

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: August 9, 2016 Time: 2:30 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
Other Invitees: Agent Laura Zentner, Deputy Director, Business and Community

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 Resource FY16/17 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 property for declaration as surplus. Options include:

- 1. Approve the proposed property as dedicated surplus to be offered for sale at a future auction.
- 2. Remove this property from consideration as surplus.

Property Disposition is planning for an auction in fall of 2016. This property would be added and offered at the Public Oral Auction. Staff has evaluated the 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 # 25E18AC01500 and 1600: These lots are combined with approximately .46 acres. It is an improved (but poor condition) parcel located near Sandy along Cedar Creek. This property consists of a small single family residence and a detached garage. Both are in need of demolition due to the extent of damages and mold. The Assessor’s Real Market Value for the property is \$184,571. 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 property as dedicated surplus so it may be offered for sale at the next auction.

- a. No issues are anticipated with the recommendation of approval.
- b. Not approving the property as surplus list would inhibit this tax foreclosed property from being returned to the tax rolls at this time.


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>25E18AC01500 and 1600 Improved Parcel- off of Cedar Creek</p> <ul style="list-style-type: none"> • Approximately .46 Acres • Please contact Clackamas County Planning for building requirement (503) 742-4500 • Zoning- RRFF5 • Sandy Fire District #2 • Oregon Trail School District • Not in a sewer district • Not in a water district 	\$184,571	\$TBD Pending Appraisal	\$TBD Pending Appraisal

Business and Community Services

Property Disposition Division

Surplus Property Designation

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



25E18AC01500 and 1600

- Improved Parcel- off of Cedar Creek near Sandy, OR
- Approximately .46 Acres
- Zoning- RRFF5
- Sandy Fire District #2
- Oregon Trail School District
- Not in a sewer district
- Not in a water district
- Property Appraisal underway to determine market value
- Current structure(s) are in poor condition at this time.

