



Where Life is Sweet

CITY COUNCIL

Regular Meeting Minutes

March 9, 2026

Mayor Primmer called the regular meeting to order at 7:00pm. Present were Councilors Roberts, Myers, McCarthy, Duron, Linton, Kelso, and Barron. Councilor Hayward was excused. City Staff in attendance included: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Richard Tovey, Police Chief Jason Edmiston, Finance Director Ignacio Palacios, Planning Director Clint Spencer, Parks and Recreation Director Brandon Artz, Court Administrator Jillian Viles, and City Recorder Lilly Alarcon-Strong. The pledge of allegiance was given.

Citizen Input on Non-Agenda Items

None given.

Consent Agenda Items

Councilor McCarthy moved and Councilor Duron seconded to approve Consent Agenda items A-D, to include:

- A. Committee Vacancy Announcements
- B. Appointment Confirmation to Paul Wolverton for Budget Committee Position #1 ending December 31, 2028
- C. Appointment Confirmation to Jacobo Gutierrez for Hispanic Advisory Committee Position #5 ending June 30, 2028
- D. Minutes of the February 23 City Council Work Session and Regular Meeting

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

Mayor Primmer encouraged the public to apply for open committee positions.

Resolution No. 2411- Establishing Hermiston Enterprise Zone

Assistant City Manager Morgan reviewed information from the agenda packet and presented information (PowerPoint Presentation attached) regarding the formation of the Hermiston Enterprise Zone.

City Attorney Tovey stated the amended resolution, adding hotel language, was not updated in the agenda packet and read that section aloud.

Public Comment

UCFD#1 Fire Chief Scott Stanton; Debbie Pedro, 925 E Pine Ave; Dan Hinton, 858 E Newport Ave; Dave Hansen, 1737 W Alleluia; and Luanne Wolfe, 299 E Punkin Center Rd- spoke regarding UCFD#1 statistics, their support of economic development, however, the UCFD#1 must be able to grow with the community and asked that UCFD#1 be invited during negotiations so they are able to obtain funding as UCFD#1 has not received financial support for enterprise zone agreements, and the importance of making sure people and assets are safe in the community.

Councilor Barron stated Public Safety Impact Fee's were established in all enterprise zone agreements with the exception of the first agreement due to oversight; therefore UCFD#1 has and does receive funding from these agreements. Councilor Barron thanked City staff for working fairly and aggressively on these agreements.



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Councilor Linton asked Chief Stanton what the increase for services have been for the City of Hermiston.

Fire Chief Stanton stated the calls for service ratio has remained the same.

After additional discussion and answering questions from the Council, Councilor McCarthy moved and Councilor Myers seconded to adopt Resolution No. 2411 as amended and lay upon the record. Motion carried unanimously with Councilors Roberts, Myers, McCarthy, Duron, Linton, Kelso, and Barron in favor.

Resolution No. 2412- Approving Contract Award for Purchase and Installation of Backup Power Generators for the Regional Water System- Assistant City Manager Morgan reviewed information from the agenda packet regarding Resolution No. 2412.

Councilor McCarthy moved and Councilor Myers seconded to adopt Resolution No. 2412 and lay upon the record. Motion carried unanimously with Councilors Roberts, Myers, McCarthy, Duron, Linton, Kelso, and Barron in favor.

Amended Harkenrider Center Facilities Agreement with Senior Board

Parks and Recreation Director Brandon Artz reviewed information from the agenda packet and presented information (PowerPoint Presentation attached) regarding the proposed amended agreement with the Senior Center Board for use of the Harkenrider Senior Center Facility.

After addressing questions from the Council, Councilor Duron moved and Councilor McCarthy seconded to adopt the agreement as written. Motion carried unanimously with Councilors Roberts, Myers, McCarthy, Duron, Linton, Kelso, and Barron in favor.

Mayor Primmer stated he was a part of the negotiations of this contract and is proud of the work staff did to complete this process.

