

## CONCURRENT SESSION

---

### State Land Boards, the Public Trust and Good Planning – Can they Coexist?

1:30 p.m.–2:40 p.m.  
Friday, April 22, 2005  
Sturm College of Law

---

Moderator: **Chris Duerksen, Esq.**  
Managing Director  
Clarion Associates  
Denver, Colorado

Panelists: **Andy Laurenzi**  
Project Director, State Land Trust Program  
The Sonoran Institute  
Scottsdale, Arizona

**Britt Weygandt, Esq.**  
Director  
Colorado State Land Board



**Joint Venture on State Trust Lands  
A Land Legacy for the American West:  
Balancing Public Values and Fiduciary  
Responsibility**

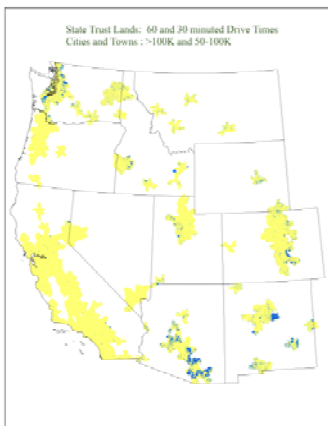
A Partnership Project of the  
Lincoln Institute of Land Policy  
and the Sonoran Institute

**What are State Trust Lands?**

- Federal Enabling Acts and State Constitutions
- Managed as a Trust with specific beneficiaries
- 48 million acres in the lower 48 states
- Significant public interest values such as natural open space, plant and animal habitat, recreation, and cultural resources.
- Diverse management
- Low public awareness

**The Working Environment**

- Theory:
  - Undivided duty of loyalty
- Reality:
  - This is land in the West
  - Land has multiple values to multiple stakeholders
  - Laws and court interpretations are shifting towards broader trust mandate.
  - The public:
    - Regards trust lands as public lands
    - Doesn't want to choose between school funding and development of trust lands



State	total	60min-10mi		30min-5mi		both	
		acres	percent	acres	percent	acres	percent
Arizona	9302845	2305242	25%	673758	7%	2969000	32%
California	527208	121284	23%	65170	12%	186454	35%
Colorado	2914787	716011	25%	117441	4%	83452	29%
Idaho	2704623	269605	10%	241573	9%	511478	19%
Montana	5160209	0	0%	203962	4%	203962	4%
New Mexico	10002141	951209	7%	821129	6%	1772339	14%
Oregon	827595	10320	1%	8040	1%	18360	2%
Utah	3441217	212734	6%	109290	3%	322014	9%
Washington	3716757	965413	26%	708841	19%	1672254	45%
Wyoming	3536541	109889	3%	244058	7%	354048	10%
Totals	45136916	5665158	13%	3188282	7%	8853440	20%

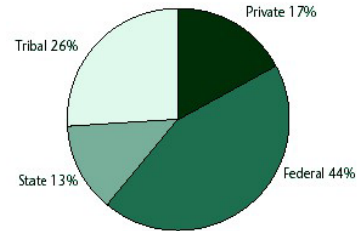
#### Program Goal:

The Joint Venture seeks to assist trust land managers in balancing public values with fiduciary responsibility. Our State Trust Land Joint Venture goals are to improve the character and pattern of residential and commercial development of State Trust Lands and to increase the amount of State Trust Land that is managed to conserve ecosystem values and functions.

#### Strategies:

1. Modernize State Trust Land laws and regulations in Arizona and other key Western states
2. Conducting research and policy analysis
3. Developing and implementing on-the-ground, model projects
4. Disseminating research and policy analysis and model project information to key decision makers and agency staff
5. Increasing awareness about State Trust lands

#### LAND OWNERSHIP IN ARIZONA



## History of State Trust Lands

- 1912: 10 million acres
- 2004: 9.3 million acres
- Permanent Fund → proceeds from sale of land or mineral leases
- Expendable Earnings → Interest on PF, interest from term sales, commercial leases
- EE → Site Classroom Fund (SCF)

#### Site Classroom Fund

- ↑ teacher salaries
- ↓ classroom size
- ↓ Dropout rate

## History of State Trust Lands

- Most of the revenues are derived from the sale or lease of land for residential and commercial purposes.
- Managed under very strict fiduciary mandate (i.e. fiduciary straitjacket).
- Approximately 1,000,000 acres of land are within a 60 minute commute of Phoenix and Tucson.
- Modernizing the system can triple the amount of revenue that goes directly to our classrooms.

## Reforming Arizona's State Trust Lands

Good for our schools, our communities, and our future

## Goal of Trust Land Reform



The goal of State Trust Land reform is to increase revenue for the benefit of public schools through better management & planning while conserving significant lands for natural open space

## Elements of Arizona Reform Package

- Governance
- Funding
- Planning and Development
- Conservation of Natural Open Space



## Good for Oversight and Accountability

### Board of Trustees:

- 7 member
- Governor appointed
- Expertise in planning and development of real estate
- Majority to have substantial involvement with public schools.
- provide oversight of the management, sale, and lease of Trust Lands

## Good for Schools:

- About 80% of the State Trust Lands directly benefit K-12 public education
- Studies project a potential tripling of revenues into the classroom site fund over the next 10 years, due to:
  - More sophisticated real estate planning, management, and disposal tools
  - More funds for doing the necessary planning and disposal, by allowing the Department to capture a portion of the sale proceeds to fund their Trust-related activities.

## Good for Local Communities:

Creates unified land use planning framework that :

- Enhances coordination between Land Department and local communities and creates efficient mechanism to resolve planning disputes
- Provides more tools to balance development and conservation of open space.
- Provides more transparent disposition planning in 5 year time frames.
- Establishes mitigation sales/leases meet environmental mitigation requirements to protect endangered species or riparian habitats

## Good for Open Space:

- Approximately 300,000 acres of "conservation lands" are protected from development upon approval of the voters
- Approximately 375,000 acres of additional "conservation option lands" are set aside for acquisition by agencies for open space without auction

Reforming Arizona's  
State Trust Lands  
is good for our schools, our  
communities, and our future

## Montana Programmatic EIS

- Proposed Funnel Filter
- Recommendations
  - Goal as a Trust Manager
  - Focus
  - Improvements in Analytic Models
  - Outcomes

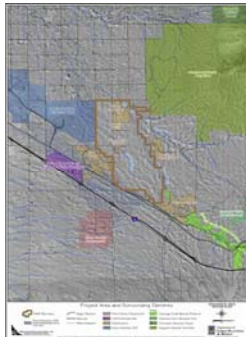
## Houghton Area Master Plan: A Joint Venture Partnership with the City of Tucson and Arizona State Land Department



## Joint Venture Partnership with City of Tucson and Arizona State Land Department

### PROJECT AREA

- About 10,800 acres (16.9 square miles) of land
- The State Trust owns 7,740 acres or 72% of the HAMP area
- All State Trust land is undeveloped and is inadequately served by public facilities



## Changing Economy of the West

- Obligation to Diversify Asset Management Strategies
  - Improved tools for real estate disposition
  - Cannot rely on natural resource industries
- Increased Conflict over Current and Future Uses
  - Increased public awareness and scrutiny
- Increasing Importance of Conservation and Recreation Values
  - Politically constrained
- The Need for Balance
  - Recognition of flexibility in trust mandate to accommodate public values of the New West
  - Opportunity for new approaches which can maximize conservation and recreation potential
  - Models for Quality Growth