



GOVERNMENT & POLITICS

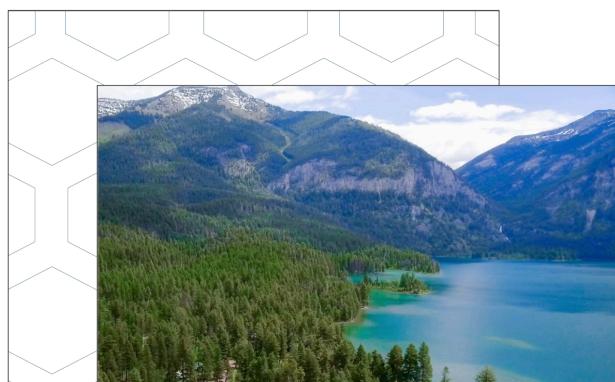
Holland Lake Lodge expansion controversial, but owner said it's a plan for the future

Expansion could take place without full environmental assessment

BY: KEILA SZPALLER - OCTOBER 15, 2022 11:10 AM



Holland Lake Lodge Master Development Plan



Cover page of the Holland Lake Lodge expansion proposal.

Thousands of people are raising objections to a controversial plan to expand Holland Lake Lodge, especially after the U.S. Forest Service admits it made errors at the beginning of the process.

For one, a group that formed to fight the expansion on public land noted the number of acres currently permitted — 10.53 acres, according to the Forest Service — wasn't presented accurately at first. Thursday, a Flathead National Forest spokesperson said mapping is underway to clarify the acreage currently in use.

"This process has been confusing from the beginning," said Bill Lombardi, with Save Holland Lake, the group opposing the expansion and calling for greater scrutiny. "The public is confused, and now the Forest Service is confused. Seriously. And that is a sad state of affairs."

In April, Holland Lake Lodge Inc., submitted a plan to the Forest Service to expand its resort on a pristine and popular lake in the Swan Valley. As proposed, the expansion would more than double the number of guests at the lodge from 50 to at least 90 or as many as 156, extend operations into winter, and possibly double the acres in use.

Christian Wohlfeil, majority owner of the lodge, said his interest is in selling the property to an owner who has the ability to invest in much needed upgrades and who shares his values of stewardship. For example, he said he's never waterskied on the lake even though

he grew up with the sport, and he could legally rent out jet skis, but he doesn't.

"We're trying to look at the long term future and have the lodge be viable for the future," Wohlfeil said. "And that's what this plan is."

But the plan has not been popular with the public, in part because the Forest Service said it may not complete a full environmental assessment or more extensive environmental impact statement, or EIS, before approving the project. More than 6,500 public comments have been submitted to the Forest Service, and Save Holland Lake estimated nearly 99 percent of them opposed the project.

"The Holland Lake area is already heavily impacted. The project will change the culture and the ecology of the area. Scale back," one commenter wrote.

Said another: "Keep it Montana."

In their plan, property owners requested an exception, called a "categorical exclusion," from a full scale environmental review, and the Forest Service said its initial decision is to grant the request. Typically, the exception means no EIS and no environmental assessment.

However, one week following a contentious public meeting about the proposal, Flathead National Forest Public Information Officer Tami MacKenzie said the Forest Service will conduct some type of environmental review, although the agency has not determined the extent of it, nor is it legally bound to complete an environmental study. She also confirmed a second public comment period will take place after more analysis and "acreage clarifications."

"This really is just the beginning of this process," MacKenzie said. "I know they (the public) feel like they were blindsided, but this is really step one. I would encourage everyone to just continue through this process with us and see where it ends up."

In the meantime, Holland Lake Lodge is marching forward. Thursday, the Montana Department of Environmental Quality noted it had received the lodge's application to construct two public water wells so they can be tested for quality and quantity. DEQ said if they both are acceptable, they may be used to serve the development in the future.

A lodge for the future

Wohlfeil, who has owned the lodge for 20 years, recently sold minority shares to POWDR, a ski resort and "adventure life" company, in anticipation of a full transfer in the future. He said POWDR, based in Utah, can make the investments necessary to build an "eco-friendly" resort, upgrade parts of the property in disrepair, and maintain it all.

"Right now, the foundation of the lodge is crumbling, and we'd like to put it on an actual foundation and preserve it for future generations," Wohlfeil said.

He said the Forest Service needs to confirm the acreage in question. Generally, he said his interest is in increasing overnight guest capacity to an average 130, or more than doubling it, upgrading the infrastructure, including sewer, parking and power, creating employee housing, and potentially running at least some services all year long.

