



# CITY COUNCIL & URBAN RENEWAL AGENCY

Community Center – 415 S. Hwy 395

*Where Life is Sweet*

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**August 08, 2022 at 6:30 PM**

## **AGENDA**

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*Other ways of viewing or participating in live meetings are available through:  
YouTube at: <https://bit.ly/HermistonYoutube>*

*Zoom with Meeting ID: 841 0675 8958 Passcode: 075556 Telephone number to join is: 1 253 215 8782; or submitting comments to [meetings@hermiston.or.us](mailto:meetings@hermiston.or.us)*

**1. CALL COUNCIL/CITY MANAGER WORK SESSION MEETING TO ORDER - 6:30 PM**

A. Uber Discussion

**2. ADJOURN WORK SESSION MEETING**

**3. CALL REGULAR MEETING TO ORDER – 7:00 PM**

**4. DECLARATION OF QUORUM**

**5. FLAG SALUTE**

**6. PROCLAMATIONS, PRESENTATIONS AND RECOGNITIONS**

A. Presentation- Hermiston School District Update

**7. CITIZEN INPUT ON NON-AGENDA ITEMS**

*Anyone wishing to bring anything before the council that is not on the agenda is asked to please do the following: 1. Please limit comments to not more than FIVE minutes; 2. State your name and address; 3. Direct your comments to the Chair.*

**8. CONSENT AGENDA**

**A.** Committee Vacancy Announcements

**B.** Confirmation of appointment to the EOTEC Advisory Committee: Patrick Collins, Position 5, 3-year term ending June 30, 2025.

**C.** Recommendation of appointment to the Parks and Recreation Committee: Carlisle Harrison, Position 4, 3-year term ending October 31, 2025.

- D. Recommendation of appointment to the Parks and Recreation Committee: Erica Juarez, Position 5, 3-year term ending October 31, 2025.

**9. ITEMS REMOVED FROM CONSENT AGENDA**

**10. OTHER**

- [A.](#) Motion to proceed with Airport Hangar Reconstruction
- [B.](#) Update on Goal Setting Report

**11. COMMITTEE REPORTS**

- A. City Committee and Liaison:

Airport Advisory, Budget, Hispanic Advisory, Library Board, Parks and Recreation, Planning Commission, Recreation Projects Fund, Faith-Based Advisory, Community Enhancement, Community Accountability, Public Safety, Public Infrastructure, Transit Planning, EOTEC

- B. Council President's Report
- C. Council Report
- D. Youth Advisory Report
- E. Manager's Report

**12. RECESS CITY COUNCIL MEETING AND CONVENE URBAN RENEWAL AGENCY MEETING- AT OR AFTER 7:30 PM**

**13. CALL TO ORDER**

**14. NEW BUSINESS**

- [A.](#) Southwest Hermiston Urban Renewal Area (SHURA) Draft Plan Presentation

**15. ADJOURN URBAN RENEWAL AGENCY MEETING AND RECONVENE CITY COUNCIL MEETING- AT OR AFTER 8:00 PM**

**16. RECESS FOR EXECUTIVE SESSION**

- A. The Executive Session is held pursuant to ORS 192.660 (2) (g) which allows the Council to meet in Executive Session to Consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations.

**17. RECONVENE AND ADJOURN**

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

Please contact Hermiston City Hall, 235 E Gladys Ave, Hermiston, OR 97838 (Phone No. 541-567-5521) at least 48 hours prior to the scheduled meeting time if you need an accommodation. TTY and TDD users please call Oregon Telecommunications Relay Service at 1-800-735-2900 or 711.



# PUBLIC ANNOUNCEMENT

The City is accepting applications for the following Committees:

**1) Airport Advisory Committee**

- Position 5: 3-year term ending October 31, 2025 (Advertised as of 07/01/2022)

**2) Parks & Recreation Advisory Committee**

- Position 5: 3-year term ending October 31, 2025 (Advertised as of 07/01/2022)

**3) Budget Committee**

- Position 5: remaining 3-year term ending December 31, 2023 (Vacant as of 10/25/2021)

**4) Hispanic Advisory Committee**

- Position 3: remaining 3-year term ending June 30, 2024 (Vacant as of 01/19/2022)
- Position 5: 3-year term ending June 30, 2025 (Advertised as of 04/19/2022)

**5) Library Board**

- Position 3: remaining 4-year term ending June 30, 2025 (Vacant as of 04/05/2021)

**Deadline to apply for Committee(s) in all Section(s): Open until filled**

Interested persons are asked to submit an application to City Hall, 235 E Gladys Ave, Hermiston, or at [lalarcon-strong@hermiston.or.us](mailto:lalarcon-strong@hermiston.or.us) . Application forms are available at City Hall or on the City’s website at <https://hermiston.or.us/volunteer> . If you have questions, please call Lilly Alarcon-Strong at 541-567-5521.

Proposed appointment and confirmation of these positions are made by the City Council. All appointments to city boards and commissions shall be made in accordance with the ordinances and city charter. Appointees shall not be full-time employees of the city, shall not be elected officials of the city, shall not be appointed to more than two boards or commissions at a time, and shall not sell to the city or its boards and commissions over which the council has appointive powers and budget control either directly as a prime contractor or supplier, or indirectly as a first-tier subcontractor or supplier. Sales shall be construed to mean sales, services or fees aggregating \$7,500 or more in any one calendar year. Preference for appointees shall be given to city residents.



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of **August 8, 2022**

**Title/Subject**

Motion to proceed with Airport Hangar Reconstruction

**Summary and Background**

The City owns a building at the airport which has capacity to store up to 10 airplanes. This building is referred to as the “Open T Hangar,” because it simply has a metal roof, and walls on either end, but other than that, it is completely open and mainly functions as a shade structure. It is estimated that this structure is approximately 60-70 years old, originating being built some time in the 1950s.

Due to changes in aviation over the decades, the Open T-Hangar has largely fallen out of favor among pilots, as they seek more security and protection from the elements for their very expensive planes. Therefore, there has long been a wait-list for our enclosed T-Hangars varying from 5-10 names at any given time for many years; meanwhile there are only ever 2-3 planes utilizing the 10-space Open T-Hangar. This is why, on the 2020 Airport Master Plan, it calls for demolishing the Open T-Hangar and replacing it with an enclosed one if funds ever became available.

When Congress passed the Bipartisan Infrastructure Law (BIL) in 2021, it resulted in the Hermiston municipal airport receiving approximately \$900,000 over the course of five fiscal years. Due to the way Federal fiscal years interact with our fiscal year, by October 1, we will already have \$450,000 available to spend from our BIL allocation.

Typically, FAA grant funding isn’t allowed to be used on revenue-generating items such as hangars, fuel pumps, etc. However, the direction was given this Spring that BIL funds through the FAA can be spent in this fashion. City staff began working with our airport consultants to develop a concept to demolish the existing Open T-hangars and replace them with enclosed T-Hangars. The attached sketches show how that will be accomplished.

The basic proposal is to demolish the 10-space Open T, and replace with at least a 10-space Closed T-Hangar, with the intention of constructing an additional 6 – 8 unit Closed T-Hangar as well, depending on available funds. Staff is recommending commencing immediately on the design engineering and subsequent solicitation of bids in the hope of constructing these units in the Summer of 2023. The airport will already have half of the funds necessary next

summer, and it is recommended to borrow the remaining \$450,000 and simply repay loans with BIL Funds over the subsequent 3 years.

The Airport Advisory Committee reviewed this plan at its July meeting, and recommended proceeding as outlined.

**Tie-In to Council Goals**

N/A. Fiscal Prudence.

**Fiscal Information**

It is estimated that this will generate a net marginal increase in Airport Revenue of approximately \$126,000 after the first 10 years, when accounting for existing revenue from the Open-T's as well as the \$90,000 local match required to use the \$900,000 grant. That net marginal increase is projected to grow to \$342,000 after 20 years. These projections assume that the Open-T's would actually have had 5 tenants, which is higher than normal, and it also assumes that the Closed-T's would only have 10 out of the 16-18 spaces filled with tenants. Therefore, I believe these are very conservative projections.

As outlined above, 90% of this project will be paid for by federal funds and 50% of that is already available for us to access. It is expected that the Airport will borrow the other 50% against the remaining committed \$450,000 which will be awarded to the airport in \$150,000 increments every October from 2023 through 2025.

**Alternatives and Recommendation**

Alternatives

- 1. Proceed as outlined.
- 2. Proceed with modifications
- 3. Halt plan and recommend other uses for \$900,000 in Airport BIL funds.

Recommended Action/Motion

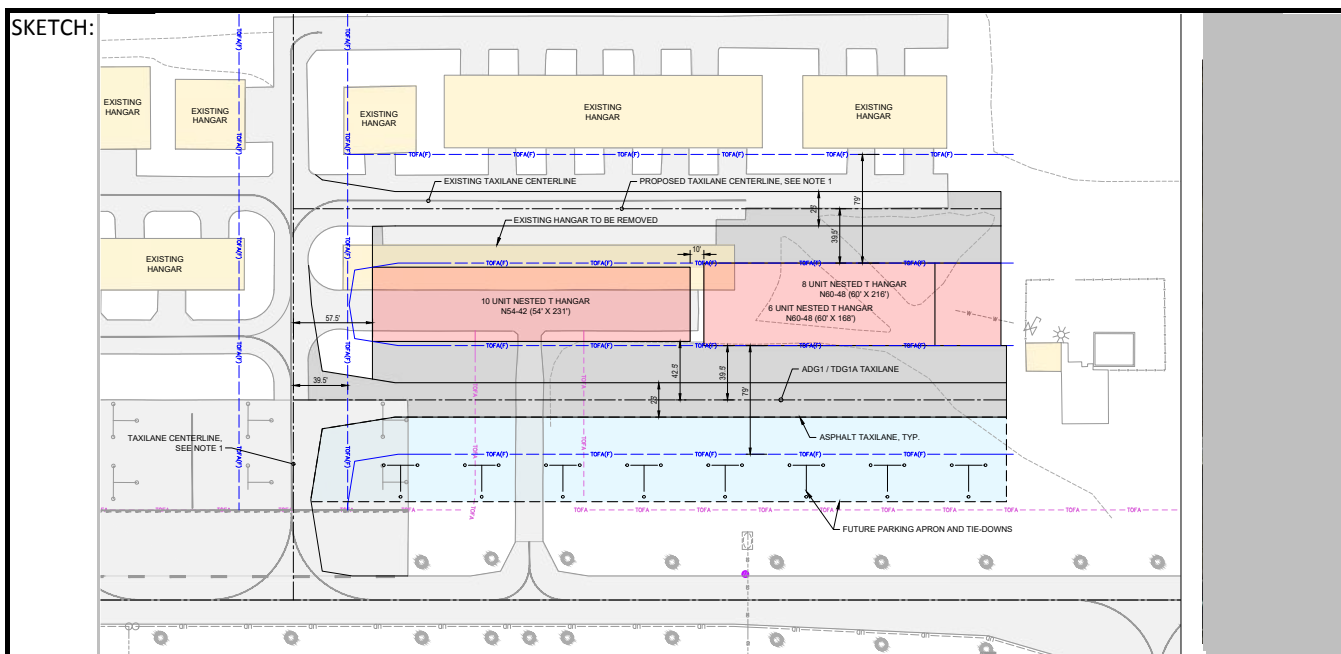
Motion to accept staff report and direct staff to proceed as outlined.

**Submitted By:**

Mark Morgan

**CIP DATA SHEET**

AIRPORT	Hermiston Municipal Airport	LOCID	HRI	LOCAL PRIORITY
PROJECT DESCRIPTION	NEW T-HANGARS: DESIGN & CONSTRUCTION	PLANNED YEAR	CONSTRUCT	2023-2026



**JUSTIFICATION:** NEW T-HANGARS (Utilizing available HRI BIL funds)

This project will replace an existing 10 unit, open faced, T-hangar unit at the airport with a new 10 unit, closed T-hangar. The airport has a wait list for new closed T-hangars but this existing unit is not fully occupied (leased) due to the hangars being open. If funding allows, this project will also construct an additional 6 or 8 unit nested T-hangar directly east of the new 10 unit hangar - see attached layouts.

**COST ESTIMATE:**

ADMINISTRATION:	\$ TBD	1. Construction	\$ TBD	4	\$
ENGINEERING:	\$ TBD	2	\$	5	\$
MATERIAL TESTING:	\$ TBD	3	\$	<b>TOTAL:</b>	<b>\$1,030,000</b>

Federal ( % ) \$ WRWER	State \$ WRWR	Local ( % ) \$ WERWER
SPONSOR VERIFICATION:	Date (see instruction sheet or attached comments for more information)	
For each and every project as applicable	<ul style="list-style-type: none"> <li>-Date of approved ALP with project shown</li> <li>-Date of environmental determination (ROB, FONSI, CatEx)</li> <li>-Date of land acquisition or signed purchase agreement</li> <li>-Date of pavement maintenance program</li> <li>-Date of Benefit Cost Analysis (BCA) as required</li> </ul>	

SPONSOR'S SIGNATURE: Mark Morgan DATE: 7/19/2022

PRINTED NAME: Mark Morgan TITLE: Assistant City Manger/Airport Manager

PHONE NUMBER: (541) 667 - 5003 EMAIL: mmorgan@hermiston.or.us

FAA USE ONLY

PREAPP NUMBER	GRANT NUMBER	NPIAS CODE	WORK CODE	FAA PRIORITY	FEDERAL \$

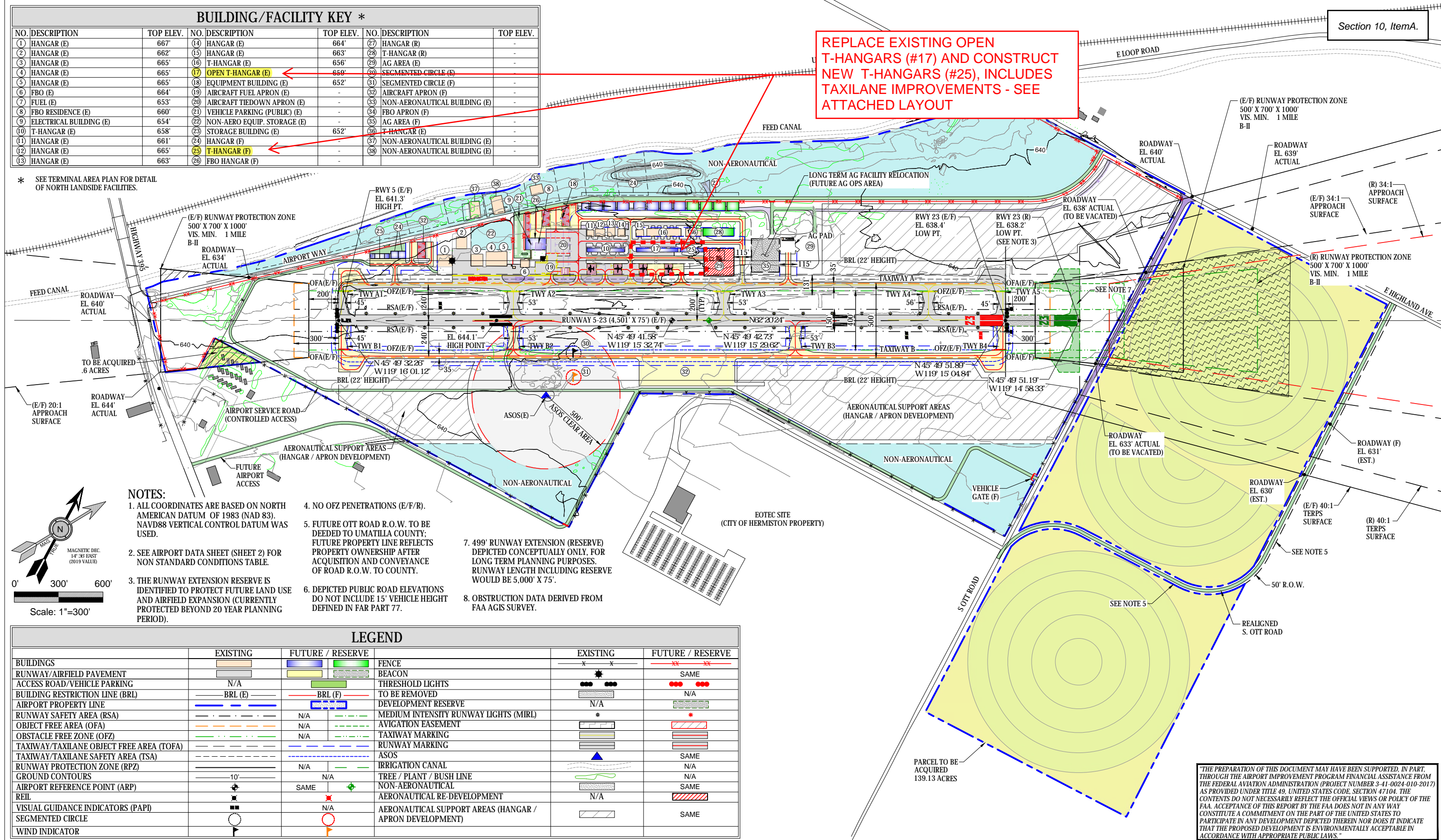


**BUILDING/FACILITY KEY \***

NO.	DESCRIPTION	TOP ELEV.	NO.	DESCRIPTION	TOP ELEV.	NO.	DESCRIPTION	TOP ELEV.
1	HANGAR (E)	667	14	HANGAR (E)	664	27	HANGAR (R)	-
2	HANGAR (E)	662	15	HANGAR (E)	663	28	T-HANGAR (E)	-
3	HANGAR (E)	665	16	T-HANGAR (E)	656	29	AG AREA (E)	-
4	HANGAR (E)	665	17	OPEN T-HANGAR (E)	650	30	SEGMENTED CIRCLE (E)	-
5	HANGAR (E)	665	18	EQUIPMENT BUILDING (E)	652	31	SEGMENTED CIRCLE (F)	-
6	FBO (E)	664	19	AIRCRAFT FUEL APRON (E)	-	32	AIRCRAFT APRON (F)	-
7	FUEL (E)	653	20	AIRCRAFT TIEDOWN APRON (E)	-	33	NON-AERONAUTICAL BUILDING (E)	-
8	FBO RESIDENCE (E)	660	21	VEHICLE PARKING (PUBLIC) (E)	-	34	FBO APRON (F)	-
9	ELECTRICAL BUILDING (E)	654	22	NON-AERO EQUIP. STORAGE (E)	-	35	AG AREA (F)	-
10	T-HANGAR (E)	658	23	STORAGE BUILDING (E)	652	36	T-HANGAR (E)	-
11	HANGAR (E)	661	24	HANGAR (F)	-	37	NON-AERONAUTICAL BUILDING (E)	-
12	HANGAR (E)	665	25	T-HANGAR (F)	-	38	NON-AERONAUTICAL BUILDING (E)	-
13	HANGAR (E)	663	26	FBO HANGAR (F)	-			

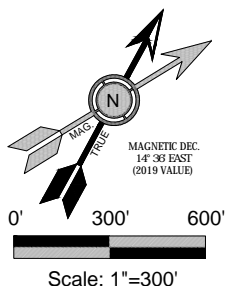
\* SEE TERMINAL AREA PLAN FOR DETAIL OF NORTH LANDSIDE FACILITIES.

