

## ORDINANCE NO. 2310

AN ORDINANCE CREATING LOCAL IMPROVEMENT DISTRICT NO. 322; DESCRIBING IMPROVEMENT; SETTING BOUNDARY; PROVIDING FOR PAYMENT BY A COMBINATION OF AN EDA GRANT, CONTRIBUTIONS BY THE CITY AND COUNTY AND BENEFITTED PROPERTY; SECURING SUCH PAYMENT BY LIEN AGAINST THE BENEFITTED PROPERTY; CALLING FOR CONSTRUCTION AND DECLARING AN EMERGENCY.

Whereas, on June 24, 2019, the Hermiston City Council adopted Resolution No. 2127 to initiate the formation of a local improvement district in the vicinity of SE 10<sup>th</sup> Street and SE Campbell Drive and directed the City Manager to prepare a feasibility report for a capital construction project.

Whereas, on July 8, 2019, the City Manager submitted to the City Council the South Hermiston Industrial Park Local Improvement District Engineering Report, June 2019, detailing the installation of streets and utility infrastructure for the South Hermiston Industrial Park (SHIP) and the boundaries of the area of Penney Avenue and Campbell Avenue:

i) The improvements include paving a 30 foot wide asphalt street in the SE 10th Street right-of-way between U.S. Highway 395 and E. Penney Avenue, paving the same street width for approximately 700 linear feet into property owned by the Port of Umatilla west of SE 10th Street, and paving the same street width in the SE Campbell Drive right-of-way from the current end of pavement down to E. Penney Avenue. In addition to the paving listed above, the project will include installing water main piping along the same length of SE 10th Street, and into the Port of Umatilla's property. The project will also install sewer main piping in SE 10th Street as well as the new stub-street.

ii) The full project cost for the improvements above is estimated at \$2,923,200. However, the City of Hermiston anticipates receiving U.S. Economic Development Administration (EDA) grant funding to cover 50% of the cost. The EDA grant funding requires a 50% match, which is why LID formation is necessary. The City of Hermiston is also committed to contributing \$250,000 in General Fund money and Umatilla County is committed to contributing \$50,000. The City and County contributions and the EDA grant funding are expected to bring the remaining cost down to \$1,161,600.

iii) The methodology for levying assessments uses the amount of frontage that each property has in relation to certain improvements as the way to assign benefit, and therefore, the corresponding amount of levy applied to the property. A detailed description of how that is applied is included in the engineer's report.

Whereas, after reviewing the engineering report, the City Council adopted Resolution No. 2129 establishing the intent to form Local Improvement District 322 and calling for a public hearing on August 12, 2019.

Whereas, on July 10, 2019, more than ten days before the August 12, 2019, public

hearing on LID 322, the City Manager mailed or personally delivered a notice of the public hearing containing the date, time and location of the hearing together with the information required by subsection 34.28 (B) of the Hermiston Municipal Code (HMC), including a form for remonstrance as provided in HMC section 34.30, to each of the owners of each property proposed to be located within the local improvement district.

Whereas, on August 12, 2019, the public hearing was held before the City Council for public testimony and submission of remonstrances. A total of five remonstrances were received for tax lots 300, 500, 503, 504 and 505. Only two remonstrances for tax lots, 300 and 505, were valid out of the total of five remonstrances. Tax lots 500, 503 and 504 were subject to Non-Remonstrance Agreements. Since less than 60% of valid remonstrances of the 20 lots within the proposed district were received, the hearing was closed and the legislative formation of LID 322 was continued until it was known whether or not the EDA would contribute toward the project in the form of a grant.

Whereas, on September 8, 2020, the U.S. Economic Development Administration notified the City that it was awarded a grant for development of the South Hermiston Industrial Park in the amount of \$1,462,000.

### **The City of Hermiston ordains as follows:**

**Section 1.** That under the authority of Chapter 34.25 - 34.40 of the Hermiston Municipal Code (HMC), the City Council does hereby establish LOCAL IMPROVEMENT DISTRICT NO. 322, as the project satisfies the definition of a local improvement under state law and HMC 34.26.

