



HERMISTON CITY COUNCIL

180 NE 2nd Street – Hermiston, OR 97838

Regular Meeting

October 26th, 2015

A G E N D A

COUNCIL/CITY MANAGER WORK SESSION – 5:30 PM

(Members of the public are encouraged to meet at City Hall no later than 5:30 pm, if they wish to participate in the work session which will be partially held at the EOTEC site.)

1. CALL MEETING TO ORDER– 7:00 pm
2. DECLARATION OF QUORUM
3. FLAG SALUTE
4. PROCLAMATIONS, PRESENTATIONS & RECOGNITIONS
 - A) Proclamation- College Application Week.
5. CITIZEN INPUT ON NON-AGENDA ITEMS (Anyone wishing to bring anything before the council that is not on the agenda is asked to please do the following: 1. Limit discussion to not more than FIVE minutes; 2. State your name and address; 3. Direct your comments to the Mayor.)
6. CONSENT AGENDA
 - A) Minutes of the October 12th, regular City Council meeting.
 - B) Minutes of the August 12th, Library Board meeting.
 - C) Minutes of the September 9th, Airport Advisory meeting.
 - D) Minutes of the September 9th, Planning Commission meeting.
 - E) Liquor License Application - “Full On-Premises Sales” for El Malecon (Formally La Hacienda Mexican Restaurant) located at 285 E Main Street.
 - F) Final Plat – Abarim Meadows Subdivision. Phase 1, E Main Street and NE 10th Street, Silver Ridge Homes.

- G) Confirm appointments to the Airport Advisory Committee for a 3-year term beginning November 1st, 2015 and ending October 31st, 2018:
Positions #3 – Michael O. Martin and Position #4 – Timothy Beinert.
- H) Confirm appointments to the Parks and Recreation Committee for a 3-year term beginning November 1st, 2015 and ending October 31st, 2018:
Positions #2- Jean Stahlberg and Position #3 – Briana Cortaberria.
- I) Confirm appointment to the Hispanic Advisory Committee for a 3-year term beginning November 1st, 2015 and ending June 30th, 2019:
Position #4 – Claudia Jimenez

J) Sept Expenditures

Bonded Debt	383,351.90	Energy Services	679,516.21
General	852,920.30	Regional Water	46,517.93
State Tax Street	212,574.24	RWTP Construction Fund	0.00
Transient Room Tax	2,950.84	EOTEC Construction Fund	807,186.28
Utility	429,499.01	Law Enforcement Special Revenue	0.00
Recreation Special Revenue	57,085.00	Library Special Revenue	1,104.088
Reserve	373,733.30	2014 Water & Sewer Bonds	172,613.60
Municipal Court	22,608.37	Senior Center Construction Fund	0.00
Miscellaneous Special Revenue	1,214.59	HURA Fund	6,490.50
Conference Center	16,166.01	TOTAL	4,065,532.16

Action – Motion to approve consent agenda items.

Roll Call

7. ITEMS REMOVED FROM CONSENT AGENDA

8. PUBLIC HEARINGS

- A) Consider an ordinance amending Title XV, Chapter 157 of the Hermiston Code of Ordinances to prohibit marijuana sales, distribution, warehousing, and processing in the city’s zones permitting commercial activities.
 - 1) Declaration of potential conflict of interest
 - 2) Hearing Guidelines
 - 3) Open Hearing
 - 4) Public Testimony (people wishing to speak are asked to come to the microphone and state their name and mailing address)
 - a. Proponents
 - b. Opponents
 - 5) Close Hearing
 - 6) Finding of Fact
- Action: Motion to Approve

9. RESOLUTIONS & ORDINANCES

- A) Ordinance No. 2234 –Amend Title XV, Chapter 157 of the Hermiston Code of Ordinances to prohibit the sale, warehousing, processing, and distribution of Marijuana in the City’s commercial zones and referring the ordinance to the voters.
 Action - Mayor requests first reading of the ordinance be read by title only and calls for a roll call. Roll Call
 Action - Mayor requests that the ordinance be put on for final adoption at this meeting and that the second reading be by title only and calls for a roll call. Roll Call
 Action - Motion that ordinance No. 2234 be adopted and become effective 30 days after certification of the election results by the City Council. Roll Call

10. OTHER

- A) Direct the Community Enhancement Committee and City staff to develop a Public Art Plan.
 Action – Motion to approve. Roll Call
- B) September Financial Report.
 Action - Motion to approve. Roll Call

11. COMMITTEE REPORTS

- A) City Committees and Liaison: Airport Advisory, Budget, Hispanic Advisory, Library Board, Parks & Recreation, Planning Commission, Recreation Projects Fund, Faith-Based Advisory Committee, Community Enhancement Committee, Public Safety Committee.

- B) Mayor’s Report –
- C) Council Report –
- D) Manager’s Report –

12. ADJOURNMENT

<u>UPCOMING MEETINGS AND EVENTS</u>		
At City Hall unless otherwise specified		
Oct 26	5:30 pm	City Council Work Session (EOTEC site)
Oct 26	7:00 pm	City Council Meeting
Oct 28	4:00 pm	Library Board Meeting (Library)
Oct 28	5:00 pm	Community Enhancement Committee Meeting (Conference Room)
Oct 30	7:00 am	EOTEC Meeting (Stafford Hansell Government Center)
Nov 3	4:00 pm	Faith-Based Advisory Committee Meeting
Nov 4	4:00 pm	Airport Advisory Committee Meeting (Airport Conference Room)
Nov 9	6:00 pm	City Council Work Session
Nov 9	7:00pm	City Council Meeting
Nov 11	VETERANS DAY HOLIDAY	
Nov 12	5:30 pm	Parks and Recreation Committee Meeting
Nov 16	7:00 pm	Hispanic Advisory Committee Meeting
Council Dates to Remember		
November 4 th - 7 th Nashville, Tennessee		
National League of Cities Congress of Cities and Exposition		

EOTEC Authority – Board of Directors

<u>Positions</u>	<u>Initial Terms</u>			<u>Second Terms</u>				
	Term Begins	Term Ends	Appointed	Successor	Term Begins	Appointed	Successor	Term Ends
1. Umatilla County Position #1	03-15-2012	12-31-15	D. Doherty	01-01-14 L. Givens	01-01-2016			12-31-20
2. Umatilla County Position #2	03-15-2012	12-31-13	C. Prior		01-01-2014	C. Prior	D. Miller	12-31-18
3. City of Hermiston Position #1	03-15-2012	12-31-15	E. Brookshier		01-01-2016			12-31-20
4. City Of Hermiston Position #2	03-15-2012	12-31-13	D. Dorran		01-01-2014	D. Doran		12-31-18
5. Umatilla County Position #3 (Fair)	03-15-2012	12-31-14	B. Brazeau	K. Puzey	01-01-2015	K. Puzey		12-31-19
6. City of Hermiston Position #3 (Rodeo)	03-15-2012	12-31-14	D. Bothum		01-01-2015	D. Bothum		12-31-19
7. City and County Position (Motel)	03-15-2012	12-31-12	V. Patel		01-01-2013	V. Patel		12-31-17

After Recording Return to:
Doug Olsen
Umatilla County Counsel
216 SE 4th
Pendleton, Oregon 97801-2692

EOTEC INTERGOVERNMENTAL AGREEMENT
Between
Umatilla County and City of Hermiston
Establishing Eastern Oregon Trade and Event Center (“EOTEC”) Authority
And
Providing for the Operation of the EOTEC Authority
And
Providing for the Ownership of Real and Personal Property for EOTEC

I
PARTIES

THIS EOTEC INTERGOVERNMENTAL AGREEMENT is entered into between Umatilla County, a governmental subdivision of the State of Oregon (“Umatilla County” or the “County”) and the City of Hermiston, an Oregon municipal corporation (“City of Hermiston” or “City”), on the date both parties have signed this agreement, with them referred collectively in this agreement as the “parties.”

II
RECITALS

WHEREAS pursuant to the terms of ORS 190.003 through 190.085 and 190.110, the Oregon “Intergovernmental Cooperation” statutes, the parties desire to establish an Authority to acquire, construct, own, manage and operate real and personal property to be known as the Eastern Oregon Trade and Event Center (“EOTEC”), and

WHEREAS the parties desire to make those agreements set forth below.

III
AGREEMENTS

NOW THEREFORE, in consideration of the mutual promises, performances, agreements and covenants of the parties contained in this agreement, the parties agree and contract as follows:

A

Formation of Eastern Oregon Trade and Event Center Authority

1. **Eastern Oregon Trade and Event Center Authority Created.** The parties hereby create and establish an “Eastern Oregon Trade and Event Center Authority”, referred to herein as the “EOTEC Authority” or the “Authority”. The EOTEC Authority is created and established to acquire, construct, own, manage and operate a facility of real and personal property to be known as the “Eastern Oregon Trade and Event Center” (“EOTEC”). As required by ORS 190.010(5), this EOTEC Authority is appointed by, responsible to, and acting on behalf of Umatilla County and the City of Hermiston.
2. **Board of Directors.** The EOTEC Authority shall be governed by a seven person Board of Directors which shall serve staggered four year terms, except for the length of their first terms which are designated below.
 - a. The seven Board members and their initial terms shall be as follows:
 - i. Two Directors appointed by Umatilla County known as Umatilla County Position #1 and Umatilla County Position #2. These directors must reside in Umatilla County. Umatilla County hereby appoints the following individuals to be the initial Umatilla County Directors with their initial terms ending as indicated below.
 1. Appointed to Umatilla County Position #1: Dennis Doherty; term ends December 31, 2015.
 2. Appointed to Umatilla County Position #2: Chet Prior; term ends December 31, 2013.
 - ii. Two Directors appointed by the City of Hermiston known as City of Hermiston Position #1 and City of Hermiston Position #2. These directors must reside in Umatilla County, but don’t necessarily need to be City of Hermiston residents. The City of Hermiston hereby appoints the following individuals to be the initial City of Hermiston Directors with their initial terms ending as indicated below:
 1. Appointed to City of Hermiston Position #1: Ed Brookshier; term ends December 31, 2015.
 2. Appointed to City of Hermiston Position #2: Dan Dorran; term ends December 31, 2013.
 - iii. One Director appointed by Umatilla County known as Umatilla County Position #3 (Fair), who preferably (1) is actively involved in Umatilla County Fair activities and (2) who is recommended to Umatilla County by the Umatilla County Fair Board. The initial term of this Director shall end on December 31, 2014, and Umatilla County hereby appoints Buzz Brazeau to this position.
 - iv. One director appointed by the City of Hermiston known as City of Hermiston Position #3 (Rodeo), who preferably (1) is actively involved with Farm City Pro Rodeo, Inc. and (2) who is recommended to the City of Hermiston by the Farm City Pro Rodeo, Inc. Board of Directors. The initial term of this Director shall end on December 31, 2014, and the City of Hermiston appoints Dave Bothum to this position.
 - v. One director appointed by both Umatilla County and the City of Hermiston acting together, who preferably is actively involved in the West Umatilla County Motel Owners Association which is known as Umatilla County-City of Hermiston Position (Motel). The initial term of this Director shall end on December 31, 2012, and Umatilla County and the City of Hermiston hereby appoint V.J. Patel to this position.
 - vi. It is noted that ORS 190.010(5) requires that all Board members on entities formed by intergovernmental agreement statutes must be appointed by the governmental units who are parties to the agreement, and act on their behalf. Board members cannot be appointed by entities who are not a party to the intergovernmental agreement. Thus the Fair Board, Farm City Pro Rodeo, Inc. and West Umatilla County Motel Owner’s Association cannot be given the authority to appoint members of the board.
 - b. The entity or entities appointing a Director may remove him or her at any time for any reason.
 - c. Although it is contemplated that preference may be given to appointing three of the directorships, persons interested in the fair, rodeo and the motel association and recommended for these positions by the indicated organizations, Umatilla County and the City of Hermiston are not required to follow

those preferences and may appoint whomever they choose to those positions. This is necessary as Oregon law requires that the governmental entities who are party to an intergovernmental agreement must have complete and unrestricted control in appointing directors to an authority created by intergovernmental agreement.

- d. If a Director is not replaced by the expiration of his term, the Director shall continue to serve as a Director until he or she is reappointed or another person is appointed to his or her directorship.
 - e. If a Director is replaced, resigns or dies, the Director replacing him or her shall serve out the remaining term of the Director he or she replaced.
 - f. The Board shall account to Umatilla County and the City of Hermiston for all of EOTEC's actions and finances as those entities and Oregon law require.
3. **Justification for Equal Control and Ownership of Authority and its Property by Umatilla County and City of Hermiston.** The justification for equal control and ownership of the EOTEC Authority and its property by Umatilla County and the City of Hermiston comes from their anticipated contribution of the following for the establishment and construction of EOTEC grounds and improvements and other factors:
- a. Umatilla County:
 - i. The \$3,000,000 it will realize from its sale of the Hermiston Fair Grounds to the Hermiston School District.
 - ii. The \$450,000 grant from the United States to replace Thompson Hall.
 - iii. Approximately \$450,000 in Umatilla County's fair move fund.
 - b. City of Hermiston:
 - i. 75 acres of light industrial zoned real property adjacent to the Hermiston Airport roughly valued at approximately \$1,500,000.
 - ii. The provision of sewer and water to the edge of the 75 acres, estimated to cost approximately \$2,000,000.
 - iii. The provision of access to the 75 acres, estimated to cost approximately \$200,000. (The city will not build the actual road.)
 - c. The State of Oregon providing \$6,400,000 of Lottery money to the City of Hermiston of the \$7,100,000 appropriated, which is required to be used for the acquisition, construction, and development of an Eastern Oregon Trade and Event Center.
 - d. It being anticipated that 5 acres of the 75 acre site worth approximately \$75,000 will be conveyed at no charge to Umatilla County for construction of an RV park adjacent to EOTEC, the construction and maintenance of which will be paid for largely through State of Oregon funds.
 - e. EOTEC will benefit all of the County of Umatilla and its citizens, and because of that, whether the contributions are exactly equal from Umatilla County and the City of Hermiston is not that relevant. Their contributions will be roughly equal and it is contemplated that this Authority will continue to operate perpetually and benefit all of Eastern Oregon and hopefully never be dissolved.
4. **Legal Authority.** This agreement is made pursuant to the terms of ORS 190.003 through 190.085 and 190.110, the Oregon "Intergovernmental Cooperation" statutes.
5. **Powers of Board of Directors of EOTEC Authority.** The Board of Directors of the EOTEC Authority shall have the following powers and authority:
- a. Own, control, construct, manage, operate, and lease all EOTEC real and personal property, and make contracts and agreements related thereto including leases of all of EOTEC and its property, provided all agreements and leases must be for five years or less unless approved by Umatilla County and the City of Hermiston.
 - b. The Authority may enter into agreements with a management company to promote, manage, operate, and maintain EOTEC, and in those agreements may allow the renting of all or parts of EOTEC for periods not longer than 30 days. Any leasing or renting of any parts of EOTEC longer than 30 days shall require Board approval.
 - c. The Board shall not have the right to sell or option any EOTEC real property unless also approved by Umatilla County and the City of Hermiston
 - d. Employ, discipline, and terminate employees, agents, consultants, and contractors necessary for the acquisition, control, management, operation and construction of EOTEC and enter into agreements with those parties.

