

October 7, 2022

Flathead National Forest

Attn: Kurt Steele, Forest Supervisor, Shelli Mavor, Project Lead

Sent via: <https://www.fs.usda.gov/project/?project=61746>

Dear Mr. Steele and Ms. Mavor,

Please accept the following additional comments on the proposed Holland Lake Lodge expansion on behalf of Alliance for the Wild Rockies, Center for Biological Diversity, and Council on Wildlife and Fish.

The Forest Service's handling of this expansion has not been professional and is insulting to the public who own the Flathead National Forest and the land that Holland Lake Lodge sits on. You apologized for giving the public incorrect information about the Holland Lake Lodge expansion proposal but you did not send out a new letter with the correct information to the public and reopen the comment period.

The acreage in the permit is 10.53 acres -- it does not match up with the acreage on page 5 of the MDP (15 acres) or the POWDR 9/1/22 press release (11 acres) then Mr. Steele said at the public meeting on 10/4/22 that the permit area was 19 acres.

Please see a copy of the article below from the October 5, 2022 Helena Independent Record.

Forest, Holland Lake ski corp admit mistakes in public grilling

https://helenair.com/news/state-and-regional/forest-holland-lake-ski-corp-admit-mistakes-in-public-grilling/article_2a49df7a-5816-5bf0-b447-71e63cd0c525.html

CONDON — Officials from the Flathead National Forest and a Utah ski corporation vying to expand Holland Lake Lodge admitted on Tuesday that each had erred in how the expansion has been presented.

But, at a tense two-hour public meeting in Condon, the officials defended the overall public process through which the proposal is being considered. Flathead Forest Supervisor Kurt Steele told the more than 100 people gathered in the Swan Valley Community Hall that meetings such as this one were evidence of a transparent process that features public engagement.

And the company, POWDR, promised that its plans do not include a ski resort or motorized recreation at Holland Lake Lodge, which is a privately owned business operated on public land through a Special Use Permit with the Forest Service.

“There’s no ski hill, there’s no ski lift, there’s no snowmobiling, there’s no helicopters, there’s no helicopter skiing,” said Stacey Hutchinson, POWDR’s vice president of communications. She added that motorboats are also off the list. “Those things will never be part of our plan.”

The company does plan for winter operations — a change for the currently seasonal lodge on the shore of the scenic lake at the foot of the Swan Mountains, about a 90-minute drive northeast of Missoula. POWDR would winterize buildings on the site and offer year-round employment for some workers, Hutchinson said. She didn’t specify what winter operations might look like, but noted that “there are non-motorized recreational activities” around the lake.

POWDR, a Park City-based resort corporation whose properties include 11 ski resorts, has partnered with longtime Holland Lake Lodge owner Christian Wohlfeil to propose 32 new buildings — including a 28-room lodge, a restaurant and 26 cabins — and the removal of 10 structures around the historic lodge. Wohlfeil is under contract to sell to POWDR.

Thousands of people have submitted public comments, written to newspapers and taken to social media to oppose the expansion. Members of the public in Condon Tuesday

reiterated those concerns, citing increased traffic and tourism burden on the Swan Valley, impacts to wildlife, increased wastewater and garbage, limited wildfire evacuation, impacts to freshwater, and fears of a corporate, profit-driven facility too expensive for many Montanans to enjoy.

They also grilled Hutchinson and Steele over what nearly all commenters described as an opaque, underhanded process that seemed to them to already be decided.

Steele defended the process: “We are listening. This is the process and we’re purposefully listening.

“Transparency is hugely important,” he added, “which is why we’re standing up here today.”

Steele and Shelli Mavor, the forest’s project lead for shepherding the proposal through the public process, said that it was normal for the public to be engaged well after a proprietor has proposed a master plan for such an expansion. The proposal must first be vetted internally by the Forest Service, they said, to determine if it even qualifies to be considered, and then brought to the public.

POWDR’s proposal was submitted in October 2021 and accepted for public review in April, they said.

“We have to go through a master development plan,” Steele said. “That’s an internal process and we either

accept or deny that. (Once accepted,) then we go through the public process ... The public, right now, you all sitting here, this is our process.”

But Steele also admitted mistakes in handling the project. The current proposal covers about 15 acres under a Special Use Permit. Steele said he originally thought that was the same size as the lodge’s existing permit and wouldn’t be an expansion. He later realized that the lodge’s current permit is for 10.53 acres, not 15. And with the inclusion of a wastewater facility POWDR would take over, the proposal balloons to about 19 acres — nearly twice the current permit acreage.

