



City of Florence
A City in Motion

Florence Urban Renewal Agency Regular Session

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.
- To be notified of Urban Renewal meetings via email, please contact City Recorder Kelli Weese at kelli.weese@ci.florence.or.us.

February 22, 2017

AGENDA

5:30 p.m.

Chairperson, Joshua Greene			
Vice-Chair John Scott	Joe Henry	Ron Preisler	Dave Braley
Ron Caputo	Patricia Riley	Mike Webb	Judy Marsall

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** Joshua Greene
Chairperson
- 2. PUBLIC COMMENTS** Joshua Greene
Chairperson
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.
- 3. COMMITTEE STRUCTURE, PUBLIC MEETINGS LAW & ETHICS TRAINING** Kelli Weese
City Recorder
Review the structure of agency, public meetings law and ethics training.
- 4. APPROVAL OF MINUTES** Kelli Weese
City Recorder
Consider approval of the January 25, 2017 Agency Minutes.

ACTION ITEMS

- 5. ELECT CHAIR & VICE-CHAIR** FURA Board
- 6. REVISION FLORENCE DESIGN & ENGINEERING SERVICES** Megan Messmer
Project Manager
Review and consider decision points on the ReVision Florence scope of work and design elements. Consider authorizing City Manager Erin Reynolds to sign the contract amendment for ReVision Florence design and engineering services with Murray Smith and Associates based on those decision points.

REPORTS & UPDATES

- 7. BUDGET CALENDAR AND PROCESS** Andy Parks
Int. Finance Dir.
Review the upcoming budget calendar and process.
- 8. FLORENCE URBAN RENEWAL AGENCY ANNUAL REPORT** Megan Messmer
Project Manager
Review the agency's annual report and discuss distribution methods
- 9. CITY MANAGER REPORT** Erin Reynolds
City Manager

URBAN RENEWAL CALENDAR

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

Date	Time	Description
March 22, 2017	5:30 p.m.	Florence Urban Renewal Agency Meeting

This document is supplemented by agenda packet materials, meeting materials distributed and electronic audio / video recordings of the meeting and may be reviewed upon request to the City Recorder.

**Florence Urban Renewal Agency Meeting
250 Hwy 101, Florence, Oregon
Final Action Minutes
January 25, 2017**

CALL TO ORDER - ROLL CALL

Meeting called to order at 6:00 p.m.

Directors Present: Chairperson Joshua Greene and Directors John Scott, Joe Henry, Ron Preisler, Dave Braley, Ron Caputo, Patricia Riley and Mike Webb.

Directors Absent: Director Woody Woodbury

Staff Present: City Manager Erin Reynolds, Project Manager Megan Messmer, Public Works Director Mike Miller, Planning Director Wendy Farley Campbell and City Recorder / Economic Development Coordinator Kelli Weese.

Guest Present: Chris Link, Murray, Smith & Associates

1. APPROVAL OF AGENDA

Start Time: 6:00 p.m.

Action: Approve agenda with the amendment to Agenda Item #4 to change from an action item to a report item.

Motion: Director Caputo

Vote: Unanimous – Director Woodbury was absent

2. PUBLIC COMMENT

This is an opportunity for members of the audience to bring to the Council'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.

Start Time: 6:01 p.m.

Comments: None

3. **APPROVAL OF MINUTES**

Consider approval of the December 1, 2016 Florence Urban Renewal Agency minutes.

Start Time: 6:02 p.m.
Action: Approve the minutes from the regular December 1, 2016 Urban Renewal Meeting.
Motion: Director Scott
Second: Director Braley
Vote: Unanimous – Director Woodbury was absent

ACTION ITEMS *(Amended during agenda approval to Report Item)*

4. **REVISION FLORENCE DESIGN & ENGINEERING SERVICES UPDATE**

Review and consider authorizing City Manager Erin Reynolds to sign the contract amendment for the Revision Florence design and engineering services with Murray Smitha and Associates.

Start Time: 6:03 p.m.
Discussion: The Agency discussed...

- Public engagement methods for the project
- Profile increases for the curbside of the road and the need for additional right-of-way
- Timeline for designing aesthetics of project
- Irrigation within landscaping
- Process for ODOT approval moving forward
- Freight route needs for the area
- Allowing for crosswalk safety and flashing beacon availability
- Allowing for pedestrian safety with additional lighting
- Potential easement considerations
- Right-of-way acquisition cost estimates
- Increases in budget estimates an additional \$700,000
- Review of the funds expended thus far and what was received for those funds
- Purpose of the engineering completed thus far
- Potential for additional ODOT funding
- Ensuring that the look and function of the highway is better than present conditions
- Need for updated design schematic
- Contingency timelines and philosophies for reduction in contingency estimates as additional knowledge is obtained

- Methods for documenting the difference in cost based on new grade change knowledge
 - Need for sidewalk replacement given grade changes
- Comments: Directors Braley, Caputo, Henry, Webb and Chairperson Greene

REPORTS & UPDATES

5. DOWNTOWN REVITALIZATION TEAM (DRT) UPDATE

The Downtown Revitalization team will provide an update on their activities.

Start Time: 7:04 p.m.

Discussion: The Agency discussed...

- Changes to group membership
- MainStreet program options and benefits

6. PUBLIC ART COMMITTEE (PAC) UPDATE

The Public Art Committee will provide an update on their activities.

Start Time: 7:10 p.m.

Discussion: The Agency discussed...

- Conversation with Issac Marquez from City of Eugene Public Art program
- Landscaping along Central Lincoln PUD Building considerations for potential mural

7. CITY MANAGER REPORT

- Board Appointments
- Annual Report
- Budget Timeline & Process
- House Bill 2470
- Meeting Start Time

Start Time: 7:22 p.m.

Discussion: The Agency discussed...

- Items listed on the agenda
- History of urban renewal creation
- Helping to communicate between various agencies
- Biennial Budgeting options

Action: The Florence Urban Renewal Agency approved changes to the start time of meetings to 5:30 p.m. by consensus.

Meeting adjourned at 7:39 p.m.