- e. Collect all income, fees, rents and other monies received from the ownership, operation, and management of EOTEC, and utilize them for EOTEC's operations, improvements, construction, expansion, improvements, and real property expansion.
 - f. Purchase and lease personal property for EOTEC subject to purchase restrictions herein.
 - g. Construct improvements on EOTEC real property and assist Umatilla County and the City of Hermiston in constructing EOTEC including bidding and construction if requested.
 - h. Purchase personal property from the Umatilla County Fair Board and Umatilla County to be used for EOTEC and Umatilla County Fair purposes and other purposes.
 - i. Purchase personal property from Farm City Pro Rodeo, Inc. to be used for EOTEC and Farm City Pro Rodeo purposes and other purposes.
 - j. As allowed by Oregon Revised Statute 190.080, the Board may:
 - i. Issue revenue bonds under ORS chapter 287A or enter into financing agreements authorized under ORS 271.390 to accomplish the public purposes of the parties if after a public hearing the governing body of Umatilla County and the City of Hermiston approves by resolution or order, the issuance of the revenue bonds or entering into the financing agreement.
 - ii. Enter into agreements with vendors, trustees, or escrow agents for the installment purchase or lease, with option to purchase, of real or personal property if the period of time allowed for payment under an agreement does not exceed 20 years. This provision shall take precedence over all contract agreements herein.
 - iii. Adopt all rules necessary to carry out its powers and duties under the intergovernmental agreement.
 - iv. Except as provided in ORS 190.083, the Board may not levy taxes or issue general obligation bonds.
 - v. Procure necessary and appropriate insurance to protect the entity, its property, its employees and its Board from various risks.
 - vi. To have and exercise all rights and powers necessary to carry out the purposes and intents of this agreement, including any rights and powers incidental to or implied from the specific powers granted to the entity by this agreement.
 - k. Manage an RV park owned by Umatilla County on terms established in agreements between the Authority and Umatilla County.
6. **Structure and Operation of Board.** The Board of Directors of the Authority shall be structured and operate as follows:
- a. Within one month from the effective date of this agreement the Directors shall meet at a time, date and place called by Director Chet Prior, and a Chairperson, Vice-Chairperson, and a Secretary-Treasurer shall be elected from the Board. These officers shall have the following duties:
 - i. The Chairperson shall preside over all meetings of the Board of Directors and control the day to day operations of the Authority and its agents and employees.
 - ii. The Vice-Chairperson shall serve as Chairperson in the absence or unavailability of the Chairperson.
 - iii. The Secretary-Treasurer shall be responsible for keeping the books, records and funds of the Authority unless otherwise provided for by the Board of Directors or this Agreement.
 - b. The Board of Directors shall meet at least every two months at a time, date and place designated by the Chairperson. It shall also meet when special meetings are called by the Chairperson or by two or more Directors, and those meetings shall be held at the time, date and place designated in the notice of meeting. At least five days advance notice shall be given for regular meetings and at least three days for special meetings.
 - c. Notices of Board meetings may be given to the Directors' email address, residence address, business address, or regularly used fax number.
 - d. Notices of the meetings shall be given to the public as required by Oregon law.
 - e. A vote of at least four Directors is required for the approval of any action by the Board of Directors.
 - f. The attendance of any Director at a meeting or his written consent to the holding of the meeting shall constitute a waiver of the notice provisions contained herein, unless he objects to the holding of the meeting at its beginning.

- g. All funds of the corporation shall be under the supervision of the Board of Directors and shall be handled and disposed of in such manner and by such officers or agents of the Authority as the Board of Directors might authorize by proper resolutions.
 - h. The Board of Directors shall at all times make all of their books and records available to Umatilla County and the City of Hermiston as they might individually or jointly direct, and shall issue reports to them as they might request.
 - i. The Board of Directors shall have the right to make additional rules and regulations for the operation of the Authority not inconsistent with this Agreement or Oregon law.
7. **Contribution of Funds.** If any funds are necessary for the operation or expenses of the Authority, Umatilla County and the City of Hermiston shall equally contribute those funds. However, no party shall have any obligation to make any contribution whatsoever unless both parties agree to the contributions. However, either party may at its sole discretion, make a unilateral contribution of funds for the operation or expenses of the Authority.
 8. **Liability.** As provided by ORS 190.080(3), the debts, liabilities and obligations of the Authority shall be jointly and severally the debts, liabilities and obligations of Umatilla County and the City of Hermiston, except as otherwise set forth in this agreement.
 9. **Insurance to be Acquired.** The Authority shall acquire good and sufficient insurance to protect the EOTEC Authority and its property, employees, and its directors from various risks.
 10. **Duration of Agreement; Termination.** This agreement shall be perpetual, but either party may terminate it by giving the other party at least one year written notice that this agreement is to be terminated, with the termination date to be between December 1 of one year and February 1 of the next year. Upon one party giving notice of termination and specifying a termination date, the EOTEC Authority shall be dissolved on the specified termination date according to the terms and conditions set forth in this agreement.
 11. **Ownership of Real and Personal Property Upon Dissolution.** As provided by ORS 190.080(5), upon dissolution of the EOTEC Authority, title to all of its assets shall vest in Umatilla County and the City of Hermiston. The parties agree that said ownership shall be in equal shares unless otherwise agreed upon in signed modifications to this agreement specifying the circumstances of ownership and other matters relevant to that ownership.
 12. **Disposal of Assets and Liabilities upon Dissolution.**
 - a. Upon the termination of this agreement the Authority shall be dissolved on the specified termination date and all of the Authority's assets, including any real property owned by the Authority and real property interests held in the joint names of Umatilla County and the City of Hermiston and used by the Authority, shall be disposed of in a sale by auction where only Umatilla County and the City of Hermiston are the bidders and all of the assets and real property and liabilities of the Authority are sold together as one unit. If both parties agree in a signed writing, all of said real and personal property may be disposed of other than as set forth herein.
 - b. To accomplish this sale the parties shall appoint and equally pay for a Referee who shall be an attorney licensed by the State of Oregon. If the parties cannot agree upon a Referee within 45 days, then the parties shall ask the Port of Umatilla to appoint the Referee. If the Port of Umatilla does not appoint a Referee, then the Referee shall be appointed by the Umatilla County Circuit Court pursuant to an action filed for equitable relief. Except as otherwise agreed upon herein, the Referee shall have all of the powers and rights of a Referee under the Oregon Rules of Civil Procedure. Each party shall pay for one half of the Referee's reasonable fees which shall be 115% of his regularly hourly rate as an attorney for time actually and necessarily incurred plus his costs, expenses, including any experts, accountants, and experts he reasonably deems it necessary to employ. The parties can negotiate a lower fee with the Referee if they both agree and the Referee agrees.
 - c. On the termination/dissolution date the Referee shall hold an auction of all of the assets and liabilities of the Authority, and any Umatilla County and the City of Hermiston owned jointly for EOTEC purposes, to the highest bidder between Umatilla County and the City of Hermiston.
 - d. In this sale, the Referee shall sell together in one sale as a single unit, all of the Authority's assets and liabilities, along with all real property owned jointly by Umatilla County and the City of Hermiston and used for EOTEC purposes, with the winning bidder obligated to assume, pay off and hold the other party harmless on all of the known liabilities of the Authority specifically described by the Referee in the sale as of the dissolution date.

- e. Within eighteen months from the date of the auction, the winning bidder shall pay the other party the purchase price which shall be equal to 50% of the purchase price bid at the auction, plus interest on that sum from the date of the auction to the date of payment equal to the lowest commercial lending rate charged by the bank the seller banked with at the time of the auction. If the purchase price is not paid within eighteen months, then after the eighteenth month the interest rate shall increase to four percent (4%) over the initial interest rate.
- f. If the buyer does not pay the purchase price within 18 months, the seller shall be entitled to any and all remedies under this agreement and Oregon law to collect the monies due. In any legal action filed to collect the monies due the prevailing party shall be entitled to all of its attorney's fees, costs and expenses, including deposition expenses, at trial, in arbitration and on appeal.
- g. If the parties' ownership of the Authority's assets is other than equal as set forth in written modifications to this agreement, then the purchase price to be paid by the successful bidder shall be equitably adjusted to take that into account.
- h. The amount and nature of the known liabilities of EOTEC shall be determined by the Referee before the auction, and both parties shall use those liabilities in their bidding as the buyer must assume them all.
- i. Title and possession to all of the real and personal property shall immediately pass to the winning bidder upon the sale, and the seller shall immediately provide the buyer with a good and sufficient warranty deed and bill of sale, conveying the property free and clear of all liens and encumbrances except for those assumed by the buyer and subject to exceptions of title which do not materially affect the marketability of title to the real property.
- j. At least 45 days prior to the auction date the Referee shall provide to both parties a preliminary title report on the real property and copies of all exceptions. Upon conveyance of the warranty deed, the Referee shall provide the buyer with an owner's policy of title insurance for the full purchase price, showing the buyer as the owner of the real property in fee, subject only to exceptions of record which do not materially affect the marketability of title. The cost of the title policy and the cost to remove any exceptions shall be costs and expenses of the Referee and paid for equally by both parties. The Referee may take reasonable measures to remove any exceptions of title which should be removed due to the terms of this agreement. The Referee shall not be responsible for the status of title or of removing any exceptions.
- k. At the same time that the deed and bill of sale are delivered to the buyer, a mortgage and a security agreement in standard forms as determined by the Referee, shall be given by the buyer to the seller to secure the payment of the purchase price, with all of the property subject to the sale as collateral to secure the payment of the purchase price and all other obligations in the agreement. Said mortgage and security agreement shall provide that if the full purchase price is not paid within said 18 months, then the holder shall have all of the rights and remedies of the mortgage and security interest holder in the instruments, including but not limited to have the property foreclosed upon and sold to satisfy the sums due. And as agreed above, the seller shall be entitled to file suit against the buyer to collect the purchase price and unpaid interest.
- l. This method of selling the Authority's real property and personal property owned by Umatilla County and the City of Hermiston for EOTEC purposes shall take precedence over any Oregon laws or statutes, including but not limited to statutes generally know as partition statutes--those statutes being specifically waived.

B

Agreements Concerning Real Property and Facilities for EOTEC Authority

- 1. **Sale of Fair Grounds to Hermiston School District for \$3,000,000; Lease Back of Grounds.** If Umatilla County elects to sell the existing fair grounds in Hermiston to the Hermiston School District on terms and conditions acceptable to Umatilla County in its sole opinion and discretion, and only then, Umatilla County shall sell the fair grounds to the Hermiston School District for \$3,000,000 and other terms and conditions acceptable to Umatilla County including a lease back of the fairgrounds on terms acceptable to the Umatilla County through December 31, 2016.

2. **Payment of \$3,000,000 to EOTEC Authority.** After the closing of the sale of the fair grounds, and after EOTEC has in place proper fiscal controls acceptable to Umatilla County for its operation and the construction of EOTEC, Umatilla County shall pay the \$3,000,000 acquired from the sale of the fair grounds to the EOTEC Authority, and the Authority shall use those funds for the construction, maintenance and operation of EOTEC facilities and improvements and other necessary EOTEC Authority expenses.
3. **City of Hermiston Conveyance of 75 Acres to EOTEC.** After Umatilla County has sold the fair grounds to the Hermiston School District and is prepared to pay the \$3,000,000 to the EOTEC Authority for use of those funds for the construction, maintenance and operation of EOTEC, the City of Hermiston shall convey the 75 acre airport property to EOTEC. Said real property shall be conveyed to EOTEC free and clear of all liens and encumbrances, but subject to all exceptions of record which do not materially affect the marketability of title. No title insurance shall be provided in said sale.
4. **City of Hermiston Provision of Sewer, Water and Access.** After Umatilla County has paid the \$3,000,000 to EOTEC, and the City of Hermiston has conveyed the 75 acres to EOTEC, the City of Hermiston agrees that it will within two years, provide good and sufficient sewer, water and legal access to the edge of the 75 acre site sufficient to service the contemplated EOTEC facilities and a contemplated 5 acre RV park to be owned by Umatilla County adjacent to the Center.
5. **Work with City of Hermiston for the use of State of Oregon Lottery Money Allocated to the City of Hermiston to Acquire and Construct EOTEC Facilities.** The EOTEC Authority shall work with the City of Hermiston in the use and expenditure of the State of Oregon Lottery funds allocated to the City of Hermiston for the acquisition and construction of EOTEC facilities.
6. **Conveyance of Property to Umatilla County for RV Park.** If Umatilla County believes it can get State funding to build an RV park on part of the 75 acres, upon mutually agreed upon terms, the EOTEC Authority shall convey up to 5 acres of the EOTEC property to Umatilla County for the construction of such a facility. If this RV park is not built within 5 years of conveyance, Umatilla County shall convey the 5 acres back to EOTEC. The City of Hermiston approves the conveyances of this property by the EOTEC Authority. No title insurance is to be given in the conveyance.
7. **Construction of Facilities Suitable for Umatilla County Fair and Farm City Pro Rodeo.** Upon the conveyance of the 75 acre airport site to the EOTEC Authority, the Authority shall to the best of its ability, including its financial ability, construct facilities on the site suitable for the holding of the Umatilla County Fair and the Farm City Pro Rodeo. The EOTEC Authority shall negotiate with the Umatilla County Fair Board to lease it facilities appropriate for the Umatilla County Fair, and with Farm City Pro Rodeo, Inc. to lease it appropriate facilities for the Farm City Pro Rodeo.

