage in Lincoln County is less than the state average for corresponding groups, except for local government jobs (Table 9). The highest paying jobs in Lincoln County are mining jobs which pay over 50 percent more than the average job in the county. Federal government jobs are the next highest paying jobs, paying over one-third more than the average job in the county. The lowest paying jobs in Lincoln County (and in the state) are associated with the services and retail trade sectors. Services sector jobs in Lincoln County pay 65.8 percent of the state average of jobs in this sector.

Table 10 lists per capita income for the United States, Montana, and Lincoln County. In 1970, per capita income for Lincoln County was $3,279, or about 81 percent of the United States average and 93 percent of the state per capita income. By 1980, per capita income in Lincoln County had increased to $8,960, and had proportionally increased when compared to the United States per capita income (90 percent) and the state per capita income (slightly higher than the state average). However, since 1980, per capita income for Lincoln County, although increasing each year, has declined to about two-thirds of the national per capita income and 80 percent of the state average. In 1986, per capita income for residents of Lincoln County was $9,379, over

TABLE 9

AVERAGE WEEKLY WAGES -
MONTANA AND LINCOLN COUNTY, 1987

Industry Group	Montana Average Weekly Wage	Lincoln County Average Weekly Wage	Lincoln County Percent of State	Lincoln County Percent of County Average
All Industries	$316	$334	105.7%	100.0%
Mining	561	511	91.1%	153.0%
Federal Government	470	449	95.5%	134.4%
Manufacturing	414	412	99.5%	123.4%
Transportation	445	362	81.4%	108.4%
State Government	387	330	85.3%	98.8%
Local Government	324	330	101.9%	98.8%
Wholesale Trade	381	324	85.0%	97.0%
Construction	396	323	81.6%	96.7%
Finance, Insurance, & Real Estate	354	234	66.1%	70.1%
Agricultural Services	232	205	88.4%	61.4%
Services	266	175	65.8%	52.4%
Retail Trade	182	156	85.7%	46.7%

Source: Montana Department of Labor and Industry, Research and Analysis Bureau, Helena, Montana, 1987.

TABLE 10

PER CAPITA INCOME -
UNITED STATES, MONTANA, AND LINCOLN COUNTY,
SELECTED YEARS 1970 TO 1986

			Lincoln County		
Year	United States	Montana	Amount	Percent of United States	Percent of Montana
1970	$ 4,051	$ 3,528	$3,279	80.9%	92.9%
1980	9,919	8,924	8,960	90.3%	100.4%
1981	10,949	9,874	7,879	72.0%	79.8%
1982	11,480	10,084	7,884	68.7%	78.2%
1983	12,098	10,424	8,748	72.3%	83.9%
1984	13,114	10,836	8,692	66.3%	80.2%
1985	13,895	11,021	8,876	63.9%	80.5%
1986	14,606	11,726	9,379	64.2%	80.0%

Source: U.S. Department of Commerce, Bureau of Economic Analysis, 1988.

$5,000 less than the national per capita income and over $2,000 less than the state per capita figure of $11,726.

b. Income Trends. Total earnings in current dollars nearly doubled between 1970 and 1980 (Table 11), representing an annual growth rate of 5.1 percent compared to the state growth rate of 9.7 percent. Since 1980, total earnings for Lincoln County have increased from $94,156,000 to $126,123,000, representing an annual growth rate of 5.0 percent, or about the same change as the historical 1970-80 rate.

Table 11 does not show earnings for the mining sector because only 3 establishments reported earnings.[1] Furthermore, earnings from the services sector are not shown to leave at least 2 industry groups without disclosure. The total earnings figure for Lincoln County, however, reflects earnings from both of these groups.

In 1970, major sources of personal income for Lincoln County were construction (Libby Dam) and manufacturing (wood products), generating 61 percent of all earnings in the county. By 1980, following construction of the ASARCO Troy Unit, earnings from construction fell to less than half of the earnings generated in 1970. However, this decline in earnings was offset by a major increase in earnings in manufacturing (96 percent), government (298 percent), transportation (183 percent), and retail trade (100 percent).

Since 1980, earnings from manufacturing have continued to increase at approximately the same annual rates as between 1970 and 1980. Earnings from the construction industry have fallen by 25 percent from 1980 levels due to the completion of the Libby Dam; however, earnings from the mining industry

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[1]To avoid disclosing confidential information, earnings are not reported for the mining sector.

TABLE 11

EARNINGS BY MAJOR SOURCE, LINCOLN COUNTY, 1970 AND 1980-86
(in thousands of current dollars for applicable years)

Industry Group	1970	1980	1981	1982	1983	1984	1985	1986
Total Earnings	$56,768	$94,156	$106,736	$101,874	$119,616	$119,363	$120,007	$126,123
Farm	635	833	615	647	455	712	640	1,176
Non-farm	56,133	93,323	106,121	101,227	119,161	118,651	119,367	124,947
Private	48,961	71,920	83,081	76,992	93,409	91,596	91,928	98,129
Agricultural Services	271	538	1,353	(340)	4,153	3,641	1,802	2,316
Mining	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Construction	19,781	8,185	9,842	9,407	9,467	5,905	6,303	6,258
Manufacturing	15,122	29,608	33,433	25,105	33,428	33,902	34,754	36,755
Transportation, Communication, and Public Utilities	3,082	8,711	6,462	6,599	7,153	7,594	7,545	7,978
Wholesale Trade	565	1,491	1,504	1,414	1,320	1,451	1,717	1,771
Retail Trade	4,225	8,489	9,127	8,654	10,180	9,890	9,692	10,046
Finance, Insurance, and Real Estate	537	1,606	1,586	1,462	1,636	1,586	1,640	1,901
Services	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Government	7,172	21,403	23,040	24,235	25,752	27,055	27,439	26,818
Federal (civilian)	3,810	12,367	12,970	13,228	13,811	13,709	13,623	12,435
Federal (military)	174	307	288	321	428	477	504	580
State and Local	3,188	8,729	9,782	10,686	11,513	12,869	13,312	13,803

Notes: Data may not add to totals due to rounding.
(D) = Data not shown to avoid disclosure.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, May 1988.

have offset the decline and have provided Lincoln County with a new major source of income.

Government earnings tripled between 1970 and 1980 and, since 1980, have increased approximately 25 percent. Most of this increase is attributable to earnings by state and local government employees.

c. Baseline Income Projections. Baseline earnings projections presented in Table 12 were developed by the National Planning Association Data Services, Inc. in Washington, D.C. Attachment B describes in detail the methodology used to project earnings in Lincoln County.

Total earnings for Lincoln County in constant 1982 dollars are projected to increase from $126.1 million in 1986 to $204.5 million by 2010, representing an annual rate of increase of 2.0 percent (Table 12). This growth rate is less than the 1980-86 growth rate of 2.8 percent, but is consistent with the projected state growth rate of 1.6 percent over the same period.

Most of the projected growth in earnings would come from the private and the government sectors (Table 12). Growth is also expected in farm earnings, increasing from $1,176,000 in 1986 to $5,460,000 by year 2010.

4. Fiscal Conditions

a. Lincoln County. Total taxable valuation peaked in Lincoln County in fiscal year (FY) 1986 at $36.5 million (Table 13). Since that time, taxable valuation has dropped 14.4 percent with no accompanying decrease in population.

The major component of the tax base in Lincoln County is land and improvements (residential, commercial, and industrial) which amounts to nearly 46 percent of the total tax base. Centrally assessed utilities,

TABLE 12

PROJECTED EARNINGS IN LINCOLN COUNTY, BY INDUSTRY, 1990 TO 2010
(Thousands of Constant 1982 Dollars)

Industry	Projected				
	1990	1995	2000	2005	2010
Total Earnings	$120,720	$139,270	$159,730	$181,440	$204,500
Farm	1,840	2,710	3,590	4,520	5,460
Non-farm	118,880	136,560	156,140	176,920	199,040
Private	93,980	109,080	126,080	144,210	163,770
Agricultural Services	2,600	3,570	4,840	6,190	7,620
Mining	19,190	24,420	28,710	32,110	34,880
Construction	4,480	4,170	4,060	4,150	4,350
Manufacturing	31,940	33,640	35,840	38,070	40,310
Transportation, Communications, and Public Utilities	7,450	8,590	9,960	11,430	12,920
Wholesale Trade	1,630	1,880	2,170	2,460	2,820
Retail Trade	9,820	11,400	13,290	15,320	17,510
Finance, Insurance, and Real Estate	2,140	3,190	4,520	6,060	7,800
Services	14,730	18,220	22,690	28,420	35,560
Government	24,900	27,480	30,060	32,710	35,270
Federal (civilian)	11,680	12,910	14,040	15,130	16,190
Federal (military)	590	710	830	960	1,100
State and Local	12,630	13,860	15,190	16,620	17,980

Source: National Planning Association Data Services, Inc., Washington, D.C., February 1989.

TABLE 13

LOCAL GOVERNMENT FINANCES -
LINCOLN COUNTY

Category	1979-80 Amount	1979-80 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
Taxable Valuation ($000)	$29,138.9	100.0%	$36,525.6	100.0%	$35,497.2	100.0%	$31,276.2	100.0%
Land & Improvements	13,127.4	45.1%	14,683.1	40.2%	14,745.3	41.5%	14,277.9	45.7%
Centrally Assessed Property	5,739.3	19.7%	11,191.6	30.6%	10,106.9	28.5%	7,319.9	23.4%
Personal Property	10,272.2	35.3%	10,650.9	29.2%	10,645.0	30.0%	9,678.4	30.9%
Mill Levies	25.84	100.0%	44.83	100.0%	42.55	100.0%	42.53	100.0%
General Fund	3.05	11.8%	12.38	27.6%	9.80	23.0%	9.80	23.0%
Poor	9.29	36.0%	12.00	26.8%	12.00	28.2%	12.00	28.2%
Other	13.50	52.2%	20.45	45.6%	20.75	48.8%	20.73	48.7%
All Revenues	$4,034,667	100.0%	$6,711,427	100.0%	$5,680,163	100.0%	$5,786,890	100.0%
Property Taxes	759,188	18.8%	1,426,917	21.3%	1,327,871	23.4%	1,350,312	23.3%
Transfers	2,497,168	61.9%	3,619,533	53.9%	2,876,387	50.6%	2,753,913	47.6%
Other	778,311	19.3%	1,664,977	24.8%	1,475,905	26.0%	1,682,665	29.1%
All Expenditures	$3,758,357	100.0%	$6,130,355	100.0%	$5,612,418	100.0%	$5,804,666	100.0%
General Government	1,143,337	30.4%	1,291,440	21.1%	1,461,436	26.0%	1,356,003	23.4%
Public Safety	608,668	16.2%	1,323,134	21.6%	1,176,011	21.0%	1,253,201	21.6%
Public Works	1,273,652	33.9%	2,783,189	45.4%	2,120,839	37.8%	2,396,775	41.3%
Public Health	320,042	8.5%	342,578	5.6%	360,686	6.4%	360,654	6.2%
Other	412,658	11.0%	390,014	6.4%	493,446	8.8%	438,033	7.5%
Population	17,752		19,000		19,000		19,000	
Real Per Capita Expenditures	$212		$323		$295		$306	
General Fund Statistics								
Revenues	$1,211,098		$2,192,063		$1,961,011		$2,246,488	
Expenditures	1,586,413		2,238,709		2,302,864		2,459,181	
Per Capita Expenditures	89		118		121		129	
Expenditures (1987 Dollars)	2,175,070		2,365,542		2,371,486		2,459,181	
Per Capita Expenditures (1987 Dollars)	123		125		125		129	

Sources: 1) Montana Tax Foundation, Inc., Helena, Montana.
2) Montana Department of Commerce, Local Government Services Division, Helena, Montana.

including net and gross proceeds from mines, accounts for an additional 23 percent of the tax base. The remaining portion of the tax base (31 percent) comes from valuation of personal property. The development of the wood products industry, mining, Burlington Northern Railroad property, and Libby Dam have allowed for a firm tax base in Lincoln County, and together with the federal government landholdings (and consequently payments in lieu of property taxes), have stabilized revenues to the county government.

While taxable valuation increased slightly between FY 1980 and FY 1988, the number of mill levies increased from 25.84 to 42.53 or 65 percent. In FY 1988, the major component of mill levies was the 12 mill levy for the poor fund. The next highest mill rate was for the general fund (9.8 mills) followed by a 5.83 mill levy for district court purposes. The general fund portion of the mill levies increased over 300 percent between 1980 and 1988, from 3.05 in FY 1980 to 9.8 in FY 1988. No special mill levies are administered in Lincoln County to fund maintenance and construction of roads and bridges.

The major revenue source to Lincoln County government is intergovernmental transfers (47.6 percent in FY 1988). Payment in lieu of taxes from the federal government alone accounts for nearly $200,000 per year in revenues. Between 1980 and 1988, property tax revenues increased 78 percent from $759,188 to $1,350,312 (Table 13). General fund revenues also increased by approximately the same amount during this 9-year period.

Similar to revenues, expenditures for Lincoln County peaked in FY 1986 at $323.00 per capita, but since that time, expenditures have declined by 5 percent. In FY 1988, 23.4 percent of the budget was spent on general government, 21.6 percent on public safety, 41.3 percent on public works

(roads and bridges), 6.2 percent on public health, and 7.5 percent on other miscellaneous categories. Spending for general government increased marginally between FY 1980 and FY 1988, while general fund expenditures, in constant 1987 dollars, have remained stable over the 9-year period. The average per capita general fund expenditures in constant 1987 dollars for Lincoln County in FY 1980 was $123.00, and by FY 1988, this figure had risen to $129.00, representing less than a 0.2 percent annual increase.

b. Municipalities. Financial data on local government taxation are presented in the following sections for the incorporated municipalities of Libby and Troy in Lincoln County. This analysis is based upon data collected from the local governments; Montana Department of Revenue; Montana Department of Commerce, Local Government Services Division; and Montana Tax Foundation, a private, non-profit corporation in Helena, Montana.

1) Municipality of Libby. Taxable valuation for Libby has declined from $3,814,500 in FY 1980 to $3,066,900 in FY 1988, representing a 19.6 percent decline in the tax base (Table 14). Most of the decrease occurred in personal property valuation which declined by nearly $400,000. This decline, coupled with a reduction in taxable valuation on centrally assessed properties and land and improvements, has made financing the city budget somewhat difficult.

The mill levy in Libby has not changed since FY 1986 and, at that time, had dropped only marginally from FY 1980 levels. Most of the mills levied for Libby (64.10 of the total 66.10) are for general fund purposes, with the remaining 2 mills levied for Fireman's Disability.

Total revenues for Libby have decreased approximately 5 percent since 1980. This decline in total revenues somewhat masks the precipitous decline

TABLE 14

LOCAL GOVERNMENT FINANCES -
MUNICIPALITY OF LIBBY

Category	1979-80 Amount	1979-80 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
Taxable Valuation ($000)	$3,814.5	100.0%	$3,134.2	100.0%	$3,220.1	100.0%	$3,066.9	100.0%
Land & Improvements	2,443.4	64.1%	2,295.3	73.2%	2,301.5	71.5%	2,216.3	72.3%
Centrally Assessed Property	567.1	14.9%	431.7	13.8%	493.8	15.3%	428.3	14.0%
Personal Property	804.0	21.1%	407.2	13.0%	424.8	13.2%	422.3	13.8%
Mill Levies	69.84	100.0%	66.10	100.0%	66.10	100.0%	66.10	100.0%
General Fund	40.80	58.4%	62.96	95.2%	63.10	95.5%	64.10	97.0%
Streets	16.34	23.4%	.00	.0%	.00	.0%	.00	.0%
Other	12.70	18.2%	3.14	4.8%	3.00	4.5%	2.00	3.0%
All Revenues	$608,073	100.0%	$646,531	100.0%	$553,686	100.0%	$582,414	100.0%
Property Taxes	294,562	48.4%	230,153	35.6%	272,325	49.2%	197,782	34.0%
Transfers	102,131	16.8%	165,730	25.6%	136,827	24.7%	135,926	23.3%
Other	211,380	34.8%	166,021	25.7%	144,534	26.1%	248,706	42.7%
All Expenditures	$593,567	100.0%	$485,454	100.0%	$593,503	100.0%	$609,724	100.0%
General Government	57,894	9.8%	78,753	16.2%	80,773	13.6%	89,879	14.7%
Public Safety	158,737	26.7%	189,678	39.1%	200,466	33.8%	205,656	33.7%
Public Works	123,383	20.8%	176,560	36.4%	264,831	44.6%	268,213	44.0%
Other	253,553	42.7%	40,463	8.3%	47,433	8.0%	45,976	7.5%
Population	2,748		2,530		2,600		2,600	
Real Per Capita Expenditures	$216		$192		$237		$244	

Sources: 1) Municipality of Libby, Annual Financial Reports.
2) Montana Department of Revenue, Helena, Montana.
3) Montana Department of Commerce, Local Government Services Division, Helena, Montana.

in property tax revenues--from $294,562 in FY 1980 to $197,782 in FY 1988. Since property taxes usually account for between 40 and 50 percent of all local revenues, Libby has had to investigate other avenues for local funding. Revenues have increased in both the other miscellaneous categories and in governmental transfers (Table 14).

Total expenditures for Libby have changed little since FY 1980; however, per capita expenditures are slightly higher because of the decline in the population base. About 15 percent of the budget in Libby is spent on general government operations and about one-third on public safety (police and fire). Public works (streets and sewer) expenditures have increased from 21 percent of the budget in FY 1980 to about 44 percent of the current budget (Table 14).

The city of Libby uses enterprise funding to operate their sewer and water systems. Revenues are collected from monthly fees and usually total about $500,000. At the end of FY 1988, enterprise funds had cash balances in excess of $500,000.

2) Municipality of Troy. Taxable valuation in Troy increased slightly between FY 1980 and FY 1987 from $700,800 to $731,400 (Table 15). In FY 1988, the taxable valuation declined by $60,500, primarily due to a reduction in taxable valuation for centrally assessed utilities such as Burlington Northern Railroad.

The major source of property taxes in Troy is valuation on land and improvements, totaling approximately 60 percent of all taxable valuation. Centrally assessed utilities comprise about 23 percent of the total taxable valuation followed by valuation of personal property (17 percent).

TABLE 15

LOCAL GOVERNMENT FINANCES -
MUNICIPALITY OF TROY

Category	1979-80 Amount	1979-80 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
Taxable Valuation ($000)	$700.8	100.0%	$724.9	100.0%	$731.4	100.0%	$670.9	100.0%
Land & Improvements	406.9	58.1%	415.2	57.3%	417.1	57.0%	404.4	60.3%
Centrally Assessed Property	123.3	17.6%	204.6	28.2%	198.9	27.2%	153.0	22.8%
Personal Property	170.6	24.3%	105.1	14.5%	115.4	15.8%	113.5	16.9%
Mill Levies	65.00	100.0%	85.32	100.0%	86.10	100.0%	86.17	100.0%
General Fund	65.00	100.0%	65.00	76.2%	65.00	75.5%	65.00	75.4%
Streets	.00	.0%	.00	.0%	.00	.0%	.00	.0%
Other	.00	.0%	20.32	23.8%	21.10	24.5%	21.17	24.6%
All Revenues	$95,959	100.0%	$154,284	100.0%	$188,502	100.0%	$149,529	100.0%
Property Taxes	48,001	50.0%	66,581	43.2%	62,633	33.2%	60,036	40.2%
Transfers	40,888	42.6%	47,800	31.0%	48,650	25.8%	52,782	35.3%
Other	7,070	7.4%	39,903	25.9%	77,219	41.0%	36,711	24.6%
All Expenditures	$97,942	100.0%	$128,519	100.0%	$114,011	100.0%	$139,051	100.0%
General Government	28,864	29.5%	53,965	42.0%	38,131	33.4%	34,606	24.9%
Public Safety	40,814	41.7%	51,450	40.0%	47,744	41.9%	50,284	36.2%
Public Works	22,143	22.6%	20,566	16.0%	24,324	21.3%	28,677	20.6%
Other	6,121	6.2%	2,538	2.0%	3,812	3.3%	25,484	18.3%
Population	1,088		1,200		1,200		1,200	
Real Per Capita Expenditures	$90		$107		$95		$116	

Sources: 1) Municipality of Troy, Annual Financial Reports.
2) Montana Department of Revenue, Helena, Montana.
3) Montana Department of Commerce, Local Government Services Division, Helena, Montana.

Since FY 1986, mill levies have remained constant at about 86 mills. Troy uses the all purpose levy to fund city government, with 65 mills being used for general fund purposes and 21 mills levied for other purposes.

Revenues to the municipality of Troy increased nearly 56 percent between FY 1980 and 1988, from $95,959 to $149,529. Revenues from property taxes and transfers have remained stable, while revenues from other sources such as fines, fees, charges for service, and license and permits, increased from $7,070 in FY 1980 to $77,219 by FY 1987, and then declined to $36,711 by FY 1988. In FY 1988, revenue from other sources totalled nearly 25 percent of all revenues raised for city operating purposes.

Per capita expenditures for Troy rose from $90 in 1980 to $116 in 1988. Expenditures for general government usually require about one-third of the budget, whereas expenditures for public safety (fire and police) account for approximately 40 percent of the budget. Expenditures for public works (streets and maintenance) usually total between $20,000 and $28,000 per year and make up about 20 percent of all expenditures at the city level.

The municipality of Troy uses enterprise funding for several operations. The city water system operates through service fees and non-metered sales, which usually average $60,000. Major expenses include salaries ($40,000), maintenance and supplies ($5,000), electrical power ($4,000), and insurance ($2,000).

In 1987, the municipality of Troy purchased a power distribution system for approximately $600,000. This system operates using enterprise funding with revenues from sales expected to exceed $660,000 in FY 1988 (Municipality of Troy 1988). Major expenses are salaries ($140,000),

electrical power for resale ($385,000), supplies ($20,000), and debt retirement ($48,000).

c. School Districts. Information on school district finances in Lincoln County is presented for the elementary and high school districts for Libby and Troy. This analysis is based upon data collected from annual trustee reports to the Montana Office of Public Instruction and from the Montana Tax Foundation, a private, non-profit corporation in Helena, Montana.

1) Libby School Districts. Similar to the Lincoln County tax base, the taxable valuation for Libby School District #4 (elementary and high school) declined by approximately 5 percent between FY 1986 and FY 1988 (Table 16). Between FY 1981 and FY 1986, the taxable valuation rose from $16.5 million to $20.6 million, due primarily to the reassessment of property in the Libby area.

County-wide mill levies to support schools have remained at about the same level since FY 1981. District-wide levies, however, rose from 103.22 in FY 1981 to 113.79 by FY 1988. Most of the 10 percent increase was for high school purposes. Although the total millage did not change between FY 1987 and FY 1988, the high school levy decreased 2.3 mills and the elementary general fund millage increased by approximately 4.6 mills.

Total revenues to Elementary School District #4 increased 40.5 percent between 1981 and 1988 from $3,654,071 to $5,136,205 (Table 16). Most of this increase was from the state equalization program which rose from $785,228 in FY 1981 to $1,883,149 by FY 1988. In FY 1988, Elementary School District #4 received nearly one-half of their general fund through state sources, one-fourth from district levies, and the remaining funds from county equalization and other sources.

TABLE 16

LOCAL GOVERNMENT FINANCES -
LIBBY SCHOOL DISTRICT #4

Category	1980-81 Amount	1980-81 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
Taxable Valuation ($000)								
Elementary District #4	$16,501.8		$20,627.3		$20,145.6		$19,662.6	
High School District #4	16,501.8		20,627.3		20,145.6		19,662.6	
Mill Levies								
Countywide Levies	68.69	100.0%	69.93	100.0%	69.36	100.0%	69.36	100.0%
High School General	25.32	36.9%	27.43	39.2%	26.16	37.7%	27.33	39.4%
School General	43.37	63.1%	42.50	60.8%	43.20	62.3%	42.03	60.6%
District Levies	103.22	100.0%	106.39	100.0%	113.79	100.0%	113.79	100.0%
General Fund	54.19	52.5%	50.98	47.9%	54.19	47.6%	58.79	51.7%
Transportation	6.68	6.5%	6.82	6.4%	7.09	6.2%	8.34	7.3%
High School	38.24	37.0%	43.56	40.9%	45.61	40.1%	43.28	38.0%
Other	4.11	4.0%	5.03	4.7%	6.90	6.1%	3.38	3.0%
Elementary District Financial Data								
ANB	1,610		1,504		1,487		1,493	
All Revenues	$3,654,071	100.0%	$5,356,436	100.0%	$4,858,610	100.0%	$5,136,205	100.0%
General Fund	3,042,964	83.3%	4,158,371	77.6%	3,676,075	75.7%	3,853,337	75.0%
District Levies	1,037,107	34.1%	1,102,633	26.5%	997,356	27.1%	1,078,059	28.0%
County Funds	1,133,258	37.2%	816,010	19.6%	763,200	20.8%	729,347	18.9%
State Funds	785,228	25.8%	2,002,419	48.2%	1,677,225	45.6%	1,883,149	48.9%
Other Funds	87,371	2.9%	237,309	5.7%	238,294	6.5%	162,782	4.2%
All Expenditures	$3,578,673	100.0%	$5,177,387	100.0%	$5,338,736	100.0%	$5,364,711	100.0%
General Fund	3,007,358	84.0%	3,915,874	75.6%	4,093,624	76.7%	4,001,189	74.6%
Transportation	180,733	5.1%	254,979	4.9%	270,093	5.1%	282,355	5.3%
Retirement	315,794	8.8%	496,019	9.6%	515,176	9.6%	505,594	9.4%
Debt Service	74,788	2.1%	48,663	.9%	46,914	.9%	45,238	.8%
Other	0	.0%	461,852	8.9%	412,929	7.7%	530,335	9.9%
Per ANB Expenditures	$3,048		$3,637		$3,697		$3,593	

Table 16 (continued)

Category	1980-81 Amount	1980-81 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
High School District Financial Data								
ANB	795		791		765		754	
All Revenues	$2,173,134	100.0%	$3,126,512	100.0%	$3,027,902	100.0%	$3,051,571	100.0%
General Fund	1,836,618	84.5%	2,554,201	81.7%	2,461,533	81.3%	2,409,235	79.0%
District Levies	584,735	31.8%	811,778	31.8%	711,551	28.9%	732,363	30.4%
County Funds	266,289	14.5%	541,671	21.2%	507,206	20.6%	496,165	20.6%
State Funds	954,017	51.9%	1,067,976	41.8%	1,040,765	42.3%	1,035,890	43.0%
Other Funds	31,577	1.7%	132,776	5.2%	202,011	8.2%	144,817	6.0%
All Expenditures	$2,257,009	100.0%	$3,144,841	100.0%	$3,168,376	100.0%	$3,059,262	100.0%
General Fund	1,837,692	81.4%	2,533,828	80.6%	2,563,732	80.9%	2,346,949	76.7%
Transportation	106,526	4.7%	145,399	4.6%	132,609	4.2%	124,676	4.1%
Retirement	179,118	7.9%	264,004	8.4%	283,007	8.9%	264,120	8.6%
Debt Service	86,584	3.8%	37,175	1.2%	35,775	1.1%	34,294	1.1%
Other	47,089	2.1%	164,435	5.2%	153,253	4.8%	289,223	9.5%
Per ANB Expenditures	$3,892		$4,201		$4,265		$4,057	

Sources: 1) Montana Tax Foundation, Inc., Helena, Montana.
2) Montana Office of Public Instruction, School Trustees Reports, Helena, Montana.

Per ANB expenditures at Libby Elementary School District have risen from $3,048 per student in FY 1981 to a high of $3,697 in FY 1987 (Table 16). In FY 1988, per ANB expenditures declined slightly to $3,593.

General fund expenditures comprise about three-fourths of all elementary expenditures in the district. Spending for retirement accounts for approximately 9 percent of the budget, while transportation requires about 5 percent. At the present time, about $45,000 per year is spent on debt service, which is less than 1 percent of the budget.

Total revenues at Libby High School District #4 have risen by approximately 40 percent since FY 1981 (Table 16). Of the total revenues raised in FY 1988, nearly 80 percent (or $2.4 million) was general fund revenues. Sources for general fund revenues are district levies (30 percent), county equalization (20.6 percent), state equalization and permissive levies (43.0 percent), and miscellaneous sources (6.0 percent). The pattern for funding sources has changed little over the past 7 years, with the high school receiving slightly less state monies (down from 52 percent to 43 percent).

Per ANB expenditures at the high school level peaked in FY 1987 at $4,265 per student and then declined to $4,057 for FY 1988 (Table 16). Since FY 1981, general fund expenditures comprised approximately 80 percent of the Libby High School budget, declining slightly in FY 1988 to 76.7 percent of the budget. Spending for transportation requires about 4 percent of the high school budget, whereas retirement usually requires approximately 9 percent of the budget. Expenditures for debt service decreased 57 percent between FY 1981 and FY 1986, and then leveled off to about $35,000 per year or approximately 1 percent of the high school budget.

2) Troy School Districts. Between FY 1981 and FY 1986, the taxable valuation for Troy School District #1 (high school and elementary) increased by almost 200 percent (Table 17). This increase is entirely attributable to the ASARCO copper and silver mine near Troy which began production in 1981. Since FY 1986, however, taxable valuation has dropped by about 8 percent, declining about $500,000 between FY 1986 and FY 1987 and almost $1,000,000 between FY 1987 and FY 1988. The decline in taxable valuation has not been offset by a significant decline in enrollment and, consequently, budgeting for the Troy schools has been difficult in the past several years.

County-wide mill levies have not appreciably changed since 1981; however, district-wide levies decreased 36 percent between FY 1981 and FY 1986, then increased by 20 percent in FY 1987 (Table 17). In FY 1988, district-wide levies declined by approximately 10 mills to their present level of 108.16 mills. Twenty-five percent (27.04 mills) of the district mills are levied for the general fund, 5 percent (5.39 mills) for transportation, and 53.5 percent (57.83 mills) are levied for the high school.

Total revenues for Troy Elementary School District doubled between FY 1981 and FY 1988, increasing from $863,584 to $1,768,535. During this same period, general fund revenues increased from $633,645 to $1,207,639. The other sources for increased revenues came from state equalization funds which rose from $180,523 in FY 1981 to a high of $590,347 by FY 1986. General fund revenues usually comprise about 70 percent of all revenues to the elementary district. The major source of general fund revenues is the state

TABLE 17

LOCAL GOVERNMENT FINANCES -
TROY SCHOOL DISTRICT #1

Category	1980-81 Amount	1980-81 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
Taxable Valuation ($000)								
Elementary District #1	$4,821.0		$8,942.8		$8,638.1		$8,149.0	
High School District #1	4,861.0		9,719.7		9,547.4		9,046.5	
Mill Levies								
Countywide Levies	68.69	100.0%	69.93	100.0%	69.36	100.0%	69.36	100.0%
High School General	25.32	36.9%	27.43	39.2%	26.16	37.7%	27.33	39.4%
School General	43.37	63.1%	42.50	60.8%	43.20	62.3%	42.03	60.6%
District Levies	155.11	100.0%	99.50	100.0%	119.10	100.0%	108.16	100.0%
General Fund	69.49	44.8%	29.08	29.2%	35.44	29.8%	27.04	25.0%
Transportation	9.34	6.0%	4.34	4.4%	9.66	8.1%	5.39	5.0%
High School	51.97	33.5%	43.90	44.1%	58.13	48.8%	57.83	53.5%
Other	24.31	15.7%	22.18	22.3%	15.87	13.3%	17.90	16.5%
Elementary District Financial Data								
ANB	384		475		488		467	
All Revenues	$863,584	100.0%	$1,715,851	100.0%	$1,770,841	100.0%	$1,768,535	100.0%
General Fund	633,645	73.4%	1,130,963	65.9%	1,108,040	62.6%	1,207,639	68.3%
District Levies	195,818	30.9%	264,852	23.4%	294,631	26.6%	229,685	19.0%
County Funds	240,986	38.0%	247,117	21.9%	249,169	22.5%	230,071	19.1%
State Funds	180,523	28.5%	590,347	52.2%	536,730	48.4%	581,582	48.2%
Other Funds	16,318	2.6%	28,647	2.5%	27,510	2.5%	166,301	13.8%
All Expenditures	854,991	100.0%	1,869,534	100.0%	1,706,381	100.0%	1,787,467	100.0%
General Fund	617,302	72.2%	1,047,531	56.0%	1,154,469	67.7%	1,113,376	62.3%
Transportation	46,719	5.5%	75,402	4.0%	99,936	5.9%	87,716	4.9%
Retirement	60,925	7.1%	134,362	7.2%	140,742	8.2%	144,806	8.1%
Debt Service	86,497	10.1%	139,129	7.4%	129,552	7.6%	124,760	7.0%
Other	43,548	5.1%	473,110	25.3%	181,682	10.6%	316,809	17.7%
Per ANB Expenditures	3,053		4,159		3,601		3,828	

Table 17 (continued)

Category	1980-81 Amount	1980-81 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
High School District Financial Data								
ANB	174		208		208		209	
All Revenues	$601,432	100.0%	$1,080,340	100.0%	$1,191,635	100.0%	$1,248,470	100.0%
General Fund	416,027	69.2%	815,720	75.5%	814,919	68.4%	869,810	69.7%
District Levies	100,442	24.1%	318,583	39.1%	317,776	39.0%	305,299	35.1%
County Funds	66,842	16.1%	163,273	20.0%	158,673	19.5%	158,097	18.2%
State Funds	242,924	58.4%	306,719	37.6%	312,574	38.4%	319,406	36.7%
Other Funds	5,819	1.4%	27,145	3.3%	25,896	3.2%	87,008	10.0%
All Expenditures	$638,894	100.0%	$1,076,828	100.0%	$1,045,730	100.0%	$1,113,087	100.0%
General Fund	435,190	68.1%	773,091	71.8%	805,541	77.0%	807,761	72.6%
Transportation	59,620	9.3%	51,109	4.7%	48,235	4.6%	58,815	5.3%
Retirement	40,625	6.4%	79,321	7.4%	80,756	7.7%	87,092	7.8%
Debt Service	36,622	5.7%	88,990	8.3%	81,007	7.7%	79,026	7.1%
Other	66,837	10.5%	84,317	7.8%	30,191	2.9%	80,393	7.2%
Per ANB Expenditures	5,034		5,470		5,177		5,326	

Sources: 1) Montana Tax Foundation, Inc., Helena, Montana.
2) Montana Office of Public Instruction, School Trustee Reports, Helena, Montana.

equalization program which provides nearly one-half of all general fund revenues (Table 17).

Expenditures for Troy Elementary School District increased by over 100 percent between FY 1981 and FY 1986, while per ANB expenditures increased by over one-third during this same time period. Since 1986, however, total expenditures as well as per ANB expenditures have both declined. General fund expenditures for the elementary district make up 62 percent of the total expenditures. Transportation accounts for approximately 5 percent of the budget, while retirement requires about 8 percent (Table 17). Debt service costs about $125,000 per year or approximately 7 percent of the elementary budget.

Revenues at Troy High School District #1 increased from $601,432 in FY 1981 to $1,080,340 by FY 1986 (Table 17). Since 1986, total revenues at the high school have increased approximately 15 percent. General fund revenues total approximately 70 percent of all revenues received by the high school. Major sources for general fund revenues are the state equalization program (36 percent) and district levies which usually total about 35 to 40 percent of all general fund revenues.

Per ANB expenditures at the high school peaked in FY 1986 at $5,470, and since that time, slight decreases in per ANB expenditures have been experienced in High School District #1. General fund expenditures usually require about three-fourths of the high school budget, transportation averages about 5 percent, and retirement about 7 to 8 percent of all expenditures. Debt service accounted for 7 percent ($80,393) of total expenditures in FY 1988.

B. Sanders County

1. Industrial Composition

In Sanders County, there are 5 establishments which employ over 50 persons—2 in manufacturing (wood products), 2 in the services sector, and 1 classified as an "other" type (Table 18). In the wood products industry, Washington-Idaho Forest Products (W-I) is the largest single employer in the county, employing up to 140 people during full operations. W-I also contracts with up to 100 to 150 independent loggers during full production. The Thompson River Sawmill, east of Thompson Falls, is the other major sawmill in Sanders County, employing approximately 65 persons during full production.

Contract or "gypo" logging is one of the largest industries in Sanders County. Each contract logger is an individual enterprise whose size varies from a 1-person company falling trees on contract to a 20- to 30-person company with several million dollars worth of equipment. Timber from these operations are, for the most part, milled locally; however, it is not unusual for logging operations to haul logs as far away as Missoula.

As shown in Table 18, mining is not a major industry in Sanders County, with 2 mining companies presently in operation. The largest mining employer is U.S. Antimony Company which operates a small mine and concentrator facility southwest of Thompson Falls. The company employs approximately 35 persons during full operations.

The major employer in the services sector is Clark Fork Valley Hospital in Plains. Other employers in the services and retail trade sectors are dispersed throughout the many small towns and communities in Sanders County.

TABLE 18

PRIVATE ESTABLISHMENTS BY EMPLOYMENT SIZE -
SANDERS COUNTY, MONTANA

Category	Total Number of Establishments	Number of Employees				
		1-4	5-9	10-19	20-50	Over 50
All Establishments	209	132	46	20	6	5
Mining	2	0	1	0	1	0
Construction	16	14	2	0	0	0
Manufacturing	31	15	9	4	1	2
Transportation	24	16	5	3	0	0
Wholesale Trade	9	5	3	1	0	0
Retail Trade	52	26	19	6	1	0
Finance, Insurance, & Real Estate	8	5	1	1	1	0
Services	42	30	4	4	2	2
Other	25	21	2	1	0	1

Source: U.S. Department of Commerce, Bureau of the Census, County Business Patterns, 1986.

USFS is the primary government employer in Sanders County, with ranger stations in Plains and Trout Creek. There are no major state government offices in Sanders County, but a few highway and job service employees work in state government offices in Thompson Falls.

2. Employment Conditions

Employment conditions for Sanders County are presented in terms of the characteristics of the types of employment, historical trends of employment, and baseline employment projections for the county. Principal data sources for this analysis included the U.S. Bureau of Economic Analysis, the Montana Department of Labor and Industry, and the National Planning Association Data Services, Inc.

a. Employment Characteristics. Table 19 lists the major industry groups for Sanders County and Montana by percent of total employment. As shown in Table 19, Sanders County has no one dominant industry group. Farming-related employment accounted for over 13 percent of all county jobs, while manufacturing (wood products) accounted for 15.5 percent of all jobs. The retail trade and services sector each made up approximately 16 percent of all jobs, whereas government jobs totalled nearly 20 percent of all county employment. The major difference in employment distribution between Sanders County and the state is the heavy reliance for wood products jobs (manufacturing) in Sanders County--about 3 times the state average.

The available civilian labor force in Sanders County increased 48 percent or by almost 1,300 persons between 1970 and 1980 (Table 20). However, between 1980 and 1985, the labor force declined by nearly 700 persons and, since 1985, the labor force has remained stable with 3,283 persons reported in the available civilian labor force in 1988.

TABLE 19

1985 EMPLOYMENT BY INDUSTRY AS A PERCENT OF TOTAL - MONTANA AND SANDERS COUNTY

Category	Montana	Lincoln County
Total Employment	100.0%	100.0%
Farm	8.0%	13.2%
Private	73.8%	67.3%
Mining	1.9%	0.8%
Manufacturing	6.0%	15.5%
Construction	5.5%	4.2%
Retail	17.9%	14.4%
Services	24.1%	16.2%
Other	18.4%	16.2%
Government	18.2%	19.5%
Federal (civilian)	3.2%	5.0%
Federal (military)	2.0%	1.5%
State and Local	13.0%	13.0%

Source: U.S. Department of Commerce, Bureau of Economic Analysis, 1985.

TABLE 20

RESIDENT CIVILIAN LABOR FORCE -
MONTANA AND SANDERS COUNTY, SELECTED YEARS

Location/Category	1970	1980	1985	1986	1987	1988
Montana						
Civilian Labor Force	273,000	371,000	405,000	407,000	403,000	402,000
Employed Persons	261,000	348,000	374,000	374,000	373,000	374,000
Unemployed Persons	12,000	23,000	31,000	33,000	30,000	28,000
Unemployment Rate	4.4%	6.2%	7.7%	8.1%	7.4%	7.0%
Sanders County						
Civilian Labor Force	2,686	3,976	3,287	3,267	3,303	3,283
Employed Persons	2,526	3,590	2,742	2,759	2,878	2,855
Unemployed Persons	160	386	545	508	425	428
Unemployment Rate	6.0%	9.7%	16.6%	15.6%	12.9%	13.0%

Note: Data for 1988 are based upon 12 month moving average through August 1988.

Source: Montana Department of Labor and Industry, Research and Analysis Bureau, Helena, Montana. November 1988.

The unemployment rate in Sanders County has averaged 14.5 percent since 1980, twice the unemployment rate for Montana (Table 20). In 1988, there were 428 persons listed as unemployed--13 percent of the total civilian labor force in Sanders County.

Table 21 presents characteristics of the unemployed persons listed at the Thompson Falls Job Service Office in May 1988. Most of the reported unemployed were males between the ages of 22 and 64. Unemployment among males outpaced females by nearly 4 to 1, whereas at the state level, the ratio was closer to 2 to 1. Most of the unemployed persons in Sanders County during the reporting period were listed as former employees of the manufacturing (wood products) industry.

b. Employment Trends. Table 22 presents employment by industry for Sanders County for selected years from 1970 through 1986. The figures listed in this table are for jobs by place of work and may differ from total labor force jobs previously listed which are resident-specific jobs. As shown in Table 22, total employment in Sanders County peaked in 1984, when 3,926 jobs were reported. This peak employment period was followed by a reduction of over 500 jobs by 1985. Most of this loss in jobs occurred in the services sector, decreasing from 1,008 jobs in 1984 to 555 jobs by 1985.

Farm-related employment in Sanders County totalled approximately 450 jobs in 1986, or about 13 percent of all employment. Most of these jobs occur in ranching operations near Plains, Hot Springs, and Camas in eastern Sanders County. As illustrated in Table 22, farm employment has varied little since 1970.

Employment in the transportation and utilities sector consists primarily of jobs with Montana Rail Link, Washington Water and Power, and The

TABLE 21

UNEMPLOYMENT CHARACTERISITCS - MONTANA AND SANDERS COUNTY, MAY 1988

Characteristic	State of Montana	Thompson Falls Job Service Office
Total Unemployed	3,321	47
Age/Sex Distribution		
Male	2,258	38
Under 22 years of age	92	0
22 to 64 years of age	2,139	38
65 and older	27	0
Female	1,063	9
Under 22 years of age	57	1
22 to 64 years of age	995	8
65 and older	11	0
Industrial Distribution		
Agricultural Services	25	2
Mining	106	0
Construction	471	6
Manufacturing	703	20
Transportation and Utilities	212	7
Retail Trade	797	6
Finance	86	0
Service	624	5
Government	77	1
Other Non-classified	220	0

Source: Montana Department of Labor and Industry, Research and Analysis Bureau, Helena, Montana, 1988.

TABLE 22

EMPLOYMENT BY INDUSTRY, SANDERS COUNTY, 1970 AND 1980-86

Industry	1970	1980	1981	1982	1983	1984	1985	1986
Total Employment	2,690	3,907	3,683	3,565	3,773	3,926	3,423	3,472
Farm	372	445	451	446	468	458	451	453
Nonfarm	2,318	3,462	3,232	3,119	3,305	3,468	2,972	3,019
Private	1,769	2,779	2,527	2,421	2,611	2,789	2,305	2,382
Agricultural Services	44	82	85	82	94	110	108	107
Mining	19	34	38	18	19	21	28	32
Construction	113	93	95	118	124	150	145	175
Manufacturing	487	587	548	453	523	558	530	548
Transportation, Communication, and Public Utilities	170	209	199	200	199	215	211	226
Wholesale Trade	23	111	36	40	45	44	42	43
Retail Trade	349	538	499	467	496	494	493	477
Finance, Insurance, and Real Estate	78	148	168	190	191	189	193	197
Services	486	977	859	853	920	1,008	555	577
Government	549	683	705	698	694	679	667	637
Federal (civilian)	135	200	229	200	195	177	172	148
Federal (military)	55	52	41	40	47	49	49	53
State and Local	359	431	435	458	452	453	446	436

Source: U.S. Department of Commerce, Bureau of Economic Analysis, May 1988.

Montana Power Company. Jobs in this sector have remained constant at about 200 workers since 1980 and are projected to change very little in the future.

Government employment peaked in 1981 at 705 persons and declined by approximately 70 jobs by 1986 (Table 22). This reduction in government employment has been primarily in federal civilian jobs (USFS).

c. Baseline Employment Projections. Baseline employment projections presented in Table 23 were developed by the National Planning Association Data Services, Inc. in Washington, D.C. Attachment B describes in detail the methodology used to project employment in Sanders County.

Total employment is projected to grow from 3,450 in 1990 to 3,520 by year 2010, representing an annual growth rate of less than 1 percent (Table 23). Most of the growth is projected to occur in private industry, with 220 jobs being created in the services, retail trade, and finance sectors.

The potential for developing ASARCO's Rock Creek Mine near Noxon is not reflected in the baseline projections. The Rock Creek Project would employ approximately 350 persons, which would increase mining employment in Sanders County to nearly 400 persons.

3. Income Conditions

Income conditions for Sanders County are presented in terms of the characteristics of the types of earnings, historical trends in earnings, and baseline income projections for the county. Principal data sources for this analysis included the U.S. Bureau of Economic Analysis, the Montana Department of Labor and Industry, and the National Planning Association Data Services, Inc.

a. Income Characteristics. In 1987, the average weekly wages for all workers in Sanders County was $277 (Table 24), nearly 13 percent less

TABLE 23

EMPLOYMENT PROJECTIONS IN SANDERS COUNTY, BY INDUSTRY, 1990 to 2010

Industry	1990	Projected 1995	2000	2005	2010
Total Employment	3,450	3,480	3,510	3,540	3,520
Farm	460	450	430	410	390
Non-farm	2,990	3,030	3,080	3,130	3,130
Private	2,340	2,380	2,420	2,450	2,450
Agricultural Services	110	120	130	130	130
Mining	20	20	10	10	10
Construction	170	160	150	150	140
Manufacturing	530	490	470	440	410
Transportation, Communications, and Public Utilities	240	250	260	260	260
Wholesale Trade	40	50	50	50	50
Retail Trade	470	490	510	520	520
Finance, Insurance, and Real Estate	220	250	270	280	290
Services	540	550	570	610	640
Government	650	650	660	680	680
Federal (civilian)	150	160	160	170	170
Federal (military)	50	50	50	50	50
State and Local	440	440	450	460	460

Note: Data may not add to total due to rounding.

Source: National Planning Association Data Services, Inc., Washington, D.C., February 1989.

TABLE 24

AVERAGE WEEKLY WAGES -
MONTANA AND SANDERS COUNTY, 1987

Industry Group	Montana Average Weekly Wage	Sanders County Average Weekly Wage	Sanders County Percent of State	Sanders County Percent of County Average
All Industries	$316	$277	87.7%	100.0%
Mining	561	353	62.9%	127.4%
Federal Government	470	441	93.8%	159.2%
Manufacturing	414	321	77.5%	115.9%
Transportation	445	404	90.8%	145.9%
State Government	387	380	98.2%	137.2%
Local Government	324	279	86.1%	100.7%
Wholesale Trade	381	188	49.3%	67.9%
Construction	396	348	87.9%	125.6%
Finance, Insurance, & Real Estate	354	300	84.8%	108.3%
Agricultural Services	232	215	92.7%	77.6%
Services	266	210	79.0%	75.8%
Retail Trade	182	137	75.3%	49.5%

Source: Montana Department of Labor and Industry, Research and Analysis Bureau, Helena, Montana, 1987.

than the average for the state. The highest paying jobs in Sanders County are with the federal government, followed by jobs in transportation and utilities, state government, and mining. Although these jobs pay more than the average wages in the county, none are equal to the state wage for the same type of job. For example, the average wage for federal jobs in Sanders County was $441 per week, whereas the state average wage for federal jobs was $470 per week.

Table 25 lists per capita income figures for the United States, Montana, and Sanders County. In 1970, per capita income for Sanders County was $3,268 or about 81 percent of the national average and 93 percent of the state average. Since that time, however, even though per capita income in Sanders County had risen to $8,724 by 1986, per capita income was still below the national and state figures by 60 and 74 percent, respectively.

b. Income Trends. Total earnings in current dollars for Sanders County increased by over 300 percent between 1970 and 1980 (Table 26). This increase represents an annual growth rate of 11.6 percent or nearly 2 percent higher than the state annual growth rate of 9.7 percent for the same time period. Almost all sectors of the economy increased during this period--farm earnings increased from $1.02 million in 1970 to $3.46 million by 1980, private industry earnings rose from $13.04 million in 1970 to $38.74 million by 1980, and government earnings climbed from $2.77 million to $7.64 by 1980.

Since 1980, however, total earnings in Sanders County have changed marginally, peaking at $47.1 million in 1984, and then declining to $43.1 million by 1986. Industries that have suffered a major reduction in earnings during the 1980-86 period are wholesale trade which declined by $1.3 million, retail trade which declined by $0.8 million, and services which declined by

TABLE 25

PER CAPITA INCOME -
UNITED STATES, MONTANA, AND SANDERS COUNTY,
SELECTED YEARS 1970 TO 1986

			Sanders County		
Year	United States	Montana	Amount	Percent of United States	Percent of Montana
1970	$ 4,051	$ 3,528	$3,268	80.7%	92.6%
1980	9,919	8,924	7,062	71.2%	79.1%
1981	10,949	9,874	7,296	66.6%	73.9%
1982	11,480	10,084	7,305	63.6%	72.4%
1983	12,098	10,424	7,862	65.0%	75.4%
1984	13,114	10,836	8,355	63.7%	77.1%
1985	13,895	11,021	8,050	57.9%	73.0%
1986	14,606	11,726	8,724	59.7%	74.4%

Source: U.S. Department of Commerce, Bureau of Economic Analysis, 1988.

TABLE 26

EARNINGS BY MAJOR SOURCE, SANDERS COUNTY, 1970 AND 1980-86
(in thousands of current dollars for applicable years)

Category	1970	1980	1981	1982	1983	1984	1985	1986
Earnings By Place of Work	$14,062	$42,208	$40,478	$38,322	$42,627	$47,112	$40,379	$43,063
Farm	1,024	3,464	2,782	2,150	1,771	2,130	1,952	3,607
Non-farm	13,038	38,744	37,696	36,172	40,856	44,982	38,427	39,456
Private	10,269	31,109	28,683	26,877	30,995	34,749	27,495	28,935
Agricultural Services	191	383	584	165	1,035	888	550	617
Mining	96	651	737	346	388	390	489	599
Construction	1,077	1,389	921	1,254	1,281	1,831	1,740	2,754
Manufacturing	3,613	8,680	8,459	6,968	9,157	9,931	9,252	8,907
Transportation, Communication, and Public Utilities	1,515	4,059	3,807	4,187	4,072	4,713	4,704	4,859
Wholesale Trade	212	1,883	560	547	516	580	592	580
Retail Trade	1,529	3,576	3,640	3,103	3,344	3,313	3,433	3,492
Finance, Insurance, and Real Estate	356	865	854	887	925	887	806	856
Services	1,680	9,623	9,121	9,420	10,277	12,216	5,929	6,271
Government	2,769	7,635	9,013	9,295	9,861	10,233	10,932	10,521
Federal (civilian)	1,004	2,896	3,866	3,649	3,802	3,867	4,055	3,526
Federal (military)	59	150	141	160	211	236	248	285
State and Local	1,706	4,589	5,006	5,486	5,848	6,130	6,629	6,710

Source: U.S. Department of Commerce, Bureau of Economic Analysis, May 1988.

over $3.3 million. In 1986, farm earnings were $3.61 million, slightly higher than reported in 1980 ($3.46 million), but nearly twice the total earnings in the prior year (1985).

Government earnings, which have increased nearly every year since 1970, declined in 1986 by $400,000. Still, government earnings comprise nearly 25 percent of all earnings in Sanders County.

c. Baseline Income Projections. Baseline earnings projections presented in Table 27 were developed by the National Planning Association Data Services, Inc. in Washington, D.C. Attachment B describes in detail the methodology used to project earnings in Sanders County.

Total earnings constant 1982 dollars for Sanders County are projected to increase from $41.6 million in 1990 to $76.6 million by 2010, representing an annual rate of increase of 3.0 percent (Table 27). This growth rate is higher than the 1980-85 historical growth rate of 0.3 percent, but is consistent with the projected state growth rate of 1.6 percent.

Farm earnings are expected to increase 56 percent during the 20-year projection period, from $4.4 million in 1990 to $6.9 million by 2010. Private earnings are projected to increase from $27.7 million in 1990 to $56.4 million by 2010, or more than doubling in the 20-year projection period. Total government earnings also are expected to increase from $9.6 million in 1990 to $13.4 million by year 2010, or 39.6 percent.

4. Fiscal Conditions

a. Sanders County. Total taxable valuation in Sanders County increased from $19.5 million in FY 1980 to $30.9 million by FY 1986, representing an increase of over 58 percent (Table 28). Nearly all of this increase was attributable to the upgrade and reassessment of the Washington

TABLE 27

PROJECTED EARNINGS IN SANDERS COUNTY, BY INDUSTRY, 1990 TO 2010
(Thousands of Constant 1982 Dollars)

Industry	Projected 1990	1995	2000	2005	2010
Total Earnings	$41,640	$48,730	$56,980	$66,360	$76,620
Farm	4,430	5,170	5,740	6,320	6,910
Non-farm	37,210	43,560	51,240	60,040	69,710
Private	27,650	33,160	39,910	47,680	56,360
Agricultural Services	670	880	1,190	1,540	1,900
Mining	440	400	360	360	350
Construction	2,430	2,790	3,150	3,580	4,050
Manufacturing	8,060	9,200	10,500	11,810	13,100
Transportation, Communications, and Public Utilities	4,780	5,760	6,880	8,040	9,270
Wholesale Trade	570	750	950	1,180	1,420
Retail Trade	3,510	4,310	5,270	6,310	7,450
Finance, Insurance, and Real Estate	1,030	1,720	2,640	3,760	5,030
Services	6,160	7,350	8,970	11,100	13,790
Government	9,560	10,400	11,330	12,360	13,350
Federal (civilian)	3,230	3,480	3,720	3,970	4,220
Federal (military)	290	350	410	480	550
State and Local	6,040	6,570	7,200	7,910	8,580

Source: National Planning Association Data Services, Inc., Washington, D.C., February 1989.

TABLE 28

LOCAL GOVERNMENT FINANCES -
SANDERS COUNTY

Category	1979-80 Amount	1979-80 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
Taxable Valuation ($000)	$19,483.8	100.0%	$30,902.8	100.0%	$31,401.5	100.0%	$29,643.7	100.0%
Land & Improvements	4,924.9	25.3%	6,157.3	19.9%	6,067.0	19.3%	6,051.1	20.4%
Centrally Assessed Property	10,504.4	53.9%	22,657.1	73.3%	24,240.3	77.2%	21,537.4	72.7%
Personal Property	4,054.5	20.8%	2,088.4	6.8%	1,094.2	3.5%	2,055.2	6.9%
Mill Levies	39.97	100.0%	59.08	100.0%	58.57	100.0%	57.87	100.0%
General Fund	23.75	59.4%	24.55	41.6%	19.50	33.3%	19.50	33.7%
Poor	2.44	6.1%	5.05	8.5%	4.00	6.8%	4.00	6.9%
Other	13.78	34.5%	29.48	49.9%	35.07	59.9%	34.37	59.4%
All Revenues	$1,168,023	100.0%	$2,666,610	100.0%	$3,234,057	100.0%	$3,736,512	100.0%
Property Taxes	854,429	73.2%	1,224,056	45.9%	1,791,752	55.4%	1,899,329	50.8%
Transfers	178,654	15.3%	1,081,981	40.6%	895,126	27.7%	1,461,784	39.1%
Other	134,940	11.6%	360,573	13.5%	547,179	16.9%	375,399	10.0%
All Expenditures	$3,758,357	100.0%	$2,883,541	100.0%	$2,909,392	100.0%	$3,861,017	100.0%
General Government	1,143,337	30.4%	679,780	23.6%	733,312	25.2%	697,797	18.1%
Public Safety	608,668	16.2%	416,189	14.4%	398,423	13.7%	396,670	10.3%
Public Works	1,273,652	33.9%	1,212,564	42.1%	1,216,282	41.8%	2,058,659	53.3%
Public Health	54,756	1.5%	87,582	3.0%	88,474	3.0%	86,404	2.2%
Other	677,944	18.0%	487,426	16.9%	472,901	16.3%	621,487	16.1%
Population	8,675		8,900		8,900		8,800	
Real Per Capita Expenditures	$433		$324		$327		$439	
General Fund Statistics								
Revenues	$1,211,098		$850,106		$994,735		$1,009,613	
Expenditures	1,586,413		1,174,814		1,092,697		1,108,945	
Real Per Capita Exp	183		132		123		126	
Expenditures (1988 Dollars)	2,175,070		1,241,373		1,125,258		1,108,945	
Per Capita Expenditures (1988 Dollars)	344		147		130		126	

Sources: 1) Montana Tax Foundation, Inc., Helena, Montana.
2) Montana Department of Commerce, Local Government Services Division, Helena, Montana.

Water and Power hydroelectric dam. Since 1986, total taxable valuation for Sanders County has declined by 4.1 percent. In 1988, centrally assessed utilities comprised over 70 percent of the tax base in Sanders County followed by valuation on land and improvements (20 percent) and personal property (7 percent).

Mill levies in Sanders County increased 47.8 percent between FY 1980 and FY 1986 from 39.97 to 59.08. This increase was primarily due to a 15 mill levy for roads. From FY 1986 to FY 1988, mill levies have declined 1.2 mills with the general fund declining by 5 mills and the poor fund levy (welfare) declining by 1 mill. Miscellaneous millage, however, increased by 3 mills during this same period.

Total revenues for Sanders County more than doubled between FY 1980 and FY 1986 (Table 28). Revenue increases were attributable to both increased property taxes and federal and state intergovernmental transfers. General fund revenues totalled nearly one-third of all revenues raised in the county. The major source of general fund revenue is property taxes which account for over 50 percent of all general fund revenues.

Per capita expenditures (in current dollars) declined between 1980 and 1986 and then increased in 1988 to $439 per person. Expenditures for general government usually total about 20 percent of the budget, while expenditures for public safety (fire and police) make up around 10 to 15 percent of the budget. In FY 1988, over one-half of the county budget was spent for public works purposes such as maintenance of roads. Per capita general fund expenditures dropped from $344 in 1980 to $126 in 1988, representing a 63 percent decrease over the 9-year period.

b. Municipality of Thompson Falls. The taxable valuation for Thompson Falls declined from $1.1 million in FY 1980 to $0.9 million by FY 1986 (Table 29). The value of land and improvements and personal property during this period declined over $192,500, while taxable valuation on centrally assessed utilities (primarily telephone and railroad) increased by $114,200. Since 1986, valuation for land and improvements has remained stable, whereas centrally assessed taxable valuation has declined 20 percent and valuation on personal property has increased 34 percent. About 60 to 70 percent of the taxable valuation in Thompson Falls is attributable to land and improvements, whereas centrally assessed property usually amounts to 20 percent of the total taxable valuation.

Mill levies for Thompson Falls increased from 75.37 in FY 1980 to 116.87 by FY 1988 (Table 29). General fund mill levies increased by 20.13 mills during this period, while levies for other categories such as comprehensive insurance (up 11.17 mills), public library (up 7.0 mills), and capital improvements (up by 7.0 mills) also increased substantially.

Total revenues for Thompson Falls increased from $157,865 in FY 1980 to $273,672 by 1988. Most of this increase is attributable to property taxes which rose 67.7 percent from $90,420 in 1980 to $151,654 by 1988. Property taxes comprise about 50 percent of all revenues followed, in order of importance as a source of revenue, by intergovernmental transfers from the federal, state, and county governments. Intergovernmental transfers usually total approximately 25 to 30 percent of all revenues raised by the municipality.

Per capita expenditures (in real terms) increased from $104 in 1980 to $243 by 1986, and since 1986, have declined to a low of $148 per person in

TABLE 29

LOCAL GOVERNMENT FINANCES -
MUNICIPALITY OF THOMPSON FALLS

Category	1979-80 Amount	1979-80 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
Taxable Valuation ($000)	$1,084.4	100.0%	$910.5	100.0%	$1,101.1	100.0%	$921.4	100.0%
Land & Improvements	759.9	70.1%	567.4	62.3%	749.5	68.1%	572.3	62.1%
Centrally Assessed Property	93.1	8.6%	207.3	22.8%	217.7	19.8%	167.0	18.1%
Personal Property	231.4	21.3%	135.8	14.9%	133.9	12.2%	182.1	19.8%
Mill Levies	75.37	100.0%	97.65	100.0%	109.59	100.0%	116.87	100.0%
General Fund	59.68	79.2%	72.88	74.6%	66.04	60.3%	79.81	68.3%
Streets	.00	.0%	12.00	12.3%	.00	.0%	.00	.0%
Other	15.69	20.8%	12.77	13.1%	43.55	39.7%	37.06	31.7%
All Revenues	$157,865	100.0%	$310,724	100.0%	$234,880	100.0%	$273,672	100.0%
Property Taxes	90,420	57.3%	141,449	45.5%	119,895	51.0%	151,654	55.4%
Transfers	40,691	25.8%	118,971	38.3%	63,477	27.0%	65,848	24.1%
Other	26,754	16.9%	50,304	16.2%	51,508	21.9%	56,170	20.5%
All Expenditures	$154,230	100.0%	$390,570	100.0%	$337,682	100.0%	$236,117	100.0%
General Government	36,655	23.8%	72,868	18.7%	54,334	16.1%	41,693	17.7%
Public Safety	34,469	22.3%	47,201	12.1%	42,263	12.5%	52,819	22.4%
Public Works	56,566	36.7%	80,679	20.7%	63,398	18.8%	61,432	26.0%
Other	26,540	17.2%	189,822	48.6%	177,687	52.6%	80,173	34.0%
Population	1,478		1,610		1,600		1,600	
Real Per Capita Expenditures	$104		$243		$211		$148	

Sources: 1) Municipality of Libby, Annual Financial Reports.
2) Montana Department of Revenue, Helena, Montana.
3) Montana Department of Commerce, Local Government Services Division, Helena, Montana.

1988. Spending for general government operations usually amounts to about 15 to 20 percent of the budget. In 1988, spending for public safety (fire and police) and public works (roads and streets) was 22 percent and 26 percent of the budget, respectively (Table 29).

c. School Districts. Information on school district finances in Sanders County is presented for the elementary school districts of Noxon, Trout Creek, and Thompson Falls, and the high school districts of Noxon and Thompson Falls. The data presented in this section were collected from annual trustee reports to the Montana Office of Public Instruction and from the Montana Tax Foundation, Inc., a private, non-profit corporation in Helena, Montana.

1) Noxon School Districts. Taxable valuation for Noxon School District #10 has increased dramatically since 1986 for both the high school and the elementary districts (Table 30). This increase is entirely attributable to the work conducted on the Washington Water and Power Dam and the subsequent reassessment of taxable valuation on the dam. A further consequence of this reassessment is the decrease in district mill levies from 91.90 in 1986 to 47.48 by 1988--nearly a 50 percent decrease in school tax obligations for residents in the Noxon School District.

Elementary school revenues almost doubled between 1981 and 1986, but have remained stable (together with elementary enrollment) since that time (Table 30). District levies usually account for about 40 percent of elementary school general fund revenues, while state and county equalization each account for about 25 percent.

Per ANB expenditures at Noxon Elementary School District have declined 15.5 percent since 1986. In FY 1988, general fund expenditures

TABLE 30

LOCAL GOVERNMENT FINANCES -
NOXON SCHOOL DISTRICT #10

Category	1980-81 Amount	1980-81 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
Taxable Valuation ($000)								
Elementary District #10	$5,526.0		$5,663.9		$10,176.9		$10,921.1	
High School District #10	9,341.0		9,883.2		17,632.5		18,999.3	
Mill Levies								
Countywide Levies	69.99	100.0%	72.46	100.0%	67.22	100.0%	66.88	100.0%
High School General	32.98	47.1%	27.30	37.7%	27.16	40.4%	26.72	40.0%
School General	37.01	52.9%	45.16	62.3%	40.06	59.6%	40.16	60.0%
District Levies	62.74	100.0%	91.90	100.0%	49.20	100.0%	47.48	100.0%
General Fund	30.96	49.3%	33.55	36.5%	24.34	49.5%	20.43	43.0%
Transportation	9.70	15.5%	10.49	11.4%	3.60	7.3%	4.95	10.4%
High School	21.83	34.8%	22.18	24.1%	14.17	28.8%	8.63	18.2%
Other	.25	.4%	25.68	27.9%	7.09	14.4%	13.47	28.4%
Elementary District Financial Data								
ANB	190		185		171		177	
All Revenues	$504,829	100.0%	$991,150	100.0%	$814,552	100.0%	$960,928	100.0%
General Fund	358,972	71.1%	575,326	58.0%	548,358	67.3%	558,671	58.1%
District Levies	156,964	43.7%	198,464	34.5%	272,579	49.7%	221,042	39.6%
County Funds	103,958	29.0%	127,321	22.1%	126,843	23.1%	146,325	26.2%
State Funds	77,586	21.6%	228,559	39.7%	121,785	22.2%	150,826	27.0%
Other Funds	20,464	5.7%	20,982	3.6%	27,151	5.0%	40,478	7.2%
All Expenditures	$519,361	100.0%	$1,008,089	100.0%	$794,596	100.0%	$861,119	100.0%
General Fund	379,370	73.0%	559,418	55.5%	515,051	64.8%	519,118	60.3%
Transportation	61,825	11.9%	79,091	7.8%	57,601	7.2%	67,773	7.9%
Retirement	37,544	7.2%	60,875	6.0%	71,371	9.0%	68,952	8.0%
Debt Service	15,377	3.0%	121,025	12.0%	116,038	14.6%	112,058	13.0%
Other	25,245	4.9%	187,680	18.6%	34,535	4.3%	93,218	10.8%
Per ANB Expenditures	3,748		5,758		4,785		4,865	

Table 30 (continued)

Category	1980-81 Amount	1980-81 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
High School District Financial Data								
ANB	106		98		99		98	
All Revenues	$462,924	100.0%	$598,067	100.0%	$626,336	100.0%	$548,749	100.0%
General Fund	307,672	66.5%	434,973	72.7%	430,904	68.8%	375,162	68.4%
District Levies	145,321	47.2%	176,504	40.6%	191,051	44.3%	133,554	35.6%
County Funds	51,320	16.7%	75,887	17.4%	101,801	23.6%	114,714	30.6%
State Funds	97,122	31.6%	163,285	37.5%	118,184	27.4%	111,101	29.6%
Other Funds	31,577	10.3%	19,297	4.4%	19,868	4.6%	15,793	4.2%
All Expenditures	$442,325	100.0%	$635,759	100.0%	$541,975	100.0%	$582,122	100.0%
General Fund	305,247	69.0%	439,821	69.2%	397,650	73.4%	405,343	69.6%
Transportation	64,964	14.7%	89,699	14.1%	47,519	8.8%	39,838	6.8%
Retirement	32,130	7.3%	49,347	7.8%	40,106	7.4%	53,564	9.2%
Debt Service	16,679	3.8%	0	.0%	0	.0%	0	.0%
Other	47,089	10.6%	56,892	8.9%	56,700	10.5%	83,377	14.3%
Per ANB Expenditures	$5,721		$6,855		$5,638		$5,940	

Sources: 1) Municipality of Noxon, Annual Financial Reports.
2) Montana Department of Revenue, Helena, Montana.
3) Montana Department of Commerce, Local Government Services Division, Helena, Montana.

comprised approximately 60 percent of the total elementary budget, while transportation accounted for 8 percent and retirement totalled 8 percent of the budget. In 1983, an elementary classroom wing was added to the school building, increasing the debt service to approximately 13 percent of the budget.

Total high school revenues have increased from $462,924 in 1981 to $598,067 by 1986, but have declined by approximately 8 percent since that time (Table 30). General fund revenues usually total about 70 percent of all high school revenues. Major sources for general fund revenues are district levies, county equalization, and state equalization, each comprising approximately one-third of the general fund.

Similar to revenues, expenditures for Noxon High School have declined about 8 percent since 1986 even though enrollment has remained stable. General fund expenditures make up approximately 70 percent of total spending at the high school. In 1988, transportation expenditures accounted for 6.8 percent of the budget, while retirement comprised 9.2 percent. At the present time, Noxon High School has no debt service on capital projects.

2) Trout Creek Elementary School District. Similar to Noxon Elementary School District, the taxable valuation for Trout Creek Elementary School District has nearly doubled since 1986, due to reassessment of taxable valuation on centrally assessed utilities (Table 31). District levies have correspondingly decreased 63.4 percent from 52.85 mills in 1986 to 19.34 mills by 1988. Of the district-wide levies in 1988, 11.82 mills were for general fund, 2.33 for transportation, and 5.19 for miscellaneous purposes.

