

T. 5.C.1.

**AGENDA COVER MEMORANDUM**

**Memorandum Date:** April 27, 2011

**Agenda Date:** May 11, 2011

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**TO:** Board of County Commissioners

**DEPARTMENT:** Management Services

**PRESENTED BY:** Jeff Turk, Property Management Officer 2

**SUBJECT:** IN THE MATTER OF AUTHORIZING A SHERIFF'S SALE OF SURPLUS COUNTY OWNED REAL PROPERTY ON JUNE 13, 2011 AND DELEGATING AUTHORITY TO THE PROPERTY MANAGEMENT OFFICER TO REMOVE ANY PARTICULAR PROPERTY FROM SAID SALE IF DETERMINED TO BE IN THE COUNTY'S BEST INTEREST

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1. **PROPOSED MOTION:** THE BOARD AUTHORIZES A SHERIFF'S SALE OF SURPLUS COUNTY OWNED REAL PROPERTY ON JUNE 13, 2011 AND DELEGATES AUTHORITY TO THE PROPERTY MANAGEMENT OFFICER TO REMOVE ANY PARTICULAR PROPERTY FROM SAID SALE IF DETERMINED TO BE IN THE COUNTY'S BEST INTEREST

2. **AGENDA ITEM SUMMARY:**

The Property Management division has identified properties surplus to the needs of the County. The Board is required to authorize a public sale (which will be in the form of an oral auction) setting the time, date and minimum bids for the parcels being offered.

The properties identified as surplus consist of those acquired through property tax foreclosure.

3. **BACKGROUND/IMPLICATIONS OF ACTION:**

A. Board Action and Other History

Seven parcels are being presented for consideration for sale. Two of the parcels (#s 2 & 5) were acquired in September, 2010 (most recent foreclosure deed). The remainder were acquired from previous deeds and offered at previous Sheriff's sales.

Eleven properties were acquired with the September, 2010 tax deed. Four of the properties were houses within the city limits of Eugene. One of the houses, located at 1761 W. 15<sup>th</sup>

Ave., Eugene, was occupied by a renter. The owners reside in Germany. Issues concerning where and to whom tax statements and foreclosure notices were sent have been raised by the former owners who wish to reacquire the property. The property was being withheld from the sale pending resolution of the matter. The County has entered into a rental agreement with the tenant and is receiving the rental revenue.

Per Lane Manuel 21.430 the Housing Policy Board was notified of the 3 other houses for possible use for affordable housing purposes. St. Vincent DePaul and NEDCO (Neighborhood Economic Development Corp.) have expressed an interest in acquiring them. Discussions are taking place for the submission of formal requests for transfer of the properties. When finalized, the matter will be brought before the Board for a decision on whether to transfer the properties and the amount, if any, of consideration to be paid.

Two other properties that were on the September 2010 Tax Deed are also not being proposed to be offered at the Sheriff's sale. The two parcels adjoin each other and are located on the Northeast corner of River Road and Thomason Ln. in Eugene. Each parcel is approximately .15 acres and they are commercially zoned. There is a third parcel of the same size that adjoins the other 2. This third parcel is tax delinquent and scheduled to be deeded to the County in September 2011 if the taxes are not paid (same owner as the ones already acquired). Should the property be acquired it is staff's opinion that offering all 3 properties as one unit at one time will have greater value and marketability than offering just the 2 parcels at this time or having one smaller parcel offered by itself.

The remainder of the parcels on the 2010 Tax Deed are low value strips that either may be retained for right of way purposes as they adjoin a public road or sold to an adjoining owner.

Proposed terms of the sale are attached. The following is a brief summary:

Properties will be sold "as is" with no warranties or guaranties as to their ability to be used for any purpose or condition of title.

Conveyance will be by Quitclaim deed.

A 25% deposit of the sale price will be required at the time of the sale for successful bidders.

The balance of the sale price will be due in cash upon acceptance of the bids by the Board. No contract terms are being offered.

## **B. Policy Issues**

Pursuant to LM 21.425 the County shall dispose of County property not otherwise needed for public purposes thereby returning the property to the tax role.

Pursuant to LM 21.430 the Housing Policy Board and non-profit agencies that provide affordable housing opportunities shall be notified of tax foreclosed property that may be available for transfer pursuant to ORS 271.330.

ORS 275.030 requires tax foreclosed property to first be offered at a public sale.

**C. Board Goals**

A sale of the property would be consistent with the Board's goals to return surplus property to private ownership and the tax roll.

**D. Financial and/or Resource Considerations**

Estimated sale revenue of \$76,000 will go to the Property Management program. Per ORS 275.275 sale revenue is first used to offset program expenses with any remainder disbursed to the taxing units in the same manner as property taxes. Sale revenue from 2010 and projected revenue for the current fiscal year does not meet program expenses. The Property Management Program currently has borrowed \$40,000 from the General Fund and may need an additional \$60,000 to meet current expenses. This is due to a combination of acquiring fewer properties, lower value of the acquired properties and policy decisions by the Board to use statutory provisions to direct sale revenue to County Parks or an Industrial Revenue Fund or to transfer properties for affordable housing purposes.

