

Katie Hobbs
Governor



Robyn Sahid
Commissioner

Arizona State Land Department

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

September 1, 2023

Honorable Katie Hobbs
Governor, State of Arizona
1700 West Washington Street
Phoenix, Arizona 85007

Dear Governor Hobbs:

On behalf of the Arizona State Land Department (ASLD), I am pleased to submit our Fiscal Year 2023 (FY 2023) 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 land trust for the support of the Beneficiaries and future generations of Arizonans. ASLD had another great year in FY 2023; as reflected in the financial results that follow.

During FY 2023, ASLD generated \$444 million total revenue, 92% of which will ultimately be distributed to Arizona K-12 Public Schools. This included \$359 million from the sale of land and long-term leases and \$14 million in royalties, both of which enhanced the Permanent Land Endowment Trust Fund. Additionally, the Department generated \$71 million from leases and interest, distributed directly to the Beneficiaries as expendable revenue.

Highlights of FY 2023 operations include:

- ASLD held 12 successful land sale auctions generating \$292 million in total value, on parcels that had a collective appraised value of \$265 million.

Which included the following notable auctions:

- 48 acres in Scottsdale on Nov. 16, 2022, for \$84 million to Honor Health
- 41 acres in Phoenix on Nov. 1, 2022, for \$44 million to Garden Deer Valley, LLC
- 115 acres in Phoenix on Jun. 28, 2023, for \$38 million to Reserve 100, LLC.
- 35 acres in Phoenix on Dec. 27, 2022, for \$29 million to Halle Properties, LLC.
- 116 acres in Phoenix on Dec. 21, 2022, for \$29 million to Vestar DRM-OPCO, LLC.
- 21 acres in Scottsdale on Mar. 8, 2023, for \$28 million to Legacy 76, LLC.

- ASLD strengthened its focus on supporting Resiliency, Water and Environmental initiatives. Some of these projects included:
 - Held a successful auction of a long-term solar lease in La Paz County, to Upstream HC-1, LLC. generating \$5 million. Additionally, we completed a study which identified 12 potential areas for sustainable solar facilities on State Trust Land (STL)
 - Initiated hydrology studies to assess the availability and value of ground water and long-term storage credits in Butler Vally and the Superstitions Vistas Planning area.
 - Partnered with the Department of Forestry and Fire Management (DFFM) to proactively treat 12,000 acres of STL for fire suppression and prevention.
- ASLD continued our focus on developing STL to increase the inventory of available land for housing and economic development through proactive due diligence investments and the creation of sustainable Zoning Banks (aka: Planned Community Districts & Planned Area Developments). Some of these projects included:
 - Established the zoning bank known as H2K with the City of Tucson, which targets advanced manufacturing, offering industrial users access to Interstate 10, the Union Pacific rail line and two major arterial roadways.
 - Invested over \$1 million on commercial due diligence projects for the Arizona Commerce Authority (ACA) designed to attract global corporations to relocate their corporate HQ and their clean energy manufacturing plants to Arizona

Thank you for the opportunity to serve the Trust Beneficiaries, our customers, stakeholders, 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.