Total revenues for Trout Creek Elementary School District have changed little over the last 8 years peaking in 1986 at $426,659 before

TABLE 31

LOCAL GOVERNMENT FINANCES -
TROUT CREEK SCHOOL DISTRICT #6

Category	1980-81 Amount	1980-81 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
Taxable Valuation ($000)								
Elementary District #6	$3,856.0		$4,281.1		$7,507.3		$8,130.3	
Mill Levies								
Countywide Levies	69.99	100.0%	72.46	100.0%	67.22	100.0%	66.88	100.0%
High School General	32.98	47.1%	27.30	37.7%	27.16	40.4%	26.72	40.0%
School General	37.01	52.9%	45.16	62.3%	40.06	59.6%	40.16	60.0%
District Levies	50.77	100.0%	52.85	100.0%	19.34	100.0%	19.34	100.0%
General Fund	34.51	68.0%	29.18	55.2%	10.60	54.8%	11.82	61.1%
Transportation	4.38	8.6%	13.30	25.2%	2.81	14.5%	2.33	12.0%
Other	11.88	23.4%	10.37	19.6%	5.93	30.7%	5.19	26.8%
Elementary District Financial Data								
ANB	87		82		76		73	
All Revenues	$325,597	100.0%	$426,659	100.0%	$342,113	100.0%	$359,063	100.0%
General Fund	211,978	65.1%	268,885	63.0%	203,139	59.4%	222,560	62.0%
District Levies	122,160	57.6%	125,383	46.6%	76,909	37.9%	97,910	44.0%
County Funds	43,056	20.3%	45,806	17.0%	52,448	25.8%	54,790	24.6%
State Funds	28,401	13.4%	80,577	30.0%	60,030	29.6%	55,968	25.1%
Other Funds	18,361	8.7%	17,119	6.4%	13,752	6.8%	13,892	6.2%
All Expenditures	$279,302	100.0%	$369,405	100.0%	$361,617	100.0%	$418,781	100.0%
General Fund	182,409	65.3%	249,202	67.5%	240,521	66.5%	285,247	68.1%
Transportation	21,469	7.7%	33,208	9.0%	36,097	10.0%	35,878	8.6%
Retirement	17,637	6.3%	27,089	7.3%	27,097	7.5%	28,432	6.8%
Debt Service	42,098	15.1%	29,513	8.0%	26,995	7.5%	29,156	7.0%
Other	43,548	15.6%	30,393	8.2%	30,907	8.5%	40,068	9.6%
Per ANB Expenditures	$4,402		$4,760		$4,900		$5,737	

Source: 1) Montana Tax Foundation, Inc., Helena, Montana.
2) Montana Department of Commerce, Local Government Services Division, Helena, Montana.

declining to $359,063 by 1988 (Table 31). General fund revenues generally make up about 60 percent of total revenues. Most of the general fund revenues (40 percent) are raised through district levies, whereas state and county equalization levies each comprise about 25 percent of the general fund revenues for Trout Creek Elementary School District.

Per ANB expenditures have increased steadily since 1981, peaking at $5,737 per student in 1988 (Table 31). Similarly, total expenditures also peaked in 1988 at $418,781. Most of the budget (about 68 percent) is spent for general fund purposes, while transportation, retirement, and debt service each amount to about 7 percent of the budget.

3) Thompson Falls School Districts. The taxable valuation for the Thompson Falls School District (both elementary and high school) nearly doubled between 1981 and 1986, but since 1986, valuation has declined by approximately 8 percent (Table 32). In 1988, taxable valuation was $8.1 million for the elementary school and $9.0 million for the high school.

District-wide mill levies have varied little since 1981, peaking in 1986 at 106.19 mills before declining to 93.27 mills by 1988. The decline in millage is a function of the enrollment decline in the elementary school from 1981 to 1988 and in the high school from 1986 to 1988. Of the district-wide millage levied in 1988, over half was for elementary general fund purposes and about one-third was for high school purposes.

Elementary school revenues have remained at approximately the same level ($1.5 million) since 1986 (Table 32). Over 65 percent of the total elementary revenues raised are for general fund purposes, with most general fund revenue coming from the state equalization program.

TABLE 32

LOCAL GOVERNMENT FINANCES -
THOMPSON FALLS SCHOOL DISTRICT #2

Category	1980-81 Amount	1980-81 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
Taxable Valuation ($000)								
Elementary District #2	$4,821.0		$8,942.8		$8,638.1		$8,149.0	
High School District #2	4,861.0		9,719.7		9,547.4		9,046.5	
Mill Levies								
Countywide Levies	69.99	100.0%	72.46	100.0%	67.22	100.0%	66.88	100.0%
High School General	32.98	47.1%	27.30	37.7%	27.16	40.4%	26.72	40.0%
School General	37.01	52.9%	45.16	62.3%	40.06	59.6%	40.16	60.0%
District Levies	90.59	100.0%	106.19	100.0%	94.04	100.0%	93.27	100.0%
General Fund	34.78	38.4%	60.47	56.9%	48.44	51.5%	48.52	52.0%
Transportation	8.77	9.7%	6.50	6.1%	8.75	9.3%	8.70	9.3%
High School	41.78	46.1%	35.65	33.6%	32.36	34.4%	31.59	33.9%
Other	5.26	5.8%	3.57	3.4%	4.49	4.8%	4.46	4.8%
Elementary District Financial Data								
ANB	432		422		412		394	
All Revenues	$934,427	100.0%	$1,510,191	100.0%	$1,545,277	100.0%	$1,580,251	100.0%
General Fund	670,907	71.8%	1,035,899	68.6%	998,229	64.6%	1,034,530	65.5%
District Levies	169,545	25.3%	257,324	24.8%	236,977	23.7%	291,017	28.1%
County Funds	229,272	34.2%	233,561	22.5%	279,242	28.0%	287,513	27.8%
State Funds	209,061	31.2%	508,095	49.0%	422,295	42.3%	401,891	38.8%
Other Funds	63,029	9.4%	36,919	3.6%	59,715	6.0%	54,109	5.2%
All Expenditures	$1,007,592	100.0%	$1,592,054	100.0%	$1,603,589	100.0%	$1,488,089	100.0%
General Fund	728,572	72.3%	1,099,278	69.0%	1,068,595	66.6%	983,812	66.1%
Transportation	73,572	7.3%	84,157	5.3%	92,255	5.8%	93,706	6.3%
Retirement	79,064	7.8%	126,828	8.0%	133,907	8.4%	132,055	8.9%
Debt Service	13,055	1.3%	10,533	.7%	0	.0%	0	.0%
Other	43,548	4.3%	271,258	17.0%	308,832	19.3%	278,516	18.7%
Per ANB Expenditures	$3,198		$3,986		$4,008		$3,777	

Table 32 (continued)

Category	1980-81 Amount	1980-81 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
High School District Financial Data								
ANB	174		203		224		197	
All Revenues	$569,262	100.0%	$740,411	100.0%	$811,481	100.0%	$811,970	100.0%
General Fund	391,123	68.7%	606,215	81.9%	631,319	77.8%	629,198	77.5%
District Levies	102,477	26.2%	134,181	22.1%	122,551	19.4%	155,028	24.6%
County Funds	85,691	21.9%	128,863	21.3%	186,309	29.5%	190,743	30.3%
State Funds	193,864	49.6%	321,873	53.1%	287,154	45.5%	249,088	39.6%
Other Funds	5,819	1.5%	21,298	3.5%	35,305	5.6%	34,339	5.5%
All Expenditures	$544,855	100.0%	$816,505	100.0%	$832,038	100.0%	$746,333	100.0%
General Fund	379,941	69.7%	631,802	77.4%	679,205	81.6%	587,410	78.7%
Transportation	43,650	8.0%	58,724	7.2%	46,551	5.6%	58,840	7.9%
Retirement	40,625	7.5%	64,361	7.9%	71,545	8.6%	65,070	8.7%
Debt Service	38,907	7.1%	33,293	4.1%	1,615	.2%	1,538	.2%
Other	66,837	12.3%	28,325	3.5%	33,122	4.0%	33,475	4.5%
Per ANB Expenditures	$4,293		$4,250		$3,825		$3,788	

Sources: 1) Montana Tax Foundation, Inc., Helena, Montana.
2) Montana Department of Commerce, Local Government Services Division, Helena, Montana.

Similar to revenues, elementary expenditures and the pattern of expenditures have changed very little over the past 3 years. The Thompson Falls Elementary School budget totals about $1.5 million of which two-thirds is spent for general fund purposes, 6 percent for transportation, and 9 percent for retirement. There was no debt service expenditures in 1988.

High school revenues have increased by 42.6 percent since 1981, but for the last 2 years, have remained at the same approximate level--$811,000 (Table 32). Over three-fourths of the total high school revenues are raised for general fund purposes. Most general fund revenues are received through the state equalization program, district levies, and county equalization.

Per ANB expenditures at the high school have declined since 1981 to $3,788 in 1988. Of the total expenditures at Thompson Falls High School, approximately three-fourths are spent for general fund purposes, while about 8 percent is spent each on retirement and transportation. Current debt service payments have averaged about $1,500 per year for the last several years.

III. SOCIAL ENVIRONMENT

The study area for the proposed Montana Project includes the southwestern portion of Lincoln County and the northwestern portion of Sanders County. Communities within the counties include Libby and Troy (Lincoln County), and Thompson Falls, Trout Creek, Noxon, and Heron (Sanders County).

A. Lincoln County

1. Demographic Conditions

a. Historical Population Trends and Characteristics. Between 1940 and 1980, the population of Lincoln County grew at a faster rate than Montana (Table 33). The largest increase for Lincoln County occurred between 1960 and 1970 due to the construction of the Libby Dam. Because the dam was constructed in the late 1960s, the 1970 census count included a number of temporary construction workers. Thus, the decline in population between 1970 and 1980 for Lincoln County is attributable to the out-migration of construction workers when the Libby Dam was completed. The population of both Libby and Troy increased marginally between 1940 and 1980, with growth rates nearly identical to the statewide growth rate.

Data of the U.S. Bureau of the Census (1980) showed that the percent of the population 65 years old and over was higher in Lincoln County than that reported for the state (Table 33). In Libby, however, the percent of the population in the 65 years and over category was higher relative to the percent reported by the state. The median age for Lincoln County and the state were comparable at approximately 28 years old for both males and females.

TABLE 33

SELECTED DEMOGRAPHIC CHARACTERISTICS -
MONTANA, LINCOLN COUNTY, LIBBY, AND TROY

Characteristic	Montana	Lincoln County	Libby	Troy
Population				
1940	559,456	7,882	1,837	796
1950	591,024	8,693	2,401	770
1960	674,767	12,537	2,828	855
1970	694,409	18,063	3,286	1,046
1980	786,690	17,752	2,748	1,088
Female (1980)	50.1%	49.5%	53.2%	52.5%
Under 18 Years	28.6%	33.4%	28.4%	36.3%
18 to 64 Years	59.3%	57.9%	54.0%	51.3%
65 Years and Over	12.1%	8.7%	17.6%	12.4%
Median Age	29.6 Years	28.5 Years	NA	NA
Male (1980)	49.9%	50.5%	46.8%	47.5%
Under 18 Years	30.3%	34.2%	29.4%	33.3%
18 to 64 Years	60.3%	58.4%	58.8%	57.2%
65 Years and Over	9.4%	7.4%	11.8%	9.5%
Median Age	28.4 Years	28.3 Years	NA	NA
Households (1980)	283,742	6,063	1,003	394
Persons Per Household	2.70	2.91	NA	NA
Persons Per Family	3.24	3.37	NA	NA
Race (1980)				
White	94.1%	97.9%	98.6%	98.8%
Native American	4.7%	1.3%	1.4%	1.0%
Other	1.2%	0.8%	0.0%	0.2%
Percent Completing 12 Years or More of School (1980)	75.4%	68.7%	NA	NA
Median Family Income (1979)	$18,413	$17,480	NA	NA

NA = Not Available

Sources: 1) Montana Department of Commerce, The Census and Economic Information Center, Helena, Montana, 1985.
2) U.S. Department of Commerce, Bureau of the Census, 1980 Census of Population and Housing.

In 1980, the median family income in Lincoln County was about 5 percent lower than the Montana figure ($17,480 for Lincoln County and $18,413 for the state). In Lincoln County, nearly 69 percent had completed 12 years or more of school as compared to 75 percent at the state level (Table 33).

Table 34 presents a 3-year comparison of selected vital statistics for Lincoln County and Montana. Lincoln County had a slightly lower death rate than the state in all years of study (1985, 1986, and 1987), with a death rate of 8.2 per 1,000 population at the state level and 7.0 per 1,000 for the county in 1987. Cancer and heart disease were the 2 leading causes of death recorded at both the state and county levels. In Lincoln County, the cancer death rate slightly decreased between 1985 and 1987, from 2.1 deaths per 1,000 population in 1985 to 1.5 in 1987 (Table 34).

b. Recent Population Trends and Component Changes. The population of Montana has undergone some severe changes since 1984, with out-migration of over 35,000 people from the state (Table 35). This out-migration, coupled with a declining birth rate, has decreased the state population from a high of 825,000 in 1985 to 809,000 in 1987.

Since 1980, the population of Lincoln County has increased steadily with in-migration occurring in some years and out-migration occurring in other years. The estimated population of Libby, however, has declined since the 1980 census, indicating out-migration in nearly every year. Similarly, the 1987 population of Troy was only slightly higher than the 1980 census, also indicating out-migration since 1980.

c. Baseline Population Projections. The population of Lincoln County was projected (Table 36) in conjunction with the employment projections presented in the economic environment section of this appendix

TABLE 34

SELECTED VITAL STATISTICS PER 1,000 POPULATION -
MONTANA AND LINCOLN COUNTY (1985, 1986, 1987)

Characteristics	State of Montana			Lincoln County		
	1985	1986	1987	1985	1986	1987
Marriage Licenses Issued	8.7	8.2	8.1	6.2	6.8	6.6
Marital Dissolutions	5.1	5.2	5.0	6.5	4.9	5.9
Birth Rate	16.4	15.6	15.1	15.8	14.0	13.9
Death Rate	8.2	8.2	8.2	7.9	7.4	7.0
Two Leading Causes of Death						
Cancer	1.8	1.8	1.9	2.1	1.5	1.5
Heart Disease	2.7	2.7	2.6	2.7	2.6	2.0

Note: Per 1,000 based on estimated population by the U.S. Bureau of the Census for appropriate year.

Source: Montana Department of Health and Environmental Sciences, Bureau of Records and Statistics, Helena, Montana, 1986, 1987, and 1988.

TABLE 35

COMPONENTS OF POPULATION -
MONTANA, LINCOLN COUNTY, LIBBY, AND TROY

Place/Year	Estimated Population	Births	Deaths	Estimated Migration
Montana				
1980	786,690	14,208	6,664	1,766
1981	796,000	14,309	6,709	1,400
1982	805,000	14,538	6,625	3,087
1983	816,000	14,054	6,699	645
1984	824,000	14,141	6,698	-6,443
1985	825,000	13,497	6,725	-14,772
1986	817,000	12,728	6,738	-13,990
1987	809,000	12,239	6,597	—
Lincoln County				
1980	17,752	340	123	-169
1981	17,800	312	114	2
1982	18,000	337	125	88
1983	18,300	367	134	167
1984	18,700	295	128	-67
1985	18,800	297	149	-348
1986	18,600	260	138	278
1987	19,000	265	133	—
Libby				
1980	2,748	53	19	-82
1981	2,700	47	17	-30
1982	2,700	51	19	-32
1983	2,700	54	20	-34
1984	2,700	43	18	-125
1985	2,600	41	21	-20
1986	2,600	36	19	-17
1987	2,600	36	18	—
Troy				
1980	1,088	21	8	-1
1981	1,100	19	7	-12
1982	1,100	21	8	87
1983	1,200	24	9	-15
1984	1,200	19	8	-11
1985	1,200	19	10	-9
1986	1,200	17	9	-8
1987	1,200	17	8	—

Note: Birth and death data for Libby and Troy were estimated using popultion percentages.

Sources:
1) U.S. Bureau of the Census.
2) Montana Department of Health and Environmental Sciences.
3) Economic Consultants Northwest, Helena, Montana.

TABLE 36

BASELINE POPULATION PROJECTIONS -
LINCOLN COUNTY, LIBBY, AND TROY

Age by Place	Census 1980	Projected 1990	1995	2000	2005	2010
Lincoln County						
Female	8,783	9,230	9,340	9,510	9,710	9,930
0-4 Years	785	760	630	530	510	540
5-9 Years	772	880	800	680	570	550
10-14 Years	822	900	920	850	740	620
15-19 Years	828	520	630	700	680	600
20-24 Years	667	310	330	450	530	520
25-29 Years	774	600	350	350	470	550
30-34 Years	684	1,000	660	390	380	490
35-39 Years	627	780	1,100	760	470	450
40-44 Years	495	790	800	1,140	810	500
45-49 Years	428	510	710	740	1,070	780
50-54 Years	394	320	520	750	780	1,130
55-59 Years	388	410	340	570	820	840
60-64 Years	359	470	390	340	560	800
65-69 Years	294	300	430	370	330	550
70-75 Years	209	240	250	370	320	280
75 and Over	257	440	480	520	670	730
Male	8,969	8,910	8,990	9,100	9,210	9,350
0-4 Years	836	790	670	560	530	560
5-9 Years	774	910	800	690	580	560
10-14 Years	866	770	950	850	730	620
15-19 Years	897	550	570	740	690	610
20-24 Years	596	290	350	420	570	540
25-29 Years	796	460	300	370	440	590
30-34 Years	713	710	510	330	390	450
35-39 Years	626	900	800	610	380	440
40-44 Years	553	940	930	840	660	410
45-49 Years	445	510	840	870	800	650
50-54 Years	421	440	520	850	900	830
55-59 Years	398	450	470	560	920	960
60-64 Years	388	350	410	440	530	870
65-69 Years	272	310	300	370	400	490
70-75 Years	198	250	240	240	300	320
75 and Over 190	190	280	330	360	390	450
Total	17,752	18,140	18,330	18,610	18,920	19,280
Libby						
All Ages	2,748	2,808	2,837	2,880	2,928	2,984
Troy						
All Ages	1,088	1,112	1,124	1,141	1,160	1,182

Source: National Planning Association Data Services, Inc., Washington, D.C., February 1989.

(see Attachment B for methodology). Fertility rates and survival rates used to develop the population projections also are presented in Attachment B to this appendix.

The population of Lincoln County is projected to increase only marginally throughout the 20-year projection period (Table 36). The natural increase (births over deaths) for Lincoln County from 1980 through 1987 was approximately 150 to 200 persons per year, so the projections for Lincoln County indicate continued net out-migration from the county.

The population projections for Libby and Troy were developed using the 1980 proportion of the county population and applying these ratios to the county projections. Similar to the county, little economic growth in Libby and Troy is projected and, consequently, there will be continued net out-migration from the municipalities.

2. Social Life

The history of northwestern Montana has greatly influenced the social character, human interaction, and life-styles of current residents of the Libby area. Settlement of the region began with gold mining and a resource extractive economy has prevailed since that time with cyclical periods of high employment followed by periods of recession. In addition to the economic factors, ethnic heritage, occupations requiring strenuous physical labor, and geographic isolation have directed the social evolution of residents of the Kootenai Valley.

a. History. The first anglo-European visitors to the Libby/Troy area were David Thompson and his men. In 1808, the Thompson party passed through what is now Lincoln and Sanders counties while exploring new fur trapping areas. They erected a fur warehouse near Kootenai Falls which was

probably the first building constructed by white men in Montana (Johnson 1958).

The gold mining boom in southeastern British Columbia in 1859 attracted miners who passed through northwestern Montana enroute to the Canadian placer mines. While traversing the region in 1863, prospectors found placer deposits of gold on Libby Creek. A gold rush followed and the Old Town of Libby was founded by building of cabins and a store on Libby Creek, approximately 20 miles from the present city (Libby Pioneer Society and Libby Woman's Club 1970).

In 1885, the Libby Placer Mining Company bought up claims for about 5 miles along Libby Creek. Water was diverted from Libby, Howard, Ramsey, Poorman, and Bear creeks to hydraulically mine the gravel of the floodplain of Libby Creek. In 1888, the Banner and Bangle Mine, later to become the Snowstorm Mine, was discovered near the present location of Troy (Johnson 1958).

The first underground gold mines in the Libby area were "located" in 1887 near Libby Creek and Fisher River. The Silver Butte Mine, the Shaughnessy Hill Mine, and the Snowshoe Mine were in operation by 1889. The Snowshoe Mine produced ore which was hauled 25 miles by wagon to the present city of Libby. The Snowshoe Mine and other mines in the area led to the founding of the present city of Libby.

The construction of the Great Northern Railroad to Libby and Troy was completed in 1892. Following completion of the railroad, many new buildings were erected and businesses opened. Professional men and their families were attracted to the city because Libby was likely to become the county seat of Lincoln County.

Troy also expanded after completion of the railroad. A roundhouse and a freight distribution station were constructed which became the dominant employers in the town. By 1910, logging was widespread and the Sylvanite Mining District in the Yaak area north of Troy was at its peak production. The Troy Ferry crossing the Kootenai River was reconditioned for operation (Johnson 1958).

Mining continued to be a dominant feature of the Libby/Troy area economy until the 1940s. The Rainey Creek and the Fisher River districts, east of Libby, and the Sylvanite and the Keystone districts, north of Troy, became "sensationally productive" mining areas (Johnson 1958). Gold, silver, copper, zinc, and lead were all extracted from mines in Lincoln County (Montana Historical Records Survey 1940). In the 1920s, mining of a large vermiculite deposit north of Libby began. Vermiculite mining by W.R. Grace and Company continues to the present time.

Construction of the Great Northern Railroad also initiated the forest products industry in Lincoln County. By the 1920s, Lincoln County ranked tenth in lumber production of all counties in the United States. In 1924, Lincoln County produced more timber (i.e., 90,556,000 board feet) than all Montana counties except Missoula. From the 1920s until the current time, the forest products industry has been the main employer in the county.

In 1966, construction of the Libby Dam and associated facilities brought an in-migration of construction workers who often had backgrounds dissimilar to the native population (Mountain International, Inc. 1986). The influx of newcomers has not markedly changed the areas life-style characteristics, but there have been shifts in the degree of community cohesiveness and social interaction (Mountain International, Inc. 1986).

b. Social Values, Structure, and Interaction. Social structure and interaction in the Libby/Troy area has been shaped primarily by geographic isolation, migration and settlement, resource extractive economy, extra-local influence on the economy, and a cyclical economy (Western Analysis no date). Geographic isolation and, consequently, social isolation has a homogenizing effect on the human population because communities and interaction are directed to one's own group or community. As a result, similar values and social views develop among individuals and social bonds form, leading to a collective view of and commitment to the community. Additionally, isolation promotes self-reliance and self-sufficiency (Western Analysis no date). Because there is not ready access to a wide range of social and economic services, Libby area residents have developed a broad range of occupational skills. The ability to be a "jack-of-all-trades" is a necessary and respected occupational characteristic that also becomes a social feature of the community. Individual resourcefulness and reliance on one's immediate social group for support has fostered cohesiveness in the Libby and Troy communities that has provided resiliency during periods of difficult economic times.

Large influxes of disparate ethnic groups did not have a major influence on the social character of the Libby/Troy area. Construction of the railroad brought small transient populations of Chinese and Greek, but the ethnic background of most settlers was northern European. The German and Scandinavian heritage that was originally associated with the lumber industry is evident today in Libby.

The resource-based economy has influenced social dynamics of the Libby/Troy area. The cyclic nature of mining and logging directed by

economic factors determined at the national or international level has perpetuated economic insecurity in the area. Additionally, capital for development of industry has come primarily from external sources. Consequently, the management of industry and the flow of revenues out of the area is determined by large corporations and local employees perceive that they have little influence over their destiny. Similarly, the United States government (i.e., Forest Service) manages about 75 percent of the land in Lincoln County. Decisions regarding management of the national forests are directed by national policies often perceived by area residents to impede their ability to make a living. Environmental regulations concerning logging, grizzly bear management, streamflow of the Kootenai River, and access to public lands have created some disagreement between the community and government regulators.

Libby area residents have adapted to the cyclic nature of the economy by living off the land (i.e., hunting, fishing, gardening, firewood gathering, and berry picking) and developing "do-it-yourself" skills. Local residents acquire vehicles, homes, and other possessions which are functional rather than ostentatious.

Residents of Lincoln County, because of their livelihoods, are closely linked to the natural environment, have a conservation ethic, but do not favor preservation that would prohibit development of natural resources. Residents generally support commercial and industrial development of the region as long as reasonable protection of land, water, and other resources is assured (Mountain International, Inc. 1986). Using natural resources, not just protecting them for future generations, is a dominant concept of the

culture of Lincoln County and other communities which strongly rely upon natural resources for individual and community survival.

Two special events in which the community members join together to either organize or participate in are Libby Logger Days in July and Nordicfest in September. Features of Libby Logger Days are a parade, fun run, canoe and raft race, crosscut sawing as well as other lumberjack contests, town water fight, children's greased pig contest, and a carnival. Nordicfest represents a celebration of the Scandinavian heritage and features Nordic crafts, food, music, and entertainment such as a fjord horse show, a parade, and a Norse-West melodrama. Other special events of the area include the Libby Arts Festival, Lincoln County Junior Fair, Libby Crafts Festival, Fishing Derby, and Community Band Concerts (Lincoln County Economic Development Council May 1988).

A quality of life survey[2] conducted with Lincoln County residents (Economic Consultants Northwest 1988) indicates that residents highly value the natural environment and rural, small town atmosphere of the area. Air pollution, particularly in the fall and winter, however, was frequently mentioned as unaesthetic and a public health problem of the area.

There is a strong community identity in both Libby and Troy residents. Most residents believe that they are self reliant, but also feel that the community is responsive to those who have suffered hardships.

Social problems in the area as reported by the respondents included alcoholism, drugs, family abuse, teenage pregnancy, divorce, crime, and lack of initiative to do things. Alcoholism and drugs were mentioned most often.

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[2]See Attachment C for survey instrument and interviewing techniques.

Some respondents felt that the social problems of the area were no different than those of other communities.

One informant commented that "social problems stem from economic problems." Although many of the respondents thought young people have an opportunity to stay in the community and work at an occupation, many added that the type of employment is very limited and dependent upon the logging industry.

Community services are generally viewed as being average or above average. Residents typically try to purchase goods in Libby, but cite the limited selection as a negative feature of local businesses. Shopping for clothing and other small articles is often done in Kalispell or Spokane, whereas major purchases such as automobiles are often made in Libby.

The economy of Lincoln County was viewed as depressed to stable, and not able to support adequate employment. Most people interviewed believed that the proposed Montana Project would have a positive effect on the local economy, job market, and tax base. The influx of newcomers generally was not viewed as a problem as long as local residents would not have to compete with newcomers for jobs. Environmental impacts that would result from the proposed Montana Project were not considered significant if there were compliance with state and federal regulations.

c. Political Institution. Lincoln County voters have favored Democrats more than Republicans for national, state, and county offices (Table 37). In the 1988 presidential election, the county residents voted Democratic, whereas the state as a whole and the county were strongly Republican. The election of a Republican U.S. Senator in 1988 was a departure from past voting practices in Lincoln County. The voters'

TABLE 37

VOTING PATTERNS - LINCOLN COUNTY

Election/Office	Year of Election 1980	1984	1988
General Election			
President	Republican	Republican	Democrat
U.S. Senator	NA	Democrat	Republican
Representative in Congress	Democrat	Democrat	Democrat
Governor	Democrat	Democrat	Democrat
Secretary of State	Republican	Republican	Democrat
Attorney General	Unopposed	Democrat	Republican
Superintendent of Public Instruction	Democrat	Democrat	Democrat

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Election/Office	Year of Election 1986	1988
State and County Election		
County Attorney	Democrat	Democrat
Clerk of District Court	Democrat	Democrat
Sheriff	Independent	Democrat
Clerk and Recorder	Democrat	Democrat
County Commissioners	Democrats (3)	Democrat
School Superintendent	Democrat	Democrat
Treasurer	Democrat	Democrat
Public Administrator	Democrat	Democrat
Assessor	Democrat	Democrat
Coroner	Democrat	Democrat

NA = Not applicable.

Source: Compiled and published by the Secretary of the State, Helena, Montana.

perception that the Democratic candidate favored expansion of the wilderness designation of some portions of the national forest lands apparently was a significant factor in the loss of the election by the incumbent Democrat.

In a quality of life survey conducted in 1988 (Economic Consultants Northwest), Libby/Troy respondents reported that they felt residents had an opportunity to participate in the decision-making process of the Lincoln County government. They also indicated that they felt that their comments or suggestions made to the county government were considered most of the time.

The majority of the Libby/Troy respondents also felt local residents could participate in the decision-making process of the federal government (e.g., USFS or Corps of Engineers). Some respondents, however, added comments such as "they involve the public, but then they do what they want anyway even after public input," or "we are very seldom listened to." Large corporations and USFS were thought to have the most power in deciding the future of the area.

d. Religious Institution. There are 19 churches in Libby including Catholic, Episcopal, Latter Day Saints, Lutheran, Assembly of God, Methodist, Presbyterian, and 12 other protestant denominations (Lincoln County Economic Development Council 1988). In Troy, there are at least 6 churches including the denominations of Assembly of God, Latter Day Saints, and Lutheran.

Libby/Troy residents reported that people in the area attend church regularly (Economic Consultants Northwest 1988). One informant reported that church congregations often pitch in and organize groups to assist in times of need and sometimes duplicate the services of the county (e.g., drug abuse programs).

3. Community Services

Service providers in the Lincoln County study area were interviewed concerning the existing and capacity of governmental/community services and facilities. Whenever possible, published and unpublished data were used to supplement information obtained through the personal interviews.

a. Education. There are 4 elementary schools, 1 junior high school, and 2 high schools in the Lincoln County study area. Libby School District #4 includes Asa Wood, McGrade, and Plummer elementary schools, Libby Junior High School, and Libby Senior High School.

In 1987-88, the Libby school system started to reorganize grades within the elementary, junior, and high schools. The elementary schools currently serve kindergarten through grade 5; the junior high school consists of grades 6 through 9; and the high school provides education to grades 10 through 12. In 1989-90, the school district plans to move the ninth grade classes to the high school and possibly fifth grade classes to the junior high school (Sheriee Wynes, pers. comm., November 4, 1988).

In the 1988-89 school year, the staff at Asa Wood, McGrade, and Plummer elementary schools included 42 classroom teachers, 5 special education teachers, 27 teacher aides, 3 administrators, and 4 clerical workers. Total number of maintenance and custodial staff for Libby School District #4 (both elementary and high school) was 19 in 1988. There is an adequate number of staff at the Libby elementary schools to provide students with the quality of education expected by the local community (Sheriee Wynes, pers. comm., November 4, 1988).

Table 38 shows actual student enrollment for Libby Elementary School District #4 from school year 1980-81 through 1988-89. Elementary school

TABLE 38

ACTUAL SCHOOL ENROLLMENT -
LIBBY SCHOOL DISTRICT #4

Grade	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89
Kindergarten	155	147	179	174	176	188	185	151	169
Grade 1	181	174	167	206	186	184	199	187	160
Grade 2	167	167	173	158	182	173	171	190	182
Grade 3	170	167	162	172	145	178	167	166	190
Grade 4	184	170	177	166	168	144	172	184	168
Grade 5	216	181	169	187	160	170	137	174	161
Grade 6	197	216	179	168	178	154	162	137	177
Total K-6	1,270	1,222	1,206	1,231	1,195	1,191	1,193	1,189	1,207
Grade 7	202	195	228	185	180	189	158	160	138
Grade 8	214	193	207	232	185	158	173	153	161
Total 7 & 8	416	388	435	417	365	347	331	313	299
Total K-8	1,686	1,610	1,641	1,648	1,560	1,538	1,524	1,502	1,506
Grade 9	210	194	192	200	235	174	150	169	136
Grade 10	232	200	180	192	189	229	173	148	161
Grade 11	196	214	181	173	181	183	217	170	130
Grade 12	222	187	209	184	177	166	185	211	168
Total 9-12	860	795	762	749	782	752	725	698	595
Special Education	14	28	27	31	33	29	31	32	25
Total All Grades	2,560	2,433	2,430	2,428	2,375	2,319	2,280	2,232	2,126

Note: Actual school enrollment at the beginning of the school year.

Source: Montana Office of Public Instruction, Helena, Montana.

enrollment has steadily declined from 1980, reaching the lowest enrollment of 1,189 in school year 1987-88. Between school years 1987-88 and 1988-89, enrollment in grades kindergarten through 6 increased 1.5 percent to 1,207 students.

School enrollment was projected using a grade retention model based on past migration, survival, and birth rates. Similar to historical trends, elementary school enrollment is projected to steadily decrease through 1993-94 (Table 39). During the 5-year projection period (1989 through 1993), enrollment of Libby elementary schools is expected to decrease 17.1 percent from 1,179 students in 1989 to 977 students in 1993.

A comparison of current school enrollment and estimated capacity enrollment for Libby School District #4 is shown in Table 40. The estimated capacity figures presented in the table are based on even distribution throughout all grades of additional students. McGrade and Plummer Elementary Schools are approaching capacity, while both the junior and high schools could accommodate several additional students before reaching capacity. If overcrowding occurs in the elementary schools, the fifth grade classes could be moved to the junior high school. In addition, Central School, closed in 1987, could be reopened (Sheriee Wynes, pers. comm., February 8, 1989).

At the Libby Junior High School, the 1988-89 staff consisted of 35 classroom teachers, 2 special education teachers, 6 teacher aides, 2 administrators, and 3 clerical workers. Although the number of teaching staff has slightly decreased from the previous school year, enrollment also has declined. Based on current enrollment, there is a sufficient number of staff at Libby Junior High School (Sheriee Wynes, pers. comm., November 4, 1988).

TABLE 39

PROJECTED SCHOOL ENROLLMENT -
LIBBY SCHOOL DISTRICT #4

Grade	1989-90	1990-91	1991-92	1992-93	1993-94
Kindergarten-Grade 6	1,179	1,129	1,090	1,029	977
Grades 7 and 8	313	335	317	340	352
Total K-8	1,492	1,464	1,407	1,369	1,329
Grades 9-12	562	544	545	555	550
Total All Grades	2,054	2,008	1,952	1,924	1,879

Source: Economic Consultants Northwest, Helena, Montana, November 1988.

TABLE 40

CURRENT AND ESTIMATED CAPACITY ENROLLMENT -
LIBBY SCHOOL DISTRICT #4

Grade	1988-89 Enrollment	Estimated Capacity Enrollment
Asa Wood Elementary	439	500
McGrade Elementary	299	324
Plummer Elementary	299	324
Libby Junior High	612	1,000
Libby Senior High	459	900

Sources: 1) Montana Office of Public Instruction, Helena, Montana (February 8, 1989).
2) Sheriee Wynes, pers. comm., February 8, 1989.

Enrollment in grades 7 and 8 experienced a greater decrease than did elementary school enrollment, declining 28.1 percent between 1980 and 1988 (Table 38). During the 5-year projection period, however, enrollment in grades 7 and 8 is expected to show an upward trend, increasing from 299 students in 1988-89 to 352 students in 1993-94 (Table 39).

In the 1988-89 school year, Libby Senior High School employed 34 classroom teachers, 2 special education teachers, 3 teacher aides, 2 administrators, and 4 clerical workers. There is an adequate number of staff to accommodate the current enrollment at the high school (Sheriee Wynes, pers. comm., November 4, 1988).

School enrollment in grades 9 through 12 at Libby High School declined 30.8 percent between school years 1980-81 and 1988-89, falling to a low of 595 students in 1988-89 (Table 38). This downward trend is projected to continue, declining to 550 students by 1993-94 (Table 39).

Libby School District #4 contracts with M & M Transportation to provide bus transportation services for the school district. M & M Transportation owns 20 buses and operates 18 bus routes. Passenger capacities of the buses range from 60 to 72, with the majority either 71- or 72-passenger buses. The buses range in model year from 1975 to 1986, with four 1990 models ordered to arrive in 1989. Two charter buses are used for extracurricular activities (Rod Mitchell, pers. comm., November 4, 1988).

Troy School District #1 consists of W.F. Morrison School (kindergarten through grade 8) and Troy High School (grades 9 through 12). Enrollment at the high school includes students from Troy as well as students from McCormick, Sylvanite, and Yaak elementary school districts.

In 1988-89, W.F. Morrison School employed a staff of 24 classroom teachers, 5 special education/chapter teachers, 4 teacher aides, 1.5 administrators, 1 clerical worker, and 3 custodians. A psychologist is needed on staff at the school for grades kindergarten through 8; however, an employment search for a person with appropriate education and experience has been unsuccessful (Mary Brown, pers. comm., November 4, 1988).

Elementary enrollment at Troy School District #1 increased between school years 1980-81 and 1985-86 by 34.3 percent (Table 41). Between 1985-86 and 1986-87, enrollment dropped from 497 to 465 students, then slightly increased to 477 in school year 1987-88. Between school years 1987-88 and 1988-89, enrollment declined by 8 students.

During the 5-year projection period shown in Table 42, enrollment in grades kindergarten through 8 is expected to decrease 17.9 percent. Most of the decline in enrollment is projected to occur in the lower grades (i.e., kindergarten through sixth grade).

Approximately 75 students could be accommodated at W.F. Morrison and Troy High School before overcrowding would occur (Table 43). These figures are based upon an even distribution throughout all grades of the additional number of students.

In 1988-89, the staff at Troy High School consisted of 17 classroom teachers, 2 special education/chapter teachers, 3 teacher aides, 1.5 administrators, 2 clerical workers, and 3 custodians. At the high school level, there is an adequate number of staff to accommodate the current number of students (Mary Brown, pers. comm., November 4, 1988).

Enrollment at Troy Senior High School (grades 9 through 12) has fluctuated between 1980 and 1988 from a low of 171 in 1982 to a high of 214

TABLE 41

ACTUAL SCHOOL ENROLLMENT -
TROY SCHOOL DISTRICT #1

Grade	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89
Kindergarten	47	39	45	72	53	54	47	50	49
Grade 1	41	54	42	53	71	66	52	52	45
Grade 2	39	40	53	51	52	57	51	49	42
Grade 3	47	45	36	56	54	57	55	56	57
Grade 4	32	47	42	47	56	47	52	55	51
Grade 5	48	35	46	44	48	57	47	42	52
Grade 6	43	46	39	51	46	51	61	58	46
Total K-6	297	306	303	374	380	389	365	362	342
Grade 7	33	41	52	46	52	52	56	62	65
Grade 8	40	37	41	53	47	56	44	53	62
Total 7 & 8	73	78	93	99	99	108	100	115	127
Total K-8	370	384	396	473	479	497	465	477	469
Grade 9	49	47	39	49	55	55	57	48	59
Grade 10	42	48	49	42	50	57	49	60	48
Grade 11	66	38	49	52	46	53	56	49	53
Grade 12	43	59	34	45	50	49	44	50	48
Total 9-12	200	192	171	188	201	214	206	207	208
Special Education	4	4	4	10	11	8	13	12	8
Total All Grades	574	580	571	671	691	719	684	696	685

Note: Acutal school enrollment at the beginning of the school year.

Source: Montana Office of Public Instruction, Helena, Montana.

TABLE 42

PROJECTED SCHOOL ENROLLMENT -
TROY SCHOOL DISTRICT #1

Grade	1989-90	1990-91	1991-92	1992-93	1993-94
Kindergarten-Grade 6	335	309	292	271	260
Grades 7 and 8	113	111	119	117	108
Total K-8	448	420	411	388	368
Grades 9-12	224	238	240	248	242
Total All Grades	672	658	651	636	610

Source: Economic Consultants Northwest, Helena, Montana, November 1988.

TABLE 43

CURRENT AND ESTIMATED CAPACITY ENROLLMENT -
TROY SCHOOL DISTRICT #1

Grade	1988-89 Enrollment	Estimated Capacity Enrollment
W.F. Morrison (K-8)	469	525
Troy High School (9-12)	208	230

Sources: 1) Montana Office of Public Instruction, Helena, Montana.
2) Mary Brown, pers. comm., February 9, 1989.

in 1985 (Table 41). Enrollment has remained stable for the past 3 years at about 207 students. School enrollment at the high school level is expected to increase to 242 by 1993-94, an increase of 16.4 percent over current enrollment of 208 students (Table 42).

Troy School District owns 10 buses to transport students on 7 bus routes. Nine of the buses are 72-passenger buses and 1 is a 25-passenger bus. The 25-passenger bus is the oldest bus (model year 1970) and is seldom used. The other buses date from 1977 and are in good working condition. The school district tries to replace 1 bus each year (Mary Brown, pers. comm., November 4, 1988).

In addition to the public schools in the Lincoln County portion of the study area, there are 4 private or parochial schools--Libby Adventist Elementary School and St. John Lutheran School in Libby, and, in Troy, Three Lakes Christian School. St. John Lutheran School accommodates pre-school and kindergarten children, while Libby Adventist School provides education for students in kindergarten through grade 8. These schools are not accredited by the state of Montana (Sue Dandliker, pers. comm., February 6, 1989).

The Lincoln County Campus of Flathead Valley Community College is also located in Libby. Since its establishment in 1984, the Lincoln County Campus doubled its enrollment to 351 students in 1987 (Lincoln County Economic Development Council 1988). In 1987, the college received unconditional accreditation from the Northwest Association of Schools and Colleges. The curriculum at the Lincoln County Campus focuses on business management, secretarial science, computer software programming, and general education courses.

The Lincoln County Sheltered Workshop, located in Libby, provides training in job and life skills for the handicapped. In addition, the workshop has been in the recycling business for 12 years and employs 12 handicapped people for recycling containers, newspapers, and scrap metal (The Western News, October 19, 1988).

b. Law Enforcement. In the Lincoln County portion of the study area, law enforcement services are provided by the Montana Highway Patrol, the Lincoln County Sheriff's Department, and the Troy Police Department. Five Montana Highway Patrol officers serve Lincoln County--1 sergeant and 3 patrol officers in Libby and 1 patrol officer in Eureka. The Highway Patrol restricts patrol activities to the state highway system, whereas the Sheriff's Department is responsible for patrol activities in the entire county.

The Sheriff's Department is a consolidated city (Libby) and county law enforcement agency with headquarters in Libby. Of the 14 sworn deputies, 2 officers are located in Eureka and patrol northern Lincoln County, 1 officer resides in Troy and patrols the Troy and Bull Lake area as far north as Yaak, and the remaining officers are located in the Libby area. There is a total staff of 31 employees including the sheriff, undersheriff, 14 deputies, 2 detectives, 4 dispatchers, and other support workers (Ray Nixon, pers. comm., September 16, 1988).

Based on the land area of 3,616 square miles in Lincoln County, there is 1 officer (including the sheriff and the undersheriff) per 226 square miles and 1 officer per 1,110 people (total population of 17,752). According to Sheriff Nixon (pers. comm., September 16, 1988), the Sheriff's Department needs 3 more patrol officers to adequately meet the police protection needs

of the community. This need for additional officers is most apparent when an officer is on vacation or sick leave which leaves the department short-handed.

The Sheriff's Department maintains 12 patrol cars. The vehicles are getting old, each averaging about 90,000 miles on the odometer, and probably should be replaced (Ray Nixon, pers. comm., September 16, 1988).

The Lincoln County Jail has an agreement with the Troy Police Department to house all adult offenders in the county jail and to use the Troy jail to hold juvenile offenders. The county jail can house 24 adult prisoners, with separate facilities available for female offenders. The staff of 5 (4 regular employees plus 1 relief employee) perform jail duties during various shifts 24 hours a day, 7 days a week.

Two full-time officers are employed by the Troy Police Department and the department owns 2 patrol cars. There are an adequate number of staff and emergency vehicles to provide the Troy area with satisfactory police protection (Bill Dutton, pers. comm., September 15, 1988).

The Troy Jail is a 2-cell juvenile holding facility. There are 4 jailers--2 regular employees for male juveniles and 2 female jailers for female juvenile offenders. All jailers have advanced first aid training. The jail facility is being upgraded through funds from a grant; however, the overall size of the facility will not increase with this remodeling effort.

The Troy Volunteer Dispatch Service has been providing dispatch services in the Troy area for 15 years. Volunteers of the dispatch service answer two 911 telephone lines and relay emergency calls to ambulance, police, and fire departments and dispatch calls to county and state road crews, auto wrecker services, Montana Department of Fish, Wildlife and Parks,

Montana Highway Patrol, U.S. Forest Service, and Lincoln County Sheriff's Department when the Troy deputy is unavailable (The Western News, September 19, 1988).

The dispatch service operates on a 4-shift day (6 a.m. to noon, noon to 6 p.m., 6 p.m. to midnight, and midnight to 6 a.m.). Although there are currently 21 volunteers for the 28 shifts a week, the dispatch is in need of more volunteers so that only 1 shift a week is required of each volunteer. The dispatch service receives donations in the form of supplies, equipment, services, and money from various agencies and individuals (The Western News, September 19, 1988).

Lincoln County has a crime rate[3] well below the Montana total (Table 44). In 1987, Lincoln County ranked 17 in crime rate among the 46 reporting counties in Montana. The highest crime rate was reported by Lewis and Clark County (6,426.8) and the lowest was by McCone County (242.9). Eleven counties reported crime rates above the statewide total of 4,270.8 crimes per 100,000 population, accounting for 80 percent of all Part I crimes reported in Montana (Montana Board of Crime Control 1988).

Number of Part I crimes reported in Lincoln County includes crimes reported by the Sheriff, Troy, and Eureka police departments. The number of Part I crimes increased 14.5 percent from 566 in 1985 to 648 in 1986 (Table 45), and between 1986 and 1987, number of reported crimes decreased 22

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[3]The crime rate indicates the number of Part I crimes (homicide, rape, robbery, aggravated assault, burglary, larceny theft, and motor vehicle theft) per 100,000 population. The crime rate is derived by dividing the total number of Part I crimes by the population of the law enforcement jurisdiction and multiplying by 100,000.

TABLE 44

CRIME RATE PER 100,000 POPULATION -
LINCOLN COUNTY AND STATE OF MONTANA

Year	Lincoln County	State of Montana
1984	2,791.4	4,246.1
1985	3,019.5	4,231.0
1986	3,493.2	4,226.9
1987	3,145.6	4,270.8

Source: Montana Board of Crime Control, Criminal Justice Data Center, Helena, Montana.

TABLE 45

NUMBER OF PART I CRIMES REPORTED
IN LINCOLN COUNTY

Year/Agency	Homicide	Rape	Robbery	Aggravated Assault	Burglary	Larceny Theft	Motor Vehicle Theft	Total
1984								
Lincoln County	1	0	3	28	84	381	25	522
Sheriff	1	0	3	23	82	330	17	456
Troy	0	0	0	5	2	51	8	66
Eureka	NA	NA	NA	NA	NA	NA	NA	NA
1985								
Lincoln County	2	0	0	31	87	414	32	566
Sheriff	2	0	0	21	82	359	28	492
Troy	0	0	0	9	1	48	3	61
Eureka	0	0	0	1	4	7	1	13
1986								
Lincoln County	0	0	6	24	119	466	33	648
Sheriff	0	0	4	18	111	395	28	556
Troy	0	0	2	3	1	49	3	58
Eureka	0	0	0	3	7	22	2	34
1987								
Lincoln County	2	1	0	14	76	378	34	505
Sheriff	1	1	0	11	68	320	30	431
Troy	1	0	0	3	3	40	0	47
Eureka	0	0	0	0	5	18	4	27

Notes: 1) NA = Not available.
2) Sheriff's Department is a consolidated Libby/Lincoln County agency.

Source: Montana Board of Crime Control, Criminal Justice Data Center, Helena, Montana.

percent in Lincoln County. Seventy-five percent of all crimes reported in 1987 were classified as larceny theft.

c. Fire Protection. Fire protection in the Lincoln County portion of the study area is provided by 2 rural fire districts (Libby and Troy), Libby Fire Department, Troy Fire Department, Montana Department of State Lands (DSL), and USFS. The boundary for the city department is the city limits, whereas the rural department boundary is about a 5 mile radius of the city limits. The 2 departments provide fire protection to an estimated 12,000 to 15,000 people.

The combined city and rural Libby Fire Department has 28 volunteer firefighters and has a mutual aid agreement with Champion International to provide firefighting assistance with their 30 firefighters. There is enough volunteers to adequately provide the community with firefighting protection (Bill Kemp, pers. comm., November 2, 1988).

The fire department has 2 firehalls in Libby to house their 8 fire trucks. The rural fire department pays rent to the city to house their fire trucks in 1 of the firehalls. The water flow in Libby is sufficent for firefighting purposes; rural areas depend on nearby water sources or the 3 tankers to provide water for fire supression.

The 8 firefighting vehicles include 3 pumpers (two 1,000 gallon per minute (gpm) and one 750 gpm); 3 tankers that pump 300 gpm (with capacities of 1,500 gallons, 2,000 gallons, and 2,800 gallons); 1 hose/boom combination truck with a 48-foot boom; and 1 utility van to carry extra gear and extrication equipment. The oldest truck is the 750 gpm pumper, a 1954 model, while the other trucks are 1975 and newer. According to Fire Chief Kemp

(pers. comm., November 2, 1988), there are enough trucks and equipment to provide the community with adequate fire protection.

The Insurance Service Organization (ISO) rates fire departments on a scale of 1 to 10, with 1 the highest possible rating and 10 unprotected. The city department has a Class 4 protective fire rating and the rural department has a Class 8 rating. ISO of San Francisco commended the Libby City Fire Department for being the only all volunteer fire department in Montana with such a high rating.

Similar to Libby, fire protection for the Troy area is the joint responsibility of the city and rural fire departments. The approximate boundary of the Troy Fire Department encompasses the land area in a 7-mile radius of Troy. The city responds to fires within the city limits and the rural department responds to fires outside the city limits. The Troy City Fire Department has a Class 6 fire protection rating, while the rural department has a Class 8 rating (Max Schrader, pers. comm., November 2, 1988).

The Troy Fire Department has 25 volunteers and 7 firefighting vehicles (3 Class A pumpers, 2 water tenders, 1 quick response unit, and 1 equipment van). All vehicles are in excellent condition and are housed in the city firehall in Troy. The departments have sufficient number of firefighters and fire trucks to provide adequate fire protection to the Troy area (Max Schrader, pers. comm., November 2, 1988).

d. Ambulance Services. Ambulance services in Lincoln County are provided by Libby, Troy, and Eureka volunteer organizations. A mill is levied against the taxable value of property in Lincoln County, with the tax proceeds apportioned among the 3 ambulance services on the basis of service

area population. In addition to the tax proceeds, ambulance services are financed through user fees.

The service area for the Libby Volunteer Ambulance Service extends 35 miles north, 55 miles south, and 15 miles west from Libby. The ambulance, however, has responded to emergency calls outside these boundaries.

The Libby Ambulance Service has an active volunteer staff of 30 with about 75 percent trained as emergency medical technicians (EMTs). Although this is enough volunteers to provide the community with adequate emergency care service, more volunteers could be effectively utilized (Dan Stephens, pers. comm., November 2, 1988).

At least 2 volunteers are designated to be on call to respond to emergency situations 24 hours, 7 days a week. In addition to the volunteer staff, a doctor, registered nurse, and respiratory specialist from St. John's Lutheran Hospital in Libby are available for emergency care 24 hours each day (Cindy Stephens, pers. comm., September 16, 1987).

The Libby Ambulance Service owns 6 radio-equipped emergency vehicles (3 licensed ambulances, 1 vehicle that carries advanced life support equipment, 1 rescue truck with extrication equipment, and 1 quick response unit). The rescue truck has extrication equipment (hand tools) comparable to the jaws-of-life. Although there is an adequate number of vehicles, a larger rescue truck will be the next major purchase (Dan Stephens, pers. comm., November 2, 1988).

The Troy Ambulance Service operates with 24 volunteers. Ten of the 24 volunteers are certified EMTs and 3 have received training in emergency mine rescue. Although the ambulance service currently has enough volunteers to adequately serve the community, they could use additional attendants to

alleviate the number of shifts each volunteer works a month. Presently each volunteer usually is on call 6 to 8 shifts a month (Warren Robbe, pers. comm., November 8, 1988).

The 2 emergency vehicles used by the Troy Ambulance Service are both radio-equipped with high band, 32-frequency radios. They own a 1982 Ford with approximately 40,000 miles on the odometer and a 1981 Chevrolet with about 80,000 miles (Warren Robbe, pers. comm., November 4, 1988).

The ambulance service does not have emergency extrication equipment, so they rely upon the Libby Ambulance Service when this equipment is needed. In 1989, the Montana Highway Department will commence a major highway project between Libby and Troy. In preparation for potential accidents in which extrication equipment would be needed, the state is purchasing extrication equipment for the Troy Ambulance Service to be used until the highway construction is complete. Upon completion, the Troy Ambulance Service will have the option of returning the equipment to the state or purchasing it. A pickup truck will be needed to haul the special equipment and, since funds are not readily available, local industries (e.g., Champion International, ASARCO Troy Unit) have been requested to assist financially in purchasing a truck (Warren Robbe, pers. comm., November 8, 1988). In addition to special equipment, lights are being installed at the Troy Airport to allow for the transport of patients by air ambulance at night.

e. Hospital and Long-Term Care Facilities. St. John's Community Hospital in Libby is the only public hospital in Lincoln County. In 1987, the 26-bed hospital operated at 48.7 percent capacity (Montana Department of Health and Environmental Sciences 1988). There is a sufficient number of

beds and staff at the hospital to meet the public's hospital needs (Nancy Bloom, pers. comm., September 15, 1988).

There is a total staff of 77 at the hospital including 11 active physicians (2 family practitioners, 2 general surgeons, 1 family practitioner/internist, 1 internist, 1 obstetrician/gynecologist, 1 orthopedic surgeon, 1 pediatrician, and 1 radiologist); 4 courtesy staff (1 ear/nose/throat specialist, 1 urologist, 1 podiatrist, and 1 pathologist); 18 full-time registered nurses; and 2 full-time licensed practical nurses. Similar to other rural hospitals, the hospital does not directly employ any physicians, rather they have "privileges" to perform medical treatment at the hospital and are on call for emergency care (Nancy Bloom, pers. comm., September 15, 1988).

There is 24-hour emergency care service available at the hospital. The Emergency Room Department consists of an obstetrics-gynecology examination room, an orthopedic room, and a 2-bed trauma-code room. The hospital provides an Advanced Life Support Unit and, in 1986, the unit was featured as state of the art in rural areas in the program "The Many Faces of EMS...." (Lincoln County Economic Development Council 1988).

The hospital has state-of-the-art equipment including an ultrasound machine and a newly installed mammography x-ray unit. A 3-bed Intensive Care Unit-Coronary Unit is equipped with up-to-date monitoring equipment allowing for cardiac monitoring and invasive hemodynamic monitoring.

Unlike many rural hospitals in Montana, St. John's Lutheran Hospital still operates an obstetrics department. The hospital averages 210 baby deliveries a year, most of which take place in the birthing room (Lincoln County Economic Development Council 1988). The hospital is equipped to

provide fetal heart monitoring including scalp and intrauterine pressure monitoring.

The helipad, located about 1 block from the hospital, may be moved adjacent to the hospital. The hospital averages 6 emergency transports by helicopter per month (Lincoln County Economic Development Council 1988). The closest air ambulance is in Spokane, Washington.

Construction of St. John's Lutheran Hospital's new medical office building across from the hospital should be completed by March 1989 (The Western News, November 16, 1988). The hospital will own the medical center and will lease offices to physicians. The 7,700-square foot building could accommodate offices for 3 physicians and will have expansion room for 2 more offices for future accommodations.

Two long-term care facilities operate in Lincoln County--1 in Libby and the other in Eureka. The 78-bed Libby Care Center is located across the street from St. John's Lutheran Hospital. In 1987, the center operated at 83.7 percent capacity (Montana Department of Health and Environmental Sciences 1988).

f. Local Physicians. There are 15 licensed doctors in Libby (Debbie Tomaskie, pers. comm., September 23, 1988) with specialized services in gynecology/obstetrics, orthopedic surgery, pediatrics, general surgery, and internal medicine. In addition, there are 2 optometrists and 3 chiropractors providing services in Libby. In Troy, there are 2 licensed physicians, one which is on inactive status.

Seven local dentists serve the residents in the Libby area and 1 dentist provides dental services to Troy residents (Carri Whitman, pers. comm., September 23, 1988). Two orthodontists make monthly visits to the

community to provide more specialized services (Lincoln County Economic Development Council 1988).

g. Water Supply. Rural water supplies throughout Lincoln County are provided by private wells and, to a lesser extent, springs. More than 50 percent of Lincoln County households use wells for their source of potable water (Ken Peterson, pers. comm., December 5, 1988). In 1986, the city of Libby passed final reading of Ordinance 1353, restricting installation of new wells within the city limits (Environmental Protection Agency and Montana Department of Health and Environmental Sciences, November 1988). This ordinance was in response to the contamination of 15 wells in Libby due to past wood treatment activities on the land of Champion International (see County Planning section under Lincoln County of this appendix for more details).

Flower Creek in the Cabinet Mountains is the municipal water source for Libby. The water from Flower Creek flows into an 80-million gallon open reservoir, is released into an open 9-million gallon settling pond, is transported to a 250,000-gallon covered sediment reservoir, and then is transported to Libby and stored in a 500,000-gallon steel storage tank (Jim Melstad, pers. comm., March 11, 1988). Approximately 2,000 households are served by the water system.

Although there has never been a shortage of water, it was suspected that the system could be losing up to 50 percent of its capacity through leakage. In the spring of 1988, a leak detector was installed to determine the amount and location of leaks (Bill Allen, pers. comm., September 20, 1988).

Although the leaks that were detected are being repaired, turbidity regulations of the Water Quality Bureau of the Montana Department of Health and Environmental Sciences (DHES) require that Libby construct a water treatment (filtration) plant by 1990 to comply with turbidity standards (Bill Allen, pers. comm., April 9, 1988). Studies are being conducted to determine whether the city will obtain water from wells or construct a treatment plant for the existing water source.

The town of Troy receives its water supply from 2 wells and O'Brien Creek. Since the recent installation of a new well, the water system can accommodate more population growth in Troy (Melvin Price, pers. comm., March 11, 1988).

An estimated 450 residences and 53 commercial establishments within the city limits are provided water by the Troy municipal water system. Service is also provided to approximately 30 families on the edge of the city limits; however, homeowners constructing homes outside the city limits will no longer have the option of hooking into the municipal water system (Melvin Price, pers. comm., March 11, 1988). In 1988, flat fee rates were $8.95 per month for residential customers and $14.90 per month for commercial establishments.

h. Wastewater Treatment. Approximately 76 percent of Lincoln County households utilize septic tanks for wastewater disposal (Ken Peterson, pers. comm., December 5, 1988). There are 4 public/private sewage collection and treatment facilities in the Libby and Troy area--City of Libby, Libby Dam, Champion International, and Belle-Vue Manor Trailer Court.

The city of Libby has operated a public wastewater treatment facility since 1964. In the 1980s, the Environmental Protection Agency (EPA) and DHES

revised health laws concerning wastewater treatment. As a result of this revision, in 1985, the sewage treatment facility in Libby converted from a primary treatment facility to the current secondary system--an activated sludge oxidation ditch system. The system operates at approximately 50 percent of its designed capacity, processing 1.1 million gallons per day (Al Eldridge, pers. comm., September 16, 1988).

There are problems with the sludge handling facility of the Libby wastewater treatment system. Bids for improving the wastewater plant have been received and both bids were about $100,000 over the estimated cost. Improvements would include placement of aluminum dome covers over the sludge basin, installation of sludge dewatering screens, addition of equipment which removes water from sludge, and installation of a shed cover over the sludge drying beds (The Western News, October 5, 1988).

Troy residents rely upon individual septic tanks for wastewater disposal. The Troy voters declined a proposal to construct a central wastewater treatment facility through grant monies from the Farmers Home Administration (FMHA) and a Community Development Block Grant.

i. Solid Waste. In 1973, Lincoln County established the Lincoln County Solid Waste District to provide residents with a healthful and efficiently-run refuse operation. Prior to the organization of the Solid Waste District, there were 4 separate refuse districts--Bull Lake, Libby, Crystal Lake, and Shannon Flats. Consolidation of the refuse districts into a single operation also established a solid waste management program for northern Lincoln County which provides funding for the operation of 3 landfills and utilizes containerized collection services (Lincoln County Department of Environmental Planning 1982).

The 3 county landfills are located near Libby, Troy, and Eureka. Champion International, east of Libby, has their own Class 3 landfill. The Libby landfill is a 40-acre tract that operates under a special use permit from the U.S. Forest Service. Approximately 50 percent of the landfill capacity has been filled, with an expected useful life of 20 years remaining (Ron Anderson, pers. comm., September 16, 1988). The landfill is also the site where wrecked motor vehicles are collected, crushed, and removed to recycling centers.

New EPA regulations concerning landfills may force the county to close the Eureka landfill and to haul the Eureka area refuse to the Libby landfill. If Eureka solid waste were deposited at the Libby landfill, the useful life of the landfill would be shortened (Ron Anderson, pers. comm., December 5, 1988).

The Troy landfill is a Class III dump site and, therefore, has limited use. Only solid inert materials (e.g., rocks, trees, and grass) can be disposed at the landfill. Disposal of decaying objects (garbage) must be taken to the landfill near Libby.

The county has placed approximately 145 waste containers in rural areas for residents to deposit solid waste. Residents and commercial establishments also may privately contract with a refuse service for pick up and disposal of refuse. Because each household in Lincoln County has a refuse assessment on their property tax, there is no refuse drop-off fee at the landfill (Ron Anderson, pers. comm., September 16, 1988).

j. Utilities. Telephone service in the Lincoln County study area is provided by General Telephone Company of the Northwest, Inc. of Idaho. Electric service is provided by Troy Power and Light for Troy and the

immediate surrounding area; Pacific Power and Light Company for Libby and the surrounding area; and Northern Lights (a rural electric cooperative headquartered in Sandpoint, Idaho) from Troy to the Idaho/Montana border. Heating sources in the study area include fuel oil, propane, wood, and electricity.

k. Social Welfare. Lincoln County Human Services has a main office in Libby and a satellite office in Eureka. Funding for social welfare services comes from state, federal, and county sources; however, the state administers the welfare program. Services provided include:

1) Aid to families with dependent children.

2) Food stamps.

3) Medical services.

4) General assistance (including transient relief) and county medical.

5) Fuel assistance.

The Libby office has a staff of 14--1 director, 5 eligibility technicians, 1 technician supervisor, 4 social workers, and 3 clerical personnel. The office could use additional staff; however, the current number of employees is adequate (Susan Smith, pers. comm., September 16, 1988).

As measured by the census, 458 families were below the poverty level in Lincoln County in 1980 (Table 46). This amounts to nearly 9.5 percent of all families in the county and was slightly higher than the state average of 9.1 percent.

Per capita cases per month for families receiving aid to families with dependent children (AFDC) payments in Lincoln County was almost equal to

TABLE 46

SELECTED SOCIAL WELFARE STATISTICS -
MONTANA AND LINCOLN COUNTY

Category	Montana	Lincoln County
Families Below Poverty Level (1980)	9.1%	9.5%
AFDC (FY 1987)		
Per Capita Cases Per Month	0.012	0.013
Average Monthly Payment	$328.63	$350.25
Food Stamps (FY 1987)		
Average Recipients Per Month Per Capita	0.075	0.095
Average Value of Food Stamps Per Recipient	$44.88	$47.85
Medical Assistance (FY 1987)		
Per Capita Cases Per Month	0.031	0.035
Average Monthly Payment Per Case	$432.49	$351.49

Sources: 1) U.S. Bureau of the Census, 1980 Census.
2) Montana Department of Social and Rehabilitation Services, Helena, Montana, 1987.

the state average (Table 46). The average AFDC payment in Lincoln County was $350.25, somewhat higher than the state average of $328.63.

Per capita cases per month for food stamp recipients in Lincoln County was higher than the state average (0.095 per month per capita compared to the state average of 0.075). The average value of food stamps per recipient in Lincoln County was $47.85, slightly higher than the state average of $44.88 (Table 46).

Medical assistance (Medicaid) is a federally-assisted program for payment of medical costs for AFDC and individuals and families receiving social security income. Average monthly payment per case in Lincoln County was $351.49 in 1987, well below the state average of $432.49 (Table 46). Per capita Medicaid cases per month were slightly higher for Lincoln County (0.035) as compared to the state (0.031).

1. Public Libraries. In the Lincoln County study area, there are 2 public libraries--Lincoln County Free Library in Libby and Troy Branch Library in Troy. The library maintained a library collection of 68,928 volumes in 1987 (Montana State Library 1988). Through grant monies, the Lincoln County Free Library recently added a new wing and offers the public electronic searching on a public-use computer, facsimile (FAX) services, and individual self-training computer programs in WordPerfect and Lotus (Inez Herrig, pers. comm., September 15, 1988).

The Lincoln County Library also offers residents an opportunity to earn a college degree from Lewis and Clark University in Idaho. Through correspondence courses, degrees are available in management technology and an interdisciplinary general studies degree with emphasis on language/ literature, math/science, education, social science, business, or fine and

performing arts (The Western News, November 30, 1988). Courses are also available from Montana State University in Bozeman through OPTEL, a computer-assisted distance delivery system that allows the student and instructor to communicate verbally for class instruction.

The Libby library is open Monday through Saturday for a total of 34 hours a week, and is staffed by 4 full-time and 5 part-time employees. Additional employees need to be hired in order to adequately serve the community; however, due to forced budget cuts, the library must operate with the existing number of staff (Inez Herrig, pers. comm., September 15, 1988).

The Troy Branch Library was constructed 3 years ago, and in 1987, the library had 10,000 volumes (Montana State Library 1988). The library is open 3 days a week for a total of 11 hours per week. Due to budget constraints, the library was forced to reduce the number of hours that it is open. The library operates with 1 part-time employee and needs additional staff (Inez Herrig, pers. comm., September 15, 1988).

m. Commercial Services. Libby, the largest of the 3 incorporated municipalities in Lincoln County, is the major trade center in the county. The closest other urban center, Kalispell, is 89 miles east of Libby. Other trade centers within a few hours of Libby include Spokane, Washington (132 miles) and Missoula, Montana (190 miles).

The major industries in Lincoln County are lumber and wood products, mining, and tourism. Professional services of attorneys, accountants, consulting engineers, builders, and contractors are available in Libby (Table 47). Two banks and 6 private credit unions serve the area residents.

n. County Planning. The planning office of Lincoln County consists of 1 planner who makes recommendations to the planning board who, in turn,

TABLE 47

NUMBER AND TYPE OF BUSINESS
ESTABLISHMENTS IN LIBBY

Type of Business Establishment	Number of Establishments
Apartments	14
Automotive	15
Bank	2
Bars	8
Book Stores	2
Bowling Alley	1
Certified Public Accountant	4
Clothing	14
Credit Bureau	1
Credit Unions	2
Electric Shops	3
Exercise Classes	8
Fitness Centers	2
Flower Shops	4
Furniture	3
Gas Stations	7
Grocery Stores	6
Hardware Stores	4
Health Food Stores	3
Janitorial	4
Laundromat	4
Lawyers	15
Mini Storage	2
Motels	9
Office Supplies	2
Photo Shop	2
Printing	4
Radio and Television Repair	2
Refrigeration and Heat	6
Restaurants	16
Second Hand Stores	3
Title Company	2
Travel Agency	2
Variety Stores	12

Source: Lincoln County Economic Development Council, Libby, Montana, May 1988.

passes on the recommendations to the county commissioners. Except for the state subdivision laws, zoning regulations for building in Lincoln County only require an electrical permit. Some subdivision developments have restrictive covenants, but these regulations have mostly been confined to the Tobacco Valley area (Ken Peterson, pers. comm., December 5, 1988).

Similar to county zoning regulations, the city of Libby has few building restrictions. An electrical permit is required for building construction; trailers are not allowed within the city limits; no new wells are allowed within the city; and a floodplain regulation restricts how one can build but does not restrict building on a floodplain (Ken Peterson, pers. comm., December 5, 1988).

In 1982, the Department of Environmental Planning of Lincoln County prepared the Lincoln County Land Use Plan for the Lincoln County Planning Board. The Land Use Plan presents demographic characteristics of Lincoln County residents and describes resources of the natural environment (e.g., soils, wildlife, vegetation).

In Lincoln County, 75 percent of the land is managed by the federal government, 14 percent is owned by corporations, and the remaining 11 percent is privately owned. The Land Use Plan describes proposed land use patterns for Lincoln County as a whole and separately for each of 5 valleys where land development may occur (Libby Valley, Tobacco Valley, Lake Creek Valley, Yaak Valley, and Fisher River Valley). Land development is restricted to the estimated 271,000 acres in these 5 valleys due to topography and land ownership (Lincoln County Department of Environmental Planning 1982).

There are 2 major concerns at this time with respect to environmental planning within the study area--the air pollution control compliance plan and

the Libby groundwater site superfund program plan. DHES, with the assistance of the Lincoln County Department of Environmental Health, has been sampling the particulate count in the Libby area on a daily basis. Monitoring found that the particulate count of Libby and within about 5 to 6 miles of the city limits exceeded EPA and DHES standards. DHES is now in the process of identifying the percent that each polluting source (e.g., woodstoves, Champion International, slash burning, road dust) contributes to the air pollution problem.

In the fall of 1988, the county conducted a survey of the local population to determine their attitudes toward the air quality problem. Forty-one percent of the 850 respondents attributed air pollution in the area to slash burning, while 24 percent identified Champion International as the major source, 12 percent indicated residential woodburning, 18 percent named road dust, and 5 percent identified auto exhaust (Lincoln County Department of Environmental Health, November 1988).

The Air Technical Advisory Committee, which includes members of the general public, USFS, Champion International, and representatives of the county Road Districts, city of Libby, and DHES, was formed to prepare the air pollution control compliance plan. It is expected that the plan will be in effect by the winter of 1989 (Bob Raisch, pers. comm., December 21, 1988). The city must be in compliance with the plan within 3 years after EPA's acceptance of the plan (Ron Anderson, pers. comm., December 5, 1988).

Between 1946 and 1969, chemical wood treating activities were conducted on land southeast of Libby now owned by Champion International. The wood treating process resulted in hazardous wastes being dumped or spilled on the site. These wastes slowly seeped into the area's aquifers,

thus contaminating groundwater and soils. Approximately 200 acres of groundwater and 150,000 cubic yards of soil have been impacted (Environmental Protection Agency and Montana Department of Health and Environmental Sciences, June 1988).

In 1983, the Libby site was placed on the National Priority List of hazardous waste sites eligible for investigation and subsequent cleanup under the Superfund Program (Environmental Protection Agency and Montana Department of Health and Environmental Sciences, November 1988). Studies have been conducted to determine the best methods to clean up the site and they are now in the final stages of preparing a remedial plan which may be implemented as early as the summer of 1989 (Ron Anderson, pers. comm., December 5, 1988). Champion International will be responsible for paying an estimated $5.6 million for cleaning up the pollution created by its predecessor companies (The Western News, November 22, 1988).

o. Private and Non-profit Agencies. There are at least 60 service organizations in the Libby area including Kootenai Women's Club, Senior Citizens Center, Knights of Columbus, Elks Club, Loyal Order of Moose, Veterans of Foreign Wars Post, Kiwanis, Rotary, Lions, and Eagles (Lincoln County Economic Development Council, May 1988). In Troy, there are approximately 10 service organizations including a Senior Citizens Center (Lincoln County Business Directory, no date). The number of organizations identified by the Lincoln County Economic Development Council and listed in the Lincoln County Business Directory probably are underestimated since they do not include religious groups, labor organizations, or organized recreational groups (Western Analysis no date).

