

## Evaluation of zoned public real property parcels as small industrial site and model proposal: SISPE

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**Abstract:** Public Real Property (PRP) immovables are one of the most important building blocks of sustainable development. The process of utilization of these parcels in urban areas starts with the construction of zoning plans. These parcels gain different usage functions through zoning planning. One of these functions is Small Industrial Site (SIS) areas. SISs are established and served by the relevant cooperatives. In this context, if the immovable properties on which the SISs are to be established are on PRP parcels owned by the state, the ownership must first be transferred to the name of the relevant cooperative. This transfer of ownership takes place within the framework of specific legal procedures and principles. However, the legal legislation in force regarding this process contains some uncertainties and deficiencies and is insufficient. As a result, there may be cases where the work and transactions are interrupted. This situation leads to public and PRP losses. In this study, this process is analyzed in detail together with its actors. The process of utilization of PRP parcels as SIS areas is analyzed with concrete examples. A revision approach was introduced to the current legislation within the scope of these recommendations and the work/process flow was remodeled within the scope of the developed legislation. In this context, situations of uncertainty and deficiency were identified and a model of solution proposals was created. In this way, it has been determined that our study will eliminate the uncertainties and problems in this field, so that land management can be carried out more effectively and public / PRP losses can be prevented. In addition, our study is intended to be an appropriate process that can be used for the evaluation of PRP parcels planned as SISs in the zoning plan.

**Keywords:** Zoning plan, Small industrial site, Land management, SIS cooperative, Public real property parcel

### Kamuya ait imarlı parsellerin küçük sanayi sitesi olarak değerlendirilmesi ve model önerisi: SISPE

**Öz:** Hazine taşınmazları, sürdürülebilir kalkınmanın en önemli yapıtaşlarından. Kentsel alanlarda bulunan bu parsellerin değerlendirilmesi süreci imar planlarının yapımı ile başlamaktadır. Bu parseller imar planlamasıyla birbirinden farklı kullanım fonksiyonları kazanmaktadır. Bu kullanım fonksiyonlarından birisi de Küçük Sanayi Sitesi (KSS) alanlarıdır. KSS'ler ilgili kooperatifler tarafından kurulur ve hizmet verir. Bu kapsamda, KSS kurulacak olan taşınmazlar, Hazine parselleri üzerinde ise mülkiyetin ilgili kooperatif adına geçirilmesi gerekmektedir. Bu mülkiyet devri, kendine has yasal usul ve esaslar çerçevesinde gerçekleşmektedir. Ancak bu sürece dair yürürlükte olan yasal mevzuat, bazı belirsizlikler ve eksiklikler içermekte ve yetersiz kalmaktadır. Bunun neticesinde iş ve işlemlerin sektöre uğradığı durumlar yaşanabilmektedir. Bu durum kamu ve Hazine zararına yol açmaktadır. Bu çalışmada, söz konusu süreç aktörleriyle birlikte ayrıntılı olarak incelenmiştir. Hazine parsellerinin KSS alanı olarak değerlendirilmesi süreci somut örneklerle işlenmiştir. Yürürlükteki mevzuata bu öneriler kapsamında revize yaklaşımı getirilmiş ve iş/işlem akışı geliştirilen mevzuat kapsamında yeniden modellenmiştir. Bu kapsamda belirsizliği ve eksikliği görülen durumlar tespit edilerek çözüm önerileri modeli oluşturulmuştur. Çalışmamızın bu alandaki belirsizlikleri ve sorunları ortadan kaldıracığı, böylelikle arazi yönetiminin daha etkin yürütülebileceği ve kamu/Özelleştirme İdaresi kayıplarının önlenebileceği tespit edilmiştir. Ayrıca çalışmamızın imar planında KSS olarak planlanan KT parsellerinin değerlendirilmesi için kullanılacak uygun bir süreç olması amaçlanmıştır.

**Anahtar Sözcükler:** İmar planı, Küçük sanayi sitesi, Arazi yönetimi, KSS kooperatifi, Hazine parseli

## 1. Introduction

With the emergence of industrialization in the world at the end of the 17th century, people, most of whom lived in rural areas and continued their lives with agriculture and animal husbandry, started to migrate towards cities (Dastrup & Gisp, 2015). These people, who rapidly increased the population in the places where they migrated, started to live in the cities, usually with jobs based on the industrial sector. This situation has revealed the necessity of gathering and maintaining industrial activities under a certain framework over time (Biyik, 2018). The planning of industrial sites with regular criteria and high standards gave birth to organized industrial zones and smaller scale SISs (Bayülken & Küçüköğlü, 2012).

As a result of this process in Turkey, as in other countries, it has become necessary to organize the population working in the industrial sector in social and spatial terms. In this context, the establishment of industrial sites has become inevitable. Industrial sites have played a major role in the creation of a regular urbanization throughout the country, in solving environmental waste problems and in the coordinated activities of industrial enterprises. In this context, the concept of industrial estates is considered as a socio-spatial formation where people and businesses are together (Sforzi, 2015).

Industrial site practices in Turkey started in the 1960s, the period of planned development, with the aim of preventing unplanned urbanization and bringing industrial settlements into a disciplined form. The first organization organized in this field in order to increase and systematize industrial production was the Organized Industrial Zone (OIZ). Along with this practice, in order to prevent irregular urbanization and environmental pollution caused by intensive industrialization activities, SISs that gathered small industrial enterprises together started to be established after 1965 (Bozdemir, 2014). It can also be mentioned that these sites are considered as the continuation of OIZs. In this context, SISs realize the co-location of small-scale repair shops, workshops and commercial establishments.

As in all matters under the heading of real site management in urban spaces, the most important factors in the establishment and operation of SISs are the ownership of the site and zoning planning. Just as in all conceivable land use functions such as education, health facility, housing, etc., a zoning plan is required for SIS areas to become operational. Within the scope of this planning work carried out by the municipalities, the immovable becomes zoned as “SIS area” in the zoning plan. Thus, the first step of the legal requirements for the establishment of a SIS on the immovable is fulfilled. There are major differences in terms of business and procedures between private ownership and state ownership of the immovable that is planned as a SIS in the zoning plan. In the case of private ownership, the necessary license for the establishment of the SIS is obtained and the construction of the facility is started, whereas if the property belongs to the state, the work and procedures to be followed are not so simple. First of all, the ownership of the immovable property in question must be transferred from state ownership to the ownership of the cooperative that will establish the SIS. This transfer of ownership is a process in itself in terms of land management. While the actors representing SIS enterprises are SIS cooperatives, the actors in terms of state institutions are the Republic of Turkey Ministry of Environment, Urbanization and Climate Change at the center, the Directorate of National Property and the Branch Directorate of Infrastructure and Urban Transformation in the provinces. The transition of PRP parcels planned as SISs in the zoning plan from state ownership to SIS cooperative ownership is realized through two different models implemented in the light of legal regulations. In one of these models, the process is carried out through the Directorate of National Property, while in the other, it is carried out through the Branch Directorate of Infrastructure and Urban Transformation. In both models, PRP parcels planned as SISs are transferred to cooperative ownership under very favorable terms and conditions. The aim here is to facilitate the establishment of SISs that serve national and urban development in social and economic terms. However, there are significant differences between these two models in terms of the procedures followed, the fee paid to the state by the cooperative in exchange for PRP parcels, the state budget

to which this fee is transferred, the public services for which the fee is used, and so on. However, there is no provision in the legislation on which model the process will be carried out. For this reason, the concerned Ministry is asked each time how (using which model) the application process for cooperatives will be carried out. The fact that the Ministry, which has a workload and intensity on numerous issues, is also the decision-making authority on this issue slows down the procedures. This not only leads to very slow procedures, but also to uncertainty and “multi-headedness”. In addition to the confusion caused by the existence of two different models, there are also some insolvability and uncertainties within each model. Due to all these reasons, transactions are often disrupted, stalled and the desired efficiency cannot be achieved. As a result, the works and transactions carried out in line with the establishment of public and PRP interests may result in public and PRP losses.

