



Douglas A. Ducey  
Governor

Lisa A. Atkins  
Commissioner

## Arizona State Land Department

1616 West Adams, Phoenix, Arizona 85007  
(602) 542-4631

September 1, 2021

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 2021 (FY 2021) 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 a great year in FY 2021, as reflected in the record financial results that follow. The results could not have been achieved if not for the benefits realized from the success of the multi-year Strategic Plan initiatives. The initiatives were designed to transition ASLD to a continuously learning, "proactive" agency, with whom it is easy to do business and which is more responsive to our stakeholders.

In FY 2021, ASLD collected \$433.9 million in total revenue, the highest year on record. Included is \$344.3 million from land sales and \$8.5 million in royalties, both of which enhanced the Permanent Land Endowment Trust Fund. Additionally, the Department generated \$55.9 million from leases, distributed directly to the Beneficiaries as expendable revenue, and \$24.7 million in fees, which are used as a recurring source to partially fund the operating expenses

Highlights of FY 2021 operations include:

- Arizona's commercial real estate market continues to be favorable. During FY 2021, ASLD held 19 successful land sale auctions, generating \$789 million in total value on parcels that had a collective appraised value of \$486 million. This too is the highest fiscal year total value of land sale auctions on record. The results included the following notable auctions:
  - 2,783 acres on November 4, 2020, for \$245.5 million to D.R. Horton
  - 374 acres on June 7, 2021, for \$175.5 million to Reserve 100, LLC.
  - 1,128 acres on December 9, 2020, for \$89.0 million to TSMC Arizona Corp.
  - 224 acres on March 30, 2021, for \$65.0 million to DV Q of I, LLC.
  - 74 acres on September 10, 2020, for \$49.1 million to Axon Enterprises
  - 415 acres on December 16, 2020, for \$46.8 million to Shea Homes

- 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 2021, ASLD established another zoning bank with the City of Tucson; making five zoning banks currently active. These continue to 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 the digitization of external and internal processes on Salesforce, further solidifying your goals of efficient government. In FY 2021, we achieved our multi-year goal of making 100% of our services available on-line. This achievement is aligned with the Governor's priority of State Agencies moving at the speed of business to better serve the public, our stakeholders and customers, and ultimately the beneficiaries in the management of their assets.
- ASLD achieved two multi-year goals related to the Desert Ridge properties. First, we extinguished the Master Developer role as well as concluding all bankruptcy claims and related lawsuits. Second, ASLD received a favorable determination from the US Army Corps of Engineers related to the Clean Water Act Section 404. Both of these issues were limiting development of very developable land to meet commercial and residential needs.
- ASLD collaborated with sister agencies DFFM and AGFD to establish comprehensive agreements to better and jointly manage 8.5 million acres of non-urban land in the Trust portfolio. The agreements will improve coordinated natural resource management on a statewide scale through improved vegetative and non-vegetative fuel load reduction, increased law enforcement, and improved workflows and shared staff and fiscal resources between agencies.

