



CITY COUNCIL

AGENDA

MONDAY, JULY 10, 2023

COUNCIL CHAMBERS- 180 NE 2ND ST

Where Life is Sweet

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

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

- 1. CALL REGULAR MEETING TO ORDER – 7:00 PM**
- 2. DECLARATION OF QUORUM**
- 3. FLAG SALUTE**
- 4. PROCLAMATIONS, PRESENTATIONS AND RECOGNITIONS**
 - A. Presentation- Hermiston School District Updates
 - B. Presentation- Police Department Budget
- 5. CITIZEN INPUT ON NON-AGENDA ITEMS**

Anyone wishing to bring anything before the council that is not on the agenda is asked to please do the following: 1. Please limit comments to not more than FIVE minutes; 2. State your name and address; 3. Direct your comments to the Chair.
- 6. CONSENT AGENDA**
 - A.** Award Funding through the Transient Room Tax (TRT) Recreation Projects Grants.
 - B.** Committee Vacancy Announcements
 - C.** Committee Re-Appointment Confirmation of Jennifer Roberts for: EOTEC Advisory Committee Position #4- term ending 06/30/2026
 - D.** Committee Appointment Confirmation of Drexlyn Bailey for: EOTEC Advisory Committee Position #3- term ending 06/30/2026
 - E.** Minutes of the June 12, 2023 Public Infrastructure Meeting.
 - F.** Minutes of the June 26th City Council Work Session and Regular Meeting

7. ITEMS REMOVED FROM CONSENT AGENDA

8. PUBLIC HEARINGS

- [A.](#) Consider the formation of the North Hermiston Urban Renewal Area (NURA).

9. ORDINANCES AND RESOLUTIONS

- [A.](#) Resolution 2283- Establishing “No Parking” on East Fourth Street from Main Street to the alleyways on both the North and South.

10. OTHER

- [A.](#) 4th Quarter FY2023 Investment Report
- [B.](#) 2nd Quarter 2023 Council Goal Update

11. COMMITTEE REPORTS

- A.** City Committee and Liaison:

Airport Advisory, Budget, Hispanic Advisory, Library Board, Parks and Recreation, Planning Commission, Recreation Projects Fund, Faith-Based Advisory, Community Accountability, Public Safety, Public Infrastructure, Transit Planning, EOTEC, Stepping Stones Alliance (not a City Committee)

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

12. 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.



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of July 10, 2023

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 20, 2023 to review eight proposals submitted for the 2023-24 allocation. Present at the meeting were Committee members Val Hoxie, Jeffrey Kelso, James Whalley, Roy Barron, and Helen Nevin; staff present was Brandon Artz and Kelly Schwirse. Budgeted in FY 23/24 for distribution is \$65,000 and the total application amount was \$72,338. Total amount in the TRT/Tourism reserve account is \$230,000 with a budgeted proposed revenue of \$72,000 for 23/24. 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 2023/2024 is \$65,000.
- 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 mins 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 Grants process usually involves a single committee recommendation. In May, the Grant RFPs were made public, giving applicants a one-month period to submit their

Fiscal Information

The Recreation Projects Funds project is identified in the 2023/2024 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



PUBLIC ANNOUNCEMENT

The City is accepting applications for the following Committees:

1) Planning Commission

- Position 5: 3-year term ending March, 31, 2026 (Vacant as of 06/15/2023)

2) Faith-Based Advisory Committee

- Position 5: 3-year term ending December 31, 2025 (Advertised as of 11/02/2022)

3) Hispanic Advisory Committee

- Position 2: 3-year term ending June 30, 2026 (Advertised as of 04/11/2023)

4) Library Board

- Position 5: 4-year term ending June 30, 2027 (Advertised as of 04/11/2023)

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.or.us . Application forms are available at City Hall or on the City’s website at <https://hermiston.or.us/volunteer> . If you have questions, please call Lilly Alarcon-Strong at 541-567-5521.

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

Mayor Drotzmann called the meeting to order at 5:00pm. Councilors Hardin and Linton were present. Councilor Peterson was excused. City staff in attendance included: City Manager Smith (exited at 5:15pm), Assistant City Manager Mark Morgan, Street Superintendent Ron Sivey, Wastewater Superintendent Bill Schmittle, Water Superintendent Roy Bicknell, and Planning Assistant Heather La Beau. Anderson Perry engineers Joshua Lott and Jay Marlow were in attendance. Introductions were made.

Assistant City Manager Morgan updated attendees on the following:

Regional Water System Expansion- Phase 1 of the regional water system improvements are to serve the Amazon data centers and consists of constructing a new line in Feedville Rd from 1st to Kelli Blvd and up E Penney Ave, ultimately the line will tie into the potable city line. The cost of the improvements is being paid for entirely by Amazon. The existing line previously carried raw river water to irrigate OSU extension land and will now be chlorinated and transition to potable water to serve the data center campus for their cooling needs. Phase 2 improvements, also paid for by Amazon, will construct a new non-potable line from Hwy 207 and Feedville Road to Kelli Blvd and up to E Penney Ave, and upgrades at the river pumps. The potable lines will then be available for use to tie into another area of the city system. An additional potable water and a sewer line are being installed along the property frontages of both campuses.

Non-Contact Cooling Water System Startup Date- Discharge water lines are being installed for both campuses and will be piped to the Hermiston Irrigation District for use by farmers. This is still in the design phase and will be paid for by Amazon. It is not sewer water and will not be going to the treatment plan. An agreement will need to be developed for the costs associated with the city managing the service and maintenance of the line and lift station.

Prairie Meadows Utility System Design- Currently working through the financing portion through DEQ and the IFA.

N 1st Place Construction- The sewer line is being installed late June, then the water main replacement will begin and will be completed in the fall. The roadway should be paved by the end of October. Staff continues to work with ODOT for improvements at the W Elm Ave and N 1st Place intersection.

E Penney Ave Construction- Paving should begin by the end of the month.

Highland Avenue Overlay- The project includes grinding and repaving the travel lanes from 1st to 11th on W Highland Ave. The project is currently out for bid and should be completed sometime in July.

Well #5 Upgrade- The upgrades include installing a main and upgrading pumps and motors in the well. The piping of the drain ditch is a separate project.

Well #6 Chlorination Structure- An entire new structure is being built to house the chlorination system. This project is in the design phase.

Well #4 Control Systems- The well control systems are out of date and being replaced.

Lift #3- This project is almost closed out.

McDonald's and Highway 395- This sewer main project requires an easement and there is an issue with who has authority to grant the easement for one of the properties. The condemnation process will begin soon.

Lift #4 Reconstruction- Replacing the sewer lift station on the west side of town is proposed for this fiscal year.

SW 11th St Sidewalk and RRFB- This is ODOT project will install sidewalk and curb from the Orchard Ave extending to the existing sidewalk near SW 11th St, and the installation of a push button rapid flashing crosswalk. ODOT is paying for the project.

RRFB at Butte Park- A flashing beacon will be installed on W Elm Ave on the north side of Butte Park. The contract has been awarded to Nelson Construction and should be completed this summer.

Discussion on:

NE 4th St & E Main St Parking- There are challenges with left turning onto E Main St. After reviewing traffic counts it was determined that during peak hour the intersection is nearing capacity if there are no further changes. Loops in the asphalt have failed and the signal is now on a timer. ODOT maintains the signal. Increased traffic is anticipated with the additional residential housing being built on the east side of town. A left turn lane for south bound traffic east onto main will be added and the through lane moved over slightly. On the south side, lane configuration will change to have a left turn only lane and the through lane will move with the right turn lane. The changes will eliminate multiple on-street parking spaces.

Backflow Testing- State law requires backflow devices be tested annually by a certified inspector. The Oregon Health Authority oversees the City's compliance. The City is working to increase compliance rates with those that have devices and increase the number of properties that have the devices.

Lead/Copper Program- The City has until Oct 2024 to comply with Federal EPA requirements to inventory all the copper and lead piping both before and after the meter for water connections. This mostly affects older homes.

Industrial Pre-Treatment Program- The City is required to implement a program now that the number of industrial users to the wastewater system has increased. The program will need to be monitored and customers audited to ensure compliance. A fee will need to be in place to cover the costs associated with the program.

Fats, Oils & Greases (FOG) Program- Solidified FOGs in the wastewater system creates significant problems. A program will need to be created and customers who discharge large amounts of FOGs will need to be monitored.

Geer & Harper Realignment- Two possible options for realignment

- Weave through the utility poles on Geer Road
- Acquire ROW from the Medelez property

Staff was encouraged to move forward with the project.

Adjourn

Mayor Drotzmann adjourned the meeting at 6:00pm.



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CITY COUNCIL

Work Session Meeting Minutes June 26, 2023

Council President Primmer called the regular meeting to order at 6:00pm. Present were Councilors Barron, Duron, Linton (arrived at 6:01pm), Hardin, McCarthy, and Peterson. Mayor Drotzmann and Councilor Myers were excused. In attendance was City Staff to include: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey, Finance Director Mark Krawczyk, Chief Edmiston, Planning Director Clint Spencer, and City Recorder Lilly Alarcon-Strong. Student Advisor Julissa Gonzalez-Mendoza was also in attendance.

Transient Room Tax & Airport

Assistant City Manager Morgan presented information and answered Council questions regarding the Municipal Airport and Transient Lodging Taxes AKA Transient Room Tax (TRT) (PowerPoint Presentation attached), to include: Airport history, facility and ground leases, revenues and expenses, current and future airport projections and uses, what and how a TRT is and works, area TRT comparable, TRT revenues and allocations, and the potential options for the future of both the TRT and Airport.

Adjournment

Council President Primmer adjourned the work session meeting at 6:52pm and stated the Council will take a short break before starting the regular City Council meeting at 7:00pm.

DRAFT



Airport History

- 1945: Land (260ac) bought from SID by Chamber of Commerce
 - **\$3/ac (\$780)**
- 1956: City Deeded Airport to State
- 1959: State Deeded Area "Around" Runway back to City
- 1961: City Deeded area back to State
- 1965: State Deeds back to City minus 500' from runway
- 1973: Entire Airport Deeded back to City



Airport History

- 1945: 2,600' dirt runway
- 1950: Runway graveled
- 1959: Runway & Taxiway paved
- 1965: Hermiston Voters Approve Bond to support Airport
- 1976: Runway extended to 4,000'
- 1991: Runway extended to 4,500'





HERMISTON OREGON **Airport Hard* Net Revenue**

	2015	2016	2017	2018	2019	2020	2021	2022
Fuel Revenue	\$ 156,837	\$ 106,658	\$ 109,001	\$ 160,406	\$ 154,343	\$ 133,739	\$ 135,440	\$ 179,759
Lease Revenue	\$ 53,563	\$ 72,352	\$ 73,286	\$ 64,716	\$ 66,781	\$ 48,798	\$ 84,507	\$ 59,361
Expense	\$ (241,925)	\$ (218,375)	\$ (165,093)	\$ (245,173)	\$ (261,517)	\$ (261,531)	\$ (329,203)	\$ (265,733)
City Taxpayer Subsidy	\$ (31,525)	\$ (39,365)	\$ 17,194	\$ (20,051)	\$ (40,393)	\$ (78,994)	\$ (109,256)	\$ (26,613)
Avg. Annual Subsidy	\$ (41,125)							

*Does Not Include Overhead

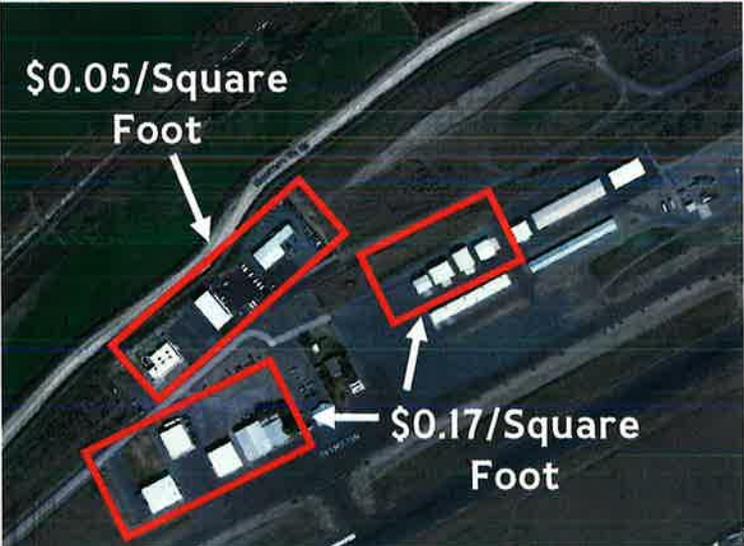


Airport Revenue

- Lease Revenue
 - **“Ground Lease”**
 - **Facility Leases**
- Fuel Sales Revenue
 - **100LL: Small Aircraft**
 - **Jet-A: Jet Fuel**



“Ground Leases”



\$0.05/SF = \$43,500ac over 20 years

\$0.17/SF = \$148,000ac over 20 years



“Facility Leases”



- 18 Enclosed T Hangars
- 10 Covered Shelters
- 1 “Box Hangar”
- 1 Home (3bd, 2ba)



Fuel Sales



- City-Owned
- Avg. Profit*: \$30,000
- Annual Gal.: 20k-25k
- Profit Targets:
 - \$0.75/gal- 100LL
 - \$1.25/gal- Jet-A

*Materials Only. Does not include cost of \$350K Fueling System.



Airport Expenses

- Materials & Services
- Day to Day Capital Improvements
- Core Mission Capital Improvements



Materials & Services

• Wholesale Fuel Purchases:	\$ Varies	~50% of Expenses
• Airport Manager (full cost):	\$85,000	34% of Expenses
• Liability Insurance:	\$18,789	8% of Expenses
• Power/Gas/Internet:	\$15,413	6% of Expenses
• Weeds/General Maintenance:	\$4,798	~2% of Expenses





“Day to Day” Capital

- \$15,000 to \$25,000 Per Year
 - **Electric Security Gate Repair**
 - **Terminal Building Furnace**
 - **Fuel Island Cardlock System Replacement**
 - **Lighted Wind Sock**
 - **Etc.**



“Core Mission” Capital

- \$15,000 to \$100,000 per Year
- Leverage FAA & ODA Grant Funding
 - **Taxiway Rebuild- \$4M Gross**
 - **Apron Rebuild- \$3M Gross**

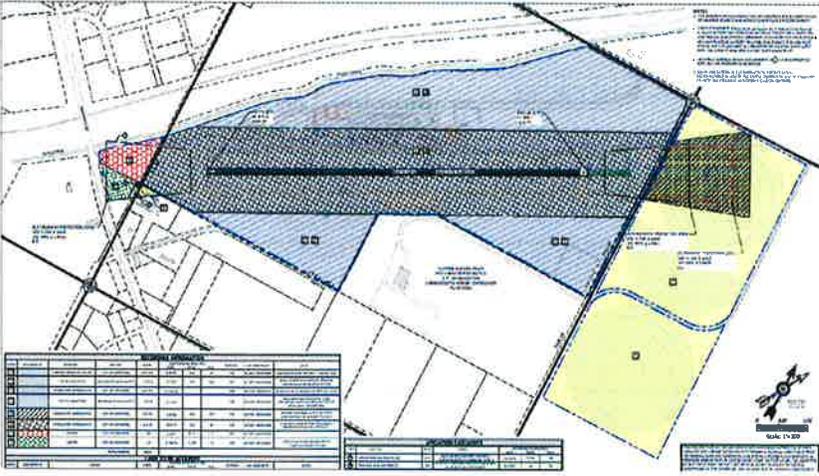




Future Plans

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Ott Road & 140 acre Farmland



- FAA Pays 90%
 - **\$3M**
- City Pays 10%
 - **\$300K**
- City Leases Long Term
 - **\$30k - \$50k / YR**



Replace "Open T" Hangars



Not Popular (Open Spaces)
Wait List on Enclosed T's

Replace with Enclosed:
Federal BIL Funds (\$950K)
Local Match (\$95K)

Annual Net Profit: \$20K



Fee Review & Options

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2021 Statewide Rates & Charges



2021 Oregon Airports
Statewide Rates and Charges Survey

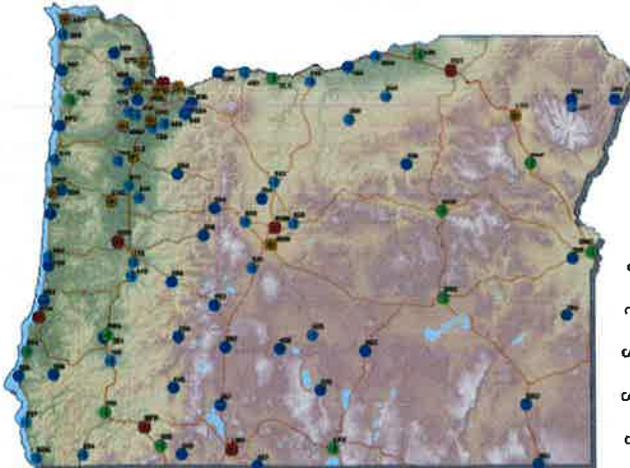
- Statewide Facility Rental Rates
- Statewide Ground Lease Rates
- Statewide Nightly Tie-Down Fees
- Statewide "Fuel Flowage Fees"

Funded by:  Prepared by: 



Airports Not All Created Equal

MAP OF OREGON'S PUBLIC USE AIRPORTS



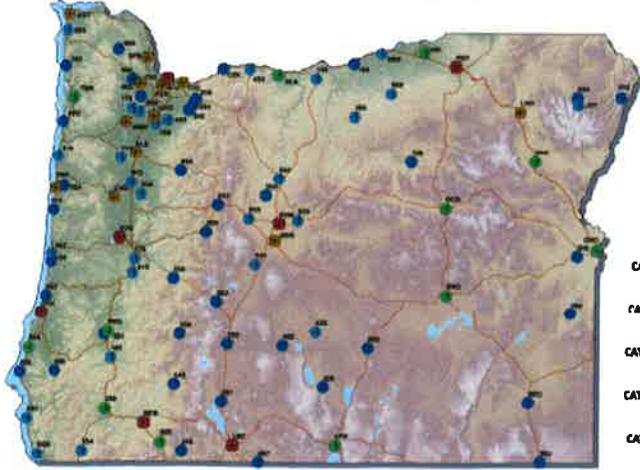
- CATEGORY I 
- CATEGORY II 
- CATEGORY III 
- CATEGORY IV 
- CATEGORY V 

Regional General Aviation:
Support most twin- and single-engine aircraft and may accommodate occasional business jet operations. These airports support regional transportation needs with a large and often sparsely populated service area. The minimum runway length objective is 4,000 feet



Category III Airports

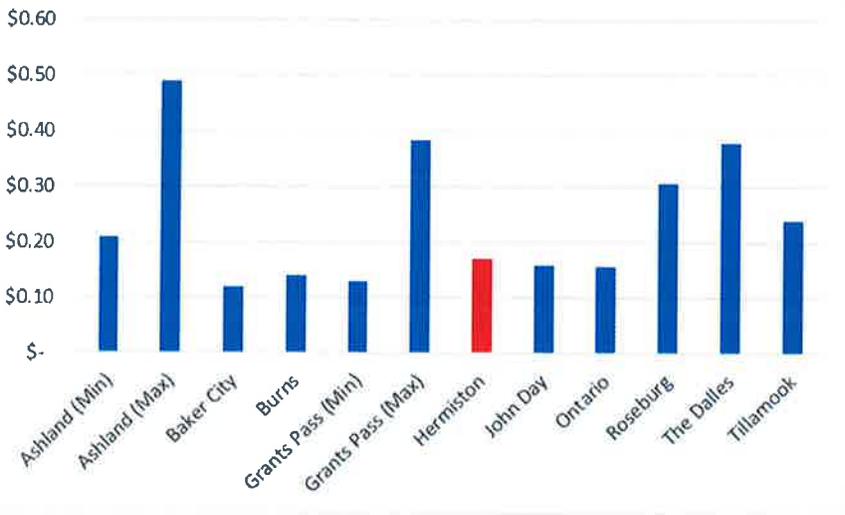
MAP OF OREGON'S PUBLIC USE AIRPORTS



- Ashland
- Baker City
- Burns
- Grants Pass
- **Hermiston**
- John Day
- Ontario
- Roseburg
- The Dalles
- Tillamook



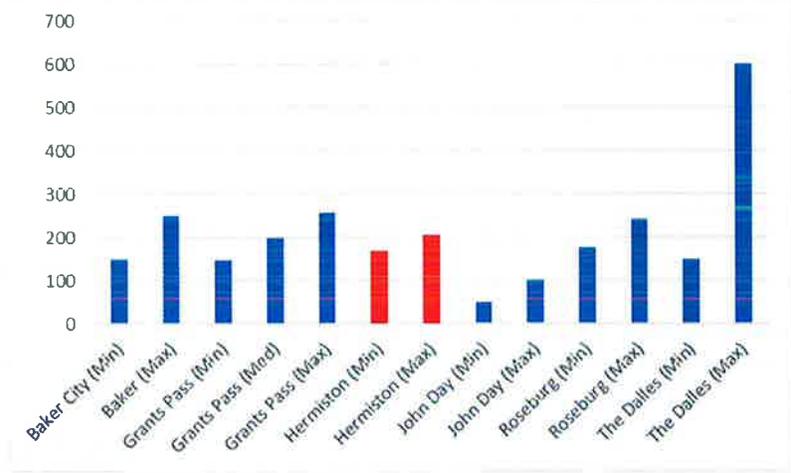
Hangar Ground Leases



- Market Size
- Utility Availability



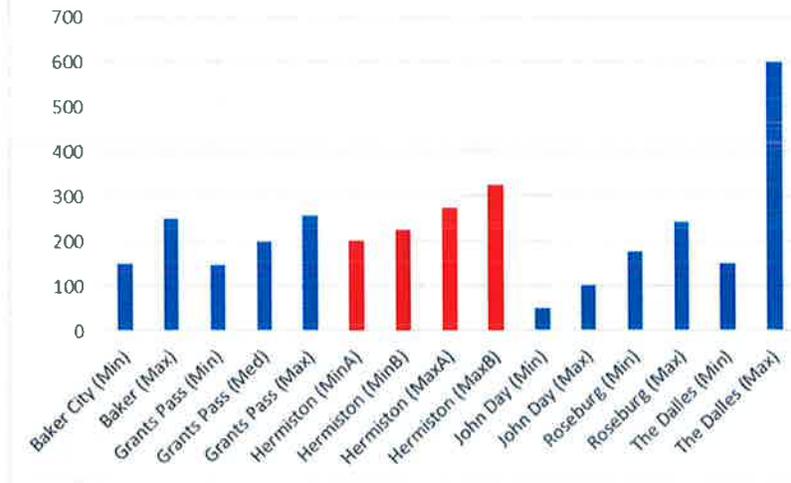
T-Hangar Rent



- Market Size
- Hangar Size/Configuration
- Current Hermiston
 - \$170/mo
 - \$205/mo



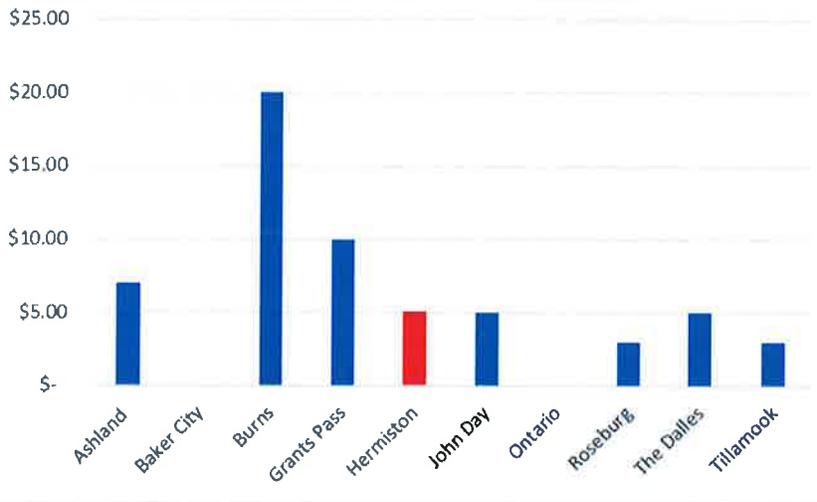
T-Hangar Rent



- 2024 Hermiston
 - \$170/mo → \$200
 - \$205/mo → \$225
 - \$275/mo → New T's
 - \$325/mo → New T's



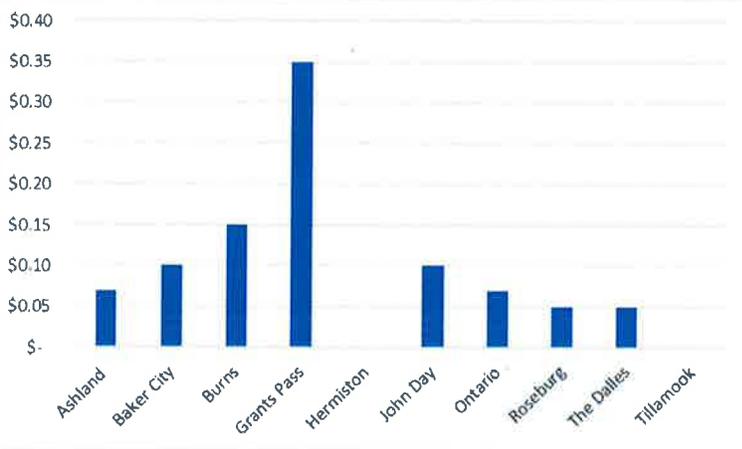
Nightly Tie-Down Fees



- Very Minimal
- Often Waived for Fuel Purchase



Fuel Flowage per Gallon



- **City Owned Fuel**
 - \$0.05 → \$1,000/yr
 - \$0.10 → \$2,000/yr
- **Ag Spray Pilots**
 - \$500 - \$1,000 / yr?
- **Commercial License**
 - \$1,000/yr





Revenue Adjustments Recap

- Ground Leases Competitive: Keep Pace & Consider Split Rate
- T-Hangars: Actively Increasing
- Tie-Downs Competitive: Very Minimal up-side
- Fuel Flowage
 - **City Keeps Profit from City Sales**
 - **Ag Pilots covered by "Commercial Operator" Fee**



Cost Allocation Moving Forward

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Re-Cap Costs

- Average Annual City Taxpayer Hard Subsidy: \$41,000

- Estimated "Soft" Local Subsidy: \$30,000
 - 10% Asst. City Manager
 - 10% Financial Clerk
 - City Manager, Finance Director, Attorney, etc.

