

# HERMISTON CITY COUNCIL

## Goal Setting Retreat

January 10<sup>th</sup> & 11<sup>th</sup>, 2020

Mayor Drotzmann called the Goal Setting Meeting for Friday, January 10, 2020 to order at 5:30pm. Present were Councilors Primmer, Gutierrez, Hardin, Myers, Davis, Smith and Barron were present. Councilor Kirwan was excused. Staff members in attendance were City Manager Byron Smith, Assistant City Manager Mark Morgan, Mark Krawczyk, Mark Rose, Larry Fetter, Chief Edmiston, Clint Spencer, Mollie Croisan, Chuck Woolsey, Nate Rivera, Heather La Beau (from 5:30pm to 6:20pm), and Lilly Alarcon-Strong (arrived at 6:10pm).

Sara Singer Wilson from SSW Consulting, LLC outlined the agenda for the evening. Attendees briefly introduced themselves.

Presentations were made by staff members to update the council on the status of projects from the 2019 goals, a look ahead at 2020 projects and potential projects, as well as other alternative revenue sources. The presentations included project progress, accomplishments, challenges, and relevant data (presentations attached).

After Council and staff discussion, the meeting adjourned for the evening at 8:00pm.

Mayor Drotzmann called the Goal Setting Meeting for Saturday, January 11, 2020 to order at 9:00am. Present were Councilors Primmer, Gutierrez, Hardin, Myers, Davis, Smith (arrived at 9:14am) and Barron (arrived at 9:07am). Councilor Kirwan was excused. Staff members in attendance were City Manager Byron Smith, Assistant City Manager Mark Morgan, Mark Krawczyk, Mark Rose, Larry Fetter, Chief Edmiston, Clint Spencer, Mollie Croisan, Chuck Woolsey, Nate Rivera and Lilly Alarcon-Strong.

Ms. Singer Wilson reviewed the ideas and topics, as discussed the day prior, of the 2020 projects and potential projects, and helped develop the idea mapping of those and other topics.

Attendees were placed in small groups to continue expanding on these topics which included mapping out the most pressing issues facing Hermiston, organizing priorities and initiatives, identifying overarching goals to refine the actions goals for 2020. The goals for 2020 include: Housing, Capital Improvement Plan, Public Services, Civic Facilities to include a new City Hall and indoor Health Wellness and Aquatic Center.

The meeting was adjourned at 3:15pm.

SIGNED:

/s/ Dave Drotzmann

MAYOR

ATTEST:

/s/ Lilly Alarcon-Strong, CMC

CITY RECORDER



DRAFT

# COUNCIL GOAL SETTING 2020



# WAC (Wellness & Aquatics Center)

## Feasibility

- Market Analysis
- Size
- Program
- Cost
- Operating
- Strategies

## Motivators

- Kids at risk
- Economic
- Tourism
- Livability
- Regional demand
- Corporate Partners

## Stakeholders

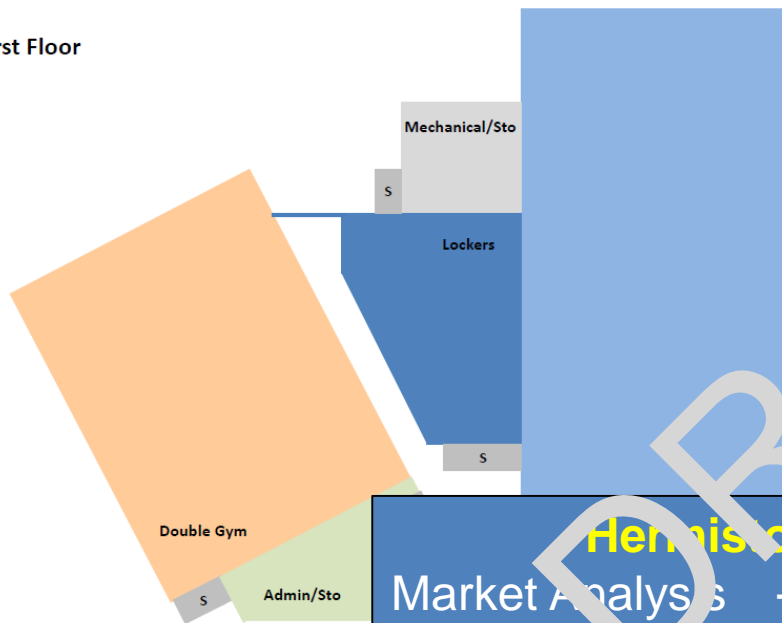
- HSD
- GSH
- PT
- Port Dist.
- OSU
- UEC



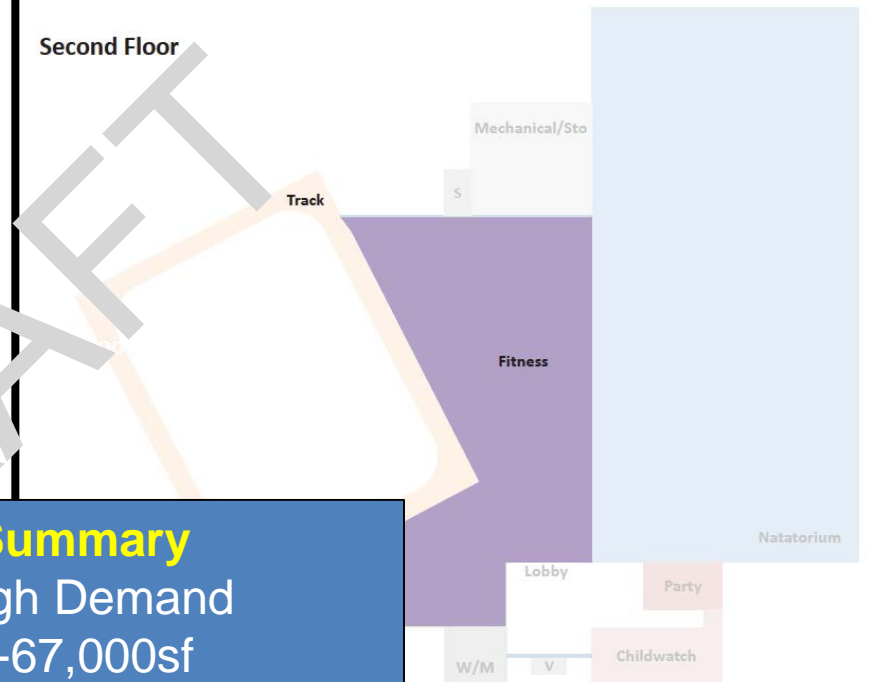


# WAC

First Floor



Second Floor



## Hermiston Summary

Market Analysis	- High Demand
Size	- 55-67,000sf
Program	- Fitness & Aquatics
Cost	- \$25-\$27M
Operating	- 81% (\$400,000)





# Yakima YMCA



\$22M

Opened December 2019

66,000sf

North Perspective 08/10/17  
Yakima Family YMCA & Aquatic Center



# Yakima YMCA



## Yakima Summary

Market Analysis	- ?
Size	- 66,000sf
Program	- Fitness & Aquatics
Cost	- \$22M (4.5M City)
Operating	- \$300,000 (City)



# Yakima YMCA





# Yakima YMCA

## MEMBERSHIP PRICES

## LIMITED MEMBERSHIP OPTIONS

## DAY PASSES

## SCHOLARSHIP OPPORTUNITIES

## CORPORATE MEMBERSHIP

The basic membership includes use of our facilities and fitness equipment, pool, locker room, free fitness classes as well as access to our on-site child care, adult sports leagues, personal trainers, and gated parking.