ATTEST:

Joshua Greene, Chairperson

Kelli Weese, City Recorder

DRAFT

Florence Urban Renewal Agency

Memorandum

To: Florence Urban Renewal Board
From: Megan Messmer, City Project Manager
Date: February 22, 2017

ReVision Florence Contract Amendment and Considerations

There will be a few decision points before the Florence Urban Renewal (FURA) Board for consideration at the February 22nd meeting. During January, the FURA Board heard from Chris Link of Murray Smith and Associates (MSA) and from staff on the status of the ReVision Florence project and the next steps. At that time, we did not ask the Board to make a decision due to the timing of receiving cost estimates and the additional work that we wanted to perform prior to the next FURA Board meeting and decision.

In January, we reviewed the updated estimates for ReVision Florence, the cost of right-of-way administration, what the contingency line item looks like and how it will change over time, and potential cost saving items moving forward. We will review those items here as a refresher for our discussion at the upcoming meeting. We will discuss the following topic in this report:

1. Project Background
2. Design Acceptance Package (30% DAP)
3. January 2017 Meeting Review and Cost Estimates
4. Critical Path and Next Steps
5. Financial Considerations
6. Decision Points

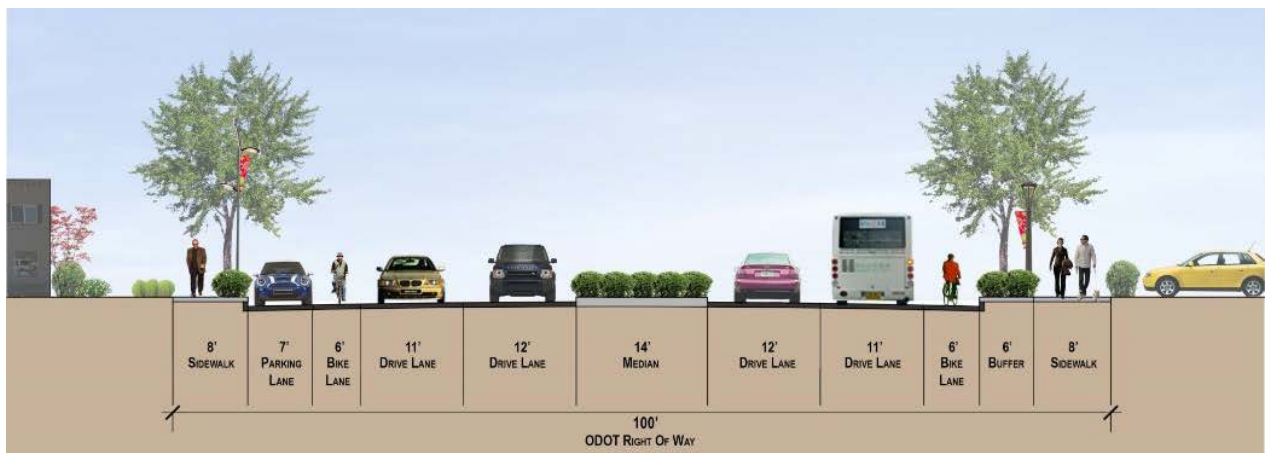
1. Project Background

In early 2015, staff met with the Oregon Department of Transportation (ODOT) to discuss upcoming highway maintenance that they would be doing along Highway 101 in Florence. This included repaving of the roadway, restriping, and ADA improvements along the Highway 101 corridor from the Siuslaw River Bridge to the Highway 126 intersection. At that time, staff inquired about the possibility of reducing the size of the highway, adding landscaping, and improving pedestrian amenities. When ODOT alerted the City that they would be repaving Highway 101 and updating some of the sidewalk, the City and Urban Renewal could not let this opportunity pass us by. ODOT suggested that the City work in conjunction with their project to design a streetscape concept and develop a project proposal.

In fall of 2015, the Florence Urban Renewal Agency contracted with Murray Smith and Associates (MSA) and Dougherty Landscape Architects to work on a design concept for the streetscape and desired improvements. Through the FURA and MSA process, input was sought from business and land owners along the corridor, as well as citizens through an open house held at the Florence Events Center in early 2016. Over the past year, we have been working with our community and local business owners to develop ReVision Florence in a way that will make the areas safer for pedestrians, more attractive for visitors, provide visual cues to drivers to slow down, and to promote economic development for current and future businesses in our community.

ReVision Florence will provide streetscaping along these corridors of Highways 101 and 126, including:

- Defining bike lanes and parking along the highway.
- Building ADA compliant sidewalks.
- Adding gateway features to Florence and Old Town.
- Adding pedestrian amenities to improve walkability, including lighting, benches, bike racks, trash receptacles, etc.
- Incorporating Public Art.
- Adding street landscaping.



The community feedback on this project has been supportive and excited for the improvements in our Main Street District. Through this process, we named this project ReVision Florence with the desire to build upon what is great about Florence and to put our best foot forward to the community and or visitors. This project aligns well with the City's vision to be Oregon's Premier Coastal Community, as well as the economic development focus of the City Council.

During the development of the FY 2016-17 Budget, both the Urban Renewal Board and the City Council were supportive of including ReVision Florence in the work plan and budget as a priority project. The approved design concept is outlined in the ReVision Florence Brochure found in Attachment 1.

Over the past few months we have had several conversations with representatives from ODOT. It has become apparent that this project is a key learning experience for both sides. The City is excited to be working in collaboration with ODOT on this project. We have learned a lot through the process so far and will continue to learn as we move to the next phases. We hope ReVision Florence can become an example of how a local community and a state agency can work together on a shared vision and bring

new life to an area. Improving our transportation corridor and the aesthetics of our community are vital to our economic development efforts.

We have the rare opportunity with this collaborative project to impact our community for years to come. This vision for beautification along Highways 101 and 126 in Florence have been around for many years. The opportunity to put that vision in motion is now and ReVision Florence will shape our community moving forward.

2. Design Acceptance Package (30% DAP)

Once the design concept was approved by FURA, the next step was to begin the actual design and engineering of the project, as well as working more closely with ODOT on the project. This phase through ODOT is called the Design Acceptance Package (DAP). The objective of the DAP is to identify the size of the Project footprint, required design exceptions, and any required actions prior to preparing the Preliminary, Advance, and Final Plans. This phase completes approximately 30% of the project design.

