



January 14, 2016

Board of County Commissioners
 Clackamas County acting as the
 Governing Body of the Estacada Area
 County Service District for Library Services

Members of the Board:

Petition for Dissolution of the Estacada Area County Service
District for Library Services

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 County Counsel

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 Assistants

Purpose/Outcomes	Initiate dissolution of 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 on January 5, 2016.
Strategic Plan Alignment	1. N/A 2. 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 dissolution process would refer the matter to the Board of County Commissioners, as the boundary authority for special district, to consider the matter. Staff will draft for the BCC's consideration the adoption of a "Plan of Dissolution" within 30 days after adoption of a petition for dissolution, and then a public hearing would be held to consider the matter, currently scheduled for February 11, 2016 pending adoption of the recommended (attached) petition of dissolution.

RECOMMENDATION:

Staff recommends that the Board, acting as the governing body of the District, adopt a petition of dissolution to begin the process of winding down and dissolving the District, and direct staff to prepare a Plan of Dissolution for its consideration.

Respectfully submitted,

Chris Storey
Assistant County Counsel

In the Matter of the Petition for
Dissolution of the Estacada Area
County Service District for Library
Services

Order No. _____

This matter coming before the Board of County Commissioners acting as the governing body of the Estacada Area County Service District for Library Services (the "District"); associated with it; 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;

NOW, THEREFORE, IT IS HEREBY ORDERED that this Board petitions the Board of County Commissioners to dissolve and liquidate the assets of the District; and

IT IS FURTHER ORDERED that District staff prepare a Plan of Dissolution to be presented to the Board of County Commissioners in a public meeting for its consideration.

DATED this ____ day of _____, 2016.

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary