

# CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

## Policy Session Worksheet

Presentation Date: February 28, 2017 Time: 10:30 AM Length: 30 min.  
Presentation Title: Property Disposition Surplus Property, Government Transfer, and Category 2 Forestlands  
Department: Business and Community Services - Property Disposition Division  
Presenters: Rick Gruen, Property Disposition Mgr; Lindsey Wilde, Property Agent  
Other Invitees: Laura Zentner, Deputy 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 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.

County Parks & Forest manages approximately 4,200 acres of mostly forest zoned lands with 900 acres forming the foundation of our county park system. Within the Division's Forest Management Plan, there are three categories of land assets: Category 1 assets include managed county park lands, Category 3 assets include managed timberland assets and Category 2 are those forestland assets that have been determined as not being suitable to meet park or forest management needs and if dedicated as surplus and sold, the proceeds from a non-performing Category 2 forest asset could be reinvested in new forestland property more conducive to achieving Forest Management Plan goals as a Category 3 asset. There are approximately 324 acres in the Category 2 inventory with 186 acres currently under contract.

### **FINANCIAL IMPLICATIONS:**

Is this item in your current budget?  YES  NO

What is the cost? \$N/A What is the funding source? Property Disposition 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, government transfers, and Category 2 properties 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. Approve the transfer of property to the City of West Linn. (Attachment B)
3. Remove any or all properties as consideration for surplus.

Property Disposition is planning for an auction in spring of 2017. These tax foreclosed properties would be added and offered 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.

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

**Item # 15E31C 02400:** This asset is approximately 5.01 acres. It is an unimproved property located in Sandy Oregon with a physical address of 12277 SE Lusted Road. The property consists of mostly vegetation and trees. The property's buildability is unknown at this time. The Assessor's Real Market Value is \$133,257. 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.

**Item # 26E24DD01800:** This asset is approximately .46 acres. It is unimproved land located off of the Sandy River and can be accessed from Barlow Trail Road. This property could potentially be buildable but would need to be confirmed with the Clackamas County's Planning Department. The Assessor's Real Market Value is \$34,245. 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.

**Item # 43E04A 00800:** This asset is approximately 18.09 acres. It is an improved parcel located in the Beavercreek area. This property consists of grazing grounds for livestock, a barn, and a mobile home. The property's currently developed but future development inquiries should be passed through Clackamas County's Planning Department. The Assessor's Real Market Value for the property is \$263,152. 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. There is an IRS lien attached to this parcel that will be settled at the time of the sale.

**Item # 53E04 04904:** This asset is approximately .91 acres. It is an improved parcel located in the City of Colton. This property consists of a stick built home, with extensive repairs and a cleanup needed. Any completions of interior construction would need to be approved through Planning and Zoning. The Assessor's Real Market Value for the property is \$366,837. 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 Options 1 and 2 to approve the proposed tax foreclosed properties as dedicated surplus; Category 2 property to be sold via private sale and the government transfer to the City of West Linn.

- a. No issues are anticipated with the recommendation of approval.
- b. Not approving the property as surplus list would inhibit the tax foreclosed properties from being used as public benefit or returned to the tax rolls.

**ATTACHMENTS:**

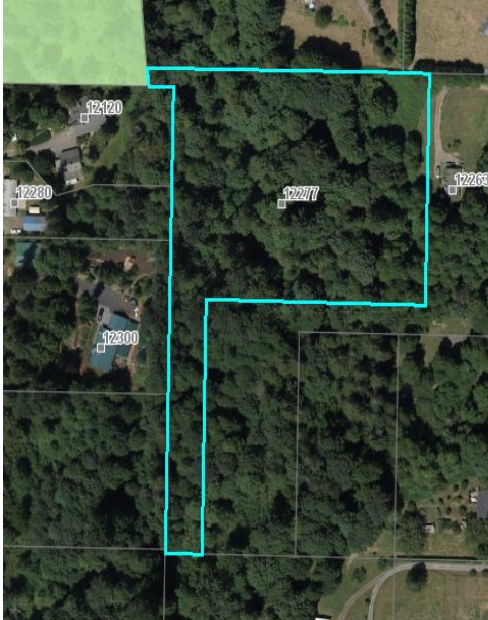

- Attachment A – Surplus Property Designation
- Attachment B- Government Distribution
- Attachment C- Request for Sale and Transfer “Appendix C”
- Attachment D- Category 2



