



STATE OF ARIZONA

PROJECT S.L.I.M. REPORT ON THE

STATE LAND DEPARTMENT



July 2, 1992

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July 2, 1992

Mr. M. Jean Hassell
Commissioner
State Land Department
1616 W. Adams Street
Phoenix, Arizona 85007

Dear Commissioner Hassell:

The Governor's Project SLIM review of your agency has been completed, and the project team is pleased to present you with this summary of our findings and recommendations. The study was initiated on March 3, 1992 and the field work was completed approximately March 25, 1992.

This summary restates the objectives of the review and the approach which was used, and it highlights the major changes recommended as a result of the study. It quantifies the potential benefits for your agency and the public at large while summarizing the key implementation actions and legislative support needed to convert the potential into actual benefits. The summary is followed by the detailed findings and recommendations.

In total, the recommendations identify approximately \$5,574,224 in benefits for your agency.

OBJECTIVES & GOALS

The overall objective of this study was to find ways to improve the delivery of services in the State Land Department (SLD). The goals were to improve the process of delivering public services and reduce the cost of government whenever and wherever possible. Impediments to prompt and effective services were to be identified and removed, and structures established which support the long-term goal of continuous improvement using total quality management concepts throughout the agency.

APPROACH

We reviewed the shelf data from your Department to understand the mission, responsibilities, and workloads. Interviews were conducted with all levels of supervision and selected technical and clerical positions. We observed work activities and computer system use, and obtained actual or estimated work

measurement standards for the processes which were reviewed. We discussed procedural findings with work center managers and supervisors.

Exhibit 1, Interview List, lists the 38 individuals we contacted during the review. Many of these individuals were contacted more than once to confirm our understanding of their areas of responsibility and to discuss the feasibility of proposed process changes and structures. Because of their cooperation and participation, the study team and your managers have a high level of confidence that these recommendations can be successfully implemented.

Exhibit 2, Current Organization Chart, shows the structure of the Department as it was presented to us at the time of the review. Changes may have occurred during and since our review, and should be reviewed as part of the implementation process.

SUMMARY FINDINGS & RECOMMENDATIONS

Major potential savings come from combining Units or Sections where there is duplication or fragmentation of workload, and from smoothing out the flow of documentations and work processes currently utilized by the Department. Many of these concepts were those proposed to the SLIM Team by yourself and members of your staff. The SLIM Team is appreciative of your cooperation.

Natural Resource Division

In the Range Section, we recommend combining the multiple leases which have resulted from range lease expansions over the years, each of which were assigned a new lease number. Actual anticipated savings have not been calculated, but elimination of duplication will result in staff time savings, freeing them for attention to other agency activities and details.

In the Hydrology Section, we recommend eliminating one vacant position in the Administration sub-Section, and two vacant positions be retained for the pending "Stream Bed" legislation.

We recommend eliminating three filled positions in the Hydrology administration sub-Section when computerization is completed. This is based on the information that half of the water management records have been computerized, and the other half will be computerized by the end of fiscal 1993.

We also recommend relocating the technical sub-Section of Hydrology to a newly formed "Resource Protection Division" as shown in the proposed organization chart (see Exhibit 5, Proposed Organizational Chart, SLD). This will eliminate the need for one of the two present supervisors, and we therefore recommend eliminating one supervisor position. All of these recommendations will result in a savings of \$207,669 in the Hydrology Section.

The implementation of these recommendations will require some new management procedures and transferring of positions, together with expediting the computerization of the water records management.

Operations Division

In the Operations Division, major savings are available by revising the process for submitting "Applications to Place Improvements" and similar activities. We recommend simplification of this process, with signature authority delegated to the responsible administering Division.

Administration Division

In the Business Systems Section, we recommend a reorganization, which involves eliminating one presently vacant position, expanding the data processing services to the Department which are currently planned, and transferring staff (many in accord with the agency's already planned moves) to other Sections. We also recommend abolishing two positions scheduled to be transferred. This will provide better tools for the Department and cost avoidance and reductions of approximately \$49,900.

Within the Forestry Fiscal Section we recommend establishment of multi-year service and equipment provision contracts, some possibly with community representative "single-contact" sources, to eliminate the annual exercise of setting up partially-used contracts with large numbers of individual providers. Consequent savings for both the agency and the public are anticipated, together with improved service delivery, planning and public relations.

Forestry Division

Combining dispatching services via an Inter-Governmental Agreement with the federal Bureau of Land Management (BLM), was explored, to determine if it would provide increased efficiency for the Department, improved response to fire emergencies, better accounting for dispatched services, and savings to both agencies. BLM has rejected the concept, so savings amount to just one vacant position, from \$27,000.

Urban Planning Division

In this small Division we recommend an improved planning stage process, by which staff time can be reduced in accomplishing the preparation of large blocks of Trust Land for disposition or utilization. That improvement, combined with an overall evaluation of the size of the tasks now needing on-going planning, result in a recommendation for reorganization of these functions by transfer to a Section status within a new Resource Protection Division, and a resultant savings of approximately \$254,600.

Land Disposition Division

Three areas of concern are addressed for this Division, the first being the use of brokers when advantageous to the State.

The second is diminishing the complexity of the process of granting uncontested rights-of-way for public agency roads use. An amendment of A.R.S. 37-132, and the Attorney General's approval of related Rules changes is required to accomplish this, with an expected \$35,000 minimal savings, plus expedited service to the agency's customers.

The third area is in the land exchange program, which requires passage of a referendum by the electorate on the 1992 ballot. Success for this action can be enhanced if the public is adequately educated about the benefits, including adding useable land valued in excess of \$200 million and annual income approximating \$5 million for the next five years.

GENERAL OBSERVATIONS

The Project SLIM Team's recommendations, and the accompanying exhibits which describe them, are based on the situation as it was described and explained at the time of the interviews and analyses. Some of the recommendations which are being submitted by the SLIM Team may already be in the process of being implemented. Others may be altered in the final analysis because the context of the recommendations has been changed since they were prepared.

Implementation leadership will determine the achievement of maximum savings by putting in place the concepts proposed in this document, and resolving any differences which exist due to interim changes in the organization.

SUMMARY OF SAVINGS

The improved services and benefits outlined above are achieved through the 14 points discussed in this report. The recommendations apply to several areas such as organization restructuring, process changes, income enhancement, management controls, functional realignment, work measurement, public benefits, and staffing requirements.

Exhibit 3, Summary of Titles and Savings, shows the impact of each of the recommendations, and includes enhanced income avoidance of future costs and reduction of present costs. The magnitude of each is:

Income Enhancement	\$5,000,000
(Average \$5 million per year over the period of five years)	
Cost Avoidance	\$ 81,234
Cost Reduction	<u>\$ 492,990</u>
Total:	<u>\$5 574 224</u>

Exhibit 4, Summary of Position Savings, shows how the recommendations would impact the various divisions and major sections of SLD. As indicated in the Exhibits, the staffing recommended for SLD

totals 163, as opposed to 178 currently shown in the Department's organization chart, for a reduction of 15 positions, of which five were vacant at the time of our review.

Exhibit 5, Proposed Organization Chart, shows the proposed structure of SLD following the implementation of these recommendations. This structure is consistent with the recommendations, but is not the only possible structure which can achieve the improved service and benefits. The actual structure implemented will be finalized as these recommendations are implemented.

IMPLEMENTATION

Implementation is the critical step in the process of achieving savings. Potential savings are often identified but not achieved when the implementation process is distracted by day to day activities, and managers shy away from the necessary reduction in staff. Successful implementations are marked by two things:

- A strong commitment from senior management to achieve as much of the savings as proves possible, and
- Designation of implementation team leaders with the requisite mental toughness to see the task through to completion.

The implementation process is best carried on soon after the review process. This maintains momentum while the topics are fresh in people's minds. We estimate that most of the recommendations contained in the report can be implemented within a period of 24 months.

The Brokerage Fee recommendation requires legislative approval of HB 2524, and the land exchange authorization will need approval of HCR 2029 and voter approval on the fall ballot. The simplified Rights-of-Way application procedure will require new legislation.

Recommendations which may require development of Administrative Rules and Regulations, under the present Arizona state procedures for these, will take longer.

Mr. H. Jean Hassell, Commissioner
State Land Department
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Our recommended Implementation Plan in Exhibit 6, Implementation Schedule, shows an implementation sequence and approximate duration for each recommendation. A detailed plan should be established at the outset of implementation. Individual recommendation implementation requirements are shown with the recommendation in the detail section of this report.

There are three major components of cost associated with implementation. These are typically one-time costs and represent a reduction in first year benefits. They include the costs of current employee time during implementation, outside assistance, and employee redeployment. Outside implementation assistance can significantly improve the total value of benefits achieved, the probability that benefits will be achieved, and can reduce the total time necessary to achieve implementation through the use of focused, dedicated resources. These costs depend on the total scope of the assistance requested, and are not included in this individual agency report.

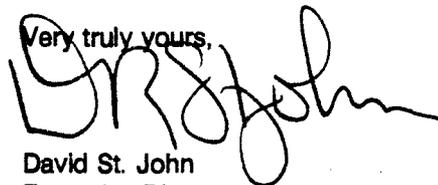
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Mr. H. Jean Hassell, Commissioner
State Land Department
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We wish to thank you as the Commissioner of SLD and your entire staff for their complete cooperation, participation, suggestions and comments, and support of our efforts during this study.

We appreciate the opportunity to be of service to the Governor and the SLIM Steering Committee in this endeavor. Should you have any questions regarding this report please feel free to contact the Project Executive or any member of your Project SLIM Team.

Les Jennings, Department of Youth Treatment & Rehabilitation
Amjad Huda, Coopers & Lybrand

Very truly yours,

David St. John
Executive Director
Project SLIM

SLIM INTERVIEW LIST

EXHIBIT 1

Page 1 of 2

State Land Department

<u>Name</u>	<u>Title</u>	<u>Date</u>
Jean Hassell	Commissioner	March 3, 1992
Glendon Collins	Deputy Commissioner	March 3, 1992
Lynn Larson	Dir., Administr./RAD	March 3, 1992
Bob Hesse	N/R Manager III	March 4, 1992
Jerry Baker	Fiscal Serv. Manager II	March 4, 1992
Pete Villareal	Fiscal Serv. Spec. I	March 5, 1992
Edith Swain	Fiscal Serv. Spec. I	March 5, 1992
Paulette Lowe	EDP Sys. Proj. Manager	March 5, 1992
Gary Irish	EDP Sys. Proj. Mgr./GIS	March 5, 1992
Robert Young	Dir., Natural Resource Div.	March 5, 1992
Richard Oxford	Dir., Operations Division	March 6, 1992
Roy Myhlhousen	Forestry Fiscal Mgr.; ASO II	March 6, 1992
Marlene Riggs	M.I.S.-Data Mgmt. Unit	March 6, 1992
Dee Fuerst	Prog. Dir., Hydro & W.R.	March 6, 1992
Cynthia Stefanovic	Supervisor, Water Resources	March 6, 1992
Michael Anabel	Grazing Lease Administrator	March 9, 1992
V. Chatupron	Manager, Drainage/Hydrology	March 9, 1992
Michael Rice	Manager, Mineral Section	March 9, 1992
Niki Hansen	Director, Urban Planning Div.	March 9, 1992
Gregg Keller	Planner III, Urban Planning	March 9, 1992
Melinda Lewis	Planner III, Urban Planning	March 9, 1992
Lora Moody	Administ. Secty, Urb. Planng	March 9, 1992
Bill Dowdle	Dir., Environ/Trespass Div.	March 9, 1992
Bill Warskow	Land Mgr. II; NRCDC Section	March 10, 1992
Merv Mason	Admin. Proced./Info. Mngmnt.	March 11, 1992
Beverly Francy	Manager, Titles & Contracts Section	March 11, 1992
Lionel Blair	Mgr., Engineering Mapping Section	March 12, 1992

SLIM INTERVIEW LIST

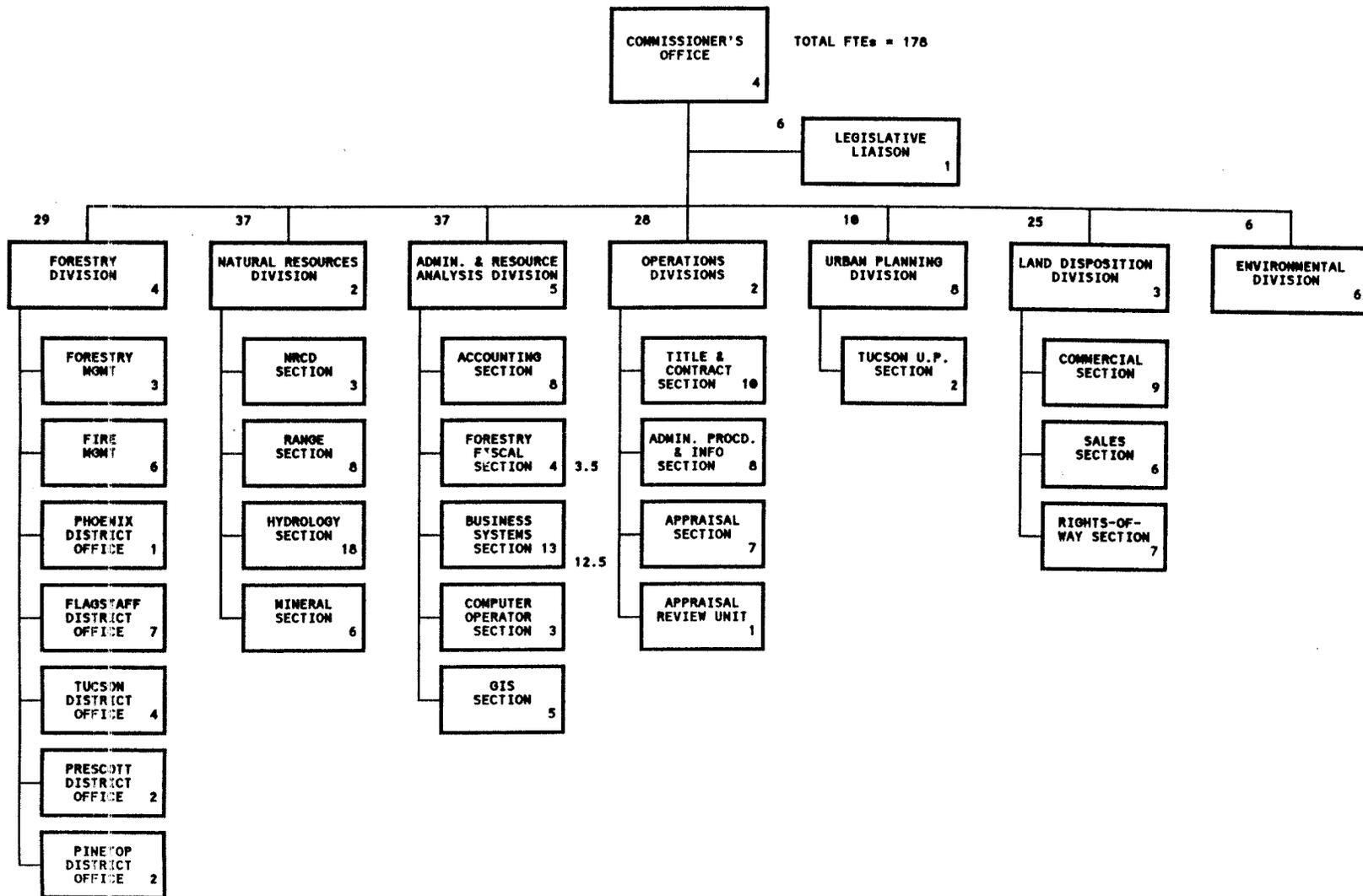
EXHIBIT 1
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State Land Department

<u>Name</u>	<u>Title</u>	<u>Date</u>
Mike Hart	Director, Forestry Div.	March 16, 1992
Robert Celaya	Natural Resource Manager II	March 16, 1992
Dave Behrens	Land Manager I	March 16, 1992
Scott Hunt	Natural Resource Manager II	March 16, 1992
Bill Fish	Mgr., Rights-of-Way Section	March 20, 1992
William Foster	Dir., Land Disposition Div.	March 23, 1992
Jean Morris	Nat. Resource Mgr., III; R/W	March 23, 1992
Barry Stallings	Mgr., Sales Sec.; Land Disp.	March 23, 1992
Al Dickie	Mgr., Commer Sec.;Land Disp.	March 23, 1992
Ron Ruziska	Land Mgr.I, Commerc.Section	March 23, 1992
John Feltman	Mgr., Appraisal Section	March 24, 1992
J. Russ Cisco	Appraiser III	March 24, 1992

CURRENT ORGANIZATION CHART STATE LAND DEPARTMENT

EXHIBIT 2



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STATE LAND DEPARTMENT SUMMARY OF TITLES & SAVINGS

Rec	Recommendation Title	Agency	Total					Federal					State				
		Total	Revenue Enhance	Avoided Cost	Saved Cost	FTE	Vacant FTE	Revenue Enhance	Avoided Cost	Saved Cost	FTE	Vacant FTE	Revenue Enhance	Avoided Cost	Saved Cost	FTE	Vacant FTE
1	Coding For Multiple Leases	0	0	0	0	0	0										
2	Hydrology Section	207,669	0	37,976	169,693	4	1						37,976	169,693	4	1	
3	Applications To Place Improvement	0	0	0	0	0	0										
4	Data Processing	49,893	0	16,258	33,635	2	1						16,258	33,635	2	1	
5	Multi-Year Rental Agreements	0	0	0	0	0	0										
6	Forestry Division	27,000	0	27,000	0	0	1		27,000						1		
7	Stages Consolidation	46,565	0	0	46,565	1	0							46,565	1		
8	Urban Planning Restructure	208,097	0	0	208,097	4	0							208,097	4		
9	Brokerage Fees	0	0	0	0	0	0										
10	Rights-of-Way Applic.	35,000	0	0	35,000	1	0							35,000	1		
11	Land Exchanges	5,000,000	5,000,000	0	0	0	0	*****									
12	Agency Lease Calculations	0	0	0	0	0	0										
13	Policy & Procedures Manuals	0	0	0	0	0	0										
14	Reorganization of SLD	0	0	0	0	0	0										
	Land Subtotal	5,574,224	5,000,000	81,234	492,990	12	3	*****	27,000	0	0	1	0	54,234	492,990	12	2

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SLD - 13

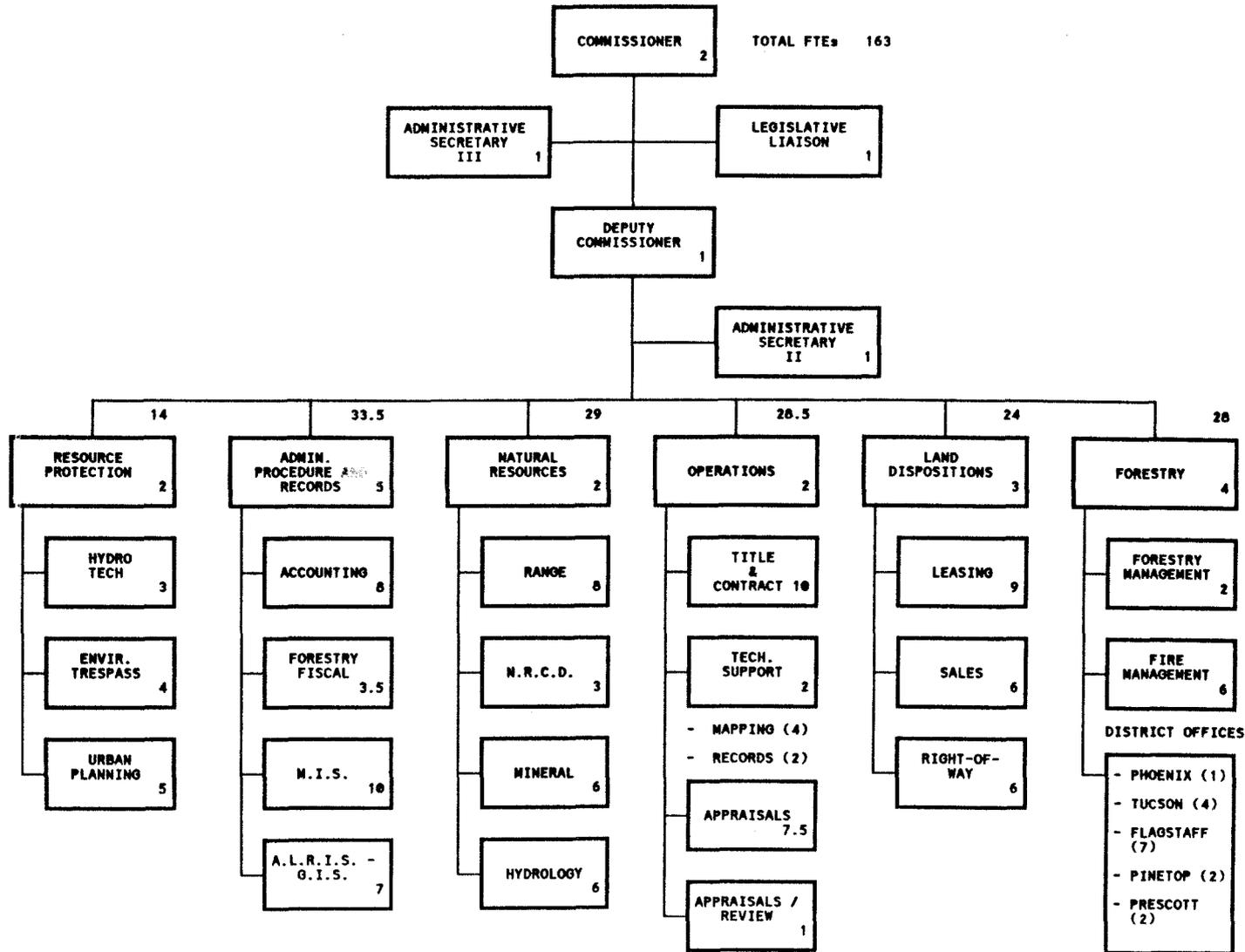
Rec	Recommendation Title	Revenue	Avoided	Other	FTE	Vacant	Public	One Time	One Time	Statute	Rule	Computer	Months
		Enhance	Cost	Saved Cost		FTE	Total	Savings	Cost	Change	Change	Program	
1	Coding For Multiple Leases												
2	Hydrology Section											X	
3	Applications To Place Improvement												
4	Data Processing												12
5	Multi-Year Rental Agreements												
6	Forestry Division												2
7	Stages Consolidation									X			6
8	Urban Planning Restructure												12
9	Brokerage Fees												
10	Rights-of-Way Applic.									X			3
11	Land Exchanges									X			18
12	Agency Lease Calculations												
13	Policy & Procedures Manuals												
14	Reorganization of SLD												
D	Land Subtotal	0	0	0	0	0	0	0	0				