FURA entered into a contract with MSA in June to perform the 30% DAP phase of ReVision Florence and has been coordinating with ODOT, the City, and Dougherty Landscape Architects to proceed on the project. We held a kickoff meeting with MSA and ODOT on July 11th where we discussed the project timeline, the list of tasks and deliverables, coordination with utilities, access management, rights-of-ways, and design standards.

During this time period, the City was working on behalf of FURA to develop a Memorandum of Understanding (MOU) with ODOT regarding the design work for the ADA improvements. It was the desire of the FURA Board to incorporate the required ADA improvements into the ReVision Florence design rather than have ODOT do some of the upgrades and FURA do the others. The MOU states that the City/FURA will incorporate the ADA improvements into the City project to the standards outlined by ODOT. In exchange for the city taking on the design and construction of these improvements, ODOT will reimburse the City/FURA up to \$629,000 based on that initial MOU. This will need to be renegotiated as we move forward.

On August 30th, we held a coordination meeting with ODOT and MSA as a check in and to assign next steps and tasks. During this meeting, we reviewed design standards for intersections in order to accommodate needed vehicles. Staff is working on contacting local business owners to make sure the design allows for the delivery trucks that need to service those businesses, including vehicle dimensions and delivery routes. At this meeting, we also discussed public input and outreach. ODOT stated that the outreach we did on the design concept in February was sufficient for their requirements. They have suggested that we do a survey to enhance our outreach regarding the access to public streets. We will be doing this outreach over the next two weeks via an online survey through our website.

In order to meet the ODOT project schedule, the 30% DAP was submitted on November 30, 2016. ODOT has reviewed our submission and approved our DAP submissions and the design exceptions.

3. January 2017 Meeting Review and Cost Estimates

In January, we discussed the progress of the DAP submission and the next phase of the project to

Item	Concept Estimate	Current Estimate
Construction	\$ 3,269,700	\$ 3,560,500
Construction Engineering (12%)	392,400	427,260
Utility Undergrounding	800,000	720,000
DAP Design	456,400	319,854
Final Design	399,400	596,483
Design & Construction	\$ 5,317,900	\$ 5,624,097
Contingencies	1,634,900*	1,068,150**
Design & Construction Total	\$ 6,952,800	\$ 6,692,247
Right of Way Administration		400,235
Right of Way Acquisition		166,000
Project Total	\$ 6,952,800	\$ 7,258,482

*Contingencies calculated at 50%.

**Contingencies calculated at 30%.

administer right-of-way and to get to final design. We are sensitive to the fact that the current cost estimates have changed over time. Some of that will be explained later as we discuss contingency and right-of-way. The financial overview that was presented at the January meeting is shown here. It is important to remember that the Concept Estimate was prior to engineering and based on an idea.

Contingency

As we review the progress of the cost estimates, it is important to fully understand contingency in this phase of the project. We often see contingency line items during review of construction contracts, after a project has been designed, or with budgets such as the City's budget. In those cases, the contingency accounts for the unexpected happening during construction or a fiscal year. We need to look at contingency from a different lens during the design and engineering stage.

At this point, contingency accounts for the fact that the project is not fully designed and engineered. There are still unknowns that will be refined as we progress into final design. As you can see from the estimate chart on the previous page, contingencies during the concept estimate stage were at 50% due to the large number of unknowns. The project was an idea at that point and they had not yet proceeded into the engineering. At the current phase, the project has completed the 30% design stage and the unknowns have been reduced. With this, the contingency has also been reduced to approximately 30% since there are still many aspects that need refined.

That contingency did not disappear, though; it was redistributed to other areas based on the current status of design. As you can see, contingency funds shifted to construction, engineering, final design, and right-of-way. Moving forward with the design and engineering for the project meant that MSA actually dove into the specific details. They have surveyed the area, evaluated where the elements of the project fit within the right-of-way, worked with ODOT make the two projects cohesive, and have created the design to meet ODOT's requirements for this federal highway.

As the project moves forward the contingency will be refined further. The chart to the right outlines the desired contingency level at each stage of the design. Contingency is based on a percentage of the estimated project costs. The contingency gets redistributed to project costs as the engineering moves further and they refine the designs.

Design Phase	Contingency
Concept	50%
30% Design	30%
60% Design	20%
90% Design	10%
Final Design	3.5%

Right-of-Way

The overall estimates for the project have increased greater than just redistributing the contingency though. One main reason for this is that Highway 101 is a federal highway with federal regulations surrounding how the public entity interacts with private property owners during construction. With the current build out of this area, the sidewalks end right at the property lines in many cases and result in a lack of space to perform the construction related activities within the public right-of-way. Simply put, if we utilize private property to set materials, set up forms for the sidewalks, or to work from, we need to compensate those property owners. This will come in the form of temporary construction easements during the project. There are a few areas where we will do permanent easements to use the property for aspects of the property.

Based on the proposed 30% design, temporary construction easements (TCEs) and permanent easements will be required to construct the proposed sidewalk, driveways, ADA ramps and landscaping. All proposed easements are shown in the 30% Plans. TCEs are proposed along US101 to provide access to form and pour the sidewalk, driveway and ADA ramps; match existing grade behind the new sidewalks with asphalt slope paving or minor earthwork; match the existing grade behind the new driveways with asphalt paving; and potentially behind the ADA ramps to allow for pedestrian routing during construction. No permanent sidewalk or curb is included in the TCEs. Small permanent easements are proposed at various locations along US101 to accommodate ADA ramps and certain driveways. Permanent easements are also proposed on OR126 at Quince Street and Redwood Street to accommodate landscaping, streetscaping and gateway features.

A total of 36 right-of-way files are anticipated for the project. The estimated project right-of-way costs is \$566,235. This includes the acquisition cost, consultant administration costs, ODOT review costs, and expenses (title reports, etc.).

4. Critical Path and Next Steps

As discussed at the January meeting the critical path and the next steps are to work towards final design and to proceed with the right-of-way process. In order to stick to the timeline of construction in Spring/Early Summer 2018, with ODOT paving in late Summer 2018, the right-of-way process needs to begin. This process takes ten to twelve months depending on the depth of process needed with the property owners. Due to the amount of properties (36), the FURA Board is at a critical point in moving forward. That process would need to begin this month.

