

PUBLIC REVIEW DOCUMENT
Environmental Assessment/Habitat Conservation Plan
for a Portion of the Cibolo Canyon Property (Master Phase II),
Bexar County, Texas

Prepared for:
United States Fish and Wildlife Service
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TABLE OF CONTENTS

1.0	INTRODUCTION.....	5
1.1	BACKGROUND.....	8
	ENVIRONMENTAL ASSESSMENT	10
2.0	PURPOSE AND NEED FOR PROPOSED ACTION	10
3.0	DESCRIPTION OF AFFECTED ENVIRONMENT	10
3.1	VEGETATION	10
3.2	WILDLIFE	11
3.3	THREATENED OR ENDANGERED SPECIES.....	11
3.3.1	<i>Endangered Migratory Songbirds</i>	12
3.3.2	<i>Karst Invertebrates</i>	14
3.3.3	<i>Edwards Aquifer Related Species</i>	14
3.4	WETLANDS.....	15
3.5	GEOLOGY & SOILS.....	15
3.6	LAND USE	18
3.7	WATER RESOURCES AND WATER QUALITY	19
3.7.1	<i>Surface Water</i>	19
3.7.2	<i>Groundwater</i>	19
3.8	AIR QUALITY	21
3.9	CULTURAL RESOURCES	22
3.10	SOCIOECONOMIC ENVIRONMENT.....	26
4.0	ALTERNATIVES CONSIDERED FOR THE PROPERTY	27
4.1	ALTERNATIVE ONE – PROPOSED ALTERNATIVE: MIXED USE RESIDENTIAL AND COMMERCIAL COMMUNITY WITH GOLF VILLAGE, WITH ON-SITE AND NORTH TRIANGLE AS MITIGATION LAND	27
4.2	ALTERNATIVE TWO –FULL DEVELOPMENT PLAN ON EVANS ROAD TRACT WITH WOLVERTON TRACT AND THE NORTH TRIANGLE TRACT	33
4.3	ALTERNATIVE THREE -- LOW DENSITY, LARGE LOT COMMUNITY – NO GOLF OR RESORT	34
4.4	ALTERNATIVE FOUR – NO ACTION	36
5.0	ENVIRONMENTAL CONSEQUENCES	36
5.1	ALTERNATIVE ONE – PROPOSED ALTERNATIVE	36
5.1.1	<i>Direct Impacts</i>	36
5.1.1.1	Vegetation.....	37
5.1.1.2	Wildlife	37
5.1.1.3	Threatened or Endangered Species.....	37
5.1.1.3.1	Assessment of Take	39
5.1.1.3.2	Assessment of Take of Other Listed Species	40
5.1.1.4	Wetlands.....	40
5.1.1.5	Geologic Features and Soils	40
5.1.1.6	Land Use.....	41
5.1.1.7	Cultural Resources	41
5.1.1.8	Air Quality	41
5.1.1.9	Water Resources and Water Quality	41
5.1.1.10	Socioeconomic Environment.....	43
5.1.2	<i>Indirect Impacts</i>	44
5.1.2.1	Vegetation.....	44
5.1.2.2	Wildlife	44
5.1.2.3	Threatened or Endangered Species.....	45

