

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: August 12, 2015 Time: 1:30 PM Length: 30 min.
Presentation Title: Property Resources Public Oral Auction List, Fall 2015 and Government Distribution
Department: Business and Community Services - Property Resources Division
Presenters: Rick Gruen, Property Resources Mgr; Lindsey Wilde, Property Resources Agent

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

1. Property Resources is requesting that the BCC review and approve the proposed Public Oral Auction property list.
2. Property Resources is requesting that the BCC review and approve the proposed Government Distribution request.

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 and the property is deeded to the County in lieu of uncollected taxes. Following the recording of the deed in the County's name, the management and disposition 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:

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. Per statute, proceeds from property sales in excess of the actual expenses incurred by the County to operate the program are distributed by the County Treasurer to all taxing entities within Clackamas County. Returning tax foreclosed properties to the tax rolls generates property tax revenue for all taxing jurisdictions within Clackamas County.

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.

OPTIONS:

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

- a. Approve the proposed properties sale list and minimum bids as shown.
- b. Modify the proposed property sale list and/or minimum bids.
- c. Approve specified property for distribution to another governmental agency

Property Resources is proposing a Public Oral Auction date of October 21, 2015. The proposed sale list contains seven (7) 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 Appendix A.

Item # 1 22E08CB00124 is approximately .48 acres and is an unimproved parcel located at 6420 Mabel Ave Milwaukie, OR 97267. This property is in Oak Grove jurisdiction and may be buildable but approval will need to be obtained from the local jurisdiction. The Assessor's Real Market Value for the property is \$119,985. This property did return to Property Resources' inventory through forfeiture. Due to some of the challenges involved to develop this parcel, (i.e. steep slopes, access, and wetland setbacks). Property Resources is recommending the minimum bid be set at \$59,993. This amount represents 50 percent of the ARMV.

Item # 2 22E32D 00800 is approximately 1.58 acres and is an undeveloped land parcel located off of Selma Street and Pauline. This property is in the Clackamas County jurisdiction and is currently not buildable at this time. The Assessor's Real Market Value for the property is \$70,898. Due to the inability to develop this property, (the zoning is TBR and requires a land use permit and does not allow dwellings), Property Resources is recommending the minimum bid be set at \$17,725. This amount represents 25 percent of the ARMV. This property did not sell in the May 13, 2015 Auction therefore Property Resources is placing it back on the auction list.

Item # 3 23E05D 01100 is approximately .41 acres and is an improved parcel located at 19292 SE Sunnyside Road, Damascus, OR. This property is in the city of Damascus jurisdiction and currently has a structure on the property. The home was built in 1950 but is in severe disrepair. The Assessor's Real Market Value for the property is \$121,058. 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 # 4 27E32DD01100 is approximately .23 acres and is an undeveloped land parcel located off of HWY 26 and Farragut Street. This property is in the Clackamas County jurisdiction and may be buildable if the septic system is approved. The Assessor's Real Market Value for the property is \$34,533. Due to some of the challenges involved to develop this parcel, (it may not be feasible for a septic system and a home to be built on this one lot), Property Resources is recommending the minimum bid be set at \$8,634. This amount represents 25 percent of the ARMV and reduced from the prior auction due to no sale. This property did not sell in the May 13, 2015 Auction therefore Property Resources is placing it back on the auction list.

Item # 5 32E05BA00802 and 32E05BA00803 is approximately .27 combined acres and is an unimproved property located off of Hood Street in Oregon City. There is a potential to build a residence on the land based upon zoning and the lack of any apparent land issues. The Assessor's Real Market Value for the property is \$83,600. 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 # 6 38E17C00100D2 is approximately .51 acres and is an uninhabitable U.S. Forest Service cabin located off of HWY 26 and Road 35. This property is in the Clackamas County jurisdiction. The Assessor's Real Market Value for the property is \$50,540. Due to some of the challenges involved to develop this parcel, (a new septic system is needed with approval from the US Forest Service), Property Resources is recommending the minimum bid be set at \$12,635. This amount represents 25 percent of the ARMV and reduced from the prior auction due to no sale. This property did not sell in the May 13, 2015 Auction therefore Property Resources is placing it back on the auction list.

