



CITY COUNCIL

AGENDA

MONDAY, JULY 14, 2025

Where Life is Sweet

COUNCIL CHAMBERS - 180 NE 2ND ST.

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

Zoom with Meeting ID: 829 0043 5622 Passcode: 417097 Telephone number to join is: 1 253 215 8782; or submitting comments to meetings@hermiston.gov

For written electronic public comments to be part of the official record, sender must provide their full name and place of residence and comments must be received within the time frame given for the item under discussion. The City Recorder will respond/confirm to sender that their electronic comment was received and will be made part of the record; or, if their electronic comment is not able to be made part of the record, the City Recorder will respond to the sender and state the reason(s) why.

1. CALL COUNCIL/CITY MANAGER WORK SESSION MEETING TO ORDER - 6:00 PM

A. City Charter Review

2. ADJOURN WORK SESSION MEETING

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

4. DECLARATION OF QUORUM

5. FLAG SALUTE

6. 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 place of residence; 3. Direct your comments to the Chair.

7. CONSENT AGENDA

A. Committee Vacancy Announcement

B. Recommendation to reappoint Luke Swanson to Position #6 of the Eastern Oregon Trade & Event Center Committee for a 3-year term ending June 30, 2028

- C. Recommendation to reappoint Alberto Munoz to Position #5 of the Hispanic Advisory Committee for a 3-year term ending June 30, 2028
- D. Award Funding through the Transient Room Tax (TRT) Recreation Projects Grants.
- E. Minutes of the June 23, 2025, City Council Regular Meeting
- F. Grant of Easement to Windwave Communications for Fiber Optics
- G. Grant of Easement to UEC

8. ITEMS REMOVED FROM CONSENT AGENDA

9. PUBLIC HEARINGS

- A. Zoning Map Amendment 4N2811AD Tax Lot 100 The HUB Hermiston, LLC 963 E Diagonal Blvd (Ordinance No. 2372)

10. ORDINANCES AND RESOLUTIONS

- A. Ordinance No. 2372- Zoning Map Amendment 4N2811AD Tax Lot 100 The HUB Hermiston LLC 963 E Diagonal Blvd (See Public Hearings Section Above)
- B. Resolution No. 2381 – Development Incentive Agreement with The Hub Hermiston, LLC.
- C. Ordinance No. 2373- Amends the City's annexation procedures in Chapter 150 to reflect streamlined annexation procedures in ORS 222.125

11. OTHER

- A. July 2025 Council Goal Update

12. 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 Accountability, Public Safety, Public Infrastructure, Transit Planning, EOTEC, Stepping Stones Alliance (not a City Committee)

- B. Council President Report
- C. Council Report
- D. Manager's Report

13. ADJOURN

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

Please contact Hermiston City Hall, 180 NE 2nd Street, 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. Parks and Recreation Committee

- Position 4, 5, & 6: 3-year term ending October 31, 2028 (Advertised 06/18/2025)

2. Hispanic Advisory Committee

- Position 5: 3-year term ending June 30, 2028 (Advertised 04/29/2025)

3. Library Board

- Position 3: 4-year term ending June 30, 2029 (Advertised 04/29/2025)

4. Airport Advisory Committee

- Position 2: Remaining 3-year term ending October 31, 2026 (Advertised 11/08/2024)
- Position 5: 3-year term ending October 31, 2028 (Advertised 06/18/2025)

5. Eastern Oregon Trade & Event Center (EOTEC) Committee

- Positions 6 & 7: 3-year term ending June 30, 2028 (Advertised 04/29/2025)

Deadline to apply for all Committees: Open Until Filled

Interested persons are asked to submit an application to City Hall, 180 NE 2nd Street, Hermiston, or at lalarcon-strong@hermiston.gov. 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 \$20,000 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 July 14, 2025

Title/Subject

Award Funding through the Transient Room Tax (TRT) Recreation Projects Grants.

Summary and Background

The Recreation Project Fund Advisory Committee met on June 18, 2025 to review thirteen proposals submitted for the 2025-26 allocation. Present at the meeting were Committee members Hunter Tibbals, Val Hoxie, James Whalley, Roy Barron, and Helen Nevin; staff present was Brandon Artz. Budgeted in FY 25/26 for distribution is \$125,000 and the total application amount was \$247,365. Total amount in the TRT/Tourism reserve account is \$178,600 with a budgeted proposed revenue of \$101,250 for 25/26. Council can approve the recommended amount over the amount budgeted.

Application packets were sent to prior applicants and known parties of interest and made available on the City's website. The distribution criteria for applicants is as follows.

TRT Funding Criteria and Eligibility

- Total budgeted project fund allocation for 2025/2026 is \$125,000.
- Projects must be within the City of Hermiston.
- Applicants must have a non-profit tax status.
- Projects that benefit Hermiston through enhanced tourism, promotion, marketing, and lodging will be given highest consideration.
- Projects that benefit the greatest number of participants will be given greater consideration.
- Projects that represent a broad base of other support shall be given greater consideration.
- Funded projects are required to submit a breakdown of expenditures on how the funds were spent including receipts prior to reimbursement.

Applicants were allowed 10 minutes to describe their project proposals and answer questions from the Committee. After review of the applications, the Committee discussed each proposal in detail and through consensus, settled on the award amounts in the following table.

The TRT Recreation Projects Grants Committee officially recommends the following allocation of grant awards:

| Applicant | Description | Committee Award |
|--|-------------------------------------|--|
| Greater Hermiston Community Foundation | Pickleball Courts | \$9,750* Year 2 of 5 |
| Made to Thrive/HEROS | HEROS Sports Complex | \$50,000 |
| Hermiston Parks & Recreation | Annual Free Community Events | \$12,000 |
| Cinco de Mayo | 2026 Cinco de Mayo Event | \$15,000 |
| Hermiston Basketball Club | Tournament Awards | \$15,000 |
| EOTEC/Hermiston Youth Sports | Hermiston Sports Commission | \$10,000 |
| Inland Northwest Musicians | Orchestra Events | \$2,000 |
| Hermiston Football Club | Soccer Equipment | \$7,000 |
| Made to Thrive | Harrison Park Lighting/Cameras | \$10,000 |
| Hermiston Downtown District | Melon Fest/Flowers/Lights | \$10,000 |
| | Total Requested \$247,365 | Total Award Recommendation \$140,750 |

Tie-In to Council Goals

The awards of the TRT Recreation Projects Grants ties in to all four Council goals.

Goal 1 - Growing & Prosperous

Goal 3 - Sustainable

Goal 2 - Safe & Healthy

Goal 4 - Connected & Engaged

Fiscal Information

The Recreation Projects Funds project is identified in the 2025/2026 City Budget.

Alternatives and Recommendation

Alternatives

The City Council may choose to approve, deny, or modify the funding allocations recommended by the Committee.

Recommended Action/Motion

Motion to approve the TRT Recreation Projects funding allocations as recommended by the Committee.

Submitted By:

Brandon Artz, Parks & Recreation Director



CITY COUNCIL

Regular Meeting Minutes

June 23, 2025

Mayor Primmer called the regular meeting to order at 7:00pm. Present were Councilors Hayward, Roberts, McCarthy, Duron, Myers, and Barron. Councilors Kelso and Linton were excused. City Staff in attendance included: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey, Finance Director Ignacio Palacios, Chief Jason Edmiston, Planning Director Clint Spencer, Parks and Recreation Director Brandon Artz, Court Administrator Jillian Viles (via Zoom), and Assistant City Recorder Heather La Beau. The pledge of allegiance was given.

Citizen Input on Non-Agenda Items

None given.

Consent Agenda Items

Councilor Duron moved, and Councilor Hayward seconded to approve Consent Agenda item A-B to include:

- A. Committee Vacancy Announcement
- B. Minutes of the June 9th Work Session & Regular City Council Meeting and Urban Renewal Agency Meeting

Motion carried unanimously.

Public Hearing – Zoning Map Amendment 4N2811AD Tax Lot 100 The Hub Hermiston LLC 963 E Diagonal Blvd

Mayor Primmer announced this hearing has been rescheduled to the July 14 City Council Meeting.

Public Hearing-Supplemental budget #2 for the City of Hermiston for the fiscal year July 1, 2024 to June 30, 2025 (See Resolution No. 2379)

Hearing no conflicts of interest declared, City Manager Smith read the hearing guidelines and Mayor Primmer opened the hearing at 7:04PM.

City Manager Smith stated the supplemental budget request is for Regional Water System expenses that were higher than anticipated and for EOTEC for barn expansion expenses and repair of a water line break.

There was no testimony given and Mayor Primmer closed the hearing at 7:07PM.

Resolution No. 2376- Renewal of IGA for IT Services with Cities of Echo, Stanfield, and Umatilla, Morrow County, and Umatilla Fire District #1

City Manager Smith stated these are renewals of the original three-year service agreements. Several of the agreements have amendments for additional service hours and all the agreements include an annual inflationary rate. Morrow County is renewing for a one-year term while the others are all renewing for three years.

After some discussion regarding staff's ability to accommodate the increase in hours, Councilor McCarthy moved, and Councilor Roberts seconded to adopt Resolution No. 2376 and lay upon the record. Motion carried unanimously.



CITY COUNCIL

Regular Meeting Minutes

June 23, 2025

Resolution No. 2377- First Amendment of IGA for IT Services with Horizon Project

Mayor Primmer declared a potential conflict of interest as he is on the Board of Directors for Horizon Project. City Manager Smith stated this agreement has an increase in hours from twelve to eighteen per month. Staff has the ability to cover this contract as this level of service is currently being provided. The inflationary increase is included in the amendment.

Councilor Roberts moved, and Councilor McCarthy seconded to adopt Resolution No. 2377 and lay upon the record. Motion carried unanimously.

Resolution No. 2378- IGA for IT Services with the Port of Umatilla

City Manager Smith presented this agreement with a new customer. The agreement is for hourly billing with no set number of hours for each defined period. Staff anticipated no more than an hour a month will be needed and will be able to provide that with existing staff. The hourly rate is higher for customers with this type of agreement.

After some discussion regarding number of hours, Councilor Meyers moved, and Councilor Roberts seconded to adopt Resolution No. 2378 and lay upon the record. Motion carried unanimously.

Resolution No. 2379 Supplemental Budget #2

This resolution was discussed in the public hearing earlier in the meeting. Councilor Roberts moved, and Councilor Duron seconded to adopt Resolution No. 2379 and lay upon the record. Motion carried unanimously.

Resolution No. 2380- Amending the Rules of Order of Procedure for the City Council

City Manager Smith presented the changes from the council's review of the city committees. The changes include:

- Creation of a public finance/council committee
- Formalize multiple existing committees (Public Infrastructure, Public Safety, Community Accountability Board, Public Transit, and Solid Waste (formerly Sanitary Disposal))
- Ability to include committee chairs in the vacancy review process

Councilors questioned the desired purpose/goal and meeting schedule of the proposed Finance Committee. Mayor Primmer responded the committee would meet quarterly at the most and allow opportunity for a more detailed review of the city's finances. Subcommittee meetings are open to the public. The monthly financial reports would still be given to the council.

After some discussion, Councilor Hayward moved, and Councilor Roberts seconded the motion to approve Resolution No. 2380 and lay upon the record. Motion passed 4-2 with Councilors Meyers and Barron against.

May 2025 Financial Report



CITY COUNCIL

Regular Meeting Minutes

June 23, 2025

After addressing questions from the Council, Councilor Hayward moved, and Councilor Meyers seconded to accept the May 2025 Financial Report as presented by Finance Director Palacios, Assistant City Manager Morgan, and City Manager Smith (PowerPoint Presentation attached). Motion carried unanimously.

Committee Reports

Recreation Projects Fund Advisory Committee- Councilor McCarthy stated the TRT funds committee heard presentations from grant requestors. This year's process saw more requests, and for a greater amount than past years. The council will review the committee's recommendations within the next few weeks.

Parks & Recreation Committee- Councilor Duron reported that without a quorum present, the committee was informed of Arbor Pro's inventory of the city's trees completed as part of the Urban Forest Management Plan. Of the inventoried trees it was reported 674 in good condition, 325 in fair condition, 34 in poor, 3 were dead and there were 21 stumps. A tree ordinance will be developed to enable city staff to report annually on tree conditions. A list of approved trees, a "tree pallet", will be available on the city's website to educate people on suitable trees for the area. Also on the website, people will be able to locate trees within the city parks and right-of-way areas and receive information on their species/variety and overall condition. Councilor Meyers informed everyone that the ribbon cutting for the Good Shepherd Pickleball Complex was June 14, the park inside Cimmaron Terrace is officially named Sherman Park, the AYSO transition to HYSO will begin this fall. Current and upcoming projects include: Harrison Park basketball courts, gazebo and security cameras, Good Shepherd Pickleball Complex, Harkenrider Center landscaping, and playground install at Sherman Park. Current programs include: Summer Day Camp for grades K through 5, free summer meals for kids in select parks, Stars & Stripes with fireworks show on the 4th, and Movies in the Park July 11, 18, & 25 at Butte Park.

EOTEC Committee- Councilor Barron gave an update from the recent EOTEC committee meeting. The HEROS Sports Fields expansion is approximately \$1,000,000 short of needed funding to complete the project. They are currently working with the city and the Oregon Parks & Rec Dept for grant opportunities for items including lighting, portable bathrooms and donor wall. They will be introducing Thursday Night Lights (La Crosse) and efforts are being made to host La Crosse tournaments this fall and to increase use of the facility.

Some of the artists booked for events at EOTEC experienced Visa issues and this has caused some delays in finding alternative performers.

Conversations began with stakeholders of the future RV Park. Councilor Barron stated the Rodeo is having conversations with neighbors to purchase additional property to accommodate current and future uses.

Councilor Barron stated they are actively recruiting additional committee members.

Library Board Meeting

Councilor Roberts reminded all that the June 18th Library Board meeting was moved to June 25th.

Mayor's Report



CITY COUNCIL

Regular Meeting Minutes

June 23, 2025

Mayor Primmer appreciates those who participated in the ribbon cutting for the pickleball courts and other events. The Hayden Homes groundbreaking for the residential subdivision on SE 10th St was well attended. Their plan is impressive, and he looks forward to its progress. School is out, the pool is open, and Mayor Primmer reminded everyone to be mindful and careful of more children out and about. He also expressed appreciation for everyone's support around his recent medical issues.

Council Presidents Report

Councilor McCarthy reminded everyone of the City Chat scheduled for June 26. Councilors Roberts, Hayward, and Duron are currently scheduled to attend. The Stars & Stripes Celebration on the 4th of July begins at 3pm at Butte Park. The fireworks begin at 10pm with KOHU providing music on the radio. The chamber Summer Mixer is a ticketed event on July 10. Those wishing to attend can reach out to the Chamber. Limited tickets are available for the Eastern Oregon Economic Summit on July 24 & 25. Let Lilly know if interested in attending this event.

Council Reports

Councilor Hayward reported Zeal Church held Vacation Bible School at Harrison Park it was a fun event with positive feedback on the park. He has asked the children's director to give a report to the council at a future meeting.

Councilor Meyers commended Parks & Recreation Director Artz his department for the fantastic job of the pickleball ribbon cutting event.

Councilor Barron agreed the pickleball courts look world class. There were many good speakers at the well-attended ribbon cutting event. He is happy to have Hayden Homes begin building homes in the area. The Juneteenth celebration was also fantastic. The SHIP open house was a good opportunity to show the different projects with the various stakeholders and for the community to be on location to see what's happening in that area.

Councilor Duron expressed commendation for the amazing job city leaders do when presenting to the community. Assistant City Manager Morgan is thorough and passionate when sharing city projects. She thanked staff for organizing the showcasing of the projects in the SHIP and appreciated the collaborative effort of other organizations. She also thanked the Chief for allowing her to do a ride along with an officer. It was an honor to see the good work happening and officers interacting with people, noting it was nice to see the lieutenant out supporting staff. Councilor Duron shared comments from community members who appreciate the timing of the park sprinklers to allow earlier enjoyment of the parks without fear of getting wet. Parks staff altered the timing of irrigation after receiving feedback in previous years.

Councilor Roberts attended the SHIP Open House presentation and agreed with councilors' comments. The number of jobs created and the impact on the community was a key takeaway. He's excited to see that growth and the positive forward direction for the city.

Mayor Primmer appreciates everyone's comments. The police department is to always be commended and are very much appreciated.



CITY COUNCIL

Regular Meeting Minutes June 23, 2025

Youth Advisory Report

None present.

City Manager's Report

None given.

Adjourn

There was no other business and Mayor Primmer adjourned the regular City Council meeting at 7:58pm.

SIGNED:

Doug Primmer, Mayor

ATTEST:

Heather La Beau, Assistant City Recorder



Monthly Financial Report

June 23, 2025



Hermiston Urban Renewal Agency (HURA)

- North Hermiston Urban Renewal Area – ROW appraisals complete with anticipated bidding this fall/winter.

General Fund

- Eleventh month (or 91.7%) of 2024-25 fiscal year
- Monthly Revenues are over projections by ~\$1,094k
 - **When compared to budget, revenues are meeting expectation at 94.4%**

General Fund

- Monthly Expenses under projections by ~\$1,473k
 - Although, two departments are over budget when compared to projected only City Council is over budget – this will be addressed in June 2025.

Special Revenue Funds

- Observations:
 - Included is a EOTEC fund summary for May 2025 Financial Reports
 - It is presented compared to projected
 - Actual revenues are \$1,326k or 83% of budget
 - Actual expenditures \$58k over in materials & services primarily due to events cleaning, janitorial and related utilities

Utility and Street Funds

- Observations:
 - **Utility fund ~\$834k over projected revenues**
 - This corresponds to one time 'septic service' in recycled water
 - **RWS fund ~\$47 over projected expenditures due to contracted services**

Capital Projects

- A number of projects in design:
 - **Geer/Harper Realignment- full design expected by late Spring**
 - **N. 1st Sidewalk (additional ROW with UPRR has begun)**
 - **RWS Backup Generators**
 - **Well #6 Chlorination Structure**
- **Aquifer Storage/Recovery – drilling is underway**
- **Well #4 Controls – contract awarded, initial work begins in June**

Capital Projects

- Hangar Replacement – foundation work to begin
- Library – Drywall nearly complete with new window and door entrances being filled with glass
- The Arc – PD moved in. Sand and finish interior upon PD vacation
- Public Safety Center
 - Interior framing underway
 - Roofing installation has begun
 - South parking lot construction beginning



Discussion Questions?

Where Life is Sweet™



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
 For the Meeting of July 14, 2025

Title/Subject

Grant of Fiber Optic Easement

Summary and Background

The City purchased approximately 44 acres of land within the South Hermiston Industrial Park (SHIP) in 2024 with the intention of marketing the land for economic development. The property was purchased at a price of \$41,000 per acre City Council provided staff direction to have two prices:

- In the event of a speculative buyer, the property may be sold for at least \$75,000
- In the event of a buyer who intends to immediately develop the property to generate jobs and taxable value then it may be sold at-cost plus 2% per year

Windwave is a fiber optic telecommunications utility who provides a critical service for current and future tenants within the SHIP (including prospective buyers of the city's property). They have requested several permanent 10' wide easements running along the southern, eastern, and northern property boundaries of the 44 acres.

Granting these easements is in the interests of the property in that they will help ensure that future buyers of the property will have access to Windwave's valuable service.

Tie-In to Council Goals

Fiscal Information

Real Estate industry standards recommend charging 25% of the total value of the land in exchange for underground easements. For reference, \$0.25/SF values the land at \$43,560 per acre (a 6% increase over the 2024 purchase price). The easements will compensate the City as follows:

| | | |
|----------|------------------------|----------|
| - North: | \$0.25/SF X 7,400SF = | \$1,850 |
| - East: | \$1.00/SF X 26,130SF = | \$26,130 |
| - South: | \$0.25/SF X 7,400SF = | \$1,850 |
| - Total: | \$0.73/SF X 40,930 = | \$29,830 |

Alternatives and Recommendation

Alternatives

1. Approve
2. Reject

Recommended Action/Motion

Motion to approve

Submitted By:

Mark Morgan

After recording return to:
 Windwave Communications
 73500 Rupe Kennedy Road
 PO Box 1390
 Boardman, OR
 97818

EASEMENT

1. Grant of Easement and Burdened Property. For value received, CITY OF HERMISTON, an Oregon municipal corporation (hereinafter referred to as the "Grantor") hereby grants to WINDWAVE COMMUNICATIONS, its successors and assigns, (hereinafter referred to as the "Grantee") a nonexclusive easement ("Easement") through or under the surface of a portion of certain real property situated in Umatilla County, State of Oregon, the following described land (hereinafter referred to as the "Property") of the Grantor:

PARCEL 1, PARTITION PLAT 2024-21 located in the City of Hermiston, Umatilla County, Oregon

2. Description of Easement. This Easement is further described in Exhibit A and depicted in Exhibit B. Exhibit A and Exhibit B are attached and incorporated with this agreement. Grantee may not deviate from, amend, or modify the course of the Easement as shown on Exhibit A and Exhibit B without first obtaining Grantor's written consent.
3. Purpose of Easement. Grantee may use the Easement for the purpose of constructing, reconstructing, operating, maintaining, repairing, replacing, enlarging, and removing Grantee's fiberoptic line and all necessary or desirable accessories and appurtenances thereto, (together, the "Facilities"). Grantee, its contractors, or agents, shall have reasonable right of ingress and egress on the Property for all activities undertaken in connection with the purpose for which this Easement has been granted.
4. Standard of Care. Grantee and each of its contractors or agents shall conduct all of its activities permitted by Section 3 above consistent with applicable law and safety standards. Grantee shall be responsible for obtaining and maintaining any and all permits and approvals that may be required to construct, own, operate, and maintain its facilities.
5. Duration of Easement. The Easement granted herein shall become effective upon execution by both Parties ("Effective Date") and shall remain in effect so long as Grantee (or its permitted assignee) maintains its permitted facilities (or replacement facilities) within the Easement. The Easement, and all of Grantee's rights granted herein, shall expire, subject to the conditions set forth below, if and when Grantee no longer owns and operates its permitted facilities (or replacement facilities) within the Easement area, or has abandoned its facilities

in place within the Easement area. In the event Grantor believes that Grantee has abandoned and/or no longer maintains or operates its facilities within the Easement area, Grantor will provide written notice to Grantee of its request to terminate the Easement. If Grantee does not respond in good faith to such notice within thirty (30) days of receipt thereof and indicating that Grantee's facilities have not been abandoned, or indicating that Grantee intends to continue to maintain or operate the facilities, Grantor may terminate this Easement and all rights granted hereunder to Grantee shall automatically revert to Grantor. Notwithstanding the foregoing, the Easement, and all of Grantee's rights granted herein, shall expire on the tenth anniversary of the Effective Date unless Grantee has constructed, or is diligently pursuing the construction of, the permitted facilities within the Easement area. Upon termination of the Easement, Grantee shall have the right to remove any of its facilities from the Easement area and, insofar as is commercially reasonable, return the Property to the condition that it was in prior to the execution of this Easement.

6. No Interference with Grantee's Easement. Grantor agrees to not place or cause to be placed any structure, building, or obstruction upon or affecting the Easement Area, and to not take any action that would unreasonably interfere with the Facilities or with Grantee's use of the Easement Area.
7. No Unreasonable Interference by Grantee with the Use of Remaining Property. In exercising its rights under this Easement, including the construction, operation and maintenance of its facilities in the Easement area, Grantee and its contractors and agents shall not unreasonably interfere with any other property, facilities or activities existing or occurring on the Property whether by Grantor or by any other third-party permitted by Grantor to use or occupy the Property; provided that Grantor complies with the terms of this Easement, including, but not limited to Section 6 hereof.
8. Surface Restoration to Land. In the construction, reconstruction, installation, use, operation, maintenance, repair, replacement, upgrading, or removal of its Facilities, or for any ingress on the Easement area by Grantee or anyone on behalf of the Grantee, Grantee shall promptly restore, replace, or repair the surface of the Easement Area to as close to its condition immediately prior to such work as may be reasonably possible.
9. Indemnity. Grantee shall indemnify, defend and hold harmless Grantor, including each of its directors, officers and employees, from and against any and all third-party claims against or loss incurred by Grantor arising from or relating to Grantee's use of this Easement. Notwithstanding the foregoing, the indemnity provided hereunder shall not apply if such claims or loss incurred by Grantor results from or is related to Grantor's negligence or willful misconduct.

10. Assignment. The rights under this Easement may not be assigned by Grantee to any other person or entity without obtaining Grantor's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Grantee may assign its rights under this Easement without Grantor's consent to (i) an affiliate of Grantee or (ii) a corporation or any other business entity in conjunction with a merger, consolidation or other business reorganization to which Grantee is a party.
11. Governing Law and Jurisdiction. This Easement shall be construed in accordance with the laws of the State of Oregon. In the event of litigation, this Easement shall be enforceable by either Grantor or the Grantee. In the event of any dispute over this Easement or its subject matter, the exclusive venue and jurisdiction for any litigation arising hereunder shall be in the Umatilla County Circuit Court and each Party hereby submits to the jurisdiction of said state Court.
12. Binding Effect Upon Successors/ Easement Runs with Land. The respective rights granted and the obligations assigned hereunder shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns and shall run with the land in accordance with Section 5 "Duration of Easement" herein.
13. Relocation or Reconfiguration of Easement. In the event Grantor wishes to redevelop, reconfigure or otherwise alter or extend the Easement area at any time, Grantor shall have the right to relocate the Easement, including any of Grantee's improvements therein, to a different location provided that (i) the cost of such relocation shall be borne by Grantor, (ii) Grantor shall give the Grantee reasonable prior notice of such relocation and the parties shall, both acting reasonably, agree to the methodology for such relocation, and (iii) the relocation shall be carried out either by the Grantee itself or by a third party first approved by the Grantee acting reasonably and consented to by Grantor.
14. Ownership of the Facilities. Grantor agree that the Facilities located in, upon, or under Grantor's Property pursuant to this Easement, which were installed at Grantee's expense, shall remain the property of Grantee and shall be removable at the option and expense of Grantee.
15. Effective Date. This Easement shall take effect as of the date of final execution, as indicated in the signature block.

[SIGNATURES ON FOLLOWING PAGES]

FOR GRANTEE:_____
Signature_____
Name (print)_____
Title_____
Date

STATE OF _____)
 _____) ss.
 County of _____)

THIS CERTIFIES that on this _____ day of _____, 20 _____, before me
 personally appeared the above-named _____, the
 _____ of **Windwave Communications**, known to me to be the identical
 person described in the foregoing instrument and who acknowledged to me that by a free and
 voluntary act s/he executed the same.

