

FINDING OF NO SIGNIFICANT IMPACT
TENNESSEE VALLEY AUTHORITY
SEQUOYAH LODGE AND LAKE RESORT, TELlico RESERVOIR,
MONROE COUNTY, TENNESSEE

Proposed Action and Need

On April 14, 2003, the Eastern Band of Cherokee Indians (EBCI) submitted to the Tennessee Valley Authority (TVA) an application for the proposed conveyance of approximately 40 acres of TVA public land on Tellico Reservoir for the use of a commercial recreation complex. The properties included in the request are TVA Parcel 94 and a portion of Parcel 95 as designated in the 2000 *Tellico Reservoir Final Environmental Impact Statement and Land Management Plan* (Plan). EBCI also submitted an associated request for approval under Section 26a of the TVA Act and from the United States Army Corps of Engineers (USACE) under Section 404 of the Clean Water Act (CWA) and Section 10 of the Rivers and Harbor Act to construct water use facilities and to install riprap for shoreline stabilization.

The proposed EBCI development included the construction of a 160-room lodge, a 140-room hotel, 108 quad units, 46 shore cabins, 137 recreational-vehicle (RV) camp lots with a boat launching ramp, 40,000 square feet of retail and restaurant space, kayak, canoe, and swimming center with fixed docks, and 785 parking spaces. In addition, EBCI also proposed construction of a harbor area with a 100 double-slip marina, and stabilization of 5,200 linear feet of eroding shoreline. The project would be developed in phases from 2004 to 2008. Subsequently, in June 2004, ECBI modified their proposal to reduce shoreline stabilization to 2,500 linear feet, the boat launching ramp to 20 feet in width, and the sand beach fill to 10 cubic yards.

Operation of the Sequoyah Lodge and Lake Resort is intended to generate revenue to support the continued operation and public education programs of the Sequoyah Birthplace Museum and is projected to create about 100 near-term and 500 long-term jobs. Other public benefits include improved fishing opportunities with the construction of a new public fishing pier and parking, economic development (jobs and revenue), and tourism.

Alternatives

Two alternatives have been evaluated for the proposed EBCI development on Tellico Reservoir, a No Action Alternative and an Action Alternative. Under the No Action Alternative, no conveyance of TVA property would take place, and no construction of any land structures or water use facilities would occur. There would be no lodge and resort complex developed on Parcel 94 for public recreation or new public fishing pier and parking area on Parcel 95 constructed. The existing Tellico Reservoir Development Agency (TRDA) easement for Parcel 94 would remain in effect.

Under the proposed Action Alternative, EBCI would be conveyed a long-term easement for the use of approximately 40 acres of TVA land on Parcels 94 and 95 as designated in the Plan for development as proposed.

Impacts Assessment

TVA and the USACE prepared an Environmental Assessment (EA) to evaluate the potential impacts of the proposed land use request and Section 26a/Department of Army permit application. Environmental impacts from the proposed Sequoyah Lodge and Lake Resort development are primarily associated with clearing the property to construct the resort facilities and the potential water quality/aquatic ecology impacts associated with the project construction. The project site and shoreline currently consists of a heavy kudzu infestation. TVA would condition any approval to landscape the future development with no species considered invasive and use only endemic native species. TVA would also require the implementation of construction related Best Management Practices to reduce erosion and sediment impacts to acceptable levels. Implementation of these measures and conditions together with the conditions in the General Aquatic Resources Alterations Permits (ARAP) and the nationwide Section 404 permits would reduce water quality impacts to insignificant levels.

Navigational safety issues and recreational boating capacity concerns were previously identified as potential issues during preparation of the Plan and were also therefore evaluated more fully in the EA. TVA has established a maximum lakeward extension for each dock that would not interfere with recreational navigation. TVA has also determined that there appears to be ample water surface area for boating to accommodate existing and planned dock facilities and boating traffic.

Mitigation

EBCI is proposing to construct a new fishing pier and parking area on a portion of Parcel 95 to replace the TRDA existing public fishing pier and existing boat ramp on Parcel 94. Parcel 94 contains an existing easement for a 13.5-acre tract of land that is conveyed to TRDA for public recreation purposes. The existing easement to TRDA would be superceded by the proposed EBCI development on Parcel 94. TRDA would request a new easement for the new facilities on Parcel 95.