- **Total All-In Cost to City of Hermiston:** **\$71,000**



Re-Cap Revenue Projections

- New 140ac Farm Rent Long Term: \$30,000/yr
 - 10yr ROI with 10% FAA Land Acquisition Match

- New Hangars & Rent Adjust Net Long-Term Profit: \$26,000/yr
 - 6yr ROI with 10% FAA match of \$1.1M Project

- **Long-Term New Annual Revenue:** **\$56,000/yr**



Projected Net Subsidy Required

- **2023-2029**
 - (\$41,000)- Hard
 - (\$71,000)- Total
- **2030 – 2034**
 - (\$15,000)- Hard
 - (\$45,000)- Total
- **2035 – Future**
 - \$15,000- Hard →
 - (\$15,000)- Total

FAA Grant Assurances

#24- Airport Shall Charge Fees to Make the Facility as self-sustaining as possible.

#25- All Airport Revenue must be spent supporting the airport.



Airport Fund vs. General Fund

- **General Fund**
 - Easily show Net-Subsidy of Airport Over Time
 - Allows GF to easily absorb year-to-year swings (fuel prices, etc.)
 - Can't easily track overhead costs
 - Net drain on GF Resources
- **Airport Fund**
 - Susceptible to short and long term cash crunch
 - Fully dedicate overhead costs to Airport Fund
 - Full segregation of Airport Revenues/Expenses
 - Better allocate cost of Regional Asset to Regional Taxpayers





Who Uses the Airport?

- Crop Dusters protecting regional Ag Economy
 - Pendleton ← → Boardman
 - Heppner ← → Tri-Cities
- UPS: 3-4 flights per day
 - Regional package delivery
- Corporate Jets
 - 3 Mile Canyon Farms
 - RDO Equipment

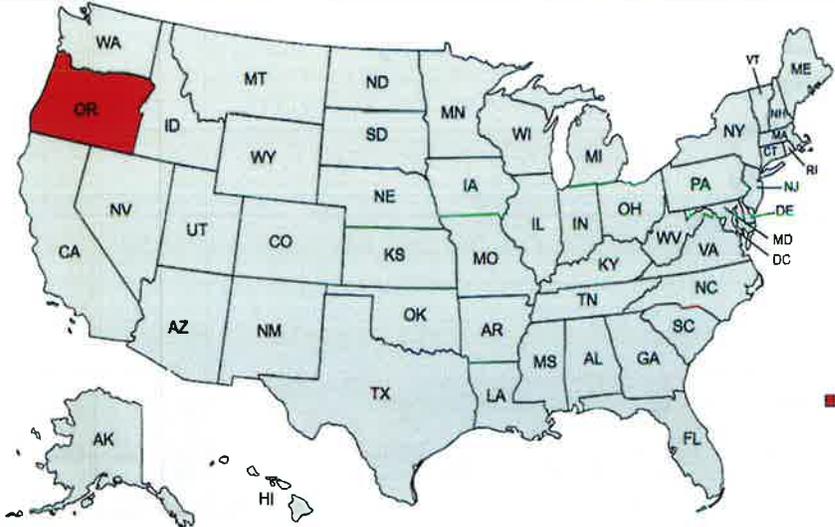


Who Uses the Airport?

- Life Flight
 - Fixed-Wing transports
- Washington Aircraft Certification
 - Evading 8% sales tax
- General Aviation
 - 42 Based Aircraft



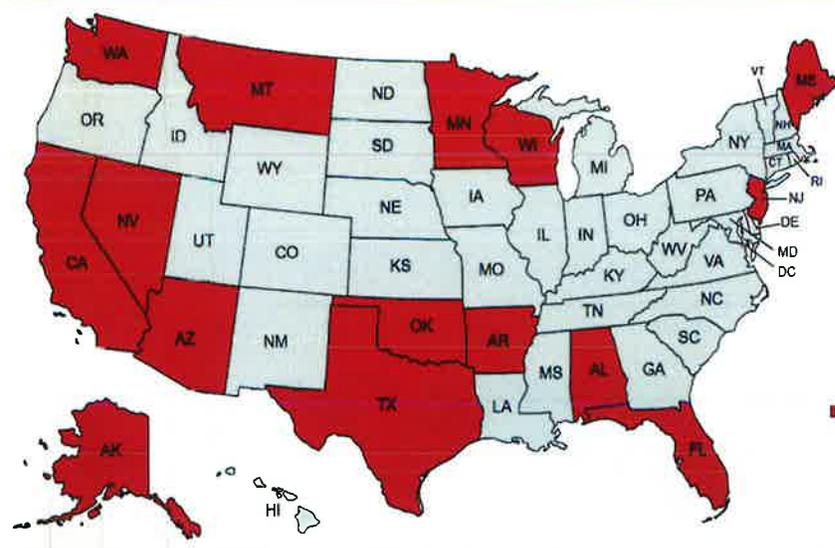
Hermiston Airport Fuel Sales- May '23



- 27% of Fuel Sales to Credit Cards with Oregon Zip Codes



Hermiston Airport Fuel Sales- May '23



- 73% of Fuel Sales to Credit Cards with Zip Codes from these states





Transient Lodging Taxes

June 26, 2023



Tax 'other people'

Tax reform means, "Don't tax you, don't tax me. Tax that fellow behind the tree."

— Russell B. Long —



HERMISTON OREGON What is Hermiston's TLT?

- Transient Room Tax (TRT)
 - **8% of Room Rent**
 - **Room Rent: \$100**
 - **TRT: \$8**
 - **Total Room Cost: \$108**
- Tourism Promotion Assessment (TPA)
 - **\$2/Room Per Night (hotels)**
 - **\$1/Space Per Night (RV Parks)**



HERMISTON OREGON Combined TLT as Percentage

Tax	\$50/night	\$100/night	\$150/night	\$200/night
TRT	\$4	\$8	\$12	\$16
TPA	\$2	\$2	\$2	\$2
Total Tax \$	\$6	\$10	\$14	\$18
Total Tax %	12%	10%	9.3%	9.0%



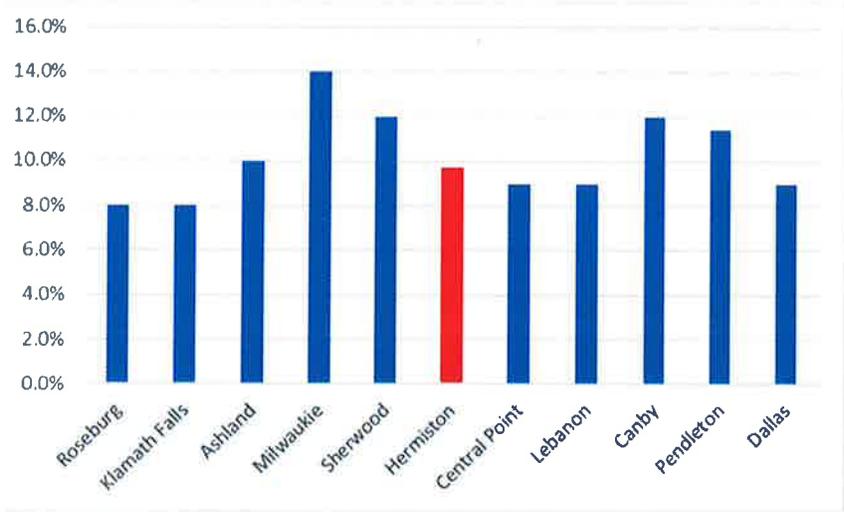
Hermiston's Total Average TLT: 9.8%

Hotel Stay in Hermiston			
	Rate*	TLT Total \$	TLT Total %
Oxford Suites	\$ 132.00	\$ 12.56	9.5%
Travelodge	\$ 81.00	\$ 8.48	10.5%
Holiday Inn	\$ 157.00	\$ 14.56	9.3%
Best Western	\$ 158.00	\$ 14.64	9.3%
OYO	\$ 88.00	\$ 9.04	10.3%
Motel 6	\$ 87.00	\$ 8.96	10.3%
Average	\$117.17	\$ 11.37	9.8%

*July 10-11, 2023
 Source: Expedia.com



Total TLT Comps



- \$117.17 Room
- Source: <https://www.travelstats.com/tlt/oregon>



HERMISTON OREGON State TLT Sideboards

- 2003- Local TLT usage % Frozen
- 70/30 Split- 70% of NEW TLT must go towards “tourism”
- 70/30 Split- 30% of NEW TLT may go toward other services



HERMISTON OREGON Questions?

- What is “Tourism Promotion” or a “Tourism-Related Facility”?
 - **What qualifies in Hermiston?**
- What was Hermiston’s TLT Distribution in 2003?



“Tourism Promotion”

- (7) “Tourism promotion ” means any of the following activities:
 - (a) Advertising, publicizing or distributing information for the purpose of attracting and welcoming tourists;
 - (b) Conducting strategic planning and research necessary to stimulate future tourism development;
 - (c) Operating tourism promotion agencies; and
 - (d) Marketing special events and festivals designed to attract tourists.



“Tourism-related facility”

- (9) “Tourism-related facility ” means:
 - (a) A conference center, convention center or visitor information center; and
 - (b) Other improved real property that has a useful life of 10 or more years and has a substantial purpose of supporting tourism or accommodating tourist activities.



“Tourism Promotion”

- (10) “Tourist” means a person who, for business, pleasure, recreation or participation in events related to the arts, heritage or culture, travels from the community in which that person is a resident to a different community that is separate, distinct from and unrelated to the person’s community of residence, and that trip:
 - (a) Requires the person to travel more than 50 miles from the community of residence; or
 - (b) Includes an overnight stay.



Hermiston’s 2003 TLT

- TRT = 8% Room Rent Breakdown
 - 37.5%- Aquatic Center Bonds
 - 28.13%- Community Center Operation
 - 15.62%- General Fund (Economic Dev., Taxi Program, etc.)
 - 9.375%- Recreation Programming
 - 9.375%- Park Development



 **Hermiston's 2003 TLT**

- TRT = 8% Room Rent Breakdown
 - **37.5%- Aquatic Center Bonds**
 - **28.13%- Community Center Operation**
 - 15.62%- General Fund
 - 9.375%- Recreation Programming
 - 9.375%- Park Development



 **Hermiston's 2003 TLT**

- TRT = 8% Room Rent Breakdown
 - **37.5%- Aquatic Center Bonds**
 - **28.13%- Community Center Operation**

 - **65.63%- "Tourism Related"**
 - **34.37%- Available for General Use**



Hermiston's 2023 TLT

- TRT- 8% Room Rent Breakdown
 - 37.5%- Aquatic Center Bonds
 - 25%- Community Center & EOTEC Operations
 - 15%- General Fund (Econ. Dev., Taxi, etc.)
 - 9%- Recreation Programming
 - 9%- Park Development
 - 3%- Chamber of Commerce ("Visitor's Information")
 - 1.5%- Aquatic Center Maintenance



2023 Hermiston's TPA

- Flat Fee Per Room Per Night
 - \$1 & \$0.50: Adopted 2013
 - \$2 & \$1: Adopted 2016
- 50%- EOTEC Promotion
- 50%- EOTEC Capital Construction





FY22 Total TLT Revenue

- TRT- \$811,172
- TPA- \$255,683
- Total- \$1,066,855



FY22 Total TLT Allocations

TRT		TPA	
• Pool Bonds-	\$304,000	• EOTEC Promo-	\$128,000
• CC & EOTEC-	\$203,000	• EOTEC Capital-	\$128,000
• Gen Fund-	\$121,000		
• Rec-	\$73,000		
• Park-	\$73,000		
• Chamber-	\$24,000		
• Pool Maint-	\$12,000		



 **FY22 TLT "Tourism" %**

Collected		Allocated to "Tourism"	
• TRT-	\$811,172	• TRT-	\$543,000
• <u>TPA-</u>	<u>\$255,683</u>	• <u>TPA-</u>	<u>\$255,683</u>
• Total-	\$1,066,855	• Total-	\$798,683



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• TRT-	\$811,172	• TRT-	\$543,000
• <u>TPA-</u>	<u>\$255,683</u>	• <u>TPA-</u>	<u>\$255,683</u>
• Total-	\$1,066,855	• Total-	\$798,683

**74.8% Current
Allocated to "Tourism"**





State TLT Sideboards

- 2003- Local TLT usage % Frozen
- 70/30 Split- 70% of NEW TLT must go towards "tourism"
- 70/30 Split- 30% of NEW TLT may go toward other services

- 100% of NEW TLT since 2003 goes to Tourism
 - **TPA = EOTEC Promotion & Capital**



Approximate Revenue Potential

TRT %	RAW \$ Increase
8%	\$0
9%	\$100,000
10%	\$200,000
11%	\$300,000
12%	\$400,000





70/30 Split for Increase Since '03

TRT %	'23 TRT Increase	'16 TPA	New Tourism \$	New General Fund \$
8%	\$0	\$255,000	\$0	\$0
9%	\$100,000	\$255,000	\$0	\$100,000
10%	\$200,000	\$255,000	\$63,500	\$136,500
11%	\$300,000	\$255,000	\$133,500	\$166,500
12%	\$400,000	\$255,000	\$203,500	\$196,500



Potential Options

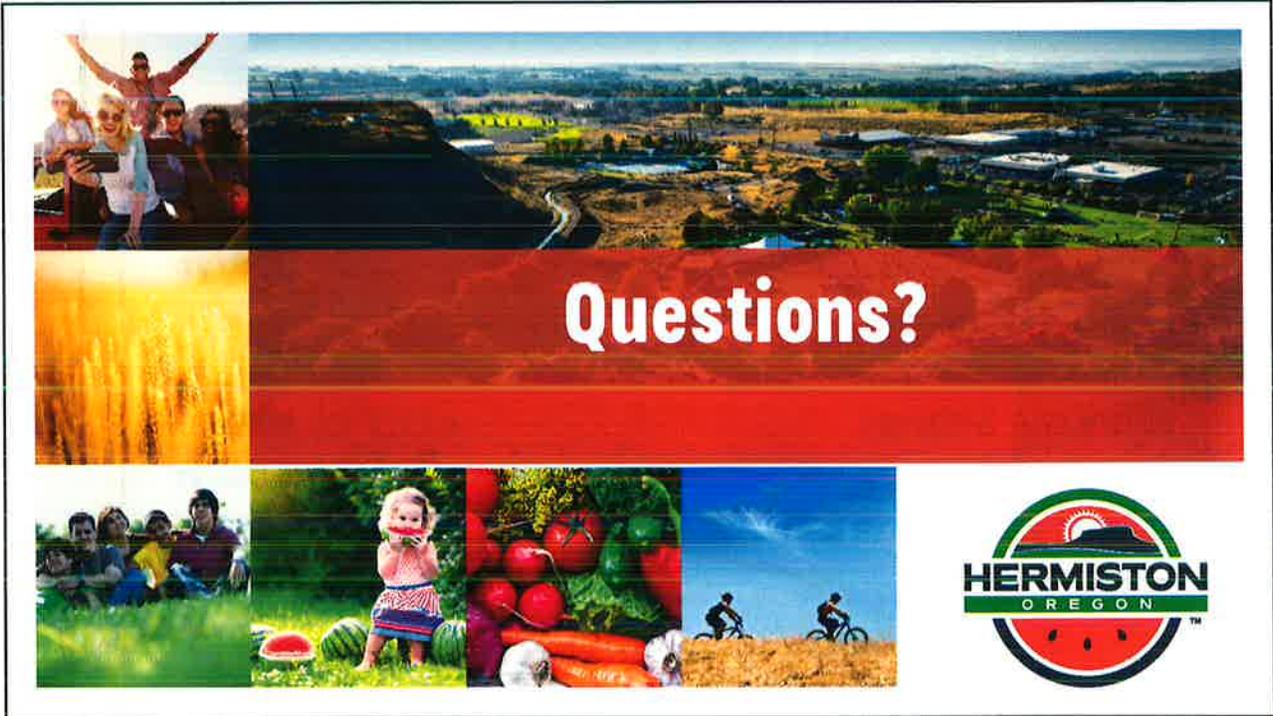
- Airport Subsidy
• **\$71,000/yr**
- TRT to 9%
• **\$100,000/yr**
- Airport Subsidy
• **\$71,000/yr**
- TRT to 10%
• **\$200,000/yr**
- Gen Fund Subsidy
• **\$129,000/yr**



Airport Fund + TRT for Airport

- Guarantees Airport Revenue stays at Airport
- Guarantees Airport Sustainable Revenue to Remain Independent
- Removes \$71,000/yr burden from City Taxpayers alone







CITY COUNCIL

Regular Meeting Minutes June 26, 2023

Council President Primmer called the regular meeting to order at 7:00pm. Present were Councilors Barron, Duron, Linton, Hardin, McCarthy, and Peterson. Mayor Drotzmann and Councilor Myers were excused. In attendance was City Staff to include: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey, Finance Director Mark Krawczyk, Chief Edmiston, Planning Director Clint Spencer, Court Administrator Jillian Viles, and City Recorder Lilly Alarcon-Strong. Student Advisor Julissa Gonzalez-Mendoza was also in attendance. The pledge of allegiance was given.

Citizen Input on Non-Agenda Items

None Given.

Consent Agenda Items

Councilor Duron moved and Councilor McCarthy seconded to approve Consent Agenda items A-I, to include:

- A. Committee Vacancy Announcements
- B. Committee Re-Appointment Confirmation of Mark Gomolski for: Hispanic Advisory Committee Position #1- term ending 06/30/2027
- C. Committee Appointment Confirmation of Albert Munoz for: Hispanic Advisory Committee Position #5- term ending 06/30/2025
- D. Committee Re-Appointment Recommendation of Jennifer Roberts for: EOTEC Advisory Committee Position #4- term ending 06/30/2026
- E. Committee Appointment Recommendation of Drexlyn Bailey for: EOTEC Advisory Committee Position #3- term ending 06/30/2026
- F. Minutes of the May 8th Public Safety Committee Meeting
- G. Minutes of the June 12th City Council and HURA Meeting
- H. Final Plat- Highland Meadows Phase 2 4N2814AA TL 102- 942 E Highland Ave
- I. Final Plat- View Wood Estates Phase 1 4N2814AD TL 902- 920 E View Drive

Motion carried unanimously.

Public Hearing- Exemption from Public Contracting Competitive Bidding Requirement (Construction Manager/General Contractor) – Downtown Projects (See Resolution 2285)- Hearing no conflicts of interest from the Council, City Manager Smith read the hearing guidelines and Council President Primmer opened the hearing at 7:03pm.

City Manager Smith and Scott Rogers, Project Executive for Wenaha Group, gave information regarding the proposed exemption from public contracting to an available alternative method referred to as Construction Manager/General Contractor (CMGC), reviewed the Findings of Fact as supplied in the agenda packet, and answered questions from the Council.

Public Testimony

Neutral

Ryan Severs, Hermiston- Asked if Scott Rogers is the Project Manager and if he would be the liaison between the contractor and City.



CITY COUNCIL

Regular Meeting Minutes June 26, 2023

Mr. Rogers stated he is the Project Executive and would be the liaison between the contractor, architect, and City

There were no proponents or opponents present who wished to give public testimony and the hearing was closed at 7:20pm.

Councilor Hardin moved and Councilor Peterson seconded to approve the Findings of Fact as presented. Motion carried unanimously.

Resolution No. 2281- Awarding a contract for the Highland Avenue Overlay Project.

Assistant City Manager Morgan presented information regarding awarding the Highland Ave Overlay Project to Granite Construction.

After further discuss, Councilor McCarthy moved and Councilor Duron seconded to adopt Resolution No. 2281 and lay upon the record. Motion carried unanimously.

Resolution No. 2282 - A resolution supporting submission of a grant application to the State of Oregon TGM program for modernization of the Hermiston Transportation System Plan. - City Manager Smith explained the grant application process to help fund the updates needed for the Transportation System Plan.

After further discussion, Councilor Linton moved and Councilor McCarthy seconded to adopt Resolutions. 2282 and lay upon the record. Motion carried unanimously.

Resolution No. 2283- Establishing "No Parking" on East Fourth Street from Main Street to the alleyways on both the North and South. - Assistant City Manager Mark Morgan gave information regarding the proposed street changes to accommodate the increased traffic in this area.

Public Comment

Michael Dunn, Hermiston- stated he is against the proposed street changes as it would remove the only parking areas for his home as he lives in the residence by the car wash that has been discussed.