Membership Type	Bank Draft (Monthly)	1 Month Only	Annual
Individual Youth (0-13)	\$7	\$20	\$80
Individual Teen (14-18)	\$17	\$30	\$194
Individual Young Adult (19-24)	\$35	\$50	\$422
Adult	\$67	\$80	\$764
Couple	\$134	\$110	\$1106
Senior Adult (65+)	\$55	\$68	\$627
Senior Couple (65+)	\$82	\$95	\$935
Aquatic Only	\$50	\$50	\$600

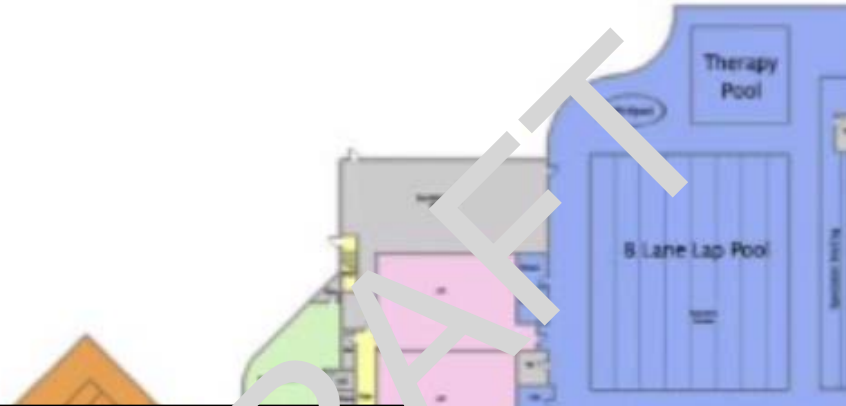
If you or your family would like to join the YMCA or one of its programs and your financial situation prevents you from joining, learn more about our scholarship opportunities by clicking the tab above.



# Yakima YMCA

## Department Legend

- Youth / Community
- Aquatics Center
- Lockers
- Gym
- Administration
- Circulation
- Lobby/Reception
- Support



## Hermiston Summary

Market Analysis	- High Demand
Size	- 55-67,000sf
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## Yakima Summary

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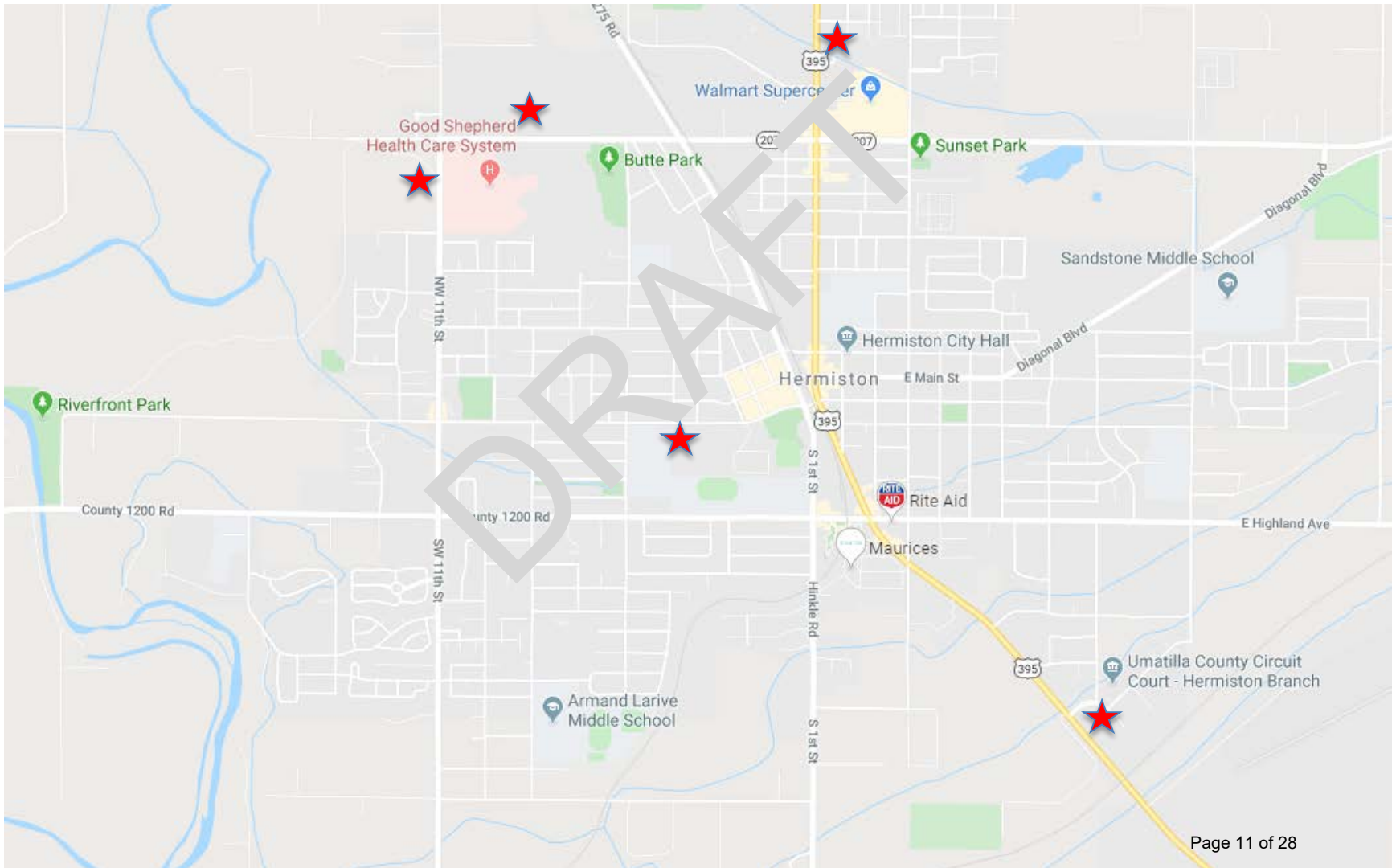
First Floor Plan

