



**Northwest Land Office**  
655 Timberwolf Parkway, Suite 1  
Kalispell MT 59901



THE OUTSIDE IS IN US ALL.

**Region One**  
490 N Meridian Rd  
Kalispell, MT 59901

February 27, 2020

**Decision Notice and Finding of No Significant Impact**

for

**Big Arm State Park Permanent Recreation Easement Acquisition**

**Description of Proposed Action and Alternatives**

Montana Fish, Wildlife & Parks (FWP) and the Montana Department of Natural Resources and Conservation (DNRC) jointly propose the purchase of a permanent recreational easement by FWP from DNRC at Big Arm State Park on Flathead Lake. Big Arm State Park is located on Montana School Trust property that is leased annually by FWP from DNRC for the purpose of providing a public recreation and lake access site in the Big Arm Bay of Flathead Lake in Lake County, Montana.

**Alternative A: No Action**

Under the no-action alternative, FWP would need to continue paying the annual lease for the school trust lands in order to continue operation of Big Arm State Park. This annual lease would likely be based on 4 - 5% of appraised value. The cost of the lease is estimated to be between \$322,560 and \$403,200. This would provide a revenue stream to the school trust for as long as FWP can afford the annual lease. Due to the anticipated increase in the annual lease cost, it is likely that FWP would not be able to afford annual lease payments following expiration of the current lease in March of 2020. If FWP does not renew the annual lease, FWP would cease to operate the State Park, and DNRC would determine how best to repurpose the property in accordance with the school trust mandate and real property management directives.

**Alternative B: FWP Purchase of permanent easements on the 218.26 acres of State Trust Lands for the continued operation of Big Arm State Park.**

Under this alternative FWP would purchase a permanent recreation easement for the full market value of the two parcels that comprise the current 218.26-acre Big Arm State Park. This alternative would facilitate the continued operation of a public recreation and lake access site on the park's current footprint. This easement would authorize FWP to make use of the surface for a public recreation site, including the building of associated roads and trails, boating facilities and developing additional recreational amenities. This easement purchase would be in lieu of annual lease payment and would fulfill the DNRC fiduciary responsibility to generate revenue for the school trust, while simultaneously providing FWP with long-term management stability of this important public recreation and access site.

**Alternative C: FWP Purchase of a permanent easement on 241.26 acres of State Trust Lands for the continued operation of the Big Arm Unit of Flathead Lake State Park.** Under this alternative FWP would purchase a permanent recreation easement for the full market value of the two parcels that currently comprise the 218.26-acre Big Arm State Park, as well as an additional 23-acre parcel that adjoins the park's current Southern boundary. A two-acre private cabin lease that is within this additional 23-acre parcel would not be included in a permanent easement. This alternative would facilitate the continued operation of a public recreation and lake access site, while perpetuating availability of additional water-front acreage for outdoor recreation and access. This easement would convey management of surface resources to FWP, while DNRC would retain mineral rights and property ownership. These easement purchases would be in lieu of annual lease payments and would fulfill the DNRC fiduciary responsibility to generate revenue for the school trust, while simultaneously providing FWP with long-term management stability of this important public recreation and access site. If alternative c is not chosen, DNRC would move to find other uses for the 23-acre parcel in order to meet their constitutional obligations to secure full market value for its use. This parcel is currently unleased and generating no income for the beneficiary.

## **Background**

FWP has leased this property from DNRC since 1966. The current annual lease is valued at \$24,242 per year and will expire on March 1, 2020. At lease renewal, DNRC would be required to update the lease rate to market value (as derived from the current rate of return of the Montana Board of Investments), which at the time of this writing may be calculated at approximately 4-5% of the appraised value of the subject property, or approximately \$403,200/year. In response, the 2019 legislature passed HB 695, which authorizes FWP to purchase a permanent recreation easement from DNRC for the continued and permanent operation of a public recreation site at this important location. The cost of a permanent easement is the appraised value of the land.

Big Arm is one of Montana's flagship recreation parks providing enhanced amenities and is located on one of the most significant water bodies in the country. Big Arm has been among the top four most heavily utilized public campgrounds in Montana's state park system. The park is one of the best access points for boating and angling access on Flathead Lake, and is the primary departure point for the Wild Horse Island Unit of Flathead Lake State Park. Additionally, Big Arm is an important school trust property that has potential to significantly improve revenue generation in support of Montana schools. This proposal provides a solution to help meet these important objectives.

## **Public Comment and Montana Environmental Policy Act**

FWP and DNRC are required by the Montana Environmental Policy Act (MEPA) to assess significant potential impacts of a proposed action to the human and physical environments. In compliance with MEPA, an Environmental Assessment (EA) was completed for the project by FWP and released for public comment on December 3, 2019.

## **Summary of Public Comment**

MEPA directs State to ensure the public is informed of and participates in the decision-making process. Public participation is not a plebiscite, which measures how many people favor or oppose a proposal, but rather a mechanism for agencies to consider substantive comments.

- Public comments on the proposed project were accepted for 30 days between December 3, 2019 and January 3, 2020.
- Legal notices were published in Missoulian, Kalispell Daily Interlake, Lake County Leader, and Helena Independent Record newspapers.
- A state-wide news release was sent out on December 3, 2019
- Legal notice and draft EA were posted on FWP, MSP and DNRC websites.

### **Public Response**

Comments were collected from December 3, 2019 through January 3, 2020. 26 sets of written comments were received from individuals and organizations. All comments received were supportive of FWP purchasing a permanent recreation easement from DNRC for the Big Arm State Park Unit on Flathead Lake State. 22 responses specified a preference for alternative C. Preserving public access to Flathead Lake and family camping traditions at Big Arm State Park were cited in numerous written responses as the reason for support of easement acquisition.

### **Decision**

Based on the environmental assessment and public comments received, FWP and DNRC select Alternative C of the Draft EA as the preferred alternative. Execution of this alternative is contingent upon FWP receiving federal grant approval, as well as the receipt of final approvals from; the State Parks & Recreation Board, the Fish & Wildlife Commission, and the Montana State Land Board.

### **Final Environmental Assessment**

There are no modifications to the draft EA based on public comment. The draft EA along with this Decision Notice, will serve as the final document for this proposal. We have evaluated the EA, and applicable laws, regulations, and policies, and have determined that this action will not have a significant impact on the human and physical environment. Therefore, an Environmental Impact Statement will not be prepared.

The final EA can be viewed at or obtained from Montana Fish Wildlife and Parks at the Region One office located at 490 N Meridian Rd in Kalispell, MT or DNRC NW Land Office at 655 Timberwolf Parkway, Suite 1 in Kalispell, MT.

In accordance with policy, an appeal can be made by any person who has either commented in writing to the proposed project, or who can provide new evidence that would otherwise change the proposed plan. An appeal must be submitted to the Directors of FWP and DNRC in writing and must be postmarked or received within 30 days of this Decision Notice. The appeal must describe the basis for the appeal, how the appellant previously commented or participated in the decision-making process, and how FWP and DNRC can provide relief. The appeal should be mailed to: Director, FWP, 1420 East 6<sup>th</sup> avenue, Helena, MT 59620 or Director, DNRC at 1539 11<sup>th</sup> Avenue P.O. Box 201601 Helena, MT 59601

Greg Poncin

**Greg Poncin, Area Manager Northwest Land Office, DNRC**

3/2/2020

**Date**

Beth R. Shumate

**Beth R. Shumate, Parks Division Administrator, FWP**

2-27-20

**Date**