Sincerely,



Robyn Sahid
Commissioner

Katie Hobbs
Governor

Robyn Sahid
Commissioner



Annual Report Supplemental Schedules

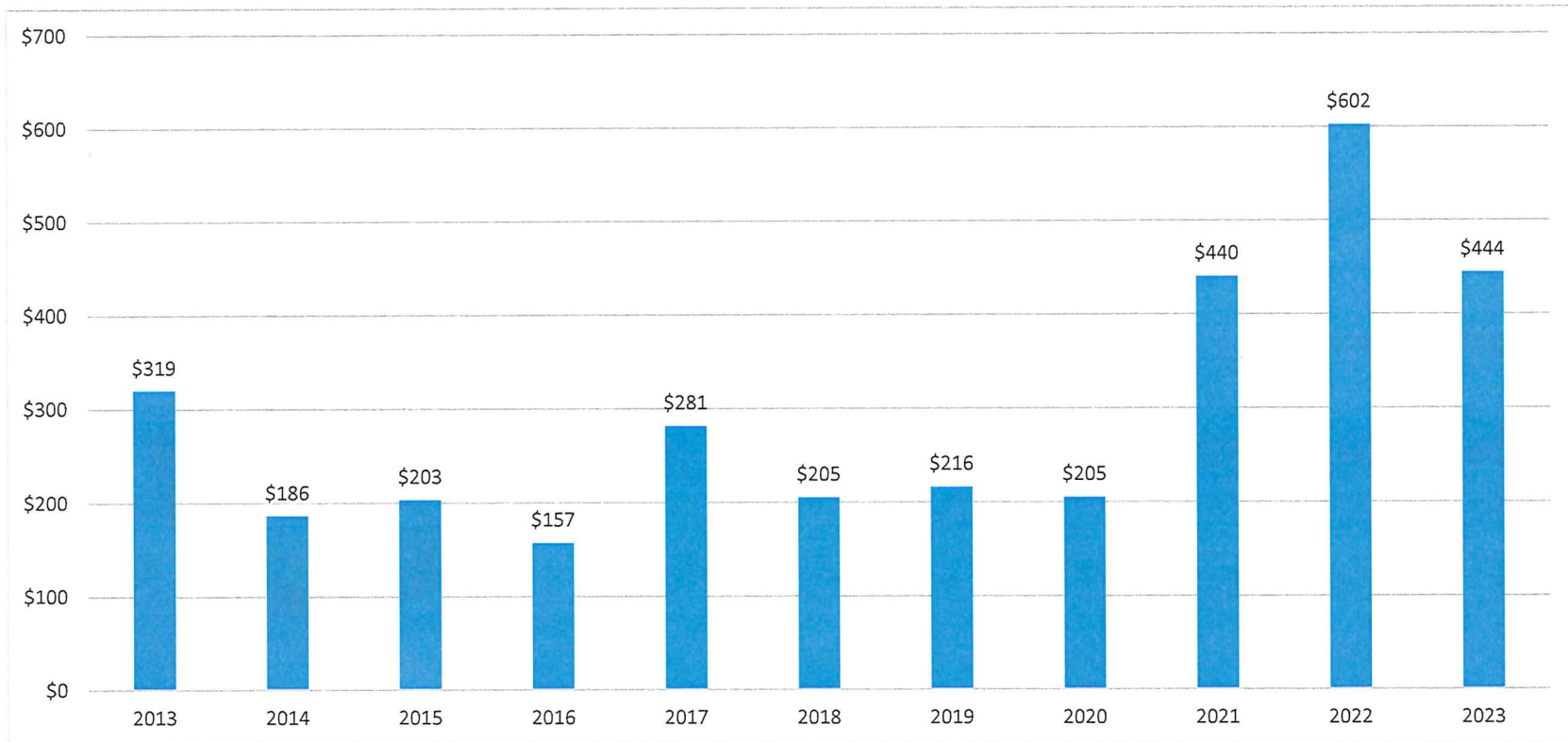
Fiscal Year 2023

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Total Trust Revenue Fiscal Year 2013 - 2023