08/10/17

Scale: NTS

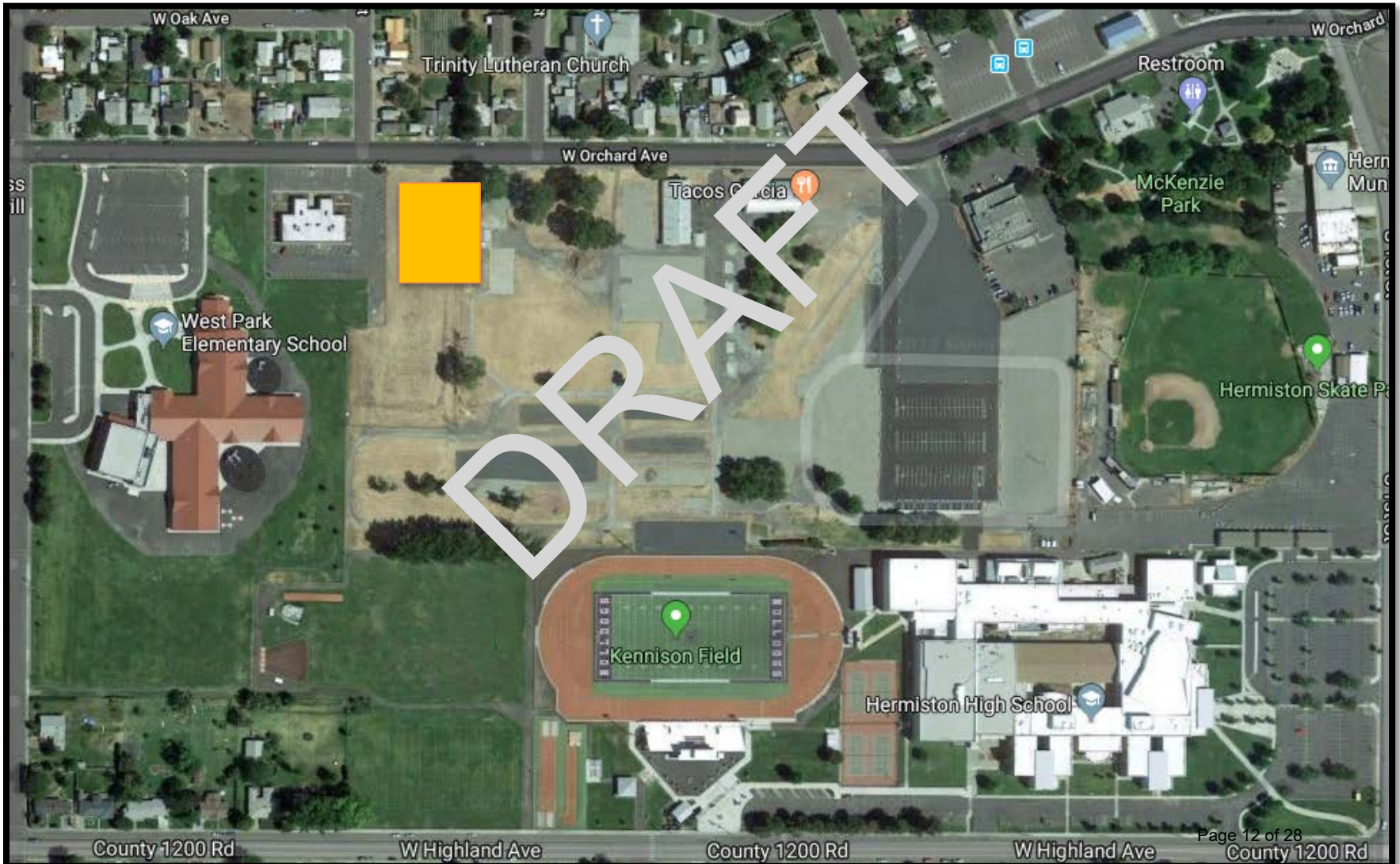


# WAC





# WAC



# WAC – What's next

- Capital \$25M
- Location
- Partner Agreements
- Surplus Community Center?
- HFAC longevity?



**To: Byron Smith**  
**From: Mark Morgan**  
**Date: January 7, 2020**  
**Subj: 2019 Council Goal: Housing- Invest in Public Infrastructure to Attract Private Investment**

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This approach to stimulating housing requires more political patience than some options like Morrow County's \$5,000 voucher for buying any home (new or existing), or Pendleton's direct cash incentives to individual developers, because it is more difficult to specifically point to housing units popping out of the ground and say with certainty that they are the result of our investment. However, I feel that these investments will provide the best return on investment, and are the most financially sustainable long-term. So I applaud the City Council, as well as the Umatilla County Commissioners, for taking the "long play" on this issue.

Council will remember the theory behind our specific investments in the NE Hermiston Water tower/piping, and in paving E. Theater Lane, is to drive down the unrealistic prices being demanded for vacant developable land city-wide by dropping several hundred acres of newly competitive raw land on to the market. So I view this approach similar to a standard economic impact analysis that measures job-growth in terms of "direct" jobs and spinoff "induced" jobs. In this framework, the "direct" houses would be those directly benefitting from these investments, while the "induced" houses are those which have been able to leverage these investments to negotiate lower prices for raw land elsewhere in the city. With this in mind, here are the 2019 results of these investments.

### **Direct Housing Units**

#### **Cimmaron Terrace (99 Homes)**

This 99 home portion of the development is just part of the massive Planned Unit Development near NE 8<sup>th</sup> and Theater Lane. The development itself was sold to a new developer in early 2019, and our water and street investments were certainly a part of the consideration during the sale. In 2019, Cimmaron Terrace began construction on 22 new single-family townhomes along NE 8<sup>th</sup>. Prior to our investment in the water infrastructure, each of those would have had to pay approximately \$900 per unit for upgrades to the Alora Heights Booster Pump Station. Cimmaron Terrace also broke ground in December to begin work on Phase 1 of its detached single-family home subdivision, which will include 35 homes. The earthwork also "mass-grades" the site to be ready for the remaining 64 homes in its subsequent phases.

Although the earthwork being done now is only for 99 homes, I can't underscore enough the importance of this development as a lynch-pin to unlocking numerous properties further to the east because of the associated sewer infrastructure which will see a critical main line run right through the middle of this property. This main will drain most of the remaining undeveloped land in NE Hermiston, including the new school site at Theater & 10<sup>th</sup>.

#### **"Legacy Park" (~100 Homes)**

This property is located on the SE corner of NE 4<sup>th</sup> & Punkin Center. Depending on lot-size, the property is likely to develop with approximately 100 detached single-family homes. We have been in conversations with Mr. Templeton about this property from the beginning of our focus on the water infrastructure investments, and he spent some time considering developing it himself. Throughout 2019 he begun having serious negotiations with an existing "large-scale" home builder about the property, and a deal for the site appears to be nearing completion. We have lately been having direct



conversations with the home builder about annexation for immediate development. Depending on uptake of the builder's other current housing stock elsewhere in the city, I anticipate homes to begin being built on this site some time in calendar years 2021 or 2022.

## **Induced Housing Units**

### **"Theater Park" (55 Homes)**

This property, located at the corner of W. Theater & Geer Road, does not directly benefit from the water tower or paving of east Theater lane, but I know that those investments directly played a part in helping the developer, Monte Vista Homes, negotiate a reasonable price for the land. Monte Vista is well-aware of our investments, through its temporary consideration to purchase Cimmaron Terrace, as well as its interest in the "Legacy Park" property. As part of Monte Vista's purchase of this property for its "Theater Park" development, they annexed the property this past summer. City staff held a pre-construction meeting this week with their flatwork contractor, and I believe that this 55-lot subdivision will break ground on the earthwork this month.

I believe that if not for our investments in the water infrastructure and paving in NE Hermiston, Monte Vista would not have continued looking at development options in Hermiston, and would not have leveraged those other sites to negotiate for this property.

### **"Maldonado Property" (~50 Homes)**

This property, located northwest of the intersection of Elm & 2<sup>nd</sup>, went through the annexation process at about the same time as the "Theater Park" property. Depending on final lot size and configuration, this property could likely accommodate approximately 50 single family homes.

This property, like the "Theater Park" property, does not directly benefit from our water and paving investments in NE Hermiston. However, the investor behind this development met with city staff during the initial stages of his investigation into our market, and we provided him with all of the information about our investments, as well as our theory/hope that developers could leverage it in acquiring land anywhere in the city. I believe that our investments helped to keep the investor interested in the viability of our market, and were used as leverage during property acquisition.

This investor seems to have less urgency about this project, but I believe that it will proceed in due course, as the other developments work through their inventory.

### **Santiago Estates (~200 manufactured homes)**

This project will be located on a major portion of the ~45 acres which Council re-zoned from Industrial to Residential along Diagonal. Similar to the "Maldonado Property," this developer met with city staff early in his investigation into our market. Again, we provided him with information about our investments, and our hope that developers can use that as leverage. Again, the property that he zeroed in on, and is actively working toward developing, does not directly benefit from our investments, but I have no doubt that our investments played a role in the negotiations for the raw land which had been on the market for decades.

## **Results**

This report should not be misconstrued to imply that all ~500 of these housing units will be constructed in 2020, or even by 2021. However, I believe that a majority of these units will be completed within the

next 5 years, and nearly all (~90%) will be completed within the next 10 years. Also, I believe that, whether directly or indirectly, if not for our investments, none of these units would have been constructed otherwise.

Again, this approach requires more political patience on the part of the Council because it lacks an overt role played by the city in directly assisting any individual developer. However, I think you can see that these investments have set the table for establishing a healthy long-range housing market. It is healthy in that we won't have artificially stimulated a glut of housing in one year which leads to a crash in building the next. This is largely regulated by the market. Again, it is healthy that across the 500 housing units, we have five completely separate developers, which will mitigate the likelihood that one goes bankrupt and kills all development in the city for a period of time.

### **Financial Implications**

Attached, you will find a rough model of how I predict the above developments will build-out over time. The exact dates and totals during those dates should be considered " ballpark" and are certainly subject to change, but I believe that this generally gives a good idea of what we will see over the next 15 years.