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

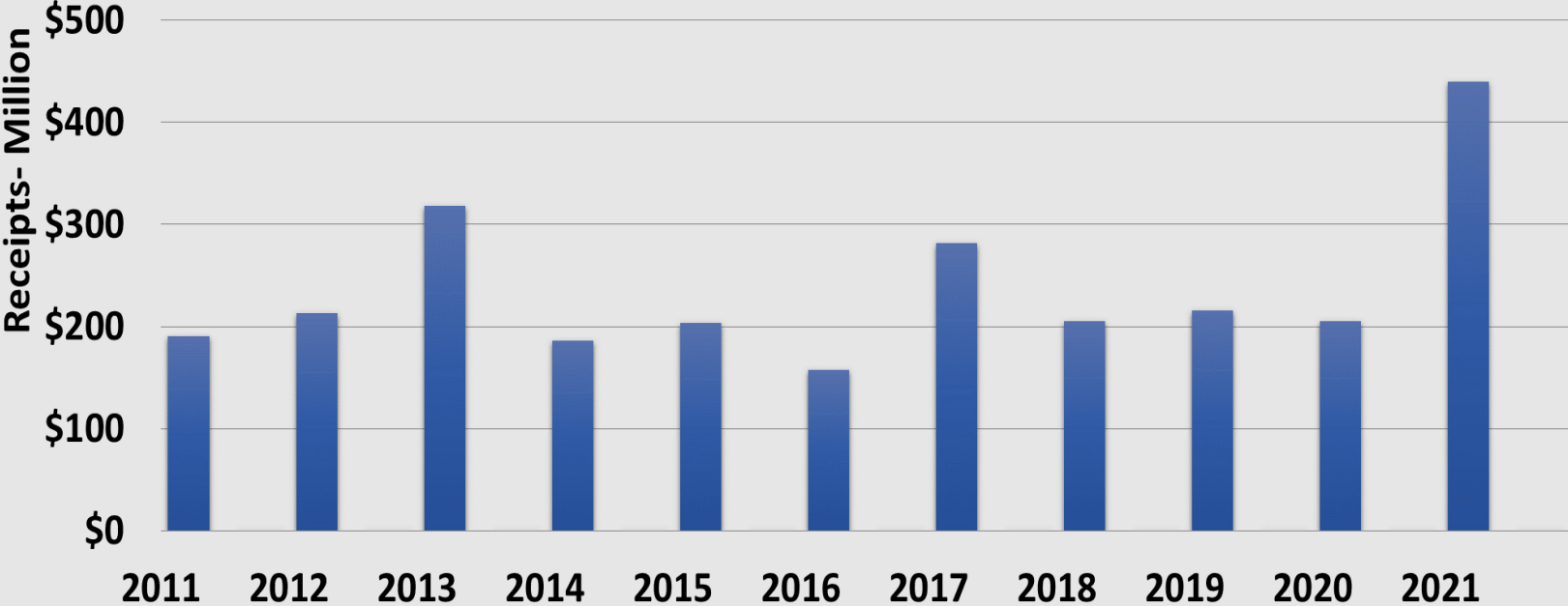


# Annual Report Supplemental Schedules

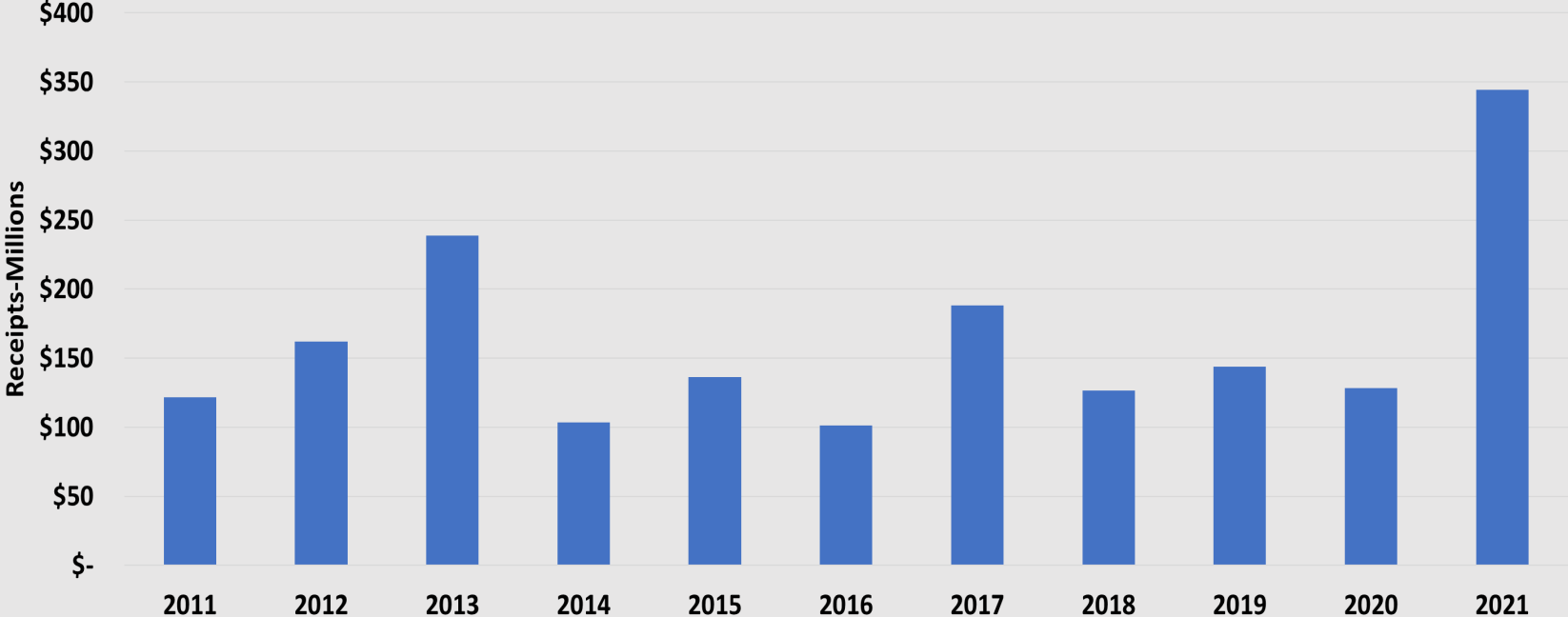
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*FY 2021*

