



City of Florence
A City in Motion

Florence Urban Renewal Agency (FURA) Regular Meeting

Florence City Hall
250 Hwy 101
Florence, OR 97439
541-997-3437
www.ci.florence.or.us

- Meeting materials including information on each agenda item are published at least 24 hours prior to the meeting, and can be found of the City of Florence website at www.ci.florence.or.us/urbanrenewal.
- Items distributed during the meeting and meeting minutes are posted to the City's website at www.ci.florence.or.us/urbanrenewal as soon as practicable after the meeting.
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January 22, 2020

AGENDA

5:30 p.m.

FURA Directors:
Vice-Chair Mike Webb
Ron Caputo

Chairperson, Bill Meyer
John Scott
Patricia Riley

Joe Henry
Carmela West

Ron Preisler
Woody Woodbury

With 48-hour prior notice, an interpreter and/or TDY: 541-997-3437, can be provided for the hearing impaired. Meeting is wheelchair accessible.

CALL TO ORDER – ROLL CALL

5:30 p.m.

1. APPROVAL OF AGENDA

Bill Meyer
Chairperson

2. PUBLIC COMMENTS

This is an opportunity for members of the audience to bring to the Agency's attention any item not otherwise listed on the Agenda. Comments will be limited to three (3) minutes per person, with a maximum time of 15 minutes for all items. Speakers may not yield their time to others.

Bill Meyer
Chairperson

ACTION ITEMS

3. PROPOSED FURA DEVELOPMENT ASSISTANCE PROGRAM

Provide direction to staff on the proposed establishment of a FURA Development Assistance Program for recommendations to be brought back to the FURA Board at the February meeting.

Erin Reynolds
City Manager

4. QUINCE STREET DEVELOPMENT MARKETING

Review and discuss status of Quince Street property marketing and consider approval of marketing process, draft timeline and consider establishing a Selection Advisory Committee.

Erin Reynolds
City Manager

REPORTS, PRESENTATIONS & UPDATES

5. REVISION FLORENCE UPDATE

Staff will provide an update on the ReVision Florence construction and discuss next steps for the project.

Megan Messmer
Project Manager

6. CITY MANAGER REPORT

Erin Reynolds
City Manager

URBAN RENEWAL CALENDAR

All meetings are held at the Florence City Hall (250 Hwy 101, Florence Oregon) unless otherwise indicated

Date	Time	Description
February 26, 2020	5:30 p.m.	Florence Urban Renewal Agency Meeting
March 25, 2020	5:30 p.m.	Florence Urban Renewal Agency Meeting

Florence Urban Renewal Agency

Memorandum

To: FURA Board

From: Megan Messmer, City Project Manager

Date: January 16, 2020

RE: Proposed FURA Development Assistance Program

Staff are seeking direction from the FURA Board on the establishment of a FURA Development Assistance Program that would provide the opportunity for property and/or business owners to apply for grant funding to make improvements to industrial and commercial properties within the FURA District.

Background and Current Programs:

In May 2016, the FURA Board was presented with the findings of the market analysis and the investment strategy for the FURA District. The 2016 Investment Strategy provided several program suggestions for the Board to consider and implement over time. The full Strategy can be viewed at www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-investment-strategy.

The Agency implemented the Predevelopment Service Grant program and has awarded one grant. Predevelopment funds are available to assist developers and owners of industrial and commercial property with assessing the feasibility of potential development projects in the District. Grants are paid out on a reimbursement basis to fund up to forty (40%) of total eligible predevelopment costs up to the maximum award amount, once the Grantee has completed the work and documented to FURA that the contractor or consultants completing the work were paid.

The Strategy also outlined a Preservation and Rehabilitation Program, similar to the program that FURA completed in 2010 to 2011 sometimes referred to the Façade Improvement Program. During the previous program, FURA provided matching grant funding for 39 improvement projects. These improvement projects are typically smaller in nature and require a one-to-one minimum match from the property/business owner. The FURA Board has discussed reopening this program for new applications and it has been included in the current biennium's work plan for implementation based on funding availability.

Proposed Development Assistance Program:

Staff is requesting direction on a Development Assistance Program for proposals and requests that do not fit into either of the programs. This program would be for projects that are shovel-ready, provide larger improvements than addressed in façade improvements, and meet the goals and priorities of the Agency. As a guiding principle, when the Agency invests resources into projects, FURA is looking for at least a 5:1 match of private to public funding.

Questions for the FURA Board to consider:

- Does the FURA Board want to consider a Development Assistance Program?
- Does the FURA Board have any suggestions for potential guidelines for a program?

