

Spearfish Canyon State Park & Bismarck Lake

Land Exchange Between the U.S. Forest Service and the State of South Dakota

July 12, 2016

Background

In 2006, the State of South Dakota received title to several parcels of property in Spearfish Canyon as part of a larger settlement between Homestake Mining Company and the State. These transfers allowed the state to invest in the preservation of some of the most renowned natural resources in the country. It also allowed for increased access and recreational opportunities in the canyon. Of particular success were the properties near Savoy known as Roughlock Falls. This area was



experiencing severe degradation as a result of increased visitation and lack of effective management by Homestake. Immediately after the State acquired the property, improvements were put in place to allow for public use and enjoyment, while preserving the natural and scenic properties of the falls.

Earlier in 2016, the State of South Dakota was able to secure another 73 acres of Homestake Property, from Barrick Gold Corporation, which includes Spearfish Falls. As part of the settlement between Homestake and the State years ago, water flowing through Little Spearfish Creek that once was diverted around the falls was allowed to be restored, providing another spectacular recreational opportunity. Plans and funds are in place to provide improvements that will make Spearfish Falls an additional visitor experience for the public, similar to what was constructed at Roughlock Falls. The purchase also allows for connectivity of the proposed hiking trail system from Roughlock Falls to Spearfish Falls, to the Savoy Pond.