It is important to remember three things with regard to the financial implications of stimulating new housing; 1. New housing naturally is assessed higher than older housing, 2. The sum of all houses can total to a very high assessed valuation, 3. Consistently adding more homes each year causes a compounding-effect in how much "new" tax revenue is generated since property taxes are not a one-time tax (i.e. a sales-tax). With that in mind, I feel that the City & County's combined investment of \$4.5M from Lamb Weston Enterprise Zone funding in water and street infrastructure will have either directly, or induced the following total tax revenue during the course of Lamb Weston's 15 year Ezone:

<b>Projected Induced Cumulative Tax Revenue 2020 – 2034</b>	
Hermiston School District	\$12.9 Million
City of Hermiston	\$10.2 Million
Umatilla County	\$4.8 Million
Umatilla County Fire District #1	\$2.9 Million
All Other Taxing Districts Combined Total	\$6.3 Million
<b>Total All Districts</b>	<b>\$37.2 Million</b>

### **"Natural Market" 2019 Re-Cap**

The above summary is all forward-looking, as 2020 appears to be the first year of measurable impact in the form of homes popping out of the ground as a result of our investments. It is important to remember that Hermiston still has other active housing developments taking place as well. In fact, this is exactly why I believe our approach to invest in infrastructure is working in Hermiston, because we have a functioning private market which can respond to those opportunities.

2019 was a banner year for us in terms of residential building permits. We haven't seen this many housing units completed since 2005. However, it is important to note that the largest single contributor to the 2019 figure is the 48-unit apartment complex which straddles SE 5<sup>th</sup> & SE 6<sup>th</sup> streets. All residential units built over the previous 5 years were single family homes. Therefore, if you take out 2019's apartment units, then the year was certainly stronger than average, but right about on track with where we have been hitting for the past two years.

<b>“Natural Market” Historical Residential Housing Units</b>	
<b>Year</b>	<b>Housing Units</b>
2019	120
2018	85
2017	70
2016	46
2015	45
2014	47
2013	37
2012	29
2011	29
2010	42
2009	26
2008	38
2007	92
2006	93
2005	100

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**To: Byron Smith**  
**From: Mark Morgan**  
**Date: January 7, 2020**  
**Subj: 2019 Council Goal: Implement Capital Improvement Plan**

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The CIP process was a long-time in development, with the Streets, Water, and Sewer portions all getting adopted at different times. The difference in adoption is entirely a result of funding availability. Real work toward developing the CIP began in Fall, 2016, with adoption of the Water and Sewer portions not taking place until January, 2019. Because of all of this the implementation-portion of this process so far has really been focused on the most pressing needs for each individual department. However, we really began to hit our stride in implementing CIP projects in 2019, and I am excited about 2020 as we begin to move past most of the “emergency” projects and begin to align the timing of projects across departments to maximize efficiency.

## **Streets**

### **2019 Re-cap**

- S. 1<sup>st</sup> Street Bridge Replacement: This project was completed in early 2019
- W. Hermiston Ave. Overlay: This project was completed in late 2019
- E. Theater Paving: This project was contracted in late 2019, and construction will take place in early 2020.
- Geer & Harper Road Realignment: This is a complex project, and it will be expensive (~\$1.4M total cost). The work in 2019 consisted of paying \$100,000 to UEC to upgrade a key power pole along their new transmission line so that the proposed realignment can easily work around their new line without having to contend with guy-wires. The work in 2019 also consisted of beginning discussions with adjacent property owners about Right of Way acquisition to make way for our reconfigured alignment. Locally, Anderson Perry began the formal process of working with Union Pacific Railroad to accommodate for this realignment, which takes place over the top of their tracks.

### **2020 Look Ahead**

The only major/noticeable project which will take place in 2020 will be the paving of E. Theater Lane; scheduled for the Spring.

No other major projects will take place in 2020, mainly because the Geer & Harper Realignment will soak-up nearly two full years-worth of the new gas tax and franchise fee increases. Therefore, noticeable work on the Geer & Harper realignment likely won't begin until Spring, 2021. However, the time that we spend waiting for revenue to roll in will be necessary, as the land acquisition for Right of Way could potentially involve some condemnation, and the process to get the necessary approvals from Union Pacific recently took almost two years for a similar project in Boardman.

We will also continue to work with Umatilla County to finalize a commitment by them to pledge potential future Enterprise Zone funds from the Hermiston Amazon Data Center site to go toward developing a number of projects which are currently County Roads, but due to their utilization by Hermiston residents, have been scoped as appendix projects in our CIP.

## **Water**

### **2019 Re-cap**

- SCADA Replacement: This \$190,000 project replaced the “brains” of our 20-year old computer system that operates much of our system. The project was completed this Fall.
- Geer Road Water Line Replacement: This \$150,000 project was started in December, and will wrap up in early 2020.

### **2020 Look Ahead**

The projects in calendar year 2019 were relatively light because we didn’t budget anything until FY ’19-’20 due to the timing of the utility rate increases. Out of a continued conservative approach to cashflow, we chose to hold the largest single project budgeted for FY ’19-’20 to execute in calendar year ’20.

- Well #6 Reservoir Cathodic Protection & Interior Painting: This \$280,000 project is included in the currently approved budget, and will go out to bid in January.
- West Ridgeway Line Replacement: This \$320,000 project will be the first large-scale project to replace the worst/oldest of our aging piping. To keep perspective on the long-term need for this, it is important to understand that \$320,000 is just the beginning. This project will replace 1,300 linear feet of pipe, while we have 83 miles (438,000 feet) of water main system-wide. So although it is a large dollar amount compared to what we have historically invested in one year, it is only equivalent to 0.3% of our entire system. Put another way, tackling just 0.3% of our piping each year means that, theoretically, it will be 300 years before we come back to replace this pipe section again.

## **Recycled Water**

### **2019 Re-cap**

- Lift Station #1 Pump & Ventilation Upgrades: This \$260,000 project consisted of a number of smaller components and was begun in Fall, 2019, and was about 50% complete by the end of the year.
- Sewer Collection System Evaluation: This \$160,000 project will inventory the entire sewer system that collects sewage throughout the city, and update the long-range plan for future system build-out. This process began in Fall, 2019, and was about 25% complete by the end of the year.

### **2020 Look Ahead**

- SE 7<sup>th</sup> Gravity Sewer Line Bottleneck Replacement (Phases II & III): This \$610,000 project was originally planned to take place in FY ’19-’20, but due to the delay in utility rate adoption, and our continued caution with regard to cashflow, it was decided to move this large project back to FY ’20-’21, and pull forward the Lift Station #1 projects (above).

Just like with the 2020 Water Line Replacement referenced above, this \$610,000 pipe replacement is just the beginning. This project will replace 1,500 linear feet of pipe, while we have 72 miles (380,000 feet) of sewer main through the city. So despite the high price-tag, this replacement is only equivalent to 0.4% of our entire system.

**To: Byron Smith**  
**From: Mark Morgan**  
**Date: January 7, 2020**  
**Subj: 2019 Council Goal: South Hermiston Industrial Park (SHIP) Development**

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All of the goals associated with this project have been completed in 2019. These goals were to get a project up through the point of submitting it for funding to the US EDA. We were notified in early December that our application received the green light from EDA's Initial Review Committee to be recommended to move on to the next step with a recommendation for funding 50% of the project. We are now in the process of simply responding to the handful of questions which EDA had, and will submit those by January 21, 2020.

#### **Next Steps/Timeline**

- Spring, 2020 Federal Award: Although nothing is certain, I feel confident that EDA will make an award on this project, and that this award will be offered in the Spring.
- Spring, 2020 City Council approves SHIP LID Formation. This will allow the project to begin to incur costs which will be later assessed to the benefitting properties.
- Spring, 2020 Design Engineering: Anderson Perini has done preliminary engineering sufficient to develop cost estimates, but we have not set them. Close to fully design (and run up associated costs) until we are certain of the federal award.
- Fall, 2020 Project Bid
- Fall, 2020 Construction Financing: With the EDA, City Match, and County Match only covering 56% of the project costs, we will be necessary to identify a financing method to carry the project through construction. The remaining 44% of costs (~\$1.2M) will be reimbursed by the affected properties through LID. But it is important to remember that the properties can't be assessed until a final accounting is complete after construction, and also properties will be given the option to repay the cost over 10 years.
- Winter 2020/21 Construction commence
- Summer, 2021 Construction complete
- Fall, 2021 Council adopts final LID Assessments for benefitting properties.

