



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.

April 26, 2017

AGENDA

5:30 p.m.

| | | | |
|-----------------------|----------------------------|--------------|--------------|
| Vice-Chair John Scott | Chairperson, Joshua Greene | | |
| Ron Caputo | Joe Henry | Ron Preisler | Dave Braley |
| | 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

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.

Joshua Greene
Chairperson

3. APPROVAL OF MINUTES

Consider approval of the February 22, 2017 FURA Regular Meeting Minutes and the March 8, 2017 FURA Special Meeting Minutes.

Kelli Weese
City Recorder

ACTION ITEMS

4. PUBLIC ART COMMITTEE UPDATE

The Public Art Committee will present their work plan, project list, and projected timelines. The Agency will consider recommendation for inclusion of the Public Art Committee's work plan cost estimates in the 2017-2019 budget.

Public Art
Committee
Members

REPORTS & UPDATES

5. LAND USE REGULATIONS WITHIN THE DISTRICT BOUNDARY

Review the of land use regulations within the district boundary

Wendy
FarleyCampbell
Planning Director

6. FINANCIAL REPORTS AND BUDGET UPDATE

- Audited Financial Statements for fiscal year 2015-16
- Quarterly Financial Reports (Q3 & Q4)
- Budget Preparation and Timeline

Andy Parks
Finance Director

7. CITY MANAGER REPORT

- HB 2470 not to advance

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 |
|--------------|------------|--|
| May 17, 2017 | 10:30 a.m. | City Council, Lane County Board of Commissioners and Florence Urban Renewal Agency Work Session At Florence Events Center |
| May 31, 2017 | 5:30 p.m. | Florence Urban Renewal Agency and FURA Budget Committee 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
February 22, 2017**

CALL TO ORDER - ROLL CALL

Meeting called to order at 5:30 p.m.

Directors Present: Chairperson Joshua Greene and Directors John Scott, Ron Preisler, Dave Braley, Ron Caputo, Patricia Riley, Mike Webb and Judy Marsall

Directors Absent: Director Joe Henry

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.

1. APPROVAL OF AGENDA

Start Time: 5:30 p.m.
Action: Approve agenda as presented
Motion: Director Braley
Second: Director Scott
Vote: Unanimous – Director Henry 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: 5:31 p.m.
Comments: None

3. COMMITTEE STRUCTURE, PUBLIC MEETINGS LAW & ETHICS TRAINING

Review the structure of agency, public meetings law and ethics training

Start Time: 5:32 p.m.

Discussion: CR Weese presented training on the committee structure, public meetings law and ethics. The Agency discussed the materials presented.

4. APPROVAL OF MINUTES

Consider approval of the January 25, 2017 Florence Urban Renewal Agency minutes.

Start Time: 6:29 p.m.

Action: Approve the minutes from the regular January 25, 2017 Urban Renewal Meeting.

Motion: Director Webb

Second: Director Scott

Vote: Unanimous – Director Henry was absent

ACTION ITEMS

5. ELECT CHAIR & VICE CHAIR

Start Time: 6:29 p.m.

Action: Appoint Director Greene as Chairperson and Director Scott as Vice-Chairperson

Motion: Director Caputo

Second: Director Riley

Vote: Unanimous – Director Henry was absent

6. REVISION FLORENCE DESIGN & ENGINEERING SERVICES

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.

Start Time: 6:30 p.m.

Discussion: The Agency discussed...

- Changes to the design since preliminary planning
- On Street parking
- Timelines for 60% design
- Right-of-way acquisition steps including costs, temporary vs. permanent, and size.

- Potential Oregon Department of Transportation Reimbursements and how that has been and could be calculated
- Conversations with Congressman Peter Defazio
- State law regarding earmarks
- Project scope considerations including undergrounding utilities and gateway arch at Maple Street
- Defining characteristics of the project including bicycle lanes, parking lanes and additional greenery
- Old Town Signage
- Costs of full project and potential for City and Urban Renewal Agency to carry full balance
- Potential to reexamine how engineering costs are allocated between City and ODOT
- Sources of potential debt service dollars
- Budget adjustment timeline

Comments: All Directors present

Action: Continue with current project scope with a reduced Maple Street gateway treatment and move to implement a supplemental budget at March 8th Florence Urban Renewal Agency Budget Committee meeting for right-of-way and 60% design amendment

Motion: Director Webb

Second: Director Braley

Vote: Unanimous – Director Henry was absent

REPORTS & UPDATES

7. BUDGET CALENDAR AND PROCESS

Review the upcoming budget calendar and process

Start Time: 7:51 p.m.

Discussion: The Agency discussed...

- Next steps in the budget process

8. FLORENCE URBAN RENEWAL AGENCY ANNUAL REPORT

Review the agency's annual report and discuss distribution methods

Start Time: 7:55 p.m.

Discussion: None

9. CITY MANAGER REPORT

Start Time: 7:58 p.m.
Discussion: The Agency discussed...

- City of Florence Work Plan

Meeting adjourned at 8:02 p.m.

ATTEST:

Joshua Greene, Chairperson

Kelli Weese, City Recorder

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 Special Meeting
715 Quince Street, Florence, Oregon
Final Action Minutes
March 8, 2017**

CALL TO ORDER - ROLL CALL

Meeting called to order at 10:03 a.m.

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

Directors Absent: None

Guest City
Councilors Present: Councilors Lacer and Lyddon

Staff Present: City Manager Erin Reynolds, Project Manager Megan Messmer, Interim Finance Director Andy Parks and City Recorder Kelli Weese.

1. APPROVAL OF AGENDA

Start Time: 10:05 a.m.
Action: Approve agenda as presented
Motion: Director Scott
Second: Director Braley
Vote: Unanimous

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: 10:05 a.m.
Comments: None

ACTION ITEMS

3. SUPPLEMENTAL BUDGET

A. PUBLIC HEARING

Hear and consider written or oral testimony on the proposed supplemental budget and making appropriations.

Start Time: 10:05 a.m.

Public Hearing: Opened at 10:12 a.m. and hearing no comments was immediately closed.

Discussion: The Agency discussed...

- Methodology included in financial analysis including usage of parameters for no growth in district
- Clarification on scenario for potential to not obtain Lane County funding
- Confidence in potential for Lane County and Oregon Department of Transportation funding
- Potential for Florence Urban Renewal Agency borrowing should the most conservative scenario be realized
- Review of Murray Smith and Associates contract including termination clauses
- Analysis of different decision points within the project and potential for scaling
- Oregon Department of Transportation paving schedule and project timeline in relation to the City of Florence project timeline

Comments: Director Braley, Henry, Riley, Webb, Caputo and Chairperson Greene

B. SUPPLEMENTAL BUDGET

Consider approval of Urban renewal Agency Resolution No. 1, Series 2017, a resolution adopting a 2016-17 supplemental budget and making appropriations.

Action: Approve Resolution No.1, Series 2017

Motion: Director Riley

Second: Director Braley

Discussion: The Agency discussed...

- Clarification on supplemental budget and approval timeline

Comments: Director Henry

Vote: Unanimous

4. MSA CONTRACT AMENDMENT

Consider authorizing City Manager Erin Reynolds to sign a contract amendment for ReVision Florence design and engineering services with Murray Smith and Associates.

Start Time: 10:45 a.m.

Discussion: The Agency discussed...

- Timeline for project completion
- Increasing costs of the project
- Potential debt service needs
- Continual changes in potential funding options
- Concern for tight timeline
- Concern for commitment of Florence Urban Renewal Agency resources for multiple years including additional liability of the City
- Concern for potential loss of opportunity for additional projects
- Concern for uncertainty of the additional funding from Lane County and the Oregon Department of Transportation
- Potential to fund the project on a 'pay-as-you-go' style without the additional debt requirements
- Potential to delay decision until confirmation of funding is received from the Oregon Department of Transportation and Lane County
- History of highway improvements in the Community and role of public transportation infrastructure investment in spawning economic development
- Consideration of long term community investment while opportunity exists,
- General support for the project and its role in economic development
- Potential costs of delaying project
- Need to continue with right-of-way portion of project in order to meet timeline for 60% design

- Potential to delay the design services portion of the contract while continuing with right-of-way acquisition
- Potential to cancel contract after additional information on funding by the Oregon Department of Transportation and Lane County is determined
- Concern of need for Mayoral support and how lack of it would be detrimental to the project
- Overall sentiment of each party in relation to project importance and need to continue on current timeline

Comments: All parties present

Action: Approve Contract amendment for design services through 60% at \$288,184 and right-of-way administration at \$493,090 for a total contract amendment of \$781,274.

Motion: Director Webb

Second: Director Braley

Discussion: The Agency discussed...

- Potential for amendments to the budget and scope of contract after approval of contract amendment

Comments: All parties present

Vote: All Directors voted in favor of motion with the exception of Director Henry who voted no.

5. UPCOMING MEETING CALENDAR

Start Time: 11:05 a.m.

