

PAUL B. MILHOUS

TWO TOTEM LODGE 1031 RAINBOW DRIVE BIGFORK, MT 59911

April 22, 2005

Board of Lake County Commissioners
106 4th Avenue East
Polson, MT 59860

Dear County Commissioners,

At the April 19, 2005 meeting on the Historic Kootenai Lodge Condominium subdivision in Polson, you asked for additional information and mitigation measures on 11 specific points of interest.

Attached to this letter is a formal mitigation response setting out how the Milhous Group proposes to address the points that have been raised. However, we believe it is important to inform you of all of the steps we have taken prior to the hearing to mitigate any possible impacts of the proposed subdivision.

We have, from the very beginning, tried our very best to do what is right for the Kootenai. When I learned that the Rolings were serious about selling the property, I decided that I had to consider the possibility that the buyer of the property might not share my commitment to the maintenance and protection of the existing improvements. My concern increased in the course of my investigations, when I confirmed that the Rolings were serious about selling and found out that the property was un-zoned and was not protected by historic preservation regulations. I also learned that the existing lodge buildings were even more attractive than I remembered. I concluded that I had the experience and the knowledge to ensure that the redevelopment of the Kootenai would protect and preserve the character of the existing lodge and cabins and that any new buildings respected the architecture and design of the existing buildings.

The only viable alternative was an upscale residential community with sufficient new units to cover the extraordinary cost of rehabilitating the existing structures as high quality residences. We prepared a site plan which I think protects the integrity of the existing lodge buildings and extends the character and quality of the lodge to the balance of the property. We identified early on that surface and ground water quality would be important issues and retained an experienced engineer to help us develop an optimal program for waste water disposal. The result was a costly off-site facility which we agreed to use because it would achieve superior results and will be constructed to potentially serve other property owners who may connect to the system in the future.

We have always tried to be forthright with our neighbors and the County. Even though the property is un-zoned, the density was based on our assessment of an economically feasible and prudent enterprise and the risks of the undertaking. When we

first presented our concept, we heard the concerns of the neighbors and determined to assume additional risk in an effort to demonstrate our good faith and our commitment to the project by reducing the number of units to 57 units, a density which I believe is very compatible with the area.

We ask you to please keep in mind we initially approached this project with the specific intention of protecting the historic character and nature of the Kootenai Lodge property while providing a project that will complement the surrounding community and will prove to be financially viable. Contained within the initial application for preliminary plat approval are the following mitigation measures that are listed according to the primary review criteria found in Montana Code Annotated 76-3-608.

INITIALLY PROPOSED MITIGATION MEASURES

Natural and Cultural Environment

- Providing 50-foot structural setbacks with a dense vegetative buffer from Johnson Creek, Swan Lake and the Swan River where none are required.
- Ensuring all new structures are located outside of any established floodplains.
- Proposing a Level II public sewage disposal system (which is suggested in the Lake County Growth Policy) that would otherwise be very difficult to establish along Swan Lake due to the cost.
- Building 10% additional capacity into the sewage disposal system for other landowners to hook onto.
- Proposing a modular sewage disposal system that can be easily expanded.
- Providing a stormwater management system with mechanical devices to remove pollutants from stormwater before it reaches groundwater.
- Rehabilitating historic structures to ensure their continued use and viability.
- Preserving 80% of the large trees on the property.
- Ensuring nighttime outdoor lighting would be downward pointed and side shielded.
- Committing to stormwater best management practices (hay bales, silt fences, etc.) during construction.
- Creating a small museum for the display of historic artifacts from the property.
- Proposing a public water supply instead of numerous individual wells.
- Paving all road surfaces to prevent road dust from entering the air and water bodies.
- Maintaining 75% of the property in open space.

Wildlife and Wildlife Habitat

- Proposing wildlife resistant garbage containment.
- Providing a 100-foot, densely vegetated stream corridor for fish and wildlife habitat.
- Proposing numerous provisions in the covenants to limit the potential for human/wildlife conflict.

