

Beaver-Skyles Public Recreation Easement

**Environmental Assessment
November 2012**



Montana Department of Natural Resources & Conservation
Northwestern Land Office



Finding

Environmental Assessment

Beaver/Skyles Public Recreation Easement

The Department of Natural Resources and Conservation (DNRC) has completed review of an Environmental Assessment for the proposed Beaver/Skyles Public Recreation Easement. The proponent of the easement is the City of Whitefish acting in conjunction with Whitefish Legacy Partners (WLP). The area subject to the transaction involves approximately 1,580 acres of State trust land located in the Beaver Lake and Skyles Lake areas near Whitefish, Montana. The area extends south of the North Beaver Road, northwest of Woods Lake and includes the Skyles parcel, just north of Highway 93 (Sections 16, 17, 18, 19, 20, 21, 33, and 34 in Township 31 North, Range 22 West). The easement would also include the existing Lion Mountain Trailhead and a 16-foot corridor around and within the loop trail (Figure 1-1 of the EA). The lands involved in this project are held in trust for the Common Schools, Montana Tech School of Mines, Montana State University Agricultural College, School for the Deaf and Blind, State Normal Schools, Public Buildings, and Montana State University Morrill beneficiaries. These trust lands are managed by the DNRC.

The Environmental Assessment was completed under the requirements of the Montana Environmental Policy Act (MEPA). The DNRC initiated the public scoping process for this project with a scoping mailing and notices in the Whitefish Pilot and Daily Interlake. The scoping period was open for 30 days. After a thorough review of the *Environmental Assessment* (EA), project file, public correspondence, Montana statutes, *State Forest Land Management Plan (SFLMP)*, and adopted rules, I have made the following decision:

1.0 Alternative Selected

Two alternatives were fully analyzed in the EA:

Alternative A - No Action

Under Alternative A, the State of Montana would not grant the City of Whitefish a deed for a public recreation easement on the State trust land described in Section 1.2 and shown on Figure 1-1 of the EA. It would remain as timber resource land managed by the DNRC for the beneficiaries of the State trust. There would be no restriction on development to maintain open space or recreation access. The DNRC would continue to allow dispersed and developed recreation from four existing trailheads and 14 miles of trails and would consider new developed recreation proposals in the future.

Alternative B - Proposed Action

The proponent, the City of Whitefish, acting in conjunction with WLP, proposed to purchase a permanent public recreation easement from the DNRC on approximately 1,580 acres of State trust land (EA Figure 2-1). DNRC actions include the authorization of the easement, and construction of three trailheads and six miles of new trail on the existing trail system. The proposed easement would:

- permanently secure a public right of non-motorized access throughout the easement area, and on current and future trails;
- allow continued forest management by the State of Montana (with limitations);
- prohibit residential and commercial development; this would restrict the State's right to subdivide the land;
- allow for the future establishment of non-commercial recreation facilities (trailheads, day use sites, etc.); and
- allow non-commercial uses.

The area subject to the transaction is located in the Beaver Lake and Skyles Lake areas near Whitefish, Montana. The area extends south of the North Beaver Road, northwest of Woods Lake and includes the Skyles parcel, just north of Highway 93 (Sections 16, 17, 18, 19, 20, 21, 33, and 34 in Township 31 North, Range 22 West). The easement would also include the existing Lion Mountain Trailhead and a 16-foot corridor around and within the loop trail (EA Figure 2-1).

On behalf of the DNRC I have selected Alternative B - the proposed action. The rationale for this decision is provided below.

2.0 Rationale for Decision

I have selected Alternative B with considerations to the following rationale:

Alternative B meets the *PURPOSE OF PROPOSED ACTION* and the *OBJECTIVES OF PROPOSED ACTION* as detailed in the EA.

2.1 Meets Project Objectives

The proposed action would meet local community goals for recreation access, restrictions on development to maintain open space, and the maintenance of a working forest landscape in perpetuity. The land associated with the proposed easement has a long history of forest management use that has been compatible with public access, conservation, and recreation values.

The proposed action would assure the access to and availability of the easement area for general recreational use by the public, including noncommercial, hunting, fishing, and other recreation activities determined by the Land Board to be compatible with the use of the State trust lands; and to protect in a manner consistent with the DNRC's fiduciary responsibility to the trusts. The proposed action would allow for the DNRC's continued management of the easement area for commercial timber or in any other way subsequently determined to be consistent with its legal obligations to the beneficiaries of the trusts, while simultaneously protecting the public access, public recreation, forestland, and trust values of the State trust lands associated with the easement area.

The proposed action will provide additional management support for recreation on trust lands. The City of Whitefish will be responsible for the management and use of the recreation system within the easement area. Signage would be installed at trailheads and along the trail to inform users about trail-use safety, procedures, etiquette, and other pertinent information. The City of Whitefish would provide

and maintain bear-resistant garbage containers at trailhead to reduce the risk of attraction or habituation to human activity.

The proposed action is supported by the local community and would meet the concepts and implementation strategies of the Beaver Lakes/Skyles Subarea of the Whitefish Area Trust Lands Neighborhood Plan (WNP), namely the goals of enhancing developed recreation and ensuring recreational access.

Revenue Generation

The State trusts would receive \$7,500,000 from the City of Whitefish for the purchase of the easement. The proceeds from the sale would be invested in the Permanent Fund, and would become an annual source of revenue for the trusts. The Montana Board of Investments oversees the management of the Permanent Fund, and about 95 percent of the annual interest generated from Permanent Fund investments becomes distributable revenue for the trusts. The remaining 5 percent is reinvested in the Permanent Fund. Income returns from the Permanent Fund have not dropped below five percent since 1972, and in 2011 had maintained a 12-year mean annual return of 6.4 percent. At this rate of return (assuming no growth in the principal), the annual distributable payment to the trusts from the invested proceeds of the sale of the easement would be \$439,645. Because 5 percent of the interest each year is reinvested in the Permanent Fund, the principal would grow over time, increasing the annual payment on average each year.

The DNRC would continue to collect payments for current and future land use licenses, recreation licenses, and access easements. The DNRC would continue to generate revenue on the easement area through commercial timber harvest.

2.2 How the chosen alternative addresses issues and concerns

The proposed action includes activities to address the concerns expressed by the public and DNRC specialists.

The effects to soil erosion potential would be reduced by:

- following the International Mountain Biking Association's (IMBA) standards and principles found in Trail Solutions; IMBA's Guide to Building Sweet Singletrack and Managing Mountain Biking;
- seeding bare soil within seven days of construction; and
- limiting trail use during wet periods.

The effects to wildlife would be reduced by the following mitigation measures:

- signage would be installed educating recreational users about appropriate behavior in areas occupied by protected and sensitive wildlife species, the need to control dogs, and how to properly dispose of wildlife attractants like litter;

- bear-resistant garbage containers would be installed at trailheads and day use areas to reduce the risk of attractants and/or habituation to human activity; and
- temporary closures could be put into place within the easement area by the City of Whitefish, DNRC, or MFWP to minimize disturbance of protected and/or sensitive wildlife species and/or if grizzly bears were observed in the area of a trail or other recreation system improvement.

The effects related to noxious weeds would be reduced by:

- managing noxious weeds as necessary to meet standards established by the SFLMP and abide by the Montana County Noxious Weed Management Act (MCA 7-22-2101); and
- at a minimum, requiring a spring treatment of weeds in the trail corridors during the rosette stage by a certified applicator.

The concerns related to revenue generation for the trust are addressed by:

- the payment of \$7,500,000 for the purchase of the easement by the City of Whitefish, which would be invested in the Permanent Fund for ongoing payments to the school trusts;
- maintaining the ability to conduct commercial timber harvest on the easement area outside of the designated trail corridor (16 feet wide);
- DNRC will be compensated by the City of Whitefish for the loss of revenue, if any, attributable to the City's request for modifications or mitigations to a timber sale, only if the timber sale is otherwise in conformance with the terms of the easement and the City requests additional modifications; and
- DNRC maintains the right to maintain current and issue new land use licenses, recreation licenses, and access agreements to generate revenue.

The concerns related to the maintenance of infrastructure (roads, facilities, etc.) are addressed by:

- maintaining dust control on access roads to the trailheads and within the easement area; and
- ensuring the City of Whitefish manages and maintains the infrastructure within the easement area, consistent with the standards of the DNRC, by adhering to a recreation management plan approved by the DNRC (in development).

3.0 Significance of Effects

For the following reasons, I find that the proposed action will not have significant effects on the human environment:

- No effects are regarded as severe, enduring, geographically widespread, or frequent. Further, the quantity and quality of various resources, including any that may be considered unique or fragile, will not be adversely affected to a significant degree;
- There is no precedent for future actions that would cause significant effects;
- There is no conflict with local, State, or federal laws, requirements, or formal plans.
- The proposed action is within the management philosophies of the DNRC.

In summary, I find that the identified adverse effects will be avoided, controlled, or mitigated by the design of the project to the extent that the effects are not significant.

4.0 Should DNRC Prepare an Environmental Impact Statement

The DNRC finds that an Environmental Impact Statement is not necessary, based on the following:

- the EA prepared adequately addresses issues identified;
- public involvement took place and public concerns were incorporated into project design and analysis of effects; and
- evaluation of effects indicated that no significant impacts would occur.

5.0 Signature

/s/ Steve Frye

Steve Frye
DNRC Northwestern Land Office Area Manager

Date: November 5, 2012

Table of Contents

1.0	Introduction and Purpose and Need	1
1.1	Description of Proposed Action	1
1.2	Background Information	2
1.3	Purpose and Need for the Proposed Action	2
1.4	Area Description.....	2
1.5	Relevant Plans and Projects	3
1.5.1	Plans	3
1.5.2	Previous and Planned Projects	3
1.6	Public Involvement.....	5
1.6.1	Issues Raised During Scoping.....	5
1.7	Agencies with Jurisdiction and Coordination Requirements.....	6
1.8	Applicable Permits and Licenses	7
1.9	Agency Decisions to be Made	7
2.0	Proposed Action and Alternatives	9
2.1	Alternative A - No Action	9
2.2	Alternative B - Proposed Action.....	9
2.3	Alternative Considered But Dismissed.....	9
3.0	Existing Environment and Environmental Effects.....	15
3.1	Soils and Geology	15
3.1.1	Existing Environment	15
3.1.2	Environmental Effects.....	15
3.2	Water Resources	17
3.2.1	Existing Environment	17
3.2.2	Environmental Effects.....	19
3.3	Air Quality.....	19
3.3.1	Existing Conditions.....	19
3.3.2	Environmental Effects.....	19
3.4	Vegetation	20
3.4.1	Existing Conditions.....	20
3.4.2	Environmental Effects.....	21

3.5	Wildlife	22
3.5.1	Existing Conditions	22
3.5.2	Environmental Effects	27
3.6	Cultural Resources	35
3.6.1	Existing Conditions	35
3.6.2	Environmental Effects	35
3.7	Recreation and Public Access	35
3.7.1	Existing Conditions	35
3.7.2	Environmental Effects	37
3.8	Transportation and Safety	38
3.8.1	Existing Conditions	38
3.8.2	Environmental Effects	38
3.9	Economics	39
3.9.1	Existing Conditions	39
3.9.2	Environmental Effects	39
3.10	Visual Resources	39
3.10.1	Existing Conditions	39
3.10.2	Environmental Effects	40
4.0	Literature Cited	41

LIST OF FIGURES

Figure 1-1 Vicinity Map 8
Figure 2-1 Proposed Public Recreation Easement Project Map 11
Figure 3-1 Water Resources..... 18

LIST OF TABLES

Table 1-1 Issues Raised During Scoping 6
Table 2-1 Comparison of Alternatives on Resource Issues..... 12
Table 3-1 Fish Species Occurrence Within Proposed Easement Area 24
Table 3-2 Special Status Wildlife Occurrence 25
Table 3-3 Fishing Days Per Year Within Proposed Easement Area 36
Table 3-4 Trail Use Within Proposed Easement 36

APPENDICES

Appendix A - Scoping Comments and Responses..... 45
Appendix B - Deed of Public Recreation Easement (October 26, 2012)..... 45
Appendix C - Large Cumulative Effects Analysis Area 45
Appendix D - Economics Analysis Report 45

1.0 INTRODUCTION AND PURPOSE AND NEED

This Environmental Assessment (EA) discloses the effects of the alternatives for the proposed Beaver/Skyles public recreation easement under the requirements of the Montana Environmental Policy Act (MEPA). The proposed easement area is comprised of State trust land located in the Beaver and Skyles Lakes area near Whitefish, Montana. These trust lands are managed by the Montana Department of Natural Resources and Conservation (DNRC).

The EA consists of the following chapters:

Chapter 1 – Introduction and Purpose and Need

Chapter 2 – Proposed Action and Alternatives

Chapter 3 – Existing Environment and Environmental Effects

Chapter 4 - Literature Cited

1.1 Description of Proposed Action

The proponent, the City of Whitefish, acting in conjunction with Whitefish Legacy Partners¹ (WLP), is proposing to purchase a permanent public recreation easement from the DNRC on approximately 1,580 acres of State trust land (Figure 1-1). DNRC actions addressed in this EA include the authorization of the easement, and construction of three trailheads and six miles of new trail on the existing trail system. The proposed easement would:

- permanently secure a public right of non-motorized access throughout the easement area, and on current and future trails;
- allow continued forest management by the State of Montana (with limitations);
- prohibit residential and commercial development; this would restrict the State’s right to subdivide the land;
- allow for the future establishment of non-commercial recreation facilities (trailheads, day use sites, etc.); and
- allow non-commercial uses.

The funding for the easement's purchase would come from private donations and other sources, and through WLP. The area subject to the transaction is located in the Beaver Lake and Skyles Lake areas near Whitefish, Montana. The area extends south of the North Beaver Road, northwest of Woods Lake and includes the Skyles parcel, just north of Highway 93 (Sections 16, 17, 18, 19, 20, 21, 33, and 34 in Township 31 North, Range 22 West). The easement would also include the existing Lion Mountain Trailhead and a 16-foot corridor around and within the loop trail (Figure 1-1). Potential future development of any recreational facilities such as day use sites would require additional environmental review, which would be analyzed under one or more additional environmental assessments.

¹ Whitefish Legacy Partners is a local non-profit that supports the goals of the Whitefish School Trust Lands Neighborhood Plan (Section 1.3)

1.2 Background Information

By the Enabling Act of 1889, the United States Congress granted acreage to the State of Montana for the support of Common Schools (K-12 public schools) and other educational and State institutions, including the Montana University System. These lands are known as school trust lands or trust lands and are managed by the DNRC. The DNRC manages trust lands to produce revenues for the trust land beneficiaries while protecting natural resources and the future income potential of the trust lands.

As of 2012, the DNRC maintained stewardship of 5.2 million surface acres of trust land in Montana. As part of its ongoing management of these trust lands, the DNRC was part of the planning activities for the Whitefish School Trust Lands Neighborhood Plan (WNP) (WTLAC 2004). Local citizens petitioned the State Board of Land Commissioners (Land Board) to charter a committee comprised of Whitefish citizens working in collaboration with the DNRC to develop the WNP in order to represent the needs and values of the community. The result was a land use plan for the 13,000 acres of trust lands surrounding Whitefish that would provide increased revenue for the beneficiaries of the school trusts while maintaining the economic, environmental, and cultural vitality of Whitefish and the surrounding areas. The proposed easement area is within the Beaver Lakes/Skyles Subarea of the WNP approved by the Land Board in 2004, and subsequently adopted by Flathead County and the City of Whitefish in 2005 and managed in accordance with State law. The WNP includes the goal of establishing a permanent, public recreation system and permanent development restrictions to ensure the long-term professional management of the forest resources, and to ensure the State's ability to secure full market value for trust beneficiaries (WTLAC 2004). The Trail Runs Through It (TRTI) project, described in a 2006 master plan (Applied Communications 2006) established the first framework for a public recreation system in the Whitefish area.

Approximately 14 miles of trail and four trailheads (North Beaver, Beaver, Lion Mountain, and Skyles Connection) have already been constructed within the proposed easement area (Figure 1-1) under the WNP and the TRTI project. This trail system is referred to as the Whitefish Trail. These facilities are managed under the Whitefish Trail Management and Operations Plan (DNRC 2012a) and two current land use licenses.

1.3 Purpose and Need for the Proposed Action

The DNRC must respond to an application submitted by the City of Whitefish requesting to purchase a public recreation easement on State trust land. The purpose of the proposed public recreation easement is to achieve the long-term objectives of the WNP while allowing continued management by the DNRC and revenue generation for the State trust. The proposed action would meet local community goals for recreation access, restrictions on development to maintain open space, and the maintenance of a working forest landscape in perpetuity. The land associated with the proposed easement has a long history of forest management use that has been compatible with public access, conservation, and recreation values.

1.4 Area Description

The area proposed for the easement is located in Flathead County northwest of Whitefish, Montana (Figure 1-1). Access to the proposed easement area is by U.S. Highway 93 and then

several unpaved access roads. The Lion Mountain Trailhead is accessed by Lion Mountain Loop Road. The Skyles Connection is accessed by Skyles Lake Lane. The Beaver Trailhead is accessed by Beaver Lake Road and the North Beaver Trailhead is accessed by North Beaver Road and North Murray Road.

The elevation on the proposed easement area ranges from 3,200 to 4,000 feet. The land varies from steep, forested hills and ridges to flat meadows and provides valuable plant and wildlife habitat to a variety of species, including special status species. The Whitefish area receives approximately 22 inches of precipitation per year (NRCS 2012a). The average maximum snow depth on the proposed easement area is approximately 44 inches (based on Chicken Creek snow course site, 1977 to 2012 data) (NRCS 2012b).

Whitefish has approximately 5,000 residents and is a popular destination for tourists visiting Whitefish Mountain Resort, Glacier National Park and the surrounding areas. Tourism is primarily recreational. The area surrounding Whitefish has very high recreational value to both local residents and visitors.

1.5 Relevant Plans and Projects

Several plans and projects are associated with the proposed public recreation easement and/or were used to analyze cumulative effects.

1.5.1 Plans

Real Estate Management Plan (REMP) (DNRC 2005)

The REMP is the guiding management philosophy of the DNRC Real Estate Management Bureau and embodies three general goals: 1) sharing in expected community growth; 2) planning proactively; and 3) increasing revenue for trust beneficiaries.

State Forest Land Management Plan (SFLMP) (DNRC 1996)

Because the area that would be encumbered by the easement is forested, the impacts to the Forest Management program of this land (including timber production) will be considered.

Whitefish Area Trust Lands Neighborhood Plan (WTLAC 2004)

The proposed easement area is part of the Beaver Lakes/Skyles Subarea of the WNP. This subarea has specific concepts and implementation strategies that apply to the proposed easement area, namely the goal of enhancing developed recreation and ensuring recreational access.

1.5.2 Previous and Planned Projects

Trail Runs Through It Project/Whitefish Trail

The TRTI project was renamed the Whitefish Trail in 2010. The Master Plan for the TRTI project, developed in 2006, details a "recreational trail network that includes a continuous corridor encircling the greater Whitefish area. This network will enhance access to public lands and other trail systems while respecting traditional use and promoting public interest in forest health. Primary goals of the trail network will be to provide opportunities for relaxation and outdoor recreation close to town, promote open space, increase revenues for the School Trust

Lands, and support the local economy” (Applied Communications 2006). The first phase of the TRTI project was analyzed by the DNRC in an EA in December 2007 (DNRC 2007).

Beaver/Swift/Skyles Timber Sale Project

This timber sale included timber harvest on the proposed easement area. This timber harvest was conducted in 2010-2012. Final site cleanup (site preparation, piling and slash burning) has not yet been completed. The project was analyzed by the DNRC in an EA dated April 2009 (DNRC 2009).

Whitefish Trail - Phase II, Beaver Lake

This EA analyzed a proposal to grant authorization for construction and operation of Phase II of the Whitefish Trail (DNRC 2011). Granting the proposed authorization required an amendment to the current land use license. The project area is located on State trust lands in the Beaver Lake complex, more specifically described as Sections 8, 17, 18, 19, 20, T31N, R22W.

Beaver Land Banking Project

The DNRC analyzed a request by an adjacent landowner to acquire approximately 580 acres of State trust land which adjoins the proposed easement area (Figure 1-1) (DNRC 2012b). The sale of State land was approved by the Land Board on September 17, 2012 and will be completed as part of the land banking program (MCA 77-2-361 through 77-2-367). Under the land banking process, the land must be sold to the highest bidder who meets the terms of the sale. All bidders will be subject to the same terms, which include 1) a deed restriction that limits development to no more than two commercial or residential sites and 2) a permanent, public trail easement constructed as part of the Whitefish Trail. Revenue from the sale will be deposited in a special account, with monies from other sales around the State, to purchase replacement lands meeting acquisition criteria related to legal access, productivity, potential income and proximity to existing State ownership which would then be held in trust for the same beneficiaries.

WLP proposes the construction of approximately 1.5 miles of new trail on the Beaver land banking parcel (Figure 2-1).

Whitefish Trail - Phase III, Swift Creek

The DNRC analyzed a request by the City of Whitefish to expand the Whitefish Trail system through the Swift Creek area (DNRC 2012c). The trail and amenities will take place in portions of Sections 29, 31, and 32 of Township 32 North, Range 22 West. The project will consist of constructing approximately three miles of new trail which includes trail construction on approximately one mile of existing road. A main trailhead will be built at an existing gravel pit with an option of another smaller trailhead located further north. The main trailhead could provide access to additional trail loops in the future as additional land use planning and trail expansion proposals take place. Amenities will include both directional and interpretive signing as well as a trailhead that would accommodate parking for vehicles and horse trailers.

1.6 Public Involvement

The City of Whitefish submitted the application requesting to purchase a public recreation easement on State trust land on May 9, 2012. A scoping letter was mailed to 72 interested parties on July 2, 2012 and advertisements describing the proposal ran in the *Whitefish Pilot* and the *Daily Interlake* newspapers. Several community interest meetings on this and related proposals were held by WLP. A public comment period was open from July 2 through August 1, 2012. Fourteen comments were received. The comments and the DNRC responses are provided in Appendix A. Comments received by the public and from internal agency scoping revealed several key issues related to the proposed public recreation easement (Section 1.6.1).

1.6.1 Issues Raised During Scoping

DNRC resource specialists and the public raised issues about the project's potential effects on the environment and the State trust through the scoping process. These issues were considered by DNRC in the development of project alternatives (Chapter 2) and are summarized below in Table 1-1.

Table 1-1 Issues Raised During Scoping

Resource/Analysis Topic	Issue	Where addressed
Purpose and Need for Action	The need for an easement to achieve recreation goals is not demonstrated. A land use license or other leasing tools would just as adequately achieve recreation goals of the proponent. Recreation should not be elevated above other uses of school trust lands.	Section 1.1 Section 2.3
DNRC Management	There is concern that the DNRC would not have a vehicle for ensuring compliance with easement stipulations. There is concern that the DNRC would not be able to maintain their decision-making process and authority. There is concern that the DNRC would be exposing itself to litigation for activities they would not be directly controlling.	Appendix A
Air Quality	There is concern that traffic-related dust would increase on unpaved roads that already have a dust problem.	Section 3.3.2
Access and Transportation	There is concern that the recreation easement would eliminate the potential for other private access easements through State trust lands. There is concern that the recreation easement would increase traffic on area roads.	Appendix A Section 3.8.2
Economics	There is concern that the proposal would not allow the DNRC to meet the financial mandate to provide the greatest long-term benefit to the school trusts. There is concern that a recreation easement would result in significant recreation mitigation costs on timber sales that would off-set the profits from the sale, further decreasing the profit from the subject lands. The State must receive the full lost value that would result from the terms of the recreation easement, which includes receiving full compensation for the easement according to a current appraisal and the lost revenues due to recreation mitigations. The cumulative effects of the Beaver Land Banking project and this easement on the economic benefits to the trust must be evaluated thoroughly.	Appendix D

1.7 Agencies with Jurisdiction and Coordination Requirements

The DNRC has full jurisdiction over the proposed action. However, DNRC is consulting with the City of Whitefish and Flathead County to ensure that the proposed easement terms conform to the WNP.

1.8 Applicable Permits and Licenses

The State of Montana would need to grant a deed for an easement to the City of Whitefish. If vaulted toilets are constructed at trailheads, a septic system permit would be required through the Flathead City-County Health Department. There are no other local, State, or federal permits or licenses that would be required.