The second part of the critical path is to continue with the design work. In January, we discussed an amendment that would take the project through final design. An alternate proposal is proposed here, which would be an amendment to proceed with the project to the next check in point of 60% design.

That deadline is July 6, 2017 in order to stay on track. Proceeding in this manner would align the amendment more closely with the budget cycle with the current fiscal year ending June 30, 2017.

5. Financial Considerations

We are very sensitive to the cost of this project and understand that the increase in estimates was somewhat alarming at the June meeting. We have been working with MSA to develop a list of decision points on specific pieces of the scope that could be reduced, identifying pieces that could be phased, reviewing the true cost of the elements that FURA is performing for ODOT, and other funding sources.

As mentioned above, we have requested that MSA provided an amendment that would take the design and engineering through the 60% design completion date of July 6th and to begin the right-of-way administration. The fee for moving forward with those two options is being calculated by MSA and will be provided at the meeting.

Proceeding with the next steps outlined above will allow us to work more in depth with ODOT over the next few months of the budgeting season to increase their reimbursement for the tasks that are under their requirements. MSA has developed an estimate that would increase their portion substantially. We have presented that to them and we will need to continue that negotiation. They are also on a tight timeline and have limited capacity. We can discuss this more in depth at the meeting.

We have continued to talk with the County about possible County funding. Again, these discussions will have to continue through the budgeting cycle in order to create a commitment from the County.

In December, Finance Director Andy Parks presented to the FURA Board on the cost to finance the gap in funding. He outlined that it would cost approximately \$71,000 per \$1,000,000 financed for a twenty-

Agency	Project Funding
FURA (FY 16 & 17)	\$ 500,000
FURA (Borrowing)	1,200,000
City (Stormwater)	50,000
LaneACT STIP (FY 18)	750,000
FURA Match to STIP Funding	250,000
ODOT (MOU Reimbursements)	629,000
Total Identified Funding	\$ 3,379,000
Funding Gap	3,879,482
Total Project Estimate	\$ 7,258,482

year period at 3.5% interest. With the current funding sources identified in the chart below, with no additional funding identified, the annual debt service on the project would be \$275,000 with the additional \$100,000 annual for maintenance.

If ODOT would agree to fund an additional approximately \$1 million, that debt service payment would be approximately \$205,000.

Scoping Questions

In addition to reviewing ODOT's reimbursement responsibilities in the project, there are areas that the Board may want to consider as cost saving measures. The items that we have been reviewing are outlined below.

- ODOT Performing Right-of-Way Administration – This would have been a potential project savings depending on how they would allocate the costs. We have asked ODOT if they are able to do this. They have said that it is **not feasible** for their department to perform these services based on the timeline and their capacity.
- Gateway Arch at Maple Street – There is a potential project savings of up to \$250,000, including construction and engineering, if the gateway arch is eliminated. There is also the option to scale it back to be a monument or something smaller, which would still have a cost associated with it but there would be cost savings compared to the full arch structure. The savings would be due to removing the need for engineering of a structure that spans the roadway.
- Highway 126 Elimination – The Board could choose to focus ReVision Florence solely on Highway 101 and eliminate the Highway 126 piece. This would include the landscaping and Quince Street gateway monuments. The potential savings here would be up to \$300,000, including construction, right-of-way and engineering.
- Highway 126 Alternate – The second option for Highway 126 is to continue designing it, but bid it as an alternate during the construction bidding process. That would allow the Board to choose whether or not to move forward with that portion once they know what the construction bids come in as.
- Utility Undergrounding – The Board has expressed the desire to underground the utilities along the Highway 101 corridor. The extent to which the undergrounding is done could be scaled back slightly. The majority of the utility lines that run parallel to the highway are used for the street lighting. These will be underground as part of the street light updates. There are three aerial crossings over Highway 101 that are main lines providing the electricity connectivity. If we leave those three main aerial lines, there is a potential cost savings of \$160,000.
- Other Items -- There may be some smaller items that we will explore further during design (stormwater planters, tree light receptacles, phasing in street furniture, etc.).

6. Decision Points

There are several decision points before the FURA Board as discussed throughout and are summarized below.

- First and foremost, the FURA Board needs to decide whether ReVision Florence is a project they want to move forward with. If not, we need to let ODOT know immediately so they can incorporate their requirements for ADA back into their project scope. If yes, then the Board needs to consider the following in order to shape the project over the next year.
- If moving forward, the decision to proceed with right-of-way needs to occur at this meeting. Continuing with design will also be vital in order to meet the next milestone of 60% design at the beginning of July. The Board can approve an amendment to the current MSA contract to proceed with these two items with the proposed fee amount being presented at the meeting.
- Highway 126 – Does the Board want to proceed with designing this section of the project? If so, we will add it to the construction bids as an alternate for further decision at the time of construction bidding.
- Utility Undergrounding – Does the Board want to proceed with undergrounding all utilities or undergrounding all but the three major aerial lines that cross the highway?

This is a complex project with many moving parts and competing needs. Highway 101 is a Federal Highway, Special Transportation Corridor, and Freight Mobility Route that runs through the center of our community. The priorities of this corridor have long been those of freight mobility, with little consideration for how it portrays our community. With ReVision Florence, the hope is to transform this corridor to be more reflective of what makes our community great and to have a say in how our highways demonstrate that.

