



Location: City Hall – Council Chambers
Date: June 23, 2026
Time: 6:00 PM

City Council Meeting Agenda

Mayor Jason Beebe, Council Members Steve Uffelman, Janet Hutchison, Shane Howard, Jerry Brummer, Scott Smith, Marv Sumner and City Manager Steve Forrester

<https://us02web.zoom.us/j/89574002812>

Call to Order

Flag Salute

Additions to Agenda

Consent Agenda

- [1.](#) Regular Meeting Brief 6-9-2026

Visitors, Appearances, and Requests Limited to Three (3) Minutes Per Person

Council Presentations

Council Business

- [2.](#) City Council Declaration of Vacancy - Jered Reid

Staff Reports and Requests

- [3.](#) Newest Consolidated Rail Infrastructure & Safety Improvements (CRISI) Grant Application - Lori Hooper Antram
- [4.](#) City Manager's Report - Steve Forrester

Council Reports

Ordinances

- [5.](#) Ordinance No 1308 - Amendment in the City's Comprehensive Plan to Update Chapter 2 and Chapter 5 (**SECOND PRESENTATION**) - Josh Smith
- [6.](#) Ordinance No 1309 - Implementing the Moderate-Income Revolving Loan (MIRL) Program (**SECOND PRESENTATION**) - Josh Smith

Resolutions

- [7.](#) Resolution No 1645 - Establishing Fees and Charges for Fiscal Year 2027 (**PUBLIC HEARING**) - Lori Hooper Antram



8. Resolution No 1646 - Declaring the City of Prineville Election to Receive State Revenue Sharing (**PUBLIC HEARING**) - Lori Hooper Antram

Visitors, Appearances, and Requests Limited to Three (3) Minutes Per Person

Adjourn

Agenda items may be added or removed as necessary after publication deadline

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CITY OF PRINEVILLE
Regular Meeting Brief
387 NE Third Street – Prineville, OR 97754
541.447.5627 ph 541-447-5628 fax

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<http://cityofprineville.com/meetings/>

City Council Meeting Brief
June 9th, 2026

Council Members Present:

Scott Smith
Marv Sumner
Steve Uffelman
Jason Beebe

Shane Howard
Jerry Brummer
Janet Hutchison

Council Members Absent

None.

Additions to the Agenda

None.

Consent Agenda

1. Regular Meeting Brief 5-26-2026

Councilor Uffelman made a motion to approve the consent agenda as presented. Motion seconded. No discussion on the motion. Motion carried.

Visitors, Appearances, and Requests

No one came forward. No one online raised a hand.

Council Presentations

None.

Council Business:

2. **Intent to Award 2026 Street Rehabilitation Project**– Casey Kaiser

Casey Kaiser, Assistant City Manager/Public Works Director, presented the staff report, adding that there were four responsive bidders. Tri-County Paving had the lowest bid at \$613,572.50.

Councilor Uffelman asked what the engineers' estimate was, and Mr. Kaiser stated that it was \$650,000.00.

Councilor Smith made a motion to approve the intent to award the 2026 Street Rehabilitation Project to Tri-County Paving in the amount of \$613,572.50. Motion seconded. No discussion on the motion. All in favor, motion carried.

Councilor Hutchison talked about the South Main paving project and asked if a wider scope of notifications could be sent out next time.

Councilor Smith talked about his family that lives in the construction area, adding that they couldn't say enough good things about how the project went.

Staff Reports and Requests:

3. City Manager's Report – Steve Forrester

Mr. Forrester went through his report, highlighting recent activity in all departments, stating that the Police Department roster is finally filled with the newest officer hired, and it has been a long time since we can say that.

There were no questions.

Council Reports

Mayor Beebe talked about meeting the Abilene, Texas, mayor while he was there working. They are embracing the new data centers being built there. He said that they are doing off-site power generation and are attached to the grid. He added that there is a lot of misinformation out there about how much water the data centers use, as compared to what they actually use.

There were discussions regarding natural gas and the natural gas turbine generators.

There were no further reports.

Ordinances:

4. Ordinance No. 1308 – Legislative Amendments to Chapters 2 & 5 of the Comprehensive Plan & Economic Opportunity Analysis (FIRST PRESENTATION) – Josh Smith

Josh Smith, Planning Director, explained that we have been going over this for the last year, and the public hearing has been closed. There have not been any changes since discussed at the last meeting.

Councilor Uffelman made a motion to approve Ordinance No. 1308 for its first presentation. Motion seconded. No discussion on the motion. All in favor, motion carried.

5. Ordinance No. 1309 – Establishing a Middle Income Revolving Loan (MIRL) Program (FIRST PRESENTATION) – Josh Smith

Jered Reid, City Attorney, explained that we went through this in depth during the workshop and talked about the changes that would be made to the ordinance as a result of the workshop, stating that on page 3, #2 will be a single-family development.

Councilor Smith made a motion to approve the first reading of Ordinance No. 1309, as amended. Motion seconded. No discussion on the motion. All in favor, motion carried.

Resolutions:

6. Resolution No. 1644 – Amending Resolution No. 1251 Regarding the Railroad Advisory Committee – Jered Reid

Mr. Reid talked about the resolution that was adopted in 2015 and explained that this resolution helps align with how the committee is intended to report to the City Manager, and not the Council.

Matt Weiderholt, Railroad Manager, explained that he just wanted clarification as to how the committee operates.

Councilor Hutchison made a motion to approve Resolution No. 1644. Motion seconded. No discussion on the motion. All in favor, motion carried.

Visitors, Appearances, and Requests:

No one came forward, and no one online raised a hand.

Mayor Beebe thanked Councilor Uffelman for his help as Council President in his absence due to work.

Adjourn

Councilor Uffelman made a motion to adjourn the meeting. Motion seconded. No discussion on the motion. All in favor, motion carried.

Meeting adjourned at 6:29 P.M.

Motions and Outcomes:

Motion:	Outcome	Beebe	Brummer	Howard	Hutchison	Smith	Sumner	Uffelman
Consent Agenda as Presented	PASSED	Y	Y	-	Y	Y	Y	Y
Motion to approve the intent to award to the 2026 Street Rehabilitation Project to Tri-County Paving in the amount of \$613,572.50.	PASSED	Y	Y	Y	Y	Y	Y	Y
Ordinance No. 1308 – Legislative Amendments to Chapters 2 & 5 of the Comprehensive Plan & Economic Opportunity Analysis (FIRST PRESENTATION)	PASSED	Y	Y	Y	Y	Y	Y	Y
Ordinance No. 1309 – Establishing a Middle Income Revolving Loan (MIRL) Program (FIRST PRESENTATION)	PASSED AS AMENDED	Y	Y	Y	Y	Y	Y	Y
Resolution No. 1644 – Amending Resolution No. 1251 Regarding the Railroad Advisory Committee	PASSED	Y	Y	Y	Y	Y	Y	Y
Adjourn Meeting	PASSED	Y	Y	Y	Y	Y	Y	Y

Public Records Disclosure

Under the Oregon public records law, all meeting information, agenda packets, ordinances, resolutions, audio, and meeting briefs are available at the following URL:

<https://www.cityofprineville.com/meetings>.

