



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** H.B. 238 of the 131st G.A.

**Date:** June 22, 2015

**Status:** As Passed by the House

**Sponsor:** Reps. Sears and McColley

**Local Impact Statement Procedure Required:** No

**Contents:** Authorizes the conveyance of state property

### 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 17 proposed land conveyances. In particular:

- Seven transactions involve auctions of Athens County properties overseen by Ohio University. Each of the properties is encumbered with a ground lease and contains various improvements including retail complexes and residential units. The bill requires auction proceeds to be deposited into appropriate Ohio University accounts for the benefit of the University. (Bill sections 1, 2, 3, 4, 6, 14, and 15.)
- Three transactions involve land conveyances to remedy title deficiencies including two to provide for the building of roads and another to correct the boundaries of Ohio State University's Don Scott Airport. (Bill sections 7, 10, and 11.)
- The other properties authorized for conveyance will be offered to various entities by auction or at specific prices or for in-kind consideration. (Bill sections 5, 8, 9, 12, 13, and 17.)
- One transaction involves granting a permanent waterline easement to the city of Piqua. (Bill section 16.)

## 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. 238						
Bill Section	Agency	Grantee	Description	County	Consideration	Fund
1	Ohio University	High bidder of sealed bid or public auction	22 acres at 366 Richland Ave., Athens encumbered with a ground lease with Housing For Ohio, Inc. and improved with 182 unit residential complex	Athens	Price determined by auction	Appropriate university accounts for the benefit of Ohio University
2	Ohio University	High bidder of sealed bid or public auction	15.2 acres at 739-903 East State St., Athens encumbered with a ground lease to Chesapeake Realty, Ltd. and improved with the Athens Mall	Athens	Price determined by auction	Appropriate university accounts for the benefit of Ohio University
3	Ohio University	High bidder of sealed bid or public auction	7.5 acres at 919 East State St., Athens encumbered with a ground lease to Chesapeake Realty, Ltd. and improved with various retail outlets	Athens	Price determined by auction	Appropriate university accounts for the benefit of Ohio University
4	Ohio University	High bidder of sealed bid or public auction	41.3 acres at 929-983 East State St., Athens encumbered with a ground lease to Continental Fund 72 and improved with various retail outlets	Athens	Price determined by auction	Appropriate university accounts for the benefit of Ohio University
5	Department of Job and Family Services	High bidder of sealed bid auction or public auction	200,000 sq./ft. office building situated on 1.2 acres at 145 South Front St., Columbus	Franklin	Price not less than 15% below appraised value determined by auction	Unemployment Compensation Special Administrative Fund (Fund 4A90)

**Summary of Land Conveyances Included in H.B. 238**

<b>Bill Section</b>	<b>Agency</b>	<b>Grantee</b>	<b>Description</b>	<b>County</b>	<b>Consideration</b>	<b>Fund</b>
6	Ohio University	High bidder of sealed bid or public auction	4.5 acres at 24 Home St., Athens encumbered with a ground lease to Putnam Square, Inc. and improved with 79 residential apartment units	Athens	Price determined by auction	Appropriate university accounts for the benefit of Ohio University
7	Adjutant General	Ottawa County Commissioners	Title cure affecting 1.8 acres along County Rd. 171 in Port Clinton	Ottawa	\$1	Armory Improvements Fund (Fund 5340)
8	Bureau of Workers' Compensation	City of Columbus	0.8 acres at the Northwest corner of Front St. and Long St., Columbus	Franklin	130 parking spaces in a parking garage planned for this property	N/A
9	Department of Mental Health and Addiction Services	City of Massillon	0.8 acres of vacant land at 3000 Erie St. South, Massillon	Stark	To be determined by appraisal	Mental Health and Addiction Services Trust Fund (Fund 4P90)
10	Ohio University	City of Dublin	Title cure affecting 3.0 acres vacant land south State Route 1612 at the Industrial Parkway roundabout	Franklin and Union	\$1	GRF
11	Ohio State University	Ohio State University	9.0 acres of vacant land at the Don Scott Airport, 2160 Case Rd., Columbus	Franklin	Land exchange	N/A
12	University of Toledo	City of Toledo	0.7 acres of unimproved land at the intersection of Fearing Blvd. and Hill Ave., Toledo	Lucas	\$34,500	GRF
13	University of Toledo	City of Toledo	0.8 acres parking lot near the intersection of Hill Ave. and Parkside Blvd., Toledo	Lucas	\$42,000	GRF
14	Ohio University	High bidder of sealed bid or public auction	2.1 acres at 357 East State St., Athens encumbered with a ground lease to Bob Evans Farms and improved with a 5,700 sq./ft. restaurant	Athens	Price determined by auction	Appropriate university accounts for the benefit of Ohio University
15	Ohio University	High bidder of sealed bid or public auction	3.3 acres at 20 Home St., Athens encumbered with a ground lease to Athens Investors, LLC and improved with a 26,600 sq./ft. hotel	Athens	Price determined by auction	Appropriate university accounts for the benefit of Ohio University