In our study, in which these processes are covered in detail, on the one hand, the work and transactions carried out are analyzed in terms of legislation, and on the other hand, the practices are supported with concrete examples. Uncertainty and deficiency points were identified and both revision proposals were made to the legislation in force and the business/processes were remodeled for solution. The two existing models within the scope of the legislation in force and the workflow were assigned the letters A and B as “Model A” and “Model B” (*Model A: The workflow realized through the Directorate of National Property, Model B: The workflow model realized through the Branch Directorate of Infrastructure and Urban Transformation*). Within the scope of the study, the “Small Industrial Site PRP Efficiency (SISPE) Model”, which gathers the whole process under a single roof by removing the “problems/uncertainties” instead of the legislative provisions and workflow models that were found to be deficient, was created.

According to created SISPE Model;

- preventing public/PRP losses by providing a permanent solution to the uncertainties and problems in this area,
- maximizing the maximum benefit from SIS areas in terms of sustainability,
- clarify and streamline the process,
- filling the gap in this area,
- to be a guide that will shed light on business/transactions,

general research objectives were aimed. The specific problems that played a role in determining these objectives and the hypotheses put forward to solve these problems are detailed in the research findings section of the study.

In this study, the evaluation of PRP parcels as SIS areas is discussed in general. In Chapter 2 of the study, the conceptual information on SISs and the criteria required for the establishment of SISs are examined from different perspectives. In Chapter 3, the provisions of the legislation in force and the work flow models applied within the framework of these provisions are explained and supported with tangible examples. In Chapter 4, the shortcomings of the current legislation and existing models are identified and revision suggestions are made. In addition, a new workflow “SISPE Model” that gathers these suggestions under a single frame has been created. Chapter 5 presents the conclusions and recommendations of the study.

## 2. Material and Methods

In this section, a detailed definition of the concept of “Small Industrial Site”, which constitutes the focal point of our study, is provided. Furthermore, the concepts of “zoning planning of small industrial sites” and “ownership of small industrial sites” within the framework of the current legislation will be examined separately and analyzed within the current situation. Finally, we will present a new model as a solution proposal.

### 2.1 Small Industrial Site from a Conceptual Perspective

Industry is a tool that people use to meet their needs by processing and transforming the raw materials available in the living space in a form suitable for them (Gedik, 2021). It is also a set of methods developed to create and functionally use energy resources (British Standards Institution, 2011).

SISs are defined as enterprises equipped with infrastructure services and social structures such as administrative buildings, apprenticeship courses, sales offices, etc., where small enterprises engaged in repair, manufacturing and buying and selling are located (Aydemir & Ateş, 2011). The gathering of small enterprises in industrial sites enables the development of inter-enterprise organization on the one hand, and on the other hand, to benefit from the benefits of the national economy (Aslan, 2007). Considering the ease of transportation of “road” service, which is indispensable in terms of logistics, and the “energy” criterion, which is also one of the most necessary elements for SISs, to collective and planned areas; the vital importance of SISs for the special needs of small businesses comes to the fore.



**Figure 1:** The old situation of car dealerships in the city (URL-1)

Figure 1 shows a visual of the old situation of the car dealerships in Şanlıurfa. The irregular and distorted situation of the businesses in the middle of the residential areas in the city is clearly seen here. Figure 2 shows an image of the Şanlıurfa province Car Dealers Small Industrial Site.





**Figure 2:** Current status of car dealerships in the city (URL-1)

As seen in Figure 2, after the establishment of the SIS, the car dealerships in Figure 1 moved to their own SIS, which is healthy, efficient and isolated from residential areas in every respect. In this context, scattered enterprises were gathered together and efficiency was achieved in many areas such as the organization of enterprises among themselves, provision of infrastructure services, reduction of environmental pollution, reduction of unplanned urbanization tendency, supervision of the administration over enterprises, etc.

## 2.2 Small Industrial Site in terms of Zoning Planning

As a requirement of modern urbanization, the establishment of SISs cannot be done haphazardly and requires a planning process. In this respect, as in all land use functions in cities, the first condition for the realization of services in SIS areas is to make a zoning plan in the area where the SIS will be built. Within the scope and thanks to the zoning planning, the activities on the land in question will be carried out in compliance with the rules of health and science under the control of the state. Thus, sustainability will be ensured through healthy and planned urbanization, while regional development will be served through infrastructure services to be provided by local governments within the scope of zoning planning and the benefits of these services to operational efficiency.

As is known, Article 2 of the Zoning Law No. 3194 stipulates that “*all plans to be made and all public and private buildings to be constructed within and outside the boundaries of municipalities and adjacent areas are subject to the zoning law*”. Article 3 of the Zoning Law also states that “*any area cannot be used for purposes contrary to the principles of plans of all scales, the conditions of the region where it is located and the provisions of the regulations*” (URL-2). Pursuant to these provisions, it is understood that the land considered as a SIS area should first be planned as a “small industrial site area” in the zoning plan. In this context, the subparagraph (e) of Article 5 of the Spatial Plans Construction Regulation states that “*small industrial area is an area where the daily maintenance, repair, service and small-scale manufacturing needs of the inhabitants of the city can be met, workshops, workshops and warehouses that do not contain explosive, flammable and flammable substances and do not pose a danger to environmental health can be built in easily accessible places to settlements*” (URL-3).

### 2.3 Small Industrial Site in terms of Ownership

SISs are established in accordance with the Cooperatives Law No. 1163. Article 1 of the Cooperatives Law states that “*cooperatives are established as legal entities in order to provide and protect the specific economic interests of their members and the needs of their professions through mutual assistance, solidarity and surety with their labor and monetary contributions*” (URL-4). As in all land use functions, the ownership in SIS areas can belong to either private individuals or the PRP. If the ownership belongs to private individuals, it is very simple for them to establish a SIS on their own property, provided that the provisions of the zoning legislation are complied with. However, if the property belongs to the PRP, the process is carried out under a very serious land management process. Within the scope of this process, in order for the SIS to be established, the property must be transferred from the name of the PRP to the name of the SIS cooperative. Regarding the function of cooperatives, one of the most important actors of this system, Article 6 of the Articles of Association of Small Industrial Site Building Cooperatives states that “*the purpose of the cooperative is to ensure that tradesmen, craftsmen and industrialists operating in the relevant professions have a workplace with modern and technical conditions and to establish a small industrial site that includes facilities to meet the general services of the community*” (URL-5). Accordingly, it is understood that small industrial site cooperatives are legally responsible for carrying out the transfer of ownership works and transactions on behalf of cooperative members in accordance with the legislation. As a result of the fulfillment of these procedures and principles, the ownership of the PRP immovable belonging to the state is transferred to the relevant SIS cooperative. Thus, the PRP immovable on which the SIS will be established is removed from state ownership and registered in the ownership of the cooperative. Then, after the conditions specified in the legislation are completed, the ownership of the industrial enterprises is transferred from the ownership of the cooperative to the ownership of the cooperative members through the “individuation” process.

