



Ohio Legislative Service Commission

Bill Analysis

Wendy H. Gridley

Sub. H.B. 238*

131st General Assembly

(As Reported by S. State and Local Government)

Reps. Sears and McColley, Brown, Blessing, Green, Buchy, Derickson, Fedor, Huffman, Schuring, Sheehy

BILL SUMMARY

- Authorizes 18 conveyances of state-owned real estate to various persons, by various methods, including by direct sale, sealed proposal, sealed bid auction, or public auction.
- Authorizes the execution of a perpetual water line easement to the city of Piqua.
- Authorizes OBM to transfer moneys in the Adult and Juvenile Correctional Facilities Bond Retirement Fund to any fund created in the state treasury that is administered by the Department of Rehabilitation and Correction or the Department of Youth Services.
- Establishes the Community Programs Fund and specifies the purposes for which moneys in the fund may be used by the Department of Rehabilitation and Correction.

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* This analysis was prepared before the report of the Senate State and Local Government Committee appeared in the Senate Journal. Note that the list of co-sponsors and the legislative history may be incomplete.

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CONTENT AND OPERATION

Real estate conveyances

The act authorizes the following public land conveyances:

| Grantee | Property reference | Location of property | Consideration |
|---|--|--------------------------------|---|
| A purchaser, its heirs, successors, and assigns <i>(Section 3)</i> | North Central Correctional Institution and the North Central Correctional Institution Camp | Marion County, City of Marion | The Director of Administrative Services to conduct a sale by sealed proposal, sealed bid auction, or public auction. If by sealed proposal, offeror whose proposal is most advantageous to the state. If by sealed bid auction or public auction, to the highest responsive and responsible bidder at a price acceptable to the Director. |
| A purchaser, its heirs, successors and assigns <i>(Section 4)</i> | Halfway house facility, Turtle Creek Center | Warren County, City of Lebanon | Director of Administrative Services to conduct a sale by sealed bid auction or public auction, to be sold to the highest bidder at a price acceptable to the Directors of Administrative Services and Rehabilitation and Correction. |
| A grantee, and to the grantee's heirs and assigns or successors and assigns <i>(Section 5)</i> | See legal description in bill | Athens County, Athens Township | Director of Administrative Services to conduct a sale of the real estate by sealed bid auction or public auction, and the real estate must be sold to the highest bidder at a price acceptable to the Director and Ohio University. |
| A grantee, and to the grantee's heirs | See legal description in | Athens County, city of | Director of Administrative Services to conduct a sale of the real estate |



| Grantee | Property reference | Location of property | Consideration |
|---|-------------------------------|--|--|
| and assigns or successors and assigns (<i>Sections 6, 7, 8, 18, and 19</i>) | bill | Athens | described in Sections 6, 7, 8, 18, and 19 by five separate auctions, sealed bid or public, and the real estate described in each section must be sold to the highest bidder at a price acceptable to the Director and Ohio University. |
| A grantee, and the grantee's heirs and assigns or successors and assigns (<i>Section 9</i>) | See legal description in bill | Franklin County, Montgomery Township, city of Columbus | The Director of Administrative Services must conduct a sale of the real estate by sealed bid auction or public auction, and the real estate must be sold to the highest bidder at a price acceptable to the Director of Administrative Services and the Director of Job and Family Services. The Director of Administrative Services is prohibited from accepting an offer that is lower than an amount that is 15% below the value determined by an external appraisal. |
| A grantee, and the grantee's heirs and assigns or successors and assigns (<i>Section 10</i>) | Ohio Company purchase | Athens County | The Director of Administrative Services must conduct a sale of the real estate by sealed bid auction or public auction, and the real estate must be sold to the highest bidder at a price acceptable to the Director of Administrative Services and Ohio University. |
| The Board of County Commissioners of Ottawa County, Ohio, and its successors and assigns (<i>Section 11</i>) | See legal description in bill | Ottawa County, Erie Township | \$1 under a real estate purchase contract executed by the Board of County Commissioners of Ottawa County, Ohio, and the Director of Administrative Services. |
| The city of Columbus and its successors and assigns (<i>Section 12</i>) | See legal description in bill | Franklin County, city of Columbus | In-kind benefit of 130 exclusive parking spaces within a parking garage to be constructed by the grantee on the site being conveyed. |
| The city of Massillon and its successors and assigns (<i>Section 13</i>) | See legal description in bill | Stark County, Perry Township, city of Massillon | A price acceptable to the Director of Administrative Services and the Director of Mental Health and Addiction Services, and pursuant to a real estate purchase agreement as prepared by the Department of Administrative Services. |