Summary of Land Conveyances Included in H.B. 238						
Bill Section	Agency	Grantee	Description	County	Consideration	Fund
16	Ohio History Connection	City of Piqua	Perpetual easement on 0.2 acres of vacant land along State Route 66 at the Johnston Farm and Indian Agency property	Miami	\$610	Not specified
17	Department of Mental Health and Addiction Services	Quest Recovery and Prevention Services, Inc.	7.9 acres containing 2 buildings totaling 45,532 square feet	Stark	\$150,000	Department of Mental Health and Addiction Services Trust Fund (Fund 4P90)

### Property and transaction details

#### Sections 1, 2, 3, 4, 6, 14, and 15 – Ohio University property auctions, Athens County

The bill authorizes the Governor to execute the deeds to seven properties in Athens County currently overseen by Ohio University. As shown in the table above, each of the properties is encumbered with ground leases and contains various improvements including residential apartment units and retail shopping complexes. 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 and Ohio University 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 Ohio University. Under the bill, the buyer is to pay all costs of purchase and conveyance. Proceeds of these sales are required to be deposited to appropriate university accounts for the benefit of Ohio University. Authorization to execute the deeds to these properties expires three years after the effective date of the bill. Under the bill, Ohio University is required to pay advertising and other costs incident to the sale of the real estate and the purchaser is required to pay all costs associated with the purchase, closing, and conveyance including surveys, title evidence, title insurance, and any other fees, assessments, and costs that may be imposed.

#### Section 5 – Department of Job and Family Services office building, Franklin County

The bill authorizes the Governor to execute the deed to a 200,000 square foot office building situated on nearly 1.2 acres at 145 South Front Street in Columbus (Franklin County). The bill authorizes the Director of Administrative Services to offer

the real estate through a sealed bid auction or public auction at a price acceptable to the directors of Administrative Services and Job and Family Services but not less than 15% less than the property's appraised value as determined by an external appraisal. Under the bill, auction terms for this conveyance are the same as those under the auctions for Ohio University properties discussed above. Under the bill, the Department of Job and Family Services is required to pay advertising and other costs incident to the sale of the real estate and the purchaser is required to pay all costs associated with the purchase, closing, and conveyance including surveys, title evidence, title insurance, and any other fees, assessments, and costs that may be imposed. The bill requires proceeds of the sale to be deposited to the credit of the Unemployment Compensation Special Administrative Fund (Fund 4A90)

### **Section 7 – Adjutant General title transfer, Ottawa County**

The bill authorizes the Governor to execute a deed conveying 1.8 acres along County Road 171 in Ottawa County to the Board of County Commissioners of Ottawa County. The conveyance will correct a title defect created in 1945 when Camp Perry East Road (County Road 171) was relocated by the state on to state property instead of its intended location on property owned by Ottawa County. Consideration for the conveyance is \$1, which the bill requires to be deposited to the credit of the Armory Improvements Fund (Fund 5340). The bill requires the Board to pay all costs associated with the purchase, closing, and conveyance.

### **Section 8 – Bureau of Workers' Compensation property, Franklin County**

The bill authorizes the Governor to execute a deed conveying 0.8 acres overseen by the Bureau of Workers' Compensation to the city of Columbus. Currently the property, located at the northwest corner of Front Street and Long Street in Columbus (Franklin County), is used as a parking lot. Consideration for the conveyance is 130 parking spaces in a parking garage that the city plans to construct on the property. Under the bill, the city of Columbus would be required to pay all costs associated with the sale including surveying, appraisal, closing, and deed recordation fees.

### **Section 9 – Department of Mental Health and Addiction Services, Stark County**

The bill authorizes the Governor to execute a deed conveying 0.8 acres located on the northwest corner of the Department of Mental Health and Addiction Services Heartland Behavioral Healthcare facility in Massillon (Stark County). The city will use this property to construct an access road to an adjacent property. The bill requires consideration for the conveyance to be at a price acceptable to the directors of Administrative Services and Mental Health and Addiction Services pursuant to a real estate purchase agreement. Under the bill, the city of Massillon would be responsible for all costs associated with the purchase, closing, including appraisals, surveys, title evidence, title insurance, transfer costs and fees, and recordation costs and fees. The bill requires proceeds of the sale to be deposited to the credit of the Mental Health and Addiction Services Trust Fund (Fund 4P90).

