

T. 3.C.1.

## AGENDA COVER MEMORANDUM

Memorandum Date: January 21, 2009

Agenda Date: February 4, 2009

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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 MARCH 16, 2009 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 MARCH 16, 2009 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, foreclosure of nuisance liens (Land Management Division), properties designated as park lands and General Fund properties.

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

- A. **Board Action and Other History**

Parcel # 10 was acquired through tax foreclosure but has been designated as park land pursuant to Order 07-2-14-6. Proceeds from its sale must be used for park purposes per ORS 275.330.

Parcels 12 & 13 were acquired in December, 2008 through foreclosure of liens on the property for land use violations. The parcels will require some environmental cleanup due to the presence of methamphetamine. The parcel is one legal lot of record but has replacement rights for two dwellings. It is also likely that the property can be divided into 2 legal lots with a dwelling permitted on each one. The minimum bid was set based on a private fee appraisal done in January, 2009.

The remainder of the parcels were acquired through tax foreclosure.

Staff would like direction from the Board concerning whether to retain or sell parcel # 9. The parcel has approximately 700 ft. of frontage along the McKenzie River. It is narrow, ranging from 30' – 50' wide and would not qualify for a septic system and therefore could not be developed with a dwelling. The parcel is located near Vida and is adjacent to Hwy. 126. The parcel was acquired through tax foreclosure in 1992 and offered for sale in 1993. It has not been offered for sale since that time per requests of the Parks Dept. for possible parks use and the right-of-way dept. for use as a stockpile site for road projects. The right-of-way dept. no longer has use for the parcel. Parks Director Todd Winter indicated that the parcel would be difficult to develop as a boat landing due to its narrowness. Mr. Winter also indicated that the need for the parcel was not paramount as boat landings were located near the parcel up and down river at Finn Rock and Silver Creek.

An argument for retaining the parcel is that it provides public ownership along the river and can provide public access to it. Though there may not be an immediate need for Parks use that may change in the future.

An argument for selling the property is that there is not an immediate public use and a sale would return it to private ownership and the tax roll albeit at a lower value than a developable parcel.

Pursuant to Lane Manual 21.430, the parcels proposed for sale were presented to the Housing Policy Board to see if members had an interest in acquiring any of the properties for affordable housing purposes. No requests to transfer any of the parcels have been received.

Pursuant to Lane Manual 21.435 the Parks Dept. and Property Management reviewed the properties for possible designation as park land prior to them being offered for sale. Per Lane Manual, due consideration was given to the budget needs of each program and the value of the foreclosed parcels. It is recommended that no parcels be designated as park land as the Property Management program will need the sale revenue to meet budgeted expenses for the current fiscal year.

Projected expenses are \$145,000 with \$122,000 being indirect charges going to the General Fund. Current revenue is \$55,000 with an additional \$10,000 projected through contract payoffs. Projected revenue from the auction for the Property Management program is \$100,000 which would be sufficient to meet program expenses.

Properties acquired through tax foreclosure have dropped substantially in the past 2 years. In 2008, 6 properties were deeded to the County with all of them being small strips with little or no value. In 2007, 10 properties were deeded with only 2 having value as buildable parcels.

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 21.435 tax foreclosed property will be reviewed for possible designation as park land per ORS 275.320.

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 and designating tax foreclosed property as park land to provide revenue for Park's programs.

#### **Financial and/or Resource Considerations**

Estimated sale revenue of \$100,000 will go to the Property Management program.

Estimated sale revenue of \$250,000 will go to the Parks Dept.

Estimated sale revenue of \$205,000 will go to the Land Management Division.

The estimates are based on the parcels selling at their minimum bids.

**E.     Analysis**

The minimum bid for parcels 12-13 were set based on a private fee appraisal.

Parcel # 10 (designated as park lands) was appraised at \$110,000 in the fall of 2006. The minimum bid proposed is \$250,000 per the direction of the Parks Director. It should be noted that the parcel may be 2 legal lots of record as there is a public road bisecting the parcel. This would allow 2 dwellings to be constructed and warrant an increased asking price over the initial appraised value.

Minimum bids for the remaining 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.

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.

**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.

**V.     TIMING/IMPLEMENTATION**

A sale date of March 16, 2009 requires public notice of the sale to begin publishing in the Register-Guard no later than February 16<sup>th</sup> (statute requires notice to be published once each week for four weeks prior to the sale).

