



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of May 22, 2023

Title/Subject

North Hermiston Urban Renewal Plan

Summary and Background

The Hermiston Urban Renewal Agency (Agency) is being asked to review the proposed North Hermiston Urban Renewal Plan (Plan) and decide whether to recommend the Plan be forwarded through the public review process of urban renewal plans including presentation to the Hermiston Planning Commission for their review of conformance with the Hermiston Comprehensive Plan, to the Umatilla County Commission for a briefing and to the Hermiston City Council for a public hearing and consideration of a non-emergency ordinance to adopt the Plan.

The North Hermiston Urban Renewal Plan District (District), shown in Figure 1 of the Plan, 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 North Hermiston Urban Renewal Plan (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 extension of NE North Street. Another key investment is a looping water line. Both of these investments will facilitate the future development of undeveloped parcels in the district.

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).

Adoption of an urban renewal plan is a detailed public process, which is summarized as follows:

1. The process for approval will include the following steps, in accordance with ORS 457.
2. Preparation of a Plan including opportunity for citizen involvement.

3. Agency review of the proposed Plan and accompanying Report on May 22, 2023.
4. Review and recommendation by the Hermiston Planning Commission on June 14, 2023.
5. Presentation of the Plan to the Umatilla County Commission in a briefing on June 21, 2023.
6. Notice to citizens of consideration of an ordinance via utility bills.
7. Forwarding a copy of the proposed Plan and the Report to the governing body of each taxing district. The formal taxing districts letters will be sent out on May 23, 2023.
8. Hearing by Hermiston City Council and adoption of the proposed Plan and accompanying Report by a non-emergency ordinance. The hearing and first reading of the Ordinance will be held on July 10, 2023 and the second reading and vote by City Council will occur on July 24, 2023. The ordinance must be a non-emergency ordinance, which means that the ordinance does not take effect until 30 days after its approval and during that period of time may be referred to Hermiston voters if a sufficient number of signatures are obtained on a referral petition.

Tie-In to Council Goals

The primary purpose of the North Hermiston Urban Renewal Area is to assist with traffic and congestion relief. Transportation planning is a council goal for 2023.

Fiscal Information

The land within the proposed district will have a frozen tax base of \$57,095,267. Conservative revenue generation within the district is projected at \$6,162,000. Revenue foregone by the City over the life of the district (16 years) is estimated at \$2,112,369. The estimated cost of all improvements is estimated at \$4,834,407.

Alternatives and Recommendation

Alternatives

The council may choose to direct staff to proceed with noticing, agency presentations, and hearings. Alternately, the council may direct staff to proceed no further with urban renewal preparation.

Recommended Action/Motion

Staff recommends that the Hermiston Urban Renewal Agency pass the following motion:

The Hermiston Urban Renewal Agency forwards the North Hermiston Urban Renewal Plan to the Hermiston Planning Commission for their review of the Plan's conformance to the Hermiston Comprehensive Plan, to the Umatilla County Commission for a briefing and then to the Hermiston City Council for their review, to hold a public hearing and vote on adoption of a non-emergency ordinance.

Submitted By:

Clinton Spencer, Urban Renewal Manager