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Record of Decision, Final Environmental Impact Statement for Tusayan Growth

Kaibab National Forest



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RECORD OF DECISION

FINAL ENVIRONMENTAL IMPACT STATEMENT for Tusayan Growth Coconino County, Arizona

Lead Agency: USDA, Forest Service
Kaibab National Forest

Cooperating Agencies: USDI, Grand Canyon National Park
Coconino County
Northern Arizona Council of Governments


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Abstract

This Record of Decision documents the approval of Alternative H, a land exchange between the Forest Service and Canyon Forest Village II Corporation, of Grand Canyon Exchange Limited Partnership. Alternative H provides for the construction and operation of a transportation hub on federal land under concessions contract and the development of a mixed-use community to address housing, community facility, and visitor needs of the area. The alternatives considered, a comparison of the alternatives, the rationale for the decision, monitoring and mitigation measures, and requirements and recommendations for implementing the selected alternative are described in this Record of Decision.



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For some time now, the Forest Service, National Park Service, and in fact, virtually all federal land management agencies in the southwest have been trying to better meet the challenges of the changing southwestern landscape. We know that it is the fastest growing region of the country, and that the folks who are coming here in record numbers are settling next to federally managed lands. We know that water and riparian habitat are ever scarce, and that people and wildlife like to live and play in and near it. Tourism is fast becoming a major segment of the region's economy. Indeed, the Forest Service Natural Resource Agenda includes recreation as a major tenet as does the Forest Service Southwestern Region's customer-driven work emphasis strategy, "Company's Coming", as does the Grand Canyon National Park's 1995 General Management Plan. Consequently, I see this collaboratively derived Environmental Impact Statement (EIS) for Tusayan Growth as one in a long line of efforts to balance people's wants and needs with the environment.

Introduction

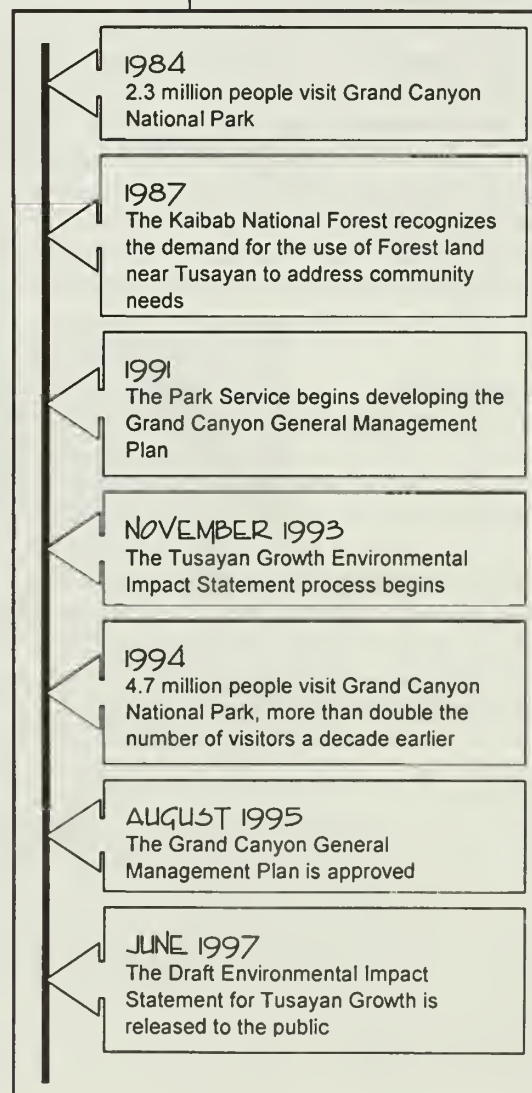
The unincorporated community of Tusayan, some two miles south of the Park boundary, is a 144-acre island of private land surrounded by federal land of the Kaibab National Forest (the Forest). As resident and visitor populations in the Grand Canyon/Tusayan area have grown, so has the need for visitor and community facilities.

The federal government has been aware of these needs for a long time. Until it became a National Park in 1919, the Forest Service managed Grand Canyon National Monument. As early as 1918, forester Aldo Leopold of the Forest Service and others recognized the unique problems at Grand Canyon. The community in the National Park had evolved through "fortuitous and largely undirected growth" resulting from a lack of "even that small measure of official influence which usually directs the affairs of new communities." The first development plan for Grand Canyon National Park recognized the need to provide for community uses, bringing about social unity for residents, while attending "chiefly to the needs of tourists." The Forest Service declared "it is the interests of the public...that must be given primary consideration by the Government." That plan written 81 years ago foretold the situation in Tusayan today.

This EIS can be traced to the 1987 Kaibab National Forest Plan. The Forest Service received many requests to use or acquire land adjacent to Tusayan for private and public uses. Instead of evaluating requests in a piecemeal fashion, the Forest decided that federal land should be used in a coordinated and planned manner. As a result, the Forest Plan lists as one of its management objectives, "generate and consider proposals for long-term acquisition or use of Forest land in the Tusayan area for community expansion." The Forest Plan also identifies most of the private inholdings (tracts of private land surrounded by Forest land) in the Tusayan Ranger District as "desirable for acquisition to the National Forest System."

Shortly after the adoption of the Forest Plan, the National Park Service began a master planning effort for Grand Canyon National Park (the Park) that culminated in the adoption of their General Management Plan (GMP) in 1995. The GMP identified four major management

Background



problems: ever-increasing automobile traffic in the Park; substandard and overcrowded employee housing; insufficient community facilities; and, overburdened, and sometimes inadequate, visitor services and facilities. To address these problems, the GMP calls for development of a mass transit system and transportation center on Forest land near Tusayan. It also directs that employee housing, community facility, and visitor facility needs be met largely outside Park boundaries.

In 1994, a land exchange proposal was submitted to the Forest for a development near Tusayan called Canyon Forest Village. A land exchange would transfer private inholdings to the Forest Service in exchange for a tract of Forest land on which gateway development (development near, but outside Park boundaries) could be concentrated. Because the proposed exchange had the potential to address many of the needs expressed in the GMP and Forest Plan, the Forest Service decided to evaluate the proposal along with other alternatives in an EIS.

Agencies Involved

The Forest Service is the lead agency for this EIS because the federal land proposed for use or acquisition is under the jurisdiction of the Forest Service. Other federal and local agencies participated as well. The National Park Service is a cooperating agency under the provisions of the National Environmental Policy Act (NEPA) because many of the needs and issues addressed in this EIS are Park related. Coconino County is a cooperating agency because any transfer of Forest land into private ownership will ultimately be subject to County zoning. The Northern Arizona Council of Governments is a cooperating agency because of their involvement and expertise in regional transportation issues.

Proponents

Canyon Forest Village II Corporation (CFV), of Grand Canyon Exchange Limited Partnership would serve as the proponent of all of the land exchange alternatives (Alternatives B, C, G and H). CFV itself and through its partners owns the 12 private inholdings offered for exchange, as shown in figure 1.

The Grand Canyon Improvement Association (GCIA), a group of land and business owners in Tusayan, emerged as a proponent after the EIS began. The GCIA is the proponent for the Townsite Act alternative in the draft EIS (Alternative D). The GCIA shared the costs for preparing the draft EIS with CFV, but discontinued financial participation immediately following the release of the draft.

The GCIA also asked for time to develop land exchange alternatives for both the draft EIS and supplement to the draft EIS. I note that, although several time extensions were granted to the GCIA, they did not provide evidence of ownership or purchase options to the private land included in their land exchange alternatives.

Some members of the GCIA and local elected officials in Williams and Flagstaff formed another group called the Northern Arizona Coalition. The Coalition supports the Townsite Act alternative in the supplement to the draft EIS (Alternative F). Some members of the Coalition have indicated that they would use some of their own private land in Tusayan to implement parts of Alternative F.

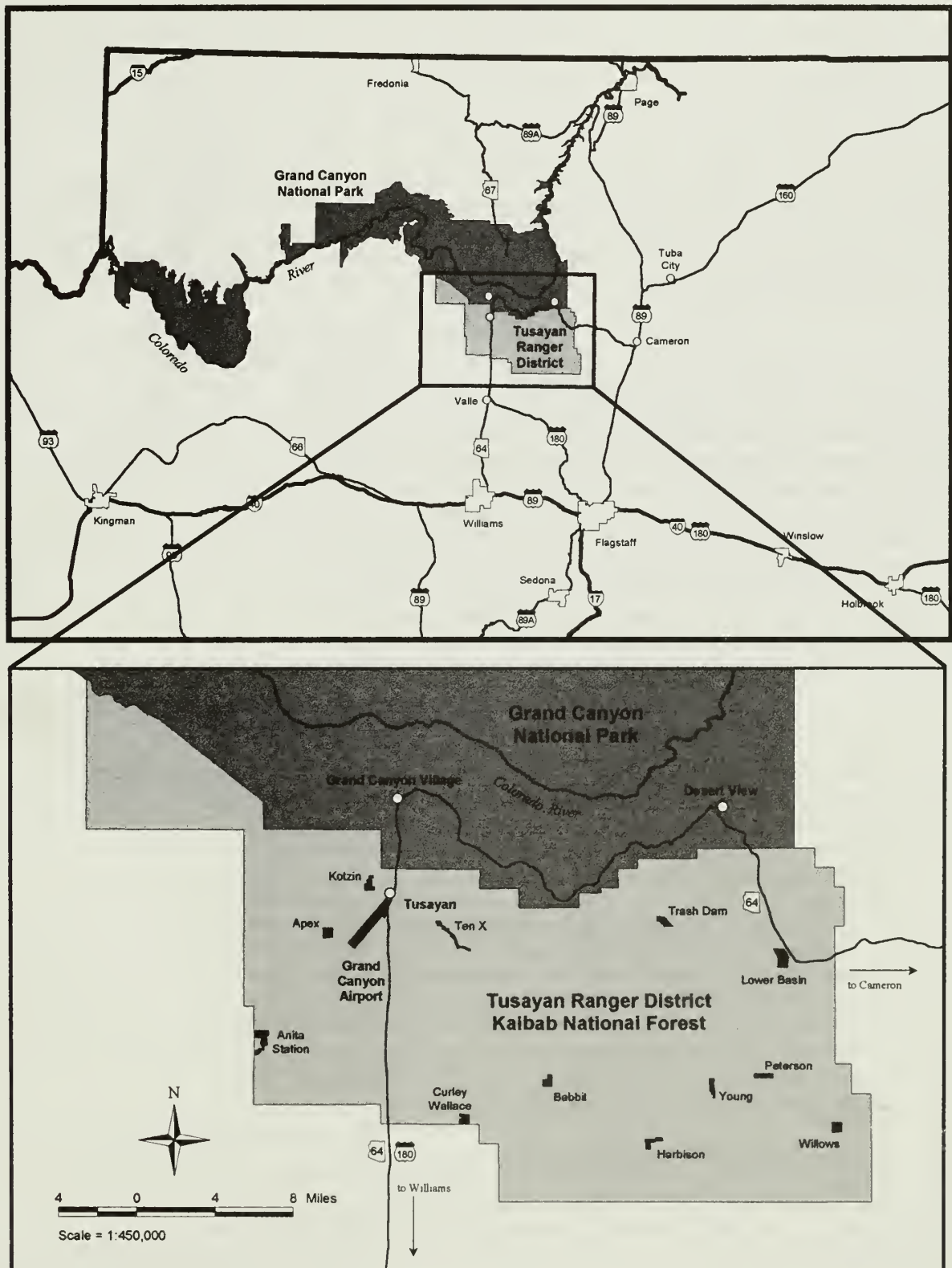
JULY 1998

The Supplement to the Draft Environmental Impact Statement for Tusayan Growth is released to the public