Notary Public for: _____

My Commission Expires: _____

LEGAL DESCRIPTION FOR FIBEROPTIC LINE EASEMENTS ACROSS
PARTITION PLAT NO. 2024-21, LOCATED IN SECTION 23, T.4N., R.28E., W.M.,
UMATILLA COUNTY, OREGON
W.O. 25-6332

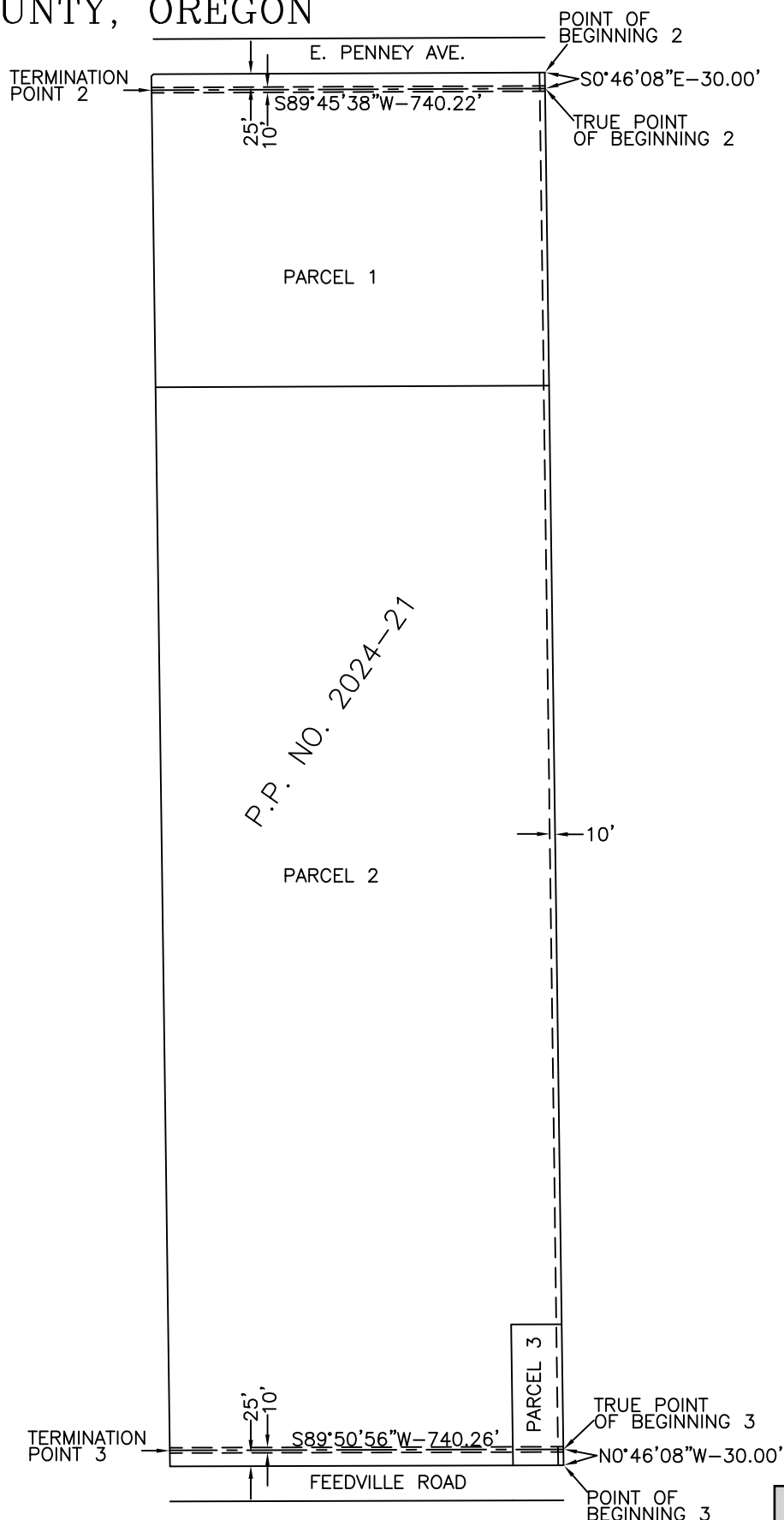
LEGAL DESCRIPTION

A centerline legal description for a ten (10) feet wide fiberoptic line easement, five (5) feet of each side of centerline, located across Parcel 1 of Partition Plat No. 2024-21, Records of Umatilla County, Oregon, located in Section 23, Township 4 North, Range 28 East, W.M., Umatilla County, Oregon, more particularly described as follows:

Beginning at the Northeast corner of said Parcel 1, thence South 00°46'08" East along the East line of said Parcel 1 a distance of 30.00 feet to the True Point of Beginning 2, thence South 89°45'38" West along a line parallel with the North line of said Parcel 1 a distance of 740.22 feet to the West line of said Parcel 1 and the termination point of this centerline description. Sidelines are to be extended to or terminated at the East and West lines of said Parcel 1.

EXHIBIT

EXHIBIT MAP FOR FIBEROPTIC LINE EASEMENT LOCATED IN P.P. NO. 2024-21, SECTION 23, T.4N., R.28E., W.M., UMATILLA COUNTY, OREGON



After recording return to:
 Windwave Communications
 73500 Rupe Kennedy Road
 PO Box 1390
 Boardman, OR
 97818

EASEMENT

1. Grant of Easement and Burdened Property. For value received, CITY OF HERMISTON, an Oregon municipal corporation (hereinafter referred to as the "Grantor") hereby grants to WINDWAVE COMMUNICATIONS, its successors and assigns, (hereinafter referred to as the "Grantee") a nonexclusive easement ("Easement") through or under the surface of a portion of certain real property situated in Umatilla County, State of Oregon, the following described land (hereinafter referred to as the "Property") of the Grantor:

PARCEL 2, PARTITION PLAT 2024-21 located in the City of Hermiston, Umatilla County, Oregon
 PARCEL 3, PARTITION PLAT 2024-21 located in the City of Hermiston, Umatilla County, Oregon

2. Description of Easement. This Easement is further described in Exhibit A and depicted in Exhibit B. Exhibit A and Exhibit B are attached and incorporated with this agreement. Grantee may not deviate from, amend, or modify the course of the Easement as shown on Exhibit A and Exhibit B without first obtaining Grantor's written consent.
3. Purpose of Easement. Grantee may use the Easement for the purpose of constructing, reconstructing, operating, maintaining, repairing, replacing, enlarging, and removing Grantee's fiberoptic line and all necessary or desirable accessories and appurtenances thereto, (together, the "Facilities"). Grantee, its contractors, or agents, shall have reasonable right of ingress and egress on the Property for all activities undertaken in connection with the purpose for which this Easement has been granted.
4. Standard of Care. Grantee and each of its contractors or agents shall conduct all of its activities permitted by Section 3 above consistent with applicable law and safety standards. Grantee shall be responsible for obtaining and maintaining any and all permits and approvals that may be required to construct, own, operate, and maintain its facilities.
5. Duration of Easement. The Easement granted herein shall become effective upon execution by both Parties ("Effective Date") and shall remain in effect so long as Grantee (or its permitted assignee) maintains its permitted facilities (or replacement facilities) within the Easement. The Easement, and all of Grantee's rights granted herein, shall expire, subject to the conditions set forth below, if and when Grantee no longer owns and operates its permitted facilities (or replacement facilities) within the Easement area, or has abandoned its facilities

in place within the Easement area. In the event Grantor believes that Grantee has abandoned and/or no longer maintains or operates its facilities within the Easement area, Grantor will provide written notice to Grantee of its request to terminate the Easement. If Grantee does not respond in good faith to such notice within thirty (30) days of receipt thereof and indicating that Grantee's facilities have not been abandoned, or indicating that Grantee intends to continue to maintain or operate the facilities, Grantor may terminate this Easement and all rights granted hereunder to Grantee shall automatically revert to Grantor. Notwithstanding the foregoing, the Easement, and all of Grantee's rights granted herein, shall expire on the tenth anniversary of the Effective Date unless Grantee has constructed, or is diligently pursuing the construction of, the permitted facilities within the Easement area. Upon termination of the Easement, Grantee shall have the right to remove any of its facilities from the Easement area and, insofar as is commercially reasonable, return the Property to the condition that it was in prior to the execution of this Easement.

6. No Interference with Grantee's Easement. Grantor agrees to not place or cause to be placed any structure, building, or obstruction upon or affecting the Easement Area, and to not take any action that would unreasonably interfere with the Facilities or with Grantee's use of the Easement Area.
7. No Unreasonable Interference by Grantee with the Use of Remaining Property. In exercising its rights under this Easement, including the construction, operation and maintenance of its facilities in the Easement area, Grantee and its contractors and agents shall not unreasonably interfere with any other property, facilities or activities existing or occurring on the Property whether by Grantor or by any other third-party permitted by Grantor to use or occupy the Property; provided that Grantor complies with the terms of this Easement, including, but not limited to Section 6 hereof.
8. Surface Restoration to Land. In the construction, reconstruction, installation, use, operation, maintenance, repair, replacement, upgrading, or removal of its Facilities, or for any ingress on the Easement area by Grantee or anyone on behalf of the Grantee, Grantee shall promptly restore, replace, or repair the surface of the Easement Area to as close to its condition immediately prior to such work as may be reasonably possible.
9. Indemnity. Grantee shall indemnify, defend and hold harmless Grantor, including each of its directors, officers and employees, from and against any and all third-party claims against or loss incurred by Grantor arising from or relating to Grantee's use of this Easement. Notwithstanding the foregoing, the indemnity provided hereunder shall not apply if such claims or loss incurred by Grantor results from or is related to Grantor's negligence or willful misconduct.

10. Assignment. The rights under this Easement may not be assigned by Grantee to any other person or entity without obtaining Grantor's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Grantee may assign its rights under this Easement without Grantor's consent to (i) an affiliate of Grantee or (ii) a corporation or any other business entity in conjunction with a merger, consolidation or other business reorganization to which Grantee is a party.
11. Governing Law and Jurisdiction. This Easement shall be construed in accordance with the laws of the State of Oregon. In the event of litigation, this Easement shall be enforceable by either Grantor or the Grantee. In the event of any dispute over this Easement or its subject matter, the exclusive venue and jurisdiction for any litigation arising hereunder shall be in the Umatilla County Circuit Court and each Party hereby submits to the jurisdiction of said state Court.
12. Binding Effect Upon Successors/ Easement Runs with Land. The respective rights granted and the obligations assigned hereunder shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns and shall run with the land in accordance with Section 5 "Duration of Easement" herein.
13. Relocation or Reconfiguration of Easement. In the event Grantor wishes to redevelop, reconfigure or otherwise alter or extend the Easement area at any time, Grantor shall have the right to relocate the Easement, including any of Grantee's improvements therein, to a different location provided that (i) the cost of such relocation shall be borne by Grantor, (ii) Grantor shall give the Grantee reasonable prior notice of such relocation and the parties shall, both acting reasonably, agree to the methodology for such relocation, and (iii) the relocation shall be carried out either by the Grantee itself or by a third party first approved by the Grantee acting reasonably and consented to by Grantor.
14. Ownership of the Facilities. Grantor agree that the Facilities located in, upon, or under Grantor's Property pursuant to this Easement, which were installed at Grantee's expense, shall remain the property of Grantee and shall be removable at the option and expense of Grantee.
15. Effective Date. This Easement shall take effect as of the date of final execution, as indicated in the signature block.

[SIGNATURES ON FOLLOWING PAGES]

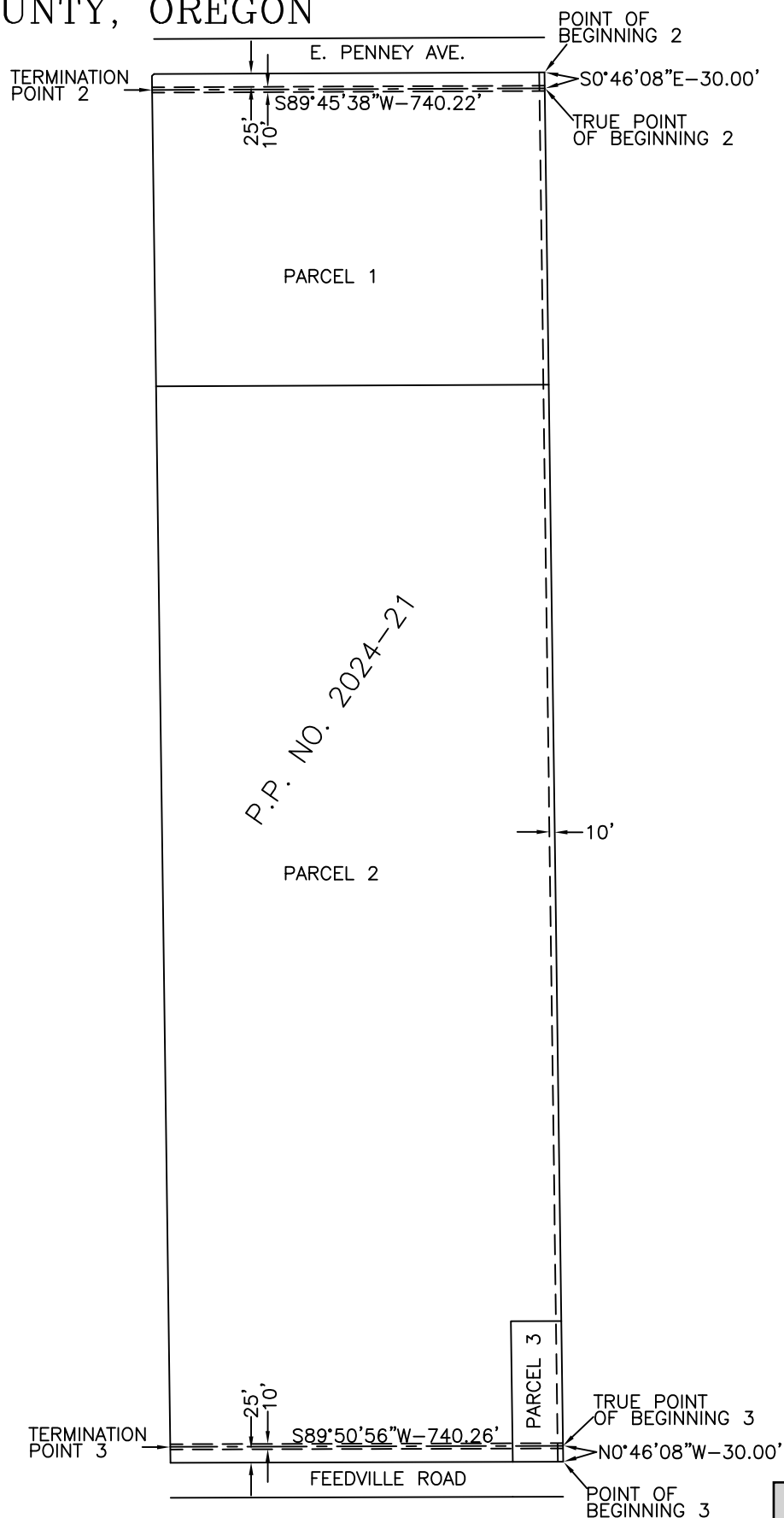
LEGAL DESCRIPTION FOR FIBEROPTIC LINE EASEMENTS ACROSS
PARTITION PLAT NO. 2024-21, LOCATED IN SECTION 23, T.4N., R.28E., W.M.,
UMATILLA COUNTY, OREGON
W.O. 25-6332

LEGAL DESCRIPTION

A centerline legal description for a ten (10) feet wide fiberoptic line easement, five (5) feet of each side of centerline, located across Parcels 2 and 3 of Partition Plat No. 2024-21, Records of Umatilla County, Oregon, located in Section 23, Township 4 North, Range 28 East, W.M., Umatilla County, Oregon, more particularly described as follows: Beginning at the Southeast corner of said Parcel 3, thence North 00°46'08" West along the East line of said Parcel 3 a distance of 30.00 feet to the True Point of Beginning 3, thence South 89°50'56" West along a line parallel with the South line of said Parcels 2 and 3 a distance of 740.26 feet to the West line of said Parcel 2 and the termination point of this centerline description. Sidelines are to be extended to or terminated at the East line of said Parcel 3 and West lines of said Parcel 2.

EXHIBIT

EXHIBIT MAP FOR FIBEROPTIC LINE
EASEMENT LOCATED IN P.P. NO.
2024-21, SECTION 23, T.4N., R.28E.,
W.M., UMATILLA COUNTY, OREGON



After recording return to:
 Windwave Communications
 73500 Rupe Kennedy Road
 PO Box 1390
 Boardman, OR
 97818

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 PARCEL 1, PARTITION PLAT 2024-21 located in the City of Hermiston, Umatilla County, Oregon
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 PARCEL 3, PARTITION PLAT 2024-21 located in the City of Hermiston, Umatilla County, Oregon
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4. Standard of Care. Grantee and each of its contractors or agents shall conduct all of its activities permitted by Section 3 above consistent with applicable law and safety standards. Grantee shall be responsible for obtaining and maintaining any and all permits and approvals that may be required to construct, own, operate, and maintain its facilities.
5. Duration of Easement. The Easement granted herein shall become effective upon execution by both Parties ("Effective Date") and shall remain in effect so long as Grantee (or its permitted assignee) maintains its permitted facilities (or replacement facilities) within the Easement. The Easement, and all of Grantee's rights granted herein, shall expire, subject to the conditions set forth below, if and when Grantee no longer owns and operates its permitted facilities (or replacement facilities) within the Easement area, or has abandoned its facilities

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6. No Interference with Grantee's Easement. Grantor agrees to not place or cause to be placed any structure, building, or obstruction upon or affecting the Easement Area, and to not take any action that would unreasonably interfere with the Facilities or with Grantee's use of the Easement Area.
7. No Unreasonable Interference by Grantee with the Use of Remaining Property. In exercising its rights under this Easement, including the construction, operation and maintenance of its facilities in the Easement area, Grantee and its contractors and agents shall not unreasonably interfere with any other property, facilities or activities existing or occurring on the Property whether by Grantor or by any other third-party permitted by Grantor to use or occupy the Property; provided that Grantor complies with the terms of this Easement, including, but not limited to Section 6 hereof.
8. Surface Restoration to Land. In the construction, reconstruction, installation, use, operation, maintenance, repair, replacement, upgrading, or removal of its Facilities, or for any ingress on the Easement area by Grantee or anyone on behalf of the Grantee, Grantee shall promptly restore, replace, or repair the surface of the Easement Area to as close to its condition immediately prior to such work as may be reasonably possible.
9. Indemnity. Grantee shall indemnify, defend and hold harmless Grantor, including each of its directors, officers and employees, from and against any and all third-party claims against or loss incurred by Grantor arising from or relating to Grantee's use of this Easement. Notwithstanding the foregoing, the indemnity provided hereunder shall not apply if such claims or loss incurred by Grantor results from or is related to Grantor's negligence or willful misconduct.

10. Assignment. The rights under this Easement may not be assigned by Grantee to any other person or entity without obtaining Grantor's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Grantee may assign its rights under this Easement without Grantor's consent to (i) an affiliate of Grantee or (ii) a corporation or any other business entity in conjunction with a merger, consolidation or other business reorganization to which Grantee is a party.
11. Governing Law and Jurisdiction. This Easement shall be construed in accordance with the laws of the State of Oregon. In the event of litigation, this Easement shall be enforceable by either Grantor or the Grantee. In the event of any dispute over this Easement or its subject matter, the exclusive venue and jurisdiction for any litigation arising hereunder shall be in the Umatilla County Circuit Court and each Party hereby submits to the jurisdiction of said state Court.
12. Binding Effect Upon Successors/ Easement Runs with Land. The respective rights granted and the obligations assigned hereunder shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns and shall run with the land in accordance with Section 5 "Duration of Easement" herein.
13. Relocation or Reconfiguration of Easement. In the event Grantor wishes to redevelop, reconfigure or otherwise alter or extend the Easement area at any time, Grantor shall have the right to relocate the Easement, including any of Grantee's improvements therein, to a different location provided that (i) the cost of such relocation shall be borne by Grantor, (ii) Grantor shall give the Grantee reasonable prior notice of such relocation and the parties shall, both acting reasonably, agree to the methodology for such relocation, and (iii) the relocation shall be carried out either by the Grantee itself or by a third party first approved by the Grantee acting reasonably and consented to by Grantor.
14. Ownership of the Facilities. Grantor agree that the Facilities located in, upon, or under Grantor's Property pursuant to this Easement, which were installed at Grantee's expense, shall remain the property of Grantee and shall be removable at the option and expense of Grantee.
15. Effective Date. This Easement shall take effect as of the date of final execution, as indicated in the signature block.

[SIGNATURES ON FOLLOWING PAGES]

FOR GRANTEE:_____
Signature_____
Name (print)_____
Title_____
Date

STATE OF _____)
 _____) ss.
 County of _____)

THIS CERTIFIES that on this _____ day of _____, 20 _____, before me personally appeared the above-named _____, the _____ of **Windwave Communications**, known to me to be the identical person described in the foregoing instrument and who acknowledged to me that by a free and voluntary act s/he executed the same.

Notary Public for: _____

My Commission Expires: _____

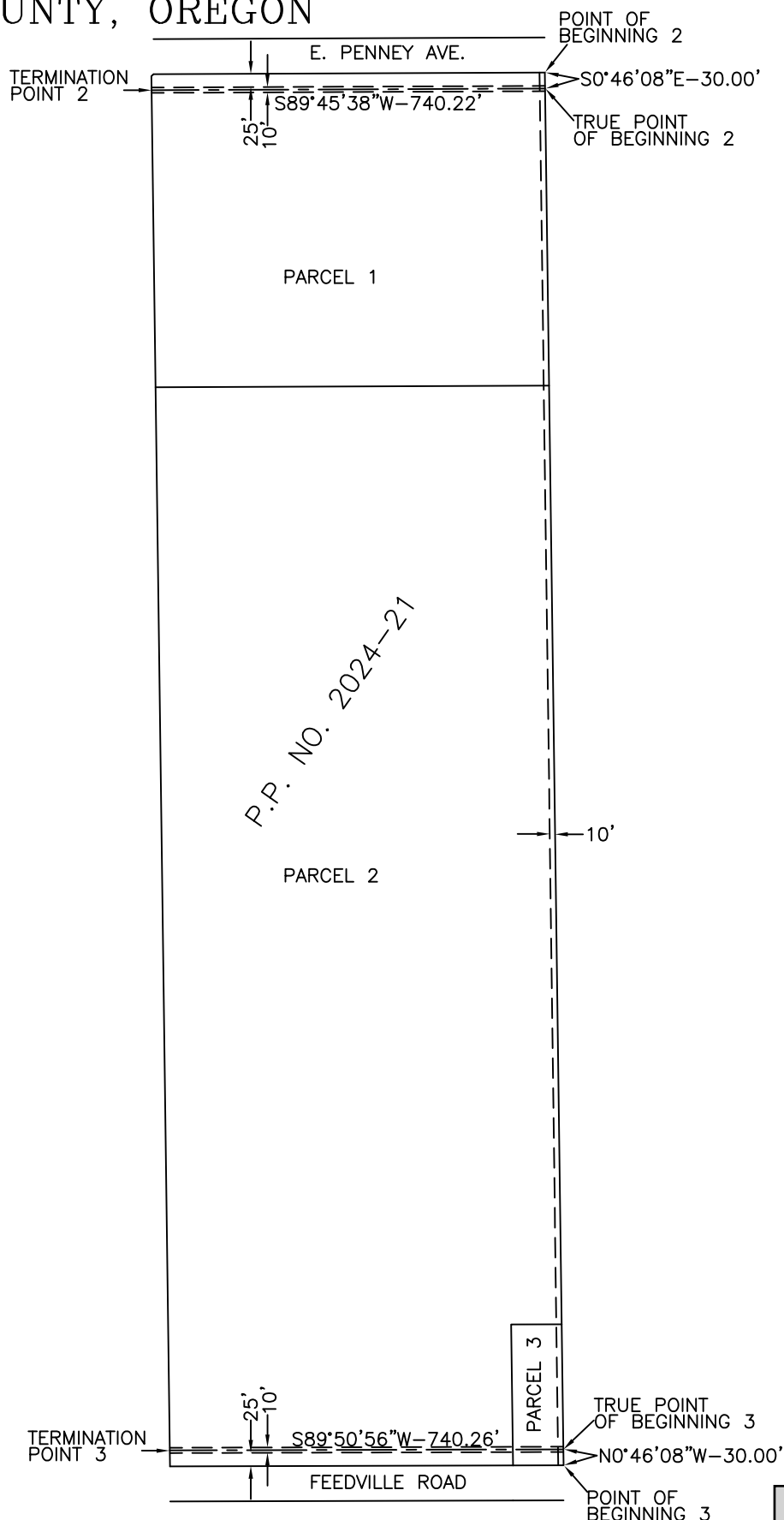
LEGAL DESCRIPTION FOR FIBEROPTIC LINE EASEMENTS ACROSS
PARTITION PLAT NO. 2024-21, LOCATED IN SECTION 23, T.4N., R.28E., W.M.,
UMATILLA COUNTY, OREGON
W.O. 25-6332

LEGAL DESCRIPTION - 1

Legal description for a fiberoptic line easement located across Parcels 1, 2 and 3 of
Partition Plat No. 2024-21, Records of Umatilla County, Oregon, located in Section 23,
Township 4 North, Range 28 East, W.M., Umatilla County, Oregon, more particularly
described as follows: The East ten (10) feet of said Parcels 1, 2 and 3 of Partition Plat
No. 2024-21, Records of Umatilla County, Oregon.

EXHIBIT

EXHIBIT MAP FOR FIBEROPTIC LINE EASEMENT LOCATED IN P.P. NO. 2024-21, SECTION 23, T.4N., R.28E., W.M., UMATILLA COUNTY, OREGON





Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of July 14, 2025

Title/Subject

Grant of Easement to UEC

Summary and Background

The City owns 44 acres of land within the South Hermiston Industrial Park (SHIP). UEC has requested an Easement across the north boundary of that property to run electrical lines.

Tie-In to Council Goals

Fiscal Information

Alternatives and Recommendation

Alternatives

1. Approve
2. Reject

Recommended Action/Motion

Motion to approve

Submitted By:

Richard S. Tovey

AFTER RECORDING, RETURN TO:

Umatilla Electric Cooperative
750 W. Elm Ave.
P.O. Box 1148
Hermiston, OR 97838

UEC REFERENCE: Tax Lot No. 210

EASEMENT AGREEMENT

This Easement Agreement is entered into by and between the following parties:

“Grantor”: City of Hermiston, Oregon; and

“Grantee”: Umatilla Electric Cooperative Association, an Oregon cooperative corporation, and its licensees, successors, and assigns.

RECITALS

- A. For the purposes described herein, Grantee wishes to use a portion of real property owned by Grantor, which portion is described and/or depicted in **Exhibit A** (the **“Easement Area”**).
- B. The Easement Area shall burden the real property owned by Grantor, located in Umatilla County, Oregon, Township 4 North, Range 28, East of the Willamette Meridian, Section 23, as more particularly described in **Exhibit B** (**“Grantor’s Property”**).
- C. Grantor agrees to allow Grantee to use the Easement Area on the terms and conditions contained in this Easement Agreement.

For good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

TERMS

1. Grant of Easement. Grantor hereby grants to Grantee, a perpetual, nonexclusive easement, including the right to ingress and egress therefrom, on, across, over, and under the Easement Area, for the purposes described herein (the **“Easement”**). The Easement shall burden Grantor’s Property.
2. Purposes for Easement. Grantee may use the Easement Area to construct, operate, place, maintain, repair, and replace utility lines and facilities, including, but not limited to, lines for the transmission and distribution of electrical power, communication lines, and any related and supporting systems and facilities (together, the **“Facilities”**).
3. Rights of Grantee. Grantor specifically grants to Grantee the rights to:
 - a. Make Changes to the Facilities. Grantee may access, inspect, and make repairs, changes, alterations, improvements, removals from, substitutions to, and additions to the Facilities as Grantee may from time to time deem advisable, including, by way of example and not by way of limitation, the right to increase or decrease the number of conduits, wires, cables, poles, guys, handholes, manholes, connection boxes, transformers, and transformer enclosures.
 - b. Conduct Vegetation Control. Grantee may cut, trim, and control the growth (by chemical, mechanical, or other means), of any trees, shrubbery, and other vegetation located within the Easement Area. This right includes the right to control any vegetation on Grantor’s Property outside of the Easement Area which may be necessary to control vegetation within the Easement Area. Grantee may also fell or trim any trees or brush located on Grantor’s Property that Grantee reasonably believes may interfere with or pose a hazard to the Facilities within the Easement Area, or as Grantee deems necessary to comply with applicable local, state, or federal law.
 - c. Keep Clear of Obstructions. Grantee may take any action to keep the Easement Area clear of all buildings, structures, and other obstructions.