### **Section 10 – Ohio University title transfer, Franklin and Union counties**

The bill authorizes the Governor to execute a deed conveying approximately 3.0 acres of land located south of State Route 161 at the Industrial Parkway roundabout (Franklin and Union counties) to the city of Dublin. The property is part of a larger tract currently overseen by Ohio University that is being developed as a medical campus. Under a joint economic development agreement, the city of Dublin will construct an access road to the campus on the tract conveyed by the bill. Consideration for the conveyance is \$1. Under the bill, the city of Dublin is required to pay all costs associated with the conveyance including surveys, title insurance, transfer fees, and recording fees. Proceeds of the sale are required to be deposited in the GRF.

### **Section 11 – Ohio State University land exchange, Franklin County**

The bill authorizes the Governor to execute a deed conveying 9.0 acres of vacant land at the Don Scott Airport, 2160 Case Road, Columbus (Franklin County) to the Ohio State University (OSU) Board of Trustees. Consideration for the conveyance is 9.0 acres of vacant land on an adjacent tract. Although both tracts are currently overseen by OSU, the tract being conveyed by the state is currently titled to the state of Ohio for the benefit of OSU rather than to the Board of Trustees. The conveyance to the Board will allow reconfiguration of the airport's boundaries as directed by the Federal Aviation Authority (FAA). Under the bill, OSU would be responsible to pay all costs associated with the conveyance including surveying, closing, and recording fees.

### **Section 12 – University of Toledo property, Lucas County**

The bill authorizes the Governor to execute a deed conveying 0.7 acres of vacant land situated on the southwest corner of the intersection of Hill Avenue and Fearing Boulevard in Toledo (Lucas County) to the city of Toledo. The property, which is currently overseen by the University of Toledo, will be used by the city to house a water utility pump station to improve water pressure in the vicinity of the University. Consideration for the conveyance is \$34,500. Under the bill, these proceeds would be deposited to the credit of the GRF. The bill also requires the city of Toledo to pay all costs associated with the conveyance including surveys, title insurance, and recording fees.

### **Section 13 – University of Toledo property, Lucas County**

The bill authorizes the Governor to execute a deed conveying 0.8 acres overseen by the University of Toledo to GT Technologies, Inc. The property, located at the northeast corner of the intersection of Hill Avenue and Parkside Boulevard in Toledo (Lucas County) has been used by GT Technologies as a parking lot since 1971 under a lease agreement with the University. Consideration for the conveyance is \$42,000, to be deposited to the credit of the GRF. The bill also requires GT Technologies to pay all costs associated with the conveyance including surveys, title insurance, and recording fees.

### **Section 16 – Ohio History Connection perpetual easement, Miami County**

The bill authorizes the Director of Administrative Services to execute a waterline easement granting the city of Piqua a perpetual easement on less than one acre of state property located east of State Route 66 at the state-owned Johnston Farm and Indian Agency property in Miami County. Under the bill, consideration for the easement is \$610. The bill also requires the city of Piqua to pay the costs to record the easement with the Miami County Recorder.

### **Section 17 – Department of Mental Health and Addiction Services property, Stark County**

The bill authorizes the Governor to execute a deed conveying two buildings totaling 45,532 square feet situated on 7.9 acres at 1660 and 1680 Nave Road in Massillon (Stark County) to Quest Recovery and Prevention Services, Inc. The property, currently overseen by the Ohio Department of Mental Health and Addiction Services (ODMHAS) has been occupied by Quest Recovery since 2005 under a lease agreement for \$1 per year. Under the bill, consideration for the conveyance is \$150,000. The bill requires the sale proceeds to be deposited to the credit of the Department of Mental Health and Addiction Services Trust Fund (Fund 4P90). In the event that Quest Recovery does not complete the purchase the bill authorizes the Director of Administrative Services to use any reasonable method of sale considered acceptable by ODMHAS to locate an alternate grantee willing to purchase the real estate. Under these circumstances, the bill requires ODMHAS to pay all advertising costs, additional fees, and other costs incident to the sale of the real estate. In either case, the bill requires the purchaser to pay all costs associated with the purchase, closing, and conveyance including costs of appraisal, surveys, title insurance, and recording fees and requires that the purchaser's use and possession of the property be governed by an existing interim lease between DAS and Quest Recovery. The bill provides three years from the bill's effective date to complete the sale.