



Board of Supervisors Memorandum

May 13, 2014

**Arizona State Land Auction of 290 Acres of State Trust Land along the Santa Cruz River
Around the County Green Valley Wastewater Reclamation Facility**

Background

In December 2012, Pima County submitted an application to the Arizona State Land Department (ASLD) to purchase at auction close to 300 acres of State Trust land along the Santa Cruz River adjacent to the County's Green Valley Wastewater Reclamation Facility (GVWRF). The acquisition of this property would achieve multiple County goals: 1) provide a statutorily required 1,000-foot buffer around the County's reclamation facility, 2) contribute to acquisition of open space along the Santa Cruz River as identified by the County's 2004 Conservation Acquisition Bond Program, 3) provide a location for the historic Anza Trail and possible trailhead along the west bank of the river, and 4) give the County flexibility for any future recharge of County effluent from the treatment facility.

As part of any future expansion at the GVWRF, additional setbacks will be required from the process equipment to the nearest property line per Arizona Administrative Code R18-9-B201 (I). The setback requirement is 1,000-feet to mitigate potential noise and odors that may be generated at the facility. This acquisition will meet the regulatory requirements as part of any future reclamation facility expansion, allowing the communities of Green Valley and Sahuarita to grow with affordable sewer service provided by the County. The historic Anza Trail will be located along the Santa Cruz River, while a portion of the eastern parcel will be set aside for possible future construction of effluent recharge basins. The acquisition will be funded by Regional Wastewater Reclamation Department (RWRD) obligations to be repaid by sewer user fees.

State Land Auction

It is the County's intent to purchase up to the 1,000-foot buffer from the treatment facility on the west side and the entire eastern portion of the Santa Cruz River up to the section line. However, Community Water Company of Green Valley (CWC) had submitted a lease application for the northeastern portion of the section for a water recharge project, including a right of way along the northern edge of the section. Due to this prior application, ASLD asked the County to remove the portions already identified by CWC; hence, the current configuration of the proposed property acquisition (see attached map).

The due diligence for this purchase has been completed and ASLD appraised the 290-acre property at \$1.1 million (\$3,790/acre). The State Board of Appeals approved the sale at public auction, which is scheduled for July 8, 2014.

The Honorable Chair and Members, Pima County Board of Supervisors
Re: **Arizona State Land Auction of 290 Acres of State Trust Land along the Santa Cruz River Around the County Green Valley Wastewater Reclamation Facility**

May 1, 2014

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Recommendation

I recommend the Board of Supervisors approve the acquisition of the 290 acres of State Trust land at public auction for the buffering of the County's Green Valley Wastewater Reclamation Facility and furtherance of the Anza Trail development and conservation along the Santa Cruz River to be funded with Regional Wastewater Reclamation Department obligations to be repaid by sewer user fees.

Respectfully submitted,



C.H. Huckelberry
County Administrator

CHH/mjk – May 1, 2014

Attachments

c: Diana Durazo, Special Staff Assistant to the County Administrator
John Bernal, Deputy County Administrator for Public Works
Jackson Jenkins, Director, Regional Wastewater Reclamation

Janice K. Brewer
Governor

ARIZONA STATE  LAND DEPARTMENT

Vanessa P. Hickman
State Land
Commissioner

April 17, 2014

Certified No. 91 7108 2133 3932 2686 8923

Pima County Board of Supervisors
Attn: Diana Durazo
130 West Congress 10th Floor
Tucson, AZ 85701

RE: Public Auction No. 53-116693

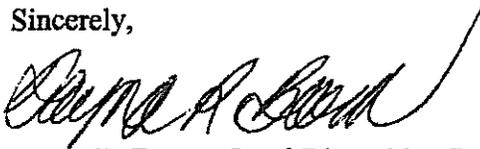
Dear Ms. Durazo:

Enclosed is a copy of the Auction Notice, for Arizona State Land Department Public Auction No. 53-116693, which will be advertised for ten consecutive weeks in both the Arizona Capitol Times and the Daily Territorial. Please see the enclosed Notice for the full particulars regarding the auction.

You or an authorized representative must be present to bid. If you choose to send an authorized representative, he or she must present a notarized statement to the auctioneer, authorizing him or her to bid in your absence.

