

March 7, 1994

Charles D. Buffington, FOR 3A-N

FINDING OF NO SIGNIFICANT IMPACT (FONSI) - FINAL ENVIRONMENTAL ASSESSMENT (EA) - CHANGE IN LAND USE DESIGNATION TO ALLOW RESIDENTIAL DEVELOPMENT OF THE BAT CREEK PENINSULA, TELlico RESERVOIR, LOUDON AND MONROE COUNTIES, TENNESSEE

TVA has been asked by the Tellico Reservoir Development Agency (TRDA), to approve a change in land use designation for the 1,060-acre Bat Creek Peninsula from its current industrial designation to residential. The land is part of approximately 11,000 acres of Tellico Reservoir property transferred to the TRDA by TVA in 1982 under the terms of Contract Number TV-60000A. Based on plans submitted to TRDA by a developer, Tellico Lake Properties, L.P., approval of the land use change would lead to creation of 2,000 homesites, construction of an 18-hole golf course with clubhouse, and recreation facilities.

The Environmental Assessment prepared for this proposed action evaluates the potential environmental impacts of three alternatives. Under Alternative 1, TVA would deny the request to redesignate the property. The property would remain designated for industrial uses and presumably would eventually be developed for industrial use with the impacts associated with such a use. Under Alternative 2, TVA would approve the redesignation as proposed. This would result in residential-development-related impacts. These impacts would be tempered and mitigated to some degree by the Tellico development standards, which include environmental protections, and by other applicable Federal, State, and local environmental safeguards. Under Alternative 3, TVA would impose additional safeguards on development of the property (discussed below). TVA's preferred alternative is Alternative 3 and this is the basis upon which TVA would approve redesignation.

The EA was made available to the public and State and Federal agencies for review and comment. Two public meetings were also held to obtain the public's reaction to the proposal, including specifically the public's comments on potential environmental impacts. TVA has considered the comments received in completing the EA.

Under Alternative 3, additional development standards and land use restrictions would be established on project lands to enhance environmental protection. These measures include: preservation of historic properties, the set aside of mitigation lands for the loss of

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grasshopper sparrow habitat, the creation of wildlife movement corridors and buffer zones or greenbelts to enhance visual quality, a commitment to limit the number and location of docks in sensitive shoreline areas, and the preservation of shoreline vegetation. Other measures are identified in the EA.

Based on the analyses in the EA, we agree that the proposed redesignation is not a major Federal action significantly affecting the quality of the human environment. Accordingly, an environmental impact statement is not required. The Office of the General Counsel concurs in this determination.

Please send Environmental Management 28 copies of the final EA, 13 of which will be sent to the Tennessee State Clearinghouse and 15 of which will be retained in the NEPA documents room. Copies should also be sent to those commenting on the draft EA.



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