**REPLACE EXISTING OPEN T-HANGARS (#17) AND CONSTRUCT NEW T-HANGARS (#25), INCLUDES TAXILANE IMPROVEMENTS - SEE ATTACHED LAYOUT**



**NOTES:**

- ALL COORDINATES ARE BASED ON NORTH AMERICAN DATUM OF 1983 (NAD 83). NAVD88 VERTICAL CONTROL DATUM WAS USED.
- SEE AIRPORT DATA SHEET (SHEET 2) FOR NON STANDARD CONDITIONS TABLE.
- THE RUNWAY EXTENSION RESERVE IS IDENTIFIED TO PROTECT FUTURE LAND USE AND AIRFIELD EXPANSION (CURRENTLY PROTECTED BEYOND 20 YEAR PLANNING PERIOD).
- NO OFZ PENETRATIONS (E/F/R).
- FUTURE OTT ROAD R.O.W. TO BE DEEDED TO UMATILLA COUNTY; FUTURE PROPERTY LINE REFLECTS PROPERTY OWNERSHIP AFTER ACQUISITION AND CONVEYANCE OF ROAD R.O.W. TO COUNTY.
- DEPICTED PUBLIC ROAD ELEVATIONS DO NOT INCLUDE 15' VEHICLE HEIGHT DEFINED IN FAR PART 77.
- 499' RUNWAY EXTENSION (RESERVE) DEPICTED CONCEPTUALLY ONLY, FOR LONG TERM PLANNING PURPOSES. RUNWAY LENGTH INCLUDING RESERVE WOULD BE 5,000' X 75'.
- OBSTRUCTION DATA DERIVED FROM FAA AGIS SURVEY.



**LEGEND**

	EXISTING	FUTURE / RESERVE		EXISTING	FUTURE / RESERVE
<b>BUILDINGS</b>	[Symbol]	[Symbol]	<b>FENCE</b>	[Symbol]	[Symbol]
<b>RUNWAY/AIRFIELD PAVEMENT</b>	[Symbol]	[Symbol]	<b>BEACON</b>	[Symbol]	[Symbol]
<b>ACCESS ROAD/VEHICLE PARKING</b>	N/A	[Symbol]	<b>THRESHOLD LIGHTS</b>	[Symbol]	[Symbol]
<b>BUILDING RESTRICTION LINE (BRL)</b>	BRL (E)	BRL (F)	<b>TO BE REMOVED</b>	[Symbol]	N/A
<b>AIRPORT PROPERTY LINE</b>	[Symbol]	[Symbol]	<b>DEVELOPMENT RESERVE</b>	N/A	[Symbol]
<b>RUNWAY SAFETY AREA (RSA)</b>	[Symbol]	N/A	<b>MEDIUM INTENSITY RUNWAY LIGHTS (MIRL)</b>	[Symbol]	[Symbol]
<b>OBJECT FREE AREA (OFA)</b>	[Symbol]	N/A	<b>AVIGATION EASEMENT</b>	[Symbol]	[Symbol]
<b>OBSTACLE FREE ZONE (OFZ)</b>	[Symbol]	N/A	<b>TAXIWAY MARKING</b>	[Symbol]	[Symbol]
<b>TAXIWAY/TAXILANE OBJECT FREE AREA (TOFA)</b>	[Symbol]	[Symbol]	<b>RUNWAY MARKING</b>	[Symbol]	[Symbol]
<b>TAXIWAY/TAXILANE SAFETY AREA (TSA)</b>	[Symbol]	[Symbol]	<b>ASOS</b>	[Symbol]	[Symbol]
<b>RUNWAY PROTECTION ZONE (RPZ)</b>	N/A	[Symbol]	<b>IRRIGATION CANAL</b>	[Symbol]	[Symbol]
<b>GROUND CONTOURS</b>	-10'	N/A	<b>TREE / PLANT / BUSH LINE</b>	[Symbol]	[Symbol]
<b>AIRPORT REFERENCE POINT (ARP)</b>	[Symbol]	[Symbol]	<b>NON-AERONAUTICAL</b>	[Symbol]	[Symbol]
<b>REIL</b>	[Symbol]	[Symbol]	<b>AERONAUTICAL RE-DEVELOPMENT</b>	N/A	[Symbol]
<b>VISUAL GUIDANCE INDICATORS (PAPI)</b>	[Symbol]	N/A	<b>AERONAUTICAL SUPPORT AREAS (HANGAR / APRON DEVELOPMENT)</b>	[Symbol]	[Symbol]
<b>SEGMENTED CIRCLE</b>	[Symbol]	[Symbol]			
<b>WIND INDICATOR</b>	[Symbol]	[Symbol]			

THE PREPARATION OF THIS DOCUMENT MAY HAVE BEEN SUPPORTED, IN PART, THROUGH THE AIRPORT IMPROVEMENT PROGRAM FINANCIAL ASSISTANCE FROM THE FEDERAL AVIATION ADMINISTRATION (PROJECT NUMBER 3-41-0024-010-2017) AS PROVIDED UNDER TITLE 49, UNITED STATES CODE, SECTION 47104. THE CONTENTS DO NOT NECESSARILY REFLECT THE OFFICIAL VIEWS OR POLICY OF THE FAA. ACCEPTANCE OF THIS REPORT BY THE FAA DOES NOT IN ANY WAY CONSTITUTE A COMMITMENT ON THE PART OF THE UNITED STATES TO PARTICIPATE IN ANY DEVELOPMENT DEPICTED THEREIN NOR DOES IT INDICATE THAT THE PROPOSED DEVELOPMENT IS ENVIRONMENTALLY ACCEPTABLE IN ACCORDANCE WITH APPROPRIATE PUBLIC LAWS.

NO.	DATE	BY	APPR	REVISIONS

VERIFY SCALES  
BAR IS ONE INCH ON ORIGINAL DRAWING.  
0" = 1" IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY.

**FEDERAL AVIATION ADMINISTRATION APPROVAL**  
APPROVAL DATE: \_\_\_\_\_  
SIGNATURE: \_\_\_\_\_

**CITY OF HERMISTON APPROVAL**  
APPROVAL DATE: \_\_\_\_\_  
SIGNATURE: \_\_\_\_\_

**CENTURY WEST ENGINEERING**  
BEND OFFICE  
1020 SW EMKAY DRIVE, #100  
BEND, OR 97702  
541.322.8962 OFFICE  
541.382.2423 FAX

DESIGNED BY: DM  
DRAWN BY: JLS  
CHECKED BY: \_\_\_\_\_  
SCALE: AS SHOWN

DATE: JANUARY 2020  
PROJECT NO: 10300.001.01

**HERMISTON MUNICIPAL AIRPORT**

**AIRPORT LAYOUT PLAN**

FIGURE NO. \_\_\_\_\_  
SHEET 3 OF 8



LEGEND		EXISTING	FUTURE / RESERVE	EXISTING	FUTURE / RESERVE
BUILDINGS					
RUNWAY/AIRFIELD PAVEMENT					
ACCESS ROAD/VEHICLE PARKING					
BUILDING RESTRICTION LINE (BRL)					
AIRPORT PROPERTY LINE					
RUNWAY SAFETY AREA (RSA)					
OBJECT FREE AREA (OFA)					
OBSTACLE FREE ZONE (OFZ)					
TAXIWAY/TAXILANE OBJECT FREE AREA (TOFA)					
TAXIWAY/TAXILANE SAFETY AREA (TSA)					
RUNWAY PROTECTION ZONE (RPZ)					
GROUND CONTOURS					
AIRPORT REFERENCE POINT (ARP)					
REIL					
VISUAL GUIDANCE INDICATORS (PAPI)					
SEGMENTED CIRCLE					
WIND INDICATOR					
FENCE					
BEACON					
THRESHOLD LIGHTS TO BE REMOVED					
DEVELOPMENT RESERVE					
MEDIUM INTENSITY RUNWAY LIGHTS (MIRL)					
AVIGATION EASEMENT					
TAXIWAY MARKING					
RUNWAY MARKING					
ASOS					
IRRIGATION CANAL					
TREE / PLANT / BUSH LINE					
NON-AERONAUTICAL					
AERONAUTICAL RE-DEVELOPMENT					
AERONAUTICAL SUPPORT AREAS (HANGAR / APRON DEVELOPMENT)					

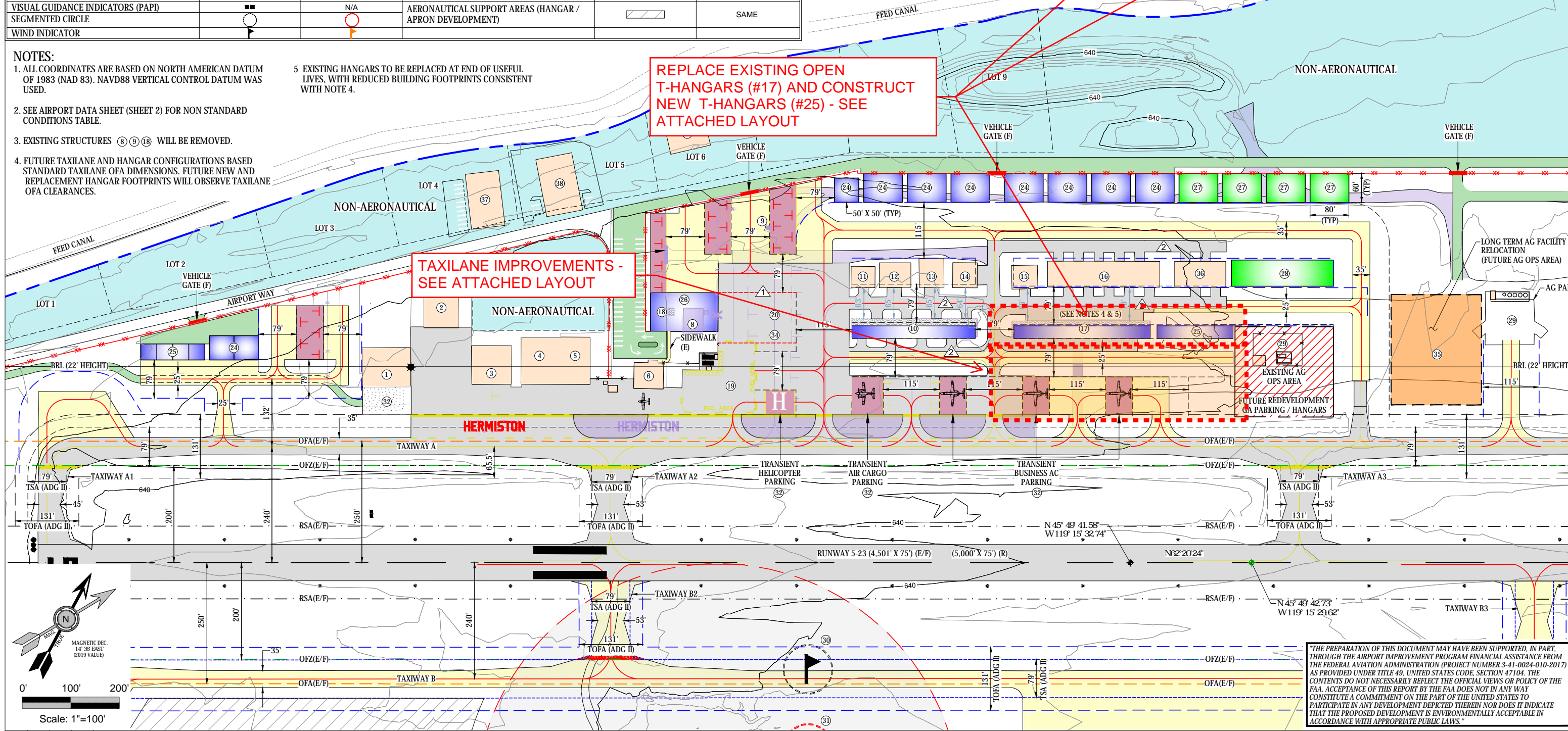
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5	HANGAR (E)	665'	18	EQUIPMENT BUILDING (E)	652'
6	FBO (E)	664'	19	AIRCRAFT FUEL APRON (E)	-
7	FUEL (E)	653'	20	AIRCRAFT TIEDOWN APRON (E)	-
8	FBO RESIDENCE (E)	660'	21	VEHICLE PARKING (PUBLIC) (E)	-
9	ELECTRICAL BUILDING (E)	654'	22	NON-AERO EQUIP. STORAGE (E)	-
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11	HANGAR (E)	661'	24	HANGAR (F)	-
12	HANGAR (E)	665'	25	T-HANGAR (F)	-
13	HANGAR (E)	663'	26	FBO HANGAR (F)	-
27	HANGAR (R)	-	28	T-HANGAR (R)	-
29	AG AREA (E)	-	29	AG AREA (E)	-
30	SEGMENTED CIRCLE (E)	-	30	SEGMENTED CIRCLE (E)	-
31	AIRCRAFT APRON (F)	-	31	AIRCRAFT APRON (F)	-
32	NON-AERONAUTICAL BUILDING (E)	-	32	NON-AERONAUTICAL BUILDING (E)	-
33	FBO APRON (F)	-	33	FBO APRON (F)	-
34	AG AREA (F)	-	34	AG AREA (F)	-
35	T-HANGAR (E)	-	35	T-HANGAR (E)	-
36	NON-AERONAUTICAL BUILDING (E)	-	36	NON-AERONAUTICAL BUILDING (E)	-
37	NON-AERONAUTICAL BUILDING (E)	-	37	NON-AERONAUTICAL BUILDING (E)	-
38	NON-AERONAUTICAL BUILDING (E)	-	38	NON-AERONAUTICAL BUILDING (E)	-

- NOTES:**
- ALL COORDINATES ARE BASED ON NORTH AMERICAN DATUM OF 1983 (NAD 83). NAVD88 VERTICAL CONTROL DATUM WAS USED.
  - SEE AIRPORT DATA SHEET (SHEET 2) FOR NON STANDARD CONDITIONS TABLE.
  - EXISTING STRUCTURES ⑧ ⑨ ⑬ WILL BE REMOVED.
  - FUTURE TAXILANE AND HANGAR CONFIGURATIONS BASED STANDARD TAXILANE OFA DIMENSIONS. FUTURE NEW AND REPLACEMENT HANGAR FOOTPRINTS WILL OBSERVE TAXILANE OFA CLEARANCES.

5 EXISTING HANGARS TO BE REPLACED AT END OF USEFUL LIVES, WITH REDUCED BUILDING FOOTPRINTS CONSISTENT WITH NOTE 4.

REPLACE EXISTING OPEN T-HANGARS (#17) AND CONSTRUCT NEW T-HANGARS (#25) - SEE ATTACHED LAYOUT

TAXILANE IMPROVEMENTS - SEE ATTACHED LAYOUT



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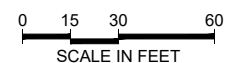
NO.	DATE	BY	APPR	REVISIONS
<p>VERIFY SCALES BAR IS ONE INCH ON ORIGINAL DRAWING. IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY.</p>				
<p>FEDERAL AVIATION ADMINISTRATION APPROVAL</p> <p>APPROVAL DATE: _____</p> <p>SIGNATURE _____</p>		<p>CITY OF HERMISTON APPROVAL</p> <p>APPROVAL DATE: _____</p> <p>SIGNATURE _____</p>		<p>CENTURY WEST ENGINEERING</p> <p>BEND OFFICE: 1020 SW EMKAY DRIVE, #100 BEND, OR 97702 541.322.8962 OFFICE 541.382.2423 FAX</p> <p>DESIGNED BY: DM DRAWN BY: JLS CHECKED BY: SCALE: AS SHOWN</p> <p>DATE: JANUARY 2020 PROJECT NO: 10300.001.01</p>
<p>HERMISTON MUNICIPAL AIRPORT</p> <p>TERMINAL AREA PLAN</p>				<p>FIGURE NO. _____</p> <p>SHEET 9 OF 9</p>







**HERMISTON MUNICIPAL AIRPORT  
2026 NEW T-HANGAR AND TAXILANE IMPROVEMENTS PROJECT**

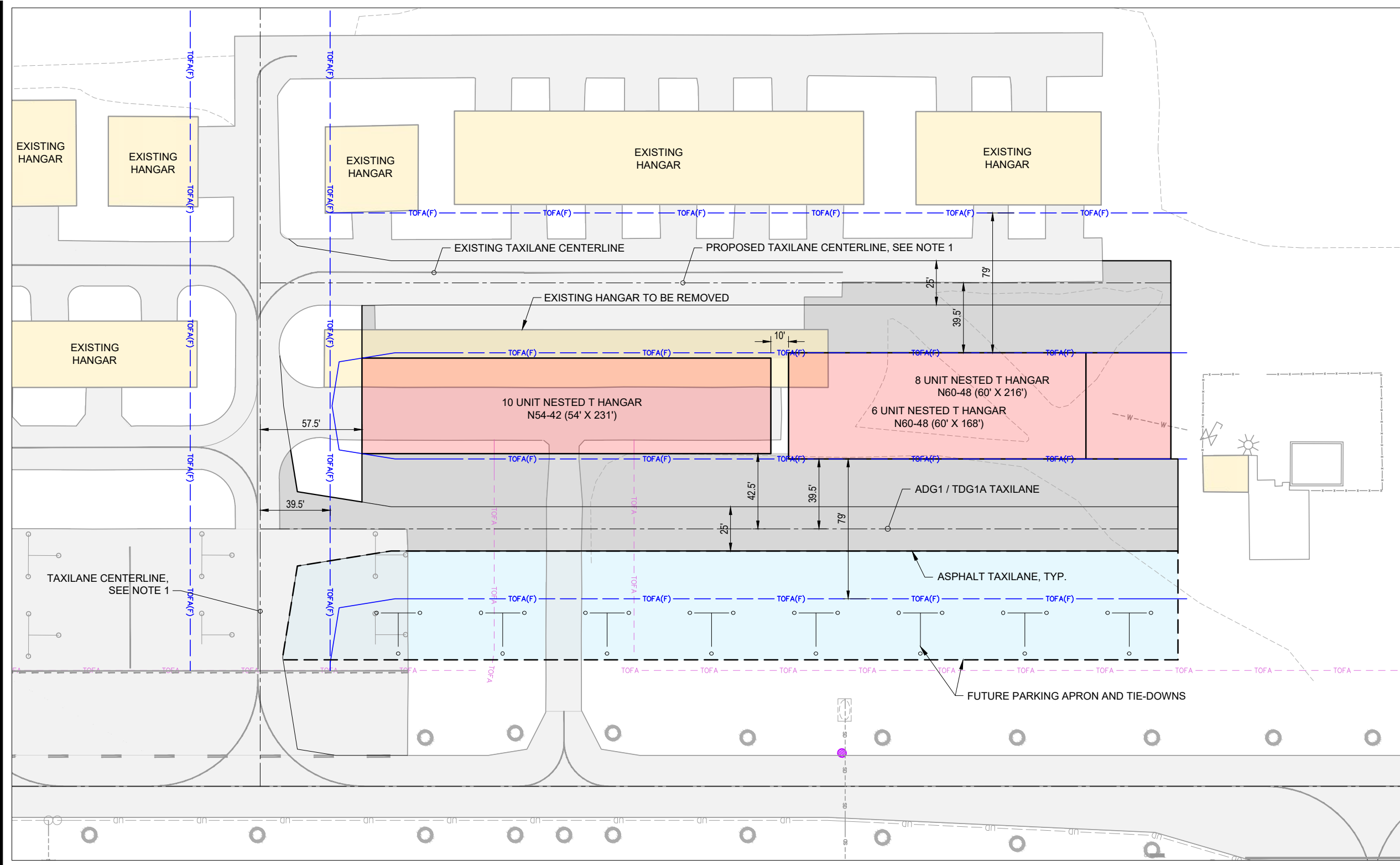
Section 10, Item A.  
NTS





**LEGEND**

-  EXISTING ASPHALT PAVEMENT
-  PROPOSED ASPHALT PAVEMENT
-  FUTURE ASPHALT PAVEMENT
-  PROPOSED HANGAR(S)



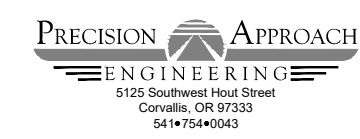
- NOTES**
1. TAXILANE LOCATION AS DEVELOPED FROM ALP, DATED JANUARY 2020.