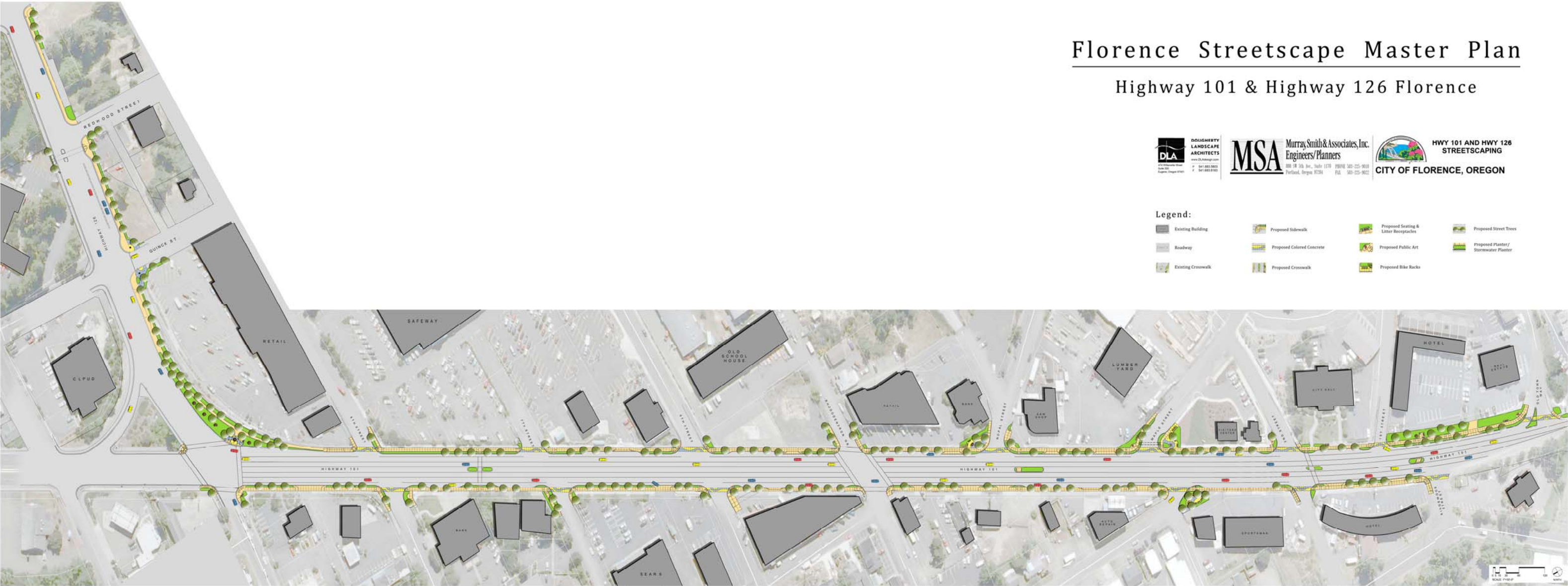
The FURA Board has some important decision points to consider at the upcoming meeting. We will review the information presented in this memo as well as some additional information from MSA and ODOT that we will be collecting between publishing and the meeting.

7. Attachments

- ReVision Florence Letter – This letter was sent to our County, State, and Federal officials, both elected and appointed, who represent the Florence area and those who hold leadership roles on the legislative committees working on transportation.
- Updated ReVision Florence Schematic – This will be presented at the meeting as well as online for better viewing at a larger size.

Florence Streetscape Master Plan

Highway 101 & Highway 126 Florence





City of Florence

250 Hwy 101, Florence, OR 97439

www.ci.florence.or.us

February 15, 2017

Commissioner Jay Bozievich
Lane County
125 E. 8th Avenue
Eugene, OR 97401

Dear Commissioner Bozievich,

As you are aware, transportation funding is an important topic for Oregon's communities, both large and small, due to the lack of general fund dollars to contribute towards streets. We have competing needs for the limited general fund resources at all levels of government, and funding of transportation with those scarce resources often falls below items such as public safety at the local level. On July 11th, the Florence City Council discussed legislative priorities for the upcoming session and ranked transportation funding as their number one priority.

Florence sits in a peninsula with bridges to the north, south, and east, with the ocean to the west. We are reliant on our State and Federal highways, bridges, tunnels, and other transportation infrastructure to stay connected the rest of the state. They are our lifelines. Improving these infrastructure systems is important for our community to continue to prosper, both for residents and visitors.

Our community has been successful in leveraging local, state, and federal dollars to achieve some of our transportation goals in Florence over the past few years. We are grateful for these partnerships. These projects are of regional significance for our area, as they will enhance the quality of life for our residents, the viability of our businesses, and the experiences of our visitors.

The Florence Urban Renewal Agency and the City of Florence are currently working in partnership with the Oregon Department of Transportation on a project we are calling ReVision Florence. The goal of ReVision Florence is to improve the streetscape along the Highway 101 and Highway 126 corridors through the center of our community, while improving multi-modal transportation opportunities and safety for all users. This project is a once in a generation project that will help to establish the foundation for what we hope to be as a community in the future. The desire of the Urban Renewal Agency and the City is to build upon what is great about Florence and to put our best foot forward for our citizens and visitors as they travel through our beautiful community.

As we continue to design and plan for ReVision Florence, we are still looking for funding opportunities to complete this project. Preservation funds through ODOT will allow the roadway to be improved, but the additional enhancements to the corridor are vital in making the project impactful for years to come. The many competing needs of this highway corridor include freight mobility, local traffic, tourism, safety, bicycle and pedestrian, and the business community. These competing needs add complexity to any project and addressing them comes at additional costs. The regional significance of ReVision Florence necessitates investment in this corridor from our City, County, State, and Federal partners.

Public Works
989 Spruce St.
(541) 997-4106

**City Manager/
City Recorder**
(541) 997-3437

**Community Development:
Planning & Building**
(541) 997-8237

**Finance/
Utility Billing**
(541) 997-3436

Justice Center
900 Greenwood St.
(541) 997-3515

Florence Events Center
715 Quince St.
(541) 997-1994



Highway 101 is a Federal Highway, Special Transportation Corridor, and Freight Mobility Route that runs through the center of our community. The priorities of this corridor have long been those of freight mobility, with little consideration for how it portrays our community. With ReVision Florence, we hope to transform this corridor to be more reflective of what makes our community great and to have a say in how our highways demonstrate that. Improving our highways and the aesthetics of our community are vital in our economic development efforts.

The vitality of this corridor to our City, our community, Lane County, the State of Oregon, and our visitors from all over the world is key in creating the community we envision. We know that Florence is the gateway to the Pacific Ocean to those visiting Eugene and the Central Oregon Coast. This will become extremely evident as the 2021 World Track and Field Championships come to Eugene. ReVision Florence is a key component in our economic development program as it will show the world the pride we have in our community.

As we look to other communities that have completed similar projects, it has reinforced our belief that this project will bring businesses back into our main street corridor to revitalize the area. We have also done significant work in understanding the housing needs of our community and the potential areas for development. This corridor offers redevelopment opportunities for multi-family housing at identified catalyst sites and improving the infrastructure is a key public investment project that will promote the area for these types of developments.

