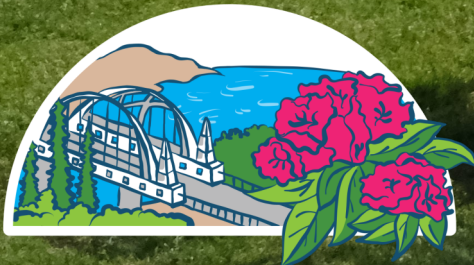


City of Florence Economic Development Annual Report 2022 - 2023



**CITY OF
FLORENCE**



Welcome & A Year in Review

The City of Florence Economic Development Staff serves as a bridge between local businesses, entrepreneurs, and nonprofits and the resources available in Florence, Lane County, the Oregon Coast, and the State of Oregon. Many accomplishments are done in partnership with City of Florence Staff, among volunteers, in partnership with our greater regions, and with policy guidance from the Florence City Council. This network all works together for the betterment of Florence's economy, both now and in years to come.



In recognition of Economic Development Week, the City of Florence publishes an Annual Report that celebrates the economic development initiatives and investments that the City of Florence has made in the economy and the business community in the last year. The Week is sponsored by the International Economic Development Council to increase awareness of local programs that create jobs, advance career development opportunities, and improve the quality of life in communities everywhere.

When reviewing the year since May 2022, there were four clear themes in the projects undertaken by the City of Florence:

- **Housing Efforts**
- **Travel & Tourism**
- **Business & Development**
- **Communication & Coordination**

Florence's economic growth is an ongoing effort, and we are continuously working to improve our economic climate. All of our projects take a team of dedicated Staff, volunteers and partner organizations. Thank you to this economic development ecosystem for positioning the City of Florence as Oregon's Premier Coastal Community.

Housing Efforts

The Florence City Council has provided policy direction on several fronts to address increasing the available housing in Florence. That direction includes reviewing and updating City Code and Plans, creating incentive programs, and working in partnership with other organizations to create housing opportunities. For Economic Development, there has been progress in these four areas:

Housing Implementation Plan (HIP) Project:

From 2022-2023, the City of Florence worked on the HIP with input from a volunteer committee, community members, consultants, and City Staff. The project was funded through a Department of Land Conservation and Development technical assistance grant to identify housing development strategies and update City codes to address state statutes and rules.

As stated in the HIP, which went to the Florence City Council for adoption on April 3, 2023, “the implementation plan ... identifies housing strategies, programs, and funding to support near-term and future housing production in the City, with a special focus on housing affordability. The HIP includes a set of implementation actions and potential community partners for the recommended action.” The resulting strategies were categorized into six groups: Land Supply Strategies, Policy and Code Strategies, Development Incentives, Funding Sources, and Programs and Partnerships.

Now that the Florence City Council has adopted the HIP, City Staff have begun the process of reviewing feasibility, budget needs, benchmarks, and timelines.

Learn more online at www.ci.florence.or.us/planning/housing-implementation-plan-project.



Multi-Unit Property Tax Exemption (MUPTE) Program:

Since December 2021, the City of Florence City Council has had a Multi-Unit Property Tax Exemption program. MUPTE is a state-enabled housing incentive program that allows for cities across Oregon to exempt property tax on residential improvements of approved multi-unit properties for up to 10 years. Although the State of Oregon enables this program, each municipality has the opportunity to shape the program to meet its own goal by controlling program requirements, criteria, and program caps.

- The overview of Florence’s MUPTE program eligibility:
- Project must be fiscally infeasible without the MUPTE
- Project must be within one-quarter (¼) of a mile of a fixed-transit route
- Minimum of three (3) or More Units
- No Short-Term Housing or Transient Housing
- New Construction Only
- Public Good Benefits: To receive a MUPTE, a developer must show that their development meets three or more designated “public benefits.”

Since March 2022, the City of Florence has approved two MUPTE Applications, representing over 92 units of housing to be built without the financial burden of residential property tax for the first 10 years. These units of housing are expected to be completed before the end of 2023.

More information is available at www.ci.florence.or.us/economicdevelopment/multi-unit-property-tax-exemption-mupte-program.