Please note that the certified funds, due on the day of auction, must be in the form of a cashier's check, no other form of payment can be accepted.

Sincerely,



Dayna R. Brown, Land Disposition Project Leader II
Sales & Commercial Leasing Section
Real Estate Division
(602)542-2651
Fax (602)542-4668

Enclosures

**ARIZONA STATE LAND DEPARTMENT
1616 WEST ADAMS STREET
PHOENIX, ARIZONA 85007**

PUBLIC AUCTION SALE NO. 53-116693

Pursuant to A.R.S. Title 37, notice is hereby given that the state of Arizona through its Arizona State Land Department (herein called ASLD), will sell at Public Auction to the highest and best bidder at 11:00 a.m. on Tuesday, July 8, 2014, at 177 North Church Avenue, Suite 105, Tucson, Arizona, trust lands situated in Pima County to wit:

TOWNSHIP 17 SOUTH, RANGE 13 EAST, G&SRM, PIMA COUNTY, ARIZONA

PARCEL: M&B IN E2; E2NW; SW, SECTION 36, CONTAINING 290.13 ACRES, MORE OR LESS.

LOCATION: NORTH OF DUVAL ROAD, EAST OF I-19, SAHUARITA, ARIZONA

BENEFICIARY: PERMANENT COMMON SCHOOLS

For a complete legal description of the land, prospective bidders are advised to examine the purchase application file as well as all pertinent files of ASLD.

The land has been appraised at \$1,100,000.00 and consists of 290.13 acres, more or less. There are no reimbursable improvements.

The above described lands are sold subject to existing reservations, easements, or rights of way.

The ASLD does not represent or warrant that access exists over lands, which may intervene respectively between the above parcel(s) and the nearest public roadway.

The complete file associated with the described land is open to public inspection at the ASLD, 1616 West Adams Street, Phoenix, Arizona, from 8:00 a.m. to 4:30 p.m., exclusive of holidays and weekends. Please direct any questions regarding this Public Auction to the Real Estate Division of ASLD at (602) 542-3000. This auction notice is available on the ASLD's web site at www.azland.gov.

Pursuant to the provisions of A.R.S. §37-231, the state of Arizona or its predecessor in title, reserve and retain all rights and all forms of access to all oil, gas, minerals, hydrocarbon substances and gaseous substances or any other material which is essential to the production of fissionable materials as provided by the rules and regulations of ASLD and the laws of Arizona.

Each potential bidder must show ASLD's representative a cashier's check made payable to the Arizona State Land Department in the amount specified under Terms of Sale Paragraph (A) below.

TERMS OF SALE:

(A) *At the time of sale* the successful bidder must pay the following by a cashier's check: (1) 10% of the appraised value of the land, which is \$110,000.00; (2) A Selling and Administrative Fee of 3% of the appraised value of the lands, which is \$33,000.00; (3) Reimbursable Estimated Advertising Fee, which is \$5,000.00; (4) Reimbursable Appraisal Fee, which is \$2,500.00; (5) Reimbursable Costs and Expenses Not to Exceed \$25,000.00; (6) Patent Fee of \$200.00. The total amount due at the time of sale is \$175,700.00 (less \$32,500.00 if the successful bidder is the applicant for a total amount due of \$143,200.00).

(B) Within 30 days after the auction date the successful bidder must pay the full balance of the amount bid for the land and pay a Selling and Administrative Fee of 3% of the purchase price, less the amount paid under (A)(2) above. If the purchase price exceeds \$10 million, the Selling and Administrative Fee will be the greater of \$300,000.00 or 2.5% of the purchase price, less the amount paid under (A)(2) above. If the purchase price exceeds \$25 million, the Selling and Administrative Fee will be the greater of \$625,000.00 or 2.0% of the purchase price, less the amount paid under (A)(2) above.

(C) Within 30 days after the auction date the successful bidder must pay the actual legal advertising cost, less the amount paid under (A)(3) above.

