

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: March 11, 2014 Time: 10:30PM Length: 45 min.

Presentation Title: Revised Property Resources Policy and Public Oral Auction List

Department: Business and Community Services - Property Resources Division

Presenters: Rick Gruen, Property Resources Mgr; Rachelle Bonsi, Property Resources Agent

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

- 1) Property Resources is requesting that the BCC review and approve the proposed Property Resources Policy Revision.
- 2) Property Resources is requesting that the BCC review and approve the proposed Public Oral Auction property list.

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 and the property is deeded to the County in lieu of uncollected taxes. Following the recording of the deed in the County's name, the management and disposition is then transferred to the Property Resources 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. Revised policies have been drafted with County Counsel to bring current and align Property Resources policies and procedures to ensure efficiency and effectiveness of services.

The goal of the Property Resources Division is to manage tax foreclosed and surplus properties to secure the Highest Permanent Value (HPV) benefitting the citizens of Clackamas County. HPV 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:

The proceeds generated from the public oral auction and other private land sales are used to pay the operating costs of the Property Resources division as Property Resources division is not funded by the County's General Fund. Per statute, proceeds from property sales in excess of the actual expenses incurred by the County to operate the program are distributed by the County Treasurer to all taxing entities within Clackamas County. Returning tax foreclosed properties to the tax rolls generates property tax revenue for all taxing jurisdictions within Clackamas County.

LEGAL/POLICY REQUIREMENTS:

Oregon Revised Statute prescribes the process to dispose of tax foreclosed property such as the method used to sale the property (i.e. public oral auction or private sale), the criteria for transferring or deeding property to other governmental agencies and/or other departments within Clackamas County as well as how to distribute excess proceeds. County policy prescribes details regarding the sale of property such as the amount of down payment required at auction, whether a property can be purchased for cash or contract and the contract terms, etc.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Staff circulates a copy of the *Proposed Surplus Real Property Auction List* to all County Departments and various governmental entities in Clackamas County for their review. 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 pulled from the auction list and brought before the BCC for review and final approval.

OPTIONS:

- 1) Property Resources is requesting that the BCC review and approve the revisions to Property Resources policy delegating authority to BCS Director and Deputy Director for the management and disposition responsibilities of tax foreclosed and surplus properties.
 - a. Approve the policy revision as described
 - b. Modify the policy revision
- 2) Property Resources is requesting that the BCC review and approve the proposed list of properties and minimum bids for the Public Oral Auction sale list.
 - a. Approve the proposed properties sale list and minimum bids as shown.
 - b. Modify the proposed property sale list and/or minimum bids.

Property Resources is proposing a Public Oral Auction date of May 14, 2014. The proposed sale list contains eleven (11) properties to be offered at the Public Oral Auction. Staff has evaluated each property 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 Appendix A.

Item # 1 is a 0.64 acre unimproved parcel located in the Milwaukie area. This parcel is in the City of Milwaukie jurisdiction and may be buildable but has limitations. The Assessor's Real Market Value for the property is \$52,346. Because of the challenges involved to develop this parcel, staff is recommending the minimum bid be set at \$13,086 which is 25 percent of the ARMV.

Item # 2 is a 0.23 acre unimproved parcel located in the Milwaukie area. This parcel is in the City of Milwaukie jurisdiction and may be buildable but has limitations. The Assessor's Real Market Value for the property is \$41,000. Because of the challenges involved to develop this parcel, staff is recommending the minimum bid be set at \$10,250 which is 25 percent of the ARMV.

Item # 3 is a 3.07 acre parcel of unimproved land in West Linn constrained by water resource/riparian corridor setbacks. This parcel may be developable. The Assessor's Real Market Value for the parcel is \$386,358. Staff is requesting the minimum bid be set at \$_____ based on a March, 2014 market value appraisal. (Note: Appraisal is currently in process)

Item # 4 is a 0.06 acre unimproved parcel in the Hoodland area on E Lataurelle Avenue. This parcel is not buildable. The Assessor's Real Market Value for the parcel is \$3282. Staff is requesting the minimum bid be set at \$820 which is 25 percent of the ARMV.