C
Other Agreements

1. **Entire Agreement.** This writing contains the entire agreement of the parties concerning the matters in this writing. There are no other agreements between the parties concerning these matters, be they written, oral or otherwise.
2. **Modifications.** This agreement may only be modified by a writing signed by all the parties. When modifications of this agreement are made, they should be labeled First, Second, Third, Etc.; modifications with a specified date of the modification, so it is clear what constitutes this agreement and all its modifications and when they were made. Additionally, all modifications shall specifically identify this initial agreement and all prior modifications by their number and date. All modifications of this agreement shall be recorded as agreed upon below.
3. **Recording of Agreement and Modifications.** So the terms and conditions of this agreement and its modifications are known and of public record, this agreement and all modifications to it shall be recorded in the Official Records of Umatilla County.
4. **Waiver.** The failure of a party to insist upon strict or timely payment or performance of any duty or obligation in this agreement shall not be a waiver or relinquishment of any right, but that right shall remain in full force and effect.
5. **Captions.** The captions in this agreement are only for reference and shall not limit or modify any provisions in this agreement.

6. **Neutral Construction.** The parties acknowledge and agree that this agreement has been negotiated with each party having the opportunity to consult with legal counsel and to negotiate its terms and accordingly this agreement will be construed without regard to which party drafted all or part of this agreement.
7. **Person Drafting Agreement.** The person initially drafting this agreement, George Anderson, who is an attorney, only drafted the initial draft of this agreement as a concerned citizen and not as an attorney representing Umatilla County, the City of Hermiston, the informally constituted EOTEC Steering Committee, or anyone else. Both parties acknowledge that their own independent legal counsel have reviewed and approved this agreement prior to its approval.
8. **County Counsel and City Counsel Acting Legal Counsel for Authority.** The parties agree that the County legal counsel and/or City legal counsel may from time to time act as the legal counsel for the Authority. When that occurs both parties consent and agree to that representation and waive any conflicts which that legal counsel might have in representing the Authority.

READ AND AGREED TO:

UMATILLA COUNTY, a Governmental Subdivision of the State of Oregon, By:



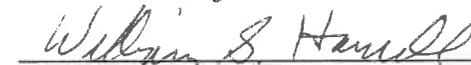
W. Lawrence Givens, Chairman and Commissioner

Date: March 15, 2012



Dennis D. Doherty, Commissioner

Date: March 15 2012



William S. Hansell, Commissioner

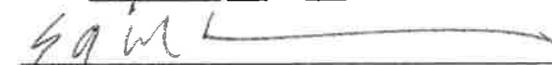
Date: March 15, 2012

CITY OF HERMISTON, an Oregon Municipal Corporation, By:



Robert E. Severson, Mayor

Date: 03/15, 2012

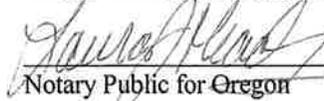


Edward Brookshier, City Manager

Date: 3-15, 2012

STATE OF OREGON, COUNTY OF UMATILLA) sis

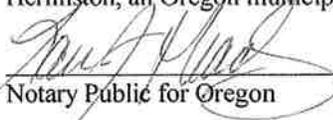
On March 15, 2012, personally appeared before me W. Lawrence Givens, Chairman of the Umatilla County Board of Commissioners and a Umatilla County Commissioner; and Dennis D. Doherty and Williams S. Hansell Umatilla County Commissioner; all on behalf of Umatilla County; and acknowledged it to be their voluntary act and deed, and that of Umatilla County, a governmental subdivision of the State of Oregon.


 Notary Public for Oregon NOTARY SEAL



STATE OF OREGON, COUNTY OF UMATILLA) ss

On March 15, 2012, personally appeared before me Robert E. Severson, Mayor of the City of Hermiston, and Edward Brookshier, City Manager of the City of Hermiston. both on behalf of the City of Hermiston, an Oregon Municipal Corporation, and acknowledged it to be their voluntary act and deed, and that of the City of Hermiston, an Oregon municipal corporation.



Notary Public for Oregon NOTARY SEAL



server\gal\files\EOTEC\EOTEC Intergovernmental Agreement GLA February 29, 2012 Draft



PROCLAMATION

WHEREAS, The Oregon State Legislature approved the ambitious "40-40-20" goal in 2011, enshrining the importance of increasing the postsecondary aspirations and credentials of all Oregonians; and

WHEREAS, According to the United States Department of Education, the annual median income of someone with a bachelor's degree or higher outpaces the earnings of someone with only a high school diploma or its equivalent; and

WHEREAS, According to the United States Department of Labor's Bureau of Labor Statistics, the unemployment rates for individuals holding an associate's degree or higher are significantly lower than for those workers with no postsecondary credentials; and

WHEREAS, Hermiston High School has committed to hosting College Application Week events on our campus during the week of **NOVEMBER 2-5, 2015**, ensuring all seniors complete a college application with the assistance of trained school staff and volunteers;

NOW, THEREFORE, I, David Drotzmann, Mayor of the City of Hermiston, do hereby proclaim **NOVEMBER 2-5, 2015**

COLLEGE APPLICATION WEEK

In Hermiston, Oregon and encourage all citizens of our city to join in this observance.

Signed the 26th day of October, 2015

David Drotzmann, Mayor

HERMISTON CITY COUNCIL

Regular Meeting

October 12th, 2015

Mayor Dave Drotzmann called the regular meeting to order at 7:00 pm. Present were Councilors Hardin, Gutierrez, Myers, Davis, Smith, Kirwan, and Primmer. Councilor Beas-Fitzgerald was excused. Staff members in attendance were City Manager Smith, City Attorney Luisi, Assistant City Manager Morgan, Chief Edmiston, Clint Spencer, Larry Fetter, Heather LaBeau, Bill Schmittle, Sergeant Billy Osborn, and Lilly Alarcon-Strong. News media present were Jade McDowell of East Oregonian and Michael Kane of Northeast Oregon Now. The pledge of allegiance was given.

Consent Items

Councilor Smith moved and Councilor Hardin seconded all Consent Agenda items be approved for filing, to include:

1. Confirm appointments to the Community Livability Asset Oversight Committee to Angela Treadwell, James Whalley, Robert Green, Chuck Barnes, and Jacob Zumwalt.
2. Recommendations of standing committee vacancies, Airport Advisory Committee Position #3- Michael O. Martin and Position #4- Timothy Beinert.
3. Recommendations of standing committee vacancies, Parks & Recreation Committee Position #2- Jean Stahlberg and Position #3- Brianna Cortaberria.
4. Recommendation of standing committee vacancy, Hispanic Advisory Committee Position #4- Claudia Jimenez.
5. Announcement of standing committee vacancy, Budget Committee #6.
6. Announcement of standing committee vacancy, Recreation Projects Fund Advisory Committee #4.
7. Minutes of the September 28th, City Council meeting.

Motion carried unanimously.

Res. No. 2000 – Authorizing the Mayor to sign an IGA with ODOT, for improvements on US Highway 395. Resolution No. 2000 – A resolution authorizing the Mayor to sign, on behalf of the City, an Intergovernmental Agreement with the State of Oregon, through the Department of Transportation, for improvements to US Highway 395 – was read and discussed. Councilor Kirwan moved and Councilor Hardin seconded to approve Resolution No. 2000 and lay upon the record. Motion carried unanimously.

Amendment to the zoning ordinance definition of multi-family dwellings.

City Planner Clint Spencer explained to the Council that under the current zoning ordinance a duplex or two-family dwelling is defined as a building containing two dwelling units on a single lot; and a multi-family dwelling is defined as a building containing three or more dwelling units. As it reads, the ordinance is limiting the more current housing options. The planning department is proposing the definition be changed to read “three or more dwelling units contained in a single building, or several buildings within one complex,” to allow a campus of duplexes or detached cottages to be considered as multi-family housing.

Councilor Smith asked if a developer develops multiple units in one housing lot, what happens when they want to start selling the units off? Will they have to or be able to sell off each unit individually, each duplex individually, or as a whole?

HERMISTON CITY COUNCIL

Regular Meeting

October 12th, 2015

City Planner Clint Spencer stated the City works with developers for their long term plan. If the developer expresses interest in eventually selling off each building then the City will help them make sure all the access provisions and public standards are met to be able to do this.

Mayor Drotzmann stated anything the City can do to provide more flexible zoning laws to allow greater development is a positive thing.

Councilor Davis moved and Councilor Kirwan seconded to accept the amendment and direct staff to schedule hearings on adoption. Motion carried unanimously.

August Monthly Financial Report

Councilor Primmer moved and Councilor Kirwan seconded to approve the August Monthly Financial Report as prepared by Finance Director Amy Palmer and presented by City Manager Smith. Motion carried unanimously.

Initiate a selection process for Council appointed Municipal Judge(s) pro tem.

City Manager Smith stated Judge Creasing has had to recuse himself due to some conflicts of interest, and in the past, the Hermiston Municipal Judge has been able to appoint his own pro tem judge. With the adoption of the new charter in May 2015, came a provision that allows the Council to appoint and remove municipal court judges pro tem to serve in the absence of the Municipal Court Judge. The pro tem judge must be licensed to practice law in the State of Oregon, and the Council could choose individuals that live outside of the city limits unlike the elected Municipal Court Judge. The pro tem judge(s) would be needed about 1.5 hours every month, with a financial impact to the City of about \$3,600.00 per year. City Manager Smith recommends the Council advertise the pro tem position, review and interview the candidates and appoint multiple pro tem judges.

Councilor Primmer asked if the judges pro tem would need to attend the week long training session each year. If so, and the City is recommending hiring multiple judges, then the financial impact would be greater than what is being presented.

City Attorney Luisi stated he didn't think so, but will double check.

Councilor Myers moved and Councilor Kirwan seconded to direct staff to initiate Council appointment of Municipal Judges pro tem by the recommended process. Motion carried unanimously.

Frequency of council work sessions.

City Manager Smith stated he feels that work sessions are a really great way to communicate with the Council, and feels there is a need for more time and discussion with direction from the Council, as items end up being postponed or delayed because of time restraints at current City Council meetings. City Manager Smith is proposing that the City Council meet more frequently to be able to move forward on many items the City is working on.

After some discussion, there was a consensus from the Council to add another work session to the first meeting of the month starting November 9th. Once the City feels that all items are caught up, work sessions can be cancelled.

HERMISTON CITY COUNCIL

Regular Meeting

October 12th, 2015

Committee Reports

Parks and Recreation Committee: Councilor Primmer stated Altrusa will be having a Dedication Ceremony for the Oxbow Trail Gateway on Thursday. Everyone is invited to attend. The Parks and Recreation Committee also discussed ways to improve Northside Park, located near Pizza Hut. Councilor Primmer stated Parks and Recreation Committee Members will be reappointed after tonight's meeting and a new chair will need to be appointed.

Mayor Drotzmann thanked Altrusa for the tremendous amount of time and effort they placed into this project as the area is very appealing.

Parks and Recreation Director Larry Fetter updated the Council on construction progress with Newport Park and Sunset Park.

Hispanic Advisory Committee: Councilor Gutierrez stated the Hispanic Advisory Committee meeting will meet next Monday, October 19th.

Faith-Based Advisory Committee: Councilor Hardin stated the Faith-Based Advisory Committee continues to struggle having a quorum, but is continuing as best as possible.

Public Safety Committee: Councilor Hardin stated the Public Safety Committee meeting will meet next Wednesday, October 21st.

Mayors Report

Mayor Drotzmann stated there were nine applicants for the Community Livability Asset Oversight Committee. The five chosen members' are all diverse and will bring valuable insight and ideas into this process. It is always nice to see the public get involved in their community. The Committee will meet monthly and the community can expect to see surveys asking for their participation as well.

State Representative Greg Walden will be at the Hermiston Agriculture Education Center on Saturday, October 17th, at 3:30 pm. The public is encouraged to attend and learn more about the reversionary clause and the Federal Government converting that property back to Oregon State University instead of retaining it. Representative Greg Walden will also be talking about other issues as well. Mayor Drotzmann thanked Representative Greg Walden for his support and participation.

Mayor Drotzmann asked Parks and Recreation Director Larry Fetter for update on the Senior Center.

Parks and Recreation Director Larry Fetter stated they are in the middle of property appraisal and acquisition. Once the property has been secured, the architects will be presenting the Council with designs. Currently, the City is about two weeks out on the secondary review of the appraisal and then the offer will be presented to the seller.

Mayor Drotzmann stated the League of Cities has asked that the City of Hermiston host their Spring Regional meeting. He hopes the Council and neighboring cities will be able to participate in this event.

HERMISTON CITY COUNCIL

Regular Meeting

October 12th, 2015

City Manager Report

City Manager Smith stated city staff has been participating in ALICE training, which focuses on active shooter scenarios. The class is being taught by the police department and has brought very valuable information to city staff. As a result of the training, the City has been and will continue to make changes to enhance the safety of city staff.

City Manager Smith stated he was invited to be a member of the board of the Oregon City/County Management Association, which happened at the end of the League of Cities Conference in Bend. City Manager Smith will do his best representing Eastern Oregon and the City of Hermiston.

