

Douglas A. Ducey  
Governor



Lisa A. Atkins  
Commissioner

## Arizona State Land Department

1110 West Washington, Phoenix, Arizona 85007  
(602) 542-4631

September 1, 2022

Honorable Douglas A. Ducey  
Governor, State of Arizona  
1700 West Washington Street  
Phoenix, Arizona 85007

Dear Governor Ducey:

On behalf of the Arizona State Land Department (ASLD), I am pleased to submit our Fiscal Year 2022 (FY 2022) Annual Report, pursuant to A.R.S. § 31-132. Following is a summary of ASLD's management activities and revenues collected during the fiscal year.

Over the past year, ASLD has been steadfast in its mission to actively manage the assets of a perpetual, multi-generational land trust for the support of the Beneficiaries and future generations of Arizonans. ASLD had another great year in FY 2022; as reflected in the record financial results that follow. We could not have achieved these results if not for the benefits realized from the success of the multi-year Strategic Plan initiatives. These initiatives were designed to transition ASLD to a continuously learning, "proactive" agency, that is easy to do business with and is more responsive to our stakeholders.

In FY 2022, ASLD collected \$623 million total revenue, surpassing the previous record set just last year in FY 2021! This included \$530 million from land sales and \$14 million in royalties, both of which enhanced the Permanent Land Endowment Trust Fund. Additionally, the Department generated \$58 million from leases, distributed directly to the Beneficiaries as expendable revenue, and \$21 million in fees, which are used as a recurring source to partially fund the operating expenses.

Highlights of FY 2022 operations include:

- The commercial real estate market in Arizona continues to be favorable. During FY 2022, ASLD held 19 successful land sale auctions generating \$652 million in total value, on parcels that had a collective appraised value of \$548 million. This is the second highest total value of land sale auctions on record; the highest being the prior year FY 2021. The results included the following notable auctions:
  - 228 acres on December 15, 2021, for \$140 million to Mayo Clinic AZ
  - 125 acres on March 7, 2022, for \$125 million to MREG 101 Bell, LLC.
  - 651 acres on April 19, 2022 for \$84 million to ES America, LLC.
  - 416 acres on December 1, 2021, for \$83 million to DR Horton, Inc.
  - 86 acres on April 13, 2022 for \$62 million to Hayden Loop 101 Investors, Inc.

- Continuing our strategic initiative to create sustainable Zoning Banks as a standard model for expanding appropriate land use entitlements on Trust land being taken to auction throughout Arizona. In FY 2022, ASLD completed the Southlands Conceptual Master Plan to create the framework for future zoning banks for nearly 32,000 acres in the City of Tucson. The Southlands Master Plan has set the stage for two projects currently underway: one an industrial zoning project for nearly 500 acres of land of interest to the Arizona Commerce Authority; and the other to establish a drainage policy that can help enhance development opportunities on the remaining land in the Tucson Southlands.
- ASLD partnered with ADOA to relocate the department's operations to the Natural Resources building on 1110 W. Washington. The move provides us with a more collaborative, streamlined and safer workspace, which is aligned with the Governor's initiative to consolidate the state's building footprint and co-locate similar state agencies in order to reduce deferred maintenance costs and improve the efficiency of government.

Thank you for the opportunity to serve the Trust Beneficiaries, their customers, and the people of Arizona, as State Land Commissioner. It is a privilege and honor for our ASLD team to continue advancing the interests of all those we serve, and to grow one of our State's largest economic development assets available.