B. Sanders County

1. Demographic Conditions

a. Historical Population Trends and Characteristics. The population of Sanders County increased by 25 percent or 1,749 people between 1940 and 1980, a growth rate about one-half of the state growth rate (Table 48). Unlike the county, the population of Thompson Falls doubled between 1940 and 1980, increasing from 736 to 1,478 people. Historical census data for the Noxon/Heron area are unavailable due to varying census divisions from decade to decade.

In the Heron/Noxon area, there was a higher proportion of females in the 18 to 64 year age category than in the same age group in Thompson Falls, Sanders County, and Montana in 1980 (Table 48). Males in this same age group, however, were consistent (i.e., approximately 58 percent comprising this age group) in Montana, Sanders County, Thompson Falls, and Heron/Noxon. The median age for both males and females was approximately 30 years old in 1980.

Sixty-eight percent of the Sanders County population had completed at least 12 years of school as compared to the 75.4 percent for the state. Median family income was $14,549 in Sanders County, over 21 percent lower than the state average of $18,413 in 1980 (Table 48).

Table 49 presents selected vital statistics for Sanders County and the state for 1985, 1986, and 1987. The birth rate per 1,000 in 1987 was lower in Sanders County (13.1 per 1,000) as compared to the state (15.1 per 1,000), while the death rate was higher at the county level (10.9 in Sanders County and 8.2 per 1,000 in the state). There was a higher incidence of

TABLE 48

SELECTED DEMOGRAPHIC CHARACTERISTICS -
MONTANA, SANDERS COUNTY, THOMPSON FALLS, AND HERON/NOXON

Characteristic	Montana	Sanders County	Thompson Falls	Heron/ Noxon
Population				
1940	559,456	6,926	736	NA
1950	591,024	6,983	851	NA
1960	674,767	6,880	1,274	NA
1970	694,409	7,093	1,356	NA
1980	786,690	8,675	1,478	743
Female (1980)	50.1%	49.2%	49.6%	42.8%
Under 18 Years	28.6%	30.0%	29.9%	22.6%
18 to 64 Years	59.3%	56.2%	57.2%	66.4%
65 Years and Over	12.1%	13.8%	12.9%	11.0%
Median Age	29.6 Years	31.9 Years	30.7 Years	NA
Male (1980)	49.9%	50.8%	50.4%	57.2%
Under 18 Years	30.3%	31.1%	29.3%	33.6%
18 to 64 Years	60.3%	55.4%	59.6%	57.7%
65 Years and Over	9.4%	13.5%	11.1%	8.7%
Median Age	28.4 Years	31.6 Years	29.8 Years	NA
Households (1980)	283,742	3,180	580	270
Persons Per Household	2.70	2.70	NA	NA
Persons Per Family	3.24	3.20	NA	NA
Race (1980)				
White	94.1%	95.0%	99.2%	100.0%
Native American	4.7%	4.5%	0.2%	0.0%
Other	1.2%	0.5%	0.6%	0.0%
Percent Completing 12 Years or More of School (1980)	75.4%	68.0%	NA	NA
Median Family Income (1979)	$18,413	$14,549	NA	NA

Notes: NA = Not Available
Heron and Noxon = Census Enumeration District 0215, Thompson Falls West End Division.

Sources: 1) Montana Department of Commerce, The Census and Economic Information Center, Helena, Montana, 1985.
2) U.S. Department of Commerce, Bureau of the Census, 1980 Census of Population and Housing.

TABLE 49

SELECTED VITAL STATISTICS PER 1,000 POPULATION -
MONTANA AND SANDERS COUNTY (1985, 1986, 1987)

Characteristics	State of Montana			Sanders County		
	1985	1986	1987	1985	1986	1987
Marriage Licenses Issued	8.7	8.2	8.1	5.6	6.0	6.4
Marital Dissolutions	5.1	5.2	5.0	2.6	4.4	3.0
Birth Rate	16.4	15.6	15.1	15.6	14.3	13.1
Death Rate	8.2	8.2	8.2	8.1	10.8	10.9
Two Leading Causes of Death						
Cancer	1.8	1.8	1.9	2.1	2.1	2.7
Heart Disease	2.7	2.7	2.6	2.6	4.4	4.4

Note: Per 1,000 based on estimated population by the U.S. Bureau of the Census for appropriate year.

Source: Montana Department of Health and Environmental Sciences, Bureau of Records and Statistics, Helena, Montana, 1986, 1987, and 1988.

persons dying from heart disease and cancer in Sanders County than in Montana (Table 49).

b. Population Trends and Component Changes. Table 50 lists the estimated population together with the components of change of Montana, Sanders County, Thompson Falls, and the Noxon/Heron area. As indicated in Table 50, the population of Sanders County grew from 8,675 in 1980 to 9,200 people by 1984. Since that time, Sanders County has experienced net out-migration similar to the state as a whole and, consequently, the population declined to 8,800 in 1987. A similar pattern of net out-migration has occurred in Thompson Falls and the Noxon/Heron area.

c. Baseline Population Projections. The population of Sanders County was projected (Table 51) in conjunction with the employment projections presented in the economic section of this appendix (see Attachment B for methodology). The population of Sanders County is expected to increase from 8,675 in 1980 to 10,370 by 2010, representing an annual growth rate of about 0.6 percent. This growth rate is slightly less than the historic annual growth rate of 0.9 percent for Sanders County that occurred between 1940 and 1980. The population of Thompson Falls is projected to increase from 1,478 in 1980 to 1,767 by 2010, a growth rate slower than the historical growth that occurred between 1940 and 1980.

2. Social Life

a. History. Sanders County, like Lincoln County, was first explored by David Thompson in the early 1800s. He and his men constructed the "Saleesh House" which became a fur trading center and haven for travelers near the mouth of Prospect Creek west of the present site of Thompson Falls.

TABLE 50

COMPONENTS OF POPULATION -
MONTANA, SANDERS COUNTY, THOMPSON FALLS, AND NOXON/HERON

Place/Year	Estimated Population	Births	Deaths	Estimated Migration
Montana				
1980	786,690	14,208	6,664	1,766
1981	796,000	14,309	6,709	1,400
1982	805,000	14,538	6,625	3,087
1983	816,000	14,054	6,699	645
1984	824,000	14,141	6,698	-6,443
1985	825,000	13,497	6,725	-14,772
1986	817,000	12,728	6,738	-13,990
1987	809,000	12,239	6,597	—
Sanders County				
1980	8,675	128	83	-20
1981	8,700	146	83	237
1982	9,000	155	99	-56
1983	9,000	132	100	168
1984	9,200	163	84	-179
1985	9,100	142	74	-268
1986	8,900	127	96	-131
1987	8,800	115	96	—
Thompson Falls				
1980	1,478	22	14	14
1981	1,500	25	14	89
1982	1,600	28	18	-10
1983	1,600	23	18	-5
1984	1,600	28	15	-13
1985	1,600	25	13	-12
1986	1,600	23	17	-106
1987	1,500	20	16	—
Noxon/Heron				
1980	743	11	7	-2
1981	745	13	7	20
1982	771	13	8	-5
1983	771	11	9	15
1984	788	14	7	-16
1985	779	12	6	-23
1986	762	11	8	-11
1987	754	10	8	—

Source: U.S. Department of Commerce, Bureau of the Census.

TABLE 51

BASELINE POPULATION PROJECTIONS -
SANDERS COUNTY, THOMPSON FALLS, AND NOXON/HERON

Age by Place	Census 1980	Projected 1990	1995	2000	2005	2010
Sanders County						
Female	4,268	4,380	4,600	4,770	4,910	5,070
0-4 Years	351	240	210	190	200	220
5-9 Years	368	330	280	240	220	230
10-14 Years	329	340	350	300	260	240
15-19 Years	337	280	290	300	270	240
20-24 Years	250	110	180	200	220	200
25-29 Years	358	150	120	200	200	220
30-34 Years	309	360	180	150	230	220
35-39 Years	270	420	420	220	180	270
40-44 Years	247	350	500	490	260	210
45-49 Years	207	370	390	550	530	290
50-54 Years	229	380	440	460	630	610
55-59 Years	215	200	340	400	420	590
60-64 Years	209	180	210	360	410	430
65-69 Years	192	190	170	190	330	400
70-75 Years	153	140	160	140	160	290
75 and Over	244	340	360	380	390	410
Male	4,407	4,680	4,890	5,030	5,150	5,300
0-4 Years	392	260	220	200	220	230
5-9 Years	354	400	280	250	220	240
10-14 Years	377	460	430	300	260	240
15-19 Years	377	270	410	380	270	240
20-24 Years	271	200	170	290	280	200
25-29 Years	311	210	210	170	290	280
30-34 Years	356	350	250	240	190	310
35-39 Years	273	410	410	310	280	220
40-44 Years	240	580	490	490	380	340
45-49 Years	202	380	650	550	540	430
50-54 Years	214	210	430	730	620	610
55-59 Years	221	210	190	390	670	570
60-64 Years	225	130	210	180	390	660
65-69 Years	227	190	120	190	170	350
70-75 Years	152	160	150	90	140	130
75 and Over	215	260	270	270	230	250
Total	8,675	9,060	9,490	9,800	10,060	10,370
Thompson Falls						
All Ages	1,478	1,544	1,617	1,670	1,714	1,767
Noxon/Heron						
All Ages	743	776	813	840	862	889

Source: National Planning Association Data Services, Inc., Washington, D.C., February 1989.

Father DeSmet and John Mullan also explored the Clark Fork Valley and Sanders County.

Thompson Falls, the county seat of Sanders County, came into existence with construction of the Northern Pacific Railroad in 1881. Merchants, miners, lumbermen, and railroad workers settled in the town.

Although Thompson Falls did not experience a "boom" associated with mining, mines in Sanders County have produced gold, silver, copper, lead, and zinc. Metal production in Sanders County in 1939 was greater than the production of any other northwestern Montana county (Montana Historical Records Survey 1940).

Early in the history of the town of Thompson Falls, the hydropower potential of the Clark Fork River was recognized. The Thompson Falls Power Company was organized in 1890, and the Montana Power Company began negotiations to construct a dam and power plant in 1912. The dam and power plant were constructed at Thompson Falls in 1916, and provided power to the Coeur d'Alene, Idaho mining district and to the Milwaukee Railroad which was powered by electricity.

Noxon and Heron both came into existence with construction of the railroad. The railroad station and ferry crossing the Clark Fork River at Noxon Rapids formed the nucleus of Noxon which developed into a thriving railroading, mining, and logging town (Dufresne 1976). Heron derived its early existence primarily from the railroad roundhouse, repair shop, and ferry crossing of the Clark Fork River.

Currently, Thompson Falls, Noxon, and Heron derive most of their revenues from the lumber industry, tourism, and recreation. Retirees and "urban refugees" have moved from more populated regions for the relative

peace, low population density, and environmental amenities of northwestern Montana (Mountain International, Inc. 1986).

b. Social Values, Structure, and Interaction. The physical characteristics of the terrain of Sanders County and large amounts of USFS land have limited the potential for development of agricultural and other enterprises that would increase population and provide a base for urban expansion. Consequently, the population of Sanders County is relatively sparse and dependent upon the natural resources of the area for employment, recreation, and in some cases subsistence.

The limited possibilities for diversity of employment and life-styles have limited contact between the local population and significant numbers of different types of people from outside the area. The relative isolation of the population in Sanders County tends to have a homogenizing effect, resulting in the sharing of common life experiences and the development of similar perspectives toward life (Mountain International, Inc. 1986). Generally, the people of Sanders County are similar to Lincoln County residents in their social values and world view.

The reliance of the Sanders County economy on extractive industries and outside markets has perpetuated economic insecurity and has shaped people's views concerning the natural environment and government management of the public lands. Some members of the communities favor rapid development of mining, increased logging, and expedited regulatory processes which do not prevent or postpone natural resource development. Other factions are viewed as "environmentalists" who favor wilderness and are perceived as anti-development. The polarization between the environmentalists and pro-development factions has intensified with proposed new mine developments and

possible wilderness designation of areas previously managed under multiple use objectives.

The environmentalists are often viewed as newcomers to the area with life-styles more closely allied with Missoula or out-of-state interests than with longtime residents of Sanders County. Recent legal challenges to USFS timber sales have created intense animosity between those who work in timber-related occupations and those who favor protracted review of forest management policies.

Special events in the study area include the Vinson Rodeo in Thompson Falls, the Huckleberry Festival in Trout Creek, and the O'Mox'see Riding Competitions in Noxon. Near the end of July, a rodeo is held on the Vinson ranch which features professional competitors, a Saturday night dance, and camping in the Vinson's fields. Trout Creek, "the huckleberry capital of the world," hosts the Huckleberry Festival in August. Weekend activities include a parade, arts and crafts booths, and a Saturday night barbecue and dance. In Noxon, every other weekend during the summer amateur riders in the area have the opportunity to participate in the O'Mox'see Riding Competitions at the arena.

A quality of life survey conducted by Economic Consultants Northwest (1988) indicated that residents of Sanders County were nearly universal in their satisfaction with the county as a place to live. The natural environment and rural qualities of the area are highly valued although certain amenities are not readily available locally. Typically, residents of Sanders County purchase most major items such as automobiles from Missoula, Sandpoint, or Spokane. Local stores are generally perceived as being high priced and lacking in a diverse selection of merchandise.

Community services are generally viewed by residents as being of average quality. A few residents believed that schools, highways, and police protection could be improved, but there was not a consistent indication that any services were grossly inadequate.

Social problems in the area were not consistently identified as the same by respondents. Social problems reported by respondents included racist activity, child abuse, divorce, drugs, alcoholism, and crime. A few felt that the social problems of the area were no different than those of other small communities.

The economy of the area was described as depressed to stable. Additional jobs and increased wages were often mentioned as being needed locally. The majority reported that young people do not have the opportunity to stay in the area and work at an occupation.

Most respondents believed that the Montana Project would have a positive effect on the local economy and job market. State and federal environmental laws and regulations were viewed as being adequate to protect the environment from significant degradation as a result of the proposed Project.

Newcomers moving into the area as a result of the proposed Project probably would be welcomed, providing their life-styles and attitudes were not "far out." One respondent commented that it was more of a question of whether the newcomers would accept the community residents than whether the community residents would accept the newcomers.

c. Political Institution. Voters in Sanders County do not show a consistent pattern of electing public officials from either major political party (Table 52). Although the last 3 presidential elections in the county

TABLE 52

VOTING PATTERNS - SANDERS COUNTY

Election/Office	Year of Election 1980	1984	1988
General Election			
President	Republican	Republican	Republican
U.S. Senator	NA	Democrat	Republican
Representative in Congress	Democrat	Democrat	Democrat
Governor	Republican	Democrat	Republican
Secretary of State	Republican	Republican	Democrat
Attorney General	Unopposed	Democrat	Republican
Superintendent of Public Instruction	Democrat	Republican	Democrat

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Election/Office	Year of Election 1986	1988
State and County Election		
County Attorney	Republican	Appointed
Clerk of District Court	Republican	Democrat
Sheriff	Democrat	Democrat
Clerk and Recorder	Democrat	Democrat
County Commissioners	Democrat (1) Republicans(2)	Democrat (1) Republicans (2)
School Superintendent	Republican	Republican
Treasurer	Republican	Republican
Public Administrator	Democrat	NA
Assessor	Democrat	Democrat
Coroner	Democrat	Democrat

NA = Not applicable.

Source: Compiled and published by the Secretary of the State, Helena, Montana.

were won by Republicans, congressional representatives and state officials have often been Democrats.

A quality of life survey conducted in 1988 (Economic Consultants Northwest) found that area residents believe they have the opportunity to participate in the decision-making process of the Sanders County government. It was the consensus of the respondents that their comments or suggestions to the county government were considered most, or at least some, of the time.

Respondents also felt that they could become involved with the decision-making process of the federal government (e.g., USFS or Corps of Engineers). Large corporations and USFS were most often named by respondents as having the most power in deciding the area's future.

d. Religious Institution. There are a number of churches of various denominations represented in the Sanders County study area including Catholic, Lutheran, Latter Day Saints, Jehovah's Witnesses, Baptist, Seventh Day Adventist, Methodist, Pentecostal, and Church of God. Religious activities have a moderate influence on the community.

3. Community Services

Interviews were conducted with service providers in the Sanders county study area to obtain information on the existing and capacity of governmental/community facilities and services. Whenever available, published and unpublished documents were utilized to supplement the information obtained through the personal interviews.

a. Education. In the Sanders County study area, there are 3 elementary schools, 1 junior high school, and 2 high schools. Thompson Falls School District #2 is the largest school district in the county. The Thompson Falls elementary and junior high schools are situated in a campus

setting near the center of the city. There are 17 elementary and 5 junior high school classrooms in the 4 school buildings.

Elementary School District #2 employed 45.75 full-time equivalents during the 1988-89 school year. Full-time positions included 22.75 classroom teachers, 2 special education teachers, 6 teacher aides, 1 administrator, 2 clerical workers, 4 custodians, and 8 unclassified workers (Una Schlaebitz, pers. comm., November 8, 1988). According to Superintendent Ostwald (March 15, 1988), 1 lower elementary instructor, a half-time custodian, and a half-time elementary principal are needed at the elementary school.

School enrollment figures for school years 1980-81 through 1988-89 for Thompson Falls School District #2 are presented in Table 53. Enrollment in grades kindergarten through 8 fluctuated slightly between school years 1980-81 and 1983-84, reaching a high enrollment of 448 students in 1983. Since 1983, school enrollment has steadily declined to a low of 381 students in 1987-88, then increased by 8 students in school year 1988-89.

Enrollment projections through school year 1993-94 were developed using a grade retention model. The model is based on historic migration, survival, and birth rates. As illustrated in Table 54, elementary school enrollment (grades kindergarten through 8) is expected to continue a downward trend reaching a low of 337 students by 1993-94.

Table 55 shows a comparison of current enrollment and estimated capacity enrollment for Thompson Falls School District #2. If the students were evenly distributed throughout all grades, the elementary school could accommodate an estimated 65 more students, the junior high could withstand approximately 21 students, and the high school could accommodate about 26 additional students (Una Schlaebitz, pers. comm., February 8, 1989).

TABLE 53

ACTUAL SCHOOL ENROLLMENT -
THOMPSON FALLS SCHOOL DISTRICT #2

Grade	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89
Kindergarten	42	43	42	45	65	39	39	37	44
Grade 1	31	51	47	46	53	64	45	43	34
Grade 2	59	31	40	50	48	46	57	43	43
Grade 3	42	56	34	43	38	45	37	55	47
Grade 4	62	49	55	37	40	53	42	40	56
Grade 5	40	59	44	60	32	37	41	44	38
Grade 6	43	48	56	51	59	39	40	40	43
Total K-6	319	337	318	332	335	323	301	302	305
Grade 7	46	49	51	63	49	53	41	46	41
Grade 8	42	46	41	53	55	55	55	33	43
Total 7 & 8	88	95	92	116	104	108	96	79	84
Total K-8	407	432	410	448	439	431	397	381	389
Grade 9	42	46	52	47	55	66	47	50	41
Grade 10	49	43	40	52	44	54	62	48	52
Grade 11	37	48	37	41	55	44	43	60	45
Grade 12	52	37	45	36	41	53	41	47	56
Total 9-12	180	174	174	176	195	217	193	205	194
Special Education	0	4	4	3	2	2	1	2	4
Total All Grades	587	610	588	627	636	650	591	588	587

Note: School enrollment at the beginning of the school year.

Source: Montana Office of Public Instruction, Helena, Montana.

TABLE 54

PROJECTED SCHOOL ENROLLMENT -
THOMPSON FALLS SCHOOL DISTRICT #2

Grade	1989-90	1990-91	1991-92	1992-93	1993-94
Kindergarten-Grade 6	285	278	265	248	243
Grades 7 and 8	84	83	95	99	94
Total K-8	379	371	360	347	337
Grades 9-12	189	182	174	174	175
Total All Grades	568	553	534	521	512

Source: Economic Consultants Northwest, Helena, Montana, November 1988.

TABLE 55

CURRENT AND ESTIMATED CAPACITY ENROLLMENT -
THOMPSON FALLS SCHOOL DISTRICT #2

Grade	1988-89 Enrollment	Estimated Capacity Enrollment
Thompson Falls Elementary	305	370
Thompson Falls Junior High	84	105
Thompson Falls High School	194	220

Sources: 1) Montana Office of Public Instruction, Helena, Montana.
2) Una Schlaebitz, pers. comm., February 8, 1989.

Thompson Falls High School is located on the east side of Thompson Falls. A basic college preparatory curriculum and vocational-technical training are offered at the high school. Twenty-one full-time equivalents were employed at the high school in school year 1988-89, including 11.5 classroom teachers, 1 special education teacher, 1 teacher aide, 1.5 administrators, 2 clerical workers, 3 custodians, and 1 unclassified employee (Una Schlaebitz, pers. comm., November 8, 1988). To provide the students with the quality of education expected by the community, 5 part-time positions should be added--principal, business instructor, shop instructor, English instructor, and custodian (Gene Ostwald, pers. comm., March 15, 1988).

The number of students at the high school level has fluctuated between school years 1980-81 and 1988-89 from a low of 174 in 1981-82 and 1982-83 to a high of 217 in 1985-86 (Table 53). Between 1985 and 1988, enrollment declined 10.6 percent to the current enrollment of 194 students.

During the 5-year projection period (1989 through 1993), enrollment in grades 9 through 12 is projected to decrease 9.3 percent, reaching a low of 174 in 1991 and 1992, and then slightly increasing to 175 students by school year 1993-94 (Table 54).

Thompson Falls School District #2 contracts with Rich Heater of Thompson Falls to provide school bus transportation services for the district. Passenger capacities of the buses range from 40 to 72 (Table 56). Six of the 8 buses are used daily to transport students to and from school.

Trout Creek Elementary School District #6 provides education to children enrolled in kindergarten through grade 8. The 4 classrooms are in a single building, with the gymnasium and teacherage being separate facilities.

TABLE 56

YEAR AND PASSENGER CAPACITY OF
BUSES, THOMPSON FALLS SCHOOL DISTRICT #2

School Bus	Year	Passenger Capacity
#1	1978	66
#2	1985	71
#3	1976	40
#4	1977	66
#5	1983	60
#6	1977	54
#7	1975	60
#8	1975	72

Note: Buses #1 through #6 are used as route buses and #7 and #8 are spare buses.

Source: Rich Heater, pers. comm., April 12, 1988.

In 1988-89, full-time employees of the Trout Creek School included 6 teachers, 1 clerical worker, 1 custodian, and 2 cooks. The school employs an adequate number of staff (Stephen Hendrick, pers. comm., March 16, 1988).

School enrollment between 1980 and 1987 has remained fairly stable with a high enrollment of 88 in 1987-88 and a low of 77 in 1982-83 (Table 57). Between 1987 and 1988, enrollment increased 13.6 percent from 88 to 100 students.

Enrollment is projected to remain stable during the 5-year projection period (Table 58). By 1993-94, school enrollment is expected to be at the present enrollment level of approximately 100 students.

Trout Creek School is approaching capacity, but could accommodate approximately 10 more students if they were evenly distributed throughout the grades. If more than 10 students enrolled in the school, the teacherage could be converted into additional classroom space (Marlene Nelson, pers. comm., February 8, 1989).

Trout Creek School District contracts with Herbert Klaus of Trout Creek to provide bus transportation services for the school. Mr. Klaus owns 3 buses. Two buses are 48-passenger buses that transport students on the 2 bus routes and the third bus is used in case of mechanical failure of the other 2 buses or for extracurricular activities.

Noxon School District #10 consists of an elementary school and a high school that share a building in Noxon. In the 1982-83 school year, a wing was added to the Noxon School to accommodate elementary students. The elementary and high school students share all space at the school (e.g., multi-purpose room, library, gymnasium) except classrooms.

TABLE 57

ACTUAL SCHOOL ENROLLMENT -
TROUT CREEK SCHOOL DISTRICT #6

Grade	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89
Kindergarten	14	10	7	6	9	9	15	10	14
Grade 1	7	17	12	11	8	14	12	18	12
Grade 2	8	7	12	12	9	7	9	11	18
Grade 3	5	6	7	12	12	8	10	8	11
Grade 4	15	6	4	9	14	12	7	8	8
Grade 5	11	14	6	6	9	11	10	6	8
Grade 6	9	12	12	5	5	10	10	11	6
Total K-6	69	72	60	61	66	71	73	72	77
Grade 7	8	7	10	13	4	3	7	8	11
Grade 8	7	8	7	9	10	6	2	8	12
Total 7 & 8	15	15	17	22	14	9	9	16	23
Total All Grades	84	87	77	83	80	80	82	88	100

Note: Actual school enrollment at the beginning of the school year.

Source: Montana Office of Public Instruction, Helena, Montana.

TABLE 58

PROJECTED SCHOOL ENROLLMENT -
TROUT CREEK SCHOOL DISTRICT #6

Grade	1989-90	1990-91	1991-92	1992-93	1993-94
Kindergarten-Grade 6	81	83	84	86	80
Grades 7 and 8	18	13	14	14	21
Total All Grades	99	96	98	100	101

Source: Economic Consultants Northwest, Helena, Montana, November 1988.

In the 1988-89 school year, staff employed at the elementary school consisted of 12.5 classroom teachers, 3.5 teacher aides, 1 administrator, 1 clerical worker, 1.5 custodians, and 2 cafeteria workers (John Baule, pers. comm., November 8, 1988). A full-time guidance counselor for the elementary and high school should be hired to provide the students with the quality of education expected by the local community (John Baule, pers. comm., March 21, 1988).

Table 59 shows actual school enrollment for Noxon School District #10 from 1980 through 1988. Enrollment in grades kindergarten through 8 increased slightly between 1980 and 1982, and then declined 14.3 percent between 1982 and 1985. In 1986, Heron Elementary School District #3 closed and consolidated with Noxon Elementary School. The transfer of Heron area students to Noxon increased school enrollment by approximately 60 students, with most (about 50 students) of the incoming Heron students enrolled in kindergarten through grade 6. Between 1985 and 1986, school enrollment in the elementary grades increased 7.5 percent and then declined 10.7 percent between 1986 and 1987. Current enrollment of 178 is slightly higher than the 1987 enrollment.

School enrollment projections through school year 1993-94 are presented in Table 60. Elementary school enrollment is expected to remain fairly stable during the 5-year period and to be at the current enrollment level by 1993-94.

In 1988-89 school year, Noxon High School employed 9.5 classroom teachers, 1 administrator, 1 clerical worker, 1.5 custodians, and 2 cafeteria workers. A total of 6 bus drivers are employed for both the elementary and high schools (John Baule, pers. comm., November 8, 1988). Except for the

TABLE 59

ACTUAL SCHOOL ENROLLMENT -
NOXON SCHOOL DISTRICT #10

Grade	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89
Kindergarten	22	11	31	11	21	24	21	13	22
Grade 1	18	24	15	28	14	17	23	21	16
Grade 2	19	20	24	19	29	15	16	19	27
Grade 3	25	18	18	19	15	23	23	12	18
Grade 4	17	25	13	17	20	15	21	25	13
Grade 5	28	19	25	14	21	16	18	19	24
Grade 6	19	32	18	26	16	21	18	18	23
Total K-6	148	149	144	134	136	131	140	127	143
Grade 7	14	24	35	22	29	18	25	17	21
Grade 8	23	17	24	32	21	25	22	23	16
Total 7 & 8	37	41	59	54	50	43	47	40	37
Total K-8	185	190	203	188	186	174	187	167	180
Grade 9	23	26	26	24	29	25	33	21	27
Grade 10	26	27	22	26	29	26	22	30	14
Grade 11	29	24	23	18	18	25	23	18	30
Grade 12	28	29	24	21	20	18	20	22	21
Total 9-12	106	106	95	89	96	94	98	91	92
Special Education	0	0	1	0	0	0	3	5	6
Total All Grades	291	296	299	277	282	268	288	263	278

Notes: 1) School enrollment at the beginning of the school year.
2) Heron Elementary School District #3 consolidated with Noxon School District #10 in 1986-87; therefore, enrollment figures reflect the total of Heron and Noxon schools.

Source: Montana Office of Public Instruction, Helena, Montana.

TABLE 60

PROJECTED SCHOOL ENROLLMENT -
NOXON SCHOOL DISTRICT #10

Grade	1989-90	1990-91	1991-92	1992-93	1993-94
Kindergarten-Grade 6	137	130	134	136	125
Grades 7 and 8	46	55	44	36	54
Total K-8	183	185	178	172	179
Grades 9-12	88	85	77	88	84
Total All Grades	271	270	255	260	263

Source: Economic Consultants Northwest, Helena, Montana, November 1988.

need to employ a guidance counselor at the school, there is an adequate number of staff at the high school (John Baule, pers. comm., March 21, 1988).

Although school enrollment in grades 9 through 12 has fluctuated little since 1980, current school enrollment has decreased 13.2 percent since 1980 to 92 students in school year 1988-89 (Table 59). Using a grade retention model based on past migration, survival, and birth rates, school enrollment for Noxon High School was projected through school year 1993-94. Enrollment is expected to remain stable through the projection period, showing a slight decline to 84 students by school year 1993-94 (Table 60).

Noxon School District is near capacity for classroom space and has exceeded capacity for the cafeteria facility (Table 61). The cafeteria was originally designed for 175 students, approximately 100 less than current enrollment. Although the school could accommodate an estimated 70 additional students, adjustments would need to be made. Students may have to attend school in shifts and a room used for Chapter I/special education students in the elementary wing would need to be converted into classroom space. The former Heron School could be opened as a satellite school to accommodate 3 elementary grades (Jim Watts, pers. comm., February 8, 1989).

Noxon School District owns and operates 8 buses for 6 bus routes. Seven of the 8 buses are either 62- or 73-passenger buses and 1 bus is a 30-passenger bus. All buses are housed in a bus barn and are kept in excellent working condition by a full-time bus maintenance employee. The bus replacement program allows for replacement of the older buses every 6 to 7 years.

In addition to the public schools in the Sanders County study area, the Spring Creek School serves students in grades 9 through 12. Located on

TABLE 61

CURRENT AND ESTIMATED CAPACITY ENROLLMENT -
NOXON SCHOOL DISTRICT #10

Grade	1988-89 Enrollment	Estimated Capacity Enrollment
Kindergarten-Grade 6	143	173
Grades 7 through 12	129	169

Sources: 1) Montana Office of Public Instruction, Helena, Montana.
2) Jim Watts, pers. comm., February 8, 1989.

Blue Slide Road outside of Thompson Falls, the boarding school had an enrollment of 35 in 1988. Students from all over the country attend classes at the Spring Creek School. Criteria for acceptance at the school includes students must pass a 6-week outward bound training session with courses on survival; students must be able to function on a grade level of ninth through twelfth grades; and payment of $33,000 a year in tuition is required (Dusty Scovell, pers. comm., November 2, 1988). The school is currently not accredited through the state of Montana, but school officials are looking into accrediting it in the future (Sure Dandliker, pers. comm., February 6, 1989).

b. Law Enforcement. In the Sanders County portion of the study area, law enforcement services are provided by the Montana Highway Patrol, the Sanders County Sheriff's Department, and the Thompson Falls Police Department. The Montana Highway Patrol employs 1 officer responsible for patrol activities on Montana Highway 200 from the Idaho border to the junction of Highways 93 and 200 at Ravalli (115 miles of highway).

Sanders County Sheriff's Department is responsible for patrolling the Heron, Noxon, Trout Creek, Thompson Falls, Plains, Hot Springs, Paradise, and Dixon areas. The Sheriff's Department, headquartered in Thompson Falls, is staffed by a sheriff, an undersheriff, 5 deputy sheriffs, 4 full-time and 2 part-time dispatchers, and 1 secretary. There is 1 officer (including the sheriff and the undersheriff) per 1,239 people (population of 8,675) in Sanders County, and 1 officer per 393 square miles of the 2,749 square miles of land in the county.

The county law enforcement center was constructed in 1979. The center houses the Sheriff's Department, radio dispatch facility, and county

jail. The 30 to 35 bed jail has separate cells to house female prisoners. The Thompson Falls Police Department also houses prisoners at the county jail facility.

The Thompson Falls Police Department is staffed by 2 full-time officers who work alternating 12-hour shifts. Dispatch of emergency calls are handled through the city of Thompson Falls during regular business hours and, at other times, through the Sheriff's Department. One patrol vehicle is maintained by the police department.

Sanders County has a crime rate[4] well below the Montana total (Table 62). In 1987, Sanders County had a crime rate of 989.5; however, both Thompson Falls and Plains police departments did not report the number of crimes committed. Although these 2 communities probably do not experience a large number of crimes annually, the low crime rate for the county may reflect the lack of reporting rather than actual number of crimes committed.

Number of Part I crimes reported by the Sanders County Sheriff's Department decreased by 18 percent between 1980 and 1987 (Table 63). Fifty-eight percent of the reported Part I crimes were for larceny theft.

c. Fire Protection. Fire protection in the Sanders County portion of the study area is provided by 4 rural fire districts (Thompson Falls Rural, Trout Creek, Noxon Rural, and Heron), Thompson Falls Fire Department, DSL, and USFS. USFS is responsible for fire protection in portions of the Kootenai and Lolo national forests located in Sanders County and DSL is

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[4]The crime rate indicates the number of Part I crimes (homicide, rape, robbery, aggravated assault, burglary, larceny theft, and motor vehicle theft) per 100,000 population. The crime rate is derived by dividing the total number of Part I crimes by the population of the law enforcement jurisdiction and multiplying by 100,000.

TABLE 62

CRIME RATE PER 100,000 POPULATION -
SANDERS COUNTY AND STATE OF MONTANA

Year	Sanders County	State of Montana
1984	1,565.2	4,246.1
1985	1,572.3	4,231.0
1986	1,323.0	4,226.9
1987	989.5	4,270.8

Source: Montana Board of Crime Control, Criminal Justice Data Center, Helena, Montana.

TABLE 63

NUMBER OF PART I CRIMES REPORTED
IN SANDERS COUNTY

Year/Agency	Homicide	Rape	Robbery	Aggravated Assault	Burglary	Larceny Theft	Motor Vehicle Theft	Total
1984								
Sanders County	0	1	0	16	25	95	7	144
Sheriff	0	1	0	13	19	63	5	101
Thompson Falls	0	0	0	3	4	26	2	35
Plains	NA	NA	NA	NA	NA	NA	NA	NA
Hot Springs	0	0	0	0	2	6	0	8
1985								
Sanders County	1	2	1	28	27	81	5	145
Sheriff	1	2	1	16	21	56	3	100
Thompson Falls	0	0	0	7	6	23	2	38
Plains	NA	NA	NA	NA	NA	NA	NA	NA
Hot Springs	0	0	0	5	0	2	0	7
1986								
Sanders County	0	0	1	18	22	70	10	121
Sheriff	0	0	1	17	22	68	10	118
Thompson Falls	0	0	0	1	0	2	0	3
Plains	NA	NA	NA	NA	NA	NA	NA	NA
Hot Springs	NA	NA	NA	NA	NA	NA	NA	NA
1987								
Sanders County	1	0	0	4	28	48	6	87
Sheriff	1	0	0	4	24	48	6	83
Thompson Falls	NA	NA	NA	NA	NA	NA	NA	NA
Plains	NA	NA	NA	NA	NA	NA	NA	NA
Hot Springs	0	0	0	0	4	0	0	4

NA = Not available.

Source: Montana Board of Crime Control, Criminal Justice Data Center, Helena, Montana.

responsible for state and private landholdings outside organized fire districts in the county.

The Thompson Falls City Fire Department responds to fires within the Thompson Falls city limits; however, they also work with the Thompson Falls Rural Fire District in responding to rural fires outside the city limits (Leonard Lovhaug, pers. comm., November 14, 1988). The Thompson Falls City Fire Department has 15 volunteer firefighters which is not a large enough force to provide adequate fire protection to the community. In addition, There is not enough fire protective clothing for all volunteers.

The 2 fire trucks are housed in 2 fire stations in Thompson Falls. The fire stations are located on either side of the railroad tracks so that at least 1 truck can respond to a fire if a train on the railroad tracks is blocking traffic. The newest fire truck is a 1968, 750 gpm pumper and the older truck is a 1948, 500 gpm pumper. This is an adequate number of fire trucks, but they need to be updated. In January 1989, a fire truck was jointly purchased by the Thompson Falls City and Rural Fire departments.

The Thompson Falls City Fire Department has a Class 7 fire protection rating. In some areas of the city, the water flow is not sufficient for firefighting due to old fire hydrants and small-sized water mains. The city has recently received financial assistance through a Community Development Block Grant to replace the small water mains in the downtown portion of the city which, in turn, would improve the water flow (Leonard Lovhaug, pers. comm., November 14, 1988).

In June 1987, the Thompson Falls Rural Fire District was formed to provide fire protection to the outlying areas of Thompson Falls. There are approximately 1,000 households and 50 commercial establishments within the

Thompson Falls Rural Fire District's service area. The approximate service boundaries extend from the city limits 15 miles to the west, 15 miles to the east, 10 miles to the south, and 7 miles to the north (Jim Krogman, pers. comm., November 8, 1988). The rural fire district has a Class 8 protective fire rating for residences within 5 miles of the city limits and a Class 9 rating for all other residences and commercial establishments within their service area.

The fire district has 23 volunteers who respond to about 25 calls annually. Fire emergency vehicles include a 500-gallon pumper, a 2,500-gallon tanker, and a 4-wheel drive brush unit. Vehicles are housed in the fire station in Thompson Falls.

The Thompson Falls Rural Fire District should have at least 28 volunteer firefighters and 2 more 1,000 gallon-pumpers to adequately provide fire protection to the area. Surface water is not always available to suppress fires; therefore, additional water-carrying fire vehicles are essential (Jim Krogman, pers. comm., November 8, 1988). In addition, because the fire district is only 1 year old, many of the firefighters are not fully outfitted with protective firefighting clothing and the district needs more firefighting equipment.

The Trout Creek Rural Fire District provides fire protection to about 300 households and 12 commercial establishments in the Trout Creek area. They respond to an estimated 15 calls yearly. The fire district has a Class 9 fire protection rating.

There are 14 active volunteers and fire district emergency vehicles include a 1960, 4 X 4 Dodge, 500 gpm pumper; a 1965 Ford, 1 1/2 ton, 500 gpm with a 600-gallon booster tank; and a 1973 International, 1,000-gallon tanker

(Gene Wooden, pers. comm., November 11, 1988). The fire trucks are housed in a heated building in Trout Creek.

For the current population, there are enough firefighters to provide the community with adequate fire protection. The fire trucks, however, are outdated and newer vehicles should be purchased. All firefighters are fully equipped with fire protective outfits and each member has a portable radio, but the fire trucks are not all radio equipped. Water flow in Trout Creek is not sufficient for firefighting purposes (Gene Wooden, pers. comm., November 11, 1988).

The Noxon Rural Fire District was established in 1987 to provide fire protection to approximately 275 households in the Noxon area. There are 14 active volunteer firefighters and 6 inactive volunteers (George Krueger, pers. comm., March 11, 1988). In 1988, a 3-stall fire station was built to house the district's 2 fully-equipped fire trucks and a quick response unit.

Approximately 175 households and 8 business establishments are within the Heron Fire District service area. The approximate service boundary of the Heron Rural Fire District follows the old Heron School District boundary. The fire district has a Class 9 fire protection rating.

The fire department responds to an average of 4 calls a year. There are 8 active and 5 inactive volunteer firefighters. Emergency fire vehicles include a 1,000-gallon tanker tender and a 500-gallon pumper; both are 4-wheel drive vehicles.

The Heron Rural Fire District needs more volunteer firefighters, more reliable fire trucks, and additional firefighting equipment. A communications system is a top priority need of the fire district, and the fire trucks are old (1968 model and older) and have frequent maintenance

problems. The fire district also needs include more protective clothing for firefighters, a generator for portable lights, and a portable water tank (Sharon Miller, pers. comm., November 11, 1988). In addition, the fire station in Heron needs to be remodeled so that both fire trucks can leave the fire station at once.

d. Ambulance Service. Sanders County government levies 1 mill against taxable value of property in the county and divides the tax proceeds equally among the 4 ambulance services in the county. The 2 ambulance services in the Sanders County portion of the study area are in Thompson Falls and Noxon.

The Thompson Falls Ambulance Service offers 24-hour service, 7 days a week. Currently there are 11 volunteers, with 8 of the 11 certified as EMTs and 4 attendants trained and licensed to operate defibrillator equipment. More volunteers are needed (Dee Franke, pers. comm., November 4, 1988).

The Thompson Falls Ambulance Service operates on a communications pager system--3 volunteers are available to respond to emergency situations from 6 a.m. to 6 p.m. and 3 attendants are on call from 6 p.m. to 6 a.m. Due to the small number of available volunteers, ambulance members must be on call for several shifts a week, thus causing a high rate of "burn-out" among volunteers. Because it is desirable to keep the emergency response time to 5 to 10 minutes, persons who could be volunteers are excluded due to distance from their residences to the ambulance barn (Dee Franke, pers. comm., November 4, 1988).

The ambulance service has 2 emergency vehicles housed in the ambulance barn approximately 0.5 mile west of the center of Thompson Falls. Both vehicles are fully equipped with basic life support apparatus. The

newest vehicle is a 2-wheel drive Ford van which was partially purchased with a $10,000 donation (Sanders County Ledger, September 15, 1988). The other vehicle is a 1981, 4-wheel drive Ford. Radio equipment for the vehicles was upgraded in 1988 partially through grant monies from the Rittenour Foundation. The Sheriff's Department and the Search and Rescue team both have emergency-equipped vans that could be used as backup emergency vehicles for transporting patients (Dee Franke, pers. comm., November 4, 1988).

The Noxon Ambulance Service provides 24-hour emergency service, 7 days a week to an estimated 2,000 population. The ambulance service maintains a mutual aid agreement with the Thompson Falls Ambulance Service to provide backup assistance (Mary Chaboya, pers. comm., November 4, 1988).

The ambulance service is staffed by 18 volunteers with 3 attendants on call at any given time. Nine of the 18 volunteers are EMTs. Five volunteers live in the Heron area, 5 reside in the Trout Creek area, and the others live in and around Noxon (Mary Chaboya, pers. comm., November 4, 1988).

One emergency vehicle and a flat-bottomed boat are owned by the Noxon Ambulance Service. In 1988, a stall in the newly-constructed fire building in Noxon was set aside for housing the ambulance.

The Noxon Ambulance Service boundary encompasses a large area including the Heron, Trout Creek, and Noxon areas, and extends north to the Bull River almost to the Lincoln County line. Due to the rugged topography in some areas and the large service area, at times it has taken up to 45 minutes to reach a patient. Although the ambulance service is adequate to meet the needs of those it serves, more volunteers and an additional emergency vehicle would provide a more reliable service.

e. Hospitals and Long-Term Care Facilities. Clark Fork Valley Hospital in Plains is the only licensed hospital in Sanders County. The 16-bed, privately-owned hospital was established in 1971. In 1987, the hospital operated at an occupancy rate of 34.8 percent (Montana Department of Health and Environmental Sciences 1988).

The hospital has a staff of 95 (55 full-time equivalents) including 3 family practitioners, 1 general practitioner, 1 orthopedic surgeon, 22 registered nurses, and 6 licensed practical nurses (Shelly Meixner, pers. comm., November 4, 1988). On the weekends, a physician is available at the hospital for emergency care.

Twenty-four hour emergency care is provided at the hospital. Life Flight of Missoula provides air ambulance service to the hospital. A helipad is located in the parking lot of the hospital.

Clark Fork Valley Hospital does not offer obstetrical services. A family practice physician from Missoula, however, visits the hospital each month for scheduled appointments with expectant mothers. Although prenatal care is provided to women and their babies, babies are not delivered at the Clark Fork Hospital; rather, deliveries are made at the Community Medical Center in Missoula (Sanders County Ledger, November 3, 1988).

Long-term care services are provided by Clark Fork Valley Nursing Home in a separate wing of the hospital. In 1987, the 28-bed nursing home operated at 98.1 percent capacity (Montana Department of Health and Environmental Sciences 1988). The Clark Fork Valley Nursing Home is the only licensed long-term care facility in Sanders County.

f. Local Physicians. There is 1 licensed doctor and a physician assistant in Thompson Falls. In addition, 2 physicians commute from Plains

to Thompson Falls several days a week and a surgeon from Superior travels to Thompson Falls once a week to provide medical care to patients (Harvey Fry, pers. comm., October 28, 1988). A licensed dentist (Carol Berger, pers. comm., October 28, 1988) and an optometrist also have offices in Thompson Falls. There are no licensed doctors, dentists, or optometrists in Noxon (Carri Whitman, pers. comm., October 28, 1988).

g. Water Supply. Rural households of the Sanders County portion of the study area, not within the water service areas of Thompson Falls, Trout Creek, Noxon, and Heron, rely upon wells for water supply. In Thompson Falls, the primary water source for municipal water is Ashley Creek and the secondary water source is 2 wells. In 1983, improvements to the water delivery system were completed through loan monies from FMHA. Improvements to the system included development of a new well, construction of an additional storage tank, installation of water mains, and installation of water meters.

There are 2 water storage tanks with 204,000 and 365,000 gallon capacity. The system operates at below capacity serving approximately 1,600 water users (636 service connections) with an estimated service capacity of 2,000. Although the water system could handle an increased number of water users, the existing water rights of Thompson Falls to acquire water from surface water are at capacity during the summer months even with use of the backup sources of water (i.e., wells).

The city of Thompson Falls recently received a federal Community Development Block Grant (CDBG) for $173,600 for water line upgrading. The grant will pay for replacement of the leaking lead-jointed iron pipes on Main Street.

Water Service, Inc., a nonprofit water corporation in Trout Creek, supplies water to 108 residential and commercial service connections. It is estimated that the water system could provide water to an additional 15 to 20 service connections (Gerald Robbins, pers. comm., March 11, 1988). The water source is a well with a 350 gpm pump. In 1984, a 70,000-gallon water storage tank was installed. There are no water shortage problems at present; however, to ensure a reliable backup water source, a second well should be developed (Jim Melstad, pers. comm., March 11, 1988).

Community Gravity Water Company, Inc. of Noxon obtains water for the public water system from 2 wells. One well is located on the edge of Noxon and supplies approximately 200 gpm and the second well is near the water storage tank above the town and supplies 200 gpm (Gary Nelsen, pers. comm., March 11, 1988). The system operates at capacity with 80 residential and commercial service connections.

The 25,000-gallon wooden storage tank and wooden water mains leak badly and need to be replaced. The Water Company has received a CDBG for $375,000 to rebuild and expand the water system. They also have applied for a matching funds grant of $220,550 through the Economic Development Administration (EDA). The upgraded water system would add 10 new fire hydrants (Sanders County Ledger, September 22, 1988).

Two water systems serve the Heron area--Heron Community Water System Inc. and Heron Acres Water System. Approximately 35 to 40 residences within the unincorporated community of Heron receive water from the Community Water System at $8.50 per month (Leonard Jensen, pers. comm., April 11, 1988). Water is stored in a 18,000-gallon storage tank.

Heron Acres Water System provides water to 5 residences in the Heron Acres subdivision just outside of Heron where water is obtained from a well and stored in a 300-gallon pressurized tank. Water users pay $7.50 a month. The Heron Acres Water Board voted to disallow the addition of more service connections to the water system, thus, restricting the number of water users to those currently hooked into the system. (Marvin Kees, pers. comm., March 16, 1988).

h. Wastewater Treatment. Rural households of Sanders County, including the communities of Trout Creek, Noxon, Heron, and sections of Thompson Falls use individual septic tanks for wastewater disposal. The service area for the wastewater treatment system in Thompson Falls is the business district and private residences south of the Montana Rail Link tracks. Wastewater treatment for the remainder of Thompson Falls is through individual septic tanks and drainfields.

The Thompson Falls municipal wastewater treatment facility is a 3-cell aeration system which discharges to the Clark Fork River. In 1987, this system was completed, replacing the malfunctioning lagoon system. The system was upgraded through a loan from FMHA as part of a matching funds grant from EPA.

The municipal system serves 111 users and operates at near designed flow capacity. The system could accommodate 16 new residences; however, there is very little land available for housing development in this area. Installation of septic tanks in this area of the city is prohibited (Kathy Denke, pers. comm., March 11, 1988).

i. Solid Waste. There is no countywide solid waste district in Sanders County, rather each local community has a refuse board responsible

for overseeing solid waste operations in their respective area. A Sanders County Commissioner is a member of each of the 7 local refuse boards.

Private contractors provide refuse collection and disposal services throughout Sanders County. In the Sanders County portion of the study area, there are 3 landfills--a 10-acre licensed site approximately 11 miles west of Thompson Falls, a 80-acre licensed site near Trout Creek, and an unlicensed 5-acre site near Heron. A problem facing the county is the limited number of useful years left at these sites and the limited amount of suitable land for landfill sites within the county.

In 1980, the county hired an engineering firm to conduct a feasibility study concerning the formation of a countywide sanitation district. It was decided at that time not to consolidate the refuse districts and to continue operation under the existing system. Regulations are currently being considered by EPA that could force severe restrictions on the operation of landfills and, due to the high cost involved with monitoring landfills as proposed by EPA, could prompt the 7 solid waste districts in the county to reconsider a countywide operation (Sanders County Ledger, October 13, 1988). Preliminary plans for studying the future of Sanders County landfills and possible consolidation into a countywide district are currently underway.

j. Utilities. Montana Power Company provides electrical service to residences and businesses from Thompson Falls and eastward. Northern Lights, Inc. provides electricity from the west end of the Thompson Falls city limits and to the west. Natural gas is not available in the study area, rather propane gas can be purchased from local dealers. Wood is also an important source of heating fuel in the area.

U.S. West (formerly Mountain Bell Telephone) provides telephone service to the Sanders County portion of the study area. Blackfoot Telephone Cooperative serves Sanders County, but only as far west as Dixon (i.e., not within the study area).

k. Social Welfare. Social welfare services through the Human Services Office in Sanders County receives funding from county, state, and federal sources. The county-administered program provides the following services:

1) Aid to families with dependent children.

2) Food stamps.

3) Medicaid.

4) General assistance (including transient relief) and county medical.

The Human Services staff includes a director, 3 eligibility technicians, and 1 secretary. Although there is an adequate number of personnel to dispense the required services, the office space is overcrowded (Thorne Johnson, pers. comm., June 17, 1988).

Table 64 presents selected social welfare statistics for Sanders County and Montana. In 1980, Sanders County had a slightly higher percent of families below the poverty level than did the state as a whole. Average number of food stamp recipients per month per capita was 0.80 for Sanders County and 0.075 for the state in 1987.

l. Public Libraries. There are 2 public libraries in the Sanders County study area--Thompson Falls Public Library and Laurie Hill Library in Heron. The Thompson Falls Library, located in the city office building,

TABLE 64

SELECTED SOCIAL WELFARE STATISTICS -
MONTANA AND SANDERS COUNTY

Category	Montana	Sanders County
Families Below Poverty Level (1980)	9.1%	10.2%
AFDC (FY 1987)		
Per Capita Cases Per Month	0.012	0.011
Average Monthly Payment	$328.63	$349.78
Food Stamps (FY 1987)		
Average Recipients Per Month Per Capita	0.075	0.080
Average Value of Food Stamps Per Recipient	$44.88	$46.08
Medical Assistance (FY 1987)		
Per Capita Cases Per Month	0.031	0.036
Average Monthly Payment Per Case	$432.49	$398.71

Sources: 1) U.S. Bureau of the Census, 1980 Census.
2) Montana Department of Social and Rehabilitation Services, Helena, Montana, 1987.

serves the entire western end of Sanders County with an estimated two-thirds of the patrons living outside of Thompson Falls (Kathy Denke, pers. comm., June 17, 1988). There were 1,050 registered borrowers in 1987 (Montana State Library 1988).

Thompson Falls Library has 15,000 volumes in its collection (Montana State Library 1988). The staff includes a part-time librarian and an assistant who works about 2 hours each month to help with the bookmobile service. The library is open to the public Mondays and Fridays from noon to 5:00 p.m. and Tuesdays and Thursdays from noon to 6:00 p.m.

The Laurie Hill Library in Heron had 150 borrowers and a collection of approximately 6,000 volumes in 1987. The library employs 2 people and is open 2 hours a day, 3 days a week--Tuesday, Thursday, and Saturday (Montana State Library 1988).

m. Commercial Services. Thompson Falls, the county seat of Sanders County, is the largest municipality and trade center in the county. The nearest other major trade centers are Sandpoint, Idaho (90 miles); Libby, Montana (95 miles); Missoula, Montana (100 miles); Coeur d'Alene, Idaho (135 miles); and Spokane, Washington (169 miles).

Table 65 presents a list of some of the private businesses in the Thompson Falls area. Trout Creek and Noxon are also served by several small businesses including grocery stores, gas stations, motels, building supply centers, dining establishments, and taverns.

n. County Planning. There is no county planner or formal planning board in Sanders County. The county sanitarian makes recommendations to the Sanders County Commissioners based on on-site inspections of proposed subdivisions. The county has no zoning regulations with respect to building

TABLE 65

NUMBER AND TYPE OF
BUSINESS ESTABLISHMENTS IN THOMPSON FALLS

Type of Business Establishment	Number of Establishments
Gifts	4
Auto-Equipment-Repair-Parts	11
Beauty-Hairdresser's Shops	5
Contractors and Supply-Repair	9
Glass-Replacement and Repair	2
Drug Stores	2
Florists	3
Clothing	2
Food	11
Gas-Diesel-Tires	7
Groceries	4
Hardware	5
Insurance and Taxes-Lawyers	9
Lodging	4
Money Establishments	2
Music Stores	1
Newspapers	1
Radio-TV-Appliances	5
Realty	7
Watering Holes (Bars)	6
Video Rental and Service	3
Wild Game Processing	1
Refuse Hauling	1

Source: Information provided by the Western Sanders County Chamber of Commerce, Thompson Falls, Montana.

except for electrical permits for residential construction (Tom Woodward, pers. comm., December 20, 1988). The commissioners evaluate building projects in the county in accordance with state subdivision regulations.

The Thompson Falls area is on the borderline of violating the PM-10 standards for air particulate concentrations (Bob Raisch, pers. comm., December 21, 1988). DHES, with assistance from the county sanitarian, recently initiated daily sampling of the air particulate count. Since monitoring began, the particulate count has exceeded the EPA standard for 24-hour sampling once. If the particulate count exceeds the EPA standards at least 1 more time, the city will need to start the control compliance process for air pollution (Tom Woodward, pers. comm., December 20, 1988).

Feasibility studies are underway to reorganize the refuse districts and to reduce the number of landfills within the county. This proposed change in the refuse system is a result of new EPA regulations and the limited amount of suitable land remaining in the county for landfill sites (see Solid Waste section for Sanders County in this appendix for more detail).

o. Private and Non-profit Agencies. Service organizations in Thompson Falls, Trout Creek, and Noxon area include Lions Club, AF & AM, IOOF, Eastern Star, VFW, Rebekahs, Woman's Club, American Legion, Chamber of Commerce, Brownies, Thompson Falls and Noxon Saddle Club, Noxon Rod and Gun Club, Girl Scouts, Trout Creek and Noxon PTO, Boy Scouts, Extension Homemakers, 4-H Clubs, Thompson Falls Senior Citizens, Thompson Falls Rod and Gun Club, Archery Club (Western Sanders County Chamber of Commerce, no date).

Balanced Environmental Solutions for Tomorrow (B.E.S.T.) is a local coalition formed in 1988 to support, promote, and preserve the timber

industry in western Sanders County. The organization recently proposed to promote not only the timber industry but also other economic development in Sanders County (Sanders County Ledger, November 10, 1988).

Another newly-established organization is the Sanders County Task Force for Human Dignity. The group was formed to take a positive step to counteract white supremacist and separatist attempts to develop a stronghold in northwestern Montana (Sanders County Ledger, November 3, 1988).

IV. HOUSING

The study area for the proposed Montana Project includes the southwestern portion of Lincoln County and the northwestern portion of Sanders County. Communities within the counties include Libby and Troy (Lincoln County), and Thompson Falls, Trout Creek, Noxon, and Heron (Sanders County).

Housing characteristics and availability were assessed through personal interviews conducted with mobile home park owners, apartment complex managers/owners, realtors, and planners; from data compiled by the U.S. Bureau of the Census, Montana Department of Health and Environmental Sciences, and other published and unpublished documents; from an inventory of real estate listed in the classified section of The Western News (Lincoln County) and Sanders County Ledger (Sanders County); and through an on-site housing inventory. Although housing units for sale and rent are ever-changing, the following description provides an overview of the housing situation in the study area.

A. Lincoln County

1. Housing Characteristics

The U.S. Bureau of the Census (1980) reported that Lincoln County had 6,815 year-round housing units. Of the 6,063 occupied housing units, 74.7 percent were occupied by owners and 25.3 were occupied by renters. The percent of owner-occupied housing units was slightly higher than the state average of 68.4 percent in 1980 (Table 66).

Two-thirds of the year-round housing units in Lincoln County and the state were classified by the U.S. Bureau of the Census (1980) as 1-unit

TABLE 66

COMPARISON OF SELECTED HOUSING CHARACTERISTICS
LINCOLN COUNTY AND STATE OF MONTANA, 1980

Housing Characteristic	Lincoln County	Percent of Total	State of Montana	Percent of Total
Year-round Housing Units	6,815		315,098	
Occupied Housing Units	6,063	100.0%	283,742	100.0%
Owner-Occupied Units	4,529	74.7%	194,647	68.6%
Renter-Occupied Units	1,534	25.3%	89,095	31.4%
Units in Structure	6,815	100.0%	315,098	100.0%
1 Unit	4,574	67.1%	208,673	66.2%
2 Units	163	2.4%	17,213	5.5%
3 and 4 Units	198	2.9%	17,291	5.5%
5 or More Units	293	4.3%	31,134	9.9%
Mobile Homes	1,587	23.3%	40,787	12.9%
Structure by Year Built	6,815	100.0%	315,098	100.0%
1960 to 1980	3,668	53.8%	143,721	45.6%
1940 to 1959	1,669	24.5%	75,815	24.1%
1939 or Earlier	1,478	21.7%	95,562	30.3%
Owner-Occupied Housing Units[1] by Value	2,731	100.0%	125,919	100.0%
Less than $10,000	78	2.9%	3,920	3.1%
$10,000 to $29,999	609	22.3%	25,872	20.6%
$30,000 to $49,999	1,082	39.6%	40,854	32.4%
$50,000 to $79,999	820	30.0%	43,478	34.5%
$80,000 to $149,999	138	5.1%	10,791	8.6%
$150,000 or More	4	0.1%	1,004	0.8%
Mean Dollar Value	$44,582		$49,131	

Source: Based on 1980 Census and estimated data compiled by Montana Department of Commerce, The Census and Economic Information Center, Helena, Montana, 1985.

[1]Owner-occupied, noncondominium, 1-unit structures on less than 10 acres, excluding mobile homes and trailers and units with an office on the property.

structures. Nearly 25 percent of the housing units in Lincoln County were mobile homes, while at the state level, 13 percent of year-round housing units were mobile homes (Table 66).

Lincoln County was similar to the state when comparing age of structures, with the majority of homes constructed between 1960 and 1980. In 1980, the mean dollar value of homes in Lincoln County was $44,582 as compared to the mean value of $49,131 for the state.

2. Housing Availability

a. Real Estate For Sale. Real estate for sale and apartments and homes for rent, advertised in the classified section of The Western News, a local Libby newspaper, were monitored from May through October 1988 to determine the average number of housing units for sale or rent in the Lincoln County study area (Table 67). Real estate and rentals advertised in every other issue of the newspaper were recorded and a weekly average was calculated for the 6-month period.

An average of 24 homes were listed for sale weekly in The Western News during the monitoring period (Table 67). Homes ranged in price from $10,000 to $550,000, depending on the number of bedrooms, location, and whether the home was situated on acreage or on a city lot.

Numbers of mobile homes listed for sale in The Western News were also monitored during the 6-month period in 1988 (Table 67). An average of 8 mobile homes a week were advertised, ranging in price from $1,200 to $37,500. Because the newspaper does not separate mobile homes on lots or acreage from mobile home units not on property, it is not known whether the sale price includes property.

TABLE 67

6-MONTH MONITORING OF REAL ESTATE FOR SALE
AND HOUSING UNITS FOR RENT -
LINCOLN COUNTY STUDY AREA

Types of Housing	Average Number Per Week	Range
Homes For Sale		
Under $30,000	6	Price: $10,000 to $550,000
$30,000 to $55,000	6	# Acres: 0 to 480
$55,000 and Over	9	# Bedrooms: 1 to 5+
No Price Listed	3	
Mobile Homes For Sale		
Under $8,000	2	Price: $1,200 to $37,500
$8,000 to $15,000	1	# Acres: 0 to 11.5
$15,000 and Over	2	# Bedrooms: 1 to 4
No Price Listed	3	
Acreage For Sale		
Under 6 Acres	3	# Acres: 0.5 to 480
6 to 25 Acres	2	
25 Acres and Over	1	
Lots For Sale		
All Lots	2	# Lots: 1 to 4
Rental Housing Units		
Homes	10	Rent: $110 to $575/month
Apartments	6	Rent: $100 to $275/month
Mobile Homes	5	Rent: $130 to $300/month

Source: The Western News, Libby, Montana, May through October 1988. Every other issue was used during this monitoring period to derive the average used in this table.

Four of the 6 realtors operating in Libby and Troy list real estate for sale with the Multiple Listing Service (Linda Harris, pers. comm., December 5, 1988). On November 4, 1988, in the Troy and Libby area, the Multiple Listing Service had 91 residential listings for sale (30 residential with acreage and 61 residential without acreage) and 55 parcels of land for sale (44 with less than 6 acres, 9 with 6 to 25 acres, and 2 with more than 25 acres).

In a poll taken by The Western News, local realtors reported that real estate prices in the area may be leveling off (The Western News, November 22, 1988). For the past 8 years, it has been a buyer's market with homes selling for less than what owners purchased them for initially. Realtors further reported that home prices were stabilizing at a low level, a price only 40 to 60 percent of the replacement value (The Western News, November 22, 1988).

Streets within the Libby and Troy area were driven and number of homes for sale were recorded. Results of this housing inventory are briefly described as follows:

> <u>In or On the Outskirts of Libby (South of Highway 2)</u>: Fifteen homes had for sale signs displayed by owner, Irene Loveless Realty, and DeShazer-Ryan Realty. In addition, 1 mobile home on a lot and 1 vacant lot were listed by DeShazer-Ryan Realty.
>
> <u>In or On the Outskirts of Libby (North of Highway 2)</u>: Eleven homes had for sale signs displayed by owner, DeShazer-Ryan Realty, and Irene Loveless Realty.
>
> <u>North of Kootenai River (Including Rawlings Tracts, Pipe Creek Road, Northwood, Quartz Mountain Road, Airfield Tracts)</u>: A lot of home development has occurred in this area. It appears there are lots ready for development although for sale signs were not always displayed. In the Rawlings Road and Quartz Mountain Road area, there were 2 homes listed for sale by DeShazer-Ryan Realty. In the Northwood and Shalom Road area, there were 5 lots and 1 home listed for sale by DeShazer-Ryan Realty and Irene Loveless Realty.

South of Libby (Includes Bowen Hill Road, Cabinet View County Club, Farm-to-Market Road, Bear Creek area): Homes and trailers are intermixed in the Farm-to-Market Road area and the area seems very crowded until you travel out past Pinewood Village. Seven homes had for sale signs displayed by Irene Loveless Realty, DeShazer-Ryan Realty, and Farag Realty. In addition, in the Pinewood Village area, a mobile home on a lot was listed for sale by Irene Loveless Realty and land was listed for sale by Farag Realty.

Troy: Fairview Heights had 1-acre lots for homesites for sale. Many of the lots were for sale by DeShazer-Ryan Realty. There also was a home and lots for sale by Homestead Realty and a repossessed home for sale.

In the town of Troy, 11 homes were for sale by Homestead Realty, Tomplin Realty, DeShazer-Ryan Realty, and owner. In addition, 1 mobile home on a lot was listed for sale by Homestead Realty.

b. Mobile Home Parks. City zoning regulations prohibit the placement of mobile homes within the Libby city limits; however, Lincoln County has no restrictions on mobile home placement other than those required by the state. Mobile home courts, campgrounds, and recreational vehicle (RV) and tent parks in Montana are required by law to be licensed by DHES, Food and Consumer Bureau. A list of licensed mobile home courts is prepared by DHES that provides the name of the park owner, address, and number of spaces licensed by category (i.e., recreational trailers, tents, cabins, and mobile homes). Because the DHES list cannot be used for the purpose of unsolicited telephone calls (e.g., surveys), owners of the mobile home parks on the list could not be contacted to gather such information as rental fees, number of vacancies, and occupancy rates.

Table 68 presents the number of mobile home court spaces near Libby and Troy and the number of occupied spaces in the courts as of June 1988. The Lincoln Department of Environmental Health periodically conducts a survey of trailer court owners to obtain the number of occupied spaces in each

TABLE 68

NUMBER OF SPACES LICENSED AND OCCUPIED IN
MOBILE HOME COURTS, LINCOLN COUNTY STUDY AREA

Mobile Home Court	Number of Spaces Licensed	Number of Spaces Occupied
Libby		
Adamson Trailer Court	21	10
Barnes Trailer Court	18	16
Bellevue Manor	46	28
Branding Iron Mobile Ranch	8	8
Bromp's Court	12	7
Cabinet View Trailer Court	45	43
Dakota Parkway	7	7
Darsow Mobile Home Park	4	2
Eagle Conoco Campground	20 RV Spaces	NA
Ed's	13	4
El Ponderosa Mobile Villa	9	3
Elkhorn	7	1
Evergreen Trailer Court	6	6
Garden Grove Trailer Court	8	8
Granite Creek Park	11	5
Green Acres Trailer Court	17	16
Happy's Inn	26	14
Hartmann's Orchard Valley	45	31
Hartmann West	33	26
Hartmann S & W Mobile Court	8	3
Hartmann's Trailer Court	20	13
Johnson's Trailer Court	14	9
Koocanusa Marina	40 RV Spaces	NA
Kootenai Trailer Court	20	13
Land L Trailer Court	6	5
Lazy Acres Trailer Court	4	4
Libby Dam Trailer Court	14	14
Meadowlark RV Park	30 RV Spaces	NA
Mobile Court	4	3
Mount Snowy Park	9	3
Mountain View Trailer Court	16	9
Parmenter Creek Trailer Court	10	9
Pine Tree Mobile Park	23	19
Pineridge Tavern Trailer Court	3	3
Post's Trailer Court	23	16
Riverside Inn	26	19
The Hideaway	5	5

Table 68 (continued)

Mobile Home Court	Number of Spaces Licensed	Number of Spaces Occupied
Libby (Continued)		
Viking Trailer Court	13	6
Woodland Trailer Court	38	32
Woody's Park	12 RV Spaces	NA
Wy-Go-By Court	9	3
4-Aces Trailer Court	36	25
Total Mobile Home Spaces	667	462
Total RV Spaces	102	NA
Troy		
Big Joe's Trailer Court	7	NA
Foote's Trailer Court	2	2
Halfway House	7	2
La-Vi Mobile Park	14	8
Perkins Trailer Court	9	8
Reilly's	7	6
Schultz Trailer Court	4	2
Troy KOA Campground	40 RV Spaces	NA
Troy Trailer Park	15	5
Walt's Trailer Court	10	6
Winslow Trailer Court	7	7
Total Mobile Home Spaces	75	46
Total RV Spaces	40	NA

NA = Not available.

Source: Lincoln County, Department of Environmental Health, Libby, Montana, June 1988.

trailer court. Based on this inventory, approximately 69 percent of the 667 available spaces in mobile home courts near Libby were occupied, while 61 percent of the 75 trailer spaces in Troy were occupied (Table 68).[4]

Lot rent, occupancy rate, and other pertinent information were gathered through a telephone survey of owners of mobile home parks listed in the local telephone directory. Although not all mobile home parks in the study area are listed in the telephone directory and thus were not contacted, the specifics concerning the mobile home parks as presented in Table 69 provide a general overview. The park owners contacted reported that the majority of the trailer spaces have full hookups with rental fees ranging from $55 to $60 a month including water, sewer, and garbage. They indicated that there was a high occupancy rate year-round. The KOA Campground in Troy was the only park that was not open year-round, closing after the hunting season and reopening April 1.

c. Housing Units For Rent. Housing units for rent are not plentiful in Libby and Troy. In a survey of realtors conducted by The Western News (November 11, 1988), it was reported that "...home rentals are vanishing as more people--retirees, miners, businessmen--are moving into the area than are moving out." Realtors also reported receiving calls daily from people interested in rental housing, but they do not have any rentals available.

Apartment owners/managers of the 4 apartment complexes listed in the telephone directory were contacted to obtain information on monthly rental charges and occupancy rates (Table 70). Based on this survey, there were 95

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[4]Excludes RV parks in the Libby and Troy area.

TABLE 69

MOBILE HOME PARK AND CAMPGROUND INFORMATION - LINCOLN COUNTY STUDY AREA

Mobile Home Park/ Campground	Number of Spaces	Overnight Rate	Monthly Rate	Comments
Green Acres Trailer Court, Libby	17	--	$60/month includes garbage, water, & sewer	All spaces have full hookups. They maintain a good occupancy rate all year-round.
Hartmann Trailer Court, Libby	25	--	$50/month includes well water & sewer $60/month includes city water & sewer	All spaces have full hookups.
Post's Trailer Court, Libby	25	--	$55/month includes water, sewer, & garbage	All spaces have full hookups. 3 to 4 spaces open all year-round. In the winter, owners plow the snow; in the summer, they irrigate and mow lawns.
Meadowlark RV Park, Libby	30	$8.50 w/hookup	$125/month includes all utilities except air conditioning and cable television	All spaces have full hookups. Fairly full all year-round.
Woodland Trailer Court, Libby	41	$7.00	$50-$75/month includes all utilities except electricity <u>or</u> $100/month includes all utilities	All spaces have full hookups. About 12 spaces are more suitable for smaller trailers.