Adoption of 2026 Council Goal Setting Report

City Manager Smith reviewed information from the agenda packet and stated several of these established goals have been completed within the last week to include: TSP, Housing with HUB, Senior Center Contract, and Charter Review.

Councilor Roberts and Duron spoke regarding how great the Goal Setting Session was and completed report.

Councilor Kelso agreed stating the Goal Setting Session is also a great way for Councilors to get to know each other and their perspectives better and thanked staff for this process.

Councilor Duron moved and Councilor Roberts seconded to adopt the 2026 Council Goal Setting Report. Motion carried unanimously with Councilors Roberts, Myers, McCarthy, Duron, Linton, Kelso, and Barron voting in favor.



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Committee Reports

Library Board- Councilor Roberts spoke regarding new staff members hired, strategic planning is underway, and the Little Wiggles Baby Rave event that brought in more than 80 baby participants. Usually, when the Library has events that bring in about 30 people, it is considered a good event, so something that brings in more than that was great.

Airport Advisory Committee- Councilor Roberts fuel sales have increased as Life Flight calls for services have also increased, all hangars have been filled with a waiting list for those who would like to house their planes onsite, as well as discussions regarding how to deal with derelict planes- making sure that the Airport does not become a dumping ground.

Councilor Linton stated the Airport needs an aviation mechanic. Those interested are encouraged to get in touch with Airport personnel.

Charter Review Committee- Mayor Primmer stated this Committee met to present and discuss proposed charter amendments which will be presented to the Council soon.

Finance Committee- Mayor Primmer stated this was a good meeting which provides greater transparency as the Committee reviews ways to make changes to financial reporting.

Mayor's Report

Mayor Primmer spoke regarding:

- Distinguished Service Awards
- National League of Cities Conference in Washington DC
- HUB Groundbreaking
- Hermiston Boosters Annual Steak Feed and Auction
- Daddy Daughter Dance

Council Presidents Report

Councilor McCarthy spoke regarding:

- Attending the Campus Life Fundraiser and commenting on what a great event it was, Councilors Hayward and Kelso were also in attendance.
- Tomorrow is the last day to turn in Council Candidacy SEL 101

Council Reports

Councilor Barron stated he wanted to make a correction to his earlier statement during the Enterprise Zone discussion, stating UCFD#1 receives the entirety of the Public Safety Impact Fee funds, and wanted to make this clear. Councilor Barron asked that we all keep service members in our thoughts and prayers during these uncertain times.

Councilor Linton asked that the Council consider an increase to their stipend.

Councilor Roberts asked if this could be incorporated into the budget.

City Manager Smith stated the increase, if approved, would be incorporated in the budget, however, the approved increase could not be effective until after the next election.



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Councilor Linton moved and Councilor McCarthy seconded to direct staff to return to the Council with options to increase the City Council stipend. Motion carried 5-2 with Councilors Roberts, McCarthy, Duron, Linton, and Barron in favor; and Councilors Myers and Kelso in opposition.

Councilor Kelso stated he and his wife are always impressed by how the community supports kids fundraising efforts. Attended the HUB groundbreaking, thanking the local Oregon developer for coming to Hermiston and staff for making this happen, stating this is a great opportunity for people that are not ready to purchase a home to be able to still find housing and help the community and economy grow in Hermiston.

Councilor Duron thanked staff for always providing such great reports that are presented at every meeting.

Councilor Roberts stated Hermiston High School FFA Student Evelyn Hayes spoke at the Umatilla County Board of Commissioners meeting to practice speaking for their state competition and thought it would be a good idea to support our youth by also allowing them to speak at City Council meetings in the future.

Mayor Primmer stated he is supportive of this idea.

Youth Advisory Report

None present.

Manager's Report

City Manager Smith stated Council has spoken on all topics.

