

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: April 8, 2025 **Approx. Start Time:** 2:15 PM

Approx. Length: 60 min

Presentation Title: Surplus Property Disposition

Department: Transportation and Development

Presenters: Dan Johnson, DTD Director; Sarah Eckman, DTD Assistant Director

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Board authorization to bring 21 tax foreclosed properties, all acquired prior to 2017, to a future Business Meeting for declaration as surplus and subsequently eligible for sale to the public.

EXECUTIVE SUMMARY:

FORECLOSURE BACKGROUND

Annually, Assessment & Taxation forecloses on real property in accordance with ORS 312 for nonpayment of property taxes for a period of up to six years. At such time as the property foreclosure is complete and the property is deeded to the County, the Property Disposition program is tasked with the management and disposition of these properties.

PROPERTY DISPOSITION OVERVIEW

In order for Property Disposition to sell or transfer any property acquired through foreclosure, the property must be declared surplus by the Board of County Commissioners before it can advance to be sold in accordance with Oregon Revised Statutes (ORS).

The goal of the Property Disposition program is to return tax foreclosed properties to the tax rolls in an efficient manner. Returning the properties to the tax rolls is accomplished through the sale or transfer of properties from County ownership. Sale methods are stipulated by statute and the value of the property in question. Prices for properties are set in accordance with established procedures and policies. To sell properties valued at \$15,000 or more, the County must first offer them to the public through Sheriff's auction. Properties valued at less than \$15,000 can be sold in other manners such as private sales, etc. At a minimum, property prices are set to recover delinquent taxes, penalties and interest, and costs associated with the management of the properties.

TYLER V HENNEPIN COUNTY SUPREME COURT CASE/RELATED LEGISLATION

The May 2023 Tyler v Hennepin County Supreme Court Case requires that any excess funds realized by counties from the sale of tax foreclosed properties be made available to former owners or interested parties through a claims process. These rulings affect the Oregon statutory process that all counties follow when dispersing excess funds from tax foreclosed property sales.

Currently, there is a State legislative effort to standardize the way excess funds are distributed by Oregon counties. This matter will not be resolved entirely by legislation; however, we anticipate some direction will be provided. Regardless of future legislation, the County is still required to dispose of tax foreclosed properties to ensure they return to the tax rolls. Offering properties at a public sale in accordance with the provisions of ORS 275.110 through 275.190 provides a mechanism by which the properties are returned to the tax rolls, thereby reducing the county's risk exposure.

There has been a significant amount of litigation regarding the “look back” timeframe in which an excess funds claim can be made. Clackamas County is currently involved in a federal class action lawsuit where a recent ruling has declared the statute of limitations to be six years (6) from the date of the end the tax redemption period which is October 2017 to present. For today’s purposes, Property Disposition is requesting that property acquired prior to 2017 be declared as surplus so that we can work on getting the properties back on the tax roll.

Authorizing staff to advance declaration of the attached list of properties as surplus property allows Property Disposition to initiate the public sale process. Achieving the minimum bid for all proposed properties would yield \$407,531 in gross sales. These funds will initially be used to offset the expenses incurred during the management of these properties and any excess funds will be distributed back to the overlapping taxing districts.

Offering these properties for sale will also allow the County to potentially:

- Recover owed tax revenue and County costs.
- Comply with anticipated state legislation (HB 4506).
- Reduce and eliminate risks associated with property ownership.

Once declared surplus, the sale of these properties will be facilitated through a future public sale via a Sheriff’s auction. The auctions will be scheduled with the Sheriff’s Office and conducted in accordance with ORS. Clackamas County policy prohibits County employees from purchasing any County surplus property.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? N/A

What is the funding source? Property sale proceeds

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department’s Strategic Business Plan goals?

The strategic goal of DTD/Property Disposition is to manage surplus property so it may be sold to become a tax-producing asset on the tax rolls. Funds generated on the tax rolls will help preserve other public benefits throughout the county as well as publicly held lands. Schools, parks, and libraries are just a few examples of public entities that receive funds generated from the tax rolls.

- How does this item align with the County’s Performance Clackamas goals?

Managing surplus tax foreclosed properties aligns with the Board’s strategic goal and priority of Building Public Trust through Good Government.

LEGAL/POLICY REQUIREMENTS:

The sale of tax foreclosed properties shall be made in accordance with ORS 275.000 to ORS 275.350 and ORS 271.330 to 271.360.

PUBLIC/GOVERNMENTAL PARTICIPATION:

DTD/Property Disposition will advertise auctions as follows:

- Mail notices of sale to previous owners via first class and certified mail.