#### **Match Amount**

The criterion which makes us eligible for this award is "economic emergency," initially related to the closure of Hermiston Foods. The default federal funding award for this type of project is 50% federal funding. You will remember that we were hopeful that, due to the subsequent job curtailment at Union Pacific, we could qualify for up to 80% federal funding. Unfortunately, it appears that our award will "only" be for 50% federal funding.

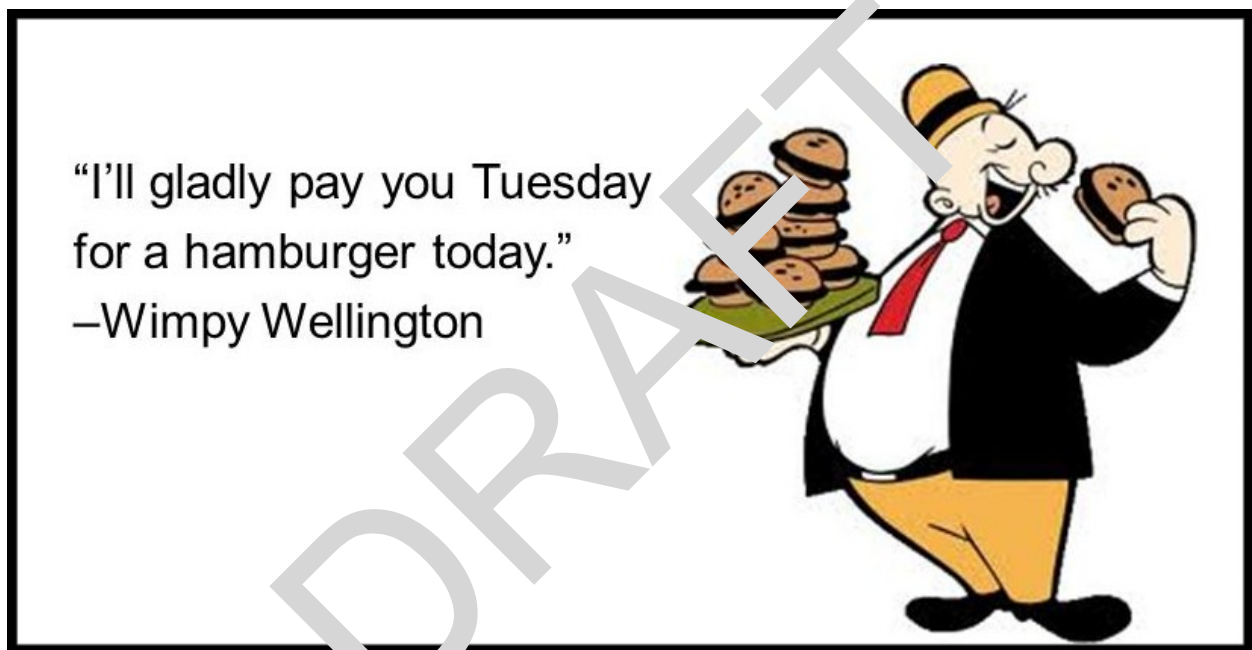


To: Byron Smith  
From: Mark Morgan  
Date: January 9, 2020  
Subj: Enterprise Zone Cashflow

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The total amount of dollars associated with the Enterprise Zone lately have certainly caused some folks, both within the City of Hermiston, and within other jurisdictions, to begin salivating. Unfortunately, the bulk of these “potential” funds are tied to a project (Amazon), which technically has yet to turn a shovel of dirt, and which we were told from the beginning, is not likely to start turning dirt until 2021.

Therefore, our situation can be best summarized by the plight of Popeye’s J. Wellington Wimpy, and the actors in J.G. Wentworth’s structured settlement relief commercials. My concern is that “Tuesday,” in this case, is never guaranteed to come, and the cost of getting “cash now” can be expensive.



“I’ll gladly pay you Tuesday  
for a hamburger today.”  
–Wimpy Wellington



## **Scenario #1- Guaranteed**

**Un-Obligated Cumulative Revenue Available to City of Hermiston General Fund: \$3,013,000**

This is the only scenario where we are guaranteed any money at all. This scenario only accounts for dollars paid to the Enterprise Zone from Lamb Weston's LTREZ over 15 years.

Page #2 shows a breakdown of revenues coming in to the City as a result of the LTREZ agreement, as well as obligations associated with that agreement. You can see that we are due \$2M from Umatilla County over the first four years of the deal, in addition to \$500,000 per year from Lamb Weston. However, you can also see a repayment schedule related to the money we borrowed to construct the NE Hermiston Water Project. Also, you can see that Lamb Weston has required that \$50,000 per year be directed to our Recreation Projects Fund, but those funds must be spent at the recommendation of Lamb Weston, so they are not truly un-obligated general fund revenues.

## **Amazon Scenarios**

To be clear, I am still confident that Amazon will build-out at their site, and it should not be construed that anything has changed, because it hasn't. However, it is important to remember that Amazon Web Services operates in a globally competitive environment. This is best highlighted by AWS' highly publicized contract negotiation with the U.S. Department of Defense last summer, wherein the DOD ultimately chose to go with another vendor (Microsoft's Azure platform) for that \$10 Billion contract. Contracts of that size have a major impact on how quickly, or slowly, AWS will build-out their Hermiston site.

Additionally, it is worth remembering that AWS operates in a rapidly evolving sector, and they are simply in the data storage business. Here is an iconic picture of a megabyte IBM Hard Drive, weighing 2,500 pounds, from 1956. All it will take is advancement in file compression technology to render these data centers useless.

Also, while there is the potential for a lot of money to flow in to the Enterprise Zone from Amazon, the LTREZ agreement includes obligations to share a large amount of the revenue with other jurisdictions. You can see on Page 3 where those dollars go, depending on the Amazon build-out scenario. Under the most conservative "Scenario #2," those obligations include a minimum of \$1.8 million paid to just the Fire District alone over the course of 15 years between their share of the AAF and the PSIF.



Finally, something which hasn't been discussed publicly yet, but Council should be aware of, is the impact on the City's General Fund from electrical franchise fees. You can see those accounted for on Page 1, with detail on Page 4. The volume of these revenues is entirely dependent on how quickly AWS builds-out their full capacity.

## **Scenario #2- Amazon Data Center Builds, But Market Stalls-Out**

**Un-Obligated Cumulative Revenue Available to City of Hermiston General Fund: \$21,800,000**

This scenario assumes that AWS delays the start of construction on their first building, due to market forces, until 2022; which means revenue wouldn't come in to the zone until FY '24-'25. Also, this scenario assumes that upon completion of one building, their market share dissolves, and they only ever finish that one building.

## **Scenario #3- Slow Data Center Build-Out**

**Un-Obligated Cumulative Revenue Available to City of Hermiston General Fund: \$36,965,000**

This scenario assumes that AWS completes their first building approximately on-time with their original plan. This scenario also assumes that the company does build out all four of its planned buildings. However, this scenario assumes that, due to market forces, the company only finishes one building every two years, rather than one every year.

## **Scenario #4- Most Optimistic Scenario**

**Un-Obligated Cumulative Revenue Available to City of Hermiston General Fund: \$39,865,000**

This scenario assumes that AWS begins construction in early 2021 on track with their fast-paced hopes. This scenario also assumes that the company builds out all four of its planned buildings by completing one building per year in the first four years.