AUGUST 1999

The Final Environmental Impact Statement for Tusayan Growth and Record of Decision is released

Figure 1. Tusayan Ranger District and the Private Inholdings Involved in the Analysis



We Listened to the Public

Public involvement efforts on this EIS have been extensive— public meetings, briefings, workshops, mailers, and comprehensive local, state, and national media coverage. Collectively, more than 30 formal public open house meetings have been conducted throughout northern Arizona and the State during this EIS process. In addition, many informal briefings, meetings, and workshops have been held. The EIS has also received extensive coverage in the media, particularly the local newspapers in Flagstaff and Williams. The EIS team has also gone to great lengths to keep an open conduit of information flowing outside the formal public comment periods of the EIS. Seventeen newsletters have been prepared and distributed during this EIS. As a result of these public involvement efforts, more than 3,000 letters from individuals, organizations, and agencies have been received, analyzed, and incorporated into the record for this EIS.

Because of the interest in the proposal, the EIS process began with two, 90-day public scoping periods between March and December 1994 to help identify issues and potential alternatives for consideration in the draft EIS. A mailer was sent to a list of approximately 750 addresses describing the proposed land exchange and identifying a preliminary list of resource-related issues. This mailer, in addition to requesting written responses, invited interested and concerned parties to attend any of nine public scoping meetings scheduled throughout the region. Public scoping meetings were held between March and April 1994, in the Arizona communities of Flagstaff, Tusayan, Williams, Phoenix, Cameron, Kykotsmovi, Supai, Tuba City, and Peach Springs. Public announcements of these meetings appeared in several newspapers and aired on local radio stations. Presentations were also made to regional chambers of commerce, city councils, and other organizations. Based on these early public involvement efforts, five alternatives and eight major categories of resource issues were identified for detailed analysis in the draft EIS.

We Started with Five Alternatives

Five alternatives were evaluated in the draft EIS. No preferred alternative was identified at this stage in the process. A transportation staging area and mass transit system for the Park was a common element of all of the action alternatives. A brief description of the five alternatives follows:

Alternative A is no action, that is, continuation of the existing situation. This means no use of Forest land to address issues related to transportation, housing, community or visitor facilities. It also means that no private land would come into federal ownership through a land exchange. It is important to note that “no action” does not mean no development would occur on private land. Even if there were no EIS, private land owners would continue to develop their land in Tusayan and, in all probability, on several of the private inholdings in the Grand Canyon/Tusayan area.

Alternative B is the original land exchange proposal submitted by CFV. This alternative would consolidate land ownership on the Forest through a land exchange, and construct a mixed-use development to address many of the Park needs outlined in the GMP. CFV would acquire about 672 acres of Forest land adjacent to Tusayan and, in exchange, the Forest Service would

Alternatives

MORE THAN 30 FORMAL
PUBLIC OPEN HOUSE MEETINGS
HAVE BEEN HELD IN:

- Flagstaff
- Tusayan
- Williams
- Phoenix
- Cameron
- Kykotsmovi
- Supai
- Tuba City
- Peach Springs

ALTERNATIVE

A

ALTERNATIVE

B

acquire about 2,118 acres of private land in 12 separate inholdings in the Grand Canyon/Tusayan area (the final EIS lists the aggregate acreage of the private inholdings at 2,116 acres, but more precise descriptions place this total closer to 2,118 acres). On the Forest land conveyed into private ownership, CFV would construct a transportation center; housing for federal, Tusayan, and CFV employees; a range of community facilities; and an education campus called Insight. This alternative incorporated a number of sustainable (environmentally friendly) practices in the design and construction of the development. The community facilities, transportation, and housing components of this alternative are financed by the commercial development. The commercial development includes 3,650 rooms, 250 campsites, and 479,000 square feet of retail and restaurants phased in over a 12-year period. Estimates of value derived for the alternatives after release of the draft EIS indicate that of all of the land exchange alternatives, only Alternative B, in its present configuration, does not meet the legal requirement of equal land value.

Alternative C is the second, smaller land exchange alternative in the draft EIS. This alternative adopts the same basic concept of the original land exchange proposal— consolidate land ownership on the Forest through a land exchange, and construct a mixed-use development to address many of the Park needs outlined in the GMP. CFV would acquire about 380 acres of Forest land adjacent to Tusayan and, in exchange, the Forest Service would acquire the 12 inholdings. It provides for the same basic mix of uses— transportation center, housing, community facilities, and education campus. This alternative uses conventional building design and construction techniques, which lowers the amount of costs that need to be recovered through commercial development. The commercial element of this alternative includes 2,000 rooms, 250 campsites, and 320,000 square feet of retail and restaurants phased in over 12 years.

ALTERNATIVE

C

Alternative D is the Townsite Act (enacted in 1906) alternative proposed by the GCIA. This alternative would address Park needs outlined in the GMP through the acquisition and use of Forest land under several different authorities and actions. This alternative calls for the formation of a County Improvement District to purchase about 65 acres of Forest land under the Townsite Act adjacent to Tusayan to be used for community purposes, including housing. The community facilities proposed under this alternative would be implemented in separate pieces by various governmental organizations, like a fire district or school district, working with the County Improvement District. A transportation center for the Park would be built on Forest land under contract awarded through a competitive bidding process. The commercial element of this alternative would occur on existing private land in Tusayan, and includes 590 rooms and 205,000 square feet of retail and restaurants phased in over a five-year period. Recently, certain land and business owners in Tusayan have announced plans to develop private land east of State Route 64, regardless of what happens with this decision. The new plan includes much of the development originally proposed by the GCIA— 400 rooms and 280,000 square feet of retail.

ALTERNATIVE

D

Alternative E is intended to meet the federal housing and transportation needs called for in the GMP. There would be no land ownership change of any kind. It provides for the development of housing for federal employees only on Forest land through an interagency governmental agreement between the Forest Service and National Park Service, and the construction of a transportation center for the Park on Forest land under contract awarded through a competitive bidding process.

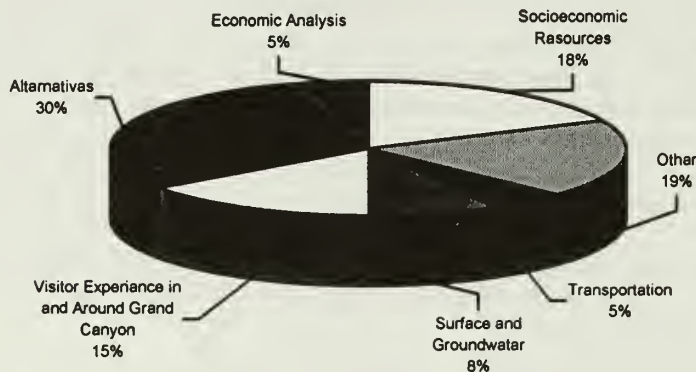
ALTERNATIVE

E

Alternatives Were Shared with the Public

A 90-day comment period followed the release of the draft EIS to the public in June 1997. Open house meetings were held between June and August in the same nine locations as the earlier public scoping meetings. Nearly 900 letters were received during the comment period. Over half of the letters came from Williams and Flagstaff. Figure 2 illustrates the breakdown of comments in each issue category. The largest group of comments (30%) expressed an opinion about the five alternatives presented in the draft EIS. The next largest grouping of comments (18%) dealt with economics, particularly the scale of development proposed in the alternatives and the potential economic impacts on other communities in northern Arizona. The majority of the remaining comments expressed concern over the water analysis and impacts to the visitor experience at Grand Canyon. Based on a thorough review of the public comments, three additional alternatives were developed and refinements were made in the economic and water analyses. These new alternatives reflect the public comments and combine features of the earlier alternatives examined in the draft EIS.

Figure 2. Percent of Comments on Draft EIS in Each Issue Category



We Looked at Three More Alternatives

Public comments on the first five alternatives led to the proposal of three more alternatives. A transportation staging area and mass transit system for the Park constructed and operated under contract on Forest land is a common element of the three new alternatives. These three alternatives are described and analyzed in the July 1998 supplement to the draft EIS.

Alternative F, the first of these new alternatives, is a mix of components from Alternatives D and E from the draft EIS. Alternative F would address Park needs outlined in the GMP through the acquisition and use of Forest land under several different authorities and actions. Under this alternative, community facilities would be built on 40 acres of Forest land purchased under the Townsite Act to accommodate community facility needs. The community facilities could be implemented in separate actions by various governmental organizations, like a fire district or school district. These organizations would be responsible for securing the funds for purchasing the land, and building and operating the infrastructure and community facilities. Under an interagency agreement between the Forest Service and Park Service, another 10 acres of Forest land would be made available solely for Park Service and other federal employee

ALTERNATIVE

F

housing. No other housing needs would be accommodated on Forest land. A transportation center for the Park would be built on Forest land under contract awarded through a competitive bidding process, independent of the Townsite Act land acquisition. Water for this alternative would come from the Park's Roaring Springs system (for the transit center and federal housing), and from other existing sources, including groundwater from wells in Tusayan and water suppliers in outlying areas (for the community facilities). Components of this alternative would meet the development standards established in the Tusayan Area Plan.

After Alternative F was circulated for public comment, the Northern Arizona Coalition submitted their own version of Alternative F to the Forest Service. The Coalition's version looks much like the earlier Alternative D, submitted by the GCIA and analyzed in the draft EIS. The Coalition's Alternative F shows options for building some of the community facilities and employee housing on existing private land in Tusayan.

Alternative G is a further scaled-down land exchange alternative, the smallest one, created by the EIS Team. Like the earlier land exchange alternatives, Alternative G would consolidate land ownership on the Forest through a land exchange, and would construct a mixed-use development to address needs expressed in the Park GMP. This alternative allows for acquisition of the 12 private inholdings, reduces the amount of commercial development as proposed in the previous land exchange alternatives, provides an improved land base or building space for community facilities, and allows for a transit center for the Park to be built on Forest land independently of other aspects of the alternative (as called for in Alternatives D, E, and F). On the 270 acres of Forest land conveyed into private ownership in this alternative, CFV would construct some housing and provide additional improved land (land with infrastructure) for housing; construct and operate certain community facilities and provide additional improved land for accommodating other community facility needs; and build the Insight education campus. The commercial element of Alternative G includes 900 rooms and 200,000 square feet of retail and restaurants. Components of this alternative would meet or exceed the development standards established in the Tusayan Area Plan, an area specific amendment to the Coconino County Comprehensive Plan. This alternative uses groundwater from an existing well in Valle, some 24 miles south of Tusayan, for its primary water supply. Alternative G was identified as the agency preferred alternative in the supplement to the draft EIS.