"If we can do year round operations, it would be at least 20 year round jobs, which we could then do full medical, dental, vision and 401K benefits," Wohlfeil said.

Although he admits the capacity at the lodge would be at least twice its current limit, he also said the number of additional visitors should be viewed in the context of all of the use at the lake. For example, the Forest Service estimates peak use at 500 people a night for the campground, group site and Owl Packer Camp, not including the day-use area.

The lodge sits in a grizzly corridor, so Wohlfeil said he can submit a proposal, or "master development plan," to the Forest Service just once every 10 years. That means the current proposal should include anticipated expansion plans for the next decade, he said.

"So we have to ask for as much as we want to do now," he said.

Some members of the public have called for him to scale back the project, and Wohlfeil said it's possible to downsize, but doing so would mean pushing up rates for the project to pencil out. Currently, he said the lodging range is estimated at \$200 to \$240 a night for a smaller cabin that sleeps two people, and \$400 to \$450 a night for a cabin that sleeps four to six, not including meals ("no glamping," he said).

The current nightly rate for two people is \$340, including meals.

POWDR doesn't need a return on its investment right away, he said, but it needs a return sooner or later. Just this summer, he said he received 4,000 inquiries via email alone about cabins, and he was sold out from April through September.

"My point is there is demand," Wohlfeil said.

If he was starting from scratch, he said, he would understand the call for a full environmental study, but the Forest Service suggested the owners ask for a "categorical exclusion" because the resort is already in operation. Plus, he said, the exclusion won't bypass a review, it will allow for a less intensive analysis.

Over the years, he said he's worked 70 or 80 hours a week at the lodge and worn every hat, so it's not easy for him to hear impassioned public comment against the expansion. He also said the project represents one of the tensions in a state that's growing.

"Montana people are sort of sensitive to all the people moving in and all the crowds coming with Covid," he said. "It's a Catch-22 because we also need tourism in our state that helps our economy."

'Fouled up' process

But the proposal and process both have raised the ire of residents of the Swan Valley.

What will happen to water quality? Grizzly bears? How much acreage is permitted anyway? And what happens if people responded to a proposal that wasn't totally accurate?

Kristine Akland, with the Center for Biological Diversity, said the Forest Service's preliminary decision to grant a "categorical exclusion" doesn't square with a proposal to possibly triple capacity at the lodge. She said that type of exception can be used for expanding a toilet or a shower facility or replacing a chairlift.

"There are a lot of people that believe the use of a categorical exclusion would be illegal," said Akland, a lawyer for the Center for

Biological Diversity.

She also said POWDR has a helicopter skiing business, and another concern is whether the company would eventually apply for a permit to do heliskiing in the Swan Valley. The current plan does not mention helicopter skiing, but Akland said that doesn't preclude the company from making a request in the future.

She said she didn't know if a lawsuit would end up being filed, but one of the concerns with granting an exception to an environmental assessment or more in depth environmental impact statement is work can start right away – and the proposal notes changes will begin in 2023.

"That's why that's so concerning to us and a lot of the locals and local groups, is that if the Forest Service decides to utilize a categorical exclusion, they can issue a decision immediately and begin ground disturbing activities," Akland said. "... We don't get the opportunity to make sure they're considering all the important resources."

In the meantime, Lombardi pointed to grizzly bears, lynx, bull trout, elk, loons, the Bob Marshall Wilderness Complex, and said they all merit a rigorous environmental review. And he said the Forest Service needs to know – and present accurately to the public – the actual scope of the permit and project.

"It's just a very pristine valley that has all kinds of wildlife, so we're just puzzled and concerned why the Forest Service one, would propose a categorical exclusion, and two, didn't tell anyone until September when they've had this planned until at least April of this year," Lombardi said.

At the public meeting last week, Flathead Forest Supervisor Kurt Steele admitted to the public the Forest Service initially presented the scope of the project as a footprint of 15 acres, same as the current resort, according to [the Missoulian](#). But the Forest Service later said the permit was for 10.53 acres, and Thursday, MacKenzie said the agency still needs to confirm the acreage in question.

But thousands of people have already submitted comments based on the original plan, Lombardi said: "What is the administrative procedure now that they don't know? ... The process has been fouled up from the beginning."

Complicated acreage, process

MacKenzie, with the Flathead National Forest, said the Forest Service has not yet made a decision to use a categorical exclusion. She said Thursday she anticipates a decision will be made in the next week or two.