“We made a mistake and I’m here to own it,” he said. “Come to find out it’s only 10.53 acres.”

He continued: “We will analyze that in the Categorical Exclusion — or EA or EIS, I’m sorry.”

The remark highlighted critics’ marquee demand: greater scrutiny of the project under the National Environmental Policy Act via an environmental assessment or environmental impact statement. Many accused the Forest Service of underhandedly pushing the proposal through with the less rigorous, more expedient categorical exclusion.

Critics of the proposal painted the so-called “CATEX” as a foregone conclusion. Steele stressed that he hadn’t decided for sure which level of analysis he would employ.

Hutchinson, too, admitted flaws in how POWDR has — or hasn't — engaged the Swan Valley community. In hindsight, she said, company leadership should have communicated with locals from the outset. John Cumming, the founder of POWDR who now serves as its board chair, stepped down as CEO in 2018, she said in response to commenters demanding his attendance.

“We made some missteps early in this process,” she said, stressing that now “our whole leadership team has been here.”

When are you going to inform the thousands of people who commented who were not at the public meeting on 10/4/22?

Why was POWDR allowed to co-chair the public meeting in violation of NEPA? The land Holland Lake Lodge sits on is public land, it does not belong to POWDR. Are you turning over the decision for approving the permit to POWDR?

It is obvious that you thought you could ram it through using a categorical exclusion and a very short public comment period (which began over Labor Day weekend). However, the public outcry is deafening which forced you to extend the deadline and have an additional public meeting (in addition to the quasi-public/private meetings that you and POWDR have been hosting).

This project needs a full, fair and transparent NEPA process in the form of an Environmental Assessment or Environmental Impact Statement to sort through the missteps and misinformation that have been distributed to the public. I heard on KUFM that you said you will do any environmental analysis but you also said there would be no additional public comment. How can you decide this before you have analyzed all of the public comments. You have obviously made up your mind to approve this project before you took public comment in violation of NEPA.

At the public meeting on October 4, 2022 Mr. Steele said there will be further environmental review, a 30-day review of the near-completion analysis, further environmental review and analysis then a decision. But did not commit to an EA or EIS which is a more in depth analysis that also allows the public to object to a decision. Please follow the law and write an EIS or at least an EA.

We also find it offensive that Mr. Steele has portrayed the uproar over this proposal as the public not understanding the process. It appears that the Forest Service does not understand the process and does not understand that the public owns the land around Holland Lake, not the Forest Service and certainly not POWDR.

Since 1988, Alliance for the Wild Rockies has been involved in many projects, policies and plans by the Forest Service, Park Service, US Fish and Wildlife Service,

Bonneville Power Administration, BLM and other agencies that utilize the National Environmental Policy Act. We are well aware of how the process works which is why we are advocating for a meaningful environmental review, not the made up process that is being rammed through now.

In our previous comments we laid out some of the reasons for an EA or EIS including the presence of four threatened and proposed species in addition to Region 1 sensitive species. This letter provides additional concerns.

Holland Lake is high quality grizzly and lynx habitat well inside the Northern Continental Divide Grizzly Bear Recovery Zone. The proposed expanded development at Holland Lake will have significant negative impacts to thousands of acres of wildlife habitat around Holland Lake that will impact many species including grizzly bears, elk, black bears, lynx, wolverines, furbearers, mule deer and white tail deer - all the wildlife in the Swan Valley.

How will POWDR expanding Holland Lake Lodge? benefit the public?

Will habitat for native species benefit from POWDR expanding Holland Lake Lodge?

Will habitat for native species be harmed from POWDR expanding Holland Lake Lodge?

Will lynx critical habitat benefit from POWDR expanding Holland Lake Lodge?

Will grizzly bears and grizzly habitat benefit from POWDR expanding Holland Lake Lodge?

Will grizzly bears and grizzly habitat be harmed from POWDR expanding Holland Lake Lodge?

Will wolverines benefit from POWDR expanding Holland Lake Lodge?

Will wolverines be harmed from POWDR expanding Holland Lake Lodge?

Will lynx critical habitat be harmed from POWDR expanding Holland Lake Lodge?

Will bull trout critical habitat benefit from POWDR expanding Holland Lake Lodge?

Will bull trout critical habitat be harmed from POWDR expanding Holland Lake Lodge?