5.1.2.4	Wetlands.....	47
5.1.2.5	Geologic Features and Soils	47
5.1.2.6	Land Use.....	47
5.1.2.7	Cultural Resources	48
5.1.2.8	Air Quality	48
5.1.2.9	Water Resources and Water Quality	48
5.1.2.10	Socioeconomic Environment.....	49
5.1.3	<i>Cumulative Impacts Analysis Overview</i>	50
5.1.4	<i>Cumulative Impacts Analysis for the Proposed Alternative</i>	54
5.1.4.1	Vegetation.....	54
5.1.4.2	Wildlife	56
5.1.4.3	Threatened or Endangered Species.....	56
5.1.4.4	Wetlands.....	58
5.1.4.5	Geologic Features and Soils	58
5.1.4.6	Land Use.....	58
5.1.4.7	Cultural Resources	59
5.1.4.8	Air Quality	59
5.1.4.9	Water Resources and Water Quality	59
5.1.4.10	Socioeconomic Environment.....	61
5.2	ALTERNATIVE TWO – EXISTING, APPROVED FULL DEVELOPMENT PLAN ON EVANS ROAD TRACT WITH WOLVERTON TRACT AND THE NORTH TRIANGLE TRACT	61
5.2.1	<i>Direct Impacts</i>	61
5.2.1.1	Vegetation.....	61
5.2.1.2	Wildlife	61
5.2.1.3	Threatened or Endangered Species.....	62
5.2.1.3.1	Assessment of Take	63
5.2.1.3.2	Assessment of Take of Other Listed Species	63
5.2.1.4	Wetlands.....	63
5.2.1.5	Geologic Features and Soils	63
5.2.1.6	Land Use.....	63
5.2.1.7	Cultural Resources	63
5.2.1.8	Air Quality	63
5.2.1.9	Water Resources and Water Quality	63
5.2.1.10	Socioeconomic Environment.....	64
5.2.2	<i>Indirect Impacts</i>	64
5.2.2.1	Vegetation.....	64
5.2.2.2	Wildlife	64
5.2.2.3	Threatened or Endangered Species.....	64
5.2.2.4	Wetlands.....	64
5.2.2.5	Geologic Features and Soils	64
5.2.2.6	Land Use.....	64
5.2.2.7	Cultural Resources	65
5.2.2.8	Air Quality	65
5.2.2.9	Water Resources and Water Quality	65
5.2.2.10	Socioeconomic Environment.....	65
5.2.3	<i>Cumulative Impacts Analysis</i>	65
5.2.3.1	Vegetation.....	65
5.2.3.2	Wildlife	65
5.2.3.3	Threatened or Endangered Species.....	66
5.2.3.4	Wetlands.....	66
5.2.3.5	Geologic Features and Soils	66
5.2.3.6	Land Use.....	66
5.2.3.7	Cultural Resources	66
5.2.3.8	Air Quality	66
5.2.3.9	Water Resources and Water Quality	66
5.2.3.10	Socioeconomic Environment.....	67
5.3	ALTERNATIVE THREE - LOW DENSITY, LARGE LOT COMMUNITY – NO GOLF OR RESORT	67

5.3.1	<i>Direct Impacts</i>	67
5.3.1.1	Vegetation.....	67
5.3.1.2	Wildlife.....	67
5.3.1.3	Threatened or Endangered Species.....	67
5.3.1.4	Wetlands.....	68
5.3.1.5	Geologic Features and Soils.....	68
5.3.1.6	Land Use.....	68
5.3.1.7	Cultural Resources.....	68
5.3.1.8	Air Quality.....	69
5.3.1.9	Water Resources and Water Quality.....	69
5.3.1.10	Socioeconomic Environment.....	69
5.3.2	<i>Indirect Impacts</i>	69
5.3.2.1	Vegetation.....	69
5.3.2.2	Wildlife.....	69
5.3.2.3	Threatened or Endangered Species.....	70
5.3.2.4	Wetlands.....	70
5.3.2.5	Geologic Features and Soils.....	70
5.3.2.6	Land Use.....	70
5.3.2.7	Cultural Resources.....	70
5.3.2.8	Air Quality.....	70
5.3.2.9	Water Resources and Water Quality.....	70
5.3.2.10	Socioeconomic Environment.....	70
5.3.3	<i>Cumulative Impacts Analysis</i>	70
5.3.3.1	Vegetation.....	71
5.3.3.2	Wildlife.....	71
5.3.3.3	Threatened or Endangered Species.....	71
5.3.3.4	Wetlands.....	71
5.3.3.5	Geologic Features and Soils.....	72
5.3.3.6	Land Use.....	72
5.3.3.7	Cultural Resources.....	72
5.3.3.8	Air Quality.....	72
5.3.3.9	Water Resources and Water Quality.....	72
5.3.3.10	Socioeconomic Environment.....	72
5.4	ALTERNATIVE FOUR - NO ACTION.....	72
5.5	PUBLIC AND AGENCY PARTICIPATION.....	72
6.0	HABITAT CONSERVATION PLAN.....	74
6.1	BACKGROUND AND DESCRIPTION OF PROJECT ACTIVITIES.....	74
6.2	BIOLOGICAL GOALS AND OBJECTIVES - ACHIEVING MITIGATION PLAN SUCCESS.....	75
6.3	METHODOLOGY UTILIZED IN DETERMINING APPROPRIATE MITIGATION.....	76
6.4	PROPOSED PERMIT TERMS AND CONDITIONS.....	77
6.5	MITIGATION PLAN.....	82
6.6	O&M OF THE MITIGATION LANDS.....	83
6.7	ADAPTIVE MANAGEMENT.....	83
6.8	FUNDING AND O&M BUDGET.....	84
6.9	UNFORESEEN EVENTS.....	85
6.9.1	<i>No Surprises Assurances</i>	85
6.9.2	<i>Effect of Unforeseen Circumstances on Permit</i>	87
6.9.3	<i>Notice of Unforeseen Circumstances</i>	87
6.9.4	<i>Covered Species</i>	87
6.10	CERTIFICATES OF INCLUSION.....	87
6.11	COMPLIANCE WITH SECTION 10(A)(1)(B) PERMIT ISSUANCE CRITERIA.....	88
7.0	AMENDMENT PROCEDURE.....	92
7.1	<i>Amendments to Development Plans</i>	92