**VI.    RECOMMENDATION**

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

**VII.   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 and mailing sale notices to adjoining owners of the parcels being offered.

**VII. 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 MARCH 16, 2009 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

WHEREAS property identified as Assessor's map no. 18-12-11-00-02000 has been designated as County Forest and Park lands pursuant to Order No. 07-2-14-6 and

WHEREAS said designated parcel has been approved to be sold by the Board pursuant to a public hearing and Order No. 08-5-28-6

IT IS HEREBY ORDERED that, pursuant to ORS 275.030, 275.110 - 275.160, 275.190 and 275.320, the Sheriff conduct a sale of surplus, County owned real property on March 16, 2009 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.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Peter Sorenson, Chair, Board of County Commissioners

IN THE MATTER OF AUTHORIZING A SHERIFF'S SALE OF SURPLUS COUNTY OWNED REAL PROPERTY ON MARCH 16, 2009 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: 1/25/09  
JIL  
OFFICE OF LEGAL COUNSEL

# EXHIBIT "A"

March 16, 2009 Auction

File List

Parcel #	MAP/TAX LOT #	MINIMUM BID	ASSESSED VALUE	SIZE/ ACREAGE	ZONING	PROPERTY DESCRIPTION
1	15-04-17-00-3101	500	46,525	0.36	E30	Slough/Drainage Way. Not buildable. Adjacent to 29516 McMullen Ln. Junction City. Right of way easement within 40' of centerline from McMullen Ln. will be retained.
2	15-04-32-13-01300	40,000	31,078	0.13 (72'x88')	R4	Vacant lot adjacent to 346 E. 10th Pl., Junction City. Only manufactured dwellings permitted in subdivision per City.
3	16-01-18-34-06400	60,000	107,399	0.84	RR1	SW corner of Mohawk & Wendling Rds., Marcola. In Flood Plain. May not be buildable. Will require engineering studies to develop. Right of way easement will be retained for portion of property within 40" of Wendling Rd. Centerline.
4	16-06-21-00-02500	5,000	46,914	0.19	F2	On E. side of Hagar Rd. just N. of Hall Rd., Cheshire. Parcel likely not suitable for a dwelling.
5	16-25-28-00-04200	1,000	1,000	0.08	RR2	Small strip E. of 45706 Gate Creek Rd. Vida. Creek Frontage
6	17-06-30-00-00102	5,000	43,800	0.81	F2	SW corner of Noti Lp. & Hwy. 126, Noti. Likely not buildable.
7	17-35-02-00-00206	15,000	80,824	0.82	RR5	Across from 49647 McKenzie Hwy. Likely not suitable for a dwelling due to set back requirements for well and septic system.
8	18-08-18-00-00600	28,000	31,251	0.94	F2	S. of 15845 Hwy. 126. May not qualify for placement of a dwelling
9	18-11-08-00-00201	60,000	167,949	0.75	F2	W. and across Rd. from 87657 Portage Way, Florence. Legal lot of record but may not qualify for a dwelling
10	18-12-11-00-02000	250,000	129,656	10.23	CLWP	Located on Taylor Rd., Florence (Taylor Rd. is gated). Some wetlands issues. May be 2 legal lots of record.

11	19-15-16-00-01200	1,000	500	0.30	F2	In front of 42168 Winberry Creek Rd., Fall Creek. Has creek frontage
	Parcels 12 & 13 will	be sold	as one unit			
12	20-03-26-00-00401	205,000	172,160	6.85	F2	78783 & 78779 Sears Rd., Cottage Grove. 2 poor condition mobile homes on property.
13	20-03-26-00-00402		70,672	3.82		The 2 tax lots comprise 1 legal lot of record. Replacement rights exist for 2 dwellings. but they cannot be sold separately unless property is legally partitioned which may be possible. Property will require environmental cleanup due to presence of methamphetamine. Independent analysis of required cleanup available. Water available via well easement from adjoining parcel.
14	20-35-35-00-00200	5,000	61,005	0.51	RR5	E. of 78166 High Prairie Rd., Oakridge. Outside city limits. Septic and well approval not likely.
15	21-01-36-33-00700	1,000	501	0.08	RR5	W. of 39949 Brice Creek Rd., Culp Creek. Does not appear to have 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 4th day of February, 2009, 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 16<sup>th</sup> day of March, 2009 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 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 prior to bidding.