**SUBMITTED BY:**

Division Director/Head Approval \_\_\_\_\_  
Department Director/Head Approval \_\_\_\_\_  
County Administrator Approval \_\_\_\_\_

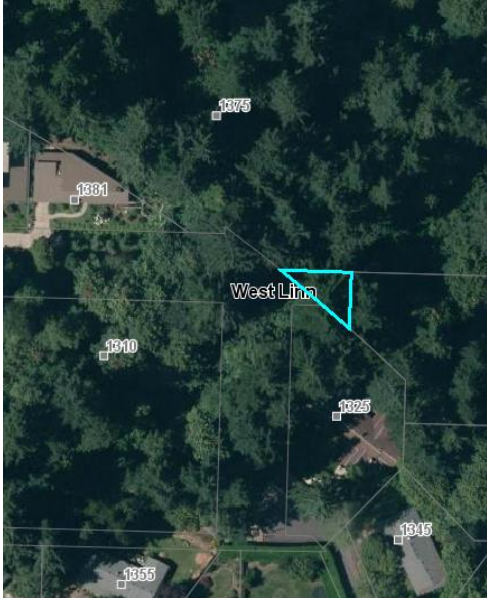
For information on this issue or copies of attachments, please contact <u>Lindsey Wilde, Property Agent @ x4384</u>
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**ATTACHMENT A**

Item	Aerial View	Description	Assessed Real Market Value	Minimum Bid Amount	Deposit Amount- 20% of the minimum bid
1		<p><b>15E31C 02400</b>            Unimproved Land- 12277 SE Lusted Road            Sandy, OR 97055</p> <ul style="list-style-type: none"> <li>• Approximately 5.01 Acres</li> <li>• Buildability is unknown- Please confirm with Clackamas County Planning and Zoning (503) 742-4501</li> <li>• Zoning- RRFF5</li> <li>• Sandy Fire District #72</li> <li>• Oregon Trail School District</li> <li>• Not in a sewer district</li> <li>• Not in a water district</li> </ul>	\$133,257	\$TBD Pending Appraisal	\$TBD Pending Appraisal
2		<p><b>26E24DD01800</b>            Unimproved Land off of the Sandy River</p> <ul style="list-style-type: none"> <li>• Approximately .46 Acres</li> <li>• Buildability is unknown- Please confirm with Clackamas County Planning and Zoning (503) 742-4501</li> <li>• Zoning- RR and outside of the UGB</li> <li>• Hoodland Fire District #74</li> <li>• Oregon Trail School District</li> <li>• Not in a sewer district</li> <li>• Not in a water district</li> <li>• Date Acquired: 2/26/1976</li> </ul>	\$24,245	\$TBD Pending Appraisal	\$TBD Pending Appraisal

3		<p><b>43E04A 00800</b> Improved Land – 20624 S. Lower Highland Road Beaver Creek, OR 97004</p> <ul style="list-style-type: none"> <li>• Approximately 18.09 Acres</li> <li>• Subject has a mobile home on the land- Please confirm with Clackamas County, Planning Department for further development questions (503) 742-4501</li> <li>• Zoning- AGF</li> <li>• Clackamas RFPD #1</li> <li>• Molalla River School District</li> <li>• Not in a Sewer District</li> <li>• Not in a Water District</li> </ul>	\$263,152	\$TBD Pending Appraisal	\$TBD Pending Appraisal
4		<p><b>53E04 04904</b> Improved Land – 30726 S. Oswalt Road Colton, OR 97017</p> <ul style="list-style-type: none"> <li>• Approximately .91 Acres</li> <li>• Subject has a stick built home. Please contact Clackamas County, Planning Department for further development questions (503) 742-4501</li> <li>• Zoning- RRF5</li> <li>• Colton Fire District #70</li> <li>• Colton School District</li> <li>• Not in a Sewer District</li> <li>• COLTON water</li> </ul>	\$366,837	\$TBD Pending Appraisal	\$TBD Pending Appraisal

**ATTACHMENT B**

Item	Aerial View	Description	Assessed Real Market Value	Transfer Value
1		<p><b>53E04 04904</b></p> <p>This parcel is adjacent to an already City managed park; Burnside Park. This will further the use of the public park.</p> <ul style="list-style-type: none"> <li>• Approximately .03 Acres</li> <li>• Zoning R10</li> <li>• Transferring under ORS 271.330 (3)</li> </ul>	1,185	\$445.00

ATTACHMENT C

APPENDIX "C"

REQUEST FOR SALE AND TRANSFER OF COUNTY SURPLUS REAL PROPERTY

(A Separate Form Must Be Submitted For Each Parcel of Property Requested.)