- Notice of Public Sale is advertised by the Sheriff's office in area newspapers, on their website, and the Oregon State Sheriff Association website for six weeks.
- Notice of Public Sale is added to our website and is shared by PGA on County social media outlets, press releases, etc.

OPTIONS:

#1: Direct staff to bring the attached list of tax foreclosed parcels to a future Business Meeting for declaration as surplus property.

#2: Direct staff to bring the attached list of tax foreclosed parcels, with modifications, to a future Business Meeting for declaration as surplus property.

#3: Decline to advance the list of tax foreclosed properties for declaration as surplus property.

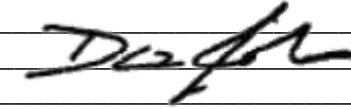
RECOMMENDATION:

Staff recommends Option #1: Direct staff to bring the attached list of tax foreclosed parcels to a future Business Meeting for declaration as surplus property.

ATTACHMENTS:

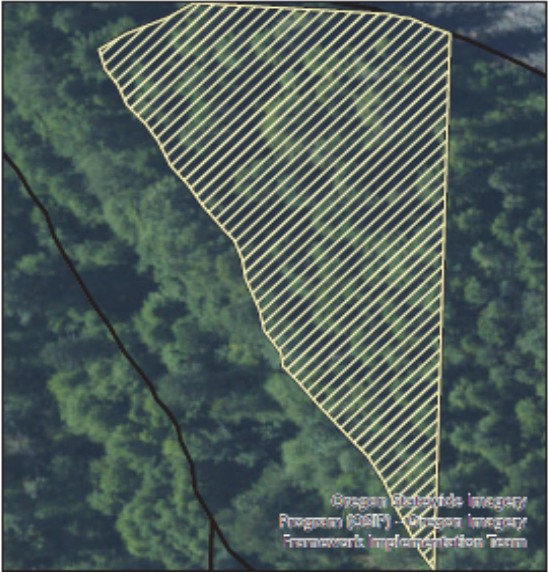
Attachment A: Tax foreclosed properties proposed for declaration as surplus property

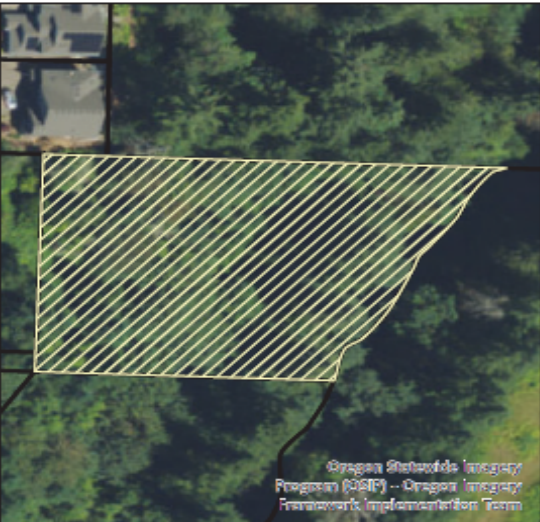

SUBMITTED BY:


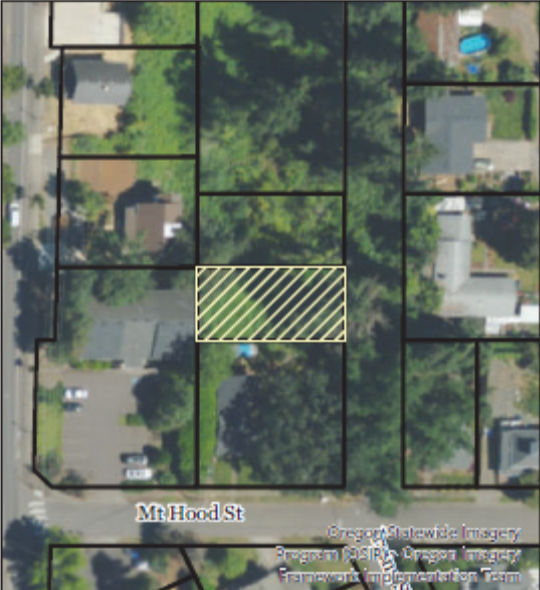
Division Director/Head Approval _____
Department Director/Head Approval  _____
County Administrator Approval _____

