



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of August 14, 2023

Title/Subject

Accept a grant award of \$51,000 for the Southeast Hermiston Industrial Area Utility Expansion Study.

Summary and Background

City staff engaged Maul Foster & Alongi (MFI) in early 2022 to conduct an Industrial Lands Inventory and Analysis. This was a direct response to anticipated development of nearly 300 acres of prime industrial land located between Feedville Road and Penney Ave. That land had previously been actively marketed by the City to attract large scale investment to generate revenue for local public service providers and create jobs.

MFI's report resulted in a comprehensive analysis of existing industrial land within the city's current Urban Growth Boundary, and those adjacent to the UGB, with a recommendation to pursue a UGB expansion. In addition to the UGB expansion, the report identified the remaining area which is attractive to large scale industrial development within the existing UGB as approximately 150 acres in the extreme southeast corner of the UGB straddling US395, but predominantly lying east of the highway.

The area in question is generally attractive for industrial development due to its current zoning, lot sizes/ownership, topography, surrounding development, and transportation infrastructure. However, water and sewer utilities are limited, and it is unknown what the availability/capacity of power, gas, and fiber are.

City staff engaged with the property owners to gain support for seeking grant funding through the state's Special Public Works Fund (SPWF) to develop an inventory of existing utilities and establish a refinement plan for extending water and sewer in to the area. The refinement plan will utilize the now defunct "Certified Shovel Ready," program formerly operated by the Oregon Business Development Department. Although the "Shovel Ready" certification is no longer conferred, the process is still beneficial in developing all of the necessary information on high quality industrial land to make it easy and efficient to support interested development with actionable information in a timely manner. The property owners are supportive, and look forward to working with the City to improve the area to facilitate marketing it for investment and employment growth.

Tie-In to Council Goals

Focus Area: Workforce Development- Attract Industry & Jobs

Fiscal Information

The approved scope of work for this refinement plan is \$60,000 from Anderson Perry & Associates, which leaves a \$9,000 local match which will be covered through the approved Economic Development budget.

Alternatives and Recommendation

Alternatives

1. Accept the SPWF Grant Funds
2. Reject the SPWF Grant Funds

Recommended Action/Motion

Motion to accept the grant award of \$51,000 from the Special Public Works Fund.

Submitted By:

Mark Morgan, Assistant City Manager