



*City of Florence*  
**A City in Motion**

## Florence Urban Renewal Agency (FURA) Regular Meeting

Videoconference  
250 Hwy 101  
Florence, OR 97439  
541-997-3437  
[www.ci.florence.or.us](http://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 on the City of Florence website at [www.ci.florence.or.us/urbanrenewal](http://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](http://www.ci.florence.or.us/urbanrenewal) as soon as practicable after the meeting.
- To be notified of Urban Renewal meetings via email, please visit online at [www.ci.florence.or.us/newsletters/subscriptions](http://www.ci.florence.or.us/newsletters/subscriptions).

June 22, 2022

## AGENDA

5:30 p.m.

### FURA Directors:

Vice-Chair Mike Webb  
Craig Zolezzi

### Chairperson, Bill Meyer

Ron Caputo  
Dave Braley

Joe Henry  
Ken Henderson

Woody Woodbury  
Graham Ross

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

Proceedings will be available after the meeting on the City's Vimeo Site.

### COVID-19 UPDATE

**The Florence Urban Renewal Agency meeting will be held virtually via GotoWebinar.**

Members of the public can listen and view the meeting through the 'GoToWebinar' platform at the following link: <https://attendee.gotowebinar.com/register/3591126346377741837>.

Citizens wishing to express their views may submit comments in writing or verbally. For more information, please see the end of this agenda.

### CALL TO ORDER – ROLL CALL

5:30 p.m.

1. NEW MEMBER INTRODUCTION- CRAIG ZOLEZZI
2. APPROVAL OF AGENDA
3. PUBLIC COMMENT

This is an opportunity for members of the public to bring to the Florence Urban Renewal Agency's attention any item not otherwise listed on the agenda. Please see the end of this agenda for methods to provide comments on items that are not on the agenda.

Bill Meyer  
Chairperson

### PUBLIC HEARING & ACTION ITEMS

*Please see the end of this agenda for methods to provide comments on action items.*

4. QUINCE STREET REAL ESTATE TRANSACTION & DDA

Erin Reynolds  
City Manager

#### A. PUBLIC HEARING

Hear and consider written or oral testimony regarding the proposed sale of FURA property located at Tax Lot 203 Map 18-12-26-33, with a street address of 750 Quince Street.

#### B. QUINCE STREET PROPERTY REAL ESTATE TRANSACTION & DDA

Consider authorizing the sale of FURA property located on Quince Street and consists of a 3.12-acre portion of tax lots 900 and 901 of tax map 18-12-26-33, with a street address of 750 Quince Street and selling full fee title to the property, and authorizing the Executive Director to execute the sale and the disposition and development agreement that will place certain development constraints on the property.

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## **REPORTS & UPDATES**

### **4. QUARTERLY FINANCIAL REPORT**

Review the March 31, 2022, quarterly financial report for the Florence Urban Renewal Agency.

Lezlea Purcell  
*Finance Manager*

### **5. CITY MANAGER REPORT**

Erin Reynolds  
*City Manager*

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## **UPDATED PUBLIC MEETINGS PROCEDURES**

**Expressing Views to the Agency:** Citizens wishing to express their views to the Florence Urban Renewal Agency may do so in both written and verbal formats.

1. **Written Testimony:** Citizens wishing to express their views to the Florence Urban Renewal Agency are encouraged to submit written testimony in one of the following ways:
  - a. Submit written comments via email to City Recorder at [Lindsey.white@ci.florence.or.us](mailto:Lindsey.white@ci.florence.or.us);
  - b. Mail written comments to Florence City Hall, Attn: FURA, 250 Hwy 101, Florence, OR 97439
  - c. Drop off written comments at Florence City Hall (250 Hwy 101) during regular office hours (Monday through Friday (8 a.m. – 12 p.m., 1 p.m. – 4 p.m.)) or at the City of Florence drop box located at Florence City Hall to the right of the main entrance.

**\*\* Note:** Written comments received at least 2 hours prior to the meeting (June 22, 2022 at 3:30 p.m.) will be distributed to the Florence Urban Renewal Agency, posted to the City of Florence website, and made part of the record.

