



CITY COUNCIL

Regular Meeting Minutes

August 25, 2025

Council President McCarthy called the regular meeting to order at 7:00pm. Present were Councilors Hayward, Roberts, Myers, Linton (arrived at 7:04pm), Duron (arrived at 7:31pm), Barron (arrived at 7:21pm), and Kelso. Mayor Primmer was excused. City Staff in attendance included: City Manager Byron Smith, Assistant City Manager Mark Morgan, Finance Director Ignacio Palacios, City Attorney Rich Tovey, Chief Jason Edmiston, Planning Director Clint Spencer, Court Administrator Jillian Viles, and Assistant City Recorder Heather La Beau. The pledge of allegiance was given.

Recognition- Planning Commissioner Chair, Margaret Saylor- 50 Years of Service

Council President McCarthy acknowledged the dedication and service in shaping the growth of Hermiston of Planning Commissioner Margaret Saylor during 50 years of service to the City of Hermiston, stating since joining the Commission since 1975 she has spent 16 years as Chair and another 16 years as Vice Chair, and is the longest serving planning commissioner in the history of the State of Oregon. In her 50 years of service, Commissioner Margaret Saylor has worked on 209 annexations, 87 variances, 204 conditional use permits, and 95 subdivisions.

Eastern Oregon Representative from the Department of Land Conservation and Development, Dawn Hertz also recognized Commissioner Margaret Saylor by presenting to her and reading aloud a Proclamation recognizing her leadership and steadfast commitment to thoughtful land use planning (attached).

(Councilor Linton arrived at 7:04pm)

The City of Hermiston presented Planning Commissioner Margaret Saylor with a map prepared by the Planning Department showing the city limits of when Commissioner Saylor joined the Planning Commission and today's city limits as well as plaque from the City Council thanking Commissioner Saylor for her service to the community.

(Applause from the audience.)

Citizen Input on Non-Agenda Items

Al Frost, 4th St- stated he has lived in Hermiston since 1942 and has been active in the Community by serving as a City Councilor and on various City Committees. Mr. Frost stated he lives part of the year in Arizona, but Hermiston is a good city and considers it home and he does not want it to become like the Yakima Valley; however, Hermiston needs attention. Hermiston has a good police department, but he is unable to reach the Police Chief and is concerned about the noise ordinance enforcement as there is drag racing and loud car mufflers. He has talked to many members of the police department including Captains and Lieutenants about this issue.

Consent Agenda Items

Councilor Hayward moved, and Councilor Roberts seconded to approve Consent Agenda items A-C, to include:

- A. Committee Vacancy Announcement
- B. Liquor License Change of Location- Trina's Mexican Food located at 1565 N 1st Street, Suite #9
- C. Minutes of the August 11, 2025 City Council Regular Meeting

Motion carried unanimously with Councilors, Hayward, Roberts, Myers, McCarthy, Linton, and Kelso voting in favor.



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Public Hearing- Hermiston Urban Growth Boundary Amendment (Ordinance Nos. 2374 & 2375)

Councilor Hayward stated a conflict of interest as Amazon is his employer and left the Council Chambers. Hearing no other declarations of conflicts of interest from the Council, Planning Director Clint Spencer read the hearing guidelines and Council President McCarthy opened the hearing at 7:13pm.

Planning Director Spencer, Anderson Perry Project Engineer Joshua Lott, and Winterbrook Planning Consultant Jesse Winterowd, gave information (PowerPoint Presentation attached) regarding this legislative hearing to consider the following land use actions: An expansion of the Hermiston Urban Growth Boundary, amendments to the City's Comprehensive Plan map and text, adoption of an updated Public Facilities Plan, and implementing amendments to the Hermiston Zoning Map and Zoning Code. Also present were Garret Stephenson, land use attorney with Schwabe, Williamson & Wyatt; Adam Smith of Schwabe, Williamson & Wyatt, P.C.; Traffic Engineer, Matt Hughart of Kittelson & Associates, Inc; and Planners Larissa Gladding and Keava Campbell both with Winterbrook Planning.

(Councilor Barron arrived at 7:21pm)

The proposed actions would provide urban land for hyperscale data centers which is a need that was identified in the City's Economic Opportunities Analysis which the Council adopted in 2024. All impacted landowners of the proposed UGB annexation territory are in support of this proposed annexation.