The following narrative descriptions relate to the properties detailed in Appendix B.

Item # 1 22E29DD00900 is approximately .53 acres and is an undeveloped land parcel located off of Redland Road and HWY 213. This property is in the Clackamas County jurisdiction and is currently not buildable at this time. The Assessor's Real Market Value for the property is \$31,148. Due to the inability to develop this property, (there is a floodway classification on the property that prohibits development), the Property Resource Department is recommending the transfer to DTD Roads Maintenance for the transfer value of \$6,472. The transfer value is comprised of back taxes/penalties/interest (\$2,734), and the Property Resources admin fee (3,738).

RECOMMENDATIONS

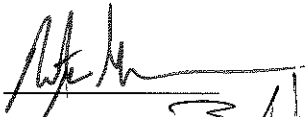
1. Property Resources staff recommends the Board of County Commissioners approve the Public Oral Auction sale list and proposed minimum bids for the Public Oral Auction as detailed in Appendix A.
2. Property Resources staff recommends that the Board of Commissioners approve the Government Distribution request as detailed in Appendix B.

ATTACHMENTS:

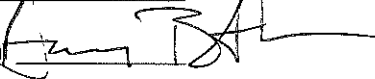
Appendix A – Public Oral Auction List
Appendix B- Government Distribution request

SUBMITTED BY:

Division Director/Head Approval



Department Director/Head Approval



County Administrator Approval _____

Fiscal Impact Form

RESOURCES:

Is this item in your current work plan and budget?

YES

NO

START-UP EXPENSES AND STAFFING (if applicable):

N/A

ONGOING OPERATING EXPENSES/SAVINGS AND STAFFING (if applicable):

The Property Resources division is not funded by the County General Fund. The proceeds generated from the public oral auction and other private land sales are used to pay the operating costs of the Property Resources division. Historically, the proceeds from auction and private property sales have generated sufficient revenue to cover program operating costs.

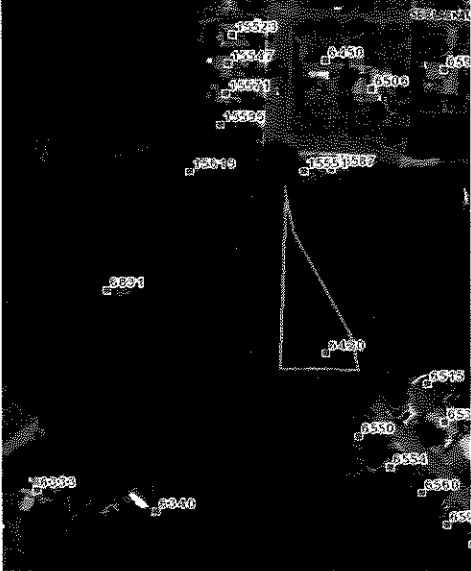
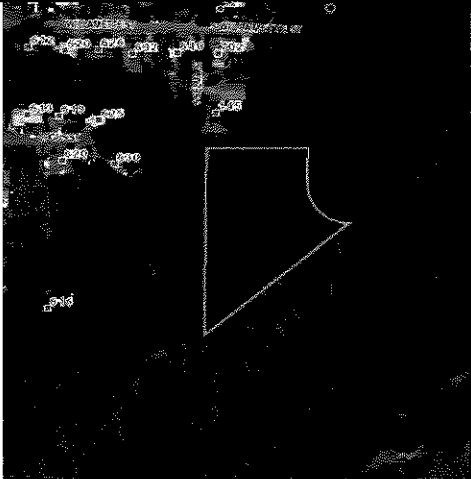
ANTICIPATED RESULTS:


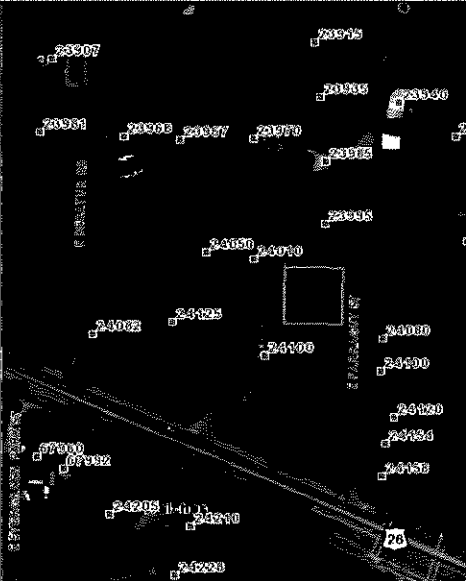
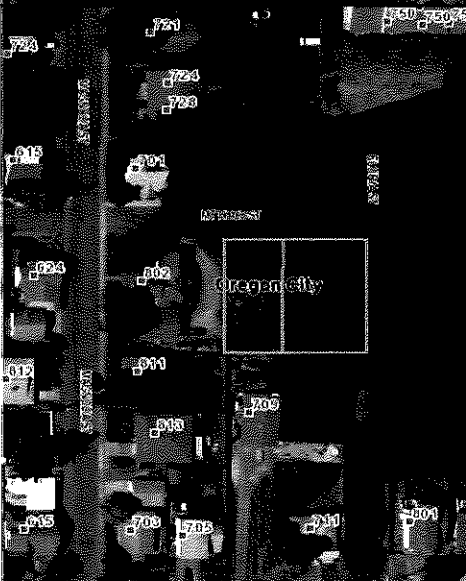
The goal of the Property Resources Division is to manage tax foreclosed and surplus properties to secure the **Highest Permanent Value** benefitting the citizens of Clackamas County by disbursement to local jurisdictions, county departments or special districts for public benefit or returning the properties to the tax rolls. These sales or disbursements provide revenue to the County and other taxing districts and minimize the costs associated with maintaining these properties. The success of the program can be measured based on the number of tax foreclosed properties held by Clackamas County and whether the number is increasing or decreasing from year to year. Since Property Resources staff began actively managing the program in 1998, the number of properties has decreased from a high of 600 properties in 1998 to 206 properties today.


COSTS & BENEFITS:

N/A

APPENDIX "A"


Item	Aerial View	Description	Assessed Real Market Value	Minimum Bid Amount	Deposit Amount- 20% of the minimum bid
1		<p>22E08CB00124 Unimproved Land- 6420 Mabel Ave Milwaukie, OR</p> <ul style="list-style-type: none"> • Approximately .48 Acres • Buildability is unknown- Please confirm with Clackamas County Planning Department to confirm (503-742-4400) • Zoning- R-10 • Clackamas Fire District #1 • North Clackamas • Clackamas County Sewer District • Clackamas River Water District 	\$119,985	\$59,993	\$11,999
2		<p>22E32D 00800 Unimproved Land- off of Selma Street and Pauline</p> <ul style="list-style-type: none"> • Approximately 1.58 Acres • Not buildable at this time. • Zoning- TBR- requires land use approval and doesn't allow dwellings. • Clackamas Fire District #1 • Oregon City School District • Not in a Sewer District • Not in a Water District • Currently not occupied 	\$70,898	\$17,725	\$3,545

3		<p>23E05D 01100 Improved Parcel-19292 SE Sunnyside Rd Damascus OR</p> <ul style="list-style-type: none"> • Approximately .41 Acres • Buildable- currently there is a structure on the property. • RA-1 (County-administered City of Damascus) • Boring Fire District #59 • Gresham/Barlow School District • Not in a sewer district • Sunrise Water District 	\$121,058	\$N/A Pending Appraisal	\$N/A Pending Appraisal
4		<p>27E32DD01100 Unimproved Land- off of HWY 26 and Farragut Street</p> <ul style="list-style-type: none"> • Approximately .23 Acres • Buildable if septic is approved. • See permits for approval to build a house and septic on the lot. • Zoning- RR (Recreational Residential) Rural single family residential use. • Hoodland Fire District #74 • Oregon Trail School District • Not in a sewer district • Not in a water district 	\$34,533	\$17,267	\$3,454
5		<p>32E05BA00802 and 32E05BA00803 Unimproved Land- off of Hood Street</p> <ul style="list-style-type: none"> • Approximately .27 Acres Combined • Buildability is potentially possible- Please check with the city of Oregon City to confirm (503-722-3789) • Zoning- R-6 • Clackamas Fire District #1 • Oregon City School District • Tri-Cities Sewer District • Not in a Water District 	\$83,600	\$N/A Pending Appraisal	\$N/A Pending Appraisal

