

DAS Proponent Testimony
HB619
House Government Accountability and Oversight Committee
November 29, 2016

Good afternoon Chairman Blessing, Vice-Chair Rezabek, Ranking Member Clyde, and members of the Government Accountability and Oversight Committee. My name is Marcey Earley-Jeter and I am the Administrator for the Department of Administrative Services' Office of Real Estate and Planning. I also have with me Stuart Hudson, the Managing Director of Healthcare and Fiscal Operations for the Department of Rehabilitation and Correction who is present to answer any question related to the sale of the DRC properties. I am here to seek your support and passage of HB 619 which would allow for the conveyance of multiple pieces of property. Our office handles real estate services and transactions for many state entities, which includes the conveyance, sale, or transfer of property. Since the authority granted to the Department is silent as it relates to the sale of real estate, the current process requires that legislation be obtained to memorialize a conveyance of property. Most times when a conveyance of real estate is being requested, the State no longer needs the property; thus, it is deemed surplus. However, there are also instances where property is being transferred to provide an alternate benefit to the State, or the conveyance might be needed to cure a title defect. The conveyances that are contained in HB 619 vary from arms-length real estate transactions whereas a grantee has been identified, sales of real estate that

will be offered through public auction methods, as well as accommodating utility infrastructure on state-owned land in perpetuity, and title cures and defects. Most of the conveyances that are included in these bills have been developing for some time, are within the scenarios communicated, some are considered routine in nature, and have no adverse effect on the State. I want to acknowledge and comment on a few of the conveyances that are being requested. The legislation includes a sale of an approximate 23,188 square foot former armory building situated on 2.82 acres of state owned land under the jurisdiction of the Ohio Adjutant General's Department, and located at 4440 Laybourne Road, Springfield, Clark County. The property will be vacated in the next few months with the unit planned to relocate to the Dayton facility, and is situated on land partially owned by the State, with a portion of the building encroached on adjacent Clark County property. The existence of the encroachment of the facility limits the ability of the State to convey its ownership interest to anyone other than Clark County. The property will be sold to the Board of County Commissioners of Clark County for a consideration of \$125,000, the value of the property.

Another conveyance included in this legislation is the sale of an approximate 1,788 square foot single family residential structure situated on 0.282 acre of state owned land, under the jurisdiction of the Department of Rehabilitation and Correction, and located at 6598 South Timberidge Avenue, Austintown, Mahoning County. The property will be sold

through a public sealed bid auction with the purchaser of the property responsible for the costs associated with the sale, including closing and deed recordation fees.

The legislation includes ten (10) sites totaling approximately 7,415 acres of agricultural lands deemed surplus, and under the jurisdiction of the Department of Rehabilitation and Correction. The agricultural properties are located at sites in proximity to the Allen Oakwood Correctional Institution, Lima, Allen County, Southeastern Correctional Complex, Lancaster, Fairfield County, Grafton Correctional Institution, Grafton, Lorain, County, London and Madison Correctional Institutions, London, Madison County, Marion Correctional Institution, Marion, Marion County, Pickaway Correctional Institution, Orient, Pickaway County, Mansfield and Richland Correctional Institutions, Mansfield, Richland County, Chillicothe and Ross Correctional Institutions, Southern Ohio Correctional Institution, Lucasville, Scioto County, and Lebanon and Warren Correctional Institutions, Lebanon, Warren County. The properties will be sold using a public auction method.

Another conveyance included in the legislation is the sale of an approximate 2,600 square foot building situated on a 0.8832 acre lot, along with an adjacent unimproved 0.0925 acre lot, under the jurisdiction of Kent State University, and located at 401 College Street, East Liverpool, Columbiana County. The property was originally acquired by the University in 2009 with plans to develop additional parking adjacent to the University Campus. The University's development plans have changed and the property has been deemed no longer

needed for its purpose. The property has been appraised at \$79,000, and will be sold through a public sealed bid auction, with the purchaser of the property responsible for the costs associated with the sale, including closing and deed recordation fees.

The legislation includes requests to return title of 15.00 acres of improved property to the Board of Education of East Clinton Local School District in New Vienna, Clinton County, and 29.79 acres of improved property to the Board of Education of the Northridge Local School District in Johnstown, Licking County. The State held title of these properties to satisfy bond counsel requirements in place prior to 1995. Once the bonds were retired, the Ohio Facilities Construction Commission was to return title to the school districts. These transactions are treated as title cure projects, as the interest held by the State has been characterized as being held in trust pending satisfaction of bond requirements, rather than as an arms-length sale transaction.

The legislation also includes the sale of approximately 1.30 acres of unimproved state-owned land, under the jurisdiction of The Ohio State University, and located at the intersection of Taylor Avenue and East Long Street, Columbus, Franklin County. The property was appraised at \$187,000 and will be sold to the Board of Trustees of the Columbus Metropolitan Library at said appraised value. As part of its 2020 Building Plan, the Columbus Metropolitan Library intends to construct a new library that will replace its Martin Luther King branch.

Another conveyance included in this legislation is the sale of an approximate 4.519 acres of unimproved state-owned land under the jurisdiction of The Ohio State University, and located at 0 North Hamilton Road, Gahanna, Franklin County. The property was acquired by the University in 1998 for an intended ambulatory care site, however, an alternate site was deemed to be more appropriate for the intended use. The Board of Trustees of The Ohio State University deemed the property to be surplus in 2015. The property was appraised at \$950,000, and will be sold to GZD Investments, LLC for a consideration of \$1,100,000.

There are additional properties intended for transfer or sale included in this legislation, and under the jurisdiction of Bowling Green State University, the Department of Administrative Services, on behalf of the Environmental Protection Agency, The Department of Developmental Disabilities, the Ohio State University, Ohio University, University of Cincinnati, and Youngstown State University. These sale transactions are varied from transactions whereas a Grantee has been determined, to offering the properties for sale using a public auction method.

There are also two perpetual easements included in the legislation, one of which is to be granted to the City of Piqua for a water supply line, on property off State Route 66, Piqua Miami County which is under the jurisdiction of the Ohio History Connection, and the second to be granted to the City of Columbus for a 30” sanitary sewer line on Cannon Drive, Columbus, Franklin County, which is under the jurisdiction of The Ohio State University.

Mr. Chairman, Vice-Chair Rezabek, Ranking Member Clyde, and members of the committee, I thank you for your time and attention. I would be more than happy to answer any questions you may have.