

Florence Urban Renewal Agency Investment Strategy



May 2016

Acknowledgements

Florence Urban Renewal Agency Board

Mayor Joe Henry
Joshua Greene, Chair
John Scott, Vice Chair
Jay Bozievich
Dave Braley
Ron Caputo
Ron Preisler
Patricia Riley
Mike Webb
Woody Woodbury

City of Florence Staff

Erin Reynolds, City Manager
Megan Messmer, Assistant to the City Manager
Kelli Weese, City Recorder/Economic Development
Wendy Farley Campbell, Planning Director
Andy Parks, Interim Finance Director

Leland Consulting Group

Chris Zahas, AICP Managing Principal
Alisa Pyszka, Senior Associate
Matthew Craigie, Associate
Kate Washington, Analyst

Myhre Group Architects

Bob Boileau, AIA, Principal
Erik Winter, AIA, Associate

Table of Contents

Executive Summary	1
Introduction	2
Urban Renewal in Florence	3
Catalyst Developments	9
Lotus Site	12
Port of Siuslaw Parking Lot	14
Pro Lumber Site	16
Old School Furniture Site	18
Investment Strategy	20
Design and Development Assistance Program	22
Preservation and Rehabilitation Program	24
Parking Management Study	26
Catalyst Development Fund	27
Develop a Co-Working Space	29
Accessory Dwelling Unit Program	31
Marketing and Developer Recruitment Strategy	32
Code Audit	33
Appendices	34
Catalyst Site Pro Formas	34
Investment Strategy Summary Matrix	44
Market Analysis	46

Executive Summary

Florence has long been known as one of Oregon's premier coastal destinations. Historically a hub for logging and fishing, in recent decades it has transitioned into a community whose economy is based on tourism and serving its predominantly retirement community. Its downtown, Old Town, is nationally recognized for its charm and appeal and functions as the heart of the community.

Hurt by the Great Recession, Florence has begun the slow and steady process of growing its economy and replacing the lost jobs with new ones. With diverse restaurants and retail, scenic parks and river access, and a range of residential uses, downtown is well-suited to meet the needs of the changing economy. Yet there are barriers to new investment that keep Florence from achieving its full potential:

- A Highway 101 corridor that is unattractive and lacks functionality for pedestrians;
- A lack of new housing supply to meet the needs of workers and families;
- Vacant and underutilized properties that leave gaps in Florence's urban fabric;
- Building codes and zoning that limit feasible redevelopment; and
- Limited financial resources to accomplish all that needs to be done.

This Investment Strategy addresses these issues by providing a phased and feasible implementation strategy that prioritizes early actions that will achieve visible results while simultaneously laying the groundwork for long-term projects to succeed. The City of Florence, and FURA specifically, can and should play a leadership role in facilitating this investment, removing barriers, and organizing the public and private champions that will be essential to success.

The projects and actions outlined in this Investment Strategy will leverage planned investments like ReVision Florence (the redesign of the Highway 101 corridor), will install a framework for redeveloping underutilized property through public-private partnerships, will remove some of the most significant regulatory barriers to investment, and will initiate a series of quick wins through façade and building improvements.

This Strategy proposes the following projects:

- Design and Development Assistance Program
- Preservation and Rehabilitation Program
- Catalyst Development Fund
- Develop a Co-Working Space
- Accessory Dwelling Unit Program
- Housing Marketing and Development Strategy
- Development Code Audit
- Parking Management Study

Downtown is the right place to focus these efforts, building upon the great work that has already taken place, but more importantly concentrating investment where it will demonstrate the economic momentum of the city and the community's commitment to itself.

Introduction

This Florence Urban Renewal Agency (FURA) Investment Strategy, is a strategic plan to guide investments and actions by FURA. FURA's mission is "to revitalize the Downtown Area as the primary cultural, tourist, commercial, and community core to serve all Florence's citizens and visitors, encouraging continuing growth, development, and enhancement consistent with Florence's small-town ambiance and character." As the result of improved economic conditions, restructured debt, and increased tax increment, FURA is now in a financial position to make human and capital investments that further this mission. Toward that end, this action plan:

- Summarizes market conditions, opportunities, and barriers to private investment in Florence;
- Identifies capital investments that will lay the foundation for private investment;
- Recommends programs and actions that address the identified barriers;
- Presents several catalyst development concepts to illustrate the economic potential; and
- Presents a phased, incremental approach to implementing the strategy that is consistent with FURA's available human and financial resources.

Outline of this Report

The Investment Strategy begins with an overview of the key findings from the market and economic research and is followed by several guiding principles that framed the analysis of opportunities. Four catalyst projects are then presented to illustrate how redevelopment could be achieved on high-priority opportunity sites. Finally, the report presents an investment strategy, the phased action plan to guide FURA's future investments, policies, and actions.

How to Use this Report

As an action plan, the Investment Strategy is a "living" document. While it guides actions over the next five years, it should be reviewed, reported upon, and updated on a regularly-scheduled basis—at least once a year. These updates will allow for the recommended actions and projects to reflect the completion of projects, changing market conditions, and evolving community goals. Reviewing, updating, and reporting upon the progress of the Investment Strategy will ensure that it is a living strategy that stays in the public eye and remains nimble and able to take advantage of changing fiscal and political opportunities.

Urban Renewal in Florence

The purpose of urban renewal is to improve specific areas that are considered “blighted.” Conditions of blight can include deteriorated buildings, substandard streets, inadequate infrastructure and utilities, and other factors. Urban renewal provides two types of authority that are not otherwise available to local governments. First, it allows for the use of tax increment financing (explained below) to pay for capital improvement projects and programs. Second, it allows greater flexibility in working with private parties to complete development projects.

Urban renewal plans are financed by tax increment financing (TIF) revenues. TIF revenues are generated by the growth in property taxes resulting from increases to the total assessed value of property within the urban renewal area since the time the urban renewal area is first established. Urban renewal is typically administered by an urban renewal agency, a separate legal entity from the city in which the area is formed.

Urban renewal in Florence began in 2006 with the adoption of the Florence Urban Renewal Plan and the establishment of FURA as the administrating agency. The Florence Urban Renewal Plan focuses redevelopment efforts on the historic downtown area of Florence, including Old Town as well as the Highway 101 corridor between the bridge and the Highway 126 intersection, as shown in Figure 1, below.

Figure 1. Florence Urban Renewal Area



Since the Florence Urban Renewal Plan was adopted, FURA has implemented several projects throughout Old Town, including:

- Water and sewer utility upgrades throughout Old Town.
- Funding assistance for the expansion of the Siuslaw Public Library.
- Preservation and rehabilitation funding for exterior improvements to buildings in the district.
- Funding assistance for the Siuslaw Interpretive Center on Bay Street.

Research Background

To develop the Investment Strategy, FURA retained a consulting team led by Leland Consulting Group of Portland, consisting of experts in land use planning, economic development, real estate development, and architecture. The process of developing an action plan began with extensive research of local market conditions and outreach to the community in order to ensure that the strategy is grounded in the physical, market, and political realities of Florence. This work included:

- A walking tour of Old Town and the entire urban renewal area
- One-on-one and small group stakeholder interviews with downtown property owners, business owners, elected officials, developers, and community leaders
- A market analysis of economic, real estate, and demographic conditions in Florence (the full market analysis is available as a separate appendix to this report)

This outreach uncovered many expected as well as unexpected findings:

Like the rest of the state, Florence lost many jobs during the Great Recession. However, unlike many parts of the state, Florence has yet to fully recover from those job losses and in fact still has fewer jobs than it did in 2005.

Florence is very much a community of retirees, with a median age of 57 and 57 percent of residents being age 55 or older. In comparison, the state's median age is 38 and only 30 percent of the population is 55 or older.

Unlike larger cities such as Portland or Eugene, Florence has a small population of younger people and it has a hard time retaining young people after they leave high school.

Stakeholders expressed a lot of pride in the community and generally positive attitudes about where it is headed.

Both locally and statewide, there is a growing recognition of the region's assets, not the least of which is charming Old Town, but also including the sand dunes, the Siuslaw River, beaches, nearby lakes, and more.

Opportunities and Constraints

Based on the market analysis and outreach, several key opportunities and constraints were identified that shape the need for actions and projects in the urban renewal area.

Opportunities/Strengths

- Old Town is generally healthy, with many great restaurants and shops and very few vacancies.
- The economy is improving. Tourism related activity is up double digits over consecutive years.
- Temperate weather that makes it attractive as a year-round destination.
- Excellent recreational and outdoor amenities that drive tourism and attract residents.
- Proximity to the population and educational hub of Eugene.
- Proximity to the Eugene airport with nonstop flights to California and many other Western U.S. states.
- Peace Harbor Hospital provides medical service and is a major employer.
- Small town atmosphere and good quality of life.
- Florence is a community that celebrates the arts and sees its value as a catalyst for economic development.

Constraints/Challenges

- Small job base outside of service and tourism industry.
- Lack of family-wage jobs and opportunities for those just out of college.
- Very low housing vacancies and limited rental opportunities.
- Unattractiveness of Highway 101 corridor.
- Intermittent parking challenges downtown.
- Perception that the local school system is not strong.
- Physical remoteness.
- Natural hazards.

Key Findings

The public outreach conducted throughout this project, combined with the market analysis and site studies allowed the project team to arrive at the following conclusions, which served as the baseline from which the prioritized Investment Strategy, described at the end of this report, was derived.

Florence has many great assets that position it well for economic development.

Its natural assets, the existing health and charm of Old Town, and its proximity to Eugene make it a very suitable location to attract new businesses and entrepreneurs, particularly in comparison to other coastal Oregon cities.

Old Town is a jewel that cannot be understated in its value to the city. Few, if any, coastal Oregon cities have a downtown that is as healthy, vibrant, and charming as Florence's. This is the city's calling card – its brand that attracts visitors and businesses alike. While healthy, it needs continuous attention in order to preserve and enhance its function as the marketing tool for the city.

Yet, **Florence's economy continues to struggle.** The local economy is not very diverse, focusing mainly on services and tourism, and it has not fully recovered the jobs lost since the Great Recession began. Meanwhile, housing to support the workforce is in short supply, making it difficult to attract new workers or retain existing workers.

The economics of redevelopment in smaller towns is always more challenging than large cities and Florence is no exception. As shown in the catalyst site studies presented later in this report, there are opportunities for redevelopment, but the economics of redevelopment are challenging. Significant barriers exist in the zoning code that make marginally feasible developments simply not economically viable. Ongoing analysis will be needed to methodically remove these barriers and open the door to investment.

There is a growing base of community leaders that are rallying around the downtown and economic development. This 'human infrastructure' is Florence's greatest asset and these leaders will need to be called upon to promote the city, guide decision makers in implementation, and communicate the vision to residents and outsiders.

Guiding Principles

As with any downtown revitalization effort, there is no single “right” approach or set of actions. Instead, the unique set of opportunities and constraints in Florence must be evaluated against a set of guiding principles, or criteria, that reflect Florence’s values, desires, and community focus. Developed through the stakeholder outreach discussed earlier, work sessions with the FURA board, and the consultant team’s understanding of economic development best practices, the following guiding principles were developed for the Investment Strategy:

Downtown is a business

In the coming days and years, Florence’s leadership should approach downtown revitalization like a business that is built to last—not a one-time “project.” Good businesses are built to provide a quality product or service for years, while a project calls for a burst of effort for just a few weeks or months. According to the Brookings Institution, “Downtown is never ‘done.’”

Downtown revitalization is like a major business enterprise, and that means that it must be staffed, funded, marketed, planned, improved, maintained, and monitored at a scale commensurate with its importance.

Leverage public investment for private investment

Urban renewal can only function so long as there is new private investment in an area that creates a growing tax base. Therefore, it is essential that FURA’s public investments be targeted so that they directly and indirectly attract private investment to the greatest extent possible. At a minimum, FURA should seek to leverage at least five dollars of private investment for every dollar of public investment. This can be accomplished through direct linkage of projects (public-private partnerships) as well as through the ongoing monitoring of the impact of public investment on surrounding developments over the long term.

Connect to regional economic development

Downtown revitalization requires property rehabilitation, new development, and injections of new capital, and these actions, in turn, require a region in which the population, employment, and incomes are healthy and growing. This means that Florence must cultivate its regional and downtown economic drivers, including Lane Community College, Peace Harbor Hospital, the Confederated Tribes of the Coos, Lower Umpqua, and Siuslaw Indians, Siuslaw School District, hospitality, tourism, recreation, and other business and economic clusters being considered by the City’s Economic Development Committee. A strong downtown is in the interest of all of these partners and the City can and should play a leadership role in convening these important partners.

Leadership

Committed leadership is essential in order for this plan to succeed and maintain and grow Florence's healthy, vibrant downtown. Downtown must be a priority for FURA, the city council, and other key public bodies that support the council. Downtown's status as a priority should be reflected in attention to the redevelopment of key sites, funding allocation, marketing and public outreach, streetscape and infrastructure improvements, attention to more specific planning efforts that will deal with parking, transportation, individual sites, and more. The best downtowns are a source of pride for citizens, mayors, and city councilors, who are their most visible advocates. In the absence of leadership and attention—without a quarterback—downtown revitalization can stall and suffer.

Catalyst Developments

A catalyst project is one that demonstrates a market opportunity and that encourages other investments to coalesce around it. Evaluating catalyst sites is a fundamental step in understanding and planning for investment. It is also a good way for a city to engage with property owners and developers and build momentum towards project implementation. As part of this project, four catalyst developments were identified and evaluated in order to:

- Stimulate creativity about possible land uses in the urban renewal area.
- Determine the character and scale of development that makes sense.
- Test the economic feasibility of development ideas and identify strategies to mitigate any financial gaps.
- Prepare conceptual graphics to generate interest among property owners and potential developers.
- Identify where current zoning regulations present barriers to architectural or economic feasibility.
- Identify specific actions that can be taken to remove barriers to development and incentivize project implementation.

The four catalyst sites are shown in Figure 2 below. Each site is actually a node of activity, incorporating several potential redevelopment parcels and the surrounding context in order to show how multiple projects could interact to leverage public investment and create a vibrant place. Detailed financial pro formas of each catalyst site concept are located in the Appendix.

Figure 2. Florence Catalyst Sites



These sites were selected based on several criteria:

- Currently vacant or underutilized
- Interest by property owner to participate in conceptual planning
- Include a balance of sites both in Old Town as well as the Highway 101 corridor, especially those that would be integral to the Highway 101 Streetscape project
- Mentioned by stakeholders as places where investment would be desirable

Summarized on the following pages, the four sites are:

Lotus Site

The long-vacant Lotus Restaurant building was identified by many stakeholders as the single most important site to be redeveloped given its prominence on the waterfront. Coupled with vacant parcels on either side of it and its overall size, redevelopment here has the potential to reenergize the west end of Bay Street and serve as a new anchor to downtown.

Port of Siuslaw Parking Lot Site

This site is heavily used for parking to serve Old Town, but is also located on the waterfront and may have the potential for development to anchor the east end of Bay Street with active uses if parking and other issues can be addressed.

Pro Lumber Site

While currently operating as a viable business, in the long term it is likely that Pro Lumber will relocate, creating a large redevelopment site at a major gateway to Old Town. The sheer size of the site means that it could accommodate a range of uses, both addressing the site's frontage on Highway 101 as well as its function as part of Old Town.

Old School Furniture Site

This site is home to an iconic building and has a large vacant parcel adjacent to it. Potential redevelopment could allow for the creation of a vibrant mixed-use node along Highway 101 as a demonstration of what a highway corridor can become.

Key take-aways

The exercise of developing concepts for the catalyst sites and testing them economically resulted in several key findings that directly resulted in specific actions that are outlined in the development strategy that follows. Among these findings are:

Development economics in Florence are challenging

Despite the improving economy, making new development feasible is challenging given costs of construction and achievable rents (or sales) for new products, particularly for more urban products such as elevator-served apartments or developments that require structured parking.

Zoning codes are restrictive

Particularly for apartments, the amount of parking required for new development is higher than that found in other cities and maximum height limits are lower than in other peer cities. These two development standards reduce the amount of building that a developer can rent or sell to prospective tenants, reducing value to the point of infeasibility in most cases.

One of the most significant low cost actions the City can take to incentivize development is to revisit these codes and remove barriers. In smaller, emerging markets like Florence, the removal of even small barriers to development can make the difference between a project that is feasible and one that is not.

A range of uses is possible

The site studies identified several different ways that these sites could be utilized. Many different development concepts are likely possible and will need to be refined if and when each property owner chooses to redevelop each site.

Phasing will be essential

The proposed development concepts illustrate what is possible at full build out of each site. Realistically, however, redevelopment of most of these sites will be incremental, where they will be built out over multiple phases. This phasing will keep individual investments smaller and more achievable, will allow for market momentum to be built up over time, and will allow for the development concepts to evolve as the community and market changes. Thus, FURA's investment strategy for each catalyst site should be focused on identifying the first possible phase and getting the ball moving rather than trying to complete the entire vision all at once.

Proactive relationship building is crucial for implementation

Especially in smaller cities like Florence, it is essential for the City to facilitate constructive conversations about development and act as a convener of property owners, developers, business owners, lending partners, and community stakeholders. By actively creating a network of these groups, the City can better facilitate the implementation of private development, through creative problem solving, open communication, and marketing.

Lotus Site



The Lotus site is the most conspicuous opportunity site in Old Town. The Lotus Building is easily visible as one travels to Florence on Highway 101. The site provides an unparalleled opportunity for anchoring the west end of Bay Street with a significant retail destination. The Lotus Building itself is in the works to be transformed into a brewery and restaurant. The rest of the site provides room for additional retail and residential development.

SITE SIZE

Approximately 1.2 acres

SITE PROGRAM

The property owner is currently working to redevelop the Lotus Building into a brewery and restaurant. The west side of the site provides an opportunity for additional development. Given the site size, there is a wide variety of potential mixed-use developments that with financial assistance could be commercially viable. Development options could include rental apartments (30-50 units), townhouses, or a hotel.

FEASIBILITY

Feasibility of the Lotus Building appears to be feasible in today's market and is being pursued by the property owner. Additional development on the site is possible with the removal of various barriers described below.

BARRIERS

Low market rents make most development options for this node challenging at the current time.

Zoning regulations, primarily low height restrictions, parking requirements, and an obligatory commercial element greatly restrict development on the site (although a hotel would satisfy this requirement by default). These three code issues greatly restrict the size of potential projects, hindering cash flow from rentable spaces, and therefore preventing development feasibility. Allowing taller buildings, fewer parking spaces, and making commercial spaces voluntary, instead of mandatory, would greatly increase development viability.

STRATEGY

- Keep an “open door” policy, i.e. empower City Staff to work proactively and creatively with property owners on due diligence and pre-development activities.
- Use tools from the DDAP to help offset costs and mitigate property owner risk.
- Remove barriers.
- Offer to partner with the property owners for site marketing and developer engagement.

Examples of similar development



This development concept has the opportunity for more interaction with the river.



Scenic riverfront locations offer unique outdoor dining and recreation spaces.



New construction on the site would honor historic Old Town architectural elements.



Townhomes appear to be feasible and in demand in today's market.

Port of Siuslaw Parking Lot Site



The Port of Siuslaw parking lot site presents an opportunity to increase economic activity and improve treasured public space. A hotel could anchor the east end of Bay Street, and would preserve most of the current parking lot. The grassy area adjacent to the boardwalk could be improved with better landscaping and a covered canopy to ensure continued public access for markets and festivals. Two small flexible space kiosks on either end of the park could provide community focused meeting rooms, retail space, or a relaxing gathering space at the end of Bay Street. This site plan could be phased, with park improvements and the flexible kiosks constructed first, and the mixed use hotel building as soon as the market would support its development.

SITE SIZE

Approximately 2.4 acres (including parking area)

SITE PROGRAM

One 31,500 square foot hotel with ground floor commercial space and 60 to 75 hotel rooms on two or three floors above.

Two flexible buildings on east and west sides of the existing lawn area. Each building could feature a restaurant, café, retail business, or community room, and would be approximately 1,200 to 1,800 square feet. They could have glass roll-up doors to open the space in good weather and enclose it when it is rainy or windy.

The existing lawn would be enhanced with some hardscaping and a covered pavilion area. Green space would be preserved, but balanced with hardscape, plaza, and seating features.

The site design allows for 125 parking spaces

FEASIBILITY

Possibly feasible in the near term. The kiosk buildings sites by themselves are close to feasibility. Funding site improvements on the lawn area and the parking lot could be challenge, depending on quality and size of the improvements. The mixed use building is not currently feasible, but could be if market rents rise in the near future. A phased approach to development is recommended.

BARRIERS

Parking lost from the development will need to be addressed. A one-for-one replacement of parking spaces may not be warranted, but the perception of convenient Old Town parking is recognized as an important component to the success of Old Town businesses.

The scale and building heights needed to accommodate a hotel are a barrier.

A new site for the carnival activities of the Rhody Festival would need to be found.

STRATEGY

Continue to engage with Port of Suislaw regarding the future of the property.

Examples of similar development



Improved landscaping of the grassy area near the boardwalk would provide versatile public space.



Riverfront boardwalk hardscaping creates more flexible recreation and festival space.

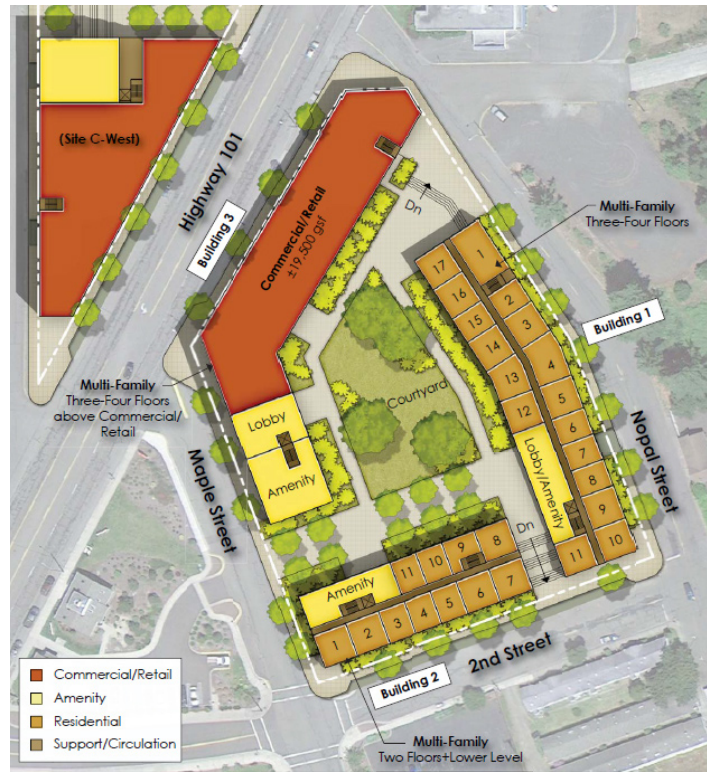


A hotel would bring visitor to Old Town and stimulate retail and restaurant business.



Flexible commercial or community space would anchor the east end of Bay Street and provide a year round public venue for events and meetings.

Pro Lumber Site



The Pro Lumber site offers the most substantial development opportunity for Old Town. The site's significant size and location allow for a mixed use development program that would transform the northern sector of Old Town. Additionally, the topography of the site lends itself to an efficient building layout with residential and retail uses facing the streets and parking tucked away in the center of the block. Across Highway 101 and in conjunction with the ReVision Florence project, the site would create a larger commercial node that spans the highway and encourages east-west pedestrian activity.

SITE SIZE

Approximately 2.8 acres (east side of Highway 101)
 Approximately 1.4 acres (west side of Highway 101)

SITE PROGRAM

East of Highway 101

- One 76,500 square foot mixed used building with 50 residential units (apartments or condos) and 19,500 square feet of commercial space.
- One 74,700 square foot residential building with 57 units.
- One 38,100 square foot residential building with 29 units.
- Internal structured parking of 140 spaces. Parking structure capped with an internal courtyard.

West of Highway 101

- One 66,900 square foot mixed use building with 34 residential units and 17,000 square feet of commercial space.
- One 66,000 square foot mixed use building with 34 residential units and 5,000 square feet of commercial space.
- Internal structured parking of 69 spaces.

FEASIBILITY

This development is the most substantial program of the opportunity sites. Presently, achievable rents do not support the full build out example of multiple floors and large, elevator served buildings. The concept represents the potential for long term build-out of larger parcels in the Florence market. When market rents start to enable development of this scale, phasing of this node, particularly on the east side of the highway, could demonstrate successful projects and build momentum for more significantly sized phases and full build out of the node.

BARRIERS

Low market rents make most development options for this node challenging at the current time.

Relocation of existing businesses could pose a challenge if suitable sites for relocation within the city cannot be found.

Developing the property to its full potential would likely not be allowed under current zoning code. The proposed building heights are likely above zoning maximums and parking ratios are too low for current city code.

STRATEGY

- Continue a dialog with the property owners to plan for supporting them when they intend to redevelop the property.
- Utilize the proposed design and development assistance program (DDAP) to more fully evaluate potential redevelopment concepts. This work would identify incentives and regulations that would guide a redevelopment of the site to a mixed use program.
- Ensure that upcoming Highway 101 improvements are compatible with a range of potential development programs on the site.

Examples of similar development



This development node presents an opportunity for large-scale urban form.

The new building form would re-shape the quality of the pedestrian realm along Highway 101.

