



OFFICE OF COUNTY COUNSEL

PUBLIC SERVICES BUILDING
 2051 KAEN ROAD OREGON CITY, OR 97045

February 11, 2016

Board of County Commissioners
 Clackamas County

Members of the Board:

Order Adopting Certain Findings, Agreement to Service as Trustees, and
 Declaring the Dissolution of the Estacada Area County Service District for
Library Services

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Purpose/Outcomes	Procedure in support of the dissolution of the service district
Dollar Amount and Fiscal Impact	Limited expenditure of staff time to wind down district
Funding Source	Current budget
Duration	Perpetual
Previous Board Action	Discussed at issues policy session January 5, 2016. Petition for dissolution adopted by District after public hearing on January 14, 2016 District Board to consider Plan of Dissolution on February 11, 2016
Strategic Plan Alignment	Consistent with and implementing the goal of "Building public trust through good government" by eliminating unnecessary government structures/entities
Contact Person	Chris Storey, Assistant County Counsel
Contract No.	N/A

BACKGROUND:

The Estacada Area County Service District for Library Services ("District") was formed to support the desire of the City of Estacada to construct an improved library facility. The library was designed and sized to serve the population of not just the City but the surrounding area. The District was formed with boundaries that are coterminous with those of the Estacada School District, and a general obligation bond was passed by vote of the residents in that area to fund the construction of the new library (the "GO Bond"). The District does not collect any permanent rate or fees and sole purpose was to act as a financing vehicle to aid in the construction of the library, which it accomplished through the GO Bond.

In 2009, as part of the formation of the county-wide Library District of Clackamas County, the County general fund deposited sufficient funds in a sinking fund account to pay off the GO Bond. At that time the District ceased collecting taxes from its residents. However, under the terms of the GO Bonds the earliest the full debt could be repaid was June 2015. The sinking fund made the final payments on the debt from 2009 until 2015, and the GO Bonds are now fully paid off. The District now has no debt and very few assets. Further, it has no revenue and no specific purpose now that it completed the payment of the GO Bonds. In short, it is ready for winding down and dissolution.

The Board of the District must take certain actions to dissolve the District, including but not limited to making certain factual findings, adopting a plan of dissolution, and appointing trustees. Those actions are contemplated to take place on February 11, 2015.

For the dissolution to take place without the necessity of a vote, the Board of County Commissioners, as the governing body of Clackamas County, must make certain factual findings as well. Further, the District is proposing that the BCC serve as Trustees for the dissolving District, as allowed in statute. If those conditions are met, the Board of County Commissioners is vested with the statutory authority to declare the District dissolved. Attached is a proposed Order effectuating the same.

Following such a declaration, county staff would execute on the adopted Plan of Dissolution to dispose of the limited assets of the District (it has no liabilities) and file all necessary paperwork and records to complete the dissolution process. The District as an entity will legally cease once those actions are taken.

RECOMMENDATION:

Staff recommends that the Board adopt the attached order reflecting certain findings, agree to serve as Trustees of the dissolution of the District, and declare the District to be dissolved.

Respectfully submitted,

Chris Storey
Assistant County Counsel

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WHEREAS, this matter coming before the Board of County Commissioners, being asked to consider the petition for dissolution of the Estacada Area County Service District for Library Services (the "District"); and

WHEREAS, it appearing that the District has fully paid all outstanding debt and no longer needs to hold assets relating thereto; and

WHEREAS, it further appearing that the District's purpose for formation was to provide a means of financing improvements for the Estacada City Library, which was accomplished through the construction of such improvements with the proceeds of the debt that is now fully paid off; and

WHEREAS, it further appearing that the dissolution and liquidation of the District would be in the best interests of the county and the residents of the District; and

WHEREAS, it further appearing that the District has accomplished its purpose and no longer serves an existing need; and

WHEREAS, it further appearing that the governing body of the District has adopted a petition for dissolution on January 14, 2016; and

WHEREAS, it further appearing that the governing body of the District adopted a plan of dissolution and requested that this Board serve as Trustees of the dissolution process by public hearing on February 11, 2016; and

WHEREAS, it further appearing that this Board is willing to serve as Trustees and execute the Plan of Dissolution adopted by the District; and

WHEREAS, it further appearing that upon due findings by this Board and agreement to serve as Trustees, that this Board is authorized to declare the District to be dissolved;

NOW, THEREFORE, IT IS HEREBY FOUND that the following statements are true and correct:

1. The dissolution of the Estacada Area County Service District for Library Services is in the best interests of the people of Clackamas County; and

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2. The Estacada Area County Service District for Library Services is no longer necessary for the purpose for which it was formed.

AND FURTHER, IT IS HEREBY AGREED AND ORDERED that the Board of County Commissioners, as the governing body of Clackamas County, will serve as Trustees to oversee the dissolution of the District and executing all necessary steps of the Plan of Dissolution; and

AND FURTHER, IT IS HEREBY DECLARED AND ORDERED that the Estacada Area County Service District for Library Services is hereby dissolved, and staff are directed to take all necessary steps to effectuate the foregoing.

DATED this 11th day of February, 2016.

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary