



ARIZONA STATE LAND DEPARTMENT

ANNUAL REPORT 2011 - 2012



Janice K. Brewer
Governor



Maria Baier
State Land Commissioner

"Serving Arizona's Schools and Public Institutions Since 1915"



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Janice K. Brewer
Governor
State of Arizona

Please visit our website at
www.land.state.az.us

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MESSAGE FROM THE COMMISSIONER

September 4, 2012

The Honorable Janice K. Brewer
Governor of Arizona
1700 West Washington Street
Phoenix, Arizona 85007

Dear Governor Brewer:

It is my privilege to deliver to you the State Land Department's Annual Report for Fiscal Year 2012 as required by A.R.S. §37-132. The report contains a summary of the Department's management activities and the revenue the Land Department earned during the fiscal year.

It is my primary and continuing goal to increase revenue for the beneficiaries of the State Trust and to protect its long term interest. In this fiscal year, Land Department staff continued their diligent work to support the Trust. Even in these economically challenging times, we were very successful in generating revenue for the beneficiaries.

The Department sold 9,600 carefully selected acres for a combined auction price of close to \$120 million. The Department earned almost \$162 million in permanent receipts, an increase of approximately \$77 million over last year. We also have seen significant revenue from other sources. For example, the royalty receipts from mineral sales contributed \$24.5 million in proceeds this year. In addition, we had noteworthy revenue in agriculture, grazing, subsurface, and commercial leases this year. All in all, the Department brought in over \$213 million in revenue in FY 2012.

The Department continues to carry a large outstanding balance for previous sales that are financed through the Department. The beneficiaries will earn interest on the balance at a rate ranging from 5% to 11% for an average term of seven years. The total outstanding receivable balance from term sales is \$503 million, which earns interest daily. The revenue earned on this balance will be distributed to our beneficiaries over the next several years. In addition, the payments on the remaining principal will be deposited in the Permanent Fund in future years.

The Land Department completed four auctions for Open Space Preservation during FY 2012. The City of Phoenix was the successful bidder on two parcels of land adjacent to the Sonoran Preserve in the northern sector of the city. The auctions were for 343 and 283 acres, a total of 626 acres; the auctions resulted in approximately \$11.8 million dollars for the Trust. The City of Scottsdale was the successful bidder on two parcels of land adjacent to the McDowell Mountain Sonoran Preserve, also in the northern sector of the city. The auctions were for 1,937 and 2,482 acres, for a total of 4,419 acres, and the auctions resulted in approximately \$86.0 million dollars for the Trust.



Maria Baier
Arizona State Land
Commissioner

ABOUT THE COMMISSIONER

Maria Baier was appointed as the Arizona State Land Commissioner in June, 2009.

Maria has held several executive positions, including President of MBC, Inc., a sustainability consulting firm specializing in sustainable land use and natural resource management practices; President and CEO of Valley Partnership, a trade organization representing 600 Metro Phoenix businesses, whose primary mission is to “advocate responsible development;” and Director of the Trust for Public Land Arizona Field Office.

She also spent 10 years on the Executive Staff of the Office of the Governor, serving two administrations. She served as senior policy advisor in the areas of natural resources, growth



On March 28th 2012, the Arizona State Land Department successfully entered into its first long-term commercial lease for the production of solar energy. The lease is with APS and is located on 398 acres in the Foothills area of Yuma County. On March 29th, we entered into our second solar lease, which is with Arlington Valley Solar Energy II and is located on 150 acres west of Buckeye in Maricopa County. After significant research and discussion, we successfully crafted a marketable lease with terms that are beneficial to the Trust and, because of this, the energy development community is more comfortable and has accepted our auction process, which had before been considered a bar to the use of State Trust land for solar projects. Due to our achievements in this arena, other State Land Departments are asking for guidance from Arizona for their solar energy programs. The APS Solar lease is scheduled to generate a minimum of \$10,984,000.00 during its 35-year term and the Arlington Valley Solar Energy II lease is scheduled to generate a minimum of \$5,633,000.00 during its 35-year term.

Following the success of Dry Lake I and II, the Department issued its third right of way for the purpose of utility scale wind energy generation to Perrin Ranch Wind, LLC. This 99MW project encompassing over 60,000 acres of private and Trust land north of Williams began production in January of 2012 and operates in concert with both the underlying grazing lease and hunting agreements between the land owner and the Arizona Game and Fish Department. Time has proven that wind energy generation facilities are of great benefit to the overall mix of land management the Department provides the Trust by significantly increasing income, while minimally impacting the primary use of livestock grazing. The Department continues to work with wind energy developers to encourage further development of our wind resources.

Further, FY 2012 saw the completion of the Arizona Renewable Energy Mapping Project. This project was a collaborative project to create a renewable energy mapping system to encourage the development of Arizona’s Renewable Energy resources in a concise and coordinated manner. The Department, through a grant from the Arizona Energy Office, was asked to develop a system which provides information to the public, the renewable energy industry, and public agencies on lands in Arizona, which help users evaluate lands for their general potential for development as renewable energy generation sites. The system also provides information regarding specific areas which are currently under consideration for development. The project is currently focused on lands for use in industrial scale solar energy generation.

Finally, three companies continue to explore for potash in the Holbrook Basin. During FY 2012, the three companies drilled a total of 48 holes in the Basin, 20 of which were on State Trust lands. In addition, approximately 65 miles of



seismic lines were run, mainly in the southern portion of the basin, to help the companies better define the structure of the basin and the potash deposit. To date, the State Land Department has issued 124 Exploration Permits which are held under four different company names (one of these four has an agreement with one of the active companies to manage their permits). In March 2012, one of the three active companies visited the Department to discuss the process of converting their Exploration Permits into a Mineral Lease, and met with the various State regulatory agencies to initiate the process of permitting a mine. If their current schedule is met, the mine would start construction in 2014 and be in full production by 2016. Depending on the price of potash during the life of the mine, the Department expects to receive between \$10 and \$25 million in annual mineral royalties from the mining operation. Over the 40 or more years of mining life in the Holbrook Basin, total mineral royalties to the Department could be in the billions of dollars!

Thank you for the opportunity to serve Arizona and the Trust beneficiaries as the State Land Commissioner. The opportunities that exist for the Department over the next year are exciting, and I look forward to working alongside you, your staff, the staff at the Department, and the citizens of Arizona to advance the interest of those we serve.

Sincerely,

Maria Baier
Arizona State Land Commissioner

and development, environmental quality and criminal justice. Maria also was elected to the Phoenix City Council and served from 2008 - 2009, until her appointment as Commissioner.

She is an active member of the Arizona State Bar and volunteers on numerous boards and commissions including the Trust for Public Land Arizona, Foundation for Blind Children, Great Hearts Academies, Valley Partnership, and Central Arizona Partnership.

Maria received her Bachelor of Arts Degree from Arizona State University, and her Juris Doctor from the James E. Rogers College of Law at the University of Arizona.

HISTORICAL OVERVIEW

LAND GRANT

The Territory of Arizona was established on February 24, 1863, by an Act of Congress. This Act granted sections 16 and 36 of each township for the benefit of the Common Schools. Endowment of public lands for educational purposes was a practice established by the Northwest Ordinance in 1787. Congress quickly recognized the value of the land and the importance of public schools to a developing nation.

The State Enabling Act, passed on June 20, 1910, allowed the Territory of Arizona to prepare for statehood. In addition to the previously designated sections of land, the Enabling Act assigned sections 2 and 32 of each township to be held in trust for the Common Schools. The needs of other public institutions were considered by Congress, and through the Enabling Act, more than two million additional acres were allocated for their use.



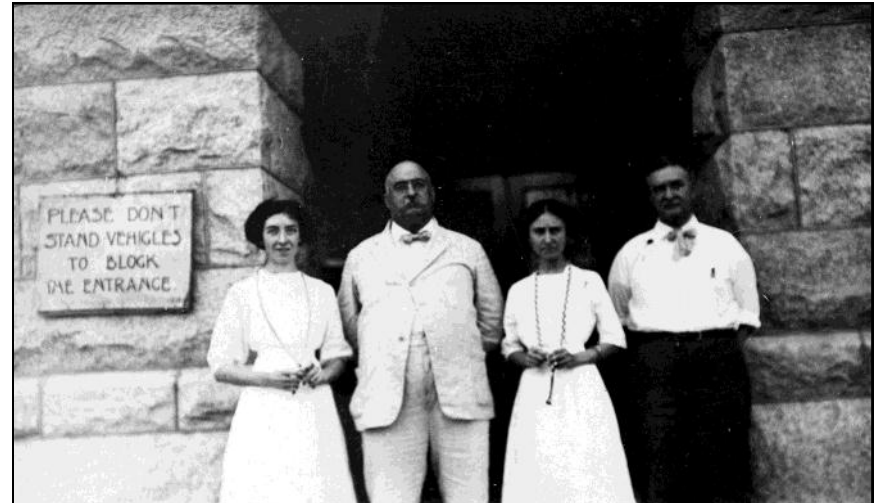
Two men by a Model T Ford in the Pinal Mountains of Gila County, Arizona. (Photo courtesy of Arizona State Library, Archives and Public Records, History and Archives Division, Phoenix, #98-1660)

CREATION OF THE LAND DEPARTMENT

On May 20, 1912, an act of the First Legislature created the three-member State Land Commission to serve as the temporary Land Department of the State. The members were Mulford Winsor, Chairman; Cy Byrne, Secretary; and William A. Moody, member. Appointed by Governor George W. P. Hunt,

they were charged with assessing, evaluating, and making recommendations about the land granted by Congress to the State for the Common Schools and other institutions. The Commission was to report back to the Legislature with its findings and conclusions by the end of the second Legislative session.

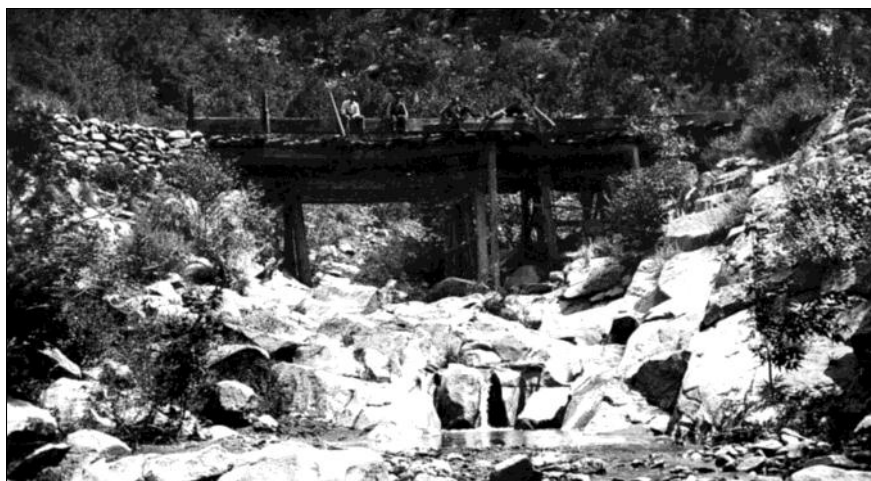
The Commission concluded that Arizona should not sell its Trust land outright, as other states had done. Instead, it should put the lands to their “highest and best use.” The decision to sell or lease the land should be based upon the potential use of each parcel. The Commission recommended the creation of a permanent State Land Department “... in order that the multitudinous detail attached to the State’s varied land interests may have constant attention and to prevent irretrievable loss.”



1914 photo of Arizona Governor George W.P. Hunt and members of the Arizona State Land Commission: Catherine Grove, George W.P. Hunt, Ethel Shoemaker, and E.L. Trippel. (Photo courtesy of Arizona State Library, Archives and Public Records, History and Archives Division, Phoenix, #97-6948)

The State Land Department and the system by which Trust lands were to be managed were established in 1915 by the State Land Code. In compliance with the Enabling Act and the State Constitution, the State Land Code gave the Department authority over all Trust lands and the natural products from these Trust lands.

Since the Department's inception, its mission has been to manage the Land Trust and to maximize its revenues for the beneficiaries. All uses of the land must benefit the Trust, a fact that distinguishes it from the way public land, such as parks or national forests, may be used. While public use of Trust land is not prohibited, it is regulated to ensure protection of the land and compensation to the beneficiaries for its use.



Bridge on Sawmill Road in the Pinal Mountains of Gila County, Arizona. (Photo courtesy of Arizona State Library, Archives and Public Records, History and Archives Division, Phoenix, #98-1663)

BENEFICIARIES

There are 13 beneficiaries of State Trust land revenues. The Common Schools is the beneficiary with the largest Trust land acreage, originally receiving about 8.4 million acres of land. Other beneficiaries, which originally received a total of about 2.5 million acres, include the University Land Code; Legislative, Executive, and Judiciary Building Fund; Penitentiary Fund; State Hospital; School for the Deaf and Blind; Normal (Universities) Schools; State Charitable, Penal, and Reformatory Institutions; Agricultural and Mechanical Colleges; School of Mines; Military Institutions; University of Arizona (Act of 2-18-1881); and two grants for the Miners' Hospital. A 14th beneficiary, County Bonds, was funded by Trust revenues until it was eventually paid. Revenues derived from County Bond lands are now added to the Common Schools' grant.

TRUST REVENUE

Revenues earned from Trust land are classified as either permanent or expendable receipts. Revenues derived from the sale of State Trust land and natural products are referred to as permanent receipts. The receipts are deposited into the permanent funds and invested in stocks, bonds, and interest-bearing securities by the State Treasurer. The Treasurer distributes money from the funds to the beneficiaries according to a constitutional formula.

Expendable revenue includes lease revenue from Trust land leases and permits, interest from sales contracts, and the Treasurer's formula distribution. This revenue is distributed directly to the beneficiaries for their use.

State Trust land management priorities continually evolve to remain efficient in all areas of the Trust's maintenance. One change that dramatically increased the Department's revenue-generating potential was the passage of the Urban Lands Act in 1981. The Act allows the Department to increase the value of Trust land in urban areas by planning and zoning it in cooperation with the local governments. The Legislature has also expanded the Department's leasing capabilities, making long-term leases of up to 99 years possible for land that either has been planned under the urban planning process, or is rural commercial land.