SUMMARY OF POSITION SAVINGS -- SLD

	CURRENT	RECOMMENDED CHANGE	REMAINING
Admin./Res.Anal.	37	-3.5	33.5
Natural Resources	37	-8	29
Forestry	29	-1	28
Operations	28	0.5	28.5
Urban Planning	10	-10	0
Environmental	6	-6	0
Land Disposition	25	-1	24
Resource Protection	0	14	14
Commissioner	6	0	6
Totals	178	-15	163

PROPOSED ORGANIZATION CHART
STATE LAND DEPARTMENT

EXHIBIT 5



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STATE LAND DEPARTMENT IMPLEMENTATION SCHEDULE (PRELIMINARY)

EXHIBIT 6

PAGE 1 OF 2

TITLE	MONTHS												
MONTHS	1 - 2	3 - 4	5 - 6	7 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 - 20	21 - 22	23 - 24	25 - 26
NATURAL RESOURCES													
PRE - IMPLEMENTATION PREPARATION	→												
1. CODING FOR MULTIPLE LEASING	→												
2. HYDROLOGY SECTION	→												
OPERATIONS DIVISION													
3. APPLICATIONS TO PLACE IMPROVEMENTS		→											
ADMINISTRATION DIVISION													
4. DATA PROCESSING	→												
5. MULTI-YEAR RENTAL AGREEMENTS		→											
FORESTRY DIVISION													
6. FORESTRY DIVISION		→											

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**STATE LAND DEPARTMENT IMPLEMENTATION SCHEDULE
(PRELIMINARY)**

EXHIBIT 6

PAGE 2 OF 2

TITLE	MONTHS												
MONTHS	1 - 2	3 - 4	5 - 6	7 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 - 20	21 - 22	23 - 24	25 - 26
URBAN PLANNING													
7. STAGES CONSOLIDATION 8. URBAN PLANNING RESTRUCTION													
LAND DISPOSITION													
9. BROKERAGE FEES 10. RIGHTS-OF-WAY APPLICATION LIMITS 11. LAND EXCHANGES													
GENERAL RECOMMENDATIONS													
12. AGENCY LEASE CALCULATIONS 13. POLICY AND PROCEDURES MANUALS 14. REORGANIZATION OF STATE LAND DEPARTMENT													

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CODING FOR MULTIPLE LEASES

Current Situation

The Range Section's overall responsibility is to process new and renewal grazing lease applications, annual billings, land treatment and range improvement applications, and enforce compliance.

At present, when a rancher leases additional land for grazing, his application is processed like a new application, and is assigned a new code or lease number. Further, at the time of renewal, the rancher receives another bill and is mailed another questionnaire for that additional piece of land.

Impact

By handling the same lessee through two different codes or lease numbers, the State Land Department is duplicating efforts in terms of processing new applications, re-billing during renewal and mailing a separate questionnaire. There are about 1,600 lessees and 160 are renewed every year, as each lease must be renewed every 10 years. If the old leases for the same lessees are combined, the number of leases could drop by about 400, down to 1,200 which will leave about 120 leases to be renewed every year.

Grazing fees are based on a formula set by statute which is based on the number of animals run on the land. This formula is known as "AUM" (Animal Unit Months). The same fee is applicable to all grazing lease lands, regardless of when they are leased.

The term for grazing leases is 10 years. Therefore, a lease contracted at a later date is due later. However, by renewing at an earlier date in those instances in which an additional lease has been acquired, combining the two into one lease and pro-rating the cost on the original to the new renewal date, the lessee and SLD will save time and money, as opposed to having to file, track, process and renew two separate leases.

Recommendations

We recommend elimination of the duplication of efforts through the following:

- Amend the existing lease under the same code or lease when additional land is leased by the same lessee number and maintain one file for one lessee
- Consolidate and combine all the old leases which belong to the same lessee into one lease.

Benefits

- No duplication
- Savings for the time of about 40 lease renewal processings annually. (The actual cost has not been quantified, as it will require a time study, which could be done during implementation)
- Savings of preparing 40 fewer bills and 40 fewer mailings (time, material and postage - certified mail).

Even though the total savings do not equate to one FTE in this particular process, savings from other processes of this nature could add up to actual budget savings.

Implementation

- Consolidate and combine all the old leases which belong to the same lessee into one lease
- Time: 6 months.

HYDROLOGY SECTION

Current Situation

The Hydrology Section has two sub-sections: Administration and Technical. The administrative side is responsible for:

- Water rights records management
- Contractual water management
- Well management
- Water claims analysis and defense pursuant to the adjudication
- Grandfathered groundwater rights management
- Irrigation Districts interaction
- Bureau of Land Management (BLM) exchanges (which the Attorney General believes are no longer legal)
- Other miscellaneous activities.

The technical side is responsible for technical processes and for the review of technical documents to support the Appraisals, Sales, Rights-of-Way, and Commercial Lease Sections; and the Environmental and Urban Planning Divisions. This is done through assessing conditions of land, water systems, drainage and, in emergency situations, coordinating with federal improvement projects with the Federal Emergency Management Agency (FEMA).

The administrative side has 11 FTEs, of which three are vacant and one is a limited term position which will be deleted by September, 1992 (see Exhibit 7, Hydrology Section, Organization Chart).

Impact

There are approximately 23,000 records being managed by this Section. This Section is primarily charged with processing/updating/managing files and data for water related issues for the Land Department. Approximately 52%, or 12,000, records are automated, with maintenance managed through the computer system. The other 11,000 records are in the process of being computerized (e.g., statements of claimants for domestic use, irrigation use, etc.) and are projected to be completed by the end of fiscal 1993.

No significant backlog was evident during the study, and all work was being performed by the assigned staff. Therefore, those positions now vacant are not considered essential to the operation of this unit. Furthermore, when the remaining 48% of the records are computerized, a 50% reduction in the filled positions should be realized.

Recommendations

We recommend the following:

- Eliminate one vacant Water Resource Specialist II positions, since there was no backlog identified in the operation during the time of the study. Retain two vacant positions for the pending "Stream Bed" legislation
- Eliminate three filled Water Resource Specialist II positions from the Administration sub-Section at the end of fiscal 1993, when the remaining records management is automated/computerized
- Relocate the Hydrology Technical sub-Section (two Eng.Lnd. Map and one Secretary) to a new Resource Protection Division (see Recommendation entitled "Reorganization of State Land Department")
- Eliminate the Water Resource Manager I, pay grade 23, since only one Section will be left, requiring one Supervisor.

Benefits

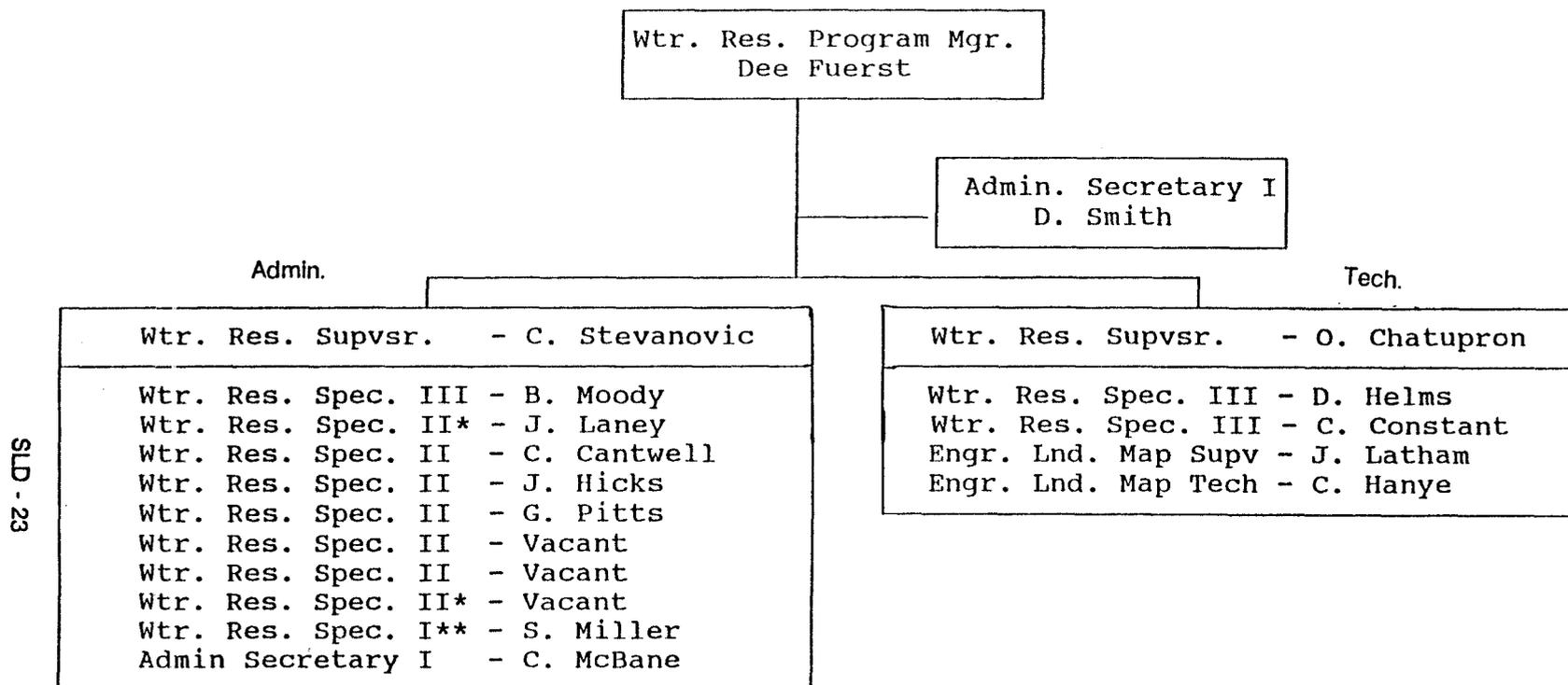
- Cost avoidance: one vacant FTE = \$37,976
- Cost reduction: three filled positions = \$113,928
one Water Resource Manager I = \$ 55,765
- Total savings: = \$207,669.

Implementation

- Expedite computerization of water records management, to be completed by the end of fiscal year 1993
- Effect the personnel position changes cited above
- Time: 12 months.

HYDROLOGY ORGANIZATION CHART - February 26, 1992

Exhibit 7



SLD - 23

* Water Litigation
 ** Limited term position funded from water rights filing fees

APPLICATIONS TO PLACE IMPROVEMENTS

Current Situation

When a lease has been signed between the State Land Department (SLD) and a lessee for the use of State Trust Land, specific conditions and applications are incorporated into that lease.

If a lessee desires to alter the land, their use of the land, or any structures (or lack thereof) upon the land, it is necessary for the lessee to file an application (see Exhibit 8, Application to Place Improvement Upon State Land). There are actually three separate forms used relating to such improvement (see Exhibit 9, Report of Improvement Placed With Prior Approval), and Exhibit 10, Report of Improvement Placed Without Prior Approval. Both of the applications are processed in essentially the same manner, and the report of completed work follows part of the same path.

Upon receipt of the application and the accompanying \$50 filing fee, the cashier (Administration Division) enters that information into her receipt computer. The application then is sent out to the Records Room (Operations Division) staff who make a computer "rolodex" entry of the application, pull the hard copy file folder, and send the application and file to the Operations Division Director, who forwards it to the Titles and Contracts Section.

Titles and Contracts (Operations Division) does a title search, ensures the land description is accurate, prepares a "process sheet" and determines the Division which manages that particular lease. The file and application with process sheet is then forwarded to that Division.

The Division staff assigned that lease then will evaluate the application, determine if the request is appropriate to that particular land site and the existing lease purpose, and draft a recommendation either to approve or deny the lessee's application. An Order documenting the staff recommendation is prepared, and the matter is scheduled for the next Review Committee agenda.

The Review Committee, which meets every Thursday morning, will almost always approve the recommendation submitted by Division staff, with consideration of cases hardly lasting 30 seconds. The Order then will be signed by the Commissioner, the Deputy Commissioner, or the Director of the Operations Division, who Chairs the Review Committee.

After signature, the Order, application and file are returned to the Operations Division where it is processed for mailing to the lessee and for filing, which (at least until the end of the current fiscal year) involves sending it to the Administration Division's Data Management Unit for input to the Land Department's computer system (see Exhibit 11, Applications to Place Improvements).

Impact

Numerous staff must be involved in handling these applications, with essentially the only ones making a decision relative to the application being those of the Division actually responsible for monitoring the lease.

Additionally, when the "Report of Improvement Placed With Prior Approval" is forwarded, much of that same staff routing and time is involved. There also is a significant impact on the lessee, who must fill out another set of forms, repeating much of that which was included on the original application.

If a lessee makes improvements or changes without prior approval, the "Report of Improvement Placed Without Prior Approval" must be completed, filed with a \$50 fee, and will follow basically the same review path as described above.

Recommendations

The following steps are recommended:

- Eliminate the requirement for a full application processing for matters such as these, by receipting the fee, and then forwarding the application directly to the Division who monitors that lease
- Approval or denial of the application should be signed by the Division Director upon submission, with any necessary justification, by the lease manager
- Consolidate the "Report of Improvement Placed With Prior Approval" with the "Application To Place Improvement", in such manner that the lessee need only to submit the fact that the approved application has been acted upon by doing the improvement, and reporting the costs involved (see Exhibit 12, Applications to Place improvement)

- Change the action process for the "Report of Improvement Placed Without Prior Approval" to follow the same direct forwarding for action to the managing Division
- Establish a process by which statistics on such transactions are appropriately reported.

Benefits

The following benefits will be realized by implementing this recommendation:

- Staff handling time for these transactions will be significantly reduced, and will be eliminated by those segments no longer involved in the activity
- While study time has not permitted calculation of actual savings, it is obvious there will be a measurable monetary saving to the Department
- Staff time in Title and Contracts and the Review Committee will be freed for application to other transactions more significantly in need of that time
- The lessee will find filing for approval of and reporting completion of improvements a less onerous and more timely process, thereby improving the relationship between lessor and lessee.

Implementation

Implementation of this recommendation requires the Commissioner to:

- Delegate signature authority for these specific Orders to the Division Directors
- Establish the processes outlined above
- Direct the modification of the forms now in use
- Time frame: 3 months.

APPLICATION TO PLACE IMPROVEMENT UPON STATE LAND

To avoid having your application rejected, please READ prior to submitting your application.

1. FILING INSTRUCTIONS:

A. Filing fee: \$50.00 per application.

B. This application must be submitted in DUPLICATE, ONE APPLICATION PER PROJECT. The Department will:

1. Retain one (1) copy for the State Land Department records.
2. Return one (1) copy to the applicant for their records.

C. Complete all questions and SIGN the application on Page 3.

2. SIGNATURE(S):

The application MUST BE SIGNED BY THE LESSEE(S) OF RECORD. If anyone other than the lessee(s) signs this application, a notarized written authorization (Power of Attorney) must accompany the application. An additional \$50.00 filing fee is required when filing a Power of Attorney.

3. WRITTEN APPROVAL REQUIRED:

WRITTEN APPROVAL OF THE STATE LAND COMMISSIONER IS REQUIRED BEFORE AN IMPROVEMENT CAN BE PLACED. Pursuant to A.R.S. § 37-321: Unless permission is granted by the Department, the applicant shall not be entitled to reimbursement for improvements. Upon the expiration or cancellation of the lease or permit, such unauthorized improvements shall be forfeited and become the property of the State of Arizona. If an improvement has been started, or completed, DO NOT USE THIS FORM, you must submit the "Report of Improvement Placed Without Prior Approval" form. Improvements placed without prior approval are subject to removal or modification at the lessee's expense. Disturbed land will also be subject to reclamation at the lessee's expense.

4. PROCESSING TIME:

PLAN AHEAD. Expect a minimum of ninety days processing time for this application to be reviewed by the State Land Department. This application must be reviewed by some or all of the following agencies: Arizona Game and Fish Department, Arizona State Museum, State Historic Preservation Office, Arizona Department of Agriculture, and the Forestry Division. These agencies require sixty (60) days to review and respond to the Department.

5. OTHER REQUIREMENTS:

A. Construction of improvements may impact archaeological sites, threaten wildlife species, protected plants and natural products with commercial value, such as fuel wood or cactus. The approved improvement application may include specific conditions which will lessen the impact on these resources. All conditions incorporated into an approved application MUST be adhered to.

B. If the proposed improvement entails the appropriation of public water, as defined in A.R.S. §45-141, an Application for Permit to appropriate Public Water of the State of Arizona must be submitted to the Arizona Department of Water Resources (A.D.W.R.) PRIOR to authorization of this Application to Place Improvements. If the proposed improvement entails the drilling of a well, a Notice of Intent to Drill must be submitted to A.D.W.R. and the Authorization to Drill must be received PRIOR to any associated construction.

C. Authorization from the State Land Department for you to commence with any water related construction will be contingent upon your compliance with the State Water Codes and conditions stipulated in your lease pertaining to the establishment of water rights on State Trust Lands.

D. Improvements to be constructed on State Land must comply with local zoning and building codes. Applicant must check with the local jurisdiction for compliance requirements.

6. COMMERCIAL LESSEE(S)/PERMITTEE(S) ONLY:
Complete the questionnaire on page 4 of the application and indicate the location of the proposed improvement on the map on page 6.
7. GRAZING LESSEE(S) ONLY:
Complete the questionnaire on page 5 of the application and indicate the location of the proposed improvement on the map on page 6 or on another suitable map.
8. ASSISTANCE:
Contact one of the following sections for technical assistance, if required.

Agriculture	(602) 542-4625
Commercial	(602) 542-2650
Grazing	(602) 542-4626
Homesite	(602) 542-2650
Title and Contracts	(602) 542-2510

Arizona State Land Department
1616 West Adams
Phoenix, Arizona 85007

RETURN TO:
ARIZONA STATE LAND DEPARTMENT
TITLE AND CONTRACTS SECTION
1616 WEST ADAMS
PHOENIX, ARIZONA 85007

SUBMIT FILING FEE:

\$50

DEPARTMENTAL USE ONLY		ROLODEX # _____	
ACCOUNTING	DATA MANAGEMENT	DISPOSITION/INITIAL	DATE
Filing Fee: \$50	EXAM: _____	APPROVED _____	_____
(43)	RE-ASSIGN: _____	DENIED _____	_____
	APP TYPE: <u>IMPROVE</u>	REJECTED _____	_____
	NO. OF APPS: _____	WITHDRAWN _____	_____

APPLICATION TO PLACE IMPROVEMENT

Type or print in ink.

LEASE NO. _____

COMPLETE ALL QUESTIONS, SIGN AND SUBMIT APPLICATION IN DUPLICATE AND ATTACH filing fee of \$50 .
Pursuant to A.R.S. §37-321, lessee is not entitled to reimbursement for improvements that have not been authorized by prior written approval from the Department.

