

FINDING OF NO SIGNIFICANT IMPACT
TENNESSEE VALLEY AUTHORITY
SEVEN FALLS GOLF AND RIVER CLUB DEVELOPMENT
HENDERSON COUNTY, NORTH CAROLINA

Mountain Development Company, LLC (MDC), proposes to develop the first private golf and river club in western North Carolina on a 1,400-acre tract south of the town of Etowah in Henderson County, North Carolina. The development would include approximately 700 single-family lots, 164 town homes, 36 condominiums, and 24 lodge and inn rooms. Amenities would include a golf practice facility including a 9-hole practice golf course, driving range, putting and chipping greens, an 18-hole Arnold Palmer golf course, an equestrian center, a river club, a town village, a swimming pool, and tennis courts. Supporting infrastructure would include new roads, water and sewer system, three storm water retention/irrigation ponds, a water intake on the French Broad River, a wastewater treatment plant with an outfall on the river, and a boat launch ramp. The U.S. Army Corps of Engineers' (USACE) public notice issued November 15, 2007, includes vicinity and site maps.

In September 2007, Mr. Clement Riddle of ClearWater Environmental Consultants, Inc., (ClearWater) on behalf of his client, MDC, submitted a permit application to the USACE for approval under Section 404 of the *Clean Water Act* of fills associated with the proposed development. Subsequently, in January 2008, ClearWater submitted an application to the Tennessee Valley Authority (TVA) for approval under Section 26a of the *TVA Act* for various construction activities. TVA's 26a permit would authorize the construction of 12 bridges; 49 culverts; 1.48 acres of wetland fills in the 100-year floodplain; the irrigation intake; the wastewater treatment plant outfall; 6,990 linear feet of stream impact/stabilization; and the boat launch ramp.

The USACE has prepared an environmental assessment (EA) of its permitting action. TVA consulted with USACE during its preparation of the EA, which is incorporated by reference. The USACE EA considered two alternatives: (a) Avoidance (no action) and (b) Minimization (modified project designs), the alternative preferred by both TVA and the USACE. Under the Avoidance/No Action Alternative, TVA would not issue a Section 26a permit for the project at the current location. Under the Proposed Action (i.e., the Minimization Alternative), TVA would issue the 26a permit necessary to construct the Seven Falls project.

Impacts Assessment

The proposed action would permanently affect a total of 6,990 linear feet of stream channel, 1.48 acres of wetlands, and 0.57 acre of open waters. The USACE EA identified activities associated with the proposed development requiring Section 404 permits at 50 stream sites, 10 wetland sites, and one open-water site. Approximately 3.8 acres of wetlands (72 percent of total wetlands on site) have been avoided. The resulting impacts would be mitigated by both on-site and off-site compensatory mitigation at a 2:1 ratio for streams and a 1:1 ratio for wetlands. Mitigation would include restoration and enhancement of two off-site streams (an unnamed tributary to the French Broad River located in Holbrook Subdivision and an unnamed tributary to Wash Creek located in Laurel Park Nature Park) and payments into the North

Carolina Ecosystem Enhancement Program. The applicant would also undertake on-site stream bank stabilization and enhancement to restore the function of Little Willow Creek and its unnamed tributaries. The North Carolina Division of Water Quality issued a Revised 401 Water Quality Certification to the applicant on January 11, 2008. Only minor adverse impacts on water quality are expected from construction, but extensive on-site stream restoration should ultimately improve water quality. With the proposed mitigation, impacts to wetlands and streams would be insignificant.

Portions of the Seven Falls project site are located within the floodplains of the French Broad River and Little Willow Creek, where the applicant proposes to develop roads and fairways. TVA has determined that the proposed action would not obstruct flood flows or significantly increase flood levels. The applicant obtained a Floodplain Development Permit for the floodplain fills from Henderson County dated July 7, 2007. A separate permit must be obtained for relocation and/or improvements to Pleasant Grove Road. The proposed action is consistent with Executive Order 11988 on floodplain management.

In a letter dated June 12, 2008, the United States Fish and Wildlife Service (USFWS) concurred that no endangered or threatened terrestrial or aquatic species would be affected by the proposed action. The applicant conducted a survey at the request of the USFWS to search for the Appalachian elktoe (*Alasmidonta raveneliana*), and none were found. A survey for the federally and state-listed bog turtle (*Glyptemys muhlenbergii*) found no on-site population. TVA concurs that there would be no effect on federally or state-listed species. TVA has determined that the development would not affect unique or important terrestrial or aquatic habitat and that effects on terrestrial and aquatic ecology would be insignificant.

An archaeological survey conducted in February and March of 2008 identified a historic house and 37 archaeological sites. The house, which is listed on the National Register of Historic Places (NRHP), would not be affected by the proposed project. Six sites were recommended as eligible for the NRHP. A memorandum of agreement (MOA) between North Carolina State Historic Preservation Officer, USACE, TVA, and the applicant, with concurrence from the Eastern Band of Cherokee Indians, executed in August 2008, provides for data recovery on all six eligible sites. TVA has concluded that with implementation of the mitigation measures described in the MOA, historic properties would not be adversely affected.

No adverse impacts on navigation, water supply, land use, public health and safety, or aesthetics are anticipated. Beneficial effects are expected for socioeconomics and recreation. Due to the relatively small scale of the development site when compared to the size of the overall watershed, the project is not expected to result in significant incremental cumulative effects on the water resources.

Public and Intergovernmental Review

USACE issued a public notice on November 15, 2007. In a letter dated December 17, 2007, the USFWS expressed concerns about the potential to impact the Appalachian elktoe mussel, wetlands, streams and riparian buffers, the floodway, and water quality. The North Carolina Wildlife Resources Commission expressed many of the same concerns with the addition of potential impacts to trout in Folly Creek. Letters from citizens cited concerns about previous notices of violation, trout, endangered species, historic properties, and floodplain development. In response, the applicant agreed to conduct archaeological and aquatic surveys, honor the proposed trout moratorium, reduce stream and wetland impacts by half, reduce impacts from roads by approximately two-thirds, and address other concerns. Wetlands mitigation would be addressed at a 1:1 ratio; stream impacts at a 2:1 ratio.

Several citizen letters requested a public hearing, which USACE denied on the grounds that sufficient information was available to evaluate the project. Henderson County Commission held a public hearing on a development agreement between the county, Seven Falls, and MDC. The agreement establishes permitted uses, and other development conditions for the proposed golf and river club development.

Mitigation and Special Permit Conditions

TVA would require that the applicant adhere to general and standard conditions for water quality protection contained in the Section 26a permit, as well as the conditions of the Section 401 Water Quality Certification. As described above, MDC would also be required to implement USACE’s special permit conditions listed in the EA, including the terms of the MOA on historic properties. Implementation of the MOA is a commitment in this finding of no significant impact (FONSI). TVA has not identified the need for any additional nonroutine permit conditions or mitigation measures.

Conclusion and Findings

Based on its independent review of the USACE EA, TVA has found that it adequately assesses the environmental impacts of the proposed action and is adopting the USACE EA. TVA has determined that the issuance of the Section 26a permit for the proposed Seven Falls Golf and River Club project would not be a major federal action significantly affecting the quality of the environment. Accordingly, an environmental impact statement is not required. This FONSI is contingent upon adherence to the permit conditions and completion of the mitigation measures described above and in the USACE EA.



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Date Signed