

UDALL PARK LAND EXCHANGE COMPLETION ACT

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AUGUST 29, 2017.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed  
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Mr. BISHOP of Utah, from the Committee on Natural Resources,  
submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 1547]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 1547) to provide for the unencumbering of title to non-Federal land owned by the city of Tucson, Arizona, for purposes of economic development by conveyance of the Federal reversionary interest to the City, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 1547 is to provide for the unencumbering of title to non-Federal land owned by the city of Tucson, Arizona, for purposes of economic development by conveyance of the Federal reversionary interest to the City.

BACKGROUND AND NEED FOR LEGISLATION

In 1980, the Bureau of Land Management (BLM) issued a Recreation and Public Purposes lease for approximately 173 acres of land to the City of Tucson for the purpose of operating a public park. As a part of the lease, BLM included a reversionary interest that specified it could take back the park if the City no longer used the land for public purposes or if the City used the park for commercial purposes. After acquiring the land through the lease, the City of Tucson began making improvements to the park (named Udall

Park) and invested millions of dollars to establish a large community recreation and senior center, swimming pool, walking track, athletic fields and picnic areas.

While making these improvements, the City of Tucson and BLM began negotiating a deal in 1989 to give the City clear title to the park and remove the reversionary interest in exchange for 297 acres of land owned by the City valued at \$4 million.<sup>1</sup> After accepting this land from the City, BLM participated in further land exchanges with other entities to obtain an area that included office buildings for BLM's Tucson headquarters, and environmentally sensitive parcels in the Las Cienegas National Conservation Area and Empirita Ranch Multi Species Conservation Area.<sup>2</sup> In addition to the exchange, the City agreed to resolve a long-standing legal dispute between BLM, Browne/Tankersley Trust and Pioneer Trust regarding a sand and gravel trespass on an adjacent parcel of land to the park.<sup>3</sup> Despite a clear agreement between the City of Tucson and BLM, the City never received clear title to Udall Park even after transferring the 297 acres of land and resolving the trespass issue for BLM.

For nearly three decades, officials in the City of Tucson believed the agreement from 1989 removed the United States' reversionary interest in Udall Park. However, in 2010, BLM sent a letter to the City of Tucson threatening to invoke the reversionary interest if the City did not stop a small farmer's market located within the park.<sup>4</sup> The prohibition on commercial uses in the park also prevented the City from siting cellular towers in the park to offset the cost of its maintenance.<sup>5</sup> Following the letter from BLM, the City began pursuing legislative options to resolve the reversionary interest issue to have clear title to the land and complete control over the use of the park.

H.R. 1547, Udall Park Land Exchange Completion Act, removes the United States' reversionary interest in Udall Park so the City of Tucson can continue to make improvements and expand amenities and activities within the park, including commercial uses. The bill directs BLM to make this conveyance without further consideration, reflecting the completion of the deal the City and BLM negotiated over 28 years ago. The bipartisan bill is supported by the entire Arizona Congressional delegation, with the exception of one member. Senators Jeff Flake (R-AZ) and John McCain (R-AZ) introduced a Senate companion bill, S. 612, on March 13, 2017.

#### COMMITTEE ACTION

H.R. 1547 was introduced on March 15, 2017, by Congresswoman Martha McSally (R-AZ). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Federal Lands. On July 14, 2017, the Subcommittee held a hearing on the bill. On July 25, 2017, the Natural Resources Committee met to consider the bill. The Subcommittee was discharged by unanimous consent. No amendments were offered, and the bill

<sup>1</sup>Rep. Martha McSally, "Udall Park Land Exchange Completion Act", <https://mcsally.house.gov/media-center/press-releases/us-rep-mcsally-introduces-bipartisan-bill-help-improve-udall-park>.

<sup>2</sup>Information provided by the City of Tucson to the Committee on Natural Resources.

<sup>3</sup>City of Tucson, "Summary of Recent Historical Records of Udall Park Issue", pg. 2.

<sup>4</sup>Information provided by the City of Tucson to the Committee on Natural Resources.