7.2	<i>Minor Amendments to HCP</i>	92
7.3	<i>All Other Amendments</i>	93
8.0	DURATION	93
	REFERENCES	94

TABLE OF FIGURES

Figure 1.....	6
Figure 2.....	7
Figure 3.....	9
Figure 4.....	13
Figure 5.....	17
Figure 6.....	20
Figure 7.....	28
Figure 8.....	35
Figure 9.....	51
Figure 10.....	53
Figure 11.....	55

1.0 INTRODUCTION

Lumbermen's Investment Corporation (LIC, Landowner or Applicant) owns approximately 2,855 acres (1160 hectares) of property proposed for a mixed use community, including hotel-resort, golf, commercial, and residential development (General location Map, Figure 1). The property is bordered to the south by Evans Road and to the west by Bulverde Road in the City of San Antonio, Bexar County, Texas. The 2,855 acres is comprised of three separately purchased tracts: the Evans Road Tract (1,812 acres (733.3 hectares) acquired in 1986); the Wolverton Tract (785 acres (317.7 hectares) acquired in 2000); and the near-by, but not contiguous North Triangle Tract (258 acres (104.4 hectares) acquired in 2001) (Figure 2). The combination of these three tracts is now called the Cibolo Canyon Property (the area that would be golf and resort related, specifically, is referred to as the golf village area). The Cibolo Canyon Property was divided into two development phases: Master Phase I and Master Phase II (Figure 2). Master Phase I is located in the southern and western sections of the Cibolo Canyon Property and totals approximately 1,249 acres (505.5 hectares). Based upon the information LIC had available, it determined no impacts to threatened or endangered species would occur as a result of developing Master Phase I and as such elected not to pursue additional coverage under the Endangered Species Act. Additionally, on July 3, 2003, at LIC's request, the U.S. Fish & Wildlife Service (Service) issued a letter for Master Phase I stating that there is no information indicating that the golden-cheeked warbler (GCWA) (*Dendroica chrysoparia*) is present in the Phase I project area and that the boundary between Master Phase I and II provides a buffer between anticipated Phase I development and areas of documented GCWA habitat within Phase II. Master Phase II is located in the northern and eastern section of the Cibolo Canyon Property and totals approximately 1,606 acres (650 hectares). For the purpose of this Environmental Assessment/Habitat Conservation Plan (EA/HCP), the Cibolo Canyon Master Phase II EA/HCP Property (the "Property" or "Master Phase II") consists of all areas included in Master Phase II as depicted on Figure 2. Environmental impacts associated with Master Phase I will also be considered in the indirect and cumulative impact sections of the Environmental Assessment. The proposed section 10(a)(1)(B) permit is to cover impacts to the GCWAs associated with Master Phase II.