Table 69 (continued)

Mobile Home Park/ Campground	Number of Spaces	Overnight Rate	Monthly Rate	Comments
Johnson Trailer Court, Libby	14	--	$55-$60/month (depends on size of lot) includes water, sewer, & garbage	All spaces have full hookups. Usually has 1 opening a month, but stays full most of the time.
Bellevue Manor Trailer Park, Libby	49	--	$60/month corner lots $55/month other lots Includes water, sewer, & garbage	All spaces have full hookups. They have a good occupancy rate all year-round.
Eagle Conoco, Libby	20	$10.50 w/hookup $8.50 w/o hookup	$100/month w/o hookup $145/month w/o hookup Includes all utilities and cable television	Ten spaces with full hookups. In the summer, half full or more.
Happy's Inn & Resort, Libby	18 + tent spaces	$7.00 w/hookup	$45/month w/hookups Includes water, sewer, & garbage. Permanent tentants pay own electricity	Most have full hookups. Eight spaces are for overnight stays and 10 are permanent pads. In the winter, they stay about 50 percent full, but depends on logging jobs or other projects in the area.

Table 69 (continued)

Mobile Home Park/ Campground	Number of Spaces	Overnight Rate	Monthly Rate	Comments
Robert R. Payne, Libby	7	--	$35-$55/month includes sewer & water	Spaces stay rented throughout the year.
La-Vi RV Park, Troy	13	$10 w/hookup $5 w/hookup (just to park in fall & winter)	$120/month w/ hookup	Self-contained units only. Also has a 1 bedroom, furnished apartment ($130/month + electricity) and 1 bedroom cabin ($125/ month + electricity).
KOA Campground, Troy	45	$15 w/hookup $12 w/o hookup	--	Fifteen spaces have full hookups. They close after hunting season until April 1.

Source: Interviews conducted with managers/owners of mobile home courts, November 1988.

TABLE 70

APARTMENT COMPLEX INFORMATION -
LINCOLN COUNTY STUDY AREA

Apartment Complex	Total Number of Apartments	Monthly Rate	Comments
Snooze Apartments, Libby	22	$165/month	Eleven duplex trailers. Good occupancy rate.
Libby Plaza II, Libby	30	30% of annual income	Four 3 bedroom apartments, 26 2 bedroom apartments. Vacancies do not last long.
W & J Apartments, Libby	9	$150 + electricity	Two bedroom apartments.
Green Meadow Manor, Libby	34	30% of annual income	Set aside for retired, disabled, or persons on social security income.

Source: Interviews conducted with owners/managers of apartment complexes, November 1988.

apartments in the 4 complexes with monthly rents of $150, $165, or 30 percent of the tenant's annual income. One apartment complex (Green Meadow Manor in Libby) is set aside for retired, disabled, or persons on social security income. Owners reported that vacancies are quickly filled by new tenants.

An on-site housing inventory conducted in December 1988 found that there were rental units nestled within the city of Libby not advertised in the telephone directory nor in The Western News. Apartments appeared to range in size from duplexes to large complexes with about 30 apartment units. There were no for rent signs displayed at the time of the housing inventory.

Rental housing in Troy appeared more limited than in Libby. A large apartment complex on the south side of town (Golden Lion Manor) has 20 apartment units. This apartment complex, however, is a subsidized project for the elderly (Ray Lindsey, pers. comm., January 23, 1989).

There was a weekly average of 10 homes, 6 apartments, and 5 mobile homes listed for rent in The Western News during the 6-month monitoring period (May through October 1988). Homes ranged in rent from $110 to $575 a month; apartments ranged from $100 to $275 a month; and mobile homes ranged from $130 to $300 a month (see Table 67). Some rental homes and mobile homes were situated on acreage, thus reflecting a higher rental rate.

d. Motels. Interviews were conducted with 12 operators of motels in the Libby and Troy area to determine number of motel rooms, number of kitchenettes, and room rates (Table 71). Overnight rates for 1 person/1 bed ranged from $12 to $34 a night. Most of the motels have weekly or monthly rates, particularly during the relatively slow winter period. Sixteen percent of the 263 rooms were equipped with cooking facilities.

TABLE 71

MOTEL INFORMATION - LINCOLN COUNTY STUDY AREA

Motel	Total Units	Number Units With Kitchenettes	Daily Rates	Weekly or Monthly Rates	Comments
Super 8 Motel, Libby	42	0	$28.88-1 person/1 bed $36.88-2 persons/2 beds $26.00-Commercial rate	--	Motel usually says full June-September
Rainbow Motel, Libby	11	6	$14-1 person/1 bed $17-2 persons/2 beds	$75/week $225/month + electricity	Busy in the summer; slow in the winter.
Pioneer Junction, Libby	22	10	$19-1 person/1 bed $33-2 persons/2 beds $33-single kitchenette	$55/week $65/week w/kitchenette	In the summer time, the motel stays full.
Mountain Magic, Libby	18	7	$20-1 person/1 bed $27-2 persons/2 beds $24-1 person/ 1 bed w/kitchenette $31-2 persons/2 beds w/kitchenette	Winter rates: $80/week (1 person/ 1 bed) $100/week (2 persons/ 2 beds)	Motel stays more full in the summer.
Caboose, Libby	28	0	$25-1 person/1 bed $29-2 persons/2 beds	Monthly- $90/week	In the summer time, they are always full.
Wheat Grass, Libby	15	2	$16-1 person/1 bed $19-2 persons/2 beds $35-2 bed kitchenette	Winter rates: $65/week-1 bed $100/week-1 bed kitchenette $135/week-2 bed kitchenette	--

Table 71 (continued)

Motel	Total Units	Number Units With Kitchenettes	Daily Rates	Weekly or Monthly Rates	Comments
Evergreen, Libby	15	2	$18-1 person/1 bed $28-2 persons/2 beds $20-1 person/1 bed kitchenette	$14/week-1 bed $15/week-1 bed kitchenette Winter rates: $325/month	The motel stays full in the summer.
Venture Motor Inn, Libby	71	0	$34-1 person/1 bed $38-2 persons/2 beds	Possibly special rate in winter months, but depends on how busy they are.	The busiest days are Tuesday, Wednesday, and Thursday in the summer, and Thursday, Friday, and Saturday in the winter.
Libby Cabins, Apartments, and Motel, Libby	13	9	$15-1 person/1 bed $18-2 persons/2 beds $16-1 person/1 bed kitchenette $20-2 persons/2 beds kitchenette	Weekly: $65-1 person/1 bed $85-2 persons/2 beds $75-1 person/1 bed kitchenette $100-$150-2 persons/2 beds kitchenette Monthly: $200-1 person/1 bed $250-2 persons/2 beds $300-1 person/1 bed kitchenette $350-$400-2 persons/2 beds kitchenette	They are busiest in the fall and spring when the tree planters arrive.

Table 71 (continued)

Motel	Total Units	Number Units With Kitchenettes	Daily Rates	Weekly or Monthly Rates	Comments
Riverside Motel, Libby	8	0	$12-1 or 2 persons/ 1 bed	$40/week $135/month	Rents mostly to fisherman.
Holiday, Troy	6	0	$20-1 person/1 bed $22-2 persons/2 beds	Weekly-would go down a few dollars	Summer is more busy than winter months.
The Ranch, Troy	14	6	$20-1 person/1 bed $24-2 persons/2 beds	$105/week $200/month w/ 1 bed $260/month w/ 2 beds	August is the most busy month of the year.

Source: Interviews conducted with managers/owners of mobile home courts, November 1988.

Motel owners interviewed consistently reported a high demand for rooms during the tourist season in the summer months. After Labor Day through May, most motels could accommodate more customers without straining their facilities.

e. Housing Development. Most new home building around Libby has occurred in the Big Horn Terrace and Ponderosa Heights subdivisions; however, overall subdivision activity has slowed down (Ken Peterson, pers. comm., December 5, 1988). Although there are quite a few vacant lots for sale, many buyers have found it less expensive to purchase an existing home on a lot than to purchase a lot and build a new home (Linda Harris, pers. comm., December 5, 1988).

B. Sanders County

1. Housing Characteristics

Sanders County had 3,601 year-round housing units in 1980, with 3,180 occupied dwellings. Almost 77 percent of the 3,180 occupied dwellings were owner occupied as compared to 68.6 percent for the state (Table 72).

In both Sanders County and Montana, more than 65 percent of the dwellings were classified as 1-unit structures in 1980. With respect to mobile homes, 25 percent of the year-round housing units in Sanders County were mobile homes, whereas about 13 percent of year-round housing in the state were mobile homes (Table 72).

Approximately 50 percent of the homes in Sanders County and Montana were constructed between 1960 and 1980 (U.S. Department of Commerce, Bureau of the Census, 1980). The mean dollar value of a home in 1980 in Sanders County was $35,837 as compared to $49,131 for the state. Seventy-two percent

TABLE 72

COMPARISON OF SELECTED HOUSING CHARACTERISTICS
SANDERS COUNTY AND STATE OF MONTANA, 1980

Housing Characteristic	Sanders County	Percent of Total	State of Montana	Percent of Total
Year-round Housing Units	3,601		315,098	
Occupied Housing Units	3,180	100.0%	283,742	100.0%
Owner-Occupied Units	2,445	76.9%	194,647	68.6%
Renter-Occupied Units	735	23.1%	89,095	31.4%
Units in Structure	3,601	100.0%	315,098	100.0%
1 Unit	2,358	65.5%	208,673	66.2%
2 Units	74	2.0%	17,213	5.5%
3 and 4 Units	49	1.4%	17,291	5.5%
5 or More Units	216	6.0%	31,134	9.9%
Mobile Homes	904	25.1%	40,787	12.9%
Structure by Year Built	3,601	100.0%	315,098	100.0%
1960 to 1980	1,809	50.2%	143,721	45.6%
1940 to 1959	717	19.9%	75,815	24.1%
1939 or Earlier	1,075	29.9%	95,562	30.3%
Owner-Occupied Housing Units[1] by Value	1,083	100.0%	125,919	100.0%
Less than $10,000	70	6.5%	3,920	3.1%
$10,000 to $29,999	405	37.4%	25,872	20.6%
$30,000 to $49,999	379	35.0%	40,854	32.4%
$50,000 to $79,999	196	18.1%	43,478	34.5%
$80,000 to $149,999	32	2.9%	10,791	8.6%
$150,000 or More	1	0.1%	1,004	0.8%
Mean Dollar Value	$35,837		$49,131	

Source: Based on 1980 Census and estimated data compiled by Montana Department of Commerce, The Census and Economic Information Center, Helena, Montana, 1985.

[1]Owner-occupied, noncondominium, 1-unit structures on less than 10 acres, excluding mobile homes and trailers and units with an office on the property.

of the homes in Sanders County had a value between $10,000 and $49,999, whereas 53 percent of the homes in the state had the same value (Table 72).

2. Housing Availability

a. Real Estate For Sale. Real estate for sale and housing units for rent were monitored in the real estate classified section of the Sanders County Ledger, a weekly newspaper published in Thompson Falls. Beginning in May 1988, real estate and rentals advertised in every other issue of the newspaper were recorded and a weekly average for the 6-month period was calculated (Table 73).

There was an average of 18 homes, 8 mobile homes, and 14 parcels of land for sale in the weekly edition of the Sanders County Ledger during the 6-month period (Table 73). Homes ranged in price from $15,000 to $465,000, depending on the condition and size of the home and whether acreage was included in the selling price. Mobile homes ranged in price from $1,850 to $62,000, depending on size and condition of the trailer, size of the lot or acreage, or if no lot or acreage was included in the sale.

Local realtors reported that there were many 20-acre parcels of land available for sale in the study area. However, homes for sale in local communities were not very plentiful.

b. Mobile Home Parks. Sanders County has no zoning regulations that prohibit the placement of mobile homes on lots or acreage. Similarly, in all communities within the Sanders County study area, mobile homes within the city limits are commonplace and without special zoning regulations.

Personal interviews conducted with owners/managers of 8 mobile home parks in the Sanders County study area found that there were 86 permanent trailer lots and 29 temporary spaces (Table 74). Four of the mobile home

TABLE 73

6-MONTH MONITORING OF REAL ESTATE FOR SALE
AND HOUSING UNITS FOR RENT -
SANDERS COUNTY STUDY AREA

Types of Housing	Average Number Per Week	Range
Homes For Sale		
Under $30,000	3	Price: $15,000 to $465,000
$30,000 to $55,000	6	# Acres: 0 to 360
$55,000 and Over	6	# Bedrooms: 1 to 4
No Price Listed	3	
Mobile Homes For Sale		
Under $8,000	1	Price: $1,850 to $62,500
$8,000 to $15,000	2	# Acres: 0 to 10
$15,000 and Over	1	# Bedrooms: 2 to 3
No Price Listed	4	
Acreage For Sale		
Under 6 Acres	5	# Acres: 0.5 to 142
6 to 25 Acres	5	
25 Acres and Over	4	
Lots For Sale		
All Lots	2	# Acres: 1 to 18.5
Rental Units		
Homes	3	Rent: $130 to $350
Apartments	3	Rent: $130 to $240
Mobile Homes	2	Rent: $135 to $365

Source: Sanders County Ledger, Thompson Falls, Montana, May through October 1988. Every other issue was used during this monitoring period to derive the average used in this table.

TABLE 74

MOBILE HOME PARK AND CAMPGROUNDS INFORMATION - SANDERS COUNTY STUDY AREA

Mobile Home Park/ Campground	Total Permanent Spaces	Permanent/ Monthly Rate	Total Temporary Spaces	Temporary Rate	Comments
Bull River Resort & Trailer Court, Noxon	16	$60 per month	21		$11 per night. Not full.
Southworth Trailer Park, Noxon	20	$65 per month + electricity	--		The 20 permanent spaces could also be used for RVs plus they do have some temporary spaces.
Noxon Trailer Court, Noxon	5	--	--	--	This court is being upgraded to accommodate longer length mobile homes.
Trout Creek Motel & Trailer Park, Trout Creek	5	$85/mo. + electricity $100 + electricity (1-2 month stay)	8	$10 per night w/hookup $5-$6 w/no hookup $35-$50 + electricity weekly (depends on people) Monthly rate same as permanent rate.	There are 13 hookups that could be used for permanent spaces if trailers were not too long.

Table 74 (continued)

Mobile Home Park/ Campground	Total Permanent Spaces	Permanent/ Monthly Rate	Total Temporary Spaces	Temporary Rate	Comments
Marian Roe, Thompson Falls	6	$75 + electricity	0	--	Two of the 6 spaces were rented as of April 1988.
Flatiron Village, Thompson Falls	12	$60 per month	0	None	Currently full.
Birdland Bay, Thompson Falls	10	$60 per month + + electricity	9	--	They are considering upgrading the upper court of the park. The lower court has 9 spaces that could be used for permanent residents. In 1988, the lower court lots were used for RVs. The park could be expanded to accommodate more trailers.
Lodge Motel and Trailer Court, Thompson Falls	3	$50 + electricity	--	--	They had no vacancies in May 1988.

Source: Interviews conducted with managers/owners of mobile home courts, April 1988 and January 1989.

courts were located in Thompson Falls, 3 in Noxon, and 1 in Trout Creek. Monthly rental rates ranged from $50 to $100 including all utilities except electricity.

In addition to the mobile home courts described in Table 74, DHES reported there were 5 other trailer courts in Thompson Falls and 1 in the Noxon area. Because DHES prohibits licensees from being contacted through use of the sanitation license list, specifics of the mobile home courts (e.g., lot rent, number of occupied spaces) could not be obtained for inclusion in Table 74. The 5 mobile home courts in Thompson Falls had a total of 13 spaces. The number of licensed spaces in the Hereford Trailer Court (Restaurant and Bar) near Noxon was not available at the time the DHES sanitation license list was printed in December 1988.

c. Housing Units For Rent. Three apartment complexes were identified in the study area during a reconnaissance level housing inventory conducted in April 1988. Two apartment complexes in Thompson Falls (Saleesh House and Mountain Home) had a total of 10 rental units, and 1 complex in Trout Creek had 4 apartments (Table 75). Monthly rent ranged from $193 for a 1-bedroom apartment to $250 for a 3-bedroom apartment.

During the 6-month monitoring period of the classified section of the Sanders County Ledger, there was a weekly average of 3 homes, 3 apartments, and 2 mobile homes listed for rent (Table 73). Rent for homes ranged from $130 to $350 a month, whereas monthly rent for apartments ranged from $130 to $240 and for mobile homes from $135 to $365.

Local realtors reported that rental units in the study area were sparse and, when vacated, were quickly rented to new tenants. Local realtors

TABLE 75

APARTMENT COMPLEX INFORMATION - SANDERS COUNTY STUDY AREA

Apartment Complex	Total Number of Apartments	Monthly Rate	Comments
Saleesh House, Thompson Falls	4 -- 2 bedroom units	$220/month	Accept subsidized renters.
Mountain Home, Thompson Falls	4 -- 2 bedroom units 1 -- 3 bedroom unit 1 -- 1 bedroom unit	$220/month $250/month $193/month	Accept subsidized renters.
Teddy Roosevelt House, Trout Creek	4 -- 2 bedroom units	$220/month	Accept subsidized renters.

Source: David Bennett, pers. comm., April 4, 1988.

also indicated that, although rental units were limited, there was some rental housing nestled within the residential area of Thompson Falls.

In a housing inventory conducted in April 1988, it was found that the Hereford Restaurant and Bar near Noxon had 3 cabins, 2 apartments, and 1 trailer for rent (Don Sharp, pers. comm., April 4, 1988). At the time the inventory was conducted, the owner was in the process of renovating the cabin units. The Southworth Store, across the highway from the Hereford Restaurant, had 7 cabins, 1 apartment, and 1 trailer for rent (Mrs. Wayne Southworth, pers. comm., April 4, 1988). Four cabin units also were available for rent at Birdland Bay Mobile Home Court near Thompson Falls (Jeanne Sol, pers. comm., April 4, 1988).

d. Motels. Seven motels and 1 lodge were identified in the Sanders County study area (Table 76). Four motels with a total of 72 units are located in Thompson Falls; 2 motels with a total of 13 rooms are in Trout Creek; and 1 motel with 11 rooms is in Noxon. The Wilderness Lodge in Heron caters primarily to hunting and fishing guests with prior reservations. There are 4 lodging units and 3 cabins at the lodge.

Only a few of the motels offer weekly or monthly rates. Nightly rates for single accommodations ranged from $15 to $25. Nine of the 96 rooms had kitchen facilities.

e. Housing Development. In the late 1970s and early 1980s, there was a lot of subdividing activity in Sanders County, which left a considerable number of lots for sale on the market. Within the past 2 years,

TABLE 76

MOTEL INFORMATION - SANDERS COUNTY STUDY AREA

Motel	Total Units	Number Units With Kitchenettes	Daily Rates	Weekly or Monthly Rates	Comments
Falls Motel, Thompson Falls	22	0	$20-$25 average	--	Rooms have been remodeled but now adding a hot tub, weight room, and conference room.
Black Bear Inn, Thompson Falls	16	0	$16 w/ shower $12 w/ out shower $4/day/person	$140/week w/shower $100/week w/out shower $3/day per additional person	Only 6 units have private bath. Rest are community hall baths. Occupancy varies. Now have bar at the motel.
Lodge Motel, Thompson Falls	8	1	$15 -- single $20 -- 2 beds	7th day free	Housing truck drivers frequently. Fairly full in summer. Business picks up during hunting season.
Rimrock Motel, Thompson Falls	26	0	$25 -- single $27 -- double $32 -- single w/ queen size bed $34 -- double w/ queen size bed	--	Newer units (queen size beds) slightly higher rate. Distribute discount cards for food and liquor. Mostly business people but have had monthly constructions workers and boarders.

Table 76 (continued)

Motel	Total Units	Number Units With Kitchenettes	Daily Rates	Weekly or Monthly Rates	Comments
Trout Creek Motel, Trout Creek	7	5	$20 --single w/ kitchen $26 -- double	Possible-- depends on time of year.	Discounts for lengthy stay negotiable (6 days with 7th day free).
Lakeside Motel, Trout Creek	6	1	$22 -- single $28 -- double	Not in summer but negotiable in winter	Popular/good quality motel. Owner considers rates good even for commercial rates. Keeps fairly full. Winter drops off some.
Noxon Motel, Noxon	11	2	$24 -- single $28 -- double	Negotiable	Will negotiate long stays with workers from large companies. Rooms with kitchenettes cost $32 per night.
Wilderness Lodge, Heron	4 lodge units, 3 cabins	2 cabins	$25 -- lodge $55 -- cabin	--	Two cabins sleep 8 and one cabin sleeps 6. Extra cost over the $55 for more than 4 people. Runs mostly on reservation basis for guiding and fishing trips. Beautiful setting/ hunting place.

Source: Interviews conducted with motel owners/managers, December 1987.

subdivision activity has been mostly "occasional sales,"[5] with Pleasant Valley Subdivision, about 5 miles southeast of Thompson Falls, expanding to include 13 more lots (Tom Woodward, pers. comm., December 20, 1988).

A subdivision near Trout Creek is in the process of replatting the large lots into smaller lots to form 3 subdivisions--Trout Creek, Island Park, and Copper Ridge. When completed, there will be between 30 and 40 lots and an RV park. The subdivision will have a community water system and individual septic tanks (Tom Woodward, pers. comm., December 20, 1988).

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[5]Under the state subdivision law, owners may sell 1 parcel of their land a year and avoid the state subdivision review.

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INFORMATION SOURCES

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ATTACHMENT A

AGREED-UPON PLAN OF STUDY FOR SOCIOECONOMIC HUMAN ENVIRONMENT - MONTANA SILVER VENTURE

ATTACHMENT A

AGREED-UPON PLAN OF STUDY FOR SOCIOECONOMIC HUMAN ENVIRONMENT - MONTANA SILVER VENTURE

The socioeconomic study area will encompass Lincoln and Sanders Counties, Montana, including the communities of Libby, Troy, Thompson Falls, and Noxon. If the production plantsite is located in Upper Rock Creek, then information will be obtained on population and services in Clark Fork, Idaho.

14.1 STUDY TASKS

Historical and current socioeconomic assessment data will be collected for the study area and organized to follow the Montana Department of State Lands (MDSL) Plan of Operation Guidelines. Specifically, these guidelines identify the following topic areas:

1) Social: Structure and Mores
2) Cultural: Uniqueness and Diversity
3) Population: Quantity and Distribution
4) Housing: Quantity and Distribution
5) Human Health and Safety
6) Community and Personal Income
7) Employment: Quantity and Distribution
8) Tax Base: Local and State Tax Revenue
9) Demand on Governmental Services
10) Industrial and Commercial Services
11) Environmental Plans and Goals (local and regional)

Based on these topic areas, the following tasks describe in detail the methods that will be used to complete the review. Whenever possible, existing sources of information (rather than collection of new data) will be used, provided that these sources are up-to-date, accurate, and reasonably related to the Montana Silver Venture study area.

14.2 DEMOGRAPHY

Demographic information will be obtained from the U.S. Bureau of the Census at the Montana Department of Commerce, Census and Economic Information Center. Demographic features will be reported on the local impact area (Sanders and Lincoln Counties) and sub-units of the impact area (Libby, Troy, Thompson Falls, and Noxon census divisions). Selected demographic characteristics will include number of households, persons per household, age breakdown, median age, median family income, and educational attainment.

Baseline studies or updated information for Lincoln and Sanders Counties will include male and female age distribution, female fertility rates, and mortality rates by age and sex (all in five year cohorts). The same

information will be used in the cohort survival model used for population projections.

14.3 POPULATION PROJECTIONS

Population trends and baseline projections will be reported for the local impact area and sub-units through year 2010. The baseline projections will be a product of demographic/economic simulation model that uses projected labor force participation rates and cohort-survival techniques to project county populations by 5-year intervals to the year 2010. Cohort-survival refers to the estimated mortality rates of persons by age category. This section will include a discussion of net migration trends by county and sub-units, and an explanation of key assumptions used in the population model.

14.4 SOCIAL LIFE

Quantitative and qualitative data collection techniques will be employed to gather information on social life. A literature review, for example, will be used to obtain data on an historical account of the proposed study area, while "sociological sampling" methods will be employed to gather descriptions on attitudes toward the quality of life, general life-style, and customs. Sociological sampling is an interviewing process which begins with interviewing community leaders, officials, and individuals from interest groups. These persons are asked to identify community members who are knowledgeable about the social life of the area. These informed individuals will also be interviewed concerning their perceptions of the general life-style of the community. Topics to be addressed in the social life section will include history, social values, social problems, social institutions (e.g., economic, political, religious), social structure and mores, and cultural uniqueness and diversity. In addition, there will be a discussion of crime statistics, birth, divorce, and marriage rates.

14.5 COMMUNITY SERVICES

Service providers will be interviewed about the existing conditions and capacity of governmental and community facilities and services. The following social and community services will be investigated as well as a description of the area's community planning organizations.

1. Education
2. Law Enforcement
3. Fire Protection
4. Ambulance
5. Hospitals and Local Physicians
6. Water Supply
7. Wastewater Treatment
8. Solid Waste

9. Utilities
10. Social Welfare
11. Commercial Services
12. Private and non-profit agencies

14.6 HOUSING

Information on housing characteristics (e.g., number year-around housing units, occupied units by owner and renter, vacant units, and mobile homes) will be obtained from data compiled by the U.S. Bureau of the Census. To supplement this data, interviews will be conducted with county planners and knowledgeable individuals (e.g., realtors) concerning the availability and distribution of both temporary and permanent housing, trailer courts, lots, and vacant parcels of land and an assessment of the local home building industry.

14.7 INCOME

Income data will be obtained from the U.S. Bureau of the Census (1970 and 1980) and the U.S. Bureau of Economic Analysis (intercensal data). Income characteristics which will be addressed include personal income by source, per capita income, and annual change in inflation-adjusted income. The income trends discussion should include incomes from basic industry. The percent of the population below the poverty level will be identified, also the number of people receiving public assistance benefits. These data will be presented at the county and state levels.

14.8 EMPLOYMENT

County and state employment characteristics which will be investigated include total employment by place of work, wage and salary employment by industry, and total unemployment. Historical employment and unemployment trends will be presented, and employment forecasts without the project will be determined. Labor market trends for basic (nonlocal markets) and derivative (local market) industries also will be investigated.

Data sources for employment, unemployment, and labor market characteristics will be the U.S. Bureau of the Census, U.S. Bureau of Economic Analysis, and Montana Department of Labor and Industry. There will also be a discussion of the characteristics of unemployed persons.

14.9 FISCAL CONDITIONS

Three general areas of investigation will be included in the fiscal conditions section--governmental expenditures, revenues, and taxation. Historical and current information will be examined and provided for:

1. Total and per capita taxable valuation (county and state levels);
2. Expenditure and revenue by broad category for Lincoln County;
3. Mill levies, taxable valuation, and budgeted expenditures for Libby, Troy, Thompson Falls, and Noxon;
4. Expenditures, revenues, and mill levies of school districts within the study area;
5. Mill levies by district and local government.

Data will be obtained from the Montana Tax Foundation, city budgets, county school districts, and the U.S. Bureau of the Census.

ATTACHMENT B

METHODOLOGY FOR PROJECTIONS

ATTACHMENT B

METHODOLOGY FOR PROJECTIONS

A. Foreword

The projections presented in this report were developed by the National Planning Association (NPA) in Washington, D.C. The NPA model uses economic information developed by the U.S. Bureau of Economic Analysis (BEA) (June 1988 series) to project income and employment by BEA economic areas, states, and counties. A cohort-survival model, in conjunction with the economic projections, was then utilized to project population by age and sex for the BEA economic areas, the state, and the counties. A further breakdown of the population to white/non-white is also available from NPA.

B. National Planning Association Methodology

The following excerpt provides a brief description of the economic and demographic methodologies (National Planning Association, February 1989).

Content and Design of the Regional Economic Data Base

The data content and arrangement used in the economic data base of the 1987 Regional Economic Projections Series (REPStm) follows the data base of the Regional Economic Measurement Division, Bureau of Economic Analysis (BEA) of the United States Department of Commerce, from which most of the historical data for the period 1967-1984, were obtained. Historical estimates for 1985-87 and annual projections for the years 1988-2010 were prepared by the NPA Data Services. A complete list of the variables in the REPS economic data base is given in Table 1.

Geographic Units

There are a total of 3,657 United States geographic areas in the REPS data base, including 3,096 counties or county equivalents, 51 states and the District of Columbia, 317 metropolitan statistical areas, 183 economic areas, 9 census regions, and the United States totals.

Where possible, county or county equivalent geographic definitions were used. However, in Virginia, special county

ATTACHMENT B - TABLE 1

THE ECONOMIC DATA BASE OF THE REGIONAL ECONOMIC PROJECTIONS SERIES, REPS(tm)

Variable Description
Employment - Total, All Industries
Employment - Proprietors, All Industries
Employment - Proprietors Farm
Employment - Proprietors Nonfarm
Employment - Wage and Salary Workers, All Industries
Employment - Farm
Employment - Nonfarm
Employment - Private Nonfarm (PNF)
Employment - PNF Other (Agricultural services, Forestry, Fisheries)
Employment - PNF Mining
Employment - PNF Construction
Employment - PNF Manufacturing
Employment - PNF Transportation, Communications, and Public Utilities
Employment - PNF Trade Wholesale
Employment - PNF Trade Retail
Employment - PNF Finance, Insurance, and Real Estate
Employment - PNF Services
Employment - PNF Government
Employment - PNF Government Federal Civilian
Employment - PNF Government Federal Military
Employment - PNF Government State and Local
Income - Wage and Salary, All Industries
Income - Other Labor Income, All Industries
Income - Proprietors, All Industries
Income - Proprietors Farm
Income - Proprietors Nonfarm
Income - Earnings Farm
Income - Earnings Nonfarm
Income - Earnings Private Nonfarm
Income - Earnings PNF Other (Agricultural services, Forestry, Fisheries)
Income - Earnings PNF Mining
Income - Earnings PNF Construction
Income - Earnings PNF Manufacturing
Income - Earnings PNF Transportation, Communications, and Public Utilities
Income - Earnings PNF Trade Wholesale
Income - Earnings PNF Trade Retail
Income - Earnings PNF Finance, Insurance, and Real Estate
Income - Earnings PNF Services
Income - Earnings Government
Income - Earnings Government Federal Civilian
Income - Earnings Government Federal Military
Income - Earnings Government State and Local
Income - Earnings Labor and Proprietors Total
Income - Social Insurance Contributions
Income - Earnings Labor and Proprietors by Place of Work
Income - Residence Adjustment
Income - Earnings Labor and Proprietors by Place of Residence
Income - Dividends, Interest, and Rent
Income - Income - Transfers

Source: National Planning Association, Washington, D.C., February 1989.

definitions were necessary for some areas to include independent cities, and in five other states county combinations were required involving in most cases recently created counties for which sufficient historical data is not available to permit separate projections.

The REPS(tm) data base includes 317 metropolitan statistical areas (MSAs) reflecting the 1986 Office of Management and Budget definitions. This data base also includes 183 economic areas defined in 1977 by the BEA. There are a total of 8.4 million data points in the REPS regional economic data base.

Population. Total population in the regional data base includes the results of the 1980 Census of Population and mid-year estimates for July 1 made by the U.S. Bureau of the Census for subsequent years through 1986 by county and through 1987 by State. The inter-census years (1971 to 1979) have been reestimated by the Census Bureau for consistency with the 1970 and 1980 Census results. The population data for the census years 1970 and 1980 has been rebased forward from the April count to July. Hence, the population figures in the REPS data base for these years differ from the many published Census results by the amounts of population change between April and July. Population data is expressed in thousands of persons.

Employment. The employment concept used in the REPS economic data base is job counts, measured in thousands of proprietors and wage and salary workers. For wage and salary workers the number of full-time and part-time employees are used with no attempt to convert to full-time equivalents. Accordingly, a person with more than one job would be counted more than once. This employment series is greater than employment measured by the number of persons employed. Also, because of differences in coverage, in particular of the military, employees of households, students employed by state universities and elected state and local government officials, the BEA employment totals for nonagricultural wage and salary workers differ from, and generally are larger, than the corresponding Bureau of Labor Statistics data.

For the second year now the number of proprietors reflects the changed definitions adapted by the BEA in 1986. These definitions are based on the number of sole proprietors and partners (excluding limited partnerships) as determined from the income tax records. The new concept yields a considerable higher estimate of the number of proprietors than the previously used survey based data which counted only proprietors whose primary occupations was the conduct of their unincorporated businesses. In the present data set the secondary self-employment jobs are treated symmetrically with the secondary wage and salary jobs, and the data for proprietors income

and for the number of proprietors are derived from the same sources.

The national employment series is residence based. Thus, United States citizens employed outside the country are not included. However, the regional employment series used here is based on place of work and not on place of residence; thus, a commuter living outside of the center city county but working there would be counted as employed in the center city county.

The county data obtained from the BEA contains cells in private nonfarm wage and salary sectors that were withheld because of federal information disclosure policies. To estimate the missing data for specific areas in an industry, the data for omitted years was interpolated from existing yearly data. If all years, or most years, for given areas in an industry were withheld, state distributions or distributions within the county were used to estimate the missing area values. For example, if most of the yearly data for mining employment in a given county was withheld, the share of mining employment relative to total employment in the county for the reported years of mining employment would be used to estimate the missing years. If all the years were missing for mining employment in a given county then the available data for share of total county employment relative to state employment was used as the starting point to estimate the missing county data.

The interpolated cells were then constrained to county employment totals and aggregated to economic area and state totals. The constraining procedure is noniterative with respect to the state totals. Thus, the state data for series with missing data change with aggregation.

Earnings. Earnings of 1-digit SIC industries are the sum of wage and salary income, other labor income, and of proprietor's income as defined by the NIPA. The earnings figures are in thousands of 1982 dollars deflated by the personal consumption expenditure deflator. As with the employment series, earnings are residence based nationally so that United States citizens employed outside of the country are not included; and again, regionally, the earnings series are reported by place of work and not of residence.

Personal Income. Personal income by type of income is also defined as in the National Income and Product Accounts. The first four components (wages and salaries, other labor income, farm, and nonfarm proprietor's income) sum to earnings. Dividends, interest, and rental income of persons are the sum of the corresponding three NIPA accounts. Transfer payments to persons are also included in personal income. However, personal contributions to social

insurance are subtracted from the sum of the other parts of personal income in calculating personal income.

Residence adjustment is the net amount of personal income earned in a geographic area that is earned by people not residing in the area. Thus, a negative residence adjustment implies that workers commute into an area to earn income but do not reside there; similarly, a positive residence adjustment implies that on the balance the area "exports" labor.

For county income data containing cells for private nonfarm earnings which were withheld because of federal information disclosure policies, the procedures used to estimate these cells were the same as those used to estimate missing employment values. Personal income, and its components are in thousands of 1982 dollars as deflated by the personal consumption expenditure deflator.

Economic Growth Assumptions

The U.S. economic growth assumptions underlying the 1987 Regional Economic Projections Series are basically those contained in the National Economic Projections Series (1986, Vols. 2 and 3), which project an economy characterized by rising labor force participation rates but also by a long-term slowing down in the rate of growth in population and labor force, relatively high rates of capital formation and moderately high growth in productivity and hourly earnings. This projection was further modified somewhat to reflect the data that were available for 1987 in October 1987.

The main economic variable in the Regional Economic Projections Series is real personal income. Movements in the real personal income closely parallel changes in GNP. The personal income series used in REPS is consistent with the personal income total for the United States in the BEA county level regional data tape. However, because of the difference in the residence concept and in the deflation procedure this series differs somewhat from some of the published U.S. total series for personal income.

Methods of Projection

The basic method used to generate the REPS economic projection can be described as a "regional growth accounting model" which disaggregates a national forecast into consistent subnational forecasts. The national forecasts of total population, employment by industry, earnings by industry, and personal income are generated by the economic growth model of the United States (see National Economic Projections Series, 86-N-1, 86-N-2, 86-N-3).

The national projections are first allocated to the Economic Areas and then to counties within these areas through a two-step disaggregation process utilizing relative growth rate differential and multiplier analyses. The county estimates are then aggregated into State, Regional, and Metropolitan Statistical Area totals.

The economic area forecast begins by projecting employment in each industry for each area based on area historical growth rate differentials. The base period between the average of 1969, 1971, and 1973 and the average of 1984-86 values of the individual employment series is used to calculate the difference between the national growth rate and the area growth rate for each of the employment sectors. Military employment is assumed to remain constant at the base period level for the entire projection period.

The calculated area growth rate differentials for each industry are assumed to decay over the projection horizon. A decay series of X^t, $X<1.0$, (where X is industry specific and is derived from historical experience and t takes the values 1 through 23 for the projection years 1988-2010) was applied to each area's observed historical differential yielding an initial estimate of area projected growth rate differentials. Adding these values to the projected national growth rates, multiplying by prior year employment, and constraining the area values to national controls yielded the final estimates of projected area employment.

The next stage in the projection process is population, which is assumed to follow total employment opportunities. The area specific ratios to population in the base period reflect the long-term structural differences among areas in age composition of population, in employment rates, in labor force participation, and in interarea commute flows. The projected employment-population ratios of the individual economic areas are constrained to move in proportion to changes in the employment population ratio projected for the United States.

Finally, personal income projections are developed by using a series of multiplier calculations. For each sector, earnings per job multiplier changes are calculated for the historical periods as above. The national/area differentials are assumed to decay over the projection horizon, and the area earnings estimates are constrained to sum the national controls, yielding total labor and proprietor's earnings by area.

Estimates of total wages and salaries, other labor income, and contributions to social insurance are projected using a per job multiplier calculation. The non-earnings components of personal income (transfers and dividends, interest and rent) are projected using a per capita multiplier. Summing earnings by sector, subtracting personal contributions to social insurance, and adding

the residence adjustment, transfers, and property income (dividends, interest, and rent) yielded per capital income.

County Projections

In general, the projection methods developed for the Economic Area projections are also used for county level projections. In this case, however, economic areas act as the control areas, and the growth rate and multiplier differentials are calculated relative to the economic area growth rates.

Population is treated differently at the county level. In this case, growth rate differentials are used instead of multipliers. Thus, county level population shares are not directly related to employment changes since intra-area commutation is common, and the residential patterns follow their own trends.

C. Survival and Fertility Rates

Although not specifically listed in the NPA methodology, the fertility and mortality rates used in the cohort-survival model are the rates published by the U.S. Bureau of the Census (Nestor Tarlescki, National Planning Association, per. comm., February 8, 1989). The survival rates by age and sex and the fertility rates are presented in Tables 2 and 3, respectively. These rates were used as a basis for surviving the population forward and determining the expected number of births, depending on the number of child-bearing females. Some adjustments, however, were made to the rates based on any abnormalities for a population distribution within an economic area.

ATTACHMENT B - TABLE 2

FIVE-YEAR SURVIVAL RATES BY AGE AND SEX
(1985 TO 2010)

Initial Age	Terminal Age	1985 to 1990	1990 to 1995	1995 to 2000	2000 to 2005	2005 to 2010
Females						
Birth	Under 5	.990924	.991355	.991787	.992215	.992426
Under 5	5 to 9	.998388	.998494	.998592	.998673	.998714
5 to 9	10 to 14	.999048	.999109	.999166	.999219	.999245
10 to 14	15 to 19	.998166	.998289	.998353	.998413	.998435
15 to 19	20 to 24	.997360	.997461	.997550	.997641	.997683
20 to 24	25 to 29	.997381	.997500	.997608	.997718	.997760
25 to 29	30 to 34	.997006	.997169	.997333	.997479	.997550
30 to 34	35 to 39	.996263	.996513	.996736	.996968	.997051
35 to 39	40 to 44	.994112	.994502	.994869	.995182	.995377
40 to 44	45 to 49	.989989	.990619	.991169	.991692	.991895
45 to 49	50 to 54	.983340	.984228	.985051	.985769	.986140
50 to 54	55 to 59	.972868	.974173	.975305	.976364	.976912
55 to 59	60 to 64	.959945	.961417	.963035	.964460	.965346
60 to 64	65 to 69	.939288	.941334	.943433	.945814	.947198
65 to 69	70 to 74	.909595	.912938	.916221	.919519	.922045
70 to 74	75 to 79	.865011	.871176	.876664	.882030	.885581
75 to 79	80 to 84	.785020	.796040	.806976	.816715	.822536
80 to 84	85 to 89	.660929	.679374	.696793	.714023	.724270
85 to 89	90 to 94	.516420	.539478	.561186	.581957	.597421
90 to 94	95 to 99	.377906	.399165	.421462	.442852	.458687
95 and Over	100 and Over	.239372	.257865	.276971	.297384	.312041
Males						
Birth	Under 5	.988068	.988629	.989191	.989718	.990139
Under 5	5 to 9	.997864	.998000	.998127	.998233	.998289
5 to 9	10 to 14	.998612	.998686	.998755	.998821	.998853
10 to 14	15 to 19	.995814	.996092	.996195	.996293	.996323
15 to 19	20 to 24	.992626	.992824	.993054	.993247	.993334
20 to 24	25 to 29	.992016	.992270	.992505	.992747	.992839
25 to 29	30 to 34	.992151	.992479	.992776	.993082	.993179
30 to 34	35 to 39	.992207	.992637	.993036	.993428	.993579
35 to 39	40 to 44	.989210	.989899	.990554	.991124	.991442
40 to 44	45 to 49	.982093	.983327	.984406	.985427	.985821
45 to 49	50 to 54	.969941	.971901	.973704	.975281	.976060
50 to 54	55 to 59	.950506	.953595	.956279	.958768	.959982
55 to 59	60 to 64	.925153	.928752	.932635	.936048	.938027
60 to 64	65 to 69	.885192	.889838	.894321	.899412	.902272
65 to 69	70 to 74	.829305	.834901	.840633	.846206	.850770
70 to 74	75 to 79	.758801	.766258	.772958	.779904	.784686
75 to 79	80 to 84	.660271	.669817	.679332	.687859	.694059

Table 2 (continued)

Initial Age	Terminal Age	1985 to 1990	1990 to 1995	1995 to 2000	2000 to 2005	2005 to 2010
80 to 84	85 to 89	.529762	.542772	.555461	.568160	.576570
85 to 89	90 to 94	.397207	.414712	.431219	.447542	.460255
90 to 94	95 to 99	.295716	.312708	.330952	.348347	.361724
95 and Over	100 and Over	.195229	.209100	.223353	.238818	.250354

Source: U.S. Department of Commerce, Bureau of the Census.

ATTACHMENT B - TABLE 3

FERTILITY RATES BY AGE
(1985 TO 2010)

Year	Total Fertility Rate	10 to 14 Years	15 to 19 Years	20 to 24 Years	25 to 29 Years	30 to 34 Years	35 to 39 Years	40 to 44 Years	44 to 49 Years
1985	1,800.6	0.8	45.0	109.9	115.7	65.2	19.8	3.6	0.2
1986	1,819.3	0.8	45.0	110.1	117.0	67.0	20.1	3.6	0.2
1987	1,836.3	0.8	45.0	110.3	118.2	68.8	20.5	3.6	0.2
1988	1,851.8	0.8	45.0	110.5	118.9	70.7	20.8	3.6	0.2
1989	1,863.7	0.8	44.9	110.7	119.0	72.4	21.1	3.6	0.2
1990	1,872.7	0.8	45.0	110.8	119.2	73.7	21.4	3.6	0.2
1995	1,892.6	0.7	44.9	111.8	119.8	74.7	23.0	3.6	0.2
2000	1,897.4	0.7	44.9	112.6	120.4	74.0	23.1	3.6	0.2
2005	1,902.1	0.7	44.9	113.6	121.0	73.4	23.0	3.6	0.2
2010	1,904.2	0.7	44.9	114.0	121.7	72.8	23.0	3.6	0.2

Source: U.S. Department of Commerce, Bureau of the Census.

ATTACHMENT C

QUALITY OF LIFE SURVEY

ATTACHMENT C

QUALITY OF LIFE SURVEY

A quality of life survey was conducted with residents in Libby, Troy, Thompson Falls, Trout Creek, and Noxon. Sociological sampling techniques were employed to gather descriptions of attitudes toward the quality of life and general life-style. Community leaders and officials were first interviewed and then were asked to identify members of the community who may be knowledgeable about the social life of the area. These informed individuals were longtime residents and members of local organizations such as communities for The Great Northwest, Libby Rod and Gun Club, Cabinet Resource Group, and Sanders County Task Force for Human Dignity.

The following is a sample of the quality of life survey instrument. Some questions were changed slightly depending upon the community where the interview was conducted. For example, Q-5 states "When you shop in Troy, what do you consider to be the best feature?" "Troy" was changed appropriately to reflect the interviewee's place of residence.

MONTANA MINING VENTURE -
QUALITY OF LIFE SURVEY
(TROY RESIDENTS)

INTRODUCTION: Hello, this is _____ calling for Economic Consultants Northwest in Helena. We are under contract with Noranda Minerals to prepare the social and economic sections of the application for an operating permit for the Montana Mining Venture. The Montana Mining Venture is a proposed hard-rock mine south of Libby.

As part of our report, we must describe the quality of life of the Libby and Troy area. Mr. (Mrs.) _____ suggested that you may be able to help me with this description. Could I ask you a few questions at this time?

If NO: Is there a better time that I could call you back?

TIME: _____ DAY _____

MONTANA MINING VENTURE -
QUALITY OF LIFE SURVEY
(TROY RESIDENTS)

Q-1 I am going to read a list of services which are available in most towns and I would like you to rate the services presently available in your area. Using the ratings of above average, average, or below average, how would you rate:

1)	POLICE PROTECTION	ABOVE AVERAGE	AVERAGE	BELOW AVERAGE	NA
2)	STREETS/HIGHWAYS	ABOVE AVERAGE	AVERAGE	BELOW AVERAGE	NA
3)	FIRE PROTECTION	ABOVE AVERAGE	AVERAGE	BELOW AVERAGE	NA
4)	TELEPHONE SERVICE	ABOVE AVERAGE	AVERAGE	BELOW AVERAGE	NA
5)	HOSPITALS	ABOVE AVERAGE	AVERAGE	BELOW AVERAGE	NA
6)	SEWAGE TREATMENT	ABOVE AVERAGE	AVERAGE	BELOW AVERAGE	NA
7)	WATER SUPPLY	ABOVE AVERAGE	AVERAGE	BELOW AVERAGE	NA
8)	SCHOOL SYSTEM	ABOVE AVERAGE	AVERAGE	BELOW AVERAGE	NA
9)	COUNTY GOVERNMENT	ABOVE AVERAGE	AVERAGE	BELOW AVERAGE	NA
10)	CITY GOVERNMENT	ABOVE AVERAGE	AVERAGE	BELOW AVERAGE	NA

Q-2 Would you be willing to pay increased property taxes to improve any of these services in your area?

1) YES -- Which ones?

2) NO

Q-3 In what city do you shop most often for articles such as clothing, small appliances, or kitchenware?

1) TROY
2) LIBBY
3) KALISPELL
4) MISSOULA
5) BONNERS FERRY
6) SANDPOINT
7) SPOKANE
8) OTHER _____

Q-4 In what city do you most often shop for major purchases such as cars, furniture, or appliances?

1) TROY
2) LIBBY
3) KALISPELL
4) MISSOULA
5) BONNERS FERRY
6) SANDPOINT
7) SPOKANE
8) OTHER _____

Q-5 When you shop in Troy, what do you consider to be the best feature? (USE CITY OF RESIDENCE)

1) SELECTION OF GOODS AND SERVICES
2) STORE HOURS
3) CREDIT AVAILABILITY
4) PROXIMITY TO PLACE OF RESIDENCE, OR
5) LOW PRICES

Q-6 What do you consider to be the worst feature?

1) SELECTION OF GOODS AND SERVICES
2) STORE HOURS
3) CREDIT AVAILABILITY
4) PROXIMITY TO PLACE OF RESIDENCE, OR
5) HIGH PRICES

Q-7 Overall, how do you feel about Lincoln County as a place to live?

Q-8 What do you like MOST about the area?

Q-9 What do you like LEAST about the area?

Q-10 Would you say the local residents have an opportunity to participate in the decision-making process of the county government?

1) YES
2) NO

Q-11 Do you feel your comments or suggestions are considered:

1) ALL THE TIME
2) MOST OF THE TIME
3) SOMETIMES
4) VERY LITTLE, OR
5) NEVER

Q-12 How often do you participate in government activities? Would you say:

1) ALWAYS
2) MOST OF THE TIME
3) SOMETIMES
4) VERY LITTLE, OR
5) NEVER

Q-13 What about the federal government such as the Forest Service or Corps of Engineers? Do local people have an opportunity to participate in the decision-making process?

1) YES
2) NO

Q-14 Which ONE of the following groups do you think has the most power in deciding about the future of the area?

1) COUNTY COMMISSIONERS
2) FOREST SERVICE
3) SMALL BUSINESSES
4) LARGE CORPORATIONS
5) GENERAL PUBLIC, OR
6) ENVIRONMENTAL GROUPS

Q-15 Would you describe the local economy as:

1) GROWING
2) STABLE, OR
3) DEPRESSED

Q-16 Do you think young people have an opportunity to work at an occupation in the area?

1) YES
2) NO

Q-17 What do you see as social problems in your area? (HINT: Alcoholism, crime, teenage pregnancy)

Q-18 Do you think it is easy, about average, or difficult to get to know people in your area?

1) EASY
2) ABOUT AVERAGE, OR
3) DIFFICULT

I am going to read you a short list of statements and I would like you to tell me whether you agree or disagree with each of them.

Q-19	People in Troy consider themselves to be independent and self reliant.	AGREE	DISAGREE
Q-20	Families in Troy spend a lot of time together after working hours.	AGREE	DISAGREE
Q-21	There is a lot of community-oriented activity in Troy.	AGREE	DISAGREE
Q-22	It is difficult to organize help for families who have suffered hardships.	AGREE	DISAGREE
Q-23	People in Troy attend church regularly.	AGREE	DISAGREE

Q-24 Do members of your household engage in outdoor recreational activities?

1) YES
2) NO

Q-25 Do you or your spouse belong to an organized civic or recreational group?

1) YES
2) NO

Q-26 Does your household supplement its income by using natural resources available in the area?

1) YES
2) NO

Q-27 What effect, if any, do you think the Montana Mining Venture Project would have on your area?

Q-28 Which ONE of the following statements best describes how you feel about newcomers moving into your area?

1) I WOULD WELCOME THEM
2) I PROBABLY WOULDN'T NOTICE THEM, OR
3) I WOULD PREFER NOT TO HAVE THEM MOVE IN

Q-29 Would the increased opportunity for more jobs created by the mine be important to you?

1) YES
2) NO

Q-30 Would you be willing to work at the mine if you were in need of a job?

1) YES
2) NO -- Why not?

Q-31 What, if any, are your concerns about the Montana Mining Venture Project operating in your area?

Q-32 Do you consider the largest proportion of the people residing in the area to be long-term residents of the area?

1) YES
2) NO

Q-33 How long have you lived here?

_____

If LIFETIME - Skip to Q-35

Q-34 Why did you move here?

Q-35 Do you own or rent your home?

1) OWN
2) RENT

Q-36 Are you satisfied with your home location and the condition as it is today?

1) YES
2) NO -- WHY NOT?

SEX OF RESPONDENT: MALE FEMALE

Economic
Consultants
Northwest

(406) 442-6075

RME
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12/3/90

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MS

CC - DSL
No-copy BNRC
WPB

November 30, 1990

Mr. Ron Erickson
Forest Service Project Coordinator
Kootenai National Forest
Supervisor's Office
506 Highway 2 West
Libby, MT 59923

Dear Mr. Erickson:

Noranda Minerals Corp has submitted the enclosed Montanore Hard-Rock Mining Impact Plan in accordance with the provisions of the Hard-Rock Mining Impact Act. Within 90 days, the Lincoln County Commissioners will schedule a public meeting to obtain public input relating to this Impact Plan.

If you have any questions or comments concerning the Impact Plan, please contact Mr. Mark Petersmeyer in Libby at 293-8795 or Mr. Dick Dodge of Economic Consultants Northwest in Helena at 442-6075.

Sincerely,

Richard E. Dodge

Enclosure
RED:11

1400 Eleventh Avenue Helena, Montana 59601

MONTANORE PROJECT
NORANDA MINERALS CORP.

HARD-ROCK MINING IMPACT PLAN

PREPARED BY:

Noranda Minerals Corp.
Montanore Project

101 Woodland Road
P.O. Box 1486
Libby, Montana 59923

PREFACE

The Montanore Hard-Rock Impact Plan was originally submitted in December of 1990. In March of 1991, Sanders County objected to the plan and the plan was amended in September of 1991. The amendment to the plan included changes initiated by order of the Hard-Rock Mining Impact Board; changes agreed to by Lincoln County, Sanders County, and Libby; and changes due to House Bill 832, which was passed by the 1991 Montana Legislature. The following table itemizes the modifications that were made to the original Impact Plan text:

Amended Impact Plan	Changes to original Impact Plan
Preface	New section.
Executive Summary	Replaced Executive Summary.
Table of Contents	Replaced Table of Contents.
Pages 4,5,38,39	Replaced pages 4,5,38, and 39.
Pages 58 through 62	Replaced pages 58 through 62.
Pages 70 through 74	Replaced pages 70 through 74.
Chapter V	Replaced Chapter V.
Appendix A - Impact & Property Tax Base Sharing Acts, 1991	Replaced Appendix A.
Appendix F - Revenues/Costs Without Tax Base Sharing	New Appendix.
Appendix G - Fiscal Effect of Board's Order Illustrated	New Appendix.
Appendix H - Board's Order	New Appendix.

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Revised 4-24-92

EXECUTIVE SUMMARY

Noranda's proposed Montanore Project, south of Libby, Montana, has been evaluated in this fiscal impact plan pursuant to the Montana Hard-Rock Mining Impact Act and the Hard-Rock Mining Impact Board's Order of September 10, 1991. This fiscal impact plan analyzes the fiscal impacts that the proposed project may have on local governmental units and addresses Noranda's proposed methods of ameliorating and reducing adverse impacts which may result from the project.

Local governmental units in both Sanders and Lincoln Counties were investigated to determine whether net fiscal costs would occur due to development and operation of Montanore. The mine site is located approximately 18 miles south of Libby. All surface facilities will be located in Lincoln County, while the ore body lies in Sanders County. Access to the mine site would be via U.S. Highway 2 and Forest Service Road 278 in Lincoln County. No direct access to the mine site would be available from Sanders County. Due to the commuting distance from the mine site to Sanders County (85 miles), in-migrating mine workers are not expected to establish residence in Sanders County. Therefore, no net fiscal costs to local governmental units in Sanders County are anticipated or addressed in this impact plan.

Similarly, because of the commuting distance to the mine, Noranda expects that very few of the in-migrating mine workers (5 percent) would choose to reside in the Troy area. The in-migrating population is expected to be less than 10 families and should not impose any financial hardship on the municipality of Troy or the Troy Elementary and High School Districts.

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revised 4-24-92

Following is a list of local governments in the study area that Noranda believes would experience capital and net operating costs due to the operation of Montanore:

1) Lincoln County government (including special districts)

2) Municipality of Libby

3) Libby Elementary School District #4

4) Libby High School District #4

The amendment to the Impact Plan (Appendix H), invoked by order of the Hard-Rock Mining Impact Board and pursuant to the Property Tax Base Sharing Act, distributes the taxable valuation of Montanore to Sanders County, the city of Libby, and Lincoln County (See Tables 15 and 16 in Chapter 1 and Appendix G, especially pages 1 and 5). In summary, 20 percent of the gross proceeds valuation is first distributed to Sanders County as the county where the ore body is located. Following this, 15 percent of the remaining total valuation (gross proceeds and real and personal property of the mineral development) is distributed to the city of Libby. The balance of the remaining taxable valuation is then distributed to Lincoln County and Sanders County based on the percentage of the project's taxable valuation located in each county. In addition, that portion of the mineral development allocated to Libby also would become part of Lincoln County's taxable valuation.

Table 1 summarizes the expected impacts and proposed mitigation to the affected local governmental units in the study area. In addition to the tax prepayments listed in Table 1, this plan establishes an Impact Oversight Committee to facilitate adjusting or initiating a petition to amend this impact plan if unforeseen impacts occur to affected local

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revised 4-24-92

SUMMARY TABLE 1

IMPACT ASSESSMENT
AFFECTED LOCAL GOVERNMENTAL UNITS -
MONTANORE STUDY AREA

Local Government	Project Year	Projected Fiscal Deficit	Proposed Mitigation
Lincoln County	1 2 3 4	($36,164) ($83,030) ($48,549) ($9,672)	Noranda would satisfy the projected net fiscal deficit through tax prepayments in accordance with 90-6-309, MCA.
Municipality of Libby	1 2 3	($12,089) ($9,285) ($2,864)	Noranda would satisfy the projected net fiscal deficit through tax prepayments in accordance with 90-6-309, MCA.
Libby Elementary School District #4	1 2	($141,361) ($11,464)	Noranda would satisfy the projected net fiscal deficit through tax prepayments in accordance with 90-6-309, MCA.
Libby High School District #4	1 2	($15,112) ($3,148)	Noranda would satisfy the projected net fiscal deficit through tax prepayments in accordance with 90-6-309, MCA.
Total - Local Governments		($372,738)	

governmental units in the study area. The purpose of adjustments to the impact plan would be to increase the tax prepayments listed in Table 1 to cover unanticipated support, personnel, or capital costs. In addition, should the committee decide that an amendment to the plan was necessary, Noranda would cooperate fully in assisting the local governmental units involved with any reasonable request to petition the Hard-Rock Mining Impact Board for an amendment to the impact plan. To assist the local governments and the Impact Oversight Committee in evaluating impacts, Noranda would conduct a quarterly survey of all mine employees and their families to determine their current residence and to establish the numbers of in-migrating mine workers to the study area.

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revised 4-24-92

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I. INTRODUCTION

A. Purpose

Noranda Minerals Corp (Noranda) has submitted an application to the Montana Department of State Lands (DSL) and the U.S. Forest Service (USFS) to develop an underground copper and silver mine and processing facility in Lincoln County, Montana. The development, known as Montanore, would employ 75 or more workers for 6 months or longer, thus classifying the project as a "large scale mineral development." New large scale mineral developments within Montana must fulfill the requirements specified in the Montana Hard-Rock Mining Impact Act (Act). The intent of the Act is to ensure that: (1) local governmental units are able to provide services and facilities that may become necessary as a result of in-migrating workers and their families; and (2) increased costs for providing additional community services and facilities for in-migrating mine workers are the responsibility of the developer and not the local taxpayers.

This fiscal impact plan has been prepared in compliance with the Act (Appendix A) as described in Title 90, Chapter 6, Parts 3 and 4, in the Montana Code Annotated (MCA). The primary purposes of this document are to identify and commit to a plan of action to compensate affected local governmental units for increased capital and net operating costs that result from construction and operation of Montanore. Any questions or comments concerning this fiscal impact plan should be directed to either:

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B. **Definitions**

The following definitions will apply throughout this fiscal impact plan:

1) Study area: The southern portion of Lincoln County including the incorporated municipalities of Troy and Libby.

2) In-migrating mine workers: The estimated number of mine workers moving into the study area as a result of employment at Montanore.

3) In-migrating mine population: The estimated number of mine workers and their families moving into the study area as a result of employment at Montanore.

4) In-migrating mine student: Any school-aged child enrolled in a school in the defined study area who is the ward of an in-migrating mineral development worker.

5) In-migrating secondary population: The estimated number of employees and their families moving into the study area as a result of employment in indirect jobs created by the project.

6) In-migrating mine-related population: Total population (direct and secondary) moving into the area as a result of the project.

7) In-migrating mine-related student: Any school-aged child enrolled in a school in the defined study area who is the ward of the family of an in-migrating mine or secondary (mine related) employee.

8) Local hire: Noranda employees will be considered to be hired locally if they have lived at the same residence or in the same community within the study area for a period of 3 months.

9) Local governmental unit: A political subdivision such as county, city, town, school district, or any other special district that provides services as described in Title 90, Chapter 6, Part 3, Subsection 7(1)(c) of MCA.

10) Affected local governmental unit: A local governmental unit within the defined study area that would be impacted as a result of the project.

11) Commencement of mining: Date on which the developer initiates the first on-site disturbance related to mine development and construction of the mine or associated milling facilities under the operating permit issued by DSL and USFS. The tentative date for the commencement of mining is expected to be April 1, 1992.

12) Impact period: Time from 60 days prior to the commencement of construction through the date of the first tax payment on the valuation of the completed project during the operation of the mine.

13) Start of production: Date that ore is first removed from the mine and transported to the mill for processing.

14) Commercial production: Commercial production would commence from the date that the developer first ships mineral concentrate from its mill for further processing.

15) Impact needs: Fiscal needs assessed in terms of expected personnel costs, capital outlays, and support costs necessary to maintain the level of present services offered to the existing population.

16) Impact personnel costs: Anticipated expenditures associated with hiring additional employees to satisfy the demands for local government services created by the in-migrating population of Montanore.

17) Impact capital costs: As a result of Montanore, the expected need for new buildings, equipment, roads, and any purchases that are not an ongoing expenditure by the governmental unit.

18) Impact support costs: Expected non-payroll expenditures such as supplies, materials, utilities, and other operating costs of the governmental unit as a result of the project.

19) Impact revenues: Revenues generated by addition of the mine, such as property taxes paid by Noranda, property taxes paid by new residents, expected property taxes paid by new commercial activity, and per capita type revenues (e.g., licenses, fees and permits, and governmental transfers).

20) Net impact: Difference between impact needs and impact revenues of the affected local governmental units.

21) Project Year: Project years for Montanore are expected to conform approximately to calendar years.

C. Potentially Affected Local Governmental Units

Local governmental units in both Sanders and Lincoln counties were investigated to determine whether fiscal impact would occur due to development and operation of Montanore. The mine site is located approximately 18 miles south of Libby. Access to the mine site would be via U.S. Highway 2 and Forest Service Road 278, south of Libby. No direct access to the mine site would be available from Sanders County. Because of the commuting distance from the mine site to Sanders County (85 miles), in-migrating mine workers are not expected to establish residence in Sanders County. Therefore, no fiscal impacts on local governmental units in Sanders County are anticipated or addressed in this

impact plan. Potentially affected governmental units within the defined study area include:

1) Lincoln County Government (including special districts)
2) Municipality of Libby
3) Municipality of Troy
4) Elementary School District #4 (Libby)
5) High School District #4 (Libby)
6) Elementary School District #1 (Troy)
7) High School District #1 (Troy)

The mine location and production and mining/processing methods are described in Chapter II. Chapter III discusses the project assumptions including the timetable for construction, operations, and reclamation activities; primary and secondary employment assumptions; expected migration characteristics; school enrollment characteristics; and property taxes. Chapter IV describes the existing conditions of and potential fiscal impacts for the defined local governmental units, and Chapter V presents Noranda's plan of action. For a more detailed description of the existing socioeconomic environment, the reader should refer to the documents submitted by Noranda to DSL and USFS as part of the mine operating permit application (March 1989).

Appendix A presents the Hard-Rock Mining Impact Act and the Property Tax Base Sharing Act, and Appendix B provides baseline employment, population, and school enrollment projections. Appendix C briefly describes the fiscal conditions; Appendix D discusses the housing situation; and Appendix E presents the distribution of the in-migrating population by phase of the project and geographic area of settlement. Appendix F illustrates the distribution of tax revenues without tax base sharing; Appendix G describes the fiscal effect of the Board's amendment of the tax base sharing formula; and Appendix H contains the Board's Order to amend the original Montanore Impact Plan.

II. PROJECT DESCRIPTION

Montanore is a joint venture of Noranda, a Delaware corporation, and Montana Reserves, a Washington corporation. U.S. Borax initiated exploration and, in September 1988, sold the Rock Lake silver and copper deposit to the joint venture.

A. Project Location and Description

Montanore, situated in the Cabinet Mountains Wilderness, is approximately 18 miles south of Libby in northwestern Montana (Figure 1). The Montanore ore body is located beneath the wilderness area; however, all access and surface facilities will be located outside of the wilderness area boundaries.

The permit area is within Sections 13, 14, 15, 23, 24, 26, and 35, T28N, R31W and Sections 1, 2, 3, 11, 14, and 15, T27N, R31W in Lincoln County, and Section 6, T27N, R31W in Sanders County. Surface ownership is on National Forest land with some private land.

Table 1 shows the acreage of the permit area and number of acres to be disturbed. Of the 3,254 permit area acres, 2,095 would be undisturbed and 1,159 acres would be disturbed.

B. Mine, Mill, and Tailings Pond

Present mining plans for Montanore involve production access to the ore deposit from the Ramsey Creek adit as well as construction of multiple ventilation adits. The first adit is expected to be driven toward the deposit from private property adjacent to Libby Creek. Adits are planned in the Ramsey Creek plant site area for conveying ore and

Figure 1. Montanore Project Location

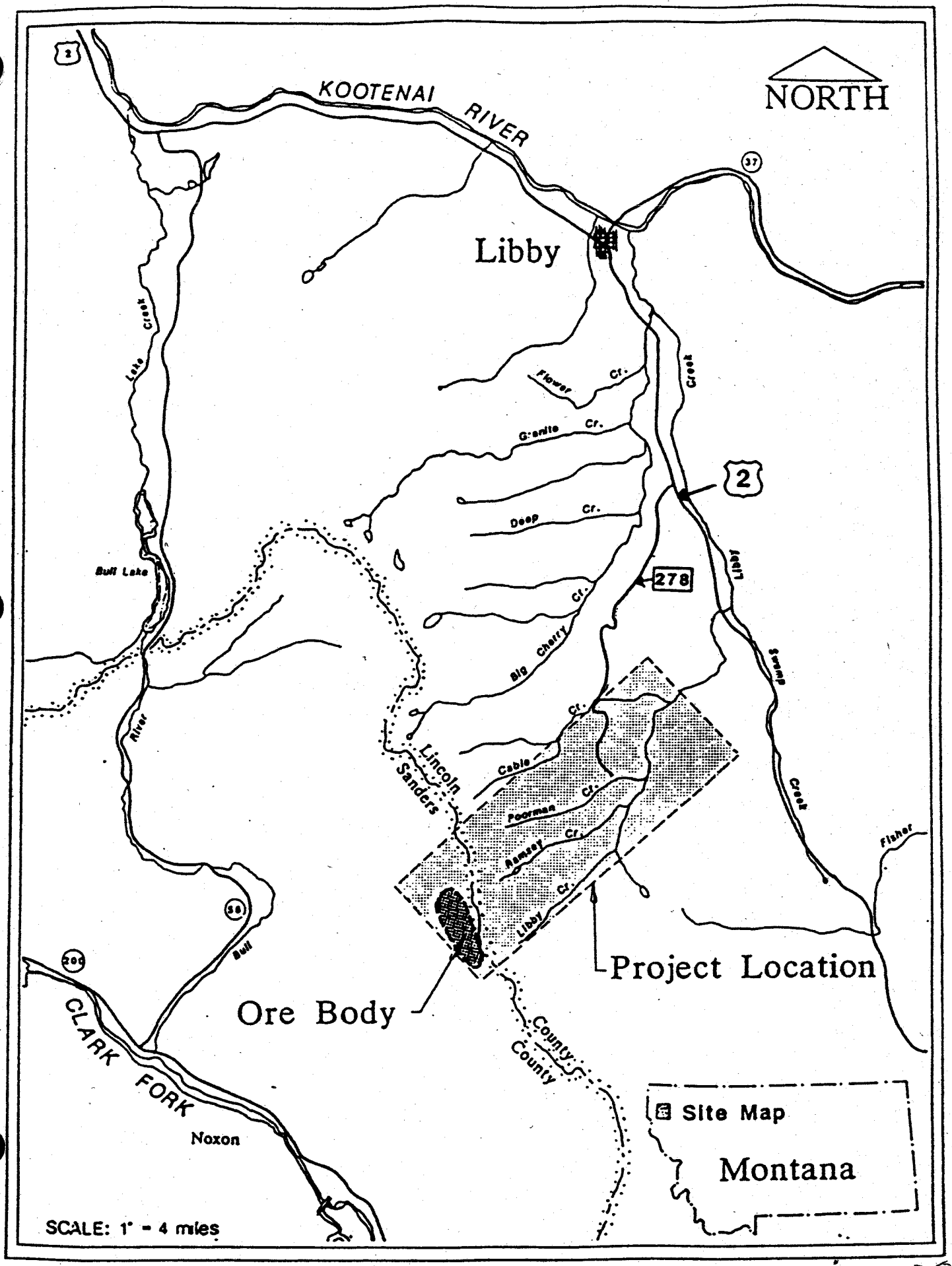

TABLE 1

DISTURBED ACREAGE OF MONTANORE
PERMIT AREA

Facility	Disturbed Area (in acres)	Permit Area (in acres)
Lower Libby Creek Portal Area	18.7	219.4
Ramsey Creek Mine/Mill Site	56.1	185.2
Waste Rock Disposal Area and Water Disposal Site No. 1	157.0	246.0
Water Disposal Site No. 2	63.7	225.7
Access Road - Ramsey Creek Mine/Mill Site to Tailings Impoundment	99.4	214.9
Access Road - Lower Libby Portal Site to Ramsey Creek Road	34.4	93.8
Tailings Impoundment Site	728.7	2,036.0
Totals	1,158.0	3,221.0

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

waste, and for ventilation and access of personnel and materials to the mine.

The mill will be constructed adjacent to Ramsey Creek, across the creek from the entry portals to the underground. The mill site will include a coarse ore stockpile and conventional crushing, grinding, and flotation circuits designed to handle 20,000 tons of ore per day. Concentrates will be dewatered and shipped off site by truck. Tailings will be transported by pipeline to a tailings impoundment area.