Public Testimony

Opponents/Remonstrances

Karyn Jones, 1010 W. Highland Ave- Asked if road improvements would be paid by developers or taxpayers and if there would be enough roads in the area to handle the increase of traffic brought in by the data centers.

Anderson Perry Project Engineer Joshua Lott stated developers would be required to pay for all road improvements. Winterbrook Planning Consultant Jesse Winterowd stated yes, the Transportation Analysis covers this exact question.

Council President McCarthy closed the hearing at 7:27pm.

Councilor Linton stated she will be voting no for these items as the Council received the agenda packet on August 20th and five days is not enough time to review a packet this large and hopes that the Council will be given more time by City Staff to review large packets in the future.

(Councilor Duron arrived at 7:31pm)

Councilor Barron reminded the Council that the information being presented is not new information as the Council reviewed and approved the Economic Opportunity Analysis in 2024.

Council members asked questions regarding water and street infrastructure and how this proposal would impact the City; if annexation is approved, could the land designation be changed for another use; if Amazon was receiving any incentives for this project, and asked any Planning Commissioners present to state any concerns they may have.



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City staff and Garret Stephenson, land use attorney with Schwabe, Williamson & Wyatt, responded stating approving this proposal would give more water access to the community as the data centers would be pulling water from the Columbia River and then discharging half of that water to the irrigation district which farmers could use on several hundred acres. Currently, farmers are unable to access water from the Columbia River as this is an extremely expensive process. The data centers would also need potable water for about 200 employees. The process water used on one data center campus is equivalent to the current use of water by 1.5 elementary schools in Hermiston. The street infrastructure would be developed by the developer to adjust for traffic, not the City. State law dictates what can be annexed into the City and how it can be used; the City must only use this area for the designated industrial land use to stay in compliance with Oregon's land use laws, however, the designation can be changed in the future by a similar process. Amazon is not receiving incentives. It has not been determined if Amazon will be developing data centers on this land or not, however, the City Council will be presented information on any incentives being asked or offered to any data center company.

Planning Commissioner Dean Fialka stated the Planning Commission reviewed this information in great detail and voted unanimously in favor of this proposal as it brings good opportunities and economic growth to the community. Karyn Jones came to the Planning Commission meeting and asked the same questions as she did tonight, those questions were answered in the same way as well.

Councilor Duron reminded the Council that this was voted on by the Council as a goal. City staff answered questions by Councilors Kelso and Barron stating the City is currently not receiving any revenue from these properties; in the last 100 years zero jobs have been created on this land as it has been used as alfalfa crops; the City has received no property taxes from this land; approval of this proposal will create about 1,000 jobs and bring in about 5 million in property taxes to just the City of Hermiston- not including the other taxing districts.

Councilor Linton stated she has a right to change her mind on City goals and stated the number of jobs created is not accurate as qualified individuals would need to be brought into the community from other places to build the data centers. Assistant City Manager Morgan stated about 1,500 temporary outside contractors are always brought in for construction projects, no matter what construction project it is. The job creation number previously given does not consider the temporary construction jobs this project will create as well.

Councilor Kelso moved, and Councilor Myers seconded to approve the Findings of Fact as contained in the Hermiston Urban Growth Boundary Expansion and Related Plan and Code Amendments and all appendices. Motion passed 6-1 with Councilors Roberts, Myers, McCarthy, Duron, Kelso, and Barron voting in favor, and Councilor Linton voting against.

Ordinance No. 2374- Hermiston Urban Growth Boundary Amendment

City Manager Smith stated the information for this Ordinance was presented during the public hearing.

Council President McCarthy requested that the first reading be by title only. Hearing no opposition, City Attorney Tovey read the ordinance by title only. Council President McCarthy requested that the ordinance be put on for final adoption at this meeting and that the second reading be by title only. Motioned failed 6-1 with Councilors Roberts, Myers, McCarthy, Duron, Kelso, and Barron voting in favor, and Councilor Linton voting against.



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City Attorney Tovey stated the second reading of the ordinance must be a unanimous vote for final adoption at one meeting; therefore, the second and final reading of the ordinance must be presented and read at the next City Council meeting on September 8th.