Public and Intergovernmental Review

TVA published a Public Notice concerning the proposed action in the following newspapers: *Monroe County Democrat*, *Loudon News Herald*, and *The Daily Times* on May 21-22, 2003. TVA also held a public meeting on December 18, 2003. TVA received no significant opposition to the EBCI proposal.

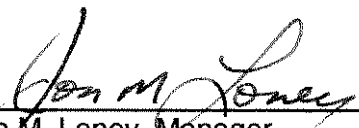
TVA initiated an interagency review on May 21, 2004. In a June 8, 2004, the Tennessee State Historic Preservation Officer (TSHPO) stated that the project could have an affect on historic properties eligible for listing in the National Register of Historic Places. TSHPO concurred in a June 28, 2004 letter that the project would have "no adverse effect" on the historic farmstead to the west of the project area. No other substantive comments were received.

Conclusion and Findings

Review of the TVA Natural Heritage database and on-site inspections conducted for the Plan did not reveal the presence of any listed terrestrial or aquatic animals or plants nor was habitat to support listed species found on other Tellico Reservoir parcels. No wetlands have been identified or are known to exist on Parcel 94 or 95. For compliance with Executive Order 11988, a boat launching ramp, fixed and floating boat slips and a beach are considered repetitive actions in the floodplain and should result in minor

impacts. The TSHPO and the Tribal Historic Preservation Officer of the EBCI concurred that the project would have no effect on archeological resources eligible for listing in the National Register of Historic Places, and as noted above TSHPO concurred the project would have "no adverse effect" on the historic farmstead to the west of the project area. Therefore, there would be no adverse effects on cultural resources.

Based on the EA, we conclude that the land use and Section 26a approvals would not be a major federal action significantly affecting the environment. Accordingly, an Environmental Impact Statement is not required. The FONSI is contingent upon successful completion of the attached environmental commitments.



Jon M. Loney, Manager
NEPA Administration
Environmental Policy and Planning
Tennessee Valley Authority



Date Signed

Attachment

Environmental Commitments

COMMITMENTS

EASTERN BAND OF CHEROKEE INDIANS, LAND USE AND SECTION 26a FOR PROPOSED SEQUOYAH LODGE AND LAKE RESORT DEVELOPMENT – TELLICO RESERVOIR, MONROE COUNTY, TENNESSEE

The following commitments will be incorporated, as appropriate, in the Section 26a permit or the grant of easement for the property.

Special Commitments

1. Landscaping associated with the future development will not use any plant species considered invasive in the state of Tennessee. This will be a condition in the Grant of Easement for the property.
2. Lighting fixtures as indicated in Attachment A will be provided in order to minimize impacts to other area night-use programs (observatories, etc.).
3. "No-wake" buoys will not be allowed in the vicinity of the development.
4. Except for the marina development, harbor limits will be set at 50 feet from the shoreline and all structures. The harbor limits within the marina development will not extend beyond the breakwaters at the end of each set of slips. No boats will be moored on the outside of the breakwaters at the end of each slip.
5. The applicant will construct a paved access road, 18-car parking lot, access walkway, and 150-foot fishing pier on Parcel 95 in accordance with TVA design specifications, to mitigate the loss of an existing Tellico Reservoir Development Agency public use area.

Routine Commitments

6. Applicant agrees to anchor all floating facilities securely to prevent them from floating free during major floods.
7. Any future facilities or equipment subject to flood damage will be located above or flood proofed to the TVA Flood Risk Profile elevation of 817.8 feet.
8. Any future development proposed within the limits of the 100-year floodplain, elevation 816.5, will be consistent with the requirements of Executive Order 11988.
9. All future development will be consistent with the requirements of TVA's Flood Control Storage Loss Guideline.
10. The floor elevation of any fixed docks will be a minimum of 2.0 feet above the normal summer pool elevation of 813 feet.
11. The 100-year flood elevation at this site is estimated to be 816.5-foot mean sea level. As a minimum, fixed, covered facilities will be designed so that stored boats are not forced against the roof during a 100-year flood event.