Housing Rehabilitation Program:

The City of Florence, in coordination with St. Vincent de Paul of Lane County, received a \$400,000 grant from Business Oregon through the Community Development Block Grant (CDBG) Program to support people in home rehabilitation. Homeowners who make less than 80% of the area median income may be able to receive a loan to make important repairs, including roof and foundation repairs, plumbing and electrical updates and accessibility changes to make bathroom upgrades or fix mobility issues. Loans are offered at 3% interest with no monthly payment until the home is sold or transfers ownerships. Of the original amount, \$300,000 has been expended to rehabilitate 13 homes under the program in the FY2021-23 biennium. The remaining \$100,000 is anticipated to be used in FY2023-24.

More information can be found at www.ci.florence.or.us/economicdevelopment/housing-rehabilitation-program.

Additional Developments:

City of Florence Staff also supports these current housing developments and their progress:

- **Northwest Housing Alternatives**, <https://nwhousing.org>, Shore Pines at Munsel Creek
- **Our Coastal Village**, <https://ourcoastalvillage.org>, Oak Manor Apartments
- **Homes for Good**, <https://homesforgood.org/>, Quince Street Florence

Travel & Tourism

Identified in the City Work Plan, Travel & Tourism utilizes many partnerships to help promote living-wage jobs and highlight the City of Florence as a destination for travel. This includes the support of community-driven efforts toward public space beautification, recreational opportunities, and culture.

Oregon22 - World Athletics Championships:

In July 2022, Lane County hosted the World Athletics Championships (more commonly known as Oregon22). This 10-day event brought the world competition to the United States for the very first time. It was the second-largest sporting event held in 2022, after the World Cup and before the Winter Olympics.

Many teams who participated held pre-event training camps in cities and towns across the State in order for their athletes to do final training, adjust to the time difference, and enjoy the Oregon experience.

The City of Florence hosted the Italian National Athletics Team, who stayed in Florence for their pre-event training camp. These team members and trainers stayed at the River House Inn and Old Town Inn, held meetings and ate team meals three times a day at the Florence Events Center, visited local restaurants and shops, while also training at Siuslaw High School. In total, over 50 members of the Italian National Athletics Team spent 9 days in Florence.

Travel Lane County reported that Oregon22 produced the largest ever – 18.7 million – domestic television audience across the NBC Sports platforms. The worldwide audience topped 1 billion viewers. Oregon22 featured 1,700 athletes from 179 countries, and 146,033 spectator tickets brought people from all 50 states and nearly 40 countries.



Florence Area Chamber of Commerce:

The City of Florence continues to contract with the Florence Area Chamber of Commerce to provide tourism marketing, visitor information, and events management services. City Staff serves as an ex-officio member of the Florence Area Chamber of Commerce Board and regularly attends many of the networking and entertainment events held throughout the year. This partnership brought a 35% increase in economic tourism dollars in FY 2021-22, according to the Chamber's 2022 Annual Report.

Transient Lodging Tax (TLT):

The City of Florence collects a 4% tax on all short-term lodging accommodations. This revenue goes to directly support the Florence Events Center, the Florence Visitors Center, and annual events like the Rhododendron Festival, the Florence Wine & Chowder Festival, and the Fourth of July celebrations.

Over the last three years, the City has seen an increase in collections of TLT as tourism has stabilized after the impacts of COVID-19 pandemic restrictions. The TLT numbers were back to normal by June 2020. By September 2020, we were seeing unprecedented growth in our TLT numbers, which can be directly correlated with the growth in the number of visitors in the Florence area through 2021. This stabilization and growth in TLT is attributed to the increase in local/regional travel when travel to more distant destinations was discouraged. Because of this growth in visitors, many of the City’s outreach programs were focused on supporting the Tourism economy through the ups and downs of COVID.

According to Travel Lane County, in fiscal year 2022, “An all-time high of \$16.8 million in room tax receipts was collected, rocketing past the previous record of \$12.2 million in FY19.”