| Grantee | Property reference | Location of property | Consideration |
|--|--|---|---|
| The city of Dublin and to its successors and assigns <i>(Section 14)</i> | See legal description in bill | Union County, city of Dublin, Franklin County, Township of Washington | \$1 under a real estate purchase contract prepared and approved by the Director of Administrative Services. |
| The Board of Trustees of the Ohio State University, and to its successors and assigns <i>(Section 15)</i> | Ohio State University Airport | Franklin County, city of Columbus | As consideration for the conveyance of 9.009 acres of the real estate, the grantee must simultaneously convey at closing to grantor, fee simple title by fiduciary deed to three parcels of land with an aggregate total of 9.009 acres, the legal descriptions for which are to be agreed upon by grantor and grantee. |
| The city of Toledo and to its successors and assigns <i>(Section 16)</i> | Railroad property | Lucas County, city of Toledo | \$34,500. |
| GT Technologies, Inc., a Delaware corporation, and to its successors and assigns <i>(Section 17)</i> | United States Twelve Mile Square Reservation | Lucas County, city of Toledo | \$42,000 under a real estate purchase contract executed by the grantee and the Director of Administrative Services. |
| City of Piqua and its successors and assigns <i>(Section 20)</i> | Perpetual water line easement in Piqua | Miami County | \$610. |
| Quest Recovery and Prevention Services, its successors and assigns <i>(Section 21)</i> | State Department of Mental Health and Addiction Services | Stark County, city of Massillon | \$150,000, under a real estate purchase agreement as prepared by the Department of Administrative Services, to be deposited into the state treasury to the credit of the Department of Mental Health and Addiction Services Trust Fund. |

The legal descriptions of the parcels of land are in the act.¹ The legal descriptions may be adjusted to accommodate any corrections necessary to facilitate recordation of the deeds.

¹ Sections 3 through 21.



To convey a parcel of land under the act, the Auditor of State, with the assistance of the Attorney General, prepares each deed. Deeds are executed by the Governor in the name of the state, countersigned by the Secretary of State, sealed with the Great Seal of the State, presented in the Office of the Auditor of State for recording, and delivered to the grantee, who must present the deed for recording at the office of the county recorder.

Each conveyance must include improvements and chattels situated on the real estate, and is subject to all easements, covenants, conditions, and restrictions of record; all legal highways and public rights-of-way; zoning, building, and other laws, ordinances, restrictions, and regulations; and real estate taxes and assessments not yet due and payable. The real estate must be conveyed in "as-is, where-is, with all faults" condition.

Under the bill, each deed may contain restrictions, exceptions, reservations, reversionary interests, and other terms and conditions the Director of Administrative Services determines to be in the best interest of the state.

Expiration date for the conveyances

The authorization for all the land conveyances in the bill expires three years after the effective date of the bill.

North Central Correctional Institution and Camp properties (Section 3 of the bill)

Under the bill, the conveyance of the facility includes any improvements and chattels situated thereon. The conveyance is subject to all easements, covenants, conditions, and restrictions of record; all legal highways and public rights-of-way; zoning, building, and other laws, ordinances, restrictions, and regulations; and real estate taxes and assessments not yet due and payable. Also, the deed may contain restrictions, exceptions, reservations, reversionary interests, and other terms and conditions the Director of Administrative Services determines to be in the best interest of the state, including restrictions prohibiting the purchaser from occupying, using, or developing, or from selling, the real estate, or the facility thereon, except in conformance with the restrictions, or if the use, development, or sale will interfere with the quiet enjoyment of the neighboring state-owned land. The deed must contain a restriction that the use of the facility is limited to a correctional institution for the housing of inmates under the Department of Rehabilitation and Correction.

The bill specifies that, subsequent to the conveyance, any restriction, exception, reservation, reversionary interest, or other term and condition contained in the deed may be released by the state without the necessity of further legislation.



The bill requires that the Director of Administrative Services conduct a sale of the real estate by sealed proposal, sealed bid auction, or public auction. If the sale is conducted by sealed proposal, the sale may be made to the offeror whose proposal is determined to be the most advantageous to the state. If the sale is conducted by sealed bid auction or public auction, the real estate must be sold to the highest responsive and responsible bidder at a price acceptable to the Directors of Administrative Services and Rehabilitation and Correction. Furthermore, the Director of Administrative Services must advertise the sealed proposal, sealed bid auction, or public auction by publication in a newspaper of general circulation in Marion County, once a week for three consecutive weeks before the date on which the sealed bids are to be opened or the auction takes place. Also, the Director must notify the successful offeror or bidder in writing, and may reject any or all bids.

The bill requires that the purchaser pay a deposit of ten per cent of the purchase price to the Director of Administrative Services not later than five business days after receiving a notice that the purchaser's proposal or bid has been accepted, and must enter into a real estate purchase agreement in the form prescribed by the Department of Administrative Services. The purchaser must pay the balance of the purchase price at closing, which must occur not later than 60 days after execution of the purchase agreement. Payment must be made by certified check made payable to the Treasurer of State. A purchaser who does not satisfy the conditions of the sale must forfeit as liquidated damages the ten per cent deposit paid to the state. If the Director rejects all proposals or bids, the Director may repeat the sealed proposal, sealed bid auction, or public auction.