Old School Furniture Site



The Old School Furniture site, the adjacent vacant property, and the triangular retail buildings across Highway 101 present an opportunity for a thriving and vibrant retail district and much needed rental housing. Taking cues from the existing ‘antique row’ of retail shops already clustered along Highway 101 between 6th Street and Nopal Street, the vacant triangle site could be transformed into a small multi-tenant retail center. The school building would easily lend itself to additional retail space, and the site depth would allow for significant parking and even multifamily housing behind these retail developments.

SITE SIZE

Approximately 3.2 acres (east side of Highway 101)

SITE PROGRAM

East of Highway 101

- Two 27,000 square foot residential buildings with 29 residential units each.
- One 14,000 square foot commercial building.
- One 4,000 square foot commercial building.
- One 10,000 square foot commercial building.
- Surface parking of 171 spaces.

FEASIBILITY

Development of apartments along 6th street are potentially feasible in today’s market. Redevelopment of the Old School building and constructing new commercial buildings would pose a challenge today due to low market rents. However, with Highway 101 improvements, and the lure of a possible festival street in front of the Old School building, developers may be attracted to this node in the near future.

BARRIERS

Low market rents will make new retail development and the old school redevelopment a challenge in the short to mid-term. One exception to this challenge, would be if a retailer wanted to locate in the area and built their own space or was willing to pay above-market rents in order to be in this particular location. These build-to-suit situations enable development in areas that otherwise would not support higher rents.

STRATEGY

Proactively engage with property owners and use the tools of the DDAP to mitigate property owner/developer risk, and conduct due diligence and in depth feasibility analyses.

Examples of similar development



New construction would react to local forms, character, existing buildings.



Urban-scale building form creates an opportunity for placemaking.



This concept shows a “festival street” that can be used for parking during the week but closed off for markets or special events.



Street furniture supports retail district character.

Investment Strategy

The following development strategy provides short-term guidance for FURA in the deployment of its resources in the urban renewal area. The strategy seeks to strike a balance between **quick wins** that result in private investment in the short term and **long term policies and strategies** that lay the groundwork for larger projects over time. Thus, the recommendations include a mix of capital projects (physical improvements and direct contributions to private development) along with programmatic actions that remove barriers and focus on the policies and marketing that is essential to creating an environment that is welcoming of investment.

The focus of the development strategy is on actions and investments that would be directly made by FURA through its authority as Florence’s urban renewal agency and overseer of tax increment financing. However, FURA cannot do it alone, therefore the strategy also includes several actions that would be led by other public and private partners in collaboration with FURA.

Each action is presented with a description, a purpose statement, and various details regarding the costs, lead partner, the year-by-year steps to implement it, and a listing of success measures against which to measure progress and report results. As discussed earlier in this document, the development strategy should be revisited no later than each year to adjust for completed projects, to allow for the introduction of new ones, and to report back to elected officials and the greater Florence community about the progress that is being made toward their vision for a vibrant downtown.



The recommended projects are:

FURA Projects and Actions

- Design and Development Assistance Program
- Preservation and Rehabilitation Program
- Catalyst Development Fund
- Develop a co-working space
- Parking Management Study

City of Florence Projects and Actions

- Accessory Dwelling Unit Program
- Marketing and Developer Recruitment Strategy
- Development code audit

FURA has also already committed funding to two significant projects that are essential to the success of downtown. Since FURA funding has already been committed, they are not presented in detail here, but they are nonetheless important catalysts that are integral to the overall strategy.

ReVision Florence

This project will implement a complete redesign of the streetscape along Highway 101 from the bridge to the Highway 126 intersection and east on 126 to Redwood Street. The project's engineer is currently bringing it to the 30 percent design level. Throughout the Investment Strategy project, stakeholders commented repeatedly on the overall deteriorated and unfunctional conditions of this corridor. As the front door to Florence and the gateway to Old Town, the Highway 101 corridor is an important symbol of Florence to visitors and residents alike. New sidewalks, lighting, gateways, and pedestrian amenities will combine to transform this area from a pass-through thoroughfare to a connected, but unique, extension of Old Town.

Siuslaw Estuary Trail

The proposed Siuslaw Estuary Trail will be a spectacular outdoor amenity for Florence residents and visitors. It will not only enhance access to one of Florence's greatest natural features, but it will help make the community more attractive to entrepreneurs and young professionals by solidifying the outdoor recreation amenities that are so important to attracting and retaining this demographic.

Design and Development Assistance Program

A Design and Development Assistance Program (DDAP) is a program used to assist property owners in evaluating redevelopment potential on their existing properties by providing technical assistance to evaluate development options. Assistance can include market analyses, design studies, infrastructure analysis, and financial analysis. This program will generate interest from property owners in evaluating development. The goal of each study is to quickly test the feasibility of redevelopment before taking more extensive (and expensive) steps. The timeframe for completion should be a matter of weeks.

While the initial focus of the DDAP should be in the FURA area, the City should consider expanding the program to study redevelopment opportunities on sites outside the urban renewal area. Throughout the assignment, the project team heard from stakeholders about the need for redevelopment analysis of properties in other parts of the city and there is no reason why this program could not be utilized elsewhere.

PURPOSE

Many property owners are not developers themselves and lack the expertise to evaluate possible redevelopment options. Technical assistance, funded fully or in part by FURA, can help owners determine whether redevelopment is feasible and under what conditions. These preliminary analyses serve several purposes. First, they mitigate the risk and financial exposure to owners by providing them a way to conduct predevelopment work that gives them the confidence to look deeper at development options. Second, they help generate interest in development by illustrating redevelopment concepts, documenting market information, and introducing potential developers to property owners. Finally, the site studies can inform other project actions such as streetscape or infrastructure improvements.

ACTION PLAN

Year 1

Develop program guidelines, including:

- eligibility criteria
- a marketing and outreach program
- set a target number of studies per year
- the amount of matching funding from property owners that will be required
- other elements

COST

Typically between \$10,000 and \$20,000 per study. With up to three studies per year and no private match, a range of \$30,000 to \$60,000 per year is suggested.

LEAD

FURA

SUPPORT

City of Florence if the DDAP is expanded citywide

EXAMPLES

Woodburn: Building Improvements Program (all in one application for grants, loans, and design services)

Gresham: Predevelopment Services Grant

Portland: PDC's Development Opportunity Study Program

An initial target of three DDAP studies per year is recommended in order to ensure that enough potential projects are explored that one or two are likely to move forward to development.

Year 1

Secure the services of an architect and development economist on an on-call basis to carry out the studies.

Year 1

Initiate outreach to property owners to generate interest in the program and identify candidate projects.

Years 1-5

Conduct one to three studies per year.

Success Measures

Potential ways to measure the success and report the progress of this action over time include:

- Completion of design studies that lead to private investment and redevelopment, and measurement of the ratio of private investment to public assistance.
- Increased property values and growth in tax increment in the district.
- Reporting of success stories in FURA annual report.

Preservation and Rehabilitation Program

Storefront (or façade) improvements can be among the most visually impactful yet low-cost improvements to a downtown. In 2010, FURA implemented a Preservation and Rehabilitation program that provided matching grants and unmatched grants for the improvement of building exteriors in the urban renewal area to building owners and tenants. The program was extremely successful and 39 improvements were made. Reestablishing this program would be an effective way to continue to strengthen business vitality while visually improving the district.

PURPOSE

Relatively small grants and loans can greatly improve the economic feasibility of building and business improvements. Doing so can strengthen the vitality of retail in Old Town and along Highway 101 while simultaneously improving the look of individual buildings. Working with local lenders to offer loans can further leverage the impact of the FURA grant.

ACTION PLAN

Year 1

Revisit the prior program guidelines from the 2010 Preservation and Rehabilitation program and make changes as necessary.

Likely areas of change could include increasing the maximum matching grant commitment by FURA from \$12,500 to \$25,000 in order to support larger and more impactful projects.

Also confirm design criteria to ensure that funded projects meet FURA expectations for quality and character.

Establish criteria that would require a one-to-one minimum match from the property owner and that only taxable properties are eligible.

Year 1

Develop a funding partnership with a local bank that would provide loans to local business and property owners in collaboration with the Preservation and Rehabilitation program.

COST

Up to \$25,000 matching funds per project. With an estimate of four or five projects per year, a budget of \$125,000 per year is supported.

LEAD

FURA to provide grant funding

SUPPORT

Partner with a local bank to provide small business loans to businesses and landlords to expand the scale of potential improvements and greater leverage the FURA commitment.

EXAMPLES

Oregon City: Storefront Improvement Grant Program

Hillsboro: Downtown Storefront Improvement Grant Program

Salem: Storefront Improvement Program

Year 1

Secure the services of an architect (or pool of qualified architects) to provide on-call support services as an added benefit to applicants.

Many applicants will utilize their own designers, but for smaller projects it can be a big incentive if an architect is made available by FURA. Recognizing that Florence has a limited pool of mixed-use and commercial architects, extend the outreach to Eugene to ensure that there is a qualified pool.

Year 1

Begin rolling out the program by marketing directly to property owners in targeted areas.

While properties anywhere within FURA's boundaries should be eligible, identify a target area (e.g., one of the catalyst site nodes) for initial outreach in order to ensure that several grants are made in close proximity where they can combine to create a greater impact on the streetscape.

Years 2-5

Continue to fund the program and implement loans and grants each year. Target four or five projects per year.

Success Measures

Potential ways to measure the success and report the progress of this action over time include:

- Completion of building improvements and measurement of the ratio of private investment to public assistance.
- Increased property values and growth in tax increment in the district.
- Decreased vacancies and increased retail sales.
- Reporting of success stories in FURA annual report.

Salem: Before



Salem: After



Downtown Salem's Toolbox Program has provided substantial incentives to downtown property owners that have allowed them to make major restorations of historic building facades.

Parking Management Study

Effective parking management is key to the success of any downtown. In Old Town, this is even more complicated due to the seasonality of the tourist economy, the influx of boat trailers during fishing season, and the need to accommodate large RVs at all times of the year. A parking management study would provide Florence with a comprehensive parking management strategy, based in real utilization data, that maximizes the use of available parking for visitors, residents, and employees. A parking management strategy would include data gathering of utilization at key times, strategies to handle special events, strategies to address the demands of large vehicles and trailers, optimal locations for parking, marketing and signage, opportunities to consolidate and coordinate privately-owned parking lots, and other elements that characterize comprehensive parking management solutions.

PURPOSE

Throughout this planning process, many stakeholders commented on the parking “problem” in Old Town, but there is little hard data on which to base any future strategy. An effective strategy will provide solid data on which to base parking investments while also ensuring that money is not spent on costly parking solutions that are not needed.

ACTION PLAN

Year 1

Coordinate with Development Code Audit action. Work with the Port and downtown stakeholders to develop a preliminary scope of work for the parking strategy.

Year 1

Upon completion of the preliminary scope of work, issue a solicitation to retain a parking management consultant to conduct the study.

The timing would be such that parking analysis could take place during the peak of the summer tourist season.

COST

The contract for a parking management consultant is approximately \$25,000 and is included in FURA’s FY2017 budget.

LEAD

FURA

SUPPORT

The project should be completed in close coordination with the Port of Siuslaw due to the role that the downtown boat launch and the Port-owned parking lot play in the overall parking situation.

EXAMPLES

Oregon City: Downtown Parking Study

Hillsboro: Downtown Solutions Parking Study

Catalyst Development Fund

Create a fund to reduce financial gaps and development risk for catalyst projects in the urban renewal area. This program would create a flexible fund to assist in the development of catalyst projects that meet specified public goals. The financial assistance could be provided in a range of ways dependent upon the needs of a project. This could include, but not be limited to, paying all or a portion of systems development charges, paying for offsite construction costs (infrastructure, sidewalks, etc.), gap financing (low or no-interest loans), public amenities (plazas, parks, streetscape improvements, etc.), property assembly, or other assistance. Eligible projects would be considered on an ongoing basis and would be evaluated on a set of published evaluation criteria.

PURPOSE

As determined through the catalyst site study process, there are challenges to making new development in Florence economically feasible. Whether it is the cost to incorporate parking into a project, high construction costs, or rents or sales prices that are too low to justify new construction, in many cases building a catalyst project may only be possible with some sort of financial support that removes barriers and reduces risk.

ACTION PLAN

Year 1

Determine project evaluation criteria. These would likely include some variation of the following:

- **Developer experience:** Eligible projects should have a capable developer with experience in public-private partnerships. The developer should have a track record of building successful and high-quality developments.
- **Financial capacity:** The development team should have a demonstrated ability to secure project financing.
- **Architectural excellence:** The team should demonstrate experience building projects of high architectural quality that enhance downtowns.
- **Willing partner:** By definition, projects should include commitments by property owners to develop their properties.

COST

Up to \$750,000 is available to fund one or more projects. Consider additional funding in future years as funding is available. Future funding will be driven in part by the success of projects in early years.

LEAD

FURA

SUPPORT

Explore partnerships with local banks to provide gap financing for development in collaboration with FURA funding.