**E. Analysis**

Minimum bids for the parcels were set using assessed values as a benchmark. Deviations from the assessed value were made based on further review of the parcels concerning condition of the parcels, potential uses, access, legal lot status and other factors determining value.

The assessed value of parcel # 2 (vacant lot on S. 34<sup>th</sup> off Main in Springfield) reflects an improvement that is no longer on the property. The property also had over \$300,000 in IRS liens at the time it was foreclosed upon. There are discrepancies from the IRS as to the status of their liens. The discrepancy concerns the IRS's rights to redeem the property either up to 120 days from the date of foreclosure (date it was deeded to the County) or up to 120 days from when the County sells the property. Different IRS staff have given different answers. A title company the County works with has taken the position, as it has in the past, that the additional 120 day redemption window the IRS has begins at the time the property is deeded to the County. County Counsel has been discussing the matter with the IRS to get clarification.

The parcel also had an "improvement lien" of \$32,000 by the City of Springfield. ORS 275.130 and 275.275 provide for repayment of municipal improvement liens from proceeds from sale of the property.

The minimum bid for Parcel #4 (1 acre on the Long Tom River) reflects its potential value as a legal lot of record which may give an adjoining owner the ability to create a developable parcel through the lot line adjustment process.

Delegating authority to the Property Management Officer to remove any of the parcels from the sale after it has been authorized by the Board allows for their expeditious removal should it be warranted due to advertising mistakes, boundary/ownership conflicts which may arise, problems with title and other similar circumstances (otherwise, a Board Order would be required).

F. **Alternatives/Options**

1. Authorize the sale as presented.
2. Authorize a sale with different terms, properties offered, minimum bids or sale date.
3. Refrain from having a sale.

4. **TIMING/IMPLEMENTATION**

A sale date of June 13, 2011 requires public notice of the sale to begin publishing in the Register-Guard no later than May 9, 2011 (statute requires notice to be published once each week for four weeks prior to the sale).

5. **RECOMMENDATION**

It is recommended that a public sale be approved as proposed.

6. **FOLLOW-UP**

Upon approval by the Board of County Commissioners, preparation for the sale will continue. Such preparation will include publishing the required notice in the Register-Guard, mailing sale notices to those who have requested one, mailing sale notices to adjoining owners of the parcels being offered and posting the sale information on the Property Management page of the County's website.

7. **ATTACHMENTS**

Board Order  
Property List  
Sale Notice to be Published  
Tax maps

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO. IN THE MATTER OF AUTHORIZING A SHERIFF'S SALE OF SURPLUS COUNTY OWNED REAL PROPERTY ON JUNE 13, 2011 AND DELEGATING AUTHORITY TO THE PROPERTY MANAGEMENT OFFICER TO REMOVE ANY PARTICULAR PROPERTY FROM SAID SALE IF DETERMINED TO BE IN THE COUNTY'S BEST INTEREST

WHEREAS this matter now coming before the Lane County Board of Commissioners and said Board deeming it in the best interest of Lane County to sell real property which was acquired through tax foreclosure and other means and has been deemed surplus to the needs of Lane County and

WHEREAS said real property is owned by Lane County and not in use for County purposes, and sale of said property would benefit Lane County by its return to the tax roll, and

WHEREAS ORS 275.030, 275.110 - 275.160 and 275.190 dictate the procedures for said sale and

IT IS HEREBY ORDERED that, pursuant to ORS 275.030, 275.110 - 275.160 and 275.190 the Sheriff conduct a sale of surplus, County owned real property on June 13, 2011 at the hour of 10:30 AM in Harris Hall, that the minimum bids for the property be established as set forth in attached Exhibit "A" and that other terms of the sale be established as set forth in attached Exhibits "B" and "C"

IT IS FURTHER ORDERED that the Property Management Officer is authorized to remove any particular parcel from said sale if determined to be in the best interests of Lane County

IT IS FURTHER ORDERED, that this Order shall be entered into the records of the Board of Commissioners of the County.

ENACTED this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Fay Steward, Chair, Board of County Commissioners

IN THE MATTER OF AUTHORIZING A SHERIFF'S SALE OF SURPLUS COUNTY OWNED REAL PROPERTY ON JUNE 13, 2011 AND DELEGATING AUTHORITY TO THE PROPERTY MANAGEMENT OFFICER TO REMOVE ANY PARTICULAR PROPERTY FROM SAID SALE IF DETERMINED TO BE IN THE COUNTY'S BEST INTEREST

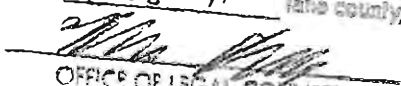
APPROVED AS TO FORM  
Date 4-28-11 Lane County  
  
OFFICE OF LEGAL COUNSEL

EXHIBIT "A"

