

Blackfoot Hills Commercial
Development
Big Sky, MT

Environmental Assessment for
Blackfoot Hills Commercial Development
(EQ #24-1179 & EQ#24-1164)

Montana Department of Environmental Quality

February 2024

Blackfoot Hills Commercial Development

Big Sky, Montana

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Introduction: BFH Holding, LLC ("BFH") the owner and developer of the Blackfoot Hills Subdivision in Big Sky, MT has applied for design approval from the Montana Department of Environment Quality (Department) to construct and operate 11 wastewater and water connections on Lot C1 of the Blackfoot Hills Subdivision Phase 1 (Plat J-6664) (the "Project"). The initial application for the Project was received by the Department on August 14, 2023. The application was deemed complete on September 7, 2023.

Name of Project: Blackfoot Hills East Commercial Development

Location of Project: Big Sky, MT 59716

City/Town: Big Sky, MT

County: Gallatin

Project Number: EQ# 24-1164

Applicant: BFH Holding, LLC

Purpose and Need:

This Environmental Assessment has been prepared by the Department in response to the application of BFH Holding to construct eleven (11) commercial buildings.

The need for Department approval, prior to construction, is prescribed by the Montana Public Water Supplies, Distribution and Treatment Act, 75-6-101, Montana Code Annotated (MCA), *et seq.* The applicant is seeking design approval from the Montana Department of Environmental Quality (Department) to develop 11 new wastewater and water connections on Lot C1 of the Blackfoot Hills Subdivision Phase 1 (Plat J-6664) (the "Project"). Water and wastewater services would be provided by the existing Lazy J Utility Association facilities. Storm water retention and treatment would be provided by an on-site retention pond sized in compliance with current MDEQ Circular 8 standards.

The purpose of the permit application is to receive Department approval for construction and operation of the wastewater and water connections.

Description of the Project:

The project consists of 11 Septic Tank Effluent Pump (STEP) wastewater service connections (one (1) to each building); 11 water service connections (one (1) to each building); and new on-site stormwater retention ponds.

- STEP Wastewater Service connection - Each STEP system is comprised of a 4" gravity building service line from the building to a 1,500-gallon septic/dose tank that pumps

effluent to a 2" transport line that then connects to the existing Lazy J Utility Association (LJUA) force main located on the adjacent road (Straight Iron Road). From the LJUA force main connection, the effluent is conveyed to the existing LJUA level II wastewater treatment facility and drain-field located on the west side of Misty Mountain Court for treatment and disposal.

- Water Service Connection – Each building has a 1" potable water service line and a 4" fire service line that connects to the 8" water main extensions coming into the Project site along the internal roads.
- Storm Water Retention Ponds – Proposed on-site storm water retention ponds are proposed along the eastern side of the property (to the west of Hwy 191). The required volume of storage is 14,364 cf (0.33 acres) and the proposed volume of storage is 17,047 cf (0.39 acres).

Water and wastewater services for the Project would be provided by the existing Lazy J Utility Association ("LJUA").

The Project would utilize existing roads, water and sewer services which have previously been designed, reviewed and approved to support the development contemplated under the Project.

The project is anticipated to be constructed starting mid-2024 with a completion date for the initial buildings in early 2025. The project would take place on 10-acres of disturbed ground that was previously utilized as a gravel quarry and contains no native vegetation. The project is estimated to require 12 full-time construction personnel and would utilize standard construction excavation equipment such as an excavator, bulldozer, roller compactor, dump truck and loader. All disruption and project staging would be contained on-site (within the 10-acre area).

An overview of the Project is provided on Attachments A (sewer and water) and B (storm).

Agency Action and Applicable Regulations Related to This Design Application:

Montana Code Annotated (MCA) 75.6.

ARM Title 17, Chapter 38, Sub-chapter 101 – Plans for Public Water Supply or Sewage System.

ARM Title 17, Chapter 38, Sub-chapter 106 – Fees.

DEQ Design Circular: DEQ-2, 2018 Edition, Design Standards for Public Sewage Systems

Montana Code Annotated (MCA) 75-5-101; Administrative Rules of Montana (ARM) 17.30.1101;

17.30.1301; and ARM 17.30.601 GENERAL PERMIT FOR STORM WATER DISCHARGES

ASSOCIATED WITH CONSTRUCTION ACTIVITY PERMIT NUMBER MTR100000 (MPDES)

Affected Environment & Impacts of the Proposed Action:

Y = Impacts may occur.