Discussion: None

Meeting adjourned at 11:05 a.m.

ATTEST:

Joshua Greene, Chairperson

Kelli Weese, City Recorder

Florence Urban Renewal Agency

Memorandum

To: Florence Urban Renewal Board

From: Florence Public Art Committee Chair Harlen Springer & Vice-Chair Susan Tive

Date: April 14, 2017

Public Art Committee Update

The Public Art Committee is implementing phase one of its Public Art Workplan. Input from stakeholder groups through public and private meetings and discussions with appropriate governmental bodies has generated a high level of excitement about Public Art in Florence.

Here are highlights of the Phase One implementation plan for the following projects:

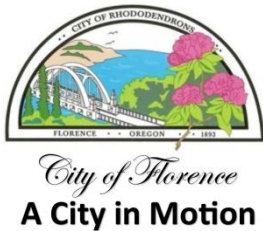
1. Donated Art Program: Two donations of large sculptures have been generously gifted to the city. These are now being prepared for placement.
2. City Beautification Projects: Implementation of the 'beautification of trash cans' project is being coordinated with Public works and will involve student participation. Painting days for artist and children are scheduled in May.
3. Siuslaw Bridge Steps Art Installation: A "Call to Artists" is being finalized and will be posted nationally by June 15th.
4. 'Art Exposed-Dynamic Public Art': This outdoor gallery rental / purchase program will install 5 pieces in Old Town. "Calls to Artists" will go out in May / June.
5. PUD building mural (Hwy 126 and 101): Agreement has been reached with the PUD board and details of preparation of the surface are in progress.

During the April 26th meeting, we will review with the agency our work plan for the 2017/18 fiscal years including our spending plan for completion of these tasks. We look forward to answering your questions. Thank you for your continued support and enthusiasm.

FURA Board Action

Consider inclusion of the Public Art Committee's work plan cost estimates in the 2017-19 budget and authorizing the Public Art Committee to proceed on the included projects within the City's financial policies, with continued reporting on projects and spending every other month.

Attached: 2017/18 Public Art Committee Work Plan



City of Florence

2017 / 2018 Public Art Committee Work Plan

Last Update – April 20, 2017

Public Art Committee (PAC) Overview:

The City of Florence PAC was established in July 2015 in order to serve as the City’s primary volunteer committee tasked with actively developing a Public Art Program and Policy for the City of Florence. The Committee’s duties include...

- Establish and maintain a city art collection
- Develop a map / list of desired projects for future accessions
- Prepare for and secure funding for additional art works
- Consider projects by private developers and citizens that would result in public art

| Public Art Committee Members | | |
|------------------------------|---|--|
| Harlen Springer, Chairperson | Susan Tive, Vice-Chairperson | Vacant |
| Jo Beaudreau, Member | Ron Hildenbrand, Member | Jennifer French, Member |
| Jayne Smoley, Member | Joshua Greene, Council President Ex-Officio Member | Kelli Weese, CR / Eco. Devo. Coord. Ex-Officio Member |

Completion Timeline Overview:

With the completion of the adoption of public art policies and funding from the Florence Urban Renewal Agency, the public art committee has three tasks planned for the 2017/18 calendar 1. begin implementing public art programs, 2. To amend the mural code, and 3. To establish a public art strategy.

| Step Overview in Work Plan Document | |
|---|--------------|
| Public Art Programs | Pages 2 to 4 |
| Further Project Funding, Marketing & Other Recurring Projects | Page 5 |
| Mural Code Amendments | Page 5 |
| Establishment of Public Art Master Plan and Follow Up Policies | Page 6 |
| Other Regional Art Related Economic Development Initiatives & Future Projects | Pages 7 to 8 |

Process for Public Art Projects

Trash Cans & Transit Stops Beautification Project

Project Lead and/or Sub-Committee Members – Ron Hildenbrand & Jennifer French

| Preliminary Budget Estimates | |
|-------------------------------------|-----------------|
| Artist Stipends & Supplies | \$10,000 |
| Locations Preparation & Maintenance | \$5,000 |
| TOTAL | \$15,000 |

1. Complete process for accessioning artwork (PA Policy Section 3.4)
 - a. Identify the goals of the project
 - b. Inventory potential sites
 - c. Prepare estimate of total project budget
 - d. Coordinate with entities responsible for art locations (Central Lincoln PUD, Port of Siuslaw, Adjacent Private Businesses, City of Florence Transit, Public Works) & establish agreements if necessary
 - e. Coordinate with Schools / Boys and Girls Club
 - f. Establish selection process that addresses the project (PA Policy Section 3.3)
 - g. Confirm total project budget available for services, artwork & installation costs
 - h. Select an artist and/or art purchase

Hwy 101 & Hwy 126 Intersection Mural

Project Lead and/or Sub-Committee Members – Joshua Greene & Jayne Smoley

| Preliminary Budget Estimates | | |
|------------------------------|---|-----------------|
| Mural | Artist Stipend | \$40,000 |
| | Installation, Landscaping, Lighting, Maintenance, Permitting etc. | \$15,000 |
| | TOTAL | \$55,000 |

1. Complete process for accessioning artwork (PA Policy Section 3.4)
 - a. Identify the goals of the project
 - b. Inventory site
 - c. Prepare estimate of total project budget
 - d. Coordinate with entities responsible for art location (Central Lincoln PUD & Florence Public Works) & establish agreements if necessary
 - e. Establish selection process that addresses the project (PA Policy Section 3.3)
 - f. Confirm total project budget available for services, artwork & installation costs
 - g. Select an artist and/or art purchase

Siuslaw Bridge Steps

Project Lead and/or Sub-Committee Members – Susan Tive & Jo Beaudreau

| Preliminary Budget Estimates | |
|---|-----------------|
| Artist Stipend & Materials | \$30,000 |
| Installation, Landscaping, Lighting & Maintenance | \$15,000 |
| TOTAL | \$45,000 |

- a. Complete process for accessioning artwork (PA Policy Section 3.4)
 - i. Identify the goals of the project
 - ii. Inventory site
 - iii. Prepare estimate of total project budget
 - iv. Coordinate with entities responsible for art location (Oregon Department of Transportation & Florence Public Works) & establish agreements if necessary
 - v. Establish selection process that addresses the project (PA Policy Section 3.3)
 - vi. Confirm total project budget available for services, artwork & installation costs
 - vii. Select an artist and/or art purchase

Gallery in Old Town

Project Lead and/or Sub-Committee Members – Harlen Springer & Jayne Smoley

| Preliminary Budget Estimates | |
|---|-----------------|
| Artist Stipends & Materials | \$3,000 |
| Base Installation, Landscaping, Lighting & Maintenance etc. | \$15,000 |
| TOTAL | \$18,000 |

- a. Complete process for accessioning artwork (PA Policy Section 3.4)
 - i. Identify the goals of the project
 - ii. Inventory sites
 - iii. Prepare estimate of total project budget
 - iv. Coordinate with entities responsible for art location (Oregon Department of Transportation, Private entities, & Florence Public Works) & establish agreements if necessary
 - v. Establish selection process that addresses the project (PA Policy Section 8.5)
 - vi. Confirm total project budget available for services, artwork & installation costs
 - vii. Select an artists and/or art purchase

Public Art Donations (As Needed)

Project Lead and/or Sub-Committee Members – Assigned by Public Art Committee As Needed

| Preliminary Budget Estimates | |
|---|-----------------|
| Base Installation, Landscaping, Lighting & Maintenance etc. | \$10,000 |
| TOTAL | \$10,000 |

- b. Complete process for accessioning artwork (PA Policy Section 3.4)
 - viii. Identify the goals of the project
 - ix. Inventory site(s)
 - x. Prepare estimate of total project budget
 - xi. Coordinate with entities responsible for art location (Oregon Department of Transportation, Private entities, & Florence Public Works) & establish agreements if necessary
 - xii. Establish selection process that addresses the project (PA Policy Section 8.5)
 - xiii. Confirm total project budget available for services, artwork & installation costs
 - xiv. Select an artists and/or art purchase

| 2017/18 Project Budget Estimates | |
|---|------------------|
| Trash Cans & Transit Stops Beautification Project | \$15,000 |
| Hwy 101 & Hwy 126 Intersection Mural | \$55,000 |
| Siuslaw Bridge Steps | \$45,000 |
| Gallery in Old Town | \$18,000 |
| Public Art Donations | \$10,000 |
| Public Art Maintenance | \$10,000 |
| Public Outreach & Marketing | \$15,000 |
| TOTAL | \$168,000 |

Further Project Funding & Marketing

Project Lead and/or Sub-Committee Members – Harlen Springer, Susan Tive, Jo Beaudreau

- a. **Website** - Prepare initial Public Art Webpage on City of Florence website
- b. **Project Marketing** - Prepare marketing materials for projects including brochures, website updates, social media, local media notices, ground breaking / ribbon cutting events, etc.
- c. **Private Fundraising** - Begin fundraising campaign including donations
- d. **Grant Opportunities** - Prepare grant opportunity index, review & apply for grants as applicable
- e. **General Public Outreach** - Maintain relationships with area organizations to ensure coordination

Other Recurring Projects

- a. Prepare catalog of current public art holdings in the City of Florence Public Art Collection
- b. Perform and/or prepare for performance of all repairs, cleaning, labeling etc.

