

**FINAL ENVIRONMENTAL ASSESSMENT**  
**RECREATION DEVELOPMENT ALTERNATIVES**  
**FOR THE**  
**LITTLE CEDAR MOUNTAIN TRACTS**  
**NICKAJACK RESERVOIR**  
**MARION COUNTY, TENNESSEE**  
**TENNESSEE VALLEY AUTHORITY**

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For more information, please contact:

Michael R. Crowson  
Tennessee Valley Authority  
2009 Grubb Road  
Lenoir City, Tennessee 37771-7129  
(423) 988-2444

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Title: FONSI and EA - Recreational  
Development of the Little Cedar Mountain  
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## 1.0 PURPOSE AND NEED FOR ACTION

Following the closure of Nickajack Dam in 1967, the State of Tennessee, with TVA's cooperation, expressed interest in developing a 701-acre (284-hectare or ha) tract of TVA land (Tract No. XNJR-3PT, or Tract 3) on Shellmound Road for a state resort park. The tract is located between Nickajack Dam and Interstate 24 at Exit 158. The state initiated planning efforts for a large-scale resort park, completing a master plan in 1973. However, the state subsequently decided not to develop the area as a park. While the state's planning efforts were underway, TVA developed the Shellmound Recreation Area on approximately 81 acres (30 ha) of the property. It contains a campground, picnic area, boat ramp, and trails. For the past 27 years, it has been the site of the annual Fall Color Cruise, which attracts visitors to view the fall colors on surrounding mountain slopes, as well as to participate in craft and music festivities.

Prior to the construction of Nickajack Dam, the State of Tennessee and the Marion County Planning Commission identified a 638-acre (258-ha) tract of TVA land (Tract No. XNJR-1PT, or Tract 1), located on the Tennessee River between Tennessee River Miles 423 and 424 (km 682 and 684), as a suitable site for industrial use. Its attractive features are road access, rail access within three miles (5 km) of the site, and its location along the navigable waterway. Located just downstream from the dam, it is the last parcel of TVA land suitable for major waterfront industrial development on the Tennessee River between Loudon, Tennessee and the Tennessee-Tombigbee Waterway. Despite periodic interest by large industrial prospects, the site has never been developed for industrial use and has been managed for wildlife for the last 28 years. Portions have also been used for non-wildlife uses such as the 87-acre (35-ha) TVA Safety and Emergency Response Training Academy.

In 1987, TVA initiated the Nickajack Reservoir lands planning process to identify appropriate uses of TVA lands on the reservoir, ranging from industrial to habitat protection. In 1990, the TVA Board of Directors approved the Nickajack Reservoir Land Management Plan, which identified the 638 acres (258 ha) of Tract 1 for an Industrial Site, the 701 acres (284 ha) of Tract 3 for public recreation development, and 39 acres (16 ha) of Tract No. XNJR-4PT (Tract 4) for public recreation development. The plan stated that private sector proposals for development of public recreation facilities on Tract 3 would be considered with evidence of financial feasibility. The plan also stated that private residential or non-recreational commercial development would not be allowed.

Periodically throughout the 1980s and 1990s, TVA has received proposals from local governments and individuals for recreation development on Tract 3 which included non-recreation components. Recent proposals have been received from Marion County, the Sequatchie Valley Planning and Development Agency, and private developers. All recent proposals have contained non-recreational commercial development or private residential development.

TVA continues to receive statements of interest from individual developers and local governments in developing this area for recreational use. TVA believes these proposals demonstrate the need for recreational facilities in the area.

In order to respond to this need, TVA proposes to establish a 1379-acre (558-ha) outdoor recreational complex containing developed and undeveloped recreation components. In order to accomplish this development, TVA would modify the Nickajack Lake Land Management Plan by changing the allocation of two tracts of land and take other actions to allow private sector development. Specifically, TVA proposes to:

- (1) make a 620-acre (251-ha) portion of Tract No. XNJR-3PT available to the private sector for commercial recreation, public recreation, and residential development;
- (2) make Tract No. XNJR-4PT (40 acres or 16 ha located between Interstate 24 and US 41-64-72), available to the private sector for commercial recreation development;
- (3) change the industrial allocation of 498 acres (202 ha) of Tract No. XNJR-1PT to allow this tract to be used for wildlife management over a long-term period;
- (4) change the public recreation allocation of Tract No. XNJR-3PT to allow residential development.

The total area of the outdoor recreational complex would be 1379 acres (558 ha), of which 620 acres (267 ha) would be available for commercial recreation, with a possible residential component, and 40 acres (16 ha) would be available for commercial recreation only.

In proposing to develop the Little Cedar Mountain outdoor recreation complex, TVA's goals are the following:

- Maximize availability of public recreation uses;
- Minimize adverse environmental impacts;
- Ensure a high quality of overall development;
- Maximize financial returns to TVA; and
- Maximize amount of land TVA retains in fee ownership.

On November 20, 1995, consistent with the Nickajack Lake Land Management Plan, TVA provided public notice of the proposed land allocation change for Tract 3. In addition, Tennessee state agencies, the U.S. Fish and Wildlife Service, and the U.S. Army Corps of Engineers were notified by letter of November 22, 1995 of the proposed land allocation change and proposal to solicit commercial and residential development projects. The Tennessee Wildlife Resources Agency commented that they would prefer that Tract 3 remain available for wildlife recreation, including quail habitat and dog training opportunities. The U.S. Fish and Wildlife Service requested an assessment of impacts to the Indiana bat, gray bat, large-flowered skullcap, bald eagle, Price's potato bean, American hart's tongue fern, and Eggert's sunflower. In addition, they stated that development would have negative impacts on fish and wildlife resources.

In response to the public notice, 170 citizens voiced opinions. There were 144 telephone calls recorded. The majority of callers (60 percent) voiced support for the proposed development. About 33 percent opposed the proposed development and the remainder did not state a preference. In addition, 34 letters were received. The majority of letters (79 percent) were supportive of the proposed development, 15 percent were opposed, and the remainder did not state a preference. The main reasons for supporting the proposed project were economic benefits to Marion County and enhanced recreational opportunities. The main reasons for opposing the proposed development were environmental concerns such as impacts to wildlife habitat and fertilizer runoff and a preference that public land remain undeveloped.

Following release of the draft Environmental Assessment (EA) in April 1996, numerous additional comments were received from individuals and organizations. These comments have been addressed either by changing the EA or by responding in the appendix to this EA. In addition, TVA informally consulted with the Fish and Wildlife Service on the potential for endangered species impacts. The result of this consultation is also included in this EA.