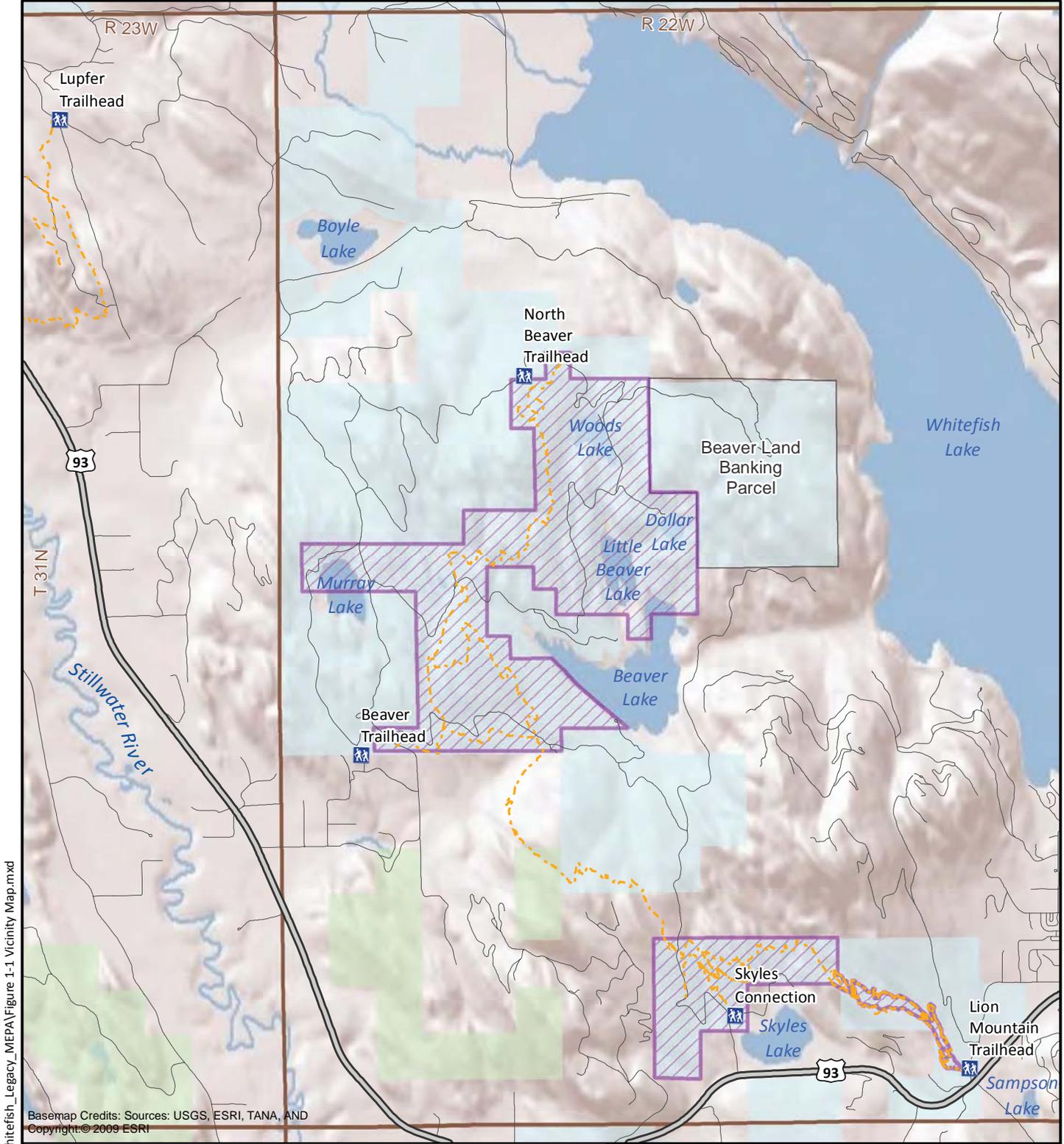
1.9 Agency Decisions to be Made

The decisions to be made on this proposal include the following:

- selection of an alternative;
- determination that no significant effects would occur and the rationale why they would not occur; and,
- determination that an Environmental Impact Statement (EIS) does not need to be prepared.

The selected alternative must meet or exceed the goals and policies of the REMP, SFLMP, and WNP (Section 1.6).

For this project, Steve Frye, Area Manager for the Northwestern Land Office, is the responsible official for the State of Montana. If Mr. Frye selects Alternative B (proposed action) (Chapter 2), his recommendation will be submitted to the Land Board. The Land Board will make the final determination as to whether the State will implement the public recreation easement according to the terms outlined in Appendix B.



Path: M:\STATES\MT\Clients\Whitefish_City\Whitefish_Legacy_MEPA\Figure 1-1 Vicinity Map.mxd

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Legend

- Proposed Public Easement
- Current Trails
- Trailheads
- Range/Township Lines
- Roads
- Surface Land Management**
 - USFS
 - State
 - Private



BASE MAP: ESRI Shaded Relief
 Surface Land Management: BLM, 2011
 Trails: Whitefish Legacy Partners, 2012

Montana DNRC
Beaver/Skyles Public Recreation Easement

Figure 1-1
 Vicinity Map



DRAWN BY	NF	DATE DRAWN	10/24/2012
SCALE	1 in = 4,000 feet		

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2.0 PROPOSED ACTION AND ALTERNATIVES

Chapter 2 provides a description of the alternatives that are analyzed in this EA as well as a discussion of alternatives that were considered but dismissed from further analysis. Table 2-1 provides a comparison of the effects of the alternatives on resource issues identified during scoping. Table 2-1 provides a comparison of the effects of the alternatives on resource issues identified during scoping.

2.1 Alternative A - No Action

Under Alternative A, the State of Montana would not grant the City of Whitefish a deed for a public recreation easement on the State trust land described in Section 1.2 and shown on Figure 1-1. It would remain as timber resource land managed by the DNRC for the beneficiaries of the State trust. There would be no restriction on development to maintain open space or recreation access. The DNRC would continue to allow dispersed and developed recreation from four existing trailheads and 14 miles of trails and would consider new developed recreation proposals in the future. The DNRC would not receive approximately \$7,500,000 in funds from the City of Whitefish, but would continue to generate revenue from timber management and current and future land use licenses.

2.2 Alternative B - Proposed Action

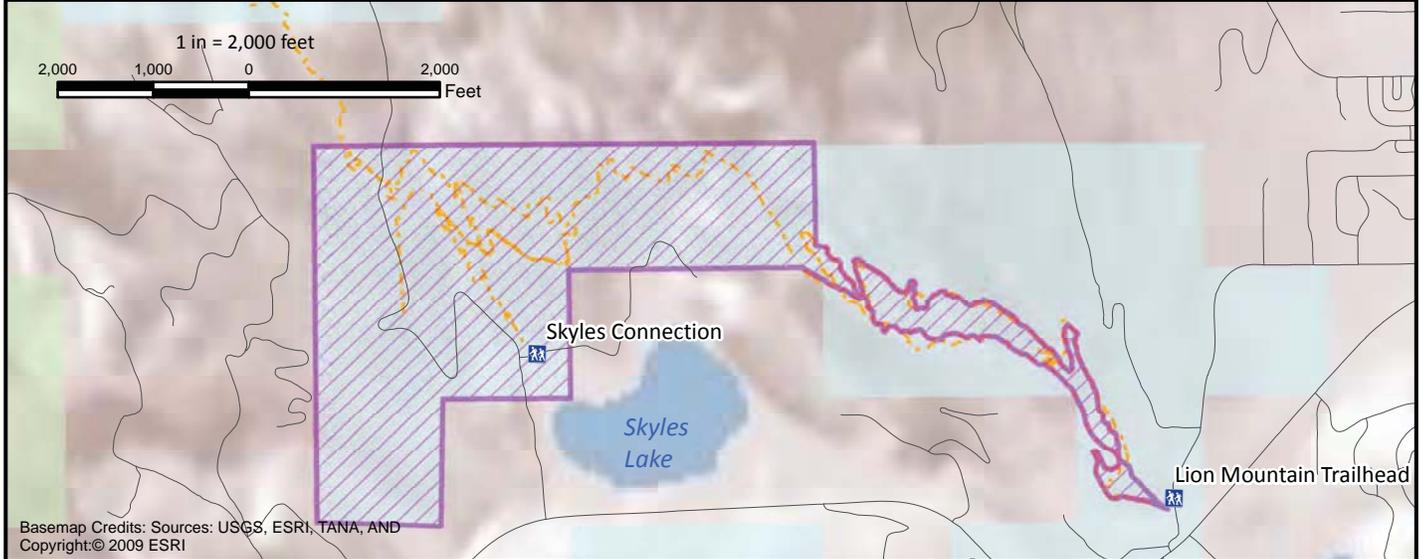
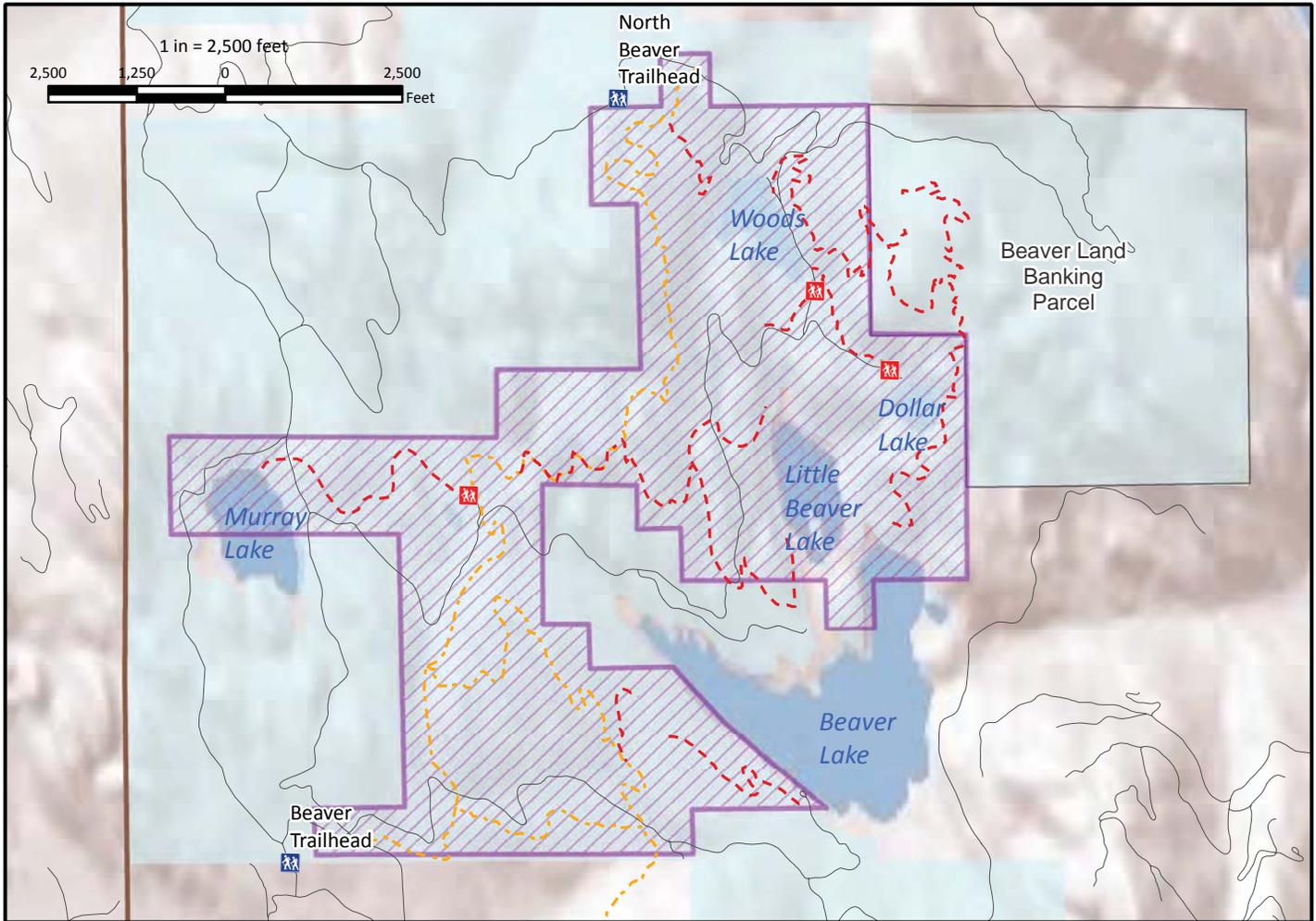
Under Alternative B, the State of Montana would grant the City of Whitefish a deed for a public recreation easement on the State trust land described in Section 1.2 and shown on Figures 1-1 and 2-1. The easement would protect, in perpetuity, non-motorized public access, conservation, public recreation, and education. The DNRC would retain the fee title to and overall management of the land within the easement and would continue to manage the land for commercial timber and resource conservation, subject to provisions detailed in the terms of the easement (Appendix B), and for current and future land use licenses. The land would be subject to development restrictions as detailed in Appendix B. The City of Whitefish would construct and maintain recreation facilities including trailheads and trails. The City of Whitefish would also provide bear-resistant trash containers, signs with consistently stated regulations and interpretive information at all trailheads, and would collect trash on a frequent and regular basis (recreation management plan in development). The locations of the three proposed trailheads and six miles of trail, as proposed by WLP, are identified on Figure 2-1; however, the final number, exact location, and design would be finalized after consultation with DNRC managers and resource specialists. The DNRC would receive \$7,500,000 in funds from the City of Whitefish for the easement, and would continue to generate revenue from timber management and current and future land use licenses.

2.3 Alternative Considered But Dismissed

To address concerns raised during scoping, the DNRC considered analyzing a different type of real estate transaction, such as a land use license or long-term lease, to achieve the goals of the WNP and at the same time provide some level of development restriction. However, the purpose/objective of the proposed transaction was to acquire an easement for the public in perpetuity. While other land management transactions could be utilized for shorter term

agreements and provide conservation benefits, they would not meet the long-term objectives which were a primary premise in the proponent's offer to purchase an easement. Therefore, this alternative would not meet the purpose and need.

Path: M:\STATES\MT\Clients\Whitefish_City\Whitefish_Legacy_MEP\Figure 2-1 Public Recreation.mxd



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Legend

-  **Proposed Public Easement**
-  **Current Trails**
-  **Current Trailheads**
-  **Range/Township Lines**
-  **Roads**
- Surface Land Management**
-  **USFS**
-  **State**
-  **Private**
-  **Proposed Trailhead**
-  **Proposed Trails**



**Montana DNRC
Beaver/Skyles Public Recreation Easement**

Figure 2-1
Proposed Public Recreation Easement Project Map



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10/24/2012

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Table 2-1 Comparison of Alternatives on Resource Issues

Resource	Alternative A		Alternative B	
	Direct and Indirect Effects	Cumulative Effects	Direct and Indirect Effects	Cumulative Effects
Soils and Geology	Minimal risk.	Minimal risk.	Increased risk of soil erosion and compaction on trails and on unpaved portions of trailheads. Proper design and maintenance coupled with the well-drained soil would reduce the potential erosion related to trails to a negligible to minor effect.	Previous and future trail construction has been, or will be, conducted using the IMBA guidelines; therefore, the erosion potential would be a negligible to minor cumulative effect.
Water Resources	Minimal risk.	Minimal risk.	Minimal risk.	Minimal risk.
Air Quality	Negligible to minor increase in fugitive dust.	Minor cumulative increase in fugitive dust.	Minor increase in fugitive dust.	Minor cumulative increase in fugitive dust.
Vegetation	Negligible increase in establishment and spread of noxious weeds due to continued increased use of trail system.	Cumulative increased threat of noxious weed establishment and spread when compared to previous road, trail, and trailhead construction within the proposed easement area. Required control measures would reduce this effect to negligible to minor.	Negligible to minor increase in establishment and spread of noxious weeds due to increased use of trail system and expansion of trail system into new areas.	Cumulative increased threat of noxious weed establishment and spread when compared to previous road, trail, and trailhead construction within the proposed easement area. Required control measures would reduce this effect to negligible to minor.

Resource	Alternative A		Alternative B	
	Direct and Indirect Effects	Cumulative Effects	Direct and Indirect Effects	Cumulative Effects
Wildlife	Negligible to minor effect on wildlife due to increased use on existing trails, increased disturbance to wildlife, potential for human-wildlife conflicts, and increased litter attractants.	Negligible to minor cumulative effects on general wildlife associated with increased wildlife disturbance, potential for conflicts, and litter.	<p>General wildlife:</p> <p>Minor effect on wildlife due to increased use on existing trails, increased disturbance to wildlife, potential for human-wildlife conflicts, and increased litter attractants. Introduction of wildlife disturbance into areas that previously only experienced limited disturbance from dispersed recreation.</p> <p>Minor effect on big game winter range.</p> <p>Negligible effect on vehicle-wildlife collisions.</p> <p>Special status species:</p> <p>Negligible effect on wolverine and fisher.</p> <p>Negligible to minor effects on common loon and pileated woodpecker.</p> <p>Minor effects on grizzly bear, lynx, gray wolf, and bald eagle.</p>	<p>General wildlife:</p> <p>Minor cumulative effects on general wildlife associated with increased wildlife disturbance, potential for conflicts, and litter.</p> <p>Special status species:</p> <p>Negligible to minor cumulative effects on gray wolf.</p> <p>Minor cumulative effects on grizzly bear, lynx, bald eagle, and common loon.</p>
Cultural Resources	Minimal risk.	Minimal risk.	Minimal risk.	Minimal risk.

Resource	Alternative A		Alternative B	
	Direct and Indirect Effects	Cumulative Effects	Direct and Indirect Effects	Cumulative Effects
Recreation and Public Access	The trail system would become increasingly crowded and over-used. Winter use of the recreation system would increase as people become more aware of winter opportunities on the recreation system. These increases in recreation would be minor.	Minimal risk.	Moderate increase in recreational use and opportunity; minor during the winter. Minor detrimental effect due to more people using the area and a decrease in the "remote" feel to their recreational experience. Moderate increase in opportunities for illegal ORV use, other unauthorized activities, vandalism, and litter within the proposed easement area.	Moderate cumulative effect when compared to previous, proposed, and planned recreation system expansions on the proposed easement and in the surrounding landscape.
Transportation and Safety	Negligible to minor increase in traffic on access roads due to future growth in the Whitefish area.	Minor cumulative increase in traffic on access roads to the proposed easement and in the surrounding area.	Minor increase in vehicle traffic on access roads to the proposed easement area.	Minor cumulative increase in traffic on access roads to the proposed easement and in the surrounding area.
Economics	The revenue stream to the State trust would consist of current and future land use licenses, recreation licenses, and timber harvest.	Not evaluated.	The revenue stream to the State trust would consist of current and future land use licenses, recreation licenses, and timber harvest, plus a \$7,500,000 payment for the easement which would gain interest for the trust at an estimated rate of 6.4 percent per year. There would not be any loss of revenue generation from timber harvest because mitigation related to the recreation easement would be compensated.	Not evaluated.
Visual Resources	Minimal risk.	Minimal risk.	Negligible to minor effect on recreational aesthetic qualities.	Negligible to minor effect on recreational aesthetic qualities.

3.0 EXISTING ENVIRONMENT AND ENVIRONMENTAL EFFECTS

3.1 Soils and Geology

3.1.1 Existing Environment

The surficial geology of the proposed easement area consists of carbonate rocks, meta-argillite, and quartzite of the Belt Supergroup (USGS 2012).

The proposed easement area lies on lands within two soil surveys: Natural Resources Conservation Service (NRCS) Soil Survey MT619 (generally the Beaver Lake area) and MT617 (the Skyles Lake area). The Beaver Lake area is primarily located on NRCS landtype 23-8 (Andeptic Cryoboralfs-Andic Cryochrepts complex, hilly), which consists of glaciated mountainsides with 20 to 40 percent slopes. The soils associated with this landtype are derived from glacial till, and are typically well drained to very well drained. These soils support a variety of forest vegetation types. The *K value* of a soil indicates how susceptible the soil is to sheet and rill erosion by water. The *K value* of soil in this landtype is 0.32, which indicates that the soils on this area of the proposed easement are moderately susceptible to water erosion. Minor amounts (less than 5 percent) of landtypes 14-2 (lacustrine deposits), 27-7 (till), and 55 (rock outcrop) are also present (NRCS 2012c).

The portion of the proposed easement in the Skyles Lake area is primarily comprised of soils identified as landtype Mr (Mountainous land). Soils in this map unit are comprised of 30 percent soils in the Whitefish series, 30 percent glacial till, 25 percent rock outcrop, and 15 percent minor components of other soils (NRCS 2012c). Similar to the soils for the Beaver Lake area, these soils are typically well drained to very well drained and support a variety of forest vegetation types. The *K value* of soil in this landtype is 0.20, which indicates that the soils on this area of the proposed easement are moderately susceptible to water erosion.

Soils within the proposed easement area have previously been disturbed in some areas by past timber harvest and trails. Soil compaction associated with trail surfaces has occurred on approximately 14 miles of existing trail, but soil erosion is minimal.

3.1.2 Environmental Effects

3.1.2.1 Alternative A - No Action

There would be minimal risk to geology or soils as a result of Alternative A. The land would continue to be managed for recreation and timber, but future timber harvest projects would be analyzed first under separate environmental assessments. Future timber harvest would be conducted under applicable DNRC Best Management Practices (BMPs) to be protective of soils.

3.1.2.2 Alternative B - Proposed Action

There would be minimal risk to geology as a result of Alternative B.

Three trailheads and approximately six miles of unpaved trail would be constructed within the proposed easement area which would result in an increased risk of soil erosion and compaction on trails and on unpaved portions of trailheads. Erosion potential would be highest during

construction and before the surface of the trails and trailheads were compacted from use. Similar to the other trails that have been constructed as part of the Whitefish Trail, trails would be constructed and maintained according to the International Mountain Biking Association's (IMBA) standards and principles found in Trail Solutions; IMBA's Guide to Building Sweet Singletrack and Managing Mountain Biking (IMBA 2004). While bared soil and increased use typically results in additional erosion and wear, proper design and maintenance coupled with the well-drained soil would reduce the potential erosion related to trails to a negligible to minor effect. These design considerations from IMBA guidelines² include:

1. Outslope trails to avoid ponded water;
2. Avoid constructing trails on the fall line of a slope;
3. Build trail on the contour and use frequent grade reversals (i.e. drainage dips) every 20 to 50 feet of trail;
4. Plan and install trail using the "half rule": a trail's grade shouldn't exceed half the grade of the sideslope;
5. Maximum constructed grade should not exceed 15 percent (except for natural or built rock structures);
6. The average trail grade shouldn't exceed 10 percent (with grade reversals);
7. Trails should include positive control points such as viewpoints, water, etc.; and
8. If a highly technical trail would include grades greater than 15 percent, armor trail with rock to improve sustainability.

Similar to the requirements of the current land use licenses associated with the Whitefish Trail, controlling surface drainage to reduce or prevent erosion would be accomplished by maintaining backslopes at a stable angle, seeding bare soil within seven days of construction activities to stabilize soils, and limiting trail use during wet periods.

Timber harvest would continue within the easement under Alternative B, but as under Alternative A, timber harvesting would be analyzed first and conducted under applicable DNRC BMPs to be protective of soils.

Cumulative effects:

Approximately 1.5 mile of trail is proposed to be constructed on the adjacent Beaver land banking parcel (Section 1.6, Figure 2-1). This project, in conjunction with previous trail building in the Beaver/Skyles area, could result in a cumulative increase in soil compaction and erosion due to increasing trail and recreation facility construction. However, previous and future trail construction has been conducted using the IMBA guidelines; therefore, the erosion potential would be a negligible to minor cumulative effect.

² Excerpted from IMBA (2004) and <http://www.imba.com/resources/trail-building/designing-and-building-sustainable-trails> on October 22, 2012.

3.2 Water Resources

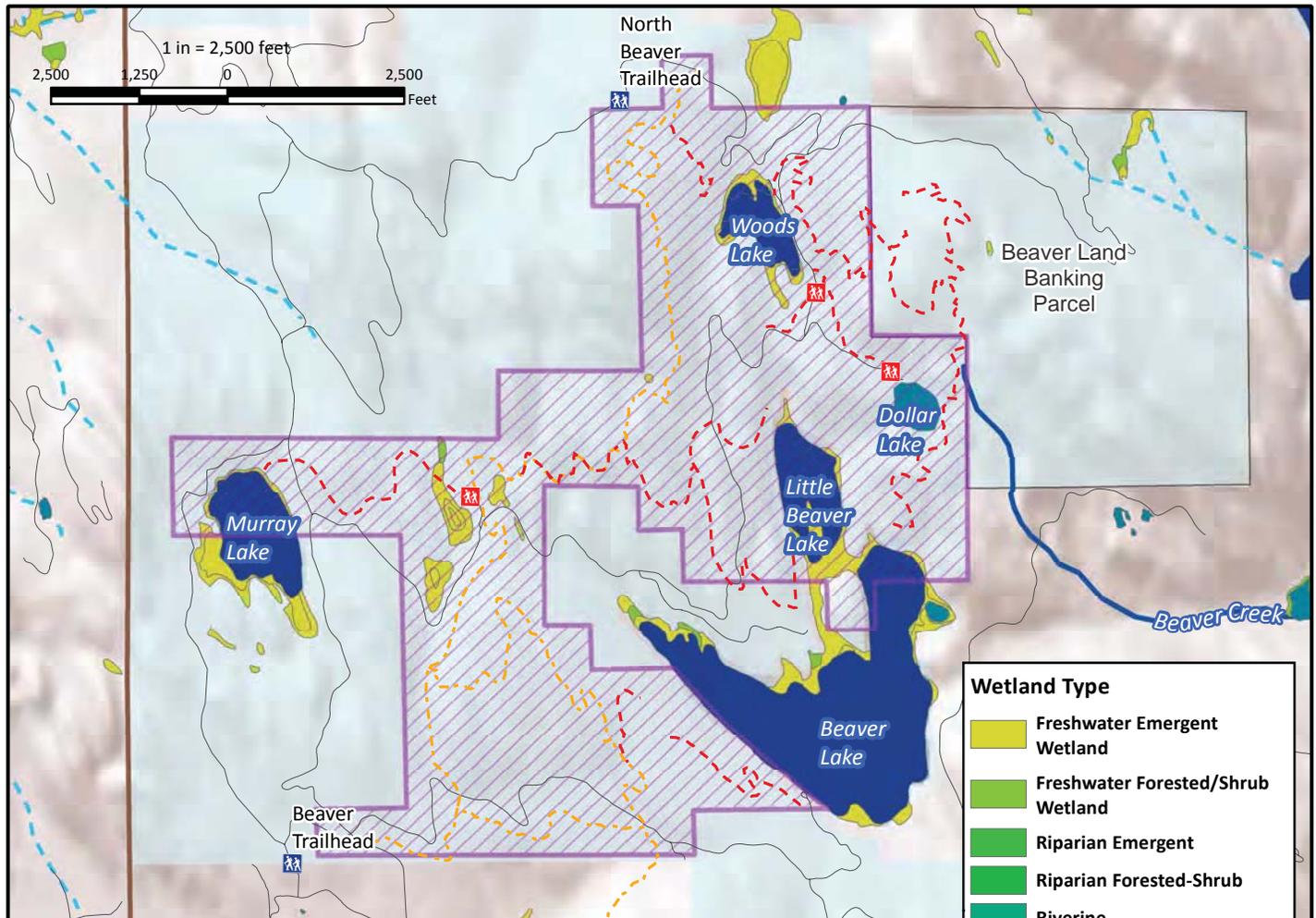
3.2.1 Existing Environment

3.2.1.1 Surface water

The proposed easement area lies within the Beaver Creek/Beaver Lake and Skyles Lake watersheds. Five lakes - Woods, Dollar, Murray, Beaver and Little Beaver - are present within the proposed easement area (Figure 3-1). Skyles Lake is adjacent to the proposed easement area but would be accessed via the easement area. The lakes and wetlands (Section 3.2.1.2) in this area consist of glacially-formed potholes (MNHP 2012a). There are no perennial streams on the proposed easement area, but intermittent channels are present on the Skyles Lake portion (Figure 3-1). Ephemeral channels are present within the proposed easement area that rarely contain flowing surface water (DNRC 2009), but appear to be connected to the pothole wetlands and lakes (USGS 1994). None of the surface water sources (streams or lakes) within the easement are listed on the 2012 303(d) list of impaired Montana waters (CWAIC 2012).

