



September 6, 2016

Ms. Heather Provencio,
Kaibab National Forest Supervisor
Williams, Arizona
FAX: +1 (928) 635-8208

Dear Ms. Provencio,

- RE: 1. The Town of Tusayan's upcoming application for a new "road maintenance agreement" easement across U.S. Forest Service land to their new housing development is nothing more than an attempt at piecemeal circumvention of the March 4, 2016, Forest Service rejection of Tusayan's June 5, 2014, easement application for the massive, Grand Canyon-threatening Tusayan/Stilo development.
2. We request notification by the Forest Service of receipt of Tusayan's new "road maintenance agreement" application so that we can participate in the decision process and can oppose the application.

In the near future, the Forest Service will receive a request for a "road maintenance agreement" from the Town of Tusayan in an attempt to begin piecemeal development of the Kotzin and Ten-X properties. Tusayan pretends to request access solely for twenty off the grid homes. Tusayan's request is nothing more than Stilo's latest scheme to keep its massive Grand Canyon-damaging development designs alive.

Elling and Barbara Halvorson and Gruppo Stilo, Tusayan/Stilo development partners ("Stilo") have given \$500,000 to form the new Grand Canyon Housing Foundation/Housing Authority of the Town of Tusayan. The incorporation articles of the Grand Canyon Housing Foundation say that the charitable foundation "will be operated exclusively for charitable and educational purposes...to enhance and support the efforts of the Town of Tusayan to offer and provide affordable housing to its residents...[and] will solicit, receive and distribute charitable funds to provide subsidies and/or assistance to Tusayan residents to develop, construct, or purchase affordable housing within the Town of Tusayan boundaries." The May 5, 2016, Departmental Guidelines for the Housing Authority of the Town of Tusayan states that the entity has been formed "to permanently create affordable home ownership opportunities...[for o]wner occupied units...subject to a Household Income Limit range...of \$12,400 to a maximum \$250,000 per year, gross income."

The Grand Canyon Housing Foundation/Housing Authority of the Town of Tusayan money will be doled out by Tusayan Town Council members, all Halvorson employees. The Town Council members/Halvorson employees will most likely award the money to their relatives and friends and/or other Halvorson employees as the potential town pool of applicants is small in this town of only about 500. The Grand Canyon Housing Foundation/Housing Authority of the Town of Tusayan is nothing more than a scam to further reward Halvorson activist employees for furthering Stilo's developmental designs.

Both the Town of Tusayan and Stilo have codified the fact that the property upon which the Town of Tusayan, Stilo and the Grand Canyon Housing Foundation/Housing Authority of the Town of Tusayan intend to build the new off the grid housing has been given to the Town of Tusayan by Stilo to "induce" Tusayan to enter into the July 1, 2011, Pre-Annexation and Development Agreement (the "Prior Agreement"). The July 1, 2011, Pre-Annexation and Development Agreement commits Tusayan to "acting as applicant or co-applicant" to the Forest Service for Forest Service road development easement which is the lynchpin for Stilo's desired massive new Tusayan development. Both the January 22, 2014, First Amendment (page 4), and the subsequent, August 17, 2016, Second Amendment (page 2) state:

"Transfer of Forty Acres to Town for Housing. In order to induce the Town to enter into the Prior Agreement (including the annexation of TenX and the approval of zoning of the Stilo Parcels) and the First Amendment and in order to assist the Parties in meeting the housing needs of the community, Stilo has designated forty (40) acres to be transferred in fee simple ownership to the Town for the purpose of providing housing and employment opportunities within the Town."

The July 1, 2011, Pre-Annexation and Development Agreement, as well as the subsequent January 22, 2014, First Amendment, and the August 17, 2016, Second Amendment, all commit Tusayan to act as Stilo's applicant to continue to pursue the road easement from the Forest Service necessary to ultimately develop Stilo's proposal for more than 1600 dwellings and more than three million square feet of commercial space.