ALTERNATIVE

G

Alternative H is CFV's response to the EIS Team-designed Alternative G. It adopts the concept of the other land exchange alternatives of consolidating land ownership on the Forest through a land exchange and addressing Park needs through the construction of a mixed-use development. Many components of Alternatives G and H are similar; however, Alternative H differs in two critical aspects. First, Alternative H does not use groundwater as the primary water supply, but instead imports Colorado River water obtained from Topock, Arizona via rail and underground pipeline; and second, the CFV development would adopt many sustainable design practices which incorporate principles of self-sufficiency, efficiency of use, durability of materials, resource conservation, and aesthetics. Higher levels of lodging and retail are proposed to support the costs of the water and sustainable design features. In addition, Alternative H proposes a Native American Marketplace to be built by CFV and managed by Native American groups. On the 272 acres of Forest land conveyed into

ALTERNATIVE

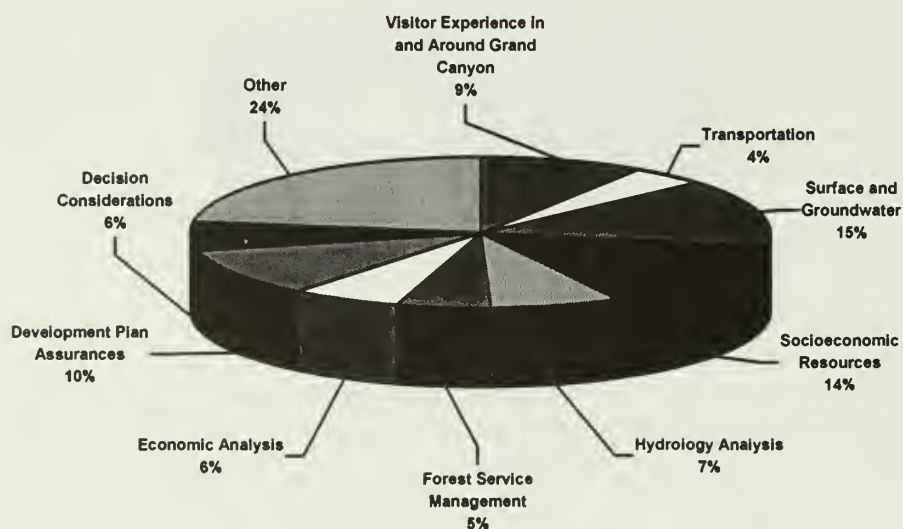
H

private ownership in this alternative, CFV would construct some housing and provide additional improved land for housing; construct and operate certain community facilities and provide additional improved land for accommodating other community facility needs; and build the Insight education campus. The commercial element of Alternative H includes 1,270 rooms and 270,000 square feet of retail and restaurants. Like Alternatives F and G, this alternative allows for a transit center to be built on Forest land under contract awarded through a competitive bidding process, independent of other aspects of the alternative.

We Focused on Alternatives F and H

The supplement to the draft EIS was released in July 1998 with an 84-day public comment period. Another round of open house meetings were held between July and September 1998 in the same communities as the open house meeting for the draft EIS. About twice as many letters were received on the supplement to the draft EIS than on the draft EIS (1,768 compared to 900), and the letters came from many more locations across the U.S. and the world. The 1,768 letters offered 2,940 comments. The percentage breakdown of these comments by issue category is shown in figure 3.

Figure 3. Percent of Comments on the Supplement to the Draft EIS in Each Issue Category



Although letters came from all over the United States, those from Arizona accounted for 59 percent of the total. Almost one-third of the total, 576 letters, came from northern Arizona. Of those who expressed support for one of the alternatives, 1,472 or 83 percent supported Alternative H, and there was almost no support for Alternative G. Of the letters from northern Arizona, 401 of the 576, or 70 percent, supported Alternative H. Another 85 letters, representing about 5 percent of commentors, expressed support for Alternative F. Over 87 percent of the letters supporting Alternative F came from northern Arizona. After the close of the comment period, we received another 443 same-format postcards, mostly from northern Arizona, supporting Alternative F.

The alternatives have gone through five years of evolution and refinement with extensive public and agency input. And, although all of the alternatives considered in the draft EIS and supplement to the draft EIS meet the needs expressed in the EIS to varying degrees, there are dramatic differences in their effectiveness in addressing these needs based on their composition and design, and the magnitude of impacts that result from each. Alternative A, no action, does little to address the needs of the area, and in fact, leads to environmental and economic impacts that equal or exceed the other action alternatives. Alternatives B and C, the two land exchange alternatives considered in the draft EIS, transfer larger tracts of federal land and propose substantially more commercial development than the land exchange alternatives evaluated in the supplement to the draft EIS (Alternatives G and H). Estimates of land value for Alternative B indicate that this alternative does not meet the legal requirement of equal land value. Alternatives B and C also rely on groundwater as their primary source of water supply. Alternative D depends on the formation of a County Improvement District and public housing authority to implement the housing and community components of this alternative. There are legal questions pertaining to the establishment of these entities and their ability to qualify and perform under the requirements of the Townsite Act. These issues and the absence of funds to implement the community and housing components raise doubts about the feasibility of this alternative. Alternative D also proposes groundwater as its primary water source. While Alternative E satisfies some of the needs of the area, it leaves the community facility and other area housing needs unresolved. Alternative G is the land exchange alternative with the lowest level of commercial development; however, it received virtually no public support. This alternative relies on groundwater and adopts only minimal environmentally friendly design features.

Based on the make up and evolution of the alternatives, the detailed environmental analysis in the draft EIS and supplement to the draft EIS, and the public's comments, I have focused the remainder of my discussion, including the comparison of alternatives, on Alternatives F and H. These alternatives are displayed in figures 4 and 5.

Figure 4. Concept Plan in Alternative F

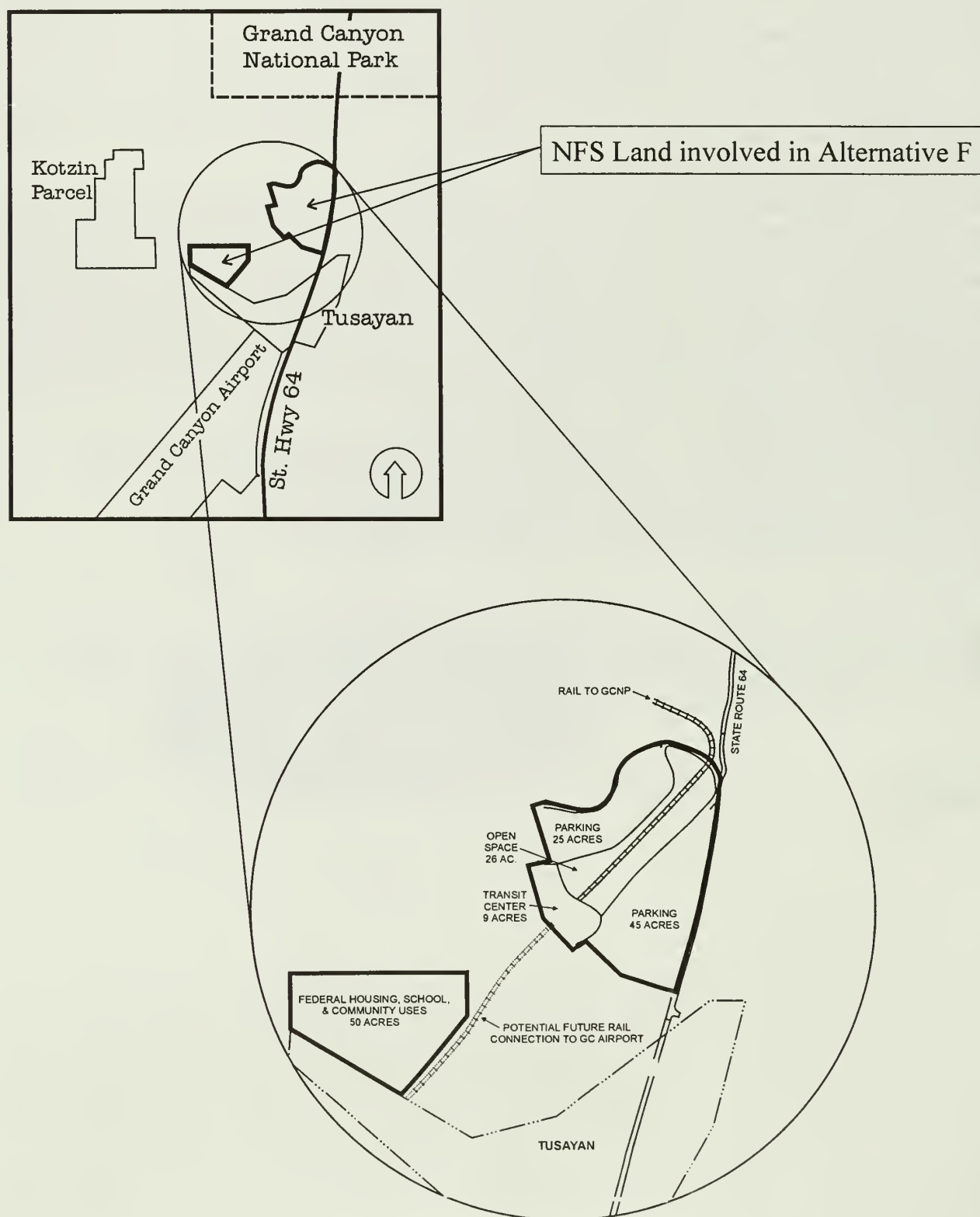
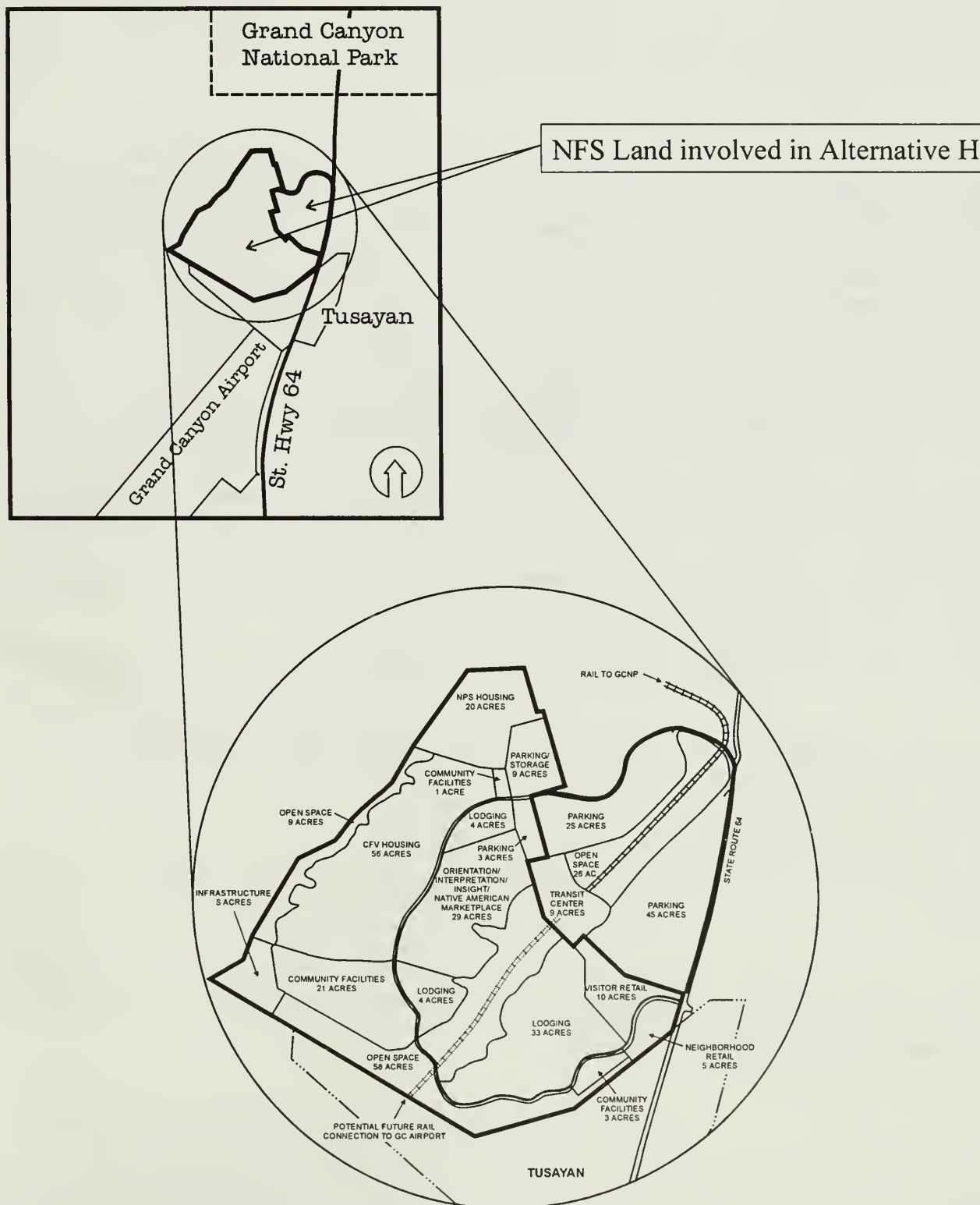


