

## SOUTH HERMISTON URBAN RENEWAL AREA

### An Overview of the Proposed Residential URA

City Council directed staff in March 2022 to develop an Urban Renewal Plan for a 353-acre residential area in southwest Hermiston to encourage continued housing development.

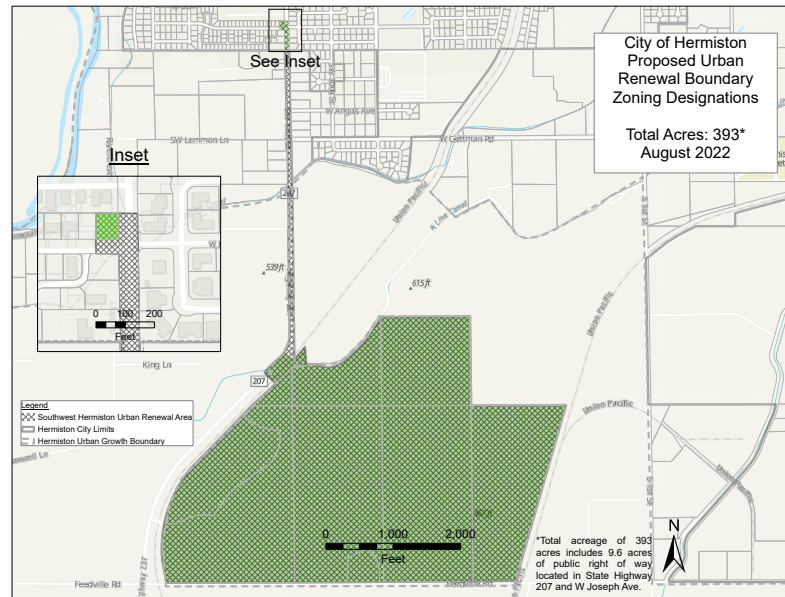
For specific details about Urban Renewal Districts, visit the Community Development page at [hermiston.or.us/commdev](http://hermiston.or.us/commdev)



### URBAN RENEWAL AND HOUSING DEVELOPMENT

The South Hermiston Urban Renewal Area (SHURA) would extend necessary public utilities to the largest remaining single-owner tract of residentially zoned land in the city. **Housing development is a City Council priority**, and between 2017-2022 nearly 600 housing units have been developed. The development pattern shows a need to open significant swaths of land for more housing.

Due to the SHURA's location more than a mile south of most city utilities, it is cost-prohibitive to develop a significant volume of housing without public investment. After the departure of a feedlot from the site in the early 2000s, the city partnered with the landowners to bring this area into the urban growth boundary to provide additional residential land and protect against future feedlot use.



### FINAL PRODUCT

It is projected that, at full build-out, the SHURA will be able to accommodate **more than 1,300 housing units**, an elementary school, a fire station, and neighborhood commercial uses.

## DEVELOPMENT PROJECTS AND COSTS

### Water and Sewer Upgrades (estimated cost \$9 million)

- A 2 million gallon reservoir would serve the area with pressurized and backup water, while also providing additional stored water capacity capable of serving the entire city if necessary.
- Upgrades to the Joseph Booster to supply the reservoir, which currently boosts water from the city’s main pressure zone to higher elevations in the southwestern portion of the city.
- 6,000 feet of transmission piping from the new reservoir to the rest of the city’s waterworks.
- 5,300 feet of sewer main to serve the larger area

### Public Amenities (estimated cost \$4.7 million)

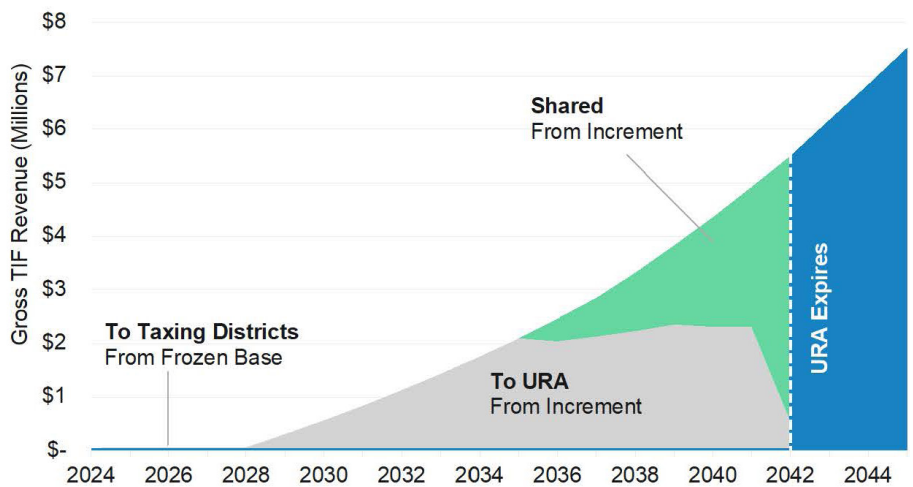
Parks and amenities ensure the urban renewal tool functions as intended by encouraging new investment in a desirable area for home-buyers.

- 38-acre community park
- Smaller neighborhood parks
- Trails throughout the area

## HOW IT WORKS

Urban Renewal works by **diverting property taxes paid by new development within the area to pay for the projects and programs within the area**, rather than going to existing taxing districts (like the City or the County). It shows up on your property tax bill to show how much the other districts, which you do pay for, could have received if they received revenue from the new development.

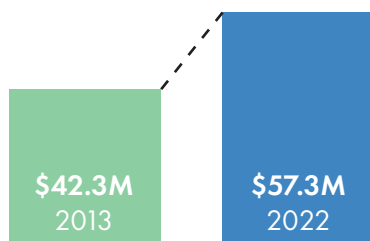
In order to front-load these projects and stimulate development capable of paying for itself, the city may borrow up to \$12 million to install the necessary utilities. In which case, the subsequent SHURA revenue would predominantly pay off that debt.



It is anticipated that the plan will take 19 years of tax increment collections to implement. The maximum amount of indebtedness that may be issued for the Plan is not to exceed \$18,100,000.

## URBAN RENEWAL OVERSIGHT

The Hermiston Urban Renewal Agency (HURA) was formed in 2013 to help revitalize the downtown core of the city through a new Urban Renewal District. The Planning Commission makes recommendations on projects to the Hermiston City Council, which acts as the HURA Board of Directors.



Property value in Downtown Hermiston Urban Renewal District

Since the creation of the HURA, **projects in the downtown district have included Festival Street, parking and lighting improvements, facade grants, jump-start loans, and more.** The district has also seen a sizable infusion of private investment, increasing property value from \$42,262,899 in 2013 to \$57,312,085 in 2022, a 27% increase.

The South Hermiston Urban Renewal Area would also be overseen by the HURA, but maintain a separate budget and project list from the Downtown District.