2. **Verbal Testimony:** Citizens wishing to express their views to the Florence Urban Renewal Agency may participate in the meeting at Florence City Hall or via GotoWebinar. To do so, please complete a speaker's card online at <https://www.ci.florence.or.us/urbanrenewal/request-address-fura-speakers-card> at least 1 hour prior to the meeting (June 22, 2022 at 4:30 p.m.). City staff will then contact the speaker to let them know the process to participate in the meeting.
  - a. **Public Comments on items not on the agenda:** General public comments (on items not on the FURA agenda) will be allowed at each Florence Urban Renewal Agency meeting during the public comment agenda item. Comments will be limited to three (3) minutes per person, with a maximum of 15 minutes for all items. In practicality, this means no more than five individuals will be allowed to comment verbally. There is no limit on written public comments.
  - b. **Public Hearing Testimony:** Testimony on public hearing items will be allowed when a public hearing is held. Verbal comments will be allowed on public hearing items after staff has given their report and have allowed time for initial Agency questions. In general (with some exceptions for Land Use hearings), comments are limited to five minutes per person with no limit on the number of speakers.
  - c. **Public Comments on Action Items:** Public Comments will be allowed on each action item on the Florence Urban Renewal Agency agenda. Verbal comments will be allowed on action items after staff has given their report and have allowed time for initial Agency questions. Comments will be limited to three (3) minutes per person, with a maximum of 15 minutes for all comments on each action item. In practicality, this means no more than five (5) individuals will be allowed to comment verbally. There is no limit on written public comments.

**For more information on the City of Florence's Public Meeting Policies, visit the City of Florence website at <https://www.ci.florence.or.us/council/rules-procedure>.**

# Florence Urban Renewal Agency

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## Memorandum:

**To:** Florence Urban Renewal Agency  
**From:** Megan Messmer, Assistant City Manager  
**Meeting Date:** June 22, 2022  
**Subject:** Quince Street Project – Disposition and Development Agreement (DDA)

## Project Background & Overview:

Request for Expressions of Interest – On July 1, 2020, the Florence Urban Renewal Agency (Agency) released a Request for Expressions of Interest (RFEI) outlining the Agency’s aims for the Quince Street property. The Agency’s objectives for marketing the property ([as detailed in the RFEI](#)) were to attract a developer to construct and manage a 90+ room hotel or other similarly sized lodging facility. This number of rooms was based on information provided by hotel developers related to the number of rooms needed for profitability. In addition to the hotel, the Agency stated they would also consider proposals for ancillary developments including mixed-use and residential facilities.

2020 Developer Selection – On October 28, 2020, the Agency reviewed the submittals received from this effort and after a thorough evaluation selected to move forward with Sycan B. Corp. at the October 29, 2020 Agency public meeting. The Agency entered into an Exclusive Negotiating Agreement (ENA) with Sycan B. Corp executed on November 30, 2020. As part of that due diligence period, the Agency approved funding for “critical path” predevelopment work including an ALTA survey, a geotechnical survey and analysis, and a hotel market feasibility analysis.

After thorough analysis, the hotel market feasibility report indicated there is a strong demand for a hotel on the Quince Street property, including a hotel of the scale and quality that was outlined as Sycan’s brand and business model. Additionally, it indicated there is a market for more hotel rooms in Florence, and the Quince Street location has serious advantages – spectacular setting overlooking the Siuslaw River; proximity to Florence’s unique Old Town with its delightful mix of shops and restaurants; the nearby marina and Conference Center. However, the market feasibility analysis also anticipated a fairly significant gap between the cost of the hotel desired by Sycan (brand and extended stay type of hotel) and its internal rate of return value after ten years (a standard measure of financial feasibility for hotels). Based on that gap and their set style of hotel, Sycan notified the FURA staff that they would *not* be pursuing the project further and therefore did not request further extensions of the ENA.