Adjourn

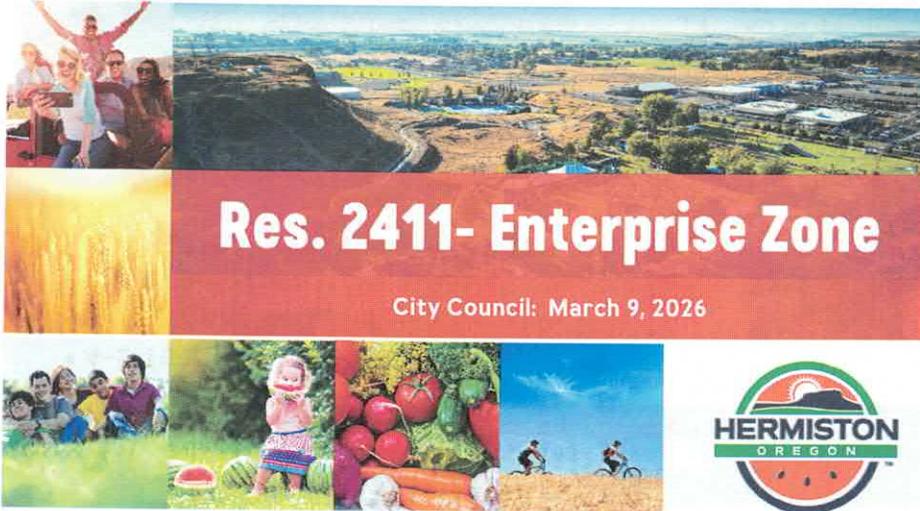
There was no other business and Mayor Primmer adjourned the regular City Council meeting at 8:51pm.

SIGNED:

Doug Primmer, Mayor

ATTEST:

Lilly Alarcon-Strong, CMC, City Recorder



Res. 2411- Enterprise Zone

City Council: March 9, 2026



 **Resolution 2411**

- Creates New “Hermiston Enterprise Zone”
- Existing “Greater-Hermiston Enterprise Zone”
 - **Expiring 6/30/26**





Enterprise Zone Basics

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 **Basics**

- Create New Jobs
- Incentivize Higher Wages
- ***Generally* Only for “Traded Sector”**
 - **i.e. not: Retail, Restaurants, Services, etc.**





Ezone Programs/Options

- 3-Year (Basic)
- 4-5 Year (Extended)
- 7-15 Year (LTREZ)
- Hotel



Ezone Programs/Options

- 3-Year (Basic)
 - Create at least 1 Job, or Expand by 10%
 - No Wage Requirements
 - Example:
 - Shearer's Foods 2009
 - Shearer's Foods 2014
 - Eastern Oregon Telecom 2017



Ezone Programs/Options

- 4-5 Year (Extended)
 - Create at least 1 job, or expand by 10%
 - Compensation (+ Benefits) > 130% County Avg Wage
 - Wages > 100% County Avg Wage
 - School Support Fee
 - Pay 15% of Total Tax Obligation to State School Fund



Ezone Programs/Options

- 7-15-Year (Long-Term Rural)
 - Minimum Investments \$12.5M
 - Job Creation Tied to Investment Size
 - Wages/Benefits Similar to Extended (130%/100%)
 - Negotiated Fees take place of Taxes
 - School Support Fee





School Support Fee?

- Extended & LTREZ Agreements
- Companies Pay 15% of Tax Liability to Local Schools
- Local Schools Report Revenue to State
- State Reduces Funding to Local School Proportionately



School Support Fee?

Entity	Rate*
General County	2.8038
City of Hermiston	5.99
Port of Umatilla	0.1515
UCFDI	1.7224
Radio/Data	0.1674
Cemetery District	0.0908
Mosquito Control	0.199
HURA	0.2811
Hermiston School District	4.8048
IMESD	0.6059
BMCC	0.6507
BMCC Bond	0.1797
UCFDI Bond	0.2031
HSD Bond	3.033
	20.8832

- State School Fund Back-Fills Local School Districts to Ensure Equal Education Across the State
- If Local Tax Revenues don't Generate Enough, then State Tax Resources Subsidize Local Educational Operations

*Ignores Compression for Simplicity



School Support Fee?

