

MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS  
SUBCOMMITTEE ON LONG RANGE BUILDING  
March 19, 1981

The meeting was called to order by JACK K. MOORE, Chairman, at 1:35 p.m. in Room 108 of the Capitol Building. All committee members were present except Sen. Etchart and Sen. Thomas, both excused. Also in attendance was BOB ROBINSON, Fiscal Analyst.

Testimony was given by Mike Potter, Worth & Assoc. Planner, Mark Kimble, owner of Lake Elmo, Ron Holliday, Administrator of Parks Division, Gary Richardson, Lake Elmo supporter.

REP. KITSELMAN, sponsor of HB 180 explained this legislation allows the Fish and Game Department to negotiate with Mr. Kimble, the owner, in regards to terms. It went through the Fish and Game hearings and did have an amendment attached regarding the amount of 3 separate appraisals and inserted \$600,000. He felt there was some problems with this because the value of the property is more than that. He gave a brief history on how Lake Elmo was created as an irrigation system in 1905.

MR. POTTER, planner for Worth and Associates which is a land planning and design company, explained that several months ago Mr. Kimble retained his company to work up a proposal in regard to a park proposal as well as a development area. He used three visual charts to explain the area that Mr. Kimble was willing to sell. One chart explains the 322 housing units around the lake with open space system that reserves the shoreline of the lake with a pedestrian way; the second chart would develop a water based park with multiple use capabilities. The third chart illustrated water based recreation combined with residential houses separated by a pedestrian way, the total housing units in this alternative would be 186, the total land area would be 27 acres. He stated if Lake Elmo is lost as a source of recreation purposes, it would be impossible to find a duplicate situation in eastern Montana. He related due to the development of the coal resources in the area in the year 2110, the Billings area population will have doubled, and they are at this time underdeveloped in parks.

MR. HOLLIDAY read EXHIBIT A to the Committee.

MR. RICHARDSON, Billings resident, stated there is a large amount of community support in regard to HB 180, and as far away as Red Lodge. He stated one of the recreation activities not mentioned was the great fishing because many of them come right out of the Yellowstone River.

BILLINGS CHAMBER MEMBER stated that what Billings has presently is Lake Josephine, which is a gravel pit developed by the Highway Department sometime ago. The other areas are Cooney Reservoir and the Yellowtail Dam which are a substantial distance from the city, and these areas have to be a planned trip. They feel in looking at projects of this type it is necessary to look not only at front end money but also long range costs. The Fish & Game has an office nearby, so maintenance would not be too expensive, and also this is an opportunity for user fees.

REP. KITSELMAN closed by urging the committee to prioritize the top 3 proposals, he felt it might be possible to have a land trade and would benefit the state legislature, the owner and the state. He stated this was an irrigation lake, and there are water right shares that would be passed on. He noted there has not been any significant draw down on this lake, and the source is the Yellowstone River.

REP. HURWITZ asked how the \$3.5 million price was arrived at.

MR. KIMBLE, owner, stated he had the appraisal made about the middle of last year, and the water is appraised at 1.2 million; the land around the lake is approximately 68.2 acres, and the land and the water combined acreage is 127 acres, the water is 64 acres. He stated he owns the bottom of the lake and the water in it. The intake of the water comes out of the Big Ditch in Billings and is controlled by a valve. On the opposite side of the lake is the discharge valve. Many years ago the lake itself irrigated around 400 acres, but now that has been reduced to irrigating 60 acres. The lake is used as a holding reservoir and the water runs on through. At this time he charges \$1.50 per person and the large percent of occupants is teenagers.

THE CHAIRMAN asked Mr. Holliday who is going to develop along the lake land.

MR. HOLLIDAY stated if this area becomes a state park and would become a state responsibility in the future. He noted there might be 1 FTE person needed, but would not necessarily be one person at one place. They would need to request the proper funding from this source to take care of the area in the future.

