

Welcome to today's presentation on:

Real Property Disposal - Overview and Services

the presentation will start at 2 PM Eastern

Note: Phones are automatically muted during the presentation. You have the ability to send questions/comments to the attendee community and our presentation team through your Chat pane. They will answer as many of the questions as possible throughout and at the end of the presentation. All questions will be captured, and answers sent to all participants prior to the next presentation.



Welcome!

Real Property Disposal - Overview and Services

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Presentation Overview

Content

- Objectives and Key Questions

GSA Alignment

- Who/What is GSA Office of Real Property Utilization and Disposal (RPU&D)
- Where is RPU&D Located

Real Property Terminology and Fundamentals

- Definitions
- Deeds and Property Interests
- Publicly Owned vs Privately Owned

The Disposal Process

- Land Holding Agencies (LHA) and Reporting Property Excess
- Surplus vs Excess
- Public Benefit Conveyances

Realty Services

- Due Diligence & Path to Closure
- Stakeholder Management
- Services and Tools Offered
- Obtaining RPU&D Services

General Services Administration's Disposal Program

**Under the GSA Office of the Administrator,
two major Services provide both
Personal and Real Property Disposal solutions.**

Federal Acquisition Service's [Office of Personal Property Disposal](#)

Public Buildings Service's [Office of Real Property Utilization and Disposal](#)



Our Mission

“To lead the Federal Government in optimizing its real property portfolio through effective disposition & utilization strategies.”



What Do We Do?

The PBS Office of Real Property Utilization and Disposal works with all Land Holding Agencies (LHAs) to identify underutilized real property. We work with LHAs to develop strategies to identify and effectively reposition unneeded assets.

- Provide a sophisticated center of expertise for Federal real property disposal.
- Offer strategic asset management tools to landholding agencies.
- Serve as a cost-effective partner to our customer agencies, facilitation realty outcomes tailored to each agency's unique objective and challenge.

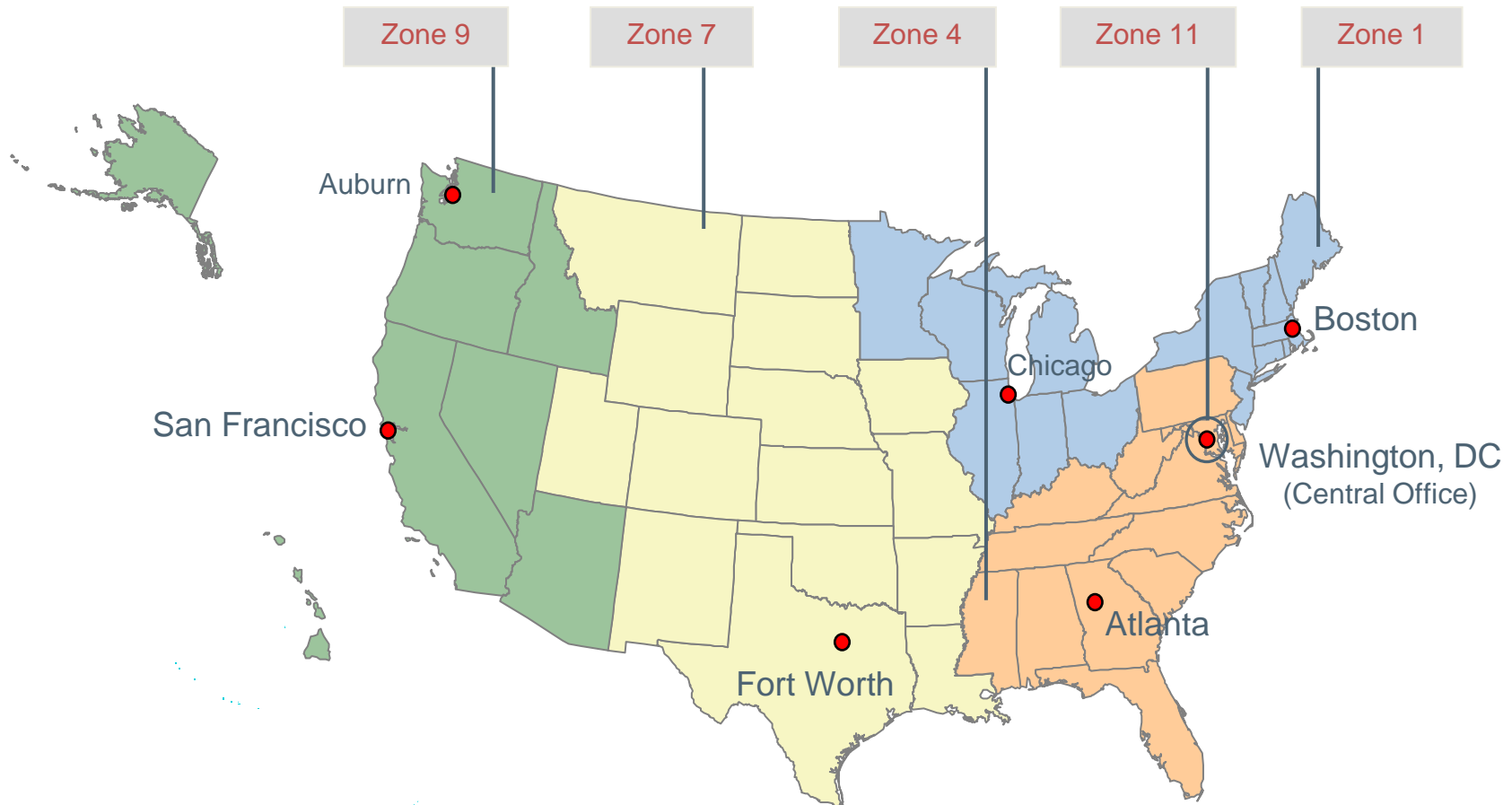
What is a Landholding Agency?

