

# Amazon offered a 15-year tax break

In exchange for \$40 million on Hermiston project

By **JADE MCDOWELL**  
NEWS EDITOR

The Hermiston City Council agreed Monday to give Amazon a 15-year tax break on a planned new development, but they won't be walking away empty-handed.

If the Umatilla County Board of Commissioners agrees to the same deal during their Wednesday morning meeting, Amazon is expected to pay up to \$40 million over 15 years directly to the Greater Hermiston Enterprise Zone, a partnership between the city and county, in lieu of property taxes.

The two government entities have yet to finalize a memorandum of understanding on how the money would be split, but city manager Byron Smith said they planned to channel some of the money to Umatilla County Fire District 1 and other taxing districts, and have discussed using the windfall to fund projects of mutual interest, such as paving and extending Gettman Road.

"In the course of the history of the city, very rarely do opportunities like this come along," said councilor John Kirwan, who was leading the meeting in the absence of Mayor David Drotzmann and council president Rod Hardin.

As part of the deal, Amazon has promised to invest at least \$200 million into



Photo contributed by James Thomas

**The Amazon data center in Umatilla is one of four sites in Umatilla and Morrow counties that have been completed since 2010, with at least two more on the way.**

developments in the enterprise zone and pay workers there at least 130% of Umatilla County's average wage.

Some citizens present at the meeting questioned why a company valued at \$1 trillion shouldn't be asked to pay the same property taxes as everyone else. Jackie Linton said she understood the company was bringing in jobs it would likely take elsewhere if it wasn't offered the incentive, but it was still frustrating to see a deal offered to a company with so much money.

"I think they can do with one less yacht or mansion," she said.

Another commenter pointed out that the resolution before the council stated that Amazon must pay a certain wage, but did not specify how many jobs they

had to provide. Companies are becoming more automated all the time, he said, and there was no guarantee that Amazon wouldn't soon come up with a way to automate the jobs they were supposed to bring.

Ric Sherman, chair of the UCFD fire board, said the deal was "another example of the city keeping taxes from other districts." He said he was grateful the city and county intended to set aside some money for public safety, but the amount they were discussing was less than 2% of the fire district's budget.

"This is a very hard pill to swallow and could hurt us very much," he said.

Kirwan said he didn't see the deal as the city "giving up" anything to Amazon, because companies of

that size don't build in cities where they're not given a tax incentive.

"We're giving away zero, because if we don't do this, Amazon will go somewhere else and some other city will embrace that \$40 million and run with it," he said.

Councilor Roy Barron also voiced his support for the deal, which was approved unanimously 6-0.

"We'll be able to diversify our workforce," he said. "Right now we're heavily agricultural, and that's awesome, but if something were to happen to that sector, that's a blow to our economy."

It was notable that Amazon was discussed by name in the meeting — area governments dealing with the company in the past have generally been bound by

nondisclosure agreements that have them referring to the company as a "large developer" or by its subsidiary Vadata.

Since Amazon doesn't share details with the media on its data centers, it can be hard to pin down how many jobs it has provided Umatilla and Morrow counties so far with its data centers in Boardman, Umatilla, and off Westland Road in Hermiston.

A September 2017 memo by Business Oregon stated that Amazon was directly employing 230 people in Oregon at the time, 130 of which were in Umatilla County, but it had an approximately 1,000-job year-round workforce in the state when contractors and other indirect employees were counted. The memo stated that the company planned to hire another 100 full-time employees for a new five-building project planned for outside Hermiston and Umatilla.

That project — which included buildings off of Lind Road and Beach Access Road in Umatilla and Westland Road outside Hermiston — used the Strategic Investment Program instead of an enterprise zone to gain a 15-year tax break. The company agreed to pay \$4 million per year to Umatilla County in lieu of taxes. The county elected to use a formula that allotted about \$1 million to the city of Umatilla, resulting in a months-long argument in which the city unsuccessfully tried to persuade the county it deserved half.

In this case, Umatilla County and the city of

## OTHER BUSINESS

The city council also voted Monday to begin the process to vacate an undeveloped right of way behind the former Hermiston Foods.

