



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of July 27, 2026

**Title/Subject**

Approving Ordinance No. 2383 - Creating LID NO. 324.

**Summary and Background**

**BACKGROUND**

E. Jennie Avenue is an unimproved street between NE 8<sup>th</sup> and NE 10<sup>th</sup> street, adjacent to a mixture of residential and commercial properties actively undergoing development, or development interest. The City of Hermiston engaged with property owners in 2017 to rezone the five properties south of Jennie from low-quality Industrial zoning to the current mixture of residential and commercial. Since that time, four of the five properties have sold to developers:

- 200 Home Manufactured Home Developer (Currently in construction)
- (2 lots) 275 Unit Apartment Complex Developer (Currently in construction)
- General Commercial Development Speculator (Several Business Concepts Considered)

Standard practice in real estate development requires that as developers construct on a property, they must install street improvements adjacent to their property.

The 200 Home Manufactured Home Developers, as a part of their conditions of approval, are required to install Jennie Avenue adjacent to their property.

The 275 Unit Apartment Complex will be required to install Jennie Avenue adjacent to their property.

The Commercially zoned property at Jennie & NE 10<sup>th</sup>, as part of a previous land use action which was intended to facilitate commercial development on the property, signed a 'non-remonstrance agreement,' which means that in the event that an LID is ever formed for development of Jennie, they may not legally oppose its formation.

The final residentially zoned property is in a state that it may redevelop for high density residential housing in the near future.

Due to the active and anticipated developments on the five properties, but with relatively varied time schedules, it was recommended that an LID be formed to construct Jennie as one cohesive street project.

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 323 LID's, primarily to develop roadways.

### ACTION TO-DATE

City Council, on June 8, 2026, approved Resolution 2427 to initiate LID formation by calling for development of a preliminary engineering report (PER) outlining the improvements to be made.

City Council, on June 8, 2026, reviewed the PER and approved Resolution 2428 which declared the City's intent to form an LID to construct the improvements called for in the report. This action also established July 27, 2026 for a Public Hearing in order to receive feedback from impacted property owners, stakeholders, and the general public.

City Staff mailed official notice by Certified Mail to all 5 property owners on June 11, 2026. The notice included the date/time of the Public Hearing, a copy of the PER, forms to submit formal opposition, and an outline of the property owners' rights.

### SCOPE OF PROJECT

The PER identifies construction of a typical city street cross-section beginning on the south side of the Right of Way and extending 11' north of centerline of the Right of Way.

### NEXT STEPS

1. Public Hearing- Council will accept public testimony at the public hearing on July 27. Depending on the testimony received, Council may choose to continue the hearing, table the issue, cease formation of the LID, or approve moving forward with the LID as presented.
2. If Ordinance No. 2383 is approved, then City Staff will begin full design engineering and target public advertisement for bids in Fall '26 with construction anticipated in Spring '27.
3. Upon construction completion, all actual costs will be tallied, and a final property assessment, based on actual costs, will be levied by City Council. Property owners will be given the option to pay their portion in one lump sum, or to pay their portion over time based on the best borrowing terms the City is able to obtain, with no markup applied by the City, and the amount owed will become a lien on the property.

### Tie-In to Council Goals

Transportation: Improve Mobility and Transportation

### Fiscal Information

This LID will be paid for predominantly by the benefitting property owners, with the city taxpayers contributing an estimated \$305,000 in hard costs to be paid from Transportation SDC's and other sources which will need to be diverted from other street priorities.

The City of Hermiston's Hermiston Energy Services is also anticipated to cover approximately \$450,000 in power pole relocation expenses. The bulk of that expense is associated with realignment of poles adjacent to the Jennie/10<sup>th</sup> intersection. That cost would have been necessary should the property at Jennie/10<sup>th</sup> developed privately, but in the interest of facilitating development, the cost of the power relocation is not being included as part of the cost being borne by the LID properties.

### **Alternatives and Recommendation**

#### **Alternatives**

1. Approve Ordinance No. 2383
2. Amend Ordinance No. 2383
3. Reject Ordinance No. 2383

#### **Recommended Action/Motion**

Motion to approve Ordinance No. 2383

#### **Submitted By:**

Mark Morgan