In accordance with the Endangered Species Act of 1973, as amended (ESA), LIC has voluntarily applied for a section 10(a)(1)(B) incidental take permit ("Permit") from the Service. The requested permit is proposed to be for a term of 30 years and would authorize take of the GCWA, a federally-listed endangered species. "Take" is defined in the ESA as "to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture or collect" a species. "Harm" in the definition of "take" has been defined by Service regulations to include "an act that actually kills or injures wildlife. Such act may include significant habitat modification or degradation where it actually kills or injures wildlife by significantly impairing essential behavioral patterns, including breeding, feeding or sheltering." Incidental take means any prohibited take that is incidental to, and not the purpose of, conducting otherwise lawful activities [50 CFR 17.3].

This combined EA/HCP provides the required National Environmental Policy Act ("NEPA") and Endangered Species Act ("ESA") review for issuance of the Permit and approval of a habitat conservation plan ("HCP") that describes how the proposed action would, to the maximum extent practicable, minimize and mitigate for the potential impacts of the authorized taking of the GCWA.

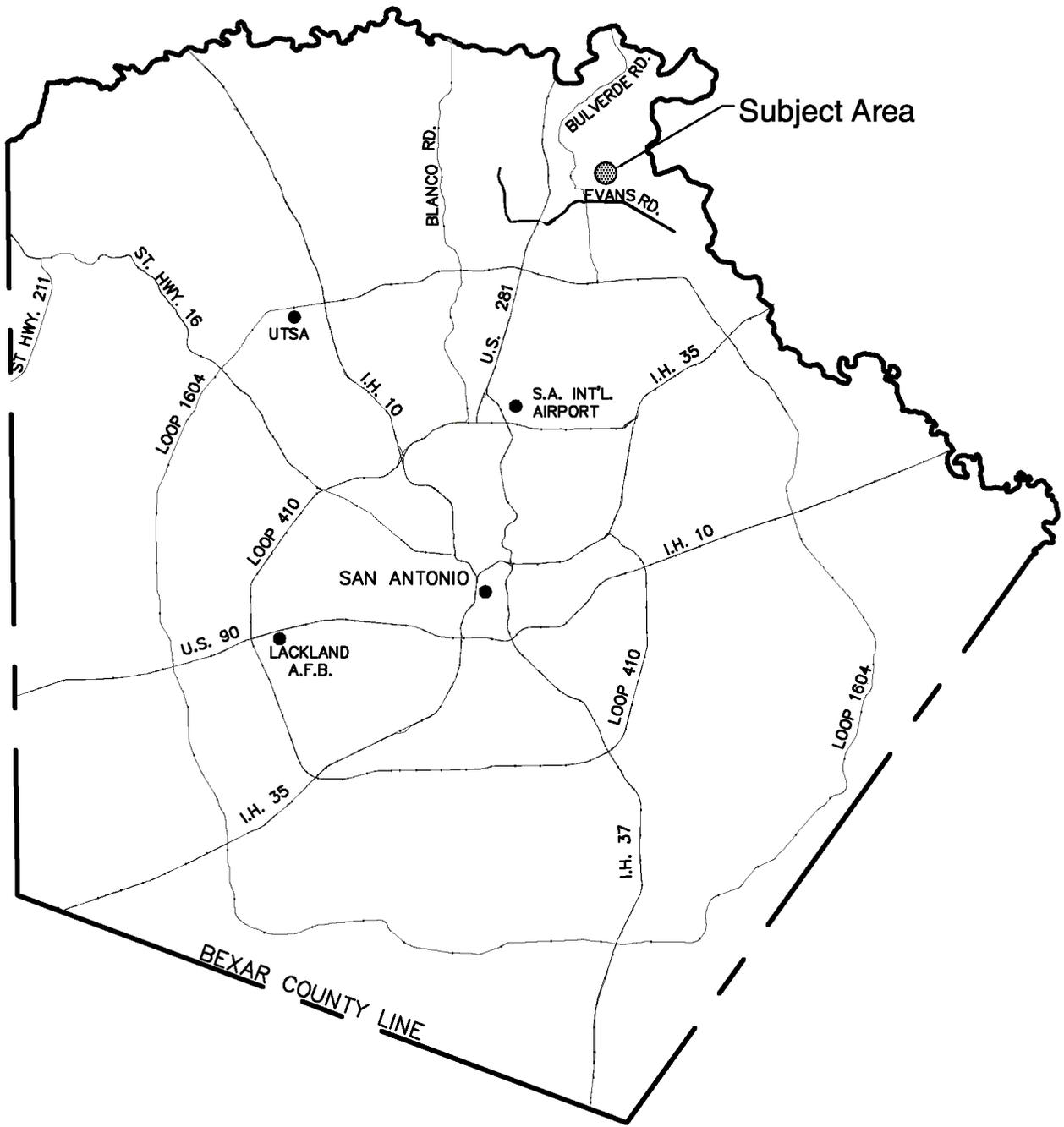
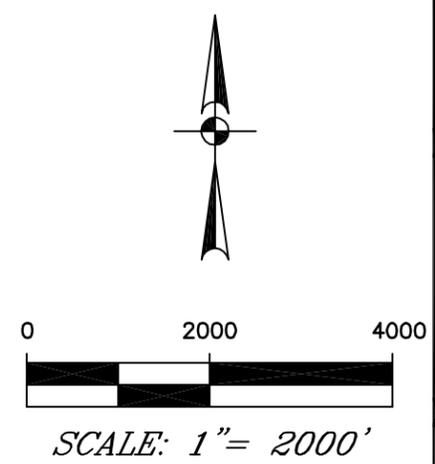
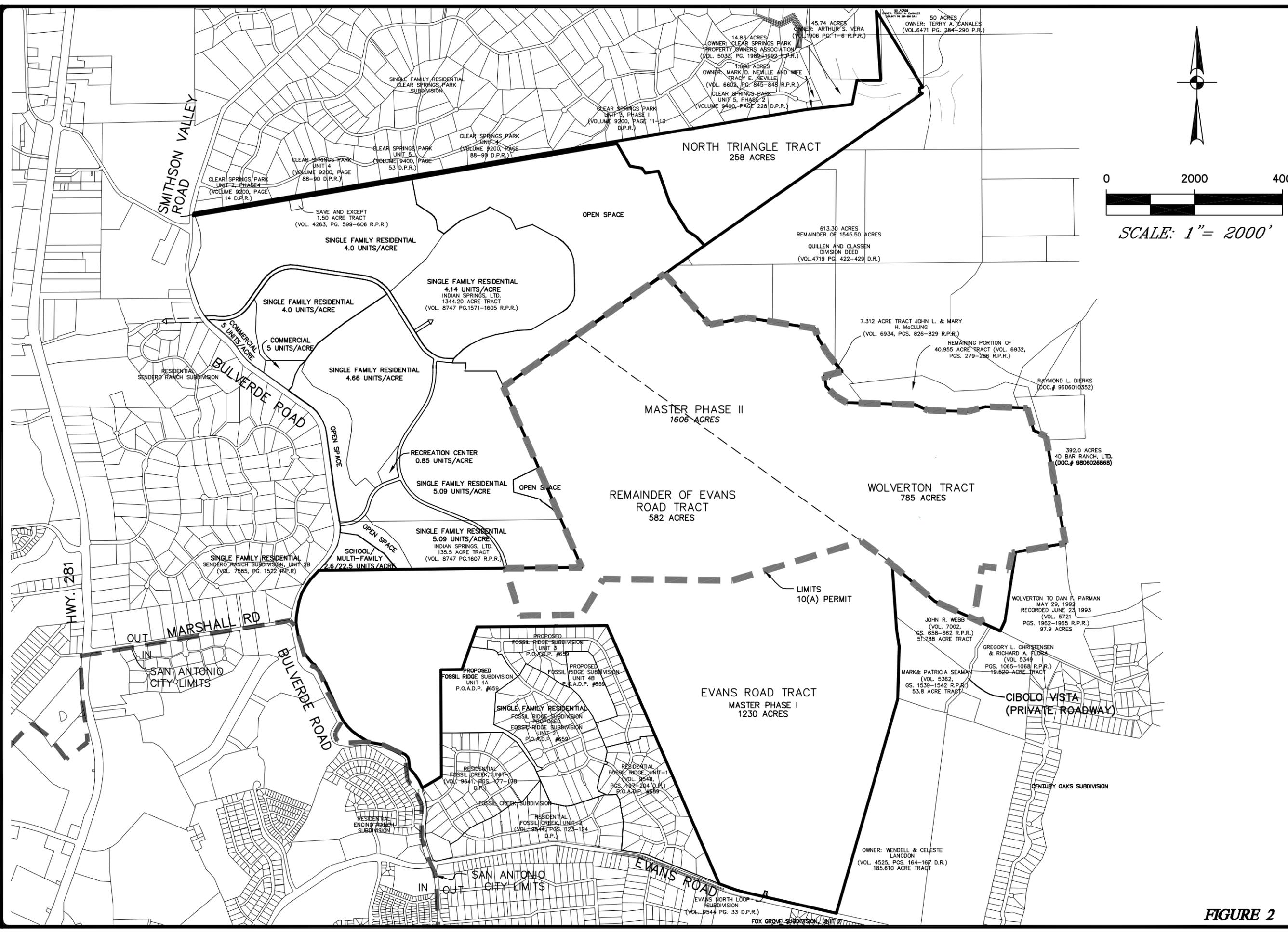