Slade Smith, Hermiston- Stated he understands changes are necessary to accommodate growth but would like the Council to install angled parking in other areas if the three parking spaces near his business are to be removed and suggested that the city consider planning for long-term downtown parking lot options as well.

Ryan Servers, Hermiston- Asked that the Council consider not allowing left turns in this area instead of making the other recommended no parking changes.

Phillip Spicerkuhn, Hermiston- stated he is against the proposed street changes as it would remove much needed parking for all businesses who operate in the downtown, including his, and parking in this area provides a safety buffer between vehicles and pedestrians.



CITY COUNCIL

Regular Meeting Minutes
June 26, 2023

After further discussion, Councilor Hardin moved and Councilor Duron seconded to table Resolution No. 2283 until further study of additional parking options and safety statistics can be obtained and presented. Motion carried unanimously.

Resolution No. 2284- Award Design Contract for Library, Harkenrider Center, City Hall Projects – Hacker Architects City Manager Smith gave information regarding awarding the design contract to Hacker Architects for downtown projects.

After further discussion, Councilor McCarthy moved and Councilor Peterson seconded to adopt Resolution No. 2284 and lay upon the record. Motion carried unanimously.

Resolution No. 2285- - Authorize Alternative Procurement Method (Construction Manager/General Contractor) – Downtown Projects (Public Hearing)- City Manager Smith stated this item was discussed during the Public Hearing.

After further discussion, Councilor Barron moved and Councilor Hardin seconded to adopt Resolution No. 2285 and lay upon the record. Motion carried unanimously.

Authorizes a Lease/Option Agreement with Kayak Public Transit on “Lot 7” at the Airport for the purposes of facilitating construction of a Bus Barn.- Assistant City Manager Morgan gave information regarding authorizing an agreement with Kayak Public Transit to lease approximately 1 acre of light-industrial land located on Airport Way to potentially construct a bus maintenance and storage facility.

After further discussion, Councilor McCarthy moved and Councilor Hardin seconded to approve the lease as presented. Motion carried unanimously.

Renew a Transportation Services Agreement with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) for the Hermiston HART Bus Route.- Assistant City Manager Morgan gave information regarding renewal of the transportation agreement with the Confederated Tribes of the Umatilla Indian Reservation to continue to provide the HART intra-city bus route

After further discussion, Councilor Linton moved and Councilor Duron seconded to renew the Transportation Services Agreement with the Confederated Tribes of the Umatilla Indian Reservation for the Hermiston HART Bus Route. Motion carried unanimously.

May 2023 Financial Report

Councilor McCarthy moved and Councilor Hardin seconded to accept the May 2023 Financial Report as presented by Finance Director Mark Krawczyk. Motion carried unanimously.

Committee Reports

Recreation Projects Fund Advisory Committee- Councilor Barron stated the Committee met, heard presentations from various non-profit organizations, and are recommending awarding various amounts of TRT



CITY COUNCIL

Regular Meeting Minutes June 26, 2023

funds to applicants, including the Cinco de Mayo Organization who submitted a late application, for the Council to review and approve.

Council President’s Report

Council President Primmer stated for many years the City had placed American flags throughout Hermiston’s downtown and other areas during specific times of the year but has not seen that happen this year.

Assistant City Manager Morgan stated the City had previously contracted with Boy Scouts to provide this service but this has changed to the Hermiston High School. He will follow up with the point of contact from the High School for this service.

Council Reports

Councilor Harding asked what the City’s plan was for the 4th of July.

City Manager Smith and Councilor McCarthy gave information regarding events at the Aquatic Center, Butte Park, and Firework show.

Councilor Duron thanked the UCFD1 for their efforts to contain the fire on Highway 730.

Councilor Barron thanked Made to Thrive for all they do for people throughout the Community.

Councilor Linton also thanked UCFD1 for their efforts on Highway 730 and all those who participated in the Juneteenth event including Council Myers for her support attending the event.

Youth Advisory Report

Youth Advisor Julissa Gonzalez-Mendoza gave information regarding various activities and volunteer opportunities available for students throughout the community that are involved in school clubs and encouraged youth to participate in these activities for personal growth and development.

City Manager’s Report

None given.

Adjourn City Council Meeting

Council President Primmer adjourned the City Council Meeting at 8:35pm as there was no other City business.

SIGNED:

Doug Primmer, Council President

ATTEST:

Lilly Alarcon-Strong, City Recorder



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of July 10, 2023

Title/Subject

A public hearing is scheduled to consider the formation of the North Hermiston Urban Renewal Area (NURA).

Summary and Background

On March 13, 2023, the city council accepted the feasibility report for the proposed new urban renewal area in the north portion of the city between Elm Ave and Theater Lane. After accepting the report, the council directed staff to prepare an urban renewal plan for this area. The report is now complete and a public hearing on the proposed new area is required.

Attached to this staff report are both the urban renewal report which details the financial impacts of the urban renewal district formation and administration, and the urban renewal plan which is focused on the physical projects within the urban renewal area. The plan has been prepared by a consulting team made up of representatives from Elaine Howard Consulting, Johnson Economics, and city staff. The plan is prepared according to the requirements for urban renewal plans in ORS Chapter 457.

The underlying reasoning for the North Hermiston Urban Renewal Area is to address blighted lots, encourage redevelopment, alleviate congestion on N First St (Highway 395), and improve water infrastructure. The existing transportation network in the NURA is inefficient and hampers future development. By providing new transportation connections, the transportation network will be safer and more efficient and development parcels will be created to allow for new development to occur within NURA. The construction of a new looping water line will also allow for new development capacity within the NURA. Council is being asked to hold a hearing on July 10, 2023, to gain input regarding the Council’s consideration and potential adoption of the proposed North Hermiston Urban Renewal Plan (Plan) and to vote on the ordinance to adopt the Plan at the July 24, 2023, meeting.

Urban Renewal is not a new tax but reallocates existing tax revenues which are collected above the “frozen” tax base in place at the time of district formation. Urban Renewal diverts the tax revenues from new development within the area to the Urban Renewal Agency, rather than allowing them to go to existing districts, like the City, County, etc. That revenue is what is used to pay for projects and programs in the NURA Plan. In order to front-load these projects and stimulate development capable of paying for itself, staff proposes to borrow up to \$5

million to install the necessary streets and utilities. In which case, the subsequent revenue would predominantly be aimed at paying off that debt.

It is anticipated that the Plan will take sixteen years of tax increment collections to implement. The maximum amount of indebtedness that may be issued for the Plan is not to exceed \$5,000,000 (Five Million dollars). Detailed financial analysis is in the Report Accompanying the North Hermiston Urban Renewal Plan (Report).

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

The draft report includes a section on Revenue Sharing, which is a new requirement since the downtown Urban Renewal Area was created in 2013. Under the revenue sharing requirements, the new urban renewal district will only collect 100% of the tax increment until its assessed value reaches a set proportion of the maximum indebtedness for the area, at which point, the tax increment begins to be shared with other taxing entities. The revenue estimates in the plan demonstrate that existing taxing districts begin receiving revenue in 2034. This means there would be nine years where the NURA receives all the new revenue and existing entities receive zero.

Finally, it is important to note that Urban Renewal only applies to permanent tax rates, not bonds. Therefore, new development that is facilitated by installing the necessary infrastructure, will be paying for the school and fire district bonds.

The financial forecast in the plan is very conservative, estimating a 3% assessed value growth from existing development and the known proposed development. The Area has the capacity to repay the city loan over the sixteen-year timeframe given these financial projections.

Notice to citizens of consideration of an ordinance was given via the city's utility billings. Notice was also placed on the City of Hermiston website.

The process for approval has included the following steps, in accordance with ORS 457.

1. Preparation of a Plan including opportunity for citizen involvement.
2. Agency review of the proposed Plan and accompanying Report on May 22, 2023.
3. Forwarding a copy of the proposed Plan and the Report to the governing body of each taxing district. The formal taxing districts letters were sent out on May 23, 2023.
4. Review and recommendation by the Hermiston Planning Commission. The Planning Commission reviewed the Plan on June 12, 2023 and voted that the Plan conformed to the Hermiston Comprehensive Plan.
5. Presentation of the Plan to the Umatilla County Commission in a briefing on June 21, 2023.
6. Notice to all citizens of Hermiston of a hearing before the City Council via municipal utility billing.

7. Hearing by Hermiston City Council and adoption of the proposed Plan accompanying Report by a non-emergency ordinance. The hearing will be held on July 10, 2023, and the ordinance reading and vote by City Council will occur on July 24, 2023. The ordinance must be a non-emergency ordinance, which means that the ordinance does not take effect until 30 days after its approval and during that period of time may be referred to Hermiston voters if a sufficient number of signatures are obtained on a referral petition.
8. Following adoption of the urban renewal ordinance, a notice of adoption will be published. The plan will be forwarded to Umatilla County for recording and filing with the county assessor.

Tie-In to Council Goals

The plan and urban renewal projects are intended to facilitate general economic development in Hermiston, specifically increasing retail and commercial opportunities. Improving mobility and transportation is also a council goal.

Fiscal Information

The maximum indebtedness for the district, meaning all that may be spent or borrowed for projects is \$5,000,000. It is anticipated that this amount will be borrowed early in the life of the district and then repaid in the out years using tax increment revenue. The complete financial impacts are described in detail on pages 7-14 of the attached urban renewal report.

Alternatives and Recommendation

Alternatives

The city council may choose to:

- Adopt the North Hermiston Urban Renewal Plan and Report
- Reject the North Hermiston Urban Renewal Plan and Report and stop formation of the new district

Recommended Action/Motion

1. Review and discuss the proposed North Hermiston Urban Renewal Plan.
2. Conduct public hearing and take testimony on the Plan.
3. Motion to direct staff to prepare an ordinance to adopt the Urban Renewal Plan and Report for adoption at the July 24 city council meeting.

Submitted By:

Clinton Spencer, Urban Renewal Director

North Hermiston Urban Renewal Plan



Where Life is Sweet

Adopted by the City of Hermiston

Date

Ordinance No. _____

If Amendments are made to the Plan, the Resolution or Ordinance Number and date will be listed here. The amendment will be incorporated into the Plan and noted through a footnote.

List of Participants

Mayor

Dr. David Drotzmann

City Council

Jackie M. Linton, Ward 1
Roy N. Barron, Ward 2
Jackie C. Myers, Ward 3
David P. McCarthy, Ward 4
Maria E. Duron, at large
Rod S. Hardin, at large
Nancy R. Peterson, at large
Doug Primmer, at large, Council President

Hermiston Urban Renewal Agency

Dr. David Drotzmann
Jackie M. Linton
Roy N. Barron
Jackie C. Myers
David P. McCarthy
Maria E. Duron
Rod S. Hardin
Nancy R. Peterson
Doug Primmer

Planning Commission

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

City Manager

Byron Smith

Economic Development/Assistant City Manager

Mark Morgan

Planning Director

Clinton Spencer

Finance Director

Mark Krawczyk

Consulting Team

Elaine Howard Consulting, LLC

Elaine Howard
Scott Vanden Bos

Johnson Economics

Jerry Johnson
Brendan Buckley

DRAFT

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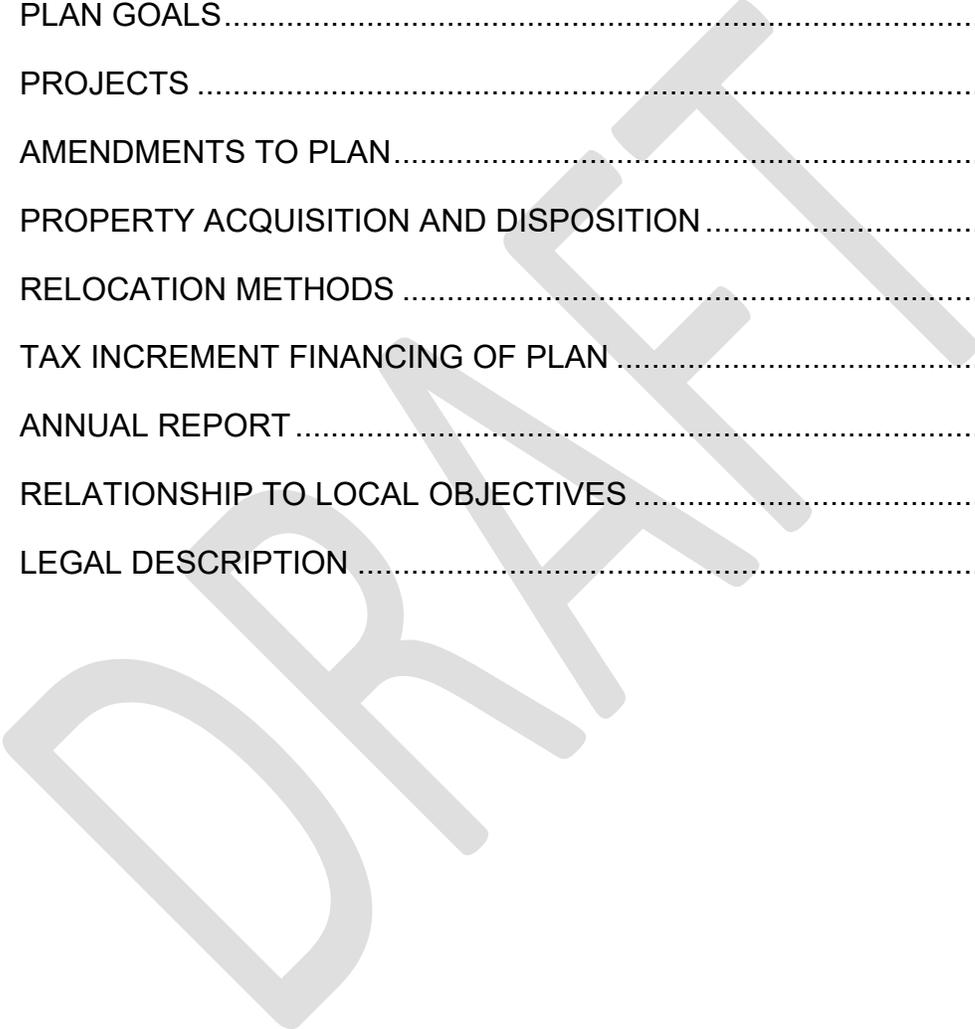
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I. DEFINITIONS

“Agency” is the Hermiston Urban Renewal Agency created under ORS 457.035 and 457.045.

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

“City” means the City of Hermiston, Oregon.

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

“Comprehensive Plan” means the City of Hermiston Comprehensive Plan and its implementing ordinances, policies, and standards.

“County” means Umatilla County, Oregon.

“District” means the properties and rights-of-way located within the North Hermiston Urban Renewal District.

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

“HURA” is the Hermiston Urban Renewal Agency.

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

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

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

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

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

“Plan Area” means a blighted area included in the North Hermiston Urban Renewal Plan under ORS 457.010.

“Planning Commission” means the Hermiston Planning Commission.

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

“Report Accompanying North Hermiston Urban Renewal Plan” or “Report” means the official report that accompanies the North Hermiston Urban Renewal Plan pursuant to ORS 457.087.

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

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

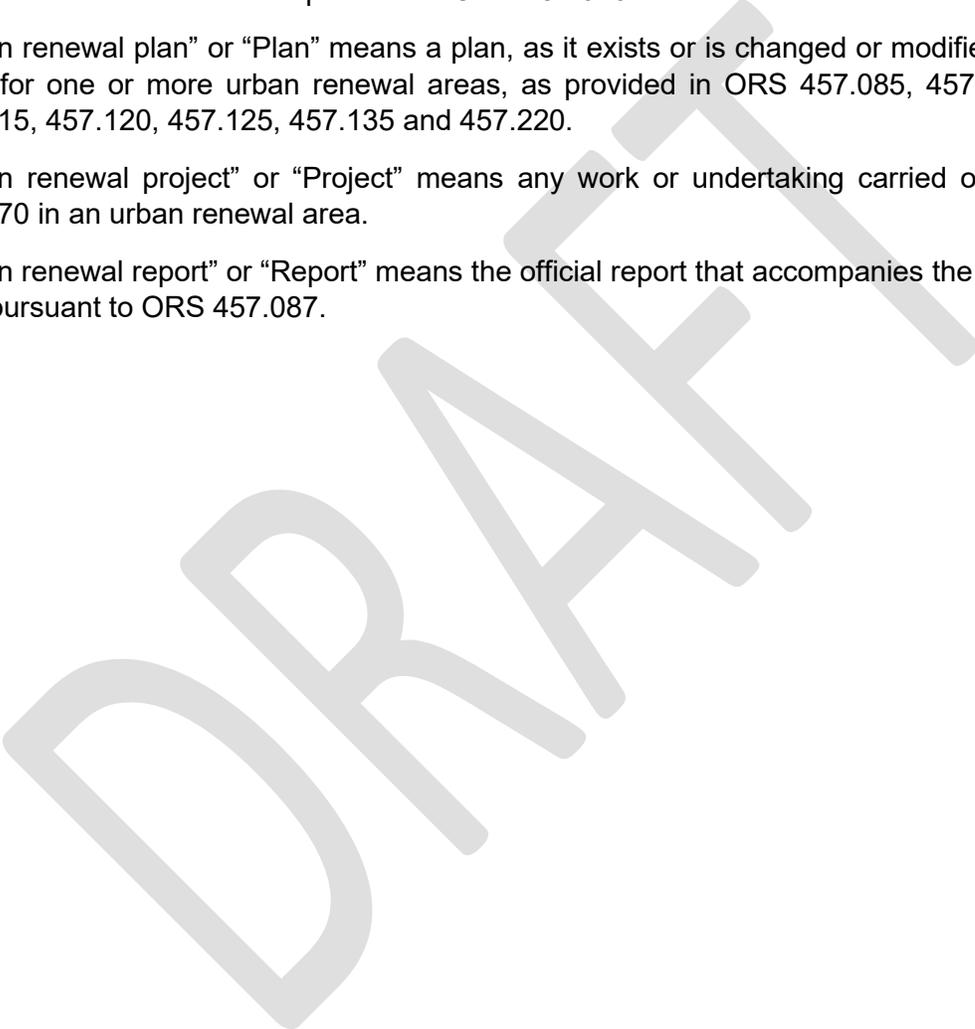
“Urban Renewal” means the statutory authority provided in ORS 457.

“Urban renewal area” means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.010.

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

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

“Urban renewal report” or “Report” means the official report that accompanies the urban renewal plan pursuant to ORS 457.087.



II. INTRODUCTION

The North Hermiston Urban Renewal Plan District (District), shown in Figure 1, consists of approximately 102 total acres, 93.49 acres of land in tax lots and 8.51 acres of public rights-of-way. The primary purpose of the North Hermiston Urban Renewal Plan (Plan) is to address infrastructure deficiencies and parcel patterns that are limiting the development potential in the proposed District. The primary investment is expected to be construction of a new east/west street through the District that would ease pressure on Highway 395, as well as a north/south connection to the south.

It is anticipated that the Plan will take sixteen years of tax increment collections to implement. The maximum amount of indebtedness (amount of tax increment financing (TIF) for projects and programs) that may be issued for the Plan is five million dollars (\$5,000,000).

Goals and objectives are intended to guide tax increment financing (TIF) investment in the District over the life of the Plan. The project category descriptions and list of projects are intended to aid future decision makers when considering how best to expend funds generated by TIF.

The Plan is to be administered by the Hermiston Urban Renewal Agency (HURA or Agency). Substantial amendments to the Plan must be approved by City Council as outlined in Section VI. All amendments to the Plan are to be listed numerically on the front page of the Plan and then incorporated into the Plan document and noted by footnote with an amendment number and adoption date.

The relationship between the sections of the Plan and the ORS 457.085 requirements is shown in Table 1 - Statutory References. The specific reference in the table below is the section of this Plan that primarily addresses the statutory reference. There may be other sections of the Plan that also address the statute.

Table 1 - Statutory References

Statutory Requirement	Plan Section
ORS 457.085(2)(a)	V
ORS 457.085(2)(b)	V
ORS 457.085(2)(c)	XII
ORS 457.085(2)(d)	XI
ORS 457.085(2)(e)	XI
ORS 457.085(2)(f)	VIII
ORS 457.085(2)(g)	VII
ORS 457.085(2)(h)	III
ORS 457.085(2)(i)	VI
ORS 457.085(2)(j)	Not applicable

A. Urban Renewal Overview

Urban renewal allows for the use of tax increment financing, a financing source that is unique to urban renewal, to fund its projects. Tax increment revenue, the amount of property taxes generated by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established, are used to repay borrowed funds. The borrowed funds are used to pay for urban renewal projects and cannot exceed the maximum indebtedness amount set by the urban renewal plan.

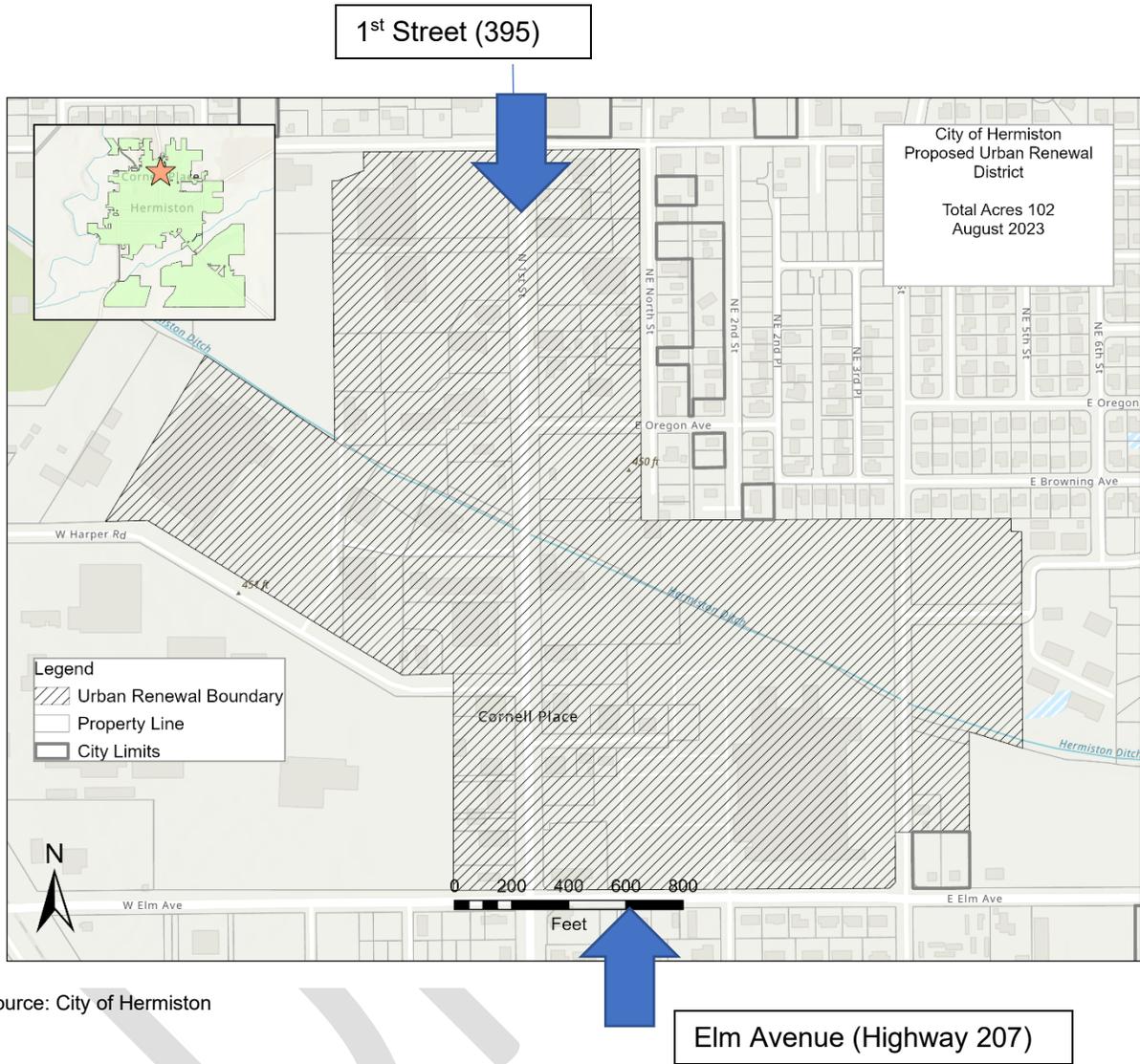
The purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped, called blighted areas in ORS 457. These areas can have old or deteriorated buildings, public spaces that need improvements, streets and utilities in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. In general, urban renewal projects can include construction or improvement of streets, utilities, and other public facilities; assistance for rehabilitation or redevelopment of property; acquisition and re-sale of property (site assembly) from willing sellers; and improvements to public spaces. The North Hermiston Urban Renewal District meets the definition of blight due to the existence of inadequate streets and other rights of way, open spaces and utilities, the division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development and an economic dislocation, deterioration or disuse of property resulting from faulty planning. These blighted conditions are specifically cited in the ordinance adopting the Plan and described in detail in the accompanying North Hermiston Urban Renewal Report (Report).