Sale  
List June 13, 2011

Parcel #	MAP/TAX LOT #	MINIMUM BID	Real Market VALUE	SIZE/ ACREAGE	ZONING	PROPERTY DESCRIPTION
1	16-05-16-00-01400	\$1,000	\$498	0.17	RR5	Adjacent to 92790 Kinser Ln., Cheshire Not suitable for a dwelling.
2	17-02-31-31-06704	\$67,000	\$170,854	0.3 (74'x175')	CC	On S. 34th St., S. of 3415 Main, Springfield Vacant commercial lot. Fenced & paved.
3	17-02-33-41-03800	\$7,000	\$30,169	0.88	LD	Across from 309 56th St., Springfield. Abuts I-105. Power lines run across property.
4	17-06-25-30-00302	\$10,000	\$18,129	1.10	RR5	W. of 88658 Territorial, Veneta. No legal access. Property on Long Tom River. Much of property in river.
5	18-03-02-12-05700	\$4,000	\$15,640	0.16 (57'x125')	LD	Located in undeveloped area East of the end of Shasta Blvd. Springfield. No developed road to parcel. No services available - water, sewer.
6	18-08-18-00-00600	\$8,000	\$29,189	0.94	F2	S. of 15845 Hwy. 126. May not qualify for placement of a dwelling. Siuslaw River frontage Check with ODOT for access off Hwy. 126.
7	18-12-02-30-04800	\$5,000	\$62,165	0.33 (120'x120')	RR5/BD	Behind 88336 Hwy. 101, Florence. No legal access.

**EXHIBIT "B"**  
**NOTICE OF SALE OF SURPLUS LANE COUNTY-OWNED REAL PROPERTY**

**NOTICE IS HEREBY GIVEN** in accordance with the provisions of ORS 275.110 and 275.120 and pursuant to an Order made on the 4<sup>th</sup> day of May, 2011, the Board of Commissioners of Lane County, Oregon, directed the sale of real property acquired by Lane County through foreclosure, purchase or otherwise. The Board of Commissioners fixed the minimum price for which said property shall be sold, and directed me, as Sheriff of Lane County, to sell said real property in accordance with the provisions of the Order on the 13th day of June, 2011 at the hour of 10:30 a.m. at Harris Hall, Lane County Courthouse/Public Service Building, 125 East Eighth Avenue, Eugene, Oregon. The parcels of real property described will be sold for not less than the minimum price set opposite each piece and/or parcel of real property. **All sales will be considered final and no refunds will be made.** Terms of the sale are as follows:

Properties are sold on an **AS IS, WHERE IS, WITH ALL FAULTS** basis without warranty or guarantee, expressed or implied, as to the physical/environmental condition of the property, location of property boundaries, condition of title, whether lots were legally created according to Oregon Land Use law, existence of legal access or the ability to acquire permits for building, subsurface, sewerage or other development rights under Oregon Land Use law. Conveyance will be by **QUITCLAIM DEED**. Each parcel may be subject to claims or liens of a municipal corporation or other liens of record. Accordingly, each parcel should be thoroughly investigated by prospective bidders to judge the condition of the property, seeking professional help if necessary. The Board of Commissioners reserves the right to withdraw any of the properties from the sale at any time prior to, or at the time of, the sale. Also, the Board of Commissioners reserves the right to accept or reject any or all bids. All information is presumed from reliable sources. If an error is detected, the parcel may be removed at the time of the sale and offered again at a later date. Title insurance, if any, will be at the option and expense of the purchaser. This notice will be published once each week for four consecutive weeks prior to the date of sale in the Register-Guard, a newspaper of general circulation in Lane County.

**ADDITIONAL TERMS**

1. All parcels will be sold for cash only. No contract terms are offered.
2. A 25% deposit of the bid amount is due at the auction. Failure to remit the required deposit before the close of the auction will void your bid and the property will be re-offered for bid at the sale.
3. **PAYMENT MUST BE MADE WITH CASH, CASHIER'S CHECKS OR CERTIFIED BANK CHECK PAYABLE TO LANE COUNTY. NO PERSONAL CHECKS, BUSINESS CHECKS OR CREDIT/DEBIT CARDS WILL BE ACCEPTED.**
4. Any balance remaining after the sale is due and payable after bids are accepted by the Board of County Commissioners and the County is prepared to deliver the Quitclaim Deed (2-4 weeks from auction date).
5. **NO REFUNDS OF DEPOSITS WILL BE MADE IF THE BIDDER FAILS TO COMPLETE THE TRANSACTION** when the County is prepared to close. If a bid is not accepted by the County Commissioners or otherwise rejected by the County, deposits will be refunded.
6. For parcels which sell above the minimum bid, a 25% deposit of the minimum bid will be due **at the time of sale** with the balance of the required 25% deposit due by 5:00 p.m. of the day of sale.
7. All bidders shall register before the sale.

