

**United States Department of the Interior
U.S. Fish and Wildlife Service
2321 West Royal Palm Road, Suite 103
Phoenix, Arizona 85021
Telephone: (602) 242-0210 FAX: (602) 242-2513**

AESO/FA

March 30, 2001

Ms. Cindy Lester
Chief, Regulatory Branch
U.S. Army Corps of Engineers
3636 North Central Avenue, Suite 760
Phoenix, Arizona 85012-1936

Dear Ms. Lester:

The Service received Public Notice 984-0560-SDM (PN) dated February 26, 2001, on February 28. Harvard Investments has submitted an application for a Section 404 Clean Water Act (CWA) permit to construct a 3,471-acre master planned community known as Talking Rock Ranch near Prescott, Yavapai County, Arizona (Sections 11, 15, 16, 17, 21, 22, 28, 33, T16N, R3W). These comments are provided under the authority of and in accordance with the Fish and Wildlife Coordination Act (48 Stat. 401, as amended U.S.C. 661 et. seq.) (FWCA), but do not constitute our final review of the permit application under the FWCA.

The PN states the proposed project would include a low-density residential subdivision, an 18-hole golf course, roads, and utilities. We believe the total impact of the development which would be authorized by your agency should be assessed, including indirect and cumulative effects and any interrelated and interdependent activities.

The PN states that a preliminary determination has been made that an environmental impact statement is not required for the proposed work. As such, we assume that your agency is preparing an environmental assessment (EA) in accordance with the National Environmental Policy Act. In addition to evaluating effects to biological resources directly on the development site, the EA should address the potential effects that ground water pumping may have on the Verde River, its tributaries, and regional springs. We request that, the draft EA be submitted to our office to assist in our evaluation of the project.

The PN provides no information regarding implementation of a mitigation plan, other than reservation of 30% of the property as open space. Mitigation measures should be developed that first address the issues of avoidance and minimization, and lastly compensation. For compensation, mitigation and monitoring measures should be developed that address the totality of unavoidable project related impacts. The mitigation plan should be developed in coordination

with the appropriate State and Federal resource agencies. We request that the mitigation plan be submitted to our office for review prior to finalization.

The 404(q) Memorandum of Agreement Between the Department of the Interior and the Department of the Army provides for cooperation in acquiring and conveying project information needed by either agency to fulfill its permit review responsibilities. We believe we have not been provided adequate project information to allow us to prepare substantive project specific comments. Therefore, the Service requests this permit be held in abeyance and the comment period extended until we have had an opportunity to review the EA and mitigation plan, and provide substantive comments and recommendations in accordance with the FWCA and the CWA.

If we can be of further assistance please contact Mike Martinez (x224) or Don Metz (x217).

Sincerely,

/s/ David L. Harlow
Field Supervisor

cc: Regional Administrator, Environmental Protection Agency, San Francisco, CA
Supervisor, Project Evaluation Programs, Arizona Game and Fish Department, Phoenix, AZ