Figure 5. Concept Plan in Alternative H



I compared Alternatives F and H against the desired conditions for the seven primary components of the environment that define the purpose and need for this EIS. These seven components are: land ownership management, transportation, housing, community needs, visitor needs, natural resource management, and cultural resource management. I also compared Alternatives F and H against several key issues, including economics, development assurances, and visitor experience. I have also considered and included a discussion of land values.

Land Ownership Management

Twelve private inholdings, totaling about 2,118 acres, would be acquired under Alternative H. None would be acquired under Alternative F, thus continuing the potential for scattered development within the Forest. One can argue that the potential for development of these 12 parcels is remote and speculative. That may be so today, but after nearly 20 years working on Forest Service land issues, I know the value of moving on an offer in hand. Owners sell, change, and, alas, die. In a situation such as this with a scarce land base, high demand, and potentially volatile real estate values, development potential for any one parcel can change quickly. Today’s open space can become tomorrow’s high-end homes or golf course. Any increase in the density of occupation of inholdings within a Forest increases our administrative responsibilities and diminishes our opportunities to protect the habitat for sensitive plants and cultural resources on those and adjacent Forest land.

Development of inholdings also adds substantial burdens on the County to maintain roads and provide public services. The County, in both their responses to the draft EIS and supplement to the draft EIS, support the Forest acquisition of private inholdings as “sensible long-range planning and management.” Few would have predicted the dramatic changes that have taken place over the last 50 years or so in the southwest. Indeed, Tusayan itself used to be an undeveloped inholding. This once-isolated 144-acre tract is now the closest visitor service gateway to the Park with restaurants, retail shops, over 1000 hotel rooms, and the third busiest airport in the State.

While the specific impacts may be uncertain, few would argue that development of private land near the Park has no implications to the management of Park resources and visitors. Of particular concern in this instance is the 320-acre Lower Basin inholding. It lies some eight miles south of the Park’s east entrance station with almost a half-mile of frontage along State Route 64. Development at this location would be highly visible and would undoubtedly attract high visitor traffic. Under Alternative H, this inholding would come into government ownership in the National Forest System.

I have weighed and balanced the land ownership management considerations of Alternatives F and H and find that acquisition of the private inholdings under Alternative H is in the long-term interest of the Forest, Park and County, and therefore, in the long-term interest of the public as well.

Further Comparison of Alternatives

Alternative F would not prevent scattered development on the private inholdings within the Forest.

Alternative H would consolidate land ownership within the Forest.

Transportation

The Grand Canyon Transit Center (the Center) is a component of all action alternatives (Alternatives B through H) and appears to have overwhelming public and agency support. Of the 204 transportation-related comments received on the draft EIS and supplement to the draft EIS, only four opposed the concept of a transportation staging area and mass transit system. The majority of commentors supports the concept of such a system and suggested changes only to details.

The concept for the Center in Alternatives F and H are essentially identical, the major difference being where the future parking could be located beyond the year 2010. As described in Alternatives F and H, Forest land north of Tusayan and west of State Route 64 would be used for the Center. The Forest Service and Park Service would enter into an interagency governmental agreement for use of the Forest land consistent with the purposes described in the EIS. The Center would be built and operated under a concessions contract awarded through a competitive bidding process. The National Park Service would be responsible for the day-to-day administration of the contract. The complex would consist of a transit center (with restrooms, ticketing facilities, information stations, and a small retail operation), parking areas on both sides of Long Jim Canyon, and a rail system that extends from the transit center up Long Jim Canyon and across the Forest and into the Park. A sixty-foot wide corridor in Long Jim Canyon from the Center south to the private property boundary of Tusayan would be preserved for a potential rail connection to Grand Canyon Airport. The Center would be constructed and operated by a concessionaire and would serve as the primary transfer point from private vehicles to the mass transit system. Parking at the Center would accommodate about 3,600 vehicles, and could be built in phases. The concessionaire would also build a walkway from the Center to the IMAX theater, and construct necessary improvements to State Route 64 for access to the Center.

Under Alternative H, visitors and guests at CFV would also use the parking area associated with the Center, and vice versa. Thus, other parking areas would be necessary on private land, built and managed by CFV, in recognition of this overlap. The number of parking spaces, timing, and financial obligations required to accommodate this shared parking concept would be defined through the county zoning process and federal permit/contract process, and during project implementation.

It is apparent to me that both Alternatives F and H satisfy the Park's need for a mass transit system and parking area outside Park boundaries. The analysis in the EIS shows that the public and agencies' interests are served by allocating the Forest land identified in Alternatives F and H for parking and transit uses. The Center would eliminate many of the parking and traffic problems at the South Rim and would reduce vehicle noise and air pollution in Grand Canyon Village and at scenic points along the rim. The availability of trip planning information at the Center would also help visitors with their accommodations and itineraries.

Housing

As several have commented, none of the alternatives (except perhaps Alternatives B and C, the two land exchange alternatives in the draft EIS) fully address the need for affordable worker housing close to the Park. Alternative F does not address housing for employees of the Park concessionaire. Some landowners in Tusayan have opted to meet County zoning requirements by providing housing for their own employees

The concept of a mass transit center for Grand Canyon National Park visitors is essentially identical in Alternatives F and H.

Both alternatives satisfy the Park's need for a mass transit system and parking area outside Park boundaries.

Although short in meeting the total housing need, Alternative H goes further in addressing that need than Alternative F.

on their own land. But the approach of taking care of only their own employees has not resolved the housing problems of the area.

Alternative H tackles the housing issue in several ways. First, CFV would provide housing for all of its employees. Second, CFV would lease 20 acres of improved land (land with utilities and road access) to the NPS for federal and Park concessionaire housing. Finally, CFV would initially construct 50 units of open-market housing for other area residents. This number could be increased later if the demand warrants. Finally, Alternative H consolidates residential housing in one area and separates employee housing from visitor facilities.

Affordable, quality employee housing in the Grand Canyon/Tusayan area remains a concern for both federal and private employees. Although short of meeting the total housing need, Alternative H goes further in addressing that need than Alternative F.

Community Facilities

Alternative F allocates unimproved Forest land for purchase under the Townsite Act for community purposes providing a potential land base for accommodating community facility needs. Yet, no funding source has been identified for either the purchase of the land at fair market value or development of the infrastructure. While the individual facilities (school, library, fire station, community hall, etc.) could be constructed in separate actions as funding becomes available, a considerable financial burden would fall on the first organization to bring access and utilities to this now undeveloped property. I also acknowledge that certain landowners in Tusayan have indicated a willingness to use some of their land for community facilities, specifically an American Legion Hall and perhaps a fire station. The American Legion Hall could serve as a community gathering place and meet multiple community use needs. This single facility; however, would not meet the long-term need for community services and facilities for federal and private employees of the area.

Alternative H provides many community facilities, including donation of an improved 20-acre school site, constructed police and fire station, community center, and public gathering areas and parks. Building space on an improved site for a library, day care, post office, worship center(s), medical facility, and cemetery would also be provided. One percent of gross revenue, an estimated \$1.5 to \$1.8 million dollars a year, will be available for a variety of government and environmental functions within CFV. These funds could potentially be tapped as a source of funding for the community facilities.

Alternative F offers to make unimproved Forest land available for community purposes, and potentially build a community hall to accommodate a variety of uses and a fire station on existing private land in Tusayan. Alternative H offers a comprehensive solution to community facility needs by building some facilities and by providing a dedicated improved land base for others, with a potential source of funding. I believe that Alternative H better serves the community facility needs of federal and private employees and reduces or eliminates future requests to use federal land for such facilities.

Alternative F allocates unimproved land for purchase under the Townsite Act, without an assured funding source.

Alternative H meets community needs by building some facilities and by providing a dedicated improved land base for others, with a potential funding source.

Visitor Facilities

Lodges, stores, and restaurants inside the Park are strained beyond capacity during the busy peak season months. Educational facilities inside the Park are inadequate and outdated. The Park's GMP acknowledges these shortcomings and directs that additional commercial services for visitors be developed outside the Park. It also calls for the development of the Heritage Education Campus inside the Park that will offer indoor and outdoor educational displays specific to Grand Canyon National Park.