Amendments to Florence Mural (Public Art Code)

Project Lead and/or Sub-Committee Members – Kelli Weese, Harlen Springer, Susan Tive, Joshua Greene

Step 1: Public Art Committee Prepare Amendments

- a. Prepare proposed amendments to the Mural (Public Art) Code and review with City Attorney

Step 2: Work Sessions with Planning Commission & City Council

- a. Hold work session with Planning Commission
- b. Hold work session with City Council

Step 3: Public Hearing Process

- a. Planning Commission public hearing (including public notices etc.)
- b. City Council public hearing (including public notices etc.)

Step 4: Implementation

- a. Prepare informational brochure / application booklet
- b. Begin outreach with various private entities about changes to mural code

Process for Establishment of a Community Public Art Master Plan

Step 1: Research

1. Create a vision and mission for Public Art in the Community
2. Refresh our review of other community's public art plans, determine common themes and vote on favorite to use as template
3. Develop Goals & Guiding principles

Step 2: Development

4. Begin 'where are we now' and 'where do we want to be' data gathering for Public Art Plan and Policy
5. Review template public art plan and draft according to Florence's needs
 - a. Executive Summary
 - b. Where are we now
 - c. Framework for public art
 - d. Funding
 - e. Artist Selection & Design Review
 - f. Art Commission vs. Public Art Committee
 - g. Advocacy, development and outreach
 - h. Review funding and program options
 - i. Review types of public art projects
6. Consider community outreach methods
 - a. Identify key community stakeholders / leaders who may be interested in being involved in the planning process
 - b. Consider holding focus group, one-on-one interviews, and/or community forums to determine interest levels and obtain comments / support
7. Compile Draft Public Art Guidelines and Procedure & Provide recommendation for approval to the City Council

Step 3: Community Outreach and Approval

8. Participate in Joint Work Session(s) with City Council and/or Planning Commission (should land use codes be proposed) to review draft public art master plan, policies and community outreach plan
9. Implement community outreach methods
10. If Necessary, amend draft public art master plan, policies and community outreach plan to reflect guidance received
11. Bring forth draft public art master plan for adoption by the City Council
12. If Land Use Code Amendments are proposed, City Council may initiate those at the same time Public Art Plan & Policy is adopted
 - a. Next steps would be a Planning Commission Public Hearing, followed by City Council public hearing

Other Regional Art Related Economic Development Initiatives

PAC Members may choose to participate at many different levels in the following Economic Development related initiatives:

1. **Florence Urban Renewal Agency**

PAC Sub-Team Members: Joshua Greene, Kelli Weese

- a. ReVision Florence (Hwy 101 & Hwy 126 Streetscape project)
 - i. Participate in public outreach from Murray Smith and Associates, the consultant hired to perform streetscaping design for Hwy 101 between Hwy 126 and the Siuslaw River Bridge.

2. **Downtown Revitalization Team**

PAC Sub-Team Members: Harlen Springer, Kelli Weese

- a. The Downtown Revitalization Team (DRT) is a subset of the Florence Area Chamber of Commerce tasked with continuing to unify and revitalize the downtown area as the primary cultural, tourist, commercial and community core to serve all of Florence's citizens and visitors around a main-street theme.

3. **Florence Regional Arts Alliance**

PAC Sub-Team Members: Harlen Springer, Ron Hildenbrand, Jennifer French

- a. Florence's local non-profit art alliance whose mission is to unify and support all of the arts, enrich cultural life, and stimulate the economic vitality in Florence through the arts.

4. **Siuslaw Pathways (Go-Team & Vision Keepers)**

PAC Sub-Team Members: Jo Beaudreau, Joshua Greene

- a. Siuslaw Pathways Visioning Project members are a diverse group that includes local business professionals, non-profit leaders and volunteers, and governmental representatives, along with people from around the Siuslaw region.

Potential Future Public Art Committee Projects

The following public art projects have been considered by the Public Art Committee and will continue to be evaluated after completion of the first five projects:

- Murals
 - Additional trash cans, electrical boxes, and transit – particularly North of Hwy 126 and 101 intersection
 - Eastern Façade of BJ's on Bay Street
 - Second Story of Lovejoys in Old Town
 - Fire Station in Old Town
 - 2nd Floor of Antique Row on Hwy 101
 - Side of Pirate's Popcorn in Old Town
 - Side of Mason Building in Old Town
 - Side of Old Rite Aid Building on Hwy 101
 - Eastern Side of Grocery Outlet and City Lights Cinemas Building
 - Water Tower
- Sculptures
 - Hwy 101 & 126 Intersection

Florence Urban Renewal Agency

Memorandum

To: Florence Urban Renewal Board
From: Andy Parks, Finance Director
Date: April 18, 2017

Financial Reports and Budget Update

Annual Financial Report Fiscal Year Ended June 30, 2016

The City has received a clean opinion from its independent auditors for the financial report for the fiscal year ended June 30, 2016. The report was delayed a few months as finance staff was short-handed with human resource manager vacancy, as well as illness issues on both the auditor team and finance team in January. The auditor reviewed his team's findings with the City's audit committee in late December.

Quarterly Financial Report December 31, 2016

The quarterly financial report for the quarter and six months ended December 31, 2016 is provided. The most notable item is the receipt of the last draw of the \$3.7 million financing authorized by FURA in 2015.

Quarterly Financial Report March 31, 2016

The quarterly financial report for the quarter and nine months ended March 31, 2017 is provided. The most notable item is the adjustment to the budget for ReVision Florence project to initiate right-of-way work this fiscal year.

Budget Update

The budget committee meeting is scheduled for May 31, 2017. The City is implementing a biennial budget for the City's budget and as a component of that will be do the same with the FURA budget.

Attached:

- 1. Annual Financial Report Fiscal Year Ended June 30, 2016**
- 2. Quarterly Financial Report December 31, 2016**
- 3. Quarterly Financial Report March 31, 2016**



FLORENCE URBAN RENEWAL AGENCY
(A Component Unit of the City of Florence, Oregon)

ANNUAL FINANCIAL REPORT

Year Ended June 30, 2016

FLORENCE URBAN RENEWAL AGENCY
(A Component Unit of the City of Florence, Oregon)

Annual Financial Report

Year Ended June 30, 2016

FLORENCE URBAN RENEWAL AGENCY

Fiscal Year Ended June 30, 2016

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INTRODUCTORY SECTION

FLORENCE URBAN RENEWAL AGENCY
(A Component Unit of the City of Florence, Oregon)

June 30, 2016

BOARD OF DIRECTORS

| | <u>Term Expires December 31,</u> |
|---|----------------------------------|
| Joshua Greene, Chair, City of Florence Council Member | 2017 |
| John Scott, Vice-Chair | 2016 |
| Joe Henry, City of Florence Mayor | 2016 |
| Ron Priesler, City of Florence Council Member | 2016 |
| Ron Caputo | 2016 |
| Mike Webb | 2015 |
| Patricia Riley | 2016 |
| Woody Woodbury | 2016 |
| Dave Braley | 2015 |

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Florence Urban Renewal Agency
Florence, Oregon



An Independently Owned Member
McGLADREY ALLIANCE



We have audited the accompanying financial statements of the governmental activities and each major fund of the Florence Urban Renewal Agency (the Agency), a component unit of the City of Florence, Oregon, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund as of June 30, 2016, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section and other supplemental information are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated on February 27, 2017 our consideration of the Agency's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Isler CPA



by Paul Nielson, CPA, a member of the firm
Eugene, Oregon
February 27, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS FLORENCE URBAN RENEWAL AGENCY

Fiscal Year Ended June 30, 2016

This Management Discussion and Analysis (MD&A) is presented to facilitate financial analysis and provide an overview of the financial activities of the Florence Urban Renewal Agency (the Agency) for the fiscal year ended June 30, 2016. Information in the MD&A is based on currently known facts, decisions and conditions. Please read it in conjunction with the basic financial statements and the accompanying notes to those financial statements. All amounts in thousands unless stated otherwise.

FINANCIAL HIGHLIGHTS

- The Agency's assets totaled \$109 on at June 30, 2016, and consisted mainly of cash and cash equivalents of \$86.
- The Agency's liabilities totaled \$1,691 at June 30, 2016, and consisted mainly of long-term debt of \$1,575.
- Net position (assets minus liabilities) was a deficit of \$1,582 at June 30, 2016. Net position decreased by \$(446).
- As of the end of the current fiscal year, the Agency's two funds reported a combined fund balance of \$16, a decrease of \$501.
- Revenues for the fiscal year ended June 30, 2016, totaled \$332 and consisted mainly of property taxes of \$328.

FINANCIAL STATEMENTS

The Agency's basic financial statements are presented using the integrated approach as prescribed by GASB Statement No. 34. The basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

The Agency has combined the government-wide and fund financial statements using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column.

The basic financial statements present financial information about the Agency as a whole and about its activities. Following the basic financial statements is the Schedule of Property Tax Transactions and the report by the independent certified public accountants, as required by statute.

Government-wide Financial Statements

The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities and are designed to present the financial picture of the Agency in a manner similar to a private-sector business (i.e. from the economic resources measurement focus using the accrual basis of accounting).

The Statement of Net Position includes all assets of the Agency (including infrastructure) as well as all liabilities (including long-term debt). Net position is the difference between assets and liabilities, which is one way to measure the Agency's financial health, or financial position. Over time, increases or decreases in the Agency's net position may be an indicator of whether its financial health is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

Fund Financial Statements

Funds are used to segregate resources for specific activities or objectives. The Agency has two governmental funds: the General Fund and the Urban Renewal Debt Service Fund.

The Governmental Funds' statements emphasize available financial resources rather than net income. They are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

Notes to the Basic Financial Statements

The notes provide information that is essential for a full understanding of the data presented in the government-wide and fund financial statements (the basic financial statements). Information such as significant accounting policies and detail of certain assets and liabilities are included in the notes that should be read in conjunction with the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statements of Net Position

The Agency's liabilities exceeded assets by \$1,582 at June 30, 2016. The largest portions of its net position were capital assets net of related debt and cash and cash equivalents. A condensed version of the Statement of Net Position follows:

| Amounts in thousands | <u>2016</u> | <u>2015</u> |
|-----------------------------|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 86 | \$ 518 |
| Property Taxes Receivable | <u>23</u> | <u>22</u> |
| Total assets | <u>109</u> | <u>540</u> |
| Liabilities | | |
| Note payable | 1,575 | 1,665 |
| Other liabilities | <u>116</u> | <u>10</u> |
| Total liabilities | <u>1,691</u> | <u>1,675</u> |
| Net Position | | |
| Restricted for debt service | 87 | - |
| Unrestricted | <u>(1,669)</u> | <u>(1,136)</u> |
| Total net position | <u>\$ (1,582)</u> | <u>\$ (1,136)</u> |

At the end of the current fiscal year, the Agency reports a negative balance in unrestricted net position. There was an increase in total net position of \$(446). Long-term debt decreased by \$90. This is a result the Agency making scheduled debt payments.

Statements of Activities

The Agency's Statements of Activities for fiscal year ended June 30, 2016 and June 30, 2015, follows:

| Amounts in thousands | <u>2016</u> | <u>2015</u> |
|-------------------------------------|-------------------|-------------------|
| Revenues | | |
| General Revenues: | | |
| Property taxes | \$ 328 | \$ 314 |
| Investment earnings | 1 | 3 |
| Miscellaneous | <u>3</u> | <u>-</u> |
| | 332 | 317 |
| Expenses | | |
| Economic development | 692 | 43 |
| Interest expense | <u>86</u> | <u>112</u> |
| Total expenses | 778 | 155 |
| Increase (decrease) in net position | (446) | 162 |
| Net position, beginning of the year | <u>(1,136)</u> | <u>(1,298)</u> |
| Net position, end of the year | <u>\$ (1,582)</u> | <u>\$ (1,136)</u> |

The cost of the Agency's economic development activities totaled \$692 for the year, an increase of \$649 over the prior fiscal year.

Financial Analysis of the Government's Funds

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of \$16 , a decrease of \$501 .

The General Fund is the chief operating fund of the Agency. At the end of the current fiscal year, the fund balance of the General Fund was \$(71) deficit, a decrease of \$334 during the current fiscal year.

DEBT ADMINISTRATION

At June 30, 2016, the Agency had \$1,575 outstanding in a loan. The line was drawn on to refinance a 2011 loan for improvements in the Old Town Urban Renewal District. The debt balance at June 30, 2015 was \$1,665 and principal payments of \$1,665 were made during the year.

For more detailed information on the Agency's long-term debt, refer to accompanying notes to the financial statements.

ECONOMIC FACTORS

The Urban Renewal Agency continues to be an important partner in economic development within the City of Florence, providing necessary infrastructure improvements to support continued growth and quality of service to those within the Agency's boundaries. Increasing property values within the boundaries of the Agency translate into increasing tax increment available. That tax increment is used to pay debt service on loans issued to fund projects and improvements.

Agency expenditures are based on the Urban Renewal Plan appropriately titled Florence Downtown Preservation and Renewal Plan adopted on August 14, 2006 with the passing of Ordinance No. 7, Series 2006. The vision of the Agency is to preserve and revitalize the Downtown Area as the primary cultural, tourist, commercial and community core to serve all of Florence's citizens and visitors by encouraging continuing growth, development and enhancement consistent with Florence's small-town ambiance and character.

NEXT YEAR'S BUDGET

The Agency's General Fund budget for fiscal year 2016-17 includes debt proceeds of \$1.725 million, representing the final draw on the intergovernmental loan from the City of Florence. Project expenditures include \$1.3 million for capital outlay for the ReVision Florence project (\$600,000), development projects (\$500,000), artwork (\$125,000) and sidewalks (\$75,000). Additionally, \$249,300 is budgeted for materials and services including \$166,800 to reimburse the City for staff support to operate the Agency and its programs and projects. Other programs funded include a parking study and design assistance.

Property taxes are projected to increase to \$0.36 million. Property taxes are used to pay the Agency's debt service, which is budgeted at \$0.13 million, representing the first payment on the City's semi-annual debt service payments. Subsequent annual debt service requirements are estimated at \$0.256 million.

Financial Contact

The Agency's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the Agency's finances and to demonstrate the Agency's accountability. If you have questions about the report or need additional financial information, please contact the City's Finance Department at info@ci.florence.or.us.

BASIC FINANCIAL STATEMENTS

FLORENCE URBAN RENEWAL AGENCY

Governmental Funds Balance Sheet / Statement of Net Position

June 30, 2016

| | <u>General Fund</u> | <u>Debt Service Fund</u> | <u>Total</u> | <u>Adjustments</u> | <u>Statement of Net Position</u> |
|--|---------------------|--------------------------|-------------------|-----------------------|----------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ - | \$ 86,636 | \$ 86,636 | \$ - | \$ 86,636 |
| Property taxes receivable | <u>22,910</u> | <u>-</u> | <u>22,910</u> | <u>-</u> | <u>22,910</u> |
| Total assets | <u>\$ 22,910</u> | <u>\$ 86,636</u> | <u>\$ 109,546</u> | <u>-</u> | <u>109,546</u> |
| LIABILITIES | | | | | |
| Accounts payable and accrued expenses | \$ 8,442 | \$ - | \$ 8,442 | \$ - | \$ 8,442 |
| Due to City of Florence | 64,378 | - | 64,378 | - | 64,378 |
| Accrued interest payable | - | - | - | 43,773 | 43,773 |
| Long-term debt: | | | | | |
| Due within one year | - | - | - | 56,058 | 56,058 |
| Due in more than one year | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,518,579</u> | <u>1,518,579</u> |
| Total liabilities | <u>72,820</u> | <u>-</u> | <u>72,820</u> | <u>1,618,410</u> | <u>1,691,230</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue - property taxes | <u>21,105</u> | <u>-</u> | <u>21,105</u> | <u>(21,105)</u> | <u>-</u> |
| FUND BALANCES / NET POSITION | | | | | |
| Fund balances: | | | | | |
| Restricted for debt service | - | 86,636 | 86,636 | (86,636) | |
| Unassigned | <u>(71,015)</u> | <u>-</u> | <u>(71,015)</u> | <u>71,015</u> | |
| Total fund balances | <u>(71,015)</u> | <u>86,636</u> | <u>15,621</u> | <u>(15,621)</u> | |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 22,910</u> | <u>\$ 86,636</u> | <u>\$ 109,546</u> | | |
| Net position: | | | | | |
| Restricted for debt service | | | | 86,636 | 86,636 |
| Unrestricted | | | | <u>\$ (1,668,320)</u> | <u>\$ (1,668,320)</u> |

Adjustment to unavailable revenue is because the focus of governmental funds is on short-term financing, some assets, such as receivables, will not be available to pay for current-period expenditures. Receivables are offset by unavailable revenue in the governmental funds, and thus are not included in the fund balance. Receivables are not offset in the Statement of Net Position

Adjustment to accrued interest payable and long-term debt are due to long-term liabilities applicable to the Agency's governmental activities that are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

FLORENCE URBAN RENEWAL AGENCY

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund
Balance / Statement of Activities