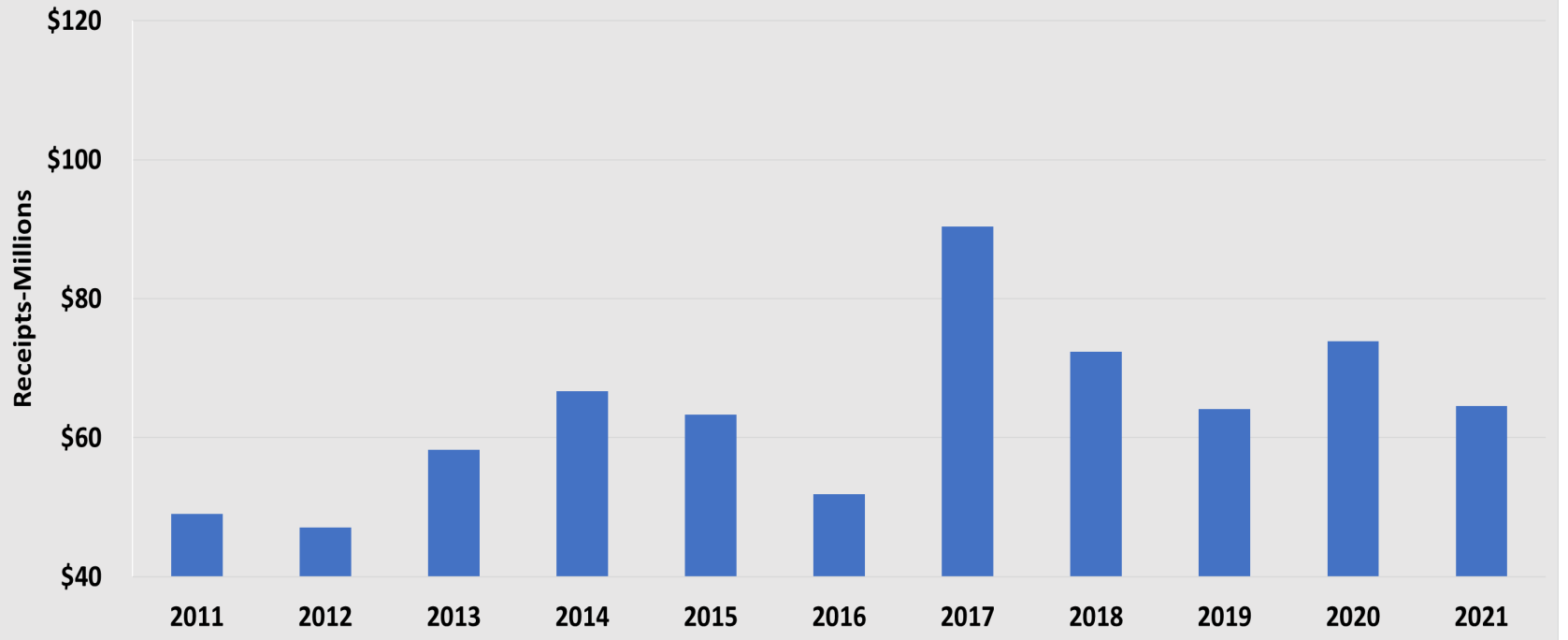
### Total Trust Revenue FY 2011-2021



Permanent Receipts FY 2011-2021



**Expendable Receipts 2011-2021**



**RECEIPTS BY CATEGORY - FY 2021**

Row Labels	LEASE RENTAL	OTHER RECEIPTS	PENALTY AND INTEREST	ROYALTY	SALES INTEREST	SALES PRINCIPAL	Grand Total
<b>General Fund</b>	<b>135,505</b>	<b>24,731,540</b>	<b>307</b>	<b>-</b>	<b>-</b>	<b>83,369</b>	<b>24,950,721</b>
F.E.M.A. Lands	7,312	-	-	-	-	-	7,312
Farm Loan Lands	4,385	-	146	-	-	-	4,531
Fees: Lease,Sale & Misc	-	-	-	-	-	-	-
Fees: Trust Land Mgt Fund	-	24,731,540	-	-	-	-	24,731,540
Lands Held in Trust	11,560	-	-	-	-	83,369	94,929
Navigable Streambeds	112,247	-	162	-	-	-	112,409
<b>School &amp; Institutions</b>	<b>55,860,476</b>	<b>-</b>	<b>350,082</b>	<b>8,512,956</b>	<b>8,324,426</b>	<b>335,910,977</b>	<b>408,958,917</b>
A&M Colleges	700,103	-	1,802	(24,072)	-	29,235	707,068
Common Schools	47,192,331	-	307,416	7,427,971	7,413,162	318,573,389	380,914,269
Leg., Exec & Judicial	235,248	-	2,484	72,724	-	-	310,456
Military Institutes	43,577	-	343	-	-	-	43,921
Miners' Hospital	1,557,367	-	5,472	100,273	-	138,796	1,801,908
Normal Schools	141,306	-	1,730	71,241	-	-	214,276
Penitentiaries	1,735,459	-	6,446	127,710	-	5,258	1,874,873
School for the Deaf & Blind	180,923	-	480	3,735	-	1,957	187,095
School of Mines	238,114	-	2,267	38,600	-	-	278,981
St Char., Pen. & Ref	2,542,700	-	8,896	456,473	911,264	13,673,322	17,592,655
State Hospital	395,068	-	2,111	59,100	-	2,352,442	2,808,721
