



US Army Corps
of Engineers
Sacramento District
1325 J Street
Sacramento, CA 95814-2922

Public Notice

Public Notice Number: SPK-2000-75307 CW

Date: November 17, 2008

Comments Due: December 17, 2008

In reply, please refer to the Public Notice Number

SUBJECT: The U.S. Army Corps of Engineers, Sacramento District, (Corps) is evaluating a permit application to construct the North Village Development and Reservoir project, which would result in impacts to approximately 3.94 acres of waters of the United States, including wetlands, in or adjacent to tributaries of Washington Gulch. This notice is to inform interested parties of the proposed activity and to solicit comments. This notice may also be viewed at the Corps web site at <http://www.spk.usace.army.mil/regulatory.html>.

AUTHORITY: This application is being evaluated under Section 404 of the Clean Water Act for the discharge of dredged or fill material in waters of the United States.

APPLICANT: Crested Butte Mountain Resort
600 Gothic Road, PO Box 5700
Mt. Crested Butte, Colorado 81225

AGENT: David Johnson
Western Ecological Resource, Inc.
711 Walnut Street
Boulder, Colorado 80302
(303) 449-9009

LOCATION: The project site is located in the Washington Gulch drainage, within Sections 13, 14, 23 and 24, Township 13 South, Range 86 West, 6th PM, Gunnison County, Colorado, and can be seen on the Gothic, Colo., USGS Topographic Quadrangle.

PROJECT DESCRIPTION: The applicant is proposing to construct a new town center with various types of housing for locals, new residents and visitors around a Village Core with retail and commercial space, civic buildings (Post Office and Town Hall), outdoor recreational facilities, including a ballfield, mini-golf, amphitheater, trail system and ice rink, and a Reservoir (Crescent Lake) for storing water for snowmaking on the ski slopes, which will provide additional recreational benefits in the summer. Based on the available information, the overall project purpose is to expand the Town of Mt. Crested Butte, provide housing, retail and commercial space, civic buildings and recreational facilities, along with a storage reservoir to provide water for snowmaking. The applicant believes there is a need to improve the ski resort, allow for an increase in skier days and thus enhance the resort's competitiveness in the ski industry. The attached figures and Attachment 1 provide additional project details, including the process that was utilized in designing the new community.

ADDITIONAL INFORMATION:

Environmental Setting. There are approximately 12.3 acres of palustrine emergent and shrub/scrub wetlands within the project area. The site is approximately 150 acres in a bowl shape, characterized by open meadows and three small perennial streams that are tributary to Washington Gulch, a perennial tributary to the Slate River. Elevation ranges from a high of 9,850 feet in the northwest to a low of 9,370 in the southwest. There are three small stands of aspen along the northwest boundary and some

small disturbed areas along Gothic Road. Historically the site has been used for livestock grazing, and is currently used as a horse pasture with numerous horse riding and hiking trails traversing the property. There are no springs on the site and none of the wetlands are classified as fens.

Alternatives. The applicant has provided information concerning project alternatives. They include three alternatives for the North Village which include no action, no wetland impact and the 1985 approved North Village plan and six alternatives for the snowmaking reservoir including no action, water storage tanks, on mountain reservoirs, off-site reservoirs along the East River and an off-site reservoir on the Allen Ranch.

North Village Alternatives:

No-Build alternative – North Village development is not built and the landscape remains under current land uses for the short-term. It is highly probable that in the long-term, all or a portion of the site will eventually be developed in accordance with the Town's Master Plan. None of the benefits of the proposed plan will occur. The ski resort would not be improved; the property tax base would not be increased; local economy would not be enhanced, diversified or augmented; jobs would not be created; housing options for full-time residents, second home owners, and summer/winter tourists would not be available; the Town would not get a new Post Office and Town Hall; residents would still need to travel to Crested Butte for local amenities such as groceries; office space for business growth would not be provided; and the Town wouldn't be able to provide recreational amenities other than a ballfield for residents or have an amphitheater for outdoor events.

No Wetland Impact Alternative – There could be no Reservoir and the design of the development would be drastically different. Most of the Neighborhoods would be modified to avoid wetland impacts. The Upper Terrace Neighborhood access road would require a bridge over the South Drainage Wetland and still align with Winterset Drive. To avoid impacts to Drainage Channel 6, the circulation road must be moved and numerous lots would be lost. The Village Core would lose some of the commercial buildings along the edge of the proposed Reservoir and many of the recreational amenities, including mini golf, ice skating, fishing, boating and the ballfield would be lost. The entire design of the community would be significantly different. It would be much smaller, have no Reservoir, and any recreational amenities would require further reduction in lots. It would likely not be approved by the Town or the community. This alternative would not meet project purposes such as a Reservoir for snowmaking, enough guest space to increase skier capacity to the desired level, nor the public interest features and benefits of the Preferred Plan.