C. **Roads, Parking, Utilities, and Utility Corridors**

Two types of road are planned. The road providing access to the site from U.S. Highway 2 via Forest Service Road 278 will have an overall right-of-way of approximately 60 feet and a travel width of 20 to 29 feet. The other road, with a travel surface width of about 24 feet, will be incorporated in the tailings line and powerline corridor from the mill to the tailings impoundment site. Small access roads also will be needed to connect various sites to the main road system. Surfaced parking areas will be provided at all sites to minimize dust generation.

Telephone communication may be supplied by a buried transmission line along the Bear Creek access road. A powerline corridor will be needed to bring electricity in from Pleasant Valley to Ramsey Creek and a tailings line and road corridor will be required to connect the concentrator along Ramsey Creek with the tailings impoundment in the Little Cherry Creek drainage.

D. **Production and Mining/Processing Methods**

When fully operational, an estimated 20,000 tons of copper and silver-bearing ore will be mined a day. The underground mining operation will be a mechanized room-and-pillar procedure which permits the use of large equipment in spacious caverns thus created. The mine is expected to operate 24 hours per day, 7 days a week, for 350 days per year. Maintenance, repair, and security activities will be scheduled to take place for the remaining 2 weeks of the year.

Ore will be conveyed to a surface stockpile near the portal from where it will be fed to a conventional flotation mill. Concentrates resulting from benefication in the mill will be trucked to a rail siding in Libby for shipment to smelting facilities.

Waste rock from the mine is expected to be transported by truck from a temporary stockpile located near the Ramsey Creek adit portal to a disposal site about 3 miles east of the plant site. This area will be established in a manner to facilitate removal of waste rock for use in mine, milling, and tailings dam construction. It is anticipated that nearly all waste rock will be used for construction purposes.

Water encountered during mining will be pumped to settling/surge ponds or to the tailings impoundment. To reduce the need for additional surface treatment, the water will be pumped from underground settlers/oil separators. Excess water will be disposed of in percolation ponds or land application.

III. PROJECT ASSUMPTIONS

Impacts of Montanore on local governmental units have been projected based on assumptions with respect to mine employment levels, family characteristics of the mine workers, expected number of in-migrating workers to the study area, distribution of the in-migrants, and types of secondary impacts which may occur due to the project. Assumptions used to forecast potential impacts as a result of Montanore were based, in part, upon averages (or most appropriate figures) presented in monitoring reports and environmental impact statements associated with other mineral or energy-related developments.

A. Project Schedule

The expected timetable for the permitting, construction, operations, and reclamation phases is presented in Table 2. The permitting phase began in March 1989, when Noranda officially submitted the operating permit application to DSL and USFS. Following acceptance of the application by DSL and USFS, the environmental impact statement (EIS) process will officially commence. The EIS process and this impact plan will take place concurrently and should be completed and approved by 1991.

At the present time, the tentative date for commencement of construction activities is April 1, 1992. Construction activities will include mine access road construction, mine development, surface plant construction, powerline construction, plant access road renovation, tailings embankment construction, and installation of service facilities.

TABLE 2

EXPECTED SCHEDULE FOR PERMITTING,
CONSTRUCTION, OPERATIONS, AND RECLAMATION PHASES

Phase	Time Period
I - Permitting Phase	1.5 years
II - Construction Phase	2.5 years
III - Operations Phase	15-20 years
IV - Reclamation Phase	2.0 years

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

Initial mine production will commence after construction of the surface plant and underground facilities are complete. Approximately 6 months after the initial stage of operations, full production will begin.

B. **Project Employment**

The employment figures presented in Table 3 are estimates for each quarter and may vary according to Noranda's actual employment needs at the time of construction or operations. Construction will commence during the third quarter of Year 1 with the hiring of approximately 150 employees and will last approximately 2.5 years. Construction employment will peak at 190 employees during the third quarter of Year 2. During Year 3, construction employment will be less than 100 employees.

Total employment (construction and operations) is expected to peak at 530 employees during the third quarter of Year 3. Following completion of construction at the end of the third year of the project, total employment should level off to 450 workers and remain at this level through the life of the mine.

C. **Project Impact Period**

From the point that operations employment becomes stable (i.e., during the first quarter of the first year of operations), no new in-migration to the study area is expected to occur due to Montanore. Therefore, for purposes of this impact plan, the impact period is assumed to start 60 days prior to commencement of construction and last through the date of the first tax payment on the valuation of the completed project during mine operations.

TABLE 3

MONTANORE EMPLOYMENT -
CONSTRUCTION AND OPERATIONS

Employment by Type	Year 1				Year 2				Year 3				Year 4				Year 5			
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
nstruction Employment																				
Administrative	0	0	15	10	10	10	15	10	5	5	5	5	0	0	0	0	0	0	0	0
Technicians	0	0	15	10	10	10	15	10	10	10	5	0	0	0	0	0	0	0	0	0
Mechanics	0	0	30	70	20	20	50	70	50	50	30	20	0	0	0	0	0	0	0	0
Equipment Operators	0	0	60	60	50	70	80	60	5	5	40	20	0	0	0	0	0	0	0	0
Laborers	0	0	30	20	20	20	30	20	10	10	10	10	0	0	0	0	0	0	0	0
Total	0	0	150	170	110	130	190	170	80	80	90	55	0	0	0	0	0	0	0	0
rect Employment - Mine																				
Administrative	15	15	15	15	15	15	15	15	20	20	20	20	25	25	25	25	25	25	25	25
Technicians	15	15	15	15	15	15	15	15	20	20	20	20	25	25	25	25	25	25	25	25
Mechanics	0	0	0	0	20	20	20	20	90	90	90	90	90	90	90	90	90	90	90	90
Equipment Operators	0	0	0	0	60	60	60	60	220	220	220	220	220	220	220	220	220	220	220	220
Laborers	0	0	0	0	20	20	20	20	90	90	90	90	90	90	90	90	90	90	90	90
Total	30	30	30	30	130	130	130	130	440	440	440	440	450	450	450	450	450	450	450	450
Total Project Employment	30	30	180	200	240	260	320	300	520	520	530	495	450	450	450	450	450	450	450	450

urce: Noranda Minerals Corp, Libby, Montana, June 1990.

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D. **Fiscal Impact Analysis Methodology**

The fiscal impact analysis for this plan is concerned with increased local government costs and revenues as a result of Montanore. Should the projected costs to local governments exceed expected revenues, monetary impact may occur to the local governmental jurisdictions.

Impact costs to local governmental units were analyzed in terms of expected additional capital outlays, personnel, and support or operational costs. Impact revenues were estimated using projected property tax valuation for Montanore facilities, for residences of the in-migrating population, and for increased commercial activity due to the expected in-migrants. Other potential sources of revenue include user fees, fines, permits, and intergovernmental transfers which are usually estimated on a per capita basis.

The case study method of cost-revenue analysis has been utilized in this impact plan because it is ideally suited for rapidly expanding, rural areas such as Lincoln County, where significant over or under utilized service capacities may exist. The case study approach is based on the following 4 assumptions.

1) Local governmental jurisdictions differ in the degree to which they exhibit excess or different service capacity.

2) Marginal changes in providing services are the most accurate indications of future local servicing costs.

3) While current local service levels may be altered slightly, they represent measures of local excess and deficient capacity.

4) Local government officials, being intimately familiar with services within their jurisdiction, provide the most accurate gauge of future expenditures needed in a particular service area.

E. Local Hire Assumptions

A local hiring ratio of 45 percent for construction employees and 80 percent for operational employees has been used to predict impacts for this study. These figures are based, in part, upon Noranda's experience of hiring practices at other mineral developments; upon local hiring ratios reported for other energy and mineral developments in Montana, Wyoming, and North Dakota (Mountain West Research 1975); and, most importantly, upon the number of available workers in the Libby Job Service Office area.

Table 4 lists the types of employees that would be needed at Montanore and the expected percent of local hire by employee type. Figures in this table should only serve as indicators for the number of employees that would need to be hired locally from each category of employment to meet the assumed local hiring ratios of 45 percent during construction and 80 percent during operations.

The number of applicants registered at the Montana Job Service office in Libby for mine-related positions was monitored from October 1987 through June 1989. Table 5 shows the maximum, minimum, and average number of applicants that could potentially fill the non-administrative positions at Montanore. Based on the expected local hire figures presented in Table 4 and on the average number of job service applicants shown in Table 5, Noranda would need to hire 89 percent of the equipment

TABLE 4

EXPECTED LOCAL HIRE SCENARIO -
MONTANORE STUDY AREA

Phase/Position	Peak Employment	Expected Local Hire Number	Expected Local Hire Percent
Construction			
Administration	15	3	20%
Equipment Operators	80	32	40%
Mechanics	50	19	38%
Technicians[1]	15	5	33%
Laborers/Other	30	27	90%
Total	190	86	45%
Operations			
Administration	25	15	60%
Equipment Operators	220	180	82%
Mechanics	90	55	61%
Technicians	25	20	80%
Laborers/Other	90	90	100%
Total	450	360	80%

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

[1]Technicians include lubemen, welders, tiremen, machinists, electricians, warehousemen, carpenters, and janitors.

TABLE 5

LOCAL WORK FORCE MONITORING -
MONTANORE STUDY AREA

Occupation Category	Number of Job Service Applicants		
	Maximum	Minimum	Average
July 1988 - June 1989			
Equipment Operators	250	167	202
Mechanics	61	39	46
Technicians (Mine-related)	145	99	112
Laborers	733	510	633
Other	227	141	176
October 1987 - June 1988			
Equipment Operators	300	145	239
Mechanics	71	13	49
Technicians (Mine-related)	186	78	131
Laborers	792	484	651
Other	245	53	190

Source: Montana Job Service, Libby, Montana.

Notes:
1) Equipment operators include heavy equipment operators, log tractor operators, and truck drivers. Technicians (mine-related) include pipe fitters, plumbers, electrician/linemen, millwrights, cement finishers, and brick layers. Mechanics include auto mechanics, diesel mechanics, and small engine mechanics. Laborers include laborers (construction), laborers (store), fallers, loggers, and sawmill workers. Other include material handlers.
2) Average for July 1988 - June 1989 is based on 11 months because the monitoring report was not received in October 1988. Average for October 1987 - June 1988 is based on 8 months because the monitoring report was not received in May 1988.

operators, 18 percent of the technicians, and about 13 percent of the laborers from the local work force.

Noranda assumes that 90 percent of the secondary employees also would be hired from the local study area. While no data exist for secondary local hiring ratios and Noranda has no control over the hiring policies of local governments and businesses, it is assumed that secondary employment jobs could be filled by the local available work force.

F. Demographic Characteristics

1. Family Size

The average family size of in-migrating mine workers depends not only on demographic characteristics of the workers (percent married with families, number of children present), but also on the particular phase of the mine development (construction or operations) at the time of in-migration. Most environmental impact statement reports that have been prepared for Montana mining projects have assumed homogeneity in the family size of workers with respect to construction and operations phases. However, other studies (Mountain West Research 1975, Leholm et al. 1975, Wieland et al. 1977) have concluded that family size may vary depending upon the type of employment (direct or indirect) and phase of the project (construction or operations).

For preparation of this impact plan, different family sizes were assumed for the construction and operations phases of Montanore and for the type of employment (direct or indirect). The following narrative

describes the assumed family sizes for construction, operations, and secondary (or indirect) employment.

a. Construction Phase. Several monitoring studies and surveys (Mountain West Research 1975, Leholm et al. 1975, Wieland et al. 1977) indicate that in mineral and energy-related developments, the number of dependents accompanying the worker and, consequently, the overall family size for in-migrating workers is 20 to 30 percent less for construction than for operational workers. The primary reason for this smaller family size of construction workers is that many families of construction workers often do not accompany their spouse to the study area. The construction worker either commutes to the project site or establishes a temporary residence in the study area during the construction phase and the family remains at the place of permanent residence.

Table 6 illustrates the assumed family size characteristics of the in-migrating construction workers. Sixty percent of the in-migrating construction employees hired by Noranda are expected to be married with families present and, on the average, have .83 children per married family or .5 children per worker. The family size of 2.10 for contract construction employees is approximately 35 percent less than that for operations workers employed directly by Noranda; however, it is consistent with estimates derived from monitoring studies for western mineral and energy developments. For example, in a comparison of related worker characteristics for North Dakota coal mines, it was found that the family size for in-migrating construction workers was 2.24 compared to 3.37 for in-migrating operational workers (Leholm et al. 1975).

TABLE 6

IN-MIGRATING MINE-RELATED FAMILY SIZE COMPUTATION
(Per 100 Workers)

Characteristic	Construction Employees	Operations Employees	Indirect Employees
Family Size	2.10	3.10	2.10
Per 100 Workers:			
Number of Workers	100	100	100
Number of Spouses Present	60	80	60
Number of Children Present	50	130	50
Total In-Migrating Population	210	310	210

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

b. **Operations Phase**. During the operations phase, the average family size of the in-migrating mine worker is expected to be 3.1 persons (see Table 6). This family size assumes that 80 percent of the in-migrating operations workers would be married with families present and that the average number of children per family would be 1.625 per married family or 1.3 per mine worker. These figures are consistent with data reported by Stillwater County for the Stillwater Mine Complex (John Beaudry, pers. comm., January 1988).

Slightly larger family size figures (3.3) have been used in past environmental impact statements and impact plans; however, these figures were based upon studies conducted in the middle and late 1970s, when family sizes were larger than currently being reported. Today's family sizes tend to be lower because of the significant decline in national birth fertility rates since the early 1960s.

c. **Indirect Employment**. In addition to the projected employment created directly by the construction and operation of Montanore, the development can be expected to stimulate increased economic activity and employment in various trade and service sectors of the local study area. This new employment created indirectly as a result of a project is often called "indirect or secondary employment."

In-migrating workers employed in secondary (indirect) jobs such as retail sales, education, and government are expected to be younger in age and fewer married with less number of children. This impact plan assumes that the family size of in-migrating indirect employees would be 2.1 (see Table 6). Sixty percent of the in-migrating secondary workers

are assumed to be married with families present and 0.83 children per family or 0.5 children per indirect worker.

2. **Indirect to Direct Employment Ratios**

The effect of additional project employment or total employment in the study area is often measured by an employment ratio, which expresses the change in indirect employment as a ratio of the change in the project employment. This employment multiplier is mathematically defined as:

$$ER = IE/DE$$

where,

ER = Employment multiplier
IE = Change in indirect employment
DE = Change in direct employment (i.e., Noranda employment)

Studies have been conducted on project development sites throughout the United States in an attempt to measure employment ratios. In 1981, Gilmore et al. (1982) conducted an extensive study of 9 energy and power plant development sites in 8 states that showed that indirect/direct employment ratios were substantially less during construction than in actual operation (Table 7). Based on these case study results, Gilmore et al. (1982) also estimated the relationship between site area characteristics and the magnitude of indirect employment effects (Table 8).

Table 8 shows that developments in sparsely populated areas, such as Montanore, are expected to have smaller employment multipliers than areas with more diversified economies. Furthermore, the employment multiplier tends to be less during construction than during operations.

TABLE 7

ESTIMATES OF INDIRECT/DIRECT RATIO FOR CONSTRUCTION AND OPERATIONS EMPLOYMENT - SELECTED POWER PLANT CONSTRUCTION SITES

Case Study	Annual Average Construction Employment	Annual Average Operations Employment
Coal Creek (North Dakota)	0.4 - 0.5	0.8
Clay Boswell (Minnesota)	0.6 - 0.7	0.7 - 0.8
Boardman (Oregon)	0.2 - 0.3	0.2 - 0.3
Laramie River (Wyoming)	0.2 - 0.3	0.6 - 0.8
Newton (Illinois)	0.2 - 0.3	0.6 - 0.8
Fayette (Texas)	0.3 - 0.4	0.6
Bellefonte (Alabama)	0.6 - 0.7	0.7
Coronado (Arizona)	0.2 - 0.3	0.6
Cholla (Arizona)	0.3 - 0.4	0.6

Source: Gilmore et al. 1982.

TABLE 8

ESTIMATES OF THE RELATIONSHIP BETWEEN IMPACT AREA CHARACTERISTICS AND SECONDARY EMPLOYMENT RATIOS

Type of Project Site Area	In-Migrating Construction Workers	In-Migrating Operations Employees
Rural, sparsely populated no large trade center within impact area	0.2 - 0.3	0.3 - 0.5
Average	0.25	0.4
More urbanized impact areas, population densities moderate	0.3 - 0.4	0.4 - 0.6
Average	0.35	0.5

Source: Gilmore et al. 1982.

For rural areas within the study area, an employment multiplier of 0.25 was used to estimate indirect or secondary employment during construction and an employment multiplier of 0.4 was used to estimate indirect employment changes during operations. For the community of Libby, the county seat of Lincoln County, a ratio of 0.35 during construction and 0.5 during operations was used to estimate secondary employment. These employment multipliers are averages of the data presented for rural communities in Table 8.

It is assumed that secondary employment is a direct result of changes in the basic employment sectors and, on the average, takes time to develop. Therefore, indirect employment as a result of Montanore was lagged by 1 quarter (3 months) from changes in direct employment.

3. **School Participation Rates**

The term "children" as used in the context of this report is defined as the number of children between the ages of 0 and 18 living at home. To estimate the number of elementary and high school students accompanying in-migrating mine workers, ratios were developed based on 1987 Montana school statistics and on the estimated number of children aged 0 through 18 living in the state during 1987 (Table 9). Based on this data, it is estimated that about 45 percent of the children aged 0 through 18 are enrolled in grades kindergarten through 8, approximately 19 percent of the children are enrolled in high school, about 35 percent are not enrolled in school, and about 1 percent are ungraded or enrolled in special education.

TABLE 9

MONTANA SCHOOL PARTICIPATION RATES

Demographic Characteristic	Number	Percent
Ages 0 through 18	236,100	100%
Grades K through 8	106,249	45%
Grades 9 through 12	44,177	19%
Ungraded or Special Education	2,268	1%
Not in School	83,406	35%

Sources: 1) U.S. Bureau of the Census, Population Estimates of Students by Age and Sex, July 1, 1988, #P-25.
2) Montana Office of Public Instruction, Helena, Montana, Summary of Public School Enrollment by Grade, 1987.

G. Expected Migration and Settlement Patterns

1. Migration Estimates

An estimate of net migration to the study area was developed based on the aforementioned employment levels, local hiring assumptions, and demographic characteristics. Table 10 shows the estimated in-migration of both direct and indirect workers to the study area by quarterly periods during the impact period. As indicated in Table 10, Noranda expects in-migration to be slow through the first 2 quarters of the first year of the project, with an estimated 6 direct workers (18 people) migrating into the study area. Beginning with the third quarter of the first year of construction, in-migration of an additional 171 people including approximately 82 construction workers is expected. After this initial in-migration, it is expected that about 11 workers would move into the study area during the remainder of the year. By the end of the second year of construction, there should be approximately 289 people including 93 construction and 26 mine workers living in the area due to Montanore. Because of the short duration of construction activities, many of these in-migrants or families would be living in the area on a temporary basis.

By the end of the third year of the project, some out-migration of the temporary construction work force and their families would begin. At the beginning of Year 4, an estimated cumulative total of 310 people, including approximately 90 direct workers and 17 secondary workers, are expected to be living in the study area due to Montanore. This total number of in-migrants includes approximately 123 children between the

TABLE 10

EXPECTED DIRECT AND INDIRECT MIGRATION IN LINCOLN COUNTY STUDY AREA
DUE TO MONTANORE

Category	Year 1				Year 2				Year 3				Year 4				Year 5			
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
Total Lincoln County Study Area Settlement																				
Construction Workers	0	0	82	93	60	71	104	93	44	44	49	30	0	0	0	0	0	0	0	0
Mine Workers	6	6	6	6	26	26	26	26	88	88	88	88	90	90	90	90	90	90	90	90
Indirect Workers	0	0	0	4	4	6	7	8	8	18	18	18	17	17	17	17	17	17	17	17
Spouses	5	5	53	60	57	65	86	79	99	104	108	95	80	80	80	80	80	80	80	80
Children - Total	7	7	48	54	63	69	87	83	138	142	145	135	123	123	123	123	123	123	123	123
K-8	4	4	24	26	31	33	40	37	63	65	66	62	57	57	57	57	57	57	57	57
9-12	1	1	9	10	11	13	17	17	26	27	28	26	24	24	24	24	24	24	24	24
Not in School	2	2	15	18	21	23	30	29	49	50	51	47	42	42	42	42	42	42	42	42
Total Settlement	18	18	189	217	210	237	310	289	377	396	408	366	310	310	310	310	310	310	310	310
Total Lincoln County Study Area Net Migration																				
Construction Workers	0	0	82	11	-33	11	33	-11	-49	0	5	-19	-30	0	0	0	0	0	0	0
Mine Workers	6	0	0	0	20	0	0	0	62	0	0	0	2	0	0	0	0	0	0	0
Indirect Workers	0	0	0	4	0	2	1	1	0	10	0	0	-1	0	0	0	0	0	0	0
Spouses	5	0	48	7	-3	8	21	-7	20	5	4	-13	-15	0	0	0	0	0	0	0
Children - Total	7	0	41	6	9	6	18	-4	55	4	3	-10	-12	0	0	0	0	0	0	0
K-8	4	0	20	2	5	2	7	-3	26	2	1	-4	-5	0	0	0	0	0	0	0
9-12	1	0	8	1	1	2	4	0	9	1	1	-2	-2	0	0	0	0	0	0	0
Not in School	2	0	13	3	3	2	7	-1	20	1	1	-4	-5	0	0	0	0	0	0	0
Total Net Migration	18	0	171	28	-7	27	73	-21	88	19	12	-42	-56	0	0	0	0	0	0	0

Note: Negative estimates indicate out-migration from the area.

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

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ages of 0 and 18 of which 57 are expected to be enrolled in grade school, 24 in high school, and 42 not attending school.

Based on these net migration numbers, it would appear that the third year of construction, when employment is highest, would be the most critical period for potential impacts to occur. This high employment level would last about 1 year and then employment would begin to decrease when construction is concluded.

2. **Settlement Patterns**

Impacts to local governmental units within the study area due to in-migrating workers and their families depend entirely upon where the in-migrants choose to reside. One of the most important factors in settlement decisions is commuting distance to the project site. Workers generally wish to reside close to the project site to reduce commuting distance, provided that adequate services such as schools, shopping, and housing are available. Because such services are usually related to the size of the community, in-migrants tend to live in more populated areas where they may obtain these services.

The driving distance factor in settlement patterns appears to be less important to temporary construction workers than to permanent operational employees (Leholm et al. 1975). Thus, workers, such as construction workers who expect to be employed at the project for a short period of time, may be willing to commute 50 to 75 miles to the mine. On the other hand, studies have found that operational workers rarely commute over a distance of 60 miles.

Table 11 illustrates distances from various communities in the study area to the mine site, the community population, and an expected

TABLE 11

DISTANCE FROM MONTANORE,
POPULATION, AND EXPECTED SETTLEMENT BASED ON
A GRAVITY ALLOCATION MODEL

Community	Distance to Mine Site	Community Population	Expected Settlement
Libby	23 miles	2,700	40%
Troy	38 miles	1,100	10%
Rural Lincoln County (average)	30 miles	6,000	50%

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

settlement distribution of in-migrating workers based on a classic gravity allocation model (Murdock et al. 1978). The problem with using gravity allocation models to predict settlement patterns in rural areas is that the model inherently assumes that housing and other services are available for all expected in-migrants. In addition, these models assume that all roads used for commuting to the project site are similar in surface construction and maintenance. These factors are extremely important to in-migrants when deciding where to establish their place of residence.

The available housing stock is also a deciding factor in where in-migrants would choose to settle. Table 12 lists the estimated number of available housing units and mobile home sites by area as of November 1988. These estimates were derived through a survey of local realtors and from a list of licensed mobile home lots and motel units. Appendix D presents a more complete description of the housing situation in the study area.

Using the available housing unit information, the modified gravity allocation model output, and the housing inventory information (Appendix D), the settlement patterns of in-migrating workers were estimated during the construction and operations phases (Table 13). The settlement patterns illustrated in Table 13 were applied to the total expected in-migration (Table 10) to arrive at an estimate of in-migration for each of the areas during the peak construction and operations phases (Table 14).

A detailed distribution for the in-migrating population, based on the settlement patterns illustrated in Tables 13 and 14, is presented in

TABLE 12

ESTIMATED HOUSING UNITS, LOTS, AND ACREAGE
FOR RENT OR FOR SALE - MONTANORE STUDY AREA

Community	Total Existing Housing Units	Temporary[1] Housing Units	Houses for Sale[2]	Mobile Home Lots for Rent	Vacant Lots or Acreage Sites for Sale[2]
Libby Area	4,200	243	91	207	55
Troy Area	1,350	20	NA	29	NA

Sources: 1) U.S. Department of Commerce, Bureau of the Census.
2) Montana Department of Health and Environmental Sciences, Food and Consumer Safety Bureau, Helena, Montana, 1988.
3) Lincoln County, Department of Environmental Health, Libby, Montana, June 1988.
4) Multiple Listing Service, November 1988.

[1]Temporary housing units include motels, cabins, and other temporary living quarters.

[2]Includes both Libby and Troy area.

TABLE 13

EXPECTED SETTLEMENT PATTERNS OF IN-MIGRANTS
DUE TO MONTANORE

Location	Project Phase	
	Construction	Operations
Libby	45%	30%
Troy	5%	5%
Rural Lincoln County	50%	65%
Total	100%	100%

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

TABLE 14

PEAK IN-MIGRATION -
MONTANORE STUDY AREA

Location	Construction Period		Operations Period	
	Number of Families	Total Number of People	Number of Families	Total Number of People
Libby	51	131	30	89
Troy	7	17	5	13
Rural Lincoln County	97	260	72	208
Total	155	408	107	310

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

Note: Peak employment during the construction phase occurs in the third quarter of the third year of the project.

Appendix E of this report. The following narrative provides an explanation of assumed settlement patterns for each community in the area.

a. **Libby**. During construction of the mine, an estimated 45 percent of the in-migrants are projected to move into Libby. With respect to number of families, about 51 new families (131 people) would move to Libby during peak construction. During peak operations, Noranda expects about 30 percent or 30 families (89 people) would move to Libby. There appears to be adequate housing available in Libby, both on a temporary and permanent basis, to accommodate the anticipated influx of population due to construction and operation of Montanore.

b. **Troy**. During construction and operation of the mine, an estimated 5 percent of the in-migrating workers are expected to reside in Troy. This in-migration would amount to about 7 families (17 people) during construction and 5 families (13 people) on a permanent basis during mine operations. There appears to be adequate housing available for both the construction and the operations employees in the Troy area.

c. **Rural Lincoln County**. During the peak construction and operation periods, about 50 percent and 65 percent, respectively, of the in-migrating workers would choose to reside in the rural area of Lincoln County near the towns of Troy and Libby. This in-migration amounts to about 97 families (260 people) during construction and 72 families (208 people) during operations. Adequate housing or building sites are available in rural Lincoln County to accommodate the in-migrating workers and their families.

H. Montanore Taxes

1. Gross Proceeds Taxable Valuation

Table 15 shows expected copper and silver production at Montanore. Also presented in Table 15 are gross proceeds estimated at a copper price of $.85 per pound and a silver price of $5.50 per troy ounce. The production levels presented in Table 15 are dependent upon Noranda commencing production during the last year of construction. If construction were delayed, these assumed production figures would more than likely be invalid.

2. Mine/Equipment Taxable Valuation

The expected taxable valuation for the mine, plant, land, and mine equipment is presented in Table 16. These estimates are based on the latest costs available for both equipment and construction. The market value for the mine and mill is expected to total $95.0 million by the first year of operations. Total taxable valuation, including valuation from gross proceeds, is expected to peak at $9.7 million during the second year of operations.

I. Local Government Revenues and Costs

1. Local Government Impact Revenues

a. Property Tax Revenues. New families moving into the study area are expected to add to taxable valuation for both residential and commercial property on a per capita basis. Based on 1986 data, the annual estimated residential per capita taxable valuation would be $496 for Lincoln County. During the construction period, no increase in taxable valuation to residential property due to in-migrating contract construction workers is anticipated. Because of the relatively short

TABLE 15

GROSS PROCEEDS TAXABLE VALUATION
($000 U.S. Dollars)

Type	Construction Year 1	Construction Year 2	Construction Year 3	Operations Year 1	Operations Year 2	Operations Year 3
Ore Production						
Production (000 tons)	0	0	0	3,500	7,000	7,000
Copper (000 lbs.)	0	0	0	50,000	100,000	100,000
Silver (000 ozs.)	0	0	0	5,000	10,000	10,000
Valuation ($000)						
Copper ($.85/lb.)	0	0	0	$42,500	$ 85,000	$ 85,000
Silver ($5.50/oz.)	0	0	0	27,500	55,000	55,000
Total Gross Valuation ($000)	0	0	0	$70,000	$140,000	$140,000
Class II Taxable Valuation ($000)	0	0	0	$ 2,100	$ 4,200	$ 4,200

Note: Taxes are paid on taxable valuation in the 2 years following the valuation. Gross proceeds are generated by the ore body which is located in Sanders County.

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

TABLE 16

MONTANORE MINE/MILL TAXABLE VALUATION
($000 U.S. Dollars)

Type	Construction Year 1	Construction Year 2	Construction Year 3	Operations Year 1	Operations Year 2	Operations Year 3
MARKET VALUE:						
Total Class IV (Land and Improvements)	$ 0	$ 0	$ 0	$45,000	$ 50,000	$ 50,000
Total Class V (Pollution Control)	$ 0	$ 0	$ 0	$15,000	$ 15,000	$ 15,000
Total Class VIII (Mining Machinery)	$2,000	$12,000	$20,000	$25,000	$ 25,000	$ 25,000
Total Class IX (Furniture and Fixtures)	$ 0	$ 0	$ 0	$ 5,000	$ 5,000	$ 5,000
Total Class X (Ore Hauler and Large Trucks)	$ 0	$ 0	$ 0	$ 5,000	$ 5,000	$ 5,000
Total Market Value	$2,000	$12,000	$20,000	$95,000	$100,000	$100,000
TAXABLE VALUATION:						
Class II (from Table 15)	$ 0	$ 0	$ 0	$2,100	$4,200	$4,200
Class IV	0	0	0	1,737	1,930	1,930
Class V	0	0	0	450	450	450
Class VIII	180	1,080	1,800	2,250	2,250	2,250
Class IX	0	0	0	450	450	450
Class X	0	0	0	450	450	450
Total Taxable Valuation	$180	$1,080	$1,800	$7,437	$9,730	$9,730

Note: For purposes of tax base sharing under the Impact Plan, all real and personal property of the mine and mill are considered to be located in Lincoln County.

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

duration of contract construction, most of these workers probably would not build new homes or purchase property for mobile home placement. Conversely, some in-migrating construction and operations workers directly employed by Noranda probably would build new homes or purchase property suitable for mobile home placement in the study area. It is assumed that one-fourth of the Noranda workers would build new homes, thus adding to the taxable valuation of residential property in the study area.

Commercial taxable valuation also would increase due to the in-migrating population as they seek additional goods and services from area businesses. Commercial taxable valuation is expected to increase at the current commercial/residential ratio of 0.27 for each in-migrant in Lincoln County, yielding $125 average commercial valuation per person for each year. Property taxes are assumed to be paid in 2 equal installments--one-half in November of the year that the taxable valuation was made and one-half in May of the following year.

b. **Other Revenues**. Local governmental revenues from sources such as charges for services, fines, fees, licenses, permits, and some intergovernmental transfers also have been estimated on a per capita basis. Table 17 lists expected per capita revenue increases for the local governments in the study area. These figures were computed by using 1986-87 data from each government and the most recent population estimates available. Revenues were assumed to be received by the local government in the same year that the in-migrating worker established residence within the study area.

TABLE 17

PER CAPITA IMPACT REVENUES -
MONTANORE STUDY AREA

Source	Lincoln County	Libby	Troy
General Fund	$30.65	$53.81	$55.39
Other Funds	9.88	32.83	0.00
Total All Funds	$40.53	$86.64	$55.39

Source: Data compiled from fiscal year 1987 annual reports and computerized data, Local Government Services Division, Montana Department of Commerce, Helena, Montana.

2. **Local Government Impact Costs**

The costs to cities and the county are expected to increase for each mine-related family that moves into the study area due to Montanore. As previously stated, these costs have been analyzed in terms of additional capital outlays, personnel costs, and support or operating costs. Capital outlay costs and personnel costs are expected to increase in increments of number of in-migrants, while support costs are expected to increase on a per capita basis.

The capital outlays and personnel costs are directly related to the type of outlays and new employees that may be needed by the local governments to provide the same level of services to the community as provided before Montanore. These costs were estimated using information gathered during interviews with or surveys of local government service providers.

Support costs for cities and the county were estimated using 1987 financial data reported by the local governments to the U.S. Bureau of the Census and the Montana Department of Commerce. The support costs on a per capita basis are listed in Table 18 for Lincoln County and the cities in the study area.

3. **School District Impact Revenues**

In addition to local property taxes, there are 2 potential sources of funds that support new students in a school system (Table 19). One of these revenue sources is the school foundation program which guarantees a certain level of funding for elementary and high schools in Montana. The other revenue source is comprised of transfers from state and federal governments and motor vehicle fees.

TABLE 18

LOCAL GOVERNMENT ESTIMATED PER CAPITA SUPPORT COSTS - MONTANORE STUDY AREA

Source	Lincoln County	Libby	Troy
General Fund	$28.94	$42.70	$49.08
Other Funds	58.43	N/A	N/A
Total Support Costs	$87.37	$42.70	$49.08

Source: Data compiled from fiscal year 1987 annual reports and computerized data, Local Government Services Division, Montana Department of Commerce, Helena, Montana, and U.S. Bureau of the Census.

TABLE 19

SCHOOL DISTRICT PER ANB REVENUES -
MONTANORE STUDY AREA

School	Foundation Program	Other Revenues	Total Revenues
Libby Elementary	$2,280.00	$ 72.43	$2,352.43
Libby High School	2,649.00	130.42	2,779.42
Troy Elementary	2,361.00	51.81	2,412.81
Troy High School	3,087.00	127.60	3,214.60

Source: Office of the Legislative Auditor, Helena, Montana.

The school foundation program revenues were developed using supplementary data presented by the Montana Legislative Auditor and attached to House Bill 28 passed during the 1989 special legislative session. The per ANB revenues were estimated using fiscal year end data for 1987-88 from the Montana Office of Public Instruction. The per ANB revenues were assumed to be received in the same year the new student enrolled at the school, while the foundation program revenues were assumed to be received in the year following initial enrollment in the school.

4. **School District Impact Costs**

Certain costs associated with schools may be allocated by student enrollment or per average number belonging (ANB) basis. The costs of textbooks, supplies, and certain miscellaneous items have been estimated for each applicable school district in the study area and are presented in Table 20. The support costs were calculated using annual reports of the Montana Office of Public Instruction. The number of new personnel needed due to an increase in school enrollment was then estimated and the cost of new salaries together with any new capital outlay costs were added to the support costs to calculate total impact needs for each district.

TABLE 20

SCHOOL DISTRICT PER ANB SUPPORT COSTS -
MONTANORE STUDY AREA

School	General Fund	Other Funds	Total
Libby Elementary	$158.89	$ 11.93	$170.82
Libby High School	245.49	8.56	254.05
Troy Elementary	138.91	91.41	230.32
Troy High School	355.65	20.31	375.96

Source: Data compiled from computerized data (fiscal year 1987) Office of Public Instruction, Helena, Montana.

IV. IMPACT ASSESSMENT

Two major sections are presented for each potentially affected local governmental unit--Description of Existing Conditions and Expected Impacts. The purpose of the "Description of Existing Conditions" section is to acquaint the reader with the facilities and the level of services currently being provided by the local governmental units. Because funding for some services may overlap, governmental units cannot always be exclusively separated as "county" or "city" jurisdictions. In such cases, a description of the affected governmental unit has been presented under the county (i.e., Lincoln County) rather than the city or town.

Potential fiscal impacts to local governmental units within the study area due to the in-migrating population are discussed in the "Expected Impacts" section for each governmental unit. Fiscal impacts to the affected governmental units are described with respect to expected population impact, impact needs, impact revenues, and net impacts (the difference between impact needs and revenues). Impact needs were assessed in terms of the following cost factors:

1) Impact capital costs: As a result of Montanore, the expected need for new buildings, equipment, roads, and any purchases that are not an ongoing expenditure by the governmental unit.

2) Impact personnel costs: The anticipated expenditures associated with hiring additional employees to satisfy the demands for local government services created by the in-migrating mine-related population.

3) Impact support costs: The expected non-payroll expenditures such as supplies, materials, utilities, and other operating costs of the governmental unit as a result of Montanore.

Impact revenues are discussed in relation to property taxes to be paid by Noranda, property taxes to be paid by in-migrating mine-related residents to the study area, and expected property taxes to be paid by new commercial activity. Per capita revenues (e.g., licenses, fees, and permits) and governmental transfers also are addressed.

A. Lincoln County

1. Description of Existing Conditions

a. Local Government Administration. The governing body at the county level is the 3 elected Lincoln County Commissioners. The commissioners meet on every Wednesday and the last 3 working days of the month.

Other county elected officials include county attorney, clerk of district court, sheriff, clerk and recorder, school superintendent, treasurer, public administrator, assessor, coroner, and 2 justices of the peace. Lincoln County government employs 122 full-time equivalents including workers in the following job categories: 17 administrative, 29 law enforcement, 19 roads/highways, and 57 other positions including clerical and custodial (Noranda Minerals Corp 1989).

b. Law Enforcement. In the Lincoln County portion of the study area, law enforcement services are provided by the Montana Highway Patrol, the Lincoln County Sheriff's Department, and the Troy Police Department. The Sheriff's Department is a consolidated city (Libby) and

county law enforcement agency with headquarters in Libby. Of the 14 sworn deputies, 2 officers are located in Eureka and patrol northern Lincoln County, 1 officer resides in Troy and patrols the Troy and Bull Lake area as far north as Yaak, and the remaining officers are located in the Libby area. The Sheriff's Department staff includes a sheriff, undersheriff, 14 deputies, 2 detectives, 4 dispatchers, and other support workers (Ray Nixon, pers. comm., September 16, 1988).

Based on the land area of 3,616 square miles in Lincoln County, there is 1 officer (including the sheriff and the undersheriff) per 226 square miles and 1 officer per 1,110 people (total population of 17,752). According to Sheriff Nixon (pers. comm., September 16, 1988), the Sheriff's Department needs 3 more patrol officers to adequately meet the police protection needs of the community. This need for additional officers is most apparent when an officer is on vacation or sick leave which leaves the department short-handed.

The Sheriff's Department maintains 12 patrol cars. The vehicles are getting old, each averaging about 90,000 miles on the odometer, and probably should be replaced (Ray Nixon, pers. comm., September 16, 1988).

The Lincoln County Jail has an agreement with the Troy Police Department to house all adult offenders in the county jail and to use the Troy jail to hold juvenile offenders. The county jail can house 24 adult prisoners, with separate facilities available for female offenders. The staff of 5 (4 regular employees plus 1 relief employee) perform jail duties during various shifts 24 hours a day, 7 days a week.

c. **Fire Protection**. Fire protection in the Lincoln County portion of the study area is provided by 2 rural fire districts (Libby

and Troy), Libby Fire Department, Troy Fire Department, Montana Department of State Lands (DSL), and USFS. The boundary for the city department is the city limits, whereas the rural department boundary is about a 5 mile radius of the city limits. The 2 departments provide fire protection to an estimated 12,000 to 15,000 people.

d. **Ambulance Services**. Ambulance services in Lincoln County are provided by Libby, Troy, and Eureka volunteer organizations. A mill is levied against the taxable value of property in Lincoln County, with the tax proceeds apportioned among the 3 ambulance services on the basis of service area population. In addition to the tax proceeds, ambulance services are financed through user fees.

e. **Hospital Facilities**. St. John's Community Hospital in Libby is the only public hospital in Lincoln County. In 1988, the 26-bed hospital operated at 39.2 percent capacity (Montana Department of Health and Environmental Sciences 1989). There is a sufficient number of beds and staff at the hospital to meet the public's hospital needs (Nancy Bloom, pers. comm., September 15, 1988).

There is a total staff of 77 at the hospital including 11 active physicians (2 family practitioners, 2 general surgeons, 1 family practitioner/internist, 1 internist, 1 obstetrician/gynecologist, 1 orthopedic surgeon, 1 pediatrician, and 1 radiologist); 4 courtesy staff (1 ear/nose/throat specialist, 1 urologist, 1 podiatrist, and 1 pathologist); 18 full-time registered nurses; and 2 full-time licensed practical nurses. Similar to other rural hospitals, the hospital does not directly employ any physicians, rather they have "privileges" to

perform medical treatment at the hospital and are on call for emergency care (Nancy Bloom, pers. comm., September 15, 1988).

The 24-hour Emergency Room Department consists of an obstetrics-gynecology examination room, an orthopedic room, and a 2-bed trauma-code room. The hospital provides an Advanced Life Support Unit and, in 1986, the unit was featured as state of the art in rural areas in the program "The Many Faces of EMS...." (Lincoln County Economic Development Council 1988).

The helipad, located about 1 block from the hospital, may be moved adjacent to the hospital. The hospital averages 6 emergency transports by helicopter per month (Lincoln County Economic Development Council 1988). The closest air ambulance is in Spokane, Washington.

Construction of St. John's Lutheran Hospital's new medical office building across from the hospital was completed in 1989. The hospital owns the medical center and leases offices to physicians. The 7,700-square foot building could accommodate offices for 3 physicians and has expansion room for 2 more offices for future accommodations.

f. **Water Supply**. Rural water supplies throughout Lincoln County are provided by private wells and, to a lesser extent, springs. More than 50 percent of Lincoln County households use wells for their source of potable water (Ken Peterson, pers. comm., December 5, 1988).

g. **Wastewater Treatment**. Approximately 76 percent of Lincoln County households utilize septic tanks for wastewater disposal (Ken Peterson, pers. comm., December 5, 1988). There are 4 public/private sewage collection and treatment facilities in the Libby and Troy area--

City of Libby, Libby Dam, Champion International, and Belle-Vue Manor Trailer Court.

h. Solid Waste. In 1973, Lincoln County established the Lincoln County Solid Waste District to provide residents with a healthful and efficiently-run refuse operation. Prior to the organization of the Solid Waste District, there were 4 separate refuse districts--Bull Lake, Libby, Crystal Lake, and Shannon Flats. Consolidation of the refuse districts into a single operation also established a solid waste management program for northern Lincoln County which provides funding for the operation of 3 landfills and utilizes containerized collection services (Lincoln County Department of Environmental Planning 1982).

The 3 county landfills are located near Libby, Troy, and Eureka. Champion International, east of Libby, has their own Class 3 landfill. The Libby landfill is a 40-acre tract that operates under a special use permit from the U.S. Forest Service. Approximately 50 percent of the landfill capacity has been filled, with an expected useful life of 20 years remaining (Ron Anderson, pers. comm., September 16, 1988). The landfill is also the site where wrecked motor vehicles are collected, crushed, and removed to recycling centers.

New EPA regulations concerning landfills may force the county to close the Eureka landfill and to haul the Eureka area refuse to the Libby landfill. If Eureka solid waste were deposited at the Libby landfill, the useful life of the landfill would be shortened (Ron Anderson, pers. comm., December 5, 1988).

The Troy landfill is a Class III dump site and, therefore, has limited use. Only solid inert materials (e.g., rocks, trees, and grass)

can be disposed at the landfill. Disposal of decaying objects (garbage) must be taken to the landfill near Libby.

The county has placed approximately 145 waste containers in rural areas for residents to deposit solid waste. Residents and commercial establishments also may privately contract with a refuse service for pick up and disposal of refuse. Because each household in Lincoln County has a refuse assessment on their property tax, there is no refuse drop-off fee at the landfill (Ron Anderson, pers. comm., September 16, 1988).

2. **Expected Impacts**

Baseline information on population and fiscal conditions of Lincoln County is presented in Appendix B and Appendix C of this report. Refer to Noranda's application for an operating permit submitted to DSL and USFS for a more detailed description.

a. **Expected Population Impact**. The population of Lincoln County without Montanore is projected to remain at about the same level throughout the impact period (Table 21). Noranda expects that approximately 45 percent of the construction work force and 80 percent of the permanent work force would be hired locally; thus, some in-migration of mine-related workers and their families is expected to occur throughout the first 3 years of the project. A detailed description of expected migration by type is presented in Appendix E of this report.

By the end of the first year of the project, Noranda expects approximately 103 workers and their families (217 people) to migrate into Lincoln County. Employment during the construction period should peak during the third year with a total of 155 workers (including secondary

TABLE 21

BASELINE POPULATION AND GOVERNMENT EMPLOYMENT WITH PROJECTED IMPACTS DUE TO MONTANORE - LINCOLN COUNTY

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Baseline (Without Montanore)						
Projected Population	18,800	18,800	18,800	18,800	18,800	18,800
County Government Employment						
Administration	17	17	17	17	17	17
Law Enforcement	29	29	29	29	29	29
Roads/Highways	19	19	19	19	19	19
Other	57	57	57	57	57	57
Total Employment	122	122	122	122	122	122
Number of Persons Per County Employee	154	154	154	154	154	154
Projected Peak Population Impacts						
Net Migration	217	93	98	-98	0	0
Cumulative Migration	217	310	408	310	310	310
Percent Population Impact	1.2%	1.6%	2.2%	1.6%	1.6%	1.6%

Sources: 1) Noranda Minerals Corp, March 1989, Application for an Operating Permit.
2) Noranda Minerals Corp, 1989, unpublished survey of local governmental units.

Note: Year 1 was assumed to be 1992. See Appendix B for details on population projections.

workers) or 408 people moving into Lincoln County due to Montanore (see Appendix E).

During full operation of the mine, Noranda expects approximately 90 mine workers and 17 secondary workers would move to Lincoln County due to the operation of the mine. The total number of migrants to Lincoln County should level off at 310 during full operations, and the impact on the total population of the county should be 1.6 percent (Table 21).

b. **Impact Needs**. The impact needs of Lincoln County government are summarized in Table 22. Additional capital, personnel, and support costs for Lincoln County are anticipated due to Montanore.

Total support costs in Table 23 were calculated by multiplying the per capita costs developed in Chapter III (see Table 18) by the projected cumulative migration (see Table 21). During the first year of the project, approximately 217 people are expected to migrate to Lincoln County (Table 21). As a result of this in-migration, support costs of the Lincoln County government are expected to increase $18,959 (Table 23). In addition, one half-time law enforcement employee and one half-time administrative employee would be needed. Personnel costs would total $26,000, bringing total impact costs for Lincoln County to $44,959 during the first year of the project (Table 23).

In-migration of approximately 93 additional persons to Lincoln County is expected during the second year of the project, bringing the total peak in-migrating population to 310 persons (see Table 21). As a result of this in-migration, total projected impact costs to Lincoln County government would be $100,084 (Table 23). Personnel costs would

TABLE 22

SUMMARY OF PROJECTED IMPACT NEEDS DUE TO MONTANORE - LINCOLN COUNTY

Local Governmental Unit	Projected Capital Costs	Projected Personnel Costs	Projected Support Costs
County Government Administration	None	Year 1: One half-time position in law enforcement and one half-time in administration	Yes
Law Enforcement	Year 2: One police car	Year 2 and on: One full-time and one half-time position in law enforcement and one half-time position in administration	Yes
Fire Protection	None	None	Yes
Ambulance Service	None	None	Yes
Roads and Highways	None	None	Yes
Solid Waste	None	None	Yes

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

TABLE 23

PROJECTED IMPACT COSTS DUE TO
MONTANORE - LINCOLN COUNTY
(1989 Dollars)

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Personnel Costs						
Number of Personnel (FTE):						
Law Enforcement	0.5	1.5	1.5	1.5	1.5	1.5
Administration	0.5	0.5	0.5	0.5	0.5	0.5
Total FTE	1.0	2.0	2.0	2.0	2.0	2.0
Salaries:						
Law Enforcement	$16,000	$ 48,000	$48,000	$48,000	$48,000	$48,000
Administration	$10,000	10,000	10,000	10,000	10,000	10,000
Total Salaries	$26,000	$ 58,000	$58,000	$58,000	$58,000	$58,000
Capital Costs						
Police Car	$ 0	$ 15,000	$ 0	$ 0	$ 0	$ 0
Total Capital Costs	$ 0	$ 15,000	$ 0	$ 0	$ 0	$ 0
Support Costs						
General Fund	$ 6,280	$ 8,971	$11,808	$ 8,971	$ 8,971	$ 8,971
Other Funds	12,679	18,113	23,839	18,113	18,113	18,113
Total Support Costs	$18,959	$ 27,084	$35,647	$27,084	$27,084	$27,084
Total Projected Impact Costs	$44,959	$100,084	$93,647	$85,084	$85,084	$85,084

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

increase to $58,000 as a full-time law enforcement position would be added to the half-time position allocated in Year 1. Capital costs during Year 2 of the project would amount to $15,000 for an additional police car.

During the third year of the project, Lincoln County should experience an additional in-migration of 98 persons, resulting in a peak cumulative migrating population of approximately 408 persons. Support or operating costs for these in-migrants are expected to total $35,647, while personnel costs are expected to be $58,000 (Table 23).

During the fourth year of the project, some decrease in mine-related population should occur, resulting in net out-migration of approximately 98 people. Total expected fiscal impact costs to Lincoln County during Year 4 are expected to be $85,084 including $58,000 in personnel costs and $27,084 in support costs.

During the fifth year of the project (i.e., second year of operations), no new in-migration is expected to Lincoln County and the county impact needs should stabilize. The expected impact costs to Lincoln County during Years 5 and 6 would be approximately $85,084 (Table 23).

c. Impact Revenues. Expected impact revenues to Lincoln County government would be in the form of increased taxable valuation (Noranda, individual, and commercial property) and expected per capita revenues such as fines, fees, and governmental transfers. Tax base sharing is expected to be initiated because of predicted costs and the absence of adequate revenues for the municipality of Libby. The taxable valuation of the project would be distributed as directed by the Hard-Rock Mining

Impact Board's Order of September 10, 1991. During the first 3 years of the project, Lincoln County would receive 100 percent of taxable valuation related to Montanore and Libby would be eligible to tax 15 percent of the valuation. In year 4 and year 5 of the project, when the gross proceeds would first be available for taxation, Sanders County would receive 20 percent of the gross proceeds taxable valuation. Lincoln County and Libby would tax the remaining valuation at the same rates as in project years 1 through 3. Beginning in year 6 of the project and thereafter, Sanders County would receive approximately 38 percent of total project valuation and Lincoln County would receive 62 percent. Following year 5 of the project, Libby would be able to tax approximately 14 percent of the total valuation related to Montanore.

Total revenue for all funds presented in Table 24 was estimated by multiplying the expected per capita revenues developed in Chapter III (see Table 17) by the projected cumulative migration (see Table 21) and adding general fund and other fund property taxes (Table 24). During the first year of the project, Noranda expects approximately $8,795 in impact revenues to Lincoln County, primarily in the form of per capita revenues (Table 24). Impact revenues as a result of Montanore should increase to approximately $17,054 by the second year of the project as property taxes from the project begin to flow into the county government.

As the project progresses, impact revenues should continue to increase and, by the third year of the project, Lincoln County government should receive $45,098 in impact revenues due to Montanore (Table 24). A significant increase in revenues would be realized in Year 4 due to completion of the plant site and the tailings system during Year 3.

TABLE 24

PROJECTED IMPACT REVENUES DUE TO
MONTANORE - LINCOLN COUNTY
(1989 Dollars)

Category	Construction Year 1	Construction Year 2	Construction Year 3	Operations Year 4	Operations Year 5	Operations Year 6
Property Taxable Valuations ($000) - End of Year						
Noranda	$ 180	$ 1,080	$ 1,800	$ 5,589	$ 6,034	$ 6,034
Individual	24	35	46	35	35	35
Commercial	10	15	19	15	15	15
Total Taxable Valuation	$ 214	$ 1,130	$ 1,865	$ 5,639	$ 6,084	$ 6,084
General Fund Revenues						
Property Taxes						
Noranda	$ 0	$ 843	$ 5,903	$13,492	$ 34,617	$ 54,453
Individual	0	112	276	379	379	328
Commercial	0	47	117	159	159	141
Per Capita Revenues	6,651	9,501	12,505	9,501	9,501	9,501
Total General Fund	$6,651	$10,503	$18,801	$23,531	$ 44,656	$ 64,423
Other Funds Revenues						
Property Taxes						
Noranda	$ 0	$ 2,934	$20,538	$46,944	$120,440	$189,454
Individual	0	391	1,320	1,320	1,141	1,141
Commercial	0	163	408	554	554	489
Per Capita Revenues	2,144	3,063	4,031	3,063	3,063	3,063
Total Other Funds	$2,144	$ 6,551	$26,297	$51,881	$125,198	$194,147
Total Funds						
Property Taxes						
Noranda	$ 0	$ 3,777	$26,441	$60,436	$155,057	$243,907
Individual	0	503	1,596	1,699	1,520	1,469
Commercial	0	210	525	713	713	630
Per Capita Revenues	8,795	12,564	16,536	12,564	12,564	12,564
Total All Funds	$8,795	$17,054	$45,098	$75,412	$169,854	$258,570

Source: Noranda Minerals Corp, Libby, Montana, March 1992.

Revenue would increase again in the fifth year due to completion of the project, and by Year 6, when Sanders County and Lincoln County would be sharing the project valuation as prescribed by the Hard-Rock Mining Impact Board's Order, Lincoln County government should receive approximately $258,570 annually in revenue due to Montanore.

d. Net Impacts. Table 25 lists the net fiscal impact (i.e., the difference between expected revenues and costs) for Lincoln County government due to Montanore. Noranda expects that Lincoln County government would experience net deficit cash flow through the first 4 years of the project. Cash flow is projected to turn positive during Year 5 of the project and, by the sixth year, Lincoln County government should have a positive cash flow of about $173,486 per year from Montanore.

TABLE 25

PROJECTED NET FISCAL IMPACT NEEDS DUE TO
MONTANORE - LINCOLN COUNTY
(1989 Dollars)

	Construction			Operations		
Category	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Projected Revenues	$ 8,795	$ 17,054	$45,098	$75,412	$169,854	$258,570
Projected Costs	44,959	100,084	93,647	85,084	85,084	85,084
Projected Cash Flow	($36,164)	($ 83,030)	($48,549)	($ 9,672)	$84,770	$173,486

Source: Noranda Minerals Corp, Libby, Montana, March 1992.

B. Municipality of Libby

1. Description of Existing Conditions

a. Local Government Administration. The municipality of Libby is governed by a mayor and a 6-member council. The mayor and council meet on the first Monday of each month to discuss city business.

Nineteen full-time equivalents are employed by the city including 6 contracted law enforcement officers. Job categories for the personnel include 1 administrative, 6 law enforcement, 4 roads/highways, and 8 other positions including clerical and custodial (Noranda Minerals Corp 1989).

b. Fire Protection. The combined city and rural Libby Fire Department has 28 volunteer firefighters and has a mutual aid agreement with Champion International to provide firefighting assistance with their 30 firefighters. There are enough volunteers to adequately provide the community with firefighting protection (Bill Kemp, pers. comm., November 2, 1988).

The fire department has 2 firehalls in Libby to house their 9 fire trucks. The rural fire department pays rent to the city to house their fire trucks in 1 of the firehalls. The water flow in Libby is sufficient for firefighting purposes; rural areas depend on nearby water sources or the 3 tankers to provide water for fire suppression.

The 9 firefighting vehicles include 4 engines (two 1,000 gallon per minute (gpm), one 750 gpm and one 250 gpm); 3 tankers that pump 300

gpm (with capacities of 1,500 gallons, 2,000 gallons, and 2,800 gallons); 1 hose/boom combination truck with a 48-foot boom; and 1 utility van to carry extra gear and extrication equipment. The oldest truck is the 750 gpm pumper, a 1954 model, while the other trucks are 1975 and newer. According to Fire Chief Kemp (pers. comm., November 2, 1988), there are enough trucks and equipment to provide the community with adequate fire protection.

The Insurance Service Organization (ISO) rates fire departments on a scale of 1 to 10, with 1 the highest possible rating and 10 unprotected. The city department has a Class 4 protective fire rating and the rural department has a Class 8 rating. ISO of San Francisco commended the Libby City Fire Department for being the only all volunteer fire department in Montana with such a high rating.

c. **Ambulance Service**. The service area for the Libby Volunteer Ambulance Service extends 35 miles north, 55 miles south, and 15 miles west from Libby. The ambulance, however, has responded to emergency calls outside these boundaries.

The Libby Ambulance Service has an active volunteer staff of 30 with about 75 percent trained as emergency medical technicians (EMTs). Although this is enough volunteers to provide the community with adequate emergency care service, more volunteers could be effectively utilized (Dan Stephens, pers. comm., November 2, 1988).

At least 2 volunteers are designated to be on call to respond to emergency situations 24 hours, 7 days a week. In addition to the volunteer staff, a doctor, registered nurse, and respiratory specialist

from St. John's Lutheran Hospital in Libby are available for emergency care 24 hours each day (Cindy Stephens, pers. comm., September 16, 1987).

The Libby Ambulance Service owns 6 radio-equipped emergency vehicles (3 licensed ambulances, 1 vehicle that carries advanced life support equipment, 1 rescue truck with extrication equipment, and 1 quick response unit). The rescue truck has extrication equipment (hand tools) comparable to the jaws-of-life. Although there is an adequate number of vehicles, a larger rescue truck will be the next major purchase (Dan Stephens, pers. comm., November 2, 1988).

d. Water Supply. In 1986, the city of Libby passed final reading of Ordinance 1353, restricting installation of new wells within the city limits (Environmental Protection Agency and Montana Department of Health and Environmental Sciences, November 1988). This ordinance was in response to the contamination of 15 wells in Libby due to past wood treatment activities on the land of Champion International.

Flower Creek in the Cabinet Mountains is the municipal water source for Libby. The water from Flower Creek flows into an 80-million gallon open reservoir, is released into an open 9-million gallon settling pond, is transported to a 250,000-gallon covered sediment reservoir, and then is transported to Libby and stored in a 500,000-gallon steel storage tank (Jim Melstad, pers. comm., March 11, 1988). Approximately 2,000 households are served by the water system.

Although there has never been a shortage of water, it was suspected that the system could be losing up to 50 percent of its capacity through leakage. In the spring of 1988, a leak detector was

installed to determine the amount and location of leaks (Bill Allen, pers. comm., September 20, 1988).

Although the leaks that were detected are being repaired, turbidity regulations of the Water Quality Bureau of the Montana Department of Health and Environmental Sciences (DHES) require that Libby construct a water treatment (filtration) plant by 1990 to comply with turbidity standards (Bill Allen, pers. comm., April 9, 1988). Studies are being conducted to determine whether the city will obtain water from wells or construct a treatment plant for the existing water source.

e. **Wastewater Treatment**. The city of Libby has operated a public wastewater treatment facility since 1964. In the 1980s, the Environmental Protection Agency (EPA) and DHES revised health laws concerning wastewater treatment. As a result of this revision, in 1985, the sewage treatment facility in Libby converted from a primary treatment facility to the current secondary system—an activated sludge oxidation ditch system. The system operates at approximately 50 percent of its designed capacity, which is designed to process 1.1 million gallons per day (Al Eldridge, pers. comm., September 16, 1988).

f. **Solid Waste**. Residential and commercial solid waste collection in Libby is provided by a private contractor. The refuse is deposited in the Libby Landfill.

2. **Expected Impacts**

Baseline information on population and fiscal conditions of Libby is presented in Appendix B and Appendix C of this report. Refer to Noranda's application for an operating permit submitted to DSL and USFS for a more detailed description.

a. **Expected Population Impact**. The population of Libby without Montanore is projected to remain at about the same level throughout the impact period (Table 26). Noranda expects that approximately 45 percent of the permanent work force would be hired locally. Thus, some in-migration of mine-related workers and their families is expected to occur throughout the first 3 years of the project. A detailed description of expected migration by type is presented in Appendix E of this report.

During the first year of the project, Noranda expects approximately 89 people to migrate into Libby (Table 26). Peak settlement of 131 people should occur during the third quarter of Year 3 of the project, when construction employment is at its highest. Final settlement of in-migrating workers to Libby should level off at 89 people during full operations of the mine.

b. **Impact Needs**. The anticipated impact costs to Libby government would be for support and personnel costs (Table 27). No capital costs should be necessary during the impact period.

Total support costs for Libby government presented in Table 28 were calculated by multiplying the per capita support costs developed in Chapter III (see Table 18) by the projected cumulative migration (Table 26). During the first year of the project, support costs are expected to increase by $3,800 as a result of the in-migration of 89 people to Libby. It is anticipated that Libby would need to hire an additional one-half time equivalent law enforcement employee. Total personnel costs for this position should equal $16,000 (Table 28), bringing total impact costs during Year 1 to $19,800.

TABLE 26

BASELINE POPULATION IMPACTS AND GOVERNMENT
EMPLOYMENT WITH PROJECTED IMPACTS
DUE TO MONTANORE - MUNICIPALITY OF LIBBY

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Baseline (Without Montanore)						
Projected Population	2,800	2,800	2,800	2,800	2,800	2,800
City Government Employment						
Administration	1	1	1	1	1	1
Law Enforcement	6	6	6	6	6	6
Roads/Highways	4	4	4	4	4	4
Other	8	8	8	8	8	8
Total Employment	19	19	19	19	19	19
Number of Persons Per City Employee	147	147	147	147	147	147
Projected Peak Population Impacts						
Net Migration	89	33	9	-42	0	0
Cumulative Migration	89	122	131	89	89	89
Percent Population Impact	3.2%	4.4%	4.7%	3.2%	3.2%	3.2%

Sources: 1) Noranda Minerals Corp, Libby, Montana, March 1989, Application for an Operating Permit.
2) Noranda Minerals Corp, Libby, Montana, 1989, unpublished survey of local governmental units.

Note: Year 1 was assumed to be 1992. See Appendix B for details on population projections.

TABLE 27

SUMMARY OF PROJECTED IMPACT NEEDS DUE TO
MONTANORE - MUNICIPALITY OF LIBBY

Local Governmental Unit	Projected Capital Costs	Projected Personnel Costs	Projected Support Costs
Local Government Administration	None	None	Yes
Law Enforcement	None	Year 1 & on: Half-time equivalent	Yes
Fire Protection	None	None	Yes
Ambulance Service	None	None	Yes
Water System	None	None	Yes
Parks and Recreation	None	None	Yes
Roads and Highways	None	None	Yes

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

TABLE 28

PROJECTED IMPACT COSTS DUE TO MONTANORE -
MUNICIPALITY OF LIBBY
(1989 Dollars)

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Personnel Costs						
Number of Personnel (FTE):						
Law Enforcement	0.5	0.5	0.5	0.5	0.5	0.5
Total FTE	0.5	0.5	0.5	0.5	0.5	0.5
Salaries:						
Law Enforcement	$16,000	$16,000	$16,000	$16,000	$16,000	$16,000
Total Salaries	$16,000	$16,000	$16,000	$16,000	$16,000	$16,000
Capital Costs						
None	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Support Costs						
General Fund	$ 3,800	$ 5,209	$ 5,594	$ 3,800	$ 3,800	$ 3,800
Other Funds	0	0	0	0	0	0
Total Support Costs	$ 3,800	$ 5,209	$ 5,594	$ 3,800	$ 3,800	$ 3,800
Total Projected Impact Costs	$19,800	$21,209	$21,594	$19,800	$19,800	$19,800

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

During the second year of the project, Noranda expects an additional in-migration of approximately 33 persons to Libby, bringing the peak cumulative mine-related population to 122 persons. To meet the needs resulting from this increased population and the in-migrating rural population of Lincoln County that would use city services, it is expected that Libby would need to continue to employ a half-time law enforcement employee at a total cost of $16,000 (Table 28). Support costs are expected to be $5,209, totalling to $21,209 in impact costs to the municipality of Libby during the second year. Year 3 of the project should be similar to Year 2, with an additional 9 people expected to migrate into Libby. Total impact costs for Year 3 should equal $21,594.

Construction of Montanore should be complete at the end of Year 3, and during the fourth year, Libby should experience a net out-migration of approximately 42 persons, resulting in a cumulative mine-related population of approximately 89 persons living in Libby. Total expected fiscal costs to Libby during this first year of operations (Year 4 of the project) is expected to be $19,800 (Table 28).

During the fifth year of the impact period (i.e., second year of operations), Noranda expects little out-migration from Libby, leaving the total cumulative mine-related population at 89 people. The total impact costs to Libby during Years 5 and 6 are projected to be approximately $19,800 (Table 28).

c. <u>Impact Revenues</u>. Expected impact revenues to Libby would be in the form of increased taxable valuation (Montanore through tax base sharing, and individual and commercial property) and expected per capita revenues such as fines, fees, and governmental transfers. Tax base

sharing is expected to be initiated because of predicted costs and the absence of adequate revenues for the municipality of Libby. Taxable valuation from the project would be distributed to Libby as set forth in the Hard Rock Mining Board's Order of September 10, 1991. From year 1 through year 3, Libby would be able to tax 15 percent of the valuation of the project. From year 4 and on, when Sanders County begins receiving 20 percent of the gross proceeds valuation, approximately 14 percent of the total project valuation could be taxed by Libby.

Total revenue for all funds presented in Table 29 was estimated by multiplying expected per capita revenues developed in Chapter III (see Table 17) by the projected cumulative migration (see Table 26) and adding general fund and other fund property taxes (Table 29). During the first year of the project, Noranda expects approximately $7,711 in impact revenues to the municipality of Libby, primarily in the form of per capita revenues. Increased taxable valuation from completed work and equipment at the mine site during the second year of the project would result in approximately $11,924 in total impact revenues to the municipality of Libby (Table 29).

During the third year of the project, Noranda expects that Libby government would receive $18,730 in impact revenues due to Montanore. Impact revenues would increase to $23,335 during the fourth year (i.e., first year of operations) due to completion of the plant site and the tailings system. Revenues would increase again in the fifth and the sixth years due to taxation of gross proceeds, and by the end of the sixth year, Libby government should receive approximately $87,526 annually in impact revenues due to Montanore.

TABLE 29

PROJECTED IMPACT REVENUES DUE TO MONTANORE -
MUNICIPALITY OF LIBBY
(1989 Dollars)

Category	Construction Year 1	Construction Year 2	Construction Year 3	Operations Year 4	Operations Year 5	Operations Year 6
Gross Proceeds Taxable Valuation ($000)	$ 0	$ 0	$ 0	$ 252	$ 504	$ 504
Property Taxable Valuations ($000) - End of Year						
Noranda	$ 27	$ 162	$ 270	$ 801	$ 830	$ 830
Individual	10	14	15	10	10	10
Commercial	4	6	6	4	4	4
Total Taxable Valuation	$ 41	$ 182	$ 291	$ 815	$ 844	$ 844
General Fund Revenues						
Property Taxes						
Noranda	$ 0	$ 838	$ 5,868	$13,413	$41,079	$74,116
Individual	0	311	745	900	776	621
Commercial	0	124	311	373	311	248
Per Capita Revenues	4,789	6,564	7,049	4,789	4,789	4,789
Total General Fund	$4,789	$ 7,837	$13,973	$19,475	$46,955	$79,774
Other Funds Revenues						
Property Taxes						
Noranda	$ 0	$ 54	$ 378	$ 864	$ 2,646	$ 4,774
Individual	0	20	58	50	40	40
Commercial	0	8	20	24	20	16
Per Capita Revenues	2,922	4,005	4,301	2,922	2,922	2,922
Total Other Funds	$2,922	$ 4,087	$ 4,757	$ 3,860	$ 5,628	$ 7,752
Total Funds						
Property Taxes						
Noranda	$ 0	$ 892	$ 6,246	$14,277	$43,725	$ 78,890
Individual	0	331	803	950	816	661
Commercial	0	132	331	397	331	264
Per Capita Revenues	7,711	10,569	11,350	7,711	7,711	7,711
Total All Funds	$7,711	$11,924	$18,730	$23,335	$52,583	$ 87,526

Source: Noranda Minerals Corp, Libby, Montana, March 1992.

d. Net Impacts. Table 30 presents the net fiscal impact (i.e., the difference between expected revenues and costs) for Libby government due to Montanore. Noranda expects that Libby government would experience a net deficit cash flow during the first 3 years of the project. Cash flow is projected to turn positive during the fourth year and, by the sixth year, Libby government should have a positive cash flow of about $67,726 per year due to Montanore.

TABLE 30

PROJECTED NET FISCAL IMPACT NEEDS DUE TO
MONTANORE - MUNICIPALITY OF LIBBY
(1989 Dollars)

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Projected Revenues	$ 7,711	$11,924	$18,730	$23,335	$52,583	$ 87,526
Projected Costs	19,800	21,209	21,594	19,800	19,800	19,800
Projected Cash Flow	($12,089)	($ 9,285)	($ 2,864)	$ 3,535	$32,783	$ 67,726

Source: Noranda Minerals Corp, Libby, Montana, March 1992.

C. Municipality of Troy

1. Description of Existing Conditions

a. Local Government Administration. A mayor and a 4-member council are the governing body for the municipality of Troy. The mayor and council meet on the first and third Wednesday each month.

The municipality of Troy employs 14 full-time equivalents. Job categories for Troy employees include 1 administrative, 2 law enforcement, 2 roads/highways, and 9 other positions including clerical and custodial (Noranda Minerals Corp 1989).

b. Law Enforcement. Two full-time officers are employed by the Troy police Department and the department owns 2 patrol cars. There are an adequate number of staff and emergency vehicles to provide the Troy area with satisfactory police protection (Bill Dutton, pers. comm., September 15, 1988).

The Troy Jail is a 2-cell juvenile holding facility. There are 4 jailers--2 regular employees for male juveniles and 2 female jailers for female juvenile offenders. All jailers have advanced first aid training. The jail facility is being upgraded through funds from a grant; however, the overall size of the facility will not increase with this remodeling effort.

The Troy Volunteer Dispatch Service has been providing dispatch services in the Troy area for 15 years. Volunteers of the dispatch service answer two 911 telephone lines and relay emergency calls to

service answer two 911 telephone lines and relay emergency calls to ambulance, police, and fire departments and dispatch calls to county and state road crews, auto wrecker services, Montana Department of Fish, Wildlife and Parks, Montana Highway Patrol, U.S. Forest Service, and Lincoln County Sheriff's Department when the Troy deputy is unavailable (The Western News, September 21, 1988).