## **Summary**

Remember J. Wellington Wimpey and the folks who pay J.G. Wentworth to give them cash now. The numbers above appear very large, but they aren't guaranteed; and if/when they do become "guaranteed" those dollars will come in annual payments over 15 years.

## Cashflow: All Revenue Options

### Scenario #1- Guaranteed (No Amazon)

	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35	Jun-36	Jun-37	Jun-38
Lamb Weston Net	\$ 501,193	\$ 510,669	\$ 520,145	\$ 529,621	\$ 39,097	\$ 48,573	\$ 58,049	\$ 67,525	\$ 77,001	\$ 86,477	\$ 95,953	\$ 105,429	\$ 114,905	\$ 124,381	\$ 133,857				
Net City General Fund Revenue	\$ 501,193	\$ 510,669	\$ 520,145	\$ 529,621	\$ 39,097	\$ 48,573	\$ 58,049	\$ 67,525	\$ 77,001	\$ 86,477	\$ 95,953	\$ 105,429	\$ 114,905	\$ 124,381	\$ 133,857				
Running Balance	\$ 501,193	\$ 1,011,862	\$ 1,532,007	\$ 2,061,628	\$ 2,100,725	\$ 2,149,298	\$ 2,207,347	\$ 2,274,873	\$ 2,351,874	\$ 2,438,351	\$ 2,534,304	\$ 2,639,733	\$ 2,754,638	\$ 2,879,019	\$ 3,012,876				

### Scenario #2- Data Center Builds, But Market Stalls-Out

	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35	Jun-36	Jun-37	Jun-38
Lamb Weston Net	\$ 501,193	\$ 510,669	\$ 520,145	\$ 529,621	\$ 39,097	\$ 48,573	\$ 58,049	\$ 67,525	\$ 77,001	\$ 86,477	\$ 95,953	\$ 105,429	\$ 114,905	\$ 124,381	\$ 133,857				
AWS LTREZ Net						\$ 1,153,933	\$ 1,158,550	\$ 1,163,307	\$ 1,168,206	\$ 1,173,252	\$ 1,178,450	\$ 1,183,803	\$ 1,189,318	\$ 1,194,997	\$ 1,200,847	\$ 1,206,872	\$ 1,213,079	\$ 1,219,471	\$ 1,226,055
AWS Franchise Net				\$ 50,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Net City General Fund Revenue	\$ 501,193	\$ 510,669	\$ 520,145	\$ 579,621	\$ 189,097	\$ 1,352,506	\$ 1,366,600	\$ 1,380,832	\$ 1,395,207	\$ 1,409,729	\$ 1,424,403	\$ 1,439,233	\$ 1,454,223	\$ 1,469,378	\$ 1,484,704	\$ 1,356,872	\$ 1,363,079	\$ 1,369,471	\$ 1,226,055
Running Balance	\$ 501,193	\$ 1,011,862	\$ 1,532,007	\$ 2,111,628	\$ 2,300,725	\$ 3,653,231	\$ 5,019,830	\$ 6,400,663	\$ 7,795,870	\$ 9,205,599	\$ 10,630,000	\$ 12,069,235	\$ 13,523,458	\$ 14,992,836	\$ 16,477,540	\$ 17,834,412	\$ 19,197,491	\$ 20,566,962	\$ 21,793,017

### Scenario #3- Slow Data Center Build-Out

	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35	Jun-36	Jun-37	Jun-38
Lamb Weston Net	\$ 501,193	\$ 510,669	\$ 520,145	\$ 529,621	\$ 39,097	\$ 48,573	\$ 58,049	\$ 67,525	\$ 77,001	\$ 86,477	\$ 95,953	\$ 105,429	\$ 114,905	\$ 124,381	\$ 133,857				
AWS LTREZ Net						\$ 1,153,933	\$ 1,158,550	\$ 1,163,307	\$ 1,168,206	\$ 1,173,252	\$ 1,178,450	\$ 1,183,803	\$ 1,189,318	\$ 1,194,997	\$ 1,200,847	\$ 1,206,872	\$ 1,213,079	\$ 1,219,471	\$ 1,226,055
AWS Franchise Net				\$ 50,000	\$ 150,000	\$ 150,000	\$ 245,000	\$ 245,000	\$ 245,000	\$ 345,000	\$ 345,000	\$ 445,000	\$ 445,000	\$ 445,000	\$ 445,000	\$ 445,000	\$ 445,000	\$ 445,000	\$ 445,000
Net City General Fund Revenue	\$ 501,193	\$ 510,669	\$ 520,145	\$ 579,621	\$ 1,343,030	\$ 1,357,124	\$ 1,466,356	\$ 1,980,731	\$ 2,095,253	\$ 2,609,927	\$ 2,724,757	\$ 2,739,747	\$ 2,754,902	\$ 2,770,228	\$ 2,785,730	\$ 2,658,079	\$ 2,664,471	\$ 2,671,055	\$ 2,232,837
Running Balance	\$ 501,193	\$ 1,011,862	\$ 1,532,007	\$ 2,111,628	\$ 3,454,658	\$ 4,811,781	\$ 6,278,137	\$ 8,258,869	\$ 10,354,122	\$ 12,964,049	\$ 15,688,806	\$ 18,428,552	\$ 21,183,455	\$ 23,953,683	\$ 26,739,412	\$ 29,397,491	\$ 32,061,962	\$ 34,733,017	\$ 36,965,854

### Scenario #4- Conservative Pessimistic Scenario

	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35	Jun-36	Jun-37	Jun-38
Lamb Weston Net	\$ 501,193	\$ 510,669	\$ 520,145	\$ 529,621	\$ 39,097	\$ 48,573	\$ 58,049	\$ 67,525	\$ 77,001	\$ 86,477	\$ 95,953	\$ 105,429	\$ 114,905	\$ 124,381	\$ 133,857				
AWS LTREZ Net				\$ 1,153,933	\$ 1,158,550	\$ 1,163,307	\$ 1,168,206	\$ 1,173,252	\$ 1,178,450	\$ 1,183,803	\$ 1,189,318	\$ 1,194,997	\$ 1,200,847	\$ 1,206,872	\$ 1,213,079	\$ 1,219,471	\$ 1,226,055	\$ 1,232,837	
AWS Franchise Net				\$ 50,000	\$ 150,000	\$ 245,000	\$ 345,000	\$ 445,000	\$ 545,000	\$ 645,000	\$ 745,000	\$ 845,000	\$ 945,000	\$ 1,045,000	\$ 1,145,000	\$ 1,245,000	\$ 1,345,000	\$ 1,445,000	\$ 1,545,000
Net City General Fund Revenue	\$ 501,193	\$ 510,669	\$ 520,145	\$ 1,733,554	\$ 1,347,648	\$ 1,956,880	\$ 2,571,207	\$ 3,185,777	\$ 3,799,850	\$ 4,413,923	\$ 5,028,000	\$ 5,642,077	\$ 6,256,154	\$ 6,870,231	\$ 7,484,308	\$ 8,098,385	\$ 8,712,462	\$ 9,326,539	\$ 9,940,616
Running Balance	\$ 501,193	\$ 1,011,862	\$ 1,532,007	\$ 3,265,561	\$ 4,613,208	\$ 6,570,088	\$ 9,141,295	\$ 11,827,072	\$ 14,626,922	\$ 17,540,949	\$ 20,569,179	\$ 22,856,115	\$ 25,687,744	\$ 28,550,351	\$ 31,444,580	\$ 34,227,764	\$ 37,034,443	\$ 39,865,323	\$ 39,865,323



