



OHIO LEGISLATIVE SERVICE COMMISSION

Tom Wert

Fiscal Note & Local Impact Statement

Bill: S.B. 364 of the 131st G.A. **Date:** November 30, 2016
Status: As Reported by Senate Government Oversight & Reform **Sponsor:** Sen. Peterson

Local Impact Statement Procedure Required: No

Contents: Authorizes conveyance of and easements upon various state properties

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 two instances, 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 21 proposed land conveyances. In particular:

- Two 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 complete, the titles were to be transferred back to the school districts. These include properties in the East Clinton Local School District (Section 10) and Northridge Local School District (Section 11).
- One transaction requires the Director of Administrative Services to enter into an environmental covenant easement to protect a corridor along the Big Darby Creek on the Orient Prison site in Pickaway County.
- 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 and Easements

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.

Table 1. Summary of Land Conveyances and Easements Included in S.B. 364						
Bill Section	Agency	Grantee	Description	County	Consideration	Fund
1	Adjutant General	Board of County Commissioners of Clark County	2.82 acres including 23,188 square foot former armory located at 4440 Laybourne Rd., Springfield	Clark	\$125,000	Armory Improvements Fund (Fund 5340)
2	Bowling Green State University	Mucci Farms Ltd.	95.55 acres of agricultural land located at 0 Rye Beach Rd., Huron	Erie	\$730,957.50	University accounts to be used for debt retirement purposes only
3	Bowling Green State University	Wooster Street Apartments LLC	4,216 square foot residential home on 0.5 acres located at 129 South Prospect St., Bowling Green	Wood	\$180,000	University accounts to be used for debt retirement purposes only
4	Ohio Environmental Protection Agency	Oak Openings Region Conservancy Inc.	17.096 acres of vacant land near the intersection of Dorr St. and King Rd., Toledo	Lucas	\$1.00	Not specified
5	Department of Developmental Disabilities	Board of County Commissioners of Gallia County or grantee to be determined	Four institutional buildings and one auxiliary building on 7.7 acres located at 2500 Ohio Ave., Gallipolis	Gallia	\$1.00	Mental Health Facilities Improvement Fund (Fund 7033) or another fund designated by OBM
6	Department of Rehabilitation and Correction	Grantee to be determined	1,788 square foot single family residence on 0.282 acres located at 6598 South Timberidge Ave., Austintown	Mahoning	Price determined by auction	Adult and Juvenile Correctional Facilities Bond Retirement Fund (Fund 7097)
7	Department of Rehabilitation and Correction	Ohio Power Company	8.0 acres of vacant land located at the intersection of Moundsville Rd. and State Route 104, Chillicothe	Ross	Price to be determined by real estate purchase agreement	Adult and Juvenile Correctional Facilities Bond Retirement Fund (Fund 7097)

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Bill Section	Agency	Grantee	Description	County	Consideration	Fund
8	Department of Rehabilitation and Correction	Grantees to be determined	Environmental covenant easement along the Big Darby Creek on the Orient Prison site	Pickaway	N/A	N/A
9	Kent State University	Grantee to be determined	2,600 square foot building located at 401 College St., East Liverpool and adjacent vacant property	Columbiana	Price determined by sealed bid or public auction	University accounts and used for debt retirement purposes only
10	Ohio Facilities Construction Commission	Board of Education of East Clinton Local School District	New Vienna Elementary School	Clinton	\$1.00	GRF
11	Ohio Facilities Construction Commission	Board of Education of Northridge Local Schools	29.79 acres adjacent to Northridge High School, Johnstown	Licking	\$1.00	GRF
12	Ohio History Connection	City of Piqua	Perpetual easement on 0.122 acres located east of State Route 66 at the state-owned Johnston Farm and Indian Agency property	Miami	\$426.00	Not specified
13	Ohio State University	Board of Trustees of the Columbus Metropolitan Library	1.30 acres of vacant land located at Taylor Ave. and East Long St., Columbus	Franklin	\$187,000	University accounts as determined by the Board of Trustees
14	Ohio State University	GZD Investments LLC	4.5 acres of vacant land located at North Hamilton Rd., and Beecher Rd., Gahanna	Franklin	\$1.1 million	University accounts as determined by the Board of Trustees
15	Ohio State University	Lennox Station Holdings LLC	0.06 acres of vacant land adjacent to 1570 Olentangy River Rd., Columbus	Franklin	\$95,000	University accounts to be used for debt retirement purposes only
16	Ohio State University	Carnegie Management and Development Corp.	29.8 acres of vacant land located at 0 Walker Rd., Mansfield	Richland	\$417,508	University accounts as determined by the Board of Trustees
17	Ohio State University	City of Columbus	Perpetual easement on 2.4 acres along Cannon Dr., Columbus	Franklin	\$1.00	Not specified
18	Ohio University	Grantee to be determined	1,556 square foot residential building on 0.6 acres located at 78 Columbia Ave., Athens	Athens	Price determined by sealed bid or public auction	Ohio University Endowment Fund
19	University of Cincinnati	Children's Hospital Medical Center	2.1 acres parking lot located at 217 Erkenbreecher Ave., Cincinnati	Hamilton	\$1.9 million	University accounts as determined by the Board of Trustees

