Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Am. H.B. 477 of the 130th G.A. **Date**: March 24, 2014

Status: As Passed by the House **Sponsor**: Rep. Brown

Local Impact Statement Procedure Required: No

Contents: Authorizes the conveyance of state property and declares an emergency

State and Local Fiscal Highlights

The bill specifies the terms of various real estate transactions in which the state is authorized to convey state-owned property (or in one instance, a perpetual easement) to designated parties for a specified amount, by auction to the highest bidder, or other specified form of agreement. In total, the bill contains 18 proposed land conveyances. In particular:

- Three transactions involve school districts where the specified real estate was originally conveyed to the state as collateral for school construction facility bonds. Once the construction projects were completed, the titles were to be transferred back to the school districts. These include properties in the East Clinton Local School District (Section 4), Twin Valley Local School District (Section 5), and West Clermont Local School District (Section 6).
- The bill also conveys state property to the cities of Massillon (Section 8) and the city of Columbus (Section 18).
- The bill declares an emergency so that Section 2, dealing with the sale of an apartment complex owned by Ohio University, may be sold to a private party for $750,000 with immediate effect.
- The other properties authorized for conveyance will be offered to private parties or are to be sold to the highest bidder or buyer under some other specified arrangement permitted under the bill.

Summary of Land Conveyances

The bill provides for the conveyance of state-owned land to various parties and specifies the terms of these transactions. The table below identifies the section in the bill containing the proposed transaction, the state agency that uses or superintends the property currently, the grantee, a brief property description, the county where the property is located, the financial or other consideration related to the transaction, and, where applicable, the state fund that is to receive the proceeds of the various conveyances. Following the table are more detailed descriptions of each of the proposed transactions.

Summary of Land Conveyances Included in H.B. 477						
Bill Section	**Agency**	**Grantee**	**Description**	**County**	**Consideration**	**Fund**
1	Department of Rehabilitation and Correction	Harold and Paula Snyder	5.42 acres of vacant land near the intersection of Darby Creek Rd. and SR 762	Pickaway	$16,260	Ohio Department of Rehabilitation and Correction Fund (Fund 2000)
2	Ohio University	Brian and Jennifer McLaughlin	Seven unit apartment complex at 75-81 Norwich Ave., Columbus	Franklin	$750,000	Ohio University Endowment Fund
3	Ohio Historical Society	Venture 5 Family LP	2.0 acres of vacant land adjacent and to the south of 199 Zane Grey Road, Norwich	Muskingum	2.0 acres of vacant land adjacent and to the northeast of 199 Zane Grey Road, Norwich	N/A
4	Facilities Construction Commission	East Clinton Local School District	15.0 acres located at 301 E. Church St., New Vienna	Clinton	$1	GRF
5	Facilities Construction Commission	Twin Valley Local School District	28.34 acres adjacent to 1 Education Dr., West Alexandria	Preble	$1	GRF
6	Facilities Construction Commission	West Clermont Local School District	12.0 acres located at 808 Clough Pike, Cincinnati	Clermont	$1	GRF
7	Department of Developmental Disabilities	Gallia County Rural Water Association	13.24 acres of vacant land along Burnett Rd. near SR 735	Gallia	Price to be determined	Mental Health Facilities Improvement Fund (Fund 7033)
8	Department of Mental Health and Addiction Services	City of Massillon	1660 and 1680 Nave Road SE, Massillon	Stark	Price to be determined	OMHAS Trust Fund
9	University of Cincinnati	UC Health	Parking structure at 301 Goodman St., Cincinnati	Hamilton	$15,000,000	University accounts as determined by the Board of Trustees

