Region One
490 North Meridian Road
Kalispell, MT 59901

DECISION NOTICE
and
Finding of No Significant Impact
for the

Kootenai Forestlands Conservation Project

July 9, 2019

Description of Proposed Project

Montana Fish, Wildlife and Parks (FWP) proposes the purchase of a conservation easement to protect approximately 22,295 acres of highly productive timberland and important fisheries and wildlife habitat in northwestern Montana around the city of Libby. The property is owned by the Stimson Lumber Company (Stimson), one of the oldest continuously operating integrated wood products companies in the United States with roots dating back to the 1850s. This conservation project is a collaborative effort involving Stimson, The Trust for Public Land (TPL), and FWP. The proposed conservation easement, to be held by FWP, would allow Stimson to retain ownership of these timberlands, preclude development, protect important wildlife habitat and key landscape connectivity, and provide permanent public access and associated recreational opportunities.

Hunting opportunities exist on this property for elk, white-tailed deer, mule deer, moose, black bear, mountain lion, wolf, turkeys, and forest grouse. The property provides high quality winter range for moose, elk, white-tailed deer, and mule deer. It also provides habitat for 43 Species of Greatest Conservation Need as listed in Montana's 2015 State Wildlife Action Plan and includes federally designated critical habitat for three threatened species: Canada lynx, grizzly bear, and bull trout. Completion of this project would permanently secure free public access for hunting, hiking, fishing, snowmobiling, cross country skiing, and other outdoor activities.

The scattered parcels of this project share 133 miles of border with the Kootenai National Forest. An increasing number of homes and developments in Lincoln County have occurred in the wildland-urban interface, which increase the challenges faced by local services when wildfires occur or when wildlife-human conflicts occur. Completion of this project would decrease the demand for those services in the future and the public costs associated with those services. Using figures from a current study, precluding residential development on these scattered parcels could reduce taxpayer-funded costs of firefighting by 50-95% and prescribed fire by 43% (Headwaters Economics 2013). It would also reduce human-

wildlife conflicts that come with residential development of properties within wildlife habitat, especially those with grizzly bears, black bears, and mountain lions.

Montana Environmental Policy Act (MEPA) Process and Public Involvement

FWP released a draft environmental assessment (EA) for public review on May 30, 2019, and asked for public comment through June 29, 2019. FWP held a public hearing in Libby on June 12, 2019, at 6:00 p.m. FWP ran legal ads describing the proposed project, the availability of the draft EA, and the public hearing information in the *Flathead Beacon, Daily Inter Lake, The Western News, The Montanian,* and *Helena Independent Record*. FWP also mailed postcards to neighboring landowners. The draft EA was posted on FWP's official website and was also available at the Region One headquarters in Kalispell and online for people with internet access or through internet service at public libraries.

The EA evaluated the potential impacts of the following alternatives:

1. Alternative A: Proposed Action

FWP would acquire a conservation easement on approximately 22,295 acres of scattered forestland parcels near Libby, Montana owned by Stimson Lumber Company. Stimson would continue to own and manage the land using sustainable forest practices while protecting the valuable fish and wildlife habitat found on the property and continuing to allow compatible public recreation opportunities.

2. Alternative B: No Action

If the project is not completed as proposed, Stimson would continue to own the property without any of the restrictions of the proposed conservation easement. They may, at some future time, change their public access policies or decide to sell some or all of these parcels, depending on company priorities and market conditions.

Summary of Public Comment

FWP received 12 public comments with four people raising concerns with the easement and one person asking a question. Below is a summary of concerns raised and the question asked and FWP's response to each:

- One comment letter raised the following concerns: 1) "stop paying Stimson for doing nothing," 2) if "Stimson has not yet granted an easement (county) across their property to Alvord Lake (Troy Area)" then FWP should not do this conservation easement project, 3) "some of Stimson's logged land around Troy and near Alvord Lake is a mess" and "Stimson has not been a good neighbor to Troy" and doubts they will be in Libby, and 4) "conservation easements keep southern Lincoln County poor" and "Libby & Troy need some subdivision to create a tax base."

  FWP Response:
  Regarding concern #1, this conservation easement is partially compensating Stimson for giving up development rights on the property in perpetuity, limiting other uses of their property, and committing to sustainable forest management, all which have significant value.

  For concern #2, neither FWP nor Stimson are aware of any easement that Stimson needs to grant in the Alvord Lake area. The lake is directly accessed by a county road. In our experience, Stimson always works hard to be a good neighbor and we encourage anyone with issues such as

this to reach out directly to local Stimson foresters. In addition, whether on the conservation easement that FWP holds on Stimson's Troy lands or this proposed project around Libby, both require annual meetings between Stimson and FWP to discuss and resolve any potential problems that arise. The public is invited to these meetings and encouraged to bring any issues to our attention associated with these easement properties.