3.2.1.2 Wetlands

Approximately 37 acres of palustrine emergent or palustrine scrub-shrub wetlands are present within the proposed easement area; nearly all of the wetlands occur on the Beaver Lake portion (Figure 3-1). Common wetland vegetation consists of Columbia sedge (*Carex aperta*) (a State significant plant [Section 3.4.1.2]), common spikerush (*Eleocharis palustris*), bluejoint reedgrass (*Calamagrostis canadensis*), slender sedge (*Carex lasiocarpa*), hardstem bulrush (*Scirpus acutus*) and shrubby cinquefoil (*Pentaphylloides floribunda*) (MNHP 2012a). Two special status plants are associated with these wetlands; these species are described in Section 3.4.1.2.

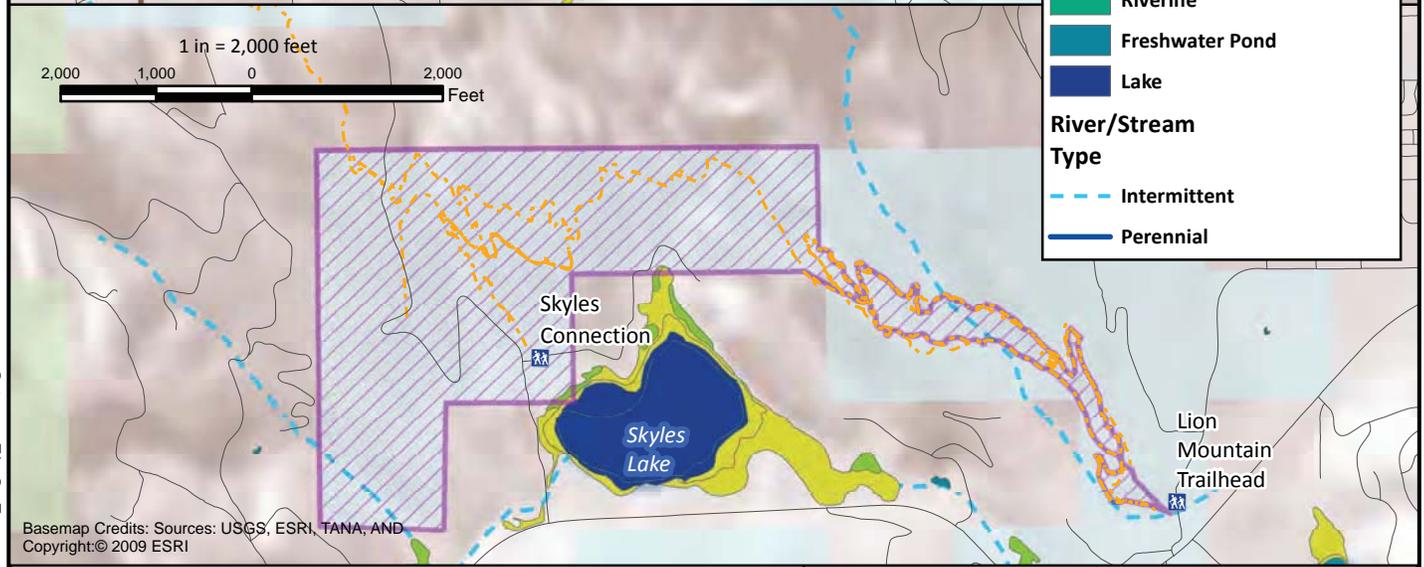


Wetland Type

- Freshwater Emergent Wetland
- Freshwater Forested/Shrub Wetland
- Riparian Emergent
- Riparian Forested-Shrub
- Riverine
- Freshwater Pond
- Lake

River/Stream Type

- Intermittent
- Perennial



Basemap Credits: Sources: USGS, ESRI, TANA, AND Copyright: © 2009 ESRI

Legend

 Proposed Public Easement	 Roads
 Current Trails	Surface Land Management
 Current Trailheads	 USFS
 Range/Township Lines	 State
	 Private
	 Proposed Trailheads
	 Proposed Trails

N

Montana DNRC
Beaver/Skyles Public Recreation Easement

Figure 3-1
Water Resources

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Path: M:\STATES\MT\Clients\Whitefish_City\Whitefish_Legacy_MEP\Figure 3-1 Wetlands v3.mxd

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3.2.2 Environmental Effects

3.2.2.1 Alternative A - No Action

There would be minimal risk to water quality or quantity under Alternative A. The proposed easement area would continue to be managed for recreation and timber, but timber harvesting would be analyzed first and conducted under applicable DNRC BMPs to be protective of water quality.

3.2.2.2 Alternative B - Proposed Action

Three trailheads and approximately six miles of unpaved trail would be constructed within the proposed easement area. A portion of the proposed trail from Murray Lake and a trailhead would cross the north end of a wetland in Section 18 (Figure 3-1). These features are not yet finalized; if these features would negatively affect the wetland as shown on Figure 3-1 then their locations would be moved. Timber harvest, as under Alternative A, would be analyzed first and conducted under applicable BMPs to be protective of water quality. Therefore, there would be minimal risk to water resources as a result of Alternative B.

Cumulative effects:

There would be minimal risk of cumulative effects to water resources under Alternatives A or B.

3.3 Air Quality

3.3.1 Existing Conditions

The proposed easement area is not located in a Class I airshed (those airsheds that can accommodate only the smallest amount of air quality degradation - National Parks, wilderness areas and Indian reservations). The town of Whitefish is a designated nonattainment area for particulate matter of 10 microns (PM-10) or less (NRIS 1998). The proposed easement area is not located within the boundaries of the Whitefish non-attainment area. Fugitive dust from unpaved roads accessing the proposed easement area currently causes a decrease in air quality on and adjacent to these roads during dry conditions.

3.3.2 Environmental Effects

3.3.2.1 Alternative A - No Action

Timber management and associated slash burning would occur in the future under Alternative A, but those potential effects would be analyzed under separate environmental assessments. Under Alternative A, no additional trailheads or trails would be constructed and used. The area would continue to experience increased recreational use due to Whitefish-area growth. There would be a negligible to minor increase in fugitive dust from future increased use of existing trails and traffic on unpaved roads under Alternative A.

3.3.2.2 Alternative B - Proposed Action

As a result of the proposed public recreation easement and associated expansion of the recreation system, the roads to the trailheads and open roads within the proposed easement area would likely see increased vehicle traffic (Figure 2-1), above that which would occur under Alternative A (Section 3.3.2.1). In dry conditions, fugitive dust could increase from unpaved

roads with increased traffic, which would be a minor effect. The amount of traffic increase is unknown. Treating the access roads with a dust suppressant would lessen the generation of dust.

Effects related to the initial trail and trailhead construction are expected to be minor and temporary, with fugitive dust being released during corresponding periods of soil disturbance. Once the trails and trailheads are completed, traffic on the trail and unpaved roads associated with the proposed easement area would increase over time as public awareness and use of the developed recreation within the easement increases. When conditions are dry, use of the unpaved trails and access roads would cause fugitive dust to be released from the trail or road surface. As expansion of the Whitefish Trail is completed, the amount of trail use would be dispersed over the expanded trail system. The dispersed use would disperse the generation of fugitive dust over a wider area within the easement area.

Cumulative effects:

The release of fugitive dust from trails and from increased vehicles on access roads would be a minor cumulative effect when added to previous expansions of the Whitefish Trail in the area and the proposed construction of 1.5 miles of trail on the Beaver land banking parcel.

3.4 Vegetation

3.4.1 Existing Conditions

3.4.1.1 General Vegetation

Forest Species

Vegetation in this area is dominated by typical western Montana forest types, common for the proposed easement area's elevational range of 3,200 to 4,000 feet. All aspects are represented. The primary tree species are Douglas-fir (*Pseudotsuga menziesii*), lodgepole pine (*Pinus contorta*), and grand fir (*Abies grandis*). Other tree species include western larch (*Larix occidentalis*), western hemlock (*Tsuga heterophylla*), Engelmann spruce (*Picea engelmannii*), western white pine (*Pinus monticola*) and western red cedar (*Thuja plicata*). These trees have been affected by insects and disease, including larch mistletoe (*Arceuthobium laricis*), Douglas-fir bark beetle (*Dendroctonus pseudotsugae*), fir engraver (*Scolytus ventralis*), and armillaria root disease (*Armillaria* spp.) (DNRC 2009).

The understory is dominated by low-growing shrubs and herbaceous species, including snowberry (*Symphoricarpos albus*), dwarf huckleberry (*Vaccinium cespitosum*), kinnikinnick (*Arctostaphylos uva-ursi*), pinegrass (*Calamagrostis rubescens*), Oregon grape (*Mahonia repens*) and buffaloberry (*Shepherdia canadensis*). Timber stand ages vary from 30 to over 150 years. Approximately 24 acres of timber considered old growth by the DNRC is located north of Murray Lake on the proposed easement area. Special status plants are discussed in Section 3.4.1.2.

Much of the proposed easement area underwent timber harvest in 2010-2011: 211 acres in the Beaver Lake area and 240 acres in the Skyles Lake area (which amounted to nearly the entire portion of the proposed easement area near Skyles Lake) (DNRC 2009). The current standing volume of timber on the 1,580 acre proposed easement area is 11,813 thousand board feet

(MBF) and averages 7 MBF per acre on both the Beaver Lake area and Skyles Lake area. The value of timber is discussed in the Economics Analysis Report (Appendix D).

Noxious Weeds

Noxious weeds have been located on the proposed easement area, including spotted knapweed (*Centraurea maculosa*), St. John's-wort (*Hypericum perforatum*), oxeye daisy (*Chrysanthemum leucanthemem*), common tansy (*Tanacetum vulgare*), hound's-tongue (*Cynoglossum officinale*), orange hawkweed (*Hieracium aurantiacum*), and tansy ragwort (*Senecio jacobea*). Their prevalence within the proposed easement area is generally low except for areas near trailheads and roads. Eurasian watermilfoil (*Myriophyllum spicatum*) was recently detected in Beaver Lake.

3.4.1.2 Special Status Plants

There are no plants listed as threatened or endangered under the Endangered Species Act (ESA) present within the proposed easement area. One sensitive plant, giant helleborine (*Epipactis gigantea*) is present within wetlands located between Beaver Lake and Little Beaver Lake. Giant helleborine is potentially at risk within Montana because of limited and/or declining numbers. Globally, it is secure in its range but suspected to be declining (MFWP and MNHP 2012).

A State significant plant, Columbia sedge, is common within wetlands on the proposed easement area (MNHP 2012a).

3.4.2 Environmental Effects

3.4.2.1 Alternative A - No Action

Timber on the proposed easement area would continue to be managed by the DNRC; therefore, timber harvest would likely occur in the future. Any timber harvest would be analyzed under separate environmental assessments to identify potential effects to vegetation, including special status species. No additional trails or trailheads would be constructed and used, but the use of the current recreation system would increase corresponding with future growth in the Whitefish area which could increase the spread of weeds. The DNRC would manage noxious weeds as necessary to meet standards established by the SFLMP (DNRC 1996) and abide by the Montana County Noxious Weed Management Act (MCA 7-22-2101); therefore, there would be a negligible increase in establishment and spread of noxious weeds.

3.4.2.2 Alternative B - Proposed Action

Under Alternative B, activities such as pruning trees, removing downfall and hazardous trees, and clearing trails and trailheads of ground cover would directly affect vegetation. These effects to vegetation associated with trails would occur on a narrow, confined area on approximately six miles of new trail. Effects to vegetation associated with trailheads would generally be less than 0.1 acre. The overall vegetation within the proposed easement area would not be affected. Any future timber harvest projects would be analyzed first to identify potential effects to vegetation, including special status species.

Old growth trees would not be removed as part of trail or trailhead construction north of Murray Lake; therefore, there would be a minimal risk of effects to old growth timber.

The sensitive plant giant helleborine would not be affected because construction of trails or trailheads is not planned within the wetlands between Beaver and Little Beaver Lakes where this species is found (Figure 3-1). A portion of the proposed trail from Murray Lake and a trailhead would cross the north end of a wetland in Section 18 (Figure 3-1). Columbia sedge may be affected by the construction of these facilities; however, it is common within the proposed easement area and this isolated effect would not cause an effect to the population within the proposed easement area.

Forest productivity would be maintained as under Alternative A because the DNRC would continue to manage timber on the proposed easement area. However, under the terms of the easement timber harvest must occur outside of the designated trail corridor (16 feet wide) (Appendix B).

The construction of additional trail and trailheads would increase the threat of noxious weed establishment and spread on disturbed soils and adjacent to these features. The City of Whitefish would be required to meet noxious weed management standards established by the SFLMP and abide by the Montana County Noxious Weed Management Act and control noxious weeds within the easement. DNRC would approve the method of control with the minimum requirement being a spring treatment of weeds in the trail corridors during the rosette stage by a certified applicator. Therefore, the increase of noxious weed establishment and spread would be a negligible to minor effect.

Cumulative effects:

The proposed construction of new trails and trailheads on the proposed easement area and the Beaver land banking parcel would have an increased threat of noxious weed establishment and spread when compared to previous road, trail, and trailhead construction within the proposed easement area. Similar to above, required control measures would reduce this effect to negligible to minor.

3.5 Wildlife

3.5.1 Existing Conditions

3.5.1.1 General Wildlife

Of the 108 mammal species found in Montana, 74 are suspected or known to occur in Flathead County (Foresman 2001). Six amphibian and seven reptile species have also been documented in Flathead County (Maxell et al. 2003) and at least 65 species of birds have been documented in the vicinity in the last 10 years (Lenard et al. 2003). The proposed easement area is located within winter range for big game species, including elk (*Cervus canadensis*), mule deer (*Odocoileus hemionus*), and white-tailed deer (*Odocoileus virginianus*) (MNHP 2012b). Winter ranges enable big game survival by minimizing the effects of severe winter weather conditions. Winter ranges tend to be relatively small areas that support high concentrations of big game, which are widely distributed during the remainder of the year.

The proposed easement area provides year-round range for black bears (*Ursus americanus*) and mountain lions (*Puma concolor*) (MNHP 2012b).

Special status wildlife species are discussed in Section 3.5.1.2.

The intermittent streams on the proposed easement area are unlikely to support fish. However, the lakes within the proposed easement area (and Skyles Lake adjacent to the proposed easement area) support naturally occurring and stocked fish. Native species present within these lakes include redbreasted sunfish (*Richardsonius balteatus*) and westslope cutthroat trout (*Oncorhynchus clarkii lewisi*) (a special status fish [Section 3.5.1.2]). Introduced species include rainbow trout (*Oncorhynchus mykiss*), brook trout (*Salvelinus fontinalis*), fathead minnow (*Pimephales promelas*), kokanee salmon (*Oncorhynchus nerka*), largemouth bass (*Micropterus salmonoids*), northern pike (*Esox lucius*), pumpkinseed (*Lepomis gibbosus*), and yellow perch (*Perca flavescens*). Except for Skyles Lake, all are stocked regularly by the Montana Department of Fish, Wildlife, and Parks (MFWP) (MFWP 2012a) (Table 3-1). A summary of fishing days per year is included in Section 3.7.1.

The proposed easement area currently receives moderate levels of dispersed (e.g. off-trail hiking, berry picking, fishing, hunting) and developed recreational uses (e.g. mountain biking, trail hiking/running, horseback riding, cross-country skiing) (Section 3.7.1). Therefore, wildlife on the proposed easement area generally experience moderate disturbance by humans. Wildlife habitat on the proposed easement area has been changed by development and use of the Whitefish Trail and recent timber harvest on the parcel.

Table 3-1 Fish Species Occurrence Within Proposed Easement Area

Waterbody	Species	Origin	Stocked
Murray Lake	Rainbow trout	Introduced	Yes
	Redside shiner	Native	No
	Westslope cutthroat trout	Unknown ¹	Yes
Dollar Lake	Rainbow trout	Introduced	Yes
	Westslope cutthroat trout	Unknown ¹	Yes
Woods Lake	Rainbow trout	Introduced	Yes
	Redside shiner	Native	No
Beaver Lake	Rainbow trout	Introduced	Yes
	Brook trout	Introduced	No
	Fathead minnow	Introduced (illegally)	No
	Kokanee salmon	Introduced	Yes
Little Beaver Lake	Rainbow trout	Introduced	Yes
	Fathead minnow	Introduced (illegally)	No
	Redside shiner	Native	No
	Westslope cutthroat trout	Unknown ¹	No
Skyles Lake	Largemouth bass	Introduced	No
	Northern pike	Introduced (illegally)	No
	Pumpkinseed	Introduced (illegally)	No
	Redside shiner	Native	No
	Westslope cutthroat trout	Unknown ¹	No
	Yellow perch	Introduced	No

¹ Westslope cutthroat trout is native to western Montana but whether it is native to this waterbody is unknown.

Source: MFWP (2012a)

3.5.1.2 Special Status Wildlife

Table 3-2 provides a summary of the special status wildlife species that may occur within the proposed easement area. Ten species are carried forward into the effects analysis because they are likely to be present due to suitable habitat or known occurrence within the proposed easement area.

Table 3-2 Special Status Wildlife Occurrence

Species (Status ¹)	Occurrence
Grizzly bear (<i>Ursus arctos</i>) (Threatened)	The proposed easement area is outside of the North Continental Divide Ecosystem (NCDE) Recovery Area but it is in non-recovery occupied habitat (Wittinger 2002). Grizzly bears are likely to be present at times within the easement area.
Canada lynx (<i>Felis lynx</i>) (Threatened)	Lynx habitat west of the Continental Divide consists of subalpine forests between approximately 4,000 feet and 7,000 feet in elevation (Ruediger et al. 2000). Lynx prefer stands of subalpine fir and spruce with high levels of horizontal cover. They secondarily use mixed conifer stands comprised of lodgepole pine, Douglas-fir, grand fir, western larch and hardwoods. Approximately 1,186 acres of suitable lynx habitat is present on the proposed easement area, including approximately 549 acres of winter foraging habitat (DNRC 2012d). Given the types and prevalence of habitat present, periodic use of the proposed easement area by Canada lynx is possible.
Wolverine (<i>Gulo gulo</i>) (Sensitive, but candidate for listing on the ESA)	Wolverines are limited to alpine tundra and boreal and mountain coniferous forests in western Montana, especially large and remote wilderness areas. Riparian areas may be important winter habitat (MFWP and MNHP2012). Wolverines generally use an elevation range year round of approximately 7,000 to 8,500 feet, but may use slightly lower elevations during winter (Copeland et al. 2007). Wolverines use areas that maintain deep persistent snow depth into spring and persistent snow depths greater than 5 feet deep are a requirement for natal denning (Copeland et al. 2010). The proposed easement area receives moderate human disturbance, is lower in elevation, and does not have a deep snowpack that persists well into spring. Therefore, it is unlikely, but possible, that wolverines could be present. This use would be associated with dispersing individuals or rare, transient use.
Gray wolf (<i>Canis lupus</i>) (Sensitive)	Portions of the proposed easement area are within the home range of the Lazy Creek wolf pack (DNRC 2009, Hanauska-Brown et al. 2012) and wolves have been documented on the proposed easement area (DNRC 2009). The nearest denning site associated with the Lazy Creek pack is over 0.5 mile away and neither denning nor rendezvous sites have been known to occur on the proposed easement area (Forristal pers. comm. 2012). However, landscape features typical of denning and rendezvous sites do occur on the property.

Species (Status ¹)	Occurrence
Bald eagle (<i>Haliaeetus leucocephalus</i>) (Sensitive)	There are no known bald eagle nests on the proposed easement area. The closest nest is the Whitefish Lake nest at the north end of Whitefish Lake. The northwest portion of the proposed easement area would be within the home range of this bald eagle nest (DNRC 2009). All of the lakes within the proposed easement area have had bald eagle sightings and bald eagle utilize the proposed easement area regularly (Forristal pers. comm. 2012).
Westslope cutthroat trout (Sensitive)	Westslope cutthroat trout is present in Murray, Dollar, and Little Beaver lakes. Although this species is native to western Montana, it is unknown whether this species is native to these lakes or was introduced (Table 3-1) (MFWP 2012a).
Black-backed woodpecker (<i>Picoides arcticus</i>) (Sensitive)	The black-backed woodpecker utilizes recently burned forest. There is no such habitat within the proposed easement area; therefore, it is unlikely that black-backed woodpecker would be present.
Coeur d'Alene salamander (<i>Plethodon idahoensis</i>) (Sensitive)	The Coeur d'Alene salamander utilizes moist talus or streamside talus habitat. There is no such habitat within the proposed easement area; therefore, it is unlikely that Coeur d'Alene salamander would be present.
Common loon (<i>Gavia immer</i>) (Sensitive)	Loons have been observed on Beaver, Little Beaver, Murray, Dollar, and Woods lakes. Nesting has been recorded on Beaver Lake (Forristal pers. comm. 2012). Therefore, common loons are likely to be present within the proposed easement area.
Fisher (<i>Martes pennanti</i>) (Sensitive)	Fishers utilize dense, mature to old forest below 6,000 feet in elevation. Although recent timber harvest has reduced this type of forest, this habitat remains available on the proposed easement area; therefore, fisher may be present.
Flammulated owl (<i>Otus flammeolus</i>) (Sensitive)	Flammulated owls utilize late-successional ponderosa pine and Douglas-fir forest. Only scattered pockets of this type of habitat exist on the proposed easement area. Average patch size of suitable cover types is 7.4 acres and average distance between patches is greater than 1/4 mile. This scattered habitat would not likely support flammulated owl.
Harlequin duck (<i>Histrionicus histrionicus</i>) (Sensitive)	Harlequin ducks utilize high-gradient stream habitat. There is no such habitat on the proposed easement area; therefore, it is unlikely that harlequin duck would be present.
Northern bog lemming (<i>Synaptomys borealis</i>) (Sensitive)	Northern bog lemmings utilize sphagnum bogs or fens. There is no such habitat on the proposed easement area; therefore, it is unlikely that northern bog lemming would be present.

Species (Status ¹)	Occurrence
Peregrine falcon (<i>Falco peregrinus</i>) (Sensitive)	Peregrine falcons utilize cliff features near open foraging areas and wetlands. There is no such habitat on the proposed easement area; therefore, it is unlikely that peregrine falcon would be present.
Pileated woodpecker (<i>Dryocopus pileatus</i>) (Sensitive)	The pileated woodpecker utilizes mature western larch/Douglas-fir and mixed conifer forests, which is present on the proposed easement area. Therefore, pileated woodpecker may be present.
Townsend's big-eared bat (<i>Corynorhinus townsendii</i>) (Sensitive)	Townsend's big-eared bats utilize caves, caverns, old mines, or other similar environments for roosting. This habitat is not known to be present on the proposed easement area; therefore, it is unlikely that Townsend's big-eared bat would be present.
Hoary bat (<i>Lasiurus cinereus</i>) (Montana species of concern)	Hoary bats occupy forested areas and forage over water sources within forested terrain. Suitable habitat exists on the proposed easement area; therefore, the hoary bat may be present.
Northern alligator lizard (<i>Elgaria coerulea</i>) (Montana species of concern)	Little is known about the preferred habitat of the northern alligator lizard, but individuals have been observed in leaf litter within forested areas (MFWP and MNHP 2012). Northern alligator lizards were observed in 1999 and 2004 in the vicinity of the Lion Mountain trail (MNHP 2012a). Therefore, northern alligator lizard may be present on the proposed easement area.