Ordinance No. 2375- Hermiston Urban Growth Boundary Amendment Annexation

City Manager Smith stated the information for this Ordinance was presented during the public hearing.

Council President McCarthy requested that the first reading be by title only. Hearing no opposition, City Attorney Tovey read the ordinance by title only. Council President McCarthy requested that the ordinance be put on for final adoption at this meeting and that the second reading be by title only. Motioned failed 6-1 with Councilors Roberts, Myers, McCarthy, Duron, Kelso, and Barron voting in favor, and Councilor Linton voting against.

City Attorney Tovey stated the second reading of the ordinance must be a unanimous vote for final adoption at one meeting; therefore, the second and final reading of the ordinance must be presented and read at the next City Council meeting on September 8th.

(Councilor Hayward returned to Council Chambers and dais at 8:23pm)

Resolution No. 2392- Declare Intent to Form LID for NW 2nd Street

Assistant City Manager Morgan presented the staff report regarding the need to form a Local Improvement District for street infrastructure on NW 2nd Street to accommodate for increased traffic for accessing businesses between Elm Street and Cherry Ave with the attached PowerPoint.

Assistant City Manager Morgan answered questions from Councilors stating the project is coming before the Council again so quickly from the last time it was presented instead of waiting towards the end of the year as winter is coming and the City is trying to have construction start in the spring of 2026 instead of the winter of 2026. The project cost to the City went up by \$75,000 from the last time it was presented to the Council as the Council did not unanimously approve the project as was required to move forward. The impacted property owners may bid on this project through the bidding requirements established by law.

Councilor Hayward moved, and Councilor Myers seconded to adopt Resolution No. 2392 and lay upon the record. Motion passed 7-1 with Councilors Hayward, Roberts, Myers, McCarthy, Duron, Kelso, and Barron voting in favor, and Councilor Linton voting against.

Resolution No. 2393- Airport Property Acquisition Reimbursement

Assistant City Manager Morgan presented the staff report regarding authorizing the City to accept the FAA grant funding awarded for the acquisition of 140.06 acres of farmland for the Airport's Runway Protection Zone on August 15th, 2025.

Councilor Kelso thanked City staff for securing funding on this project.

Councilor Hayward moved, and Councilor Roberts seconded to adopt Resolution No. 2393 and lay upon the record. Motion passed unanimously with Councilors Hayward, Roberts, Myers, McCarthy, Duron, Kelso, Barron, and Linton voting in favor.



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July 2025 Monthly Financial Report

Councilor Hayward moved, and Councilor Roberts seconded to accept the July Financial Report as presented by City Manager Smith and Assistant City Manager Morgan (PowerPoint Presentation attached). Motion passed unanimously with Councilors Hayward, Roberts, Myers, McCarthy, Duron, Kelso, Barron, and Linton voting in favor.

Committee Reports

No committee reports were given.

Council Presidents Report

Councilor McCarthy reminded the public to slow down and watch for kids now that school has started.

Council Reports

Councilor Hayward stated photos were circulated to the Council regarding the Back-to-School event that took place at Harrison Park, where area churches came together to provide dinner, back to school supplies, and a plethora of vegetables to the community. This event is a testament of the great work our area churches provide to the needs of the community.

The Council thanked Councilor Hayward for sharing such great photos of the event.

Councilor Barron stated he attended the recent City of Pendleton's Council Meeting where they addressed homelessness. The meeting was run well with great decorum from the community and council.

City Manager's Report

No report was given.

Recess for Executive Session

At 8:57pm Council President announced the City Council of the City of Hermiston will now meet in Executive Session in the Executive Session Room on the first floor for the purpose of discussing matters pertaining to litigation with legal counsel and the review and evaluation of employment-related performance of City Manager Byron Smith.

The Executive Session is held pursuant to ORS 192.660 (2) (h & i) which allows the council to meet in Executive Session to conduct deliberations with persons designated by the Council to consult regarding the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed and for the purpose to review and evaluate, pursuant to standards, criteria and policy directives adopted by the governing body, the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member unless the person whose performance is being reviewed and evaluated requests an open hearing.

Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are excluded. Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the session as previously announced. No final decision may be made in executive session. At the end of the



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executive session, the council will return to open session which the audience may attend. The executive session will last approximately 30 minutes.

