UMATILLA COUNTY
NORTH HIGHWAY 395
ECONOMIC ENHANCEMENT
TECHNICAL ADVISORY COMMITTEE

Open House

February 18, 2015

E. D. Hovee & Company, LLC
Economic and Development Services
Meeting Discussion Topics

1. Welcome  (Bill Elfering – Umatilla County Commissioner)
2. Opening Remarks (Steve Watkinds, TAC member)
3. Open House Objectives  (Tamra Mabbott – Planning Director)
   • Background & Purpose of 395 North Economic Enhancement
   • Role of Technical Advisory Committee (TAC)
   • Overview of Draft Economic Development / Planning Study
   • Your Questions & Comments
4. Draft Report Overview  (Eric Hovee – Consultant)
   • Information Baseline (Profile, Stakeholders, Best Practice Review)
   • Redevelopment Scenarios (with Draft Implementation Agenda)
5. Question & Answer Discussion  (All Attendees)
   • TAC Member Comments
   • Questions, Comments, Suggestions
   • Next Steps
Report Introduction

Objectives:

• Viable approach to Highway 395 North redevelopment

• Template applicable statewide

• Grounded in sound analysis & tool box resources

<table>
<thead>
<tr>
<th>TAC Member</th>
<th>Affiliation</th>
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<tbody>
<tr>
<td>Bryan Medelez</td>
<td>BJK Transport</td>
</tr>
<tr>
<td>Steve Watkinds</td>
<td>Columbia Court Club</td>
</tr>
<tr>
<td>Ken Dopps</td>
<td>E Oregon Machine</td>
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<tr>
<td>Zeno Marin</td>
<td>Hendon Construction</td>
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<tr>
<td>Vicky Villareal</td>
<td>Krome Trucking</td>
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<tr>
<td>Arlin Phillips</td>
<td>NW Crane Service</td>
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<tr>
<td>Byron Grow</td>
<td>Payless Lumber</td>
</tr>
<tr>
<td>Shane Clayson</td>
<td>Pioneer</td>
</tr>
<tr>
<td>William Kik</td>
<td>Sanitary Disposal</td>
</tr>
<tr>
<td>Deon Magnuson</td>
<td>Sears</td>
</tr>
<tr>
<td>Kari Christiansen</td>
<td>Sherrill Chevrolet</td>
</tr>
<tr>
<td>Bill Elfering</td>
<td>U.C. Commissioner</td>
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</table>
**Information Baseline:**

**Ownership**

- 861 total acres
- 267 tax parcels
- 21 owners w/ 2/3 of land area (largest is BLM)

709 acres zoned for industrial, 152 commercial
Information Baseline: Valuation

- $51.7 million assessed valuation (RMV)
- Vacant land 37% of land area / 8% of RMV
- Highly improved land 30% of land area / 63% of valuation
Baseline: Roads

- Mix of state, county, public & private roads
- Internal network of public streets & private roads
- 395 & portions of internal system paved
- Most of internal system consists of gravel & dirt roads
Information Baseline: RMV Benchmark

• < 20% of 395N is zoned C vs 30% Hermiston
• RMV of C-land 3x valuation 395 N, I-comparable

Comparative Employment Land Area & Real Market Valuation (RMV)

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Acreage</th>
<th>RMV</th>
<th>RMV/Acre</th>
</tr>
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<tbody>
<tr>
<td><strong>395 North Study Area</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercially Zoned</td>
<td>152.13</td>
<td>$22,411,110</td>
<td>$147,316</td>
</tr>
<tr>
<td>Industrially Zoned</td>
<td>709.33</td>
<td>$29,242,470</td>
<td>$41,225</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>861.46</td>
<td><strong>$51,653,580</strong></td>
<td><strong>$59,961</strong></td>
</tr>
<tr>
<td><strong>City of Hermiston</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercially Zoned</td>
<td>470.48</td>
<td>$202,142,790</td>
<td>$429,652</td>
</tr>
<tr>
<td>Industrially Zoned</td>
<td>412.15</td>
<td>$24,381,500</td>
<td>$59,157</td>
</tr>
<tr>
<td>Combination Zoned</td>
<td>693.22</td>
<td>$54,893,080</td>
<td>$79,186</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,575.85</td>
<td><strong>$281,417,370</strong></td>
<td><strong>$178,581</strong></td>
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</tbody>
</table>
### Study Area & 97838 Zip Code Employment

