



PRESS RELEASE

FOR IMMEDIATE RELEASE:

June 23, 2022

CONTACT:

Megan Messmer
Assistant City Manager
megan.messmer@ci.florence.or.us
(541) 997-3437

FLORENCE URBAN RENEWAL AGENCY MOVES FORWARD WITH QUINCE STREET HOTEL DEVELOPMENT

FLORENCE, OR – At their meeting on Wednesday, June 22, 2022, the Florence Urban Renewal Agency (FURA) took the next steps forward for the hotel development on Quince Street, across from the Florence Events Center. The FURA Board authorized its Executive Director to proceed with executing the Development and Disposition Agreement (DDA) with Braun Hospitality and proceed with the public-private partnership that includes the transfer of a 3.12-acre portion of the property.

The hotel development will result in a four-story, 86-room Wyndham Microtel-branded hotel located on Quince Street across from the Florence Events Center. The site plan will provide parking, trailer parking, outdoor green space, outdoor patio, two vehicular egress paths and stormwater detention. The hotel fronts Quince Street with pedestrian circulation throughout the site and to the adjacent Florence Events Center. Braun Hospitality has submitted the land use application for the hotel development to the City of Florence Community Development Department. It is currently under review and will follow the land use process as regulated by Florence City Code.

Comments from FURA Directors

Chairperson Meyer

"I am excited to see the hard work of many people finally resulting in a hotel to complement the Florence Events Center. Many thanks to the FURA Board and the staff for the many months of hard work and dedication to get this milestone accomplished."

Vice Chairperson Webb

"We have been working for years, trying to find a suitable partner willing to build a financially feasible hotel on the old middle school property. Though the design and the amenities we finally arrived at might not be perfect, I expect the new hotel to benefit the Events Center, Old Town, and the community in general. I feel this will lead to further development of the property toward Highway 126 and I look forward to seeing the shape of things to come."

Mayor Henry

"The approval of the hotel project for the Quince Street property at last night's FURA meeting was the culmination of many hours of work by the Florence City staff as well as the next step towards the fulfillment of the dream of many to have a hotel facility adjacent to our Florence Event Center. This is a win-win for everyone, putting into use a property that has sat idle for many, many years hopefully to be the anchor for additional commercial development and affordable housing in the immediate area. It will also complement our wonderful Events Center, as well as provide hotel facilities for visiting guests and performers who can simply walk across the street. From a purely financial standpoint it just makes sense as this will substantially increase revenues to the City over time and serves to fulfill the purpose for which FURA exists."

Comments from Developer

Matt Braun, Developer

“The Oregon Coast is a glorious destination for regional, national, and international travelers, and Florence is a jewel on that crown. Braun Hospitality is excited to be investing in a town that has so much to offer. From its various festivals to its outdoor attractions in the lakes, dunes, and river, there is truly nothing like Florence on the Pacific Northwest Coast. The future of Florence as an even more desirable destination to live in and visit is reflected in the investment the City, together with its citizens and leadership, continues to make into herself.”

Public Participation Overview

As part of the DDA approval, the FURA Board authorized the public participation package for this public-private partnership. This participation includes items that have previously been approved by the FURA Board and items that will occur during development. This contribution towards the project is vital to the financial feasibility of the development.

The public participation funding for the project includes legal and consulting fees, due-diligence that has occurred throughout the project, the property appraisal and economic analysis, upcoming analysis related to land use and development, building permit fees, system development charges, and the development’s portion of the future improvements to Quince Street. The public participation also includes the transfer of 3.12-acres at the southern end of the property.

In general, for FURA public-private partnerships, the goal of urban renewal is to have at least a \$4-5

private contribution to every \$1 public contribution, or only 15-20% of public funding for the partnership. It is at that rate that FURA funds its other grant programs. This development’s public participation package represents 5.5% of the estimated development costs for the project, or \$17 of private funding for every \$1 of public contribution.

Project Background

In 2018, the Agency purchased the 13.4-acre previous site of the Siuslaw Middle School, located directly across from the Florence Events Center, from a private development company that had owned the property since the early 2000s. Since purchasing this property, the Agency established a strategy for development of the Quince Street site for a hotel in order to support the Florence Events Center in being more marketable for out-of-area events, and to increase property values and transient room tax revenue to support future housing and economic development efforts of the Agency and the community.

| Item | Cost | When? |
|--|-------------------|------------------------|
| Prior Reimbursed Studies | \$ 44,000 | Completed |
| Legal for Full Project | 20,000 | In Progress |
| Residual Land Value Analysis | 3,500 | Completed |
| Land Partition Process | 15,000 | In Progress |
| Commercial Land Appraisal | 7,800 | Completed |
| Consulting Fees for Full Project | 86,500 | In Progress |
| Traffic Impact Analysis | 21,000 | w/in Biennium |
| Geotechnical/Soils Phase II | 10,000 | w/in Biennium |
| Title Insurance for Property Sale | 5,000 | w/in Biennium |
| Building Permit Fees | 100,000 | w/in Biennium |
| Biennium Subtotal | 312,800 | |
| Quince Street Improvements Participation | 315,000 | Over 10 Years |
| System Development Charges | 310,000 | Over 10 Years |
| Over 10 Year Subtotal | 625,000 | 62,500 annually |
| Total Funding Contribution | \$ 937,800 | |
| Land – 3.12-Acre Property | - | w/in Biennium |

In October 2020, the FURA Board entered into an exclusive negotiating agreement (ENA) with Sycan B. Corp./Merete' Hotel Management as a result of the Requests for Expressions of Interest (RFEI) solicitation in 2020. That ENA, and its subsequent extension authorized on May 26, 2021, expired on July 1, 2021. Unfortunately, Sycan notified the FURA staff that they would not be pursuing the project further and therefore did not request further extensions of the ENA. The FURA Board reopened the process to receive unsolicited proposals for the property development as outlined in the previous RFEI through August 2021.

In September 2021, the FURA Board approved the proposal of Braun Hospitality and entered into an ENA for the development. Throughout the negotiation period, Braun Hospitality has conducted due diligence and made significant investments in the planning and engineering phases of development. FURA has also conducted due diligence in partnership with Braun Development. The FURA Board has provided general direction to staff through Executive Sessions during negotiations pursuant to ORS 192.660(2)(e) related to real property transactions.

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

Full details on the background of this project, including links to meetings held previously and site plans, can be found in the staff memo presented at the June 22, 2022, FURA meeting available on the FURA meeting webpage at www.ci.florence.or.us/urbanrenewal/florence-urban-renewal-agency-meeting-48.

For more information about the Quince Street development and the Florence Urban Renewal Agency decision, please visit the Florence Urban Renewal Agency's Quince Street Property Development project page at www.ci.florence.or.us/urbanrenewal/quince-street-property-development or contact Assistant City Manager Megan Messmer at 541-997-3437 or via email at megan.messmer@ci.florence.or.us.

###