



File Code: 2720

Date: September 28, 2020

CRAIG SANDERSON
TOWN OF TUSAYAN MAYOR
PO BOX 709
TUSAYAN, AZ 86203-0709

STILO DEVELOPMENT GROUP USA LP
AUTHORIZED AGENT: THOMAS DE PAOLO
7610 E MCDONALD DR, STE L
SCOTTSDALE, AZ 85250

Dear Mayor Sanderson/Mr. De Paolo:

This responds to your letter dated June 29, 2020 (“Letter”), in which you provided the additional information required for your January 23, 2020 proposal for a special use authorization (“2020 Proposal”). Based on the information you have provided to the Forest Service to date, I conclude that the 2020 Proposal meets the minimum requirements of both the first level and second level screening criteria under Forest Service regulations. Therefore, your proposal is now accepted as an application.

As you know, on March 4, 2016, the Forest Service expressed a number of concerns about the earlier proposal for uses of National Forest System (NFS) land that you submitted to the agency on or about June 5, 2014 (the “2014 Proposal”). The 2014 Proposal did not progress beyond the initial screening phase under 36 C.F.R. § 251.54(e)(2) because it did not meet certain minimum requirements of 36 C.F.R. § 251.54(e)(1). Although you still propose to use groundwater from wells on private land for the residential development on private land, your consideration of transporting water by truck from sources outside of the area for commercial use reflects a substantial change from the 2014 Proposal. The 2014 Proposal would have required authorization of the use of NFS land for water pipelines from these outside sources. The 2020 Proposal addresses these concerns.

The Forest Service recognizes the apparent lack of affordable housing for the residents of Tusayan, Arizona (“Tusayan”), and that the 2020 Proposal to develop private land has the potential to provide a benefit to the people who live and work in the local community. You are proposing certain uses of NFS land in conjunction with the development proposal on adjacent private land, and it is noted that those proposed NFS land uses are somewhat dependent on how development of the private land is expected to proceed, in particular the plans for supplying water and handling sewage.

The Forest Service still has some concerns about the feasibility of providing commercial water for the private properties via truck hauling, and the potential need for a sewer pipeline, principally for sewage requiring treatment either on or off site, across NFS land. These concerns, along with any others identified, will need to be addressed in detail during the evaluation of your application.



The preliminary designs provided in the 2020 Proposal are currently insufficient to fully assess the technical feasibility of the proposed uses of NFS land. The Forest Service understands that alternatives may be developed during the application process, including the environmental analysis, and through private land development planning and permit processing with State and local agencies. These alternatives to the area of use could render large investments in construction design planning premature at this phase. While more detailed designs will not be required by the Forest Service at this time, should a decision be made to issue an authorization for use of NFS land for this project, final permit approval and issuance will be dependent upon the submission, review, and approval of detailed engineering and construction designs that meet all applicable codes and standards.

In addition, if the 2020 Proposal will include a sewer pipeline across NFS land, you must confirm that there is sufficient capacity in the South Grand Canyon Sanitary District, or other water treatment plant. This information must be provided prior to the analysis of the application beginning.

The next step will be to discuss options for processing your application, the required analysis, and preparation of a Cost Recovery Agreement and the associated Bill for Collection.

Please contact Jeremy Haines, Public Services Staff Officer at 928-202-8617 or jeremy.haines@usda.gov to set up a meeting regarding these next steps.

Sincerely,



HEATHER PROVENCIO
Forest Supervisor

cc: Jeremy Haines, Chelsea Muise, Tracy Parker