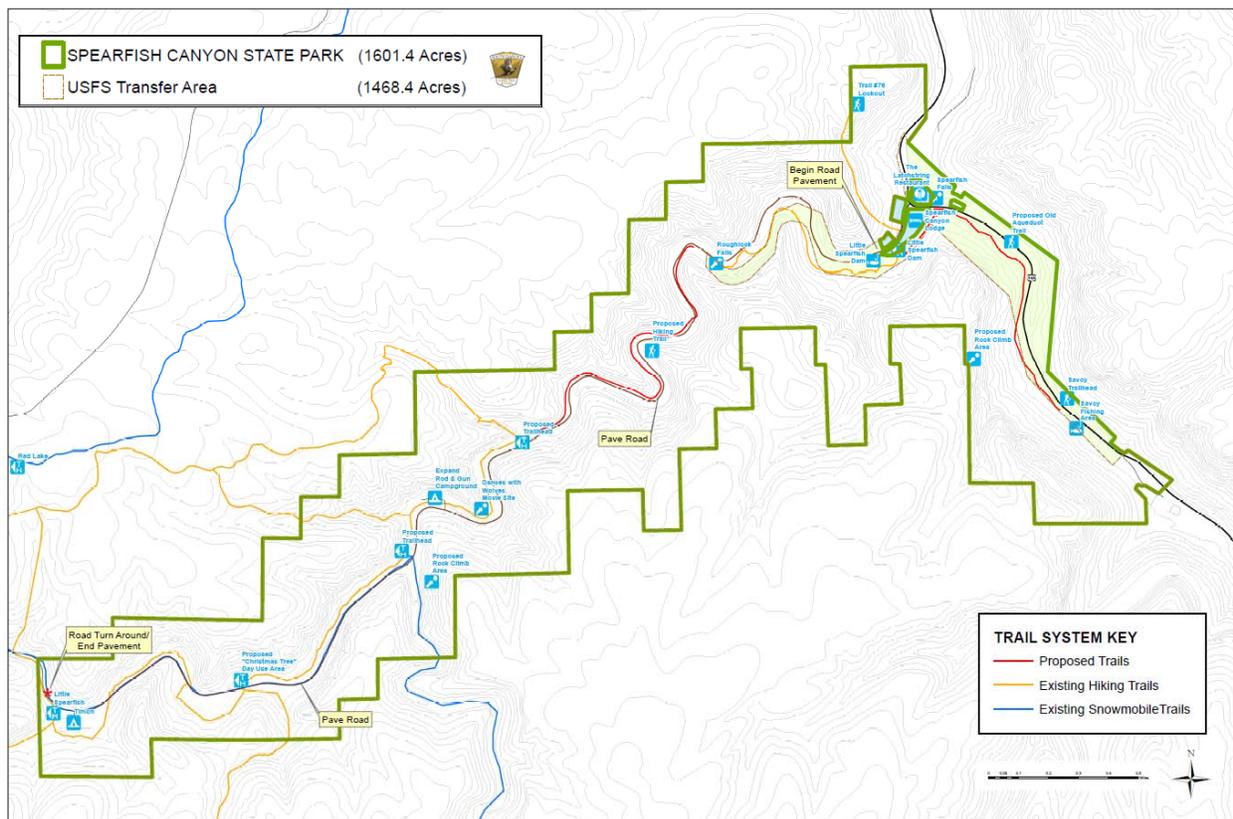


Proposal

These acquisitions have presented a much larger opportunity and vision for a world-class attraction. Spearfish Canyon in and of itself is considered one of the greatest wonders of the world. Planning and development has not kept up pace with the thousands of people that visit this area every year, and this has brought problematic issues such as natural resource damage, congestion, and trespassing. However, this level of popularity demonstrates that there is also a significant public need and support for protection and responsible management of this resource. The State of South Dakota has a proven track record to be able to provide access and experiences that also

preserve and protect these natural, cultural, and historical resources. In January 2016, Governor Dennis Daugaard proposed that the State of South Dakota pursue the concept of establishing a new state park to encompass these areas in the upper reaches of Spearfish and Little Spearfish Canyon in his State of the State Address.

The concept of a new state park in Spearfish Canyon will achieve the goals of both preservation and opportunity for recreation. The State of South Dakota has developed a proposal that will facilitate the creation of the state’s second largest state park behind Custer State Park in the Southern Black Hills. Spearfish Canyon State Park will be comprised of over 1,600 acres of property in the Savoy and Little Spearfish Canyon. It will encompass the “rim-to-rim” portion of Little Spearfish canyon from the Savoy intersection of U.S. Highway 16 approximately five miles up the canyon to the Little Spearfish trailhead.



This proposal requires the transfer of approximately 1,468 acres of land currently under the ownership of the U.S. Forest Service along with the improvements that exist. Those improvements include:

Campgrounds

- Rod and Gun (7 sites)
- Timon (7 sites)

Trailheads



- Little Spearfish

Trails

- '76 Trail
- Little Spearfish Trails
- Access to other trail systems such as Old Baldy

Land Exchange

The acquisition of U.S. Forest Service property is proposed to be in the form of a land exchange between the South Dakota Office of School and Public Lands (SPL), the South Dakota Department of Game, Fish and Parks, and the Forest Service. Three sections of SPL land have been identified in Lyman and Pennington County as suitable for trading to the USFS for inclusion in the Fort Pierre and Buffalo Gap National Grasslands. These properties represent SPL parcels of rangeland that are surrounded or nearly surrounded by USFS land. In all three cases, the permittees for both the SPL land and the surrounding USFS land is the same entity, and their USFS permits can be amended to include the newly acquired land. In Lawrence County the South Dakota Department of Game, Fish and Parks has a detached 34 acre parcel in Spearfish Canyon that is almost surrounded by U.S. Forest Service that will also be exchanged to the U.S. Forest Service

The procedure for the transfer would require that SPL transfer the land to GFP for the appraised amount. The SPL and Governor would then issue patents to the GFP, and then the USFS and GFP would complete the land exchange for the Spearfish Canyon properties.

The Department of Game, Fish and Parks has compiled a map and draft legal description of the USFS lands that would need to be acquired to support the state park proposal. Those descriptions are included with this report.

The SPL has also identified the legal descriptions of the trade property and is included in this report as well.

The exchange will require federal legislation. On July 14th Sen. John Thune introduced federal legislation to authorize the land exchange between the federal government and the State of South Dakota. The bill is co-sponsored by Sen. Mike Rounds. Rep. Kristi Noem also introduced a companion bill in the House of Representatives. The bill before the 114th Congress, when passed will authorize the land exchange.

Potential Improvements

Several improvements have been identified through preliminary analysis that could result in new, improved or expanded outdoor recreational services. Other services, facilities, and resource management strategies that would allow the State of South

Dakota to improve management in this area could be identified with further master planning efforts described later in this summary.

Roadway Improvements

The state will upgrade Forest Road 222 to an asphalt road. Currently that road is so poorly maintained that it could be considered a hazard for those using it. The state's plan would be to improve upon the road's grading and then to asphalt the portion of road starting at Spearfish Canyon and going thru the park portion of Little Spearfish Canyon. This would be accomplished with consideration to methods of the most minimal impacts to the resources and view shed. Keeping travel speeds low and discouraging arterial development of the road will also be of primary concern.