**PRELIMINARY  
NOT FOR CONSTRUCTION  
7/18/2022**

HERMISTON MUNICIPAL AIRPORT  
T-HANGAR/APRON DEVELOPMENT

**CONCEPTUAL HANGAR LAYOUT**

**EXHIBIT 1**







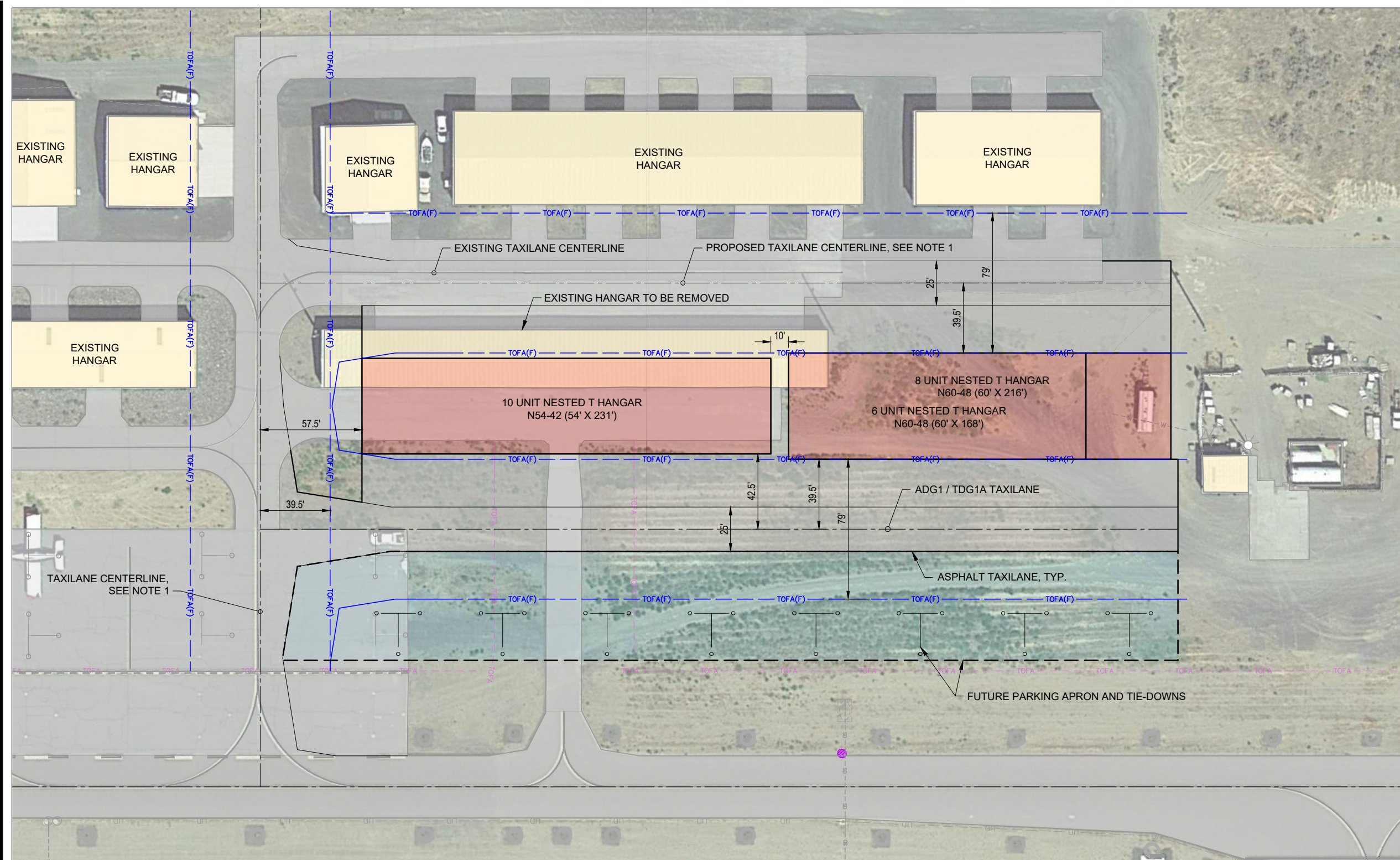
07/18/22 - 4:06pm - jvade - P:\H\HRM000-CLIENT\0600\INFO\2022 T-Hangar\EXH-T-HANGAR.dwg





LEGEND

-  EXISTING ASPHALT PAVEMENT
-  PROPOSED ASPHALT PAVEMENT
-  FUTURE ASPHALT PAVEMENT
-  PROPOSED HANGAR(S)



- NOTES
1. TAXILANE LOCATION AS DEVELOPED FROM ALP, DATED JANUARY 2020.

**PRELIMINARY  
NOT FOR CONSTRUCTION  
7/18/2022**

HERMISTON MUNICIPAL AIRPORT  
T-HANGAR/APRON DEVELOPMENT

**CONCEPTUAL HANGAR LAYOUT**



07/18/22 - 4:39pm - jvade - P:\HHRM000-CLIENT\0600INFO\2022 T-Hangar\EXH-T-HANGAR.dwg



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
 For the Meeting of August 8, 2022

**Title/Subject**

Update on Goal Setting Report

**Summary and Background**

On February 2-3 of this year, the Hermiston City Council and the senior staff of the City met in a goal setting session facilitated by Sara Wilson. Nineteen goal tasks were adopted and this is an update on the progress in these areas.

I am going to update on those goals where progress is happening. If there are questions on other goal areas feel free to let me know.

- *Workforce Development.*
  - We continue to look for ways that we can promote and assist all efforts in workforce development.
- *Transportation.*
  - Discussions on right-of-way acquisition continue on the Geer/Harper Road improvements.
  - We continue to seek funding to extend Gettman Road.
- *Housing*
  - Working with various potential rental housing developers.
  - Working on various infrastructure improvement projects with the Southwest Urban Renewal Area as a prime one.
  - Reviewing options for the Green property.
- *Homelessness*
  - Hosted a joint meeting with the City of Umatilla and Umatilla County to discuss moving forward with the PATH project. Our efforts on this project have clarified the City's role in addressing homelessness at this point in time.
- *Mental Health*
  - Working with new County mental health provider Community Counseling Solutions on possible service improvements.
- *City Facilities*
  - City Hall is on schedule to be occupied in October 2022.
  - Working with a community group to install grass fields at EOTEC, which is one of the items listed in its strategic plan.

- Notified Venuworks of intent to not renew the management contract.
- *Water*
  - Working on acquisition of additional water rights as well as expanding potable treatment capacity within the Regional Water System.
  - Started the process of getting permanent irrigation water rights for the EOTEC site.
- *Digital Infrastructure*
  - Completing broadband surveying. Report to council in August on the results.
- *Advocacy*
  - Continue to work with regional, state and national partners to secure funding for City projects.

**Tie-In to Council Goals**

Update on said goals.

**Fiscal Information**

N/A

**Alternatives and Recommendation**

Alternatives

Recommended Action/Motion

No action is requested.

**Submitted By:** Byron D. Smith



City of Hermiston

# 2022 COUNCIL GOALS



*Where Life is Sweet*

March 30, 2022

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Prepared by:



SSW CONSULTING  
[www.sarasingerwilson.com](http://www.sarasingerwilson.com)



# Introduction

The City of Hermiston is pleased to present the summary of their annual goal-setting retreat. The City Council and Management Team convened a two-day retreat on February 2-3, 2022 to review the community context and themes from the Hermiston 2040 Community Vision project, identify Council focus areas and refine goals to align with community needs to provide direction to City staff regarding Council's priorities for the year ahead. The City partnered with Sara Singer Wilson of SSW Consulting to facilitate the discussion and guide the Council through the goal refinement process. In advance of the retreat, SSW Consulting conducted outreach with the Council and staff to identify and discuss their goals and expectations. The outreach resulted in the following goals for the workshop:

<b>TEAM</b>	<b>CONTEXT</b>	<b>NEED ALIGNMENT</b>	<b>MEASURABLE</b>
<b>Build a cohesive team among the City Council and staff to move the goals forward</b>	<b>Examine the community context and themes from the Hermiston 2040 vision project to inform the goals</b>	<b>Refine our goals to align with community needs and address short-term and long-term needs</b>	<b>Define clear, measurable outcomes for goals</b>

The City Council and staff revisited the goals from their previous retreats to reflect on themes and trends over the years, celebrate accomplishments, and recenter around community priorities to refine their goals for the year ahead. These goals build on the work and success of previous years as well incorporate community priorities and ideas identified through the Hermiston 2040 community visioning process.

In addition to implementing the Council goals, the City will continue to focus on its daily work of providing high-quality core services to Hermiston residents.

City Council and staff encourage the Hermiston community to review goals, share your feedback, and stay engaged. We look forward to collaborating with the community and our partners to achieve these goals together.

-City of Hermiston City Council + Management Team



## HERMISTON 2040

On January 24, 2022, the City Council adopted the Hermiston 2040 Community Vision + Action Plan, a shared blueprint for the next twenty years to help align shared resources and guide future decision-making, including investments, partnerships, and community collaboration. The goals and actions outlined in the vision are a direct reflection of wide-reaching and inclusive community outreach with thousands of community residents, culminating in over 3,600 ideas to make Hermiston the best place to live, work, play, and learn for years to come. With the adoption of the vision, the City is embarking on the implementation plan to bring it to life.

The Community Vision + Action Plan provided valuable context to the 2022 Council goal refinement process and served as a framework to align Council goals and community priorities under the four Vision goal areas:

- GROWING + PROSPEROUS HERMISTON**
- SAFE + HEALTHY HERMISTON**
- CONNECTED + ENGAGED HERMISTON**
- SUSTAINABLE HERMISTON**





# Our Team

## City Council

- DR. DAVID DROTSMANN, MAYOR
- LORI DAVIS, WARD 1
- ROY BARRON, WARD 2
- JACKIE C. MEYERS, WARD 3
- PHILLIP SPICERKUH, WARD 4
- MARIA DURÓN, AT LARGE
- ROD. S. HARDIN, AT LARGE
- NANCY PETERSON, AT LARGE
- DOUG PRIMMER, AT LARGE (COUNCIL PRESIDENT)

## Leadership Team

- BYRON SMITH, CITY MANAGER
- MARK MORGAN, ASSISTANT CITY MANAGER
- MARK KRAWCZYK, FINANCE DIRECTOR
- CLINT SPENCER, PLANNING DIRECTOR
- JASON EDMISTON, POLICE CHIEF
- BRANDON ARTZ, PARKS AND RECREATION DIRECTOR
- MARK ROSE, LIBRARY DIRECTOR
- NATE RIVERA, HES GENERAL MANAGER
- JILLIAN VILES, COURT ADMINISTRATOR
- RICHARD TOVEY, CITY ATTORNEY
- LILLY ALARCON-STRONG, CITY RECORDER

## Facilitator

- SARA SINGER WILSON, PRINCIPAL/OWNER
- SSW CONSULTING



## HERMISTON 2040 COMMUNITY VISION

**A COMMUNITY WHERE FRIENDLINESS AND OPPORTUNITY  
ABOUND.**

Welcome to Hermiston. Where life is sweet and our future is sweeter.

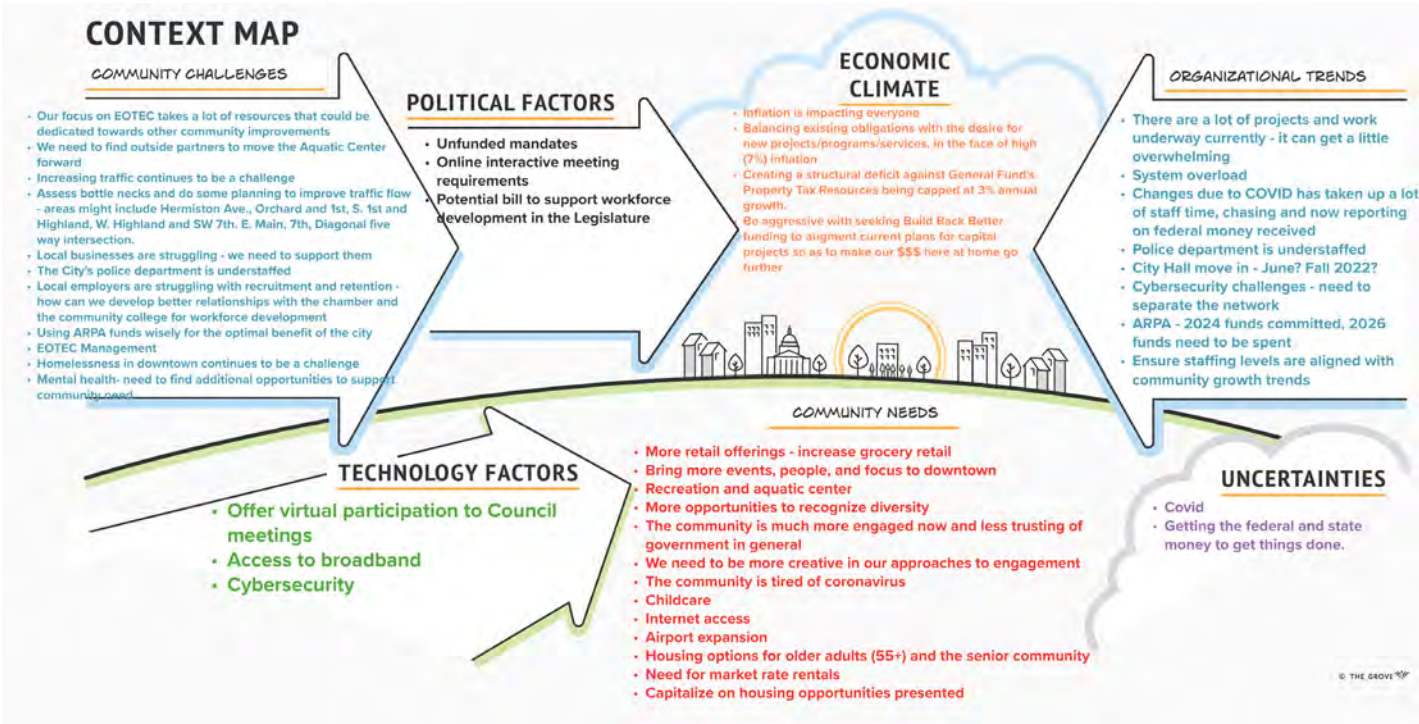
In 2040, Hermiston is a community where everyone is welcome – whether you’re visiting or looking for a place to call home, we provide a safe, beautiful, and close-knit community where neighbors help one another, and friendliness and opportunity abound. From a booming economy to recreational amenities, we have big city services rooted in small-town values.





# Setting the Context

In order to plan for the future, it is critical to assess where the organization and community is today. City Council and staff underwent a context mapping exercise to explore the larger environmental factors influencing the community of Hermiston, including the economic climate, political factors, community needs, technology factors, organizational trends, and uncertainties. This exercise offers a birds-eye view of the Hermiston environment and lays the foundation of common understanding for the goal-setting process. This information was mapped in the graphic below:





# ACCOMPLISHMENTS

Taking the time to recognize achievements demonstrates organizational effectiveness to the community as well as contributes to and sustains the organization's culture. Celebrating accomplishments acknowledges the hard work of staff and builds unity among colleagues, which strengthens team morale and sets the tone for achieving future goals. The graphic below highlights the City's major accomplishments in 2021. Some highlights include continuing to provide high-quality City services under stressful conditions of the COVID-19 pandemic, near completion of the new City Hall, record-breaking number of permits for new homes, improving cyber-security defenses, and continued focus on city growth.

## Hermiston 2022 Council Retreat - Accomplishments



# ACCOMPLISHMENTS

**Funland completion and dedication**

We found out how flexible we really were - staff being flexible in working in different conditions during the construction process. Really proud of how they came together as a team. Proud of our employees.

**Record breaking number of permits for new home**

We are starting to do more things regionally - working more closely with Umatilla and the County - homelessness, the Umatilla bridge, etc.

People seemed pretty pleased with our city - we are moving forward. We had more housing units constructed this past year than we have in the past.

**New parks and rec director**

**2040 Vision completed**

We have kept going and have remained optimistic. As concerns have been raised, we have addressed them directly. We continue to have great collaboration between staff and council

2040 - we have a roadmap of what the community wants. This community engagement is important.

20 Year SDC Fee Schedule Adopted -SHIP Industrial Park Improvements Complete

Umatilla River Bridge Analysis Complete

Housing is having a boom - we have more people, when is it enough growth to get some of the things we need here. At a bare minimum - Fred Meyer, target, etc.

City staff has always operated "lean" with regard to resources. A tremendous amount of work has been accomplished in the area of economic development which leads to an increase in revenues. The amount of construction in our area is impressive.

Working on housing - lots of housing coming in. It would be nice to see more multifamily.

Population continues to grow - a lot of that has to do with housing development. Seeing this progress - this is huge for us. More to be done here

Hermiston's housing market is building more homes than we have seen for several years. There is considerable activity in commercial development as well and we are very busy.