Sincerely,



Lisa A. Atkins  
Commissioner

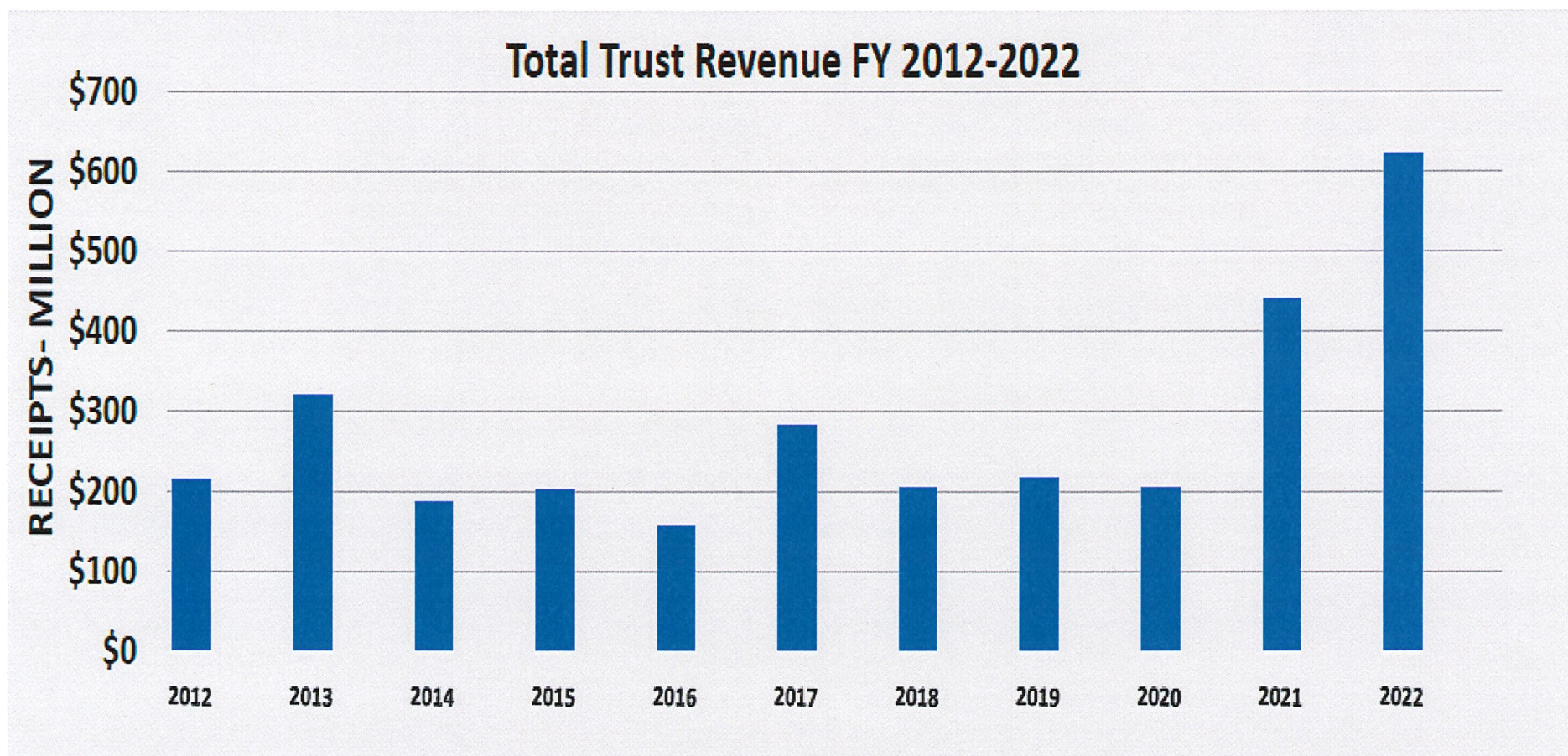


# Annual Report Supplemental