REP. BARDANOUVE asked if so many people from Billings use this lake why can't they contribute money to the pot and help out.

REP. KITSELMAN stated the reason for this HB 180 is to have the

ability to negotiate with Mr. Kimble, the owner. He stated perhaps the state could purchase a portion of the north shore with an option to lease at a future time. The owner, Mr. Kimble is willing to negotiate, and perhaps with the combination of state money, county effort, this could become a reality. He noted he has approached the city of Billings to take this over, but they do not have the money. He feels with a user fee, this is one state park that could pay for its maintenance, etc.

REP. HURWITZ asked Mr. Kimble about his user fees, and what he would project for income if this was well managed.

MR. KIMBLE stated if this was managed well and used for summer and winter activities, the amount could be around \$50,000 or \$60,000. But someone would have to put some time into this.

SEN. HIMSL asked Mr. Holliday if he had the authority to trade lands.

MR. HOLLIDAY stated according to law they do have the authority to exchange land.

MR. KIMBLE stated he is definitely interested in three parcels especially. There is one parcel of land at 360 acres, one parcel for 120 acres in the Billings Heights area and could be used for development, which is a part of his business. The other parcel of land of interest is near his ranch in Wheatland County which involves 1359 acres which border his ranch and is used for a Game Preserve and this cuts him off from the forest. He feels this area is mislabeled because the elk never get on it.

REP. BARDANOUVE explained that Wild Horse Island was bought on a time pay basis and as the state secured money from the Land Water Conservation Fund over a period of 6 years paid off this island. He noted there was a precedent here in buying this land.

MR. HOLLIDAY stated there is not too much relationship in the Wild Horse Island purchase, the owner was willing to donate about 1/2 of its value, and the state was able to cross over that donation piece by piece as the federal money became available. The legislature made a large appropriation several years ago so that this did not bind a future legislature.

MR. KIMBLE stated he is not willing to donate 1/2 of the lake, but is very flexible on terms in regard to trading land etc. He noted he was not in any big hurry for the \$3.5 million. He noted he might consider donating a portion of this, but would like to sit down and negotiate this.

THE CHAIRMAN stated that the legislature out of this fund purchased Lake Josephine in '79 for approximately \$125,000 and asked what they have done with Lake Josephine.

REP. KITSELMAN stated the problem with Lake Josephine is that it is a gravel pit and sits in the flood plain. It has been matched with local money and is in the process of being developed. He feels as a permanent recreation development it would be difficult to do. He feels that what makes Lake Elmo unique is that it will be swallowed up by development and will not be available in the future. He noted no one single group can purchase it, but could perhaps raise money to help develop it.

REP. BARDANOUE asked if there was any community desire to raise a substantial amount of money.

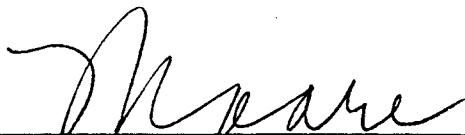
MR. RICHARDSON stated they have support from both the city and the county to help either maintain or develop it or both. He feels they could raise quite a bit of money for the development of this.

THE CHAIRMAN stated since this is a Park proposal, he would like to move that HB 180 be tabled since it is contained within the proposal.

REP. KITSELMAN stated the purpose of HB 180 is to give some direction to Mr. Holliday so that he could speak to Mr. Kimble, the owner, so that during executive session they can be more concrete in regard to terms.

MR. HOLLIDAY stated the problem is being fair with other projects, and he feels other projects might be interested in trading other land also, so if they do it for Mr. Kimble they need to do it for others. He asked if there was some way the committee could prioritize the top 4 projects, then they could talk to the owners and negotiate hard and fast regarding these proposals.

There being no further comments or discussion, the meeting was adjourned at 2:35 p.m.