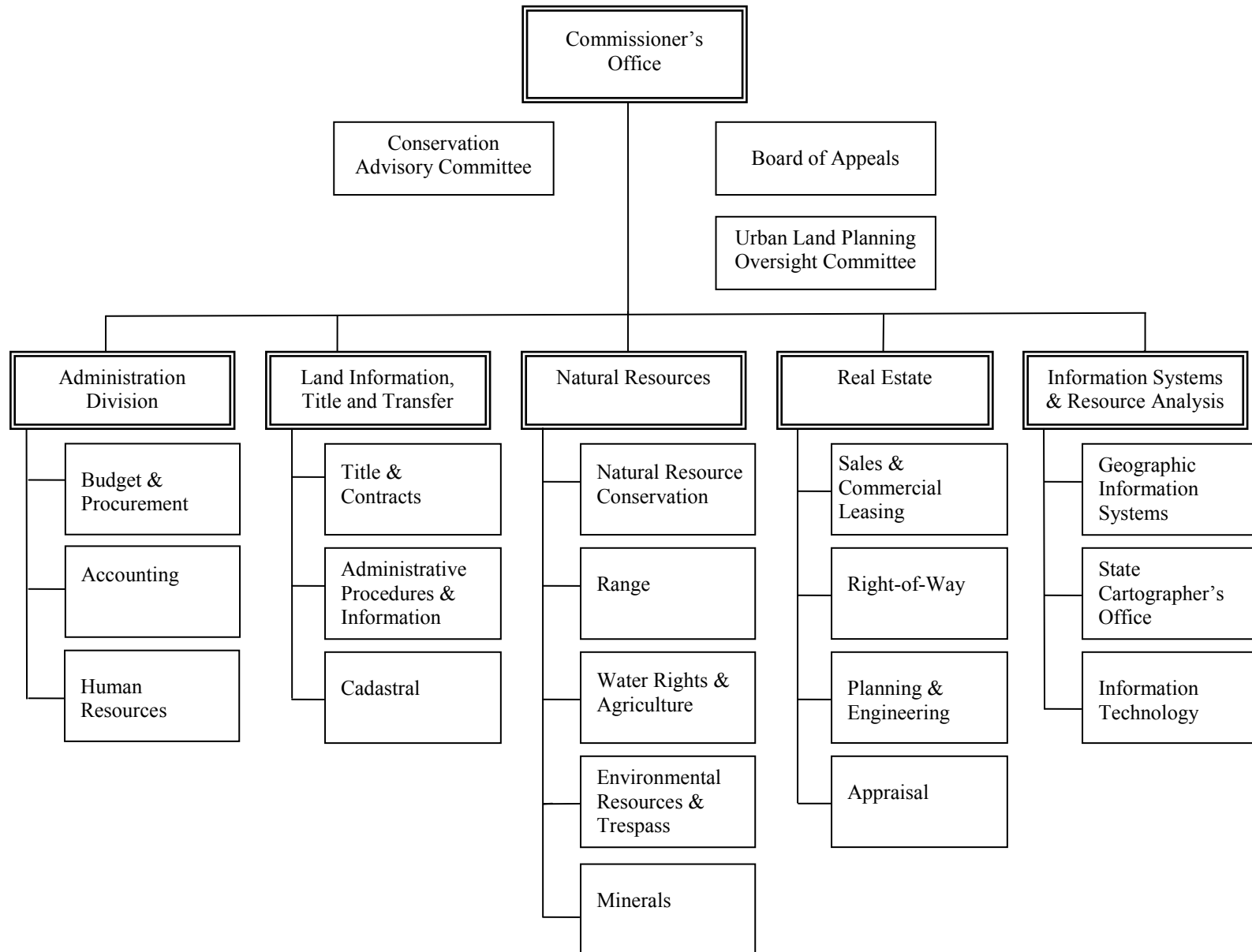
Today, the original school section pattern exists only in a few locations such as the remote Arizona Strip. About three-quarters of the school section acreage was relocated through selections and exchanges that have consolidated the Trust lands into large blocks in Pinal, Pima, Graham, Greenlee, and Cochise counties in central and southeastern Arizona; north and northwest of Phoenix in Maricopa and Yavapai counties; and in the checkerboard railroad grant zone across Mohave, Yavapai, Coconino, Navajo, and Apache counties.

Original Land Endowment Pattern

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Land Endowment by Township
Township = 36 Sections
Each Section = 1 Square Mile

ORGANIZATIONAL CHART



AGENCY UPDATES

Did You Know?

- The Department processed 1,162 new customer applications, issued 7,113 recreational use permits, and retrieved 7,368 lease and contract files for customers; of those customers, 3,869 were external and 3,499 were internal.
- ASLD Public Records Central Files answered more than 1,872 email and phone customer inquiries.
- It took 85 years to reach a permanent funds balance of \$1 billion in 2001. The current book value is over \$2.6 billion.



Arizona State Land in Graham County, Arizona. (Photo courtesy of Arizona State Library, Archives and Public Records, History and Archives Division, Phoenix, #95-3441)



PERSONNEL REFORM IMPLEMENTATION AT THE ASLD

In May 2012, HB2571, state personnel system, was passed by the Arizona Legislature and signed by the Governor. The bill, effective September 29, 2012, implements significant personnel reform for Arizona State government. Some of the key factors of personnel reform involve consolidating 97 agencies, boards, and commissions into one personnel system and transitioning the state work force to a predominately at-will status. Prior to personnel reform implementation, the ASLD has a total of 112 employees agency wide. Of that 112 employees, only 16 are at-will (uncovered). Out of the 96 covered employees, 79 will transition to at-will status and 17 may elect to the transition.

CONTINUED COOPERATION TO SECURE ARIZONA'S BORDERS

The Department works diligently with both the Corps of Engineers and the U.S. Border Patrol to provide legal access to State Trust land. Over the past year cooperative efforts involving forward operating bases, surveillance towers and staging areas have allowed the Border Patrol to more effectively secure and defend the border between the State of Arizona and Mexico. It is the Department's sincere hope that this cooperative effort will improve the safety and welfare of the citizens of Arizona.

NATURAL RESOURCES

MAJOR LEASE UPDATES: ASARCO & FREEPORT McMoRAN

The Department received total income of \$27.3 million in FY 2012 from mining and minerals-related activities, the third best year ever for the Minerals Section. The majority of this income was from a mineral lease for copper with ASARCO's Mission Mine in Pima County that generated \$16.7 million in royalty payments to the Trust. The Department's other significant copper lease, Freeport McMoRan, signed in October of 2009 for the Morenci Mine in Greenlee County, generated \$4.9 million in royalty income in FY 2012.

MINERAL MATERIALS LEASES: AN UPDATE ON STL AGGREGATES

After a steady decline from a peak of \$6.2 million in FY2006 to \$1.1 million in FY 2011, income from mineral material leases, i.e., leases for common variety sand, gravel, and other aggregates operations, increased to \$2.1 million in FY 2012. The Department held three mineral materials auctions during FY 2012, all three awarded to the original applicant as the successful bidder. The first auction held in August 2011 in Pima County, went to Clay Mine Adobe for \$6,150 in annual rental and royalty income. The second auction was held in May 2012 in Yuma County; Cemex was the successful bidder resulting in an annual income of \$74,000 to the Trust. Finally in June 2012, Kilauea Crushers successfully won the third auction for mineral materials in Maricopa County, worth \$56,225 in annual income to the Trust.



POTASH MINING

Three companies continue to explore for potash in the Holbrook Basin. During FY 2012, the three companies drilled a total of 48 holes in the Basin, 20 of which were on State Trust lands. In addition, approximately 65 miles of seismic exploration lines were run, mainly in the southern portion of the basin, to help the companies better define the structure of the basin and the potash deposit. To date, the Department has issued 124 Exploration Permits which are held under four different company names. In 2012, one of the three active companies visited the Department to discuss the process of converting their exploration permits into a mineral lease, and met with State regulatory agencies to initiate the process of permitting a mine. If their proposed schedule is met, construction of the mine would start in 2014, with full production achieved in 2016. Depending on the price of potash during the life of any mine or mines operating in the basin, the Department projects to receive between \$10 and \$25 million in annual mineral royalty payments.





FLORENCE COPPER PROJECT

The Department continues to work with Curis Resources on the Florence Copper Project, an in-situ solution mining process to recover a rich copper deposit. Curis is waiting on the issuance of an Aquifer Protection Permit (APP) from the Arizona Department of Environmental Quality. Once the APP is issued, Curis will provide the Department with a Plan of Operation and a Reclamation Plan for what it terms the Production Test Field (PTF). The PTF is a small test field that will be operated for one year to 18 months, and will help Curis determine the efficiency and economic viability of its in-situ mining process. The royalty income from the Florence Copper Project could potentially make this, on a per-acre basis, the most lucrative mining project that the Department has ever participated in, generating between \$78 and \$188 million, depending on the price of copper, just from the 160-acre State Land parcel over the projected 20-year, or less, life of the mine.

OIL AND GAS LEASES

In late January 2012, Kinder Morgan CO₂ Company, L.P. acquired the St. Johns CO₂ and Helium Field from Ridgeway Arizona Oil Corporation, including 80 State land oil and gas leases covering 111,514 acres of State Trust lands in southeastern Apache County (the State Trust lands represent a little more than 80% of the area within the Field), along with the Unit Agreement (UA) for the St. Johns Gas Field of February 1, 2009. Following the assignment of the leases and the UA from Ridgeway to Kinder Morgan, the Department received \$996K in compensatory rentals under the terms of the UA. Once the purchase of the field was completed, the UA was amended to allow Kinder Morgan the original five-year period to bring the field into development, extending the term of the UA to eight years, or effectively, to January 31, 2017. Starting in April 2012, Kinder Morgan began re-entering and retesting eight of the wells drilled by Ridgeway, and in June 2012, they applied to drill two new wells on State Trust land. Should all of this additional testing and new drilling prove out the field to their satisfaction, Kinder Morgan plans to start developing the field in earnest in 2013, drilling 25 to 100 new wells per year for a period of three to four years for production of the CO₂. A pipeline would be required to transport the CO₂ about 400 miles across New Mexico to the Permian Basin Oil Fields of southeastern New Mexico and west Texas, where the gas would then be used for secondary or tertiary recovery of oil from older fields.





AGRICULTURE ON STATE LAND TO INCLUDE ALGACULTURE
House Bill 2225 expanded the definition of “agricultural lands” in A.R.S. §37-101 to include algaculture, the cultivation of single- or multi-cell organisms, algae, “for research, development and commercial production of biofuel or hydrogen (HB 2225).” Algae is grown in small shallow ponds or containers filled with water, and need carbon dioxide and prolonged exposure to sunlight in order to survive and grow. It can then be harvested off the top of the water and processed for various purposes. For example, the oil from algae has the capability to be transformed into biofuel, and the byproducts can then be used as animal feed, fertilizer, or in the production of ethanol (Curtiss & Kreider, *Environmental Sustainability* 2009—90324). This bill will become effective in FY 2013.



Aerial view of the outdoor testbed at the Arizona Center for Algae Technology and Innovation on Arizona State University's Polytechnic campus.
(Photo by: Arizona Center for Algae Technology and Innovation)



A CHANGE FOR WATER RIGHTS AND PERMITS

The Department experienced an increase in the number of surface water documents processed as a result of changes at the Arizona Department of Water Resources (ADWR). Historically, lessees of State and Federal lands applied for, and were sometimes granted, water rights on lands to which they did not hold title. Permits to appropriate public water, certificates of water right, and assignments, i.e., changes of ownership, on State and Federal lands received prior to 1995 had been on hold with the ADWR. This fiscal year, the ADWR began processing these permits/certificates with a disclaimer related to ownership of the water right. Additional permits and water rights are expected to be processed in coming years.

ADEQUATE WATER FOR STATE TRUST LANDS

The Department conducted geological and hydrological investigations and Groundwater model studies of the Harquahala Valley and Butler Valley groundwater basins. Based on A.R.S. §45-108 and A.A.C. R12-15-712, ADWR approved an Analysis of Adequate Water Supply (AAWS) for approximately 37,796 acre-feet/year for a 100-year period for future development of State Trust lands in the Harquahala Valley basin. Additionally, this fiscal year, the Department submitted an AAWS application for future development of State Trust land within the Butler Valley basin. We anticipate a decision from the ADWR next fiscal year on the Butler Valley application.

LEASES AND PERMITS/REVENUE PRODUCTION FY 2012

Facts & Figures			Lease Rentals	
	ACRES	NUMBER OF LEASES		INCOME
Agriculture	157,174	347	Agriculture	4,470,978
Grazing	8,378,985	1,224	Grazing	2,458,350
Mineral Material	1,560	17	Mineral Material	418,523
Exploration Permits	364,297	707	Exploration Permits	1,007,236
Mineral	10,098	68	Mineral	104,553
Oil & Gas	508,567	291	Oil & Gas	1,614,618
Mineral SLUPs	30,431	81	Mineral SLUPs	239,885
			TOTAL	10,314,143
Number of Registrations and Water Rights Claims			Sale of Products	
Stockpond Registrations	4,314		Public Auction Water Sales	281,194
Certificated Surface Water Rights	122		Lease Water Charges	214,981
Well Registrations	2,899		Mineral Royalties	21,783,656
Adjudication Statements of Claimant	7,033		Mineral Materials	2,118,940
Water Right Registrations	7,480		Other Natural Products	106,538
Grandfathered Groundwater Rights	265		TOTAL	24,505,309
			GRAND TOTAL	34,819,452



NRCD ENVIRONMENTAL EDUCATION

Title 37, Chapter 6, Article 2 of the Arizona Revised Statutes authorizes the Department to establish a Division of Natural Resource Conservation. Since 1942, 32 Natural Resource Conservation Districts (NRCD) have been established across Arizona with specific powers and authorities delegated by the State Land Commissioner. One such authority is to organize and sponsor local efforts to inform and educate youth and adults in principles of wise land use and sustained management of Arizona's renewable natural resources. The daily operations of NRCDs and corresponding Environmental Education Centers are overseen administratively by ASLD program staff. There are currently 23 Natural Resource Education Centers (NREC) operating today. One of the Education Centers located on the campus of Central Arizona College is sponsored by the West Pinal NRCD, Eloy NRCD, and Florence-Coolidge NRCD. It was organized as a formal 501(c)(3) private non-profit organization; staff includes a full-time Director, a part-time Assistant Director, and a number of volunteers. Although the primary source of funding is the Arizona Environmental Special Plate Fund (ESPF), this NREC has successfully received grants from the Arizona Department of Health Services, Central Arizona Project, Gila River Indian Community, and the Pinal County Attorney's office.