This form is submitted pursuant to ORS 271.330, by a representative of the following governmental agency:  
City of West Linn. This agency requests transfer of title to the following parcel of surplus  
property: 22E 30BB 02800 (Map Number).

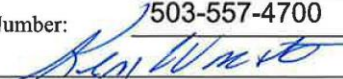
Transfer of title to this property is necessary to help this agency pursue an adopted comprehensive, strategic or operational plan and serve a public benefit in the following manner (please attach formal documentation of the property use plan if available as well as list out any additional agency owned parcels that will benefit from the acquisition of this parcel. ):  
This parcel will be added to Burnside Park to which it is adjacent, and used as a public park

Upon approval of this Request For Transfer by the Board of County Commissioners, this agency is prepared to pay a consideration for the parcel at the time of transfer. It is understood that:

- 1) If the requested parcel was obtained by the County through a tax foreclosure proceeding, the consideration will be equal to the amount of the actual back taxes owing, plus accrued interest and any direct/indirect costs associated with the parcel as detailed by Property Resources Division for costs totaling \$ 445

The source for these funds will be: Park System Development Fund (already approved grant funds, reserve, general fund, ect.)

PLEASE PRINT OR TYPE:

Submitted by: Ken Worcester  
A Representative of: The City of West Linn  
Mailing Address: 22500 Salamo Road  
West Linn, Oregon 97068  
Telephone Number: 503-557-4700  
Signature: 

Date Submitted: 11/25/2016

**RESOLUTION NO. 2016-15**

**A RESOLUTION TO ACQUIRE ADDITIONAL PROPERTY  
FOR BURNSIDE PARK WEST LINN, OREGON**

**WHEREAS**, Section 2.903 of the Municipal Code allows for the City Council to authorize the acquisition of real property by resolution;

**WHEREAS**, Clackamas County owns a remnant parcel of property totaling .03 acres at the end of Buck Street in West Linn;

**WHEREAS**, the property, if acquired, will become part of Burnside Park; and

**WHEREAS**, West Linn City Charter, Chapter XI, Section 46(d) requires the City Council to determine the appropriate designation of the property.

**NOW, THEREFORE, THE CITY OF WEST LINN RESOLVES AS FOLLOWS:**


**SECTION 1. Acquisition of Properties.** The City Council authorizes the City Manager to acquire the property identified as 22E 30BB 028000, West Linn. The City Council authorizes the City Staff to undertake any actions necessary to facilitate the acquisition of this property.

**SECTION 2. Designation of Properties.** The property identified as 22E 30BB 03000 located in, West Linn shall be designated as city-owned park property upon acquisition.

This resolution was PASSED and ADOPTED this 14th day of November, 2016, and takes effect upon passage.

  
\_\_\_\_\_  
RUSSELL B. AXELROD, MAYOR

ATTEST:

  
\_\_\_\_\_  
KATHY MOLLUSKY, CITY RECORDER

APPROVED AS TO FORM:

  
\_\_\_\_\_  
CITY ATTORNEY



ATTACHMENT D

### Emigrant Trail

T.2S R.7E Sec. 32 TL 100  
T.2S R.7E Sec. 33 TL's 400 & 501  
Zoning Code: TBR  
Total Acres: 62.5  
2008 1' Photography



Category 2  
January 31, 2011



 Emigrant Trail

0 125 250 500 Feet



# **Business and Community Services**

## **Property Disposition Division**

**Surplus Real Estate Public Oral Auction**  
**May 16, 2017**  
**Government Distribution**  
**Category 2 Forestlands**

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



# Property Disposition

**Our Goals:** Property Disposition Division is to manage tax foreclosed and surplus real 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.

## Timeline:

- Taxes are delinquent for three years.
- A judgment is filed and the two year redemption begins.
- In the sixth year the Tax Foreclosure Deed is filed.

# Property Disposition Criteria for Value

- **Value will be based on the Assessor's estimate of Real Market Value (ARMV) and/or Independent Appraised Value (IAV) at the discretion of Property Resources Division. IAV's are initiated if there are not any property constraints.**
- **Minimum bid amounts will generally be set, but not limited to, the following criteria:**

## **100% of Appraised Value:**

Property is unique, high value, and has considerable interest. Market appraisals will be obtained.

