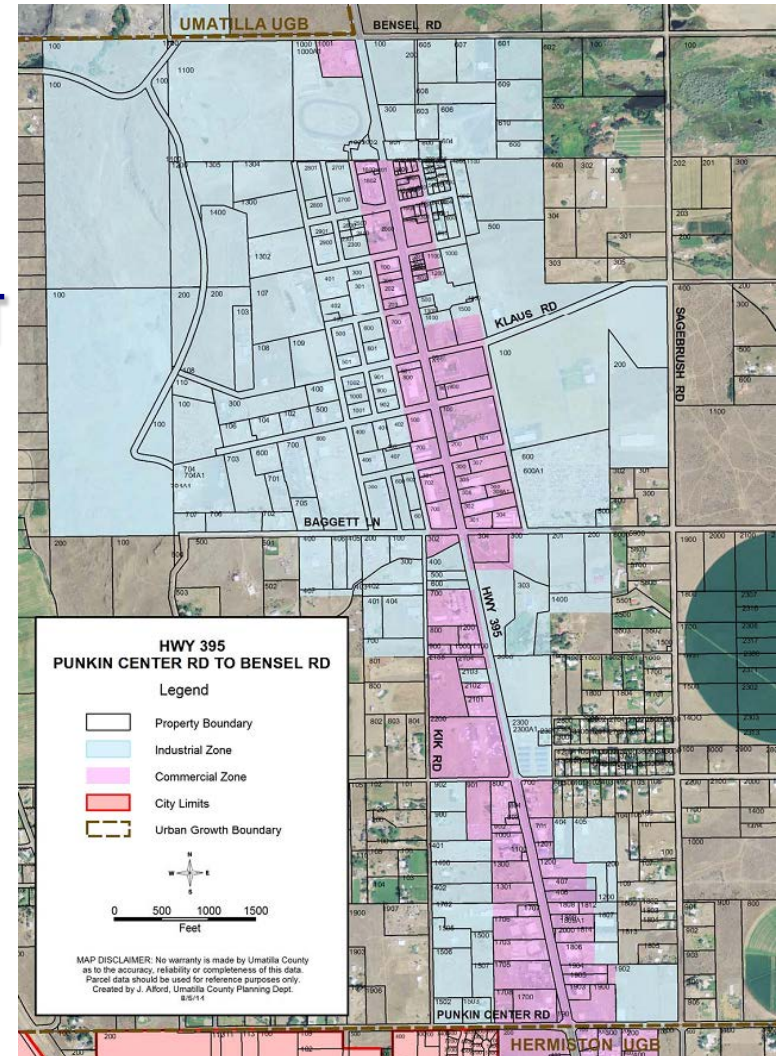


UMATILLA COUNTY NORTH HIGHWAY 395 ECONOMIC ENHANCEMENT TECHNICAL ADVISORY COMMITTEE

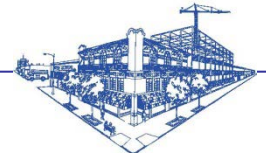
Open House

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 Watkind, 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:

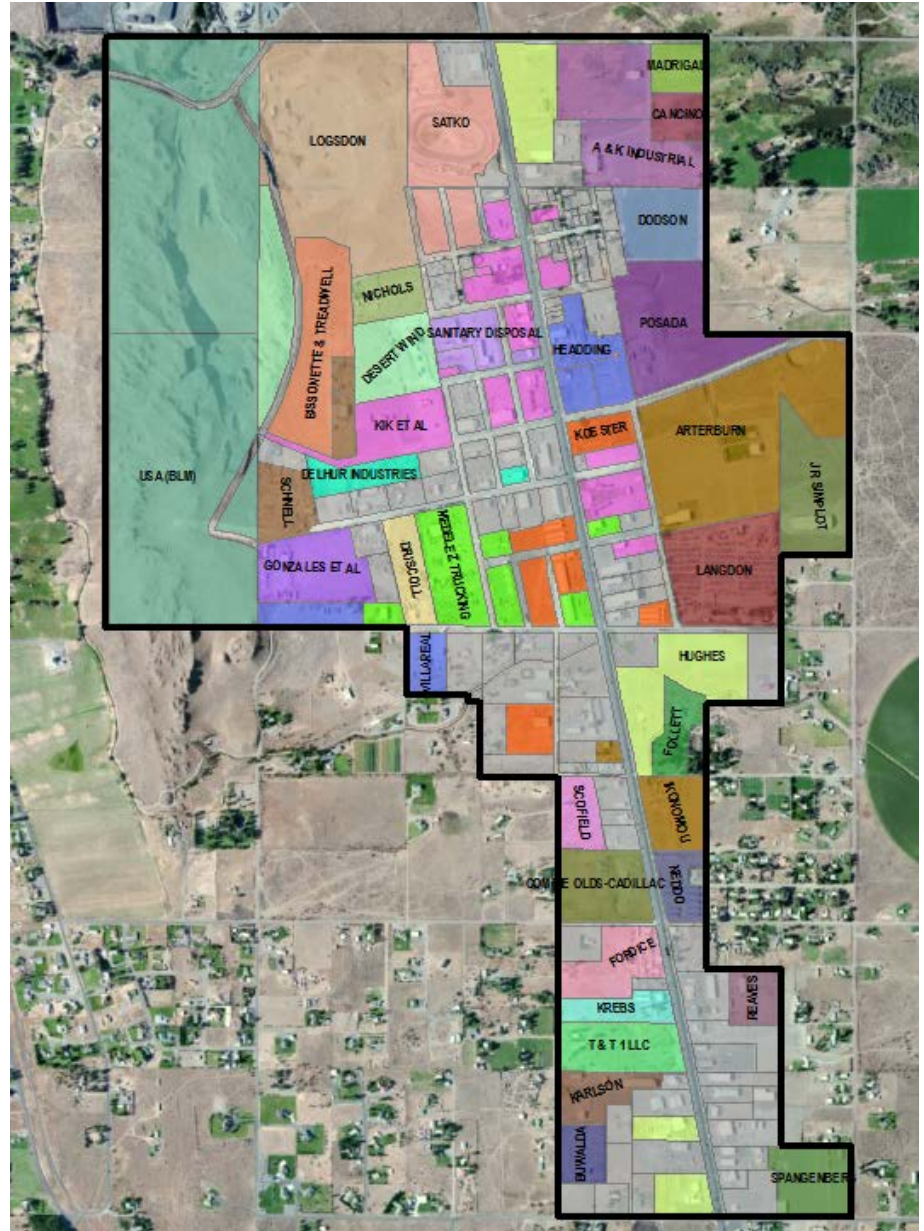
- Viable approach to Highway 395 North redevelopment
- Template applicable statewide
- Grounded in sound analysis & tool box resources

TAC Member	Affiliation
Bryan Medelez	BJK Transport
Steve Watkins	Columbia Court Club
Ken Dopps	E Oregon Machine
Zeno Marin	Hendon Construction
Vicky Villareal	Krome Trucking
Arlin Phillips	NW Crane Service
Byron Grow	Payless Lumber
Shane Clayson	Pioneer
William Kik	Sanitary Disposal
Deon Magnuson	Sears
Kari Christiansen	Sherrill Chevrolet
Bill Elfering	U.C. Commissioner

Information Baseline: Ownership

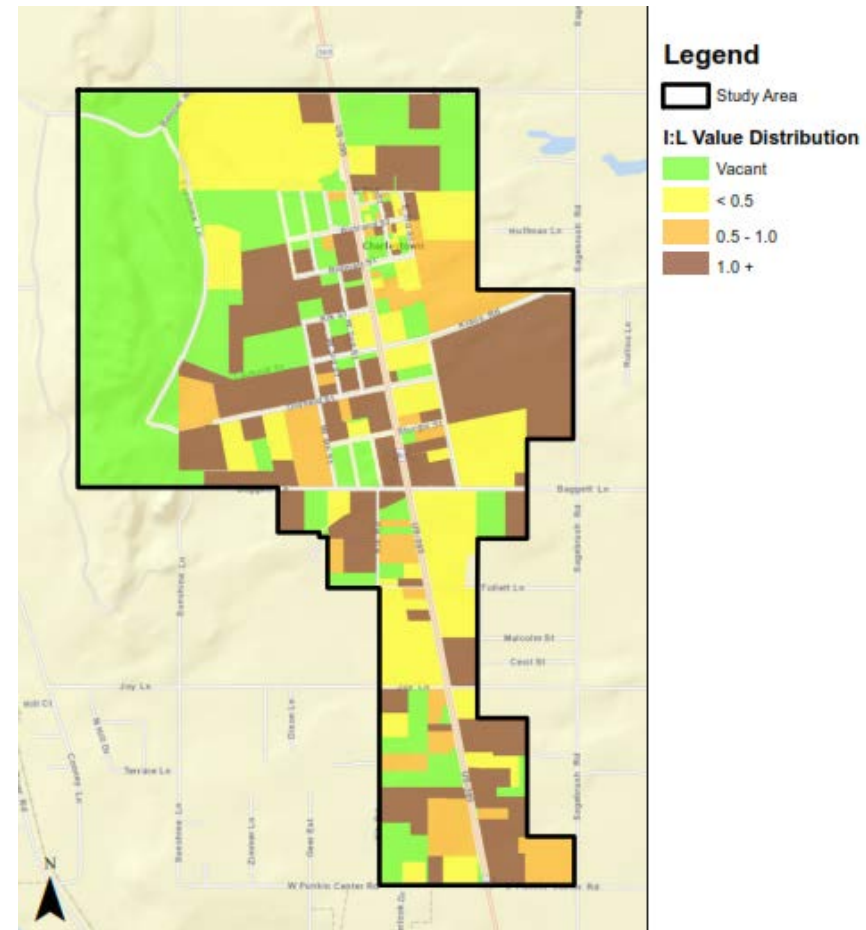
- 861 total acres
- 267 tax parcels
- 21 owners w/
2/3 of land area
(largest is BLM)