## Lamb Weston "Pure" Agreement Forecasts

### Least Restrictive Scenario

	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
<b>Revenues</b>															
Umatilla County	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000											
Lamb Weston	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Gross Revenue	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
<b>Liabilities</b>															
IFA (Water Tower)	\$ (448,807)	\$ (439,331)	\$ (429,855)	\$ (420,379)	\$ (410,903)	\$ (401,427)	\$ (391,951)	\$ (382,475)	\$ (372,999)	\$ (363,523)	\$ (354,047)	\$ (344,571)	\$ (335,095)	\$ (325,619)	\$ (316,143)
Recreation Projects Fund	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)
Gross Liabilities	\$ (498,807)	\$ (489,331)	\$ (479,855)	\$ (470,379)	\$ (460,903)	\$ (451,427)	\$ (441,951)	\$ (432,475)	\$ (422,999)	\$ (413,523)	\$ (404,047)	\$ (394,571)	\$ (385,095)	\$ (375,619)	\$ (366,143)
Net Revenue to City of Hermiston	\$ 501,193	\$ 510,669	\$ 520,145	\$ 529,621	\$ 39,097	\$ 48,573	\$ 58,049	\$ 67,525	\$ 77,001	\$ 86,477	\$ 95,953	\$ 105,429	\$ 114,905	\$ 124,381	\$ 133,857

## Amazon LTREZ Pure Agreement Forecasts

### Scenario #2- Data Center Builds, But Market Stalls-Out

	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35	Jun-36	Jun-37	Jun-38	Jun-39
<b>Revenues</b>																	
Annual Improvement Payments			\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Additional Annual Fee			\$ 488,223	\$ 502,869	\$ 517,955	\$ 533,494	\$ 549,499	\$ 565,984	\$ 582,963	\$ 600,452	\$ 618,466	\$ 637,020	\$ 656,130	\$ 675,814	\$ 696,089	\$ 716,971	\$ 738,480
Public Safety Impact Fee			\$ 50,000	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964	\$ 59,703	\$ 61,494	\$ 63,339	\$ 65,239	\$ 67,196	\$ 69,212	\$ 71,288	\$ 73,427	\$ 75,629
Student Success Fee			\$ 50,000	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964	\$ 59,703	\$ 61,494	\$ 63,339	\$ 65,239	\$ 67,196	\$ 69,212	\$ 71,288	\$ 73,427	\$ 75,629
<b>Gross Revenue</b>			<b>\$ 2,588,223</b>	<b>\$ 2,605,869</b>	<b>\$ 2,624,045</b>	<b>\$ 2,642,767</b>	<b>\$ 2,662,050</b>	<b>\$ 2,681,911</b>	<b>\$ 2,702,368</b>	<b>\$ 2,723,439</b>	<b>\$ 2,745,143</b>	<b>\$ 2,767,497</b>	<b>\$ 2,790,522</b>	<b>\$ 2,814,238</b>	<b>\$ 2,838,665</b>	<b>\$ 2,863,825</b>	<b>\$ 2,889,739</b>
<b>Liabilities</b>																	
AIP Owed to Umatilla County			\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)
AAF Owed to Local Districts			\$ (334,290)	\$ (344,319)	\$ (354,648)	\$ (365,288)	\$ (376,246)	\$ (387,534)	\$ (399,160)	\$ (411,135)	\$ (423,469)	\$ (436,173)	\$ (449,258)	\$ (462,736)	\$ (476,618)	\$ (490,916)	\$ (505,644)
PSIF Owed to Fire District			\$ (50,000)	\$ (51,500)	\$ (53,045)	\$ (54,636)	\$ (56,275)	\$ (57,964)	\$ (59,703)	\$ (61,494)	\$ (63,339)	\$ (65,239)	\$ (67,196)	\$ (69,212)	\$ (71,288)	\$ (73,427)	\$ (75,629)
SSF Owed to School District			\$ (50,000)	\$ (51,500)	\$ (53,045)	\$ (54,636)	\$ (56,275)	\$ (57,964)	\$ (59,703)	\$ (61,494)	\$ (63,339)	\$ (65,239)	\$ (67,196)	\$ (69,212)	\$ (71,288)	\$ (73,427)	\$ (75,629)
<b>Gross Liabilities</b>			<b>\$ (1,434,290)</b>	<b>\$ (1,447,319)</b>	<b>\$ (1,460,738)</b>	<b>\$ (1,474,560)</b>	<b>\$ (1,488,797)</b>	<b>\$ (1,503,461)</b>	<b>\$ (1,518,565)</b>	<b>\$ (1,534,122)</b>	<b>\$ (1,550,146)</b>	<b>\$ (1,566,650)</b>	<b>\$ (1,583,649)</b>	<b>\$ (1,601,159)</b>	<b>\$ (1,619,194)</b>	<b>\$ (1,637,770)</b>	<b>\$ (1,656,903)</b>
<b>Net Revenue to City of Hermiston</b>			<b>\$ 1,153,933</b>	<b>\$ 1,158,550</b>	<b>\$ 1,163,307</b>	<b>\$ 1,168,206</b>	<b>\$ 1,173,252</b>	<b>\$ 1,178,450</b>	<b>\$ 1,183,803</b>	<b>\$ 1,189,318</b>	<b>\$ 1,194,997</b>	<b>\$ 1,200,847</b>	<b>\$ 1,206,872</b>	<b>\$ 1,213,079</b>	<b>\$ 1,219,471</b>	<b>\$ 1,226,055</b>	<b>\$ 1,232,837</b>

1. Revenue: Assumes AWS doesn't complete first building until FY '25, and never completes another building.

2. Liabilities: AIP shows full amount owed; any spending agreements are outside of this. AAF- Note the City of Hermiston's share equals retaining ~\$150,000 in Year-1. PSIF & SSF always equal payments in.

### Scenario #3- Slow Data Center Build-Out

	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35	Jun-36	Jun-37	Jun-38
<b>Revenues</b>																
Annual Improvement Payments		\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 3,000,000	\$ 3,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Additional Annual Fee		\$ 488,223	\$ 502,869	\$ 517,955	\$ 533,494	\$ 549,499	\$ 565,984	\$ 582,963	\$ 600,452	\$ 618,466	\$ 637,020	\$ 656,130	\$ 675,814	\$ 696,089	\$ 716,971	\$ 738,480
Public Safety Impact Fee		\$ 50,000	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964	\$ 59,703	\$ 61,494	\$ 63,339	\$ 65,239	\$ 67,196	\$ 69,212	\$ 71,288	\$ 73,427	\$ 75,629
Student Success Fee		\$ 50,000	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964	\$ 59,703	\$ 61,494	\$ 63,339	\$ 65,239	\$ 67,196	\$ 69,212	\$ 71,288	\$ 73,427	\$ 75,629
<b>Gross Revenue</b>		<b>\$ 2,588,223</b>	<b>\$ 2,605,869</b>	<b>\$ 2,624,045</b>	<b>\$ 3,642,767</b>	<b>\$ 3,662,050</b>	<b>\$ 4,681,911</b>	<b>\$ 4,702,368</b>	<b>\$ 4,723,439</b>	<b>\$ 4,745,143</b>	<b>\$ 4,767,497</b>	<b>\$ 4,790,522</b>	<b>\$ 4,814,238</b>	<b>\$ 4,838,665</b>	<b>\$ 4,863,825</b>	<b>\$ 4,889,739</b>
<b>Liabilities</b>																
AIP Owed to Umatilla County		\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,500,000)	\$ (1,500,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)
AAF Owed to Local Districts		\$ (334,290)	\$ (344,319)	\$ (354,648)	\$ (365,288)	\$ (376,246)	\$ (387,534)	\$ (399,160)	\$ (411,135)	\$ (423,469)	\$ (436,173)	\$ (449,258)	\$ (462,736)	\$ (476,618)	\$ (490,916)	\$ (505,644)
PSIF Owed to Fire District		\$ (50,000)	\$ (51,500)	\$ (53,045)	\$ (54,636)	\$ (56,275)	\$ (57,964)	\$ (59,703)	\$ (61,494)	\$ (63,339)	\$ (65,239)	\$ (67,196)	\$ (69,212)	\$ (71,288)	\$ (73,427)	\$ (75,629)
SSF Owed to School District		\$ (50,000)	\$ (51,500)	\$ (53,045)	\$ (54,636)	\$ (56,275)	\$ (57,964)	\$ (59,703)	\$ (61,494)	\$ (63,339)	\$ (65,239)	\$ (67,196)	\$ (69,212)	\$ (71,288)	\$ (73,427)	\$ (75,629)
<b>Gross Liabilities</b>		<b>\$ (1,434,290)</b>	<b>\$ (1,447,319)</b>	<b>\$ (1,460,738)</b>	<b>\$ (1,974,560)</b>	<b>\$ (1,988,797)</b>	<b>\$ (2,503,461)</b>	<b>\$ (2,518,565)</b>	<b>\$ (2,534,122)</b>	<b>\$ (2,550,146)</b>	<b>\$ (2,566,650)</b>	<b>\$ (2,583,649)</b>	<b>\$ (2,601,159)</b>	<b>\$ (2,619,194)</b>	<b>\$ (2,637,770)</b>	<b>\$ (2,656,903)</b>
<b>Net Revenue to City of Hermiston</b>		<b>\$ 1,153,933</b>	<b>\$ 1,158,550</b>	<b>\$ 1,163,307</b>	<b>\$ 1,668,206</b>	<b>\$ 1,673,252</b>	<b>\$ 2,178,450</b>	<b>\$ 2,183,803</b>	<b>\$ 2,189,318</b>	<b>\$ 2,194,997</b>	<b>\$ 2,200,847</b>	<b>\$ 2,206,872</b>	<b>\$ 2,213,079</b>	<b>\$ 2,219,471</b>	<b>\$ 2,226,055</b>	<b>\$ 2,232,837</b>