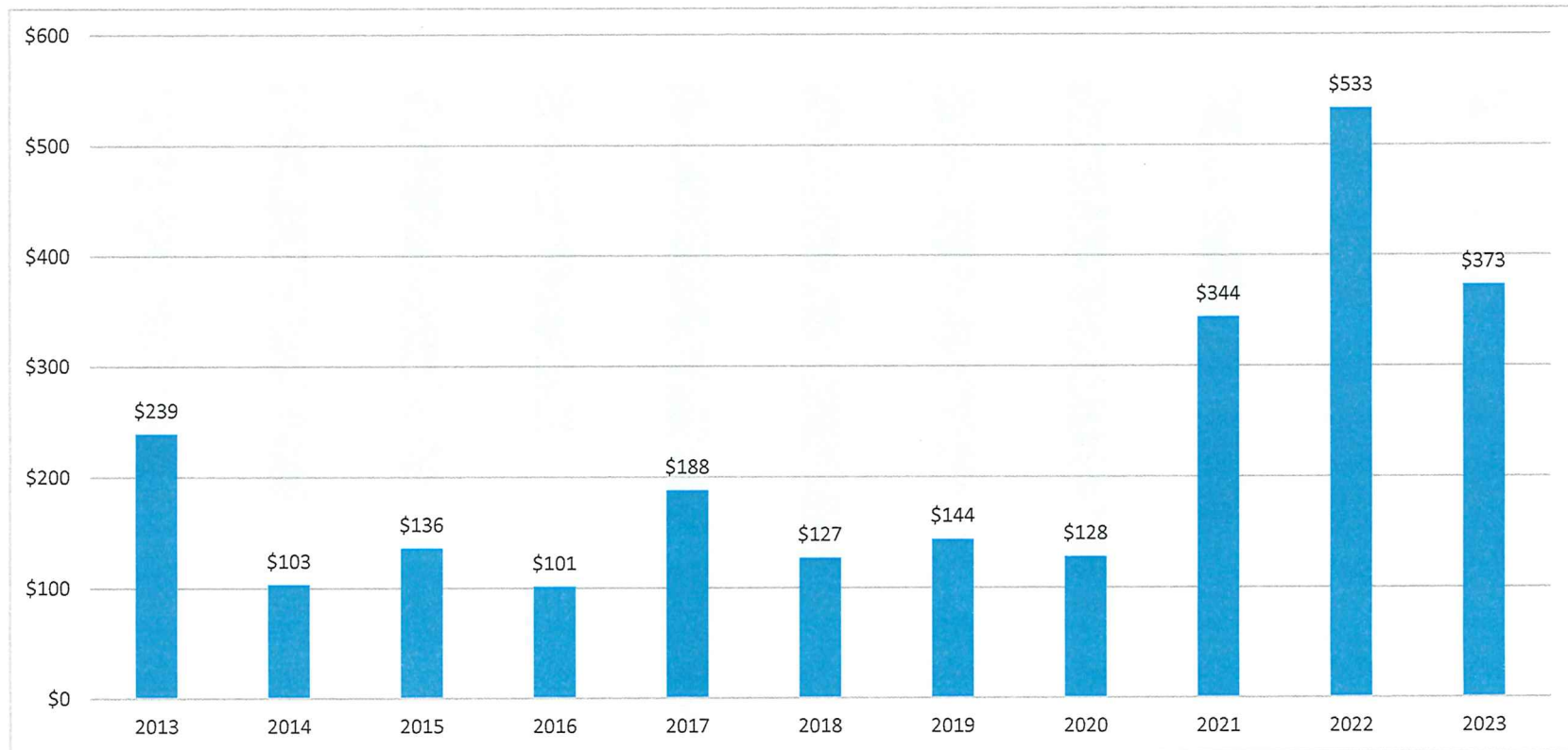
In Millions



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Permanent Receipts Fiscal Year 2013 - 2023