Campground expansion

Both Rod and Gun and Timon campgrounds could be reasonably expanded to include more sites than what exists today. While the opportunity for large scale expansion does not exist, it is anticipated that each site could at least be doubled in capacity without substantial impact to the resources.

Trails

An expanded trail system could connect Roughlock Falls with the Little Spearfish Trail System. This would provide for a trail system that would extend from the far west boundary of the park and connect both campgrounds, Roughlock Falls, Spearfish Falls, and Savoy Pond. This trail system could also be expanded or connect to other USFS trails outside of the proposed park boundary. Additional trailheads could also be considered within the park.

Picnic Areas

There is opportunity to provide for picnic areas and day-use areas within the park boundary to allow extended stay options and additional services to supplement existing facilities in the canyon.

Snowmobile Opportunities

This area has connectivity to the existing 350-mile snowmobile trail system, and has potential for expanded services making this a first class winter recreation destination.

Other Services

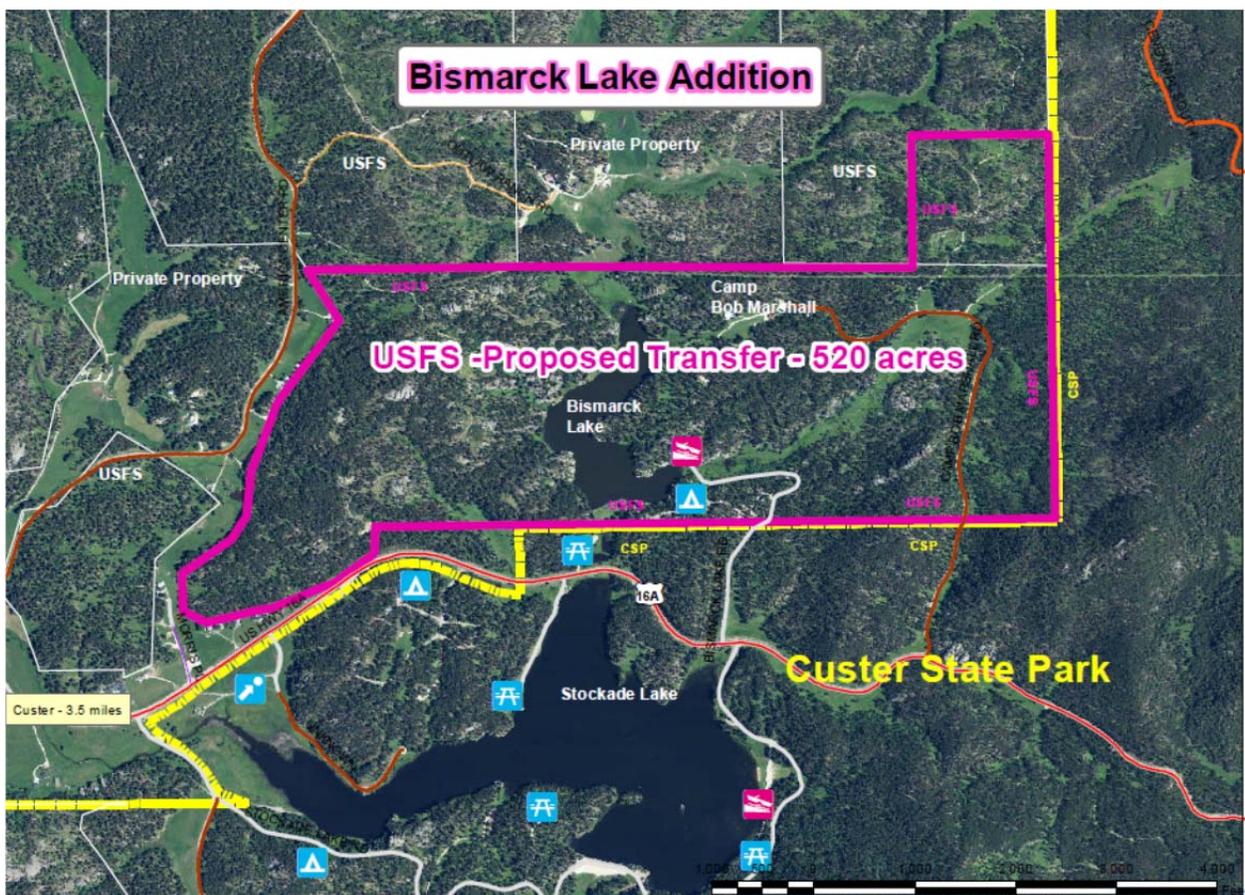
The Spearfish Canyon Lodge is currently operating independently at the Savoy location.