Council and Staff,

I have been very fortunate to have served with many great people on the council and staff over the past fifteen years. I am very proud of what we have accomplished together to ensure the strength of Prineville's future, and I will always cherish getting to be a part of that.

I am officially resigning as mayor and as a member of the city council effective immediately. My decision is due to personal reasons and did not come lightly. Thank you all for the wonderful time working to keep Prineville a wonderful place to live.

Rodney J. Beebe

6/15/26

A handwritten signature in black ink that reads "Rodney J. Beebe". The signature is written in a cursive style with a large initial "R" and "B".



STAFF REPORT

MEETING DATE:	6/23/2026	PREPARED BY:	Lori Hooper Antram
SECTION:	Staff Reports and Requests	DEPARTMENT:	Finance Department
CITY GOAL:	Fiscal Responsibility and Position the City for the Future		
SUBJECT:	Newest CRISI (Consolidated Rail Infrastructure and Safety Improvements) Grant Application		

REASON FOR CONSIDERATION: Staff is considering submitting a grant request totaling approximately \$16.4 million. The CRISI program requires a 20% local match, equating to approximately \$3.3 million, with a federal share of roughly \$13.1 million.

To support both the required match and cash flow timing associated with reimbursement-based grant funding, the railroad would require an estimated \$5.0 million cash injection, broken down as follows:

- \$3.3 million – Local match requirement
- \$1.7 million – Working capital to manage reimbursement timing delays

This approach allows the railroad to pursue a large-scale funding opportunity while maintaining flexibility to scale back the request if necessary, during the application process. The competitive nature of CRISI funding supports pursuing a larger request to maximize potential infrastructure investment.

Reimbursement-based funding creates short-term liquidity needs that must be planned in advance. Interfund borrowing introduces both repayment obligations and opportunity cost considerations.

Council's authorization will be required through a future resolution to approve the grant contract and any interfund loan.

BACKGROUND: The railroad is evaluating submission of an application for the upcoming Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program. The current funding round is anticipated to make approximately \$2 billion available nationwide for rail infrastructure projects.

Given the scale of rail improvements needed and the significant staff effort required for both application development and ongoing compliance reporting, staff is proposing to pursue a large, competitive project request.

FISCAL IMPACT: If the full grant award is received, staff anticipates the need to utilize an interfund loan from the General Fund to finance the \$3.3 million matching portion and needed working capital. Key assumptions include:

- Loan term: Approximately 5 years
- Repayment: From railroad revenues or other identified funding sources
- Budget impact: To be incorporated into the future budget cycle

The earliest anticipated project start date is 2028, allowing sufficient time for financial planning and inclusion in upcoming budget development processes.

RECOMMENDATION: Before committing staff resources to the application process, staff is seeking Council direction on the following:

- Support for pursuing a CRISI grant application at the proposed funding level; and
- Preliminary support for use of an interfund loan to finance the required match, subject to future formal Council approval.

Early Council alignment will ensure staff proceeds efficiently and strategically with the grant application effort.

City Manager Update to Council

June 23, 2026

Public Safety / Dispatch

Katie completed her management certification program, which has been submitted to DPSST. Once Katie receives her certification, she will hold the second-highest certification possible in the state.

Training continues for the new dispatchers and call takers and going well. Awbrey is expected to be able to go solo in about a month.

PD is going to be very busy during the rodeo by the time this report is presented. They will also be participating in the annual chili cook-off with Oregon State Police and Crook County Sheriff's office on Wednesday. All ticket purchase proceeds to vote for the best chili will go to the Shop With A Cop program.

On paper, PD patrol is now fully staffed with scheduling for the busier times of the day.

Public Works

The ASR#2 wellhouse is going vertical.

Design for unconnected city services is moving along.

The pond at Barnes Butte Recreation Area is expected to be filled by August.

The North Main Paving project is ready to begin at the end of July, and will include the Mariposa area.

Railroad

The Railroad has completed interviews for its lead warehouse vacancy and has made a conditional offer pending completion of the background process. There is hope of an August 3rd start date.

Meadow Lakes Golf

Meadow Lakes welcomed a new mechanic this last week. Seasonal hiring is all wrapped up.

Zach is hoping to begin some cart path rehab in the fall, with others being done next spring.

Revenues are looking great for June.

Dave Holmen, who has worked at Meadow Lakes for over 33 years, is retiring on June 30th. They will be having a recognition party for him at Meadow Lakes on June 30th from 11:30 – 1:00 P.M., that all are invited to.

Airport – No Update

Planning

Housing Capacity Analysis is moving along and expected to be completed early next year. Development continues in the industrial area on the hill.

A subdivision application came in for Iron Horse this last week.

Human Resources – No Update

Information Technology

IT has been busy performing tower upgrades and is currently working on the Round Mountain tower.

Finance

The Finance Department staff is working on year-end estimates to line up for the beginning of the next fiscal year.

We have a new intern who joined the team for the summer. Please welcome Aspen, who is working hard on earning two bachelor's degrees.

City Recorder/Risk Management – No Update

City Legal – No Update

EDCO – No Update

Public Relations

ShanRae is already working on content for July and has been busy monitoring social media.

Mayor/Council – No Update

Economic Development and Strategic

Caroline and Matt are working diligently on the next round of CRISI grant funding.

Other

Russ is reporting that the Fire Department has brought on three new people to help fight fires that are currently in training.

ORDINANCE NO. 1308

AN ORDINANCE AMENDMENT IN THE CITY’S COMPREHENSIVE PLAN TO UPDATE CHAPTER 2 (URBAN LAND USES and ZONING) & CHAPTER 5 (ECONOMY)

Whereas, City of Prineville (“City”) adopted a Comprehensive Plan on or about April 10, 2007, pursuant to Ordinance 1143 and codified in Chapter 154 of the Prineville City Code; and

Whereas, the City has completed an Economic Opportunities Analysis (EOA), including a Buildable Lands Inventory (BLI) to comply with Statewide Planning Goals, to maintain a 20-year supply of commercial and industrial lands; and

Whereas, the EOA replaces Chapter 5 of the City’s Comprehensive Plan and necessitates an update to the goals & policies of both Chapter 2 and Chapter 5 of the City’s Comprehensive Plan; and

Whereas, based on the aforementioned Plans, City staff originally initiated amendment procedures in February 2025; that was properly noticed and recommended for approval by the City Planning Commission; later withdrawn by City Council to be reevaluated; and

Whereas, pursuant to Section 153.252.020 of the Code, required notice was again submitted to the Department of Land Conservation and Development and published 10 days prior to the initial public hearing with the City Council scheduled for April 28, 2026; and

Whereas, on April 28, 2026 and May 26, 2026 the City Council held a public hearing to amend Chapter 2 & 5 of the Comprehensive Plan as presented and shown on Exhibits A and B, attached hereto and by this reference made a part hereof; and

Whereas, the public hearing consisted of the opportunity of written and oral testimony, review of staff reports, and consideration of the full record of proceedings.

NOW, THEREFORE, the people of the City of Prineville ordain as follows:

1. That the City’s Comprehensive Plan Chapter 2 is hereby amended as shown on Exhibit A.
2. That the City’s Comprehensive Plan Chapter 5 is hereby amended as shown on Exhibit B, with full EOA adopted by reference.
3. The City Recorder shall place a copy of this Ordinance in the City’s permanent records.
4. The Ordinance shall be effective 30 days following the signing of this ordinance.

