



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: Wednesday, August 24, 2022

SUBJECT: Consideration of Board Signature for Auction Order No. 2022-040, for the Deschutes County Surplus Property Auction

RECOMMENDED MOTION:

Move approval of Board signature of Order No. 2022-040, for the Deschutes County Surplus Property Auction.

BACKGROUND AND POLICY IMPLICATIONS:

The attached list of 16 County-owned properties, in Order No. 2022-040, is proposed for inclusion in the 2022 Deschutes County Surplus Property Auction scheduled for Friday, October 7, 2022 at the Deschutes County Fairgrounds.

Property Management staff has worked with County Counsel, the Community Development Department –including Planning and Environmental Soils, the Road Department –including Survey and Engineering, the County Forester, Finance Department, Tax Office, Assessor’s Office, and the Sheriff’s Office to evaluate the list of initial properties and prepare documents associated with the sale.

In order to establish the property values, Property Management engages the services of an experienced licensed real estate broker. The broker provides a ‘Broker Opinion of Value’ for each property and these values are typically reduced to 80% to establish the minimum bids for the purpose of the auction. These amounts are noted as the minimum bids on Exhibit A. If all properties sell at the established minimum bid, the proceeds of the sale would be \$1,059,920.00. Note that properties may be removed from the auction list at any time.

Most properties sold at auction sell above the minimum bid, thus generating additional sale proceeds. If not all properties sell at auction, those properties that do not sell may be available for purchase on a first come first served basis as provided by ORS.

Standard operating procedure and as done in the past, Deschutes County will offer financing for properties sold for \$20,000 or more at an interest rate of 6.50% amortized

over a 10-year term. Properties that sell for less than \$20,000 are required to be paid in full the day of the auction by cash/cashier's check.

BUDGET IMPACTS:

If the properties sell at the established minimum bid, the proceeds of the sale will be \$1,059,920.00. Properties that do not sell at auction will be available for sale on a first come first served basis at the minimum bid price, or possibly a lower amount as authorized by ORS. As provided by ORS 275, the sale's proceeds reimburse the County for the management and carrying costs associated with foreclosed properties with the remaining proceeds distributed to the applicable taxing districts.

ATTENDANCE:

Kristie Bollinger, Property Manager