

**MEMORANDUM RE:
DESIGNATION OF AUTHORIZED OFFICER
TO REVIEW HOLLAND LAKE LODGE PERMIT**

TO: Leanne Marten, U.S. Forest Service Region 1 Forester
CC: Kurt Steele, Flathead National Forest Supervisor

FROM: George Corn
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DATE: May 17, 2023

The thousands of public comments on the USFS's handling of the Holland Lake Lodge expansion proposal show that Flathead National Forest Supervisor Kurt Steele's actions have caused the public to lose trust in his impartiality, deservedly so. The credibility of the USFS has also suffered as a result. First, Steele approved POWDR's Master Development Plan before even notifying the public that it had been submitted. Then—only after the outraged public pointed out its multiple fatal flaws that Steele had either overlooked or purposely ignored—the USFS rejected it.

Now, the USFS is reportedly considering whether to transfer the existing Special Use Permit to a new entity—essentially POWDR through yet another of the many shell companies that POWDR has assembled. Any new permittee will then submit a new MDP on behalf of POWDR, which POWDR has promised will be at the same scale as the previous one, which the public has overwhelmingly, vociferously, and resoundingly opposed. Because of Steele's demonstrated and admitted bias and either incompetence or collusion, the reviewing official going forward should not be Mr. Steele; you should fulfill that role or you should delegate that authority to some other official who could attempt to regain the public's trust in the USFS and in the process.

In an internal USFS email obtained through the FOIA process, Mr. Steele demonstrated that the public is right to distrust him. Long before the public received any hint of POWDR's plan to take over and expand the Lodge, Mr. Steele wrote glowingly to USFS colleagues about POWDR and its grandiose vision of Holland Lake Lodge as a luxury resort for those fortunate enough to be able to afford it:

Some exciting potential from an interested buyer (Powdr) for purchasing Holland Lake Lodge and some ideas for expansion. If this works out, this could be one of, if not "the" primer [premier] place in the region. *I am biased of course.* Figured I

would share. Nothing is official yet, but it's a pretty cool idea that would be a great addition to our forest ...¹

Mr. Steele's admitted bias violates the Department of Agriculture's ethical standards.

Employees *shall act impartially* and not give preferential treatment to any private organization or individual involved in any way with the decision.²

Employees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards set forth in this part. Whether particular circumstances create an appearance that the law or these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.

By his own admission, Mr. Steele has disqualified himself to serve as the "authorized officer" in future dealings with the Holland Lake Lodge.

Mr. Steele admitted his bias long before the public was informed about POWDR's proposed takeover and expansion, and before any US government professionals had the chance to weigh in on whether the proposed expansion would be appropriate under the various standards governing such activities. That input was short-circuited by Mr. Steele's early and enthusiastic embrace of POWDR's takeover and the proposed expansion.

Mr. Steele has demonstrated his failure to review Lodge matters with the hard look that the reviewing officer should employ.

In addition to Mr. Steele's admitted bias, his actions have also demonstrated that he is POWDR's cheerleader, not the neutral evaluator that the process requires.

- On September 1, 2022, in a 16-page "scoping letter" addressed to "interested parties," Mr. Steele shocked the public with his surprise public announcement that the USFS "is proposing the Holland Lake Lodge Facility Expansion project." His letter claims that *the USFS* is proposing the expansion and referred to "the accepted HLL Master Development Plan (MDP)." The letter does not even mention that POWDR proposed the expansion project and that POWDR had already taken control of the Lodge. By the time he disseminated the letter, Steele and other USFS personnel had been working closely with POWDR representatives to push through the expansion for over 19 months.³ ***Shockingly, Mr. Steele's letter fails to mention POWDR at all.***

Steele's scoping letter failed to inform "interested parties" that the Lodge management had already transferred from a local sole-shareholder-corporation to a giant out-of-state private corporation that operates 18 ski resorts and reports 4 million annual visitors—one of largest ski

¹ Kurt Steele email to Keith Lannom, February 11, 2021, 4:57 p.m. Copy attached.

² 5 CFR 2635.101(8) & (14); E.O. 12674 "Principles of Ethical Conduct for Government Officers and Employees," Section 101(h) (emphasis added).

³ Email dated December 9, 2020 from POWDR's Brian Stewart to District Ranger Chris Dowling and Darlene Bridges.

area operators in the U.S.⁴ This was obviously a glaring and critically relevant fact that Steele should have included in the scoping letter. Many of the thousands of public comments opposing the expansion focus on POWDR's size and history. Steele's presumably deliberate omission of the identity of the party proposing the expansion is evidence of his bias and that he has acted as POWDR's facilitator rather than neutral reviewer.