Under the bill, the sale of the facility, real estate, its improvements and chattels, must be "as-is, where-is, with all faults" in its present condition. The bill specifies that the state reserves the right to house inmates, and operate and manage the facility as a correctional institution, either with its own employees or through an operations and management contract. If the facility is operated and managed through an operations and management contract, the contract must not be awarded to the purchaser of the property without the state having rebid the operating and management contract for a term commencing after any then-current term expires. The bill further specifies that a bid that seeks to combine the purchase of the facility with the right to operate and manage the facility through an operations and management contract must stipulate and be conditioned upon the operations and management contract not becoming effective until the expiration of the current operations and management contract. In exchange for the right to house, operate, and manage the facility, the state must negotiate and execute a contract with a successful purchaser for reimbursement of the reasonable costs associated with ownership of the facility. The contract and conveyance of the real estate is subject to an existing operation and management contract for the facility, dated



August 31, 2011, with the Management and Training Corporation and the Department of Administrative Services, on behalf of the Department of Rehabilitation and Correction or any successor operation and management contract for the facility.

The bill specifies that if the Directors of Administrative Services and Rehabilitation and Correction convey the real estate to a grantee, the real estate purchase agreement must include at least the following terms and conditions:

(1) An agreement for the sale to the purchaser of the state's right, title, and interest in the facility;

(2) Notwithstanding any provision of the Revised Code, authorization for the transfer to the purchaser of any supplies, equipment, furnishings, fixtures, or other assets of the state located at the facility considered necessary by the Directors of Rehabilitation and Correction and Administrative Services for the continued operation and management of the facility. Any such supplies, equipment, furnishings, fixtures, or other assets must not be considered supplies, excess supplies, or surplus supplies;

(3) A binding commitment that irrevocably grants to the state a right, upon the occurrence of any triggering event to repurchase the facility. The triggering events and the procedures for a repurchase under the irrevocable grant are as follows:

(a) Before the purchaser, or the purchaser's successor in title, may resell or otherwise transfer the facility that is to be transferred under the purchase agreement, the purchaser or its successor or assign first must offer to the state the opportunity to repurchase the facility for a price not greater than the purchase price paid by the purchaser to the state for the facility, less depreciation from the time of the conveyance of the facility, to the purchaser or its successor or assign, plus the depreciated value of any capital improvements to the facility, that were made to it and funded by anyone other than the state subsequent to the conveyance to the purchaser. The repurchase opportunity must be offered to the state not less than 120 days before the purchaser or its successor or assign intends to resell or otherwise transfer the facility. After being offered the repurchase opportunity, the state has the right to repurchase the facility that is to be resold or otherwise transferred for the price described in this subdivision.

(b) Upon the purchaser's, or the purchaser's successor's or assign's, default of any financial agreement for the purchase of the facility, or upon the purchaser's, or the purchaser's successor's or assign's, financial insolvency or inability to meet its contractual obligations, the state must have the right to repurchase the facility for a price not greater than the purchase price paid by the purchaser to the state for the facility, less depreciation from the time of the conveyance of the facility to the purchaser or its successor, plus the depreciated value of any capital improvements to the facility



that were made to it and funded by anyone other than the state subsequent to the conveyance to the contractor.

(4) A requirement that the purchase agreement is subject to the existing operation and management contract, between the Management and Training Corporation and the Department of Administrative Services. If that contract is terminated, then the operation and management responsibilities must be transferred to the Department of Rehabilitation and Correction unless the Department decides to competitively solicit such responsibilities to another contractor under similar terms and conditions that applied to that contract. The purchase agreement must be subject to the right of the Department to operate and manage the facility or competitively solicit that right with a contractor unless the Department decides it no longer needs to so use the facility.

The Department of Rehabilitation and Correction or new contractor, whichever is applicable, is authorized to enter into an agreement with the Management and Training Corporation to purchase their equipment, supplies, furnishings, and consumables.

(5) The Department of Rehabilitation and Correction must pay advertising costs incident to the sale of the real estate.

The bill also requires that the real estate be sold as an entire tract and not in parcels, and that the purchaser must pay all costs associated with the closing and the facility conveyance, including at least title evidence, title insurance, transfer costs and fees, recording costs and fees, taxes, and any other fees, assessments, and costs that may be imposed.

The bill specifies that proceeds of the conveyance of the facility and real estate must be deposited into the state treasury to the credit of the Adult and Juvenile Correctional Facilities Bond Retirement Fund.

Halfway house facility, Turtle Creek Center property (Section 4 of the bill)

Under the bill, the conveyance of the facility must include any improvements and chattels situated thereon. The conveyance is subject to all easements, covenants, conditions, and restrictions of record; all legal highways and public rights-of-way; zoning, building, and other laws, ordinances, restrictions, and regulations; and real estate taxes and assessments not yet due and payable.