## 3. Research Findings

### 3.1 Evaluation of PRP Parcels with Small Industrial Sites in the Zoning Plan

The planning of a PRP parcel as a SIS in the zoning plan means that the parcel is a potential SIS parcel. Thus, the PRP parcel(s), which is now certain to serve as a SIS area, is now ready for evaluation. The evaluation process starts with the request (application) of the relevant SIS cooperative that is obliged to perform the service. After this request, the transfer of the PRP immovable on which the SIS will be established to the ownership of the SIS cooperative is carried out under two different models: “through the General Directorate of National Property” and “through the Branch Directorate of Infrastructure and Urban Transformation”.

For the convenience of this study, the workflow realized through the Directorate of National Property is defined as “Model A” and the workflow realized through the Branch Directorate of Infrastructure and Urban Transformation is defined as “Model B”.

#### 3.1.1 Evaluation under the Model A

In this model, provided that the PRP parcel where the SIS will be established is planned as a SIS area in the zoning plan, the transition of the parcel from PRP ownership to cooperative ownership is made in accordance with the Law No. 4706 “Law on the Evaluation of Immovable Properties Belonging to the PRP and Amendments to the Value Added Tax Law”. Article 4, paragraph 3 of Law No. 4706 states that “*Immovable properties belonging to the PRP can be sold directly to cooperatives established for this purpose for the construction of small industrial sites at the value based on the fee. An annotation is placed on the land registry stating that these places cannot be used for other purposes*” (URL-6). The concept of “fee-based value”

referred to here is the base value of the relevant immovable property determined every year. This value is the minimum financial value of an immovable and corresponds to figures far below the real market value of the immovable. Considering that the PRP parcel was sold to the relevant cooperative at the base value, the convenience granted by the state to cooperatives for SISs is clearly understood.

Within the scope of Model A, sales transactions are carried out in accordance with the Law No. 4706, while sales procedures and principles are carried out in accordance with the “General Communiqué No. 313 of National Property”. Article 2.1. subparagraph (a) of the Sales Procedures section of the Communiqué No. 313 states that “*Immovable properties belonging to the PRP, which are allocated as SISs in zoning plans, can be sold to cooperatives established for this purpose in order to establish SISs*” (URL-7).

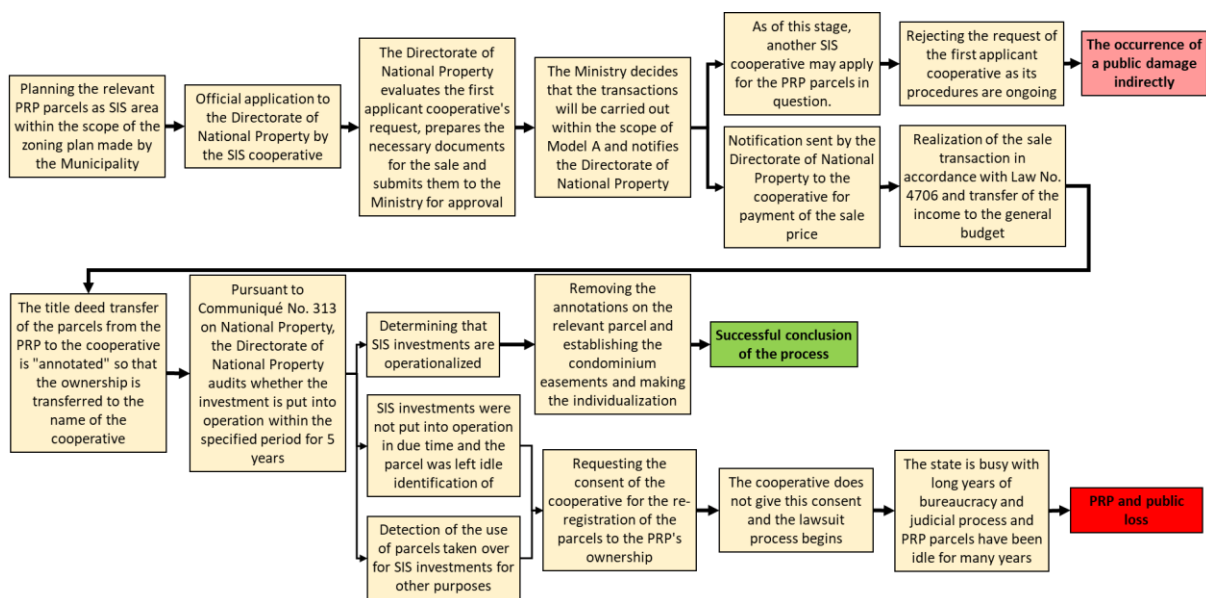
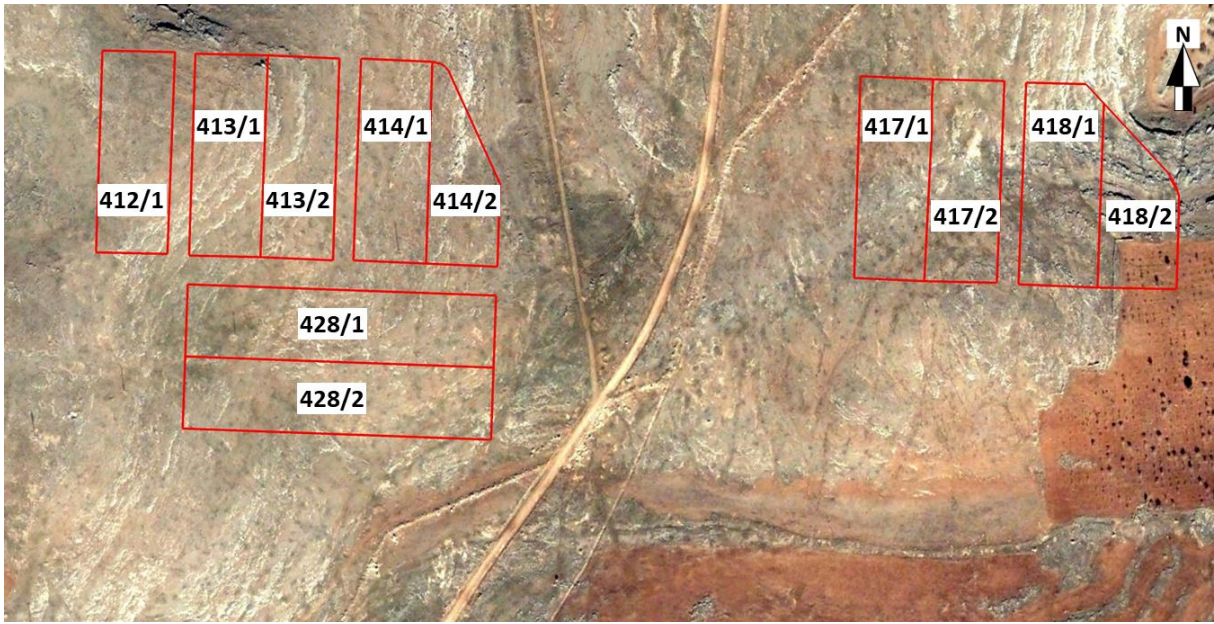


Figure 3: Model A

In Figure 3 The steps and results of the process carried out within the scope of the legislation in force and this model are shown in detail in the flow diagram of Model A. Within the scope of Model A, an example of the process carried out in Şanlıurfa province is given below.