Reconvene-Consider approval of Changes to the City Manager Employment Contract

Council President McCarthy reconvened the regular meeting at 9:51pm.

City Manager Smith reviewed his proposed contract amendments as presented in the agenda packet.

Councilors discussed City Manager Smith's proposed car allowance amendments vs obtaining and using a city vehicle and possible outside consulting prospects. Councilor Barron moved, and Councilor Kelso seconded to approve City Manager Smith's employment contract with the amendment of notifying the Council of any outside consulting projects. Motion carried 7-1 with Councilors Hayward, Myers, McCarthy, Duron, Kelso, Barron, and Linton voting in favor, and Councilor Roberts voting against.

Adjourn

There was no other business and Council President McCarthy adjourned the regular City Council meeting at 10:02pm.

SIGNED:

David McCarthy, Council President

ATTEST:

Lilly Alarcon-Strong, City Recorder



Oregon

Tina Kotek, Governor

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A Proclamation from the Department of Land Conservation and Development

Honoring Margaret E. Saylor for 50 Years of Dedicated Service City of Hermiston Planning Commission



August 25, 2025

On this day, the Oregon Department of Land Conservation and Development, is recognizing and celebrating the remarkable contributions of Margaret E. Saylor on the occasion of her 50th anniversary of service with the City of Hermiston Planning Commission.

For half a century, Ms. Saylor has demonstrated steadfast commitment to thoughtful land use planning and the responsible stewardship of Hermiston's growth. Her leadership has helped shape a thriving, vibrant community that reflects the values of collaboration, foresight, and care for both present and future generations.

Margaret's enduring service stands as a shining example of civic dedication. Over five decades, she has contributed her wisdom and integrity to countless planning decisions that have strengthened the fabric of the Hermiston community and upheld the principles of Oregon's landmark land use system.

DLCD honors Margaret E. Saylor not only for her extraordinary tenure, but also for the legacy of thoughtful planning, community engagement, and public service she has built. Her work has left an indelible mark on Hermiston and serves as an inspiration to public servants across our great state.

Therefore, DLCD proclaims August 25, 2025, as a day to celebrate Margaret E. Saylor's 50 years of service and extend our deepest gratitude for her outstanding contributions to Oregon's communities.

City of Hermiston

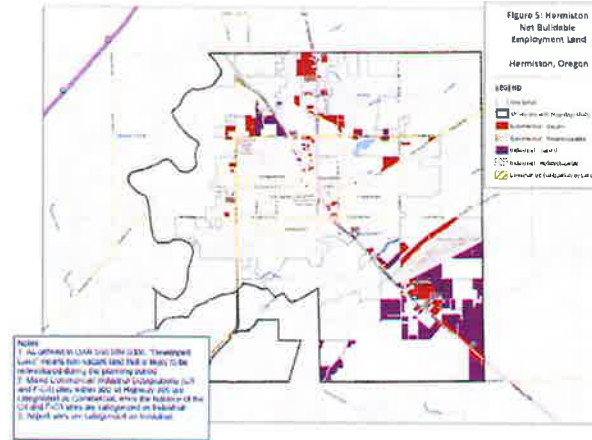
UGB Expansion, Comprehensive Plan Amendment, Annexation, and Zone Change

City Council Hearing

August 25, 2025



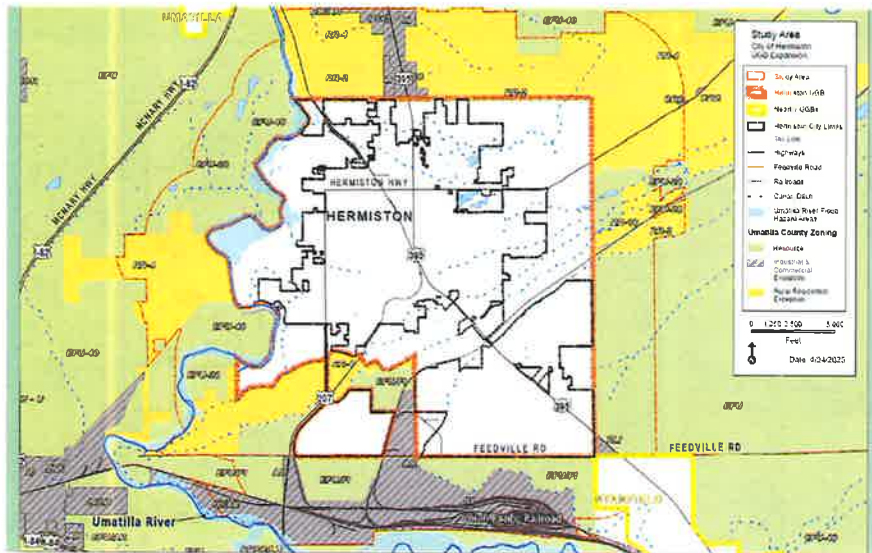
2024 Economic Opportunities Analysis (EOA)



