

Meeting #22  
June 18, 2014  
**MEETING SUMMARY**

**Meeting Attendees**

*Community Working Group members present:*

Nancy Vogler – LOST Trail  
Roy Chavez - Concerned Citizens and Retired Miners  
Pam Rabago – Superior Chamber of Commerce  
Bill Vogler – Superior Copper Alliance  
Bruce Wittig – Queen Valley Water Board  
Fred Gaudet – Arizona Trail Association  
Jeff Bunkelmann – Central Arizona College  
Pam Bennett - Queen Valley HOA  
Steven Byrd – Superior Junior-Senior High School

*Community Working Group members not present:*

Dominic Perea – Superior Junior-Senior High School  
Evelyn Vargas – Cobre Valley Medical Center  
George Martin – JF Ranch  
Lynn Martin – JF Ranch  
Mark Siegwarth – Boyce Thompson Arboretum  
Cecil Fendley – Queen Valley Water Board

*Resolution Copper Company:*

Melissa Rabago, Community Affairs  
Ian Edgar, Project Engineer  
Frank Deal, Tailings Engineer  
Dave Richins, Government Affairs

*Facilitator – Godec, Randall & Associates (GRA)*

John Godec  
Debra Duerr

*Guest Speakers:*

Vanessa Hickman, Arizona State Land Commissioner  
Jim Adams, Deputy State Land Commissioner

*Public Guests:*

JoAnn Besich – Optimist Club  
Kiki Peralta – Rotary Club  
Roy G. Ramirez  
Tiffany Rowell



## **Arizona State Lands Presentation**

Presenters: Commissioner Vanessa Hickman & Deputy Commissioner Jim Adams,  
Arizona State Land Department

John Godec gave an overview of why the State Land Department has been invited to talk with the group, summarizing the history of Resolution's search for a tailings disposal site.

Commissioner Hickman thanked the group for its interest in the Arizona State Land Trust, noting that the Trust is more than 100 years old. The mission of the Arizona State Land Department (ASLD) is to manage the State Trust to optimize the value for the beneficiaries - predominantly for education - by maximizing revenue. The Congressional law that established the Territory of Arizona reserved sections 16 and 36 of each township for the benefit of the common schools. The enabling act of 1910 added sections 2 and 32 to be held in trust. The enabling act and Arizona's constitutional requirements specify that all lands granted are held in trust. All natural products of the land are also held in trust. Trust lands are appraised at fair market value (The Commissioner is the ultimate appraiser) and cannot be sold for less than that. Land sales or leases in excess of 10 years require a public auction, after advertising for 10 weeks. Trust lands cannot be mortgaged or encumbered in any way.

Trust beneficiaries include primarily kindergarten through grade 12 (K-12) education (90%) and a number of others. Commissioner Hickman showed a map illustrating land jurisdictions in Arizona, including about 15,000 surface and subsurface contracts, or 12.7%, of surface area managed by the State Trust. ASLD has about 120 employees performing a number of functions related to the Trust, including appraisals and administration. In Pinal County there are about 1.2 million acres of State Trust lands, and about 640,000 acres occur in Maricopa County. Revenues currently include nearly \$386 million from leases and sales interest, school leases, commercial prepayment, general fund, management fund, and permanent receipts. The fiduciary duty of ASLD is to earn money for the Trust's beneficiaries. There are 2 types of revenue: permanent (revenue from sales of land or assets) and expendable (from leases, permits, interest and other revenue from the non-permanent trust). She showed a graph illustrating how revenues vary depending on general economic market conditions. The value of the permanent fund was just over \$4 billion in 2013 (up from about \$700,000 in 2004), mainly due to sales of urban lands like Desert Ridge. The department prefers to lease for commercial development and sell for residential use.

Examples of uses for state lands include residential (through sales), commercial (through leases up to 99 years), right-of-way for utilities and transportation under lease (not fee title), and permits (signs, cell towers, etc.). The state is not required to grant rights-of-way, because the Trust was delegated by Congress. Of interest, the ASLD was the first public agency in the West to authorize a lease for solar energy facilities, with several more in planning, as well as granting leases for wind energy development.

The area of interest to the CWG is a large state land parcel known as Superstition Vistas. This area encompasses about 275 square miles, comprising much of the growth corridor between Apache Junction and Florence. To administer development of this area, there is a steering committee that includes the affected counties, municipalities, Resolution Copper Company, Banner Health, Lincoln Institute of Land Policy, Sonoran Institute, and Pinal Partnership. The steering committee sponsored many studies, including the Morrison Institute "vision" for the area, numerous white papers, and land use plans. In 2008, six land use plans were evaluated

by a consultant to assess their impacts, culminating in a 2011 ASLD Conceptual Land Use Plan. The Commissioner showed a map of this plan, and Frank Deal indicated the area Resolution was interested in for a tailings site. Due to controversies associated with this plan, Pinal County amended their County Comprehensive Plan to exclude the southeast portion of the state land parcel from development designation, essentially sidestepping the issue of industrial or residential development there.

In summary, the mission of ASLD is to generate revenues and safeguard the interests of the beneficiaries. To this end, Superstition Vistas was always envisioned for residential use, taking advantage of the surrounding scenic views. The Commissioner made clear that this is not an anti-mining position on the part of the department, citing several examples of mining and industrial uses that were approved on state lands (for Freeport McMoRan, Caterpillar, and Union Pacific). She emphasized that the Trust administrators cannot justify uses that could negatively affect other potentially valuable land uses.