FIGURE 1

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REVISIONS:

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CIBOLO CANYON PROPERTY

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 SHEET 1 OF 1

FIGURE 2

Master Phase II contains three tracts, portions of which are seasonally utilized by GCWAs: the Evans Road (approximately half of the Evans Road Tract is within Master Phase II), Wolverton, and North Triangle Tracts (Figure 2). GCWAs have been observed at various times and locations across much of Master Phase II, with the North Triangle Tract and the more incised drainages of Evans and Wolverton likely providing relatively higher habitat values than surrounding uplands.

This EA/HCP addresses Master Phase II and describes the impacts to the GCWA that may result from development and operation of Master Phase II. This document evaluates the Proposed Alternative and four of the numerous alternative actions considered by LIC, gives details on what steps LIC will take to minimize and mitigate for such impacts, and identifies the funding that will be made available to implement those steps.

1.1 Background

The Evans Road Tract portion of Master Phase II was part of a working ranch until it was acquired by LIC in the mid 1980's. In the period since the property was purchased, the Applicant has worked with the City of San Antonio (COSA) and with area utility, roadway, and school district planners and with regional planning authorities regarding the future development of Master Phases I and II. Other landowners of adjacent properties cooperated with the same planning entities and authorities to share in the costs to bring roadways and utilities to this desirable growth area. In consideration for the landowner's expenditures and efforts in extending COSA infrastructure on its behalf, the COSA and San Antonio Water System (SAWS) made a contractual service commitment for adequate future sewage and water infrastructure capacity and also approved and endorsed the use of the Property as a small lot subdivision containing in excess of 9,000 living units and other neighborhood and local uses. These are so-called 'grand-fathered' rights under Texas state law. Texas provides that cities and other political subdivisions have the authority to grant and approve development rights such as future capacity in water and sewer infrastructure, and once granted, these contractual rights are exempt from future changes in most regulations and codes. This is the case with the Evans Road Tract portion of the property and its master plan was approved by COSA in the January, 1995. It is this plan that is depicted in Figure 3.

The Cibolo Canyon Property has been considered by all local planning authorities for its ultimate use as a small lot mixed use community. However, six years ago, a resort hotel builder very active in San Antonio and one of several professional golfers associations (the PGA) approached LIC about jointly pursuing development of what has now become known as the 'Tournament Players Course San Antonio Golf Village' (formerly 'the PGA Village' within the Cibolo Canyon Property). The Property possesses unique qualities that influenced the golf organization's extensive selection process in evaluating this and other sites including, but not limited to; the long term ownership of the Cibolo Canyon Property by LIC; LIC's prior expenditure of more than six million dollars to bring water and sewer services to the Property; and LIC's secured rights to more than 9,000 living unit equivalents (lue) of service for this specific site. Although the PGA touring professional organization, itself, may no longer be involved in the project, other golf-oriented uses are still being considered by the PGA Tour. The Property is well situated for proposed uses due to the physical location, site topography, available utilities, ease of access and proximity to necessary support sites such as residential and retail services.

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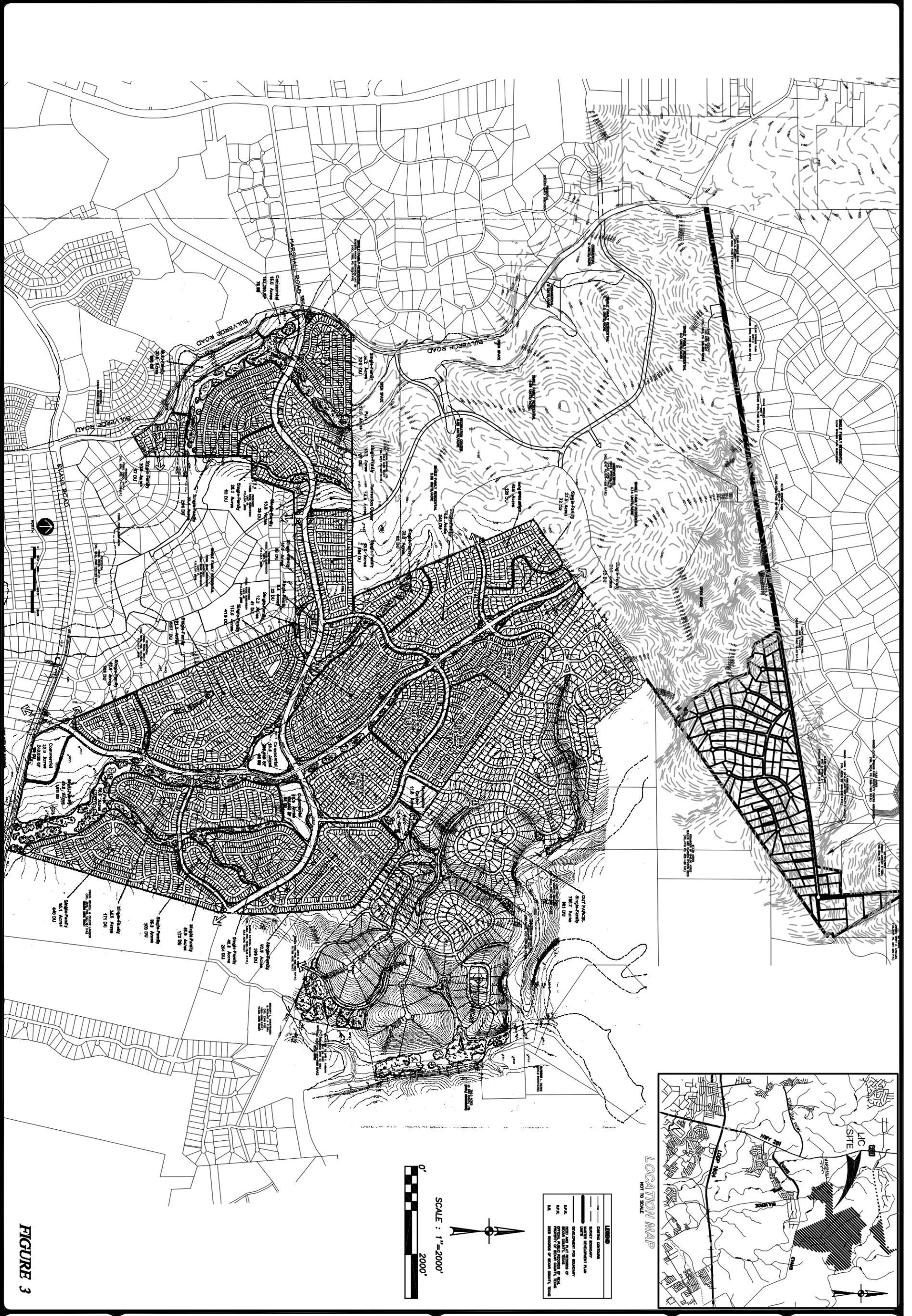