Landholding Agency (LHA)

- The Federal agency that has custody and accountability for the real property involved.
- Responsible for reporting the real property on its financial statements and inventory records.
- There are 34 LHAs, currently. Not all bureaus within an LHA can necessarily hold land. [LIST](#)

Where is Your Local GSA Utilization & Disposal Office?

Contact Your Local Servicing Zone





Real Property

Terminology and Fundamentals

What is the Difference Between *Real* and *Personal* Property?

- **Real Property (GSA-PBS)**

- Immovable

- Land.
- Permanent structures (houses, office buildings).
- Industrial facilities located on the land.
- Can include any structure or item that is permanently attached or fixed to real property (e.g., fixtures).

- **Personal Property (GSA-FAS)**

- Moveable

- Electronic equipment, desks, mobile homes, vehicles, office supplies, and any structure that is not affixed to the land.

Examples of Federal Properties

- Federal Office Buildings
- Airports
- Lighthouses
- Military Bases
- Warehouses



Essential Questions for Real Property

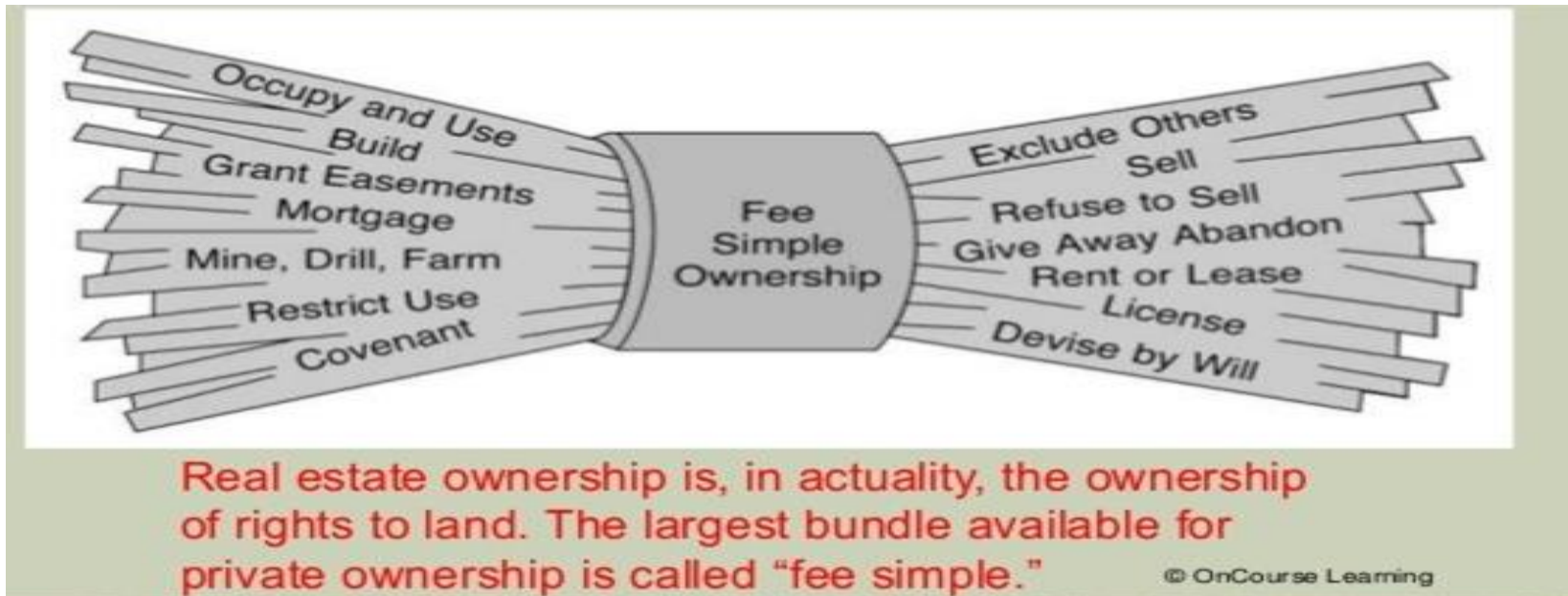
- *What Do I Own?*
- *What Can I Do With It?*
- *Do I Have Marketable Title?*
- *What Is My Path To Regulatory Closure?*



Deeds and Property Interests

“Bundle of Sticks”

The Fee Simple Bundle of Rights



The right to use, the right to sell, right to mortgage, right to lease, right to give away, and right to enter. This can be an important concept in the context of a disposition action.

How are Real Property and Personal Property Transferred?

- A **deed** is the legal instrument that transfers real property from one owner to the next.
- A “**Bill of Sale**” is the legal document that transfers title for personal property from the seller to the buyer.

How Can Federal Real Property Be Conveyed?

- **Fee Title**
 - Gives full ownership to the holder.
 - Highest ownership interest possible in real property.
- **Lease**
 - Gives possession for a period of time and is a contract arrangement calling for the user to pay the owner for use of an asset.
- **License**
