

W. S. G. I.

AGENDA COVER MEMORANDUM

Memorandum Date: January 13, 2010

Agenda Date: January 27, 2010

TO: Board of County Commissioners

DEPARTMENT: Management Services

PRESENTED BY: Jeff Turk, Property Management Officer 2

SUBJECT: ORDER/IN THE MATTER OF AUTHORIZING THE SALE OF SURPLUS COUNTY OWNED REAL PROPERTY FOR \$3,000 TO CHESTER A. CLINE AND BRENDA K. CLINE, FORMER OWNERS OF RECORD (MAP #16-45-27-00-00506, ADJACENT TO 52283 MCKENZIE HYW, BLUE RIVER)

1. **PROPOSED MOTION:** THE BOARD MOVES TO AUTHORIZE THE SALE OF SURPLUS COUNTY OWNED REAL PROPERTY FOR \$3,000 TO CHESTER A. CLINE AND BRENDA K. CLINE, FORMER OWNERS OF RECORD (MAP #16-45-27-00-00506, ADJACENT TO 52283 MCKENZIE HYW, BLUE RIVER)

2. **AGENDA ITEM SUMMARY:**

Mr. and Mrs. Cline are the former owners of record of the subject property which was foreclosed upon by the County for non-payment of property taxes in October, 2009. They wish to repurchase the property back from the County pursuant to ORS 275.180 and LM 21.425(4) which provides for selling foreclosed property back to the former owner. The proposed purchase price is \$3,000. This represents all taxes owing, including those which would have been due for the current year had the property remained on the tax roll, interest and penalties that were owed on the property at the time the County acquired title as well as an additional 10% of that amount to cover Property Management expenses (this insures that the taxing districts will receive the full amount of taxes owed on the property).

The subject parcel is unimproved and adjoins the property on which the Cline's residence is located (tax lot 505). The Clines purchased both tax lots in 1986.

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

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

The subject property is 2.95 acres, zoned RR5 and has a market value per the Assessor of \$146,000 (assessed value is \$28,000).

The subject parcel and tax lot 505, together, form one legally created parcel pursuant to a 1975 partition (M403-75). The subject parcel, having been separated from the legally created lot, would not be a legal lot of record and therefore would not qualify for the placement of a dwelling. Tax lot 505, where the Cline's house is located, would also now be considered as not being a legal lot of record.

Taxes on tax lot 505 also were delinquent. The Clines recently made a payment and the taxes are now current with no outstanding balance.

B. Policy Issues

ORS 275.180 provides for selling foreclosed property back to the owner of record at any time but for not less than the amount of taxes, interest and penalties owing on the property at the time the County acquired title plus 6% interest thereon until the time the property is sold.

Lane Manual 21.425(4) qualifies ORS 275.180 by requiring one of three conditions to exist for a sale to the former owner of record. Those conditions are that: (a) the property was the residence of the former owner at the time of the foreclosure; (b) an error was made by the Assessor in placing the property on the foreclosure list; (c) the former owner was physically or mentally incapacitated during the foreclosure period.

C. Board Goals

The sale of the property would be consistent with the Board's goals to return tax foreclosed property to the tax roll.

D. Financial and/or Resource Considerations

The \$3,000 purchase price includes all taxes that were owing, taxes that would have been paid this year (the foreclosure removed the property from this year's tax roll) and an additional 10% above the statutorily required minimum to cover the county's cost for processing the sale.

After reimbursement to the County for costs associated with the management of foreclosed property, the remaining revenue from sales is disbursed to all the taxing districts in a manner similar to the disbursement of property taxes.

E. Analysis

Lane Manuel (LM) provides for selling property back to a former owner provided the property was their residence. Typically, the residence is located on the same tax lot as the foreclosed property. In this instance, the entire homesite was comprised of 2 tax lots which together are one, legally partitioned lot. There have been similar circumstances in the past

where the Board considered an adjoining, unimproved lot as being part of the former owner's residence and has approved a sale back to the former owner.

Selling the subject parcel back to the former owners would make whole the legally created parcel from the 1975 partition. The subject parcel, by itself, would not be a legal lot and would have minimal value (the Assessor's market value assumes a buildable parcel).

The Board is not obligated to sell a foreclosed property back to the former owner nor is the Board obligated to sell the property for the minimum required by statute but can sell for any amount above the required minimum.