- On April 27, 2022—Long before the public had any idea what was afoot with the Lodge—Steele had already “accepted” POWDR’s MDP that described POWDR’s huge expansion plan: “I accept HLL MDP.”⁵ This “acceptance” of the MDP occurred without any public notice, without any opportunity for the public to comment, and without any acknowledgment that management of the Lodge had already transferred to POWDR, which triggered the automatic termination of the existing permit.

- Similarly, Mr. Steele’s scoping letter claimed that the expansion was intended to be under the existing Special Use Permit issued to Christian Wohlfeil as sole shareholder of the Holland Lake Lodge Corporation. As described in our prior memo to Mr. Steele, we now know from USFS emails produced in FOIA requests, that on or before October 21, 2021, Steele and the USFS had been informed that POWDR had taken over the Lodge from Wohlfeil; by its unambiguous terms, the existing permit should have been considered terminated, a fact that the USFS has now belatedly acknowledged.⁶ Wohlfeil was simply a POWDR employee and was used as a figurehead; all the important communications regarding the Lodge’s expansion were between the USFS and POWDR officials, mostly Brian Stewart.

There was apparently a strategic decision—which the USFS either proposed or followed—for POWDR to submit the MDP under Wohlfeil’s permit, perhaps for the rationale that a local owner would be more palatable to the public than a huge ski resort corporation. This constitutes more evidence that Steele was an advocate of the expansion, not a neutral reviewer.

- Mr. Steele’s September 1, 2022 letter also stated that his “intentions are to categorically exclude the proposed project” from significant environmental review like an environmental assessment or environmental impact statement. The Lodge sits on the Crown of the Continent, on the shores of a pristine mountain lake, in the middle of unsurpassed grizzly bear, lynx, wolverine, Common Loon, and bull trout habitat. POWDR’s proposal would more than triple the volume of the operation. POWDR seeks to construct 32,900 square feet of new buildings. POWDR seeks to pave acres of parking lots: 121 regular parking spaces and 5 large RV parking spaces. It is inconceivable to us (and to many commenters) that the USFS would even consider a categorical exclusion under these circumstances. Belatedly recognizing the huge impact that the expansion would entail (because of the enormous public outcry), the USFS has since backed off Steele’s “intention” to review the project under a categorical exclusion, and has stated that an environmental assessment or impact statement would be used. Steele’s stated “intention” to use a

⁴ <https://www.acquia.com/resources/case-studies/powdr>.

⁵ Letter dated April 27, 2022, from Steele to POWDR’s Brian Stewart (attached to an email dated April 28, 2022 from USFS Chuck James to Brian Stewart, Christian Wohlfeil).

⁶ “Holland Lake Lodge, Inc., is controlled and managed by E3 Destinations, a subsidiary of POWDR.” Letter dated April 12, 2023 from Steele to Kristine Akland.

categorical exclusion, and the USFS's subsequent recognition that a categorical exclusion is inappropriate (but only after the public outcry) is more evidence of Steele's bias.

- After sitting on the proposal for 19 months, Steele provided only a three-week window for public comment. Steele scheduled a two-hour public meeting for September 8, 2022 in Condon, only one week after Steele broke the news.

POWDR first contacted the USFS about its proposed expansion on December 9, 2020. POWDR's Brian Stewart stated: "we'd like a sense of USFS' interest in our expansion plans." Dowling responded: "We are very excited about your ideas."⁷ POWDR provided its draft MDP to the USFS on October 21, 2021. Steele and his underlings spent over ten months working closely with POWDR to discuss and finalize POWDR's MDP. Then Steele et al. had another six months to review POWDR's submitted MDP and accept it. While the USFS had years to consider POWDR's plans, Steele initially allowed only three weeks for the public to receive notice of the MDP's expansion plan, review and comment on it, and less than a week before the one public meeting that was initially scheduled.

This short timeline suggests that Steele was attempting to approve the project before the public could inform themselves and mobilize and before any FOIA requests would be returned. Despite what appears to be an attempt to limit public involvement, word got out about this huge expansion in such a unique and well-loved area, and citizens stepped up and registered their opposition in large—perhaps unprecedented—numbers. Trying to quell the masses, on September 14, 2022, Steele wrote condescendingly that the commenters opposing the project were "confused" and that, while the public voice did matter, in the end Mr. Steele would determine the "... best interest of the American people."⁸