<table>
<thead>
<tr>
<th>NAICS</th>
<th>Employment Sector</th>
<th>2013 Employment</th>
<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td>395 North</td>
<td>97838</td>
<td>% of Total</td>
</tr>
<tr>
<td>23</td>
<td>Construction</td>
<td>86</td>
<td>323</td>
<td>27%</td>
</tr>
<tr>
<td>31-33</td>
<td>Manufacturing</td>
<td>73</td>
<td>1,517</td>
<td>5%</td>
</tr>
<tr>
<td>11, 42</td>
<td>Agriculture &amp; Wholesale Trade</td>
<td>426</td>
<td>2,256</td>
<td>19%</td>
</tr>
<tr>
<td>44-45</td>
<td>Retail Trade</td>
<td>109</td>
<td>1,461</td>
<td>7%</td>
</tr>
<tr>
<td>48-49</td>
<td>Transportation &amp; Warehousing</td>
<td>249</td>
<td>1,741</td>
<td>14%</td>
</tr>
<tr>
<td>53-54</td>
<td>Real Estate &amp; Professional, Scientific &amp; Technical Svcs</td>
<td>18</td>
<td>370</td>
<td>5%</td>
</tr>
<tr>
<td>56, 62</td>
<td>Admin &amp; Support, Waste Mgmt &amp; Remediation Svcs, Health Svcs</td>
<td>163</td>
<td>2,287</td>
<td>7%</td>
</tr>
<tr>
<td>71-72, 81</td>
<td>Leisure, Hospitality &amp; Other Svcs</td>
<td>49</td>
<td>1,238</td>
<td>4%</td>
</tr>
<tr>
<td>21-22, 51-52, 55, 61, 92</td>
<td>Other Remaining Sectors (not represented in 395 North)</td>
<td>NA</td>
<td>1,799</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Total Employment</td>
<td>1,173</td>
<td>12,992</td>
<td>9%</td>
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</table>
Stakeholder Interviews

11 Interviews (TAC members)

Focus on:

• Strengths & Weaknesses
• Opportunities
• Tool Box Resources
• Comparables & Metrics
• Priorities for Action
### Strengths:
- Local & regional growth
- Good retail location
- Central for ag-business & distribution
- Large, low cost sites
- Lower taxes
- Water & septic viability

**Comments:**
- “Quick access”
- “North side is better... tried & true”

### Weaknesses:
- Excessive 395 speeds
- Poor internal streets
- Lack of municipal water (fire flow)
- Lack of sewer
- Zoning w/limited flexibility
- Unkempt image
- Uncertain regulatory roles

**Comments:**
- “Current building is not insurable”
- “Look of the town ... haphazard”
Opportunities

Economic Development:
• Business expansion
• Added highway corridor retail / service (w/ infrastructure)

Infrastructure & Design:
• Street calming (speeds, signals, landscape, lights)
• Water system improvements (short / long term)
• Wastewater options (from engineered to public solutions)
• Internal street network (both sides of 395)
• Business appearance (facades to front yards)

Promotional Activities:
• Question of need (little need to value of corridor branding)
• Added highway corridor retail (especially w/ critical mass)

Organizational Capacity:
• Yes, to do! (done before, agency roles, regional marketing)

Comments:
“Will get more of what we have”
“Need cohesive help, but low cost”
“Make the area more eye-appealing”
“Name recognition is important”
“Move city limits to Bensel”
Tools:
• Public roles to address fire flows
• ODOT 395 involvement
• Internal street network champions
• Wastewater technical support
• Planning for municipal treatment
• Possible park / open space?