B. Report Accompanying the Plan

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

- A description of the physical, social, and economic conditions in the Area;
- Expected impact of the Plan, including fiscal impact in light of increased services;
- Reasons for selection of the Plan Area;
- The relationship between each project to be undertaken and the existing conditions;
- The estimated total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; and
- A relocation report.

Figure 1 Boundary



Source: City of Hermiston

III. MAXIMUM INDEBTEDNESS

Maximum Indebtedness ("MI") is the total amount of money that can be spent on projects, programs and administration throughout the life of the Plan. The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion is five million dollars (\$5,000,000). This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness or interest earned on debt proceeds.

IV. PLAN GOALS

Goal 1: Eliminate blight in the District by upgrading inadequate infrastructure including but not limited to streets, water and sewer lines serving the needs of businesses and residents

Objective 1: Provide funding for the construction of infrastructure improvements supporting development and redevelopment within the District.

Goal 2: Promote sustainability and sustainable development practices through Urban Renewal activities.

Objective 1: Encourage the efficient use of land within the District by increasing the likely development/redevelopment of properties in the District.

Goal 3: Facilitate economic development and job creation through the provision of adequate infrastructure in the District.

Objective 1: Provide funding for the construction of infrastructure improvements supporting development and redevelopment within the District.

Provide resources to adequately administer the North Hermiston Urban Renewal Plan.

Objective 1: Administer the Plan including the projects, financial accounting and reporting as required by State Statute.

V. PROJECTS

The projects to be undertaken in the District are infrastructure upgrades.

A. Infrastructure Upgrades

A new east/west street (NE Aspen Drive) is proposed connecting N 1st Street to NE 4th Street. This street is proposed for construction in the easement for the Hermiston Drain. Constructing the street in the easement allows otherwise unbuildable land to be productively utilized for the public good as well as providing new points of access for the irregularly shaped parcels along the easement. This new street will provide nearly 1,300 feet of new street frontage for an area which currently has less than 100 feet of highway frontage. The street will provide pedestrian and bicycle improvements.

Aspen Drive will also provide additional opportunities for alternate circulation as traffic generated by the existing commercial users may leave N 1st Street and connect with existing residential development to the west and south without needing to travel through the congested Elm Street/1st Street intersection.

A new signal is proposed for the N 1st Street/Aspen Drive intersection. This signal is intended to aid in traffic calming on N 1st Street and to provide better traffic spacing, allowing more left turns onto the highway.

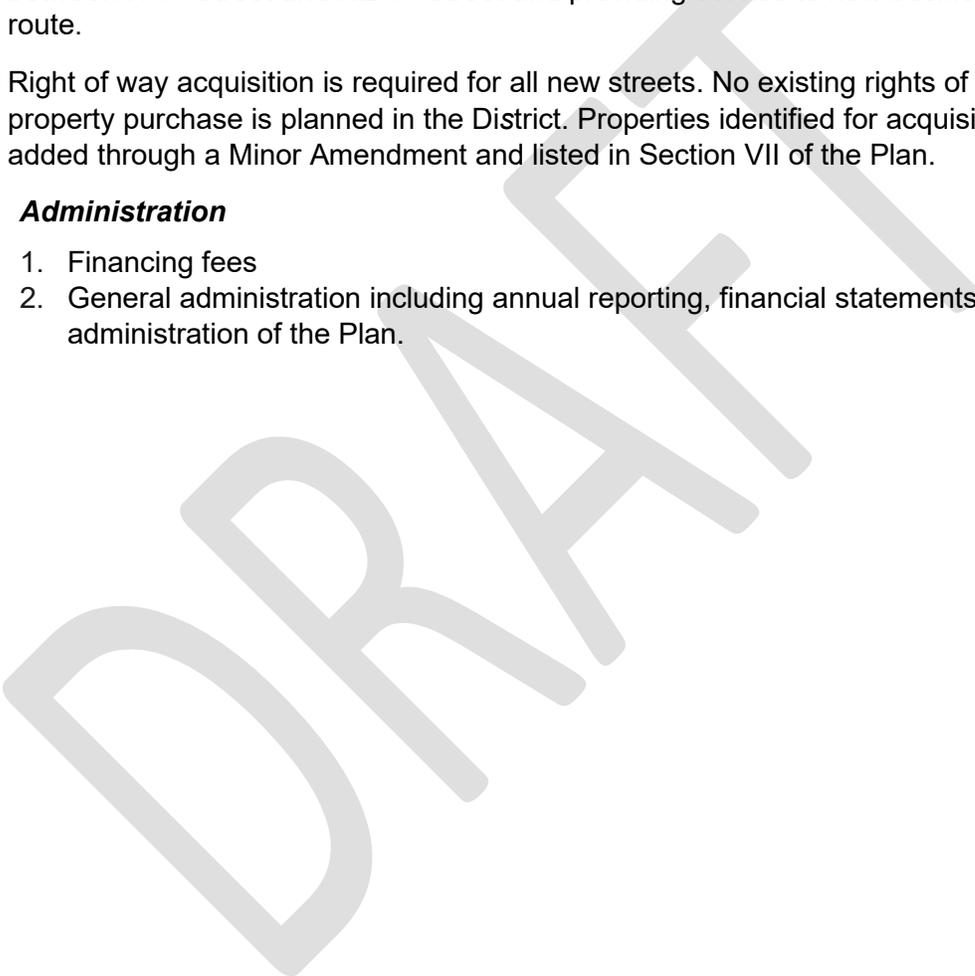
An extension of NE North Street south from the current terminus to NE Aspen Drive is proposed. This street extension is approximately 100 feet and will provide opportunities for commercial and residential traffic to the north an opportunity to use the newly constructed signal at NE Aspen Drive and avoid the unsignalized intersection of E Oregon Avenue and N 1st Street.

A new municipal water line is proposed following the NE Aspen Drive route, looping water between N 1st Street and NE 4th Street and providing service to new businesses along the route.

Right of way acquisition is required for all new streets. No existing rights of way exist, and property purchase is planned in the District. Properties identified for acquisition will be added through a Minor Amendment and listed in Section VII of the Plan.

B. Administration

1. Financing fees
2. General administration including annual reporting, financial statements and administration of the Plan.



VI. AMENDMENTS TO PLAN

The Plan may be amended as described in this section.

A. Substantial Amendments

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Agency, the Planning Commission and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing shall be provided to individuals or households within the City of Hermiston, as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

Substantial Amendments are amendments that:

- (1) Add land to the North Hermiston Urban Renewal Plan boundary except for an addition of land that totals not more than a cumulative 1% of the area of the North Hermiston Urban Renewal Plan boundary; or
- (2) Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

B. Minor Amendments

Minor Amendments are amendments that are not Substantial Amendments as defined in this Plan and in ORS 457. Minor Amendments require approval by the Agency by resolution.

C. Amendments to the Hermiston Comprehensive Plan and/or Hermiston Development Code

Amendments to the Hermiston Comprehensive Plan (“Comprehensive Plan”) and/or Code of Hermiston that affect the Plan and/or the Plan District shall be incorporated automatically within the Plan without any separate action required by the Agency or City Council. When a substantial amendment is completed, the Relationship to Local Objectives section will be updated.

VII. PROPERTY ACQUISITION AND DISPOSITION

The Plan authorizes the acquisition and disposition of property as described in this section. Property includes any and all interests in property, including fee simple ownership, lease, easements, licenses, or other rights to use. If property is acquired, it will be identified in the Plan through a Minor Amendment, as described in Section VI. Identification of property to be acquired and its anticipated disposition is required by ORS 457.085(g).

A. Property acquisition for public improvements

The Agency may acquire any property within the District for the public improvement projects undertaken pursuant to the Plan by all legal means, including use of eminent domain. Good faith negotiations for such acquisitions must occur prior to institution of eminent domain procedures.

B. Property acquisition from willing sellers

The Plan authorizes Agency acquisition of any interest in property within the District that the Agency finds is necessary for private redevelopment, but only in those cases where the property owner wishes to convey such interest to the Agency. The Plan does not authorize the Agency to use the power of eminent domain to acquire property from a private party to transfer property to another private party for private redevelopment. Property acquisition from willing sellers may be required to support development of projects within the District.

C. Land disposition

The Agency will dispose of property acquired for a public improvement project by conveyance to the appropriate public agency responsible for the construction and/or maintenance of the public improvement. The Agency may retain such property during the construction of the public improvement.

The Agency may dispose of property acquired under Subsection B of this Section VI by conveying any interest in property acquired. Property shall be conveyed at its fair reuse value. Fair reuse value is the value, whether expressed in terms of rental or capital price, at which the urban renewal agency, in its discretion, determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved, or rehabilitated for the purposes specified in the Plan. Because fair reuse value reflects limitations on the use of the property to those purposes specified in the Plan, the value may be lower than the property's fair market value.

Where land is sold or leased, the purchaser or lessee must agree to use the land for the purposes designated in the Plan and to begin and complete the building of its improvements within a period of time that the Agency determines is reasonable.

VIII. RELOCATION METHODS

When the Agency acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the Agency shall adopt rules and regulations, as necessary, for the administration of relocation assistance. No specific acquisitions that would result in relocation benefits have been identified; however, there are plans to acquire land for infrastructure which may trigger relocation benefits in the future in the District.

IX. TAX INCREMENT FINANCING OF PLAN

Tax increment financing consists of using annual tax increment revenues to make payments on debt. In this Plan, the debt is anticipated to be a contractual obligation to provide developer incentives and agreement to reimburse the Agency for preparation of and administration of the Plan.

Tax increment revenues equal the annual permanent rate property taxes imposed on the cumulative increase in assessed value within the North Hermiston Urban Renewal Plan over the total assessed value at the time the North Hermiston Urban Renewal Plan is adopted. Under current law, the property taxes for general obligation (GO) bonds and local option levies are not part of the tax increment revenues.

A. General Description of the Proposed Financing Methods

The Plan will be financed using tax increment revenues. Revenues obtained by the Agency will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in (1) planning or undertaking project activities, or (2) otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the planning and implementation of this Plan, including preparation of the Plan.

B. Tax Increment Financing

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Plan District is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Agency based upon the distribution schedule established under ORS 311.390.

X. ANNUAL REPORT

The Agency shall file Annual Reports in compliance with ORS 457.460.

XI. RELATIONSHIP TO LOCAL OBJECTIVES

The numbering of the policies within this section reflects the numbering that occurs in the original document. There is no set standard for the findings in an urban renewal plan. In analyzing the findings, the projects and the resulting development have been compared to the Hermiston Comprehensive Plan.

A. Hermiston Comprehensive Plan

POLICY 1: CITIZEN INVOLVEMENT

THE CITY OF HERMISTON WILL INSURE THAT CITIZENS HAVE AN ADEQUATE OPPORTUNITY TO BE INVOLVED IN ALL PHASES OF THE PLANNING PROCESS.

Finding: The HURA met to review the draft Plan, the Planning Commission reviewed the Plan for conformance to the Comprehensive Plan, Umatilla County was briefed on the Plan and the city held a public hearing that was noticed to all residents of Hermiston. All referenced meetings were open, public meetings. The transportation concept was derived from a study prepared by Portland State University in conjunction with the City of Hermiston. There was also opportunity for public input with this study.

POLICY 3: INTERGOVERNMENTAL COORDINATION

THE CITY OF HERMISTON WILL FACILITATE INTERGOVERNMENTAL COORDINATION SO THAT DECISIONS AFFECTING LOCAL, STATE AND FEDERAL PLANNING AND DEVELOPMENT ACTIONS IN THE HERMISTON AREA ARE RENDERED IN AN EFFICIENT AND CONSISTENT MANNER.

Finding: The City has consulted and conferred with the overlapping taxing districts through a letter after the HURA meeting that described the proposed urban renewal district. The letter provided a copy of the Plan and Report. A briefing was provided for the Umatilla County Board of Commissioners.

POLICY 4: ORDERLY URBAN GROWTH

THE CITY OF HERMISTON WILL PROMOTE COMPACT URBAN DEVELOPMENT WITHIN AND ADJACENT TO EXISTING URBAN AREAS TO INSURE EFFICIENT UTILIZATION OF LAND RESOURCES AND FACILITATE ECONOMIC PROVISION OF URBAN FACILITIES AND SERVICES.

Finding: Improvement to the existing transportation network will help facilitate increased growth within the city, provide more access to the parcels within the District and facilitate access to the commercial area from the residential areas to the west and south.

POLICY 11: AIR QUALITY .

THE CITY OF HERMISTON WILL COMPLY WITH STATE AND FEDERAL STANDARDS TO PROMOTE CONTINUED AIR QUALITY.

Finding: An improved transportation network within the Area will provide for ease of travel and travel methods for all modes of transportation, including pedestrians and bicyclists.

POLICY 20: GENERAL ECONOMIC DEVELOPMENT

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

Finding: The improved transportation network will serve the commercial development in the District and will facilitate increased development within the District by providing access to parcels that have been underdeveloped and undeveloped.

POLICY 29: LOCAL GOVERNMENT SERVICES AND FACILITIES

THE CITY OF HERMISTON WILL PROMOTE ADEQUATE AND EFFICIENT PROVISIONS OF LOCAL GOVERNMENT SERVICES AND FACILITIES.

Finding: The District will have access to all of the city services. The projects within the Plan will provide a more efficient transportation system and improved water system. A new municipal water line is proposed following the NE Aspen Drive route, looping water between N 1st Street and NE 4th Street and providing service to new businesses along the route. Without the looped water line, there are no reasonable connections along the Hermiston Drain.

J. TRANSPORTATION (GOAL 12)

POLICY 31: INTEGRATED TRANSPORTATION SYSTEM

THE CITY OF HERMISTON WILL PROMOTE A BALANCED, WELL-INTEGRATED LOCAL TRANSPORTATION SYSTEM WHICH PROVIDES SAFE, CONVENIENT AND ENERGY-EFFICIENT ACCESS, AND FACILITATES THE MOVEMENT OF COMMODITIES.

Finding: The projects within the Plan provide an improved transportation network that includes alternative transportation systems. This transportation network will be reviewed by the city in the master planning process.

POLICY 33: ALTERNATIVE TRANSPORTATION

THE CITY OF HERMISTON WILL ENCOURAGE AND FACILITATE THE PROVISION OF ALTERNATIVE TRANSPORTATION MODES AND FACILITIES TO REDUCE CONGESTION AND AIR POLLUTION AND IMPROVE RECREATIONAL OPPORTUNITIES. PROVISION OF TRANSPORTATION TO THE HANDICAPPED AND ELDERLY IS A HIGH PRIORITY.

Finding: The District has a transportation network that includes alternative transportation systems. This transportation network will be reviewed by the city in the master planning process.

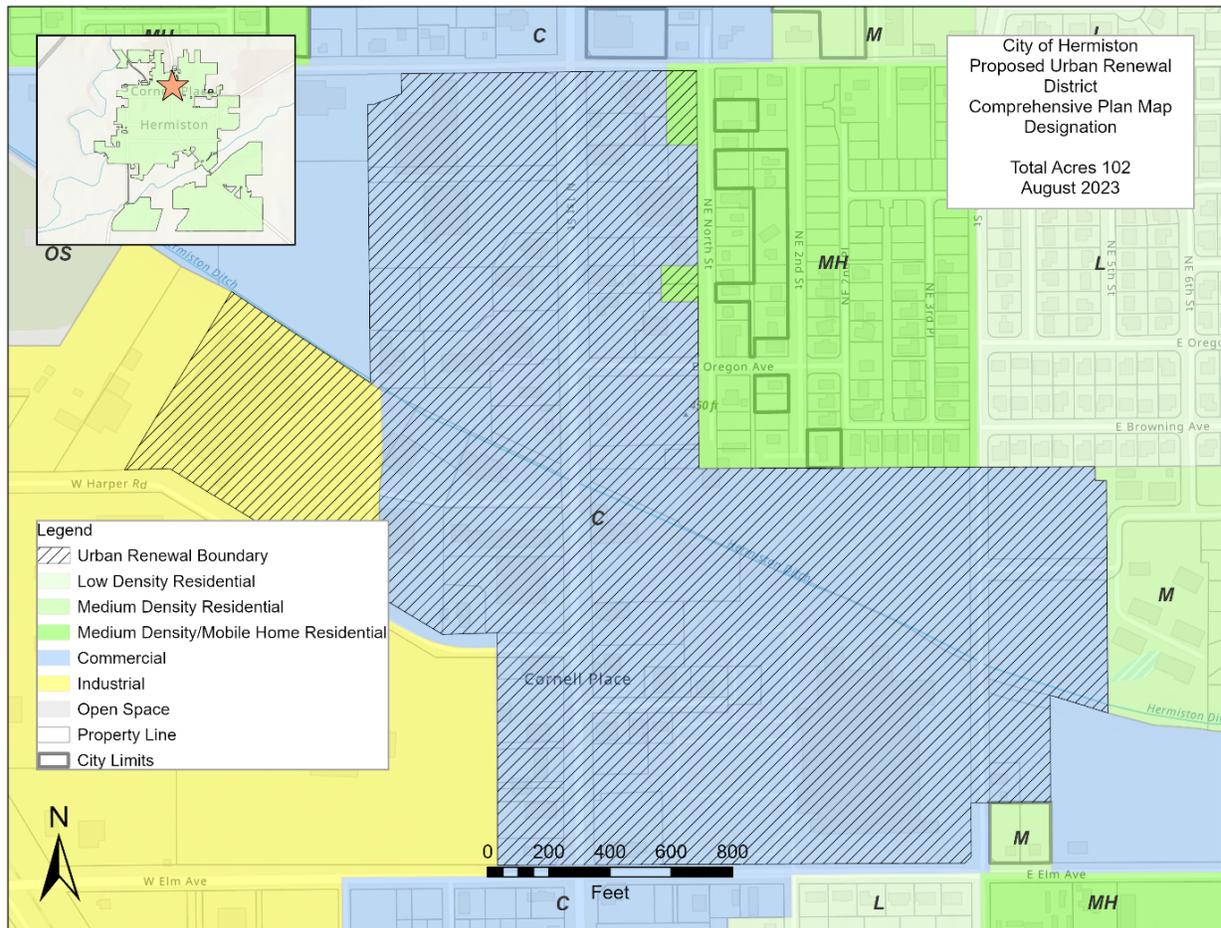
POLICY 34: TRANSPORTATION SYSTEM PLAN

THE CITY OF HERMISTON WILL COMPLY WITH THE REQUIREMENTS OF THE TRANSPORTATION PLANNING RULE WITH THE ADOPTION OF THE TRANSPORTATION SYSTEM PLAN AND RELATED AMENDMENTS TO IMPLEMENTING ORDINANCES.

CONNECTED STREET NETWORK. THE CITY WILL SUPPORT AND DEVELOP A CONNECTED NETWORK OF STREETS, ACCESSWAYS AND OTHER IMPROVEMENTS, INCLUDING BIKEWAYS, SIDEWALKS, AND SAFE STREET CROSSINGS, TO PROMOTE SAFE AND CONVENIENT BICYCLE AND PEDESTRIAN CIRCULATION WITHIN THE COMMUNITY.

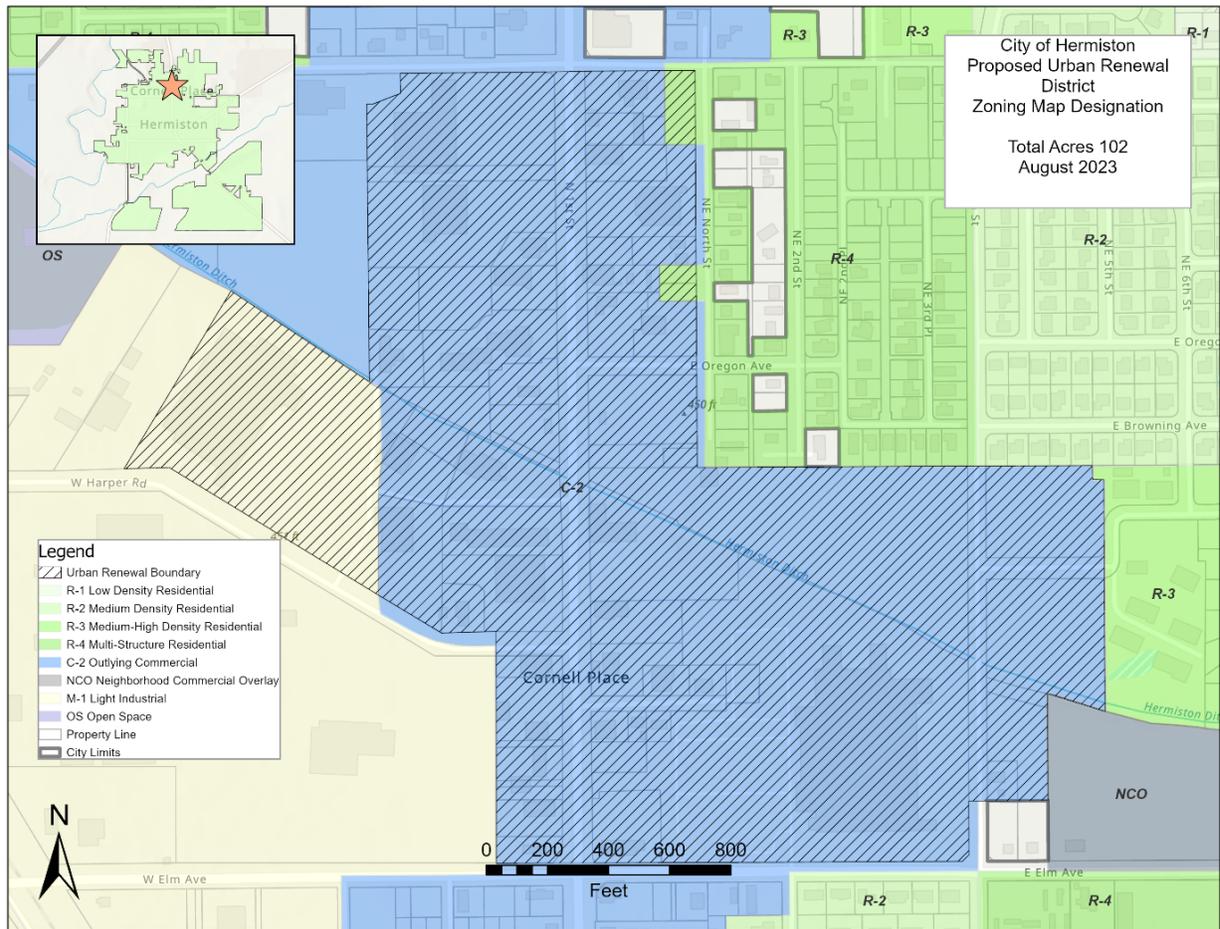
Finding: The proposed development will conform to the provisions of the Hermiston Transportation Systems Plan. The proposed development will be approved through the city's planning and permit process to ensure conformance.