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Bill Section	Agency	Grantee	Description	County	Consideration	Fund
20	University of Cincinnati	UC Health LLC	1.4 acres parking lot located at the intersection of Highland Ave. and Martin Luther King Dr., Cincinnati	Hamilton	\$1.8 million	University accounts as determined by the Board of Trustees
21	Youngstown State University	Charles H. and Margaret A. Staples	0.2 acres vacant land located at West Rayen Ave. and Lincoln Ave., Youngstown	Mahoning	0.12 acres vacant land along Grant St., Youngstown	Not specified

Property and transaction details

Section 1 – Adjutant General: former armory, Clark County

The bill authorizes the Governor to execute a deed conveying a 23,188 square foot former armory building situated on 2.82 acres located at 4440 Laybourne Road, Springfield (Clark County) to the Clark County Board of County Commissioners. The bill specifies that consideration for the conveyance is \$125,000. The bill requires the Board to pay all costs associated with the purchase, closing, and conveyance of the real estate, including surveys, title evidence, title insurance, transfer and recording costs, taxes and any other fees or assessments that may be imposed in connection with the conveyance. In the event that the Board does not complete the purchase of the property, the bill authorizes the Director of Administrative Services to use any reasonable method of sale considered acceptable by the Ohio Adjutant General's Department to convey the real estate to an alternate grantee. The bill requires proceeds of the sale to be deposited to the credit of the Armory Improvements Fund (Fund 5340). Under the bill, authorization to convey the property to either the Board or alternate grantee expires three years after the bill's effective date.

Section 2 – Bowling Green State University: agricultural land, Erie County

The bill authorizes the Governor to execute a deed conveying approximately 95.6 acres of agricultural land located along Rye Beach Road, Huron (Erie County) to Mucci Farms Ltd. or its affiliates. The bill specifies that consideration for the conveyance is \$730,957.50. Under the bill, closing costs are required to be paid by Bowling Green State University (BGSU) and the grantee in the manner specified in a real estate purchase agreement. The bill requires proceeds of the sale to be deposited in the appropriate university account to be used for debt retirement purposes only.

Section 3 – Bowling Green State University: residential property, Wood County

The bill authorizes the Governor to execute a deed conveying approximately a 4,216 square foot residential building situated on approximately one-half acre at 129 South Prospect Street, Bowling Green (Wood County) to Wooster Street Apartments LLC. The bill specifies that consideration for the conveyance is \$180,000. Under the bill,

closing costs including recording costs are required to be paid by the grantee. The bill requires proceeds of the sale to be deposited in the appropriate university account to be used for debt retirement purposes only. In the event that the grantee does not complete the purchase of the property, the bill authorizes the Director of Administrative Services to use any reasonable method of sale considered acceptable by BGSU to convey the real estate to an alternate grantee. Authorization to convey the property expires three years after the bill's effective date.