Fiscal Impact:

The FURA Biennium Budget for 2019-2021 included a \$200,000 allocation for development opportunities and \$60,000 for predevelopment grants as part of the General Fund. As the ReVision Florence Streetscape Project nears completion and as we receive bids for the gateway monuments, staff will be able to provide further financial analysis on available resources for potential programs during the remainder of the biennium. The FURA Fiscal Biennium 2019-2021 Adopted Budget can be viewed at <https://www.ci.florence.or.us/administrative-services/2019-2021-adopted-biennial-budget-information>.

Next Steps:

If the FURA Board would like staff to provide a recommendation on the creation of a Development Assistance Program, we will bring back the following information at the February FURA Board meeting.

- Program Eligibility Guidelines
- Program Application Process
- Required Private Match Ratio
- FURA Review & Approval Process
- Disbursement and Documentation Process
- Update on FURA Financials and Funds Available
 - Development Assistance Program
 - Predevelopment Assistance Program
 - Preservation and Rehabilitation Program

Items Attached:

Attached is the FURA Predevelopment Services Grant Eligibility Guidelines & Application Process for reference. Staff envisions a recommendation to the FURA Board for a Development Assistance Program would include a similar process. This information is also available at www.ci.florence.or.us/urbanrenewal/fura-programs.

Florence Urban Renewal Agency

Predevelopment Services Grants

Eligibility Guidelines & Application Process

The Florence Urban Renewal Agency (FURA) offers Predevelopment Services Grants to encourage development, redevelopment, or renovation of underutilized and vacant properties within the Florence Urban Renewal Area (URA). Predevelopment funds are available to assist developers and owners of industrial and commercial property with assessing the feasibility of potential development projects in the URA.

Funding Assistance

Commercial: Predevelopment Services Grants of up to \$25,000 are available for taxable commercial or mixed- use projects.

Industrial: Predevelopment Services Grants of up to \$20,000 are available for industrial projects on properties of up to 3.0 acres.

Grants are paid out on a reimbursement basis to fund up to forty (40%) of total eligible predevelopment costs up to the maximum award amount, once the Grantee has completed the work and documented to FURA that the contractor or consultants completing the work were paid.

Eligibility

- Location: The proposed project must be within the URA.
- Site Control: Applicants must own the proposed site, or be able to show some other form of site control, such as a purchase option. An Applicant holding a long-term lease (at least three years) may apply with proof of the property owner's consent to the proposed improvements.
- Project not Tax-Exempt: Grant funds cannot be applied to any portion of a development project that will be tax-exempt.
- Responsive to Existing Plans: Grantees may be required to consider community strategies and visions in their development plans.
- Readiness: Projects receiving a grant must have a reasonable chance of being completed within three to five years from the time of award. Grantees should have a basic concept and goals formulated for their proposed development project when applying for assistance, though these may change in response to predevelopment analysis.
- Awards within a Single Year: No more than one Predevelopment Services Grant may be awarded per calendar year per recipient.
- URA Plan Goals: Proposed projects must further one or more development goals outlined in the Urban Renewal Plan available at www.ci.florence.or.us/urbanrenewal/urban-renewal-plan.

Eligible Expenses:

- Preliminary architectural and other design services
- Site analysis
- Financial analysis
- Market analysis
- Environmental assessments and testing
- Environmental remediation
- Appraisal
- Traffic impact analysis
- Site preparation, including excavation, grading, demolition
- Other expenses as approved by FURA

Ineligible Expenses:

- Site acquisition
- Purchase option
- Administrative costs for the Grantee
- Services performed by the Grantee
- Final construction plans and specifications
- Construction
- Fees, permits and other charges associated with construction

Application Process

1. Application: Applications may be submitted at any time, though funds are limited. Grants are considered on a first-come, first-served basis.
2. Establishing a Scope of Services: The Applicant meets with City staff to discuss the proposed project, budget, and the timeline for the predevelopment phase and the project as a whole. City staff work with the Applicant to define the scope of services to be reimbursed by the grant, and a budget (based on quotes received by the Applicant, and reviewed for reasonable by City staff).
3. Pre-Approval Letter: City staff issue a letter specifying the predevelopment services are eligible for funding. Any work commenced prior to receipt of the Pre-Approval Letter will not be eligible for reimbursement. A Pre-Approval Letter does not guarantee grant approval by FURA.
4. FURA approval: The FURA Board reviews all applications at its regular monthly meetings and has the sole authority to determine the eligibility of proposed projects. Upon approving a Predevelopment Services Grant award, the FURA Board sets the maximum grant amount, and may require or exclude certain work as a condition of funding.
5. Letter of Commitment: A Letter of Commitment will be issued after all pre-approval conditions are met and the project is approved by FURA. The Letter of Commitment outlines the commitment of funds and additional terms and conditions of the matching grant. The letter is a binding contractual commitment between the parties that outlines the scope and quality of work and the amount of funds committed to the project.
6. Grantee Undertakes Predevelopment Activities: The Grantee contracts directly with professional consultants (such as architects, appraisers, and real estate analysts) to perform the predevelopment work for the project. The Grantee need not accept a lowest bid, and may have a need for services above and beyond those eligible for reimbursement under this program; however, only costs for those professional services specified in the Letter of Commitment will be reimbursed by the grant. Under no circumstances will Predevelopment Services funds be disbursed for work completed before the date the Letter of Commitment is signed by FURA and the Grantee.
7. Documentation of Payment: Once all of the contracted work has been completed, the Grantee will submit copies of receipts showing invoices and proof of payment from all contractors, sub-contractors, or consultants that completed eligible work.
8. Disbursement of Grant Funds: Grant funds will be released within 30 days of Grantee satisfying the terms of the Letter of Commitment.

