

Breaking down taxes in Umatilla, Morrow counties

By JAYATI RAMAKRISHNAN
STAFF WRITER

Umatilla and Morrow counties share a border, a community college system and several state and federal representatives. When it comes to taxes, the counties paint slightly different pictures.

Despite the location of several major businesses and continued growth at the Port of Morrow, Umatilla County's tax base is significantly larger.

"Umatilla County has a much higher value than Morrow County," said Morrow County assessor Mike Gorman.

He noted the larger geographical size and the higher population.

"There's more homes, there's more stuff to tax," he said. "I think we're about half, maybe a little more, of their value."

But in terms of businesses contributing to the county tax base, Morrow County is outpacing Umatilla County. Morrow County's top taxpayer, Vadata, Inc., pays \$1.3 million more in taxes than Umatilla County's top contributor, Hermiston Power LLC. Vadata, a subsidiary of Amazon, pays \$4.72 million in taxes to Morrow County in 2018. It was also the second-highest taxpayer in Umatilla County, paying \$3.1 million in taxes. Hermiston Power paid the most in Umatilla County, contributing \$3.3 million in taxes in 2018.

Other major taxpayers in Morrow County are Portland General Electric, which paid \$3.66 million in 2018, Avista Corporation, which paid \$3.58 million, Threemile Canyon Farms, which paid \$2.4 million, and Lamb Weston, which paid \$1.96 million.

In Umatilla County, other top contributors in 2018 were Union Pacific, which



Staff photo by E.J. Harris

The Hermiston Generating Co. power plant on Westland Road had its assessed value lowered by \$54 million by the Oregon Department of Revenue in 2017 but was still one of the top taxpayers in Umatilla County

paid \$2.2 million, Pacificorp, which paid \$2 million, and Hermiston Generating Company, which paid \$1.4 million.

According to data provided by Gorman, Morrow County's real market value has increased by about \$3.7 billion in the past 10 years. That increase, he said, is mostly as a result of new industrial development and utility value. But the assessed value, or taxable value, has increased at a slower rate, by about \$1.1 billion. That's because many of those properties have received tax exemptions, either through Enterprise Zone agreements or Strategic Investment Program (SIP) agreements. Additionally, a business can stack its exemptions — it can receive one for constructing a new building, and a separate one, with a different timeline, for purchasing new equipment.

Gorman said while many of the largest business contributors receive major tax exemptions when they first locate in the area, some of those exemptions are now starting to expire.

"They don't contribute very much, while exempt, in hard costs," Gorman said. "In soft costs maybe, like donations to local charities." He said many enterprise zone agreements include language in their contracts to encourage businesses to support local interests.

Even with the exemptions, he said, those businesses have a huge impact on the county. About 25 percent of the taxes levied go to administering services in the county like the sheriff's office, the planning and health departments, human resources, part of the district attorney's office, and others, Gorman said.

Umatilla County Assessor Paul Chalmers said the

goal with offering exemptions is to entice businesses to locate in the area.

"Even if the benefit may be deferred, it's always going to be beneficial," he said. He noted that in SIP agreements, a certain portion is set aside to go on tax rolls each year during the exemption.

"So it's not a stagnant number," he said. "It gets indexed."

Chalmers dismissed the idea that the deferral of taxes means those businesses aren't contributing to the county.

"Some folks are concerned they're not paying their fair share, but at some point they're going to pay a significant share," he said.

Taxes to homeowners

Though Umatilla County is larger by population and area, the two counties have a comparable average tax rate. Umatilla County's

average property tax rate is \$14.15 per \$1,000 assessed value. Morrow County's average rate is slightly higher, at \$14.83 per \$1,000 assessed value.

But there's a huge range in both counties by code area. A code area refers to the specific taxing districts serving each geographical area within the county. Umatilla County has 151 code areas, and Morrow County has 63. Tax rates are higher in code areas within incorporated cities, because those places have more services. Three code areas in Umatilla County tied for the highest tax rate, all within the city of Hermiston. Those areas pay \$22.09 per \$1,000 assessed value. Unique costs in those areas include city taxes, a city bond, and the Hermiston Urban Renewal District. The lowest rate in Umatilla County is an unincorporated area near Ukiah, which pays

\$9.84 per \$1,000 assessed value.