1. APPLICANT(S):

Name(s) _____

Address _____

City _____ State _____ Zip _____
Contact Person _____ Phone No. _____

2. TYPE OF APPLICATION:

Application to Place Improvement on those
State Trust lands described in Lease or
Permit No. _____
which expires on _____
(Date)

3. REQUEST TO PLACE IMPROVEMENT:

Applicant hereby makes application to place improvement on the State lands described below in accordance with the laws of the State of Arizona and the rules of the State Land Department.

4. LEGAL DESCRIPTION: (location of proposed improvement)

TWN.	RNG.	SEC.	LEGAL DESCRIPTION	ACRES	COUNTY
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

SLD USE ONLY		
CTY	GRT	PARCEL
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

5. PURPOSE OF PROPOSED IMPROVEMENT: _____ _____ _____

CERTIFICATION: Pursuant to A.R.S. Title 37 and the Rules of the Arizona State Land Department, A.A.C. Title 12, Chapter 5, you must provide the following information pertinent to you and/or the organization you represent and sign the certification or your application will not be processed.

1. Is this application made in the name of: (check one)
 _____ Individual(s) _____ Husband & Wife _____ Corporation _____ Partnership _____ Limited Partnership _____ Estate
 _____ Trust _____ Joint Venture _____ Municipality _____ Political Subdivision _____ Other (specify) _____

2. **INDIVIDUAL(s) OR HUSBAND & WIFE:** Complete the following for each applicant:

NAME	AGE	MARITAL STATUS
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. **CORPORATION:** Complete the following:
 (A) Do you have authority from the Arizona Corporation Commission to do business in the State of Arizona? Yes ___ No ___
 (B) Is the corporation presently in good standing with the Arizona Corporation Commission? Yes ___ No ___
 (C) In what state are you incorporated? _____
 (D) Is the legal corporate name and Arizona business address the same as stated in this application? Yes ___ No ___
 If no, state the Legal Corporate Name: _____

Address: _____
 (Street or Box Number) (City) (State) (Zip)

4. **PARTNERSHIP OR JOINT VENTURE:** Complete the following for each authorized partner or principal in the partnership or joint venture:

NAME	BUSINESS ADDRESS	AGE	MARITAL STATUS
_____	_____	_____	_____
_____	_____	_____	_____

5. **LIMITED PARTNERSHIP:** Is this Limited Partnership on file with the Arizona Secretary of State? Yes No
 Complete the following for the authorized general partner(s) only:

GENERAL PARTNER(S) NAME	BUSINESS ADDRESS
_____	_____

6. **ESTATE:** Complete the following and attach a copy of the court or estate document(s):
 Name of the court appointed administrator or personal representative: _____
 List the type and date of issuance of the court or Estate document: _____
 (Type of Document) (Date issued)

7. **TRUST:** Complete the following pursuant to A.R.S. §33-404, for each beneficiary of the Trust:

NAME	ADDRESS	AGE	MARITAL STATUS
_____	_____	_____	_____
_____	_____	_____	_____

OR Identify the Trust document by title, document number, and county where document is recorded: _____

8. Are you acting as an Attorney in Fact for the applicant? Yes ___ No ___ . If yes, you must submit a copy of your notarized Power of Attorney and a \$50.00 additional fee.

I HEREBY CERTIFY, UNDER PENALTY OF PERJURY, THAT THE INFORMATION AND STATEMENTS CONTAINED HEREIN, TOGETHER WITH ALL EXHIBITS AND ATTACHMENTS ARE TRUE, CORRECT AND COMPLETE AND THAT I/WE HAVE AUTHORITY TO SIGN THIS DOCUMENT.

_____ Applicant (Corporation, Partnership, etc.)	_____ Date	_____ Applicant (Individual)	_____ Date
By _____	Title _____	Applicant (Individual)	Date _____

COMMERCIAL LESSEE(S)/PERMITTEE(S) ONLY

COMPLETE the following questions if you are applying to **PLACE AN IMPROVEMENT** on your **COMMERCIAL LEASE OR PERMIT ONLY** and indicate the location of the proposed improvement on **Page 6**.

1. Is the proposed improvement allowed and within the scope of your commercial lease?

Yes No

2. Do you consider this proposed improvement to be:

Temporary Permanent

3. Does the proposed improvement comply with all local jurisdiction requirements?

Yes No

If yes, attach a copy of any permit(s) required.

If no, please explain: _____

4. What is the source and type of utilities, if required: _____

5. Is there any landscaping proposed in this project? Yes No

If yes, describe: _____

6. Illustrate the location of the proposed improvement on the plat map on Page 6 or attach a site development plan.

GRAZING LESSEE(S) ONLY

COMPLETE the following questions if you are applying to **PLACE AN IMPROVEMENT** on your **GRAZING LEASE ONLY** and indicate the location of the proposed improvement on Page 6.

1. Will the placement of this range improvement and the associated activity require any ground disturbance?

Yes No If yes, describe the type of disturbance and type of equipment to be used.

2. Is this improvement water related? Yes No If yes, state the source of water, the legal description of the water source, and the place of water use:

a. Source: _____

Section Township Range Landownership

b. Source Location: _____ 1/4, _____ 1/4 _____ _____

c. Use Location(s): _____ 1/4, _____ 1/4 _____ _____

 _____ 1/4, _____ 1/4 _____ _____

3. From the categories listed below, indicate which best describes your project, and list the dimensions and type of material used:

<u>CATEGORY</u>	<u>DIMENSIONS</u>	<u>MATERIAL</u>
Pipeline	_____	_____
Trough/drinker	_____	_____
Storage tank	_____	_____
Earthen tank	_____	_____
Windmill	_____	_____
Well	_____	_____
Other	_____	_____

4. Is this improvement a fence or a corral? Yes No If yes, complete the following:

a. Type of wire: Barbed Smooth Net Electric

b. Spacing of wires from ground level to top strand: _____

c. Braces: Material _____ Height _____ Spacing _____

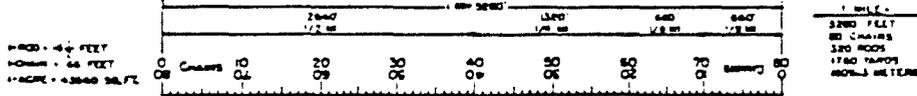
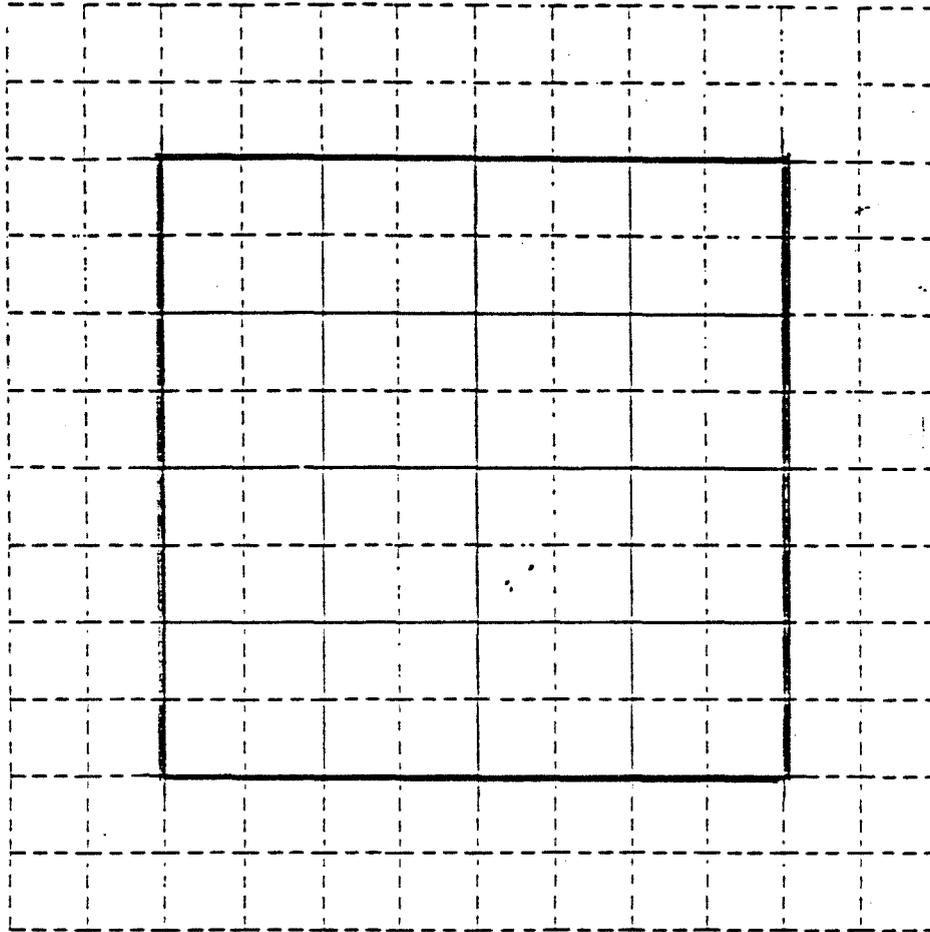
d. Posts: Material _____ Height _____ Spacing _____

e. Stays: Material _____ Height _____ Spacing _____

5. Is this improvement a barn, shed or other building? Yes No If yes, list dimensions and type of material used: _____

6. Are you applying to ASCS for cost share funds on this improvement? Yes No
If yes, through which office? _____

SEC _____ TWP _____
RGE _____
N
ARIZONA STATE LAND DEPT.



DEPARTMENTAL USE ONLY

1. Application to Place Improvement is APPROVED.
Additional conditions are attached and have been made a part of this permission.

Yes No

Improvement must be completed by this date: _____

2. Applicant must submit a REPORT OF IMPROVEMENT WITH PRIOR APPROVAL form to the Arizona State Land Department within ten (10) days following the installation or completion of the improvement.

STATE OF ARIZONA
ARIZONA STATE LAND COMMISSIONER

(SEAL)

By: _____
Date

REPORT OF IMPROVEMENT PLACED WITH PRIOR APPROVAL

Exhibit 9

Page 1 of 5

To avoid having your report rejected, please READ prior to submitting your report form.

1. FILING INSTRUCTIONS:

A. This report form must be submitted in triplicate, one set of reports per project. The Department will:

1. Retain one (1) copy for the State Land Department records.
2. Submit one (1) copy to the County Assessor for their records.
3. Return one (1) copy to the lessee(s)/permittee(s) for their records.

B. Complete all questions and sign the report on Page 3.

2. SIGNATURE(S):

The report form MUST BE SIGNED BY THE LESSEE(S)/PERMITTEE(S) OF RECORD. If anyone other than the lessee(s)/permittee(s) signs this report, a notarized written authorization (Power of Attorney) must accompany the report. A \$50.00 filing fee is required when filing a Power of Attorney.

3. LOCATION:

Specify the location of the improvement on the section map on Page 2.

4. COMPLIANCE:

Any Improvement placed without prior approval is subject to removal or modification at the lessee's expense. Disturbed land will also be subject to reclamation at the lessee's expense:

Pursuant to A.R.S. §37-321, lessee is not entitled to reimbursement for improvements that have been authorized by prior written approval from the Department.

5. ASSISTANCE:

Contact one of the following sections for technical assistance, if required.

Agriculture	(602) 542-4625
Commercial	(602) 542-2650
Grazing	(602) 542-4626
Homesite	(602) 542-2650
Title and Contracts	(602) 542-2510

Arizona State Land Department
1616 West Adams
Phoenix, Arizona 85007

RETURN TO:

ARIZONA STATE LAND DEPARTMENT
TITLE AND CONTRACTS SECTION
1616 WEST ADAMS
PHOENIX, ARIZONA 85007

DEPARTMENTAL USE ONLY		ROLODEX # _____	
ACCOUNTING	DATA MANAGEMENT	DISPOSITION/INITIAL	DATE
Filing Fee: None	EXAM: _____ RE-ASSIGN: _____ APP TYPE: <u>Improve</u> NO.OF APPS: _____	APPROVED _____ DENIED _____ REJECTED _____ WITHDRAWN _____	_____

REPORT OF IMPROVEMENT PLACED WITH PRIOR APPROVAL

Type or print in ink.

LEASE NO. _____ - _____

COMPLETE ALL QUESTIONS, SIGN AND SUBMIT REPORT IN TRIPPLICATE.

1. STATE LESSEE(S) OR PERMITTEE(S):

Name(s) _____

Address _____

City _____ State _____ Zip _____

Contact Person _____ Phone No. _____

2. TYPE OF REPORT:

Report of improvement placed with prior approval on Lands described in Lease or Permit No. _____ - _____ which expires on _____ (Date)

3. REPORT OF IMPROVEMENT PLACED WITH PRIOR APPROVAL:

Lessee(s)/Permittee(s) hereby reports to the Arizona State Land Department completion of the improvement placed on the State Land described below, which land is administered in accordance with the laws of the State of Arizona and the rules of the State Land Department.

4. LEGAL DESCRIPTION: (location of improvement)

TWN.	RNG.	SEC.	LEGAL DESCRIPTION	ACRES	COUNTY
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

SLD USE ONLY		
CTY	GRT	PARCEL
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

5. PURPOSE OF IMPROVEMENT: _____

6. DESCRIPTION OF IMPROVEMENT:

7. DATE OF COMPLETION AND ACTUAL COST OF IMPROVEMENT:

a. Completion date of improvement is: _____

b. Actual cost of improvement is: \$ _____

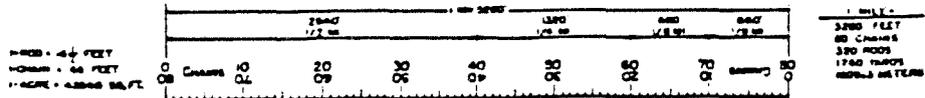
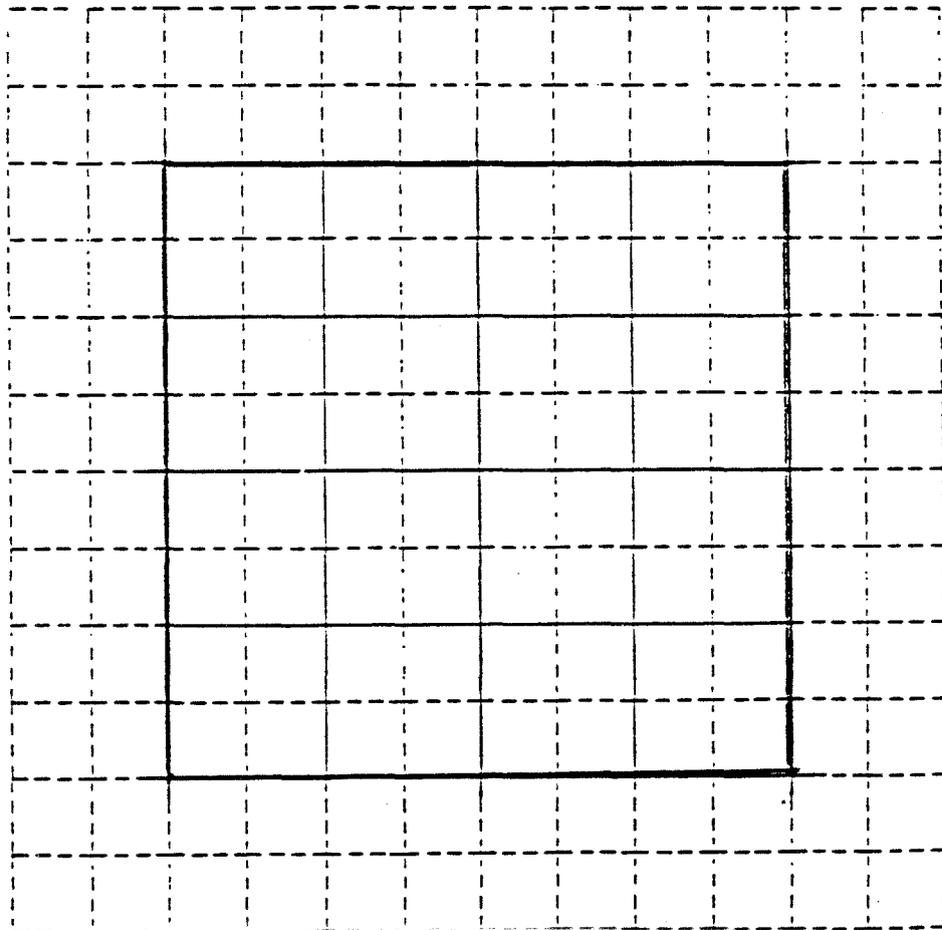
8. LESSEE(S)/PERMITTEE(S): COMPLETE AND SIGN PAGE 3.

(NOTE: This report form must be signed by the State lessee(s)/permittee(s) of record.)

9. LOCATION OF IMPROVEMENT:

Indicate the location of the improvement on the plat map below or attach a topographic map.

SEC _____ TWP _____
RGE _____
N
ARIZONA STATE LAND DEPT.



CERTIFICATION: Pursuant to A.R.S. Title 37 and the Rules of the Arizona State Land Department, A.A.C. Title 12, Chapter 5, you must Page 4 of the following information pertinent to you and/or the organization you represent and sign the certification or your application will not be processed.

1. Is this application made in the name of: (check one)
_____ Individual(s) _____ Husband & Wife _____ Corporation _____ Partnership _____ Limited Partnership _____ Estate
_____ Trust _____ Joint Venture _____ Municipality _____ Political Subdivision _____ Other (specify) _____

2. INDIVIDUAL(S) OR HUSBAND & WIFE: Complete the following for each applicant:

NAME	AGE	MARITAL STATUS
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. CORPORATION: Complete the following:
(A) Do you have authority from the Arizona Corporation Commission to do business in the State of Arizona? Yes ___ No ___
(B) Is the corporation presently in good standing with the Arizona Corporation Commission? Yes ___ No ___
(C) In what state are you incorporated? _____
(D) Is the legal corporate name and Arizona business address the same as stated in this application? Yes ___ No ___
If no, state the Legal Corporate Name: _____

Address: _____
(Street or Box Number) (City) (State) (Zip)

4. PARTNERSHIP OR JOINT VENTURE: Complete the following for each authorized partner or principal in the partnership or joint venture:

NAME	BUSINESS ADDRESS	AGE	MARITAL STATUS
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

5. LIMITED PARTNERSHIP: Is this Limited Partnership on file with the Arizona Secretary of State? Yes No
Complete the following for the authorized general partner(s) only:

GENERAL PARTNER(S) NAME	BUSINESS ADDRESS
_____	_____
_____	_____

6. ESTATE: Complete the following and attach a copy of the court or estate document(s):
Name of the court appointed administrator or personal representative: _____
List the type and date of issuance of the court or Estate document: _____

7. TRUST: Complete the following pursuant to A.R.S. §33-404, for each beneficiary of the Trust:

NAME	ADDRESS	AGE	MARITAL STATUS
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

OR Identify the Trust document by title, document number, and county where document is recorded: _____

8. Are you acting as an Attorney in Fact for the applicant? Yes ___ No ___ . If yes, you must submit a copy of your notarized Power of Attorney and a \$50.00 additional fee.

I HEREBY CERTIFY, UNDER PENALTY OF PERJURY, THAT THE INFORMATION AND STATEMENTS CONTAINED HEREIN, TOGETHER WITH ALL EXHIBITS AND ATTACHMENTS ARE TRUE, CORRECT AND COMPLETE AND THAT I/WE HAVE AUTHORITY TO SIGN THIS DOCUMENT.

Applicant (Corporation, Partnership, etc.) _____ Date _____ Applicant (Individual) _____ Date _____
By _____ Title _____ Applicant (Individual) _____ Date _____

DEPARTMENTAL USE ONLY

The Report of Improvement is **APPROVED**.
Approval of this report is in accordance with the application to place improvement previously approved by the Department.

APPROVAL OF IMPROVEMENT DOES NOT CONSTITUTE ACCEPTANCE BY THE DEPARTMENT OF THE VALUES STATED IN THE REPORT. IN THE EVENT OF THE SALE OR DISPOSITION OF THE LANDS DESCRIBED, AN APPRAISAL OF THE IMPROVEMENT MUST BE MADE BY THE STATE LAND DEPARTMENT PURSUANT TO LAW.

STATE OF ARIZONA
ARIZONA STATE LAND COMMISSIONER

(SEAL)

By: _____
Date

REPORT OF IMPROVEMENT WITHOUT PRIOR APPROVAL

To avoid having your report rejected, please READ prior to submitting to the Department.

1. FILING INSTRUCTIONS:

- A. Filing fee: \$50.00 per report.
- B. This report form must be submitted in triplicate, one set of reports per project. The Department will:
 - 1. Retain one (1) copy for the State Land Department records.
 - 2. Submit one (1) copy to the County Assessor for their records.
 - 3. Return one (1) copy to the lessee(s)/permittee(s) for their records.
- C. Complete all questions and sign the report on Page 3.

