

W.7.D.1.
05-1-12-12

AGENDA COVER MEMORANDUM

Agenda Date: January 12, 2005

DATE: December 28, 2004

TO: Board of County Commissioners

DEPARTMENT: Management Services

PRESENTED BY: Jeff Turk, Property Management Officer 2

SUBJECT: ORDER/IN THE MATTER OF AUTHORIZING A SHERIFF'S SALE OF SURPLUS COUNTY OWNED REAL PROPERTY ON FEBRUARY 14, 2005 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

1. **PROPOSED MOTION:** THE BOARD OF COUNTY COMMISSIONERS MOVES TO AUTHORIZE A SHERIFF'S SALE OF SURPLUS COUNTY OWNED REAL PROPERTY ON FEBRUARY 14, 2005 AND TO DELEGATE 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. **ISSUE/PROBLEM:** The county owns, through tax foreclosure, two properties in which the soil is contaminated with petroleum products – 86714 McVay Hwy., and 267 Van Buren in Eugene. The county has applied to the Environmental Protection Agency (EPA) for cleanup grants for each property. As part of the grant application approved by the Board for the McVay Hwy., property, the county identified a purchaser/redeveloper upon conclusion of cleanup activities (SeQuential Biofuels is the purchaser). SeQuential would occupy and develop the property during cleanup activities (which may take up to two years). A lease/purchase agreement is being negotiated with SeQuential at this time. In order to enter into the agreement, which would constitute a private sale, the property first needs to be offered at a Sheriff's sale and remain unsold at the conclusion of the sale. Similarly, having the property at 267 Van Buren go through a Sheriff's sale at this time would facilitate entering into any future sale opportunities that may arise.

The Board is required to authorize a Sheriff's sale, set the terms and conditions, and affix the minimum prices for which the parcels will be sold (Sheriff sales are typically an oral auction format).

3. **DISCUSSION:**

3.1 Background

The property on McVay Hwy., was foreclosed upon in Sept., 2004. It is .59 acres and is zoned Rural Commercial (the property lies outside the UGBs of Eugene and Springfield). The property was formerly a gas station and has been identified as containing substantial soil contamination. The parcel has an assessed value of \$1,029 due to the contamination. Estimated market value of the property if clean is \$80,000.

At its November 3, 2004 meeting, the Board approved submitting a grant application to the EPA for \$200,000 in funding to cleanup the property. The EPA grant requires a 20% match from the applicant (grant award determinations are expected in April or May, 2005). As explained in the memo requesting authorization to submit the grant, SeSequential Biofuels had approached the county with an interest in using the property for their business as a distributor of bio-diesel fuel (diesel made from vegetable oil). SeSequential is willing to contribute \$50,000 towards the purchase/cleanup of the property (which would pay for the county's 20% grant match). Having a redevelopment plan identified when submitting the EPA grant application increases the probability of the grant being awarded. SeSequential and the county would enter into a lease/purchase agreement subsequent to a Sheriff's sale of the property, which would provide for SeSequential occupying the property during cleanup activities and provide for transfer of the property to SeSequential upon completion of the cleanup. (SeSequential would also enter into an agreement with the Oregon Dept. of Environmental Quality outlining cleanup activities). The proposed minimum bid for the parcel is \$20,000.

The property at 267 Van Buren was formerly the sight of a heating oil and solvent distributor and also has significant soil contamination. An EPA cleanup grant requesting \$100,000 was submitted. No redevelopment plan has been identified at this time. The property is .31 acres, zoned Industrial and has an assessed value of \$56,000. Market value is estimated to be \$80,000 when clean. A minimum bid of \$20,000 is proposed.

3.2 Analysis

The proposed minimum bids were set at a level that would cause the county to forgo the EPA cleanup grants if the properties were sold, and would also help insure that prospective bidders thoroughly investigated the parcels.

In the event either of the properties is sold at the Sheriff's sale, they would no longer be eligible for the EPA cleanup grants due to the county no longer being the owner.

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.