Parks and Rec has done (and still doing) a great job providing programming and activities for the citizens of Hermiston during the pandemic

Continued focus on affordable housing/more housing is paying dividends with the number of development/ houses going up

Water/Sewer/Street Upgrades to N1st Place Began Design

955 to 1,100 Home Development Close to Financing

City Hall - hoping to be done fall of this year, but may not until 2023

**City Hall**

City hall is moving ahead

For the second year in a row we were able to provide quality city services under stressful conditions with the COVID pandemic still with us - and will continue to do so

Implemented OPENGOV for a new budget process

Successfully overcame the flood damage at RiverFront park and made bold moves to mitigate potential flood damage to infrastructure in the future

Greatly improved our cyber-security awareness/defenses

Improving relationship with Greater-Hermiston Chamber of Commerce

Broad Support Generated for "GRATE" with Letters of Support

\$600K Awarded for Penney Ave. Industrial Street Extension

139 New Housing Units Built

# 2022 Council Goals + Values

THE GOAL REFINEMENT PROCESS INCLUDED A BROAD DISCUSSION OF COUNCIL PRIORITIES INFORMED BY COMMUNITY NEEDS. THESE ENCOMPASS SHORT-TERM AND LONG-TERM NEEDS, BOTH INTERNALLY WITHIN THE ORGANIZATION AND EXTERNALLY FOR THE COMMUNITY. THE COUNCIL BRAINSTORMED IDEAS TO CAPTURE ALL PROPOSALS, BIG AND SMALL, AND THROUGH THIS UNEARTH COMMON THEMES THAT LAY THE GROUNDWORK FOR GOAL CLASSIFICATIONS AND ACTION ITEMS. THIS DISCUSSION SERVED AS A STEPPINGSTONE TO FORMULATING REFINED GOALS AND COUNCIL VALUES FOR 2022/23.

The goals and actions are shown on the following pages and are aligned with the goals of the Hermiston 2040 Community Vision. The Council also identified values that will guide the team in implementing these goals. These values should be considered as each action is scoped and implemented.

**Fiscal Prudence**  
We are responsible stewards of the City's financial resources and exercise discretion in decision-making

**Partnerships**  
We collaborate with community organizations to leverage expertise and resources to best serve the public

**Engagement**  
We facilitate constructive relationships between the City and constituents to build trust and support equitable and sustainable decision-making

**Livability**  
We promote diverse housing options, convenient and accessible community assets, a healthy environment, and high-quality education

**Inclusive**  
We are committed to building an inclusive environment that values and respects the contributions of all people



## GOAL: GROWING + PROSPEROUS

Hermiston is cultivating a vibrant community with a thriving economy, assortment of housing opportunities, high-quality education, and support services to preserve the small-town feel

Actions	Project Lead	Timeline
<b>Workforce Development</b>		
1. Develop partnerships with local employers and community organizations to explore staffing needs and strategies for enhancement	Byron/Mark M.	1-2 Years
2. Advocate for legislation that supports workforce development in Hermiston	Byron	1-2 Years
<b>Transportation</b>		
3. Complete the Geer/Harper road improvements	Mark M.	1-2 Years
4. Extend Gettman Road	Byron/Mark M.	3-4 Years
5. Complete alternative route transportation study	Mark M.	1-2 Years
<b>Housing</b>		
6. Attract market-rate rental housing developments to increase middle housing inventory	Byron/Mark M. Clint	3-4 Years
7. Fund infrastructure improvements to support new housing and enhance livability		Ongoing
8. Recommend a course of action on the Green property	Byron/Mark M./ Clint	3-4 Years

# GOAL: SAFE + HEALTHY

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Hermiston ensures a healthy and safe environment for all through abundant recreation and wellness opportunities, high-quality health care, collaboration with community partners, and a healthy and attractive built environment

Actions	Project Lead	Timeline
<b>Wellness</b>		
9. Explore funding options and partnerships for Health, Wellness and Aquatic Center	Byron/Brandon	1-2 Years
<b>Homelessness</b>		
10. Facilitate public forum to discuss homelessness in community	Byron	1-2 Years
11. Determine City role as it relates to homelessness	Byron	1-2 Years
<b>Mental Health</b>		
12. Explore options for providing mental health support services at Municipal Court	Jillian	3-4 Years
13. Facilitate partnerships to attract mental health providers to Hermiston	Byron	1-2 Years

## GOAL: SUSTAINABLE

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Hermiston responsibly plans and invests in community infrastructure and the built environment to support the critical needs of daily life and sustainable growth for the future

Actions	Project Lead	Timeline
<b>City Facilities</b>		
14. Complete construction of new City Hall	Byron	1-2 Years
15. Begin implementation of EOTEC Strategic Plan	Byron/Al	1-2 Years
16. Assess EOTEC facility management alternatives	Byron	1-2 Years
<b>Water</b>		
17. Implement water supply components of master plan	Mark M.	5+ Years
18. Secure water rights for the EOTEC site	Byron	1-2 Years

# GOAL: CONNECTED + ENGAGED

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Hermiston provides opportunities for strong social connections, celebrates diversity, and honors our historic and cultural heritage to foster a welcoming and inclusive community for all

Actions	Project Lead	Timeline
<b>Digital Infrastructure</b>		
19. Explore broadband/fiber options to support City facilities	Byron/Nate	1-2 Years
<b>Arts + Culture</b>		
20. Explore opportunities for an arts and cultural center/ museum at Carnegie Building	Byron	1-2 Years
<b>Community Engagement</b>		
21. Develop Citywide communications strategy to enhance communication and engagement with the public	Byron	1-2 Years
<b>Advocacy</b>		
22. Advance advocacy efforts to secure regional and state- wide funding/investment	Byron	1-2 Years



# Team Agreement

The Council and Leadership Team reaffirmed their team agreement from 2021 for the year ahead. The team agreement identifies how the Council and staff agree to work together. The purpose of this agreement is to guide the team in working together, establishing trust, and facilitating open communication and accountability.



BE POSITIVE  
**WORK TOGETHER**  
AS A TEAM

- Remember to celebrate
- Be positive, move forward with good intention
- Shared responsibility between Council + staff - we are coalition builders + advocates to advance the goals

# ⚖️ 👤 👤 👤  
**ENGAGE + LEVERAGE**  
OTHERS  
RESOURCES TO ACCOMPLISH OUR GOALS

- Keep ALL of the population + partners in mind - our residents are our main focus
- Share resources + be creative about where/how we seek resources
- Be flexible + open to other points of view

🎯  
MAINTAIN STRONG  
**CORE SERVICES**  
+ SUPPORT GOALS THAT REFLECT COMMUNITY NEEDS

- Maintain our core services - keep the main thing the main thing
- Goals are living goals - make adjustments as needed
- Don't reinvent the wheel
- Provide clear objectives

MAINTAIN  
**GOOD COMMUNICATION**  
CHANNELS BETWEEN THE COUNCIL + STAFF

- Provide accurate + timely information - include fiscal impacts
- Provide ongoing, direct + early communication
- Council members + City Manager will meet monthly



Contact Info

235 E. Gladys Ave.  
Hermiston, Oregon 97838  
[www.hermiston.or.us](http://www.hermiston.or.us)

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**CITY OF HERMISTON**



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of **August 8, 2022**

**Title/Subject**

Southwest Hermiston Urban Renewal Area (SHURA) Draft Plan Presentation

**Summary and Background**

**WHAT IS BEING ASKED?**

City Council directed staff, in March, 2022 to develop an Urban Renewal Plan for a 353-acre residential area in southwest Hermiston. City Staff worked with the top Urban Renewal consultant in Oregon, Elaine Howard Consulting and Tiberius Solutions, to develop a draft plan. Council is being asked to receive the draft plan, and move it forward for two months of public review and comment. Council will not be asked to make a final decision about SHURA formation until late Fall; after completing the required public outreach.

**WHY ARE WE DOING THIS?**

The purpose for forming SHURA is to extend necessary public utilities to the largest remaining single-owner tract of residentially zoned land in the City. Housing development has been a City Council priority every year since 2017, and in that 5.5 year stretch, nearly 600 housing units have been developed. The recent, and planned, development pattern clearly shows a need to open up significant swaths of land for more housing, as the remaining areas either get developed or raise prices due to dwindling supply.

Due to SHURA's location, more than a mile south of most city utilities, it is cost-prohibitive to develop a significant volume of housing without public investment. This area is the city's most recent urban growth boundary expansion area. After the departure of the C&B Feedlot from the site in the early 2000s, the city partnered with the landowners at the time to bring this area into the urban growth boundary to provide additional residential land and protect against future feedlot use. The City has a considerable investment in the land use planning for the site and has worked on several development proposals since annexing the land in 2004. None of the proposals came to fruition due to the considerable utility investment requirements which are beyond the capacity of most if not all private developers in the region.

By far the most expensive component of the necessary infrastructure is related to water and wastewater utilities, which will require construction of a 2 million gallon reservoir, 6,000 feet of

transmission piping, and significant upgrades to the Joseph Booster to supply the rest. As told, the water improvements alone are estimated to cost \$6,210,000. The plan also calls for installation of 5,300 feet of sewer main for \$2,806,000, bringing utility costs to a total of roughly \$9,000,000.

In addition to infrastructure, the plan also calls for development of a large 38-acre community park, with amenities appropriate to benefit residents of the entire city, as well as development of smaller neighborhood parks and trails throughout the area. The park components are estimated to cost \$4,700,000. Although the park components may not seem necessary on their face, staff believes that they are necessary to ensure that the tool of urban renewal actually functions as intended. Since the improvements can only be paid for when new investment is added to the area, if the area is undesirable for home-buyers due to a lack of amenities, then investment is likely to be slow, and risk a longer term that the City and Developer will be liable for infrastructure financing. Therefore, the park components are a critical aspect of ensuring that the SHURA functions as intended.

A final component of the SHURA is a program to incentivize workforce housing within the SHURA through a System Development Charge reimbursement. This program would be funded at approximately \$1 million.

It is projected that, at full build-out, the SHURA will be able to accommodate more than 1,300 housing units, an elementary school, a fire station, and neighborhood commercial uses.

HOW DOES IT WORK?

Urban Renewal simply diverts the tax revenues from new development within the area to the Urban Renewal Agency, rather than allowing them to go to existing districts, like the City, County, etc. That revenue is what is used to pay for projects and programs in the SHURA plan.

In order to front-load these projects and stimulate development capable of paying for itself, staff proposes to borrow up to \$12 million to install the necessary utilities. In which case, the subsequent SHURA revenue would predominantly be aimed at paying off that debt.

It is anticipated that the Plan will take nineteen years of tax increment collections to implement. The maximum amount of indebtedness that may be issued for the Plan is not to exceed \$18,100,000 (Eighteen Million One Hundred Thousand dollars). Detailed financial analysis is in the Report Accompanying the Southwest Hermiston Plan (Report).

WHAT ABOUT IMPACTS TO EXISTING SERVICES?

Under the state's school funding model, schools operating budgets are held harmless by Urban Renewal, since state income-tax funding backfills any shortfalls in local budgets to ensure consistent per-student revenues for schools.

The draft report includes a section on Revenue Sharing, which is a new requirement since the downtown Urban Renewal Area was created in 2013. Under the revenue sharing requirements, the new urban renewal district will only collect 100% of the tax increment until its assessed value reaches a set proportion of the maximum indebtedness for the area, at which point, the tax increment begins to be shared with other taxing entities. This section explains the thresholds in more detail, but you can see that existing taxing districts begin receiving revenue in 2036; however, you can also see from the assessed values, that this very conservative projection assumes that new homes don't hit the tax rolls until 2029. This means there would be 7 years

where the SHURA receives all of the new revenue and existing entities receive zero. conservative projection is built off of an assumption of only 30 homes built per year, then existing districts would only see an impact of 280 new homes before they begin receiving increased revenue.

Finally, it is important to note that Urban Renewal only applies to permanent tax rates, not bonds. Therefore, every new home, from the day they are completed, will be paying for the school and fire district bonds. Assuming just 30 homes per year at an average assessed value of \$300,000 means the Hermiston School District receives an extra \$31,000 toward paying off its bonds in year one, and a total of \$6.6 million in 2022 dollars over 20 years. The Fire District would also see an extra \$1,400 in year one, and a total of \$300,000 over 20 years.

### HOW DO THE UPFRONT PROJECTS GET PAID FOR?

Staff has been concurrently working on a separate agreement with a large developer to ensure that early years' debt coverage needs are met. Since that Development Agreement and the SHURA are related, yet separate, I won't confuse the SHURA with too many details of the Development Agreement at this point. However, at its fundamental level, that development agreement will state that:

1. The City & Developer will partner to cover the debt until SHURA revenue can cover it.
2. The Developer will donate 1.5 acres of land to the Fire District (UCFD1) for a future station.
3. Impact Fee overlay will require one-time payments to UCFD1 per home.
4. Traffic Impact Fee will apply per-home, pending completion of the Traffic Impact Analysis.

### WHAT'S THE RISK TO THE CITY?

See Table 7 on page 14 of the report, specifically the row labeled, "Other Funding Sources." This is the row which assumes that debt has been incurred, and needs to be paid somehow, and shows the result of the annual debt payment, less any SHURA revenue available. You can see that it starts out at approximately \$1 million per year, until fiscal year 2029, when it begins to drop significantly with new value being added starting in 2029.

Under the tentative terms with the developer, the City and developer would share that debt obligation. Therefore, the worst-case scenario for the city is approximately \$500,000 per year. This amount can be absorbed by the Utility Fund, and would be appropriate, considering that the water system improvements can provide expanded stored water capacity to the entire city.

However, it is important to understand why I call this a "worst case scenario."

1. Debt Term: This analysis assumes only a 20-year repayment term, while the loan financing which the City has been invited to apply is a 30-year term. A 50% longer repayment term significantly reduces the annual payment, and allows more time for home-building to reach a point where SHURA can pay for itself entirely.
2. Debt Structure: This analysis assumes that SHURA incurs all \$12M of debt for the day-1 infrastructure in FY '24, and that full annual repayment is required immediately. The IFA Loan financing being pursued will allow for design-only loans at the beginning, as well as interest-only payments on the construction loans until construction is complete.
3. Home Building Velocity: This analysis assumes only 30 homes per year, which is considered to be our conservative projection. Faster home-building speeds-up the time in which SHURA can pay for itself.

- 4. Home Occupancy Start: This analysis assumes the first homes don't get occupied in 2027 to hit the tax rolls for the FY '28-'29 year. It is likely that first homes will get occupied in 2025 to 2026.

**WHAT'S NEXT?**

- 1. The process for approval will include the following steps, in accordance with ORS 457.
- 2. Preparation of a Plan including opportunity for citizen involvement.
- 3. Agency review of the proposed Plan and accompanying Report on August 8, 2022.
- 4. Review and recommendation by the Hermiston Planning Commission on September 14, 2022.
- 5. Presentation of the Plan to the Umatilla County Commission in a briefing on September 14, 2022
- 6. Forwarding a copy of the proposed Plan and the Report to the governing body of each taxing district. The formal taxing districts letters will be sent out on August 9, 2022.
- 7. Hearing by Hermiston City Council and adoption of the proposed Plan and accompanying Report by a non-emergency ordinance. The hearing and first reading of the Ordinance will be held on October 10, 2022 and the second reading and vote by City Council will occur on October 24, 2022. The ordinance must be a non-emergency ordinance, which means that the ordinance does not take effect until 30 days after its approval and during that period of time may be referred to Hermiston voters if a sufficient number of signatures are obtained on a referral petition.

**Tie-In to Council Goals**

Goal #7: Fund infrastructure improvements to support new housing and enhance livability

**Fiscal Information**

See "What's the Risk to the City" above.

**Alternatives and Recommendation**

Alternatives

- 1. Move the plan forward for public comment and input from taxing districts as presented.
- 2. Move the plan forward for public comment and input from taxing districts with recommendations for amendments.
- 3. Stop and abandon the plan.

**Recommended Action/Motion**

Motion to move the plan forward for public comment and input from taxing districts as presented.

**Submitted By:**





# Report Accompanying the Southwest Hermiston Urban Renewal Plan

This document remains draft until the City Council adoption of the Southwest Hermiston Urban Renewal Plan.



Adopted by the City of Hermiston

Date

Ordinance No. \_\_\_\_\_

**List of Participants**

**Mayor**

Dr. David Drotzmann

**City Council**

- Lori Davis, Ward 1
- Roy Barron, Ward 2
- Jackie C. Myers, Ward 3
- Phillip Spicerkuhn, Ward 4
- Maria Duron, at large
- Rod S. Hardin, at large
- Nancy Peterson, at large
- Doug Primmer, at large, Council President

**Hermiston Urban Renewal Agency**

- Dr. David Drotzmann
- Lori Davis
- Roy Barron
- Jackie C. Myers
- Phillip Spicerkuhn
- Maria Duron
- Rod S. Hardin
- Nancy Peterson
- Doug Primmer

**Planning Commission**

- Position 1 Annette Kirkpatrick
- Position 2 Philip Hamm
- Position 3 Ben Doherty
- Position 4 Patrick Collins
- Position 5 Josh Burns
- Position 6 Dean Fialka
- Position 7 Ben Sargent
- Position 8 Margaret E. Saylor, Chair
- Position 9 Derek Caplinger

**City Manager**

Byron Smith

**Economic Development/Assistant City Manager**

Mark Morgan

**Planning Director**

Clinton Spencer

**Finance Director**

Mark Krawczyk

**Consulting Team**

**Elaine Howard Consulting, LLC**

- Elaine Howard
- Scott Vanden Bos

**Tiberius Solutions LLC**

- Nick Popenuk
- Ali Danko
- Rob Wyman

**FCS Group**

Todd Chase

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## I. DEFINITIONS

“Agency” is the Hermiston Urban Renewal Agency created under ORS 457.035 and 457.045. It is also referred to as “HURA”.

“Area” means the properties and rights-of-way located within the Southwest Heremiston Urban Renewal Area.

“Blight” is defined in ORS 457.010(1)(A-E) and identified in the ordinance adopting the Southwest Hermiston Urban Renewal Plan.

“City” means the City of Hermiston, Oregon.

“City Council” or “Council” means the Hermiston City Council.

“Comprehensive Plan” means the City of Hermiston Comprehensive Plan and its implementing ordinances, policies, and standards.<sup>3</sup> Double my insertion of

“County” means Umatilla County, Oregon.

“Frozen base” means the total assessed value including all real, personal, manufactured, and utility values within the Southwest Hermiston Urban Renewal Plan at the time of adoption. The county assessor certifies the assessed value after the adoption of the Southwest Hermiston Urban Renewal Plan.

“Southwest Hermiston Urban Renewal Plan” means a plan, as it exists or is changed or modified from time to time, as provided in ORS 457.

“Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in the Southwest Hermiston Urban Renewal Plan, or portion thereof, over the assessed value specified in the certified statement.

“Maximum Indebtedness” means the maximum principal amount of indebtedness that may be incurred by a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

“ORS” means the Oregon Revised Statutes and specifically Chapter 457, which relates to urban renewal and tax increment financing.

“Plan” or “ means the official plan for the Southwest Hermiston Urban Renewal Plan pursuant to ORS 457.

“Plan Area” or means a blighted area included in the Southwest Hermiston Urban Renewal Plan under ORS 457.160.

“Planning Commission” means the Hermiston Planning Commission.

“Project(s)” or means any work or undertaking carried out under the Southwest Hermiston Urban Renewal Plan.

“Report Accompanying Southwest Hermiston Urban Renewal Plan” or “Report” means the official report that accompanies the Southwest Hermiston Urban Renewal Plan pursuant to ORS 457.085(3).

“Revenue sharing” means sharing tax increment proceeds as defined in ORS 457.470 and refers to the funds that are associated with the division of taxes accomplished through the adoption of the Southwest Hermiston Urban Renewal Plan.

“Tax increment revenues” means the funds allocated by the assessor to the Hermiston Urban Renewal Agency due to increases in assessed value over the frozen base within the area.

“Urban Renewal” means the statutory authority provided in ORS 457.

“Urban renewal area” means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

“Urban renewal plan” or “Plan” means a plan, as it exists or is changed or modified from time to time, for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.

“Urban renewal project” or “Project” means any work or undertaking carried out under ORS 457.170 in an urban renewal area.

“Urban renewal report” or “Report” means the official report that accompanies the urban renewal plan pursuant to ORS 457.085(3)



## II. INTRODUCTION

The Report Accompanying the Southwest Hermiston Urban Renewal Plan (Report) contains background information and project details that pertain to the Hermiston Urban Renewal Plan (Plan). The Report is not a legal part of the Plan but is intended to provide public information and support the findings made by the Hermiston City Council (City Council) as part of the approval of the Plan.

The Report provides the analysis and contains the information required to meet the standards of ORS 457.087, including financial feasibility. The Report requirements include:

- A description of the physical, social, and economic conditions in the area and expected impact of the plan, including fiscal impact in light of increased services; (ORS 457.087(1))
- Reasons for selection of the plan Area; (ORS 457.087(2))
- The relationship between each project to be undertaken and the existing conditions; (ORS 457.087(3))
- The estimated total cost of each project and the source of funds to pay such costs; (ORS 457.087(4))
- The estimated completion date of each project; (ORS 457.087(5))The estimated amount of funds required in the Area and the anticipated year in which the debt will be retired; (ORS 457.087(6))
- A financial analysis of the plan; (ORS 457.087(7))
- A fiscal impact statement that estimates the impact of tax increment financing (TIF) upon all entities levying taxes upon property in the urban renewal area; (ORS 457.0857(8)) and
- A relocation report. (ORS 457.087(9))

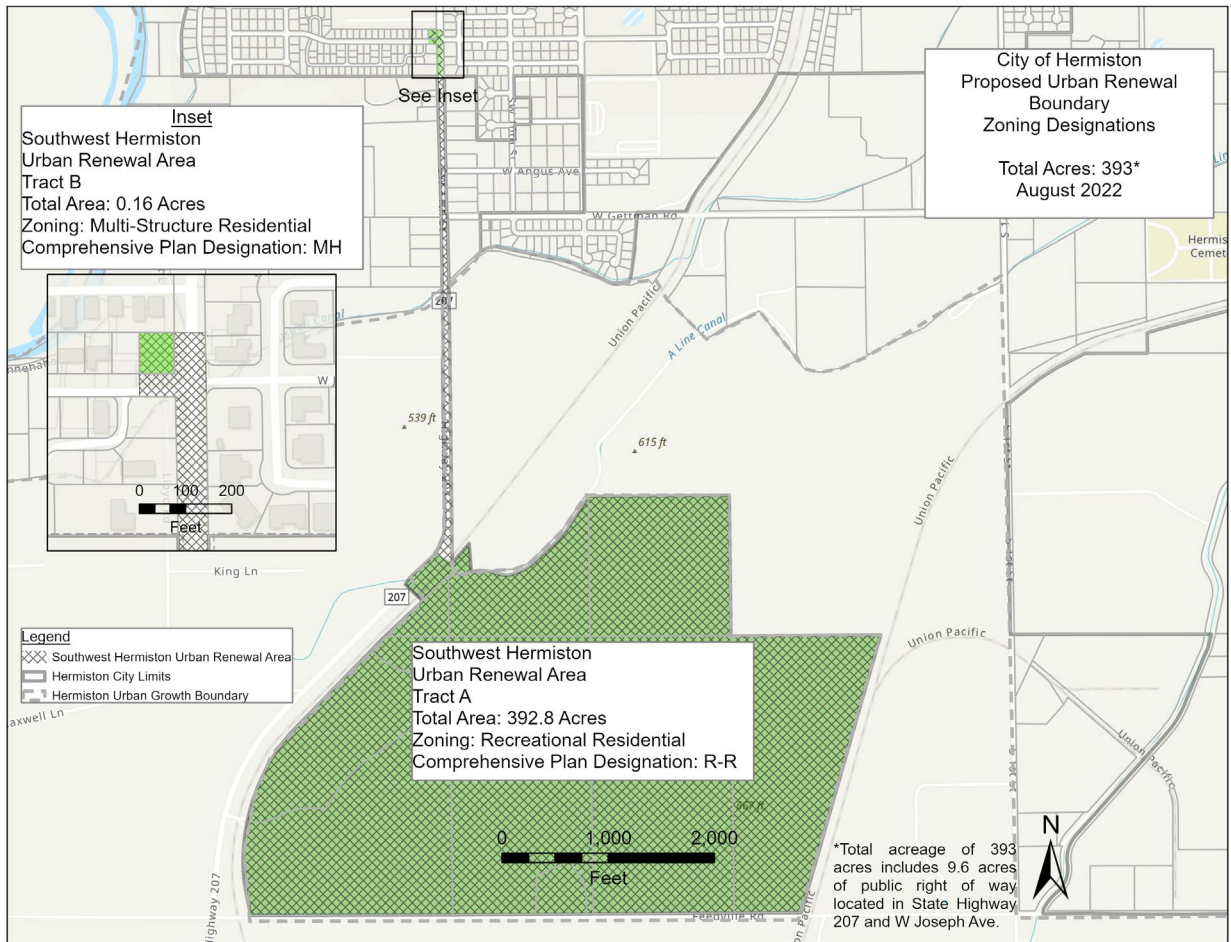
The relationship between the sections of the Report and the ORS 457.087 requirements is shown in Table 1. The specific reference shown is the section of this Report that most addresses the statutory reference. There may be other sections of the Report that also address the statute.

Table 1 - Statutory References

<b>Statutory Requirement</b>	<b>Report Section</b>
ORS 457.087 (1)	XI
ORS 457.087 (2)	XII
ORS 457.087 (3)	III
ORS 457.087 (4)	IV
ORS 457.087 (5)	VII
ORS 457.087 (6)	V,VI
ORS 457.087 (7)	V,VI
ORS 457.087 (8)	IX
ORS 457.087 (9)	XIII

The Report provides guidance on how the Plan might be implemented. As the Hermiston Urban Renewal Agency (Agency) reviews revenues and potential projects each year, it has the authority to make adjustments to the implementation assumptions in this Report. The Agency may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different times than assumed in this Report, and make other adjustments to the financials as determined by the Agency. The Agency may also make changes as allowed in the Amendments section of the Plan.

Figure 1 – Southwest Hermiston Urban Renewal Area Boundary



Source: City of Hermiston

**III. THE PROJECTS IN THE AREA AND THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA**

The projects identified for the Area are described below, including how they relate to the existing conditions in the Area. The infrastructure projects are intended to facilitate the development of housing in the Area by assisting in the provision of needed infrastructure to the Area.

**A. Infrastructure Upgrades**

**1. Water transmission line (existing conditions included in narrative)**

Construct approximately 6,000 linear feet of new 12” ductile iron water line from the new reservoir located on an elevated area in the southeast portion of the Area, going northwest through the Area to connect to an existing 12” City of Hermiston water main located within the OR207 right-of-way. This project will connect the storage reservoir to the rest of the city’s waterworks.

**2. Joseph Booster Pump Station upgrades (existing conditions included in narrative)**

Provide upgrades to the Joseph Booster Pump Station, which currently boosts water from the City’s main pressure zone to higher elevations in the southwestern portion of the city using one 15hp pump, two 25hp pumps, and one large 100hp pump. In order to boost water further to this area, this project will install three new larger pumps with variable frequency drives, make associated upgrades to electrical and control systems, and make adjustments to existing valving, which will include installation of two pressure-reducing valves.

**3. Sewer main line (existing conditions included in narrative)**

Construct approximately 5,300 linear feet of 8” PVC gravity sewer main from the intersection of OR207 and Gettman Road, south to the vicinity of Hermiston Irrigation District’s A-Line Canal, and east under the railroad tracks and canal, to serve the larger area 2 million-gallon reservoir. To be able to develop in the Area, this sewer line must be constructed.

**4. 2 million gallon reservoir (existing conditions included in narrative)**

Construct a two million-gallon water reservoir on an elevated point in the southeast portion of the Area to serve the Area with pressurized and backup water.

**B. Parks and Pathways**

**1. Community Park development**

Develop parks within the Area including but not limited to: (1) A large 38-acre community park with amenities designed to enhance the desirability of the entire area, and (2) several smaller neighborhood parks and trails throughout the Area with amenities designed to serve more local demands within the Area.

**EXISTING CONDITIONS:** This area is undeveloped and includes no public parks nor any pathways.

**C. Developer Incentives**

**1. System Development Charge reimbursement for development of workforce housing**

**EXISTING CONDITIONS:**

The Area is undeveloped and is not presently an urban renewal area, so City/Agency funding does not exist to provide incentives for developers to develop workforce housing in the Area.

**D. Administration**

**1. Financing fees**

**2. General administration, including annual reporting, financial statements, and administration of the Plan.**

**EXISTING CONDITIONS:** The Area is not presently in an urban renewal area so requires no administrative responsibilities from the urban renewal agency. Once an urban renewal plan with its associated requirements for administration exists for the Area, there will be a need for administrative funds to be allocated for that administration.

**IV. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS**

Table 2 shows the costs of the projects in Fiscal Year Ending (FYE) 2023 constant dollars and the estimated year of expenditure dollars. These costs are also shown in “year of expenditure” costs, which assumes inflation of 5.0% annually. City staff provided the cost estimates for these projects. These estimates will be refined in the annual budgeting process, acknowledging of the limiting total cost factor of the maximum indebtedness. Different allocations may be made to different line items within the Plan.

Table 2 - Estimated Cost of Each Project in Constant FYE 2023 and Year of Expenditure Costs

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

Source: City of Hermiston and Tiberius Solutions

The majority of the projects are projected to be funded in FYE 2024 through a \$12.5 million loan, with a portion of the debt service for the loan funded by other funding sources through FYE 2033, when substantial development is projected to have occurred, resulting in sufficient tax increment financing (TIF) revenues to cover the debt service. The other funding sources are expected to be reduced annually as TIF from the new development is available to offset their contributions.

The Agency is projected to incur an additional \$5.3 million in debt in FYE 2033, using TIF revenues to pay the debt service.

The Plan assumes that the Agency/City will use other funds to assist in the completion of the projects within the Area. The Agency/City may pursue regional, county, state, and federal funding, private developer contributions, and any other sources of funding that may assist in the implementation of the programs. This funding is identified as “other funding sources” in the financial tables.

This financial analysis shows the described projected borrowings in Table 3.

The scenario presented in this Report is only one scenario for how the Agency may decide to implement this Plan, and this scenario is financially feasible. The Agency may decide to do borrowings at different times or for different amounts, depending on their analysis at the time. The timeframes on these borrowings are designed to have all borrowings repaid at the termination of the District’s division of taxes in FYE 2042. The amounts shown are the principal amounts of the borrowings. The total payments, including interest, are shown in the second column of Table 6.



Table 3 - Estimated Borrowings and Amounts

<b>Loan</b>	<b>Loan A</b>	<b>Loan B</b>
Principal Amount	\$ 12,474,001	\$ 5,236,071
Interest Rate	5.00%	5.00%
Loan Term	20	20
Loan Year	2024	2033
Interest Payment Start	2024	2033
Principal Payment Start	2024	2033
Annual Payment	(\$1,000,946)	(\$420,156)

Source: Tiberius Solution

**V. FINANCIAL ANALYSIS OF THE PLAN**

The estimated tax increment revenues through FYE 2042 are calculated based on projections of the assessed value within the Area and the consolidated tax rate that will apply in the Area.

The long-term projections for FYE 2024 and beyond assume an annual growth rate of 3% for existing assessed value in the Area plus specific exception value assumptions. Exception value is the value of new development in the Area, shown in Table 4. The exception value assumptions included in this analysis were determined by the City and developer, and forecast 1,330 new housing units are developed, including single-family, multi-family, and senior housing. These projections of growth are the basis for the projections in Table 7 through Table 12.

If actual assessed value growth is less than forecast, then it would reduce the financial capacity of the Area to fund projects listed in the Plan over the anticipated duration of the Plan.

Table 5 shows the incremental assessed value, tax rates, and tax increment revenues each year, adjusted for discounts, delinquencies, and truncation loss.

The first year of tax increment collections is anticipated to be FYE 2024. Gross TIF revenues is calculated by multiplying the tax rate times the assessed value used. The tax rate is per thousand dollars of assessed value, so the calculation is “tax rate times assessed value used divided by one thousand.” The consolidated tax rate only includes permanent tax rates. General obligation bonds and local option levies are excluded and will not be impacted by this Plan.

The “Increment Shared” column in Table 5 refers to revenue sharing with the overlapping taxing districts. Revenue sharing is covered in the Revenue Sharing section of this Report on page 21.

Table 4 - Exception Value Assumptions

<b>Unit Type</b>	<b>SF Small</b>	<b>SF Standard</b>	<b>SF Large</b>	<b>Multi-Family</b>	<b>Senior Housing</b>
Total Number of Units	300	525	275	150	80
Number of Years	30	35	30	20	20
FYE 2022 RMV	\$350,000	\$475,000	\$600,000	\$250,000	\$325,000
CPR	.7001	.7001	0.7001	.8645	0.8645
First FYE on Tax Roll	2029	2029	2029	2038	2038

RMV: real market value

CPR: Change Property Ratio from Umatilla County Assessor, SAL 7a, FYE 2022

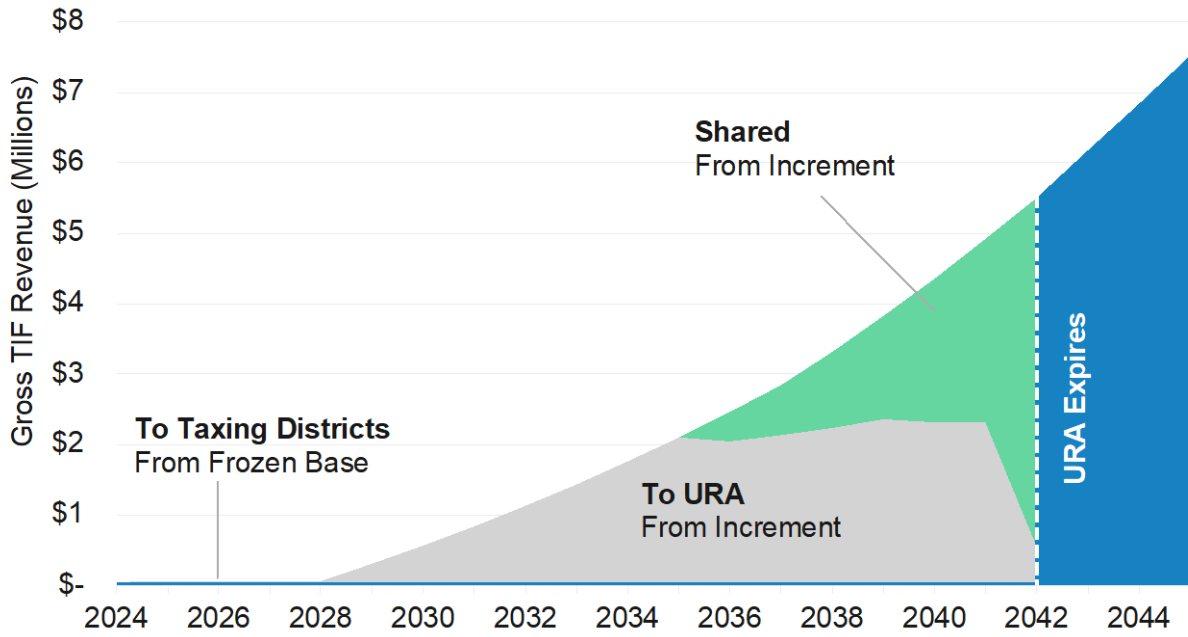
Source: Monte Vista Homes and City of Hermiston

Table 5 - Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

FYE	Total AV	Frozen Base AV	Increment Used	Increment Shared	Tax Rate	Gross TIF	Adjustments	Current Year Net	Prior Year Net	Total TIF
2024	3,206,735	3,121,349	85,386	-	17.4674	1,491	(112)	1,380	-	1,380
2025	3,294,682	3,121,349	173,333	-	17.4674	3,028	(227)	2,801	21	2,821
2026	3,385,268	3,121,349	263,919	-	17.4674	4,610	(346)	4,264	42	4,306
2027	3,478,571	3,121,349	357,222	-	17.4674	6,240	(468)	5,772	64	5,836
2028	3,574,673	3,121,349	453,324	-	17.4674	7,918	(594)	7,325	87	7,411
2029	17,557,842	3,121,349	14,436,493	-	17.4674	252,168	(18,913)	233,255	110	233,365
2030	32,377,033	3,121,349	29,255,684	-	17.4674	511,021	(38,327)	472,694	3,499	476,193
2031	48,069,821	3,121,349	44,948,472	-	17.4674	785,133	(58,885)	726,248	7,090	733,338
2032	64,675,284	3,121,349	61,553,935	-	17.4674	1,075,187	(80,639)	994,548	10,894	1,005,442
2033	82,234,060	3,121,349	79,112,711	-	17.4674	1,381,893	(103,642)	1,278,251	14,918	1,293,170
2034	100,788,402	3,121,349	97,667,053	-	17.4674	1,705,989	(127,949)	1,578,040	19,174	1,597,214
2035	120,382,242	3,121,349	117,260,893	-	17.4674	2,048,243	(153,618)	1,894,625	23,671	1,918,295
2036	141,061,251	3,121,349	114,071,062	23,868,840	17.4674	1,992,525	(149,439)	1,843,086	28,419	1,871,505
2037	162,872,903	3,121,349	119,230,362	40,521,192	17.4674	2,082,644	(156,198)	1,926,446	27,646	1,954,092
2038	190,271,126	3,121,349	124,777,592	62,372,185	17.4674	2,179,540	(163,466)	2,016,075	28,897	2,044,971
2039	219,166,903	3,121,349	132,394,817	83,650,737	17.4674	2,312,593	(173,444)	2,139,149	30,241	2,169,390
2040	249,625,430	3,121,349	129,527,005	116,977,076	17.4674	2,262,500	(169,688)	2,092,813	32,087	2,124,900
2041	281,714,468	3,121,349	129,527,005	149,066,114	17.4674	2,262,500	(169,688)	2,092,813	31,392	2,124,205
2042	315,504,431	3,121,349	28,243,442	284,139,640	17.4674	493,340	(37,000)	456,339	31,392	487,731
TOTAL:						21,368,563	(1,602,643)	19,765,924	289,644	20,055,565

Source: Tiberius Solutions

Figure 2 - TIF Projections



Source: Tiberius Solutions

**VI. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED**

Table 6 shows a summary of the financial capacity of the Area, including how total TIF revenue translates to the ability to fund urban renewal projects in constant 2023 dollars in five-year increments. Table 6, Table 7, and Table 8 show more detailed tables on the allocation of tax revenues to debt service. Table 10, Table 11, and Table 12, show potential allocations to projects, programs, and administration over time.