2. SIGNATURE(S):

The report form MUST BE SIGNED BY THE LESSEE(S)/PERMITTEE(S) OF RECORD. If anyone other than the lessee(s)/permittee(s) signs this report, a notarized written authorization (Power of Attorney) must accompany the report. An additional \$50.00 filing fee is required when filing a Power of Attorney.

3. LOCATION:

Specify the location of the improvement on the section map on Page 2.

4. COMPLIANCE:

Improvements placed without prior approval are subject to removal or modification at the lessee's expense. Disturbed land will also be subject to reclamation at the lessee's expense.

Pursuant to A.R.S. §37-321, lessee is not entitled to reimbursement for improvements that have not been authorized by prior written approval from the Department.

5. ASSISTANCE:

Contact one of the following sections for technical assistance, if required.

Agriculture	(602) 542-4625
Commercial	(602) 542-2650
Grazing	(602) 542-4626
Homesite	(602) 542-2650
Title and Contracts	(602) 542-2510

Arizona State Land Department

1616 West Adams

Phoenix, Arizona 85007

SLD - 40

RETURN TO:

ARIZONA STATE LAND DEPARTMENT
TITLE AND CONTRACTS SECTION
1616 WEST ADAMS
PHOENIX, ARIZONA 85007

SUBMIT FILING FEE:

\$50

DEPARTMENTAL USE ONLY		ROLODEX # _____	
ACCOUNTING	DATA MANAGEMENT	DISPOSITION/INITIAL	DATE
Filing Fee: \$50	EXAM: _____	APPROVED _____	_____
	RE-ASSIGN: _____	DENIED _____	_____
	APP TYPE: <u>Improve</u>	REJECTED _____	_____
(43)	NO. OF APPS: _____	WITHDRAWN _____	_____

REPORT OF IMPROVEMENT PLACED WITHOUT PRIOR APPROVAL

Type or print in ink.

LEASE NO. _____ - _____

COMPLETE ALL QUESTIONS, SIGN AND SUBMIT REPORT IN TRIPLICATE AND ATTACH filing fee of \$50.

Pursuant to A.R.S. §37-321, lessee is not entitled to reimbursement for improvements that have not been authorized by prior written approval from the Department.

1. STATE LESSEE(S) OR PERMITTEE(S):

Name(s)

Address

City State Zip

Contact Person Phone No.

2. TYPE OF REPORT:

Report of improvement placed without prior approval on State Lands described in Lease or Permit No. _____ - _____ which expires on _____ (Date)

3. REPORT OF IMPROVEMENT PLACED WITHOUT PRIOR APPROVAL:

Lessee(s)/Permittee(s) hereby reports to the Arizona State Land Department that an improvement has been constructed or placed on State Land without prior approval and has not been reported on the State Land described below, which land is administered in accordance with the laws of the State of Arizona and the rules of the State Land Department.

4. LEGAL DESCRIPTION: (location of improvement)

TWN.	RNG.	SEC.	LEGAL DESCRIPTION	ACRES	COUNTY	SLD USE ONLY		
						CTY	GRT	PARCEL
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____

5. PURPOSE OF IMPROVEMENT: _____

6. DESCRIPTION OF IMPROVEMENT:

7. DATE OF COMPLETION AND ACTUAL COST OF IMPROVEMENT:

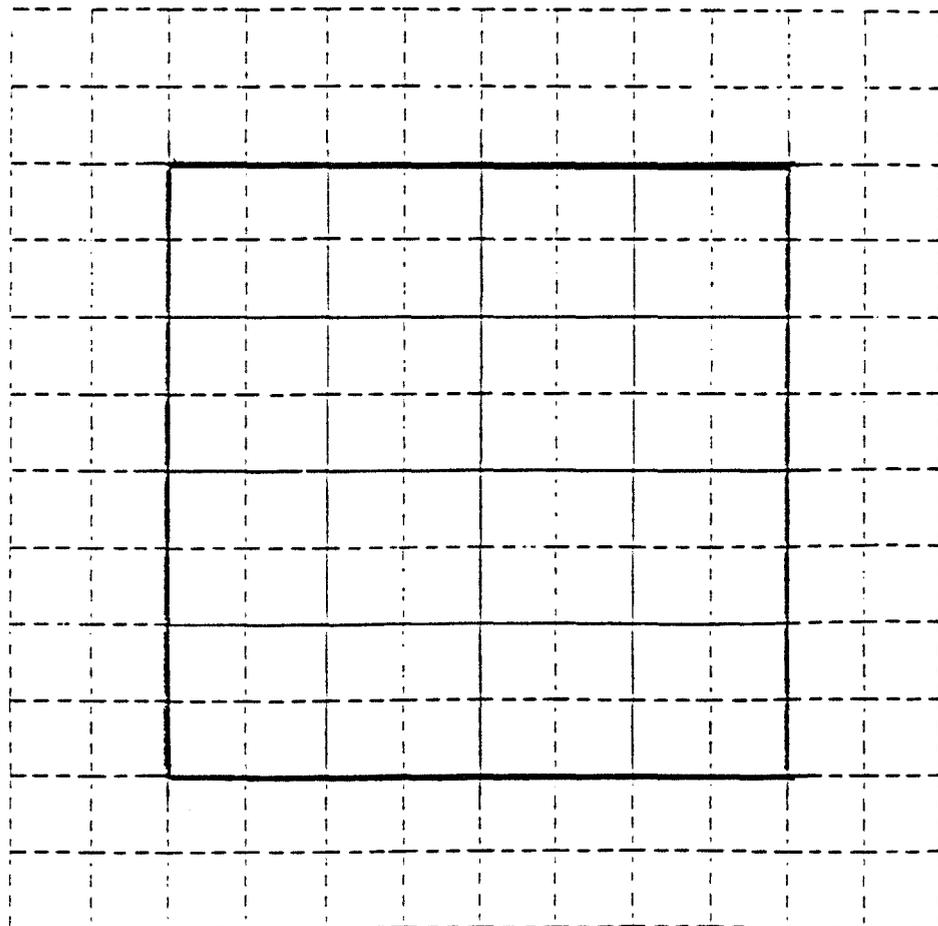
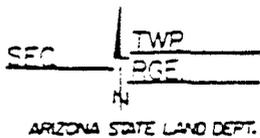
- a. Completion date of improvement is: _____
- b. Actual cost of improvement is: \$ _____

8. LESSEE(S)/PERMITTEE(S): COMPLETE AND SIGN PAGE 3.

(NOTE: This application must be signed by the State lessee(s)/permittee(s) of record.)

9. LOCATION OF IMPROVEMENT:

Indicate the location of the improvement on the plat map below or attach a topographic map.



CERTIFICATION: Pursuant to A.R.S. Title 37 and the Rules of the Arizona State Land Department, A.A.C. Title 12, Chapter 5, y Page 4 of 5 2
the following information pertinent to you and/or the organization you represent and sign the certification or your application will not be processed.

1. Is this application made in the name of: (check one)
_____ Individual(s) _____ Husband & Wife _____ Corporation _____ Partnership _____ Limited Partnership _____ Estate
_____ Trust _____ Joint Venture _____ Municipality _____ Political Subdivision _____ Other (specify) _____

2. **INDIVIDUAL(s) OR HUSBAND & WIFE:** Complete the following for each applicant:
NAME AGE MARITAL STATUS

3. **CORPORATION:** Complete the following:
(A) Do you have authority from the Arizona Corporation Commission to do business in the State of Arizona? Yes ___ No ___
(B) Is the corporation presently in good standing with the Arizona Corporation Commission? Yes ___ No ___
(C) In what state are you incorporated? _____
(D) Is the legal corporate name and Arizona business address the same as stated in this application? Yes ___ No ___
If no, state the Legal Corporate Name: _____

Address: _____
(Street or Box Number) (City) (State) (Zip)

4. **PARTNERSHIP OR JOINT VENTURE:** Complete the following for each authorized partner or principal in the partnership or joint venture:
NAME BUSINESS ADDRESS AGE MARITAL STATUS

5. **LIMITED PARTNERSHIP:** Is this Limited Partnership on file with the Arizona Secretary of State? Yes No
Complete the following for the authorized general partner(s) only:
GENERAL PARTNER(S) NAME BUSINESS ADDRESS

6. **ESTATE:** Complete the following and attach a copy of the court or estate document(s):
Name of the court appointed administrator or personal representative: _____
List the type and date of issuance of the court or Estate document: _____
(Type of Document) (Date issued)

7. **TRUST:** Complete the following pursuant to A.R.S. §33-404, for each beneficiary of the Trust:
NAME ADDRESS AGE MARITAL STATUS

OR Identify the Trust document by title, document number, and county where document is recorded: _____

8. Are you acting as an Attorney in Fact for the applicant? Yes ___ No ___ . If yes, you must submit a copy of your notarized Power of Attorney and a \$50.00 additional fee.

I HEREBY CERTIFY, UNDER PENALTY OF PERJURY, THAT THE INFORMATION AND STATEMENTS CONTAINED HEREIN, TOGETHER WITH ALL EXHIBITS AND ATTACHMENTS ARE TRUE, CORRECT AND COMPLETE AND THAT I/WE HAVE AUTHORITY TO SIGN THIS DOCUMENT.

Applicant (Corporation, Partnership, etc.) _____ Date _____ Applicant (Individual) _____ Date _____
By _____ Title _____ Applicant (Individual) _____ Date _____

DEPARTMENTAL USE ONLY

The Report of Improvement Placed On State Land Without Prior Approval, and for which permission was not previously approved by the Department, has been placed on record with the State Land Department. *Pursuant to A.R.S. §37-321, lessee is not entitled to reimbursement for improvements that have not been authorized by prior written approval from the Department.*

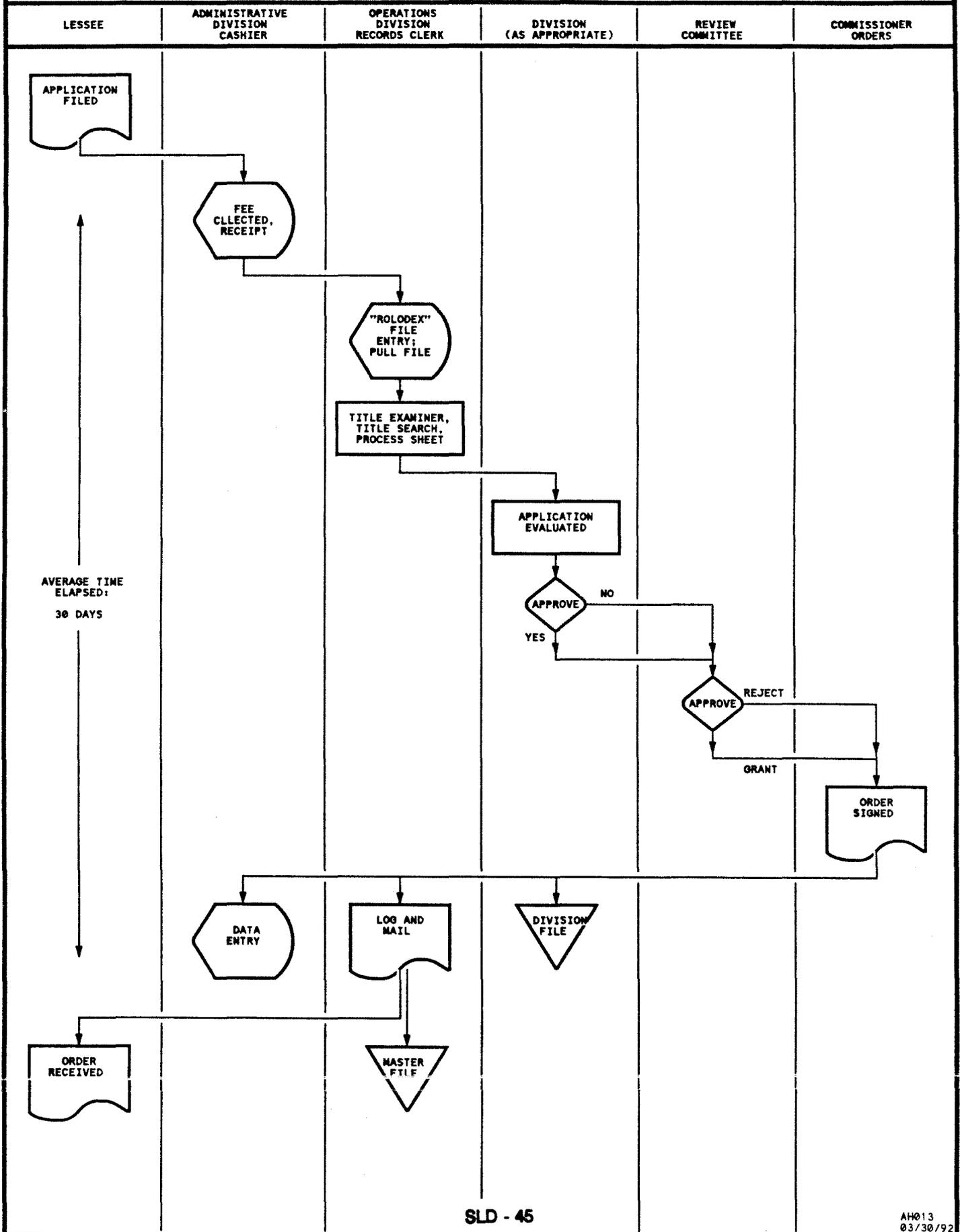
If this improvement is for a water improvement, you must also notify the Arizona Department of Water Resources.

The Report of Improvement Placed on State Land without Prior Approval, and for which permission was not previously approved by the Department, will not be allowed to remain on the land. The improvement must be removed immediately and the land restored to it's original condition.

Date: _____ STATE OF ARIZONA
ARIZONA STATE LAND COMMISSIONER

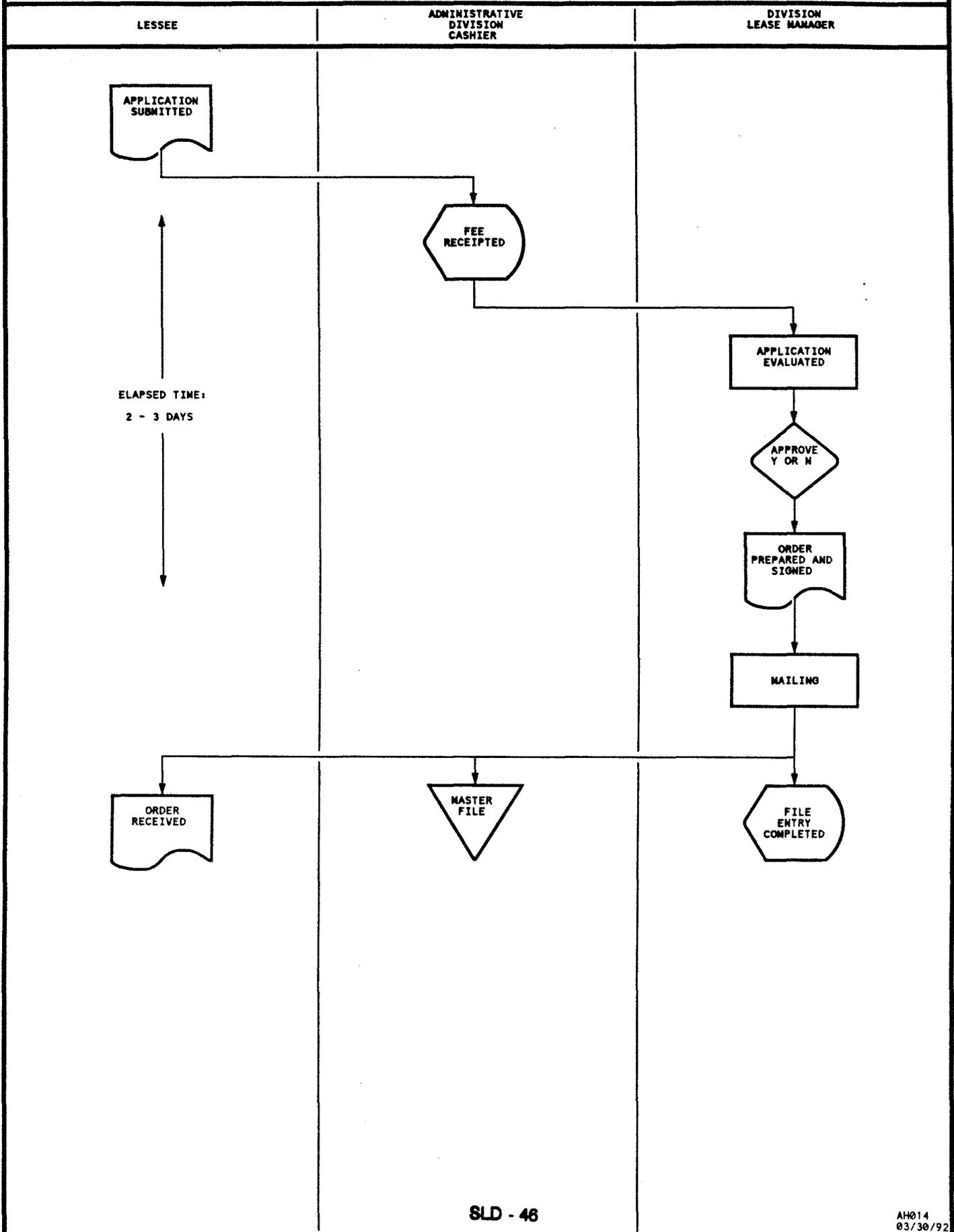
PRESENT PROCESS - APPLICATIONS TO PLACE IMPROVEMENTS

Exhibit 11



PROPOSED PROCESS - APPLICATIONS TO PLACE IMPROVEMENT

Exhibit 12



DATA PROCESSING

Current Situation

The Data Management Unit of the Business Systems Section, Administration and Resource Analysis Division, presently must enter all data into the main frame computer system. Accounting data is now entered through an out-dated coding sheet and key punch process, due to the type of program and equipment in place.

Data Management staff is composed of a Management Information Specialist, an Information Processing Specialist III, three Information Processing Specialists II (one of whom is half-time) and an Information Processing Specialist I (currently vacant). These work under the general supervision of the Section Manager, an EDP Systems Project Manager.

Data is submitted in hand written or typed form to this Unit from the various Sections of the Department requiring input. Both original and updating data as well as corrections to already entered data are thus submitted. This work then is assigned to the Data Management Unit Manager, for assignment to the specific IPS staff.

The Business Systems Section is in the final stages of a five-year conversion plan, projected (with every expectation of meeting the time line) to complete the final conversion step by June 30, 1992. That will bring the accounts and billing processes of the Department to a direct data entry mode within those units, thereby eliminating this Data Management Unit.

There is currently a lack of word processing capability throughout the Department, and no expressed plans to alter that situation in the near future, nor as a part of the data processing system presently being implemented. If computer prepared documents are to be transferred from one work location to another, it is accomplished by loading that data onto a computer disk, and physically transmitting it to the next station, or by passing on hard (i.e., printed or handwritten) copies which then need to be re-typed.

Impact

The present process, since it is running parallel to the direct entry test base and entails coding sheet/key punch operations, creates a very cumbersome, slow process for entry. Further, the present system results in not having real time information available to the program managers. Although much of

this system will be changed over to the direct entry process effective July 1, 1993, there still is a training and acceptance curve to be completed.

We are advised that, at conclusion of the data system conversion, five staff members now in Data Management will be reassigned, and that Unit will be abolished. These staff members are:

- Management Information Specialist (present Unit Manager) and an Information Processing Specialist (IPS) II who will be assigned to digitizing land descriptions data for the ALRIS program, on behalf of SLD (essentially an Operations Division function, although they will be supervised within the Business Systems Section)
- An IPS III and an IPS I (presently vacant) being assigned to the Operations Division, Administrative Procedures and Information Section, Public Counter (records)
- An IPS II being transferred to the Accounting Section in the Administration Division
- An IPS II (half-time position) moved to the Operations Division, Appraisal Section.

The lack of any networked word processing system, and also of any extensive number of stand alone computer stations, results in slowing down all segments of the Department's operations, and creating the necessity for:

- Manual transmittal of file and document information
- Handwriting of voluminous reports by the various professional staff, which subsequently are then typed by the limited clerical staff
- Added time for proofing the type written documents, editing and having corrections made thereon which then requires a final proofing before signature and passing on through the system.

The lack of a computer network for general word processing also severely limits the ability of the Department to establish much "boiler plate" language, the use of which would speed up many of the areas in which documentation is required and reports must be written.