The bill specifies that the deed may contain restrictions, exceptions, reservations, reversionary interests, and other terms and conditions the Director of Administrative Services determines to be in the best interest of the state, including restrictions prohibiting the purchaser from occupying, using, or developing, or from selling, the



real estate, or the facility thereon, except in conformance with the restrictions, or if the use, development, or sale will interfere with the quiet enjoyment of the neighboring state-owned land.

The bill specifies that, subsequent to the conveyance, any restriction, exception, reservation, reversionary interest, or other term and condition contained in the deed may be released by the state without the necessity of further legislation.

The bill requires that the Director of Rehabilitation and Correction convey the real estate upon terms that it determines, subject to approval by the Governor.

Under the bill, the Director of Administrative Services must conduct a sale of the real estate by sealed bid auction or public auction, and the real estate must be sold to the highest bidder at a price acceptable to the Directors of Administrative Services and Rehabilitation and Correction. The Director of Administrative Services must advertise the sealed bid auction or public auction by publication in a newspaper of general circulation in Warren County, once a week for three consecutive weeks before the date on which the sealed bids are to be opened or the auction takes place. The Director must notify the successful bidder in writing and may reject any or all bids.

The bill requires the purchaser pay a deposit of ten per cent of the purchase price to the Director of Administrative Services not later than five business days after receiving notice that the purchaser's bid has been accepted, and must enter into a real estate purchase agreement in the form prescribed by the Department of Administrative Services. The purchaser must pay the balance of the purchase price at closing, which must occur not later than sixty days after execution of the purchase agreement. Payment must be made by certified check made payable to the Treasurer of State. A purchaser who does not complete the conditions of the sale as prescribed in this division must forfeit as liquidated damages the ten per cent deposit paid to the state. If a purchaser fails to complete the purchase, the Director may accept the next highest bid, subject to the foregoing conditions. If the Director rejects all bids, the Director may repeat the sealed bid auction or public auction.

The bill requires that the conveyance of the facility, real estate, its improvements and chattels be "as-is, where-is, with all faults" in its present condition.

Also, the bill requires that, if the Directors of Administrative Services and Rehabilitation and Correction convey the real estate to a purchaser, the real estate purchase agreement must include at least the following terms and conditions:

(1) An agreement for the sale to the purchaser of the state's right, title, and interest in the halfway house facility;



(2) A provision, notwithstanding the Revised Code, authorizing the transfer to the purchaser of any supplies, equipment, furnishings, fixtures, or other assets of the state located at the halfway house facility, considered necessary by the Directors of Rehabilitation and Correction and Administrative Services for the continued operation and management of the halfway house facility. Any such supplies, equipment, furnishings, fixtures, or other assets must not be considered supplies, excess supplies, or surplus supplies;

(3) A requirement that if the current operation and management contract between the Department of Rehabilitation and Correction and Talbert House, Inc., is terminated, then the purchaser of the halfway house facility may enter into an agreement with the Talbert House, Inc., to purchase their equipment, supplies, furnishings, and consumables.

The bill requires the Department of Rehabilitation and Correction to pay advertising costs incident to the sale of the real estate.

The bill requires that the real estate be sold as an entire tract and not in parcels.

The bill requires that the purchaser pay all costs associated with the closing and the facility conveyance, including at least surveys, title evidence, title insurance, transfer costs and fees, recording costs and fees, taxes, and any other fees, assessments, and costs that may be imposed.

The bill requires that the proceeds of the conveyance of the real estate be deposited into the state treasury to the credit of the Adult and Juvenile Correctional Facilities Bond Retirement Fund.

Athens Township property (Section 5 of the bill)

Under the bill, subsequent to the conveyance, any restrictions, exceptions, reservations, reversionary interests, or other terms and conditions contained in the deed may be released by the state or Ohio University without the necessity of further legislation.

The bill requires the Director of Administrative Services to conduct a sale of the real estate by sealed bid auction or public auction, and the real estate must be sold to the highest bidder at a price acceptable to the Director and Ohio University. The Director must advertise the sealed bid auction or public auction by publication in a newspaper of general circulation in Athens County, once a week for three consecutive weeks before the date on which the sealed bids are to be opened. The Director must notify the successful bidder in writing, and may reject any or all bids.



The bill requires that the purchaser pay a deposit of 10% of the purchase price to the Director of Administrative Services not later than five business days after receiving notice that the purchaser's bid has been accepted, and enter into a real estate purchase agreement in the form prescribed by the Department of Administrative Services. The purchaser must pay the balance of the purchase price at closing, which must occur not later than 60 days after execution of the purchase agreement. Payment must be made in cash or by certified check made payable to the Treasurer of State. A purchaser who does not satisfy the conditions of the sale as prescribed in this section or the terms and conditions of the purchase agreement must forfeit as liquidated damages the 10% deposit paid to the state. If a purchaser fails to complete the purchase, the Director may accept the next highest bid, subject to the foregoing conditions. If the Director rejects all bids, the Director may repeat the sealed bid auction or public auction, or may use an alternative sale process that is acceptable to Ohio University.

