

Metropolitan Government of Nashville and Davidson County	Subject: Public Property Policy and Procedures	Revision Date: n/a
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Purpose:

To establish uniform guidelines of the standard procedure of: i. acquisition, ii. disposal, and iii. leasing, of improved and unimproved property by and for the Metropolitan Government of Nashville & Davidson County (“Metro”). This policy shall be applied consistently throughout the department.

I. Acquisition

Pursuant to 2.24.240 of the Metropolitan Municipal Code, the following steps must be taken with regard to acquiring property for use of any Metro department.

1. Any director or other chief administrative official (“CAO”), and with the approval of the mayor, is authorized to acquire land on behalf of Metro by purchase or condemnation for any department, commission, board, or agency (collectively referred to herein as “department”).
2. Funds for the acquisition must be paid for with funds specifically appropriated for purchase of land.
3. Upon the direction of the Finance Director, the Director of Public Property shall order an appraisal for any potential purchase, unless otherwise directed. In accordance with the Charter, any appraisal shall be conducted by a “state certified real estate appraiser.”
4. Once a site is chosen for purchase and appraisals obtained as required, the director or CAO of the department shall submit for approval to the Office of the Mayor, or as may be appointed his or her designee, the Finance Director and/or Director of Public Property, a request to purchase which shall include the following: location of land sought, proposed use of property, cost, and proposed offer. Additional information may be requested as needed.
5. Upon approval by the mayor, or his or her designee, and any authorization by resolution or ordinance that may be required by any board or commission, the Director of Public Property shall proceed with acquiring the property.
6. Initial terms may be agreed to under an Option Agreement. Once this agreement is finalized and executed, the Mandatory Referral process begins. Upon receipt of the Mandatory Referral letter from the planning department the proposed legislation is submitted for the Metro Council (herein referred to as “Metro Council” or “Council”) agenda. Option agreements require a resolution be filed with the Council to be approved upon one reading. Any acquisition requiring a purchase agreement shall require an ordinance, requiring three readings.
7. Once approved by Metro Council, closing may proceed on the property.

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II. Disposal

A. General Surplus Metro Property

Pursuant to 2.24.250 of the Metropolitan Municipal Code, the following steps must be taken with regard to surplus property owned by Metro departments.

1. When a department declares property surplus, the Department of Public Property Administration reviews and considers the needs of individual departments who may have use for the property. Upon determination that the property is not essential to any Metro department, the proposed disposal must be approved by the Finance Director.
2. If a department has a need the Department of Public Property Administration shall proceed to affect an internal transfer with the planning department and the property assessor's office.
3. Upon authorization of the Finance Director, and in the event no department is known to have a need for the property, the proposed disposal shall then proceed to Mandatory Referral. Following review by the planning department, the Mandatory Referral process includes submission of legislation and all applicable exhibits to the planning department, followed by a review period for all departments consulted. This includes all Metro departments, as well as the Sports Authority and Metropolitan Development and Housing Agency. Upon approval of all named departments (such approval shall be implied unless objected to by any of the departments consulted) and receipt of the Mandatory Referral letter from the planning department with no applicable conditions, all required departmental signatures are obtained and the legislature is submitted for the Metro Council agenda. Should conditions apply under the Mandatory Referral letter, it is up to the applicable department to either draft the legislation to include the conditions noted by the planning department, or remedy any existing conditions prior to filing the legislation. If any conditions are included in the legislation, the Council may vote to remove or revise them.
4. Current Finance Department practice dictates an appraisal be obtained by the Director of Public Property prior to the sale by an independent "state certified real estate appraiser" for all surplus property, unless otherwise directed. Such appraisal shall contain a current valuation based on zoning in place and a prospective valuation anticipating a zoning change. However, per the Charter, properties valued below Five Hundred Thousand Dollars (\$500,000) by the Property Assessor's Office do not require an appraisal.
5. Once Metro Council approves the sale of the surplus property it is listed on Ebid for sale to the public, unless a direct sale is otherwise agreed upon. The opening bid for any property sold on Ebid is no less than two-thirds (2/3) of the appraised value, as determined by the appraisal. Standard practice dictates that bidding start at a discount of ten percent (10%) of the appraised value in order to encourage competitive bidding, in

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an effort to result in the highest purchase price possible for the benefit of obtaining maximum fair-market value.