The dispatch service operates on a 4-shift day (6 a.m. to noon, noon to 6 p.m., 6 p.m. to midnight, and midnight to 6 a.m.). Although there are currently 21 volunteers for the 28 shifts a week, the dispatch is in need of more volunteers so that only 1 shift a week is required of each volunteer. The dispatch service receives donations in the form of supplies, equipment, services, and money from various agencies and individuals including the municipality of Troy. (The Western News, September 21, 1988).

c. **Fire Protection**. Similar to Libby, fire protection for the Troy area is the joint responsibility of the city and rural fire departments. The approximate boundary of the Troy Fire Department encompasses the land area in a 7-mile radius of Troy. The city responds to fires within the city limits and the rural department responds to fires outside the city limits. The Troy City Fire Department has a Class 6 fire protection rating, while the rural department has a Class 8 rating (Max Schrader, pers. comm., November 2, 1988).

The Troy Fire Department has 25 volunteers and 7 firefighting vehicles (3 Class A pumpers, 2 water tenders, 1 quick response unit, and 1 equipment van). All vehicles are in excellent condition and are housed in the city firehall in Troy. The departments have sufficient number of

firefighters and fire trucks to provide adequate fire protection to the Troy area (Max Schrader, pers. comm., November 2, 1988).

d. Ambulance Service. The Troy Ambulance Service operates with 24 volunteers. Ten of the 24 volunteers are certified EMTs and 3 have received training in emergency mine rescue. Although the ambulance service currently has enough volunteers to adequately serve the community, they could use additional attendants to alleviate the number of shifts each volunteer works a month. Presently each volunteer usually is on call 6 to 8 shifts a month (Warren Robbe, pers. comm., November 8, 1988).

The 2 emergency vehicles used by the Troy Ambulance Service are both radio-equipped with high band, 32-frequency radios. They own a 1982 Ford with approximately 40,000 miles on the odometer and a 1981 Chevrolet with about 80,000 miles (Warren Robbe, pers. comm., November 4, 1988).

The ambulance service does not have emergency extrication equipment, so they rely upon the Libby Ambulance Service when this equipment is needed. In 1989, the Montana Highway Department will commence a major highway project between Libby and Troy. In preparation for potential accidents in which extrication equipment would be needed, the state is purchasing extrication equipment for the Troy Ambulance Service to be used until the highway construction is complete. Upon completion, the Troy Ambulance Service will have the option of returning the equipment to the state or purchasing it. A pickup truck will be needed to haul the special equipment and, since funds are not readily available, local industries (e.g., Champion International, ASARCO Troy Unit) have been requested to assist financially in purchasing a truck

(Warren Robbe, pers. comm., November 8, 1988). In addition to special equipment, lights are being installed at the Troy Airport to allow for the transport of patients by air ambulance at night.

e. **Water Supply**. The town of Troy receives its water supply from 2 wells and O'Brien Creek. Since the recent installation of a new well, the water system can accommodate more population growth in Troy (Melvin Price, pers. comm., March 11, 1988).

An estimated 450 residences and 53 commercial establishments within the city limits are provided water by the Troy municipal water system. Service is also provided to approximately 30 families on the edge of the city limits; however, homeowners constructing homes outside the city limits will no longer have the option of hooking into the municipal water system (Melvin Price, pers. comm., March 11, 1988). In 1988, flat fee rates were $10.00 per month for residential customers and $14.90 per month for commercial establishments.

f. **Wastewater Treatment**. Troy residents rely upon individual septic tanks for wastewater disposal. The Troy voters declined a proposal to construct a central wastewater treatment facility through grant monies from the Farmers Home Administration (FMHA) and a Community Development Block Grant.

g. **Solid Waste**. Pickup and disposal of refuse in Troy is provided by a private contractor (Ron Anderson, pers. comm., September 16, 1988). The refuse is hauled to the town dumpsite approximately 2 miles outside of Troy.

2. **Expected Impacts**

Baseline information on population and fiscal conditions of Troy is presented in Appendix B and Appendix C of this report. Refer to Noranda's application for an operating permit submitted to DSL and USFS for a more detailed description.

a. **Expected Population Impact**. The population of Troy without Montanore is projected to remain stable throughout the impact period (Table 31). Noranda expects that approximately 45 percent of the construction work force and 80 percent of the permanent work force would be hired locally. Thus, some in-migration of mine-related workers and their families is expected to occur throughout the first 3 years of the project. A detailed description of expected migration by type is presented in Appendix E of this report.

During the peak construction period (third quarter of Year 3), Noranda expects that 7 workers and their families (17 people) would migrate to Troy. Most of the in-migrating construction workers would choose temporary housing such as motels because of the short duration (a few months to a year) of the construction period. After construction is complete, 4 in-migrating mine-related workers (13 people) are expected to reside in Troy and commute to the mine for employment.

b. **Impact Needs**. A summary of projected impact needs for Troy is presented in Table 32. No capital or personnel costs are projected due to construction or operation of Montanore.

Because of the small number of projected in-migrants, Noranda expects that the municipality of Troy would experience a small increase

TABLE 31

BASELINE POPULATION AND GOVERNMENT EMPLOYMENT
WITH PROJECTED IMPACTS DUE TO MONTANORE -
MUNICIPALITY OF TROY

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Baseline (Without Montanore)						
Projected Population	1,100	1,100	1,100	1,100	1,100	1,100
City Government Employment						
Administration	1	1	1	1	1	1
Law Enforcement	2	2	2	2	2	2
Roads/Highways	2	2	2	2	2	2
Other	9	9	9	9	9	9
Total Employment	14	14	14	14	14	14
Number of Persons Per City Employee	79	79	79	79	79	79
Projected Peak Population Impacts						
Net Migration	8	5	4	-4	0	0
Cumulative Migration	8	13	17	13	13	13
Percent Population Impact	0.7%	1.2%	1.5%	1.2%	1.2%	1.2%

Sources: 1) Noranda Minerals Corp, Libby, Montana, March 1989, Application for an Operating Permit.
2) Noranda Minerals Corp, 1989, unpublished survey of local governmental units.

Note: Year 1 was assumed to be 1992. See Appendix B for details on population projections.

TABLE 32

SUMMARY OF PROJECTED IMPACT NEEDS DUE TO
MONTANORE - MUNICIPALITY OF TROY

Local Governmental Unit	Projected Capital Costs	Projected Personnel Costs	Projected Support Costs
Local Government Administration	None	None	Yes
Law Enforcement	None	None	Yes
Fire Protection	None	None	Yes
Ambulance Service	None	None	Yes
Water System	None	None	Yes
Parks and Recreation	None	None	Yes
Roads and Highways	None	None	Yes

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

in support costs due to Montanore (Table 33). By Year 6, the total projected impact costs are expected to be $638.

c. **Impact Revenues**. Revenues from projected in-migrating workers who decide to live in Troy should be minimal (Table 34). During Year 1, impact revenues should total $443, and by Year 6, impact revenues are projected to total $898 as a result of Montanore.

d. **Net Impacts**. Noranda expects no net deficit fiscal impacts to the municipality of Troy due to Montanore (Table 35).

D. Elementary School District #4 (Libby)

1. Description of Existing Conditions

Libby Elementary School District #4 includes 3 elementary schools (Asa Wood, McGrade, and Plummer schools) and Libby Middle School. In 1987-88, the Libby School District started reorganizing grades within the elementary, junior, and high schools. Currently, the elementary schools include kindergarten through grade 5, the middle school consists of grades 6 through 8, and the high school includes grades 9 through 12 (Sheriee Wynes, pers. comm., September 27, 1989).

In 1989-90, the number of employees or full-time equivalents (FTEs) for kindergarten through grade 5 was 50.35 teachers (including special education teachers), 16.6 teacher's aides, 3 clerical, 6 custodial, and 3 administration. At the middle school, the number of FTEs included 27 teachers (including special education teachers), 4 teacher's aides, 1 administrator, 2.5 clerical, and 4 custodial positions.

The current maximum recommended Montana student/teacher ratio for single classrooms is 24 students/teacher for kindergarten, 26 students/

TABLE 33

PROJECTED IMPACT COSTS DUE TO MONTANORE -
MUNICIPALITY OF TROY
(1989 Dollars)

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Personnel Costs						
Number of Personnel (FTE):						
None	0.0	0.0	0.0	0.0	0.0	0.0
Salaries:						
None	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Capital Costs						
None	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Support Costs						
General Fund	$393	$638	$834	$638	$638	$638
Other Funds	0	0	0	0	0	0
Total Support Costs	$393	$638	$834	$638	$638	$638
Total Projected Impact Costs	$393	$638	$834	$638	$638	$638

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

TABLE 34

PROJECTED IMPACT REVENUES DUE TO MONTANORE -
MUNICIPALITY OF TROY
(1989 Dollars)

Category	Construction Year 1	Construction Year 2	Construction Year 3	Operations Year 4	Operations Year 5	Operations Year 6
Gross Proceeds Taxable Valuation ($000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Property Taxable Valuations ($000) - End of Year						
Noranda	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Individual	1	1	2	1	1	1
Commercial	0	1	1	1	1	1
Total Taxable Valuation	$ 1	$ 2	$ 3	$ 2	$ 2	$ 2
General Fund Revenues						
Property Taxes						
Noranda	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Individual	0	43	86	128	128	86
Commercial	0	0	43	86	86	86
Per Capita Revenues	443	720	941	720	720	720
Total General Fund	$443	$763	$1,070	$934	$934	$892
Other Funds Revenues						
Property Taxes						
Noranda	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Individual	0	2	5	5	3	3
Commercial	0	0	2	3	3	3
Per Capita Revenues	0	0	0	0	0	0
Total Other Funds	$ 0	$ 2	$ 7	$ 8	$ 6	$ 6
Total Funds						
Property Taxes						
Noranda	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Individual	0	45	91	133	131	89
Commercial	0	0	45	89	89	89
Per Capita Revenues	443	720	941	720	720	720
Total All Funds	$443	$765	$1,077	$942	$940	$898

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

TABLE 35

PROJECTED NET FISCAL IMPACT NEEDS DUE TO
MONTANORE - MUNICIPALITY OF TROY
(1989 Dollars)

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Projected Revenues	$443	$765	$1,077	$942	$940	$898
Projected Costs	393	638	834	638	638	638
Projected Cash Flow	$ 50	$127	$ 243	$304	$302	$260

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

teacher for grades 1 and 2, 28 students/teacher for grades 3 and 4, and 30 students/teacher for grades 5 through 8. Effective July 1, 1992, the maximum recommended Montana class size for kindergarten through grade 2 will be no more than 20 students.

The statewide average number of students/teacher for kindergarten through grade 8 is 28. Based on the 1989-90 school enrollment of 1,566 at Libby Elementary School District for kindergarten through grade 8, there were 24.1 students per classroom teacher (Bill Donahue, pers., comm., February 1, 1990).

The student/classroom teacher ratio in kindergarten through grade 5 is approximately 25 to 1, which the current administration feels is much too high (Bill Donahue, pers. comm., February 1, 1990). Present staffing needs include 5 additional teachers for kindergarten through grade 5 and 3 more teachers for the middle school.

The problem of class size is further aggravated by available space for students enrolled in kindergarten through grade 5. At the present time, all space is being utilized and even custodial rooms have been converted into small classrooms for Chapter I and Special Services (Bill Donahue, pers. comm., February 1, 1990). The school district is presently considering alternatives to the overcrowding situation by either re-opening Central School or expanding both McGrade and Plummer schools by adding a classroom wing to each school. At the middle school, classroom space is not a problem and the school district could absorb up to 100 more students without expansion.

Besides the needed classroom space, other necessary capital improvements include major roof repair at the elementary (kindergarten

through grade 5) schools. The middle school is presently in good condition with no major capital improvements scheduled over the next several years.

2. **Expected Impacts**

Baseline information on enrollment and fiscal conditions of Libby Elementary School District is presented in Appendix B and Appendix C of this report. Refer to Noranda's application for an operating permit submitted to DSL and USFS for a more detailed description.

a. **Expected Enrollment Impact**. The enrollment of Libby Elementary School District without Montanore is projected to decline slightly over the impact period. This decline is a function of decreasing fertility rates which resulted in a 22 percent decline in births in Lincoln County between 1980 and 1987 (see Appendix B).

Twenty-four mine-related students are expected to enroll at Libby Elementary School District during the first year of the project (Table 36). This includes 17 students in kindergarten through grade 5 and 7 students in grades 6 through 8. Thirteen additional students are projected to enroll during Year 2 of the project, bringing the cumulative mine-related elementary enrollment to 37 students. As construction nears completion (Year 3), in-migration should continue as the work force is expanded. During the peak migration of the third year, Noranda expects that a total of 60 mine-related students (41 in kindergarten through grade 5 and 19 in grades 6 through 8) would be enrolled at Libby Elementary School District due to the project.

During Year 4 of the project, Noranda expects initial out-migration to occur as the construction work force is reduced. This would

TABLE 36

BASELINE ENROLLMENT AND SCHOOL EMPLOYMENT
WITH PROJECTED IMPACTS DUE TO MONTANORE -
LIBBY ELEMENTARY SCHOOL DISTRICT #4

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Baseline (Without Montanore)						
Projected Enrollment	1,501	1,478	1,450	1,442	1,438	1,436
School Employment (FTE)						
Administrative/Clerical	9.50	9.50	9.50	9.50	9.50	9.50
Teachers	64.85	64.85	64.85	64.85	64.85	64.85
Teacher's Aides	20.60	20.60	20.60	20.60	20.60	20.60
Special Education	12.50	12.50	12.50	12.50	12.50	12.50
Custodial	10.00	10.00	10.00	10.00	10.00	10.00
Total Employment	117.45	117.45	117.45	117.45	117.45	117.45
Enrollment per School Employee	13	13	12	12	12	12
Projected Peak Enrollment Impacts						
Net K-8 Migration	24	13	23	-9	-1	0
K-5	17	9	15	-6	0	0
6-8	7	4	8	-3	-1	0
Cumulative K-8 Migration	24	37	60	51	50	50
K-5	17	26	41	35	35	35
6-8	7	11	19	16	15	15
Percent Enrollment Impact	1.6%	2.5%	4.1%	3.5%	3.5%	3.5%

Sources: 1) Noranda Minerals Corp, Libby, Montana, June 1990.
2) Bill Donahue, pers. comm., February 1, 1990.

Note: Year 1 was assumed to be school year 1992-93. See Appendix B for details on enrollment projections.

leave a cumulative enrollment impact of 50 students within the Libby Elementary School District during Years 5 and 6, representing an approximate 3.5 percent impact on the total elementary enrollment.

b. Impact Needs. Because of the present crowded classroom conditions in kindergarten through grade 5, it is anticipated that these grades would need, not only additional support and personnel costs, but also additional classroom space (Table 37). In April 1989, Libby Elementary School District funded a feasibility study to investigate alleviating the crowded condition by either re-opening Central School or adding classroom space to Plummer and McGrade schools. At the present time, Libby Elementary School District #4 has not initiated action on either of the 2 options.

Noranda has projected a cumulative impact enrollment in kindergarten through grade 5 of 41 in-migrating students during peak construction and 35 in-migrating students during full operation of the mine. Therefore, it is assumed that 2 additional classrooms would be needed to accommodate the in-migrating mine-related students. The estimated cost of adding 2 modular classrooms is assumed to be $87,000, including delivery, site preparation, and furnishings (Tim Hudson, pers. comm., June 7, 1990). Also, it is estimated that it would cost approximately $10,000 per year for operation and maintenance of the classrooms.

At the present time, the school district would prefer to construct additional classrooms rather than add modular classrooms. Should the school district initiate a construction project to expand classroom space, then the projected funds for purchase and operation of

TABLE 37

SUMMARY OF PROJECTED IMPACT NEEDS
DUE TO MONTANORE -
LIBBY ELEMENTARY SCHOOL DISTRICT #4

Category	Projected Capital Costs	Projected Personnel Costs	Projected Support Costs
General Fund	Year 1: 2 Relocatable Classrooms	Year 1: 1.5 FTE Teachers. Year 2: 2.0 FTE Teachers. Year 3 and on: 3.0 FTE Teachers.	Yes
Transportation	None	None	Yes
Retirement	None	None	Yes
Debt Service	None	None	Yes
Other	None	None	Yes

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

the modular classrooms could be utilized to offset the cost of construction of additional classrooms.

Support costs presented in Table 38 were estimated by multiplying the per ANB support costs developed in Chapter III (see Table 20) by the cumulative mine-related enrollment increase (see Table 36). During the first year of the project, the 24 mine-related students are expected to increase support costs to the school by $4,099 (Table 38). In addition, it is expected that the school district would need to hire 1.5 full-time teachers, bringing total personnel costs for Year 1 of the project to $42,000 (Table 38).

The expected capital costs during Year 1 of the project would total $97,000 for the additional classroom space including operation and maintenance. Noranda would commit to funding further classroom space should the estimates of in-migration presented in this impact plan be exceeded (see Chapter V - Impact Mitigation Plan).

During the second year of the project, Noranda expects an additional 13 mine-related students to enroll at Libby Elementary School District, bringing the cumulative enrollment to 37 students. Assuming the students are evenly distributed throughout kindergarten through grade 8, Libby Elementary School District would need to retain the 1.5 full-time teachers hired during Year 1 plus an additional half-time teacher should be hired. In addition to the anticipated personnel costs of $56,000 and operating and maintenance costs of $10,000, support costs for the 37 mine-related students would be $6,320, bringing total impact costs during the second year to $72,320.

TABLE 38

PROJECTED IMPACT COSTS DUE TO MONTANORE -
LIBBY ELEMENTARY SCHOOL DISTRICT #4
(1989 Dollars)

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Personnel Costs						
Number of Personnel (FTE):						
Teachers	1.5	2.0	3.0	3.0	3.0	3.0
Total FTE	1.5	2.0	3.0	3.0	3.0	3.0
Salaries:						
Teachers	$ 42,000	$56,000	$ 84,000	$ 84,000	$ 84,000	$ 84,000
Total Salaries	$ 42,000	$56,000	$ 84,000	$ 84,000	$ 84,000	$ 84,000
Capital Costs						
Modular Classrooms (2)	$ 87,000	$ 0	$ 0	$ 0	$ 0	$ 0
Operation and Maintenance	10,000	10,000	10,000	10,000	10,000	10,000
Total Capital Costs	$ 97,000	$10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Support Costs						
General Fund	$ 3,813	$ 5,879	$ 9,533	$ 8,103	$ 7,945	$ 7,945
Other Funds	286	441	716	608	597	597
Total Support Costs	$ 4,099	$ 6,320	$ 10,249	$ 8,711	$ 8,542	$ 8,542
Total Projected Impact Costs	$143,099	$72,320	$104,249	$102,711	$102,542	$102,542

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

During the final year of construction (third year of the project), an additional 23 students are expected to enroll at Libby Elementary School, bringing peak impact enrollment to 60 students. Personnel costs for these 60 students is expected to total $84,000 (3 full-time teachers), while support costs should equal $10,249. Operation and maintenance costs of the modular classrooms are expected to total $10,000.

After construction of the mine complex is completed, Libby Elementary School District should experience an out-migration of 9 students. Total fiscal impact costs to Libby Elementary School District during the fourth year of the project (i.e., first year of operations) are projected to be $102,711 (Table 38). There should be little further migration after Year 4, thus impact costs should remain at approximately $102,542.

c. **Impact Revenues**. Expected impact revenues to Libby Elementary School District would be in the form of increased taxable valuation (Noranda, individual, and commercial property) and expected per ANB revenues from intergovernmental transfers and the school foundation program. Noranda expects that no tax base sharing would be necessary between Libby Elementary School District and other elementary school districts in the county.

School foundation program revenues presented in Table 39 were estimated by multiplying per ANB foundation revenues developed in Chapter III (see Table 19) by cumulative mine-related enrollment (see Table 36). School foundation program revenues resulting from increased school

TABLE 39

PROJECTED IMPACT REVENUES
DUE TO MONTANORE -
LIBBY ELEMENTARY SCHOOL DISTRICT #4
(1989 Dollars)

Category	Construction Year 1	Construction Year 2	Construction Year 3	Operations Year 4	Operations Year 5	Operations Year 6
Property Taxable Valuations ($000) - End of Year						
Noranda	$ 180	$ 1,080	$ 1,800	$ 5,337	$ 5,530	$ 5,530
Individual	22	30	37	31	31	31
Commercial	10	13	16	13	13	13
Total Taxable Valuation	$ 212	$ 1,123	$ 1,853	$ 5,381	$ 5,574	$ 5,574
General Fund Revenues						
Property Taxes						
Noranda	$ 0	$ 1,897	$ 13,280	$ 30,355	$ 75,223	$114,538
Individual	0	232	548	706	717	653
Commercial	0	105	242	306	306	274
Foundation Program	0	54,720	84,360	136,800	116,280	114,000
Per ANB-Revenues	1,738	2,680	4,346	3,694	3,622	3,622
Total General Fund	$1,738	$59,634	$102,776	$171,861	$196,148	$233,087
Other Funds Revenues						
Property Taxes						
Noranda	$ 0	$ 1,037	$ 6,226	$ 10,377	$ 30,768	$ 31,880
Individual	0	127	173	213	179	179
Commercial	0	58	75	92	75	75
Total Other Funds	$ 0	$ 1,222	$ 6,474	$ 10,682	$ 31,022	$ 32,134
Total Funds						
Property Taxes						
Noranda	$ 0	$ 2,934	$ 19,506	$ 40,732	$105,991	$146,418
Individual	0	359	721	919	896	832
Commercial	0	163	317	398	381	349
Foundation Program	0	54,720	84,360	136,800	116,280	114,000
Per ANB-Revenues	1,738	2,680	4,346	3,694	3,622	3,622
Total All Funds	$1,738	$60,856	$109,250	$182,543	$227,170	$265,221

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

enrollment are not received by the school district until the following year. This 1-year lag in revenues is reflected in Table 39.

Per ANB revenues in Table 39 were calculated by multiplying other revenues per ANB developed in Chapter III (see Table 19) by cumulative mine-related enrollment (see Table 36). Total projected impact revenues in Table 39 reflect the total of revenues from general and other fund property taxes, school foundation program, and per ANB revenues.

During the first year of the project, Noranda expects approximately $1,738 in impact revenues to Libby Elementary School District due to Montanore, primarily from per ANB revenues (Table 39). Total impact revenues for Libby Elementary School District would be approximately $60,856 in Year 2 of the project, with most of the revenues originating from the school foundation program.

During the third year of the project, impact revenues should total $109,250. Approximately $19,506 of this amount would come from taxable valuation on Noranda property, whereas $84,360 would come from the school foundation program (Table 39). Revenues during the fourth year (i.e., first year of operations) should total slightly over $182,500 when valuation from the completed project is listed on the tax rolls. During the fifth and sixth years, impact revenues should continue to increase, and by the sixth year, total revenues should equal $265,221.

d. Net Impacts. Table 40 presents the net fiscal impact (i.e., the difference between the projected revenues and costs) for Libby Elementary School District due to Montanore. Noranda expects net deficit cash flow through the first 2 years of the impact period. Cash flow is projected to turn positive by the third year, and by Year 6, Libby

TABLE 40

PROJECTED NET FISCAL IMPACT NEEDS
DUE TO MONTANORE -
LIBBY ELEMENTARY SCHOOL DISTRICT #4
(1989 Dollars)

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Projected Revenues	$ 1,738	$60,856	$109,250	$182,543	$227,170	$265,221
Projected Costs	143,099	72,320	104,249	102,711	102,542	102,542
Projected Cash Flow	($141,361)	($11,464)	$ 5,001	$ 79,832	$124,628	$162,679

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

Elementary School District should experience a positive cash flow of approximately $162,679 per year due to the operation of the Montanore Project.

E. High School District #4 (Libby)

1. Description of Existing Conditions

The Libby Senior High School serves grades 9 through 12. In the 1989-90 school year, FTEs at the High School District included 33 classroom teachers, 3 special education teachers, 4 teacher's aides, 5 administrative/clerical, and 5 custodial staff (Bill Donahue, pers. comm., February 1, 1990). The administration presently feels that there is an inadequate number of staff to provide students with the quality of education expected by the local community (Bill Donahue, pers. comm., February 1, 1990). Current staffing needs include teachers for English, science, and vocational education.

The current maximum recommended student/teacher ratio for the State of Montana is 30 students per teacher for grades 9 through 12. Based on the 1989-90 school enrollment of 620 students (Bill Donahue, pers., comm., February 1, 1990), there were 18.8 students per classroom teacher.

According to Bill Donahue, Superintendent of Libby Schools, the high school has sufficient classroom space to accommodate an additional 75 to 100 students. However, the high school district does not have a hot lunch program due to insufficient facilities and space for seating students.

2. **Expected Impacts**

Baseline information on fiscal conditions of Libby High School District #4 is presented in Appendix C of this report. Refer to Noranda's application for an operating permit submitted to DSL and USFS for a more detailed description.

a. **Expected Enrollment Impact**. Nine mine-related students are expected to enroll at Libby High School during the first year of construction of Montanore (Table 41). Six additional mine-related students are expected to enroll at the high school during Year 2 of the project, bringing total impact enrollment at Libby High School to 15 students. By the end of Year 3, it is anticipated that 25 mine-related students would be enrolled at Libby High School due to Montanore.

During the first year of operations of Montanore (Year 4), Noranda expects some initial out-migration due to the completion of construction, leaving the cumulative mine-related enrollment at 20 students. The cumulative enrollment of 20 students would represent an approximate 3.2 percent impact on the total high school enrollment (Table 41).

b. **Impact Needs**. No capital costs are projected during the impact period due to Montanore; however, additional support and personnel costs due to the increase in mine-related enrollment are anticipated (Table 42). Support costs were estimated by multiplying the per ANB support costs developed in Chapter III (see Table 20) by the cumulative mine-related enrollment increase (see Table 41).

During the first year of construction of Montanore, Noranda expects 9 mine-related students to enroll at Libby High School. No new

TABLE 41

BASELINE ENROLLMENT AND SCHOOL EMPLOYMENT
WITH PROJECTED IMPACTS DUE TO MONTANORE -
LIBBY HIGH SCHOOL DISTRICT #4

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Baseline (Without Montanore)						
Projected Enrollment	659	661	669	650	633	620
School Employment (FTE)						
Administrative/Clerical	5.00	5.00	5.00	5.00	5.00	5.00
Teachers	33.00	33.00	33.00	33.00	33.00	33.00
Teacher's Aides	4.00	4.00	4.00	4.00	4.00	4.00
Special Education	3.00	3.00	3.00	3.00	3.00	3.00
Custodial	5.00	5.00	5.00	5.00	5.00	5.00
Total Employment	50.00	50.00	50.00	50.00	50.00	50.00
Enrollment per School Employee	13	13	13	13	13	12
Projected Peak Enrollment Impacts						
Net 9-12 Migration	9	6	10	-5	0	0
Cumulative 9-12 Migration	9	15	25	20	20	20
Percent Enrollment Impact	1.4%	2.3%	3.7%	3.1%	3.2%	3.2%

Sources: 1) Noranda Minerals Corp, Libby, Montana, June 1990.
2) Bill Donahue, pers. comm., February 1, 1990.

Note: Year 1 was assumed to be school year 1992-93. See Appendix B for details on enrollment projections.

TABLE 42

SUMMARY OF PROJECTED IMPACT NEEDS
DUE TO MONTANORE -
LIBBY HIGH SCHOOL DISTRICT #4

Category	Projected Capital Costs	Projected Personnel Costs	Projected Support Costs
General Fund	None	Year 1: 0.5 FTE Teacher. Year 2: 1.0 FTE Teacher. Year 3 and on: 1.5 FTE Teachers	Yes
Transportation	None	None	Yes
Retirement	None	None	Yes
Debt Service	None	None	Yes
Other	None	None	Yes

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

personnel costs are anticipated for the 9 students; however, support costs are expected to total $2,286 during Year 1 (Table 43).

During the second year of the project, the 15 mine-related students enrolled at Libby High School are expected to warrant the hiring of 1 additional staff person at a cost of $28,000 per year. Support costs for the 15 mine-related students would amount to $3,810 during Year 2 of the impact period, bringing total impact costs to $31,810 (Table 43).

During the third year of the project, Noranda expects an additional 10 new mine-related students to enroll at Libby High School, bringing total mine-related enrollment to 25 students. If the students are distributed equally among grades, there should be an additional 0.5 FTE teacher required in addition to the full-time teacher hired in the previous year. Impact costs during the third year are expected to total $48,351, including $42,000 in personnel costs and $6,351 in support costs.

During the fourth year of the project, Libby High School District should experience an out-migration of 5 students due to the completion of the construction phase of Montanore. This out-migration would leave a cumulative mine-related enrollment at the end of the fourth year of approximately 20 students. Total fiscal costs to Libby High School District during the first year of operations (Year 4) is expected to be approximately $47,081. Following the fourth year, no further migration is anticipated, thus impact costs should remain at the same level as Year 4.

TABLE 43

PROJECTED IMPACT COSTS
DUE TO MONTANORE -
LIBBY HIGH SCHOOL DISTRICT #4
(1989 Dollars)

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Personnel Costs						
Number of Personnel (FTE):						
Teachers	0.5	1.0	1.5	1.5	1.5	1.5
Total FTE	0.5	1.0	1.5	1.5	1.5	1.5
Salaries:						
Teachers	$14,000	$28,000	$42,000	$42,000	$42,000	$42,000
Total Salaries	$14,000	$28,000	$42,000	$42,000	$42,000	$42,000
Capital Costs						
None	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Support Costs						
General Fund	$ 2,209	$ 3,682	$ 6,137	$ 4,910	$ 4,910	$ 4,910
Other Funds	77	128	214	171	171	171
Total Support Costs	$ 2,286	$ 3,810	$ 6,351	$ 5,081	$ 5,081	$ 5,081
Total Projected Impact Costs	$16,286	$31,810	$48,351	$47,081	$47,081	$47,081

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

c. Impact Revenues. Expected impact revenues to Libby High School District would be in the form of increased taxable valuation (Noranda, individual, and commercial property) and expected per ANB revenues from intergovernmental transfers and the school foundation program. Noranda expects that no tax base sharing would be necessary between Libby High School District and other high school districts in Lincoln County.

School foundation program revenues presented in Table 44 were estimated by multiplying per ANB foundation revenues developed in Chapter III (see Table 19) by cumulative mine-related enrollment (see Table 41). Foundation program revenues resulting from increased school enrollment are not received by the school district until the following year. This 1-year lag in revenues is reflected in Table 44.

Per ANB revenues in Table 44 were calculated by multiplying other revenues per ANB developed in Chapter III (see Table 19) by cumulative mine-related enrollment (see Table 41). Total projected impact revenues in Table 44 reflect the total of revenues from general and other fund property taxes, school foundation program, and per ANB revenues.

During the first year of the project, Noranda expects approximately $1,174 in impact revenues to Libby High School District due to Montanore, primarily from per ANB revenues (Table 44). Total impact revenues for Libby High School would be approximately $28,662 during the second year, with the majority of these revenues coming from the school foundation program.

During the third year of the project, impact revenues should total $59,000. Approximately $15,299 of this total would come from

TABLE 44

PROJECTED IMPACT REVENUES
DUE TO MONTANORE -
LIBBY HIGH SCHOOL DISTRICT #4
(1989 Dollars)

Category	Construction Year 1	Construction Year 2	Construction Year 3	Operations Year 4	Operations Year 5	Operations Year 6
Property Taxable Valuations ($000) - End of Year						
Noranda	$ 180	$ 1,080	$ 1,800	$ 5,337	$ 5,530	$ 5,530
Individual	22	30	37	31	31	31
Commercial	10	13	16	13	13	13
Total Taxable Valuation	$ 212	$ 1,123	$ 1,853	$ 5,381	$ 5,574	$ 5,574
General Fund Revenues						
Property Taxes						
Noranda	$ 0	$ 698	$ 4,888	$11,174	$ 27,691	$ 42,163
Individual	0	85	202	260	264	241
Commercial	0	39	89	113	113	101
Foundation Program	0	23,841	39,735	66,225	52,980	52,980
Per ANB-Revenues	1,174	1,956	3,261	2,608	2,608	2,608
Total General Fund	$1,174	$26,619	$48,175	$80,380	$ 83,656	$ 98,093
Other Funds Revenues						
Property Taxes						
Noranda	$ 0	$ 1,735	$10,411	$17,352	$ 51,449	$ 53,309
Individual	0	212	289	357	299	299
Commercial	0	96	125	154	125	125
Total Other Funds	$ 0	$ 2,043	$10,825	$17,863	$ 51,873	$ 53,733
Total Funds						
Property Taxes						
Noranda	$ 0	$ 2,433	$15,299	$28,526	$ 79,140	$ 95,472
Individual	0	297	491	617	563	540
Commercial	0	135	214	267	238	226
Foundation Program	0	23,841	39,735	66,225	52,980	52,980
Per ANB Revenues	1,174	1,956	3,261	2,608	2,608	2,608
Total Revenues	$1,174	$28,662	$59,000	$98,243	$135,529	$151,826

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

taxable valuation on Noranda property and $39,735 would come from the school foundation program. Revenues during the fourth year should total approximately $98,243 when the valuation from the completed project is listed on the tax rolls. During the fifth year, impact revenues should exceed $135,000 and, by the sixth year of the project, Noranda expects Libby High School District would receive about $151,826 per year in new mine-related revenues.

d. Net Impacts. Table 45 presents net fiscal impact (i.e., the difference between the expected revenues and costs) for Libby High School District due to Montanore. As indicated in Table 45, deficit cash flows of $15,112 and $3,148 for the first 2 years of the project, respectively, are expected. By the third year, cash flow is expected to turn positive and by the sixth year of the project, Libby High School District should experience a positive cash flow of approximately $104,745 per year (Table 45).

F. Elementary School District #1 (Troy)

1. Description of Existing Conditions

In Troy Elementary School District #1, W.F. Morrison School serves kindergarten through grade 8. In school year 1989-90, FTEs employed by the Elementary School District included 24.5 classroom teachers, 3 special education teachers, 2.94 teacher's aides, 3.25 administrative/clerical personnel, 2.5 custodians, and 1.13 cooks (Mary Brown, pers. comm., September 28, 1989). To provide the quality of education that is expected by the community, Superintendent Resig

TABLE 45

PROJECTED NET FISCAL IMPACT NEEDS
DUE TO MONTANORE -
LIBBY HIGH SCHOOL DISTRICT #4
(1989 Dollars)

	Construction			Operations		
Category	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Projected Revenues	$ 1,174	$28,662	$59,000	$98,243	$135,529	$151,826
Projected Costs	16,286	31,810	48,351	47,081	47,081	47,081
Projected Cash Flow	($15,112)	($ 3,148)	$10,649	$51,162	$ 88,448	$104,745

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

believes a school psychologist and an elementary guidance counselor should be hired at W.F. Morrison School (Noranda Minerals Corp 1989).

The maximum recommended Montana student/teacher ratio for single classrooms is 24 students/teacher for kindergarten, 26 students/teacher for grades 1 and 2, 28 students/teacher for grades 3 and 4, and 30 students/teacher for grades 5 through 8. The average number of students/teacher for kindergarten through 8 is 28. Based on the 1989-90 school enrollment of 477 (Mary Brown, pers. comm., September 28, 1989), there were 19.5 students per classroom teacher at W.F. Morrison School.

2. Expected Impacts

Baseline information on fiscal conditions of Troy Elementary School District is presented in Appendix C of this report. Refer to Noranda's application for an operating permit submitted to DSL and USFS for a more detailed description.

a. Expected Enrollment Impact. Four mine-related students are expected to enroll at Troy Elementary School District during the first 2 years of construction (Table 46). During the third year of the project, Noranda expects an additional 3 students to enroll at Troy Elementary School District due to Montanore. By the beginning of operations (Year 4), the number of mine-related students would be 7 and remain at this level throughout the life of the project. The 7 mine-related students enrolled during operations would represent a 1.8 percent impact on total elementary enrollment.

b. Impact Needs. No capital or personnel costs are expected for Troy Elementary School District during the impact period. However,

TABLE 46

BASELINE ENROLLMENT AND SCHOOL EMPLOYMENT
WITH PROJECTED IMPACTS DUE TO MONTANORE -
TROY ELEMENTARY SCHOOL DISTRICT #1

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Baseline (Without Montanore)						
Projected Enrollment	456	451	435	415	390	388
School Employment (FTE)						
Administrative/Clerical	3.25	3.25	3.25	3.25	3.25	3.25
Teachers	24.50	24.50	24.50	24.50	24.50	24.50
Teacher's Aides	2.94	2.94	2.94	2.94	2.94	2.94
Special Education	3.00	3.00	3.00	3.00	3.00	3.00
Custodial	2.50	2.50	2.50	2.50	2.50	2.50
Other (Cooks)	1.13	1.13	1.13	1.13	1.13	1.13
Total Employment	37.32	37.32	37.32	37.32	37.32	37.32
Enrollment per School Employee	12	12	12	11	10	10
Projected Enrollment Impacts						
Net K-8 Migration	3	1	3	0	0	0
Cumulative K-8 Migration	3	4	7	7	7	7
Percent Enrollment Impact	0.7%	0.9%	1.6%	1.7%	1.8%	1.8%

Sources: 1) Noranda Minerals Corp, Libby, Montana, June 1990.
2) Mary Brown, pers. comm., September 28, 1989.

Note: Year 1 was assumed to be school year 1992-93. See Appendix B for details enrollment projections.

additional support costs due to the increase in mine-related school enrollment are anticipated (Table 47).

Support costs presented in Table 48 were calculated by multiplying the per ANB support costs developed in Chapter III (see Table 20) by the cumulative mine-related enrollment increase (see Table 46). During the first year of construction, support costs for the 3 mine-related students should be $691 (Table 48). No additional personnel or capital costs are anticipated during Year 1 of construction. One additional student is expected to in-migrate during the second year of the project, necessitating support costs of $922.

Three additional mine-related students are expected to enroll at Troy Elementary School District during Year 3 of construction, bringing the cumulative enrollment to 7. Support costs for the 7 mine-related students would total $1,612; however, no expenditures for capital projects or personnel are anticipated. After Year 3 of the project, no additional in-migration is expected; therefore, impact costs are projected to remain at the Year 3 level of $1,612.

c. Impact Revenues. Expected impact revenues to Troy Elementary School District would be in the form of increased taxable valuation (individual and commercial property) and expected per ANB revenues from intergovernmental transfers and the school foundation program. School foundation program revenues presented in Table 49 were estimated by multiplying per ANB foundation revenues developed in Chapter III (see Table 19) by cumulative mine-related enrollment (see Table 46). School foundation program revenues resulting from increased school enrollment

TABLE 47

SUMMARY OF PROJECTED IMPACT NEEDS DUE TO
MONTANORE - TROY ELEMENTARY SCHOOL DISTRICT #1

Category	Projected Capital Costs	Projected Personnel Costs	Projected Support Costs
General Fund	None	None	Yes
Transportation	None	None	Yes
Retirement	None	None	Yes
Debt Service	None	None	Yes
Other	None	None	Yes

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

TABLE 48

PROJECTED IMPACT COSTS DUE TO MONTANORE -
TROY ELEMENTARY DISTRICT #1
(1989 Dollars)

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Personnel Costs						
Number of Personnel (FTE):						
Teachers	0.0	0.0	0.0	0.0	0.0	0.0
Salaries:						
Teachers	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Capital Costs						
None	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Support Costs						
General Fund	$ 417	$ 556	$ 972	$ 972	$ 972	$ 972
Other Funds	274	366	640	640	640	640
Total Support Costs	$ 691	$ 922	$1,612	$1,612	$1,612	$1,612
Total Projected Impact Costs	$ 691	$ 922	$1,612	$1,612	$1,612	$1,612

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

TABLE 49

PROJECTED IMPACT REVENUES DUE TO MONTANORE -
TROY ELEMENTARY SCHOOL DISTRICT #1
(1989 Dollars)

Category	Construction Year 1	Construction Year 2	Construction Year 3	Operations Year 4	Operations Year 5	Operations Year 6
Noranda Base Taxable Valuation ($000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Property Taxable Valuations ($000) - End of Year						
Noranda	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Individual	2	3	4	4	4	4
Commercial	1	1	2	2	2	2
Total Taxable Valuation	$ 3	$ 4	$ 6	$ 6	$ 6	$ 6
General Fund Revenues						
Property Taxes						
Noranda	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Individual	0	0	0	0	0	0
Commercial	0	0	0	0	0	0
Foundation Program	0	7,083	9,444	16,527	16,527	16,527
Per ANB-Revenues	155	207	363	363	363	363
Total General Revenues	$ 155	$7,290	$9,807	$16,890	$16,890	$16,890
Other Funds Revenues						
Property Taxes						
Noranda	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Individual	0	16	24	32	32	32
Commercial	0	8	8	16	16	16
Total Other Revenues	$ 0	$ 24	$ 32	$ 48	$ 48	$ 48
Total Funds						
Property Taxes						
Noranda	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Individual	0	16	24	32	32	32
Commercial	0	8	8	16	16	16
Foundation Program	0	7,083	9,444	16,527	16,527	16,527
Per ANB Revenues	155	207	363	363	363	363
Total Revenues	$ 155	$7,314	$9,839	$16,938	$16,938	$16,938

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

are not received by the school district until the following year. This 1-year lag in revenues is reflected in Table 49.

Per ANB revenues in Table 49 were calculated by multiplying other revenues per ANB developed in Chapter III (see Table 19) by cumulative mine-related enrollment (see Table 46). Total projected impact revenues in Table 49 reflect the total of revenues from general and other fund property taxes, school foundation program, and per ANB revenues.

During the first year of the project, Noranda expects approximately $155 in impact revenues to Troy Elementary School District, primarily in the form of per ANB revenues. Total impact revenues received by Troy Elementary School District during the second year of the project would amount to approximately $7,314, with the majority of this revenue coming from the school foundation program.

During the final year of construction (Year 3), impact revenues should total $9,839. Approximately $9,444, or 96 percent of the revenues, would come from the school foundation program (Table 49). By the fourth year, impact revenues for Troy Elementary School District should total $16,938 and remain at approximately this level through Years 5 and 6.

d. Net Impacts. Table 50 presents the net fiscal impact (i.e., the difference between projected revenues and costs) for Troy Elementary School District due to Montanore. Noranda expects a net deficit cash flow ($536) during the first year of the impact period, but, by the second year, cash flow is projected to turn positive. By the fourth year of the project, Troy Elementary School District should experience a positive cash flow of approximately $15,326 per year (Table 50). No

TABLE 50

PROJECTED NET FISCAL IMPACT NEEDS DUE TO
MONTANORE - TROY ELEMENTARY SCHOOL DISTRICT #1
(1989 Dollars)

	Construction			Operations		
Category	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Projected Revenues	$ 155	$7,314	$9,839	$16,938	$16,938	$16,938
Projected Costs	691	922	1,612	1,612	1,612	1,612
Projected Cash Flow	($ 536)	$6,392	$8,227	$15,326	$15,326	$15,326

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

further migration is anticipated past Year 4; therefore, cash flow should remain at the Year 4 level.

G. High School District #1 (Troy)

1. Description of Existing Conditions

Troy High School District #1 serves students in Troy as well as those students graduating from McCormick, Sylvanite, and Yaak elementary school districts. FTE staff employed by Troy High School District for school year 1989-90 included 17 classroom teachers, 1 special education teacher, 1.44 teacher's aides, 3.25 administrative/clerical staff, 2.5 custodians, and 1.13 cooks (Mary Brown, pers. comm., September 28, 1989). This is an adequate number of staff to provide students with the quality of education that is expected by the local community (Noranda Minerals Corp 1989).

The State of Montana recommends that there be no more than 30 students per teacher in grades 9 through 12. Based on the 1989-90 enrollment (220 students) at Troy High School (Mary Brown, pers. comm., September 28, 1989), there were 12.9 students per classroom teacher.

2. Expected Impacts

Baseline information on fiscal conditions of Troy High School District #1 is presented in Appendix C of this report. Refer to Noranda's application for an operating permit submitted to DSL and USFS for a more detailed description.

a. Expected Enrollment Impact. One mine-related student is expected to enroll at Troy High School District during the first year of construction (Table 51). Enrollment is projected to increase by 1 more

TABLE 51

BASELINE ENROLLMENT AND SCHOOL EMPLOYMENT
WITH PROJECTED IMPACTS DUE TO MONTANORE -
TROY HIGH SCHOOL DISTRICT #1

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Baseline (Without Montanore)						
Projected Enrollment	229	236	238	243	253	255
School Employment (FTE)						
Administrative/Clerical	3.25	3.25	3.25	3.25	3.25	3.25
Teachers	17.00	17.00	17.00	17.00	17.00	17.00
Teacher's Aides	1.44	1.44	1.44	1.44	1.44	1.44
Special Education	1.00	1.00	1.00	1.00	1.00	1.00
Custodial	2.50	2.50	2.50	2.50	2.50	2.50
Other (Cooks)	1.13	1.13	1.13	1.13	1.13	1.13
Total Employment	26.32	26.32	26.32	26.32	26.32	26.32
Enrollment per School Employee	9	9	9	9	10	10
Projected Enrollment Impacts						
Net 9-12 Migration	1	1	1	0	0	0
Cumulative 9-12 Migration	1	2	3	3	3	3
Percent Enrollment Impact	0.4%	0.8%	1.3%	1.2%	1.2%	1.2%

Sources: 1) Noranda Minerals Corp, Libby, Montana, June 1990.
2) Mary Brown, pers. comm., September 28, 1989.

Note: Year 1 was assumed to be school year 1992-93. See Appendix B for details on enrollment projections.

student due to Montanore during Year 2 and Year 3 of construction, bringing the cumulative mine-related enrollment to 3 during Year 3. No further enrollment increases due to Montanore are expected throughout the impact period, thus, the impact enrollment should remain at 3 students throughout the life of the mine.

b. **Impact Needs**. No capital or personnel costs are anticipated for Troy High School District due to Montanore; however, additional support costs are expected (Table 52). Support costs presented in Table 53 were estimated by multiplying the per ANB support costs developed in Chapter III (see Table 20) by the cumulative mine-related enrollment increase (see Table 51). During the first year of the project, 1 mine-related student is expected to enroll at Troy High School District, requiring support costs of approximately $376 (Table 53). Three mine-related students are expected to enroll at Troy High School during mine operations which would increase support costs to approximately $1,128 per year throughout the impact period.

c. **Impact Revenues**. Expected impact revenues to Troy High School District would be in the form of increased taxable valuation (individual and commercial property) and expected per ANB revenues from intergovernmental transfers and the school foundation program. School foundation program revenues in Table 54 were estimated by multiplying per ANB foundation revenues developed in Chapter III (see Table 19) by cumulative mine-related enrollment (see Table 51). School foundation program revenues resulting from increased school enrollment are not received by the school district until the following year. This 1-year lag in revenues is reflected in Table 54.

TABLE 52

SUMMARY OF PROJECTED IMPACT NEEDS
DUE TO MONTANORE -
TROY HIGH SCHOOL DISTRICT #1

Category	Projected Capital Costs	Projected Personnel Costs	Projected Support Costs
General Fund	None	None	Yes
Transportation	None	None	Yes
Retirement	None	None	Yes
Debt Service	None	None	Yes
Other	None	None	Yes

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

TABLE 53

PROJECTED IMPACT COSTS
DUE TO MONTANORE -
TROY HIGH SCHOOL DISTRICT #1
(1989 Dollars)

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Personnel Costs						
Number of Personnel (FTE):						
None	0.0	0.0	0.0	0.0	0.0	0.0
Salaries:						
None	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Capital Costs						
None	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Support Costs						
General Fund	$ 356	$ 711	$1,067	$1,067	$1,067	$1,067
Other Funds	20	41	61	61	61	61
Total Support Costs	$ 376	$ 752	$1,128	$1,128	$1,128	$1,128
Total Projected Impact Costs	$ 376	$ 752	$1,128	$1,128	$1,128	$1,128

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

TABLE 54

PROJECTED IMPACT REVENUES
DUE TO MONTANORE -
TROY HIGH SCHOOL DISTRICT #1
(1989 Dollars)

Category	Construction Year 1	Construction Year 2	Construction Year 3	Operations Year 4	Operations Year 5	Operations Year 6
Noranda Base Taxable Valuation ($000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Taxable Valuations ($000)						
Noranda	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Individual	2	3	5	4	4	4
Commercial	1	1	2	2	2	2
Total Taxable Valuation	$ 3	$ 4	$ 7	$ 6	$ 6	$ 6
General Fund Revenues						
Property Taxes						
Noranda	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Individual	0	10	24	38	43	38
Commercial	0	5	10	14	19	19
Foundation Program	0	3,087	6,174	9,261	9,261	9,261
Per ANB-Revenues	128	255	383	$ 383	$ 383	383
Total General Fund	$128	$3,357	$6,591	$9,696	$9,706	$9,701
Other Funds Revenues						
Property Taxes						
Noranda	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Individual	0	19	29	49	39	39
Commercial	0	10	10	19	19	19
Total Other Revenues	$ 0	$ 29	$ 39	$ 68	$ 58	$ 58
Total Funds						
Property Taxes						
Noranda	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Individual	0	29	53	87	82	77
Commercial	0	15	20	33	38	38
Foundation Program	0	3,087	6,174	9,261	9,261	9,261
Per ANB Revenues	128	255	383	383	383	383
Total Revenues	$128	$3,386	$6,630	$9,764	$9,764	$9,759

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

Per ANB revenues in Table 54 were calculated by multiplying other revenues per ANB developed in Chapter III (see Table 19) by cumulative mine-related enrollment (see Table 51). Total projected impact revenues in Table 54 reflect the total of revenues from general and other fund property taxes, school foundation program, and per ANB revenues.

During the first year of construction, Noranda expects approximately $128 in impact revenues to Troy High School District due to Montanore, primarily from per ANB revenues. By the third year of the project, impact revenues should total $6,630, with approximately 93 percent of total revenues from the school foundation program. Impact revenues should increase to $9,764 during Year 4 and remain at approximately that level throughout the impact period.

d. Net Impacts. Table 55 presents the net fiscal impact (i.e., the difference between the expected revenues and costs) for Troy High School District due to Montanore. Noranda expects a net deficit cash flow of $248 in the first year of the impact period, but by Year 2 cash flow would be positive. By the third year of the project, Troy High School District should experience a positive cash flow of $5,502 per year. Cash flow should increase to $8,636 during the first year of operations (Year 4) and remain at approximately that level throughout the impact period.

TABLE 55

PROJECTED NET FISCAL IMPACT NEEDS
DUE TO MONTANORE -
TROY HIGH SCHOOL DISTRICT #1
(1989 Dollars)

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Projected Revenues	$128	$3,386	$6,630	$9,764	$9,764	$9,759
Projected Costs	376	752	1,128	1,128	1,128	1,128
Projected Cash Flow	($248)	$2,634	$5,502	$8,636	$8,636	$8,631

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

V. IMPACT MITIGATION PLAN

Based on the analysis presented in Chapter IV, it was determined that the following local governmental units in the study area would be affected by the Montanore Project:

1) Lincoln County Government
2) Municipality of Libby
3) Libby Elementary School District #4
4) Libby High School District #4

The expected revenue disparity for the municipality of Libby should trigger the Tax Base Sharing Act (90-6-4, MCA). The taxable valuation of the project would be distributed as directed by the Hard-Rock Mining Impact Board's Order of September 10, 1991. During the first 3 years of the project, Lincoln County would receive 100 percent of taxable valuation related to Montanore and Libby would be eligible to tax 15 percent of the valuation. In year 4 and year 5 of the project, when the gross proceeds would first be available for taxation, Sanders County would receive 20 percent of the gross proceeds taxable valuation. Lincoln County and Libby would tax the remaining valuation at the same rates as in project years 1 through 3. Beginning in year 6 of the project and thereafter, Sanders County would receive approximately 38 percent of total project valuation and Lincoln County would receive 62 percent. Following year 3 of the project, Libby would be able to tax approximately 14 percent of the total valuation related to Montanore. No jurisdictional revenue disparities are projected for school districts in the study area, thus the Tax Base Sharing Act would not be invoked for school districts.

A. Proposed Plan of Action - Affected Local Governments

The following narrative describes, in detail, the proposed plan of action to mitigate impacts for each of the affected local governmental units. All proposed impact payments are stated in terms of 1990 dollars and would be inflated to current dollars at the commencement of construction by the June-to-June change in the Consumer Price Index (CPI) as reported by the U.S. Department of Labor.

1. Lincoln County Government

Noranda would satisfy the projected net fiscal deficit to Lincoln County (see Table 25) through property tax prepayments in accordance with 90-6-309, MCA. Table 56 describes the property tax prepayments and due dates of the tax prepayments.

The County Treasurer would establish a Hard-Rock Mining Impact Fund for Lincoln County beginning in FY 1991-92. Upon request from the Lincoln County Commissioners, and within 30 days of the established due dates, Noranda would deposit each of the tax prepayments with the County Treasurer to the credit of the Lincoln County Hard-Rock Mining Impact Fund. All expenditures using the tax prepayments listed in Table 56 would be for general fund purposes. Any unused or unencumbered funds (including accrued interest) remaining from previous tax prepayments shall be credited against future payments and the amounts of those payments would be reduced accordingly. Any unused or unencumbered funds (including accrued interest) remaining in the Hard-Rock Mining Impact Fund at the end of the impact period would be returned to Noranda Minerals Corp.

The projected fiscal impact to Lincoln County was dependent on economic, demographic, and fiscal assumptions that may or may not materialize. Deviations from these assumptions would affect not only the projected impacts, but also might cause unforeseen impacts to occur within the impact period. For this reason, a Montanore Impact Oversight Committee would be established (see Chapter V - Section C) to assist Lincoln County government in adjusting this impact plan. Noranda would cooperate fully with any reasonable request from the Montanore Impact

TABLE 56

PROPOSED PROPERTY TAX PREPAYMENTS -
LINCOLN COUNTY
(MONTANORE PROJECT)

Prepayment	Amount	Purpose	Due Date
MLC.1	$ 36,164.00	General Fund	Commencement of construction
MLC.2	83,030.00	General Fund	1 year following commencement of construction
MLC.3	48,549.00	General Fund	2 years following commencement of construction
MLC.4	9,672.00	General Fund	3 years following commencement of construction
Total	$177,415.00		

Oversight Committee to adjust this impact plan to increase the general fund tax prepayments listed in Table 56. The purpose of such adjustments would be to cover unanticipated support, personnel, or capital costs. Noranda and the Lincoln County Commissioners would jointly notify the Hard-Rock Mining Impact Board, in writing, of the specific purpose and the dollar amount of any adjustments to this impact plan. In addition, should the committee decide that an amendment to the impact plan were

necessary, Noranda would cooperate fully and assist Lincoln County with any reasonable request to petition the Hard-Rock Mining Impact Board for an amendment. The establishment of the Montanore Impact Oversight Committee would not preclude or infringe on the right of Lincoln County from seeking an amendment to this impact plan on its own accord.

Tax crediting related to the prepaid taxes listed in Table 56 would commence in Year 6 of the project. Since all tax prepayments would be expended for general fund purposes, all tax credits (including any restrictions or limitations) would be associated with mill levies related to the general fund of Lincoln County. The maximum amount of tax credit for any year would be 20 percent of the amount of the total tax credits available at the end of the impact period. All tax crediting would be subject to restrictions and limitations as outlined in 90-6-309, MCA and inherent in 90-6-307, MCA, and as discussed in Appendix 12 of the Guide to the Implementation of the Hard-Rock Mining Impact Act prepared by the Hard-Rock Mining Impact Board.

2. **Municipality of Libby**

Noranda would satisfy the projected fiscal impact to the municipality of Libby (see Table 30) through property tax prepayments in accordance with 90-6-309, MCA. Table 57 describes the property tax prepayments and due dates of the tax prepayments.

The County Treasurer would establish a Hard-Rock Mining Impact Fund for the municipality of Libby beginning in FY 1991-92. Upon request from the city council, and within 30 days of the established due dates, Noranda would deposit each of the tax prepayments with the County Treasurer. All expenditures using the tax prepayments listed in Table 57

would be for general or all-purpose fund purposes. Any unused or unencumbered funds (including accrued interest) remaining from previous tax prepayments shall be credited against future payments and the amounts of those payments would be reduced accordingly. Any unused or unencumbered funds (including accrued interest) remaining in the Hard-Rock Mining Impact Fund at the end of the impact period would be returned to Noranda Minerals Corp.

TABLE 57

PROPOSED PROPERTY TAX PREPAYMENTS -
MUNICIPALITY OF LIBBY
(MONTANORE PROJECT)

Prepayment	Amount	Purpose	Due Date
MLI.1	$ 12,089.00	General Fund	Commencement of construction
MLI.2	9,285.00	General Fund	1 year following commencement of construction
MLI.3	2,864.00	General Fund	2 years following commencement of construction
Total	$24,238.00		

The projected fiscal impact to Libby was dependent on economic, demographic, and fiscal assumptions that may or may not materialize. Deviations from these assumptions would affect not only the projected impacts, but also might cause unforeseen impacts to occur within the impact period. For this reason, a Montanore Impact Oversight Committee would be established (see Chapter V - Section C) to assist the Libby government in adjusting this impact plan. Noranda would cooperate fully with any reasonable request from the Montanore Impact Oversight Committee to adjust this impact plan to increase the general fund tax prepayments

listed in Table 57. The purpose of such adjustments would be to cover unanticipated support, personnel, or capital costs. Noranda and the Libby City Council would jointly notify the Hard-Rock Mining Impact Board, in writing, of the specific purpose and the dollar amount of any adjustments to this impact plan. In addition, should the committee decide that an amendment to the impact plan were necessary, Noranda would cooperate fully and assist the municipality of Libby with any reasonable request to petition the Hard-Rock Mining Impact Board for an amendment. The establishment of the Montanore Impact Oversight Committee would not preclude or infringe on the right of the municipality of Libby from seeking an amendment to this impact plan on their own accord.

Tax crediting related to the prepaid taxes listed in Table 57 would commence in Year 6 of the project. Since all tax prepayments would be expended for general or all-purpose fund purposes, all tax credits (including any restrictions or limitations) would be associated with mill levies related to the general or all-purpose fund of the municipality of Libby. The maximum amount of tax credit for any year would be 20 percent of the amount of the total tax credits available at the end of the impact period. All tax credits would be subject to the restrictions and limitations as outlined in 90-6-309, MCA, and inherent in 90-6-307, MCA, and as discussed in Appendix 12 of the Guide to the Implementation of the Hard-Rock Mining Impact Act prepared by the Hard-Rock Mining Impact Board.

3. <u>Libby Elementary School District #4</u>

Noranda would satisfy the projected net fiscal deficit to Libby Elementary School District #4 (see Table 40) through property tax

prepayments in accordance with 90-6-309, MCA. Table 58 describes the property tax prepayments and due dates of the tax prepayments.

The County Treasurer would establish a Hard-Rock Mining Impact Fund for Libby Elementary School District #4 beginning in FY 1991-92. Upon request from the School Trustees of Libby Elementary School District #4, and within 30 days of the established due dates, Noranda would deposit each of the tax prepayments with the County Treasurer, to the

TABLE 58

PROPOSED PROPERTY TAX PREPAYMENTS -
LIBBY ELEMENTARY SCHOOL DISTRICT #4
(MONTANORE PROJECT)

Prepayment	Amount	Purpose	Due Date
MED.1	$141,361.00	General Fund	Commencement of construction
MED.2	11,464.00	General Fund	1 year following commencement of construction
Total	$152,825.00		

credit of the Libby Elementary School District #4 Hard-Rock Mining Impact Fund. All expenditures using the tax prepayments listed in Table 58 would be for general fund purposes. Any unused or unencumbered funds (including accrued interest) remaining from previous tax prepayments shall be credited against future payments and the amounts of those payments would be reduced accordingly. Any unused or unencumbered funds (including accrued interest) remaining in the Hard-Rock Mining Impact Fund at the end of the impact period would be returned to Noranda Minerals Corp.

The proposed prepayments include funds for the purchase and operation of 2 modular classrooms. Should Libby Elementary School District undertake a construction program that would expand the number of classrooms available to kindergarten through grade 5, then the aforementioned funds would be made available to the district to reduce the cost of the construction project.

For the duration of the impact period, if the Libby Elementary School District enrolls an in-migrating mine student who is handicapped and/or developmentally disabled and who requires a special education curriculum, Noranda would agree to meet with the school district to discuss Noranda's responsibility in paying for any costs that the district may encounter that are not covered by state and federal programs. It would not be the school district's responsibility to pay for the costs of an in-migrating mine student who requires a special education curriculum.

During the impact period, Noranda would agree to increase the amounts of tax prepayments listed in Table 58, if the following conditions occur:

1) During any year of the impact period, should the number of in-migrating mine students in kindergarten through grade 8 exceed the projected enrollment, Noranda would agree to increase the general fund tax prepayments listed in Table 58 to Libby Elementary School District #4 by an annual amount equal to the school foundation program payment for each in-migrating mine student that exceeds the projected enrollment and has not been accounted for in prior payments. The number of in-migrating mine students would be based on data collected from the monitoring

program conducted by Noranda (see Chapter V - Section D). Payments would be made within 30 days and upon written request from the School Trustees of Libby Elementary School District #4. All payments provided for these services should be considered general fund purpose expenditures that would increase the tax prepayments listed in Table 58.

2) During any year of the impact period, should the number of in-migrating mine students in kindergarten through grade 5 exceed the projected enrollment by at least 20 students, then Noranda would agree to meet with the School Trustees of Libby Elementary School District to discuss adjusting this plan to increase the tax prepayments for additional classroom space to accommodate the expanded enrollment.

3) Upon request from the school trustees, Noranda would agree to meet, at least annually, to evaluate the impact plan and discuss any changes that may be required due to any abnormal situation not covered by the impact plan.

The projected fiscal impact to Libby Elementary School District #4 was dependent on economic, demographic, and fiscal assumptions that may or may not materialize. Deviations from these assumptions would affect not only the projected impacts, but also might cause unforeseen impacts to occur within the impact period. For this reason, a Montanore Impact Oversight Committee would be established (see Chapter V - Section C) to assist Libby Elementary School District #4 in adjusting this impact plan. Noranda would cooperate fully with any reasonable request from the Montanore Impact Oversight Committee to adjust this impact plan to increase the general fund tax prepayments listed in Table 58. The purpose of such adjustments would be to cover unanticipated support,

personnel, or capital costs. Noranda and Libby Elementary School District #4 would jointly notify the Hard-Rock Mining Impact Board, in writing, of the specific purpose and the dollar amount of any adjustments to this impact plan. In addition, should the committee decide that an amendment to the impact plan were necessary, Noranda would cooperate fully and assist Libby Elementary School District #4 with any reasonable request to petition the Hard-Rock Mining Impact Board for an amendment. The establishment of the Montanore Impact Oversight Committee would not preclude or infringe on the right of Libby Elementary School District #4 from seeking an amendment to this impact plan on their own accord.

Tax crediting related to the prepaid taxes listed in Table 58 would commence in Year 6 of the project. Since all tax prepayments would be expended for general fund purposes, all tax credits (including any restrictions or limitations) would be associated with mill levies related to the general fund of Libby Elementary School District #4. The maximum amount of tax credit for any year would be 20 percent of the amount of total tax credits available at the end of the impact period. All tax crediting would be subject to restrictions and limitations as outlined in 90-6-309, MCA, and inherent in 90-6-307, MCA, and as discussed in Appendix 12 of the Guide to the Implementation of the Hard-Rock Mining Impact Act prepared by the Hard-Rock Mining Impact Board.

4. <u>Libby High School District #4</u>

Noranda would satisfy the projected net fiscal deficit to Libby High School District #4 (see Table 45) through property tax prepayments in accordance with 90-6-309, MCA. Table 59 describes the property tax prepayments and due dates of the tax prepayments.

The County Treasurer would establish a Hard-Rock Mining Impact Fund for Libby High School District #4 beginning in FY 1991-92. Upon request from the School Trustees of Libby High School District #4, and within 30 days of the established due dates, Noranda would deposit the tax prepayment with the County Treasurer, to the credit of the Libby High School District #4 Hard-Rock Mining Impact Fund. All expenditures using the tax prepayments listed in Table 59 would be for general fund purposes. Any unused or unencumbered funds (including accrued interest)

TABLE 59

PROPOSED PROPERTY TAX PREPAYMENTS -
LIBBY HIGH SCHOOL DISTRICT #4
(MONTANORE PROJECT)

Prepayment	Amount	Purpose	Due Date
MHS.1	$15,112.00	General Fund	Commencement of construction
MHS.2	3,148.00	General Fund	1 year following commencement of construction
Total	$18,260.00		

remaining from previous tax prepayments shall be credited against future payments and the amounts of those payments would be reduced accordingly. Any unused or unencumbered funds (including accrued interest) remaining in the Hard-Rock Mining Impact Fund at the end of the impact period would be returned to Noranda Minerals Corp.

For the duration of the impact period, if the Libby High School District enrolls an in-migrating mine student who is handicapped and/or developmentally disabled and who requires a special education curriculum, Noranda would agree to meet with the school district to discuss Noranda's

responsibility for paying additional costs that the district may encounter that are not covered by state and federal programs. It would not be the school district's responsibility to pay for the costs of an in-migrating mine student who requires a special education curriculum.

The projected fiscal impact to Libby High School District #4 was dependent on economic, demographic, and fiscal assumptions that may or may not materialize. Deviations from these assumptions would affect not only the projected impacts, but also might cause unforeseen impacts to occur within the impact period. For this reason, a Montanore Impact Oversight Committee would be established (see Chapter V - Section C) to assist Libby High School District #4 in adjusting this impact plan. Noranda would cooperate fully with any reasonable request from the Montanore Impact Oversight Committee to adjust this impact plan to increase the general fund tax prepayments listed in Table 59. The purpose of such adjustments would be to cover unanticipated support, personnel, or capital costs. Noranda and Libby High School District #4 would jointly notify the Hard-Rock Mining Impact Board, in writing, of the specific purpose and the dollar amount of any adjustments to this impact plan. In addition, should the committee decide that an amendment to the impact plan were necessary, Noranda would cooperate fully and assist Libby High School District #4 with any reasonable request to petition the Hard-Rock Mining Impact Board for an amendment. The establishment of the Montanore Impact Oversight Committee would not preclude or infringe on the right of Libby High School District #4 from seeking an amendment to this impact plan on their own accord.

Tax crediting related to the prepaid taxes listed in Table 59 would commence in Year 6 of the project. Since all tax prepayments would be expended for general fund purposes, all tax credits (including any restrictions or limitations) would be associated with mill levies related to the general fund of Libby High School District #4. The maximum amount of tax credit for any year would be 20 percent of the amount of total tax credits available at the end of the impact period, subject to restrictions and limitations as outlined in 90-6-309, MCA, and inherent in 90-6-307, MCA, and as discussed in Appendix 12 of the Guide to the Implementation of the Hard-Rock Mining Impact Act prepared by the Hard-Rock Mining Impact Board.

B. Proposed Plan of Action - Other Concerns

1. Security

Noranda would post "no trespassing" signs on the project site, warning the public about potential hazards of mining and processing operations. A general parking area would be located outside the locked entry gate to the project site. Entry to the project site would be monitored by Noranda security personnel 24 hours a day, 7 days a week. Individuals desiring entry to mine property who are not Noranda employees would be required to check with security personnel prior to and after completion of their business.

2. Fire Protection

Noranda would comply with all state and local fire regulations and accepted and proven industry fire protection practices. Buildings would be equipped with sprinkler systems and fire extinguishers would be strategically located throughout the buildings. Mobile fire protection

would be available on site, including a firefighting vehicle and a water tanker.

3. Emergency and First Aid Care

A first aid station would be equipped and maintained on site. EMTs would be on staff during all shifts to respond to mine-related emergency situations. A non-licensed ambulance would be available on site to transport injured persons to the hospital in Libby.

4. Water Supply

Noranda has made application to the Montana Department of Natural Resources and Conservation for a water diversion to obtain potable water.

5. Wastewater Treatment

A sewage treatment facility would be constructed and maintained on site. The treated effluent would be discharged into the tailings pond.

6. Solid Waste

Inert waste such as concrete would be left in the mine, while other solid waste would be hauled off site to the county landfill. Noranda would contract with a private service provider for solid waste pickup and disposal services.

7. Dust Abatement

The main access road to the project site would be chip-sealed. A sprinkler system would be used in the tailings pond area to control dust created by mining activities.

8. Troy Elementary and High School Districts

For the duration of the impact period, if Troy Elementary or High School District #1 should enroll an in-migrating mine student who is

handicapped and/or developmentally disabled and who requires a special education curriculum, Noranda would agree to meet with the school district to discuss Noranda's responsibility for paying additional costs that the district may encounter that are not covered by state and federal programs. It would not be the school district's responsibility to pay for the costs of an in-migrating mine student who requires a special education curriculum.

C. Conditions for Plan Modification

1. Lincoln County: Montanore Impact Oversight Committee

The Lincoln County Commissioners would be responsible for establishing an informal Impact Oversight Committee comprised of 5 members representing: Lincoln County; the municipality of Libby; the Libby School District; the Troy area; and Noranda Minerals Corp. The purpose of the committee would be to facilitate adjusting or initiating a petition to amend the impact plan should unforeseen impacts occur to affected local governmental units in the study area.

Each of the aforementioned groups would appoint 1 member to represent their organization. Any of the members could request a meeting to discuss adjustments to the impact plan. A simple majority vote of the Impact Oversight Committee members would constitute a request to Noranda to assist in adjusting the plan by increasing the aforementioned tax prepayments. Noranda would agree to any reasonable request from the committee to adjust the plan through increased tax prepayments for the purposes of unanticipated support, personnel, or capital costs. In addition, should the committee decide that an amendment to the impact plan were necessary, Noranda would cooperate fully and assist the local

governmental unit involved with any reasonable request to petition the Hard-Rock Mining Impact Board for an amendment.