N = Not present or No significant impact expected.

IMPACTS ON PHYSICAL ENVIRONMENT	
RESOURCE	[Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES
<p>GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: Are soils present which are fragile, erosive, susceptible to compaction, or unstable? Are there unusual or unstable geologic features? Are there special reclamation considerations?</p>	<p>[N] There are no fragile or susceptible or unstable soils, unusual geologic features or special reclamation considerations associated with the proposed project and project site. The project is located in seismic zone IV and the subdivision covenants require all structures to be built in compliance with Montana State Adopted Codes for construction including codes for seismic zones.</p> <p>The proposed project activities would take place on land that was previously used as a gravel quarry whose operations were concluded over 20 years ago. As part of the previous operations, all soils and vegetation were stripped from the site in order to extract gravel. Therefore, the site is void of topsoil and vegetation.</p> <p>Upon completion of the prior gravel quarry operations, hillsides on the border of the quarry were reclaimed and revegetated, and the main, flat area of the former gravel quarry was graded out to be used as a storage area for construction materials and equipment.</p> <p>Construction activities for the project are planned to take place on the previously excavated flat area of the gravel bed which was previously stripped of native vegetation. There would be very minor alterations at the bottom of the previously reclaimed hillsides to the west and north of the building areas. Construction activities to install the project access road. Construction activities are not expected to have adverse impacts on the geology and soil quality or stability and moisture.</p> <p>A Geotechnical Engineering Report (Geotech Report) was prepared for the project to show consideration for the proposed development, building locations and site conditions. The Geotech Report concludes that "construction of the units would not be problematic provided the recommendations presented in this report are adhered to".</p> <p>Approximately 10 acres of temporary surface disturbance would occur during construction of the Project. The Montana Department of Environmental Quality requires construction sites with greater than 1 acre of disturbance to obtain a Storm Water Pollution Prevention Plan (SWPPP) permit, utilizing Best Management Practices (BMP) as defined in the general permit for stormwater discharges associated with construction activity permit number MTR100000. Permit Number MTR108374. The submitted plans and specifications would require the SWPPP and BMP installation, operation, and maintenance by the contractor during construction. The Montana Department of Environmental Quality requires BMPs to be operated and maintained until the site has been 70% restored/revegetated to pre-construction conditions. The SWPPP and BMPs protect against erosion by slowing and minimizing surface flow during construction activities and by retaining sediment.</p>
<p>WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality?</p>	<p>[N] The proposed project and construction activities are not expected to have adverse impacts on water quality or quantity and distribution.</p> <p>The project would utilize the LJUA's existing public water supply and wastewater treatment systems as originally intended and designed. These systems have been reviewed and approved by the Department under EQ #05- 1822, PWS #05-2689 and MTX000172. Permit requirements include continued operation, maintenance, monitoring and reporting by a certified system operator to ensure water quality standards are maintained. Monitoring and Reporting would be continuous beyond the completion of construction to ensure water quality standards are maintained.</p> <p>No drinking water MCL violations exist for the LJUA, and none are anticipated with this action. Degradation analysis was performed under permit MTX000172.</p>