City planner Clint Spencer said the portion of Southeast 10th between Penney Avenue and Feedville Road "is completely unimproved and exists only on paper at this point."

He said a "large economic development project" is planning to build a development on the undeveloped property that is bisected by the right of way and asked that the city consider vacating it. He said no one would be landlocked out of their property if the right of way was given to the property owner for development.

The council's vote Monday started off the process by setting a public hearing on possible vacation for Oct. 28 at 7 p.m. at city hall, 180 NE Second St.

Hermiston are co-sponsors of the Greater Hermiston Enterprise Zone, meaning they will have to both agree on how to split the approximately \$40 million in fees paid to the zone. A memorandum of understanding had been added to Monday's city council agenda, but Smith told the council that the agreement had not been finalized yet and would be presented for their vote at a later date.

# With harvest in full swing, safety key point of concern

By **BEN LONERGAN**  
STAFF WRITER

As farm trucks carrying onions, corn and other produce fill highways and heavy equipment plows fields throughout rural Oregon, agricultural safety becomes a key point of concern for farming operations.

Alan Cleaver, who owns Columbia Basin Onion and several other agricultural operations in Hermiston, said recently he had one of his truck drivers get rear-ended by a car as he was coming up to speed on an on-ramp. Cleaver said the driver of the car was on their cellphone and failed to notice the onion truck coming up to speed.

While he is thankful that no one was killed, Cleaver was once again reminded of the dangers that face agriculture workers, especially during harvest season.

"Safety takes a lot of time to instill in your employees and it takes them believing that you are looking out for them," he said. "With all of the new people during harvest time, we have to take



Staff photo by Ben Lonergan

**A Shuknecht onion harvester harvests in one of Alan Cleaver's fields near Umatilla on Tuesday afternoon.**

the time to instill that belief into everyone."

Cleaver said the required safety trainings and meetings are an important part of the process, however, the biggest aspect is getting employees to look out for one another and for those out on the roads to keep their eyes open as well.

"We have mostly mitigated the safety concerns around the farms," he said. "But we have 50 or more trucks out on the highway

and that's outside of our farms. We just can't control what happens there."

Jared Gutierrez, general manager at Columbia Basin Onion, explained in order to get people to look out for one another, the company elects safety teams that meet once a month. These teams are made up of employees who work on the plant floor and are able to see the chronic issues or safety concerns that may come up within the processing cen-

ter. Safety team members serve for six months to a year before being swapped out for other employees.

"People become more aware when they take pride in their facility," Gutierrez said. "We strive for safety and it helps to create a healthier and safer workforce."

Oregon Occupational Health and Safety Administration puts in place regulations to help keep workers safe through regulations surrounding sanitation, fire protection and equipment use, as well as numerous others. Aaron Corvin, a spokesperson for Oregon OSHA, said resources such as the "Cultivate a Safe Ag Workplace" guide can help employers and employees to better understand the regulations in place.

The guide, which covers identifying and controlling hazards as well as employee education, is published by Oregon OSHA as a guide to the workplace safety rules that directly apply to agricultural operations.

"Cultivating safe farm practices requires knowl-

edge and commitment," Corvin said. "When we talk about knowledge and commitment we're talking about building the capacity to identify hazards, eliminate or control hazards, and to ensure that everyone knows how to work safely and applies that knowledge on the job."

In addition to OSHA requirements, Pacific Power warns about safety issues working and operating equipment around power lines and other elec-

trical infrastructure. Pacific Power advises that equipment operators should be aware of the height and width of their equipment when operating in close proximity to electrical lines to avoid snagging overhead lines or poles.

Additional electrical safety guidelines include the use of three-hole, grounded outlets with face plates, lockout switches for specific sites and using licensed electricians to inspect any suspect wiring.

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**PET OF THE WEEK**

**MEET GLADYS**

Gladys is a sweet young dog who loves her people and wants to always be with them. She has a bit of separation anxiety. She does not like to be in a crate unless to eat. She is working on her potty training. She loves to cuddle and be in your lap. She does well with other dogs but is afraid of cats. Her ideal home would be one where she won't be left alone for a long period of time. Spayed, microchipped and vaccinated.

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