



**Frequently Asked Questions
Regarding Potential Sale of OFCS Property
Located at 27331 Schady Road**

How long has the district owned the property? Did we purchase it or was it gifted to us?

The District Board of Education entered into a lease purchase agreement in June 2002 with Mary Lou Theiss, who was the executrix of the Gordon Schady Estate. She was one of three daughters of Gordon. The agreement was agreed upon for a price of \$1,750,000 with the option to purchase. The lease payments would be credited towards the purchase and on July 12, 2004, the land was purchased by our Board of Education for \$1,094,055 which represented the amount after lease payments. The price per acre would have been \$31,525/acre.

What was the original intent of owning the property?

At the time, the school board saw the property as an asset that could possibly be used for a school building and athletic fields since the general student population had shifted to the southern side of the school district and this property was situated to potentially accommodate that shifted student population. At that time, it was argued that the school purchased it to impede district growth since we were not positioned to handle the enrollment in our already "overcrowded" schools. The school enrollment master plan revealed a huge potential problem for our schools that helped to support that concern.

What are we asking for it?

The Board of Education had an updated appraisal of this property completed in February 2020. At that time the property had an assessed value of \$1,390,000. The starting bid will be \$899,900 but will not be obligated to accept any bid lower than \$1,200,000.

What type of property is it?

Open land, 55.4 acres. Currently zoned for residential development. Specifically, "R40" which is low density residential requiring a minimum lot size of 40,000 square feet (approx. 1 acre). A buyer wanting to explore a change in zoning would need to do so through Olmsted Township.

What will the profits from the sale be used for? Anything specific or just a way to increase the district's general fund?

Per ORC 5705.01 If any permanent improvement of the School District is sold, proceeds must be used to (a) retire any debt incurred with respect to the property or, (b) placed in a special fund for the construction or acquisition of permanent improvements. Under a special "earmarking" process, boards of education are authorized, but not required, to transfer proceeds from the sale of real property into the capital and maintenance fund to be used only for the costs of non-operating capital expenses related to technology infrastructure and equipment used for instruction and assessment. (6.14 Proceed of Sale, Ohio School Law Manual) Short answer is that the proceeds will need to be receipted into the 003 Permanent Improvement fund. The district could use the resources to pay off debt (e.g. the district has two outstanding leases (VoIP Phones & HS HVAC) with the proceeds and then indirectly free up resources from the general fund).

Do we already have an interested buyer? If not, what is the timing of listing going public?

Yes, we have an interested buyer but has made a cash offer of \$700,000 and the board was not willing to entertain this offer. The Public Auction will be held on October 26th and Marco Marinucci will be spending the next 30 days marketing the land and attempting to attract as many interested parties as possible.

Additional Information Points:

- Identifying alternative sources of revenue is a priority for Olmsted Falls City Schools. Being able to generate alternative revenue streams to increase available district funds benefits both district operations and our local taxpayers.
- Any alternative revenue that can be generated outside of local property tax collection helps the district avoid relying on taxpayers for all necessary funds.
- Monitoring and managing district growth, and district facilities needs over time, in the most efficient way possible has also been a priority of OFCS.
- In recent years, OFCS has monitored the market value of the district-owned property located at 27331 Schady Road - which was originally secured by OFCS through a lease purchase agreement entered into in June 2002, followed by the full purchase of the property in July 2004.
- Recent market appraisals of the Schady Road property and interest in the area indicate now as an optimal time to place the property up for auction and attempt sale.
- While originally purchased as a potential site for a school building and/or fields - as well as a way to mitigate residential growth at a time when the district's population was exploding - the Schady Road site is no longer needed for any of these purposes.

- Completion of the expansion and renovation at Olmsted Falls High School (in 2018) marked the final project in the district's master facilities plan, providing ample space for current as well as projected student enrollment. In addition to the most recent OFHS project, in recent years, the district also built a new intermediate building school (in 2008), and completed a significant expansion adding a new wing to the existing Olmsted Falls Middle School (in 2010).
- The district's master facilities plan took great care to provide the additional space needed in the most efficient way possible each step of the way.
- Being able to convert this long-time district land asset on Schady Road into usable funds would be of benefit at this time.
- Funds from the sale of the property would go towards the district's permanent improvement fund for ongoing maintenance of our facilities. This will provide the district with the flexibility to free up funding currently addressing these needs to where it matters the most - the day-to-day operations of our schools, including teachers in the classroom, and programs and services for students. This means more money for students without adding to the current budget.
- The land on Schady Road is currently zoned as "R40" residential, which is low density residential requiring a minimum lot size of 40,000 square feet (approx. 1 acre). A buyer wanting to explore a change in zoning would need to do so through Olmsted Township.
- Should the property be purchased and maintain its residential zoning, the district does not anticipate overcrowding issues in the event of new residential housing being built on the Schady Road property.
- The district has entered into a contract with Marco Auction / Russell Real Estate Services for the purpose of marketing and attempting to auction the Schady Road Property.
- The Public Auction will be held on October 26th and the company will commence with marketing efforts in the month leading up to the auction date.
- If an acceptable offer is made and accepted by the Olmsted Falls Board of Education, proceeds generated from the sale of 27331 Schady Road, would be transferred to the district's Permanent Improvement Fund to be used only for the costs of non-operating capital expenses related to technology infrastructure and equipment used for instruction and assessment.
- OFCS will report out to the community the results of any sale of this property.