Presented for the first time at a regular meeting of the City Council held on June 9, 2026, and the City Council finally enacted the foregoing ordinance this _____ day of June, 2026.

Stephen P. Uffelman, Acting Mayor

ATTEST:

Lisa Morgan, City Recorder

2



Urban Land Use and Zoning Designations

Prineville’s Comprehensive Plan	
Table of Contents - Chapter 2	
<p>Purpose and Intent</p> <p>Goals and Policies</p> <p>Goal # 1: Create land use zones and land use regulations that enhance Prineville without sacrificing community values.</p> <p style="padding-left: 20px;">Residential Zone Policies</p> <p style="padding-left: 20px;">Commercial Zone Policies</p> <p style="padding-left: 20px;">Industrial Zone Policies</p> <p>Goal # 2: Maintain lands within the UGB and expand the UGB boundary when necessary.</p> <p style="padding-left: 20px;">Urban Growth Boundary Policies</p> <p>Goal # 3: Establish appropriate land use regulations to support a sustainable community and manage growth.</p> <p style="padding-left: 20px;">Sustainable Community and Growth Management Policies</p>	Urban Land Use and Zoning Designations
	June 2026

Chapter 2 Urban Land Uses and Zoning Designations

Purpose and Intent

The Prineville urban area contains land use descriptions and zoning for residential, commercial, and industrial areas. This chapter examines the different zone and land use designations and implementation strategies. The primary designations implement the strategies that regulate the use of land and its ability to support the community's long-term development objectives. The goals and policies contained in this chapter will help the City manage its land uses to meet the growth needs of the Prineville community. It should be noted that the current Comprehensive Plan Map, has been updated numerous times to correct various errors and discrepancies between the Comprehensive plan map and zoning map discovered during adoption of the 2007 Comprehensive Plan. Map revisions will continue to be a necessary tool for consistency and compatibility as development patterns evolve.

Goals and Policies

The anticipated growth of the community will create a variety of pressures upon local citizens, the environment, and infrastructure of Prineville. A variety of land uses and commensurate development regulations will help keep community values intact.

The intent of this chapter focuses on specific land use practices that provide the guidance necessary for accommodating growth while continuing to preserve, maintain, and enhance Prineville's community values.

Definitions

Marijuana Grow Site (MG) - means a location that grows and/or processes marijuana that exceeds the amounts allowed by State law for an individual or household.

Marijuana Facility (MF) - means a location where Marijuana is grown, processed, sold or dispensed or any combination of these activities which is registered by the State of Oregon.

Goal # 1: Create land use zones and land use regulations that enhance Prineville without sacrificing community values

Residential Zone Policies

1. Residential zones should be placed in safe environments that avoid conflicts with other uses. This can be achieved through step down zoning or using streets or natural features for buffers.
2. Residential zones should include amenities promoting family living environments and safe places for children to play, walk to school, and experience the City's natural resources.
3. Residential zones should include compatibility standards to facilitate transitions between new and established uses to help alleviate the pressures of growth upon existing community residents.
4. Residential zones should provide for a broad range of densities and housing choices, including clustering of buildings and variable lot sizes.
5. Residential zones should include outright permitted and conditional uses adequate to develop "complete" neighborhoods and suitable living environments.
6. New residential developments shall analyze the impact of the new development upon community infrastructure and natural resources. Any necessary mitigation plan shall be examined for feasibility and effectiveness in remedying the impacts. No new development shall be permitted which creates the need for subsidy by community members, in other words, "new development shall pay its' own way."
7. New residential developments shall incorporate where practical, existing natural features into new projects as a way to protect the natural beauty of Prineville.
8. Residential zones shall promote walkability and connectivity to adjacent neighborhoods, open spaces, parks, and commercial nodes.
9. Residential zones shall incorporate affordable housing concepts.

Commercial Zone Policies

1. Commercial zones shall be placed to provide a wide range of services and goods to citizens in a convenient manner and without creating unnecessary subsidies.
2. Commercial areas, nodes, and zones should be located throughout the community to provide convenient shopping, employment, and services to citizens in an efficient manner.
3. Commercial zones must include outright permitted and conditional uses adequate to fully support the needs of the Prineville community.
4. Commercial zones should be preserved for commercial use or a mix of commercial and residential uses, particularly along arterial and major collector streets. Residential only developments should only be approved as a conditional use in unique circumstances.
5. Commercial zone regulations should be flexible and include incentives to attract businesses to create a self-supporting community and competitive business environment.
6. Commercial zones should provide adequate opportunities to locate and operate businesses so Prineville can be as self-sufficient as possible without requiring citizens to make excessive vehicle trips to other communities.
7. The downtown business commercial core area is a key feature of Prineville and should be enhanced to provide a draw for all citizens and visitors alike. Convenient and plentiful transportation, parking, walkability and use of second and third floors for business and housing opportunities are necessary for the success of the downtown area.
8. Commercial projects should contain quality architecture, mixed-uses, open spaces, pedestrian amenities, and adequate parking areas throughout the community as the city grows.
9. Commercial projects that are aesthetically designed to blend in with the environment and are compatible with mixed-uses and residential areas will be encouraged over commercial developments that require large acreages with large private parking lots.
10. Commercial projects that maximize land spaces and are multi-storied with opportunities for upper-floor and/or offices and housing should be encouraged as a way to utilize valuable lands efficiently.

Urban Land Use and Zoning Designations

11. Existing strip commercial areas can be unsightly, unsafe, and create excessive vehicle trips. Successful development strategies should include methods for redeveloping and improving the curbside appearance and function of existing strip areas.
12. New commercial areas should be designed as commercial nodes or centers to avoid creating new strip areas.
13. Commercial areas should allow for service, repair and small manufacturing as a way to preserve industrial parcels in large acreages.
14. Marijuana Facilities (MF) may be allowed in Commercial Zones through the application of Marijuana Overlay and process found in the City of Prineville Land Use Code Chapters 153, 153A and 153B.
15. Marijuana Grow Sites (MG) may be allowed in Commercial Zones through the application of the Marijuana Overlay and permit process found in the City of Prineville Land Use Code Chapters 153, 153A and 153B.

Industrial Zone Policies

1. Industrial zones should be located in places that do not disrupt the function of other land uses.
2. Industrial zones should provide places for manufacturing, repair, with potential for high concentrations of jobs, products, and services in areas that can be conveniently served by transportation and easily accessed by high numbers of employees.
3. Industrial activities should include buffers to protect any nearby neighborhoods and/or workforce housing from the negative effects of industrial activities. Heavy industrial uses should be located away from residential neighborhoods.
4. Industrial zones should have buffers from less intensive zones or uses including; streets, natural features, vegetative screens and fences to reduce the negative impacts of industrial uses, and the aesthetics of large, plain buildings, outdoor storage, mechanical equipment, and large parking areas.
5. New Industrial zones should be located adjacent to or close to other industrial zones as a way to maximize available infrastructure and minimize incompatible uses, particularly residential.
6. Clean industries are preferred. Industries that produce excessive noxious airborne particulates, non-disposable hazardous waste or other nuisances may not be allowed.

Urban Land Use and Zoning Designations

7. The City shall reserve and protect large industrial lots of more than 20 acres in size and very large industrial sites greater than or equal to 50 contiguous acres. This includes sites or contiguous areas suitable for development by target industries in view of the City's average large-site size of 251.7 acres, goal of attracting new or expanded similar large-footprint target industries and maintaining suitable sites as an enticement for attracting new industry.
8. Site protections required by law must be established when expanding the UGB for target industries.
9. Small service, repair, and manufacturing industries should be encouraged to locate in commercial areas, if appropriate, as a way to retain large industrial acreages.
10. Industrial areas should provide wider streets, as well as service use opportunities; including parks, daycare and trail connections for employees to reduce excess vehicle trips and community subsidy, subject to appropriate siting and regulations that limit uses.
11. Expansion of industrial zones along or near the City Railroad facilities is a priority to enhance commerce and attract supportive activities and industries. Industrial uses should be encouraged to use railroad facilities for transportation of heavy freight, thus reducing vehicular traffic on roadways.
12. Older industrial zone designations that are no longer in an appropriate location due to abutting development patterns, should be converted to other uses subject to proper analysis, zone changes, and plan amendments as needed.
13. Marijuana Facilities (MF) may be allowed in Industrial Zones through the application of the Marijuana Overlay and permit process found in the City of Prineville Land Use Code Chapters 153, 153A and 153B.
14. Marijuana Grow Sites (MG) may be allowed in Industrial Zones through the application of the Marijuana Overlay and permit process found in the City of Prineville Land Use Code Chapters 153, 153A and 153B.

Goal # 2: Maintain lands within the UGB and expand boundary when necessary.

Urban Growth Boundary Policies

1. The UGB should include all of the land needed for residential, commercial and industrial development for the period of time required by State law.
2. UGB should be expanded to include areas for identified needs and as appropriate to take advantage of opportunities as they present themselves.
3. Infrastructure master plans should be prepared, maintained and updated to properly accommodate growth without excessive public subsidy.
4. Actively seek and acquire land needed for future infrastructure to avoid excessive land prices for property necessary for; water and sewer improvements, transportation projects, other utility needs and protection of natural resources and hazard areas.
5. Annexation policies should be provided within the Urban Growth Management Agreement with Crook County, describing the ways and means of adding land to City limits. When expanding the UGB or annexing, the City shall ensure annexation into other appropriate taxing districts, such as Parks and Recreation District.
6. Expansion of the UGB shall avoid or protect Goal 5 resources and Goal 7 hazards. Open space buffers shall also be considered to reduce conflict between urban, industrial and agricultural uses.

Goal # 3: Establish appropriate land use regulations to support a sustainable community and manage growth.

Sustainable Community and Growth Management Policies

1. Examine and implement a sustainable practice when appropriate for all City resources. Promote land use regulations that encourage energy conservation and reduce pollution.
2. Land use patterns should support a multi-modal transportation system, including opportunities with new development and redevelopment. This technique will seek to connect all areas of the community resulting in greater sustainability of all resources. Higher order streets shall include elements beyond sidewalks such as off-street paths and bicycle lanes to support multi-modal transportation.

Urban Land Use and Zoning Designations

3. The City should encourage and potentially require the use of master planning, including mixed-use zones for certain developments. Master planning and mixed-use zones which emphasize aesthetics and community compatibility, circulation, landscaping, open space, storm drainage, utilities, building location and design, and access to commercial and community facilities will provide the most efficient use of land and encourage the use of alternate modes for transportation.
4. Higher density residential areas should be located within walking distance of shopping, jobs, schools, open space, recreation, and transit services, without sacrificing the existing low-density residential character of existing neighborhoods.
5. The City should regulate growth by encouraging compact development at the core of the city through incentives for infill and redevelopment projects.
6. The City should encourage development of vacant or under-utilized land to limit pressure on expanding City limits.
7. Limitations on development not contiguous to City limits or outside City limits will reduce unnecessary “leap frog” development and unanticipated City subsidy.
8. Development must “pay its own way” to reduce community subsidy and minimize the negative effects of growth. Developers should analyze the full impact of proposed development upon transportation systems, infrastructure, schools, parks, natural resources, cultural resources and emergency services before development approval.
9. Capital improvement plans including maintenance of City water, sewer and transportation systems should give higher priority to lands within City limits before considering extending services to lands with the potential to annex.
10. When expanding the UGB or annexing, the City shall ensure annexation into other appropriate taxing districts, such as Parks and Recreation District.
11. Marijuana Facilities (MF) and Marijuana Grow Sites (MG) may be allowed in Industrial or Commercial Zones through the application of the Marijuana Overlays and permit process found in the City of Prineville Land Use Code Chapter 153, 153A and 153B. Approval of the Marijuana Overlays found in the City of Prineville Land Use Code shall be required to:
 - a. be consistent with the Comprehensive Plan;
 - b. be suitable for the MF and MG in accordance with the Prineville Land Use Code;
 - c. be considerate of the public health, safety, and welfare;
 - d. be licensed by the State of Oregon.

5



Economy

Prineville's Comprehensive Plan

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[Purpose and Intent](#)

[Executive Summary](#)

[Goal #1: Provide adequate industrial and commercial land inventories to satisfy the urban development needs of Prineville for the planning horizon.](#)

[Goal #2: Promote Economic Development.](#)

Economy

June 2026

Chapter 5 Economy

Purpose and Intent

Goal 9 of Oregon’s Statewide Planning Goals and Guidelines pertains to economic development. This goal calls for diversification and improvement of the economy. It requires communities to inventory commercial and industrial lands, project future needs for such lands, and plan and zone enough land to meet those needs. Thus, the City of Prineville is required, by law, to provide at least a 20-year supply of commercial and industrial land and commensurate infrastructure. In conformance with Goal 9, the City has conducted an Economic opportunities Analysis (EOA) with a Buildable Lands Inventory. The complete analysis was prepared by ECONorthwest in conjunction with 3J Consulting in November of 2025 and is titled “City of Prineville Economic Opportunities Analysis”. The full analysis is adopted by reference and considered a part of this chapter. The following is the “Executive Summary” of the EOA.

Executive Summary

Economic Opportunities Analysis 2026

The City of Prineville is conducting an Economic Opportunities Analysis (EOA) to inventory buildable commercial and industrial land, identify the City’s economic development potential, forecast growth and land needs for 20 years, and determine whether the City has enough land to accommodate growth. The primary goals of the EOA are to (1) project the amount of land needed to accommodate the future employment growth within Prineville between 2026 and 2046, (2) evaluate the existing employment land supply within the city to determine if it is adequate to meet that need, (3) help the City understand its economic opportunities in the context of Prineville’s comparative advantages and disadvantages, and (4) to fulfill state planning requirements for a twenty-year supply of employment land.

How much buildable employment land does Prineville currently have?

Prineville’s Urban Growth Boundary (UGB) contains approximately 4,032 acres of commercial- and industrial-designated land. Of this land, 1,361 acres are unconstrained and buildable, split between approximately 111 acres of commercial land and about 1,250 acres of industrial land.

How much growth is Prineville planning for?