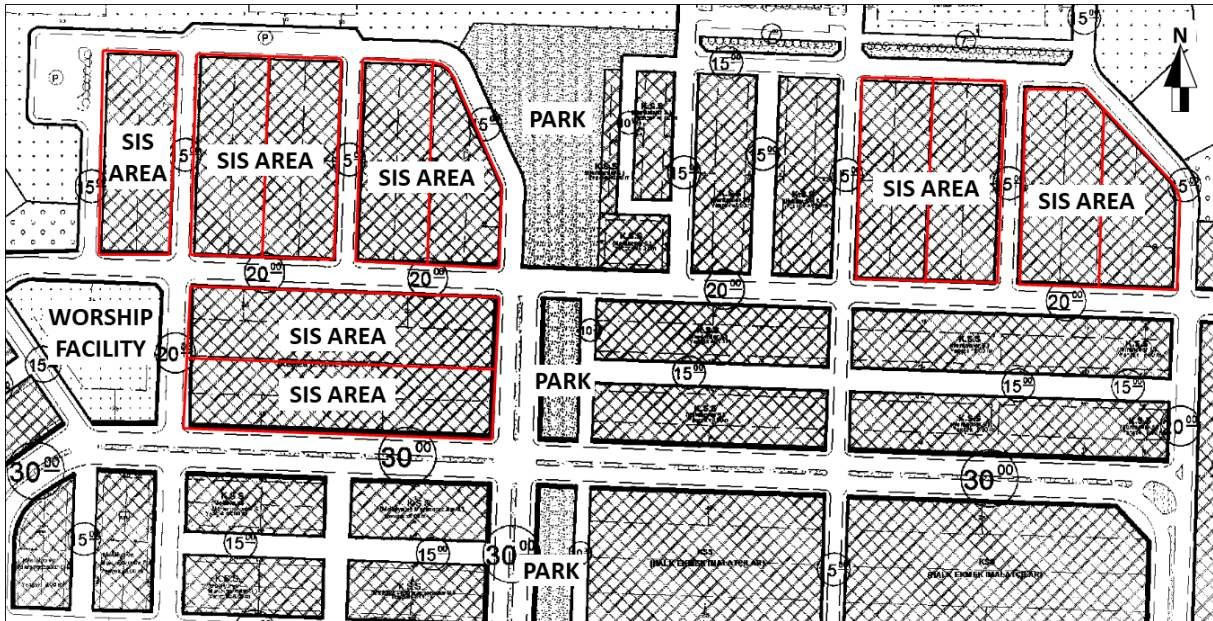
In April 2014, the “Şanlıurfa Plastic Manufacturers Specialized SIS Construction Cooperative Presidency” requested eleven PRP immovable parcels in the Kadıkendi Neighborhood of Şanlıurfa from the Şanlıurfa Directorate of National Property to establish a SIS. This request was notified to the Ministry by the Şanlıurfa Directorate of National Property. The Ministry decided to carry out the transactions within the scope of Model A.





**Figure 4:** PRP parcels requested by the Plastic Manufacturers Specialized SIS Cooperative (from Google Earth, 2015 image)

Figure 4 shows the satellite image of the PRP immovables in question. The zoning status of the region where the parcels in question are located is given in Figure 5 and it is seen that the zoning planning criterion, which is one of the conditions for the construction of SISs, is met.



**Figure 5:** Zoning plan of the parcels (from Directorate of National Property of Şanlıurfa Institution Archive)

In the plan notes of the zoning plan in Figure 5, it is stated that the following parcels are allocated for the Keresteciler SIS: Block 412 parcel 1, Block 413 parcel 1, Block 413 parcel 2, Block 414 parcel 1, Block 414 parcel 2, Block 428 parcel 1 and Block 428 parcel 2, and Block 417 parcel 1, Block 417 parcel 2, Block 418 parcel 1 and Block 418 parcel 2 are allocated for the Plastikçiler SIS.

Although some of the PRP parcels mentioned in the zoning plan notes were allocated for the Keresteciler SIS and some for the Plastikçiler SIS, since the only official request came from the Şanlıurfa Plastic Manufacturers Specialized SIS



Construction Cooperative Presidency, the Şanlıurfa Directorate of National Property initiated the procedures to be sold to this cooperative. The Directorate of National Property prepared and sent to the Ministry the information and documents regarding the mentioned parcels. Subsequently, as a result of the detailed examination of the information and documents by the Ministry, the necessary approval was given and the Şanlıurfa Directorate of National Property was once again assigned the task for the continuation of the process. The Şanlıurfa Directorate of National Property collected the value based on the fee from the Şanlıurfa Plastic Manufacturers Specialized SIS Construction Cooperative. Subsequently, a letter was written to the Land Registry and Cadastre XXI. (Şanlıurfa) Regional Directorate and it was notified that the mentioned PRP immovables were sold to the Şanlıurfa Plastic Manufacturers Specialized SIS Construction Cooperative in accordance with Law No. 4706. By placing the “annotation” specified in Law No. 4706, the ownership in the land registry was transferred from the name of the PRP to the name of the Şanlıurfa Plastic Manufacturers Specialized SIS Construction Cooperative Presidency. It is possible to say that the annotation mentioned here is one of the most important work items in the process in question.

This annotation states that *“the immovables named ..., the ownership of which belongs to the PRP, were sold to the Şanlıurfa Plastic Manufacturers Specialized SIS Construction Cooperative Presidency in accordance with Law No. 4706 in order to establish a small industrial site in order to carry out plastic manufacturing activities in accordance with the project and to be used for this purpose. It is obligatory to put the investment into operation within the periods determined for the foreseen investment. In the event that the project is not started or completed within the specified time period or if it is used for purposes other than the purpose of sale, the parcels will be taken back by the PRP in accordance with Communiqué No. 313.”* In fact, Article 2.2 of the Principles and Procedures for Sale Section of the General Communiqué No. 313 of the National Property states that *“if the project is not started or completed within the time limit or if it is used for purposes other than the purpose of sale, the real estate will be taken back by the PRP”* (URL-7).

It is stated that General Communiqué No. 313 of the National Property, in the section on Activation and Supervision of Investment Projects, *“(1-2) the date of commencement of the project shall be notified to the administration by the relevant legal entities. Within fifteen days following the notification by the administration, the determination to be made on site and the commencement of the project will be recorded in a report. (3) The projects related to the investments to be made shall be completed and put into operation at the end of the fourth year. (5) After the completion of the project, the administration shall be notified of the date of completion of the project and the date on which it will be put into operation, and the annotation on the title deed shall be removed if it is determined by the administration that the project has been completed in accordance with its purpose.”* (URL-7).

As can be understood from Law No. 4706 and the General Communiqué No. 313 of the National Property, on the one hand, the state provides all the facilities to the cooperative for the establishment of a SIS, and on the other hand, the state tries to prevent the idle and/or misuse of the PRP parcels that are easily acquired by the cooperative (*purchased at the value based on the fee*). In this context, even if the ownership is transferred from the PRP, the state continues to supervise the industrial investments undertaken to be established on the immovable.



**Figure 6:** Plastic Manufacturers SIS (from Google Earth, 2023 image)

Figure 6 shows a satellite image of the current status of the area in question. Compared to the current situation (Figure 4) at the time of the commencement of the transactions, it is seen that SIS enterprises have been established and started to operate in all other parcels except for parcel 418 block 1 and parcel 418 block 2. In the case of parcel 418 block 1 and parcel 418 block 2, where the committed investment activities have not been carried out, transactions have been initiated in accordance with the provisions mentioned in the “Activation and Supervision of Investment Projects” section of the General Communiqué No. 313 of the National Property, and the legal process continues for the transfer of the parcels back to the PRP ownership.