<sup>5</sup>*Id.*

was ordered favorably reported to the House of Representatives by unanimous consent on July 26, 2017.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII AND CONGRESSIONAL BUDGET ACT

1. Cost of Legislation and the Congressional Budget Act. With respect to the requirements of clause 3(c)(2) and (3) of rule XIII of the Rules of the House of Representatives and sections 308(a) and 402 of the Congressional Budget Act of 1974, the Committee has received the following estimate for the bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, August 18, 2017.*

Hon. ROB BISHOP,  
*Chairman, Committee on Natural Resources,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1547, the Udall Park Land Exchange Completion Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Jeff LaFave.

Sincerely,

KEITH HALL.

Enclosure.

*H.R. 1547—Udall Park Land Exchange Completion Act*

H.R. 1547 would require the Secretary of the Interior to convey the reversionary interest of the United States in 173 acres of land to the city of Tucson, Arizona. Under current law, the city holds title to those lands and will retain title as long as the lands are used for public purposes. If the city stops using the lands for such purposes, title would revert back to the federal government.

Based on information provided by the city of Tucson, CBO expects that, under current law, the city will continue to use the affected lands for public purposes and will hold title to those lands over the next 10 years. Furthermore, under the bill, any administrative costs associated with conveying the reversionary interest in those lands would be paid by the city; therefore, CBO estimates that implementing the bill would have no effect on the federal budget.

Because enacting H.R. 1547 would not affect direct spending or revenues, pay-as-you-go procedures do not apply.

CBO estimates that enacting the bill would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 1547 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Jeff LaFave. The estimate was approved by Theresa Gullo, Assistant Director for Budget Analysis.

2. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill is to provide for the unencumbering of title to non-Federal land owned by the city of Tucson, Arizona, for purposes of economic development by conveyance of the Federal reversionary interest to the City.

#### EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

#### COMPLIANCE WITH PUBLIC LAW 104-4

This bill contains no unfunded mandates.

#### COMPLIANCE WITH H. RES. 5

Directed Rule Making. This bill does not contain any directed rule makings.

Duplication of Existing Programs. This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program. Such program was not included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139 or identified in the most recent Catalog of Federal Domestic Assistance published pursuant to the Federal Program Information Act (Public Law 95-220, as amended by Public Law 98-169) as relating to other programs.

#### PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

#### CHANGES IN EXISTING LAW

If enacted, this bill would make no changes in existing law.

## ADDITIONAL VIEWS

H.R. 1547 transfers the reversionary interest associated with Udall Park to the City of Tucson, Arizona (Tucson). Udall Park was originally leased in 1980 to Tucson by the Bureau of Land Management (BLM) under the Recreation and Public Purposes Act, a program that conveys federal land to local governments and non-profits, free of charge, to establish parks and other allowable public purposes. These conveyances include what is known as reversionary interest, which stipulates that the land must permanently remain in use for a public purpose or ownership reverts back to the United States.

BLM only has the authority to convey reversionary interest if it receives fair market value for the land in question. This is a critical component of the law that ensures fair use of taxpayer owned assets. However, in the case of Udall Park, Tucson executed a land exchange with the BLM to compensate the federal government for the reversionary interest. Unfortunately, Congress never completed the exchange.

At the July 14, 2017, Federal Lands Subcommittee hearing on the bill, Michael Ortega, Tucson City Manager, Arizona, presented testimony regarding the 1989 land exchange between Tucson and the BLM that led to the patent transfer of Udall Park. In exchange for the patent and reversionary interest on Udall Park, the City of Tucson provided the BLM with a 297 acre parcel known as the "Freeman Road Property," which was then valued at \$4 million. As evidence that the land exchange was part of the agreement to transfer the reversionary interest, the testimony points to a 1989 letter from the BLM State Director. The letter recognized the "agreement between the City and Bureau of Land Management regarding Udall Park" and emphasized BLM's commitment to "support legislative efforts to eliminate the reverter clause." Elimination of the reversionary interests without payment of fair market value requires an act of Congress. Congress never ratified the 1989 land exchange by eliminating the reversionary interest.

H.R. 1547 honors the federal government's long forgotten commitment. The unique circumstances of Udall Park justify transferring the reversionary interest without further consideration or compensation.

RAÚL M. GRIJALVA,  
*Ranking Member,*  
*House Natural Resources*  
*Committee.*

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A. DONALD MCEACHIN.

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