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FINDING OF NO SIGNIFICANT IMPACT TENNESSEE VALLEY AUTHORITY ECONOMIC DEVELOPMENT GRANT PROPOSAL FOR **TELLICO WEST INDUSTRIAL PARK** Monroe County, TN (Vonore)

An integral part of Tennessee Valley Authority's (TVA) mission is to promote economic development within the TVA service area. TVA provides financial assistance to help bring to market new/improved sites and facilities within the TVA service area and position communities to compete successfully for new jobs and capital investment. TVA proposes to provide an economic development grant through InvestPrep funds to the Tellico Reservoir Development Agency (TRDA) to assist with the development of the Tellico West Industrial Park. The area of TVA's proposed action (herein referred to as the Project Area) comprises approximately 12.4 acres within a larger approximately 16-acre site proposed for development within the Tellico West Industrial Park and is located between State Road (SR) 72, Excellence Way, and Deer Crossing in Vonore, Monroe County, Tennessee (TN). There would be minor impacts as a result of the Proposed Action.

The proposal is the subject of an Environmental Assessment (EA) prepared by TVA, which is incorporated herein by reference. In the EA, TVA evaluated potential impacts of the Proposed Action (i.e., the Action Alternative) as well as the alternative of not implementing the action (i.e., the No Action Alternative). Under the No Action Alternative, TVA would not provide InvestPrep funds to the TRDA. TVA would not be furthering its mission of promoting economic development by assisting the local community to compete successfully for new jobs and capital investment through the Proposed Action. The TRDA may seek alternate funding to combine with their existing funds to develop the site. Success in obtaining alternate funding would result in similar impacts and benefits as the Action Alternative. If the TRDA were not able to secure the funding for the proposed actions, the land use at the site would likely remain unchanged, no environmental impacts would be anticipated, and the economic benefits associated with the Action Alternative would not be realized. Under the Action Alternative, TVA would provide InvestPrep funds to the TRDA, facilitating the improvement of the Project Area within the Tellico West Industrial Park. TVA funds would be used for the clearing of approximately 10.3 acres of trees, construction of a stormwater detention pond, and site grading of a 125,000 square foot building pad, dirt access road, and dirt parking areas.

Implementation of the Action Alternative would result in disturbance of the entire 12.4-acre Project Area in preparation for industrial use. The TRDA, or its contractors, are expected to implement appropriate measures, such as best management practices (BMPs), to minimize or reduce negative potential environmental impacts of the Action Alternative to insignificant levels. These practices include, but are not limited to, installation of sediment and erosion controls (silt fences, sediment traps, etc.); management of fugitive dust; and a restriction allowing work during daytime work hours only. They are also expected to obtain all required permits and follow all permit conditions.

TVA has determined that the Proposed Action, subsequent to TVA's selection of the Action Alternative, would have no impact on floodplains, land use and prime farmland, wetlands, natural and managed areas, and cultural resources. The Proposed Action would also not result in impacts from the creation of solid and hazardous wastes.

Implementing the Action Alternative would result in minor impacts to air quality and climate change, groundwater, surface water, aquatic ecology, terrestrial zoology, botany, and public recreational opportunities. Implementation of the Action Alternative could create potential minor impacts to the human environment, including visual effects, noise, socioeconomics and environmental justice, and transportation issues.

An October 2020 environmental survey of the Project Area did not identify any summer roosting habitat (trees) for Indiana bat and northern long-eared bat (NLEB). In addition, no winter bat habitat was observed within the Project Area. Moree Branch which abuts the Project Area and one ephemeral stream located approximately 100 feet north of, but not within, the Project Area may provide foraging habitat for Indiana bat and NLEB. Additional foraging habitat for both species occurs over, alongside, and through the forest fragments within the Project Area. A number of activities associated with the Action Alternative, including tree removal and burning, were addressed in TVA's programmatic consultation with the United States Fish and Wildlife Service (USFWS) on routine actions and federally listed bats in accordance with Endangered Species Act (ESA) Section 7(a)(2) and completed in April 2018. For those activities with potential to affect bats, TVA committed to implementing specific conservation measures. These activities and associated conservation measures are identified on page 5 of the TVA Bat Strategy Project Screening Form (Attachment 2 of EA) and must be reviewed/implemented as part of the Action Alternative. With implementation of these conservation measures, no significant impacts are expected to federally listed bats.

Two separate Phase I archaeological surveys conducted in 1999 and 2000 covered the Project Area and surroundings. In addition, in January 2021 an architectural survey was completed to identify National Register of Historic Places (NRHP) listed, eligible, or potentially eligible historic structures and sites within the Project Area. Ten previously unrecorded archaeological resources were identified during the 2000 survey, including two archaeological sites, one prehistoric artifact locality, one resource that contains both prehistoric and historic material, one historic occupation, and five isolated finds of prehistoric cultural material. There is one archaeological resource that was documented within the Project Area by previous surveys conducted in 1980. This site was bisected by a paved road and was not documented by the subsequent archaeological survey in 2000. No further archaeological work was recommended in the Project Area. During the architectural survey, Cardno, Inc. documented and assessed eight architectural resources (HS-1 through HS-8) which were over 45 years in age. None of the structures were considered eligible for listing on the NRHP. TVA consulted with the Tennessee State Historic Preservation Office (SHPO) in a letter dated February 16, 2021 regarding TVA's findings and recommendations. In a letter dated February 17, 2021 the Tennessee SHPO concurred with TVA's findings of no effect. Pursuant to 36 CFR 800.3(f)(2), TVA also consulted with federally recognized Indian tribes regarding properties that may have religious and cultural significance to their tribe and be eligible for the NRHP and no responses were received.

Mitigation

To minimize or reduce the environmental effects of site activities associated with the Action Alternative, the TRDA, or its contractors, are expected to ensure all clearing and grading activities conducted are in compliance with stormwater permitting requirements and utilize applicable BMPs to minimize and control erosion and fugitive dust during these actions. A 30-

foot undisturbed buffer would be maintained on either side of the portion of Moree Branch that most closely abuts the Project Area to protect the stream and avoid impacts. Onsite burning activities would be conducted in compliance with local burn permits, the requirements in Tennessee APC Rule Chapter 1200-03-09, and conservation measures identified on page 5 of the TVA Bat Strategy Project Screening Form (Attachment 2 of EA).

Operations involving chemical or fuel storage or resupply and vehicle servicing are expected to be handled outside of riparian areas and in such a manner as to prevent these items from reaching a watercourse. Earthen berms or other effective means are expected to be installed to protect nearby surface waters from direct surface runoff. Servicing of equipment and vehicles is expected to be done with care to avoid leakage, spillage, and subsequent surface or ground water contamination. Oil waste, filters, and other litter are expected to be collected and disposed of properly.

Specific avoidance and conservation measures would be implemented as a part of the Action Alternative to reduce effects to Indiana bat and NLEB. These measures are identified in the TVA Bat Strategy Project Screening Form (Attachment 2 of EA).

Conclusion and Findings

Based on the findings listed above and the analyses in the EA, we conclude that the Proposed Action of TVA funding the improvement of the Project Area within the Tellico West Industrial Park would not be a major federal action significantly affecting the environment. This finding is dependent on implementation of the mitigation measures described above. Accordingly, an environmental impact statement is not required.

March 25, 2021

Date Signed

Dawn Booker NEPA Manager Federally Mandated Environmental Compliance Tennessee Valley Authority