



Municipal Technical Advisory Service
INSTITUTE *for* PUBLIC SERVICE

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Eminent Domain for Industrial Parks

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Eminent Domain for Industrial Parks

Reference Number: MTAS-1267

A municipality may exercise the power of eminent domain to develop an industrial park with respect to property located within the municipality or within the urban growth boundary. A municipality or county, or both, operating a joint park may exercise the power of eminent domain for development of the park within the boundaries of the county and within an urban growth boundary and a planned growth area. A municipality must obtain a certificate of public purpose and necessity from the Department of Economic and Community Development for the exercise of the power of eminent domain even if no funds will be borrowed. The certificate must be based upon a finding that the municipality was unable to acquire the property through good faith negotiations or to acquire any alternative property of comparable suitability. Good faith negotiations are established if the municipality made an offer to purchase the property for an amount equal to or greater than the fair market value determined by the average of at least two appraisals by independent qualified appraisers. T.C.A. § 13-16-207(f).

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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