In Morrow County, the highest rate is \$25.06 per \$1,000 assessed value, within the city of Heppner. There, city taxes alone are \$10.62 per \$1,000 assessed value.

Because of Measure 5, passed in 1990, property taxes in Oregon have assigned rates and can't go above a certain amount without being subject to compression. For school taxes, it's \$5 per \$1,000, and for city taxes it's \$10 per \$1,000 assessed value.

Gorman said that despite that, Heppner lobbied to have a higher tax rate, but they lose about as much in compression as the city of Boardman, which has a rate of \$19.71 per \$1,000 assessed value.

"They lose almost the exact same in compression, but the city of Boardman collects a lot more in dollars," he said. That's because Boardman has more commercial property, and more people living there.

Chalmers said because of compression, without new businesses coming in, and without incentives like the enterprise zones to bring them there, schools and cities would not see additional revenue streams.

"They would have to lay people off," he said. "The property tax system in Oregon is not fair or equitable."

Gorman said it can be misleading to look at county taxes by their average rate, as both have cities with a huge range of services and populations. But, he said, overall they are similar communities.

"Umatilla County has some larger cities, but it's still a rural frame of mind," he said, citing the offerings of each county, like libraries and fire protection services. "They kind of want the same thing."

City council to take a deeper look at EOTEC's future

By JADE MCDOWELL
NEWS EDITOR

The Hermiston City Council is hoping to see a "reset" with its advisory board for the Eastern Oregon Trade and Event Center as discussions about an RV park and other future projects have gotten bogged down.

"Initially the committee had good forward progress, but the last five or six months it feels like we are just spinning our wheels," said councilor John Kirwan, who is a council liaison to the committee.

During Monday's city council meeting, city manager Byron Smith suggested he discontinue his position as the city's staff liaison to the committee and instead send EOTEC manager Al Davis. He also suggested the city council spend at least two upcoming work sessions discussing a draft strategic plan for EOTEC and adding language that would give the EOTEC advisory board more clear direction for the council's "plan and vision."

"Then the committee has something to work from," he said.

The city planned to build an RV park at EOTEC in time for this year's Umatilla County Fair as a way to bring in revenue year-round to support the operation of

EOTEC. But stakeholders, including the Farm-City Pro Rodeo board, expressed opposition to the proposed location near the rodeo arena, and the city's planning commission put a halt on any further construction at EOTEC until the city submits and gains approval for a parking plan.

The city subsequently submitted a parking plan at the end of February, but it was denied by the planning commission after commission members expressed concerns it would not adequately serve the need for parking during the fair and rodeo.

In October the city awarded a contract to Knerr Construction of Hermiston to design and build the RV park and additional office and storage space for Umatilla County Fair staff. On Monday Smith said the city needed to consider coming to an agreement with Knerr to fairly compensate them for their time so far and then let them know that if the city resumes the project in the next few years they would be re-hired.

He also said the city should ask the EOTEC advisory committee to finalize a recommendation for the location of the RV park, which they have discussed in several meetings but not come to an agreement. Kirwan said he isn't

even sure EOTEC's stakeholders want an RV park.

Councilors said they supported the idea of having Davis take over for Smith on the advisory committee. Mayor David Drotzmann said he was concerned at how much time the city's highest-paid official was spending on EOTEC when there were larger city projects that also needed his attention. Jackie Myers said she felt the EOTEC committee wasn't listening to Smith and was getting "bogged down" as a result.

"If Byron makes a suggestion it doesn't get very far," she said.

They also supported the idea of discussing EOTEC's strategic plan and guidance for the advisory committee during a work session preceding their April 22 meeting.

Water leaks

On Monday the city council also adopted a policy concerning water and sewer leaks.

Assistant city manager Mark Morgan said recent increases in water and sewer rates had caused more complaints to city hall and he felt it was important to have a policy in place for what happens when a leak causes a resident to see a huge spike in their bill.