Summary of Land Conveyances Included in H.B. 477 (Cont'd)						
Bill Section	**Agency**	**Grantee**	**Description**	**County**	**Consideration**	**Fund**
10	Department of Mental Health and Addiction Services	High bidder of sealed bid auction	Approximately 9.0 acres at 2201 Mapleview Ave., Dayton (former site of Belmont High School)	Montgomery	Price determined by auction	OMHAS Trust Fund
11	Department of Mental Health and Addiction Services	High bidder of sealed bid auction	Approximately 102 acres located at the Cambridge Developmental Center, 66737 Old 21 Road	Guernsey	Price determined by auction	OMHAS Trust Fund
12	Department of Mental Health and Addiction Services	High bidder of sealed bid auction	Approximately 5.7 acres located at 3201 and 3205 Alberta St., Columbus	Franklin	Price determined by auction	OMHAS Trust Fund
13	Department of Youth Services	High bidder of sealed bid auction	Scioto Juvenile Correction Facility Freedom Center, 5993 Home Road, Delaware	Delaware	Price determined by auction	Juvenile Correctional Building Fund (Fund 7028)
14	Department of Public Safety	High bidder of sealed bid auction	State Highway Patrol Facility located at 260 Niles Courtland Road NE, Warren	Trumbull	Price determined by auction	Highway Patrol Justice Contraband Fund (Fund 83T0)
15	Department of Public Safety	High bidder of sealed bid auction	Two buildings on 10.0 acres located at 4300 Lincoln Way W., Massillon	Stark	Price determined by auction	State Highway Safety Fund (Fund 7036)
16	Department of Rehabilitation and Correction	To be determined	Residential structures in various locations overseen by DRC	Various	Auction, negotiation, or other lawful means as determined by the Director of Administrative Services	Property Receipts Fund (Fund 4830)
17	Ohio State University	To be determined	About one-half acre on two parcels including adjacent to the former Harding Hospital	Franklin	Price determined by auction	Accounts to benefit the OSU Wexner Medical Center
18	Ohio State University	City of Columbus	Perpetual easement along Curl Rd., OSU Campus, Columbus	Franklin	$1	N/A

Property and transaction details

Section 1 – Department of Rehabilitation and Correction property, Pickaway County

The bill authorizes the Governor to execute a deed conveying approximately 5.42 acres of vacant land near the intersection of Darby Creek Road and State Route 762 in Pickaway County to Harold and Paula Snyder. The bill specifies that consideration for the conveyance is $16,260 and that the grantee shall not use, develop, or sell the real estate in such a manner as to interfere with the quiet enjoyment of the neighboring

state-owned land. Under the bill, the grantee must pay all costs associated with the purchase and conveyance, including all recording costs and fees. Proceeds from the conveyance must be deposited to the credit of the Ohio Department of Rehabilitation and Correction Fund (Fund 2000) for use under appropriation item 501607, Ohio Penal Industries, to be used for expenditures on farm and agriculture uses. The bill provides authority to complete this conveyance for a period of one year following the bill's effective date.

Section 2 – Ohio University apartment complex, Franklin County

The bill authorizes the Governor to execute a deed conveying to Brian and Jennifer McLaughlin a seven unit apartment complex located at 75 through 81 Norwich Avenue in Columbus that is currently overseen by Ohio University (OU). Consideration for the conveyance is $750,000. The proceeds are to be deposited to the credit of the Ohio University Endowment Fund. The bill requires the closing and transfer of title to be conducted in accordance with terms of an existing real estate purchase contract between OU and the grantees and requires the grantees to pay all costs associated with purchase and conveyance, including recording costs and fees. An emergency clause in the bill provides immediate authority to execute the deed on the bill's effective date.

Section 3 – Ohio Historical Society land swap, Muskingum County

The bill authorizes the Governor to execute a deed exchanging 2.0 acres of land currently overseen by the Ohio Historical Society (OHS) for 2.0 acres of land currently owned by Venture 5 Family Limited Partnership in order to provide a permanent solution for an encroachment by Venture 5 onto state property. The state parcel in this exchange is located adjacent and to the south of the OHS National Road Zane Grey Museum located at 199 Zane Grey Road in Norwich (Muskingum County). The Venture 5 property lies adjacent and to the northeast of the museum property. The bill requires the grantee to pay all costs of both conveyances including the cost and fees for surveying, title reports, environmental studies, and recording. The bill provides authority to complete the conveyance for a period of two years after the bill's effective date.

Sections 4, 5, and 6 – Facilities Construction Commission title transfers

The bill authorizes the Governor to execute deeds returning title of land previously conveyed to the state as collateral for school construction facility bonds to three different school districts. Under the bill, approximately 15.0 acres located at 301 East Church Street in New Vienna (Clinton County) will be conveyed to the East Clinton Local School District, approximately 28.3 acres adjacent to 1 Education Drive in West Alexandria (Preble County) will be conveyed to Twin Valley Local School District, and approximately 12.0 acres located at 808 Clough Pike in Cincinnati (Clermont County) will be conveyed to the West Clermont Local School District. Under the bill, these conveyances are made in consideration of one dollar each. Proceeds are to be deposited to the credit of the GRF. The bill also requires the grantees to pay all costs

associated with the conveyance including recording costs and fees. Authorization to complete these conveyances expires one year following the bill's effective date.