Item # 5 is a single family residence on 0.69 acres located on Livesay Rd. in Oregon City. The home has been abandoned for many years and has been condemned by Oregon City Code Enforcement. The bridge and road to access the property no longer exists. The Assessor's Real Market Value for the property is \$87,527 for the land and \$105,130 for the building or a combined total of \$192,657. Staff is requesting the minimum bid be set at \$47,764 which is 50 percent of the ARMV of the land as there is no longer value in the home. This parcel was on the 2012 Public Oral Auction and received no bid.

Item # 6 is a .25 acre unimproved parcel located on E. Lolo Pass Rd. in the Welches area. This parcel may be a buildable lot subject to septic approval. The Assessor's Real Market Value for the parcel is \$32,821. Staff is requesting the minimum bid be set at \$16,410 which is 50 percent of the ARMV.

Item # 7 is (2) unimproved parcels of land consisting of 2.94 acres combined. The property is located in the Redland area near S. Creek Road. The Assessor's Real Market Value for the first parcel (2.67 acres) is \$58,066 and the second parcel (.027 ac) is \$2,579. These parcels will be sold together and may be buildable. Staff is requesting the minimum bid be set at \$ 30,322 which is 50 percent of the ARMV.

Item # 8 is a 1.71 acre unimproved parcel located in the Estacada. Per the City of Estacada Planning Dept. this may be a buildable lot subject to approval. The Assessor's Real Market Value for the parcel is 109,548. Staff is requesting the minimum bid be set at \$54,774 which is 50 percent of the ARMV.

Item # 9 is a 4.99 acre unimproved parcel of land located in Hoodland area near E. Routledge Lane. There are known wetlands to be on site. If sufficient non-wetland area and a sewer connection can be established, this may be a buildable lot. The Assessor's Real Market Value for the parcel is \$64,138. Staff is requesting the minimum bid be set at \$32,069 which is 50 percent of the ARMV.

Item # 10 is a 5.08 acre unimproved parcel located in the Beaver creek area on Rockie Drive. The parcel is mostly a steep hillside. This parcel may be buildable subject to feasibility requirements for septic and a possible Geotech report. The Assessor's Real Market Value for the parcel is \$98,569. Staff is requesting the minimum bid be set at \$49,285 which is 50 percent of the ARMV.

Item # 11 is a 7.76 acre unimproved parcel located in the Oregon City/Redland area with a private access easement within Lake Ridge Way in the Hidden Lake Development. The Assessor's Real Market Value for the parcel is \$134,110. Staff is requesting the minimum bid be set at \$67,055 which is 50 percent of the ARMV.

RECOMMENDATIONS

- 1) Property Resources staff recommends the Board of County Commissioners approve the Property Resources Division revised policies as presented in Attachment A.
- 2) Property Resources staff recommends the Board of County Commissioners approve the Public Oral Auction sale list and proposed minimum bids for the Public Oral Auction in Attachment B.

ATTACHMENTS:

Appendix A – Property Resources Revised Policies
Appendix B - Public Oral Auction List

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

Fiscal Impact Form

RESOURCES:

Is this item in your current work plan and budget?

YES

NO

START-UP EXPENSES AND STAFFING (if applicable):

N/A

ONGOING OPERATING EXPENSES/SAVINGS AND STAFFING (if applicable):

The Property Resources division is not funded by the County General Fund. The proceeds generated from the public oral auction and other private land sales are used to pay the operating costs of the Property Resources division. Historically, the proceeds from auction and private property sales have generated sufficient revenue to cover program operating costs.