This NREC uses several avenues for program delivery. They provide classroom visits where all types of natural resource issues can be discussed such as agronomy (corn, pumpkins, and vegetable production), animal husbandry (dairy and egg production), entomology (the study of insects), and various soil



and water conservation practices. Another method of education is coordinating class field trips to the NREC facility located on the campus of Arizona Central College. In August of 2001, the NREC and the College entered into a memorandum of understanding outlining the duties and responsibilities of each party. The College has since provided the Center with four acres of irrigated land and classroom space. Children are bused from their schools to the Center where they receive both classroom and field instruction, and learn the "Five C's" of Arizona. The Five C's found on the Great Seal of the State of Arizona represent Copper, Cattle, Citrus, Cotton, and Climate. During the 2011–2012 school year, this NREC presented 37 field days at Central Arizona College, ventured on 12 classroom visits, and participated in 12 community events. In total, the Center instructed 4,085 people in the wise use and management of Arizona's renewable natural resources. Of those, 3,560 were children and 525 were adults. While on campus, visitors are encouraged to meet with college administrators and learn about opportunities for higher learning in the field of natural resource management.

The Department is primarily recognized for its mandate to generate revenue for the beneficiaries of the Trust, many of which are educational institutions. The Department is also proud of its efforts to inform and educate the residents of Arizona through the Natural Resource Conservation District Environmental Education Program.

REAL ESTATE

CROSSROADS EAST SALE

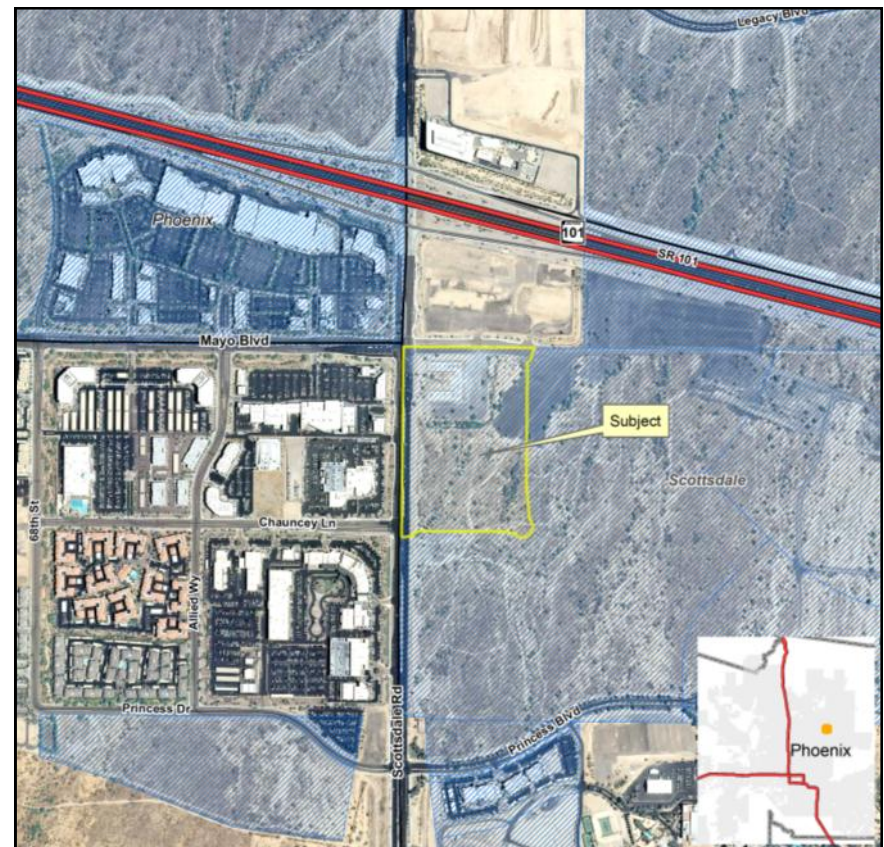
The sale of this 29.37-acre parcel at the southeast corner of Scottsdale Road and Union Hills Drive marks the first applicant-initiated commercial sale for the Department since the downturn in the real estate market. This parcel is within the 2002 Crossroads East Master Development Plan and Planned Community District, which is located between Scottsdale and Pima Roads, bisected by the 101 Pima Freeway, and comprised of most of the remaining State Trust land within the Core North and Core South State Plats. These parcels are the largest and some of the last unimproved development parcels remaining in the City of Scottsdale, and some of the most valuable parcels in the State Trust. The applicant was the successful bidder and intends to develop a Lexus dealership on the north half of the parcel, which is compatible with the auto sales use along Scottsdale Road. The sale is promising for the Trust, not only because of its direct monetary benefit, but also due to the significant progress made with the Crossroads East Development Agreement which will positively impact future sales in the area.

The Crossroads East Development Agreement provides for infrastructure payments to the City of Scottsdale for its installation of infrastructure, including roadways, underpasses and water, drainage, and sewer improvements. This agreement promotes growth and development in this 1000-acre area of raw State Trust land. The sale of this parcel included reimbursement to Scottsdale for a portion of those infrastructure costs and interest.

In conjunction with this sale, the Department sought an amendment to the Land Use Budget Table of the 2002 Crossroads East Master Development Plan and rezoning case. The Master Plan and rezoning case established six character areas for the approximate 1000-acre site with specific zoning districts assigned to each. They also established a land use budget that maintained the zoning densities (or dwelling units) and intensities (i.e., commercial square footage) allowable, with flexibility to determine at the point of development in which the underlying zoning district would apply based on the proposed use. In 2011, the Department sought an amendment to the Land Use Budget Table to add Highway Commercial (C-3) District, and to remove the cap on the maximum allowable residential units within the R-5 Multi-Family Residential. This will allow increased density equal to the 23-unit per acre density provided to other R-5-zoned properties in Scottsdale. The amendment, which was approved by the Scottsdale City Council, creates opportunity in

Crossroads East for a greater variety of retail and auto sales uses, along with increased multi-family uses, the most active sector in the residential market.

The sale of this parcel and the attendant approvals and agreements, with respect to zoning and infrastructure reimbursements, will further enhance the value of the Crossroads East parcels, maximizing returns to the Trust, and allowing for greater predictability of costs associated with the purchase of other parcels within the Crossroads East Master Development Plan and Planned Community District.



ADOT I-10 & STATE ROUTE 303: INTERCHANGE PROJECT UPDATE

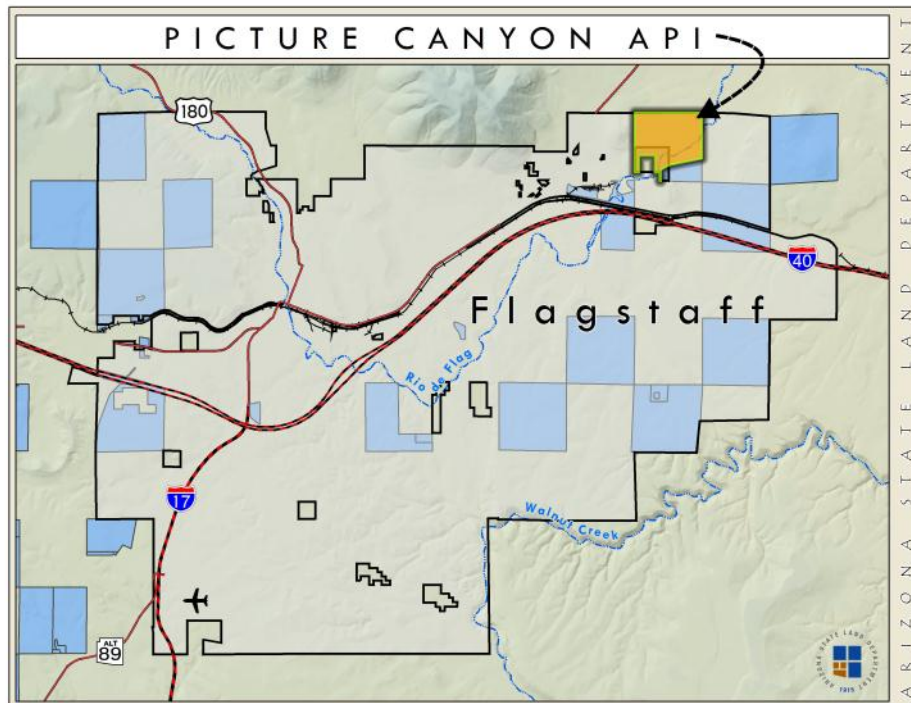
The Loop 303 (Bob Stump Memorial Parkway) is a 39-mile freeway stretching from Interstate 10 (Papago Freeway) in Goodyear to Interstate 17 (Black Canyon Freeway) in Phoenix. Loop 303 is designed to serve as an outer loop that will improve regional transportation in the far West Valley. Historically operating as a two-lane roadway, the expansion to a four-lane divided highway from north of U.S. 60 to I-17 across numerous Trust land sections was completed in 2010. Construction is well underway on the segment from I-10 at Cotton Lane in Goodyear north to the U.S. 60 in Surprise. When completed in Fall 2014, the transportation interchange at Cotton Lane and I-10 will be the largest in the state, encompassing five layers of traffic across three lanes in each direction.

To facilitate construction the ASLD, working through the ASLD/ADOT Partnership, has issued six rights-of-way for public road alignments, underground utilities and drainage easements adjacent to the Perryville Prison, two temporary construction easements to the ADOT, and two rights of way to utilities for power lines. In total over \$8,000,000 was generated for the beneficiaries of the Trust.



Artist's rendition of preliminary design, courtesy of the Arizona Department of Transportation (actual frontage roads differ)





PICTURE CANYON API

The Arizona Preserve Initiative (API) program is designed to encourage the preservation of select parcels of State Trust land for open space to benefit future generations. The Picture Canyon API petition, filed by the City of Flagstaff, is for an approximate 478 acres of State Trust land in the eastern part of the city. The petition area includes 126 petroglyph panels containing more than 735 images. The petroglyphs belong to the Sinaguan culture and some date back to 8,000 BCE (Robert Breunig, Director, Museum of Northern Arizona). Additionally the Rio de Flag courses through the petition site and the wetland and riparian conditions support over 130 bird species, including the bald eagle and the peregrine falcon. This area is also a wildlife corridor for species such as elk, mule deer, and turkey (Ron Sieg, Regional Supervisor, Arizona Game and Fish Department). The Arizona Trail bisects the site.

In the final step of the API process, the State Land Commissioner, Maria Baier, made the decision to classify Picture Canyon as suitable for conservation purposes in April 2012 with Commissioner's Order No. 193-2011/12. With the land classified as such, the City of Flagstaff would be eligible to use Growing Smarter matching funds to purchase the State Trust land at public auction in 2012.



MAJOR TRANSACTIONS/LEASES

\$45,000,000.00 The City of Scottsdale purchased 2,482.24 acres on 12/14/2011. The land is part of the McDowell Sonoran Preserve and is located east of the Pima Road alignment, between the Dixileta Drive and Dove Valley Road Alignments.

\$41,000,000.00 The City of Scottsdale purchased 1,937.19 acres for the McDowell Sonoran Preserve on 12/7/2011. This area is located west of 136th Street, between the Pinnacle Peak and Lone Mountain Road alignments.

\$16,700,163.00 Mineral lease 11-98925 to ASARCO, LLC for 574.79 acres.

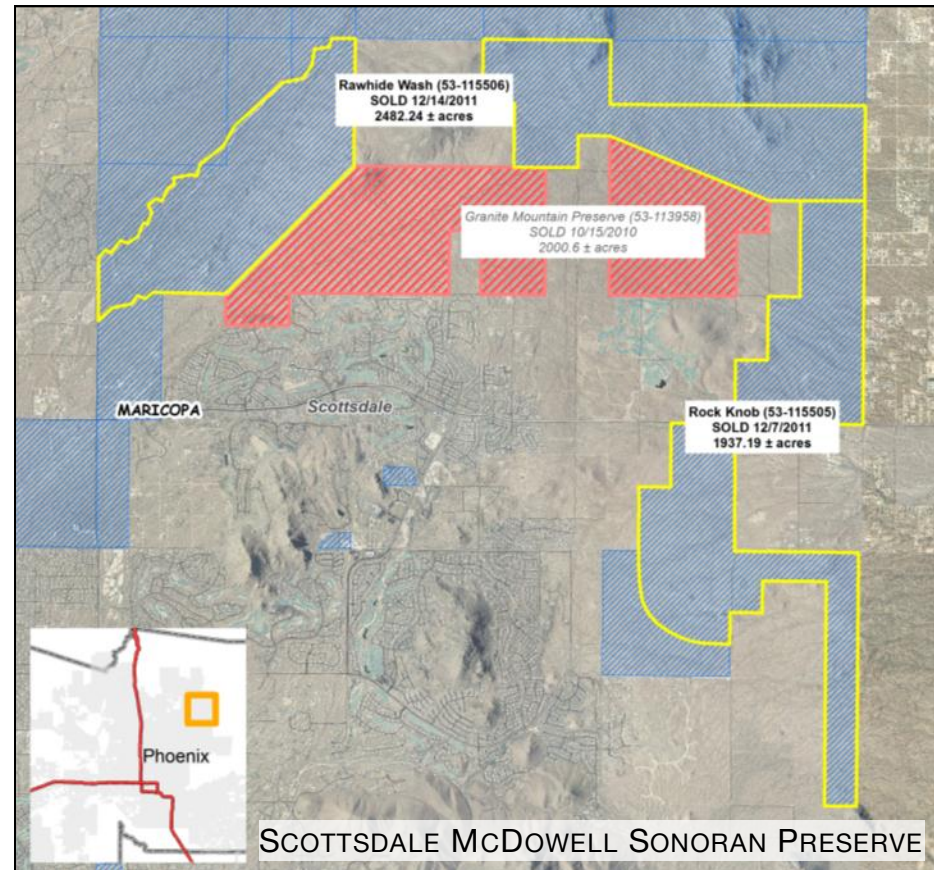
\$12,600,000.00 Caterpillar, Inc. purchased 4,425.25 acres on 12/22/2011, adjacent to their Pima County Proving Grounds.

\$10,222,274.37 BCB Group Investments, LLC purchased 29.37 acres in the City of Scottsdale (Crossroads East) on 5/15/2012 for commercial development.

\$6,100,000.00 The City of Phoenix purchased 343.16 acres on 11/30/2011. This land is part of the Sonoran Preserve and is located south of the Carefree Highway, east of I-17.

\$4,925,159.00 Mineral lease 11-113183 to Freeport Morenci for 331.79 acres.