Would wolverines, lynx, lynx critical habitat, bull trout, bull trout critical habitat, and grizzly bears benefit from not allowing POWDR to have a permit to operate Holland Lake Lodge?

Would the public benefit from not allowing POWDR to have a permit to operate Holland Lake Lodge?

Will lynx critical habitat be harmed from POWDR expanding Holland Lake Lodge?

Will bull trout critical habitat benefit from POWDR expanding Holland Lake Lodge?

Will bull trout critical habitat be harmed from POWDR expanding Holland Lake Lodge?

The Flathead has not been transparent or forthcoming:

- Documents such as the permit, Master Development Plan (MDP) appendices B and C, well drilling permit, DEQ landfill/solid waste document, and others were added to the Flathead's website during the public comment period in mid-September, yet unless the public was checking the website every day they would not know about them.

- The acreage in the permit is 10.53 acres -- it does not match up with the acreage on page 5 of the MDP (15 acres) or the POWDR 9/1/22 press release (11 acres) then Mr. Steele said at the public meeting on 10/4/22 that the permit area was 19 acres. Apparently due diligence was not

done. How is the public supposed to trust you if you can't get the permit acreage right?

- The permit was amended on August 22, 2022 to allow two new wells for pump testing. This is predecisional and violates NEPA.

- The Forest Service appears to have authorized the Holland Lake Lodge owners to be responsible for the waste water system and add the acreage to the permit. This is predecisional and violates NEPA.

- The permit SWA456 that was issued on 5/26/2017 with an expiration date of 12/31/2036 lists the holder as Holland Lake Lodge, Inc. for 10.53 acres.

Permit page 3: H. it clearly states: This permit is not assignable or transferable.

I. 2. 2. Any transfer of title to the improvements covered by this permit shall result in termination of the permit. The party who acquires title to the improvements must submit an application for a permit. The Forest Service is not obligated to issue a new permit to the party who acquires title to the improvements. The authorized officer shall determine that the applicant meets requirements under applicable federal regulations.

J.1. The holder shall notify the authorized officer when a change in control of the business entity that holds this permit is contemplated.

b. In the case of a partnership, limited partnership, joint venture, or individual entrepreneurship, control is a beneficial ownership of or interest in the entity or its capital so as to permit the exercise of managerial authority over the actions and operations of the entity.

J.2. Any change in control of the business entity as defined in clause J.1 shall result in termination of this permit. The party acquiring control must submit an application for a special use permit. The Forest Service is not obligated to issue a new permit to the party who acquires control.

Christian Wohlfeil has sold or is in the process of selling the Holland Lake Lodge to POWDR corporation. On POWDR's new website: www.hollandlakefuture.com it states "Holland Lake Lodge, Inc. and its joint venture partner POWDR, announced that they have submitted a Master Development Plan (MDP) to the US Forest Service...". Also see the September 1, 2022 press release on POWDR's website: "Holland Lake Lodge, Inc. and its joint venture partner, POWDR, announced today that they have submitted a Master Development Plan (MDP) to the U.S. Forest Service..."

That terminates Special Use Permit SWA456. Has POWDR applied for a new special use permit? Has the Forest

Service issued a new permit to POWDR? Have any of the terms changed? How? What are they? When was the public process for this? Why didn't you inform the public of this in your scoping letter? Are you blaming the public for not knowing what you haven't told the public? An EIS would shed light on this issue.

Why is the Forest Service even considering amending the permit when there is no longer a valid permit for Holland Lake Lodge since Christian Wohfeil's permit was terminated when he sold Holland Lake Lodge to POWDR corporation? There is no evidence that POWDR corporation has a permit for Holland Lake Lodge.

How does the public benefit from POWDR developing a high end resort that most of the public will not be able to afford to go to?

Please consider other options for the publicly owned land that Holland Lake Lodge sits on such as letting the public rent it as they can rent other Forest Service cabins and look outs. Or consider tearing down Holland Lake Lodge and making a public campground or leaving it undeveloped to protect Holland Lake which is bull tout critical habitat.

- The MDP says it will maintain a 20 foot shoreline protection zone. The Forest Plan Standards for riparian management zones contained in FW-STD-RMZ 01 state:

The entire width of the riparian management zones shall be delineated as follows.