U of A (Act of 2/18/1881)	608,513	-	8,631	175,310	-	1,081,362	1,873,816
University Land Code	289,766	-	2,005	3,891	-	55,217	350,879
<b>Grand Total</b>	<b>55,995,981</b>	<b>24,731,540</b>	<b>350,390</b>	<b>8,512,956</b>	<b>8,324,426</b>	<b>335,994,346</b>	<b>433,909,638</b>

## REVENUE BY BENEFICIARY FY 2021

BENEFICIARIES	TOTAL COLLECTED		EXPENDABLE		PERMANENT
Common Schools	\$	380,914,269	\$	54,912,909	\$ 326,001,360
Normal Schools	\$	214,276	\$	143,035	\$ 71,241
Agricultural & Mechanical Colleges	\$	707,068	\$	701,905	\$ 5,163
Military Institutes	\$	43,921	\$	43,921	\$ -
School of Mines	\$	278,981	\$	240,381	\$ 38,600
University Land Code	\$	350,879	\$	291,771	\$ 59,108
University of Arizona (Act of 2/18/1881)	\$	1,873,816	\$	617,144	\$ 1,256,672
School for the Deaf & Blind	\$	187,095	\$	181,403	\$ 5,692
<b>SUBTOTAL EDUCATION</b>	<b>\$</b>	<b>384,570,305</b>	<b>\$</b>	<b>57,132,469</b>	<b>\$ 327,437,836</b>
Legislative, Executive & Judicial Buildings	\$	310,456	\$	237,732	\$ 72,724
State Hospital	\$	2,808,721	\$	397,179	\$ 2,411,541
Miners' Hospital	\$	1,801,908	\$	1,562,839	\$ 239,069
State Charitable, Penal & Reformatory	\$	17,592,655	\$	3,462,860	\$ 14,129,795
Penitentiaries	\$	1,874,873	\$	1,741,905	\$ 132,968
<b>SUBTOTAL NON-EDUCATION</b>	<b>\$</b>	<b>24,388,612</b>	<b>\$</b>	<b>7,402,515</b>	<b>\$ 16,986,097</b>
<b>GRAND TOTAL</b>	<b>\$</b>	<b>408,958,917</b>	<b>\$</b>	<b>64,534,984</b>	<b>\$ 344,423,933</b>



