

Thompson Island Acquisition Project and Program Description Provided by Montana DES

August 15, 2026

Montana Disaster and Emergency Services (MT DES), as the subapplicant under the State of Montana's Hazard Mitigation Grant Program (HMGP) application, is requesting funding for the Thompson Acquisition Project in Stillwater County. The project will acquire and demolish a flood-prone residence at 3777 Montana 78 Highway in Columbus, Montana, and permanently convert the site to deed-restricted open space.

The single-family residence, constructed in 2004 on a slab-on-grade foundation, is located within the Stillwater River floodway at approximately 45.560217 latitude and -109.368282 longitude. Channel migration and flooding have eliminated safe road access to the property, creating ongoing life-safety, emergency-access, and flood-damage concerns. Continued residential use of the site is particularly vulnerable during future flood events.

In addition to the risk to the residence and its occupants, future flood damage could cause the structure, building materials, or other site improvements to become debris and wash downstream. Debris generated from a damaged or displaced structure could obstruct bridges, culverts, road crossings, utility infrastructure, or other downstream assets; increase flood elevations or redirect flows; and create additional public-safety and infrastructure risks for downstream communities. Removing the structure from the floodway will eliminate this potential source of flood-borne debris.

To permanently reduce these risks, MT DES has proposed to acquire the property at its pre-disaster fair market value, as established by an updated appraisal. After acquisition, MT DES will contract for demolition and removal of the residence and associated improvements, including debris disposal and sealing of the septic system and well. The parcel will be restored to flood-compatible open space and protected by a recorded deed restriction requiring that it remain open space in perpetuity, consistent with FEMA acquisition requirements.

Upon completion of the acquisition, demolition, and site restoration activities, MT DES intends to transfer ownership of the parcel to Montana Fish, Wildlife & Parks (FWP). FWP would hold and manage the property as deed-restricted open space in perpetuity, subject to FEMA's requirements and any applicable transfer approvals. This long-term ownership arrangement will help preserve floodplain functions, prevent future residential development, and support continued stewardship of the parcel.

The project is primarily funded through FEMA, which will provide a 75 percent federal share. The homeowner will donate a 25 percent match, equal to 25 percent of the fair market value of the home, back to the project. This contribution will help make the project financially feasible while ensuring the property can be permanently removed from risk.

Removing the structure from the floodway will eliminate future structural flood losses, reduce public-safety concerns associated with the loss of reliable road access, eliminate a potential source of flood-borne debris that could affect downstream infrastructure, preserve floodplain functions, and reduce future emergency-response and recovery costs. The project is cost-effective, with a benefit-cost ratio of 3.67 and an estimated net present value of benefits of \$6,058,434 compared with a total project cost of approximately \$1,650,611.

The project is anticipated to take approximately 17 months to complete. Following award notification, MT DES will coordinate with the property owner and local partners to complete title work, issue the homeowner offer, and close on the property. Demolition and site restoration will occur during the low-flow season along

the Stillwater River corridor, with contingency time included for seasonal or site-access delays. Final inspection, reimbursement, reporting, and administrative closeout will follow completion of the work.

Ground disturbance will be limited primarily to areas previously disturbed by construction of the residence and its associated improvements. Based on available information, the project is not expected to affect historic structures more than 50 years old, known archaeological resources, federally listed threatened or endangered species, or designated critical habitat; these determinations will be confirmed through FEMA's National Environmental Policy Act review process. Any incidental vegetation disturbance associated with site access and demolition will be minimized to the greatest extent practicable.

Although the property is located in the Stillwater River regulatory floodway, the project will not alter watercourse flow or flood patterns. Instead, it will remove a vulnerable structure and potential source of flood-borne debris from the floodway while preserving the parcel as permanent open space.