

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL: S.B. 7 DATE: February 4, 1997
STATUS: As Introduced SPONSOR: Sen. Kearns
LOCAL IMPACT STATEMENT REQUIRED: No Permissive
CONTENTS: Authorizes the conveyance of state-owned land in Greene County known as the Ohio Veterans' Children's Home to Greene County and makes other changes.

State Fiscal Highlights

| STATE FUND | FY 1997 | FY 1998 | FUTURE YEARS |
|-----------------------------|--|---------------------------------|--------------|
| General Revenue Fund | | | |
| Revenues | Loss of asset valued at \$1,000,000 | - 0 - | - 0 - |
| Expenditures | Estimated increase of \$60,000 to \$75,000 | Decrease of approx. \$1,225,000 | - 0 - |

- Main costs to the state involve unemployment and early retirement.
- Property valued at \$1 million transferred to Greene County.
- Legal description of the property prepared by DAS prior to conveyance at an estimated cost of \$60,000 to \$75,000.
- State will save building maintenance expenses.

Local Fiscal Highlights

| LOCAL GOVERNMENT | FY 1997 | FY 1998 | FUTURE YEARS |
|------------------|-------------------------------------|------------------------|---|
| Counties | | | |
| Revenues | Gain of asset valued at \$1,000,000 | - 0 - | - 0 - |
| Expenditures | Indeterminate increase | Indeterminate increase | Likely annual increase of \$1 million or more |

- Property valued at \$1 million transferred to Greene County.
- Greene County is liable for all maintenance on the property, including asbestos and lead paint removal.
- County plans to demolish many of the buildings on the campus.
- Task force will create long-term development plan following conveyance of the land.



Detailed Fiscal Analysis

State Effects

The Ohio Veterans' Children's Home is located on 483 acres in Greene County. The majority of the property is empty land. On the approximately 100-acre campus, there are 38 buildings in a varied state of repair. Most of the buildings have problems with asbestos and lead paint. Additionally, the campus has an old hot water / steam boiler system which is running at 20% efficiency. If the state retained control of the property, estimated costs for keeping the Home viable top \$1.5 million annually. A farmland portion of the property lies across Route 35 from the main campus. According to the bill, the Director of Administrative Services shall prepare a legal description of the Veterans' Children's Home's property. According to DAS, this activity would cost the state approximately \$60-75,000. If the county ever were to sell this parcel, the money would be returned to the state. Veterans' Children's Home staff project that unemployment and early retirement costs will total approximately \$277,700. The net savings to the state will be around \$1.2 million.

The two sources of lost revenue to the state are rent payments by the Association of Ex-Pupils and the value of the property. The Veterans' Children's Home was recently valued at about \$1 million. Rent payments from the Association of Ex-Pupils are minimal at \$1 per year.

Local Effects

Although the county will gain an asset on the books of approximately one million dollars, there are local expenses involved. According to Greene County officials, asbestos removal in all 38 buildings would run about \$2 million. Additional costs arise from the need to encapsulate lead paint in these buildings. By demolishing a portion of these buildings, the county will save some of the projected costs. An exact figure for environmental hazard removal can not yet be determined. Following conveyance of the Home, Greene County will form a task force to create a long-term plan for the property. One facet of this plan will be to determine which of the existing buildings should be torn down.

Another immediate cost for the county is shutting down the current heating system. There will be costs involved in abandoning the current system and building a new system. Once again, exact costs cannot be determined until after the task force has resolved exactly how many buildings will be kept.

Operational costs related to programs created and held on the property are the third major area of expense for the county. Although the county couldn't financially afford to reuse the property as it is currently used within five (5) years, the master plan envisions a long period in which programs are phased-in. The county wants to put two projects currently being planned at the Veterans' Children's Home. The first project is a juvenile court justice center, which will include rehabilitation and detention wings. The other program involves the expansion of an MR/DD sponsored school. Other projects that the task force has discussed include an alternative school for Greene County students, a domestic violence program, and a program for adult alcoholics. These programs will have undetermined operational costs for the county. Long term upkeep of the property is estimated at \$1 million or more annually.