(D) The ASLD Commissioner has determined that, when and if the successful bidder performs all acts required to become entitled to a Patent, a Broker Commission shall be paid from the Selling and Administrative Fee collected by ASLD pursuant to A.R.S. § 37-107 (B)(1) to a broker otherwise eligible to receive a commission under Arizona Administrative Code: Title 12. Natural Resources: Chapter 5. Land Department: Article 4. Sales (R12-5-413). **The Broker Commission shall not exceed \$1,000.00 and shall be paid from the Selling and Administrative Fee. Any fee collected in excess of a brokerage commission paid shall be collected and retained by ASLD. No commission shall be paid to the broker until a Patent has been issued to the successful bidder by ASLD.**

(E) No Selling and Administrative Fee shall be collected by ASLD if the successful bidder at auction is the beneficiary of the land trust.

ADDITIONAL CONDITION(S):

The patent for the subject property shall include the following conditions and restrictions:

There may be a Register Eligible Site located within the subject property. This site is identified in a cultural resources inventory report dated September 18, 2002, and titled *An Archaeological Survey of a Parcel of State Land in the Santa Cruz Floodplain near Sahaurita, Pima County Arizona*. Purchaser shall cause no ground disturbance within 150 feet of the vicinity of AZ EE:1:164(ASM), including the historic deposits within Component B of AZ EE.1:349(ASM) except as provided below. Site(s) include cultural properties, historic buildings and structures, and objects located on the property that are significant in this state's history, architecture, archaeology or culture and that meet eligibility criteria, which the Arizona State Parks Board has established for listing on the Arizona Register of Historic Places, or which meet eligibility criteria for listing on the National Register of Historic Places. If ground disturbing activities will or may impact a

potential Site, purchaser shall consult with the State Historic Preservation Office and otherwise take such actions as are necessary to avoid, preserve, protect, or mitigate impacts on a potential Site. In the event that avoidance, preservation and protection of the potential Site cannot be accomplished, purchaser shall ensure a Discovery and Monitoring Plan has been developed in consultation with and acceptable to, the Arizona State Museum and the State Historic Preservation Office, or their successor agencies, and the Discovery and Monitoring Plan is implemented and completed prior to the potential Site being affected. The artifacts and records recovered from the property shall be curated according to the Arizona State Museum (ASM) Conservation and Curation Standards as established in rules implementing the Arizona Antiquities Act. These conditions shall run with the land, and be binding on the purchaser's heirs, successors and assigns.

BIDDING INFORMATION:

(A) The time of sale shall be deemed to be the time of declaration of the highest and best bidder. The bidding will begin at the total appraised value of \$1,100,000.00. A bid for less than the appraised value of the land or by a party who has not inspected the land and/or the associated files and records of ASLD will not be considered. Additional bidding increments shall be a minimum of \$10,000.00 thereafter. Bidding will be conducted orally.

(B) All bidders must sign an affidavit stating that they have undertaken due diligence in preparation for the auction, that their representative is authorized to bid and bind the bidder and that they are purchasing the property AS IS. It is the bidder's responsibility to research the records of local jurisdictions, all ASLD files pertinent to the purchase application file including the purchase application file, and all other public agencies regarding this property. Notice is hereby given that the property shall be purchased in an "AS-IS" condition "WITH ALL FAULTS," with no representation or warranty being made by ASLD of any type or nature. All bidders shall acknowledge and agree pursuant to the aforementioned affidavit that they are purchasing the property solely upon the basis of their own due diligence and investigation of the property and not on the basis or any representation, express or implied, written or oral, made by ASLD or its agents or employees, except as set forth in writing herein. Without limiting the generality of the foregoing, notice is hereby given that ASLD makes no warranty as to the following: (a) the physical condition or any other aspect of the property, including, but not limited to, the uses to which the property may be put, the ability to construct additional improvements or modify existing improvements on any portion of the property or the ability to obtain building permits for any portion of the property, the conformity of the property to past, current or future applicable landscaping, parking, zoning or building code requirements, the existence of soil instability, past soil repairs, soil additions or conditions of soil fill, susceptibility to landslides, sufficiency of undershoring, water retention characteristics of the property, drainage onto or off of the property, the location of the property either wholly or partially in a flood plain or a flood hazard boundary or similar area, or any other matter affecting the stability or integrity of the land or any improvements constituting the property; or (b) the sufficiency of the property for purchaser's purposes or as to its continued operating conditions or usefulness. All implied warranties, including, without limitation, **WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE**, are hereby expressly disclaimed. This notice shall survive the delivery of the Certificate of Purchase and Patent for the subject property.