¹ MNHP (2012a)

3.5.2 Environmental Effects

3.5.2.1 Alternative A - No Action

Recreational use on the proposed easement area would continue to increase due to growth in the Whitefish area, including the current (light) winter use of the trail system (Section 3.7.1). This increased use would be on existing trails, which would result in an increased disturbance to wildlife, potential for human-wildlife conflicts, and increased litter attractants. These would be negligible to minor effects on wildlife. DNRC would continue to manage the proposed easement area for timber production and treat noxious weeds as necessary to meet standards established by the SFLMP and abide by the Montana County Noxious Weed Management Act. Any timber harvest would be analyzed under separate environmental assessments to identify potential effects to wildlife, including special status species.

3.5.2.2 Alternative B - Proposed Action

General Wildlife Effects

Placing a public recreation easement on approximately 1,580 acres of land close to Whitefish would attract more people to recreate and use both dispersed and developed recreation opportunities. Additionally, expanding the recreation system would increase the attractiveness of the area for recreation (Section 3.7.2). This increase in recreational use would be greater than that under Alternative A.

Just as under Alternative A, increased recreation on the proposed easement area would cause increased disturbance to wildlife, potential for human-wildlife conflicts, and increased litter attractants. The addition of six miles of trail and three trailheads would not only increase visitation but would introduce wildlife disturbance into areas that previously only experienced limited disturbance from dispersed recreation.

Both developed and dispersed recreation have the potential to adversely affect wildlife by causing avoidance behavior, or conversely, causing habituation or food-related attraction to humans and associated development. The responses of individual animals may range from increased alertness to flight, which can cause an animal to expend energy on these responses rather than feeding or breeding activities. Over time, disturbance may lead to temporary or permanent displacement from preferred habitat, lower population levels, or changes in the composition of wildlife communities. The area affected is not limited to the narrow trail corridor or developed recreation site, but extends considerably further into the area surrounding these features. The area affected by disturbance depends upon the wildlife species and would be further extended if dogs accompany recreationists. Important factors in the response of wildlife to disturbance include the type of activity, the predictability of the activity, the frequency and magnitude of the activity, timing, the relative location, and the type of animal (Joslin and Youmans 1999). However, although this disturbance would likely affect wildlife within the proposed easement area, there is ample similar habitat in the surrounding landscape should wildlife be temporarily displaced from the area. Wildlife that could not tolerate the elevated level of disturbance could disperse to an adjacent area with less recreation disturbance. These effects to wildlife under Alternative B would be minor.

Although winter motorized recreation (snowmobiling) would not be allowed on the trails in the proposed easement area, and winter trail use is less than that of other seasons, non-motorized winter use of the trails does occur and would be expected to increase as the recreation system is expanded (Section 3.7.2). Expanding winter use, coupled with an expanded trail system that brings people and dogs further into big game winter range, would increase disturbance to wintering animals beyond that which would occur under Alternative A. Wintering animals would expend energy moving away from human disturbance, which would also reduce the time they could be browsing. The increased amount of winter use is expected to be minor; therefore, there would be a minor effect on big game winter range.

Increased vehicle traffic on access roads could increase the potential for wildlife collisions. Wildlife mortality on Beaver Lake Road and Lion Mountain Road (trailhead access) is not known to be a problem, and both roads have a 25 miles per hour (mph) speed limit (Moran pers. comm. 2012, Stickney pers. comm. 2012) (Section 3.8.1). Although these access roads would experience increased traffic, the slow speed limit would not appreciably increase the risk of automobile-wildlife collisions. There is no posted speed limit on North Beaver or North Murray Lake roads; these are narrow, forest roads that do not accommodate speeds that would pose a risk of wildlife collisions. The risk of wildlife collisions would be negligible.

Fishing pressure on the lakes within the proposed easement area is not likely to increase with the establishment of an easement and expanded recreation system (Section 3.7.2). MFWP is

likely to continue the stocking program for game fish (except for Skyles Lake), and it is unlikely that either introduced or native fish species would experience effects under Alternative B.

Management considerations for reducing the impact of humans on wildlife in recreational areas include encouraging control of dogs and by encouraging proper disposal of wildlife attractants such as garbage (Joslin and Youmans 1999).

The DNRC would continue manage the proposed easement area for timber. Any timber harvest would be analyzed under separate environmental assessments to identify potential effects to wildlife, including special status species.

Cumulative Effects:

Cumulative effects to general wildlife were analyzed on the 62,613-acre area that includes the 34,560-acre Lazy Creek Grizzly Bear Subunit of the NCDE and the 28,053-acre portion of the grizzly bear "occupied habitat" area south of the Lazy Creek Subunit that is east and north of the "Farm to Market Road" to Highway 93, and west of the East Lakeshore Drive road that follows the east shore of Whitefish Lake. Of these 62,613 acres, 3,315 acres is non-habitat comprised of Whitefish Lake, which influences distribution and movement of affected species. This cumulative effects analysis area is herein referred to as the *large cumulative effects area*. A map of the large cumulative effects area is provided as Appendix C.

Increased levels and distribution of recreation across the proposed easement and surrounding area (including cabin site leases on Beaver Lake) would be additive to the current level of recreation. There is already a moderate level of disturbance to wildlife in the area due to residential and agricultural development. Educational signs at the trailhead would inform users of the inherent risks of recreating in an area with abundant wildlife and educate trail-users of proper behaviors around wildlife including proper disposal of wildlife attractants, minimizing potential for disturbance and human-wildlife conflicts. Additionally, bear-resistant garbage cans would be installed at trailheads to minimize the risk of wildlife becoming attracted to trails due to food rewards. With the above mitigations, the cumulative effects of the proposed easement area and associated developed recreation improvements would result in minor cumulative effects on general wildlife associated with increased wildlife disturbance, potential for conflicts, and litter.

Effects to Special Status Species

The effects to special status species that may occur in the proposed easement area (Table 3-2) are provided below. A species-specific cumulative effects analysis area was identified for special-status species that would have negligible or greater effects under either alternative.

Grizzly bear (Threatened)

A number of studies have documented disturbance and displacement of grizzly bears associated with human use of trails and roads (Jope 1985, McLellan and Shackleton 1989, Mace and Waller 1996, Waller and Servheen 2005). Graves (2002) found that grizzly bears selected against areas within 450 to 600 meters from single-track trails similar to the system proposed under Alternative B. Management considerations for constructing recreational trails in grizzly

bear habitat include assuring adequate sight distance, encouraging proper disposal of attractants, and educating recreationists on proper behaviors in bear country.

Approximately six miles of trail and three trailheads would be constructed within the proposed easement area. Some trees, snags, and brush would be removed as part of trail and facility construction. Timber harvest could not occur within the designated trail corridor (16 feet wide). Numerous human developments and agricultural lands occur within 1 to 2 miles of the easement area and there is known use of the area by grizzly bears. Therefore, the existing potential for grizzly bears that may use this area to come in contact with humans, unnatural foods, and attractants is already moderate.

Improvements to developed recreation would increase recreational use of the area over time, particularly hiking and mountain biking. The expansion of the recreation system under Alternative B could cause grizzly bears to periodically avoid using high-use areas within the recreation system in the proposed easement area and in a buffer area around the expanded trail system (approximately 2,153 acres³ total). Temporary closures could be put into place within the easement area by the City of Whitefish, DNRC, or MFWP if grizzly bears were observed in the area of a trail. Enforcement of the closures would be the responsibility of the effecting entity. To further reduce the risk of disturbance, human-bear conflicts and food conditioning, bear-resistant garbage cans would be installed at trailheads, and signs would be installed encouraging trail-users to properly dispose their garbage, leash dogs or keep them under vocal control, and to carry pepper spray.

Although this is occupied grizzly habitat, it is outside the NCDE grizzly bear recovery zone. Individual grizzly bears may periodically use the proposed easement area (Manning pers. comm. 2012). Minor disturbance effects associated with expanding the recreation system would not likely greatly increase the risk to grizzly bears above existing levels and bear-resistant trash containers and signage would serve to reduce any increased risk from the existing condition. Increased risk of human-bear encounters could also occur. However, risk associated with bear-human encounters under Alternative B would likely not greatly increase risk to bears from existing levels and information signs and monitoring conflicts in the area may serve to mitigate any increased risk from the existing condition. Overall, the effects of disturbance on grizzly bears and increased risk of bear-human encounters under Alternative B would be minor.

Cumulative Effects:

Cumulative effects to grizzly bears were analyzed on the 62,613 acre large cumulative effects analysis area.

Alternative B could cause grizzly bears to periodically avoid using 2,153 acres³ (3 percent of the cumulative effects analysis area) of high-use areas in the proposed easement area including a buffer around those areas. The proposed easement and new trails and trailheads, combined with proposed trail on the Beaver land banking parcel, two miles of approved new trail construction and one trailhead under the Whitefish Trail - Phase III, Swift Creek project, and the

³ Calculated using 500 meter buffer around proposed trails (after Graves [2002])

existing trail system and trailheads in the cumulative effects analysis areas would result in approximately 30 miles of trail, and more trailheads in the area. This could result in grizzly bears periodically avoiding high-use areas within an approximately 4,292 acre-zone³ (7 percent of the cumulative effects analysis area).

The additional trail and trailheads, coupled with previous and planned recreation system expansion in the area, would also increase the cumulative risk of human-bear encounters in the cumulative effects analysis area. However, there is already an inherently moderate risk for human-bear encounters in the southern portion of the cumulative effects analysis area due to the amount of residential development, cabin site leases, agricultural activity in the Stillwater valley, and moderate levels of recreational use in the cumulative effects analysis area. The proposed easement and the expansion of the recreation system under Alternative B, with the above-described mitigations to reduce the risk of food-conditioning, reduce disturbance related to the new trails and trailhead, and educate the user would result in minor cumulative effects to grizzly bears.

Canada lynx (Sensitive)

The proposed easement is not located within a federal Lynx Analysis Unit or a DNRC Lynx Management Area. Approximately 1,186 acres of suitable lynx habitat is present on the proposed easement area, including approximately 549 acres of winter foraging habitat (DNRC 2012d). Effects to lynx would include disturbance during construction of trails and increased disturbance across an expanded area of suitable lynx habitat as compared to Alternative A. Approximately 0.34 mile of the proposed trail (5 percent of the trail) would cross summer foraging habitat. Approximately 2.8 miles (45 percent of the trail) would cross winter foraging habitat. Winter foraging habitat is the most important habitat class for lynx and is the most limiting for this species in western Montana (DNRC 2010, Baty pers. comm. 2012).

The actual acreage of disturbance that would be associated with trail construction is relatively small, and it would occur in lynx habitat that is at a relatively low elevation, already fragmented, and is already moderately disturbed by human activity (recreation, cabin lease sites, and timber harvest). It is unlikely that the lynx habitat on the proposed expansion area could provide the requirements for a denning female, because of the current level of disturbance, lack of appropriate amounts of suitable forest cover and forest features, and lower elevation and snow depths (Ruediger et al. 2000, Squires et al. 2008). Therefore, Alternative B would have minor effects on lynx.

Cumulative effects:

Cumulative effects to lynx were analyzed on the 62,613 acre large cumulative effects analysis area.

The previous, proposed, and future trail building on the proposed easement area, the Beaver land banking parcel, and the Whitefish Trail - Phase III, Swift Creek project would cumulatively introduce more disturbance into lynx habitat. The southern portion of the cumulative effects analysis area containing the proposed easement area already experiences moderate levels of human activity, and is altered by lands disturbed by timber harvest, roads, and developed for

agriculture and homesites. The proposed easement and expansion of the recreation system would have minor cumulative effects within the cumulative effect analysis area.

Wolverine (Sensitive, but candidate for listing on the ESA)

The proposed easement, trailheads, and trails would increase overall visitation and use to the area, but that increase would be less in winter when wolverine may be most likely to utilize wetlands, lakes, and associated riparian areas or disperse through. Based on the type and location of the habitat and current level of inherent disturbance, the proposed easement area does not represent highly desirable habitat for wolverine. Therefore, although transient individuals may be affected, the effect to wolverine under Alternative B would be negligible.

Cumulative effects:

Cumulative effects to wolverine were analyzed on the 62,613 acre large cumulative effects analysis area. Based on the type and location of the habitat and current level of inherent disturbance in this area, there would be minimal risk of cumulative effects to wolverines under Alternative B.

Gray wolf (Sensitive)

Increased visitation and recreational use may displace individuals of big game species such as elk, mule deer, and white-tailed deer, which are the primary prey species of the wolf (Kunkel et al 1999). This could reduce hunting opportunities for the wolves from the Lazy Creek pack on the proposed easement area. Some studies show that wolves may prey on elk more frequently during certain portions of the year, particularly in winter (Arjo et al. 2002, Kunkel et al. 2004, Garrott et al. 2006). There is already a moderate level of human disturbance on the proposed easement area, and increased use is likely to occur during the winter (Section 3.7.2). Potential temporary displacement of big game animals associated with trail development and use would not likely affect prey availability for local wolf packs. However, direct disturbance and temporary displacement of wolves could occur.

Approximately six miles of new trail and three trailheads would be constructed within the proposed easement area. Trail construction, maintenance, and use could disturb gray wolves should they be using the area. Wolves are most sensitive at den and rendezvous sites, which are not known to occur in the proposed easement area. Increased human disturbance levels would likely reduce potential gray wolf use into the future, but due to the current level of disturbance the proposed easement area is poorly suited for a den and rendezvous site. Therefore, the disturbance due to construction and use of an expanded recreation system would be a negligible to minor effect on wolves.

Cumulative effects:

Cumulative effects to gray wolf were analyzed on the 62,613 acre large cumulative effects analysis area.

The previous, proposed, and future trail building on the proposed easement area, the Beaver land banking parcel, and the Whitefish Trail - Phase III, Swift Creek project would cumulatively increase the temporary effects of big game displacement and disturbance related to trail construction, maintenance, and use on gray wolves. However, there is already a risk of

displacement and disturbance to gray wolves due to the high amount of residential development, cabin site leases, agricultural activity, and moderate levels of recreational use within the cumulative effects analysis area. Therefore, the previous, planned, and proposed expansions of the recreation system within the cumulative effects analysis area would be a negligible to minor cumulative effect on gray wolves.

Bald eagle (Sensitive)

The proposed easement area is within the home range of the nest on the north end of Whitefish Lake, and bald eagles have been observed on the proposed easement area. The proposed easement area is not within nest site or primary use areas (Forristal pers. comm. 2012). There would not be any structures constructed that would pose a flight hazard. The construction of trails and trailheads would not remove trees or non-hazardous snags of important value to the bald eagle. However, the increased use of the recreation system, especially where it encounters foraging or perching areas such as lakes, would increase disturbance to bald eagles. The effect to bald eagle from increased recreational use would be minor.

Cumulative effects:

The cumulative effect analysis area for bald eagle includes the home range of the Whitefish Lake bald eagle nest. Within this area, the cumulative disturbances of residential development, DNRC cabin lease sites on Beaver Lake, and the cumulative increase of recreational use of the area from Alternative B, proposed trails on the Beaver land banking parcel, and planned trails for the Whitefish Trail - Phase III, Swift Creek project would result in additional potential disturbance to bald eagle. However, the existing disturbance from residential development/cabin sites and the existing recreation system is already moderate. Therefore, the increased disturbance from Alternative B would be a minor cumulative effect to bald eagle.

Common loon (Sensitive)

Loons are known to nest on Beaver, Little Beaver and Murray lakes (Forristal pers. comm. 2012). Suitable habitat for loons also exists on Dollar and Woods Lake. Humans and dogs could disturb loon from shore, where loons nest in emergent vegetation. Nesting disturbance may occur on parts of the lake near trails, which may drive away nesting adults, however, this would be unlikely to occur given the low exposure of the trail areas to potentially affected lake shores. Further, should problems arise over time, signing and patrolling of problem areas would be instituted. Alternative B would have a minor effect on nesting loons.

Encouraging leashes on dogs and educating visitors about loons via signage at occupied lakes would mitigate some of the effect of increased recreational access. When nesting activity is detected, additional signage and closure of nesting areas would further mitigate effects to loons, but a negligible to minor residual effect would remain.

Cumulative effects:

The cumulative effects analysis area for loon is the proposed easement area. There is currently motorized access to all of the lakes in the proposed easement area and the surrounding landscape, and recreation is common; therefore, there is already a moderate level of

disturbance to loons on these lakes. The addition of more trail access to that already constructed within the proposed easement area would increase visitation and have minor cumulative effects on loons, especially during nesting.

Fisher (Sensitive)

Under Alternative B, activities such as pruning trees, removing downfall and hazardous trees, and clearing trails and trailheads of ground cover would affect fisher habitat if they occurred in dense, mature stands. However, the amount of this type of habitat affected would be minimal, based on the limited acreage of such habitat on the proposed easement area and the small amount of acreage associated with trail and trailhead construction. Increased trail access is unlikely to increase the amount of trapping within the easement, since motorized access is currently available. Disturbance from increased visitation may displace individual fishers from areas near trails, but suitable habitat exists elsewhere on the proposed easement area and in the surrounding landscape. There have been no observations of fishers within 10 miles of the proposed expansion area (MNHP 2012b). Therefore, the effect to fisher would be negligible.

Cumulative effects:

The cumulative effects analysis area for fishers is the proposed easement area. Based on the availability of suitable habitat in the surrounding landscape, and the lack of fisher observations within 10 miles of the proposed easement area, there would be a minimal risk of cumulative effects on fisher under Alternative B.

Pileated woodpecker (Sensitive)

The proposed activities would remove a few trees and snags from suitable pileated woodpecker habitat located adjacent to approximately six miles of trail. All snags that do not pose a safety hazard would be retained. Human activity would increase in the area following trail construction; however, there is adequate habitat within the proposed easement area and pileated woodpeckers are fairly tolerant of human disturbance (Bull and Jackson 1995). If a trail was constructed adjacent to a nest snag or a nest snag was removed for trail construction, the effect to pileated woodpeckers would be minor; otherwise, they would be negligible.

Cumulative effects:

The cumulative effects analysis area for pileated woodpecker is the proposed easement area. Because there would be virtually no change in forest structure or crown closure/cover with Alternative B, there would be a minimal risk of cumulative effects to pileated woodpecker under Alternative B.

Hoary bat (Montana species of concern)

Alternative B would affect a small amount of forest habitat for trail construction. However, there is adequate forest habitat for roosting within the easement area and foraging areas over lakes would not be affected. Therefore, there would be minimal risk of effects to the hoary bat.

Cumulative effects:

The cumulative effects analysis area for hoary bat is the proposed easement area. Because there would be virtually no change in forest structure or crown closure/cover with Alternative B, there would be minimal risk of cumulative effects to hoary bat under Alternative B.

Northern alligator lizard (Montana species of concern)

Alternative B would affect a small amount of forest habitat for trail construction. However, there is adequate forest habitat present on the proposed easement area and in the surrounding landscape. Therefore, there would be minimal risk to the northern alligator lizard.

Cumulative effects:

The cumulative effects analysis area for northern alligator lizard is the proposed easement area. Because there would be virtually no change in forest structure or crown closure/cover with Alternative B, there would be minimal risk of cumulative effects to the northern alligator lizard under Alternative B.

3.6 Cultural Resources

3.6.1 Existing Conditions

The proposed easement area has been inventoried for cultural resources (Rennie pers. comm. 2012). There were no cultural resources identified within the proposed easement area.

3.6.2 Environmental Effects

There are no cultural resources present on the proposed easement area; therefore, there would not be any effects under Alternative A or B.

3.7 Recreation and Public Access

3.7.1 Existing Conditions

The proposed easement area is currently a popular recreation destination for area visitors and local residents. Dispersed recreation includes hiking, biking, hunting, horseback riding, berry-picking, and fishing. There are currently no developed and maintained recreation sites such as picnic/day use or campsites, except for a MFWP boat ramp on Beaver Lake. Camping occurs within the proposed easement area but it is uncontrolled. Four existing trailheads (North Beaver, Beaver, Lion Mountain, and Skyles Connection) and approximately 14 miles of developed trail have been constructed within the proposed easement area as part of the Whitefish Trail system. Any non-motorized use is allowed on this recreation system. Approximately eight miles of DNRC maintained road is open to public access and provides access to the lakes on the proposed easement area. Users also access the area via old skid roads. Motorized vehicles, including off-road vehicle (ORV) use, is not allowed on developed trails, but ORV use occurs on unauthorized trails within the proposed easement area. The trail system is currently patrolled by volunteers, who collect user data (Table 3-4), provide education, and offer assistance when needed.

User data is available for fishing use on Dollar, Murray, and Skyles lakes (Table 3-3) and use of the existing developed trail system (Table 3-4) within the easement.

Table 3-3 Fishing Days Per Year Within Proposed Easement Area

Waterbody	Year	MT Resident Days	Non-MT resident Days
Dollar Lake	2001	398	0
	2003	82	0
	2005	98	0
	2007	1,574	0
	2009	266	0
Murray Lake	2001	1,022	0
	2003	482	105
	2005	1,347	0
	2007	519	0
	2009	565	100
Skyles Lake ¹	2001	613	0
	2003	96	0
	2005	184	0
	2007	57	0

¹ Data for 2009 were not available.

Source: MFWP (2012a)

Fishing on these lakes fluctuated from year to year, and did not appear to be increasing or decreasing with time. Murray Lake received the highest fishing use of the three lakes. Non-resident fishing use of these lakes was rare.

Table 3-4 Trail Use Within Proposed Easement

Month Year/Days ¹	Biking Users (#)	Hiking/Running Users (#)	Total Users (#)	MT Resident (%) ²	Non-MT Resident (%) ²
August 2011/14	134	165	299	71	29
September 2011/9	48	240 ³	288	86	14
October 2011/17	101	99	200	85	15
June 2012/25	170	181	351	84	16
July 2012/22	140	126	266	77	23

¹ Number of days in the month on which user data was collected

² Percentage of vehicles at trailheads with MT vs. Non-MT license plates

³ Includes participants in the Two Bear Marathon

Source: WLP (2012)

In general, the developed trails within the proposed easement area were utilized fairly equally by bikers and hikers/runners. Montana residents made up the majority of the users, but a substantial amount of the use was by those coming from out of state. The trails receive light

snowshoeing and cross-country skiing use in the winter. A portion of the DNRC road system around Murray Lake within the proposed easement area is groomed for cross-country skiing in the winter by the Stillwater Mountain Lodge under a land use license.

The proposed easement area is within MFWP Hunting District 110. Specific take data was not available for the proposed easement area, but the big game species elk, moose, mule deer, and white-tailed deer are harvestable on the proposed easement area (MFWP 2012b).

3.7.2 Environmental Effects

3.7.2.1 Alternative A - No Action

Under Alternative A, a deed for a public recreation easement would not be granted to the City of Whitefish by the State of Montana. Both dispersed and developed recreation would continue on the proposed easement area. The recreational use of the proposed easement area would likely increase in the future consistent with the population growth in the Whitefish area, but under Alternative A this would occur on the existing trail system. The trail system would become increasingly crowded and over-used. Winter use of the recreation system would increase as people become more aware of winter opportunities on the recreation system. These increases in recreation would be minor.

Future proposals related to increasing developed recreation opportunities under the Whitefish Trail system and WNP would be considered and analyzed by the DNRC.

3.7.2.2 Alternative B - Proposed Action

Under Alternative B, a deed for a public recreation easement would be granted to the City of Whitefish, which would guarantee, in perpetuity, the public right to (non-motorized) access, public recreation, education, and development restrictions. DNRC would continue to manage the timber on the proposed easement area, but timber harvest could not occur within the designated trail corridor (16 feet wide).

Three new trailheads and approximately six miles of new trail would be constructed within the Beaver Lake portion of the proposed easement area. No new recreational development is proposed on the Skyles Lake portion of the proposed easement area (Figure 2-1). The preliminary locations of these features are identified on Figure 2-1; however, the final location and design of these features would be finalized after consultation with DNRC managers and resource specialists.

A public recreation easement and expansion of the recreation system would moderately increase recreational use within the area encumbered by the easement, beyond that which would occur under Alternative A. The increased use would be minor during the winter, when the trail system is utilized less.

For some trail and dispersed recreation users, this may be a detrimental effect due to more people using the area and a decrease in the "remote" feel to their recreational experience. However, the addition of 43 percent more trail within the area would adequately distribute the increased number of trail users, so any detrimental effect related to increased visitors on trails would be negligible. The reduction in the amount of area available for dispersed recreation outside the developed recreation system would be diminished; however, there would be more

access to areas for dispersed recreation. There would not be any change in motorized public access. The increase in use may temporarily displace big game animals (Section 3.5.2); this may cause a temporary decrease in hunter opportunities within the proposed easement area.

The increase in the amount of maintained trails within the easement would increase recreational opportunities for biking, hiking/running, horseback riding, and dispersed activities for which more trail would provide better access, such as hunting and berry picking. Fishing pressure is not likely to increase substantially at the lakes within the easement area because motorized access to most of the lakes (except Little Beaver) is already available via the DNRC road system and that is the preferred way for anglers to access the lakes (Manning pers. comm. 2012).

The construction of more trail could increase opportunities for illegal ORV use, other unauthorized activities, vandalism, and litter within the proposed easement area. This would be a moderate effect on the proposed easement area. Increasing the number of volunteer patrols to monitor the increased amount of trail and visitors would mitigate some of the potential problems associated with increased use and access.