Prineville’s population in 2023 is approximately 11,598 people. Between 2000 and 2023, Prineville’s population grew at an average annual rate of 2.0%, approximately twice the rate of Oregon’s population. Prineville’s employment base is projected to grow from 9,852 jobs in 2026 to 12,582 in 2046, an increase of 2,730 jobs. Most new employment will require commercial or industrial land, with 1,213 new industrial jobs, 1,377 new commercial jobs and the remainder in government (see **Exhibit 11** in EOA).

Does Prineville Have Sufficient Land for Employment?

Prineville has sufficient land over the next 20 years for most employment needs but has a deficit of large industrial sites. Key findings of land sufficiency for the 2026–2046 period are:

- ◆ **Commercial.** Prineville will need approximately 85 total acres of commercial land. Currently, Prineville has 111 acres of commercial land, a surplus of 26 acres.
- ◆ **Industrial.** Prineville has enough smaller industrial sites to accommodate expected growth but a deficit of large industrial sites to accommodate growth. **Exhibit 1** shows the conclusion about sufficiency of Prineville’s industrial land.
 - *Small industrial sites.* Prineville will need 46 industrial sites smaller than 25 acres (84% of the City’s industrial site needs). Prineville has 94 industrial sites smaller than 25 acres. Prineville has enough smaller industrial sites to accommodate expected growth.
 - *Large industrial sites.* Prineville will need 9 industrial sites larger than 50 acres and has 6 industrial sites in this size class. As a result, Prineville has a deficit of large industrial sites. Using an average site size of 251.7 acres (based on the current average site size in that category), **Prineville will need an additional 755 acres of buildable industrial land in three (3) sites for target industries.** The EOA describes the target industries for these sites, which includes a wide range of manufacturing facilities, data centers, and a biomass facility.

Exhibit 1. Comparison of the Capacity of Unconstrained Vacant Land with Employment Land Demand by Land Use Type, Prineville UGB, 2026–2046

	Employees by TOTAL Parcel Size						Total
	Less than 2 acres	2 - 5 Acres	5 - 10 Acres	10 - 25 Acres	25 - 50 Acres	50+ Acres	
Estimated Sites Needed	24	13	7	2	-	9	55
Buildable Sites	50	33	9	2	5	6	105
Comparison of Sites Needed and Existing Sites	26	20	2	-	5	(3)	
Does Prineville have enough sites for growth?	Yes	Yes	Yes	Yes	NA	No	
Estimated Unmet Land Need (acres)	-	-	-	-	-	755	755

Source: ECONorthwest

In addition, the City has three (3) sites zoned Heavy Industrial that the City is considering rezoning to residential or other urban uses. These three (3) sites are included in the buildable lands inventory (shown in the number of sites in **Exhibit 1**). These sites are unsuited for Heavy Industrial uses because they are adjacent to developed and developing residential areas, separated topographically from the lower industrial properties, and divided by an irrigation canal restricting access.

These sites total of 109 acres (see **Exhibit 27 in EOA**). One of these sites is larger than 50 acres (72 buildable unconstrained acres). The other sites are 11 buildable unconstrained acres and 26 buildable unconstrained acres in size.

If the City re-zones some or all of these sites, the City may replenish its buildable land supply to ensure it is able to meet future employment land needs.

What are Prineville’s growth opportunities?

Prineville’s key competitive advantages include:

- ◆ **Location.** Prineville is located in central Oregon’s East Cascades region, drawing employees from the broader Central Oregon labor market. Additionally, its proximity to National Forests and outdoor recreation attracts residents and visitors.
- ◆ **Transportation Connections.** Prineville owns and operates the Prineville Railway, a short-line railroad attached to railroad tracks that connect with Redmond and then run north and south, providing shipping and distribution opportunities to the rest of the state. Additionally, Prineville’s location along Highway 26 and Highway 126 connects the City with transportation routes spanning Oregon and the West Coast.
- ◆ **Availability of public facilities.** Prineville has a significant amount of existing and future capacity available in its water systems, provided at a slightly lower cost than other central Oregon cities. Prineville also has excess capacity within its wastewater system.
- ◆ **Infrastructure investments.** In recent years, Prineville has made major investments into its infrastructure, including the Crooked River Wetlands Complex, Aquifer Storage and Recovery (ASR) System, the \$13.5 million Combs Flat Road extension, U.S. 26/3rd Street corridor improvements, and town center infrastructure revitalization.
- ◆ **Business-friendly environment.** Prineville offers a range of incentive programs designed to attract and support businesses, including a Long-Term Rural Enterprise Zone Facility tax exemption. Additionally, businesses benefit from low-cost industrial land and competitive power rates, making Prineville an economically attractive location for new and expanding enterprises.
- ◆ **Resilient economy.** In 2022, Heartland Forward ranked Prineville ninth on a list of the Most Dynamic Micropolitan (cities with a population under 50,000). Heartland Forward cited Prineville’s diversification of its economy in the past decade, largely due to the construction of its new data centers.

Given these factors, Prineville is an attractive location for residents and business. The City has growth potential in several industries, including manufacturing, data centers, biomass energy production, and services for visitors and residents.

What are Prineville’s Target Industry Priorities?

Prineville’s Target Industry Priorities focus on continued development of technology-centered industry and on manufacturing, consistent with information in the EOA and based on site characteristics that are typically necessary for those industries.

- ◆ **Technology-centered industries.** Prineville will target technology and knowledge-based industries, such as high tech, Internet, e-commerce, and creative services, that rely primarily on high-capacity power, redundant fiber, secure campuses, and skilled labor. These uses may generate fewer heavy-truck trips than traditional goods-producing industries, although specific subsectors may still require freight access. Since 2008, Prineville added 946 jobs, many of which are related to growth of data centers, which currently employ approximately 700 employees. The growth in data centers is a driving factor in increasing average wages in Crook County from nearly \$34,700 in 2008 to more than \$70,200 in 2022. Prineville finds that data centers occupying large industrial sites have been, and likely will continue to be, critical drivers of Prineville’s economy and employment.
- ◆ **Manufacturing industries.** Traditional manufacturing businesses, including manufacturers of products, components, machines, farm and construction equipment, woods, metals, glass, stone, fertilizer and chemicals, and composite materials, are target industries for Prineville.
- ◆ **Very large industrial sites.** According to the EOA, Prineville has a substantial share of employment, including manufacturing and data center employment, on sites larger than 50 acres. Based on the EOA, these very large industrial sites have an average site size of approximately 251.7 acres. Data centers and large-footprint manufacturers may require sites approaching or exceeding 200 acres with high-capacity power and fiber. Prineville finds that manufacturing employers occupying large industrial sites have been, and likely will continue to be, critical drivers of Prineville’s economy and employment.
- ◆ **Target-industries approach and implementation.** Target industries may be identified by resolution for economic development programming, but the City will adopt by ordinance land-use regulations to implement this policy by: (a) designating specific target-industry sites on the Comprehensive Plan Map or by overlay; (b) limiting land division and incompatible interim uses that would undermine those sites, including partitioning below the minimum site size; and (c) applying adjacency/compatibility protections until development for the intended uses occurs. Designations and development will respect the City’s acknowledged Goal 5 program and avoid Goal 7 hazards or apply adopted mitigation. If the City adopts a short-term supply policy, the City will maintain a short-term supply of very large target-industry sites consistent with that policy.

What are the key conclusions?