For the Year Ended June 30, 2016

| | <u>General Fund</u> | <u>Debt Service Fund</u> | <u>Total</u> | <u>Adjustments</u> | <u>Statement of Activities</u> |
|--|---------------------|------------------------------|--------------------|-----------------------|------------------------------------|
| GENERAL REVENUES | | | | | |
| Property taxes | \$ 1,228 | \$ 326,617 | \$ 327,845 | \$ (150) | \$ 327,695 |
| Interest income | 436 | 946 | 1,382 | - | 1,382 |
| Miscellaneous Income | <u>3,025</u> | <u>-</u> | <u>3,025</u> | <u>-</u> | <u>3,025</u> |
| Total revenues | <u>4,689</u> | <u>327,563</u> | <u>332,252</u> | <u>(150)</u> | <u>332,102</u> |
| URBAN RENEWAL EXPENDITURES/ EXPENSES | | | | | |
| Economic development | 448,823 | 242,897 | 691,720 | - | 691,720 |
| Debt service: | | | | | |
| Principal | - | 1,665,000 | 1,665,000 | (1,665,000) | - |
| Interest expense | <u>-</u> | <u>50,867</u> | <u>50,867</u> | <u>35,448</u> | <u>86,315</u> |
| Total expenditures/expenses | <u>448,823</u> | <u>1,958,764</u> | <u>2,407,587</u> | <u>(1,629,552)</u> | <u>778,035</u> |
| Excess (deficiency) of revenues over (under) expenditures / expenses | <u>(444,134)</u> | <u>(1,631,201)</u> | <u>(2,075,335)</u> | <u>1,629,402</u> | <u>(445,933)</u> |
| OTHER FINANCING SOURCES/(USES) | | | | | |
| Loan proceeds | <u>110,349</u> | <u>1,464,288</u> | <u>1,574,637</u> | <u>(1,574,637)</u> | <u>-</u> |
| Total other financing sources | <u>110,349</u> | <u>1,464,288</u> | <u>1,574,637</u> | <u>(1,574,637)</u> | <u>-</u> |
| Change in fund balance/net position | (333,785) | (166,913) | (500,698) | 54,765 | (445,933) |
| Fund balance / net position: | | | | | |
| Beginning of year | <u>262,770</u> | <u>253,549</u> | <u>516,319</u> | <u>(1,652,070)</u> | <u>(1,135,751)</u> |
| End of year | <u>\$ (71,015)</u> | <u>\$ 86,636</u> | <u>\$ 15,621</u> | <u>\$ (1,597,305)</u> | <u>\$ (1,581,684)</u> |

Adjustment to property tax revenue for the change in unavailable revenues reported on the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental fund.

Adjustment to interest expense and debt service principal payments is due to long-term liabilities applicable to the Agency's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Adjustment to loan proceeds is because the focus of governmental funds is on short-term financing, an increase in outstanding debt is recognized as an inflow of resources as it is available to pay for current-period expenditures. Additions to long-term debt are not included on the Statement of Activities; they are recognized in the long-term debt balance on the Statement of Net Position.

FLORENCE URBAN RENEWAL AGENCY
GENERAL FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016

| | <u>Budget</u> | | <u>Actual</u> | <u>Variance with Budget</u> |
|--|------------------|------------------|--------------------|---------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Property taxes | \$ - | \$ - | \$ 1,228 | \$ 1,228 |
| Investment earnings | 8,300 | 8,300 | 436 | (7,864) |
| Other revenue | - | - | 3,025 | 3,025 |
| Total revenues | <u>8,300</u> | <u>8,300</u> | <u>4,689</u> | <u>(3,611)</u> |
| Expenditures: | | | | |
| Materials and services | 251,250 | 251,250 | 320,254 | (69,004) |
| Capital Outlay | 1,025,000 | 1,025,000 | 128,569 | 896,431 |
| Contingency | <u>1,074,250</u> | <u>1,074,250</u> | - | 1,074,250 |
| Total expenditures | <u>2,350,500</u> | <u>2,350,500</u> | <u>448,823</u> | <u>1,901,677</u> |
| Excess (deficiency) of revenues over (under) expenditures | (2,342,200) | (2,342,200) | (444,134) | 1,898,066 |
| Other financing sources: | | | | |
| Loan proceeds | <u>2,150,000</u> | <u>2,150,000</u> | <u>110,349</u> | <u>(2,039,651)</u> |
| Net change in fund balance | (192,200) | (192,200) | (333,785) | (141,585) |
| Fund balance: | | | | |
| Beginning of year | <u>192,200</u> | <u>192,200</u> | <u>262,770</u> | <u>70,570</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (71,015)</u> | <u>\$ (71,015)</u> |

See accompanying notes to financial statements.

FLORENCE URBAN RENEWAL AGENCY

Notes to Financial Statements

June 30, 2016

Note I - Summary of significant accounting policies

A. Organization

Florence Urban Renewal Agency (the Agency) was organized in 2006 under the provisions of ORS Chapter 457 as the urban renewal agency in the City of Florence, Oregon ("City"), responsible for implementing various public improvement programs as identified in the City Center Revitalization Plan. The Agency's Board of Directors is appointed by the City of Florence City Council.

The "tax increment financing" method is being used to provide funds for the Agency. Under this method, a base year value within the urban renewal area is established (2007, in this case). Any increase in the assessed value over that base year cannot be used by the assessor to compute tax rates for local taxing bodies. The assessor computes the tax rate on the base year value of the area, then applies that rate to the increase in assessed value. The tax on the increased value can be used by the Agency only to pay indebtedness incurred to finance the urban renewal projects.

The Agency's financial statements include all activities and organizations with which the Agency exercises authoritative appointment of governing authority or where financial dependency on the Agency exists. The Agency has no potential component units but, as determined under generally accepted accounting principles, is considered to be a component unit of the City, and, as such, is included in the basic financial statements of the City for the year ended June 30, 2016, copies of which can be obtained from the Finance Department of the City of Florence.

B. Measurement focus, basis of accounting, and financial presentation

The Statement of Net Position and Governmental Funds Balance Sheet and the Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances display information about the Agency, including all of its financial activities. The Agency's activities are financed primarily through property taxes.

The basic financial statements listed in the table of contents provide information about the Agency's funds. These funds account for the general administration of the Agency's urban renewal areas and for the acquisition and rehabilitation of property within the designated urban renewal areas. The financial statements are initially (left-most columns) reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property tax and assessments receivable are recognized at the time property owners are assessed for property improvements. Property tax and assessments receivable expected to be collected within sixty days following the year end are considered measurable and available and are recognized as revenue. All other revenue items are considered to measurable and available only when cash is received by the Agency.

The government reports the following major governmental funds:

- The *General Fund* is the Agency's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in the debt service fund.
- The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

On the same basic financial statements as listed in the table of contents, the balances are reported (right-most columns) using the *economic resources measurement focus* and the *accrual basis of accounting* using an "adjustments" column. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the Agency receives value without giving equal value in exchange, include property taxes. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year in which the taxes are levied.

As a general rule, the effect of interfund activity has been eliminated from the basic financial statements.

FLORENCE URBAN RENEWAL AGENCY

Notes to Financial Statements

June 30, 2016

Note I - Summary of significant accounting policies (continued)

C. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from those estimates.

D. Assets, liabilities, deferred inflows of resources, and net position or fund balance

1. Cash and cash equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Property taxes receivable

Real and personal property taxes are assessed and become a lien against the property as of July 1 each year, and are payable in three installments on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding are considered delinquent on May 16. Management has determined that an allowance for uncollectible accounts is not required for property taxes.

3. Capital assets

The Agency does not have any capital assets. Once a project is completed it is transferred to the City.

4. Long-term liabilities

In the basic financial statements, under the current financial resources measurement focus and the modified accrual basis of accounting, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. Bond premiums and discounts are recognized during the current period.

In the basic financial statements under the economic resources measurement focus and accrual basis of accounting, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

FLORENCE URBAN RENEWAL AGENCY

Notes to Financial Statements

June 30, 2016

Note I - Summary of significant accounting policies (continued)

5. Fund balance

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The fund balance classifications are:

Nonspendable - resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for sale.

Restricted - constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grants, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - the Board passes an ordinance that places specific constraints on how the resources may be used. The Board can modify or rescind the ordinance at any time through passage of an additional ordinance.

Assigned - resources that are constrained by the Agency's intent to use them for a specific purpose, but are neither restricted nor committed. Intent is expressed when the board approves which resources should be "reserved" during the adoption of the annual budget.

Unassigned - resources that have not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, followed by committed, assigned, and unassigned fund balance.

For the year ended June 30, 2016, the General Fund had deficit fund balance of \$71,015.

