

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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Jefferson	11/9/05
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Gruber	11/10/05
Shaw	11/10/05
Boyer	11/10/05

In Reply Refer To:
1781, 1120 (912)

NOV 10 2005

The Honorable John McCain
United States Senate
241 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator McCain:

Thank you for the opportunity to meet with you and your staff during my last trip to Washington D.C. I very much appreciate you taking the time from your busy schedule to discuss the land tenure issues surrounding Luke Air Force Base.

Since our discussions, I've asked my staff to develop a map illustrating the BLM lands identified for disposal in the Phoenix Metro Area and the proposed selected lands by the Luke Preservation Trust. This map is enclosed for your information. On November 25, the Agua Fria National Monument and Bradshaw-Harquahala Draft Resource Management Plan/Environmental Impact Statement will be available for public review and comment. A second map is enclosed which provides information that will be published in the draft plan regarding lands identified as suitable for disposal under "Alternative A" (current management) and "Alternative E" which is the preferred alternative in the draft RMP. In addition, we are including a paper which provides *BLM Comments on Potential Land Acquisition Options provided to the Governor's Military Facilities Taskforce*. A second paper provides a side by side comparison of the *Section 206 Standard Land Exchange Procedures and Federal Legislation Authorizing the Disposal of Public Lands to support Military Facilities in Arizona*.

If you have any questions on either of the maps or the two papers, please contact Julie Decker, Group Administrator for Lands, Recreation and Planning. Ms. Decker can be reached at 602-417-9234 or via e-mail at julie_decker@blm.gov.

We appreciate your interest and cooperation on Arizona's public land resources and management.

Sincerely,

Elaine Y. Zielinski
State Director

4 Enclosures

- 1 - Map 1 – BLM Lands Identified for Disposal in the Phoenix Metro Area – Luke Preservation Trust Selected Lands (1 p)
- 2 – Map 2 – Land Alternatives A and E from Draft RMP (1 p)
- 3 – Bureau of Land Management Comments on Potential Land Acquisition Options Provided to the Governor’s Military Facilities Taskforce (2 p)
- 4– Section 206 Standard Land Exchange Procedures / Federal Legislation Authorizing the Disposal of Public Lands to Support Military Facilities in Arizona (3 p)

cc: Teri Raml, BLM Phoenix District
Andrea Nelson, WO Legislative Affairs

Bureau of Land Management Comments on Potential
Land Acquisition Options Provided
To the Governor's Military Facilities Taskforce

**BLM-Private Land Exchange/BLM-State Land Department Friendly
Condemnation**

The Bureau of Land Management (BLM) has many years of experience in acquiring private lands and/or less than fee interest in private lands. The BLM could assist the State of Arizona in acquiring such private lands, via exchange, as identified by the Taskforce as necessary to protect the long-term viability of military facilities in Arizona. The exchange of federal lands for private lands would be considered only on a willing seller basis and value would be established by appraisal in accordance with mandated valuation standards established in the *Uniform Standards of Professional Appraisal Practice* (USPAP) and the *Uniform Appraisal Standards for Federal Land Acquisition* (UASFLA). In exchange for the acquisition of the private lands, BLM could offer federal lands under its administration located within the state of Arizona. The ultimate goal in such a scenario would be to perform a second exchange with the State Land Department transferring, in a phase two exchange, all private lands acquired in support of the military facilities. Currently, there exists significant acreage of state trust lands located within areas of special federal designation, such as federal wilderness areas, National Conservation Areas, or National Monuments managed by BLM. It would be to the advantage of the BLM and the State for BLM to exchange the private lands acquired in support of the military facilities to the State of Arizona for the state trust lands located within these areas of special designation. Federal legislation would be required to address state constitutional restrictions applied to the disposal of state trust lands (friendly condemnation).