FIGURE 3

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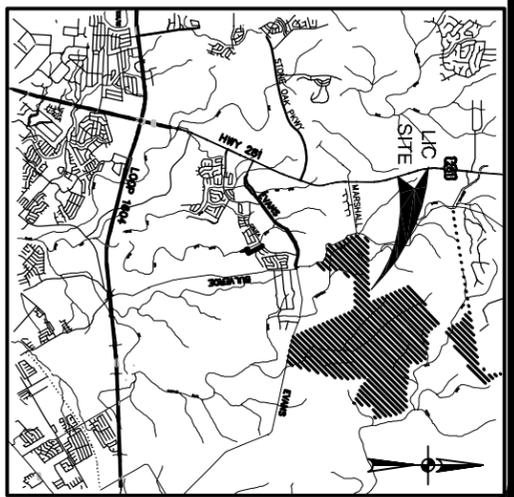
**CIBOLO CANYON
 SITE PLAN
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LOCATION MAP
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Since 1995, LIC has at various times surveyed portions of the Evans Road Tract for GCWAs to monitor their presence and location. The Wolverton tract was assessed by aci consulting and Horizon Environmental Services, Inc. (aci and Horizon) biologists and was determined to have been cleared of many Ash juniper (*Juniperus ashei*) in the mid-1990's. Occupied habitat remains in several steep drainages of the Wolverton Tract. At the suggestion of the Service, in 2004 LIC commissioned a GCWA survey covering a large portion of the Wolverton Tract. This survey confirmed GCWA presence in several drainages on Wolverton. The North Triangle tract was acquired by LIC in 2001 and was first surveyed for GCWAs in 2002 and was again surveyed in 2004. The Service also analyzed this data and has determined GCWAs occupy much of the North Triangle Tract, at relatively high densities. The North Triangle portion of Master Phase II is adjacent to and north of an area owned by others, planned and dedicated in perpetuity for conservation of the GCWA pursuant to an agreement between the owners and the Service. In addition, there is an area to the south and west that is considered to be largely un-developable (due to severe topographic constraints and flood plain issues). Further, the Service is advised that the Applicant, as well as other third parties acting on behalf of the COSA and the Applicant, have offered to acquire this property and/or a conservation easement thereon as recently as early May, 2004. The present owners have refused any such offer and have stated they have no interest in either developing or encumbering their property in any way, stating that they wish to keep their family ranch in its current condition for their family's private enjoyment in the future.

ENVIRONMENTAL ASSESSMENT

2.0 PURPOSE AND NEED FOR PROPOSED ACTION

The proposed action is the issuance of a Permit to authorize take of the GCWA in connection with the development, operation, and maintenance of Master Phase II as a master planned, mixed use community, including a golf-resort component. The action is needed to reduce the risk that such development might result in the otherwise prohibited take of the GCWA and to assure that the impacts of any such taking are, to the maximum extent practicable, minimized and mitigated. The purpose of this EA/HCP is to consider and evaluate the potential impacts of the project on the human environment and to provide the Applicant's "conservation plan", as required by the ESA. The proposed development of Master Phase II necessitates an evaluation of the environmental impacts of alternatives, and the no action alternative. The permit, if issued, would authorize incidental take for GCWAs associated with the development, operation, and maintenance of Master Phase II. This EA/HCP will establish the conditions under which LIC will meet the requirements for issuance of a section 10(a)(1)(B) permit under the ESA.

3.0 DESCRIPTION OF AFFECTED ENVIRONMENT

3.1 Vegetation

Vegetation within the Property can be described as generally associated with either drainages or uplands. The drainages are composed of ephemeral streambeds containing patches of Ashe juniper/live oak woodlands. The dominant tree species in the drainages include, but are not limited to: Ashe juniper, live oak (*Quercus virginiana var. fusiformis*), Texas Oak (*Q. texana*), cedar elm (*Ulmus crassifolia*), and Texas persimmon (*Diospyrus texana*). Based on consultant reports provided by the Applicant, as well as personal observations by Service personnel and