E. Budget

A budget is prepared and legally adopted for all funds on a basis consistent with Oregon Revised Statutes (ORS 294 - Local Budget Law). The budget is adopted by the Board, appropriations made, and the tax levy is declared no later than June 30. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Appropriations at the principal object levels - personnel, materials and services (including contractual payments), capital outlay, debt service, and operating contingency - are the levels of control established by the resolution. The detailed budget document, however, is required to contain more specific, detailed information for the above mentioned expenditure categories. Management may make transfers of appropriations within object levels. However, transfers of appropriations between object levels require the approval of the Board. Unexpected additional resources may be added to the budget through the use of a supplemental budget. The Board, at a regular Board meeting, may adopt supplemental budgets of less than 10% of the fund's original budget. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers, and approval by the Board.

Noncompliance with Oregon Budget Law for the year ended June 30, 2016 is as follows:

The general fund reported expenditures in excess of budgeted appropriations for materials and services in the amount of \$69,004.

FLORENCE URBAN RENEWAL AGENCY

Notes to Financial Statements

June 30, 2016

Note II - Detailed notes on all funds

A. Cash and cash equivalents

Custodial Credit Risk. This is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. The Agency does not have a formal policy for custodial credit risk, but follows the requirements of ORS 295. The Agency's cash is covered by federal depository insurance and by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. At June 30, 2016, the Agency's deposits were insured by federal depository insurance or collateralized under the PFCP.

B. Long-term Debt

In July 2011 the Agency received a loan from Oregon Pacific Bank in the amount of \$2,500,000. The loan is payable in semi-annual installments with a 6% interest rate, maturing on June 1, 2026. The loan was retired using a combination of refinancing and existing Agency resources. In August 2015 the Agency received a loan from the City of Florence in the amount of \$1,547,637. The loan is payable in annual installments with a variable interest rate of 3.25% to 7.25%, maturing on September 1, 2035. Loan activity and balances for the year ended June 30, 2016 was as follows:

| | <u>Beginning of year</u> | <u>Additions</u> | <u>Payments</u> | <u>End of year</u> | <u>Current portion</u> |
|----------------------------------|------------------------------|---------------------|-----------------------|---------------------|------------------------|
| 2011 Oregon Pacific Bank Loan | \$ 1,665,000 | \$ - | \$ (1,665,000) | \$ - | \$ - |
| 2015 City of Florence Loan | - | 1,574,637 | - | 1,574,637 | 56,058 |
| Total | <u>\$ 1,665,000</u> | <u>\$ 1,574,637</u> | <u>\$ (1,665,000)</u> | <u>\$ 1,574,637</u> | <u>\$ 56,058</u> |

Annual debt service requirements to maturity for the 2015 City of Florence Loan at year end are as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------|---------------------|-------------------|
| 2017 | \$ 56,058 | \$ 50,970 |
| 2018 | 58,758 | 49,079 |
| 2019 | 60,695 | 47,111 |
| 2020 | 62,695 | 45,199 |
| 2021 | 64,640 | 42,981 |
| 2022 - 2026 | 357,132 | 190,218 |
| 2027 - 2031 | 398,149 | 198,039 |
| 2032 - 2036 | 516,510 | 100,555 |
| Total | <u>\$ 1,574,637</u> | <u>\$ 724,152</u> |

Note III- Other information

A. Risk management

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

SUPPLEMENTAL INFORMATION

FLORENCE URBAN RENEWAL AGENCY

DEBT SERVICE FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Year Ended June 30, 2016

| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Variance with Budget</u> |
|--|------------------|------------------|------------------|---------------------------------|
| Revenues: | | | | |
| Property taxes | \$ 344,300 | \$ 344,300 | \$ 326,617 | \$ (17,683) |
| Investment earnings | <u>1,000</u> | <u>1,000</u> | <u>946</u> | <u>(54)</u> |
| Total revenues | <u>345,300</u> | <u>345,300</u> | <u>327,563</u> | <u>(17,737)</u> |
| Expenditures: | | | | |
| Debt service | 1,809,361 | 1,809,361 | 1,715,867 | 93,494 |
| Materials and services | 249,000 | 249,000 | 242,897 | 6,103 |
| Contingency | <u>89,895</u> | <u>89,895</u> | <u>-</u> | <u>89,895</u> |
| Total expenditures | <u>2,148,256</u> | <u>2,148,256</u> | <u>1,958,764</u> | <u>189,492</u> |
| Excess (deficiency) of revenues over (under) expenditures | (1,802,956) | (1,802,956) | (1,631,201) | 171,755 |
| Other financing sources (uses): | | | | |
| Loan proceeds | <u>1,550,000</u> | <u>1,550,000</u> | <u>1,464,288</u> | <u>(85,712)</u> |
| Net change in fund balance | (252,956) | (252,956) | (166,913) | 86,043 |
| Fund Balance: | | | | |
| Beginning of year | <u>252,956</u> | <u>252,956</u> | <u>253,549</u> | <u>593</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 86,636</u> | <u>\$ 86,636</u> |

COMPLIANCE SECTION



INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

To the Board of Directors
Florence Urban Renewal Agency
Florence, Oregon

An Independently Owned Member
MCGLADREY ALLIANCE



We have audited the basic financial statements of Florence Urban Renewal Agency (the "Agency"), as of and for the year ended June 30, 2016, and have issued our report thereon dated February 27, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Auditors of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement..

Compliance

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment**
- **Budgets legally required (ORS Chapter 294)**
- **Insurance and fidelity bonds in force or required by law**
- **Programs funded from outside sources**
- **Authorized investment of surplus funds (ORS Chapter 294)**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)**

In connection with our testing nothing came to our attention that caused us to believe the Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

1. Expenditures exceeded budgeted amounts as described in Note I. E. to the financial statements.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

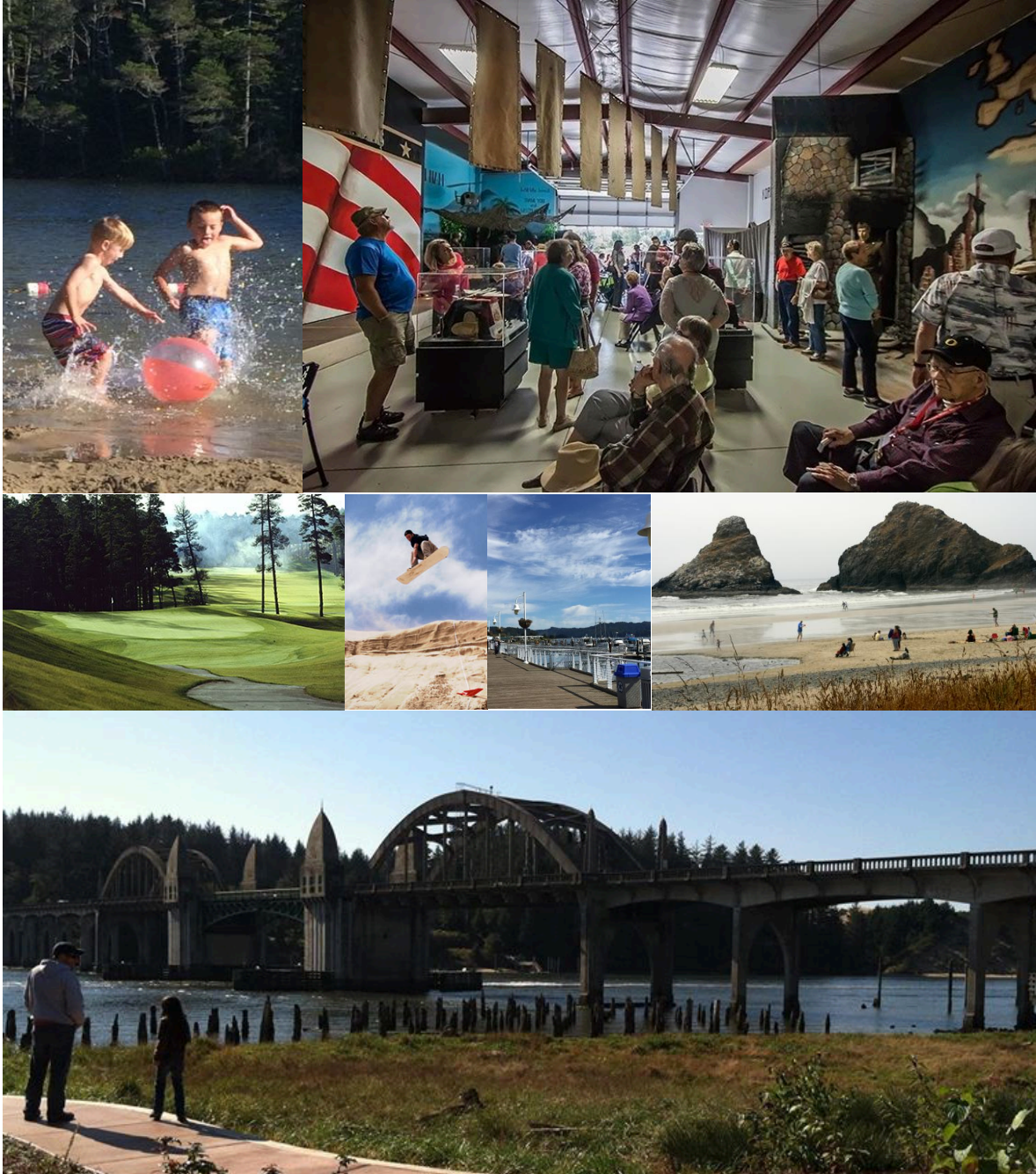
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the board of directors/council members/commissioners and management of the Agency and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive, flowing style.