Comparables:
• S Hermiston (industrial)
• Umatilla Depot (national / tri-state markets)
• Port of Morrow (heavy industrial, rail, barge)
• Downtown Hermiston (local retail) & Tri-Cities (malls)
• Non-local (success stories?)

Metrics (for success):
• Business competitiveness & expansion
• Attraction of new similar business
• Solving critical infrastructure questions
Best Practices

Oregon:

State Resources:
- DLCD – RSTs, state significance
- ODOT – TIB, TGM, refinement plan
- Business Oregon – loans, land & infrastructure, tax incentives

Local Jurisdiction Resources:
- LID / EID
- GO bonding
- Urban renewal – tax increment
- Regulatory incentive – SDC, zoning
- Public / private partnership

Few communities focused on industrial corridor revitalization (more emphasis to date on commercial)

Across the U.S.

National Scope:
- Federal – EDA, CDBG, TIGER, EPA
- Non-profit – NMSC, APA, ULI, LISC
- Form-based / performance zoning

Mid-West / East Coast:
- Rust-belt aggressive programs

West Coast:
- Industrial – PDX Airport Way, Seattle Duwamish, Long Beach
- Washington – CERB / LIFT
- California – sales tax increment

West coast more limited experience w/ industrial corridors (outside metro areas)
Best Practices (Added Detail)

Take-Aways:

- **Commercial**: vision, customization, design, cooperation, leveraging

- **Industrial**: quality look *plus* functionality, infrastructure, incentives

- **Oregon**: adapt existing tools to corridor setting
Best Practices (Added Detail)

Customize To Fit the Business & Community:

Source: International City Managers Association, Public Management, October 2011
Redevelopment Scenarios

A) Status Quo:
Assumes continuation of existing trends & jurisdictional roles

**Advantages:**
- Minimal public expenditure need
- Alternative C / I sites elsewhere

**Disadvantages:**
- Less opportunity for ag/retail expansion
- Continued highway safety & image issues

B) County/Owner Partnership:
Maximize opportunity as a non-urban industrial & commercial corridor

**Advantages:**
- Better chance to fix infrastructure
- Improved corridor image & tax base

**Disadvantages:**
- Won’t maximize build-out potential
- Funding & inter-jurisdictional support?

C) Urban Incorporation:
Assumes eventual transition to UGB status & annexation

**Advantages:**
- Most rapid build-out
- Highest job & tax base, better image

**Disadvantages:**
- Increased tax rates w/annexation
- Requires most public-private cooperation
Redevelopment Scenarios

Valuation Scenarios:
A. Status Quo
B. County/Owner Partnership
C. Urban Incorporation

395 North Potentials (@ Build-Out)
Development Tool Box

Tool Box Resources:
A. Planning & Regulatory
B. Technical Assistance
C. Funding
D. Workplace
E. Best Practice/Case Study

Frame of Reference

Incentive Types:
• Place-based
• Business-based
• Employee-based
Implementation Agenda (12-3-14)

TAC Review & Recommendation:
Start w/Scenario B-County/Owner partnership, transitioning to C-urban incorporation

Implementation Agenda

**Short-Term (1-3 Yrs)**
- 395 North Paving & Refinement Plan
- Water Fire Flow Plan
- On-Site Wastewater Assistance
- Zoning Review
- 395 North Business Association

**Mid-Term (3-10 Yrs)**
- 395 North Corridor Improvements
- Water Capacity & System Plan
- Wastewater Plan
- UGB Expansion Plan
- Business Association Advocacy
- Corridor Branding

**Long-Term (10-20 Yrs)**
- Internal Street Network
- UGB Expansion & Annexation
- Organizational Review
## Agenda Detail (Short-Term 1-3 Yrs)