## **75% of ARMV:**

Property is buildable or has existing improvements.

Property may one or more constraints.

## **50% of ARMV:**

Property may be buildable.

Property is constrained by two or more factors affecting buildability.

## **25% of ARMV:**

Property may or may not buildable.

Multiple constraints affecting buildability and usability.

# Government Transfer Criteria

**Prior to auctioning tax foreclosed assets, the assets are offered to the taxing districts, municipalities within Clackamas County, and departments within the County. Any “Request of Intent for Sale and Transfer of County Surplus Real Property” submitted by these entities must be approved by the Clackamas County Board of County Commissioners prior to transfer. If the entity is any agency other than Clackamas County, an advertisement in a local news paper must be posted for two consecutive weeks, followed by a public hearing; ORS 271.330 (3)(5). If the entity is a subdivision of Clackamas County there will not be any further public action taken and the Board may approve the transfer.**

# Category 2 Assets

County Parks & Forest manages approximately 4,200 acres of mostly forest zoned lands with 900 acres forming the foundation of our county park system. Within the Division's Forest Management Plan, there are three categories of forestland assets:

- Category 1 assets are our managed county park lands
- Category 3 assets are our managed timberland assets
- Category 2 are those forestland assets that have been determined as not being suitable to meet park or forest management needs and if designated as surplus and sold, the proceeds from a non-performing Category 2 forest asset could be reinvested in new forestland property more conducive to achieving Forest Management Plan goals as a Category 3 asset.

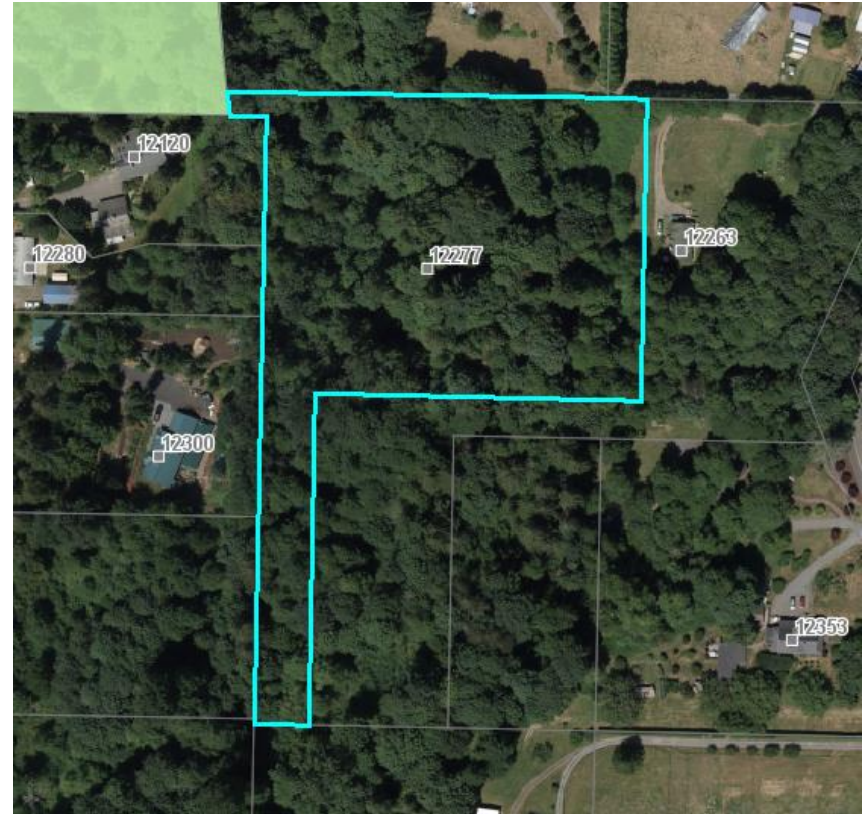
There is approximately 324 acres in the Category 2 inventory with 186 acres currently under contract.