1985 approved North Village plan – This previously approved plan was for a total of 1,763 condominium and hotel units, commercial space and parking. It also included a lift/gondola, conference center, recreation facility, tennis courts, amphitheater, open space and reservoir. It would impact 5.31 acres of wetlands, more than the preferred plan.

Snowmaking Reservoir Alternatives:

No Action – The snowmaking reservoir would not be built and that the existing snowmaking procedures would remain in effect. Water would be diverted from the East River depending on stream flows and restrictions pertaining to minimum flow, and snow would be made on up to 282 acres of ski terrain, depending on the volume of stream flow in the East River. They would not have enough water consistently for all of the 282 acres of terrain where extra snow is required to maintain a quality ski experience. They would also not be able to expand snowmaking to an extra 50 acres of terrain.

Therefore, some ski runs would have less snow in some years, impacting the quality of the ski experience and reducing the resort's competitiveness in the industry. It is also possible that in dry years, the opening of the resort would be delayed past the holiday season. Both these scenarios impact the economics of the resort and the towns of Mount Crested Butte and Crested Butte. This alternative would also eliminate water-based recreation activities for the North Village, including fishing, ice skating, boating and wildlife observation.

No-Impact Alternative – There are no practicable locations on the current property where a 158 acre foot reservoir could be built entirely on uplands. This would not meet the project purpose because the potential for a reliable source of water for snowmaking during dry years, improved competitiveness for the resort and a quality ski experience would not occur. The water-based recreation for the North Village would also be eliminated.

Water Storage Tank Alternative – The resort needs approximately 160 acre-feet of water to meet the requirements for snowmaking. A one million gallon tank holds about 3 acre-feet of water. It would take approximately 53 storage tanks to hold enough water. One tank is about 60 feet in diameter and 47 feet tall. The 53 tanks would be located throughout the resort adjacent to areas where snowmaking occurs. It is likely that wetlands would be temporarily impacted by water pipelines extending to the storage tanks and possibly permanently impacted by tank locations. Each tank costs about \$1,000,000, so the cost of 53 tanks would be about \$53,000,000 and the resort would incur other costs to install and maintain the tanks and water pipelines. The tanks would have a negative impact on the ski experience, create an industrial atmosphere for the resort, decrease skier visits and reduce the economic viability of the resort. The water-based recreation for the North Village would also be eliminated.

On-Mountain Reservoir Alternatives – Preliminary studies identified three sites on the mountain as having some limited potential for reservoir development (Figure 14). They are the West Wall, Red Lady Express and Prospect. None of the sites would provide the amount of water needed for the resort. Generally, the sites don't have topography appropriate for ponding water, are too small to store enough water for snowmaking needs, would negatively impact the skiways, would be expensive to construct, and two are located on US Forest Service land. A permit would be difficult to obtain from the Forest Service for reservoirs to be built on their property.

Off-site Reservoir Alternatives, East River Properties – Sites in the East River drainages were evaluated for potential reservoir locations. Four parcels that are owned by Trampe Ranches Partnership, LLP, located east and north of the North Village property, and three other private properties in the Gothic area were considered. The four Trampe Ranches Partnership parcels are illustrated by Figure 15. They are called the South, Middle, North and East Parcels. The three other relatively large, private properties in the Gothic area are the Rocky Mountain Biological Laboratory Property, Bench Property and Rhea Property (also on Figure 15). None of these properties are for sale, and thus not available as reservoir sites. All of the parcels except for the East Trampe Ranches, Bench and portions of the Rhea properties have steep slopes and are not suitable for reservoirs. The Middle and North Trampe Ranches parcels have drainages which could be dammed, but the amount of water that could be potentially ponded would be small. The Bench and East Trampe Ranches properties are located on relatively flat landscapes along the East River in areas that likely have a high groundwater table. A flat topography creates problems for storage because it increases the depth of excavation needed and presents problems for spoil disposal. In order to be considered a storage reservoir, it must be lined. However the seasonal high ground water table on these properties would preclude development of a reservoir because the groundwater pressure would float the liner when the reservoir is drawn down. Therefore, reservoir construction on these properties is not feasible. The flat topography on the Rhea property adjacent to

the East tributary also likely has seasonal high groundwater and the same constraints to reservoir development. Most of these properties are located a significant distance from the ski resort and piping water to the resort would be expensive and likely require many pump stations. Most of these East River sites would also impact more wetlands than the North Village site.

