

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: March 6, 2018 Time: 1:30 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 Agent
Other Invitees: Laura Zentner, Interim 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.

FINANCIAL IMPLICATIONS:

Is this item in your current budget? YES NO

What is the cost? \$N/A What is the funding source? Property Disposition FY17/18 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 parcels 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 2018. 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 1 Map # 12E29CB09700: This parcel is approximately .17 acres and is an unimproved parcel located in Milwaukie with a physical address of 6402 SE Jordan Ave Milwaukie, OR 97222. The parcel may be buildable based on a physical address already given. The property's buildability would have to be formally determined by the governing planning department.. The Assessor's Real Market Value is \$111,910. 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 spring auction.

Item 2 Map # 22E29DC01200: This asset is approximately 1.23 acres and located in Oregon City off of Abernethy and Anchor Way. This property is unimproved land with limited access and a steep terrain. The potential buildability would have to be approved through Oregon City's planning department. The Assessor's Real Market Value is \$31,489. Property Disposition is recommending the minimum bid be set at \$7,873, 25% of the fair market value, based on at least two property constraints.

Item 3 Map # 22E31DD01300: This parcel is approximately .21 acres and is located in Oregon City with a physical address of 1103 Charman Street Oregon City, OR 97045. The parcel consists of a stick built home within the limits of Oregon City. The property is located near services, public transportation, and amenities. The Assessor's Real Market Value is \$326,974. 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 spring auction.

Item 4 Map # 27E31AB00100: This parcel is approximately .47 acres and is an improved parcel located in Welches with a physical address of 65607 E Greensprings Street Welches, OR 97067. The parcel consists of a stick built cabin that abuts up to the Sandy River. The property is built and livable but, any improvements would have to be approved through Clackamas County's planning department. The Assessor's Real Market Value is \$209,219. 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 spring auction.

Item 5 Map # 31W15BC01000 and 31W15BC01001: This parcel is approximately 2.95 combined acres and is located in Wilsonville. This property is unimproved with a building restriction for the parcels within the CCR's. The Assessor's Real Market Value is \$411,608 combined. 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 spring auction.

Item 6 Map # 32E05BC04601: This parcel is approximately .22 acres and is located in Oregon City with a physical address of 304 Warner Street Oregon City, OR 97045. The parcel consists of a stick built home within the limits of Oregon City. The property is located near major services and amenities with public transportation pick up spots nearby. The Assessor's Real Market Value is \$239,448. 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 spring auction.

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 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

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>12E29CB09700 Unimproved Parcel- 6402 SE Jordan Ave Milwaukie, OR 97222</p> <ul style="list-style-type: none"> • Approximately .17 Acres • Buildability is unknown- Please confirm with Clackamas County Planning and Zoning (503) 742-4501 • Zoning- R7 • Clackamas RFPD #1 • North Clackamas School District • WES CCSD#1 • Clackamas River Water 	\$111,910	\$TBD Pending Appraisal	\$TBD Pending Appraisal
2		<p>22E29DC01200 Unimproved Parcel – Off of Redland Road and Abernethy Road</p> <ul style="list-style-type: none"> • Approximately 1.23 Acres • Buildability is unknown- Please confirm with Oregon City, Planning Department for further development questions (503) 657-0891 • Zoning- MUD • Clackamas RFPD #1 • Oregon City School District • WES TRI-CITY 	\$31,489	\$7,873	\$1,575
3		<p>22E31DD01300 Improved Parcel – 1103 Charman Street Oregon City, OR 97045</p> <ul style="list-style-type: none"> • Approximately .21 Acres • Parcel has an existing home. Please confirm with Oregon City, Planning Department for further development questions (503) 657-0891 • Zoning- R6 (UGB) • Clackamas RFPD #1 • Oregon City School District • WES TRI-CITY 	\$326,974	\$TBD Pending Appraisal	\$TBD Pending Appraisal

