



Douglas A. Ducey  
Governor

Lisa A. Atkins  
Commissioner

## Arizona State Land Department

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September 1, 2020

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 2020 (FY 2020) Annual Report, pursuant to A.R.S. § 37-132. 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.

In FY 2020, ASLD collected \$205.1 million total revenue; including \$135.3 million from land sales and \$8.0 million in royalties, both of which enhanced the Permanent Land Endowment Trust Fund. Additionally, the Department generated \$59.1 million from leases, distributed directly to the Beneficiaries as expendable revenue, and \$2.6 million in fees, which are used to partially fund the operating expenses of the Department.

Highlights of FY 2020 operations include:

- While the commercial real estate market in Arizona continues to be favorable, the impact of the COVID-19 pandemic caused certain prospective buyers to delay capital investment decisions, resulting in the reassessment of the timing of some planned land auctions. During FY 2020, ASLD held 5 successful land sale and lease auctions generating \$45.0 million in total value. The results included the following notable auctions:
  - 80 acres on October 29, 2019, generating \$22.4 million
  - 16,671 acres on January 6, 2020, for \$13.6 million
  - 614 acres on September 4, 2019, for \$6.5 million

- 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 2020, ASLD established three zoning banks with the Cities of Tucson and Mesa, and the Town of Queen Creek. These will expand our potential customer base, as well as significantly reduce timelines to both taking land to auction and building products for our customers.
- ASLD has continued digitization of internal processes on Salesforce, further solidifying your goals of efficient government. In FY 2020, we launched an enhanced website, a Customer Community Portal, and a Public Inquiry Portal, each designed to simplify the application process and to align ASLD with the Governor's priority of the State Agencies moving at the Speed of Business. These enhancements better serve the public, our stakeholders and customers, and ultimately the beneficiaries in the management of their assets.
- ASLD collaborated with several sister agencies as part of the State Broadband Working Group, to support the Governor's Broadband Initiative. ASLD developed a new timely and efficient process for third party use of communication facilities and broadband Rights of Way.
- In response to the COVID-19 pandemic, ASLD established and implemented agency-wide programs for teleworking, which did not previously exist; including remote process monitoring, and virtual AMS compliance tools. Throughout this continuing situation, ASLD is committed to ensuring the safety of our employees and constituents, with minimal business and service interruption.

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