F. Alternatives/Options

1. Sell the property for the minimum amount pursuant to ORS. 275.180 plus taxes which would have been owed for the current year plus 10% thereon. A total of \$3,000.
2. Sell the property for an amount greater than #1 above.
3. Reject selling the property back to the former owner and offer the property at a Sheriff's sale. Estimated value is less than \$10,000.

V. TIMING/IMPLEMENTATION

No timing issues are present.

VI. RECOMMENDATION

It is recommended that option 1 be pursued.

VII. FOLLOW-UP

Upon the Board's approval, the Property Management Officer will proceed with closing the sale.

VII. ATTACHMENTS

Board Order
Quitclaim Deed
Plat Map

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO.

IN THE MATTER OF AUTHORIZING THE SALE OF
SURPLUS COUNTY OWNED REAL PROPERTY FOR
\$3,000 TO CHESTER A. CLINE AND BRENDA K.
CLINE, FORMER OWNERS OF RECORD (MAP #16-
45-27-00-00506, ADJACENT TO 52283 MCKENZIE
HYW, BLUE RIVER)

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 the following real property which was acquired through tax foreclosure, to wit:

See Attached Exhibit "A"

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 Chester A. Cline and Brenda K. Cline are the former owners of record of said property at the time it was foreclosed upon and

WHEREAS said real property was part of the residence of said former owners at the time it was foreclosed upon and

WHEREAS, the \$3,000 sale price reflects all taxes, interest and penalties that were owing at the time of foreclosure and otherwise fulfills the amount required for a sale to a former owner pursuant to ORS 275.180

IT IS HEREBY ORDERED that pursuant to Lane Manual 21.425(4), ORS 275.180, and ORS 275.275 the above described real property be sold to Chester A. Cline and Brenda K. Cline, that the Quitclaim Deed be executed by the Board and that the proceeds be disbursed as follows:

Foreclosure Fund	(268-5570270-446120)	\$2,736
General Fund	(124-5570260-436521)	264

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 _____, 2010.

Bill Fleenor, Chair, Board of County Commissioners

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\$3,000 TO CHESTER A. CLINE AND BRENDA K. CLINE, FORMER OWNERS OF RECORD (MAP #16-45-27-
00-00506, ADJACENT TO 52283 MCKENZIE HYW, BLUE RIVER)

APPROVED AS TO FORM

Date 1-14-10 lane county



OFFICE OF LEGAL COUNSEL

EXHIBIT "A"

LEGAL DESCRIPTION

16-45-27-00-00506

Beginning at the iron pipe marking the north one-quarter corner of Section 27, Township 16 South, Range 4 East of the Willamette Meridian; thence South 89° 06' 34" West 634.65 feet along the north line of said Section 27 to the TRUE POINT OF BEGINNING; thence South 0° 07' 33" East 340.00 feet to a point; thence North 89° 06' 34" East 130.01 feet to a point; thence South 0° 07' 33" East 413.87 feet to a point on the northerly right of way line of the relocated McKenzie Highway; thence South 34° 51' 22" West 72.27 feet along said right of way line to a point; thence South 38° 22' 18" West 81.72 feet continuing along said right of way line to a point; thence continuing along said right of way line and along a line concentric with and 60.00 feet radially from a centerline spiral curve to the right in which $L=200$ feet, $\Delta=3^{\circ} 00'$ and $a=1.5$, to a point which bears South 55° 01' 09" West 80.58 feet from the last described point; thence North 0° 07' 33" West 1,081.49 feet to a point on the north line of said Section 27; thence North 89° 06' 34" East 65.00 feet to the true point of beginning, in Lane County, Oregon.

QUITCLAIM DEED

LANE COUNTY, a political subdivision of the State of Oregon, pursuant to Order No. _____ of the Board of County Commissioners of Lane County, releases and quitclaims to:

Chester A. Cline and Brenda K Cline

all its right, title and interest in that real property situated in Lane County, State of Oregon, described as:

See Attached Exhibit "A"

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007

The true and actual consideration for this transfer is: \$3,000.00

This space reserved for recording sticker

LANE COUNTY BOARD OF COMMISSIONERS

STATE OF OREGON)
) ss
COUNTY OF LANE)

On _____, 2010 personally appeared _____,

_____, _____, _____, _____,

_____, County Commissioners for Lane County, and acknowledged the foregoing instrument to be their voluntary act. Before me:

After recording, return to/taxes to:
Chester A. & Brenda K. Cline
PO Box 265
Blue River, OR 97413

Notary Public for Oregon
My Commission Expires _____

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