Recommendations

We recommend the following actions be taken:

- Strongly pursue complete development and implementation of the computer information system now being installed
- Explore opportunities to incorporate total development of a local area network (LAN) system, to provide word processing, spreadsheet and other such functions from a server-based, shareable system, with costs and benefits to be identified
- Abolish the IPS III, pay grade 13, and IPS I, pay grade 9, positions now scheduled for transfer from Data Management, at a cost reduction of \$33,635
- Abolish the vacant IPS I position scheduled for transfer to the Public Counter (where no backlog exists), at cost reduction of \$16,258
- Relocate the two staff who will be doing the digitizing for the Department to the G.I.S. (A.L.R.I.S.) Unit, located as shown in Exhibit 5, State Land Department, Proposed Organizational Chart.

Benefits

Benefits to be obtained from this recommendation include:

- Cost avoidance of \$16,258 (pay grade 9, with ERE) by not filling the presently vacant IPS I position
- Cost reduction of \$33,635 by elimination of two IPS positions
- Improved information input, thereby diminishing staff time presently required to accomplish that task (no monetary computations have been attempted in this regard)
- Decrease in the size of the Administration Division, Business Systems Section to 10, thereby improving the present span of control

- Increased accuracy and productivity of major groups of staff, by provision of a LAN-based word processing system, plus making available other tools such as spread sheets, data bases and flow chart programs
- Improved communications among all Department staff, upon implementation of the recommended LAN.

Implementation

Implementation of these recommendations will be achieved by:

- Transferring the noted positions, as cited
- Eliminating the vacant IPS positions
- Securing and implementing the LAN system with requisite work products throughout the Department
- Time: 3 months.

MULTI-YEAR RENTAL AGREEMENTS

Current Situation

The State Land Department (SLD) through its Forestry Fiscal Section within the Administration Division implements approximately 135 cooperative fire fighting agreements each year with local fire departments throughout the state. These agreements authorize those departments to fight fires, upon being properly dispatched by SLD, on state land or private land. These remain in force until properly canceled by either agency.

Additionally, there are numerous "rental agreement" contracts consummated with local suppliers of food, shelter, transportation, equipment and miscellaneous supplies. These items will be supplied under those contracts only in the event a fire occurs within that area during the year. However, these contracts must all be executed annually, prior to the start of the fire season, in order to ensure there is no break in the supply line during times of emergency. These agreements must be re-written annually, involving the time of SLD staff and that of any involved fire departments and vendors.

Impact

In several cases the process of compiling these agreements becomes delayed, either through inattention, or attorneys failing to review the proposed agreements on time. Such time problems can create a situation in which adequate fire fighting coverage, equipment and supplies are not available at the start of fire season.

Different District Office staff throughout the state are involved in developing these agreements, plus those staff required to write, edit, and proof them. These activities include four hours writing time by the District Office staff, plus six to eight hours meeting with the vendors, plus travel time. Staff time also is required to input them into the SLD computer system, authorize them, and in monitoring them. Office staff spend approximately two hours typing and completing the contracts, and readying them for final signatures.

It is our understanding that hundreds of hours may annually be expended in obtaining these service/rental contracts from vendors in all the communities in order for the Department to be ready for the fire season, even though a number of those contracts may never be activated, since those areas might not be involved with any fires. This represents a significant amount of time expended for minimal contract use, however, under the present structure, a very necessary return on invested time.

Recommendations

The following is recommended:

- Explore the potential for establishing a single vendor entity (such as a Chamber of Commerce or other existing community service organizations) for these services to be provided under one contract, then sub-contracted at the prime vendor's discretion
- Develop multi-year (i.e., three year) agreements with all these vendor organizations
- Include in these contracts some terms for rate adjustments or review on an annual basis, to compensate for inflation rates, and wording to protect the state if funds are not authorized for the services
- Establish these agreements on a staggered sequence of renewal dates, with approximately one-third per year thus needing renewal.

Benefits

Benefits to be derived from this recommendation include:

- Decreased staff time involved in preparing and finalizing inter-governmental agreements between SLD and these local supply providing vendors (which could not be calculated, but is known to be substantial)
- Lessened occasions when cooperative agreements are not in place at the start of the annual fire season
- Improved planning capability, with the assurance there will be on-going fire fighting supplies and services available in effected areas of the state

Implementation

Implementation of this recommendation will require:

- Meeting with the involved local communities and vendors, together with the local fire departments, to explain the reasoning for this proposal, answering their questions and securing their commitment to the plan
- Identifying those organizations who will serve as prime contractor in each community
- Drafting and signing the required multi-year contracts
- Time: 12 months.

FORESTRY DIVISION

Current Situation

The Forestry Division is responsible for 23 programs. They provide technical assistance to the State Land Department (SLD) and private land owners, communities, and rural fire departments; and fight wildfires.

The Forestry Division has two sections. The Forestry Management Section, which has two filled Natural Resource Manager II (N/R Mgr II) positions, and one vacant EDP Programmer Analyst I position; and the Fire Management Section which has six positions plus 14 positions in the District Offices (see Exhibit 13, Forestry Division, Current Organization).

The Forestry Management Section is responsible for forest health. They keep track of trees on private and state land, and respond to requests from land owners on serious problems like insects and diseases. Forestry Management identifies problems and then recommends solutions and precautionary steps to avoid problems in the future. There are about 200 to 300 such requests per year on which the Forestry Management works. Personnel are, however, cross-trained to work in the Fire Management Section. There is one vacant EDP Programmer Analyst I position. This position's responsibility was to do mapping for hazard analysis, which was a specialized project and is already complete.

The Fire Management Section and its District offices are for fire protection on state and private land. There were approximately 3,000 to 4,000 fires last year. 75% were rural fires which were taken care of by the rural fire fighters. The Forestry Division has a joint cooperative agreement with about 150 rural fire departments who take care of the fires and then charge fees back to the State Land Department. The other 25% of fires, mostly big fires, are supervised by the Fire Management personnel. They train crews (e.g., state prisons crews) and them to fight fires.

The Fire Management Section works with the Bureau of Land Management (BLM), National Forest Service (NFS), Bureau of Indian Affairs (BIA), National Park Service (NPS) and local fire departments. They establish rental agreements with agencies and vendors for equipment, food, motels and other necessities required to supply the fire fighters in the field.

This Section also operates statewide fire dispatching services from their Phoenix office, with BLM also operating a parallel dispatch system, but concentrating on those fires occurring on BLM land. These agencies' dispatch offices (SLD and BLM) are located approximately three miles apart, and are responsible for the statewide dispatching of those fire fighting crews paid by either department. SLD calls dispatchers on nights, weekends and holidays to respond to the dispatch office, contacting them by pager or telephone, as needed. This necessitates the dispatcher going to the office, with response time of anywhere from 45 minutes to an hour and a half, open the office, assemble the required information relating to the emergency, and then commence dispatching fire fighting crews and equipment.

Impact

The vacant EDP Programmer Analyst I position in the Forestry Management Section is no longer needed, since the mapping work for the hazard analysis has been completed.

It was thought the dispatching services provided by the BLM and SLD would be better able to function without overlap or confusion if their offices were combined. Negotiations between BLM and SLD were attempted, intending to relocate the BLM staff and operations from their currently rented facilities into the state owned SLD facilities at 29th Avenue and Pinnacle Peak Road. Rental costs to BLM would have been reduced, SLD would get needed personnel back-up, and 24 hour manning of the dispatch offices during fire season would be more easily and efficiently achieved. However, BLM has advised they are not presently interested in such an arrangement.

Recommendations

- Eliminate the vacant EDP Programmer Analyst I position
- Establish an inter-agency agreement with the BLM for combining dispatching services of the two agencies

Benefits

- \$27,000 in cost avoidance

Implementation

- Abolish the designated vacant positions
- Time: 1 month.

CURRENT FORESTRY DIVISION

ORGANIZATION CHART

MARCH 1992

FORESTRY DIVISION

DIRECTOR

26

Land Mgr II	M Hart
Admn Sec II	I Guthrie
N/R Mgr III	R Romatzke
Admn Asst III	J CameronHild
FORESTRY MANAGEMENT	
N/R Mgr II	R Celaya
N/R Mgr II	C Pearlberg
EDP Prg An I	Vacant
FIRE MANAGEMENT	
Land Mgr I	D Behrens
N/R Mgr I	P Cirincione
N/R Mgr I	D Brown
Equip Mech Supv	T Sherman
Equip Mech II	J Gothard
Admn Sec I (L)	E Stanfield
DISTRICT OFFICES	
<u>PHOENIX</u>	
N/R Mgr III	S Hunt
<u>FLAGSTAFF</u>	
Land Mgr I	A Hendricks
N/R Mgr II	J Kraske
N/R Mgr I	J Youtz
N/R Mgr I	K Boness
NRM I	K Newbauer
Secretary	R Horton
N/R Tech (TE)	B Banke
<u>TUCSON</u>	
N/R Mgr III	C Jones
N/R Mgr I	B Lauber
<u>PRESCOTT</u>	
N/R Mgr III	T Sloan
N/R Tech	R Dominguez
<u>PINETOP</u>	
N/R Mgr III	T Warfield
N/R Mgr I	S Scranton

URBAN PLANNING - STAGES CONSOLIDATION

Current Situation

The Urban Planning Division presently has a three-stage process by which applications must be worked for reclassifying and developing State Trust Lands to commercial use or development for sale. These include the

- Urban Lands Classification Process,
- Urban Lands General Planning Process, and the
- Urban Lands Development Planning Process.

Each of these processes involve input of information from various Department and outside sources, evaluation of that information, issuance of Commissioner's Orders, Public Notices and Public Hearings (see Exhibit 14, Classification Planning Flow Chart, and Exhibit 15, General Planning Process Flow Chart).

The Urban Planning Division has approximately 58 sites assigned, at some stage in this process, with a Director and seven Planners involved, plus two Secretaries and a person responsible for printing documents. Developing the required information, and preparing the required plans for development is a lengthy, involved process, and allows each Project Manager to have a number of projects in progress at any given time.

Impact

Considerable staff time is now invested in repetitive processes, especially those involved with preparation for and reporting on the Public Hearings. By going through a preliminary evaluation, and forwarding it to a formalized decision point, and then following that with a preliminary planning process, a significant amount of time is invested with minimal productivity.

Recommendations

The following is recommended:

- Condense the Urban Lands Classification process and the Urban Lands General Plan Planning process into a single activity (see Exhibit 16, Proposed Process, Combined Stages)
- Eliminate one Planner III position.

Benefits

The benefits to be achieved from this Recommendation include:

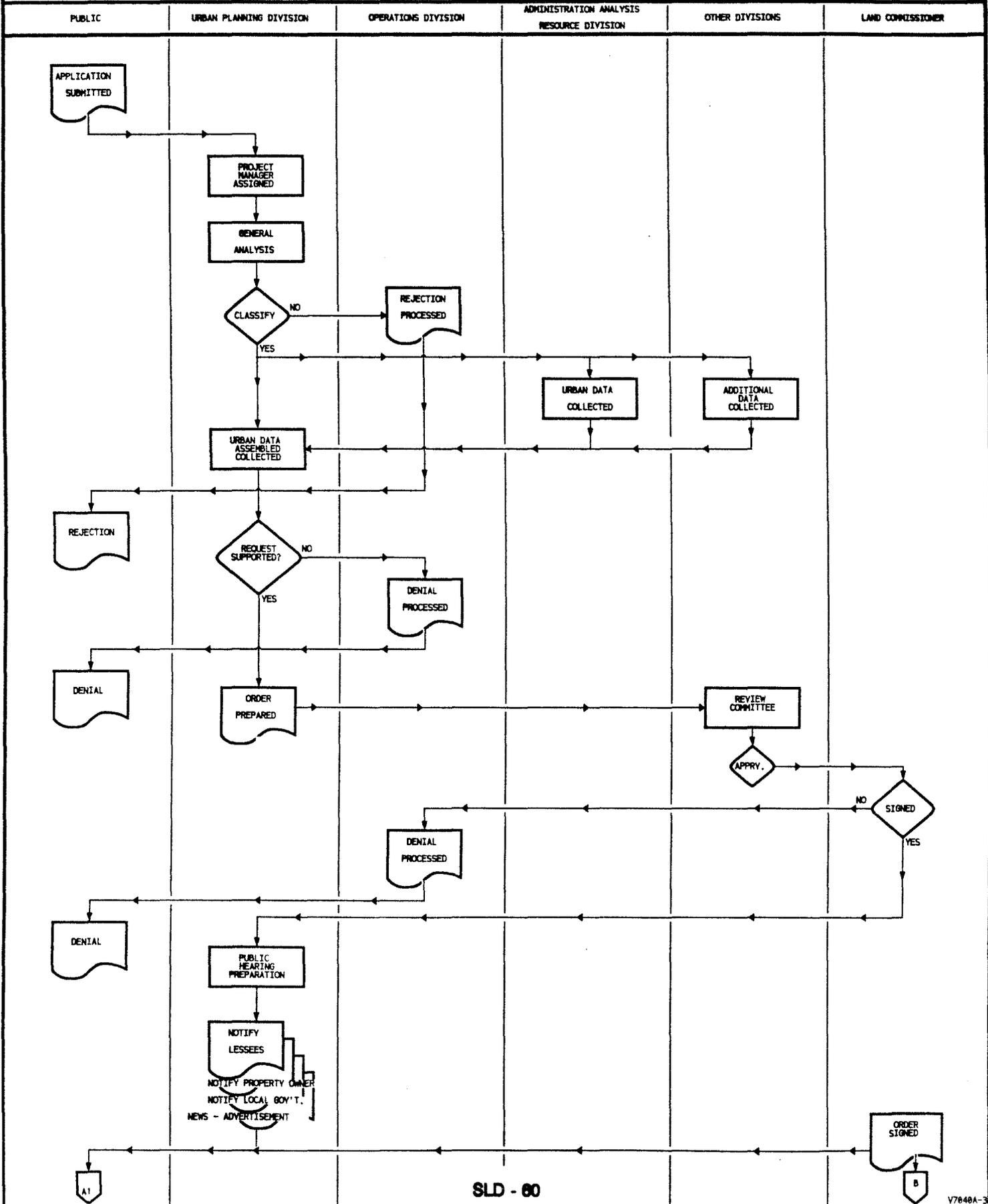
- Reduction of approximately 15% of the Urban Planning Division's time investment in moving from an original proposal to classify a land portion as "urban land", to the point where actual, detailed commercial/residential planning is ready to be started.
- Completion of assigned projects in a speedier manner, due to the additional time made available (seven Planners X 1675 productive hours per year X 15% = 1,758.75 additional hours, or one F.T.E.
- Cost savings of one Planner III position, \$46,565.

Implementation:

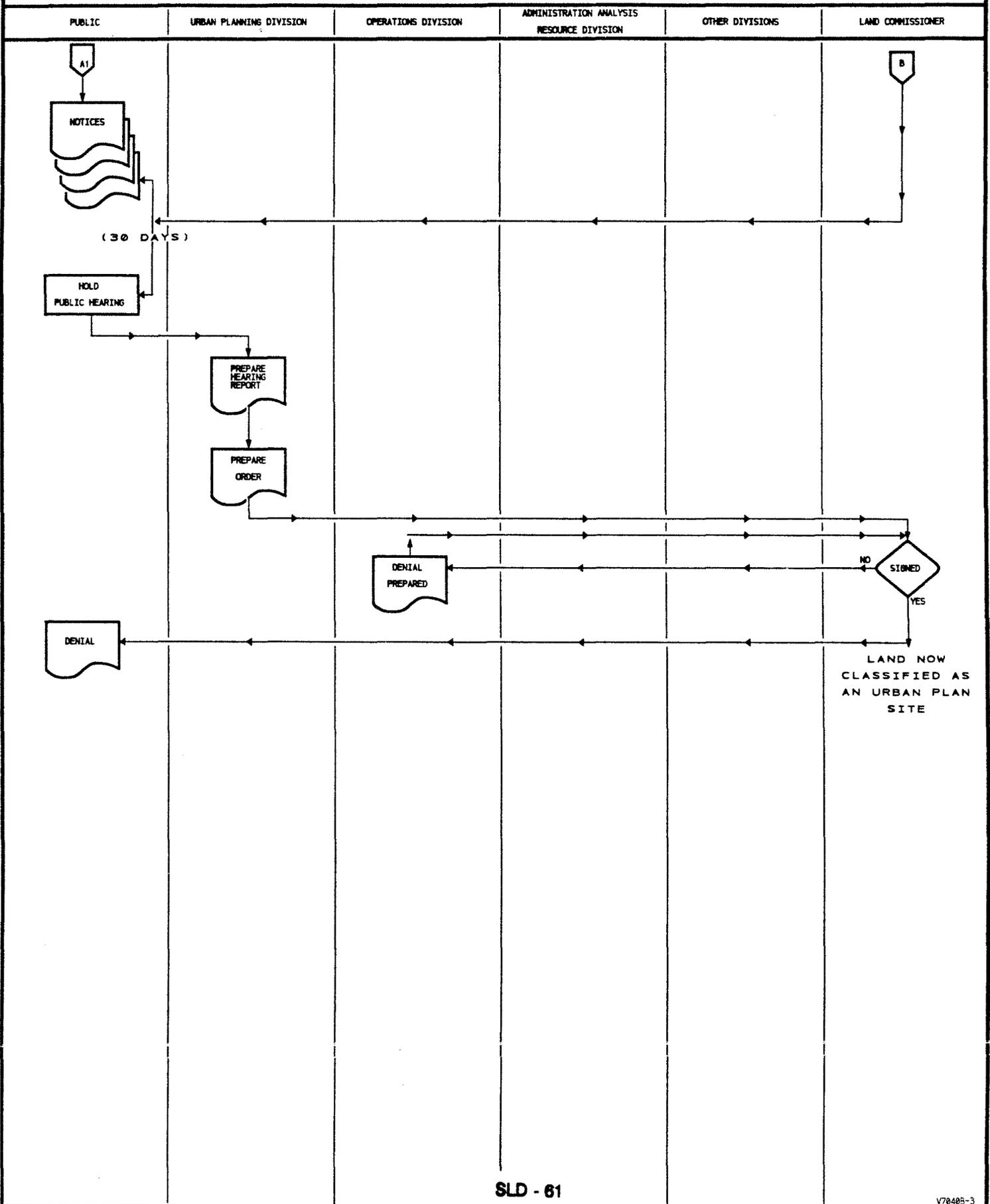
Implementation of this Recommendation will involve:

- Amending A.R.S. 37-331.01 and 333 (see Exhibit 17)
- Submission of revised Administrative Rules and Regulations which now mandate these separate processes
- Rewrite the Division procedures setting forth the process by which these planning stages are completed
- Time: 18 months.