He proposed the city

give a customer credit for 50 percent of the water wasted for one billing cycle, providing they could show an invoice or other proof they had resolved the problem within 30 days of being notified. For example, if a leak or burst pipe caused a customer to use 20,000 gallons of water instead of their usual 10,000 gallons, they would get the cost of 5,000 gallons credited to their next bill.

Several councilors shared their own experiences with leaks. Myers said a leak in an irrigation pipe under her driveway caused an \$800 bill one month. Doug Primmer said a leak at his house once caused his family to use 250,000 gallons of water in a winter. And Kirwan said his dog once pulled down a water stanchion and flooded his yard with 15,000 gallons of water.

Drotzmann was opposed to the idea, pointing out that the wasted water was still a cost to the city's utility system.

"It wasn't our fault, it was you and your dog's fault, but we're all paying for it," he said in response to Kirwan's story.

Lori Davis said it seemed like a "nice thing to do" for residents who might struggle to pay and other councilors agreed, passing the new policy unanimously.

Columbia Development Authority board signs off on cultural preservation agreement

By JADE MCDOWELL
NEWS EDITOR

Columbia Development Authority director Greg Smith is optimistic about a memorandum of understanding that the CDA board has sent to the Confederated Tribes of the Umatilla Indian Reservation for review.

Getting approval for the plan to mitigate for cultural, historical and religiously significant parts of the former Umatilla Chemical Depot is the last major hurdle for transfer of the depot to local control.

"We are really close," Smith said.

Transfer has been delayed by several years as the Columbia Development Authority has negotiated with the Army over everything from the price (free) to water rights and asbestos cleanup.

The Oregon Military Department has taken control of 7,500 acres for training purposes, but the bulk of the land — including a future wildlife preserve and industrial land being eyed by major corporations for development — is still in control of the Army.

For the past year the CDA has worked to come up with a required plan for preservation of culturally significant resources, such as the portions of the Oregon Trail that run through the depot.

If the memorandum of understanding approved by the CDA board on Friday is

also approved by the tribes, the State Historic Preservation Office and the Army's Base Re-alignment and Closure department, Smith said the depot should essentially be ready for transfer, minus a few housekeeping items.

Smith said the deal would transfer the northern section of the former Oregon Trail and another culturally significant site to the Confederated Tribes of the Umatilla Indian Reservation, while the CDA would preserve a southern part of the Oregon Trail for visitors.

The southern section would include a football field-sized portion of the trail for viewing, educational kiosks, parking and picnic tables.

He said the plan would not prevent the CDA from opening up portions of the depot to economic development after the transfer.

"Land that has been designated industrial remains industrial," he said.

"In terms of having the ability to develop the property, nothing changes."

Smith said the CTUIR had been involved with the drafting of the memorandum of understanding — including using their attorney as a scribe — and so he was "optimistic" that their board would sign off on the "win-win" agreement.

He said he also thought it likely that the appropriate state and federal agencies would approve the locally negotiated agreement.

Dawgs have a good showing at Dubsy Invite

By ANNIE FOWLER
STAFF WRITER

Hermiston finished eighth in the team standings at the second annual Joe Dubsy Invite on Monday at Sun Willows Golf Course in Pasco, Wash.

There were 14 teams represented, including all nine Mid-Columbia Conference schools.

Mt. Spokane won the team title with a 307, followed by Richland

(315) and Kamiakin (316). Hermiston finished with a 360.

Gunnar Knutson of Mt. Spokane took medalist honors with a 70, shooting an impressive 34 on the front nine despite constant rain all day.

Carter Sheets of Richland, who shot a 36 on the back nine, was second with a 72.

Garrett McClanahan led the Bulldogs with an 82, followed by Cody Hacker (88), Kaleb Crofton (92),

Ryne Andreason (98) and Ty Snyder (130).

The Bulldogs will be back in action Thursday at the Palouse Ridge Invitational.

Joe Dubsy Invite at Sun Willows Golf Course

Teams scores — Mt. Spokane 307, Richland 315, Kamiakin 316, Hanford 320, Kennewick 350, Mead 354, Southridge 359, Hermiston 360, Selah 365, Pasco 372, Walla Walla 378, Chiawana 383, Rogers 395, Wapato 427.



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