



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of March 13, 2023

**Title/Subject**

Eastern Oregon Development LLC has requested latecomer assessments in conjunction with public improvements installed as part of the Hermiston Mini-Storage project on E Elm Ave.

**Summary and Background**

The Hermiston municipal code contains multiple provisions for reimbursement of development costs when infrastructure improvements benefit properties beyond the development itself. There are several types of infrastructure development which may benefit other properties. For example, a development may be located beyond the terminus of a water or sewer line, necessitating extension of a line past currently unserved property to reach the development. A line may be installed in an existing street, but the development is entirely on one side of the street, and unserved property remains on the side opposite the development. A line may be oversized and provide additional capacity for property downstream in the future. These are the most common instances where a latecomer assessment is used.

Eastern Oregon Development LLC constructed a new water line in E Elm Avenue which the developer states will benefit other properties. A 12-inch water line was extended from NE 4<sup>th</sup> Street eastward approximately 1,300 feet to the end of the development area. This line has capacity to service additional development east of the site. The city will reimburse the developer for the difference in pipe size between the standard 8-inch line and the required 12-inch line. In order to reach the mini-storage site, Eastern Oregon Development had to extend the line past two unserved dwellings to reach the site and then the line extended past several unserved properties on the south side of E Elm Ave. All of the properties potentially benefitting from the water installation directly abut the newly installed line.

Notices of potential assessment resulting from these improvements were mailed to four property owners 14 days prior to this hearing. The assessments agreed upon by the city and developer to be presented to the city council are included in the table below. Notices provided to each property owner listed the assessment amount and identified the requesting party and improvement benefit. The notices also stated that the assessment is not collected unless and until any assessed property makes a physical connection to the benefitting utility. There are properties on both sides of E Elm Ave which are outside the city limits. The table also denotes if a property is inside the city.

Property Owner	Tax Lot	Inside City Limits?	Water Assessment
John Eckhardt	4N 28 02CD TL 700	No	\$2,271.53
UK Properties	4N 28 02CD TL 800	No	\$2,271.53
City of Hermiston	4N 28 11BA TL 102 & 202	Yes	\$8,927.10
Juliana Mendoza	4N 28 11BA TL 200	Yes	\$3,293.71
Quentin Ketchersid	4N 28 11BA TL 201	No	\$4,134.18
David Hackler	4N 28 11BA TL 101	Yes	\$6,815.26

The right to collect assessments on water construction is stated in §52.15 which establishes that a developer is responsible for all costs associated with construction of water mains but may request reimbursement or assessment on any individual who connects to a water main. Additionally, the development code of the zoning ordinance in §157.164(F) establishes the city’s authority to enter into reimbursement agreements with the developer.

*“(F) Where the improvement installed by a developer shall benefit other properties, a mutually agreeable settlement shall be arrived at between the city and the developer prior to installing the improvements. This agreement shall identify the benefitting properties, actual costs to be charged and method of repayment to the developer. Where prior agreement exists for improvements benefitting the subject property, the applicant shall make arrangements with the city for the payment of the improvements prior to issuance of any city permit.”*

Under the provisions of §51.15(C), assessments for water improvements may return to the developer for a period not to exceed ten years. After the ten-year period expires, the city may choose to retain any payment made on an assessment and use such funds for the utility fund only.

The city council will be holding a public hearing on the proposed assessments at this meeting. If the council agrees that the properties under consideration are benefitting from the improvements, the council may establish assessments. Assessment is done through resolution of the council. Resolutions will be prepared based upon the decision of the council and submitted for adoption at the next city council meeting on March 27.

**Tie-In to Council Goals**

Not applicable, this hearing is related to administration of city ordinances.

**Fiscal Information**

There is no financial impact to the city. Should assessed property not connect within the 10-year window, then the city may retain the assessed money for use in the utility funds. The total water assessment is \$27,713.31 divided over seven properties.

## **Alternatives and Recommendation**

### **Alternatives**

The city council may choose to:

- Adopt the requested assessments.
- Reject the requested assessments.
- Modify the property subject to assessments.

### **Recommended Action/Motion**

Staff recommends that the assessments be adopted as requested.

### **Submitted By:**

Clinton Spencer, Planning Director