Schedules

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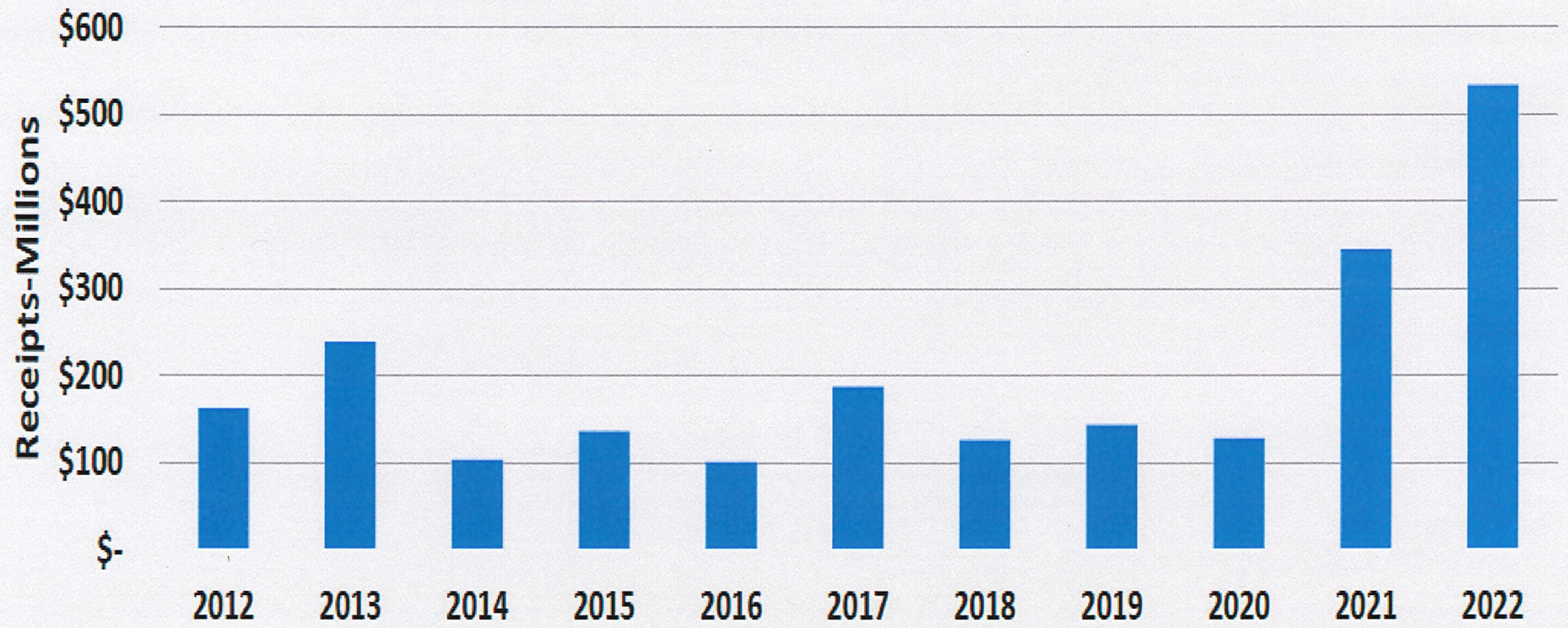
*FY 2022*





