

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL: Sub. S.B. 90 DATE: June 11, 1997
STATUS: As Passed by the Senate SPONSOR: Sen. Furney
LOCAL IMPACT STATEMENT REQUIRED: No — Permissive
CONTENTS: Authorizes MCOT to convey land for use in the Advanced Technology Park of NW Ohio and declares an emergency

State Fiscal Highlights

STATE FUND	FY 1997	FY 1998	FUTURE YEARS
MCOT			
Revenues	- 0 -	\$0-\$10,000 from effective date of the bill into the future	
Expenditures	- 0 -	indeterminate	- 0 -

- The Medical College of Ohio at Toledo (MCOT) will receive revenue from the conveyance of the land, and pay expenses associated with advertising, appraisal fees, and other costs of conveying the land. Revenue estimates are based on a maximum sale price of \$50 per acre (this is the highest amount MCOT has received to date). The bill would permit conveyance of approximately 161 acres ($161 * \$50 = \$8,050$). Land in this area of Toledo usually sells for \$65,000 to \$175,000 per acre, which would generate closer to \$10.5 million to \$28.1 million for this 161 acre parcel. (Calculated as $\$65,000 * 161 = \10.5 million to $\$175,000 * 161 = \28.1 million, all numbers rounded.)
- Expenditures include advertising, appraisal, and other conveyance costs and may range from a few hundred dollars to significantly more than the revenue estimates, depending on how MCOT chooses to market the land.
- MCOT Trustees will determine the use of the revenue.

Local Fiscal Highlights

- No direct fiscal effect on local governments at this time because no local government tenants are currently awaiting passage of this bill to purchase land from MCOT. Any future local effect would be permissive due to the local government's interest in buying land.



Detailed Fiscal Analysis

The bill permits MCOT to convey and sell land it owns to private organizations which will further the goals of the Advanced Technology Park of Northwest Ohio. It also declares an emergency, permitting the bill to be effective upon the Governor's signature. The emergency clause has no fiscal effect.

The Park's goals are to commercialize the inventions and innovations of and staff, to create a biomedical and other high technology park where creativity is fostered, and to provide jobs for Toledo and northwest Ohio. MCOT is requesting the conveyance authority proactively, before buyers for all parcels have been identified. MCOT's purpose, according to a representative, is to be able to sell land quickly to buyers who decide to purchase. Without this "proactive" conveyance authority, MCOT may lose buyers who are unwilling to wait for the land conveyance to work its way through the General Assembly.

This is the second land conveyance bill MCOT has requested for land in this area. Last year the school received the right to convey 72 acres, of which 18 acres have been sold, including 10 acres sold for \$1 to the Ohio National Guard for a health-related facility. This request is for conveyance rights for 161 acres. There is one buyer currently interested in 50 acres located within the property covered by this land conveyance bill.

The land was formerly owned and occupied by a state mental health institution. Sales thus far, other than the \$1 sale to the Ohio National Guard, have generated \$50 per acre. Until the land is sold it is unused, according to an MCOT representative. According to the Lucas County Auditor's Division of Real Estate, land in this area of Toledo usually sells for \$65,000 to \$175,000 per acre, which would generate closer to \$10.5 million to \$28.1 million revenue for this 161 acre parcel. (Calculated as $\$65,000 * 161 = \10.5 million to $\$175,000 * 161 = \28.1 million, all numbers rounded.)

There is one building located within the 161 acres requested for conveyance. This building will need to be demolished at some point because it is considered un-renovatable due to its age and lack of maintenance. No capital funds are allocated in this bill or MCOT's current capital appropriations for this purpose.

Profits from land sales to date are being invested in the development of the Park. MCOT hopes to be able to use future profits to support bio-medical research. According to MCOT, local investment in the Park include \$1.2 million by the City of Toledo, \$135,000 by Columbia Gas, \$88,000 by Toledo Edison, and \$200,000 by the Ohio Department of Development.

□ *LBO staff: Roberta A. Ryan, Budget/Policy Analyst*

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