By, Paul Nielson member of the firm
Eugene, Oregon
February 27, 2017



Florence Urban Renewal Agency

Quarterly Report

Quarter and Six Months Ended December 31, 2016

April 18, 2017

Board Members:

We are pleased to report on the activities and progress we have made on the Board's goals on behalf of the Agency for the quarter ended December 31, 2016.

Highlights for the second quarter include:

- We completed the \$3.7 million financing with the final draw of \$2.125 million
- Ninety percent of property tax revenue for the year was received
- Design work for ReVision Florence progressed on schedule

The following financial schedules include:

- Comparisons of actual to budgeted amounts for the quarter and year-to-date
- Full fiscal year budgeted amounts and estimated amounts for the full fiscal year

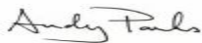
The financial schedules are unaudited. Any significant adjustments to prior reports will be noted. Budgeted amounts are generally allocated proportionately to each quarter, i.e., twenty-five percent (25%) for the quarter. However, revenue such as property taxes and debt proceeds and expenditures such as capital outlay and debt service payments reflect allocations that are based on past experience or the actual need or requirement. Explanations are provided as necessary with each fund. When full fiscal year estimated amounts vary considerably from the full-fiscal year budgeted amounts, an explanation is provided.

If you have any questions or have particular information you would like included in subsequent reports, please let Erin or I know.

Sincerely,



Erin Reynolds
City Manager



Andy Parks, CPA
Finance Director

FURA General Fund

Project and program activity for the Florence Urban Renewal Agency (FURA) is accounted for in the general fund. Design work on the ReVision Florence project continued to be the primary focus of the Agency for the quarter. The thirty percent design acceptance package (30% DAP) was completed and submitted to the Oregon Department of Transportation in the second quarter. Staff continued to seek private sector interest in redevelopment projects and funding from other sources for the ReVision Florence project. Activity on other projects is pending updated cost estimates and secured for ReVision Florence.

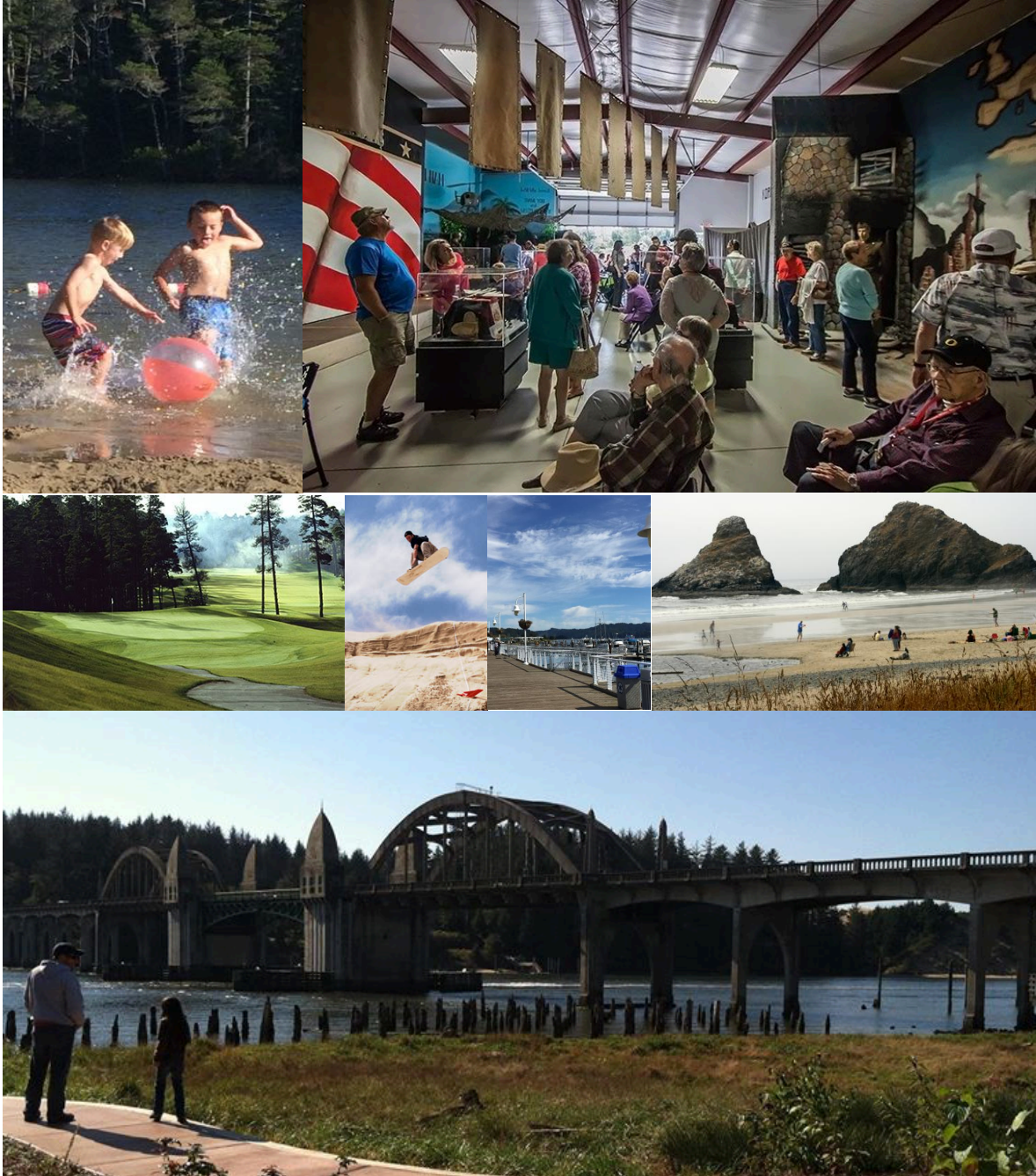
The final draw (\$2.2 million) on the \$3.7 million financing authorized in 2015 was received during the quarter. The City was able to negotiate an interest rate reduction for the borrowing from 3.25% to 2.92%.

| FURA - General Fund | 2nd Quarter | | | Six Months Ended December 31, 2016 | | | Annual Budget | Full Year Estimate |
|-------------------------------------|-------------|-----------|---------------|------------------------------------|-----------|---------------|---------------|--------------------|
| | Budget | Actual | Over/ (Under) | Budget | Actual | Over/ (Under) | | |
| Current year resources | | | | | | | | |
| Miscellaneous | 250 | - | (250) | 500 | - | (500) | 1,000 | 5,000 |
| Debt proceeds | 1,525,351 | 2,125,363 | 600,012 | 1,725,351 | 2,125,363 | 400,012 | 1,725,351 | 2,125,363 |
| Total current year resources | 1,525,601 | 2,125,363 | 599,762 | 1,725,851 | 2,125,363 | 399,512 | 1,726,351 | 2,130,363 |
| Expenditures | | | | | | | | |
| Materials and services | 62,325 | 48,401 | (13,924) | 124,650 | 93,926 | (30,724) | 249,300 | 218,300 |
| Capital outlay | | | | | | | | |
| Sidewalks | - | - | - | - | - | - | 75,000 | - |
| Artwork | - | - | - | - | - | - | 125,000 | 40,000 |
| ReVision Florence | 150,000 | 162,729 | 12,729 | 300,000 | 207,676 | (92,324) | 600,000 | 600,000 |
| Development projects | - | - | - | - | - | - | 500,000 | - |
| Capital outlay | 150,000 | 162,729 | 12,729 | 300,000 | 207,676 | (92,324) | 1,300,000 | 640,000 |
| Total expenditures | 212,325 | 211,130 | (1,195) | 424,650 | 301,602 | (123,048) | 1,549,300 | 858,300 |
| Resources over (under) expenditures | 1,313,276 | 1,914,233 | 600,957 | 1,301,201 | 1,823,761 | 522,560 | 177,051 | 1,272,063 |
| Beginning fund balance | 163,044 | (161,488) | (324,532) | 175,119 | (71,016) | (246,135) | 175,119 | (71,016) |
| Ending fund balance | 1,476,320 | 1,752,745 | 276,425 | 1,476,320 | 1,752,745 | 276,425 | 352,170 | 1,201,047 |

FURA Debt Fund

FURA debt is paid with property taxes. The actual tax levy amount was fractionally less than budgeted. The estimated debt service for the full year includes interest on the previous draw through the date of the final draw request in November 2016. As a result, the interest paid in the current fiscal year reflects a timing difference as this amount was originally estimated to be paid in fiscal year 2016.

