



# CITY COUNCIL

## Regular Meeting Minutes October 10, 2022

Mayor Drotzmann called the regular meeting to order at 7:04pm. Present were Councilors Peterson, Spicerkuhn, Primmer, Barron, Davis, Hardin, and Duron. Councilor Myers was excused. Judge Creasing was in attendance, as well as staff to include: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey, Chief Edmiston, Finance Director Mark Krawczyk, Parks and Recreation Director Brandon Artz, Planning Director Clint Spencer, and City Recorder Lilly Alarcon-Strong. Youth Advisory Members Julissa Gonzales Mendoza and Manuel Salazar were in attendance. The pledge of allegiance was given.

### **Presentation- Hermiston School District Updates**

Assistant Superintendent Jake Bacon gave HSD updates, to include: School District calendar, conferences, Amazon's Think Big Space Program partnership with BMCC and HSD and the recent student experiences with this program, extracurricular activities, and student enrollment numbers to-date.

### **Citizen Input on Non-Agenda Items**

Lisa Williams, 115 NW 11<sup>th</sup>- Spoke regarding the gang issues plaguing the City and how it has impacted the life of her family. Asked that the Council look at how to better resolve this issue.

Louis Hanson, Hermiston- Invited the Council and public to attend the annual Journey to Bethlehem show & tour with live actors and animals on November 3-5. The tour is about 20 mins long and is hosted by the Seventh-Day Adventist Church at 855 W. Highland Ave.

Brian Owens, 665 W Division- Asked that the Council help him resolve issues regarding the roadway easement and irrigation drainage ditch near his Roller Rink business. These issues are causing him financial hardship that could cause him to permanently close the Roller Rink, which his family runs at little to no profit, so the youth in the area have something fun to do.

David McCarthy, Hermiston- Thanked the Council for the great new facility that gives the City a standard of excellence for people to know us by.

Rebecca Garcia, 608 W Hermiston- Asked that she be given the best contact information for the person who can help her address homelessness issues she's facing on her properties.

Mayor Drotzmann thanked the public for their comments and stated the City will find ways to address these issues.

### **Consent Agenda Items**

Councilor Primmer moved and Councilor Spicerkuhn seconded to approve Consent Agenda items A & B to include:

- A. Committee Vacancy Announcements
- B. Minutes of the September 26, 2022 City Council & HURA Meeting

Motion carried unanimously.



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### **Public Hearing- Formation of the Southwest Hermiston Urban Renewal Agency**

Hearing no potential conflicts of interest, City Manager Smith read the hearing guidelines and Mayor Drotzmann opened the hearing at 7:36pm.

Assistant City Manager Morgan and Elaine Howard of Elaine Howard Consulting presented the Council with information regarding the potential formation of the Southwest Hermiston Urban Renewal Agency and next steps moving forward (PowerPoint Presentations attached).

### **Public Testimony**

#### **Proponents**

Steve Wilson, MonteVista Homes- Thanked the City for their efforts to move this project forward as MonteVista Homes continues to work to develop the City.

#### **Neutral**

Josh Roberts, Hermiston- Stated that the Police Department was not included in the Impact Fee for this project and asked that the Council consider including them in in this fee.

There were no Opponents who wished to address the Council and the hearing was closed at 8:16pm.

### **Ordinance No. 2341- Southwest Hermiston Urban Renewal Plan Adoption**

City Manager Smith stated information regarding Ordinance 2341 was presented earlier during the public hearing.

Mayor Drotzmann requested that the first reading be by title only. Hearing no oppositions, City Attorney Tovey read the ordinance by title only. Councilor Duron moved and Councilor Davis seconded that the ordinance be put on for final adoption at the October 24<sup>th</sup> meeting and that the second reading be by title only at that meeting. 7 votes for; none against. Motion carried unanimously.