- d. Reject and Approve Third-Party Use. Grantee may license, permit, or otherwise agree to the joint use or occupancy of the Facilities (such as the lines, system, trench, or underground Facilities), by any other person, association, or corporation; and Grantee may reject, deny, or otherwise disallow joint use or occupancy for the same.
 - e. Make Consistent Use. Grantee may take any other action and make use of the Easement Area in any other manner that is consistent with the purposes for this Easement.
4. Ownership of the Facilities. Grantor agrees that the Facilities located in, upon, or under the Easement Area, or located in, upon, or under Grantor's Property pursuant to this Easement, which were installed at Grantee's expense, shall remain the property of Grantee and shall be removable at the option of Grantee.
5. Grantor Covenants.
 - a. No Interference with Easement. Grantor agrees to not place or cause to be placed any structure, building, or obstruction upon or affecting the Easement Area, and to not take any action that would unreasonably interfere with the Facilities or with Grantee's use of the Easement Area.
 - b. Compliance with NESC. Grantor agrees to comply with the National Electrical Safety Code, and to require compliance by all other users of the Easement Area of the National Electrical Safety Code.
 - c. Consent to Developments within the Easement Area. Because of safety concerns, Grantor agrees to notify Grantee in advance of any development proposed to take place within the Easement Area, and Grantee shall have the right to modify or reject any proposal that would unreasonably interfere with Grantee's Facilities or does not comport with the National Electrical Safety Code. Grantor shall make Grantee's review and consent to development within the Easement Area a condition of all easement agreements with future users of the Easement Area.
 - d. Authority to Bind. Grantor covenants that it is the sole owner of the Easement Area; that it is authorized to convey this Easement; and that Grantor's Property and the Easement Area are free and clear of encumbrances and liens of whatsoever character except those matters of record as would be disclosed by a title report as of the effective date of this Easement Agreement, or as otherwise disclosed in writing to Grantee on or prior to the effective date of this Easement Agreement. Grantor further covenants that the individual signatory (or signatories) who have executed this instrument on Grantor's behalf are duly authorized to bind Grantor to this Easement Agreement.
6. Grant of Agency. If governmental approvals are necessary for Grantee to use the Easement Area as described herein, Grantor will reasonably cooperate with Grantee to obtain such approvals, including by executing any land use or regulatory applications.
7. Incorporation of Recitals and Exhibits. The Recitals and Exhibits referenced herein are hereby incorporated into and made a part of this Easement Agreement.
8. Headings for Convenience. The paragraph headings and titles in this Easement Agreement are intended for convenience of the reader and shall not affect the interpretation or construction of this Easement Agreement, nor define, limit, or describe the scope or intent of any provision hereto.
9. Binding Agreement. This Easement Agreement, and the obligations and rights hereunder, shall be a covenant running with the land and shall be binding upon, and inure to the benefit of, the parties hereto, their respective heirs, devisees, administrators, executors, successors, and assigns.
10. Effective Date. This Easement Agreement shall take effect as of the date of final execution, as indicated in the signature block ("Effective Date").

(Signatures on following pages)

FOR GRANTOR:

Signature

Name (print)

Title

Date

STATE OF _____)
County of _____) ss.

THIS CERTIFIES that on this _____ day of _____, 20____, before me personally appeared the above-named _____, the _____ of **City of Hermiston, Oregon**, known to me to be the identical person described in the foregoing instrument and who acknowledged to me that by a free and voluntary act s/he executed the same.

Notary Public for _____

My Commission Expires _____

FOR GRANTEE:

Signature

Robert Echenrode

Name (print)

President/CEO

Title

Date

STATE OF _____)
County of _____) ss.

THIS CERTIFIES that on this _____ day of _____, 20 _____, before me personally appeared the above-named Robert Echenrode, the President/CEO of **Umatilla Electric Cooperative Association**, an Oregon Cooperative Corporation, known to me to be the identical person described in the foregoing instrument and who acknowledged to me that by a free and voluntary act s/he executed the same.

Notary Public for _____

My Commission Expires _____

Exhibit A

Easement Description

March 12, 2025

Being an easement consisting of 0.29 acres (12,576 square feet) of land situated in Section 23, Township 4 North, Range 28 East of the Willamette Meridian in Umatilla County, Oregon, said easement being more particularly described by metes and bounds as follows: (Bearings cited herein are based on the Oregon State Plane Coordinate System, NAD83, North Zone)

POINT OF BEGINNING at Northeast corner of Parcel 1 of Partition Plat 2024-21 of the herein described easement, said point lying on the south right-of-way line of East Penney Ave;

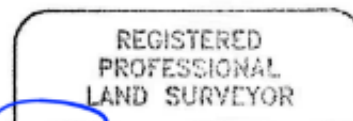
THENCE, South 00°45'57" East, departing south right-of-way line of East Penney Ave a distance of 17.00 feet to an angle point of the herein described easement;

THENCE, South 89°45'49" West, a distance of 740.21 feet to a point on the east right-of-way line of Southeast Ninth Street and an angle point of the herein described easement;

THENCE North 00°45'49" West, along said right-of-way, a distance of 13.58 feet to an angle point of the herein described easement:

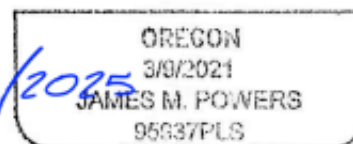
THENCE, 5.45 feet along a 50.00 radius curve to the left whose chord bears North 50°54'52" East for 5.45 feet to a point on the south right-of-way line of East Penney Ave and an angle point of the herein described easement;

THENCE, North 86°45'49" East, along said right-of-way, a distance of 735.93 feet to the POINT OF BEGINNING and containing 0.29 acres of land.



J-M. Powers

3/19/2025



Easement Depiction



Exhibit B

Grantor’s Property Legal Description

Parcel 1, PARTITION PLAT NO. 2024-21 (Instrument No. 2024-0007426, Office of Umatilla County Records).



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
 For the Meeting of July 14, 2025

Title/Subject

Zoning Map Amendment 4N2811AD Tax Lot 100 The HUB Hermiston, LLC 963 E Diagonal Blvd

Summary and Background

The property is described as 4N 28 11AD Tax Lot 100 and is split zoned. The north 8.36 acres is zoned Medium-High Density Residential (R-3) and the south 3.71 acres is zoned Outlying Commercial (C-2). The applicant seeks to amend the zoning designation of the south 3.71 acres from C-2 by adding the Neighborhood Commercial Overlay (NCO). The NCO designation adds multi-family housing and mini-storage to the permitted C-2 uses. Properties with the NCO designation may apply for conditional use permits for multi-family housing and mini-storage.

The rezone is part of a broader application for the development of a 270-unit multi-family complex and 68-unit mini-storage development. In the southern 3.71 acres proposed for NCO zoning, multi-family and mini-storage are defined as conditional uses, requiring approval from the planning commission through the hearings process. The planning commission granted conditional approval for the applicant to proceed with the condition that the approval is contingent upon the city council accepting the planning commission's recommendation and approving the rezone. Staff has provided administrative approval for the R-3 portion of the multi-family development. The development is fully approved pending city council approval of the NCO zoning amendment.

The area under consideration is majority residential. The land to the north is considered open space and contains the Baker's Pond wetland area, an electric substation, and rural single-family development. Land to the west contains commercial/industrial development (O-So-Kleen) and the Santiago Manufactured Dwelling Park. Land to the south is developed with single-family residential development, a church, and Sandstone Middle School. Land to the east is developed with the Diamond Run development, Sandstone Middle School, and two acres of vacant commercial land. The property location on a major collector street, in close proximity to a middle school and walking distance to two elementary schools, and with a variety of housing within 500 feet is well-suited to accommodate multi-family housing and mini-storage uses.

Public notice was provided for the proposal. Property owners within 300 feet were mailed a notice on May 21. A sign was placed on the property on May 21.

ODOT submitted testimony as a result of the noticing. ODOT's testimony applied to both the rezone and conditional use processes. ODOT requested amendments to the traffic impact analysis prepared for the application. The initial draft analysis indicated that the Highway 395/207 intersection (Elm/N 1st St) fails under current background traffic conditions and cannot accommodate additional traffic generated by the development. The developer's traffic engineer has amended the report and determined that striping amendments to E Elm Ave will correct the capacity issue for the development's impact. Testimony from the engineer and ODOT are attached to the report. ODOT, the applicant, and city staff have been coordinating on mitigation strategies. However, all discussions have not been completed as of the date of this report. Supplemental information may be provided at the hearing.

The planning commission held a public hearing on the proposed amendment on June, 11, 2025. Following the closure of the public hearing, the planning commission considered the evidence and testimony and made a unanimous recommendation that the city council amend the city zoning map and add the NCO zoning designation to the subject property.

Amendments to the zoning map are subject to the approval criteria in §157.226 of the Hermiston Code of Ordinances and are considered a quasi-judicial land use action. Quasi-judicial land use actions have an impact on a specific site and do not have widespread and significant impact beyond the immediate area of proposed amendment. When considering an amendment to the zoning map, the City must consider four criteria, as well as how the proposal complies with the statewide planning goals. The four criteria applicable to the proposal are contained in 157.226(E) of the Hermiston Code of Ordinances and are as follows:

1. The change is in conformance with the Comprehensive Plan and also the goals and policies of the plan;
2. The showing of public need for the rezoning and whether that public need is best served by changing the zoning classification on that property under consideration;
3. The public need is best served by changing the classification of the subject site in question as compared with other available property;
4. The potential impact upon the area resulting from the change has been considered.

Tie-In to Council Goals

This development satisfies council goal 1.7 – *Attract market rate rental housing developments to increase middle housing inventory*

Fiscal Information

Until the property is fully constructed and assessed, it is difficult to produce an accurate statement of fiscal impact. However, similar multi-family developments county-wide have valuations of over \$20,000,000 and produce approximately \$250,000 in annual property tax revenue.

Alternatives and Recommendation

Alternatives

The city council may choose to accept the proposed map changes and adopt Ordinance No 2372 or deny Ordinance No 2372 and maintain the current zoning designation.

Recommended Action/Motion

Staff recommends that the city council accept the planning commission recommendation and adopt Ordinance No 2372.

Motion to adopt findings of fact.

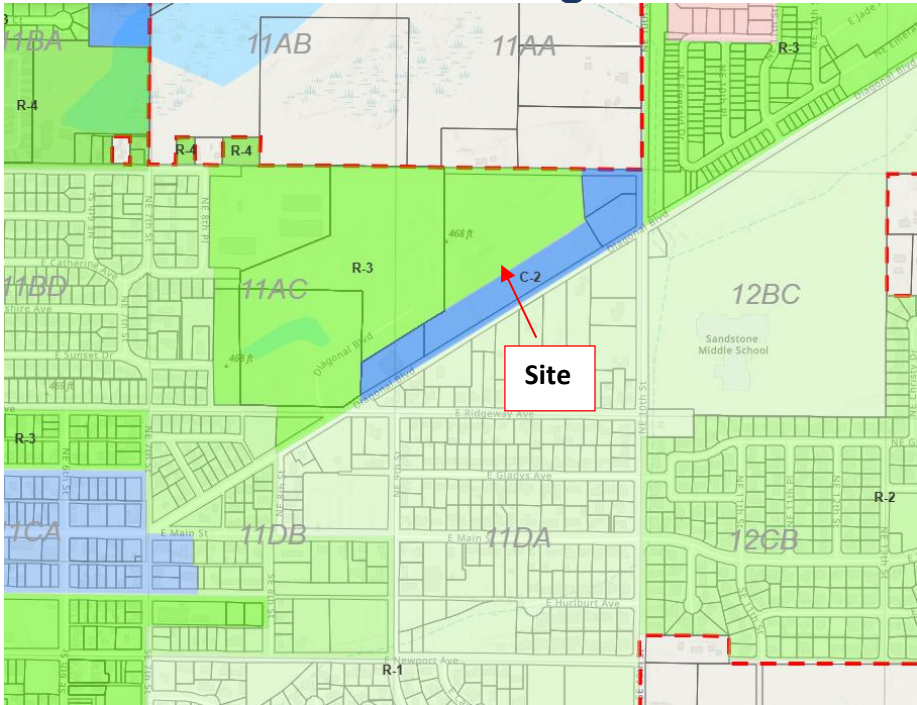
Motion to adopt Ordinance No 2372.

Submitted By:

C.F. Spencer, Planning Director

Exhibit A

The Hub Zone Change



Owner/Developer:

The Hub Hermiston, LLC
Karl Ivonov
27375 SW Parkway Avenue
Wilsonville, OR 97070

Applicant's Representative:

Brandie Dalton, Land-Use Consultant
Multi/Tech Engineering Services
1155 SE 13th Street
Salem, Oregon 97302
(503) 363-9227
bdalton@mtengineering.net

Property:

4N 2811AD/Tax Lot 100
12.07 Acres
R-3 and C-2 Zoned

Background:

A Pre-Design Meeting for the subject property was held November 1, 2024, with the applicant's representatives and City staff to discuss the development of the site.

Per the information provided at the Pre-Design Meeting, the applicant is submitting the following applications:

Applications

Site Plan Review

Conditional Use

Middle Housing Adjustment

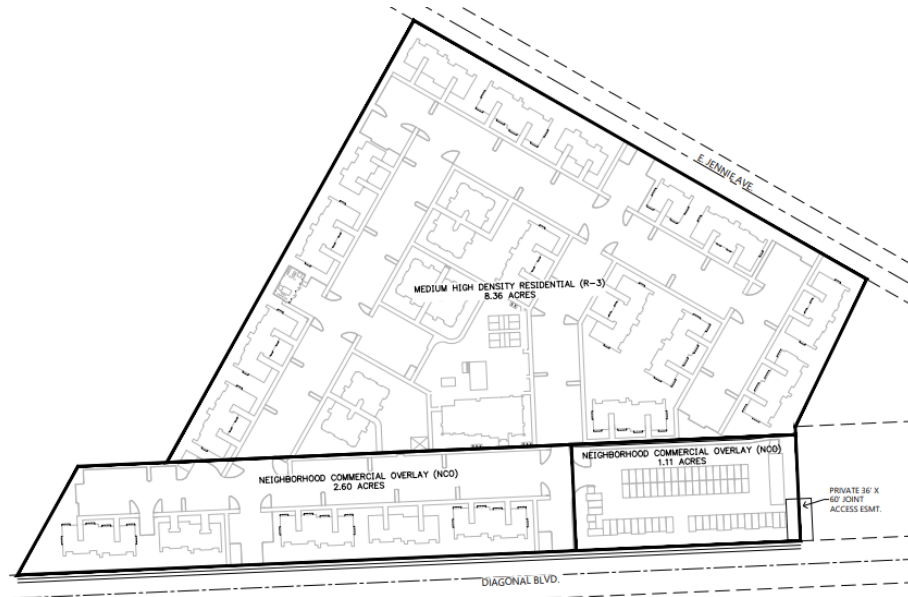
Middle Housing Adjustment

Zone Change

Proposal:

The subject property is 12.07 acres in size and zoned R3 (Medium Density Residential) and C2 (Outlying Commercial) with a Comprehensive Plan Designation of 'Medium Density Residential' and 'Commercial'.

The applicant is requesting a Zone Change for the 3.71 acres of Commercial (C2) zoned property to NCO (Neighborhood Commercial Overlay).



VICINITY INFORMATION:

The subject property is surrounded by the following uses:

| | |
|--------|---|
| North: | Outside City Limits; existing single-family dwellings and vacant land |
| East: | C2 (Outlying Commercial) zoned property: vacant land |
| South: | Across Diagonal Blvd, R1 (Low Density Residential) zoned property: existing single-family dwellings |
| West: | R3 (Medium-High Density Residential) zoned property: vacant land and existing commercial uses |

ZONE CHANGE CRITERIA:***(1) Explain how the requested change is in conformance with the comprehensive plan and also the goals and policies of the plan:***

Applicant Findings: The portion of the subject property being rezoned is identified as “Commercial” on the Comprehensive Plan. The applicant is requesting to rezone a portion of the property from C2 (Outlying Commercial) to NCO (Neighborhood Commercial Overlay, which will be compatible with the “Commercial” Comprehensive Plan Designation.

Development of the proportion of the subject property being rezoned to NCO will provide a needed type of housing (multi-family units) and commercial uses (mini-storage units) while facilitating a development that is creative and pedestrian friendly. The applicant is proposing the development of 270 apartments units, along with 68 storage units.

The proposal complies with the “Residential” and “Commercial” Goals and Policies of the Comprehensive Plan by creating an area that promotes commercial and residential services which strengthens the economic base by providing employment, goods and services, and a needed housing type.

Policy 19 Commercial Development:

Per the Comprehensive Plan, Page 20:

“Hermiston serves as a commercial center for the broader region, providing many retail and commercial service options not available in surrounding communities and also attracting customers from Washington State seeking to avoid the sales tax. This role has grown over the last two decades, and given the demand generated by continued population growth, the commercial sector is likely to remain the fastest growing part of the local economy over the coming decades.”

Storage units are in high demand and provide an option for the proposed multi-family units and the surrounding neighborhoods. There are 68 mini-storage units proposed within the NCO zone. The NCO helps in meeting the Goals and Policies of the City by adding more NCO zoned property in the area.

Policy 21 Housing:

Per the Comprehensive Plan, Page 26:

“As shown in Figure 5, the results show a need for 2,030 new housing units by 2040. Of the new units needed, roughly 62% are projected to be ownership units, while 38% are projected to be rental units. This is due to the forecast of a slightly higher homeownership rate.”

The proposed 270 units will help in meeting housing needs for the City of Hermiston. There will be 60 multi-family units located within the NCO zone of the subject property.

The proposal will provide housing that is needed and consistent with this area, while also providing storage units.

The subject property will not only be a site that will contribute to the housing needs, but it is also a site that can help improve the transportation circulation in the area. The subject property when developed has the potential to provide street improvements and access.

The subject property is within a developed and developing area of the City and does not convert the urban areas beyond the City limits. Specific development triggers specific facilities that are required to be connected to existing systems for looped service. Police, fire and applicable government services can be provided via the increase in property taxes as a result of new development. The proposal permits efficient, compact development to contain sprawl and preserves the land by developing under the requirements of the Code.

The City's adopted Comprehensive Plan, Residential Goals, Transportation Goal and Policies, along with adopted Stormwater and Water Master Plans implement the Statewide Public Facilities and Services Goal by requiring development to be served by public services. The proposal is for revitalized urban development in an area where future extensions of those services can be provided in the most feasible, efficient and economical manner. All necessary and appropriate public services and facilities essential for development will be provided to this property at levels that are adequate to serve the proposed parcels.

The subject property is located within the Urban Growth Boundary and in the corporate City limits.

The proposal will promote infill development with the development of a property that is already served by City Services and all transportation to be developed with housing that is needed in Hermiston. Therefore, meeting the Residential and Housing Policies and code requirements for the City of Hermiston.

The following Statewide Planning Goals apply to this proposal:

Goal 1 – Citizen Involvement:

The City's adopted Comprehensive Plan General Development Goal and Policies, and its adopted zone code, implement the Statewide Citizen Involvement Goal. This application will be reviewed according to the public review process established by the City of Hermiston. The City's Plan is acknowledged to be in compliance with this Goal. Notice of the proposal will be provided to property owners and public agencies. A public hearing to consider the request will be held by the Planning Commission and the City Council. Through the notification and public hearing process all interested parties are afforded the opportunity to review the application, comment on the proposal, attend the public hearing, and participate in the decision. These procedures meet the requirements of this Goal for citizen involvement in the land use planning process. Therefore, the proposal complies with this Goal.

Goal 2 – Land Use Planning:

The City's adopted Comprehensive Plan implements the Statewide Land Use Planning Goal. The Comprehensive Plan is acknowledged to be in compliance with the Statewide Planning Goals. This proposal is made under the goals, policies and procedures of the Comprehensive Plan and its implementing ordinance. A description of the proposal in relation to the intent of the Plan, its applicable goals and policies, the zone change considerations is part of this review. Facts and evidence have been provided that support and justify the proposed zone change. For

these reasons, the proposal conforms to the land use planning process established by this Goal. Therefore, the proposal complies with this Goal.

Goal 7- Areas Subject to Natural Hazards

The City's adopted Comprehensive Plan Goal and Policies implements the Statewide Natural Hazards Goal by identifying areas subject to natural hazards such as flooding. There are no natural hazards identified on the site. A Geological Assessment is not required for regulated activities. However, excavation, fills, construction of any building or structure for which permits are required is required to first obtain a permit or approval.

Natural drainage and run off due to redevelopment are addressed by the public construction storm drainage plans and building permits for individual structures as part of the site development process. Any new construction is subject to engineered building foundations. Therefore, the proposal complies with this Goal.

Goal 8 – Recreational Needs

The City's adopted Comprehensive Plan Goal and Policies implements the Statewide Recreation Needs Goal by encouraging conservation and identification of existing and needed park resources and funding mechanisms. At the time of development, the proposal will provide improved public pedestrian connections via hard-surfaced sidewalks. The proposed multi-family development will also provide open space for recreational use. Therefore, the proposal complies with this Goal.

Goal 10 – Housing

The City's adopted Comprehensive Plan Growth Management, Residential, Transportation Goals and Policies and applicable adopted facilities plans implement the Statewide Housing Goal.

"As shown in Figure 5, the results show a need for 2,030 new housing units by 2040. Of the new units needed, roughly 62% are projected to be ownership units, while 38% are projected to be rental units. This is due to the forecast of a slightly higher homeownership rate."

The proposed 270 units will help in meeting housing needs for the City of Hermiston. There will be 60 multi-family units located within the NCO zone of the subject property.

The rezone helps maximize the density while helping to meet housing needs within the Urban Growth Boundary. Therefore, the proposal complies with this Goal.

Goal 11 - Public Facilities and Services

The City's adopted Comprehensive Plan Goals and Policies implement the Statewide Public Facilities and Services Goal by requiring development to be served by public services. The proposal is for revitalized urban development in an area where future extensions of those services can be provided in the most feasible, efficient and economical manner. All necessary and appropriate public services and facilities essential for development will be provided to this property at levels that are adequate to serve the proposed uses.

The City maintains an infrastructure of public services that includes sewer, water, and storm drainage facilities. The City will specify any needed changes to the existing service levels at the time building permits are requested.

Sidewalks are or will be provided throughout the site to connect to the public sidewalk system. The location along a major transportation corridor facilitates access to a bicycle and pedestrian access, provides significant opportunity to reduce vehicle miles traveled. The vehicle, bicycle, and pedestrian circulation systems will be designed to connect major population and employment centers in the urban area, as well as provide access to local neighborhood residential, shopping, schools, and other activity centers.

By providing adequate public facilities and services for the proposed use, the requirements of this Goal are met. Therefore, the proposal complies with this Goal.

Goal 12 – Transportation

The City's adopted Comprehensive Plan Goals and Policies implements the Statewide Transportation Goal by encouraging a safe, convenient and economic transportation system. The major streets are in place due to previous development. The subject property is located along Diagonal Boulevard (south) and Jennie Avenue (north). Both parcels will have access onto Diagonal Boulevard.

The City's engineer will address any issues the City foresees with this proposal. Any conditions placed on the site will require Code compliance, which will help ensure minimal to no impacts on the neighborhood.

A TIA is not required.

Therefore, the proposal complies with this Goal.

Goal 13 - Energy Conservation

The City's adopted Comprehensive Plan Goals and Policies implements the Statewide Energy Conservation Goal by encouraging conservation practices, alternative sources of energy and efficient use of energy. The site is located within the City limits and within proximity to City facilities which can be extended to serve any new development.

Development of the vacant site continues to provide for the orderly and economic extension of public facilities and services and thus is economically provided. The existing transportation network surrounding the subject property is in place. The transportation system provides efficient and convenient linkages for both motorized and non-motorized forms of transportation. Up-to-date building construction codes provide for energy-saving devices and conservation for any new structures.

New construction provides the opportunity to provide improved construction and building techniques which improves and conserves energy uses of the new buildings. Therefore, the proposal complies with this Goal.

Goal 14 – Urbanization

The City's adopted Comprehensive Plan Goals and Policies implements the Statewide Urbanization Goal and primarily addresses residential development within the City and UGB. The subject property is within the City and the UGB and is located in an urbanizing area of the city. Since infrastructure is needed to serve development, the development of the site will call for the extension of new sewer and water mains and construction of upgraded facilities. These can only happen by increasing the opportunity for development to pay for these infrastructure improvements which are appropriate for an urbanizing area. Therefore, the proposal complies with this Goal.

(2) Describe the public need for the rezoning and whether that public need is best served by changing the zoning classification on the property under consideration:

Applicant Findings: The economic, demographic, and social nature of this area has been in the process of changing over the years. The changes have brought in more commercial and residential uses in this area.

By allowing the rezone of 3.71 acres of C2 zoned property to NCO zoning, housing and commercial uses can be developed on the site. The proposed uses are compatible with the surrounding uses. The proposed zone change fits the development pattern of the vicinity. Both residential and commercial uses helps meet public need by providing needed housing and a needed commercial use (mini-storage units) in this area.

(3) Explain how the public need is best served by changing the classification of the site in question as compared with other available property:

Applicant Findings: The subject property will not only be a site that will contribute to the multi-family housing needs and commercial uses, but it is also a site that can help improve the pedestrian circulation in the area and street improvements.

The proposed NCO zone is consistent with the neighborhood and better suited for the site. Because it will also additional needed housing and commercial uses in the area. Therefore, the change is in the public's interest.

(4) Explain how the potential impact upon the area resulting from the change has been considered:

Applicant Findings: Once the site is developed, there will be street improvements and pedestrian circulation improvements. Area existing area was taken into consideration when looking at the rezone and the types of uses that can be developed on the site.

ORDINANCE NO. 2372**AN ORDINANCE AMENDING THE CITY OF HERMISTON ZONING MAP TO INCLUDE THE NEIGHBORHOOD COMMERCIAL OVERLAY FOR A 3.71 ACRE TRACT LOCATED WEST OF NE 10TH ST AND NORTH OF E DIAGONAL BLVD.****THE CITY OF HERMISTON DOES ORDAIN AS FOLLOWS:**

SECTION 1. The following described property shall be changed on the city zoning map to add the Neighborhood Commercial Overlay (NCO), to-wit:

THAT PROPERTY, BEING A PORTION OF PARCEL 1, PARTITION PLAT 2021-15, UMATILLA COUNTY PLATS, SITUATED IN THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 4 NORTH, RANGE 28 EAST, CITY OF HERMISTON, UMATILLA COUNTY, OREGON, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 1, PARTITION PLAT 2021-15, UMATILLA COUNTY PLATS, THENCE ALONG THE WEST LINE OF SAID PARCEL 1, NORTH 00°44'12" WEST 177.16 FEET; THENCE NORTH 57°29'16" EAST 1023.96 FEET TO A POINT ON THE EAST LINE OF SAID PARCEL 1; THENCE ALONG SAID EAST LINE, SOUTH 32°35'08" EAST 151.18 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL 1; THENCE ALONG THE SOUTH LINE OF SAID PARCEL 1, BEING ALSO THE NORTHERLY RIGHT-OF-WAY LINE OF DIAGONAL BOULEVARD, SOUTH 57°31'02" WEST 1117.45 FEET TO THE POINT OF BEGINNING AND CONTAINING 3.71 ACRES, MORE OR LESS.

SECTION 2. The findings of fact as adopted by the City Council on July 14, 2025 are marked as Exhibit A and incorporated herein by reference.

SECTION 3. The effective date of this ordinance shall be the thirtieth day after enactment.

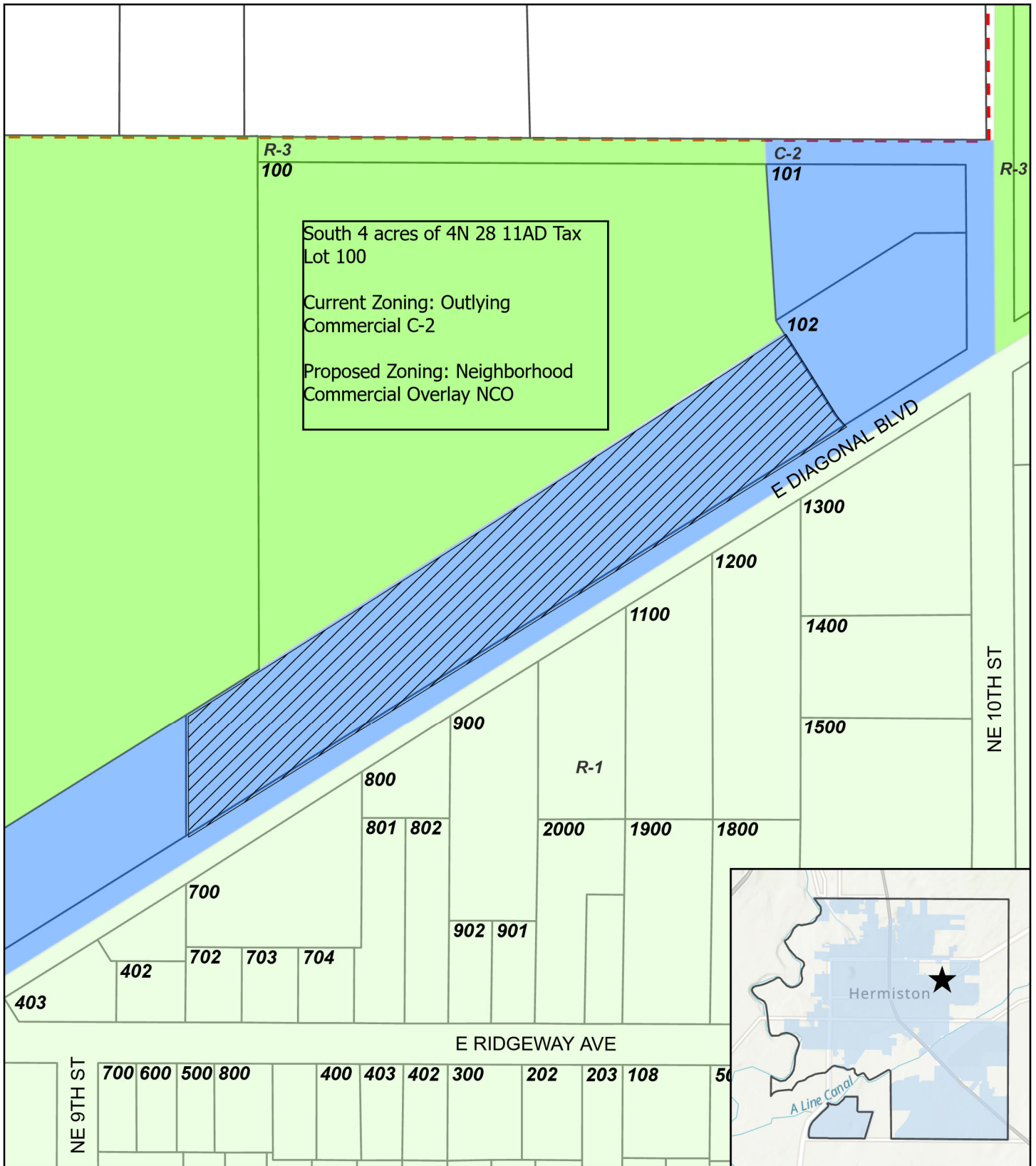
ADOPTED by the Common Council this 14th day of July 2025.

SIGNED by the Mayor this 14th day of July 2025.

Doug Primmer, Mayor

ATTEST:

Lilly Alarcon-Strong, CMC, City Recorder



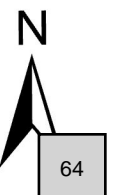
Legend

- Area of Proposed Rezone
- Property Line
- City Limits

Zones

- R-1
- R-2
- R-3
- C-2

0 100 200 300 400
Feet



The Hub Hermiston

Traffic Impact Analysis
Hermiston, Oregon

Date:
June 11th, 2025

Prepared by:
Tegan Enloe, PE



CHAPTER 1: INTRODUCTION AND SUMMARY

The Hub Hermiston, LLC, proposes developing its land located on the south side of Jennie Ave on a vacant parcel to the east of Wilde Electric Motor Supply. The development proposes 270 apartment units and 22,000 SQFT of mini-warehouse storage. The development will have access to the surrounding network via two driveways on Diagonal Blvd and one on E Jeannie Ave.

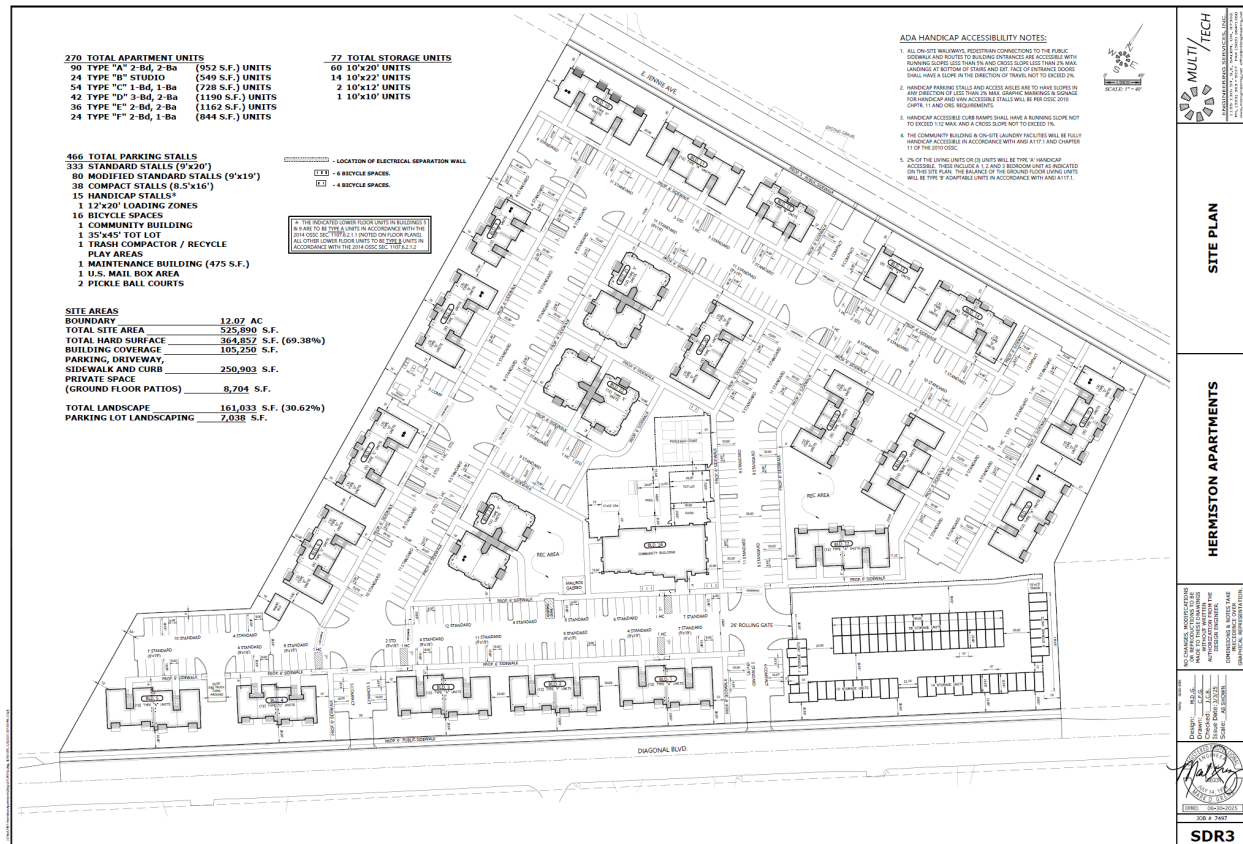


Figure 1: Draft Site Plan

Enloe Consulting, LLC has contracted with the applicant to prepare the traffic analysis for their proposed development as part of their land use application. The analysis will include information that addresses the traffic impact analysis (TIA) land use requirements. This analysis is focused on intersections identified as being in the study area below and shown in **Figure 2**.

- 1 US 395/ Hwy 207
- 2 US 395/Jennie Ave
- 3 Jennie Ave/4th St
- 4 Jennie Ave/North Driveway
- 5 Main St/4th St
- 6 Main St/Diagonal/7th St
- 7 Diagonal/West Access
- 8 Diagonal/East Access
- 9 US395/4th St

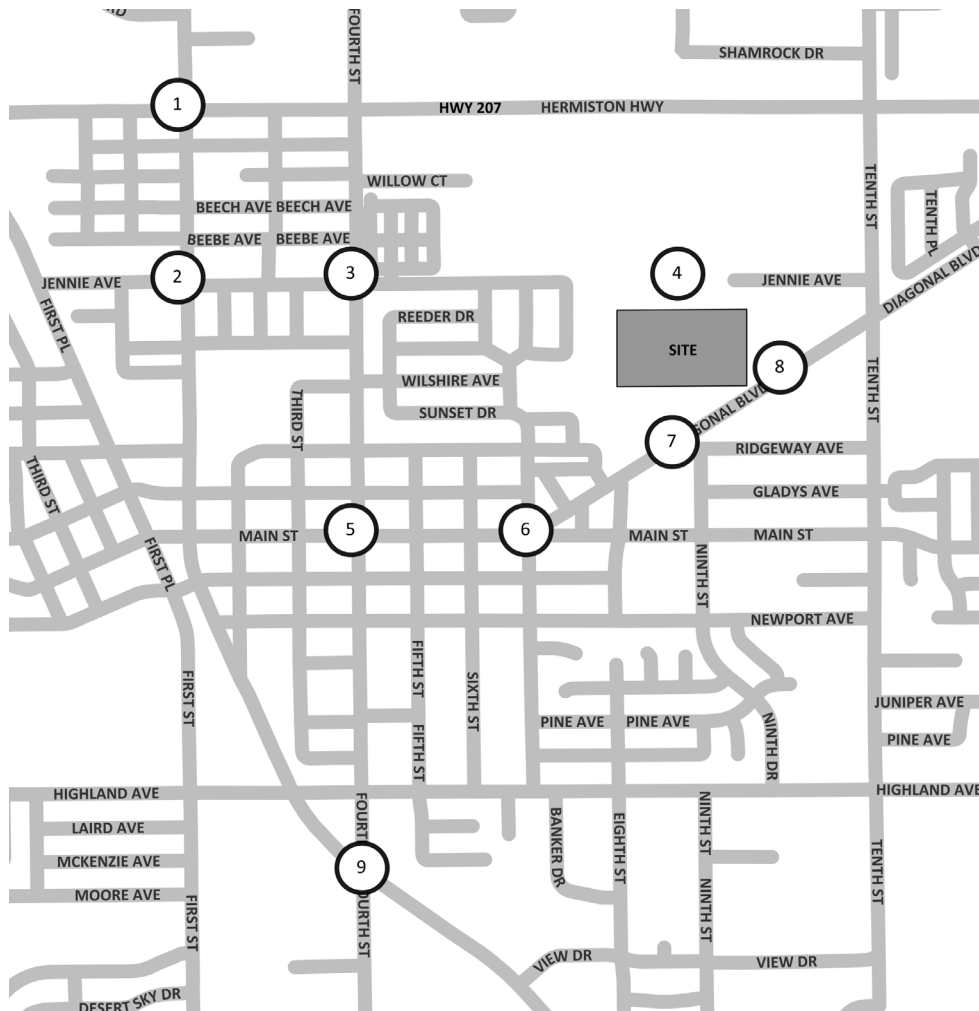


Figure 2: Study Area

Appendix A provides the site plan of the proposed development. **Table 1** lists important characteristics of the study area and proposed project.

Table 1: Key Study Area and Proposed Development Characteristics

| Characteristics | Information |
|-------------------------------|--|
| Study Area | |
| Number of Study Intersections | Nine |
| Analysis Period | Weekday AM & PM Peak Hour |
| Analysis Scenarios | 2025 Existing Conditions, AM & PM Peak Hour 2026 Background Traffic, AM & PM Peak Hour 2026 Total Traffic (Background + Site), AM & PM Peak Hour |
| Project Site | |
| Existing Land Use | Vacant |
| Proposed Development | 270 Apartments 22,000 SQFT of mini-warehouse |
| Project Access | The development will have access to the surrounding network via two driveways on Diagonal Blvd and one on E Jeannie Ave. |

Existing Conditions and Intersection Operations

Transportation operations for the existing roadway network are evaluated to establish a baseline of performance. **Table 2** shows the existing intersection operations at the study intersections. All locations meet applicable mobility standards, with the exception of US 395/Hwy 207, which fails during the PM Peak Hour.

Table 2: 2025 Existing Traffic at Study Intersection Operations

| No. | Intersection | Traffic Control | Operating Standard | AM Peak Hour | PM Peak Hour |
|-----|-------------------------------------|--------------------------------|--------------------|--------------|-----------------|
| 1 | US 395/ Hwy 207 | Signalized | 0.85 V/C | 0.82 V/C | 0.92 V/C |
| 2 | US 395/Jennie Ave | Signalized | 0.85 V/C | 0.48 V/C | 0.58 V/C |
| 3 | Jennie Ave/4th St | Unsignalized (All way stop) | LOS D | LOS B (SB) | LOS B (SB) |
| 5 | Main St/4th St | Signalized | LOS D | LOS B (EB) | LOS B (EB) |
| 6 | Main St/Diagonal/7 th St | Unsignalized (Two way stop) | LOS D | ICU LOS A | ICU LOS A |
| 9 | US395/4th St | Signalized | 0.85 V/C | 0.48 V/C | 0.70 V/C |

V/C = Volume to Capacity Ratio

LOS = Level of Service of Worst Movement

ICU = Intersection Capacity Utilization

Locations exceeding mobility standards are shown with ***bold/italicized***

Project Traffic Impact

The development is expected to be completed in 2026. To determine whether the proposed project will result in off-site traffic impacts, future traffic volumes are estimated. **Tables 3 and 4** provide the intersection operations for future scenarios with and without project traffic. All locations meet applicable mobility standards, with the exception of US 395/Hwy 207, which fails during the AM and PM Peak Hour in the background conditions and with the project.

Table 3: 2026 Background Intersection Operations (Without Project)

| No. | Intersection | Traffic Control | Operating Standard | AM Peak Hour | PM Peak Hour |
|-----|-------------------------------------|--------------------------------|--------------------|-----------------|-----------------|
| 1 | US 395/ Hwy 207 | Signalized | 0.85 V/C | 0.88 V/C | 0.99 V/C |
| 2 | US 395/Jennie Ave | Signalized | 0.85 V/C | 0.49 V/C | 0.59 V/C |
| 3 | Jennie Ave/4th St | Unsignalized (All way stop) | LOS D | LOS B (SB) | LOS B (SB) |
| 5 | Main St/4th St | Signalized | LOS D | LOS B (EB) | LOS B (EB) |
| 6 | Main St/Diagonal/7 th St | Unsignalized (Two way stop) | LOS D | ICU LOS A | ICU LOS A |
| 9 | US395/4th St | Signalized | 0.85 V/C | 0.51 V/C | 0.73 V/C |

V/C = Volume to Capacity Ratio

LOS = Level of Service of Worst Movement

ICU = Intersection Capacity Utilization

Locations exceeding mobility standards are shown with **bold/italicized**

Table 4: 2026 Total Intersection Operations (With Project)

| No. | Intersection | Traffic Control | Operating Standard | AM Peak Hour | PM Peak Hour |
|-----|-------------------------------------|--------------------------------|--------------------|-----------------|-----------------|
| 1 | US 395/ Hwy 207 | Signalized | 0.85 V/C | 0.91 V/C | 1.02 V/C |
| 2 | US 395/Jennie Ave | Signalized | 0.85 V/C | 0.52 V/C | 0.61 V/C |
| 3 | Jennie Ave/4th St | Unsignalized (All way stop) | LOS D | LOS B (SB) | LOS C (SB) |
| 4 | Jennie Ave/North Driveway | Unsignalized (Two way stop) | LOS D | LOS A (NB) | LOS A (NB) |
| 5 | Main St/4th St | Signalized | LOS D | LOS B (EB) | LOS B (EB) |
| 6 | Main St/Diagonal/7 th St | Unsignalized (Two way stop) | LOS D | ICU LOS A | ICU LOS A |
| 7 | Diagonal/West Access | Unsignalized (Two way stop) | LOS D | LOS A (SB) | LOS A (SB) |
| 8 | Diagonal/East Access | Unsignalized (Two way stop) | LOS D | LOS B (SB) | LOS B (SB) |
| 9 | US395/4th St | Signalized | 0.85 V/C | 0.54 V/C | 0.77 V/C |

V/C = Volume to Capacity Ratio

LOS = Level of Service of Worst Movement

ICU = Intersection Capacity Utilization

Locations exceeding mobility standards are shown with **bold/italicized**

Key Findings

Key findings associated with the proposed development include the following items:

- The proposed development would generate 109 (27 in, 82 out) AM peak hour trips and 140 (87 in, 53 out) PM peak hour trips.
- The intersection of US 395/Hwy 207 fails to meet mobility standards under the existing conditions, background conditions, and with the addition of the planned project. All other study intersections meet mobility standards with the addition of the project.
- Operations at the intersection of US 395/Hwy 207 can be brought back to background conditions mobility levels with the addition of dual eastbound left turn lanes. The developments proportional share for this mitigation would be between a 1.9-2.2% contribution.

CHAPTER 2: EXISTING CONDITIONS

This chapter provides documentation of existing study area conditions, including the project site, study area roadway network, and existing traffic volumes and operations.

Project Site

The Hub Hermiston, LLC, proposes developing its land located on the south side of Jennie Ave on a vacant parcel to the east of Wilde Electric Motor Supply. The development proposes 270 apartment units and 22,000 SQFT of mini-warehouse storage. **Figure 1** provides a draft layout of the proposed site plan. The development will have access to the surrounding network via two driveways on Diagonal Blvd and one on E Jeannie Ave.

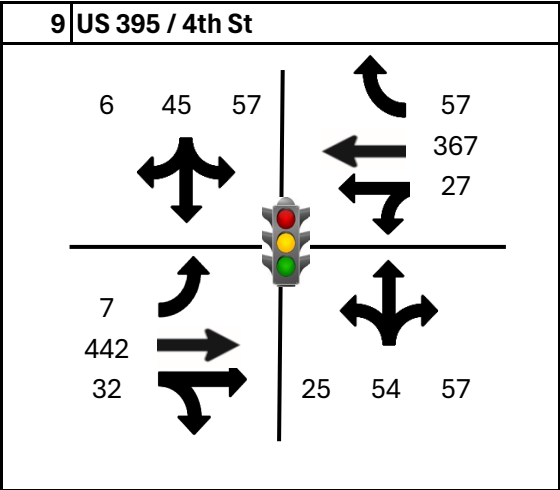
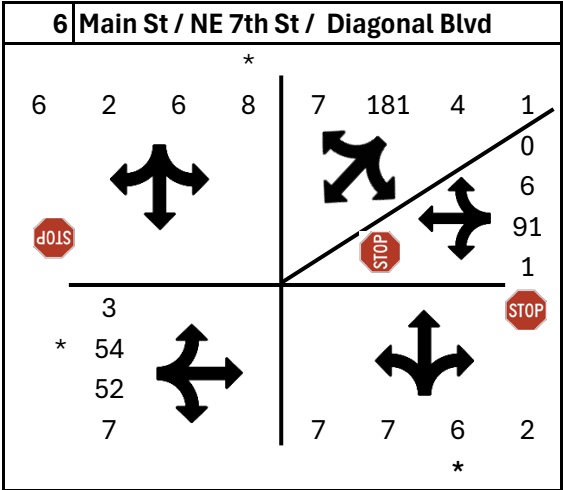
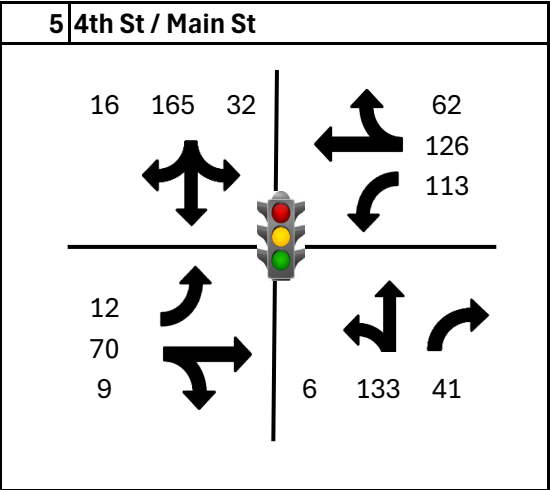
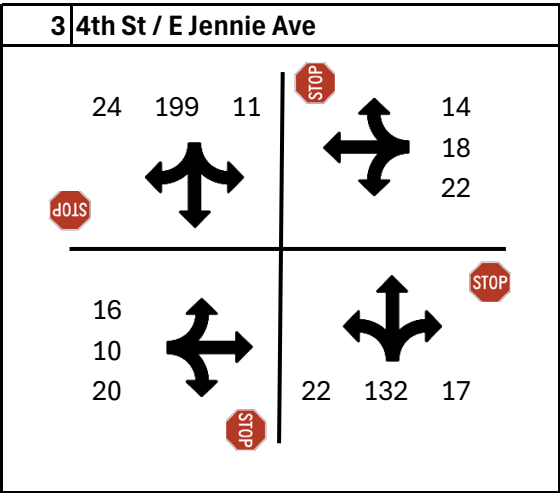
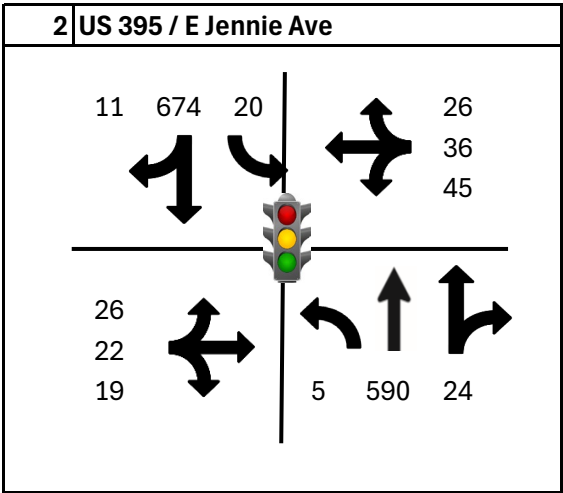
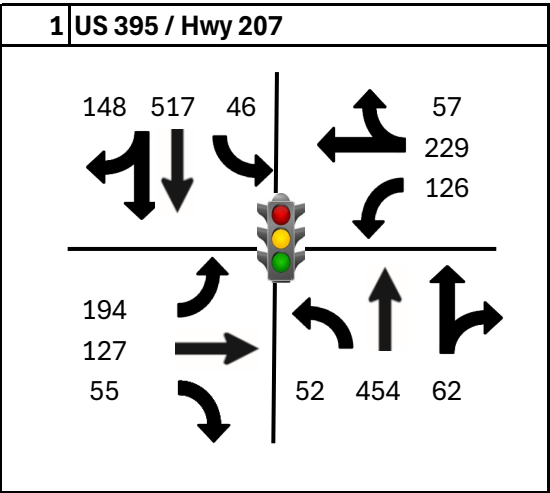
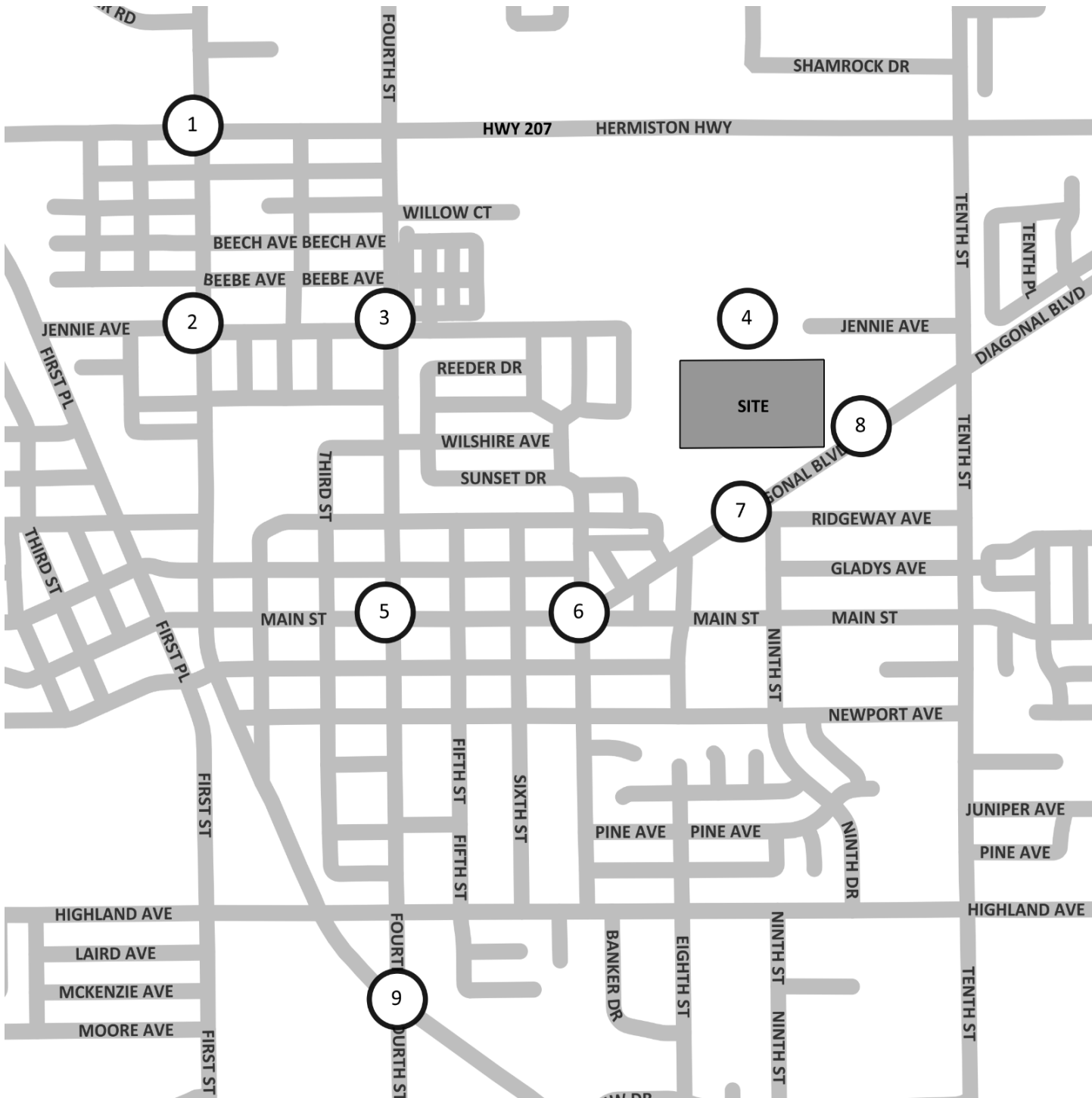
Existing Traffic Volumes and Operations

Existing AM and PM peak hour traffic operations are analyzed at the following study intersections:

- 1 US 395/ Hwy 207
- 2 US 395/Jennie Ave
- 3 Jennie Ave/4th St
- 5 Main St/4th St
- 6 Main St/Diagonal/7th St
- 9 US395/4th St

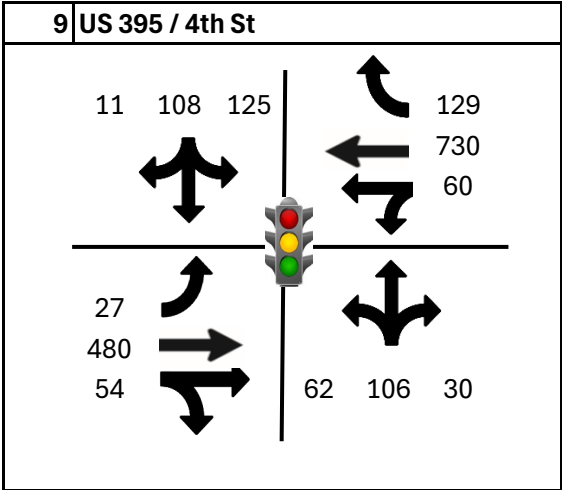
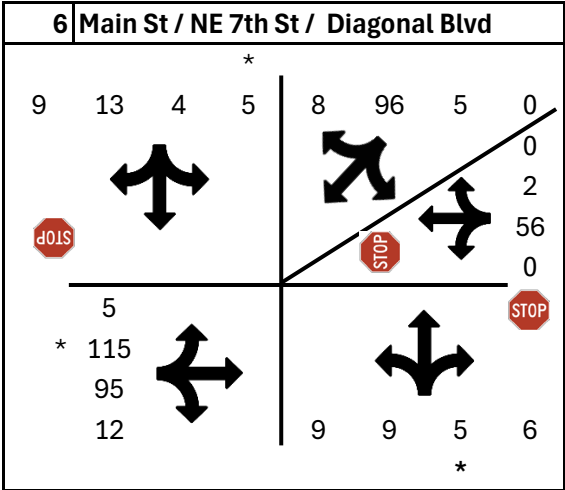
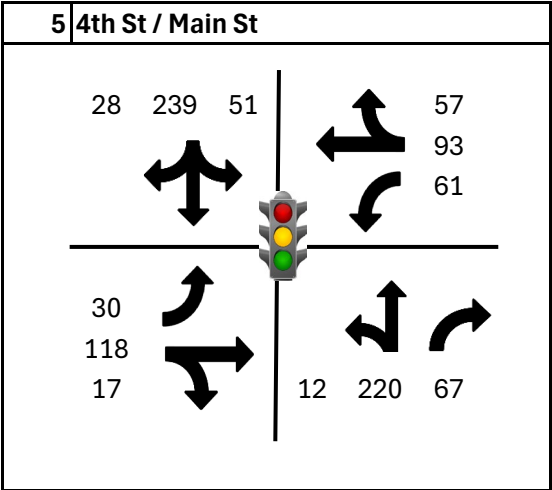
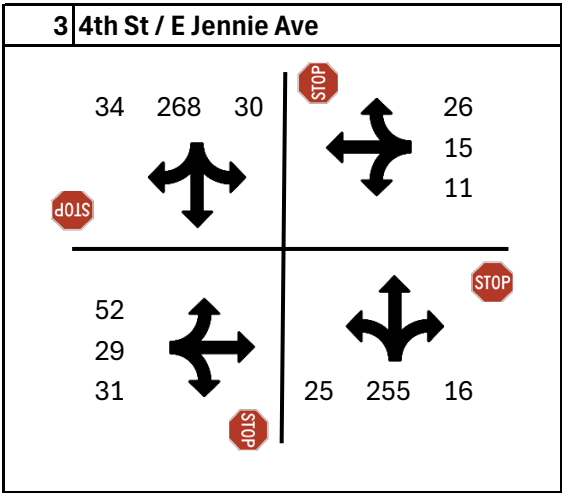
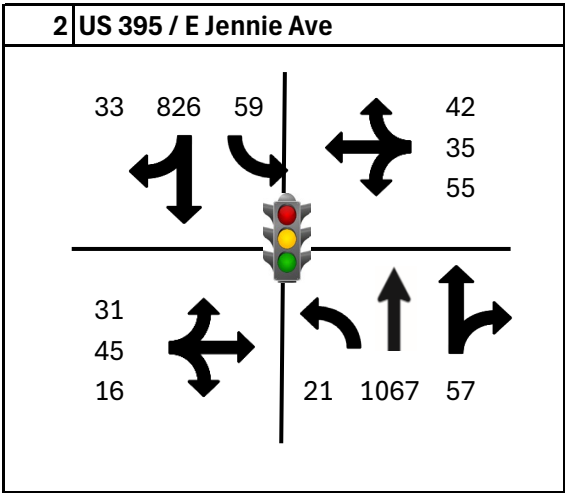
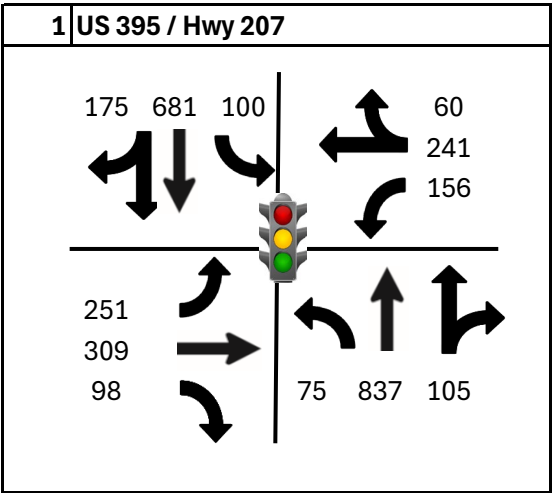
Traffic counts were collected in March 2025 for use in this study. The AM peak hour for the network is identified as 7:30 AM – 8:30 AM. The PM peak hour for the network is 3:35 – 4:35 PM. A 1.07% seasonal adjustment factor is applied to the count data to account for seasonal variation in travel patterns. Additional details on seasonal adjustment factor calculations can be found in **Appendix D**. The peak hour traffic volumes analyzed under existing conditions are shown in **Figures 3 and 4**, with the detailed traffic counts included in **Appendix B**.

