



TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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MEMORANDUM

TO: Commission Members

FROM: Cliff Lippard *Cliff*
Executive Director

DATE: 31 January 2019

SUBJECT: Public Chapter 693, Acts of 2018 (Excess Property)—Final Report for Approval

The attached Commission report is submitted for your approval. It was prepared in response to Public Chapter 693, Acts of 2018, which directs the Commission to determine the amounts of non-tax-producing properties held by state and local governments, as well as recommendations about the highest and best uses of the properties and ways for making the properties productive. The report has a statutory due date of March 1, 2019. While the report covers the requested information, adopting its recommendations will assist in better data collection and decision making in the future.

Since the draft report was presented to the Commission in December 2018, TACIR staff added a recommendation that **state-owned properties that are unused and have no planned, future use reported for them for a significant period—10 years—be either**

- offered back to their prior owners or
- evaluated for sale as surplus.

Additionally, TACIR staff expanded the recommendations to include having **the list of all state-owned real property online** to promote greater transparency and more easily identify opportunities to promote the highest and best use.

As presented at the Commission meeting in December 2018, the report recommends **all state agencies submit property use information along with annual real property plans to the Department of General Services (DGS), and that the state consider making the**

reporting of property use and real estate plans a part of each agency's budget process. The state could require the Tennessee Department of Transportation (TDOT) to report its right-of-way (ROW) property to DGS; this would require TDOT to first complete an inventory of all its ROW property and determine which properties are needed and which are not. To facilitate identification and disposal of unneeded ROW property in Tennessee, TDOT could both actively market its surplus ROW property for sale and work with DGS to integrate surplus TDOT properties with the overall surplus property strategy for the state. The state could require the integration of geographic information systems with the state-owned property inventory to provide for more robust analysis and help promote the highest and best use of the state's real estate assets.

To assist local governments with the management and disposal of surplus property, the state could assist local governments with the management of real property—as suggested in the Commission's 2012 report, *Dealing with Blight: Strategies for Tennessee's Communities*—by providing legal authority allowing any city or county to establish a land bank. The state could help local governments reach a wider audience of potential buyers by allowing local governments to post links to their surplus real properties—including tax-delinquent properties—on the state's website where the state advertises its surplus real property. The state could ensure that local government officials are always aware of state surplus available in their jurisdiction by requiring DGS staff to notify local officials of surplus state-owned properties that are available in their jurisdictions before offering the properties to the public for sale—as is already done voluntarily by DGS staff. Finally, the state could offer additional training on best practices for real property management for county and city officials to promote the highest and best use of real property owned by local governments.