ANTICIPATED RESULTS:

The goal of the Property Resources Division is to manage tax foreclosed and surplus properties to secure the **Highest Permanent Value (HPV)** benefitting the citizens of Clackamas County by disbursement to local jurisdictions, county departments or special districts for public benefit or returning the properties to the tax rolls. These sales or disbursements provide revenue to the County and other taxing districts and minimize the costs associated with maintaining these properties. The success of the program can be measured based on the number of tax foreclosed properties held by Clackamas County and whether the number is increasing or decreasing from year to year. Since Property Resources staff began actively managing the program in 1998, the number of properties has decreased from a high of 600 properties in 1998 to 184 properties today.

COSTS & BENEFITS:

N/A

ATTACHMENT A

Date: March 11, 2014

To: BCC and County Administrator
Gary Barth, Director/Business and Community Services
Laura Zentner, Deputy Director/Business and Community Services

From: Rick Gruen, Manager/Property Resource Division
Rachelle Bonsi, Property Agent/Property Resources Division
Kathleen Rastetter, County Counsel

Re: Revised Policies for the Sale, Transfer and Administration of Tax Foreclosed and Surplus County Property

Policy:

Real property acquired by Clackamas County (the County) in any manner which is not needed for County use shall be declared surplus, except as otherwise provided for by Oregon law.

The Property Resources Manager and BCS Director/Deputy Director will annually review and recommend to the Board of County Commissioners those real properties to be declared surplus and considered for transfer or sale. Surplus real properties shall be sold or transferred according to the procedures adopted by the County, which follow Oregon law where applicable.

The Board of County Commissioners will authorize the list of surplus properties to be transferred or sold through the auction process, by Board Order. 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 Board of County Commissioners further delegates its authority to authorize final sales to the Director or Deputy Director of the Business and Community Services Department and Clackamas County Administration.

APPENDIX "B"

Clackamas County Surplus Real Estate Public Oral Auction

Development Services Building
Auditorium
150 Beavercreek Rd., Oregon City, OR 97045
May 14, 2014

REGISTRATION begins at 9:00 a.m. / AUCTION begins at 10:00 a.m.
***** Auction will be conducted in English and in U.S. currency only *****

| Item # | Map # | Description | Assessed Real Market Value \$ | Minimum Bid \$ | 20% Deposit Amount \$ |
|--------|------------------|---|-------------------------------|----------------|-----------------------|
| 1 | 11E35DD 05500 | VACANT LAND – off of SE 22 nd Ave & SE Lark Street, Milwaukie area, approximately 0.64 acres. <ul style="list-style-type: none"> • Check with City of Milwaukie. for permitted uses (503.786.7600) • Zone – R5 • Clackamas RFPD #1, N. Clackamas School Dist. #12 • Sewer – unknown, Water - unknown | 52,346 | 13,086 | 2,617 |
| 2 | 11E35DD 07300 | VACANT LAND – off of SE 20 th & SE Lark Street, Milwaukie, approximately 0.23 acres. <ul style="list-style-type: none"> • Check with City of Milwaukie. for permitted uses (503.786.7600) • Zone – R2 • Clackamas RFPD #1, N. Clackamas School Dist. #12 • Sewer – unknown, Water - unknown | 41,000 | 10,250 | 2,050 |
| 3 | 21E24AC 02401 | VACANT LAND - off Mapleton Dr., West Linn, approximately 3.07 acres. <ul style="list-style-type: none"> • Possibly buildable. Check with Peter Spir, City of West Linn, for permitted uses (503.723.2539) • Zone R10 • Tualatin Valley Fire & Rescue, • Sewer – Tri-Cities, water – unknown | 386,358 | | |
| 4 | 27E32BC 11700 | VACANT LAND – in Hoodland area, off of E. Latarelle Avenue approximately 0.06 acres. <ul style="list-style-type: none"> • Zoning does not allow development-doesn't meet/exceed 3000 sq ft requirement. • Zone – RR • Hoodland RFPD #74, Oregon Trail School Dist. #46 • Sewer – unknown, Water – unknown | 3,282 | 820 | 164 |