The group's questions and comments included the following:

- What are the property tax implications on state land?
  - If land is leased, there is no tax on the land, but only on improvements. Hickman gave an example of a Scottsdale Lexus dealership that generates sales tax for the local communities. If land is sold, the new owner pays applicable property taxes.
- Does condemnation apply to state land?
  - No.
- A member noted that about 25 years ago there was consideration of a waste disposal site (regional landfill) proposed in this area, which would have been an economic generator for Pinal County. A regional airpark was also proposed in the Florence Junction area to create jobs. The point is that there have been many development proposals for this area for many years.
- What's the population potential of this area?
  - In 2006, it was estimated to be up to 1 million, but is probably less now given potential water and other constraints.
- Why is the excluded area excluded?
  - It's currently designated as "restricted open space" according to the Pinal County Comprehensive Plan. The Board of Supervisors has looked at some options for the area. Ultimately, there will need to be a plan for the area.
- Does the state need to coordinate with the county on plans? In this case, the county and the state did not agree.
  - We try to do so.
- Clarify where the proposed tailings site is. Was the BLM land to the east of that area ever considered?
  - The BLM land is not viable since it is mountainous.
- What is the timeframe for build-out of Superstition Vistas?
  - Lost Dutchman Heights is of most immediate interest. Build-out of Superstition Vistas will take a long time, possibly as long as 100 years. There may be some solar development in the western portion.
- Won't the area that the mine is interested in take longer to be developed?
  - Perhaps, but within the same timeframe as the rest of the area.
- Members wanted to clarify that ASLD is not willing to look at Resolution's proposal?

- No. We need to make decisions based on what's in the best interest of the Trust. We look at the highest and best use, as well as to maximize revenue. The tailings facility could negatively impact adjacent plans and uses.
- Don't you need to have some industrial use in the area if you're going to have all this residential development?
  - Yes, for example, a landfill is planned to serve the area.
- Does ASLD make these decisions alone? The county doesn't have influence?
  - We face pressure every day, from all kinds of constituents, many of whom have differing opinions. They may all have influence in various ways, but consideration of the Trust responsibilities is primary. ASLD is the ultimate decision-maker, not the county.
- Is it too simple to say that there will be a lot of rich people's homes down there and you don't want to affect them?
  - No, we just don't want to reduce the value of surrounding land.
- It doesn't sound like Resolution needs 11 sections anymore, so are you willing to talk further with them?
  - No – we support the other alternatives that have been put forward. We realize that these are difficult discussions, and recognize that there will usually be some who are unhappy with the decision.
- The Forest Service doesn't have a choice in whether to consider a tailings site; why does the state?
  - They are governed by federal laws, which are different from those governing the State Trust.

After the Commissioner left, there was further discussion of the tailings site.

- Is there any possibility that Pinto Valley could come into play again in the future?
  - If the land exchange goes through, there potentially would be more material than would fit into Pinto Valley (or the current tailings site). But it's possible that things could change.

## Housekeeping

Godec introduced Dave Richins, Resolution's government affairs manager. He explained that Rio Tinto purchased the Holden Mine in North Central Washington. Consequently, Rio Tinto has environmental responsibility for cleanup of the site, and is in year 4 of a 5-year remediation plan. On July 18, the company has invited partners from various areas to visit the site and learn about the cleanup plans and progress. He asked if this group would be interested in having a representative join this tour, suggesting that we might learn more about what the issues are and how they will be dealt with here in Superior. If interested, please work with Godec to select someone as soon as possible. The group thought this was a good idea, in concept. The group wondered if whoever goes should also report to the Town Council, observing that if we're going to learn more about what Resolution will be doing here, the town might be interested. Members asked if Resolution would cover the cost of this trip, and Richins said they would.

Two members volunteered to be considered for this trip. The facilitators will poll others who were not able to attend this meeting to see if there may be other volunteers, and then we will ask each member to vote for its representative.

A member suggested that a tour of the San Manuel Mine might also be instructive. It was noted that Resolution is conducting a bus tour of remediation of Superior on June 26.

Godec asked the visitors how they found out about this meeting. He mentioned that a news release was sent out, and said we will continue to do this every month.

He said that he had met with several civic groups in town to provide information and seek additional CWG representation. As a result, The Rotary Club appointed Ms. Kiki Peralta as its representative from the Rotary, with Nina Crowder as the alternate. Ms. Joanna Besich, president of the Optimist Club, will represent them, with Asia Zao as alternate. The Superintendent of Schools, Mr. Patrick O'Donnell has also agreed to join the group.

The Mayor informed Godec know that the Town Council will discuss appointing a representative to this group at its next meeting, and they will also decide if they can attend the July CWG meeting to make a presentation and explain the town's position about the project. The group expressed a desire to be able to ask questions and express opinions as well as to listen. Ms. Peralta noted that neither she nor the mayor will be here on July 9, so this may be an obstacle to meeting with the CWG.

### **Public Comments**

A visitor informed the group that there is a public tour of Carlotta Mine in Pinto Valley, which people think is very good. It teaches you about what mines need to do now, as opposed to past practices. She observed that the Ajo Mine was never reclaimed.

### **Final CWG Comments and Future Meeting Planning**

- A member asked Frank Deal whether tailings can be used for other land uses when completed, for example, for wind or solar generators?
  - Yes.

The group had further discussion about the State Land Department presentation and their thoughts about the issue of using this land for the tailings site. They discussed design aspects of the tailings site at this location and how it might be seen or screened from surrounding areas.

#### ***Next Meeting:***

*5:30 PM*

*Wednesday, July 9, 2014*

#### ***Meeting Location***

*Superior Chamber of Commerce*

*165 W. Main Street*

*Superior AZ*