## STATE TRUST LAND ACREAGE BY BENEFICIARY FY 2021

BENEFICIARY	FY 1978	FY 2021
Common Schools (K - 12)*	8,342,469	8,030,752
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	76,869
Penitentiaries	80,830	76,971
<b>TOTAL</b>	<b>9,586,606</b>	<b>9,186,793</b>

## STATE TRUST LAND USES FY 2021

<b>SURFACE_LEASES</b>	<b>NO_OF_LEASES</b>	<b>% OF LEASE</b>	<b>TOTAL_ACREAGE</b>	<b>% OF ACREAGE</b>
Rights of Way	7,818	74.66%	217,107	2.30%
Grazing	1,196	11.42%	8,344,576	88.58%
Commercial	273	2.61%	69,115	0.73%
Commercial School Leases	21	0.20%	1,143	0.01%
Agriculture	348	3.32%	157,920	1.68%
Use Permits	652	6.23%	600,990	6.38%
U.S. Government	153	1.46%	17,375	0.18%
Institutional Taking	9	0.09%	12,685	0.13%
Recreational	1	0.01%	0	0.00%
<b>SUBTOTAL SURFACE_LEASES</b>	<b>10,471</b>	<b>100.00%</b>	<b>9,420,910</b>	<b>100.00%</b>
<b>SUBSURFACE</b>	<b>NO_OF_LEASES</b>	<b>% OF LEASE</b>	<b>TOTAL_ACREAGE</b>	<b>% OF ACREAGE</b>
Mineral	34	3.89%	44,401	5.65%
Mineral Exploration	527	60.37%	252,462	32.12%
Mineral Material	24	2.75%	2,648	0.34%
Oil & Gas	288	32.99%	486,493	61.89%
<b>SUBTOTAL SUBSURFACE_LEASES</b>	<b>873</b>	<b>100.00%</b>	<b>786,005</b>	<b>100.00%</b>
<b>TOTAL LEASES</b>	<b>11,344</b>		<b>10,206,915</b>	

# FY 2021

## Beneficiary Summary

University Grants	A & M COLLEGES		MILITARY INSTITUTES		NORMAL SCHOOLS		SCHOOL OF MINES		UNIVERSITY LAND CODE		UNIVERSITY OF ARIZONA 1881	
	ACRES	INCOME	ACRES	INCOME	ACRES	INCOME	ACRES	INCOME	ACRES	INCOME	ACRES	INCOME
Agriculture	250.58	7,010	-	-	165	4,025	1,645	34,999	3,233	67,309	6,879	145,652
Commercial	10,678.08	501,087	1,677	2,400	22,533	37,052	8,481	40,828	8,269	38,971	324	285,419
Grazing	106,725.81	38,915	77,709	28,158	146,654	52,259	110,769	60,231	117,859	46,532	33,923	9,266
Rights Of Way	1,838.54	134,770	288	1,739	1,763	22,204	1,138	73,409	2,569	104,924	830	102,646
Use Permits	12,281.37	1,603	1,418	6,851	5,301	7,700	6,767	5,953	4,365	17,544	4,071	41,526
Institutional Taking	1,917.07	-	-	-	2,721	-	-	-	107	780	200	-
U.S. Government	85.85	-	-	-	144	2,000	17	-	8	-	4	-
Other	-	-	-	-	-	-	0	-	-	-	-	-
<b>TOTAL SURFACE</b>	<b>133,777.29</b>	<b>683,385</b>	<b>81,092</b>	<b>39,148</b>	<b>179,282</b>	<b>125,240</b>	<b>128,816</b>	<b>215,419</b>	<b>136,409</b>	<b>276,060</b>	<b>46,230</b>	<b>584,510</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	449.08	898	2,368	4,430	1,254	1,379	2,541	2,541	2,728	1,495	0	3
Mineral Material	23.87	10,033	-	-	120	-	-	-	-	-	164	24,000
Oil & Gas	6,467.35	5,786	-	-	11,365	14,686	8,802	20,154	6,188	12,211	-	-
<b>TOTAL SUBSURFACE</b>	<b>6,940.30</b>	<b>16,718</b>	<b>2,368</b>	<b>4,430</b>	<b>12,738</b>	<b>16,065</b>	<b>11,343</b>	<b>22,695</b>	<b>8,915</b>	<b>13,706</b>	<b>165</b>	<b>24,003</b>
Penalty & Interest	-	1,802	-	343	-	1,730	-	2,267	-	2,005	-	8,631
Treasurer's Formula Dis	-	895,659	-	49,990	-	400,161	-	1,020,835	-	1,914,817	-	6,804,291
<b>GRAND TOTAL EXPENDAE</b>	<b>140,717.59</b>	<b>1,597,564</b>	<b>83,460</b>	<b>93,911</b>	<b>192,020</b>	<b>543,196</b>	<b>140,159</b>	<b>1,261,216</b>	<b>145,325</b>	<b>2,206,588</b>	<b>46,395</b>	<b>7,421,435</b>
Permanent Fund Receipts	-	5,163	-	-	-	71,241	-	38,600	-	59,108	-	1,256,672
Permanent Fund Balance (	-	4,635,000	-	280,000	-	2,752,000	-	5,622,000	-	16,766,000	-	49,166,000
Permanent Fund Balance (	-	15,657,000	-	894,000	-	7,867,000	-	17,982,000	-	41,436,000	-	127,203,000