The conclusions about commercial and industrial land sufficiency are:

- ◆ **Prineville’s economy has changed substantially since the last EOA was completed.** Since 2008, Prineville added 946 jobs, many of which are related to growth of the data centers. The growth in data centers is a driving factor in increasing average wages in Crook County from nearly \$34,700 in 2008 to more than \$70,200 in 2022. In addition, Prineville expanded or altered its UGB six times between 2012 and 2017, primarily for data center development and expansion, all in the southern part of the City in areas with Light Industrial zoning.
- ◆ **Prineville is forecasted to grow in both the commercial and industrial employment sectors.** Prineville is planning for growth of 2,730 new jobs in the city over the 2026 to 2046 period. About 1,377 of the jobs will be in commercial and retail services and 1,213 of the jobs will be industrial. To forecast the 20-year growth, this EOA first forecasts Prineville’s 20-year employment growth and projects the City’s 20-year commercial and non-target-industry industrial employment land needs based on the expected growth. The EOA also uses the targeted industries approach to project 20-year land needs for data center and other target industry development.
- ◆ **Prineville has enough employment land to accommodate commercial growth.** Exhibit 29 in the EOA document shows that Prineville has enough land for commercial employment growth over the next 20 years, with a surplus of 26 acres. For its target industries, Prineville will have need for commercial sites ranging from space in existing buildings to custom-built buildings on sites from 1 to 5 acres, which can be accommodated on existing buildable land within the UGB.
- ◆ **Prineville has a large amount of employment on large sites.** Prineville has a large amount of employment (43% of employment) on sites larger than 50 acres. These large sites have an average size of 251.7 acres and are in use by businesses like Meta and Apple. The section describes the site needs for nine sites in the 50+ acre size range.
- ◆ **Prineville has a deficit of large industrial sites and will need to consider a UGB expansion to accommodate the need for large sites.** Prineville has a deficit of sites larger than 50 acres for industrial development. Prineville needs three (3) more sites than it has within the UGB, averaging 251.7 acres. These site needs are consistent with the types of development present in Prineville, inquiries for large sites in 2024 and 2025, and Prineville’s target industries.

- ◆ **Prineville will need to expand its UGB to accommodate growth in large manufacturing, data center, and other large industrial uses.** The site needs for new large industrial sites (about 250 acres in size) cannot be met within the existing Prineville UGB. In order to accommodate growth of new large industrial businesses, the City will need to expand its UGB.
- ◆ **Prineville may rezone some Heavy Industrial land.** The EOA identified three Heavy Industrial sites that are unsuited for Heavy Industrial uses because they are adjacent to developing residential areas, separated topographically from the lower industrial properties, and divided by an irrigation canal restricting access. If the City re-zones some or all of these sites, the City may replenish its buildable land supply to ensure it is able to meet future employment land needs.
- ◆ **Redevelopment potential is concentrated along Highway 26 and in older industrial areas.** Redevelopment potential in Prineville generally consists of smaller commercial lots along Highway 26 or larger industrial sites with older buildings in northern Prineville. Given Prineville's modest surplus of commercial land, commercial redevelopment is most likely to occur on more desirable sites with visibility from the Highway or in other desirable areas, where the landowner is motivated to redevelop the site for a new use. Redevelopment of older industrial buildings may be limited by costs of demolition and clean-up of prior industrial uses.

Goal # 1: Provide adequate industrial and commercial land inventories to satisfy the urban development needs of Prineville for the planning horizon.

Economic Policies

1. Update buildable land inventories and analysis of needed commercial and industrial land as needed for the 20-year planning horizon. Amendments may be needed in response to rapid growth, redevelopment, zone changes, mixed use development or planned unit developments. When new lands are needed the City should work with partners to authorize expansion of the UGB to maintain inventories.
2. State, local, and nationwide trends are not adequate to properly estimate needed industrial and commercial lands. Other local information and economic development opportunities must be used to properly evaluate future land needs.
3. To ensure adequate public facilities for the planning horizon, the City shall develop and maintain Facility Plans (Master Plans) to adequately serve the transportation, water and wastewater needs of industrial and commercial areas.

4. The City shall reserve and protect large industrial lots of more than 20 acres in size and very large industrial sites greater than or equal to 50 contiguous acres. This includes sites or contiguous areas suitable for development by target industries in view of the City's average large-site size of 251.7 acres, goal of attracting new or expanded similar large-footprint target industries and maintaining suitable sites as an enticement for attracting new industry.
5. Housing affordability is key to attracting commercial and industrial businesses. Reasonable regulations supporting development of housing affordable to people who live and work in Prineville should be explored and implemented if deemed beneficial to the community.
6. The City should evaluate amendments to the Comprehensive Plan, when expanding the UGB to add employment lands with specific locational requirements. Amendments should be evaluated in relation to all applicable policies of the Comprehensive Plan.

Goal # 2: Promote Economic Development.

Economic Policies

1. The City should coordinate with a variety of agencies, groups and local organizations when developing plans, to best meet the requirements of a growing community.
2. The City should promote a business-friendly environment and entrepreneurial climate for new and existing businesses. Strong public partnerships with local businesses are key to successful economic development.
3. The City should focus on providing its citizens with amenities that provide a high quality of life while also ensuring the City maintain its identity and small-town atmosphere.
4. The City's fees and system development charges must be carefully monitored and evaluated to ensure that development pays its own way while not creating obstacles to desired development.
5. The City should focus on adoption and implementation of a Downtown Enhancement Plan that will help to ensure the long-term success of the urban core area. This plan should include a long-term strategy for enhancing development opportunities in the urban core and creating a destination and sense of place for citizens and visitors alike.
6. The City should modify development codes when necessary to navigate a changing economic environment or to address economic development objectives.
7. The City should encourage development of businesses that use the Prineville Rail line.

ORDINANCE NO. 1309
CITY OF PRINEVILLE, OREGON

AN ORDINANCE IMPLEMENTING THE MODERATE-INCOME REVOLVING LOAN (MIRL) PROGRAM, ENACTED THROUGH OREGON SENATE BILL 1537 (2024), AND AUTHORIZING THE CITY OF PRINEVILLE TO ENTER INTO AGREEMENTS WITH OREGON HOUSING AND COMMUNITY SERVICES (OHCS)

Whereas, the City of Prineville (“City”) desires to establish a Moderate-Income Housing Project Funding Program (the “Local MIRL Program”) to spur certain housing development activities within the City of Prineville using tax increment financing-based resource structure or alternate funding source.

Whereas, the City desires to establish a Local MIRL Program to provide financial assistance to developers for Eligible Housing Projects using funds obtained through the MIRL Program for 120% AMI.

Whereas, the City seeks to facilitate the development of housing to increase affordability and housing availability within the City of Prineville.

Whereas, the City shall consult with the governing body of any city or county with territory inside the boundaries of the City regarding City’s desire to establish a local MIRL Grant Program.

Now, Therefore, the people of the City of Prineville ordain as follows:

Section 1. Definitions.

For purposes of this Ordinance, the following definitions apply:

Affordability Requirements means the income and affordability restrictions applicable to Eligible Housing Projects receiving funding under the Local MIRL Program.

A. If a project is rental housing, it must be rented to households with an annual income not greater than 120 percent of the Area Median Income, and rented at a monthly rate (rent plus a utility allowance set by the City) that is affordable to households within an annual income not greater than 120 percent of the Area Median Income, such affordability to be maintained for a period that is the longer of either ten years or the Agency Loan Term.