- Steele is not the only USFS official who was bedazzled by POWDR. Staff of the Swan Lake Ranger District as well as other Flathead National Forest staff worked hand in glove with POWDR long before Steele's Sept 1, 2022 public announcement. POWDR's Brian Stewart's December 9, 2020, email to Ranger Dowling stated: "we'd like a sense of USFS' interest in our expansion plans." Dowling responded: "We are very excited about your ideas," and set up the first of many meetings between POWDR and USFS officials.⁹ On March 11, 2021, POWDR's Brian Stewart sent Swan Lake District Ranger Dowling a proposed letter drafted by POWDR to be put on USFS letterhead and signed. Stewart wrote:

As discussed, we've drafted a letter for your review. This letter gives POWDR the confidence that there is an achievable path to expanding outdoor recreation and lodging at Holland Lake.¹⁰

⁷ Email dated December 9, 2020 from POWDR's Brian Stewart to Swan Lake District Ranger Chris Dowling and Darlene Bridges.

⁸ Flathead National Forest Press Release Sept. 14, 2022.

⁹ Email dated December 9, 2020 from POWDR's Brian Stewart to Swan Lake District Ranger Chris Dowling and Darlene Bridges.

¹⁰ Email dated March 4, 2021, from POWDR's Brian Stewart to Swan Lake R.D. Ranger Chris Dowling.

Dowling obligingly copied Stewart's draft essentially verbatim onto USFS letterhead, signed it and mailed it back to Stewart. The letter explicitly stated that Powdr's proposed plans were an "achievable path."¹¹ By signing the letter that POWDR wanted him to sign, Dowling allowed himself to be POWDR's mouthpiece. Dowling's acquiescence was wholly inappropriate and shows favoritism and lack of a critical review.

- Mr. Steele concealed 19 months of discussions and hand-holding between the USFS and POWDR from the public; he "accepted" POWDR's MDP and its expansion plan without any public notice when he should have deemed the existing permit terminated; and he failed to even mention POWDR in his scoping letter.

After he was confronted with over 6,000 public comments from people who vehemently disagreed with his view that an expanded and luxe Holland Lake Lodge was "a pretty cool idea that would be a great addition to our forest," Steele claimed on September 14, 2022, that "I would like to be completely transparent through this entire process and the public input is important for me to hear before determining if this proposal is in the best interest of the American People." What stunning hypocrisy, considering the "process" of accepting POWDR's MDP had already taken place behind closed doors. Mr. Steele's biases preclude him from being the one to determine the "interest of the American People." That determination should be made by someone who has not already proved himself biased and unreliable.

As Regional Forester, we ask that you remove Mr. Steele as the authorized officer to consider matters relating to the Holland Lake Lodge, including whether to transfer Wohlfeil's permit to whatever shell company POWDR set up to take ownership of the Lodge, and whether to approve a new equally offensive MDP that POWDR has promised to submit. Steele has disqualified himself from that role, and his actions have already caused members of the public to suspect that the USFS is simply doing POWDR's bidding. Steele has already seriously damaged the USFS's credibility.

¹¹ Email dated March 12, 2021 from USFS Darlene Bridges to Brian Stewart and Christian Wohlfeil (cc to Chris Dowling).

From: Lannom, Keith -FS
To: Steele, Kurtis - FS
Subject: RE: Holland Lake Lodge "Idea" for Expansion.
Date: Friday, February 12, 2021 2:38:54 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)

The Eco-tents look interesting. I've seen those described a "glamping" as in glamorous camping.



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Caring for the land and serving people

From: Steele, Kurtis - FS <Kurtis.Steele@usda.gov>
Sent: Thursday, February 11, 2021 4:57 PM
To: Lannom, Keith -FS <keith.lannom@usda.gov>
Cc: Glossa, Melany -FS <melany.glossa@usda.gov>; Marten, Leanne - FS <leanne.marten@usda.gov>
Subject: FW: Holland Lake Lodge "Idea" for Expansion.

Some exciting potential from an interested buyer (Powder) for purchasing Holland Lake Lodge and some ideas for expansion. If this works out, this could be one of, if not "the" primer place in the region. I am biased of course. Figured I would share. Nothing is official yet, but it's a pretty cool idea that would be a great addition to our forest in providing an expanded opportunity for the public. Worth a quick glance.



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Caring for the land and serving people

From: Bridges, Darlene - FS <darlene.bridges@usda.gov>
Sent: Thursday, February 11, 2021 3:40 PM
To: Steele, Kurtis - FS <Kurtis.Steele@usda.gov>
Subject: Holland Lake Lodge "Idea" for Expansion.

Attached are the documents shared from POWDR. They are not married to the idea of the looks of the structures. They want to know what SHPO would like to see on that site and go that direction.

Would you like to be added to the project files so you can see items in Pinyon when I receive documents and we move through the process?

Darlene