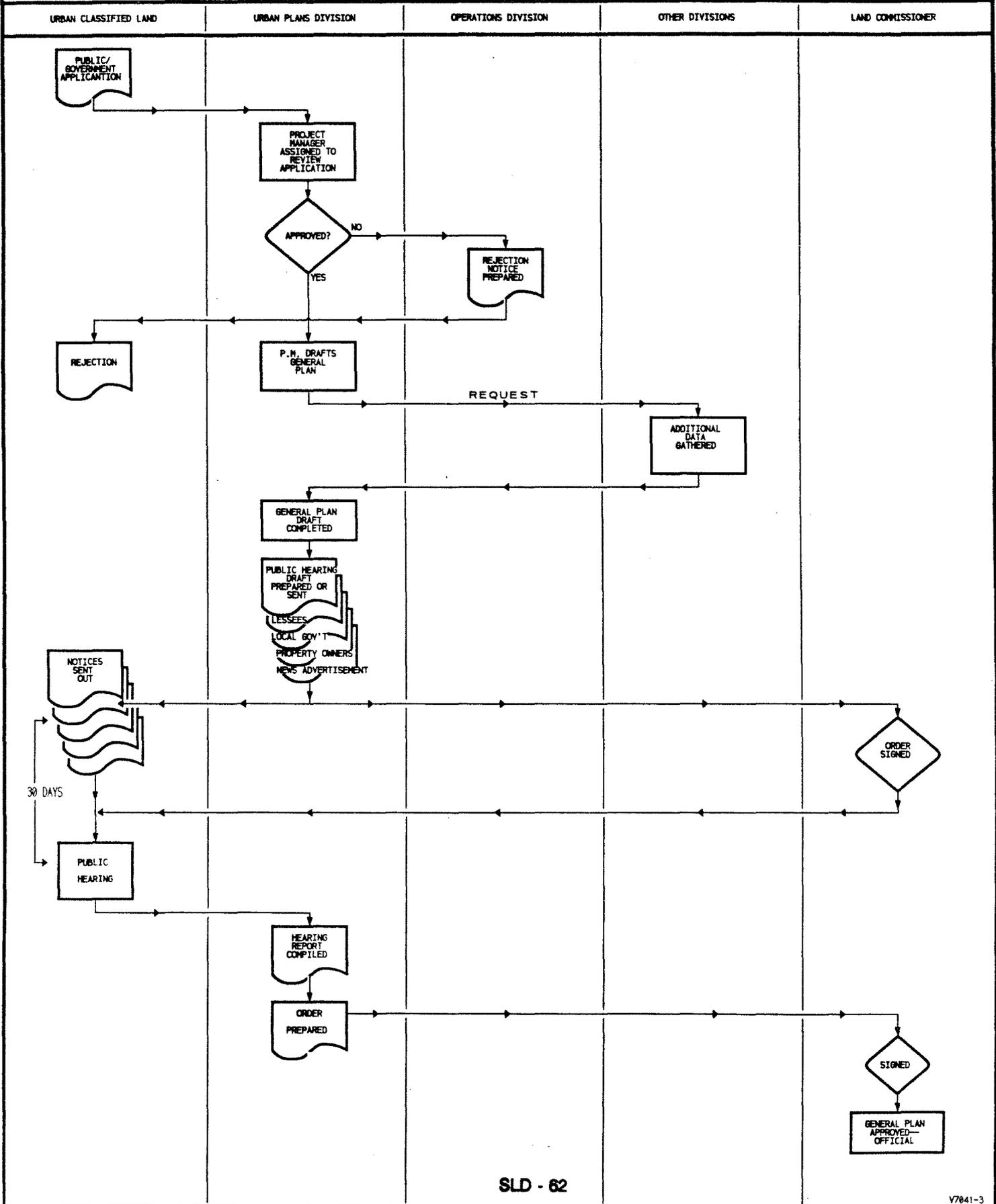
STATE LAND DEPARTMENT
 CURRENT PROCESS - CLASSIFICATION PLANNING (1ST PHASE PLANNING)
 PER ARS 37-332



STATE LAND DEPARTMENT
 CURRENT PROCESS - CLASSIFICATION PLANNING
 PER ARS 37-332



STATE LAND DEPARTMENT
URBAN PLANNING DIVISION
GENERAL PLANNING PROCESS
(2 nd PHASE PLANNING)

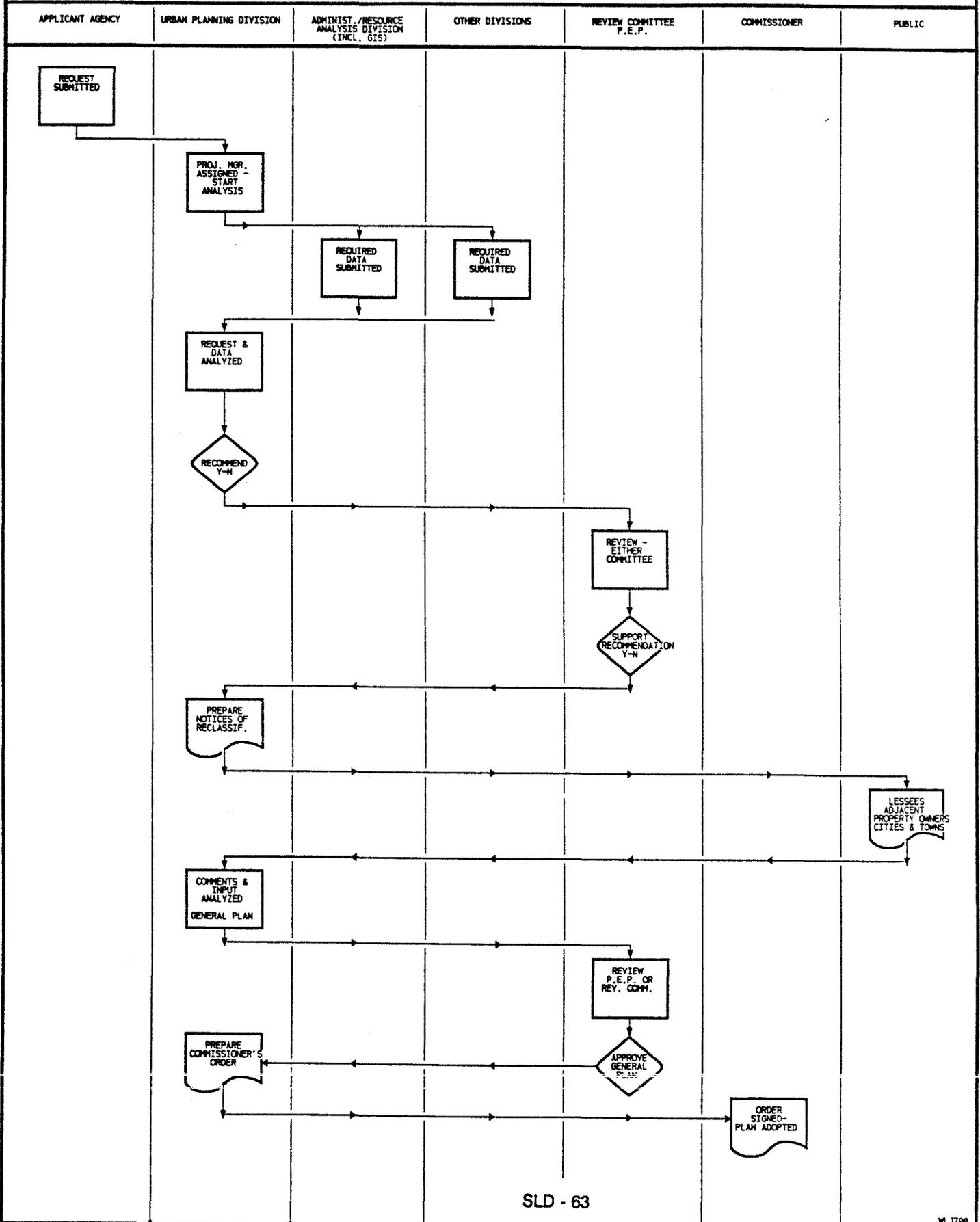


PROPOSED PROCESS

Exhibit 16

URBAN PLANNING DIVISION

COMBINED STAGES - ARS 37-332.333 - AMENDED



For repeal under Sunset Law, see italic note preceding § 37-201

Cross References

Lease of state lands, reservation of rights to state, exception, see § 37-287.

State lands, procedure for protesting auctions, filing written protest, see § 37-301.

§ 37-331. Definitions

In this article, unless the context otherwise requires:

1. "Existing lessee" means the lessee entitled to the use of state lands at the time such lands are considered for classification and are classified as urban lands suitable for urban planning or an existing lessee who continues to lease urban lands following classification as urban lands suitable for urban planning, or a person who leases urban lands following classification as urban lands suitable for urban planning.

2. "Local planning authorities" means any city, town or county in which urban lands suitable for urban planning are located. When urban lands that are located in an unincorporated area of a county are designated as urban lands suitable for urban planning, a city or town whose corporate boundaries are three miles or less from these lands shall be considered to be a local planning authority, together with the governing body of the county in whose jurisdiction the lands are located.

3. "Planning contractor" means the person or persons who contract with the department to formulate a development or secondary plan for urban lands suitable for urban planning.

Amended by Laws 1989, Ch. 59, § 1; Laws 1990, Ch. 25, § 5.

§ 37-331.01. Designation of state lands as urban lands upon request

A. The governing body of a city, town or county may request that the commissioner designate as urban lands state lands that are located within:

1. One mile of the corporate boundaries of an incorporated city or town having a population of less than two hundred fifty thousand people.

2. Three miles of the corporate boundaries of an incorporated city or town having a population of more than two hundred fifty thousand people.

B. The commissioner shall provide notice of a request made pursuant to subsection A of this section to all local governing bodies within three miles of the land in question.

C. The commissioner shall designate as urban lands those state lands requested pursuant to subsection A of this section unless the commissioner determines that the designation is an inappropriate categorization of the lands. When the commissioner makes a designation, he shall provide notice of the designation of the lands as urban lands to all local governing bodies within three miles of the lands so designated. If the commissioner determines that the designation would be inappropriate, he shall state in writing his reasons, and shall provide a copy of this statement to the requesting local governing body. The local governing body may appeal this decision to the board of appeals as provided in § 37-214.¹

Added by Laws 1981, 1st S.S., Ch. 1, § 22.

¹ So in original. Probably should read "37-215".

§ 37-332. Urban lands; notice; hearing; requirements; classification

A. The commissioner may, on his own initiative, designate certain urban lands as being under consideration for classification as urban lands suitable for urban planning pursuant to this section. The commissioner may designate urban lands as being under consideration for classification as urban lands suitable for urban planning upon application by the governing body having jurisdiction for the area in which the urban lands are located.

B. After designating urban lands pursuant to subsection A, the commissioner shall give to existing lessees, local planning authorities and owners of property that extends to within three hundred feet of the designated urban lands notice of intention to classify the urban lands as suitable for planning. Within thirty days after giving notice, the commissioner shall publish notice of intention to classify the urban lands as suitable for urban planning stating the time and place of the public hearing for six publications in a daily newspaper of general circulation in the capital of this state and in the county in which the designated urban lands are located. If there is no daily newspaper of general circulation in the county in which the designated urban lands are located, the required notice shall be published as many times within the thirty day period as the newspaper is published. The commissioner shall give notice to any person who requests notice of any classification made under this section.

C. In the notice required under subsection B, the commissioner shall notify all existing lessees of state land within the boundaries of the area under consideration that such a designation may subsequently result in reclassification of state lands within the boundaries of the designated areas.

D. Within sixty days after publication of notice under subsection B, the commissioner or his designee shall conduct a public hearing in the city, town or county in which the lands are located to receive and record oral and written testimony concerning the classification of the designated urban lands as urban lands suitable for planning and possible plans for development of those urban lands.

E. The commissioner may classify urban lands as urban lands suitable for planning after determining from oral and written testimony received that:

1. The department has met the notice and public hearing requirements of subsections B, C and D.
2. The state lands being considered as urban lands suitable for planning are adjoining existing commercially or homesite developed lands and which are either:
 - (a) Within the corporate boundaries of a city or town.
 - (b) Adjacent to the corporate boundaries of a city or town.
 - (c) Lands for which the designation as urban lands is requested pursuant to § 37-331.01.
3. The impact on the generation of revenue to the trust has been considered.
4. The state lands being considered for urban lands suitable for planning would encourage infill in areas most beneficial to the trust and prevent urban sprawl or leapfrog development.

URBAN LANDS DEVELOPMENT
Ch. 2

§ 37-333

5. The urban lands under consideration for classification as urban lands suitable for planning are located in areas where urban growth and development are imminent.

6. Planning for urban growth and development is now appropriate.

7. The department has cooperated with the department of water resources to determine that the urban lands have the quality and quantity of water needed for urban development.

8. The proximity to other developed areas and local jurisdictions is taken into consideration.

9. The department has fully cooperated with the local planning authorities with jurisdiction over the area or areas in which the state urban lands being considered are located.

10. All of the affected local planning authorities' development policies have been taken into consideration by the department.

11. The classification is consistent with the local planning authorities' development policies.

12. The proximity to and capacity of public facilities, including streets and highways, water supply systems, wastewater collection and treatment systems, and other public facilities and services necessary to support development, are considered.

13. It is in the best long-term interest of the trust to classify the urban lands as suitable for planning.

14. The natural features of the land are taken into consideration.

15. The land department has the appropriated monies for a planning contract for the urban lands being considered.

16. The impact to all existing leases in the area under consideration and in the general area has been taken into consideration.

Added by Laws 1981, 1st S.S., Ch. 1, § 22.

Historical Note

1981 Reviser's Note:

Pursuant to authority of section 41-1304-02, "notice; hearing; requirements;" was added to and "; regulation; duties of de-

partment and commissioner" was omitted from the heading of this section. In subsection E, paragraph 10, an apostrophe was added to "authorities'" as correction of a manifest clerical error.

§ 37-333. General plan; hearing; approval; amendment

A. On the classification of urban lands as urban lands suitable for planning the commissioner shall cause a general plan to be prepared for the lands in question. The general plan shall define the appropriate uses for the lands, provide a general basis for a development plan and make general policy statements related to the use and management of the lands.

§ 37-333

PUBLIC LANDS
Title 37

B. The department shall cooperate with the local planning authorities in the development of the general plan. The department, in conjunction with all affected local planning authorities, shall, with adequate notice, hold at least one public hearing at which time the proposed general plan will be openly discussed.

C. The general plan shall consider and include references to:

1. Types of land uses.
2. Compatibility of the urban lands for which the general plan is being prepared with adjoining development and land use.
3. Potential impacts on public facilities and services and on the future demand for such facilities and services.
4. Availability of water of sufficient quality and quantity to support the proposed development.
5. Potentially hazardous areas, such as floodplains, geologic instabilities, airport influence zones or other areas impacted by potentially hazardous facilities.
6. Open space, greenbelts, recreational areas or other low intensity uses.
7. The identification of specific parts of the urban lands under consideration for classification as urban lands suitable for planning that should not be developed or disturbed, such as natural areas, wildlife habitats, archaeological sites or historic sites and structures.
8. Timing of development.
9. Any other considerations deemed relevant by the commissioner and the local planning authorities.

D. Prior to the approval of a proposed general plan the commissioner shall:

1. Conduct a public hearing on the plan. The commissioner shall give notice of the public hearing in the same manner as provided under § 37-332, subsection B.
2. Determine whether the proposed plan is in the best interests of the trust. The commissioner shall state in writing the reasons for any determination that a proposed general plan is detrimental to the interests of the trust.

E. Following the public hearing, the commissioner may approve the proposed general plan. An approved general plan shall be the basis for future planning for and use of the affected urban land:

F. Following approval of the general plan by the commissioner, no amendment or revision may be made without the approval of the commissioner. The commissioner may approve a proposed amendment or revision.

URBAN LANDS DEVELOPMENT

§ 37-334

Ch. 2

sion of the general plan only after notification of and a meeting with the local planning authority as to the nature of the proposed amendment or revision. The commissioner may determine that a public hearing is necessary, or the local planning authority may request such a hearing on the proposed amendment or revision. If either the commissioner or the local planning authority requests a public hearing, the proposed amendment or revision shall not be adopted until after the hearing and consideration by the commissioner and the local planning authority of the information presented at the hearing. The commissioner shall give notice of a public hearing on a proposed amendment or revision in the same manner as provided under § 37-332, subsection B. If neither the commissioner nor the local planning authority determine¹ that a public hearing is necessary, the commissioner may adopt the proposed amendment or revision.

Added by Laws 1981, 1st S.S., Ch. 1, § 22.

¹So in original. Probably should read "determines".

URBAN PLANNING RESTRUCTURE

Current Situation

The Urban Planning Division was created in response to the 1981 Urban Lands Act. This Division essentially serves a pro-active, long range planning function, in assistance to the immediate disposal orientation of the Land Disposition Division.

Division staff consist of the Director, a secretary, five Planner IIIs based in Phoenix and a Planner III and a Planner IV in Tucson. The latter also serves as office manager for the Tucson office, although he has no direct staff supervisory responsibilities. These Planners are also identified as Project Managers, with each being assigned an average of three to six projects.

The Urban Planning Division is responsible for determining whether land should be classified as ready and appropriate for development, for creating an initial, general plan for the land, and then for working with other entities such as cities or private developers in developing a relatively detailed "development plan,"

A prior recommendation "Urban Planning - Stages Consolidation" has been submitted calling for combining the first two of these planning processes, which will result in a significant time savings for the Urban Planning Division staff, thereby moving the process forward at a faster pace.

During the course of gathering information in SLD the SLIM Team was frequently advised there are enough major parcels of land already planned to keep the marketing (Land Disposition) staff in supply through the end of this century.

Impact

Although considerable work is required to maintain contact with projects in process, as well as to monitor future developments within the state, from the above information it appears there is not sufficient work to justify the current staffing.

With implementation of the consolidation of planning phases recommendation, staff time required to carry out existing and required new assignments will be further reduced. Adding to that the impact of

an adequate computer word processing network system (see recommendation "Data Processing") will further diminish time mandates.

At present, it appears staff of this Division, having completed the primary thrust of the Act, and the purpose for which the Division was created, are now at a point where this large a staff, and a separate Division, are no longer justified.

Recommendations

In light of these observations it is therefore recommended to:

- Eliminate two Planner III (Grade 21) positions in the Phoenix office
- Eliminate a Planner IV (Grade 22) positions in the Tucson office
- Place the Urban Planning functions within a newly created "Resource Protection Division," as detailed in the recommendation "Reorganization of State Land Department"
- Eliminate the Division Director's (Grade 23) position.

Benefits

The benefits to be obtained from implementing this recommendation include:

- Consolidation of work activities, thereby enhancing the efficiency of those performing those functions and the delivery of the end product
- Savings of two pay grade 21 positions at \$48,505 annual, for \$97,010
- Savings of one pay grade 22 at \$52,998 annual
- Savings of one pay grade 23 at \$58,089 annual
- Total savings of \$208,097 annual.

Implementation

Implementation of this recommendation will require creating the designated new Section, and eliminating the identified positions.

- Time required: Approximately 3 months.

BROKERAGE FEES

Current Situation

A.R.S. 37-132 empowers the State Land Commissioner to "promote the infill and orderly development of state lands in areas beneficial to the trust and prevent any urban sprawl or leapfrog development on state lands."

Under this authority the Urban Planning Division works with developers, with cities and counties, or on their own initiative to perform long range development planning for the use of State Trust Lands adjacent to developing urban communities. Those plans incorporate the disposition of Trust Lands, either by sale (generally reserved for residential developers) or long-term leases (usually done with commercial properties).

The Department is not allowed, at present, to pay a brokerage fee to real estate agents who may wish to promote the lease or purchase of these lands within the purview of the development planning which has been completed. HB 2524, introduced February 12, 1992, (see Exhibit 18) on page 2, lines 28 through 33, offers language to correct this situation.

Impact

Since brokers are not allowed, at present, to receive a fee from SLD, their interest is minimal in promoting the sale or lease of these Trust Lands (by which the "highest and best use" is obtained for the Beneficiaries). In fact, if there is a competitive piece of privately owned property, their efforts will be directed to the sale of the private property in deference - and frequently in direct opposition - to the Trust Land.

When there is a competing sales interest in an area, especially in the restricted real estate markets which exist today, the broker obviously must promote that property transaction which will result in remuneration to the broker. If that means presenting a negative view of the competing state land transaction, such negative view is apt to be offered to potential buyers.

SLD does not have sufficient staff to serve as a "front line" sales force, aggressively promoting the interests of the state in regard to these planned developments. Even though significant zoning fees, as much as \$1,200 per zoning action, may already have been paid, acquisition of that property with resultant reimbursement to the SLD fund, will be significantly retarded.

Recommendations

It is therefore recommended that:

- The Legislature be strongly encouraged to pass HB 2524, in its present form
- Procedures be established by which up to a 3% brokerage fee may be paid to real estate agents who aggressively and successfully market selected parcels of state land
- A detailed record be maintained to evaluate the positive effects of paying these brokerage fees, to serve as a reliable data base for determining the value of continuing or discontinuing this authority.

Benefits

The benefits to be obtained from this recommendation include:

- The proposal to allow SLD to directly pay up to a 3% brokerage fee will strongly encourage agents to represent state land transactions, and will enhance the completion of these planned developments on which the Department has expended considerable time and effort, as directed by statute
- Accelerated sales or lease of state lands, estimated to result in several million dollars (not easily calculated) during the coming years

Implementation

Implementation of this recommendation requires:

- Passage of HB 2524, essentially as introduced on February 12, 1992

- Establishment of appropriate Procedures to ensure the swift and effective utilization of the provisions of this bill, upon its passage
- Time: 6 months.

STATE OF ARIZONA
40th LEGISLATURE
SECOND REGULAR SESSION

REFERENCE TITLE: state land sales; broker
participation

HOUSE

HB 2524
Introduced
February 12, 1992

Referred on February 12, 1992
Rules _____
Natural Resources & Agriculture
Licensing, Professions & Tourism

Introduced By
Representatives Hooper, Guenther, Senator Hill; Representatives Bee,
Beezley, Burns R, Celaya, Evans, Senators Arzberger, Todd

AN ACT

AMENDING SECTION 37-132, ARIZONA REVISED STATUTES; RELATING TO STATE LAND SALES AND LEASES.

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 37-132, Arizona Revised Statutes, is amended to
3 read:
4 37-132. Powers and duties
5 A. The commissioner shall:
6 1. Exercise and perform all powers and duties vested in or imposed
7 upon the department, and prescribe such rules as are necessary to
8 discharge those duties.
9 2. Exercise the powers of surveyor-general except for the powers of
10 the surveyor-general exercised by the treasurer as a member of the
11 selection board pursuant to section 37-202.
12 3. Make long-range plans for the future use of state lands in
13 cooperation with other state agencies, local planning authorities and
14 political subdivisions.
15 4. Promote the infill and orderly development of state lands in
16 areas beneficial to the trust and prevent any urban sprawl or leapfrog
17 development on state lands.
18 5. Classify and appraise all state lands, together with the
19 improvements thereon, for the purpose of sale, lease or grant of
20 rights-of-way. The commissioner may impose such conditions and covenants
21 and make such reservations in the sale of state lands as he deems to be in
22 the best interest of the state. Grants of rights-of-way to governmental
23 agencies or political subdivisions of this state for cash without public
24 auction shall be made only for public road or highway or for municipal or
25 county airport or community college purposes and on condition of reversion
26 to this state if the rights-of-way cease to be used for these purposes.