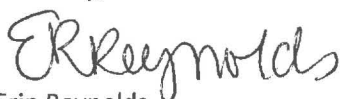
When ODOT alerted the City that they would be repaving Highway 101 and updating some of the sidewalks, the City and Urban Renewal could not let this opportunity pass us by. Over the past year and a half, we have been working with our community, local business owners, and ODOT to develop ReVision Florence in a way that will make the areas safer for pedestrians, more attractive for visitors, provide visual cues to drivers to slow down, and to promote economic development for current and future businesses in our community. We have the rare opportunity with this collaborative project to impact our community for years to come. This vision for beautification along Highways 101 and 126 in Florence has been around for many years. The opportunity to put that vision in motion is now and ReVision Florence will shape our community moving forward.

The City is excited to be working with ODOT on this project. We have learned a lot through the process so far and will continue to learn as we move to the next phases. We hope ReVision Florence can become an example of how a local community and a state agency can work together on a shared vision and bring new life to an area. Through our partnership, we have been able to create a concept that incorporates the needs of ODOT to update the corridor, while taking into account the desires of our community.

ODOT has been a great partner and has committed funding through a Memorandum of Understanding to the project in exchange for the City taking on some of the work they had planned to do as a requirement of their original project scope. We will be revisiting this MOU as we progress further into the design. We have also been working through our local Lane ACT and now the Super ACT on a STIP application to help fund a portion of ReVision Florence. Continuing funding opportunities like this are essential for communities like ours to be able to fund these larger projects.

As mentioned previously, identifying additional funding opportunities and finalizing the financial package for ReVision Florence is a top priority moving forward. Partnering on funding for ReVision Florence will ensure that we meet the various needs of the Federal, State, County and local stakeholders of this corridor during this multifaceted project. We look forward to further discussing ReVision Florence's importance and funding opportunities.

Sincerely,

A handwritten signature in black ink that reads "ER Reynolds". The signature is written in a cursive, flowing style.

Erin Reynolds
Florence City Manager



2015-16 Annual Report & Financial Statement

Letter from City Manager Erin Reynolds

I am excited to present the annual report of Florence Urban Renewal Agency (FURA) for the fiscal year ended June 30, 2016, and its budgeted activities for the year ending June 30, 2017.

Property values have stabilized within the District, property tax collections have increased, FURA refinanced its existing debt, leveraging the use of the City's full faith and credit, and FURA once again has capacity to make public investments within the urban renewal district.

In the fiscal year ended 2016, FURA had strategic discussions with the City Council regarding its debt obligations and alternatives, and collaborated with the City regarding economic development strategies and public investment priorities. The City Council agreed to use the City's full faith and credit to back FURA debt.

In August 2015, the City and FURA entered into an Intergovernmental Agreement for the City to loan \$3.7 million to FURA from City issued debt. The interest rate on the new debt is 3.25%, compared to 6.0% for the previous debt, which provided FURA \$2.1 million of additional debt capacity for projects. In December 2015, FURA used debt proceeds and existing resources to pay off a \$1.665 million loan obligation and a \$210,000 funding commitment to the Siuslaw Library.

During the budgeting process for fiscal year 2016-17, the FURA board established the following capital outlay budget:

<i>ReVision Florence</i>	<i>\$ 600,000</i>
<i>Development Projects</i>	<i>500,000</i>
<i>Public Artwork</i>	<i>125,000</i>
<i>2nd Street Sidewalk</i>	<i>75,000</i>

Project Budget \$1,300,000

The following highlights the ongoing activities from fiscal

year 2015-16 of FURA and what is happening during fiscal year 2016-17.

ReVision Florence

In August 2015, Murray Smith and Associates (MSA) was hired by FURA to develop concept designs for street and sidewalk improvements on Highways 101 and 126 within the District. MSA has collaborated with the Oregon Department of Transportation (ODOT), City staff, and City and FURA officials to inform its design concepts. MSA presented design concepts in a public open house in February 2016 and the final concept report was presented to the FURA Board in March 2016.

The FURA Board included the streetscape project, now

known as ReVision Florence, in the fiscal year 2016-17 budget. In June 2016, the FURA Board entered into a contract with MSA to continue the design work on ReVision Florence and to work closely with ODOT as they plan for the Highway 101 pavement preservation project. The first milestone in the design and engineering process was the 30% Design Acceptance Package (DAP) to be submitted to ODOT for review. The next steps for ReVision Florence as we proceed is to negotiate the scope of work and fee with MSA to design the project through final design.

In addition to design, the funding package for ReVision Florence needs to be further developed and finalized. In Fall

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ReVision Florence: Streetscape Design

