

**FINDING OF NO SIGNIFICANT IMPACT (FONSI)**  
**SEVIERVILLE PUBLIC BUILDING AUTHORITY (PBA)**  
**EVENTS CENTER COMPLEX**  
**LITTLE PIGEON RIVER MILE 3.3L, SEVIER COUNTY, TENNESSEE**

**Purpose and Need**

The Sevierville Public Building Authority (PBA) proposes to construct an Events Center Complex (Events Complex) to promote tourism to the community. The local and regional economy would benefit from the revenue and from the increased employment, sales and tax base that would be generated by the Events Complex.

As a requirement for the project, the U.S. Army Corps of Engineers (USACE) would have to issue a permit under Section 404 of the Clean Water Act for placement of permanent fill in wetlands and in two small streams. Since this fill would involve construction of an obstruction and placement of fill in the floodplain of the stream, approval would also be required from the Tennessee Valley Authority (TVA) under Section 26a of the TVA Act. Because of the economic benefits associated with increased tourism and demonstration values of the use of emerging technologies, the PBA also asked that TVA Customer Services and Marketing (CS&M) consider providing federal financial assistance to study the feasibility of meeting the heating and cooling needs of the convention center using geothermal technology. USACE, in cooperation with TVA, prepared the attached EA to consider the impacts of the agencies' permit approvals. In addition, TVA has evaluated the impacts of the CS&M financial assistance.

**The Proposed Project**

The PBA and a private developer propose to construct a convention center, hotel, planetarium, golf course (reconfiguration) and clubhouse, and associated retail development on approximately 152 acres, which would include the proposed fill locations. The site is generally located west of the Little Pigeon River and east of Old Knoxville Highway. A portion of the property is also located along Gist Creek Road.

The Events Complex would have approximately 120,000 square feet of meeting and ballroom space. The 3-D Planetarium and an adjoining hands-on Science Center would include an additional 80,000 square feet. The 300-plus room hotel would include a 1-acre indoor water park; while, in cooperation with a private developer, PBA plans to construct overnight cabins on about 200 acres and a 5 to 7-acre indoor water park. An additional 500,000 square feet of retail and entertainment space are envisioned on property adjoining the Complex.

If the TVA-funded geothermal test well and feasibility study proves successful, up to 100 or more holes several hundred feet deep could be drilled on the upland area on the west side of Old Knoxville Highway to serve the heating and cooling needs of the convention center. These holes would be in the locations within the 152-acre area already proposed for disturbance as parking lots. The holes would be 3.5 to 4 inches in diameter and would be drilled using percussion drilling, with no slurry. The waste material from the drilling would be used as fill with other material from grading. Each

hole would contain a polyethylene loop filled with water, which would be circulated in a closed system for transferring heat. The holes would be filled with grout to hold the loops in place and provide for uniform heat transfer.

Subsequent phases of development could include additional road improvements, residential and commercial development, and golf course expansion. The entire property that may accommodate future development is approximately 1,100 acres. However, only the approximately 152 acres currently planned for development is presently owned by the City of Sevierville and a private developer (Universe LLC). Only the proposed development of this area is evaluated in the attached USACE environmental assessment (EA). This development is proposed to occur regardless of any future expansions or additions on the adjoining acreage. Also, because financial success of the initial development phase is needed before proceeding further, there are presently no definite plans for future phases. Even if additional areas are proposed for development in the future, the exact location and type of development are as yet unknown.

### **Alternatives**

USACE considered three alternatives: no action, applicant's proposed action, and approval of the project with modifications or conditions. The additional conditions under the third alternative include mitigating the loss of wetlands and a portion of two small streams, monitoring of the mitigation, and dedication of a restrictive covenant affecting the mitigation property. As described in the attached EA, TVA believes these alternatives cover a reasonable range of actions that address the applicant's purpose and need for the project.

No alternative sites were considered by the applicant. Although the PBA could potentially purchase land elsewhere in the area that does not have streams or wetlands, PBA and Universe, LLC currently own the property subject to this evaluation. Based on an independent USACE review, other sites may be available, but do not appear to meet the site criteria established by the applicant. Purchase of additional land that does not meet the PBA's requirements would not be economically practicable. The use of the property for business and commercial facilities would be compatible with the current zoning. Because of the likelihood that the project at this site would have minimal environmental impacts and the possibility that a similar development on other sites would have equal or greater impacts, there is no reason to consider use of other alternative sites for the proposed development.

### **Affected Environment and Impacts**

The property proposed for development lies in the north central portion of Sevier County within the city limits of Sevierville, Tennessee, in an area planned and zoned for this type of development. The general surrounding environs are characterized by business and commercial development along and east of Tennessee State Route (SR) 66, with previously farmed pastureland and reverting old fields at the site and along the low terrace and floodplain of the Little Pigeon River. Young to mature mixed hardwood forests occur on the upland to the west of Old Knoxville Highway and along Gist Creek Road. Development of this property would affect a portion of this mixed terrestrial habitat. Wildlife species expected to occur would be generally abundant and common to the area and region.

Gist Creek Road improvements would affect Gist Creek. Construction of the proposed Events Complex would involve the placement of permanent fill in approximately 8.0 acres of wetlands and 370 feet of an intermittent unnamed tributary. The shrub-scrub wetlands are linear in nature and provide filtration and cleansing of surface water. The unnamed tributary, which flows into Gist Creek, is approximately 1 foot wide and with normal flow approximately 4 inches deep during and shortly after rainfall events. Gist Creek, which flows into the wetland areas and the Little Pigeon River (left descending bank at mile 3.3), would be affected by two proposed road crossings, while the intermittent stream would be affected by construction of a proposed storm water detention basin.

Minor water quality impacts would occur during construction; however, long-term effects on water quality from the stream and wetland fill would be negligible. The State of Tennessee issued a 401 Water Quality Certification (NRS 05-104) for the proposed work on July 21, 2005. The certification provides assurance that water quality standards will not be violated if the work is conducted in accordance with the conditions set forth in the certification. A copy of the certification is included in Appendix D in the attached EA. USACE and TVA authorization of the project would require that the PBA adhere to the conditions of the state's Section 401 Water Quality Certification.

The project involves construction within the 100-year floodplain of the Little Pigeon River. Some components such as culverts are repetitive actions that were previously generically assessed by TVA. Overall, there is no practicable alternative to avoiding the floodplain since alternative project sites were deemed to be impracticable. The city of Sevierville participates in the National Flood Insurance Program, and PBA will ensure that the project complies with its requirements and thereby minimize impacts to the floodplain. Therefore, TVA's action complies with Executive Order 11988 (Floodplain Management). Eight (8) acres of wetlands, at 23 locations on the 152-acre property, would be permanently filled to accommodate this development. This wetland loss would be mitigated at a 2:1 ratio through the acquisition of 16.0 acres of credits from the Indian Creek Advance Credit Mitigation Site in Roane County, Tennessee.

Based on TVA field inspection and review of its Regional Natural Heritage database, there are no known occurrences of state or federally listed terrestrial or aquatic threatened or endangered species at the site or within the project impact area. Therefore, there would be no effect on threatened or endangered species. Based upon surveys conducted by the applicant, two archaeological sites and one cemetery were identified within the project area. At the request of the Tennessee State Historic Preservation Officer (SHPO) an impact avoidance plan was developed. However, based on further evaluation and information provided, the SHPO ultimately concurred that the project area contains no archaeological resources eligible for listing in the National Register of Historic Places (NRHP). See Appendix E in the attached EA. The cemetery is also ineligible for listing in the NRHP. It would be relocated by the PBA, in coordination with the SHPO, to an appropriate site outside the project area.

Tennessee Department of Environment and Conservation (TDEC) regulations, adopted in February 2005, require installers of geothermal systems to meet standards and report on findings and results of their work. These regulations would adequately minimize the impacts of drilling the wells, and installing the geothermal system.

USACE, TDEC and TVA have issued several permits in this general area in the past requiring compensatory mitigation to reduce project impacts to levels of insignificance. Considering past, present, and future proposals, there would be only minimal cumulative impacts associated with the PBA proposal.

### **Public Review**

On May 6, 2005, USACE issued Joint Public Notice (PN) No. 05-23 to advertise the proposed work. The PN was also distributed to a wide list of interested parties. The SHPO, Tennessee Wildlife Resources Agency (TWRA), and U.S. Fish and Wildlife Service (USFWS) responded to the PN. There were no other comments. The SHPO responded to the public notice by letter dated May 17, 2005, requesting an archaeological survey of the "permit area." The applicant provided such a survey (information submitted in the four surveys included in Appendix F in the attached EA) and after considerable analysis and further evaluation, by letter dated July 28, 2005, the SHPO concurred that the project area contains no archaeological resources eligible for listing in the NRHP. (See the Affected Environment and Impacts section above). The SHPO stated that based on the documentation submitted, no historic properties will be affected and the project, as proposed, complies with Section 106 of the National Historic Preservation Act.

By letter dated June 3, 2005, the USFWS stated that, provided the mitigation channel is of accepted design and contains 50-foot buffer zones, it would not object to the issuance of the permit for the work described in the public notice. USFWS also stated that the requirements of Section 7 of the Endangered Species Act of 1973, as amended, have been fulfilled. By letter dated June 1, 2005, TWRA stated that the proposed stream mitigation is inadequate and should be implemented in accordance with the Tennessee Stream Mitigation Guidelines (TSMG). They recommend that the permit be held in abeyance until the applicant agrees to include provisions of the stream mitigation guidelines. In response to both USFWS and TWRA concerns and consistent with TSMG, the applicant agrees to incorporate natural stream design features into the replacement channel redesign for the impacted streams. TVA agrees that these design features will adequately mitigate impacts to water quality as further evidenced by TDEC's issuance of the Section 401 Water Quality Certification.

### **Mitigation**

TVA's Section 26a approval is contingent upon successful implementation of Best Management Practices for erosion and sediment control including TVA General Conditions 1, 9, and 10, and Standard Conditions 3c, and 6a, 6c through 6i. Also, in accordance with permit conditions included in the attached USACE EA, disturbance to riparian vegetation shall be kept to a minimum during construction, and appropriate silt control (such as hay bales or silt fences) shall be utilized.

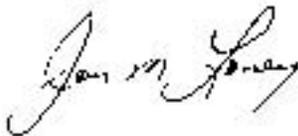
Stream mitigation work for this project would be conducted in accordance with mitigation plans submitted by the applicant's consultant, S&ME, Inc., dated June 23, 2005 (see Appendix C in the attached EA). All work performed must be in accordance with conditions included in the TDEC, Water Pollution Control certification (NRS 05-104) issued July 21, 2005. PBA shall monitor the stream mitigation area and guarantee its success for five consecutive years. Required vegetative plantings shall have a 75

percent survival rate during the monitoring period. Annual monitoring reports for the stream mitigation shall be submitted to USACE accompanied by the data from the approved monitoring plan. As a part of the PBA's mitigation plan, the stream mitigation site (including the buffer zone) shall be indentured into a restrictive covenant that will become an attachment to the deed and run with the property. The restrictive covenant shall protect in perpetuity the aesthetic, educational, and ecological values of the mitigation site. The restrictive covenant shall be provided to USACE for review and approval before recordation.

PBA will also purchase 16.0 acre credits at the Indian Creek Advanced Wetland Mitigation Site in Oliver Springs, Tennessee to mitigate for the loss of 8.0 acres of onsite wetlands. A purchase agreement must be finalized within thirty (30) days of receipt of a USACE permit and a copy of the purchase agreement shall be submitted to USACE.

### **Conclusion and Findings**

TVA has independently reviewed the USACE EA and found it to be adequate. Therefore, TVA has decided to adopt the USACE EA. It is attached to this FONSI and incorporated by reference. Based on TVA's direct project involvement, site inspections, and review of the USACE's EA, TVA has concluded that the impacts on the environment have been adequately addressed; necessary mitigation, including such identified in this FONSI, has been incorporated into this decision. With mitigation mentioned above, the project would be consistent with Executive Order 11988 (Floodplain Management) and no threatened or endangered species would be affected. Furthermore, based on the applicant's survey and SHPO letter, TVA concurs that the project would have no effect on historic properties. Based on the attached EA, including the described wetland and stream impact mitigation measures, TVA concludes that approval of the proposed wetland fill and stream obstructions, as well as the provision of financial assistance to PBA, would not be a major federal action significantly affecting the quality of the environment. Accordingly, an environmental impact statement is not required.



*August 24, 2005*

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Date Signed