B. If a project is for-sale/homeownership housing, it must be affordable to, and sold or offered for sale to, households with an annual income not greater than 120 percent of the Area Median Income, continuously from initial sale for a period that is the longer of either ten years or the Agency Loan Term.

Agency Loan means the moneys received by the City from Oregon Housing and Community Services (“OHCS”) pursuant to a MIRL program.

Agency Loan Term means the presumptive number of years that the City has to repay an Agency Loan to OHCS. The Agency Loan Term is fifteen (15) years.

Tax Increment Differential means the amount that results when the County Tax Officer takes the amount in paragraph A of this definition and subtracts from it the amount in paragraph B:

A. Using the last certified assessment roll for the property tax year in which an application for Project Funds is received, the County Tax Officer determines the amount of property taxes assessed against all tax account that include the Eligible Housing Project Property, and then subtracts the amount of operating taxes as defined in ORS 310.055 and local option taxes as defined in ORS 310.202 levied by fire districts.

B. For the first property tax year for which the completed Eligible Housing Project Property is estimated to be taken into account, the County Tax Officer determines the estimated amount of property taxes that will be assessed against all tax accounts that include the Eligible Housing Project Property and subtracts the estimated amount of operating taxes and local option taxes levied by fire districts.

Eligible Housing Project means a project that constructs new housing or convert a non-residential building into housing and that meets MIRL Program requirements as set forth in applicable statutes (including but not limited to ORS 307.213-237) and administrative rules (Oregon Administrative Rules chapter 813, division 410) as the same may be amended from time to time.

Project Funding Agreement means a legally binding agreement between the City and developer outlining the disbursement, use, and if applicable, repayment of Project Funds.

Section 2. Establishment of Local MIRL Program. The City hereby establishes a Local MIRL Program, which is intended to conform in all respects to the MIRL Program requirements, including ORS 307.213-237 and OAR chapter 813, division 410, as either may be amended from time to time. This Local MIRL Program shall award Project Funds to developers for Eligible Housing Projects using funds obtained through an Agency Loan from OHCS.

Section 3. Compliance Plan. The City shall enforce Affordability Requirements and compliance measures through a Compliance Plan, which is attached as Exhibit A, as summarized and included below:

1. Procedures for monitoring compliance with Affordability Requirements;
2. Reporting requirements for developers receiving Project Funds; and
3. Remedies for noncompliance.

Section 4. Project Funding Eligibility and Limitations. To qualify for Project Funding under the Local MIRL Program, a project must:

1. Be an Eligible Housing Project;

2. Be a single-family dwelling development;
3. Comply with all MIRL Program requirements, including the provisions of ORS 307.213-237 and OAR Chapter 813, division 410;
4. Meet all applicable land use and permitting requirements;
5. Not to be located in a commercial or industrial zone; and
6. For projects located in Urban Renewal Areas, utilize the Alternative Funding Source repayment option and receive Project Funds via a loan to the developer.

Section 5. Program Administration. The City or its designee shall be responsible for the administration of the Local MIRL Program, including:

1. Developing a MIRL application process consistent with this Ordinance and all MIRL Program requirements;
2. Reviewing and provisionally approving project applications;
3. Project monitoring and compliance;
4. Ensuring compliance with OHCS requirements; and
5. Submitting required reports to OHCS.

Section 6. Utility Allowance Calculation for Rental Housing. The City shall determine the applicable utility allowance for rental housing projects.

Section 7. Project Funding and Repayment. City will determine and define, in each Project Funding Agreement, the method of providing Project Funds to the developer, which shall depend on the Agency Loan repayment option selected by City for each Eligible Housing Project. The two options are as follows:

A. Property Tax Exemption: City may repay the Agency Loan through Program Fees (fees in lieu of taxes) collected from developers or other fee payers with property tax exemptions on MIRL-funded improvements. City will work with the County Tax Officer to establish a process for exempting the improvements of Eligible Housing Projects from property taxes. City shall provide Project Funds to the developer as a grant.

B. Alternative Funding Source: City may repay the Agency Loan by pledging its full faith and credit and taxing authority an alternative source of revenue that is acceptable to OHCS. City shall define the Alternative Funding Source in the Agency Loan Agreement. City shall provide Project Funds to the developer as a loan.

The Agency Loan repayment and exemption amounts will be determined using OHSC-provided proformas and amortization schedules in accordance with MIRL Program requirements.

Section 8. Agreements with OHSC. The City is authorized to enter into an Intergovernmental Master Agreement with OHCS to establish the terms under which the City will receive Agency Loans. The City shall also enter into an Agency Loan Agreement with OHCS for each approved project. The City shall have the authority to limit the number of eligible projects.

Section 9. Severability. If any provision of this Ordinance is found to be invalid, the remaining provisions shall continue in full force and effect.

Section 10. Effective Date. This Ordinance shall take effect 30 days after adoption.

NOW, THEREFORE, THE PEOPLE OF THE CITY OF PRINEVILLE, DO ORDAIN AND APPROVE THE AFOREMENTIONED ORDINANCE, presented for the first time at a regular meeting of the City Council held on June 9, 2026 and adopted after its second presentation on June ____, 2026.

Stephen P. Uffelman, Acting Mayor

ATTEST:

Lisa Morgan, City Recorder

City of Prineville

Moderate Income Revolving Loan Program Policies

The following policies are intended to supplement the regulations enacted via ordinance by the City Council on June ____, 2026, to provide required guidance in support of the City's recent implementation of a Moderate Income Revolving Loan Program (MIRL), with funding from Oregon Housing & Community Services.

Local Site Approval. Local Site Approval shall be defined as a finding by the City that a proposed housing project:

1. Complies with applicable zoning and building codes.
2. Has adequate infrastructure capacity, or that developers can show that they will build to accommodate added capacity as part of the project.
3. Aligns with the City's Comprehensive Plan and housing goals.
4. Has or is eligible to receive all necessary land use entitlements and approvals.

Compliance Plan. To ensure affordability and compliance with MIRL requirements, the following measures are adopted:

- A. **Recordkeeping.** Developer must maintain all compliance records for at least six (6) years after Loan repayment and make them available for inspection by City or OHCS upon request.
- B. **Annual Reporting.** Developer(s) must submit an annual compliance report to the City's Planning Director or designee, with copies to the Crook County Tax Assessor, by May 15th each year. The report must include: An itemized description of the uses of the funds received; and (a) the status of construction and estimated date of completion or (b) current rent or sales prices, household income certifications, utility allowance methodology used, and occupancy data by AMI tier.
- C. **Affordability Covenant.** The Developer shall record a covenant or deed restriction ensuring affordability for the Loan Term or ten (10) years, whichever is longer.
- D. **Monitoring.** The City's Planning Director, or their designee, shall conduct periodic desk reviews of submitted documentation and may conduct on-site inspections to ensure compliance.

E. Noncompliance Remedies. If a Developer fails to maintain affordability, submit reports, or meet other program requirements, the City may: require immediate repayment of outstanding Program Fees; terminate tax exemption benefits; or pursue legal remedies to enforce the affordability covenant.