| FURA - Debt Services Fund | 2nd Quarter | | | Six Months Ended December 31, 2016 | | | Annual Budget | Full Year Estimate |
|-------------------------------------|-------------|---------|---------------|------------------------------------|---------|---------------|---------------|--------------------|
| | Budget | Actual | Over/ (Under) | Budget | Actual | Over/ (Under) | | |
| Current year resources | | | | | | | | |
| Property taxes | 324,500 | 330,014 | 5,514 | 324,500 | 331,555 | 7,055 | 360,600 | 357,000 |
| Miscellaneous | 250 | 235 | (15) | 500 | 467 | (33) | 1,000 | 1,000 |
| Total current year resources | 324,750 | 330,249 | 5,499 | 325,000 | 332,022 | 7,022 | 361,600 | 358,000 |
| Expenditures | | | | | | | | |
| Debt service | 31,950 | 3,193 | (28,757) | 63,900 | 34,890 | (29,010) | 127,800 | 157,500 |
| Total expenditures | 31,950 | 3,193 | (28,757) | 63,900 | 34,890 | (29,010) | 127,800 | 157,500 |
| Resources over (under) expenditures | 292,800 | 327,056 | 34,256 | 261,100 | 297,132 | 36,032 | 233,800 | 200,500 |
| Beginning fund balance | 3,649 | 56,712 | 53,063 | 35,349 | 86,636 | 51,287 | 35,349 | 86,636 |
| Ending fund balance | 296,449 | 383,768 | 87,319 | 296,449 | 383,768 | 87,319 | 269,149 | 287,136 |



Florence Urban Renewal Agency

Quarterly Report

Quarter and Nine Months Ended March 31, 2017

April 21, 2017

Board Members:

We are pleased to report on the activities and progress we have made on the Board's goals on behalf of the Agency for the quarter ended March 31, 2017.

Highlights for the third quarter include:

- ReVision Florence expenditures for the quarter were \$93,668
- ODOT approved the 30% design package for ReVision Florence
- Board authorized moving forward with 60% design and right-of-way administration and acquisition – including budget adjustment

The following financial schedules include:

- Comparisons of actual to budgeted amounts for the quarter and year-to-date
- Full fiscal year budgeted amounts and estimated amounts for the full fiscal year

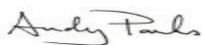
The financial schedules are unaudited. Any significant adjustments to prior reports will be noted. Budgeted amounts are generally allocated proportionately to each quarter, i.e., twenty-five percent (25%) for the quarter. However, revenue such as property taxes and debt proceeds and expenditures such as capital outlay and debt service payments reflect allocations that are based on past experience or the actual need or requirement. Explanations are provided as necessary with each fund. When full fiscal year estimated amounts vary considerably from the full-fiscal year budgeted amounts, an explanation is provided.

If you have any questions or have particular information you would like included in subsequent reports, please let Erin or I know.

Sincerely,



Erin Reynolds
City Manager



Andy Parks, CPA
Finance Director

FURA General Fund

Project and program activity for the Florence Urban Renewal Agency (FURA) is accounted for in the general fund. The Oregon Department of Transportation reviewed and approved the thirty percent design acceptance package (30% DAP) in the third quarter. The FURA Board reviewed the 30% DAP findings and approval. They authorized staff to proceed with design expenditures through sixty percent design and begin the process of right of way administration. The full project cost, including all elements totaled \$7.4 million, including right-of-way administration and acquisition. Progress was made with ODOT toward an increased contribution to the project and staff updated other potential funding partners. Staff continued to seek private sector interest in redevelopment projects. Activity on other projects is pending secured funding for ReVision Florence.

| FURA - General Fund | 3rd Quarter | | | Nine Months Ended March 31, 2017 | | | Annual Budget | Full Year Estimate |
|-------------------------------------|-------------|-----------|---------------|----------------------------------|-----------|---------------|---------------|--------------------|
| | Budget | Actual | Over/ (Under) | Budget | Actual | Over/ (Under) | | |
| Current year resources | | | | | | | | |
| Intergovernmental | - | - | - | - | - | - | 600,000 | - |
| Miscellaneous | 250 | 1,400 | 1,150 | 750 | 1,400 | 650 | 1,000 | 15,000 |
| Debt proceeds | - | - | - | 1,725,351 | 2,125,363 | 400,012 | 1,725,351 | 2,125,363 |
| Total current year resources | 250 | 1,400 | 1,150 | 1,726,101 | 2,126,763 | 400,662 | 2,326,351 | 2,140,363 |
| Expenditures | | | | | | | | |
| Materials and services | 54,825 | 52,086 | (2,739) | 164,475 | 148,642 | (21,831) | 249,300 | 189,200 |
| Capital outlay | | | | | | | | |
| Sidewalks | - | - | - | - | - | - | 75,000 | - |
| Artwork | 31,250 | - | (31,250) | 31,250 | - | (31,250) | 125,000 | 40,000 |
| ReVision Florence | 150,000 | 93,668 | (56,332) | 450,000 | 301,344 | (148,656) | 1,300,000 | 600,000 |
| Development projects | 125,000 | - | (125,000) | 125,000 | - | (125,000) | 500,000 | - |
| Capital outlay | 306,250 | 93,668 | (212,582) | 606,250 | 301,344 | (304,906) | 2,000,000 | 640,000 |
| Total expenditures | 361,075 | 145,754 | (215,321) | 770,725 | 449,986 | (326,737) | 2,249,300 | 829,200 |
| Resources over (under) expenditures | (360,825) | (144,354) | 216,471 | 955,376 | 1,676,777 | 727,399 | 77,051 | 1,311,163 |
| Beginning fund balance | 1,476,320 | 1,752,745 | 276,425 | 175,119 | (71,016) | (246,135) | 175,119 | (71,016) |
| Ending fund balance | 1,115,495 | 1,608,391 | 492,896 | 1,130,495 | 1,605,761 | 481,264 | 252,170 | 1,240,147 |

FURA Debt Fund

FURA debt is paid with property taxes. The actual tax levy was slightly less than budgeted. The estimated debt service for the full year includes interest through the date of the final draw request in November 2016. The additional interest paid in the current fiscal year reflects a timing difference as this amount was originally estimated in fiscal year 2016.

| FURA - Debt Services Fund | 3rd Quarter | | | Nine Months Ended March 31, 2017 | | | Annual Budget | Full Year Estimate |
|-------------------------------------|-------------|---------|---------------|----------------------------------|---------|---------------|---------------|--------------------|
| | Budget | Actual | Over/ (Under) | Budget | Actual | Over/ (Under) | | |
| Current year resources | | | | | | | | |
| Property taxes | 17,600 | 16,562 | (1,038) | 342,100 | 348,117 | 6,017 | 360,600 | 357,000 |
| Miscellaneous | 250 | 289 | 39 | 750 | 756 | 6 | 1,000 | 1,000 |
| Total current year resources | 17,850 | 16,851 | (999) | 342,850 | 348,873 | 6,023 | 361,600 | 358,000 |
| Expenditures | | | | | | | | |
| Debt service | - | - | - | 63,900 | 34,890 | (29,010) | 127,800 | 157,500 |
| Total expenditures | - | - | - | 63,900 | 34,890 | (29,010) | 127,800 | 157,500 |
| Resources over (under) expenditures | 17,850 | 16,851 | (999) | 278,950 | 313,983 | 35,033 | 233,800 | 200,500 |
| Beginning fund balance | 296,449 | 383,768 | 87,319 | 35,349 | 86,636 | 51,287 | 35,349 | 86,636 |
| Ending fund balance | 314,299 | 400,619 | 86,320 | 314,299 | 400,619 | 86,320 | 269,149 | 287,136 |



Dear AORA members and supporters,

Thanks to the great feedback and participation from AORA members, House Bill 2470 will not advance.

AORA and its members argued successfully that [House Bill 2470](#) posed a serious threat to local urban renewal by requiring that each Urban Renewal Board include a member from each overlapping taxing jurisdiction. HB 2470 further required that any urban renewal plan must be approved by any affected overlapping taxing district. There were also other amendments to the bill that were under consideration which AORA opposed.

In addition to the great feedback that AORA members provided to the [House Economic Development and Trade Committee](#), several members travelled to Salem on March 15th to testify in opposition to the bill.

In a meeting with Committee leadership yesterday, Chair Lininger informed us that there was insufficient support for HB 2470 and that it would not advance.

[Please note the good testimony from AORA members here.](#)

[You can also view the hearing here.](#)

One final note: There will likely be a discussion convened by Chair Lininger after the 2017 session adjourns to see if AORA and special districts can come to agreement on some changes that would allow us to move forward peaceably. We will keep you informed if and when these discussions take place.

As always, AORA will continue to keep you updated on any legislative developments that may impact urban renewal.

Regards,



Justin Douglas
President, AORA

Association of Oregon Redevelopment Agencies
867 Liberty St. NE, Salem, OR 97301

See what's happening on our social sites