In the interim, Tusayan/Stilo intends to build a few subsidized houses off the grid in order to attempt to piecemeal the easement process, to avoid addressing easement for utilities at this time, and to avoid broader public and Forest Service scrutiny. Even the wife of the Tusayan's Mayor acknowledge's the piecemeal intention of the scam publicly on Tusayan's Facebook page:

<https://www.facebook.com/tusayansfuture/>

Sheila Sanderson Having to haul your on water and maybe having to live off the grid will suck! Craig Sanderson.

June 1 at 5:52pm



Tusayan's Future Sheila Sanderson, we are not giving up on proper easements to the properties for power and water. Stay tuned.

June 1 at 6:53pm

A road maintenance agreement is necessary as the new off the grid homes will require the use of snow plows to maintain access in the winter. Ordinarily the Forest Service rubber stamps approves road maintenance agreements as categorical exclusions. This cannot be the case here though as this road maintenance agreement is obviously related to Stilo's ultimate developmental goals and a new strategy to overcome the March 4, 2016, rejection of Stilo's desired road development easement.

The National Environmental Policy Act (NEPA) and NEPA-related legal authorities do not allow that a federal decision be made in a vacuum, especially when the decision is controversial, contrary to the public interest, and the proposed action is related to foreseeable future actions. NEPA requires that all federal agencies fully review the impacts from all "past, present, and reasonably foreseeable future actions." (40 CFR § 1508.7) These are NEPA's "cumulative effect/impacts" which are defined as the "impact on the environment which results from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions regardless of what agency (Federal or non-Federal) or person undertakes such other actions. Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time." 40 CFR § 1508.7.

Even more importantly, and even more on point with respect to this upcoming Tusayan application, is the fact that, on March 4, 2016, the Forest Service has already rejected the same easement:

"The development that would be enabled by authorization of the proposed use of NFS lands could substantially and adversely affect Tribal lands and the Grand Canyon National Park."

"... it would be premature for FS to process an application which may create perpetual rights until/unless the serious concerns raised by the Tribes, Park and public are addressed by the applicant."

Further...

"36 CFR 251.54(e)(1)(v) provides that the proposed use must not unreasonably interfere with the use of adjacent non-National Forest System lands. The FS received written comments from the National Park Service (NPS) through the Principal Deputy Assistant Secretary of the Interior for Fish Wildlife and Parks which pointed out that potential impacts to the Outstanding Universal Value of the Grand Canyon National Park (GCNP), either from the roads that would be authorized by easement or the reasonably foreseeable development on the two private properties that would be enabled by the roads and other facilities, are of concern. The GCNP also raised concerns in a meeting regarding impacts on infrastructure that they share with the Town of Tusayan. The NPS was concerned that any activity that would result in significant increases in visitation or occupation near the Park would affect the Park's capacity to absorb the additional use."

Consequently, because your proposal does not meet the above minimum requirements for initial screening under 36 CFR 251.54(e)(1), your proposal cannot receive further evaluation and processing. See 36 CFR 251.54(eX2). Moreover, even if the proposal passed initial screening, which it does not, the proposal would then proceed to

"second-level screening" to ensure that the proposal meets all of 5 additional criteria. See 36 CFR 251.54(e)(5)(i)-(v).

Based on information received in the record, I have determined that the Tusayan proposal is deeply controversial, is opposed by local and national communities, would stress local and Park infrastructure, and have untold impacts to the surrounding Tribal and National Park lands. For example, the current fresh water conveyance system serving the Park is marginally capable of meeting their needs and could not absorb the additional needs of the connected development.

Water would then have to be secured from other sources potentially impacting the Park. Given the information above, even if your proposal were to proceed through to second-level screening, based upon the record before me, I find that the proposal would be rejected as there is significant evidence the proposal is not in the public interest, 36 CFR 251.54(e)(5Xii)."

Thank you in advance for letting us know of your receipt of any application for easement from the Town of Tusayan. Please send all materials to Dr. Robin Silver, Center for Biological Diversity, PO Box 1178, Flagstaff, AZ 86002. Please call me at (602) 799-3275, or email me at rsilver@biologicaldiversity.org if you have any further questions about this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Robin Silver" followed by initials "M.D.".

Robin Silver, M.D.
Co-Founder and Board Member