In Millions

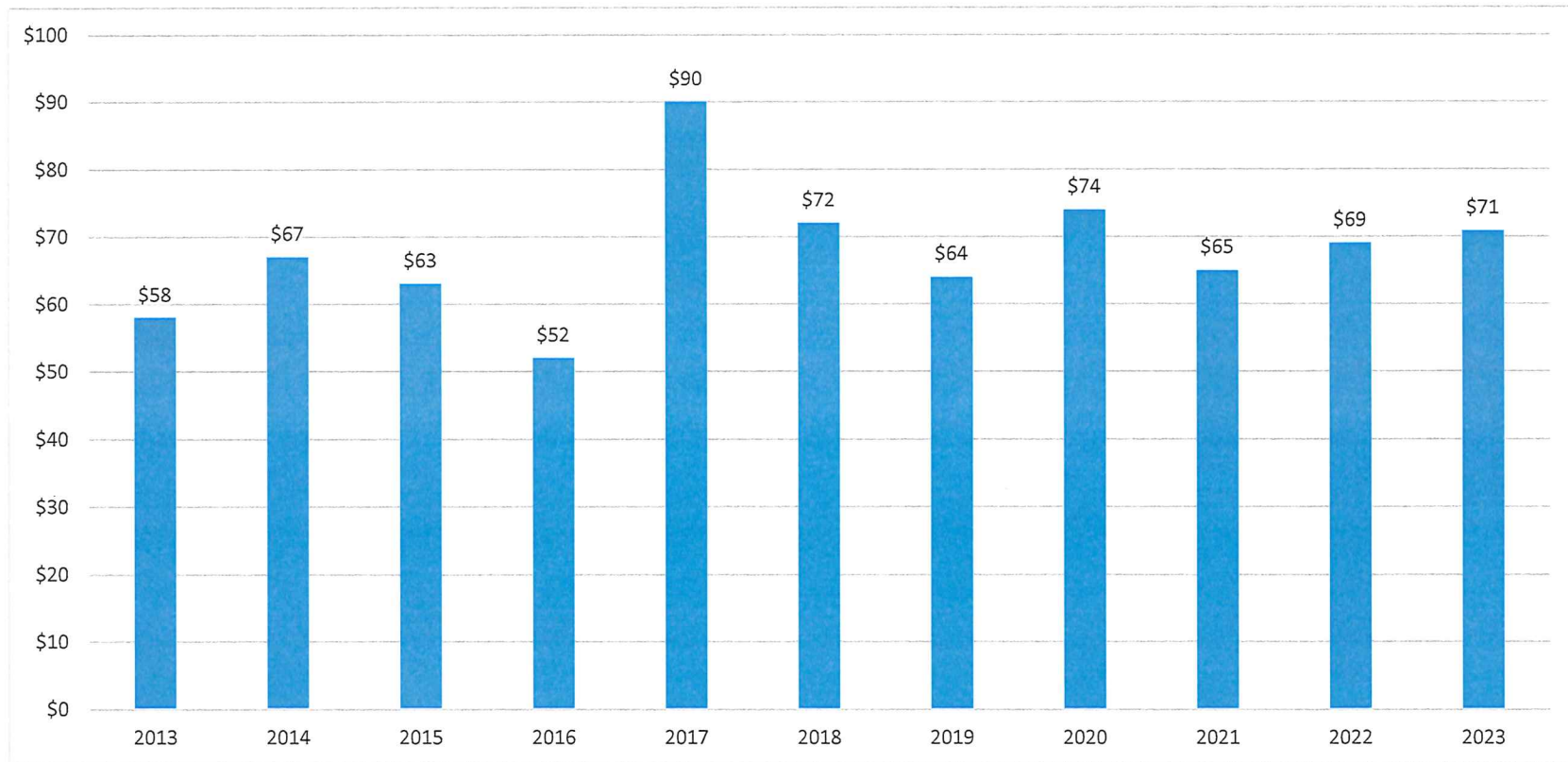


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Expendable Receipts Fiscal Year 2013 - 2023

In Millions



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Receipts By Category Fiscal Year 2023

In Millions

General Fund	Lease Rental	Other Receipts	Penalty & Interest	Royalty	Sales Interest	Sales Principal	Total
F.E.M.A Lands	\$7,301	\$0	\$0	\$0	\$0	\$0	\$7,301
Farm Loan Lands	\$10,219	\$0	\$71	\$0	\$0	\$0	\$10,290
Fees: Lease, Sale & Misc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fees: Trust Land Mgt Fund	\$0	\$9,635,801	\$0	\$0	\$0	\$0	\$9,635,801
Lands Held in Trust	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Navigable Streambeds	\$108,475	\$0	\$0	\$0	\$0	\$0	\$108,475
Total	\$125,995	\$9,635,801	\$71	\$0	\$0	\$0	\$9,761,868