Art Exposed - Public Arts Committee:

Summer 2022 brought the third rotation of the Florence Public Arts Committee’s (PAC) Art Exposed Rotating Art Gallery. This saw the conclusion of the second exhibit and its popular and iconic pieces: “Low-Poly Open Heart (RIDE)” by M.L. Duffy; “Nursing Doe” and “Ravens” by Steve Tyree; and “Three Blue Spires” by Gerry Newcomb.

City of Florence Staff assisted the PAC in opening a Call for Art, reviewing applications, and selecting pieces. This included adding three new locations for the gallery. City of Florence Public Works crews poured the three new plinths and installed all eight pieces.

- Siuslaw River Interpretive Center - Rain Garden: “Pluma Sculptura, aka ‘The Feather,’” by Kirk Seese
- Siuslaw River Interpretive Center - East: “Fossil III” by Milo White and Lin McJunkin
- Siuslaw River Interpretive Center - Patio: “Glam-y Salmon” by Mark Brody
- Old Town Park - Gazebo Park: “Loki-Sockeye Salmon” by Jud Turner
- Old Town Park - Secret Garden: “Heart in the Garden” by Mark Brody (new location)
- Maple Street Park: “Icosahedron” by Kirk Seese
- Veterans Memorial Park: “Pier 56” by Rodger Squirrel (new location)
- City of Florence Chamber of Commerce Lawn: “goddess” by Lucy Ruth Wright Rivers (new location)

These eight works are available for the community to enjoy for the two-year rotation and value \$74,600. They are for sale as part of the rotating gallery.

Learn more about Art Exposed at www.ci.florence.or.us/bc-pac/art-exposed-florences-rotating-outdoor-art-gallery.



Business & Development

The City of Florence is committed to providing resources to local businesses to support their success. Florence has key regions set up to promote economic growth and encourage business growth, retention, collaboration, and education.



Enterprise Zone Management:

The City of Florence manages its Enterprise Zone designations with Business Oregon, the Economic Development Agency for the State of Oregon. Enterprise Zones allow qualifying businesses to receive 3-5 years of property tax exemption on sites and building improvements. The Enterprise Zone freezes businesses' tax rate at the level it was before the property's value was increased with improvements.

Both new and existing businesses can qualify for the City of Florence's three Enterprise Zones and their benefits. In exchange for tax exemption, qualified businesses are expected to increase employment and, for a five-year exemption, compensate new hires at a higher wage than the County average rate. Currently, two businesses qualify for these benefits, with one due to sunset out of the program in 2024.

More information is available at www.ci.florence.or.us/economicdevelopment/florence-enterprise-zone.

Pacific View Business Park:

Economic Development Staff continues to market the City of Florence's Pacific View Business Park. The Business Park provides space for offices, service businesses, light manufacturing, research and development facilities, assembly, packaging, warehousing, and supportive uses. Through both selling and leasing, depending on the lot, the high-quality land with utilities in and ready for development, the goal of the Business Park is to help the City attract family-wage jobs that will serve the entire community.

Currently, 11 lots in Pacific View Business Park are for sale or lease.

More information is available at www.ci.florence.or.us/economicdevelopment/pacific-view-business-park.





Quince Street Site Redevelopment Project:

Since September 2021, the Florence Urban Renewal Agency (FURA) has been working with Braun Development, a Hotel Developer, to develop an 86-Room, 4-Story Microtel Moda by Wyndham on the south end of the property.

In 2018, the Florence Urban Renewal Agency purchased the property as an opportunity to gain control of the Quince Street property (formerly the site of the old middle school) and its future development opportunities. The goal of the ownership and eventual development of the site has always been to support the City-owned Florence Events Center and its needs to host larger, more regional events and conferences.

In addition to the Hotel development, the City received a Recreational Trails Grant from the State of Oregon for \$115,000 to develop a portion of the Siuslaw Estuary Trail and a Parking area off Highway 126. This project is part of a larger plan to create a Siuslaw Estuary Trail throughout the whole Estuary, starting at the FURA-owned Highway 126 property abutting Munsel Creek to the east, along the Quince Street property, and making its way throughout Old Town to the Exploding Whale Memorial Park on Rhododendron Drive. The overall goal of the trails system is to connect to Heceta Beach Road at the north end of town.