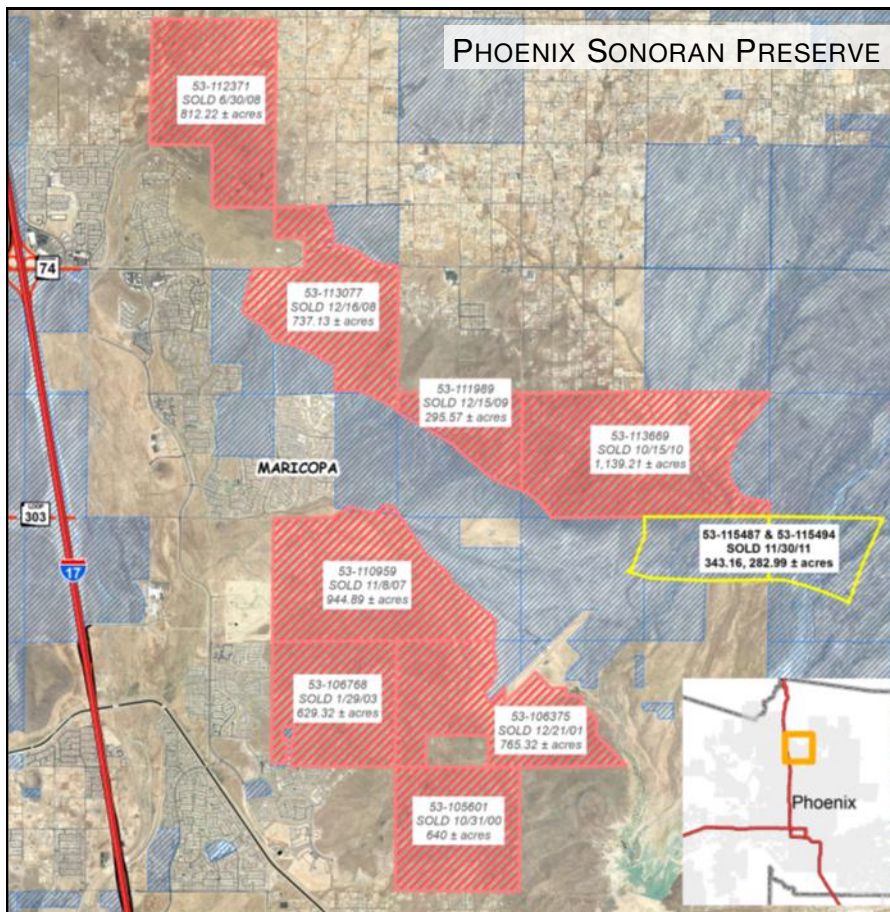
\$4,300,000.00 The City of Phoenix purchased 282.99 acres on 11/30/2011. This land is part of the Sonoran Preserve and is located south of the Carefree Highway, east of I-17.



OTHER MAJOR LAND SALES FOR FY 2012

This year the Department brought to auction four parcels that had been classified as suitable for conservation under the API. In November 2011, The City of Phoenix purchased two parcels for the Sonoran Preserve: a 343.16-acre parcel for \$6.1 million and a 282.99-acre parcel for \$4.3 million. To date, Phoenix has purchased approximately 6,600 acres of the 19,400 acres approved by the City Council in 1998.

The City of Scottsdale also had two successful auctions in December, working toward completion of the McDowell Sonoran Preserve. The first sale in December was for a 1,937.29-acre parcel for \$41 million; the second 2,482.24-acre parcel sold for \$45 million. Scottsdale has now acquired or protected more than 13,500 acres for the preserve, and has a long-range goal to expand the preserve to about 36,000 acres, nearly a third of the city's land area.



Also in December, the Department auctioned 4,425.25 acres proximate to the Town of Green Valley in Pima County. The successful bidder, Caterpillar, Inc., will use the lands for a facility for engine and heavy equipment testing, heavy equipment demonstration and training, in addition to an assembly and maintenance center.



Facts and Figures Land Auctioned FY 2012

	Acres Sold	Total Sales Price	Acres Leased	Minimum Cumulative Lease Revenue
Urban	5,121.21	\$107,242,274.37	0	\$0
Rural	4,479.23	\$12,644,675.00	546.62	\$3,405,000.00
TOTAL	9,600.44	\$119,886,949.37	546.62	\$3,405,000.00

SOLAR ENERGY LEASES

Fiscal year 2012 marks a historical year for the Department's push toward working with the renewable energy community. The ASLD worked diligently to develop a lease to cover the aspects of project development, lease payments, operation, and decommissioning of solar power facilities. Market information regarding the economics of real estate pertaining to solar energy is very sparse and closely guarded. This required significant and original work by the ASLD to determine applicable lease rates and terms. The Department successfully crafted a marketable lease with terms very beneficial to the Trust. The solar development community is comfortable with the lease and has accepted the ASLD's process.

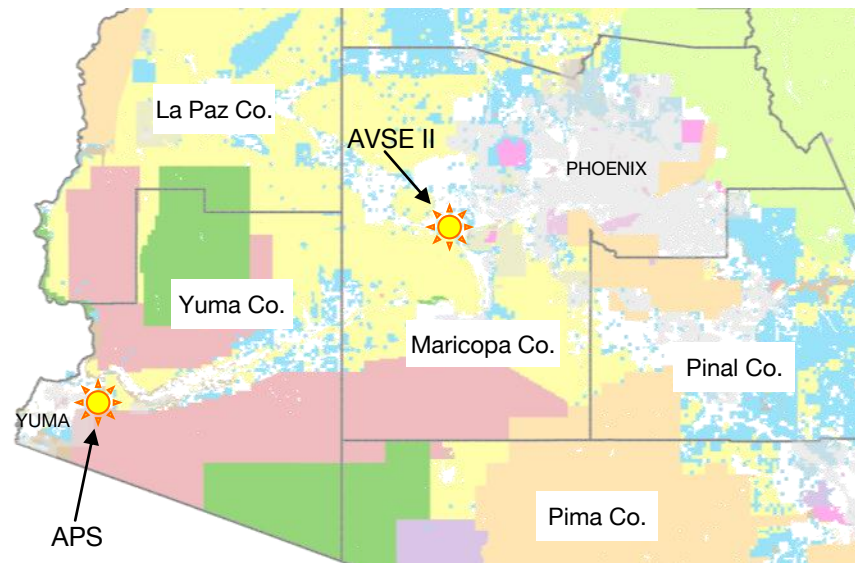


On March 28, 2012, the ASLD successfully entered into its first long-term commercial lease for the production of solar energy. The lease with Arizona Public Service Company (APS) is located on 398 acres in the Foothills area of Yuma County. The photovoltaic solar power facility will be mounted on a tracking system to rotate from east to west, following the sun's arc across the sky, maximizing the photovoltaic panels' exposure. The facility is presently under construction and will be rated at 35 megawatts. The power generated from APS's facility will be enough to serve approximately 8,500 homes in the Yuma area and is strategically located to improve the reliability of their generating capacity, particularly through the summer months. During the

term of the lease, the ASLD will generate in excess of \$10,984,000 in the form of rent based on the land value, coupled with a capacity fee based upon power production.

On March 29, 2012 the ASLD entered into their second solar lease with Arlington Valley Solar Energy II (AVSE II) located on 150 acres west of Buckeye in Maricopa County. This project also uses photovoltaic technology with a single axis sun tracking system, and is presently under construction. The minimum rating of this facility will be 17 megawatts. The location of the lease is just a portion of a larger project spanning both State and private land. The produced energy has been sold with a 20 year commitment to San Diego Gas & Electric. The Department will receive in excess of \$5,633,000.00 from base rent and capacity fees over the term of the lease.

The Department is often invited to speak to, and enthusiastically engages groups representing the solar energy industry. The ASLD will continue to enhance the value of the Trust and the State economy by pursuing these opportunities.

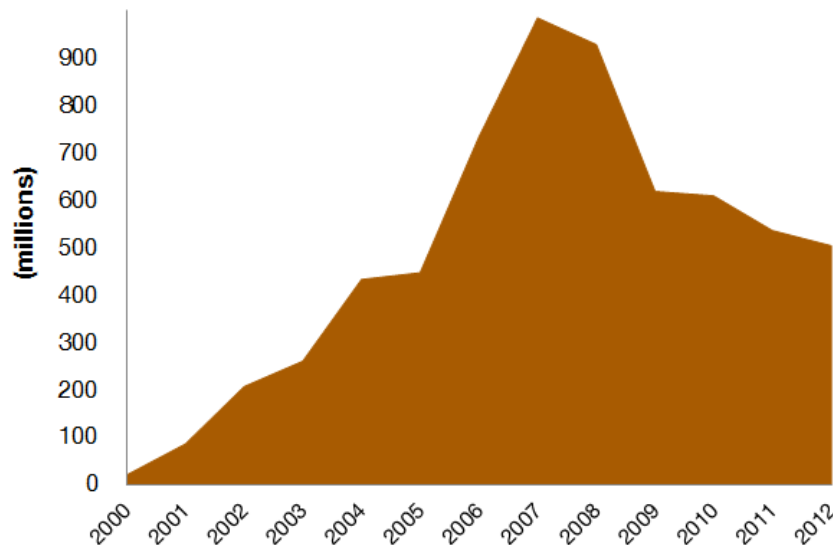


STATE TRUST LAND USES



- 10,309 leases and other contracts contain 9,429,323.38 surface acres.
- 1,083 leases and other contracts contain 884,522.41 subsurface acres.

Certificate of Purchase Balance FY 2000-2012



STATE TRUST LAND USES

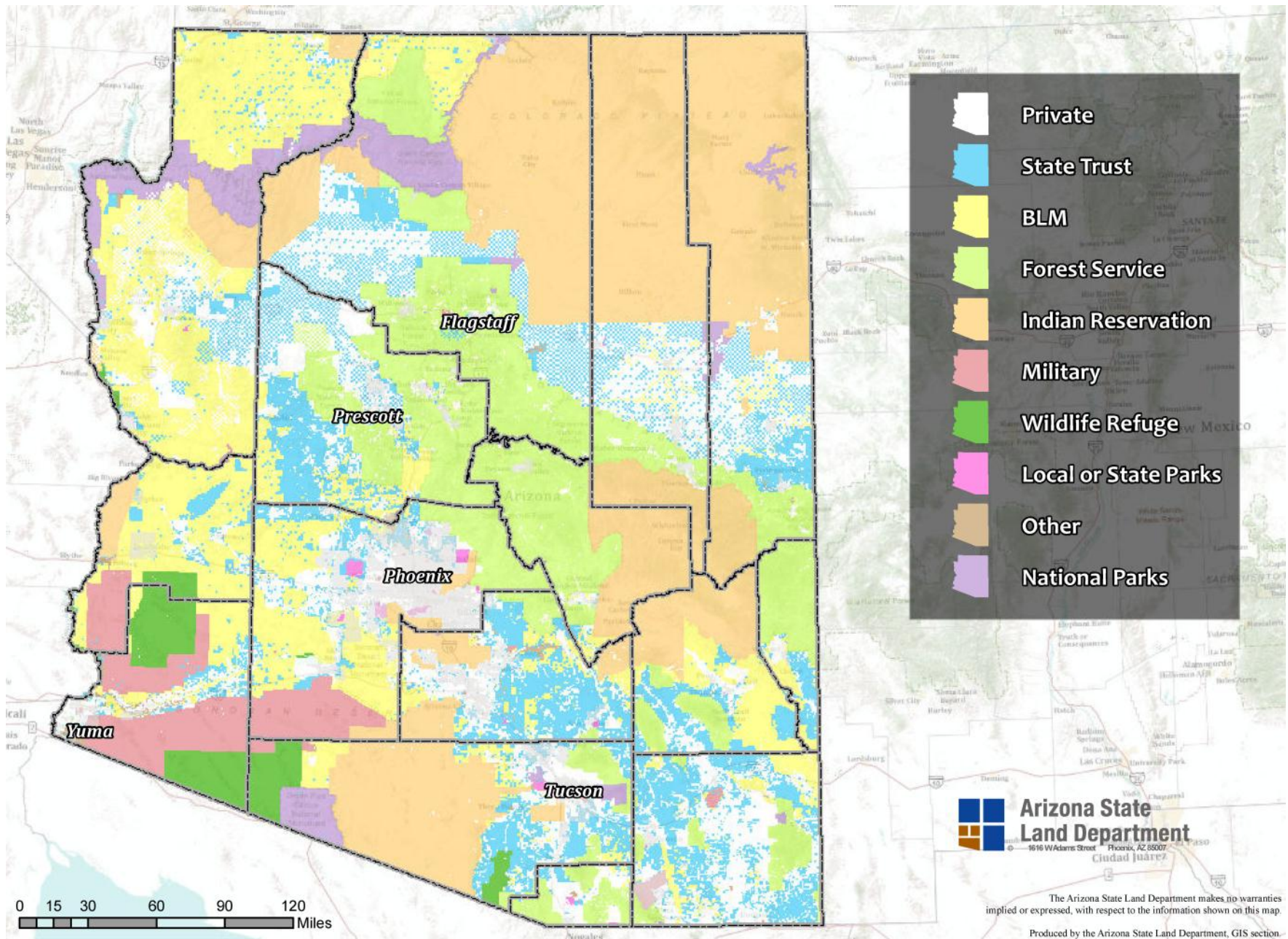
SURFACE	NO. OF LEASES	% OF LEASES	TOTAL ACREAGE	% OF ACREAGE
Rights Of Way	7,540	73.14%	137,360.45	1.46%
Grazing	1,224	11.87%	8,378,984.84	88.86%
Commercial	326	3.16%	75,092.42	0.80%
Commercial School Leases	21	0.20%	1,142.93	0.01%
Agricultural	347	3.37%	157,173.68	1.67%
Use Permits	678	6.58%	648,401.83	6.88%
U.S. Government	156	1.51%	18,270.03	0.19%
Homesite	1	0.01%	5.63	0.00%
Institutional	10	0.10%	12,891.56	0.14%
Recreational	6	0.06%	0.01	0.00%
SUBTOTAL (Leases)	10,309	100.00%	9,429,323.38	100.00%

SUBSURFACE	NO. OF LEASES	% OF LEASES	TOTAL ACREAGE	% OF ACREAGE
Mineral	68	6.28%	10,097.59	1.14%
Mineral Exploration	707	65.28%	364,297.39	41.19%
Mineral Materials	17	1.57%	1,559.64	0.18%
Oil & Gas	291	26.87%	508,567.40	57.50%
SUBTOTAL (Leases)	1,083	100.00%	884,522.02	100.00%
TOTAL LEASES	11,392		10,313,845.41	

Did You Know?

- By Statute, all major ASLD transactions must be substantiated by an appraisal to help protect the Trust beneficiaries.
- The current appraisal staff consists of three appraisers with over 60 years of experience combined.
- During the past year, the Appraisal Section either appraised or contracted out for appraisal over 95 assignments totaling \$266,000,000 in combined land value.