Section 4 – Environmental Protection Agency: vacant land, Lucas County

The bill authorizes the Governor to execute a deed conveying approximately 17.1 acres of vacant land located at the northwest corner of the intersection of King Road and Dorr Street in Toledo (Lucas County) to Oak Openings Region Conservancy, Inc. Consideration for the conveyance is one dollar in accordance with, and subject to, the terms of a July 23, 2013, Consent Order entered in the case of *State of Ohio v. Kings Crossing North LLC, et al.*, Case No. G-4801-CI-200904585-000 (Court of Common Pleas, Lucas County). Under the Consent Order, the property was to be donated to a third party to preserve, maintain, and restore, in perpetuity, the wetlands located on the property. Under the bill, the grantee is required to pay all closing costs including recording costs. Authorization to convey the property expires three years after the bill's effective date.

Section 5 – Developmental Disabilities: Gallipolis Developmental Center, Gallia County

The bill authorizes the Governor to execute a deed conveying the Gallipolis Developmental Center, located at 2500 Ohio Avenue, Gallipolis (Gallia County) to the Board of County Commissioners of Gallia County. The Gallipolis Developmental Center includes four institutional buildings and one auxiliary building situated on approximately 7.7 acres. The bill requires the Director of Administrative Services to offer the real estate to the Board through a real estate purchase agreement. Under the bill, consideration for the conveyance is one dollar. If the Board fails to purchase the property within the time period specified in the real estate purchase agreement, the bill authorizes the Director of Administrative Services to offer the real estate to an alternate grantee using any reasonable method of sale considered acceptable by the Department of Developmental Disabilities (DDD). In that case, the bill requires consideration for the conveyance to be at a price acceptable to both the Director of Administrative Services and the Director of Developmental Disabilities. The bill requires DDD to pay all advertising costs, additional fees, and other costs incident to the sale of the real estate to an alternate grantee. The bill requires the grantee to pay all closing costs, including recording fees, taxes, and any other fees or assessments. The bill requires proceeds of the sale are to be deposited to the credit of the Mental Health Facilities Improvement Fund (Fund 7033) or another fund designated by the Director of Budget and Management.

Section 6 – Department of Rehabilitation and Correction: residential property, Mahoning County

The bill authorizes the Governor to execute a deed conveying a 1,788 square foot single family residence situated on 0.282 acres at 6598 South Timberidge Avenue, Austintown (Mahoning County) to a grantee to be determined by sealed bid auction. Under the bill, the grantee would be the highest bidder provided that the highest bid is acceptable to the Director of Administrative Services and the Director of Rehabilitation and Correction. Under the bill, the purchaser is required to pay 10% of the purchase price to the Director of Administrative Services not later than five business days after receiving notice that the bid has been accepted and the balance of the purchase price not later than 60 days after receiving that notice. Under the bill, if the purchaser fails to complete the purchase, the purchaser forfeits the 10% paid to the state. Additionally, if the purchaser fails to complete the purchase, the Director of Administrative Services may offer the real estate to the next highest bidder, repeat the sealed bid auction, or use an alternative sale process that is acceptable to the Department of Rehabilitation and Correction (DRC). Under the bill all closing costs, including recording fees must be paid by the purchaser. The bill requires proceeds of the sale to be deposited to the credit of the Adult and Juvenile Correctional Facilities Bond Retirement Fund (Fund 7097) and limits the use of the proceeds to debt retirement purposes only.

Section 7 – Department of Rehabilitation and Correction: vacant land, Ross County

The bill authorizes the Governor to execute a deed conveying approximately 8.0 acres of agricultural land located near Moundsville Road and State Route 104, Chillicothe (Ross County), to Ohio Power Company. The bill requires the Director of Administrative Services to offer the real estate to Ohio Power Company through a real estate purchase agreement. Consideration for the conveyance must be at a price acceptable to the directors of Administrative Services and Rehabilitation and Correction. In the event that Ohio Power Company does not complete the purchase, the bill authorizes the Director of Administrative Services to use any reasonable method of sale considered acceptable by DRC to determine an alternate grantee. The bill requires the grantee to pay all closing costs, including recording fees, and specifies that proceeds of the sale must be deposited to the credit of the Adult and Juvenile Correctional Facilities Bond Retirement Fund (Fund 7097) and used for debt retirement purposes only. Under the bill, authorization to convey the property expires three years following the bill's effective date.