In 2023, FURA finalized the partitioning of the Quince Street property. The property now consists of three parcels: the Hotel property at the south end; the Siuslaw Estuary Trail property on the east side, which encompasses the full length of the original property; and the north property, which will be the next phase for the FURA Board determine the goals for development and the plan for soliciting developers.

More Information on the Quince Street development can be found on the Florence Urban Renewal Agency's website at www.ci.florence.or.us/urbanrenewal/quince-street-property-development.



Codifying the Restaurant Parking Café:

Since Spring 2020, the City of Florence has allowed restaurants to expand their outdoor seating into the parking right-of-way, as well as restaurants' allocated parking spaces, to accommodate for COVID-19 seating restrictions. For the first two years, this program was free and open to all Florence restaurants with an up-to-date business license in order to address the open-air seating needs of restaurants during the COVID-19 pandemic. This program was well received by restaurateurs and members of the public.



In 2022, Economic Development Staff created a Parking Café Permit Program for the season, running between May to October. This required Florence City Council approval to set a fee to operate restaurant activities in the City's right-of-way. City Council also directed City Staff to work on a permanent program.

This came to fruition in April 2023, as Economic Development Staff worked with Community Development and the City Attorney to craft Ordinance No. 4, Series 2023, which amended Florence City Code Section 8-2-4-1 to add a Restaurant Parking Café Permit Program, and adopting the \$117 annual permit fee. Florence City Council adopted the ordinance, saying "Programs like this really do help our economy" and "It adds a special quality to Old Town to look down there and see all those people enjoying a nice afternoon with a snack or a glass of wine."

As of May 15, 2023, three Bay Street businesses have applied and been approved for the program this year, with additional restaurants planning to join later in the 2023 season.

More Information can be found at www.ci.florence.or.us/economicdevelopment/restaurant-cafe-seating-program.

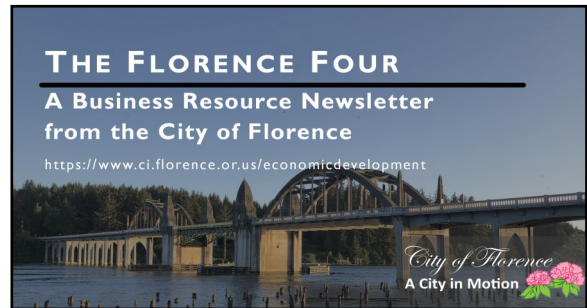


Communication & Coordination

Working with others to share news, resources, grant opportunities, and more is a huge part of the Economic Development role at the City of Florence. From helping keep Florence City Council informed of local business updates to working with regional partners on training and events, Communication & Coordination happen every day at Florence City Hall.

The Florence Four - Business Resource Newsletter:

The City of Florence has published an email newsletter since the beginning of the COVID-19 pandemic, which includes four resources, pieces of important information, or events for local businesses to grow their business, support their employees, and learn more about our community. The newsletter took a hiatus between June 2022 and March 2023, but continues to provide business community insights.



The Florence Four has 833 subscribers ranging in age from 18 to 65+. More than 40% of subscribers are highly engaged. The most recent newsletters have included content from the City of Florence, Onward Eugene, RAIN, Lane Community College, Travel Oregon, Business Oregon, the Small Business Administration, Connected Lane County, and WorkSource Oregon, as well as scholarships, grants, trainings, and more.

To access The Florence Four, visit www.ci.florence.or.us/economicdevelopment/subscribe-florence-four-weekly-business-newsletter.

Florence Economic Development Task Force:



Since March 2020, economic development partners from across the region have met on a bi-weekly basis to coordinate economic efforts and work towards mutual goals. The Task Force is comprised of 12 different agencies that are involved in different aspects of Florence’s economic success.

In 2020, with assistance from Rural Development Initiatives’ Business Retention and Expansion program, the Task Force was able to identify three main concerns in the business community on which the Task Force will continue to collaborate on solutions. These three concerns are: business financial literacy and tech challenges, business communication and outreach, and workforce development and education.