### 3.1.2 Evaluation under the Model B

In this model, provided that the PRP parcel where the SIS will be established is planned as a SIS area in the zoning plan, the transition of the parcel from PRP ownership to cooperative ownership is carried out in accordance with the “Law No. 6306 on the Transformation of Areas Under Disaster Risk”. In this model, the term “Reserve Building Area” is encountered in the transfer of ownership of SIS areas owned by the PRP to cooperative ownership. The state first allocates the PRP parcels that it will sell to the cooperative for the establishment of SISs as reserve building areas and then sells them to the cooperative. The income from these immovable properties is used only for disaster and urban transformation projects. As the name “reserve” suggests, with this practice, the state reserves both the PRP parcels and the income from these parcels. The aim here is to legally separate the PRP parcels to be sold from other PRP parcels by collecting them under the name “reserve”. In this way, the income from the sale of these “reserve parcels” will also be “reserve income” and will be allocated from the general budget to be used directly in specific works and transactions (*transformation of disaster areas, urban transformation*).

In this context, subparagraphs (e) and (g) of paragraph 5 of Article 6 of Law No. 6306 state that “*The Ministry is authorized to lease and sell the immovable properties owned by the PRP and allocated to the Ministry within the scope of this law in order to generate income for the special account of transformation projects, and to carry out all kinds of practices that will generate income and revenue in reserve building areas*” (URL-8).

In this model, the sale of PRP immovable properties to cooperatives is not made in return for the fee-based value as in Model A. Instead, they are sold for a price determined between the base price and the ceiling price of the parcel. The base price

mentioned here is the value of the parcel based on the fee. The ceiling price is the real market value of the parcel determined by the Branch Directorate of Infrastructure and Urban Transformation. As can be understood, the income obtained from the sales made in this model is much higher than the fee-based value obtained from the sales made in model A. Nevertheless, it is still below the real market value. Therefore, it is also understood that the support and facilities provided for SIS investments have not been abandoned.

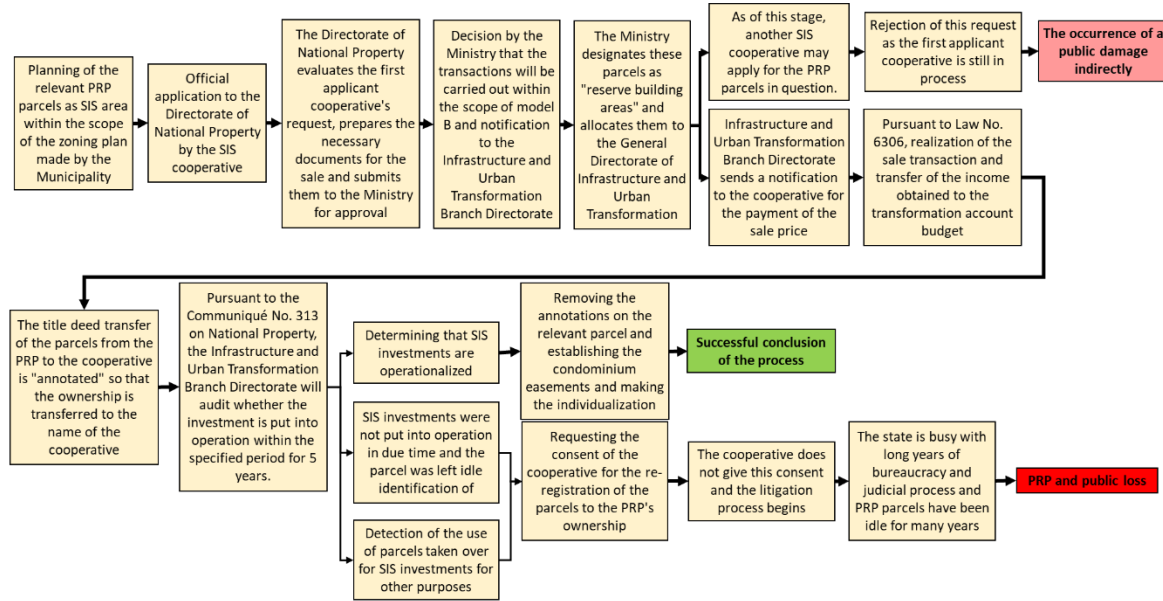


Figure 7: Model B

Model B is presented in Figure 7 The steps and results of the process carried out within the scope of the legislation in force and this model are shown in detail in the figure. A concrete example of the process carried out within the scope of Model B in Şanlıurfa province is given below.

“Şanlıurfa Briquetters Specialized SIS Construction Cooperative Presidency” has requested 11 (eleven) PRP immovable properties in Akçamescit Neighborhood to establish a SIS in 2019. This request was notified to the Ministry by Directorate of the National Property of Şanlıurfa. The Ministry decided to carry out the transactions within the scope of model B.

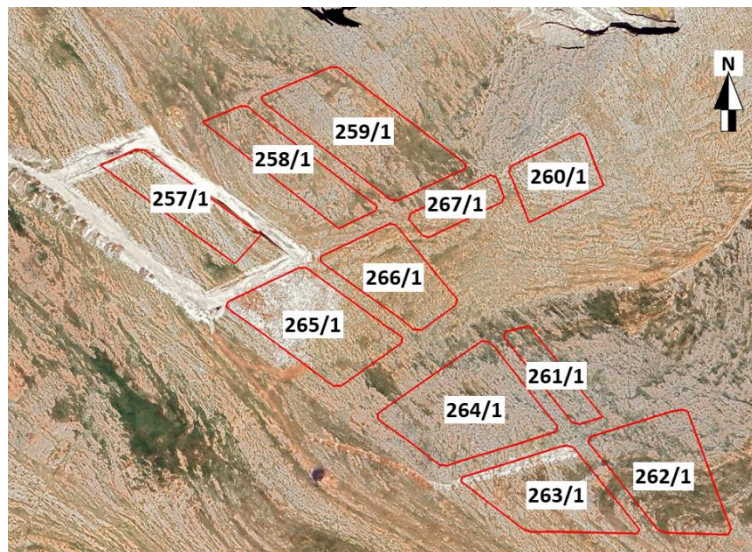
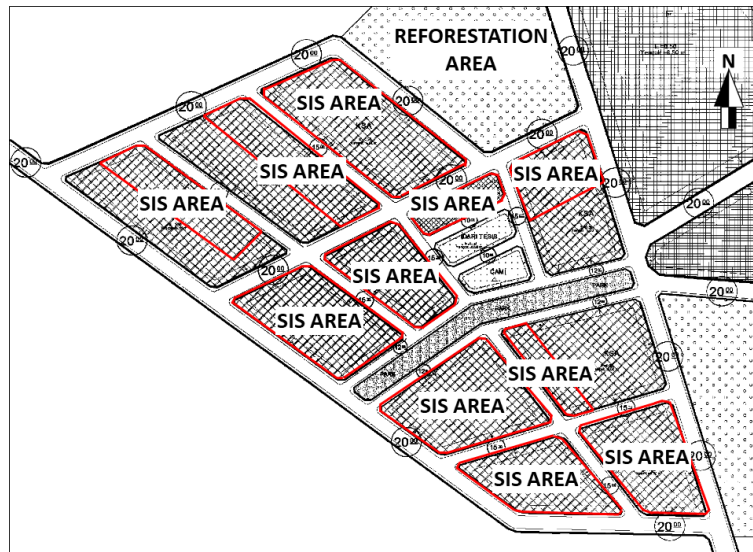


Figure 8: Parcels requested by the Briquetters Specialized SIS Construction Cooperative (from Google Earth, 2023 image)



Figure 8 shows the satellite image of the PRP immovables in question. The zoning status of the region where the parcels are located is given in Figure 9 and it is clearly seen that the zoning planning criterion, which is one of the conditions for the construction of SISs, is met.