JACK K. MOORE, Chairman

VISITORS' REGISTER

HOUSE JOINT APPROPRIATIONS SUB COMMITTEE

BILL HB 180

Date 3/19/81

SPONSOR \_\_\_\_\_

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPP
<i>Mary K. Smith</i>				
<i>John S. Johnson</i>				
<i>Mike Miller</i>				

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.  
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

TESTIMONY BY RON HOLLIDAY, ADMINISTRATOR,  
PARKS DIVISION, MONTANA DEPARTMENT  
OF FISH, WILDLIFE AND PARKS  
LONG RANGE BUILDING COMMITTEE  
MARCH 19, 1981

HB 180

My name is Ron Holliday, Administrator, Parks Division, Department of Fish, Wildlife and Parks.

In 1975, the 44th Legislature set aside a portion of the coal severance tax to be used for acquisitions of state parks, recreation areas and historic sites. Funding from the coal tax was appropriated by the 45th and 46th Legislatures and seven sites were subsequently purchased. Until 1979, the Department of Fish, Wildlife and Parks identified and negotiated for the areas which were acquired.

In 1979, the 46th Legislature passed House Bill 550 which stated that "any person, association or representative of a governing unit may submit a proposal for the acquisition of a site or area that would meet state parks system qualifications."

The law further states that our department must present the submitted proposals to the Legislature by the 15th day of the next legislative session. The proposals were forwarded to the Speaker of the House and the President of the Senate on January 8 of this year. I have attached a copy of the information sent to them as a part of the record of my testimony. I believe you have copies. The legislative intent is clear, that the legislature will choose the areas for acquisition from the proposal list. The remaining 10 proposals will be heard before your committee tomorrow and Saturday.

Lake Elmo, near Billings, was submitted to our department as one of 11 coal tax park acquisition proposals. In addition to the project application, many Billings citizens have sent letters to our department in support of acquiring Lake Elmo for the State Park System. The Yellowstone County Commission has also

Exhibit A

endorsed the project.

I have been asked by Representative Kitselman to give you my professional opinion as to the appropriateness and value of Lake Elmo being added to the State Park System.

I am very familiar with Lake Elmo and its vicinity. From 1968 until 1972, I was Regional Park Manager for our department, stationed in Billings. Our headquarters is located at 1125 Lake Elmo Drive -- about a mile from Lake Elmo itself. Each time I visit the area, I am utterly astounded at the explosion of residential and business development in the Lake Elmo vicinity. I know of no other area in Montana that has undergone any more explosive growth than this area, which is commonly called Billings Heights. The need for parks and open space for recreational activity is acute in this area and will become more so in the future.

Lake Elmo has been a popular privately operated recreation area for a good deal of this century. Swimming, fishing, sailing, relaxing, and picnicking are the most popular activities which take place there. Rarely do I view an area as perfectly suited for park use as this area. Its location, terrain, vegetation, and proximity to a large population base makes this site one which definitely should be seriously considered for purchase. The present owner has definite plans for developing the site for condominiums or other residential use. In fact, his announced development plans spurred the idea of placing the area in public trust as a park.

I fully support Lake Elmo as being an ideal park site and one certainly worthy of addition to the State Park System. However, I do not mean to imply I am assigning it top priority among the other 10 sites which have been submitted under the Coal Tax Park Acquisition Program. The legislative intent is clear that our role is to solicit the projects and forward them to you without prioritization.

The owner may be willing to donate a portion of the area's value but we

have not talked about any specifics. This, of course, would transpire during intensive negotiations, should they proceed. The owner has also indicated a desire to trade a portion of the Lake Elmo value for department lands, which may be surplus to our needs. This could be pursued during intensive negotiations and I support the idea that department lands should be appraised prior to consummation of a trade.

If the Legislature passes this bill I believe the total compensation to the owner should be clarified. If we were to trade for a portion of the Lake Elmo value, does the portion of the bill from line 19 through 22 set an overall limit for the value of the Lake Elmo property? Or does it mean that as long as the cash outlay does not exceed the HB 180 limit that department land could be traded on a negotiated basis?