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

Russel Burger, Lane County Sheriff

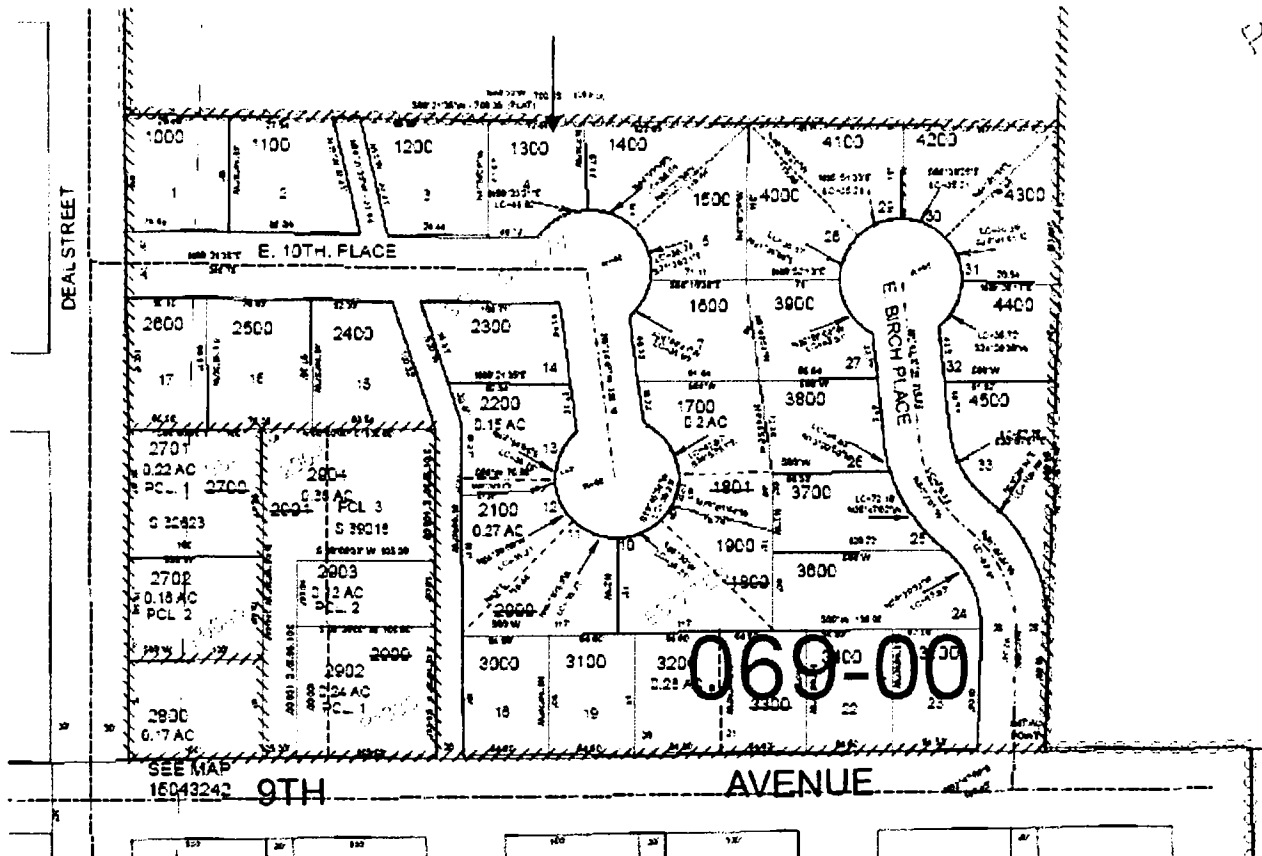
Exhibit "C"