BLM-Private Land Exchange/BLM-State Land Department Exchange

BLM could acquire, via exchange, certain private lands and/or less than fee interest in private lands that are identified by the Taskforce as necessary to protect the long-term viability of the military facilities in Arizona. In exchange for the acquisition of the private parcels, BLM could offer federal lands under its administration and located within the State of Arizona. Again, the exchange of federal lands for private lands would be considered only on a willing seller basis and value would be established by appraisal in accordance with mandated valuation standards established in the *Uniform Standards of Professional Appraisal Practice* (USPAP) and the *Uniform Appraisal Standards for Federal Land Acquisition* (UASFLA). The BLM could then hold its ownership position in the acquired lands until such time that the State is able to amend its constitution, via public vote, to allow for the exchange of state trust lands. Again, the ultimate goal in such a scenario would be to perform a second exchange with the State Land Department transferring, in a phase two exchange, all private lands acquired in support of the military facilities for state trust lands located within areas of special federal designation. Under this option, assuming a ballot proposition amending the State constitution to allow for State-Federal land exchanges passes, no new federal legislation would be required.

BLM Sale and Purchase

BLM currently has the authority to sell federal lands it administers under Section 203 of the Federal Land Policy and Management Act of 1976 (FLPMA), as amended, and Title II of Public Law 106-248, the Federal Land Transaction Facilitation Act (FLTFA). Section 203 of FLPMA and Title II of FLTFA provides the authority to sell public land and allows BLM to retain receipts from such sales to be used to purchase non-federal lands or interests therein. However, section 206 of FLTFA restricts the purchase of non-federal lands to “inholdings” within the boundary of a federally designated area or lands adjacent to federally designated areas which contain “exceptional resources”. Additional Federal legislation would be required to allow the BLM to purchase private lands or interest in private lands identified by the Taskforce as necessary to protect the long-term viability of military facilities in Arizona. This type of legislation was recently approved by Congress in the Southern Nevada Public Land Management Act of 1998 (P.L. 105-263). Under this Act Congress authorized the Secretary of the Interior to sell public lands in southern Nevada and to use the retained receipts to purchase specific types of lands and/or fund specific development projects. As in the Exchange scenario, the purchase of private lands would be considered only on a willing seller basis and the purchase value of the private parcels would be established by appraisal in accordance with mandated valuation standards established in the *Uniform Standards of Professional Appraisal Practice* (USPAP) and the *Uniform Appraisal Standards for Federal Land Acquisition* (UASFLA). It would be the ultimate goal for BLM to subsequently exchange all private lands acquired in support of military facilities to the State Land Department for state trust lands located within areas of special federal designation.

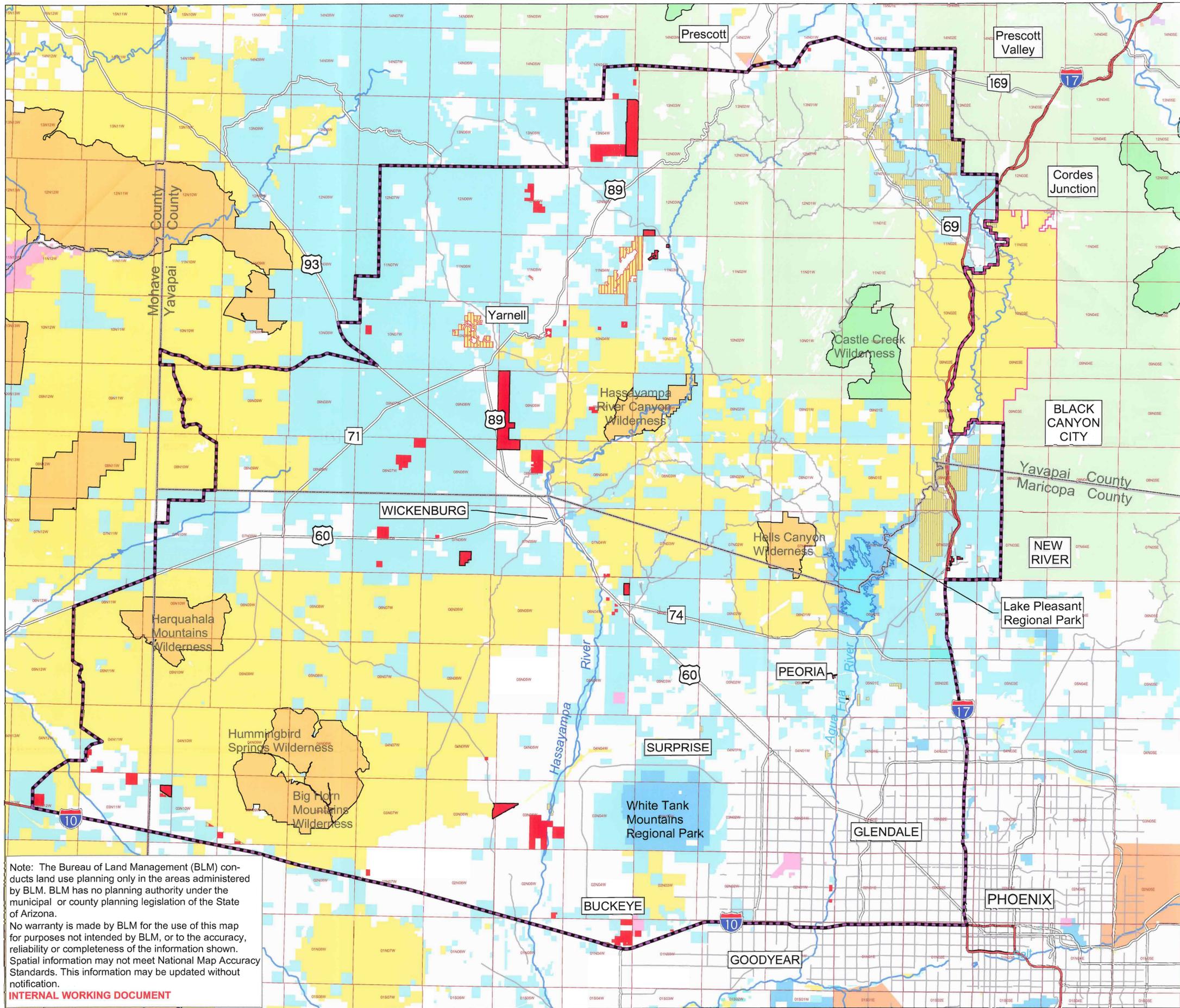
Under all three of the above options it is assumed that the federal lands exchanged for the private parcels have been identified for disposal through the BLM planning process, if this is not the case and the federal lands have not been previously planned for disposal, a plan amendment would be required. Plan amendments can add substantial time to the exchange process because it makes the process vulnerable to a planning protest.

<p align="center">Section 206 Standard Land Exchange Procedures</p>	<p align="center">Federal Legislation Authorizing the Disposal of Public Lands to Support Military Facilities in Arizona</p>
<p>Exchange proponent develops exchange package by purchasing options on private parcels located within the Accident Potential Zones (APZ's) and the 65 day-night average sound level (Ldn) contour.</p>	<p>BLM develops a package of urban disposal parcels currently planned for disposal and offers the individual parcels for sale to the public under a competitive bidding process.</p>
<p>Exchange proponent selects parcels of public land for acquisition via exchange.</p>	<p>The BLM establishes an Arizona Federal Land Disposal Account where receipts from the competitive sales are deposited.</p>
<p>Values for the offered and selected lands are established by appraisal.</p>	<p>BLM, in coordination with Arizona's Military Affairs Commission, the U.S. Air Force, and U.S. Army Corp of Engineers (COE), develops a priority list of acquisition parcels within the Accident Potential Zones and the 65 Ldn contour.</p>
<p>Costs of environmental reports and land due diligence requirements are shared by BLM and Proponent.</p>	<p>Utilizing funds from the Arizona Federal Land Disposal Account the BLM and/or the COE could proceed with the acquisition of private parcels within the APZ's and the 65 Ldn contour.</p>
<p>At the closing of the exchange, BLM becomes the landowner of improved farmlands around Luke AFB, or other Arizona military facilities.</p>	<p>In exchange for farmlands adjacent to Luke AFB or any other military facility, the State will transfer to BLM an equal value of State Trust lands located within certain units of the National Landscape Conservation System.</p>
<p>BLM holds and leases the farmlands for agricultural purposes until such time as BLM is able to transfer ownership to the State of Arizona, based on appraised value.</p>	<p>The State becomes the landowner of certain parcels around Luke AFB, or other military facilities and the State Trust receives an income stream from the agricultural leases.</p>
<p>In exchange for farmland adjacent to Luke AFB or any other military facility, the State will transfer to BLM an equal value of State Trust lands located within certain units of the National Landscape Conservation System.</p>	<p>BLM acquires the State Trust lands located within certain units of the National Landscape Conservation System.</p>

The State becomes the landowner of certain parcels around Luke AFB, or other military facilities and the State Trust receives an income stream from the agricultural leases.	
BLM acquires the State Trust lands located within certain units of the National Landscape Conservation System.	
Pro's and Con's of 206 Exchange	Pro's and Con's of a Public Sale and Acquisition Program
Pro's	Pro's
Costs associated with environmental reports and due diligence requirements are shared with the exchange proponent.	BLM drives the proposal. Urban parcels of BLM land could be sold at auction and the receipts from such sales could be used to acquire top priority parcels adjacent to the key military facilities in Arizona.
The legislation could contain an exit plan for BLM where a follow-up exchange of lands would move the State of Arizona into ownership position in lands around military facilities in compensation for the State Trust lands transferred to the BLM which are currently included in areas of special federal designation (NLCS). The acquisition of the trust lands in the NLCS units would improve the long-term manageability of the subject units.	The actual selling price of the public lands would be established by public auction, instead of appraisal as under the Section 206 procedures.
	The legislation could contain an exit plan for BLM where a follow up exchange of lands would move the State of Arizona into ownership position in lands around the military facilities in compensation for the State Trust lands transferred to the BLM which are currently included in areas of special federal designation (NLCS). The acquisition of the trust lands in the NLCS units would improve the long-term manageability of the subject units.

Con's	Con's
This type of transaction will require federal legislation to fully implement and the additional time requirements associated with special legislation.	This type of transaction will require federal legislation to fully implement and the additional time requirements associated with special legislation.
The exchange proponent drives the proposal. The exchange proponent develops the acquisition package which may or may not contain priority acquisition parcels.	All costs associated with preparing the federal land sale will be the responsibility of the BLM.
The exchange proponent selects the federal lands to be included in the exchange, which may or may not be identified for disposal under current planning documents.	The general public may not support the disposal of public lands for the express purpose of acquiring buffer lands around military facilities.
Values of both the offered and selected lands are established by appraisal, which may or may not reflect true fair market value for one side of the transaction or both sides.	

**Land Suitable for Disposal
Alternative A
(Current Management)
&
Alternative E
(Preferred Alternative in Draft RMP)**

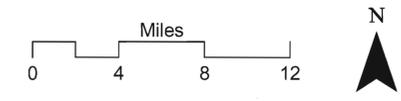


Legend

- Disposal Lands In Both Alt. A & E
- Disposal Lands In Alt. E
- Exchange Only Lands In Alt. E
- Exchange Only Lands In Alt. A
- Aqua Fira NM Planning Area
- Bradshaw-Harquahala NM Planning Area
- BLM Wilderness
- FS Wilderness
- County Boundaries
- Lakes
- Interstate
- Highway
- Roads
- BLM
- BR
- City, County, or State Parks
- County
- Indian Res.
- Military
- NPS
- Other
- Private
- State
- State Wildlife
- USFS
- USFWS
- Township/ Range