3.3 Recommendation

It is recommended that the Sheriff's sale be authorized and that the Property Management Officer be delegated authority to remove any particular parcel from the sale if deemed to be in the best interests of the county.

3.4 Timing

A sale date of February 14, 2005 requires public notice of the sale to begin being published no later than January 16, 2005.

4. **IMPLEMENTATION/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 and mailing sale notices to adjoining owners of the parcels being offered.
5. **ATTACHMENTS:**
 - Board Order
 - List of properties to be offered
 - Sale notice to be published
 - Plat 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 FEBRUARY 14, 2005 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 that 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 275.110 - 275.160 and 275.190 dictate the procedures for said sale

IT IS HEREBY ORDERED that, pursuant to ORS 275.110 - 275.160 and 275.190, the Sheriff conduct a sale of surplus, County owned real property on February 14, 2005 at the hour of 10:30 AM in the lobby area adjacent to Harris Hall in the Lane County Public Service Building, that the minimum bids for the property and other terms of the sale be established as set forth in attached Exhibit "A"

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.

DATED this _____ day of _____, 20____.

FILED AS TO ROOM

12-30-04 _____ county

[Signature]

Chair, Lane County Board of Commissioners

IN THE MATTER OF AUTHORIZING A SHERIFF'S SALE OF SURPLUS COUNTY OWNED REAL PROPERTY ON FEBRUARY 14, 2005 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

Exhibit "A"

PARCELS BEING OFFERED AT 2/14/05 SHERIFF'S SALE

MAP/TAX LOT #	MINIMUM BID	ASSESSED VALUE	SIZE/ ACREAGE	ZONING	PROPERTY DESCRIPTION
1. 17-04-25-44-00900	20,000	56,019	.84'x160'	Whiteaker Special Area Zone	267 Van Buren St., Eugene. Property has been identified as containing significant soil contamination in the form of petroleum products and other hazardous materials. Prior use of the property was by a heating oil and solvent distributor. Prospective purchasers should consult with the Oregon Dept. of Environmental Quality and an environmental consultant before bidding.
2 18-03-10-10-03200	20,000	1,029	.59 Acre	Commercial	86714 McVay Hwy., Eugene Property has been identified as containing significant soil contamination in the form of petroleum products and other hazardous materials. Prior use of the property was as a gas station. Underground Storage Tanks have been removed. Prospective purchasers should consult with the Oregon Dept. of Environmental Quality and an environmental consultant before bidding.

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 12th day of January, 2005, the Board of Commissioners of Lane County, Oregon, directed the sale of real property acquired by Lane County through tax 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 14th day of February, 2005 at the hour of 10:30 a.m. in the lobby area adjacent to 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, 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 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 on the day 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 for four consecutive weeks prior to the date of sale in the Register-Guard, a newspaper of general circulation in Lane County.

ADDITIONAL TERMS

20% OF THE BID PRICE IS DUE AT THE TIME OF SALE. For parcels which sell above the minimum bid, a 20% deposit of the minimum bid will be due at the time of sale with the balance of the required 20% deposit due by 5:00 p.m. of the day of sale. If the 20% deposit of the minimum bid has not been remitted for any particular parcel prior to the closing of the sale by the Sheriff, said parcel shall be considered as not receiving a bid and may be re-offered for bid by the Sheriff before closing the sale.