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<thead>
<tr>
<th>Action</th>
<th>Type</th>
<th>Comments</th>
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<tbody>
<tr>
<td><strong>Short-Term</strong></td>
<td></td>
<td>(1-3 Years)</td>
</tr>
<tr>
<td>A1-395 North Paving &amp; Refinement Plan</td>
<td>ID,  ED</td>
<td>ODOT-funded to focus on traffic calming for improved safety, beautification, and long-term internal road network</td>
</tr>
<tr>
<td>A2-Water Fire Flow Plan</td>
<td>ID,  ED</td>
<td>Interjurisdictional cooperation to identify cost-effective fire flow options, possibly starting at southern end of study area</td>
</tr>
<tr>
<td>A3-OnSite Wastewater Treatment Assistance</td>
<td>ID,  ED</td>
<td>Technical assistance as to best practices and options for cost-effective on-site engineered / package septic systems</td>
</tr>
<tr>
<td>A4-Zoning Review</td>
<td>ID,  ED</td>
<td>Review and revise Comprehensive Plan and Zoning Code to provide either for a) greater commercial orientation to 395 frontage with threshold design standards and/or b) transition to form-based zoning allowing either industrial/commercial uses with design standards for new buildings on 395 frontage</td>
</tr>
<tr>
<td>A5-395 North Business Association</td>
<td>O,   ED</td>
<td>Establish on-going business and property organization to serve as facilitator and advocate for corridor district improvement; could be formed from current TAC or separately with private and public sector representation</td>
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*Legend: ID-Infrastructure & Design; ED-Economic Development; P-Promotion; O-Organization*
## Agenda Detail (Mid-Term 3-10 Years)

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<tr>
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<th>Comments</th>
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<tr>
<td><strong>Mid-Term</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B1-395 Corridor Improvements</strong></td>
<td>ID, ED</td>
<td>Fund and construct initial phase of improvements for traffic calming, beatification and intersection radius improvements</td>
</tr>
<tr>
<td><strong>B2-Water Capacity &amp; System Plan</strong></td>
<td>ID</td>
<td>Evaluate options and select preferred approach for municipal water service including consolidation with community systems</td>
</tr>
<tr>
<td><strong>B3-Wastewater System Plan</strong></td>
<td>ID</td>
<td>Determine options and potential phasing approach for development of municipal sewer system</td>
</tr>
<tr>
<td><strong>B4-UGB Expansion Plan</strong></td>
<td>ID, ED</td>
<td>Work with Cities of Hermiston and / or Umatilla to assess and determine appropriate jurisdiction and plan for UGB inclusion</td>
</tr>
<tr>
<td><strong>B5-Business Association Advocacy</strong></td>
<td>ID, ED</td>
<td>Principal activities to include assistance with funding options (especially private shares) and district branding</td>
</tr>
<tr>
<td><strong>B6-Corridor Branding</strong></td>
<td>O, P</td>
<td>Initiation of 395 North corridor branding with distinct image / logo campaign – in conjunction with streetscape implementation (as with banners, gateway / business signage)</td>
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</tbody>
</table>

*Legend: ID-Infrastructure & Design; ED-Economic Development; P-Promotion; O-Organization*
## Agenda Detail (Long-Term 10-20 Years)

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<tr>
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<th>Type</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>Long-Term</td>
<td></td>
<td>(10-20 Years)</td>
</tr>
<tr>
<td>C1-Internal Street Network</td>
<td>ID, ED</td>
<td>Complete paved internal road system with north-south routes parallel to 395 plus east-west cross-street connectors</td>
</tr>
<tr>
<td>C2-UGB Expansion &amp; Annexation</td>
<td>ID, O</td>
<td>Complete economic and land use together with service transition plans for annexation to Hermiston and / or Umatilla</td>
</tr>
<tr>
<td>C3-Organizational Review</td>
<td>O, P</td>
<td>Re-assess business association options including options for inclusion with Hermiston area business organizations</td>
</tr>
</tbody>
</table>

*Legend: ID-Infrastructure & Design; ED-Economic Development; P-Promotion; O-Organization*
Q & A Time

• TAC Member Comments
  (Committee priorities)

• Questions, Comments, Suggestions
  (Open discussion)
Next Steps

• Final Report Draft
  (Addressing questions & comments received)

• 2nd Public Open House
  & TAC Recommendation
  (March/April date TBD)

• Other Items?