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PIMA COUNTY BOARD OF SUPERVISORS

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February 12, 2008

The Honorable Jonathan Paton
Arizona State House of Representatives
House Wing
1700 West Washington
Phoenix, Arizona 85007

Re: Request Initiation of Legislation Concerning the Planning, Leasing, and Sale of State Trust Land Containing Valuable Minerals

Dear Representative Paton:

We, the Pima County Board of Supervisors, respectfully request that you initiate legislation concerning the planning, leasing, and sale of State Trust land containing valuable minerals. This request is based on Pima County's years of experience with mining on State Trust land, and numerous correspondence and meetings with State Land Department officials regarding this subject. Mining tends to be a divisive issue in Pima County. We have been successful at addressing other divisive issues, such as endangered species compliance and urban development on private lands. We are optimistic that there is a way to strike a similar balance between our community's needs for mined resources, as well as conservation and urban development.

We respectfully request that you initiate legislation to address the following issues:

1. Land Use Planning for Mineral Extraction: The State Land Department is currently required by law to plan for urban development through conceptual land use planning and disposition plans. The State Land Department should also be required to plan for mineral extraction. The State Land Department has some idea of areas of high suitability for aggregates and copper mineral resources based on previous planning efforts. In addition, they received additional information about the occurrence of minerals from the mining industry. What the State Land Department lacks is the statutory authority to weigh mining against other uses in a regional context. Working in hand with the State Mining Inspector, Arizona Geological Survey, mining companies, local governments, conservationists, and home builders, the Land

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Department should be able to plan and designate various lands across the State as appropriate for mineral extraction versus appropriate for some other land use. If these parties can agree on suitable locations for mineral extraction, just as our community has done for areas suitable for conservation and suitable for development, then there would be more certainty in the mineral leasing process for all parties and it should therefore become less of a divisive issue.

2. Evaluation of Mineral Lease and Renewal Requests: (a) Improve public process by including a scoping session similar to the process the BLM uses when evaluating federal mineral lease requests, as well as providing on-line status updates on the process. This is simply good public agency practice; (b) Strengthen the environmental assessment process by partnering with State agencies, such as Arizona Department of Water Resources and Arizona Game and Fish Department. Recent reports have shown that hard rock mines consistently underestimate water quality impacts and therefore mitigation is consistently inadequate. The more the State Land Department knows about potential liabilities, the stronger the requirements for mitigation can be, which ultimately will lead to more revenues for the Trust beneficiaries; (c) Improve the appraisal process. The State Land Department appraises the land for non-mining uses, the market value of the mineral, and the market royalty rate. However, they do not appraise the impact the mining will have on the value to the Trust of surrounding State Trust lands. This assessment should be required in order to further protect the interests of the Trust beneficiaries. In addition, in areas containing Federally listed threatened or endangered species, or important riparian areas, the appraisal should include an estimate of the value of the land to the Trust as mitigation land for development projects elsewhere. Mitigation land can fetch values far higher than land valued for urban development; (d) Require an alternatives analysis. Applicants should be required to show that mining at the site requested will provide superior value to the Trust, than mining an alternative location or using the site for non-mining activities; and (e) Require the applicant to fund whereby the Land independent third party inspectors to inspect mine sites for compliance issues regularly throughout the life of the mine.
3. Regulate Water Withdrawal for Mining: Well permits in support of mineral extraction activities are currently not required by State Statute to assess impacts to surrounding wells, whereas well permits for other uses are. Water for mining generates no money and may impair future use of adjacent State Trust land. This needs to be corrected considering that wells in support of mineral extraction, by their sheer volume, have higher chance of impacting surrounding areas than most other uses.

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4. Sale of State Land Containing Minerals: Modify A.R.S. §37-231, to allow the State Land Department to sell land containing certain mineral resources, when it is deemed by the State Land Commissioner to be in the best interest of the Trust. Currently this statute prohibits the sale of State Trust land with certain mineral resources, and therefore even if the Land Department were to find that the Trust would benefit more from the land being sold for urban development or conservation, this statute prevents such a sale. The Land Department itself has shown support for such a change.

We understand the need for mineral resources to support continued economic development. However, we are also optimistic that this need can be met while creating fewer impacts on the environment and other valuable land uses. Thank you for your continued support of issues important to Pima County.

Sincerely,



Richard Elias, Chairman
Pima County Board of Supervisors

- c: The Honorable Members, Pima County Board of Supervisors
C.H. Huckelberry, County Administrator
Martin Willett, Chief Deputy County Administrator
Chris Straub, Chief Civil Deputy County Attorney
Nicole Fyffe, Executive Assistant to the County Administrator