

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: December 1, 2009 **Time:** 10:30 am **Length:** 30 min.

Presentation Title: Proposed Public Oral Auction List

Department: Property Resources

Presenters: Dan Zinzer, Gary Barth, and Jean Athey

POLICY QUESTION

The Policy for Sale and Transfer of County Surplus Real Property directs that all property acquired by Clackamas County, in any manner, not needed for county use, shall be declared surplus, and sold or transferred according to the policy. Section II of the policy directs the process for sale of these properties.

ISSUE BACKGROUND

Clackamas County Department of Assessment and Taxation annually forecloses on tax-delinquent properties following a six-year notification process. After the sixth year of delinquency, the property is deeded to the County in lieu of the uncollected taxes. The management and disposition is then transferred to the Property Resources Section of the Department of Business and Community Services.

Property Resources Staff reviews properties currently owned by Clackamas County through the statutorily mandated tax-foreclosure process. Property Resources typically receives 20 to 30 new properties each year, however, this year only 12. Each property must be evaluated individually to determine current condition, necessary management activities, and the disposition process that will return the highest value for the property.

Typically properties are disposed of in one of two methods, Public Oral Auction or Transfer to other Governmental Agencies. On occasion, under special circumstances and meeting ORS criteria, a property may be disposed of through a private sale.

Property Resources is proposing a Public Oral Auction on March 16, 2010. In accordance with the Policy, Staff circulated a copy of the original list throughout other governmental agencies in Clackamas County for their review. The Policy permits other governmental agencies to request direct transfer of a property, with Board of County Commissioner approval, when the property has a perpetual public use and fits within an adopted strategic or regional plan. The deadline for response by other Public Agencies to make such a request is December 3, 2009. Properties requested for transfer are usually presented to the Board of Commissioners for review at a later date.

PROPOSED AUCTION LIST:

The proposed sale list currently contains 16 items to be offered to the Public at the Oral Auction. Staff requests the minimum bid be set at an amount most advantageous for selling the property.

Items #3, 10, 11 and 16 have been offered for sale once with no results. Staff requests the minimum bid be reduced to 50% of the last minimum bid set at auction.

Items #1, 2, 4, 5, 6, 8, 12 and 14, have limited use and/or large development challenges. Staff is requesting the minimum bid be set at 25% of the RMV in an attempt to sell these properties and return them to the tax rolls.

Items #13 is a tax-foreclosed property contaminated with hazardous and non-hazardous waste. Staff is finishing the cleanup with grant funds from the Oregon Economic & Community Development Department and the EPA in the amount of \$325,000. However, prior to the grant, the County had accumulated over \$200,000 in cleanup costs. Staff is requesting the minimum be set at 75% of the assessor's real market value to better recapture those costs.

Staff requests that the interest on the contract sales be set at the actual prime interest rate as of a week prior to submitting the Board Order to approve the auction list.

OPTIONS AVAILABLE

- Approve the properties proposed for sale.
- Modify the list proposed for the sale.

RECOMMENDATIONS

- Property Resources Staff recommends the Board of County Commissioners approve the proposed Public Oral Auction sale list and minimum bids as submitted.
- Staff recommends that the interest on the contract sales be set at the actual prime interest rate as of a week prior to the approval of the Board Order.

QUESTION(S) PRESENTED FOR CONSIDERATION

- Should the Board order the sale of the proposed 16 items at public oral auction?
- Should the sale contracts be offered at the prime interest rate?

SCHEDULE FOR STUDY SESSION:

Division Director/Head Approval _____

Department Director/Head Approval  _____

County Administrator Approval _____