Acceptance of New Proposals – At their meeting on Wednesday, July 28, 2021, the FURA Board received an update from staff related to the Quince Street development progress. After discussion by the FURA Board, it was determined that any unsolicited proposals for development of the Quince Street property would be accepted at least through August 31, 2021. The Board reactivated the Selection Advisory Committee to review any proposals that may be received during that time. Any developers interested in submitting a proposal were directed to review the information outlining the Board’s objectives for the development offering and follow the criteria outlined in the previously published Request for Expressions of Interest. This information was sent out in a press release, posted on the website, and sent to any hotelier/developer that inquired about the project.

Current Negotiations with Braun Hospitality – On Wednesday, September 1, 2021, the FURA Board accepted the proposal submitted by Braun Hospitality, LLC, to develop a hotel on the Quince Street property across from the Florence Events Center. An Exclusive Negotiating Agreement (ENA) was negotiated and signed on September 27, 2021, during which Braun Hospitality and FURA staff have worked through negotiations on a Disposition and Development Agreement (DDA) for the site. In addition to the negotiations for the DDA, Braun Hospitality has also been working with City Community Development and Public Works staff on the submission of the land use application for the project. As these negotiations have continued, the ENA has been extended through June 27, 2022, with the ability for one additional 30-day extension upon the determination of the FURA Executive Director.

Matt Braun of Braun Hospitality provided the FURA Board with an update at their [February 23, 2022](#), Board meeting. During the meeting, Mr. Braun provided an overview of the 86-room Microtel Moda by Wyndham hotel development. Following the meeting, the developer submitted a land use application and received feedback needing to update a few items for completeness. Braun Hospitality made updates to their application, clarified items, and worked through several questions with City staff, and have resubmitted the application.

Throughout the negotiation period, Braun Hospitality has conducted due diligence and made significant investments in the planning and engineering phases of development. FURA has also conducted due diligence in partnership with Braun Development. The FURA Board has provided general direction to staff through Executive Sessions during negotiations pursuant to ORS 192.660(2)(e) related to real property transactions.

Land Partition Process – During this time, FURA has proceeded with partitioning the Quince Street property into three parcels. This partition is currently in the land use process and information can be found [HERE](#). The Quince Street lot will be partitioned into three parcels to include: Parcel 1 – future FURA development opportunity, Parcel 2 – hotel development property to be considered with DDA terms, and Parcel 3 – Siuslaw Estuary Trail property to be transferred to the City of Florence.

## Urban Renewal Agency Board Action Points

At their meeting on June 22, 2022, the FURA Board will meet with staff in Executive Session for final review of the Disposition and Development Agreement (DDA) proposal. During the regular session, staff will outline the proposal for the DDA, including any public participation in the development. The FURA Board will consider authorizing the FURA Executive Director to execute the DDA for the Quince Street Development as presented during the meeting, including the sale of the 3.12-acre property (parcel 2 of the partition). As part of that consideration, FURA will hold a public hearing for the sale of the property.

### Items Available for Reference:

- **November 20, 2019 Florence Urban Renewal Agency Meeting Materials**  
*(Approval of Strategy for Development of the Quince Street Site)*
  - <https://www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-29>
- **January 22, 2020 Florence Urban Renewal Agency Meeting Materials**  
*(Approval of Tentative Marketing Process and Establishment of Selection Advisory Committee)*
  - <https://www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-30>
- **February 26, 2020 Florence Urban Renewal Agency Meeting Materials**  
*(Report on Selection of Professional Development Team)*
  - <https://www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-31>
- **May 27, 2020 Florence Urban Renewal Agency Meeting Materials**  
*(Report on Status of Project since COVID-19)*
  - <https://www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-32>
- **June 30, 2020 Florence Urban Renewal Agency Meeting Materials**  
*(Update on decision to begin marketing opportunity July 1, 2020)*
  - <https://www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-33>
- **August 26, 2020 Florence Urban Renewal Agency Materials**  
*(Update on Site Tours, Submittals Received, and Submittal Review Process)*
  - <https://www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-34>
- **October 29, 2020 Florence Urban Renewal Agency Materials**  
*(Selection of Project Development Team)*
  - <https://www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-35>
- **January 13, 2021 Urban Renewal Agency Materials**  
*(Consideration of Costs for Predevelopment Studies)*
  - <https://www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-36>