 - Entitles a person to use a property, but is subject to termination at the will of the property owner.

Other Types of Property Rights

In addition to fee title, there are many other types of property rights that can be sold either as part of the fee transaction or separately:

- Air Rights: The right to use airspace above a building.
- Development Rights: The right to develop the land for housing or other uses consistent with zoning.
- Water Rights: The right to use water from a water source (e.g., a river, stream, pond, or source).
- Mineral Rights: The right to extract minerals from the subsurface of the land.
- Easements: A legal right to use part of property for a specific purpose (e.g., conservation easement, aviation easement).

What Are the Main Types of Deeds?

- **Full Fee Simple (Full Fee Title) Deed**

- The highest form of ownership that can be granted in a deed.
- Entitles the property owner to full enjoyment of the property, limited only by zoning laws, deed or subdivision restrictions, or covenants.

- **Quitclaim Deed**

- Offers the grantee no warranty as to the status of the property title; the grantee is entitled only to whatever interest the grantor actually possesses at the time the transfer occurs.
- Mostly used by Federal agencies to transfer property since it protects Government from title issues that arose before the Government owned the property.
- Some states do not recognize Quitclaim Deed; instead, Deed Without Warranty is used in its place. A warranty deed not only conveys ownership, but warrants that the title is clear of encumbrances.

Publicly vs. Privately-Owned Assets

- Expectations Stakeholders (Local, State and Federal)
- Compliance with Environmental & Cultural Resources Laws
- Balancing Public Benefits & Monetary Returns
- Unique Title & Infrastructure Concerns
- Specialized Government Uses Not Easily Adaptable

Essential Questions for Real Property Reminder

- *What Do I Own?*
- *What Can I Do With It?*
- *Do I Have Marketable Title?*
- *What Is My Path To Regulatory Closure?*



Overview

Real Property Disposal Process

What are the Responsibilities of a LHA?

