

# CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

## Policy Session Worksheet

Presentation Date: February 5, 2019 Time: 10:30 AM Length: 30 min.  
Presentation Title: Property Disposition Surplus Property Recommendation  
Department: Business and Community Services - Property Disposition Division  
Presenters: Rick Gruen, Property Disposition Manager; Lindsey Wilde, Property Specialist  
Other Invitees: Laura Zentner, 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 tax foreclosed 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 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 other 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? N/A

### **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 returned to the tax rolls.
- 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 parcel 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 Spring of 2019. These tax foreclosed properties would be added and offered for sale 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. Minimum bid for these properties will be the current market value as determined by a fee appraisal or a percentage of the ARMV per policy.

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

**Item 1 Map # 22E07DB02200:** This parcel is approximately .20 acres and is located at 5220 SE Oetkin Way Milwaukie, OR 97267. This improved parcel has an existing home but is in poor condition. The property is located within a suburban neighborhood with like style homes and amenities. The Assessor's Real Market Value is \$373,365. 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 would be prior to the May 1, 2019 auction.

**Item 2 Map # 31W22DB03500:** This parcel is approximately .16 acres and is located 11200 SW Champoeg Court Wilsonville, OR 97070. This improved parcel has an existing home and appears to be in average condition. The property is located within a suburban neighborhood with like style homes and amenities. The Assessor's Real Market Value is \$413,404. 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 would be prior to the May 1, 2019 auction.

**Item 3 Map # 32E06BB00900 and 01000:** These parcels are approximately .53 acres and are located off of South End Road and 5th Ave in Oregon City. These parcels are unimproved lots. These properties are located within a suburban neighborhood. The Assessor's Real Market Value is \$71,693. Property Disposition is recommending the minimum bid be set at \$17,924 based on the ARMV and the property constraints. The lots would be used as a flag lot with access issues present.

**Item 4 Map # 52E08DD09400A2:** This is an accessory dwelling only and is located on a lot that is not owned by Clackamas County. The building is located off of HWY 211 and Hart Ave. The structure is a weigh house with scales. The Assessor's Real Market Value is \$71,050. Property Disposition is recommending the minimum bid be set at \$35,525 based on the ARMV and the property constraints. The weigh scales are still in use and the building is in average condition. The access is off of another parcel, therefore, causing constraints.

**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 would inhibit the tax foreclosed property from being used as public benefit or returned to the tax rolls.

**ATTACHMENTS:**

Attachment A – Surplus Property Designation

**SUBMITTED BY:**

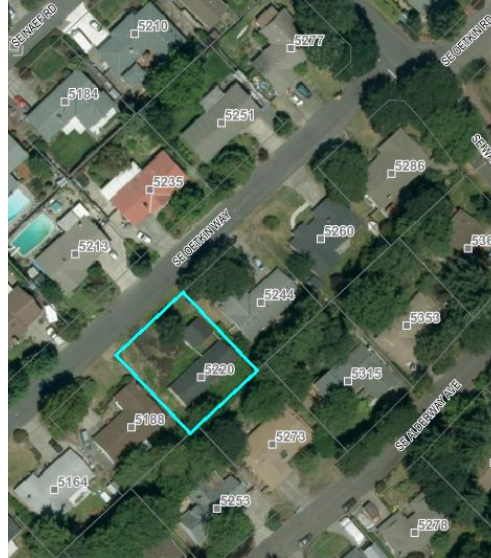
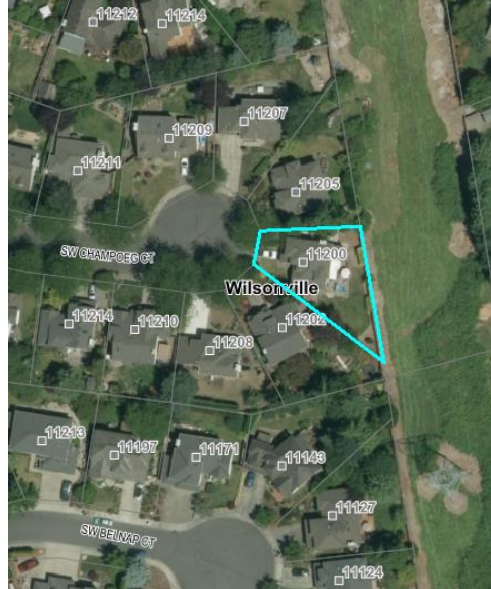
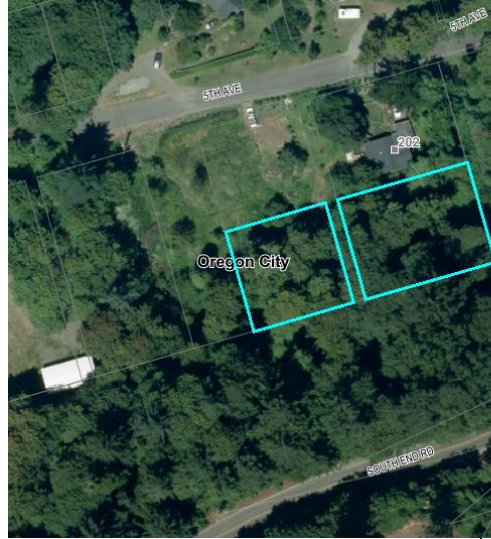
Division Director/Head Approval \_\_\_\_\_