2. Sanders County: Plan Modifications

Because of the distance of Sanders County from the mineral development, no impacts have been projected for local governments in Sanders County throughout the life of the mine. Should any impacts occur or be projected for local governments in Sanders County as a result of the mineral development, Noranda would work with the officials of the affected local government to amend the Impact Plan to address the impacts. If Noranda and the affected local government are unable to agree on the amendment, Noranda or the affected local government may petition the Board for determination of the issue.

D. Montanore Monitoring Program

Noranda would conduct a quarterly monitoring survey of all employees during the impact period. Information gathered from the monitoring survey would determine whether the number of in-migrants or the settlement pattern of the in-migrants vary from the projections presented in this impact plan. Provisions in the impact plan are set forth to accommodate for such uncertainties so that appropriate fiscal adjustments can be made to the local governmental units.

Copies of the results of the monitoring survey would be mailed to all potentially affected local governmental units defined in Chapter I of this impact plan, Sanders County, and the Hard-Rock Mining Impact Board. In addition, notification of the need to adjust the impact plan to be more representative of current information would be mailed to the affected local governmental units.

E. Impact Plan Amendment and Modification Stipulation

Beginning after Project Year 4, any party to the Montanore Impact Plan may unilaterally petition the Hard-Rock Mining Impact Board to amend the tax base sharing provisions of the Impact Plan, when an amendment is required in order to achieve (a) an equitable distribution of mineral development property tax base and property tax revenue among affected local government units, and (b) a reasonable correspondence between the occurrence of increased costs resulting from the mineral development and the allocation of the post-permit increase in taxable valuation of the mineral development. The foregoing provisions would function in addition to the authorization for amendment provided under section 90-6-311, MCA.

INFORMATION SOURCES

INFORMATION SOURCES

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APPENDIX A

HARD-ROCK MINING IMPACT ACT

THE HARD-ROCK MINING IMPACT ACT

90-6-301. Declaration of necessity and purpose. The large-scale development of mineral deposits in the state may cause an influx of people directly related to the area of the development. This influx of people and the corresponding increase in demand for local government facilities and services may create a burden on the local taxpayer. There is a significant lag time between the time when additional facilities and services must be provided and the time when additional tax revenue is available as a result of the increased tax base. In addition, local government units in whatever jurisdiction the development is not located may receive substantial adverse economic impacts without benefit of a major increased tax base in the future. There is therefore a need to provide a system to assist local government units in meeting the initial financial impact of large-scale mineral development.

90-6-302. Definitions. In this part the following definitions apply:

(1) "Board" means the hard-rock mining impact board established in 2-15-1822.

(2) "Bonds" include bonds, notes, warrants, debentures, certificates of indebtedness, temporary bonds, temporary notes, interim receipts, interim certificates, and all instruments or obligations evidencing or representing indebtedness or evidencing or representing the borrowing of money or evidencing or representing a charge, lien, or encumbrance on specific revenues, special assessments, income, or property of a political subdivision, including all instruments or obligations payable from a special fund.

(3) "Facility" means a facility that is owned, operated, or maintained by a local government unit and that, under the impact plan submitted under the provisions of 90-6-307, can be expected to have increased capital and operating costs as a result of the large-scale mineral development.

(4) "Local government unit" means a county, city, town, school district, or any of the following independent special districts:

(a) rural fire district;
(b) public hospital district;
(c) refuse disposal district;
(d) county water and sewer district;
(e) county water district;
(f) county sewer district; or
(g) park district.

(5) "Large-scale mineral development" means the construction or operation of a hard-rock mine and the associated milling facility for which a permit is applied for under 82-4-335 on or after May 18, 1981, and for which the average number of persons on the payroll of the mineral

developer and of contractors at the mineral development exceeds or is projected to exceed 75 for any consecutive 6-month period. A mining operation that would qualify as a large-scale mineral development under this subsection is not a large-scale mineral development if the mine owner and operator are small miners as defined in 82-4-303.

90-6-303. Chairman -- meetings -- facilities -- funding. (1) The board shall elect a chairman from among its members.

(2) The board shall meet as necessary or as called by the chairman or a majority of the members.

(3) The board is allocated to the department of commerce for administrative purposes only as provided in 2-15-121.

(4) The administrative and operating expenses of the board shall be paid from revenue deposited to the credit of the hard-rock mining impact trust account from the license tax on metal mines imposed under Title 15, chapter 37.

90-6-304. Accounts established. (1) There is within the state agency fund type a hard-rock mining impact account. Money is payable into this account from payments made by a mining developer in compliance with the written guarantee from the developer to meet the increased costs of public services and facilities as specified in the impact plan provided for in 90-6-307. The state treasurer shall draw warrants from this account upon order of the board.

(2) There is within the state special revenue fund a hard-rock mining impact trust account. Within this trust account, there is established a reserve account not to exceed $100,000.

(a) Money within the hard-rock mining impact trust account may be used:

(i) for the administrative and operating expenses of the board, as provided by 90-6-303(4);

(ii) to establish and maintain the reserve account; and

(iii) for distribution to the counties of origin, as provided by 90-6-331(1) and this section.

(b) Money within the hard-rock mining impact trust reserve account may be used for the administrative and operating expenses of the board if:

(i) the revenue provided under 15-37-117(1)(b) is less than the amount appropriated for the administrative and operating expenses of the board; or

(ii) the use of the reserve account revenue is necessary to allow the board to meet its quasi-judicial responsibilities under 90-6-307, 90-6-311, or 90-6-403(3).

(c) The board shall report to the legislature any expenditure from the hard-rock mining impact trust reserve account.

(3) Money is payable into the hard-rock mining impact trust account under the provisions of 15-37-117. After first deducting the administrative and operating expenses of the board, as provided in 90-6-303, and then establishing and maintaining the reserve account in the amount of $100,000, as provided in subsection (2) of this section, the remaining money must be segregated within the account by county of origin. The state treasurer shall draw warrants from this account upon order of the board.

90-6-305. Hard-rock mining impact board -- general powers. (1) The board may:

(a) retain professional staff, including its administrative staff, and retain consultants and advisors notwithstanding the provisions of 2-15-121;

(b) adopt rules governing its proceedings, determinations, and administration of this part;

(c) award grants to local government units subject to 90-6-306;

(d) make payments to local government units from money paid to the hard-rock mining impact account as provided in 90-6-307;

(e) make determinations as provided in 90-6-307, 90-6-311, and 90-6-403(3); and

(f) accept grants and other funds to be used in carrying out this part.

(2) The provisions of the Montana Administrative Procedure Act apply to the proceedings and determinations of the board.

90-6-306. Basis for awarding grants. Grants shall be awarded to local government units on the basis of:

(1) need;

(2) severity of impact from mineral development;

(3) availability of funds; and

(4) extent of local effort in meeting its needs.

90-6-307. Impact plan to be submitted. (1) After an application for a permit for a large-scale mineral development is made under 82-4-335, the person seeking the permit shall submit to the affected counties and the board an impact plan describing the economic impact the large-scale mineral development will have on local government units and shall file proof of such submission to the counties with the board. Whenever an environmental impact statement on the permit application is prepared under 75-1-201, the lead agency shall cooperate to the fullest extent practicable with the affected local government units to eliminate duplication of effort in data collection. The governing bodies of the affected counties shall publish notice of the submission of an impact plan at least once in a newspaper of general circulation in the county. The mineral developer and the affected local government units shall ensure that the impact plan includes:

(a) a timetable for development, including the opening date of the development and the estimated closing date;

(b) the estimated number of persons coming into the impacted area as a result of the development;

(c) the increased capital and operating cost to local government units for providing services which can be expected as a result of the development;

(d) the financial or other assistance the developer will give to local government units to meet the increased need for services.

(2) In the impact plan, the developer shall commit itself to pay all of the increased capital and net operating cost to local government units that will be a result of the development, as identified in the impact plan, either from tax prepayments, as provided in 90-6-309, special industrial local government facility impact bonds, as provided in 90-6-310, or other funds obtained from the developer, and shall provide a time schedule within which it will do so. The plan may provide for funding from other revenue sources or funding mechanisms if the developer guarantees that the amount to be provided from these sources will be paid.

(3) Upon request of the governing body of an affected unit of local government, the mineral developer, prior to the end of the 90-day review period, shall provide financial or other assistance as necessary to prepare for and evaluate the impact plan. The governing body of the affected county must contract with the developer to obtain the requested financial assistance for each unit of local government within the county. Any disbursements to a unit of local government under this subsection shall be credited against future tax liabilities, if any.

(4) The governing body of the county where the fiscal impacts on local government units are forecasted in the impact plan to be most costly shall, within 90 days after receipt of the impact plan from the developer, conduct a public hearing on the impact plan.

(5) An affected local government unit that has not been identified in an impact plan submitted to the board as being likely to experience increased capital and operating costs for providing services which can be expected as a result of the development may object to the impact plan under the provisions of this section if the local government unit clearly demonstrates that it is likely to experience increased capital and operating costs from the mineral development.

(6) An affected local government unit shall, within 90 days after receipt of the impact plan from the developer, notify the board in writing if that local government unit objects to the impact plan, specifying the reasons why the impact plan is objected to. During the 90-day period, an

affected local government unit may petition for one 30-day extension by submitting a written request to the board stating the need and justification for the extension. The board shall grant the extension unless it finds there is no reasonable basis for the request. If no objection is received within the 90-day period or any extension thereof, the impact plan is approved without any review by the board. An approved plan is binding and may only be altered under the amendment provisions of 90-6-311.

(7) If objections are received from a local government unit, the board shall, within 10 days, notify the developer and forward a copy of the local government unit's objections to the developer. The local government unit and the developer have 30 days, or a longer period if both the local government unit and the developer request an extension, to resolve the objection. If the objections are not resolved, the board shall conduct a hearing on the validity of the objections, which shall be held in the affected county or, if objections are received from local government units in more than one county, shall be held in the county which, in the board's judgment, is more greatly affected. The provisions of the Montana Administrative Procedure Act shall apply to the conduct of the hearing. The impact plan filed by the developer shall carry no presumption of correctness at the hearing.

(8) Following the hearing, the board shall, within 60 days, make findings as to those portions of the impact plan which were objected to and, if appropriate, amend the impact plan accordingly. The findings and impact plan, as amended, shall be served by the board upon all parties. Any local government unit or the developer, if aggrieved by the decision of the board, is entitled to judicial review, as provided by Title 2, chapter 4, part 7, in the district court in and for the judicial district in which the hearing was held.

(9) The developer shall, within 30 days of receipt of the approved impact plan, provide the board with a written guarantee that the developer will meet the increased costs of public services and facilities as specified in the approved impact plan and according to the time schedule contained in the approved impact plan.

(10) The developer may make payments as specified in the approved impact plan directly to a local government unit or to the board. The governing body of a local government unit receiving payments shall deposit the payments into an impact fund. The developer and the affected governing body shall each issue to the board written verification of each payment and its intended use in compliance with the impact plan. The board shall deposit payments received from a developer into the hard-rock mining impact account established by 90-6-304.

(11) The board shall notify the department of state lands of its receipt of the written guarantee of payment and of any failure of the developer to comply with this section.

(12) Upon receipt of evidence that an affected local government unit identified in the approved impact plan is providing or is preparing to provide an additional service or facility provided for in the approved impact plan, the board shall, if the hard-rock mining impact account is used to deliver payments to the local government unit, pay to that local government unit, in one sum or in parts, the money from the hard-rock mining impact account identified in the plan as the increased cost to the local government unit of providing that public service or facility.

(13) If it is determined that an objection filed by an affected local government unit under subsections (5) and (6) or 90-6-311(3) is valid and it results in some remedial order by the board or court of competent jurisdiction, the local government unit shall be awarded and the developer shall pay reasonable costs and attorney fees associated with any administrative or judicial appeals filed under this section. Any attorney fees and costs awarded shall be in addition to any amounts paid by the developer under this part.

(14) Upon a determination by the department of state lands that a permittee under 82-4-335 has become or will become a large-scale mineral developer, the permittee may petition the board for a waiver of the impact plan requirement. The board may grant a waiver or conditional waiver of this requirement only if it has provided notice and opportunity for hearing to the permittee and to all affected local government units. The board shall adopt criteria under which a waiver may be granted. A waiver issued by the board may be revoked as provided in the conditional waiver or if the permittee and contractors at the mineral development increase their payrolls from the date of the waiver by 75 or more persons, provided the revocation is requested by an affected local government unit and notice and opportunity for hearing are given to the permittee and all affected local government units. The board shall notify the board of land commissioners of any waiver that has been revoked.

(15) When a person who holds an operating permit under 82-4-335 and who has filed an impact plan fails to comply with the review and implementation requirements in this part and part 4 of this chapter, the board shall certify to the board of land commissioners that the failure to comply has occurred and shall certify when a permittee who has previously failed to comply comes into compliance.

90-6-308. Permit procedure and review of impact plan to run concurrently. It is intended that the procedure for

fulfilling the permit requirement of 82-4-335 and the review of the impact plan by the board under 90-6-307(5) and (6), if review occurs, are to run concurrently.

90-6-309. Tax prepayment -- large-scale mineral development. (1) After permission to commence operation is granted by the appropriate governmental agency, and upon request of the governing body of a county in which a facility is to be located, a person intending to construct or locate a large-scale mineral development in this state shall prepay property taxes as specified in the impact plan. This prepayment shall exclude the 6-mill university levy established under 20-25-423 and may exclude the mandatory county levies for the school foundation program established in 20-9-331 and 20-9-333.

(2) The person who is to prepay under this section is not obligated to prepay the entire amount established in subsection (1) at one time. Upon request of the governing body of an affected local government unit, the person shall prepay the amount shown to be needed from time to time as determined by the board.

(3) The person who is to prepay shall guarantee to the hard-rock mining impact board, through an appropriate financial institution, as may be required by the board, that property tax prepayments will be paid as needed for expenditures created by the impacts of the large-scale mineral development.

(4) When the mineral development facilities are completed and assessed by the department of revenue, they are subject during the first 3 years and thereafter to taxation as all other property similarly situated, except that in each year after the start of production, the local government unit that received a property tax prepayment shall provide for repayment of prepaid property taxes in accordance with subsection (5).

(5) A local government unit that received all or a portion of the property tax prepayment under this section shall provide for tax crediting as specified in the impact plan. The tax credit allowed in any year may not, however, exceed the tax obligation of the developer for that year, and the time period for tax crediting is limited to the productive life of the mining operation.

90-6-310. Local government facility impact bonds. (1) When the need for the construction, renovation, improvement, or acquisition of local government facilities as a result of the large-scale mineral development is determined under 90-6-307, the owners of a large-scale mineral development may enter into a written agreement with the local government unit having the burden for the increased capital and operating costs expected to be incurred by the facilities. The local government unit may execute a written agreement with the owner of a large-scale mineral development for the

issuance of any special industrial local government facility impact bonds provided for in this section.

(2) The agreement with the owners of a large-scale mineral development shall provide for a payment guarantee, in addition to the taxes imposed by the local government unit on property owners generally, of the principal and interest on the bonds provided for in this section. Payment will then be made by an annual special tax levy on the property of the large-scale mineral development sufficient to retire the principal and interest on these special impact bonds. The bonds shall not be an obligation of the local government unit, but shall be special obligations limited to the revenue derived from the special tax levy. A local government unit shall establish a levy and, to the extent bonds are issued as provided in this section, shall pledge the special fund and all revenues of the special tax levy to the repayment of the bonds.

(3) The debt limits set forth in 7-7-2203, 7-7-4201, and 20-9-406 do not apply to bonds issued in accordance with this section. The interest on such bonds shall not be subject to state taxes.

(4) The impact bonds shall be authorized by the governing body of the local government unit by a resolution that states:

(a) the facility for which the bonds are issued;

(b) the amount of the bonds;

(c) the rate of interest the bonds bear;

(d) the date of the bonds and the maturity date or dates of the bonds;

(e) the dates interest is payable on the bonds;

(f) the redemption options, if any, with respect to the bonds; and

(g) the manner of execution of the bonds.

(5) The impact bonds shall be:

(a) in registered form as to principal and interest;

(b) payable in installments and at times not exceeding 30 years from their date of issuance; and

(c) payable at a place or places and be evidenced in a manner the governing body determines is in the best interest of the local government unit.

(6) Any impact bonds issued under the authority of this section may be sold at public or private sale in a manner, at a time or times, and at a price above or below par as may be determined by the governing body of the local government unit. All expenses, premiums, and commissions that the local government unit considers necessary or advantageous in connection with the authorization, sale, and issuance of the bonds may be paid by the governing body of the local government unit from the proceeds of the sale of the bonds.

(7) If more than one local government unit adopts a resolution to issue impact bonds, the local government units may enter into an interlocal agreement under 7-11-101 through 7-11-105, 7-11-107, and 7-11-108, providing for the issue of impact bonds of the local government units to be combined in a single offering, if the governing body of each local government unit authorizing the bonds determines that the pooling of bonds:

(a) is in the best interest of the local government units;

(b) will facilitate the sale of the bonds under more advantageous terms;

(c) will lower the interest rates; or

(d) will lower the cost of issuance.

(8) In addition to the specific requirements of 7-11-105, the interlocal agreement shall provide:

(a) that the bond titles shall denote that impact bonds of different local government units have been pooled and shall refer to each local government unit executing the interlocal agreement;

(b) for a single debt service fund, to be held by a qualified trust company, to which each local government unit shall pledge and pay the annual special tax levies levied against the large-scale mineral development; and

(c) that the bonds are payable solely from and against the debt service funds under the interlocal agreement.

90-6-311. Impact plan amendments. (1) The impact plan may provide for amendment under definite conditions specified in the plan. Also, the governing body of an affected county or the mineral developer may petition the board for an amendment to an approved impact plan if:

(a) employment at the large-scale mineral development is forecast to increase or decrease by at least 75 persons, as determined under 90-6-302(5), over or under the employment levels contemplated by the approved impact plan; or

(b) it becomes apparent that an approved impact plan is materially inaccurate because of errors in assessment and 2 years have not elapsed since the date the facility begins commercial production; or

(c) the governing body of an affected county and the mineral developer join in a petition to amend the impact plan.

(2) Within 10 days of receipt the board shall publish notice of the petition at least once in a newspaper of general circulation in the affected county. The petition must include:

(a) an explanation of the need for an amendment;

(b) a statement of the facts and circumstances underlying the need for an amendment; and

(c) a description of the corrective measures proposed by the petitioner.

(3) Within 60 days after notice that the petition has been received, an affected local government unit or the mineral developer must notify the board in writing if such person objects to the amendments proposed by the petitioner, specifying the reasons why the impact plan should not be amended as proposed. If no objection is received within the 60-day period, the impact plan must be amended by the board as proposed by the petitioner.

(4) If an objection is received, within 10 days of its receipt, the board shall notify the petitioner and include a copy of all objections received by the board. If the objecting party and the petitioner cannot resolve the objections within 30 days after the expiration of the 60-day period, the board shall conduct a hearing on the validity of the objections within 30 days after the failure of the parties to resolve the objections. The hearing must be held in the affected county or, if objections are received from local government units in more than one county, must be held in the county which in the board's judgment is more greatly affected. The provisions of the Montana Administrative Procedure Act apply to the conduct of the hearing.

(5) Following the hearing, the board shall make findings as to those portions of the amendments which were objected to and, if appropriate, amend the impact plan accordingly. The board shall cause the findings and impact plan, as amended, to be served on all parties. Any local government unit or the developer is entitled to judicial review, as provided by Title 2, chapter 4, part 7, in the district court for the judicial district in which the hearing was held.

90-6-323. Local government budget authority. A local government unit may budget and expend payments received from a mineral developer under this part or part 4 of this chapter or pursuant to a plan approved under this part. If a payment is requested or received after the adoption of the budget for the fiscal year in which the payment is to be expended, the governing body of the local government unit may by a majority vote amend its budget to provide for the receipt and expenditure of the payment.

90-6-331. Fund transfer. (1) On July 1, 1990, and prior to each October 1 thereafter, all money segregated by county in the hard-rock mining impact trust account following allocation to the hard-rock mining impact trust reserve account established in 90-6-304(2) as of September 1 immediately preceding must be transferred to the county for which the funds have been held in deposit. The funds so transferred must be deposited in the county hard-rock mine trust reserve account established in 7-6-2225.

(2) The transfer of funds required by this section is a statutory appropriation pursuant to 17-7-502.

THE HARD-ROCK PROPERTY TAX BASE SHARING ACT

90-6-401. Declaration of necessity and purpose. The commencement of new large-scale hard-rock mineral developments often results in revenue disparities among adjacent local government units. This occurs primarily when a mine that locates in one taxing jurisdiction causes population influxes in neighboring jurisdictions. The result can be that some jurisdictions will experience a need to increase expenditures and receive no corresponding increase in revenue, while others will experience an increase in revenue and receive no comparable increase in expenditures. There is therefore a need to allocate the increase in property tax base resulting from the development and operation of new large-scale mines so that property tax revenues will be equitably distributed among affected local government units.

90-6-402. Definitions. As used in this part, the following definitions apply:

(1) "Affected local government unit" means a local government unit that will experience a need to increase services or facilities as a result of the commencement of large-scale mineral development or within which a large-scale mineral development is located in accordance with an impact plan adopted pursuant to 90-6-307.

(2) "Board" means the hard-rock mining impact board established in 2-15-1822.

(3) "Mineral development employee" means a person who resides within the jurisdiction of an affected local government unit as a result of employment with a large-scale mineral development or its contractors or subcontractors.

(4) "Mineral development student" means a student whose parent or guardian resides within the jurisdiction of an affected local government unit as a result of employment with a large-scale mineral development or its contractors or subcontractors.

(5) "Jurisdictional revenue disparity" means property tax revenues resulting from a large-scale hard-rock mineral development that are inequitably distributed among affected local government units as finally determined by the board in an approved impact plan.

(6) "Large-scale mineral development", for the purposes of this part, is defined in 90-6-302.

(7) "Local government unit", for the purposes of this part, means a county, municipality, or school district.

(8) "Taxable valuation" of a mineral development means the total of the gross proceeds taxable percentage specified in 15-6-132(2) when added to the taxable percentages of real property, improvements, machinery,

equipment, and other property classified under Title 15, chapter 6, part 1.

90-6-403. Jurisdictional revenue disparity -- conditioned exemption and reallocation of certain taxable valuation. (1) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307 identifies a jurisdictional revenue disparity, the board shall promptly notify the developer, all affected local government units, and the department of revenue of the disparity. Except as provided in this section and 90-6-404, the increase in taxable valuation of the mineral development that occurs after the issuance and validation of a permit under 82-4-335 is not subject to the usual application of county and school district property tax mill levies. This increase in taxable valuation must be allocated to local government units as provided in 90-6-404. The increase in taxable valuation allocated as provided in 90-6-404 is subject to the application of property tax mill levies in the local government unit to which it is allocated.

(2) The total taxable valuation of a large-scale mineral development remains subject to the statewide mill levies and basic county levies for elementary and high school foundation programs as provided in 20-9-331 and 20-9-333.

(3) The provisions of subsection (1) remain in effect until the large-scale mineral development ceases operations or until the existence of the jurisdictional revenue disparity ceases, as determined by the board.

90-6-404. Allocation of taxable valuation for local taxation purposes. When property of a large-scale mineral development is subject to the provisions of 90-6-403, the increase in taxable valuation must be allocated by the department of revenue as follows:

(1) If the board determines that the local government unit in which the ore body or the mineral deposit being mined is located is not affected by the development and if this determination is shown on the impact plan, 20% of the total increase in taxable valuation of the gross proceeds must be allocated to that local government unit. This provision is intended to establish a minimum allocation for the units and does not prohibit proof by a unit that actual direct impacts would exceed 20% of the total impacts of the development.

(2) The remaining increase in taxable valuation of the mineral development must be allocated between affected counties and affected municipalities according to the following formula based on the place of residence of mineral development employees:

(a) A portion, not to exceed 20%, to affected municipalities, based on that percentage of the total number of mineral development employees that reside within

municipal boundaries. The taxable valuation allocated to affected municipalities must be distributed to each municipality according to its percentage of the total number of mineral development employees who reside within municipal boundaries. That portion of the taxable valuation distributed to a municipality pursuant to this section is subject to the same county mill levy as other taxable properties located in the municipality.

(b) The remaining portion of the taxable valuation must be distributed to each affected county according to its percentage of the total number of mineral development employees that reside within the county.

(3) The increase in taxable valuation equal to that subject to subsection (2) must be distributed pro rata among each affected high school district according to the percentage of the total number of mineral development high school students that reside within each district.

(4) The increase in taxable valuation equal to that subject to subsection (2) must be distributed pro rata among each affected elementary school district according to the percentage of the total number of mineral development elementary school students that reside within each district.

(5) The distribution formula specified in subsections (2) through (4) may be modified by an impact plan approved as provided in 90-6-307 or amended as provided in 90-6-311, if the modification is needed in order to ensure a reasonable correspondence between the occurrence of increased costs resulting from the mineral development and the allocation of taxable valuation resulting from the mineral development.

90-6-405. Employee surveys. (1) Each large-scale mineral development subject to the provisions of 90-6-403 and 90-6-404 shall, on or before May 1 of each year, conduct a survey of its employees and promptly submit a report of its findings to the department of revenue. The report must include:

(a) the number of mineral development employees residing within each affected county;

(b) the number of mineral development employees residing within each affected municipality;

(c) the number of mineral development students residing in each affected high school district; and

(d) the number of mineral development students residing in each affected elementary school district.

(2) The initial allocation of the increase in taxable valuation made as provided in 90-6-403 and 90-6-404 shall be made on the basis of the place of residence of employees and the district of enrollment of students as projected in the approved impact plan for that period of time between the

issuance and validation of the permit and the submission of an employee survey as provided for in this section.

APPENDIX B

BASELINE EMPLOYMENT, POPULATION, AND SCHOOL ENROLLMENT PROJECTIONS WITHOUT MONTANORE

APPENDIX B

BASELINE EMPLOYMENT, POPULATION, AND
SCHOOL ENROLLMENT PROJECTIONS
WITHOUT MONTANORE

A. Employment Conditions

Employment conditions for Lincoln County are presented in terms of the characteristics of the types of employment, historical trends of employment, and baseline employment projections for the county. Principal data sources for this analysis included the U.S. Bureau of Economic Analysis, the Montana Department of Labor and Industry, and the National Planning Association Data Services, Inc.

1. Employment Characteristics

Table 1 lists the percent of total employment by industry groups in Lincoln County and Montana. Manufacturing (wood products industry) is the primary industry in Lincoln County and comprises approximately 20 percent of all county employment. Manufacturing is followed by the services and retail trade sectors which employ approximately 17 percent and 14 percent, respectively. Approximately 8 percent of all workers in the county are employed by the federal government (primarily USFS), whereas almost 11 percent are employed by state and local governments. The major difference between Lincoln County and Montana employment distribution is the importance of the wood products industry and mining in Lincoln County. In Lincoln County, mining accounts for approximately 7.5 percent of all jobs, while only 2 percent of all employment in the state occurs in this sector.

The civilian labor force in Lincoln County has grown from 7,275 in 1970 to 8,725 by 1988, representing a 19.9 percent increase in 18

APPENDIX B - TABLE 1

1985 EMPLOYMENT BY INDUSTRY AS A PERCENT OF TOTAL -
MONTANA AND LINCOLN COUNTY

Category	Montana	Lincoln County
Total Employment	100.0%	100.0%
Farm	8.0%	4.0%
Private	73.8%	76.1%
Mining	1.9%	7.5%
Manufacturing	6.0%	20.3%
Construction	5.5%	4.2%
Retail	17.9%	13.8%
Services	24.1%	17.1%
Other	18.4%	13.2%
Government	18.2%	19.9%
Federal (civilian)	3.2%	7.7%
Federal (military)	2.0%	1.3%
State and Local	13.0%	10.9%

Source: U.S. Department of Commerce, Bureau of Economic Analysis, 1985.

years (Table 2). This is a much slower growth rate when compared to the 47.3 percent increase in the statewide labor force over the same period.

The unemployment rate in Lincoln County has varied from 8.9 percent in 1970 to a high of 15.5 percent in 1980 (Table 2). Since 1980, the unemployment rate in Lincoln County has averaged about 11 percent of the civilian labor force. This rate is higher than the state rate which has averaged 7 percent over the last 18 years. In addition, the Lincoln County unemployment rate within any year has varied between 10 and 18 percent due to the seasonality of the wood products industry.

As measured by the 1980 census, the total labor force in Lincoln County is comprised of nearly 40 percent females which is consistent with the state average of 41 percent (Table 3). The major source of employment for females in Lincoln County is the retail trade and services sector, whereas males are most often employed in the manufacturing, construction, and transportation sectors.

Table 4 presents the number of job applicants by mine-related occupational groups registered at the Libby Job Service Office. The groups presented in this table are applicants that could be trained to work in jobs related to construction and operation of underground mines such as the proposed Montana Project. The total number of applicants varied between 900 and 1,300 over the 1-year monitoring period.

Table 5 lists characteristics of unemployed persons (i.e., based on a portion of those receiving unemployment compensation) in Lincoln County and Montana during May 1988. Eighty percent of the unemployed were males with the majority between the ages of 22 and 64. Of the 185

APPENDIX B - TABLE 2

RESIDENT CIVILIAN LABOR FORCE -
MONTANA AND LINCOLN COUNTY, SELECTED YEARS

Location/Category	1970	1980	1985	1986	1987	1988
Montana						
Civilian Labor Force	273,000	371,000	405,000	407,000	403,000	402,000
Employed Persons	261,000	348,000	374,000	374,000	373,000	374,000
Unemployed Persons	12,000	23,000	31,000	33,000	30,000	28,000
Unemployment Rate	4.4%	6.2%	7.7%	8.1%	7.4%	7.0%
Lincoln County						
Civilian Labor Force	7,275	6,999	8,719	8,823	8,704	8,725
Employed Persons	6,628	5,918	7,688	7,812	7,760	7,703
Unemployed Persons	647	1,081	1,031	1,011	944	1,022
Unemployment Rate	8.9%	15.5%	11.8%	11.5%	10.9%	11.7%

Note: Data for 1988 are based upon 12 month moving average through August 1988.

Source: Montana Department of Labor and Industry, Research and Analysis Bureau, Helena, Montana. November 1988.

APPENDIX B - TABLE 3

LABOR FORCE DISTRIBUTION BY SEX -
LINCOLN COUNTY, 1980

Industry Group	Male	Female
All Industries	60.6%	39.4%
Agriculture	67.0%	33.0%
Construction	88.7%	11.3%
Manufacturing	90.0%	10.0%
Transportation	88.4%	11.6%
Retail	39.1%	60.9%
Services	45.3%	54.7%
Government	51.8%	48.2%

Source: U.S. Department of Commerce, Bureau of the Census, 1980 Census.

APPENDIX B - TABLE 4

JOB APPLICANTS -
LIBBY JOB SERVICE OFFICE

Occupation Category	1987			1988							
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Equipment Operators	136	108	96	116	153	166	157	NA	141	148	118
Truck Drivers	98	37	91	99	123	134	133	NA	120	91	100
Technicians (Mine-Related)	134	96	102	78	158	186	156	NA	141	145	115
Mechanics	58	18	40	13	68	71	64	NA	57	61	47
Laborers	635	540	484	573	715	731	736	NA	792	733	609
Other	197	178	169	53	220	245	242	NA	215	227	167

Note: Equipment operators include heavy equipment operators and log tractor operators. Truck drivers include tractor/trailer drivers, truck drivers (heavy), and truck drivers (light). Technicians (mine-related) include pipe fitters, plumbers, electrician/linemen, ironworkers, boilermakers, welders, sheet metal workers, carpenters, millwrights, cement finishers, and brick layers. Mechanics include auto mechanics, diesel mechanics, and small engine mechanics. Laborers include laborers (construction), laborers (store), fallers, loggers, and sawmill workers. Other includes material handlers.

Source: Montana Job Service, Libby, Montana.

APPENDIX B - TABLE 5

UNEMPLOYMENT CHARACTERISITCS - LINCOLN COUNTY
AND MONTANA, MAY 1988

Characteristic	State of Montana	Libby Job Service Office
Total Unemployed	3,321	185
Age/Sex Distribution		
Male	2,258	148
Under 22 years of age	92	9
22 to 64 years of age	2,139	131
65 and older	27	8
Female	1,063	37
Under 22 years of age	57	4
22 to 64 years of age	995	33
65 and older	11	0
Industrial Distribution		
Agricultural Services	25	2
Mining	106	3
Construction	471	5
Manufacturing	703	114
Transportation and Utilities	212	15
Retail Trade	797	16
Finance	86	6
Services	624	16
Government	77	8
Other Non-classified	220	0

Source: Montana Department of Labor and Industry, Research and Analysis Bureau, Helena, Montana, 1988.

claimants of the Libby Job Service Office, 114 or over 61.6 percent were associated with manufacturing, while the next largest industry for the unemployed in Lincoln County was the services and retail trade sectors.

Lincoln County is comparable to the state with respect to age and sex distribution of unemployed people; however, differences exist by type of industry (Table 5). At the state level, the largest share of unemployed persons are associated with retail trade, manufacturing, and services sectors, whereas in Lincoln County, the majority of the unemployed are associated with the manufacturing sector.

2. Employment Trends

Table 6 presents employment by industry in Lincoln County for selected years from 1970 through 1986. The figures listed in Table 6 are job-specific rather than resident-specific as previously reported in total labor force figures. As shown in Table 6, total employment in Lincoln County has increased little between 1970 and 1986, with the major increase in number of employees in the government and services sectors. The increase in jobs in the government sector occurred primarily in state and local governments.

Employment in the wood products industry (manufacturing) has changed little since 1980, except in 1982 when employment declined by 24 percent. In 1986, manufacturing (wood products) comprised 1,545 of the total 7,590 jobs, or approximately 20.4 percent of all jobs in the county.

Farm employment, while not a major contributor to the job market, almost doubled between 1970 and 1980, but has remained at about the same

APPENDIX B - TABLE 6

EMPLOYMENT BY INDUSTRY, LINCOLN COUNTY, 1970 AND 1980-86

Industry	1970	1980	1981	1982	1983	1984	1985	1986
Total Employment	7,042	6,948	7,024	6,852	7,397	7,393	7,357	7,590
Farm	133	251	268	286	303	298	295	294
Nonfarm	6,909	6,697	6,756	6,566	7,094	7,095	7,062	7,296
Private	5,732	5,101	5,270	5,057	5,603	5,540	5,597	5,884
Agricultural Services	92	167	135	171	235	253	238	270
Mining	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Construction	1,610	419	424	415	414	307	311	323
Manufacturing	1,731	1,421	1,436	1,092	1,397	1,425	1,497	1,545
Transportation, Communication, and Public Utilities	347	447	357	326	345	359	338	372
Wholesale Trade	73	82	94	91	97	93	96	91
Retail Trade	853	999	1,054	1,001	1,098	1,064	1,015	1,047
Finance, Insurance, and Real Estate	118	256	264	276	290	285	296	320
Services	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Government	1,177	1,596	1,486	1,509	1,491	1,555	1,465	1,412
Federal (civilian)	457	759	704	670	676	611	570	507
Federal (military)	142	107	84	81	96	100	99	107
State and Local	578	730	698	758	719	844	796	798

(D) = Data not shown to avoid disclosure.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, May 1988.

level since that time. Farm jobs comprise less than 4 percent of all jobs in Lincoln County (Table 6).

Mining employment is not listed in Table 6 to avoid disclosure of confidential information. As previously stated, however, the 2 major employers (ASARCO and W.R. Grace) employ approximately 500 to 550 persons, or over 95 percent of mine employees in the county.

The construction industry decreased dramatically between 1970 and 1980 (74 percent decline). Between 1980 and 1986, construction employment has steadily declined from 1,610 to 323 employees by the end of the 7-year period (Table 6). Primary reasons for the large decrease in construction levels were the completion of the Libby Dam following the 1970 census and the completion of the ASARCO Troy Mine following the 1980 census.

Total number of government jobs decreased by 11.5 percent between 1980 and 1986, primarily due to the reduction of the federal government civilian work force. In 1980, federal employment was 759 persons, but by 1986, had fallen to 507 persons, representing a 33 percent decline (Table 6). State and local government employment increased markedly between 1970 and 1980; however, between 1980 and 1986, employment in this sector increased just over 9 percent, a growth rate of less than 1 percent per year.

3. Baseline Employment Projections

Baseline employment projections presented in Table 7 were those developed by the National Planning Association Data Services, Inc. in

APPENDIX B - TABLE 7

EMPLOYMENT PROJECTIONS IN LINCOLN COUNTY, BY INDUSTRY, 1990 TO 2010

Industry	Projected				
	1990	1995	2000	2005	2010
Total Employment	7,660	7,860	8,070	8,230	8,220
Farm	330	360	370	370	370
Non-farm	7,330	7,500	7,700	7,860	7,850
Private	5,850	5,970	6,110	6,220	6,170
Agricultural Services	320	370	430	470	480
Mining	760	830	870	860	810
Construction	250	200	170	160	140
Manufacturing	1,460	1,360	1,280	1,210	1,120
Transportation, Communications, and Public Utilities	370	370	370	370	360
Wholesale Trade	90	90	90	90	90
Retail Trade	1,030	1,060	1,090	1,120	1,120
Finance, Insurance, and Real Estate	340	370	400	420	420
Services	1,230	1,310	1,410	1,520	1,630
Government	1,480	1,530	1,590	1,640	1,680
Federal (civilian)	540	570	600	630	650
Federal (military)	110	110	110	110	110
State and Local	830	850	880	900	920

Note: Data may not add to total due to rounding.

Source: National Planning Association Data Services, Inc., Washington, D.C., February 1989.

Washington, D.C. As illustrated in Table 7, total employment is projected to increase 7.4 percent from 7,660 in 1990 to 8,230 persons by year 2005 and remain at about that level through year 2010. This increase represents an annual growth rate of 0.3 percent which is identical to the historical 1970-85 growth rate of 0.3 percent.

Most employment growth between the years 1986 and 2010 is projected to occur in private industry; more specifically, the services sector is expected to grow 45.5 percent or by 510 jobs, while the retail trade sector is projected to increase by approximately 7 percent or by 73 jobs. Manufacturing (wood products) is projected to decrease by approximately 425 jobs by year 2010, a 28 percent increase.

All categories of employment within the government sector are projected to increase slightly throughout the 20-year projection period. State and local government employment is projected to increase by 122 jobs, while federal civilian employment is projected to increase by approximately 143 jobs.

B. Demographic Conditions

1. Historical Population Trends and Characteristics

Between 1940 and 1980, the population of Lincoln County grew at a faster rate than Montana (Table 8). The largest increase for Lincoln County occurred between 1960 and 1970 due to the construction of the Libby Dam. Because the dam was constructed in the late 1960s, the 1970 census count included a number of temporary construction workers. Thus,

APPENDIX B - TABLE 8

SELECTED DEMOGRAPHIC CHARACTERISTICS -
MONTANA, LINCOLN COUNTY, LIBBY, AND TROY

Characteristic	Montana	Lincoln County	Libby	Troy
Population				
1940	559,456	7,882	1,837	796
1950	591,024	8,693	2,401	770
1960	674,767	12,537	2,828	855
1970	694,409	18,063	3,286	1,046
1980	786,690	17,752	2,748	1,088
Female (1980)	50.1%	49.5%	53.2%	52.5%
Under 18 Years	28.6%	33.4%	28.4%	36.3%
18 to 64 Years	59.3%	57.9%	54.0%	51.3%
65 Years and Over	12.1%	8.7%	17.6%	12.4%
Median Age	29.6 Years	28.5 Years	NA	NA
Male (1980)	49.9%	50.5%	46.8%	47.5%
Under 18 Years	30.3%	34.2%	29.4%	33.3%
18 to 64 Years	60.3%	58.4%	58.8%	57.2%
65 Years and Over	9.4%	7.4%	11.8%	9.5%
Median Age	28.4 Years	28.3 Years	NA	NA
Households (1980)	283,742	6,063	1,003	394
Persons Per Household	2.70	2.91	NA	NA
Persons Per Family	3.24	3.37	NA	NA
Race (1980)				
White	94.1%	97.9%	98.6%	98.8%
Native American	4.7%	1.3%	1.4%	1.0%
Other	1.2%	0.8%	0.0%	0.2%
Percent Completing 12 Years or More of School (1980)	75.4%	68.7%	NA	NA
Median Family Income (1979)	$18,413	$17,480	NA	NA

NA = Not Available

Sources: 1) Montana Department of Commerce, The Census and Economic Information Center, Helena, Montana, 1985.
2) U.S. Department of Commerce, Bureau of the Census, 1980 Census of Population and Housing.

the decline in population between 1970 and 1980 for Lincoln County is attributable to the out-migration of construction workers when the Libby Dam was completed. The population of both Libby and Troy increased marginally between 1940 and 1980, with growth rates nearly identical to the statewide growth rate.

Data of the U.S. Bureau of the Census (1980) showed that the percent of the population 65 years old and over was higher in Lincoln County than that reported for the state (Table 8). In Libby, however, the percent of the population in the 65 years and over category was higher relative to the percent reported by the state. The median age for Lincoln County and the state were comparable at approximately 28 years old for both males and females.

In 1980, the median family income in Lincoln County was about 5 percent lower than the Montana figure ($17,480 for Lincoln County and $18,413 for the state). In Lincoln County, nearly 69 percent had completed 12 years or more of school as compared to 75 percent at the state level (Table 8).

Table 9 presents a 3-year comparison of selected vital statistics for Lincoln County and Montana. Lincoln County had a slightly lower death rate than the state in all years of study (1985, 1986, and 1987), with a death rate of 8.2 per 1,000 population at the state level and 7.0 per 1,000 for the county in 1987. Cancer and heart disease were the 2 leading causes of death recorded at both the state and county levels. In Lincoln County, the cancer death rate slightly decreased between 1985 and

APPENDIX B - TABLE 9

SELECTED VITAL STATISTICS PER 1,000 POPULATION -
MONTANA AND LINCOLN COUNTY (1985, 1986, 1987)

Characteristics	State of Montana			Lincoln County		
	1985	1986	1987	1985	1986	1987
Marriage Licenses Issued	8.7	8.2	8.1	6.2	6.8	6.6
Marital Dissolutions	5.1	5.2	5.0	6.5	4.9	5.9
Birth Rate	16.4	15.6	15.1	15.8	14.0	13.9
Death Rate	8.2	8.2	8.2	7.9	7.4	7.0
Two Leading Causes of Death						
Cancer	1.8	1.8	1.9	2.1	1.5	1.5
Heart Disease	2.7	2.7	2.6	2.7	2.6	2.0

Note: Per 1,000 based on estimated population by the U.S. Bureau of the Census for appropriate year.

Source: Montana Department of Health and Environmental Sciences, Bureau of Records and Statistics, Helena, Montana, 1986, 1987, and 1988.

1987, from 2.1 deaths per 1,000 population in 1985 to 1.5 in 1987 (Table 9).

2. Recent Population Trends and Component Changes

The population of Montana has undergone some severe changes since 1984, with out-migration of over 35,000 people from the state (Table 10). This out-migration, coupled with a declining birth rate, has decreased the state population from a high of 825,000 in 1985 to 809,000 in 1987.

Since 1980, the population of Lincoln County has increased steadily with in-migration occurring in some years and out-migration occurring in other years. The estimated population of Libby, however, has declined since the 1980 census, indicating out-migration in nearly every year. Similarly, the 1987 population of Troy was only slightly higher than the 1980 census, also indicating out-migration since 1980.

3. Baseline Population Projections

The population of Lincoln County was projected (Table 11) in conjunction with the employment projections presented in the economic environment section of this appendix. The population of Lincoln County is projected to increase only marginally throughout the 20-year projection period. The natural increase (births over deaths) for Lincoln County from 1980 through 1987 was approximately 150 to 200 persons per year, thus net out-migration from the county is projected to continue.

The population projections for Libby and Troy were developed using the 1980 proportion of the county population and applying these ratios to the county projections. Similar to the county, little economic

APPENDIX B - TABLE 10

COMPONENTS OF POPULATION -
MONTANA, LINCOLN COUNTY, LIBBY, AND TROY

Place/Year	Estimated Population	Births	Deaths	Estimated Migration
Montana				
1980	786,690	14,208	6,664	1,766
1981	796,000	14,309	6,709	1,400
1982	805,000	14,538	6,625	3,087
1983	816,000	14,054	6,699	645
1984	824,000	14,141	6,698	-6,443
1985	825,000	13,497	6,725	-14,772
1986	817,000	12,728	6,738	-13,990
1987	809,000	12,239	6,597	--
Lincoln County				
1980	17,752	340	123	-169
1981	17,800	312	114	2
1982	18,000	337	125	88
1983	18,300	367	134	167
1984	18,700	295	128	-67
1985	18,800	297	149	-348
1986	18,600	260	138	278
1987	18,900	265	133	--
Libby				
1980	2,748	53	19	-82
1981	2,700	47	17	-30
1982	2,700	51	19	-32
1983	2,700	54	20	-34
1984	2,700	43	18	-125
1985	2,600	41	21	-20
1986	2,600	36	19	-17
1987	2,600	36	18	--
Troy				
1980	1,088	21	8	-1
1981	1,100	19	7	-12
1982	1,100	21	8	87
1983	1,200	24	9	-15
1984	1,200	19	8	-11
1985	1,200	19	10	-9
1986	1,200	17	9	-8
1987	1,200	17	8	--

Note: Birth and death data for Libby and Troy were estimated using population percentages.

Sources:
1) U.S. Bureau of the Census.
2) Montana Department of Health and Environmental Sciences.
3) Economic Consultants Northwest, Helena, Montana.

APPENDIX B - TABLE 11

BASELINE POPULATION PROJECTIONS -
LINCOLN COUNTY, LIBBY, AND TROY

Age by Place	Census 1980	Projected 1990	1995	2000	2005	2010
Lincoln County	17,752	18,760	18,860	19,070	19,340	19,620
Libby	2,748	2,800	2,800	2,900	2,900	2,900
Troy	1,088	1,100	1,100	1,100	1,200	1,200

Source: National Planning Association Data Services, Inc., Washington, D.C., February 1989.

growth in Libby and Troy is projected and, consequently, there will be continued net out-migration from the municipalities.

C. School Enrollment

1. Libby School District #4

There are 4 elementary schools, 1 junior high school, and 2 high schools in the Lincoln County study area. Libby School District #4 includes Asa Wood, McGrade, and Plummer elementary schools, Libby Junior High School, and Libby Senior High School.

Table 12 shows actual student enrollment for Libby Elementary School District #4 from school year 1980-81 through 1989-90. Elementary school enrollment has steadily declined from 1980, reaching the lowest enrollment of 1,189 in school year 1987-88. Between school years 1987-88 and 1989-90, enrollment in grades kindergarten through 6 increased 1.4 percent to 1,206 students.

School enrollment was projected using a grade retention model based on past migration, survival, and birth rates. Similar to historical trends, elementary school enrollment is projected to steadily decrease through 1997-98 (Table 13). During the 6-year projection period (1992 through 1997), enrollment of Libby elementary schools is expected to decrease 4.4 percent from 1,501 students in 1992 to 1,436 students by 1997.

School enrollment in grades 9 through 12 at Libby High School declined 23.6 percent between school years 1980-81 and 1989-90, falling to a low of 595 students in 1988-89 (Table 12). Enrollment slightly

APPENDIX B - TABLE 12

ACTUAL SCHOOL ENROLLMENT -
LIBBY SCHOOL DISTRICT #4

Grade	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Kindergarten	155	147	179	174	176	188	185	151	169	167
Grade 1	181	174	167	206	186	184	199	187	160	184
Grade 2	167	167	173	158	182	173	171	190	182	150
Grade 3	170	167	162	172	145	178	167	166	190	183
Grade 4	184	170	177	166	168	144	172	184	168	182
Grade 5	216	181	169	187	160	170	137	174	161	161
Grade 6	197	216	179	168	178	154	162	137	177	179
Total K-6	1,270	1,222	1,206	1,231	1,195	1,191	1,193	1,189	1,207	1,206
Grade 7	202	195	228	185	180	189	158	160	138	193
Grade 8	214	193	207	232	185	158	173	153	161	138
Total 7 & 8	416	388	435	417	365	347	331	313	299	331
Total K-8	1,686	1,610	1,641	1,648	1,560	1,538	1,524	1,502	1,506	1,537
Grade 9	210	194	192	200	235	174	150	169	136	168
Grade 10	232	200	180	192	189	229	173	148	161	166
Grade 11	196	214	181	173	181	183	217	170	130	170
Grade 12	222	187	209	184	177	166	185	211	168	153
Total 9-12	860	795	762	749	782	752	725	698	595	657
Special Education	14	28	27	31	33	29	31	32	25	15
Total All Grades	2,560	2,433	2,430	2,428	2,375	2,319	2,280	2,232	2,126	2,209

Note: Actual school enrollment at the beginning of the school year.

Sources: 1) Montana Office of Public Instruction, Helena, Montana.
2) Sheriee Wynes, pers. comm., September 27, 1989.

APPENDIX B - TABLE 13

PROJECTED SCHOOL ENROLLMENT -
LIBBY SCHOOL DISTRICT #4

Grade	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
Elementary (K-8)	1,501	1,478	1,450	1,442	1,438	1,436
High School (9-12)	659	661	669	650	633	620
Total	2,160	2,139	2,119	2,092	2,071	2,056

Source: Economic Consultants Northwest, Helena, Montana, October 1989.

increased (10.4 percent) in 1989-90 to 657 students. A downward trend is projected to continue, declining to 620 students by 1997-98 (Table 13).

2. Troy School District #1

Troy School District #1 consists of W.F. Morrison School (kindergarten through grade 8) and Troy High School (grades 9 through 12). Enrollment at the high school includes students from Troy as well as students from McCormick, Sylvanite, and Yaak elementary school districts.

Elementary enrollment (grade kindergarten through 8) at Troy School District #1 increased between school years 1980-81 and 1985-86 by 34.3 percent (Table 14). Between 1985-86 and 1986-87, enrollment dropped from 497 to 465 students, then slightly increased to 477 in school year 1987-88. Between school years 1987-88 and 1988-89, enrollment declined by 8 students, and in 1989-90, enrollment rose by 8 students.

During the 6-year projection period shown in Table 15, enrollment in grades kindergarten through 8 is expected to decrease 14.9 percent. Most of the decline in enrollment is projected to occur in the lower grades (i.e., kindergarten through sixth grade).

Enrollment at Troy Senior High School (grades 9 through 12) has fluctuated between 1980 and 1989 from a low of 171 in 1982 to a high of 220 in 1989 (Table 14). School enrollment at the high school level is expected to increase to 255 by 1997-98, an increase of 15.9 percent over current enrollment of 220 students (Table 15).

APPENDIX B - TABLE 14

ACTUAL SCHOOL ENROLLMENT -
TROY SCHOOL DISTRICT #1

Grade	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Kindergarten	47	39	45	72	53	54	47	50	49	53
Grade 1	41	54	42	53	71	66	52	52	45	55
Grade 2	39	40	53	51	52	57	51	49	42	40
Grade 3	47	45	36	56	54	57	55	56	57	44
Grade 4	32	47	42	47	56	47	52	55	51	62
Grade 5	48	35	46	44	48	57	47	42	52	52
Grade 6	43	46	39	51	46	51	61	58	46	56
Total K-6	297	306	303	374	380	389	365	362	342	362
Grade 7	33	41	52	46	52	52	56	62	65	55
Grade 8	40	37	41	53	47	56	44	53	62	60
Total 7 & 8	73	78	93	99	99	108	100	115	127	115
Total K-8	370	384	396	473	479	497	465	477	469	477
Grade 9	49	47	39	49	55	55	57	48	59	61
Grade 10	42	48	49	42	50	57	49	60	48	61
Grade 11	66	38	49	52	46	53	56	49	53	47
Grade 12	43	59	34	45	50	49	44	50	48	51
Total 9-12	200	192	171	188	201	214	206	207	208	220
Special Education	4	4	4	10	11	8	13	12	8	7
Total All Grades	574	580	571	671	691	719	684	696	685	704

Note: Actual school enrollment at the beginning of the school year.

Sources: 1) Montana Office of Public Instruction, Helena, Montana.
2) Mary Brown, pers. comm., September 28, 1989.

APPENDIX B - TABLE 15

PROJECTED SCHOOL ENROLLMENT -
TROY SCHOOL DISTRICT #1

Grade	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
Elementary (K-8)	456	451	435	415	390	388
High School (9-12)	229	236	238	243	253	255
Total	685	687	673	658	643	643

Source: Economic Consultants Northwest, Helena, Montana, October 1989.

APPENDIX C

FISCAL CONDITIONS IN MONTANORE STUDY AREA

APPENDIX C

FISCAL CONDITIONS IN
MONTANORE STUDY AREA

A. Lincoln County

Total taxable valuation peaked in Lincoln County in fiscal year (FY) 1986 at $36.5 million (Table 1). Since that time, taxable valuation has dropped 14.4 percent with no accompanying decrease in population.

The major component of the tax base in Lincoln County is land and improvements (residential, commercial, and industrial) which amounts to nearly 46 percent of the total tax base. Centrally assessed utilities, including net and gross proceeds from mines, accounts for an additional 23 percent of the tax base. The remaining portion of the tax base (31 percent) comes from valuation of personal property. The development of the wood products industry, mining, Burlington Northern Railroad property, and Libby Dam have allowed for a firm tax base in Lincoln County, and together with the federal government landholdings (and consequently payments in lieu of property taxes), have stabilized revenues to the county government.

While taxable valuation increased slightly between FY 1980 and FY 1988, the number of mill levies increased from 25.84 to 42.53 or 65 percent. In FY 1988, the major component of mill levies was the 12 mill levy for the poor fund. The next highest mill rate was for the general fund (9.8 mills) followed by a 5.83 mill levy for district court purposes. The general fund portion of the mill levies increased over 300 percent between 1980 and 1988, from 3.05 in FY 1980 to 9.8 in FY 1988.

APPENDIX C - TABLE 1

LOCAL GOVERNMENT FINANCES -
LINCOLN COUNTY

Category	1979-80 Amount	1979-80 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
Taxable Valuation ($000)	$29,138.9	100.0%	$36,525.6	100.0%	$35,497.2	100.0%	$31,276.2	100.0%
Land & Improvements	13,127.4	45.1%	14,683.1	40.2%	14,745.3	41.5%	14,277.9	45.7%
Centrally Assessed Property	5,739.3	19.7%	11,191.6	30.6%	10,106.9	28.5%	7,319.9	23.4%
Personal Property	10,272.2	35.3%	10,650.9	29.2%	10,645.0	30.0%	9,678.4	30.9%
Mill Levies	25.84	100.0%	44.83	100.0%	42.55	100.0%	42.53	100.0%
General Fund	3.05	11.8%	12.38	27.6%	9.80	23.0%	9.80	23.0%
Poor	9.29	36.0%	12.00	26.8%	12.00	28.2%	12.00	28.2%
Other	13.50	52.2%	20.45	45.6%	20.75	48.8%	20.73	48.7%
All Revenues	$4,034,667	100.0%	$6,711,427	100.0%	$5,680,163	100.0%	$5,786,890	100.0%
Property Taxes	759,188	18.8%	1,426,917	21.3%	1,327,871	23.4%	1,350,312	23.3%
Transfers	2,497,168	61.9%	3,619,533	53.9%	2,876,387	50.6%	2,753,913	47.6%
Other	778,311	19.3%	1,664,977	24.8%	1,475,905	26.0%	1,682,665	29.1%
All Expenditures	$3,758,357	100.0%	$6,130,355	100.0%	$5,612,418	100.0%	$5,804,666	100.0%
General Government	1,143,337	30.4%	1,291,440	21.1%	1,461,436	26.0%	1,356,003	23.4%
Public Safety	608,668	16.2%	1,323,134	21.6%	1,176,011	21.0%	1,253,201	21.6%
Public Works	1,273,652	33.9%	2,783,189	45.4%	2,120,839	37.8%	2,396,775	41.3%
Public Health	320,042	8.5%	342,578	5.6%	360,686	6.4%	360,654	6.2%
Other	412,658	11.0%	390,014	6.4%	493,446	8.8%	438,033	7.5%
Population	17,752		19,000		19,000		19,000	
Real Per Capita Expenditures	$212		$323		$295		$306	

Appendix C - Table 1 (Continued)

Category	1979-80 Amount	1979-80 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
General Fund Statistics								
Revenues	$1,211,098		$2,192,063		$1,961,011		$2,246,488	
Expenditures	1,586,413		2,238,709		2,302,864		2,459,181	
Per Capita Expenditures	89		118		121		129	
Expenditures (1987 Dollars)	2,175,070		2,365,542		2,371,486		2,459,181	
Per Capita Expenditures (1987 Dollars)	123		125		125		129	

Sources: 1) Montana Tax Foundation, Inc., Helena, Montana.
2) Montana Department of Commerce, Local Government Services Division, Helena, Montana.

No special mill levies are administered in Lincoln County to fund maintenance and construction of roads and bridges.

The major revenue source to Lincoln County government is intergovernmental transfers (47.6 percent in FY 1988). Payment in lieu of taxes from the federal government alone accounts for nearly $200,000 per year in revenues. Between 1980 and 1988, property tax revenues increased 78 percent from $759,188 to $1,350,312 (Table 1). General fund revenues also increased by approximately the same amount during this 9-year period.

Similar to revenues, expenditures for Lincoln County peaked in FY 1986 at $323.00 per capita, but since that time, expenditures have declined by 5 percent. In FY 1988, 23.4 percent of the budget was spent on general government, 21.6 percent on public safety, 41.3 percent on public works (roads and bridges), 6.2 percent on public health, and 7.5 percent on other miscellaneous categories. Spending for general government increased marginally between FY 1980 and FY 1988, while general fund expenditures, in constant 1987 dollars, have remained stable over the 9-year period. The average per capita general fund expenditures in constant 1987 dollars for Lincoln County in FY 1980 was $123.00, and by FY 1988, this figure had risen to $129.00, representing less than a 0.2 percent annual increase.

B. Municipalities

Financial data on local government taxation are presented in the following sections for the incorporated municipalities of Libby and Troy

in Lincoln County. This analysis is based upon data collected from the local governments; Montana Department of Revenue; Montana Department of Commerce, Local Government Services Division; and Montana Tax Foundation, a private, non-profit corporation in Helena, Montana.

1. Municipality of Libby

Taxable valuation for Libby has declined from $3,814,500 in FY 1980 to $3,066,900 in FY 1988, representing a 19.6 percent decline in the tax base (Table 2). Most of the decrease occurred in personal property valuation which declined by nearly $400,000. This decline, coupled with a reduction in taxable valuation on centrally assessed properties and land and improvements, has made financing the city budget somewhat difficult.

The mill levy in Libby has not changed since FY 1986 and, at that time, had dropped only marginally from FY 1980 levels. Most of the mills levied for Libby (64.10 of the total 66.10) are for general fund purposes, with the remaining 2 mills levied for Fireman's Disability.

Total revenues for Libby have decreased approximately 5 percent since 1980. This decline in total revenues somewhat masks the precipitous decline in property tax revenues--from $294,562 in FY 1980 to $197,782 in FY 1988. Since property taxes usually account for between 40 and 50 percent of all local revenues, Libby has had to investigate other avenues for local funding. Revenues have increased in both the other miscellaneous categories and in governmental transfers (Table 2).

Total expenditures for Libby have changed little since FY 1980; however, per capita expenditures are slightly higher because of the

APPENDIX C - TABLE 2

LOCAL GOVERNMENT FINANCES -
MUNICIPALITY OF LIBBY

Category	1979-80 Amount	1979-80 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
Taxable Valuation ($000)	$3,814.5	100.0%	$3,134.2	100.0%	$3,220.1	100.0%	$3,066.9	100.0%
Land & Improvements	2,443.4	64.1%	2,295.3	73.2%	2,301.5	71.5%	2,216.3	72.3%
Centrally Assessed Property	567.1	14.9%	431.7	13.8%	493.8	15.3%	428.3	14.0%
Personal Property	804.0	21.1%	407.2	13.0%	424.8	13.2%	422.3	13.8%
Mill Levies	69.84	100.0%	66.10	100.0%	66.10	100.0%	66.10	100.0%
General Fund	40.80	58.4%	62.96	95.2%	63.10	95.5%	64.10	97.0%
Streets	16.34	23.4%	.00	.0%	.00	.0%	.00	.0%
Other	12.70	18.2%	3.14	4.8%	3.00	4.5%	2.00	3.0%
All Revenues	$608,073	100.0%	$646,531	100.0%	$553,686	100.0%	$582,414	100.0%
Property Taxes	294,562	48.4%	230,153	35.6%	272,325	49.2%	197,782	34.0%
Transfers	102,131	16.8%	165,730	25.6%	136,827	24.7%	135,926	23.3%
Other	211,380	34.8%	166,021	25.7%	144,534	26.1%	248,706	42.7%
All Expenditures	$593,567	100.0%	$485,454	100.0%	$593,503	100.0%	$609,724	100.0%
General Government	57,894	9.8%	78,753	16.2%	80,773	13.6%	89,879	14.7%
Public Safety	158,737	26.7%	189,678	39.1%	200,466	33.8%	205,656	33.7%
Public Works	123,383	20.8%	176,560	36.4%	264,831	44.6%	268,213	44.0%
Other	253,553	42.7%	40,463	8.3%	47,433	8.0%	45,976	7.5%
Population	2,748		2,530		2,600		2,600	
Real Per Capita Expenditures	$216		$192		$237		$244	

Sources: 1) Municipality of Libby, Annual Financial Reports.
2) Montana Department of Revenue, Helena, Montana.
3) Montana Department of Commerce, Local Government Services Division, Helena, Montana.

decline in the population base. About 15 percent of the budget in Libby is spent on general government operations and about one-third on public safety (police and fire). Public works (streets and sewer) expenditures have increased from 21 percent of the budget in FY 1980 to about 44 percent of the current budget (Table 2).

The city of Libby uses enterprise funding to operate their sewer and water systems. Revenues are collected from monthly fees and usually total about $500,000. At the end of FY 1988, enterprise funds had cash balances in excess of $500,000.

2. Municipality of Troy

Taxable valuation in Troy increased slightly between FY 1980 and FY 1987 from $700,800 to $731,400 (Table 3). In FY 1988, the taxable valuation declined by $60,500, primarily due to a reduction in taxable valuation for centrally assessed utilities such as Burlington Northern Railroad.

The major source of property taxes in Troy is valuation on land and improvements, totaling approximately 60 percent of all taxable valuation. Centrally assessed utilities comprise about 23 percent of the total taxable valuation followed by valuation of personal property (17 percent).

Since FY 1986, mill levies have remained constant at about 86 mills. Troy uses the all purpose levy to fund city government, with 65 mills being used for general fund purposes and 21 mills levied for other purposes.

APPENDIX C - TABLE 3

LOCAL GOVERNMENT FINANCES -
MUNICIPALITY OF TROY

Category	1979-80 Amount	1979-80 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
Taxable Valuation ($000)	$700.8	100.0%	$724.9	100.0%	$731.4	100.0%	$670.9	100.0%
Land & Improvements	406.9	58.1%	415.2	57.3%	417.1	57.0%	404.4	60.3%
Centrally Assessed Property	123.3	17.6%	204.6	28.2%	198.9	27.2%	153.0	22.8%
Personal Property	170.6	24.3%	105.1	14.5%	115.4	15.8%	113.5	16.9%
Mill Levies	65.00	100.0%	85.32	100.0%	86.10	100.0%	86.17	100.0%
General Fund	65.00	100.0%	65.00	76.2%	65.00	75.5%	65.00	75.4%
Streets	.00	.0%	.00	.0%	.00	.0%	.00	.0%
Other	.00	.0%	20.32	23.8%	21.10	24.5%	21.17	24.6%
All Revenues	$95,959	100.0%	$154,284	100.0%	$188,502	100.0%	$149,529	100.0%
Property Taxes	48,001	50.0%	66,581	43.2%	62,633	33.2%	60,036	40.2%
Transfers	40,888	42.6%	47,800	31.0%	48,650	25.8%	52,782	35.3%
Other	7,070	7.4%	39,903	25.9%	77,219	41.0%	36,711	24.6%
All Expenditures	$97,942	100.0%	$128,519	100.0%	$114,011	100.0%	$139,051	100.0%
General Government	28,864	29.5%	53,965	42.0%	38,131	33.4%	34,606	24.9%
Public Safety	40,814	41.7%	51,450	40.0%	47,744	41.9%	50,284	36.2%
Public Works	22,143	22.6%	20,566	16.0%	24,324	21.3%	28,677	20.6%
Other	6,121	6.2%	2,538	2.0%	3,812	3.3%	25,484	18.3%
Population	1,088		1,200		1,200		1,200	
Real Per Capita Expenditures	$90		$107		$95		$116	

Sources: 1) Municipality of Troy, Annual Financial Reports.
2) Montana Department of Revenue, Helena, Montana.
3) Montana Department of Commerce, Local Government Services Division, Helena, Montana.

Revenues to the municipality of Troy increased nearly 56 percent between FY 1980 and 1988, from $95,959 to $149,529. Revenues from property taxes and transfers have remained stable, while revenues from other sources such as fines, fees, charges for service, and license and permits, increased from $7,070 in FY 1980 to $77,219 by FY 1987, and then declined to $36,711 by FY 1988. In FY 1988, revenue from other sources totalled nearly 25 percent of all revenues raised for city operating purposes.

Per capita expenditures for Troy rose from $90 in 1980 to $116 in 1988. Expenditures for general government usually require about one-third of the budget, whereas expenditures for public safety (fire and police) account for approximately 40 percent of the budget. Expenditures for public works (streets and maintenance) usually total between $20,000 and $28,000 per year and make up about 20 percent of all expenditures at the city level.

The municipality of Troy uses enterprise funding for several operations. The city water system operates through service fees and non-metered sales, which usually average $60,000. Major expenses include salaries ($40,000), maintenance and supplies ($5,000), electrical power ($4,000), and insurance ($2,000).

In 1987, the municipality of Troy purchased a power distribution system for approximately $600,000. This system operates using enterprise funding with revenues from sales expected to exceed $660,000 in FY 1988 (Municipality of Troy 1988). Major expenses are salaries ($140,000),

electrical power for resale ($385,000), supplies ($20,000), and debt retirement ($48,000).

C. School Districts

Information on school district finances in Lincoln County is presented for the elementary and high school districts for Libby and Troy. This analysis is based upon data collected from annual trustee reports to the Montana Office of Public Instruction and from the Montana Tax Foundation, a private, non-profit corporation in Helena, Montana.

1. Libby School Districts

Similar to the Lincoln County tax base, the taxable valuation for Libby School District #4 (elementary and high school) declined by approximately 5 percent between FY 1986 and FY 1988 (Table 4). Between FY 1981 and FY 1986, the taxable valuation rose from $16.5 million to $20.6 million, due primarily to the reassessment of property in the Libby area.

County-wide mill levies to support schools have remained at about the same level since FY 1981. District-wide levies, however, rose from 103.22 in FY 1981 to 113.79 by FY 1988. Most of the 10 percent increase was for high school purposes. Although the total millage did not change between FY 1987 and FY 1988, the high school levy decreased 2.3 mills and the elementary general fund millage increased by approximately 4.6 mills.

Total revenues to Elementary School District #4 increased 40.5 percent between 1981 and 1988 from $3,654,071 to $5,136,205 (Table 4). Most of this increase was from the state equalization program which rose

APPENDIX C - TABLE 4

LOCAL GOVERNMENT FINANCES -
LIBBY SCHOOL DISTRICT #4

Category	1980-81 Amount	1980-81 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
Taxable Valuation ($000)								
Elementary District #4	$16,501.8		$20,627.3		$20,145.6		$19,662.6	
High School District #4	16,501.8		20,627.3		20,145.6		19,662.6	
Mill Levies								
Countywide Levies	68.69	100.0%	69.93	100.0%	69.36	100.0%	69.36	100.0%
High School General	25.32	36.9%	27.43	39.2%	26.16	37.7%	27.33	39.4%
School General	43.37	63.1%	42.50	60.8%	43.20	62.3%	42.03	60.6%
District Levies	103.22	100.0%	106.39	100.0%	113.79	100.0%	113.79	100.0%
General Fund	54.19	52.5%	50.98	47.9%	54.19	47.6%	58.79	51.7%
Transportation	6.68	6.5%	6.82	6.4%	7.09	6.2%	8.34	7.3%
High School	38.24	37.0%	43.56	40.9%	45.61	40.1%	43.28	38.0%
Other	4.11	4.0%	5.03	4.7%	6.90	6.1%	3.38	3.0%
Elementary District Financial Data								
ANB	1,610		1,504		1,487		1,493	
All Revenues	$3,654,071	100.0%	$5,356,436	100.0%	$4,858,610	100.0%	$5,136,205	100.0%
General Fund	3,042,964	83.3%	4,158,371	77.6%	3,676,075	75.7%	3,853,337	75.0%
District Levies	1,037,107	34.1%	1,102,633	26.5%	997,356	27.1%	1,078,059	28.0%
County Funds	1,133,258	37.2%	816,010	19.6%	763,200	20.8%	729,347	18.9%
State Funds	785,228	25.8%	2,002,419	48.2%	1,677,225	45.6%	1,883,149	48.9%
Other Funds	87,371	2.9%	237,309	5.7%	238,294	6.5%	162,782	4.2%
All Expenditures	$3,578,673	100.0%	$5,177,387	100.0%	$5,338,736	100.0%	$5,364,711	100.0%
General Fund	3,007,358	84.0%	3,915,874	75.6%	4,093,624	76.7%	4,001,189	74.6%
Transportation	180,733	5.1%	254,979	4.9%	270,093	5.1%	282,355	5.3%
Retirement	315,794	8.8%	496,019	9.6%	515,176	9.6%	505,594	9.4%
Debt Service	74,788	2.1%	48,663	.9%	46,914	.9%	45,238	.8%
Other	0	.0%	461,852	8.9%	412,929	7.7%	530,335	9.9%
Per ANB Expenditures	$3,048		$3,637		$3,697		$3,593	

Appendix C - Table 4 (continued)

Category	1980-81 Amount	1980-81 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
High School District Financial Data								
ANB	795		791		765		754	
All Revenues	$2,173,134	100.0%	$3,126,512	100.0%	$3,027,902	100.0%	$3,051,571	100.0%
General Fund	1,836,618	84.5%	2,554,201	81.7%	2,461,533	81.3%	2,409,235	79.0%
District Levies	584,735	31.8%	811,778	31.8%	711,551	28.9%	732,363	30.4%
County Funds	266,289	14.5%	541,671	21.2%	507,206	20.6%	496,165	20.6%
State Funds	954,017	51.9%	1,067,976	41.8%	1,040,765	42.3%	1,035,890	43.0%
Other Funds	31,577	1.7%	132,776	5.2%	202,011	8.2%	144,817	6.0%
All Expenditures	$2,257,009	100.0%	$3,144,841	100.0%	$3,168,376	100.0%	$3,059,262	100.0%
General Fund	1,837,692	81.4%	2,533,828	80.6%	2,563,732	80.9%	2,346,949	76.7%
Transportation	106,526	4.7%	145,399	4.6%	132,609	4.2%	124,676	4.1%
Retirement	179,118	7.9%	264,004	8.4%	283,007	8.9%	264,120	8.6%
Debt Service	86,584	3.8%	37,175	1.2%	35,775	1.1%	34,294	1.1%
Other	47,089	2.1%	164,435	5.2%	153,253	4.8%	289,223	9.5%
Per ANB Expenditures	$3,892		$4,201		$4,265		$4,057	

Sources: 1) Montana Tax Foundation, Inc., Helena, Montana.
2) Montana Office of Public Instruction, School Trustees Reports, Helena, Montana.

from $785,228 in FY 1981 to $1,883,149 by FY 1988. In FY 1988, Elementary School District #4 received nearly one-half of their general fund through state sources, one-fourth from district levies, and the remaining funds from county equalization and other sources.