- Project type and scale: Determine the desired type of project that FURA would like to facilitate. For example, should it be one that provides downtown housing? A hotel? Either? Set specific guidelines such as minimum project size (physically and/or value), target location(s), and other factors.

Year 1

Conduct outreach to downtown property owners and potential developers to communicate the availability of the catalyst funding and to identify prospective projects. If a project or development proposal emerges, request a detailed application for catalyst funding. Submittal requirements would include:

- Team experience: Examples of prior projects and resumes of key individuals and firms.
- Proposed project concept: A draft outline of the proposed development concept with sufficient detail to understand the scale (physically and in value) and anticipated need for public financial participation. Include a vision statement that demonstrates the team's understanding of the vision for Florence and how their project supports implementation of that vision. Full architectural concepts are not required at this stage, as final designs will be developed in partnership with FURA as part of the financial analysis and public-private partnership negotiations.
- References: Financial references as well as those from public and private clients with which the team has worked.

Year 1 and beyond

If one or more eligible projects emerge, initiate public-private partnership negotiations.

This will typically begin with a memorandum of understanding (MOU) that outlines high-level deal points and the shared vision of FURA and the developer. As the project is further refined and financial terms are agreed upon, a development agreement (DA) would become the final legal structure that spells out the terms and conditions, including specific financial participation by FURA.

Year 2

Break ground on catalyst project.

Year 3

If desired, repeat the process for a second catalyst project.

Success Measures

Potential ways to measure the success and report the progress of this action over time include:

- Tracking the amount of financial assistance deployed and quantifying the leverage ratio of private to public investment resulting from the assistance.
- Increased property values and growth in tax increment in the district.

Develop a Co-Working Space

In conjunction with Florence’s economic development marketing strategy, develop a co-working business space in the urban renewal area to serve as an attractor for small business entrepreneurs. Such a space would be an open and flexible work space that encourages information sharing and collaboration between users. It would have flexible desks, meeting spaces, and IT capabilities (video conferencing, high-speed internet, etc.). It would attract local entrepreneurs for whom it is no longer viable (or desirable) to operate out of a home office and for whom collaboration with like-minded businesses could open doors and create business opportunities.

PURPOSE

Cultivating entrepreneurs in knowledge and technology-based industries is essential to the economic diversification of Florence’s economy. However, there are virtually no suitable buildings in Florence that could accommodate such users and it is economically infeasible to develop speculative space given current real estate market conditions. Therefore, a publicly-owned or subsidized co-working space in a downtown location could serve as a catalyst to recruit and grow such businesses in Florence.

ACTION PLAN

Year 1

Prepare a feasibility study for the co-working space.

The feasibility study would develop an architectural program for the facility, determine development costs, explore funding strategies, explore ownership and operation models, and evaluate potential sites.

Year 1

If feasible, conduct outreach to potential partners for funding.

Year 2

If funded, initiate development.

Development would most likely take place in an existing building, in which case the project would be completed and open the same year.

COST

To be determined after project design.

LEAD

FURA, if the optimal site is located in the urban renewal area

SUPPORT

RAIN, City of Florence, Chamber of Commerce, Lane Community College

EXAMPLES

Klamath Falls: Gaucho Collective

Year 3 and beyond

Market the facility to local entrepreneurs and work with partner agencies to encourage business development.

Gaucha Collective in Klamath Falls



Gaucha Collective is a coworking space located in downtown Klamath Falls that offers work or study space for entrepreneurs, students, and freelancers who need the amenities of a professional office space without the cost.

Success Measures

Potential ways to measure the success and report the progress of this action over time include:

- Tracking the number of new businesses and jobs that occupy the Co-Working space.

Accessory Dwelling Unit Program

Accessory dwelling units (ADUs) are secondary housing units on single-family lots. Sometimes called “granny flats” or “in-law units,” ADUs can either be integral to an existing home (e.g., attic or basement apartment) or as a separate (but typically smaller) structure on the same lot (e.g., backyard cottage or garage conversion). They are a way to provide for increased housing options without creating significant visual and other impacts on a neighborhood.

PURPOSE

ADUs provide an easy way to increase housing opportunities in a community. Increased housing options can help support downtown by providing more housing within walking distance of shops and businesses. They can provide for a more diverse range of housing options, especially for rental housing, to attract younger workers. They also provide opportunities for families to accommodate multi-generational living, where elderly parents may live with their children or vice-versa. ADUs can provide income opportunities for property owners as well.

ACTION PLAN

Year 1

Explore case studies of ADU policies from around Oregon.

Year 1

Develop proposed ADU ordinance, including eligible zones or areas where ADUs would be allowed, regulatory requirements (setbacks, size and height limits, parking requirements), and financial incentives (e.g., waive or reduce permit fees).

Year 1

Proceed with public adoption process.

Year 2

Create and implement educational campaign to introduce ADUs to the community and encourage property owners to take advantage of it.

COST

Primarily staff time, possibly some consulting support. Additional costs dependent on implementation and/or incentive strategy.

LEAD

City of Florence

SUPPORT

FURA

EXAMPLES

City of Bend: Bend recently removed the need for a conditional use permit for ADUs and reduced permit fees.

City of Portland: ADUs are allowed by right in most residential zones. Through July 2016, all SDC fees (impact fees) are waived as an incentive.

Marketing and Developer Recruitment Strategy

Conduct an educational and outreach campaign to encourage more development of all types throughout Florence, especially for rental housing, which has been shown to be in short supply. The educational campaign would help communicate the market opportunities to property owners and potential developers. It would focus on creating partnerships between developers, lenders, architects, and contractors so that they can collaborate and overcome financial barriers to making new development feasible in Florence. Outreach should also be targeted to developers and development service providers from larger communities such as architects and engineers, recognizing that those essential services are largely not available locally.

PURPOSE

As in many smaller communities, Florence likely has few builders that have experience in building mixed-use projects and multifamily and other urban housing types and, with few recently built examples, the lending industry may not be able to underwrite projects at competitive rates. A collaborative and proactive effort to tell the story of why Florence is a good place to invest and bring together all of the parties that are responsible for development (developers, landowners, lenders, appraisers, architects, brokers) can be effective at identifying opportunities and overcoming barriers.

COST

Primarily staff time, possibly some consulting support. Additional costs dependent on implementation and/or incentive strategy.

LEAD

City of Florence

SUPPORT

FURA, should be coordinated with DDAP projects if possible

ACTION PLAN

Year 1

Identify the lead staff who will organize internal (City) and external (community leaders) partners to help reach out to potential investors.