**Figure 9:** Zoning plan of the parcels (from Directorate of National Property of Şanlıurfa Institution Archive)

Although sales transactions within the scope of Model B are carried out in accordance with the Law No. 6306 on the Transformation of Areas Under Disaster Risk, the procedures and principles regarding the sale are determined in accordance with the General Communiqué No. 313 of the National Property and the “Regulation on the Special Account for Transformation Projects”. Article 25, paragraph 2, subparagraph (g) of the Regulation on Special Account for Transformation Projects stipulates that “*the immovable can be sold directly to cooperatives established for this purpose for the construction of a small industrial site, at a price to be determined by the Ministry, provided that it is not lower than the value based on the fee*” (URL-9). As can be understood from both Article 6 of Law No. 6306 and Article 25 of the Regulation on the Special Account for Transformation Projects, the price to be obtained from the sale of the parcel is transferred to the “special account for transformation projects”. As can be understood from the name of this account, the purpose of this account is to use the proceeds for “disaster areas and urban transformation projects”.

In this respect, the sale price was paid by the Şanlıurfa Briquetters Specialized SIS Construction Cooperative Presidency within the framework of the procedures and principles within the scope of the provisions of the mentioned legislation, and the title deed transfers were completed and the ownership of the mentioned parcels was removed from the ownership of the PRP and transferred to the ownership of the cooperative as “annotated”. This annotation states that “*the immovables named ..., the ownership of which belongs to the PRP, were sold to the Şanlıurfa Briquetters Specialized SIS Construction Cooperative Presidency in accordance with the Law No. 6306 in order to be used for SIS activities in accordance with the project and for this purpose. It is obligatory to put the investment into operation within the periods determined for the envisaged investment. In the event that the project is not started or completed within the specified period or is used for purposes other than the purpose of sale, the immovable will be taken back by the PRP.*” As in the case of Model A sales, state supervision continues after the sale. The authority to supervise after the sale is also taken from the “Activation and Supervision of Investment Projects” section of the General Communiqué No. 313 of the National Property (detailed in section 3.1.1). As a result, project works are ongoing on the parcels whose ownership was transferred from the PRP to the name of Şanlıurfa Briquetters Specialized SIS Construction Cooperative by transferring the title deeds in 2022. Following the

completion of the projects within the framework of the mentioned legislation, the annotations on the title deeds will be removed and individuation procedures will be carried out. If the project is not completed, legal proceedings will be initiated to transfer the parcels back to the PRP ownership, as in the concrete example given in Figure 6.

## 4. Discussion

### 4.1 Discussion of Models A and B

#### 4.1.1 The Problem of Having Two Separate Models and Solution Approach

In both models, the ownership of the PRP parcel is transferred to the SIS cooperative at the end of the process completed within the scope of the procedures and principles set out in the legislation. In this respect, the goal is common. However, there are significant differences between the two models in terms of the price paid by the SIS cooperative to the state in return for the PRP parcel, the state budget to which the price is transferred, the public service for which the price is used, the procedures followed, etc. The model under which PRP parcels will be utilized depends on the decision taken by the Ministry upon the application of the cooperative. However, there is no legislative provision or finalized criteria for this decision. In addition to the numerous work items and file load of the Ministry, the work of reviewing and deciding on the SIS files sent from 81 provinces is added to the existing workload. This causes the process to be prolonged, often stalled and unstable. Moreover, the existence of two different models for a work item that is supposed to serve a common purpose leads to dual-headedness and confusion of authority. In addition, the fact that both models are carried out under different legislative provisions increases the confusion. For a solution, it would be appropriate to gather work and transactions under a new model to be produced.

As it is known, while the transactions in Model A are carried out in accordance with the Law No. 4706 and the General Communiqué No. 313 of the National Property, the transactions in Model B are carried out in accordance with the Law No. 6306, the General Communiqué No. 313 of the National Property and the Special Account Regulation for Transformation Projects. In addition, in both models, audits conducted after the completion of the process are carried out in accordance with the General Communiqué No. 313 of the National Property. Although there are many important differences between the two models, the most important differences are the “revenue generated” and the “state budget to which this revenue is transferred.” In Model A, the revenue generated is “the value based on the fee”, whereas in Model B, the revenue generated is “a value between the value based on the fee and the real market value”. In model A, the revenue generated is transferred to the “general budget”, while in model B, the revenue generated is transferred to the “conversion account budget”.

As is well known, the state’s general budget is funded from a myriad of sources and line items. In contrast, the transformation account budget has a weak revenue source. Moreover, the transformation account budget is a specific budget. This budget provides resources only for disaster management and urban transformation activities and is not used for any other line item. Thus, feeding the transformation account budget increases the efficiency and sustainability of post-disaster transformation operations. In this regard, Article 1 of the current Law No. 6306 clearly states that “*the purpose of this law is to make improvements, liquidations and renovations in order to create healthy and safe living environments in areas under disaster risk and in lands and plots where risky structures are located*” (URL-8). Considering that Turkey is a natural disaster (earthquake, flood) zone, it would be appropriate to prefer Law 6306 as the legislation for the new model. In this way, the state will generate more income from cooperatives and sustainability will be ensured through the direct use of this income in the transformation/rehabilitation of disaster areas.

#### 4.1.2 The Problem of Identifying the SIS Cooperative whose Application will be Evaluated and Solution Approach

Article 2.1. subparagraph (a) of the Sales Procedures section of the General Communiqué No. 313 of the National Property states that “*In case of more than one request for the same immovable for the construction of a small industrial site; the zoning plan notes will be checked and the land will be given to the cooperative for which SIS it is allocated in the plan notes. If the field of activity is the same, the dates of application will be taken into consideration.*” (URL-7). However, the insufficiency of this provision is clearly seen in concrete cases.

In section 3.1.1., in the current example, the works and transactions regarding the eleven PRP parcels given in Figure 4 started in April 2014 with the application of the “Presidency of the Plastic Manufacturers Specialized SIS Construction Cooperative”. At that time, no other application other than the Plastic Manufacturers Specialized SIS Construction Cooperative was made for the relevant parcels. Therefore, the application of this cooperative was accepted and evaluated.

In June 2014, the “Presidency of the Woodworking Specialized SIS Construction Cooperative” applied for seven of these eleven immovables, namely Block 412, Parcel 1, Block 413, Parcel 1, Block 413, Parcel 2, Block 414, Parcel 1, Block 414, Parcel 2, Block 428, Parcel 1 and Block 428, Parcel 2. However, the application of the “Woodworking Specialized SIS Construction Cooperative Presidency” was rejected by the Directorate of National Property since the transactions were initiated in the name of the “Plastic Manufacturers Specialized SIS Construction Cooperative Presidency” in April 2014 for the mentioned parcels.

However, in the plan notes of the relevant zoning plan, it is stated that the 412 block 1 parcel, 413 block 1 parcel, 413 block 2 parcel, 414 block 1 parcel, 414 block 2 parcel, 428 block 1 parcel and 428 block 2 parcels are reserved for Keresteciler SIS, and 417 block 1 parcel, 417 block 2 parcel, 418 block 1 parcel and 418 block 2 parcel are reserved for Plastikçiler SIS. However, in April 2014, the date of the application of the Plastic Manufacturers Specialized SIS Construction Cooperative Presidency, all eleven PRP parcels were evaluated in line with the request of the Plastic Manufacturers Specialized SIS Construction Cooperative Presidency, as there was no other cooperative’s request on the mentioned parcels. Thus, the PRP parcels in question were brought to the economy of the country and the city, but the Woodworking Specialized SIS Construction Cooperative was victimized.