Section 8 – Department of Rehabilitation and Correction: environmental easement Big Darby Creek corridor in Pickaway County

The bill requires the Director of Administrative Services to enter into an environmental covenant easement with an appropriate party to protect a corridor along Big Darby Creek on the Orient Prison site in Pickaway County. The bill does not require consideration for the easement but does require the party receiving the easement to record the easement and pay all costs of recordation.

Section 9 – Kent State University: property in Columbiana County

The bill authorizes the Governor to execute a deed conveying property located at 401 College Street and Pleasant Lane, East Liverpool (Columbiana County) to a grantee to be determined. The property includes a 2,600 square foot building situated on approximately 0.08 acres and an adjacent lot of approximately 0.09 acres. The bill requires the Director of Administrative Services to conduct the sale via sealed bid or public auction. Under the bill, the property would be sold to the highest bidder, provided that the bid is acceptable to the Director of Administrative Services and Kent State University (KSU). The bill requires the purchaser to pay 10% of the purchase price to DAS within five days of being notified by the Director that the purchaser's bid has been accepted. Under the bill, the remaining balance would be due at closing. In the event that the purchaser fails to complete the sale, the bill authorizes the Director to offer the real estate to the next highest bidder, repeat the sealed bid or public auction, or use an alternative sale process that is acceptable to KSU to determine an alternate grantee. The bill requires costs of a secondary sale to be paid by KSU. The bill requires all closing costs, including recording fees to be paid by the purchaser. Proceeds of the sale are required to be paid to KSU and deposited in the appropriate university accounts to be used for debt retirement purposes only.

Section 10 – Ohio Facilities Construction Commission: New Vienna Elementary School, Clinton County

The bill authorizes the Governor to execute a deed conveying New Vienna Elementary School (Clinton County) to the Board of Education of East Clinton Local School District. The real estate was originally conveyed to the state as collateral for school construction facility bonds with the intention of conveying title for the real estate to the school district once the construction project was completed. Under the bill, consideration for the conveyance is one dollar which would be deposited to the credit of the GRF. The bill requires the grantee to pay all closing costs, including recording fees. Authorization to convey the property expires three years after the bill's effective date.

Section 11 – Ohio Facilities Construction Commission: Northridge High School property, Licking County

The bill authorizes the Governor to execute a deed conveying approximately 29.8 acres adjacent to Northridge High School (Licking County) to the Board of Education of Northridge Local School District. The real estate was originally conveyed to the state as collateral for school construction facility bonds. Under the bill, consideration for the conveyance is one dollar which would be deposited to the credit of the GRF. The bill requires the grantee to pay all closing costs, including recording fees. Authorization to convey the property expires three years after the bill's effective date.

Section 12 – Ohio History Connection: perpetual easement, Miami County

The bill authorizes the Director of Administrative Services to execute a perpetual easement granting the city of Piqua a perpetual water line easement on approximately 0.12 acres along State Route 66 at the state-owned Johnston Farm and Indian Agency property. The city will use the easement to connect the city's water supply and water treatment plants. The bill sets consideration for the easement at \$426.00 and requires the city to pay recording costs and fees.

Sections 13, 14, 15, and 16 – Ohio State University: vacant land, Franklin and Richland Counties

The bill authorizes the Governor to execute deeds conveying various tracts of vacant land owned by the Ohio State University in Franklin and Richland counties. Under the bill, the tracts would be sold to various grantees pursuant to the terms of real estate purchase agreements. Under the bill, closing costs, including recordation fees would be paid by the grantees and OSU in the manner provided for in the real estate purchase agreements. Proceeds from the sales of properties under sections 13, 14, and 16 would be deposited into university accounts for purposes to be determined by OSU's Board of Trustees. Under the bill, proceeds from the sale of property under section 15 would be deposited to university accounts but may only be used for debt retirement purposes. Table 2, below, provides the specific properties, purchasers, and the consideration to be tendered for each conveyance.