Cumulative effects:

All of the effects above would be moderately cumulative when compared to previous trail and facility construction under the Whitefish Trail system, cabin site leases on Beaver Lake, and the proposed construction of approximately 1.5 mile of trail on the Beaver land banking parcel.

3.8 Transportation and Safety

3.8.1 Existing Conditions

Access to the proposed easement area is by Highway 93 and unpaved access roads. The Lion Mountain trailhead is accessed by Lion Mountain Loop Road. The Beaver trailhead is accessed by Beaver Lake Road. Both of these access roads have posted speed limits of 25 mph. The North Beaver Trailhead is accessed by North Beaver Lake and North Murray Lake roads, but there is no posted speed limit on these forest roads. The Skyles Connection is accessed by Skyles Lake Lane, which is a 25 mph road. Approximately 8 miles of road maintained by the DNRC is present within the proposed easement area. These roads are for DNRC management but the public is allowed motorized access to most of these roads within the proposed easement area. There are no private reciprocal access agreements through the proposed easement area.

Safety is generally the responsibility of the user within the proposed easement area. Volunteer patrols can provide limited assistance. It is unknown how many accidents and injuries occur on the proposed easement area each year, but the potential for accidents and injuries due to both dispersed and developed recreation activities (Section 3.7.1) is present.

3.8.2 Environmental Effects

3.8.2.1 Alternative A - No Action

There would be a negligible to minor increase in traffic on access roads due to future growth in the Whitefish area.

3.8.2.2 Alternative B - Proposed Action

There would not be any restrictions on access agreements between DNRC and private parties besides ensuring that recreation is adequately protected (Appendix B); therefore, private access agreements could be considered by the DNRC in the future.

There would be a minor increase in vehicle traffic on access roads to the proposed easement area, beyond which would occur under Alternative A.

Increased traffic would slightly increase the chance for wildlife mortality on access roads (Section 3.5.2.2).

With increased trails and developed recreation opportunities, and a greater number of users, comes an increased chance for accidents and injuries. However, the increased users would generally be distributed across the greater number of trails so the chance for increased accidents is negligible. Alternative B does not include the development of any new forms of recreation that are not already present on the proposed easement area.

Cumulative effects:

When combined with previous trail expansion and the proposed construction of 1.5 miles of trail on the Beaver land banking parcel, Alternative B would result in a minor cumulative increase in traffic on access roads to the proposed easement and in the surrounding area.

3.9 Economics

3.9.1 Existing Conditions

A summary of the revenue-generating capacity of the State trust land associated with the proposed easement area and the economic value of the proposed easement area is provided in the Economics Analysis Report (Appendix D).

3.9.2 Environmental Effects

A summary of the economic effect to revenue-generating capacity of the State trust land and the economic value of the proposed easement area related to Alternatives A and B is provided in the Economics Analysis Report (Appendix D).

3.10 Visual Resources

3.10.1 Existing Conditions

The primary observation locations for the Beaver Lake portion of the proposed easement area are the access roads into the proposed easement area, DNRC roads within the proposed easement area and higher elevations on the west aspect of Whitefish Mountain Resort. The primary observation locations for the Skyles Lake portion of the proposed easement area are Highway 93, the Beaver-to-Skyles Road, and DNRC roads within the proposed easement area. The entire proposed easement area is dominated by broken topography and geology due to glacial deposits. Much of this area has been logged between 1999 and 2004, and most recently in 2010-2012, which has opened up the forest canopy in some areas. Trails and roads used for non-motorized recreation occupy much of the proposed easement area, and contribute to the recreational aesthetic qualities.

3.10.2 Environmental Effects

3.10.2.1 Alternative A - No Action

The DNRC would continue to manage the proposed easement area for timber. Environmental assessment of future timber harvest would include the effects on visual resources. There would be minimal risk to visual resources under Alternative A.

3.10.2.2 Alternative B - Proposed Action

Alternative B would increase the access to positive aesthetic opportunities and scenic locations with six miles of new trail. Visitors at primary observation locations would likely notice an increase in recreational aesthetic qualities (trailheads and trails) if they had visited the proposed easement area previously. Visitors utilizing the trails may notice an increase in other users; however, because the increased amount of trail is expected to distribute users across the proposed easement area this effect would be negligible to minor.

Future effects to visual resources as a result of timber harvest would generally be less than those under Alternative A, because under the terms of the easement (Appendix B) timber harvest would be restricted to outside designated trail corridors (16 feet).

Cumulative effects:

Alternative B, when combined with previous trail construction and the proposed 1.5 miles of trail, would cumulatively increase the access to positive aesthetic opportunities and scenic locations. Visitors at primary observation locations would likely notice a cumulative increase in the recreational aesthetic if they had visited the proposed easement area previously. Visitors utilizing the trails may notice an increase in other users; however, because the increased amount of trail is expected to distribute users across the proposed easement area this cumulative effect would be negligible to minor.

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Appendix A

Scoping Comments and Responses

Appendix A
Proposed Beaver/Skyles Public Recreation Easement
Scoping Comments and Responses

Commenter	Affiliation	Comment	Response
John Collins	Private	As a neighboring landowner, my only concern about the proposed easement is whether or not the easement will affect my ability to secure a reciprocal [road] easement or to purchase a private driveway across state trust land in order to access my property.	The easement (Appendix B) would maintain the DNRC's discretion to grant temporary or permanent access through the easement area to third parties. Requests for easements would be subject to consideration of how they would affect recreation, wildlife, and other resources.
Hal Frutiger	Private	[Concerned that the project will interfere with progress on] securing access to our properties through the easement area using the Murray Lake road.	See response above
Dan and Cheri Butts	Private	Your trails are already in use and there has been no dust abatement...the traffic has increased significantly and the dust is becoming a serious health problem.	See EA Section 3.7.2, Air Quality
Sharon Hadley	Private	Concerned with additional traffic; would like to see the road oiled. Would like to see additional commitments to dust abatement with easement.	See EA Section 3.7.2, Air Quality
Paul McKenzie	F.H. Stoltz Land & Lumber Co.	Consider the use of a license or lease rather than a permanent recreation/conservation easement to meet the desires of the proponents. Permanent conservation easements are obviously irrevocable...a long term lease/license, even up to a term of 50 years, that has terms and conditions for ongoing payment and renegotiation of the terms and conditions would likely be in the best interest of both parties.	See EA Section 2.3, Alternatives Considered But Dismissed
Paul McKenzie	F.H. Stoltz Land & Lumber Co.	If a permanent easement is granted, how will non-compliance issues be handled...it is very difficult to revoke an easement or to administer terms and conditions thereof. This is yet another reason why easement is not the correct tool for this proposed use, but rather a lease or license.	The easement contains specific language on addressing non-compliance by either the City of Whitefish or the DNRC (Remedies for Unauthorized Uses and Practices) (Appendix B).
Paul McKenzie	F.H. Stoltz Land & Lumber Co.	Through license and lease tools, compensation for mitigations to accommodate recreational use can be more accurately evaluated on a project level and therefore more fairly assessed at the time of a project.	From easement, Appendix B (The Grantee's Rights and Duties): "Grantor will be compensated by Grantee for the loss of revenue, if any, attributable to the Grantee's request only if Grantor's timber sale activities are otherwise in compliance with this Easement and Grantee requests further modification. Grantee shall owe no compensation for requests to modify any

Commenter	Affiliation	Comment	Response
			timber sale if such sale is not in compliance with this Easement or if requests are received and followed as a result of comments during MEPA or any Equivalent Process. "
Dave Skinner	Private	<p>Unless the aggregate price of the proposed easements on the 1,500 acres averages \$4,370 per acre (about \$6.5 million), the terms of the WNP agreement will not be met, and will make the eventual likelihood of full compliance with WNP goals even less likely. I suspect the trust beneficiaries will respond with litigation. They were denied a seat at the table back in 2004, and now they are being set up for yet another snow job.</p> <p>If the "conservation partners" are not willing or able to at least meet the already-discounted price of \$4,370 per acre that was envisioned when the Land Board approved the plan, then perhaps the Whitefish Neighborhood Plan itself should be terminated.</p>	See Appendix C. The sale of the easement would net DNRC approximately \$7,500,000.
John Muhlfeld	City of Whitefish	The City of Whitefish in conjunction with Whitefish Legacy Partners is pleased to carry out the recreation, conservation and revenue goals of the WNP and the Trail Runs Through It Master Plan on up to 1,500 acres of forested State trust land. The proposed easement will expand the Whitefish Trail and conserve public access, protect wildlife and water quality, and increase recreational opportunities on state lands surrounding our city while keeping these lands working forests.	Noted. No response necessary.
Heidi VanEveren	Whitefish Legacy Partners	We are in support of the City of Whitefish purchasing a permanent public recreation/conservation easement to carry out the recreation, conservation, and revenue goals of the Whitefish Neighborhood Plan and the Trail Runs Through It Trail (TRTI) Master Plan. The proposed 1,500 acres of forested State trust lands owned by the State of Montana located in Flathead County in the Beaver Lake and Skyles Areas are within the boundaries of the Whitefish School Trust Lands Neighborhood Plan (WNP) and these lands are important tracts to keep open and available for permanent public recreation use. The lands are critical public lands for the Whitefish community, are important to Whitefish's clean water, uncluttered views,	Noted. No response necessary.

Commenter	Affiliation	Comment	Response
		<p>and recreation opportunities, and provide a steady, renewable income stream to state trust beneficiaries.</p> <p>Policy 1 of the WNP is to 'Reduce Uncertainty, Enhance Income to the School Trusts, and Increase Protection of the Lands Important to the Community'. A public recreation/conservation easement that includes the outlined easement goals will fulfill this policy. Whitefish Legacy Partners is fully supportive of a public right of access, continued forest management, prohibiting residential and commercial development and the allowance of non-commercial recreation-related facilities and other non-commercial and commercial recreational uses on these 1,500 acres. This proposal will generate more income than ever by combining income from public recreation and conservation uses, with income from forest products, for Montana's schools and universities.</p>	
Paul McKenzie	F.H. Stoltz Land & Lumber Co.	DNRC must accurately portray the cumulative impact of this proposed easement in conjunction with the propose fee sale of Trust lands in adjoining Section 16.	The Beaver land banking project was evaluated for cumulative effects for each resource. A description of this project is included in Section 1.5.2.
Paul McKenzie	F.H. Stoltz Land & Lumber Co.	Granting partial ownership of these Trust lands to a third party will likely add yet another level of difficulty and possibly litigation to your decision making process.	The restrictions on the Grantee and Grantor, as well the review and planning requirements of the Grantee and Grantor, are clearly identified in the terms and conditions of the easement (Appendix B). This removes any ambiguity from the planning process.
Dan and Cheri Butts	Private	Would like to know more about...continued forest management by the state of Montana with LIMITATIONS to be defined...since when does the city know more about the forests then our state foresters.	The easement (Appendix B) contains restrictions and limitations associated for both the City of Whitefish and DNRC management.
Mike Jones	Private	Supportive of the initiative and would like to be kept on the mailing list.	Noted. No response necessary.
Paul McKenzie	F.H. Stoltz Land & Lumber Co.	DNRC must consider not only the limitations that are specifically outlined in the conservation easement, but also the impact of designating recreation as the primary use of this area.	See Section 3.7.2, Recreation and Public Access
Dave Skinner	Private	...the DNRC WNP webpage has carried no updates that would give the public the impression that work was underway on the selection of not only these easement areas, but the proposed sale...of land banking parcel #685 the 530 acres of Common Schools trust land section	Noted. No response necessary.

Commenter	Affiliation	Comment	Response
		16...the failure of DNRC to update users on the actual status and disposition of the Core Group is troubling.	
Dave Skinner	Private	I have noted that the Spencer Lake segment in the Spencer Mountain subarea has been "deleted" from the "conservation" proposal. I am aware that parcel was the "most controversial" part of the now-stalled Spencer Mountain timber sale, and don't believe in coincidence. But I want to express my irritation that this proposal seems to be the THIRD iteration of WLP/City's recreation plan, from the December 2011 version to the March 2012 version, and now this July version -- changed yet again with no explanation of why the changes were made or who decided to change them. These are public lands, in the stewardship of public entities. By golly, the public deserves to know what the heck is really going on.	The Spencer Lake portion of the proposed easement was withdrawn from the proposed action by the City of Whitefish. The City of Whitefish (via WLP) has stated their intention to pursue adding the Spencer Lake portion to the public recreation easement in the future. That action would be analyzed through the MEPA process at that time.
Dan and Cheri Butts	Private	The homeowners along the Beaver Lake Road were never informed or asked about our concerns about this taking place.	The public was informed of the proposal during the scoping process (Section 1.6).
Sharon Hadley	Private	Has concerns with traffic speed; would like additional signage.	See EA Section 3.8.2
Paul McKenzie	F.H. Stoltz Land & Lumber Co.	I caution the DNRC against setting the precedent of elevating the importance of a particular land use over another through some sort of easement...I don't understand "the risk" to the public recreational use of these Trust Lands or the compelling need for a permanent easement...the public recreational interest is already more than adequately considered in land management decision making.	See EA Chapter 1
Nick Polumbus	Whitefish Mountain Resort	In support of the proposal...recreation and conservation are an important part of our economy, because our guests come to Whitefish because of the vast recreational opportunities, scenic views and a welcoming community...I have enjoyed many positive family experiences on the Whitefish Trail.	Noted. No response necessary.
Paul McKenzie	F.H. Stoltz Land & Lumber Co.	Concerned over the long term impact of this proposal to the DNRC ability to meet the Trust mandate of generating the greatest long term benefit to the School Trusts...it is the job of the DNRC to ensure this proposal is a good long term decision for the School Trust as well.	See Appendix C. The proposed action would allow the DNRC to meet the State trust mandate to generate long-term benefit to the State trust.
Paul McKenzie	F.H. Stoltz Land &	As has been shown time and time again at the project	From easement, Appendix B (The Grantee's Rights and

Commenter	Affiliation	Comment	Response
	Lumber Co.	level, significant mitigations are implemented in timber management project development to mitigate claimed impacts to recreational use. These mitigations result in real and measurable costs and/or lost revenue to the Trust. These mitigations must somehow be quantified and valued as part of the conservation easement compensation.	Duties): "Grantor will be compensated by Grantee for the loss of revenue, if any, attributable to the Grantee's request only if Grantor's timber sale activities are otherwise in compliance with this Easement and Grantee requests further modification. Grantee shall owe no compensation for requests to modify any timber sale if such sale is not in compliance with this Easement or if requests are received and followed as a result of comments during MEPA or any Equivalent Process. "
Paul McKenzie	F.H. Stoltz Land & Lumber Co.	I believe that if the value of the proposed easement is accurately appraised, the proponents would likely choose a more traditional venue. The underlying presumption is that in the long term, the easement will be a less expensive option for the proponent to achieve their desired goals. However, it is not in the Trust's best interest to provide the less expensive option.	See Appendix C. The DNRC would not be providing a less expensive option.
Mary Witbrod	Local business (Imagination Station)	I know first-hand the economic impacts of our tourism-based economy...[tourists] visit here because of the beauty of our area, which is shaped by the state lands surrounding Whitefish.	Noted. No response necessary.
C. Christian, W. Cruzado, D. Blacketter	Montana University System	The [Trust] beneficiaries have no objection to this or any other proposed use of the trust lands in question as long as the DNRC and the [Land Board] assure that the beneficiaries receive full market value based upon the highest and best use analysis required by state law and the Enabling Act. Sections 77-1-601 and 77-2-106, MCA and Section 11, Enabling Act.	See Appendix C. The State trusts would receive full market value of the easement (approximately \$7,500,000).
C. Christian, W. Cruzado, D. Blacketter	Montana University System	The [Trust] beneficiaries cannot endorse the proposed easement at this time since the value of the recreational easement and its effect on the future value of the lands affected has not yet been determined.	See Appendix C. The State trusts would receive full market value of the easement (approximately \$7,500,000).
Dave Skinner	Private	I am quite familiar with the Whitefish Area Trust Lands Plan or Whitefish Neighborhood Plan. Page 50-51 of WATLP states that time the Plan was created, the trust lands division was seeking to acquire higher revenue streams by looking at commercial and residential leasing or ownership. Page 51 notes the raw land value in Northwest Montana was roughly 8700 per acre, meaning the aggregate sale	See Appendix C. The State trusts would receive full market value of the easement (approximately \$7,500,000).

Commenter	Affiliation	Comment	Response
		<p>value of the WATLP lands was in the \$112 million range. The WNP posited that various conservation instruments would result in an eventual cash flow to the beneficiaries of \$51 million over the life of the Plan (20 years, or 2024) while retaining most of the land in state ownership, with restrictions imposed and development rights being bought away for \$4,372 per acre.</p> <p>If I am reading the current proposal correctly, plus whatever documentation I have managed to scrounge from both the media, City public records, Whitefish Legacy Partners materials, the "conservation easement" proposed will be funded with \$1 million of funds donated in 2008 by Mr. Goguen. This "conservation" will, according to the current Proposal of July 2, 2012, apply to "up to 1,500 acres" of WATLP state trust lands. That is an average of \$667 per acre, apparently for permanent extinguishment of development rights valued in 2003-4 at a minimum of \$4,732 per acre -- rights that in the real world would be north of \$10,000 per acre.</p> <p>Such a lowball price is unacceptable. The trust beneficiaries have already been massively shorted. Of total lease/license revenues of \$757,000 in the WNP since 2004, the Whitefish Trail has paid in only \$47,687 -- which in light of the "promised" \$51 million is shameful. Such a paltry sum is a complete insult to not only the trust beneficiaries, but the plain old citizens of Montana who will be asked to make up any shortfalls in education funding caused by this proposal becoming reality.</p>	
Henry Roberts	Local business (Zane Ray Group)	Features of our town such as the Whitefish Trail are mission critical for the lifestyle we offer our employees...happy employees and their families mean workers stay with us longer, become more valuable to us and our clients - and when we make our clients happy we grow and offer more jobs to the local economy.	Noted. No response necessary.

Appendix B

Deed of Public Recreation Easement (October 26, 2012)

After recording, return to:
Montana Department of Natural Resources
and Conservation
Trust Land Management Division
Real Estate Management Bureau
P.O. Box 201601
Helena, Montana 59620

**Beaver Lakes Area
DEED OF PUBLIC RECREATION USE EASEMENT**

THIS DEED OF PUBLIC RECREATION USE EASEMENT (hereinafter “Easement”) is made this ____ day of _____, 2012, by **THE STATE OF MONTANA, BOARD OF LAND COMMISSIONERS**, whose principal address is 1625 Eleventh Ave, Helena, Montana, 59620, (the “Grantor”), to the **CITY OF WHITEFISH, MONTANA**, whose address is 418 E. Second St., Whitefish, Montana (the “Grantee”).

Exhibits to this Easement include the following, all of which are incorporated herein by reference:

- Exhibit A – Legal Description of the Property**
- Exhibit B – Map of the Property**
- Exhibit C – Baseline Map with Roads and Trails**
- Exhibit D – Statewide Forest Management Standards, as amended**
- Exhibit E – Recreation Plan, as amended**

I. RECITALS

WHEREAS, the Grantor is the owner of certain real property in Flathead County (hereinafter the “Easement Area”), legally described in Exhibit A and depicted in Exhibit B; and,

WHEREAS, the Easement Area is designated as “public lands of the state” that comprise the “Public School Fund” articulated under Article X, Sections 2 and 11 of the Montana Constitution, and is held in trust for the benefit of six beneficiaries: the Common Schools (K-12 Education) Trust; the School of Mines Trust; the State Normal School; the Montana State University – Second Grant Trust; The Montana State University – Morrill Trust; and the Public Buildings Trust (hereinafter collectively referred to as the “Trusts”). These lands (“State Trust Lands”) may be disposed of for the generation of revenue for the purposes for which they have been granted, consistent with general laws providing for such disposition and when the full-market value for the disposition has been paid or safely secured to the State of Montana; and,

WHEREAS, the Montana legislature, mindful of its constitutional obligations under Article X, Sections 2 and 11 of the Montana Constitution, directed that the State Trust Lands be held in trust for the benefit of the Trusts by the Montana Board of Land Commissioners (hereinafter the “Land Board”) for management under Mont. Code Ann. Section 77-1-202 (2011), as amended, to secure the largest measure of legitimate and reasonable advantage to the

State, for the long-term financial support of education and for the attainment of other worthy objects helpful to the well-being of the people; and,

WHEREAS, to the extent consistent with the powers and duties of the Land Board described in Mont. Code Ann. Section 77-1-202 (2011), the people are entitled to the general recreational access and use of state lands as provided by Mont. Code Ann. Section 77-1-101(5) (2011), to the extent that the Trusts are compensated for the value of the recreational use, as required by Mont. Code Ann. Section 77-1-202(2) (2011); and,

WHEREAS, the unencumbered State Trust Lands and each of its associated rights—including the right to develop, the right of public access, and the right for public recreational use—represent collectively a valuable trust asset, no part of which may be disposed of except in pursuance of general laws providing for such disposition, and until the full market value of the estates or interests disposed of have been paid or safely secured to the state as required by Article X, Section 11 of the Montana Constitution; and,

WHEREAS, State Trust Lands are managed under a “multiple-use management” concept defined in Mont. Code Ann. Section 77-1-203 (2011), as the “harmonious and coordinated management” of all the various resources of the state lands; and,

WHEREAS, the coordinated management of the Easement Area is within the area administered by the “Whitefish Area Trust Lands Neighborhood Plan” (hereinafter “the Neighborhood Plan”) approved by the Land Board in 2004, and subsequently adopted by Flathead County, Montana and the City of Whitefish in 2005 and managed in accordance with State law. The goals of the Neighborhood Plan emphasize transactions that conserve Montana’s plant, fish and wildlife habitat, protect clean water, minimize wildlife risk, enhance rural character, provide quality public recreational access, and generate long-term and full market economic return for Montana’s trust beneficiaries; and,

WHEREAS, in order to carry out the goals of the Neighborhood Plan, the City of Whitefish and Whitefish Legacy Partners have developed partnerships with private landowners and state and federal agencies; have developed plans to guide the development and execution of the conservation, recreation and revenue-generation concepts in the Neighborhood Plan such as the 2006 “A Trail Runs Through It” Master Plan (TRTI); have facilitated conservation/recreation based land transactions, and have constructed a public recreation system called the “Whitefish Trail” based on the TRTI; and,

WHEREAS, the Easement Area contains popular recreation areas, important to the people of the State of Montana and residents of the City of Whitefish and Flathead County; and ensuring continued public access and traditional recreational use by the general public, consistent with the goals of the Easement, is in the public interest; and,

WHEREAS, the predominantly forested land in the Beaver-Skyles area constitutes an important wildlife corridor and contains an outstanding mixture of low elevation forests, important water features, sensitive natural communities, diverse wildlife and plant habitat, and high scenic and recreation value; and,

WHEREAS, the Easement Area has a long history of forest management use compatible with public access, conservation, and recreation values which Grantor and Grantee agree is a use compatible with the terms of this Easement that is in the public interest and should continue in a manner consistent with the Grantor's fiduciary responsibilities on behalf of the Trusts; and,

WHEREAS, continued management of the Easement Area as a “working forest” provides a renewable, long term source of forest products; provides for long term management of the forest in accordance with best management practices to prevent erosion, sedimentation and other degradation of soil and water resources; maintains a natural resource base for a forest products economy; and supports further investment in local businesses and community services that depend directly upon, or provide ancillary services to the forest products industry, all of which are worthy objects helpful to the well-being of the Trusts and the people; and,

WHEREAS, this grant is made pursuant to the Land Board’s general authority under Mont. Code Ann. Section 77-1-202 (2011), and more specifically under its easement authority in Mont. Code Ann. Section 77-2-101 (2011); and,

WHEREAS, the Grantee seeks to carry out the purposes, terms, and exhibits of the Easement in their entirety, in order that the Easement Area remains subject to Grantor’s management of the trusts for their primary purpose as classified timber land, open and available to the public for general recreation use; and,

WHEREAS, the Grantee is authorized to acquire land and interests in land under City of Whitefish Resolution Number 12-____, adopted by the Whitefish City Council on November 5, 2012, consistent with the 2004 Whitefish Area Trust Lands Neighborhood Plan, and the 2006 “A Trail Runs Through It” Master Plan; and,

WHEREAS, this Easement has been purchased by the Grantee for full market value with funds from Whitefish Legacy Partners, Inc., a tax exempt Montana non-profit corporation; and,

WHEREAS, Grantor and Grantee agree that they are unable to foresee all potential future land uses, technologies, occurrences or opportunities affecting the Purposes of the Easement, and Grantor and Grantee will undertake all necessary acts to carry out the Purposes of the Easement.

II. AGREEMENT

In consideration of the sums paid by the Grantee for this Easement, and in further consideration of the mutual covenants and terms contained in this Easement, and pursuant to the laws of the State of Montana, Grantor grants and conveys to the Grantee, and the Grantee accepts, a public park and recreation easement (the “Easement”) in perpetuity consisting of the following rights and restrictions over and across the Easement Area described in Exhibit A and depicted in Exhibit B. This Easement shall run with the land, and shall bind future purchasers, successors, assigns and transferees of all or part of the Easement Area.