Section 7 – Department of Developmental Disabilities land, Gallia County

The bill authorizes the Governor to execute a deed conveying approximately 13 acres of vacant land currently overseen by the Department of Developmental Disabilities (ODODD) located along Burnett Road near State Route 735 in Gallia County to the Gallia County Rural Water Association. The bill requires the Director of Administrative Services to offer the real estate through a real estate purchase agreement and requires the conveyance to be made at a price acceptable to the directors of Administrative Services and ODODD. Under the bill, if the Gallia County Rural Water Association does not complete the purchase within the time period established in the real estate purchase agreement, the Director of Administrative Services may use any reasonable method of sale considered acceptable to the Director of ODODD to determine an alternate buyer. The bill requires ODODD to pay all advertising, costs, and additional fees incidental to the sale, and requires the grantee to pay all costs associated with the purchase and conveyance. The bill requires the proceeds from the sale to be deposited to the credit of the Mental Health Facilities Improvement Fund (Fund 7033) to offset bond indebtedness for the Gallipolis Developmental Center capital projects. Authorization to execute the deed expires three years from the bill's effective date.

Section 8 – Department of Mental Health and Addiction Services property, Stark County

The bill authorizes the Governor to execute a deed conveying two buildings known as the Allman and Eyman Buildings situated on approximately 3.2 acres at 1660 and 1680 Nave Road SE in Massillon (Stark County) to the city of Massillon. The bill requires the Director of Administrative Services to offer the real estate to the city through a real estate purchase agreement, and specifies that consideration for the conveyance be at a price acceptable to the directors of Administrative Services and the Department of Mental Health and Addiction Services (OMHAS). The bill establishes a deadline of one year for the city to complete the purchase and allows the Director of Administrative Services to use any reasonable method of sale acceptable to OMHAS to determine an alternate buyer. The bill also requires the grantee to pay all costs associated with the purchase and conveyance. Net proceeds of the sale are required to be deposited to the credit of the Department of Mental Health and Addiction Services Trust Fund.

Section 9 – University of Cincinnati parking structure, Hamilton County

The bill authorizes the Governor to execute a deed conveying the University of Cincinnati's Goodman Parking Garage (Hamilton County) to UC Health through a direct sale in consideration of $15.0 million payable by UC Health. The bill requires proceeds from the sale be paid to the University of Cincinnati and deposited into the

appropriate accounts for purposes to be determined by the Board of Trustees. The bill grants one year for completion of the sale and allows the Director of Administrative Services to determine an alternate buyer if UC Health fails to complete the purchase within that timeframe. In all, the bill grants authority to execute the deed for a period of three years following the bill's effective date.

Sections 10, 11, and 12 – Mental Health and Addiction Services property auctions, Franklin, Guernsey, and Montgomery counties

The bill authorizes the Governor to execute the deeds to three properties currently overseen by OMHAS. The first of these is located at 2210 Mapleview Avenue in Dayton (Montgomery County) and is the former sight of Belmont High School. The second is approximately 102 acres of vacant land located at the Cambridge Developmental Center (Guernsey County). The final property is located at 3205 Alberta Street in Columbus (Franklin County) and includes a warehouse facility totaling approximately 127,000 square feet. The bill requires the Director of Administrative Services to offer these properties for sale through a sealed bid public auction. Under the bill, the highest bidder from each auction bidding a price acceptable to the Director of Administrative Services is required to pay 10% of the purchase price within five business days of being notified that the bid has been accepted and pay the balance of the purchase price within 60 days of such notice. In the event that the high bidder fails to complete the conditions of the sale, the bidder would forfeit the 10% payment. Under these circumstances, the Director of Administrative Services would be permitted to accept the next highest acceptable bid, or if no bids are acceptable, to repeat the sealed bid auction. Alternatively, if no bids are acceptable after the subsequent auction, the Director of Administrative Services may use an alternative sale process acceptable to the Director of OMHAS. Under the bill, the buyer is to pay all costs of purchase and conveyance. Proceeds of these sales are required to be deposited to the credit of the Department of Mental Health and Addiction Services Trust Fund. Authorization to execute the deeds to these properties expires three years after the effective date of the bill.