Needed: 1,210 gross buildable acres for data center development identified in the EOA

- Two suitable HDC sites under development (214 acres)
- **No other** suitable land for HDC development within the UGB

Deficiency: Nine HDC sites, each at least 100 suitable acres needed to be added to the UGB



Required Hyperscale Data Center (HDC) Site Characteristics

Size:

- Tracts ≥ 100 contiguous acres **after** removal of constrained land
- Individual tax lots > 20 acres
- Uninterrupted by road, railway, or water body

Topography and Location:

- 5% maximum grade
- Outside of special flood hazards
- 200-foot buffer from residential uses

Serviceability:

- Access to urban services from Hermiston UGB



[illegible]

*Total acreage of constraints subtracted from total acres of site.

[illegible]

Fourth Priority: Agricultural land that is predominantly high-value farmland.

*Required and existing easements removed.

LEGEND

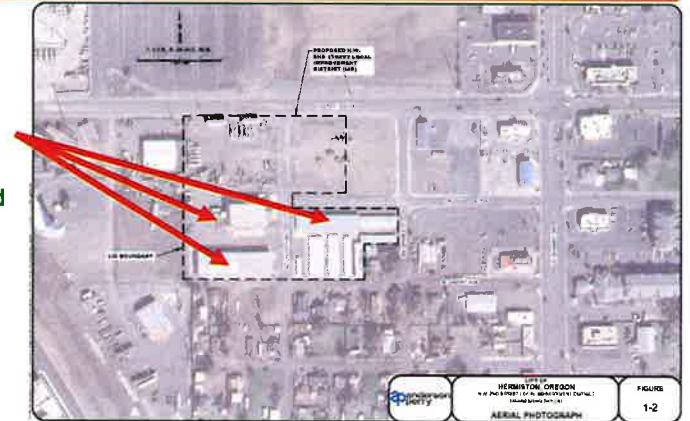
- US - URBAN SNACK AREA
- P - AUTO PARKING AREA
- SA - EMERGENCY ACCESS
- PA - PRIMARY ACCESS
- B - BUILDINGS
- W - WATER QUALITY
- T - TRAIL-SUPPORT BUFFER
- S - SUBSTATION
- SL - SLOPED AREAS (4-10%)
- F - FUTURE ACCESSORY BLDGS
- CP - CREDIT POWERCELL AREA
- HE - HIGHWAY EASMENT
- FE - FUTURE ENERGY POWER CORRIDOR
- CE - CREDITING POWER EASMENT
- RR - EXISTING RAILROADS

HOTEL
TYPICAL BUILDING SIZE IS:
200,000 SF - 250,000 SF LENGTH & 20' - 30' DEPTH
1. ALL ACCESS POINTS AND INTERIOR DRIVE AISLES ARE 30' WIDE
2. AUTO PARKING IS LOCATED AT EACH BUILDING END (SHORT DIMENSION)



Why?

- NW 2nd & W Dogwood Never Paved, despite commercial development
 - Not City Standard
 - Non-Remonstrance



Why?

- ODOT Installing Traffic Barriers on Elm (Spring '26)
- Increased traffic on Dogwood & NW 2nd



Remonstrances

- 5 Properties
- TL2200 Anomaly
- 4/5 valid remonstrances
- Council needed unanimous support to proceed
- 7 of 8 voted to proceed as-is



TL2200 Owner Discussion

- Withdrew opposition
- Taxpayers contribute extra \$75,000 toward cost of project.