Siuslaw River Bridge & Old Town Way → Highway 101 → Highway 126



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FURA Board of Directors

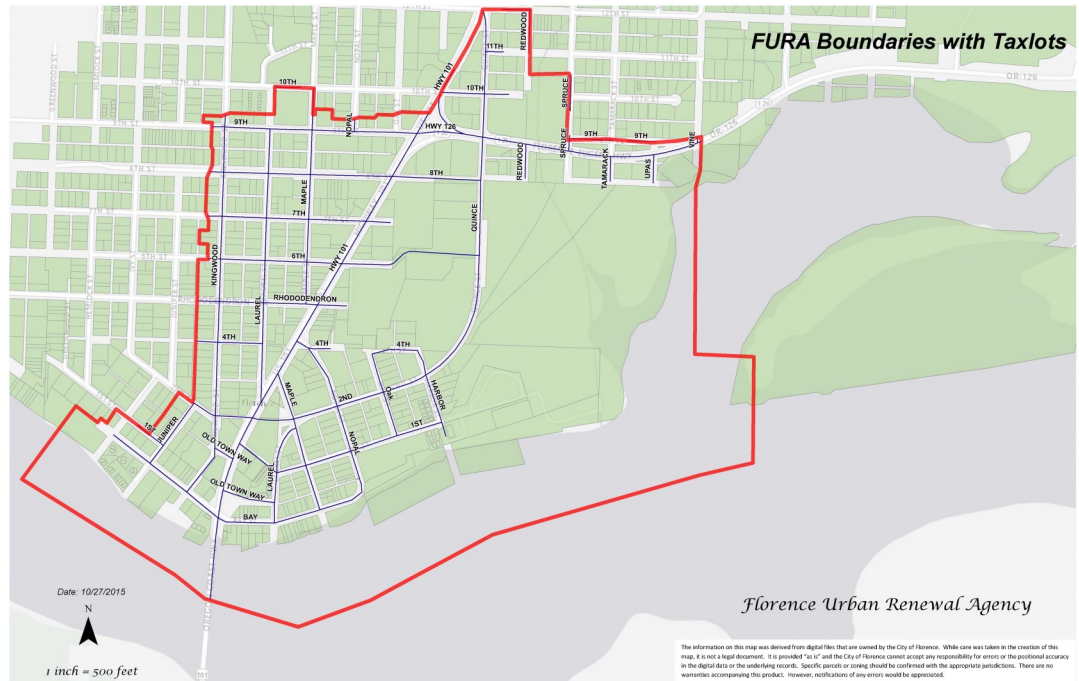
FURA is overseen by a nine-member board of directors; three positions from the City of Florence, one from each of the overlapping taxing jurisdictions, excluding the School District and ESD, and one at-large position. The term of office for members of the Board of Directors, with the exception of the Mayor, is three years with the term expiration on January 31st.

<u>Member</u>	<u>Term Expires</u>	<u>Member</u>	<u>Term Expires</u>	<u>Member</u>	<u>Term Expires</u>
Joshua Greene Councilor, Chair	2016	Ron Preisler Councilor	2016	Patricia Riley Siuslaw Public Library	2016
John Scott SVFR, Vice-Chair	2016	Dave Braley Community Member	2015	Mike Webb Western Lane Ambulance	2015
Joe Henry Mayor	2016	Ron Caputo Port of Siuslaw	2016	Woody Woodbury Lane County Representative	2016

What is FURA?

Florence voters approved the formation of the Florence Downtown Preservation and Renewal Plan in 2007, which created the Florence Urban Renewal Agency (FURA) district (boundary shown to the right). FURA uses property tax increment financing, repaid with dedicated property taxes, to fund projects within the Urban Renew District to facilitate both development and redevelopment.

Urban Renewal focuses on projects such as construction and repair of public infrastructure — including parks, streets, and other public facilities; facilitation of public-private partnerships for revitalization and preservation of downtown properties; rehabilitation of the waterfront for public and commercial uses; and promotion of mixed-use development.



FURA's nine-member board, consisting of the Mayor, two City Councilors, and members appointed by the overlapping taxing jurisdictions within Florence, authorized \$3.7

million of borrowing from the City in fiscal year 2015-16. Of that amount, \$1.6 million was borrowed to refinance existing urban renewal debt with more favorable terms. The \$2.1

million balance of borrowing is budgeted in fiscal year 2016-17 to fund planned projects.

Letter from City Manager Erin Reynolds Continued

2015, City staff presented a \$750,000 funding request to Lane Area Commission on Transportation (Lane ACT) for the project that included a \$250,000 FURA match. The project has progressed through the SuperAct as a funded project totaling \$1,000,000. The remaining funding identified for ReVision Florence includes reimbursements from ODOT and FURA funds. Additional funding opportunities from Lane County and the State are being reviewed.

Public Artwork

The FURA Board has continued their partnership with the City's Public Art Committee to implement significant

investments in public art as part of their strategy to encourage public and private investment in the District. The Public Art Committee, which has developed a Public Art Policy over the past year is currently revising the City's mural code, and is in the process of implementing several public art projects.

Those projects include a mural at the intersection of Highways 101 and 126 through a partnership with Central Lincoln PUD; creating a tiled art piece on the Siuslaw Bridge staircase in Old Town; soliciting donations of art pieces for public display; beautification of trash receptacles and transit

stops; and the Committee's outdoor gallery rental program called Art Exposed that will create a public art gallery throughout Florence. Several of these public art displays will be incorporated into the ReVision Florence design.

Other Initiatives

Gateways, Signage & Sidewalks – FURA and the Downtown Revitalization Team (DRT) have continued their efforts to collaborate on items to beautify Old Town and the rest of the Urban Renewal District. The hanging flower basket and banners have continued and have picked up momentum with local businesses, citizens and visitors.

Additionally, ReVision Florence will bring some of these features to the highway corridor and will include gateway elements. FURA has also budgeted funds to improve sidewalks and pedestrian amenities in the District.

Development – The FURA Board continues to budget funding for potential development partnerships within the District. The FURA Economic Analysis and Strategy outlined catalyst sites as well as potential incentive programs for the Board to consider.

I encourage you to participate in future open houses and meetings concerning these

Continued on Page 4

Financial Summary

FURA received \$327,875 in property taxes in fiscal year 2016, an increase of \$15,433 (4.9%) over the prior year. Debt service totaled \$1,936,247 during the year. The Agency refinanced a \$1.665 million obligation at a lower interest

rate (3.25%) compared to the prior rate of 6.0%. Additionally, the Agency paid off an obligation to the Siuslaw Library District of \$210,000. The Agency secured a \$3.7 million financing for the debt refinancing and to fund new

projects, of this amount \$1.574 million was drawn. The balance of funds will be received in fiscal year 2017. Program activities during the year cost \$448,823. These included completion of an economic strategies study, conceptual

design for the ReVision Florence project, bond sale expenses, and reimbursement to the City for administrative and technical support.