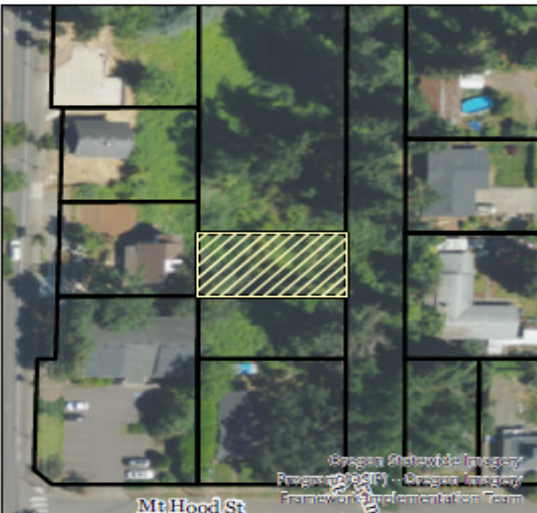
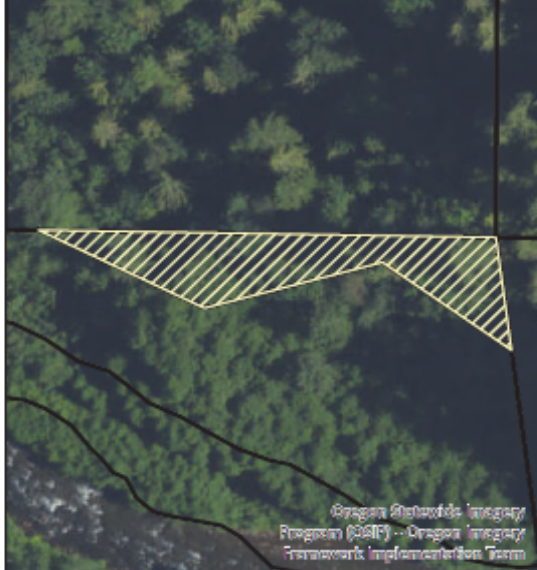
For information on this issue or copies of attachments, please contact Sarah Eckman @ 503-742-4303

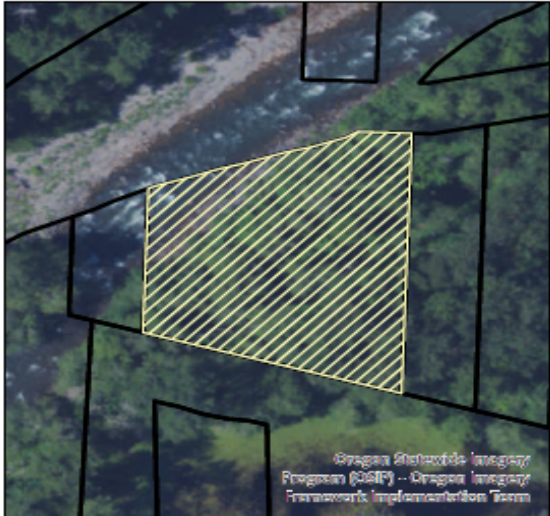

Attachment A

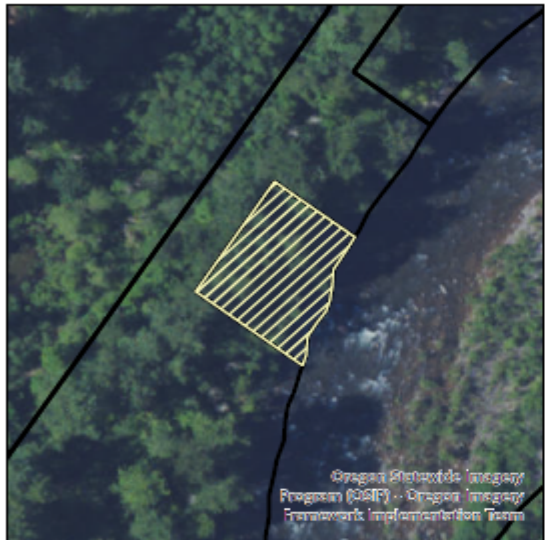
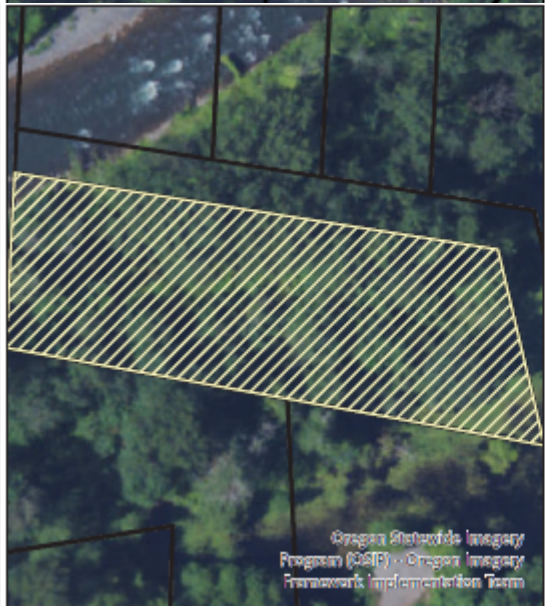
Item #	Aerial View	Description	Assessor Real Market Value	Minimum Bid	Deposit - 20% of Minimum bid
1	 <p data-bbox="682 1161 934 1226">Oregon Statewide Imagery Program (OSIP) - Oregon Imagery Network Implementation Team</p>	<p data-bbox="966 673 1291 722">Tax Lot Number: 28E20DD00100 Parcel Number: 01511554</p> <p data-bbox="966 803 1291 876">Unimproved parcel located at 34 Mp & E Hwy 26, Unincorporated Clackamas Co., 97055</p> <p data-bbox="966 966 1312 1039">Acres: 1.17 Zone: EFU Fire District: Hoodland Fire Dist #74</p> <p data-bbox="966 1055 1228 1079">Park District: Not in District</p> <p data-bbox="966 1104 1239 1169">School District: Oregon Trail Sewer: Not in District Water: Not in District</p> <p data-bbox="966 1177 1249 1226">Latitude: 45° 22' 40.41 N Longitude: 122° 05' 11.91 W</p>	\$237273	\$59318	\$11864

