

Hermiston looks to roads to recruit businesses

Ready-made access to property makes land more attractive to potential developers

By **JADE MCDOWELL**
East Oregonian

HERMISTON — If you build it, will they come?

That's the question Hermiston city councilors grappled with Monday night as they discussed whether to go after funding for two new roads leading to commercial and industrial land.

Ready-made access to property makes it more attractive to potential developers. But there is no guarantee that once a new road is built that the expense will pay off — something Pendleton knows well after spending \$9.5 million to construct Barnhart Road in 2009.

A decade later, the promised new development there has yet to materialize.

"I think we need to be careful, because the 'build it and they will come' model hasn't worked well in Eastern Oregon," Hermiston city councilor John Kirwan said Monday.

The roads the council discussed Monday would be smaller than Barnhart Road

and not be paid for by loans, however.

Commercial access

During a work session Monday, city staff presented a plan that would increase access to about 15 acres of undeveloped commercial property on the north side of Walmart. Currently the land has access off of Northeast Fourth Street, but staff are proposing a new road that would run east-west along the property, connecting Fourth Street to Highway 395 just north of Roger's Toyota and giving potential businesses coveted access to Hermiston's busiest traffic corridor.

"Our biggest challenge is 395 frontage," assistant city manager Mark Morgan said of recruiting new retailers and restaurants to Hermiston. "They want direct visibility and frontage on 395."

He said businesses often take into account traffic flow when deciding where to locate. One popular restaurant chain told the city it won't locate anywhere where fewer than 25,000 vehicles pass per day, and Hermiston's busiest intersection (Elm Avenue and Highway 395) only sees 22,000 trips per day.

The new intersection with Highway 395 would include a traffic signal. A possible second phase of the proj-



Staff photo by Ben Lonergan

The site of a proposed road linking Northeast Fourth Street and Highway 395 in Hermiston across the street from Home Depot.

ect would add a road across from the traffic signal running in a north-south direction, connecting Theater Lane to Harper Road in front of Home Depot.

The project could be paid for in two ways: a local improvement district or an urban renewal district.

With an LID, the city would come up with a formula to split the cost of the new road among the project's neighbors and place a lien on the properties. If 60% of the property owners opposed, they could block formation of the district.

In an urban renewal district the city would freeze the tax rate in a certain zone, then skim off any extra revenue generated by increases in property value and fun-

nel it into the road project. In a hypothetical example, a property might be worth \$50,000 and pay \$5,000 (10%) a year in property taxes. If a restaurant were built on the property and its value increased to \$200,000, taxing districts such as the city and fire district would continue to receive \$5,000 per year while the additional \$15,000 would be diverted to the urban renewal district.

The money would take longer to accumulate than a local improvement district, and would depend on property values increasing. But property owners and developers looking at the property wouldn't be charged extra for the improvements.

"The assumption is that if we form the (urban renewal

district and development occurs, we will say 'You still have to pay property taxes, but those taxes are going directly to these improvements that you would otherwise have to pay for,'" Morgan said.

While councilors were interested in the idea of new roads to boost the attractiveness of commercial land, they said they would need more information — including the cost of the project — before making any decisions.

"Right now I could go either way," Kirwan said.

Industrial access

During its regular session, the city council set in motion a different local improvement district, located in the South Hermiston Industrial Park near Ranch & Home.

If the project is finalized, it would be Hermiston's first LID since 2004.

The district would require neighboring properties along Campbell and Penney drives to pay to pave the remainder of Campbell Drive, install water and sewer mains in the area and create what would essentially be a new road — called Southeast 10th Street — connecting East Penney Avenue to Highway 395 across from Bellingers and creating access to a piece of industrial land owned by the Port of Umatilla.

"It's important to note that the right-of-way for Southeast 10th exists, legally and on paper, but if you were to go out there, there's nothing — not even a goat trail," Morgan said.

He said at least 50% of the project could be paid for by a federal Economic Development Administration grant that the city is eligible for based on large layoffs at Hermiston Foods and Union Pacific in recent years. The city would be willing to put in 8% of the matching funds needed for the grant and Umatilla County would be willing to pay 2%, leaving the project's neighbors to pay for about 40% of the project instead of what would normally be 100%.

The council voted Monday night to complete a feasibility study for the LID, assessing how much money would need to be raised and how much each property would pay. That study will be presented during the council's July 8 meeting, after which the council can decide to abandon the idea or hold the necessary public hearings to pursue an LID. If 12 of the 20 neighboring property owners oppose the LID it won't happen.

"It's exciting when you can get a 60% match on your dollar," mayor David Drotzmann said. "That makes it much more palatable."

Umatilla County Jail upgrade included in capital construction bill

By **JADE MCDOWELL**
East Oregonian

UMATILLA COUNTY — Amid rapid developments in the Oregon Legislature on Tuesday, several Eastern Oregon counties got good news out of the capital construction committee.