Figure 2 - Comprehensive Plan Designations



Source: City of Hermiston

Figure 3 - Zoning Designations



Source: City of Hermiston

B. Code of Hermiston

Title XV of the Code of Hermiston covers Land Use including the zoning in the District. The majority of the property to be included in the Area is in the Outlying Commercial Zone (C-2) The remaining property is zoned Multi-Structure Residential Zone.

157.041 OUTLYING COMMERCIAL ZONE C-2

(A) *Uses permitted outright.* In a C-2 zone, only the following uses and their accessory uses are permitted outright:

- (1) A use permitted outright in a C-1 zone;
- (2) Amusement enterprise, including pool hall, bowling, dancing hall, skating rink, when enclosed in a building;
- (3) Auditorium, exhibition hall or other public assembly room;
- (4) Automobile, boat or trailer sales, rental, service and repair;
- (5) Automobile service station;
- (6) Automobile laundry;
- (7) Day care home or nursery;
- (8) Mortuary, undertaking or funeral parlor;
- (9) Motel;
- (10) Recreational vehicle park subject to requirements of 157.147;
- (11) Taxidermy shop; and
- (12) Tire shop, including tire recapping.

(B) *Conditional uses permitted.* In a C-2 zone, the following uses and their accessory uses are permitted when authorized in accordance with the requirements of §§ [157.205](#) through [157.210](#):

- (1) Amusement enterprise not enclosed in a building including, but not limited to, "pitch and putt" golf course, driving range, archery range, automobile race track and drive-in theater;
- (2) Caretaker's residence subject to the following conditions:
 - (a) Residence shall be a manufactured dwelling complying with the 1976 HUD codes and shall be skirted;
 - (b) The residence shall be furnished with all utilities including telephone;
 - (c) The facility shall be set back from all streets as far as practical and still be in conformance with the setback requirements as established in the Uniform Building Code;
 - (d) The caretaker's residence shall be allowed only in conjunction with a business which requires the outside storage or display of wares and shall be removed within 30 days following the discontinuance of the business enterprise; and

(e) All uses shall be subject to annual review by the commission and may be removed upon direction of the Commission for violation of these conditions;

(3) Community building;

(4) Drive-in establishment offering goods or services to customers waiting in parked motor vehicles, except drive-in theater;

(5) Government structure or land use including but not limited to a public park, playgrounds, recreational building, fire station, library or museum;

(6) Hospital or nursing home;

(7) Planned unit development;

(8) Preschool, primary, elementary, junior or senior high, college;

(9) Private utilities including electric power substations, telephone exchanges, television, radio or microwave transmission facilities;

(10) Public utilities including wells, water storage tanks and sanitary sewer pump stations; and

(11) Other uses similar to the uses permitted outright or the conditional uses normally located in the Outlying Commercial Zone (C-2), providing that the use has approval from the planning commission.

(C) *Restrictions on use.* In a C-2 zone, the following conditions and restrictions shall apply:

(1) Where there are existing residential dwellings, they and their accessory uses may be maintained, expanded or reconstructed in conformance with the development standards as established in the R-3 zone.

(2) The outside storage of junk shall be contained entirely within a sight-obscuring fence when adjacent to a residential use of property.

(D) *Setback requirements.* Except as provided in § [157.140](#), in a C-2 zone the yards shall be as follows:

(1) The setback from any street shall be 20 feet. However, if solid ground cover landscaping is provided and maintained, the setback from a street may be reduced to ten feet;

(2) The side yard shall be a minimum of 20 feet measured from the foundation where abutting a residential zone; and

(3) The rear yard shall be a minimum of 25 feet measured from the foundation where abutting a residential zone.

(E) *Height of buildings.* In a C-2 zone, no building shall exceed a height of 50 feet.

157.055 LIGHT INDUSTRIAL ZONE (M-1).

(A) *Uses permitted outright.* In a M-1 zone, only the following uses and their accessory uses are permitted outright:

- (1) Cabinet, carpenter or woodworking shop;
- (2) Compounding, packaging or storage of cosmetics, drugs, perfumes, pharmaceuticals, soap or toiletries, but not including processes involving refining or rendering of fats and oils;
- (3) Dwelling for caretaker or night watchman on the property;
- (4) Freight depot;
- (5) Ice or cold storage plant;
- (6) Kennel;
- (7) Laboratory for research or testing, but not including the testing of combustion engines;
- (8) Laundry, dry cleaning or dyeing establishment;
- (9) Lumber yard, building supply outlet;
- (10) Machinery or equipment sales, services or storage;
- (11) Manufacture, repair or storage of articles from the following previously prepared materials: bone, cellophane, cloth, cork, feathers, felts, fiber, fur, glass, hair, horn, leather, paper, plastic, precious or semiprecious stone or metal, shell, textiles, wax, wire or yarn;
- (12) Manufacture, repair or storage of ceramic products, musical instruments, novelties, rubber or metal stamps, toys, optical goods, engineering, scientific or precision instrument, medical or dental supplies or equipment, electronic supplies or equipment, industrial or business machines, aircraft parts and equipment, luggage, photographic equipment or small pleasure boats;
- (13) Mini-storage;
- (14) Motor vehicle body shop, tire shop or similar repair service;
- (15) Plumbing, heating, electrical or paint contractor's sales, repairs or storage;
- (16) Private utilities including electric power substations, telephone exchanges, television, radio or microwave transmission facilities;
- (17) Processing, packaging or storage of food or beverages, but not including processes involving distillation, fermentation, slaughtering or rendering of fats and oils;
- (18) Public utilities including wells, water storage tanks and sanitary sewer pump stations;
- (19) Railroad tracks and related facilities;
- (20) Utility lines, station or substation;
- (21) Veterinary care facility;
- (22) Welding, sheet metal or machine shop;
- (23) Wholesale distribution or outlet, including trucking, warehousing and storage.

157.028 MULTI-STRUCTURE RESIDENTIAL ZONE (R-4).

(A) *Uses permitted outright.* In a R-4 zone, the following uses and their accessory uses are permitted outright:

- (1) A use permitted outright in the R-3 zone; and
- (2) Manufactured dwelling park subject to requirements of § [157.146](#).

(B) *Conditional uses permitted.* In a R-4 zone, the following uses and their accessory uses are permitted when authorized in accordance with the requirements of §§ [157.205](#) through [157.210](#):

- (1) A conditional use permitted in a R-3 zone except manufactured dwelling park which is an outright permitted use in this zone; and
- (2) Recreational vehicle park subject to requirements of § [157.146](#).

(C) *Lot size.* In a R-4 zone, the lot size shall be as follows:

- (1) The minimum lot area for single-family dwellings and two-family dwellings shall be 5,000 square feet for an interior lot and 6,000 square feet for a corner lot;
- (2) For multiple-family dwellings, the minimum lot area shall be 7,500 square feet or 2,000 square feet per dwelling unit, whichever is greater;
- (3) The minimum lot area for manufactured dwelling parks shall be five acres;
- (4) The minimum lot width at the front building line shall be 60 feet for an interior lot, 70 feet for a corner lot, and 25 feet for cul-de-sac lots; and
- (5) The minimum lot depth shall be 80 feet.

(D) *Setback requirements.* Except as provided in § [157.140](#), in a R-4 zone the yards shall be as follows:

- (1) The front yard shall be a minimum of 15 feet, measured from the foundation. The garage shall be constructed at 20 feet measured from the foundation. When a covered patio or covered porch is constructed in the front yard, the porch or patio may be constructed with a ten-foot setback;
- (2) Each side yard shall be a minimum of five feet, measured from the foundation, except that on corner lots the side yard on the street side shall be a minimum of ten feet measured from the foundation; and
- (3) The back yard shall be a minimum of ten feet, measured from the foundation. However, for any structure exceeding 15 feet in height, the rear yard shall be increased one foot, up to a maximum of 25 feet, for every foot or fraction thereof above 15 feet.

(E) *Height of buildings.* In a R-4 zone, no buildings shall exceed a height of 35 feet.

(F) *Lot coverage.* In a R-4 zone, buildings shall not occupy more than 45% of the lot area. Covered decks, porches, patios, and gazebos may occupy an additional five percent of the total lot area.

Overall Finding: The development in the Plan including the land uses, maximum densities and building requirements conform to the Hermiston Development Code.

DRAFT

XII. Legal Description

FILE: 736-135 Aspen Urban Renewal
AP (RES) 20 June 2023

A tract of land in the Northwest corner of Section 2 and the Northeast corner of Section 3, Township 4 North, Range 28 East, Willamette Meridian, City of Hermiston, Umatilla County, Oregon being more particularly described as follows:

Beginning at the Section corner common to Sections 2, 3, 10, and 11;

thence S 89°40'25" W, along the South line of Section 3, a distance of 259.91 feet to the Southwest corner of Parcel 2 on Partition Plat 2001-40;

thence N 00°19'25" W, 33.00 feet to the North right-of-way of Elm Street;

thence N 00°19'25" W, 680.45 feet to a point on the South right-of-way line of Harper Road;

thence along said South right-of-way line the following three (3) courses:

1. N 89°35'32" W, 203.07 feet;
2. N 58°31'49" W, 1,047.07 feet;
3. S 89°37'04" W, 94.88 feet;

thence N 00°22'56" W, 80.00 feet to the Southwest corner of Lot 1 as shown on Partition Plat 2005-11;

thence N 31°29'11" E, along said Westerly line of Lot 1, a distance of 660.52 feet to the North line of said Lot 1;

thence S 56°44'17" E, along said North line 530.73 feet;

thence N 00°26'41" W, 913.48 feet to the Northwest corner of Hermiston Real Estate Investments parcel on County Survey No. 09-109-B;

thence along said West line of said parcel, the following three (3) courses:

1. N 89°27'14" E, 20.00 feet;
2. N 68°45'46" E, 96.80 feet;
3. N 00°33'51" W, 65.80 feet to a point on the South right-of-way line of West Theater Lane;

thence N 00°33'51" W, 28.00 feet to the centerline of Theater Lane;

thence N 89°27'14" E, along said centerline, 549.74 feet to the one-quarter common to said Sections 2 and 3;

thence N 89°36'56" E, along said centerline, 473.32 feet to the intersection of said centerline with the East right-of-way of North Street;

thence S 00°33'29" E, 31.97 feet to an intersection on the South right-of-way line of Theater Lane and the East right-of-way of North Street;

thence S 00°33'29" E, along said East right-of-way line of 1,302.35 feet to a point on the South one-sixteenth of said Section 2;

thence N 89°39'08" E, along said South one-sixteenth line, 1,213.66 feet to the Northeast corner of Lot 1 of The Aspens Phase 1;

thence along the East line of said Lot 1 the following three (3) courses:

1. S 00°16'31" E, 44.04 feet;

2. N 89°35'14" E, 45.08 feet;
 3. S 00°16'31" E, 231.02 feet;
 thence S 00°16'41" E, 94.94 feet to the Northeast corner of Lot 5 of the Aspens Phase 1;
 thence S 00°24'50" E, along said East line of Lot 5 a distance of 435.24 feet to the South line of said Lot 5;
 thence along the South line of Lot 5 the following three (3) courses:
 1. N 71°57'29" W, 98.01 feet;
 2. N 72°40'33" W, 73.48 feet;
 3. N 77°39'44" W, 25.33 feet to the Northeast corner of Parcel 2 as shown on Partition Plat No. 2007-44;
 thence S 00°16'31" E, along the East line of said Parcel 2 and Parcel 1 of said Partition Plat, 350.14 feet to the Southeast corner of said Parcel 1;
 thence S 89°41'25" W, along the South line of said Parcel 1 and Parcel 1 of Partition Plat No. 2005-20, a distance of 200.00 feet to the East right-of-way line of 4th Street;
 thence S 00°16'32" E, along said East right-of-way, 197.01 feet to the North right-of-way line of Elm Street;
 thence S 00°16'32" E, 33.00 feet to the centerline of said Elm Street;
 thence S 89°41'51" W, along said centerline 1,349.90 feet to the **Point of Beginning**.

Tract 1 contains an area of 4,722,357 Square Feet, 108.410 acres, more or less.

Bearings are grid bearings based on the Oregon State Plane Coordinate System, South zone, NAD83(2011). Distances are ground distances.

For purposes of this description, the Southeast Section corner of said Section 3, bears S0°19'07"E, 2659.34 feet from the East one-quarter corner of said Section 3.



EXPIRES: 6/30/2024

Report Accompanying the North Hermiston Urban Renewal Plan

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



Adopted by the City of Hermiston

Date

Ordinance No. _____

List of Participants

Mayor

Dr. David Drotzmann

City Council

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Roy N. Barron, Ward 2
Jackie C. Myers, Ward 3
David P. McCarthy, Ward 4
Maria E. Duron, at large
Rod S. Hardin, at large
Nancy R. Peterson, at large
Doug Primmer, at large, Council President

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

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I. DEFINITIONS

“Agency” is the Hermiston Urban Renewal Agency created under ORS 457.035 and 457.045.

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

“City” means the City of Hermiston, Oregon.

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

“Comprehensive Plan” means the City of Hermiston Comprehensive Plan and its implementing ordinances, policies, and standards.

“County” means Umatilla County, Oregon.

“District” means the properties and rights-of-way located within the North Hermiston Urban Renewal District.

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

“HURA” is the Hermiston Urban Renewal Agency.

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

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

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

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

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

“Plan Area” means a blighted area included in the North Hermiston Urban Renewal Plan under ORS 457.010.

“Planning Commission” means the Hermiston Planning Commission.

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

“Report Accompanying North Hermiston Urban Renewal Plan” or “Report” means the official report that accompanies the North Hermiston Urban Renewal Plan pursuant to ORS 457.087.

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

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

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

“Urban renewal area” means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.010.

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

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

“Urban renewal report” or “Report” means the official report that accompanies the urban renewal plan pursuant to ORS 457.087.

II. INTRODUCTION

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

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

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

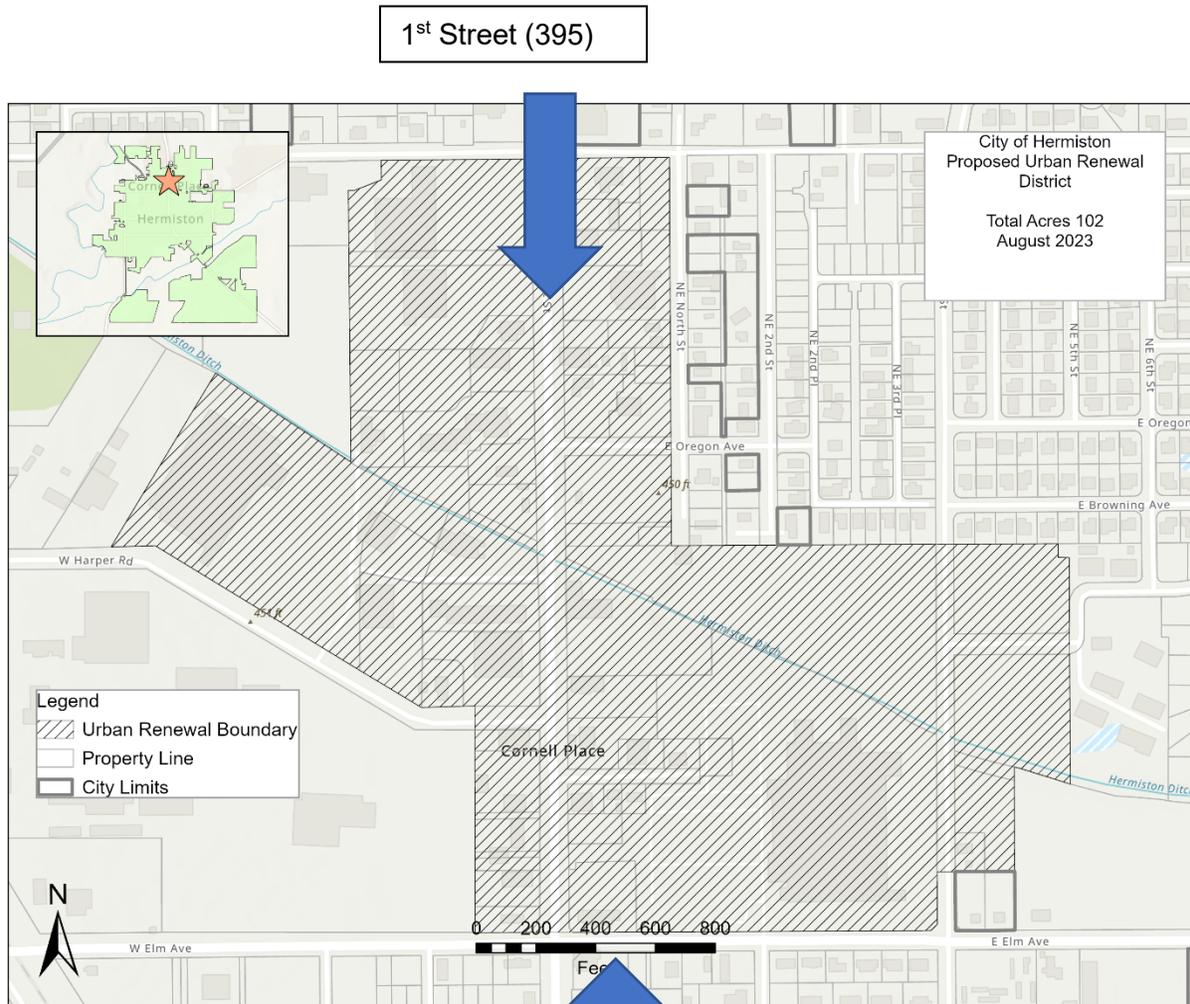
The relationship between the sections of the Report and the ORS 457.087 requirements is shown in Table 1. The specific reference shown is the section of this Report that most addresses the statutory reference. There may be other sections of the Report that also address the statute.

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

Table 1 - Statutory References

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

Figure 1 – North Hermiston Urban Renewal District Boundary



Source: City of Hermiston

Elm Avenue (Highway 207)

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

The projects identified for the North Hermiston Urban Renewal District (District) are described below, including how they relate to the existing conditions in the District. The infrastructure projects are intended to facilitate development in the District by providing a more efficient transportation system, improved water lines and access to parcels in the District.

A. Infrastructure Upgrades

A new east/west street (NE Aspen Drive) is proposed connecting N 1st Street to NE 4th Street. This street is proposed for construction in the easement for the Hermiston Drain. Constructing the street in the easement allows otherwise unbuildable land to be productively utilized for the public good as well as providing new points of access for the irregularly shaped parcels along the easement. This new street will provide nearly 1,300 feet of new street frontage for an area which currently has less than 100 feet of highway frontage. The street will provide pedestrian and bicycle improvements.

Aspen Drive will also provide additional opportunities for alternate circulation as traffic generated by the existing commercial users may leave N 1st Street and connect with existing residential development to the west and south without needing to travel through the congested Elm Street/1st Street intersection.

A new signal is proposed for the N 1st Street/Aspen Drive intersection. This signal is intended to aid in traffic calming on N 1st Street and to provide better traffic spacing, allowing more left turns onto the highway.

An extension of NE North Street south from the current terminus to NE Aspen Drive is proposed. This street extension is approximately 100 feet and will provide opportunities for commercial and residential traffic to the north an opportunity to use the newly constructed signal at NE Aspen Drive and avoid the unsignalized intersection of E Oregon Avenue and N 1st Street.

A new municipal water line is proposed following the NE Aspen Drive route, looping water between N 1st Street and NE 4th Street and providing service to new businesses along the route.

Right of way acquisition is required for all new streets. No existing rights of way exist, and property purchase is planned in the District.

EXISTING CONDITIONS:

The District extends along N 1st Street (Highway 395) between Elm Avenue and Theater Lane in Hermiston and is bounded by NE 4th Street on the east. The entire area is zoned for retail commercial use and provides a significant number of retail, dining, and service opportunities for Hermiston. The District contains numerous commercial businesses which have created increased congestion resulting from poor transportation infrastructure. The intersection of Elm Avenue (Highway 207) and N 1st Street (Highway 395) at the south boundary of the District is the busiest intersection in Oregon Department of Transportation (ODOT) Region 5, seeing an average of 29,000 vehicle trips per day. Historical poor planning and the existing built environment has created a situation where off-highway

circulation is virtually impossible, creating even higher demands on the N 1st Street corridor. The presence of the Hermiston Drain, running northwesterly through the urban renewal district adds to the congestion and development limitations. This drain, which extends on both sides of N 1st Street, is a federally owned facility which is difficult to cross without special permission, limiting parallel street creation in the past. The diagonal layout of the drain and exceptionally wide drain easements have created several irregular shaped parcels which are difficult to market and develop, hindering the ability of the area to develop with any additional density.

As noted, N 1st Street is a state highway and under the jurisdiction of the Oregon Department of Transportation for access management and signalization authority. Although there are three streets which intersect N 1st Street in this corridor (W Harper Road, E Oregon Avenue, and NE Cornell Place), none of the streets provide any opportunity for congestion relief. E Oregon Avenue and NE Cornell Place are not through streets and provide no opportunities for alternative circulation. W Harper Road does connect to Geer Road and River Road to the west, but only serves existing industrial and rural areas to the west, providing limited destinations. None of the three existing street connections are able to be signalized due to state highway minimum spacing standards.

The City of Hermiston has taken steps to mitigate some of the historic issues in the corridor. The zoning of lands along the Hermiston Drain was amended from Industrial to Commercial in 2014 intending to stimulate development of vacant parcels with compatible commercial uses. The irregular shape, large drainage easement, limited highway frontage, and limited access opportunities still hindered commercial development. Areas within the District continue to remain unutilized nine years after these efforts began. The N 1st Street corridor has some of the highest traffic volumes and highest value buildings in the City, yet further development on vacant parcels is difficult, leaving a significant commercial area underutilized. Additional investment in infrastructure will aid in development of underutilized parcels, alleviate congestion, and provide alternate circulation paths for traffic to leave the N 1st Street corridor.

Constructing the new water line is a huge incentive to redevelopment because without it there are no reasonable water connections along the Hermiston Drain available.

B. Administration

1. Financing fees
2. General administration including annual reporting, financial statements and administration of the Plan.