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

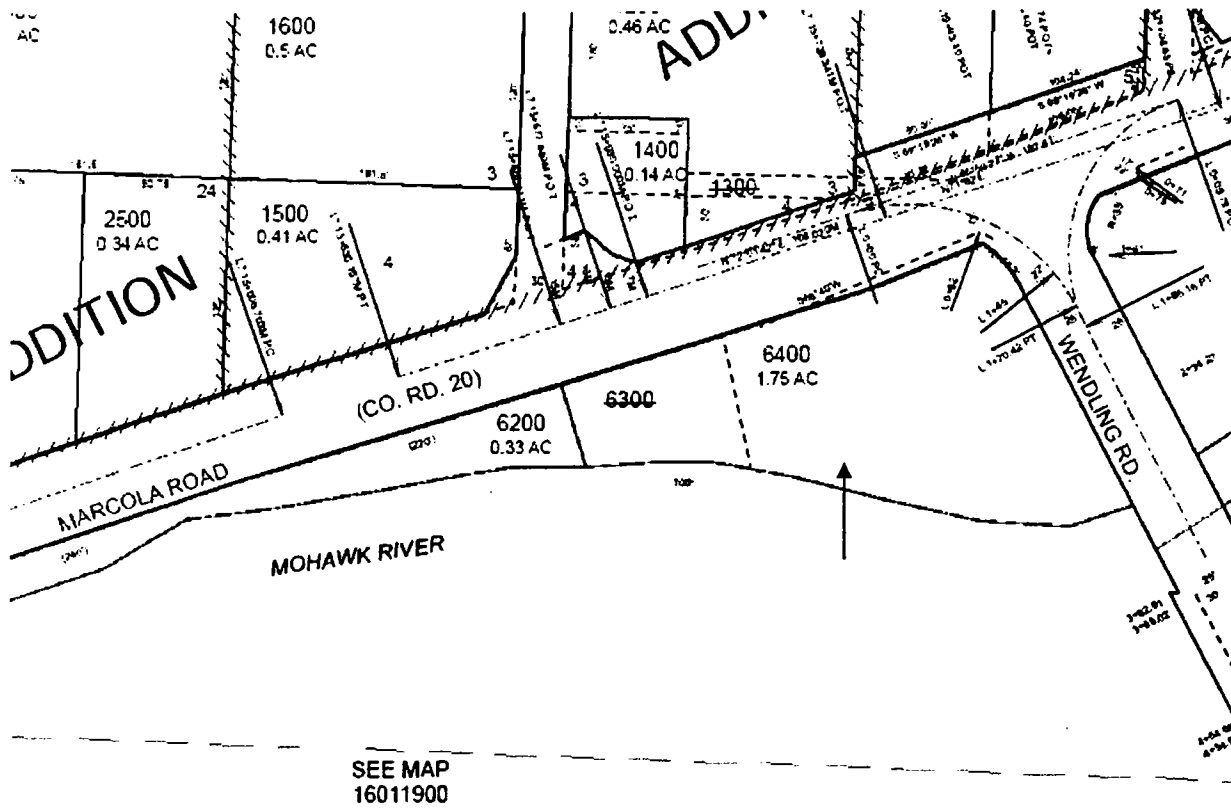
1. These parcels were acquired by foreclosure resulting from delinquency in payment of real property taxes, and other means of acquisition.
2. No survey has been or will be made by Lane County to establish property lines. Properties described may have portions dedicated to public bodies for use as roads, 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. It is the policy of Lane County to sell these parcels to an adjoining owner.
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.