Table 2. Ohio State University Land Conveyances in S.B. 364				
Bill Section	Grantee	Description	County	Consideration
13	Board of Trustees of the Columbus Metropolitan Library	1.30 acres of vacant land located at Taylor Ave. and East Long St., Columbus	Franklin	\$187,000
14	GZD Investments LLC	4.5 acres of vacant land located at North Hamilton Rd., and Beecher Rd., Gahanna	Franklin	\$1.1 million
15	Lennox Station Holdings LLC	0.06 acres of vacant land adjacent to 1570 Olentangy River Rd., Columbus	Franklin	\$95,000
16	Carnegie Management and Development Corp.	29.8 acres of vacant land located at 0 Walker Rd., Mansfield	Richland	\$417,508

For the properties conveyed under sections 14, 15, and 16 of the bill, if any of the grantees fails to complete their purchase within the timeframe specified in the real estate purchase agreement, the bill allows OSU to use any reasonable means of sale acceptable to OSU's Board of Trustees to determine alternate grantees. For all of the OSU properties to be conveyed under the bill, authorization to complete the conveyances expires three years following the bill's effective date.

Section 17 – Ohio State University: perpetual easement, Franklin County

The bill authorizes the Director of Administrative Services to execute a perpetual easement granting the city of Columbus a perpetual easement for sanitary sewer purposes on approximately 2.4 acres along Cannon Drive between King Avenue and John H. Herrick Drive, Columbus (Franklin County). The bill sets consideration for the easement at one dollar and requires the city to pay recording costs and fees.

Section 18 – Ohio University: residential structure, Athens County

The bill authorizes the Governor to execute a deed conveying property located at 78 Columbia Avenue, Athens (Athens County) owned by Ohio University (OU) to a grantee to be determined. Under the bill, the property which contains a 1,556 square foot residential structure would be sold via public sealed bid or public auction. Under the bill, the property would be sold to the highest bidder, provided that the bid is acceptable to the Director of Administrative Services and OU. The bill requires the purchaser to pay 10% of the purchase price to DAS within five days of being notified by the Director that the purchaser's bid has been accepted. Under the bill, the remaining balance would be due at closing. In the event that the purchaser fails to complete the sale, the bill authorizes the Director to offer the real estate to the next highest bidder, repeat the sealed bid or public auction, or use an alternative sale process that is acceptable to OU to determine an alternate grantee. The bill requires costs of a secondary sale to be paid by OU. The bill requires all closing costs, including recording fees to be paid by the purchaser. Proceeds of the sale are required to be paid to OU and deposited into the Ohio University Endowment Fund.

Sections 19 and 20 – University of Cincinnati: parking lots, Hamilton County

The bill authorizes the Governor to execute deeds conveying two properties owned by the University of Cincinnati (UC). Under the bill, the sales would be conducted via real estate purchase agreements. The first property, a 2.1 acres parking lot located at 217 Erkenbreecher Avenue, Cincinnati (Hamilton County) would be conveyed to Children's Hospital Medical Center. Consideration for the property is \$1.9 million under the bill. The second property, a 1.4 acres parking lot located at the intersection of Highland Avenue and Martin Luther King Drive, Cincinnati (Hamilton County) would be conveyed to UC Health LLC. Consideration for this property is \$1.8 million under the bill. For either property, if the grantee does not complete the purchase the alternate grantees can be selected using any reasonable method of sale acceptable to UC's Board of Trustees. Under the bill, the grantees would be responsible to pay all closing costs, including recordation costs and fees. The bill requires proceeds from the sales to be deposited into university accounts for purposes to be determined by UC's Board of Trustees. Authorization to convey the properties expires three years following the bill's effective date.

Section 21 – Youngstown State University: vacant land, Mahoning County

The bill authorizes the Governor to execute a deed conveying 0.2 acres of vacant land located at West Rayen Avenue, and Lincoln Avenue, Youngstown (Mahoning County) to Charles H. and Margaret A. Staples. Under the bill, consideration for the conveyances is 0.12 acres of vacant land along Grant Street, Youngstown (Mahoning County). The bill requires the grantee to pay all closing costs including recordation costs and fees.

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