

HERMISTON

Shearer's Foods investment will come onto tax rolls this year

By JADE MCDOWELL
East Oregonian

No enterprise zone construction came onto the tax rolls in 2016, but a modest investment by Shearer's Foods will come on in July.

Hermiston's enterprise zone, one of several around the state, gives qualifying companies a three- to five-year property tax exemption on new investments that add jobs to the community.

Shearer's Foods used the break on a \$3.1 million investment in 2010, a \$25 million investment in 2011 and a \$3.5 million investment in 2014. The company will start paying property taxes on the final \$3.5 million investment on July 1.

Assistant city manager Mark Morgan said that since the property is located outside city limits, the taxes will go to Umatilla County, Umatilla County Fire District 1 and Hermiston School District but not the city.

However, \$16,482,000 in expansions by DuPont Pioneer and Pioneer Hi-Bred will come on the city's tax rolls in 2019.

Morgan said it's hard to know exactly how much money comes into the city's general fund as a result of new projects joining the tax rolls, because the city receives property tax



A worker at the Shearer's Foods processing plant outside Hermiston inspects potato chips before they are packaged for distribution.

revenue in one lump sum and that sum fluctuates up and down as some properties become more valuable and others depreciate. However, he estimated that the city is getting somewhere between \$150,000 and \$200,000 per year from DuPont Pioneer's \$35 million investment that came on the tax rolls in 2015.

Companies that qualify for the enterprise zone include shippers, manufacturers and processors but exclude retail, construction businesses or finance. To qualify for a three-year property tax break on new capital investments, the construction or new equipment must come with at least a 10 percent increase of full-time,

permanent jobs that lasts for the duration of the tax break. The city can choose to extend the tax break for another one or two years if the compensation of the new workers is at or above 150 percent of Umatilla County's average wage.

Morgan said that some people grumble about the city giving tax breaks, but he "can say with absolute certainty that a lot of these investments would not have come here if property tax exemptions were not on the table from the start."

He said about a year and a half ago Hermiston was the second place finalist for an Auto Zone distribution center that would have brought about 250 new jobs to the area. He said the enterprise zone featured "prominently" into discussions with the company.

"They ended up in Pasco, but without the enterprise zone we wouldn't have even been at the table for that discussion," he said.

He said there are no new enterprise zone applications in hand but that people should "stay tuned."

Between 2005 and 2015 the enterprise zone was responsible for attracting more than \$83 million in investments and more than 300 new jobs, according to a city report.

BRIEFLY

Police arrest Milton-Freewater man for rape of ex-girlfriend

MILTON-FREEWATER — Richard Frank Duran, 26, of Milton-Freewater, faces charges of coercion and first-degree rape.

Milton-Freewater police in a written statement alleged Duran committed the crimes Feb. 26, against his former girlfriend. Police investigated the case, according to the statement, which led to a Umatilla County grand jury indictment against Duran last Thursday, and a subsequent warrant.



Duran

Officers arrested Duran without incident Monday evening, police reported, and booked him into the Umatilla County Jail, Pendleton, where he remains in lieu of \$300,000 bail.

First-degree rape in Oregon carries a mandatory prison sentence of eight years, four months.

Circuit court records show the district attorney's office also is prosecuting Duran for first-degree trespass stemming from an incident on Feb. 14. The victim in that case was the same ex-girlfriend.

Duran signed a release agreement allowing him to remain free during that court case as long as he had no contact with the victim except for court-ordered parenting time.

13-year-old boy hit by car in crosswalk, driver cited

HERMISTON — A 13-year-old boy sustained minor injuries but declined medical treatment after he was hit by a vehicle driving west at the intersection outside Hermiston High School at 4:18 p.m. Tuesday afternoon.

The boy, a Hermiston resident, was crossing north on West Highland Avenue at the crosswalk, when he was struck by a vehicle driven by Rebecca Kruse, also of Hermiston, who was driving west on West Highland.

Kruse was issued a citation for careless driving.

Schools honor classified staff at school board meeting

HERMISTON — The Hermiston School District last night honored several people who make the schools run — even though they sometimes go unrecognized. The school board handed out awards to its Classified Employees of the year from all eight schools, as well as at the district level.

The award winners are as follows:

- Hermiston High School: Lindy Thompson, athletics and activities secretary; Joyce Wright, campus monitor
- Armand Larive: Delia Lopez, custodian
- Sandstone: Shou Yun Foun, special education assistant
- Desert View: Serena Barker, special education assistant
- Highland Hills: Sharla McDonald, special education assistant
- Rocky Heights: Nicole Malmberg, special education assistant
- Sunset: Jennifer Morrell, special education assistant
- West Park: Gaby Chora, special education assistant
- District office: Nancy Coria, home liaison.

The classified staff members were honored at this week's school board meeting, with commendations from each school's principal, the school board and superintendent Fred Maiocco.

"Our support staff are second to none," Maiocco said. The honors come on the heels of Classified Employee Appreciation Week, which was March 6 to 10.

Pendleton schools could face 'substantial cuts'

Hermiston approves budget parameters for 2017-18 year

East Oregonian

Like the Oregon Legislature, the Pendleton School Board's budget discussions won't come easy this spring.