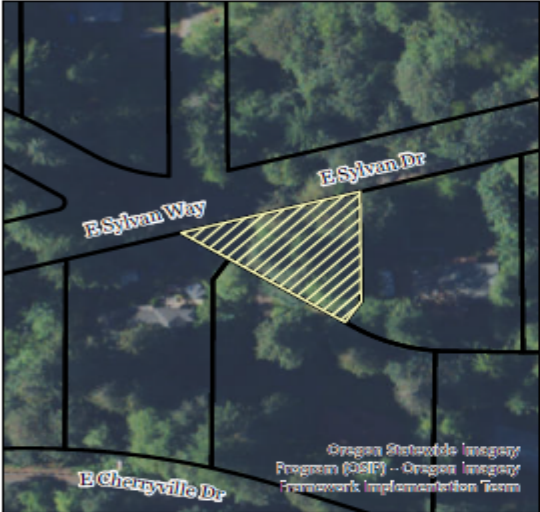
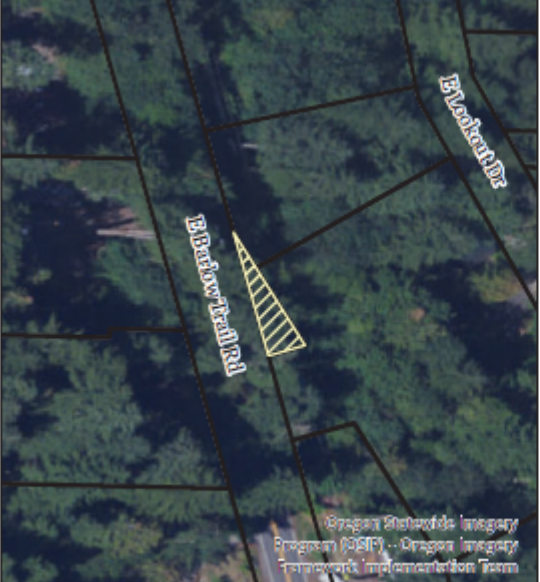
Item #	Aerial View	Description	Assessor Real Market Value	Minimum Bid	Deposit - 20% of Minimum bid
2		<p>Tax Lot Number: 22E12A 00304 Parcel Number: 00481847</p> <p>Unimproved parcel located at SE 155th Dr & SE 156th Ave, Unincorporated Clackamas Co., 97015</p> <p>Acres: 0.98 Zone: RC-ME Fire District: Clackamas RFPD #1</p> <p>Park District: Not in District</p> <p>School District: North Clackamas Sewer: Happy Valley Water: Not in District</p> <p>Latitude: 45° 25' 02.51 N Longitude: 122° 30' 05.79 W</p>	\$221312	\$55328	\$11065
3		<p>Tax Lot Number: 22E03AB00316 Parcel Number: 01811784</p> <p>Unimproved parcel located at SE Braemark Ct & SE Braemark Pl, Unincorporated Clackamas Co., 97015</p> <p>Acres: 0.97 Zone: R8.5 Fire District: Clackamas RFPD #1</p> <p>Park District: North Clackamas Park District School District: North Clackamas Sewer: Not in District Water: Not in District</p> <p>Latitude: 45° 25' 45.86 N Longitude: 122° 32' 39.72 W</p>	\$166589	\$41647	\$8329