**For questions or further assistance, contact Lane County Property Management Division at (541) 682-4174.**

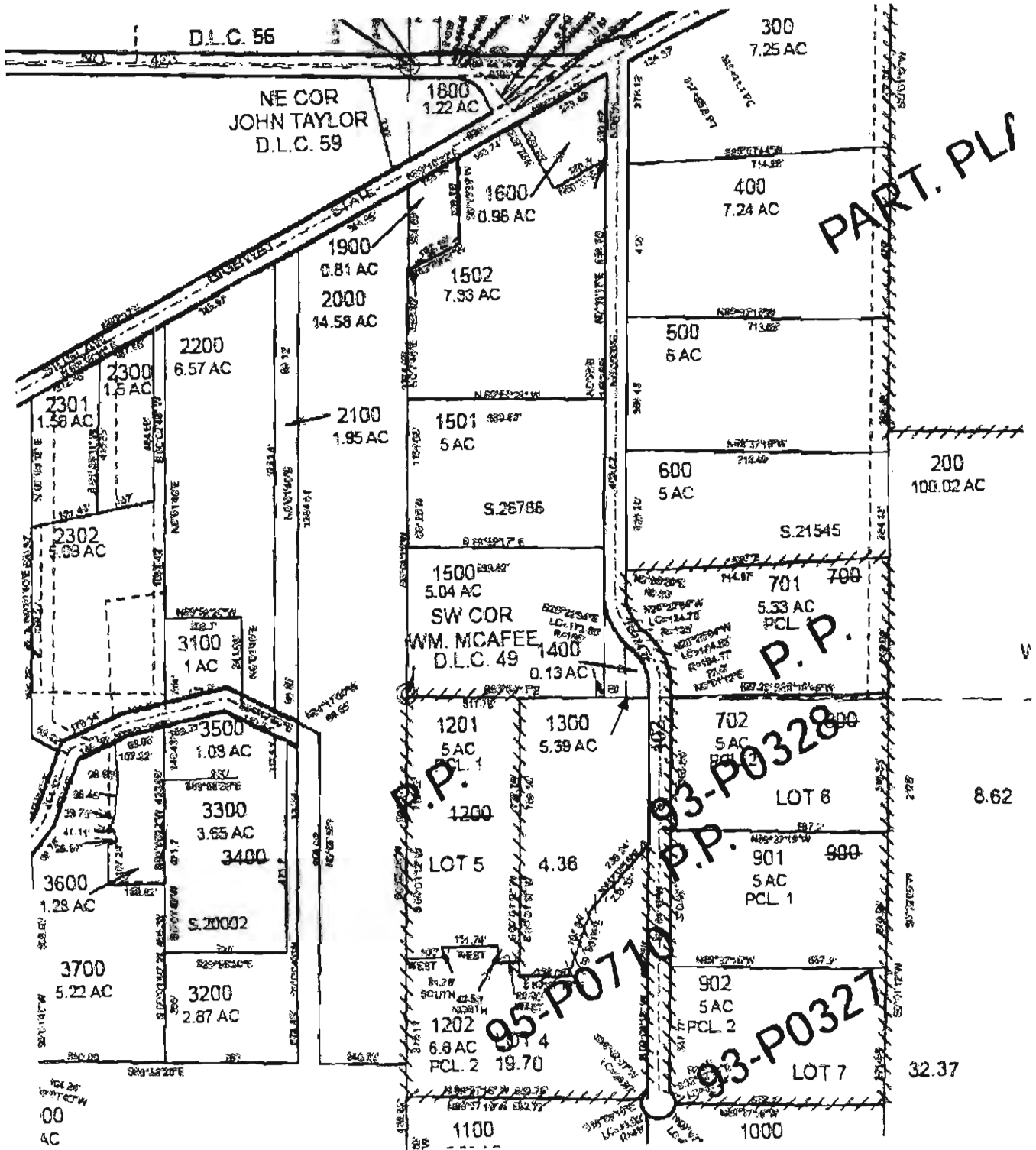
Thomas Turner, Lane County Sheriff