The land and business owners in Tusayan, and business owners in the outlying communities, have responded to this shortfall of tourist facilities. The growth of tourist-oriented businesses in the region has been phenomenal.

Both alternatives propose more tourist facilities. Alternative F does this by developing existing private land in Tusayan. This development would occur near the proposed transit center and would offer more choices for visitors than what currently exists. Plans that have been divulged for Tusayan include more hotels, retail, restaurants, and entertainment, as well as expanding attractions at IMAX Theater. The private inholdings that remain in private ownership in Alternative F could also be developed for tourist facilities. What is uncertain is how much development would occur on the inholdings over the long-term.

Under Alternative H, CFV would construct lodging, retail, and restaurants adjacent to the transit center. Insight, the educational complex, would also be built, along with a Native American Marketplace. Development of private land in Tusayan would likely happen as well in Alternative H, adding more tourist facilities.

I find no appreciable difference in the amount and mix of tourist facilities that could occur between Alternatives F and H over the long-term. This conclusion is predicated on what could be developed, and presumably would be developed on the private inholdings at some point in time. Both CFV and the Tusayan land and business owners, while offering their own version of what is needed and desired in the area to meet a growing demand for tourist facilities, will strive to implement their individual plans in advance of the other, subject to county review and approval. It is reasonable to expect they will attempt to do so whether Alternative F or H is selected.

I do find difference in where the development occurs in the alternatives. Alternative H, by consolidating land ownership through the exchange, will concentrate development in the Tusayan area. This same development could occur in scattered pockets on the private inholdings in Alternative F. Is the visitor better served by concentrating this development? Would it be more convenient? That depends on an individual's preference and cannot be answered with certainty; however, the impacts of this development on Forest resources can be more effectively and efficiently managed if this development occurs in a centralized location.

Natural Resource Management

Protection of natural resources is central to our federal land management responsibilities. One component of the environment, groundwater, is of particular concern because of its ecological and cultural importance. The State regulates groundwater resources in the Grand Canyon/Tusayan area by issuing drilling permits for new wells on private land. Under Arizona law, it is likely that permits for new wells on private land would be granted by the State, if requested. The EIS shows that

There is no appreciable difference in the amount and mix of tourist facilities between Alternatives F and H over the long-term.

groundwater pumped from the regional aquifer will impact Grand Canyon springs and seeps. There are a lot of opinions about the magnitude of this impact, and where and when it will be felt. But all agree that there will be some groundwater impacts. The Havasupai Tribe, which lives in the Canyon and depends upon Canyon springs and seeps for water for their survival and cultural significance, is understandably concerned about the impact of any alternative that would increase water drawn from Canyon springs and seeps. Consequently, the Tribe has expressed strong support for Alternative H.

Water to support the transit center and federal housing components of Alternative F would come from the Park's water system that originates at Roaring Springs on the north rim of Grand Canyon. The developers of the community facilities would be responsible for finding their own water supply, and that source could likely include additional groundwater pumped from the three existing wells in Tusayan. The development of private land in Tusayan will also require more water. That source, again, could likely include additional groundwater pumped from existing wells in Tusayan, or construction of a new well, as I understand that a permit was issued in 1996 by the State for a fourth well in Tusayan. The inholdings could also be developed in Alternative F, and if developed, would likely mean more groundwater wells constructed on the inholdings.

I realize that much of my discussion here relates to groundwater pumping on private land overlying the groundwater basin that may or may not happen. Future well construction, regulated by the State, is tied to the amount and location of future development. When this study began some five years ago, there were four wells in the area. Now there are nine, and others are planned or authorized.

Alternative H would supply water from non-groundwater sources, except in emergencies and during initial construction. Most of this water would come from the Colorado River, hauled by rail from Topock, Arizona, and then piped to CFV. CFV would also harvest and treat water for consumption, and would implement water conservation measures; like dual plumbing in houses and hotels, restrictions on bathtubs in hotels, and use of low-flow fixtures. The federal acquisition of the inholdings under Alternative H would remove them from the threat of future well development for commercial and residential uses. The concept of bringing water to the site from beyond the boundaries of the underlying groundwater basin recognizes the sensitivity of that basin, does nothing to impair it, and does not preclude other solutions to the water problem from being pursued.

The proposed water supply under Alternative H comes at considerable cost, and some believe that it is so high the alternative is infeasible. In devising this alternative, CFV added more commercial development to cover the additional water costs. Water costs were included in the financial model developed by CFV, and the model indicates that the alternative is economically viable. In any event, the commitment to use sources other than groundwater is not conditioned on cost. This risk, it would seem, falls largely on CFV.

No threatened and endangered plant or wildlife species are known to occur on the Forest or private land involved in this EIS. However, Forest Service sensitive plant (Tusayan flameflower and disturbed rabbitbrush) and wildlife (Townsend's big-eared bat) species are present on these lands, as well as a Forest Service species of concern (Arizona leatherflower). Populations of the Tusayan flameflower and several Townsend's big-eared bats (hibernating in a cave) have been found on the Forest

Alternative F leaves sensitive plants on the inholdings vulnerable to future development, could result in more groundwater pumped from Tusayan wells to supply community facilities, and does not preclude additional well development on the inholdings.

Alternative H brings inholdings with sensitive plant species into federal ownership and protection, restricts the use of groundwater at CFV, and prevents well development on the private inholdings.

land proposed for development. Populations of the Tusayan flameflower, disturbed rabbitbrush, and Arizona leatherflower have been found on some of the private inholdings.

Under Alternative F, no protected plant or wildlife species would be affected on Forest land proposed for development; however, this alternative leaves the 12 inholdings in private ownership. Two of the three inholdings that have the greatest development potential, TenX and Kotzin, support known populations of sensitive plant species. These populations would be vulnerable to disturbance from development of these inholdings.

Development of the Forest land under Alternative H could affect known populations of a sensitive plant species. Populations of sensitive plants on the TenX and Kotzin inholdings would be protected through the acquisition of the inholdings.

Alternative F leaves sensitive plants on the inholdings vulnerable to future development, could result in more groundwater pumped from Tusayan wells to supply community facilities, and does not preclude additional well development on the inholdings. Alternative H brings inholdings with sensitive plant species into federal ownership and protection, restricts the use of groundwater at CFV, and prevents well development on the private inholdings. I find that Alternative H affords more protection of natural resources, particularly groundwater, a particular concern of our Havasupai neighbors.

Cultural Resource Management

Under Alternative F, two cultural resource sites on the Forest land proposed for development of the Transit Center would require mitigation. The 96 sites on the 12 private inholdings would remain unprotected and vulnerable to private development, particularly those on the Kotzin, TenX and Lower Basin inholdings. Alternative H brings private inholdings with 96 sites into federal ownership and protection and requires mitigation of four sites on Forest land.

Groundwater in the Grand Canyon area has cultural significance to indigenous people. Under Alternative F, the use of groundwater would decrease flows of Grand Canyon springs and seeps considered sacred to the Havasupai. Groundwater well development on the Lower Basin inholding could decrease flows of Blue Springs, considered sacred to the Hopi. Alternative H would not rely on groundwater; however, additional private development in Tusayan and Valle unrelated to the land exchange could use groundwater that could affect Grand Canyon springs and seeps. This additional groundwater use is outside federal administrative control and outside the scope of this analysis.

I find that Alternative H affords far better protection of cultural resources, including spring water of Grand Canyon that is culturally significant to several tribes.

Visitor Experience

Alternatives F and H both improve the visitor experience because they include the transit center and they provide for more tourist facilities. Addressing these two issues, particularly the traffic and parking congestion problem, is key to improving the visitor experience at Grand Canyon.

Alternative H affords greater protection of cultural resources than Alternative F, including Grand Canyon springs and seeps.

But there is more to visitor experience than simply solving the traffic problems and providing more hotels and restaurants. Tusayan is expanding and providing more tourist facilities, as are other northern Arizona communities, yet over one-quarter of those who commented on the supplement to the draft EIS noted that the quality of the experience is lacking or cited “improved visitor experience” as a reason to institute a change at Tusayan. Comments indicate that people expect more from their National Parks than what they are currently getting, and they want more from the businesses and entrepreneurs at the gateway entrances. They want model gateways, new ideas, environmentally friendly “green” developments, and less obvious commercialism.

Alternatives F and H present very clear and distinct options on how development would proceed. Alternative F proposes enhancements by making Forest land available for community facilities and through development of existing private land in Tusayan, under existing County guidelines. As I have noted earlier, the development of existing private land in Tusayan will occur regardless of which alternative I select. Alternative H includes many sustainable features with enough tourist facilities to pay for them. The majority of commentors on the supplement to the draft EIS (1,020 of 1,768) acknowledged this tradeoff and said that they favored the larger commercial level of Alternative H to get the sustainable features. The public has said that if there is going to be development, which I believe is inevitable, then they prefer it to be environmentally sustainable and of model quality.

So is the visitor experience actually enhanced by the presence of these sustainable features? Or is simply providing more tourist facilities sufficient? The public has said it desires a unique gateway at Grand Canyon. Alternative H offers sustainable development, no use of groundwater, a common architectural theme, water harvesting, use of natural materials, an extensive recycling program, and more. I believe that Alternative H will have a greater positive impact on the visitor experience by constructing a model gateway community that embodies principals of resource conservation.

Economics

In 1994 when we officially started this EIS, we thought that water and economics would be the most contentious issues. We were right; however, we underestimated how spirited the economic discussion would be. So, we have wrestled with this important issue for five years and there have been volumes of information generated about this issue. These are the economic “facts” as I perceive them:

- ♦ The Grand Canyon is the centerpiece of the region’s tourism-based economy, but it is not the only attraction in the region. For the most part, tourism-related development has been piecemeal and generally uncoordinated.
- ♦ In an interdependent neighborhood, what one party does affects another. Federal decisions affect private and local government neighbors and vice versa. At some time, either party may make difficult decisions that affect others.
- ♦ Development has, is, and will continue to occur regardless of my decision. Indeed, Tusayan itself used to be an undeveloped inholding. This once isolated 144-acre tract, still surrounded by National Forest land, is now the closest visitor service gateway to the Park with restaurants, retail shops, and over 1,000 hotel rooms. To date, development has proceeded under the premise that the

Both Alternatives F and H improve the visitor experience because they propose constructing a transit center and provide for more tourist facilities. Alternative H, however, will have a greater positive impact on the visitor experience by constructing a model gateway community.

Under both Alternatives F and H, economic impacts will not be catastrophic to the region nor will they be negligible.

In the long-run, the economic impacts of Alternatives F and H are likely to be similar.

In the short-term, impacts can be mitigated by phasing.

benefits accrue to the early bird with little apparent regard for how the new development may affect others.