| Item # | Map # | Description | Assessed Real Market Value \$ | Minimum Bid \$ | 20% Deposit Amount \$ |
|--------|--|---|-------------------------------|----------------|-----------------------|
| 5 | 22E29DA 03001 | VACANT HOUSE – 16761 Livesay Rd., Oregon City, approximately 0.69 acres. <ul style="list-style-type: none"> • House has been abandoned for years. Check with the City of Oregon City for more information (503.722.3789) • Zone – RR10 • Clackamas RFPD #1, Oregon City School Dist. #1 • Sewer – Tri-Cities, water – unknown • No access road to the house * Real market land value noted | *87,527 | 43,764 | 8,753 |
| 6 | 27E34CC 02801 | VACANT LAND - off E. Lolo Pass Road., Welches area, approximately .25 acres. <ul style="list-style-type: none"> • Possibly buildable. Check with Clackamas County Planning Dept. for permitted uses (503.742.4400) • Zone - RR • Hoodland RFPD #74, Oregon Trail school District. #46 • Sewer - unknown, water – unknown | 32,821 | 16,410 | 3,282 |
| 7 | 32E12B 01100 32E12B 03101 | VACANT LAND – off S. Creek Road., Redland area, approximately 2.67 acres and .27 acres <ul style="list-style-type: none"> • Check with Clackamas County Planning Dept. for permitted uses (503.742.4400) • Zone – RFFF5 - • Clackamas Fire Dist. # 1, Oregon City School # 62 • Sewer – unknown, Water – unknown | 60,645 | 30,322 | 6,064 |
| 8 | 34E28BC 10300 | VACANT LAND - Estacada area, 603 SE Espinosa Street approximately 1.71 acres. <ul style="list-style-type: none"> • Check with City of Estacada Planning Dept. for permitted uses (503.630.8270) • Zone – R1 - • Estacada Fire Dist. #69, Estacada School Dist. # 108 • Sewer – unknown, water – unknown | 109,548 | 54,774 | 10,955 |
| 9 | 37E04B 05700 | VACANT LAND – on E Routledge Lane, Hoodland, approximately 4.99 acres. <ul style="list-style-type: none"> • Contact the county Planning Dept. for permitted uses (503.742.4400) • Zoned MRR • Hoodland Fire Dist. #74, Oregon Trail School 46 • Sewer - unknown, water – unknown | 64,138 | 32,069 | 6,414 |

| Item # | Map # | Description | Assessed Real Market Value \$ | Minimum Bid \$ | 20% Deposit Amount \$ |
|--------|-----------------|---|-------------------------------|----------------|-----------------------|
| 10 | 43E29 00204 | VACANT LAND – on Rockie Drive, Beaver creek/Mulino, approximately 5.08 acres. <ul style="list-style-type: none"> • Possibly buildable. Contact Clackamas County Planning Dept. for permitted uses (503.742.4400) • Zoned AGF • Clackamas Fire Dist. # 1, Molalla River School District # 35 • Sewer - unknown, water – unknown | 98,569 | 49,285 | 9,857 |
| 11 | 22E34C 00300 | VACANT LAND – Redland Road near Hidden Lake., approximately 7.76 acres. <ul style="list-style-type: none"> • Check with Clackamas County Planning Dept. for permitted uses (503.742.4400) • Zone - 6.49 acres are TBR – 1.27 acres are RRFF5 • Clackamas Fire Dist. # 1, Oregon City School # 62 • Sewer - unknown, Water - CRW | 134,110 | 67,055 | 13,411 |