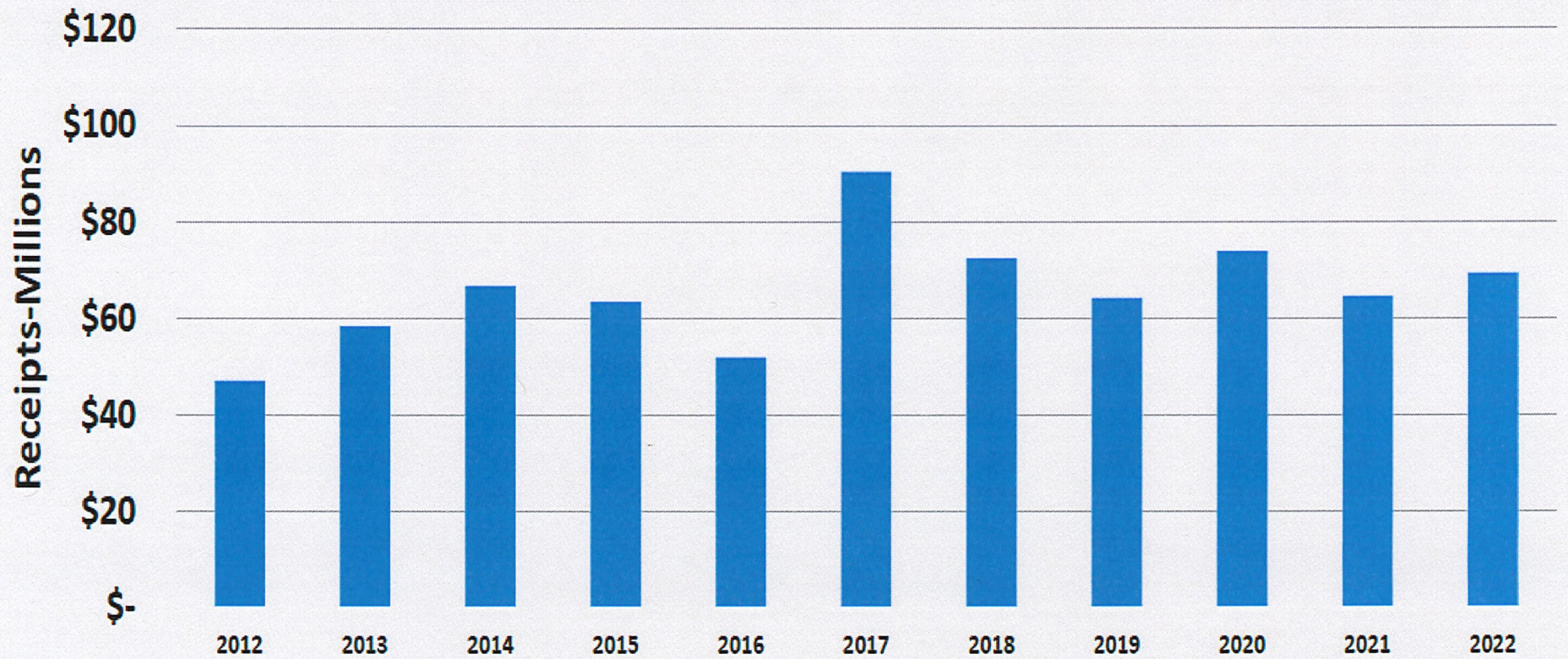


### Permanent Receipts FY 2012-2022





## Expendable Receipts 2012-2022



### RECEIPTS BY CATEGORY - FY 2022

Sum of FUND_SUB_AMOUNT	Column Labels						
Row Labels	LEASE RENTAL	OTHER RECEIPTS	PENALTY AND INTEREST	ROYALTY	SALES INTEREST	SALES PRINCIPAL	Grand Total
General Fund	130,165	20,901,166	72	-	-	-	21,031,404
F.E.M.A. Lands	7,300	-	-	-	-	-	7,300
Farm Loan Lands	8,851	-	72	-	-	-	8,924
Fees: Lease,Sale & Misc	-	-	-	-	-	-	-
Fees: Trust Land Mgt Fund	-	20,901,166	-	-	-	-	20,901,166
Lands Held in Trust	-	-	-	-	-	-	-
Navigable Streambeds	114,014	-	-	-	-	-	114,014
School & Institutions	57,825,318	-	337,126	13,812,768	11,085,047	519,305,402	602,365,660
A&M Colleges	963,150	-	20,069	8,777	-	111,331	1,103,328
Common Schools	48,251,040	-	249,626	12,692,916	9,992,895	508,740,251	579,926,729
Leg., Exec & Judicial	128,891	-	2,410	64,418	-	3,400	199,118
Military Institutes	39,372	-	121	-	-	-	39,493
Miners' Hospital	2,049,085	-	12,301	128,852	-	937,389	3,127,628
Normal Schools	142,927	-	1,555	81,558	-	435,790	661,830
Penitentiaries	1,925,896	-	20,234	225,305	-	110,018	2,281,453
School for the Deaf & Blind	336,306	-	1,922	4,445	-	159,183	501,856
School of Mines	180,040	-	2,265	32,425	-	-	214,731
St Char., Pen. & Ref	1,736,395	-	5,435	320,519	452,090	1,992,844	4,507,283
State Hospital	1,108,382	-	1,320	41,400	-	215,195	1,366,298
U of A (Act of 2/18/1881)	641,342	-	16,431	197,302	640,062	-	1,495,137
University Land Code	322,490	-	3,439	14,849	-	6,600,000	6,940,778
Grand Total	57,955,483	20,901,166	337,198	13,812,768	11,085,047	519,305,402	623,397,064