1. Revenue: Assumes AWS doesn't complete first building until FY '24, and assumes two years between building completion dates.

2. Liabilities: AIP shows full amount owed; any spending agreements are outside of this. AAF- Note the City of Hermiston's share equals retaining ~\$150,000 in Year-1. PSIF & SSF always equal payments in.

### Scenario #4- Most Optimistic Scenario

	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35	Jun-36	Jun-37
<b>Revenues</b>															
Annual Improvement Payments	\$ 2,000,000	\$ 2,000,000	\$ 3,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Additional Annual Fee	\$ 488,223	\$ 502,869	\$ 517,955	\$ 533,494	\$ 549,499	\$ 565,984	\$ 582,963	\$ 600,452	\$ 618,466	\$ 637,020	\$ 656,130	\$ 675,814	\$ 696,089	\$ 716,971	\$ 738,480
Public Safety Impact Fee	\$ 50,000	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964	\$ 59,703	\$ 61,494	\$ 63,339	\$ 65,239	\$ 67,196	\$ 69,212	\$ 71,288	\$ 73,427	\$ 75,629
Student Success Fee	\$ 50,000	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964	\$ 59,703	\$ 61,494	\$ 63,339	\$ 65,239	\$ 67,196	\$ 69,212	\$ 71,288	\$ 73,427	\$ 75,629
<b>Gross Revenue</b>	<b>\$ 2,588,223</b>	<b>\$ 2,605,869</b>	<b>\$ 3,624,045</b>	<b>\$ 4,642,767</b>	<b>\$ 4,662,050</b>	<b>\$ 4,681,911</b>	<b>\$ 4,702,368</b>	<b>\$ 4,723,439</b>	<b>\$ 4,745,143</b>	<b>\$ 4,767,497</b>	<b>\$ 4,790,522</b>	<b>\$ 4,814,238</b>	<b>\$ 4,838,665</b>	<b>\$ 4,863,825</b>	<b>\$ 4,889,739</b>
<b>Liabilities</b>															
AIP Owed to Umatilla County	\$ (1,000,000)	\$ (1,000,000)	\$ (1,500,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)
AAF Owed to Local Districts	\$ (334,290)	\$ (344,319)	\$ (354,648)	\$ (365,288)	\$ (376,246)	\$ (387,534)	\$ (399,160)	\$ (411,135)	\$ (423,469)	\$ (436,173)	\$ (449,258)	\$ (462,736)	\$ (476,618)	\$ (490,916)	\$ (505,644)
PSIF Owed to Fire District	\$ (50,000)	\$ (51,500)	\$ (53,045)	\$ (54,636)	\$ (56,275)	\$ (57,964)	\$ (59,703)	\$ (61,494)	\$ (63,339)	\$ (65,239)	\$ (67,196)	\$ (69,212)	\$ (71,288)	\$ (73,427)	\$ (75,629)
SSF Owed to School District	\$ (50,000)	\$ (51,500)	\$ (53,045)	\$ (54,636)	\$ (56,275)	\$ (57,964)	\$ (59,703)	\$ (61,494)	\$ (63,339)	\$ (65,239)	\$ (67,196)	\$ (69,212)	\$ (71,288)	\$ (73,427)	\$ (75,629)
<b>Gross Liabilities</b>	<b>\$ (1,434,290)</b>	<b>\$ (1,447,319)</b>	<b>\$ (1,960,738)</b>	<b>\$ (2,474,560)</b>	<b>\$ (2,488,797)</b>	<b>\$ (2,503,461)</b>	<b>\$ (2,518,565)</b>	<b>\$ (2,534,122)</b>	<b>\$ (2,550,146)</b>	<b>\$ (2,566,650)</b>	<b>\$ (2,583,649)</b>	<b>\$ (2,601,159)</b>	<b>\$ (2,619,194)</b>	<b>\$ (2,637,770)</b>	<b>\$ (2,656,903)</b>
<b>Net Revenue to City of Hermiston</b>	<b>\$ 1,153,933</b>	<b>\$ 1,158,550</b>	<b>\$ 1,663,307</b>	<b>\$ 2,168,206</b>	<b>\$ 2,173,252</b>	<b>\$ 2,178,450</b>	<b>\$ 2,183,803</b>	<b>\$ 2,189,318</b>	<b>\$ 2,194,997</b>	<b>\$ 2,200,847</b>	<b>\$ 2,206,872</b>	<b>\$ 2,213,079</b>	<b>\$ 2,219,471</b>	<b>\$ 2,226,055</b>	<b>\$ 2,232,837</b>

1. Revenue: Assumes AWS completes one building per year beginning in '23 & ending in '26.

2. Liabilities: AIP shows full amount owed; any spending agreements are outside of this. AAF- Note the City of Hermiston's share equals retaining ~\$150,000 in Year-1. PSIF & SSF always equal payments in.

## Amazon Franchise Fees Pure Projection

	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35	Jun-36	Jun-37
<b>Scenario #2</b>	\$ 50,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000

Note: Assumes only one building ever built.

<b>Scenario #3</b>	\$ 50,000	\$ 150,000	\$ 150,000	\$ 245,000	\$ 245,000	\$ 345,000	\$ 345,000	\$ 445,000	\$ 445,000	\$ 445,000	\$ 445,000	\$ 445,000	\$ 445,000	\$ 445,000	\$ 445,000
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Assumes two years between buildings beginning in 2023

<b>Scenario #4</b>	\$ 50,000	\$ 150,000	\$ 245,000	\$ 345,000	\$ 445,000	\$ 458,350	\$ 472,101	\$ 486,264	\$ 500,851	\$ 515,877	\$ 531,353	\$ 547,294	\$ 563,713	\$ 580,624	\$ 598,043
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Projected Electricity usage provided by AWS assumes one new building per year beginning in 2023

## Alternative Revenue Sources

### 1. Utility Based Fee (Public Safety or Parks, etc.)

\$5 per month per account

5300 Water/Sewer/Garbage Accounts - \$318,000

5000 Electric Accounts - \$300,000

### 2. Business License

	Amount	# of businesses	
Less than 50 employees	\$400	350	\$140,000
More than 50 employees	\$1,000	50	\$50,000
			\$190,000

A more useful version of this could be a business occupancy fee.

### 3. Franchise Fee on our Water/Sewer

	FY 2018/19	3%	5%	7%
Water/Sewer Revenues	\$6,800,000	\$204,000	\$340,000	\$476,000

### 4. Remove Stopped Rate on ART