



Pamela Goshay

Bill Analysis
Legislative Service Commission

S.B. 147*
126th General Assembly
(As Introduced)

Sen. Austria

BILL SUMMARY

- Authorizes the conveyance of specified state-owned real estate in Stark County to the City of Massillon.
- Authorizes the conveyance of specified state-owned real estate in Warren County to Cincinnati Gas and Electric Company.
- Authorizes the conveyance of specified state-owned real estate in Brown County to a purchaser to be determined.
- Authorizes the conveyance of specified state-owned real estate in Franklin County to the Columbus Board of Education.
- Authorizes the conveyance of specified state-owned real estate in Clark County to a purchaser to be determined.
- Declares an emergency.

CONTENT AND OPERATION

Stark County conveyance

The bill authorizes the Governor to execute a deed in the name of the state conveying to the City of Massillon, and its successors and assigns, all of the state's right, title, and interest in specified state-owned real estate in Stark County (Section 1(A)).

* This analysis was prepared before the introduction of the legislation was reported in the Senate journal. Note that the sponsors and history for the legislation may be incomplete.

The consideration for the conveyance is the purchase price of \$579,000. The purchase price must be paid to the state according to the following schedule as derived by mutual agreement between the state and the City of Massillon through an executed Offer to Purchase (Section 1(B)):

\$300,000 at closing and transfer of title.

\$69,750 due and payable on December 1, 2005.

\$69,750 due and payable on December 1, 2006.

\$69,750 due and payable on December 1, 2007.

\$69,750 due and payable on December 1, 2008.

The real estate must be sold as an entire tract and not in parcels, and prior to the execution of the Governor's deed, possession of the real estate must be governed by an existing interim lease between the Department of Administrative Services (DAS) and the City of Massillon (Section 1(C) and (D)).

The conveyance of the real estate is subject to the following *conditions and restrictions* (Section 1(E)):

(1) The City of Massillon must receive written approval from the Department of Mental Health to use or develop the real estate for any purpose other than a municipal park, a municipal office space, or an educational or recreational use.

(2) The City of Massillon covenants that, during any period that any bonds issued by the state to finance or refinance all or any portion of the real estate are outstanding, no portion of the real estate will be used for a private business use without the state's prior written consent.

(3) The City of Massillon must not sell, convey, or transfer ownership of the real estate before January 1, 2010, or before receiving written confirmation from the state that all of its bonded capital indebtedness associated with any of the buildings located on the real estate has been fully retired.

(4) The City of Massillon agrees to execute at or before the execution of the Governor's deed ingress/egress easements prepared by DAS to permit continued use of existing driveways along the eastern boundary of the real estate and to permit secondary access from adjacent state-owned property to Nave Road, a public, dedicated street.

The bill specifies the procedures for the preparation, execution, and recording of a deed to the real estate upon the payment of \$300,00 of the purchase price, and the City of Massillon must pay the costs of the conveyance (Section 1(F) and (G)).

The provisions of the bill relating to the Stark County land conveyance expire one year after their effective date (Section 1(H)).

Warren County conveyance

The bill authorizes the Governor to execute a deed in the name of the state conveying to Cincinnati Gas and Electric Company ("the Company"), and its successors and assigns, all of the state's right, title, and interest in specified state-owned real estate in Warren County (Section 2(A)). The consideration for the conveyance is the purchase price of \$70,000 (Section 2(B)).

The bill provides that, prior to the execution of the Governor's deed, possession of the real estate must be governed by an existing interim lease between DAS and the Company (Section 2(C)). And, the conveyance of the real estate is subject to the following *conditions, restrictions, and possibility of reverter* (Section 2(D)):

(1) The Company must construct and operate an electrical substation on the real estate within five years after the execution of the Governor's deed, and if that construction is not completed within that five-year period, all right, title, and interest in the real estate must revert to the state, for the use and benefit of the Department of Rehabilitation and Correction (DRC), without the need for further action by the state.

(2) If the Company ceases to use the real estate for substation purposes or if it conveys or transfers the real estate to any non-utility owner, the Company must pay \$200,000 to the DRC, provided that the state has continuously owned and maintained an uninterrupted property interest in real estate contiguous to that conveyed under the bill at the time of the subsequent conveyance or transfer.

The bill specifies the procedures for the preparation, execution, and recording of a deed to the real estate upon the payment of the purchase price, and the Company must pay the costs of the conveyance. The net proceeds of the sale must be deposited in the state treasury to the credit of Department of Rehabilitation and Correction Fund 148 Services and Agricultural Fund (Appropriation Item 501-602) and used to offset the loss of DRC's agricultural croplands. (Section 2(E), (F), and (G).)

The provisions of the bill relating to the Warren County land conveyance expire one year after their effective date (Section 2(H)).