A. PURPOSES

1. Grantor and Grantee agree that the purpose of this Easement is to allow for the Grantor's continued management of the Easement Area for commercial timber or in any other way subsequently determined to be consistent with its legal obligations to the beneficiaries of the Trusts and the terms of the Easement, while simultaneously protecting the public access, public recreation, forestland, and trust values (hereinafter "Values") of the State Trust Lands described in this Easement.
2. The City of Whitefish has purchased this Easement to perpetually protect the Values of the State Trust Lands described in this Easement with the Grantor retaining fee title to and overall management of the Land, subject to the terms and conditions of this Easement.
3. To assure the access to and availability of the Easement Area for general recreational use by the public, including noncommercial, hunting, fishing, and other recreation activities determined by the Land Board to be compatible with the use of the State Trust Lands; and to protect in a manner consistent with the Grantor's fiduciary responsibility to the Trusts and consistent with the terms of this Easement, the Easement Area's Values for the benefit of the Trusts and the public.
4. To ensure the long term, professional management of the forest resources through forestry activities permitted hereunder; and to provide for commercial production of forest products in a manner compatible with the Values of the Easement Area.
5. To provide for any other form of management for the benefit of the Trusts allowed under the Grantor's retained rights and consistent with the terms of this Easement.

B. GRANTOR'S RIGHTS AND DUTIES

Grantor reserves to itself, its heirs, successors, and assigns, in addition to the specific reservations made elsewhere in this Easement, all rights not granted or restricted in this Easement and all rights accruing from ownership of the Easement Area, including the right to engage in or permit others to engage in all uses of the Easement Area that are not expressly prohibited or restricted by this Easement and are agreed to be consistent with the purposes of this Easement, as set forth in Section IIA. The following enumerated rights are expressly reserved and, though not an exhaustive recital of consistent uses and practices, are deemed consistent with this Easement. As specified in the paragraphs below, Grantor's exercise of certain of these rights is conditioned upon prior notice to the Grantee under the procedures provided for in Paragraph II.F of this Easement (hereinafter referred to as "Prior Notice"). Furthermore, Grantor's exercise of many of these rights is conditioned upon Grantor's adherence to the Statewide Forest Management Standards (hereinafter "Exhibit D").

1. Forest Management. Grantor reserves the right to conduct forest management and improvement activities, including commercial timber harvest, on all portions of the Easement Area, subject to the following provisions. All timber sales within the Easement Area will include as an objective the maintenance of existing recreational uses and

provision for any proposed future recreational use that has been identified in an adopted Recreation Plan, (hereinafter “Exhibit E”).

- a. Grantor reserves the right to conduct forest management in the Easement Area but outside of the designated Recreation System identified in Exhibit C, such activities to be conducted pursuant to the requirements of Exhibit D, and in accordance with the terms of the Easement. Grantor will provide Grantee with Prior Notice of forest management activities in advance of and in addition to the statutorily-required notice provisions of the Montana Environmental Policy Act (hereinafter “MEPA”).
- b. Grantor may enter into a contract with, or issue a license to, a third party for that party to conduct commercial timber harvest or other timber management activities on the Easement Area. Any such third-party management activities must not materially interfere with the rights granted to Grantee or retained by Grantor in this Easement and must be consistent with all provisions of this Easement, and Grantor must retain and accept full responsibility for compliance with these provisions. Timber harvest rights conveyed to a third party pursuant to this paragraph must be for a specified term of harvest activity.
- c. **Transfer of Ownership.** In the event that all or part of the underlying fee ownership interest is transferred by Grantor as provided in Paragraph II.B.11, or in the event that Grantor transfers its timber rights, Grantor shall require the transferee to prepare or adopt a forest management plan consistent with this Easement, which incorporates the Statewide Forest Management Standards in Exhibit D which provide for a healthy and biologically diverse forest, prevention of soil erosion and preservation of soil productivity, preservation of water quality, wetlands and riparian zones, preservation of scenic character, and enhancement of wildlife habitat and recreational resources.

2. General public access.

- a. Grantor holds, for the benefit of the public, the right of and duty to the public to access the Easement Area for general recreation use pursuant to Mont. Code Ann. Sections 77-1-203 (2011); and 77-1-801 through 77-1-815 (2011); and Admin. R. Mont. 36.25.143 through 36.25.162, as amended, and subject to the terms of this Easement. Grantor agrees to take no action, other than that authorized by this Easement, statute, or rule, to limit, prohibit or discourage access to the Easement Area.
- b. In the event that all or part of the Easement Area is transferred as provided in Paragraph II.B.11, Grantor shall ensure that proper notice is provided to Grantee for Grantee to exercise the Grantee’s Executory Right of Public Access, as provided in Paragraph II.C.3.

3. Roads. The right to construct, reconstruct, use, maintain, improve, and repair roads as needed to facilitate Grantor’s management of the State Trust Lands and consistent with the terms of this Easement subject to the following:

- a. The right to reconstruct, use, maintain, improve, and repair roads in existence as of the date of the Easement is reserved by Grantor, as depicted on Exhibit C, for the management purposes allowed by this Easement. This right includes the right to decommission, and/or reclaim roads that will no longer be used for resource management purposes.
 - b. The right to construct additional roads, not in existence as of the date of this Easement, is reserved by the Grantor; provided that the Grantor gives Prior Notice to Grantee which Notice includes road location and construction plans, in advance of, and in addition to statutorily required notice provisions of MEPA; and further provided that roads are available for public non-motorized use, subject to applicable law and subject to necessary closures and management constraints identified in Paragraphs II.B.7 and II.C.4, and otherwise in compliance with this Easement. If a new road extinguishes a designated trail or a component of the then existing Recreation System, as defined herein, Grantor agrees to relocate or restore the trail to provide substantially the same type and level of access. A new road may cross a designated Trail Corridor or component of the Recreation System without triggering the requirement to relocate or restore the Trail Corridor or component of the Recreation System, so long as the number of road crossings does not exceed three crossings per mile of the Recreation System.
 - c. The right to change the road classification, gate location, or type of road surface, from that existing at the time the Easement, subject to Prior Notice to Grantee, and in compliance with the Easement.
 - d. In addition, Grantor may not block or otherwise discourage access to the Easement Area, except as specifically provided by this Easement, by vehicles from and over abutting Public Roads for access to the trailheads and other established recreational access points, such as the fishing access sites.
4. Structures.
- a. The right to maintain, renovate, repair, remove, improve, or replace existing residential and nonresidential structures, including but not limited to bridges, ditches, gates, fences, cattle guards, and culverts necessary for the land management activities allowed by this Easement.
 - b. The right to place and construct new nonresidential structures necessary for the land management purposes allowed by this Easement, provided that:
 - (i) The Grantor may not construct or place a permanent timber processing mill on the Easement Area; and
 - (ii) The temporary placement of equipment and machinery for log chipping, tree limbing or scaling, or otherwise preparing logs for loading or shipment from

the Easement Area is not deemed to be a "timber processing mill" and thus is permitted.

- c. Grantor may construct or place on the Easement Area for temporary use a residential building or structure for resource-management purposes only, including but not limited to forest management; sand, gravel, mineral extraction; and road work.
 - d. Any building or structure must be removed from the property upon conclusion of the use for which the building or structure was erected or placed on the Easement Area. Upon removal, the impacted site will be restored and reclaimed.
5. Utility Lines, Communication Towers, Power Transmission Lines and Pipelines. Grantor reserves the right to construct or permit utility lines, communication towers, power transmission lines and pipelines (collectively referred to as a "utility facility") to be constructed on or across the Easement Area, in a manner that is consistent with the provisions of the Easement.
 6. Chemical and Biological Agents. Grantor reserves the right to utilize agrichemicals, fertilizers, and biological agents for silvicultural purposes and for control of noxious weeds, for control of other nonnative plants not listed as noxious weeds, and for control of animals in a manner that is consistent with the provisions of the Easement.
 7. Management of Public Use. Grantor reserves the right to regulate public use of the Easement Area to address reasonable concerns over the safety of Grantor, contractors, and the public for the use of the Easement Area, and as necessary to effect management of the Trust resource. Regulation shall be consistent with the provisions of this Easement. Grantor and Grantee will avoid closures of the Recreation System that unreasonably interfere with the public's right to access and use developed recreation improvements. Grantor will provide Grantee with Prior Notice of proposed regulations, closures or other management activities that would impact public use of the Easement Area.
 8. Grants of Access.
 - a. Grantor shall control and be responsible for road access, management, and use regulation subject to the terms of this Easement; however, nothing in this Easement may interfere with a third party exercising any right of legal access across the Easement Area that was in effect at the time of the grant of this Easement, including access rights granted by operation of law under Mont. Code Ann. Section 77-1-209 (2011) and Admin. R. Mont. 36.25.1002. Grantor shall provide documentation of roads, and the rights of usage existing at the time of the grant of this Easement in the Easement Baseline Report provided for in Section E.
 - b. Grantor reserves the right to cross the Easement Area to access for all lawful purposes any adjoining or nearby lands owned by Grantor, whether such land is owned by

- Grantor at the time of the grant of this Easement or acquired by Grantor at a later time.
- c. Grantor reserves the right to extend access rights to permittees, lessees, licensees, contractors, etc. for use of lands owned by Grantor at the time of the grant of this Easement or acquired by the Grantor at a later time, subject to the following provisions:
 - (i) On roads existing at the time of the grant of this Easement, as depicted on Exhibit C, the Grantor may, in its sole discretion, grant to third parties permanent or temporary access rights to cross the Easement Area, subject to Prior Notice to Grantee. Such right of use shall be consistent with this Easement, except such access rights guaranteed to Grantor's cabinsite lessees by Admin. R. Mont. 36.25.1002 shall be recognized notwithstanding the terms of this Easement. Grantor shall promptly provide the Grantee with a copy of any access easement, authorization, or agreement granted to a third party in the Easement Area.
 - (ii) Grantor may grant to third parties permanent or temporary access rights on new roads, not in existence at the time this Easement is granted, subject to Prior Notice to Grantee, and provided that the grant of access and the location and construction plans for any new road do not interfere with or alter the rights granted to Grantee herein.
 - (iii) On trails and other improvements within the Recreation System, and subject to Prior Approval of Grantee, which approval shall not be unreasonably conditioned, withheld or delayed, the Grantor may grant a temporary right of use on the Recreation System, provided that such use is consistent with the terms and conditions of this Easement and Grantor compensates Grantee for the increased maintenance, repair, or wear and tear caused to the Recreation System as a result of Grantor's issuance of a temporary right of use.
 - d. Grantor shall provide Prior Notice for any legal modification in the scope, type, level or duration of use for an existing access right on a road at the date of this Easement. Unless otherwise prohibited, any legal modification shall be consistent with the terms of the Easement. For any access right not in existence at the time of this Easement on an existing road, the scope, type, level and purpose of use shall be consistent with the terms of the Easement and subject to Prior Notice.
 - e. Future grants of access shall not prohibit public access to the Easement Area or inhibit recreational use by the general public.
9. Oil, Gas and Mineral Exploration, Extraction and Development. Grantor reserves the right to all oil, gas and mineral exploration, extraction and development on the land, but must give Prior Notice pursuant to Paragraph II.F to Grantee in the event that Grantor wishes to pursue, or enters into any lease or other agreement for oil, gas and mineral

exploration, extraction and/or development on the Easement Area. Grantor shall relocate and restore Recreation System improvements impacted by the exploration or development activities, and require reclamation of site impacts. Grantor reserves the right to occupy so much of the surface of the Easement Area as is reasonably necessary for removal of the oil, gas, or minerals.

10. Gravel, Decorative Rock Extraction and Use. Grantor may extract gravel, rock, decorative rock, and road fill material found within the Easement Area for the construction and maintenance of roads or for sale. A total of two separate gravel pits may be open at any one time, and the exposed surface area of both gravel pits together at any time may not exceed an aggregate of five acres. Grantor shall relocate and restore Recreation System improvements impacted by the extraction activities, and gravel and borrow pits shall be re-graded and stabilized within a reasonable time after cessation of use.
11. Subdivision and Real Property Conveyance. For the purposes of regulating subdivision and real property conveyance, the Easement Area is considered a whole and undivided parcel of land at the time of the grant of this Easement except as otherwise provided in this Section and notwithstanding any section designations, aliquot parts, government lots or other legal or technical divisions or subdivisions that may exist at the time of the grant of this Easement. The following provisions apply to any division and conveyance of the Easement Area, or any portion thereof:
 - a. Grantor may sell, convey, exchange, quit-claim, devise, gift or otherwise transfer title to the Easement Area in its entirety or in any or all of ten separate lots, divided along the boundaries of the trust designations described in the Recitals and depicted in Exhibit B of this Easement.
 - b. Notwithstanding any other provision of this Paragraph, transfer of the Easement Area to a federal or state agency for ownership and management as public land is permitted, subject to the terms and conditions of this Easement and does not constitute a division or transfer under the limits provided in this Paragraph.
 - c. Grantor shall provide Prior Notice to Grantee of any real property transfer, and such transfer must be effected with an express provision in the instrument of conveyance stating that the Easement Area, or any part thereof, is subject to the terms and conditions of this Easement.
 - d. Grantor shall provide a copy of this Easement and any related documents to the purchaser or other successors in interest to the Grantor. The terms of this easement shall be considered a deed restriction on the transfer of the underlying fee-simple title.
 - e. All rights to develop or use the Easement Area that are prohibited by or inconsistent with this Easement are extinguished and cannot be used to transfer development rights to other land, or to permit increased development on other land, or to achieve other regulatory mitigation credits or other similar accommodation on land not

subject to this Easement. For purposes of this Easement, development rights include, without limitation, any and all rights, however designated, now or hereafter associated with the State Trust Lands or any other property that may be used to compute development density, lot yield, or any other development variable of or pertaining to the State Trust Lands or any other property.

12. Water Use. Maintenance, repair, and reconstruction of existing water facilities and the development of new water resources and facilities, including the diversion, withdrawal and use of water, consistent with valid water rights, for forestry operations and other uses consistent with the exercise of Grantor's rights provided herein; provided that any maintenance, repair, reconstruction, construction or development activities comply with state law and regulation and do not cause impairment of riparian areas, water quality or fish habitat.
13. Recreation Plan. Grantor reserves the right to review and provide input to Grantee in the development of any Recreation Plan (a "Plan"), including any amendments, as prepared and submitted by the Grantee as provided in Paragraph II.C. The Plan will be approved automatically unless: Grantor notifies Grantee within forty-five (45) days of receipt of a Plan that the Plan fails to comply with this Easement or other applicable law; or the Plan or some portion thereof requires MEPA or other public review and comment process. If the Plan fails to comply with this Easement, Grantor will provide Grantee an opportunity to remedy the non-compliance. Grantor's notification of non-compliance shall list and describe in reasonable detail all alleged non-compliance issues with respect to the Plan. Grantee shall be allotted a reasonable time in which to cure any non-compliance.
14. Inspect and Monitor. Grantor reserves the right to inspect all Grantee activities and facilities to ensure compliance with the Easement.
15. Damage Prevention. Grantor reserves the right to prevent any activity on or use of the Easement Area that is inconsistent with this Easement; and to require the restoration of any areas or features of the Easement Area that may be damaged by inconsistent activity or use by the Grantee in this Easement.

C. THE GRANTEE'S RIGHTS AND DUTIES

Grantor conveys the following rights to the Grantee, its successors and assigns:

1. Inspect and Monitor. Grantee reserves the right to inspect all Grantor activities and facilities to ensure compliance with the Easement.
2. Right to Restrict Development. Grantee has the right to enforce residential and commercial development restrictions within or on the Easement Area, which rights have been terminated under Paragraph II.B.11. Grantee does not have the right to develop or authorize development within or on the Easement Area for residential or commercial use.

3. Executory right of public access. Grantor grants and conveys to Grantee an Executory Right of Public Access. In the event all or any part of Grantor's underlying fee ownership interest in the Easement Area is disposed of as provided in Paragraph II.B.11, Grantor shall ensure that proper notice of such disposition is provided to Grantee prior to the final disposition. Upon the final disposition of the underlying fee ownership interest in a part or the entirety of the Easement Area as described above, Grantee shall record a Notice of Executory Interest (hereinafter "Notice") with the Office of Clerk and Recorder of Flathead County. Upon recordation of the Notice, the Grantee, its successors, or assigns, hold the rights, title and interest to the public's right to access within the Easement Area. Grantee may assign its Executory Right to a public entity subject to Prior Approval of the Grantor, which approval shall not be unreasonably conditioned, withheld, or delayed.
4. Right of Public Access to Recreation System. Grantee shall maintain the right of public access in the Recreation System. Grantee may regulate public use of the Recreation System to address reasonable concerns over the safety of Grantee, contractors, and the public for the use of the Easement Area, and as necessary to effect management of the Recreation System. Regulation shall be consistent with the provisions of the Easement. Grantor and Grantee will develop standards to avoid closures of the Recreation System that unreasonably interfere with the public's right to access and use developed recreation improvements.
5. Recreation System Planning, Development and Management.
 - a. Grantee shall develop a Recreation Plan (attached hereto as Exhibit E), which provides the purpose, objectives, development, and management strategies for the Recreation System and Easement Area. The Plan shall address decision making responsibilities, funding, recreation system development, vegetation management, education, visitor management, and maintenance.
 - b. The right to plan, construct, reconstruct, design, establish, maintain, and authorize permissible uses of the Recreation System in the Easement Area. This right includes the development of trails, trailheads and trailhead improvements; the installation of trail improvements such as steps, railing, bridges, culverts, benches, and small unlighted trail signs, day use areas, water access sites, picnic shelters and primitive camp sites for the use and benefit of the general public, subject to the terms of this Easement.
 - c. Grantee is responsible for the management and use of the trail and lands by the public within the Recreation System. Recreation System construction, reconstruction, and maintenance not described in the Recreation Plan requires Prior Approval by the Grantor, which approval shall not be unreasonably conditioned, withheld or delayed.
6. Recreation Use Authorization and Management Rights. Grantor grants to Grantee the following public use management rights, which may be assigned, delegated, or contracted to another entity upon Prior Notice to Grantor.

- a. Grantee may authorize non-commercial uses within the Recreation System in a manner consistent with this Easement and in accordance with the Recreation Plan, as amended and incorporated by reference in Exhibit E, including the authorization for the Beaver Lake Fishing Access Site which provides a public fishing access facility, including a boat launch and a parking area.
 - b. Grantee may authorize non-commercial uses outside of the Recreation System, with Prior Notice to Grantor, and Prior Approval of Grantor if the authorized use is expected to involve 150 or more individuals.
 - c. Right to signage. Small unlighted signs may be placed on the Easement Area by Grantee for the purposes of identifying and educating the public about the recreational improvements, directing public use and conduct to and through the Recreation System, educating the public about the Values of the Easement Area, including those associated with Easement Area and State Trust Lands generally, and otherwise achieving the goals of this Easement.
 - d. Right to manage vegetation solely in conjunction with Recreation System planning, development, construction and maintenance activities.
 - e. Right to host non-commercial public events such as equipment demonstrations, outreach activities, fundraising activities, educational activities, hikes, and bike events.
7. Right to future recreational improvements. Grantee may apply to Grantor for the placement of additional improvements such as a limited number of trailheads and trail corridors, parking areas, campsites and picnic areas for public use; subject to the Grantor's Prior Approval as to size, specific location, and design; and subject to the Grantee's payment of additional compensation for the placement of such improvements, approval for which shall not be unreasonably withheld.
 8. Road Maintenance. Grantor and Grantee shall enter into a binding Memorandum of Understanding (hereinafter "MOU") regarding maintenance of roads used to provide vehicular access to the Easement Area and Recreation System trailheads. The MOU will outline the maintenance activities, roads to be maintained, and cost sharing for Road Maintenance between Grantor and Grantee, among other mutually agreeable road maintenance issues.
 9. Forest Management.

- a. Subject to the rights reserved to the Grantor in Paragraph II.B.1, Grantee may request a modification to a timber sale plan involving lands within the Easement Area but outside of the Recreation System. Grantor will be compensated by Grantee for the loss of revenue, if any, attributable to the Grantee's request only if Grantor's timber sale activities are otherwise in compliance with this Easement and Grantee requests additional modification. Grantee shall owe no compensation for requests to modify any timber sale if such sale is not in compliance with this Easement or if requests are received and followed as a result of comments received during MEPA review or any Equivalent Process.
 - b. Grantee has purchased the timber rights within the designated Recreation System as defined in and identified by Exhibit C, and all future components of the Recreation System identified and agreed to by the parties in Exhibit E. Grantee is solely responsible for the management of the timber within the corridor. Grantee may request that Grantor or other third party harvest timber within the Recreation System, provided that the forest management activities will take place in accordance with the provisions of Exhibit D, and in accordance with state law. Grantee may enter into a contract with a third party for that party to conduct commercial timber harvest or other timber management activities within the Recreation System. Grantee must obtain a Land Use License to cross State land for timber management activities within the Recreation System. Any such third-party management activities must not materially interfere with the rights granted to Grantee or retained by Grantor in this Easement. Grantee will provide Grantor with Prior Notice of forest management activities within the Recreation System.
10. Damage Prevention. The right to prevent any activity on or use of the Easement Area that is inconsistent with this Easement; and to require the restoration of any areas or features of the Easement Area that may be damaged by inconsistent activity or use by the Grantor of this Easement.

D. RESTRICTIONS ON GRANTOR'S ACTIVITIES

Without limiting this general prohibition, the following activities and uses are expressly prohibited or restricted.

1. Forest Management. Grantor does not retain the right to conduct forest management activities within the Recreation System unless specifically requested by Grantee as provided for in Paragraph II.C.9.
2. Subdivision. The partition, division, subdivision or de facto subdivision of the land for any use is prohibited, except as specifically provided for in Paragraph II.B.11.
3. Land Use. Except as specifically provided in Paragraph II.B.11, no residential, industrial, or commercial development or building development activities are permitted on the Easement Area.

4. Roads. The right to construct, reconstruct, use, maintain, improve, and repair roads may not discourage access to and use of the Easement Area, including the Recreation System constructed by Grantee, by the general public for traditional non-motorized recreational uses except to the extent necessary to facilitate Grantor's management of the Easement Area for the benefit of the Trusts. Grantor's exercise of its right is further conditioned in that:
 - a. Grantor will provide Prior Notice to Grantee before decommissioning any roadway.
 - b. Grantor shall not decommission any roadway that provides motorized access to a designated trailhead within the Recreation System without Grantee's Prior Approval.
5. Buildings and Structures. The construction or placement on the Easement Area of any building or structure is prohibited, except as specifically provided for in Paragraph II.B.4 of this Easement.
6. Shooting Preserve and Related Activities. The use of the Easement Area as a game farm, game bird farm, shooting preserve, fur farm, zoo, or menagerie, or in connection with the ownership, leasing, keeping, holding, capture, propagation, release, introduction, or trade in any domestic or wild animal is prohibited.
7. Waste Disposal. The processing, dumping, storage or other disposal of waste, refuse, and debris on the Easement Area is prohibited, except for nonhazardous and nontoxic materials generated by activities permitted on the Easement Area. Wood waste products generated through forest management activities on the Easement Area may be disposed of on the Easement Area in a manner consistent with Exhibit D.
8. Hazardous Materials. Any petroleum products, explosives, hazardous substances, toxic substances, and any other substance which may pose a present or potential hazard to human health or the environment shall not be released or dumped on the Easement Area at any time, and shall not be stored or used, except as lawfully stored and used in necessary quantities for silvicultural purposes or for the oil, gas, and mineral exploration and development rights retained by the Grantor in this Easement. The installation of any underground storage tank is prohibited.
9. Restriction of Public Access Rights. Grantor will refrain from taking action to prohibit or unreasonably limit public outdoor recreational use of the Easement Area except to the extent necessary to conduct Grantor's activities for the benefit of the Trusts and as explicitly provided in II.B.7 of this Easement. Users of the Recreation System shall not be required to purchase a recreational use permit so long as their use is restricted to the Recreation System. Recreational use of the Easement Area outside of the Recreation System requires all permits required by state law.

E. EASEMENT BASELINE REPORT

Grantor and Grantee agree to develop an Easement Baseline Report (hereinafter "Report") within ninety (90) days of the Effective Date of this Easement. The Report will include an accurate representation of the condition of the Easement Area as of the date of the conveyance of this Easement, and a description of all current roads, planned roads, skid trails, recreation trails and planned recreation trails and related improvements.

F. PRIOR NOTICE AND PRIOR APPROVAL

Whenever Grantor or Grantee is required to provide notice under the terms of this Easement, the notifying party ("Notifying Party") must notify the other party ("Notified Party") before undertaking certain activities that are not subject to approval by the Notified Party. This requirement, termed "Prior Notice," informs the Notified Party of the location and type of potential impacts on the Easement Area from a planned or proposed action of the Notifying Party. Whenever Prior Notice only is required under this Easement, the Notifying Party shall notify the Notified Party in writing not less than thirty (30) days prior to the longer of: (i) the date the party intends to undertake the activity giving rise to the notice requirement; or (ii) initial public notice if the activity is subject to MEPA or Equivalent Process analysis

Whenever required under the terms of this Easement, a party hereto ("Requesting Party") must obtain approval from the other party ("Approving Party") before undertaking certain specified activities. This requirement is termed "Prior Approval." Whenever Prior Approval is required, the Requesting Party shall request approval for the proposed activity, not less than sixty (60) days before the proposed date that the activity is to be initiated. The request must describe the nature, scope, design, location, timetable and any other material aspect of the proposed activity in sufficient detail to permit the Approving Party to make an informed judgment as to the consistency of the proposed activity with this Easement. The Approving Party has sixty (60) days from its receipt of the request to notify the Requesting Party of its approval or denial of the activity unless MEPA or Equivalent Process analysis is required before the Approving Party may render a decision, in which case the time for approval shall be extended only to the minimum extent necessary to complete the MEPA review or Equivalent Process. In any such instance, the Approving Party's approval shall not be unreasonably denied.