In such a situation, in response to the application made by the Presidency of the Plastic Manufacturers Specialized SIS Construction Cooperative in April 2014, “*acting in accordance with the zoning plan notes and holding the seven PRP parcels in question for a possible future application for the establishment of the Lumber Manufacturers SIS*” may seem like a solution. However, in the event that a cooperative of lumberjacks never exists, or if such a cooperative never applies, the PRP parcels will sit idle for years.

In fact, the procedure to be followed in the event that more than one CSS cooperative applies for the same PRP parcels is stipulated in the General Communiqué No. 313 of the National Property. However, this provision could not provide a solution in the concrete case and was insufficient. In addition, as stipulated in Communiqué No. 313, “granting PRP parcels for SIS purposes to the cooperative with the earlier application date” is a very superficial and shallow evaluation method. It does not offer an effective and efficient solution.

In order to resolve such situations, it would be appropriate to revise subparagraph (a) of Article 2.1 of the Sales Procedures section of the General Communiqué No. 313 of the National Property. In this context, the relevant article should be revised as follows: “***In the event that a request is made for the PRP parcel(s) for the construction of a SIS, the parcel(s) in question***



*will be announced on the official website of the Directorate of National Property in the province and in the three local newspapers with the highest circulation in the province for 1 month. During the announcement period, applications will be received from all cooperatives that are interested in the parcel. At the end of the 1-month suspension period, the zoning plan notes will be reviewed and the application of the cooperative belonging to the branch of activity for which the relevant PRP parcels are reserved for which SIS service in the plan notes will be accepted. Requests of other cooperatives that have already applied will be rejected. If more than one cooperative has applied for the same type of activity (e.g. “X Mermerciler KSS Cooperative Presidency” and “Y Mermerciler KSS Cooperative Presidency” have applied for a parcel designated as “Mermerciler KSS” in the plan notes), an auction will be held between these cooperatives and the application of the cooperative with the highest price will be accepted. If no cooperative serving in the field of activity specified in the plan notes has applied for the PRP parcels planned as KSS; an auction will be held between the cooperatives that have applied (for example, if “Plastic Producers KSS cooperative” and “Demirciler KSS cooperative” apply for a parcel that is “Keresteciler KSS” according to the zoning plan notes) and the application of the cooperative with the highest price will be accepted.”*

In this way, all cooperatives in the province will be informed about the existence of PRP parcels planned as SISs and that these parcels will be evaluated. This will prepare the ground for all existing cooperatives to apply. In addition, it will be possible for cooperatives that are still in the idea or establishment phase to complete their establishment procedures and apply within the 1-month suspension period.

In addition, if the conditions require, auction sales will be made to the cooperatives that apply, thus ensuring equal opportunity and increasing the price to be paid for the PRP parcel due to the competitive environment in the tender among cooperatives. Under the proposed new model, this will be transferred to the “transformation account budget”, which will be further enriched.

#### **4.1.3 Post-Transfer Audit Problem and Solution Approach**

As it is known, the transfer of PRP immovable properties planned as SISs in the zoning plan to the relevant SIS cooperatives is realized under very favorable prices and conditions. This is because the purpose of the state in these works and transactions is to facilitate, expedite and encourage the establishment of SIS enterprises, which are one of the locomotives of national and urban development. However, there is a possibility that these PRP parcels may be left idle and/or used for other purposes after they are transferred to private ownership. Such situations lead to the abuse of the strategy pursued by the state in SIS and the facilities it provides. For this reason, the state audits the PRP immovables transferred to private ownership for SIS purposes. The procedures and principles to be followed within the scope of the relevant articles of the General Communiqué No. 313 of the National Property regarding this audit were clearly explained in section 3.1.1 of the study. The controls that need to be carried out in terms of auditing are explained and it is ruled that the parcels given by the state to the cooperative can be taken back as a result of the controls. To this end, annotations are placed on the title deeds of the parcels.

Just as all kinds of works and transactions regarding the granting of parcels are carried out in accordance with the provisions of the legislation, the form of the works and transactions regarding the withdrawal of the parcel is also within the framework of the provisions of the legislation. In the section of the General Communiqué No. 313 of the National Property, “Procedures for the Recovery of Immovables that are not used for their intended purpose”, *the annotations on the title deeds of these immovables will be activated if it is determined as a result of the determinations made that the project of the immovables sold is not started or completed within the period of time or is used for purposes other than the purpose of sale. In this context, the registration of the immovable back to the PRP will first be requested from those concerned. If no consent is given to the*

registration in the name of the PRP within one month following the request, a deed cancellation and registration lawsuit will be filed.” (URL-7).

As it can be understood from these provisions of General Communiqué No. 313 of the National Property, it is not possible to transfer the ownership of an immovable under private ownership to the PRP directly for legal, physical and social reasons. Even if it is determined during inspections that the parcel should be taken back by the state, the registration of the immovable back to the PRP is first requested from the relevant parties, and if the request is not fulfilled, a deed cancellation and registration lawsuit is filed. This causes the process to be very long and uncertain. As a result, PRP parcels that are transferred to private ownership at very reasonable prices may remain idle for many years, creating unnecessary workload for state institutions and causing losses to the PRP. In addition, the state is discredited by the fact that it takes many years of effort to transfer a parcel of land that was previously owned by the state back to state ownership and the issue is brought to the courts.

In the concrete case discussed in section 3.1.1. of the study, as clearly seen in Figure 6, the committed investment activities on parcel 418 block 1 and parcel 418 block 2 have not been realized. In these parcels, the transactions continue in accordance with the relevant provisions of the General Communiqué No. 313 of the National Property. However, this has not prevented the parcels from remaining idle for years. Thus, public damage has occurred at the end of a process carried out for public benefit.

As is known, in both Model A and Model B, PRP parcels are first transferred to private ownership for the SIS facility, and then it is inspected whether the committed SIS project is built or not. However, it would be more correct to follow the opposite path. In other words, despite the collection of the sales price, it would be a proper solution to not immediately transfer the ownership to the cooperative ownership, to keep the title deed registered in the name of the PRP during the project completion period, and to wait for the completion of the project for the transfer of ownership at the Land Registry Directorate. In this context, Article 2.2 of the Principles and Procedures to be Applied in the Sale Section of the General Communiqué No. 313 of the National Property states that *“it is obligatory to put the investment into operation within the periods and purposes determined for the envisaged investment. If it is determined that all conditions of the investment are fulfilled within the time period, the relevant parcels will be removed from the PRP’s ownership and transferred to cooperative ownership. In the event that the project is not started or completed within the time period or is used for purposes other than sale, the immovable, which is already owned by the PRP, will be evacuated.”*

In this way, the state will not have to spend years trying to regain ownership of its own parcel of land, if necessary, and will not have to deal with the courts. In addition, the fact that the title deed transfer will be made at the end of the project will be an incentive for the completion of the project. In this way, the projects will be completed faster and brought into the economy, while the PRP parcels will be prevented from becoming idle.

#### **4.1.4 Small Industrial Site PRP Efficiency (SISPE) Model Approach**

Having two types of models, model A and model B, slows down the processes by causing business confusion. In addition, the A and B models also have their own drawbacks. As a result of the proposed solution approaches to the problems and uncertainties identified in sections 4.1.1, 4.1.2 and 4.1.3, the deficiencies of the A and B models were revised and development proposals were brought to the relevant legislation. Within the scope of the legislation developed with the revised suggestions, the new workflow was combined under the name of “SISPE model”. Figure 10 shows the SISPE model. As can be seen, the PRP losses likely to be seen at the end of the process in Models A and B are not encountered in this model.