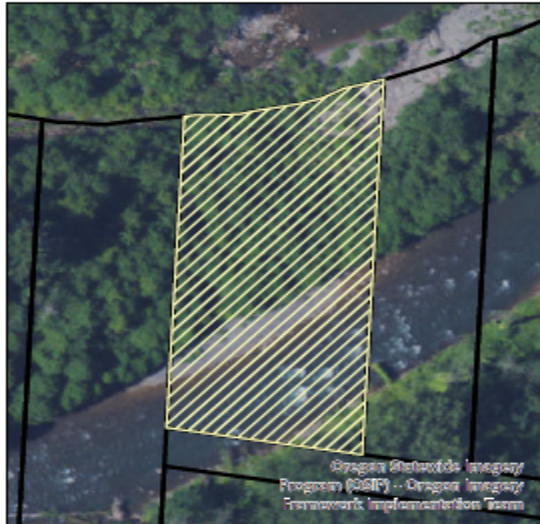
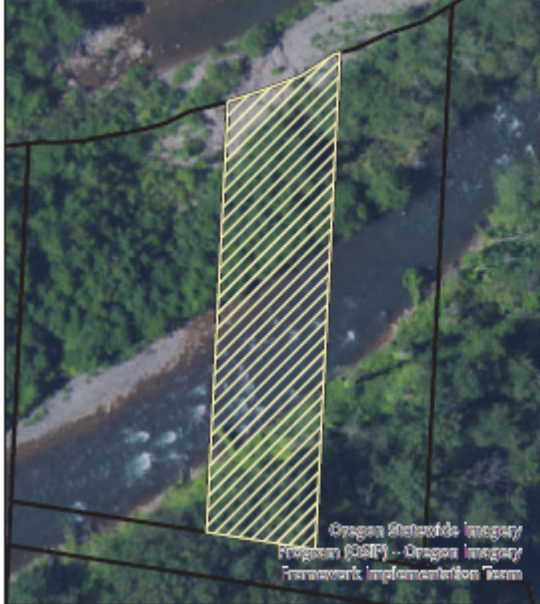
Item #	Aerial View	Description	Assessor Real Market Value	Minimum Bid	Deposit - 20% of Minimum bid
4		<p>Tax Lot Number: 34E29AD00400 Parcel Number: 05002112</p> <p>Unimproved parcel located at S Begonia Rd & S River Lake Rd, Unincorporated Clackamas Co., 97023</p> <p>Acres: 4.44 Zone: RRF5 Fire District: Estacada Fire Dist #69 Park District: Not in District School District: Estacada Sewer: Not in District Water: Not in District Latitude: 45° 16' 59.11 N Longitude: 122° 20' 07.52 W</p>	\$94207	\$23552	\$4710
5		<p>Tax Lot Number: 32E05BB00700 Parcel Number: 00844634</p> <p>Unimproved parcel located at Irving St & Mt Hood St, Oregon City, 97045</p> <p>Acres: 0.11 Zone: MUC1 Fire District: Clackamas RFPD #1 Park District: Not in District School District: Oregon City Sewer: Not in District Water: Oregon City Latitude: 45° 20' 41.98 N Longitude: 122° 35' 45.25 W</p>	\$80343	\$40172	\$8034