6		<p>38E17C 00100D2 Cabin- of f of HWY 26 and road 35</p> <ul style="list-style-type: none"> • Approximately .51 Acres of US Forest Service Land • Build- ability is dependent upon approval from the US Forest Service. There is a current structure, (the cabin that was tax foreclosed upon), but any updates or future improvements need to be approved by the US Forest Service. The subject cannot be occupied as a full-time permanent residence rather just a vacation home. • The current septic system is out of compliance and will need to be replaced • Please contact Fran Lanagan for the approval to obtain the use permit as well as any permit costs- current, past, and future. Flanagan@fs.fed.us or 503-622-2031 • Zoning- TBR • Hoodland Fire District #74 • Oregon Trail School District • Not in a sewer district • Not in a water district • Currently not occupied 	\$50,540	\$25,270	\$5,054
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Appendix "B"

Government Distribution Request

Item	Description	Transfer Value
1	 <p>22E29DD00900 Unimproved Land- off of Redland Road and HWY 213</p> <ul style="list-style-type: none">• Approximately .53 Acres• Not buildable at this time. Floodway classification prohibits development.• Zoning- FU-10- farm and forestry uses.• Clackamas Fire District #1• Oregon City School District• Not in a Sewer District• Not in a Water District	\$6,472

APPENDIX "B"

REQUEST OF INTENT 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:
Clackamas County DTD Road Maintenance. This agency requests an intent of transfer of title to the following parcel
of surplus property: 22E29DD00900 (Map Number).

Please provide a brief state of the intended public benefit use or need associated with the acquisition of this parcel.
Abernethy Creek runs through Tax lot 900, which is adjacent to Redland Road. If the creek erodes away its northern bank, it could have a negative impact on the safety and stability of Redland Road. To make the needed repairs to the creek and Redland Road, DTD would need to obtain a construction easement from the property owner prior to making the needed repairs. The cost of such an easement could easily exceed the acquisition cost of this parcel through the transfer of surplus property to DTD Roads.

PLEASE PRINT OR TYPE:

Submitted by: Randall A. Harmon
A Representative of: Clackamas County DTD Road Maintenance
Mailing Address: 902 Abernethy Road
Oregon City, OR 97045
Telephone Number: 503-650-3246
Signature: Randall A. Harmon

Date Submitted: 7/27/15

Business and Community Services

Property Resources Division

PUBLIC NOTICE
Clackamas County Surplus Property Sale Oral Public Auction
October 21, 2015