EXISTING CONDITIONS:

This area in Hermiston is not presently in an urban renewal district, so requires no administrative responsibilities from the urban renewal agency. Once an urban renewal plan with its associated requirements for administration exists for the District, there will be a need for administrative funds to be allocated for that administration.

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

Table 2 shows the costs of the projects in Fiscal Year Ending (FYE) 2023 constant dollars and the estimated year of expenditure dollars.¹ These costs are also shown in “year of expenditure” costs, which assumes inflation of 5.0% annually. City staff provided the cost estimates for these projects. These estimates will be refined in the annual budgeting process, acknowledging of the limiting total cost factor of the maximum indebtedness. Different allocations may be made to different line items within the Plan.

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

TIF District Projects	Constant FYE 2023 \$	Year of Expenditure \$¹
NE Aspen Drive & NE North St. Street Improvements	\$815,250	\$898,813
Water Line Improvements (NE Aspen Drive)	\$161,750	\$178,329
Traffic Signage and Signaling	\$1,608,000	\$1,772,820
Construction Contingencies	\$1,020,000	\$1,124,550
Property Acquisition	\$208,000	\$229,320
Administration	\$10,000	\$11,205
Project Contingency (15%)	\$561,950	\$619,550
TOTAL:	\$4,384,950	\$4,834,407

Source: Anderson Perry, City of Hermiston and Johnson Economics

The majority of the projects are projected to be funded in FYE 2024 and 2025 through a \$5 million loan, with a portion of the debt service for the loan funded by other funding sources through FYE 2032, when substantial development is projected to have occurred, resulting in sufficient tax increment financing (TIF) revenues to cover the debt service.

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

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

The scenario presented in this Report is only one scenario for how the Agency may decide to implement this Plan, and this scenario is financially feasible. The Agency may decide to do borrowings at different times or for different amounts, depending on their analysis at the time. The timeframes on these borrowings are designed to have all borrowings repaid at the termination of the District’s division of taxes in FYE 2040. The amounts shown are the principal amounts of the borrowings. The total payments, including interest, are shown in the second column of Table 6.

¹ The cost of Aspen Drive may be increased for pedestrian and bicycle improvements. However, the amount dedicated to this project is not expected to be increased.

Table 3 - Estimated Borrowings and Amounts

Loan	
Principal Amount	\$5,000,000
Interest Rate	5.00%
Loan Term	20
Loan Year	2024
Interest Payment Start	2024
Principal Payment Start	2024
Annual Payment	(\$401,213)

Source: Johnson Economics

V. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through Fiscal Year End (FYE) 2040 are calculated based on projections of the assessed value within the District and the consolidated tax rate that will apply in the District.

The long-term projections for FYE 2025 and beyond assume an annual growth rate of 3% for existing assessed value in the District plus specific exception value assumptions. Exception value is the value of new development in the District, shown in Table 4. The exception value assumptions included in this analysis were calculated by Johnson Economics based on the number of developable parcels, acreage and projections for the timing of development.

Table 4 - Exception Value Assumptions

Number of Developable Parcels:	15	Tax lots
Total Acreage:	22.9	acres
Average Acreage:	1.5	acres
Acreage Range:	0.15 - 9.5	acres
Est. New TAV (in 2023 dollars)	\$16.9	million
Years to Full Buildout:	20	years
First FYE on Tax Roll:	2024	

Source: Johnson Economics with input from the city of Hermiston TAV taxable assessed value
 CPR: Change Property Ratio from Umatilla County Assessor, SAL 7a, FYE 2022
 Source: Johnson Economics with input from the City of Hermiston

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

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

- Total AV is the estimated total assessed value of the District on an annual basis.
- Frozen base is the estimate of the assessed value of the District at its formation.
- Increment used is the total assessed value minus the frozen base.

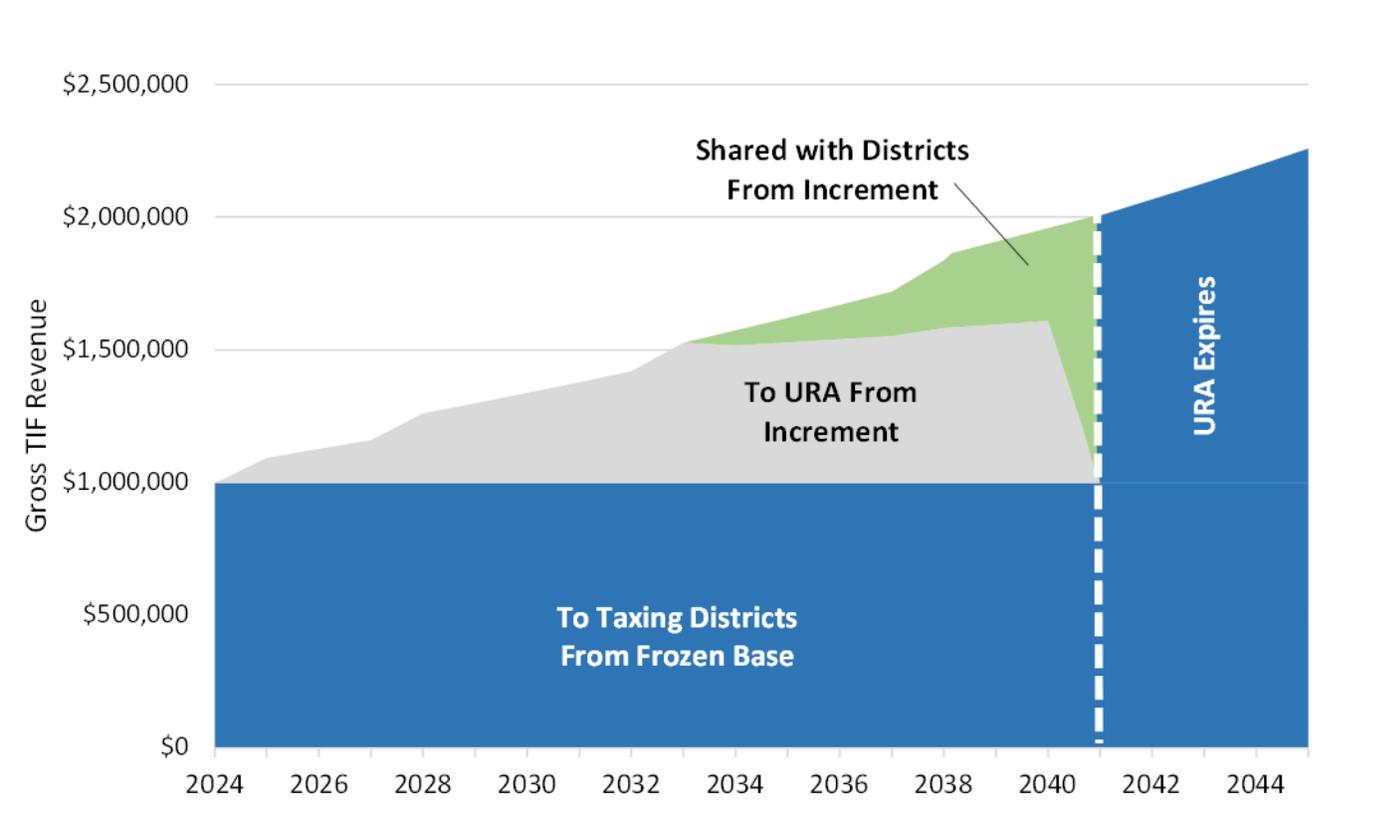
- Increment shared is the amount that will be distributed to all taxing districts according to their permanent rate due to revenue sharing. Figure 2 shows the expected tax increment collections and the timing of when revenue will be shared with the overlapping taxing districts, projected to start in FYE 2034.
- Tax rate is the total permanent rate levy for the District.
- Gross tax increment financing revenue (TIF) is calculated by multiplying the tax rate times the assessed value used. The tax rate is per thousand dollars of assessed value, so the calculation is “tax rate times assessed value used divided by one thousand.”
- Adjustments are calculated at 5% of the Gross TIF and are for discounts, delinquencies, and rate truncation.
- TIF Current Year reflects subtracting the 5% adjustment factor from Gross TIF.
- TIF Prior Years is the tax increment revenue that was delinquent the prior year and is paid by the assessor’s office once it is received. It is estimated that this amount is 1.5% of total TIF.
- Net TIF is the amount of tax increment revenues estimated to be received by the Agency.

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

FYE	Total AV	Frozen Base AV	Incremental AV	Incremental AV Used	Incremental AV Shared	Tax Rate	Gross TIF	Adjustments	Current Year Net	Prior Year Net	Total TIF
2024	60,808,125	57,095,267	-	-	-	17.4674	-	-	-	-	-
2025	62,632,369	57,095,267	5,537,102	5,537,102	-	17.4674	96,719	(7,254)	89,465	-	89,465
2026	64,511,340	57,095,267	7,416,073	7,416,073	-	17.4674	129,540	(9,715)	119,824	1,344	121,168
2027	66,446,680	57,095,267	9,351,413	9,351,413	-	17.4674	163,345	(12,251)	151,094	1,801	152,895
2028	72,190,081	57,095,267	15,094,813	15,094,813	-	17.4674	263,667	(19,775)	243,892	2,270	246,163
2029	74,355,783	57,095,267	17,260,516	17,260,516	-	17.4674	301,496	(22,612)	278,884	3,665	282,549
2030	76,586,457	57,095,267	19,491,189	19,491,189	-	17.4674	340,460	(25,535)	314,926	4,191	319,117
2031	78,884,050	57,095,267	21,788,783	21,788,783	-	17.4674	380,593	(28,544)	352,049	4,732	356,781
2032	81,250,572	57,095,267	24,155,305	24,155,305	-	17.4674	421,930	(31,645)	390,286	5,290	395,576
2033	87,438,089	57,095,267	30,342,822	30,342,822	-	17.4674	530,010	(39,751)	490,259	5,865	496,124
2034	90,061,232	57,095,267	32,965,964	29,710,055	3,255,909	17.4674	518,957	(38,922)	480,036	7,367	487,403
2035	92,763,069	57,095,267	35,667,801	30,385,515	5,282,287	17.4674	530,756	(39,807)	490,949	7,214	498,163
2036	95,545,961	57,095,267	38,450,693	31,081,238	7,369,456	17.4674	542,908	(40,718)	502,190	7,378	509,568
2037	98,412,340	57,095,267	41,317,072	31,797,832	9,519,240	17.4674	555,425	(41,657)	513,769	7,546	521,315
2038	105,114,710	57,095,267	48,019,442	33,473,425	14,546,018	17.4674	584,694	(43,852)	540,842	7,720	548,562
2039	108,268,151	57,095,267	51,172,884	34,261,785	16,911,099	17.4674	598,464	(44,885)	553,579	8,127	561,707
2040	111,516,196	57,095,267	54,420,928	35,073,796	19,347,132	17.4674	612,648	(45,949)	566,699	8,319	575,018
TOTAL:						17.4674	6,571,614	(492,871)	6,078,743	82,830	\$6,161,573

Source: Johnson Economics

Figure 2 - TIF Projections



Source: Johnson Economics

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

Table 6 shows a summary of the financial capacity of the District, including how total TIF revenue translates to the ability to fund urban renewal projects in constant 2023 dollars in five-year increments. Table 7, Table 8 and Table 9 show more detailed tables on the allocation of tax revenues to debt service. Table 10, Table 11, and Table 12 show potential allocations to projects and administration over time.

The District is anticipated to complete all projects and have sufficient tax increment finance revenue to terminate the District in FYE 2040, a 16-year time frame for taking division of tax revenues. If growth in assessed value is slower than projected, the Agency may not be able to complete all projects in the Plan. If growth in assessed value is more robust than the projections, it may take a shorter time period. These assumptions show one scenario for financing and that this scenario is financially feasible.

The maximum indebtedness is \$5,000,000 (Five Million dollars). The estimated total amount of tax increment revenues required to service the maximum indebtedness of \$5,000,000 is approximately \$6,061,457 and is from permanent rate tax levies. The total net TIF revenue is greater than the maximum indebtedness due to the projected cost of the interest on borrowings (loans). There is one loan shown in this financial analysis.

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

Total Net TIF	\$6,162,000
Maximum Indebtedness	\$5,000,000
Capacity (2023\$)	\$4,385,000
Years 1-5	\$3,422,000
Years 6-10	\$937,000
Years 11-15	\$17,000
Year 16	\$11,000

Source: Johnson Economics

Note: TIF funding does not begin until FYE 2025, so the funding in FYE 2024 is from other sources.

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

	Total	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
Resources						
Beginning Balance	-	-	-	-	-	-
Other Funding Sources	1,515,879	401,213	304,494	270,329	236,067	135,275
TIF: Current Year	6,425,550	-	96,719	129,540	163,345	263,667
TIF: Prior Years	82,830	-	-	1,344	1,801	2,270
Total Resources	8,024,259	401,213	401,213	401,213	401,213	401,213
Expenditures						
Debt Service						
Scheduled Payments (Loan A)	(6,820,620)	(401,213)	(401,213)	(401,213)	(401,213)	(401,213)
Early Principal Payment (Loan A)	(1,203,639)	-	-	-	-	-
Total Debt Service	(8,024,259)	(401,213)	(401,213)	(401,213)	(401,213)	(401,213)
Debt Coverage Ratio (TIF)		-	0.24	0.33	0.41	0.66
Transfer to URA Fund (Admin)	-	-	-	-	-	-
Total Expenditures	(8,024,259)	(401,213)	(401,213)	(401,213)	(401,213)	(401,213)
Ending Balance	-	-	-	-	-	-

Source: Johnson Economics

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

	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034
Resources						
Beginning Balance	-	-	-	-	-	-
Other Funding Sources	96,052	56,562	15,887	-	-	-
TIF: Current Year	301,496	340,460	380,593	421,930	530,010	518,957
TIF: Prior Years	3,665	4,191	4,732	5,290	5,865	7,367
Total Resources	401,213	401,213	401,213	427,221	535,875	526,325
Expenditures						
Debt Service						
Scheduled Payments (Loan A)	(401,213)	(401,213)	(401,213)	(401,213)	(401,213)	(401,213)
Early Principal Payment (Loan A)	-	-	-	(26,008)	(134,662)	(125,112)
Total Debt Service	(401,213)	(401,213)	(401,213)	(427,221)	(535,875)	(526,325)
Debt Coverage Ratio (TIF)	0.76	0.86	0.96	1.06	1.34	1.31
Transfer to URA Fund (Admin)	-	-	-	-	-	-
Total Expenditures	(401,213)	(401,213)	(401,213)	(427,221)	(535,875)	(526,325)
Ending Balance	-	-	-	-	-	-

Source: Johnson Economics

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

	FYE 2035	FYE 2036	FYE 2037	FYE 2038	FYE 2039	FYE 2040
Resources						
Beginning Balance	-	-	-	-	-	-
Other Funding Sources	-	-	-	-	-	-
TIF: Current Year	530,756	542,908	555,425	584,694	598,464	466,583
TIF: Prior Years	7,214	7,378	7,546	7,720	8,127	8,319
Total Resources	537,969	550,286	562,972	592,414	606,592	474,902
Expenditures						
Debt Service						
Scheduled Payments (Loan A)	(401,213)	(401,213)	(401,213)	(401,213)	(401,213)	(401,213)
Early Principal Payment (Loan A)	(136,757)	(149,073)	(161,759)	(191,201)	(205,379)	(73,689)
Total Debt Service	(537,969)	(550,286)	(562,972)	(592,414)	(606,592)	(474,902)
Debt Coverage Ratio (TIF)	1.34	1.37	1.40	1.48	1.51	1.18
Transfer to URA Fund (Admin)	-	-	-	-	-	-
Total Expenditures	537,969)	(550,286)	(562,972)	(592,414)	(606,592)	(474,902)
Ending Balance	-	-	-	-	-	-

Source: Johnson Economics

VII. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

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

The District is anticipated to complete all projects and have sufficient tax increment finance revenue to terminate the District in FYE 2040, a 16-year program of tax increment collections.

The amount of money available for projects in 2023 constant dollars for the District is approximately \$4,834,407. See Table 2 for the individual project analysis.

Table 10 shows the approximate \$4,384,950 of 2023 constant dollars for projects inflated over the life of the District including administrative expenses. All costs shown in Table 10 are in year-of-expenditure dollars, which are adjusted by 5.0% annually to account for inflation. The year of expenditure total cost is \$4,834,407. This table shows the project costs being incurred in FYE 2024 and FYE 2025. No expenditures are shown thereafter although there may be administrative costs allocated in those years in the future as long as those costs are within the maximum indebtedness.

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

The Agency may change the completion dates in their annual budgeting process or as project decisions are made in administering the Plan. The following tables are prepared to show that the District is financially feasible as required by ORS 457.

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

	Total	FYE 2024	FYE 2025	FYE 2026	FYE 2027
Resources					
Beginning Balance		-	1,611,469	-	-
Transfer from TIF Fund		-	-	-	-
Bond/Loan Proceeds	4,834,407	4,834,407	-	-	-
Total Resources	6,445,877	4,834,407	1,611,469	-	-
Expenditures (YOE \$)					
NE Aspen Drive & NE North St. Street Improvements	898,813	599,209	299,604	-	-
Water Line Improvements (NE Aspen Drive)	178,329	118,886	59,443	-	-
Traffic Signage and Signaling	1,772,820	1,181,880	590,940	-	-
Construction Contingencies	1,124,550	749,700	374,850	-	-
Property Acquisition	229,320	152,880	76,440	-	-
Project Contingency and Administration (15%)	630,575	420,383	210,192	-	-
Total Expenditures	4,834,407	3,222,938	1,611,469	-	-
Ending Balance		1,611,469	-	-	-

Source: Johnson Economics

Note: Project expenditures are expected in FYE 2024 and FYE 2025. Expenditures beyond that date are anticipated for administration as there will still be financial responsibilities, debt service payments to be made, annual financial statements and reports to be completed. These administrative expenses will be allocated through the annual budgeting process.

VIII. REVENUE SHARING

Revenue sharing thresholds are projected to be reached in FYE 2034. This is because the threshold set in ORS 457 (annual tax increment revenues in excess of 10 percent of the maximum indebtedness) is met during FYE 2033, triggering revenue sharing.

Revenue sharing means that at the thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the taxes from incremental growth in the District. The first threshold is met when annual TIF revenues exceed 10% of the original maximum indebtedness of the Plan or \$500,000. The year after the 10% threshold is reached, the Agency will receive the 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold, and the taxing jurisdictions will receive 75% of the increment above the 10% threshold.

The second threshold is met when annual TIF revenues exceed 12.5% of the maximum indebtedness or \$625,000. If this threshold is met, revenue for the District would be capped at 12.5% of the maximum indebtedness in all future years, with all additional tax revenue being shared with affected taxing districts.

If assessed value in the District grows more quickly than projected, the revenue sharing thresholds could be reached earlier. Revenue sharing projections are shown in Table 11.

Table 11 – Revenue Sharing Projections

FYE	Total AV	Frozen Base AV	Incremental AV Used	Incremental AV Shared	Tax Revenue from Shared
2023 (Base Year)	57,095,267	57,095,267	-	-	
2024	60,808,125	57,095,267	-	-	
2025	62,632,369	57,095,267	5,537,102	-	
2026	64,511,340	57,095,267	7,416,073	-	
2027	66,446,680	57,095,267	9,351,413	-	
2028	72,190,081	57,095,267	15,094,813	-	
2029	74,355,783	57,095,267	17,260,516	-	
2030	76,586,457	57,095,267	19,491,189	-	
2031	78,884,050	57,095,267	21,788,783	-	
2032	81,250,572	57,095,267	24,155,305	-	
2033	87,438,089	57,095,267	29,054,270	-	
2034	90,061,232	57,095,267	29,710,055	3,255,909	56,872
2035	92,763,069	57,095,267	30,385,515	5,282,287	92,268
2036	95,545,961	57,095,267	31,081,238	7,369,456	128,725
2037	98,412,340	57,095,267	31,797,832	9,519,240	166,276
2038	105,114,710	57,095,267	33,473,425	14,546,018	254,081
2039	108,268,151	57,095,267	34,261,785	16,911,099	295,393
2040	111,516,196	57,095,267	35,073,796	19,347,132	337,944
2041	114,861,682	57,095,267	14,101,412	43,665,002	762,714
TOTAL:					\$1,331,560

Source: Johnson Economics

IX. IMPACT OF THE TAX INCREMENT FINANCING

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

The impact of tax increment financing on overlapping taxing districts consists of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the District. These projections are for impacts estimated through FYE 2040 and are shown in Table 12 and Table 13.

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

Table 12 and Table 13 show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. Table 12 shows the general government levies, and Table 13 shows the education levies.

Table 12 - Projected Impact on Taxing District Permanent Rate Levies - General Government

FYE	General County	City of Hermiston	Port of Umatilla	Umatilla County Fire District 1	County Radio District	Cemetery District 8	W. Umatilla Mosquito Control	Subtotal General Gov't
2024	-	-	-	-	-	-	-	-
2025	(14,594)	(31,178)	(789)	(8,965)	(871)	(472)	(1,036)	(57,905)
2026	(19,765)	(42,226)	(1,068)	(12,142)	(1,180)	(640)	(1,403)	(78,425)
2027	(24,941)	(53,283)	(1,348)	(15,321)	(1,489)	(807)	(1,770)	(98,959)
2028	(40,155)	(85,786)	(2,170)	(24,668)	(2,397)	(1,300)	(2,850)	(159,325)
2029	(46,090)	(98,466)	(2,491)	(28,314)	(2,752)	(1,492)	(3,271)	(182,876)
2030	(52,055)	(111,210)	(2,813)	(31,978)	(3,108)	(1,685)	(3,695)	(206,544)
2031	(58,199)	(124,335)	(3,145)	(35,752)	(3,474)	(1,884)	(4,131)	(230,922)
2032	(64,528)	(137,855)	(3,487)	(39,640)	(3,852)	(2,089)	(4,580)	(256,031)
2033	(80,930)	(172,895)	(4,374)	(49,716)	(4,831)	(2,620)	(5,744)	(321,110)
2034	(79,507)	(169,856)	(4,297)	(48,842)	(4,746)	(2,574)	(5,643)	(315,465)
2035	(81,262)	(173,606)	(4,392)	(49,920)	(4,851)	(2,631)	(5,768)	(322,429)
2036	(83,123)	(177,580)	(4,492)	(51,063)	(4,962)	(2,691)	(5,900)	(329,811)
2037	(85,039)	(181,674)	(4,596)	(52,240)	(5,077)	(2,753)	(6,036)	(337,414)
2038	(89,483)	(191,169)	(4,836)	(54,970)	(5,342)	(2,897)	(6,351)	(355,050)
2039	(91,628)	(195,750)	(4,952)	(56,288)	(5,470)	(2,966)	(6,503)	(363,557)
2040	(77,468)	(165,500)	(4,186)	(47,589)	(4,625)	(2,508)	(5,498)	(307,374)
TOTAL:	(988,767)	(2,112,369)	(53,435)	(607,409)	(59,028)	(32,011)	(70,179)	(3,923,197)

Source: Johnson Economics

Table 13 - Projected Impact on Taxing District Permanent Rate Levies – Education

FYE	Hermiston School District 8	Intermountain E.S.D.	Blue Mountain CC	Subtotal (Education)	Total (Govt. and Education)
2024	-	-	-	-	-
2025	(25,019)	(3,154)	(3,387)	(31,560)	(89,465)
2026	(33,886)	(4,271)	(4,587)	(42,744)	(121,168)
2027	(42,758)	(5,390)	(5,788)	(53,936)	(152,895)
2028	(68,841)	(8,677)	(9,319)	(86,837)	(246,163)
2029	(79,017)	(9,960)	(10,696)	(99,673)	(282,549)
2030	(89,243)	(11,249)	(12,080)	(112,573)	(319,117)
2031	(99,776)	(12,577)	(13,506)	(125,859)	(356,781)
2032	(110,626)	(13,944)	(14,975)	(139,545)	(395,576)
2033	(138,745)	(17,488)	(18,781)	(175,014)	(496,124)
2034	(136,306)	(17,181)	(18,451)	(171,938)	(487,403)
2035	(139,315)	(17,560)	(18,858)	(175,734)	(498,163)
2036	(142,504)	(17,962)	(19,290)	(179,757)	(509,568)
2037	(145,789)	(18,376)	(19,735)	(183,901)	(521,315)
2038	(153,409)	(19,337)	(20,766)	(193,513)	(548,562)
2039	(157,085)	(19,800)	(21,264)	(198,150)	(561,707)
2040	(132,810)	(16,740)	(17,978)	(167,528)	(474,902)
TOTAL:	(1,695,130)	(213,668)	(229,462)	(2,138,260)	(6,061,457)

Source: Johnson Economics Please refer to the explanation of the schools funding in the preceding section

Table 14 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2041.