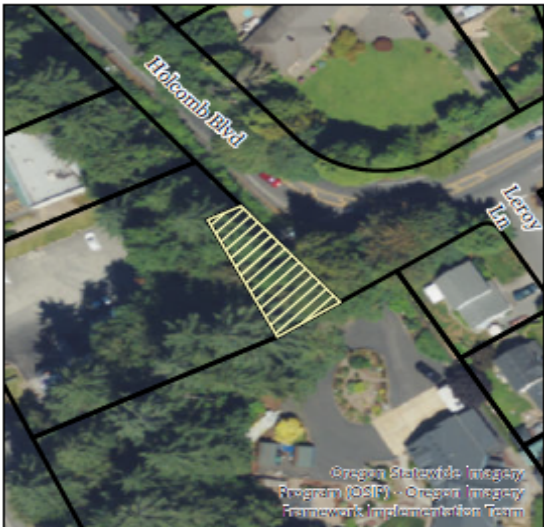
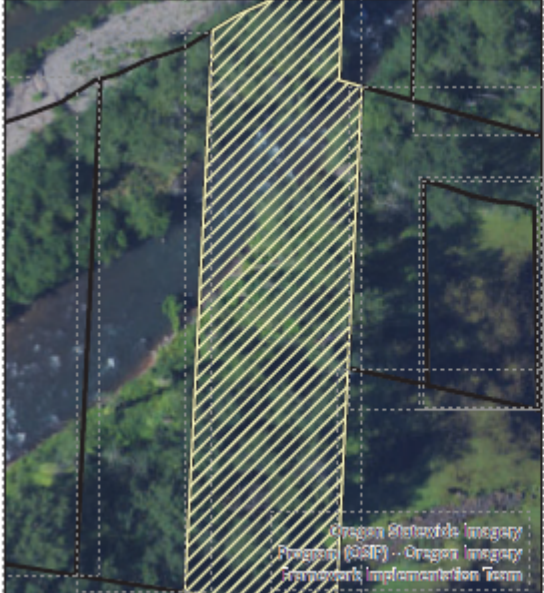
Item #	Aerial View	Description	Assessor Real Market Value	Minimum Bid	Deposit - 20% of Minimum bid
6		<p>Tax Lot Number: 32E05BB00701 Parcel Number: 05010019</p> <p>Unimproved parcel located at Irving St & Mt Hood St, Oregon City, 97045</p> <p>Acres: 0.11 Zone: MUC1 Fire District: Clackamas RFPD #1</p> <p>Park District: Not in District</p> <p>School District: Oregon City Sewer: Not in District Water: Oregon City</p> <p>Latitude: 45° 20' 42.48 N Longitude: 122° 35' 45.27 W</p>	\$80343	\$40172	\$8034
7		<p>Tax Lot Number: 37E03BA00100 Parcel Number: 00964638</p> <p>Unimproved parcel located at E Hofeldt Dr & E Salmonberry Rd, Unincorporated Clackamas Co., 97049</p> <p>Acres: 0.28 Zone: TBR Fire District: Hoodland Fire Dist #74</p> <p>Park District: Not in District</p> <p>School District: Oregon Trail Sewer: Not in District Water: Not in District</p> <p>Latitude: 45° 20' 46.29 N Longitude: 121° 55' 58.41 W</p>	\$61893	\$15473	\$3095

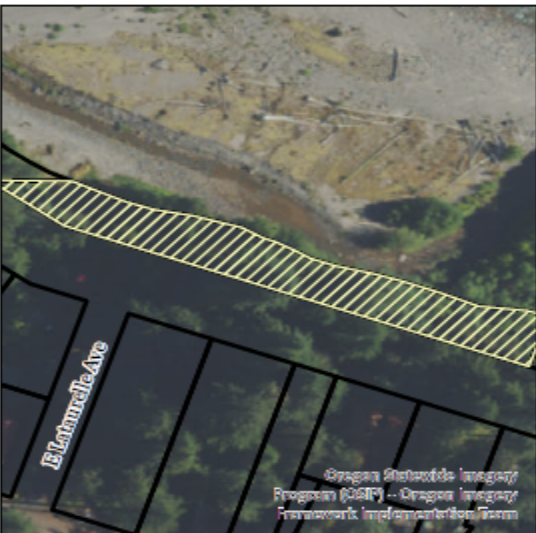

Item #	Aerial View	Description	Assessor Real Market Value	Minimum Bid	Deposit - 20% of Minimum bid
8		<p>Tax Lot Number: 28E24CD01700 Parcel Number: 00713810</p> <p>Unimproved parcel located at E Barlow Trail Rd & E Boulder Creek Ln, Unincorporated Clackamas Co., 97011</p> <p>Acres: 0.66 Zone: RR Fire District: Hoodland Fire Dist #74</p> <p>Park District: Not in District</p> <p>School District: Oregon Trail Sewer: Not in District Water: Not in District</p> <p>Latitude: 45° 22' 42.30 N Longitude: 122° 01' 02.12 W</p>	\$56955	\$14239	\$2848
9		<p>Tax Lot Number: 22E32CA01200 Parcel Number: 00588714</p> <p>Unimproved parcel located at Willamette St & S Selma St, Unincorporated Clackamas Co., 97045</p> <p>Acres: 0.23 Zone: TBR Fire District: Clackamas RFPD #1</p> <p>Park District: Not in District</p> <p>School District: Oregon City Sewer: Not in District Water: Not in District</p> <p>Latitude: 45° 21' 02.83 N Longitude: 122° 35' 25.72 W</p>	\$53630	\$26815	\$5363