- **March 31, 2021 Florence Urban Renewal Agency Materials**  
(*Review of FURA Work Plan*)
  - <https://www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-38>
- **July 28, 2021 Florence Urban Renewal Agency Materials**  
(*Reestablishment of Quince Street Selection Advisory Committee*)
  - <https://www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-41>
- **September 1, 2021 Florence Urban Renewal Agency Materials**  
(*Selection of Project Development Team*)
  - <https://www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-42>
- **September 22, 2021 Florence Urban Renewal Agency Materials**  
(*Professional Services Contract Amendments*)
  - <https://www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-43>
- **November 17, 2021 Florence Urban Renewal Agency Materials**  
(*Braun Hospitality Development Presentation & Introduction*)
  - <https://www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-44>
- **January 26, 2022 Florence Urban Renewal Agency Materials**  
(*Quince Street Project Update*)
  - <https://www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-45>
- **February 23, 2022 Florence Urban Renewal Agency Materials**  
(*Quince Street Development Presentation from Braun Hospitality*)
  - <https://www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-46>
- **March 23, 2022 Florence Urban Renewal Agency Materials**  
(*Exclusive Negotiating Agreement Extension*)
  - <https://www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-47>
- **June 22, 2022 Florence Urban Renewal Agency Materials**  
(*Consideration of DDA Deal Terms and Contract Execution*)
  - <https://www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-48>

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# Florence Urban Renewal Agency

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## Memorandum

**To:** Florence Urban Renewal Board

**From:** Lezlea Purcell, Finance Manager

**Date:** June 22, 2022

**Re:** Third Quarter, 2021-2023 Biennium Financial Report

### Background and Information:

In an effort to improve financial management reporting to the Florence Urban Renewal Board, citizens, and other interested individuals we have prepared the attached quarterly report.

**Fiscal Impact:** Staff time to prepare.

### Attachments:

Third Quarter, 2021-2023 Biennium Financial Report for period ending March 31, 2022.



# FLORENCE URBAN RENEWAL AGENCY



## Florence Urban Renewal Agency

### Financial Report

Quarter Ended March 31, 2022



June 22, 2022

Members of the Florence Urban Renewal Agency (Agency), Citizens of Florence, and other interested individuals;

We are pleased to report on activities and progress we have made on Agency goals on behalf of the Florence Urban Renewal Agency (FURA) for the third quarter of the Biennium ended March 31, 2022. The report includes comparisons of actual to budgeted amounts, current period resources and expenditures, the ending fund balance for the FURA General and Debt Service Funds, and narrative explaining results and highlights for the quarter. The financial information presented is unaudited and any significant adjustments are noted.

Please note that the budgeted amounts presented reflect the Agency's budget for the July 1, 2021 – June 30, 2023 biennium. Additionally, we have included reporting on the Agency's debt such as outstanding amounts, debt coverage ratios, maturities, and interest rates.

The assessed amount of property tax continues to grow for the district. The levied amount of \$637,232 outpaced the 4% budgeted increase for the 2021-22 fiscal year. During the third quarter, the Agency has collected \$25,000 in property tax as of March 31, 2022, with one additional collection dates upcoming in May. We will continue to monitor collection rates.

Operations:

- The Agency Board and Project Team Staff processed payments for approved Redevelopment and Predevelopment FURA Grants.
- The Agency Board and Project Team Staff continued work on the Quince Street Hotel Development DDA negotiations.

Notable Items:

- The General Fund began the quarter with an estimated fund balance of \$973,000. It ended the quarter with a fund balance of \$872,000.
- Debt payments were made as scheduled.

If you have any questions, please let Erin or I know.

Sincerely,



Erin Reynolds  
City Manager



Lezlea Purcell  
Finance Manager

## General Fund

The Agency's general fund accounts for all the Agency's operations, including debt service. Revenue sources for the fund include intergovernmental payments from Lane County, interest income, and debt proceeds.