Grant funds will not be disbursed for work completed before:

- A Letter of Commitment has been executed;
- The work has been reviewed by City staff for compliance with the Letter of Commitment;
- Proof of payment and release of liens, if applicable, have been received;
- Proof that all necessary regulatory approvals, including City Florence building permits, have been received; and
- Delinquent property taxes, liens or outstanding City code violations are resolved.

General Conditions

- Grantees are eligible for one Predevelopment Services Grant per property (or one project, where it spans multiple properties). If a grant has been awarded to the previous owner of a specific property, a new owner may be eligible for Predevelopment Services Grant assistance if the newly proposed project differs significantly from the previous project. This determination will be made at the discretion of FURA. No Grantee may receive more than one grant in any one-year period.
- Grantees who receive grant funding must submit a copy of all final work products to which grant funds were applied (these products will be public record).
- All projects will display signage promoting FURA's assistance for the improvements. The sign will be supplied by FURA.
- Grantees agree to allow FURA to publicize the completed project on the City/FURA web site and other FURA materials.
- FURA and its Executive Director reserve the right to consider exceptions to these policies and guidelines on a case-by-case basis at their discretion.

For more information, please contact Megan Messmer, Projects Manager at 541.902.2182 or megan.messmer@ci.florence.or.us.

Guidelines and application forms are available on our website: www.ci.florence.or.us/urbanrenewal.

Florence Urban Renewal Agency

Memorandum

To: Florence Urban Renewal Agency

From: Kelli Weese, City Recorder / Economic Development Coordinator

Date: January 22, 2020

Background:

At the November 20th Florence Urban Renewal Agency meeting, the agency discussed and approved the strategy and goals for the development of the Quince Street property (Attachment 1). The proposal outlined the development goals and requirements as well as the potential steps for completion. Below is a summary report of the status of the project since the November FURA meeting and the action items before the agency for the January 22nd meeting.

Marketing the Property:

- Recruiting for Commercial Recruitment Professional: Over the past weeks, staff have been in contact with several recruitment professionals requesting quotes / price structures to review staff's preparation of the request for proposals and market the request to developing firms interested in similar work. Staff anticipates determining a cost structure / estimate and most viable candidate(s) by the end of January in anticipation of their assistance at the beginning of February.
- Request for Development Proposals: Through contact with various other governmental agencies that have completed similar projects in the recent past (*Independence, Lincoln City, Coos Bay and Springfield*), staff have determined best practices and steps towards completion of a request for development proposals (also known as a Request for Expressions of Interest 'RFEI'). This would work similarly to a standard RFP process, in that FURA would be seeking submissions from developers interested in the opportunity, rather than detailed proposals or architectural plans for the site. The intent is to allow for a flexible process for the Agency to determine the entities who are interested in working with the Agency on the project. FURA will then have the opportunity to work with the developer on a variety of possible deal structures from a standard purchase / sale, to a joint venture, and everything in between.

- o Selection Advisory Committee: In order to perform a thorough review of submittals received, staff recommends the Florence Urban Renewal Agency Board establish a Selection Advisory Committee to perform the following:
 1. Individually review the draft Request for Expressions of Interest (RFEI) document and provide staff with feedback,
 2. Provide preliminary review of submittals received and prepare recommendation for the FURA Board.

This Selection Advisory Committee may consist of the same members, or different members, than the Quince Street Sub-Committee. The intent being to allow a change in title to provide clarity on the groups purpose of review of the submittals received and providing a recommendation to the FURA board.

Staff have been working to develop a timeline / process for completion of the RFEI process. Below is a summary of the draft timeline / process for completion, however this timeline may be amended should feedback be received from the city’s recruitment professional that such a change would be necessary to ensure we have the best product / most quality submittals possible.