Schools & Institutions	Lease Rental	Other Receipts	Penalty & Interest	Royalty	Sales Interest	Sales Principal	Total
A&M Colleges	\$1,114,234	\$0	\$1,313	\$99,894	\$0	\$841	\$1,216,282
Common Schools	\$44,809,565	\$0	\$165,680	\$12,535,528	\$12,385,342	\$340,328,099	\$410,224,213
Leg., Exec & Judicial	\$191,910	\$0	\$611	\$118,694	\$0	\$53	\$311,268
Military Institutes	\$54,302	\$0	\$76	\$9,902	\$0	\$0	\$64,280
Miners' Hospital	\$2,136,844	\$0	\$6,370	\$228,213	\$0	\$0	\$2,371,427
Normal Schools	\$267,991	\$0	\$1,268	\$243,289	\$0	\$0	\$512,548
Penitentiaries	\$1,927,811	\$0	\$6,334	\$202,652	\$0	\$1,399	\$2,138,195
School for the Deaf & Blind	\$198,957	\$0	\$2,013	\$28,288	\$0	\$0	\$229,257
School of Mines	\$210,926	\$0	\$1,463	\$46,709	\$0	\$0	\$259,098
St. Char., Pen. & Ref	\$1,739,470	\$0	\$69,855	\$445,220	\$449,765	\$12,217,381	\$14,921,693
State Hospital	\$461,926	\$0	\$227	\$6,824	\$0	\$64,544	\$533,520
U of A (Act of 2/18/1881)	\$820,355	\$0	\$1,724	\$130,542	\$788,767	\$4,729,097	\$6,470,485
University Land Code	\$657,092	\$0	\$1,584	\$221,730	\$2,337,500	\$1,416,221	\$4,634,126
Total	\$54,591,382	\$0	\$258,517	\$14,317,486	\$15,961,375	\$358,757,634	\$443,886,394

Grand Total	\$54,717,377	\$9,635,801	\$258,588	\$14,317,486	\$15,961,375	\$358,757,634	\$453,648,261
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Revenue By Beneficiary Fiscal Year 2023

In Millions

Beneficiaries	Total Collected	Expendable	Permanent
Common Schools	\$410,224,213	\$57,360,586	\$352,863,627
Normal Schools	\$512,548	\$269,259	\$243,289
Agricultural & Mechanical Colleges	\$1,216,282	\$1,115,546	\$100,736
Military Institutes	\$64,280	\$54,378	\$9,902
School of Mines	\$259,098	\$212,389	\$46,709
University Land Code	\$4,634,126	\$2,996,176	\$1,637,951
University of Arizona (Act of 2/18/1881)	\$6,470,485	\$1,610,846	\$4,859,639
School for the Deaf & Blind	\$229,257	\$200,969	\$28,288
Subtotal Education	\$423,610,291	\$63,820,150	\$359,790,140
Legislative, Executive & Judicial Buildings	\$311,268	\$192,521	\$118,747
State Hospital	\$533,520	\$462,152	\$71,368
Miners' Hospital	\$2,371,427	\$2,143,214	\$228,213
State Charitable, Penal & Reformatory	\$14,921,693	\$2,259,091	\$12,662,602
Penitentiaries	\$2,138,195	\$1,934,145	\$204,051
Subtotal Non-Education	\$20,276,103	\$6,991,123	\$13,284,980
Grant Total	\$443,886,394	\$70,811,274	\$373,075,120



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State Trust Land Uses Fiscal Year 2023

In Thousands

Surface Leases	No. of Leases	% of Leases	Total Acreage	% of Acreage
Rights of Way	7,768	74.8%	350,132	3.6%
Grazing	1,203	11.6%	8,333,586	84.8%
Commercial	272	2.6%	72,931	0.7%
Commercial School Leases	21	0.2%	1,143	0.0%
Agriculture	345	3.3%	157,439	1.6%
Use Permits	619	6.0%	892,703	9.1%
U.S. Government	151	1.5%	9,805	0.1%
Institutional Taking	8	0.1%	9,565	0.1%
Recreational	1	0.0%	0	0.0%
Subtotal Surface Leases	10,388	100.0%	9,827,303	100.0%