- ♦ Development in the Grand Canyon/Tusayan area will impact neighboring businesses and communities. The degree of impact is dependent on a lot of variables, and while many have tried to estimate potential impacts, the reality is that no one knows; virtually anything can happen; and very little of it is within anyone's absolute control. I can say that, under both Alternatives F and H, economic impacts will not be catastrophic to the region nor will they be negligible. I can also say that too many rooms built in too short a time span with too little growth in visitation will lead to declining hotel occupancies.
- ♦ By consolidating land ownership, I can prevent scattered development within the Forest and concentrate development near Tusayan. Alternative H trades out 272 acres of Forest land for 2,118 acres of private land, 674 acres of which I believe would eventually be developed.

I have studied the economic reports prepared by our consultants, I have gone over the many public responses (including the other economic studies), and I have spent hours discussing this issue with my staff, the public, elected officials, and others. Based on all of this information, I cannot say with certainty and precision what the differences in economic impacts would be for Alternatives F and H. So much depends on visitation, advertising and marketing, timing, room rates, other attractions, the state of the economy in general, and a host of other variables. All of these are outside my control. In the end, would more be built under Alternative H than F, or vice versa? I believe that in the long-run the differences would not be significant. In the short-run, there could be differences and these differences could result in impacts, which could be reduced by phasing the commercial development. Phasing is now, and will continue to be, under county jurisdiction.

Development Plan Assurances

This is a difficult and important issue. How can we guarantee that what is proposed will happen, particularly when aspects of some of the alternatives are beyond Forest Service authority? Understandably, many wonder if what is decided will be done. When we started this EIS, we set out to determine if Forest land should be used to address public needs in the Grand Canyon/Tusayan area. There must be assurances that what is proposed will happen. This will require diligence, creativity, and innovation.

Under Alternative F, there are no assurances that anything other than the transit center will be implemented. All other development is contingent on actions initiated by individual qualifying entities, and these actions are contingent on these entities securing funding. Development of the community facilities proposed in Alternative F will be regulated by the County, and subject to the use restrictions in the Townsite Act, but there is no assurance that they will get built. Some landowners in Tusayan have proposed building certain community facilities on their land.

Alternative H would use two covenants, volunteered by CFV, to govern water use and development at CFV. These covenants would run with the title to the land and would be binding on CFV and all future landowners. The covenants would establish the Kaibab Institute to serve as the primary governing body. Other organizations would be formed to govern and administer specific components, like the housing or

There are no assurances that anything other than the transit center would be built under Alternative F.

The governance structure of Alternative H is innovative, enforceable, and provides for independent oversight of CFV by agencies and others, with a permanent funding source to carry out the governance functions.

commercial development. Federal and local agencies, and other entities independent of CFV, would be given specific enforcement authority in the covenants. This structure would supplement county requirements, and would grant authority to agencies, organizations, and other independent parties to enforce features of the alternative outside the purview of the County but upon which this decision relies.

Alternative H provides a specific and permanent funding source for the governing organizations. The Kaibab Institute would receive its funding from a percentage of the gross revenues garnered by the businesses at CFV, providing an estimated \$1.3 to \$1.8 million annually. The other governing organizations would collect various fees and assessments from residents and businesses in CFV for financing their operations.

The governance structure of Alternative H is innovative, enforceable, and provides for independent oversight of the CFV development by agencies and others. A permanent source of funding is established to carry out the governance functions. The Forest Service can provide an additional layer of safety by withholding final transfer of land titles until the agreements and zoning are in-place and executed. With these provisions, I believe that we can offer reasonable assurance that what is proposed under Alternative H, if it happens, will happen as described in the EIS.

Land Values

The issues related to land values have provoked much discussion, suspicion, and debate. There are likely to be many different opinions about land values, mostly focusing on the value of the federal property involved in Alternative H. Some have even contended that the secrecy of the appraisals are evidence of wrong-doing and bias.

From a technical standpoint, the appraisals have followed exacting procedures—procedures designed to protect and serve the interests of the government and public. After advertising the contract nation-wide, and after evaluating the proposals using a committee of Forest Service appraisers, the award of the appraisal contract was made to an independent professional appraisal firm. The Forest Service paid for the appraisal. The private appraisal firm under contract worked with two other highly qualified appraisal firms. The appraisals were conducted using professionally accepted and federally required guidelines, including the Uniform Appraisal Standards for Federal Land Acquisitions, the Uniform Standards of Professional Appraisal Practices, the Uniform Relocation Assistance and Real Property Act of 1970, and the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989. The appraisers considered land sale data collected throughout the west that included over 100 sales for the appraisals of the federal land, and more than 90 sales for the appraisals of the private land. Other market information was gathered and considered from Zion, Carlsbad Caverns, Yellowstone, Yosemite, Grand Tetons, and Glacier National Parks, as well as the tourist locations of Jackson, Wyoming, and Sedona, Arizona. Interviews and meetings were held with land and business owners, developers, and federal and local government officials. And the methodology, assumptions, and conclusions of the appraisals have been reviewed, accepted, and approved by highly qualified Forest Service appraisers.

The values derived for the federal and private land from the appraisals appear reasonable, and are supportable based on the appraisal reports and the Forest Service appraisers' review of them.

The values derived for the federal and private land from the appraisals appear reasonable.

For Alternative F, the fair market value of the 40 acres of federal land considered for acquisition under the Townsite Act is \$600,000. This value reflects the size, location, and on-site and off-site characteristics of the federal land.

Under Alternative H, the aggregate value of the 2,118 acres of private land offered for exchange is \$4,982,000 (an average of \$2,352 per acre). The value of the 272 acres of federal property is \$5,400,000 (an average of \$19,853 per acre). **This results in a ratio of almost eight acres of private land to one acre of federal land.** The difference in value between the federal and private land of \$418,000 is 7.4 percent of the value of the federal property, and is well within the 25 percent allowance mandated by federal law. A cash payment of \$418,000 payable to the U.S. Treasury or additional private land from CFV would be required to equalize the values of the federal and private land in Alternative H. Table 1 presents the land values for the private inholdings (non-federal land) in Alternative H.

Table 1. Land Values for Non-federal Land in Alternative H

Parcel	Acres	Dollars/Acre	Dollars
Kotzin	158.06	5,500	870,000
TenX & part of Curley Wallace	295.16	3,500	1,000,000
Remainder of Curley Wallace	50.28	3,400	171,000
Lower Basin	319.39	1,600	511,000
Anita Station	303.14	1,300	394,000
Apex	146.86	3,500	514,000
Babbitt Tank, Willows, & Trash Dam	427.39	1,900	812,000
Young, Harbison, & Peterson	417.63	1,700	710,000
Total	2,117.91		4,982,000

**Federal Land in
Alternative F: \$600,000**

**Federal Land in
Alternative H: \$5,400,000**

**Private (non-federal) Land in
Alternative H: \$4,982,000**

What We Set Out to Do

We set out to determine if the ownership or use of any National Forest System land should be changed so that:

- ♦ federal land managers (and private land owners) could more efficiently integrate, manage, and protect their respective pieces of the Grand Canyon/Tusayan area landscape;
- ♦ parking and mass transit facilities could be constructed and operated to serve the Park; and,
- ♦ housing and community facilities could be coordinated and sited to benefit federal (and private) workers whose livelihoods depend upon the Park.

Decision and Reasons for the Decision

I Am Deciding Only Federal Matters

Land use and workforce issues affecting federal land, federal facilities, and federal workers are federal matters well within the scope of my responsibility and authority. Further, they are matters which I must address even if local government and affected private entities:

- ♦ decide to let Tusayan and surrounding communities continue to grow constrained only by competing market forces; or
- ♦ decide to collectively build an area-wide model gateway to a national treasure; and/or
- ♦ decide to use their considerable creativity and collective clout to increase and share economic benefits from Grand Canyon National Park.

Decision Parameters

I am required to base my decision on the planning record that is before me. I am also required by applicable statutes to weigh and balance information in that record to determine which of the alternatives is in the greater public interest.

While I am not required to pick an alternative that has no effect on nonfederal entities, I must take relevant effects into account. Indeed, in an interdependent "neighborhood," federal decisions do affect others, making it critical that potentially affected parties have their say and help shape alternatives and the analysis. That's why over the past five years we have fiercely protected the integrity of this very public planning process. The record is replete with examples of, when on our own initiative and when in response to others, we have stopped, delayed, extended, revised, amended, and backtracked as necessary— to be sure that the public was heard— and that each proponent had every opportunity to respond with proposals containing as much detail as they chose to provide.

How I View the Two Competing Alternatives

I summarize Alternatives F and H as follows:

Alternative F embraces the Grand Canyon Transit Center and appears content to reap the benefits of funneling most traffic through Tusayan with no firm commitment to address the needs of federal and other workers upon whom the area moneymaker, the Park, depends. Once Alternative F is selected, the government loses its ability to protect the Forest from potential development of inholdings and to protect the sensitive species and cultural resources that would come into federal ownership with the inholdings. Further, the backers of Alternative F, the Northern Arizona Coalition (whose members include land and business owners in Tusayan), have known since the beginning of this EIS process in 1994 (and before) that additional land adjacent to Tusayan for community services, hitherto provided by the Park, would have to be acquired under the Townsite Act and that the Townsite Act requires creation of a local government entity to receive such land and provision of funding with which to make the purchase. Yet, the backers of Alternative F have made no specific proposal to do either. Just as private landowners have the private right to acquire and sell land to bolster their private undertakings, so does the government have the right, and perhaps the duty, to take advantage of current opportunities to adjust its land base to benefit the national taxpayer, the federal workforce, and to protect and enhance the

public's natural and cultural resources by acquiring otherwise developable inholdings. Further, Alternative F does not propose to refrain from using groundwater. It only proposes the environmentally sensitive features required by the County, which are helpful, but do not go as far as the measures in Alternative H.

Alternative H provides the transportation improvements that are so necessary to help turn the tide of a declining visitor experience at the Park. It acquires 12 private inholdings and, through this adjustment, reduces the administrative complexity of managing the federal land base of the Forest and Park. Alternative H protects the habitat of sensitive plant and wildlife species and other species on the inholdings thereby reducing the risks to those species from piecemeal development. It places more cultural resources on the inholdings in federal ownership and protection. The water supply for Alternative H does not contribute to depletion of groundwater, which impacts Grand Canyon seeps and springs. The cultural implications of these groundwater impacts for our tribal neighbors cannot be overstated. Alternative H provides an improved land base for housing and community facilities for federal and private employees charged with managing the region's economic engine, with a funding source for implementing the community features. It offers employment and business opportunities for local tribal members. And, it incorporates a host of sustainable features like water harvesting, water conservation, biological wastewater treatment, passive and active solar power, and others that reflect a model gateway community that the visitor can learn from and experience. Alternative H is subject to county zoning and ordinances, and packages all of the water and sustainable commitments in legal agreements that are binding on the developer and future land owners and residents within the development and enforceable by independent agencies, organizations and tribes.