HB2524

1 The provisions of this paragraph shall be subject to hearing and judicial
2 review procedures pursuant to title 12, chapter 7, article 6.

3 6. Have authority to lease for grazing, agricultural, homesite or
4 other purposes, except commercial, all land owned or held in trust by the
5 state.

6 7. Have authority to lease for commercial purposes and sell all
7 land owned or held in trust by the state, but any such lease for
8 commercial purposes or any such sale shall first be approved by the board
9 of appeals pursuant to section 37-214.

10 8. Except as otherwise provided, determine all disputes, grievances
11 or other questions pertaining to the administration of state lands.

12 9. Appoint such deputies and other assistants and employees
13 necessary to perform the duties of the department, assign their duties,
14 and require of them such surety bonds as he deems proper. The
15 compensation of the deputy, assistants or employees shall be as determined
16 pursuant to section 38-611.

17 10. Make a written report to the governor annually, not later than
18 September 1, disclosing in detail the activities of the department for the
19 preceding fiscal year, and publish it for distribution. The report shall
20 include an evaluation of auctions of state land leases held during the
21 preceding fiscal year considering the advantages and disadvantages to the
22 state trust of the existence and exercise of preferred rights to lease
23 reclassified state land.

24 B. The commissioner may:

25 1. Take evidence relating to, and may require of the various county
26 officers information on, any matter which he has the power to investigate
27 or determine.

28 2. THROUGH _____, 19__ AND UNDER SUCH RULES AS THE
29 COMMISSIONER ADOPTS, USE PRIVATE REAL ESTATE BROKERS TO ASSIST IN ANY SALE
30 OR LONG TERM LEASE OF STATE LAND AND PAY, FROM FEES COLLECTED UNDER
31 SECTION 37-108, SUBSECTION A, PARAGRAPH 10, SUBDIVISION (a), A COMMISSION
32 OF NOT MORE THAN THREE PER CENT OF THE PURCHASE PRICE TO ANY BROKER THAT
33 PROVIDES THE SUCCESSFUL BIDDER, OTHER THAN THE BROKER, AT AUCTION.

34 C. The commissioner or any deputy or employee of the department
35 shall not have, own or acquire, directly or indirectly, any state lands or
36 the products thereon, any interest in or to such lands or products, or
37 improvements on leased state lands, or be interested in any state
38 irrigation project affecting state lands.

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2524
(Reference to printed bill)

- 1 Page 2, strike lines 32 and 33, and insert "TO A BROKER LICENSED PURSUANT TO
- 2 TITLE 32, CHAPTER 20, THAT PROVIDES THE PURCHASER OR LESSEE AT AUCTION.
- 3 THE PURCHASER OR LESSEE AT AUCTION IS NOT ELIGIBLE TO RECEIVE A
- 4 COMMISSION PURSUANT TO THIS SUBSECTION."
- 5 Amend title to conform

ROGER HOOPER

2/25/92
cla

SLD - 77

RIGHTS-OF-WAY APPLICATIONS LIMITS

Current Situation

Under authority of A.R.S. 37-132.A.5, the State Land Department (SLD) is authorized to make ". . . Grants of rights-of-way to governmental agencies or political subdivisions of this state for cash without public auction . . . only for public road or highway or for municipal or county airport or community college purposes . . ."

However, A.R.S. 37-461.B states: "When grant of a right-of-way or site amounts to the disposition of or conveys a perpetual right to the use of the surface of the land, it shall be disposed of . . . in conformity with the requirements of law . . ."

Since placement of highways, either public or those providing access to subdivisions, require perpetual conveyance, even though these usages are ones for which there are no competitive bids, and there is no negotiation regarding price once the matter has gone to auction (that is settled ahead of time), there still must be that public auction compliance with state law.

The state Attorney General's office has issued an oral opinion regarding a recent Supreme Court decision declaring that perpetual road rights-of-way can be issued only after 10 weeks of advertising, and at public auction. The ruling and its impacts are noted in a memorandum from the State Land Department dated March 20, 1992 (see Exhibit 19, SLD Memorandum).

In "Notes of Decision" to the Constitution, Article X, Section 1, quoting language from State ex rel. Arizona Highway Dept. v. Lassen (1966) 87 S.Ct 584, 385 U.S. 458, on remand 102 Ariz. 318, 428 P.2nd 996, it is noted: "Under terms and purposes of grant in the New Mexico-Arizona Enabling Act, Section 28, Arizona must actually compensate the trust in money for full appraised value of any material sites or rights-of-way which it obtains on or over trust lands, which standard most nearly reproduces the results of auction (emphasis added) prescribed by this Act . . ."

And, Attorney General Opinion No. 56-106 is quoted as stating: "State Land Department has a right to amend the rules and regulations governing rights of way to grant a right-of-way without public auction sale." The issue appearing to be solely one of the "perpetual conveyance" requirement of these roads, and similarly situated easements and rights-of-way for exclusive use purposes.

Impact

The public auction requirements incorporate ten weeks advertising in a newspaper in the capitol area, which has been interpreted to mean the major Phoenix daily papers. This advertising costs SLD (and ultimately the applicant) approximately \$1,200 per advertisement. There must also be advertising for the same time period in a paper in the area in which the auction is to be held, at varying costs.

The process of public auction also involves a 30 day waiting period from the time the public notice is advertised until the auction is held, requires obtaining a place of auction (usually the steps of the courthouse in other than Maricopa and Pima Counties) and the requisite official(s) to conduct the auction, and all the documentation of the fact that it was held in accordance with law.

Significant expenses are accrued by the state in this activity, simply to grant a basically permanent although minimally restrictive and totally non-competitive use of the land, for public benefit. We are informed that, in all the years these auctions have been held, there have only been two occasions when a counter-bid was submitted, and both those were "nuisance" bids.

When the "Master Appraisal" process which is now being developed by the Chief Appraiser is completed, the required appraisals for these rights-of-way will be significantly simplified, with attendant cost reductions (not now calculated).

With 436 Right-of-Way Applications (see Exhibit 20, Right-of-Way Instruction and Application) processed in FY 91, and 435 projected for FY 92, at a cost of \$141.70 (an average of 10.5 hours) each this represents a cost of \$61,639.50 to the state for these transactions. These figures do not, however, include the actual costs of the auctioning process, such as preparing the newspaper advertisements, arranging for their publication, making auction schedules and arrangements, and staff time to travel to, conduct and return from the auctions. It may safely be assumed this will add approximately 25% more to the above designated costs of these transactions.

Recommendations

The following actions are therefore recommended:

- Amend A.R.S. 37-132 to allow right-of-way leasing, after the public announcement period and when no competitive bids have been received, without necessity for public auction for

any public utility use, commensurate with any required change to Article X of the Constitution

- Procedures be implemented for this simplified processing and granting rights-of-way for roads and other such involved usages
- The Chief Appraiser be encouraged to pursue the "Master Appraisal" project with the utmost haste, and with necessary agency support.

Benefits

Benefits to be obtained by implementing this recommendation include:

- Assuming only five of the 435 permits require an auction, 430 permits not auctioned would save the extra 25%, or about \$35 each, for an approximate savings of \$15,000
- Elimination of (10.5 hr. X 25% = 2.625 hr. X 435 =) 1,142 staff hours, thereby eliminating one FTE
- Cost savings of \$35,000 annually.

Implementation

Implementation of this recommendation will require

- Creating the procedures by which the streamlined lease process for these lands will be managed
- A review by the state Attorney General of the newly developed Rules
 - Potential amendment of the Constitution

- Encouraging the Governor to request an expedited Opinion, to achieve implementation within nine months
- Time: 9 to 14 months



FIFE SYMINGTON
GOVERNOR

Arizona
State Land Department

1616 WEST ADAMS
PHOENIX, ARIZONA 85007

Exhibit 19
Page 1 of 2



M.J. HASSELL
STATE LAND COMMISSIONER

MEMORANDUM

March 20, 1992

TO: William P. Foster, Director
Land Disposition Division *Bill*

FROM: Bill Fish, Manager
Right of Way Section

Definition of Problem: Due to the Attorney General's oral opinion of a recent Supreme Court decision, all perpetual public road rights of way can be issued by the State Land Department only after ten weeks of advertising in the county where the right of way is located prior to public auction (average advertising cost, \$1,000 per right of way).

As road rights of way are: (1) long linear strips; (2) by necessity, have to be tailored for one specific user; and (3) as we have never had a real contested road auction; the process has been time consuming expensive, and unnecessary to both the Department and the roadway buyer.

Proposed Solution: The Attorney General needs to be persuaded that their oral opinion of Deer Valley Unified School District #97 V. State of Arizona (CV.-86-0577-T) requiring these auctions is incorrect. Then, an opinion supporting ARS § 37-461D could be issued for non-exclusive use perpetual leases (or easements). These rights of way could be issued for a term exceeding ten years without public auction.

Fiscal Impact: Over the last five years, the Department has sold the following rights of way at public auction with no competitive bids (averaged):

Rights of Way Section
March 23, 1992
Page 2

<u>County</u>	<u>R/Ws</u>	<u>Advertising @\$1,000</u>	<u>1 FTE Time & Travel</u>	
Apache	4	\$ 4,000	\$ 300	\$ 1,200
Cochise	20	20,000	300	6,000
Coconino	12	12,000	300	3,600
Gila, Graham				
Greenlee	15	15,000	300	4,500
Maricopa	70	70,000	150	10,500
Mohave	30	30,000	300	9,000
Navajo	4	4,000	300	1,200
Pima	60	50,000	300	18,000
Pinal	50	50,000	200	10,000
Santa Cruz	2	2,000	300	600
Yavapai	42	42,000	200	8,400
Yuma	25	25,000	300	7,500
La Paz	<u>2</u>	<u>2,000</u>	<u>300</u>	<u>600</u>
Total	336	<u>\$326,000</u>		<u>\$81,100</u>
Average	67	\$ 65,200		16,200
Add Advertising				<u>65,200</u>
Total Annual Potential Savings				\$81,400

It is also possible that, these rights of way would not have to be presented to the Board of Appeals thereby creating more savings.

WPF/cd

RIGHT-OF-WAY INSTRUCTION SHEET

Exhibit 20
Page 1 of 6

A RIGHT-OF-WAY CAN ONLY BE USED FOR THE PURPOSE FOR WHICH IT IS ISSUED

<u>TYPE OF R.O.W.</u>	<u>APPLICATION</u>			
<u>EASEMENT</u>	<u>FEE</u>	<u>TERM</u>	<u>EXAMPLE OF USE</u>	<u>LEASE RENTAL</u>
Annual	\$100	10 years or less	Temporary use; construction easement, haul road	Annual Payment
10 Year	\$100	10 years	Utility (power, communication, gas, water, sewer, etc.)	10 year advance payment
50 Year	\$100	50 years	Major transmission communication, utility, facilities	50 year (or less) advance payment
Perpetual	\$100	Perpetual	Private/Public access road/easement (Offered at public auction. Adverti- sing and administrative fees paid for by applicant.)	Full payment in advance or in installments

TYPES OF ACCESS/ROADWAYS:

1. PUBLIC ROADWAY Easements acquired by the A.D.O.T., cities, counties and individuals for permanent legal access. The road must be built to city/county standards. A perpetual easement is required by law for anyone who wishes to cross property other than his own, to build, subdivide, etc.
2. ACCESS ROADS Limited use easement (annual or 10 year) for individual use to gain access to State Land under lease, Federal mining leases, communication sites, private land surrounded by State Lands.
NOTE: Federal mining claim lessees should contact the Mineral Division of the State Land Department before filing for access at (602)542-4628.
3. HAUL ROADS Easements acquired by mining, sand, gravel and lumber operators. The roadway is used by heavy equipment, and is not a public access road. A damage and restoration bond and rehabilitation of the lands is required.
4. SERVICE ROADS Easements acquired by a utility company for the purpose of installation, service, and repairs of utility lines. This type of easement is not a public access road.

HOW TO APPLY FOR A RIGHT-OF-WAY

APPLICATIONS WILL NOT BE ACCEPTED WITHOUT THE FOLLOWING:

1. Answer all questions on the right-of-way application and sign the certification page of the application.
2. Be specific about what you propose to construct.
3. State the purpose of the right-of-way.
4. Preliminary description: A sketch map of the proposed right-of-way alignment, use base map provided, showing the width and approximate length of right-of-way crossing State land within a single section. A separate sketch map is required when more than one section is crossed by proposed right-of-way. A U.S.G.S. seven and one half minute topographic quadrangle may be used as a substitute for the provided base map.
5. Include any additional information or material available that would aid in the Department's evaluation of the application.
6. Return signed application and \$100 filing fee to:

ARIZONA STATE LAND DEPARTMENT
Title and Contracts Section
1616 WEST ADAMS
PHOENIX, ARIZONA 85007

CLEARANCES REQUIRED:

- 1) Archaeological - Arizona State Museum, University of Arizona, Tucson, AZ 85721 (602)621-2096
- 2) Native plants - Department of Agriculture, 1688 W. Adams, Phoenix, AZ 85007 (602)542-4373
- 3) Clearance may be required from various other State agencies, including the Department of Environmental Quality

Initial contact for the clearances will be handled by the Land Department. All costs for clearances shall be borne by the applicant.

ALIGNMENTS:

A preliminary review of the Right-of-Way application is done to evaluate impact and suitability as to the acceptability of the proposed alignment. A field inspection may be required. Applicant will be notified of the acceptable alignment and, if applicable, survey requirements.

APPRAISAL:

The rental and purchase prices will be based on the appraised fair market value of the land as approved by the Department.

RIGHT-OF-WAY FINAL DESCRIPTION:

The final description for an approved right-of-way alignment shall consist of a written description and map in accordance with the State Land Department's "Standards for Final Right-of-Way Descriptions"; copies available from the State Land Department Right-of-Way Section.

GUIDELINES FOR RIGHT-OF-WAY FINAL SURVEY DATA:

If the description is irregular enough to require a survey, it must be certified by an Arizona Registered Land Surveyor.

Samples of survey requirements are available from the Right-of-Way or Engineering Sections.

For information regarding the survey, contact the Engineering Section at (602) 542-2601, 542-2602 or 542-2603.

PROCESSING TIME:

Approximate time for processing an accepted application is six (6) months to one (1) year.

For further information, contact:

**Right of Way Section
Arizona State Land Department
1616 West Adams
Phoenix, Arizona 85007
(602) 542-1704.**

EVERY RIGHT-OF-WAY IS AN ENCUMBRANCE ON THE PROPERTY THAT IT CROSSES. DEPENDING UPON THE ALIGNMENT, IT CAN ENHANCE OR SEVER THAT PROPERTY FOR ALL FUTURE USE.

RETURN TO:
ARIZONA STATE LAND DEPARTMENT
TITLE AND CONTRACTS SECTION
1616 WEST ADAMS
PHOENIX, ARIZONA 85007

DEPARTMENTAL USE ONLY		ROLODEX # _____	
ACCOUNTING	DATA MANAGEMENT	DISPOSITION/INITIAL	DATE
Filing Fee: \$100	EXAM: _____ RE-ASSIGN: _____ APP TYPE: _____ NO.OF APPS: _____	APPROVED _____ DENIED _____ REJECTED _____ WITHDRAWN _____	_____
N(34) R(35) A(23)			

FILING FEE: \$100

APPLICATION FOR RIGHT-OF-WAY

Type or print in ink.

APPLICATION NO. _____ - _____

COMPLETE ALL QUESTIONS, SIGN APPLICATION AND ATTACH \$100 filing fee.

1. APPLICANT:

Name(s)

Address

City State Zip

Contact Person Phone No.

2. TYPE OF APPLICATION:

New

Amend

Renewal of those State Trust lands described in
Right-of-Way Number _____ - _____
which expires on _____ (Date)

3. REQUEST FOR RIGHT-OF-WAY:

Applicant hereby makes Right-of-Way application under A.R.S. § 37-461, for the purpose of _____ (Type of Right-of-Way)
_____ over and across the lands hereinafter described for a term of _____ years,
(number of years)
in accordance with the laws of the State of Arizona and the rules of the State Land Department.

4. LEGAL DESCRIPTION:

TWN.	RNG.	SEC.	LEGAL DESCRIPTION	LENGTH/WIDTH	ACRES	COUNTY	SLD USE ONLY		
							CTY	GRT	PARCEL
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

5. AMENDMENT ONLY: State the reason for amending the Right-of-Way:

Existing Easement

Application

6. **BURIED RIGHT-OF-WAY:**

- A. How deep will the line be buried? _____ B. What is the diameter of the line? _____
- C. What materials will be used in the line? _____
(PVC, metals, fiber optic/conduit, etc.)
- D. Will the line be adjacent to or within an existing road right-of-way? Yes ___ No ___. If yes, will the surface area described for the line be at: grade _____, below grade _____, or above grade _____ to the roadway.
- E. Will the line cross drainage way(s)? Yes ___ No ___.
- F. Will the line require above ground appurtenances? Yes ___ No ___. If yes, describe the specific appurtenances in detail, including the dimension(s) and required construction:

7. **ABOVE GROUND RIGHT-OF-WAY:**

- A. Is the line to be installed on the ground? ___ Above the ground? ___. B. What is the diameter of the line? _____
- C. What type of material will be used in the line? _____
(PVC, metal, fiber optic/conduit, etc.)
- D. Does the line require poles? Yes ___ No ___ Towers? Yes ___ No ___. If yes, provide the following information:
Width _____ Height _____, (after installation) wood _____ metal _____
color _____ number of wires or lines to be attached _____.
- E. Will the line be adjacent to or within an existing road right-of-way? Yes ___ No ___. If yes, will the surface area described for the line be at grade _____, below grade _____, or above grade _____ to the roadway.
- F. Will the line cross drainage way(s)? Yes ___ No ___.
- G. Describe any construction that will be required: _____

8. **ADDITIONAL RIGHT-OF-WAY INFORMATION:**

- A. Is the proposed right-of-way to be used in conjunction with any application for a state lease, permit or sale (commercial, mineral, etc.)? Yes ___ No ___. If yes, give the application lease type and number: _____
- B. Are there any improvements that would be disturbed if this application is approved (water tanks, wells, fences, building, etc.)? Yes ___ No ___. If yes, list and indicate the location of each improvement on the map on page 4 of this application.

- C. If approved, will the construction and the maintenance of the right-of-way interfere with or intrude upon the existing lessee's rights under any existing lease? Yes ___ No ___. If yes, describe in detail: _____
- D. Is the proposed right-of-way to serve private property? Yes ___ No ___. If yes, what is the name of the fee title owner?

- E. If the right-of-way is for a road, is it to provide access to a landlocked parcel? Yes ___ No ___. If yes, name the connecting road that is the point of legal access: _____
- F. Are there any unusual circumstances concerning the right-of-way that the State Land Department should know about? Yes ___ No ___. Specify: _____

9. **APPLICANT COMPLETE AND SIGN PAGE 3.**

CERTIFICATION: Pursuant to A.R.S. Title 37 and the Rules of the Arizona State Land Department, A.A.C. Title 12, Chapter 5, you must complete the following information pertinent to you and/or the organization you represent and sign the certification or your application will not be processed.

1. Is this application made in the name of: (check one)
_____ Individual(s) _____ Husband & Wife _____ Corporation _____ Partnership _____ Limited Partnership _____ Estate
_____ Trust _____ Joint Venture _____ Municipality _____ Political Subdivision _____ Other (specify) _____

2. INDIVIDUAL(S) OR HUSBAND & WIFE: Complete the following for each applicant:

NAME	AGE	MARITAL STATUS
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. CORPORATION: Complete the following:
(A) Do you have authority from the Arizona Corporation Commission to do business in the State of Arizona? Yes ___ No ___
(B) Is the corporation presently in good standing with the Arizona Corporation Commission? Yes ___ No ___
(C) In what state are you incorporated? _____
(D) Is the legal corporate name and Arizona business address the same as stated in this application? Yes ___ No ___
If no, state the Legal Corporate Name: _____
Address: _____
(Street or Box Number) (City) (State) (Zip)

4. PARTNERSHIP OR JOINT VENTURE: Complete the following for each authorized partner or principal in the partnership or joint venture:

NAME	BUSINESS ADDRESS	AGE	MARITAL STATUS
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

5. LIMITED PARTNERSHIP: Is this limited partnership on file with the Arizona Secretary of State? Yes No
Complete the following for the authorized general partner(s) only:

GENERAL PARTNER(S) NAME	BUSINESS ADDRESS
_____	_____
_____	_____

6. ESTATE: Complete the following and attach a copy of the court or estate document(s):
Name of the court appointed administrator or personal representative: _____
List the type and date of issuance of the court or Estate document: _____

7. TRUST: Complete the following pursuant to A.R.S. §33-404, for each beneficiary of the Trust:

NAME	ADDRESS	AGE	MARITAL STATUS
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

or (B) Identify the Trust document by title, document number, and county where document is recorded: _____

8. Are you acting as an Attorney in Fact for the applicant? Yes ___ No ___ . If yes, you must submit a copy of your notarized Power of Attorney and a \$50.00 additional fee.