Surface Leases	No. of Leases	% of Leases	Total Acreage	% of Acreage
Mineral	31	2.4%	43,859	3.4%
Mineral Exploration	742	58.2%	365,352	28.2%
Mineral Material	23	1.8%	2,568	0.2%
Oil & Gas	478	37.5%	884,509	68.2%
Subtotal Subsurface Leases	1,274	100.0%	1,296,288	100.0%

Total Leases & Acreage	11,662		11,123,591	
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State Trust Land Acreage By Beneficiary Fiscal Year 2023

In Thousands

Beneficiary	Fiscal Year 1978	Fiscal Year 2023
Common Schools (K - 12)*	8,342,469	8,030,663
Normal Schools	172,405	174,794
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	48,485
School for the Deaf & Blind	84,209	82,558
Legislative, Executive & Judicial Buildings	66,660	64,229
State Hospital	79,198	71,208
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
Total	9,586,606	9,186,274



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Beneficiary Summary Fiscal Year 2023

In Thousands | In Millions

	University Grant A & M Colleges		University Grant Military Institutes		University Grant Normal Schools		University Grant School Of Mines	
Surface Leases	Acres	Receipts	Acres	Receipts	Acres	Receipts	Acres	Receipts
Agriculture	251	\$7,045	-	\$0	165	\$3,772	1,645	\$34,511
Commercial	11,607	\$886,619	1,677	\$2,400	22,533	\$12,782	8,481	\$46,602
Grazing	105,834	\$43,104	77,709	\$34,434	146,654	\$58,121	110,769	\$63,818
Rights Of Way	1,852	\$84,082	346	\$9,738	1,828	\$133,674	1,142	\$31,498
Use Permits	13,892	\$61,734	1,418	\$2,051	5,028	\$5,314	16,464	\$6,409
Institutional Taking	1,917	\$0	-	\$0	2,721	\$0	-	\$0
U.S. Government	86	\$0	-	\$0	144	\$4,000	17	\$0
Other	-	\$0	-	\$0	-	\$0	-	\$0
Total Surface	135,438	\$1,082,584	81,150	\$48,622	179,074	\$217,663	138,517	\$182,838
Subsurface Leases	Acres	Receipts	Acres	Receipts	Acres	Receipts	Acres	Receipts
Mineral	-	\$0	-	\$0	-	\$0	-	\$0
Prospecting Permit	1,089	\$6,100	2,621	\$5,680	10,125	\$22,643	1,271	\$12,707
Mineral Material	24	\$8,833	-	\$0	120	\$10,560	-	\$0
Oil & Gas	15,929	\$16,716	-	\$0	13,375	\$17,125	18,696	\$15,381
Total Subsurface	17,042	\$31,650	2,621	\$5,680	23,619	\$50,328	19,967	\$28,088
Penalty & Interest	-	\$1,313	-	\$76	-	\$1,268	-	\$1,463
Sales Interest	-	\$0	-	\$0	-	\$0	-	\$0
Treasurer's Formula Distribution	-	\$946,488	-	\$53,933	-	\$456,126	-	\$1,084,506
Grand Total Expendable	152,481	\$2,062,034	83,772	\$108,311	202,694	\$725,385	158,484	\$1,296,895
Permanent Fund Receipts	-	\$100,736	-	\$9,902	-	\$243,289	-	\$46,709
Permanent Fund Balance (Book)	-	\$4,128,000	-	\$253,000	-	\$3,028,000	-	\$4,967,000
Permanent Fund Balance (Mrkt)	-	\$14,056,000	-	\$802,000	-	\$7,784,000	-	\$16,005,000



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Beneficiary Summary Fiscal Year 2023