The bill requires that Ohio University pay advertising and other costs incident to the sale of the real estate.

The bill requires that the grantee pay all costs associated with the purchase, closing, and conveyance of the real property, including surveys, title evidence, title insurance, transfer costs and fees, recording costs and fees, taxes, and any other fees, assessments, and costs that may be imposed.

The bill requires that the net proceeds of the sale of the real estate be paid to Ohio University and deposited into the appropriate university accounts for the benefit of Ohio University.

Property in the city of Athens (Sections 6, 7, 8, 18, and 19 of the bill)

The bill contains five separate land conveyances for real estate that is located in the city of Athens. Sections 6, 7, 8, 18, and 19 of the bill each contain legal descriptions of property. The real estate listed in each section must be sold as an entire tract and not in parcels. Under the bill, the following conditions and requirements apply to each of these three authorized land conveyances:

Subsequent to the conveyance, any restrictions, exceptions, reservations, reversionary interests, or other terms and conditions contained in the deed may be released by the state or Ohio University without the necessity of further legislation.

The Director of Administrative Services is to conduct a sale of the real estate by sealed bid auction or public auction, and the real estate must be sold to the highest bidder at a price acceptable to the Director and Ohio University. The Director must advertise the sealed bid auction or public auction by publication in a newspaper of general circulation in Athens County, once a week for three consecutive weeks before



the date on which the sealed bids are to be opened. The Director must notify the successful bidder in writing, and the Director may reject any or all bids.

The purchaser must pay a deposit of 10% of the purchase price to the Director of Administrative Services not later than five business days after receiving notice that the purchaser's bid has been accepted, and must enter into a real estate purchase agreement in the form prescribed by the Department of Administrative Services. The purchaser must pay the balance of the purchase price at closing, which must occur not later than 60 days after execution of the purchase agreement. Payment must be made in cash or by certified check made payable to the Treasurer of State. A purchaser who does not satisfy the conditions of the sale or the terms and conditions of the purchase agreement must forfeit as liquidated damages the 10% deposit paid to the state. If a purchaser fails to complete the purchase, the Director may accept the next highest bid, subject to the foregoing conditions. If the Director rejects all bids, the Director may repeat the sealed bid auction or public auction, or may use an alternative sale process that is acceptable to Ohio University.

Ohio University must pay advertising and other costs incident to the sale of the real estate.

The grantee must pay all costs associated with the purchase, closing, and conveyance of the real property, including surveys, title evidence, title insurance, transfer costs and fees, recording costs and fees, taxes, and any other fees, assessments, and costs that may be imposed.

The net proceeds of the sale of the real estate must be paid to Ohio University and deposited into the appropriate university accounts for the benefit of Ohio University.

Property in the city of Columbus (Section 9 of the bill)

The bill requires that the real estate be sold as an entire tract and not in parcels.

Subsequent to the conveyance, any restrictions, exceptions, reservations, reversionary interests, or other terms and conditions contained in the deed may be released by the state or the Department of Job and Family Services without the necessity of further legislation.

Under the bill, the deed may contain restrictions prohibiting the grantee or grantees from occupying, using, or developing, or from selling, the real estate such that the use or alienation will interfere with the quiet enjoyment of neighboring state owned land.



The bill authorizes the Director of Administrative Services to offer the real estate for sale through a sealed bid auction or public auction. The method of sale and disposition of the real estate must be determined by the Director of Administrative Services and the Director of Job and Family Services.

The bill authorizes the Director of Administrative Services to conduct a sale of the real estate by sealed bid auction or public auction, and the real estate must be sold to the highest bidder at a price acceptable to the Director of Administrative Services and the Director of Job and Family Services. The Director of Administrative Services must advertise the sealed bid auction or public auction by publication in a newspaper of general circulation in Franklin County, once a week for three consecutive weeks before the date on which the sealed bids are to be opened. The Director of Administrative Services must notify the successful bidder in writing, and may reject any or all bids.

Under the bill, the Director of Administrative Services may not accept an offer that is lower than an amount that is 15% below the value determined by an external appraisal.

The bill requires that the purchaser pay a deposit of 10% of the purchase price to the Director of Administrative Services not later than five business days after receiving notice that the purchaser's bid has been accepted, and must enter into a real estate purchase agreement in the form prescribed by the Department of Administrative Services. The purchaser must pay the balance of the purchase price at closing, which must occur not later than 60 days after execution of the purchase agreement. Payment must be made in cash or by certified check made payable to the Treasurer of State. A purchaser who does not satisfy the conditions of the sale or the terms and conditions of the purchase agreement must forfeit as liquidated damages the 10% deposit paid to the state. If a purchaser fails to complete the purchase, the Director may accept the next highest bid, subject to the foregoing conditions. If the Director rejects all bids, the Director may repeat the sealed bid auction or public auction, or may use the sale process described above.