I HEREBY CERTIFY, UNDER PENALTY OF PERJURY, THAT THE INFORMATION AND STATEMENTS CONTAINED HEREIN, TOGETHER WITH ALL EXHIBITS AND ATTACHMENTS ARE TRUE, CORRECT AND COMPLETE AND THAT I/WE HAVE AUTHORITY TO SIGN THIS DOCUMENT.

Applicant (Corporation, Partnership, etc.) _____ Date _____ Applicant (Individual) _____ Date _____
By _____ Title _____ Applicant (Individual) _____ Date _____

SEC _____ TWP _____
RGE. _____
N

ARIZONA STATE LAND DEPT.

LAND EXCHANGE AUTHORIZATION

Current Situation

Under the Enabling Act by which Arizona was created in 1912 as a state of the Union, as well as under the Arizona Constitution, State Trust Land which was deeded to the state is required to be held in trust with benefits from its use or sale accruing to specifically designated beneficiary state entities, or "grants."

For many years following statehood and until approximately 1989, there was considerable shifting and exchanging of the Trust Lands which were deemed not appropriate or beneficial for retention in the Trust as originally assigned (at least four designated sections within each township). Such decisions to exchange were made due to:

- Indian reservations being established which incorporated Trust sections
- State and national parks and forests delineated in a manner including Trust lands
- Trust Land sections being contiguous to expanding state or national parks
- Consolidation of holdings for better and more efficient utilization of these lands
- Development of areas by other governmental activities (e.g., creation of a lake by the Corps of Engineers) which eliminate or diminish the state's use of Trust Land.

The exchanging of these blocks of State Trust Lands were carefully regulated by the State Land Department for the best interests of the beneficiaries, but continued on a regular basis as need and prudent judgment dictated, until after the Deer Valley School District had brought suit (see Arizona Supreme Court action in CV-86-0577-T) against the Department for their rejection of an exchange with the District, and the state's subsequent rejection of the District's attempted condemnation of that same property.

The Arizona Supreme Court in 1990 upheld the SLD position, but also ruled that, until the Arizona Constitution is amended to match the change already enacted (1936) in the Enabling Act, land dispositions may only be done through public auction. The Office of the State Attorney General thereafter issued an

Opinion that an exchange constitutes a disposal, and thus is guided by the Court's ruling. Since that time all land exchanges by SLD have been stopped.

Proposition 100 appeared on the 1990 general election ballot as an Amendment to the Arizona Constitution by which the 1936 Enabling Act Amendment would be incorporated. Due to a lack of voter understanding of the proposition, and despite full support of newspaper, environmental entities and governmental groups, the proposition was rejected. The current legislature is in the process of considering HCR 2029 (Exhibit 21, House Concurrent Resolution 2029 -- State Land Exchange Authority) with anticipated passage in late March, by which this amendment will again appear on the general election ballot for 1992.

Impact

Land exchanges are extremely beneficial to SLD and its beneficiaries, as these exchanges allow both maximizing the returns on land held in trust, and cooperative interaction with other federal, state and local governmental entities in providing lands suited for public use without the expenditure of public tax dollars.

Numerous anticipated, beneficial exchanges have been "on hold" since the 1990 Supreme Court ruling (see Exhibit 22, State Trust Lands Eligible for Exchange). The lack of having enacted these exchanges has:

- Prevented the state from acquiring useful land valued at \$193 million to \$285 million and from gaining annual lease income estimated at 2%-5% of this value
- Held up development of parks and other land use areas by other governmental entities
- Created uncertainty as to the long range management of state Trust Lands for the total benefit of the Trust.

As a government body, the State Land Department is prohibited from "lobbying" for the passage of the expected proposition on the 1992 ballot. Wherever possible, local groups having an interest in such issues are being addressed by SLD as to the facts behind this issue. Again, there appears to be no opposition to its passage.

Recommendations

The following is recommended:

- The Governor clearly state his support of this proposition, and the reasons for that support
- The legislature publicly support HCR 2029 and the ballot amendment
- Project SLIM work with the media on a positive information program in support of this action as part of it's implementation charter.

Benefits

The benefits to be obtained from passage of this proposition, and the above recommendations, include:

- Ability of the SLD to enhance the value of the State Land Trust by several million dollars (SLD's estimate is \$193 million to \$285 million)
- Projected annual income, through leasing activities, of approximately \$5 million (calculated at an average of approximately 2% annual return over the next five years on the median of the range quoted above)
- Ability of national and state park and forest managers, as well as other public and private land holders, to continue consolidating their land interests while allowing State Land to likewise beneficially consolidate holdings.

Implementation

Implementation requires the appropriate governmental office, with the Governor's support, to promote full citizen understanding of the issues involved in this proposition.

- Time frame: After passage in November, approximately 6 months to start the exchanges; 8 to 24 months to begin realizing income.

STATE OF ARIZONA
40th LEGISLATURE
SECOND REGULAR SESSION

REFERENCE TITLE: state land exchange authority

HOUSE

Referred on February 11, 1992

Rules

Natural Resources & Agriculture

HCR 2029

Introduced
February 11, 1992

Introduced By

Representatives Hull, Hamilton, Schweikert, Wettaw, Guenther, McLendon, Aldridge, Senators Rios, Patterson T, Arzberger, Denny: Representatives Bee, Beezley, Benton, Brown, Carson, Gerard, Hindman, Hooper, Hubbard, Johnson, Smith, Steffey, Williams, Senators Alston, Bartlett, Blanchard, Buster, Dougherty, English, Furman, Gutierrez, Hardt, Hill, Pena, Ruiz, Salmon, Soltero, Stephens

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE X, CONSTITUTION OF ARIZONA, BY ADDING SECTION 12; RELATING TO STATE LANDS.

- 1 Be it resolved by the House of Representatives of the State of Arizona,
- 2 the Senate concurring:
- 3 1. Article X, Constitution of Arizona, is proposed to be amended as
- 4 follows, by adding section 12, if approved by the voters and on
- 5 proclamation of the Governor:
- 6 12. Land exchanges
- 7 SECTION 12. A. AFTER PUBLIC NOTICE, THIS STATE MAY
- 8 EXCHANGE LANDS GRANTED OR CONFIRMED BY THE ENABLING ACT FOR
- 9 OTHER PUBLIC OR PRIVATE LANDS UNDER SUCH RULES AS THE
- 10 LEGISLATURE MAY BY LAW PRESCRIBE IF ALL OF THE FOLLOWING
- 11 CONDITIONS ARE MET:
- 12 1. THE EXCHANGE IS IN THE BEST INTEREST OF THE STATE
- 13 LAND TRUST.
- 14 2. THE TRUE VALUE, AS DETERMINED BY AT LEAST TWO
- 15 INDEPENDENT APPRAISALS, OF ANY LANDS RECEIVED IN THE EXCHANGE
- 16 EQUALS OR EXCEEDS THE TRUE VALUE OF THE LANDS THE STATE
- 17 EXCHANGES.
- 18 3. THE EXCHANGE IS FOR THE PURPOSE OF EITHER:
- 19 (a) CONSOLIDATING STATE LAND HOLDINGS TO IMPROVE
- 20 MANAGEMENT OPPORTUNITIES OR TO INCREASE STATE LAND VALUES.
- 21 (b) TRANSFERRING STATE LANDS TO OTHER FEDERAL, STATE OR
- 22 LOCAL GOVERNMENTAL ENTITIES FOR PUBLIC PURPOSES, INCLUDING
- 23 PROTECTION OF ENVIRONMENTAL VALUES.
- 24 (c) ACQUIRING LAND THAT IS NEEDED BY THE STATE FOR
- 25 PUBLIC PURPOSES, INCLUDING PROTECTION OF ENVIRONMENTAL VALUES.

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1 B. LAND EXCHANGES ARE NOT CONSIDERED TO BE SALES FOR
2 PURPOSES OF THIS ARTICLE.
3 C. LAND EXCHANGES INVOLVING FEDERAL LANDS MAY BE MADE
4 ONLY AS AUTHORIZED BY ACTS OF CONGRESS AND FEDERAL
5 REGULATIONS.
6 2. The Secretary of State shall submit this proposition to the
7 voters at the next general election as provided by Article XXI,
8 Constitution of Arizona.

STATE LAND EXCHANGE OPPORTUNITIES

- A. EXCHANGES TO TRADE ENVIRONMENTALLY SENSITIVE LANDS TO FEDERAL, STATE AND LOCAL GOVERNMENT AGENCIES AND ENTITIES FOR PROTECTION OF ENVIRONMENTAL VALUES IN RETURN FOR FEDERAL STATE OR LOCAL GOVERNMENT LANDS THAT ARE MORE SUITABLE FOR LEASE OR SALE TO PRODUCE INCOME FOR THE TRUST BENEFICIARIES.
- Trust lands that should be transferred to other agencies for public uses
- Possible range of costs if these Trust lands had to be purchased with tax dollars instead of being acquired in State land exchanges

State Trust lands inside existing National Park Service areas.

Inside Saguaro National Monument	1,700	\$ 6,000,000 to \$ 7,000,000
Inside Organ Pipe National Monument	1,280	200,000 to 300,000
Inside Lake Mead National Recreation Area	<u>2,400</u>	<u>2,000,000</u> to <u>3,000,000</u>

2. State Trust lands suitable for expansion of National Park Service areas:

For expansion of Petrified Forest National Park	33,800	\$ 3,000,000 to \$ 4,000,000
For expansion of Walnut Canyon National Monument	<u>2,000</u>	<u>6,000,000</u> to <u>9,000,000</u>
	35,800 acres	\$ 9,000,000 to \$ 13,000,000

3. State Trust lands inside Bureau of Land Management Wilderness Areas:

Arrastra Mountain WA	1,280	
Eagletail Mountains WA	2,643	
Harcuvar Mountain WA	640	
Hassayampa River Canyon WA	400	
Hummingbird Spring WA	1,280	
Rawhide Mountains WA	200	
Redfield Canyon WA	960	
Tres Alamos WA	2,640	
Trigo Mountains WA	<u>41</u>	
	10,081 acres	\$ 200,000 to \$ 300,000

4. <u>State Trust lands inside Federal land areas managed by the Bureau of Land Management:</u>	Trust lands that should be transferred to other agencies for public uses	Possible range of costs if these Trust lands had to be purchased with tax dollars instead of being acquired in State land exchanges
Arizona Strip - Mohave and Coconino Counties	150,000	\$11,000,000 to \$ 15,000,000
Southwestern Arizona Deserts Maricopa, Yuma, & La Paz Cntys	75,000	7,000,000 to 15,000,000
Lake Pleasant/Wickenburg-Yavapai County	60,000	15,000,000 to 20,000,000
Silver Bell Mountains - Pima County	28,000	5,000,000 to 7,000,000
Gila Mountains - Graham County	22,000	2,000,000 to 3,000,000
Guadalupe Canyon - Cochise Cnty	12,000	2,000,000 to 4,000,000
Burro Creek Riparian Area-Yavapai County	10,000	1,000,000 to 2,000,000
Empire/Cienega & Empirita Ranches - Pima County	<u>70,000</u>	<u>56,000,000</u> to <u>80,000,000</u>
	427,000 acres	\$99,000,000 to \$146,000,000
5. <u>State Trust lands inside National Forests:</u>		
Checkerboard lands southwest of Flagstaff	17,000	\$34,000,000 to \$ 51,000,000
Rogers Lake riparian area near Flagstaff	<u>1,000</u>	<u>2,000,000</u> to <u>3,000,000</u>
	18,000 acres	\$36,000,000 to \$ 54,000,000
6. <u>State Trust lands inside Buenos Aires National Wildlife Refuge</u>	1,200 acres	\$ 150,000 to \$ 200,000
7. <u>State Trust lands inside Federal Military Reservations:</u>		
Goldwater Aerial Gunnery Range	81,000	\$ 8,000,000 to \$ 16,000,000
Yuma Proving Grounds	5,000	500,000 to 1,000,000
Fort Huachuca	<u>1,537</u>	<u>770,000</u> to <u>1,500,000</u>
	87,537 acres	\$ 9,270,000 to \$ 18,500,000

8. State Trust lands needed for State, County and Local Government public uses:

	Trust lands that should be transferred to other agencies for public uses	Possible range of costs if these Trust lands had to be purchased with tax dollars instead of being acquired in State land exchanges
Cienega Creek - Pima County	3,100	\$ 5,000,000 to \$ 7,000,000
Totolita Mountains Park - Pima County	8,100	7,000,000 to 9,000,000
Cerro Colorado Mountain Park - Pima County	7,950	3,000,000 to 4,000,000
Empire Mountains - Pima County	820	300,000 to 500,000
Sierrita Mountains - Pima Cnty	6,260	3,000,000 to 5,000,000
Usery Mountain Park-Maricopa Cnty	324	2,000,000 to 3,000,000
Camp Date Creek-Yavapai County	200	50,000 to 70,000
McDowell Mtns.-Maricopa County/ City of Scottsdale	3,000	8,000,000 to 10,000,000
Tumamoc Hill Desert Research Area - University of Arizona	320	2,500,000 to 3,500,000
Oracle State Park - State Parks	<u>80</u>	<u>600,000</u> to <u>800,000</u>
	30,154 acres	\$ 31,450,000 to \$ 42,800,000
GRAND TOTAL	615,152 acres	\$193,270,000 to \$285,100,000

B. EXCHANGES THAT COULD BE MADE TO ENABLE THE STATE LAND DEPARTMENT TO ACQUIRE LANDS WITH ENVIRONMENTAL OR PUBLIC VALUES WHICH THE DEPARTMENT CAN THEN SELL, LEASE OR EXCHANGE TO OTHER GOVERNMENTAL ENTITIES FOR PUBLIC USES

- Inholdings in Homolovi State Park near Winslow, Navajo County.
- "The Sinks" near Snowflake in Navajo County.
- Private lands within the area proposed for expansion of the Petrified Forest National Park, Navajo and Apache County.
- Private lands suitable for future State, County or City parks or other public uses.

C. EXCHANGES TO CONSOLIDATE STATE LAND HOLDINGS TO IMPROVE MANAGEMENT OPPORTUNITIES OR INCREASE TRUST LAND VALUES

- State and private lands in the checkerboard area through Mohave, Yavapai, Coconino, Navajo and Apache Counties.
- State and Navajo Tribal lands near Winslow and in the Boquillas Ranch in western Coconino County.

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AGENCY LEASE CALCULATIONS

Current Situation

A number of state agencies presently lease Trust Land sites from the State Land Department (SLD), for which they are assessed rental fees. Some of those fees are a million dollars or more per year, depending on the appraised value of the land they occupy.

Each such agency must estimate the lease fee they will be charged by the SLD each year, and incorporate that estimate into their annual budget request each September. Very often, however, SLD does not complete their appraisal and notify the agencies of their new annual lease amount until after the budget is closed. That necessitates the agency either requesting a supplemental budget, or pulling the unbudgeted funds from other portions of the agency allocation.

Impact

Leasing agencies do not receive adequate appropriations to cover their lease, particularly for new leases, due to lack of current information at the time their budget is submitted, thereby causing budget shortfalls in those agencies, as they transfer funds from one program area to the other.

Recommendations

We recommend that:

- Procedures within SLD and with the ~~SLD~~ Legislative Budget Committee (JLBC) be established by which SLD will advise the leasing agencies in an appropriate timely manner regarding the correct amount
- or be able to provide a more accurate lease amount later in the budget cycle.

Benefits

The benefits to be realized from implementation of this recommendation include:

- Greatly reducing shortfalls within the leasing agencies due to their lack of lease information at the time of budget presentation.

Implementation

Implementation will require changing the timing of SLD's appraisals of lands leased to state agencies, and the timing of their notifications sent those agencies regarding lease rates.

- Time: 6 months.

POLICY AND PROCEDURES MANUALS

Current Situation

Throughout the interviews conducted within the State Land Department the Project SLIM Team was advised there are few policy or procedure manuals. In some instances there are procedure books which have been drafted by the Immediate section, for special areas.

The same situation essentially holds true for the remainder of the Department, in areas involving activities such as processing payments, researching titles, evaluating applications, managing forestry resources, etc.

Impact

There is a costly time loss experienced in each area where this situation exists, constituting the majority of the Department.

Policy directives are issued in "Policy Memo" format, requiring reading of the several page memo to obtain direction for the issue being addressed, again representing loss of staff time in order to obtain guidance.

Recommendations

It is therefore recommended that:

- A standardized, concise policy format be adopted, and policies drafted within that format, to provide general guidance to staff in a manner which may be quickly and easily read
- A system of policy manual distribution be implemented, ensuring that all functional areas of the Department have access to these instructional documents
- The distribution system incorporate an update, review and circulation process by which it may be assured that all staff are apprised of policy changes

- Divisions and, where necessary, Sections be held responsible for compiling procedures addressing specific tasks needing to be accomplished within that area, thereby providing consistency to the manner in which such tasks are accomplished.

Benefits

The benefits to be achieved from this recommendation include:

- Consistent handling of like activities, for the benefit of both the Department and its clientele
- Clear understanding by staff of the steps needed to accomplish tasks assigned them, without the necessity of consulting with other staff, thereby minimizing interruptions and the commensurate time losses for themselves and those being consulted
- No computation in specific dollars has been attempted, but it is clear that significant savings may be achieved from implementation of this recommendation.

Implementation

Implementation will require:

- Designating one staff person, such as the AA II in Administration, as responsible for overseeing the Policy function
- Requiring the Department's executive staff to adopt a standard policy format
- Requiring executive staff, through their Division activities, to submit draft policies for review, with the adopted policies being issued by the oversight office
- Each Division or Section, identified as having a need for such, to draft and publish procedures
- Time: 24 months.

REORGANIZATION OF STATE LAND DEPARTMENT

Current Situation

The State Land Department (SLD) at present is composed of approximately 177 staff divided into the Commissioner's immediate staff, and seven Divisions, each with its own Director. These seven Divisions are further divided into 18 Sections, three Units, five District Offices and the Director's staff in each Division.

Responsibilities for the SLD include its Mission of administering Arizona's approximately 9.5 million acres of Trust Lands for the highest revenue yield for its beneficiaries, plus the protection of those lands from misuse, environmental impacts, trespass and theft. Long range planning, in concert with local governmental entities and private developers, and sales and lease of lands constitute major portions of these functions.

Maintaining titles and title records, accounting for monies generated for both the Permanent and Expendable Beneficiary Funds, and keeping current all maps, surveys and boundaries of Trust Lands, especially when sold or exchanged, is a further responsibility.

Impact

The seven Divisions now in place provide an artificial barrier, in several instances, to the interchange of information between related activities. For example, when a Right-of-Way Application is received in the Operations Division, it needs to be checked against records of the Urban Planning Division to ascertain impact. Transmittal of documents and inquiries across division lines always presents an impediment of some extent in the interchange of information.

Clerical services performed by one Division frequently have an impact on another, but communicating those issues requires going through the established lines of supervision, with resultant delays and occasional misunderstandings.

Recommendations

We recommend the following reorganization of the State Land Department:

- Eliminate the Urban Planning Division (see Recommendation entitled "Urban Planning Restructure") placing the remaining functions into a new "Resource Protection Division"
- Eliminate the Environmental and Trespass Division, reclassifying it as a Section of this Resource Protection Division
- Relocate the Hydrology Technical functions of the Hydrology Section, (see Recommendation entitled "Hydrology Section") into this new Resource Protection Division.

This structure is shown in Exhibit 5, Proposed Organization Chart.

Benefits

Benefits to be achieved by implementing this recommendation are essentially delineated in the other recommendations cited, in addition to which the Department will:

- Have a more coalesced functional alignment of Divisions and Sections
- Experience staff reductions, as identified in other recommendations, with commensurate cost savings or avoidances
- Realize a more streamlined, efficiently operating Department
- Achieve minimization of division interfacing, reducing the accompanying time losses and mis-communications which routinely will occur.

Implementation

Implementation of this recommendation requires approval of the State Land Commissioner, and his acting to so restructure his Department.

- Anticipated time to accomplish: 3 months.