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

Table 14 - Additional Revenues Obtained after Termination of TIF - FYE 2041

Taxing District	Tax Rate	From Frozen Base	From Excess Value	Total
General Government				
General County	2.8487	162,647	174,375	337,023
City of Hermiston	6.0860	347,482	372,538	720,020
Port of Umatilla	0.1539	8,787	9,421	18,208
Umatilla County Fire District 1	1.7500	99,917	107,121	207,038
County Radio District	0.1700	9,706	10,406	20,112
Cemetery District 8	0.0923	5,270	5,650	10,920
W. Umatilla Mosquito Control	0.2021	11,539	12,371	23,910
Subtotal	11.3030	645,348	691,882	1,337,230
Education				
Hermiston School District 8	4.8877	279,065	299,187	578,252
Intermountain E.S.D.	0.6156	35,148	37,682	72,830
Blue Mountain CC	0.6611	37,746	40,467	78,213
Subtotal	6.1644	351,958	377,337	729,295
TOTAL:	17.4674	997,306	1,069,219	2,066,525

Source: Johnson Economics

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

State law limits the percentage of both a municipality’s total assessed value and the total land area that can be contained in an urban renewal district at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base (assumed to be FYE 203 values), including all real, personal, manufactured, and utility properties in the Area, is projected to be \$57,095,267. The Umatilla County Assessor will certify the frozen base once the urban renewal plan is adopted. The frozen base assessed value of the City of Hermiston Downtown Urban Renewal District is \$42,262,899. The projected frozen base of the Southwest Hermiston Urban Renewal District is \$3,121,349. The Downtown Urban Renewal District has excess value of \$15,049,186. The total assessed value of the City of Hermiston as stated in the Umatilla County Assessor SAL 4a for FYE 2023 was \$1,262,014,564.

The percentage of total City assessed value in urban renewal districts is 8.23%, below the 25% threshold. ORS 457.160 (2)(b) states “For municipalities having a population of less than 50,000, according to the latest state census:

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

The District contains approximately 102 acres, including public rights-of-way. The City of Hermiston Downtown Urban Renewal District contains 125.2 acres. The Southwest Hermiston Urban Renewal District contains 392.8 acres. The City of Hermiston contains 5,402 acres. This puts 11.48% of the city’s acreage in an urban renewal district, which is below the 25% threshold.

Table 15 – Urban Renewal District Conformance with Assessed Value and Acreage Limits

	Acreage	Assessed Value
A. City of Hermiston Downtown Urban Renewal District	125.2	\$42,262,899
B. Southwest Hermiston Urban Renewal District	392.8	\$3,121,349
C. North Hermiston Urban Renewal District	102	\$57,095,267
D. Total Acreage/Assessed Value in URDs	620	\$102,479,515
E. Excess Value		\$16,832,001
F. City of Hermiston	5,402	\$1,262,014,564
% of City Acreage =(D/F)	11.48%	
% of City Assessed Value =(D/(F-E))		8.23%

Source: Compiled by Elaine Howard Consulting, LLC with data from Johnson Economics, City of Hermiston, and Umatilla County Department of Assessment and Taxation SAL 4a and SAL 4e (FYE 2023)

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

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

A. Physical Conditions

1. Land Use

The District measures 102 total acres in size, which is composed of 63 individual parcels encompassing 93.49 acres, and an additional 8.51 acres in public rights-of-way. An analysis of FYE 2023 property classification data from the Umatilla County Department of Assessment and Taxation database was used to determine the land use designation of parcels in the District. By acreage, Commercial (81.55%) accounts for the most prevalent land use within the area. This was followed by Industrial (12.91%). Detailed land use designations in the District can be seen in Table 16..

Table 16 - Land Use in the District

Land Use	Parcels	Acres	Percent of Acres
Commercial	47	76.24	81.55%
Industrial	2	12.07	12.91%
Residential	7	2.18	2.33%
Miscellaneous	4	2.16	2.31%
Farm	1	0.45	0.48%
Exempt	2	0.39	0.42%
TOTAL:	63	93.49	100.00%

Source: Compiled by Elaine Howard Consulting with data from Johnson Economics received from the Umatilla County Department of Assessment and Taxation (FYE 2023)

2. Comprehensive Plan Designations

There are only two comprehensive plan designations in the District. The most prevalent comprehensive plan designation by acreage in the District is Commercial (87.98%). The second most prevalent comprehensive plan designation in the District is Industrial (11.04%). Detailed comprehensive plan designations in the District can be seen in Table 17. The Industrial tax lot also has a small portion that is designated as Commercial, but the majority of the tax lot is Industrial.

Table 17 – Comprehensive Plan Designations in the District

Comprehensive Plan Designation	Tax Lots	Acres	Percent of Acres
Commercial	59	82.25	87.98%
Industrial	1	10.32	10.94%
Mobile Home	4	1.01	1.08%
TOTAL:	63	93.49	100.00%

Source: Compiled by Elaine Howard Consulting with data from Johnson Economics received from the Umatilla County Department of Assessment and Taxation (FYE 2023)

3. Zoning Designations

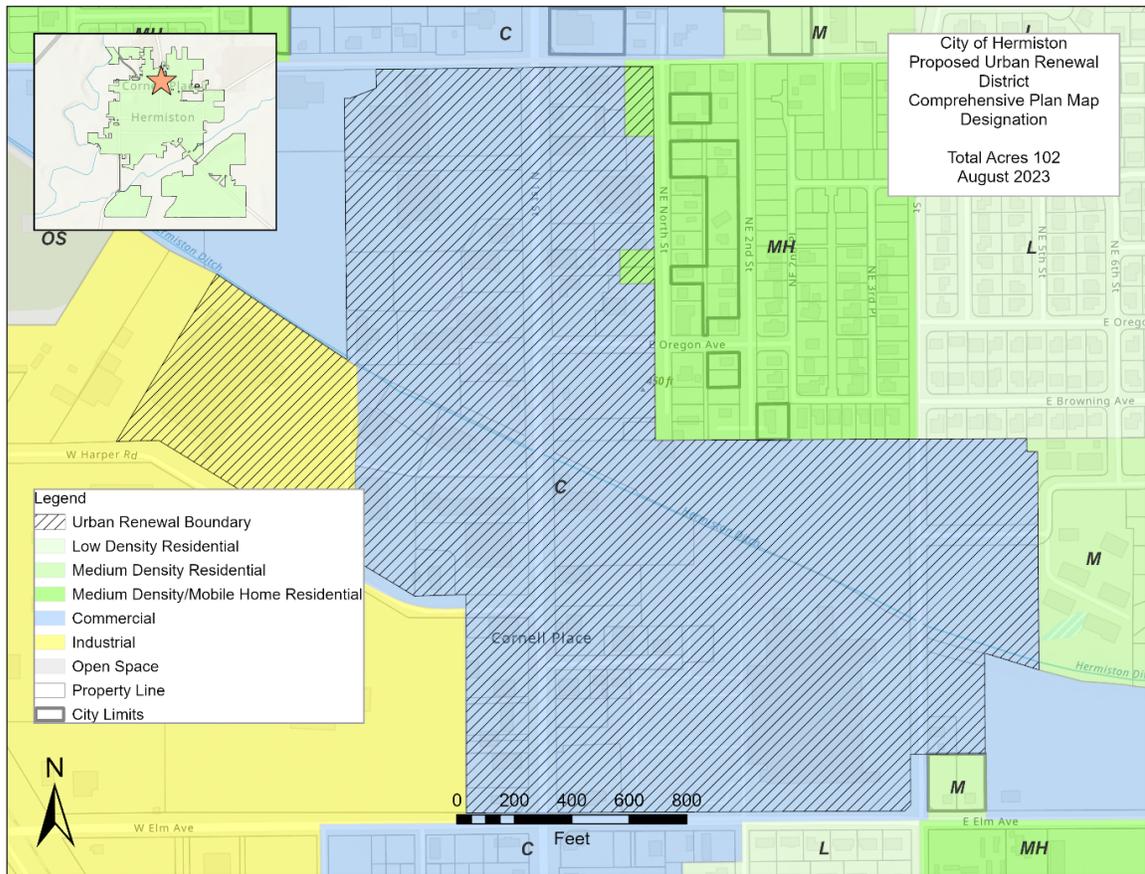
There are only two zoning designations in the District. The most prevalent zoning designation by acreage in the District is the Outlying Commercial Zone (C-2) (87.98%). The second most prevalent zoning designation in the District is the Light Industrial Residential Zone (M-1) (1.08%). Detailed zoning designations in the District can be seen in Table 18. The Light Industrial tax lot also has a small portion that is zoned as Commercial, but the majority of the tax lot is Industrial.

Table 18 - Zoning Designations in the District

Zoning Designations	Tax Lots	Acres	Percent of Acres
Outlying Commercial Zone (C-2)	59	82.25	87.98%
Light Industrial (M-1)	1	10.23	10.94%
Multi-Structure Residential Zone (R-4)	4	1.01	1.08%
TOTAL:	63	93.49	100.00%

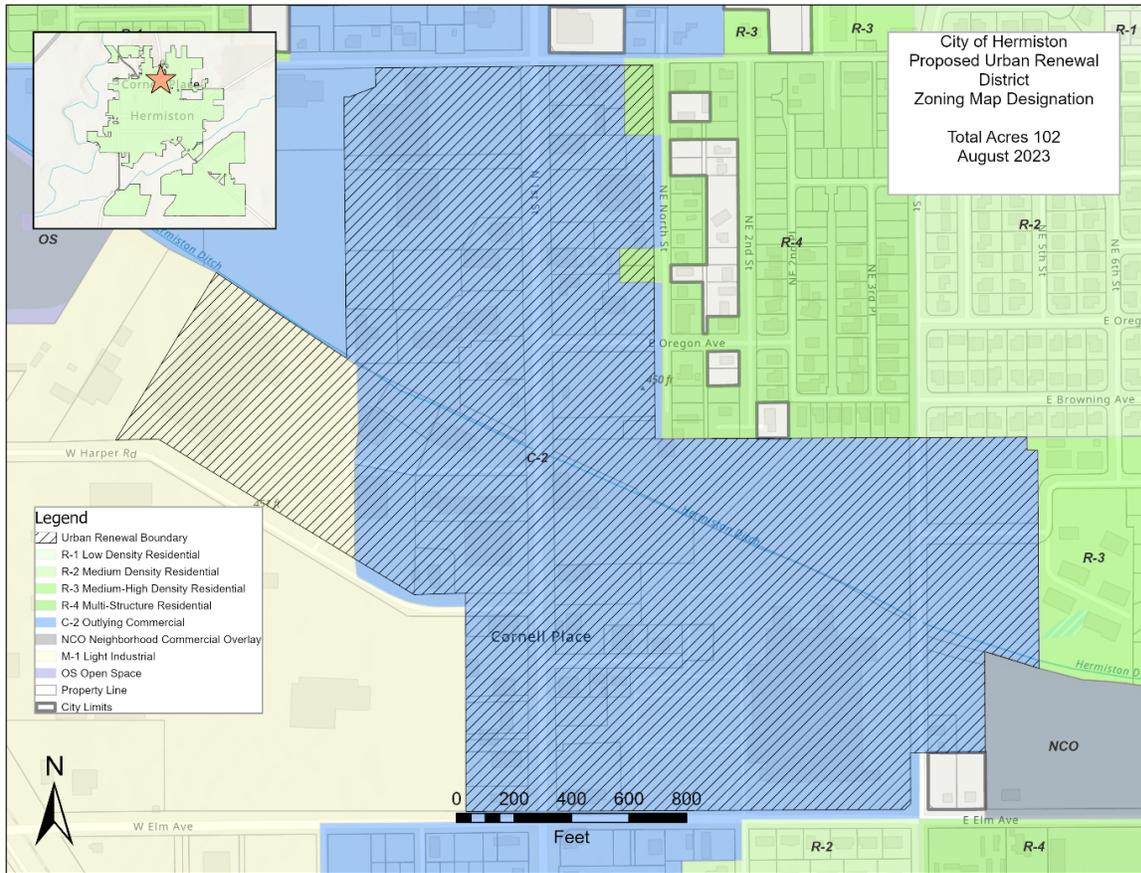
Source: Compiled by Elaine Howard Consulting with data from Johnson Economics received from the Umatilla County Department of Assessment and Taxation (FYE 2023)

Figure 3 - Hermiston Urban Renewal District Comprehensive Plan Designations



Source: City of Hermiston

Figure 4 - Hermiston Urban Renewal District Zoning Designations



Source: City of Hermiston

B. Infrastructure

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

1. Transportation

The following transportation system is required in the District:

A new east/west street connecting N 1st St to NE 4th St (NE Aspen Drive).

This street is proposed for construction in the easement for the Hermiston Drain. Constructing the street in the easement allows otherwise unbuildable land to be productively utilized for the public good as well as providing new points of access for the irregularly shaped parcels along the easement. This new street will provide nearly 1,300 feet of new street frontage for an area which currently has less than 100 feet of highway frontage.

Aspen Drive will also provide additional opportunities for alternate circulation as traffic generated by the existing commercial users may leave N 1st St and connect with existing residential development to the west and south without needing to travel through the congested Elm/1st St intersection.

A new signal is proposed for the N 1st St/Aspen Drive intersection. This signal is intended to aid in traffic calming on N 1st Street and to provide better traffic spacing, allowing more left turns onto the highway.

An extension of NE North St south from the current terminus to NE Aspen Drive is proposed. This street extension is approximately 100 feet and will provide opportunities for commercial and residential traffic to the north an opportunity to use the newly constructed signal at NE Aspen Drive and avoid the unsignalized intersection of E Oregon Ave and N 1st St.

2. Water, Sanitary Sewer and Storm Water

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

There is a need for a new municipal water line following the NE Aspen Drive route, looping water between N 1st Street and NE 4th Street and providing service to new businesses along the route.

C. Social Conditions

According to information from the Umatilla County Assessor’s office, the District contains seven parcels with 2.18 acres that have residential uses. Since there are such limited residential uses in the District, the following demographics are presented for the City of Hermiston as a whole.

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

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

Table 19 – Race in the District

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

Source: US Census Quick Facts

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

Table 20 - Age in the District

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

Source: US Census Quick Facts

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

Table 21 - Educational Attainment in the District

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

Source US Census Quick Facts

D. Economic Conditions

1. Taxable Value of Property within the District

The estimated total assessed value of the District calculated with data from the Umatilla County Department of Assessment and Taxation for FYE 2023 including all real, personal, manufactured, and utility properties, is estimated to be \$57,095,267.

2. Building to Land Value Ratio

Table 22 shows the improvement to land ratios (I:L) for properties within the District. Two tax lots in the District are exempt from taxation. Fifteen parcels representing approximately 23% of the District have no improvement value. A reasonable I:L ratio for properties in the District is 2.0. Thirty -two of the 63 tax lots in the District, totaling 64.45% of the acreage have I:L ratios of 2.0 or more in FYE 2023. In summary, approximately one quarter of the District is underdeveloped and not contributing significantly to the tax base in Hermiston.

Table 22 - Improvement to Land Ratios in the District

Improvement to Land Ratio	Parcels	Acres	Percent of Acres
Exempt	2	0.39	0.42%
No Improvement Value	15	21.40	22.89%
0.01-0.50	4	3.05	3.26%
0.51-1.00	2	1.25	1.34%
1.01-1.50	5	2.58	2.76%
1.51-2.00	3	4.57	4.89%
2.01-2.50	7	6.69	7.16%
2.51-3.00	5	4.73	5.06%
3.01-4.00	8	8.44	9.03%
> 4.00	12	40.39	43.20%
TOTAL:	63	93.49	100.00%

Source: Compiled by Elaine Howard Consulting with data from Johnson Economics received from the Umatilla County Department of Assessment and Taxation (FYE 2023)

E. Impact on Municipal Services

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

The projects being considered for future use of urban renewal funding are for improving the transportation network and providing water system upgrades to facilitate improved safety, alternative routes and improved provision of water.

It is anticipated that these improvements will catalyze development on the undeveloped parcels in the District and improve safety for all transportation modes. Without these improvements, much of this land is undevelopable.

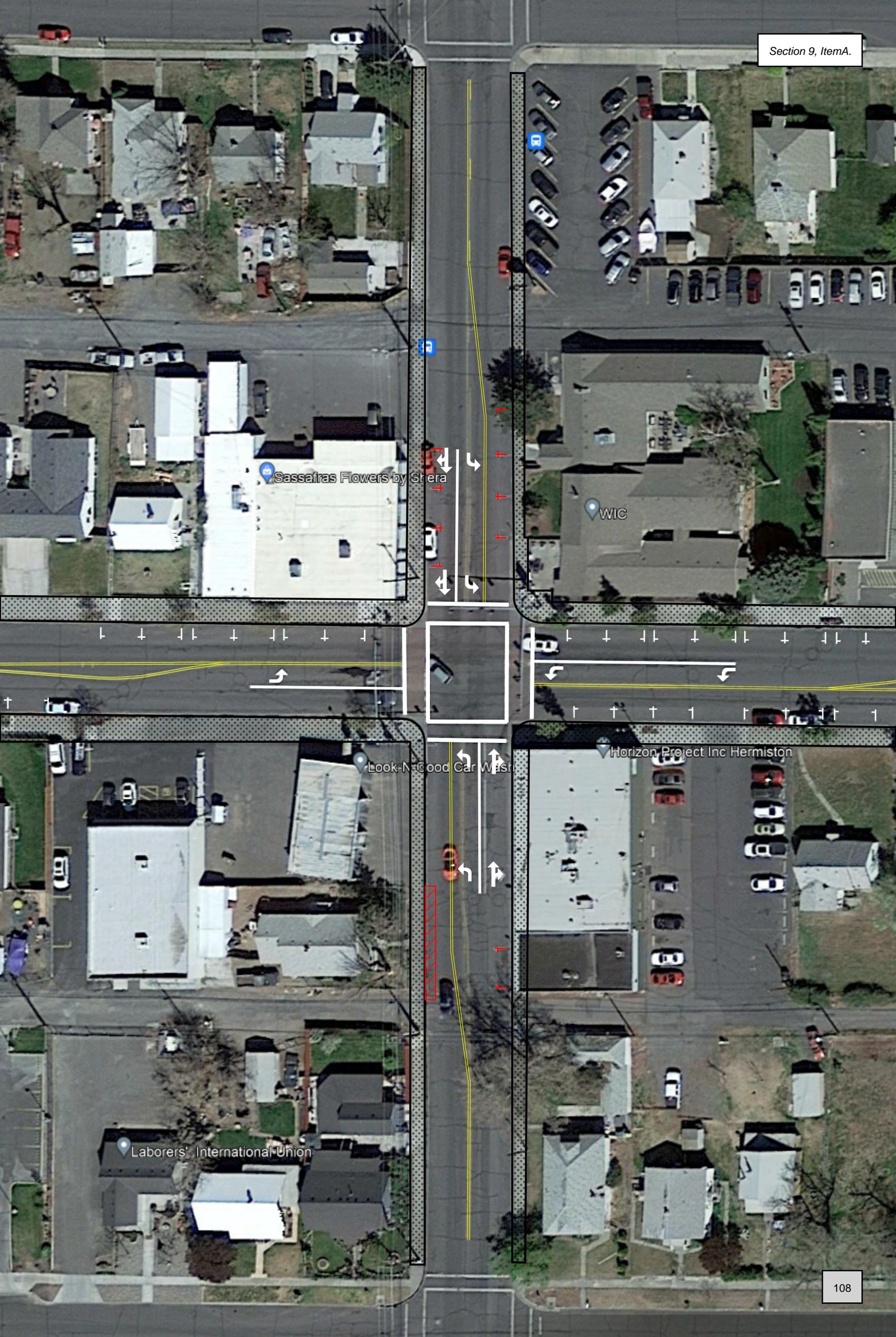
The financial impacts from tax increment collections will be countered by future economic development, and, in the future, adding increases in assessed value to the tax base for all taxing jurisdictions, including the City.

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

The reason for selecting the District is to provide the ability to fund projects and programs necessary to cure blight within the District. The outcome of implementing these projects is anticipated to be an increase to the economic growth in Hermiston by providing infrastructure improvements to improve the safety and functioning of the transportation network in the District and providing upgraded water systems.

XIII. RELOCATION REPORT

When the Agency acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the Agency shall adopt rules and regulations, as necessary, for the administration of relocation assistance. The Agency will comply with all applicable state law in providing these potential benefits. At the writing of this report, the Agency anticipates acquiring right of way in the District.



Sassafras Flowers by Shera

WIC

Look-N-Goood Car Wash

Horizon Project Inc Hermiston

Laborers' International Union



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of July 10, 2023

Title/Subject

Resolution 2283- Establishing “No Parking” on East Fourth Street from Main Street to the alleyways on both the North and South.

Summary and Background

This resolution was considered at the June 26, 2023 meeting, and upon receiving some input from neighboring stakeholders and some general members of the public, City Council requested staff to bring the issue back with some more information regarding alternative parking additions.

Before getting in to specific alternatives, it is important to break this issue down in to its impact on the four different quadrants of the intersection of 4th & Main, because although the total impacted parking lost is 7 commercial spaces and 2 residential spaces, not all quadrants benefit equally from potential alternatives.

NORTHEAST QUADRANT (Head Start Corner)

The Chief Operating Officer for UMCHS contacted City Staff prior to the June 26 meeting to express his support for the proposed revision, which included a loss of 3 on-street parking spaces in front of their main offices. UMCHS has a significant amount of off-street parking available within the block northeast of the intersection. When City staff had mentioned the likelihood of doing angled parking on Gladys, the COO was supportive of that addition as well.

NORTHWEST QUADRANT (Former Columbia Outdoor Corner)

The property owner attended the June 26 meeting, and indicated some disappointment about losing 3 on-street parking spaces adjacent to his building, but he stated that he understood the need for the additional turn lane. As a followup, he inquired about alternatives examined, to which staff responded that the possibility of maintaining 3 spaces in the NW quadrant was examined as theoretically possible; however, it would result not only in 11’ wide driving lanes (1’ narrower than standard) and push through-traffic that much closer to the Head Start facility, but we would be left with “parking spaces” which are only the bare minimum of 6’ wide. It was determined that due to the types of vehicles in the community, combined with the speed and volume of traffic adjacent to the 6’ wide parking spaces, that they would not truly be a safe or functional alternative.