## REVENUE BY BENEFICIARY FY 2022

BENEFICIARIES	TOTAL COLLECTED		EXPENDABLE		PERMANENT
Common Schools	\$	579,926,729	\$	58,493,561	\$ 521,433,167
Normal Schools	\$	661,830	\$	144,482	\$ 517,348
Agricultural & Mechanical Colleges	\$	1,103,328	\$	983,220	\$ 120,108
Military Institutes	\$	39,493	\$	39,493	\$ -
School of Mines	\$	214,731	\$	182,306	\$ 32,425
University Land Code	\$	6,940,778	\$	325,929	\$ 6,614,849
University of Arizona (Act of 2/18/1881)	\$	1,495,137	\$	1,297,835	\$ 197,302
School for the Deaf & Blind	\$	501,856	\$	338,227	\$ 163,628
<b>SUBTOTAL EDUCATION</b>	<b>\$</b>	<b>590,883,881</b>	<b>\$</b>	<b>61,805,053</b>	<b>\$ 529,078,828</b>
Legislative, Executive & Judicial Buildings	\$	199,118	\$	131,300	\$ 67,818
State Hospital	\$	1,366,298	\$	1,109,702	\$ 256,595
Miners' Hospital	\$	3,127,628	\$	2,061,386	\$ 1,066,242
State Charitable, Penal & Reformatory	\$	4,507,283	\$	2,193,919	\$ 2,313,363
Penitentiaries	\$	2,281,453	\$	1,946,130	\$ 335,323
<b>SUBTOTAL NON-EDUCATION</b>	<b>\$</b>	<b>11,481,779</b>	<b>\$</b>	<b>7,442,438</b>	<b>\$ 4,039,341</b>
<b>GRAND TOATL</b>	<b>\$</b>	<b>602,365,660</b>	<b>\$</b>	<b>69,247,490</b>	<b>\$ 533,118,170</b>

## STATE TRUST LAND ACREAGE BY BENEFICIARY FY 2022

BENEFICIARY	FY 1978	FY 2022
Common Schools (K - 12)*	8,342,469	8,032,064
Normal Schools	172,405	174,786
Agricultural & Mechanical Colleges	134,469	124,944
Military Institutes	82,945	80,168
School of Mines	132,882	123,256
University Land Code	166,354	137,771
University of Arizona (Act of 2/18/1881)	62,216	48,890
School for the Deaf & Blind	84,209	82,558
Legislative, Executive & Judicial Buildings	66,660	64,229
State Hospital	79,198	71,248
Miners' Hospital	48,648	46,665
Miners' Hospital (1929)	53,311	47,686
State Charitable, Penal & Reformatory	80,010	76,878
Penitentiaries	80,830	76,971
<b>TOTAL</b>	<b>9,586,606</b>	<b>9,188,113</b>

## STATE TRUST LAND USES FY 2022

<b>SURFACE_LEASES</b>	<b>NO_OF_LEASES</b>	<b>% OF ACREAGE</b>	<b>TOTAL_ACREAGE</b>	<b>% OF LEASE</b>
Rights of Way	7,774	74.81%	239,911	2.53%
Grazing	1,198	11.53%	8,333,215	87.82%
Commercial	271	2.61%	72,015	0.76%
Commercial School Leases	21	0.20%	1,143	0.01%
Agriculture	345	3.32%	160,240	1.69%
Use Permits	623	5.99%	662,568	6.98%
U.S. Government	151	1.45%	9,805	0.10%
Institutional Taking	8	0.08%	9,565	0.10%
Recreational	1	0.01%	0	0.00%
<b>SUBTOTAL SURFACE_LEASES</b>	<b>10,392</b>	<b>100.00%</b>	<b>9,488,462</b>	<b>100.00%</b>
<b>SUBSURFACE</b>	<b>NO_OF_LEASES</b>	<b>% OF ACREAGE</b>	<b>TOTAL_ACREAGE</b>	<b>% OF LEASE</b>
Mineral	32	3.07%	43,919	4.31%
Mineral Exploration	591	56.72%	279,712	27.44%
Mineral Material	24	2.30%	2,651	0.26%
Oil & Gas	395	37.91%	692,914	67.99%
<b>SUBTOTAL SUBSURFACE_LEASES</b>	<b>1,042</b>	<b>100.00%</b>	<b>1,019,196</b>	<b>100.00%</b>
<b>TOTAL LEASES</b>	<b>11,434</b>		<b>10,507,658</b>	