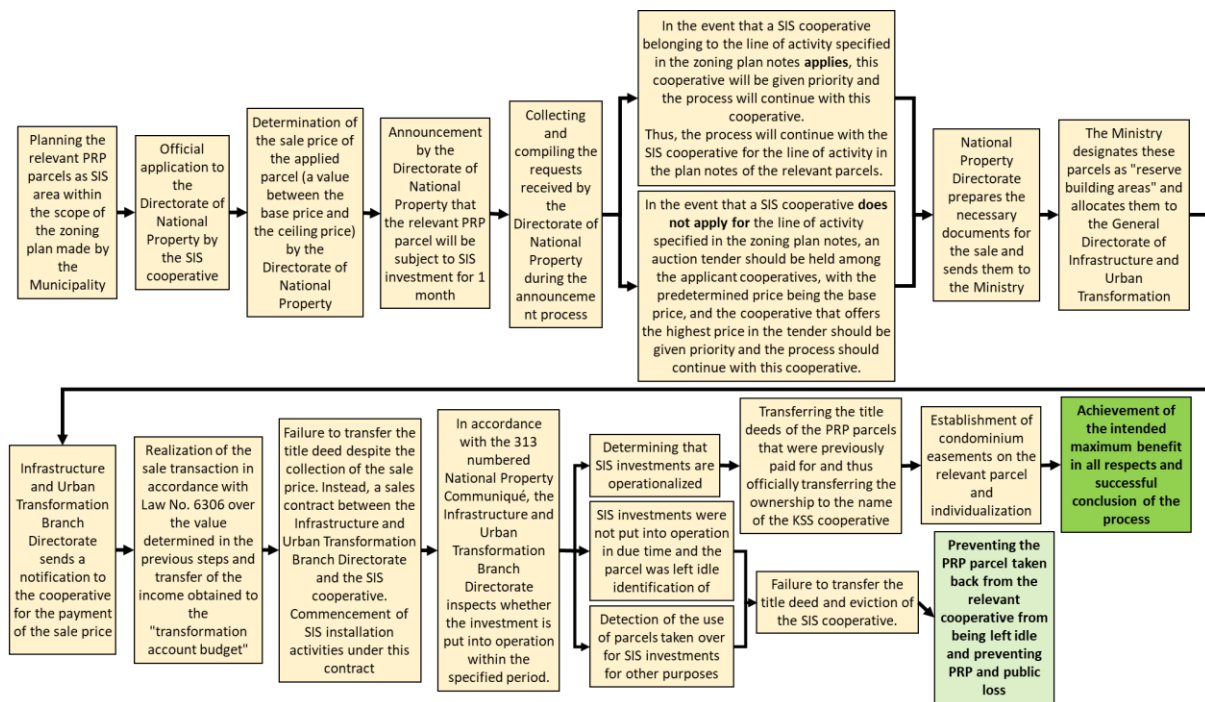


Figure 10: SISPE Model

### 5. Conclusion and Recommendations

In terms of property in our country, state property has an important place in addition to private property. In terms of immovable property, the high amount of PRP parcels owned by the state shapes the country’s real estate market. Considering its place in sustainable development and its share in national wealth, the necessity of the management and supervision of these immovable properties emerges. The active use of PRP parcels for commercial and human investments such as SISs contributes to the sustainability of the national economy. Subsequently, this potential is activated by the evaluation of these parcels by the relevant public institutions. This evaluation requires a serious land management process from start to finish. At the end of this process, in which the Directorate of National Property and the Branch Directorate of Infrastructure and Urban Transformation play a leading role, PRP parcels designated as SIS areas through zoning planning are transformed from “static” to “dynamics of the national and urban economy”. The utilization of these parcels within the scope of immovable property management and bringing them into the national and urban economy is discussed in detail in sections 3.1.1. and 3.1.2. However, there are cases where models that are supposed to serve common purposes lead to confusion and there are some uncertainties and problems inherent in both models.

In sections 4.1.1, 4.1.2, 4.1.3, uncertainties and problems were identified concretely and solutions were proposed for each of them. All these recommendations were integrated into a new model created in section 4.1.4. The defective aspects of the business models applied in the legislation in force are revised and gathered under a single frame and re-modeled as the SISPE model.

As a result, both models;

- The state’s contribution to the industrial sector and the revitalization of the sector by realizing the transition of PRPs to private ownership at prices below the real market value,



- Establishing a healthy and orderly urbanization by gathering the industrial enterprises scattered in the city center together,
- To support sustainable development with benefits for the national and city economy,
- The promotion of potential industrial operators,
- increased public accessibility to and trust in industrial enterprises through the co-location of these enterprises in an organized manner by the state,

provides. In this way, the “State - Industry Sector – Public” triangle is established to benefit all its members. However, there are cases where the models intended to serve common purposes can cause confusion and uncertainty, which both models contain. In our study, we identify the points where the current legislation remains unresolved with concrete examples and propose solutions. Using these guidelines, we have revised the shortcomings of the current legislation. Furthermore, the flawed aspects of the business models utilized within the existing legislation have been reviewed and consolidated into a single framework, and restructured under the title of the SISPE model and the following processes are aimed to be realized:

- Speeding up the work and transactions and finalizing them without causing confusion and unnecessary waste of energy.
- Preventing PRP and public losses by eliminating uncertainties and problems.
- The study will serve as a road map in its field and guide sector employees and researchers.

With the achievement of these objectives of the study, public losses will be prevented in the utilization of PRPs as SISs. The maximum benefit to be received by the state, SIS enterprises and citizens will increase. Thus, the following benefits will be established in the area:

- The sustainability of public services.
- Public accessibility to services.
- Efficient use of services.
- Auditability of service provision.

The basis of the “utilization of PRP-owned SIS areas”, which is explained in detail throughout the study, depends on zoning planning. In order for PRP parcels to be used for small industrial site services, just like other urban services, the area must first be planned as a “SIS area”. When zoning planning is made, attention should be paid to the property texture and the property structure of the region should be used as a basis. The areas to be planned as “SIS areas” by the municipalities should be determined through joint work with the Directorate of National Property at the stage of draft zoning planning. Thus, SIS areas should coincide with PRP parcels as much as possible, as in the concrete example in Figure 8. This will ensure that the planned area belongs directly to the PRP instead of a fragmented ownership structure (*some private ownership, some PRP ownership*). In this way, transactions will be carried out from a single source and the industrial sector will benefit from the state facilities discussed in sections 3.1.1 and 3.1.2.

The solution approaches developed against the shortcomings and uncertainties covered in the sub-headings in section 4.1 of the study should be integrated into the legislation in force. By implementing the solution model produced within the scope of revising and developing the relevant legislation, the public and PRP losses that have been experienced and are likely to be experienced will be put an end to. In this way, the misuse of the parcels that have been transferred from PRP ownership to private ownership under very favorable conditions and prices to serve the national and urban economy will be prevented, and these parcels, which are national wealth, will not be allowed to turn into personal profit.

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## Author Contribution

**Mehmet Aziz Sayar:** Conception, Literature review, Analysis, Data collection and processing, Writing. **Mustafa Ulukavak:** Supervision, Interpretation, Design, Review of article, Writing.

## Declaration of Competing Interests

The authors declare that they have no known relevant competing financial or non-financial interests that could have appeared to influence the work reported in this paper.

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