Figure 3: 2025 Existing Volumes AM Peak Hour



* denotes movement to/from Diagonal Blvd

Figure 4: 2025 Existing Volumes PM Peak Hour



* denotes movement to/from Diagonal Blvd

Existing Operating Conditions

Existing traffic operations at the project study intersections are evaluated for the AM and PM peak hours. The estimated operational results of each study intersection are shown in **Table 5**. The 2016 Highway Capacity Manual (HCM) methodology¹ is used to evaluate operations at two-way and all-way stop controlled study intersections. The intersection of Main St/Diagonal Blvd/7th St has a unique configuration with five intersection approaches, which means the HCM analysis cannot be applied. Instead, the Intersection Capacity Utilization (ICU) is used to estimate operations at this location. Signalized intersections are evaluated using the HCM 2000 methodology.

Appendix C provides detailed reports summarizing these results. **Appendix D** provides information on how the volumes were developed for analysis. All locations meet applicable mobility standards, with the exception of US 395/Hwy 207, which fails during the PM Peak Hour.

Table 5: 2025 Existing Traffic at Study Intersection Operations

| No. | Intersection | Traffic Control | Operating Standard | AM Peak Hour | PM Peak Hour |
|-----|-------------------------------------|--------------------------------|--------------------|--------------|-----------------|
| 1 | US 395/ Hwy 207 | Signalized | 0.85 V/C | 0.82 V/C | 0.92 V/C |
| 2 | US 395/Jennie Ave | Signalized | 0.85 V/C | 0.48 V/C | 0.58 V/C |
| 3 | Jennie Ave/4th St | Unsignalized (All way stop) | LOS D | LOS B (SB) | LOS B (SB) |
| 5 | Main St/4th St | Signalized | LOS D | LOS B (EB) | LOS B (EB) |
| 6 | Main St/Diagonal/7 th St | Unsignalized (Two way stop) | LOS D | ICU LOS A | ICU LOS A |
| 9 | US395/4th St | Signalized | 0.85 V/C | 0.48 V/C | 0.70 V/C |

V/C = Volume to Capacity Ratio

LOS = Level of Service of Worst Movement

ICU = Intersection Capacity Utilization

Locations exceeding mobility standards are shown with **bold/italicized**

¹ Highway Capacity Manual 6th Edition: A Guide for Multimodal Mobility Analysis, Transportation Research Board, Washington DC, 2016.

Crash Analysis

The five most recent years of crash records (Jan 1, 2012- Dec 31, 2022) for the study area were obtained from Oregon Department of Transportation (ODOT's) online database. A copy of these records is provided in **Appendix E**. Crashes identified by ODOT as intersectional for the two cross streets and/or occurred within 500 feet of the study intersection were included in the analysis for the study intersections.

Crash rates are calculated for the study intersections. Intersection crash rates are compared with ODOT's 90th percentile crash rates from Exhibit 4-1 of ODOT's Analysis Procedures Manual (APM) and are summarized in **Table 6**. All study intersections with recorded crash data have crash rates below the corresponding 90% Percentile Crash Rate.

Three pedestrian crashes are recorded in the study area. The intersection of US 395/Hwy 207 has one pedestrian crash recorded in 2019 that resulted in an "injury c- minor injury". The intersection of US 395/Jennie Ave has one pedestrian crash recorded in 2019 that resulted in an "injury b- moderate injury", and another in 2022 that resulted in an "injury c- minor injury".

There was one "injury a- severe injury" crash recorded in the study area in 2018. It occurred at the intersection of US 395/Hwy 207 during an angle crash.

Table 6: Crash Rate Analysis

| No. | Intersection | AADT | 5 Year Crash Total (2018-2022) | Crash Rate (crashes/MEV) | Intersection Type | 90 th Percentile Crash Rate |
|-----|-------------------------------------|--------|--------------------------------|--------------------------|-------------------|--|
| 1 | US 395/ Hwy 207 | 28,860 | 40 | 0.759 | 4SG | 0.860 |
| 2 | US 395/Jennie Ave | 21,370 | 16 | 0.410 | 4SG | 0.860 |
| 3 | Jennie Ave/4th St | 7,390 | 3 | 0.222 | 4ST | 0.408 |
| 5 | Main St/4th St | 9,280 | 5 | 0.295 | 4SG | 0.860 |
| 6 | Main St/Diagonal/7 th St | 4,540 | - | - | 4ST | 0.408 |
| 9 | US395/4th St | 17,960 | 8 | 0.244 | 4SG | 0.860 |

Note: AADT is estimated assuming the intersection PM Peak Hour traffic is approximately 10% of the AADT.

Locations exceeding 90th percentile crash rates are shown with ***bold/italicized***

1 – The intersection of Main St/Diagonal/7th St is a unique configuration with 5 legs, 3 of which are stop controlled. The closest match for the critical crash rate data provided by ODOT is for a 4ST classification, which is applied for the purposes of this study.

CHAPTER 3: BACKGROUND TRAFFIC

The development is expected to be completed in 2026. To account for traffic growth a 1.5% growth rate is used to forecast the existing traffic volumes to future background traffic volumes on roads within the study area. Additional details on growth rate calculations can be found in **Appendix D**. The City has identified the Diamond Run development as an in-process development and requested it be included in the background conditions analysis. The Diamond Run traffic impact analysis provided PM Peak Hour volumes. AM Peak Hour volumes were generated using current ITE Trip Generation manual methodology for use in this study. Background traffic volumes are shown in **Figures 5 and 6**.

Background Intersection Operations

The background traffic operations of each study intersection are shown in **Table 7**. The 2016 Highway Capacity Manual (HCM) methodology² is used to evaluate operations at two-way and all-way stop controlled study intersections. The intersection of Main St/Diagonal Blvd/7th St has a unique configuration with five intersection approaches, which means the HCM analysis cannot be applied. Instead, the Intersection Capacity Utilization (ICU) is used to estimate operations at this location. Signalized intersections are evaluated using the HCM 2000 methodology.

Appendix F provides detailed reports summarizing these results. All study intersections meet existing mobility standards, with the exception of US 395/Hwy 207, which continues to fail during the AM and PM Peak Hour background conditions.

Table 7: 2026 Background Intersection Operations (Without Project)

| No. | Intersection | Traffic Control | Operating Standard | AM Peak Hour | PM Peak Hour |
|-----|-------------------------------------|--------------------------------|--------------------|-----------------|-----------------|
| 1 | US 395/ Hwy 207 | Signalized | 0.85 V/C | 0.88 V/C | 0.99 V/C |
| 2 | US 395/Jennie Ave | Signalized | 0.85 V/C | 0.49 V/C | 0.59 V/C |
| 3 | Jennie Ave/4th St | Unsignalized (All way stop) | LOS D | LOS B (SB) | LOS B (SB) |
| 5 | Main St/4th St | Signalized | LOS D | LOS B (EB) | LOS B (EB) |
| 6 | Main St/Diagonal/7 th St | Unsignalized (Two way stop) | LOS D | ICU LOS A | ICU LOS A |
| 9 | US395/4th St | Signalized | 0.85 V/C | 0.51 V/C | 0.73 V/C |

V/C = Volume to Capacity Ratio

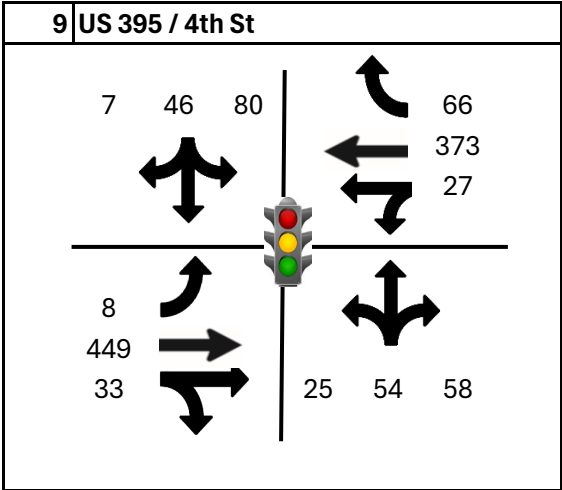
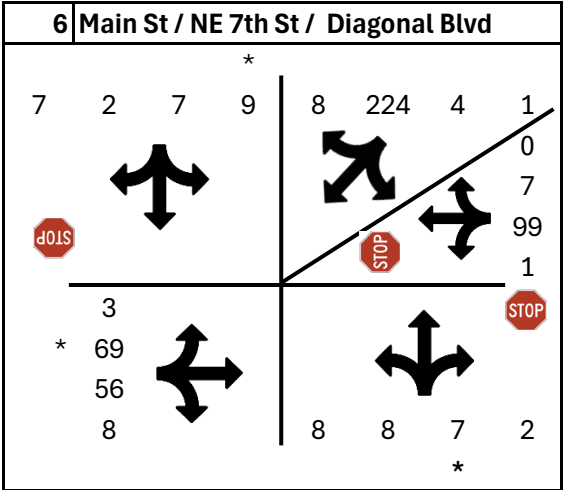
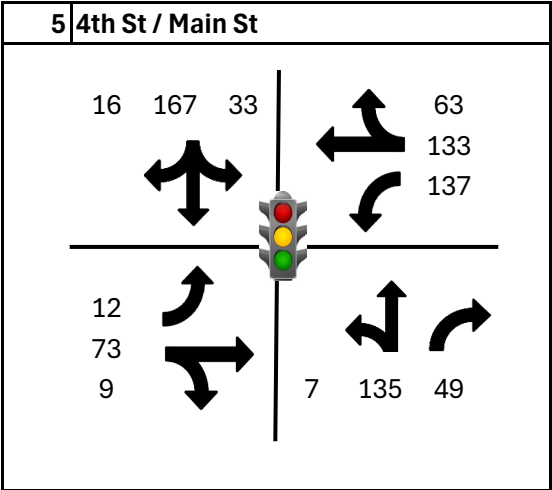
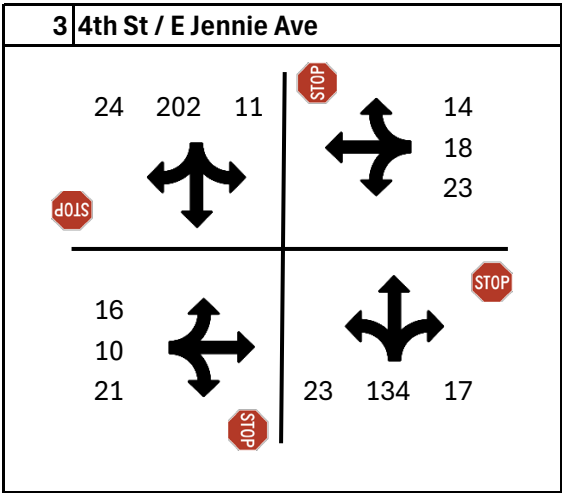
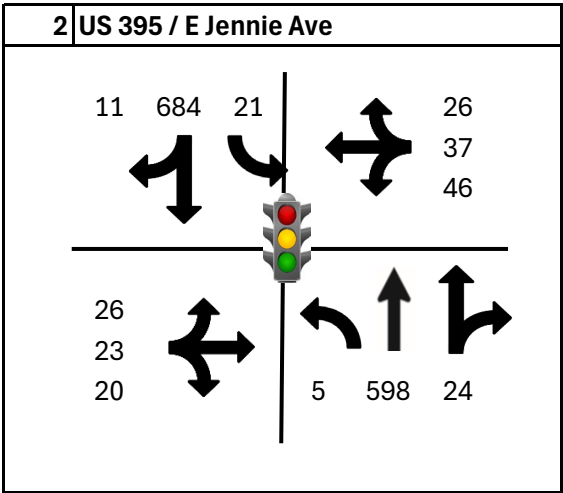
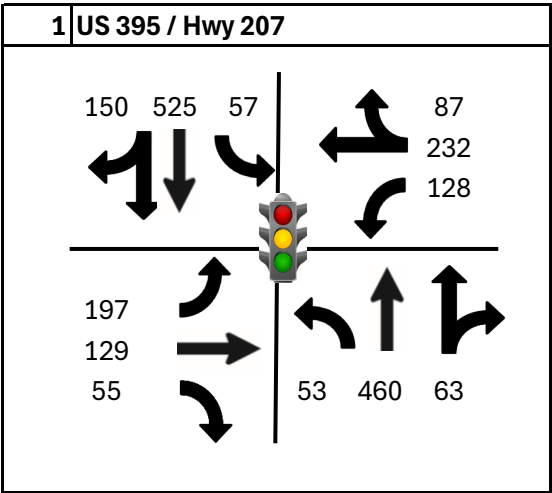
LOS = Level of Service of Worst Movement

ICU = Intersection Capacity Utilization

Locations exceeding mobility standards are shown with **bold/italicized**

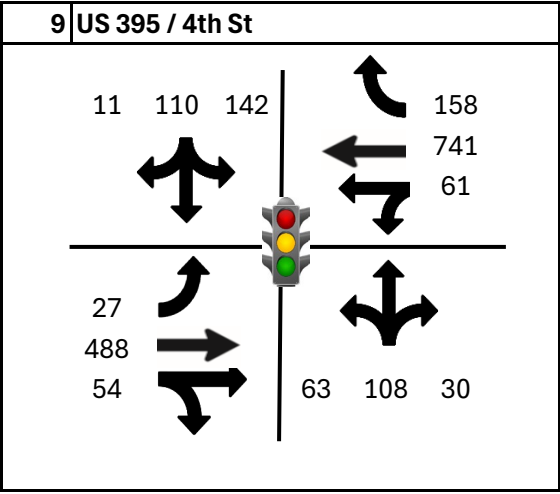
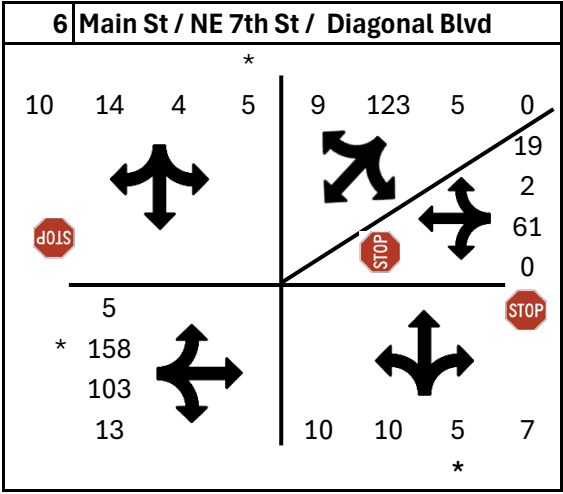
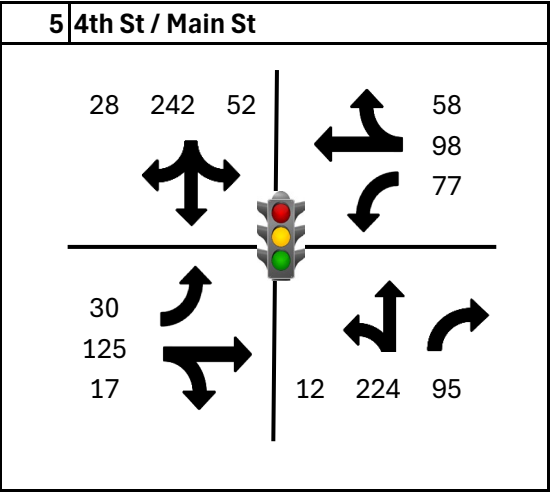
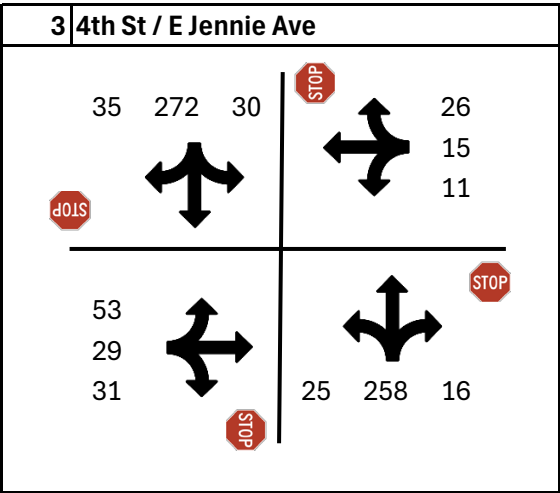
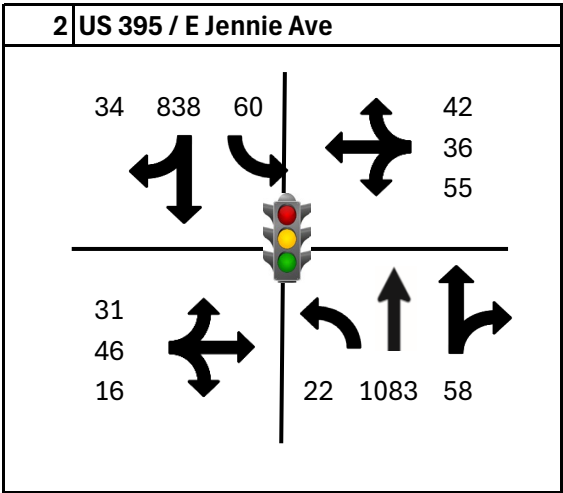
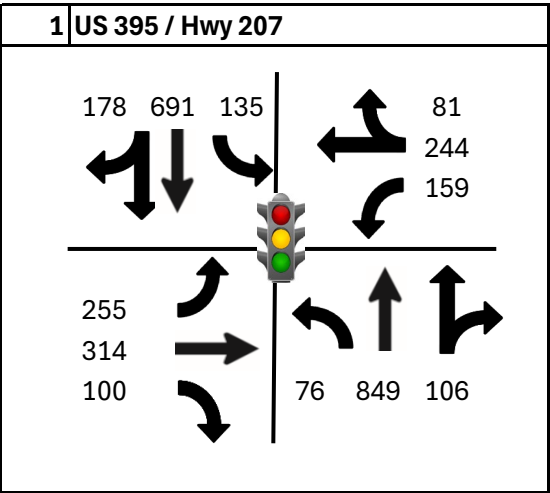
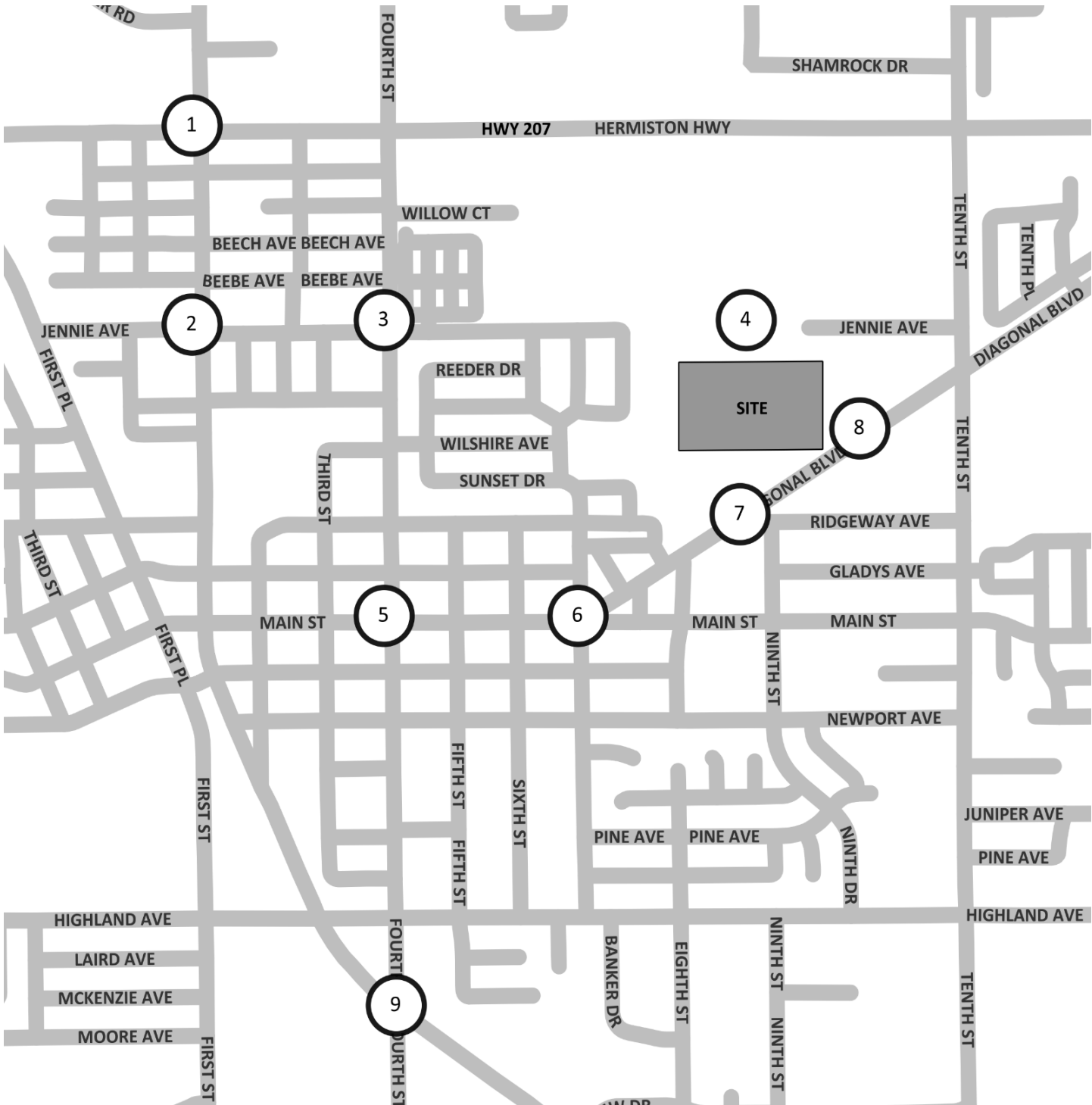
² Highway Capacity Manual 6th Edition: A Guide for Multimodal Mobility Analysis, Transportation Research Board, Washington DC, 2016.

Figure 5: 2026 Background Volumes AM Peak Hour



* denotes movement to/from Diagonal Blvd

Figure 6: 2026 Background Volumes PM Peak Hour



* denotes movement to/from Diagonal Blvd

CHAPTER 4: PROJECT IMPACTS

This chapter reviews the impacts that the proposed development would have on the study area transportation system. The focus of the impact analysis is on the following study intersections:

- 1 US 395/ Hwy 207
- 2 US 395/Jennie Ave
- 3 Jennie Ave/4th St
- 4 Jennie Ave/North Driveway
- 5 Main St/4th St
- 6 Main St/Diagonal/7th St
- 7 Diagonal/West Access
- 8 Diagonal/East Access
- 9 US395/4th St

Trip Generation

Trip generation is used to estimate the number of vehicle trips added to the roadway network by a development during a specified period. In this case, the AM and PM peak hour periods are studied. Trip generation estimates are established using data and methodology provided by the Institute of Transportation Engineers (ITE).³

Trip generation values for the proposed development are estimated using the ITE Trip Generation Manual, 11th Edition. Land Use Code 220: Multi-Family Low-Rise is used to estimate trips for the proposed apartment units. Land Use Code 151: Mini-Ware is used to estimate trips for the proposed storage units. Trip generation values are provided in **Table 8**.

Table 8: Trip Generation Summary

| Land Use | Size | AM Peak Hour Trips | | | PM Peak Hour Trips | | |
|------------------------------------|-----------|--------------------|-----------|------------|--------------------|-----------|------------|
| | | In | Out | Total | In | Out | Total |
| Multifamily Housing Low Rise (220) | 270 Units | 26 | 81 | 107 | 86 | 51 | 137 |
| Mini-Warehouse (151) | 22k SQFT | 1 | 1 | 2 | 1 | 2 | 3 |
| TOTAL | | 27 | 82 | 109 | 87 | 53 | 140 |

³ *Trip Generation, 11th Edition*, Institute of Transportation Engineers, 2021.
Enloe Consulting, LLC

Trip Distribution

Trip distribution provides an estimation of where trips from the development originate and end on the study area network. This is represented as percentages where large portions of the trips generated enter and exit the project study area. The trip distribution percentages are included in **Appendix D**. **Figures 7 and 8** show the trips generated by the study distributed on the network.