Entity	Rate*
General County	2.8038
City of Hermiston	5.99
Port of Umatilla	0.1515
UCFDI	1.7224
Radio/Data	0.1674
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- \$100M Widget Factory Example
- Annual Property Tax = \$2,088,320
 - Pay HSD: **\$313,248**
- HSD Sends \$313,248 to State School Fund
 - **545,000 students statewide = \$0.57/Student**
- HSD Receives ~\$2,850...



*Ignores Compression for Simplicity



Ezone Programs / Options

- Hotel Designation
 - Allows Ezone Benefits for Hotel Developments





Ezone Basics Summary

- Enterprise Zone Program Is an Umbrella
- Individual Exemptions Are All Unique
- Extended & LTREZ Exemptions must get Council Approval
- Tonight's action does not approve any 4+ Year Exemptions
 - **Basic Exemptions are guaranteed if qualifications met**



Formation of New Zone

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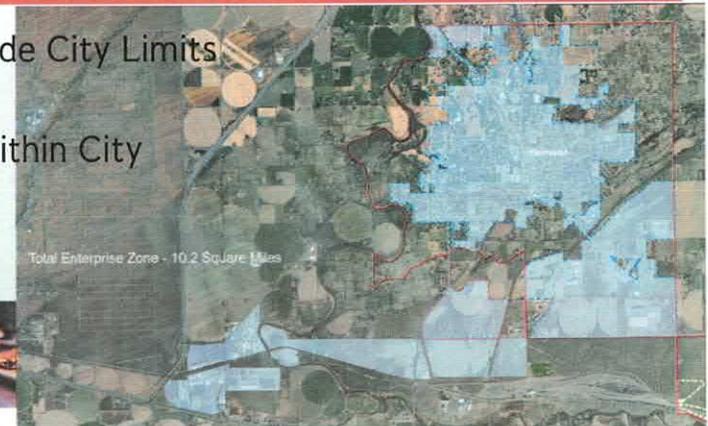
Back to the Future- Area

- Reduces Geographic Boundaries to within City Limits
- Original Hermiston Enterprise Zone was Only Within City Limits



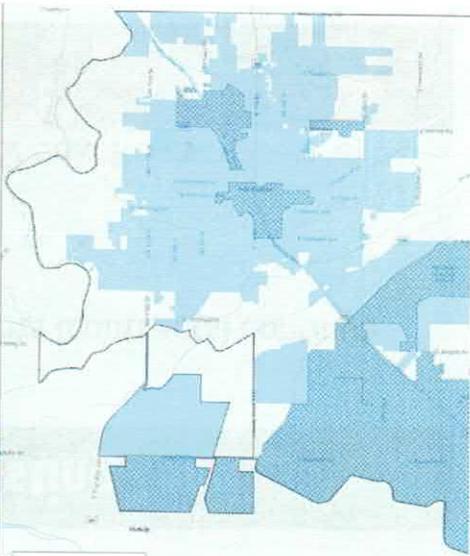
Existing

- Well Outside City Limits
- All Land within City Limits



 **Proposed**

- Only within City Limits
- Industrial Zoning + Downtown Commercial
- May be Expanded in Future



 **Outreach History**

- 1/13/26: Port of Umatilla Consents
- 1/14/26: Invites to Public Meeting Sent to all Taxing Districts
- 2/12/26: Public Meeting
- 2/26: Hermiston & Stanfield Schools Approve SSF Rate



Financial History

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 **Existing LTREZ Agreements FY26**

- FY26: \$3.6M in Local Revenue
 - City of Hermiston: \$1,670,000
 - Umatilla County: \$1,581,000
 - Stanfield Schools: \$166,000
 - UCFDI: \$113,000
 - Hermiston Schools: \$58,000
 - All Others: Remaining





Cost of Existing LTREZ?

- \$0
 - Lamb Weston → Invest Limited Capital in American Falls / Plymouth
 - Lamb Weston Now Downsizing Company-Wide
 - AWS has large portfolio of viable real estate prioritize/deprioritize to make best investments first



Cost of Existing LTREZ?