709 acres zoned
for industrial,
152 commercial



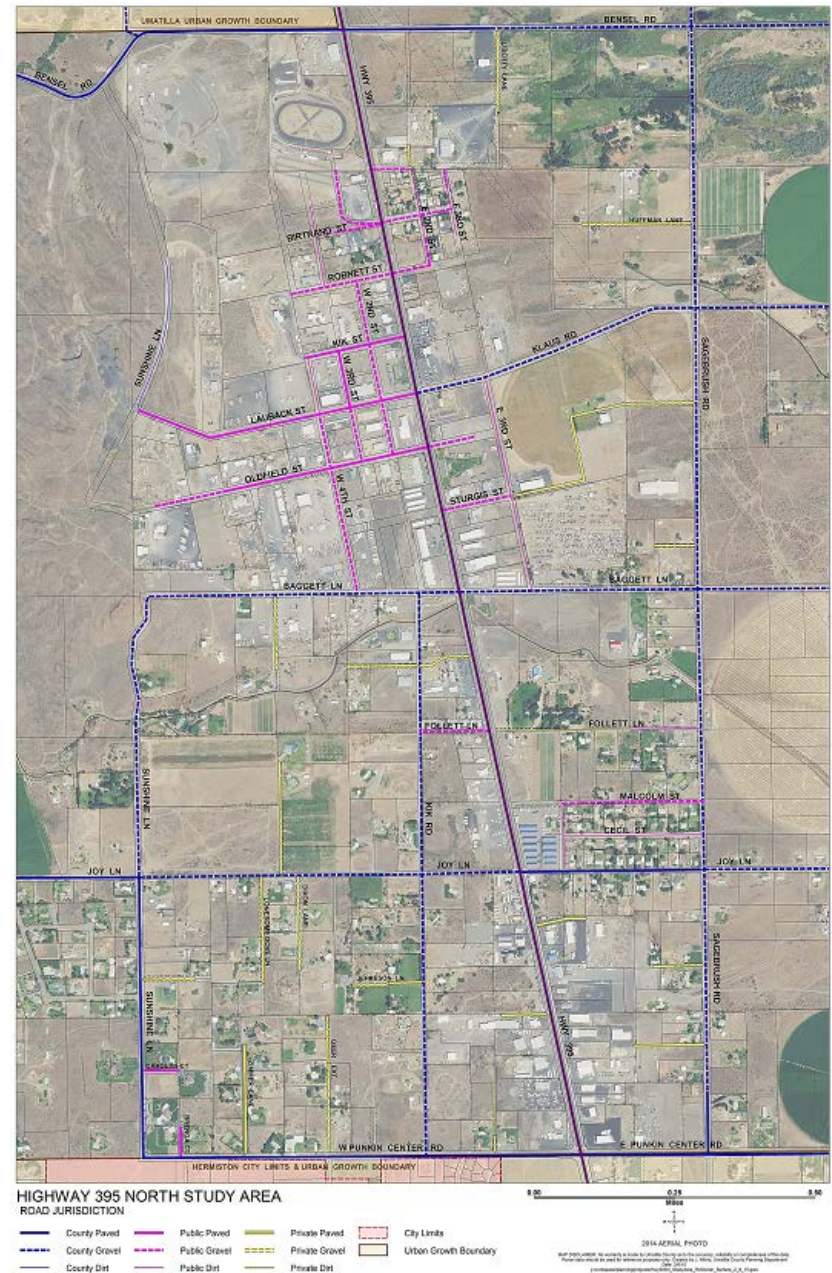
Information Baseline: Valuation

- \$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)

