



MONTANA FISH AND WILDLIFE COMMISSION AGENDA ITEM COVER SHEET

THE **OUTSIDE** IS IN US ALL.

Meeting Date: October 17, 2019

Agenda Item: Flathead Lake State Park – Big Arm Unit Permanent Lease Acquisition.

Action Needed: Endorsement

Time Needed on Agenda for this Presentation: 15 minutes

Background:

FWP has leased the Big Arm Unit of Flathead Lake State Park from DNRC since 1966. The current annual lease will expire on March 1, 2020. Following expiration, DNRC will revert to the standard lease appraisal rate formula, and the lease rate is expected to jump from \$18,000/year to as high as \$600,000/year. In response, the 2019 legislature passed HB 695, which authorizes FWP to purchase a permanent recreation easement from DNRC for the continued operation of a public recreation site at this important location. The cost of a permanent easement is the appraised value of the park, which is estimated to be approximately \$12 million. Big Arm provides public access to one of the most significant waterbodies in the country. More than half of the visitors to Big Arm participate in boating. The boat launching facility, which is open 12 months a year, is arguably the best on Flathead Lake. Since the initiation of the campsite reservation system in 2012, Big Arm has been among the top 4 most heavily utilized campgrounds in Montana's state park system and is the primary departure point for the Wild Horse Island Unit of Flathead Lake State Park. A minimum of 25% of visitors participate in angling during peak season, and that percentage increases during shoulder seasons. In addition, Big Arm is vital to the success of the fall and spring Mac Days fishing tournaments.

Public Involvement Process & Results:

This proposal was vetted through legislative hearings, and HB 695 passed with almost unanimous bi-partisan support in the senate and the house. Governor Bullock signed the bill into law in May. FWP and DNRC conducted a formal scoping process in July, and no negative or oppositional comments were received. The two agencies will conduct a joint MEPA process in September, offering another opportunity for public involvement.

Alternatives and Analysis:

Alternative A – No Action:

Under this alternative, FWP would evaluate the ability to continue paying an annual lease fee for Big Arm following the expiration of the current lease on March 1, 2020. DNRC has indicated that they will be required to implement the standard lease rate of 5% of appraised value annually for subsequent annual payments. Based on a 2014 appraisal, the annual lease rate may increase to as high as \$600,000/year. Given the anticipated increase in the cost, it is likely that the Department may not be able to afford continued operation of the site.

Alternative B – Preferred Alternative - Evaluate Purchase Options for a Permanent Easement at the Big Arm unit of Flathead Lake State Park.

Under this alternative, FWP would purchase a permanent recreation easement for the Big Arm unit, thus eliminating the annual lease payment. A permanent easement cost would be 100% of appraised value and would provide authority for FWP to operate a recreation site at Big Arm in perpetuity. FWP and DNRC will appraise the existing park footprint, as well as additional DNRC-owned property that is contiguous with the park. Based on appraisal values, FWP would purchase an easement on as much of this acreage as the authorized funding level allows.

Proposed Motion: “I move that FWP proceed with the evaluation and possible purchase of a perpetual recreation easement at the Big Arm Unit of Flathead Lake State Park, for the continued operation of a public recreation site.”