

Legislature wraps up with multi-million dollar gifts to Eastern Oregon

By **JADE MCDOWELL** and **BRYCE DOLE**
STAFF WRITERS

The Oregon Legislature again played the role of early Santa Claus as the 2021 session adjourned, with plenty of projects in Eastern Oregon funded.

Both houses passed House Bill 5006 — the “Christmas Tree Bill” that provides the funding for a collection of projects for local legislators to bring back to their districts.

Umatilla City Manager David Stockdale said the city is planning to use the \$1.8 million allotted to Umatilla in the bill to create the Minority Entrepreneurial Development & Business Center. The approximately 21,000-square-foot center will be created by adding on to and remodeling the former post office building on Sixth Street next to city hall. He called it a “one stop shop” for business in Umatilla.

“We should provide all the tools people need to grow their business,” he said.

The city’s community development department will be housed in the building, giving people a place to access building permits, business permits and more.

The first floor of the two-story building will contain more than 2,500 square feet of “business incubator” space where entrepreneurs can start their own business. Stockdale said they’ll be given space at “significantly under market value” while they get their business up and running in exchange for agreeing to participate in trainings at the center that will help them develop skills to make their business more successful.

The second story will have more permanent com-

mercial tenants to help drive foot traffic to the newer businesses downstairs. The building will include space for trainings, community events and private events, with a commercial kitchen. Part of the business center project also will include free Wi-Fi and water, sewer and electric hookups for food trucks at Village Square park outside. The final piece of the project is street improvements to I Street and the alley along the building.

Stockdale said the city has been working with the federal Economic Development Administration, and it looks like it will be able to get a \$3 million grant from there, in addition to the \$1.8 million from the state, an additional \$2.5 million the city has saved up and possibly some additional economic development funding from Umatilla County.

“I think it’s pretty remarkable to get an \$8 million project done without borrowing a penny to do it,” Stockdale said.

If all goes well with getting the EDA funding, he expects construction to start in early 2022 and wrap up in summer of 2023.

Other projects

Port of Morrow Manager Ryan Neal said the \$4.3 million for the Cultural Alliance and Training Center at SAGE will “provide a community space to assist our regional education and industry partners with additional programs and events,” including workforce initiatives, continuing education, regional conferences and youth programs.

Local officials have been pushing for state funding for years to renovate the Umatilla County Jail to

accommodate people suffering addiction or mental health crises. County Commissioner George Murdock called the allocation of \$1.75 million an exciting development.

“We’re going to be able to have all the facilities that we need to handle the population that we’re now seeing on a daily basis at the jail,” he said.

The new facilities will allow jail staff to separate people struggling with mental health or addiction from people who have been arrested for violent crimes, which Murdock sees as a major benefit.

The city of Echo is getting a bit more than \$7 million for water and wastewater improvements. City Administrator David Slaght said seeking the funding was the first time he had lobbied for anything, so he didn’t expect much, and he and the city council were thrilled with the results.

“We’re super excited,” he said. “I’m still numb that it’s even happening.”

The \$1.5 million for wastewater improvements will help the city pay back money it borrowed for a soon-to-begin project that includes dredging Echo’s wastewater ponds, placing fountains in the ponds to help water evaporate faster, and building a pipe to send extra recycled water to Stanfield when needed.

Slaght said if all goes well, it could possibly help lower residents’ water and sewer bills.

The \$5.53 million for water improvements will cover a range of projects in the city’s new master plan, Slaght said, including replacing aged water meters and possibly adding a new water tower.

Hermiston raises system development charges

By **JADE MCDOWELL**
NEWS EDITOR

After nearly two hours of presentation and discussion during its Monday, June 28, meeting, the Hermiston City Council made the decision to raise the city’s system development charges for the first time since they were implemented.

System development charges are a one-time charge on new construction projects, meant to help pay for infrastructure needed to support the growth. Cities in Oregon can charge SDCs for water, sewer, parks and transportation.

According to Assistant City Manager Mark Morgan, Hermiston adopted water and sewer charges in 1998 and added parks charges in 2006. Neither set of charges has been increased since, despite rising costs.

The city hired FCS Consulting, which specializes in SDCs, to do an updated calculation of how much the city can charge, taking into account expected growth, planned infrastructure projects and other factors. According to the report, if the city were to fully reimburse itself for the costs, it could charge developers up to \$12,258 per single-family home.

City staff recommended the city not go near the maximum amount, and instead use other sources of revenue to help cover some of the costs for things like new water mains. But staff did recommend some increases to help bring the city’s prices, set 22 years ago, up to something with more similar buying power today.

Currently SDCs for a single-family home are \$907.

The proposal, adopted by the council Monday, will break the increase up into four, one-year increments starting in January 2022 and ending with the new price at \$1,768 in January 2026. After that, charges would rise 3% each year to help keep up with inflation. The charges would be split four ways, instead of three, to add money for the city’s street fund in addition to water, sewer and parks.

According to numbers put together by FCS Consulting, a \$1,768 SDC would keep Hermiston below Pendleton (\$1,913), Umatilla (\$3,402), Stanfield (\$5,400), all three of the Tri-Cities and several Oregon cities of similar size.

During the public comment period, Luke Pickrell, owner of Monte Vista Homes, said Monte Vista has built more than 500 homes in Hermiston. He noted his company understood the need to keep up with rising costs, but also said higher SDCs get passed on to homebuyers, who then pay those costs for years to come through ongoing interest on their mortgage.

He said the median income in Hermiston can afford about \$200,000 to \$230,000 for a home, based on a calculation that a family can afford a home four to five times their annual income, but the median list price in Hermiston is over \$300,000 right now. He also noted that homebuilding costs are soaring due to spikes in material costs.

“The (cost) of lumber that it would cost to build 10 houses a year ago would build two houses today,” he said.

Hermiston city councilors discussed the need

to weigh two competing goals against each other: to encourage affordable housing development in Hermiston, and to be fiscally responsible with the city’s budget. Councilors Roy Barron and Phillip Spicerkuhn voiced concern that the city was not raising the charges enough to keep up with the costs to complete needed projects.

Councilor Nancy Peterson said she would be the first one to say if she thought the charges were too much, but the change seemed reasonable.

“The numbers make sense,” she said.

After approving the increase to system development charges, the council also took care of the following business:

- The city council voted to approve changes to the city’s sidewalk ordinance to modernize the language and align it with the public works department standards previously adopted.

- The council voted to approve an updated franchise agreement with Cascade Natural Gas.

- The council voted to award Swaggart Brothers, Inc. of Hermiston a contract to rebuild the apron at the Hermiston Municipal Airport. The company was the low bidder of five bids, at \$1,474,266.

- The council voted to name a new road going into the South Hermiston Industrial Park as East Cook Avenue. City Manager Byron Smith said the name honors Ivan and Vernon Cook, who owned most of the industrial land south of Hermiston and have used that land to help bring in the Walmart Distribution Center, Pioneer Seed and other major employers for the city.

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