The Area is anticipated to complete all projects and have sufficient tax increment finance revenue to terminate the urban renewal area in FYE 2042, a 19-year time frame for taking division of tax revenues. If growth in assessed value is slower than projected, the Agency may not be able to complete all projects in the Plan. If growth in assessed value is more robust than the projections, it may take a shorter time period. These assumptions show one scenario for financing and that this scenario is financially feasible.

The maximum indebtedness is \$18,100,000 (Eighteen Million One Hundred Thousand dollars). The estimated total amount of tax increment revenues required to service the maximum indebtedness of \$18,100,000 is \$20,055,565 and is from permanent rate tax levies. The additional TIF revenue is greater than the maximum indebtedness due to the projected cost of the interest on borrowings (loans). There are two loans shown in this financial analysis.

Table 6 - TIF Capacity of the Area in FYE 2023 Constant Rounded Numbers

Total Net TIF	\$20,060,000
Maximum Indebtedness	\$18,100,000
Capacity (2023\$)	\$15,300,000
Years 1-5	\$11,940,000
Years 6-10	\$3,270,000
Years 11-15	\$60,000
Years 16-19	\$40,000

Source: Tiberius Solutions



Table 7 - Tax Increment Revenues and Allocations to Debt Service, page 1

	Total	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
<b>Resources</b>	-	-	-	-	-	-
Beginning Balance	-	-	-	-	-	-
Other Funding Sources	6,812,327	1,011,172	1,010,311	1,009,435	1,008,544	1,007,641
TIF: Current Year	19,765,922	1,380	2,801	4,264	5,772	7,325
TIF: Prior Years	289,644	-	21	42	64	87
<b>Total Resources</b>	<b>26,867,892</b>	<b>1,012,551</b>	<b>1,013,132</b>	<b>1,013,741</b>	<b>1,014,380</b>	<b>1,015,052</b>
<b>Expenditures</b>						
Debt Service						
Scheduled Payments						
Loan A	(16,385,366)	(1,000,946)	(1,000,946)	(1,000,946)	(1,000,946)	(1,000,946)
Loan B	(4,201,559)	-	-	-	-	-
Early Principal Payment	-	-	-	-	-	-
Loan A	(2,900,262)	-	-	-	-	-
Loan B	(3,026,269)	-	-	-	-	-
<b>Total Debt Service, Scheduled Only</b>	<b>(20,586,925)</b>	<b>(1,000,946)</b>	<b>(1,000,946)</b>	<b>(1,000,946)</b>	<b>(1,000,946)</b>	<b>(1,000,946)</b>
<b>Total Debt Service</b>	<b>(26,513,455)</b>	<b>(1,000,946)</b>	<b>(1,000,946)</b>	<b>(1,000,946)</b>	<b>(1,000,946)</b>	<b>(1,000,946)</b>
Debt Service Coverage Ratio		0.00	0.00	0.00	0.01	0.01
Transfer to URA Projects Fund	(354,437)	(11,605)	(12,186)	(12,795)	(13,434)	(14,106)
<b>Total Expenditures</b>	<b>(26,867,892)</b>	<b>(1,012,551)</b>	<b>(1,013,132)</b>	<b>(1,013,741)</b>	<b>(1,014,380)</b>	<b>(1,015,052)</b>
Ending Balance	-	-	-	-	-	-

Source: Tiberius Solutions

Table 8 - Tax Increment Revenues and Allocations to Debt Service, page 2

	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	FYE 2035
<b>Resources</b>	-	-	-	-	-	-	-
Beginning Balance	-	-	-	-	-	-	-
Other Funding Sources	782,393	540,305	283,938	12,651	145,937	-	-
TIF: Current Year	233,255	472,694	726,248	994,548	1,278,251	1,578,040	1,894,625
TIF: Prior Years	110	3,499	7,090	10,894	14,918	19,174	23,671
Total Resources	1,015,758	1,016,498	1,017,276	1,018,093	1,439,107	1,597,214	1,918,295
<b>Expenditures</b>							
Debt Service							
Scheduled Payments							
Loan A	(1,000,946)	(1,000,946)	(1,000,946)	(1,000,946)	(1,000,946)	(1,000,946)	(1,000,946)
Loan B	-	-	-	-	(420,156)	(420,156)	(420,156)
Early Principal Payment	-	-	-	-	-	-	-
Loan A	-	-	-	-	-	(157,206)	(477,342)
Loan B	-	-	-	-	-	-	-
Total Debt Service, Scheduled Only	(1,000,946)	(1,000,946)	(1,000,946)	(1,000,946)	(1,421,102)	(1,421,102)	(1,421,102)
Total Debt Service	(1,000,946)	(1,000,946)	(1,000,946)	(1,000,946)	(1,421,102)	(1,578,308)	(1,898,444)
Debt Service Coverage Ratio	0.23	0.48	0.73	1.00	0.91	1.12	1.35
Transfer to URA Projects Fund	(14,812)	(15,552)	(16,330)	(17,147)	(18,005)	(18,906)	(19,851)
Total Expenditures	(1,015,758)	(1,016,498)	(1,017,276)	(1,018,093)	(1,439,107)	(1,597,214)	(1,918,295)
Ending Balance	-	-	-	-	-	-	-

Source: Tiberius Solutions

Table 9 - Tax Increment Revenues and Allocations to Debt Service, page 3

	FYE 2036	FYE 2037	FYE 2038	FYE 2039	FYE 2040	FYE 2041	FYE 2042
<b>Resources</b>	-	-	-	-	-	-	-
Beginning Balance	-	-	-	-	-	-	-
Other Funding Sources	-	-	-	-	-	-	-
TIF: Current Year	1,843,086	1,926,446	2,016,075	2,139,149	2,092,813	2,092,813	456,339
TIF: Prior Years	28,419	27,646	28,897	30,241	32,087	31,392	31,392
<b>Total Resources</b>	<b>1,871,505</b>	<b>1,954,092</b>	<b>2,044,971</b>	<b>2,169,390</b>	<b>2,124,900</b>	<b>2,124,205</b>	<b>487,731</b>
<b>Expenditures</b>							
Debt Service							
Scheduled Payments							
Loan A	(1,000,946)	(1,000,946)	(1,000,946)	(1,000,946)	(370,228)	-	-
Loan B	(420,156)	(420,156)	(420,156)	(420,156)	(420,156)	(420,156)	(420,156)
Early Principal Payment	-	-	-	-	-	-	-
Loan A	(429,560)	(511,105)	(600,889)	(724,159)	-	-	-
Loan B	-	-	-	-	(1,309,180)	(1,677,446)	(39,643)
Total Debt Service, Scheduled Only	(1,421,102)	(1,421,102)	(1,421,102)	(1,421,102)	(790,384)	(420,156)	(420,156)
Total Debt Service	(1,850,662)	(1,932,207)	(2,021,991)	(2,145,261)	(2,099,564)	(2,097,602)	(459,799)
Debt Service Coverage Ratio	1.32	1.38	1.44	1.32	2.69	5.06	1.16
Transfer to URA Projects Fund	(20,843)	(21,885)	(22,980)	(24,129)	(25,336)	(26,603)	(27,932)
<b>Total Expenditures</b>	<b>(1,018,093)</b>	<b>(1,954,092)</b>	<b>(2,044,971)</b>	<b>(2,169,390)</b>	<b>(2,124,900)</b>	<b>(2,124,205)</b>	<b>(487,731)</b>
Ending Balance	-	-	-	-	-	-	-

Source: Tiberius Solutions

## VII. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The schedule for construction of projects will be based on the availability of funding. The projects will be ongoing and will be completed as directed by the Agency. Annual expenditures for program administration are also shown.

The Area is anticipated to complete all projects and have sufficient tax increment finance revenue to terminate the Area in FYE 2042 a 19-year program of tax increment collections.

The amount of money available for projects in 2023 constant dollars for the Area is approximately \$15,304,285. See Table 2 for the individual project analysis. This \$15,304,285 is calculated by taking the maximum indebtedness (MI) and bringing it back to constant 2023 dollars. This is done as the Agency's cost estimates are typically in constant dollars, so understanding how that relates to the overall MI over 19 years is important to enable the Agency to make projections on the allocation of funds throughout the life of the Area.

Table 10 through Table 12 show the approximate \$15,304,285 of 2023 constant dollars for projects inflated over the life of the Area including administrative expenses. All costs shown in Table 10 through Table 12 are in year-of-expenditure dollars, which are adjusted by 5.0% annually to account for inflation. The year of expenditure total cost is \$18,064,509.

The 5% inflation rate is the rate to use in the future if any amendment to increase maximum indebtedness is pursued in accordance with ORS 457.470.

The Agency may change the completion dates in their annual budgeting process or as project decisions are made in administering the Plan. The following tables are prepared to show that the Area is financially feasible as required by ORS 457. It assumes completion of projects as funding becomes available.

Table 10 - Programs and Costs in Year of Expenditure Dollars, Page 1

	Total	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Resources		-	-	-	-	-	-
Beginning Balance	-	-	-	-	-	-	-
Transfer from TIF Fund	354,437	11,605	12,186	12,795	13,434	14,106	14,812
Bond/Loan Proceeds	17,710,072	12,474,001	-	-	-	-	-
Total Resources	18,064,509	12,485,606	12,186	12,795	13,434	14,106	14,812
Expenditures (YOE \$)							
Community Park	(2,756,250)	(2,756,250)	-	-	-	-	-
Neighborhood Parks and Pathways	(3,420,900)	-	-	-	-	-	-
Water Transmission Line	(1,788,255)	(1,788,255)	-	-	-	-	-
Joseph Booster Pump Station Upgrades	(810,338)	(810,338)	-	-	-	-	-
Sewer Main Line	(2,946,983)	(2,946,983)	-	-	-	-	-
2 Million Gallon Reservoir	(3,922,695)	(3,922,695)	-	-	-	-	-
SDC Expenditures	(1,710,450)	-	-	-	-	-	-
Financing Fees	(354,201)	(249,480)	-	-	-	-	-
Administration Costs	(354,437)	(11,605)	(12,186)	(12,795)	(13,434)	(14,106)	(14,812)
Total Expenditures	(18,064,509)	(12,485,606)	(12,186)	(12,795)	(13,434)	(14,106)	(14,812)
Ending Balance	-	-	-	-	-	-	-

Source: Tiberius Solutions

Table 11 - Programs and Costs in Year of Expenditure Dollars, Page 2

	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	FYE 2035	FYE 2036
		-	-	-	-	-	-
Resources	-	-	-	-	-	-	-
Beginning Balance	-						
Transfer from TIF Fund	15,552	16,330	17,147	18,005	18,906	19,851	20,843
Bond/Loan Proceeds	-	-	-	5,236,071	-	-	-
Total Resources	15,552	16,330	17,147	5,254,076	18,906	19,851	20,843
Expenditures (YOE \$)		-	-	-	-	-	-
Community Park	-	-	-	-	-	-	-
Neighborhood Parks and Pathways	-	-	-	(3,420,900)	-	-	-
Water Transmission Line	-	-	-	-	-	-	-
Joseph Booster Pump Station Upgrades	-	-	-	-	-	-	-
Sewer Main Line	-	-	-	-	-	-	-
2 Million Gallon Reservoir	-	-	-	-	-	-	-
SDC Expenditures	-	-	-	(1,710,450)	-	-	-
Financing Fees	-	-	-	(104,721)	-	-	-
Administration Costs	(15,552)	(16,330)	(17,147)	(18,005)	(18,906)	(19,851)	(20,843)
Total Expenditures	(15,552)	(16,330)	(17,147)	(5,254,076)	(18,906)	(19,851)	(20,843)
Ending Balance	-	-	-	-	-	-	-

Source: Tiberius Solutions



Table 12 - Programs and Costs in Year of Expenditure Dollars, Page 3

	FYE 2037	FYE 2038	FYE 2039	FYE 2040	FYE 2041	FYE 2042
	-	-	-	-	-	-
Resources	-	-	-	-	-	-
Beginning Balance						
Transfer from TIF Fund	21,885	22,980	24,129	25,336	26,603	27,932
Bond/Loan Proceeds	-	-	-	-	-	-
Total Resources	21,885	22,980	24,129	25,336	26,603	27,932
Expenditures (YOE \$)	-	-	-	-	-	-
Community Park	-	-	-	-	-	-
Neighborhood Parks and Pathways	-	-	-	-	-	-
Water Transmission Line	-	-	-	-	-	-
Joseph Booster Pump Station Upgrades	-	-	-	-	-	-
Sewer Main Line	-	-	-	-	-	-
2 Million Gallon Reservoir	-	-	-	-	-	-
SDC Expenditures	-	-	-	-	-	-
Financing Fees	-	-	-	-	-	-
Administration Costs	(21,885)	(22,980)	(24,129)	(25,336)	(26,603)	(27,932)
Total Expenditures	(21,885)	(22,980)	(24,129)	(25,336)	(26,603)	(27,932)
Ending Balance	-	-	-	-	-	-

Source: Tiberius Solutions

**VIII. REVENUE SHARING**

Revenue sharing thresholds are projected to be reached in FYE 2036. This is because the threshold set in ORS 457 (annual tax increment revenues in excess of 10 percent of the maximum indebtedness) is met during FYE 2035, triggering the revenue sharing.

Revenue sharing means that at the thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the taxes from incremental growth in the Area. The first threshold is met when annual TIF revenues exceed 10% of the original maximum indebtedness of the Plan or \$1,810,000. The year after the 10% threshold is reached, the Agency will receive the 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold, and the taxing jurisdictions will receive 75% of the increment above the 10% threshold.

The second threshold is met when annual TIF revenues exceed 12.5% of the maximum indebtedness or \$2,262,500. If this threshold is met, revenue for the Area would be capped at 12.5% of the maximum indebtedness in all future years, with all additional tax revenue being shared with affected taxing districts.

If assessed value in the Area grows more quickly than projected, the revenue sharing thresholds could be reached earlier. Revenue sharing projections are shown in Table 13.

Table 13 – Revenue Sharing Projections

<b>FYE</b>	<b>Total Assessed Value</b>	<b>Frozen Base AV</b>	<b>Increment Used</b>	<b>Increment Shared</b>	<b>Tax Revenue from Increment Shared</b>
2024	3,206,735	3,121,349	85,386	-	
2025	3,294,682	3,121,349	173,333	-	
2026	3,385,268	3,121,349	263,919	-	
2027	3,478,571	3,121,349	357,222	-	
2028	3,574,673	3,121,349	453,324	-	
2029	17,557,842	3,121,349	14,436,493	-	
2030	32,377,033	3,121,349	29,255,684	-	
2031	48,069,821	3,121,349	44,948,472	-	
2032	64,675,284	3,121,349	61,553,935	-	
2033	82,234,060	3,121,349	79,112,711	-	
2034	100,788,402	3,121,349	97,667,053	-	
2035	120,382,242	3,121,349	117,260,893	-	
2036	141,061,251	3,121,349	114,071,062	23,868,840	416,927
2037	162,872,903	3,121,349	119,230,362	40,521,192	707,800
2038	190,271,126	3,121,349	124,777,592	62,372,185	1,089,480
2039	219,166,903	3,121,349	132,394,817	83,650,737	1,461,161
2040	249,625,430	3,121,349	129,527,005	116,977,076	2,043,285
2041	281,714,468	3,121,349	129,527,005	149,066,114	2,603,797
2042	315,504,431	3,121,349	28,243,442	284,139,640	4,963,181
TOTAL:					

Source: Tiberius Solutions

## IX. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the Area.

The impact of tax increment financing on overlapping taxing districts consists of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the Area. These projections are for impacts estimated through FYE 2053 and are shown in Table 14 and Table 15.

The Hermiston School District # 8 and the Intermountain Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the state level.

Table 14 and Table 15 show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. Table 14 shows the general government levies, and Table 15 shows the education levies.