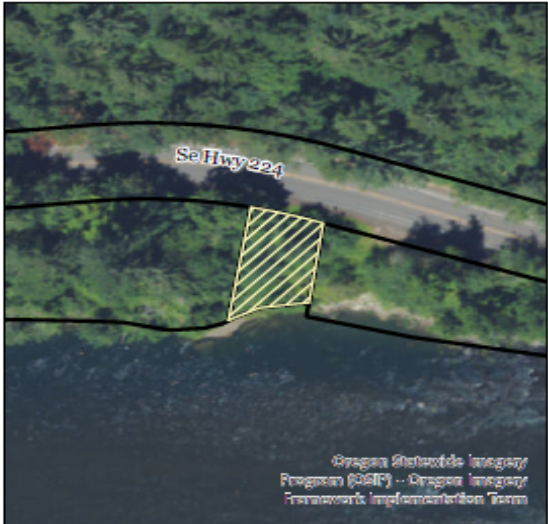

Item #	Aerial View	Description	Assessor Real Market Value	Minimum Bid	Deposit - 20% of Minimum bid
10		<p>Tax Lot Number: 26E22BC02000 Parcel Number: 00709594</p> <p>Unimproved parcel located at E Clubhouse Rd & E Club House Rd, Unincorporated Clackamas Co., 97055</p> <p>Acres: 0.18 Zone: RRF5 Fire District: Hoodland Fire Dist #74</p> <p>Park District: Not in District</p> <p>School District: Oregon Trail Sewer: Not in District Water: Not in District</p> <p>Latitude: 45° 23' 05.08 N Longitude: 122° 03' 41.27 W</p>	\$49480	\$12370	\$2474
11		<p>Tax Lot Number: 26E24CD02600 Parcel Number: 00713927</p> <p>Unimproved parcel located at E Brightwood Bridge Rd & E Brightwood Loop Rd, Unincorporated Clackamas Co., 97011</p> <p>Acres: 0.99 Zone: RR Fire District: Hoodland Fire Dist #74</p> <p>Park District: Not in District</p> <p>School District: Oregon Trail Sewer: Not in District Water: Not in District</p> <p>Latitude: 45° 22' 37.60 N Longitude: 122° 01' 07.08 W</p>	\$35554	\$8889	\$1778

Item #	Aerial View	Description	Assessor Real Market Value	Minimum Bid	Deposit - 20% of Minimum bid
12		<p>Tax Lot Number: 28E19CD04000 Parcel Number: 00705099</p> <p>Unimproved parcel located at E Sylvan Dr & E Sylvan Way, Unincorporated Clackamas Co., 97055</p> <p>Acres: 0.15 Zone: RRF5 Fire District: Hoodland Fire Dist #74</p> <p>Park District: Not in District</p> <p>School District: Oregon Trail Sewer: Not in District Water: Not in District</p> <p>Latitude: 45° 22' 35.32 N Longitude: 122° 07' 03.44 W</p>	\$35099	\$8775	\$1755
13		<p>Tax Lot Number: 27E30BB03100 Parcel Number: 00723550</p> <p>Unimproved parcel located at E Barlow Trail Rd & E Relton Ln, Unincorporated Clackamas Co., 97049</p> <p>Acres: 0.03 Zone: RR Fire District: Hoodland Fire Dist #74</p> <p>Park District: Not in District</p> <p>School District: Oregon Trail Sewer: Not in District Water: Not in District</p> <p>Latitude: 45° 22' 27.51 N Longitude: 122° 00' 11.24 W</p>	\$34134	\$8534	\$1707

Item #	Aerial View	Description	Assessor Real Market Value	Minimum Bid	Deposit - 20% of Minimum bid
14		<p>Tax Lot Number: 28E24CD02000 Parcel Number: 00713847</p> <p>Unimproved parcel located at E Brightwood Bridge Rd & E Brightwood Loop Rd, Unincorporated Clackamas Co., 97011</p> <p>Acres: 0.82 Zone: RR Fire District: Hoodland Fire Dist #74</p> <p>Park District: Not in District</p> <p>School District: Oregon Trail Sewer: Not in District Water: Not in District</p> <p>Latitude: 45° 22' 39.97 N Longitude: 122° 01' 08.49 W</p>	\$30456	\$7614	\$1523
15		<p>Tax Lot Number: 28E24CD02100 Parcel Number: 00713856</p> <p>Unimproved parcel located at E Brightwood Bridge Rd & E Brightwood Loop Rd, Unincorporated Clackamas Co., 97011</p> <p>Acres: 0.54 Zone: RR Fire District: Hoodland Fire Dist #74</p> <p>Park District: Not in District</p> <p>School District: Oregon Trail Sewer: Not in District Water: Not in District</p> <p>Latitude: 45° 22' 40.07 N Longitude: 122° 01' 07.04 W</p>	\$29814	\$7454	\$1491