(C) Pursuant to A.R.S. §37-240.B, the successful bidder must be authorized to transact business in the state of Arizona no later than three (3) business days after the auction. The successful bidder must sign an affidavit stating it is the successful bidder and sign a Certification Statement pursuant to A.R.S. Title 37 and the Rules of ASLD.

(D) If the successful bidder fails to complete the payments as stated in the auction notice together with the additional required fees within 30 days from the auction date, all amounts paid at the time of auction by the successful bidder will be forfeited.

(E) In the event of forfeiture, the ASLD Commissioner may declare that the bid placed before the final bid accepted is the highest bid, and that the bidder has five (5) days after notification by ASLD to pay by cashier's check all amounts due.

(F) A representative of the bidder, other than the registered broker/salesperson, must attend and bid on behalf of the bidder.

BROKER INFORMATION:

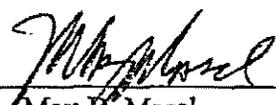
In the event the potential bidder is represented by a broker seeking a broker commission pursuant to A.R.S. §37-132(B)(2), it is the responsibility of both the potential bidder and the designated broker to register with ASLD no later than three (3) business days prior to the date of auction. Registration must be submitted on the ASLD's Broker Registration/Bidder Certification form in accordance with R12-5-413. Original signatures of Broker, Salesperson, and Potential Bidder must all appear on one form. Facsimile copies will not be accepted by ASLD. The real estate broker/salesperson of the successful bidder who has so registered with ASLD for this Auction will be required to sign an affidavit that he/she is licensed pursuant to A.R.S. §32-2101, et. seq., identify his/her client as the successful bidder, has no other affiliation with the successful bidder other than as a procuring broker and that he/she actually procured the successful bidder for this Auction. **Broker Registration forms will not be accepted by ASLD for Public Auction No. 53-116693 after 5:00 p.m. on Wednesday, July 2, 2014.**

GENERAL INFORMATION:

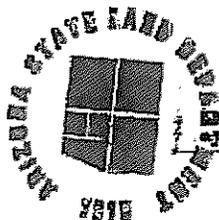
The ASLD may cancel this auction in whole or in part at any time prior to the acceptance of a final bid.

A protest to this sale must be filed within 30 days after the first day of publication of this announcement and in accordance with A.R.S. §37-301.

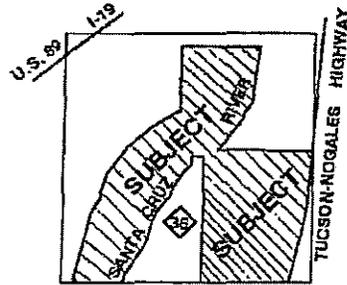
Persons with a disability may request a reasonable accommodation such as a sign language interpreter, by contacting the ADA Coordinator, at (602) 542-2636. Requests should be made as early as possible to allow time to arrange the accommodation.



Max D. Masel
(for) Vanessa P. Hickman
State Land Commissioner



4/17/14
Date



Disclaimer: This map is designed for general overview purposes only. Unless otherwise stated all depictions are approximate. Prospective bidders should review all information in ASLD's records relating to the property and seek technical or legal advice as needed to assure the understanding of all legal descriptions, plat maps, surveys, and other documents relevant to the property. Contact ASLD, Real Estate Division at (602) 542-3000 for additional information.

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STATE LAND DEPARTMENT OF THE STATE OF ARIZONA
BEFORE THE STATE LAND COMMISSIONER

IN THE MATTER OF APPLICATION TO) ORDER NO. 107 -2013/2014
PURCHASE NO. 53-116693 FOR THE STATE)
LAND DESCRIBED AS:) AUTHORIZATION OF SALE
) AND ORDER CLOSING LAND TO
) ENTRY AND LOCATION
M&B IN E2; E2NW; SW OF SECTION 36,)
TOWNSHIP 17 SOUTH, RANGE 13 EAST,)
G&SRM, PIMA COUNTY, ARIZONA)
CONTAINING 290.13 ACRES, MORE OR)
LESS.)
)
)
APPLICANT: PIMA COUNTY)

The State Land Commissioner authorizes the sale of the subject lands and improvements (if applicable) according to the provisions of the law, for not less than the appraised value, with additional conditions made part of the subject sale, and on file at the Department.