Figure 7: Site Generated Volumes AM Peak Hour

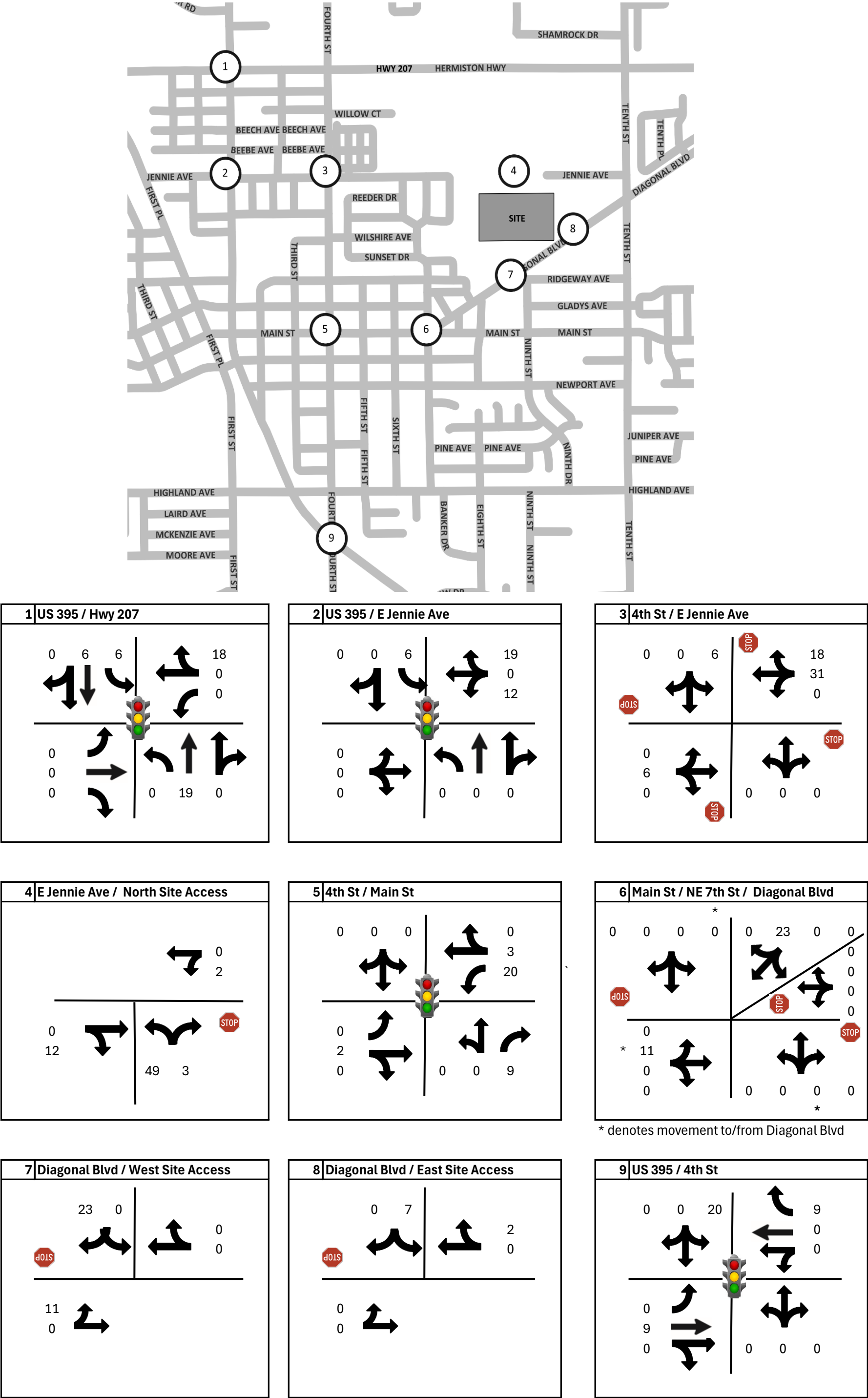
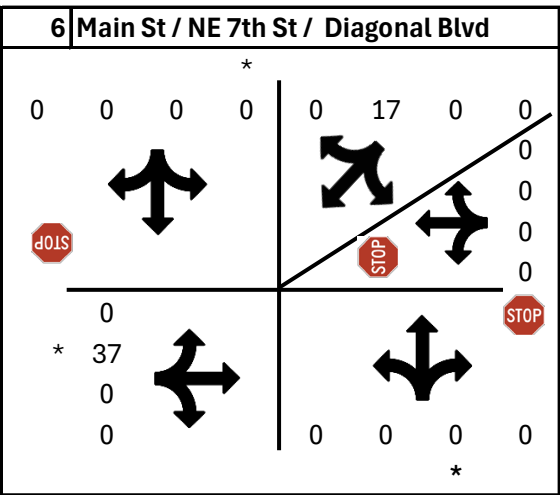
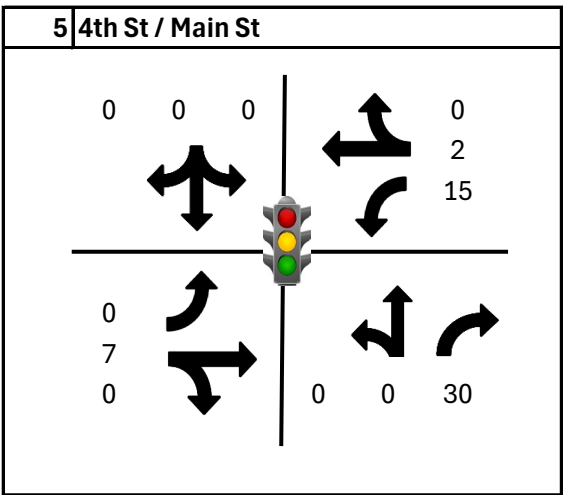
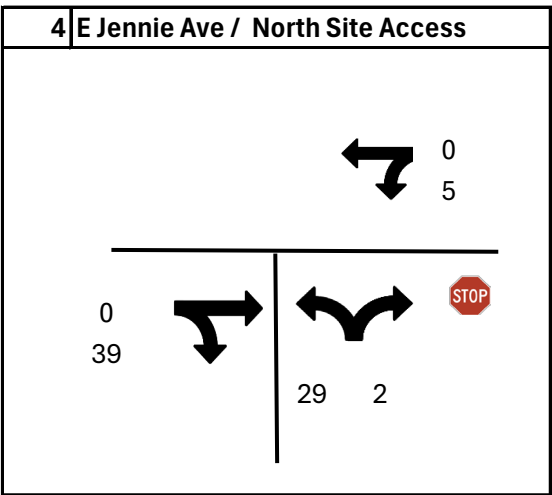
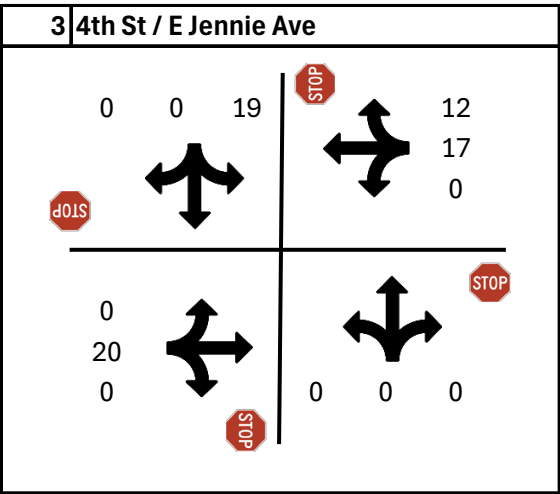
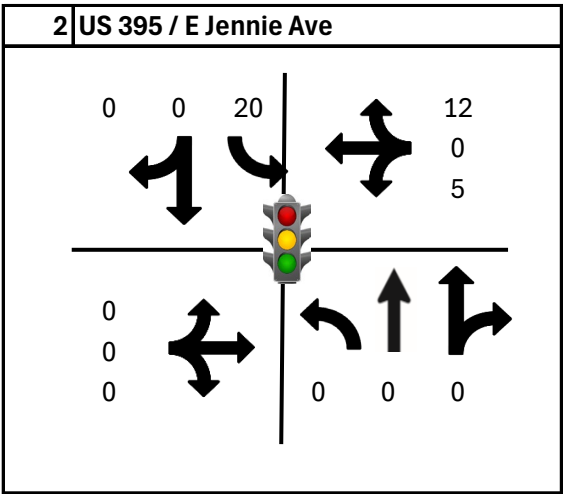
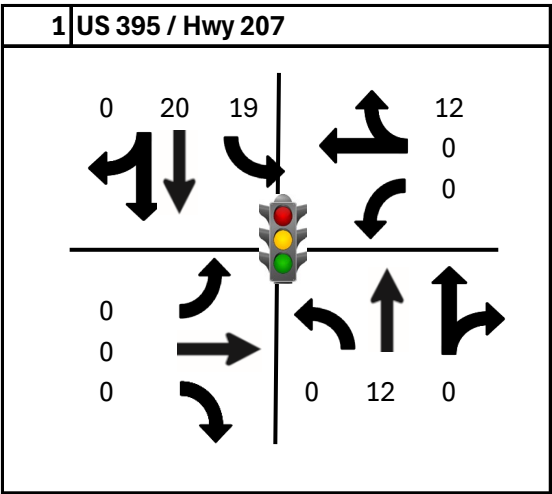
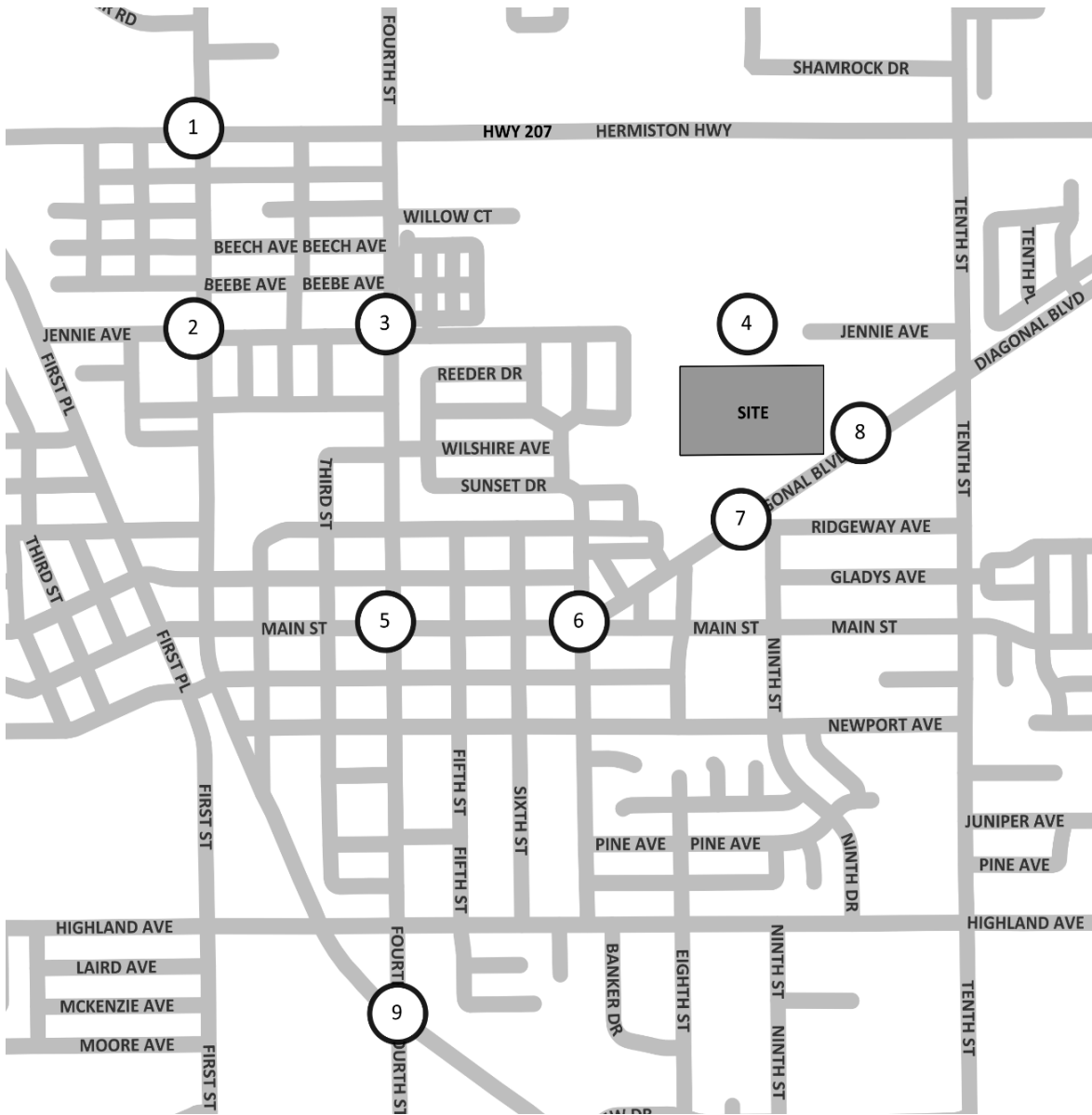
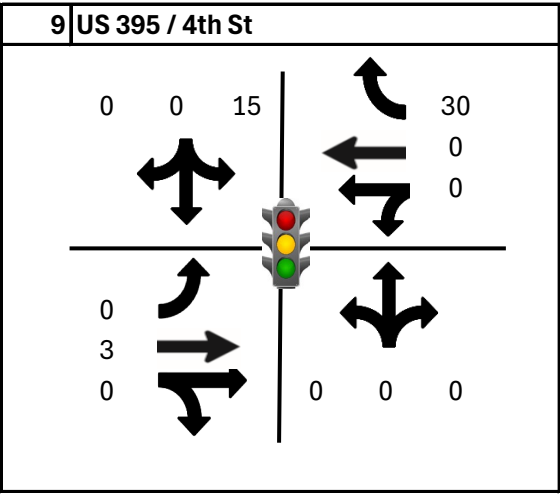
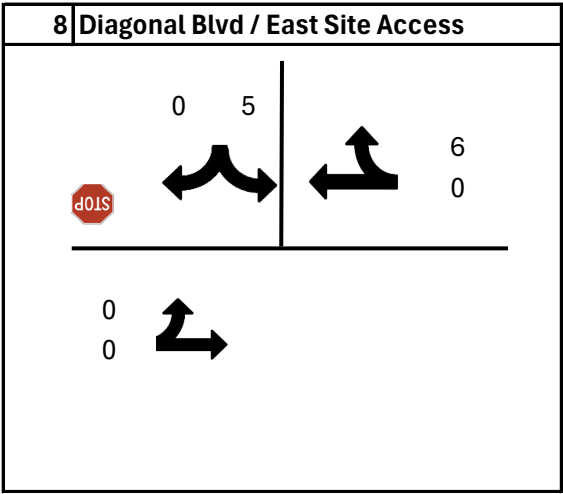
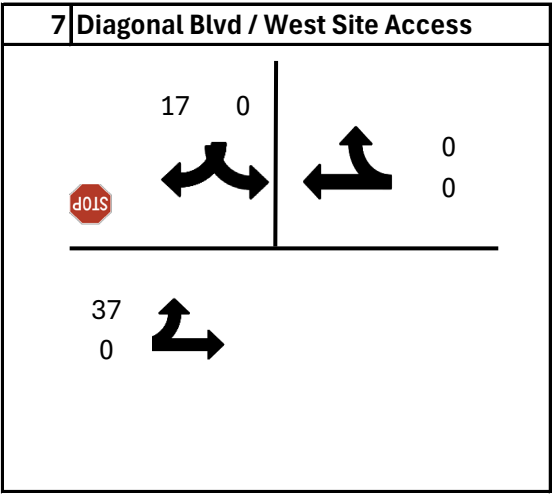


Figure 8: Site Generated Volumes PM Peak Hour



* denotes movement to/from Diagonal Blvd



Future Traffic Volumes with the Proposed Development

The estimated trips associated with the proposed development are added to the background volumes to estimate the total traffic scenario volumes. **Figures 9 and 10** show the 2026 total traffic volumes used for the opening year analysis.

Table 9 lists the study intersection total traffic operating conditions for the AM and PM peak hours. The 2016 Highway Capacity Manual (HCM) methodology⁴ is used to evaluate operations at two-way and all-way stop controlled study intersections. The intersection of Main St/Diagonal Blvd/7th St is has a unique configuration with five intersection approaches, which means the HCM analysis cannot be applied. Instead, the Intersection Capacity Utilization (ICU) is used to estimate operations at this location. Signalized intersections are evaluated using the HCM 2000 methodology.

Appendix G provides detailed reports for the operational results. All study intersections meet mobility standards except for US 395/Hwy 207, which fails in both the AM and PM Peak Hours.

Table 9: 2026 Total Intersection Operations (With Project)

| No. | Intersection | Traffic Control | Operating Standard | AM Peak Hour | PM Peak Hour |
|-----|-------------------------------------|--------------------------------|--------------------|-----------------|-----------------|
| 1 | US 395/ Hwy 207 | Signalized | 0.85 V/C | 0.91 V/C | 1.02 V/C |
| 2 | US 395/Jennie Ave | Signalized | 0.85 V/C | 0.52 V/C | 0.61 V/C |
| 3 | Jennie Ave/4th St | Unsignalized (All way stop) | LOS D | LOS B (SB) | LOS C (SB) |
| 4 | Jennie Ave/North Driveway | Unsignalized (Two way stop) | LOS D | LOS A (NB) | LOS A (NB) |
| 5 | Main St/4th St | Signalized | LOS D | LOS B (EB) | LOS B (EB) |
| 6 | Main St/Diagonal/7 th St | Unsignalized (Two way stop) | LOS D | ICU LOS A | ICU LOS A |
| 7 | Diagonal/West Access | Unsignalized (Two way stop) | LOS D | LOS A (SB) | LOS A (SB) |
| 8 | Diagonal/East Access | Unsignalized (Two way stop) | LOS D | LOS B (SB) | LOS B (SB) |
| 9 | US395/4th St | Signalized | 0.85 V/C | 0.54 V/C | 0.77 V/C |

V/C = Volume to Capacity Ratio

LOS = Level of Service of Worst Movement

ICU = Intersection Capacity Utilization

Locations exceeding mobility standards are shown with **bold/italicized**

⁴ Highway Capacity Manual 6th Edition: A Guide for Multimodal Mobility Analysis, Transportation Research Board, Washington DC, 2016.

Mitigation

The intersection of US 395/Hwy 207 fails to meet mobility standards under the existing conditions and background conditions for the PM Peak Hour, as well as with the addition of the proposed project (total traffic conditions).

The critical movements at the intersection are identified as the eastbound left and the southbound left turns. **Table 10** summarizes the operational results under the unmitigated background and total traffic conditions, as well as reviews mitigation options.

Table 10: US 395/ Hwy 207 Intersection Operations

| Treatment | Operating Standard | AM Peak Hour | PM Peak Hour |
|------------------------------------|--------------------|-----------------|-----------------|
| 2026 Background Unmitigated | 0.85 V/C | 0.88 V/C | 0.99 V/C |
| 2026 Total Unmitigated | | 0.91 V/C | 1.02 V/C |
| 2026 Total Dual SB Left Turn Lanes | | 0.90 V/C | 0.96 V/C |
| 2026 Total Dual EB Left Turn Lanes | | 0.76 V/C | 0.86 V/C |

V/C = Volume to Capacity Ratio

LOS = Level of Service of Worst Movement

ICU = Intersection Capacity Utilization

Locations exceeding mobility standards are shown with **bold/italicized**

The addition of southbound dual left turn lanes would mitigate the intersection to background conditions operations for the PM Peak Hour. However, the addition of eastbound dual left turn lanes would improve operations back to below the background condition V/C levels for both AM and PM Peak Hours and very close to meeting overall mobility targets for the intersection.

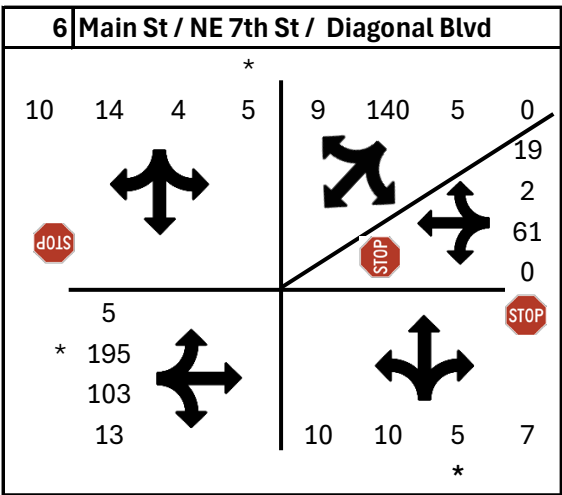
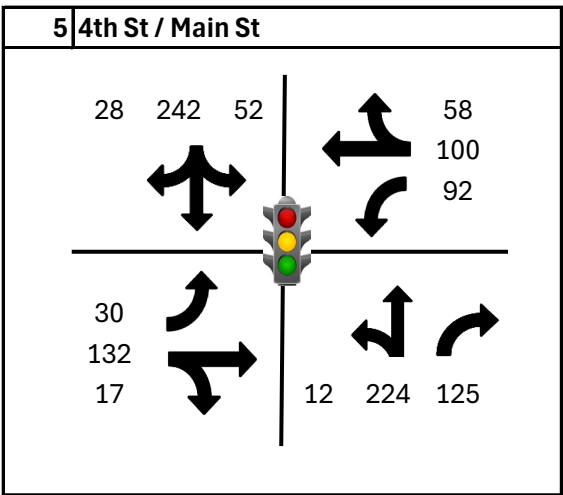
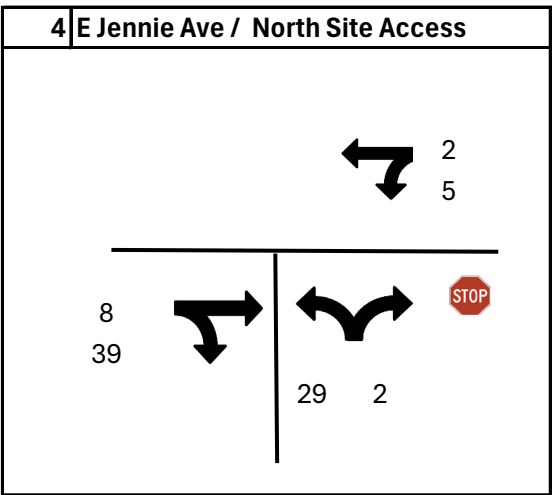
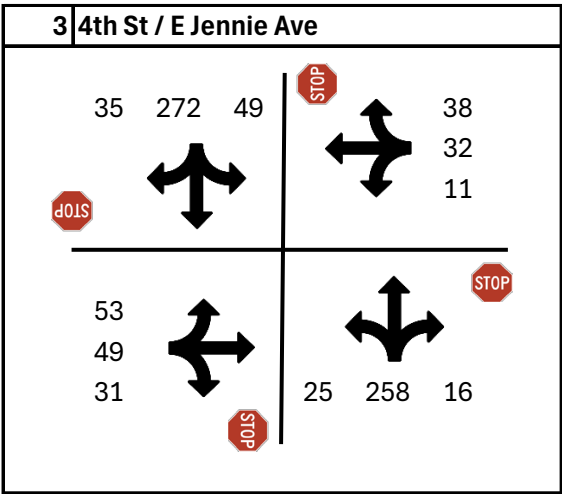
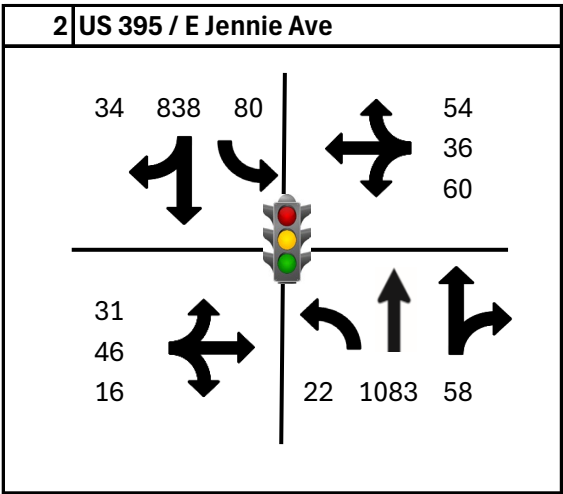
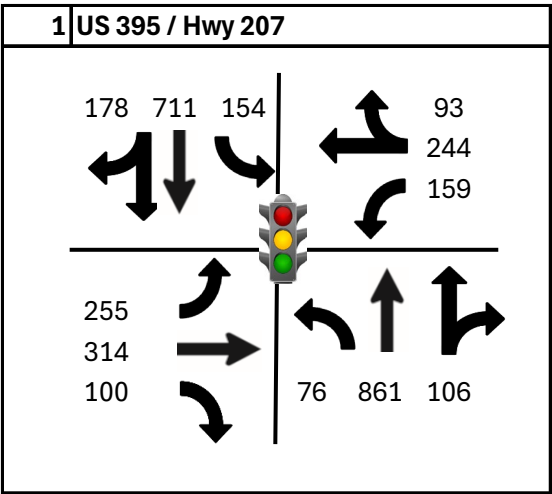
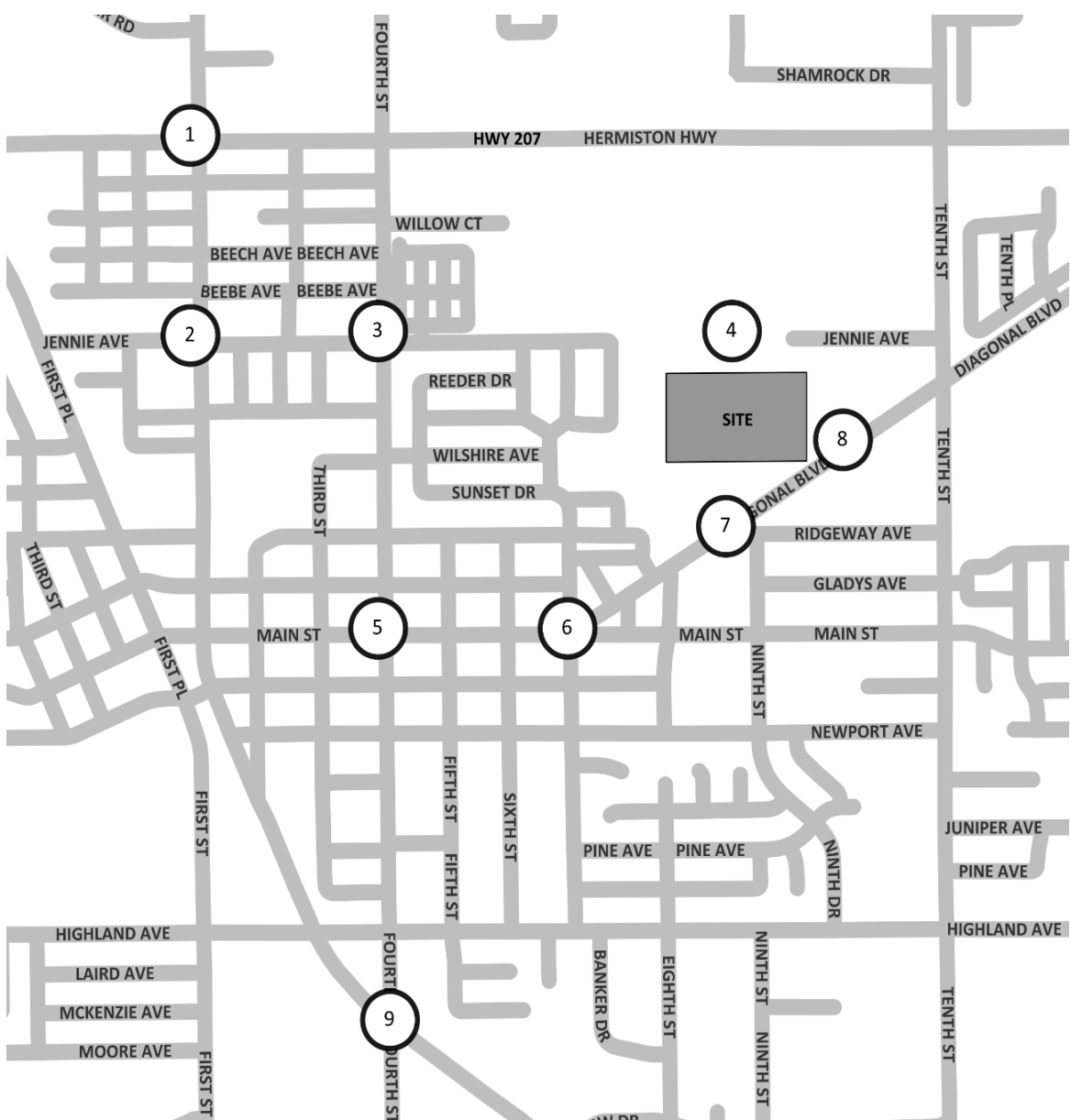
The intersection of US 395/Hwy 207 would experience a total entering volume of 2,185 vehicles in the AM Peak Hour and 3,251 in the PM Peak Hour. The project would add 49 trips during the AM Peak Hour, resulting in a development proportional share of 2.2%. It would also add 63 trips during the PM Peak Hour, which results in a development proportional share of 1.9%.