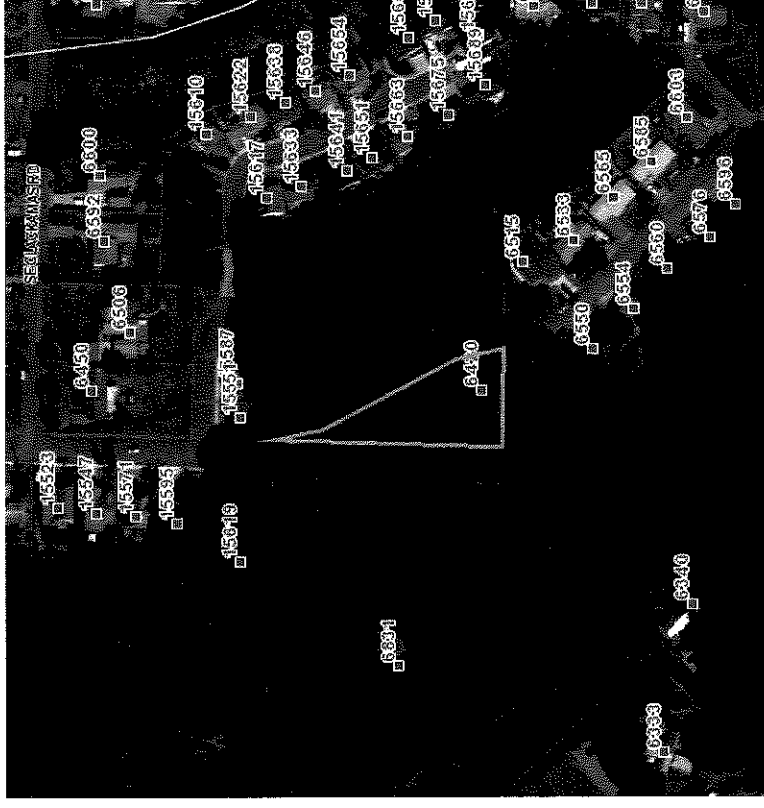
Business and Community Services
Rick Gruen, Property Resources Manager
Lindsey Wilde, Property Agent



22308CB00124

Public Auction Item # 1

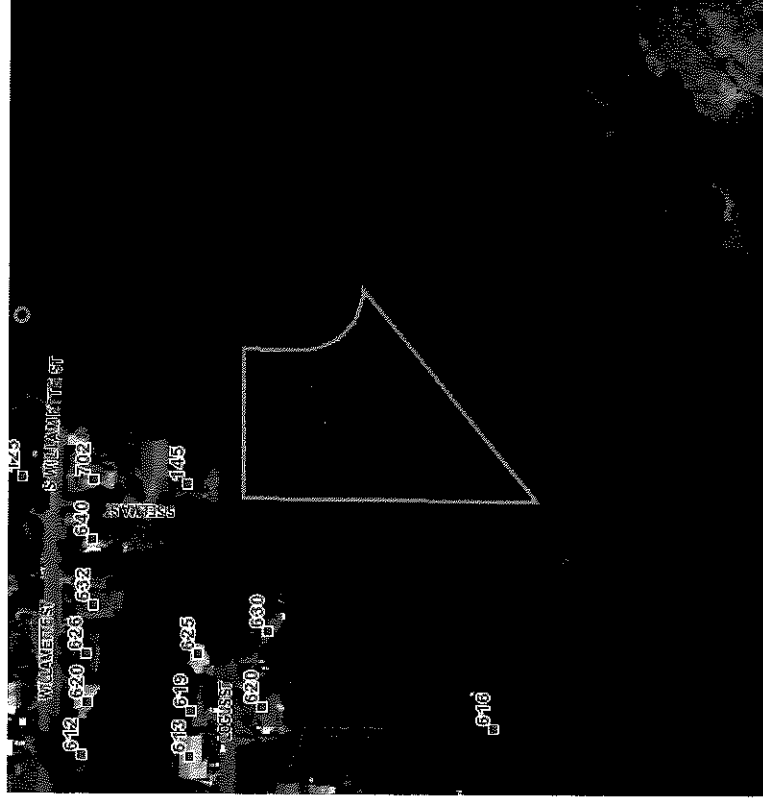
- Unimproved Land- 6420 Mabel Ave
Milwaukie, OR
- Approximately .48 Acres
- Buildability is unknown- Please
confirm with Clackamas County
Planning Department to confirm
(503-742-4400
- Zoning- R-10
- Clackamas Fire District #1
- North Clackamas
- Clackamas County Sewer District
- Clackamas River Water District



22E32D 00800

Public Auction Item # 2

- Unimproved Land- off of Selma Street and Pauline
- Approximately 1.58 Acres
- Not buildable at this time.
- Zoning- TBR- requires land use approval and doesn't allow dwellings.
- Clackamas Fire District #1
- Oregon City School District
- Not in a Sewer District
- Not in a Water District



