



Where Life is Sweet

Members of the Planning Commission
STAFF REPORT
For the Meeting of June 14, 2023

Title/Subject

North Hermiston Urban Renewal Area (NURA) Presentation

Summary and Background

The Hermiston Planning Commission is being asked to make a recommendation to the City Council regarding the Council's consideration and adoption of the proposed North Hermiston Urban Renewal Plan (Plan).

The focus of the Planning Commission's review is the conformance of the Plan with the Hermiston Comprehensive Plan. This action does not require a public hearing, and the Planning Commission is not being asked to approve the Plan, but rather make a recommendation to the Hermiston City Council on the conformance to the Hermiston Comprehensive Plan issue. There are no explicit review criteria for a Planning Commission for the review of an urban renewal plan. The Oregon Revised Statute (ORS) ORS 457.085(4) states that "An urban renewal plan and accompanying report shall be forwarded to the planning commission of the municipality for recommendations, prior to presenting the plan to the governing body of the municipality for approval under ORS 457.095". The generally accepted practice is for the Planning Commission to provide input on the relationship of the Plan to the Local Objectives (Section XI of the Plan), and particularly to its conformance to the City of Hermiston Comprehensive Plan.

The North Hermiston Urban Renewal Plan District (District) consists of approximately 102 total acres, 93.49 acres of land in tax lots and 8.51 acres of public rights-of-way. The primary purpose of the Plan is to address infrastructure deficiencies and parcel patterns that are limiting the development potential in the proposed District. The primary investment is expected to be construction of a new east/west street through the District that would ease pressure on Highway 395, as well as a north/south connection to the south.

It is anticipated that the Plan will take sixteen years of tax increment collections to implement. The maximum amount of indebtedness that may be issued for the Plan is not to exceed \$5,000,000 (Five Million dollars). Detailed financial analysis is in the Report Accompanying the North Hermiston Plan (Report). The projected impacts to the taxing districts are shown in the attached urban renewal report.

The projects proposed to be undertaken in the Plan are intended to help improve conditions in the urban renewal area including adding transportation options and a new waterline to serve the Area.

All phases of urban renewal development and implementation are subject to public meetings. This session of the planning commission is a public meeting. Although this session is not a public hearing and subject to broad noticing requirements, the meeting agenda was published on June 7, 2023 on the city's website and the agenda packet and staff report have been available for download since that date.

Section XI of the Plan contains the findings of the conformance to the Comprehensive Plan.

Tie-In to Council Goals

Goal #1: Hermiston is cultivating a vibrant community with a thriving economy, assortment of housing opportunities, high-quality education, and support services to preserve the small-town feel.

FOCUS AREA

Transportation: Improve mobility and transportation

Fiscal Information

The urban renewal area is projected to generate approximately \$6,100,000 in revenue over the lifetime of the area. The maximum indebtedness proposed for the area is \$5,000,000. The area will front load the majority of the infrastructure costs early in the district life through financing. Unlike the downtown urban renewal area which captures and utilizes 100% of the tax increment within the area, the North Urban Renewal Area will use revenue sharing with outside districts once 10% of the maximum indebtedness is reached within the assessed value of the area. Specific financial projections for annual tax revenue, project cost, and shared revenue are included within the urban renewal report.

Alternatives and Recommendation

Alternatives

The planning commission may make a determination that the urban renewal plan conforms with the Hermiston Comprehensive Plan.

The planning commission may also recommend that the city council adopt the proposed urban renewal plan.

The planning commission may also make a determination that the plan is not in conformance with the Hermiston Comprehensive Plan.

Recommended Action/Motion

Staff recommends that the planning commission make a determination that the urban renewal plan conforms with the Hermiston Comprehensive Plan and that the city council adopt the proposed plan.

Submitted By:

Clint Spencer, Planning Director