

**United States Department of the Interior**

U.S. Fish and Wildlife Service

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AESO/FA

August 2, 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 has reviewed Public Notice 2000-01655-RWF (PN) dated July 23, 2001, issued by the U.S. Army Corps of Engineers. Lone Tree Investments, LLC has submitted an application for a Section 404 Clean Water Act (CWA) permit to build the 646-acre Pine Canyon residential and golf course development in Flagstaff, Coconino County, Arizona (Sections 27 and 34, T21N, R7E). 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 in accordance with the FWCA and section 404(m) of the CWA.

Our primary concern with the proposed project is the potential adverse effects the project may have on biological function of jurisdictional waters within and near the action area. The PN indicates that of a total of 4.6 acres of jurisdictional waters would be directly affected by the discharge of dredged and fill material. There is scant information regarding the potential adverse effects of the adjacent upland development on the biological function of all jurisdictional washes within and near the project site. We suggest an assessment be conducted to determine the extent of secondary and cumulative effects (CFR 40 part 230.11) on jurisdictional waters. We request the opportunity to review this assessment.

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 analyzing the true effect of the project on biological functioning of jurisdictional waters, the EA should analyze the total impact of the entire residential and golf

course development on the Petran Montane Conifer Forest ecosystem. We believe the total impact of the development which would be authorized by your agency should be assessed, including parts located on uplands and all direct, indirect, and cumulative effects, and any interrelated and interdependent activities. We believe the footprint of the permitted project that should be assessed by the Corps is, at minimum, the total 646 acres of development.

Your EA should address the totality of potential effects of the master planned community on ponderosa pine vegetation communities and local and regional wildlife resources; including potential shifts in community structure, changes in diversity, relative abundance, and species richness and evenness, and long-term effects on population demographics and viability. This analysis should use acceptable empirical methodologies to quantify and evaluate the expected impacts on biotic resources. We are concerned that project related landscape modifications may selectively displace resident and transient wildlife species (40 CFR Part 230.32), shift plant and animal species density and richness, disrupt the normal functions of the ecosystem, and lead to reductions in overall biological productivity and diversity.

The PN states the applicant proposes to mitigate project impacts to jurisdictional waters by constructing two riparian areas totaling 1.83 acres and by utilizing native seed stock materials to revegetate approximately 3.38 acres of jurisdictional waters within the proposed project area. In accordance with existing regulations and procedures, mitigation measures should be developed that first address the issues of avoidance and minimization, and lastly compensation. As stated above, we are concerned that adjacent upland development may compromise the ability of avoided and preserved jurisdictional waters to maintain biological and ecological function. Therefore, for compensatory mitigation, measures should not only mitigate vegetative parameters such as canopy cover, biomass, and total volume; but should also mitigate changes or loss of animal diversity, abundance, density, richness, and evenness. Monitoring provisions and criteria should be developed to track the success of mitigation for animal populations as well as vegetation communities. We request the opportunity to review and comment upon the plan.

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. At this time 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 CWA. If we can be of further assistance please contact Mike Martinez or Don Metz.

Sincerely,

/s/ David L. Harlow  
Field Supervisor

Ms. Cindy Lester

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

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