The lodge features a 55-room hotel and a restaurant and gift shop across the highway. The establishment of a state park around these facilities provides for opportunities for public/private partnerships and marketing efforts that could make the business more profitable and sustainable in the long term.

Bismarck Lake – Custer State Park

The state has identified 524 acres of USFS property that encompasses the Bismarck Lake recreation area for inclusion in the above land exchange between SPL, GFP and USFS. The USFS manages a recreation site and lake just on the west edge of Custer State Park. The lake is about 27 acres, and is a popular recreation site that offers 23 non-electric campsites, a boat ramp, shore fishing, and picnicking. Access to Bismarck Lake is off of US Highway 16, through Custer State Park for about a quarter mile. It is also within a quarter mile of Stockade Lake, a major recreation center within Custer State Park.



This situation provides for confusion, inefficiency, and a drain on resources. Since it is literally on the border of Custer State Park and the only access is through the park, it already feels like it is part of the park. Furthermore, due to the lack of developed facilities such as showers, patrons of Bismarck Lake have been utilizing the facilities at Custer State Park putting strain on those resources. The addition of Bismarck Lake to

Custer State Park will provide for more efficient administration of this site and allow for improvements to be made to make this a significant recreational site as part of Custer State Park.

This property also contains the Camp Bob Marshall group camp that is under permit to the Western Dakota 4H Camp Association that includes cabins and facilities for large group camping events. Currently the camp has a waste treatment issue that the state will work to address when the exchange is completed.

This 524 acres Bismarck Lake property, in addition to the 1,468 acres will be exchanged for the 1,954 acres of land currently held by SPL and GFP.

Master Plan

A project of this magnitude warrants considerable analysis and opportunity for public input. The State of South Dakota is proceeding with a master plan process that will be coordinated by an independent third party consultant. Specific goals of the master plan include the following products:

- 1. Public input:** The planning process will identify public issues and provide the public with ample opportunity to comment on the concepts, and build a basis for the ultimate recommendation for these areas to be included as part of the state park system. Participation methods shall document, organize, and present all public comments for inclusion in the public record.
- 2. Vision:** The plan shall establish a clear vision for the project including specific goals and objectives that will demonstrate how the State of South Dakota can provide better public service to these respective regions of the Black Hills.
- 3. Development plan:** The plan should include a detailed inventory of the study area and consider all existing and potential recreational opportunities. The plan should also provide guidance on natural resource management, cultural and historical resource protection, scenic preservation, interpretation and appropriate development standards.
- 4. Operations and funding plan:** The philosophy of the state park system has been to fund operations associated with the expansion of the park system with park revenue and not seek additional general fund support. Therefore, the master plan will explore all funding opportunities that can be generated through services inside and outside the park, and provide options for short- and long-term operations of the park according to the development goals identified in the master plan.
- 5. Outline and schedule for all required state and federal actions:** The plan will consider all administrative, legislative, and fiscal requirements to achieve the recommendations identified in the plan and provide the state with strategies and action items to secure all permissions and authority necessary for the implementation of the plan.

It is anticipated that this master plan will proceed in August of 2016 and continue in the fall and winter.

Good for South Dakota

The establishment of Spearfish Canyon State Park would provide for the long term enjoyment and preservation of one of South Dakota's most cherished natural resources. This could help make this part of the Black Hills a true destination and recreation center for local residents. This would help expand and diversify the tourism base for the Black Hills as well. State Parks are efficient and effective ways to manage resources placed in the public trust for maximum benefit.

The addition of Bismarck Lake to Custer State Park will provide for more consistent services and opportunities for visitors to Custer State Park and remove any confusion about the administration of this area. This area will complement the attractions at Custer State Park and vice versa.