<p>WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality?</p>	<p>No flood plain, surface water, or wetlands are present within the proposed project area.</p> <p>The geotechnical report (Attachment C) shows a few areas of relatively high groundwater as shown in the table below:</p> <table border="1" data-bbox="703 317 1019 583"> <thead> <tr> <th>TP ID</th><th>GW at below surface</th></tr> </thead> <tbody> <tr><td>1</td><td>6.5'</td></tr> <tr><td>2</td><td>No water</td></tr> <tr><td>3</td><td>No water</td></tr> <tr><td>4</td><td>No water</td></tr> <tr><td>5</td><td>No water</td></tr> <tr><td>6</td><td>No water</td></tr> <tr><td>7</td><td>No water</td></tr> <tr><td>8</td><td>No water</td></tr> <tr><td>9</td><td>4'</td></tr> <tr><td>10</td><td>6'</td></tr> <tr><td>11</td><td>7'</td></tr> </tbody> </table> <p>Although four of the 11 test pits show groundwater, groundwater resources are not expected to be degraded. If groundwater is encountered during implementation of the deep utility lines or foundations, a dewatering permit will be obtained, and dewatering and monitoring will take place as required by standard operating procedures.</p> <p>The proposed wastewater discharges are being collected and sent to a previously reviewed and approved public wastewater treatment system MTX000172. This public wastewater treatment facility has enough capacity left to accept the wastewater from this proposed development. Nondegradation of groundwater was evaluated for the public wastewater treatment system MTX000172.</p> <p>As the stormwater retention ponds are on the east portion of the site where the test pits show no groundwater, the infiltration of the stormwater into the ground is not expected to impact the groundwater. The ponds would be vegetated with native grass to stabilize the soil and provide enhanced infiltration.</p> <p>The Gallatin River is approximately 1,025 ft downgradient from the site. No additional impacts to the river are expected from this commercial development. The stormwater originating from this site would be captured and allowed to infiltrate on site.</p> <p>No downgradient wells can be found via search on the MT Ground Water Information Center (GWIC) Future downgradient wells are not expected to be impacted. All downgradient impacts to groundwater were evaluated with the review of the public wastewater treatment system discharge permit MTX000172.</p> <p>A SWPPP construction permit has already been issued for when construction begins to ensure no short or long-term impacts to surface waters are associated with the construction activities.</p>	TP ID	GW at below surface	1	6.5'	2	No water	3	No water	4	No water	5	No water	6	No water	7	No water	8	No water	9	4'	10	6'	11	7'
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<p>AIR QUALITY: Will pollutants or particulates be produced? Is the project influenced by air quality regulations or zones (Class I airshed)?</p>	<p>[N] Impacts on air quality resulting from construction would be short-term (Mid-2024 through 2027) due to temporary earthwork activities. Minimizing dust and soils tracking outside the proposed development would be covered in the SWPPP and associated BMPs as addressed in the Stormwater Discharges Associated with Construction Activity General Permit MTR108374. No adverse impacts to air quality are expected because of the proposed development and construction activities.</p>																								
<p>VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be significantly impacted? Are any rare plants or cover types present?</p>	<p>[N] As referenced in the Geology resource section, topsoil and vegetation were stripped from the site as part of the former gravel quarry operations. The proposed action covers approximately 10 acres. There are no known rare plants or types of cover present. The site is currently covered by disturbed gravels with small strips of grass on the exterior where it ties into the adjacent site. Attachment E shows a Google Map screenshot of the site, depicting the disturbed area.</p> <p>If applicable, any areas disturbed by construction would be stabilized, seeded with a native grass mix, and revegetated upon completion of the project.</p>																								

<p>TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds, or fish?</p>	<p>[N] The project is in an area that is surrounded by a variety of commercial, and residential properties. During the winter, there are Elk that migrate from the east of Highway 191 to the west of Highway 191 on a regular basis in an open space corridor to the north of the project area. During the subdivision planning phase, certified wildlife biologists and the FWP were consulted to review wildlife issues relating to the proposed development. Suggestions were incorporated to provide for effective open space and relatively secure travel lanes through the development. A dedicated open space corridor runs east-west along the south side of Michener Creek Road. To the north of the project and is separated from the project by a steep hill and a berm. In addition, there is a large east-west open space corridor immediately north of Michener Creek Road on the adjacent property. These corridors allow for continued random movement of elk and other mammals through the area. These recommendations were made for the portions of the subdivision that had food and shelter for animals (i.e. vegetation, trees, etc.). Additionally, the proposed project location is on a portion of the site that was previously a gravel quarry and therefore has no trees nor vegetation that would benefit wildlife.</p> <p>Impacts to terrestrial or avian species are anticipated to be short-term and negligent, as they would be limited to the construction phase (Mid-2024 through 2027) of the project when the new utilities and storm retention ponds would need to be constructed/installed. Construction standards and distance from surface water would protect aquatic life.</p>
<p>UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Species of special concern?</p>	<p>[N] The property was reviewed by Fish and Wildlife & Parks as part of the original preliminary plat approval and no federally listed threatened or endangered species were identified, nor were any other species of special concern identified. Extensive discussions with Fish Wildlife & Parks took place during the preliminary plat discussions resulting in several conditions required under the development (which are included in the Subdivision covenants) dedication of over 40% of the subdivision area as "open space" and dedication of particular open space corridors. The project is on a portion of the greater subdivision that was once a gravel quarry and therefore has little draw to wildlife. There is no grass, vegetation, or trees on the project site.</p> <p>There are no wetlands within the project area.</p>
<p>SAGE GROUSE EXECUTIVE ORDER: Is the project proposed in core, general or connectivity sage grouse habitat, as designated by the Sage Grouse Habitat Conservation Program (Program) If yes, did the applicant attach documentation from the Program showing compliance with Executive Order 12-2015 and the Program's recommendations? If so, attach the documentation to the EA and address the Program's recommendations in the permit. If project is in core, general or connectivity habitat and the applicant did not document consultation with the Program, refer the applicant to the Sage Grouse Habitat Conservation Program.</p>	<p>[N] A copy of the Montana Sage Grouse Habitat Conservation Map is included as Attachment D verifying that the facility is not within core, general, or connectivity sage grouse habitat.</p>
<p>HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological, or paleontological resources present?</p>	<p>[N] The Montana Historical Society conducted a cultural resource file search for the subject property. No known historical or archaeological sites have been recorded and none have any been discovered on the property.</p>
<p>AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light?</p>	<p>[N] The project is located on an old gravel quarry that has been used in the past few years as a storage site for trucks and shipping containers. As a result, this development would not reduce the aesthetics of the site.</p> <p>Construction of the proposed development (Mid-2024 through 2027) would cause some short-term noise. Noise during permanent operation would be minimal as the only activities generating noise would be typical residential usage.</p>