**Section 2.** That the improvement shall consist of the installation of paving on SE Campbell Drive from its current end of asphalt to its intersection with E. Penney Avenue in accordance with City specifications; installation of paving on SE 10th Street from U.S. Highway 395 to E. Penney Avenue in accordance with City specifications; installation of approximately 600 feet of paving on public right of way (on yet to be named public street) from SE 10th Street east into Tax Lot 100 in accordance with City specifications; installation of public water main in SE 10th Street from U.S. Highway 395 to E. Penney Avenue and from SE 10th Street approximately 600 feet west in the yet to be named public street right of way in Tax Lot 100 in accordance with City specifications; installation of public sewer main in SE 10th Street from U.S. Highway 395 south approximately 2,000 feet and from SE 10th Street approximately 600 feet west into the yet to be named public street right of way in Tax Lot 100. *See the South Hermiston Industrial Park Local Improvement District Engineering Report, June 2019, on file with the City and is also attached to Resolution No. 2129.*

**Section 3.** The boundary of Local Improvement District No. 322 shall embrace the property to be benefitted and to be assessed for the installation of said improvement, and shall include the following described land described in the attached Exhibit A, all of said land being located in the City of Hermiston, Umatilla County, Oregon.

**Section 4.** That the cost of making such improvement shall be a charge against and a lien

upon all lots, parts of lots and parcels of land benefitted by such improvement; and the owners of such lots, parts of lots and parcels of land especially benefitted by such improvement shall be liable for payment of the expenses and costs thereof.

**Section 5.** That the City will contribute \$250,000 from its General Fund economic development funds for all improvements equally. Umatilla County will contribute \$50,000 from its economic development funds for all improvements equally. The EDA will contribute \$1,462,000 from its Public Works & Economic Development Facilities Program for all improvements equally. The property owners within the benefitted district will contribute \$1,161,600 towards the cost of this project based on the amount of frontage that each property has in relation to certain improvements constructed along their property frontage. A list of the benefitted properties by tax lots and tax map, owners and estimated LID assessment for each tax lot is attached as Exhibit B.

**Section 6.** That the City Manager shall have prepared plans and specifications for appropriate improvements as described in accordance with the charter and ordinances of the City and shall invite public bids for the construction of said improvement district project as required by the charter, ordinances and general specifications of the City and this Ordinance No. 2310.

**Section 7. Emergency.** Inasmuch as the health, safety and welfare of the City of Hermiston and its inhabitants are affected by the timely construction of LID 322. it is necessary that this ordinance go into effect at once, and an emergency is hereby declared to and does exist; and this ordinance shall be in full force and effect from and after its passage by a vote of the council members constituting a quorum present at the meeting when said ordinance is adopted.

ADOPTED by the Common Council this 28<sup>th</sup> day of September 2020.

SIGNED by the Mayor this 28<sup>th</sup> day of September 2020.

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Dr. David Drotzmann, Mayor

ATTEST:

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Lilly Alarcon-Strong, CMC City Recorder

## EXHIBIT A

### South Hermiston Local Improvement District Legal Description – AP (MBP) 09-18-20

A parcel of land located within Sections 13, 14, 23 and 24 of Township 4 North, Range 28 East, Willamette Meridian, City of Hermiston, Umatilla County, Oregon. Said Parcel being the South Hermiston Local Improvement District that is generally described as follows:

Beginning at the Southeast corner of Lot 2 of O'Brien's Replat & Partitioning and the Northerly right-of-way line of Penney Avenue; Thence Westerly along said Northerly right-of-way line of Penney Avenue, 2359.9' more or less, to the Southwest corner of Parcel 2 of Partition Plat 2018-20; Thence 31.23' along the Arc of a Curve to Right with a Radius of 20' to the Easterly right-of-way line of S.E. Ninth St.; Thence Northerly along said Easterly right-of-way line of S.E. Ninth St. and the Westerly line of said Parcel 2, 1126.3' more or less, to the Southwest corner of Parcel 3 of said Partition Plat 2018-20, Thence Easterly, along the Southerly line of said Parcel 3, 100.0' more or less, to the Southeast corner of said Parcel 3; Thence Northerly, along the Easterly line of said Parcel 3, 100.0' more or less, to the Northeast corner of said Parcel 3; Thence Westerly, along the Northerly line of said Parcel 3, 60.0' more or less, to the Southwest corner of the Northeast One-quarter of the Northeast One-quarter of said Section 23; Thence Northerly, along the West line of said Northeast One-quarter of the Northeast One-quarter of Section 23, 1319.0' more or less, to the Southwest corner of the Southeast One-quarter of the Southeast One-quarter of said Section 14; Thence Northerly, along the West Line of said Southeast One-quarter of the Southeast One-quarter of Section 14 approximately 870', to the Southerly right-of-way line of the U.S. Bureau of Reclamation Feed Canal; Thence Northeasterly along said Southerly right-of-way line of said Feed Canal approximately 740', to the Westerly right-of-way line of U.S. Highway 395; Thence Southeasterly along said Westerly right-of-way line of U.S. Highway 395 approximately 1067' to the Northwest corner of Parcel 1 of Partition Plat 2002-43; Thence continuing Southeasterly along said Westerly right-of-way line of U.S. Highway 395, 599.6' more or less, to the Northeast corner of Parcel 2 of said Partition Plat 2002-43; Thence Southwesterly along the Easterly line of said Parcel 2, 114.1' more or less, to the Northeast corner of Parcel 3 of said Partition Plat 2002-43; Thence Southerly along the East line of said Parcel 3, 306.7' more or less, to the Southeast corner of said Parcel 3; Thence Westerly, along the South line of said Parcel 3, 169.1' more or less, to the Northeast corner of Lot 3 of Spudnik Addition; Thence Southerly, along the East line of said Lot 3 and Lot 4 of said Spudnik Addition, 569.1' more or less, to the Southeast corner of said Lot 4 and the North line of Lot 6 of Highlander Center Subdivision Unit One; Thence Easterly along said North line, 233.1' more or less, to the Northeast corner of said Lot 6 and the Westerly right-of-way line of Campbell Drive; Thence Southerly, along said Westerly right-of-way line of Campbell Drive, 600.0' more or less, to the Southeast corner of Lot 9 of said Highlander Center Subdivision Unit One; Thence Easterly 60.0' to the Easterly right-of-way line of said Campbell Drive; Thence Southerly along said Easterly right-of-way line of said Campbell Drive, 10.0' more or less, to the Northwest corner of Tract No. 2 of the Arterburn Property as shown on Umatilla County Record of Survey R-57-B; Thence Easterly, along the North line of said Tract No. 2, 250.0' more or less, to the West line of Lot 7, Block 3 of Highlander Center Subdivision Unit Two; Thence Southerly along said West line of Lot 7 and the West line of Lot 8, Block 3 of said Highlander Center Subdivision Unit Two, 290.0' more or less, to the Southwest corner of said Lot 8; Thence Easterly, along the South line of said Lot 8, 280.0' more or less, to the Westerly right-of-way line of Kelli Boulevard; Thence Southerly along said Westerly right-of-way line of Kelli Boulevard, 845.7' more or less, to a point of curvature; Thence 31.50' along the Arc of a Curve to Right with a Radius of 20' to said Northerly right-of-way line of Penney Avenue and said Southeast corner of Lot 2 of O'Brien's Replat & Partitioning, the Point of Beginning of this Description.

## EXHIBIT B

### Estimated Assessments\*

Tax Lots / Map	Owner(s)	Estimated LID Assessment Total
100 / 4N2823	Port of Umatilla	\$ 434,913
206 / 4N2823	Starline Properties, LLC	\$ 92,750
300 / 4N2814D	State of Oregon	\$ 45,490
401 / 4N2824BB	THG Construction Equipment LLC	\$ 45,341
403 / 4N2824BB	THG Construction Equipment LLC	\$ 39,673
500 / 4N2824B	CJ Family Investments LLC	\$ 41,385
501 / 4N2824B	Phillips William A	\$ 10,776
503 / 4N2824B	Thomas Investments LLC	\$ 16,763
504 / 4N2824B	K2 Ag Investments LLC	\$ 16,044
505 / 4N2824B	K2 Ag Investments LLC	\$ 15,386
506 / 4N2824B	RC Trucking Services LLC	\$ 33,233
507 / 4N2824B	Umatilla Port of	\$ 139,383
600 / 4N2824BB	Jewett Patrick A & Lynette A	\$ 22,372
700 / 4N2824BB	Patterson Jon R	\$ 22,372
800 / 4N2824BB	Patterson Jon R	\$ 22,372
900 / 4N2824BB	Patterson Jon R	\$ 22,372
1100 / 4N2813C	Hanson Louis D & Hanson Larry D	\$ 85,312
1101 / 4N2813C	Hanson Louis D & Larry D	\$ 29,680
1103 / 4N2813C	Hanson Louis D & Larry D	\$ 17,003
<u>3200 / 4N2824BB</u>	<u>Jewett Patrick &amp; Lynette A</u>	<u>\$ 8,980</u>
20 Total Tax Lots		\$ 1,161,600

\*Note: Estimates are based on engineering expertise and current bidding environment. Final Assessments may be higher or lower than the estimate, but the scope of work will not change.