Table 14 - Projected Impact on Taxing District Permanent Rate Levies - General Government

<b>FYE</b>	<b>General County</b>	<b>City of Hermiston</b>	<b>Port of Umatilla</b>	<b>Umatilla County Fire District 1</b>	<b>County Radio District</b>	<b>Cemetery District 8 Hermiston</b>	<b>W. Umatilla Mosquito Control</b>
2024	(225)	(481)	(12)	(138)	(13)	(7)	(16)
2025	(460)	(983)	(25)	(283)	(27)	(15)	(33)
2026	(702)	(1,500)	(38)	(431)	(42)	(23)	(50)
2027	(952)	(2,033)	(51)	(585)	(57)	(31)	(68)
2028	(1,209)	(2,582)	(65)	(742)	(72)	(39)	(86)
2029	(38,059)	(81,309)	(2,056)	(23,380)	(2,271)	(1,233)	(2,700)
2030	(77,661)	(165,915)	(4,196)	(47,708)	(4,635)	(2,516)	(5,510)
2031	(119,598)	(255,510)	(6,461)	(73,471)	(7,137)	(3,875)	(8,485)
2032	(163,974)	(350,317)	(8,859)	(100,732)	(9,785)	(5,313)	(11,633)
2033	(210,899)	(450,567)	(11,394)	(129,558)	(12,586)	(6,833)	(14,962)
2034	(260,484)	(556,502)	(14,073)	(160,020)	(15,545)	(8,440)	(18,480)
2035	(312,848)	(668,373)	(16,902)	(192,188)	(18,670)	(10,137)	(22,195)
2036	(305,217)	(652,071)	(16,489)	(187,500)	(18,214)	(9,889)	(21,654)
2037	(318,686)	(680,846)	(17,217)	(195,774)	(19,018)	(10,326)	(22,609)
2038	(333,508)	(712,510)	(18,018)	(204,879)	(19,903)	(10,806)	(23,661)
2039	(353,799)	(755,860)	(19,114)	(217,344)	(21,113)	(11,463)	(25,100)
2040	(346,543)	(740,359)	(18,722)	(212,887)	(20,680)	(11,228)	(24,585)
2041	(346,429)	(740,116)	(18,716)	(212,817)	(20,674)	(11,225)	(24,577)
2042	(79,542)	(169,936)	(4,297)	(48,864)	(4,747)	(2,577)	(5,643)
<b>TOTAL:</b>	<b>(3,270,795)</b>	<b>(6,987,770)</b>	<b>(176,705)</b>	<b>(2,009,300)</b>	<b>(195,189)</b>	<b>(105,968)</b>	<b>(232,045)</b>

Source: Tiberius Solutions

Table 15 - Projected Impact on Taxing District Permanent Rate Levies – Education

<b>FYE</b>	<b>Hermiston School District #8</b>	<b>Intermountain E.S.D.</b>	<b>Blue Mountain CC</b>	<b>Subtotal</b>	<b>Total</b>
2024	(386)	(49)	(52)	(487)	(1,380)
2025	(789)	(99)	(107)	(996)	(2,821)
2026	(1,205)	(152)	(163)	(1,520)	(4,306)
2027	(1,633)	(206)	(221)	(2,059)	(5,836)
2028	(2,074)	(261)	(280)	(2,615)	(7,411)
2029	(65,300)	(8,224)	(8,832)	(82,357)	(233,365)
2030	(133,248)	(16,782)	(18,023)	(168,053)	(476,193)
2031	(205,202)	(25,845)	(27,755)	(258,802)	(733,338)
2032	(281,341)	(35,435)	(38,054)	(354,829)	(1,005,442)
2033	(361,853)	(45,575)	(48,943)	(456,371)	(1,293,170)
2034	(446,930)	(56,290)	(60,451)	(563,671)	(1,597,214)
2035	(536,774)	(67,606)	(72,603)	(676,983)	(1,918,295)
2036	(523,682)	(65,957)	(70,832)	(660,471)	(1,871,505)
2037	(546,791)	(68,868)	(73,958)	(689,616)	(1,954,092)
2038	(572,221)	(72,071)	(77,397)	(721,688)	(2,044,971)
2039	(607,035)	(76,455)	(82,106)	(765,597)	(2,169,390)
2040	(594,586)	(74,887)	(80,422)	(749,896)	(2,124,900)
2041	(594,392)	(74,863)	(80,396)	(749,651)	(2,124,205)
2042	(136,476)	(17,189)	(18,459)	(172,125)	(487,731)
<b>TOTAL:</b>	<b>(5,611,910)</b>	<b>(706,814)</b>	<b>(759,054)</b>	<b>(7,077,787)</b>	<b>(20,055,565)</b>

Source: Tiberius Solutions Please refer to the explanation of the schools funding in the preceding section.

Table 16 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2043.

The Frozen Base is the assessed value of the Area established by the County Assessor at the time the Area is established. Excess Value is the increased assessed value in the Area above the Frozen Base.

Table 16 - Additional Revenues Obtained after Termination of TIF - FYE 2043

Taxing District	Tax Rate	From Frozen Base	From Excess Value	Total
<b>General Government</b>				
General County	2.8487	8,892	991,197	1,000,089
City of Hermiston	6.086	18,997	2,117,606	2,136,603
Port of Umatilla	0.1539	480	53,549	54,029
Umatilla County Fire District 1	1.75	5,462	608,908	614,370
County Radio District	0.17	531	59,151	59,682
Cemetery District 8 Hermiston	0.0923	288	32,116	32,404
W. Umatilla Mosquito Control	0.2021	631	70,320	70,951
Subtotal	11.303	35,281	3,932,847	3,968,128
<b>Education</b>				
Hermiston School District #8	4.8877	15,256	1,700,661	1,715,917
Intermountain E.S.D.	0.6156	1,922	214,196	216,118
BMCC	0.6611	2,064	230,028	232,092
Subtotal	6.1644	19,242	2,144,885	2,164,127
<b>TOTAL:</b>	<b>17.4674</b>	<b>\$54,523</b>	<b>\$6,077,732</b>	<b>\$6,132,255</b>

Source: Tiberius Solutions



**X. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA**

State law limits the percentage of both a municipality’s total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base (assumed to be FYE 203 values), including all real, personal, manufactured, and utility properties in the Area, is projected to be \$3,121,349. The Umatilla County Assessor will certify the frozen base once the urban renewal plan is adopted. The frozen base assessed value of the City of Hermiston Downtown Urban Renewal Area is \$42,262,899. The Downtown Urban Renewal Area has excess value of \$15,049,186. The total assessed value of the City of Hermiston as stated in the Umatilla County Assessor SAL 4a for FYE 2022 was \$1,168,246,817.

The percentage of total City assessed value in urban renewal areas is 3.94%, below the 25% threshold. ORS 457.160 (2)(b) states “For municipalities having a population of less than 50,000, according to the latest state census:

- A. The assessed value for the urban renewal areas of the plan, when added to the total assessed value previously certified by the assessor for other urban renewal plans of the municipality for which a division of ad valorem taxes is provided, exceeds a figure equal to 25 percent of the total assessed value of that municipality, exclusive of any increased assessed value for other urban renewal areas and without regard to adjustments made pursuant to [ORS 457.435](#).”

The Area contains approximately 392.8 acres, including public rights-of-way. The City of Hermiston Downtown Urban Renewal area contains 125.2 acres. The City of Hermiston contains 5,402 acres. This puts 9.6% of the city’s acreage in an urban renewal area, which is below the 25% threshold.

Table 17 – Urban Renewal Area Conformance with Assessed Value and Acreage Limits

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

Source: Compiled by Elaine Howard Consulting, LLC with data from Tiberius Solutions, City of Hermiston, and Umatilla County Department of Assessment and Taxation SAL 4a and SAL 4e (FYE 2022)

## XI. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES

This section of the Report describes existing conditions within the Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

### A. Physical Conditions

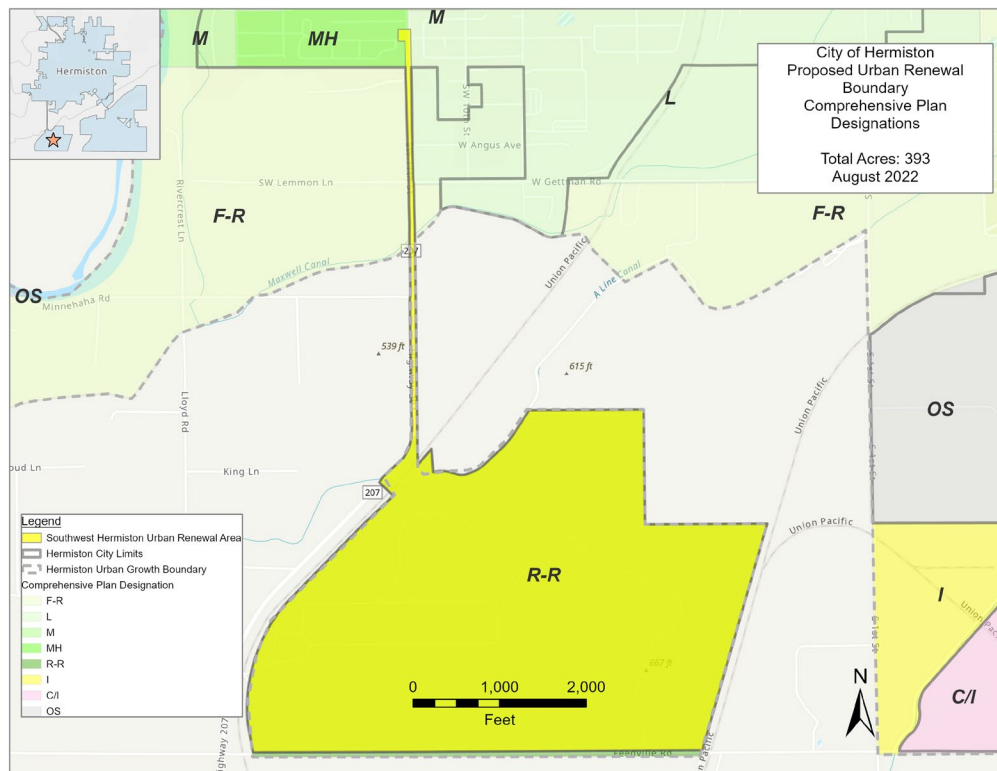
The Area consists of nine parcels that will be in one development and a parcel for the new water reservoir. These parcels combined are 392.8 acres, including 9.6 acres of right-of-way. The zoning and comprehensive plan designations for the nine development taxlots are all Recreational Residential. The zoning for the booster pump station is Multi-Structure Residential and its comprehensive plan designation is Medium Density Residential. The detailed land use, zoning, and comprehensive plan designations in the Area can be seen in Table 18.

Table 18 - Land Use, Zoning and Comprehensive Plan Designations in the Area

Land Use	Zoning	Comprehensive Plan	Acres
Vacant	Recreational/Residential RR	Recreational Residential R-R	383.04
Vacant	Multi-Structure Residential R-4	Medium Density Residential MH	0.16
Right of Way			9.6
<b>TOTAL:</b>			<b>392.8</b>

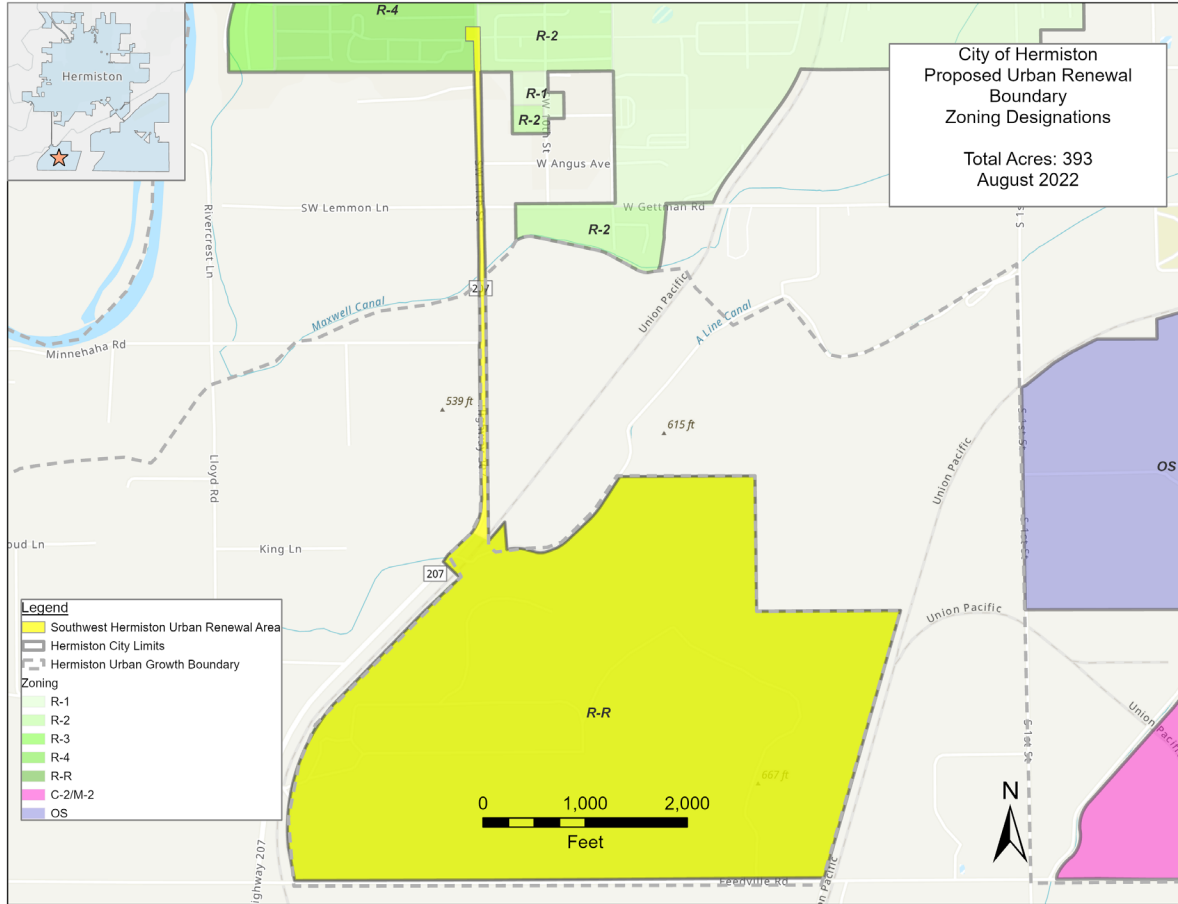
Source: Compiled by Elaine Howard Consulting, with data from the City of Hermiston (FYE 2022)

Figure 3 - Hermiston Urban Renewal Area Comprehensive Plan Designations



Source: City of Hermiston

Figure 4 - Hermiston Urban Renewal Area Zoning Designations



Source: City of Hermiston

## B. Infrastructure

This section identifies the existing conditions in the Area to assist in **establishing blight in the ordinance adopting the urban renewal plan.** There are projects identified by the City of Hermiston in itemizing blighting conditions in the Area. **This does not mean that all of these projects are included in the urban renewal plan.** The specific projects that are included in the Plan are listed in Sections III and IV of this report.

### 1. Transportation

The *City of Hermiston Transportation Systems Plan Final Report* was completed in 1997 and amended in 2000, 2003, 2014, and 2017. There were no identified projects in this Area. However, development within the Area is expected to generate traffic impacts and related public capital investments for mitigation that are included in citywide or subarea transportation system development charges. There will be traffic mitigations but they will not be urban renewal projects but funded separately and included in a TSP revision to be developed concurrently with the development plan.

### 2. Parks

The *Hermiston Parks, Recreation and Open Space Master Plan* was completed on July 29, 2020

No parks were identified for this Area as development was not expected to occur at the time the analysis was completed in 2020.

#### Vision Statement

Hermiston actively provides inviting parks, trails, and programs for all walks of life. We celebrate our unique abilities, values and cultures. Parks and Recreation facilities and programs are the heart of our physical and emotional well-being.

The following needs were identified in the Parks Master Plan.

#### Facility Needs

- Indoor Aquatic and Athletic Facility, Wellness Center
- Universally accessible facilities
- Expanded trail facilities (walking, bicycling)
- Parks in Northeast, specifically, and east generally
- More athletic fields, specifically soccer or multipurpose fields.
- Areas for large group gatherings for extended periods of time
- Restrooms
- Water access
- Skate Park

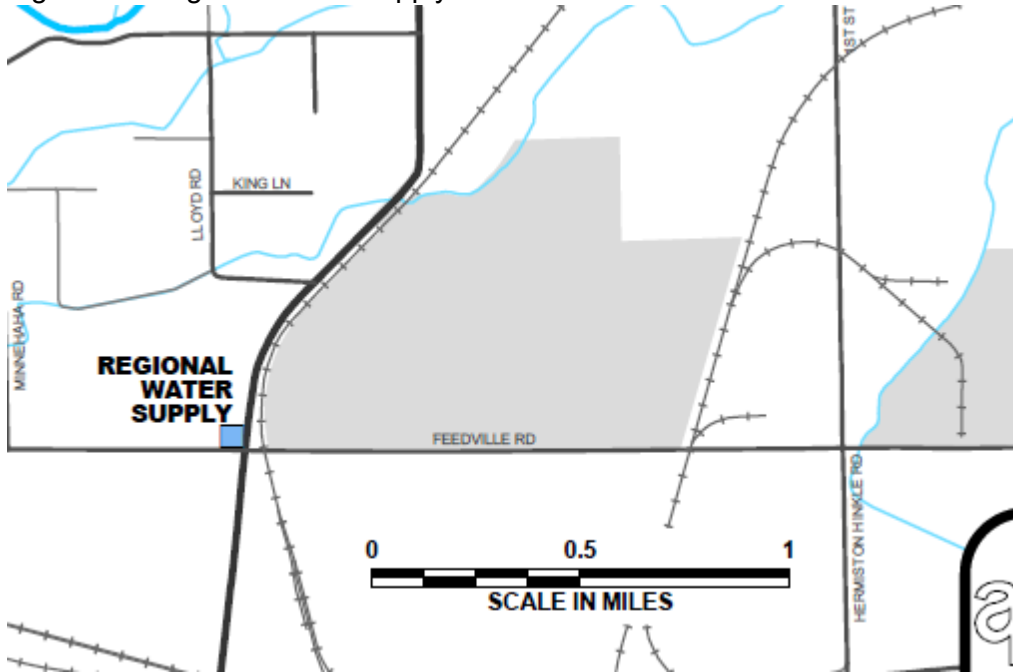
### 3. Water, Sanitary Sewer and Storm Water

The *Hermiston Capital Improvement Plan* (CIP) was completed in January 2021 by Anderson Perry & Associates, Inc. The following information comes from that document.

#### a) Water

The regional water supply is located to the west of the site.

Figure 5 - Regional Water Supply



Source: Hermiston Capital Improvement Plan, Figure 1

Project W 27 was identified to provide water to the Area.

**Project Number:** W 27.0

**Project Name:** Southwest Storage Reservoir

**Fund:** Water

**Subcategory:** Storage

**Estimated Cost:** \$3,100,000 (plus inflation depending on year constructed)

**Fiscal Year:** Undefined

**Project Description:**

The project will include developing a new reservoir located in the southwest area of the City. Work will include construction of the new reservoir, water line extensions, control systems, valves, site

development, property acquisition, and engineering/permitting services. Specific attention for access to the reservoir roof will be evaluated during design. Access alternatives may entail an exterior stairway system or a ladder system with landings.

**Project Justification:**

A new 2,000,000-gallon reservoir on the southwest side of town is needed to accommodate additional water demands from ongoing population growth. A new reservoir will reduce the

City's reliance on booster pump stations to pressurize the system, provide compliance with fire flow requirements as well as applicable health and safety rules, and will ensure minimum water distribution system pressures are maintained. A new well constructed in a separate project would keep the reservoir full and operating. The Water System Master Plan prepared in 2018 and 2019 discusses this project in more depth.