If the Approving Party does not send its response to the Requesting Party's request within sixty (60) days of receipt or does not inform the Requesting Party that the Prior Approval process must be extended, then the proposed activity shall be deemed approved, and the Approving Party shall have no further right to object to or modify the activity identified by such request, unless or except when the requested activity violates the terms of this Easement, or unless the requested activity or the deemed approval violates Montana Law.

The Notifying Party shall be under no liability or obligation for any failure to give Prior Notice for any activity undertaken by the Notifying Party necessitated by virtue of fire, flood, or other unforeseeable event, or any other emergency; however, after such an event, if there is damage to the Easement Area, the Notifying Party shall notify the Notified Party of the damage as soon as is practicable.

Any notice, response, demand, request, consent, approval, denial, or communication that either party desires or is required to give to the other shall be in writing and either served personally or sent by registered or certified mail, return receipt requested, or delivered by overnight courier or personal delivery service with documentation of receipt and the date of delivery. A notice is considered given on the date of its receipt; a response is considered given on the date of its posting by the respondent. Communications should be addressed as follows:

To Grantor: The Department of Natural Resources and Conservation
Northwestern Land Office
655 Timberwolf Parkway, Suite 1
Kalispell, MT 59901

With a Copy To: The Department of Natural Resources and Conservation
The Department Director
P.O. Box 201601
Helena, MT 59620

To Grantee: City of Whitefish
Attention: City Manager
418 E. Second St.
Whitefish, MT 59937

With a Copy To: Whitefish Legacy Partners, Inc.
P.O. Box 1895
Whitefish, MT 59937

Or to such address as either party from time to time shall designate by written notice to the other.

G. REMEDIES FOR UNAUTHORIZED USES AND PRACTICES

If the Grantee determines that the Grantor has violated the terms of this Easement or that a violation is threatened, the Grantee shall give written notice to the Grantor of the violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Easement Area resulting from any use or activity inconsistent with the terms of this Easement, to restore the portion of the Easement Area so damaged.

If the Grantor determines that the Grantee has violated the terms of this Easement or that a violation is threatened, the Grantor shall give written notice to the Grantee of the violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Easement Area resulting from any use or activity inconsistent with the terms of this Easement, to restore the portion of the Easement Area so damaged.

If a violating party fails to cure the violation within thirty (30) days after receipt of notice from the other party of a violation—or under circumstances where the violation cannot be cured within this 30-day period such longer period as the parties agree is necessary or reasonable if the parties cannot agree to a cure period—the non-violating party may pursue any remedy at law or in equity. Alternatively, the non-violating party may, in its sole and absolute discretion, seek specific performance, injunctive relief, and/or cure such violation if the violating party refuses or fails to cure within the applicable time period, or emergency circumstances or prevention of a threatened breach requires more immediate enforcement action. The violating party shall pay all reasonable costs and expenses of any kind incurred by the non-violating party in curing the violation. Nothing prevents either party from seeking injunctive relief, as allowed under Montana law.

Nothing contained in this Easement may be construed to entitle either party to bring any action against the other party for any injury to or change in the Easement Area resulting from causes beyond the party's control, including, without limitation, fire, flood, storm, and natural earth movement, or from any prudent action taken to prevent, abate, or mitigate significant injury to the Easement Area resulting from such causes.

H. EXTINGUISHMENT, CONDEMNATION AND REIMBURSEMENT

This Easement constitutes a real property interest immediately vested in the Grantee. It is the unequivocal intention of the parties that the recreation purposes of this Easement be carried out in perpetuity, and this intention is reflected in the Grantee's payment to secure public recreational access in perpetuity. If circumstances arise in the future that render the purposes of this Easement impossible to accomplish, this Easement may be terminated, whether in whole or in part, by executing a recordable document evidencing the termination of this Easement or by instituting judicial proceedings in a court of competent jurisdiction. The parties agree that changed economic conditions of either party may not be considered as circumstances justifying the modification or termination of this Easement.

If this Easement is terminated by judicial proceedings, or should any of Grantee's interest in this Easement be extinguished by the exercise of the power of eminent domain, or acquired by purchase in lieu of condemnation with the Prior Notice, the Grantee is entitled to the value of the rights acquired as determined by judicial proceedings. Grantee is further entitled to the value of any improvements to the land constructed as part of the Recreation System to the extent that such improvements are made by or at the expense of Grantee.

I. ASSIGNMENT

This Easement is transferable and may be assigned by the Grantee to a public entity authorized to acquire and hold such Easement under the laws of the state of Montana, subject to the written approval of the DNRC Director. As a condition of such transfer, the Grantee shall require that the public recreation values and conservation purposes that this Easement is intended to advance shall continue to be carried out in perpetuity.

J. AMENDMENT

If circumstances arise under which an amendment to or modification or restatement of this Easement is appropriate, the Grantor and the Grantee are free to jointly amend and/or restate this Easement; provided that no amendment or restatement may be allowed that will render this Easement or any portion thereof void, and any amendment must be consistent with the purposes of this Easement and agreed to by both parties.

K. RECORDATION

Grantee shall record this instrument or an abstract of it in a timely fashion in the official records of the Flathead County, Montana Clerk and Recorder's Office, and may re-record it at any time as required to preserve its rights in this Easement.

L. DEFINITIONS

The following terms shall have the definitions ascribed to them below:

1. “Commercial Use” means any activity in which an individual, corporation, group, or other entity charges a fee or obtains other consideration. Such uses include but are not limited to outfitting, guiding, and equipment sales. Such uses also include any industrial enterprise, retail sales outlet, business and professional office building, warehouse, motel, hotel, hospitality enterprise, commercial use, multifamily residential development, or other similar business. Commercial uses do not include fundraisers, equipment demonstrations, and organized events that do not generate profit for an individual, corporation, or other for-profit entity.
2. “Decommission” means to remove a road from service to prevent motorized use. Decommissioning of a road may be accomplished by gating or otherwise blocking access to the road.
3. “Easement Area” means the land encumbered by this Easement, as identified in Exhibits A and B, including the Trail Corridor and Recreation System.
4. “Ecological Values” means the importance Montanans place on natural and scenic open space, water, native plants, fish, wildlife, cultural resources, and public lands of the State held in trust for the people. These values are ensured by Montanans’ fundamental Article II, Section 3, Constitutional right to a clean and healthful environment and the interrelated mandate provided in Article IX, Section 1, of the Montana Constitution, that the State and each person shall maintain and improve a clean and healthful environment in Montana for present and future generations; and are further recognized by the codification in statute of rights of access, use, and enjoyment of “Montana’s quiet beauty.”
5. “Effective Date” means the date on which the Easement has been signed by both parties and approved by the Land Board.

6. “Equivalent Process” shall mean the federal process required for action on the Easement Area if the Easement Area is owned by any federal agency or the United States of America, or a process equivalent in all respects to MEPA, including but not limited to public comment periods, if the Easement Area is owned by any person or entity other than the State of Montana or the United States of America.
7. “Noncommercial Uses” mean uses which do not generate fees or other consideration for an individual, corporation, group, or other entity. Noncommercial uses include fundraisers, equipment demonstrations, and organized events such as classes, races, and group activities.
8. “Parcel” means any piece of land not larger than one section.
9. “Public Entity” means any governmental agency or entity, whether federal, state or a subdivision of the state.
10. “Purposes” means the Purposes outlined in Section II.A herein.
11. “Reclamation” means the return of lands disturbed by a road bed, timber management activities, or mineral management activities to a state comparable to that of the pre-disturbance landscape or to a state that allows for recreational use without danger to the public.
12. “Recreation System” shall mean all trails, including the Trail Corridor, trailheads and trailhead improvements, trail improvements such as kiosks, steps, railing, bridges, culverts, benches, and small unlighted trail signs, vault toilets, day use areas, water and fishing access sites, boat ramps, and future improvement, subject to the terms of the Easement, within the Easement Area for the use and benefit of the general public.
13. “State Trust Lands” mean lands owned by the State and managed by the Board of Land Commissioners to generate revenue for designated beneficiaries pursuant to Article X, Section 11 of the Montana Constitution and Mont. Code Ann. Section 77-1-202 (2011).
14. “Statewide Forest Management Plan” means the Administrative Rules of Montana (ARM) for State Forest Land Management (ARM 36.11.401 through ARM 36.11.471), the Montana Code Annotated (MCA) and ARMs for Streamside Management Zones (Sections 77-5-301 through 77-5-307, MCA (2011), and ARM 36.11.301 through 36.11.313, respectively), and the Best Management Practices for Forestry in Montana, January 2006, as amended.
15. “Trail Corridor” is the space or corridor through which the trail will pass. The trail corridor includes the trail tread and a buffer area totaling sixteen (16) feet.
16. “Transfer” means any disposition of the underlying fee title to the Easement Area, any portion of the Easement Area, or any disposition of the Easement itself.

M. GENERAL PROVISIONS

1. Controlling Law and Venue. Any legal action arising under this Easement or relating to the subject matter of this Easement between Grantor and Grantee shall lie in Lewis and Clark County, Montana, regardless of the party initiating the action.
2. Construction. Any general rule of construction to the contrary notwithstanding, this Easement must be liberally construed in favor of the grant to effect the purposes of this Easement and policy and purposes of Mont. Code Ann. Sections 77-1-202, 77-1-203, and 77-1-801 (2011), *et seq.* If any provision in this Easement is found to be ambiguous, an interpretation consistent with the purposes of this Easement that would render the provision valid must be favored over any interpretation that would render it invalid.
3. Conflicting Provisions. In case of conflict between the Recreation Plan, the Statewide Forest Management Standards, and the terms of this Easement, the Easement terms shall govern insofar as they do not conflict with state or federal law or regulation.
4. Rights and Immunities. In consideration of the terms and conditions of this Easement, Grantor and Grantee rely upon all of the rights and immunities against liability to the fullest extent of State Law, as amended, and any successor provisions, and any other applicable provisions of law, including, but not limited to, Mont. Code Ann. Title 27, Chapter 1, Part 7; Mont. Code Ann. Title 70, Chapter 16, Part 3 (Restriction on Liability of Landowner for Recreation), and Mont. Code Ann. Title 2, Chapter 9 (Montana Tort Claims Act).
5. Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to this Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to this Easement, all of which are merged into this Easement.
6. No Forfeiture. Nothing contained in this Easement will result in a forfeiture or reversion of Grantor's title in any respect.
7. Severability. If any provision of this Easement is found to be invalid, the remainder of the provisions of this Easement will remain in force.
8. Headings. The section headings provided in this Easement are for information purposes only.
9. Non Waiver. No term or provision of this Easement shall be waived and no breach excused unless such waiver or consent is in writing and signed by the party claimed to have waived or consented. The waiver of any right shall neither represent nor be construed to be a waiver of any other right or a pattern of waiver of any rights, related or otherwise.
10. Necessary Acts. The parties shall cooperate in good faith to perform such acts and execute such documents as may be necessary to carry out the intent of this Easement.

11. Successors. This Easement is binding on and inures to the benefit of the parties, successors and assigns, and continues as a servitude running in perpetuity with the land.

12. Multiple Counterparts. This easement may be executed in one or more counterparts all of which shall be one and the same original document for all purposes.

To Have and to Hold the said land with all appurtenances thereto unto the said Grantee and its heirs, successors and assigns forever. In Testimony Whereof the State of Montana has caused these presents to be executed by the Governor and to be attested by the Secretary of State and countersigned by the Director, Department of Natural Resources and Conservation, and the Great Seal of the State and the Seal of the State Board of Land Commissioners to be hereunto affixed this ____ day of December, 2012.

Governor of the State of Montana

Attest:

Secretary of State

Countersigned by:

Director, Department of Natural Resources and Conservation

By:

Its: _____

ACCEPTED BY: GRANTEE

City of Whitefish, a municipality under the laws of the State of Montana

By:

Its: _____

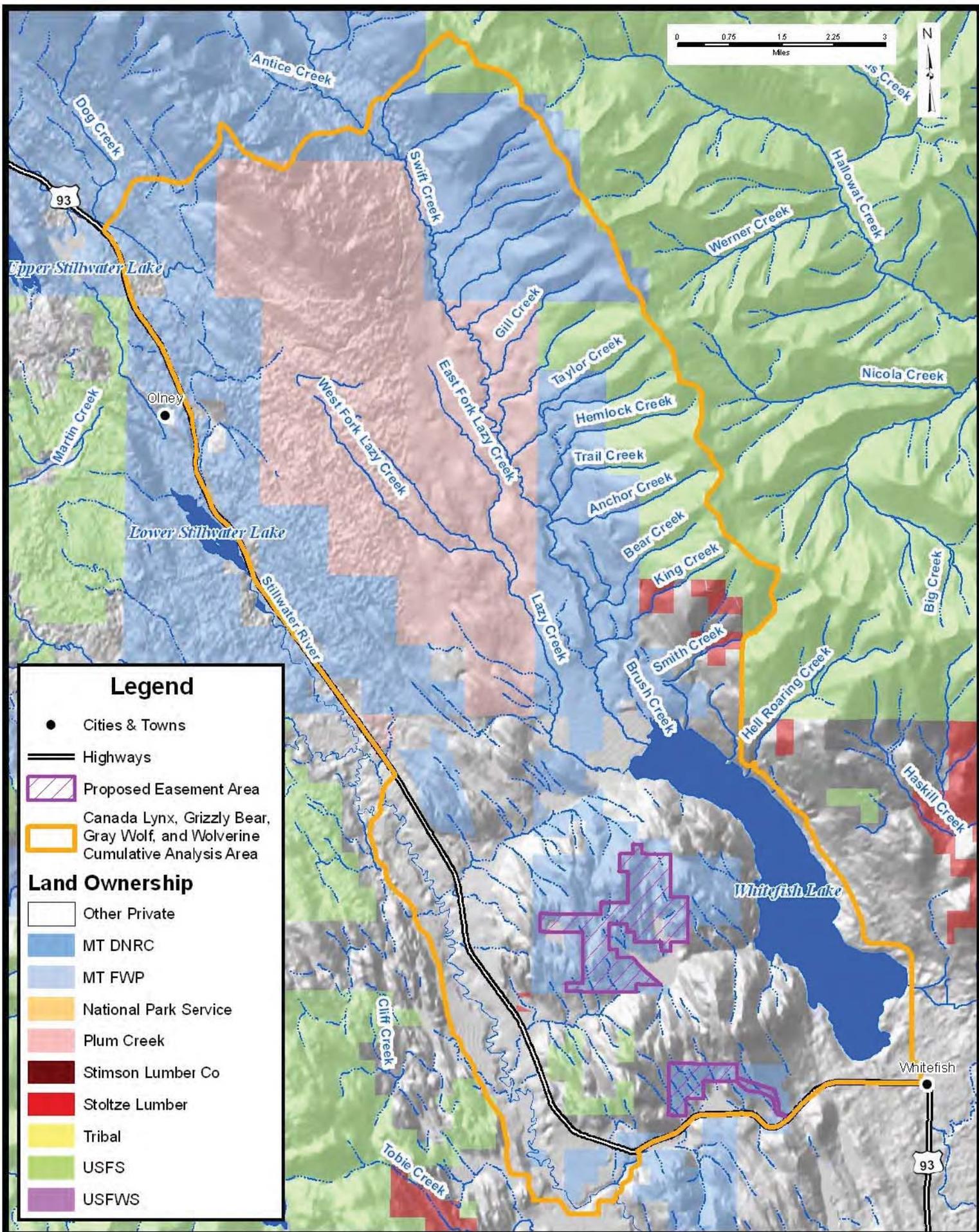
Exhibit A – Legal Description of the Property
--- End of Exhibit A –

Exhibit B – Map of the Property

Draft Final

Appendix C

Large Cumulative Effects Analysis Area



Appendix D

Economics Analysis Report

Economic Analysis of the Beaver/Skyles Public Recreation Easement

October 2012

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ECONorthwest specializes in economics, planning, and finance. Founded in 1974, it is one of the oldest independent economic consulting firms in the Pacific Northwest. ECONorthwest has extensive experience applying rigorous analytical methods to examine the benefits, costs, and other economic effects of management and investment decisions for a diverse array of public and private clients throughout the United States and across the globe.

This report was prepared as an Appendix to the Environmental Assessment of the Beaver/Skyles Public Recreation Easement. The EA was completed by JBR Environmental Consultants, Inc., as part of the Montana Environmental Policy Act review of the impacts associated with the Proposal, on behalf of the Whitefish Legacy Partners and the Montana Department of Natural Resources and Conservation.

Throughout the report we have identified the sources of information and assumptions used in the analysis. Within the limitations imposed by uncertainty and the project budget, we have made every effort to check the reasonableness of the data and assumptions. In our analysis, we acknowledge that any forecast of the future is uncertain. The fact that we evaluate assumptions as reasonable does not guarantee that those assumptions will prevail.

We gratefully acknowledge the assistance of others who provided us with information and insight, but emphasize that we, alone, are responsible for the report's contents. We have prepared this report based on our general knowledge, and information derived from government agencies, the reports of others, interviews of individuals, and other sources believed to be reliable. We have not verified the accuracy of such information, however, and make no representation regarding its accuracy or completeness. Any statements nonfactual in nature constitute the authors' current opinions, which may change as more information becomes available.

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I. INTRODUCTION AND BACKGROUND

The Whitefish Legacy Partners (WLP), in cooperation with the Montana Department of Natural Resources and Conservation (DNRC), through its prime contractor, JBR Environmental Consultants, Inc., requested ECONorthwest (ECONW) to perform an economic analysis of granting a proposed deed of public recreation easement (easement) to the City of Whitefish on approximately 1,580 acres of state trust land in the Beaver Lake area, near Whitefish, Montana.

The easement would affect two non-adjacent parcels of land on the west side of Whitefish Lake. The Beaver Lake portion of the easement would cover about 1,250 acres of state trust land in the vicinity of Beaver Lake. The Skyles portion of the easement would cover about 320 acres of state trust land in the vicinity of Skyles Lake. Figure 1-1 of the EA shows a map of the proposed easement. Both parcels generate revenue for multiple trust beneficiaries. The easement would permanently secure public access for non-commercial and commercial recreation throughout the parcels on current and future trails, while allowing timber management activities to continue on most of the land within the easement. It would prohibit future residential and commercial development of the parcel, but allow for the establishment of non-commercial recreation facilities, such as trailheads. The state of Montana requires DNRC to rely, in part, on economic criteria to evaluate the sale of the easement. Among the duties of the Trust Land Management Division is to manage Montana's trust land resources to produce revenue for trust beneficiaries, while considering environmental factors and protecting the future income-generating capacity of the land.¹ This economic analysis provides information to allow DNRC staff to evaluate the economic factors relevant to its decision to grant a deed of public recreation easement to the City of Whitefish.

In this report, we describe the methodology and assumptions we use to evaluate the revenue-generating capacity of the trust land with and without the easement. We also describe the other sources of economic value provided by the land with and without the easement. Using these assumptions, we assess the impacts to the trusts if the DNRC grants the City of Whitefish the easement. We conclude by describing the sources of uncertainty and risk that may affect the results of the analysis.

II. METHODOLOGY

This analysis compares the value of the parcels without the easement to the value of the parcels with the easement. We assess this value from two perspectives: one considering only the parcels' revenue-generating contributions to trust beneficiaries, the other considering the full range of values they provide to Montanans.

Under both scenarios, the parcels' value primarily derives from stocks of natural capital – vegetation, soils, and water resources. This natural capital produces benefits directly for the Trust by supporting timber growth, which generates income when it is

¹ Montana Department of Natural Resources and Conservation. 2012. *Trust Land Management Division*. Retrieved October 18, 2012, from <http://dnrc.mt.gov/Trust/Default.asp>

harvested and sold in the market. In combination with human-built capital in the form of trails and trailheads, the natural capital also supports recreational opportunities, which provide benefits for local residents and visitors. The parcels also produce benefits to society in other ways, including providing ecosystem services.² These services are numerous and include clean water, carbon sequestration, and air filtration. They contribute to people's well-being by maintaining environmental conditions for a desirable quality of life, or by allowing society to avoid costs to provide equivalent services in other ways. These benefits, for the most part, are not captured by the market and don't currently generate income for the trust.

In our analysis, we use a spreadsheet model to calculate the net present value of the potential income streams of the property and the annual return on the asset. We worked with DNRC staff to identify the assumptions related to the sources of income for the parcel.³ We used these assumptions in the income analysis:

- **Time Period.** The DNRC evaluates the income characteristics of trust lands involving timber production based on a 60-year time horizon. This period is consistent with the long planning periods of timber management.
- **Discount Rate.** We use a nominal discount rate of 6.4 percent. This rate represents a baseline accounting of DNRC's investment opportunity cost, or the threshold for an acceptable rate of return, based on the long-term government bond average return. The justification for using long-term government bond rates is that most state investment pools, including the permanent school trust fund, are legally required to invest in bonds and not stocks.
- **Inflation Rate.** We use an inflation rate of 3 percent, which is the long-term average of annual inflation, as measured by the Consumer Price Index.

Section III of this analysis documents the sources of value associated with the parcels, with and without the easement. Section IV of this analysis summarizes the impacts to the trusts and to society if DNRC grants the easement to the City of Whitefish. Section V describes the sources of uncertainty in the analysis.

III. ASSUMPTIONS

In this section, we describe the assumptions we use to estimate the impact to the trust and the people of Montana of granting the easement. We first describe the types of value

² See, e.g., Daily, G.C. 1997. *Nature's Services: Societal Dependence on Natural Ecosystem*. Washington, D.C.: Island Press; De Groot, R.S., M.A. Wilson, and R.M.J. Boumans. 2002. "A Typology for the Classification, Description and Valuation of Ecosystem Functions, Goods and Services." *Ecological Economics* 41 (3): 393-408.; Boyd, J. and S. Banzhaf. 2006. "What Are Ecosystem Services? The Need for Standardized Environmental Accounting Units." *Ecological Economics* 63(2-3): 616-626.; Fisher, B., R.K. Turner, P. Morling. 2009. "Defining and classifying ecosystem services for decision making." *Ecological Economics* 68(3): 643-653.

³ These staff included Brian Manning, Manager of the Stillwater Forest, and Jordan Larson, Resource Economist.

associated with the parcels in a scenario without the easement. We then describe the types of value associated with the parcels in a scenario with the easement. In the next section, we compare the two scenarios to describe the impact of selling the public recreation easement to the City of Whitefish.

A. Value of the Parcels Without the Easement

Without the easement, the parcels have value both through income-generating characteristics for the trusts, and through the services they provide that Montanans value, but don't necessarily generate income for the trusts. The trust beneficiaries and associated acreage within each parcel are shown in Table 1.

Table 1. Trust Beneficiaries Within the Parcels, by Acres

Trust Beneficiary	Beaver Lake	Skyles Lake	Total
Montana State University–Morrill Grant (ACI)		158	158
Montana State University–2 nd Grant (ACB)	710	120	829
State Normal School (SNS)	51		51
Public Building (PB)	75		75
Common School (CS)	62		62
Montana Tech (SM)	350		350

Source: Neibergs, P.D. 2012. *State of Montana DNRC–City of Whitefish Deed of Public Recreation Easement Summary Appraisal Report*. Normal C. Wheeler & Associates. September 12.

An appraisal conducted in October 2012 on the parcels to determine the market value of the easement valued the Beaver Lake parcel without the easement at \$8,500,000.⁴ It estimated the value of the Skyles Lake parcel unencumbered by the easement at \$2,363,000. These values reflect market conditions under fee-simple ownership, which allows the DNRC not only to harvest timber, but also to subdivide the parcels, offer land for homesites, and grant exclusive use for recreation or other activities.

Based on direction from DNRC staff, we assume the income-generating activities on the parcel in the future, without the easement, would include timber and recreational use permits. The DNRC could subdivide portions of the parcels for homesites, which is identified as a revenue-generating activity for certain areas of state trust lands in the Beaver Lakes/Skyles Subarea of the Whitefish Neighborhood Plan (WTLAC 2004⁵), or grant other exclusive use leases. However, the DNRC has not developed plans to do so,

⁴ The appraisal considered the value of the Beaver Lake parcel in two ways. One method considered the parcel in its entirety, which includes 2,860 acres, of which about 1,250 would be encumbered by the easement. The value for the entire parcel was estimated at \$18,800,000. The second method evaluated only the portion of the parcel that would be encumbered, valuing that portion at \$8,500,000. At the direction of DNRC staff, we focus on the second analysis that considered only the portion of the parcel that would be encumbered by the easement (labeled Beaver Lake II in the appraisal report).

⁵ Whitefish Trust Lands Advisory Committee (WTLAC). 2004. Whitefish School Trust Lands Neighborhood Plan.

and estimating revenue from these types of activities would be speculative given information available at this time. Therefore, we don't include them as potential income-generating activities in this analysis.