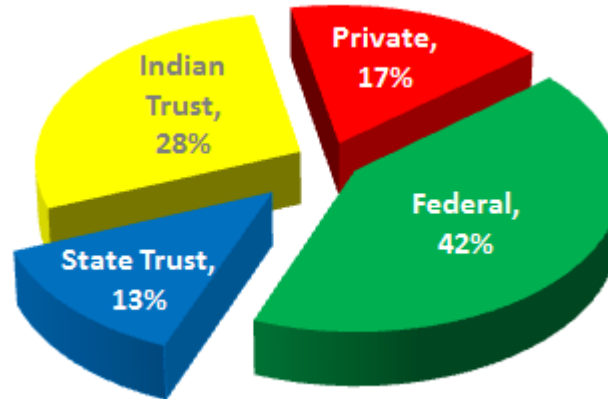
LAND OWNERSHIP AND MANAGEMENT



LAND OWNERSHIP IN ARIZONA

The State of Arizona contains an estimated 72,931,000 acres, or approximately 113,417 square miles, making it the sixth largest state in the United States. The surface land ownership in Arizona can be classified into four basic categories.

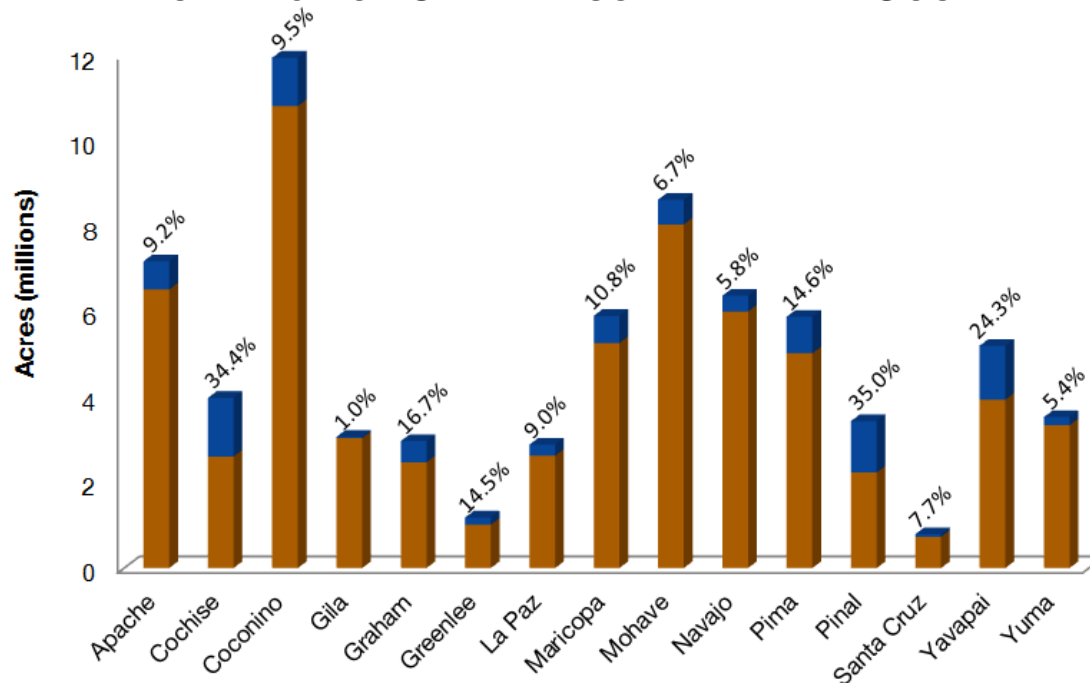
The percentages are estimates derived from digitized map data. The category called Private is overestimated due to the inclusion of small amounts of land owned by local, State, and Federal agencies.



COUNTY DISTRIBUTION OF STATE TRUST LAND

COUNTY	ACRES
Apache	661,739.44
Cochise	1,370,674.67
Coconino	1,134,038.83
Gila	31,231.07
Graham	496,948.63
Greenlee	172,104.74
La Paz	258,990.86
Maricopa	638,068.18
Mohave	581,527.37
Navajo	370,155.14
Pima	856,093.91
Pinal	1,204,533.61
Santa Cruz	61,235.97
Yavapai	1,264,327.04
Yuma	189,370.57
Other	11,215.59
TOTAL	9,302,255.62

PERCENTAGE OF STATE TRUST LAND PER COUNTY



BOARD OF APPEALS

CURRENT BOARD MEMBERS



Jolene U. Dance, Chair
Phoenix
Member-at-Large.



Jeffrey Covill, Vice Chair
Phoenix
Represents the Second District consisting of Maricopa, Pinal, Gila, Yuma and La Paz counties.



Sanders K. Solot
Tucson
Represents the First District, consisting of Pima, Santa Cruz, Cochise, Graham and Greenlee counties.



Sandra B. Kelley
Scottsdale
Member-at-Large.



Richard Pointer
Prescott
Represents the Third District consisting of Mohave, Yavapai, Coconino, Apache and Navajo counties.

BOARD MEMBERS, TERM EXPIRED DURING FY 2012



Kathleen M. Holmes, Term Expired January 2012
Scottsdale
Member-at-Large.



Norman R. Brown, Term Expired March, 2012
St. Johns
Represents the Third District consisting of Mohave, Yavapai, Coconino, Apache and Navajo counties.

Arizona Revised Statute §37-132(A)(7) requires all land sales and commercial leases be approved by the Board of Appeals, which also serves as an Administrative Review Board. An appeal from a final decision of the State Land Commissioner relating to appraisals and classifications may be taken to the Board of Appeals.

The State Land Department Board of Appeals consists of five board members (pictured to the left) appointed by the Governor and confirmed by the Senate for six-year terms. Three members represent the 15 counties in the State, which is divided into three districts. Two members hold positions at-large. During FY 2012 two board members' retired their terms: Kathleen M. Holmes was replaced by Sandra B. Kelly, and Richard Pointer took over Norman R. Brown's place on the board.

The Board currently meets monthly. This schedule allows the Board to address appeals of Commissioner decisions related to reclassification and appraisals, as directed by statute. All meetings were held in Phoenix this fiscal year.

During this fiscal year, the Board approved 15 new commercial leases, 33 renewal leases, 55 rights-of-way sale appraisals, and 20 land sale appraisals.

Three new appeals were filed with the Board. All appeals were withdrawn and dismissed by the Board. At the close of FY 2012, there were no appeals pending.

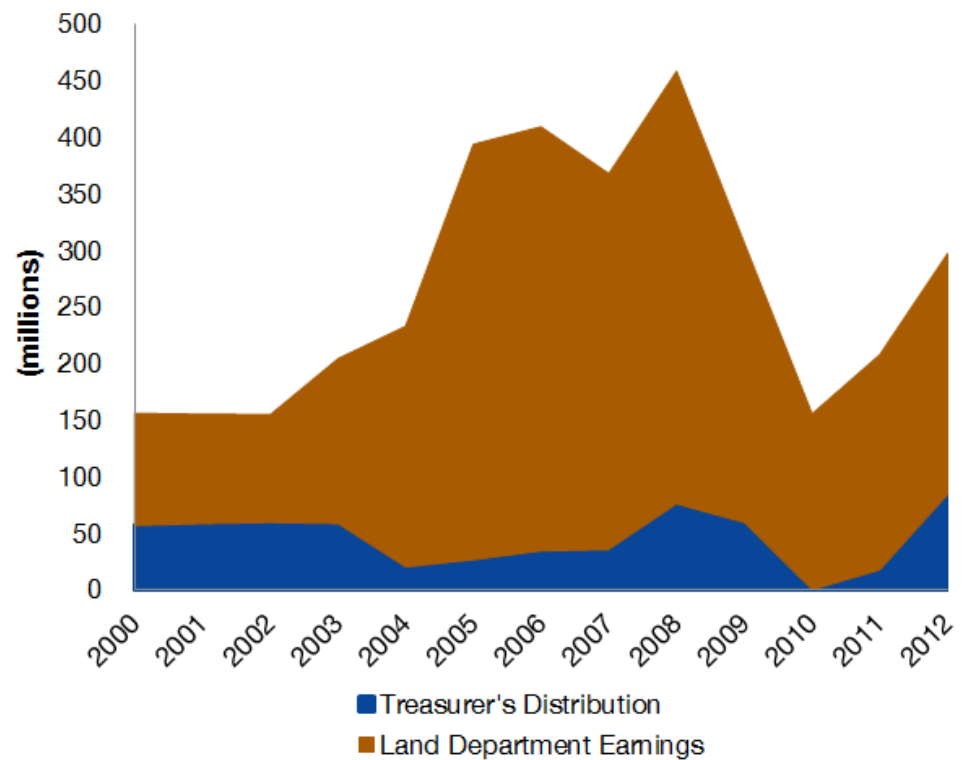
The Commissioner and the staff of the ASLD appreciate the considerable time and effort Board of Appeals members invest in serving the Trust and the citizens of Arizona.

FISCAL YEAR 2012



FUNDS	
Expendable	\$47,113,466.89
Commercial Prepayment	\$54,964.28
School Leases	\$0.00
General	\$155,912.50
Trust Land Management Fund	\$3,973,475.22
Permanent	\$161,920,981.00
TOTAL LAND DEPARTMENT	\$213,218,799.89
 Treasurer's Distribution	 \$83,922,184.00
GRAND TOTAL - FY 2012	\$297,140,983.89

**Total Trust Revenue
FY 2000-2012**



FISCAL YEAR 2012

REVENUES BY BENEFICIARY FY 2012

BENEFICIARIES	TRUST ACRES	STATE LAND EXPENDABLE EARNINGS	TREASURER'S FORMULA DISTRIBUTION	TOTAL EXPENDABLE RECEIPTS	TOTAL PERMANENT RECEIPTS	TOTAL RECEIPTS
Common Schools (K—12) [†]	8,088,270.54	39,155,062.11	77,832,917.00	116,987,979.11	155,572,376.94	272,560,356.05
Normal Schools Grant	174,797.56	138,286.55	90,281.00	228,567.55	81,208.47	309,776.02
Agricultural & Mechanical Colleges	124,943.87	96,550.51	264,320.00	360,870.51	6,406.42	367,276.93
Military Institutes Grant	80,168.11	45,720.41	15,388.00	61,108.41	0.00	61,108.41
School of Mines Grant	123,254.09	212,463.84	299,966.00	512,429.84	42,933.29	555,363.13
University Land Code	137,906.42	1,134,451.75	479,020.00	1,613,471.75	261,068.47	1,874,540.22
University of Arizona (Act of 2/18/1881)	51,881.13	549,515.11	1,023,757.00	1,573,272.11	175,985.61	1,749,257.72
School for the Deaf & Blind	82,559.65	172,111.51	129,625.00	301,736.51	97,303.95	399,040.46
SUBTOTAL Education	8,863,781.36	41,504,161.79	80,135,274.00	121,639,435.79	156,237,283.15	277,876,718.94
Legislative, Executive & Judicial Buildings	64,257.10	114,558.21	216,960.00	331,518.21	395,329.50	726,847.71
State Hospital Grant	71,248.39	550,600.71	146,483.00	697,083.71	154,632.46	851,716.17
Miners' Hospital Grant [†]	95,383.13	1,661,731.67	350,474.00	2,012,205.67	3,378,831.20	5,391,036.87
State Charitable, Penal, and Reformatory	77,228.58	2,266,176.12	2,725,732.00	4,991,908.12	1,642,557.48	6,634,465.60
Penitentiary Grant	76,110.72	1,016,238.39	347,261.00	1,363,499.39	112,347.21	1,475,846.60
TOTAL	9,248,009.29	47,113,466.89	83,922,184.00	131,035,650.89	161,920,981.00	292,956,631.89

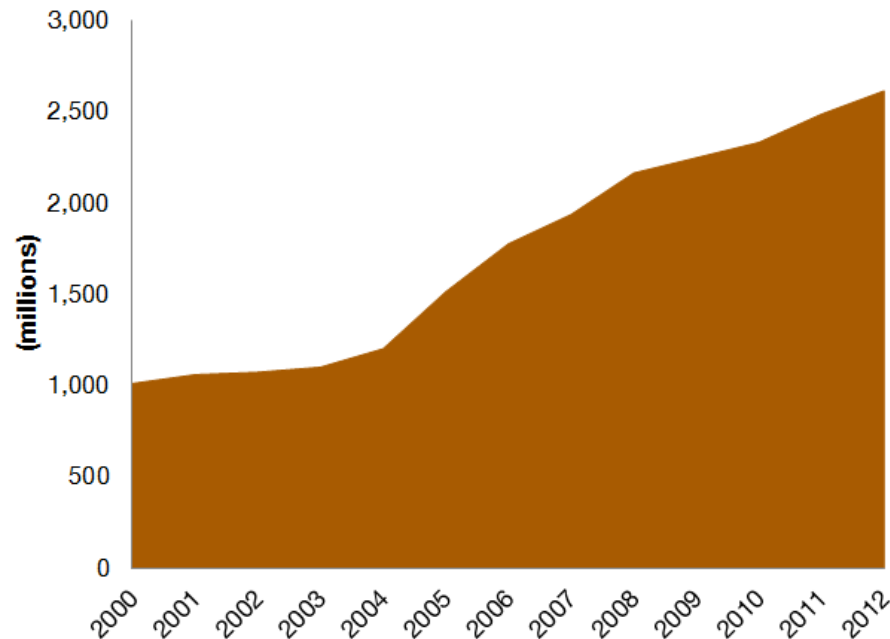
[†] Miners' Hospital and Miners' Hospital 1929 combined

[‡] Including County Bonds

PERMANENT FUND

- The Department deposited \$162 million into the Permanent Funds in FY 2012, increasing the book value to \$2,613,717,000.
- The balance of Department managed sales contracts is \$503.1 million.
- The Permanent Funds consist of revenues earned from the sale of State Trust land or assets such as minerals or other natural products.
- Each beneficiary has its own Permanent Fund.
- The State Treasurer manages the Permanent Funds and invests the funds in stocks, bonds and other interest bearing securities. Distributions from the Permanent Funds to the beneficiaries are based on a constitutional formula.