Scenario	Acreage	RMV	RMV/Acre
395 North Study Area			
Commercially Zoned	152.13	\$22,411,110	\$147,316
Industrially Zoned	709.33	\$29,242,470	\$41,225
Total	861.46	\$51,653,580	\$59,961
City of Hermiston			
Commercially Zoned	470.48	\$202,142,790	\$429,652
Industrially Zoned	412.15	\$24,381,500	\$59,157
Combination Zoned	693.22	\$54,893,080	\$79,186
Total	1,575.85	\$281,417,370	\$178,581

Information Baseline: Jobs Benchmark

Study Area & 97838 Zip Code Employment

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

Stakeholder Interviews

11 Interviews (TAC members)

Focus on:

- Strengths & Weaknesses
- Opportunities
- Tool Box Resources
- Comparables & Metrics
- Priorities for Action

Strengths & Weaknesses

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, Comparables & Metrics

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

Hood River



Portland's Airport Way



Long Beach, CA



Best Practices (Added Detail)

Customize To Fit the Business & Community:



SANDY GLASS BEFORE AND AFTER

The city's dollars leveraged building owners' investments in interior tenant improvements and exterior landscaping improvements, which are still in progress in the "after" photo.

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

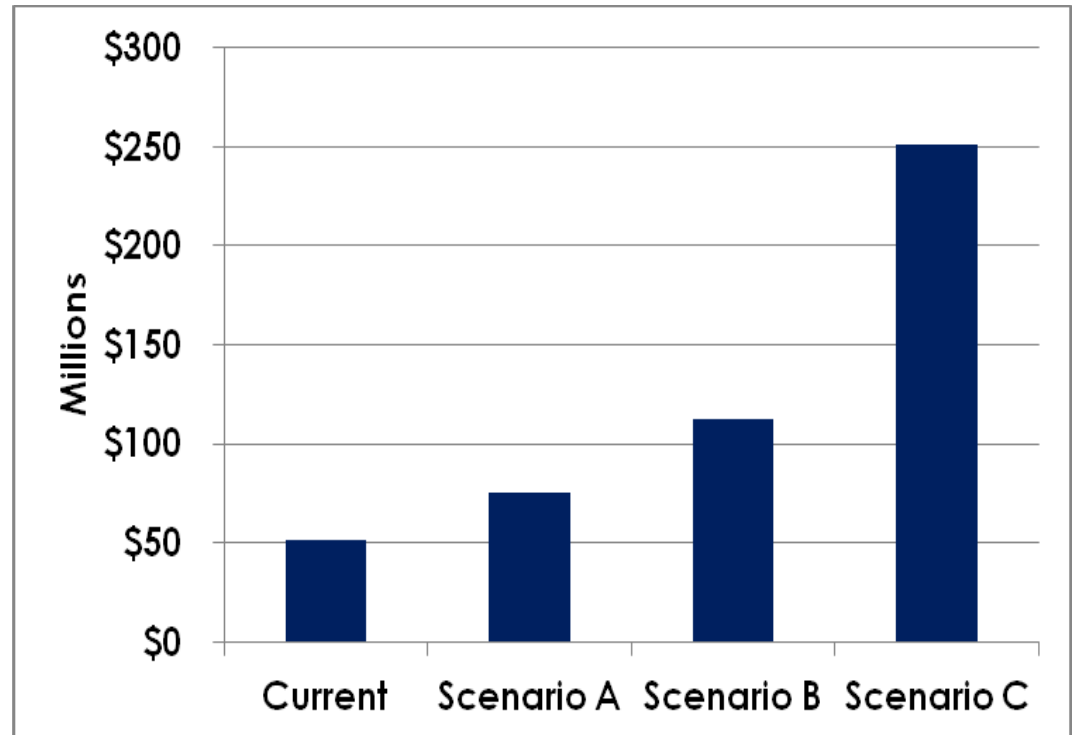
Valuation Scenarios:

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)

Action	Type	Comments
Short-Term		(1-3 Years)
A1-395 North Paving & Refinement Plan	ID, ED	ODOT-funded to focus on traffic calming for improved safety, beautification, and long-term internal road network
A2-Water Fire Flow Plan	ID, ED	Interjurisdictional cooperation to identify cost-effective fire flow options, possibly starting at southern end of study area
A3-OnSite Wastewater Treatment Assistance	ID, ED	Technical assistance as to best practices and options for cost-effective on-site engineered / package septic systems
A4-Zoning Review	ID, ED	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
A5-395 North Business Association	O, ED	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