27E32DD01100

Public Auction Item # 3

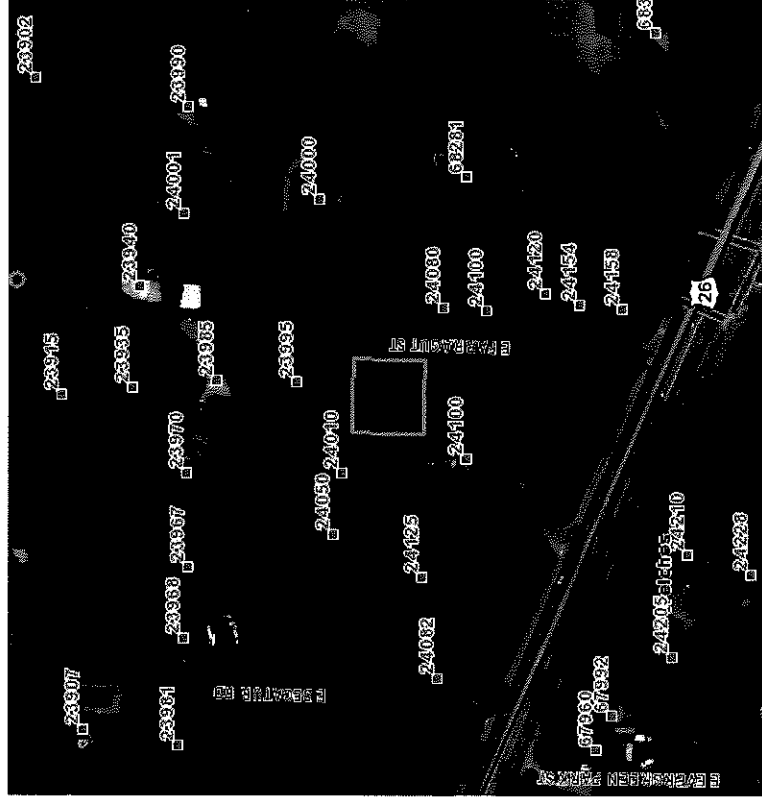
- Improved Parcel-19292 SE Sunnyside Rd Damascus OR
- Approximately .41 Acres
- Buildable- currently there is a structure on the property.
- RA-1 (County- administered City of Damascus)
- Boring Fire District #59
- Gresham/Barlow School District
- Not in a sewer district
- Sunrise Water District



27E32DD01100

Public Auction Item # 4

- Unimproved Land- off of HWY 26 and Farragut Street
- Approximately .23 Acres
- Buildable if septic is approved.
- See permits for approval to build a house and septic on the lot.
- Zoning- RR (Recreational Residential) Rural single family residential use.
- Hoodland Fire District #74
- Oregon Trail School District
- Not in a sewer district
- Not in a water district



32E05BA00802 and 32E05BA00803

Public Auction Item # 5

- Unimproved Land- off of Hood Street
- Approximately .27 Acres Combined
- Buildability is potentially possible-
Please check with the city of Oregon City
to confirm (503-722-3789)
- Zoning- R-6
- Clackamas Fire District #1
- Oregon City School District
- Tri-Cities Sewer District
- Not in a Water District



38E17C 00100D2

Public Auction Item # 6

- Cabin style home off of HWY 26 and road 35
- Approximately .51 Acres of US Forest Service Land
- Buildability is dependent upon approval from the US Forest Service. There is a current structure, (the cabin that was tax foreclosed upon), but any updates or future improvements need to be approved by the US Forest Service. The subject cannot be occupied as a full-time permanent residence rather just a vacation home.
- The current septic system is out of compliance and will need to be replaced
- Please contact Fran Lanagan for the approval to obtain the use permit as well as any permit costs-current, past, and future. Flanagan@fs.fed.us or 503-622-2031
- Zoning- TBR
- Hoodland Fire District #74
- Oregon Trail School District
- Not in a sewer district
- Not in a water district
- Currently not occupied