<p>4</p>		<p>27E31AB00100 Improved Parcel – 65607 East Greensprings Street Welches, OR 97067</p> <ul style="list-style-type: none"> • Approximately .47 Acres • Subject has a stick built home. Please contact Clackamas County, Planning Department for further development questions (503) 742-4501 • Zoning- RR • Hoodland Fire District #74 • Oregon Trail School District • Not in a Sewer District • Mt. Air Water Association 	<p>\$209,219</p>	<p>\$TBD Pending Appraisal</p>	<p>\$TBD Pending Appraisal</p>
<p>5</p>		<p>31W15BC01000/1001 Unimproved Parcel – Off of Grahams Ferry Road</p> <ul style="list-style-type: none"> • Approximately 2.95 Acres • Buildability is not allowed per CCR's-Please contact Clackamas County, Planning Department for further development questions (503) 742-4501 • Zoning- RRRF5 • Tualatin Valley Fire and Rescue • Sherwood School District • Not in a Sewer District • Not in a Water District 	<p>\$411,608</p>	<p>\$TBD Pending Appraisal</p>	<p>\$TBD Pending Appraisal</p>
<p>6</p>		<p>32E05BC04601 Improved Parcel – 304 Warner Street Oregon City, OR 97045</p> <ul style="list-style-type: none"> • Approximately .22 Acres • Parcel has an existing home. Please confirm with Oregon City, Planning Department for further development questions (503) 657-0891 • Zoning- R6 (UGB) • Clackamas RFPD #1 • Oregon City School District • WES TRI-CITY 	<p>\$239,448</p>	<p>\$TBD Pending Appraisal</p>	<p>\$TBD Pending Appraisal</p>

Business and Community Services

Property Disposition Division

Surplus Real Estate Public Oral Auction
May 22, 2018

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



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.

A photograph of a rustic log cabin with a stone chimney, situated in a forest. A stream flows through the foreground, surrounded by fallen leaves and rocks. The cabin has a gabled roof and several windows with shutters. The scene is captured in a soft, natural light, possibly during the day.

Property List

12E29CB09700

- Approximately .17 Acres
- Buildability is unknown- Please confirm with Clackamas County Planning and Zoning (503) 742-4501
- Zoning- R7
- Clackamas RFPD #1
- North Clackamas School District
- WES CCSD#1
- Clackamas River Water
- Date Acquired: 11/20/17
- Minimum Bid: TBD
- 20% Deposit Amount: TBD



22E29DC01200

- Approximately 1.23 Acres
- Buildability is unknown- Please confirm with Oregon City, Planning Department for further development questions (503) 657-0891
- Zoning- MUD
- Clackamas RFPD #1
- Oregon City School District
- WES TRI-CITY
- Date Acquired: 11/20/17
- Minimum Bid: \$7,873
- 20% Deposit Amount: \$1,575



22E31DD01300

- Approximately .21 Acres
- Parcel has an existing home. Please confirm with Oregon City, Planning Department for further development questions (503) 657-0891
- Zoning- R6 (UGB)
- Clackamas RFPD #1
- Oregon City School District
- WES TRI-CITY
- Date Acquired: 11/20/17
- Minimum Bid: TBD
- 20% Deposit Amount: TBD



26E24DD01800

- Approximately .47 Acres
- Subject has a stick built home. Please contact Clackamas County, Planning Department for further development questions (503) 742-4501
- Zoning- RR
- Hoodland Fire District #74
- Oregon Trail School District
- Not in a Sewer District
- Mt. Air Water Association
- Date Acquired: 11/20/17
- Minimum Bid: TBD
- 20% Deposit Amount: TBD



31W15BC01000/1001

- Approximately 2.95 Acres
- Buildability is not allowed per CCR's-Please contact Clackamas County, Planning Department for further development questions (503) 742-4501
- Zoning- RRFF5
- Tualatin Valley Fire and Rescue
- Sherwood School District
- Not in a Sewer or Water District
- Date Acquired: 11/20/17
- Minimum Bid: TBD
- 20% Deposit Amount: TBD



32E05BC04601

- Approximately .22 Acres
- Parcel has an existing home. Please confirm with Oregon City, Planning Department for further development questions (503) 657-0891
- Zoning- R6 (UGB)
- Clackamas RFPD #1
- Oregon City School District
- WES TRI-CITY
- Date Acquired: 11/20/17
- Minimum Bid: TBD
- 20% Deposit Amount: TBD