Off-Site Reservoir Alternative, Allen Ranch – The Allen Ranch is located west of the North Village Parcel (Figure 16). The portion of the Ranch immediately west of the North Village parcel is characterized by beaver ponds and a wetland complex fed by numerous perennial tributaries, sagebrush shrubland, aspen forests and coniferous forests. In order to achieve the desired water storage of at least 158 acre feet, the stream would have to be dammed. The most appropriate site for the dam is immediately downstream of the pond wetland complex in a location where the floodplain is narrow. Upstream of this location, the floodplain broadens to form a large basin with good potential for water storage without significant grading. Based on aerial photography, a reservoir along this perennial stream which is tributary to Washington Gulch to the west, could potentially impact five to six acres of high quality wetlands and aquatic habitat. Portions of these wetlands would likely be classified as fens. The Allen ranch is also not for sale.

Additional information concerning project alternatives is available in the attachment. Other alternatives may develop during the review process for this permit application. All reasonable project alternatives, in particular those which may be less damaging to the aquatic environment, will be considered.

Mitigation. The Corps requires that applicants consider and use all reasonable and practical measures to avoid and minimize impacts to aquatic resources. If the applicant is unable to avoid or minimize all impacts, the Corps may require compensatory mitigation. The applicant has proposed to create 0.75 acres of wetlands on-site and purchase credit in the WetBank Gunnison Wetland Mitigation Bank for the remaining 3.21 acres of wetland mitigation. The onsite wetlands will be created along the southern and eastern edge of Crescent Lake. They will be created along the edge of the lake on a shelf with a maximum water depth of nine inches, seeded and planted with wetland plants common to project site wetlands. Willows and other shrubs will be planted in saturated soil at the edge of the water to stabilize the shoreline and prevent erosion. See Figure 12 for additional information.

OTHER GOVERNMENTAL AUTHORIZATIONS: Water quality certification or a waiver, as required under Section 401 of the Clean Water Act from the State of Colorado is required for this project. The applicant has indicated they have applied for certification.

HISTORIC PROPERTIES: Based on the available information (including applicant's correspondence with the Colorado Historical Society Office of Archaeology and Historic Preservation (SHPO)), 2 surveys were conducted in the project area. No sites were located within the project boundary. However, the property in Section 23 (approximately 40 acres) has not been surveyed. If the project is approved, the permit will require a survey of that property and appropriate mitigation if any eligible sites are found, prior to construction.

ENDANGERED SPECIES: The proposed activity may affect Federally-listed endangered or threatened species or their critical habitat. The Corps will initiate consultation with the U.S. Fish and Wildlife Service and/or the National Marine Fisheries Service, pursuant to Section 7 of the Endangered Species Act.

ESSENTIAL FISH HABITAT: The proposed project will not adversely affect Essential Fish Habitat (EFH) as defined in the Magnuson-Stevens Fishery Conservation and Management Act. The above determinations are based on information provided by the applicant and our preliminary review.

EVALUATION FACTORS: The decision whether to issue a permit will be based on an evaluation of the probable impacts, including cumulative impacts, of the described activity on the public interest. That decision will reflect the national concern for both protection and utilization of important resources. The benefit, which reasonably may be expected to accrue from the described activity, must be balanced against its reasonably foreseeable detriments. All factors which may be relevant to the described activity will be considered, including the cumulative effects thereof; among those are conservation, economics, aesthetics, general environmental concerns, wetlands, historic properties, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shoreline erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, consideration of property ownership and, in general, the needs and welfare of the people. The activity's impact on the public interest will include application of the Section 404(b)(1) guidelines promulgated by the Administrator, Environmental Protection Agency (40 CFR Part 230).

The Corps is soliciting comments from the public, Federal, State, and local agencies and officials, Indian tribes, and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps to determine whether to issue, modify, condition, or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity.

SUBMITTING COMMENTS: Written comments, referencing Public Notice SPK-2000-75307 CW must be submitted to the office listed below on or before December 17, 2008.

Susan Moyer, Project Manager
US Army Corps of Engineers, Sacramento District
Colorado West Regulatory Branch
400 Rood Avenue, Room 142
Grand Junction, Colorado 81501
Email: susan.t.moyer@usace.army.mil

The Corps is particularly interested in receiving comments related to the proposal's probable impacts on the affected aquatic environment and the secondary and cumulative effects. Anyone may request, in writing, that a public hearing be held to consider this application. Requests shall specifically state, with particularity, the reason(s) for holding a public hearing. If the Corps determines that the information received in response to this notice is inadequate for thorough evaluation, a public hearing may be warranted. If a public hearing is warranted, interested parties will be notified of the time, date, and location. Please note that all comment letters received are subject to release to the public through the Freedom of Information Act. If you have questions or need additional information please contact the applicant or the Corps' project manager Susan Moyer, (970) 243-1199, extension 14, susan.t.moyer@usace.army.mil.

Attachments: 16 figures and 1 attachment