The owner of the car wash provided no input. The occupant of the residence attended, and indicated opposition to losing space for two to three vehicles to park on-street in front of their home.

SOUTHEAST QUADRANT (Horizon Project)

The CEO of Horizon project has indicated no opposition to the loss of one on-street parking space in front of her facility. This business has an off-street parking lot located on the east side of their building.

ALTERNATIVE PARKING MITIGATION SHORT-TERM RECOMMENDATION

NORTH SIDE- Gladys Angled Parking

Anderson Perry & Associates is working to mock-up a drawing of what converting all on-street parking on the north side of Gladys Ave. between 3rd & 4th would look like. This would replicate and tie-in with the existing angled parking along Gladys between 2nd and 3rd in front of the library and three residences. Since that angled parking was installed, it has been well-received. The 300 block of Gladys on the north side also appears to be a prime candidate for this change because:

- No driveway cuts
- Alleyway provides rear access/parking

The preliminary analysis of this change would result in a net-gain of 6 parking spaces within one block of the 6 parking spaces lost north of Main Street. This 1-block radius is more than reasonable for employees of those businesses in order to preserve closer parking for potential customers and clients. Additionally, historical Google Earth images show that typically only 3 to 4 vehicles park in this area at any given time, with many of the residences utilizing parking from the rear alleyway. So not only would this change add parking spaces, but the current spaces are significantly underutilized.

SOUTH SIDE- No Change

Although there will be one commercial space lost on the east side of the street, that building has an off-street parking lot to the east. The residence to the West has access to at least 3 on-street parking spaces adjacent to it to the South, within less than 1/2 block on 4th Street. The residence south of the alleyway has off-street parking and a garage, with a driveway on to 4th. Additionally, that residence, being a corner-lot, has on-street parking adjacent to it on both 4th and Hurlburt. The 10 most-recent historical Google Earth images show a total of 11 vehicles parked on the west side of 4th, between the alley and Hurlburt; with three of those being during the 2018 3 on 3 basketball tournament downtown. There is likely to be between 2 and 3 on-street parking spaces available between the alley and Hurlburt at any given time.

One alternative which was considered for addressing parking in the area south of 4th & Main is to designate all parking on the south side of the 300-block of Hurlburt as angled parking, similar

to the solution on Gladys. Unfortunately, this roadway is effectively much more narrow Gladys which has a 50' width from curb to curb, whereas Hurlburt's is only 35'. However, the Right of Way is plenty large enough. An effort to convert this stretch to angled parking would require eliminating the planter-strip on both sides of the roadway between 3rd & 4th and doing infill paving. Total costs for this are likely to range anywhere from \$100,000 to \$400,000.

ALTERNATIVE PARKING MITIGATION LONG-TERM CONSIDERATIONS

It was asked during the June 26 meeting, what the City's long-term plan is for parking in this area. There are a number of things to consider when considering parking.

Cost of Off-Street Parking Lots: Development of off-street parking lots are not free; even for ones which may seem to already be vacant. Not only is there the cost of building the lot, and/or acquiring the land for the lot, but it's easy to also overlook the cost to local public agencies through lost potential property tax revenue. For example, a currently un-developed area at the corner of 3rd & Main paid \$3,366.51 in local property taxes in 2022. Aside from the real estate acquisition costs, which would be significant, development of that site would also cost \$67,000 in lost property tax revenue over 20 years.

Cost of Lost Development Potential: Converting an otherwise developable lot in to a parking lot, which may not necessarily be necessary, means that the downtown core loses out on the potential for additional development. Unfortunately, the focus for developing a parking lot is the same as for other types of development; meaning that an additional downtown lot is likely to use up some of the most developable land within the downtown.

Impact to Development Pattern: A mis-placed parking lot can have an commercial development patterns, which are looking for the highest vehicle and pedestrian traffic volumes. The current development pattern of Main Street is one that you see replicated in many other communities, with storefronts on Main Street, with parking in the rear. It is probably not in the best interests of the community to develop a parking lot directly fronting on Main Street.

Solution Looking for a Problem: Invariably, any effort to put in a parking lot toward the eastern end of Main Street will be in the wrong location for any number of reasons, when frankly, for the uses there currently, there isn't a major need for additional parking. However, when an opportunity for infill development comes along, it is probably worth examining some opportunities for how the City and the Urban Renewal District, could assist a private development in creating public parking.

Opportunities

- North Side: We've already identified an ability to add 6 parking spaces to Gladys with relatively minimal costs. Development of meaningful off-street parking (40-50 spaces) appears relatively doable within the first block of 4th along Gladys given the type of property ownership in the neighborhood, however all properties appear to be currently occupied either commercially or residentially.
- South Side: There are several potential development opportunities between 3rd & 4th and between Main and Newport. Rather than self-deploy with a public parking lot, it is likely to possible to leverage one of those opportunities in conjunction with a private development proposal for one of the other sites. Meanwhile, any partnership should

keep in consideration the option to install angled parking along Hurlburt between 4th, since it requires no real estate acquisition and would result in no net loss of property tax revenue. Meanwhile, review of the past 10 Google Earth aerial images, dating to 2011, shows exactly zero vehicles ever parked along that stretch, with the exception of the day of the 3 on 3 basketball tournament in 2018. Therefore, reconfiguring parking along that stretch could provide a potential new development in that vicinity with as many as 20 available parking spaces.

Previous Background

This resolution will formally designate both sides of East Fourth Street as “No Parking” in the vicinity of it’s intersection with Main Street, extending north and south to the alleyways. This action will eliminate seven currently marked on-street parking spaces within the area. Those spaces are shown in red on the attached sketch.

The purpose for this is to allow for installation of dedicated left-turn lanes for north and southbound traffic on 4th street. This will allow left-turning vehicles to hold in an area which is out of the main North/South travel lanes without impeding that traffic.

Recent, and ongoing, community growth is making this change necessary, including approximately 450 new housing units in development on Diagonal Road. Traffic count data collected in April, 2023 verified that the intersection is nearing capacity in it’s current configuration. Meanwhile, the traffic-sensing equipment embedded in the pavement on the north-leg of the intersection failed this Spring. Therefore, the signal has been switched to a time-based system, which is not responsive to traffic. Knowing that the intersection is already near capacity, now is the time to make the alignment changes so that the correct replacement equipment can be installed to operate this signal.

Adjacent property owners and business operators have been notified of Resolution 2283, and the opportunity for public comment.

Tie-In to Council Goals

Focus Area- Transportation: Improve mobility and transportation

Fiscal Information

Negligible fiscal impact.

Alternatives and Recommendation

Alternatives

Due to the available right of way width, the alternative is either to reconfigure the intersection as presented, with the associated 7-space loss of on-street parking, or make no intersection reconfiguration. There is simply not enough space to proceed with the addition of turn-lanes without parking elimination as-shown.

Recommended Action/Motion

Motion to approve Resolution 2283.

Submitted By:

Mark Morgan

RESOLUTION NO. 2283

A RESOLUTION TO ESTABLISH A NO PARKING ZONE

WHEREAS, pursuant to HMC §70.03, the City Council for the City of Hermiston shall exercise all local traffic authority to regulating the parking and standing of vehicles; and

WHEREAS, it has been requested that “No Parking Zones” be established on both sides of East Fourth Street from the intersection with East Main Street north to the alleyways located between East Main Street and East Gladys Avenue and south to the alleyways located between East Main Street and East Hurlburt Avenue to facilitate installation of left-turn lanes on East Fourth Street.

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

1. That it is expedient and necessary to establish “No Parking Zones” on East Fourth Street at the following locations for vehicular traffic regulation in accordance with the provisions outlined in Section 70.03 of the Hermiston Municipal Code:

<u>Street</u>	<u>Traffic</u>	<u>Length of No Parking Zone</u>
East Fourth Street	North/South Bound	Both sides of the street, north from the intersection with East Main Street to the alleyways located between East Main Street and East Gladys Avenue and south from the intersection with East Main Street to the alleyways located between East Main Street and East Hurlburt Avenue.

2. That this resolution is effective immediately upon its passage.

PASSED by the Common Council this 10th day of July 2023.

SIGNED by the Mayor this 10th day of July 2023.

Dr. David Drotzmann, MAYOR

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 10, 2023

Title/Subject

4th Quarter FY2023 Investment Report

Summary and Background

This is the quarterly overview of the 4th quarter of FY2023 investment activity of the city.

Tie-In to Council Goals

Fiscal Prudence

Fiscal Information

NONE

Alternatives and Recommendation

Alternatives

NONE

Recommended Action/Motion

Recommend approval/acceptance of the 4th Quarter FY2023 Investment Report as presented.

Request a motion to approve/accept the 4th Quarter FY2023 Investment Report as presented.

Submitted By:

Mark Krawczyk

Director of Finance

FY2023 4th Quarter Investment Summary Report

Rating	Trade Date	Settlement Date	Par	Current Value	Cusip	Security	Coupon	Maturity	Callable
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Fidelity Gov't Cash Reserves			\$12,127	\$12,127	----	----	----	----	----
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CORPORATE - FINANCIALS/BONDS

A2/A-/AA-	5/11/2022	5/13/2022	\$100,000	\$99,926	06053FAA7	Bank of America	4.1	7/24/2023	NC
A2/A-/AA-	3/17/2021	3/19/2021	\$25,000	\$24,630	48126D6T1	JP Morgan	1.187	09/11/23	NC
3M LIBOR +100 bps									
Aa1/AA+	5/1/2019	5/3/2019	\$350,000	\$345,104	037833CG3	Apple	3.00	2/9/2024	12/9/2023
Aa2/AA-	10/6/2020	10/8/2020	\$200,000	\$196,514	166764BT6	Chevron	2.90	3/3/2024	1/3/2024
Aa1/AA	10/30/2020	11/3/2020	\$115,000	\$113,160	30231GAC6	Exxon Mobil	3.18	3/15/2024	12/15/2023
A2/A-/A+	9/21/2020	9/23/2020	\$150,000	\$149,817	06051GHL6	Bank of America	3.86	7/23/2024	7/23/2023
F2F 3.864 Fixed until 7/23/2023 then 3 month libor +94 bps									
Aa2/A+/AA-	11/5/2021	11/9/2021	\$200,000	\$192,106	341081FZ5	Florida Power & Light	2.85	4/1/2025	3/1/2025
Aa2/A+	7/12/2022	7/29/2022	\$100,000	\$96,654	3134GXG32	Shell International	3.25	5/11/2025	Make Whole
A1/BBB+/A+	3/24/2022	3/28/2022	\$240,000	\$230,027	94974BGP9	Wells Fargo	3.55	9/29/2025	NC
A1/BBB/A+	3/24/2022	3/28/2022	\$100,000	\$95,221	95000U2H5	Wells Fargo F2F	2.41	10/30/2025	10/30/2024
F2F 2.406 FIXED until 10/30/2024 then LIBOR +82.5 BPS									
A1/A-	5/17/2023	5/19/2023	\$100,000	\$99,902	06051GHB8	Bank of America	6.1	2/5/2026	2/5/2025
F2F Qtrly, Next Reset 8/7/2023, Benchmark Rate = 3M LIBOR + 77bp									
A1/BBB+	8/3/2021	8/5/2021	\$40,000	\$35,116	95001DB25	Wells Fargo Step Up	1.00	2/21/2026	8/21/2022
1.00 @ 8/1/2020, 1.19 @ 8/1/2024, 1.50 @ 8/1/2025									
A1/A-	4/6/2023	4/28/2023	\$80,000	\$80,077	46647PCX2	JP Morgan	5.63	2/24/2026	2/24/2025
A2/A-	8/23/2021	8/25/2021	\$275,000	\$256,996	91159HHM5	US Bank	3.10	4/27/2026	3/27/2026
A1/BBB+/A+	9/27/2021	9/29/2021	\$150,000	\$140,541	95000U2N2	Wells Fargo F2F	2.19	4/30/2026	4/30/2025
2.188 Fixed to 4/30/2025, then 1 DAY SOFR + 200bps									
A2/A-	7/20/2021	7/22/2021	\$60,000	\$54,960	06051GJD2	Bank of America	1.32	6/19/2026	6/19/2025
A1/BBB+/A+			\$50,000	\$48,767	95000N2Y4	Wells Fargo	FLOAT	9/15/2027	NC
TOTAL CORPORATE BONDS			\$2,335,000	\$2,259,518	-3.23%	(\$75,482)			

MUNICIPALS

Aa2/A+	12/29/2020	12/31/2020	\$95,000	\$93,107	68587FAF1	Oregon Edu Dist Full Faith Pens	3.62	6/30/2024	-
Aa2/-/AA	7/15/2020	7/17/2020	\$200,000	\$192,390	73474TAQ3	Port of Morrow OR Trans Rev	2.18	9/1/2024	-
/AA	7/9/2020	7/15/2020	\$70,000	\$67,261	861398CH6	Stockton CA Pub Fin Wtr Rev	2.37	10/1/2024	-
Aa2/AA+	7/17/2020	7/22/2020	\$200,000	\$195,084	5447ERW6	Los Angeles Cnty Pub Wks Fing	3.74	12/1/2024	-
Aa2/AA+	7/8/2020	7/10/2020	\$25,000	\$23,984	79765DS27	SF CA City and Cnty COPS	2.85	4/1/2025	-
-/AA+	7/21/2020	7/23/2020	\$25,000	\$23,932	904121NE6	Umatilla Cnty OR SD No 8	3.02	6/15/2025	-
Aa1/	7/8/2020	7/10/2020	\$125,000	\$115,339	9397203H9	WA St Cfts Partn Rev	1.20	7/1/2025	-
TOTAL MUNICIPALS			\$740,000	\$711,097	-3.91%	(\$28,903)			

CALLABLE AND BULLET AGENCIES / US TREASURIES

Aaa/AA+	10/24/2022	10/25/2022	\$250,000	\$249,878	3133ENV98	FFCB	4.67	7/26/2023	Continuous
Aaa/AA+	6/5/2023	6/6/2023	\$150,000	\$147,064	912797FK8	FF&C ZERO COUPON	5.44	11/16/2023	NC
Aaa/AA+	11/5/2021	11/24/2021	\$150,000	\$147,019	3130APT96	FHLB	0.50	11/24/2023	2/24/2022
Aaa/AA+	5/11/2022	5/24/2022	\$100,000	\$98,873	3130ARZ95	FHLB	2.70	11/24/2023	5/24/2023
AA+	10/24/2022	10/25/2022	\$265,000	\$263,818	3130ATLH8	FHLB	4.50	11/27/2023	Continuous
Aaa/AA+	6/15/2023	6/16/2023	\$100,000	\$97,729	912797FT9	FF&C ZERO COUPON	5.31	12/7/2023	NC
Aaa/AA+	11/8/2021	11/22/2021	\$200,000	\$193,718	3130APP58	FHLB	0.63	2/22/2024	2/22/2022
AA+	9/6/2022	9/20/2022	\$100,000	\$98,292	3134GXW91	FHLMC	4.15	9/20/2024	Continuous
Aaa/AA+	11/5/2021	11/22/2021	\$150,000	\$140,833	3130APTD7	FHLB	0.84	11/22/2024	2/22/2022
Aaa/AA+	12/21/2021	12/30/2021	\$125,000	\$117,281	3130AQEX7	FHLB	1.05	12/30/2024	3/20/2022
AAA/AA+	4/25/2022	4/28/2022	\$125,000	\$120,640	3130ARN72	FHLB	3.00	1/28/2025	7/28/2022
Aaa/AA+	2/15/2023	2/23/2023	\$185,000	\$183,483	3131GYKA9	FHLMC	5.40	2/23/2026	2/23/2024
Aaa/AA+	2/8/2023	2/24/2023	\$160,000	\$158,647	3134GYJC7	FHLMC	5.40	2/24/2026	5/24/2023
Aaa/AA+	5/5/2023	5/18/2023	\$200,000	\$198,192	3134GYRX2	FHLMC	5.38	5/18/2026	8/18/2023
Aaa/AA+	11/5/2021	11/23/2021	\$250,000	\$230,206	3130APSX4	FHLB	0.75	11/23/2026	2/23/2022
Aaa/AA+	5/17/2023	5/18/2023	\$125,000	\$123,910	313AVKE1	FHLB	5.45	12/21/2026	7/21/2023
AAA/AA+	7/12/2022	7/13/2022	\$200,000	\$193,492	3130ASF53	FHLB	3.25	6/30/2027	6/30/2023
AA+	7/12/2022	7/13/2022	\$200,000	\$191,958	3134GXG32	FHLB	4.00	7/27/2027	1/27/2023
TOTAL AGENCIES			\$3,035,000	\$2,955,033	-2.63%	(\$79,967)			

INVESTMENT METRICS

	PAR	CURRENT VALUE		TARGET	ACTUAL
TOTAL INVESTABLE PORTFOLIO	\$6,122,127	\$5,937,775	-3.01%	CASH RESERVES	NONE 12,127 0.14%
				CORPORATES	35% 2,335,000 26.39%
LGIP @ 6/30/2023***	\$2,726,588	\$2,726,588	3.75%	MUNICIPALS	10% 740,000 8.36%
				AGENCIES / BULLETS	NONE 3,035,000 34.30%
TOTAL INVESTMENTS @ 6/30/2023	\$8,848,715	\$8,664,363		LGIP	NONE 2,726,588 30.81%

TOTAL LIQUIDITY / FF&C (including ARPA Funds)	\$7,398,578	83.61%	TOTAL	100.00%
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**PURCHASED IN 4th QUARTER FY2023

***Less ARPA funds \$3,948,766 treated as restricted		Weighted Avg Maturity	TARGET	ACTUAL
			2.5 yrs	1.727
Total Funds Invested (including ARPA Funds)	\$12,613,129	% of portfolio callable	75%	75.28%



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of July 10, 2023

Title/Subject

2nd Quarter 2023 Council Goal Update

Summary and Background

Council met for a goal setting session in February 2023 and adopted the final report for that session on April 10, 2023.

Tie-In to Council Goals

N/A

Fiscal Information

N/A

Alternatives and Recommendation

Alternatives

Recommended Action/Motion

Recommend acceptance of the 2nd Quarter 2023 Council Goals Update as presented.

Request a motion to accept the 2nd Quarter 2023 Council Goals Update as presented.

Submitted By:

Byron D. Smith

City Manager

Goal 1: Growing + Prosperous			
Actions	Priority Rank 1-7	Project Lead	Timeline
Focus Area - Workforce Development: Attract Industry and Jobs			
1.1 Examine the expansion of the Urban Growth Boundary (UGB) for commercial and industrial lands <i>Initial study has been completed to identify potential future expansion areas. Initial conversations have been conducted with State of Oregon staff.</i>	3	Clint + Mark M	2 - 4 Years
1.2 Research and report on requirements for immigration status <i>No work has been done on this item.</i>	7	Byron	1 - 2 Years
Focus Area - Transportation: Improve mobility and transportation			
1.3 Transportation System Plan Update (this would include an update of the sidewalk plan) <i>Grant application has been developed for the Transportation and Growth Management (TGM) program. Current project estimate is \$300,000.</i>	5	Clint + Mark M	1 - 2 Years
1.4 Complete the Safe Streets for All planning <i>Safe Streets for All planning grant was awarded. Staff has been attending webinars to begin the process of developing this plan.</i>	4	Clint + Mark M	1 - 2 Years
1.5 Conduct analysis of inclement weather Options to improve sidewalk accessibility <i>This process will be included in the above two planning efforts.</i>	6	Clint	1 - 2 Years
Focus Area - Housing: Increase senior and affordable housing, market rate rentals, and prevent people from becoming unhoused			
1.6 Attract market-rate rental housing developments to increase middle housing inventory <i>Staff continues to meet with potential developers and follows leads for potential new developments in the community.</i>	1	Clint + Mark M + Byron	1 - 2 Years
1.7 Continue to fund infrastructure improvements to support new housing and enhance livability <i>Most current opportunities for this are in the South Hermiston Urban Renewal Area and the potential for a North Hermiston Urban Renewal Area.</i>	2	Clint + Mark M + Byron	Ongoing
Goal 2: Safe + Healthy			
Actions	Priority Rank 1-5	Project Lead	Timeline
Focus Area - Wellness: a healthy Community			
2.1 Develop a memorandum of understanding (MOU) to solidify partnerships for a Health, Wellness, and Aquatic Center <i>This effort will begin at the conclusion of pool season this calendar year.</i>	2	Byron + Brandon	1 - 2 Years
2.2 Secure and identify land for a health, wellness and aquatic center	5	Byron + Brandon	1 - 2 Years

This effort will begin along with Action 2.1.			
Focus Area - Community Safety: Reduce recidivism and connect people with treatment services			
2.3 Develop a plan, gather data, and explore partnerships for a community court program	3	Jillian + Rich	1 - 2 Years
Court staff has begun to work in partnership with Umatilla County and the City of Pendleton Municipal Court to implement a court navigator program. This isn't a community court program exactly but it begins to try and offer additional assistance to those that are willing to work for it.			
Focus Area - Public Safety: Improve traffic safety and reduce budget pressures for the Police Department			
2.4 Implement red light photo enforcements along Hwy 395	4	Jason + Rich	1 Year
Initial research will begin later this fall.			
2.5 Explore a public safety fee or other revenue options that will align public safety staffing with future growth projections and needs (See Action 3.4)	1	Byron + Mark M + Jason	1 Year
This exploration has started and will be more in depth as a review of the current general fund budget is conducted.			
Goal 3: Sustainable			
Focus Area - City Facilities: Public facilities that meet the community needs of today and the future			
	Priority Rank 1-5	Project Lead	Timeline
3.1 Conduct public engagement and develop use scenarios for the Carnegie Building and the Library	3	Byron + Mark R	1 - 2 Years
Initial work has started on this item related to the Library. Other efforts with the Carnegie Building will come later this fiscal year.			
3.2 Develop a business operations plan for the Harkenrider Center	5	Byron + Brandon	1 Year
Brandon has developed a draft and some additional internal work and discussion a draft will be brought to the council for discussion.			
3.3 Assess public safety center project feasibility	4	Byron + Jason	1 Year
First level designs are being developed in conjunction with UCFD#1. These designs will inform the financial needs and then final feasibility.			
Focus Area - Fiscal: Maintain service levels, evaluate the current budget and understand options to increase revenues			
3.4 Develop a sustainable funding structure through the evaluation of fees and other revenue options to support public safety and overall service delivery at current levels (see Action 2.5)	2	Byron + Mark K + Jason	1 Year
See Action 2.5 above.			
3.5 Finalize water allocation for EOTEC	1	Byron + Al	1 Year
Continued discussions are happening between various water users related to this project.			
Goal 4: Connected + Engaged			
Focus Area - Community Engagement: Improve engagement and connection with the community			

Actions	Priority Rank 1-3	Project Lead	Timeline
4.1 Engage with education partners and develop a plan to increase youth engagement with the City <i>This item has not been started.</i>	2	Byron	1 - 2 Years
4.2 Evaluate Communication tools to improve connection with the community <i>Ongoing use/evaluation of the Zencity community survey tool is occurring.</i>	1	Byron	Ongoing
4.3 Develop a formalized Community Service Award program to recognize community members and employees <i>This item has not been started.</i>	3	Byron	1 - 2 Years