**FY 2022  
Beneficiary Summary**

<b>University Grants</b>	<b>A &amp; M COLLEGES</b>		<b>MILITARY INSTITUTES</b>		<b>NORMAL SCHOOLS</b>		<b>SCHOOL OF MINES</b>		<b>UNIVERSITY LAND CODE</b>		<b>UNIVERSITY OF ARIZONA 1881</b>	
<b>SURFACE_LEASES</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>
Agriculture	251	\$ 6,640	-	\$ -	165	\$ 4,106	1,645	\$ 36,918	3,233	\$ 70,182	6,879	\$ 246,262
Commercial	11,607	\$ 816,430	1,677	\$ 2,400	22,533	\$ 13,249	8,481	\$ 46,590	8,246	\$ 44,325	324	\$ 298,916
Grazing	106,726	\$ 34,785	77,709	\$ 27,141	146,654	\$ 48,295	110,769	\$ 29,788	117,219	\$ 39,478	33,923	\$ 9,051
Rights Of Way	3,329	\$ 74,522	532	\$ 4,647	2,702	\$ 40,036	4,967	\$ 18,431	3,414	\$ 126,272	1,153	\$ 2,953
Use Permits	13,882	\$ 2,504	1,418	\$ 4,451	4,600	\$ 5,535	11,917	\$ 6,223	14,293	\$ 17,127	2,591	\$ 45,760
Institutional Taking	1,917	\$ -	-	\$ -	2,721	\$ -	-	\$ -	28	\$ 780	200	\$ -
U.S. Government	86	\$ -	-	\$ -	144	\$ -	17	\$ -	8	\$ -	4	\$ -
Other	60	\$ -	-	\$ -	0	\$ -	0	\$ -	269	\$ -	405	\$ -
<b>TOTAL SURFACE</b>	<b>137,858</b>	<b>\$ 934,882</b>	<b>81,336</b>	<b>\$ 38,639</b>	<b>179,519</b>	<b>\$ 111,220</b>	<b>137,795</b>	<b>\$ 137,950</b>	<b>146,711</b>	<b>\$ 298,165</b>	<b>45,479</b>	<b>\$ 602,942</b>
<b>SUBSURFACE_LEASES</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>
Mineral	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
Prospecting Permit	449	\$ 4,611	2,888	\$ 733	420	\$ 5,603	1,271	\$ 13,977	2,733	\$ 4,528	0	\$ 0
Mineral Material	24	\$ 8,833	-	\$ -	120	\$ 10,560	-	\$ -	4	\$ 1,049	164	\$ 38,400
Oil & Gas	14,755	\$ 14,824	-	\$ -	10,735	\$ 15,544	12,947	\$ 28,113	12,322	\$ 18,748	-	\$ -
<b>TOTAL SUBSURFACE</b>	<b>15,228</b>	<b>\$ 28,269</b>	<b>2,888</b>	<b>\$ 733</b>	<b>11,275</b>	<b>\$ 31,707</b>	<b>14,217</b>	<b>\$ 42,091</b>	<b>15,059</b>	<b>\$ 24,325</b>	<b>165</b>	<b>\$ 38,400</b>
Penalty & Interest	-	\$ 20,069	-	\$ 121	-	\$ 1,555	-	\$ 2,265	-	\$ 3,439	-	\$ 16,431
Treasurer's Formula Distribution	-	\$ 905,308	-	\$ 51,066	-	\$ 420,863	-	\$ 1,034,713	-	\$ 2,039,034	-	\$ 7,059,921
<b>GRAND TOTAL EXPENDABLE</b>	<b>153,086</b>	<b>\$ 1,888,528</b>	<b>84,224</b>	<b>\$ 90,559</b>	<b>190,794</b>	<b>\$ 565,345</b>	<b>152,012</b>	<b>\$ 1,217,019</b>	<b>161,770</b>	<b>\$ 2,364,963</b>	<b>45,643</b>	<b>\$ 7,717,694</b>
Permanent Fund Receipts	-	\$ 120,108	-	\$ -	-	\$ 517,348	-	\$ 32,425	-	\$ 6,614,849	-	\$ 197,302
Permanent Fund Balance ( Book)	-	\$ 4,380,000	-	\$ 264,000	-	\$ 3,053,000	-	\$ 5,307,000	-	\$ 22,221,000	-	\$ 46,500,000
Permanent Fund Balance ( Mrkt)	-	\$ 13,416,000	-	\$ 767,000	-	\$ 7,240,000	-	\$ 15,408,000	-	\$ 41,725,000	-	\$ 109,198,000

