

SUBSTITUTE ORDINANCE NO. BL2026-1356

An ordinance amending Chapter 2.24.225 of the Metropolitan Code of Laws to modify appraisal requirements for certain ~~real-estate~~ right-of-way acquisitions made by the Nashville Department of Transportation and Multimodal Infrastructure and for Choose How You Move projects, and to make technical changes.

WHEREAS, Chapter 2.24, Article III, Part II of the Metropolitan Code of Laws addresses the disposition of real estate; and

WHEREAS, in certain circumstances, the approval of the Metropolitan Council is required prior to the acquisition of real property; and

WHEREAS, Section 2.24.225 of the Metropolitan Code of Laws requires the Metropolitan Government to obtain an appraisal report as a precondition to the approval by the Metropolitan Council of the property's acquisition ("Appraisal Requirements"); and

WHEREAS, Subsection 2.24.225.A. of the Metropolitan Code of Laws prohibits the use of Restricted Appraisal Reports, Restricted Use Reports, or Summary Appraisal Reports to fulfill the Appraisal Requirements; and

WHEREAS, "Restricted Use Reports" and "Summary Appraisal Reports" are terms that are no longer defined by the Uniform Standards of Professional Appraisal Practice ("USPAP") and should be replaced in the Metropolitan Code of Laws; and

WHEREAS, the Nashville Department of Transportation and Multimodal Infrastructure (NDOT) is commencing an historic number of infrastructure projects that include real property acquisition, in part to implement the Choose How You Move Transportation improvement program; and

WHEREAS, many of the property acquisitions for these projects, especially for temporary construction easements and sidewalk projects, are for small dollar amounts; and

WHEREAS, the cost to conduct an appraisal for each of these properties may often cost more than the acquisition itself, making an appraisal cost prohibitive and economically infeasible; and

WHEREAS, conducting an appraisal for each of these properties is also time consuming and may cause project delay; and

WHEREAS, USPAP outlines Restricted Appraisal Reports, Restricted Use Reports, and Summary Appraisal Reports are cost-effective and timely less time-intensive ways to issue reports detailing assess the value of certain easements and small property acquisitions; and

WHEREAS, in order to effectuate the efficient acquisition of small value properties, NDOT now wishes to amend Section 2.24.225 of the Metropolitan Code of Laws to allow for the use of Restricted Appraisal Reports, Restricted Use Reports, and Summary Appraisal Reports when seeking approval from the Metropolitan Council for certain real estate acquisitions; and,

WHEREAS, it is in the best interest of the Metropolitan Government that this amendment be approved the Metropolitan Code of Laws be amended to allow the use of USPAP-approved methods when seeking approval for certain real estate acquisitions for right-of-way.

NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. That Section 2.24.225 of the Metropolitan Code of Laws is hereby amended by ~~adding the following new subsections~~ deleting it in its entirety and replacing it with the following:

A. Except as otherwise specified in this section, for transactions involving the sale, lease, sublease, or other disposition of real property which require approval of the metropolitan council, authorizing legislation may not be considered by the council in the absence of an appraisal report that includes, without restriction, the following components: (a) a current value; and (b) a prospective value reflecting any anticipated changes in entitlements including, without limitation, changes in zoning classifications, use restrictions, and/or deed restrictions. For purposes of this section, Restricted Appraisal Reports, or other methods promulgated by the Uniform Standards of Professional Appraisal Practice ("USPAP") that allow for limited reporting, shall not satisfy this requirement.

B. Except as otherwise specified in this section, for transactions involving the purchase, exchange, or other acquisition of real property which requires approval of the metropolitan council, authorizing legislation may not be considered by the council in the absence of an Appraisal Report that includes a current value. For purposes of this section, Restricted Appraisal Reports, or other methods promulgated by USPAP that allow for limited reporting shall not satisfy this requirement.

C. The provisions of this subsections A and B above shall not apply to:

1. the appraisal or valuation of real property acquired pursuant to a delinquent tax sale grant that is to be conveyed to a nonprofit organization under Tennessee Code Annotated § 7-3-314(e). No appraisal or valuation is needed for real property conveyed pursuant to Resolution No. RS2019-1861.

~~E. The provisions of this section shall not apply to the appraisal or valuation of temporary construction easements acquired by the Nashville Department of Transportation and Multimodal Infrastructure (NDOT) or acquired for Choose How You Move (CHYM) projects using solely local funds.~~

~~F2. For the appraisal or valuation of real property or easements for right-of-way acquisitions for a department of transportation and multimodal infrastructure ("NDOT") or Choose How You Move ("CHYM") sidewalk projects using solely local funds. For such projects, Restricted Appraisal Reports, or other methods promulgated by USPAP that allow for limited reporting, Restricted Use Reports, or Summary Appraisals shall satisfy the requirements of this section.~~

~~G3. For the appraisal or valuation of real property or easements acquired by for right-of-way acquisitions for NDOT or acquired for CHYM projects using solely local funds, if the real property or easement has a fair market value of less than \$1535,000.00, then a Restricted Appraisal Report, Restricted Use Report, or Summary Appraisal shall satisfy the requirements of this section. For real property or easements acquired by NDOT or acquired for CHYM projects using solely local funds, if the property or easement has a fair market value of less than \$10,000.00, then the requirements of this section shall not apply, and no appraisal report shall~~

~~be required. These~~ For such projects, fair market valuations shall be supported by a market analysis with sufficient supporting documentation subject to review and acceptance by the director of public property administration or delegated representative.

~~H. The provisions of this section shall apply to any acquisitions made by NDOT or for CHYM projects using state or federal funds.~~

D. All appraisal reports required by this section shall be prepared by an independent state certified real estate appraiser, as defined in T.C.A. § 62-39-102, or as the same may be hereafter amended, selected by the department of finance in accordance with applicable procurement regulations.

Section 2. That this Ordinance shall take effect ~~immediately after its adoption~~ from and after its passage, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.

INTRODUCED BY:

---

Kyonzté Toombs  
Member of Council