Under the bill, the Department of Job and Family Services must pay advertising and other costs incident to the sale of the real estate.

The bill requires that the purchaser pay all costs associated with the purchase, closing, and conveyance of the subject real property, including surveys, title evidence, title insurance, transfer costs and fees, recording costs and fees, taxes, and any other fees, assessments, and costs that may be imposed.

The net proceeds of the sale must be deposited into the state treasury to the credit of the Unemployment Compensation Special Administrative Fund.



Ohio Company purchase property Athens County (Section 10 of the bill)

Under the bill, the real estate must be sold as an entire tract and not in parcels. Subsequent to the conveyance, any restrictions, exceptions, reservations, reversionary interests, or other terms and conditions contained in the deed may be released by the state or Ohio University without the necessity of further legislation.

The bill requires that the Director of Administrative Services conduct a sale of the real estate by sealed bid auction or public auction, and the real estate must be sold to the highest bidder at a price acceptable to the Director of Administrative Services and Ohio University. The Director must advertise the sealed bid auction or public auction by publication in a newspaper of general circulation in Athens County, once a week for three consecutive weeks before the date on which the sealed bids are to be opened. The Director must notify the successful bidder in writing, and may reject any or all bids.

The bill requires that the purchaser pay a deposit of 10% of the purchase price to the Director of Administrative Services not later than five business days after receiving a notice that the purchaser's bid has been accepted, and must enter into a real estate purchase agreement in the form prescribed by the Department of Administrative Services. The purchaser must pay the balance of the purchase price at closing, which must occur not later than 60 days after execution of the purchase agreement. Payment must be made in cash or by certified check made payable to the Treasurer of State. A purchaser who does not satisfy the conditions of the sale or the terms and conditions of the purchase agreement must forfeit as liquidated damages the 10% deposit paid to the state. If a purchaser fails to complete the purchase, the Director may accept the next highest bid, subject to the foregoing conditions. If the Director rejects all bids, the Director may repeat the sealed bid auction or public auction, or may use an alternative sale process that is acceptable to Ohio University.

The bill requires that Ohio University pay advertising and other costs incident to the sale of the real estate. And the bill requires that the grantee must pay all costs associated with the purchase, closing, and conveyance of the real property, including surveys, title evidence, title insurance, transfer costs and fees, recording costs and fees, taxes, and any other fees, assessments, and costs that may be imposed.

The bill requires that the net proceeds of the sale of the real estate must be paid to Ohio University and deposited into the appropriate university accounts for the benefit of Ohio University.

Property in Erie Township, Ottawa County (Section 11 of the bill)

Under the bill, the real estate must be sold as an entire tract and not in parcels.



Subsequent to the conveyance, any restrictions, exceptions, reservations, reversionary interests, or other terms and conditions contained in the deed may be released by the state or the Ohio Adjutant General's Department without the necessity of further legislation.

The bill requires the grantee to pay all costs associated with the purchase, closing, and conveyance, including surveys, title evidence, title insurance, transfer costs and fees, recording costs and fees, taxes, and any other fees, assessments, and costs that may be imposed.

The bill requires the net proceeds of the sale to be deposited into the state treasury to the credit of the Armory Improvements Fund.

Property in the city of Columbus (Section 12 of the bill)

Under the bill, the real estate must be sold as an entire tract and not in parcels.

Subsequent to the conveyance, any restrictions, exceptions, reservations, reversionary interests, or other terms and conditions contained in the deed may be released by the state or the Bureau of Workers' Compensation without the necessity of further legislation.

The bill requires the grantee to pay all costs associated with the purchase, closing, and conveyance, including closing costs, surveys, title evidence, title insurance, transfer costs and fees, recording costs and fees, taxes, and any other fees, assessments, and costs that may be imposed on the conveyance.

Perry Township property (Section 13 of the bill)

Under the bill, the real estate must be sold as an entire tract and not in parcels.

Subsequent to the conveyance, any restrictions, exceptions, reservations, reversionary interests, or other terms and conditions contained in the deed may be released by the state or the Department of Mental Health and Addiction Services without the necessity of further legislation.

The bill requires the grantee to pay all costs associated with the purchase, closing, and conveyance of the real property, including the appraisal, surveys, title evidence, title insurance, transfer costs and fees, recording costs and fees, taxes, and any other fees, assessments, and costs that may be imposed.

The bill requires that the net proceeds of the sale be deposited into the state treasury to the credit of the Department of Mental Health and Addiction Services Trust Fund.