May 2023 will see an example of the Task Force’s collaboration as the City of Florence, Florence Area Chamber of Commerce, Lane Community College (LCC), Lane Small Business Development Center, and the Small Business Administration (SBA) put on an SBA Loan Program Panel Discussion at the LCC Florence Center, 3149 Oak St., on Wednesday, May 24, from 11 a.m. to noon.

**SBA LOAN PROGRAM
PANEL DISCUSSION**

Come learn about SBA financing options for your small business!

We'll have a panel of finance professionals from the SBA Portland District Office, the Lane SBDC, and a commercial bank, sharing about SBA loan programs, application tips, and local resources.

Sponsored by: Lane SBDC & Lane Community College
SBA Portland District Office
Florence Chamber of Commerce
City of Florence

Please RSVP to reserve your spot
www.lanesbdc.com 541-463-6200

Wednesday
24th May 2023
11am - Noon

LCC Florence Campus
3149 Oak St
Florence OR 97439

SBA
AMERICA'S
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Lane
Community College
ACHIEVING DREAMS

City of
FLORENCE Oregon
2022-2023
Florence
CHAMBER OF COMMERCE

**Child Care
Sector Strategy**

- For Families
- For Employers
- For Workers
- For Providers

Child care is the work that makes most other work possible.

ONWARD
EUGENE

Childcare Collaborative:

Since 2022, regional partners have formed a Florence Childcare Collaborative under the leadership of Onward Eugene Childcare Strategist Holly Mar-Conte. The work has included a Lane County Child Care and Preschool Survey, applying for grants, facilitating the distribution of PPE supplies to Florence-area childcare facilities, and work on an employer tool kit. The group will

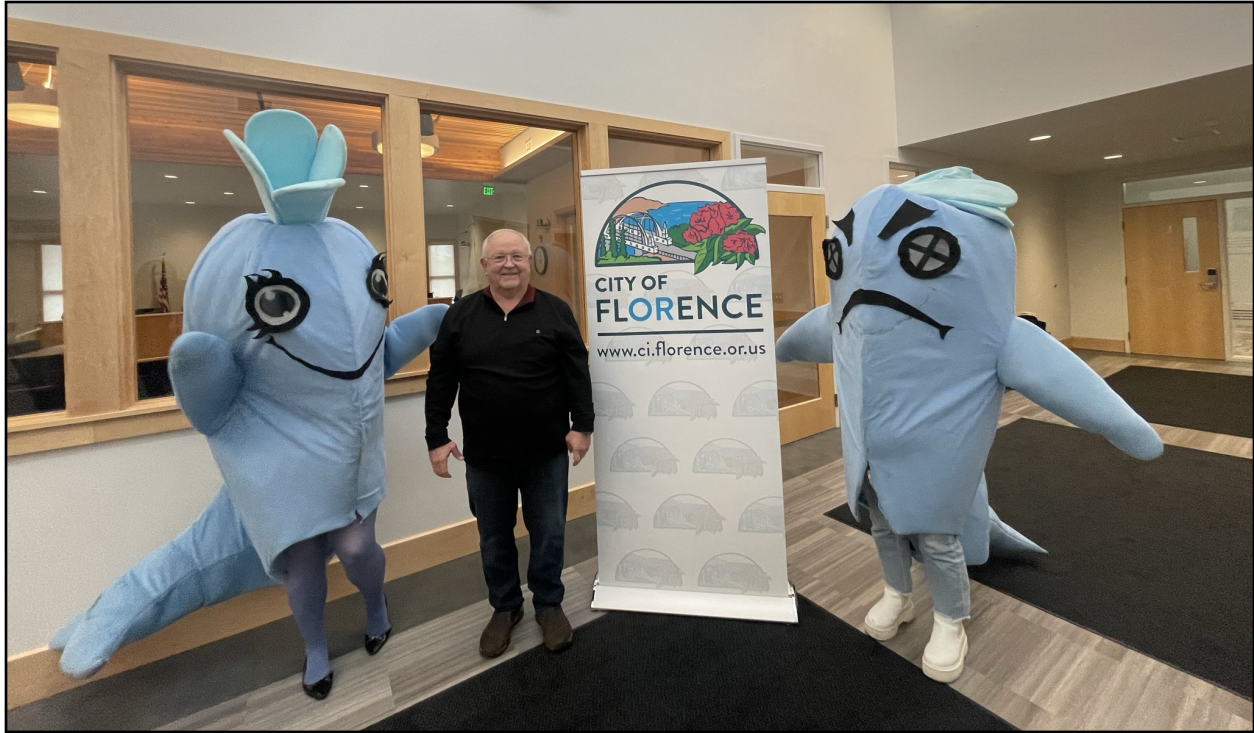
continue to meet and make plans to further this work in the Florence area.

