



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of March 24, 2025

Title/Subject

Resolution 2362- Initiate LID for NW 2nd Street

Summary and Background

Northwest 2nd Street is a gravel unimproved street between W Elm Avenue and W. Cherry Avenue which provides direct access to three active industrial businesses, and two industrial lots which regularly get used for construction laydown activities.

This street has been identified as project ST 13.0 in the City's Capital Improvements Plan since 2018, but has existed in the appendix due to a lack of available funds.

The Oregon Department of Transportation is scheduled to erect traffic barricades on W Elm Avenue to better manage the efficient and safe flow of traffic through the Elm/395 intersection. These barricades will eliminate the ability for left-hand turning movements in to and out of NW Spruce. Therefore, the only remaining access on Elm Ave to the active businesses on NW 2nd for vehicles coming from the Northeast will be on NW 2nd. Similarly, the only Elm Avenue access for vehicles coming from these businesses looking to go West will be on NW 2nd. This will significantly increase the amount of traffic on this sub-standard street.

NW 2nd has been an unimproved gravel roadway due to two main factors:

- Non-Remonstrance Agreements (NRA)
 - o The City of Hermiston's standard requires that when a tax lot develops (structures are built on it), then the roadway in front of it must be built.
 - o Developers can avoid this obligation through signing an NRA. This generally states that they will not have to develop the street in order to build on their property, but if/when a Local Improvement District is proposed, then they waive their ability to formally oppose it's formation.
 - o Two of the five tax lots on NW 2nd have executed NRA's
- Undeveloped
 - o Undeveloped lots within the City are generally only required to pay to improve their street frontage at the time that they develop.
 - o Two of the five tax lots on NW 2nd have not formally developed

Due to the impending increase in traffic on NW 2nd triggered by the shift in traffic pattern accessing these businesses, it is recommended that the roadway be constructed to city standards.

Formation of a Local Improvement District (LID) is a way to finance public streets by levying the cost of the roadway on to the abutting properties which benefit from the street in amounts proportionate to their frontage.

The City of Hermiston has successfully executed 322 LID's, primarily to develop roadways.

There are several steps required by City Code, and State Law, in order to form an LID. The first step is that the City Council must direct the City Manager to have a report developed which actually scopes out the project, estimates costs, establishes methodology for assigning costs, etc. That is what Resolution 2362 does.

Tie-In to Council Goals

Transportation: Improve Mobility and Transportation

Fiscal Information

This resolution does not actually form an LID, or create any obligation whatsoever on to property owners. This resolution simply directs the City Manager to develop a report which can be used by the Council in determining whether or not to move forward to the next steps.

Alternatives and Recommendation

Alternatives

1. Approve resolution 2362
2. Reject resolution 2362.

Recommended Action/Motion

Motion to approve Resolution 2362

Submitted By:

Mark Morgan