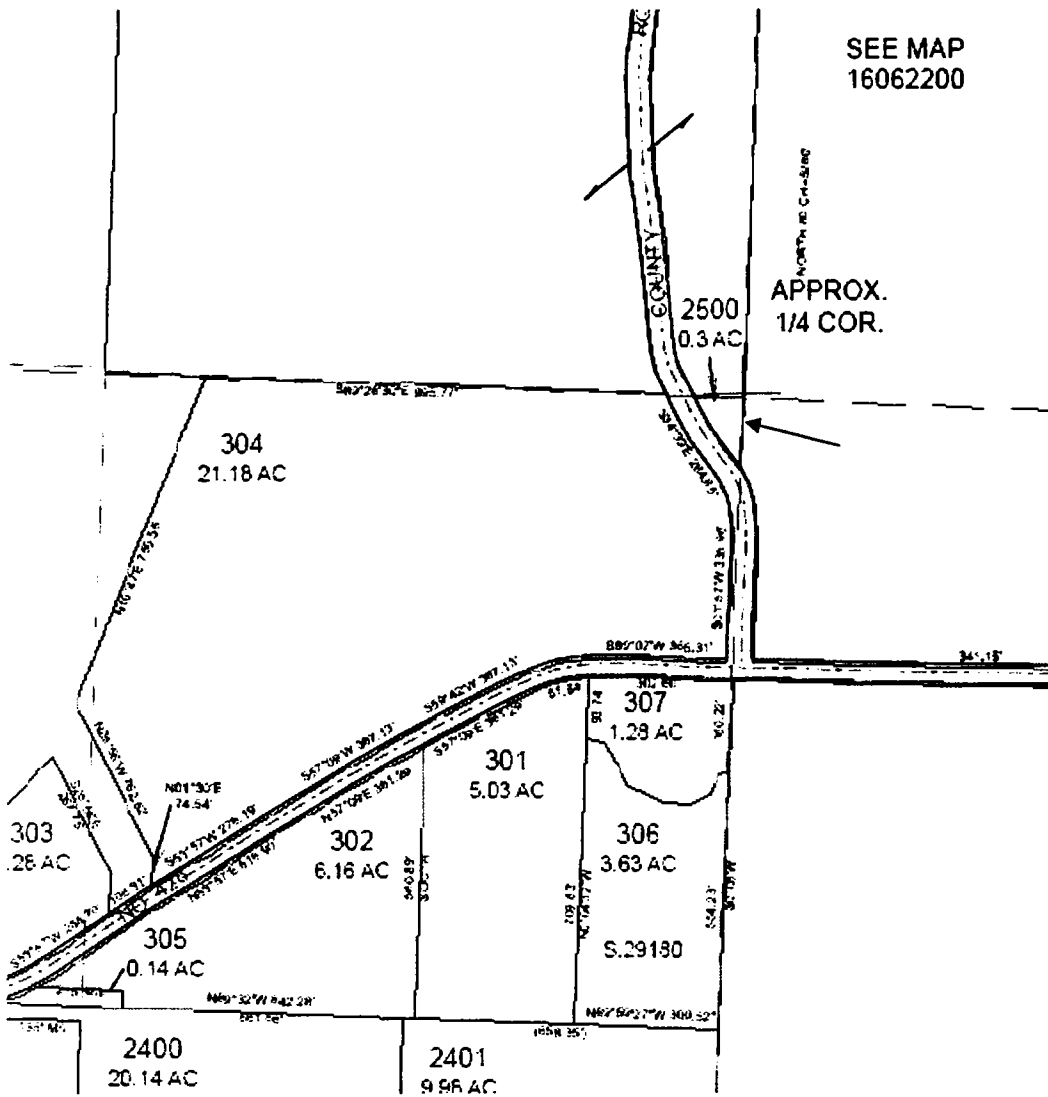
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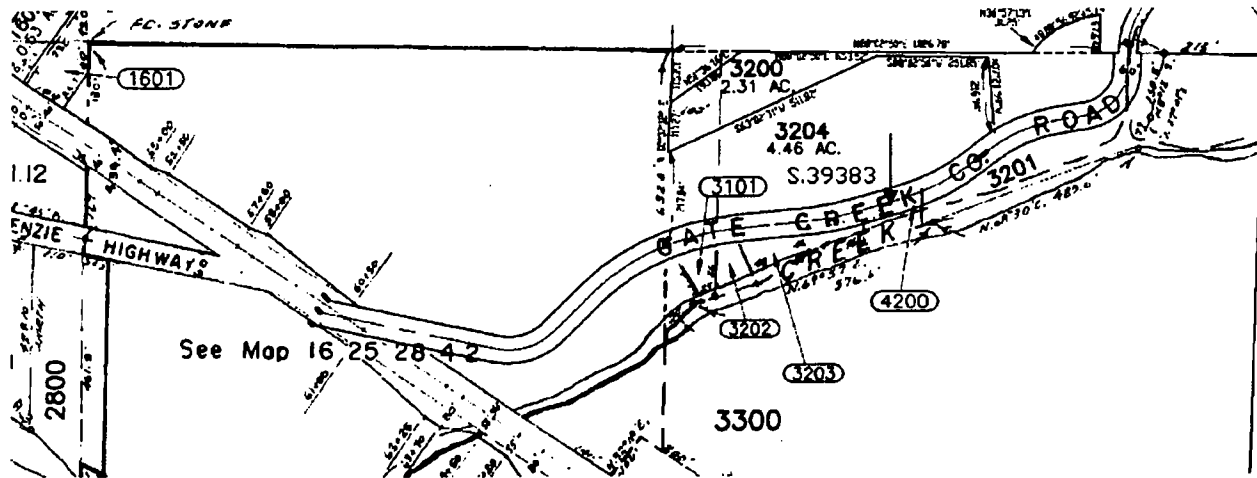
Parcel #3. 16-01-18-34-06400