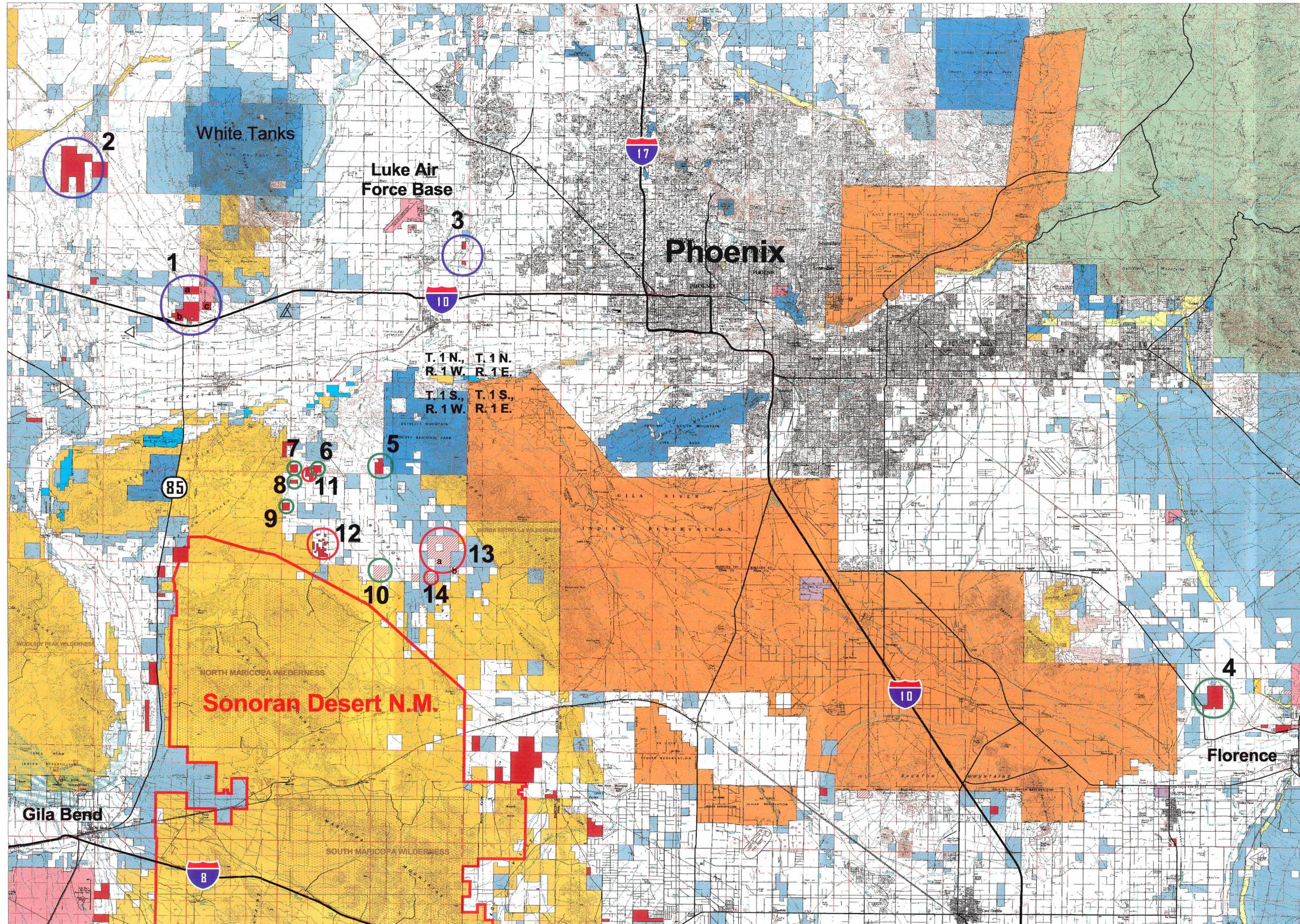
Note: The Bureau of Land Management (BLM) conducts land use planning only in the areas administered by BLM. BLM has no planning authority under the municipal or county planning legislation of the State of Arizona.
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INTERNAL WORKING DOCUMENT



**Bureau of Land Management
Phoenix Field Office
Phoenix AZ
November 2005**





Parcel Breakout Details

All Other Parcels Are Identified for Disposal in Current Land Use Plan.

ROUND 1 - APPROXIMATELY 5,225 ACRES (Shown in Blue)

- 1. Tartesso (Parcel #1)
 - a.
 - b.
 - c.
- 2. Belmont Douglas Ranch (Parcel #6)
- 3. Paul Johnson (Parcel #7)

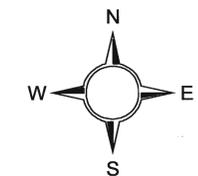
ROUND 2 - APPROXIMATELY 2,360 ACRES (Shown in Pink)

- 4. NE Pinal County
- 5. Estrella Property #1
- 6. Estrella Property #2
- 7. Estrella Property #3
- 8. Estrella Property #4
- 9. Estrella Property #5
- 10. Rainbow Valley Property #1

ROUND 3 - APPROXIMATELY 2,800 ACRES (Shown in Red)

- 11. Estrella Property #6
- 12. Rainbow Valley Property #2
- 13. Rainbow Valley Property #3
 - a.
 - b.
- 14. Rainbow Valley Property #4

- Wilderness Areas
- Interstates
- Highways
- Township Lines
- Disposition**
- Disposal - Sale or Exchange
- Disposal - Exchange Only
- National Monuments
- Land Status**
- BLM
- BR
- City, County, or State Parks
- County
- Indian Res.
- Military
- NPS
- Other
- Private
- State
- State Wildlife
- USFS
- USFS



**BLM Lands Identified For Disposal
Phoenix Metro Area
Luke Preservation Trust Selected Lands**



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