



## FY 2023 Strategic Plan and Annual Objectives

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*July 15, 2022*

**Vision:** A professionally managed department, proactively engaged in its mission in pursuit of a better Arizona.

**Mission:** To responsibly manage the assets of a multi-generational perpetual trust in alignment with the interests of the beneficiaries and Arizona’s future.

**Agency Description:** The State Land Department manages more than 9 million acres of State Trust land (STL) and resources on behalf of 13 Beneficiaries. To ensure the Trust is a viable and productive asset for Beneficiaries today and for generations to come, the department exercises sound stewardship principles. As a fiduciary, the department generates revenue for the Beneficiaries from sales, rents and royalties from STL.

**Executive Summary:** The strategy of the State Land Department is to transition from a reactive organization passively navigating its obligations, to a proactive organization that directs its efforts into key priorities designed to produce optimal outcomes for the Beneficiaries and the State.

Strategic priorities are focused on the following :

- **Cultivating a Culture of Continuous Improvement and Learning through the Arizona Management System (AMS) and Employee Development**
- **Improving the Marketability of the Trust Portfolio Through Proactive Planning**
- **Establishing a cross-agency operating system to effectively manage the non-urban land portfolio**
- **Appropriately quantifying and valuing all the Water Rights and Assets on State Trust Land**
- **Ensuring that the uses of State Trust Lands optimize revenues for the Beneficiaries**

### Summary of 5 Year Strategic Goals

#	Multi-Year Goal	Start Fiscal Year	Progress & Major Successes
1	Continuous Improvement Through AMS & Employee Development	2017 <i>Updated 2022</i>	<ul style="list-style-type: none"> <li>• Achieved 100% of services available on-line</li> <li>• Increased Employee Engagement <u>every year</u></li> <li>• Reduced bottlenecks and rework in the billing and application processes</li> <li>• Implemented interactive web portals to administer customer interactions</li> </ul>
2	Improve Marketability of the Trust Portfolio	2017 <i>Updated 2022</i>	<ul style="list-style-type: none"> <li>• Achieved land sales valued at \$788 &amp; \$652 million in FYs 2021 &amp; 2022, respectively</li> <li>• Implemented Zoning Banks in several cities to accelerate land entitlement</li> <li>• Concluded all bankruptcy claim and lawsuits related to the Desert Ridge property</li> </ul>
3	Implement Non-Urban Land Management System	2022	<ul style="list-style-type: none"> <li>• Established agreements with other State Agencies to better manage non-urban lands</li> <li>• Developed framework to catalog, review, and assess compatibility of competing recreational interests on non-urban lands</li> </ul>
4	Implement Water Assets Management System	2022	<ul style="list-style-type: none"> <li>• This initiative was started in FY 2019 when we established a Water Rights auction process. Continued drought conditions require expansion as a stand-alone goal</li> </ul>
5	Continued Evaluation of the Appropriate Uses of STL	2022	<ul style="list-style-type: none"> <li>• Initiated studies to evaluate locations for Solar and other alternative energies on STL</li> <li>• Initiated studies to evaluate mineral and other subsurface asset values on STL</li> </ul>

#	FY23 Annual Objectives	Metrics	Annual Initiatives
1	Increase the efficiency of the department's internal operations	<ul style="list-style-type: none"> <li>• % of project milestones met</li> <li>• Scanning Backlog reduction</li> <li>• No. of contracts issued</li> <li>• No. of Acres of land treated</li> <li>• No. of Patrols performed</li> </ul>	<ul style="list-style-type: none"> <li>• Complete OASIS Migration project</li> <li>• Centralize the document scanning process</li> <li>• Renew the On-call Professional Service contracts</li> <li>• Integrate the established agreements with other Natural Resource Agencies into the operating system</li> </ul>
2	Maximize Trust revenues	<ul style="list-style-type: none"> <li>• \$ Recovered in DDF</li> <li>• No. of PCI auctions</li> <li>• No. of Zoning Banks established</li> <li>• % of milestones met</li> </ul>	<ul style="list-style-type: none"> <li>• Fully utilize the Due Diligence Fund (DDF)</li> <li>• Drive Per Commissioner's Initiative (PCI) sales</li> <li>• Expand the Zoning Bank model to more cities</li> <li>• Document the current land development prioritization and project initiation process</li> </ul>
3	Improve the management and administration of Non-Urban Lands	<ul style="list-style-type: none"> <li>• No. of RPAs identified</li> <li>• No. of attributes mapped</li> </ul>	<ul style="list-style-type: none"> <li>• Engage consultant to identify Recreation Priority Areas (RPA) and develop a Management Plan</li> <li>• Engage consultant to create an inventory of route networks, sensitive areas and subsurface estate</li> </ul>
4	Improve the management and administration of the Water Assets on State Trust Lands (STL) <i>(Breakthrough objective)</i>	<ul style="list-style-type: none"> <li>• % of project milestones met</li> <li>• No. of wells inspected</li> <li>• No. of usage reports received</li> <li>• No. of water assets inventoried</li> </ul>	<ul style="list-style-type: none"> <li>• Complete Water Rights Digitization project</li> <li>• Establish Standard Work (STW) to inspect wells and to monitor lessee water usage reports</li> <li>• Engage consultant to assess availability and value of ground water and Long-Term Storage Credits, including Butler Valley transportation basin</li> </ul>
5	Evaluate land use classifications in areas with conflicting demands	<ul style="list-style-type: none"> <li>• No. of acres/parcels reviewed</li> <li>• No. of conflicts identified</li> </ul>	<ul style="list-style-type: none"> <li>• Engage consultants to identify locations to support solar and other alternative energy facilities on STL</li> <li>• Compile list of all statutes and rules affecting STL that are conflicting or ambiguous</li> </ul>