**Permanent Fund Balance
FY 2000-2012**



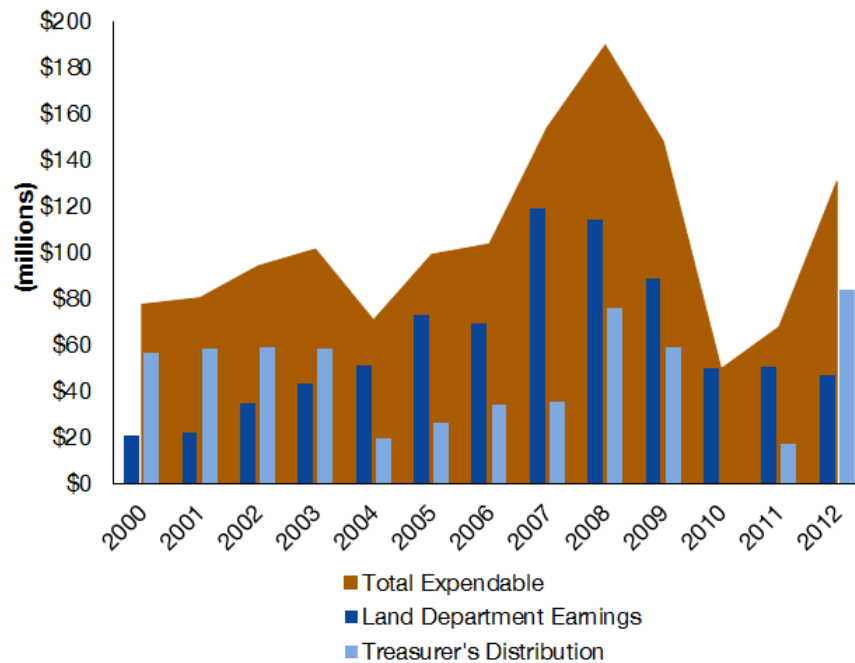
BENEFICIARY SHARE OF PERMANENT FUND June 30, 2012

	Book Value	Market Value
Common Schools	2,433,849,000	3,277,439,000
Normal Schools	2,467,000	3,511,000
Agricultural & Mechanical Colleges	6,372,000	9,586,000
Military Institutes	359,000	535,000
School of Mines	7,669,000	10,855,000
University Land Code	12,735,000	18,093,000
University of Arizona (Act of 2/18/1881)	37,523,000	50,276,000
School for the Deaf & Blind	3,483,000	5,053,000
Legislative, Executive, and Judicial	5,588,000	8,000,000
State Hospital	3,992,000	5,895,000
Miner's Hospital	14,737,000	18,605,000
State Charitable, Penal, and Reformatory	76,863,000	105,154,000
Penitentiaries	8,080,000	11,632,000
TOTAL	2,613,717,000	3,524,634,000

EXPENDABLE REVENUE

- Expendable revenue includes lease revenue from Trust land leases and permits, interest from sales contracts, and the Treasurer's formula distribution of the Permanent Fund.
- Expendable revenues are distributed directly to the beneficiaries.
- Expendable revenue totaled \$131.0 million in FY 2012.
- Revenue from Trust land leases, permits, and interest earnings from sales financed through the Department totaled \$47.1 million.
- The Treasurer distributed \$83.9 million according to the constitutional formula based on the five-year average net return and the 60 month average market value.

**Trust Expendable Earnings
FY 2000-2012**



**EXPENDABLE REVENUE BY BENEFICIARY
FY 2012**

BENEFICIARIES	TREASURERS'S FORMULA DISTRIBUTIONS	LEASE AND SALES CONTRACT INTEREST	TOTAL EXPENDABLE REVENUE
Common Schools	77,832,917.00	39,155,062.11	116,987,979.11
Normal Schools	90,281.00	138,286.55	228,567.55
Agriculture and Mechanical Colleges	264,320.00	96,550.51	360,870.51
Military Institutes	15,388.00	45,720.41	61,108.41
School of Mines	299,966.00	212,463.84	512,429.84
University Land Code	479,020.00	1,134,451.75	1,613,471.75
University of Arizona (Act of 2/18/1881)	1,023,757.00	549,515.11	1,573,272.11
School for the Deaf and Blind	129,625.00	172,111.51	301,736.51
Subtotal Education	80,135,274.00	41,504,161.79	121,639,435.79
Legislative, Executive & Judicial Buildings	216,960.00	114,558.21	331,518.21
State Hospital	146,483.00	550,600.71	697,083.71
Miners Hospital	350,474.00	1,661,731.67	2,012,205.67
State Chritable, Penal, & Reformatory	2,725,732.00	2,266,176.12	4,991,908.12
Penitentiaries	347,261.00	1,016,238.39	1,363,499.39
TOTAL	83,922,184.00	47,113,466.89	131,035,650.89

FUND AND BENEFICIARY SUMMARY

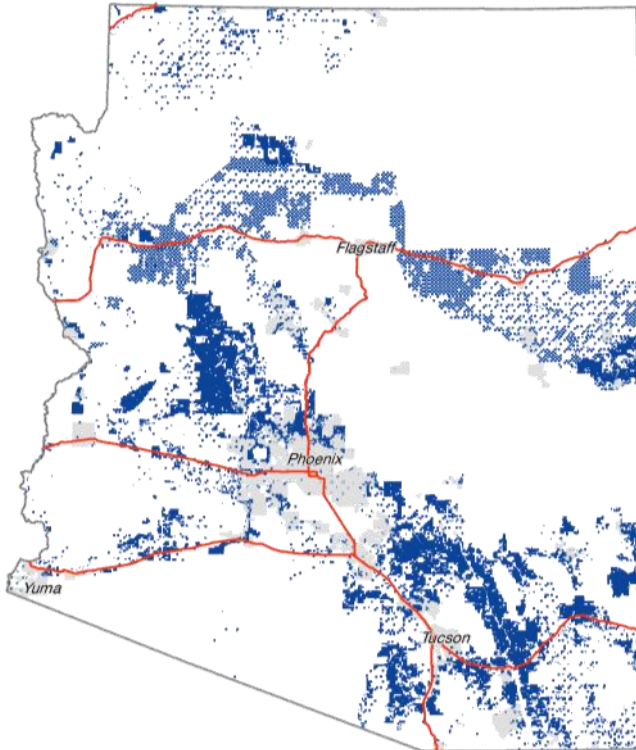
In FY 2012, State Trust receipts totaled \$297,140,984. A total of \$213,218,800 was earned for the beneficiaries, \$155,913 was deposited in the General Fund, \$54,964 was received as commercial prepayments, and \$3,973,475 was deposited into the Trust Land Management Fund, which is used to manage the Trust. Of the beneficiary amount, \$83,922,184 was deposited into the Permanent Funds. The Permanent Funds are managed by the State Treasurer. The remaining \$131,035,651 in receipts were expendable and were distributed to the beneficiaries for use in their operations. Expendable receipts are comprised of lease revenues, interest on the outstanding sales balance, and the Treasurer's formula distribution. The table below indicates the number of acres remaining for each grant along with a breakdown on how the expendable receipts are distributed to the beneficiaries.

TRUST ACRES	GRANT	BENEFICIARY
8,088,271	Common Schools (K - 12) (Includes County Bonds)	1st \$72.3 million of expendable receipts → State Aid Formula for K - 12 Receipts over \$72.3 million → Classroom Site Fund
174,798	Normal Schools	} Board of Regents to Distribute to Universities
124,944	Agricultural & Mechanical Colleges	
80,168	Military Institutes	
123,254	School of Mines	
137,906	University Land Code	
51,881	University of Arizona (Act Of 2/18/1881)	
82,560	School for the Deaf & Blind	School for the Deaf & Blind
64,257	Legislative, Executive & Judicial Buildings	Legislature, Executive & Judicial Branch
71,248	State Hospital	State Hospital
95,383	Miners' Hospital (2 Grants)	Pioneers' Home
77,229	State Charitable, Penal, and Reformatory	} 50% Pioneers' Home 25% Department of Corrections 25% Department of Juvenile Corrections
76,111	Penitentiary	
<u>9,248,009</u>	TOTAL	

FUND AND BENEFICIARY SUMMARY

Common Schools (K – 12)

- Public education is by far the largest beneficiary of Trust land managed by the Department. Congress granted two sections of each township to common schools when Arizona became a territory and another two sections when Arizona became a state. The State was able to select federal lands equal to the sections that could not be granted due to the establishment of federal forests, parks and Indian reservations. Today, approximately 8.1 million acres remain in the Trust for common schools.
- In FY 2012, \$155.6 million from sales and royalties was deposited into the Permanent Fund for common schools bringing the total balance to \$2,433,849,000.
- In FY 2012, \$117.0 million was generated in expendable receipts from leases and interest on the outstanding sales balance. The Treasurer distributed \$16.2 million to the common schools in FY 2011. According to A.R.S. § 37-521 B, expendable receipts are distributed first to the School Facilities Board for revenue bonds, second to the New School Facilities Fund, if appropriated, third for basic state aid, and fourth, any receipts in excess of \$72.3 million are deposited into the Classroom Site Fund, which will be used for teacher raises, classroom size reduction and dropout prevention programs.
- The location of common school grant lands are shown in the above map. As a result of the large number of acres that are strategically located around urban areas, substantial revenues are expected to be generated in future years on behalf of the schools.



COMMON SCHOOLS ACRES AND INCOME-FY 2012

SURFACE LEASES	ACRES	INCOME
Agriculture	113,970	3,186,657.41
Commercial	18,099	17,035,740.31
Grazing	7,381,009	2,095,140.11
Homesite	6	6,893.23
Rights-of-Way	94,146	2,532,397.08
Use Permits	556,823	3,272,236.17
Public Education	0	0.00
Institutional Taking	5,406	457,653.47
U.S. Government	17,430	409,106.07
Other	0	2,417,009.28
TOTAL SURFACE	8,186,889	31,412,833.13

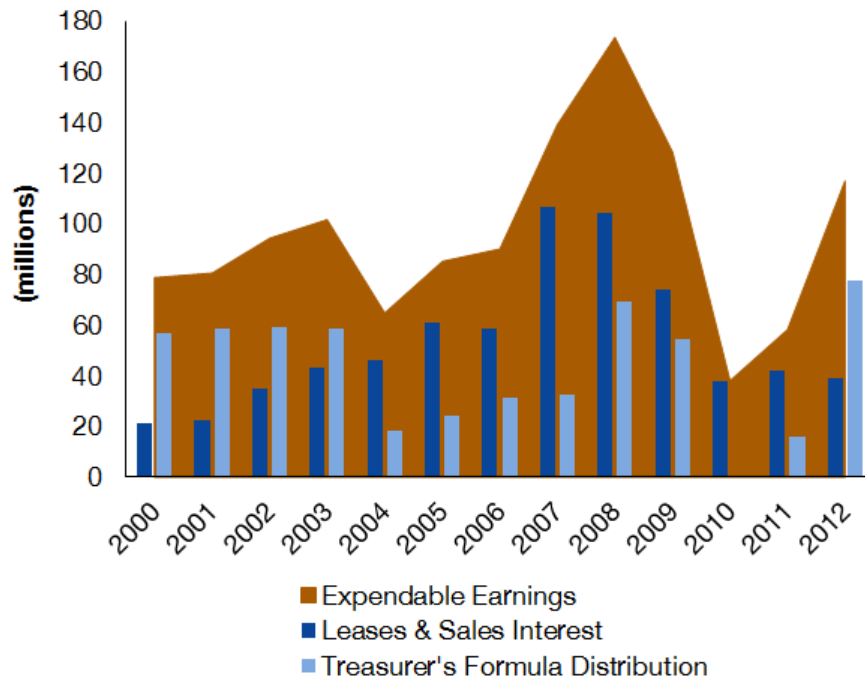
SUBSURFACE LEASES		
Mineral	9,758	71,888.94
Prospecting Permit	324,756	909,183.83
Mineral Material	889	148,521.93
Oil & Gas	418,509	1,477,482.82
U.S. Government	17,430	0.00
TOTAL SUBSURFACE	771,343	2,607,077.52

Penalty & Interest	538,635.34
Sales Interest	4,596,516.12
School Leases	0.00
Treasurer's Formula Distribution	77,832,917.00
GRAND TOTAL EXPENDABLE	116,987,979.11

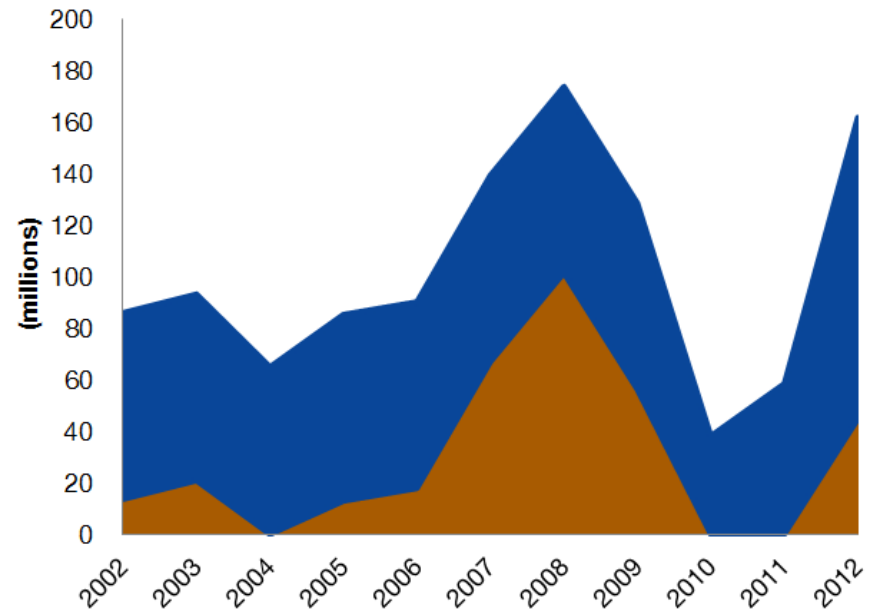
Permanent Fund Receipts	155,572,376.94
Permanent Fund Balance	2,433,849,000.00

Proposition 301 (passed by voters in the 2000 election) created a Classroom Site Fund whereby particular sources of funds, including revenue from the fiduciary management of State Trust land, are directed to fund items such as teacher salaries, classroom size reduction, and dropout prevention programs. According to Proposition 301, the first \$72.3 million in expendable revenue for common schools can be used to fund the basic State Aid Formula, which funds education. Expendable revenue in excess of \$72.3 million is deposited into the Classroom Site Fund.