City of Dublin and Township of Washington property (Section 14 of the bill)

Under the bill, the real estate must be sold as an entire tract and not in parcels.

Subsequent to the conveyance, any restrictions, exceptions, reservations, reversionary interests, or other terms and conditions contained in the deed may be released by the state or Ohio University without the necessity of further legislation.

The bill requires the grantee to pay all costs associated with the purchase, closing, and conveyance, including the cost of surveys, title examination, title insurance, transfer fees, and recording fees.

The bill requires that the net proceeds of the sale be deposited into the state treasury to the credit of the General Revenue Fund.

City of Columbus property for Ohio State University (Section 15 of the bill)

Under the bill, the real estate must be sold as an entire tract and not in parcels.

The real estate must be conveyed subject to all easements, covenants, conditions, and restrictions of record; all legal highways and public rights-of-way; zoning, building, and other laws, ordinances, restrictions, and regulations; and real estate taxes and assessments not yet due and payable and the following reservations and restrictions:

(1) There is reserved to the grantor, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real estate. This public right of flight includes the right to cause in the airspace any noise inherent in the operation of any aircraft used for navigation or flight through the airspace or landing at, taking off from, or operation on the Ohio State University Airport.

(2) The grantor reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of entry onto the real estate to cut, remove, or lower any building, structure, poles, trees, or other object, whether natural or otherwise, of a height in excess of Federal Aviation Regulation (FAR) Part 77 (surfaces relating to the Ohio State University Airport). This public right must include the right to mark or light as obstructions to air navigation, any and all buildings, structures, poles, trees, or other objects that may at any time project or extend above the surfaces.

(3) The grantee expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth, and other requirements set forth in Part 77 of the Federal Aviation Administration (FAA) Regulations, as amended, or any similar regulations which may be enacted relating to the Ohio State University Airport.



(4) The grantee expressly agrees for itself, its successors and assigns, to file a notice consistent with requirements of FAR Part 77 (FAA Form 7460-1) prior to constructing any facility, structure, or other item on the real estate.

(5) The grantee expressly agrees for itself, its successors and assigns, to not hereafter use, nor permit, nor suffer use of the real estate in such a manner as to create electrical interference with radio communication between the installation upon the Ohio State University Airport and aircraft or as to make it difficult for fliers to distinguish between airport lights and others, or as to impair visibility in the vicinity of the airport, or as otherwise to endanger the landing, taking off, or maneuvering of aircraft.

(6) The grantee expressly agrees for itself, its successors and assigns, to not hereafter use, permit, nor suffer use of the real estate in such a manner as to create a potential for attracting birds and other wildlife which may pose a hazard to aircraft.

The foregoing covenants and agreements must run with the land, as described in the bill, for the benefit of the grantor and its successors and assigns in the ownership and operation of the Ohio State University Airport.

The bill requires the grantee to pay all fees and costs associated with the exchange and conveyance of the real estate, as well as all costs associated with the exchange and conveyance of the real estate, including: surveying costs; title costs; preparation of metes and bounds property descriptions; appraisals; environmental studies, assessments, and remediation; and recordation costs of the deeds.

Existing railroad property (Section 16 of the bill)

Under the bill, the real estate must be sold as an entire tract and not in parcels.

Subsequent to the conveyance, any restrictions, exceptions, reservations, reversionary interests, or other terms and conditions contained in the deed may be released by the state or the University of Toledo without the necessity of further legislation.

The bill requires the grantee pay all costs associated with the purchase, closing, and conveyance, including the cost of surveys, title examination, title insurance, transfer fees, and recording fees.

The bill requires the grantee to pay all costs associated with the purchase, closing, and conveyance, including surveys, title evidence, title insurance, transfer costs and fees, recording costs and fees, taxes, and any other fees, assessments, and costs that may be imposed.



The bill requires the net proceeds of the sale to be deposited into the state treasury to the credit of the General Revenue Fund.

United States Twelve Mile Square Reservation (Section 17 of the bill)

Under the bill, the real estate must be sold as an entire tract and not in parcels.

Subsequent to the conveyance, any restrictions, exceptions, reservations, reversionary interests, or other terms and conditions contained in the deed may be released by the state or the University of Toledo without the necessity of further legislation.

The bill requires the grantee to pay all costs associated with the purchase, closing, and conveyance, including the cost of surveys, title examination, title insurance, transfer fees, and recording fees.

The bill requires the grantee to pay all costs associated with the purchase, closing, and conveyance, including surveys, title evidence, title insurance, transfer costs and fees, recording costs and fees, taxes, and any other fees, assessments, and costs that may be imposed.

The bill requires the net proceeds of the sale to be deposited into the state treasury to the credit of the General Revenue Fund.

City of Piqua water line easement (Section 20 of the bill)

The bill states that the Director of Administrative Services has determined that the granting of a perpetual easement affecting an existing water supply line on property near the Johnston Farm and Indian Reservation to the city of Piqua, would be in the best interest of the state of Ohio.