In addition to budgeting \$1.725 million in debt proceeds in fiscal

Continued on Page 4

Schedule of Revenue, Expenditures and Changes in Fund Balance

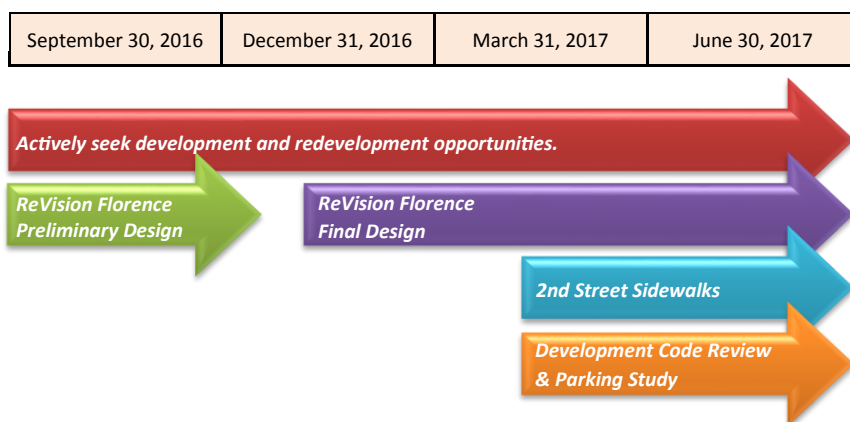
Actual - Fiscal Year Ended June 30, 2016, and Adopted Budget – Fiscal Year Ending June 30, 2017

	General Fund		Debt Service Fund		Total	
	Actual 2015-16	Budget 2016-17	Actual 2015-16	Budget 2016-17	Actual 2015-16	Budget 2016-17
Resources						
Property Taxes	\$ -	\$ -	\$ 327,875	\$ 363,600	\$ 327,875	\$ 363,600
Miscellaneous	3,461	1,000	946	1,000	4,407	2,300
Debt Proceeds	110,349	1,725,351	1,464,288	-	1,574,637	1,725,351
Total Resources	113,810	1,726,351	1,793,109	364,600	1,906,919	2,091,851
Expenditures						
Materials & Services	320,254	249,300	22,517	-	342,771	249,300
Capital Outlay	128,569	1,300,000	-	-	128,569	1,300,000
Debt Service	-	-	1,936,247	127,800	1,936,247	127,800
Transfers	-	-	-	-	-	-
Total Expenditures	448,823	1,549,300	1,958,764	127,800	2,407,587	1,677,100
Resources Over (Under) Expenditures	(335,013)	177,051	(165,655)	236,800	(500,688)	413,851
Other Requirements						
Contingency	-	352,170	-	272,149	-	624,319
Total Other Requirements	-	352,170	-	272,149	-	624,319
Net Change in Fund Balance	(335,013)	(175,119)	(165,655)	(35,349)	(500,688)	(210,468)
Beginning Fund Balance	262,770	175,119	253,549	35,349	516,319	210,468
Ending Fund Balance	\$ (72,243)	\$ -	\$ 87,894	\$ -	\$ 15,651	\$ -

FURA Work Plan

The Urban Renewal Agency has been working to develop project priorities over the past two years. The FY 2016-17 Work Plan includes many of those priorities. During FY 2016, the FURA Board has completed an Economic Analysis of the District, including review of the five main catalyst sites that would be ideal for future development opportunities. The FURA Board also completed the Hwy 101 streetscaping conceptual design, which led to ReVision Florence. Other items included in the workplan and their timelines are outlined here.

FURA FY 2016-17 Work Plan Timeline (Quarter Ending)



Florence Urban Renewal Agency

250 Highway 101
Florence, OR 97439
Phone: 541-997-3437
Fax: 541-997-4109

Letter from City Manager Erin Reynolds Continued

exciting projects. The decisions that the FURA board will make following these public sessions will have a significant impact on our community's appearance and development for decades to come.

Please see FURA's website for additional information or contact us if you have any questions.

Sincerely,



Erin Reynolds, City Manager

Financial Summary Continued

year 2017, FURA budgeted \$363,600 in property taxes, for total resources of \$2.092 million. FURA has budgeted \$1.3 million for capital projects, \$127,800 for debt service, and \$249,300 for administrative support and program related activities such as a parking study and facade grants. A contingency of \$624,319 is budgeted to provide flexibility for timing differences in project costs. Any unspent funds will be carried over to the subsequent year.

The Urban Renewal Concept

Tax increment financing is used in areas that have become physically deteriorated, unsafe, are suffering economic stagnation, or were poorly planned. Public funds are used to help accelerate changes to these conditions. The types of urban renewal activities undertaken generally include land assembly and development of infrastructure and public amenities (i.e., streets, utility lines, lighting, public open spaces, building improvements, and parks). As a result of these publicly funded efforts, private sector investment becomes more feasible.

How Does Tax Increment Financing Work?

Tax increment financing works by identifying an area where property values have stagnated, are declining, or are not rising as rapidly as the rest of the community; drawing a line

around it; planning for major public improvements like roadways, street lighting, parks, and other amenities; and encouraging private investment in the area and selling bonds to finance public improvements. As property values rise and bring an increase in tax revenues, that increase generates property taxes to pay off urban renewal bonds. Years into the future, the area – now vibrant and prosperous – yields significantly more for property tax revenue for the entire city, and overlapping taxing entities, than it would have if not for the urban renewal investment.

Tax Increment Calculations

To determine the amount of the taxes levied, the total assessed value within each urban renewal area is segregated by the County Assessor into two parts: (a) the total taxable assessed value in the district at the time the

Urban Renewal Plan was adopted (the base or “frozen” value), and (b) the difference between the frozen base value and the current total assessed value (the incremental value or “excess”).

Revenues derived from the application of the tax rate for each affected taxing district to the amount of the incremental value may be collected by the urban renewal agency and deposited in its debt service fund. This revenue is used to repay indebtedness incurred in carrying out the projects. The following schedule shows the amount of property taxes and the percentage of its total levy from each taxing entity that was redirected to FURA in fiscal year 2014-15. Note that school district and ESD funding are established by the State and therefore the school district does not realize a reduction in overall funding.

Schedule of Incremental Property Taxes and Percentage of Taxes Redirected to FURA

Fiscal Year Ended June 30, 2016

Taxing Entity	Increment Amount	Percent of Taxing Entities Levy
City of Florence	\$ 94,360	3.44%
Lane Community College	19,233	0.07%
Lane County	39,730	0.08%
Lane ESD	6,863	0.10%
Port of Siuslaw	4,515	1.46%
Siuslaw Public Library District	15,982	1.68%
Siuslaw School District 97J	149,079	1.53%
Siuslaw Valley Fire & Rescue	35,318	1.87%
Western Lane Ambulance District	9,933	0.67%
Total	\$ 375,013	