The Mayor and Council congratulated City Manager Smith on this accomplishment and honor.

City Manager Smith presented the Council with one of the videos made by CGI, promoting Hermiston, located on the City's website.

Adjournment

Mayor Drotzmann adjourned the regular meeting at 8:00 pm and announced a special meeting regarding the Urban Renewal Agency will convene immediately.

Convene

Mayor Drotzmann convened the special meeting-Urban Renewal Agency meeting at 8:00 pm.

Façade Grant Request

Consider a request for a façade grant for the property located at 333 E Main Street for Hermiston Herald.

City Planner Clint Spencer stated the façade grant review committee recommends that a 40% match be approved for their landscape improvements ranging from \$760.00 to \$1,560.00. Councilor Gutierrez moved and Councilor Kirwan seconded to approve the façade grant to Hermiston Herald. Motion carried unanimously.

There were no further comments from the council, and no one in the audience wished to comment. The hearing was closed at 8:02 pm.

Adjournment

There was no other business, and the meeting was adjourned at 8:02 pm.

SIGNED:

/s/ David Drotzmann

MAYOR

ATTEST:

/s/Lilly Alarcon-Strong

ASSISTANT CITY RECORDER

**HERMISTON PUBLIC LIBRARY
LIBRARY BOARD MEETING
August 12, 2015**

Board Chairperson Lori Spencer, called the meeting to order at 4:10. Members present were, Nancy Brown, Kay Bennett, John Douglass, and Anne Doherty. Marie Baldo, Library Director was also present.

The minutes of the May 27 2015 meeting were approved as written.

Under unfinished business: The librarian reported on the results of the three Summer Reading programs that are ending. All three had excellent attendance.

Under New Business: The librarian briefed the board on the \$250,000 ArtPlace Grant awarded to Libraries of Eastern Oregon (LEO) libraries. During the next 18 months libraries in LEO will receive multiple programs related to the humanities and several traveling art exhibitions such as a Native American Art Display. The librarian also briefed the board on plans for the 2016 Ready2Read grant which is the main source of funds for the Summer Reading Program. She also discussed a NASA grant that was submitted for a traveling exhibition. Notice on that grant will be received by September.

The State Library directed Edge Assessment was discussed. This assessment is intended to help libraries to determine the status of libraries to provide digital content and education to their communities.

Finally the librarian was proud to announce that with an ALA grant Kelly Martinez would be a delegate at the Guadalajara International Book Fair in December.

Under the librarian's report : Upcoming events were reviewed.

Other matters to come before the board: The Board was notified that Jeanine Bennett would be celebrating her 25th Anniversary at the library on September 18. The staff would like to hold a reception for her in the main library on that afternoon and invite her family, city officials and the community to stop by and celebrate with her. The board voted to provide flowers for the event.

The meeting was adjourned at 4:46. The next meeting is scheduled for September 23, 2015 at 4:00 pm. in the Lanham room.



**Marie L. Baldo
Library Director**

Hermiston Airport Advisory Committee Minutes

Sept 9, 2015

4:00 P.M.

Members Present: Ron Osgood, Mike Martin, Ron Linn, Dan Burns, Tim Beinert.

City Representative: Mark Morgan

Airport caretakers: Susie Rawe

Absent:

Visitors: Neal Christopherson

Minutes: August minutes were approved on a motion by Ron Linn and a second by Ron Osgood.

Airport Report: Reviewed.

Financial report: Reviewed

Old Business:

- **Connect Oregon V Taxiway Realignment Project Update:** The Project has been slightly pushed back while awaiting final grant approval. The FAA has required all "high priority" items be completed prior to grant funding for fuel tank/pump installations. With the fuel farm relocation the completion of the project should still be on track for completion in 2016. The upgrade to the fuel farm is included in the cost.
- **Lowman Helicopter lease:** Lowman Helicopter has a lease agreed upon with contingency to hold occupancy by January 2017.

New Business:

- **Runway crack sealing:** The contractor WH Pacific will be completing ODOT crack sealing & striping by the 22nd of September. There will be a temporary runway closure that will have a FAA NOTAM filed to alert all arriving and departing aircraft of the closure. James Kirby of WH Pacific will be contacted to find out if in the future more notice can be given prior to work being done at the airport.
- **Courtesy car:** The airport is in need of an operational airport courtesy car. There currently are funds in the account. The committee members will be searching for a dependable car to purchase.

Meeting a adjourned: 5:00pm

Next meeting: Oct 7th, 2015 at 4:00pm

Respectfully submitted by:

Ronald Osgood, Secretary

HERMISTON PLANNING COMMISSION

Regular Meeting

September 9, 2015

Chairman Saylor called the meeting to order at 7:00 PM. Commissioners Saylor, Hamm, Caplinger, Flaiz, Doherty, Erz, and Fialka were present. Commissioners Medelez and Rebman were absent.

Minutes

Commissioner Caplinger moved to approve minutes of August 12, 2015 regular meeting. Commissioner Hamm seconded the motion. Motion passed.

Hearing – Conditional Use Permit Aspen Springs

The planning commission is holding a hearing to consider a request for a conditional use permit. The request must be approved by the planning commission subject to the criteria established in §157.208 of the Hermiston Code of Ordinances. The applicant wishes to construct a 16 bed psychiatric hospital. The property is located at 1212 W Linda Ave. The applicant is Mark Rossi, on behalf of Lifeways.

Declaration of Potential Conflict of Interest

Chairman Saylor asked if any commissioner wished to declare a potential conflict of interest. Hearing none, Chairman Saylor opened the hearing and read the following hearing guidelines.

- a. The applicable substantive criteria relied upon by the City in rendering the decision to grant the conditional use permit are contained in §157.208 of the Hermiston Code of Ordinances.
- b. Testimony and evidence must be directed toward the criteria described above or other criteria in the comprehensive plan or land use regulations which the person believes apply to the decision.
- c. Failure to raise an issue by the close of the record at or following the hearing, in person or by letter, precludes appeal to the Land Use Board of Appeals (LUBA) or the city council based on that issue.
- d. Failure to raise an issue with sufficient specificity to afford the decision maker and the parties an opportunity to respond to that issue precludes appeal to LUBA or the city council based on that issue.
- e. Failure to raise constitutional or other issues relating to proposed conditions of approval with sufficient specificity to allow the local government or its designee to respond to the issue precludes an action for damages in circuit court.
- f. Prior to the conclusion of the evidentiary hearing, any participant may request an opportunity to present additional evidence, arguments or testimony regarding the application. The planning commission shall grant such a request by continuing the public hearing pursuant to ORS 197.763(6) (B) or leaving the record open for additional written evidence, arguments or testimony pursuant to ORS 197.763(6) (C).

For this hearing, the process begins with the staff report, followed by testimony from the applicants and any other supporters of the application. This will be followed by opponents to the application. Finally, a rebuttal by the applicant will be allowed. The public hearing portion of the procedure will then be closed, and the planning commission will consider the information and testimony received and may render a decision.

City Planner Spencer spoke to the staff report. Mention was made of Finding #9, and #11. It was noted that in regards to Approval Condition #11, a security plan was submitted and reviewed by staff and the Chief of Police. Commissioners may wish to modify this condition to include a review and modification of the security plan after two years.

Proponents:

Greg Schneider 1013 Purple Sage Lane Ontario OR. Mr. Schneider does special projects for Lifeways. He gave background information on the reasons for coming to Hermiston for a psychiatric hospital. In being a psychiatric hospital, as opposed to a residential facility, he believes will make it more financially stable and better serve the community. It will initially be licensed as a residential care facility for addiction and mental health. Eventually it would be licensed under the Oregon Health Division. This is a lengthy process and it has been started. He spoke to the limited need for additional parking at the facility. Almost no patients drive their own cars to the facility and there are not many visitors. Police are periodically called for violent patients at the McNary facility. There have been limited escapes. They are brought back quickly. This new facility will have design features including some security features that are not at McNary. There has not been public damage from those who have escaped. Typical stay for patients is 7 to 10 days. There is not a limit as to the length someone can stay. They do not see the use of the hospital changing.

Mark Rossi 2762 NE Wells Acres Bend OR. Mr. Rossi is the architect with Pinnacle Architecture. The parking area was designed with smaller area than a traditional hospital because visitors are allowed only one family at a time. There are usually 11 to 13 staff members at a time. Mr. Rossi reviewed the security measures designed into the facility. Some rooms in the hospital will have access to the rest of the wing. It is hard to determine if property values were lowered as a result of this type of facility being built. They are usually built by jails or hospitals. The majority of the land area the proposed site is R-4, there is residential directly across the street. Lifeways chose Hermiston as a location due to the City's proximity to the freeways and the need for this service. Mr. Rossi mentioned that if the use of the facility changed it would require a new conditional use process and if the use was changed too much, the state licensing would require noticing.

Tim Mahoney 49118 Running Lane Baker City OR. Mr. Mahoney was the Operations Manager at the McNary facility. He stated that the egress issues with McNary were the result of windows that opened. This was due to egress issues. The windows will not open in the Hermiston facility. They are also a certified secure transport facility. The facility will bring good wage paying jobs. The treatment plan is to return the patients to their place of origin, not placed in the community.

Commissioner Caplinger feels there needs to be more parking, the amount required by the hospital standard. Commissioner Flaiz thinks the 17 spaces shown is adequate for this type of facility. Commissioners are concerned if the use changed the parking would be inadequate. There is also some concern over the number of employees parking during a shift change.

Mr. Rossi commented that any work to the building would require a building permit. Additions over a certain amount would require a certificate of need. The original plan was approved with three less spaces and one less bed. OAR rules have square feet requirements for patient sleeping units. There is also one parking space for emergency vehicles that has not been included in the count of 17 spaces.

Mr. Mahoney mentioned they have the ability to internally control where employees park and could require them to park off-site.

Draft Findings

1. Hospitals are permitted as a conditional use in the R-1 zone and progressively through each additional residential zone it is also allowed as a conditional use.
2. The minimum lot size of 6,000 square feet in the R-4 zone is exceeded. The lot size is 1.38 acres following a property line adjustment and 1.1 acres prior to the proposed property line adjustment. For a multi-family dwelling, 2,000 square feet of lot area per dwelling unit is needed. A hospital with 16 beds could be interpreted as needing a minimum of 16,000 square feet of lot area. This requirement is also exceeded.
3. The building exceeds the setbacks in the R-4 zone and is not located closer than 24 feet to any property line following a property line adjustment proposed as part of the application.
4. The proposed building height is 25 feet, which is less than the maximum building height of 35 feet in the R-4 zone.
5. Lot coverage of the proposed structure is 21%, which is less than the maximum lot coverage of 35% in the R-4 zone.
6. An 8 foot, sight obscuring chain link fence is proposed. Fence height in front yards is limited to 36" inches. This requirement has been interpreted by the city in previous fence permits to apply only to fences within in a front-yard setback area to preserve vision clearance requirements. Therefore, an 8 foot fence placed at the 20 foot setback line as shown on the applicant's plan is acceptable.
7. Driveway standards established in 157.150 of the Hermiston Code of Ordinances are met.
8. There are no significant plantings, signs or structures in the vision clearance area per 157.142 of the Hermiston Code of Ordinances.
9. The parking lot will contain 17 spaces. This is a combination of the parking standard for welfare and correctional institutions (1 space per 5 beds), nursing home (1 space per 2 beds), and hospital (1.5 spaces per bed). The planning commission finds this standard to be acceptable for the proposed conditional use.
10. All areas for the standing and maneuvering of vehicles are proposed for paving on the site plan in conformance with 157.179 of the Hermiston Code of Ordinances.
11. As noted in findings 2, 3, 5, and 9 above, the property is adequate in size and shape to accommodate all setback, lot coverage, and parking requirements following approval of a boundary line adjustment as proposed in the application materials.
12. There are existing public water and sewer lines installed in W Linda Avenue.
13. The existing utilities will provide adequate service to the facility without the need for line upsizing.
14. W Linda Ave us a local residential street. The traffic generated by a residential in-patient hospital is minimal and within the level of service for the street.
15. The building is proposed for construction with a residential character with a low roofline and construction materials similar in character to the surrounding dwellings.
16. An 8-foot sight obscuring fence is proposed for the exercise area.
17. State licensing requirements for operation of psychiatric hospitals require preparation of a security plan. The facility will be licensed and inspected by the Oregon Health Authority and must operate in compliance with the standards established for in-patient psychiatric hospitals.

18. The W Linda Ave frontage is planned for an extensive landscape installation which will contribute to the residential character of the facility.
19. The site is adjacent to R-2 zoned property to the south and R-4 property to the north. The 16-bed facility provides a transition between lower density residential property south of W Linda Ave and potential higher density residential uses to the north.

Draft Conditions of Approval

1. The applicant shall apply for and complete a property line adjustment prior to obtaining a building permit for the facility.
2. Landscaping and the 8-foot sight obscuring fence shall be completed as shown on the site plan prior to obtaining a certificate of occupancy.
3. All areas for the standing and maneuvering of vehicles shall be paved prior to occupancy as shown on the site plan.
4. All storm water drainage shall be retained on-site.
5. Landscaping shall be installed as shown on the site plan.
6. Signage shall be installed in accordance with Chapter 155 of the Hermiston Code of Ordinances and all vision clearance areas shall be maintained.
7. Applicant shall comply with all provisions of §92.12 of the Hermiston Code of Ordinances (relating to the control of blowing dust) during all phases of development.
8. Applicant shall submit a DEQ form 1200C (relating to erosion control) to the building department prior to issuance of a building permit.
9. Exterior site lighting shall be designed to avoid interference with adjacent properties.
10. W Linda Avenue shall be fully improved along the frontage of the site with paving, flat curbs, drainage swales, and sidewalks. Public improvements shall conform to the approved improvement plans from the original site plan approval.
11. A security plan shall be submitted to the city police department for review and comment prior to issuance of a building permit.
12. All site lighting shall be designed and installed to prevent any glare from spilling on to nearby or adjacent residential properties.