- According to FMR 102-75.60, a LHA's responsibilities concerning utilization of excess property include the following:
 - **Survey real property** under its control at least annually to identify property that is not utilized, underutilized, or not being put to optimum use.
 - **Maintain its inventory** of real property at the absolute minimum consistent with economical and efficient conduct of the affairs of the agency.
 - **Promptly report to GSA** any real property that it has determined to be excess.
- To report property excess to GSA, LHAs must complete all due diligence information on the property, including the *Standard Form 118* and its attachments.

What are the Benefits of Excessing Real Property?

A Landholding Agency may want to dispose of real property for the following reasons:

- Generate funds* through the sale of real property assets.
- Save money/cost avoidance.
- Dispose of real property assets which have high protection and maintenance costs, but generate minimal revenue.
- Comply with President's Asset Management Initiative (E.O. 13327).
- Leverage equity through GSA's Relocation Authority.

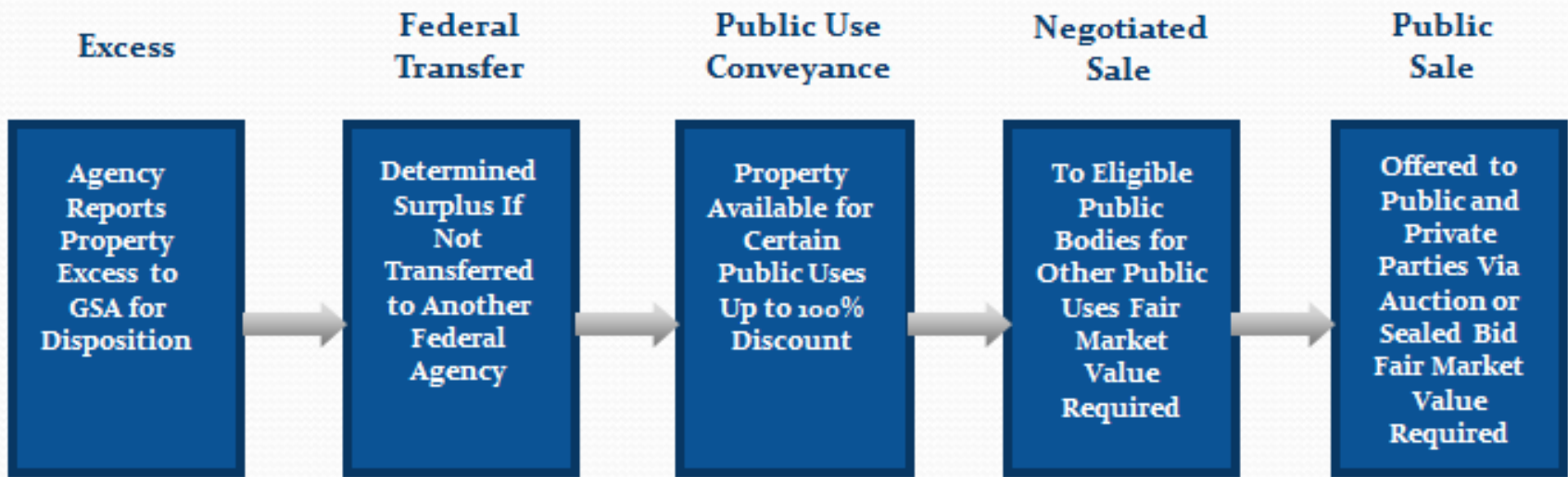
***Note on Proceeds:** *Some LHAs have Retention of Proceeds authority, meaning proceeds generated from a sale are returned to that agency. Others do not have this authority, in which case proceeds are generally deposited into the Disposal Receipt account (and used to fund future projects) or sent to the Treasury.*

What is a Disposal Agency?

Disposal Agency

- Designated to transfer excess or dispose of surplus real or personal property.
- GSA is generally the disposal agency and is charged with disposing of surplus real property as designated under 40 USC, Chapter 5.

The Disposal Process Under 40 USC, Chapter 5



What is the Difference Between *Excess* and *Surplus* Real Property?

- **Excess Real Property**

- Real property that a Federal agency no longer needs to carry out its program responsibilities.