Business and Community Services

Property Resources Division

PUBLIC NOTICE

**Clackamas County
Surplus Property Sale
Oral Public Auction**

May 14, 2014



Business and Community Services

Rick Gruen, Property Resources Manager

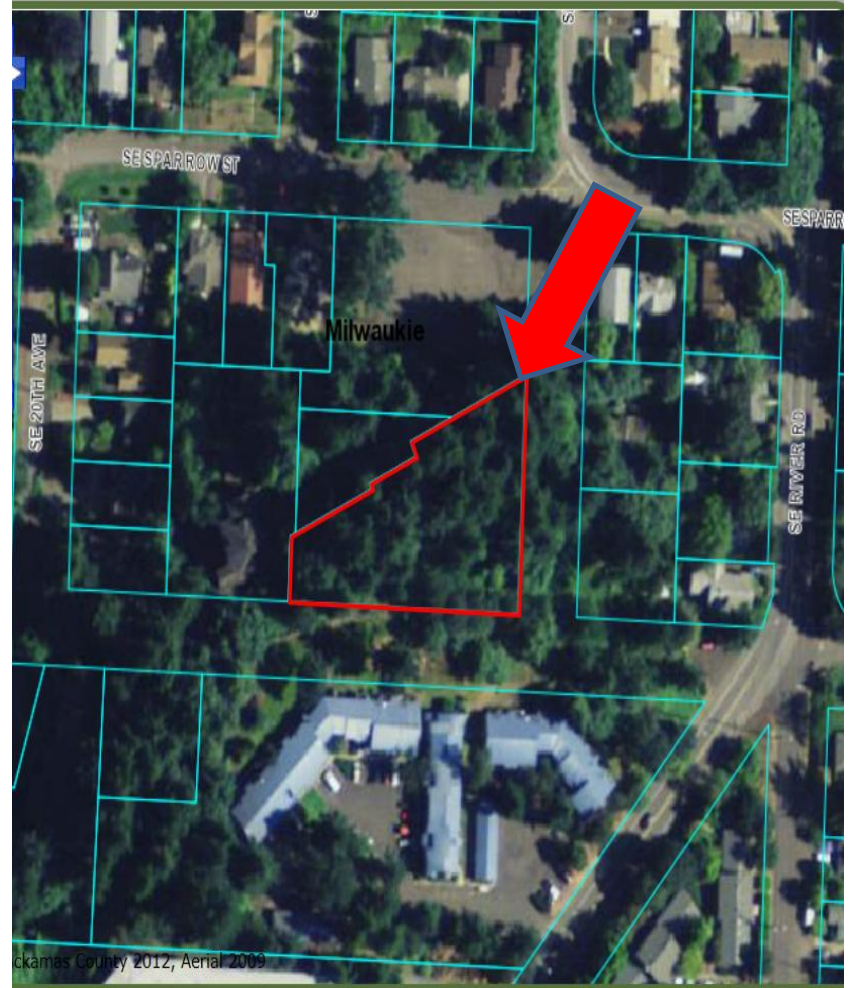
Rachelle Bonsi, Property Agent



11E 35DD 05500

Public Auction Item # 1

- **0.64 acres** of vacant land in the Milwaukie area off SE Lark & 22nd Avenue.
- Check with City of Milwaukie for permitted uses (503) 786-7600
- Zoned R5
- Clackamas RFPD #1, N. Clackamas School Dist. No. #12
- Sewer – unknown, Water – unknown



11E 35DD 07300

Public Auction Item # 2

- One parcel of vacant land located in the Milwaukie area off of SE Lark Street and 20th Avenue a total of **0.23 acres**.
- Check with City of Milwaukie for permitted uses (503) 786 - 7600
- Property Zoned R2
- Clackamas RFPD #1, N. Clackamas School Dist #12
- Sewer – unknown, Water – unknown