Findings

Having weighed and balanced my statutory responsibilities and the information available to me in the written record, I find that:

- ♦ we must strive to achieve the objectives in the Forest Plan and GMP;
- ♦ ownership and use of some National Forest Systems lands (federal land) and ownership of the 12 parcels of private land (non-federal land) should change to meet project objectives;
- ♦ the construction and operation of the Grand Canyon Transit Center for the Park should occur on National Forest System land, as described in the EIS; and
- ♦ of the alternatives studied, Alternatives F and H better achieve the objectives in the Forest Plan and GMP that are considered in this EIS.

THE PUBLIC INTEREST IS WELL SERVED BY THIS DECISION BECAUSE IT:

- ✓ Provides much needed improvements to the Park transportation system;
- ✓ Achieves management direction in the Forest Plan and Park GMP;
- ✓ Achieves public objectives through the land exchange and proposed development of the conveyed federal land;
- ✓ Acquires 12 private inholdings totaling 2,118 acres;
- ✓ Consolidates land ownership and prevents piecemeal development;
- ✓ Reduces administrative complexity and costs for managing the federal land base;
- ✓ Acquires private land with resource values exceeding those of the federal land to be conveyed;
- ✓ Protects cultural resources on the private inholdings;
- ✓ Protects habitat for sensitive plant and wildlife species and other species on the private inholdings;
- ✓ Reduces risks and impacts to Grand Canyon seeps and springs;
- ✓ Provides a centralized, improved land base for housing for area employees;
- ✓ Provides an improved land base, building space, and funds for community facilities;
- ✓ Facilitates improvement of the Grand Canyon visitor experience; and,
- ✓ Demonstrates principles of sustainability and resource conservation.

Decision

It is my decision that overall Alternative H best meets the objectives considered in this EIS, more effectively implements the Forest Plan, best serves the greater public interest, and is the selected alternative.

Requirements and Recommendations

The following requirements and recommendations are part of this decision:

The concessionaire for the Transit Center and transportation system will, in accordance with applicable law, set specific dollar and percentage goals for participation by:

Grand Canyon Transit Center Contract

- ♦ northern Arizona businesses including suppliers,
- ♦ small businesses,
- ♦ women-owned businesses,
- ♦ minority-owned businesses.

The Park Superintendent, in recognition of the philosophy of the GMP to consider the use of land outside Park boundaries to address Park needs, and in recognition of the interdependent relationship between Park operations and neighboring communities, will work with these communities and reassess plans for rebuilding or increasing in-Park hotel rooms and incorporate any adjustments in the GMP.

Grand Canyon National Park Lodging Additions

To ensure that the development of land leaving federal ownership will be done in an environmentally sensitive manner, the transfer of land titles and recordation of deeds will not occur until County zoning is in-place on the Forest land going into private ownership, and applicable governance agreements outlined in the final EIS and supporting documents have been executed and recorded. These include:

Development Commitments

- ♦ covenant for sustainable water use for Canyon Forest Village,
- ♦ covenant for sustainable development for Canyon Forest Village,
- ♦ development agreement and/or zoning provisions.

This decision recognizes the County jurisdiction and authority to modify, refine, and adjust parameters of this alternative through their zoning procedures.

Considerations for Zoning

The Forest Service and National Park Service support and will participate in the preparation of a regional marketing plan under the leadership of the northern Arizona communities, local American Indian tribes, and others.

Regional Marketing Effort

Community Facilities

A portion of the 1% of gross revenue of CFV, collected and managed by the Kaibab Institute and other governing organizations of CFV, should be used for community facility aspects of the alternative, as well as the environmental programs of the Kaibab Institute.

Exchange Agreement

This decision is subject to the execution of a formal Land Exchange Agreement, which will document agreements between CFV and the Forest Service that include, but are not limited, to the following:

- ♦ terms to equalize values of federal and non-federal (offered private land);
- ♦ follow-up hazardous materials investigations and restorative actions on the private inholdings, if necessary;
- ♦ mitigation of cultural resource sites on the federal land;
- ♦ transfer of water rights on the private inholdings;
- ♦ right-of-way along Long Jim Canyon from the Transit Center south to Tusayan property boundary;
- ♦ survey of the federal land, and;
- ♦ removal of facilities on the private inholdings, as identified by the Forest Service.

Monitoring and Mitigation Measures

A number of monitoring and mitigation measures were outlined in the EIS for Alternative H. They are attached to and made part of this decision, with the enforcement organization(s) identified in parentheses at the end of each measure. These measures include:

Air Quality

- ♦ Water or other stabilizers will be applied to unpaved road sections and disturbed ground during construction of CFV and the Transit Center to minimize dust. (Coconino County)
- ♦ Primary transportation corridors into Grand Canyon National Park and developed areas will be hard-surfaced. (Coconino County)
- ♦ Burning of slash and other debris created from construction will be prohibited. Vegetation debris created from construction activities will be chipped and used for mulch, or hauled offsite and disposed of in approved landfills. (Coconino County)
- ♦ All land areas disturbed by construction activities will be revegetated as quickly as possible to reduce the potential for blowing dust. (Coconino County)
- ♦ Installation and use of wood-burning stoves for heating in residential and visitor facilities will be prohibited. Exceptions include fireplaces used for aesthetic purposes in lodging facilities and businesses. (Coconino County)

Cultural Resources

- ◆ All cultural resource sites on the Forest land have been determined eligible for listing in the National Register of Historic Places. Effects to these properties will be mitigated through the implementation of a data recovery plan specific to each. Mitigation of effects to eligible cultural resource sites on the Forest land to be exchanged will occur prior to transfer of land titles and recordation of deeds. Mitigation of effects to eligible cultural resource sites on the Forest land to be used for the Grand Canyon Transit Center will occur prior to construction activities. Interested tribes will have an opportunity to assist in the development of these plans. Terms and conditions of the plans will be agreed upon by the Forest Service and the State Historic Preservation Office. (Forest Service and National Park Service)

Development Plan Assurances

- ◆ The transfer of the Forest land into private ownership and recordation of deeds will not occur until the following are recorded in the Coconino County land records:
 - ◆ Development agreements, zoning ordinance, covenants, or conservation easements ensuring that commitments in the EIS are a binding condition of the land title and apply to all future landowners. Commitments may include a construction phasing schedule, water restrictions, and proposed uses of the Forest land (e.g., housing, designated open space, school site, fire station, parks, etc.). (Forest Service and Coconino County)
 - ◆ Development agreements, zoning ordinance, covenants, or conservation easements establishing a funding mechanism to ensure implementation of the commitments in the EIS. (Forest Service and Coconino County)

Development Agreements

- ◆ The development agreement, executed between Coconino County and the developer, shall be consistent with provisions specified in the County Comprehensive Plan, the Tusayan Area Plan, and the final EIS and Record of Decision for Tusayan Growth; subject to modifications, refinements and revisions resulting from the county planning and zoning process. The requirements of the development agreement are binding on the parties to the agreement and to all their successors in interest and assigns. (Coconino County)
- ◆ The development agreement may specify or otherwise relate to any of the following:
 - ◆ The duration of the agreement
 - ◆ The permitted uses of property subject to the agreement
 - ◆ The density and intensity of uses and the maximum height and size of proposed buildings within such property
 - ◆ Provisions for reservation or dedication of land for public purposes and provisions to protect environmentally-sensitive land
 - ◆ The phasing or time of construction or development on property subject to the agreement

- ◆ Conditions, terms, restrictions and requirements for public infrastructure and the financing of public infrastructure and any subsequent reimbursements over time
- ◆ Conditions, terms, restrictions and requirements relating to the intent to form a special taxing or assessment district
- ◆ Any other matters relating to the development of the property

Fire Management Programs

- ◆ The developer(s) will design, fund, and implement, in conjunction with the Forest Service and Park Service, a fuel treatment program for wildland/urban interface areas. (Coconino County)

Noise

- ◆ Construction activities will be limited to daylight hours (approximately 6:00 am to 8:00 pm). (Coconino County)

Socioeconomic Resources

- ◆ The developers(s) have volunteered to prepare, fund and implement a comprehensive employment plan that addresses employment practices related to: 1) encouraging the hiring of new employees from the northern Arizona employment base, including local American Indian tribes; and 2) use of some northern Arizona-based contractors. (CFV Community Foundation)

Special Land Uses

- ◆ Use and conveyance of the Forest land will be subject to the continuation of existing easements. Uses currently authorized by special use permit shall be continued by issuance of easements to replace said permits that must be relinquished at or before closing of escrow. (Forest Service)

Survey Markers

- ◆ The developer(s) will protect all public land survey monuments, private property corners, and Forest boundary markers. In the event that any such land markers or monuments are destroyed during construction, depending on the type of monument destroyed, the developer(s) will see that they are re-established or referenced in accordance with: 1) the procedures outlined in the Manual of Instructions for the Survey of the Public Land of the United States; 2) the specifications of the county survey; or 3) the specifications of the Forest Service. (Forest Service)
- ◆ Further, the developer(s) will cause such official survey records as are affected to be amended as provided by law. Nothing in this clause shall relieve the holder's liability for the willful destruction or modification of any government survey marker as provided at 18 U.S.C. 1858. (Forest Service)

**Threatened, Endangered,
and Sensitive Species**

- ♦ Mitigation for the Tusayan flameflower (Forest Service sensitive species) on the Forest land will include minimizing ground disturbance in plant population areas by: 1) incorporating these areas into green belts, buffer zones, and natural areas; 2) fencing of plant populations to prevent encroachment during construction activities; and, 3) active monitoring of plant populations during and following construction activities by a qualified botanist. (Forest Service and Kaibab Institute)
- ♦ Mitigation for Townsend's big-eared bat (Forest Service sensitive species) on the Forest land will include restricting public access to the cave by constructing a chain-link fence around the entrance of the cave to preserve a minimum buffer area of 400 square feet. (Forest Service and Kaibab Institute)

Transportation

- ♦ The developer(s) will work in coordination with Arizona Department of Transportation and Coconino County to prepare a transportation impact analysis to determine needed roadway improvements for the internal transportation system, and the transit provider will prepare a transportation impact analysis for access off of State Route 64. (Coconino County)
- ♦ The developer(s) will prepare a detailed transportation plan prior to conveyance and use of the Forest land. The plan will identify all traffic circulation needs, including foot and bike paths in developed areas and routes linking developed areas with Grand Canyon National Park and attractions on Forest land. (Coconino County)

Water Resources

- ♦ The groundwater well(s) in Valle controlled by CFV will be used exclusively for potable water needs to support the CFV development during emergencies and initial construction, and the operation of the Grand Canyon Inn in Valle, as defined in the water covenant. (Kaibab Institute)
- ♦ Installation of proper flow meters to measure cumulative and instantaneous flow, and periodic recording of flow data for: 1) groundwater pumped from developer's existing water well; 2) inflow of groundwater entering the development; 3) inflow of imported water to the development; 4) inflow of raw wastewater from the development to any wastewater treatment system; and, 5) outflow of treated wastewater from the development to any surface water impoundments, surface water drainages, and injection wells. (Kaibab Institute)
- ♦ Installation of proper groundwater level measuring devices and periodic recording of pumping and non-pumping water levels in the existing groundwater supply well. (Kaibab Institute)
- ♦ Water pipelines and other utilities will use existing utility and transportation corridors, to the extent practicable, to reduce and minimize vegetation clearing and the disturbance of new ground. (Kaibab Institute)

This federal decision is not an end nor does it in any way constrain the market options of those who did not position themselves to compete as favorably as others. Rather, this decision signals the beginning of work yet to be done by local government officials and private parties.