Regarding concern #3, Stimson has not logged any land near Alvord Lake for many years. The company follows Best Management Practices for Forestry in Montana (BMPs) and prides itself on sound silvicultural approaches. FWP is unaware of any "messes" near Troy or Alvord Lake. Under the terms of the conservation easement, Stimson commits to continue to follow Montana's BMPs.

For concern #4, FWP acknowledges in Section 3.5 (Socioeconomics) of the EA that this project "may preclude future increases in gross tax revenues if the land were to eventually be developed for residential or industrial uses precluded by the conservation easement." However, private landowners have the right to place their property under conservation easement if desired. There is no guarantee that if the project did not go forward that these parcels would be subdivided in the future. The EA also explains that much of the project land is very steep and undevelopable, and that only about 14% of the property would be potentially suitable for development with the majority of this developable land farther than 10 miles from Libby.

- One comment letter raised the following concerns: 1) this is the same land that Stimson was offering to sell back in 2002 along with the plywood mill for a total of $6 million, which is the same amount we are now offering to pay for just the land and 2) FWP needs to explain why we are using taxpayer dollars to pay Stimson this amount for the conservation easement "on a few hundred thousand dollars worth of land."

FWP Response:
Regarding concern #1, in 1993, Champion International sold all of its timber lands in northwestern Montana to Plum Creek Timber Company and its mill complex to Stimson. The only land Stimson owned in this area was a small parcel near the City of Libby. The land currently being proposed to be placed under a conservation easement was purchased by Stimson from Weyerhaeuser in December of 2016. The value of the conservation easement is determined by a certified appraiser using sound appraisal practices and guidelines of the Uniform Standards for Professional Appraisal Practice (USPAP) and complying with the requirements of Uniform Appraisal Standards for Federal Land Acquisitions (USFLA).

Regarding concern #2, the statement that this is only a few thousand dollars' worth of land was addressed above for the response to concern #1 – the value is determined by a certified appraiser and the amount paid cannot be above the fair market value. For the statement that this will use taxpayer dollars, money for this project will come from the US Forest Service Forest Legacy Program which uses funding from excise taxes on offshore oil and gas development. The Forest Legacy Program requires at least 25% nonfederal matching funds that would come from a below market sale by the landowner and other conservation grant funding raised by TPL. No taxpayer dollars will be used to fund the project.

- One comment stated that this project would "reduce the available local lands for growth and development, which in the long run will lessen the available property tax base, forcing higher taxes on those of us who currently own private property in Lincoln Co."

  FWP Response: FWP acknowledges in Section 3.5 (Socioeconomics) of the EA that this project "may preclude future increases in gross tax revenues if the land were to eventually be developed for residential or industrial uses precluded by the conservation easement." The EA also explains that much of the project land is very steep and undevelopable, and that only about 14% of the property would be potentially suitable for development with the majority of this developable land farther than 10 miles from Libby.

- One comment stated that it is not good policy nor a good use of Montana hunter dollars.

  FWP Response: There will be no hunter dollars used to fund this conservation easement. Money for this project will come from the US Forest Service Forest Legacy Program which uses funding from excise taxes on offshore oil and gas development. The Forest Legacy Program requires at least 25% nonfederal matching funds that would come from a below market sale by the landowner and other conservation grant funding raised by TPL. As to whether or not this is good policy, programs such as this are established through the laws and budgets passed by elected officials. FWP has been implementing these programs to provide the public benefits, while also recognizing the potential consequences of doing so, as described in the EA.

- One comment stated that it "would be nice if the land could be open to ATV use as well as other recreation" and asked if that was possible.

  FWP Response: As explained in the EA under Section 3.6 (Aesthetics and Recreation), motorized road access will remain at the discretion of the landowner. Stimson may limit motorized access to certain roads within the conservation easement area for a variety of reasons such as wildlife security, prevention of sedimentation from logging roads, public safety and reducing the spread of noxious weeds, or other reasons that Stimson may deem necessary to maintain economic and ecological sustainability of their forest management activities. For the immediate future, roads that are currently open to motorized access will remain open and those that are closed will remain closed.

FWP Recommended Alternative and Final Decision

In reviewing all the public comment and other relevant information, and evaluating the environmental effects, I recommend that the Fish and Wildlife Commission approve the purchase of a conservation easement on the Kootenai Forestlands Conservation Project as proposed in the Alternative A, the Proposed Action.

Through the public review process described above, the public raised some concerns with the project, but all concerns were either addressed directly in the EA or did not directly apply to this project. FWP found no significant impacts on the human or physical environments associated with this proposal; therefore, the EA is the appropriate level of analysis and an environmental impact statement is not required.

Noting and including the responses to public comments, the draft EA will become the final EA and together with this decision notice will serve as the final documents for this proposal.

Jim Williams
Region One Supervisor

7/9/19
Date