Key Findings

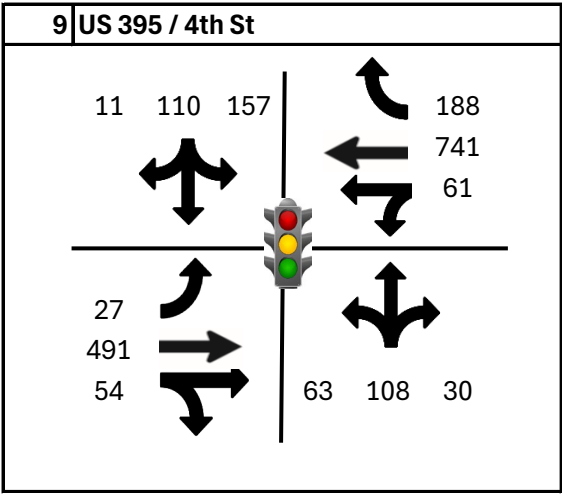
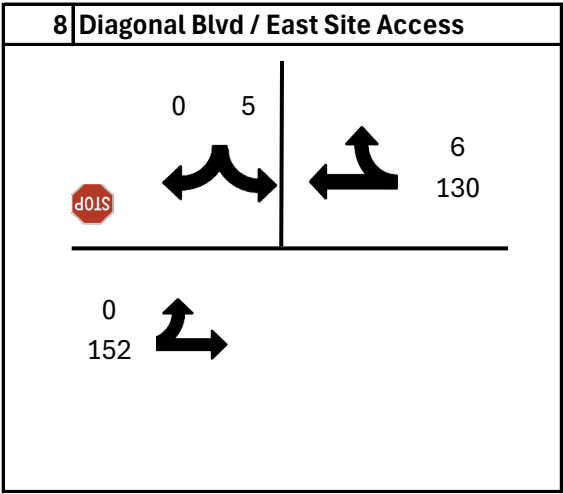
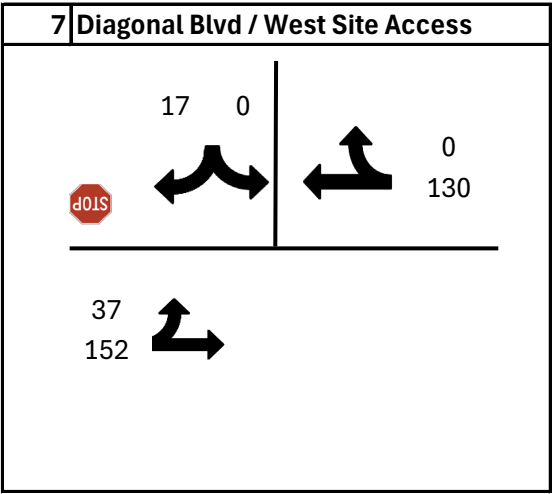
Key findings associated with the proposed development include the following items:

- The proposed development would generate 109 (27 in, 82 out) AM peak hour trips and 140 (87 in, 53 out) PM peak hour trips.
- The intersection of US 395/Hwy 207 fails to meet mobility standards under the existing conditions, background conditions, and with the addition of the planned project. All other study intersections meet mobility standards with the addition of the project.
- Operations at the intersection of US 395/Hwy 207 can be brought back to background conditions mobility levels with the addition of dual eastbound left turn lanes. The developments proportional share for this mitigation would be between a 1.9-2.2% contribution.

Figure10: 2026 Total Volumes PM Peak Hour



* denotes movement to/from Diagonal Blvd





Oregon

Tina Kotek, Governor

Department of Transportation

Region 5, District 12

1327 SE 3rd Street

Pendleton, OR 97801

June 10, 2025

Clint Spencer, Planning Director VIA EMAIL: cspencer@hermiston.gov

City of Hermiston

180 NE 2nd Street

Hermiston, OR 97838

Subject: Proposed Zoning Map Amendment for 3.71 acres from Outlying Commercial (C-2) to Neighborhood Commercial Overlay (NCO) and Conditional Use Permit of 270-unit Multi-Family Complex, community building and maintenance building, 68- mini-storage units located at 963 E Diagonal Blvd.

The Oregon Department of Transportation (ODOT) has jurisdiction of US 395 and OR 207, including responsibility for managing access within these corridors. ODOT is committed to preserving the function of the transportation system and public infrastructure investments as the area infills and redevelops.

ODOT is concerned the proposed development could have significant impacts to US 395/OR 207 (Elm Street), US 395/Jennie Avenue, and US 395/4th Street. David Boyd, P.E., Region Access Management Engineer has marked with a red highlighter the analysis issues in the attached April 7, 2025 Traffic Impact Analysis (TIA) that need to be addressed:

Update the mobility standard for ODOT intersections to 0.85. The TIA identifies that US395/OR207 will be failing under Existing, Background, and Total development conditions. The TIA is lacking any recommended improvements to mitigate the impacts and erroneously identifies that "all intersections operate acceptably".

Also, it appears that the TIA did not use ODOT's Synchro template that would set the default values for the program. Please note, making these changes will influence the reported Volume/Capacity mobility standards and likely will make them all worse. Likewise, the development should not worsen/degrade the other ODOT intersections either.

As such, ODOT recommends denial of the application until the TIA is revised and acceptable recommendations incorporated with appropriate mitigation conditions to be implemented by the developer.

Ensuring the transportation system is managed effectively to support multi-modal choices in accordance with the City's Transportation System Plan as well as the 2000 US 395 North Corridor Plan is necessary to satisfy requirements of the ORS 660-012 Transportation Planning Rule.



Oregon

Tina Kotek, Governor

Department of Transportation

Region 5, District 12

1327 SE 3rd Street

Pendleton, OR 97801

ODOT welcomes the opportunity to meet with the City regarding future development plans and to review an updated TIA. Please enter this letter into the record of the proceedings and provide me with a copy of the decision. Thank you for the opportunity to comment on this proposal.

Rich Lani
District 12 Manager

Attachment: TIA with ODOT track changes

CJS

cc: Ken Patterson, ODOT Region 5 Manager
Shawn Maloney, Area Manager
David Boyd, Region Access Management Engineer
Tom Lapp, District 12



Where Life is Sweet

Mayor and Members of the City Council

STAFF REPORT

For the Meeting of July 14, 2025

Title/Subject

Resolution 2381 – Development Incentive Agreement with The Hub Hermiston, LLC.

Summary and Background

This resolution will approve a development incentive agreement intended to stimulate the construction of approximately 276 market-rate apartment rental units.

Structure

The basic thrust of the agreement is that the City of Hermiston will pay the developer cash equal to approximately 66% of what they will have paid in property taxes from now through 2031. It is important to understand that this means that it is not a tax exemption. The developer will be required to pay all of their regular property taxes as normal, which means that all of the underlying taxing entities (i.e. Hermiston School District, UCFD1, City, etc.) will receive property tax revenue from the development just the same as if this agreement didn't exist. However, the developer will then provide proof of payment to the City each year, and then the City will pay them certain amounts each year relative to what they actually paid to the County assessor's office.

The agreement will have the City paying the developer an amount equal to 100% of their 2026 & 2027 property tax bills, 75% of their 2028 bill, 50% in 2029 & 2030, and 25% in 2031. The agreement is intended to act as a "carrot & stick" incentive by setting these amounts to specific dates. Since the city will only pay a percentage of the property tax actually paid by the developer, then if the developer wastes a year before building, then they will have squandered a year of their highest incentive rate.

Table 1. % of Total Property Tax Bill Paid For by City of Hermiston By Year

| 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 100% | 100% | 75% | 50% | 50% | 25% |

Justification

The City Council has had support of housing development as one of its annual goals every year since 2017, and consistently, whenever we do community outreach or polling, the availability of housing and the cost of housing, always shows up clearly as something that the community prioritizes.

The Case for Market-Rate Rentals

Hermiston has relatively little problem attracting developers to build relatively affordable detached single-family homes for sale. Hermiston has averaged roughly 108 single family homes built per year since 2020.

Hermiston also has relatively little problem attracting developers to build income-restricted rental units. Hermiston has averaged 28 income restricted units per year since 2019.

Hermiston has had exactly zero market-rate apartment units built over the past 10 years. The reason for this is that, although land in Hermiston is relatively more affordable, land is only a small portion of the overall cost of a development; whereas most of the other costs to develop (i.e. lumber, appliances, etc.) are the same whether they build in Hermiston, Portland, Bend, Kennewick, or elsewhere. However, the rents which developers can achieve are much higher in those other markets. Therefore city staff has been told by multiple developers that although they agree that there is a market need for apartments in Hermiston, they can make more profit by charging higher rents in other markets.

To highlight why this dynamic is a problem, I always like to set up a hypothetical example of the 22 year old who just graduated from college and got a job teaching in Hermiston. They show up looking for a place to live, and we, as a community basically say, “well, you can buy this \$300,000 house, try to get a subsidized apartment, or rent a house for \$1,800 per month.”

Now, as a single person household earning the starting teacher salary of \$50,000, they don’t come close to qualifying as “low-income” for the purposes of subsidized housing, so that’s not an option. Then, since they’re still in their formative years, without “roots” in the community, they very well may not want to lock in to buying a house right out of the gate; even assuming that they could afford it while paying back whatever student loans they have. So finally, they look at market-rate rentals and realize that they can get the same rents in Tri-Cities and enjoy all the benefits that a larger community affords a young adult. So they end up renting in south Kennewick and commute down every day for work.

Losing that 22 year old to living in Kennewick ends up having a lot of long-term economic impacts for the community if we follow them through a logical life pattern.

Eventually, they will buy a new car from a dealer there, they will get all of their oil changes there and buy their insurance from a local agent there. They will also go out to eat and support all of the restaurants in Tri-Cities using their Hermiston School District salary, to say nothing of all of the other stores that they will support up there with their patronage.

Of course, this person will find a significant other who lives close to them in Tri-Cities and probably works in Tri-Cities. They will eventually get married, and since both spouses now have ties to the Tri-Cities, they will end up buying a home there. This teacher still won’t mind commuting down every day for awhile, but eventually, once the babies start coming, that will get more and more challenging until they eventually leave the Hermiston School District and take a job in Tri-Cities. They will have their kids in Tri-Cities schools, take them to doctors/dentists/etc. there, and buy all of the things that kids need there.

All of this adds up to a massive loss of investment and potential spending in Hermiston.

On the other hand, if we have an “on-ramp” in to the community for the young teacher to begin living here, then eventually all of those things will happen in Hermiston. They’ll meet another teacher, get married, have kids, buy a house, and suddenly just 10 years after they first moved here, they now represent a stable family making \$150,000 per year contributing significantly to the local economy.

This type of situation, when aggregated across dozens of examples per year, really adds up to economic development in the form of jobs to meet the needs of a family, from teachers to nurses, to insurance agents, mechanics, restaurant workers, retail workers, dental hygienists, on and on and on. It all boils down to trying to keep dollars earned locally circulating in the local Hermiston economy, rather than exporting them to Tri-Cities where they’re lost forever.

Our Partner: The Hub Hermiston, LLC

The developer has a large portfolio of similar developments across the pacific northwest, including the “Westgate Apartments” which they constructed in Pendleton about 5 or 6 years ago. Staff feels comfortable with the developer’s track-record and ability to deliver on their commitment.

The Development

The development is proposed for a 12 acre property generally to the northwest of the Diagonal Blvd. and NE 10th intersection. A preliminary site plan which shows the proposed layout is attached to this staff report. The developer intends to build a sustainable mixture of apartment units with varying numbers of bedrooms to meet market demand.

Tie-In to Council Goals

1.7: Attract market-rate rental housing developments to increase middle housing inventory.

1.8: Study incentive options for market-rate rental housing.

Fiscal Information

The approximate total estimated cost of this incentive package is \$1.3 million. While that may sound large on it’s face, it is important to remember the scope, and the market. This covers 276 units, which means the incentive works out to a per-unit cost of \$4,856. Market-wise, many folks probably remember that Morrow County was offering \$5,000 per home incentives dating back to at least 2012; which is equivalent to \$7,000 per unit in today’s dollars. On the other end of the stratosphere, Gilliam County, in May announced a plan to spend \$1.25 million to develop buildable lots for 12 housing units, for an eye-watering taxpayer subsidy of \$104,000 per unit.

How the Estimate Was Reached

Total Valuation- Staff looked at actual property taxes paid for comparable properties in Hermiston, and scaled that up by 276 units to arrive at an estimated total annual property tax bill of \$564,000 per year.

Tax Roll/Buildout Timing- A major variable at play is how quickly the development builds-out and receives certificates of occupancy; thereby placing it on the tax rolls by January 1st, which results in taxes owed by that following November. Based on construction timelines and market

absorption, staff assumed that the full taxable value would not hit the rolls until 2029, following the below anticipated schedule.

| Table 2. % of Estimated Value On Tax Rolls Estimated by Year | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| 5% | 40% | 90% | 100% | 100% | 100% |

Total Taxes Paid- Using the above assumption, staff projects that the development will pay property taxes to the County Assessor approximately as shown below.

| Table 3. Estimated Annual Property Taxes Paid by Year | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| \$28,217 | \$225,738 | \$507,911 | \$564,346 | \$564,346 | \$564,346 |

Taxes Received by Taxing Entities- To be clear, all of funds shown in Table 3 will make their way to all of the existing taxing districts as normal. That includes the City of Hermiston, which receives approximately 29% of all local property taxes.

| Table 4. Estimated City of Hermiston Tax Revenue Received by Year | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| \$8,087 | \$64,699 | \$145,573 | \$161,748 | \$161,748 | \$161,748 |

Estimated Cost Owed to Developer- Combining the amount paid in taxes shown in Table 3, with the incentive schedule shown in Table 1, the estimated amount owed back to the developer is shown below in Table 5.

| Table 5. Estimated Amount Owed to Developer by Year | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| \$28,217 | \$225,738 | \$380,933 | \$282,173 | \$282,173 | \$141,086 |

Net City General Fund Share- In order to cover the cost owed to the developer in Table 5, it is intended to leverage General Fund tax revenues directly attributable to this development, as shown in Table 4. When subtracting Table 4 from Table 5, we are left with an un-funded margin.

Remaining Margin- The remaining margin which must be covered by other City of Hermiston resources. That margin, planned to be covered in large part by Enterprise Zone resources, is shown in Table 6.

| Table 6. Estimated to Be Covered by Other City Resources | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| \$20,130 | \$161,039 | \$235,360 | \$120,425 | \$120,425 | (\$20,662)* |

*City Tax Revenues (table 4) are expected to exceed total cost owed to developer (table 5) in 2031.

Net Costs

Refunded City General Fund Revenue: \$703,603

Other City Resources (Ezone): \$636,717

Total Cost Paid to Developer: \$1,340,320

Liability/Strategy

It is easy to look at 276 housing units, and equate that to 276 more households who will have domestic disputes needing police response, or driving on our streets, using our parks/library/etc., and assert that the City will need that general fund revenue in order to provide those services. However, it is also important to recognize that the City's financial liability scales with that demand for services. The way that this incentive is set up, there is no financial liability if there is no development.

Strategy-wise, this structure is slightly different than a similar program in Pendleton, which got a little more nuanced and gave credit to the developer for units which had yet to be occupied. This structure sets a rigid incentive structure which is agnostic of whether any of the finished units (which they are paying tax on) are actually occupied or not. Therefore, the developer is incentivized not only to build as quickly as possible, but also to fill the units up as quickly as possible. Otherwise, in the Pendleton model, it may be preferable to set an aspirational rent amount and sit on vacant units hoping to set the new market rate. In our model, the developer is incentivized to quickly bring the rents to an affordable market rate in order to fill them as quickly as possible with paying tenants in order to help pay their tax bill.

Alternatives and Recommendation**Alternatives**

1. Approve resolution 2381
2. Reject resolution 2381

Recommended Action/Motion

Motion to approve Resolution 2381

Submitted By:

Mark Morgan

RESOLUTION NO. 2381**A RESOLUTION AUTHORIZING A DEVELOPMENT INCENTIVE AGREEMENT WITH THE HUB HERMISTON, LLC AND AUTHORIZING THE CITY MANAGER TO SIGN ALL NECESSARY DOCUMENTS ON BEHALF OF THE CITY**

WHEREAS, the City of Hermiston (“City”) has a need for market-rate rental properties within the City; and

WHEREAS, the City Council has adopted goals for the City of Hermiston that include attracting market-rate rental housing developments to increase middle housing inventory; and

WHEREAS, The Hub Hermiston, LLC (“Developer”) desires to build market-rate rental properties in the city located at 963 E Diagonal Road (“Property”) and has approached the City of Hermiston and discussed the possibility of incentives to assist in their development; and

WHEREAS, to provide incentive to Developer to build market-rate rentals on the Property, City staff propose a development incentive agreement (“Agreement”) that will reimburse the Developer for a certain amount of property taxes paid on the Property over a six-year period; and

WHEREAS, City staff believe it is in the best interest of the City to approve and execute the Agreement.

NOW, THEREFORE, THE CITY OF HERMISTON RESOLVES AS FOLLOWS:

1. That the attached Development Incentive Agreement with The Hub Hermiston, LLC, is approved and adopted.
2. That the City Manager is authorized to sign the Agreement.
3. That this resolution is effective immediately upon its passage.

PASSED by the Common Council this 14th day of July 2025.

SIGNED by the Mayor this 14th day of July 2025.

David P. McCarthy, COUNCIL PRESIDENT

ATTEST:

Lilly Alarcon-Strong, CMC, CITY RECORDER

DEVELOPMENT INCENTIVE AGREEMENT

THIS DEVELOPMENT INCENTIVE AGREEMENT ("Agreement") is made as of _____, 2025, by and between the CITY OF HERMISTON, an Oregon municipal corporation, the "City" and THE HUB HERMISTON, LLC, an Oregon limited liability company ("Developer"). City and Developer are referred to jointly in this Agreement as "Parties" and individually as a "Party."

RECITALS

WHEREAS, Developer is a development company whose principal has experience in development and construction of housing complexes. Developer proposes to construct an apartment complex of not less than 270 multi-family rental units, in one or more phases, beginning in 2025.

WHEREAS, the City has recognized that there is a need for additional housing development in Hermiston and wishes to support the growth of housing development. The Hermiston City Council reviewed the proposed development and found it to be consistent with the City Council Goal of increasing quality housing in Hermiston.

WHEREAS, housing development within the City benefits the City by enhancement of the taxable tax base.

AGREEMENT

In consideration of the agreements between the Parties set forth herein and for other valuable consideration, including, but not limited to the agreement by City to reimburse Developer for future tax liability for development to occur on the Property, the receipt and adequacy of which are hereby acknowledged, the Parties covenant and agree as follows:

1. Definitions. The following terms have the designated meanings in this Agreement:
 - A. "Agreement" means this Development Incentive Agreement and all Exhibits attached hereto and incorporated herein.
 - B. "City" is defined above.
 - C. "Development" means the construction of an approximately 270-unit market rate apartment complex, including infrastructure, utilities, structures, landscaping and attendant incidentals, to be constructed by Developer, at its expense, on the Property. Developer's preliminary plan for the Development is represented in Exhibit A, attached hereto.
 - D. "Developer" is defined above.
 - E. "Market Rate Apartment Complex" means a multi-family residential rental property where rents are determined by supply and demand in the real estate market, without any governmental subsidies or special assistance.
 - F. "Property" means land located at 963 E Diagonal Blvd, Hermiston, Oregon.

2. Effective date/Term. This Agreement shall be effective (the "Effective Date") upon the execution of this agreement. The term of this Agreement shall be from the Effective Date through the 2032 tax year. If Developer has not commenced construction of the Project within three years of the Effective Date, this Agreement will terminate unless extended by agreement of the Parties, which agreement will not be unreasonably conditioned, withheld or delayed.
3. Use Allowed for Reimbursement. The authorized use for reimbursement by this Agreement is a Market Rate Apartment Complex and accessory structures located on the Property substantially in conformance with Exhibit A. City shall have and exercise no control over the construction of the Development, other than its administrative role. Developer shall insure that the Development shall comply with all applicable zoning and land use requirements for the Property, at its sole expense. Developer shall carry out its construction work on the Development in compliance with all applicable Federal, State, and Local laws, rules, and regulations.
4. Tax Reimbursement. To incentivize Developer to timely complete the Development, City will agree to reimburse a certain percentage of Developer's property tax obligation for its real property taxes to Umatilla County for the tax years 2026, 2027, 2028, 2029, 2030, 2031, and 2032 at the following rates:

A. Property Tax Reimbursement Rate:

| | |
|-------|------|
| 2026: | 100% |
| 2027: | 100% |
| 2028: | 75% |
| 2029: | 50% |
| 2030: | 50% |
| 2031: | 25% |
| 2032: | 0% |

B. Reimbursement Process.

1. Developer shall submit to the City documentation evidencing property tax payments made for the Development, including but not limited to:
 - a. Property tax bills issued by the relevant taxing authority;
 - b. Proof of payment of such property tax bills; and
 - c. Any other documentation reasonably requested by the City to verify the property tax payments.
2. Within 30 days of receipt of complete documentation from the Developer, the City shall review and verify the property tax payments.
3. Upon verification, the City shall reimburse Developer for the verified property tax payments within 60 days.

C. Limitations.

1. The City's reimbursement obligation shall be limited to property taxes directly attributable to the Development.

2. Reimbursement shall not include any penalties, interest, or other charges incurred due to late or incomplete payment of property taxes by developer.

D. Developer's Obligations.

1. Developer shall timely pay all property taxes for the Development when due.
2. Developer shall maintain accurate records of all property tax payments and provide access to such records upon reasonable request by the City.

5. Continuing Effect of Agreement. In the case of any change in regional policy or federal or state law or other change in circumstance which renders compliance with this agreement impossible or unlawful, the parties will attempt to give effect to the remainder of this agreement, but only if such effect does not prejudice the substantial rights of either party under this agreement. If the substantial rights of either party are prejudiced by giving effect to the remainder of this agreement, then the parties shall negotiate in good faith to revise this agreement to give effect to its original intent. If, because of a change in policy, law or circumstance, this agreement fails of its essential purpose then the parties shall be placed into their original position to the extent practical. It is the intent of this agreement to vest development rights and conditions, including but not limited to the permitted uses, density and intensity of uses, infrastructure improvement and fees and charges as set forth in this agreement, notwithstanding any change in local ordinance or policy.

6. Breach/Remedies.

A. Default and Cure. The following shall constitute defaults on the part of a Party:

1. A breach of a material provision of this agreement, whether by action or inaction of a party which continues and is not remedied within sixty days after the other party has given notice specifying the breach; provided that if the non-breaching party reasonably determines that such breach cannot with due diligence be cured within a period of sixty days, the non-breaching party may allow the breaching party a longer period of time to cure the breach, and in such event the breach shall not constitute a default so long as the breaching party diligently proceeds to effect a cure and the cure is accomplished within the longer period of time granted by the non-breaching party; or
2. Any assignment by a party for the benefit of creditors, or adjudication as a bankrupt, or appointment of a receiver, trustee or creditor's committee over a party.

- B. Each party shall have all available remedies at law or in equity, to recover damages and compel the performance of the other party pursuant to this agreement. The rights and remedies afforded under this Agreement are not exclusive and shall be in addition to and cumulative with any and all rights otherwise available at law or in equity. The exercise by either party of any one or more of such remedies shall not

preclude the exercise by it, at the same or different time, of any other such remedy for the same default or breach or any of its remedies for any other default or breach by the other parties, including, without limitation, the right to compel specific performance.

- C. **Additional Remedies.** If Developer is in default, and after notice from City, is unable to cure within the 60 day period provided above, City:
1. may, by written notice, terminate this agreement; and
 2. will be relieved of any further obligation to Developer.

7. **Assignment Provisions.**

A. **No Assignment.**

1. Prior to the completion of the Development, Developer may not assign any of its rights or obligations under this Agreement except to a Developer Entity controlled by Developer or Developer's sole member. Notwithstanding the form of the Developer Entity's structure, Developer's sole member will remain in charge of Developments daily operations.
2. This prohibition will not prevent the granting of easements, licenses or permits to facilitate the development of the Property consistent herewith.
3. **Approved Pre-Completion Transfers.** Notwithstanding Section 8(A)(1), and provided that Developer provides City with copies of all agreements related to a proposed transfer at least ten (10) business days prior to the effective date of the proposed transfer and provides to City any other information reasonably requested by City to determine that such proposed transfer complies with the requirements of this Agreement.
4. Developer shall not be relieved of its obligations under this Agreement by reason of any such permitted transfer unless expressly agreed to in writing by City.

8. **Disposition and Termination.** This agreement will terminate and be of no further effect upon the occurrence of any of the following:

- A. Failure of Developer to commence work on the Project within three years of the effective date.
- B. As otherwise provided in this Agreement.

9. **Indemnification.** Developer agrees to indemnify, defend and hold harmless the City and its officers, agents and employees against all liability, loss and costs arising from actions, suits, claims or demands attributable in whole or in part to the acts or omissions of Developer's officers, agents and employees, in performance of any portion of this agreement. Subject to the Oregon Tort Claims Act, City agrees to indemnify, defend and hold harmless Developer and its officers, agents and employees against all

liability, loss and costs arising from actions, suits, claims or demands attributable in whole or in part to the acts or omissions of City, and City's officers, agents and employees, in performance of any portion of this agreement.

10. Discrimination. Developer, for itself and its successor and assigns, agrees that during the construction of the Project that it 'Will not discriminate against any employee or applicant for employment because of race, color, religion, age, gender, sexual orientation or national origin.
11. Notice. Any notice or communication under this Agreement by either Party to the other shall be deemed given or delivered seventy-two (72) hours after being dispatched by private messenger service, or registered or certified U.S. mail; postage prepaid, return receipt requested, and:

In the case of a notice or communication to Developer, addressed as follows:

The Hub Hermiston, LLC Attn:
Jeffrey Bivens
27375 SW Parkway Ave
Wilsonville, OR 97070

In the case of a notice or communication to the City, addressed as follows:

City Manager
City of Hermiston
180 NE 2nd Street.
Hermiston, OR 97838

or, addressed in such other way in respect to either Party as that Party may, from time to time, designate in writing dispatched as provided in this Section. Notice given in any other manner shall be effective upon receipt by the Party for whom the same is intended.

12. Time of the Essence. Time is of the essence of this Agreement.
13. Merger. None of the provisions of this Agreement are intended to or shall be merged by reason of the Contract of Sale or the conveyance contemplated thereunder of the Property from City to Developer or any successor in interest, and any such conveyance shall not be deemed to affect or impair the provisions and covenants of this Agreement, but shall be deemed made pursuant to this Agreement.
14. Headings. Titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.
15. Waivers. No waiver made by either Party with respect to the performance, or manner or time thereof, of any obligation of the other Party or any condition inuring to its

benefit under this Agreement shall be considered a waiver of any other rights of the Party making the waiver. No waiver by City or Developer of any provision of this Agreement or any breach thereof, shall be of any force or effect unless in writing; and no such waiver shall be construed to be a continuing waiver.