Quince Street Request for Expressions of Interest (RFEI) Draft Timeline & Process	
Tentative Date	Action
Monday, February 3 rd	Draft RFEI document submitted to Selection Advisory Committee members, commercial recruitment professional, and others for comments.
Friday, February 7 th	Comments deadline to staff.
Wednesday, February 12 th	RFEI Published and Marketed
TBD (March 2 nd - March 13 th)	Optional developer pre-submittal meeting / tour
Monday, April 6 th at 5pm	Submittal Deadline
TBD (April 8 th – 14 th)	Executive Session for Selection Advisory Committee and Staff to review submittals
April 22 nd FURA Meeting	Executive Session and potential submittal approval / next steps

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- Staging the Property: Staff have been in conversation with a tree thinning firm / certified arborist and the Florence Planning Department to determine costs and next steps for thinning the trees to maximize the viewshed of the property. It is expected we will receive a finalized quote and determine the planning process required in time for the February FURA meeting. This will allow the Agency to take action on the maintenance plan for the property should such action be necessary.
 - Coordination with the City of Florence: Staff will continue to maintain communication with the Florence City Council to ensure adequate space for the Estuary trail project, and if necessary, any additional incentives that may be available within the City's abilities.

Action for the January 22nd FURA Meeting:

At the January 22nd Florence Urban Renewal Agency meeting staff will provide a verbal update on the status of the project. The agency will then have the opportunity to review, provide feedback and potentially approve the:

1. Tentative process / timeline proposal for the request for expressions of interest (page 2 above)
2. Establish a Selection Advisory Committee to..
 - a. Provide staff guidance on the content of the Request for Expressions of Interest document, and
 - b. Provide preliminary review of submittals received and prepare recommendation(s) to the FURA board.

ITEMS ATTACHED

- Proposed Strategy for Development of the Quince Street Site – November 20, 2019

PROPOSED STRATEGY FOR DEVELOPMENT OF THE QUINCE STREET SITE

November 20, 2019

Development Goals and Objectives

Goal: Attract 90+ room hotel or other similar sized lodging facility, with a preference for 100+ room facilities as the anchor development for the site, with opportunities for the following ancillary developments....

- **Ancillary Goals:** Mixed-Use Development including but not limited to:
 - Food/Beverage use(s) complimentary to the lodging use including but not limited to restaurant, brewery, coffee, quick service, or other similar development
 - Other residential facilities or mixed-use with particular focus on efforts to promote higher-density workforce housing, including but not limited to....
 - Townhomes,
 - Condominiums,
 - Cottage Cluster Housing,
 - Live-Above mixed-use units
- **** Note:** Although the above are listed as the agency's development goals for the site, the intention would be to consider all proposals for development opportunities. In addition, although the primary goal is to achieve viable lodging facility proposal as the anchor business for the site, the agency will have the opportunity to select either more than one proposal and/or a proposal different than a lodging facility, should it be warranted and/or the uses be compatible.
- **Development Requirements:**
 - All development proposals must be for-profit enterprises subject to property tax,
 - Development proposals must be financially viable and include pro forma showing funding sources and use of funds for acquisition and development of the site,
 - Development proposals must include demonstrated ability of the team in successful development, operations and economic performance of projects of comparable type, size, scale and complexity.

Objectives:

- Increase property values & transient room tax revenue to support future housing / economic development projects,
- Support the Florence Events Center to allow it to be more marketable to out of area events,
- Support the development of the Siuslaw Estuary Trail and compatible recreational uses within the estuary,
- Increase walkability of the area in conjunction to its vicinity to Old Town, and
- Create / supplement the need for housing in the Florence area.

Potential Steps to Completion

*** Note: These tasks are presented in a linear format, however many of the tasks will occur simultaneously to accommodate the needed development timelines.*

Marketing the Property

- Recruit for and Hire Commercial Recruitment Professional
 - a. Seek quotes for economic development recruitment professional(s) / commercial real estate firm to review staff's preparation of a request for proposals and market request to potential development opportunities.
- Prepare Request for Development Proposals
 - a. Prepare request for development proposals seeking submissions from developers interested in the opportunity.
- Receive & Review Development Proposals
 - a. FURA board review received proposals (either as a body or through delegation to staff / ad-hoc body) and prepare land negotiation terms

Negotiate Terms and Sales Agreement

Once one or more development proposals are received that meet the Agency's goals, the Florence Urban Renewal Agency would work to negotiate a property sales agreement with required deliverables for the development potentially to include...

- Timeline for development completion
- \$ of investment
- Number of jobs

Staff proposes to work with commercial real estate firm / economic development recruitment professional(s) to determine viable metrics for negotiation to include within the property sales agreement.

Staging the property

- Tree Thinning to Maximize Viewshed
- Lot Line Adjustment to accommodate Estuary Trail

Coordination with City

The Florence Urban Renewal Agency will need to coordinate with the City of Florence throughout this project due to the City of Florence Estuary Trail project and any potential opportunities to provide additional incentives within the City's abilities. Staff intends to provide reports to both the Florence Urban Renewal Agency and the City Council throughout the process to ensure adequate communication between each entity.