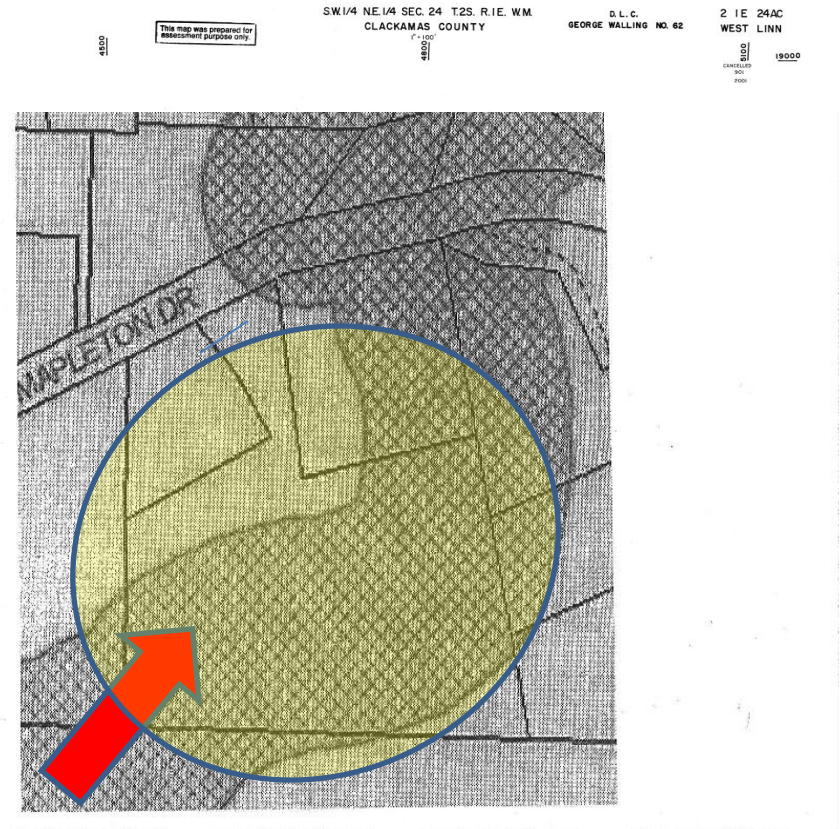


Public Auction Item # 3

- **3.07 acres** – Woodland site off Mapleton Dr., West Linn.
- Constrained by slope, water resource/riparian corridor setbacks
- Buildable site; check with Peter Spir, City of West Linn, for permitted uses (503) 723-2539
- Zone R10
- Tualatin Valley Fire & Rescue
- Sewer – Tri-Cities, water – unknown



21E 24AC 02401



27E 32BC 11700

Public Auction Item # 4

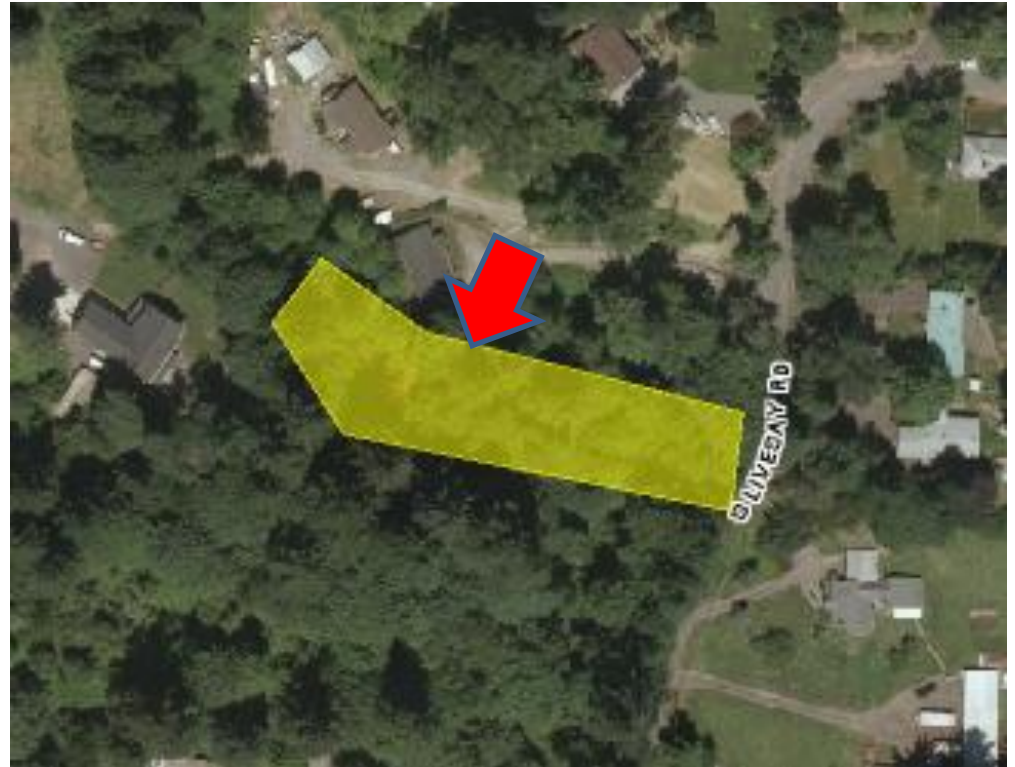
- VACANT LAND - off E. Lataurelle Avenue, Hoodland area- approximately **.06 acres**.
- Check with Clackamas County Planning Dept. for permitted uses (503)742-4400
- Zoned RR
- Hoodland RFPD #74, Oregon Trail School Dist. # 46
- Sewer - unknown, water – Clackamas River Water