Common Schools Expendable Earnings FY 2000-2012



Classroom Site Fund FY 2002-2012



COMMON SCHOOL REVENUE (Millions)

Fiscal Year	2008	2009	2010	2011	2012
Permanent Fund Revenue	238.5	138.5	91.7	109.4	155.6
Treasurer's Distribution	69.3	54.3	0	16.2	77.8
Rent & Interest	104.4	74.1	38.1	42.2	39.2
Total Expendable	173.7	128.4	38.1	59.9	117.0
Base Year Amount	(72.3)	(72.3)	(72.3)	(72.3)	(72.3)
Classroom Site Fund	101.4	56.2	0	0	44.7

FUND AND BENEFICIARY SUMMARY

University Grants

- Arizona's three universities (Arizona State University, Northern Arizona University, and the University of Arizona) are the beneficiaries of six Trust grants.
- The total expendable revenue distributed to the Board of Regents and then to the universities to fund their operations was \$4.3 million in FY 2012. An additional \$567,602 was earned and added to the permanent funds for the six grants, bringing the total Permanent Fund balance to \$67.1 million.
- The Board of Regents distributes the expendable earnings from the six grants to the University of Arizona, Northern Arizona University and Arizona State University as follows:

Board of Regents Distribution of Trust Revenues to the Universities

Grant	Distribution
Agricultural & Mechanical Colleges	1/2 to UA and the other 1/2 split between the three universities based on engineering credit hours
Military Institutes Grant	Split between the three universities based on credit hours
University Land Code	Split between the three universities based on credit hours
Normal Schools	1/3 to each university
UA 1881 Grants	UA
School of Mines Grant	UA

Northern Arizona University
NAU Letters Photo 2012
(Photo courtesy of Northern Arizona University)



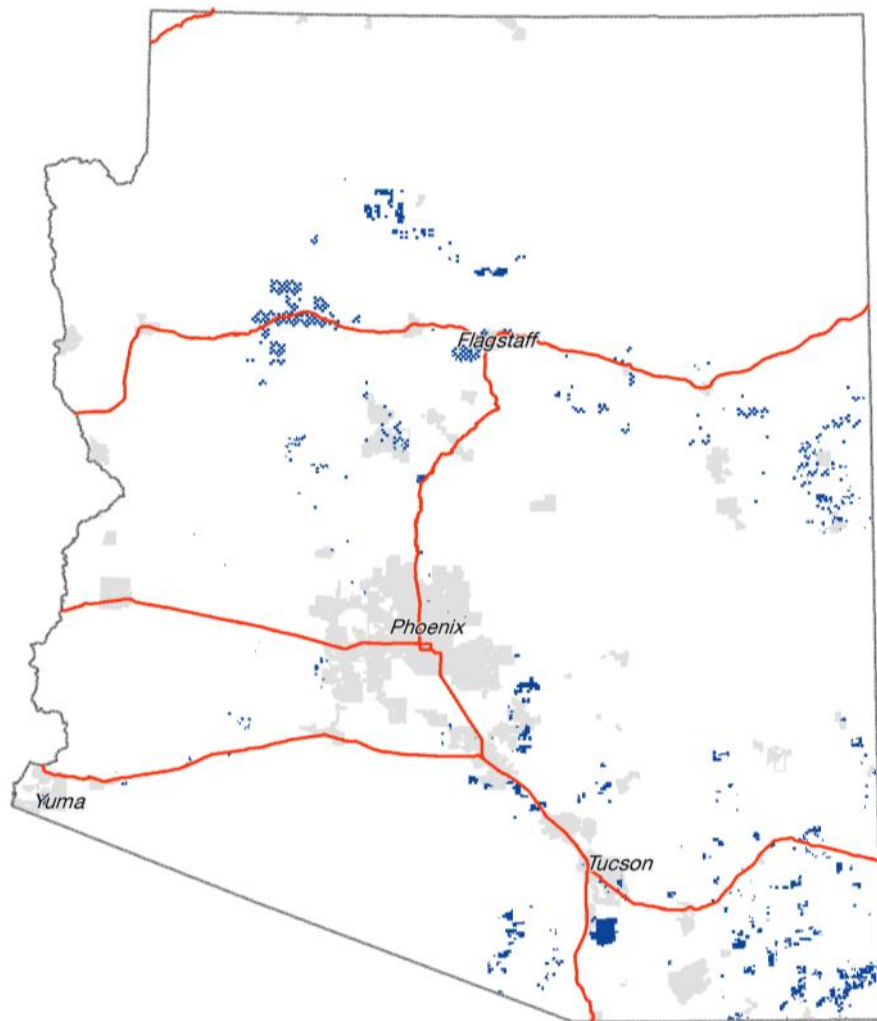
TOTAL UNIVERSITY ACRES AND INCOME — FY 2012

SURFACE LEASES	ACRES	INCOME
Agriculture	13,525	342,149.86
Commercial	51,417	637,460.21
Grazing	598,427	219,007.57
Homesite	0	0.00
Rights-of-Way	7,962	178,836.21
Use Permits	39,026	413,488.86
Public Education	0	0.00
Institutional Taking	5,151	780.35
U.S. Government	299	363.43
Other	0	5,372.04
TOTAL SURFACE	715,807	1,797,458.53

SUBSURFACE LEASES		
Mineral	0	0.00
Prospecting Permit	25,700	60,420.17
Mineral Material	200	53,760.09
Oil and Gas	70,335	123,565.27
U.S. Government	299	0.00
TOTAL SUBSURFACE	96,533	237,745.53

Penalty & Interest	13,271.65
Sales Interest	128,512.46
Treasurer's Formula Distribution	2,172,732.00
GRAND TOTAL EXPENDABLE	4,349,720.17

Permanent Fund Receipts	567,602.26
Permanent Fund Balance	67,125,000.00



Arizona State University

An aerial view of the Tempe campus, (Photo by Tom Story and courtesy of Arizona State University)



University of Arizona

Tucson is a bustling urban center of nearly a million residents. Set in the lush Sonoran Desert and surrounded by mountains, this unique environment is famous for mild winters, stunning sunsets and outdoor adventures (Photo credit: University of Arizona External Relations | Marketing)

FUND AND BENEFICIARY SUMMARY

University Grants Continued

NORMAL SCHOOLS GRANT ACRES AND INCOME—FY 2012

SURFACE LEASES	ACRES	INCOME
Agriculture	165	3,694.85
Commercial	22,539	21,644.67
Grazing	146,666	55,169.27
Homesite	0	0.00
Rights-of-Way	1,634	5,470.82
Use Permits	7,130	5,214.25
Public Education	0	0.00
Institutional Taking	2,721	0.00
U.S. Government	184	363.43
Other	0	300.00
TOTAL SURFACE	181,039	91,857.29
SUBSURFACE LEASES		
Mineral	0	0.00
Prospecting Permit	19,250	18,059.74
Mineral Material	120	10,560.09
Oil and Gas	7,935	16,663.47
U.S. Government	184	0.00
TOTAL SUBSURFACE	27,489	45,283.30
Penalty & Interest		1,145.96
Sales Interest		0.00
Treasurer's Formula Distribution		90,281.00
GRAND TOTAL EXPENDABLE		228,567.55
Permanent Fund Receipts		81,208.47
Permanent Fund Balance		2,467,000.00

AGRICULTURAL & MECHANICAL COLLEGES ACRES AND INCOME—FY 2012

SURFACE LEASES	ACRES	INCOME
Agriculture	251	3,442.45
Commercial	10,172	1,376.17
Grazing	107,163	40,419.21
Homesite	0	0.00
Rights-of-Way	1,803	26,216.31
Use Permits	11,691	17,338.39
Public Education	0	0.00
Institutional Taking	1,917	0.00
U.S. Government	86	0.00
Other	0	0.00
TOTAL SURFACE	133,083	88,792.53
SUBSURFACE LEASES		
Mineral	0	0.00
Prospecting Permit	1,789	60.00
Mineral Material	0	0.00
Oil and Gas	6,589	7,222.75
U.S. Government	86	0.00
TOTAL SUBSURFACE	8,464	7,282.75
Penalty & Interest		475.23
Sales Interest		0.00
Treasurer's Formula Distribution		264,320.00
GRAND TOTAL EXPENDABLE		360,870.51
Permanent Fund Receipts		6,406.42
Permanent Fund Balance		6,372,000.00

MILITARY INSTITUTES ACRES AND INCOME—FY 2012

SURFACE LEASES	ACRES	INCOME
Agriculture	0	0
Commercial	1,677	2,400.00
Grazing	76,749	33,334.73
Homesite	0	0.00
Rights-of-Way	269	2,868.63
Use Permits	3,337	2,054.20
Public Education	0	0.00
Institutional Taking	0	0.00
U.S. Government	0	0.00
Other	0	0.00
TOTAL SURFACE	82,032	40,657.56
SUBSURFACE LEASES		
Mineral	0	0.00
Prospecting Permit	640	0.00
Mineral Material	0	0.00
Oil and Gas	18,182	4,661.04
U.S. Government	0	0.00
TOTAL SUBSURFACE	18,822	4,661.04
Penalty & Interest		401.81
Sales Interest		0.00
Treasurer's Formula Distribution		15,388.00
GRAND TOTAL EXPENDABLE		61,108.41
Permanent Fund Receipts		0.00
Permanent Fund Balance		359,000.00

SCHOOL OF MINES
ACRES AND INCOME—FY 2012

SURFACE LEASES	ACRES	INCOME
Agriculture	2,445	40,427.81
Commercial	8,483	8,381.11
Grazing	111,087	38,570.33
Homesite	0	0.00
Rights-of-Way	1,086	16,884.62
Use Permits	8,935	9,406.13
Public Education	0	0.00
Institutional Taking	0	0.00
U.S. Government	17	0.00
Other	0	0.00
TOTAL SURFACE	132,052	113,670.00

SUBSURFACE LEASES		
Mineral	0	0.00
Prospecting Permit	2,731	40,857.48
Mineral Material	0	0.00
Oil and Gas	17,215	56,482.10
U.S. Government	17	0.00
TOTAL SUBSURFACE	19,962	97,339.58

Penalty & Interest	1,454.26
Sales Interest	0.00
Treasurer's Formula Distribution	299,966.00
GRAND TOTAL EXPENDABLE	512,429.84

Permanent Fund Receipts	42,933.29
Permanent Fund Balance	7,669,000.00

UNIVERSITY LAND CODE
ACRES AND INCOME—FY 2012

SURFACE LEASES	ACRES	INCOME
Agriculture	3,626	59,676.16
Commercial	8,238	514,813.03
Grazing	117,855	41,660.30
Homesite	0	0.00
Rights-of-Way	2,358	105,013.18
Use Permits	5,178	346,398.85
Public Education	0	0.00
Institutional Taking	107	780.35
U.S. Government	8	0.00
Other	0	1,850.00
TOTAL SURFACE	137,370	1,070,191.87

SUBSURFACE LEASES		
Mineral	0	0.00
Prospecting Permit	890	1,442.95
Mineral Material	0	0.00
Oil and Gas	20,414	38,535.91
U.S. Government	8	0.00
TOTAL SUBSURFACE	21,312	39,978.86

Penalty & Interest	986.10
Sales Interest	23,294.92
Treasurer's Formula Distribution	479,020.00
GRAND TOTAL EXPENDABLE	1,613,471.75

Permanent Fund Receipts	261,068.47
Permanent Fund Balance	12,735,000.00

UNIVERSITY OF ARIZONA—1881
ACRES AND INCOME—FY 2012

SURFACE LEASES	ACRES	INCOME
Agriculture	7,039	234,908.59
Commercial	308	88,845.23
Grazing	38,908	9,853.73
Homesite	0	0.00
Rights-of-Way	812	22,382.65
Use Permits	2,755	33,077.04
Public Education	0	0.00
Institutional Taking	406	0.00
U.S. Government	4	0.00
Other	0	3,222.04
TOTAL SURFACE	50,231	392,289.28

SUBSURFACE LEASES		
Mineral	0	0.00
Prospecting Permit	400	0.00
Mineral Material	80	43,200.00
Oil and Gas	0	0.00
U.S. Government	4	0.00
TOTAL SUBSURFACE	484	43,200.00

Penalty & Interest	8,808.29
Sales Interest	105,217.54
Treasurer's Formula Distribution	1,023,757.00
GRAND TOTAL EXPENDABLE	1,573,272.11

Permanent Fund Receipts	175,985.61
Permanent Fund Balance	37,523,000.00

FUND AND BENEFICIARY SUMMARY

Other Grants

- The remaining six Trust beneficiaries are the School for the Deaf & Blind; the Legislative, Executive and Judicial Buildings; the State Hospital; the Pioneers' Home; the Department of Juvenile Corrections; and the Department of Corrections. These six beneficiaries were authorized in the Enabling Act and received 100,000 acres, except for the State Charitable Grant which received 200,000 acres. A chart showing the connection between the grants and the beneficiaries is provided below.
- The Pioneers' Home received a total of \$4,508,159.73 in expendable receipts in FY 2012.
- The Department of Juvenile Corrections received \$1,247,977.03 in expendable receipts in FY 2012.
- The Department of Corrections received a total of \$2,611,476.42 in expendable receipts in FY 2012.



Arizona Department of Juvenile Corrections
Black Canyon School (BCS) operates intake and secure programming for youth. BCS houses all female youth and is located in Phoenix. *(Photo courtesy of the Arizona Department of Juvenile Corrections)*

Grant

Beneficiary

School for Deaf & Blind	School for Deaf & Blind
Legislative, Executive & Judicial Buildings	Legislature, Executive & Judicial Branch
State Hospital	State Hospital
Miners' Hospital (2 Grants)	Pioneers' Home
State Charitable, Penal & Reformatory	50% Pioneers' Home
	25% Dept. of Juvenile Corrections
	25% Dept. of Corrections
Penitentiary	Dept. of Corrections



Arizona State Schools for the Deaf and Blind
Henry C. White was the first principal, appointed by Governor George W. P. Hunt, and classes began in October, 1912. Nineteen children with hearing loss were the first students, and classes were held in a converted residence on the campus of the University of Arizona in Tucson. *(Photo courtesy of the Arizona State Schools for the Deaf and Blind)*

SCHOOL FOR THE DEAF & BLIND
ACRES AND INCOME—FY 2012

SURFACE LEASES	ACRES	INCOME
Agriculture	2,638	68,301.96
Commercial	1,453	30,997.35
Grazing	72,540	29,213.61
Homesite	0	0.00
Rights-of-Way	798	22,372.32
Use Permits	11,309	16,512.37
Public Education	0	0.00
Institutional Taking	1	1,197.47
U.S. Government	32	0.00
Other	0	17.57
TOTAL SURFACE	88,771	168,612.65

SUBSURFACE LEASES		
Mineral	0	0.00
Prospecting Permit	2,282	1,041.90
Mineral Material	0	0.00
Oil and Gas	3,551	1,240.00
U.S. Government	32	0.00
TOTAL SUBSURFACE	5,865	2,281.90

Penalty & Interest	1,216.96
Sales Interest	0.00
Treasurer's Formula Distribution	129,625.00
GRAND TOTAL EXPENDABLE	301,736.51

Permanent Fund Receipts	97,303.95
Permanent Fund Balance	3,483,000.00

LEGISLATIVE, EXECUTIVE, & JUDICIAL
BUILDINGS
ACRES AND INCOME—FY 2012

SURFACE LEASES	ACRES	INCOME
Agriculture	1,104	23,902.91
Commercial	5	25,920.00
Grazing	57,427	18,852.52
Homesite	0	0.00
Rights-of-Way	1,390	13,003.98
Use Permits	4,226	146.31
Public Education	0	0.00
Institutional Taking	0	0.00
U.S. Government	92	0.00
Other	0	0.00
TOTAL SURFACE	64,244	81,825.72

