



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of July 14, 2025

Title/Subject

Grant of Fiber Optic Easement

Summary and Background

The City purchased approximately 44 acres of land within the South Hermiston Industrial Park (SHIP) in 2024 with the intention of marketing the land for economic development. The property was purchased at a price of \$41,000 per acre City Council provided staff direction to have two prices:

- In the event of a speculative buyer, the property may be sold for at least \$75,000
- In the event of a buyer who intends to immediately develop the property to generate jobs and taxable value then it may be sold at-cost plus 2% per year

Windwave is a fiber optic telecommunications utility who provides a critical service for current and future tenants within the SHIP (including prospective buyers of the city's property). They have requested several permanent 10' wide easements running along the southern, eastern, and northern property boundaries of the 44 acres.

Granting these easements is in the interests of the property in that they will help ensure that future buyers of the property will have access to Windwave's valuable service.

Tie-In to Council Goals

Fiscal Information

Real Estate industry standards recommend charging 25% of the total value of the land in exchange for underground easements. For reference, \$0.25/SF values the land at \$43,560 per acre (a 6% increase over the 2024 purchase price). The easements will compensate the City as follows:

- North:	\$0.25/SF X 7,400SF =	\$1,850
- East:	\$1.00/SF X 26,130SF =	\$26,130
- South:	\$0.25/SF X 7,400SF=	\$1,850
- Total:	\$0.73/SF X 40,930 =	\$29,830

Alternatives and Recommendation

Alternatives

1. Approve
2. Reject

Recommended Action/Motion

Motion to approve

Submitted By:

Mark Morgan