Per ANB expenditures at Libby Elementary School District have risen from $3,048 per student in FY 1981 to a high of $3,697 in FY 1987 (Table 4). In FY 1988, per ANB expenditures declined slightly to $3,593.

General fund expenditures comprise about three-fourths of all elementary expenditures in the district. Spending for retirement accounts for approximately 9 percent of the budget, while transportation requires about 5 percent. At the present time, about $45,000 per year is spent on debt service, which is less than 1 percent of the budget.

Total revenues at Libby High School District #4 have risen by approximately 40 percent since FY 1981 (Table 4). Of the total revenues raised in FY 1988, nearly 80 percent (or $2.4 million) was general fund revenues. Sources for general fund revenues are district levies (30 percent), county equalization (20.6 percent), state equalization and permissive levies (43.0 percent), and miscellaneous sources (6.0 percent). The pattern for funding sources has changed little over the past 7 years, with the high school receiving slightly less state monies (down from 52 percent to 43 percent).

Per ANB expenditures at the high school level peaked in FY 1987 at $4,265 per student and then declined to $4,057 for FY 1988 (Table 4). Since FY 1981, general fund expenditures comprised approximately 80 percent of the Libby High School budget, declining slightly in FY 1988 to

76.7 percent of the budget. Spending for transportation requires about 4 percent of the high school budget, whereas retirement usually requires approximately 9 percent of the budget. Expenditures for debt service decreased 57 percent between FY 1981 and FY 1986, and then leveled off to about $35,000 per year or approximately 1 percent of the high school budget.

2. Troy School Districts

Between FY 1981 and FY 1986, the taxable valuation for Troy School District #1 (high school and elementary) increased by almost 200 percent (Table 5). This increase is entirely attributable to the ASARCO copper and silver mine near Troy which began production in 1981. Since FY 1986, however, taxable valuation has dropped by about 8 percent, declining about $500,000 between FY 1986 and FY 1987 and almost $1,000,000 between FY 1987 and FY 1988. The decline in taxable valuation has not been offset by a significant decline in enrollment and, consequently, budgeting for the Troy schools has been difficult in the past several years.

County-wide mill levies have not appreciably changed since 1981; however, district-wide levies decreased 36 percent between FY 1981 and FY 1986, then increased by 20 percent in FY 1987 (Table 5). In FY 1988, district-wide levies declined by approximately 10 mills to their present level of 108.16 mills. Twenty-five percent (27.04 mills) of the district mills are levied for the general fund, 5 percent (5.39 mills) for transportation, and 53.5 percent (57.83 mills) are levied for the high school.

APPENDIX C - TABLE 5

LOCAL GOVERNMENT FINANCES -
TROY SCHOOL DISTRICT #1

Category	1980-81 Amount	1980-81 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
Taxable Valuation ($000)								
Elementary District #1	$4,821.0		$8,942.8		$8,638.1		$8,149.0	
High School District #1	4,861.0		9,719.7		9,547.4		9,046.5	
Mill Levies								
Countywide Levies	68.69	100.0%	69.93	100.0%	69.36	100.0%	69.36	100.0%
High School General	25.32	36.9%	27.43	39.2%	26.16	37.7%	27.33	39.4%
School General	43.37	63.1%	42.50	60.8%	43.20	62.3%	42.03	60.6%
District Levies	155.11	100.0%	99.50	100.0%	119.10	100.0%	108.16	100.0%
General Fund	69.49	44.8%	29.08	29.2%	35.44	29.8%	27.04	25.0%
Transportation	9.34	6.0%	4.34	4.4%	9.66	8.1%	5.39	5.0%
High School	51.97	33.5%	43.90	44.1%	58.13	48.8%	57.83	53.5%
Other	24.31	15.7%	22.18	22.3%	15.87	13.3%	17.90	16.5%
Elementary District Financial Data								
ANB	384		475		488		467	
All Revenues	$863,584	100.0%	$1,715,851	100.0%	$1,770,841	100.0%	$1,768,535	100.0%
General Fund	633,645	73.4%	1,130,963	65.9%	1,108,040	62.6%	1,207,639	68.3%
District Levies	195,818	30.9%	264,852	23.4%	294,631	26.6%	229,685	19.0%
County Funds	240,986	38.0%	247,117	21.9%	249,169	22.5%	230,071	19.1%
State Funds	180,523	28.5%	590,347	52.2%	536,730	48.4%	581,582	48.2%
Other Funds	16,318	2.6%	28,647	2.5%	27,510	2.5%	166,301	13.8%

Appendix C - Table 5 (continued)

Category	1980-81 Amount	1980-81 Percent	1985-86 Amount	1985-86 Percent	1986-87 Amount	1986-87 Percent	1987-88 Amount	1987-88 Percent
All Expenditures	854,991	100.0%	1,869,534	100.0%	1,706,381	100.0%	1,787,467	100.0%
General Fund	617,302	72.2%	1,047,531	56.0%	1,154,469	67.7%	1,113,376	62.3%
Transportation	46,719	5.5%	75,402	4.0%	99,936	5.9%	87,716	4.9%
Retirement	60,925	7.1%	134,362	7.2%	140,742	8.2%	144,806	8.1%
Debt Service	86,497	10.1%	139,129	7.4%	129,552	7.6%	124,760	7.0%
Other	43,548	5.1%	473,110	25.3%	181,682	10.6%	316,809	17.7%
Per ANB Expenditures	3,053		4,159		3,601		3,828	
High School District Financial Data								
ANB	174		208		208		209	
All Revenues	$601,432	100.0%	$1,080,340	100.0%	$1,191,635	100.0%	$1,248,470	100.0%
General Fund	416,027	69.2%	815,720	75.5%	814,919	68.4%	869,810	69.7%
District Levies	100,442	24.1%	318,583	39.1%	317,776	39.0%	305,299	35.1%
County Funds	66,842	16.1%	163,273	20.0%	158,673	19.5%	158,097	18.2%
State Funds	242,924	58.4%	306,719	37.6%	312,574	38.4%	319,406	36.7%
Other Funds	5,819	1.4%	27,145	3.3%	25,896	3.2%	87,008	10.0%
All Expenditures	$638,894	100.0%	$1,076,828	100.0%	$1,045,730	100.0%	$1,113,087	100.0%
General Fund	435,190	68.1%	773,091	71.8%	805,541	77.0%	807,761	72.6%
Transportation	59,620	9.3%	51,109	4.7%	48,235	4.6%	58,815	5.3%
Retirement	40,625	6.4%	79,321	7.4%	80,756	7.7%	87,092	7.8%
Debt Service	36,622	5.7%	88,990	8.3%	81,007	7.7%	79,026	7.1%
Other	66,837	10.5%	84,317	7.8%	30,191	2.9%	80,393	7.2%
Per ANB Expenditures	5,034		5,470		5,177		5,326	

Sources: 1) Montana Tax Foundation, Inc., Helena, Montana.
2) Montana Office of Public Instruction, School Trustee Reports, Helena, Montana.

Total revenues for Troy Elementary School District doubled between FY 1981 and FY 1988, increasing from $863,584 to $1,768,535. During this same period, general fund revenues increased from $633,645 to $1,207,639. The other sources for increased revenues came from state equalization funds which rose from $180,523 in FY 1981 to a high of $590,347 by FY 1986. General fund revenues usually comprise about 70 percent of all revenues to the elementary district. The major source of general fund revenues is the state equalization program which provides nearly one-half of all general fund revenues (Table 5).

Expenditures for Troy Elementary School District increased by over 100 percent between FY 1981 and FY 1986, while per ANB expenditures increased by over one-third during this same time period. Since 1986, however, total expenditures as well as per ANB expenditures have both declined. General fund expenditures for the elementary district make up 62 percent of the total expenditures. Transportation accounts for approximately 5 percent of the budget, while retirement requires about 8 percent (Table 5). Debt service costs about $125,000 per year or approximately 7 percent of the elementary budget.

Revenues at Troy High School District #1 increased from $601,432 in FY 1981 to $1,080,340 by FY 1986 (Table 5). Since 1986, total revenues at the high school have increased approximately 15 percent. General fund revenues total approximately 70 percent of all revenues received by the high school. Major sources for general fund revenues are the state equalization program (36 percent) and district levies which usually total about 35 to 40 percent of all general fund revenues.

Per ANB expenditures at the high school peaked in FY 1986 at $5,470, and since that time, slight decreases in per ANB expenditures have been experienced in High School District #1. General fund expenditures usually require about three-fourths of the high school budget, transportation averages about 5 percent, and retirement about 7 to 8 percent of all expenditures. Debt service accounted for 7 percent ($80,393) of total expenditures in FY 1988.

APPENDIX D

DESCRIPTION OF HOUSING IN MONTANORE STUDY AREA

APPENDIX D

DESCRIPTION OF HOUSING IN MONTANORE STUDY AREA

The study area for Montanore includes the southwestern portion of Lincoln County including the communities of Libby and Troy. Housing characteristics and availability were assessed through personal interviews conducted with mobile home park owners, apartment complex managers/owners, realtors, and planners; from data compiled by the U.S. Bureau of the Census, Montana Department of Health and Environmental Sciences, and other published and unpublished documents; from an inventory of real estate listed in the classified section of The Western News; and through an on-site housing inventory. Although housing units for sale and rent are ever-changing, the following description provides an overview of the housing situation in the study area.

A. Housing Characteristics

The U.S. Bureau of the Census (1980) reported that Lincoln County had 6,815 year-round housing units. Of the 6,063 occupied housing units, 74.7 percent were occupied by owners and 25.3 were occupied by renters. The percent of owner-occupied housing units was slightly higher than the state average of 68.4 percent in 1980 (Table 1).

Two-thirds of the year-round housing units in Lincoln County and the state were classified by the U.S. Bureau of the Census (1980) as 1-unit structures. Nearly 25 percent of the housing units in Lincoln County were mobile homes, while at the state level, 13 percent of year-round housing units were mobile homes (Table 1).

APPENDIX D - TABLE 1

COMPARISON OF SELECTED HOUSING CHARACTERISTICS
LINCOLN COUNTY AND STATE OF MONTANA, 1980

Housing Characteristic	Lincoln County	Percent of Total	State of Montana	Percent of Total
Year-round Housing Units	6,815		315,098	
Occupied Housing Units	6,063	100.0%	283,742	100.0%
Owner-Occupied Units	4,529	74.7%	194,647	68.6%
Renter-Occupied Units	1,534	25.3%	89,095	31.4%
Units in Structure	6,815	100.0%	315,098	100.0%
1 Unit	4,574	67.1%	208,673	66.2%
2 Units	163	2.4%	17,213	5.5%
3 and 4 Units	198	2.9%	17,291	5.5%
5 or More Units	293	4.3%	31,134	9.9%
Mobile Homes	1,587	23.3%	40,787	12.9%
Structure by Year Built	6,815	100.0%	315,098	100.0%
1960 to 1980	3,668	53.8%	143,721	45.6%
1940 to 1959	1,669	24.5%	75,815	24.1%
1939 or Earlier	1,478	21.7%	95,562	30.3%
Owner-Occupied Housing Units[1] by Value	2,731	100.0%	125,919	100.0%
Less than $10,000	78	2.9%	3,920	3.1%
$10,000 to $29,999	609	22.3%	25,872	20.6%
$30,000 to $49,999	1,082	39.6%	40,854	32.4%
$50,000 to $79,999	820	30.0%	43,478	34.5%
$80,000 to $149,999	138	5.1%	10,791	8.6%
$150,000 or More	4	0.1%	1,004	0.8%
Mean Dollar Value	$44,582		$49,131	

Source: Based on 1980 Census and estimated data compiled by Montana Department of Commerce, The Census and Economic Information Center, Helena, Montana, 1985.

[1]Owner-occupied, noncondominium, 1-unit structures on less than 10 acres, excluding mobile homes and trailers and units with an office on the property.

Lincoln County was similar to the state when comparing age of structures, with the majority of homes constructed between 1960 and 1980. In 1980, the mean dollar value of homes in Lincoln County was $44,582 as compared to the mean value of $49,131 for the state.

B. Housing Availability

1. Real Estate For Sale

Real estate for sale and apartments and homes for rent, advertised in the classified section of The Western News, a local Libby newspaper, were monitored from May through October 1988 to determine the average number of housing units for sale or rent in the Lincoln County study area (Table 2). Real estate and rentals advertised in every other issue of the newspaper were recorded and a weekly average was calculated for the 6-month period.

An average of 24 homes were listed for sale weekly in The Western News during the monitoring period (Table 2). Homes ranged in price from $10,000 to $550,000, depending on the number of bedrooms, location, and whether the home was situated on acreage or on a city lot.

Numbers of mobile homes listed for sale in The Western News were also monitored during the 6-month period in 1988 (Table 2). An average of 8 mobile homes a week were advertised, ranging in price from $1,200 to $37,500. Because the newspaper does not separate mobile homes on lots or acreage from mobile home units not on property, it is not known whether the sale price includes property.

Four of the 6 realtors operating in Libby and Troy list real estate for sale with the Multiple Listing Service (Linda Harris, pers.

APPENDIX D - TABLE 2

6-MONTH MONITORING OF REAL ESTATE FOR SALE
AND HOUSING UNITS FOR RENT -
LINCOLN COUNTY STUDY AREA

Types of Housing	Average Number Per Week	Range
Homes For Sale		
Under $30,000	6	Price: $10,000 to $550,000
$30,000 to $55,000	6	# Acres: 0 to 480
$55,000 and Over	9	# Bedrooms: 1 to 5+
No Price Listed	3	
Mobile Homes For Sale		
Under $8,000	2	Price: $1,200 to $37,500
$8,000 to $15,000	1	# Acres: 0 to 11.5
$15,000 and Over	2	# Bedrooms: 1 to 4
No Price Listed	3	
Acreage For Sale		
Under 6 Acres	3	# Acres: 0.5 to 480
6 to 25 Acres	2	
25 Acres and Over	1	
Lots For Sale		
All Lots	2	# Lots: 1 to 4
Rental Housing Units		
Homes	10	Rent: $110 to $575/month
Apartments	6	Rent: $100 to $275/month
Mobile Homes	5	Rent: $130 to $300/month

Source: The Western News, Libby, Montana, May through October 1988. Every other issue was used during this monitoring period to derive the average used in this table.

comm., December 5, 1988). On November 4, 1988, in the Troy and Libby area, the Multiple Listing Service had 91 residential listings for sale (30 residential with acreage and 61 residential without acreage) and 55 parcels of land for sale (44 with less than 6 acres, 9 with 6 to 25 acres, and 2 with more than 25 acres).

In a poll taken by The Western News, local realtors reported that real estate prices in the area may be leveling off (The Western News, November 22, 1988). For the past 8 years, it has been a buyer's market with homes selling for less than what owners purchased them for initially. Realtors further reported that home prices were stabilizing at a low level, a price only 40 to 60 percent of the replacement value (The Western News, November 22, 1988).

Streets within the Libby and Troy area were driven and number of homes for sale were recorded. Results of this housing inventory are briefly described as follows:

> In or On the Outskirts of Libby (South of Highway 2): Fifteen homes had for sale signs displayed by owner, Irene Loveless Realty, and DeShazer-Ryan Realty. In addition, 1 mobile home on a lot and 1 vacant lot were listed by DeShazer-Ryan Realty.
>
> In or On the Outskirts of Libby (North of Highway 2): Eleven homes had for sale signs displayed by owner, DeShazer-Ryan Realty, and Irene Loveless Realty.
>
> North of Kootenai River (Including Rawlings Tracts, Pipe Creek Road, Northwood, Quartz Mountain Road, Airfield Tracts): A lot of home development has occurred in this area. It appears there are lots ready for development although for sale signs were not always displayed. In the Rawlings Road and Quartz Mountain Road area, there were 2 homes listed for sale by DeShazer-Ryan Realty. In the Northwood and Shalom Road area, there were 5 lots and 1 home listed for sale by DeShazer-Ryan Realty and Irene Loveless Realty.
>
> South of Libby (Includes Bowen Hill Road, Cabinet View County Club, Farm-to-Market Road, Bear Creek area): Homes and trailers

are intermixed in the Farm-to-Market Road area and the area seems very crowded until you travel out past Pinewood Village. Seven homes had for sale signs displayed by Irene Loveless Realty, DeShazer-Ryan Realty, and Farag Realty. In addition, in the Pinewood Village area, a mobile home on a lot was listed for sale by Irene Loveless Realty and land was listed for sale by Farag Realty.

Troy: Fairview Heights had 1-acre lots for homesites for sale. Many of the lots were for sale by DeShazer-Ryan Realty. There also was a home and lots for sale by Homestead Realty and a repossessed home for sale.

In the town of Troy, 11 homes were for sale by Homestead Realty, Tomplin Realty, DeShazer-Ryan Realty, and owner. In addition, 1 mobile home on a lot was listed for sale by Homestead Realty.

2. Mobile Home Parks

City zoning regulations prohibit the placement of mobile homes within the Libby city limits; however, Lincoln County has no restrictions on mobile home placement other than those required by the state. Mobile home courts, campgrounds, and recreational vehicle (RV) and tent parks in Montana are required by law to be licensed by DHES, Food and Consumer Bureau. A list of licensed mobile home courts is prepared by DHES that provides the name of the park owner, address, and number of spaces licensed by category (i.e., recreational trailers, tents, cabins, and mobile homes). Because the DHES list cannot be used for the purpose of unsolicited telephone calls (e.g., surveys), owners of the mobile home parks on the list could not be contacted to gather such information as rental fees, number of vacancies, and occupancy rates.

Table 3 presents the number of mobile home court spaces near Libby and Troy and the number of occupied spaces in the courts as of June 1988. The Lincoln Department of Environmental Health periodically

APPENDIX D - TABLE 3

NUMBER OF SPACES LICENSED AND OCCUPIED IN
MOBILE HOME COURTS, LINCOLN COUNTY STUDY AREA

Mobile Home Court	Number of Spaces Licensed	Number of Spaces Occupied
Libby		
Adamson Trailer Court	21	10
Barnes Trailer Court	18	16
Bellevue Manor	46	28
Branding Iron Mobile Ranch	8	8
Bromp's Court	12	7
Cabinet View Trailer Court	45	43
Dakota Parkway	7	7
Darsow Mobile Home Park	4	2
Eagle Conoco Campground	20 RV Spaces	NA
Ed's	13	4
El Ponderosa Mobile Villa	9	3
Elkhorn	7	1
Evergreen Trailer Court	6	6
Garden Grove Trailer Court	8	8
Granite Creek Park	11	5
Green Acres Trailer Court	17	16
Happy's Inn	26	14
Hartmann's Orchard Valley	45	31
Hartmann West	33	26
Hartmann S & W Mobile Court	8	3
Hartmann's Trailer Court	20	13
Johnson's Trailer Court	14	9
Koocanusa Marina	40 RV Spaces	NA
Kootenai Trailer Court	20	13
Land L Trailer Court	6	5
Lazy Acres Trailer Court	4	4
Libby Dam Trailer Court	14	14
Meadowlark RV Park	30 RV Spaces	NA
Mobile Court	4	3
Mount Snowy Park	9	3
Mountain View Trailer Court	16	9
Parmenter Creek Trailer Court	10	9
Pine Tree Mobile Park	23	19
Pineridge Tavern Trailer Court	3	3
Post's Trailer Court	23	16
Riverside Inn	26	19
The Hideaway	5	5

Appendix D - Table 3 (Continued)

Mobile Home Court	Number of Spaces Licensed	Number of Spaces Occupied
Libby (Continued)		
Viking Trailer Court	13	6
Woodland Trailer Court	38	32
Woody's Park	12 RV Spaces	NA
Wy-Go-By Court	9	3
4-Aces Trailer Court	36	25
Total Mobile Home Spaces	667	462
Total RV Spaces	102	NA
Troy		
Big Joe's Trailer Court	7	NA
Foote's Trailer Court	2	2
Halfway House	7	2
La-Vi Mobile Park	14	8
Perkins Trailer Court	9	8
Reilly's	7	6
Schultz Trailer Court	4	2
Troy KOA Campground	40 RV Spaces	NA
Troy Trailer Park	15	5
Walt's Trailer Court	10	6
Winslow Trailer Court	7	7
Total Mobile Home Spaces	75	46
Total RV Spaces	40	NA

NA = Not available.

Source: Lincoln County, Department of Environmental Health, Libby, Montana, June 1988.

conducts a survey of trailer court owners to obtain the number of occupied spaces in each trailer court. Based on this inventory, approximately 69 percent of the 667 available spaces in mobile home courts near Libby were occupied, while 61 percent of the 75 trailer spaces in Troy were occupied (Table 3).[1]

Lot rent, occupancy rate, and other pertinent information were gathered through a telephone survey of owners of mobile home parks listed in the local telephone directory. Although not all mobile home parks in the study area are listed in the telephone directory and thus were not contacted, the specifics concerning the mobile home parks as presented in Table 4 provide a general overview. The park owners contacted reported that the majority of the trailer spaces have full hookups with rental fees ranging from $55 to $60 a month including water, sewer, and garbage. They indicated that there was a high occupancy rate year-round. The KOA Campground in Troy was the only park that was not open year-round, closing after the hunting season and reopening April 1.

3. Housing Units For Rent

Housing units for rent are not plentiful in Libby and Troy. In a survey of realtors conducted by The Western News (November 11, 1988), it was reported that "...home rentals are vanishing as more people--retirees, miners, businessmen--are moving into the area than are moving out." Realtors also reported receiving calls daily from people interested in rental housing, but they do not have any rentals available.

[1]Excludes RV parks in the Libby and Troy area.

APPENDIX D - TABLE 4

MOBILE HOME PARK AND CAMPGROUND INFORMATION - LINCOLN COUNTY STUDY AREA

Mobile Home Park/ Campground	Number of Spaces	Overnight Rate	Monthly Rate	Comments
Green Acres Trailer Court, Libby	17	--	$60/month includes garbage, water, & sewer	All spaces have full hookups. They maintain a good occupancy rate all year-round.
Hartmann Trailer Court, Libby	25	--	$50/month includes well water & sewer $60/month includes city water & sewer	All spaces have full hookups.
Post's Trailer Court, Libby	25	--	$55/month includes water, sewer, & garbage	All spaces have full hookups. 3 to 4 spaces open all year-round. In the winter, owners plow the snow; in the summer, they irrigate and mow lawns.
Meadowlark RV Park, Libby	30	$8.50 w/hookup	$125/month includes all utilities except air conditioning and cable television	All spaces have full hookups. Fairly full all year-round.

Appendix D - Table 4 (Continued)

Mobile Home Park/ Campground	Number of Spaces	Overnight Rate	Monthly Rate	Comments
Woodland Trailer Court, Libby	41	$7.00	$50-$75/month includes all utilities except electricity or $100/month includes all utilities	All spaces have full hookups. About 12 spaces are more suitable for smaller trailers.
Johnson Trailer Court, Libby	14	--	$55-$60/month (depends on size of lot) includes water, sewer, & garbage	All spaces have full hookups. Usually has 1 opening a month, but stays full most of the time.
Bellevue Manor Trailer Park, Libby	49	--	$60/month corner lots $55/month other lots Includes water, sewer, & garbage	All spaces have full hookups. They have a good occupancy rate all year-round.
Eagle Conoco, Libby	20	$10.50 w/hookup $8.50 w/o hookup	$100/month w/o hookup 145/month w/o hookup Includes all utilities and cable television	Ten spaces with full hookups. In the summer, half full or more.

Appendix D - Table 4 (Continued)

Mobile Home Park/ Campground	Number of Spaces	Overnight Rate	Monthly Rate	Comments
Happy's Inn & Resort, Libby	18 + tent spaces	$7.00 w/hookup	$45/month w/hookups Includes water, sewer, & garbage. Permanent tenants pay own electricity	Most have full hookups. Eight spaces are for overnight stays and 10 are permanent pads. In the winter, they stay about 50 percent full, but depends on logging jobs or other projects in the area.
Robert R. Payne, Libby	7	--	$35-$55/month includes sewer & water	Spaces stay rented throughout the year.
La-Vi RV Park, Troy	13	$10 w/hookup $5 w/hookup (just to park in fall & winter)	$120/month w/ hookup	Self-contained units only. Also has a 1 bedroom, furnished apartment ($130/month + electricty) and 1 bedroom cabin ($125/month + electricty).
KOA Campground, Troy	45	$15 w/hookup $12 w/o hookup	--	Fifteen spaces have full hookups. They close after hunting season until April 1.

Source: Interviews conducted with managers/owners of mobile home courts, November 1988.

Apartment owners/managers of the 4 apartment complexes listed in the telephone directory were contacted to obtain information on monthly rental charges and occupancy rates (Table 5). Based on this survey, there were 95 apartments in the 4 complexes with monthly rents of $150, $165, or 30 percent of the tenant's annual income. One apartment complex (Green Meadow Manor in Libby) is set aside for retired, disabled, or persons on social security income. Owners reported that vacancies are quickly filled by new tenants.

An on-site housing inventory conducted in December 1988 found that there were rental units nestled within the city of Libby not advertised in the telephone directory nor in The Western News. Apartments appeared to range in size from duplexes to large complexes with about 30 apartment units. There were no for rent signs displayed at the time of the housing inventory.

Rental housing in Troy appeared more limited than in Libby. A large apartment complex on the south side of town (Golden Lion Manor) has 20 apartment units. This apartment complex, however, is a subsidized project for the elderly (Ray Lindsey, pers. comm., January 23, 1989).

There was a weekly average of 10 homes, 6 apartments, and 5 mobile homes listed for rent in The Western News during the 6-month monitoring period (May through October 1988). Homes ranged in rent from $110 to $575 a month; apartments ranged from $100 to $275 a month; and mobile homes ranged from $130 to $300 a month (see Table 2). Some rental homes and mobile homes were situated on acreage, thus reflecting a higher rental rate.

APPENDIX D - TABLE 5

APARTMENT COMPLEX INFORMATION -
LINCOLN COUNTY STUDY AREA

Apartment Complex	Total Number of Apartments	Monthly Rate	Comments
Snooze Apartments, Libby	22	$165/month	Eleven duplex trailers. Good occupancy rate.
Libby Plaza II, Libby	30	30% of annual income	Four 3 bedroom apartments, 26 2 bedroom apartments. Vacancies do not last long.
W & J Apartments Libby	9	$150 + electricity	Two bedroom apartments.
Green Meadow Manor, Libby	34	30% of annual income	Set aside for retired, disabled, or persons on social security income.

Source: Interviews conducted with owners/managers of apartment complexes, November 1988.

4. Motels

Interviews were conducted with 12 operators of motels in the Libby and Troy area to determine number of motel rooms, number of kitchenettes, and room rates (Table 6). Overnight rates for 1 person/1 bed ranged from $12 to $34 a night. Most of the motels have weekly or monthly rates, particularly during the relatively slow winter period. Sixteen percent of the 263 rooms were equipped with cooking facilities.

Motel owners interviewed consistently reported a high demand for rooms during the tourist season in the summer months. After Labor Day through May, most motels could accommodate more customers without straining their facilities.

5. Housing Development

Most new home building around Libby has occurred in the Big Horn Terrace and Ponderosa Heights subdivisions; however, overall subdivision activity has slowed down (Ken Peterson, pers. comm., December 5, 1988). Although there are quite a few vacant lots for sale, many buyers have found it less expensive to purchase an existing home on a lot than to purchase a lot and build a new home (Linda Harris, pers. comm., December 5, 1988).

APPENDIX D - TABLE 6

MOTEL INFORMATION - LINCOLN COUNTY STUDY AREA

Motel	Total Units	Number Units With Kitchenettes	Daily Rates	Weekly or Monthly Rates	Comments
Super 8 Motel, Libby	42	0	$28.88-1 person/1 bed $36.88-2 persons/2 beds $26.00-Commercial rate	--	Motel usually stays full June-September.
Rainbow Motel, Libby	11	6	$14-1 person/1 bed $17-2 persons/2 beds	$75/week $225/month + electricity	Busy in the summer; slow in the winter.
Pioneer Junction, Libby	22	10	$19-1 person/1 bed $33-2 persons/2 beds $33-single kitchenette	$55/week $65/week w/kitchenette	In the summer time, the motel stays full.
Mountain Magic, Libby	18	7	$20-1 person/1 bed $27-2 persons/2 beds $24-1 person/ 1 bed w/kitchenette $31-2 persons/2 beds w/kitchenette	Winter rates: $80/week (1 person/ 1 bed) $100/week (2 persons/ 2 beds)	Motel stays more full in the summer.
Caboose, Libby	28	0	$25-1 person/1 bed $29-2 persons/2 beds	Monthly: $90/week	In the summer time, they are always full.

Appendix D - Table 6 (Continued)

Motel	Total Units	Number Units With Kitchenettes	Daily Rates	Weekly or Monthly Rates	Comments
Wheat Grass, Libby	15	2	$16-1 person/1 bed $19-2 persons/2 beds $35-2 bed kitchenette	Winter rates: $65/week-1 bed $100/week-1 bed kitchenette $135/week-2 bed kitchenette	--
Evergreen, Libby	15	2	$18-1 person/1 bed $28-2 persons/2 beds $20-1 person/1 bed kitchenette	$14/week-1 bed $15/week-1 bed kitchenette Winter rates: $325/month	The motel stays full in the summer.
Venture Motor Inn, Libby	71	0	$34-1 person/1 bed $38-2 persons/2 beds	Possibly special rate in winter months, but depends on how busy they are.	The busiest days are Tuesday, Wednesday, and Thursday in the summer, and Thursday, Friday, and Saturday in the winter.

Appendix D - Table 6 (Continued)

Motel	Total Units	Number Units With Kitchenettes	Daily Rates	Weekly or Monthly Rates	Comments
Libby Cabins, Apartments, and Motel, Libby	13	9	$15-1 person/1 bed $18-2 persons/2 beds $16-1 person/1 bed kitchenette $20-2 persons/2 beds kitchenette	Weekly: $65-1 person/ 1 bed $85-2 persons/ 2 beds $75-1 person/ 1 bed kitchenette $100-$150-2 persons/2 beds kitchenette Monthly: $200-1 person/ 1 bed $250-2 persons/ 2 beds $300-1 person/ 1 bed kitchenette $350-$400-2 persons/2 beds kitchenette	They are busiest in the fall and spring when the tree planters arrive.
Riverside Motel, Libby	8	0	$12-1 or 2 persons/ 1 bed	$40/week $135/month	Rents mostly to fishermen.
Holiday, Troy	6	0	$20-1 person/1 bed $22-2 persons/2 beds	Weekly-would go down a few dollars	Summer is more busy than winter months.

Appendix D - Table 6 (Continued)

Motel	Total Units	Number Units With Kitchenettes	Daily Rates	Weekly or Monthly Rates	Comments
The Ranch, Troy	14	6	$20-1 person/1 bed $24-2 persons/2 beds	$105/week $200/month w/ 1 bed $260/month w/ 2 beds	August is the most busy month of the year.

Source: Interviews conducted with managers/owners of mobile home courts, November 1988.

APPENDIX E

IN-MIGRATION DISTRIBUTION BY GEOGRAPHIC AREA

APPENDIX E - TABLE 1

EXPECTED DIRECT AND INDIRECT MIGRATION IN LINCOLN COUNTY STUDY AREA
DUE TO MONTANORE

Category	Year 1				Year 2				Year 3				Year 4				Year 5			
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
Total Lincoln County Study Area Settlement																				
Construction Workers	0	0	82	93	60	71	104	93	44	44	49	30	0	0	0	0	0	0	0	0
Mine Workers	6	6	6	6	26	26	26	26	88	88	88	88	90	90	90	90	90	90	90	90
Indirect Workers	0	0	0	4	4	6	7	8	8	18	18	18	17	17	17	17	17	17	17	17
Spouses	5	5	53	60	57	65	86	79	99	104	108	95	80	80	80	80	80	80	80	80
Children - Total	7	7	48	54	63	69	87	83	138	142	145	135	123	123	123	123	123	123	123	123
K-8	4	4	24	26	31	33	40	37	63	65	66	62	57	57	57	57	57	57	57	57
9-12	1	1	9	10	11	13	17	17	26	27	28	26	24	24	24	24	24	24	24	24
Not in School	2	2	15	18	21	23	30	29	49	50	51	47	42	42	42	42	42	42	42	42
Total Settlement	18	18	189	217	210	237	310	289	377	396	408	366	310	310	310	310	310	310	310	310
Total Lincoln County Study Area Net Migration																				
Construction Workers	0	0	82	11	-33	11	33	-11	-49	0	5	-19	-30	0	0	0	0	0	0	0
Mine Workers	6	0	0	0	20	0	0	0	62	0	0	0	2	0	0	0	0	0	0	0
Indirect Workers	0	0	0	4	0	2	1	1	0	10	0	0	-1	0	0	0	0	0	0	0
Spouses	5	0	48	7	-3	8	21	-7	20	5	4	-13	-15	0	0	0	0	0	0	0
Children - Total	7	0	41	6	9	6	18	-4	55	4	3	-10	-12	0	0	0	0	0	0	0
K-8	4	0	20	2	5	2	7	-3	26	2	1	-4	-5	0	0	0	0	0	0	0
9-12	1	0	8	1	1	2	4	0	9	1	1	-2	-2	0	0	0	0	0	0	0
Not in School	2	0	13	3	3	2	7	-1	20	1	1	-4	-5	0	0	0	0	0	0	0
Total Net Migration	18	0	171	28	-7	27	73	-21	88	19	12	-42	-56	0	0	0	0	0	0	0

Note: Negative estimates indicate out-migration from the area.

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

APPENDIX E - TABLE 2

EXPECTED DIRECT AND INDIRECT MIGRATION IN LIBBY
DUE TO MONTANORE

Category	Year 1				Year 2				Year 3				Year 4				Year 5			
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
Libby Settlement/Migration																				
Construction Workers	0	0	36	41	27	31	46	41	19	19	22	13	0	0	0	0	0	0	0	0
Mine Workers	1	1	1	1	7	7	7	7	26	26	26	26	27	27	27	27	27	27	27	27
Indirect Workers	0	0	0	1	1	1	2	2	2	3	3	3	3	3	3	3	3	3	3	3
Spouses	1	1	22	25	22	24	34	31	33	33	35	29	23	23	23	23	23	23	23	23
Children - Total	1	1	19	21	22	24	33	30	43	43	45	40	36	36	36	36	36	36	36	36
K-8	1	1	9	10	11	11	16	14	20	20	20	18	17	17	17	17	17	17	17	17
9-12	0	0	4	4	4	5	6	6	8	8	9	8	7	7	7	7	7	7	7	7
Not in School	0	0	6	7	7	8	11	10	15	15	16	14	12	12	12	12	12	12	12	12
Total Settlement	3	3	78	89	79	87	122	111	123	124	131	111	89	89	89	89	89	89	89	89
Libby Net Migration																				
Construction Workers	0	0	36	5	-14	4	15	-5	-22	0	3	-9	-13	0	0	0	0	0	0	0
Mine Workers	1	0	0	0	6	0	0	0	19	0	0	0	1	0	0	0	0	0	0	0
Indirect Workers	0	0	0	1	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0
Spouses	1	0	21	3	-3	2	10	-3	2	0	2	-6	-6	0	0	0	0	0	0	0
Children - Total	1	0	18	2	1	2	9	-3	13	0	2	-5	-4	0	0	0	0	0	0	0
K-8	1	0	8	1	1	0	5	-2	6	0	0	-2	-1	0	0	0	0	0	0	0
9-12	0	0	4	0	0	1	1	0	2	0	1	-1	-1	0	0	0	0	0	0	0
Not in School	0	0	6	1	0	1	3	-1	5	0	1	-2	-2	0	0	0	0	0	0	0
Total Net Migration	3	0	75	11	-10	8	35	-11	12	1	7	-20	-22	0	0	0	0	0	0	0

Note: Negative estimates indicate out-migration from the area.

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

APPENDIX E - TABLE 3

EXPECTED DIRECT AND INDIRECT MIGRATION IN TROY
DUE TO MONTANORE

Category	Year 1				Year 2				Year 3				Year 4				Year 5			
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
Troy Settlement/Migration																				
Construction Workers	0	0	4	4	3	3	5	4	2	2	2	1	0	0	0	0	0	0	0	0
Mine Workers	0	0	0	0	1	1	1	1	4	4	4	4	4	4	4	4	4	4	4	4
Indirect Workers	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1	1	1	1	1	1
Spouses	0	0	2	2	2	2	4	3	4	4	4	3	3	3	3	3	3	3	3	3
Children - Total	0	0	2	2	2	2	3	3	6	6	6	5	5	5	5	5	5	5	5	5
K-8	0	0	2	2	2	2	1	1	3	3	3	3	3	3	3	3	3	3	3	3
9-12	0	0	0	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Not in School	0	0	0	0	0	0	1	1	2	2	2	1	1	1	1	1	1	1	1	1
Total Settlement	0	0	8	8	8	8	13	11	16	17	17	14	13	13	13	13	13	13	13	13
Troy Net Migration																				
Construction Workers	0	0	4	0	-1	0	2	-1	-2	0	0	-1	-1	0	0	0	0	0	0	0
Mine Workers	0	0	0	0	1	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0
Indirect Workers	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Spouses	0	0	2	0	0	0	2	-1	1	0	0	-1	0	0	0	0	0	0	0	0
Children - Total	0	0	2	0	0	0	1	0	3	0	0	-1	0	0	0	0	0	0	0	0
K-8	0	0	2	0	0	0	-1	0	2	0	0	0	0	0	0	0	0	0	0	0
9-12	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Not in School	0	0	0	0	0	0	1	0	1	0	0	-1	0	0	0	0	0	0	0	0
Total Net Migration	0	0	8	0	0	0	5	-2	5	1	0	-3	-1	0	0	0	0	0	0	0

Note: Negative estimates indicate out-migration from the area.

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

APPENDIX E - TABLE 4

EXPECTED DIRECT AND INDIRECT MIGRATION IN RURAL LINCOLN COUNTY
DUE TO MONTANORE

Category	Year 1				Year 2				Year 3				Year 4				Year 5			
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
Rural Lincoln County Settlement																				
Construction Workers	0	0	42	48	30	37	53	48	23	23	25	16	0	0	0	0	0	0	0	0
Mine Workers	5	5	5	5	18	18	18	18	58	58	58	58	59	59	59	59	59	59	59	59
Indirect Workers	0	0	0	3	3	5	5	6	6	14	14	14	13	13	13	13	13	13	13	13
Spouses	4	4	29	33	33	39	48	45	62	67	69	63	54	54	54	54	54	54	54	54
Children - Total	6	6	27	31	39	43	51	50	89	93	94	90	82	82	82	82	82	82	82	82
K-8	3	3	13	14	18	20	23	22	40	42	43	41	37	37	37	37	37	37	37	37
9-12	1	1	5	6	7	8	10	10	17	18	18	17	16	16	16	16	16	16	16	16
Not in School	2	2	9	11	14	15	18	18	32	33	33	32	29	29	29	29	29	29	29	29
Total Settlement	15	15	103	120	123	142	175	167	238	255	260	241	208	208	208	208	208	208	208	208
Rural Lincoln County Net Migration																				
Construction Workers	0	0	42	6	-18	7	16	-5	-25	0	2	-9	-16	0	0	0	0	0	0	0
Mine Workers	5	0	0	0	13	0	0	0	40	0	0	0	1	0	0	0	0	0	0	0
Indirect Workers	0	0	0	3	0	2	0	1	0	8	0	0	-1	0	0	0	0	0	0	0
Spouses	4	0	25	4	0	6	9	-3	17	5	2	-6	-9	0	0	0	0	0	0	0
Children - Total	6	0	21	4	8	4	8	-1	39	4	1	-4	-8	0	0	0	0	0	0	0
K-8	3	0	10	1	4	2	3	-1	18	2	1	-2	-4	0	0	0	0	0	0	0
9-12	1	0	4	1	1	1	2	0	7	1	0	-1	-1	0	0	0	0	0	0	0
Not in School	2	0	7	2	3	1	3	0	14	1	0	-1	-3	0	0	0	0	0	0	0
Total Net Migration	15	0	88	17	3	19	33	-8	71	17	5	-19	-33	0	0	0	0	0	0	0

Note: Negative estimates indicate out-migration from the area.

Source: Noranda Minerals Corp, Libby, Montana, June 1990.

APPENDIX F

IMPACT REVENUES AND COSTS WITHOUT TAX BASE SHARING

APPENDIX F - TABLE 1

IMPACT REVENUES DUE TO MONTANORE - LINCOLN COUNTY
WITHOUT TAX BASE SHARING
(1989 Dollars)

Category	Construction Year 1	Construction Year 2	Construction Year 3	Operations Year 4	Operations Year 5	Operations Year 6
Property Taxable Valuations ($000) - End of Year						
Noranda	$ 180	$ 1,080	$ 1,800	$ 5,337	$ 5,530	$ 5,530
Individual	24	35	46	35	35	35
Commercial	10	15	19	15	15	15
Total Taxable Valuation	$ 214	$ 1,130	$ 1,865	$ 5,639	$ 6,084	$ 6,084
General Fund Revenues						
Property Taxes						
Noranda	$ 0	$ 843	$ 5,903	$13,492	$ 33,436	$ 50,911
Individual	0	112	276	379	379	328
Commercial	0	47	117	159	159	141
Per Capita Revenues	6,651	9,501	12,505	9,501	9,501	9,501
Total General Fund	$6,651	$10,503	$18,801	$23,531	$ 43,475	$ 60,881
Other Funds Revenues						
Property Taxes						
Noranda	$ 0	$ 2,934	$20,538	$46,944	$116,333	$177,132
Individual	0	391	1,320	1,320	1,141	1,141
Commercial	0	163	408	554	554	489
Per Capita Revenues	2,144	3,063	4,031	3,063	3,063	3,063
Total Other Funds	$2,144	$ 6,551	$26,297	$51,881	$121,091	$181,825
Total Funds						
Property Taxes						
Noranda	$ 0	$ 3,777	$26,441	$60,436	$149,769	$228,043
Individual	0	503	1,596	1,699	1,520	1,469
Commercial	0	210	525	713	713	630
Per Capita Revenues	8,795	12,564	16,536	12,564	12,564	12,564
Total All Funds	$8,795	$17,054	$45,098	$75,412	$164,566	$242,706

Source: Noranda Minerals Corp, Libby, Montana, March 1992.

APPENDIX F - TABLE 2

NET FISCAL IMPACT NEEDS DUE TO MONTANORE - LINCOLN COUNTY
WITHOUT TAX BASE SHARING
(1989 Dollars)

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Projected Revenues	$ 8,795	$ 17,054	$45,098	$75,412	$164,566	$242,706
Projected Costs	44,959	100,084	93,647	85,084	85,084	85,084
Projected Cash Flow	($36,164)	($ 83,030)	($48,549)	($ 9,672)	$ 79,482	$157,622

Source: Noranda Minerals Corp, Libby, Montana, March 1992.

APPENDIX F - TABLE 3

IMPACT REVENUES DUE TO MONTANORE - MUNICIPALITY OF LIBBY
WITHOUT TAX BASE SHARING
(1989 Dollars)

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Gross Proceeds Taxable Valuation ($000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Property Taxable Valuations ($000) - End of Year						
Noranda	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Individual	10	14	15	10	10	10
Commercial	4	6	6	4	4	4
Total Taxable Valuation	$ 14	$ 20	$ 21	$ 14	$ 14	$ 14
General Fund Revenues						
Property Taxes						
Noranda	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Individual	0	311	745	900	776	621
Commercial	0	124	311	373	311	248
Per Capita Revenues	4,789	6,564	7,049	4,789	4,789	4,789
Total General Fund	$4,789	$ 6,999	$ 8,105	$ 6,062	$ 5,876	$ 5,658
Other Funds Revenues						
Property Taxes						
Noranda	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Individual	0	20	58	50	40	40
Commercial	0	8	20	24	20	16
Per Capita Revenues	2,922	4,005	4,301	2,922	2,922	2,922
Total Other Funds	$2,922	$ 4,033	$ 4,379	$ 2,996	$ 2,982	$ 2,978
Total Funds						
Property Taxes						
Noranda	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Individual	0	331	803	950	816	661
Commercial	0	132	331	397	331	264
Per Capita Revenues	7,711	10,569	11,350	7,711	7,711	7,711
Total All Funds	$7,711	$11,032	$12,484	$ 9,058	$ 8,858	$ 8,636

Source: Noranda Minerals Corp, Libby, Montana, March 1992.

APPENDIX F - TABLE 4

NET FISCAL IMPACT NEEDS DUE TO MONTANORE - MUNICIPALITY OF LIBBY
WITHOUT TAX BASE SHARING
(1989 Dollars)

Category	Construction			Operations		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Projected Revenues	$ 7,711	$11,032	$12,484	$ 9,058	$ 8,858	$ 8,636
Projected Costs	19,800	21,209	21,594	19,800	19,800	19,800
Projected Cash Flow	($12,089)	($10,177)	($9,110)	($10,742)	($10,942)	($11,164)

Source: Noranda Minerals Corp, Libby, Montana, March 1992.

APPENDIX G

FISCAL EFFECT OF THE BOARD'S AMENDMENT OF THE TAX BASE SHARING FORMULA

APPENDIX G

Fiscal Effect of the Board's Amendment of the Tax Base Sharing Formula Based on Projections.

The following illustration shows both how the Board's tax base sharing formula operates and what its fiscal effect would be, given the projections and data presented or referred to by the parties. Actual valuations, mill levies, and revenues may differ.

A. Abbreviations. For ease of presentation, the following acronyms are used:

ROTV = Real Property, Equipment & Other Property Taxable Valuation

GPTV = Gross Proceeds Taxable Valuation

MDTV = Total Mineral Development Taxable Valuation

$$\begin{array}{r} \text{ROTV} \\ +\ \underline{\text{GPTV}} \\ \text{MDTV} \end{array}$$

GPTVa = Adjusted Gross Proceeds Taxable Valuation(after subtracting the 20 percent GPTV reserved to Sanders County)

$$\begin{array}{r} \text{GPTV} \\ -\ \underline{20\ \%\ \text{GPTV}} \\ \text{GPTVa} \end{array}$$

MDTVa = Adjusted Mineral Development Taxable Valuation (after subtracting the 20 percent GPTV reserved to Sanders County)

$$\begin{array}{r} \text{MDTV} \\ -\ \underline{20\ \%\ \text{GPTV}} \\ \text{MDTVa} \end{array}$$

B. Mineral Development Taxable Valuation (MDTV). The total post-permit mineral development taxable valuation is subject to tax base sharing. The MDTV consists of the taxable value of all taxable property that comprises the mineral development, including gross proceeds, equipment, and real and personal property. The mine and mill are expected to be in full production by Project Year 5, and revenues based on full production to be available to local government units beginning in Project Year 6. According to the parties' exhibits, the MDTV in Project Year 6 is expected to be:

	$5,530,000	ROTV	(primarily Lincoln County)
+	$4,200,000	GPTV	(Sanders County)
	$9,730,000	MDTV	(beginning in Project Year 6)

The location of equipment was not an issue at the hearing and is not specified in the documents. Consequently, the Board has assumed that the entire increase in mineral development taxable valuation will occur in Lincoln County, except for gross proceeds, which are derived from the ore body in Sanders County.

C. HB 832: 20 % GPTV Reservation. As provided by HB 832, the Board's amendment reserves 20 percent of the GPTV to Sanders County, as follows:

.20 x $4,200,000 GPTV = $840,000

	$4,200,000	GPTV
-	840,000	reserved to Sanders County
	$3,360,000	GPTVa

D. MDTVa. After 20 percent of the GPTV has been reserved to Sanders County, the remaining mineral development taxable valuation (MDTVa), calculated below, is subject to equitable distribution among the affected local government units:

$	9,730,000	MDTV
-	840,000	20 % GPTV
$	8,890,000	MDTVa

Of this amount 62.2 percent is derived from taxable mineral property in Lincoln County and 37.8 percent from taxable mineral development property in Sanders County:

$5,530,000 ÷ $8,890,000 = 62.2 % MDTVa derived from Lincoln County

$3,360,000 ÷ $8,890,000 = 37.8 % MDTVa derived from Sanders County

E. City and County 1990-91 Mill Levies. The proposed Impact Plan anticipates that in Lincoln County and the City of Libby all tax prepayments will be for services which are financed through the general fund of the County or City. The affected local government units' general fund and total mill levies are shown below. (Source: Montana Taxpayers Association.)

Lincoln County:	General Fund	9.37
	Total County Levy	41.97
City of Libby:	General Fund	62.10
	Total City Levy	66.10
Sanders County:	General Fund	29.00
	Total County Levy	65.34

F. Mineral Development Tax Base and Tax Revenue Without Tax Base Sharing, Beginning Project Year 6. The calculations below indicate whether the revenues shown are taken from the parties' exhibits or are derived from the 1990-91 mill levies, referred to by the parties at the hearing, because the resulting figures are not the same.

Section 90-6-404(2)(a), MCA, provides that the taxable value distributed to a municipality is subject to the mill levy of the county in which the municipality is located, for all purposes except the county road fund. This means that taxable value allocated to the City of Libby also becomes part of Lincoln County's tax base and is taxable by the County.

Lincoln County. Without tax base sharing, beginning Project Year 6, Lincoln County would receive $5,530,000 in mineral development taxable valuation. According to the exhibits, this would generate $175,000 in property tax revenue. However, this figure appears to be inaccurate. Based on the 1990-92 mill levy of 41.97 mills, $5,530,000 in taxable valuation would appear to generate $232,094 in County tax revenue:

$5,530,000 x .04197 = $232,094.

City of Libby. Without tax base sharing, the City of Libby would receive no mineral development taxable valuation:

$0 x .06610 = $0

Sanders County. Without tax base sharing, beginning Project Year 6, Sanders County would receive $4,200,000 in mineral development taxable valuation. Based on the 1990-91 mill levy of 65.34 mills, this would generate $274,065 in County tax revenue:

$4,200,000 x .06534 = $274,065.

G. Impact Costs and Tax Credit Obligations, Beginning Project Year 6. The Montanore Impact Plan anticipates that in Project Year 6 Lincoln County and the City of Libby will begin to provide credits for prepaid taxes at the annual rate of 20 percent of the total amount prepaid. Credits would be made during Project Years 6 through 10. The Plan projects that increased costs will occur only for general fund services and that tax credits will be made only from the general fund.

Lincoln County's ongoing operating costs as of Project Year 6 are projected to be $85,000. Based on a total of $195,000 in prior years' prepaid taxes, the County's tax

crediting obligation is expected to be approximately $39,000 per year.

	$ 85,000	Identified Operating Costs
+	39,000	Tax Credits in Project Years 6 - 10
	$ 124,000	Annual Impact Costs

Libby's ongoing operating costs beginning in Project Year 6 are expected to be $20,000. Based on a total of $24,000 in prior years' prepaid taxes, the City's annual tax crediting obligation would be approximately $4,800. Because both Libby and Noranda expect that Libby will incur additional costs not identified at this time, the amount of credit is rounded up to $5,000 for the following calculation.

	$ 20,000	Identified Operating Costs:
+	5,000	Tax Credits in Project Years 6 - 10
	$ 25,000	Annual Impact Costs

Sanders County does not anticipate any impact costs or credits.

H. Tax Base Sharing Formula as Modified by the Board. As provided by the Board's Order, mineral development taxable valuation will be allocated to each affected local government unit as follows:

1. During Project Years 1 - 5, the Plan remains unchanged, except for an amendment that formalizes the reservation to Sanders County of 20 percent of GPTV, as required by 90-6-404(1), MCA.

2. Beginning in Project Year 6, the Montanore Impact Plan is amended to:

(1) Continue the reservation of 20 percent of GPTV to Sanders County, as required by 90-6-404(1), MCA.

(2) Allocate 15 percent of MDTVa to the City of Libby, as proposed by the Plan.

(3) (a) After allocations (1) and (2), allocate to Lincoln County that percentage of the remaining MDTVa (balMDTVa) which corresponds to the percentage of MDTVa represented by the ROTV, assuming all ROTV to be located within Lincoln County.

(b) To allocation (3)(a) add allocation number (2), the 15 percent allocation to Libby, for the Total Lincoln County Allocation.

(4) (a) After allocations (1) and (2), allocate to Sanders County that percentage of the remaining MDTVa which corresponds to the percentage of MDTVa represented by the GPTVa, all of which is originally located in Sanders County.

(b) To allocation (4)(a), add allocation (1) for the Total Sanders County Allocation.

I. Tax Base Effect of Modified Tax Base Sharing Formula. Using the 1990-91 mill levies and the projections of mineral development taxable valuation shown in the NMC exhibits, the formula outlined above results in the following allocation of mineral development taxable valuation among the parties:

	Lincoln County	City of Libby	Sanders County
(1) 20 % GPTV (HB 832)			$ 840,000
(2) 15 % MDTVa (Plan)		$1,333,500*	
(3) 62.2 % bal MDTVa	$4,700,143		
*City's 15 % MDTVa	1,333,500*		
(4) 37.8 % bal MDTVa			$2,856,357
	$6,033,643	$1,333,500	$3,696,357

* City Taxable Valuation is also County Taxable Valuation for all County funds except the County Road Fund. [See section 90-6-404(2)(a), MCA.]

The 62.2 and 37.8 percentages are based on the projected taxable valuations of the real and personal property, equipment and gross proceeds of the mineral development. In actuality, these valuations will vary from year to year. The percentages will be recalculated annually, based on actual valuations, and will vary as the actual valuations vary.

Under this formula, the City of Libby receives 15 percent of the MDTVa, as proposed by the Plan, adjusted for the 20 percent GPTV reservation required by HB 832. In effect, Lincoln County receives an amount equal to the taxable valuation of all mineral development property within Lincoln County, including all equipment, whether above or below ground and whether actually located in Lincoln or Sanders County. In addition, as provided by statute, Lincoln County receives that portion of the GPTV which is allocated to the City of Libby. Sanders County retains or receives an amount equal to the gross proceeds taxable valuation derived from the ore body in that county, less the amount allocated to the City of Libby and, thereby, also to Lincoln County.

J. Fiscal Effect of Modified Tax Base Sharing Formula. In terms of impact costs and mineral development revenues, the modified allocation means:

	Lincoln County	City of Libby	Sanders County
MDTV Allocation	$ 6,033,643	$ 1,333,500	$ 3,696,357
x Mill Levy	x .04197	x .06610	x .06534
MD Tax Revenue	$ 253,232	$ 88,134	$ 241,519
Identified Costs	$ 85,000	$ 20,000	$ -0-
+ Annual Tax Credit	+ 39,000	+ 5,000	-0-
Annual Impact Costs	$ 124,000	$ 25,000	$ -0-
Mineral Dev. Revenue	$ 253,232	$ 88,134	$ 241,519
- Annual Impact Costs	- 124,000	- 25,000	- -0-
Margin or Windfall	$ 129,232	$ 63,134	$ 241,519

Several factors may affect the scheduled provision of tax credits. The provision of a tax credit may not cause a reduction in the needed level of service or an increase in mill levies, which would shift the burden of impact costs to the local taxpayer. If either initial or ongoing costs are higher than anticipated, the annual tax credits will be higher or will take longer to provide. The granting of tax credits will be delayed if the local government unit does not have sufficient mineral development revenue to meet its budget needs, including the need to pay impact costs. If, in the future, any local government unit has to defer the granting of tax credits at the same time that another local government is receiving windfall taxable valuation, the parties should consider amending the tax base sharing formula to ensure reasonable compliance with the Impact Plan's tax crediting commitments.

K. Use of Percentages and Dollar Values. Except for the 20 percent GPTV reserved to Sanders County by statute and the 15 percent MDTVa allocated to Libby by Order of the Board, all other percentages and all dollar values will depend on actual costs, actual taxable valuation of mineral development properties, and the actual mill levies of each local government unit.

Each year the Department of Revenue determines the taxable valuation of each component of the real and personal property (land, buildings, and equipment) and gross proceeds of the mineral development. Using these valuations and the tax base sharing formula provided in the Board's Order, the County Assessors will annually recalculate the allocation of taxable valuation among Lincoln and Sanders Counties and the City of Libby. This means that the percentages derived by the formula and the actual dollar amount of each allocation will be redetermined each year, based on the application of the formula to the actual taxable values of the mineral development properties.

In any given year, a local government unit's actual mineral development tax revenue will depend on both the dollar amount of taxable valuation allocated to that local government unit and on the local government unit's mill levy.

L. Adjustments and Amendments. The Board's Order does not affect the process by which the parties propose to adjust the Plan, as needed, to increase tax prepayments to meet impact costs that exceed projections in the early years of the Project. Apart from the 20 percent GPTV reservation required by HB 832, the tax base sharing formula contained in the Board's Order does not change the proposed Plan during Project Years 1 through 5, which is when tax prepayments and prepayment adjustments are anticipated.

Any increase in tax prepayments in the early years will result in higher tax credits in later years. In addition, adjustments could reflect operating costs that will continue, beyond the time of tax prepayments, to be higher than originally projected. If the increased costs and the increased prepayments and credits resulting from adjustments should substantially diminish the taxable valuation margin provided for in the Board's Order, then the allocation of taxable valuation resulting from the Order may no longer represent an equitable distribution of mineral development tax base and tax revenue among the affected local government units. If that should occur, then any party to the Plan may petition the Board to amend the tax base sharing provisions of the Plan, so as to ensure a reasonable correspondence between the occurrence of increased costs and the allocation of taxable valuation resulting from the mineral development.

APPENDIX G - TABLE 1

MONTANORE TAXABLE VALUATION DISTRIBUTION COMPARISON -
TAX BASE SHARING VS. NO TAX BASE SHARING
BEGINNING IN PROJECT YEAR 6

DISTRIBUTION WITHOUT TAX BASE SHARING

Category	Lincoln County	City of Libby	Sanders County
Mineral Development Taxable Valuation	$5,530,000	$0	$4,200,000
Revenues	$232,094	$0	$274,065
Annual Impact Costs	$85,084	$19,800	$0
Annual Tax Credits	$39,000	$0	$0
Net Revenues or (Costs)	$108,010	($19,800)	$274,065

Note: If tax base sharing does not occur, Libby would not have any tax credits to allow. However, Noranda would still have an obligation to pay any net increased costs to Libby.

DISTRIBUTION WITH TAX BASE SHARING

Category	Lincoln County	City of Libby	Sanders County
Mineral Development Taxable Valuation	$6,034,000	$1,334,000	$3,696,000
Revenues	$253,232	$88,134	$241,519
Annual Impact Costs	$85,084	$19,800	$0
Annual Tax Credits	$39,000	$5,000	$0
Net Revenues or (Costs)	$129,148	$63,334	$241,519

Note: Annual tax credits allowed are 20 percent of total tax prepayments until all tax prepayments are paid. Tax credits are expected to be applied in fiscal years 6 through 10. After year 10 the tax credits would be added to net revenues.

APPENDIX H

HARD-ROCK MINING IMPACT BOARD'S ORDER TO AMEND THE MONTANORE HARD-ROCK IMPACT PLAN

APPENDIX H

HARD-ROCK MINING IMPACT BOARD'S ORDER OF SEPTEMBER 10, 1991

After duly considering the proposed Montanore Impact Plan; the issues brought before the Board as a result of the Sanders County objection; the testimony, exhibits and arguments of the parties; the provisions of the Hard-Rock Mining Impact Act and the Property Tax Base Sharing Act, as amended by HB 832 in the 52nd Legislature; the Findings of Fact and Conclusions of Law set out above; and the factors outlined in the following Memorandum, the Hard-Rock Mining Impact Board makes the following determinations and orders the following amendments with respect to the Montanore Impact Plan:

1. The Board amends the Noranda Montanore Impact Plan, in accordance with the stipulation of the parties, to comply with section 90-6-404(1), MCA, as amended by House Bill 832 in the 52nd Legislature with retroactive applicability to the Montanore Impact Plan. When tax base sharing occurs, section 90-6-401(1), MCA, reserves 20 percent of the gross proceeds taxable valuation to each local government unit in which the ore body is located. In the matter before the Board, 20 percent of the taxable valuation of the gross proceeds from the Montanore mine is reserved to Sanders County.

2. The Board amends the Noranda Montanore Impact Plan to incorporate the stipulation of the parties submitted to the Board at its hearing on the matter in Libby, Montana on July 9, 1991. The stipulation amends page 136, subsection C of the proposed Impact Plan and is regarded by the parties as full resolution of Issue of Fact No. 2, as set forth in the Prehearing Memorandum. A copy of the signed Stipulation is attached to this Order. The full text of the stipulation appears below:

> The parties hereby stipulate that the Montanore Impact plan be amended as follows:
>
> Page 136, subsection C., Montanore Impact Oversight Committee:
>
> Change catchphrase to "Conditions For Plan Modification";
>
> Designate existing text under existing subpart C as subsection 1., with the catchphrase "Lincoln County: Montanore Impact Oversight Committee";
>
> Add the following as subsection 2.,: "Sanders County: Because of the distance of Sanders County from the mineral development, no impacts have been projected for local governments in Sanders County throughout the life of the mine. Should any impacts occur or be projected for local governments in Sanders County as a result of the mineral development, Noranda would work with the officials of the affected local government to amend the Impact Plan to address the impacts. If Noranda and the affected local government are unable to agree on an amendment, Noranda or

the affected local government may petition the Board for determination of the issue.

Based on the foregoing stipulation, the parties agree that Issue of Fact No. 2, set forth in the Pre-hearing Memorandum, is hereby resolved.

[signed: Jim Richard, Representative of Sanders County; Mark Petersmeyer, Noranda Minerals Corporation; Fred Brown, Mayor, City of Libby; Larry Dolezal, Commissioner, Lincoln County.]

3. In consideration of Hearing Issue No. 1, the Board finds that the impacts and costs identified in the proposed Impact Plan are reasonable and have been identified as accurately as possible at this time.

4. In consideration of Hearing Issue No. 2, the Board finds that:

a. The Montanore Project is capable of generating sufficient property tax revenue, without an increase in overall mill levies, to meet all currently identified impact costs resulting from the mineral development.

b. The costs anticipated by the City of Libby are ongoing operating costs which appropriately should be paid through property tax payments and prepayments, as contemplated by the Impact Plan.

c. The occurrence of the identified impact costs in the City of Libby constitutes a jurisdictional revenue disparity, as defined by section 90-6-402(5), MCA.

d. As provided by section 90-6-403(1), MCA, the existence of a jurisdictional revenue disparity requires the Board to notify the Department of Revenue to implement tax base sharing among the affected local government units, which in this matter are Lincoln County, the City of Libby, and Sanders County.

5. In consideration of Hearing Issue No. 3, the Board finds that use of the employee-based formula under the proposed Noranda Montanore Impact Plan would not result in a reasonable correspondence between the occurrence of increased costs and the allocation of taxable valuation among affected local government units nor in an equitable distribution among affected local government units of property tax base and property tax revenue resulting from the Montanore Project. In order to achieve a reasonable correspondence and equitable distribution, the Board finds that the Plan must modify the tax base sharing formula, as specified below.

In summary, the Board's order for tax base sharing (a) reserves 20 percent of the gross proceeds taxable valuation to Sanders County, as required by 90-6-404(1), MCA; (b) allocates to the City of Libby 15 percent of the remaining increase in total mineral development taxable valuation, as proposed by the Impact Plan; (c) after the reservation to Sanders County and the allocation to the City of Libby, allocates to Lincoln County the equivalent of the remaining taxable valuation derived from mineral development property in Lincoln County and to Sanders County the equivalent of the remaining gross proceeds taxable valuation derived from the ore body in Sanders County; and (d) provides for amendment of the order upon petition by any of the parties.

The total valuation for each County will consist of the County allocation specified above, to which Sanders County will add the 20 percent of gross proceeds taxable valuation reserved to Sanders County and to which Lincoln County will add the mineral development valuation allocated to the City of Libby.

More specifically, the Board amends the Montanore Impact Plan to modify the tax base sharing formula as follows:

a. For Project Years 1 through 5, the tax base sharing provisions proposed by the Montanore Impact Plan are to remain in effect, except that the Plan is to be amended to reflect the required reservation of 20 percent of the gross proceeds taxable valuation to Sanders County, as required by Order No. 1 in compliance with section 90-6-404(1), MCA, as amended.

b. Beginning in Project Year 6, the formula for allocating the post-permit taxable valuation of the mineral development is to be as specified below. For purposes of this formula, the following acronyms are used:

ROTV = post-permit taxable valuation of all real and personal property and equipment of the mineral development, that is, the taxable valuation of all mineral development property excluding only the gross proceeds.

GPTV = gross proceeds taxable valuation of the mineral development.

MDTV = total post-permit mineral development taxable valuation, as defined by 90-6-402(8), MCA, and including the taxable valuation of all real and personal property, equipment and gross proceeds of the mineral development. (ROTV + GPTV = MDTV)

GPTVa = adjusted GPTV after subtracting the 20 percent reserved to Sanders County.

MDTVa = adjusted MDTV after subtracting the 20 percent GPTV reserved to Sanders County.

c. Beginning in Project Year 6 and each year thereafter, the total post-permit taxable valuation of the mineral development (MDTV) will be allocated as follows:

Step 1. Sanders County Statutory Reservation. Twenty (20) percent of the gross proceeds taxable valuation (GPTV) is reserved to Sanders County, as required by Order No. 1 in compliance with section 90-6-404(1), MCA.

(.20)(GPTV) = Sanders County Statutory Reservation

Step 2. Adjusted mineral development taxable valuation. The mineral development taxable valuation (MDTV) less the 20 percent GPTV reserved to Sanders County equals the adjusted mineral development taxable valuation (MDTVa). The MDTVa is the amount allocated among the affected local government units.

MDTV - [(.20)(GPTV)] = MDTVa

Step 3. City of Libby Total Allocation. Fifteen (15) percent of the MDTVa is allocated to the City of Libby, as proposed by the Montanore Impact Plan.

(.15)(MDTVa) = City of Libby Total Allocation

Step 4. Balance of Adjusted Mineral Development Taxable Valuation. The adjusted mineral development taxable valuation (MDTVa) less the allocation to Libby, provided for in step 3, equals the balance of the mineral development taxable valuation (balMDTVa) to be allocated.

MDTVa - [(.15)(MDTVa)] = balance of MDTVa, or balMDTVa

Step 5. Lincoln County Percentage of MDTVa Allocation. A percentage of the balance of the MDTVa, as calculated below, is allocated to Lincoln County.

(a) ROTV ÷ MDTVa = Lincoln County's percentage, or LinCo%.

(b) Lincoln County's percentage (LinCo%) times the balance of the MDTVa equals Lincoln County's Percentage Based Allocation:

(LinCo%)(balMDTVa) = Lincoln County Percentage Based Allocation.

Step 6. Lincoln County Total Allocation. Mineral development taxable valuation that is allocated to and taxable by the City of Libby is also allocated to and taxable by Lincoln

County, as provided by 90-6-404(2)(a), MCA. Therefore, the total allocation of mineral development taxable valuation to Lincoln County is the sum of the City of Libby Allocation (step 3) and the Lincoln County Percentage Based Allocation (step 5):

[(.15)(MDTVa)] + [(LinCo%)(balMDTVa)] = Total Lincoln County Allocation.

Step 7. Sanders County Percentage of MDTVa Allocation. A percentage of the balance of the MDTVa, as calculated below, is allocated to Sanders County.

(a) GPTVa ÷ MDTVa = Sanders County Percentage, or SanCo%.

(b) Sanders County's percentage (SanCo%) times the balance of the MDTVa equals Sanders County's Percentage Based Allocation:

(SanCo%)(balMDTVa) = Sanders County Percentage Based Allocation.

Step 8. Sanders County Total Allocation. The total allocation of mineral development taxable valuation to Sanders County equals its statutory reservation (step 1) plus its percentage based allocation (step 7).

[(.20)(GPTV)] + [(SanCo%)(balMDTVa)] = Total Sanders County Allocation.

d. Provision for Plan Amendment. The Board encourages the parties to monitor the operation of the tax base sharing provisions of the Montanore Impact Plan, as amended by the Board, in order to ensure that these provisions maintain an equitable distribution of tax base and tax revenue resulting from the Montanore Project throughout the life of the mine. To this end, the Board also amends the Montanore Impact Plan to incorporate the following language after item "D" on Page 137 of the Proposed Plan:

E. **Impact Plan Amendment and Modification of Tax Base Sharing.** Beginning after Project Year 4, any party to the Montanore Impact Plan may unilaterally petition the Hard-Rock Mining Impact Board to amend the tax base sharing provisions of the Impact Plan, when an amendment is required in order to achieve (a) an equitable distribution of mineral development property tax base and property tax revenue among affected local government units, and (b) a reasonable correspondence between the occurrence of increased costs resulting from the mineral development and the allocation of the post-permit increase in taxable valuation of the mineral development.