Department Director/Head Approval \_\_\_\_\_

County Administrator Approval \_\_\_\_\_

For information on this issue or copies of attachments, please contact <u>Lindsey Wilde, Property Agent</u> @ x4384
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**ATTACHMENT A**

Item	Aerial View	Description	Assessed Real Market Value	Minimum Bid Amount	Deposit Amount- 20% of the minimum bid
1		<p><b>22E07DB02200</b> Improved Parcel- 5220 SE Oetkin Way Milwaukie, OR 97267</p> <ul style="list-style-type: none"> <li>• Approximately .20 Acres</li> <li>• There is a current structure on the property- Please confirm with Clackamas County Planning and Zoning for further development questions (503) 742-4501</li> <li>• Zoning- R10</li> <li>• Oak Grove Fire Station #3</li> <li>• North Clackamas School District</li> <li>• Oak Lodge Water</li> <li>• Oak Lodge Sanitary</li> </ul>	\$373,365	\$TBD Pending Appraisal	\$TBD Pending Appraisal
2		<p><b>31W22BD03500</b> Improved Parcel – 11200 SW Champoeg Court Wilsonville, OR 97070</p> <ul style="list-style-type: none"> <li>• Approximately .16 Acres</li> <li>• There is a current structure on the property- Please confirm with the City of Wilsonville, Planning Department for further development questions (503)682-4960</li> <li>• Zoning- PDR4</li> <li>• Tualatin Valley Fire and Rescue</li> <li>• West Linn/Wilsonville School District</li> <li>• Not in a Sewer District</li> <li>• Not in a Water District</li> </ul>	\$413,404	\$TBD Pending Appraisal	\$TBD Pending Appraisal
3		<p><b>32E06BB00900 and 1000</b> Unimproved Parcels – off of 5<sup>th</sup> Street and South End Road in Oregon City</p> <ul style="list-style-type: none"> <li>• Approximately .53 Acres Combined</li> <li>• Buildability is unknown- Please contact the City of Oregon City, Planning Department for further development questions (503) 657-0891</li> <li>• Zoning- R6</li> <li>• Clackamas RFPD #1</li> <li>• Oregon City School District</li> <li>• WES</li> <li>• Not in a Water District</li> </ul>	\$71,693	\$17,924	\$3,585

<p>4</p>		<p><b>52E08DD09400A2</b>  Improved Structure Only- off of Shaver and 211 in Molalla</p> <ul style="list-style-type: none"> <li>• Approximately .05 Acres</li> <li>• There is a weigh station with an office on site-Please contact Clackamas County, Planning Department for further development questions (503) 742-4501</li> <li>• Zoning- M1</li> <li>• Molalla RFPD #73</li> <li>• Molalla River School District</li> <li>• Not in a Sewer District</li> <li>• Not in a Water District</li> </ul>	<p><b>\$71,050</b></p>	<p><b>\$35,525</b></p>	<p><b>\$7,105</b></p>
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