Commissioner Flaiz moved to accept the Draft Findings be accepted as written. Commissioner Fialka seconded. Motion passed. Commissioner Erz moved to accept the Conditions with a change to Condition #11 to read- A security plan has been submitted to the city police department for review and comment prior to issuance of a building permit. Two years from the date of the conditional use permit being issued, the Planning Commission will review the number of calls for service received and determine if security modifications are necessary. - Commissioner Flaiz seconded. Motion passed.

New Business

Denny Edwards has submitted a final plat for phase 1 of the Abarim Meadows Subdivision. The proposed subdivision is located on approximately 1.6 acres of land at the northwest corner of E Main Street and NE 10th Street. The property is described as 4N 28 11DA Tax Lot 1600. The applicant proposes to create 7 lots of approximately 9,000 to 10,000 square feet. The property is zoned Single-family Residential (R-1).

Chapter 154: Subdivisions

§154.46 Final Plat

Per §154.46 of the Hermiston Code of Ordinances, the final plat shall show:

- (A) The boundary lines of the area being subdivided, with accurate distances and bearings. **Shown as required**
- (B) The lines of all proposed streets and alleys with their width and names. **Shown as required**
- (C) The accurate outline of any portions of the property intended to be dedicated or granted for public use. **Shown as required**
- (D) The line of departure of one street from another. **Shown as required**
- (E) The lines of all adjoining property and the lines of adjoining streets and alleys with their widths and names. **Shown as required**
- (F) All lot lines together with an identification system for all lots and blocks. **Shown as required**
- (G) The location of all building lines and easements provided for public use, services or utilities. **Shown as required**
- (H) All dimensions, both linear and angular, necessary for locating the boundaries of the subdivision, lots, streets, alleys, easements, and other areas for public or private use. Linear dimensions are to be given to the nearest 1/10 of a foot. **Shown as required**
- (I) All necessary curve data. **Shown as required**
- (J) The location of all survey monuments and bench marks together with their descriptions. **Shown as required**
- (K) The name of the subdivision, the scale of the plat, points of the compass, and the name of owners or subdivider. **Shown as required**
- (L) The certificate of the surveyor attesting to the accuracy of the survey and the correct location of all monuments shown. **Shown as required**
- (M) Private restrictions and trusteeships and their periods of existence. Should these restrictions or trusteeships be of such length as to make their lettering on the plat impracticable and thus necessitate the preparation of a separate instrument, reference to such instrument shall be made on the plat. **Shown as required**
- (N) Acknowledgment of the owner or owners to the plat and restrictions, including dedication to public use of all streets, alleys, parks or other open spaces shown thereon, and the granting of easements required. **Shown as required**
- (O) Certificates of approval for endorsement by the city council and certificate indicating its submission to the planning commission, together with approval for endorsement by other local, county and/or state authority as required by Oregon statutes. **Shown as required**

Conditions from Preliminary Plat Approval

The preliminary plat was approved by the city in January of 2015. The approval for the subdivision included three approval conditions.

1. Applicant must sign an improvement agreement and shall install grading, storm drainage, curb and gutter, sidewalks, infill street paving in E Main Street, and half street paving in NE 10th Street. All improvements shall comply with city standards and specifications and shall receive final approval from the city engineer. **Street improvements are required as part of the Phase 2 improvements. The Phase 1 lots are considered complete as-is, although Lot 1 will be included with the Phase 2 improvements.**
2. Applicant shall comply with all provisions of §92.12 of the Hermiston Code of Ordinances (relating to the control of blowing dust) during all phases of construction. **The applicant shall meet this condition of approval.**
3. Applicant shall work with and receive certification from the Hermiston Irrigation District. **The applicant shall meet this condition of approval.**

Staff Recommendation

Staff has reviewed the final plat and determined it is prepared in accordance with all final plat requirements. The plat is ready for approval. Staff recommends the planning commission approve the final plat subject to the following conditions:

1. Applicant must sign an improvement agreement and shall install grading, storm drainage, curb and gutter, sidewalks, infill street paving in E Main Street, and half street paving in NE 10th Street for Phase 2. All improvements shall comply with city standards and specifications and shall receive final approval from the city engineer.
2. Applicant shall comply with all provisions of §92.12 of the Hermiston Code of Ordinances (relating to the control of blowing dust) during all phases of construction.
3. Applicant shall work with and receive certification from the Hermiston Irrigation District.

Commissioners discussed the risk of Lot 1 street frontage ever being improved. It is already a condition of approval from the preliminary plat. It will be the developer's, (Silver Ridge Homes), responsibility to pay for the improvements to Lot 1. There is concern that the improvements will not be completed. There was discussion on the options available to insure that the street improvements will get done. Commissioner Hamm moved to delay action on approval of the final plat. Commissioner Erz seconded. Motion passed.

Planner Comments and Unscheduled Communications

City Planner Spencer brought to the Commissioners the definitions of duplexes and multi-family dwellings in the City code. As the definition is written, it is possible to have multiple tri-plexes or four-plexes, but not multiple duplexes as a multi-family property. Several different word changes were suggested. Commissioners would like staff to research other city's codes and possibly amend the zoning code.

The landscape ordinance hearing before the City Council is continued to the September 14, 2015 Council meeting.

Chairman Saylor adjourned the meeting at 8:57PM.



HERMISTON POLICE DEPARTMENT

330 S. First Street ★ Hermiston, OR 97838

PHONE(541) 567-5519 FAX(541) 567-8469

EMAIL records@hermiston.or.us

TO: City Manager Byron Smith
FROM: Chief Jason Edmiston 
DATE: October 17th, 2015
SUBJECT: Liquor License Application – Elmalecon

After review of the liquor license application for the “Full On-Premises Sales Change of Ownership” for Elmalecon (formerly La Hacienda) located at 285 E Main Street, Hermiston, I find nothing of substance after performing a criminal history check consistent with established parameters utilized by the city, to deny the application submitted by Gaston Nogales.

It is therefore my recommendation this license be granted.

Staff Report

For the Meeting of October 26, 2015

MAYOR AND MEMBERS OF THE CITY COUNCIL

Agenda Item #

NO. 20XX –

**SUBJECT: Final Plat for
Abarim Meadows Phase 1**

Subject

The final plat for Abarim Meadows Phase 1 containing 3 R-1 lots is ready for city council approval.

Summary and Background

Denny Edwards has submitted a final plat for phase 1 of the Abarim Meadows Subdivision. The proposed subdivision is located on approximately 1.6 acres of land at the northwest corner of E Main Street and NE 10th Street. The property is described as 4N 28 11DA Tax Lot 1600. The applicant proposes to create 3 lots of approximately 9,000 to 10,000 square feet and one oversized lot to be platted in accordance with the preliminary plat. The property is zoned Single-family Residential (R-1).

Phase 1 of the subdivision will include two lots on E Gladys Ave and one lot on E Main Street which is already developed with a single family dwelling. The lots on E Gladys already have street improvements and can be built on immediately. The lot on E Main will require additional street improvements. These improvements were a condition of approval and will be installed as part of Phase 2. However, the lot contains an existing dwelling which will be retained by the property owner as part of an agreement with the developer and must be included with this plat to create a lot for the owner.

Since Lot 1 is already occupied, there must be a mechanism to insure street improvements will be installed. The developer has signed an agreement with the city agreeing to deposit an amount equivalent to the cost of the improvements adjacent to Lot 1. The money deposited will be held by the city until October 31, 2016. If the improvements have not been installed by that date, the city will use the money to install the improvements.

Conditions from Preliminary Plat Approval

The preliminary plat was approved by the city in January of 2015. The approval for the subdivision included three approval conditions.

1. Applicant must sign an improvement agreement and shall install grading, storm drainage, curb and gutter, sidewalks, infill street paving in E Main Street, and half street

paving in NE 10th Street. All improvements shall comply with city standards and specifications and shall receive final approval from the city engineer. **Street improvements are required as part of the Phase 2 improvements. The Phase 1 lots are considered complete as-is, although Lot 1 will be included with the Phase 2 improvements.**

2. Applicant shall comply with all provisions of §92.12 of the Hermiston Code of Ordinances (relating to the control of blowing dust) during all phases of construction. **The applicant shall meet this condition of approval.**
3. Applicant shall work with and receive certification from the Hermiston Irrigation District. **The applicant shall meet this condition of approval.**

Fiscal Information

There is no financial impact as a result of the subdivision of lots.

Alternatives and Recommendation

The final plat is prepared in accordance with the city's requirements for final plat preparation. Staff recommends that the city council approve the final plat.

Requested Action/Motion

Motion to accept the final plat.

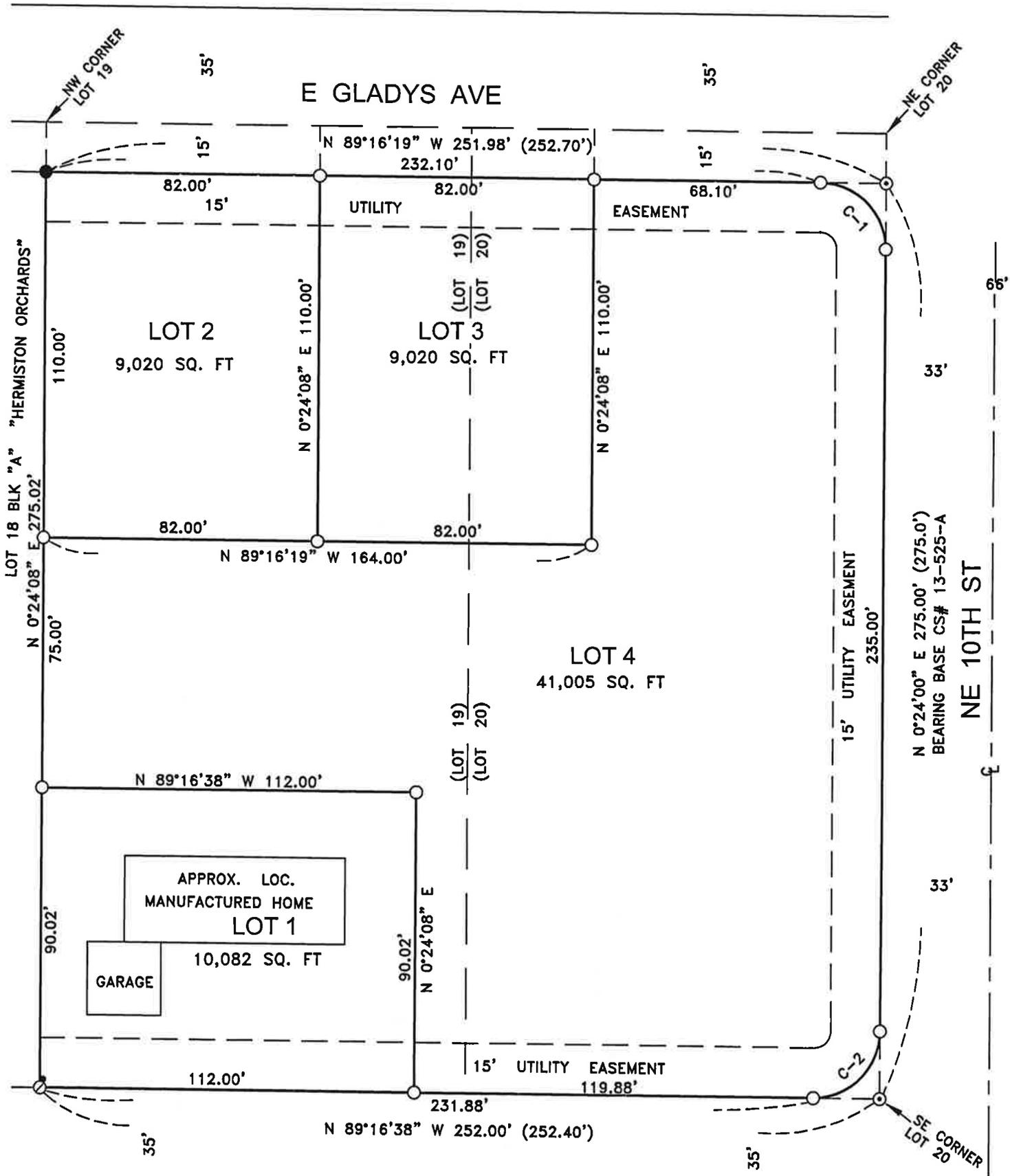
Reviewed by:

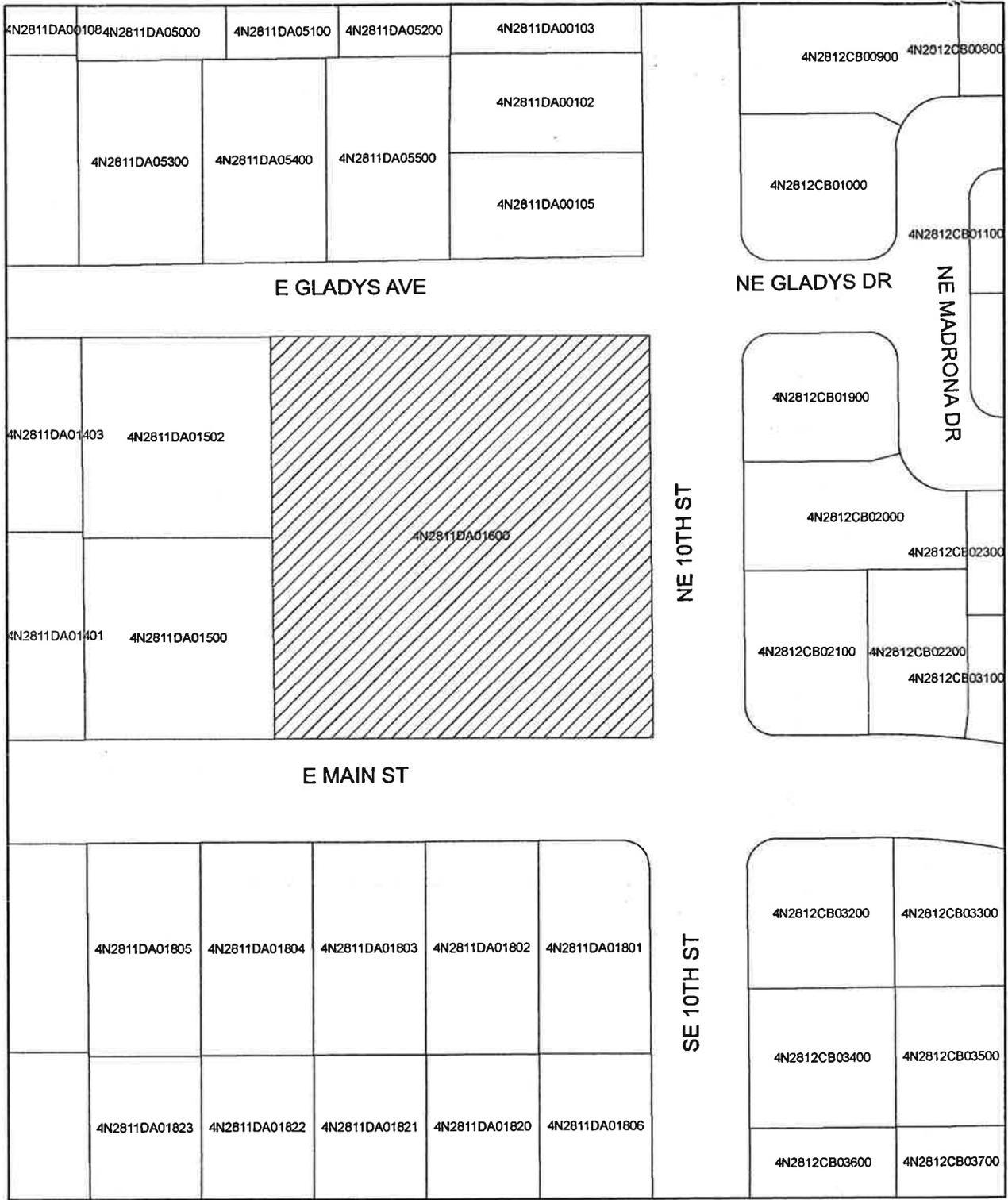


Department Head – Clinton Spencer, City Planner



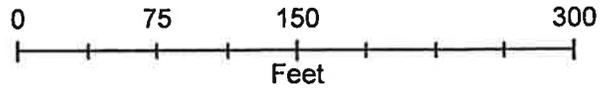
City Manager Approval





Legend

-  Area of Proposed Subdivision
-  100 Foot Notification Area
-  Property Line



Staff Report

For the Meeting of October 26, 2015

MAYOR AND MEMBERS OF THE CITY COUNCIL

Agenda Item #

NO: 2015 –

**SUBJECT: Public Hearing for
Ordinance 2234**

Subject

The City Council is holding a hearing to consider an amendment to the zoning ordinance prohibiting retail sales, warehousing, processing, or distributing marijuana in any zone permitting commercial activities.

Summary and Background

Pursuant to Resolution 1997, the City Council is holding a public hearing to consider an amendment to §157.151 of the Hermiston Zoning Code regulating prohibited activities. The amendment is a text amendment adding new activities to the prohibited activities list. The new prohibited activities are as follows:

(B) *Marijuana Related Activities*. The following activities shall be prohibited activities in the R-3, R-4, C-1, C-2, DCO, M-1, and M-2 zones:

1. Marijuana processing sites;
2. Medical marijuana dispensaries registered under ORS 475.314;
3. Marijuana producers licensed under section 19, chapter 1, Oregon Laws 2015;
4. Marijuana processors licensed under section 20, chapter 1, Oregon Laws 2015;
5. Marijuana wholesalers licensed under section 21, chapter 1, Oregon Laws 2015;
6. Marijuana retailers licensed under section 22, chapter 1, Oregon Laws 2015; or
7. Any combination of the entities described in this section.

The amendment is permitted by the State of Oregon under the provisions of HB 3400 which allowed any city or county that voted against Measure 91 by at least 51% to enact a local prohibition against marijuana distribution. The City of Hermiston and Umatilla County both voted against Measure 91 by 62%.

The amendment to the zoning ordinance proposed for adoption is to amend the prohibited activities list in §157.151. The amendment will amend the prohibited activities list to prohibit the above listed marijuana related activities in the R-3, R-4, C-1, C-2, DCO, M-1, and M-2 zones. The R-3 and R-4 zones are high density residential zones, but are included in the prohibition because both zones allow selected commercial activities as conditional uses. Specifically, the R-

3 and R-4 zones allow doctor prescribed medical products sales in a building less than 4,000 square feet.

§157.226 of the Hermiston Code of Ordinances provides the method and approval criteria for granting or denying an amendment to the zoning ordinance. The proposed amendment has been deemed a legislative change in that it involves the text of the ordinance.

The city mailed a notice of the proposed text amendment to all property owners in the affected zones. 1,753 notices were mailed out. The city received testimony from one property owner, Joe Thompson, owner of Eastside Market, stating that he opposed the ordinance. Notice was also published in the Hermiston Herald in advance of each public hearing.

A copy of the findings of fact adopted by the planning commission is attached to this report and is intended to be an exhibit to the ordinance.

Fiscal Information

Adoption of a marijuana prohibition will result in the local forfeiture of tax revenue associated with marijuana sales. HB 3400 also prohibits any city which prohibits marijuana sales from imposing any additional taxes. Based upon similar tax revenues associated with marijuana sales in Colorado, Hermiston will forgo approximately \$30,000 of state tax revenue.

Alternatives and Recommendation

The city council may choose to:

- Adopt Ordinance 2234 as written
- Modify the text of Ordinance 2234 and adopt at the next available council meeting
- Reject Ordinance 2234

When the council directed staff to prepare a text amendment on this matter, there was discussion by the council about forwarding the matter to the voters. No formal motion was made on whether to include a voter referral but staff included a voter referral in Section 3. The council may wish to continue discussion of the voter referral. Staff recommends that the city council adopt the ordinance as written.

Requested Action/Motion

Staff requests that the city council make a motion to adopt the findings of fact following the closure of the public hearing.

Staff requests that the city council adopt Ordinance 2234 as written.

Reviewed by:

CITY OF HERMISTON



Department Head – Clinton Spencer, City Planner



City Manager Approval

FINDINGS OF FACT

ORDINANCE NO 2234

OCTOBER 26, 2015

Statewide Planning Goals and Comprehensive Plan Policies.

Goal 1 and Policy 1. Citizen Involvement. The City will insure that citizens have an adequate opportunity to be involved in all phases of the planning process.

1. Notice of the planning commission hearing was published in the Hermiston Herald at least 20 days prior to the hearing on September 23, 2015 in accordance with §157.226 of the Hermiston Code of Ordinances.
2. Notice of the planning commission and city council hearing was provided by direct mail to 1,723 property owners. The 1,723 mailed notices were provided to all property owners in the R-3, R-4, C-1, C-2, DCO, M-1, and M-2 zones (with duplicated owners at duplicated addresses filtered). The mailed notice complied with the requirements for public notices established by the voters of Oregon through the passage of Ballot Measure 56 which requires notice be mailed to affected property owners when a change in a zoning regulation would limit a use previously allowed.
3. The Planning Commission held a public hearing on October 14, 2015 in accordance with §157.226(F).
4. The City Council held a public hearing on October 26, 2015 in accordance with §157.226(F)

Goal 1 and Policy 2. Planning Process. The City of Hermiston will monitor and update periodically its comprehensive plan and implementing ordinances to respond to changing conditions.

5. Policy 2 requires the City to annually review development activity and its impacts.
6. The City Council directed staff to prepare a code amendment to implement the prohibition of marijuana related activities as permitted by the State of Oregon in HB 3400.

Goal 2 and Policy 3. Intergovernmental Coordination. The City of Hermiston will facilitate intergovernmental coordination so that decisions affecting local, state, and federal planning and development actions in the Hermiston area are rendered in an efficient and consistent manner.

7. The notice of proposed amendment was sent to the Department of Land Conservation and Development on September 1, 2015, more than 35 days prior to the first evidentiary hearing in accord with Oregon Administrative Rules, Chapter 660, Division 18.

Goal 3 Agricultural Lands.

8. The adoption of the prohibition will not impact or prohibit the growth of marijuana for personal use on personal property as authorized under Measure 91. Under Measure 91, up to four plants may be cultivated for personal use.
9. Agricultural growth or large production of marijuana plants on existing agricultural land within the city limits or urban growth boundary is not currently permitted per §157.002 which states that all land uses must be in compliance with federal law and cultivation of marijuana is not permitted under federal law.
10. Use of existing agricultural land for cultivation of legal crops such as alfalfa, potatoes, corn, and other crops is not affected.

Goal 4 Forest Lands, Goal 15 Willamette River Greenway, Goal 16 Estuarine Resources, Goal 17 Coastal Shorelands, Goal 18 Beaches and Dunes, Goal 19 Ocean Resources.

11. There are no tracts of lands subject to Goals 4, 15, 16, 17, 18, or 19 anywhere within the city limits or UGB. These goals are not applicable.

Goal 5 Natural Resources, Scenic and Historic Areas, and Open Space, Goal 6 Air, Water and Land Resource Quality, Goal 7 Areas Subject to Natural Hazards, Goal 8 Recreation Needs, Goal 9 Economic Development, Goal 10 Housing, Goal 11 Public Facilities and Services, Goal 13 Energy Conservation, Goal 14 Urbanization.

12. The City's acknowledged comprehensive plan has policies established to for compliance with Goals 5, 6, 7, 8, 9, 10, 11, 13, and 14. No new uses are being permitted through the amendments. No additional findings must be made demonstrating compliance with these Goals.

Goal 12 Transportation and OAR 660, Division 012

13. The proposed amendment does not permit any new uses. Therefore no new trips will be created and no transportation facility will be significantly affected as a result of the amendment.

Hermiston Zoning Ordinance §157.226

14. The City Council initiated the proposed amendment to the zoning ordinance through the adoption of Resolution 1997 on August 24, 2015 in compliance with §157.226(A).
15. The proposed amendment amends the text of the zoning ordinance, has a widespread impact on the city as a whole, and does not involve an amendment to the zoning map. Therefore, the proposed amendment is a legislative amendment as defined by §157.226(B)(1) and §157.226(C)(1) and (2).
16. Based upon Finding #15, the proposed amendment is not a quasi-judicial action and the approval criteria in §157.226(E)(1) are not applicable.
17. Notice of the proposed amendment was provided to the Oregon Department of Land Conservation and Development on September 1, 2015, more than 35 days in advance of the first evidentiary hearing as required by §157.226(F) and modified by ORS 197.610.
18. A notice of public hearing for the planning commission hearing was published on September 23, 2015 and the city council notice was published on October 7, 2015. Each notice was published in the Hermiston Herald at least 20 days in advance of the hearing as required by §157.229(D).
19. Based upon Finding #15, the proposed amendment is legislative and mailed notice to property owners is not required per §157.229(D). However, Measure 56 as passed by the voters of the State of Oregon requires mailed notice to all property owners within a zone when a change in a land use regulation may limit a use previously allowed on a property. In compliance with Measure 56, the city mailed notice to all property owners in the R-3, R-4, C-1, C-2, DCO, M-1, and M-2 zones on September 23, 2015.

ORDINANCE NO. 2234

AN ORDINANCE AMENDING TITLE XV, CHAPTER 157 OF THE HERMISTON CODE OF ORDINANCES TO PROHIBIT THE SALE, WAREHOUSING, PROCESSING, AND DISTRIBUTION OF MARIJUANA IN THE CITY'S COMMERCIAL ZONES AND REFERRING THE ORDINANCE TO THE VOTERS

WHEREAS, the State of Oregon through the adoption of House Bill 3400 has authorized eligible cities and counties to enact prohibitions on the sale, warehousing, production, and processing of marijuana; and

WHEREAS, the Hermiston City Council passed resolution 1997 on August 24, 2015, said resolution initiating the process to amend the city's zoning ordinance to prohibit commercial marijuana activities; and

WHEREAS, the Hermiston Planning Commission held a public hearing on October 14, 2015 to receive public testimony and consider the amendment of Title XV, Chapter 157 of the Hermiston Code of Ordinances; and

WHEREAS, the Hermiston City Council held a public hearing on October 26, 2015 to receive public testimony and consider the amendment of Title XV, Chapter 157 of the Hermiston Code of Ordinances; and

WHEREAS, notice of the planning commission and city council hearings was provided to the Department of Land Conservation and Development and published in a newspaper of general circulation in accordance with statutory requirements and local ordinance requirements for notice of legislative amendments; and

WHEREAS, a staff report on the proposed amendments was available seven days prior to the August 12 public hearing and seven days prior to the October 14 and October 26 public hearings and included findings in support of the amendment to the code of ordinances; NOW THEREFORE

THE CITY OF HERMISTON ORDAINS AS FOLLOWS:

SECTION 1. Title XV, Chapter 157 of the Hermiston Code of Ordinances is hereby amended by adding Section 157.151(B) (*Prohibited Activities*) to read as follows:

(B) *Marijuana Related Activities.* The following activities shall be prohibited activities in the R-3, R-4, C-1, C-2, DCO, M-1, and M-2 zones:

1. Marijuana processing sites;
2. Medical marijuana dispensaries registered under ORS 475.314;
3. Marijuana producers licensed under section 19, chapter 1, Oregon Laws 2015;
4. Marijuana processors licensed under section 20, chapter 1, Oregon Laws 2015;
5. Marijuana wholesalers licensed under section 21, chapter 1, Oregon Laws 2015;
6. Marijuana retailers licensed under section 22, chapter 1, Oregon Laws 2015; or

7. Any combination of the entities described in this section.

SECTION 2. The findings of fact as adopted by the city council on October 26, 2015 are incorporated herein by reference.

