

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: March 1, 2016 Time: 1:30 PM Length: 30 min.
Presentation Title: Property Resources Public Oral Auction List, Spring 2016
Department: Business and Community Services - Property Resources Division
Presenters: Rick Gruen, Property Resources Mgr; Lindsey Wilde, Property Resources Agent
Other Invitees: Laura Zentner, Deputy Director, Business and Community Services

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

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. 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 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.

The goal of the Property Resources 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? \$4,500.00 What is the funding source? Property Resource FY15/16 budget

The proceeds generated from the public oral auction and other private land sales are used to fund the operating, management and administrative costs of the Property Resources division as Property Resources division is not funded by the County's General Fund. Returning tax foreclosed

properties to the tax rolls generates property tax revenue for all taxing jurisdictions within Clackamas County. Per statute, proceeds from property sales in excess of the operating, management and administrative costs incurred by the County to operate the program are distributed by the County Treasurer to all taxing entities within Clackamas County.

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?
The purpose of the Property Disposition Program is to provide management and disposition of tax foreclosed and County owned nonproductive timberland to Clackamas County, municipalities, special districts and the public so they can receive the value of the assets being 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 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.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Property Resources 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 Resources is requesting that the BCC review and approve the proposed list of tax foreclosed properties for declaration as surplus and placement in the Public Oral Auction.

Options include:

1. Approve the proposed properties sale list and minimum bids as shown.
2. Modify the proposed property sale list and/or minimum bids.

Property Resources is proposing a Public Oral Auction date of May 11, 2016. The proposed sale list contains five (5) tax foreclosed 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 Attachment A.

Item # 1 12E27DB02201 is approximately .55 acres and is an unimproved parcel located in Happy Valley in the Mount Scott area. This property is located within Happy Valley and may be buildable but approval will need to be obtained from the City of Happy Valley. The Assessor's Real Market Value for the property is \$130,407. Property Resources is recommending the minimum bid be set

at \$_____ based on the appraised value. Please note that the appraisal is currently in the process of being completed.

Item # 2 27E32AC03500 is approximately 1.09 acres and is an undeveloped land parcel located Winnie Road and Polly Road in Rhododendron. This property is in Clackamas County's unincorporated area and may be buildable but approval will need to be obtained from Clackamas County. The Assessor's Real Market Value for the property is \$35,096. The land is zoned as Rural Residential and could be buildable, Property Resources is recommending the minimum bid be set at \$26,322. This amount represents 75 percent of the ARMV.

Item # 3 27E33DD00300, 400, and 2700 is approximately 2.82 acres and is an unimproved group of parcels located in Rhododendron. This group of properties is in unincorporated Clackamas County and is located along the Sandy River. The Assessor's Real Market Value for the property is \$25,032. Due to the location of the properties along the Sandy River flood plain, and the building restrictions, Property Resources is recommending the minimum bid be set at \$6,258. This amount represents 25 percent of the ARMV.

RECOMMENDATIONS

Staff recommends the BCC accept Option 1 to approve the Public Oral Auction sale list and proposed minimum bids for the Public Oral Auction

- a. No problems are anticipated with the recommendation of approval.
- b. Not approving the Public Oral Auction sale list would inhibit these tax foreclosed properties from being returned to the tax rolls at this time.

ATTACHMENTS:

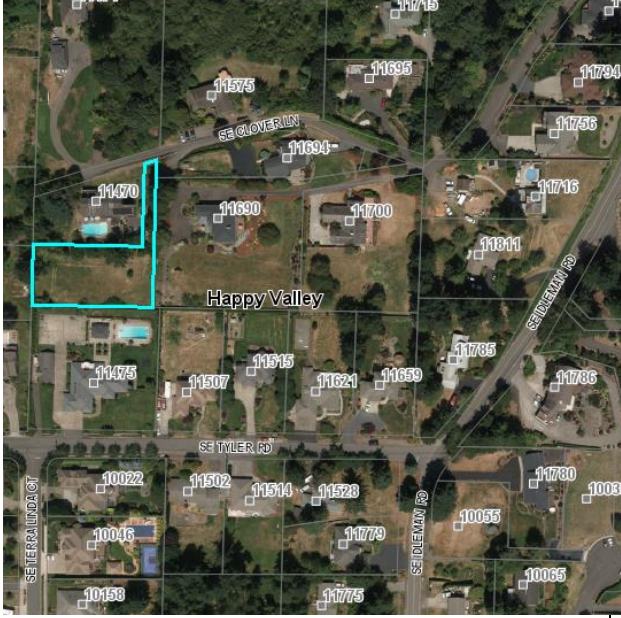
Attachment A – Public Oral Auction List

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 @ x4384</u>

ATTACHMENT A

Item	Aerial View	Description	Assessed Real Market Value	Minimum Bid Amount	Deposit Amount- 20% of the minimum bid
1		<p>12E27DB02201 Unimproved Land-Clover Lane Happy Valley, OR</p> <ul style="list-style-type: none"> • Approximately .55 Acres • Buildability is unknown- Please confirm with the City of Happy Valley, Planning Department to confirm (503) 783-3845 • Zoning- R-10 (.49) and R-20 (.07) • Clackamas Fire District #1 • North Clackamas School District • Clackamas County Sewer District • Sunrise Water Authority 	\$130,407	\$N/A Pending Appraisal	\$N/A Pending Appraisal

2		<p>27E32AC03500</p> <p>Unimproved Land- off of Winnie Road and Polly Road (Rhododendron)</p> <ul style="list-style-type: none"> • Approximately 1.09 Acres • Buildability is unknown- Please confirm with Clackamas County, Planning Department to confirm (503) 742-4501 • Zoning- RR • Hoodland Fire District #74 • Oregon Trail School District • Not in a Sewer District • Wildwood Annex 	\$35,096	\$26,322	\$5,264
3		<p>27E33DD00300, 400, and 2700</p> <p>Unimproved Land- off of Rockwood Creek Lane (Rhododendron)</p> <ul style="list-style-type: none"> • Approximately 2.82 Acres • Buildability is unknown- Please confirm with Clackamas County, Planning Department to confirm (503) 742-4501 • Zoning- RR • Hoodland Fire District #74 • Oregon Trail School District • Not in a Sewer District • Not in a Water District 	\$25,032	\$6,258	\$1,252

Business and Community Services Property Resources Division

PUBLIC NOTICE

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

May 11, 2016

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



12E27DB02201

Public Auction Item # 1

- Unimproved Land-Clover Lane
Happy Valley, OR
- Approximately .55 Acres
- Zoning- R-10 (.49) and R-20 (.07)
- Clackamas Fire District #1
- North Clackamas School District
- Clackamas County Sewer District
- Sunrise Water Authority
- Property Appraisal underway to
determine buildability and market
value



27E32AC03500

Public Auction Item # 2

- Unimproved Land- off of Winnie Road and Polly Road (Rhododendron)
- Approximately 1.09 Acres
- Zoning- RR
- Hoodland Fire District #74
- Oregon Trail School District
- Not in a Sewer District
- Wildwood Annex



27E33DD00300, 400, & 2700

Public Auction Item # 3

- Unimproved Land- off of Rockwood Creek Lane (Rhododendron)
- Approximately 2.82 Acres
- Zoning- RR
- Hoodland Fire District #74
- Oregon Trail School District
- Not in a Sewer District
- Not in a Water District