Two capital construction bills, headed for a vote in the House and the Senate, contain millions of dollars for Eastern Oregon projects — including \$1.6 million for a renovation of the Umatilla County Jail.

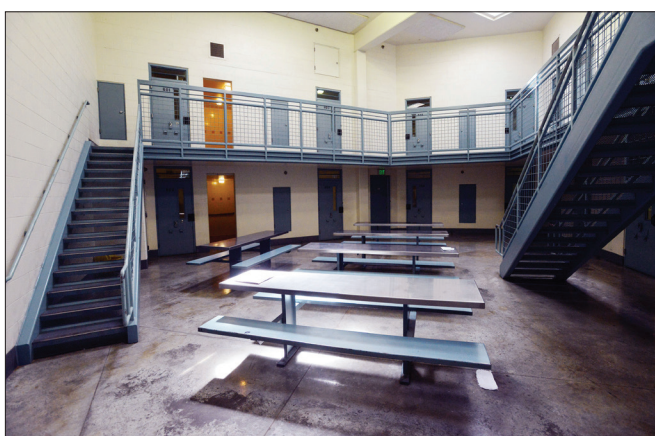
"I'm elated," Sheriff Terry Rowan said.

He had lobbied for the funding in 2017 but did not get it.

The project will help the jail better accommodate inmates brought in with a medical issue, drug addiction or mental illness. Rowan said that a "volatile" population was landing in jail more often these days and the current setup inside the jail isn't equipped with an area where inmates in crisis could be temporarily housed while they were stabilized.

Rep. Greg Smith, R-Hepner, said the jail funding was his "number one issue" going into the capital construction funding process.

The jail in Pendleton lies outside of Smith's district but serves much of his dis-



EO File Photo

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trict. He said he worked with Rep. Greg Baretto, R-Cove, and Sen. Bill Hansell, R-Athens, on getting the jail and other priorities for the region funded.

"I think folks are going to find we had a pretty successful session," Smith said.

There had been some rumors floating around that a walkout by Senate Republicans might damage their districts' prospects of getting projects like the jail funded, but Hansell's district ended up with several projects in the capital construction bills even though he was still out of state as of Tuesday afternoon.

Pendleton had cause for celebration after the commit-

tee included roughly \$5 million to Blue Mountain Community College for an indoor riding arena project that will benefit the college and Pendleton Round-Up.

Another \$1 million was earmarked for a surface water-pumping project in Umatilla County benefitting agriculture.

Smith said in the past he was often focused on funding for "roads and pipes" but this session he was focused on projects that would help children and families more directly.

If the capital construction bills pass, Umatilla Morrow Head Start will get \$1 million to expand access to early childhood education for

working families in Hermiston and Morrow County. The Port of Morrow will also get \$1.4 million to expand its early learning center.

Eastern Oregon University will see a windfall of \$3 million to replace the grand staircase in Inlow Hall and \$14 million for a residence hall.

Smith, who sits on the capital construction committee of the Joint Committee of Ways and Means, has drawn scrutiny during the session for how his influence as a legislator interacts with his

private job as an economic development consultant. One contract includes running the Small Business Development Center at EOU.

As House Bill 5050 and 5005 passed out of committee Tuesday afternoon, there was still a question of whether it would get a vote on the Senate floor as Senate Republicans had left the state several days earlier in order to deny the Senate a quorum and prevent a cap-and-trade bill from passing. On Tuesday morning, however, Senate President Peter

Courtney said there were no longer the votes on the Democratic side to pass the cap-and-trade bill, prompting talk of the missing senators returning.

Smith said he hoped to see Senate Republicans return to Salem this week to pass the capital construction bills and other important legislation, particularly budget bills.

"I'm excited to have my colleagues back in the building," he said. "They did a good job standing up on an important issue, but we have constitutional obligations."

PENDLETON LINEBACKER'S CLUB HALL OF FAME WEEKEND

SCHEDULE OF EVENTS

Friday, June 28th

Hall of Fame Reception
Pendleton Convention Center

5:00 - 6:45 p.m. • Cocktails Dinner & Auction (Dinner \$35)

6:45 p.m. • Introduction of Hall of Fame Inductees

9:30 p.m. • Close

Saturday, June 29th

29th Annual Don Requa Memorial Golf Tournament
Wildhorse Golf Resort

7:00 - 8:00 a.m. • Registration

8:00 a.m. • Shotgun Start

1:00 p.m. • Awards

1:00 p.m. • Lunch (Golf \$70 per player)

Pendleton Linebackers Hall of Fame 2019 Inductees

• Casey Hunt • Jon Peterson • Sarah Keeler

• Mike Hodgen • Sara Jane Rosenberg • Bill McCrae • Michael Corey

• John Fossatti • Drew Larson • Mike Rickman • Leon Ransom

• Chuck Jenson • Sue Johnston

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