6. The winning bidder must submit a “good faith” deposit equal to ten percent (10%) of the winning bid within five (5) business days of acceptance of the bid to the Real Property Services Division.
7. Closing on real estate sold through the Ebid site must close within thirty (30) days of receipt of the “good faith” deposit, unless otherwise agreed upon in writing by the Real Property Services Division. In the event closing does not occur as provided herein, the “good faith” deposit shall be forfeited and the property relisted for sale on the Ebid site.
8. Upon closing, the property shall be conveyed to the new owner by quitclaim deed to be filed by the Director of Public Property.
9. Proceeds of the sale are deposited to the general fund from whose operating budget the last department, commission, board, or agency using the real property is financed.

B. Delinquent Tax Property

In the event delinquent tax property does not sell through the Chancery Court of Davidson County, pursuant to 2.24.250(G) of the Metropolitan Municipal Code of Ordinances, the following steps shall be taken by the Director of Public Property with regard to the sale of these delinquent tax properties.

Buildable and non-buildable parcels are offered for use to all departments within the Metro, pursuant to the same guidelines used for surplus Metro property.

Buildable Parcels:

1. Buildable parcels with improvements are highest priority for disposal.
2. Pursuant to 2.149.041(G) of the Metropolitan Municipal Code of Ordinances, Metro Council may authorize the conveyance of real property acquired by a delinquent tax sale be granted to a nonprofit organization. Upon approval by the Metropolitan Department of Law and the Director of Finance and after consultation with the planning department and any affordable/workforce, or other similar housing agency, as necessary, such conveyance shall be permitted by a resolution of Metro Council.
3. Alternatively, in the event no department, nor any affordable/workforce, or other similar housing agency, has any use for a buildable or improved parcel, the parcel is placed on ebid.nashville.gov for sale to the general public upon the lapse of the one year redemption period. The purchase and sale procedure is identical to steps five through eight as detailed above under the heading “Surplus Property.”
4. Pursuant to Ordinance No. BL2016-524, surplus real property, other than school property, valued on the Property Assessor’s site at over \$500,000 must have an appraisal certified by a state certified real estate appraiser, prior to listing for sale;

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however, current Finance Department practice dictates an appraisal be obtained prior to the sale, unless otherwise directed.

5. Should property be claimed by affordable/workforce, or other similar housing agency for development, the property is transferred upon the completion of the competitive bid process as set forth for qualified nonprofit organizations by the applicable agency. Transfer documents conveying the property its upon completion include are required to include all relevant deed restrictions regarding affordability measures and enforcement.

Non-buildable Parcels:

1. Following the one year redemption program and in the event no department has use for a non-buildable parcel, the Director of Public Property may offer the parcel for sale to the adjacent land owner(s) at the current tax appraised value, as determined by the records contained on the Davidson County Property Assessor’s website.
2. If no adjacent owner agrees to purchase at the tax appraised value, the property shall be sold to the adjacent property owner who submits the highest bid for the parcel.
3. Upon Metro Council approval, the Director of Public Property may execute the necessary documents for conveyance of the property.

III. Lease Agreements

Pursuant to 2.24.230 of the Metropolitan Municipal Code, the following items shall be observed with regard to property leased by or from any Metro department.

1. All leases, subleases or memorandums of lease are to be filed with the Davidson County Register of Deeds whenever Metro or any agency thereof leases or subleases real estate to a private individual, partnership, corporation or other private agency.
2. All lease agreements are subject to approval by ordinance of the Metro Council. Lease amendments and extensions may be approved by resolution of the Metro Council. No leases related to the erection of billboards shall be allowed unless expressly approved by ordinance of the Metro Council.
3. Pursuant to Section 2.24.250(H) of the Metropolitan Municipal Code, any property owned by Metro to be leased for a term of greater than fifty (50) years must be declared surplus property prior to the lease taking effect.
4. Lease terms and rental amounts with Metro as Lessee or Lessor are determined by market valuations as ordered by the Director of Public Property. Lease rental amounts

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for any Metro owned property whereby Metro is Lessor shall be subject to a third party MAI appraisal.