Section 13 – Department of Youth Services, Scioto Juvenile Correction Facility Freedom Center, Delaware County

The bill authorizes the Governor to execute a deed conveying 19 buildings situated on approximately 99 acres at the Scioto Juvenile Correctional Facility in Delaware County. The Department of Youth Services, which currently oversees the property, is presently in the process of closing this facility. The bill requires the Director of Administrative Services to offer the property for sale through a sealed bid public auction and requires the bidder with the highest acceptable bid to make payments under the same terms as the sealed bid auctions for OMHAS properties discussed under the previous heading. The bill requires proceeds from the sale to be deposited to the credit of the Juvenile Correctional Building Fund (Fund 7028). Authorization to execute the deed expires three years after the bill's effective date.

Sections 14 and 15 – Ohio State Highway Patrol facilities, Stark and Trumbull counties

The bill authorizes the Governor to execute deeds conveying two properties overseen by the Ohio State Highway Patrol (OSHP) to grantees determined via sealed bid public auctions administered by the Director of Administrative Services. The properties include a roughly 5,400 square foot building located at 260 Niles Courtland Road NE in Warren (Trumbull County), and two buildings situated on approximately ten acres located at 4300 Lincoln Way W in Massillon (Stark County). As with the other sealed bid auction conveyances contained in the bill, the highest acceptable bidder must pay 10% within five days of being notified of the bid being accepted and must pay the balance within 60 days of the notice or forfeit the 10% payment. If the high bidder fails to complete the purchase, a second sealed bid auction may be conducted by the Director of Administrative Services or alternate method of sale may be initiated if acceptable to the Superintendent of OSHP. The bill requires proceeds from the Trumbull County property to be deposited to the credit of the Highway Patrol Justice Contraband Fund (Fund 83T0), while proceeds from the sale of the Stark County property are to be deposited to the credit of the State Highway Safety Fund (Fund 7036). Authorization to execute these deeds extends for two years following the bill's effective date.

Section 16 – Department of Rehabilitation and Correction, residential buildings, various counties

The bill authorizes the Governor to execute a deed for the conveyance of multiple residential structures situated on properties under the jurisdiction of the Department of Rehabilitation and Correction (DRC). These structures are located around the state at various institutions including the (1) Allen Oakwood Correction Institution, (2) Grafton Correctional Institute, (3) Hocking Correctional Institution, (4) Lebanon Correctional Institution, (5) London Correctional Institution, (6) Mansfield Correctional Institution, (7) Marion Correctional Institution, (8) Ohio Reformatory for Women, (9) the Ohio State Penitentiary in Youngstown, (10) Pickaway Correctional Institution, (11) Ross Correctional Institution, (12) the Southeastern Correctional Institution, and (13) Southern Ohio Correctional Facility. Grantees for the conveyances of these properties are to be determined through sealed bid public auctions administered by the Director of Administrative Services under the same terms as other sealed bid public auctions contained in the bill. Alternate methods of sale may be used if acceptable to the Director of DRC. Proceeds from the sale of any of these properties are to be deposited to the credit of the Property Receipts Fund (Fund 4830). Authorization to execute these deeds expires two years after the bill's effective date.

Section 17 – Ohio State University (former Harding Hospital parcels), Franklin County

The bill authorizes the Governor to execute a deed conveying two parcels of land, including a residential structure, located at the former Ohio State University (OSU) Harding Hospital in Worthington (Franklin County). The two parcels, which are

not contiguous, total approximately .65 acres. The bill permits OSU to determine the grantee and consideration through sealed bid, by public auction, or by means of a negotiated real estate sale agreement. Proceeds from the sale would be paid to OSU and deposited into the appropriate university accounts for the benefit of the OSU Wexner Medical Center. Authorization to execute the deed expires three years after the bill's effective date.

Section 18 – Ohio State University Curl Road easement, Franklin County

The bill authorizes the Director of Administrative Services to execute a deed granting a perpetual easement for sanitary sewer lines to the city of Columbus along Frambes Avenue on OSU's main campus in Columbus (Franklin County). Consideration for the conveyance is one dollar. The bill specifies that the city of Columbus is responsible for recording costs and fees. Authority to execute this deed expires one year after the bill's effective date.

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