<p>DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY: Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project? Will new or upgraded powerline or other energy source be needed)</p>	<p>[N] The project area has already undergone disturbance through development of a gravel quarry. The surrounding areas have also been disturbed by the associated access road and water distribution pipelines, as well as commercial and residential developments on other portions of the site.</p> <p>The Project would utilize the LJUA's existing public water supply and wastewater treatment systems. These systems have been reviewed and approved by the Department under EQ #05-1822, PWS #05-2689 and MTX000172. Original water and wastewater system design and reviews included the Blackfoot Hills Subdivision development included development as contemplated by the Project.</p> <p>The project will utilize extensions of an existing energy sources currently in place for the adjacent developments.</p>
<p>IMPACTS ON OTHER ENVIRONMENTAL RESOURCES: Are there other activities nearby that will affect the project?</p>	<p>[N] This project is bordered to the east by Montana Highway 191, to the north of the project, there is a 300-foot-wide open space corridor. Michener Creek Road and an even larger open space corridor north of Michner Creek Road on the property to the north. The property to the north has received approval for a planned unit development, but that development is currently on hold. To the south of the project is an existing subdivision (Lazy J South) which is substantially built (with similar warehouse type development as propose for this project). To the west of the project on the same lot, there is approximately 60,000 sf of warehouse type development, and 20 residential condominium units that have been completed and are currently occupied. Roads and utilities have been put in place for 32 residential single family lots on the land further west of the project and are anticipated to be built out slowly over the next several years. Presently, there are no other nearby activities that would affect the project.</p>

IMPACTS ON THE HUMAN ENVIRONMENT	
RESOURCE	[Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES
HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area?	[N] There are no known health or safety hazards in the project area. Effluent limits and permit conditions would ensure water quality standards are met and human health is protected.
INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?	[N] The proposed project does not add to or alter industrial, commercial, and agricultural activities and production in the area.
QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number.	[N] Minimal permanent jobs would be created related to the operation of the buildings associated. Such jobs would be associated with maintaining the building (i.e. snow removal and typical maintenance). The developer estimates that approximately 12 new short-term jobs would be created due to construction and for the estimated 3-year duration of the construction period. These jobs would initially be in the civil construction area and would move into steel erection, plumbing, electrical, HVAC, and ultimately carpentry as the project progresses.
LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?	[N] Based on actual 2023 mill levies, property values, and Gallatin County real estate tax bills for substantially similar warehouses located immediately west of the project, it is estimated that this project will generate approximately \$165,000 in annual additional real estate tax revenue for Gallatin County and the applicable Big Sky area tax districts.
DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc.) be needed?	[N] Impacts on the demand for government services are not expected because of the proposed development. The impacts on community services were addressed as part of the Gallatin County preliminary plat approval for the subdivision
ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract?	<p>[N] The proposed project involves approximately 10 acres of development. The area is surrounded by privately owned land and is separated from the nearest national forest land and wilderness areas, located approximately 1 mile to the east of the proposed project location by Hwy 191 and the Gallatin River.</p> <p>The project is located within the Blackfoot Hills Subdivision which contains approximately 3.5 miles of hiking and biking trails. There are no anticipated impacts on local trails or recreational areas.</p>
DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing?	[N] The project is a commercial development and therefore is not anticipated to add to the population or require additional housing. The project is meant to serve existing residents and businesses of the area.

SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?	[N] The area proposed for development is not an area that is sensitive to native or traditional lifestyles or communities. The proposed development should not result in any such disruption.
CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?	[N] The Project area is bordered on all sides by privately owned space which has been developed with roads and Residential units. Lot C1 has already undergone development.
OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:	[N] No impacts to other social and economic circumstances are expected.
PRIVATE PROPERTY IMPACTS: Are we regulating the use of private property under a regulatory statute adopted pursuant to the police power of the state? (Property management, grants of financial assistance, and the exercise of the power of eminent domain are not within this category.) If not, no further analysis is required. Is the agency proposing to deny the application or condition the approval in a way that restricts the use of the regulated person's private property? If not, no further analysis is required. If the answer is affirmative, does the agency have legal discretion to impose or not impose the proposed restriction or discretion as to how the restriction will be imposed? If not, no further analysis is required. If so, the agency must determine if there are alternatives that would reduce, minimize, or eliminate the restriction on the use of private property, and analyze such alternatives. The agency must disclose the potential costs of identified restrictions.	[N] This is not applicable to this project. If the project is approved as requested, it would not restrict the use of such private property. If the project is denied it would result in a significant restriction to the property owner's intended use of the property.

Description of and Potential Impacts of other Alternatives Considered:

No Action: Under the "No Action" alternative, the Department would deny issuance of the plan approval. Denial would restrict the applicant from developing the property to its potential and within the previously approved zoning and platting capacities.

Summary of Magnitude and Significance of Potential Impacts:

The area of the Project is approximately 10 acres within a 40-acre lot, which is part of a 190-acre subdivision that was previously reviewed by the Department. Runoff from the site is regulated by the conditions of the COSA for the 190-acre subdivision and would be managed accordingly.

Wastewater from the Project is estimated at 837 gpd, which would be sent to the LJUA wastewater treatment facility that is permitted, approved, and operating pursuant to MGWPCS Permit MTX000172. The 837 gpd that would be generated by the Project is included within the 20,000 gpd the LJUA wastewater system is designed to handle. The groundwater discharge from the LJUA wastewater treatment system has been determined by the Department to result in nonsignificant changes in water quality. The Department has therefore determined that there are no significant adverse impacts to the physical or human environment associated with the Project.

Cumulative Effects:

Under § 75-1-208(11), MCA, an agency shall, when appropriate, evaluate the cumulative impacts of a proposed project. However, related future actions may only be considered when these actions are under concurrent consideration by any agency through preimpact statement studies, separate impact statement evaluations, or permit processing procedures.

Wastewater from the Project would be sent to the LJUA wastewater treatment facility, and the Project's estimated 837 gpd discharge is included in the LJUA facility's 20,000 gpd design capacity. As part of the reissuance of MGWPCS Permit MTX000172 for the LJUA facility, the Department considered the direct, secondary, and cumulative environmental impacts of the construction and operation of the LJUA treatment facility, and found no significant adverse effects on water quality, the human environment, and the physical environment.

Preferred Action Alternative and Rationale:

The preferred action is to approve the Project once a determination is made that the design meets the minimum Department design standards. This action is preferred because the connection to the LJUA wastewater treatment system and the Department's review and approval of the Project provides the regulatory mechanism for protecting water quality and ensuring public health protection.

Recommendation for Further Environmental Analysis:

☐ EIS ☐ More Detailed EA ☒ No Further Analysis

Rationale for Recommendation: An EIS is not required under the Montana Environmental Policy Act (MEPA) because the project lacks significant adverse effects to the human and physical environment.

Public Involvement:

The Project is expected to add a minor amount of development to an existing Lot and in an area which has seen major development. The Project would utilize existing roads, water and sewer services which have previously been designed, reviewed, and approved to support the development contemplated under the Project. A 30-day public comment period is not anticipated.

DEQ is aware of the district court opinion in *Held v. State*, ruling the statutory prohibition on including greenhouse gas analyses in MEPA reviews unconstitutional. DEQ continues to actively review options for a thoughtful, defensible disclosure of greenhouse gas data and analysis for the wide variety of projects the Agency reviews.

EA Prepared By:

Eleanor Goins February 27, 2024
Eleanor Goins, Review Engineer Date
DEQ Engineering Bureau

Approved By:

Jackie Kuhl February 27, 2024
Jackie Kuhl, Public Water Section Supervisor Date
DEQ Engineering Bureau