Speaking to the board via teleconference, director of business services Michelle Jones said the Pendleton School District would have to make "substantial cuts" to deliver a balanced budget by May.

Superintendent Andy Kovach dispatched district officials to deliver the news to teachers Monday morning while Jones gave her own report at a board meeting Monday evening.

Jones said the district

received a revenue forecast from the Oregon Department of Education March 3, and it painted "a grave picture for the district."

Due to the district's declining enrollment, Jones said the district is set to receive \$115,000 less than it did the previous biennium.

Enrollment is important to the district because the state determines local funding through a metric called average daily membership, which takes raw enrollment into account.

Compared to Pendleton's peak enrollment of 3,721 in 1999, it dipped below 3,000 students last year according to the state.

The district's most recent internal head count tallied 3,093 students, down from the 3,173 at the beginning of the year.

Jones said decreasing

enrollment combined with the state mandate for all-day kindergarten made for a "bad combination for the Pendleton School District."

Jones also pointed to other rising costs like the Public Employee Retirement System, insurance and cost of living increases.

The state's budget situation doesn't make it any clearer.

The state is currently facing a \$1.6 billion budget gap for the 2017-2019 biennium. A recent proposed budget from the co-chairs of the Ways and Means Committee penciled in \$7.8 billion for K-12 education, 3 percent less than the current funding level.

Jones said the district is still determining what effects Measure 98 will have on the district. The ballot measure passed in November allocates part of the state's education budget to career technical

education programs.

Jones recommended the school board hold a meeting in the near future to determine the district's budget priorities.

In Hermiston, the board approved its budget parameters Monday night for the upcoming school year, including the governor's proposed budget of \$8.01 billion for the 2017-2018 school year. It also approved a PERS reserve balance of \$500,000, which can be accessible to maintain 2016-2017 service levels.

The district is planning for an ending fund balance of \$6.14 million.

The forecast expenditure for the next school year is \$54.8 million, and the forecast revenue is about \$55.4 million.

Last year, the Hermiston School District planned their budget based on a state school fund of \$7.37 billion.

Irrigators butt heads with cities over water bills

By MATEUSZ PERKOWSKI
Capital Bureau

SALEM — Irrigation districts are butting heads with city governments in Oregon over proposed legislation that's intended to avert conflicts over housing development and storm-water discharge.

Supporters of Senate bills 865 and 866 say the two bills will help prevent urban encroachment from damaging irrigation facilities and water supplies.

"We need this tool so we can avoid fights," said Marc Thalacker, manager of the Three Sisters Irrigation District, during a March 9 legislative hearing.

Cities and counties would

have to provide notice about impending property subdivisions to irrigation districts, drainage districts and similar entities under SB 865.

Districts shouldn't be surprised by new developments, said Brent Stevenson, manager of the Santiam Water Control District.

"It will only save money in the long run for others," Stevenson said of SB 865.

When farmland is converted to urban uses, unintended consequences to irrigation systems can arise, said April Snell, executive director of the Oregon Water Resources Congress.

Cities and counties can ward off such problems by getting

input from irrigation districts before approving a plat, or map of the new parcels, she said.

"It's really for the ability of districts to provide the information," Snell said.

Irrigation districts can encounter serious financial impacts from urban encroachment, while disruptions to water infrastructure can also hurt urban residents, said Mark Landauer, lobbyist for the Special Districts Association of Oregon.

"People tend not to be very happy when their basements get flooded or things of that nature," he said.

Under SB 866, cities would have to take reasonable steps to ensure stormwater discharged

into irrigation canals meets federal and state water quality standards.

Cities would also be held liable for discharging stormwater into canals unless they receive permission from an irrigation district or implement plans to avoid affecting the district.

Proponents of SB 866 say that irrigation districts may not have the facilities to handle additional water from municipal runoff, potentially breaching canals and causing flooding.

Farmers are also under increasing scrutiny regarding food safety and environmental impacts, so they can face liabilities from pollutants found in stormwater, supporters say.

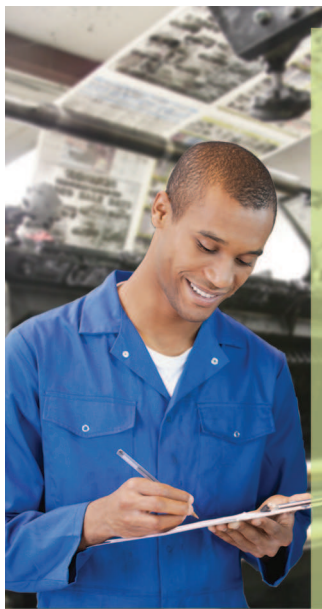


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Send resume and cover letter stating salary requirements to: EO Media Group PO Box 2048 Salem, OR 97308-2048 or fax: (503) 371-2935 or email: hr@eomediagroup.com.



Austin Tate
Nixyaawii Community School

The staff at Nixyaawii Community School is pleased to announce their Student of the Week, Austin Tate. Austin, a junior, joined us this winter and has fit in well with both staff and students. He is a pleasure to have in class and adds great perspective to class discussions. He is extremely respectful to everyone and is currently maintaining an "A" in all his classes.

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