Legend: ID-Infrastructure & Design; ED-Economic Development; P-Promotion; O-Organization

Agenda Detail (Mid-Term 3-10 Years)

Action	Type	Comments
Mid-Term		(3-10 Years)
B1-395 Corridor Improvements	ID, ED	Fund and construct initial phase of improvements for traffic calming, beatification and intersection radius improvements
B2-Water Capacity & System Plan	ID	Evaluate options and select preferred approach for municipal water service including consolidation with community systems
B3-Wastewater System Plan	ID	Determine options and potential phasing approach for development of municipal sewer system
B4-UGB Expansion Plan	ID, ED	Work with Cities of Hermiston and / or Umatilla to assess and determine appropriate jurisdiction and plan for UGB inclusion
B5-Business Association Advocacy	ID, ED	Principal activities to include assistance with funding options (especially private shares) and district branding
B6-Corridor Branding	O, P	Initiation of 395 North corridor branding with distinct image / logo campaign – in conjunction with streetscape implementation (as with banners, gateway / business signage)

Legend: ID-Infrastructure & Design; ED-Economic Development; P-Promotion; O-Organization

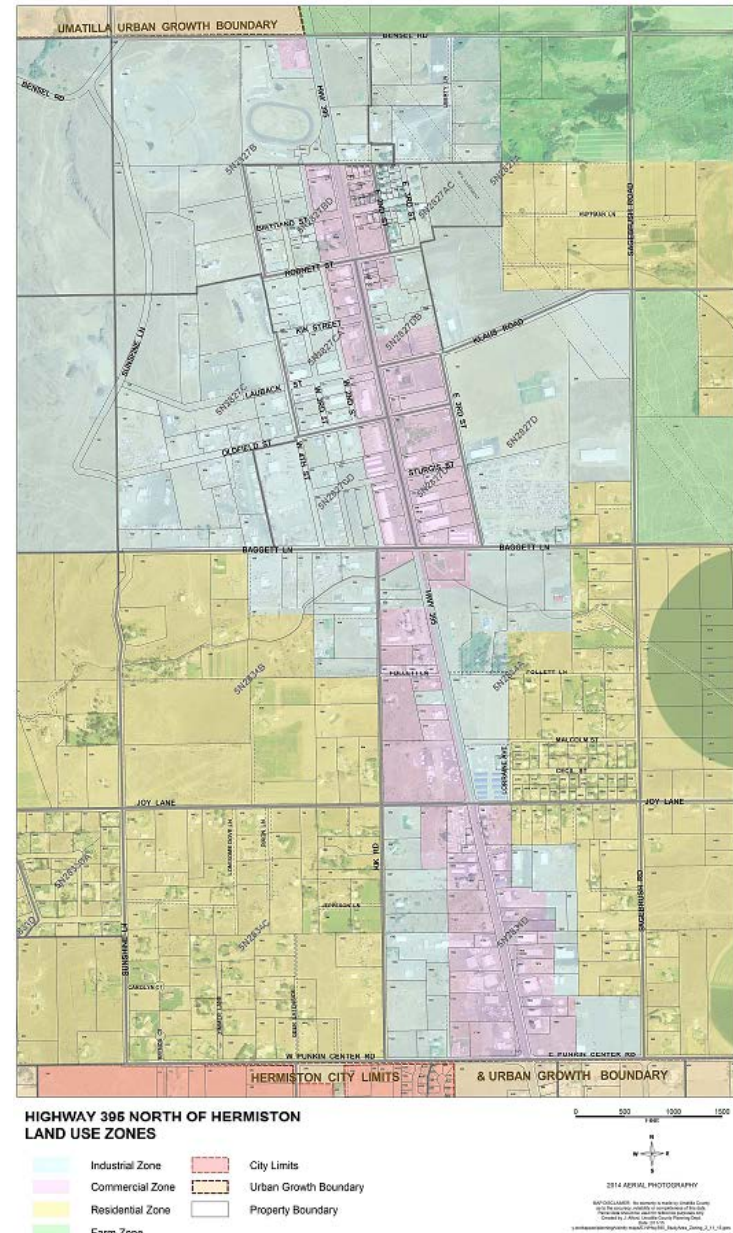
Agenda Detail (Long-Term 10-20 Years)

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

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?