Parcel #4. 16-06-21-00-02500



Parcel #5. 16-25-28-00-04200



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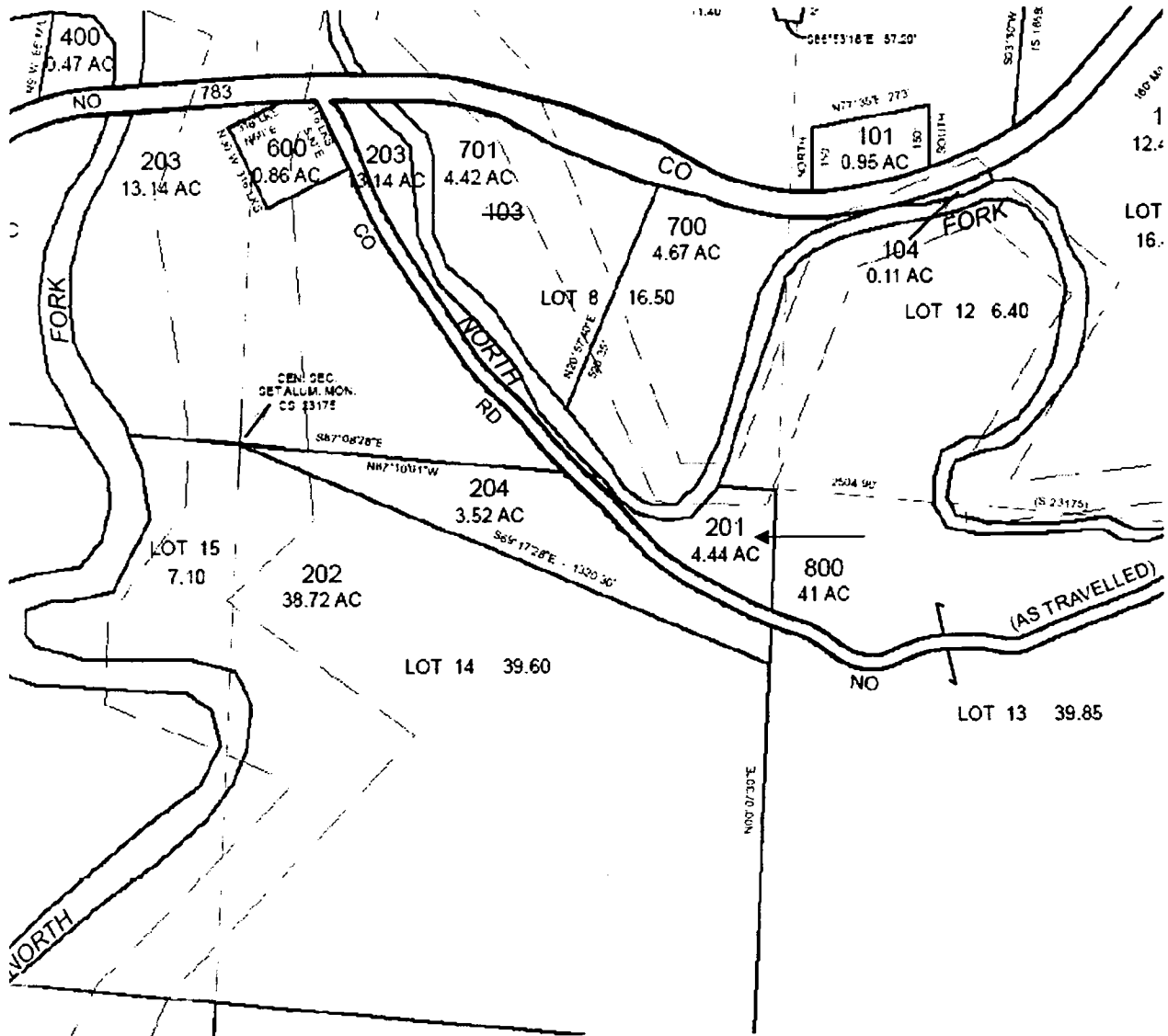




**2-14**



Parcel # 9. 18-11-08-00-00201



083 AC

1000 1300

1100 0.96 AC

1200 0.85 AC

1302 3.04 AC

1400 2.61 AC

1500 1.12 AC

1600 1.4 AC

1703 1.27 AC

1701 0.84 AC

1800 1.84 AC

1900

2000 1.6 AC

202 67.85 AC

201

2400 41.51 AC

U.S. NO. 101

SEE MAP 18121132

097-18

LOT 1 29.82

LOT 2 30.11

CLEAR LAKE

Parcel # 11. 19-15-16-00-01200