The State Land Commissioner has determined that the interests of the State will not be prejudiced by the sale.

IT IS ORDERED that the lands and improvements (if applicable) as referenced in the caption of this Order, be sold to the highest and best bidder at public auction.

IT IS FURTHER ORDERED that pursuant to A.R.S. § 37-231(E)(2) any mineral rights reserved to the State in the subject lands shall be closed to entry and location as a mineral claim or claims, effective the date of this Order, provided that the State Land Department may issue, upon application, mineral prospecting permits embracing the reserved mineral rights when such issuance is deemed in the best interest of the state. If the subject land is not sold within six months of the date this order is issued, IT IS ORDERED that any mineral rights reserved to the State in the subject lands shall automatically be opened to entry and location as a mineral claim or claims.

GIVEN under my hand and the official seal of the Arizona State Land Department this 18th day of April, 2014.



VANESSA P. HICKMAN
State Land Commissioner
by: *[Signature]*

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Authorization of Sale 53-116693
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This is an appealable agency action. Pursuant to A.R.S. § 41-1092.03, if you are directly or adversely affected by this decision, the party may request a hearing within thirty (30) days of the date the notice is received. A request for a hearing must be in writing and filed with the Department, and must state the appellant's name and address, the specific action or actions of the Department which are the basis of the hearing request, and a concise statement of the reasons for this appeal. The appellant also has the right to an informal settlement conference pursuant to A.R.S. § 41-1092.06, if it is requested in writing and filed with the Department no later than twenty (20) days before the hearing.

Pursuant to Rule 31(c)(11) of the Arizona Supreme Court, in proceedings before the Office of Administrative Hearings, a legal entity may be represented by a full-time officer, partner, member or manager of a limited liability company, or employee, provided that: the legal entity has specifically authorized such person to represent it in the particular matter; such representation is not the person's primary duty to the legal entity, but secondary or incidental to other duties relating to the management or operation of the legal entity; and the person is not receiving separate or additional compensation (other than reimbursement for costs) for such representation.

The request must be sent to the State Land Department, Attention: Director, Land Information Title & Transfer Division. If the request for a hearing is not timely filed, the decision of the Commissioner may be final and not subject to further review.

In accordance with Title II of the Americans with Disabilities Act (ADA), the Arizona State Land Department does not discriminate on the basis of disability in the provision of its programs, services and activities.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter by contacting the Department's ADA Coordinator at (602) 542-2636. Request should be made as early as possible to allow time to arrange the accommodation.

Copy of the foregoing mailed/
delivered this 18th day
of April, 2014, to:

Certified No. 91 7108 2133 3932 2686 8923

Pima County Board of Supervisors
Attn: Diana Durazo
130 West Congress 10th Floor
Tucson, AZ 85701

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Authorization of Sale 53-116693
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Certified No. 91 7108 2133 3932 2686 8930
14-24966

Southwest Transmission
Cooperative, Inc.
Attn: Steve Sousa
P.O. Box 2195
Benson, AZ 85602

Certified No. 91 7108 2133 3932 2686 8947
14-46816, 14-100564

Tucson Electric Power Company
P.O. Box 3033
Tucson, AZ 85702

Certified No. 91 7108 2133 3932 2686 8954
14-91070

Pima County Natural Resources
Parks & Recreation
3500 West River Road
Tucson, AZ 85741

Certified No. 91 7108 2133 3932 2686 8961
14-114819, 18-114820

Community Water Company
of Green Valley ROW Trust
Attn: Arturo R. Gabaldon
501 S. La Canada Dr.
Green Valley, AZ 85622

Certified No. 91 7108 2133 3932 3746 5050
23-112166-05

Eugene M. Olivas
HC 70 Box 5630
Sahuarita, AZ 85629

Certified No. 91 7108 2133 3932 3746 5043
23-115290-05

4B Ranching and Farming, LLC
Attn: Allen Brandt
P.O. Box 190
Green Valley, AZ 85622

Copy to: Minerals Section
Water Rights Section
Planning and Engineering Section
Right of Way Section
Public Notice Board
File Nos. 53-116693, 14-24966, 14-46816
14-100564, 14-91070, 14-114819
18-114820, 23-112166-05, 23-115290-05