16. Attorney Fees. If a suit, action, arbitration, or other proceeding of any nature whatsoever, including, without limitation, any proceeding under U.S. Bankruptcy Code, is instituted to interpret or enforce any provision of this Agreement, or with respect to any dispute relating to this Agreement, including, without limitation, any action in which a declaration of rights is sought or an action for rescission, the prevailing party shall be entitled to recover from the losing party its reasonable attorney, paralegal, accountant, and other expert fees and all other fees, costs and expenses actually incurred and reasonably necessary in connection therewith, as determined by the judge or arbitrator at trial or arbitration, as the case may be, or on any appeal or review, in addition to all other amounts provided by law. This provision shall cover costs and attorney fees related to or with respect to proceedings in Federal Bankruptcy Courts, including those related to issues unique to bankruptcy law.
17. Choice of Law/Place of Enforcement. This Agreement shall be governed by Oregon law and venue shall be in the Circuit Court of Umatilla County, Oregon. Any action or suit to enforce or construe any provision of this Agreement by any Party shall be brought' in the Circuit Court of the State of Oregon for Umatilla County, or the United States District Court for the District of Oregon in Hermiston, Oregon.
18. Calculation of Time. All periods of time referred to herein shall include Saturdays, Sundays, and legal holidays in the State of Oregon, except that if the last day of any period falls on any Saturday, Sunday or legal holiday, the period shall be extended to include the next day which is not a Saturday, Sunday or legal holiday.
19. Force Majeure. Means causes that are beyond a Party's reasonable control, and without a Party's fault or negligence, including but not limited to acts of God, acts of the public enemy, acts of the government, acts of the other Party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquake, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, materials or supplies in the open market, litigation or arbitration involving a Party or others relating to zoning or other governmental action or inaction pertaining to the Project, delay in the issuance of necessary permits for the Project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar events and/or occurrences beyond the control of such Party. Any time limits contained in this Agreement will be extended by the number of days of any Force Majeure delays.
20. Construction. In construing this Agreement, singular pronouns shall be taken to mean and include the plural and the masculine pronoun shall be taken to mean and include the feminine and the neuter, as the context may require.

21. Severability. If any clause, sentence or any other portion of the terms and conditions of this Agreement becomes illegal, null or void for any reason, the remaining portions will remain in full force and effect to the fullest extent permitted by law.
22. Entire Agreement. This Agreement and the attachments hereto is the entire agreement between the Parties. There are no other oral or written agreements between the Parties with regard to this subject matter. There are no oral or written representations made by either Party, implied or express, other than those contained in this Agreement.
23. Modifications. Any modifications to this Agreement shall be made in writing and executed by both Parties. The Parties recognize that circumstances may change and that it maybe in the interest of both Parties that this Agreement be amended from time to time. For this reason, each of the Parties will reasonably consider changes that may be proposed by the other during effectiveness of this Agreement.
24. Successors and Assigns. The benefits conferred by this Agreement, and the obligations assumed thereunder, shall inure to the benefit of and bind the successors and assigns of the Parties.
25. No Partnership. Nothing contained in this Agreement, or any acts of the Parties hereby shall be deemed or construed by the Parties, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or any association between any of the Parties.
26. Execution in Counterparts; Electronic Transmittal. This document may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Said counterparts may be transmitted by one party to the other by facsimile or electronic mail.

Approved by the Hermiston City Council on _____, 2025.

[SIGNATURE PAGE(S) TO FOLLOW]

I HAVE READ THIS AGREEMENT INCLUDING THE ATTACHMENT(S). I CERTIFY THAT I HAVE THE AUTHORITY TO SIGN AND ENTER INTO THIS AGREEMENT. I UNDERSTAND THIS AGREEMENT AND AGREE TO BE BOUND BY ITS TERMS.

THE HUB HERMISTON, LLC

Signature: _____ Title: _____

Name (print): _____ Date: _____

CITY OF HERMISTON

Signature: _____ Title: _____

Name (print): _____ Date: _____

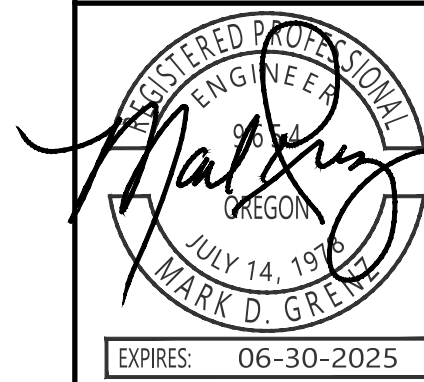
EXHIBIT A

SCOPE OF DEVELOPMENT

NO CHANGES, MODIFICATIONS
OR REPRODUCTIONS TO BE
MADE TO THESE DRAWINGS
WITHOUT WRITTEN
AUTHORIZATION FROM THE
DESIGN ENGINEER.
DIMENSIONS & NOTES TAKE
PRECEDENCE OVER
GRAPHICAL REPRESENTATION.

7497P SDR1-COV

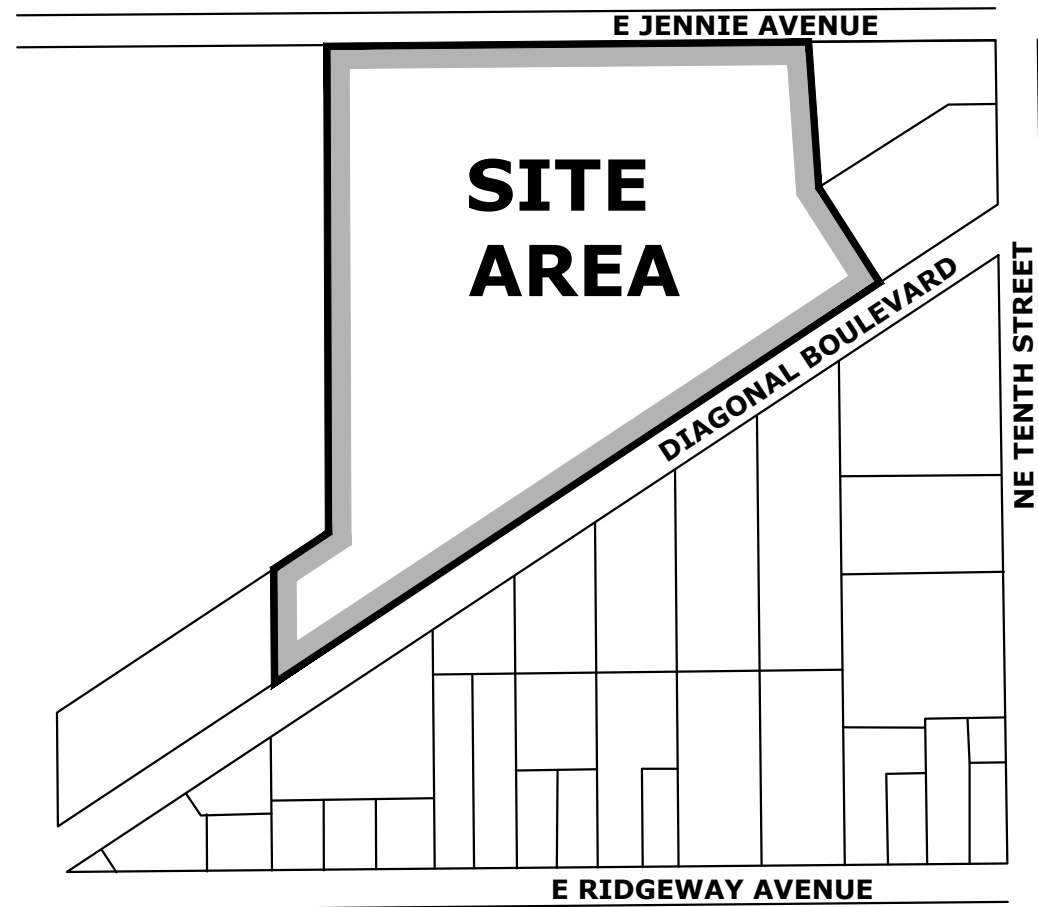
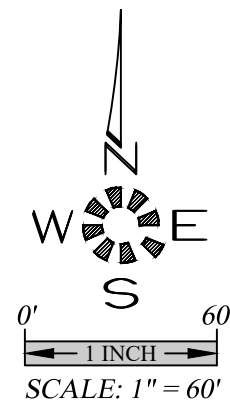
Design: M.D.G.
Drawn: C.F.G.
Checked: J.C.B.
Issue Date: 4/17/25
Scale: AS SHOWN



JOB # 7497

SDR1

THE HUB
SEC. 11, T. 4 S., R. 28 E., W.M.
CITY OF HERMISTON
UMATILLA COUNTY, OREGON
12.07 ACRES



VICINITY MAP

T.B.M. 446.54
SPIKE LOCATED IN SE CORNER OF DIAGONAL
BOULEVARD AND NE TENTH STREET.
NAD83 DATUM

E. JENNIE AVE.

PARCEL 2
1.00 AC

PARCEL 3
2.00 AC

ABBREVIATIONS

| | | | |
|---------------|------------------------|------------------|-----------------------------|
| A.C. | ASPHALTIC CONCRETE | L | LENGTH, LINE |
| ACMP | ALUMINIZED CMP | L.P. | LIGHT POLE |
| ASSY. | ASSEMBLY | M | METER, MAIN |
| B.O. | BLOW OFF | M.H. | MANHOLE |
| B.F.V. | BUTTERFLY VALVE | MTL | METAL |
| C & G | CURB & GUTTER | O.H. | OVERHEAD |
| CATV | CABLE TELEVISION | PC | POINT OF CURVE |
| C.B. | CATCH BASIN | PCC | POINT OF CONTINUING CURVE |
| C.B.C.O. | CATCH BASIN CLEANOUT | PED | PEDESTAL |
| C.B.I. | CATCH BASIN INLET | PRC | POINT OF REVERSE CURVE |
| CCR | COMPACTED CRUSHED ROCK | PROP. | PROPOSED |
| C.L. | CENTERLINE | PT | POINT OF TANGENCY |
| CMP | CORRUGATED METAL PIPE | PUB. | PUBLIC |
| C.O. | CLEANOUT | PUE | PUBLIC UTILITY EASMT. |
| CONC. | CONCRETE | PVC | POLYVINYL CHLORIDE |
| CONST. | CONSTRUCT | PVT. | PRIVATE |
| D.I. | DUCTILE IRON | P.P. | POWER POLE |
| DIA. | DIAMETER | P.L. | PROPERTY LINE |
| DWG. | DRAWING | R | RADIUS |
| EASMT. | EASEMENT | R.O. | RIM |
| E.G. | EXIST. GRADE / GROUND | R.D. | ROOF DRAIN |
| EOP, E.P. | EDGE OF PAVEMENT | R.O.W. | RIGHT-OF-WAY |
| ELEC. | ELECTRIC | SAN.S. or S.S. | SANITARY SEWER |
| ELEV. or EL. | ELEVATION | S | SLOPE |
| EX. or EXIST. | EXISTING | S.Q.F. | STORMWATER QUALITY FACILITY |
| F.D.C. | FIRE DEPT. CONNECTION | STA. | STATION |
| FT. | FEET | STD. | STANDARD |
| F.F. | FINISH FLOOR | STL. | STEEL |
| F.G. | FINISH GRADE | STM.DRN. or S.D. | STORM DRAIN |
| F.H. | FIRE HYDRANT | SVC. | SERVICE |
| F.M. | FORCE MAIN | SW | SIDEWALK |
| GUT. or GTR. | GUTTER | T.C. | TOP OF CURB |
| G.V. | GATE VALVE | TEL | TELEPHONE |
| IMP. | IMPROVEMENT | TYP. | TYPICAL |
| INST. | INSERT | U.G. | UNDERGROUND |
| INV. or I- | INVERT | VLT. | VAULT |
| | | W.M. | WATER MAIN |

SYMBOLS

| EX. | PROP. | EX. | PROP. |
|-----|------------------------|-----|----------------------|
| | BLOW OFF ASSY. | | MANHOLE SAN. SEWER |
| | CATCH BASIN | | MANHOLE STORM DRAIN |
| | CATCH BASIN CLEANOUT | | 2' DIA. C.O. / M.H. |
| | CATCH BASIN CURB INLET | | MANHOLE TELEPHONE |
| | CATV PED. / BOX | | MANHOLE WATER |
| | CLEANOUT | | REDUCER / INCREASER |
| | ELEC. PED. / BOX | | TEL. PED. / BOX |
| | FIRE HYDRANT | | TRAFFIC PED. / BOX |
| | GAS LOCATION MARKER | | UTILITY / POWER POLE |
| | GAS VALVE | | WATER METER |
| | MAIL BOX | | WATER VALVE |

| | |
|--|------------------|
| | CABLE TELEVISION |
| | CENTERLINE |
| | DITCH C.L. |
| | ELECTRICAL LINE |
| | GAS MAIN |
| | TELEPHONE LINE |

| | |
|--|-----------------------|
| | SANITARY SEWER EXIST. |
| | SANITARY SEWER CONST. |
| | STORM DRAIN EXIST. |
| | STORM DRAIN CONST. |
| | WATER MAIN EXIST. |
| | WATER MAIN CONST. |

Owner / Developer:

THE HUB HERMISTON, LLC

27375 SW PARKWAY AVENUE
WILSONVILLE, OREGON 97070

SHEET INDEX

| | |
|-------|-----------------------------|
| SDR1 | COVER SHEET |
| SDR2 | EXISTING CONDITIONS PLAN |
| SDR3A | SITE PLAN |
| SDR3B | SITE PLAN DETAILS |
| SDR3C | PROPOSED ZONING PLAN |
| SDR4 | OPEN SPACE PLAN |
| SDR5 | PRIVATE STORM DRAIN PLAN |
| SDR7 | PRIVATE SANITARY SEWER PLAN |
| SDR8 | PRIVATE DOMESTIC WATER PLAN |
| SDR9 | PRIVATE FIRE SERVICE PLAN |

L1.1 SCHEMATIC LANDSCAPE PLAN

BUILDING 1 (TYPE "D" UNITS)

| | |
|------|---------------------------|
| A1.3 | LOWER FLOOR PLAN |
| A1.4 | MIDDLE & UPPER FLOOR PLAN |
| A1.8 | BUILDING ELEVATIONS |

BUILDING 2 (TYPES "A" & "B" UNITS)

| | |
|------|---------------------|
| A2.3 | LOWER FLOOR PLAN |
| A2.4 | UPPER FLOOR PLAN |
| A2.8 | BUILDING ELEVATIONS |

BUILDING 3 (TYPE "D" UNITS)

| | |
|------|---------------------------|
| A3.3 | LOWER FLOOR PLAN |
| A3.4 | MIDDLE & UPPER FLOOR PLAN |
| A3.8 | BUILDING ELEVATIONS |

BUILDING 4 (TYPES "A" & "B" UNITS)

| | |
|------|---------------------------|
| A4.3 | LOWER FLOOR PLAN |
| A4.4 | MIDDLE & UPPER FLOOR PLAN |
| A4.8 | BUILDING ELEVATIONS |

BUILDING 5 (TYPES "C" & "E" UNITS)

| | |
|------|---------------------|
| A5.3 | LOWER FLOOR PLAN |
| A5.4 | MIDDLE FLOOR PLAN |
| A5.5 | UPPER FLOOR PLAN |
| A5.9 | BUILDING ELEVATIONS |

BUILDING 6 (TYPES "A" & "B" UNITS)

| | |
|------|---------------------------|
| A6.3 | LOWER FLOOR PLAN |
| A6.4 | MIDDLE & UPPER FLOOR PLAN |
| A6.8 | BUILDING ELEVATIONS |

BUILDING 7 (TYPES "C" UNITS)

| | |
|------|---------------------|
| A8.3 | LOWER FLOOR PLAN |
| A8.4 | MIDDLE FLOOR PLAN |
| A8.5 | UPPER FLOOR PLAN |
| A8.9 | BUILDING ELEVATIONS |

BUILDING 8 (RECREATION BUILDING)

| | |
|------|---------------------|
| A7.3 | LOWER FLOOR PLAN |
| A7.6 | BUILDING ELEVATIONS |



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
 For the Meeting of July 14, 2025

Title/Subject

Ordinance 2373 amends the city's annexation procedures in Chapter 150 to reflect streamlined annexation procedures in ORS 222.125

Summary and Background

The City of Hermiston complies with annexation procedures established in ORS Chapter 222. This chapter specifies what requirements are necessary for public hearings on annexation. Some annexations may require an election and others may be subject to referendum upon adoption. The city's procedures are codified in Title XV, Chapter 150 of the Hermiston Code of Ordinances. This chapter requires the city to hold a public hearing on annexation in front of the planning commission to obtain a recommendation on annexation and then hold a second public hearing in front of the city council to make a final decision on annexation. The compliant process generally takes a minimum of 90 days and may cost an applicant upwards of \$2,000 in fees and noticing costs.

A little used provision in ORS 222.125 allows a city to dispense with all required noticing and hearings when 100% of the land owners in an area proposed for annexation and 50% of the resident electors in that territory consent in writing to annexation. A land owner and an elector are not always the same person. A rental house may have an elector separate from the land owner for instance. This requirement to have consent from both land owners and electors narrows the eligibility to utilize this streamlined approach to bare land annexations and single-lot annexations.

The majority of annexations that the city processes are emergency sewer connections to replace failed septic systems. This is one of the instances that would greatly benefit the public as a whole eliminating the costly public hearing publications and time. Failed septic annexations are always single-lot annexations where it is guaranteed to have 100% land owner consent. If the property is a rental, the tenants would have the option to not consent and force the traditional hearings process.

Bare land annexations are the other most common annexation to accommodate new development. In these cases there are no electors but will have 100% land owner consent. Again this streamlined process helps to facilitate more timely residential growth.

Where a change in zoning is proposed prior to annexation, the required public hearings will still be required. Additionally, any change to a map which requires county co-adoption will still require public hearings before the city and county. The statutory process being incorporated into the code allows the city to utilize a more streamlined approach under a narrow set of circumstances where the land is already contiguous to the city limits, properly zoned, and vacant or owner-occupied.

Tie-In to Council Goals

This amendment facilitates council goal 1.7 – *Attract market rate rental housing developments to increase middle housing inventory* by making annexation quicker in a limited set of circumstances. Commercial and industrial development will similarly be facilitated.

Fiscal Information

There is no financial impact from this action. Annexation application fees will still be applicable.

Alternatives and Recommendation

Alternatives

1. Approve Ordinance No. 2373
2. Reject Ordinance No. 2373

Recommended Action/Motion

Staff recommends that the city council approve Ordinance No. 2373.

Submitted By:

Clinton Spencer, Planning Director

ORDINANCE NO. 2373

AN ORDINANCE AMENDING CHAPTER 150 OF THE HERMISTON MUNICIPAL CODE RELATING TO ANNEXATION

WHEREAS, the City of Hermiston Municipal Code (“HMC”) includes Chapter 150 Annexation Procedures; and

WHEREAS, Oregon Revised Statute 221.125 allows for an alternative procedure for annexation within the City that would be beneficial to add to HMC Chapter 150; now therefore

THE CITY OF HERMISTON ORDAINS AS FOLLOWS:

(New language is in red and underlined and repealed language has ~~a line through it.~~)

Section 1. Title XV of the Hermiston Municipal Code is amended by amending Chapter 150 as follows:

150.01 APPLICATION PROCEDURE.

A property owner or the owner’s authorized agent may initiate a request by filing an application with the City Planner using forms prescribed for this purpose. The application shall include a legal description of the property, a plot plan showing any existing improvements thereon and a narrative statement by the owner describing the proposed land use and future development for the property. The owner shall pay a fee as established by the City Council at the time the application is filed.

150.02 LAND USE MATTERS.

Before the City Council may act on an application for annexation, the application shall be reviewed by the Planning Commission for a recommendation as to land use matters consistent with the City Comprehensive Plan.

150.03 PUBLIC HEARINGS ON ANNEXATIONS.

After the City Council has received the Planning Commission’s recommendation as to land use matters consistent with the City Comprehensive Plan and the City Council elects to dispense with submitting the question of the proposed annexation to the electors of the city, the City Council shall fix a day for the public hearing so the electors of the city may appear and be heard on the question of annexation.

150.04 PUBLIC NOTICE.

In addition to any other public notice required by law, notice of the public hearing shall be published in a newspaper of general circulation once each week for two successive weeks prior to the hearing date and notices of the hearing shall be posted in four public places in the city for a like period.

150.05 CRITERIA.

After its public hearing and receipt of the recommendation from the Planning Commission, the City Council shall ensure the application meets the following criteria:

- (A) The proposal is consistent with all applicable state annexation law requirements.
- (B) The property is contained within the urban portion of the Urban Growth Boundary (UGB) as identified in the Comprehensive Plan.
- (C) The proposed zoning is consistent with the underlying Comprehensive Plan land use designations.
- (D) Finding of fact is developed in support or denial of the application.
- (E) All city services can be extended readily and the property owner(s) is willing to bear costs associated with extensions of sewer, water and roads except for major facilities - sewer pump station or major water main - necessary to facilitate later growth.

150.06 ANNEXATION BY CONSENT OF ALL OWNERS OF LAND AND MAJORITY OF ELECTORS

When all of the owners of land in that territory and not less than 50 percent of the electors, if any, residing in the territory consent in writing to the annexation of the land in the territory and file a statement of their consent with the City Council., the application for annexation need not go before the Planning Commission as otherwise required under HMC 150.02 and the City Council need not call or hold an election in the city or in any contiguous territory proposed to be annexed or hold the hearing otherwise required under HMC 150.03. Upon receiving written consent to annexation by owners and electors under this section, the City Council, by resolution or ordinance, may set the final boundaries of the area to be annexed by a legal description and proclaim the annexation.

~~150.06~~ 07 OFFICIAL ACTION; RETAINED AUTHORITY.

- (A) The City Council shall pass all necessary resolutions or ordinances required by state statutes after approval of the application.

(B) The City Council hereby retains its authority under ORS Chapter [222](#).

Section 2. All other provisions of the Hermiston Municipal Code remain unchanged and in full effect.

Section 3. The City Recorder is hereby authorized to correct any scrivener's errors and to conform the revisions to the Hermiston Municipal Code with appropriate numbering.

Section 4. This ordinance shall take effect on the 30th day after its adoption.

ADOPTED by the Common Council this 14th day of July 2025.

SIGNED by the Mayor this 14th day of July 2025.

David P. McCarthy, Council President

ATTEST:

Lilly Alarcon-Strong, CMC City Recorder



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
 For the Meeting of July 14, 2025

Title/Subject

July 2025 Council Goal Update

Summary and Background

On January 23-24, 2025, the City Council met together with city staff in the City's annual goal setting session.

Attached is a table with each goal and a current status for each item. I will review in the meeting.

Tie-In to Council Goals

Fiscal Information

N/A

Alternatives and Recommendation

Informational Only

Submitted By:

Byron D. Smith

Hermiston City Council Goals 2025

| 2040 Vision Goal Area | Focus Area | Action | Council Prioritization | Project Lead | Timeline (1-2 years, 3-4 years, 5+) | Status |
|--|---|--|------------------------|--|-------------------------------------|---|
| 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 | Economic Development: Expand, strengthen, and diversify the local economy | 1.1 Examine the expansion of the Urban Growth Boundary (UGB) for commercial and industrial lands | 2 | Planning/City Manager's Office | 2 years | Submission ready for Dept. of Land Conservation and Development. Process to complete by end of 2025. |
| | | 1.2 Evaluate retail business mix and pursue areas of need | 8 | Planning/City Manager's Office | 2 years | Nothing New. |
| | Transportation: Improve mobility and transportation | 1.3 Complete Transportation System Plan Update (will include sidewalks) | 5 | Planning/City Manager's Office | 1-2 years | Consultants under contract. Advisory committee selected. Process underway. |
| | | 1.4 Prioritize sidewalk installation supporting student/ pedestrian travel | 6 | City Manager's Office | 1 year | Incorporated into upcoming work plans. |
| | | 1.5 Evaluate personal transportation options | 9 | City Manager's Office | 1 year | Taxi company contract adjusted and awarded. City Ordinance adjusted to allow ride-sharing companies to operate within the City. |
| | | 1.6 Implement the grant for safe streets for all | 7 | Planning/City Manager's Office | 1-2 years | City has applied for funding to build all of the priorities listed in the Safe Streets Plan. |
| | Housing: Increase senior, workforce, and affordable housing, market rate rentals, and prevent people from becoming unhoused | 1.7 Attract market-rate rental housing developments to increase middle housing inventory | 1 | Planning/City Manager's Office | 1-2 years | Proposal on July 14 agenda to offer a tax incentive to a developer for developing ~300 new market rate apartment units. |
| | | 1.8 Study incentive options for market-rate rental housing | 3 | Planning/City Manager's Office | 1-2 years | Ongoing |
| | | 1.9 Continue to fund infrastructure improvements to support new housing and enhance livability | 4 | Planning/City Manager's Office | Ongoing | Always looking for infrastructure projects and partnerships that will encourage development in the City. |
| Safe + Healthy | | | | | | |
| 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 | Wellness: a healthy community | 2.1 Complete the feasibility analysis of the HAWC + determine next steps with partnerships and securing land | 2 | Parks and Recreation/City Manager's Office | 1 year | Currently in Process |
| | Public Safety: Improve traffic safety and align public safety resources with community needs | 2.2 Complete street light study | 4 | HES/Planning/City Manager's Office | 1-2 years | Currently in Process |
| | | 2.3 Evaluate + address security of parks + trails | 1 | Parks and Recreation/City Manager's Office | 1-2 years | Currently in Process |
| | | 2.4 Evaluate and possibly implement red light photo enforcements along Hwy 395 | 3 | Police/City Attorney | 1 year | Traffic study is completed and final application to ODOT is being drafted. |

Hermiston City Council Goals 2025

| 2040 Vision Goal Area | Focus Area | Action | Council Prioritization | Project Lead | Timeline (1-2 years, 3-4 years, 5+) | Status |
|---|---|--|---------------------------|-----------------------|---|--|
| Sustainable | | | | | | |
| 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 | City Facilities: Public facilities that meet the community needs of today and the future | 3.1 Conduct public engagement to identify use scenarios, evaluate all options, and finalize plan for Carnegie Building | 8 | City Manager's Office | 1 -2 years | Civic Leadership Academy developed recommendations. Plan is being drafted. \$1.0 million has been awarded through Rep. Smith |
| | | 3.2 Complete Public Library renovation | 3 | City Manager/Library | 1 -2 years | Under construction. Tentative reopening in Fall 2025. |
| | | 3.3 Finalize water allocation for EOTEC | 6 | City Manager/EOTEC | 1-2 years | New possibilities in process for permanent irrigation water. |
| | | 3.4 Reinitiate broadband infrastructure discussion | 5 | City Manager's Office | 1 year | RFP under development to solicit costs to develop infrastructure in both the Cities of Hermiston and Umatilla. |
| | | 3.5 Complete public safety center renovation | 1 | City Manager/Police | 2 years | Under construction. Tentative reopening in Winter 2026. |
| | Fiscal: Maintain service levels, strengthen internal operations to support sustainability, accountability, and transparency | 3.6 Evaluate use of Community TRT + harkenrider contribution | 4 | City Manager/Finance | 1 year | Initial review completed with 2025 budget process. |
| | | 3.7 Develop five-year financial plan to support sustainable staffing and operations | 2 | City Manager/Finance | 1-2 years | Currently in Process |
| | | 3.8 Evaluate new digital records management/ retention | 7 | City Manager's Office | 1-2 years | Project evaluation to be initiated in the Fall 2025 |
| Connected + Engaged | | | | | | |
| 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 | Community Engagement: Improve engagement and connection with the community | 4.1 Explore Expansion of engagement education partners to develop and implement youth engagement plan to increase understanding of and involvement with City | 3 | City Manager's Office | 1 -2 years | Plans in place to enhance the Youth Advisory Committee and explore adding city related items in the high school curriculum. |
| | | 4.2 Develop a communication and engagement plan identifying goals and metrics | 1 | City Manager's Office | 1 year | RFP under development to solicit firms to develop this plan. |
| | Good governance: Evaluate core governing documents and processes | 4.3 Conduct charter review | 2 | City Manager's Office | 1 year | Process started at the July 14, 2025 work session |
| | | 4.4 Re-examine Council Committees, Boards + Advisory group structure | 4 | City Manager's Office | 1 year | Process completed |