Brown County conveyance

The bill authorizes the Governor to execute a deed in the name of the state conveying to the purchaser, and the purchasers' heirs and assigns or successors and assigns, all of the state's right, title, and interest in specified state-owned real estate in Brown County (Section 3(A)). The consideration for the conveyance is a purchase price acceptable to the State Library of Ohio, following an appraisal by one or more disinterested persons (Section 3(B)).

The bill specifies the procedures for the preparation, execution, and recording of a deed to the real estate upon payment of the purchase price. Advertising costs, appraisal fees, and all other costs of the sale of the real estate must be paid by the purchaser. (Section 3(C) and (D).)

The provisions of the bill relating to the Brown County land conveyance expire three years after their effective date (Section 3(E)).

Franklin County conveyance

The bill authorizes the Governor to execute a deed in the name of the state conveying to the Columbus Board of Education, and its successors and assigns, all of the state's right, title, and interest in specified state-owned real estate in Franklin County (Section 4(A)).

The consideration for the conveyance is the purchase price of \$2,200,000. And, prior to the execution of the Governor's deed, possession of the real estate must be governed by an existing lease between DAS and Franklin County. (Section 4(B) and (C).)

The bill specifies the procedures for the preparation, execution, and recording of a deed to the real estate upon payment of the purchase price. The Columbus Board of Education must pay the costs of the conveyance (Section 4(D) and (E)).

The provisions of the bill relating to the Franklin County land conveyance expire three years after their effective date (Section 4(F)).

Clark County conveyance

The bill authorizes the Governor to execute a deed in the name of the state conveying to the purchaser, and the purchaser's heirs and assigns or successors and

assigns, all of the state's right, title, and interest in specified state-owned real estate in Clark County (Section 5(A)).

The bill requires the Department of Mental Retardation and Developmental Disabilities (DMRDD) to appraise the real estate or have it appraised by one or more disinterested persons, for a fee to be determined by DMRDD (Section 5(B)). The Director of Administrative Services must offer the real estate for sale as follows (Section 5(C)):

- The Director must review the appraisal, establish an appraised value for the real estate, and provide notice to DMRDD of any interest expressed by any *state entity* in acquiring the real estate at the appraised value. The Director must first offer the real estate at the appraised value to any state entity that has expressed an interest in acquiring it.
- If no state entity expresses an interest in acquiring the real estate at the appraised value, or if a state entity accepts the offer to purchase the real estate at the appraised value but fails to timely complete the purchase, the Director must offer the real estate at the appraised value to the *Board of County Commissioners of Clark County*.
- If, after 30 days, the Board of County Commissioners has not accepted the offer to purchase the real estate at the appraised value, or if the Board accepts the offer but fails to timely complete the purchase, the Director must offer the real estate at the appraised value to the *City of Springfield*.
- If, after 30 days, the City of Springfield has not accepted the offer to purchase the real estate at the appraised value, or if it accepts the offer to purchase the real estate at the appraised value but fails to timely complete the purchase, a *public auction* must be held with a required sale price of not less than two-thirds of the appraised value. If, after that public auction, no bids for at least two-thirds of the appraised value are received, a *second public auction* must be held, and, subject to the caveat mentioned below, the real estate must be sold to the highest bidder at a price acceptable to both the Director of Administrative Services and DMRDD.
- In any public auction, the Director may reject any and all bids. The Director must advertise each auction in a newspaper of general circulation in Clark County once a week for three consecutive weeks prior to its date. The terms of an auction sale must be 10% of the purchase price in cash, bank draft, or certified check on the date of sale,

with the balance payable within 60 days after the date of sale. If an auction purchaser does not complete the conditions of the sale as specified in the bill, the purchaser forfeits the 10% of the purchase price paid on the date of the sale to the state as liquidated damages.

The real estate must be sold as an entire parcel and not subdivided. And, the advertising costs, appraisal fees, and other costs of the sale must be paid by DMRDD (Section 5(D) and (E)).

The bill specifies the procedures for preparation of a deed to the real estate upon the payment of 10% of the purchase price by a purchaser at a public auction or upon notification from the Director of Administrative Services that the real estate has otherwise been sold. The bill requires the purchaser to pay the balance of the purchase price before the deed is executed by the Governor and delivered to the purchaser. (Section 5(F).)

The net proceeds of the sale of the real estate must be deposited in the state treasury to the credit of the Mental Health Facilities Improvement Fund (R.C. 154.20) and used to offset bond indebtedness for Springview Developmental Center capital projects (Section 5(G)).

The provisions of the bill relating to the Clark County land conveyance expire two years after their effective date (Section 5(H)).

Effective dates

The bill is an emergency measure, but *only* its Clark County land conveyance provisions take immediate effect. The other land conveyance provisions take effect on the 91st day after the bill's effective date. (Sections 6 and 7.)

HISTORY

ACTION	DATE	JOURNAL ENTRY
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