

# CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

## Policy Session Worksheet

Presentation Date: September 12, 2017 Time: 11:30 PM Length: 30 min.  
Presentation Title: Property Disposition Surplus Property  
Department: Business and Community Services - Property Disposition Division  
Presenters: Rick Gruen, Property Disposition Mgr; Lindsey Wilde, Property Agent  
Other Invitees: Laura Zentner, Deputy Director, Business and Community Services

### **WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?**

Property Disposition is requesting that the BCC review and approve the proposed surplus property.

### **EXECUTIVE SUMMARY:**

Clackamas County's Department of Assessment and Taxation annually forecloses on tax-delinquent properties. The foreclosure process is a six year process – taxes must be delinquent for three years, then a two year judgment is filed, and in the sixth year, foreclosure occurs. The property is then deeded to the County in lieu of uncollected taxes. Following the recording of the deed in the County's name, the management and disposition of the property is then transferred to the Property Disposition Division of the Department of Business and Community Services. The Board of County Commissioners delegates its authority to the Business and Community Services Director and Deputy Director to develop and implement the procedures necessary and by which surplus property is transferred or sold in accordance with ORS 275 and other applicable Oregon laws.

The goal of the Property Disposition Division is to manage tax foreclosed and surplus properties to secure the Highest Permanent Value benefitting the citizens of Clackamas County. Highest Permanent Value is defined as managing, administering and dispersing of tax foreclosed and surplus real property assets in a timely and cost effective manner that can provide a full range of social, economic and environmental benefits for the people of Clackamas County through the disbursement of such properties to other County departments and agencies, local governments and/or special districts for a public benefit or returning these properties to the tax rolls.

### **FINANCIAL IMPLICATIONS:**

Is this item in your current budget?  YES  NO

What is the cost? \$N/A What is the funding source? Property Disposition FY17/18 budget

### **STRATEGIC PLAN ALIGNMENT:**

- How does this item align with your Department's Strategic Business Plan goals?  
Assets managed by Property Disposition are repurposed for public benefit or sold to become a private, tax producing asset.
- How does this item align with the County's Performance Clackamas goals?  
Build public trust through good government.

### **LEGAL/POLICY REQUIREMENTS:**

Oregon Revised Statute prescribes the process of transferring or selling tax foreclosed properties. County policy details the criteria for declaration of surplus.

**PUBLIC/GOVERNMENTAL PARTICIPATION:**

Property Disposition staff prepares and circulates a copy of the *Proposed Surplus Tax Foreclosed Property List* to all County Departments, local municipalities and special districts in Clackamas County for their review and consideration. ORS 271.330 permits other governmental agencies to request a direct transfer of a property when the property has a perpetual public use and fits within an adopted strategic or regional plan. When properties are requested for transfer, they are brought before the BCC for review and consideration of approval. Additionally, the public is notified through direct newspaper circulation, website and flyers. Direct mailing is made to adjacent property owners within 200 feet of a tax foreclosed property being placed in the Oral Public Auction.

**OPTIONS:**

Property Disposition is requesting that the BCC review and approve the proposed tax foreclosed for declaration as surplus. Options include:

1. Approve the proposed property list as dedicated surplus to be offered for sale at a future auction or private sale. (Attachment A)
2. Remove any or all properties as consideration for surplus.

Property Disposition is planning for an auction in fall of 2017. These tax foreclosed properties would be added and offered at the Public Oral Auction. Staff has evaluated the properties against the established criteria used for setting the minimum bid amounts that is consistent with the goal of obtaining Highest Permanent Value.

**The following narrative descriptions relate to the properties detailed in Attachment A.**

**Item # 21E02DD00501:** This asset is approximately .17 acres. It is an improved property located in Milwaukie with a physical address of 14106 SE Lee Ave Milwaukie, OR 97267. The property consists of a home that has been partially burnt down as well as raw garbage throughout the remaining portions of the structure. The property's buildability could be re-established with the appropriate permits. The Assessor's Real Market Value is \$264,936. Property Disposition is recommending the minimum bid be set at \$\_\_(TBD)\_\_ based on the current appraised value. Please note that the appraisal is currently in the process of being completed. The completion date is set for 9/11/17. The property is pending a final transfer to Clackamas County. There was a public hearing that took place on 8/22/17 and during that hearing, the Hearings Officer approved the transfer. The transfer date is set for 9/22/17.

**Item # 26E22BD01200:** This asset is approximately .17 acres. It is unimproved land located near Sandy off of HWY 26 and Sleepy Hollow. This property could potentially be buildable but would need to be confirmed with the Clackamas County's Planning Department. The Assessor's Real Market Value is \$42,655. Property Disposition is recommending the minimum bid be set at \$\_\_(TBD)\_\_ based on the current appraised value. Please note that the appraisal is currently in the process of being completed.

**RECOMMENDATIONS**

Staff recommends the BCC accept Option 1 to approve the proposed tax foreclosed properties as dedicated surplus.

- a. No issues are anticipated with the recommendation of approval.
- b. Not approving the property as surplus list would inhibit the tax foreclosed properties from being used as public benefit or returned to the tax rolls.



