

**CITY OF FLORENCE
RESOLUTION NO. 26, SERIES 2022**

**A RESOLUTION ESTABLISHING A PAYMENT PLAN WITH THE FLORENCE
URBAN RENEWAL AGENCY RELATED TO THE QUINCE STREET HOTEL
DEVELOPMENT FOR SYSTEM DEVELOPMENT CHARGES AND THE
DEVELOPMENT'S SHARE OF THE QUINCE STREET IMPROVEMENT PROJECT.**

RECITALS:

1. The City of Florence has outlined the goal of a hotel to be located along Quince Street across from the Florence Events Center since at least 1999 with its inclusion in the Florence Downtown Implementation Plan, and again mentioned in the 2007 Florence Outreach Project, and;
2. Florence Urban Renewal Agency (Agency) acquired the property on Quince Street across from the Florence Events Center in 2018 and began a process to attract a developer in 2019, and;
3. The Agency entered into a Disposition and Development Agreement (DDA) with Quince Hospitality on July 27, 2022, for the development of a hotel generally located at 750 Quince Street, Florence, Oregon, and;
4. The DDA included financial public participation from the Agency to incentivize the development of the hotel, which included the Agency funding the required system development charges (SDCs) and the development's share of the future street enhancements to Quince Street, and;
5. Florence City Code 9-1-4-B authorizes the City Manager to approve SDC payment plans for up to "twenty (20) semi-annual installments plus interest," and "the City Manager is authorized to request that all or part of the interest may be waived for public agencies, by the City Council whenever the City manager deems this to be in the public interest" and;
6. The SDCs for the development are \$310,000, and semi-annual payments under this code section would equal \$15,500, or \$31,000 annually, and;
7. A hotel on Quince Street, across from the Florence Events Center, has been a development goal for the Florence community for many years. It first appears in the Florence Downtown Implementation Plan in 1999 as part of the Events Center District, and again in the Florence Outreach Project in 2007 as part of the Event Center Campus; and
8. A hotel, when opened, will generate transient lodging tax and complement the business potential of the Florence Events Center (FEC), and;

9. The FEC is a department of the City that operates as a business, with the financial goal of revenues to fully support operational costs. The addition of a hotel in this near proximity will improve the FEC's ability to attract multi-day conferences, and;
10. In addition to the near-term operational goals of the FEC, increasing the viability of the facility for conference will also assist in achieving the longer-term goals to expand the facility utilizing adjacent properties that the City has already purchased, and;
11. The Florence Realization 2020 Comprehensive Plan states in Chapter 12: Transportation Policy 6 that "the City shall continue to require new development to pay its share of costs of development of, or improvements to, transportation facilities which will serve the proposed development," and;
12. FCC 10-36-2-2: Improvement Guarantee, states "The City may accept a future improvement guarantee (e.g., non-remonstrance agreement, which certifies that the owner and their successors will not to object to the formation of a local improvement district in the future) in lieu of street improvements:... B. Due to the developed condition of adjacent properties it is unlikely that street improvements would be extended in the foreseeable future and the improvement associated with the project under review does not, by itself, reduce street safety or capacity." and;
13. There are several properties along Quince Street in the street improvement area that will need to contribute towards the costs of the improvements when they develop, redevelop, or expand. The City has determined the estimated cost and the proportionate share of those costs per linear foot of frontage, and;
14. The City allows developers to enter into an agreement to pay their portion of improvements at the time of development, rather than waiting for the improvement to occur. These development agreements and/or non-remonstrance agreements are generally entered into with approval of the City Manager or designee, and;
15. Based on the project's current estimate of \$1.8 million, the Quince Street hotel development's share of that project is \$315,000 derived from its 458 feet of frontage along Quince, and would equal a semi-annual payment of \$15,750, or \$31,500 annually, and;
16. Since the City Manager serves as the Agency Executive Director, the City Manager is requesting that the City Council authorize the payment plans for the Agency.

Based on these findings,

THE CITY COUNCIL OF THE CITY OF FLORENCE RESOLVES AS FOLLOWS:

1. The City Council of the City of Florence authorizes the Florence Urban Renewal Agency to enter into a payment plan for the payments of the Quince Street hotel development's SDCs and share of the Quince Street improvement project to be made over a period of 10 years, by semi-annual payments without interest.
2. The payment plan will begin when construction on the Quince Street hotel commences and building permits are issued.
3. The total payment plan is as follows, in not to exceed amounts:

System Development Charges	\$ 310,000
<u>Quince Street Improvement Project Participation</u>	<u>\$ 315,000</u>
Total Payment Plan	\$ 625,000

Semi-annual payments of \$31,250, or \$62,500 annually, for 10 years.

4. The City Manager will develop the payment plan with the City's Administrative Services Department for the Florence Urban Renewal Agency.
5. This resolution takes effect immediately upon adoption.

ADOPTION:

This Resolution is passed and adopted on the 1st day of August, 2022.



Joe Henry, Mayor

Attest:



Lindsey White, City Recorder