**FY 2022  
Beneficiary Summary**

<b>Institutional Grants</b>	<b>LEGISLATIVE, EXECUTIVE &amp; JUDICIAL BUILDINGS</b>		<b>MINER'S HOSPITAL</b>		<b>PENITENTIARIES</b>		<b>SCHOOL FOR THE DEAF &amp; BLIND</b>		<b>STATE CHARITABLE, PENAL &amp; REFORMATORY</b>		<b>STATE HOSPITAL</b>	
<b>SURFACE_LEASES</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>
Agriculture	1,155	\$ 21,540	12,226	\$ 435,587	4,711	\$ 232,494	2,636	\$ 76,341	3,835	\$ 97,008	4,135	\$ 104,623
Commercial	5	\$ 43,920	510	\$ 1,318,757	455	\$ 1,451,915	5	\$ 5,997	2,834	\$ 1,260,313	87	\$ 357,124
Grazing	56,406	\$ 21,353	72,481	\$ 20,268	66,025	\$ 20,538	74,704	\$ 19,925	62,941	\$ 20,661	60,432	\$ 20,704
Rights Of Way	2,526	\$ 24,936	4,326	\$ 215,939	1,547	\$ 55,332	2,994	\$ 211,075	3,216	\$ 43,927	1,512	\$ 625,063
Use Permits	4,225	\$ 1,144	6,755	\$ 23,423	5,455	\$ 74,934	11,449	\$ 13,915	8,088	\$ 88,444	5,498	\$ 15,241
Institutional Taking	-	\$ -	1	\$ 1,079	1,778	\$ -	1	\$ 1,364	475	\$ 76,929	80	\$ 12,001
U.S. Government	92	\$ -	168	\$ -	5	\$ -	32	\$ -	117	\$ -	108	\$ -
Other	-	\$ -	0	\$ -	0	\$ -	0	\$ -	549	\$ -	173	\$ 18,132
<b>TOTAL SURFACE</b>	<b>64,409</b>	<b>\$ 112,894</b>	<b>96,466</b>	<b>\$ 2,015,052</b>	<b>79,976</b>	<b>\$ 1,835,213</b>	<b>91,821</b>	<b>\$ 328,617</b>	<b>82,055</b>	<b>\$ 1,587,282</b>	<b>72,025</b>	<b>\$ 1,152,888</b>
<b>SUBSURFACE_LEASES</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>	<b>ACRES</b>	<b>INCOME</b>
Mineral	-	\$ -	119	\$ 491	-	\$ -	-	\$ -	160	\$ 60,500	60	\$ 20,867
Prospecting Permit	1,977	\$ 15,479	3,059	\$ 12,983	2,186	\$ 90,683	4,214	\$ 5,522	333	\$ 613	2,681	\$ 11,906
Mineral Material	-	\$ -	230	\$ 20,240	-	\$ -	-	\$ -	138	\$ 88,000	-	\$ -
Oil & Gas	243	\$ 518	320	\$ 320	-	\$ -	2,447	\$ 2,167	-	\$ -	166	\$ 367
<b>TOTAL SUBSURFACE</b>	<b>2,220</b>	<b>\$ 15,997</b>	<b>3,729</b>	<b>\$ 34,033</b>	<b>2,186</b>	<b>\$ 90,683</b>	<b>6,661</b>	<b>\$ 7,689</b>	<b>630</b>	<b>\$ 149,113</b>	<b>2,907</b>	<b>\$ 33,140</b>
Penalty & Interest	-	\$ 2,410	-	\$ 12,301	-	\$ 20,234	-	\$ 1,922	-	\$ 5,435	-	\$ 1,320
Treasurer's Formula Distribution	-	\$ 757,047	-	\$ 2,207,683	-	\$ 1,462,238	-	\$ 542,522	-	\$ 10,655,853	-	\$ 693,350
<b>GRAND TOTAL EXPENDABLE</b>	<b>66,630</b>	<b>\$ 888,347</b>	<b>100,194</b>	<b>\$ 4,269,069</b>	<b>82,162</b>	<b>\$ 3,408,368</b>	<b>98,481</b>	<b>\$ 880,749</b>	<b>82,685</b>	<b>\$ 12,397,682</b>	<b>74,932</b>	<b>\$ 1,880,697</b>
Permanent Fund Receipts	-	\$ 67,818	-	\$ 1,066,242	-	\$ 335,323	-	\$ 163,628	-	\$ 2,313,363	-	\$ 256,595
Permanent Fund Balance ( Book)	-	\$ 3,868,000	-	\$ 15,563,000	-	\$ 8,681,000	-	\$ 3,361,000	-	\$ 89,886,000	-	\$ 6,624,000
Permanent Fund Balance ( Mrkt)	-	\$ 11,351,000	-	\$ 36,459,000	-	\$ 22,394,000	-	\$ 8,657,000	-	\$ 199,560,000	-	\$ 13,384,000