Accordingly, the bill requires the Director of Administrative Services to prepare and execute the perpetual water line easement document affecting the real estate.

The bill requires the city of Piqua, at its sole expense, to present the fully executed easement document for recording in the office of the Miami County Recorder.

Property in the city of Massillon (Section 21 of the bill)

Under the bill, this conveyance must include improvements and chattels situated on the real estate, and is subject to all easements, covenants, conditions, and restrictions of record; all legal highways and public rights-of-way; zoning, building, and other laws, ordinances, restrictions, and regulations; and real estate taxes and assessments not yet



due and payable. The real estate must be conveyed in an "as-is, where-is, with all faults" condition.

Also, the deed must contain a use restriction limiting use of the real estate for behavioral health or addiction services purposes only, and prohibiting the use of the real estate as a locked incarcerate facility, and the deed may contain additional restrictions, exceptions, reservations, reversionary interests, and other terms and conditions the Director of Administrative Services determines to be in the best interest of the state.

Subsequent to the conveyance, any restrictions, exceptions, reservations, reversionary interests, or other terms and conditions contained in the deed may be released by the state or the Department of Mental Health and Addiction Services.

The bill specifies that if Quest Recovery and Prevention Services, Inc., does not complete the purchase of the real estate and close within the time period provided in the real estate purchase agreement, the Director of Administrative Services may use any reasonable method of sale considered acceptable by the Department of Mental Health and Addiction Services to locate an alternate grantee willing to purchase the real estate. In that event, the Department of Mental Health and Addiction Services must pay all advertising costs, additional fees, and other costs incident to the sale of the real estate.

Under the bill, the grantee must pay all costs associated with the purchase, closing, and conveyance of the subject real property, including the appraisal, surveys, title evidence, title insurance, transfer costs and fees, recording costs and fees, taxes, and any other fees, assessments, and costs that may be imposed.

Prior to the closing and sale of the subject real estate, the grantee's use and possession of the subject real estate is to be governed by an existing interim lease between the Department of Administrative Services and the grantee. (Section 8 of the bill.)

Under the bill, this conveyance must include improvements and chattels situated on the real estate, and is subject to all easements, covenants, conditions, and restrictions of record; all legal highways and public rights-of-way; zoning, building, and other laws, ordinances, restrictions, and regulations; and real estate taxes and assessments not yet due and payable. The real estate must be conveyed in an "as-is, where-is, with all faults" condition.

Also, the deed must contain a use restriction limiting use of the real estate for behavioral health or addiction services purposes only, and prohibiting the use of the real estate as a locked incarcerate facility, and the deed may contain additional



restrictions, exceptions, reservations, reversionary interests, and other terms and conditions the Director of Administrative Services determines to be in the best interest of the state.

Subsequent to the conveyance, any restrictions, exceptions, reservations, reversionary interests, or other terms and conditions contained in the deed may be released by the state or the Department of Mental Health and Addiction Services.

Other provisions

Adult and Juvenile Correctional Facilities Bond Retirement Fund

The bill authorizes the Director of Budget and Management to direct that moneys in the Adult and Juvenile Correctional Facilities Bond Retirement Fund be transferred to any fund created in the state treasury that is administered by the Department of Rehabilitation and Correction or the Department of Youth Services.² Under continuing law, the Director may make such transfers to the General Revenue Fund, the Adult Correctional Building Fund, or the Juvenile Correctional Building Fund. The bill also repeals a provision in current law, which requires the Adult and Juvenile Correctional Facilities Bond Retirement Fund to be abolished after any such transfer. That fund consists of proceeds derived from the sale of state adult or juvenile correctional facilities, and retained investment income from moneys in the fund.

Community Programs Fund

The bill establishes the Community Programs Fund in the state treasury and requires the Department of Rehabilitation and Correction to use the moneys in that fund to do all of the following:³

(1) Fund the halfway house, re-entry center, and community residential center program;⁴

(2) Fund the transitional control program;⁵

(3) Provide assistance to approved community-based correctional facilities and programs and district community-based correctional facilities and programs;⁶

² R.C. 5120.092.

³ R.C. 5120.80.

⁴ R.C. 2967.14, not in the bill.

⁵ R.C. 2967.26, not in the bill.



(4) Support subsidy programs for felony offenders and misdemeanor offenders;⁷
and

(5) Provide probation improvement grants and probation inventive grants.⁸

HISTORY

| ACTION | DATE |
|---|----------|
| Introduced | 06-01-15 |
| Reported, H. Gov't Accountability & Oversight | 06-17-15 |
| Passed House (96-2) | 06-17-15 |
| Reported, S. State & Local Gov't | --- |

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⁶ R.C. 5120.112, not in the bill.

⁷ R.C. 5149.31, not in the bill.

⁸ R.C. 5149.311, not in the bill.