Currently, the parcels generate revenue for the various trust beneficiaries from timber-harvest activities. The stock of timber on the Beaver Lake parcel within the proposed easement boundaries represents a mix of species and age classes, with a total estimated volume of about 10,241 MBF. The current stock of timber on the Skyles Lake parcel has a total estimated volume of about 1,572 MBF.⁶ The DNRC manages this timber on a harvest rotation schedule of multiple decades, and conducts planting and thinning activities between harvests. Because the majority of these timber-management activities would continue as planned with the easement, generating similar levels of net revenue, we have not estimated their value in this analysis (see the discussion under timber management in the next section for a more detailed explanation of this assumption, and an assessment of the value associated with the small amount of timber that would not be harvested with the easement).

The parcels also generate value by providing recreation opportunities. A network of trails exists on each parcel, and they are connected by a trail. Three trailheads, including the Beaver Trailhead, Skyles Connection Trailhead, and Lion Mountain Trailhead allow access to approximately 14 miles of developed trails. These trails are part of the Whitefish Trail System and are some of the most used and popular trails in the region by mountain bikers, hikers, and runners. Demand in the local area for trails to engage in hiking, horseback riding, mountain biking, cross-country skiing and snowshoeing, and running is strong and growing.⁷ On many days during the summer season, trailhead parking throughout the region is at or exceeds capacity.⁸ Table 3-4 in the EA describes the use levels of each trail for portions of the summer months during 2011 and 2012. Fishing occurs at the lakes, and Montana Fish, Wildlife, and Parks maintains a boat ramp on Beaver Lake. Table 3-3 in the EA describes the fishing days per year associated with the parcels.

The only recreational lease on the parcels is a Montana Fish, Wildlife, and Parks boat ramp on Beaver Lake. The lease rate is approximately \$4,187 per year⁹ However, individuals and families who use the parcel for dispersed recreation are required to obtain a use license. The Department of Fish, Wildlife, and Parks (DFWP) sells the licenses through authorized dealers for \$10 per year for an individual license and \$20 per year for a family license.¹⁰ DFWP's conservation licenses, required for hunting and

⁶ Timber data from Brian Manning, Unit Manager, Stillwater State Forest. Received September 20, 2012.

⁷ Whitefish Legacy Partnership. 2006. *A Trail Runs Through It: Master Plan*. Retrieved June 26, 2012, from http://whitefishlegacy.org/docs/TRTI_Masterplan.pdf

⁸ Personal communication with Greg Poncin, Northwest Land Office. June 21, 2012.

⁹ Lease rate from Brian Manning, Unit Manager, Stillwater State Forest. Received October 31, 2012.

¹⁰ Montana Department of Natural Resources and Conservation. *Recreational Use of State School Trust Land*. Retrieved June 25, 2012, from <http://dnrc.mt.gov/trust/REMB/statues/recreationaluse.asp>

fishing activities, also generates \$2 per license for state trust lands. The revenue from these licenses (\$1,043,707 in FY2011)¹¹ is collected state-wide and redistributed to the recreational use lands held by the state in trust. Thus, this source of revenue is not tied specifically to the parcels, and typically amounts to very little value per acre for the associated trusts. Revenue that goes directly to the trust includes current land use licenses for activities on the parcels, such as groomed Nordic skiing.

In addition to timber harvest and recreation, the parcels currently provide other types of ecosystem goods and services, including wildlife habitat, clean water and air, carbon sequestration for climate regulation, and scenic views—both for people within the parcels and people elsewhere looking towards the parcels. That these types of ecosystem goods and services provide value to society is well-documented, through research conducted in Montana and elsewhere.¹² These ecosystem services do not currently generate revenue directly for the trusts, and it is beyond the scope of this analysis to provide a quantitative assessment of the value to society associated with these resources.

B. Value of the Parcels With the Easement

The intent of the easement is to protect and expand the public's recreational access and use, and to protect the conservation, education, forestland, and trust values of the parcels in perpetuity, while allowing continued management of the parcels for commercial timber.¹³ The easement specifies that timber production may continue, but it limits some of the other uses of the land that DNRC currently may exercise and generate revenue from, including the right to subdivide, develop into homesites, and grant exclusive leases for other uses. It also conveys the timber rights within a 16-foot corridor around trails, and within other areas designated as future trailheads, parking lots, and other planned recreation facilities, an area estimated to cover approximately 12.3 acres.¹⁴

The appraisal of the easement estimated that the restrictions imposed on DRNC's use of the parcels would reduce the value of the Beaver Lake parcel to \$2,805,000, which is about 33 percent of its current value, and the Skyles Lake parcel to \$827,000, which is about 35 percent of its current value. Thus, the partial ownership rights conveyed by the easement are worth about \$5,695,000 for the Beaver Lake parcel and \$1,536,000 for the Skyles Lake parcel—\$7,231,000 in total.

If DNRC grants the deed of public recreation, the proceeds from the sale would be invested in the Permanent Fund, and would become an annual source of revenue for the

¹¹ Montana Department of Natural Resources and Conservation, Trust Land Management Division. *Fiscal Year 2011 Annual Report*. Retrieved June 25, 2012, from <http://dnrc.mt.gov/AboutUs/Publications/2011/TrustAr.pdf>

¹² See, e.g., Montana Department of Natural Resources and Conservation and Montana Department of Labor and Industry. 2009. *An Estimation of Montana's Restoration Economy*. September.

¹³ *City of Whitefish/Beaver Lakes Area Deed of Public Recreation Easement*. Version 8.

¹⁴ Personal communication with Brian Manning, Manager, Stillwater Forest. October 18, 2012.

trusts.¹⁵ The Montana Board of Investments oversees the management of the Permanent Fund, and about 95 percent of the annual interest generated from Permanent Fund investments becomes distributable revenue for the trusts.¹⁶ The remaining 5 percent is reinvested in the Permanent Fund.¹⁷ Income returns from the Permanent Fund have not dropped below five percent since 1972, and in 2011 had maintained a 12-year mean annual return of 6.4 percent.¹⁸ At this rate of return (assuming no growth in the principal), the annual distributable payment to the trusts from the invested proceeds of the sale of the easement would be \$439,645. Because 5 percent of the interest each year is reinvested in the Permanent Fund, the principal would grow over time, increasing the annual payment on average each year.

As specified in the easement terms, DNRC would continue to generate revenue from timber harvests. DNRC managers expect that the easement would not likely reduce harvest frequency or volume, nor would it appreciably increase costs. The easement includes provisions for the grantee to compensate DNRC should additional planning requirements or other restrictions arise. The easement does transfer management of about 12.3 acres of timber to the City of Whitefish. Assuming the weighted average volume per acre of the parcels is present on the 12.3 acres, the total volume of timber transferred would be about 100 MBF. This represents about 0.85 percent of the total stock of timber, by volume, currently on the parcels. In monetary terms, assuming a price of \$225 per MBF and harvest costs of \$112.50 per MBF,¹⁹ the value of the current stock of timber would be about \$11,300. Over time, depending on harvest schedules and other management costs, the total revenue associated with this timber may be greater or less than this amount, but it does not amount to much revenue compared to the potential revenue associated with the other timber resources on the parcels.

In addition to the easement and timber payments, Montanans and out-of-state visitors using the trust land for dispersed recreation would still be required to obtain a recreational use license from DFWP. The amount of revenue is dependent upon the number of licenses sold, so if the public recreation easement and planned facility improvements increase the total use of the lands for recreation, without drawing people

¹⁵ "The Enabling Act states that the proceeds from the sale and permanent disposition of any of the trust lands, or part thereof, shall constitute permanent funds for the support and maintenance of public schools and the various state institutions for which the lands had been granted...These funds are often referred to as 'nondistributable'." Montana Department of Natural Resources and Conservation, Trust Land Management Division. 2012. *Fiscal Year 2011 Annual Report*. Retrieved October 18, 2012, from <http://dnrc.mt.gov/AboutUs/Publications/2011/TrustAr.pdf>

¹⁶ A very small amount of revenue generated annual from interest is used to fund the trust administration account.

¹⁷ Personal communication with Jordan Larson, Resource Economist, Montana DNRC. October 16, 2012 and October 19, 2012.

¹⁸ Montana Department of Natural Resources and Conservation. Trust Land Management Division. 2012. *Montana State Trust Lands, Return on Assets 2011*. Retrieved October 18, 2012, from <http://dnrc.mt.gov/AboutUs/Publications/2011/ReturnOnAssets.pdf>

¹⁹ Personal communication with Jordan Larson, Resource Economist, Montana DNRC. June 2012.

away from other trust lands in Montana, the total amount collected and distributed to trust accounts could increase with the easement.

Granting the easement would allow the Whitefish Legacy Partners and the City of Whitefish to invest in new and improved recreation facilities. Figure 2-1 in the EA shows the proposed trails, trailheads, camping areas, and picnic/day use sites within the parcels. These new investments, which would be made because of the protections for recreational use provided by the easement in perpetuity, have the potential to increase the overall level of value people derive from their recreational experiences in the area. By increasing the supply of parking, trails, and day-use facilities, they could better meet peak demand from local residents. A broader variety of facilities could also meet demand for more types of recreation, allowing people to recreate more often, or closer to home. All of these mechanisms have the potential to increase the value Montanans derive from outdoor recreation, increasing their overall economic well being. Calculating the value of these changes in economic well-being is outside the scope of this analysis.

Among the goals of the easement is the protection of the parcels' ecological values. The stewardship activities that may arise from the City's and other stakeholders' investment and official commitment to the land could enhance the ecosystem services provided by the parcels. It is also possible that heavier recreational use generated by the easement could reduce the value of some of the ecosystem services currently provided by the parcel. The net effect on each type of ecosystem service would depend on the specific management activities applied to the parcels over time.

IV. ASSESSMENT OF IMPACTS

This analysis assumes timber management activities, costs, and revenues, are the same with and without the easement (with the small exception of 12.3 fewer acres of timber, described in Section III). It also assumes that DNRC would not pursue other income-generating activities (e.g., homesite development) without the easement.

If DNRC grants the easement, the only appreciable difference in revenue flows to the trusts is positive, from the distributions of revenue earned from investing the proceeds of the sale of the easement. Table 2 presents the results of the analysis of easement distributions to the trusts, over the next 60 years.

Table 2. Easement Payment Distributions, NPV, and Income Return

Parcel	Appraised Value	Estimated Easement Value	Net Present Value of Income Stream	Average Annual Income Return
Skyles Lake	\$2,363,000	\$1,536,000	\$2,624,357	4%
Beaver Lake	\$8,500,000	\$5,695,000	\$9,730,281	4%
Total	\$10,863,000	\$7,231,000	\$12,354,638	4%

The results in Table 2 do not take into consideration the potential for the land value to appreciate over time. DNRC typically assumes a 4-percent annual appreciation rate for land, however given the recent uncertainty in the market for land, the historical appreciation rates may not apply for the foreseeable future. It is likely, however, given the unique characteristics of the property, its proximity to Whitefish Lake and the community of Whitefish, it has the potential to appreciate at rates equal to or greater than the surrounding property in the area.

In addition to the income stream presented in this analysis, there are other elements of value associated with the parcel that are not reflected explicitly in the cash-flow analysis. From the perspective of Montanans as a whole, the sale of the easement has the potential to lead to improvements in the overall supply and quantity of recreation opportunities available in the Whitefish area. Recreational use data suggest demand is growing and at times may exceed the local supply, so the value of these improvements to Montanans may actually increase over time. The sale of the easement may also lead to additional protections for (and possibly improvements in) the supply of ecosystem services that flow from the parcels.

If DNRC does not grant the easement, the parcels would continue to provide timber-harvest revenues to the trusts, but DNRC would not capture revenue from the recreational use of the parcels, aside from the small amount collected through current land use licenses. The parcels would, however, continue to provide value to Montanans through both recreation opportunities and ecosystem services for the foreseeable future. The recreational values may decrease over time as high demand for recreation in the Whitefish area places increasing pressure on the existing facilities, increasing DNRC's cost of maintaining them or reducing their value as they become more crowded and rundown.

V. UNCERTAINTY AND RISK

There are numerous sources of uncertainty and risk that may affect, positively or negatively, the results of this economic analysis. The primary source of uncertainty include:

- **Unexpected changes in timber management under easement.** The easement terms specify that DNRC could continue to manage timber as it has and would continue to without the easement. DNRC staff do not expect the easement to appreciably affect costs or revenues from future timber harvests. The easement and additional recreational development, however, may impose unexpected or unintended changes in harvest costs and benefits. Should these effects occur without compensation, the revenue streams for the trusts associated with timber harvest with the easement may differ from those without the easement.
- **Potential changes in future values associated with timber and real-estate markets.** Considerable uncertainty surrounds the prices used in this analysis for timber and land, given the recent and ongoing economic instability in the U.S. and the world. Of particular relevance is the on-going housing crisis in the U.S., which has resulted in a decrease in the demand for timber and new homes, and

resulting declines in prices. Specific sources of uncertainty regarding the appraised values we have folded into our analysis are detailed in the Appraisal Report.

- **Potential opportunity costs of granting the easement.** Granting a permanent easement precludes DNRC from generating revenue from some types of activities in the future. Insufficient information currently exists to fully understand what the potential opportunities might be that DNRC is giving up by granting the public recreation easement in perpetuity. These opportunities, alone or in combination, may produce streams of revenue for the trusts greater than the revenue generated by the public recreation easement. This represents a risk that is not fully accounted for in the economic analysis.
- **Potential changes in future values associated with external forces, such as climate change and the socioeconomic structure of the region.** Potential impacts associated with climate change may affect the level of benefits described in this analysis that are derived from natural capital, including timber, recreation, and other ecosystem services. Increased temperature and changes in snowpack and runoff timing predicted in northwestern Montana as a result of climate change are likely to increase the risk of wildfire and susceptibility to diseases for Montana's forests. This may have dramatic impacts on the management costs and expected future harvest revenues from the forest parcels involved in this analysis. Damage from fire, insects, or disease infestation may reduce expected yields, reducing revenues. Conversely, these impacts may increase management costs.

The uncertainty in our findings stems from factors beyond our, or anyone else's current knowledge or control. These elements of uncertainty, ranging from future market conditions and fluctuations in commodity prices to how climate change will affect the quality of timber and agricultural yields in Montana, will affect investment decisions made at any given time and place. We stress that these elements of uncertainty are important to recognize, understand, and integrate into the decision-making process, as they have direct bearing on the level of risk inherent in any potential investment.

APPENDIX A. INCOME ANALYSIS CALCULATIONS

Beaver/Skyles Public Recreation Easement Analysis		Permanent Fund Characteristics		Analytical Assumptions	
Cash Flow Analysis		Distributable Payment	95%	Discount Rate	6.4%
Date: 19-Oct-12		Payment Reinvested	5%	Inflation Rate	3.0%
		Annual Rate of Return	6.4%		

Skyles	Appraised Value	Total NPV	Avg IR	Beaver Lake II	Appraised Value	Total NPV	Avg IR	Total Parcels	Appraised Value	Total NPV	Avg IR
	\$ 2,363,000	\$ 2,624,357	4%		\$ 8,500,000	\$ 9,730,281	4%		\$ 10,863,000	\$ 12,354,638	4%

Year	Value of Investment	Annual Payment	NPV	IR	Value of Investment	Annual Payment	NPV	IR	Value of Investment	Annual Payment	ROI	
0	\$1,536,000	\$93,389	\$93,389	4%	\$5,695,000	\$346,256	\$346,256	4%	\$7,231,000	\$439,645	\$439,645	4%
1	\$1,540,915	\$93,688	\$90,607	4%	\$5,713,224	\$347,364	\$335,942	4%	\$7,254,139	\$441,052	\$426,549	4%
2	\$1,545,846	\$93,987	\$87,908	4%	\$5,731,506	\$348,476	\$325,935	4%	\$7,277,352	\$442,463	\$413,843	4%
3	\$1,550,793	\$94,288	\$85,290	4%	\$5,749,847	\$349,591	\$316,227	4%	\$7,300,640	\$443,879	\$401,516	4%
4	\$1,555,755	\$94,590	\$82,749	4%	\$5,768,247	\$350,709	\$306,807	4%	\$7,324,002	\$445,299	\$389,556	4%
5	\$1,560,734	\$94,893	\$80,284	4%	\$5,786,705	\$351,832	\$297,668	4%	\$7,347,439	\$446,724	\$377,952	4%
6	\$1,565,728	\$95,196	\$77,893	4%	\$5,805,222	\$352,958	\$288,801	4%	\$7,370,951	\$448,154	\$366,694	4%
7	\$1,570,738	\$95,501	\$75,572	4%	\$5,823,799	\$354,087	\$280,199	4%	\$7,394,538	\$449,588	\$355,771	4%
8	\$1,575,765	\$95,807	\$73,321	4%	\$5,842,435	\$355,220	\$271,852	4%	\$7,418,200	\$451,027	\$345,174	4%
9	\$1,580,807	\$96,113	\$71,137	4%	\$5,861,131	\$356,357	\$263,755	4%	\$7,441,938	\$452,470	\$334,892	4%
10	\$1,585,866	\$96,421	\$69,018	4%	\$5,879,887	\$357,497	\$255,898	4%	\$7,465,753	\$453,918	\$324,917	4%
11	\$1,590,941	\$96,729	\$66,962	4%	\$5,898,702	\$358,641	\$248,276	4%	\$7,489,643	\$455,370	\$315,238	4%
12	\$1,596,032	\$97,039	\$64,968	4%	\$5,917,578	\$359,789	\$240,880	4%	\$7,513,610	\$456,827	\$305,848	4%
13	\$1,601,139	\$97,349	\$63,033	4%	\$5,936,515	\$360,940	\$233,705	4%	\$7,537,653	\$458,289	\$296,738	4%
14	\$1,606,263	\$97,661	\$61,155	4%	\$5,955,511	\$362,095	\$226,744	4%	\$7,561,774	\$459,756	\$287,899	4%
15	\$1,611,403	\$97,973	\$59,333	4%	\$5,974,569	\$363,254	\$219,990	4%	\$7,585,972	\$461,227	\$279,323	4%
16	\$1,616,559	\$98,287	\$57,566	4%	\$5,993,688	\$364,416	\$213,437	4%	\$7,610,247	\$462,703	\$271,003	4%
17	\$1,621,732	\$98,601	\$55,851	4%	\$6,012,867	\$365,582	\$207,079	4%	\$7,634,600	\$464,184	\$262,930	4%
18	\$1,626,922	\$98,917	\$54,188	4%	\$6,032,109	\$366,752	\$200,911	4%	\$7,659,030	\$465,669	\$255,098	4%
19	\$1,632,128	\$99,233	\$52,574	4%	\$6,051,411	\$367,926	\$194,926	4%	\$7,683,539	\$467,159	\$247,500	4%
20	\$1,637,351	\$99,551	\$51,008	4%	\$6,070,776	\$369,103	\$189,120	4%	\$7,708,126	\$468,654	\$240,127	4%
21	\$1,642,590	\$99,869	\$49,488	4%	\$6,090,202	\$370,284	\$183,486	4%	\$7,732,792	\$470,154	\$232,975	4%
22	\$1,647,846	\$100,189	\$48,014	4%	\$6,109,691	\$371,469	\$178,021	4%	\$7,757,537	\$471,658	\$226,035	4%
23	\$1,653,120	\$100,510	\$46,584	4%	\$6,129,242	\$372,658	\$172,718	4%	\$7,782,362	\$473,168	\$219,302	4%
24	\$1,658,410	\$100,831	\$45,196	4%	\$6,148,856	\$373,850	\$167,573	4%	\$7,807,265	\$474,682	\$212,770	4%
25	\$1,663,716	\$101,154	\$43,850	4%	\$6,168,532	\$375,047	\$162,582	4%	\$7,832,248	\$476,201	\$206,432	4%
26	\$1,669,040	\$101,478	\$42,544	4%	\$6,188,271	\$376,247	\$157,739	4%	\$7,857,312	\$477,725	\$200,283	4%
27	\$1,674,381	\$101,802	\$41,277	4%	\$6,208,074	\$377,451	\$153,040	4%	\$7,882,455	\$479,253	\$194,317	4%
28	\$1,679,739	\$102,128	\$40,047	4%	\$6,227,940	\$378,659	\$148,482	4%	\$7,907,679	\$480,787	\$188,529	4%
29	\$1,685,114	\$102,455	\$38,854	4%	\$6,247,869	\$379,870	\$144,059	4%	\$7,932,983	\$482,325	\$182,913	4%
30	\$1,690,507	\$102,783	\$37,697	4%	\$6,267,862	\$381,086	\$139,768	4%	\$7,958,369	\$483,869	\$177,464	4%
31	\$1,695,916	\$103,112	\$36,574	4%	\$6,287,919	\$382,305	\$135,604	4%	\$7,983,836	\$485,417	\$172,178	4%
32	\$1,701,343	\$103,442	\$35,484	4%	\$6,308,041	\$383,529	\$131,565	5%	\$8,009,384	\$486,971	\$167,050	4%
33	\$1,706,788	\$103,773	\$34,427	4%	\$6,328,226	\$384,756	\$127,646	5%	\$8,035,014	\$488,529	\$162,074	4%
34	\$1,712,249	\$104,105	\$33,402	4%	\$6,348,477	\$385,987	\$123,844	5%	\$8,060,726	\$490,092	\$157,246	5%
35	\$1,717,729	\$104,438	\$32,407	4%	\$6,368,792	\$387,223	\$120,155	5%	\$8,086,520	\$491,660	\$152,562	5%
36	\$1,723,225	\$104,772	\$31,442	4%	\$6,389,172	\$388,462	\$116,576	5%	\$8,112,397	\$493,234	\$148,018	5%
37	\$1,728,740	\$105,107	\$30,505	4%	\$6,409,617	\$389,705	\$113,103	5%	\$8,138,357	\$494,812	\$143,609	5%
38	\$1,734,272	\$105,444	\$29,596	4%	\$6,430,128	\$390,952	\$109,734	5%	\$8,164,400	\$496,395	\$139,331	5%
39	\$1,739,821	\$105,781	\$28,715	4%	\$6,450,704	\$392,203	\$106,466	5%	\$8,190,526	\$497,984	\$135,181	5%
40	\$1,745,389	\$106,120	\$27,860	4%	\$6,471,347	\$393,458	\$103,294	5%	\$8,216,735	\$499,578	\$131,154	5%
41	\$1,750,974	\$106,459	\$27,030	5%	\$6,492,055	\$394,717	\$100,218	5%	\$8,243,029	\$501,176	\$127,247	5%
42	\$1,756,577	\$106,800	\$26,225	5%	\$6,512,830	\$395,980	\$97,232	5%	\$8,269,407	\$502,780	\$123,457	5%
43	\$1,762,198	\$107,142	\$25,443	5%	\$6,533,671	\$397,247	\$94,336	5%	\$8,295,869	\$504,389	\$119,779	5%
44	\$1,767,837	\$107,484	\$24,686	5%	\$6,554,578	\$398,518	\$91,526	5%	\$8,322,416	\$506,003	\$116,212	5%
45	\$1,773,494	\$107,828	\$23,950	5%	\$6,575,553	\$399,794	\$88,800	5%	\$8,349,047	\$507,622	\$112,750	5%
46	\$1,779,169	\$108,173	\$23,237	5%	\$6,596,595	\$401,073	\$86,155	5%	\$8,375,764	\$509,246	\$109,391	5%
47	\$1,784,863	\$108,520	\$22,545	5%	\$6,617,704	\$402,356	\$83,588	5%	\$8,402,567	\$510,876	\$106,133	5%
48	\$1,790,574	\$108,867	\$21,873	5%	\$6,638,881	\$403,644	\$81,098	5%	\$8,429,455	\$512,511	\$102,972	5%
49	\$1,796,304	\$109,215	\$21,222	5%	\$6,660,125	\$404,936	\$78,683	5%	\$8,456,429	\$514,151	\$99,904	5%
50	\$1,802,052	\$109,565	\$20,589	5%	\$6,681,437	\$406,231	\$76,339	5%	\$8,483,490	\$515,796	\$96,928	5%
51	\$1,807,819	\$109,915	\$19,976	5%	\$6,702,818	\$407,531	\$74,065	5%	\$8,510,637	\$517,447	\$94,041	5%
52	\$1,813,604	\$110,267	\$19,381	5%	\$6,724,267	\$408,835	\$71,859	5%	\$8,537,871	\$519,103	\$91,240	5%
53	\$1,819,407	\$110,620	\$18,804	5%	\$6,745,785	\$410,144	\$69,718	5%	\$8,565,192	\$520,764	\$88,522	5%
54	\$1,825,230	\$110,974	\$18,244	5%	\$6,767,371	\$411,456	\$67,642	5%	\$8,592,601	\$522,430	\$85,885	5%
55	\$1,831,070	\$111,329	\$17,700	5%	\$6,789,027	\$412,773	\$65,627	5%	\$8,620,097	\$524,102	\$83,327	5%
56	\$1,836,930	\$111,685	\$17,173	5%	\$6,810,752	\$414,094	\$63,672	5%	\$8,647,681	\$525,779	\$80,845	5%
57	\$1,842,808	\$112,043	\$16,661	5%	\$6,832,546	\$415,419	\$61,775	5%	\$8,675,354	\$527,462	\$78,437	5%
58	\$1,848,705	\$112,401	\$16,165	5%	\$6,854,410	\$416,748	\$59,935	5%	\$8,703,115	\$529,149	\$76,100	5%
59	\$1,854,621	\$112,761	\$15,684	5%	\$6,876,344	\$418,082	\$58,150	5%	\$8,730,965	\$530,843	\$73,834	5%