

FINDING OF NO SIGNIFICANT IMPACT
TENNESSEE VALLEY AUTHORITY
WHITE SULPHUR SPRINGS, PICKWICK RESERVOIR
HARDIN COUNTY, TENNESSEE

Proposed Action and Need

Tennessee Valley Authority (TVA) has received a request from the White Sulphur Springs Homeowners Association to purchase at fair market value the lots they are now leasing from TVA. The White Sulphur Springs cabin site was established in 1940 as a leased cabin site area. During the 1940s, summer cabins were constructed on nine of the lots by the lessees. In 1952, the TVA Board of Directors approved the sale of these lots to their lessees. TVA must decide whether or not to go forward with the 1952 proposal and sell the lots to the individual lessees. The proposed action was discussed in and would be consistent with the Pickwick Reservoir Land Management Plan (Land Plan).

Alternatives

TVA considered four alternatives in the environmental assessment (EA): to continue the leases (the No Action Alternative); cancel the leases (Alternative B); sell the nine lots at current lot sizes (Alternative C); or sell the lots at a reduced acreage (Alternative D). Under Alternative B, TVA would cancel the leases, which would result in the cabin owners being given a two-year opportunity to lease their lots from TVA at an established fair market value. At the end of two years, TVA would extinguish the lease and the owners would have to remove their private improvements, or TVA would do so and bill the leaseholders to recover its costs. Under Alternatives C and D, TVA would sell the lots at fair market value to the existing structure owners to whom the lots are currently being leased for use as single dwelling homes and would also grant the rights necessary to access the site. Under Alternatives C and D, those lessees who do not choose to purchase their lots would be given the same opportunity to vacate the premises as under Alternative B. Under Alternative C, the nine lots, totaling 21.9 acres with an associated 2,781 feet of shoreline would be sold at fair market value. Under Alternative D, each cabin owner would have the option to purchase a smaller-sized lot, totaling approximately 13 acres with an associated 1,936 feet of shoreline at fair market value. TVA's preferred alternative is Alternative D. Alternative D would be consistent with the Board-approved Pickwick Reservoir Land Management Plan and would fulfill the purpose and need of the proposal.

Public and Intergovernmental Review

On June 14, 2004, the draft EA was distributed for intergovernmental and public review. Copies of the draft EA were sent to 23 federal and state government agencies. Elected officials, local government offices, organizations and businesses, and individuals were mailed Fact sheets, announcing the availability of the EA, the brief description of the proposed action, and how they could access the draft EA. The draft EA was placed in 34 local libraries for public access. The draft EA could be viewed on TVA's website, <http://www.tva.com/environment/reports/whitesulphur/index.htm>. In total, 309 agencies, organizations, and individuals were directly contacted to solicit comments on the draft EA. Five percent of those contacted chose to provide comments. Comments were received from fifteen individuals and three agencies. Six expressed concern about the

natural habitat and landscape that could be adversely affected by uncontrolled development. Three commenters urged TVA to retain ownership of this property with some preferring using the area as parkland. Others wanted restrictions added to the sale to control the potential impacts. Some commented that the sale of the lots to the existing cabin owners would be the only fair alternative. Other commenters wanted to allow the current individual cabin owners to purchase the lots at fair market value. Three commenters stated that TVA should offer the lots to the general public to be sold to the highest bidders, with restrictions for visual protection and destruction of natural habitat and landscape.

Impacts Assessment

During the 2000 Pickwick Reservoir Land Management Plan, potential impacts associated with the allocation of White Sulphur Springs cabin sites were assessed. No impacts to protected plant species or wetlands are anticipated because none are known or expected to occur on this parcel. No impacts are anticipated on terrestrial and aquatic threatened and endangered species, air quality, recreation, navigation, and Pickwick State Park. For aquatic ecology and water quality, requests for the alteration or further development of this parcel would need to include Best Management Practices and maintenance of a 50-foot SMZ to reduce potential impacts, which are the SMI criteria for residential development. Under any of the alternatives, potential development with the floodplain would generally consist of water use facilities and other repetitive actions in the floodplain that should result in minor floodplain impacts. TVA determined more analysis was needed in the EA for the potential impacts to two resource areas, cultural and visual resources.

Under Section 106 of the National Historic Preservation Act, it has been determined that four of the cabins are eligible for listing on the National Register of Historic Places (NRHP), and two others are potentially eligible. Because the proposed action could possibly cause an adverse effect on these historic cabins, TVA in consultation with the Tennessee State Historic Preservation Office (SHPO) agreed to mitigate this adverse effect by preparing a report documenting the White Sulphur Springs cabin group. During a Phase I survey, two archaeological sites were identified as prehistoric based on the presence of flakes associated with stone tool manufacture. The nature of these sites indicates that little information can be extracted, and therefore they are of no historical significance. TVA determined that no NRHP listed or eligible archaeological sites would be affected by the proposed undertaking. The location of the White Sulphur Springs cabin sites, in context with surrounding landscape characters and scenic values make it sensitive to disturbance. If existing cabin owners remove improvements and rebuild single-family dwellings so that steeply pitched roof lines extend well above the tree canopy, which ranges from approximately 40 feet to 60 feet, the scenic value would be permanently and significantly adversely impacted. Avoidance of this potentially significant impact would be ensured by conditioning the sale of these lots so that no structure would be constructed that would extend higher than 50 feet, measured to the highest point on the roof from the lowest existing ground elevation within the planned building perimeter.

Mitigation

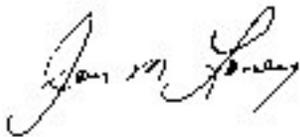
Because this action could possibly cause an adverse effect on the historic cabins, TVA in consultation with the Tennessee SHPO agreed to mitigate this adverse effect by preparing a report documenting the White Sulphur Springs cabin group. This has been

completed and in a letter dated July 21, 2004, the SHPO determined that the documentation adequately mitigates project effects upon properties eligible for listing in the NRHP as stipulated in the Memorandum of Agreement (MOA) and has no objection to the implementation of the project. Avoidance of the potential impact to the aesthetics would be ensured by adding the following restriction to the land transfer instrument:

Structures shall be no higher than 50 feet, measured to the highest point on the roof from the lowest existing ground elevation within the planned building perimeter.

Conclusion and Findings

In a letter dated July 21, 2004, the Tennessee SHPO agreed that the documentation of the cabin sites adequately mitigated the impacts to the historical structures and had no objections to the implementation of the project elements outlined in the MOA. TVA determined no impacts are anticipated on terrestrial and aquatic threatened and endangered species. By letter of July 13, 2004, the U.S. Fish and Wildlife Service determined that the EA adequately describes the resources within the project and the potential impacts. For compliance with Executive Order 11988, the proposed lot sales would not involve property within the limits of the 100-year floodplain of the Tennessee River. Under any of the alternatives, potential development with the floodplain would generally consist of water use facilities and other repetitive actions in the floodplain that should result in minor floodplain impacts. For compliance with Executive Order 11990, no wetlands would be affected. Based on TVA's further review, we conclude that the proposed action would not be a major federal action significantly affecting the environment. Accordingly, an Environmental Impact Statement is not required.



Original Signed by

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Date Signed