- **Surplus Real Property**

- Real property that none of the Federal agencies need to carry out their program responsibilities.
- May be made available for other uses through the following:
 - Public benefit conveyances (PBCs);
 - Negotiated sales; or
 - Public sales.

Public Benefit Conveyance (PBC)

Under existing Federal law, states and local government bodies and certain nonprofit institutions may acquire surplus real property at discounts of up to 100% for various types of public use. These uses include:

- Negotiated Sale
- Homeless
- Airport
- Correctional
- Educational
- Highway
- Historic Monument
- Public Road Widening
- Park & Recreation
- Port
- Public Health
- Law Enforcement
- Wildlife Conservation
- Emergency Management
- Power Transmission Lines
- Self-Help Housing

What is a Sponsoring Agency?

Sponsoring Agency:

- The Federal agency that is assigned to a specific type of property transfer for a public benefit such as parks and recreation, education, and health. These are called public benefit conveyances (PBCs).
- Serves as the approving authority to decide if the proposed use for the property meets the requirements of the specific public benefit program.
- May have deeding and compliance responsibility (e.g., to educate a new owner regarding the conditions of a conveyance).



Overview

Realty Services Available

**Real Property
Utilization and Donation**

GSA's Role as the Disposal Agency

- Examines the due diligence package
- Represents the Government's interests during the process
- Manages the transaction
- Serves as broker for the transaction
- Manages stakeholder coordination
- Holds sale, manages the sales process and completes paperwork
- Conducts the closing process for the property

Stakeholder Outreach

- Seeks meaningful input and participation from all stakeholders throughout the outreach process.
- Develops:
 - Good communication
 - Common goals (mutual gains)
 - Working partnerships
 - Trust and respect
- Results in productive solutions for the community and government.



What Real Estate Services Can an LHA Get From GSA?

An LHA can get the following real property disposal services from GSA:

- Appraisals
- Site Acquisition
- Disposal Option Studies
- Marketing Studies
- Land Use Studies
- Historic Compliance
- Environmental Solutions
- Land Surveys & Title Search
- Disposal Leasing
- Exchanges
- Training
- Retention/Disposal Studies
- Report of Excess Assistance
- Relocation Program
- Targeted Asset Reviews

Leveraging All Existing Tools



Case Highlight: NASA Hangar 1



Hangar One – 1,100 acre ground lease, 60 yr. firm term, 3 12-year options, includes renovations of Hangars 1, 2 and 3 (estimated \$60-\$80M), operation of airfield (\$8 million), escalating rents roughly \$1.4 billion.

Transactional Trends:

FY2014 – FY2018

- **Total Transactions:**
 - **Over 900 Deals, Transfers, PBCs, and & Sales**
 - **Over 75% go to Sale**
- **Total Acres:**
 - **Over 50,000 Acres Conveyed**
- **Total Sales:**
 - **Over 700 Public Auctions & Sole Source Negotiations**
- **Proceeds:**
 - **Over \$330M Generated From Sales**

How Can Federal Agencies Obtain Property Disposal Services?

Agencies without disposal authority:

- Must use GSA as their disposal agent.
- An agency will prepare a Report of Excess package and submit it to GSA for disposal action.

Agencies with independent disposal authority:

- Agencies may “hire” GSA on a reimbursable basis for various services, such as public sales, appraisals, and customized real estate asset services (e.g., Targeted Asset Reviews).
- DHS-USCG
- USDA-USFS
- DOE
- DOD

Resources For Customers

Visit Our Program

Website: <https://disposal.gsa.gov>

Visit Our Auction Site:

<https://realestatesales.gov>



Thank you for joining us today for a discussion on
Real Property Disposal - Mission, Overview and Services

Visit Our Program Website: <https://disposal.gsa.gov/s/>

Visit Our Auction Site: <https://realestatesales.gov>

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Questions?



Join us for our upcoming VIRTUAL CES sessions!

In eRETA, How Do I...? (Advanced)

Thursday, October 24, 2019 1pm-2:30pm Eastern [Register Now](#)

Tuesday, November 19th, 2019 1pm-2:30pm Eastern [Register Now](#)

(attending “eRETA Overview” and gaining eRETA access is advised prior to attending this session)

eRETA Overview (Basics)

Tuesday, November 12 2019 1pm-3pm Eastern [Register Now](#)

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