In Thousands | In Millions

	<i>University Grant</i>		<i>University Grant</i>		<i>Institutional Grants</i>	
	University Land Code		Univesrity Of Arizona 1881		Legislative, Executive, & Judicial Bldgs.	
Surface Leases	Acres	Receipts	Acres	Receipts	Acres	Receipts
Agriculture	3,239	\$67,611	6,903	\$176,735	1,155	\$20,490
Commercial	8,246	\$44,337	324	\$286,814	5	\$43,920
Grazing	117,859	\$50,673	33,923	\$11,059	56,406	\$22,174
Rights Of Way	2,919	\$425,904	837	\$267,239	1,525	\$82,216
Use Permits	19,453	\$44,983	2,504	\$59,308	4,225	\$1,269
Institutional Taking	28	\$0	200	\$0	-	\$0
U.S. Government	8	\$0	4	\$0	92	-
Other	-	\$0	-	\$0	-	\$0
Total Surface	151,751	\$633,508	44,694	\$801,155	63,408	\$170,069
Subsurface Leases	Acres	Receipts	Acres	Receipts	Acres	Receipts
Mineral	-	\$0	-	\$0	-	\$0
Prospecting Permit	4,113	\$10,568	0	\$0	3,199	\$21,311
Mineral Material	4	\$525	80	\$19,200	-	\$0
Oil & Gas	16,595	\$12,492	-	\$0	243	\$530
Total Subsurface	20,712	\$23,584	80	\$19,200	3,442	\$21,841
Penalty & Interest	-	\$1,584	-	\$1,724	-	\$611
Sales Interest	-	\$2,337,500	-	\$788,767	-	\$0
Treasurer's Formula Distribution	-	\$2,281,597	-	\$7,552,762	-	\$794,788
Grand Total Expendable	172,463	\$5,277,773	44,774	\$9,163,608	66,850	\$987,309
Permanent Fund Receipts	-	\$1,637,951	-	\$4,859,639	-	\$118,747
Permanent Fund Balance (Book)	-	\$22,293,000	-	\$44,544,000	-	\$3,663,000
Permanent Fund Balance (Mrkt)	-	\$45,478,000	-	\$114,901,000	-	\$11,881,000



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Beneficiary Summary Fiscal Year 2023

In Thousands | In Millions

	<i>Institutional Grants</i>		<i>Institutional Grants</i>		<i>Institutional Grants</i>	
	Miners' Hospital		Penitentiaries		School for the Deaf & Blind	
Surface Leases	Acres	Receipts	Acres	Receipts	Acres	Receipts
Agriculture	11,946	\$398,135	4,668	\$171,120	2,596	\$76,008
Commercial	510	\$1,323,375	936	\$1,545,861	5	\$12,059
Grazing	72,481	\$24,038	66,025	\$35,514	74,704	\$41,164
Rights Of Way	1,770	\$298,328	579	\$129,996	893	\$49,283
Use Permits	7,138	\$49,331	5,415	\$8,171	12,757	\$11,123
Institutional Taking	1	\$1,100	1,778	-	1	\$1,391
U.S. Government	168	-	5	-	32	\$0
Other	-	-	-	-	-	\$0
Total Surface	94,012	\$2,094,307	79,405	\$1,890,662	90,987	\$191,028
Subsurface Leases	Acres	Receipts	Acres	Receipts	Acres	Receipts
Mineral	119	\$530	-	\$0	-	\$0
Prospecting Permit	4,418	\$21,448	520	\$37,148	3,734	\$4,882
Mineral Material	230	\$20,240	-	\$0	-	\$0
Oil & Gas	320	\$320	-	\$0	2,767	\$3,047
Total Subsurface	5,087	\$42,538	520	\$37,148	6,501	\$7,929
Penalty & Interest	-	\$6,370	-	\$6,334	-	\$2,013
Sales Interest	-	\$0	-	\$0	-	\$0
Treasurer's Formula Distribution	-	\$2,372,322	-	\$1,545,219	-	\$582,308
Grand Total Expendable	99,099	\$4,515,537	79,925	\$3,479,364	97,488	\$783,277
Permanent Fund Receipts	-	\$228,213	-	\$204,051	-	\$28,288
Permanent Fund Balance (Book)	-	\$14,651,000	-	\$8,220,000	-	\$3,149,000
Permanent Fund Balance (Mrkt)	-	\$38,141,000	-	\$23,456,000	-	\$8,956,000



