



PLANNING COMMISSION

City Hall Council Chambers 180 NE 2nd St

Where Life is Sweet

May 08, 2024 at 7:00 PM

AGENDA

*Other ways of viewing or participating in live meetings are available through:
Zoom with Meeting ID: 878 6809 7745 Passcode: 709002 Telephone number to join is: 1 253
215 8782; or submitting comments to meetings@hermiston.gov*

1. CALL TO ORDER - 7:00 PM

2. MINUTES

A. Minutes of the April 10, 2024, regular planning commission meeting

3. NEW BUSINESS

A. Subdivision- Henry K's Phase 1 Hermiston Home Works Inc 4N2813 Tax Lots 200 & 500 - 1295 SE 10th St

B. Roundtable discussion on preliminary economic opportunities analysis

4. PLANNER COMMENTS AND UNSCHEDULED COMMUNICATION

5. ADJOURN

**** AMERICANS WITH DISABILITIES ACT NOTICE ****

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Chairman Fialka called the regular meeting to order at 7:00PM. Present were Commissioners Caplinger, Collins, Doherty, Hamm, Saylor, Guerrero, and Kirkpatrick. Youth Advisor Catherine Doherty was present. Staff in attendance included Planning Director C.F. Spencer, City Attorney Richard Tovey, and Planning Assistant Heather La Beau.

Minutes

Commissioner Saylor moved, and Commissioner Caplinger seconded to approve the amended minutes of the March 13, 2024, regular meeting. Motion passed.

Conditional Use Master Plan Amendment Good Shepherd Health Care System 4N2810B Tax Lot 200- 610 NW 11th St

Chairman Fialka opened the hearing at 7:02PM.

Potential Conflicts of Interest and Ex Parte Contact

Chairman Fialka is the President and Commissioner Saylor is a board member of the Good Shepherd Community Health Foundation. The foundation is not involved with the planning, acquisition, or operation, of the helipad and there is no financial interest to Chairman Fialka or Commissioner Saylor. This does not influence their ability to make an impartial decision and is not considered a conflict of interest. Chairman Fialka declared an ex parte contact. He had a brief conversation with City Manager Byron Smith about the project six weeks ago. The conversation will not influence his decision making.

Chairman Fialka read the hearing guidelines. The planning commission is holding a hearing to consider a request to amend a master plan. The request must be approved by the planning commission subject to the criteria established in §157.208 of the Hermiston Code of Ordinances for a conditional use permit. The applicant wishes to amend the approved master plan for Good Shepherd Hospital. The property is located at 610 NW 11th Street. The applicant is Good Shepherd Health Care System.

The applicable substantive criteria relied upon by the City in rendering the decision to grant the conditional use permit are contained in §157.208 of the Hermiston Code of Ordinances. Testimony and evidence must be directed toward the criteria described above or other criteria in the comprehensive plan or land use regulations which the person believes apply to the decision. Failure to raise an issue by the close of the record at or following the hearing, in person or by letter, precludes appeal to the Land Use Board of Appeals (LUBA) or the city council based on that issue. Failure to raise an issue with sufficient specificity to afford the decision maker and the parties an opportunity to respond to that issue precludes appeal to LUBA or the city council based on that issue. Failure to raise constitutional or other issues relating to proposed conditions of approval with sufficient specificity to allow the local government or its designee to respond to the issue precludes an action for damages in circuit court. Prior to the conclusion of the evidentiary hearing, any participant may request an opportunity to present additional evidence, arguments, or testimony regarding the application. The planning commission shall grant such a request by continuing the public hearing pursuant to ORS197.797(6)(B) or leaving the record open for additional written evidence, arguments, or testimony pursuant to ORS 197.797(6)(C).

For this hearing, the process begins with the staff report, followed by testimony from the applicants and any other supporters of the application. This will be followed by opponents to the application. Finally, a rebuttal by the applicant will be allowed. The public hearing portion of the procedure will then be closed,



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and the planning commission will consider the information and testimony received and may render a decision.

Planning Director Spencer presented the staff report with PowerPoint slides. The hospital master plan was last approved by the city in 2007. This proposed amendment includes a hangar with crew quarters and fueling facility, second helipad, and additional daycare building. Written testimony received was provided to the commissioners and is attached.

Testimony

Aron Faegre 13200 Fielding Rd Lake Oswego Mr. Faegre is an expert on helicopters and heliports as he has worked extensively with heliport designing and airport planning, including an early city Airport Master Plan. Mr. Faegre stated the heliport already exists and the hearing is about whether it has the additional facilities. The current heliport is out of FAA compliance. The proposed heliport will be safer than the existing and meet FAA standards. The proposal puts the community in closer communication with the pilot and Life Flight staff. Currently there is a landing and take-off at the airport and a take-off and landing at the hospital. With operations based at the hospital, it eliminates the airport, so it is more efficient, and the impact is less overall to the community. The helicopter is in the air for about a minute while it gains altitude before there is forward motion. Pilots will choose the best path, avoiding overflight of residences when possible. He has not experienced any fuel spills at heliports. It's common in the north to keep helicopters at the hospital. For the noise study, Mr. Faegre stated he overestimated the number of flights to make an ultraconservative noise contour. He clarified that the noise contours are for when the helicopter lifts off. The noise level is minimal when warming up.

Art Mathisen 1045 SE 8th St- Mr. Mathison is the CEO of Good Shepherd. He regularly sees Life Flight take-off from the airport from his living room at night. From his experience as an Army veteran who worked around Blackhawk helicopters saving soldiers' lives, he knows it means lives are being saved to see Life Flight. As the hospital's abilities expand, there are less patients being sent out via Life Flight. Ten to twenty minutes plus will be saved by Life Flight operations being based on the hospital campus versus at the airport. It's not common for a smaller hospital to have an air evacuation organization on its campus. It may be a new standard that should be strived for in the community. There are approximately fifty people on the waitlist for daycare. Doubling the capacity will accommodate everyone on the waiting list. They hope to have the modular building completed by the start of the school year.

Dr. Ann Rust 610 NW 11th St- Dr. Rust is a surgeon at Good Shepherd in charge off the trauma, acute, and critical care program. Good Shepherd is the largest trauma center in Eastern Oregon. Previously, Life Flight was overused. Additional abilities at the facility have changed which patients are sent out. In 2019 she would see two Life Flight flights a day. Today, they predict 180 - 200 flights a year. There are occasions the helicopter is called and lands but is not utilized. Being stationed on campus would eliminate this. Within the last month dialysis was added and they've already treated ten patients that would have previously been flown out. Dr. Rust stated there is an existing pad and helicopter, it will be used. They are trying to make it better. Seventy-five percent of the flights happen during daylight hours.

Scott Goff, Chief Fire Marshall with Umatilla County Fire District 1 320 S First St- UCFD1 wholeheartedly supports the update to the Good Shepherd Health System master plan. He has been involved with the daycare inspections beginning when they were in a smaller location and the added capacity is needed. Life Flight is a great asset to bring to the community. It is not exclusive to Good Shepherd. There may be take-offs and landings to other areas in the region and fuel transfers are also a concern.



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Darren Ernst 467 NE Montana Ave- Mr. Ernst is head of the anesthesia department at the hospital. He states the hospital is amazing and we are lucky to have a community-based hospital not controlled by outside forces. The Life Flight program is an amazing opportunity. He expressed the time savings makes all the difference and asked if the commissioners would want the extra 30 minutes to save a loved one's life. He is absolutely in favor of the project.

Jenn Sullivan 185 Rio Senda St Umatilla- Ms. Sullivan is an employee of the hospital. Her grandmother's life was saved after being transferred via Life Flight from Good Shepherd to OSHU. She is grateful that hospital staff made the decision to send her to OHSU. Her grandmother lived 8 more years and was able to meet four more great grandchildren and play more bridge.

Dean Marcum 175 Roslyn Dr Stanfield- Mr. Marcum is employed by the Oregon Health Authority working with hospitals in emergency preparedness. He and the state are in support. He feels it would be great if every hospital could do this and it's a prime opportunity with the hospital and LifeFlight to robust healthcare in the community.

Linda Terrace 155 SW 3rd St- Ms. Terrace is the manager of the hospital daycare. In 2016, she was a Life Flight patient. She would not be alive today if not airlifted. It was a costly burden on her family to travel to Portland to be with her during her fourteen days there. Life Flight and daycare are both huge needs in the area. People are not able to work without childcare.

Crystal Inners 910 W Donna Ave- Ms. Inners resides immediately south of the hospital and has no problem with the daycare. She and some neighbors have concerns about noise. She has a family member saved by Life Flight. They see an average of 2-3 flights a day. They question how many flights take off and land from the airport to serve other areas, what services the hospital provides that the airport does not (other than the 20-minute time save), and how many other hospitals have bases. She feels the noise is more than what is reflected in the noise study.

In response to the questions, Mr. Mathisen stated that Life Flight has always responded to other hospitals. The number of flyovers will not change it will just fly over different residences. The total number of non-Good Shepherd flights could not be determined, possibly a 10% increase. The area of operation will not be expanded, so there is no real change to the number of total flights regardless of whose patient it is.

Michael Weimer 3563 N Justin Ave Meridian ID- Mr. Weimer is the COO of Life Flight Network. They provided the data for the application, and it is specific to Good Shepherd. The requested data (number of non-Good Shepherd flights) would be incomplete as they have not operated for a full year. The flight volume has decreased in the last three years as shown. The 39 total operating bases across four states average 20% of the flight volume to outside facilities. The biggest difference between the hospital and airport base is the time savings. Training or maintenance would still be operated at the airport, to minimize local disruptions.

Ron Looney 25877 SE Judd Rd Eagle Creek- Mr. Looney is the Director of Aviation Operations and a helicopter pilot. The aircraft runs for 3 to 4 minutes from start-up to take-off. The aircraft will be in a hangar at the hospital which will eliminate cold starts. The helicopter doesn't fly in the fog, so weather is not a major factor in flight pattern. Routes can be established to avoid residential flyovers.

Tina Peterson 80863 Cooney Lane- Ms. Peterson and her husband own the clinic located on Elm Ave across the street from the hospital. Her husband is a chiropractor, and she is a former emergency room



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and ICU nurse at Good Shepherd. She is fully in favor of this and feels it would be awesome for the community.

Yvonne Herrera floyvonne09@gmail.com- Written testimony received via email during the hearing and read aloud is attached.

Nichole Ramirez farettanichole@gmail.com- Written testimony received via email during the hearing and read aloud is attached.

After a detailed explanation of the noise study and estimated number of future flights not exclusive to Good Shepherd, jurisdictional authority, and required parking spaces, Chairman Fialka closed the hearing at 9:03PM.

Findings of Fact

HERMISTON ZONING CODE CONDITIONAL USE APPROVAL CRITERIA AND STANDARDS

The following addresses the specific approval criteria and development standards which apply to Conditional Use Review for the proposed project from the Hermiston Zoning Code.

CONDITIONAL USES

157.205 AUTHORITY TO GRANT OR DENY.

(A) Conditional uses are those uses which may be appropriate, desirable, convenient or necessary in the district in which they are allowed, but which by reason of their height or bulk or the creation of traffic hazards or parking problems or other adverse conditions may be injurious to the public safety, welfare, comfort and convenience unless appropriate conditions are imposed. Uses designated in this chapter as conditional uses may be permitted, enlarged or otherwise altered upon authorization by the Planning Commission in accordance with the standards and procedures set forth in this subchapter and 157.229. In the case of a use existing prior to the effective date of this chapter and which is classified in this chapter as a conditional use, any change in use or in lot area or any alteration of the structure shall conform with the requirements dealing with conditional uses.

Finding

It is common for hospitals to have a heliport that allows a helicopter to land for the purpose of bringing a patient to the hospital, or taking a patient to a different hospital that has services which the patient needs in order to save the patient's life. The Good Shepherd Hospital has had an FAA approved heliport for many years. This project improves existing hospital services by having the helicopter and LFN crew based at the hospital by the heliport.

By having the helicopter, hangar, and crew quarters located at the hospital, the medical transport capabilities move to a higher level of service: a) first, in terms of timeliness since the helicopter and crew are on constant standby at the hospital and ready to go, and b) second, the quality of service is improved because the flight crew medical staff are adjacent to the ER, and thus regular coordination is easier to maintain due to the proximity. For some flights departing from the hospital



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will be quicker than currently occurs at the Hermiston Airport where the helicopter is currently based. Eliminated will be potential temporary delays due to other aircraft landing or taking off or maneuvering on the airport ramp.

Having improved hospital medical services is not just a benefit to Hermiston families, businesses, and workers, but also provides a strong support to the tourism industry – visitors are more comfortable vacationing to a region if they know there is excellent and responsive medical care available. For some patients at the hospital, this medical transport can become a necessary service, when their life relies on being able to be quickly transported to a facility with specialty life saving equipment or expertise. For people in the larger community the time- critical arrival of the helicopter and their medical crew is what saves their life. Thus, this is a request that complies with the authority of the city's code.

Daycare services for hospital employees provides an important fringe benefit assisting the facility in attracting and retaining qualified employees. Future construction of hospital facilities in compliance with this master plan will continue to require additional daycare facilities to satisfy employee demand. As a fringe benefit and accessory use, the daycare does not increase the overall land use intensity on the site as it is not in and of itself a trip generator, but a secondary destination for trips and employees already working at the hospital.

(B) In permitting a conditional use or the modification of an existing conditional use, the city may impose, in addition to those standards and requirements expressly specified by this chapter, any additional conditions which the city considers necessary to protect the best interests of the surrounding property or the city as a whole. These conditions may include:

- (1) Increasing the required lot size or yard dimensions;
- (2) Limiting the height of buildings;
- (3) Controlling the location and number of vehicle access points;
- (4) Increasing the street width;
- (5) Increasing the number of off-street parking and loading spaces required;
- (6) Limiting the number, size and location of signs;
- (7) Requiring screening and landscaping to protect adjacent property; and
- (8) Recording conditions on the property with the County Clerk.

Finding

This application is for the addition of a hangar and crew quarters to an existing heliport. It is not for requesting a change to the location of the existing heliport. The new building will have a brick exterior, of brick type and color to match the existing other buildings on the hospital campus. The applicant proposes that this exterior material be a condition of approval.

A review of the above eight potential condition items follows:

1. Yards: the new building is located well inside of the campus, and needs to be located adjacent to the existing heliport, and thus there are no significant need for increased lot size or yard dimensions;



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2. **Building Height:** the height of the building is approximately 22 feet, which is much less than the 35 feet standard listed in the current conditional use master plan approval;
3. There are no changes to vehicle access points so there is no impact to this item;
4. There is no significant change in traffic so there is no need for street width changes;
5. The number of parking spaces expected to be used by the Life Flight Network crew are six which represent approximately 0.7% of the total 899 spaces on the campus. The parking on site has not shown any signs of distress or of being inadequate. There have been no known periods when the parking is full, or even nearly full. A review of Google Earth six images from the past three years shows that at most for those random times, there has remained much excess parking. So given the small number of spaces needed, and the lack of an existing parking supply problem, the addition of the hangar and crew quarters will not create a need for additional parking at the hospital.
6. There will be a sign on the new building identifying it as being Life Flight Network, and this will be applied for through the city's sign ordinance standards;
7. The site is distant from the hospital exterior boundaries, so there is no new screening or landscaping required;
8. There are no known reasons for special recording conditions for the building.

157.206 APPLICATION PROCEDURE.

A property owner or his authorized agent may initiate a request for a conditional use or the modification of an existing conditional use by filing an application with the city using forms prescribed for the purpose. The application shall be accompanied by a site plan, drawn to scale, showing the dimensions and arrangement of the proposed development. The Planning Commission may require other drawings or information necessary to understand the proposed use and its relationship to surrounding properties.

The applicant shall pay a fee as established by the City Council at the time the application is filed.

Finding

This application requests addition of a Life Flight Network helicopter hangar and crew quarters, to be located at the Good Shepherd Health Care System, 610 NW 11th Street, Hermiston, OR 97838. As such this is a modification of the 2007 conditional use Master Plan approved in 2007. The application is provided with a revised Master Plan drawing, as well as detailed drawings showing the proposed new building façade, floor plan, storm water system, and utility plans.

157.208 APPROVAL CRITERIA.

Based on the testimony provided at the hearing, the Planning Commission shall develop findings of fact to justify either approving or denying a conditional use permit. The Planning Commission may approve the requests when it is determined the request is in conformance with all the following requirements or can be made to conform through the impositions of conditions:

- (A) The proposal is in conformance with the Comprehensive Plan and Zoning Code.

Finding

A review of relevant sections of the Comprehensive Plan and Zoning Code are contained in in these findings. No non-conforming issues are found. The helicopter use is a pre-existing approved use.



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The only change is that flight crew and medical staff remain on site at the hospital, in lieu of returning to some different location. The advantage of this is that emergency transport of patients at the hospital can occur more quickly, and the coordination between LFN staff and hospital staff is easier, both of which are benefits to the larger community.

- (B) The property is adequate in size and shape to accommodate the proposed use, together with all other zoning requirements and any additional conditions imposed by the Planning Commission.

Finding

There is no proposed change to the property size or shape. The 2007 approved Master Plan included the heliport, so that basic use of the site for helicopter landings and takeoffs is covered in the original approval.

- (C) Public facilities are of adequate size and quality to serve the proposed use.

Finding

The Hangar and Crew Quarters building will house a maximum of five people. As such it will contain a bathroom, small kitchenette, sleeping rooms, and office space. Compared to the hospital campus as a whole, this is a very minor addition. The attached water, sewer, electricity, gas, and other standard utilities are available.

- (D) The proposed use will prove reasonably compatible with surrounding properties.

Finding

The helicopter use is already an approved use at the site, per the 2007 Master Plan approval. The change requiring a modification, is that the flight crew and medical crew remain at the hospital, in lieu of being based elsewhere. Where a medical flight is for someone in the larger region around Hermiston, who needs emergency transport to the hospital, since there would be one landing and one takeoff at the hospital, whether the crew was based there or not. For a medical flight for someone at the hospital, needing transport to a different hospital, there would be one landing and one takeoff at the hospital, whether the crew was based there or not. The only case where there could be an added flight would be when a patient is picked up in the larger region around Hermiston, and transported elsewhere than to Good Shepherd, but that is an unusual occurrence.

It is noted that the original Master Plan approval forecast 6 flights to the hospital per year (page 3 of decision), however there was no condition of approval limiting the number of flights for the future. Clearly, the change of location and the improvements to the emergency room area has resulted in much greater use by the community.

Records of usage from the past three years indicate usage was as follows (note that a “flight” includes both a landing and a takeoff):

- 2023: 168 flights to the hospital
- 2022: 188 flights to the hospital
- 2021: 201 flights to the hospital



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Thus over the last three years there has been an average of 186 flights per year. For the purposes of the noise analysis, there will be on average one flight per day at the hospital, thus from a noise standpoint allowing for a doubling the more recent usage. With an aging population, and with healthcare improvements, some growth in number of flights should be expected.

157.210 STANDARDS FOR CONDITIONAL USES.

A conditional use shall comply with the standards of the zone in which it is located except as these standards may have been modified in authorizing the conditional use or as otherwise provided as follows:

(A) *Setback.* In a residential zone, front, side and rear yards shall be at least two-thirds the height of the principal structure. In any zone, additional yard requirements may be imposed.

Finding

Not in a residential zone; not applicable.

(B) *Height exception.* A church or governmental building may be built to exceed the height limitations of the zone in which it is located to a maximum height of 50 feet if the total floor area of the building does not exceed one and a half times the area of the site and if the yard dimensions in each case are equal to at least two-thirds of the height of the principal structure.

Finding

Not a church or governmental building; not applicable.

(C) *Limitation on access to property and openings to buildings.* The city may limit or prohibit vehicle access from a conditional use to a residential street, and it may limit building openings within 50 feet of a residential property in an agricultural or residential zone if the openings will cause glare or excessive noise or will otherwise adversely affect adjacent residential property.

Finding

Site access is provided by NW 11th Street and W Elm Ave. Each street providing access is classified as an Urban Minor Arterial. There are no adjacent residential streets; not applicable.

(D) *Schools.*

(1) Nursery schools shall provide and maintain at least enough open space for children that meets the requirements for certified child care centers by the Early Learning Division of the Oregon Department of Education (see OAR 414-300- 0150). A sight-obscuring fence at least four feet but not more than six feet high shall separate the play area from abutting lots.



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(2) Primary schools shall provide one acre of site area for each 90 pupils or one acre for every three classrooms, whichever is greater.

(3) Elementary schools shall provide one acre of site area for each 75 pupils or one acre for every 2 1/2 classrooms, whichever is greater.

Finding

A daycare is a nursery school. Adequate open space is provided.

(E) *Utility substation or pumping substation.* In the case of a utility substation or pumping substation, the city may waive the minimum lot size requirement only if it is determined that the waiver will not have a detrimental effect on adjacent property.

Finding

Not a utility; not applicable.

(F) *Master plan approval.*

(1) The following uses may be subject to an approved master plan:

- (a) Public, parochial or private schools;
- (b) Public or private nonprofit social service, community or recreational facilities;
- (c) Governmental structures such as city offices, fire station, library, post office and public parks; and
- (d) Hospitals.

Finding

This is a modification of a master plan for a hospital.

(2) A master plan provides for long range development of an applicant's property. If a use listed above has received approval for a master plan by the Planning Commission, any expansion shall be processed in accordance with §§ 157.205 through 157.209 of this chapter.

Finding

This is an expansion of a use approved in 2007, therefore it will be processed in accordance with §§ 157.205 through 157.209, which is the conditional use process listed above.

(3) The procedure for approval of a master plan shall be the same as a quasi-judicial conditional use process in §§ 157.207 through 157.209 of this chapter.



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(4) Once a master plan has been approved, a building permit may be approved administratively by city staff, provided the proposed permit has been addressed in the approved master plan.

(5) Minor deviation or temporary structures (for example, modular school classrooms) may be approved administratively by city staff, so long as the deviation from the master plan does not increase the overall land use intensity of the site by 10%, unless a different percentage is specified in the masterplan.

Finding

The size of the added building is 4,992 square feet, which represents approximately a 2.5% increase to the total 196,000 square feet footprint of existing buildings in the current hospital campus. Since some of the buildings have multiple floors, the percent is actually even less than this. Based upon the potential noise impact from increased helicopter operations, the City chose to process the master plan amendment as a major deviation.

The daycare facility is considered a minor deviation by planning staff. It does not increase overall land use intensity by more than 10%, it does not generate additional trips to and from the hospital site, nor does it increase overall site employment beyond the de minimis employees required to staff the building. Therefore, this amendment would typically be considered a minor deviation, but it is prudent to consider all amendments at one time and this amendment is combined with the heliport expansion.

(6) A master plan is recommended but not required for uses listed above that existed as of January 1, 1994. However, temporary uses and structures that do not increase the overall land use intensity by 10% may be approved administratively by the city staff.

EXCESSIVE NOISE

92.23 PURPOSE.

This subchapter is enacted to protect, preserve, and promote the health, safety, welfare, peace, and quiet of the residents and visitors of Hermiston through the reduction, control, and prevention of loud and raucous noise, or any noise which unreasonably disturbs, injures or endangers the comfort, repose, health, peace or safety; or causes public inconvenience, annoyance or alarm to reasonable individuals of ordinary sensitivity.

92.26 JURISDICTION.

(A) *Scope.* This subchapter applies to all sound originating within the jurisdictional limits of the city.

Finding

A noise study has been prepared and submitted for review by the planning commission. Under



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federal rules the noise from aircraft when in federal airspace is governed only by federal laws. Thus, the helicopter noise of talking off, cruising, or landing, is governed by federal laws and not the City of Hermiston. It is noted that the federal rules do set standards for total integrated sound levels as they may impact noise sensitive structures. The noise analysis shows that the Good Shepherd heliport operations do not trigger significant impact to noise sensitive structures per federal FAA and Oregon DEQ standards. This analysis also provides explanation of the existing and future approach and departure paths, which are designed to minimize the overflight of nearby existing residential developed properties.

92.27 GENERAL PROHIBITION.

(A) It is unlawful and a public nuisance for any person to make, continue, suffer, or cause to be made or continued:

- (1) Any unreasonably loud or raucous noise within the jurisdictional limits of the city; or
- (2) Any noise which unreasonably disturbs, injures, or endangers the comfort, repose, health, peace, or safety of reasonable individuals of ordinary sensitivity, within the jurisdictional limits of the city; or
- (3) Within the jurisdictional limits of the city, any noise which is so harsh, prolonged, unnatural, or unusual in time or place as to occasion unreasonable discomfort to any individuals within the residential area from which said noises are heard; or as to unreasonably interfere with, or detrimentally or adversely affect, the peace and comfort of residents or their guests, or operators or customers in places of business.

(B) Factors for determining whether a sound is unreasonably loud or raucous noise include, but are not limited to, the following:

- (1) The proximity of the sound to a noise-sensitive area;
- (2) The land use, nature, and zoning of the area from which the sound emanates and the area where it is heard;
- (3) The time of day or night the sound occurs;
- (4) The duration of the sound;
- (5) Whether the sound is recurrent, intermittent, or constant; and
- (6) Whether the sound is created by a sound-amplification device.

Finding

There is no general statement prohibiting aircraft or helicopter noise. It is noted that federal law prohibits local governments from setting noise standards for overflight of aircraft in order to maintain a functional and safe national aviation transportation system.

92.28 NOISES PROHIBITED.



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The following acts are declared to be per se violations of this chapter:

- (A) *Unreasonable noises.* The unreasonable making of, or unreasonably permitting to be made, any unreasonably loud, boisterous, or unusual noise, disturbance, commotion, or vibration in any residential dwelling, place of business or upon any highway, park or other place or building. The ordinary and usual sounds, noises, commotion or vibration incidental to the operation of these places when conducted in accordance with the usual standards of practice and in a manner which will not unreasonably disturb the peace and comfort of adjacent noise-sensitive areas or which will not detrimentally affect the operators of adjacent places of business are exempted from this provision.
- (B) *Sound-amplification devices.* Except as allowed by applicable city, state, or federal laws, a city special permit, or as a city hosted event, the unreasonably loud and raucous use or operation of a sound-amplifying device in the following areas:
- (1) Within or adjacent to a residential or noise-sensitive area.
 - (2) Within public space if the sound is plainly audible across the real property line of the public space from which the sound emanates and is unreasonably loud or raucous.
- (C) *Yelling, shouting, and similar activities.* Yelling, shouting, hooting, whistling, or singing at any time or place so as to unreasonably disturb the quiet, comfort, or repose of reasonable individuals of ordinary sensitivities. This subsection is to be applied only to those situations where the disturbance is not a result of the content of the communication but due to the volume, duration, location, timing, or other factors not based on content.
- (D) *Construction and similar activities.*
- (1) The construction, excavation, demolition, alteration, or repair of any building, street, highway or the like, other than between the hours of 7:00 a.m. and 7:00 p.m.; except in cases of urgent necessity in the interest of the public welfare and safety, emergency construction or repair noises are exempt from this provision.
 - (2) In nonemergency situations, the City Manager or designee may issue a permit, upon application, if the City Manager or designee determines that the public welfare and safety, as affected by loud and raucous noise caused by construction, excavation, demolition, alteration or repair of buildings, streets and highways between the hours of 7:00 p.m. and 7:00 a.m. will not be impaired, and if the City Manager or designee further determines that loss or inconvenience would otherwise result. The permit shall grant permission in nonemergency cases for a period of not more than 30 days. The permit may be renewed once, for a period of 30 days or less.



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- (E) *Noise-sensitive areas.* The creation of any unreasonably loud and raucous noise adjacent to any noise-sensitive area while it is in use, and which unreasonably interferes with the workings of the noise-sensitive area or which disturbs the individuals within the noise-sensitive area.
- (F) *Blowers and similar devices.* In a residential area or noise-sensitive area, between the hours of 9:00 p.m. and 7:00 a.m., the operation of any noise-creating blower, power fan, or any internal combustion engine; provided, that the noise from the blower, power fan or internal combustion engine can be heard across the property line from which it emanates.
- (G) *Commercial establishments adjacent to residential property.* Unreasonably loud or raucous noise from the premises of any commercial establishment, including any outdoor area which is a part of or under the control of the establishment, between the hours of 10:00 p.m. and 7:00 a.m., which is plainly audible at the nearest property line of a noise-sensitive area within the service area of the City of Hermiston.
- (H) *Vehicle horns, signaling devices and similar devices.* The sounding of any horn, signaling device, or other similar device, on any motor vehicle on a highway or premises open to the public otherwise than as a reasonable warning or making any unnecessary or unreasonably loud or harsh sound by means of a horn or other warning device. The sounding of any horn, signaling device, or other similar device, as a danger warning, is exempt from this prohibition.
- (I) *Loading or unloading.* The creation of unreasonably loud, raucous and excessive noise in connection with the loading or unloading of any vehicle at a place of business or residence.
- (J) *Nonemergency signaling devices.* Sounding or permitting the sounding of any amplified signal from any bell, chime, siren, whistle, or similar device, intended primarily for nonemergency purposes, from any place. The reasonable sounding of such devices by houses of religious worship, seasonal contribution solicitors, or by the city for traffic control purposes are exempt from the operation of this subsection.
- (K) *Emergency signaling devices.* The intentional sounding or permitting the sounding of any emergency signaling device, including fire alarm, siren, whistle, or similar emergency signaling device, except in an emergency or except as provided in subsections (K)(1) and (2) of this section.
- (1) The testing of an emergency signaling device occurring between 7:00 a.m. and 7:00 p.m. Any testing shall use only the minimum cycle test time. In no case shall such test time exceed five minutes. Testing of the emergency signaling system shall not occur more than once in any calendar month.
 - (2) Sounding or permitting the sounding of any alarm system shall terminate within 15 minutes



Where Life is Sweet

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of activation unless an emergency exists. If a false alarm occurs more than twice in a calendar month, then the owner or person responsible for the alarm system shall be in violation of this chapter.

(L) *Radios, televisions, boomboxes and similar devices.* The use or operation of a radio, television, boombox, stereo, musical instrument, or similar device that produces or reproduces sound in a manner that is plainly audible to any individual other than the player or operator of the device, and those who are voluntarily listening to the sound, and which unreasonably disturbs the peace, quiet, and comfort of residents in a residential area or noise-sensitive area.

(M) *Animals and birds.* Unreasonably loud and raucous noise emitted by an animal or bird for which a person is responsible. A person is responsible for an animal if the person owns, controls, or otherwise cares for the animal or bird.

Finding

There is no specific statement prohibiting aircraft or helicopter noise. It is noted that federal law prohibits local governments from setting noise standards for overflight of aircraft in order to maintain a functional and safe national aviation transportation system.

HERMISTON COMPREHENSIVE PLAN REVIEW

The below discussion considers review of sections of the Comprehensive Plan that relate to the proposed project.

POLICY 12: NOISE

The most significant sources of noise in the Hermiston UGB are the airport and automotive traffic on major thoroughfares including Highways 395 and 207, which bisect the community. Other noise generators immediately outside the UGB, including Interstate-84 and the Hinkle Railyards to the south and the Sage and Sand Racetrack and Umatilla Speedway to the north, are distant enough not to have serious impacts. To protect public health and promote livability, city officials recognize the importance of reducing noise levels particularly in the vicinity of homes, schools, hospitals and other sensitive uses.

12. THE CITY OF HERMISTON WILL COMPLY WITH STATE NOISE STANDARDS TO MINIMIZE NOISE IMPACTS ON RESIDENTIAL AND OTHER SENSITIVE USES.

Implementing Actions

- Has adopted the Hermiston Airport Master Plan Update (January 1981) by reference as part of this plan. Require that all housing constructed within the projected year 2000 55 Ldn contour be required to meet the following performance standard: sufficient insulation in ceilings and walls to reduce maximum interior noise level to 40 Ldn.
- Has required in the zoning code future development activities which generate significant noise to adhere to all noise regulations of the State of Oregon.



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- May encourage planting of trees along all thoroughfares as a noise buffer.

Finding

The conditional use proposal is to add a hangar and crew quarters to an existing heliport at the hospital. A Heliport Noise Compatibility Report is provided as part of this proposal. It presents the existing noise impacts since the helicopter already is coming and going from the hospital. The report shows that the 55 Ldn contour remains wholly on the hospital property, even with an increase of flights to one per day (currently there are on average one flight every two days). Thus the existing heliport is in compliance with DEQ state noise rules for airports.

POLICY 20: GENERAL ECONOMIC DEVELOPMENT

Overview Vision

Employment Competitive

Advantages

Projected Employment Growth Buildable Lands

vs. Future Land Need

Economic Policies and Implementing Actions Overview

Hermiston is well situated as an economic hub in Umatilla County and the surrounding region. The city enjoys some competitive advantages which can be enhanced in the future to grow employment, establish successful industry clusters, and diversify the employment base. An ample supply of buildable commercial and industrial lands, in multiple zoning classifications, will provide the flexibility to meet the needs of new and expanding businesses.

Economic Policies and Implementing Actions

THE CITY OF HERMISTON SUPPORTS ECONOMIC DEVELOPMENT AND JOB GROWTH WHICH WILL DIVERSIFY AND STRENGTHEN THE MIX OF ECONOMIC ACTIVITY IN THE LOCAL MARKETPLACE AND PROVIDE EMPLOYMENT OPPORTUNITIES FOR LOCAL RESIDENTS:

A) The City will continually strive to strengthen the community’s industry, business, financial, medical, tourism and retail activities and to capitalize on its comparative advantages in the local and regional marketplace.

B) The City will seek to retain and support the expansion of existing businesses in Hermiston.

IMPLEMENTING ACTIONS

- Identify opportunities and incentives to encourage value-adding, family-wage business to expand or locate in the community.
- Support the retention and attraction of firms with high wage rates relative to all industries, or within their industry classification.
- Identify opportunities and incentives to encourage industry related to the area’s competitive advantages.

Finding



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This project improves existing hospital services. By having the helicopter, hangar, and crew quarters located at the hospital, the medical transport capabilities move to a higher level of service: a) first, in terms of timeliness since the helicopter and crew are on constant standby at the hospital and ready to go, and b) second, the quality of service is improved because the flight crew medical staff are adjacent to the ER, and thus regular coordination is easier to maintain due to the proximity. Having improved hospital medical services is not just a benefit to Hermiston families, businesses, and workers, but also provides a strong support to the tourism industry – visitors are more comfortable vacationing to a region if they know there is excellent and responsive medical care available.

The inclusion of additional daycare facilities will allow the hospital to recruit and retain high caliber staff. Daycare provides an important fringe benefit in any employee compensation plan. This facility will assist in building the employment base of the hospital and the city as a whole.

POLICY 22: NEIGHBORHOOD QUALITY

City officials recognize the importance of promoting livable, safe and quiet neighborhoods, both in new residential development and in existing neighborhoods. This can be accomplished by minimizing the negative effects of high traffic on neighborhood streets; minimizing conflicts from incompatible design, noise and other factors associated with high-intensity uses; encouraging rehabilitation of housing stock, and updating public facilities in older neighborhoods.

Finding

See Policy 12, above, for discussion of noise which in part relates to this policy.

POLICY 23: PROVISION OF PUBLIC SERVICES AND FACILITIES

Together with the transportation network and private utility and communication systems, public services and facilities provide the community's "urban glue"; efficient and timely provision of these are an important adjunct to urban development. A full complement of services and facilities is needed to provide adequately for the density and intensity of land uses envisioned in the city and developing portions of the UGB.

23. THE CITY OF HERMISTON WILL PLAN FOR THE TIMELY AND EFFICIENT PROVISION OF A FULL COMPLEMENT OF URBAN SERVICES AND FACILITIES IN ALL DEVELOPED AND DEVELOPING AREAS WITHIN THE COMMUNITY. TIMELY MEANS A POINT WITHIN THE 20-YEAR TIMEFRAME WHEN THE CITY DEEMS DEVELOPMENT APPROPRIATE FOR A GIVEN PROPERTY BASED ON FACTORS INCLUDING BUT NOT LIMITED TO THE NEED FOR ADDITIONAL URBAN DEVELOPMENT WITHIN THE URBAN GROWTH BOUNDARY AND THE EXTENT OF UNDEVELOPED OR UNDERDEVELOPED LAND BETWEEN THE EXISTING DEVELOPMENT AND THE SUBJECT PROPERTY.

Implementing Actions

- Will prepare and adopt by 1986 a six-year capital improvements plan (CIP) which includes a list of projects to be funded through the coming fiscal year as well as those recommended for



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consideration during the subsequent five years. Review annually all previously unfunded projects plus new projects, and extend the CIP for an additional year.

- Has created a community service overlay zone in the zoning ordinance and apply designation to facilities which have a community governmental, educational, recreational, historical or social service function, including but not limited to schools, hospitals, major recreational facilities, governmental buildings, historic buildings and private utility installations and communications facilities. In addition to enforcing the requirements of the underlying zone, the planning commission will be required to consider the community value of such facilities when reviewing land use actions which affect these uses directly or adjacent properties.

Finding

This project improves existing hospital services. By having the helicopter, hangar, and crew quarters located at the hospital, the medical transport capabilities move to a higher level of service: a) first, in terms of timeliness since the helicopter and crew are on constant standby at the hospital and ready to go, and b) second, the quality of service is improved because the flight crew medical staff are adjacent to the ER, and thus regular coordination is easier to maintain due to the proximity. Having improved hospital medical services is not just a benefit to Hermiston families, businesses, and workers, but also provides a strong support to the tourism industry – visitors are more comfortable vacationing to a region if they know there is excellent and responsive medical care available.

SUMMARY

Based on the information presented and discussed in this narrative and the attached supporting plans and documentation, the planning commission finds the proposed project meets the established criteria and merits approval.

Conditions of Approval

1. Comprehensive Plan Figure 12 identifies this site as an area subject to development hazards due to excessively well drained soils. Therefore, the City will prohibit the outdoor storage of hazardous chemicals and underground storage of gasoline and diesel fuels. At the discretion of the Planning Commission, an applicant whose property is located in the DH overlay area may obtain an exemption from this condition if he can demonstrate the proposed development is not constrained by development limitations and/or will not contribute to potential groundwater pollution. To obtain an exemption, the applicant must present documentation to this effect prepared by a registered engineer.
2. Exterior construction materials for the hangar shall be of similar quality and color and designed to match the existing hospital construction.
3. All storm water shall be retained on site.
4. Parking lot and exterior lighting shall be designed not to interfere with adjacent residential uses.
5. Applicant shall verify that the facility is compliant with all FAA requirements, including those contained in AC 150/5390-2D governing expansion of heliports.

Commissioner Saylor moved and Commissioner Collins seconded to make the project file a part of the record. Motion passed unanimously. After some discussion, Commissioner Hamm moved, and Commissioner Doherty seconded to adopt the Findings of Fact as amended. Motion passed unanimously. After discussing logistics of a community meeting, Commissioner Hamm moved and Commissioner Collins



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seconded to impose the Conditions of Approval as written. Motion passed unanimously. Commissioner Hamm moved and Commissioner Collins seconded to approve the master plan updates. Motion passed unanimously.

Final Plat- View Wood Estates Phase II 4N2814AD Tax Lot 902- 920 E View Drive

Planning Director stated this is the final phase and creates twenty-four lots. The contractor is completing the improvements. The city will not release the plat until the public improvements have been accepted by public works staff.

Commissioner Collins moved and Commissioner Hamm seconded to approve the final plat with the conditions. Motion passed unanimously.

Planner Comments and Unscheduled Communication

Planning Director Spencer invited the commissioners to the April 22nd city council work session where the transportation consultants will be introducing the Safe Streets Program. The consultants will attend the May 11 Teen Adventure Park ribbon cutting and the Spring Bazaar. They will return in the fall for additional public outreach and to review their findings.

Work continues on the urban growth boundary amendment. A roundtable session will potentially be held within the next two months to review the Economic Opportunities Analysis and Commercial Buildable Lands Inventory findings. Hearings will be scheduled after the roundtable session. Once an updated Economic Opportunities Analysis is in place, showing lack of buildable industrial sites, we can move forward with the urban growth boundary amendment.

Congratulations were given to Youth Advisor Doherty for being elected President of the Hermiston High School ASB.

Adjournment

Chairman Fialka adjourned the meeting at 9:42PM.



Hermiston Planning Commission

April 10, 2024



Good Shepherd Hospital Master Plan Amendment

Section 2, Item A.

Subject Property



Good Shepherd Hospital Master Plan Amendment

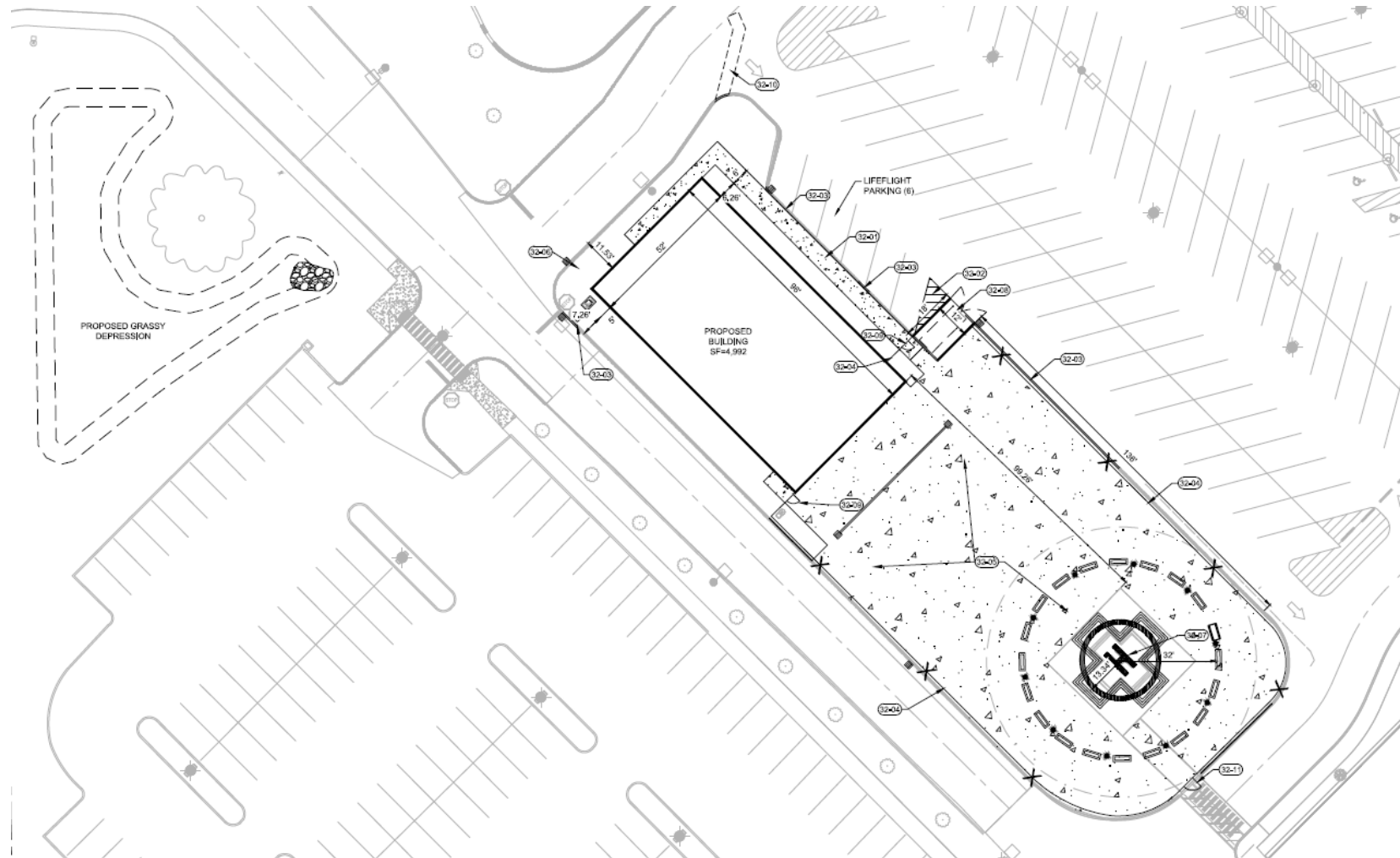
Amendments



Good Shepherd Hospital Master Plan Amendment

Section 2, Item A.

Heliport
Expansion



Good Shepherd Hospital Master Plan Amendment

Section 2, Item A.

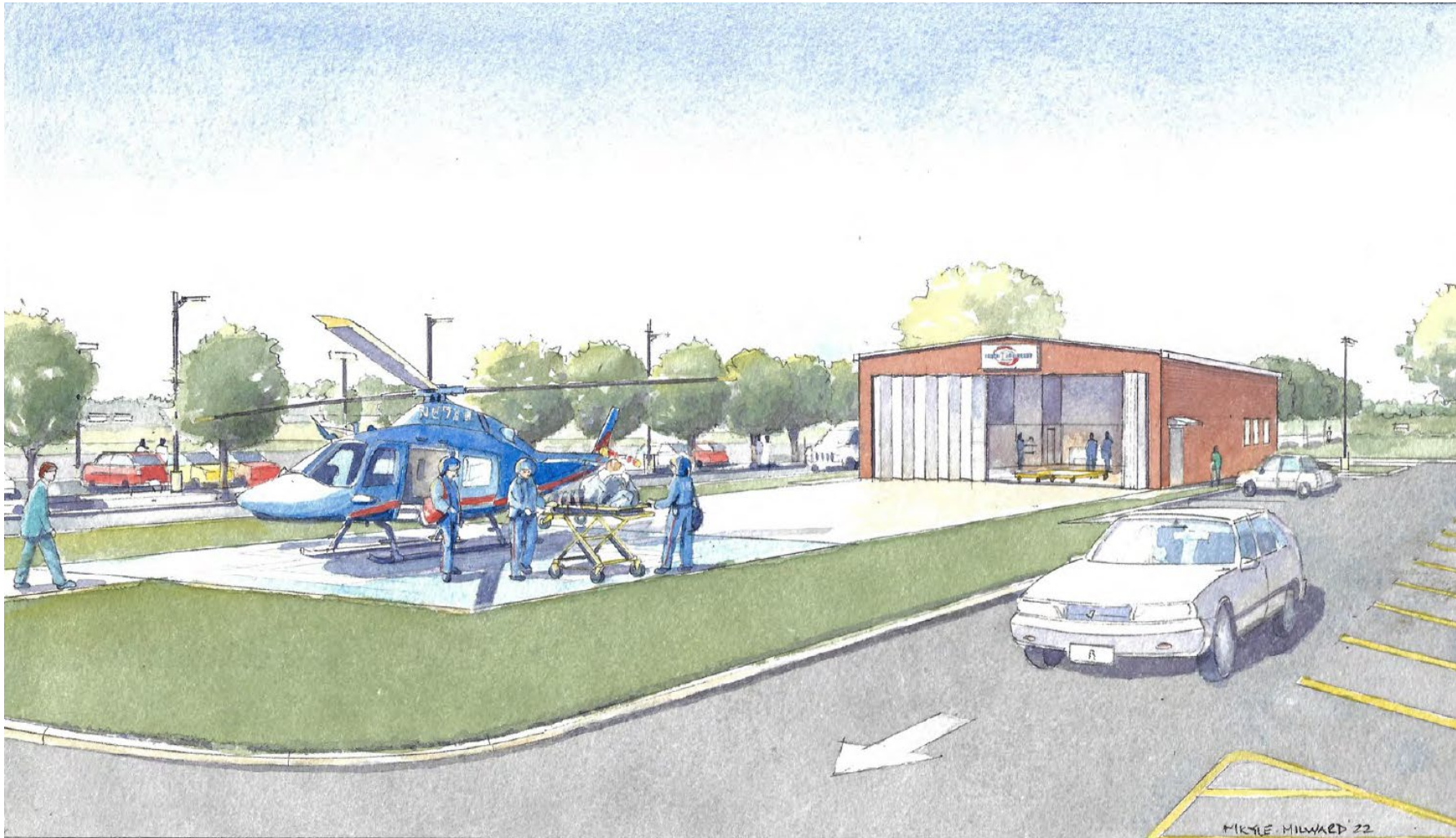
Heliport
Rendering



Good Shepherd Hospital Master Plan Amendment

Section 2, Item A.

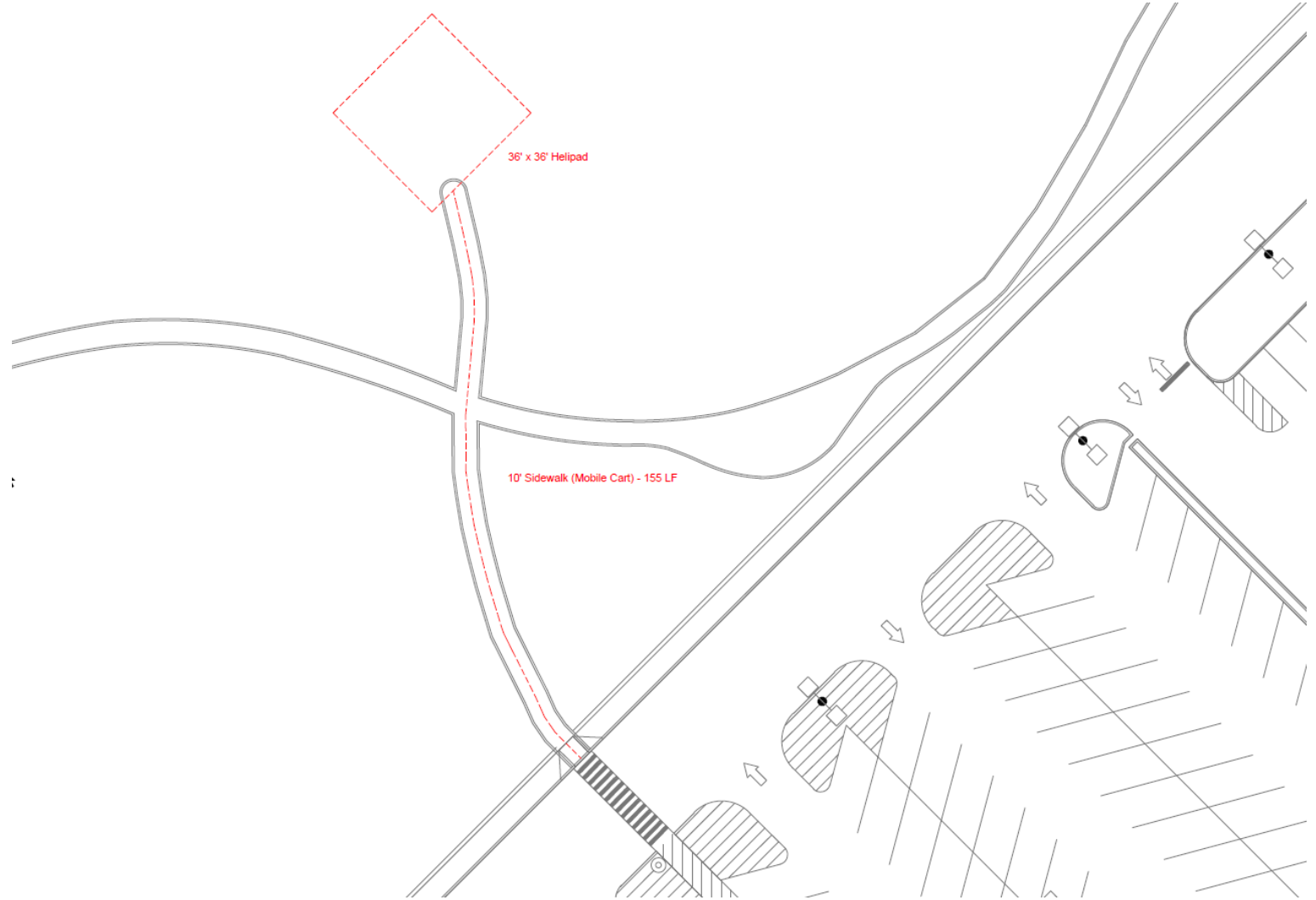
Heliport
Rendering



Good Shepherd Hospital Master Plan Amendment

Section 2, Item A.

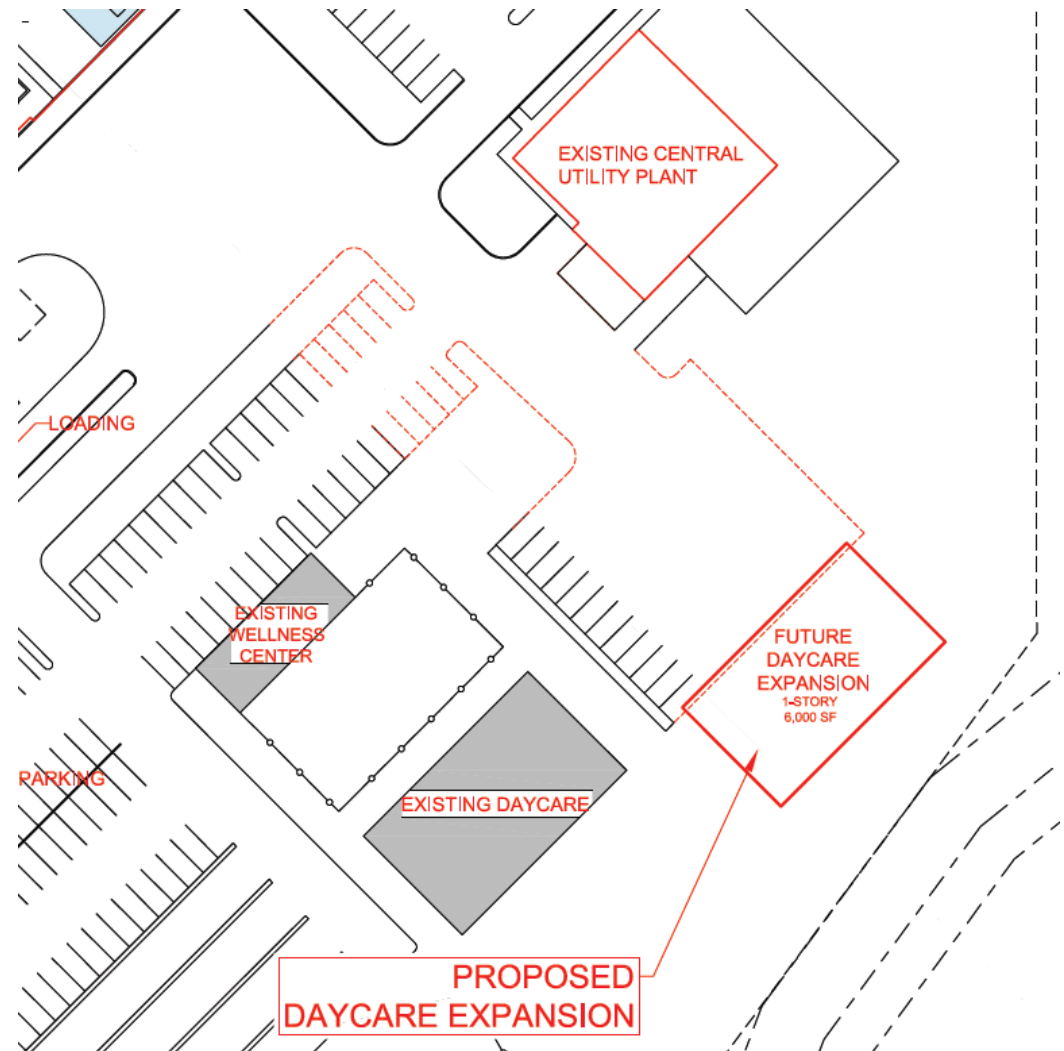
Secondary
Helipad



Good Shepherd Hospital Master Plan Amendment

Section 2, Item A.

Daycare
Expansion



Good Shepherd Hospital Master Plan Amendment

Section 2, Item A.

Flight Plan

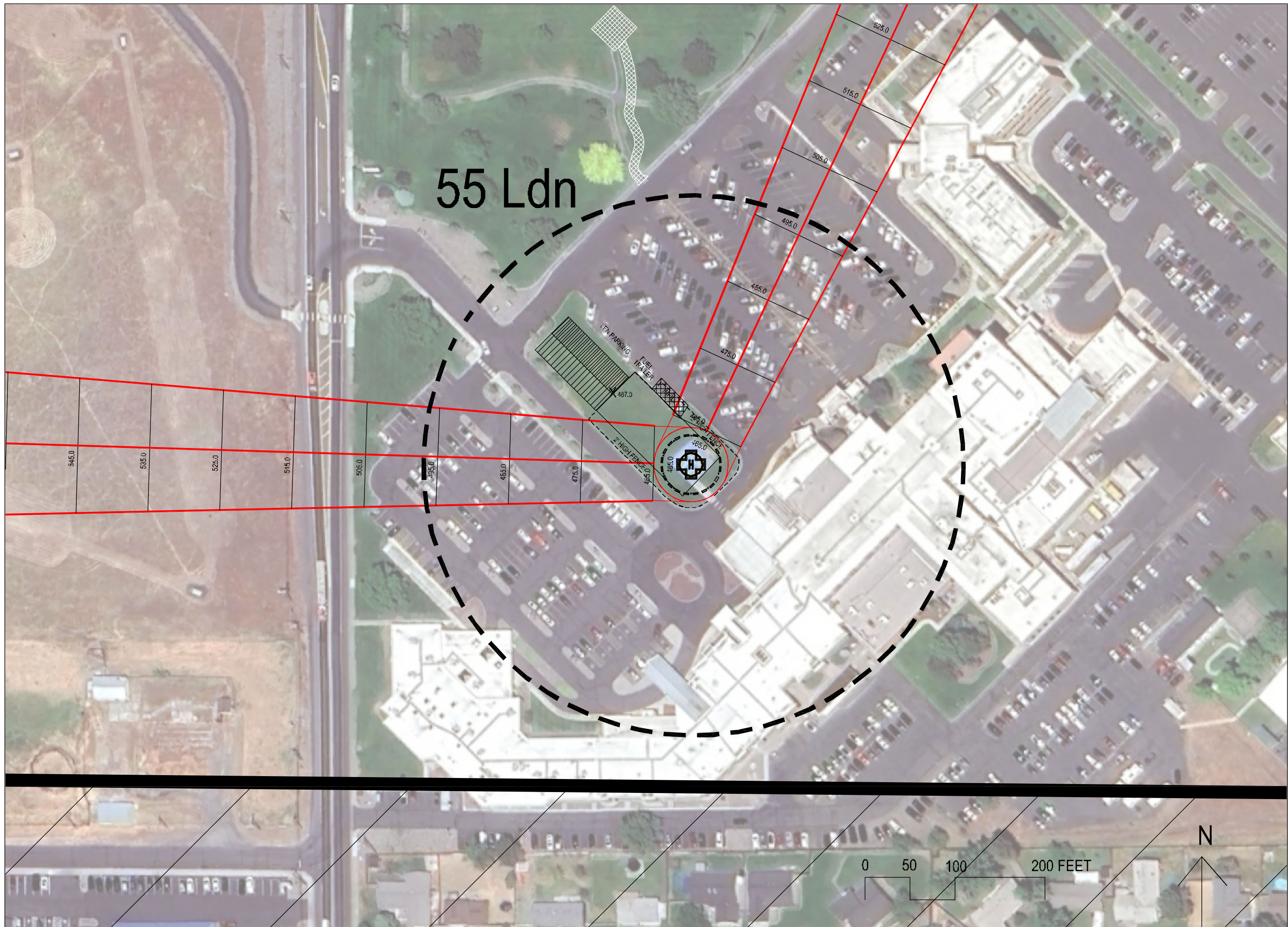


Good Shepherd Hospital Master Plan Amendment

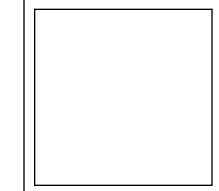
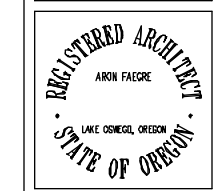
Section 2, Item A.

- Conditions of Approval
 - Comprehensive Plan Figure 12 identifies this site as an area subject to development hazards due to excessively well drained soils. Therefore, the City will prohibit the outdoor storage of hazardous chemicals and underground storage of gasoline and diesel fuels. At the discretion of the Planning Commission, an applicant whose property is located in the DH overlay area may obtain an exemption from this condition if he can demonstrate the proposed development is not constrained by development limitations and/or will not contribute to potential groundwater pollution. To obtain an exemption, the applicant must present documentation to this effect prepared by a registered engineer.
 - Exterior construction materials for the hangar shall be of similar quality and color and designed to match the existing hospital construction.
 - All storm water shall be retained on site.
 - Parking lot and exterior lighting shall be designed not to interfere with adjacent residential uses.
 - Applicant shall verify that the facility is compliant with all FAA requirements, including those contained in AC 150/5390-2D governing expansion of heliports.





ARON FACORE
 Section 2, Item A.
 3200 FLEETWAY DR.
 LAKE OSWEGO
 OREGON
 97034
 FACORE@ARTHLINK.NET
 503-880-1489



GOOD SHEPHERD HOSPITAL
 LIFE FLIGHT NETWORK HANGAR & CREW QUARTERS
 610 NW 11TH ST., HERMISTON, OREGON 97838

APPROACH ZONE
 LOCAL WITH
 55 Ldn CONTOUR

DATE: 2023-2-8 REV
 CHECKED BY:
 AF

REVISIONS

PAGE:
 AD 11
 30



Jo Lynn with the medical crew that helped save her life.

SEVERE NECK INJURY WHILE GARDENING

Jo Lynn is an avid gardener who loves spending time tending to her yard and garden. On this day in August 2022, while gardening at home alone, she was suddenly swarmed by wasps. Reacting instinctively, she did what any of us would do, and fled. In the process, she tripped and fell on the watering can she had been using.

She was startled to find blood coming from her neck and made her way inside to call for help. While she didn't know this at the time, the spout of the watering can had sliced through her neck and into her salivary gland. She was able to call 911, and Payette County Paramedics responded. When they arrived, Jo Lynn was in her kitchen, bleeding heavily and vomiting blood. The paramedics worked rapidly to help control the bleeding and immediately requested Life Flight Network due to heavy blood loss and the critical nature of the call. EMS transported Jo to the helipad at the Payette Fire Department where Life Flight Network was waiting.

Jo Lynn needed a blood transfusion, and she needed it fast. The flight crew administered two units of blood while transporting her to Saint Alphonsus Regional Medical Center in Boise, Idaho. Doctors discovered that she sustained damage to her jugular vein and her sublingual mandibular gland but after a few days of recovery in the ICU, she was discharged with minimal lasting effects.

Due to the rapid response and exceptional care provided by Payette County Paramedics, Life Flight Network, and Saint Alphonsus Regional Medical Center, Jo Lynn was able to celebrate her birthday just a few weeks after the accident. One of the side effects of her injury is that food can taste bitter, and she told us that she normally doesn't enjoy cake all that much, but on this birthday, the cake tasted exceptional. "I am forever grateful to the first responders and Life Flight Network crew for saving my life."



Dr. Russell Mcune in front of Madison Memorial Hospital.

DOCTOR TURNED PATIENT

Dr. Russell Mcune is an emergency physician at Madison Memorial Hospital in Rexburg, Idaho. On Easter Eve 2023, his shift began as any other— treating patients and preparing for a busy night. He'd experienced some mild chest pain earlier that afternoon but wrote it off as indigestion. As the evening wore on, his chest pain worsened. He asked one of his nurses to run an EKG just to be sure, and it came back normal. He told himself it was nothing and continued treating patients.

A short time later, on his way to his office, he was stopped short by a sharp, stabbing pain that ran up the right side of his chest and into his neck. His vision had also started to deteriorate. He clung to his desk and thought: "As long as I stay standing, I'll be fine." After about ninety seconds, his vision began to clear. He returned to the emergency room to ensure he would be in a location where others could see him. His nurses could tell that something was off, and Dr. Mcune decided it was best to check himself into the ER as a patient. He had a known aneurysm in his aorta and worried by his symptoms, he opted to order a CT scan to get a closer look. What he discovered was a massive tear, running from the base of his aorta down to his iliac artery. Recognizing how serious his condition was, he jumped into action and began ordering the necessary treatment, including air medical transport to a larger hospital offering the specialized care he required. Life Flight Network arrived quickly, after diverting on their return from another patient transport, and rapidly prepared Dr. Mcune to be transferred to the University of Utah Hospital in Salt Lake City, Utah.

The flight crew arrived, and the nurse introduced herself to Dr. Mcune as Hope. With a sigh of relief, he said: "Oh thank you. You're the perfect nurse for me tonight!" Dr. Mcune's condition was incredibly time sensitive. Less than five percent of patients with this condition survive and that survival rate continues to drop as time passes. Without Life Flight Network's ICU-level care and rapid transport, it is very likely that Dr. Mcune would not have survived.

After ten hours of open-heart surgery that involved replacing his torn valve with a bovine valve, Dr. Mcune has made a remarkable recovery. Thanks to the quick actions of his care team, he is alive and has returned to caring for his community as an emergency physician.



Mike with his Life Flight Network crew.

HEAD-ON MOTORCYCLE COLLISION

It was a sunny day in June and Mike was out enjoying a motorcycle ride through Linn County, Oregon. His wife and kids returned home from their travels to find his bike gone but weren't worried – sunny days in Oregon are limited and Mike loved being on his bike.

A short time later, Valerie received a text message that Mike was in an accident. He had been struck by another vehicle and his condition was serious. Mike's riding partner Don Soto, Rebecca Zimmick, RN and Lauren Conser stopped to help. Lauren left to get cell service to call 911. Don told Lauren to make sure Life Flight Network was dispatched. Sweet Home Fire Department was first on scene and upon assessing the severity of his injuries, made the call to activate Life Flight Network. The flight crew arrived to find Mike unconscious and requiring roadside intubation due to a collapsed lung. He was stabilized and transported to PeaceHealth Sacred Heart Medical Center RiverBend in Springfield, Oregon for further evaluation and treatment.

"I knew he was in good hands. As an emergency department employee, I know that Life Flight Network's crews are the best trained clinical care personnel in Oregon, says Valerie "I will always be thankful to them for keeping my husband alive."

Mike doesn't remember anything from the day of the accident or the week leading up to it but had the opportunity to connect with the flight crew that saved him, six months later. "I was really impressed with their professionalism and kindness. I wouldn't be here if it weren't for them."

Heather LaBeau

From: Yvonne Herrera <floyvonne09@gmail.com>
Sent: Wednesday, April 10, 2024 8:31 PM
To: City of Hermiston Meetings; Planning
Subject: Concern Regarding Helicopter Pad Noise Impact on Surrounding Neighborhood

Some people who received this message don't often get email from floyvonne09@gmail.com. Learn why this is important <<https://aka.ms/LearnAboutSenderIdentification>>

[EXTERNAL EMAIL] - STOP and VERIFY - This message came from outside of the City of Hermiston

To Whom It May Concern:

I hope this email finds you well. I am writing to address a matter of growing concern among the residents of the surrounding neighborhood regarding the noise generated by the helicopter pad at Good Shepherd Medical Center. As a resident of the area, I, along with many others, have noticed a significant increase in helicopter activity, particularly during late hours, which has been disruptive to our daily lives.

While we understand the critical importance of the helicopter pad for emergency medical transportation and the life-saving services it facilitates, we believe there may be room for improvement in mitigating the noise impact on the surrounding community.

Here are a few specific concerns and suggestions:

1. **Noise Levels:** The noise generated by helicopter landings and take-offs, especially during nighttime hours, often exceeds permissible levels, causing disturbance to residents trying to sleep or engage in quiet activities.

Flight Patterns: It appears that helicopters sometimes deviate from established flight paths, flying directly over residential areas at low altitudes, exacerbating noise levels and causing unnecessary disturbance.

Communication and Transparency: There seems to be a lack of communication and transparency regarding the scheduling of helicopter flights, making it difficult for residents to anticipate and prepare for potential disruptions.

We recognize the vital role that Good Shepherd Medical Center plays in providing essential medical services to our community, and we are grateful for the dedication and hard work of the medical staff. However, we believe that addressing the issue of helicopter noise is essential to maintaining the quality of life for residents in the surrounding area.

I kindly request that you consider these concerns and take appropriate actions to minimize the impact of helicopter operations on the neighborhood. I am more than willing to participate in any discussions or meetings aimed at finding a constructive resolution to this matter.

Thank you for your attention to this important issue. I look forward to your response.

Sincerely, Yvonne Herrera Cell: 541-701-7272 Email: floyvonne09@gmail.com

Heather LaBeau

From: Nichole Faretta Ramirez <farettanichole@gmail.com>
Sent: Wednesday, April 10, 2024 8:50 PM
To: City of Hermiston Meetings
Subject: Concerns

You don't often get email from farettanichole@gmail.com. [Learn why this is important](#)

[EXTERNAL EMAIL] - STOP and VERIFY - This message came from outside of the City of Hermiston

To whom it may concern,

I hope this message finds you well. I am writing to express my concerns about the proposed installation of a new helicopter pad at Good Shepherd Medical Center. As a resident of the neighborhood surrounding the hospital, I am deeply worried about the potential noise and disturbance this addition could bring to our community.

Living in close proximity to the hospital, we already experience various levels of ambient noise. However, the introduction of a new helicopter pad could significantly exacerbate this issue, especially during extra added take-offs and landings. This heightened noise level could disrupt the tranquility of our neighborhood.

Furthermore, I am concerned about the safety implications associated with helicopter operations in a densely populated area. Increased air traffic above residential zones raises legitimate safety concerns that warrant careful consideration and community input.

I understand the importance of medical transportation services provided by helicopters and value the hospital's efforts to enhance patient care. However, I believe it is crucial to strike a balance between these vital services and the well-being of the surrounding community.

I would welcome the opportunity to discuss this matter further and collaborate on finding a solution that meets both the hospital's operational needs and our community's interests. Please do not hesitate to reach out to me at 541-720-0744 or farettanichole@gmail.com to arrange a meeting or conversation.

Thank you for considering my concerns. I look forward to your response and hope for a constructive dialogue on this important issue.
Warm regards,

Nichole Ramirez

Heather LaBeau

From: Diane Ferguson <rydrferguson@charter.net>
Sent: Wednesday, April 10, 2024 11:23 AM
To: Planning
Subject: Helicopter Base

Some people who received this message don't often get email from rydrferguson@charter.net. [Learn why this is important](#)

[EXTERNAL EMAIL] - STOP and VERIFY - This message came from outside of the City of Hermiston

My name is Diane Ferguson. I do not want the Helicopter Base in my back yard.

City of Hermiston Meetings

From: Caitlin Cozad <ccozaad@gshealth.org>
Sent: Wednesday, April 10, 2024 12:18 PM
To: City of Hermiston Meetings
Cc: City of Hermiston Meetings
Subject: FW: Life flight 12/25/23

[You don't often get email from ccozaad@gshealth.org. Learn why this is important at <https://aka.ms/LearnAboutSenderIdentification>]

[EXTERNAL EMAIL] - STOP and VERIFY - This message came from outside of the City of Hermiston

Hello,

Please see below emailed letter from Brittnei Mendoza RE: this evening's Planning Commission Meeting.

Thank you,

Caitlin Cozad
Marketing & Communications Director
Good Shepherd Health Care System
610 NW 11th Street
Hermiston, OR 97838
541.667.3460 Phone
541.667.3414 Fax
ccozaad@gshealth.org
www.gshealth.org

-----Original Message-----

From: Brittnei P <weloveemily525@icloud.com>
Sent: Tuesday, April 9, 2024 6:11 PM
To: Caitlin Cozad <ccozaad@gshealth.org>
Subject: Life flight 12/25/23

Hello, I was asked if I could write an email in regards to the accident I was in and need life flighted to Portland to Legacy Emanuel Hospital.

On 12/25/23 I was life flighted to Legacy Emanuel Hospital after suffering from a major car accident due to being hit by a drunk driver. My at the time 18 month old daughter was also life flighted to Randall's Children's hospital. My daughters and my life were saved because we were sent to Legacy/Randalls Hospital asap and they brought me back to life and were able to save my daughters life as well. I am so grateful and thankful for life flight. I thank God for life flight

Heather LaBeau

From: Jeffery Cates <catesjaor@gmail.com>
Sent: Tuesday, April 9, 2024 8:05 PM
To: Planning; City of Hermiston Meetings
Subject: Hospital planning concerns

Some people who received this message don't often get email from catesjaor@gmail.com. [Learn why this is important](#)

[EXTERNAL EMAIL] - STOP and VERIFY - This message came from outside of the City of Hermiston

Good evening,

I live in a home that borders Good Shepherd Hospital. My property is directly behind the current daycare facility. I have no issues whatsoever with the hospital adding another building for daycare services. My issue my wife and I have, is with the helicopter, helipad, hanger and crew quarters. I understand that having a helicopter conveniently available would help with transportation of medically necessary situations, however, I don't believe there should be an "airport" put on the hospital property just for those. I don't care for the night time interruption now, as they are infrequent, however, if the base of operations is at the hospital, I would really hate to see a HUGE increase of lights, all hours of the day and night. I didn't buy a home near an airport for a reason.

The helicopter life flight network already has a base of operations at the Hermiston airport and would be better suited and served at their current location. In my opinion, if the hospital would like to have the helicopters easier to access, and readily available, maybe the hospital should consider moving to the airport.

Is the extra flight time that much of an inconvenience? The majority of flights that life flight conducts now, are not from the hospital to another hospital, but from the airport to the accident location, then to the hospital.

I lived in several large cities and none of the hospitals in these cities ever had a helicopter onsite 24/7. The helicopter was flown from the airport, usually a municipal airport, to the hospital that needed it, or to the accident scene and then to the hospital. From there they may be transported to an additional hospital as needed. Spokane has a municipal airport where the life flight helicopters are housed and there are few homes in that area, it is mostly commercial and industrial. Seattle is the same way. But in both cities, the airport came first, originally far enough out of town to allow for noise and future growth.

If it were to come to the general public as a vote, I would vote no. Airports are places where they are for a reason. If homes are built "after" the airport, then you know what you are buying. Don't build an airport in a community after the homes are built.

I understand this won't be a true airport in a sense, but life flight could be called up any time day or night.

Would you want to be woken up at 2am to helicopters taking off and landing?

Don't get me wrong, I understand people are in need and we need the service, just not here.

Cates Household

City of Hermiston Meetings

From: Marci Sanchez <marci.sanchezv@gmail.com>
Sent: Tuesday, April 9, 2024 5:59 PM
To: City of Hermiston Meetings
Subject: Fwd: Life Flight Project Approval at Hermiston Planning Commission Meeting

You don't often get email from marci.sanchezv@gmail.com. [Learn why this is important](#)

[EXTERNAL EMAIL] - STOP and VERIFY - This message came from outside of the City of Hermiston

Life Flight Meeting on 4/10/2024

----- Forwarded message -----
From: Marci Sanchez <marci.sanchezv@gmail.com>
Date: Tue, Apr 9, 2024 at 5:24 PM
Subject: Re: Life Flight Project Approval at Hermiston Planning Commission Meeting
To: Caitlin Cozad <ccozaad@gshealth.org>

Caitlin,

As an Aflac insurance agent for the last 22 years in Umatilla County; I have dealt with multiple families/policyholders that have benefited from using the Life Flight service. Most have gone through life threatening situations where if it wasn't for the Life Flight service, they would not have survived. Life Flight has saved plenty of lives, including the lives of my very own family members on Christmas day 2023. I am very thankful for this service, I wished it was available to everyone in our community.

Thank you!

Marci Sanchez*
Insurance Agent

An Independent Agent Representing Aflac
509-438-6498 Cell
541-701-0480 Fax

Proudly serving OR/WA since 2002

On Tue, Apr 9, 2024 at 4:18 PM Caitlin Cozad <ccozaad@gshealth.org> wrote:

Hi Marci,

Thank you for your time this afternoon! The City of Hermiston Planning Commission Meeting is tomorrow evening, April 10 at 7:00 p.m. Please see below information and let me know if you have any questions. My cell phone number is 541-571-5749.

- **If participating virtually** (participants will be muted until Commissioners open the floor/virtual platform for any comments you would like to share):

Download the Zoom App on your phone (or other device) and click, "Join Meeting"

Enter Zoom Meeting ID: 878 6809 7745

Enter Passcode: 709002

- **To call in only (no video):** Call 1-253-215-8782 and enter the above information when prompted.
- **To comment via email during the meeting (sometime after 7:05 p.m. on 4/10/24):** Email comment around 7:05 p.m. to meetings@hermiston.or.us
- **To submit a letter or email before the meeting (on or before 4/10/24 by 5:00 p.m.):** Send email to meetings@hermiston.k12.or.us
- **Planning Commission Meeting Agenda:** <https://www.hermiston.or.us/bc-pc/page/planning-commission-18>

Thank you!

Caitlin Cozad

Marketing & Communications Director

Good Shepherd Health Care System

610 NW 11th Street

Hermiston, OR 97838

541.667.3460 Phone

541.667.3414 Fax

ccozaad@gshealth.org

www.gshealth.org



HERMISTON IRRIGATION DISTRICT



366 E. Hurlburt Ave.
Hermiston, OR 97838
Phone: (541) 567-3024
Fax: (541) 564-1069
E-mail: Manager@HermistonID.org

April 1, 2024

City of Hermiston
Planning Department
Clint Spencer, Planning Director
180 NE 2nd St
Hermiston, OR 97838

**RE: Conditional Use Permit
Good Shepherd Heath Care
4N2810B 200**

Mr. Spencer,

Hermiston Irrigation District has reviewed the Conditional Use Permit information and has no objections to the proposed expansion of the master plan. This property is located within the HID boundary, but there are no water rights on this property, nor is the District able to service this property at this time. The District does not show any federal easement through this property.

Thank you for the opportunity to comment on this request.

Sincerely,

Karra

Karra Van Fossen
Water Rights Specialist



Where Life is Sweet

Members of the Planning Commission
STAFF REPORT
For the Meeting of May 8, 2024

Title/Subject

Subdivision- Henry K’s Phase 1 Hermiston Home Works Inc 4N2813 Tax Lots 200 & 500 - 1295 SE 10th St

Summary and Background

Hermiston Home Works Inc has submitted a preliminary plat for Phase 1 of the Henry K subdivision. The proposed subdivision contains 28 single or two-family lots, one 5.9 acre commercial lot, one 25.6 acre commercial lot, and one 42.9 acre residential lot reserved for future residential development. The development is located on approximately 80 acres of land located on the east side of SE 10th Street near Blue Mountain Community College and the Eastern Oregon Higher Education Center. The site extends from SE 10th Street northerly and easterly to E Highland Ave and is located north of the Hermiston Municipal Airport.

Hermiston Home Works Inc owns the property and applied to the city for annexation and comprehensive plan map amendment with the intention of developing the property residentially and commercially. The city approved the annexation of the property with R-3, R-2, and C-2 zoning in March of this year. Umatilla County co-adopted the map amendments on May 1, finalizing the annexation process.

The site is adjacent to low density rural residential housing to the north. The Hermiston Municipal Airport forms the south boundary of the property. The Eastern Oregon Higher Education Center, BMCC, and various other governmental uses are located west of the site. Topographically, the property is generally flat or undulating. The property is bisected by the Union Pacific Railroad mainline. Approximately 55 acres lies north of the mainline and 26 acres lies south of the mainline. The property physically abuts the A-Line Canal along the entire north property line and the Feed Canal along the south property line. Access is provided by SE 10th Street and E Highland Ave.

The area proposed for subdivision lies within the portion of the property designated as R-3 on the zoning map. There are 28 residential lots proposed, ranging in size from 6,500 to 13,600 square feet. All of the lots are large enough to accommodate one and two-family homes. Five of the lots are also large enough to accommodate multi-family homes of at least three units. It is the applicant’s intent to build single-family housing.

SE 10th Street provides access for this phase of the development. SE 10th Street is classified as an urban minor collector in the transportation system plan. The development also makes provision for the extension of SE Columbia Drive to the east, planning for an eventual connection

of Columbia Drive and E Highland Avenue. SE Columbia Drive is also designated as a minor collector and the transportation plan calls for the extension and connection of Columbia Drive linking Highway 395 to E Highland Ave. To comply with the city's transportation requirements, SE Columbia Drive through the development has a right of way width of 56 feet rather than the standard 50 feet. SE 10th Street is improved to urban minor collector status adjacent to the development but will require the installation of sidewalks at the time of development. Additionally SE 10th Street adjacent to Lot 29 (the C-2 parcel) is completely unimproved and will require 3/4 street improvements of two travel lanes, curb and gutter, and sidewalks on the east frontage at the time commercial development occurs on Lot 29.

The approval of the comprehensive plan map amendment and annexation for the property was subject to approval conditions by the city. Some approval conditions are applicable at this time, and some will be relevant to later development proposals. The approved conditions are as follows:

1. Annexation is contingent upon co-adoption of the comprehensive plan map amendment by Umatilla County under the provisions of the Hermiston Planning Area Joint Management Agreement, dated March 2, 2017. In the event that Umatilla County fails to co-adopt the map amendments, annexation shall fail, and a new comprehensive plan map amendment and annexation application shall be submitted.
2. Per the recommendations of the January 24, 2024, traffic impact analysis and the Oregon Department of Transportation, a trip cap of 657 peak hour trips is imposed upon the property. Residential trips shall be capped at 325 peak hour trips and the newly designated commercial area south of the railroad tracks shall be capped at 110 peak hour trips. Compliance with the trip cap will require the following actions:
 - a. Each application for development authorization within amended area submitted to the city shall be accompanied by a trip generation letter prepared by a registered traffic engineer indicating the average daily and peak hour trips generated for the proposal.
 - b. Each trip generation letter shall indicate available peak hour trips remaining at completion of construction for the proposal.
 - c. At such time that the peak hour trips exceed 657, the city shall no longer issue building permits until a revised traffic impact analysis is prepared. The requirement to prepare a new traffic impact analysis shall run with the land and is not binding upon the applicant unless the applicant retains ownership at the time the trip cap is exceeded.
 - d. The city shall reserve the right to require additional traffic mitigation measures and/or prepare an independent traffic impact analysis at such time the trip cap is exceeded.
 - e. Determination of mitigation measures is contingent upon and proportional to the impacts of the eventual development approved for the amended property. Comprehensive plan map amendment and annexation is not sufficient to require additional mitigation measures.
3. Portions of the property are identified on Figure 12 of the Hermiston Comprehensive Plan as being subject to ground water pollution hazards due to excessively well-drained soils. In the case of an existing or potential groundwater pollution threat, the city shall prohibit the outdoor storage of hazardous chemicals and underground storage of gasoline and diesel fuels.
4. Portions of the property are identified on Figure 12 of the Hermiston Comprehensive Plan as being subject to development hazards due to restrictive foundation soils. Where restrictive foundation soils are evident, the city shall require a registered engineer's assessment of the design and structural techniques needed to mitigate potential hazards. In the event there are inadequate mitigation measures, the city shall prohibit development.
5. Portions of the property are identified on the city's Natural Resource Map as having potential wetlands. At such time as development is proposed, the city will notify the Oregon Department

of State Lands of the development proposal, soliciting comment on the potential wetlands. Necessary mitigation measures will be determined as part of the review and approval process for development on the amended property.

Condition #1 was satisfied by co-adoption of the map amendments by the Umatilla County Board of Commissioners on May 2. Condition #5 relating to wetlands will not be impacted in this phase but will be a factor in later portions of the development. Conditions #2, 3, and 4 are relevant to this preliminary plat. The applicant has submitted the required trip generation documentation. The residential development will generate 30 peak hour trips, leaving 627 peak hour trips to accommodate future development. Approval conditions relating to development hazards will remain in effect and be imposed upon the subdivision as well.

The planning commission and city council discussed the status of the A Line Canal bridge on SE 10th Street during the annexation process. It was determined that the actual improvements to the bridge would be based upon the proportional impact of the development on the bridge and the trips generated vs existing trips. The development will significantly impact the bridge, requiring upgrading and a per trip impact fee based on each peak hour trip within the development. Based on the conditions of approval, the development will produce 325 residential trips and 222 commercial trips during peak hour periods, for a total of 547 trips to share responsibility for the bridge replacement.

The city also has a vested responsibility for bridge improvement, based upon existing trip generation from city development crossing the bridge. Based upon current usage, existing city trips constitute approximately 25% of the usage when full build-out of 547 peak hour trips occurs. It is estimated the total peak hour trips at build out will be 684 trips. Therefore, the development will contribute approximately 75% of the new trips over the A Line Canal. Based upon the trip distribution in the TIA, commercial trips will constitute 35% of the new trips and residential trips will constitute 65% of the new trips. The preliminary engineer's estimate for canal replacement is \$675,000. Based upon best available trip data estimates, the city will be responsible for \$168,750 of the cost of bridge replacement. Residential development of 325 residential trips constitutes 48% of the trip generation, or \$324,000. The development plan calls for 208 residential lots in the total development area. Therefore, each lot may be assessed \$1,557. Commercial trips will constitute 27% of the trips, or a total assessment of \$182,250 when commercial development occurs.

The mapping of the subdivision has revealed some irregularities in the existing lot line configuration. The east line of SE 10th Street is not aligned on the north and south sides of the A Line Canal. The project surveyor has reviewed the discrepancy and determined that additional right of way dedication is necessary to reflect the actual street and improvement alignment. An additional 32.7 feet are proposed for dedication to SE 10th Street.

All of the proposed lots are designed to meet or exceed the R-3 zoning standards. Findings addressing the subdivision design standards are attached to this report as Exhibit A. Recommended conditions of approval are attached as Exhibit B.

Notice was mailed to all property owners within 100 feet of the proposal and affected agencies by direct mail on April 24, 2024. A sign was placed on the property on April 24, 2024.

The criteria that are applicable to the preliminary plat are contained in 94.20 through 154.15 through 154.35, 154.60 through 154.66, and 157.027 and 157.101 of the Hermiston Code of Ordinances.

Tie-In to Council Goals

Provision of market rate and affordable housing is a council priority.

Fiscal Information

There are 28 low density residential lots resulting in 28 new homes proposed for the subdivision. Each house should sell in the \$300,000 range. At full build-out the development will generate approximately \$57,000 in revenue to the city each year.

Alternatives and Recommendation

Alternatives

The planning commission may choose to:

- Approve the subdivision plat and conditions
- Approve the subdivision plat and modify the conditions
- Modify the subdivision plat
- Reject the subdivision plat

Recommended Action/Motion

Staff recommends that the planning commission approve the preliminary plat subject to the draft conditions.

- Motion to make the project file a part of the record
- Motion to approve the findings of fact
- Motion to approve the conditions of approval
- Motion to approve the preliminary plat with conditions of approval

Submitted By:

C.F. Spencer, Planning Director

EXHIBIT A

Findings of Fact

Henry K's Phase 1 Subdivision

May 8, 2024

Chapter 94: Streets and Sidewalks

Two new streets are proposed on the preliminary plat. The applicant proposes an extension of SE Columbia Drive through the development. This extension will connect to E Highland Ave in future phases in accordance with the Hermiston Transportation System Plan and has sufficient right of way width to accommodate urban minor collector construction standards. A second street is proposed for connection to SE Columbia Drive (Road A). This street is proposed as a local residential street and has adequate right of way width to accommodate local standard improvements. Although not shown on the preliminary plat, Road A is proposed as a semi-circular road which will connect back to SE Columbia Drive in a future phase. This street shall be designated as a "Drive" on the final plat and be designated with the prefix ordinal of SE denoting its location in the southeast quadrant of the city in accordance with §94.23 of the Hermiston Code of Ordinances.

Chapter 154: Subdivisions

Design Standards

154.15 Relation to Adjoining Street System.

The preliminary plat is adjacent to SE 10th Street. Two new streets are proposed. SE Columbia Drive is planned for eastward extension and will connect to E Highland Ave in a future phase. A second semi-circular road, designated as Road A on the preliminary plat, is also proposed. SE Columbia Drive is an urban minor collector and has 56 feet of right of way width on the preliminary plat in accordance with public works drawing ST10. Road A is a local residential street and has 50 feet of right of way width in accordance with public works drawing ST11. SE Columbia Drive intersects SE 10th Street at a right angle and in alignment with the current terminus of SE Columbia Drive creating an adequate and safe intersection. No cul-de-sacs are proposed. However, Road A is currently proposed as a semi-circular drive and will not meet fire safety standards for vehicle turn-arounds as proposed. As a condition of approval, the city will require a temporary turn around to be installed at the end of Road A until the future extension of Road A is completed, allowing fire and life safety exits.

154.16 Street and Alley Width.

All streets have a width of at least 50 feet which meets the minimum requirement for local residential streets. The urban minor collector street has a right of way width of 56 feet satisfying the higher requirement for collectors. No new alleys are proposed as part of the preliminary plat. The street design standards are satisfied.

154.17 Easements.

Easements of 10 feet in width are provided on all street frontages. These easements are public utility easements that accommodate storm drainage, utilities, and sidewalks. The preliminary plat notes several existing easements on the property, including Pacificorp power easements accommodating electrical transmission infrastructure and an irrigation easement along the A Line Canal.

154.18 Blocks.

SE Columbia Drive is prepared in accordance with the 600-foot maximum block length for residential streets. Road A may exceed the 600-foot length requirement at completion in future phases. The planning commission shall discuss if a pedestrian easement and path is desirable to connect Road A to future development to the north. At the planning commission’s discretion, a path may be required, per §154.18(B).

154.19 Lots.

All the proposed lots will make desirable building sites properly related to topography as required by §154.19 of the Hermiston Code of Ordinances. All proposed lots are at least 60 feet wide and 80 feet deep. All the proposed lots exceed the minimum lot size of 5,000 square feet in the R-3 zone. Corner lots meet or exceed the 6,000 square foot minimum lot size and 70-foot minimum width. Where possible, all side lot lines are at right angles or are radial to street lines. There are three corner lots in the proposed development. Lot 1 is serviced by the development’s local street network and also has frontage on SE 10th Street. To preserve the functionality of traffic movements on SE 10th Street, staff recommends the planning commission require the applicant to place a notation on the final plat stating that Lot 1 shall not access SE 10th Street. Lots 6 and 28 are corner lots with frontage on SE Columbia Drive and Road A. To preserve the functionality of traffic movements on SE Columbia Drive, staff recommends the planning commission require the applicant to place a notation on the final plat stating that Lots 6 and 28 shall not access SE Columbia Drive.

154.20 Character of Development.

Staff understands that the applicant intends to market the subdivision as a single-family development. The lot sizes proposed for the development exceed the minimum size permitted in the R-3 zone for single-family dwellings. Five lots are adequate in size to accommodate triplex or higher density uses. Uses permitted in the R-3 zone are listed in §157.027 of the Hermiston Code of Ordinances.

154.21 Parks, School Sites and the Like

The comprehensive plan and parks master plan indicate a need for a park in the vicinity of the proposed development. The developer is negotiating with the city to develop a park accessing the A Line Canal in a future phase of the development.

Preliminary Plat

The preliminary plat contains most of the information required by 154.35 of the Hermiston Code of Ordinances.

The following items are not included with the preliminary plat:

- (a) Grades and profiles of proposed streets
- (b) names of recorded owners of adjoining parcels of unsubdivided land

The above information must be included unless waived by the planning commission. Profiles for the streets will be required as part of the civil drawing review process or final plat process. Staff recommends that the planning commission waive the required information for the preliminary plat but require it for civil drawing submission.

Required Minimum Improvements

154.60 Permanent Markers.

All subdivisions shall be surveyed in accordance with ORS 92.050 through 92.080. The preliminary plat has been surveyed.

154.61 General Improvements.

As a condition of approval for the final plat, the city will require the installation of grading, storm drainage, curb and gutter, sidewalks, street paving and all service utilities. All improvements must comply with the Public Works Department standard plans and specifications manual. As a condition of approval, the planning commission shall require the applicant to sign an improvement agreement with the city agreeing to specific development conditions. In lieu of completion of such work, the City may accept a Letter of Credit in an amount and conditions to be specified.

SE 10th Street is partially improved with paving, curb, and gutter for approximately 330 feet along the development site from the A Line Canal to the south edge of SE Columbia Drive. Sidewalk shall be required along the SE 10th Street frontage of Lots 1 and 30 at the time development occurs on these lots. SE 10th Street is not improved from the south line of SE 10th Street to the Union Pacific railroad, a distance of approximately 800 feet. Commercial development of Lot 29 will require 3/4 improvement to SE 10th Street with two travel lanes, curb, gutter, and sidewalk. Final design approval of all improvements must be obtained from the city engineer.

Streetlights must also be installed at the applicant’s cost. Once installed, the City will assume the monthly service charges.

154.62 Water Lines.

Each lot is planned for connection to the municipal water supply. Water system extensions and fire hydrant locations must be approved by the city engineer. The development will be serviced by the existing water improvements in SE 10th Street.

154.63 Sanitary Sewer System.

Each lot is planned for connection to the sanitary sewer system. The sewer layout must be approved by DEQ, the city sewer superintendent and the city engineer. The development will be serviced by the existing sewer improvements in SE 10th Street.

154.64 Drainage.

All necessary facilities shall be installed sufficient to prevent the collection of surface water in any low spot and to maintain any natural water course.

154.65 Sidewalks.

The applicant shall install sidewalks along all street frontages of all lots as required by the improvement agreement.

154.66 Bikeways.

The City of Hermiston Transportation System Plan calls for on-street bikeways on SE Columbia Drive and SE 10th Street. Striping will be required as part of the public improvement design and construction.

Chapter 157: Zoning

157.027 Medium-High Density Residential Zone (R-3)

All the proposed lots are created in conformance with the requirements of the R-3 zone. All the proposed lots exceed the minimum lot size of 5,000 square feet and corner lots are at least 6,000 square feet. All proposed lots are at least 60 feet wide, and 80 feet deep meet the 25-foot minimum street frontage requirement in 157.027(C)(3).

157.101 Development Hazard Overlay (DH)

Comprehensive Plan Figure 12 identifies this site as an area subject to development hazards due to excessively well drained soils and restrictive foundation soils. Therefore, the City will prohibit the outdoor storage of hazardous chemicals and underground storage of gasoline and diesel fuels. Prior to the development of lots containing cemented hardpan, the city shall require a registered engineer's assessment of the design and structural techniques needed to mitigate potential hazards.

EXHIBIT B

Conditions of Approval

Henry K's Phase 1 Subdivision

May 8, 2024

1. Applicant shall work with and receive certification from the Hermiston Irrigation District prior to final plat approval. Applicant should be aware that the City of Hermiston will not sign the final plat until the irrigation district has been satisfied and signs the final plat.
2. Applicant must sign an improvement agreement and shall install grading, storm drainage, curb and gutter, sidewalks, street paving, and all service utilities for this development. All improvements for each phase shall comply with city standards and specifications and shall receive final approval from the city engineer.
3. Streetlights shall be installed at the applicant's cost. Once installed, the City will assume the monthly service charges.
4. Applicant shall comply with all provisions of 92.12 of the Hermiston Code of Ordinances (relating to the control of blowing dust) during all phases of construction.
5. All streets shall be designated in accordance with §94.22 of the Hermiston Code of Ordinances as detailed in the findings of fact for Chapter 94. Road A shall be labeled as a named street on the final plat with a SE prefix and Drive suffix.
6. Applicant/owner shall improve the Lot 29 frontage of SE 10th Street with a ¾ street improvement consisting of two travel lanes, curb, gutter, and sidewalk at such time that commercial development occurs on Lot 29.
7. Comprehensive Plan Figure 12 identifies this site as an area subject to development hazards due to excessively well drained soils and restrictive foundation soils. Therefore, the City will prohibit the outdoor storage of hazardous chemicals and underground storage of gasoline and diesel fuels. Prior to the development of lots containing cemented hardpan, the city shall require a registered engineer's assessment of the design and structural techniques needed to mitigate potential hazards.
8. A notation shall be placed on the plat stating that Lot 1 shall not access SE 10th Street and Lots 6 and 28 shall not access SE Columbia Drive.
9. A per lot assessment for Lots 1 through 28 shall be established of \$1,557. The assessment will be collected at the time of building permit issuance on each lot and shall be used for replacement of the A Line Canal bridge. Said fee is based upon the residential trip cap of 325 peak hour residential trips and a development plan of 208 residential lots. Should the trip cap

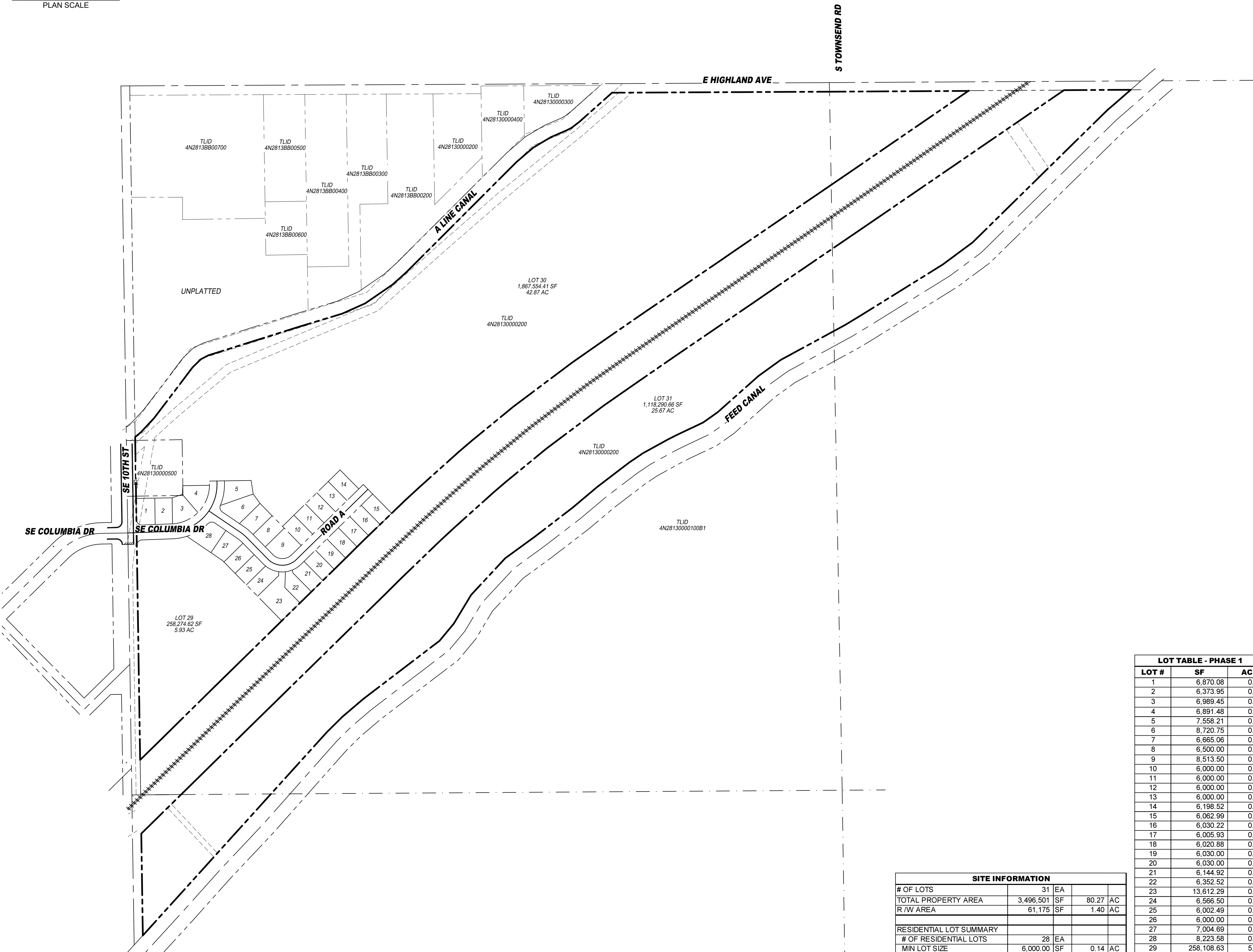
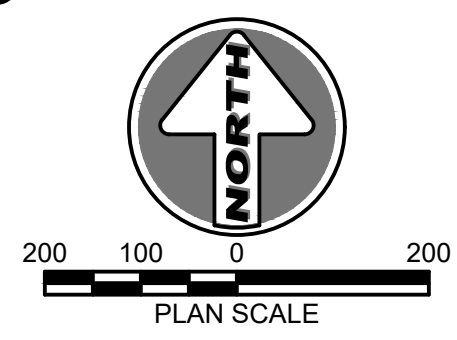
or lot count be amended in subsequent phases, recalculation of the fee for lots 29 and above shall be performed by the City.

- 10. Sidewalk shall be installed along the SE 10th Street frontage of Lots 1 and 30 at such time that residential development occurs on each respective lot.
- 11. SE Columbia Drive is designated as an urban minor collector on the Hermiston TSP and shall be designed with on-street bike lanes through the development. An on-street bike lane shall be striped on the east side of SE 10th Street adjacent to Lots 1 and 30 when residential construction commences on each lot.
- 12. The applicant shall dedicate 32.7 feet to SE 10th Street right of way adjacent to the development to align right of way and street improvements within the public domain.
- 13. A temporary turn-around shall be installed at the end of Road A until future extension of Road A to connect with SE Columbia Drive is completed. Temporary turn around shall be constructed in accordance with Appendix D (Fire Apparatus Access Roads) of the Oregon Fire Code.

HENRY K'S - PHASE 1

SECTION 13, TOWNSHIP 4 NORTH, RANGE 28 EAST, W.M.

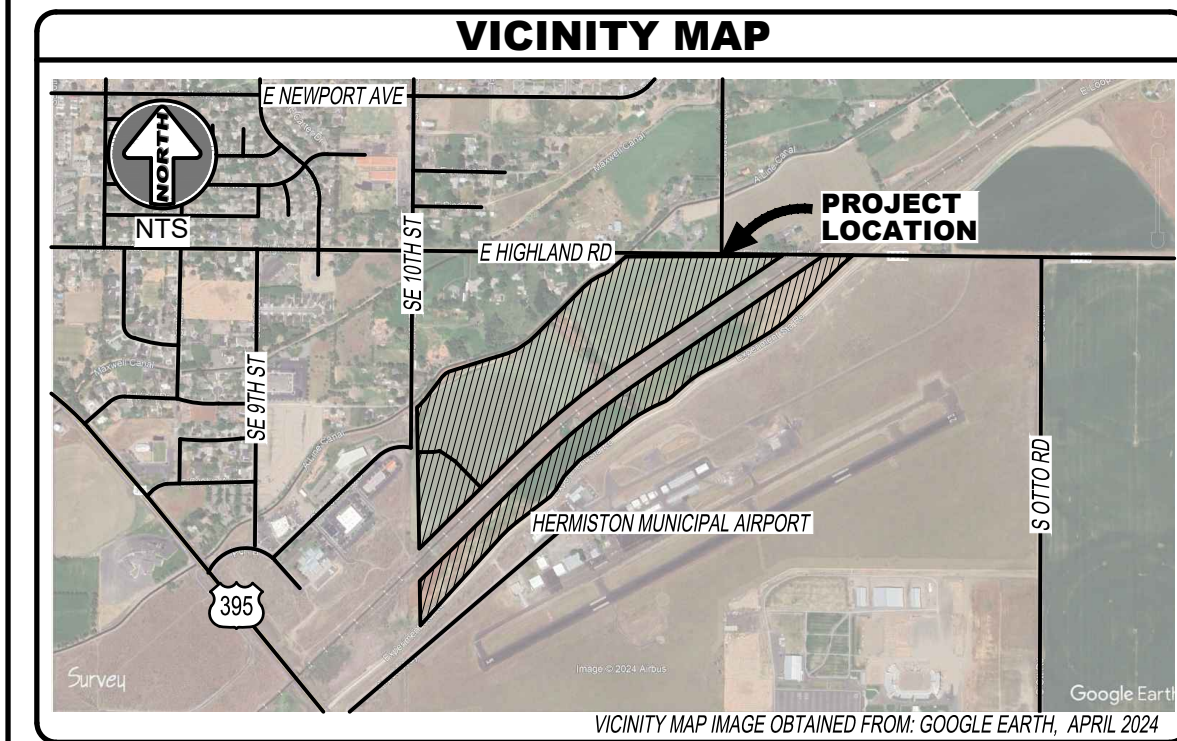
CITY OF HERMISTON, UMATILLA COUNTY, OREGON



SITE INFORMATION			
# OF LOTS	31	EA	
TOTAL PROPERTY AREA	3,496.501	SF	80.27 AC
R/W AREA	61,175	SF	1.40 AC
RESIDENTIAL LOT SUMMARY			
# OF RESIDENTIAL LOTS	28	EA	
MIN LOT SIZE	6,000.00	SF	0.14 AC
MAX LOT SIZE	13,612.29	SF	0.31 AC
AVERAGE LOT SIZE	6,828.58	SF	0.16 AC

LOT TABLE - PHASE 1		
LOT #	SF	AC
1	6,870.08	0.16
2	6,373.95	0.15
3	6,989.45	0.16
4	6,891.48	0.16
5	7,558.21	0.17
6	8,720.75	0.20
7	6,665.06	0.15
8	6,500.00	0.15
9	8,513.50	0.20
10	6,000.00	0.14
11	6,000.00	0.14
12	6,000.00	0.14
13	6,000.00	0.14
14	6,198.52	0.14
15	6,062.99	0.14
16	6,030.22	0.14
17	6,005.93	0.14
18	6,020.88	0.14
19	6,030.00	0.14
20	6,030.00	0.14
21	6,144.92	0.14
22	6,352.52	0.15
23	13,612.29	0.31
24	6,586.50	0.15
25	6,002.49	0.14
26	6,000.00	0.14
27	7,004.69	0.16
28	8,223.58	0.19
29	258,108.63	5.93
30	1,867,554.41	42.87
31	1,118,290.66	25.67

OVERALL PLAN
SCALE: 1"=200'



DATUM - BENCHMARK
HORIZONTAL DATUM: NAD83 ORNSPC
VERTICAL DATUM: RECORD ELEVATIONS BASED ON BENCH MARK RB0592 (N520), AT THE HERMISTON AIRPORT WITH A RECORD ELEVATION OF 642.86.

LEGAL DESCRIPTION

TLID 4N28130000200:
 ALL THAT PART OF SECTION 13, TOWNSHIP 4 NORTH, RANGE 28 EAST, W.M. LYING BETWEEN THE U.S.R.S. FEED CANAL AND THE CANAL OF THE HERMISTON IRRIGATION DISTRICT, TOGETHER WITH HEREDITAMENTS AND APPURTENANCES THEREUNTO BELONGING OR IN ANY WAY APPERTAINING, EXCEPTING AND RESERVING TO THE STANFIELD IRRIGATION DISTRICT, ITS SUCCESSORS AND ASSIGNS THE RIGHT OF WAY FOR ANY MAIN CANAL OR LATERALS WHICH ARE OR HEREAFTER MAY BE SURVEYED, LOCATED OR ESTABLISHED OVER SAID LAND, AND RESERVING THE PERPETUAL RIGHT OF EASEMENT OVER SAID LAND, OR ANY PART THEREOF FOR ALL CANALS, LATERALS, DITCHES AND DRAINS WHICH THE STANFIELD IRRIGATION DISTRICT MAY DEEM NECESSARY FOR THE PROPER MANAGEMENT AND DISTRIBUTION OF THE WATERS OF ITS SYSTEM, ALSO RESERVING THE FOR PUBLIC ROAD 20 FEET ALONG THE SECTION LINE BETWEEN SECTION 12 AND 13 AND 20 FEET ALONG THE SECTION LINE ON THE WEST SIDE OF SAID TRACT BETWEEN SECTION 13 & 14, TOWNSHIP 4 NORTH, RANGE 28 EAST, W.M.

FURTHERMORE, EXCEPTING A STRIP OF LAND 200 FEET WIDE BEING 100 FEET ON EACH SIDE OF THE CENTER LINE OF THE PROPOSED RAILROAD AS STAKED OVER AND ACROSS SECTION 13, TOWNSHIP 4 NORTH, RANGE 28 EAST, W.M., BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

AN IRREGULAR PARCEL OF LAND LOCATED IN SECTION 13, TOWNSHIP 4 NORTH, RANGE 28 EAST OF THE WILLAMETTE MERIDIAN BEING TWO HUNDRED (200) FEET WIDE AND PARALLEL TO THE CENTER LINE OF THE PROPOSED MAIN TRACK AS STAKED AND AS TO BE CONSTRUCTED, MEASURED ONE HUNDRED (100) FEET ON EITHER SIDE OF AND AT RIGHT ANGLES FROM THE CENTER LINE; SAID CENTER LINE BEING DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT A POINT ON THE WEST LINE OF SECTION 13 WHICH POINT IS TWO THOUSAND SEVEN HUNDRED AND THREE AND ONE TENTH (2,703.1) FEET MORE OR LESS SOUTH OF THE NW CORNER OF SECTION 13; THENCE ALONG A STRAIGHT LINE NORTH EASTERLY ACROSS SECTION 13 A DISTANCE OF ONE THOUSAND FOUR HUNDRED FORTY AND TWO TENTHS (1,440.2) FEET; THENCE AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF FIVE THOUSAND SEVEN HUNDRED TWENTY-NINE AND SIXTY-FIVE HUNDREDTHS (5,729.65) FEET, A DISTANCE OF ONE THOUSAND AND FIFTEEN (1,015) FEET; THENCE ALONG A STRAIGHT LINE A DISTANCE OF ONE THOUSAND EIGHT HUNDRED EIGHTY-EIGHT AND THREE TENTHS (1,888.3) FEET MORE OR LESS TO A POINT ON THE NORTH LINE OF SECTION 13 WHICH POINT IS THREE THOUSAND FOUR HUNDRED ONE AND SIX TENTHS (3,401.6) FEET MORE OR LESS EAST OF THE NW CORNER OF SECTION 13; CONTAINING AN AREA OF 19.94 ACRES MORE OR LESS.

TLID 4N28130000500:
 BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 4 NORTH, RANGE 28 EAST, W.M.; THENCE EAST 208.71 FEET; THENCE SOUTH 208.71 FEET; THENCE WEST 208.71 FEET; THENCE NORTH 208.71 FEET TO THE POINT OF BEGINNING; ALL BEING EAST OF THE WILLAMETTE MERIDIAN IN THE COUNTY OF UMATILLA, STATE OF OREGON.

DRAWING INDEX

C1P	COVER SHEET / OVERALL PLAN
C2P	PHASE 1 PLAN

CONTACTS

DEVELOPER:
 HERMISTON HOME WORKS
 TYLER BRANDT (541) 720-4533
 PO BOX 833, HERMISTON, OR 97838

SURVEYOR:
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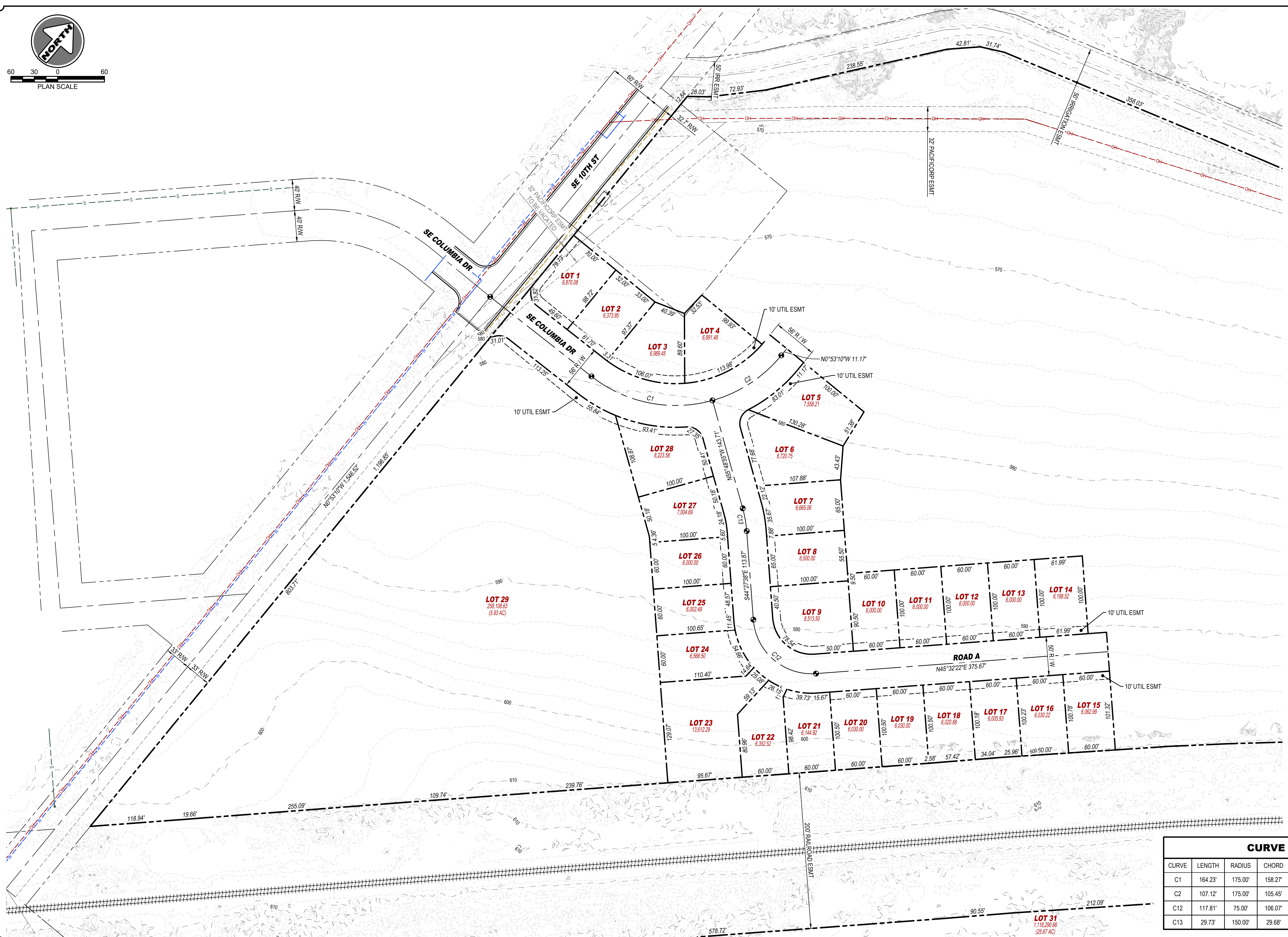
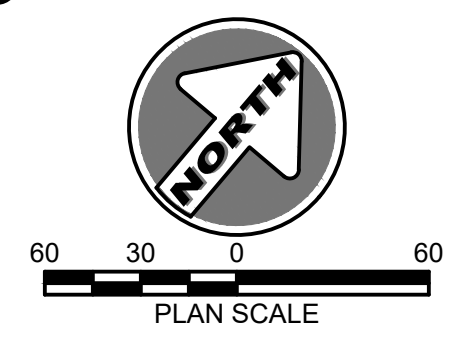
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 Designed By: CHRISTINE BATAYOLA, K2 Phase 1 Preliminary Plat 02
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 Date: Apr 26, 2024, 11:58:27 AM

Date	By	Description

Drawing Name: SECT 100 TOON ROOE W/M
 HENRY K'S PHASE 1 - PRELIMINARY PLAT
 COVER SHEET / OVERALL PLAN
 TAX LOT ID: 4N28130000200, HERMISTON, OR
 Client/Project Information:
 HERMISTON HOME WORKS, INC
 TYLER BRANDT 541-720-4533
 PO BOX 833, HERMISTON, OR 97838
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Date: **04-26-2024**
 Project Number: **23-030.1**
 Sheet Number: **C1P**



CURVE DATA						
CURVE	LENGTH	RADIUS	CHORD	CHORD BEARING	DELTA	TANGENT
C1	164.23'	175.00'	158.27'	N61°04'08"E	53°46'05"	88.72'
C2	107.12'	175.00'	105.45'	N16°38'58"E	35°04'15"	55.30'
C12	117.81'	75.00'	106.07'	S89°27'38"E	90°00'00"	75.00'
C13	29.73'	150.00'	29.68'	N50°08'17"W	11°21'17"	14.91'

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HENRY K'S PHASE 1 - PRELIMINARY PLAT
PHASE 1 PLAN

TAX LOT ID: 4N28130000200, HERMISTON, OR
HERMISTON HOME WORKS, INC
TYLER BRANDT 541-720-4533
 P.O. BOX 833, HERMISTON, OR 97838

Rev	Description	By	Date

Drawing Name: SECTION TOOWN ROAD WNW

Client/Project Information: TAX LOT ID: 4N28130000200, HERMISTON, OR

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Date: **04-26-2024**

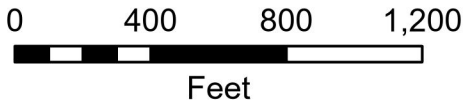
Project Number: **23-030.1**

Sheet Number: **C2P**

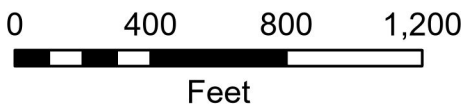
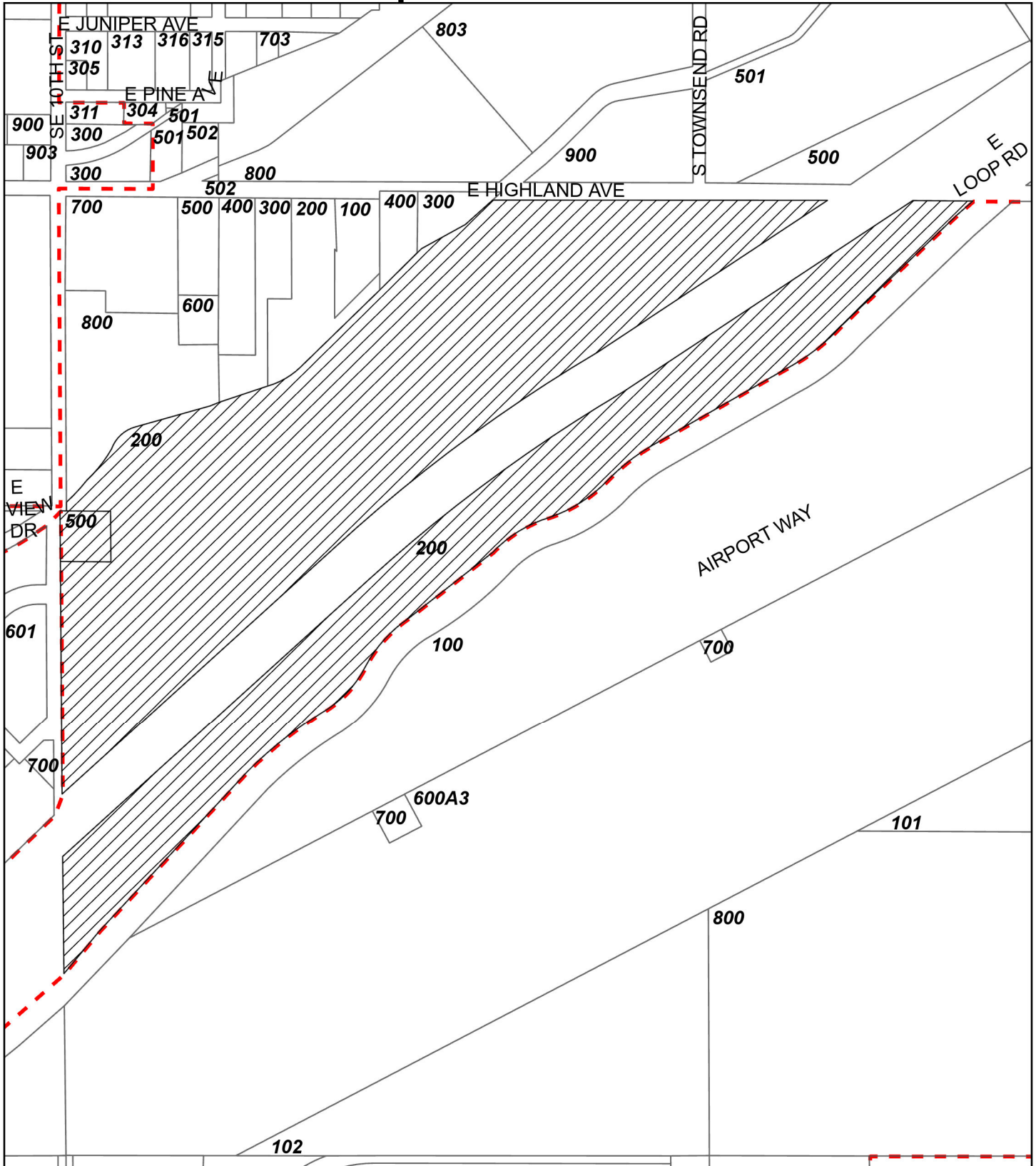


Legend

-  Area of Proposed Subdivision
-  Property Line
-  City Limits
-  Urban Growth Boundary

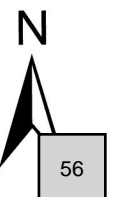


Notice of Proposed Land Use Action



Legend

- Area of Proposed Subdivision
- Property Line
- City Limits
- Urban Growth Boundary





Where Life is Sweet

Members of the Planning Commission
STAFF REPORT
For the Meeting of May 8, 2024

Title/Subject

Roundtable discussion on preliminary economic opportunities analysis

Summary and Background

The city is working towards an urban growth boundary expansion to facilitate additional industrial development. This is a targeted expansion for heavy industry and requires the city to demonstrate an inadequacy of industrial lands to meet the projected 20-year demand. The document which establishes the city's need for employment land, both commercial and industrial, is called an Economic Opportunities Analysis (EOA) in Oregon and is part of the city's comprehensive plan. The city's EOA was last updated in 2017 when the city removed approximately 50 acres from the industrial inventory in the downtown area and converted that land to residential and commercial. Under OAR 660-009-0015, cities are strongly encouraged to assess economic development potential through a public visioning and input process.

Members of the city's economic development community and employment providers have been invited to contribute to a work session with the planning commission. The work session is intended to stimulate conversation and provide feedback on the preliminary findings of the EOA.

At a high level, the EOA demonstrates the city's overall employment outlook and land supply. Hermiston's economy generally grows at a steady rate between 1 and 1.5%. Demographically, Hermiston is younger than the county and the state, but also has a lower average wage. The city is well-positioned to continue steady economic growth. The land supply is adequate for cottage industries and retail growth. There is a marked deficiency in parcels over 100 acres in size. The last 10-years of economic growth in Umatilla and Morrow counties have seen a continuous development of data centers, creating a new information sector of employment. Hermiston has already seen both of its industrial sites over 100 acres develop or be permitted for data center development, leaving the city unable to accommodate any more demand for information sector growth. It is anticipated that the city will need at least another 1,400 acres of land to accommodate information jobs based on existing and projected growth.

Tie-In to Council Goals

The city council has established expansion of the urban growth boundary as a goal for 2024 and 2025.

Fiscal Information

NA

Alternatives and Recommendation

Alternatives

NA

Recommended Action/Motion

No action is required. This work session will solicit feedback and be used to shape the final EOA.

Submitted By:

Clinton Spencer, Planning Director

DRAFT



**ECONOMIC OPPORTUNITIES ANALYSIS
HERMISTON, OREGON**

Prepared For:
City of Hermiston, Oregon

April 2024

Acknowledgments

Johnson Economics prepared this report for the City of Hermiston. Johnson Economics and the City of Hermiston thank the many people who helped to develop this document.

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This report was prepared in accordance with the requirements of OAR 660 Division 9: Economic Development.

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APPENDIX A: SITING CRITERIA BY INDUSTRY TYPOLOGY

APPENDIX B: BUILDABLE LAND INVENTORY – METHODOLOGY AND FINDINGS

I. INTRODUCTION

This report introduces analytical research presenting an Economic Opportunities Analysis (EOA) for the City of Hermiston, Oregon.

Cities are required to reconcile estimates of future employment land demand with existing inventories of vacant and redevelopable employment land within their Urban Growth Boundary (UGB). The principal purpose of the analysis is to provide an adequate land supply for economic development and employment growth. This is intended to be conducted through a linkage of planning for an adequate land supply to infrastructure planning, community involvement and coordination among local governments and the state.

To this end, this report is organized into seven primary sections:

- **Economic Development Objectives:** The community goals and policies that form the foundation for the EOA.
- **Economic Trends:** Provides an overview of national, state, and local economic trends affecting Umatilla County and the City of Hermiston, including population projections, employment growth and a demographic profile.
- **Economic Development Potential:** A discussion of the comparative advantages of the local community and work force.
- **Industries Differentiation Analysis:** Analysis of key industry typologies the City should consider targeting as economic opportunities over the planning period.
- **Employment Land Needs:** Examines projected demand for industrial and commercial land based on anticipated employment growth rates by sector.
- **Reconciliation:** Summarizes the City’s inventory of vacant and redevelopable industrial and commercial land (employment land) within City of Hermiston’s UGB. Compares short- and long-term demand for employment land to the existing land inventory to determine the adequacy and appropriateness of capacity over a five and twenty-year horizon.
- **Conclusions and Recommendations:** Summary of findings and policy implications.

II. COMMUNITY ECONOMIC DEVELOPMENT OBJECTIVES

The City of Hermiston is preparing an Economic Opportunities Analysis (EOA) based on a 20-year forecast of employment growth. A Statement of Community Economic Development Objectives defines a sustainable vision for economic development in Hermiston by considering the city’s economic history, changes affecting that tradition, and new and emerging opportunities.

The City of Hermiston aspires to become the regional center for trade and industry through the following actions:

- Ensuring an adequate supply of industrial land in large parcels to provide job creation and economic growth.
- Insuring an adequate supply of commercial land in the downtown and along commercial corridors.
- Removing barriers to commercial redevelopment to ensure a modern and efficient commercial base.
- Continue to provide leadership in identifying and locating new, and expanding existing, industrial, and commercial businesses into the City.
- Providing adequate infrastructure to support all employment activities through public and private funding sources.

The following is a summary of policies that are related to the objectives of this EOA, drawn from Chapter III of the City of Hermiston Comprehensive Plan, which contains more context and discussion on each.

POLICY 20: GENERAL ECONOMIC DEVELOPMENT

Overview

Hermiston is well situated as an economic hub in Umatilla County and the surrounding region. The city enjoys some competitive advantages which can be enhanced in the future to grow employment, establish successful industry clusters, and diversify the employment base. An ample supply of buildable commercial and industrial lands, in multiple zoning classifications, will provide the flexibility to meet the needs of new and expanding businesses.

Vision

To become the center of commercial and industrial activity in northeast Oregon providing an attractive, livable community utilizing adaptive, modern policies to capture economic development opportunities.

POLICY 17: AGRICULTURE AND AGRICULTURE-RELATED ECONOMY

THE CITY OF HERMISTON WILL UNDERTAKE ACTIVITIES WHICH REINFORCE ITS POSITION AS THE RURAL SERVICE CENTER FOR THE REGION.

- A) The City will maintain an adequate supply of designated commercial land within the City to provide a full range of goods and services needed by area farmers, and support agriculturerelated industries;
- B) The City will encourage agriculture-related businesses which add value to agricultural production in the area, including food processing, storing and shipping, and agri-tourism.

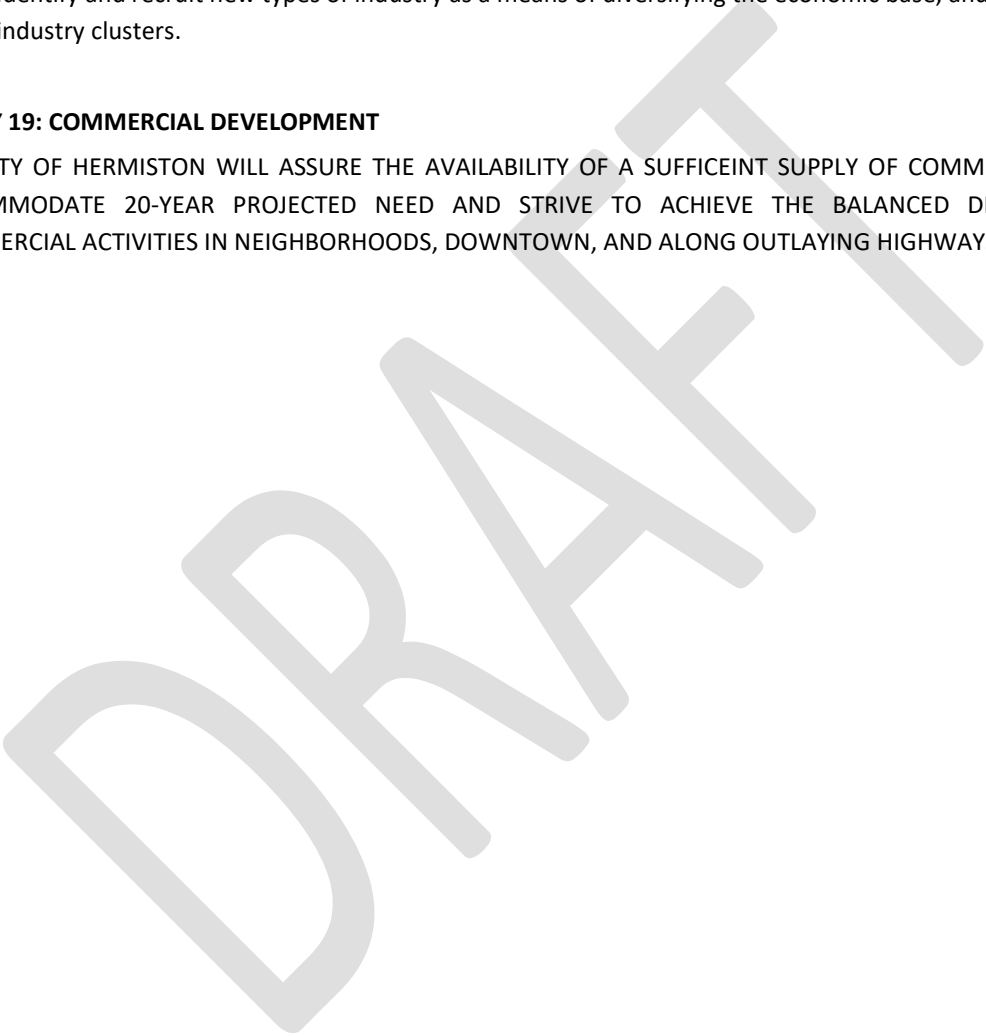
POLICY 18: GENERAL INDUSTRIAL DEVELOPMENT

THE CITY OF HERMISTON WILL FACILITATE INDUSTRIAL DEVELOPMENT AS A MEANS OF CREATING NEW JOBS AND FOSTERING THE ECONOMIC WELL BEING OF THE COMMUNITY. IN SUPPORT OF THIS GOAL, THE CITY OF HERMISTON ADOPTS THE FOLLOWING POLICIES:

- A) The City will maintain an adequate supply of designated industrial land to meet anticipated demand, including large developable parcels;
- B) Provide an appropriate level of urban services, including water, sewer, roads, and police and fire protection in a timely and efficient manner;
- C) Identify and recruit new types of industry as a means of diversifying the economic base, and building existing industry clusters.

POLICY 19: COMMERCIAL DEVELOPMENT

THE CITY OF HERMISTON WILL ASSURE THE AVAILABILITY OF A SUFFICIENT SUPPLY OF COMMERCIAL LAND TO ACCOMMODATE 20-YEAR PROJECTED NEED AND STRIVE TO ACHIEVE THE BALANCED DISTRIBUTION OF COMMERCIAL ACTIVITIES IN NEIGHBORHOODS, DOWNTOWN, AND ALONG OUTLYING HIGHWAYS.



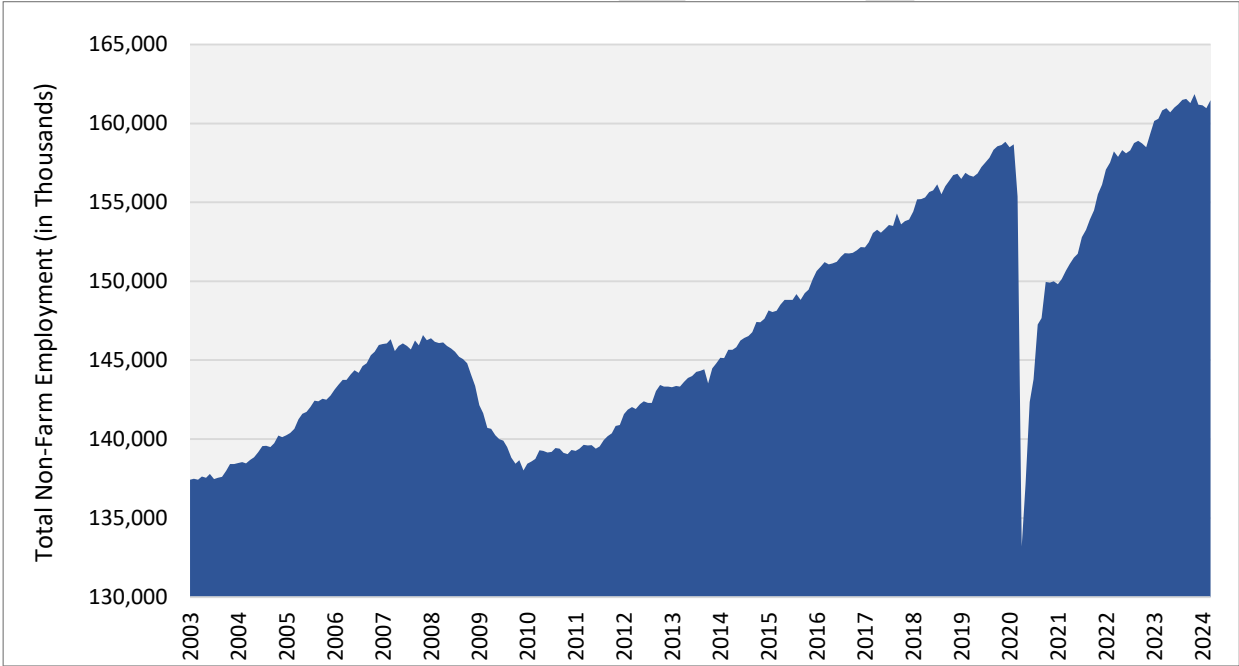
III. ECONOMIC TRENDS

This section summarizes employment and workforce trends at the national, state, and local level that will influence economic conditions in the City of Hermiston over the 20-year planning period. This section is intended to provide the economic context for growth projections and establish a socioeconomic profile of the community.

A. NATIONAL TRENDS

Employment: In the first months of the pandemic, the nation lost nearly 22 million jobs, or 14% of total employment. However, the economy recovered quickly, displaying exponential growth as early as February 2021. As of late 2022, national employment had largely returned to pre-pandemic levels, eventually going on to reach a new peak in 2023 with roughly 162 million non-farm jobs in the economy (Figure 3.1).

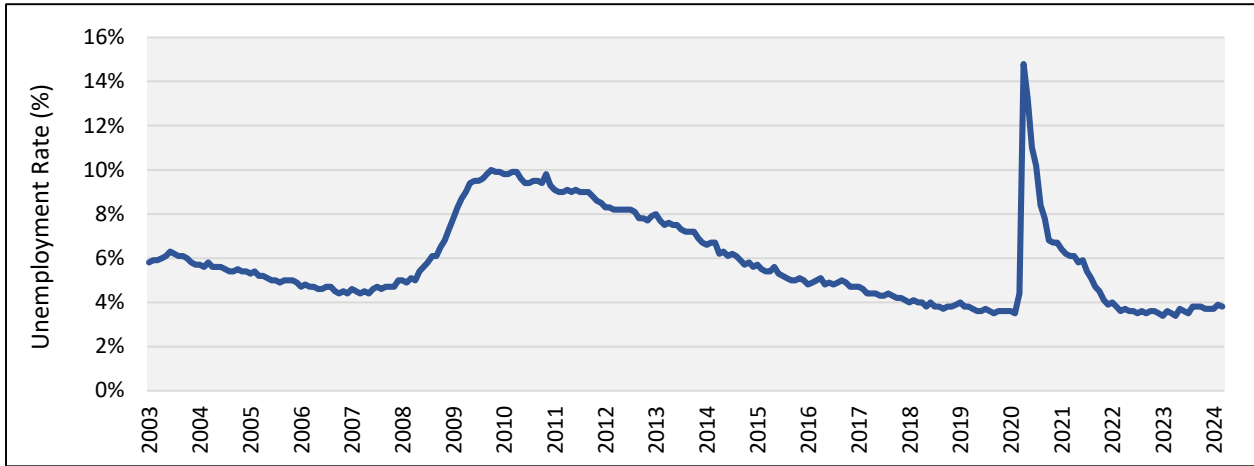
FIGURE 3.1: NATIONAL EMPLOYMENT LEVELS (JAN 2003 – MAR 2024)



Source: U.S Federal Reserve Bank of St. Louis

Unemployment Rate The national unemployment rate spiked to nearly 15% in 2020 as many businesses paused operations or closed permanently in the first months of the pandemic. However, the unemployment rate began to decline almost immediately, and by mid-2022 had fallen back to a low 3.5%. There has been a slight uptick in the unemployment rate following the summer 2023, but it has remained low by historical standards, hovering around 3.9% as of March 2024 (Figure 1.2).

FIGURE 3.2: NATIONAL UNEMPLOYMENT RATE (JAN 2003 – MAR 2024)

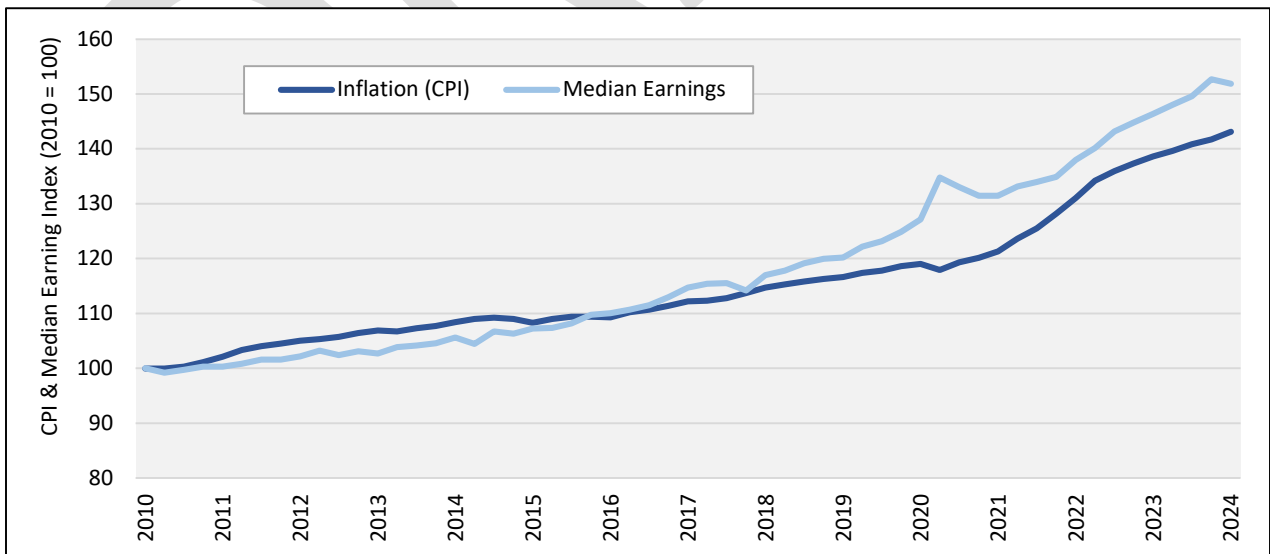


Source: U.S Federal Reserve Bank of St. Louis

Inflation: The counter story to this strong positive rebound in employment has been a rising rate of inflation coming out of the pandemic. Various stimulus measures, combined with supply shortages, led to rising prices for many consumer products, energy, and food. The rate of inflation accelerated in 2021 and began moderating towards the end of 2022, though the rate remains elevated (Figure 3.3). The Federal Reserve has maintained higher interest rates to curb price increases, however recent inflation has been at least partially driven by global macroeconomic forces beyond the Fed’s control.

Wages: On a positive note, average household earning levels have also enjoyed growth coming out of the recession and have largely kept pace with, or exceeded, inflation in recent years. Earnings also spiked in 2020 when government stimulus payments were added to earned wages. However, this growth has started to decelerate as of Q1 2024, decreasing from the quarter before (Figure 3.3).

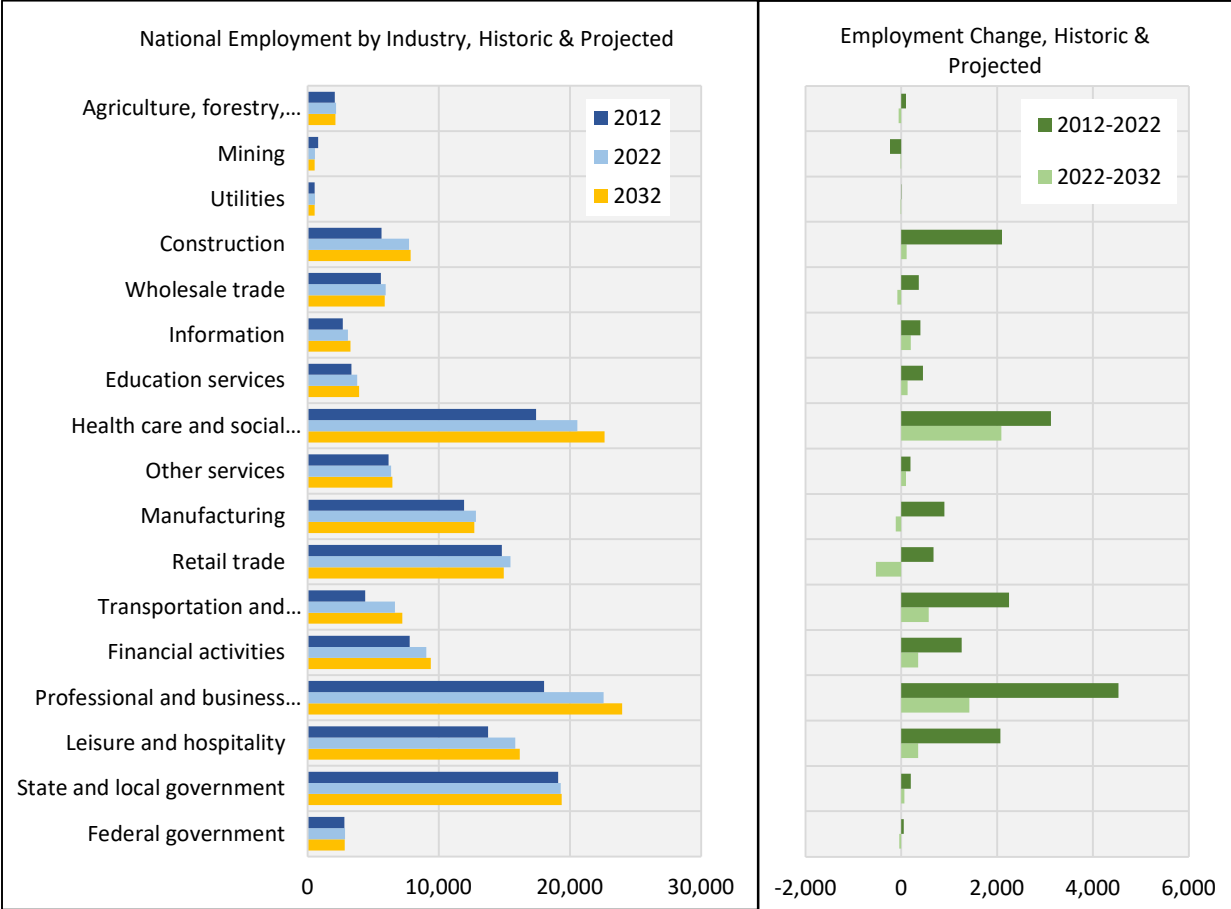
FIGURE 3.3: INFLATION INDEX VS. MEDIAN EARNINGS INDEX (Q1 2010 – Q1 2024)



Source: U.S. Federal Reserve Bank of St. Louis; Consumer Price Index for Urban Consumers (US); Median Earnings for Full-Time Employees, Seasonally Adjusted

Industry Sector Employment: At a national level healthcare & social assistance is projected to account for the largest share of new employment growth, followed by professional & business services, and leisure & hospitality. The aging of the population is expected to drive the healthcare sector over the next few decades.

FIGURE 3.4: NATIONAL EMPLOYMENT GROWTH BY SECTOR, HISTORIC AND PROJECTED

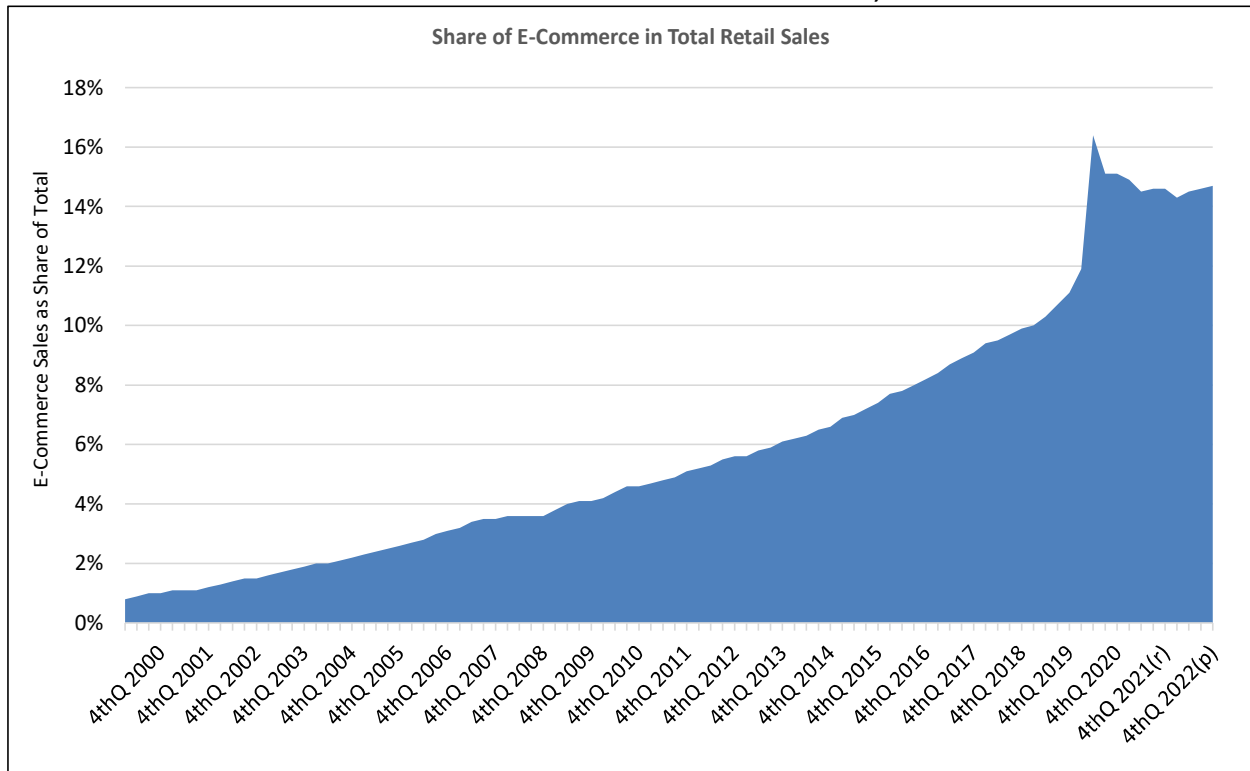


SOURCE: US Bureau of Labor Statistics

Recent trends and current forecasts reflect a shift from a goods economy, featuring manufacturing and natural resources, towards a service economy, which emphasizes technological innovation, research, and design.

The most dramatic spending shift in the context of real estate in recent times is the growth in online shopping, which has reduced the overall need for brick-and-mortar space, especially from retailers selling physical goods. While the share of sales accounted for by e-commerce has grown at a steady pace over the last decade, the pandemic greatly accelerated this trend. In 2020, the share of sales taking place online jumped from 12% of total retail spending to 16%. It has since settled to 14.5% of spending, which is well above the pre-pandemic share (Figure 3.5).

FIGURE 3.5: E-COMMERCE AS A PERCENT OF TOTAL RETAIL SALES, UNITED STATES



SOURCE: Retail Indicators Branch, U.S. Census Bureau, JOHNSON ECONOMICS

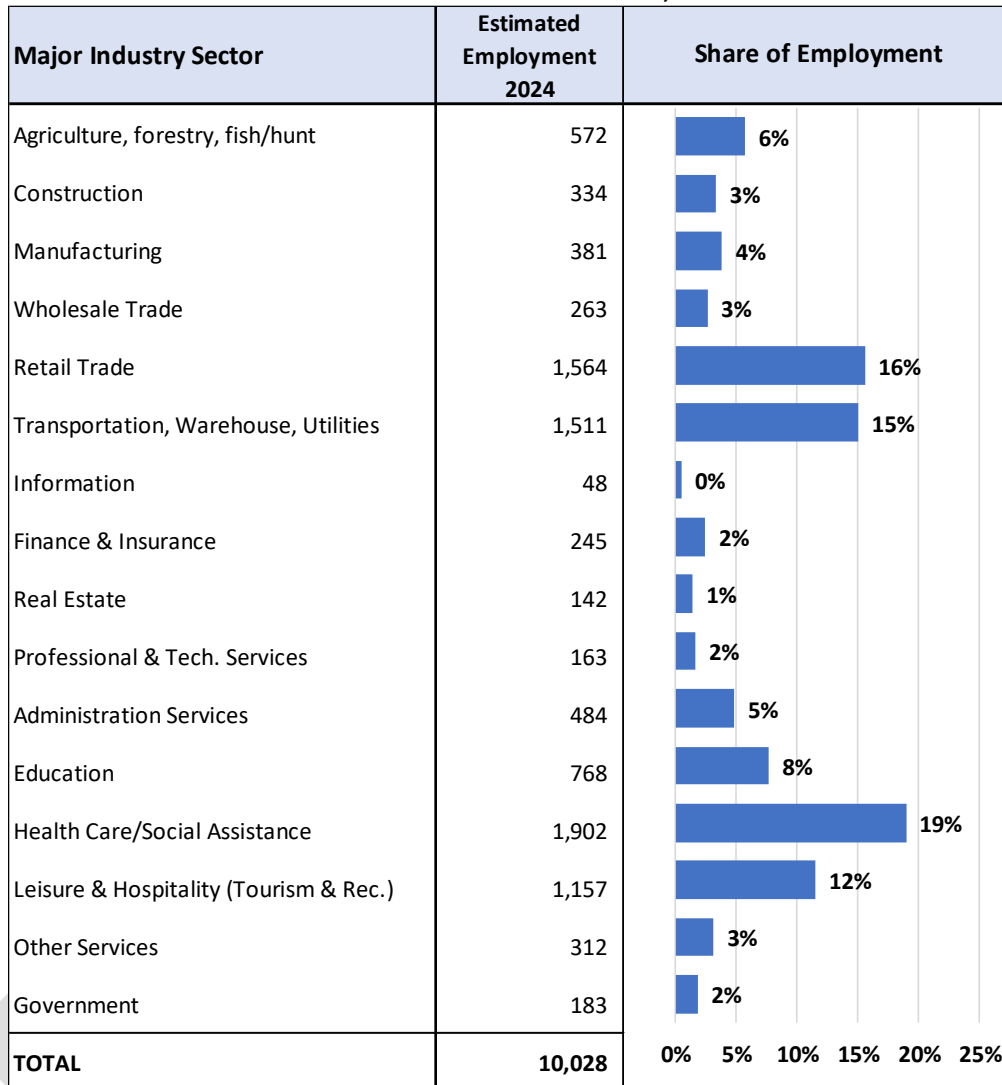
The growth in e-commerce has accelerated a shift in storage needs from retail stores to warehouses and distribution centers. At the same time, automation is causing a consolidation within the warehousing and distribution industry, leading to increasing reliance on larger third-party operators able to make heavy investments in capital and expertise. Finally, changes in the use of electronic devices and growth in online services are causing a shift in the tech sector, from hardware manufacturing to software development.

This pattern has also been reflected in the State of Oregon, with e-commerce employment increasing at the expense of brick-and-mortar retail employment. This is causing a shift in storage needs from retail stores to warehouses and distribution centers. This has also been one factor underlying the growth of the data center industry to facilitate the growth in online activity, which is discussed in greater detail in a following section.

B. HERMISTON EMPLOYMENT AND FIRMS

As of 2024, the City of Hermiston is home to over 755 businesses with roughly 10,000 workers, including the self-employed. The largest industries by employment are health care, retail, transportation/warehousing/utilities, and leisure and hospitality (including dining and tourism-related). Hermiston has the lowest estimated employment representation in government, real estate and professional services, and the information sectors. (Industry sectors are discussed in more detail in Section IV of this report)

FIGURE 3.5: ESTIMATED EMPLOYMENT BY INDUSTRY SECTOR, CITY OF HERMISTON 2022



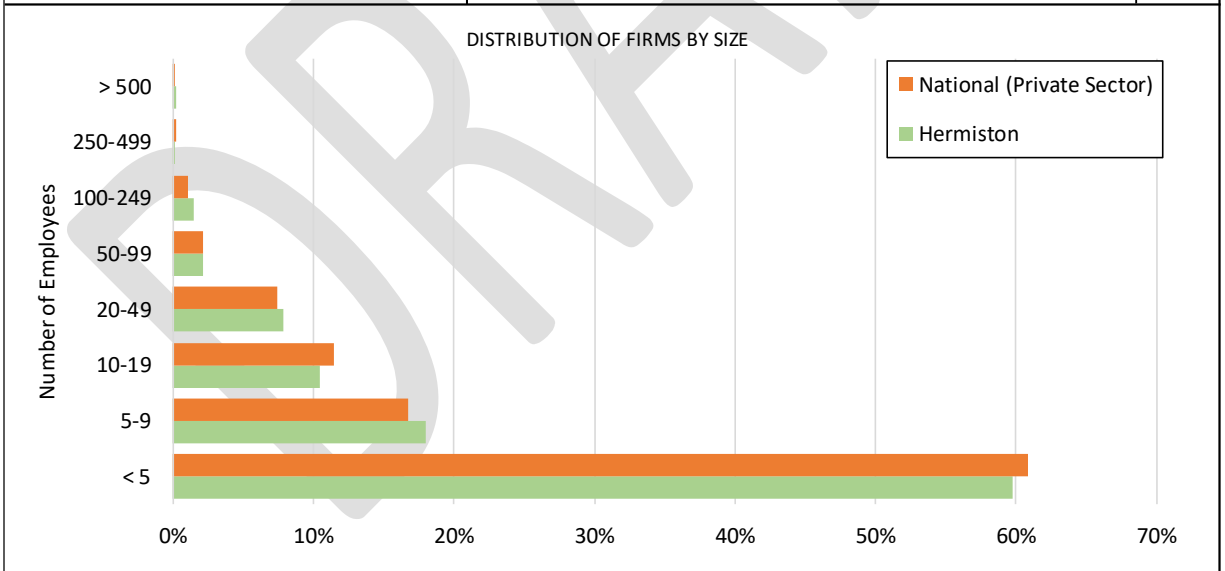
SOURCE: Oregon Employment Department, 2022 QCEW data projected to 2024, Johnson Economics

The local employment base is dominated by relatively small firms, with nearly 90% of businesses having fewer than 20 employees (Figure 3.2). However, this trend is in keeping with the national average. Most businesses are small businesses. (This is based on the most recent 2022 QCEW data for unemployment-insurance covered employment, and therefore doesn't include all self-employment or owner/operator businesses.) Just 1% of firms have more than 100 employees. This is again, in keeping with national trends.

As of 2022, there were an estimated 755 firms in Hermiston with covered employees.

FIGURE 3.6: DISTRIBUTION OF FIRMS BY SIZE, CITY OF HERMISTON - 2022

NAICS		Size of Firm/Employees								Total
Code	Industry	< 5	5-9	10-19	20-49	50-99	100-249	250-499	> 500	
11	Agriculture, forestry, fishing, and hunting	2	3	1	2	0	1	0	0	9
21	Mining	1	0	0	0	0	0	0	0	1
23	Construction	38	6	5	3	0	0	0	0	52
31	Food Manufacturing	0	0	2	0	0	0	0	0	2
32	Wood Manufacturing	2	2	1	1	0	1	0	0	7
33	Metals Manufacturing	2	3	0	1	0	0	0	0	6
22	Utilities	1	1	1	0	0	1	0	0	4
42	Wholesale trade	11	5	0	2	2	0	0	0	20
44	Retail trade	19	9	9	4	3	2	0	0	46
45	Retail trade	14	8	11	1	0	0	1	0	35
48	Transportation	10	5	2	0	0	1	0	0	18
49	Delivery and warehousing	0	0	1	1	0	0	0	1	3
51	Information	11	0	2	0	0	0	0	0	13
52	Finance and Insurance	15	8	5	1	1	0	0	0	30
53	Real Estate and Rental	34	3	3	1	0	0	0	0	41
54	Professional, Scientific, and Technical Services	20	4	2	1	0	0	0	0	27
55	Management of Companies and Enterprises	1	3	0	1	0	0	0	0	5
56	Administrative and Waste Management	19	7	4	2	1	2	0	0	35
61	Educational services	2	1	0	6	4	2	0	0	15
62	Health care and social assistance	159	28	13	5	3	1	0	1	210
71	Arts, Entertainment, and Recreation	1	1	1	3	0	0	0	0	6
72	Accommodation and Food Services	17	16	10	21	1	0	0	0	65
81	Other services	42	19	4	1	0	0	0	0	66
92	Government	1	4	2	2	1	0	0	0	10
99	Unclassified	29	0	0	0	0	0	0	0	29
TOTAL		451	136	79	59	16	11	1	2	755

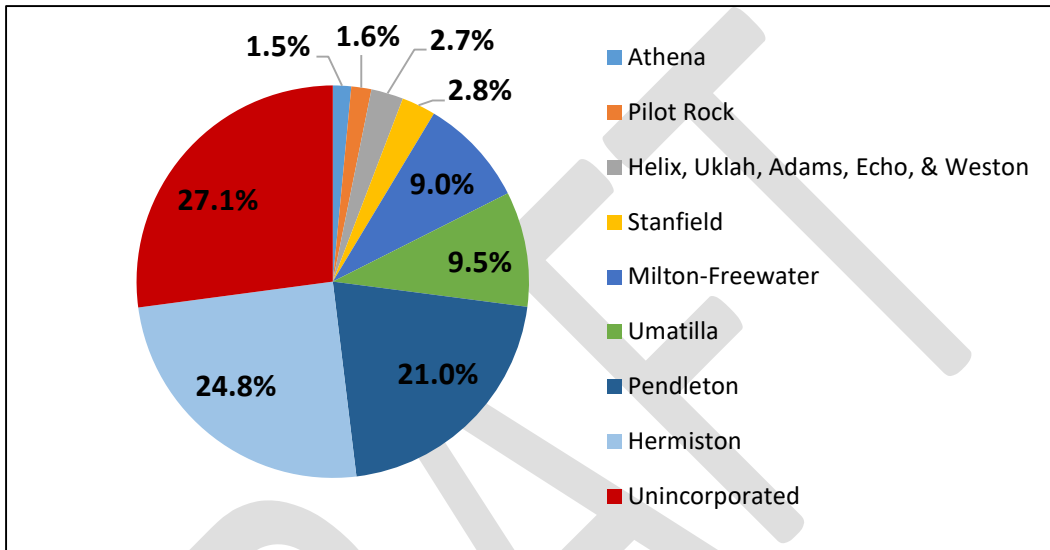


Source: Oregon Employment Department, QCEW data

B. LOCAL POPULATION AND WORKFORCE TRENDS

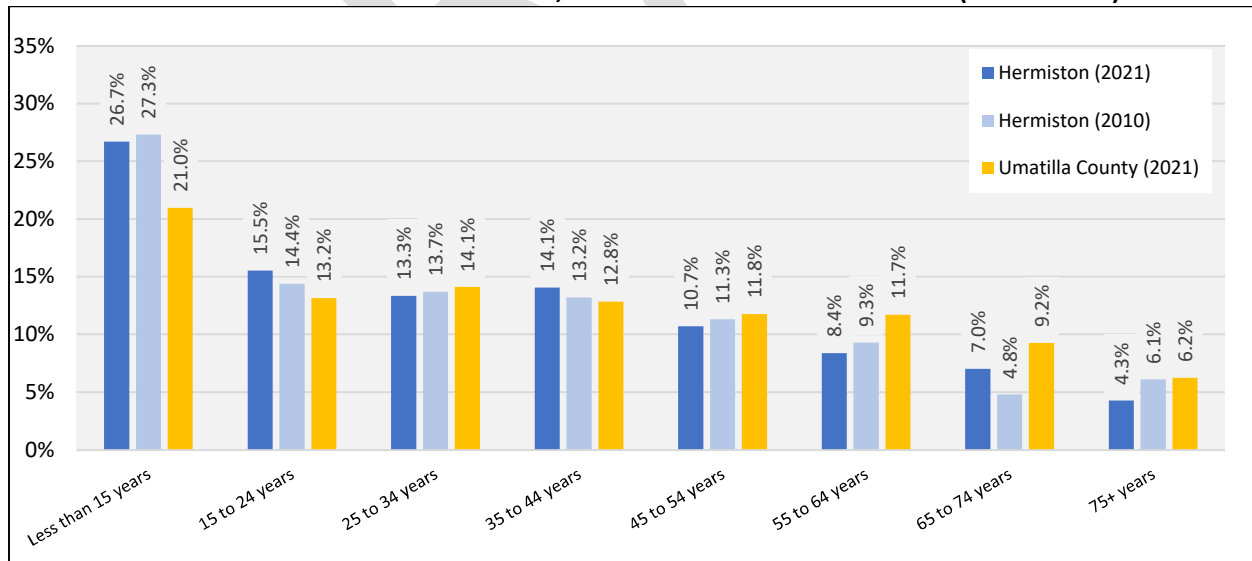
Population: With a population of roughly 20,000 people in 2022, the City of Hermiston is the largest incorporated municipality in Umatilla county, representing nearly 25% of the county’s population. The city has grown at an estimated rate of 1.5% per year since 2010, almost double that of the county’s growth rate. The city grew by roughly 3,200 residents since 2010, which accounts for 72% of the entire county’s growth of 4,400 residents in that period. It is projected that by 2043 Hermiston will represent over 31% of Umatilla’s county population¹.

FIGURE 3.7: SHARE OF TOTAL POPULATION IN UMATILLA COUNTY, 2022²



SOURCE: Population Research Center, Portland State University

FIGURE 3.8: BROAD AGE DISTRIBUTION, HERMISTON AND UMATILLA COUNTY (2010 – 2021)



SOURCE: U.S Census Bureau, ACS 5-Year Estimate

¹ PSU Population Research Center, Oregon Population Forecast Program (2022 – 2026 Cycle)

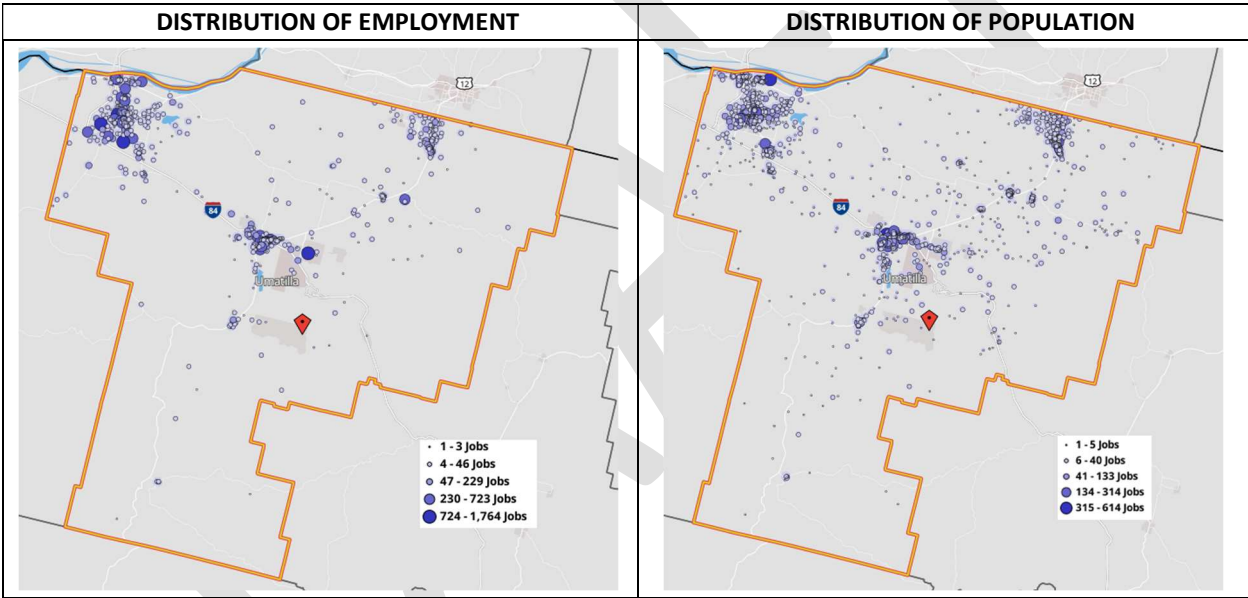
² Helix, Uklah, Adams, Echo, & Weston are grouped together as each of these cities represent less than 1% of the county’s population respectively.

Hermiston has a younger population than the county, with over a quarter of the population being younger than 15 years according to the Census (Figure 3.8). Between 2010 and 2021, the <15 age bracket grew the most as a share of the population, highlighting Hermiston’s appeal as well as a place suitable for young families. Those aged 45 to 64 also grew as a share of the total population but remain smaller than the county share.

When compared to the rest of the state, Umatilla County has a larger proportion of children, and around 2% fewer people aged 18-64, and around 3% fewer people aged 65 and older, thus having a proportionally younger population but smaller share in prime working years than the state. The trend towards an older population is a national trend due to the aging of the large Baby Boom generation. The first half of this generation is now well past the traditional retirement age, while much of the younger half will be retiring over the coming decade.

Employment and Population Concentrations: The distribution of employment in Umatilla County is concentrated around the cities of Hermiston and Umatilla city in the northwest; Pendleton in the heart of the county; and Milton-Freewater in the northeast. The distribution of population is similar, however with more households spread throughout the various unincorporated areas of the county.

FIGURE 3.9: DISTRIBUTION OF EMPLOYMENT AND WORKFORCE, UMATILLA COUNTY, 2020

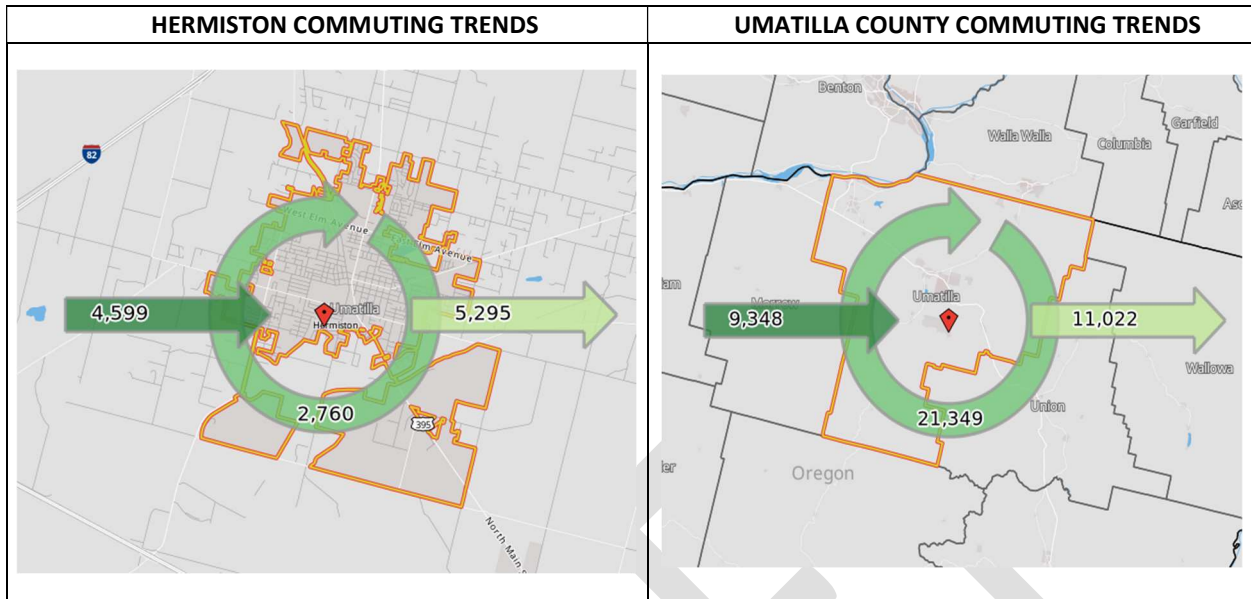


SOURCE: Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Data

Commuting Trends: In 2020 (the most recent data available), the city of Hermiston was estimated to have roughly 4,600 people commuting in for work, while 5,300 people commuted out; 2,760 residents both lived and worked in the city. These figures reflect “covered employment” as of 2020, the most recent year available. Covered employment refers to those jobs where the employee is covered by federal unemployment insurance. This category does not include many contract employees and the self-employed and therefore is not a complete picture of local employment. The figures discussed here are best understood as indicators of the general pattern of commuting and not exact figures.

Of those residents who work outside of the city, the most common commute destinations are Umatilla city, Pendleton, Boardman, and Portland. For local employees who commute in from outside of Hermiston, most live in Umatilla city, Pendleton, and Kennewick.

FIGURE 3.10: NET INFLOW-OUTFLOW OF EMPLOYEES, HERMISTON, AND UMATILLA COUNTY, 2020

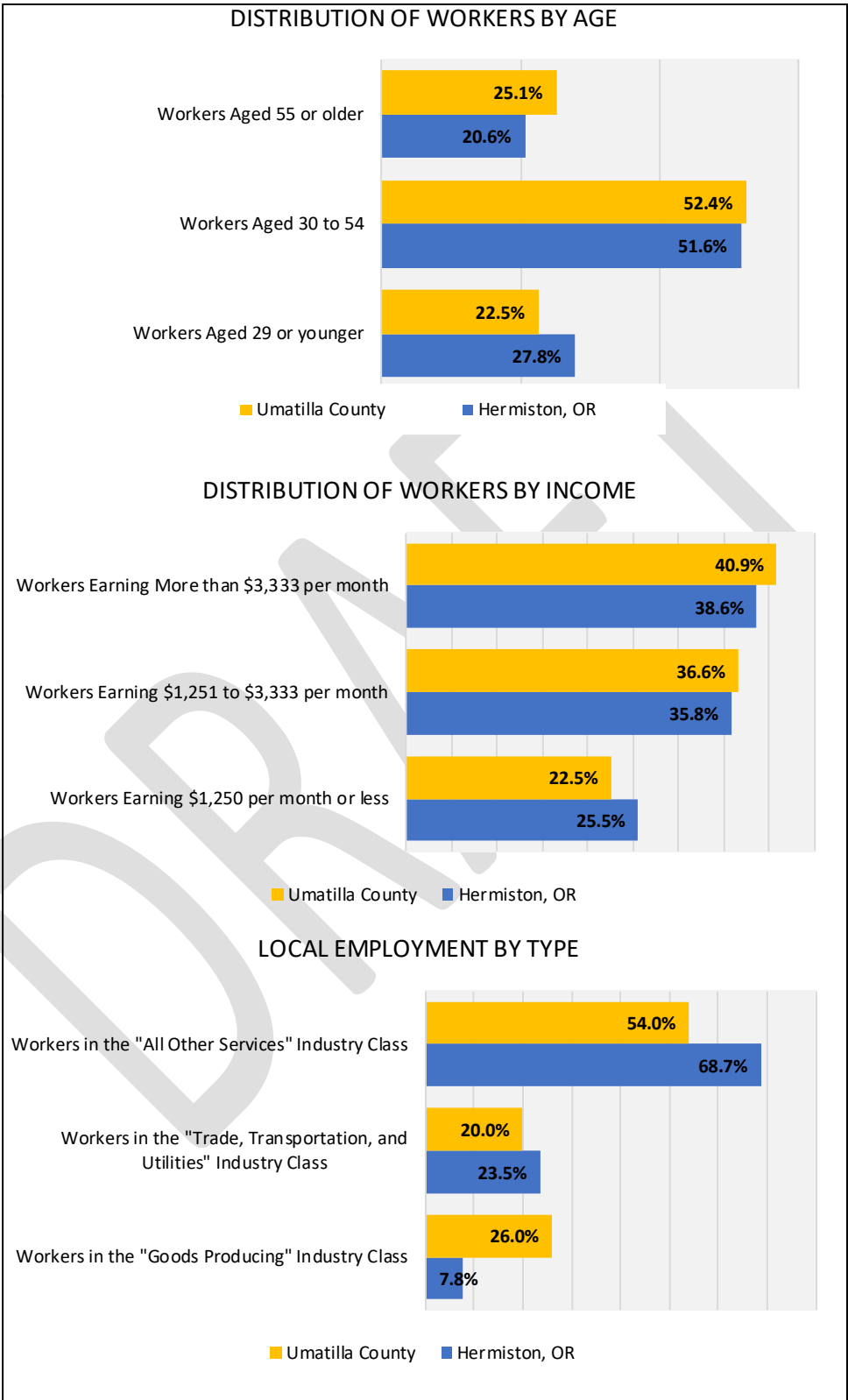


SOURCE: Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Data

Some amount of cross-commuting is common in most communities, as residents are willing to consider a larger employment market beyond the city boundaries, and as workers in the broader area search for available housing that may be in other cities. However, over one third of working residents of Hermiston both live and work in Hermiston, which is a fairly high share compared to many markets.

Labor Force Characteristics: The figures below show a comparison of labor force distribution in Hermiston city and Umatilla county. Hermiston has a larger proportion of workers aged 29 or younger as well as workers who earn \$1,250 or less per month (categories provided by the Census Bureau.) This highlights how Hermiston’s labor force is somewhat younger and relatively lower income compared to the county.

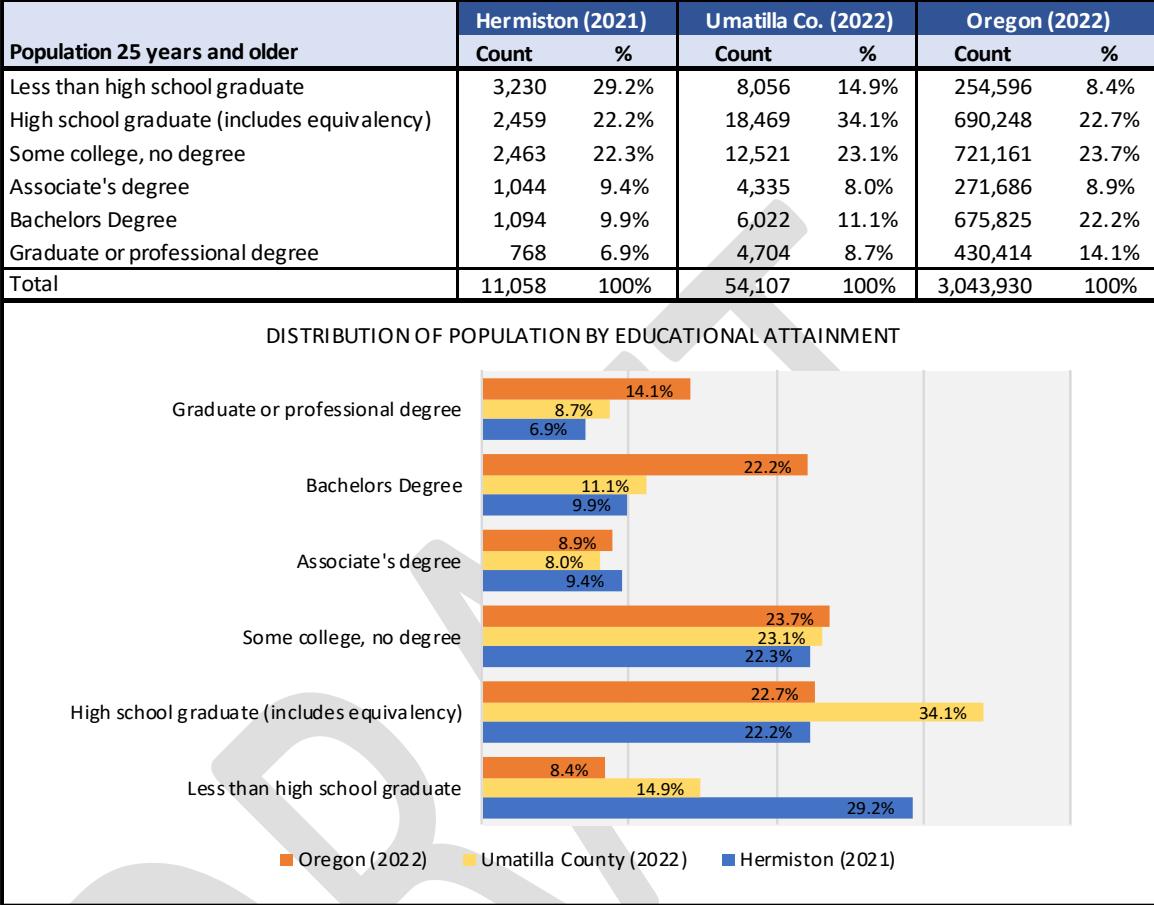
FIGURE 3.11: NET INFLOW-OUTFLOW DETAILS, HERMISTON AND UMATILLA COUNTY, 2020



SOURCE: US Census Bureau, LEHD Origin-Destination Employment Statistics

Hermiston has a lower-educated adult population in comparison to the county or state (Figure 3.12). Note that the data on Hermiston is from 2021 as that is the most recent available data.

FIGURE 3.12: EDUCATIONAL ATTAINMENT PROFILE FOR THE POPULATION 25 AND OVER, 2021 & 2022



SOURCE: U.S. Census Bureau, 2017-2021 ACS 5-Year Estimates, 2021 - 2022 ACS 1-Year Estimates

- Roughly 30% of the local population 25 and older has not completed high school, as compared to 8.4% statewide.
- An additional 22% have a high school education.
- 49% of the adult population in 2021 has some education beyond high school, compared to 51% countywide (2022), and 69% statewide (2022).
- 26% of local adults in 2021 had completed a post-secondary degree, compared to 28% of the county population in 2022, and 45% of the state population in 2022.

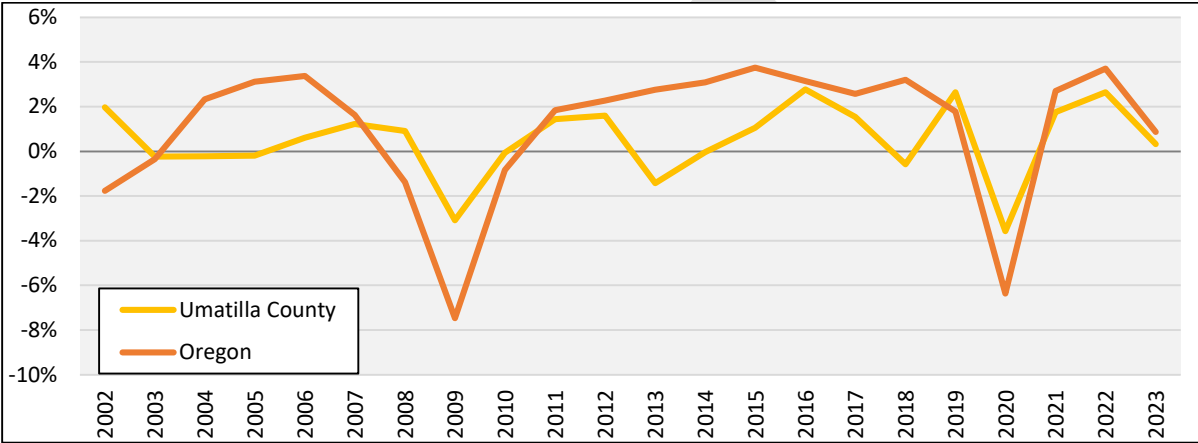
The local workforce actually has good capacity to fill many information technology (IT) jobs, a field which has seen growing demand due to the region becoming an emerging data center hub. Contrary to popular belief, many IT jobs do not require a college degree. For example, data from Indeed.com shows that as of 2023, 36% of “Data Center Technician” job openings only require a high school diploma or GED, while 31% require a bachelor’s degree, 27% require an associate’s degree, and 6% require a master’s degree ³.

³ <https://www.indeed.com/career/data-center-technician/career-advice>

Employment Growth: Umatilla County has displayed weaker employment growth when compared to the State of Oregon. Throughout the 2010’s Umatilla County’s employment growth hovered between 1.5% to 3%, but with 2013 and 2018 both seeing a net decrease in the employment base.

In comparison, the state’s employment growth rate hovered consistently around the 2% to 4% range, averaging at 2.4% annually in the same time span. Despite this, Umatilla County has been less effected by recent shocks such as the ’08 – ’09 and COVID recessions. This is most likely due to a large share of the county’s employment base being historically employed in the health care and social assistance sector which is more resilient to economic shocks. During the most recent COVID recession, Umatilla County’s employment base decreased by 3.6% while the state’s employment base decreased by 6.4%.

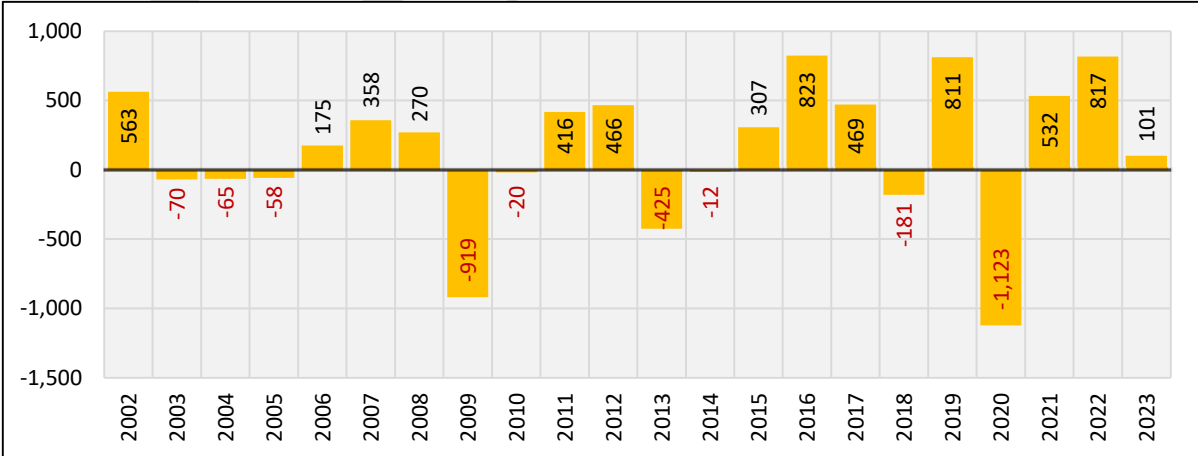
FIGURE 3.13: YEAR-OVER-YEAR EMPLOYMENT GROWTH RATE, UMATILLA COUNTY & OREGON (2002 – 2023)



Source: Oregon Employment Department, QCEW Estimates

Annual employment growth in Umatilla County was slow in the 2000’s with more jobs lost than gained throughout the decade. The 2010’s saw better employment growth, peaking in 2016 with 823 jobs added. As with most of the nation, the county experienced significant job loss in 2020 due to the COVID pandemic, but quickly rebounded in the following years. As of 2022, all the jobs lost in 2020 have been recovered, while the state had only recovered roughly 80% of the jobs lost by the end of the year.

FIGURE 3.14: NET CHANGE IN EMPLOYMENT, UMATILLA COUNTY (2002 – 2023)



Source: Oregon Employment Department, QCEW Estimates

IV. COMMUNITY ECONOMIC DEVELOPMENT POTENTIAL

The economic climate of a community helps foster growth of existing firms and industry clusters and make the area attractive for new businesses. The City of Hermiston has several advantages that boost its potential as a location for current and future business.

Location: Hermiston’s location is an advantage for some industries and a challenge for others. Located on the Columbia River Gorge in Eastern Oregon, the addressable market for goods and service providers in Hermiston stretches from Boardman to Pendleton to the Tri-Cities in Washington. However, the market for small local, non-traded sector businesses is limited by population size and density.

The location has strong benefits for some industry, in particular agriculture and ag support businesses, food processing and manufacturing, businesses benefiting from river access and transport, and those drawing from the ample power, water, and land resources, which notably includes the data center industry over the past decade.

Transportation Connectivity: Hermiston has strong regional transportation access, being located at the conjunction of the I-84 and I-82 freeways, and near multiple state and federal highways. I-84 is the main route for commuters, freight, and travelers between Boise and Portland, while I-82 provides direct access to the Tri-Cities area in Washington State to the north. Hermiston has easy access to its nearest neighboring communities including Umatilla, Boardman, and Pendleton.

Businesses in the area have multiple access points to freight rail service with connections to the remainder of the Northwest. There are small municipal airports located in Hermiston and Pendleton, and the larger Tri-Cities airport is located 45 minutes to the north. Portland International Airport is located roughly three hours to the west, and Boise Airport four hours to the east.

Labor Market: The availability of ample and skilled labor is a key factor in economic development potential. Beyond the talent pool of Hermiston residents, the city’s central location and freeway access give local businesses the ability to draw on a larger labor pool from the region. In Oregon, Hermiston draws on a labor pool from across Umatilla County and North Morrow County, and as far as La Grande. The Tri-Cities metro area, with a population of over 300,000, is located 30 minutes to the north and is an important source of skilled labor across the region.

An estimated 63% of the local workforce commutes into Hermiston. While ideally these workers may eventually choose to relocate to the community, in the meantime businesses know they can attract workers with a full range of skills and experience from a broader area if necessary.

Common workforce issues include finding qualified workers with the proper basic and technical skills, training entry-level workers effectively, and successfully employing contractors from staffing agencies. With the ongoing development of large data center facilities in Umatilla County, a specialized industry that hardly existed 15 years ago, along with other employment growth, drawing sufficient skilled workers to the area may remain a challenge for the foreseeable future. The continued population growth in Hermiston and ready access to the broader region will help this effort. New and existing local businesses will also assist in developing the specific skills and education they will need from their workforce.

Quality of Life: Hermiston offers a high quality of life and urban amenities to attract new workers and businesses to the city. The city offers a mixture of small-town lifestyle, diverse cultural activities, with access to nature and rural amenities, while also being a quick trip away from other metro areas with additional urban amenities. The community features relatively affordable housing in comparison to other parts of the region, good schools, parks, and ample shopping and local services.

Hermiston’s location on the gorge in Northeastern Oregon offers ready access to a full range of river and mountain recreation, including camping, hiking, fishing, and hunting.

Utilities: Hermiston and Umatilla County have ready access to ample green energy from regional dams on the Columbia River watershed, including the McNary Dam directly to the North. The area also has ample water resources to meet the needs of agriculture and water-dependent industry. This combination has made Umatilla and Morrow Counties attractive to the data center industry over the past decade as they need dependable sources of both.

Flat, Buildable, Land: The study area has a diversity of potentially available land to accommodate a range of uses and intensity of uses. This diversity can expand regional marketability and offers the flexibility to plan uses meeting specific site criteria. Within the State of Oregon, there are very limited opportunities for large-lot industrial development. The region’s potential supply of large sites can provide a strong competitive advantage, if it is made available. While the land in the county may be hypothetically suitable however, the right amount, location, and sizes of development sites for different employers may not be currently available within the Urban Growth Boundary.

Economic Development Partnerships: Hermiston has several partners in economic development, including the Hermiston Chamber of Commerce, Umatilla County, the Port of Umatilla, neighboring cities, NEOEDD, and Business Oregon. Hermiston features a Blue Mountain Community College campus to offer ongoing education and training to the local workforce.

Local and regional employers are also key partners in promoting and growing their industries. Hermiston works with these and other regional partners to provide the infrastructure and services needed to retain and attract businesses to the city.

Economic Development Tools: Hermiston features an Enterprise Zone and Opportunity Zones which allow for tax abatements to incentivize new business development across the city. Hermiston also maintains multiple Urban Renewal areas that can offer incentives for development, secure key economic development sites, among other projects.

V. INDUSTRY DIFFERENTIATION ANALYSIS

This element of the Economic Opportunities Analysis utilizes analytical tools to assess the economic landscape in Umatilla County and the City of Hermiston. The objective of this process is to identify a range of industry types that can be considered targeted economic opportunities over the planning period.

A range of analytical tools to assess the local and regional economic landscape are used to determine the industry typologies the county and individual cities should consider targeting over the planning period. Where possible, we look to identify the sectors that are likely to drive growth in current and subsequent cycles.



ECONOMIC SPECIALIZATION (UMATILLA COUNTY)

A common analytical tool to evaluate economic specialization is location quotient analysis. This metric compares the concentration of employment in an industry at the local level to a larger geography. All industry categories are assumed to have a quotient of 1.0 on the national level, and a locality’s quotient indicates if the local share of employment in each industry is greater or less than the share seen nationwide. For instance, a quotient of 2.0 indicates that locally, that industry represents twice the share of total employment as seen nationwide. A quotient of 0.5 indicates that the local industry has half the expected employment.

FIGURE 5.1: INDUSTRY SECTOR SPECIALIZATION BY MAJOR INDUSTRY, UMATILLA COUNTY, 2022

Industry	Annual Establishments	Average Employment	Total Annual Wages	Average Annual Wages	Employment LQ
101 Goods-producing	505	7,754	\$372,716,437	\$48,066	1.64
1011 Natural resources and mining	195	3,649	\$146,559,195	\$40,164	9.49
1012 Construction	232	1,235	\$75,186,831	\$60,859	0.76
1013 Manufacturing	79	2,870	\$150,970,411	\$52,604	1.06
102 Service-providing	1849	16,948	\$810,378,253	\$47,817	0.75
1021 Trade, transportation, and utilities	410	6,774	\$327,118,030	\$48,294	1.13
1022 Information	35	657	\$62,828,861	\$95,581	1.02
1023 Financial activities	171	710	\$41,441,687	\$58,341	0.39
1024 Professional and business services	211	1,306	\$66,612,269	\$50,989	0.27
1025 Education and health services	517	3,944	\$221,186,028	\$56,083	0.8
1026 Leisure and hospitality	210	2,733	\$62,023,130	\$22,695	0.82
1027 Other services	219	794	\$27,834,584	\$35,052	0.85
1029 Unclassified	77	29	\$1,333,664	\$45,988	0.46
Total	4,710	49,403	\$2,366,189,380	\$47,896	

SOURCE: U.S. Bureau of Labor Statistics

A location quotient analysis was completed for Umatilla County, which evaluated the distribution of local employment relative to national averages, as well as average annual wage levels by industry (Figure 5.1). The industries that are well-represented countywide are good candidates for growth in localities such as Hermiston as the city has the ability to tap into regional advantages to grow locally.

Among major industries, the natural resources sector (which includes agriculture) was the most strongly represented, with trade, transportation, and utilities being the next. Manufacturing and information each have representation somewhat higher than the national average, though recent additions to employment in the information sector from data center development are not included in this 2022 data. The professional & business services and financial activities sector were the most under-represented major industries. The information sector provided the highest average wages among these industries, while the leisure and hospitality industry (tourism) has the lowest average wages.

A more detailed analysis shows that the industries with the highest LQ in the county are the “agriculture, forestry, fishing, and hunting” category followed by the local government, transportation & warehousing, and utilities industries. The industries that employ the most people in the county are the local government, healthcare & social assistance, “agriculture, forestry, fishing, and hunting”, and retail trade industry. The most under-represented industries are the educational services, management of companies & enterprises, and professional & technical services.

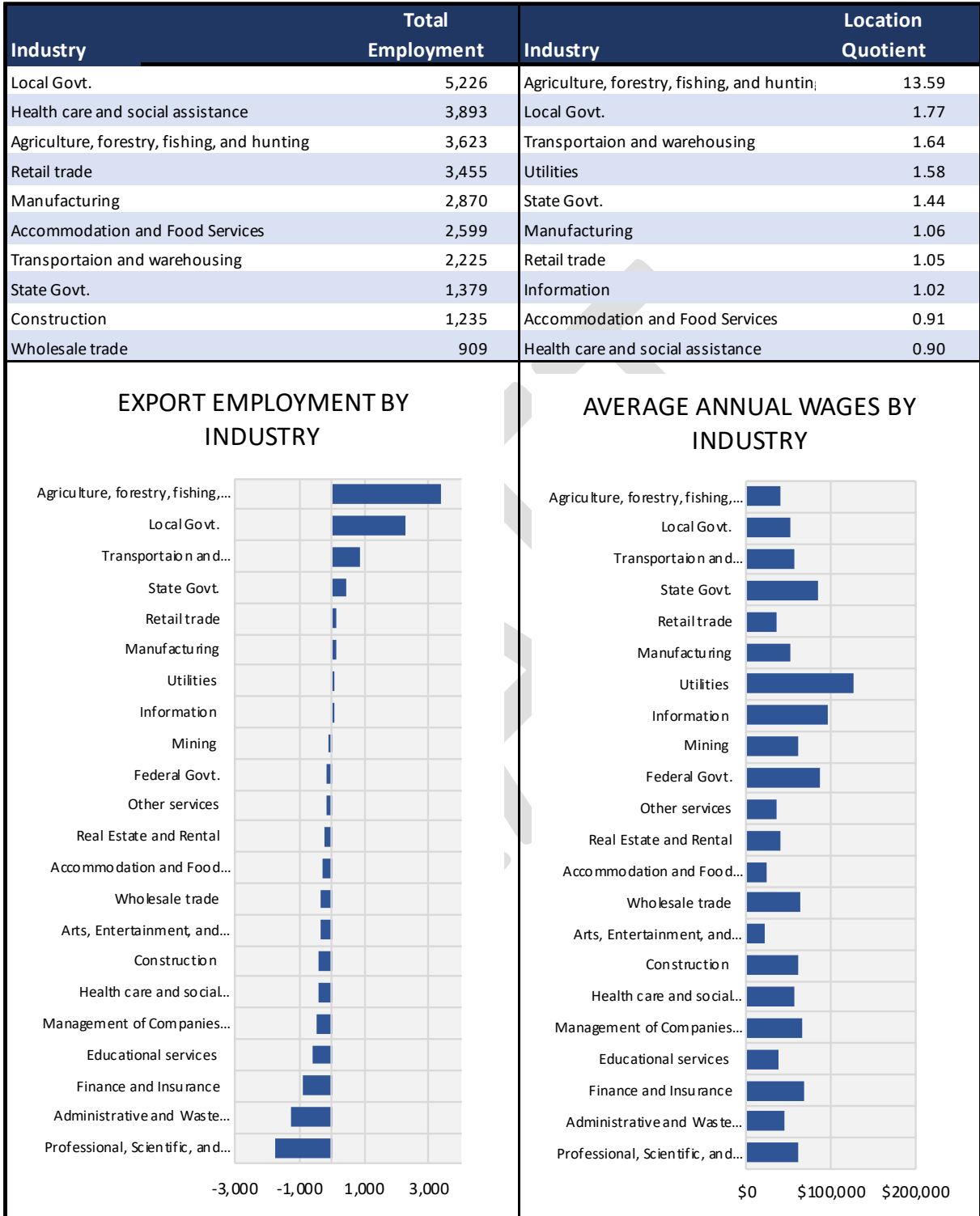
FIGURE 5.2: INDUSTRY SECTOR SPECIALIZATION BY DETAILED INDUSTRY, UMATILLA COUNTY, 2022

Industry	Annual	Average	Average Annual		
	Establishments	Employment	Total Annual Wages	Wages	Employment LQ
Agriculture, forestry, fishing, and hunting	191	3,623	\$144,924,249	\$40,006	13.59
Mining	4	26	\$1,634,946	\$61,891	0.22
Utilities	8	185	\$23,542,562	\$127,372	1.58
Construction	232	1,235	\$75,186,831	\$60,859	0.76
Manufacturing	79	2,870	\$150,970,411	\$52,604	1.06
Wholesale trade	86	909	\$57,256,576	\$63,000	0.72
Retail trade	234	3,455	\$121,540,510	\$35,177	1.05
Transportation and warehousing	82	2,225	\$124,778,382	\$56,086	1.64
Information	35	657	\$62,828,861	\$95,581	1.02
Finance and Insurance	82	468	\$31,600,826	\$67,547	0.35
Real Estate and Rental	89	243	\$9,840,861	\$40,581	0.49
Professional, Scientific, and Technical Services	115	464	\$28,612,014	\$61,653	0.21
Management of Companies and Enterprises	7	56	\$3,622,314	\$64,877	0.11
Administrative and Waste Management	89	787	\$34,377,941	\$43,710	0.39
Educational services	14	51	\$1,883,657	\$36,695	0.08
Health care and social assistance	503	3,893	\$219,302,371	\$56,339	0.9
Arts, Entertainment, and Recreation	21	134	\$2,774,769	\$20,785	0.27
Accommodation and Food Services	190	2,599	\$59,248,361	\$22,793	0.91
Other services	219	794	\$27,834,584	\$35,052	0.85
Federal Govt.	30	469	\$40,759,761	\$86,908	0.77
State Govt.	43	1,379	\$115,935,338	\$84,072	1.44
Local Govt.	112	5,226	\$271,544,662	\$51,960	1.77
Total	2,465	31,748	\$1,610,000,787	\$50,712	

SOURCE: U.S. Bureau of Labor Statistics

The level of indicated export employment per sector is estimated by combining the location quotients and overall employment levels. Export industries are important in that they grow the overall size of the local economy by bringing in dollars from outside the community, rather than recirculating internal spending. The industries with the highest level of export employment are agriculture & forestry and transportation & warehousing.

FIGURE 5.3: TOP TEN INDUSTRIES IN TERMS OF TOTAL AND EXPORT EMPLOYMENT, UMATILLA COUNTY (2022)



SOURCE: U.S. Bureau of Labor Statistics

ECONOMIC SPECIALIZATION (CITY OF HERMISTON)

The same analysis for the City of Hermiston reveals high levels of employment concentration in industries such as delivery & warehousing, educational services, utilities, and agriculture & forestry.

FIGURE 5.4: INDUSTRY SECTOR SPECIALIZATION BY DETAILED INDUSTRY, CITY OF HERMISTON, 2022

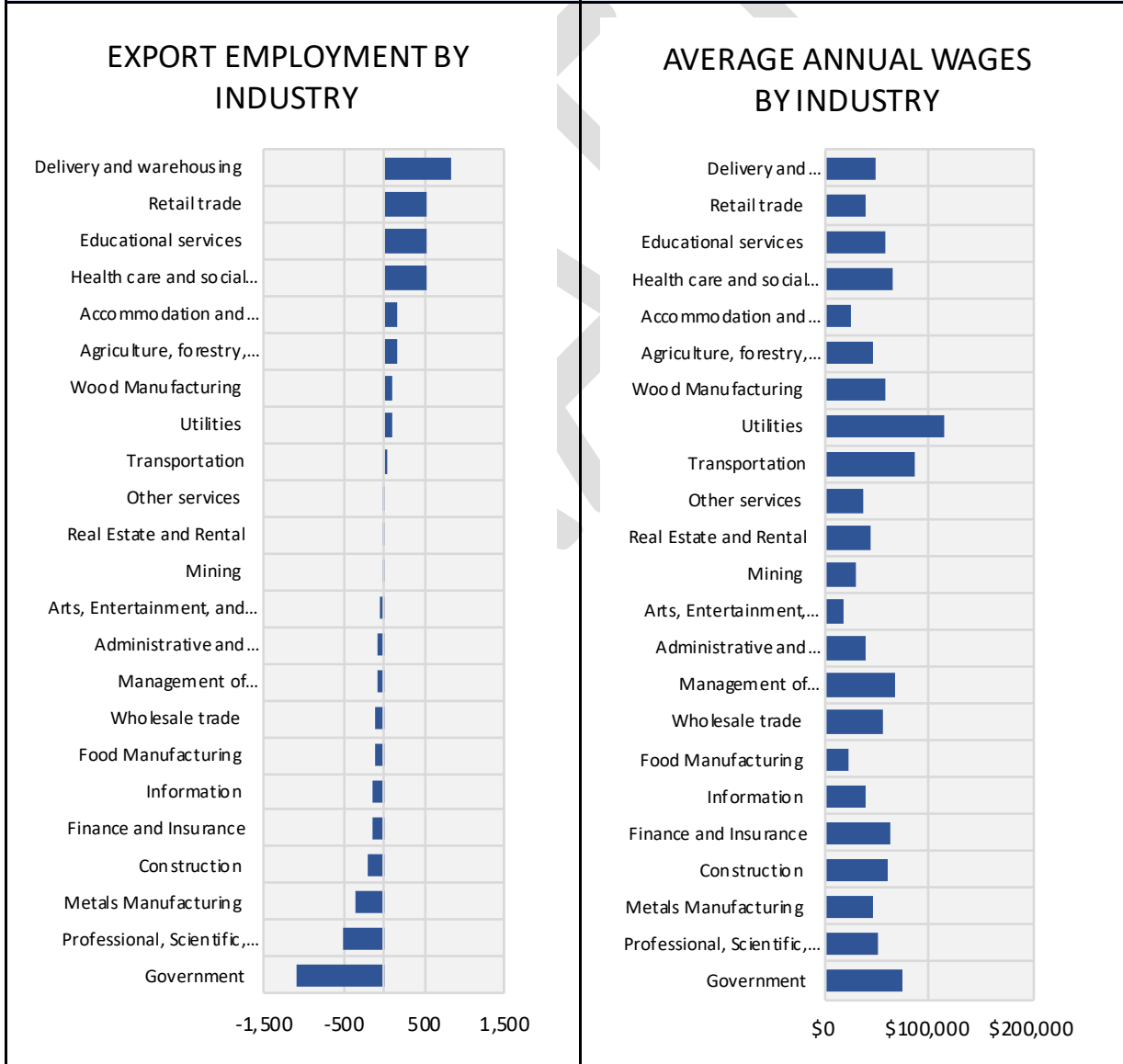
Industry	Annual Establishments	Average Employment	Total Annual Wages	Average Annual Wages	Employment LQ
Agriculture, forestry, fishing, and hunting	9	231	\$10,866,443	\$47,041	3.08
Mining	1	4	\$120,577	\$30,144	0.12
Construction	52	253	\$15,309,246	\$60,511	0.55
Food Manufacturing	2	25	\$562,515	\$22,501	0.18
Wood Manufacturing	7	307	\$17,540,956	\$57,137	1.55
Metals Manufacturing	6	55	\$2,484,585	\$45,174	0.13
Utilities	4	119	\$13,532,680	\$113,720	3.61
Wholesale trade	20	247	\$13,730,094	\$55,587	0.69
Retail trade	81	1,463	\$55,801,536	\$38,142	1.59
Transportation	18	254	\$22,069,723	\$86,889	1.25
Delivery and warehousing	3	1,010	\$49,029,059	\$48,544	5.63
Information	13	44	\$1,661,560	\$37,763	0.24
Finance and Insurance	30	221	\$13,774,444	\$62,328	0.59
Real Estate and Rental	41	128	\$5,696,790	\$44,506	0.92
Professional, Scientific, and Technical Services	27	107	\$5,346,415	\$49,966	0.17
Management of Companies and Enterprises	5	54	\$3,580,314	\$66,302	0.36
Administrative and Waste Management	35	477	\$18,787,459	\$39,387	0.84
Educational services	15	700	\$39,768,126	\$56,812	3.92
Health care and social assistance	210	1,734	\$112,839,561	\$65,075	1.43
Arts, Entertainment, and Recreation	6	92	\$1,546,388	\$16,809	0.67
Accommodation and Food Services	65	969	\$22,994,147	\$23,730	1.21
Other services	66	259	\$9,381,655	\$36,223	0.99
Government	10	183	\$13,398,659	\$73,217	0.14
Total	726	8,936	\$449,822,932	\$50,338	

SOURCE: Oregon Employment Department

The top sectors in terms of overall employment were healthcare & social assistance, retail trade, delivery & warehousing, and accommodation & food service. Nine industries in the city have positive export employment, the largest being delivery & warehousing, retail trade, educational services, and healthcare & social assistance. Walmart Associates Inc is a major employer in the area employing over 1,500 people across the delivery & warehousing and retail trade industries. The top industries with the highest average annual wages are utilities, transportation, and government. The most underrepresented industries in the city by location quotient are the mining, metals manufacturing, and government industries.

FIGURE 5.5: TOP TEN INDUSTRIES IN TERMS OF TOTAL AND EXPORT EMPLOYMENT, CITY OF HERMISTON (2022)

Industry	Total Employment	Industry	Location Quotient
Health care and social assistance	1734	Delivery and warehousing	5.63
Retail trade	1463	Educational services	3.92
Delivery and warehousing	1010	Utilities	3.61
Accommodation and Food Services	969	Agriculture, forestry, fishing, and hunting	3.08
Educational services	700	Retail trade	1.59
Administrative and Waste Management	477	Wood Manufacturing	1.55
Wood Manufacturing	307	Health care and social assistance	1.43
Other services	259	Transportation	1.25
Transportation	254	Accommodation and Food Services	1.21
Construction	253	Other services	0.99



SOURCE: Oregon Employment Department and Bureau of Labor Statistics

ECONOMIC DRIVERS

Shift Share Analysis

The identification of the economic drivers of a local or regional economy is critical in informing the character and nature of future employment, and by extension land demand over a planning cycle. To this end, we employ a shift-share analysis of the local economy emerging out of the latter half of the recent expansion cycle⁴.

A shift-share analysis is an analysis that measures the local effect of economic performance within a particular industry or occupation. The process considers local economic performance in the context of national economic trends—indicating the extent to which local growth can be attributed to unique regional competitiveness or simply growth in line with broader trends. For example, consider that Widget Manufacturing is growing at a 1.5% rate locally, about the same rate as the local economy. On the surface we would consider the Widget Manufacturing industry to be healthy and contributing soundly to local economic expansion. However, consider also that Widget Manufacturing is booming across the country, growing at a robust 4% annually. In this context, local widget manufacturers are struggling, and some local or regional conditions are stifling economic opportunities.

We can generally classify industries, groups of industries, or clusters into four groups:

Growing, Outperforming: Industries that are growing locally at a rate faster than the national average. These industries have characteristics locally leading them to be particularly competitive.

Growing, Underperforming: Industries that are growing locally but slower than the national average. These industries generally have a sound foundation, but some local factors are limiting growth.

Contracting, Outperforming: Industries that are declining locally but slower than the national average. These industries have structural issues that are impacting growth industry wide. However, local firms are leveraging some local or regional factor that is making them more competitive than other firms on average.

Contracting, Underperforming: Industries that are declining locally at a rate faster than the national average. These industries have structural issues that are impacting growth industry wide. However, some local or regional factors are making it increasingly tough on local firms.

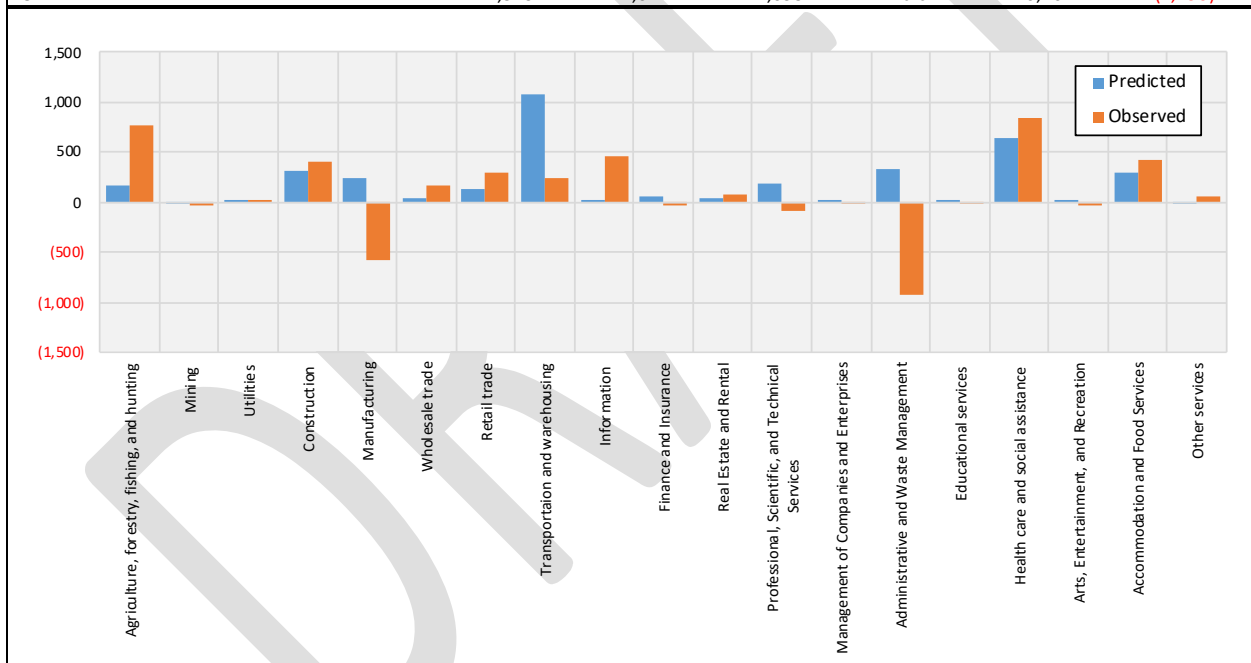
The average annual growth rate by industry from 2012 to 2022 in Umatilla County was compared to the national rate. The observed local change was compared to a standardized level reflecting what would be expected if the local industry grew at a rate consistent with national rates for that industry.

As shown in Figure 5.6, most county industries grew at a slower rate than the rest of the country. Sectors that did experience a notable positive regional shift in employment during this period were agriculture & forestry, information, health care & social assistance, retail trade, and accommodation & food services. The sectors that outperformed expectations the most were agriculture & forestry, information, and health care & social assistance. Sectors with the greatest negative regional shift in employment were administrative & waste management, transportation & warehousing, and manufacturing.

⁴ Measured from 2012 through 2022

FIGURE 5.6: INDUSTRY SECTOR SHIFT SHARE ANALYSIS, UMATILLA COUNTY (2012 – 2022)

Industry	Average Employment		Net Change		Standardized Level - 2022*	Regional Shift
	2012	2022	Total	AAGR		
Agriculture, forestry, fishing, and hunting	2,844	3,623	779	2.5%	3,008	615
Mining	50	26	(24)	0.0%	35	(9)
Utilities	165	185	20	1.2%	166	19
Construction	831	1,235	404	4.0%	1,148	87
Manufacturing	3,443	2,870	(573)	0.0%	3,690	(820)
Wholesale trade	746	909	163	2.0%	788	121
Retail trade	3,153	3,455	302	0.9%	3,283	172
Transportation and warehousing	1,989	2,225	236	1.1%	3,070	(845)
Information	189	657	468	13.3%	215	442
Finance and Insurance	505	468	(37)	-0.8%	568	(100)
Real Estate and Rental	173	243	70	3.5%	209	34
Professional, Scientific, and Technical Services	548	464	(84)	-1.7%	731	(267)
Management of Companies and Enterprises	71	56	(15)	-2.3%	89	(33)
Administrative and Waste Management	1,708	787	(921)	0.0%	2,039	(1,252)
Educational services	53	51	(2)	-0.4%	61	(10)
Health care and social assistance	3,045	3,893	848	2.5%	3,690	203
Arts, Entertainment, and Recreation	158	134	(24)	-1.6%	185	(51)
Accommodation and Food Services	2,172	2,599	427	1.8%	2,476	123
Other services	736	794	58	0.8%	713	81
TOTAL	22,579	24,674	2,095	0.9%	26,164	(1,490)

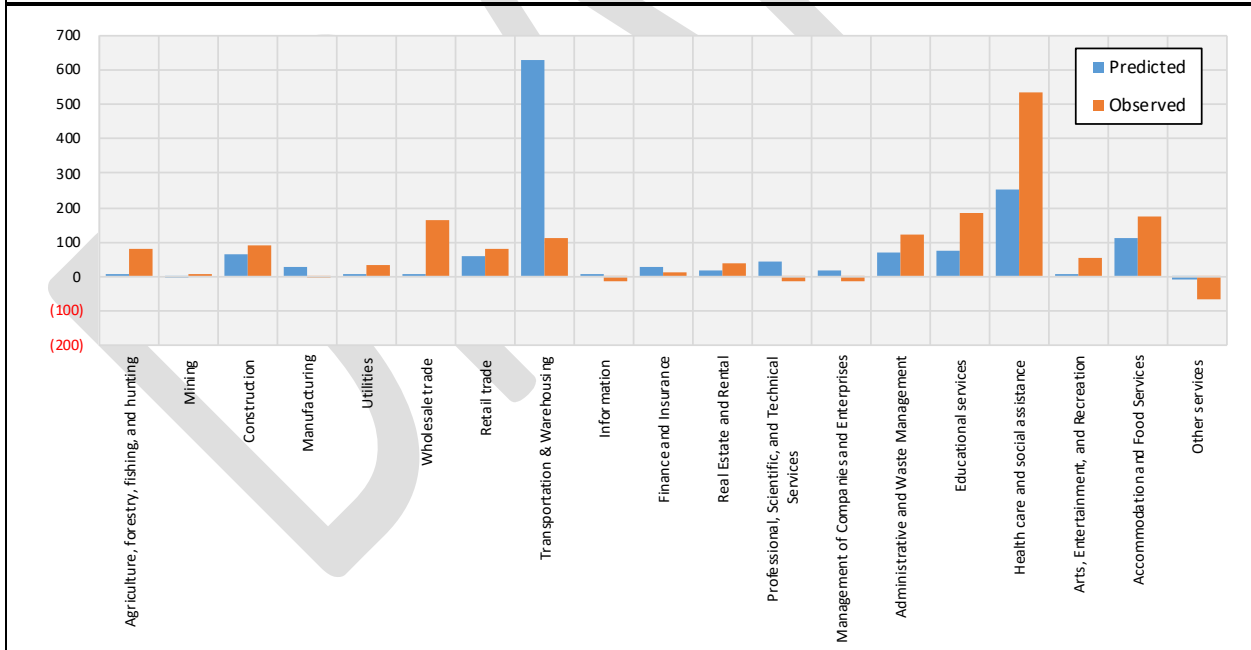


* Employment level in each industry had it grown at the same rate as its counterparts at the national level over the same period.
 SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, Bureau of Labor Statics, Oregon Employment Department

When the same analysis is done for the city of Hermiston, the city’s growth outperformed the rest of the county in additional industries. The best performing sectors on this measure in the local economy were health care & social assistance, wholesale trade, and educational services. These sectors grew faster than expected based on the national pace.

FIGURE 5.7: INDUSTRY SECTOR SHIFT SHARE ANALYSIS, CITY OF HERMISTON (2012 – 2022)

Industry	Average Employment		Net Change		Standardized Level - 2022*	Regional Shift
	2012	2022	Total	AAGR		
Agriculture, forestry, fishing, and hunting	152	231	79	4.3%	161	70
Mining	3	4	1	2.9%	2	2
Construction	163	253	90	4.5%	225	28
Manufacturing	389	387	(2)	-0.1%	417	(30)
Utilities	84	119	35	3.5%	85	34
Wholesale trade	85	247	162	11.3%	90	157
Retail trade	1,385	1,463	78	0.5%	1,442	21
Transportation & Warehousing	1,155	1,264	109	0.9%	1,783	(519)
Information	56	44	(12)	-2.4%	64	(20)
Finance and Insurance	209	221	12	0.6%	235	(14)
Real Estate and Rental	91	128	37	3.5%	110	18
Professional, Scientific, and Technical Services	124	107	(17)	-1.5%	165	(58)
Management of Companies and Enterprises	71	54	(17)	-2.7%	89	(35)
Administrative and Waste Management	356	477	121	3.0%	425	52
Educational services	516	700	184	3.1%	593	107
Health care and social assistance	1,201	1,734	533	3.7%	1,455	279
Arts, Entertainment, and Recreation	40	92	52	8.7%	47	45
Accommodation and Food Services	797	969	172	2.0%	909	60
Other services	325	259	(66)	-2.2%	315	(56)
TOTAL	7,202	8,753	1,551	2.0%	8,610	143



* Employment level in each industry had it grown at the same rate as its counterparts at the national level over the same period.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, Bureau of Labor Statistics

Growth and Current Strength Analysis

This analysis takes a look at the relationship between the location quotient of an industry and its employment growth (shift share) over the years to give useful insight into an industry’s competitive performance. As mentioned above, location quotients are a metric that compares a local industry’s employment concentration to the nation’s employment concentration of the same industry. A quotient above 1 indicates that an industry has more local representation compared to what is expected nationally while a quotient less than 1 indicates that the local industry has less than the expected employment. When an industry’s LQ is compared alongside its employment growth one can identify which industries in the region have been highly competitive, showing signs of growth, decreasing in competitiveness, or underperforming.

Much like the shift share analysis, this analysis separates industries/clusters into 4 categories⁵ :

Growth Clusters: Industries that show strong concentration locally (LQ > 1.0) and have had positive employment growth in recent history. These industries are a focal point of the regional economy, displaying strong competitive advantage and potential growth.

Mature Clusters: Industries that have a strong local concentration (LQ > 1.0), but negative employment growth during the period of analysis. These industries have been an important factor in the local economy but may need resources to ensure growth into the future and continued competitiveness.

Emerging Clusters: Industries that have a smaller local concentration (LQ < 1.0), but have seen positive employment growth recently. Although these industries may not have been as important in the regional economy, there is strong potential for growth and could be main drivers of the regional economy in the foreseeable future.

Declining Clusters: Industries that have a smaller local concentration (LQ < 1.0) as well as negative employment growth. These industries are shrinking and have little competitive advantage in the region.

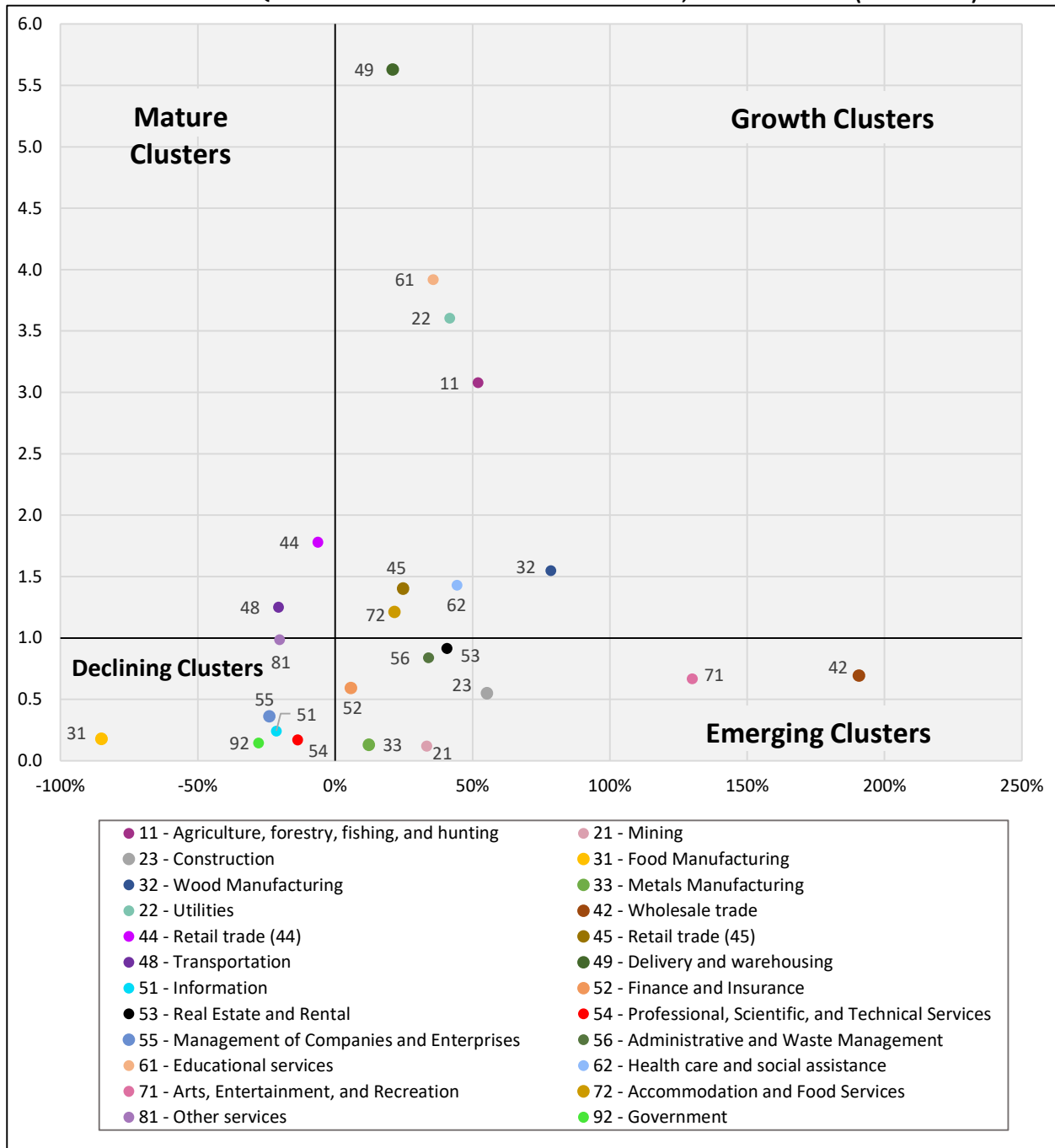
The Figure 5.8 below depicts this relationship in the city of Hermiston during the 2012 – 2022 period. A majority of industries showed positive employment growth in the last decade, placing them in the growth and emerging clusters. However, more industries have an LQ lower than 1, indicating that industries within Hermiston are less concentrated than what is expected on the national level. The growth cluster is made up of 8 industries having both LQ’s above 1 as well as positive employment growth. The delivery and warehousing industry (NAICS 49) had the highest LQ while the wood manufacturing sector (NAICS 32) boasted the highest growth rate among the growth cluster. Other industries in the growth cluster include agriculture (NAICS 11), utilities (NAICS 22), educational services (NAICS 61), retail trade (NAICS 45), accommodation & food services (NAICS 72), as well as health care & social assistance (NAICS 62). These industries can be considered some of the focal points of Hermiston’s economy in the last decade.

On the other hand, the emerging cluster, which is characterized by industries with a lower local concentration yet positive employment growth, is also comprised of 8 industries. The industry in this cluster with a concentration closest to that of its national counterpart is the real estate and rental industry while the wholesale trade industry displayed the strongest employment growth in the cluster and city (roughly +191% in the last decade). Industries in this cluster can be expected to become important economic drivers in Hermiston in the future if they experience sustained growth.

⁵ Kaliba, Aloyce. (2014). Industry Cluster Analyses for Capital Region Planning and Development District and the North Delta Regional Planning & Development District, Louisiana, USA. 10.13140/RG.2.1.2639.5282.

Industries in the mature and declining clusters are a minority, indicating that most of Hermiston’s industries have been thriving in recent years. Notable industries in these two clusters are transportation in the mature cluster (LQ of 1.25, employment growth of -20.6%) and the information sector in the declining cluster (LQ of 0.24, employment growth of -21.4%).

FIGURE 5.8: LOCATION QUOTIENT AND EMPLOYMENT GROWTH RELATIONSHIP, CITY OF HERMISTON (2012 – 2022) *

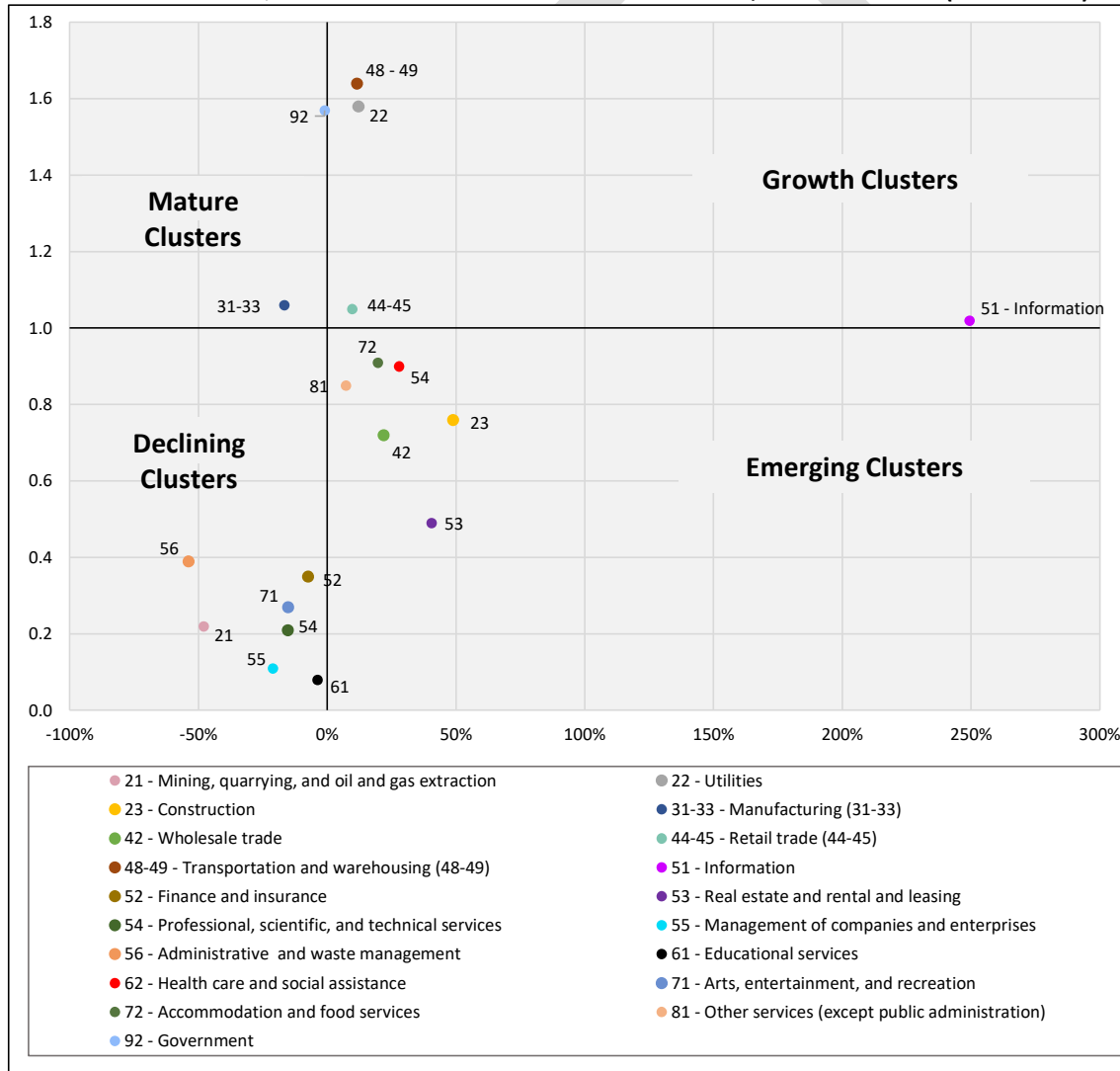


The unclassified sector (NAICS 99) was left out due to having an employment base of less than 10.

Source: Oregon Employment Department, Bureau of Labor Statistics, JOHNSON ECONOMICS

Figure 5.9 below depicts this same analysis applied to Umatilla County during the 2012 – 2022 period. Much like Hermiston, a majority of Umatilla County’s industries experienced positive employment growth while more industries were less concentrated than their national counterparts. A notable industry in the growth cluster is the information sector (NAICS 51), which fell under the declining clusters in the city of Hermiston. On the county level, the information sector has experienced the most employment growth out of any industry, increasing by roughly 250% in the last decade. This sector also has more representation locally when compared to its national counterpart making it undoubtedly one of the strongest economic drivers in the region. The information sector’s recent impressive performance is most likely due to the recent increased development of data centers in the region. These developments were driven by Umatilla County’s strategic geography along the region’s fiber optic network as well as its proximity to a large body of water and a freeway hub. These factors work together in reducing a data center’s operating costs, making Umatilla County a lucrative geography for this type of development. Besides this, much of Umatilla County’s industries share similar traits with that of Hermiston’s in terms of competitiveness and concentration, especially among the lower LQ industries.

FIGURE 5.9: LOCATION QUOTIENT AND EMPLOYMENT GROWTH RELATIONSHIP, UMATILLA COUNTY (2012 – 2022) *



* The agriculture sector (NAICS 11) is left out in the figure for display purposes. For context this industry had an LQ of 13.59 with employment growing by roughly 27% from 2012 to 2022. The unclassified sector (NAICS 99) was also left out due to its employment base being less than 10.

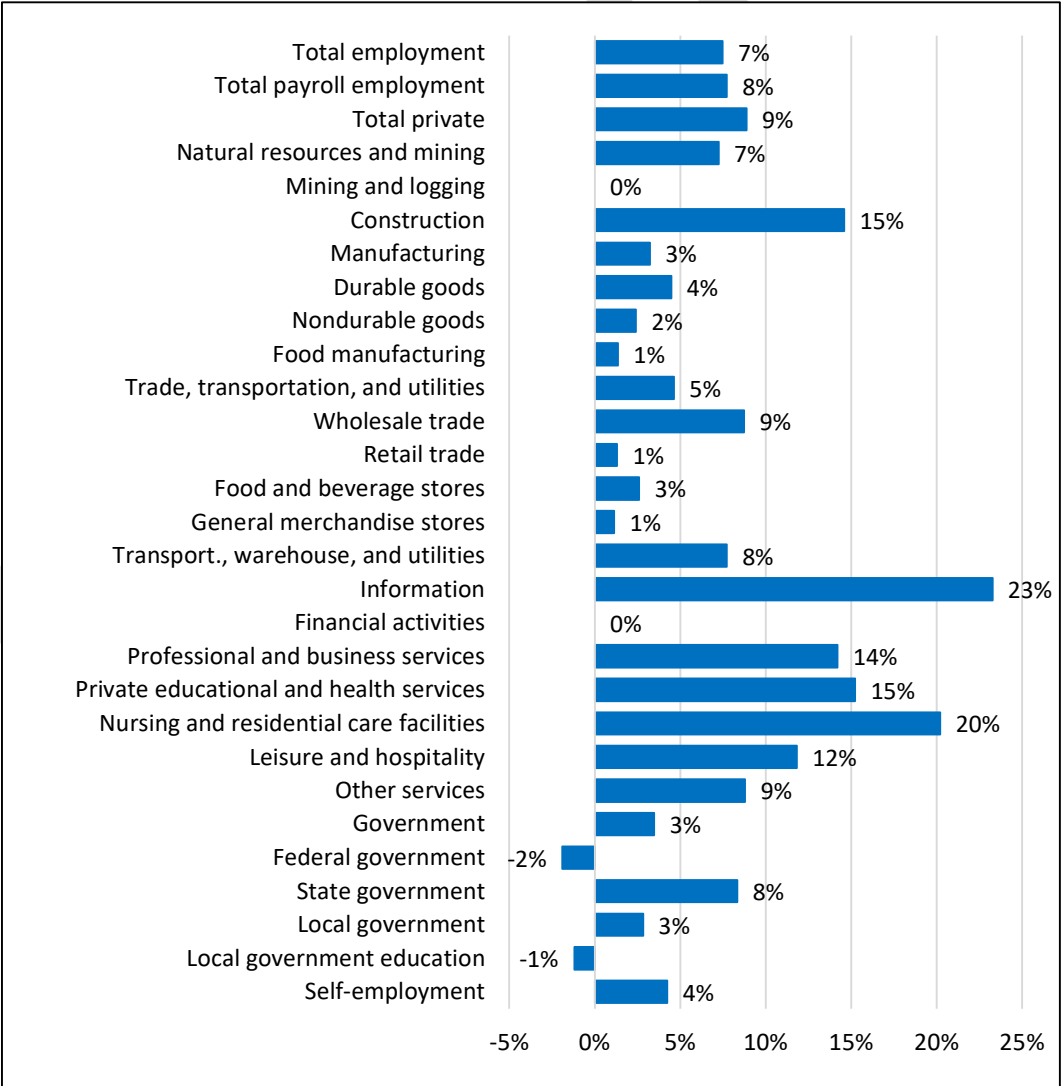
Source: Oregon Employment Department, Bureau of Labor Statistics, JOHNSON ECONOMICS

PROJECTED EMPLOYMENT GROWTH (OED)

The State of Oregon produces employment forecasts by sector at the broader regional level, which groups the Morrow and Umatilla counties together into one Columbia Basin region. The most recent forecast anticipates a gain of 3,100 jobs from 2022 through 2032, reflecting an average annual growth rate of about 1% during the period. This growth is in-line with Umatilla county’s historical average annual growth rate since 2002 as highlighted in Section II.

In this region, the major industries with the fastest growth rates are projected to be information including data centers, private educational & health services (including nursing facilities), construction and professional services. Government employment is projected to shrink slightly, while other sectors are expected to experience flat or very low growth. The projected large increase in the information industry is, in part, due to the influx of data centers that have been recently constructed and planned to be introduced in the region.

FIGURE 5.10: PROJECTED EMPLOYMENT GROWTH BY SECTOR, COLUMBIA BASIN COUNTIES (2022 – 2032)



SOURCE: Oregon Employment Department, Workforce and Economic Research Division

DATA CENTER DEVELOPMENT ACTIVITY – UMATILLA COUNTY

This EOA analysis would be incomplete without addressing the recent history of data center development in the area, including Umatilla County and adjacent Morrow County. These facilities have been attracted to the area, as well as Central Oregon, due to the availability of ample affordable power and water resources that meet the criteria for data center campuses, as well as large, flat development sites to house these substantial facilities. Local and state financial incentives have also helped attract this development.

Data centers accommodate the physical equipment necessary to store, manage, process, and transmit digital information over the internet. Demand for data centers has and continues to increase rapidly, especially as cloud computing, streaming services, e-commerce, and artificial intelligence (AI) become more prevalent.

While data centers come in a wide variety of sizes and capacities, development in Umatilla and Morrow Counties has been almost exclusively of “hyperscale” data center campuses, which serve the needs of the largest internet and cloud computing companies including Amazon, Google, Facebook, Apple, and Microsoft. These companies are among the largest and best capitalized in the world with the resources to make these massive investments.

Over the prior decade, growth in this sector has been extremely robust and outstripped growth in any other sector. Since roughly 2014, over nine large data center campuses have been developed in Umatilla and Morrow Counties. These campuses include 34 individual data center buildings of roughly 200k square feet each, and cover an estimated 850 acres, including accompanying substations. There are currently four additional campuses currently under development.

In Umatilla County, there have been four campuses developed over a decade, with three in the past five years, and four more under development. These developments average 140 acres in size, with an average of four large data center buildings per campus, qualifying as hyperscale data center campuses. While there are multiple classes of

Data from the Bureau of Economic Analysis (BEA) for Umatilla County indicates that between 2012 and 2022 (the most recent year available) job growth in the “Information” sector that includes data centers outpaced growth in all other sectors. The sector added an estimated 565 new jobs over that decade with most of this growth taking place in the second half of the period. It is important to note that this data does not include multiple new data center facilities that have come on line since 2022, which are estimated to have added hundreds of additional jobs in this sector.

The 565 new jobs represented growth of 220% in this sector between 2012 and 2022, or 12.3% per year. The second fastest growing sector in the county was Construction, which grew at 3% annually (445 new jobs). The accelerated growth in construction jobs is also at least partially attributable to the development of these large data center campuses.

Continuous growth over the last five years indicates that large technology companies have the will and resources to develop hyperscale data center campuses at a rate of one to two per year, consuming somewhere between 100 to 400 acres per year, for the foreseeable future.

VI. FORECAST OF EMPLOYMENT AND LAND NEED

CITY OF HERMISTON EMPLOYMENT FORECAST

Goal 9 requires that jurisdictions plan for a 20-year supply of commercial and industrial capacity. Because employment capacity is the physical space necessary to accommodate new workers in the production of goods and services, employment need forecasts typically begin with a forecast of employment growth in the community. The previous analysis of economic trends and targeted industries set the context for these estimates. This analysis translates those trends into estimates of employment growth by broad industry. Forecasts are produced at the sector or subsector level (depending on available information), and subsequently aggregated into two-digit North American Industry Classification System (NAICS) sectors. Estimates in this analysis are intended for long-range land planning purposes and are not designed to predict or respond to business cycle fluctuation.

The projections in this analysis are built on an estimate of employment in 2024, the commencement year for the planning period. Employment growth will come as the result of net-expansion of existing businesses in the community, new business formation, or the relocation/recruitment of new firms. Forecast scenarios consider a range of factors influencing growth. Long-range forecasts typically rely on a macroeconomic context for growth. The forecast does not consider the impact of a significant exogenous shift in employment such as recruitment of an unforeseen major employer. (This forecast **does** include the anticipated employment at data center facilities currently under construction, because this employer is known at the time of this analysis. More detail below.)

OVERVIEW OF EMPLOYMENT FORECAST METHODOLOGY

Our methodology starts with employment forecasts for major commercial and industrial sectors. Forecasted employment is allocated to building type, and a space demand is a function of the assumed square footage per employee ratio multiplied by projected change. The need for space is then converted into land and site needs based on assumed development densities using floor area ratios (FARs).

FIGURE 6.1: UPDATE TO BASELINE YEAR AND CONVERSION OF COVERED TO TOTAL EMPLOYMENT



The first analytical step of the analysis is to update covered employment to the 2024 base year. The Quarterly Census of Employment and Wages (QCEW) data was used to determine the City of Hermiston’s covered employment by industry through 2022, the latest year available. To update these estimates, we use observed industry specific growth rates for Umatilla County between 2012 and 2022.

The second step in the analysis is to convert “covered”⁶ employment to “total” employment. Covered employment only accounts for a share of overall employment in the economy. Specifically, it does not consider sole proprietors or commissioned workers. Covered employment was converted to total employment based on observed ratios at the national level derived from the Bureau of Economic Analysis from 2014 through 2022. The differential is the most significant in administration services, professional & technical services, and other services. The adjusted 2024 total employment base for the city of Hermiston is just over 10,000 jobs.

FIGURE 6.2: UPDATE TO 2024 BASELINE AND CONVERSION OF COVERED TO TOTAL EMPLOYMENT, CITY OF HERMISTON (2022 – 2024)

Major Industry Sector	QCEW Employment			Total Emp. Conversion ²	2024 Estimate
	2022 Employment	'12-'22 County Δ ¹	2024 Estimate		
Agriculture, forestry, fishing, hunting	235	3.5%	252	44%	572
Construction	253	3.5%	271	81%	334
Manufacturing	387	-1.8%	373	98%	381
Wholesale Trade	247	2.0%	257	98%	263
Retail Trade	1,463	0.8%	1,488	95%	1,564
Transportation, Warehouse, & Utilities	1,383	-0.6%	1,367	91%	1,511
Information	44	1.5%	45	95%	48
Finance & Insurance	221	0.5%	223	91%	245
Real Estate	128	0.5%	129	91%	142
Professional & Technical Services	161	-4.1%	148	91%	163
Administration Services	477	-4.1%	439	91%	484
Education	700	2.3%	732	95%	768
Health Care/Social Assistance	1,734	2.3%	1,814	95%	1,902
Leisure & Hospitality	1,061	1.6%	1,096	95%	1,157
Other Services	259	1.1%	265	85%	312
Government	183	-0.1%	183	100%	183
TOTAL	8,936	1.6%	9,082	91%	10,028

Source: Johnson Economics

- 1) Growth rate calculated using CES data for Umatilla County
- 2) Bureau of Economic Analysis (2022 National Averages)

BASELINE SCENARIO: BASELINE “SAFE HARBOR” FORECAST

The Goal 9 statute does not have a required method for employment forecasting. However, OAR 660-024-0040(9)(a) outlines several safe harbor methods, which are intended to provide jurisdictions an agreed-upon methodological approach to jobs forecasting. The recommended approach for the City of Hermiston is 660-024-0040(9)(a)(B), which allows reliance on the most recent 20-year coordinated population forecast for the City prepared by Portland State University Population Research Center. The overall employment growth rate is assumed to match population growth rate.

The second safe harbor method uses the regional employment forecast by industry, published by the Oregon Employment Department (see Figure 5.10). In the case of Hermiston, both methods result in a very similar growth rate. The baseline growth rate shown in Figure 6.3 (following page) is based on the population growth forecast which has a slightly higher rate compared to the OED forecast (0.97% vs. 0.91% annually). The baseline forecast would entail the creation of 2,136 new jobs over the 20-year forecast period.

⁶ The Department of Labor’s Quarterly Census of Employment and Wages (QCEW) tracks employment data through state employment departments. Employment in the QCEW survey is limited to firms with employees that are “covered” by unemployment insurance.

ADJUSTED EMPLOYMENT FORECAST: DATA CENTER GROWTH, AND ECONOMIC IMPACTS

A second adjusted forecast scenario was influenced by the analysis conducted in the EOA, and specific known employment-use developments that are proposed in Hermiston and adjacent parts of Umatilla County. The adjusted forecast includes the anticipated employment created at these new developments, as well as estimates of additional “indirect and induced” employment that will result from the economic activity generated in the general community from these large investments.

- The adjusted forecast estimates the creation of 1,400 information sector jobs over the 20-year period. This employment would be created by the development of at least six planned and proposed hyperscale data center campuses in Hermiston over the planning period. See the following page for greater detail.
- Using the IMPLAN (IMPact for PLANning)⁷ economic multiplier model, Johnson Economics estimated the impact of the data center development activity, including construction, on the broader economy. Large data center campuses are very high-value investments that generate significant additional spending in the region, in the building and operations phases. This added economic activity helps generate new jobs across support industries. These are called indirect or induced effects. Due to the sheer size of the data center investments in a relatively rural county, the resulting indirect and induced employment across other industries is estimated at roughly 2/3 of the direct data center employment.

As summarized in Figure 6.3 below, this adjusted growth forecast estimates an average annual growth rate of 1.9% for the period, for a total addition of 4,669 new jobs. The forecasted rate of 1.9% is in keeping with the realized employment growth rate since 2010 of 1.8% per year, (source: Oregon Employment Department, QCEW data).

Hermiston-Area Hyperscale Development Activity

As discussed in Section V, the data center industry has grown rapidly in the region over the past decade, with eight hyperscale data center campuses finished or under development in Umatilla County. Two campuses are currently under development in south Hermiston on E. Penney Avenue. These two campuses cover roughly 215 acres, include 8 individual data center buildings, and will house hundreds of future jobs which are reflected as future growth in the Information sector in Figure 6.3 below.

In addition to these two campuses under development, there are multiple proposed additional hyperscale campuses in the immediate area of Hermiston. These campuses will be served by Hermiston infrastructure and utilities, and it is reasonable to assume that these would be Hermiston developments, even if located on land that is currently unincorporated and/or outside of the city’s UGB. (As Section VII of this report discusses, there will be no suitably large buildable sites remaining within the UGB after the build-out of the Penney Ave. sites.)

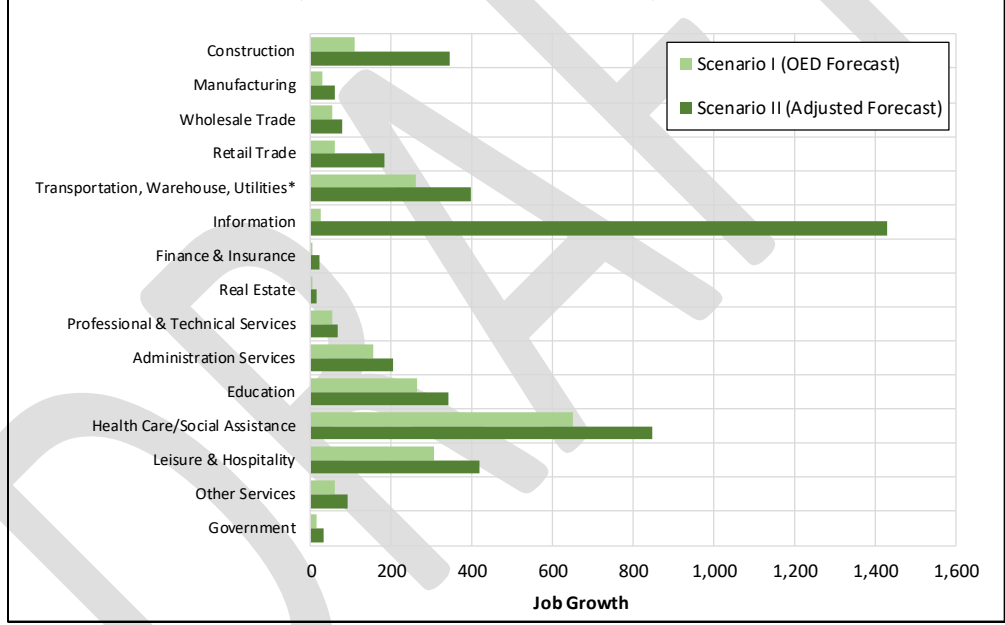
The proposed ongoing development of multiple new hyperscale campuses is credible, being supported by a very large technology company that has proven its intent to build these facilities continuously and quickly in Umatilla County over the past decade.

Based on this analysis, high employment growth has been forecasted in the Information sector as shown in Figure 6.3. As the proposer of the new campuses has demonstrated that it has the intent and the resources to make these large investments on an ongoing basis, this analysis finds that they are not speculative and will happen if suitable sites are available.

⁷ IMPLAN is an economic impact model designed for analyzing the effects of industry activity (employment, income, or business revenues) upon all other industries in an economic area. Minnesota IMPLAN Group (MIG), Stillwater, Minnesota

FIGURE 6.3: ADJUSTED GROWTH FORECAST, CITY OF HERMISTON (2024 - 2044)

Industry	Baseline (PSU Pop. Forecast)				Adjusted Growth Forecast			
	2024	2044	Chg.	AAGR	2024	2044	Chg.	AAGR
Agriculture, Forestry, etc.	572	666	93	0.8%	572	717	144	1.1%
Construction	334	443	109	1.4%	334	677	343	3.6%
Manufacturing	381	411	29	0.4%	381	442	61	0.7%
Wholesale Trade	263	315	51	0.9%	263	339	76	1.3%
Retail Trade	1,564	1,623	59	0.2%	1,564	1,747	184	0.6%
Transportation, Warehouse, Utilities*	1,511	1,772	262	0.8%	1,511	1,908	398	1.2%
Information	48	74	26	2.2%	48	1,479	1,431	18.7%
Finance & Insurance	245	248	3	0.1%	245	267	22	0.4%
Real Estate	142	143	2	0.1%	142	154	13	0.4%
Professional & Technical Services	163	215	52	1.4%	163	232	69	1.8%
Administration Services	484	638	154	1.4%	484	687	203	1.8%
Education	768	1,030	263	1.5%	768	1,109	342	1.9%
Health Care/Social Assistance	1,902	2,552	651	1.5%	1,902	2,748	847	1.9%
Leisure & Hospitality	1,157	1,463	306	1.2%	1,157	1,575	418	1.6%
Other Services	312	373	61	0.9%	312	402	90	1.3%
Government	183	198	15	0.4%	183	213	30	0.8%
TOTAL:	10,028	12,163	2,136	1.0%	10,028	14,697	4,669	1.9%



Source: Oregon Employment Department, Johnson Economics

FIVE-YEAR INCREMENTAL FORECAST

The adjusted growth forecast, accounting for the development of hyperscale data centers, estimates an annual growth rate of 1.9%, or 4,669 new jobs over the 20-year period. Over 1,400 of these new jobs in the information sector, attributable almost wholly to data center development, account for 31% of this anticipated growth.

Forecasts grounded in broad based economic variables cannot account for all the realities of local businesses and trends among evolving industries. Any long-term forecast is inherently uncertain and should be updated on a regular basis to reflect more current information. This is particularly true in a smaller jurisdiction such as Hermiston, in which a single large firm’s location and/or operational decision may substantively impact the rate of growth.

The adjusted growth forecast was further broken down into four five-year increments, assuming a consistent rate of growth over the period. We would expect that in reality the twenty-year period will include multiple business cycles, and that the growth rate will be variable over that time.

FIGURE 6.4: GROWTH FORECAST, 5-YEAR INCREMENTS, CITY OF HERMISTON (2024 - 2044)

Industry	Overall Employment					Net Change by Period				Total 24-44
	2024	2029	2034	2039	2044	24-29	29-34	35-39	40-44	
Adjusted Growth Forecast										
Agriculture, forestry, fishing, hunting	572	605	640	677	717	33	35	37	39	144
Construction	334	398	475	567	677	65	77	92	110	343
Manufacturing	381	396	411	426	442	14	15	16	16	61
Wholesale Trade	263	280	299	318	339	17	18	19	21	76
Retail Trade	1,564	1,608	1,653	1,699	1,747	44	45	47	48	184
T.W.U.	1,511	1,602	1,698	1,800	1,908	91	96	102	108	398
Information	48	113	266	628	1,479	65	153	361	852	1,431
Finance & Insurance	245	250	256	261	267	5	5	5	6	22
Real Estate	142	145	148	151	154	3	3	3	3	13
Professional & Technical Services	163	178	195	212	232	15	16	18	19	69
Administration Services	484	528	576	629	687	44	48	53	58	203
Education	768	842	923	1,012	1,109	74	81	89	98	342
Health Care/Social Assistance	1,902	2,085	2,286	2,507	2,748	183	201	220	242	847
Leisure & Hospitality	1,157	1,250	1,350	1,458	1,575	93	100	108	117	418
Other Services	312	332	354	377	402	20	22	23	25	90
Government	183	190	197	205	213	7	7	8	8	30
TOTAL:	10,028	10,802	11,727	12,929	14,697	774	925	1,202	1,768	4,669

Source: Oregon Employment Department, Johnson Economics

EMPLOYMENT LAND FORECAST

The next step in the analysis is to convert projections of employment into forecasts of land demand over the planning period. The methodology begins by allocating employment by sector into a distribution of building typologies that those economic activities typically use. As an example, insurance agents typically locate in traditional office space, often along commercial corridors. However, a percentage of these firms are also located in commercial retail space adjacent to retail anchors. Cross tabulating this distribution provides an estimate of employment in each typology.

The next step converts employment into space using estimates of the typical square footage exhibited within each typology. Adjusting for market average vacancy we arrive at an estimate of total space demand for each building type.

Finally, we can consider the physical characteristics of individual building types and the amount of land they typically require for development. The site utilization metric commonly used is referred to as a “floor area ratio” or FAR. For example, assume a 25,000-square foot general industrial building requires roughly a site of roughly 100k square feet to accommodate its structure, setbacks, parking, and necessary yard/storage space. This building would have an FAR of roughly 0.25. Demand for space is then converted to net acres using a standard floor area ratio FAR for each development form.

LAND DEMAND ANALYSIS – ADJUSTED GROWTH FORECAST

In this analytical step we allocate employment growth to the standard building typologies. The building typology matrix represents the share of sectoral employment that is located across various building types. (Note that only a fraction of employment in the agricultural sector is assumed to need urban real estate, as many of these companies

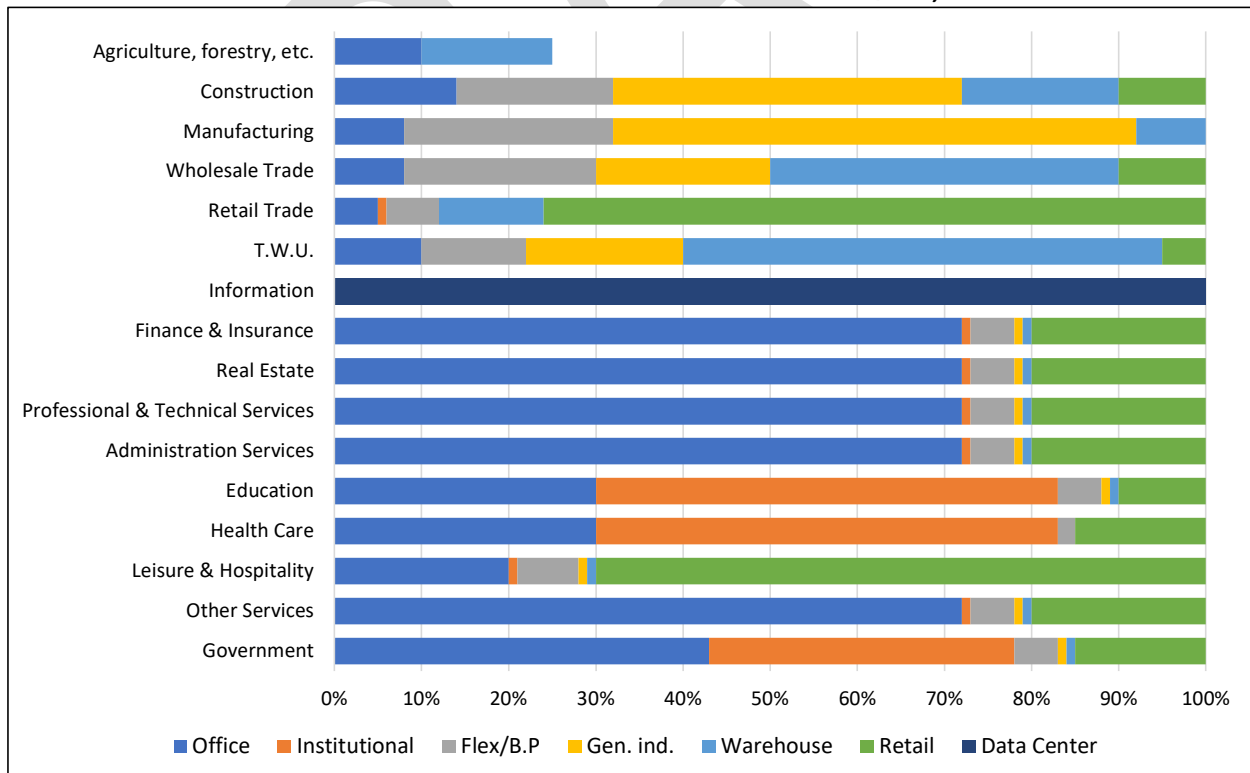
operate in unincorporated areas in the region around the city. Food processing operations are captured under “manufacturing.”)

FIGURE 6.5: DISTRIBUTION OF EMPLOYMENT BY SPACE TYPE, CITY OF HERMISTON (ADJUSTED FORECAST)

Industry Sector	BUILDING TYPE MATRIX						
	Office	Institutional	Flex/B.P	Gen. ind.	Warehouse	Data Center	Retail
Agriculture, forestry, etc.	10%	0%	0%	0%	15%	0%	0%
Construction	14%	0%	18%	40%	18%	0%	10%
Manufacturing	8%	0%	24%	60%	8%	0%	0%
Wholesale Trade	8%	0%	22%	20%	40%	0%	10%
Retail Trade	5%	1%	6%	0%	12%	0%	76%
T.W.U.	10%	0%	12%	18%	55%	0%	5%
Information	0%	0%	0%	0%	0%	100%	0%
Finance & Insurance	72%	1%	5%	1%	1%	0%	20%
Real Estate	72%	1%	5%	1%	1%	0%	20%
Professional & Technical Services	72%	1%	5%	1%	1%	0%	20%
Administration Services	72%	1%	5%	1%	1%	0%	20%
Education	30%	53%	5%	1%	1%	0%	10%
Health Care	30%	53%	2%	0%	0%	0%	15%
Leisure & Hospitality	20%	1%	7%	1%	1%	0%	70%
Other Services	72%	1%	5%	1%	1%	0%	20%
Government	43%	35%	5%	1%	1%	0%	15%
TOTAL	18%	14%	5%	6%	8%	31%	16%

Source: Johnson Economics

FIGURE 6.6: ASSUMED DISTRIBUTION OF SPACE BY TYPE AND INDUSTRY SECTOR, CITY OF HERMISTON



Source: Johnson Economics

Under the employment forecast scenario, employment housed in data center developments accounts for the greatest share of growth, followed by employment housed in office and retail space. If we exclude the forecasted data center employment (~1,430 jobs), the combined employment forecast in commercially zoned space (~2,250 jobs) is greater than that forecast for industrially zoned space (~900 jobs). Note that the 4,561 total jobs shown here is less than the total employment in the adjusted forecast (4,669 jobs) because not all agricultural jobs require real estate space.

FIGURE 6.7: NET GROWTH IN EMPLOYMENT BY BUILDING TYPE, CITY OF HERMISTON (ADJUSTED FORECAST) 2024-2044

Industry Sector	NET CHANGE IN EMPLOYMENT BY BUILDING TYPE - 2024-2044							Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Data Center	Retail	
Agriculture, forestry, etc.	14	0	0	0	22	0	0	36
Construction	48	0	62	137	62	0	34	343
Manufacturing	5	0	15	37	5	0	0	61
Wholesale Trade	6	0	17	15	30	0	8	76
Retail Trade	9	2	11	0	22	0	140	184
T.W.U.	40	0	48	72	219	0	20	398
Information	0	0	0	0	0	1,431	0	1,431
Finance & Insurance	16	0	1	0	0	0	4	22
Real Estate	9	0	1	0	0	0	3	13
Professional & Technical Services	49	1	3	1	1	0	14	69
Administration Services	146	2	10	2	2	0	41	203
Education	103	181	17	3	3	0	34	342
Health Care	254	449	17	0	0	0	127	847
Leisure & Hospitality	84	4	29	4	4	0	293	418
Other Services	65	1	4	1	1	0	18	90
Government	13	11	2	0	0	0	5	30
TOTAL	860	650	236	272	371	1,431	739	4,561

Source: Johnson Economics

Employment growth estimates by building type are then converted to demand for physical space. This conversion assumes the typical space needed per employee on average. This step also assumes a market average vacancy rate, acknowledging that equilibrium in real estate markets is not 0% vacancy. We assume a 10% vacancy rate for office, retail, and flex uses, as these forms have high rates of speculative multi-tenant usage. A 5% rate is used for general industrial and warehouse—these uses have higher rates of owner occupancy that lead to lower overall vacancy. Institutional uses and data centers are assumed to have no vacancy, as they are typically purpose-built for healthcare, nonprofit, government, or related users.

The demand for space is converted into an associated demand for acreage using an assumed Floor Area Ratio (FAR). The combined space and FAR assumptions further provide estimates indicated of job densities, determined on a per net-developable acre basis.

FIGURE 6.8: NET ACRES REQUIRED BY BUILDING TYPOLOGY, CITY OF HERMISTON (ADJUSTED FORECAST) – 20-YEAR

	DEMAND BY GENERAL USE TYPOLOGY, 2023-2043							Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Data Center	Retail	
Employment Growth	860	650	236	272	371	1,431	739	4,561
Avg. SF Per Employee	350	350	990	600	1,800	7,000	500	2,627
Demand for Space (SF)	301,100	227,600	234,000	163,400	667,900	10,019,800	369,400	11,983,200
Floor Area Ratio (FAR)	0.30	0.30	0.25	0.25	0.25	0.15	0.25	0.17
Market Vacancy*	10.0%	0.0%	10.0%	5.0%	5.0%	0.0%	10.0%	6.7%
Implied Density (Jobs/Acre)*	33.6	37.3	9.9	17.2	5.7	0.9	19.6	17.7
Net Acres Required	25.6	17.4	23.9	15.8	64.6	1,533.5	37.7	1,718.4
Share for infrastructure (Net-to-Gross)	20%	20%	15%	15%	15%	5%	20%	6%
Gross Acres Required	32.0	21.8	28.1	18.6	76.0	1,614.2	47.1	1,837.7

* Average of Totals excludes data centers, due to distorting effect.
 Source: Johnson Economics

Commercial office and retail densities are 33 and 20 jobs per acre, respectively. Industrial uses range from 17 for general industrial to less than 6 jobs per acre for warehouse/distribution. Data centers have low employment density due to the very large buildings and large-acreage sites typical of this use.

The projected 4,669-job expansion in the local employment base through 2044 requiring an estimated 1,718 net acres, and 1,838 gross acres, of employment land. A large majority of this needed land will be very large industrial sites suitable for known planned and proposed hyperscale data center development. This growth in the data center industry represents the bulk of forecasted employment growth, and land need (88%).

Due to the centrality of this identified future use, Figure 6.9 separates out data centers from other industrial uses to better represent the need from other sectors over the planning period. Excluding data centers, there is a forecasted need for 224 gross acres to house job growth in other commercial and industrial categories.

FIGURE 6.9: EMPLOYMENT GROWTH AND LAND NEED BY BUILDING TYPOLOGY, CITY OF HERMISTON

	Land Use (Excluding D.C.)			Data Center	Total
	Commercial	Industrial	Subtotal		
20-Year Job Growth:	2,250	880	3,129	1,431	4,561
Job Share:	72%	28%	100%	31%	100%
Net Needed Acres:	80.7	104.2	184.9	1,533.5	1,718.4
Gross Needed Acres:	100.9	122.6	223.5	1,614.2	1,837.7
Land Need Share:	45%	55%	100%	88%	100%

Source: Oregon Employment Department, Portland State University, City of Hermiston, Johnson Economics LLC

Despite the higher number of commercial jobs, the gross acreage of industrial land needed is 55% of this gross land need, and commercial is 45%. This is because of the relatively lower average job densities of industry requires more land to accommodate the same number of jobs.

VII. RECONCILIATION OF EMPLOYMENT LAND NEED AND INVENTORY

The inventory of buildable employment land provides a snapshot of the current local capacity to accommodate more businesses and jobs over the planning period. This current available land is compared to the forecasted need for new land over the 20-year planning period, presented in Section VI.

SUMMARY OF LAND DEMAND (ACRES)

The estimate of future land need is re-presented below. A total need for 1,838 gross acres was identified across a range of land use and building types, based on the adjusted growth forecast. Data centers account for 1,614 gross acres of this need. Other industrial uses account for 123 gross acres of need, and commercial uses 101 gross acres.

FIGURE 7.1: SUMMARY OF FORECASTED 20-YEAR LAND NEED BY BUILDING TYPOLOGY (HERMISTON)

	Land Use (Excluding D.C.)			Data Center	Total
	Commercial	Industrial	Subtotal		
20-Year Job Growth:	2,250	880	3,129	1,431	4,561
Job Share:	72%	28%	100%	31%	100%
Net Needed Acres:	80.7	104.2	184.9	1,533.5	1,718.4
Gross Needed Acres:	100.9	122.6	223.5	1,614.2	1,837.7
Land Need Share:	45%	55%	100%	88%	100%

Source: Oregon Employment Department, Portland State University, City of Hermiston, Johnson Economics LLC

SUMMARY OF LAND SUPPLY (ACRES)

To assess the remaining supply of buildable employment land suitable to accommodate the 20-year land need, an inventory of land with the proper zoning was conducted. The following is a summary of the results on that inventory. A more detailed explanation of the methodology and findings of the Buildable Land Inventory (BLI) is presented as Appendix C of this report.

FIGURE 7.2: BUILDABLE LAND INVENTORY, NET DEVELOPABLE ACRES BY ZONE (HERMISTON)

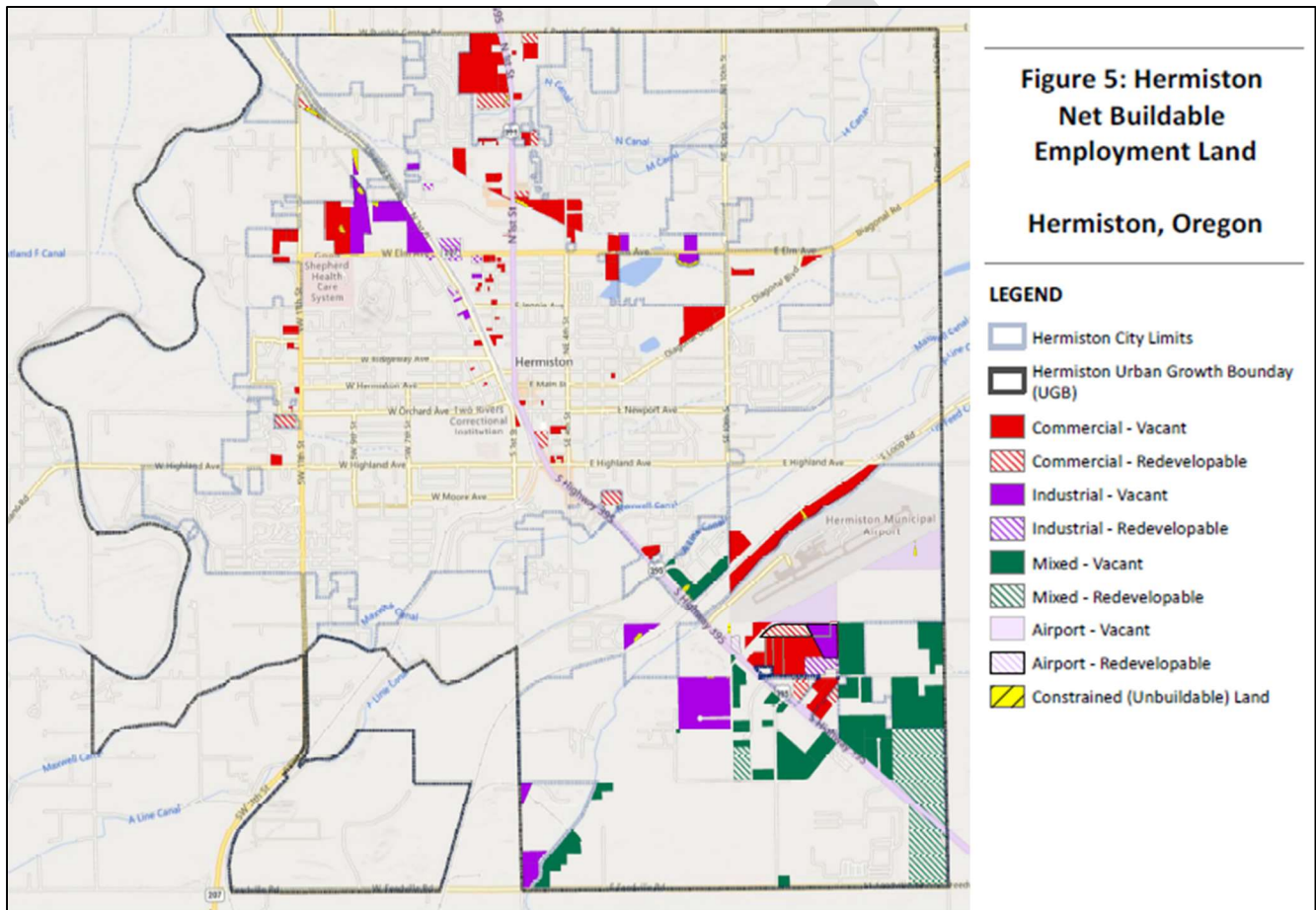
TABLE 3: RECLASSIFIED HERMISTON EMPLOYMENT BUILDABLE LANDS INVENTORY ¹			
	Vacant	Redevelopable	Total
Designation	Net Buildable Acreage	Potential Acreage ²	Potential Acreage
Commercial Designation (includes 50% of Mixed Designations acreage)			
Commercial (C)	208.71	35.90	244.61
50% of Mixed Commercial/Industrial (C/I) and Future Mixed Commercial/Industrial (F-C/I)	90.97	50.28	141.25
Commercial subtotal	299.68	86.18	385.86
Industrial Designations (includes 50% of Mixed Designations acreage)			
Airport (A)	48.04	1.88	49.92
Industrial (I)	105.22	15.70	120.92
50% of Mixed Commercial/Industrial (C/I) and Future Mixed Commercial/Industrial (F-C/I)	90.97	50.28	141.25
Industrial subtotal	244.23	67.86	312.09
Total	543.91	154.04	697.95
Table Note:			
¹ Due to rounding, some totals may not correspond with the sum of separate figures.			
² The Redevelopable Potential Acreage assumes removal of existing structures, and redevelopment of the entire parcel.			

Source: City of Hermiston, Mackenzie

The BLI filtered the zoned employment land in Hermiston by Commercial or Industrial zoning category, environmental constraints that will limit development, and whether the parcel is already developed, vacant, or partially vacant (see Appendix C for more detail). The inventory was vetted to address development projects in the pipeline and known limitations on specific sites that will prevent development on all or a portion of the site.

The preceding figure presents the estimated net developable acres of land by zone. There are an estimated 386 net acres of buildable Commercial land and an estimated 313 net acres of buildable Industrial land.

FIGURE 7.3: BUILDABLE LAND INVENTORY, EMPLOYMENT LAND BY DEVELOPMENT STATUS (HERMISTON)



Source: City of Hermiston, MACKENZIE

RECONCILIATION OF 20-YEAR LAND SUPPLY AND DEMAND

Comparing the Buildable Land Inventory to the 20-year forecast of employment land need indicates that the City of Hermiston faces a deficit of employment land over the planning period. *However*, the unmet need for land is specifically in large-lot sites for hyperscale data center campuses (discussed more below). There is sufficient *gross* buildable land in both the Commercial and Industrial categories to accommodate the forecasted need for other commercial and industrial categories, excluding data centers.

A summary of the comparison of land supply and demand is presented below.

FIGURE 7.4: RECONCILIATION OF LAND SUPPLY AND 20-YEAR DEMAND (HERMISTON)

EMPLOYMENT ZONING DESIGNATION	20 YR. DEMAND (Gross Acres)	BUILDABLE LAND (Acres)	Permitted Data Center Sites (Acres) ¹	SURPLUS OR (DEFICIT) (Gross Acres)
Commercial (Office, Institutional, Retail)	100.9	385.9		285.0
Industrial (Gen. Ind., Warehouse, Flex)	122.6	312.1		189.5
Data Center Campus	1,614.2	NA ²	214	(1,400.2)
TOTAL:	1,837.7	698.0	214.0	(925.7)

¹ Two known large-lot hyperscale data center developments have been permitted in south Hermiston. These are two sites on E. Penney Ave, that will accommodate an estimated eight total large data center building, and an estimated 240 of the forecasted data center jobs.

² While the buildable land inventory found a surplus of industrial land in gross terms, none of the remaining sites meet the specific unique requirements of hyperscale data center campuses. Most importantly, remaining buildable sites lack the size to house a new campus. Following the development of the two E Penney sites identified above, no additional appropriate large-lot sites will remain.

Source: Johnson Economics, City of Hermiston, Mackenzie

- This analysis indicates that Hermiston has sufficient general Commercial acres, and general Industrial acres to accommodate the forecasted 20-year demand for land (other than for large-lot data centers).
- It is important to note that some of the forecasted growth will include employers who may have specific site needs and preferences that are not reflected in the available buildable inventory. (See Appendix A for more details on site preferences for certain key industries.) In particular, there is forecasted demand for more suitable large-lot industrial sites while relatively few of these sites were found in the inventory that are unconstrained. This is discussed in greater detail below.
- Based on identified proposed data center projects in the Hermiston area, and the rate of development of data centers generally in Umatilla and neighboring Morrow Counties over the past decade, there is a strong identified need for significant acreage for large-lot industrial sites appropriate for these developments.
- In keeping with recent data center campuses in the county, hyperscale data centers require a minimum of 100 acres of buildable land to accommodate at least four buildings. Each campus is also accompanied by an electrical substation to meet power needs, that typically requires an additional five to fifteen acres (see Appendix A).
- There is an estimated need for 1,400 gross acres in the Hermiston area to accommodate multiple hyperscale data center campuses of 100 or more acres. Over a 20-year period, this rate of development is in keeping with the observed development of these facilities in the County over the past decade.

DRAFT

**TECHNICAL MEMO:
SITING CRITERIA FOR
HYPERSCALE DATA
CENTERS**

To
Johnson Economics

For
City of Hermiston Economic
Opportunities Analysis (EOA)

Dated
April 30, 2024 **DRAFT**

Project Number
2240028.00



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ATTACHMENT

1. Business Oregon Industrial Development Competitiveness Matrix, July 2015



I. INTRODUCTION

Hermiston Economic Opportunities Analysis

This technical memo describes Mackenzie’s findings related to siting criteria for one of the City of Hermiston’s target industrial uses identified in the Economic Opportunity Analysis (EOA) currently under development by Johnson Economics. Information from this document will be used in conjunction with the Employment Lands - Buildable Lands Inventory (BLI) component of the EOA to identify land and infrastructure needed to attract hyperscale data center operators.

Industrial Development Competitiveness Matrix

In 2015, in partnership with Business Oregon, Mackenzie developed a matrix outlining criteria that make a site competitive for development with a range of industrial uses (see Attachment 1). The criteria include physical site characteristics, transportation needs, utility needs, and other considerations used to assist in the selection of appropriate sites for industrial development. Data Center is one of the use categories identified in the matrix; however, for the reasons explained below, the 2015 matrix does not account for the more recent trend of hyperscale data centers.

Data Centers

Data centers accommodate the physical equipment necessary to store, manage, process, and transmit digital information over the internet. The data center industry has changed quickly as data processing needs have grown exponentially in response to the general growth of the internet (e.g., e-commerce) and development of new industries including widespread adoption of decentralized cloud services, video and game streaming, mass data farming and processing, and artificial intelligence (AI).

In the data center industry, rather than measure facilities in square feet, they are often measured in terms of bulk energy such as megawatts (MW), which provides a more useful representation of their processing capacity. To put the growth of this market into perspective, a report by McKinsey & Company estimates the data center industry is expected to grow from 17 gigawatts (GW, i.e. 1,000 MW) in 2022 to about 35 GW by 2030.¹ According to Cushman & Wakefield, Oregon ranks #8 in the global established data center market and #5 in the established Americas market.²

Types of Data Centers

Data centers can be developed at different scales, depending on the location and need they are intended to serve. Table 1 below lists categories identified by NAIOP, the Commercial Real Estate Development Association.

¹ *Investing in the Rising Data Center Economy*, McKinsey & Company, 2023.

² *Global Data Center Market Comparison*, Cushman & Wakefield, 2024.



TABLE 1: FIVE TYPES OF DATA CENTERS ³
There is no one-size-fits-all when it comes to data centers, and depending on who is counting, five popular types of data centers are operating today.
Enterprise data centers: The enterprise data center supports a single organization. It is typically built, maintained, operated and managed by companies, such as banks, brokerage firms and insurance companies, for their own use.
Multitenant or co-location data centers: The co-location data center is one where a company will rent space within that data center, which is owned by others and located off premises from the company.
Hyperscale data centers: Hyperscale data centers are those of Amazon Web Services, Microsoft and IBM, and support their large-scale IT infrastructure.
Edge data centers: Edge data centers are owned by third parties in a specific metro area to bring IT infrastructure closer to users. They handle real-time data processing. These centers reduce communication delays.
Container data centers: Container data centers come in shipping containers or modules. These are ready-made data centers. They are plug-and-play, with all the components ready to go.

As the data needs of society have grown, the proliferation and scale of data centers has accelerated with it, including in Umatilla County. The development characteristics and site needs of data centers as described in the 2015 matrix (Attachment 1) do not accurately represent very large data centers and the examples that have been developed in Eastern Oregon over the last decade.

Hyperscale Data Centers

Based on the EOA’s identified need for hyperscale data centers, the remainder of this report discusses the characteristics and site needs of these modern very-large data centers. This analysis is intended to augment the prior siting criteria work noted above, to address the evolution of the data center industry over the past decade. By way of context, in 2010, the ratio of energy consumption for hyperscale and cloud data centers was 13% of the total and 87% for other types. As of 2022, hyperscale demand increased to 77%.⁴

Hermiston’s proximity to the Columbia River and major electrical transmission lines makes the area desirable for hyperscale data center campuses, as evidenced by several recent developments by Amazon Web Services (AWS) in Morrow and Umatilla Counties. The following sections of this report primarily focus on the siting criteria for the **hyperscale category** of data center facilities, based on information derived from trade organizations, literature, an end user, and Mackenzie engineering staff.

³ Data Center Real Estate: Challenges and Opportunities, Development, Winter 2023/2024
⁴ What do you Need to Know About Designing Data Centers?, Consulting Specifying Engineer, May/June 2023



II. SITING CRITERIA FOR HYPERSCALE DATA CENTERS

Due to changes in data center development patterns, the Data Centers category outlined in the 2015 Industrial Development Competitiveness Matrix (Attachment 1) is not directly germane to current hyperscale data center development trends in Eastern Oregon. The purpose of this section is to revisit and update the siting criteria to be applicable to the types of hyperscale data centers identified in the City of Hermiston’s EOA.

Hyperscale Data Center Site Criteria

The availability of sufficient, affordable, and dependable electricity and water supply are critical factors driving site selection for data center development. Due to the need for data centers to stay in continuous operation, low natural hazard and security risks are also critical. There is also preference for milder climates, which reduces cooling demand and in turn, electricity, and water consumption.

Site and Building Characteristics

The typical site size for a hyperscale data center campus is 100 acres or more, including four or more buildings at 200,000 square feet (SF) - 250,000 SF each, with 5-10 acres for dedicated electrical substations. For hyperscale data centers, the minimum site size needed for a single building is approximately 25 acres; however, recent trends in Umatilla and Morrow Counties show that the development generally consists of four or more buildings on 100+ acres. Site topography should be relatively flat, with a maximum grade of 7%, and site shape should accommodate large rectangular building(s).

Location

Sites should be within 30 miles of an interstate highway or freight route. Frontage on major streets is not necessary as data centers do not rely on or benefit from high daily vehicle or pedestrian traffic, so facilities can be removed from major arterials. Proximity to marine ports and airports is generally not necessary. Proximity to rail lines is also not necessary.

Due to the noise produced by cooling equipment and backup generators, proximity to residential zones or other sensitive uses may be undesirable, although it is typically possible to mitigate those effects through building and landscape design.

Utilities

Water

Data centers utilize large amounts of water for cooling equipment. In some cases, the water demand for data centers is estimated based on their energy use, which is measured in megawatt-hours (MWh). The estimated water demand is 1,000 gallons per day per acre, which requires a minimum 12" high-pressure supply line per Mackenzie engineering staff.

Sanitary Sewer

According to Mackenzie civil engineers, a minimum 8" service line is required.



Natural Gas

Natural gas supply is not required; however, a minimum 4" service line where available increases the marketability of sites and is highly recommended.

Electricity

Data centers have a very high demand for electricity to power and cool equipment. Cooling the equipment accounts for approximately 40% of total energy consumption. The minimum power requirement per building is 60 megawatts (MW), so a prototypical four-building campus would require a minimum supply of 240 MW. This level of demand requires a dedicated substation, typically 5-10 acres in size. Redundancy is required to ensure data centers can operate without interruption. According to the U.S. Department of Energy (DOE), data centers collectively account for about 2% of total U.S. electricity use.⁵ Backup generators, typically diesel-powered, are also required.

Telecommunications

Data center facilities require major telecommunications infrastructure including fiber optic service and route diversity.

Transportation

Sites require adequate access and circulation for truck traffic and fire apparatus. Proximity to public transit, airports, marine ports, or railroads is not required. Data centers generate minimal traffic, so frontage on high-capacity road classifications is not critical to site selection. According to the Institute of Transportation Engineers (ITE) Trip Generation Manual, 11th Edition, the average daily trip (ADT) generation rate is 0.99 trips per 1,000 SF (KSF) of gross floor area (GFA). By contrast, the Industrial Development Competitiveness Matrix specifies trip generation capacity in terms of average daily trips per acre (ADT/ac). The ADT/ac metric does not account for floor area ratio (FAR), which can vary significantly between single- and multi-story developments. Mackenzie transportation engineers estimate a range of 15 to 45 daily trips per acre, with the lower end of the range representing sites with a low FAR and the upper end representing sites with a high FAR.

Security

Sites require gated access, security lighting, and enhanced security systems to ensure data remains secure and systems stay online. Proximity to buildings or infrastructure which may be vulnerable to attack is a factor in evaluating site suitability.

Natural Hazards

Due to the need for the facility to be in continuous operation, sites must have minimal seismic, flood, or other natural hazard risk exposure.

⁵ www.energy.gov/eere/buildings/data-centers-and-servers



Examples of Eastern and Central Oregon Hyperscale Data Center Campuses

The following examples describe hyperscale data center facilities from Umatilla, Morrow, and Crook Counties.

Amazon Web Services (AWS) | Umatilla County, OR



Figure 1: AWS Data Center, Umatilla County, Oregon
Image Source: Umatilla County Interactive Map

- Site Address: 77954 Cottonwood Bend Rd, Hermiston, OR 97838
- Year Developed: 2022 - 2023
- Site Size: 117 acres
- Dedicated Substation Size: 9 acres
- Buildings: (4) single-story buildings – (1) at 217,900 SF and (3) at 250,000 SF each



Amazon Web Services (AWS) | City of Boardman, OR

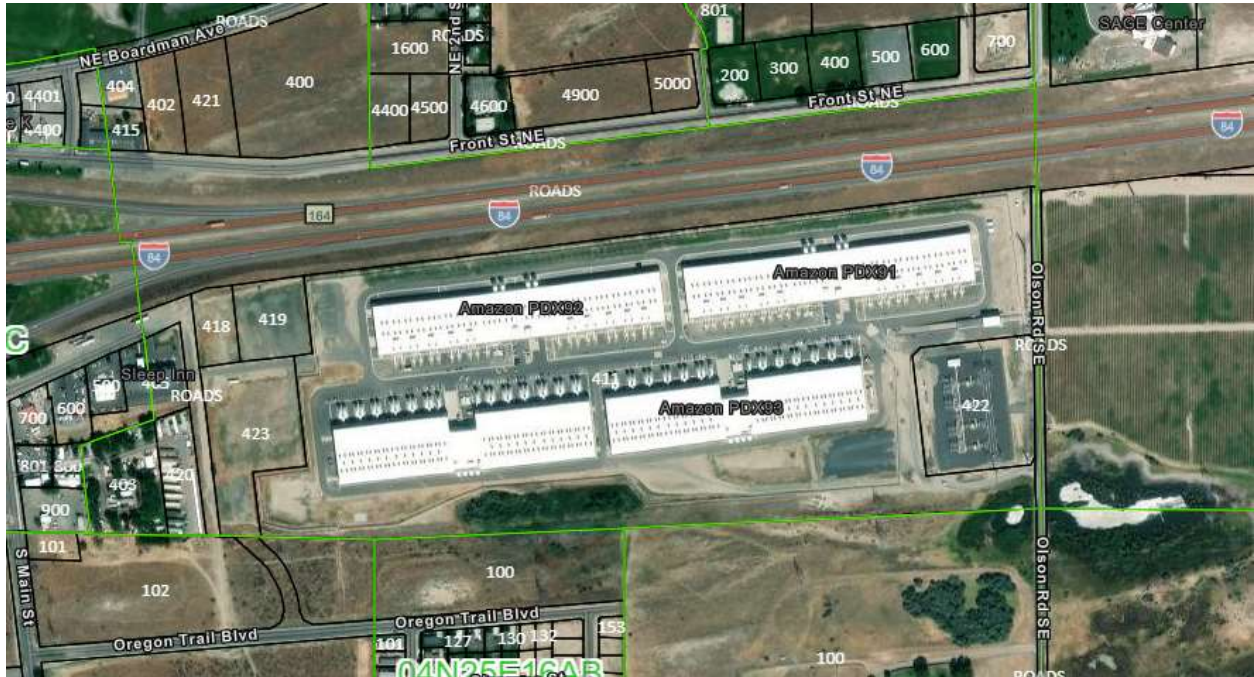
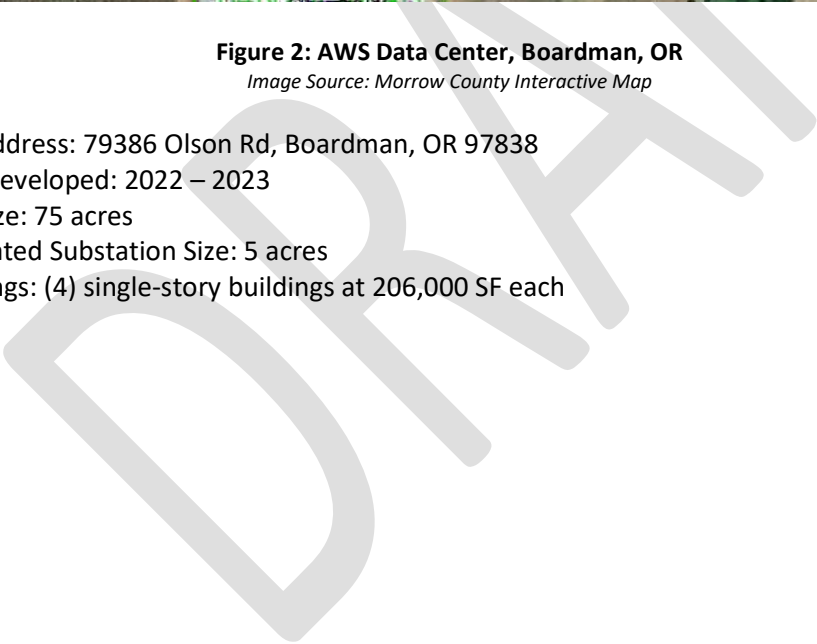


Figure 2: AWS Data Center, Boardman, OR
Image Source: Morrow County Interactive Map

- Site Address: 79386 Olson Rd, Boardman, OR 97838
- Year Developed: 2022 – 2023
- Site Size: 75 acres
- Dedicated Substation Size: 5 acres
- Buildings: (4) single-story buildings at 206,000 SF each





Apple, Inc. | City of Prineville, OR



Figure 3: Apple Data Center, Prineville, OR

Image Source: Crook County Interactive Map

- Site Address: 1600 SW Baldwin, Prineville, OR 97754
- Year Developed: 2012 - 2023
- Site Size: 154 acres
- Dedicated Substation Size: ±2 acres
- Buildings: (3) single-story buildings – (1) at ±270,000 SF; (2) at ±338,000 SF each



Facebook | City of Prineville, OR



Figure 4: Facebook Data Center, Prineville, OR
Image Source: Crook County Interactive Map

- Site Address: 735 SW Connect Way, Prineville, OR 97754
- Year Developed: 2011 - 2023
- Site Size: ±363 acres
- Dedicated Substation Size: (1) at ±10.0 acres, (1) at 1.3 acres, and (1) at 1.5 acres
- Buildings: (11) buildings totaling ±4.6 million SF



III. RECOMMENDATIONS

Based on information from the Industrial Development Competitiveness Matrix and the findings in this technical memo, Mackenzie recommends the following siting criteria for the hyperscale data centers discussed in the City of Hermiston’s EOA.

TABLE 2: SITING CRITERIA FOR HYPERSCALE DATA CENTERS		
<i>Criteria</i>		<i>Hyperscale Data Center</i>
Physical Site		
Total Site Size*	Competitive Acreage**	25 - 100+
Competitive Slope	Maximum Slope	0 - 7%
Transportation		
Trip Generation	Average Daily Trips Per Acre	15 - 45
Miles to Interstate or Freight Route	Miles	within 30
Railroad Access	Dependency	Not Required / Avoid
Proximity to Marine Port	Dependency	Not Required
Proximity to International / Regional Airport	Dependency	Not Required
Utilities		
Water	Minimum Line Size (inches diameter)	12" – 16"
	Minimum Fire Line Size (inches diameter)	10" - 12"
	High Pressure Water Dependency	Required
	Flow (gallons per day per acre)	1,000+
Sanitary Sewer	Minimum Service Line (inches diameter)	8" - 10"
	Flow (gallons per day per acre)	500 - 1,000±
Natural Gas	Minimum Service Line	4"



	(inches diameter)	
	On Site	Competitive
Electricity	Min. Service Demand	60 - 240 MW
	Close proximity to substation	Required on-site
	Redundancy Dependency	Required
Telecommunications	Major Communications Dependency	Required
	Route Diversity Dependency	Required
	Fiber Optic Dependency	Required
Special Considerations	<p>Larger sites may be needed. The 100-acre site requirement represents the more typical site for hyperscale data center campuses.</p> <p>Power delivery, water supply, and security are critical. Surrounding environment (vibration, air quality, etc.) is crucial.</p> <p>May require high volume/supply of water and sanitary sewer treatment.</p>	

Terms: "Required" factors are seen as mandatory in a vast majority of cases and have become industry standards.
 "Competitive" significantly increases marketability and is highly recommended. May be linked to financing in order to enhance the potential reuse of the asset in case of default.
 "Preferred" increases the feasibility of the site and its future reuse. Other factors may, however, prove more critical.
 "Not required" does not apply for the industry and/or criteria.
 "Avoid" factors act as deterrents to businesses in these industries because of negative impacts.

* Total Site: Building footprint, including buffers, setbacks, parking, mitigation, and expansion space.
 ** Competitive Acreage: Acreage that would meet the site selection requirements of the majority of industries in this sector.
 † Data Center Water Requirements: While the Business Oregon Industrial Development Competitiveness Matrix identifies water requirements in gallons per MWh for data centers, this table uses gallons per acre.
 ‡ Sanitary Sewer Requirements: Sewer requirement is reported as 200% of the domestic usage at the Data Center facility. Water and sewer requirements for Data Centers are highly variable based on new technologies and should be reviewed on a case-by-case basis for specific development requirements.

ATTACHMENT A

**BUSINESS OREGON
INDUSTRIAL
DEVELOPMENT
COMPETITIVENESS
MATRIX**

*Source: Mackenzie,
Business Oregon*

DRAFT

**TECHNICAL MEMO:
CITY OF HERMISTON
EMPLOYMENT LANDS
– BUILDABLE LANDS
INVENTORY**

To
Johnson Economics

For
City of Hermiston Economic
Opportunities Analysis (EOA)

Dated
April 23, 2024 **DRAFT**

Project Number
2240028.00



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APPENDIX

Appendix A – Manual Adjustment Log

I. INTRODUCTION AND PURPOSE

This technical memo describes Mackenzie’s findings related to the employment areas buildable lands inventory for the City of Hermiston. Information from this document will be incorporated into the Economic Opportunity Analysis (EOA) reconciliation of employment land supply and demand in the main report by Johnson Economics.

DRAFT

II. EMPLOYMENT LANDS BUILDABLE LANDS INVENTORY

As part of this project, the City of Hermiston requested a buildable lands inventory (BLI) for employment lands to identify those parcels available for and suitable for development by commercial and industrial users within the Urban Growth Boundary (UGB). Mackenzie has compiled information on buildable lands to further the City’s economic development objectives and to satisfy provisions of Oregon Statewide Land Use Planning Goal 9, Economic Development, as codified at Oregon Administrative Rules (OAR) 660, Division 9 to implement Oregon Revised Statutes (ORS) 197.712(2).

To determine the City’s buildable lands, Mackenzie utilized geographic information systems (GIS) data from the City and Umatilla County, Federal Emergency Management Agency (FEMA), Oregon Department of State Lands (DSL), Oregon Department of Geology and Mineral Industries (DOGAMI), Oregon Department of Forestry (ODF), and Bing Maps to review information on parcels, comprehensive plan designation, assessed value, and topographic conditions to:

- Categorize land designated or planned for employment.
- Screen out properties which are already developed.
- Determine which properties are vacant or redevelopable.
- Deduct areas with site constraints that preclude development.
- Identify the remaining buildable area of vacant and redevelopable sites after deducting for constraints.

Study Area

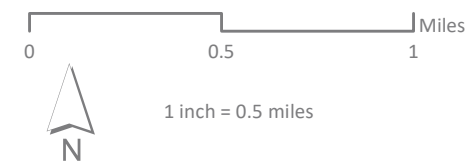
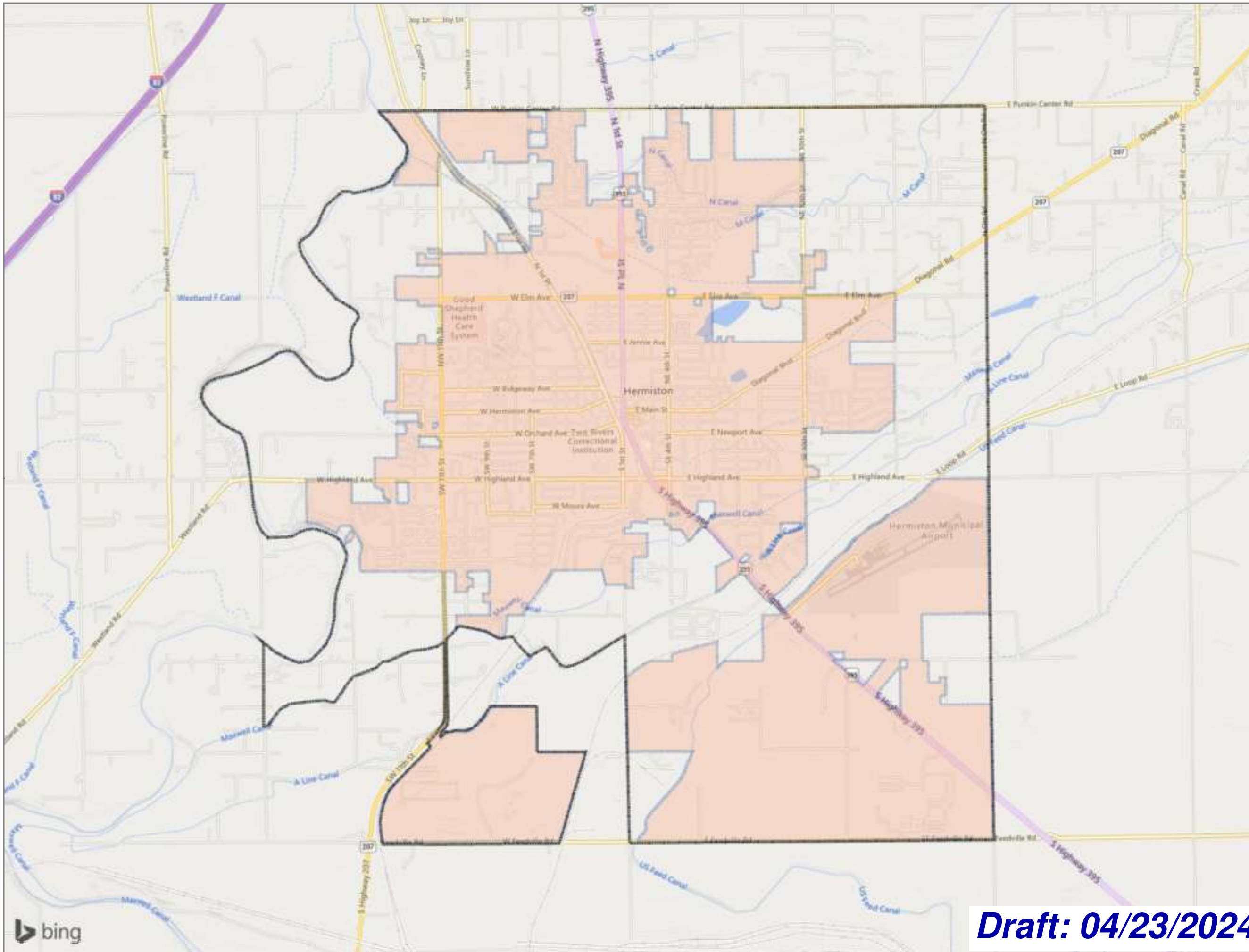
The study area includes the area within the City of Hermiston and the Hermiston UGB as shown in Figure 1. Areas within the UGB outside city limits are within unincorporated Umatilla County.

Figure 1: H Section 3, Item B.
**City Limits and
 Urban Growth Boundary**

Hermiston, Oregon

LEGEND

- Hermiston City Limits
- Hermiston Urban Growth Boundary (UGB)



SOURCE DATA: City of Hermiston, 2024
 GEOGRAPHIC PROJECTION: NAD 83 HARN, Oregon North Lambert Conformal Conic

Date: 4/9/2024
 File: Figure 1 City Limits and UGB
 Map Created By: SH
 Project No: 2240028.00



MACKENZIE.

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Draft: 04/23/2024

The areas noted in Table 1 were analyzed as part of this employment land BLI.

TABLE 1: CITY OF HERMISTON BLI EMPLOYMENT AREAS	
<i>Comprehensive Plan Abbreviation</i>	<i>Comprehensive Plan Designation</i>
C	Commercial
A	Airport
C/I	Mixed Commercial/ Industrial
I	Industrial
F-I	Future Industrial
F-C/I	Future Mixed Commercial/ Industrial

Those employment areas listed in Table 1 are graphically depicted in Figure 2.

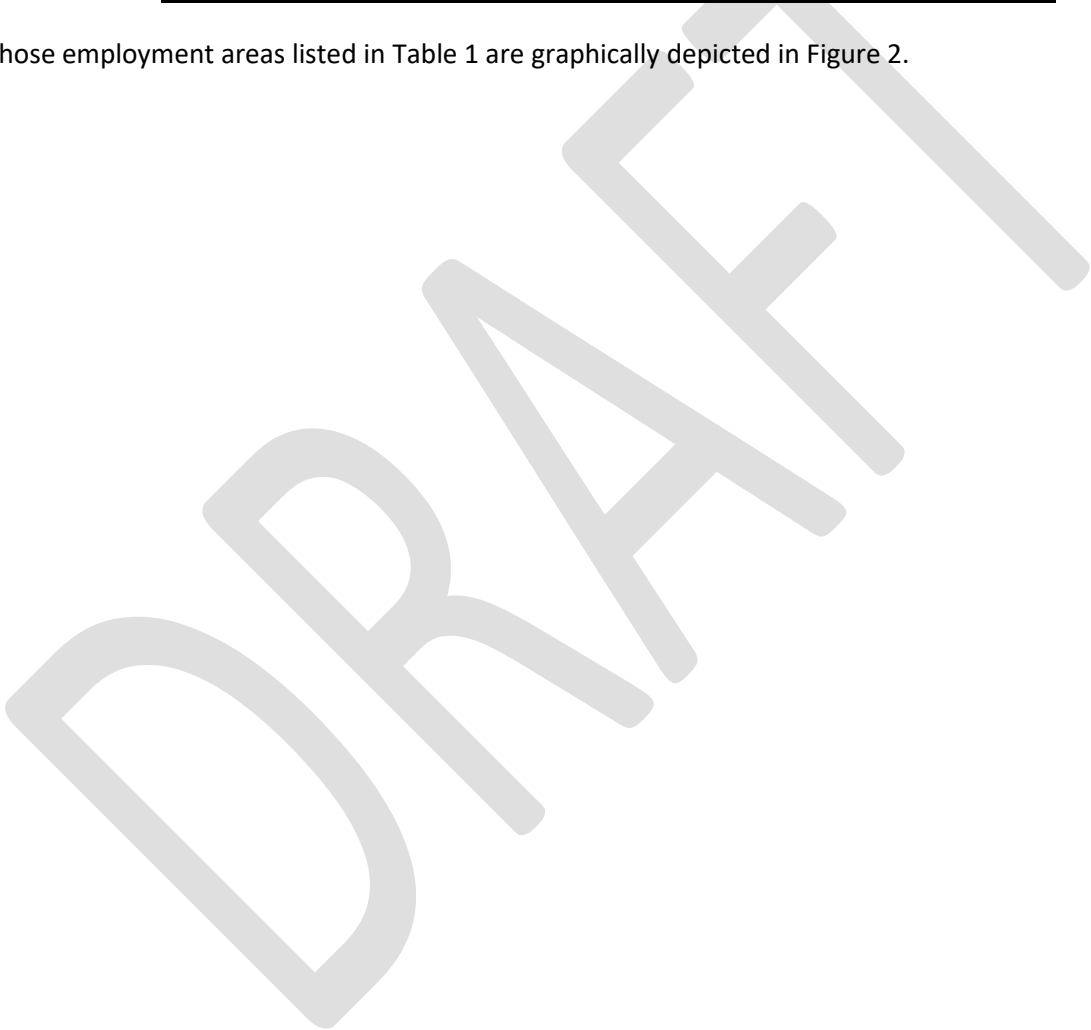







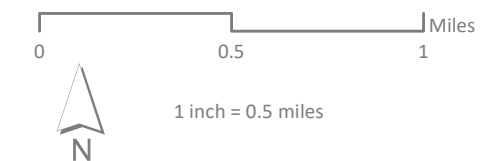


Figure 2: H Section 3, Item B.
**Employment Land
 Comprehensive Plan
 Designations**

Hermiston, Oregon

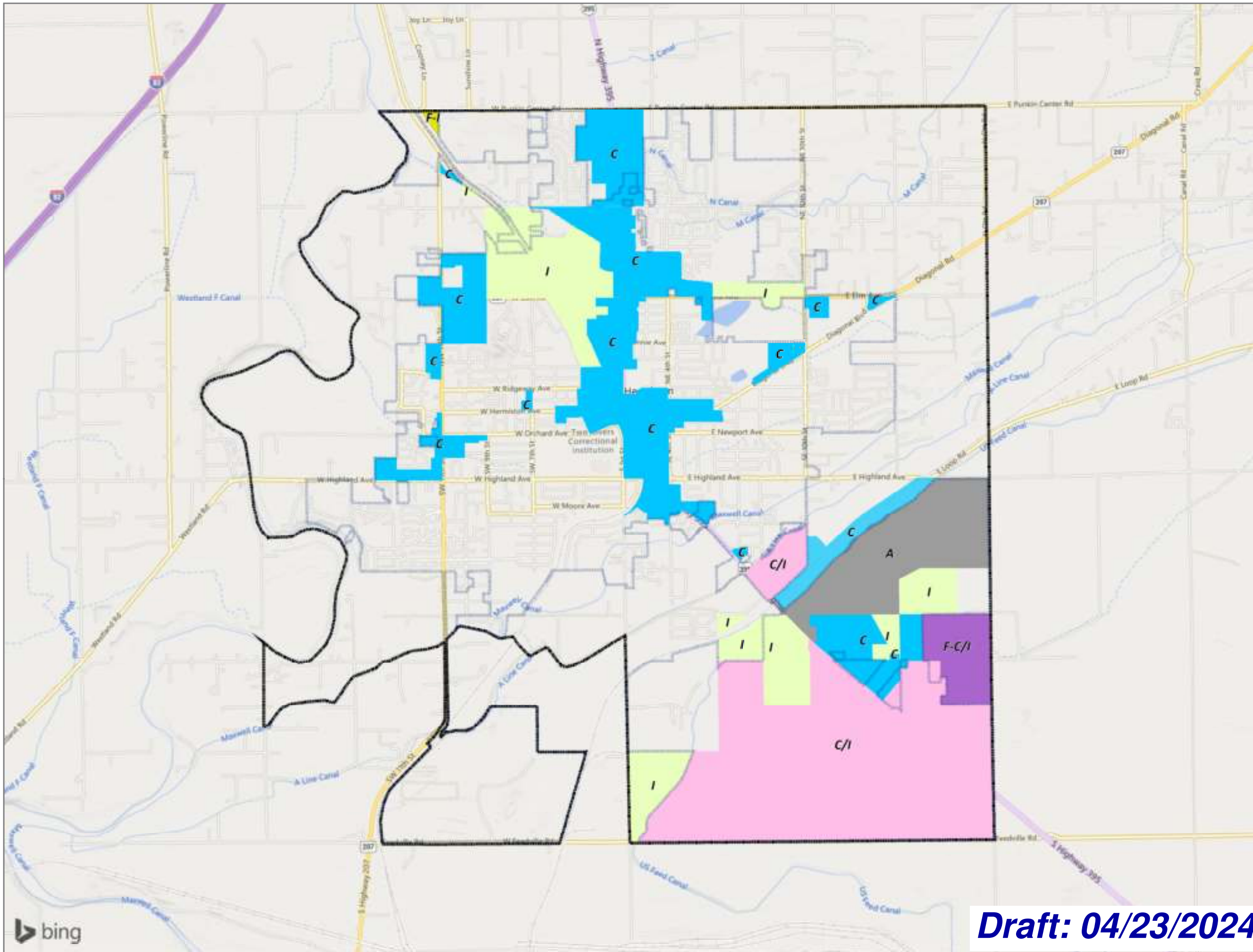
LEGEND

-  Hermiston City Limits
-  Hermiston Urban Growth Boundary (UGB)
- Comprehensive Plan Designations**
-  Airport (A)
-  Commercial (C)
-  Commercial/ Industrial (C/I)
-  Future Commercial/ Industrial (F-C/I)
-  Industrial (I)
-  Future Industrial (F-I)



SOURCE DATA: City of Hermiston, 2024
 GEOGRAPHIC PROJECTION: NAD 83 HARN, Oregon North Lambert Conformal Conic

Date: 4/23/2024 Map Created By: SH
 File: Figure 2 Project No: 2240028.00



Draft: 04/23/2024

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Vacant and Redevelopable Parcels

To identify parcels which may be available for economic development, Mackenzie utilized GIS software to determine which parcels with commercial or industrial zoning were vacant or redevelopable, as follows:

- The vacant employment parcels were identified as being those parcels in the Comprehensive Plan Designations (Designations) identified in Table 1 that Umatilla County Assessor data identify as having an improvement valuation of 0 and which had no visually identifiable development based on aerial photography. Parcels were reviewed on an individual basis without regard to ownership or proximity that could allow for aggregation by developers.
- The redevelopable employment parcels were identified based on coordination with Johnson Economics and City staff regarding conditions which would likely increase attractiveness for site redevelopment. Two distinct methodologies were used, depending on use category. For industrial and mixed employment areas, this included parcels over two acres with building values less than 30% of the total land value and parcels over five acres where less than half-acre is occupied by permanent buildings or improvements. For commercial employment areas, this included parcels larger than one acre with building values less than 30% of the total land value and parcels over five acres where less than half-acre is occupied by permanent buildings or improvements.

Following GIS analysis to identify parcels in each of the categories, Mackenzie refined the results as follows:

- To incorporate direction provided by the City staff for specific parcels where staff had institutional knowledge of the employment land inventory and additional constraints, as explained in the Manual Adjustment Log included as Appendix A.
- To remove surface parking areas serving adjacent and nearby commercial uses.
- To remove GIS irregularities such as small slivers of land that are likely a result of misaligned data sets provided by multiple sources.

A map of the vacant and redevelopable parcels is included as Figure 3.

Figure 3: Hermiston Vacant and Redevelopable Employment Land Section 3, Item B.

Hermiston, Oregon

LEGEND

-  Hermiston City Limits
-  Hermiston Urban Growth Bounday (UGB)
-  Commercial - Vacant
-  Commercial - Redevelopable
-  Industrial - Vacant
-  Industrial - Redevelopable
-  Mixed - Vacant
-  Mixed - Redevelopable
-  Airport - Vacant
-  Airport - Redevelopable

0 0.5 1 Miles

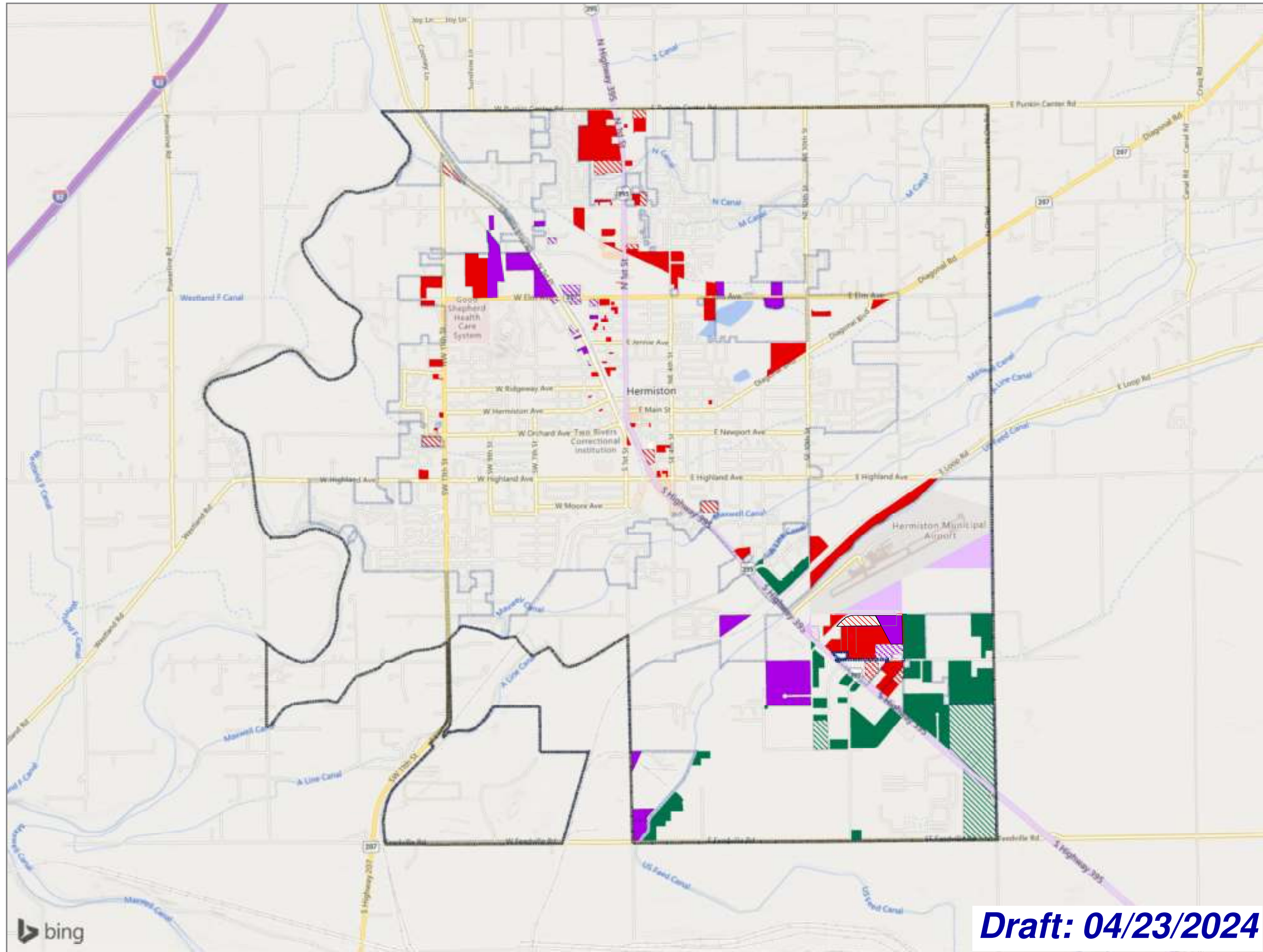


1 inch = 0.5 miles

SOURCE DATA: City of Hermiston, 2024
Umatilla County Assessor, 2024

GEOGRAPHIC PROJECTION: NAD 83 HARN, Oregon North Lambert Conformal Conic

Date: 4/19/2024 Map Created By: SH
File: Figure 3 Vacant and Redevelopable Parcels Project No: 2240028.00



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Development Constraints

OAR 660, Division 9 allows for reduction of buildable area in a BLI based on site development constraints, as defined in OAR 660-009-0005(2):

‘Development Constraints’ means factors that temporarily or permanently limit or prevent the use of land for economic development. Development constraints include, but are not limited to, wetlands, environmentally sensitive areas such as habitat, environmental contamination, slope, topography, cultural and archeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.

Based on this definition, for the Hermiston BLI, development constraints that render land undevelopable for employment uses were identified as land with any of the following characteristics:

- Property within the 1% annual chance (100-year) floodplain.
- Areas with slopes of 5% or greater in areas with an industrial or Mixed Designation¹.
- Areas with slopes of 10% or greater in areas with a commercial Designation.
- Areas within High landslide susceptibility area per Oregon Department of Geology and Mineral Industries (DOGAMI)².
- Wetlands identified in the Oregon Department of State Lands’ (DSL) wetland data.

The resulting site constraints on employment land are depicted in Figure 4.

¹ The 5% slope criteria was used as a constraint for land within the Airport Comprehensive Plan Designation as the allowed uses in the Airport Zone align with that of C-2/M-1 (Comprehensive Plan Designation of C/I) which is classified as a Mixed Designation.

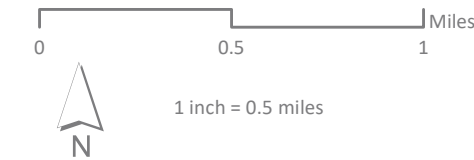
² No High landslide susceptibility area per Oregon Department of Geology and Mineral Industries (DOGAMI) were identified in the employment land study area.

Figure 4: H Section 3, Item B.
**Employment Land
 Development Constraints**

Hermiston, Oregon

LEGEND

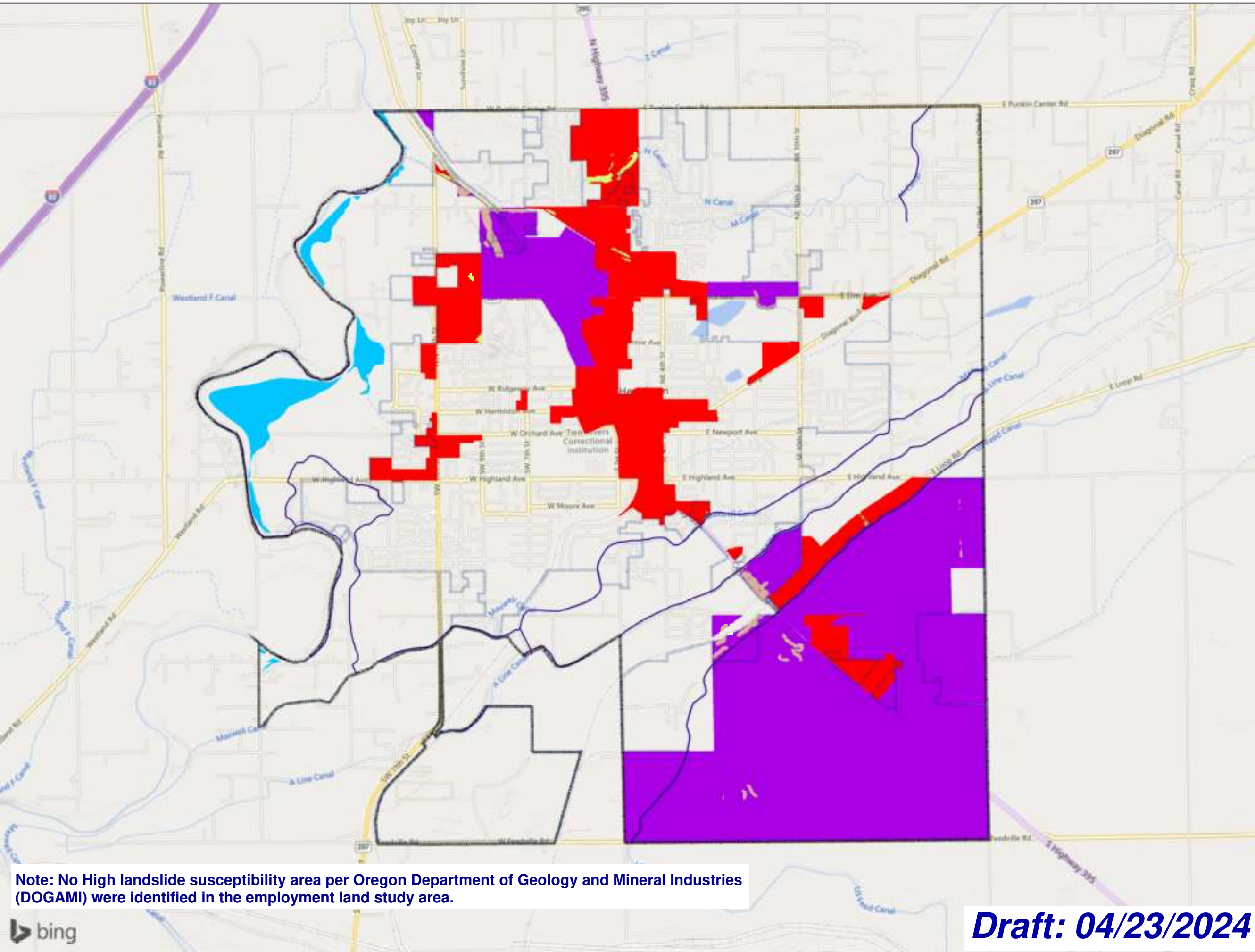
- Hermiston City Limits
- Hermiston Urban Growth Boundary (UGB)
- Industrial and Mixed Employment Land
- Commercial Employment Land
- Slope of 5% or greater (Industrial and Mixed Employment Land)
- Slope of 10% or greater (Commercial Land)
- Wetlands (LWI)
- 100-Year Floodplain
- Streams



SOURCE DATA: City of Hermiston (2024), Oregon Department of Forestry (2023), FEMA (2023), Oregon Department of State Lands (2023)

GEOGRAPHIC PROJECTION: NAD 83 HARN, Oregon North Lambert Conformal Conic

Date: 4/23/2024 Map Created By: SH
 File: Figure 4 Constraints Map Project No: 2240028.00



Note: No High landslide susceptibility area per Oregon Department of Geology and Mineral Industries (DOGAMI) were identified in the employment land study area.

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Buildable Employment Lands

The areas with constraints (Figure 4) were then deducted from the vacant and redevelopable parcels (Figure 3) to determine the net buildable portions of vacant and redevelopable parcels. Parcels resulting in less than 0.10 acres of net buildable land were removed since development of the small parcel less than 0.10 acres is not feasible (this removed 16 parcels from the inventory). The results of this analysis for City of Hermiston are summarized in Table 2 and shown graphically in Figure 5.

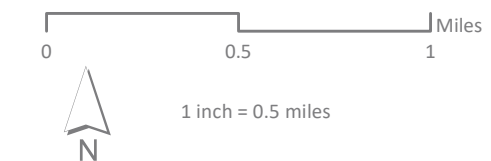
TABLE 2: HERMISTON EMPLOYMENT BUILDABLE LANDS INVENTORY ¹						
Designation	Vacant		Redevelopable		Total	
	Number of Parcels	Net Buildable Acreage	Number of Parcels	Potential Acreage ²	Number of Parcels	Potential Acreage
Commercial Designation						
Commercial (C)	109	208.71	11	35.90	120	244.61
<i>Commercial subtotal</i>	<i>109</i>	<i>208.71</i>	<i>11</i>	<i>35.90</i>	<i>120</i>	<i>244.61</i>
Industrial Designations						
Airport (A)	3	48.04	1	1.88	4	49.92
Industrial (I)	26	105.22	8	15.70	34	120.92
<i>Industrial subtotal</i>	<i>29</i>	<i>153.26</i>	<i>9</i>	<i>17.58</i>	<i>38</i>	<i>170.84</i>
Mixed Designations						
Future Mixed Commercial/ Industrial (F-C/I)	3	66.79	0	0	3	66.79
Mixed Commercial/ Industrial (C/I)	33	115.15	3	100.56	36	215.71
<i>Mixed Subtotal</i>	<i>36</i>	<i>181.94</i>	<i>3</i>	<i>100.56</i>	<i>39</i>	<i>282.50</i>
Total	174	543.91	23	154.04	197	697.95
Table Notes:						
¹ Due to rounding, some totals may not correspond with the sum of separate figures.						
² The Redevelopable Potential Acreage assumes removal of existing structures, and redevelopment of the entire parcel.						

Figure 5: H Section 3, Item B.
**Net Buildable
 Employment Land**

Hermiston, Oregon

LEGEND

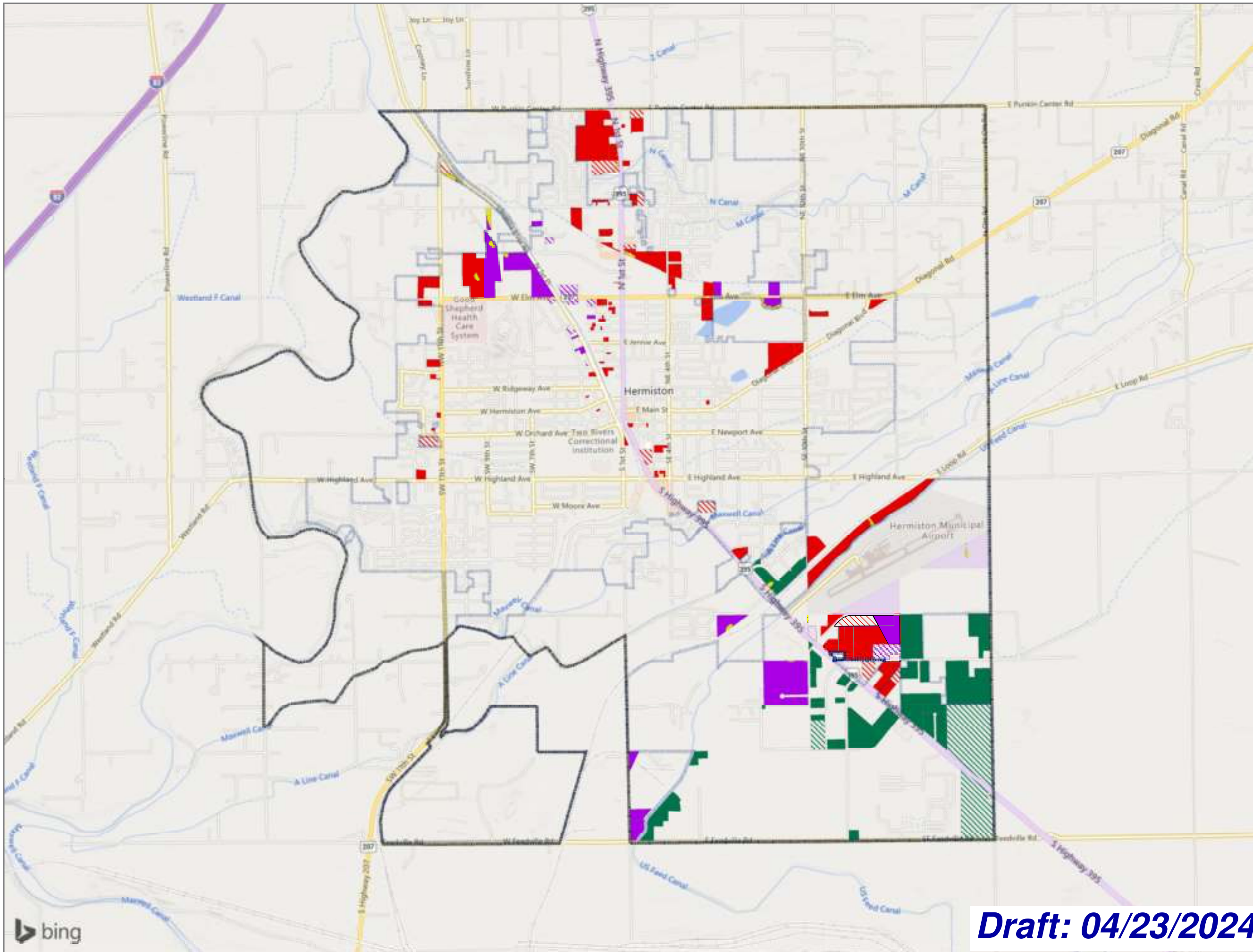
- Hermiston City Limits
- Hermiston Urban Growth Boundary (UGB)
- Commercial - Vacant
- Commercial - Redevelopable
- Industrial - Vacant
- Industrial - Redevelopable
- Mixed - Vacant
- Mixed - Redevelopable
- Airport - Vacant
- Airport - Redevelopable
- Constrained (Unbuildable) Land



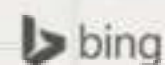
SOURCE DATA:
 City of Hermiston (2024), Oregon Department of Forestry (2023), FEMA (2023), Oregon Department of State Lands (2023), Umatilla County Assessor (2023)

GEOGRAPHIC PROJECTION:
 NAD 83 HARN, Oregon North Lambert Conformal Conic

Date: 4/18/2024 Map Created By: SH
 File: Figure 5 Buildable Land Inventory Map Project No: 2240028.00



Draft: 04/23/2024



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To account for the fact that the Mixed Designations can accommodate either commercial or industrial development, the acreage from the Mixed Designations could be tracked in either category. For simplicity, City staff supported an approach in which half the acreage from Mixed Designations was assigned to the Commercial category and the remaining half was assigned to the Industrial category. The resulting reclassified acreage figures are depicted in Table 3.

TABLE 3: RECLASSIFIED HERMISTON EMPLOYMENT BUILDABLE LANDS INVENTORY¹			
	<i>Vacant</i>	<i>Redevelopable</i>	<i>Total</i>
<i>Designation</i>	<i>Net Buildable Acreage</i>	<i>Potential Acreage²</i>	<i>Potential Acreage</i>
Commercial Designation (includes 50% of Mixed Designations acreage)			
Commercial (C)	208.71	35.90	244.61
50% of Mixed Commercial/Industrial (C/I) and Future Mixed Commercial/Industrial (F-C/I)	90.97	50.28	141.25
<i>Commercial subtotal</i>	<i>299.68</i>	<i>86.18</i>	<i>385.86</i>
Industrial Designations (includes 50% of Mixed Designations acreage)			
Airport (A)	48.04	1.88	49.92
Industrial (I)	105.22	15.70	120.92
50% of Mixed Commercial/Industrial (C/I) and Future Mixed Commercial/Industrial (F-C/I)	90.97	50.28	141.25
<i>Industrial subtotal</i>	<i>244.23</i>	<i>67.86</i>	<i>312.09</i>
Total	543.91	154.04	697.95
Table Note:			
¹ Due to rounding, some totals may not correspond with the sum of separate figures.			
² The Redevelopable Potential Acreage assumes removal of existing structures, and redevelopment of the entire parcel.			

Analysis of the data in Table 3 reveals the following³:

- The commercial designations have approximately 300 acres (55%) of vacant buildable land, and the industrial designations have approximately 245 acres (45%) of vacant buildable land, for a total of approximately 544 net acres of vacant buildable employment land.
- The commercial designations have approximately 86 acres (56%) of redevelopable buildable land, and the industrial designations have approximately 68 acres (44%) of redevelopable buildable land, for a total of approximately 154 net acres of redevelopable buildable employment land.
- In total, the commercial designations have approximately 385 acres (55%) of buildable land and the industrial designations have approximately 312 acres (45%) of buildable land, for a total of approximately 698 net acres of buildable employment land.

³ The Commercial and Industrial acreage in this list each include 50% of the Mixed Subtotal, as both Commercial and Industrial Uses are allowed in the Mixed Designations.

Buildable Employment Lands Parcel Sizes

Based on the buildable parcels within the UGB is shown in Figure 5 and tabulated in Table 2, Mackenzie has sorted the net buildable land supply by parcel size for each Designation, the results of which are in Table 4. The majority (63%) of Commercial parcels are less than 1 acre in size. The majority (73%) of Industrial and Mixed Designation parcels are less than 5 acres in size.

TABLE 4: HERMISTON EMPLOYMENT NET BUILDABLE LANDS INVENTORY PARCEL SIZES									
<i>Designation</i>	<i>0 to 0.99 acres</i>	<i>1 to 4.99 acres</i>	<i>5 to 9.99 acres</i>	<i>10 to 19.99 acres</i>	<i>20 to 29.99 acres</i>	<i>30 to 49.99 acres</i>	<i>50 to 99.99 acres</i>	<i>100+ acres</i>	<i>TOTAL</i>
Commercial Designation									
Commercial (C)	75	36	5	2	0	2	0	0	120
<i>Commercial subtotal</i>	75	36	5	2	0	2	0	0	120
Industrial Designations									
Airport (A)	0	2	0	0	2	0	0	0	4
Industrial (I)	15	12	5	1	0	1	0	0	34
<i>Industrial subtotal</i>	15	14	5	1	2	1	0	0	38
Mixed Designations									
Mixed Commercial/ Industrial (C/I)	6	21	6	2	0	0	1	0	36
Future Mixed Commercial/ Industrial (F-C/I)	0	0	0	2	0	1	0	0	3
<i>Mixed Subtotal</i>	6	21	6	4	0	1	1	0	39
Commercial, Industrial, and Mixed Total									
Totals	96	71	16	7	2	4	1	0	197

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APPENDIX A

**MANUAL
ADJUSTMENT
LOG**

City of Hermiston Employment Lands Buildable Lands Inventory (BLI) Manual Adjustment Log
Last Update: April 23, 2024

Date of Removal	Taxlot(s)	Gross Acreage	Comprehensive Plan Designation	Zone	Reason for Removal
April 8, 2024	4N2810AB00700 4N2810AB00800	3.57 AC	Industrial (I)	M-1	Parcel has an approved land use decision for development.*
April 8, 2024	4N28230000200	200 AC	Mixed Commercial/ Industrial (C/I)	C-2/M-2	Parcel has an approved land use decision for development.*
April 8, 2024	4N2824BB00101 4N2824BB00200 4N2824BB01500 4N2824BB01600	3.15 AC	Mixed Commercial/ Industrial (C/I)	C-2/M-1	Parcel has an approved land use decision for development.*
April 8, 2024	4N28240000600	100 AC	Mixed Commercial/ Industrial (C/I)	C-2/M-1	Parcel has an approved land use decision for development.*
April 8, 2024	4N2810AB00205	1.2 AC	Industrial (I)	M-1	Parcel has an approved land use decision for development.*
April 10, 2024	4N2813C000903 4N2813C000100	33.6 AC	Industrial (I) and Commercial (C)	C-2 and M-1	Parcels have split Designations. The portion of each parcel Designated as Commercial is included in the commercial acreage total. The portion of each parcel Designated as Industrial is included in the industrial acreage total.
April 10, 2024	4N28130000200	31 AC	Commercial (C)	C-2	Per Ordinance No. 2356, the Comprehensive Plan Map Amendment changed approximately 31 acres from Industrial to Commercial. This

Date of Removal	Taxlot(s)	Gross Acreage	Comprehensive Plan Designation	Zone	Reason for Removal
					adjustment was made manually due to the recency of the City Council approval on March 11, 2024.
April 18, 2024	4N2814D000100	0.2 AC	Airport (A)	A	Parcel is partially located in the Runway Protection Zone (RPZ), limiting opportunity for development. The portion of the parcel located in the RPZ is removed from the inventory, and the portion of the site outside of the inventory is included in the inventory.*
April 18, 2024	4N2814D000200	2.5 AC	Airport (A)	A	Parcel is located in the Runway Protection Zone, limiting opportunity for development.*
April 18, 2024	4N2814D000300	4.1 AC	Airport (A)	A	Parcel is located in the Runway Protection Zone, limiting opportunity for development.*
<p>Table Footnote: <i>*Refinement requested by staff</i></p>					