**Funding Data:**

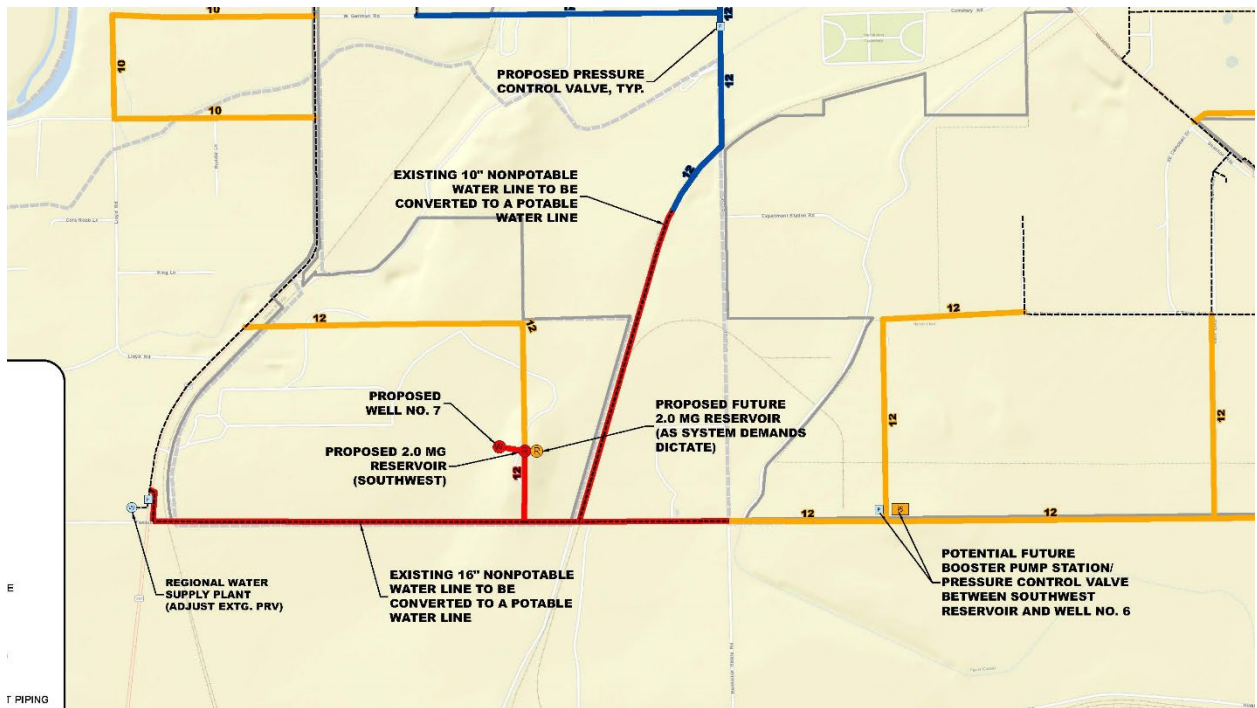
Project No.	Fund Name	Amount	Fiscal Year
W 27.0	Water Fund	\$3,100,000	Undefined

**Water Systems**

There are no existing water systems that serve the Area.

The **Hermiston Water System Master Plan**, completed in 2019 by Anderson Perry & Associates, proposes the following improvements in the Area.

Figure 6 – Water System in the Area



Source: **Hermiston Water System Master Plan** Proposed Water Distribution System Pressure Zone Map , Figure 5-3

**Medium Priority Improvements**

Provide distribution system piping and/or pressure reducing valves to connect similar pressure zones to reduce the number of and/or reliance on booster pump stations. Provide distribution piping to connect the proposed southwest reservoir to the existing distribution system.(p 6-3)



**Long-Term/Future Development Improvements**

Provide distribution system piping to serve areas within the City’s urban growth boundary not currently being served. Create a new pressure zone with a booster pump station in east Hermiston to serve existing and future users with system pressures near the City’s recommended minimum system pressure. (p 6-4)

**Modifications to Existing Booster Pump Stations**

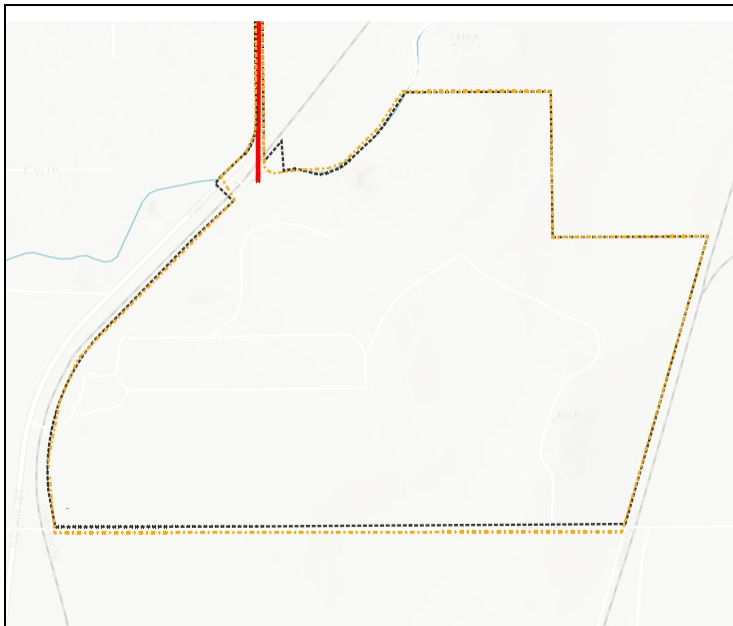
The proposed improvements presented herein would allow the City to discontinue continuous use of the Geer Road booster pump station, Sunland booster pump station, and Moore booster pump station. As part of the proposed northeast reservoir and southwest reservoir improvements, the Alora Heights booster pump station and Joseph booster pump station would be improved to change from 24-hour per day booster pump stations to reservoir fill stations. See Chapters 4 and 5 for further discussion on proposed improvements at the Alora Heights booster pump station and Joseph booster pump station to convert them from “booster” stations to “reservoir fill” stations. Once the system improvements are made, the Geer Road booster pump station and Moore booster pump station are not anticipated to be used on a daily basis.

However, it is recommended that the City maintain the Geer Road and Moore booster pumpstations to act as backups to the Alora Heights and Joseph booster pump stations, respectively. (p 6-4)

**b) Sanitary Sewer**

The CIP shows a proposed sanitary sewer trunkline to the Area.

Figure 7 - Proposed Future Sanitary Sewer Trunkline and Lift Stations



Source: Figure 1 of the CIP

### **Lift Station 8**

Lift Station 8, also known as “West Side,” was constructed in 1980 and is located on the west end of the City at the northeastern corner of Harrison Park. Lift Station 8 is the primary lift station for the western sanitary sewer trunkline and pumps all sewage from Basins W3 to W21 north through approximately 3,300 feet of 12-inch Class 50 ductile iron pipe to Manhole W1-23 on W. Elm Avenue Extension. Lift Station 8 consists of a wetwell and a drywell. A building above the drywell houses control equipment.

Three 6-MVF-15, centrifugal, vertical, variable speed, single-stage, dry pit-type pumps with non-clogging impellers are located on the bottom floor of the drywell. The pumps are 3-phase, 480-volt (V), 60-Hz pumps manufactured by the Worthington Pump Corporation. Each is rated at 30 Hp with a design pump rate of 900 gpm against 74 feet of TDH. Although the pumps are supposed to be variable speed, some issues with the control system cause the pumps to run at their maximum capacity for all but the first and last few seconds of a run cycle. Attempts have been made to diagnose and fix these issues, but they have been unsuccessful.

Pumps are operated based on wetwell water levels that are sensed by a purged-air, liquid level controller. The control system is a CD-3000-SLB-A Peabody Flomatcher. Telemetry monitoring utilizes an old auto-dialer system by Stead and Baggerly, Inc., to notify City personnel when problems are detected.

Auxiliary power is provided by a 164 kVA, 480-V, 3-phase, 60-Hz diesel generator located on the first floor of the lift station building. It outputs 135 kW and has a fuel tank capacity of 550 gallons. When the power goes out, the transfer switch can automatically change the power source if the engine control switch is set to automatic. The switch can be set to manual if needed. The City has purchased a new natural gas generator that is anticipated to be installed in fall 2020.

Lift Station 8 has been maintained by City personnel and is cleaned approximately once every six months. The wetwell appears to be in good condition. An intake plug valve on Pump 1 has been replaced. Three discharge plug valves, three check valves, and two intake plug valves are on the City’s list to be replaced, but funds to purchase the replacement parts have not been made available. Because the control system does not allow pump speeds to vary, upgrades to the pump control system, potentially with new variable frequency drives (VFDs), are needed to replace the current system. New motors may be required when the VFDs are purchased and installed. (p 3-20)

### **Basin W8 Trunkline**

Basin W8 trunkline is located in the southwest portion of the City between W. Highland Avenue and the Maxwell Canal. The trunkline consists of 8-inch PVC, 8-inch transite, and 8-, 10-, and 12-inch concrete pipe. The trunkline begins at upstream Manhole W8-84 and flows through the basin into the western primary trunkline at Manhole W1-4.

The area south of the basin to the UGB has the potential for future development. When developed, this 52-acre area is expected to contribute approximately 23,300 gpd to the basin’s existing flows. Analyzing this trunkline at minimum slope with combined existing and future flows shows that the pipes appear to have adequate capacity, with pipe flows ranging from 34 to 73 percent of capacity. (p 3-9)

**Lift Station 8**

Lift Station 8 is the main lift station on the west side of Hermiston, located in the northeast corner of Harrison Park. Three pumps alternate days to pump sewer flows. Lift Station 8 had an average maximum daily run time of 13.08 hours in August 2017. The average run times of Pumps 1, 2, and 3 were 5.4, 4.0, and 3.6 hours, respectively. Operation is being distributed among the pumps in a slightly uneven fashion likely due to differing pump age, impeller wear, and pump rebuild times; however, flow is likely being evenly distributed even though hour meter readings vary slightly between pumps. The design capacity of the pumps at this lift station is 900 gpm. With a maximum daily run time of 13.08 hours and a design pumping rate of 900 gpm, this lift station is theoretically pumping approximately 0.707 MGD or 43.4 percent of the City’s sewage.

Lift Station 8 operates 13.08 hours on average during the maximum month, correlating to 82 percent of capacity. If the lift station continues pumping approximately 43 percent of the City’s sewage through year 2043, the pumps would need to operate for approximately 17.38 hours per day and pump approximately 0.939 MGD. This would result in Lift Station 8 operating at approximately 109 percent of capacity. (P 4-12)

The area north of Feedville Road and between two UPRR tracks will likely be developed. This area would be serviced by extending sewer from Manhole W8-92 west to S.W. 11th Street, then south along S.W. 11th Street. (p 5-6)

**Update Lift Station 8 Electrical and Controls**

The electrical and pump controls at Lift Station 8 have surpassed their useful life and need to be updated to current industry standards. It is recommended that pumping volumes and pump run hours be monitored as development occurs in areas served by Lift Station 8 as pumping capacities may need to be increased to meet future demands. (p 5-7)

**c) Stormwater**

Hermiston’s Public Works Standards call for managing stormwater through Underground Injection Control (UIC) systems, or by infiltration swales where depth to groundwater is not sufficient to allow for a UIC. The area is currently undeveloped with no stormwater infrastructure. Based on soil types and groundwater depths in the area, it is anticipated that all stormwater generated within the area will stay within the area predominantly through the use of UIC’s constructed by development as it occurs.

### C. Social Conditions

The Area is undeveloped. Therefore, the following demographics are presented for the City of Hermiston as a whole. The following information is excerpted from the *Housing Capacity Analysis* completed in January of 2021 by Johnson Economics<sup>1</sup>, which identifies the social conditions in the Area and the relating housing needs.

*“Hermiston is a City of nearly 21,400 people (within the UGB) located in Umatilla County in north-central Oregon. The city is the largest city in the county and represents roughly a quarter of the county’s population. The estimated population within the city limits was 19,696 in 2021, meaning that an additional 2,000 people (or 11%) live outside the city but within the UGB.*

- *Hermiston’s UGB population makes it roughly the 28th largest city in the state by population, similar in size to other Oregon cities such as Ashland or Happy Valley. The city is roughly 125% the size of nearby Pendleton.*
- *According to the US Census and PSU estimates, Hermiston has experienced moderate growth, growing at just over 42% since 2000. In comparison, Umatilla County and the state are both estimated to have experienced lower growth of less than 24% since 2000.*

*Hermiston’s UGB was home to an estimated 7,673 households in 2020, an increase of 1,975 households since 2000. The percentage of families has remained stable from 68% of all households in 2000 to 67% in 2020. The city has a higher share of family households than Umatilla County (64%) and the state (63%).*

- *Average household size is estimated to have grown since 2000. Hermiston’s estimated average household size is 2.8 persons. This is slightly larger than the Umatilla County average of 2.7 and the statewide average of 2.5.*

*Since 2000, Hermiston’s UGB has grown by roughly 6,285 people within the UGB, or 42% in 20 years. This was higher than the countywide rate of growth. In comparison, the population of the state grew by an estimated 24% during this period.*

*Data from the City of Hermiston and the US Census indicate that the city added just over 1,930 new housing units since 2000 within the UGB, representing 32% growth in the housing stock. This number of new units is slightly lower than the growth in new households estimated during the same period (1,971), indicating that housing growth has not kept pace with growing need.*

*As of 2020, the city had an estimated housing stock of roughly 8,051 units for its 7,673 estimated households. This translates to an estimated average vacancy rate of under 5%.*

*Hermiston has a greater share of homeowner households than renter households. The 2018 ACS estimates that 60% of occupied units were owner occupied, and 40% renter occupied. The ownership rate has risen from an estimated 55% in 2000. During this period the statewide rate fell from 64% to 61%. Nationally, the homeownership rate is 66%.*

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<sup>1</sup> Johnson Economics. (January 2021). *Housing Capacity Analysis*

The estimated ownership rate is higher across Umatilla County (64%) than it is in Hermiston or the state overall

Hermiston had an estimated 8,051 housing units in 2020, with a vacancy rate of 4.7% (includes ownership, rental units, and second homes). The housing stock has increased by roughly 1,930 units since 2000, or growth of 32%.

Hermiston’s housing stock reflects the pattern of development over time. Seventy-three percent of the housing stock is pre-2000 with the remainder being post-2000. The single largest share of housing stock was built in the 1970’s. Rental units are more likely to be older units, while a larger percentage of ownership units were built since the 1990’s.

The results (of their analysis) show a need for 2,030 new housing units by 2040.

- Of the new units needed, 61.5% are projected to be ownership units, while 38.5% are projected to be rental units.
- There is some new need for ownership housing at the low-end of the pricing spectrum. But income trends suggest that the greatest demand will remain in the middle price ranges (\$175k to \$300k). This is because some of the city’s current housing is found at lower value levels due to age, condition, and mobile homes. At the same time, most new homes are projected to be priced at higher price points.
- The greatest need for rental units is found at the lowest and some higher price points. Market rents are currently clustered in the \$400 to \$1,000 range in current dollars. Therefore, most units are to be found in this range. There is insufficient rental housing for the lowest income households making \$15,000 or less, and there may also be some support for higher rent units, which may be in new apartment complexes, townhomes or detached single-family homes for rent.“

According to the US Census 2016-2020 update, there are 6,041 households on Hermiston with 2.87 persons in each household. Forty-five percent of the residents speak a language other than English at home.

The following social conditions were taken from the <https://www.census.gov/quickfacts/hermistoncityoregon> Approximately 79% of the residents are white. 52% of the Hermiston residents identify as Hispanic or Latino.

Table 19 – Race in the Area

Race	Percent
White alone, percent	78.90%
Black or African American alone, percent(a)	0.30%
American Indian and Alaska Native alone, percent(a)	0.20%
Asian alone, percent(a)	0.20%
Native Hawaiian and Other Pacific Islander alone, percent(a)	0.10%
Two or More Races, percent	7.40%
Hispanic or Latino, percent(b)	52.30%
White alone, not Hispanic or Latino, percent	44.50%

Source: US Census Quick Facts

The largest percentage of residents (31.50%) .in Hermiston are under 18 years of age.

Table 20 - Age in the Area

Age	Percent
Persons under 5 years, percent	8.20%
Persons under 18 years, percent	31.50%
Persons 65 years and over, percent	11.50%
Female persons	51.3%

Source: US Census Quick Facts

In Hermiston, 69 % of the residents have graduated from high school but have not attended college. An additional 16% of residents have earned a bachelor’s degree or higher.

Table 21 - Educational Attainment in the Area

Education	Percent
High school graduate or higher, percent of persons age 25 years+, 2016-2020	69.20%
Bachelor's degree or higher, percent of persons age 25 years+, 2016-2020	16.00%

Source US Census Quick Facts

## D. Economic Conditions

### 1. Taxable Value of Property within the Area

The estimated total assessed value of the Area calculated with data from the Umatilla County Department of Assessment and Taxation for FYE 2023 including all real, personal, manufactured, and utility properties, is estimated to be \$3,121,349.

### 2. Building to Land Value Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property’s improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the “Improvement to Land Value Ratio,” or “I:L.” The values used are real market values. In urban renewal areas, the I:L is often used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives. The properties in the Area are vacant and undeveloped and not contributing significantly to the tax base in Hermiston.



**E. Impact on Municipal Services**

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) is described in Section IX of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The projects being considered for future use of urban renewal funding are for facilitating improvement of properties for residential uses, recreation improvements, utility improvements, multi-modal improvements, an incentive program to help facilitate the development of workforce housing and plan administration.

It is anticipated that these improvements will catalyze development on the undeveloped and parcels in the Area and provided needed infrastructure improvements and new recreational opportunities for the community. As the development will be new construction, it will be up to current building code which will aid in any fire protection needs.

The financial impacts from tax increment collections will be countered by future economic development, and, in the future, adding increases in assessed value to the tax base for all taxing jurisdictions, including the City.

**XII. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN**

The reason for selecting the Area is to provide the ability to fund projects and programs necessary to cure blight within the Area. The outcome of implementing these projects is anticipated to be an increase to the economic growth in Hermiston by providing assistance to facilitate the development of much needed housing, providing recreational activities to support local residents, and providing infrastructure improvements inside the Area to assist with housing development.

The land is subject to geographic constraints and high public infrastructure demand which make conventional development cost prohibitive. Urban renewal is the most effective financing tool to provide infrastructure to the Area and at the capacity necessary to develop the land at urban density. Without the provision of urban level services, the land will remain blighted and undeveloped for the foreseeable future. Without using urban renewal to provide services, the inability to develop the land at urban density would cause a skewing of the city's residential land inventory.

Without the provision of assistance through urban renewal, the city has a large residential tract which cannot be developed. This excess of undeveloped land makes it difficult to fulfill Statewide Housing Goal 10's needs in general and meet potential housing production strategy needs specifically. The land within the Area constitutes nearly the entirety of the city's 20-year housing needs within the acknowledged Housing Capacity Analysis. The ability to develop this tract at urban density, with the assistance of the formation of an urban renewal district, allows the city to generate sufficient economic growth and maximize tax revenue.



**XIII. RELOCATION REPORT**

When the Agency acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the Agency shall adopt rules and regulations, as necessary, for the administration of relocation assistance. The Agency will comply with all applicable state law in providing these potential benefits. At the writing of this report, the Agency does not anticipate acquiring any property on the Area.

An enumeration by cost range of the housing units to be added is shown in Table 4 on page 10.