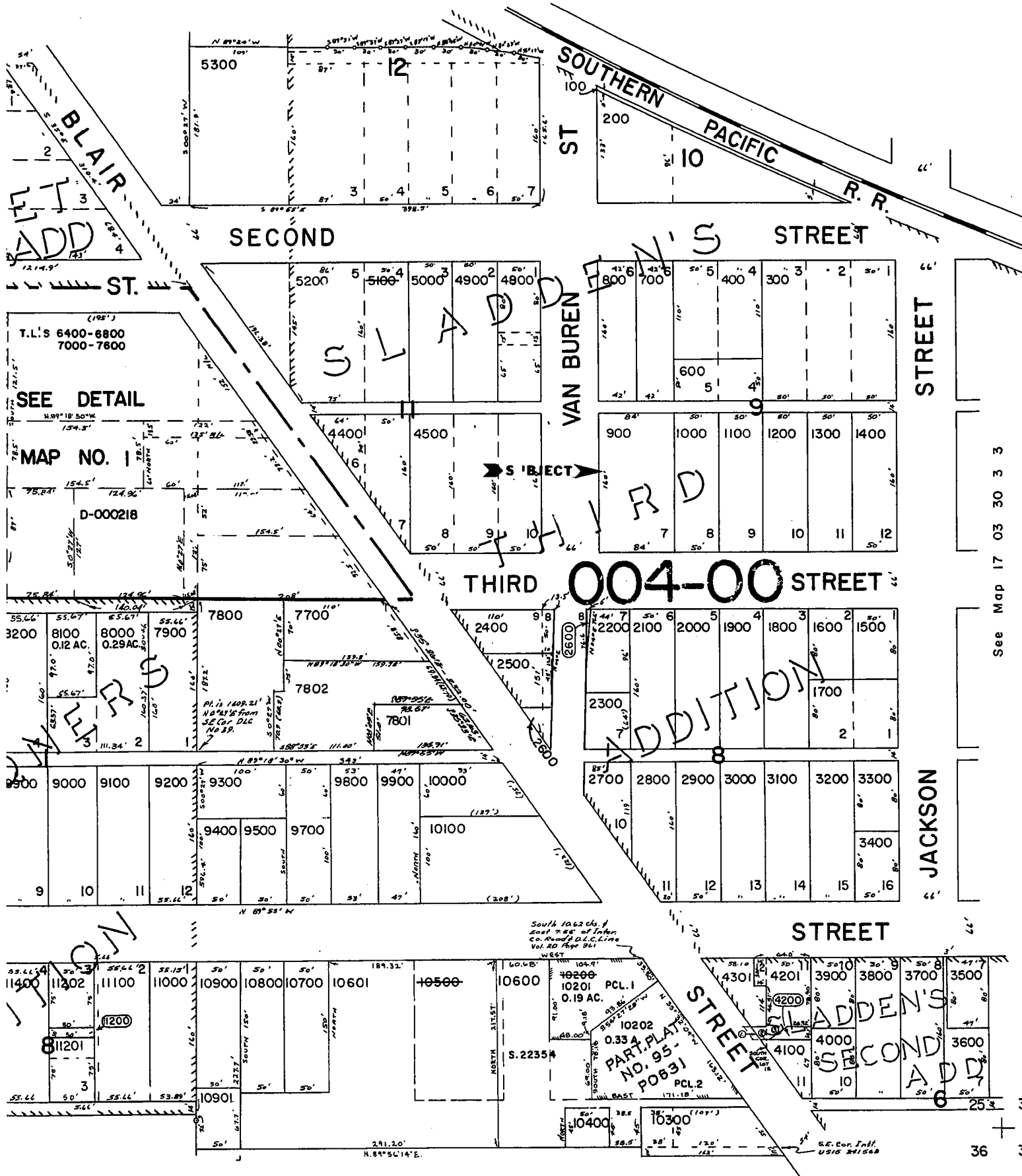
Any remaining balance is payable upon delivery of the Quitclaim Deed to the buyer. Failure of the buyer to complete the transaction will result in forfeiture of buyer's deposit and any rights or interest buyer may have had in the property. In the event a bid is rejected by the Board of Commissioners, buyer's deposit will be returned without interest.

A certificate of sale, subject to approval of the Lane County Board of Commissioners, will be issued to the purchaser on the day of sale.