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Beneficiary Summary Fiscal Year 2023

In Thousands | In Millions

	<i>Institutional Grants</i> St. Charitable, Penal, & Reformatory		<i>Institutional Grants</i> State Hospital		Common Schools	
	Acres	Receipts	Acres	Receipts	Acres	Receipts
Surface Leases						
Agriculture	3,858	\$92,317	3,430	\$103,864	117,479	\$3,182,386
Commercial	2,834	\$1,206,188	81	\$191,916	16,812	\$24,141,294
Grazing	62,941	\$27,481	60,432	\$26,868	7,338,390	\$2,520,311
Rights Of Way	1,098	\$20,755	1,001	\$75,209	119,721	\$9,698,425
Use Permits	7,409	\$158,898	6,097	\$15,197	781,610	\$1,810,156
Institutional Taking	475	\$76,929	80	\$12,001	2,365	\$298,446
U.S. Government	117	\$0	108	\$0	9,005	\$23,865
Other	-	\$0	-	\$0	-	-
Total Surface	78,732	\$1,582,568	71,229	\$425,054	8,385,381	\$41,674,883
Subsurface Leases						
Mineral	160	\$60,500	60	\$10,253	43,520	\$174,281
Prospecting Permit	333	\$6,482	3,712	\$26,239	330,211	\$1,700,099
Mineral Material	138	\$88,000	-	\$0	1,973	\$315,879
Oil & Gas	1,920	\$1,920	166	\$380	808,805	\$936,659
Total Subsurface	2,550	\$156,902	3,938	\$36,872	1,184,509	\$3,126,919
Penalty & Interest	-	\$69,855	-	\$227	-	\$165,680
Sales Interest	-	\$449,765	-	\$0	-	\$12,385,342
Treasurer's Formula Distribution	-	\$11,866,877	-	\$779,852	-	\$402,446,551
Grand Total Expendable	81,283	\$14,125,968	75,167	\$1,242,004	9,569,890	\$459,799,374
Permanent Fund Receipts	-	\$12,662,602	-	\$71,368	-	\$352,863,627
Permanent Fund Balance (Book)	-	\$96,979,000	-	\$6,465,000	-	\$2,867,386,000
Permanent Fund Balance (Mrkt)	-	\$224,771,000	-	\$14,321,000	-	\$7,300,141,000



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Rental Acreage & Receipts By Type Of Lease Fiscal Year 2023

In Thousands | In Millions

Surface Leases	Acres	Receipts
Agriculture	157,439	\$4,339,836
Commercial	74,090	\$29,811,903
Grazing	8,333,586	\$2,962,499
Rights Of Way	135,630	\$11,308,124
Use Permits	892,703	\$2,275,151
Institutional Taking	9,565	\$389,866
U.S. Government	9,805	\$27,865
Other	-	\$0
Total Surface	9,612,817	\$51,115,243
Subsurface Leases	Acres	Receipts
Mineral	43,859	\$245,564
Prospecting Permit	365,346	\$1,875,307
Mineral Material	2,568	\$463,237
Oil & Gas	884,509	\$1,010,263
Total Subsurface	1,296,282	\$3,594,372
Non Lease Revenues	Acres	Receipts
Penalty and Interest	-	\$258,588
Sales Interest	-	\$15,961,375
Royalty	-	\$14,317,486
Land Sales Principal	-	\$353,553,020
Rights of Way Sales Principal	-	\$5,204,614
Fees	-	\$9,629,665
Non Revenue Receipts	-	\$0
Performance and Restoration	-	\$0
Total Non Lease	-	\$398,924,748
Grand Total	10,909,099	\$453,634,362



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