

**Tennessee Technological University  
Policy No. 582**



Effective Date: July 1, 2018

**Policy No: 582**

**Policy Name: Acquisition and Disposal of Real Property**

**I. Purpose**

The establishment of a policy in accordance with State Building Commission of Tennessee (SBC) By-Laws, Policy and Procedure (SBC Policy) Item 8 that allows for the acquisition and disposal of real property by Tennessee Tech.

**II. Review**

This policy will be reviewed every three years or whenever circumstances require review, whichever is earlier, by the Director of Capital Projects and Planning in consultation with the Vice President for Planning and Finance, with recommendation for revision presented to the Administrative Council, and University Assembly. Revisions related to the Board's authority can only be made by the Board.

**III. Scope**

Tennessee Tech has the authority to purchase and condemn real property, dispose of real property, and to receive donations of real property and be vested with title to property so acquired.

**IV. Policy**

All proposed acquisition or disposal of property shall be subject to the approval of the President and the Board of Trustees. The approval of land acquisition by purchase or condemnation shall be subject to the following:

- A. Tennessee Tech shall submit to the Board of Trustees, the Tennessee Higher Education Commission (THEC) and the SBC for consideration and approval a campus master plan or an amended master plan, which indicates land acquisition needs or an individual acquisition request. Property acquired by gift is exempt from this condition.
- B. Upon approval of the campus master plan or amended master plan, Tennessee Tech must request a land acquisition or disposal by submitting the proper documentation for each proposed acquisition or disposal to the SBC Executive Sub-Committee (ESC) prior to any commitment to complete a transaction. The State of Tennessee Department of General Services, through the Division of Real Estate Asset Management (STREAM), shall have the responsibility for ensuring that Tennessee Tech complies with this policy as follows:
  - 1. The President of Tennessee Tech shall present requests for land acquisition with supporting documentation to STREAM. This documentation shall include:

- a. The justification of the need for the property;
  - b. A description of and the location of the property;
  - c. The estimated amount of funds required for the acquisition and the source of funds;
  - d. A plat of the property;
  - e. The names of the present owners; and
  - f. A copy of the deed to the property.
2. STREAM shall analyze the information and request from Tennessee Tech additional information if needed for proper presentation to the ESC. Any contracted diligence services for a transaction procured prior to approval of the transaction by the ESC shall be reported in the transaction approval summary submitted to the ESC.
  3. Upon Tennessee Tech's behalf, STREAM may enter into an option to purchase property prior to ESC approval if all of the following are satisfied:
    - a. Tennessee Tech deems the acquisition to be time-sensitive in writing and STREAM agrees.
    - b. The target property meets one of the following conditions:
      - 1) Identified for future acquisition in Tennessee Tech's approved Master Plan;
      - 2) Included as part of an approved Tennessee Tech SBC project where land purchase is specified in the project scope; or
      - 3) Funding is available for the option consideration, if any will be paid, and for the acquisition. Availability of funds shall be verified with the Tennessee Tech Vice President for Planning and Finance.
  4. No acquisition or disposition shall be consummated until the ESC has approved the transaction.
  5. The execution of an option shall not bind Tennessee Tech to the acquisition of the property.

- C. After ESC approval, STREAM staff will obtain a title commitment, an appraisal, an environmental site assessment, and a survey and prepare an option to purchase the property.
- D. If an option to purchase the property is signed by the seller, it will be submitted to the President of Tennessee Tech for final approval of the proposed acquisition. If negotiations fail, Tennessee Tech may request that condemnation proceedings be commenced for acquisition of the property.
- E. If acquisition of the property by purchase is approved, STREAM will be responsible for recording the warranty deed and forwarding the deed and title insurance to Tennessee Tech.
- F. Real Property Disposal
  - 1. The President of Tennessee Tech shall present requests for disposal of real property to STREAM documenting the factors leading to and the determination justifying disposal of any surplus property and shall retain such documentation.
  - 2. STREAM will forward the request to the ESC for approval.
  - 3. Once approved by the ESC, STREAM will order a title search and property.
  - 4. Tennessee Tech will issue an Request for Proposal (RFP) to engage a realtor to market the property.
  - 5. Once an offer is made, the signed contract is sent to STREAM for review.
  - 6. Once the contract is approved, STREAM proceeds with the closing process.
- G. Prior to the final execution of an acquisition or disposal, the appropriate agreements, including documentation that all laws, rules, regulations, and other contract terms have been complied with, shall be submitted by STREAM to the Attorney General for approval.

**V. Interpretation**

The Director of Capital Projects and Planning has the final authority to interpret the terms of this policy.

**VI. Citation for Authority of Policy**

T.C.A. §§ 49-8-11; 49-8-203; SBC By-Laws, Policy and Procedure, Item 8

**Approved by:**

Administrative Council: February 21, 2018

University Assembly: April 18, 2018

Board of Trustees: March 22, 2018