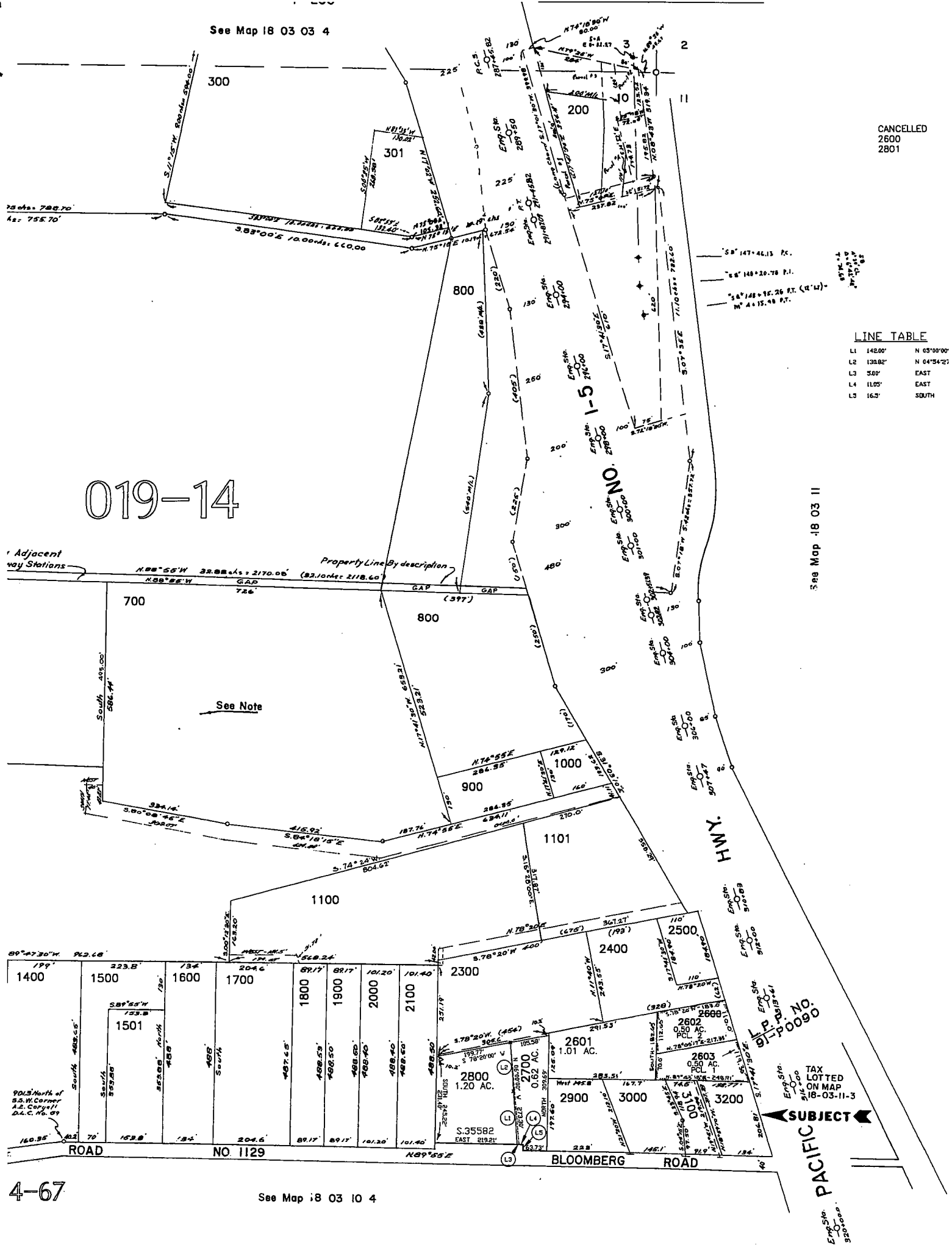
PAYMENT MUST BE MADE WITH CASH OR A CASHIER'S CHECK PAYABLE TO LANE COUNTY. **NO PERSONAL CHECKS, BUSINESS CHECKS OR CREDIT CARDS WILL BE ACCEPTED.** All bidders shall register prior to bidding.

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

Russel Burger, Lane County Sheriff



See Map 18 03 03 4



CANCELLED
2600
2801

LINE TABLE	
L1	142.00' N 03°00'00"
L2	135.82' N 04°54'27"
L3	350' EAST
L4	1105' EAST
L5	163' SOUTH

See Map 18 03 11

TAX
LOT
ON
MAP
18-03-11-3

SUBJECT