However, she said typically, a categorical exclusion doesn't include a second period of public comment, but she said the Forest Service will hold one open in this case even if it grants the exception. She said an environmental assessment or EIS are still possible.

"I think the next step is for us to really get deep into the public comment," MacKenzie said.

She also said the Forest Service will conduct some sort of environmental review even if it grants a categorical exclusion. However, she said the Forest Service has discretion over how much related documentation it needs to provide.

She also said questions about acreage still need to be answered, and figuring out boundaries is not straightforward. If the Forest Service considers all the infrastructure currently in place, she said it's greater than 15 acres based on a preliminary assessment.

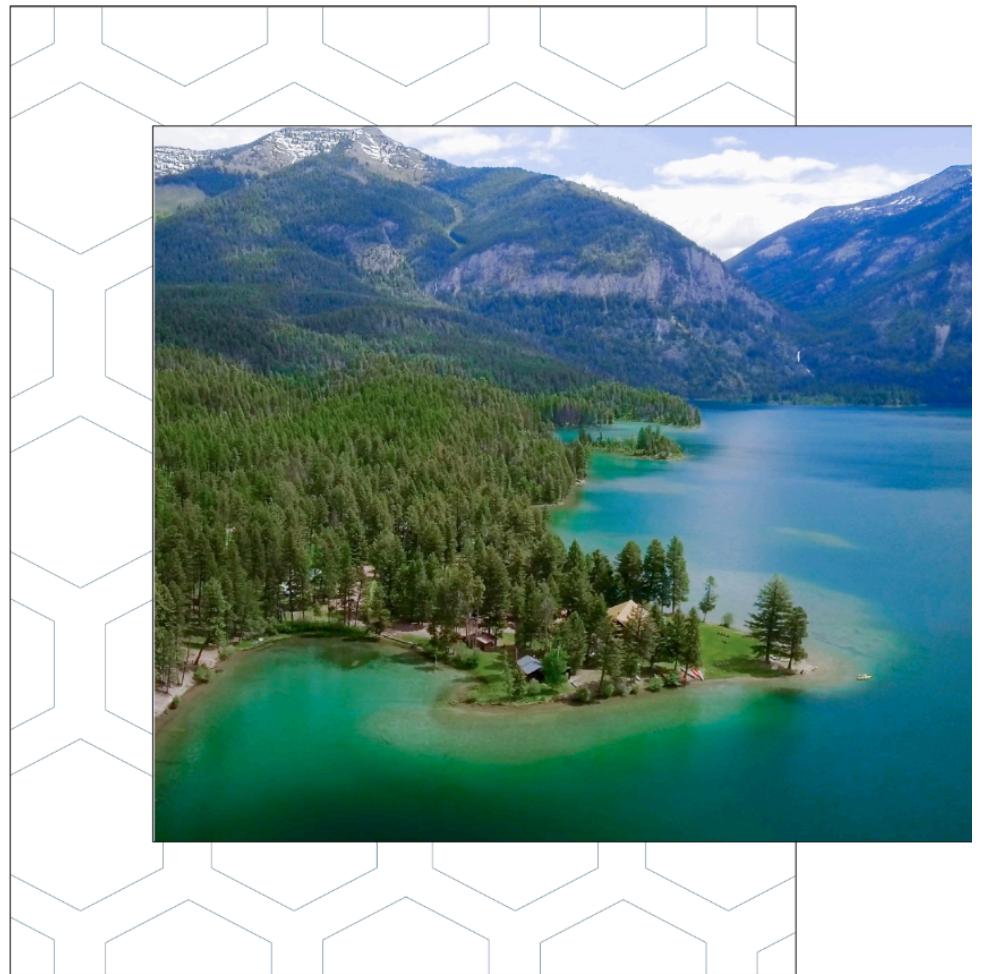
"The acreage is a complicated one," she said. "So we have 100 years of permits for this thing, and no two permits are really giving us the same layout and acreage."

She said the request from Holland Lake Lodge was for 15 acres – the plan notes a wastewater area of 3.8 acres is separate – but it appears to be currently permitted for 10.53 acres. However, she said the boundary for the permit is "still pretty unknown" because modern mapping tools haven't been used on the property.

"So we have people going out to do the mapping portion of it," she said.

If the project moves forwards, she said the Forest Service will prepare an analysis to present to the public and open another public comment period likely after the first of the year.

Holland Lake Lodge Master Development Plan



USDA Forest Service
Flathead National Forest
Resort / Marina Term Special Use Permit

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