## FY 2021 Beneficiary Summary

Institutional Grants	LEGISLATIVE, EXECUTIVE & JUDICIAL BUILDINGS		MINER'S HOSPITAL		PENITENTIARIES		SCHOOL FOR THE DEAF & BLIND		STATE CHARITABLE, PENAL & REFORMATORY		STATE HOSPITAL	
	ACRES	INCOME	ACRES	INCOME	ACRES	INCOME	ACRES	INCOME	ACRES	INCOME	ACRES	INCOME
Agriculture	1,155	\$ 19,325	12,226	\$ 407,597	4,711	\$ 189,504	2,636	\$ 77,222	3,858	\$ 89,290	4,135	\$ 111,986
Commercial	5	\$ 43,920	510	\$ 1,039,403	455	\$ 1,246,744	5	\$ 17,352	2,834	\$ 1,196,631	81	\$ 91,294
Grazing	56,406	\$ 22,815	72,481	\$ 21,697	66,025	\$ 32,075	74,704	\$ 40,542	62,941	\$ 30,519	60,432	\$ 23,280
Rights Of Way	1,463	\$ 134,049	1,720	\$ 55,828	581	\$ 188,080	881	\$ 24,451	1,103	\$ 53,196	1,003	\$ 27,442
Use Permits	4,225	\$ 1,190	8,276	\$ 21,332	5,775	\$ 76,350	12,409	\$ 13,018	8,088	\$ 947,104	5,498	\$ 15,348
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	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 5,139
<b>TOTAL SURFACE</b>	<b>63,346</b>	<b>\$ 221,299</b>	<b>95,381</b>	<b>\$ 1,546,936</b>	<b>79,330</b>	<b>\$ 1,732,754</b>	<b>90,668</b>	<b>\$ 173,949</b>	<b>79,415</b>	<b>\$ 2,393,667</b>	<b>71,336</b>	<b>\$ 286,489</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	\$ 469	-	\$ -	-	\$ -	160	\$ 60,500	60	\$ 20,804
Prospecting Permit	2,814	\$ 13,419	3,532	\$ 9,962	2,186	\$ 2,706	3,574	\$ 6,335	293	\$ 533	2,674	\$ 9,750
Mineral Material	-	\$ -	230	\$ -	-	\$ -	-	\$ -	138	\$ 88,000	77	\$ -
Oil & Gas	243	\$ 530	-	\$ -	-	\$ -	320	\$ 640	640	\$ -	166	\$ 380
<b>TOTAL SUBSURFACE</b>	<b>3,056</b>	<b>\$ 13,949</b>	<b>3,881</b>	<b>\$ 10,431</b>	<b>2,186</b>	<b>\$ 2,706</b>	<b>3,894</b>	<b>\$ 6,975</b>	<b>1,230</b>	<b>\$ 149,033</b>	<b>2,977</b>	<b>\$ 30,934</b>
Penalty & Interest	-	\$ 2,484	-	\$ 5,472	-	\$ 6,446	-	\$ 480	-	\$ 8,896	-	\$ 2,111
Treasurer's Formula Distrib	-	\$ 745,836	-	\$ 2,126,760	-	\$ 1,420,647	-	\$ 520,516	-	\$ 10,212,557	-	\$ 656,956
<b>GRAND TOTAL EXPENDABLE</b>	<b>66,402</b>	<b>\$ 983,568</b>	<b>99,262</b>	<b>\$ 3,689,599</b>	<b>81,515</b>	<b>\$ 3,162,552</b>	<b>94,562</b>	<b>\$ 701,919</b>	<b>\$ 80,645</b>	<b>\$ 12,764,153</b>	<b>74,314</b>	<b>\$ 976,491</b>
Permanent Fund Receipts	-	\$ 72,724	-	\$ 239,069	-	\$ 132,968	-	\$ 5,692	-	\$ 14,129,795	-	\$ 2,411,541
Permanent Fund Balance ( Bo	-	\$ 4,102,000	-	\$ 15,531,000	-	\$ 9,026,000	-	\$ 3,416,000	-	\$ 94,129,000	-	\$ 6,916,000
Permanent Fund Balance ( Mi	-	\$ 13,244,000	-	\$ 41,329,000	-	\$ 25,817,000	-	\$ 9,876,000	-	\$ 230,612,000	-	\$ 15,391,000