- FY'26 All of these Entities Would have this much LESS Revenue

- City of Hermiston: \$1,670,000
- Umatilla County: \$1,581,000
- Stanfield Schools: \$166,000
- UCFDI: \$113,000
- Hermiston Schools: \$58,000
- All Others: Remaining



Closing Out Existing Zone

- GHEZ Sunsets 6/30/26
- Existing LTREZ Agreements (contracts) continue
 - Lamb Weston
 - PDX138
 - PDX245
 - PDX146
- Revenue Disbursements Should Remain As-Is



Financial Future

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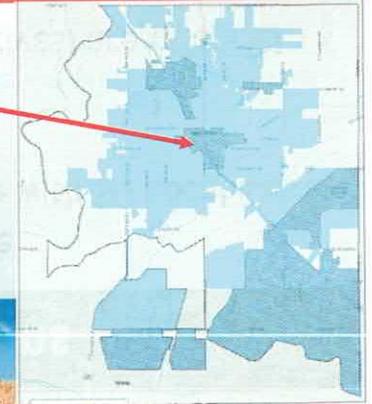
Future Strategy (LTREZ)

- At Least As Much Local Revenue as Previous
- Increase Revenue Dedicated for AAF (underlying tax districts)
 - i.e. **UCFDI, City, Radio/Data, Port, Vector, etc.**
- Distribute AAF \$ Proportionate to Existing Tax Rates



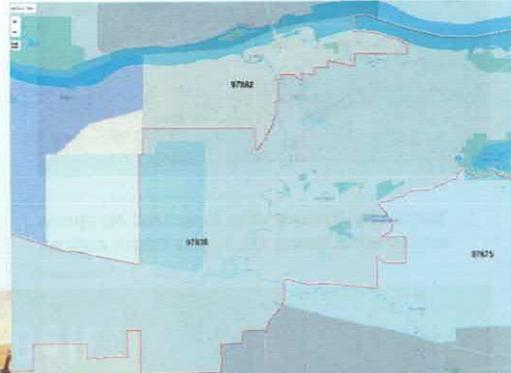
Future Strategy (Hotel)

- Only offer to potential hotels in downtown core



Future Strategy (Area)

- Entertain Expansion within 97838 ZCTA



Next Steps

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Next Steps

- Council Approval
- Ratified by Business Oregon
- Effective 7/1/26



City/Senior Agreement

Harkenrider Senior Activity Center



Harkenrider Updated Agreement

Purpose of Agreement

- Replaces the original 2014 Facility Use Agreement
- Updates the agreement to reflect current operations and realities
- Clarifies roles, responsibilities, and expectations between the City and Senior Board
- Ensures the facility can continue to serve senior programming while expanding community access



Harkenrider Updated Agreement

Facility Use Structure

- Senior Board receives priority weekday daytime use for senior programs and meals (8am-4pm, Monday-Friday)
- Parks & Recreation manages evenings, weekends, and community rentals
- City maintains master scheduling and rental administration



Harkenrider Updated Agreement

Operational Clarifications

- Defines facility maintenance responsibilities
- Clarifies kitchen responsibilities and safety expectations
- Establishes clear access and circulation rules for shared use of the building
- Confirms the City retains ownership and oversight of the facility



Harkenrider Updated Agreement

Financial Structure

- Establishes rental revenue sharing (70% City / 30% Senior Board)
- Senior programming during priority hours remains fully retained by the Board
- City programs and activities remain City revenue
- Senior activities remain Senior revenue



Harkenrider Updated Agreement

Items Incorporated from Discussions with Senior Board

- Senior program rental discount (10%) for senior-related events
- City will make efforts to honor legacy community rentals
 - Example: American Legion monthly meetings, Lions Club poinsettia pickup
- Senior Board may coordinate up to four outside events annually
- Overall, increased communication for other rentals and activities



Questions

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