

**Statement of
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**Senate Committee on Energy & Natural Resources
Subcommittee on Public Lands, Forests, & Mining
S. 612, Udall Park Land Exchange Completion Act
February 7, 2018**

Thank you for inviting the Department of the Interior (Department) to testify on S. 612, the Udall Park Land Exchange Completion Act. The bill provides for the conveyance of the Federal government's reversionary interest in a 173-acre parcel of land known as Udall Park located in the City of Tucson, Arizona.

Under the Federal Land Policy and Management Act (FLPMA), the Bureau of Land Management (BLM) is authorized to convey a reversionary interest upon payment of fair market value determined by an appraisal. The Department supports the goal of conveying the reversionary interest to the City of Tucson and could support S. 612 if amended to ensure payment of fair market value for the reversionary interest.

We are mindful that legislated transfers of land and interests in land often promote varied public interest considerations that may not lend themselves readily to the standard appraisal process or to equal value exchanges in all cases. In these instances, the balancing of important public policy considerations, including ensuring a fair return for the American taxpayer, ultimately rests with Congress.

Background

The BLM regularly transfers public land to local governments and nonprofits for a variety of public purposes. These transfers are typically accomplished under the provisions of the Recreation and Public Purposes (R&PP) Act or through direction supplied through specific Acts of Congress. The R&PP Act is a statute frequently used by the BLM to help States, local communities, and nonprofit organizations obtain lands – at no or low cost – for important public purposes such as parks, schools, hospitals and other health facilities, fire and law enforcement facilities, courthouses, social services facilities, and public works. Because these public purpose lands are conveyed at far below market value, R&PP Act conveyances and many similar legislated conveyances include a reversionary clause requiring that lands be used for public purposes or revert to the Federal government. Over the years, the BLM has consistently required the payment of fair market value for the reversionary interest, in accordance with FLPMA's requirements for disposal of lands or interests in land.

Udall Park is a popular, heavily used urban recreation park located in the eastern part of the City of Tucson (City). The 173-acre park was established in 1980, when the City entered into an R&PP Act lease with the BLM. Udall Park then was transferred to the City in 1989, under an

R&PP Act patent. Both the lease and patent transferring title to the City included a clause requiring that the lands be used for public purposes.

Prior to the issuance of the 1989 R&PP Act patent, the City had expressed interest in acquiring the parcel through sale or exchange. Extensive discussions with the BLM about a potential exchange followed, although no appraisals of either the parcel or the land proposed for exchange were conducted at the time. The City elected to receive the parcel under an R&PP Act patent rather than as part of a land exchange. The City conveyed land to the BLM; however, no appraisal was conducted. The Department notes that the City's conveyance to the BLM and the BLM's issuance of an R&PP Act patent to the City, when taken together, do not constitute a land exchange. A land exchange would have required appraisals of the properties and equalization of values. The R&PP Act patent to the City contains the reversionary clause requiring that the lands be used for public purposes.

The BLM has authority under FLPMA to convey a reversionary interest retained by the Federal government under the R&PP Act at fair market value in accordance with uniform appraisal standards. In the Udall Park case, the BLM and the City have explored the possible conveyance of the reversionary interest at fair market value, enabling the City to allow commercial uses of the land such as the installation of a cellular tower.

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S. 612 would transfer the Federal reversionary interest in the Udall Park parcel to the City to facilitate economic development. All administrative costs associated with the conveyance would be the responsibility of the City.

FLPMA, which is the authority under which BLM generally disposes of public land or interests without limit, requires receipt of fair market value for public lands or interests transferred out of public ownership. This serves to ensure that taxpayers are fairly compensated for the removal of public lands or interests from Federal ownership. The Department supports the goal of conveying the reversionary interest outlined in this section. As with previous such proposals, we recommend amending S. 612 to ensure the payment of fair market value for the reversionary interest. However, the Department recognizes that there may be circumstances, as determined by Congress, in which the public benefits of a proposed transfer outweigh financial considerations.

Conclusion

Thank you for the opportunity to testify. We look forward to working with the sponsor and the Subcommittee to address the needs of the City of Tucson.