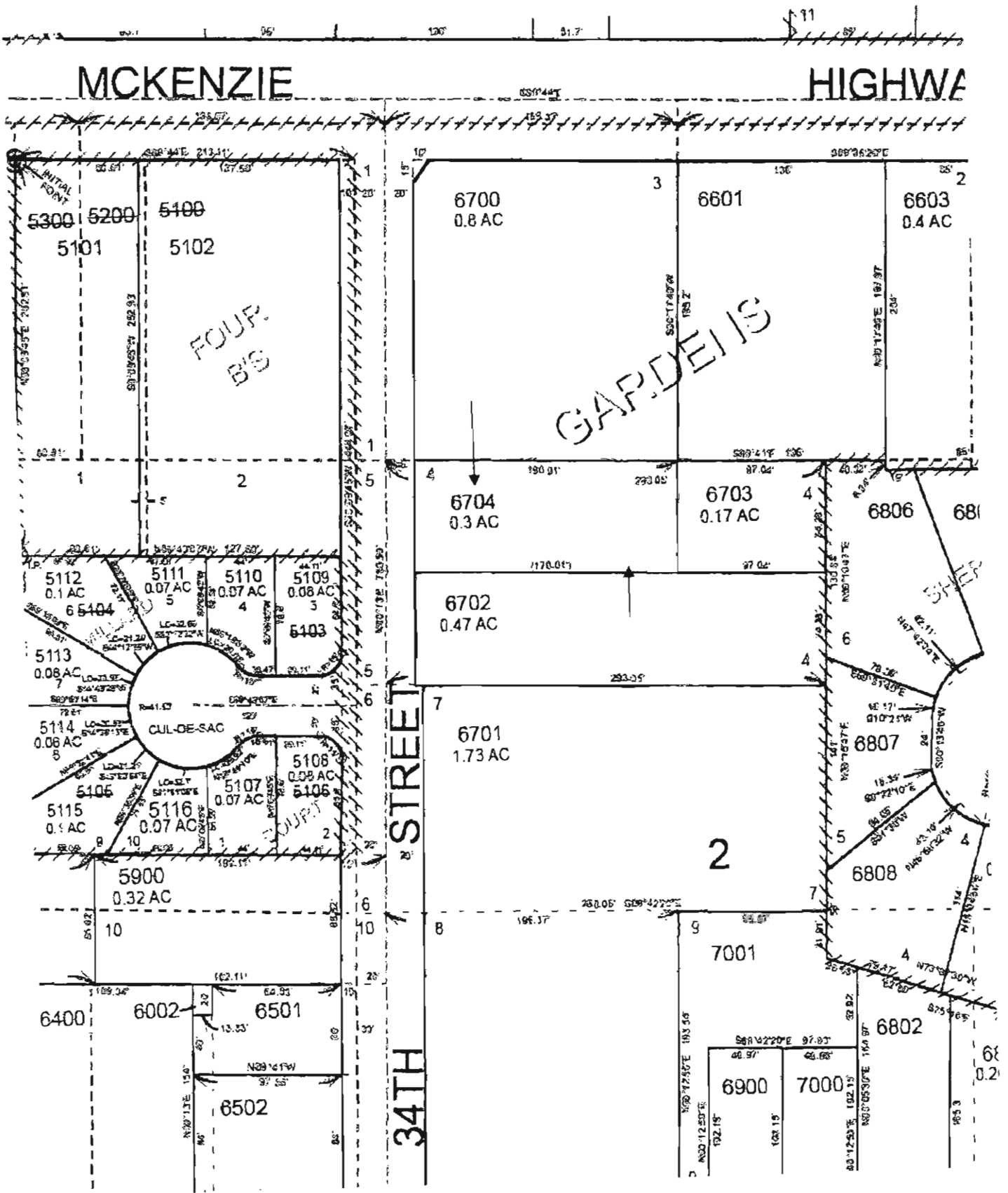
## EXHIBIT "C"

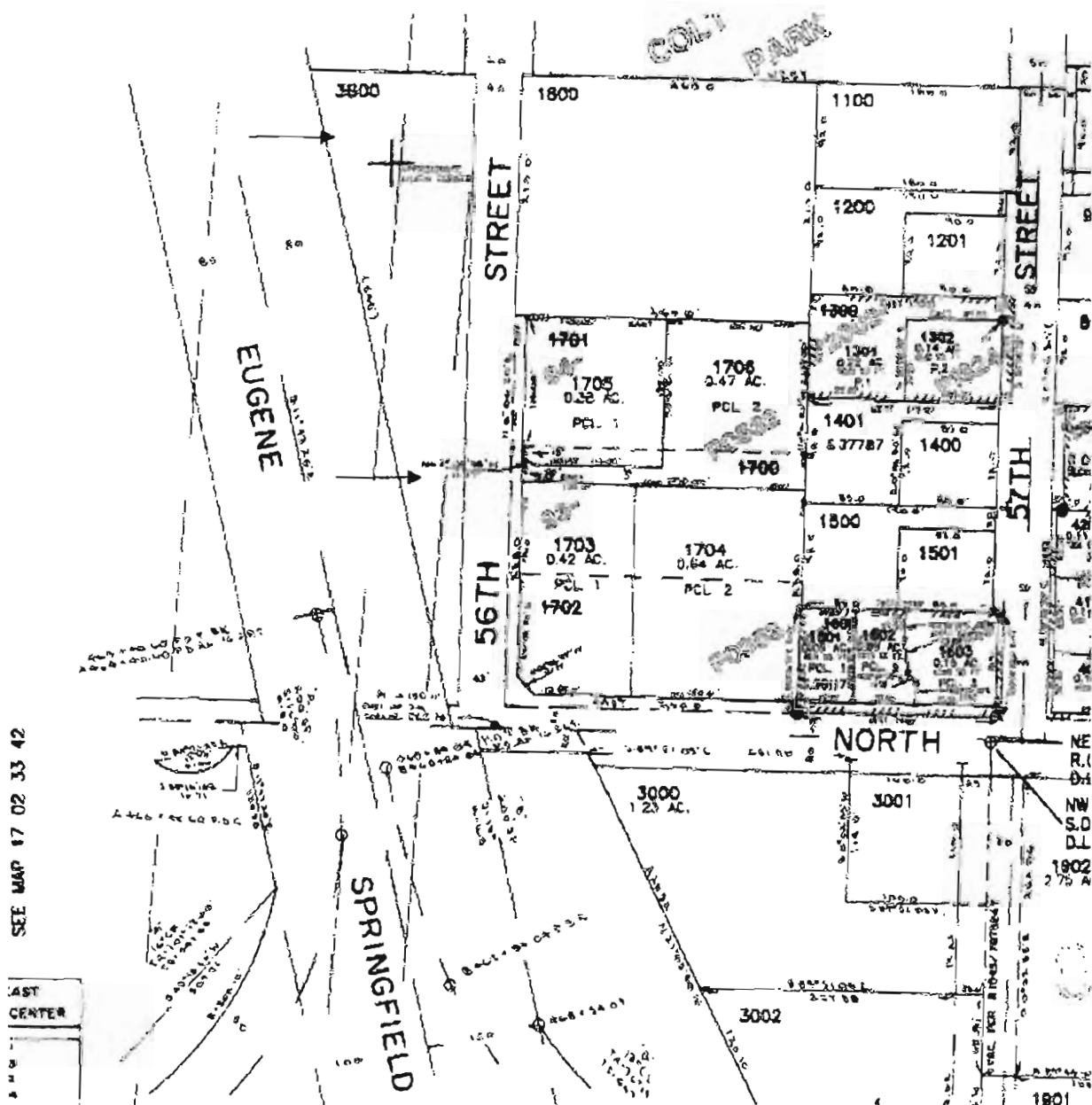
### ADDITIONAL TERMS AND INFORMATION ABOUT THE SALE OF SURPLUS COUNTY-OWNED REAL PROPERTY

1. These parcels were acquired by foreclosure resulting from delinquency in payment of real property taxes, and other means of acquisition.
2. No survey has been or will be made by Lane County to establish property lines. Properties described may have portions dedicated to public bodies for use as roads, easements or other use. All bidders should inspect the sites to be aware of the conditions.
3. Certain parcels are small strips or irregular pieces which would be of no value to anyone except the owners of the adjacent property and are now being offered for sale as the law requires such sale to be public.
4. Oral bidding for each parcel will start at the minimum bid shown in the published notice. All raises must be in increments of \$50 or more.
5. A certificate of sale, subject to final approval of the Lane County Board of Commissioners, will be issued to the purchaser on the day of sale. A Quitclaim Deed will be processed after approval by the Board of Commissioners.
6. **CAUTION:** On occasion, some parcels have proven to be only errors in descriptions, gaps where surveys do not coincide or where only a partial interest may be held, and conflicts of ownership have thus arisen. **No warranty as to title is made.** Any interest that Lane County may have will be conveyed by Quitclaim Deed. It is strongly suggested that bidders secure title reports prior to the sale date for parcels they are interested in.
7. **CAUTION:** The properties may not be developable under Oregon Land Use Regulations. It is strongly advised that prospective bidders check with the jurisdiction(s) responsible for issuing development permits for the property they are interested in regarding allowable uses and development criteria.