Category 4a Ponds, lakes, reservoirs, and wetlands greater than 0.5 acre and all sizes of howellia ponds and fens/peatlands: Riparian management zones consist of the body of water or wetland and the area to the outer edges of the riparian vegetation; or to the extent of the seasonally saturated soil; or to the distance of the height of one site-potential tree; or 300 feet slope distance from the edge of the maximum pool elevation of constructed ponds and reservoirs or from the edge of the wetland, pond, or lake—whichever is greatest.

The inner riparian management zones are defined as follows:

For category 4a and 4b ponds, lakes, reservoirs, and wetlands, the width of the inner riparian management zone shall be a minimum of 50 feet except for peatlands, fens, and bogs, where the minimum width is 300 feet.

Twenty feet is inadequate to protect water quality and does not comply with the Forest Plan.

- The roadless areas in the Holland Lake vicinity are recommended for wilderness in the Forest Plan and in the Northern Rockies Ecosystem Protection Act, H.R. 1755 with 73 sponsors and S. 1276 with 12 sponsors. Impacts from increased use needs to be analyzed to ensure that the wilderness character and qualities are maintained.

- The Forest Plan has desired conditions and guidelines for Lands and Special Uses. "Special use permits authorize the occupancy and use of NFS land by private, public and other governmental entities for a wide variety of activities, such as roads, utility corridors, communications sites, and other private, public, or commercial uses, that cannot be reasonably accommodated on private lands."

Desired conditions (FW-DC-LSU)

08 Special use authorizations meet Forest Management and public needs and are consistent with the desired recreation opportunity spectrum.

Guidelines (FW-GDL-LSU)

03 To protect riparian and aquatic habitat, new support facilities should be located outside of riparian management zones. Support facilities include any facilities or improvements (e.g., workshops, housing, switchyards, staging areas, transmission lines) not directly integral to the production of hydroelectric power or necessary for the implementation of prescribed protection, mitigation or enhancement measures. At time of permit reissuance, the removal of such support facilities, where practical, should be considered.

How does this expansion comply with these desired conditions and guidelines? Has the Forest identified through a public process the desired recreation opportunity spectrum for the Forest and this Bear Management Unit?

Increasing recreation on public lands is a consumptive activity because it destroys wildlife habitat security habitat. It is well documented in the peer-reviewed scientific literature that grizzly bears, wolverines, lynx and elk and other wildlife will usually flee humans on trails and avoid areas where recreating humans are present.

The increased recreation resulting from this proposal will displace wildlife from formerly secure habitats into less secure areas where their mortality risk is higher. Intensive recreation will increase wildlife stress levels and energetic demands as they avoid human activity. Why do you want to destroy habitat for a listed species? Please consider how this increased recreation will affect grizzly bears, lynx, lynx critical habitat, bull trout, bull trout critical habitat, elk and other native wildlife.

The POWDR corporation proposal completely ignores the off-site impacts of this proposed development. Expanding development at Holland Lake Lodge will result in an additional 35,640 user days per year on public lands in the Holland Lake/Swan Valley area.

Forest Plan Standard FW-STC-REC limits increases in developed recreation areas including cabin rentals and guest lodges to one increase above the 2011 baseline in number or capacity per decade per bear management unit. How did the Flathead identify this expansion as the one

increase that was allowed? What was the public process for this decision?

- The Flathead and POWDR have tossed around the idea that because this is Management Area 7 Focused Recreation Area it is allowed by the Forest Plan. Table 32 on page 110 identifies the Holland Lake Campground as a focused recreation area with featured activities being developed recreation, including camping, boating, fishing and hiking. There is no mention of the Holland Lake Lodge or expanding its capacity.

- POWDR has reacted to public comments about potential recreation pursuits it might undertake by issuing vague statements that they are not going to build a ski area, etc. But they haven't indicated what they are planning to do. How does the Holland Lake Lodge align with their adventure lifestyle philosophy? What recreation pursuits do they have planned for their guests? What types of guides and outfitters would they use to offer services to their guests? These are reasonably foreseeable future actions that must be analyzed in an EIS in order to fully consider the impacts.

There have been many valid issues raised by the public. An EIS would disclose all of this information in one analysis that is readily accessible rather than having to hunt around on the Flathead and POWDR's websites.

In closing, this expansion is absolutely not in the public interest and should not move forward. Please to not give POWDR a permit to operate Holland Lake Lodge.

Thank you for your time and consideration of our comments.

Sincerely yours,

Mike Garrity
Executive Director
Alliance for the Wild Rockies

And for

Kristine Akland
Center for Biological Diversity

And for

Steve Kelly
Center for Wildlife and Fish