# FY 2021 Beneficiary Summary

	COMMON SCHOOLS	
SURFACE_LEASES	ACRES	INCOME
Agriculture	116,921	\$ 3,104,304
Commercial	14,377	\$ 27,267,851
Grazing	7,348,488	\$ 2,339,862
Rights Of Way	113,251	\$ 8,690,832
Use Permits	522,298	\$ 3,220,343
Institutional Taking	5,406	\$ 328,696
U.S. Government	16,575	\$ 161,196
Other	-	\$ -
<b>TOTAL SURFACE</b>	<b>8,137,316</b>	<b>\$ 45,113,085</b>
SUBSURFACE_LEASES	ACRES	INCOME
Mineral	44,062	\$ 285,052
Prospecting Permit	228,050	\$ 726,565
Mineral Material	1,895	\$ 268,291
Oil & Gas	452,303	\$ 796,270
<b>TOTAL SUBSURFACE</b>	<b>726,311</b>	<b>\$ 2,076,179</b>
Penalty & Interest	-	\$ 307,416
Treasurer's Formula Distrib	-	\$ 358,003,313
<b>GRAND TOTAL EXPENDABLE</b>	<b>8,863,627</b>	<b>\$ 405,499,993</b>
Permanent Fund Receipts	-	\$ 326,001,360
Permanent Fund Balance ( Bo	-	\$ 2,519,943,000
Permanent Fund Balance ( Mr	-	\$ 7,107,514,000

## RENTAL ACREAGE & RECEIPTS BY TYPE OF LEASE FY 2021

<b>SURFACE_LEASES</b>	<b>ACRES</b>	<b>RECEIPTS</b>
Agriculture	157,920	4,265,005
Commercial	70,274	31,888,877
Grazing	8,344,576	2,749,775
Rights of Way	128,567	9,614,946
Use Permits	600,990	4,419,661
Institutional Taking	12,685	420,848
U.S. Government	17,375	163,196
Other	-	5,139
<b>TOTAL SURFACE</b>	<b>9,332,387</b>	<b>53,527,446</b>
<b>SUBSURFACE_LEASES</b>	<b>ACRES</b>	<b>RECEIPTS</b>
Mineral	44,401	366,826
Prospecting Permit	252,462	780,015
Mineral Material	2,648	390,324
Oil & Gas	486,493	850,658
<b>TOTAL SUBSURFACE</b>	<b>786,005</b>	<b>2,387,823</b>
<b>NON_LEASE_REVENUES</b>	<b>ACRES</b>	<b>RECEIPTS</b>
Penalty and Interest	-	350,390
Sales Interest	-	8,324,426
Royalty	-	8,512,956
Land Sales Principal	-	323,396,131
Rights of Way Sales Principal	-	12,598,214
Fees	-	24,619,300
NonRevenue Receipts	-	101,518
Performance and Restoration	-	5,900,000
<b>TOATL NON_LEASE</b>	<b>-</b>	<b>383,802,935</b>
<b>GRAND TOTAL</b>	<b>10,118,391</b>	<b>439,718,203</b>