

ORDINANCE NO. 2371

AN ORDINANCE CREATING LOCAL IMPROVEMENT DISTRICT NO. 323; DESCRIBING IMPROVEMENT; SETTING BOUNDARY; PROVIDING FOR PAYMENT BY BENEFITTED PROPERTIES; SECURING SUCH PAYMENT BY LIEN AGAINST THE BENEFITTED PROPERTIES; AND CALLING FOR CONSTRUCTION

WHEREAS, on March 24, 2025, the Hermiston City Council adopted Resolution No. 2362 to initiate the formation of a local improvement district in the vicinity of NW 2nd Street from W. Cherry Avenue to W. Elm Avenue and directed the City Manager to prepare a feasibility report for a capital construction project; and

WHEREAS, on March 24, 2025, the City Manager submitted to the City Council the *N.W. 2nd Street Local Improvement District Engineering Report, March 2025*, detailing the installation of improvements on NW 2nd Street; and

WHEREAS, after reviewing the engineering report, the City Council adopted Resolution No. 2363, establishing the intent to form Local Improvement District No. 323 (“LID 323”) and calling for a public hearing on May 12, 2025; and

WHEREAS, on March 31, 2025, more than ten (10) days before the May 12, 2025 public hearing on LID 323, the City Manager mailed or personally delivered a notice of the public hearing containing the date, time, and location of the hearing together with the information required by subsection 34.28(B) of the Hermiston Municipal Code (“HMC”), including a copy of the engineering report and a form of remonstrance as provided in HMC 34.30, to each of the owners of each property proposed to be located within the local improvement district; and

WHEREAS, prior to the May 12, 2025 public hearing an error was discovered in the calculation of the amount of frontage used to determine the methodology for levying assessments causing the public hearing to be postponed to May 27, 2025, so that the City Council and all noticed parties could receive a copy of the amended *N.W. 2nd Street Local Improvement District Engineering Report, May 2025*; and

WHEREAS, the owners of each property proposed to be located within the local improvement district were mailed a notice of the May 27, 2025 public hearing date, an explanation of the necessary amendment to the report, and a copy of the amended engineers report; and

WHEREAS, prior to the hearing on May 27, 2025, the City received more than 60% of valid remonstrances from the five properties located within the district; and

WHEREAS, the City Council held a vote to override the remonstrances and the motion failed as the vote was not unanimous at 7 for and 1 against. Pursuant to HMC 34.30(D) the City Council suspended the formation of the proposed district for not less than six months; and

WHEREAS, in the intervening time period, City staff and a property owner of one of the properties within the proposed district came to an agreement and a waiver of remonstrance was created; and

WHEREAS, the agreement to not remonstrate against the formation of the proposed district brought the percentage of remonstrances to 60% which allows the City to review the formation of the district; and

WHEREAS, on August 25, 2025, the City Manager submitted to the City Council the *N.W. 2nd Street Local Improvement District Engineering Report, August 2025*, detailing the installation of improvements on NW 2nd Street:

1. The improvements will consist of approximately 480 linear feet of street improvement, to include the paving of a 28-foot-wide asphalt street in the NW 2nd Street right-of-way between W Cherry Ave. and W Elm Ave. (OR Highway 207). In addition to the paving listed above, the project will include curb and gutter as well as 5-foot sidewalks on both sides of the street, along with pedestrian ramps, driveways, and stormwater facilities.
2. The full project cost for the above-mentioned improvements is estimated at \$448,000.
3. The methodology for levying assessments uses the amount of frontage that each property has in relation to certain improvements as the way to assign benefit, and therefore, the corresponding amount of the levy applied to the property. A detailed description of how that is applied is included in the engineer's report. and

WHEREAS, after reviewing the engineering report, the City Council adopted Resolution No. 2392, establishing the intent to form Local Improvement District No. 323 ("LID 323"), superseding Resolution No. 2363, and calling for a public hearing on September 8, 2025; and

WHEREAS, on August 26, 2025, more than ten (10) days before the September 8, 2025 public hearing on LID 323, the City Manager mailed or personally delivered a notice of the public hearing containing the date, time, and location of the hearing together with the information required by HMC 34.28(B), including a copy of the engineering report and a form of remonstrance as provided in HMC 34.30, to each of the owners of each property proposed to be located within the local improvement district; and

WHEREAS, on September 8, 2025, a public hearing was held before the City Council for public testimony and submission of remonstrances. The City Council did not receive more than 60% of valid remonstrances necessary to either terminate or suspend formation of the district. Now therefore:

THE CITY OF HERMISTON ORDAINS AS FOLLOWS:

SECTION 1. Findings. The staff report accompanying this Ordinance, the *N.W. 2nd Street Local Improvement District Engineering Report, August 2025*, and the above recitals are incorporated as the City Council's findings as if set forth herein.

SECTION 2. That under the authority of Chapters 34.25-34.40 of the Hermiston Municipal Code, the City Council does hereby establish LOCAL IMPROVEMENT DISTRICT NO. 323, as the project satisfies the definition of a local improvement district under state law and HMC 34.26.

SECTION 3. That the improvement shall consist of approximately 480 linear feet of street improvement to include the paving of a 28-foot-wide asphalt street in the NW 2nd Street right-of-way between W Cherry Ave. and W Elm Ave. (OR Highway 207). In addition to the paving listed above, the project will include curb and gutter as well as 5-foot sidewalks on both sides of the street, along with pedestrian ramps, driveways, and stormwater facilities as detailed in the *N.W. 2nd Street Local Improvement District Engineering Report, August 2025*.

SECTION 4. That the Boundary of Local Improvement District No. 323 shall embrace the property to be benefitted and to be assessed for the installation of said improvement, and shall include the following described land described in attached Exhibit A, all of said land being located in the City of Hermiston, Umatilla County, Oregon.

SECTION 5. That the cost of making such improvement shall be a charge against and a lien upon all lots, parts of lots and parcels of land benefitted by such improvement; and the owners of such lots, parts of lots and parcels of land especially benefitted by such improvement shall be liable for payment of the expenses and costs thereof.

SECTION 6. That the property owners within the benefitted district will contribute an estimated \$448,000 towards the cost of this project based on the amount of frontage that each property has in relation to certain improvements constructed along their property frontage. A list of the benefitted properties by tax lots and tax map, owners and estimated LID assessment for each tax lot is attached as Exhibit B.

SECTION 7. That the City Manager shall have prepared plans and specifications for appropriate improvements as described in accordance with the charter and ordinances of the City and shall invite public bids for the construction of said improvement district project as required by the charter, ordinances and general specification of the City and this Ordinance No. 2371.

SECTION 8. This ordinance shall take effect on the 30th day after its adoption.

ADOPTED by the Common Council this 22nd day of September 2025.

SIGNED by the Mayor this 22nd day of September 2025.

Doug Primmer, Mayor

ATTEST:

Lilly Alarcon-Strong, CMC City Recorder