Cost Changes

- Taxpayers Add \$75K
- Tighter estimate reduces estimate by \$57K
- City Still covering 100% (~\$400K) of Dogwood



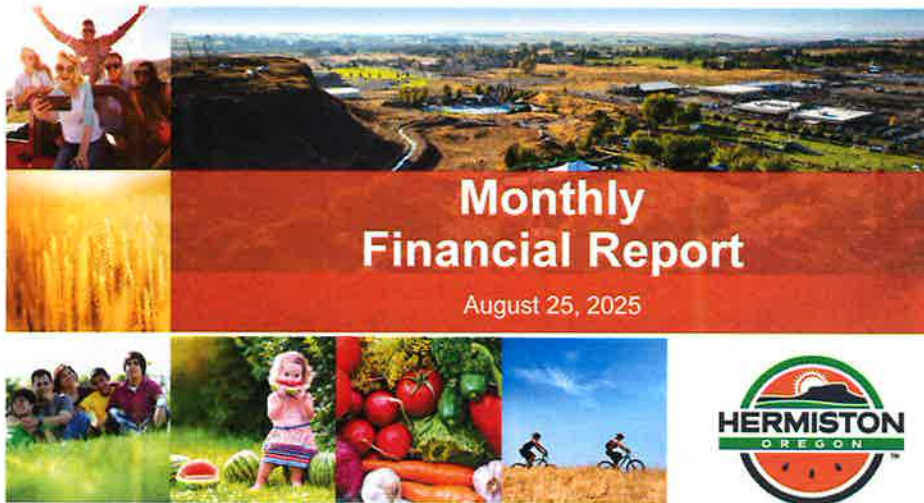
Timeline

- Tonight: Intent to Form
- Sept. 8: Public Hearing & Form LID
- Fall/Winter: Design/Bid Project
- Spring/Summer '26: Construct Project
- Fall '26:
 - Reconcile actual costs
 - Landowners may pay Lump Sum, or 10-Year Installments @ City's Best Available Financing



Questions?

Where Life is Sweet™



Hermiston Urban Renewal Agency (HURA)

- Hermiston URA split in four funds for fiscal year – General, Downtown, North and South.
- North Hermiston Urban Renewal Area – ROW appraisals complete with anticipated bidding this winter.



General Fund

- First month (or 8.3%) of 2025-26 fiscal year
- Monthly Revenues ended over projection by ~\$145k
 - Primarily due to increase in franchise fees over projected amounts



General Fund

- Monthly Expenses were over projection by ~\$2.4 million
 - Primarily due transfer of building funds to newly created building inspection fund (~\$2.7 million)
 - Minus the transfer it would be ~200k under projections
 - City Council, Airport and Non-Departmental are over budget due to annual LOC membership, transfer for projects, and funds transfer to new fund, respectively.



Special Revenue Funds

- Observations:
 - New Building Inspection fund activity included in special revenue summary
 - EOTEC revenues do not reflect reimbursement from RV Park project
 - EOTEC activity for personnel and material and services reflect preparation for events (fair, special and private events, etc.)



Utility and Street Funds

- Observations:
 - Street fund expenditures ~\$38k over projection due to transfers to reserve fund for future projects.
 - HES fund revenues under budget due to timing of revenue recognition (posted in August ~\$845k).
 - Regional Water fund over projections by \$275.5k due to budgeted reserve transfer for planned projects and repairs.



Capital Projects

- A number of projects in design:
 - Geer/Harper Realignment- full design expected by fall
 - N. 1st Sidewalk (additional ROW with UPRR has begun)
 - RWS Backup Generators – currently in design
 - Well #6 Chlorination Structure
 - Lift Station #5 wet well upgrades – design to begin
 - E. Evelyn Avenue gravity sewer line – design to begin
- Aquifer Storage/Recovery – final depth reached shifting to construction
- Well #4 Controls – contract awarded, project to 'commence' after peak season



Capital Projects

- Hangar Replacement – 'kit' delivered and set up has begun
- Library – flooring is installed, furniture and shelving is being installed. Move-in of books to begin September.
- The Arc – PD moved in. Sand and finish interior upon PD vacation
- Sherman Park – design is on-going
- Public Safety Center
 - Interior framing nearly complete and mechanical and electrical work underway





Discussion Questions?

Where Life is Sweet