SUBSURFACE LEASES		
Mineral	0	0.00
Prospecting Permit	2,153	26,299.63
Mineral Material	0	0.00
Oil and Gas	4,443	5,810.47
U.S. Government	92	0.00
TOTAL SUBSURFACE	6,688	32,110.10

Penalty & Interest	622.39
Sales Interest	0.00
Treasurer's Formula Distribution	216,960.00
GRAND TOTAL EXPENDABLE	331,518.21

Permanent Fund Receipts	395,329.50
Permanent Fund Balance	5,588,000.00

STATE HOSPITAL
ACRES AND INCOME—FY 2012

SURFACE LEASES	ACRES	INCOME
Agriculture	4,246	141,691.25
Commercial	204	271,533.74
Grazing	57,770	20,503.08
Homesite	0	0.00
Rights-of-Way	877	25,857.60
Use Permits	6,379	18,411.15
Public Education	0	0.00
Institutional Taking	80	20,559.00
U.S. Government	108	0.00
Other	0	1,195.00
TOTAL SURFACE	69,664	499,750.82

SUBSURFACE LEASES		
Mineral	60	32,544.00
Prospecting Permit	1,196	1,344.15
Mineral Material	77	11,000.00
Oil and Gas	3,911	0.00
U.S. Government	108	0.00
TOTAL SUBSURFACE	5,352	44,888.15

Penalty & Interest	5,961.74
Sales Interest	0.00
Treasurer's Formula Distribution	146,483.00
GRAND TOTAL EXPENDABLE	697,083.71

Permanent Fund Receipts	154,632.46
Permanent Fund Balance	3,992,000.00

FUND AND BENEFICIARY SUMMARY

Other Grants Continued

MINERS' HOSPITAL*			STATE CHARITABLE, PENAL, & REFORMATORY			PENITENTIARY		
ACRES AND INCOME—FY 2012			ACRES AND INCOME—FY 2012			ACRES AND INCOME—FY 2012		
SURFACE LEASES	ACRES	INCOME	SURFACE LEASES	ACRES	INCOME	SURFACE LEASES	ACRES	INCOME
Agriculture	12,866	406,318.54	Agriculture	3,997	100,870.97	Agriculture	4,717	194,637.75
Commercial	579	975,933.50	Commercial	2,834	343,502.59	Commercial	456	718,200.50
Grazing	73,482	24,168.81	Grazing	62,845	23,533.95	Grazing	66,025	24,646.65
Homesite	0	2,495.00	Homesite	0	0.00	Homesite	0	0.00
Rights-of-Way	1,560	25,302.28	Rights-of-Way	1,148	47,569.58	Rights-of-Way	586	11,788.65
Use Permits	9,112	62,597.69	Use Permits	6,854	843,227.51	Use Permits	14,344	61,244.39
Public Education	0	0.00	Public Education	0	0.00	Public Education	0	0.00
Institutional Taking	1	947.14	Institutional Taking	475	71,549.33	Institutional Taking	1,778	0.00
U.S. Government	168	0.00	U.S. Government	117	0.00	U.S. Government	5	0.00
Other	0	534.72	Other	0	0.00	Other	0	0.00
TOTAL SURFACE	97,768	1,498,297.68	TOTAL SURFACE	78,271	1,430,253.93	TOTAL SURFACE	87,911	1,010,517.94
SUBSURFACE LEASES			SUBSURFACE LEASES			SUBSURFACE LEASES		
Mineral	119	0.00	Mineral	160	120.00	Mineral	0	0.00
Prospecting Permit	6,382	6,326.70	Prospecting Permit	0	0.00	Prospecting Permit	1,830	2,619.32
Mineral Material	230	20,239.91	Mineral Material	138	176,000.64	Mineral Material	0	0.00
Oil and Gas	1,960	1,760.00	Oil and Gas	5,378	4,279.92	Oil and Gas	480	480.00
U.S. Government	168	0.00	U.S. Government	117	0.00	U.S. Government	5	0.00
TOTAL SUBSURFACE	8,859	28,326.61	TOTAL SUBSURFACE	5,793	180,400.56	TOTAL SUBSURFACE	2,315	3,099.32
Penalty & Interest		5,098.34	Penalty & Interest		4,430.99	Penalty & Interest		2,621.13
Sales Interest		130,009.04	Sales Interest		651,090.64	Sales Interest		0.00
Treasurer's Formula Distribution		350,474.00	Treasurer's Formula Distribution		2,725,732.00	Treasurer's Formula Distribution		347,261.00
GRAND TOTAL EXPENDABLE		2,012,205.67	GRAND TOTAL EXPENDABLE		4,991,908.12	GRAND TOTAL EXPENDABLE		1,363,499.39
Permanent Fund Receipts		3,378,831.20	Permanent Fund Receipts		1,642,557.48	Permanent Fund Receipts		112,347.21
Permanent Fund Balance		14,737,000.00	Permanent Fund Balance		76,863,000.00	Permanent Fund Balance		8,080,000.00

* Miners' Hospital and Miners' 1929 combined



Financial Schedules

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FINANCIAL SCHEDULES

RECEIPTS BY CATEGORY

	ROYALTY	SALES	SALES INTEREST	LEASE RENTAL	PENALTY & INTEREST	OTHER RECEIPTS	TOTAL
Common Schools (K-12)*	23,567,835.56	132,004,541.38	4,596,516.12	34,019,910.65	538,635.34	0.00	194,727,439.05
Leg., Exec. & Judicial	329.50	395,000.00	0.00	113,935.82	622.39	0.00	509,887.71
State Hospital	131,970.40	22,662.06	0.00	544,638.97	5,961.74	0.00	705,233.17
Miners' Hospital*	117,528.00	3,261,303.20	130,009.04	1,526,624.29	5,098.34	0.00	5,040,562.87
St Char., Pen. & Ref.	368,753.93	1,273,803.55	651,090.64	1,610,654.49	4,430.99	0.00	3,908,733.60
Penitentiaries	63,236.09	49,111.12	0.00	1,013,617.26	2,621.13	0.00	1,128,585.60
Normal Schools	81,208.47	0.00	0.00	137,140.59	1,145.96	0.00	219,495.02
A&M Colleges	6,406.42	0.00	0.00	96,075.28	475.23	0.00	102,956.93
Military Institutes	0.00	0.00	0.00	45,318.60	401.81	0.00	45,720.41
School of Mines	42,933.29	0.00	0.00	211,009.58	1,454.26	0.00	255,397.13
University Land Code	4,640.79	256,427.68	23,294.92	1,110,170.73	986.10	0.00	1,395,520.22
U of A (Act of 2/18/1881)	137,584.22	38,401.39	105,217.54	435,489.28	8,808.29	0.00	725,500.72
School for the Deaf & Blind	1,314.01	95,989.94	0.00	170,894.55	1,216.96	0.00	269,415.46
School Leases	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Comercial Prepayments	0.00	0.00	0.00	0.00	0.00	54,964.28	54,964.28
TOTAL SCHOOLS & INSTITUTIONS	24,523,740.68	137,397,240.32	5,506,128.26	41,035,480.09	571,858.54	54,964.28	209,089,412.17
F.E.M.A Lands	35,000.00	0.00	0.00	46,820.00	109.11	0.00	81,929.11
Farm Loan Lands	0.00	0.00	0.00	3,893.88	26.92	0.00	3,920.80
Navigable Streambeds	0.00	0.00	0.00	61,247.17	267.13	0.00	61,514.30
Non-Navigable Streambeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lands Held in Trust	0.00	0.00	0.00	8,548.29	0.00	0.00	8,548.29
Fees: Lease, Sale & Misc	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL GENERAL FUND	35,000.00	0.00	0.00	120,509.34	403.16	0.00	155,912.50
TRUST LAND MANAGEMENT FUND	0.00	0.00	0.00	0.00	0.00	3,973,475.22	3,973,475.22
TOTAL RECEIPTS	24,558,740.68	137,397,240.32	5,506,128.26	41,155,989.43	572,261.70	4,028,439.50	213,218,799.89

* Miner's Hospital & Miners Hospital 1929 Combined

† Including County Bonds

RENTAL ACREAGE AND RECEIPTS BY TYPE OF LEASE
FY 2012

SURFACE LEASES	Acres	Receipts
Agriculture	157,174	4,470,978.47
Commercial	75,092	20,065,234.25
School Leases	**	0.00
Grazing	8,378,985	2,458,349.71
Homesite	6	9,388.23
Rights-of-Way	108,596	2,880,427.76
Use Permits	648,302	4,740,396.45
Public Education	0	0.00
Institutional Taking	12,892	552,686.76
U.S. Government	18,270	409,469.50
Other	0	2,424,128.61
TOTAL SURFACE	9,399,316	38,011,059.74
SUBSURFACE LEASES		
Mineral	10,098	104,552.94
Prospecting Permit	364,297	1,007,235.70
Mineral Material	1,560	418,522.57
Oil and Gas	508,567	1,614,618.48
U.S. Government	18,270	0.00
TOTAL SUBSURFACE	902,792	3,144,929.69
NON-LEASE REVENUES		
Penalty & Interest		572,261.70
Sales Interest		5,506,128.26
Royalty		24,505,309.64
Land Sales Principal		132,401,234.99
Rights-of-Way Sales Principal		4,964,754.00
Settlements		84,682.37
Commercial Prepayments		54,964.28
Fees		3,973,475.22
TOTAL NON-LEASE REVENUES		172,062,810.46
GRAND TOTAL		213,218,799.89

**The acres for School Leases is part of the total for Commercial

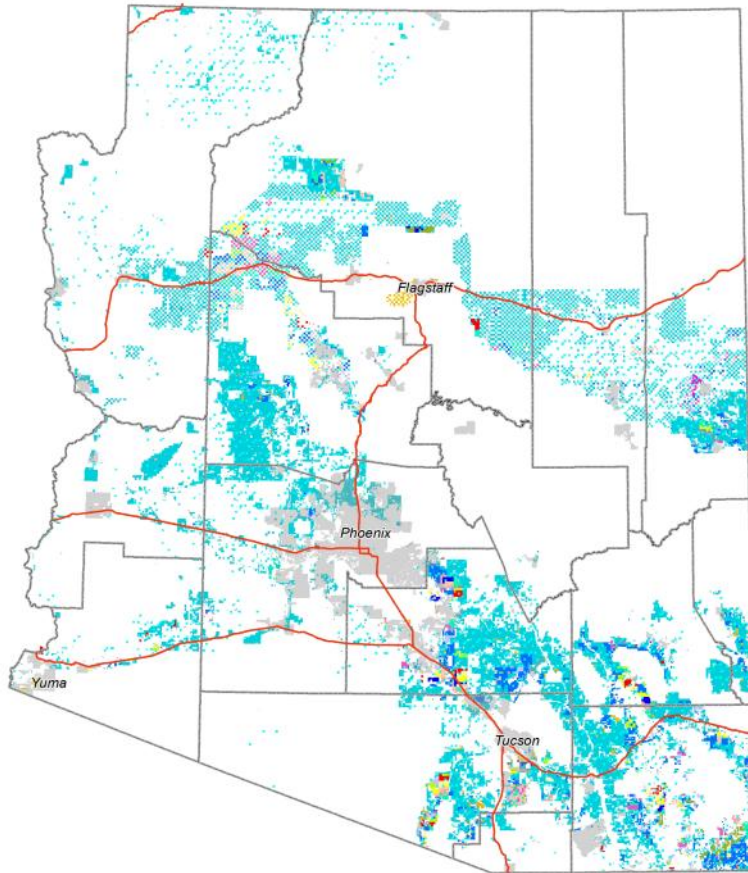
TREASURER'S FORMULA DISTRIBUTION*

	Year Ending June 30 FY 2011	Year Ending June 30 FY 2012	Increase (Decrease)	May 12, 1912 To Date
Common Schools	16,163,946	77,832,917	61,668,971	1,240,369,091
Normal Schools Grant	20,904	90,281	69,377	2,589,080
Agricultural & Mechanical Colleges	56,793	264,320	207,527	8,766,291
Military Institutes Grant	4,161	15,388	11,227	1,224,485
School of Mines Grant	70,521	299,966	229,445	1,302,322
University Land Code	108,150	479,020	370,870	11,629,200
University of Arizona (Act of 2/18/1881)	242,481	1,023,757	781,276	24,061,063
School for the Deaf & Blind	31,266	129,625	98,359	4,577,851
Legislative, Executive & Judicial Buildings	53,709	216,960	163,251	7,418,887
State Hospital Grant	27,759	146,483	118,724	3,651,247
Miners' Hospital Grant†	75,186	350,474	275,288	7,216,345
State Charitable, Penal, and Reformatory	507,633	2,725,732	2,218,099	29,208,798
Penitentiary Grant	115,632	347,261	231,629	4,870,403
TOTAL	17,478,141	83,922,184	66,444,043	1,346,885,063

* Information from the State Treasurer

† Miner's Hospital & Miners Hospital 1929 Combined

STATE TRUST LAND ACREAGE BY BENEFICIARY



BENEFICIARY	FY 1978	FY 2012
Common Schools (K-12)*	8,342,469	8,088,271
Normal Schools	172,405	174,798
Agricultural & Mechanical Colleges	134,469	124,944
Military Institutes	82,945	80,168
School of Mines	132,882	123,254
University Land Code	166,354	137,906
University of Arizona (Act of 2/18/1881)	62,216	51,881
School for the Deaf & Blind	84,209	82,560
Leg., Exec. & Judicial	66,660	64,257
State Hospital	79,198	71,248
Miners Hospital	48,648	47,697
Miners Hospital (1929)	53,311	47,686
St Char., Pen. & Ref.	80,010	77,229
Penitentiaries	80,830	76,111
TOTAL	9,586,606	9,248,010

*Includes County Bonds

AUCTIONS OF LEASES WITH AND WITHOUT THE
PREFERRED RIGHT TO MATCH THE HIGHEST BID
(REPORT REQUIRED BY A.R.S.§37-132)

Auction Date	Lease #	Parcel Location	Preferred Right	No. of Bidders	Preference Exercised Revenue	Minimum Bid*	Bonus Bid	Sum Base Rental
3/28/2012	03-115986	S of East 40th St., between Fortuna and Foothills Rds., E of Yuma, Arizona	No	1	No	\$2,775,000	N/A	\$ 10,983,642.00
3/29/2012	03-113632	Approx. 1.25 mi. S of Narramore Rd., on the 363rd Ave. Alignment	No	1	No	\$630,000	N/A	\$ 5,632,941.35

*Minimum Bid based upon appraised land value rather than 1st year rent







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