Support for Local Businesses:

The State of Oregon Executive Order No. 22-24 ended the emergency declaration for the COVID-19 pandemic on March 6, 2023. During the time of the state of emergency, Economic Development Staff worked with other City Staff to provide personal protective equipment (PPE) to local businesses, childcare centers, non-profit organizations, emergency responders, and others in the community. Additional support came through The Florence Four Business Newsletter, social media posts, and in-person and virtual outreach.

Now, Economic Development Staff continue to meet with local business owners to hear about needs, celebrate accomplishments, and connect them to resources.





Eugene Emeralds and the Exploding Whale Alternate Identity

Towards the end of 2022, The Eugene Emeralds (The Ems) baseball team invited the City of Florence to engage with its new Alternate Identity: The Exploding Whales. The theme references Florence’s infamous exploding whale from Nov. 12, 1970, and ties into the City of Florence’s Exploding Whale Memorial Park.

In March, The Ems brought their marketing team to Florence and had Richardson Media interview Florence Mayor Rob Ward, Councilor Jo Beaudreau, and Assistant City Manager Megan Messmer, as well as capture video of the Florence area. The City was able to supplement this with drone footage of Exploding Whale Memorial Park taken by the Florence Police Department.

Four videos announcing the Exploding Whales Alternate Identities and including the interviews were published March 23, 2023, on the Ems’ Facebook page, garnering nearly 6,000 views and generating fan engagement from all over the world.

Learn more at www.milb.com/news/emeralds-announce-exploding-whale-alternate-identity.



Conclusion & What's Next

While Economic Development Week is just seven days of the month, May marks one of the first months of the Florence Tourist Season. This means a jump into seasonal activities such as the 116th annual Rhododendron Festival, Fourth of July, and the City of Florence Block Party, as well as the many recreational opportunities in the area.

City of Florence Economic Development Staff are currently working on website page refreshes for housing developments and the Art Exposed Rotating Art Gallery, along with grant work, training, and further coordination with regional partners. This also includes renewing the biennial Memorandum of Understanding between the City of Florence and the Regional Accelerator and Innovation Network (RAIN).

Economic development is critical to the success of our region, and this report provides an overview of the progress the City of Florence has made in this area. Our region has a rich history and unique assets, which we continue to leverage to increase investment and create opportunities for businesses and residents alike. It's one of the many things City Staff does to keep Florence A City in Motion.

Learn more at <https://www.ci.florence.or.us/economicdevelopment>.



The City of Florence's Mission and Goals are the foundation for the City's work.



CITY OF FLORENCE OREGON'S PREMIER COASTAL COMMUNITY



City Services Delivery

Sustain and improve the delivery of cost effective and efficient services, including public safety, to the Florence community and visitors.



Livability & Quality of Life

Sustain and improve the City's livability and quality of life for Florence residents and visitors.



Economic Development

Sustain and improve the City's economic development program and efforts towards enhancing the Florence economy, including housing, business development, and increasing living wage jobs.



Financial & Organizational Sustainability

Sustain and improve the City's financial position, City-wide policies, and infrastructure to support current and future needs.



Communication & Trust

Sustain and improve the City's communication program and strengthen community trust.

www.ci.florence.or.us

Mission: "The Mission of the City of Florence is to meet community expectations for municipal services, provide a vision for civic improvements, maintain a quality environment, and position Florence to have an economically viable and sustainable future."



CITY OF FLORENCE

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