SECTION 3. The city council shall submit the measure of this ordinance to the electors of the City of Hermiston for approval at the next statewide general election to be held on November 8, 2016.

SECTION 4. Upon approval of the electors of the City of Hermiston, the text of this ordinance shall be provided to:

- a) The Oregon Health Authority; and
- b) The Oregon Liquor Control Commission; and
- c) The Oregon Department of Land Conservation and Development

SECTION 5. The effective date of this ordinance shall be thirty days after certification of the election results by the city council of the City of Hermiston.

PASSED by the Common Council this 26th day of October, 2015.

SIGNED by the Mayor this 26th day of October, 2015.

MAYOR

ATTEST:

CITY RECORDER

STAFF REPORT

For Meeting of Oct. 26, 2015

MAYOR AND MEMBERS OF THE CITY COUNCIL

Agenda Item #

NO. 2015-

SUBJECT:
Public Art Plan

Subject

Development of a Public Art Plan was a specific task assigned to the Community Enhancement Committee. The CEC is seeking re-commitment by the Council on this task before beginning work.

Summary and Background

The City Council directed the CEC to develop a Public Art Plan as one of the five specific tasks assigned to the group in the Spring of 2014. Public Art Plans can vary dramatically in scope and intent. Also, many of the example art plans which staff found are in communities which already have a long history of arts programming.

The CEC's recommendation for the most logical step toward increasing the availability of art in the community is to develop a very limited Public Art Plan which is modeled off of one component of Moscow, Idaho's Public Art Plan. Hermiston's plan would simply define what "Public Art" is and the intention behind the plan, engage the public through a process to identify generally what "focus areas" should the City focus on and to generally identify what types of art would be appropriate to locate in those focus areas. Finally, the plan would establish specific policies regarding the ownership, potential acquisition, maintenance responsibilities, and potential disposal/removal of Public Art.

An example of how the "focus area" process would work is to solicit public input on the best areas to place public art, and then inside of those areas, what general types of art make sense. The resulting statements in the Art Plan would look approximately like, "somewhere in the first two blocks of Imaginary Street, beneficial Public Art could include installation of decorative bike racks, artistic benches, and/or pedestals for rotating art." The process for actual funding, selection, and specific placement of actual art would be addressed in the companion policies.

City Staff lacks the time and expertise to properly develop this plan fully in-house. Staff recommends hiring a specialist on a limited-duration contract to assist on the three main work tasks outlined above. Mostly this contractor will help facilitate public involvement, and actually write the plan.

Fiscal Information

An application has already been filed for an "Arts Build Communities" grant from the State to fund 50% of this project. The requested grant amount is \$4,500. The City match would be \$4,500 out of pocket. The use of existing City staff resources to help oversee and manage this process is estimated at approximately \$4,000.

Alternatives and Recommendation

Alternatives

1. Motion to support development of the Art Plan as outlined.
2. Motion to support development of the Art Plan contingent on grant funding.
3. Motion to direct the CEC to stop work on creating an Art Plan.

Recommendation

Motion to support development of the Art Plan as outlined.

Requested Action/Motion

Motion to support development of the Art Plan as outlined.

Department Head- Mark Morgan, Assistant City Manager



City Manager Approval- Byron Smith, City Manager



Monthly Financial Report



Includes the Hermiston Urban Renewal Agency

Finance Department
September 2015

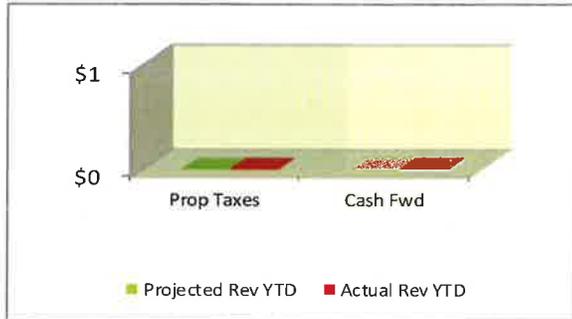
2015-2016 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

For the Month Ending Sep 30, 2015

Resources by Category

Through Sep 30, 2015
(in \$1,000)

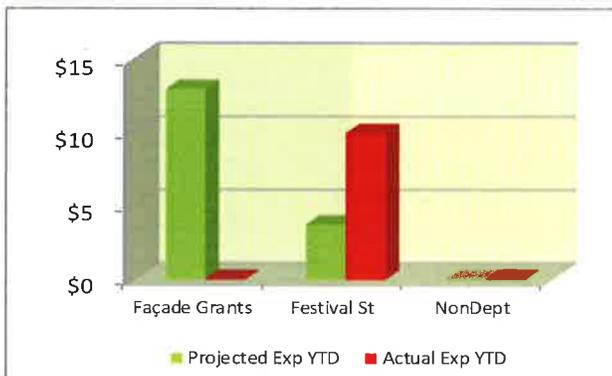


	Annual Proj Rev	Projected Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 15	\$ -	\$ -	\$ -	0%
Cash Fwd	60	-	-	-	0%
Total	\$ 75	\$ -	\$ -	\$ -	0%

Note: variance is calculated as a percent of the projected revenue YTD.

Expenditures by Character

Through Sep 30, 2015
(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	\$ 52	\$ 13	\$ -	\$ 13	100%
Festival St	15	4	10	(6)	(167%)
NonDept	3	-	-	-	0%
Res for Fut Exp	5	-	-	-	0%
Total	\$ 75	\$ 17	\$ 10	\$ 7	0%

Note: variance is calculated as a percent of the projected expenditures YTD.

The primary revenue source for the HURA are property taxes, which are due in November, so revenues are not expected to start coming in until then. Approximately \$6,500 was paid in September for preliminary design of the 2nd Street Gateway project bringing year-to-date expenditures to just about \$10,500.

2015-2016 Monthly Financial Report

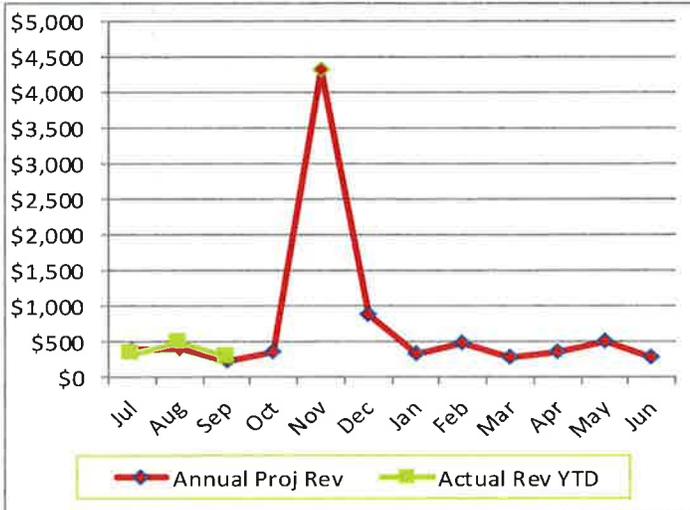
City of Hermiston, Oregon

General Fund Resources

For the Month Ending Sep 30, 2015

Through Sep 30, 2015
(in \$1,000)

All Resources

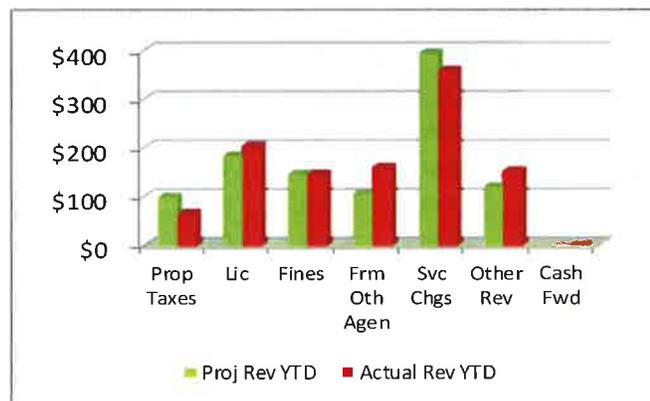


	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Jul	\$ 393	\$ 393	\$ 332	\$ (61)	(15%)
Aug	418	418	478	60	14%
Sep	242	242	280	38	16%
Oct	355				
Nov	4,330				
Dec	885				
Jan	333				
Feb	490				
Mar	293				
Apr	360				
May	517				
Jun	285				
Total	8,902	1,053	1,090	37	4%
Cash Fw	3,813	-	-	-	0%
Total	\$ 12,715	\$ 1,053	\$ 1,090	\$ 37	4%

General Fund revenues for the 2015-16 fiscal year are estimated at \$8.9 million. Actual year-to-date revenues through September were \$1,090,000 compared to projected year-to-date revenues of \$1,053,000, a difference of \$37,000. The largest variances are in property taxes and service charges, a combined unfavorable variance of \$68,000. Beginning with the 2015-16 fiscal year the City began estimating revenues more closely to expected actuals than in previous years causing the variance to be unfavorable rather than favorable as has been seen in prior years.

General Fund Revenue by Category

Through Sep 30, 2015
(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 5,265	\$ 100	\$ 67	\$ (33)	(33%)
Lic	774	184	205	20	11%
Fines	583	146	147	1	0%
Frn Oth Agen	445	107	160	53	50%
Svc Chgs	1,323	395	359	(35)	(9%)
Other Rev	513	121	152	31	26%
Cash Fwd	3,813	-	-	-	0%
Total	\$ 12,715	\$ 1,053	\$ 1,090	\$ 37	4%

Note: variance is calculated as a percent of the projected revenue YTD.

2015-2016 Monthly Financial Report

City of Hermiston, Oregon

General Fund Expenditures

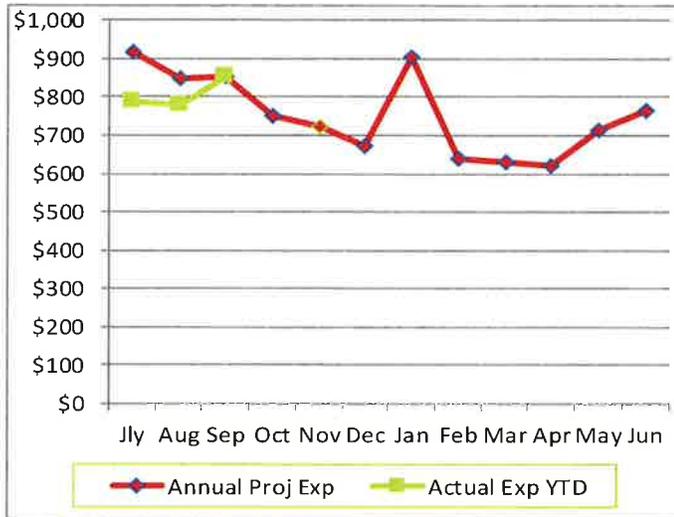
For the Month Ending Sep 30, 2015

General Fund Expenditure Summary

Through Sep 30, 2015

All Requirements

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Jly	\$ 918	\$ 918	\$ 786	\$ 132	14%
Aug	850	850	777	73	9%
Sep	855	855	853	3	0%
Oct	750				
Nov	724				
Dec	675				
Jan	903				
Feb	637				
Mar	629				
Apr	620				
May	713				
Jun	765				
Total	9,039	2,624	2,416	208	8%
Unapp	3,676	-	-	-	0%
Total	\$ 12,715	\$ 2,624	\$ 2,416	\$ 208	8%

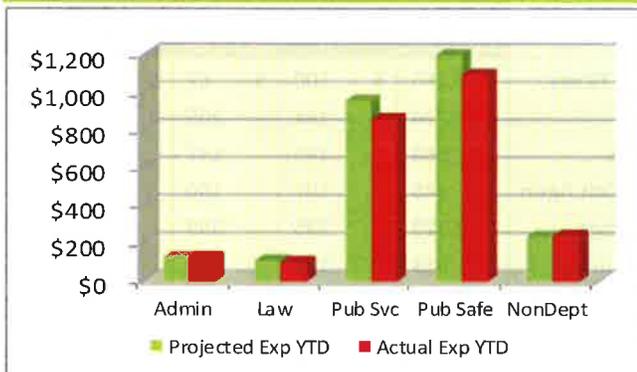
The General Fund expenditure variance is also positive as of the end of September. Actual expenditures are \$208,000 lower than projections, an 8% variance. The largest variances are in Public Safety, a positive \$104,000 variance, and Public Services, a positive \$97,000 variance.

General Fund Expenditures

by Consolidated Department

Through Sep 30, 2015

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 490	125	121	\$ 4	3%
Law	440	109	101	8	7%
Pub Svc	2,879	956	859	97	10%
Pub Safe	4,330	1,198	1,093	104	9%
NonDept	901	236	242	(6)	(2%)
Unapp	3,676	-	-	-	0%
Total	\$ 12,715	\$ 2,624	\$ 2,416	\$ 208	8%

Note: variance is calculated as a percent of the projected expenditures YTD.

2015-2016 Monthly Financial Report

General Fund Expenditure Detail For the Month Ending Sep 30, 2015

General Fund Expenditures by Department

	Annual Projected Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var Fav/ (Unfav)
City Council	32,150	8,965	8,404	561	6%
City Manager/Planning	402,398	102,235	100,347	1,888	2%
Finance	54,964	14,285	12,345	1,940	14%
Total Admin & Finance	489,512	125,484	121,096	4,387	3%
Legal	187,700	45,573	42,862	2,711	6%
Court	251,904	63,057	57,786	5,271	8%
Total Dept of Law	439,604	108,630	100,648	7,982	7%
Transportation	188,375	48,344	44,710	3,634	8%
Airport	241,640	112,371	62,435	49,936	44%
Bldg Inspection	343,262	85,564	83,558	2,006	2%
Parks	477,440	136,726	134,900	1,826	1%
Pool	389,229	243,905	218,027	25,878	11%
Municipal Buildings	12,900	4,188	2,166	2,022	48%
Library	689,266	170,288	162,509	7,779	5%
Recreation	537,300	154,887	150,764	4,123	0
Total Public Services	2,879,412	956,274	859,069	97,205	10%
Public Safety Center	92,000	21,787	27,214	(5,427)	(25%)
Police Operations	4,237,982	1,175,863	1,066,240	109,623	9%
Total Public Safety	4,329,982	1,197,651	1,093,454	104,197	9%
Non-Departmental	900,565	235,887	241,538	(5,651)	(2%)
Unappropriated	3,676,280	0	0	0	0%
Total Non-Dept	4,576,845	235,887	241,538	(5,651)	(2%)
Total	12,715,355	2,623,925	2,415,805	208,119	8%

Within the Public Services category, the Airport had the greatest amount of savings at almost \$50,000. This was mostly due to timing of fuel purchases. Within the General Fund as a whole, Police Operations had the highest variance, a positive \$109,623. Most of the department's savings are in overtime, travel and training and motor vehicle repairs.