F. Completion Requirement – Projects must be completed within three (3) years of disbursement unless an extension is approved in writing by the City and OHCS. Failure to complete on time may trigger repayment obligations.

Utility Allowance Calculation. The City shall determine utility allowances for rental units using the HUD Utility Schedule Model, actual usage data, or comparable jurisdiction schedules. The City shall apply a tiered utility allowance scale that is inversely proportional to household income level, such that households earning closer to 50% of Area Median Income (AMI) are eligible for a higher utility allowance, while households closer to 120% AMI shall receive a lower utility allowance. This tiered approach shall promote equitable affordability across income levels.



STAFF REPORT

MEETING DATE:	6/23/2026	PREPARED BY:	Lori Hooper Antram
SECTION:	Resolutions	DEPARTMENT:	Finance Department
CITY GOAL:	Fiscal Responsibility		
SUBJECT:	Resolution 1645 – Establishing Fees and Charges for the City of Prineville for FY 2027		

REASON FOR CONSIDERATION: Regularly evaluating municipal rates ensures they remain aligned with actual service costs, inflation, and regulatory requirements, helping maintain financial sustainability. It also allows the City to make timely adjustments to reflect changing demand, infrastructure needs, and economic conditions.

The City annually updates its fee schedule for the upcoming fiscal year to ensure rates remain reasonable while supporting operational needs. These fees generate critical revenue for planning, public works, utilities, system development charges (SDC's), and administrative services. Any changes require adoption by resolution.

BACKGROUND: During the budget process, the City establishes revenue assumptions supported by its rate schedule. This schedule sets fees for permitting, water and sewer services, development activity, and administrative cost recovery. Departments evaluate staff time and associated costs to balance fiscal responsibility with service quality, while also considering debt obligations and growth. Key considerations include:

- **Water and Sewer Fees:** Reviewed during budget adoption and reassessed in the second biennium year to ensure enterprise fund sustainability, maintenance of capital assets and infrastructure, and adequate reserves.
- **SDC's:** Adjusted annually based on adopted methodologies and the Engineering News Record 20-city Construction Cost Index to reflect construction cost trends and growth needs.
- **Externally Set Fees:** Some fees are established by partner agencies (e.g., Crook County Parks & Recreation, Crook County GIS) and collected by the City.
- **Franchise Fees:** Included for reference only and not subject to annual adoption.

FISCAL IMPACT: The fiscal impact is incorporated within the adopted biennial budget, with potential minor second-year adjustments based on economic conditions, fund health, and operational needs. For FY 27, most fee increases are at or below 3.4 percent from FY 26,

with limited exceptions. Fee reductions reflect updated service requirements, processing timelines, and pricing adjustments.

Wastewater fees are a notable exception. While the budget assumed annual increases of 3 percent, the FY 27 increase is reduced to 2 percent. This is primarily due to the addition of a new revenue stream through the intergovernmental agreement with Crook County for septage disposal, as well as Council's decision to utilize reserves to fund the purchase of the new vacuum truck.

RECOMMENDATION: Staff recommends approval of Resolution No. 1645, establishing fees and charges for the City of Prineville for FY 2027.

**RESOLUTION NO. 1645
CITY OF PRINEVILLE, OREGON**

**A RESOLUTION ESTABLISHING FEES AND CHARGES FOR THE
CITY OF PRINEVILLE FOR FISCAL YEAR 2026-2027**

The Prineville City Council specifically finds that:

Whereas, various City Ordinances and state statutes allow the City of Prineville (“City”) to establish certain fees by Resolution; and

Whereas, the City desires to establish and recover certain City costs from fees and charges levied in providing City services, products, and regulations; and

Whereas, the City Manager has caused a review of all City fees and charges and determined the costs of such fees and charges; and

Now, Therefore, the City of Prineville Resolves as follows:

1. That the fee and charge schedule attached as Exhibit A, which is incorporated herein, is hereby adopted with said fees and charges to be effective July 1, 2026 and continue in effect until modified by the Prineville City Council.

Approved by the City Council this 23rd day of June, 2026.

Stephen P. Uffelman, Acting Mayor

ATTEST:

Lisa Morgan, City Recorder



STAFF REPORT

MEETING DATE: 6/23/2026 **PREPARED BY:** Lori Hooper Antram
SECTION: Resolutions **DEPARTMENT:** Finance Department
CITY GOAL: Fiscal Responsibility
SUBJECT: Resolution 1646 - Accepting State Revenue Sharing

REASON FOR CONSIDERATION: To qualify for Oregon State Revenue Sharing, the City must conduct an annual public hearing with the Budget Committee, followed by a separate public hearing and formal resolution adoption by the City Council.

The Budget Committee held a public hearing on April 29, 2026, at which time it approved accepting State Revenue Sharing for Transportation Fund operations for Fiscal Year (FY) 2027. A second public hearing is scheduled for the June 23, 2026, City Council meeting. At that meeting, the City Council must adopt a resolution to satisfy the FY 2027 program requirements.

BACKGROUND: For FY 2026 and FY 2027, the Budget Committee approved, and the City Council adopted, a biennial budget. State Revenue Sharing funds were proposed, approved, and incorporated into the adopted budget for use in the Transportation Fund for both fiscal years. The biennial budget reflects the planned allocation of these funds.

Description	Fund	Proposed Use	FY 26 Adopted	FY 27 Adopted	BN 27 Adopted
Liquor tax	General	Public safety	200,000	200,000	400,000
Cigarette tax	General	Public safety	6,500	6,500	13,000
Gas Tax	Transportation	Street/bike lane maintenance	930,000	930,000	1,860,000
State Revenue Sharing	Transportation	Street/bike lane maintenance	141,000	141,000	282,000
					\$ 2,555,000

FISCAL IMPACT: Estimated State Revenue Sharing revenue for FY 2027 is \$141,000.

RECOMMENDATION: Staff recommends approval of Resolution No. 1646, accepting State Revenue Sharing for FY 2027 as previously approved by the Budget Committee.

RESOLUTION NO. 1646

A RESOLUTION DECLARING THE CITY OF PRINEVILLE’S ELECTION TO RECEIVE STATE REVENUE SHARING

WHEREAS, the Legislature of the State of Oregon has provided for the apportionment of certain revenues to the cities of the State of Oregon; and

WHEREAS, such legislation provides that a city, in order to participate in the sharing of those certain revenues, must express an election to receive such funds, which election must be made prior to June 30 of the fiscal year; and

WHEREAS, the City of Prineville desires to receive a portion of such funds;

NOW THEREFORE, the City of Prineville resolves as follows:

1. Pursuant to ORS 221.770, the City of Prineville does hereby elect to receive its proportionate share of the revenues to be apportioned to the cities by the State of Oregon for the fiscal year 2026-27, and the City Manager of the City of Prineville is directed to take such steps as are necessary to carry out the intent of this Resolution.

Approved by the City Council this 23rd day of June, 2026.

Stephen P. Uffelman, Acting Mayor

ATTEST:

Lisa Morgan, City Recorder

I, Lisa Morgan, City Recorder, certify that a public hearing before the Budget Committee was held on April 29th, 2026, and a public hearing before the City Council on June 23rd, 2026, giving citizens an opportunity to comment on use of State Revenue Sharing.

Lisa Morgan, City Recorder