### **Resolution No. 2238 – LTREZ Distribution**

Assistant City Manager Morgan stated this resolution establishes a policy for the administrator of the Greater Hermiston Enterprise Zone (GHEZ) to follow in managing revenue disbursements. This policy is necessary as the GHEZ is jointly managed by the City of Hermiston and Umatilla County.

After some discussion, Councilor Barron moved and Councilor Hardin seconded to adopt Resolution No. 2238 and lay upon the record. Motion carried unanimously.

### **1<sup>st</sup> Quarter FY2023 Investment Report**

Councilor Primmer moved and Councilor Spicerkuhn seconded to accept the 1<sup>st</sup> Quarter FY2023 Investment Report as presented by Finance Director Mark Krawczyk. Motion carried unanimously.



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**Approval of the Lease to Made to Thrive for the Construction of Sports Fields on the Front ~20 acres of the EOTEC Property-** City Manager Smith presented the proposed Sports Field Lease between the City and Made to Thrive.

After some discussion, Councilor Barron moved and Councilor Davis seconded to table this decision until the meeting of October 24<sup>th</sup> to allow the City time to address and add verbiage specific to parking, in the Lease with Made to Thrive. Motion carried unanimously.

## **Committee Reports**

**Stepping Stones (not a City Committee)-** Councilor Spicerkuhn gave updates regarding: additional work parties in Umatilla to build huts and Project Community Connect at Desert Rose Ministries.

## **Mayor's Report**

Mayor Drotzmann spoke regarding:

- Recent LOC Annual Conference and his acceptance of LOC's President-Elect Position, Executive Director search and interviews, as well as his boastfulness of the Youth Advisors currently serving on each City Committee and Board
- EOTEC's weekend events that included: Faith & Blue, Dueling Piano's and a BBQ contest
- OMA Homelessness Task Force addressing this issue at a state level

## **Council Reports**

Councilor Duron thanked the City for allowing her to attend the LOC Conference stating the information she learned was very valuable and has a greater appreciation for all the work that is involved in planning road closures for infrastructure improvements and more.

Councilor Primmer stated the Faith & Blue event was a huge success. There were five different law enforcement agencies who participated in the event that allowed positive and friendly interaction between law enforcement and the public. Councilor Primmer thanked Police Chief Edmiston and Parks and Recreation Director Brandon Artz for all their work making this event a success.

Councilor Spicerkuhn asked that City Manager Smith update the Council on the public comment issues that were raised tonight.

Councilor Hardin thanked LOC for putting on another great Annual Conference with great information, events, and workshops. Thanked Mayor Drotzmann and City Manager Smith for their leadership in the LOC.

## **Youth Advisory Report**

Youth Advisors gave information regarding congestion at the intersection at N First Place and Orchard Ave and asked that the City help address this issue and invited the public to attend an upcoming High School play.



Where Life is Sweet

# CITY COUNCIL

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### City Manager's Report

City Manager Smith spoke regarding:

- Punch list items that are still needed in City Hall
- Thanked the Council and public for their support of the new City Hall building

### Adjournment

Mayor Drotzmann adjourned the City Council meeting at 9:26pm as there was no other City business.

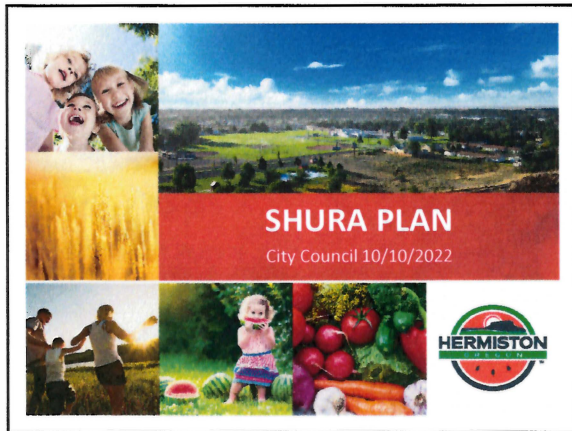


SIGNED:

  
\_\_\_\_\_  
Dr. David Drotzmann, Mayor

ATTEST:

  
\_\_\_\_\_  
Lilly Alarcon-Strong, CMC, City Recorder



## HERMISTON How does it work?

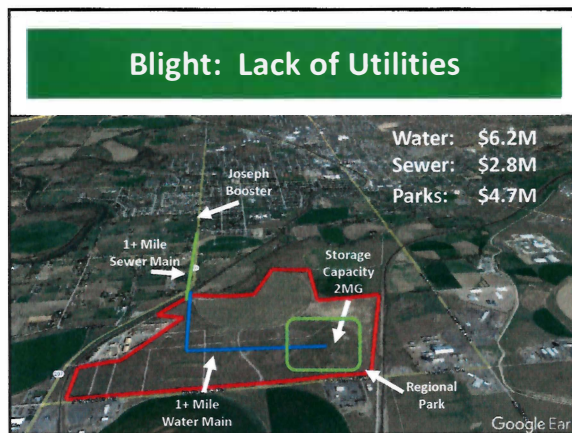
- Elaine Howard Consulting
- Diverts NEW tax to pay for improvements

## HERMISTON Why are we doing this?

- Extend Utilities
- Largest remaining residential tract in City
- 600+ housing units built since 2017
  - 142 Year to Date in 2022
- More land supply necessary

## HERMISTON Impact to Existing Services?

- Revenue Sharing begins at 10%
- Diversion capped at ~280 homes
  - Remaining 1,000 homes go to districts as normal
- Bonds not impacted
  - HSD Bond = Extra \$6.6M over 20 years
  - UCFD1 Bond = Extra \$300,000 over 20 years



## HERMISTON Other Impacts- Development Agreement

- City & Developer Cover debt in early years
- Developer donates 1.5ac land to UCFD1
- Impact Fee per home paid to UCFD1
- Traffic Impact Fee per home pending TIA





## Risk to City?

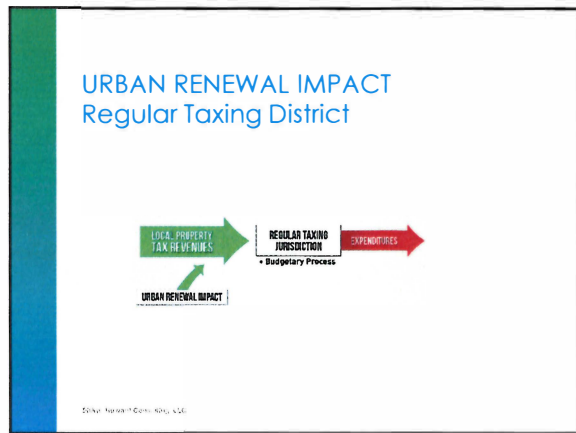
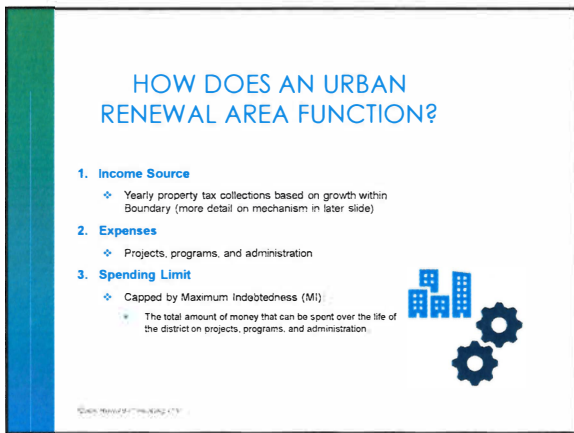
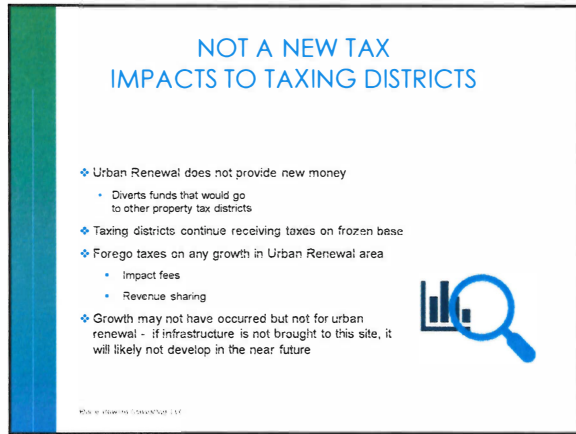
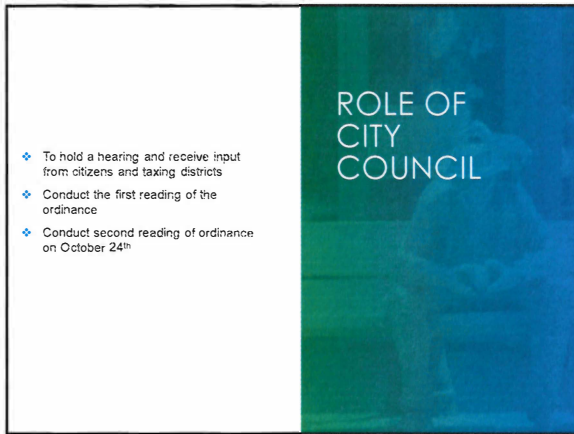
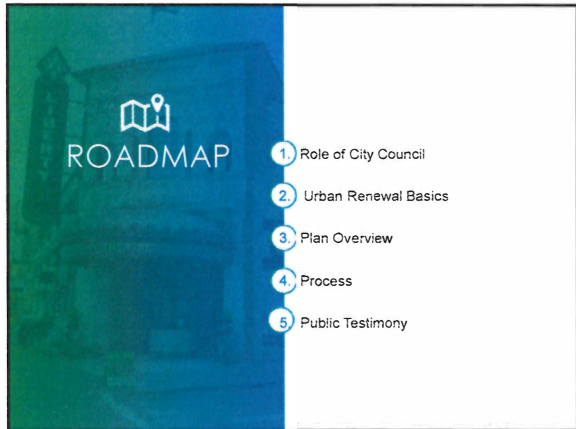
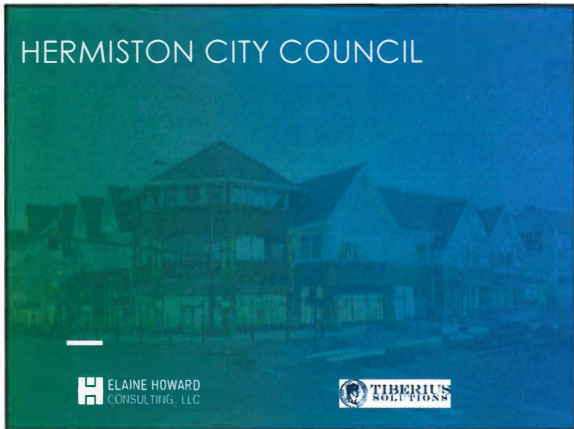
- Shared Debt Obligation = Max ~\$500,000/yr
  - Capacity in Utility Fund to absorb
  - Water improvements benefit/serve entire city

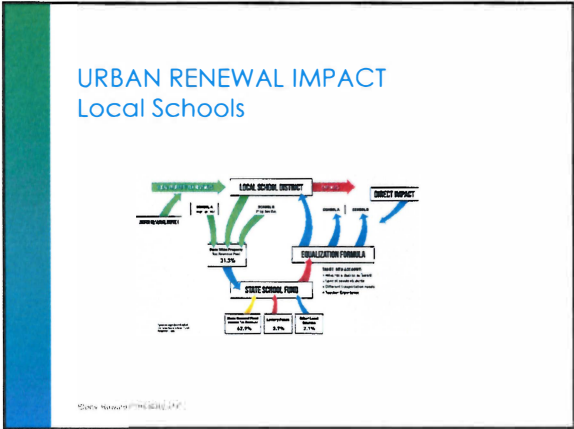


## Worst Case Scenario?

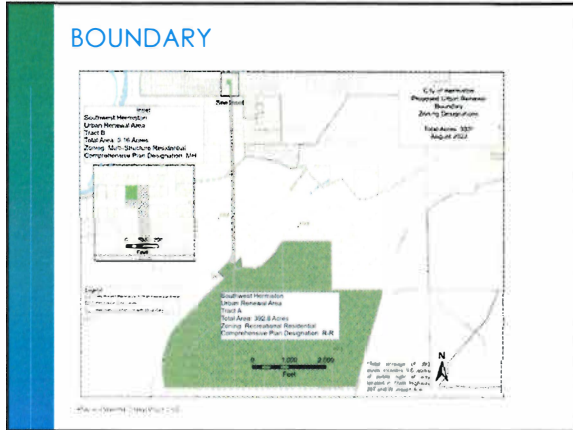
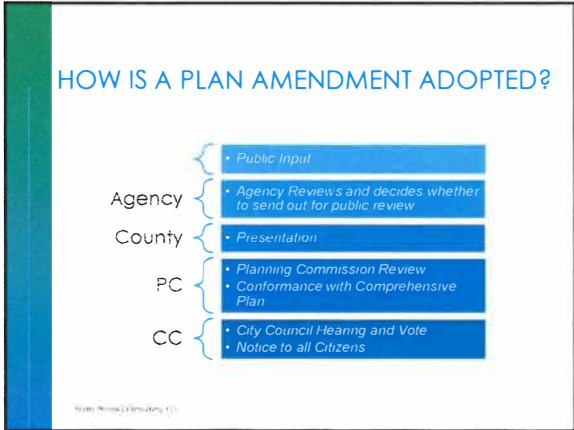
- Debt Term assumed at 20 years vs 30
- Assumes \$12M incurred Day #1
- Absorption assumed at just 30 per year
- Occupancy assumed in 2027







- ### PROPERTY TAX SUMMARY
- No new taxes due to the division of taxes from Urban Renewal
  - Schools are indirectly impacted by urban renewal
  - There will be a line item for Urban Renewal on your property tax bill if this Plan is adopted
  - There are no bonds or local option levies impacted by the proposed urban renewal plan
    - New development will help pay for existing bonds and future bonds in the community



### STATUTORY LIMITATIONS

|  | Acres | Assessed Value  |
|--|-------|-----------------|
| A. City of Hermiston Downtown Urban Renewal Area | 125.2 | \$42,262,899    |
| B. Southwest Hermiston Urban Renewal Area        | 392.8 | \$3,121,349     |
| C. Total Acres/Assessed Value in URAs            | 518   | \$45,384,248    |
| D. Excess Value                                  |       | \$15,049,186    |
| E. City of Hermiston                             | 5,402 | \$1,168,246,817 |
| % of City Acreage = (C/E)                        | 9.6%  |                 |
| % of City Assessed Value = (C/(E-D))             |       | 3.94%           |

- ### PROJECTS
- Infrastructure Upgrades
  - Parks and Pathways
  - Developer incentives
  - Administration



## ESTIMATED COSTS OF PROJECTS

| Expenditures (Constant FYE 2023) | Constant FYE 2023\$ | Year of Expenditure \$ |
|----------------------------------|---------------------|------------------------|
| Community Park                   | \$2,625,000         | \$2,756,250            |
| Neighborhood Parks and Pathways  | \$2,100,000         | \$3,420,900            |
| Water Transmission Line          | \$1,703,100         | \$1,788,255            |
| Joseph Booster Pump Station      | \$771,750           | \$810,338              |
| Upgrades                         |                     |                        |
| Sewer Main Line                  | \$2,806,650         | \$2,946,983            |
| 2 Million Gallon Reservoir       | \$3,735,900         | \$3,922,695            |
| SDC Expenditures                 | \$1,050,000         | \$1,710,450            |
| Financing Fees                   | \$301,885           | \$354,201              |
| Administration Costs             | \$210,000           | \$354,437              |
| <b>TOTAL:</b>                    | <b>\$15,304,285</b> | <b>\$18,064,509</b>    |

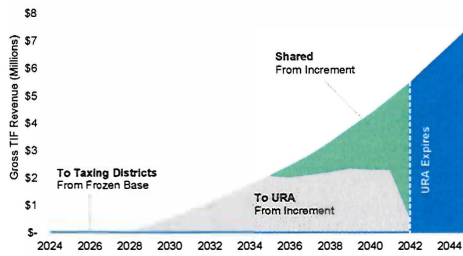
Source: Novena Consulting LLC

## FINANCIAL FORECASTING

|                   |              |
|-------------------|--------------|
| Total Net TIF     | \$20,060,000 |
| Capacity (2023\$) | \$15,300,000 |
| Years 1-5         | \$11,940,000 |
| Years 6-10        | \$3,270,000  |
| Years 11-15       | \$50,000     |
| Years 16-19       | \$40,000     |

Source: Novena Consulting LLC

## REVENUE SHARING



Source: Novena Consulting LLC

## REVENUE SHARING

| FYE  | Total Assessed Value | Frozen Base AV | Increment Used | Increment Shared | Tax Revenue from Increment Shared |
|------|----------------------|----------------|----------------|------------------|-----------------------------------|
| 2024 | 3,206,735            | 3,121,349      | 85,386         | -                | -                                 |
| 2025 | 3,294,682            | 3,121,349      | 173,333        | -                | -                                 |
| 2026 | 3,385,268            | 3,121,349      | 263,919        | -                | -                                 |
| 2027 | 3,478,571            | 3,121,349      | 357,222        | -                | -                                 |
| 2028 | 3,574,673            | 3,121,349      | 453,324        | -                | -                                 |
| 2029 | 3,673,842            | 3,121,349      | 552,493        | -                | -                                 |
| 2030 | 3,776,033            | 3,121,349      | 654,684        | -                | -                                 |
| 2031 | 3,881,251            | 3,121,349      | 760,902        | -                | -                                 |
| 2032 | 3,989,504            | 3,121,349      | 870,155        | -                | -                                 |
| 2033 | 4,100,800            | 3,121,349      | 983,451        | -                | -                                 |
| 2034 | 4,215,148            | 3,121,349      | 1,101,799      | -                | -                                 |
| 2035 | 4,332,558            | 3,121,349      | 1,225,209      | -                | -                                 |
| 2036 | 4,453,030            | 3,121,349      | 1,353,681      | 23,868,840       | 416,927                           |
| 2037 | 4,576,564            | 3,121,349      | 1,487,215      | 40,521,192       | 707,800                           |
| 2038 | 4,703,162            | 3,121,349      | 1,626,813      | 62,372,185       | 1,089,480                         |
| 2039 | 4,832,824            | 3,121,349      | 1,771,475      | 83,650,737       | 1,461,161                         |
| 2040 | 4,965,550            | 3,121,349      | 1,921,201      | 116,977,076      | 2,043,285                         |
| 2041 | 5,101,342            | 3,121,349      | 2,075,993      | 149,066,114      | 2,603,797                         |
| 2042 | 5,250,199            | 3,121,349      | 2,228,850      | 284,139,640      | 4,963,181                         |

Source: Novena Consulting LLC

## GENERAL GOVERNMENT - Totals through FYE 2042

|                               |                     |
|-------------------------------|---------------------|
| County                        | (3,270,795)         |
| City of Hermiston             | (6,987,770)         |
| Umatilla County Fire District | (2,009,300)         |
| Port of Umatilla              | (176,795)           |
| County Radio                  | (195,189)           |
| Cemetery District             | (105,968)           |
| Mosquito Control              | (232,045)           |
| <b>Subtotal</b>               | <b>(12,977,779)</b> |

Source: Novena Consulting LLC

## General Government

| FYE          | General County Permanent | City of Hermiston Permanent | Part of Umatilla Permanent | Umatilla County Fire District 1 Permanent | County Radio District Permanent | Cemetery District 8 Permanent | W Umatilla Mosquito Control Permanent | Subtotal Gen. Gov.  |
|--------------|--------------------------|-----------------------------|----------------------------|---|---------------------------------|-------------------------------|---------------------------------------|---------------------|
| 2024         | (225)                    | (481)                       | (12)                       | (138)                                     | (13)                            | (7)                           | (16)                                  | (893)               |
| 2025         | (460)                    | (963)                       | (25)                       | (283)                                     | (27)                            | (15)                          | (33)                                  | (1,826)             |
| 2026         | (702)                    | (1,500)                     | (38)                       | (431)                                     | (42)                            | (23)                          | (50)                                  | (2,787)             |
| 2027         | (952)                    | (2,033)                     | (51)                       | (585)                                     | (57)                            | (31)                          | (68)                                  | (3,776)             |
| 2028         | (1,209)                  | (2,582)                     | (65)                       | (742)                                     | (72)                            | (39)                          | (86)                                  | (4,796)             |
| 2029         | (1,585)                  | (3,309)                     | (88)                       | (1,000)                                   | (102)                           | (53)                          | (113)                                 | (6,137)             |
| 2030         | (2,088)                  | (4,359)                     | (117)                      | (1,334)                                   | (134)                           | (71)                          | (147)                                 | (8,146)             |
| 2031         | (2,727)                  | (5,742)                     | (156)                      | (1,781)                                   | (177)                           | (94)                          | (194)                                 | (10,878)            |
| 2032         | (3,513)                  | (7,506)                     | (205)                      | (2,383)                                   | (231)                           | (123)                         | (254)                                 | (14,475)            |
| 2033         | (4,566)                  | (9,915)                     | (274)                      | (3,200)                                   | (304)                           | (162)                         | (327)                                 | (19,344)            |
| 2034         | (5,997)                  | (12,915)                    | (362)                      | (4,231)                                   | (405)                           | (201)                         | (421)                                 | (25,732)            |
| 2035         | (7,820)                  | (17,151)                    | (481)                      | (5,611)                                   | (537)                           | (261)                         | (554)                                 | (34,415)            |
| 2036         | (10,155)                 | (22,510)                    | (641)                      | (7,471)                                   | (717)                           | (331)                         | (721)                                 | (45,646)            |
| 2037         | (13,122)                 | (29,317)                    | (851)                      | (10,132)                                  | (1,052)                         | (431)                         | (951)                                 | (60,649)            |
| 2038         | (16,859)                 | (38,846)                    | (1,121)                    | (13,556)                                  | (1,401)                         | (561)                         | (1,261)                               | (81,805)            |
| 2039         | (22,484)                 | (51,802)                    | (1,491)                    | (1,901)                                   | (2,001)                         | (701)                         | (1,601)                               | (110,606)           |
| 2040         | (29,974)                 | (69,317)                    | (1,981)                    | (24,322)                                  | (2,501)                         | (2,701)                       | (2,101)                               | (147,586)           |
| 2041         | (39,759)                 | (92,317)                    | (2,641)                    | (32,817)                                  | (3,301)                         | (3,601)                       | (2,801)                               | (198,836)           |
| 2042         | (52,442)                 | (121,317)                   | (3,521)                    | (44,364)                                  | (4,401)                         | (4,801)                       | (3,701)                               | (266,836)           |
| <b>Total</b> | <b>(3,270,795)</b>       | <b>(6,987,770)</b>          | <b>(176,795)</b>           | <b>(2,009,300)</b>                        | <b>(195,189)</b>                | <b>(105,968)</b>              | <b>(232,045)</b>                      | <b>(12,977,779)</b> |

Source: Novena Consulting LLC

## EDUCATION – Totals through FYE 2042

|                                 |              |
|---------------------------------|--------------|
| Education Service District      | (706,814)    |
| Blue Mountain Community College | (759,054)    |
| Hermiston School District 8     | (5,611,910)  |
| Subtotal                        | (7,077,787)  |
| Total                           | (20,055,565) |

Schools are funded through the State School Fund on a per pupil basis. Urban Renewal indirectly impacts them.

Photo: (Photo) (Caption) (Page 10)

## EDUCATION – Totals

| FYE          | Hermiston School District #8 |                  |                  | Intermountain E.S.D. |                     | BMCC | Subtotal Education | Total All General Government and Education |
|--------------|------------------------------|------------------|------------------|----------------------|---------------------|------|--------------------|--|
|              | Permanent                    | Permanent        | Permanent        | Permanent            | Permanent           |      |                    |  |
| 2024         | (386)                        | (49)             | (52)             | (487)                | (1,380)             |      |                    |  |
| 2025         | (789)                        | (99)             | (107)            | (996)                | (2,821)             |      |                    |  |
| 2026         | (1,205)                      | (152)            | (163)            | (1,520)              | (4,306)             |      |                    |  |
| 2027         | (1,533)                      | (206)            | (221)            | (2,059)              | (5,336)             |      |                    |  |
| 2028         | (2,074)                      | (261)            | (280)            | (2,615)              | (7,411)             |      |                    |  |
| 2029         | (65,300)                     | (8,224)          | (8,832)          | (82,357)             | (233,365)           |      |                    |  |
| 2030         | (133,248)                    | (16,782)         | (18,023)         | (168,053)            | (476,193)           |      |                    |  |
| 2031         | (205,202)                    | (25,845)         | (27,755)         | (258,802)            | (733,338)           |      |                    |  |
| 2032         | (281,341)                    | (35,435)         | (38,054)         | (354,829)            | (1,005,442)         |      |                    |  |
| 2033         | (361,853)                    | (45,575)         | (48,943)         | (456,371)            | (1,293,170)         |      |                    |  |
| 2034         | (446,930)                    | (56,250)         | (60,451)         | (563,631)            | (1,597,214)         |      |                    |  |
| 2035         | (536,774)                    | (67,606)         | (72,803)         | (676,983)            | (1,918,295)         |      |                    |  |
| 2036         | (523,682)                    | (65,957)         | (70,832)         | (660,471)            | (1,871,505)         |      |                    |  |
| 2037         | (546,791)                    | (68,868)         | (73,958)         | (689,616)            | (1,954,092)         |      |                    |  |
| 2038         | (572,221)                    | (72,071)         | (77,397)         | (721,689)            | (2,044,971)         |      |                    |  |
| 2039         | (607,035)                    | (76,455)         | (82,108)         | (765,597)            | (2,169,306)         |      |                    |  |
| 2040         | (594,586)                    | (74,887)         | (80,422)         | (749,895)            | (2,124,900)         |      |                    |  |
| 2041         | (594,397)                    | (74,883)         | (80,396)         | (749,676)            | (2,124,205)         |      |                    |  |
| 2042         | (136,476)                    | (17,189)         | (18,459)         | (171,224)            | (487,731)           |      |                    |  |
| <b>Total</b> | <b>(6,611,916)</b>           | <b>(709,814)</b> | <b>(759,056)</b> | <b>(7,077,787)</b>   | <b>(20,055,565)</b> |      |                    |  |

Photo: (Photo) (Caption) (Page 10)

## Next Steps & Schedule

- City Council vote      October 24

Elaine Howard Consulting, LLC