# Property List



# 15E31C 02400

- Approximately 5.01 Acres
- Buildability is unknown- Please confirm with Clackamas County Planning and Zoning (503) 742-4501
- Zoning- RRFF5
- Sandy Fire District #72
- Oregon Trail School District
- Not in a sewer district
- Not in a water district
- Date Acquired: 11/24/2015





# 26E24DD01800

- Approximately .46 Acres
- Buildability is unknown- Please confirm with Clackamas County Planning and Zoning (503) 742-4501
- Zoning- RR and outside of the UGB
- Hoodland Fire District #74
- Oregon Trail School District
- Not in a sewer district
- Not in a water district
- Date Acquired: 2/26/1976



# 43E04A 00800

- Approximately 18.09 Acres
- Subject has a mobile home on the land- Please confirm with Clackamas County, Planning Department for further development questions (503) 742-4501
- Zoning- AGF
- Clackamas RFPD #1
- Molalla River School District
- Not in a Sewer District
- Not in a Water District
- Date Acquired: 12/21/2016
- IRS lien- in negotiations with the IRS



# 53E04 04904

- Approximately .91 Acres
- Subject has a stick built home. Please contact Clackamas County, Planning Department for further development questions (503) 742-4501
- Zoning- RRFF5
- Colton Fire District #70
- Colton School District
- Not in a Sewer District
- COLTON water
- Date Acquired: 12/21/2016
- Senior Deferral paid on the property with the DOR.



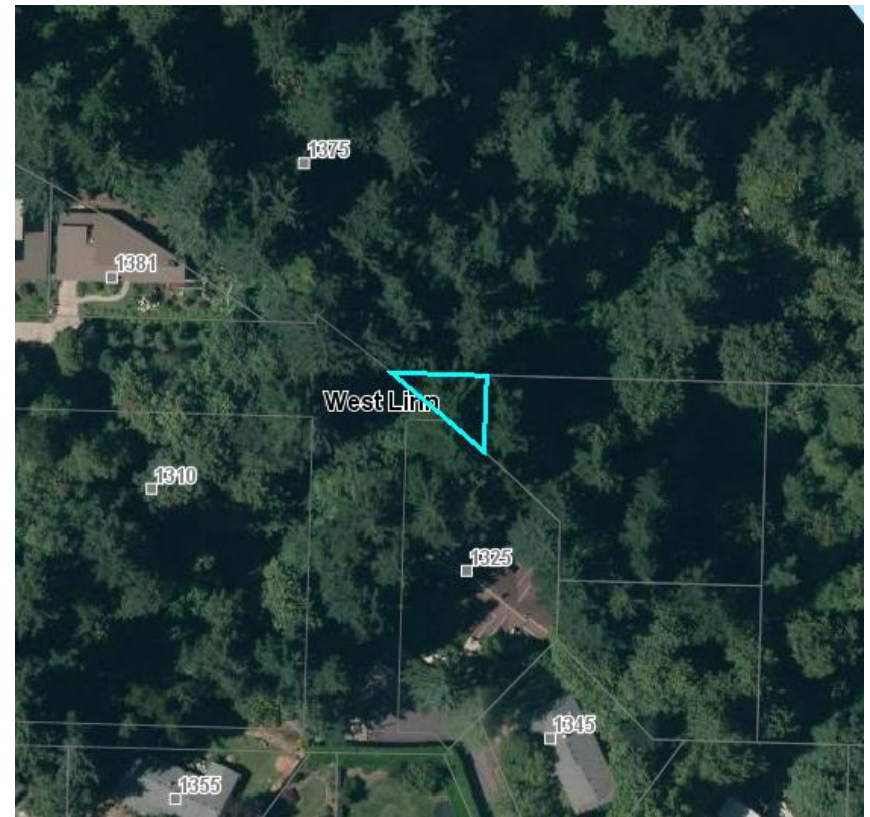


# Government Distribution

# Government Distribution

This parcel is adjacent to an already City managed park; Burnside Park. This will further the use of the public park.

- Approximately .03 Acres
- Zoning R10
- Transferring under ORS 271.330 (3)



A photograph of a dense forest with tall, thin trees and a mossy forest floor. The trees are mostly evergreens, and the ground is covered in a thick layer of green moss. The lighting is soft and dappled, suggesting a canopy above. The text "Category 2" is overlaid in the center in a large, black, serif font.

# Category 2

# Category 2: Emigrant Trail

## 27E32 00100 and 27E33 00400&501

**Category 2** are those forestland assets that have been determined as not being suitable to meet park or forest management needs.

- Approximately 62.5 acres cumulatively
- Dedicating this property as Surplus does fit within BCS MFR goals.