Item #	Aerial View	Description	Assessor Real Market Value	Minimum Bid	Deposit - 20% of Minimum bid
16	 <p data-bbox="682 748 934 813">Oregon Statewide Integrity Program (OSIP) - Oregon Integrity Framework Implementation Team</p>	<p data-bbox="972 302 1297 342">Tax Lot Number: 22E29DB00700 Parcel Number: 00562983</p> <p data-bbox="972 423 1329 480">Unimproved parcel located at Holcomb Blvd & Leroy Ln, Oregon City, 97045</p> <p data-bbox="972 578 1287 643">Acres: 0.09 Zone: C Fire District: Clackamas RFPD #1</p> <p data-bbox="972 659 1230 683">Park District: Not in District</p> <p data-bbox="972 699 1234 764">School District: Oregon City Sewer: Not in District Water: Oregon City</p> <p data-bbox="972 773 1245 813">Latitude: 45° 21' 48.87 N Longitude: 122° 35' 07.55 W</p>	\$27506	\$6877	\$1375
17	 <p data-bbox="682 1352 934 1417">Oregon Statewide Integrity Program (OSIP) - Oregon Integrity Framework Implementation Team</p>	<p data-bbox="972 841 1297 881">Tax Lot Number: 28E24CD02300 Parcel Number: 00713874</p> <p data-bbox="972 979 1329 1068">Unimproved parcel located at E Brightwood Bridge Rd & E Brightwood Loop Rd, Unincorporated Clackamas Co., 97011</p> <p data-bbox="972 1157 1308 1222">Acres: 0.97 Zone: RR Fire District: Hoodland Fire Dist #74</p> <p data-bbox="972 1247 1230 1271">Park District: Not in District</p> <p data-bbox="972 1295 1234 1360">School District: Oregon Trail Sewer: Not in District Water: Not in District</p> <p data-bbox="972 1377 1245 1417">Latitude: 45° 22' 40.29 N Longitude: 122° 01' 04.75 W</p>	\$26644	\$6661	\$1332

Item #	Aerial View	Description	Assessor Real Market Value	Minimum Bid	Deposit - 20% of Minimum bid
18		<p>Tax Lot Number: 27E32BC16000 Parcel Number: 01561866</p> <p>Unimproved parcel located at E Homer Ave & E Mountain Air Dr, Unincorporated Clackamas Co., 97011</p> <p>Acres: 0.29 Zone: RR Fire District: Hoodland Fire Dist #74</p> <p>Park District: Not in District</p> <p>School District: Oregon Trail Sewer: Not in District Water: Not in District</p> <p>Latitude: 45° 21' 24.92 N Longitude: 121° 58' 49.33 W</p>	\$23681	\$5920	\$1184
19		<p>Tax Lot Number: 32E05BB00800 Parcel Number: 00844643</p> <p>Unimproved parcel located at Irving St & Mt Hood St, Oregon City, 97045</p> <p>Acres: 0.44 Zone: MUC1 Fire District: Clackamas RFPD #1</p> <p>Park District: Not in District</p> <p>School District: Oregon City Sewer: Not in District Water: Oregon City</p> <p>Latitude: 45° 20' 43.67 N Longitude: 122° 35' 45.31 W</p>	\$21082	\$5270	\$1054

Item #	Aerial View	Description	Assessor Real Market Value	Minimum Bid	Deposit - 20% of Minimum bid
20.		<p>Tax Lot Number: 23E21B 00600 Parcel Number: 00832836</p> <p>Unimproved parcel located at 12 Mp & SE Hwy 224, Unincorporated Clackamas Co., 97089</p> <p>Acres: 0.09 Zone: RRF5 Fire District: Clackamas RFPD #1</p> <p>Park District: Not in District</p> <p>School District: North Clackamas Sewer: Not in District Water: Not in District</p> <p>Latitude: 45° 23' 05.64 N Longitude: 122° 27' 05.19 W</p>	\$19795	\$4949	\$990
21		<p>Tax Lot Number: 32E18BA10000 Parcel Number: 05014323</p> <p>Unimproved parcel located at Berge View Ave & Murren Way, Oregon City, 97045</p> <p>Acres: 0.15 Zone: R2 Fire District: Clackamas RFPD #1</p> <p>Park District: Not in District</p> <p>School District: Oregon City Sewer: Not in District Water: Oregon City</p> <p>Latitude: 45° 18' 59.20 N Longitude: 122° 34' 20.47 W</p>	\$15004	\$7502	\$1500