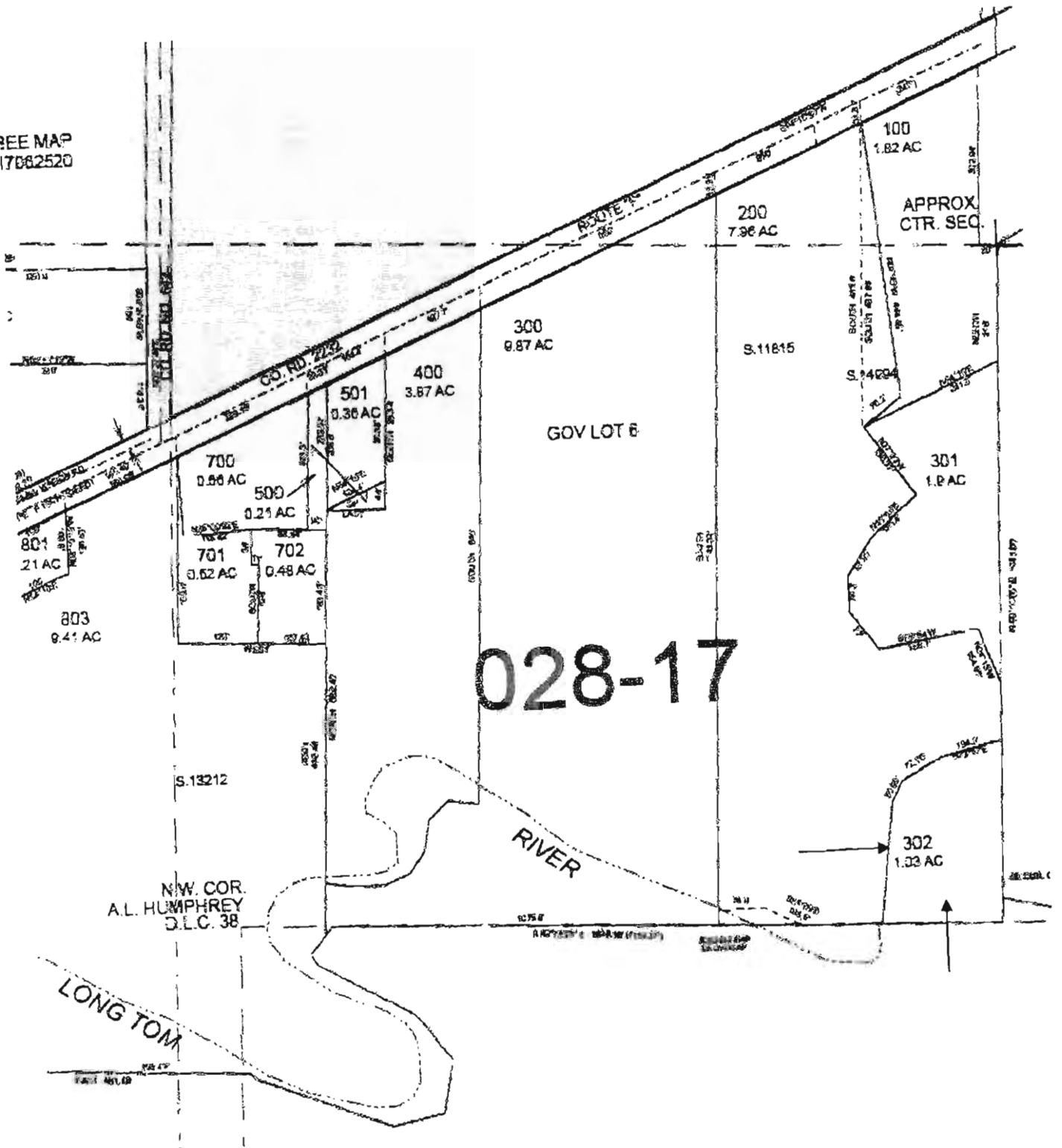






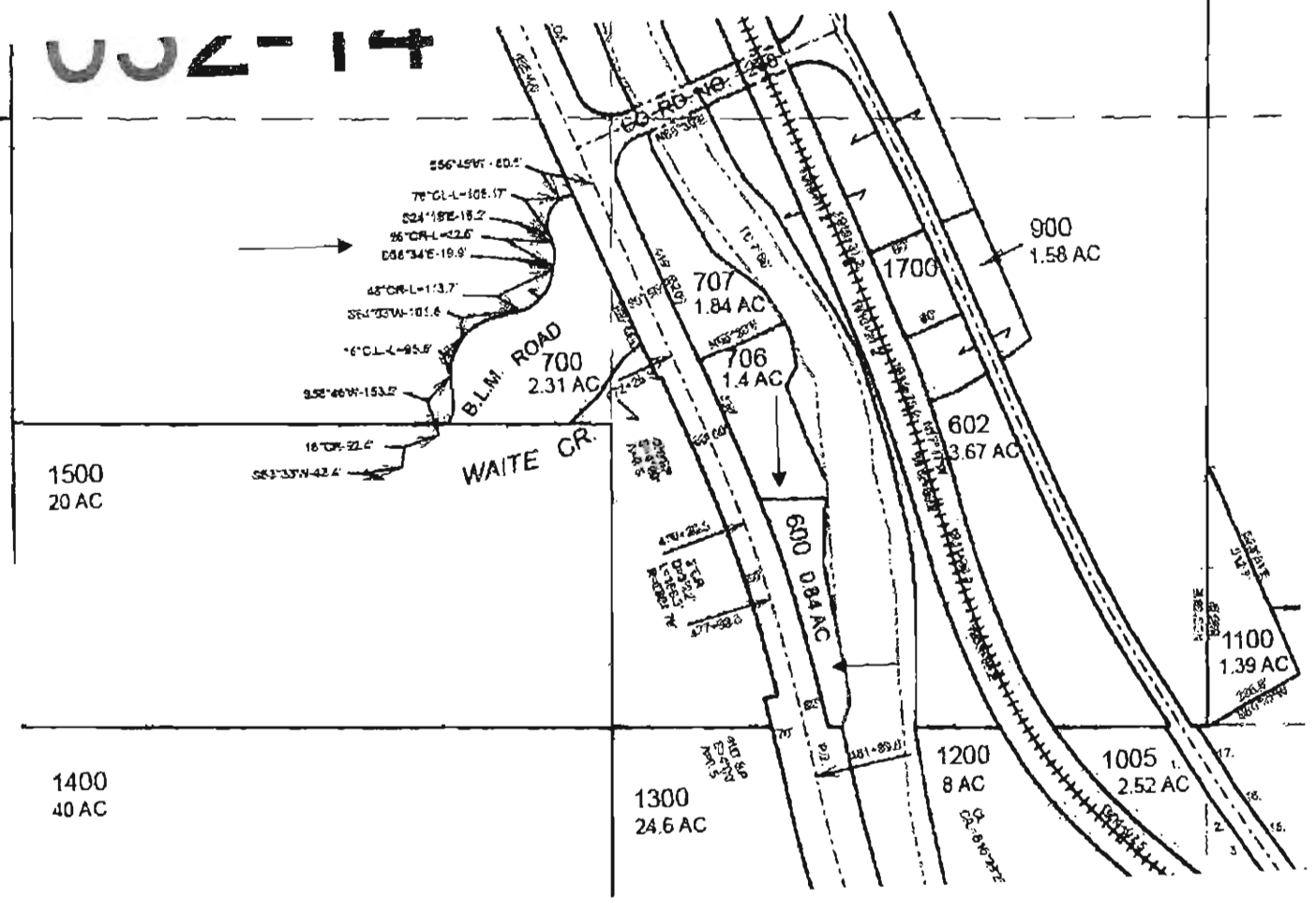


SEE MAP  
17062520



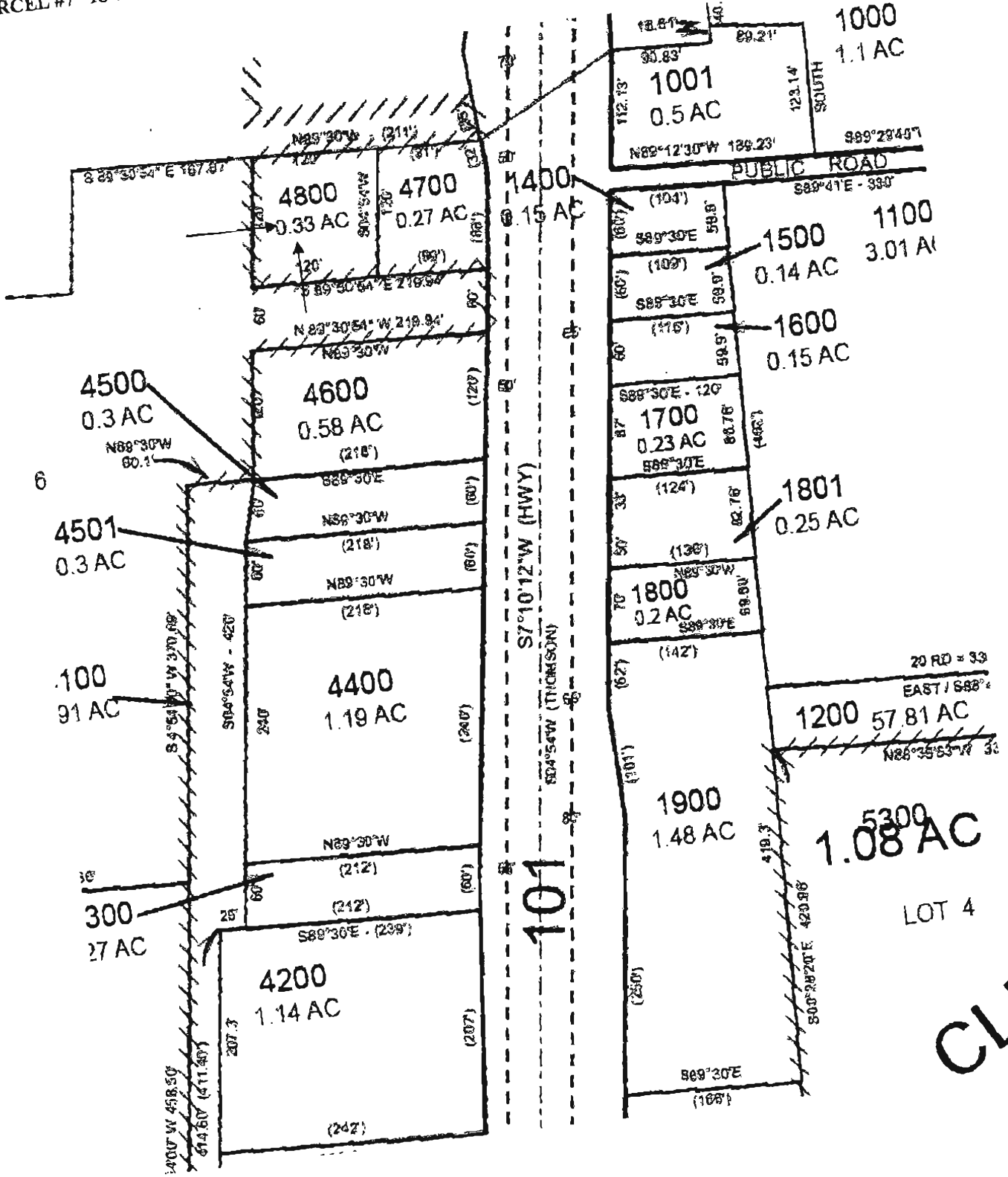


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PARCEL #7 18-12-02-30-04800

SEE PLAT PAGE 82



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