The selected alternative was chosen based on an analysis of what is considered to be reasonably foreseeable for the land base and other assumptions—a mixed use development that includes 1,270 rooms and 270,000 square feet of retail. The Forest Service does not guarantee maximum build-out, nor control the flow of implementation. Those are matters of local jurisdiction. At this time no one can predict with precision or certainty the economic impacts to Tusayan or to the outlying communities such as Williams or Flagstaff, because all of those who can and are building rooms have not revealed their build-out projections. In that regard, the Park Superintendent has agreed to voluntarily reassess plans to rebuild or increase the number of Park hotel rooms, and in the spirit of the interdependent relationship between Park operations and economic impacts to neighboring communities and vice versa, will adjust the Park's GMP to incorporate any changes.

The building plans of all nonfederal entities, including CFV, must eventually receive approval from local nonfederal officials who, by permitting and zoning, control how many, when, where, and what types of facilities (e.g. housing, schools, hotel rooms, utility systems, etc.) will be built throughout the County.

Local private parties still control their own destiny. They have the present ability to work with the County and themselves to agree (or not) to regulate themselves and share the benefits of the model gateway community only they can choose to create.

I am aware that this decision will not be popular in some quarters. The Forest Service is committed to continuing to work with the neighboring communities to initiate, participate in, and implement actions that respond to community needs that are in the public interest.

The Park Service, Coconino County, and Northern Arizona Council of Governments have played major roles in this collaborative planning effort. I appreciate their participation and efforts in responding to the complex issues addressed in this EIS.

Other Conclusions and Findings

Land Exchange Laws

This land exchange is consistent with the General Exchange Act of March 20, 1922, as amended; the Federal Land Policy and Management Act of October 21, 1976, as amended; and the Federal Land Exchange Facilitation Act of August 20, 1988. (FEIS, page 9)

National Forest Management Act

This land exchange is within the context and meets the guidelines in the Final Environmental Impact Statement and 1987 Kaibab National Forest Plan (FEIS, pages 7 and 9). Upon conveyance of the private land to the United States, the newly acquired land will be managed together with the surrounding Forest land in accordance with the applicable management area standards and guidelines in the Forest Plan. The federal land transferred to private ownership will be deleted from the management area within which it is located. Nothing in this decision requires an amendment of the standards and guidelines in the Forest Plan. (FEIS, pages 330-334)

Findings Required by Other Laws

Civil Rights

CFV and the concessionaire of the Transit Center will be required to comply with various civil rights, affirmative action, and equal employment opportunity statutes. (FEIS, page 338)

Environmental Justice

An analysis of impacts with regard to disproportionately adverse impacts on minority and/or low-income groups, including American Indians, was undertaken. A review of the environmental consequences of the selected alternative, including the analysis of socioeconomic resources, employment opportunities, surface water and groundwater quality, hazardous materials, and other elements of the human environment, indicates that American Indians and other minority and/or low-income groups are not disproportionately affected. Alternative H will provide economic and employment opportunities to local American Indian tribes that would not be available under the other alternatives. (FEIS, page 338)

Prime Farmland and Range Land

There are no prime farm, range, or Forest lands, or roadless, wilderness, natural, or study areas on the federal land proposed for exchange. Range land is present on the private inholdings, and the federal acquisition of these private inholdings will result in a net increase of range land for the Forest Service. There are no impacts to permitted livestock numbers on the affected grazing allotments. (FEIS, pages 330-333, 338)

Wetlands and Floodplains

The Forest land and private inholdings were surveyed for floodplains and wetlands. No jurisdictional wetlands were found on either the Forest land or private inholdings. Floodplains of less than 30 feet were found on the Young, Curley Wallace, Apex Siding, and Harbison inholdings, totaling less than one acre; five acres of floodplains were found on the Kotzin inholding; and approximately 35 acres of floodplains were found on the Forest land within Long Jim Canyon. The selected alternative does not conflict with Executive Order 11988, regarding floodplain management or Executive Order 11990, regarding wetland management. (FEIS, page 338)

Hazardous Materials

A field examination and records investigation of both the Forest land and private inholdings was completed as required by 40 CFR 273.3(a), and Section 120(h) of the Comprehensive Environmental Response, Compensation and Liability Act (26 U.S.C. 4611-4682, and as amended by 42 U.S.C. 9601-9657). Based on this investigation, additional study and evaluation is required for the TenX, Lower Basin, Kotzin, Anita Station, Harbison, and Apex Siding inholdings. This investigation and any recommended remedial actions will occur prior to transfer of land titles. (FEIS, page 339)

Threatened and Endangered Species

No known federally listed plant or wildlife species will be affected by this decision. Forest Service sensitive plant and wildlife species on the Forest land will be mitigated by protecting their habitat. Forest Service sensitive plant and wildlife species habitat on the private inholdings will come under federal protection and management. (FEIS, pages 207-209, 326-330)

Mineral Resources

A mineral report assessing the mineral potential of the Forest and private land was prepared by the Forest Service in 1996. This report found that there is low to moderate potential for locatable minerals and mineral materials on the private inholdings and Forest land. There is no potential for coal, oil, gas, or solid minerals on the private inholdings and Forest land. There are no active mining claims on or within the immediate vicinity of the Forest land. The Bureau of Land Management concurred with these findings. (FEIS, pages 338 and 339)

Cave Resources

One cave is present on the Forest land proposed for development in Alternative H. With implementation of the mitigation measures to protect the habitat potential and cultural resource value of the cave, the selected alternative is consistent with the Cave Resources Protection Act of 1988 (Public Law 100-691 [16 U.S.C. 4301 et seq.; 102 Stat. 4546]). (FEIS, pages 339 and 340)

Cultural Resources

The selected alternative does not conflict with the requirements of the National Historic Preservation Act of 1966 and Executive Order 11593. Effects to eligible cultural resource sites on the Forest land will be mitigated through implementation of a data recovery plan specific to each site, prepared in consultation with local American Indian tribes, and approved by the State Historic Preservation Office. (FEIS, pages 192-196, 318-321)

Clean Water Act

Additional permits may be required from State and federal agencies under the provisions of the Clean Water Act. Necessary permits will be obtained prior to ground disturbing activities. (FEIS, page 11)

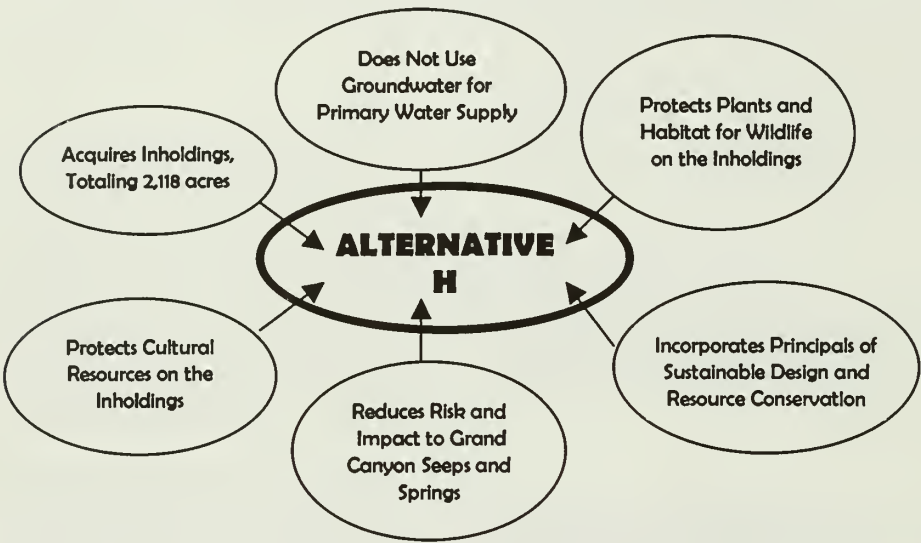
Clean Air Act

The selected alternative will not compromise the Class I designation of Grand Canyon National Park under the Clean Air Act. Vehicle emissions will increase at the Transit Center, outside Park boundaries, but not beyond National Ambient Air Quality Standards. These impacts, including those from construction activities, will be localized and temporary. (FEIS, pages 183, 296-298)

Alternative H places the 12 private inholdings, totaling 2,118 acres, under federal ownership and management. Habitat for plants and wildlife, and cultural resources on the inholdings are protected through this action. Alternative H reduces the risk and impact to seeps and springs in Grand Canyon because it does not use groundwater as its primary water source. Alternative H incorporates principles of sustainability and resource conservation through water conservation and harvesting, limiting disturbance in construction areas, preserving natural vegetation, recycling, and using alternative power sources. Alternative H is the environmentally preferable alternative (figure 6).

Environmentally Preferred Alternative

Figure 6. Reasons Why Alternative H is the Environmentally Preferred Alternative



This project will not be implemented sooner than five business days following the close of the appeal filing period established in the notice of decision in the Albuquerque Journal and Arizona Republic. If an appeal is filed, implementation will not begin sooner than 15 calendar days following a final decision on the appeal. Implementation means actually recording the deeds for the land title transfers and conducting ground disturbing actions described in this decision.

This decision is subject to appeal in accordance with 36 CFR 215.7. A notice of appeal must be in writing and clearly state that it is a Notice of Appeal being filed pursuant to 36 CFR 215.7. Appeals must be filed with the Chief of the Forest Service within 45 days of the date of legal notice of this decision in the Albuquerque Journal and Arizona Republic, and sent to the following address:

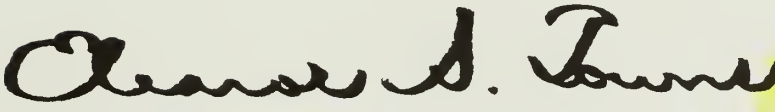
USDA Forest Service
NFS Appeals Staff
14th and Independence SW
PO Box 96090
Washington D.C. 20090-6090

For additional information concerning this decision or the Forest Service appeal process, contact Tom Gillett, Kaibab National Forest, 800 South Sixth Street, Williams, Arizona 86046, 520/635-8200.

Implementation Date and Administrative Review

Information Contact Persons

Signature and Date

 AUG 06 1999

ELEANOR S. TOWNS
Regional Forester
Southwestern Region, USDA Forest Service

Date

Tusayan Growth
Kaibab National Forest
800 S. 6th Street
Williams, AZ 86046