2015-2016 Monthly Financial Report

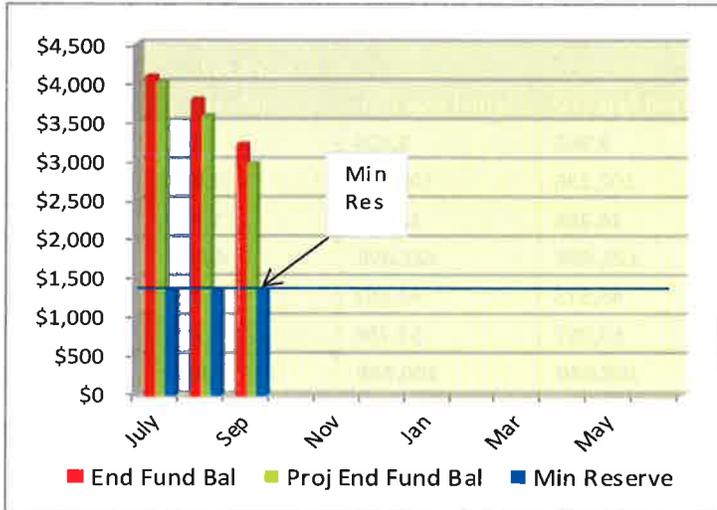
Fund Balance - General Fund
For the Month Ending Sep 30, 2015

General Fund

Through Sep 30, 2015

Ending Fund Balance

(in \$1,000)



Minimum Reserve = \$1,355,861

	Begin Fund Bal	Rev	Exp	End Fund Bal	Proj End Fund Bal
July	\$ 4,547	\$ 332	\$ (786)	\$ 4,093	\$ 4,022
Aug	4,093	478	(777)	3,794	3,590
Sep	3,794	280	(853)	3,221	2,977
Oct					
Nov					
Dec					
Jan					
Feb					
Mar					
Apr					
May					
June					
Total	\$ 4,547	\$ 1,090	\$ (2,416)	\$ 3,221	\$ 2,977

The City Council has established a minimum reserve for the General Fund of 15% of budgeted annual operating expenditures. The minimum reserve for 2015-16 is \$1,355,861. The fund balance at the end of September is approximately \$3.2 million, a decrease of \$1.3 million since the beginning of the fiscal year. Fund balance is expected to begin growing in November as the property taxes start to come in.

2015-2016 Monthly Financial Report

Special Revenue Funds Report

For the Month Ending Sep 30, 2015

Special Revenue Funds Resources & Requirements

	2015-16		Remaining Estimate
	Annual Estimate	Actual YTD	
Bonded Debt Fund			
Resources	3,767,354	684,501	3,082,853
Expenditures	3,527,354	1,230,884	2,296,470
Unappropriated Balance	240,000	N/A	N/A
Transient Room Tax (TRT)			
Resources	573,335	143,616	429,719
Expenditures	520,000	145,902	374,098
Unappropriated Balance	53,335	N/A	N/A
Recreation Special Revenue			
Resources	239,000	-	239,000
Expenditures	57,086	57,085	1
Unappropriated Balance	181,914	N/A	N/A
Reserve Fund			
Resources	7,090,060	461,297	6,628,763
Expenditures	4,882,912	1,072,365	3,810,547
Unappropriated Balance	2,207,148	N/A	N/A
Municipal Court Special Revenue			
Resources	281,900	70,664	211,236
Expenditures	246,900	66,819	180,081
Unappropriated Balance	35,000	N/A	N/A
Miscellaneous Special Revenue			
Resources	30,000	3,835	26,165
Expenditures	30,000	3,786	26,214
Unappropriated Balance	-	N/A	N/A
Conference Center			
Resources	249,975	55,239	194,736
Expenditures	192,475	44,405	148,070
Unappropriated Balance	57,500	N/A	N/A
EOTEC Grant Fund			
Resources	5,400,000	-	5,400,000
Expenditures	5,400,000	1,186,308	4,213,692
Unappropriated Balance	-	N/A	N/A
Law Enforcement Special Revenue			
Resources	71,500	12,476	59,024
Expenditures	43,500	524	42,976
Unappropriated Balance	28,000	N/A	N/A

Beginning with the 2015-16 fiscal year the City began estimating all of its resources in each fund and only appropriating what it projects it will need for that year. The remainder is carried in the fund as Unappropriated Balance.

The City uses multiple Special Revenue funds to account for revenues that are restricted to expenditure for particular purposes. They include funds for debt service, economic development, parks and recreation, capital projects, and grants. Since these funds are not operational and are used for specific purposes from year-to-year, their expenditures do not typically follow a predictable pattern so budget variances are not calculated for them.

2015-2016 Monthly Financial Report

Special Revenue Funds Report

For the Month Ending Sep 30, 2015

Special Revenue Funds Resources & Requirements

	2015-16		Remaining Estimate
	Annual Estimate	Actual YTD	
Library Special Revenue			
Resources	58,000	5,080	52,920
Expenditures	46,000	2,982	43,018
Unappropriated Balance	12,000	N/A	N/A
2014 Water & Sewer Rev Bonds			
Resources	1,300,000	652	1,299,348
Expenditures	1,300,000	612,097	687,903
Unappropriated Balance	-	N/A	N/A
Senior Center Const			
Resources	2,073,360	-	2,073,360
Expenditures	2,073,360	-	2,073,360
Unappropriated Balance	-	N/A	N/A

2015-2016 Monthly Financial Report

Utility and Street Funds Report

For the Month Ending Sep 30, 2015

Utility and Street Funds Report

Resources & Expenditures

	2015-16 Annual			Variance	
	Budget	Projected YTD	Actual YTD	Fav/(Unfav)	% Variance
<u>Street Fund</u>					
Resources	2,017,500	237,500	264,666	27,166	11%
Expenditures	1,348,785	337,196	319,841	17,355	5%
Unappropriated Balance	668,715	N/A	N/A	N/A	N/A
<u>Utility Fund</u>					
Resources	8,480,520	1,537,625	1,624,258	86,633	6%
Expenditures	5,821,305	1,002,287	1,029,390	(27,103)	(3%)
Unappropriated Balance	2,659,215	N/A	N/A	N/A	N/A
<u>HES Fund</u>					
Resources	11,435,765	2,789,135	2,854,171	65,036	2%
Expenditures	8,697,002	2,519,509	2,113,447	406,062	16%
Unappropriated Balance	2,738,763	N/A	N/A	N/A	N/A
<u>Regional Water Fund</u>					
Resources	1,437,800	146,753	222,595	75,842	52%
Expenditures	660,198	231,200	196,109	35,091	15%
Unappropriated Balance	777,602	N/A	N/A	N/A	N/A

The Street Fund had a favorable \$27,166 variance in revenues due to higher than projected gasoline tax collections. The fund also had a favorable expenditure variance of \$17,355 or 5%.

Water revenues have come in higher than projections causing the favorable variance in the Utility Fund. Expenditures are about 3% over projections.

The HES fund revenues are almost right on target while expenditures are 16% under projections. Expenditures are lower than projected due to the timing of power purchases. Only 17% of the budget has been expended so far compared to 25% of the fiscal year being elapsed.

2015-2016 Monthly Financial Report

Utility and HES Funds Report

For the Month Ending Sep 30, 2015

Utility and HES Funds Report

Reserve Balances

	Beginning Reserve	Ending Reserve	% Ending Reserve	Minimum Reserve Requirement	Difference
Utility Fund	3,056,640	3,819,370	45.0%	1,045,544	2,773,826
HES Fund	3,157,652	3,892,511	34.0%	1,409,889	2,482,622
Total	6,214,292	7,711,881	-	2,455,432	5,256,449

The City Council has established a minimum working capital (current assets less current liabilities) of forty-five (45) days of annual operating expenses for both the Utility Fund and HES Fund. This equates to \$1 million forty-five thousand for the Utility Fund and \$1.4 million for the HES Fund. Both funds have balances well above their minimum reserve levels for a total reserve of \$7.7 million.

2015-2016 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending Sept 30, 2015

Capital Projects

	2015-16 Budget	YTD Expenditures	LTD Budget	LTD Expenditures	% Complete
Airport Improvements	\$ 615,000	\$ 13,652	\$ 650,000	\$ 243,425	---
Eastern OR Trade & Event Ctr (EOTEC) Pipeline	350,000	63,307	1,800,000	728,482	95%
EOTEC Construction	5,400,000	1,186,308	6,400,000	2,738,133	0%
RWTP Outfall	-	10,140	2,500,000	1,107,583	90%
Water Line Extension	1,026,200	410,247	1,250,000	634,040	70%
Total	\$ 7,391,200	\$ 1,683,654	\$ 12,600,000	\$ 5,451,663	---

Airport Improvements

The City was awarded \$2.9 million from the FAA for the construction phase of the Airport Improvements project and the City signed a contract with Columbia Pacific Construction (CPC) at the end of September to perform the work. Demolition of the taxiway will begin in October and the paving is expected to be finished in November. Winterization, which will include leaving the taxiway in a state that is usable throughout the winter, is scheduled to be complete by the end of November.

EOTEC Pipeline

This project is now 99% complete and the contractor has submitted their final invoice, less retainage, for payment.

EOTEC Construction

This project is moving along well. The steel frame for the Exhibition Hall has been erected, and the exterior of the building is expected to be completed in November. Substantial Completion is expected to occur in March of 2016.

RWTP Outfall

The City has given the contractor notice of substantial completion. They have finished the revegetation of the land near the Umatilla River disturbed by construction and have only a few other punch list items to complete.

Water Line Extension

This project is moving along nicely and the contractor is expected to finish the final pieces of pipe installation in October.

**2015-2016 Monthly Financial Report
City of Hermiston, Oregon
Investments
For the Month Ending Sep 30, 2015**

**Investment Report
by Type**

Cusip No.	Par Value	Principal Cost	Market Value	Issuer	Rating Moody's/S&P	Days to Maturity	Callable Y/N	Yield to Worst Call	Yield to Maturity (YTM)
3136G1BT5	\$ 2,000,000	\$ 1,960,500	\$ 2,000,966	FNMA	Aaa/AA+	677	Y	1.37	1.37
3134G33E8	\$ 1,000,000	\$ 997,073	\$ 999,437	FHLMC	Aaa/AA+	1,563	Y	1.57	1.57
3135G0QK2	\$ 2,000,000	\$ 1,985,750	\$ 2,005,762	FFCB	Aaa/AA+	1,465	Y	1.71	1.71
313381UZ6	\$ 1,000,000	\$ 985,720	\$ 997,943	FHLB	---	848	Y	1.31	1.31
3137EADN6	\$ 1,000,000	\$ 978,757	\$ 999,137	FHLMC	Aaa/AA+	835	N	1.29	1.29
3135G0GY3	\$ 1,000,000	\$ 1,013,901	\$ 1,009,489	FNMA	Aaa/AA+	488	N	0.78	0.78
US Agencies	\$ 8,000,000	\$ 7,921,701	\$ 8,012,734	---	---	---	---	---	---
LGIP ⁽¹⁾⁽²⁾	\$ 2,682,166	\$ 2,682,166	\$ 2,682,166	Varies	---/AA	1	N	0.54	0.54
LGIP	\$ 2,682,166	\$ 2,682,166	\$ 2,682,166	---	---	---	---	---	---
TOTAL	\$ 10,682,166	\$ 10,603,867	\$ 10,694,900	---	---	---	---	---	---

⁽¹⁾ \$1,774 of the balance in the LGIP is held by the City for the Eastern Oregon Trade and Event Center (EOTEC).

⁽²⁾ \$294 of the balance in the LGIP is invested for the 2014 Sewer & Water Revenue Bonds.

The City of Hermiston has established certain policies for its investments. In order to limit credit and interest rate risk, investments are diversified by security type, maturity, issuer, and call provisions. At least 25% of funds available for investing will be invested in the Local Government Investment Pool (LGIP), with a qualified depository institution, or investments maturing in less than 90 days. 50% or more of the portfolio will be invested in securities maturing in less than three years. The maximum average maturity for the portfolio shall be 3 years and the maximum maturity of individual securities in the portfolio shall be 5 years. No more than 75% of the portfolio may be callable. The minimum weighted average credit rating of the portfolio's investments shall be Aa/AA by Moody's and Standard & Poor's respectively. The breakdown of the City's portfolio is shown below.

Maturity	Par Value	% of Total Portfolio
< 90 Days	\$ 2,682,166	25.1%
90 Days - 3 Yr	\$ 5,000,000	46.8%
3 - 5 Yrs	\$ 3,000,000	28.1%
	\$ 10,682,166	100.0%

Type of Inv	Par Value	% of Total Portfolio
US Agency	\$ 8,000,000	74.9%
Corporate	\$ -	0.0%
LGIP	\$ 2,682,166	25.1%
	\$ 10,682,166	100.0%

Various Investment Parameters	With LGIP	Without LGIP
WTD Avg Mat	751	751
Wtd Avg Yield to Ma	1.18%	1.39%
Percent Callable	56.2%	75.0%
Wtd Avg Credit Ratin	Aaa/AA+	Aaa/AA+