Local Services

- Providing on-site garbage containers for construction waste disposal and on-going garbage disposal service through a private hauler.
- Supporting the public school system with between \$400,000 and \$500,000 of expected tax revenues per year when very few students are likely to live within the subdivision.
- Supporting the Lake County and State governments with over \$100,000 in tax revenues when the seasonal residents are likely to require very little in public service expenditures.
- Providing a swimming pool, clubhouse and lake and river frontage for the residents to take advantage of so they don't have to use other public recreational facilities.
- Offering land for a satellite fire hall and providing a water supply for the fire department to use both on and offsite.

Public Health and Safety

- Providing additional local tax revenues for public safety and other services when the seasonal residents are likely to require very little in public expenditures.

After we held a public meeting at the Marina Cay in Bigfork and after the initial meeting before the Lake County Planning Board in Polson, we went back to the drawing board and addressed a number of the concerns expressed in an attempt to be responsive and mitigate all identified impacts. *In addition to reducing the number of units from 65 to 57,* the additional measures are listed below.

ADDITIONAL MITIGATION MEASURES PRIOR TO THE PUBLIC HEARING

Natural and Cultural Environment

- Increasing the structural setbacks and vegetative buffers from 50 feet to 80 feet in order to protect water quality, which far exceeds the requirements of the surrounding zoning district.
- Reducing the amount of roadway impervious surface area by over 1,000 lineal feet or 15.5%.
- Providing an entirely new vegetative buffer along the Swan River.
- Committing to a larger area for the display of historic artifacts from the property.
- Preserving 83% of the existing large trees on the property.
- Prohibiting the use of fertilizers containing nitrogen and phosphorus within 100 feet of any water body.

Wildlife and Wildlife Habitat

- Providing bear-proof garbage containment.

- Increasing the structural setbacks and vegetative buffers from 50 feet to 80 feet along all water bodies, which will provide for a 160-foot+ wildlife corridor along Johnson Creek.
- Restricting the thinning of vegetation within the structural setback to only small pedestrian pathways.

Local Services

- Rebuilding and widening 1.6 miles of Sunburst Drive and South Ferndale Drive to Lake County standards and laying down a 2.5-inch asphalt mat on the road surface.
- Prohibiting fractional and interval ownership and limiting rentals to a 30-day minimum.

Public Health and Safety

- Voluntarily limiting the number of boat slips at 24 when the Lake County Lakeshore Protection Regulations allow up to 67.
- Providing a helispot for the Bigfork Fire and Ambulance Service to use for all residents in the area in case of emergency.
- Notifying future homeowners of slow response time and a lack of police resources with a statement on the final plat.

There is one matter which we believe needs to be resolved that was not on the list of mitigation matters. We requested that the Commission modify the condition recommended by the Planning Board with regard to the height of the buildings and do not believe that our request was specifically addressed. All through this process we have worked with the Ferndale Fire Department; and the Fire Marshall has reviewed all of our scaled architectural drawings and found the proposed structures to pose no fire safety threat. We have forwarded electronic copies of the drawings and correspondence to your Planning Department staff for inclusion in the public record.

Goal number 7 and the subsequent objectives of the land use chapter of the *Lake County Growth Policy* put forth the ideal of finding a balance between the rights of the individual and the common good. The policy statements call for the protection of the private property rights of landowners and respecting their wishes to get enjoyment and economic return out of their land while not unreasonably compromising the enjoyment of neighboring landowners and the value of their properties.

The Milhous Group has previously proposed numerous, substantial measures to mitigate all identified impacts to area landowners, public infrastructure and services, wildlife habitat and the natural and cultural environment. The value of neighboring properties will not be negatively impacted by this development. To the contrary, adjoining property values are only likely to increase with the addition of high end, seasonal housing on the subject property. Because all of the identified impacts will be mitigated by this proposal and because The Milhous Group has the right to develop the

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Kootenai Lodge property in a reasonable manner, we respectfully request conditional approval of the preliminary plat application.

Respectfully submitted,

A handwritten signature in cursive script that reads "Paul B. Milhous". The signature is written in black ink and is positioned above the printed name.

Paul B. Milhous