**ATTACHMENTS:**

Attachment A – Surplus Property Designation

**SUBMITTED BY:**

Division Director/Head Approval \_\_\_\_\_  
 Department Director/Head Approval \_\_\_\_\_  
 County Administrator Approval \_\_\_\_\_

**ATTACHMENT A**

Item	Aerial View	Description	Assessed Real Market Value	Minimum Bid Amount	Deposit Amount- 20% of the minimum bid
1		<p><b>21E02DD00501</b> Improved Land- 14106 SE Lee Ave Milwaukie, OR</p> <ul style="list-style-type: none"> <li>• Approximately .17 Acres</li> <li>• Burnt structure remains- Please confirm with Clackamas County Planning and Zoning (503) 742-4501 for any changes</li> <li>• Zoning- R7</li> <li>• Clackamas County RFPD #1</li> <li>• North Clackamas</li> <li>• Oak Lodge sewer district</li> <li>• Oak Lodge water district</li> </ul>	<b>\$264,936</b>	<b>\$TBD Pending Appraisal</b>	<b>\$TBD Pending Appraisal</b>
2		<p><b>26E22BD01200</b> Unimproved Land off of HWY 26 and Sleepy Hollow</p> <ul style="list-style-type: none"> <li>• Approximately .17 Acres</li> <li>• Buildability is unknown- Please confirm with Clackamas County Planning and Zoning (503) 742-4501</li> <li>• Zoning- RRFF5</li> <li>• Hoodland Fire District #74</li> <li>• Oregon Trail School District</li> <li>• Not in a sewer district</li> <li>• Sleepy Hollow water district</li> </ul>	<b>\$42,655</b>	<b>\$TBD Pending Appraisal</b>	<b>\$TBD Pending Appraisal</b>

# Business and Community Services

## Property Disposition Division

**Surplus Real Estate Public Oral Auction**  
**November 8, 2017**

**Business and Community Services**  
Rick Gruen, Property Disposition Manager  
Lindsey Wilde, Property Agent



# Property Disposition

**Our Goals:** Property Disposition Division is to manage tax foreclosed and surplus real properties to secure the Highest Permanent Value benefitting the citizens of Clackamas County. Highest Permanent Value is defined as managing, administering and dispersing of tax foreclosed and surplus real property assets in a timely and cost effective manner that can provide a full range of social, economic and environmental benefits for the people of Clackamas County through the disbursement of such properties to other County departments and agencies, local governments and/or special districts for a public benefit or returning these properties to the tax rolls.

## Timeline:

- Taxes are delinquent for three years.
- A judgment is filed and the two year redemption begins.
- In the sixth year the Tax Foreclosure Deed is filed.

# Property Disposition Criteria for Value

- **Value will be based on the Assessor's estimate of Real Market Value (ARMV) and/or Independent Appraised Value (IAV) at the discretion of Property Resources Division. IAV's are initiated if there are not any property constraints.**
- **Minimum bid amounts will generally be set, but not limited to, the following criteria:**

## **100% of Appraised Value:**

Property is unique, high value, and has considerable interest. Market appraisals will be obtained.

## **75% of ARMV:**

Property is buildable or has existing improvements.

Property may one or more constraints.

## **50% of ARMV:**

Property may be buildable.

Property is constrained by two or more factors affecting buildability.

## **25% of ARMV:**

Property may or may not buildable.

Multiple constraints affecting buildability and usability.

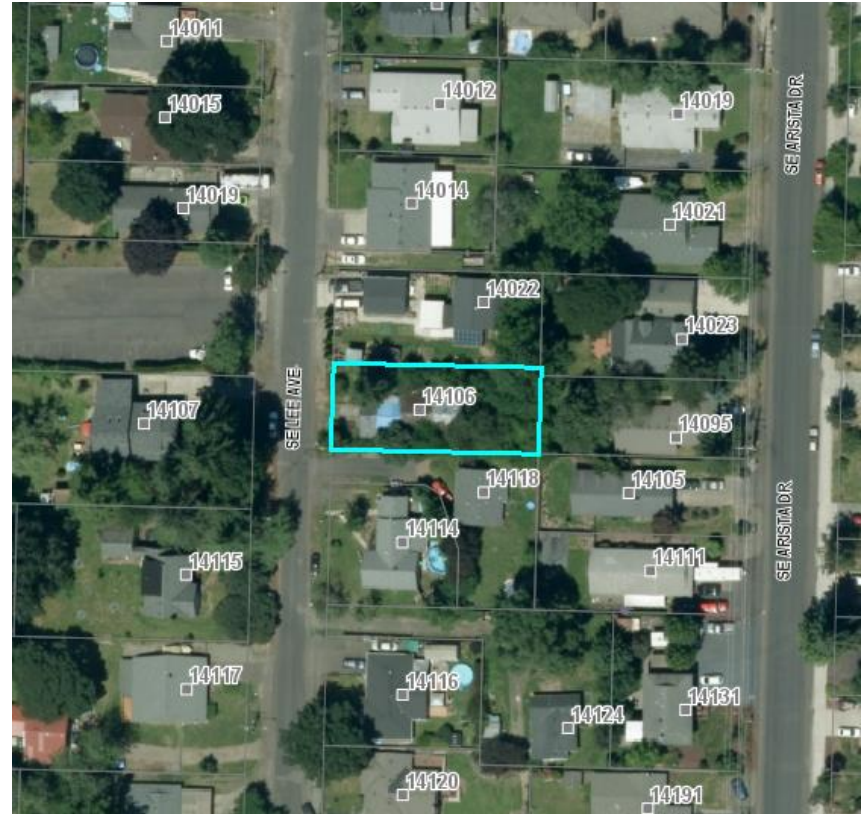


# Property List



# 21E02DD00501

- Approximately .17 Acres
- Burnt structure remains- Please confirm with Clackamas County Planning and Zoning (503) 742-4501 for any changes
- Zoning- RR7
- Clackamas County RFPD #1
- North Clackamas
- Oaks Lodge sewer district
- Oaks Lodge water district





# 26E22BD01200

- Approximately .17 Acres
- Buildability is unknown- Please confirm with Clackamas County Planning and Zoning (503) 742-4501
- Zoning- RRFF5
- Hoodland Fire District #74
- Oregon Trail School District
- Not in a sewer district
- Sleepy Hollow water district