22E 29DA 03001

Public Auction Item # 5

- VACANT HOUSE/LAND – 16761 Livesay Rd., Oregon City, approximately **0.7 acres.**
- House has been abandoned for years
- Check with the City of Oregon City for information (503) 722-3789
- Property Zoned RR10
- Clackamas RFPD #1, Oregon City School Dist. #62
- Sewer – Tri-Cities, water – unknown
- **No access road to the house**



27E 34CC 2801

Public Auction Item # 6

- Vacant land in the Hoodland/Welches area off of E Lolo Pass Rd, **0.25 acre**.
- Check with Clackamas County Planning Dept. for permitted uses (503) 742-4400
- Zoned RR
- Hoodland Fire Dist. #74, Oregon Trail School #46
- Sewer – unknown, water – unknown



32E 12B 01100 & 32E 12B 03101

Public Auction Item #7

- VACANT LAND - on S. Creek Road Oregon City area, approximately **2.67 acres, and a second parcel - .27 acre**
- Check with Clackamas County Planning Dept. for permitted uses (503) 742- 4400- w/septic approval, combination of the (2) should be buildable
- Zoned RRRF5
- Clackamas Fire Dist. # 1, Oregon City School Dist. # 62
- Sewer – unknown, water – Clackamas River Water



34E 28BC 10300

Public Auction Item #8

- VACANT LAND – on SE Espinosa Rd, Estacada, approximately **1.71 acres**.
- Contact the City of Estacada for permitted uses (503) 630.8270
- Zoned R1
- Estacada Fire Dist. #69, Estacada School 108
- Sewer - unknown, water – unknown



37E 04B 05700

Public Auction Item # 9

- VACANT LAND – on E Routledge Lane, Hoodland, approximately **4.99 acres**.
- Contact the Clackamas County for permitted uses (503.742.4400)
- Zoned MRR
- Hoodland Fire Dist. # 74, Oregon Trail School Dist. # 46
- Sewer - unknown, water – unknown



43E 29 00204

Public Auction Item # 10

- VACANT LAND - on S Rockie Drive, Beavercreek area, approximately **5.08 acres**.
- Check with Clackamas County Planning Dept. for permitted uses (503) 742-4400
- Zoned AGF
- Clackamas Fire Dist. # 1, Molalla River School # 35
- Sewer - unknown, water - unknown



22E34C 00300

Public Auction Item # 11

- VACANT LAND – Redland Road, near Hidden Lake, approximately **7.76 acres** total
- Check with Clackamas County Planning Dept. for permitted uses (503) 742-4400
- 6.49 are Zoned TBR and 1.27 acres are Zoned RRFF5
- Clackamas Fire Dist. # 1, Oregon City School # 62
- Sewer - unknown, water - unknown