The fund operations remain within appropriations for the biennium.

Capital expenditures for the quarter were related to closeout expenses for the ReVision Florence project. Fund Balance has stabilized as the ReVision Florence Project has reached substantial completion.

Property tax collections are in line with budgeted expectations for the biennium. The levied amount is \$65,000 over what was budgeted.

Expenditures are below budget for the biennium and scheduled debt payments were paid timely.

	Quarter Ended March 31, 2022			Biennium-To-Date		
	Budget	Actual	Over(Under)	Budget	Actual	Over(Under)
<b>Current resources</b>						
Taxes	\$ 150,000	\$ 24,676	\$ (125,324)	\$ 1,200,000	\$ 599,577	\$ (600,423)
Intergovernmental	50,000	133,740	83,740	400,000	233,740	(166,260)
Earnings & Contributions	1,000	790	(210)	8,000	1,613	(6,387)
Debt proceeds	-	-	-	-	-	-
<b>Total current resources</b>	<b>\$ 211,100</b>	<b>\$ 159,206</b>	<b>\$ (51,894)</b>	<b>\$ 1,689,000</b>	<b>\$ 834,930</b>	<b>\$ (854,070)</b>
<b>Expenditures</b>						
Personnel Services	-	-	-	-	-	-
Materials and Services	88,500	65,283	(23,217)	708,100	168,641	(539,459)
Capital Purchases	64,400	83,025	18,625	515,000	139,983	(375,017)
Debt service	117,200	111,112	(6,088)	937,200	345,339	(591,861)
Total expenditures	270,100	259,420	(10,680)	2,160,300	653,963	(1,506,337)
<b>Other requirements</b>						
Contingency	107,400	-	(107,400)	859,100	-	(859,100)
Total other requirements	107,400	-	(107,400)	859,100	-	(859,100)
<b>Total expenditures and other requirements</b>	<b>377,500</b>	<b>259,420</b>	<b>(118,080)</b>	<b>3,019,400</b>	<b>653,963</b>	<b>(2,365,437)</b>
<b>Total resources over (under) requirements</b>						
Beginning balance	166,400	973,199	806,799	1,330,400	692,018	(638,382)
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ 872,985</b>	<b>\$ 872,985</b>	<b>\$ -</b>	<b>\$ 872,985</b>	<b>\$ 872,985</b>

## Debt Summary

The following schedule provides information related to the Agency's outstanding debt during the 2021-2023 biennium through fiscal year 2027. The schedule includes:

- Debt issue
- Original amount of the loan
- The annual principal payment in fiscal year 2022
- Interest rate
- Maturity of the obligation
- Outstanding principal balance as of June 30, by fiscal year through 2027

Description	Original Amount	Annual Payment FY 2022	Interest Rate	Maturity	Outstanding balance fiscal year ending June 30,					
					2022	2023	2024	2025	2026	2027
<b>Existing Obligations</b>										
FFCO 2016 - FURA	3,700,000	246,229	2.92%	2036	2,885,289	2,723,294	2,556,683	2,384,888	2,207,970	2,025,775
Banner Bank - 20 yr Tax Exempt	3,150,000	214,274	3.30%	2039	2,770,912	2,647,065	2,519,096	2,386,870	2,250,245	2,109,073
Banner Bank - 5 yr Taxable	150,000	7,950	5.30%	2024	150,000	150,000	-	-	-	-
<b>Total City Debt</b>	<b>7,000,000</b>	<b>468,453</b>			<b>5,806,201</b>	<b>5,520,359</b>	<b>5,075,779</b>	<b>4,771,758</b>	<b>4,458,215</b>	<b>4,134,848</b>
Population	assumes 1% annual increase				8,854	8,943	9,032	9,123	9,214	9,600
<b>Debt per capita</b>					<b>656</b>	<b>617</b>	<b>562</b>	<b>523</b>	<b>484</b>	<b>431</b>