**FY 2022  
Beneficiary Summary**

	COMMON SCHOOLS	
SURFACE_LEASES	ACRES	INCOME
Agriculture	119,263	\$ 3,199,896
Commercial	16,367	\$ 27,334,346
Grazing	7,337,767	\$ 1,915,759
Rights Of Way	212,637	\$ 9,233,077
Use Permits	563,105	\$ 3,133,321
Institutional Taking	2,365	\$ 328,696
U.S. Government	9,005	\$ 14,265
Other	11,599	\$ -
<b>TOTAL SURFACE</b>	<b>8,272,106</b>	<b>\$ 45,159,361</b>
SUBSURFACE_LEASES	ACRES	INCOME
Mineral	43,580	\$ 420,713
Prospecting Permit	257,501	\$ 1,224,403
Mineral Material	1,971	\$ 277,567
Oil & Gas	634,160	\$ 1,169,663
<b>TOTAL SUBSURFACE</b>	<b>937,212</b>	<b>\$ 3,092,346</b>
Penalty & Interest	-	\$ 249,626
Treasurer's Formula Distribution	-	\$ 372,003,247
<b>GRAND TOTAL EXPENDABLE</b>	<b>9,209,319</b>	<b>\$ 420,504,580</b>
Permanent Fund Receipts	-	\$ 521,433,167
Permanent Fund Balance ( Book)	-	\$ 2,797,822,000
Permanent Fund Balance ( Mrkt)	-	\$ 6,620,719,000



RENTAL ACREAGE & RECEIPTS BY TYPE OF LEASE FY 2022		
<b>SURFACE_LEASES</b>	<b>ACRES</b>	<b>RECEIPTS</b>
Agriculture	160,240	4,538,616
Commercial	73,174	33,063,276
Grazing	8,333,215	2,230,990
Rights of Way	245,630	10,677,491
Use Permits	662,568	3,476,831
Institutional Taking	9,565	420,848
U.S. Government	9,805	14,265
Other	-	18,132
<b>TOTAL SURFACE</b>	<b>9,494,197</b>	<b>54,440,450</b>
<b>SUBSURFACE_LEASES</b>	<b>ACRES</b>	<b>RECEIPTS</b>
Mineral	43,919	502,570
Prospecting Permit	279,712	1,391,041
Mineral Material	2,651	444,649
Oil & Gas	692,914	1,255,084
<b>TOTAL SUBSURFACE</b>	<b>1,019,196</b>	<b>3,593,345</b>
<b>NON_LEASE_REVENUES</b>	<b>ACRES</b>	<b>RECEIPTS</b>
Penalty and Interest	-	337,198
Sales Interest	-	11,085,047
Royalty	-	13,812,768
Land Sales Principal	-	507,224,840
Rights of Way Sales Principal	-	12,080,562
Fees	-	20,896,293
NonRevenue Receipts	-	-
Performance and Restoration	-	-
<b>TOATL NON_LEASE</b>	<b>-</b>	<b>565,436,708</b>
<b>GRAND TOTAL</b>	<b>10,513,393</b>	<b>623,470,502</b>