Year 1

Organize a series of events and working groups to present the market opportunity, to discuss potential collaborations, and to develop strategies to overcome barriers to development.

Year 2 and beyond

Prepare annual reports summarizing new investment. Update and make available market information regarding the Florence market.

EXAMPLES

Boise: In the mid-2000s, Boise's urban renewal agency facilitated a series of workshops with developers, architects, lenders, and appraisers in order to explore housing options and set achievable production targets for downtown housing, where little new housing had been built. Over the next several years, up until the recession, over 400 units of housing were built.

Code Audit

Conduct a thorough analysis of Florence’s development code in order to identify and address any barriers to desired types of development that might be present in the existing code, either as a result of outdated standards, conflicting requirements, or other policies that do not meet the current vision for Florence. Depending on the results of the audit, it may be followed up by a full code rewrite or targeted rewriting of certain sections.

PURPOSE

As identified through the catalyst site studies, Florence’s development code presents specific barriers to development that must be addressed in order to make new investment in the downtown feasible. In most cities, the development code is a patchwork of base codes that have been modified and overlaid with new requirements through numerous amendments over time. While each amendment is well-intentioned, the result can be an unwieldy and conflicting code that is difficult to navigate for developers and difficult to implement by city planners. Similarly, there may be elements of the code such as parking requirements that require things that the market does not support, resulting in extra costs that impedes housing affordability. A code audit is the first step to creating a simpler and navigable code that encourages investment while holding developers to the proper standards of the community.

COST

Between \$25,000 and \$35,000 for a consultant, depending on the scope of the audit.

LEAD

City of Florence

SUPPORT

FURA, local developers and architects

ACTION PLAN

Year 1

Procure the services of a consultant to conduct the code audit.

Year 1

Conduct the code audit, incorporating significant and meaningful outreach to developers, builders, business owners, lenders, brokers, planners, and others.

Present findings to the city council for consideration.

Year 2

If only targeted changes are recommended, planning staff can lead the adoption of text amendments to the code to implement suggestions.

If a more thorough code rewrite is recommended, then initiate a RFP process to secure the services of a planning firm to manage a more extensive outreach and code rewrite process.

Appendices

Lotus: Residual Land Model Pro Forma Part 1

Project Description				
Building Type				
Description		Three Story Mixed Use : This development option considered building a mixed use building just on the vacant site.	Full Site : This development option utilizes the entire site, including part of the parking lot that currently serves the Lotus Building.	Large Full Site Development : Like the previous option, this option examines development of both the vacant parcel and the Lotus Building Parking Lot. This option considers building a mixed use project to the largest scale possible on these sites.
Development Concept #		1	3	4
Site Attributes				
Gross Site Size (SF)		30,450	75,920	75,920
Gross Site Size (acres)		0.70	1.74	1.74
Site Coverage		32%	13%	13%
FAR		1.2	0.6	0.8
Building Attributes				
Stories		3	3	3
Level 1		9,800	12,800	16,300
Level 2		12,800	16,500	21,600
Level 3		12,800	16,500	21,600
Total GBA		35,400	45,800	59,500
Bay Street First Floor Commercial NRA		4,000	7,000	10,400
Residential				
Number of Total Units		30	35	47
Level 1		7,000	3,300	3,300
Level 2		11,000	14,000	19,000
Level 3		11,000	14,000	19,000
Total Residential RBA		29,000	31,300	41,300
Total Net Rentable Area		33,000	38,300	51,700
Avg unit size (sf)		1,100	1,094	1,100
Dwelling units per acre		43	20	27
Parking				
Total Parking Stalls		30	35	47
Parking Stall Size		350	350	350
Total Parking Stall Area		10,500	12,250	16,450

Lotus: Residual Land Model Pro Forma Part 2

Gross Revenue				
Commercial Space		(Three Story Option)	(Full Site Option)	(Large Full Site Option)
Commercial Lease Rate (per sf per year, NNN)		\$ 18.00	\$ 18.00	\$ 18.00
Annual Commercial Lease Revenue		\$ 72,000	\$ 126,000	\$ 187,200
Residential	Avg Unit Size	1,100 SF	1,094 SF	1,100 SF
Rent per square foot per month		\$ 1.50	\$ 1.50	\$ 1.50
Average Gross rent per unit per month		\$ 1,650	\$ 1,641	\$ 1,650
Residential Annual gross rent		\$ 522,000	\$ 563,400	\$ 743,400
Parking				
Parking Lease Rate (per space per month)		\$ -	\$ -	\$ -
Parking Annual Lease Revenue		\$ -	\$ -	\$ -
Potential Gross Income (PGI)		\$ 594,000	\$ 689,400	\$ 930,600
Allowance for Vacancy (5%)		\$ 29,700	\$ 34,470	\$ 46,530
Effective Gross Income		\$ 564,300	\$ 654,930	\$ 884,070
Operating Expenses as % of Income		35%	35%	35%
Operating Expenses		\$ 197,505	\$ 229,226	\$ 309,425
Total Annual Expenses		\$ 197,505	\$ 229,226	\$ 309,425
Net Operating Income (NOI)		\$ 366,795	\$ 425,705	\$ 574,646
Capitalization Rate	6.25%	6.25%	6.25%	6.25%
Project Value		\$ 5,868,720	\$ 6,811,272	\$ 9,194,328
Construction Costs				
Hard Costs				
Podium Hard Cost per GBA SF		\$ 130	\$ 130	\$ 130
Upper Floors Hard Cost Per GBA SF		\$ 110	\$ 110	\$ 110
GBA Cost Total		\$ 4,090,000	\$ 5,294,000	\$ 6,871,000
Total Hard Costs		\$ 4,090,000	\$ 5,294,000	\$ 6,871,000
Soft Costs (percent of hard costs)	30%	\$ 1,227,000	\$ 1,588,200	\$ 2,061,300
Total Building Cost		\$ 5,317,000	\$ 6,882,200	\$ 8,932,300
TBC per SF		\$ 150	\$ 150	\$ 150
Parking Cost		\$ 90,000	\$ 105,000	\$ 141,000
Cost per stall		\$ 3,000	\$ 3,000	\$ 3,000
# Parking Stalls		30	35	47
Total Construction Cost		\$ 5,407,000	\$ 6,987,200	\$ 9,073,300
Gross Margin	10%	10%	10%	10%
Minimum Gross Margin Expectation (10% of Value)		\$ 586,872	\$ 681,127	\$ 919,433
Residual Land Value		\$ (35,152)	\$ (752,055)	\$ (657,405)
Land Value per SF		\$ (1.15)	\$ (9.91)	\$ (8.66)
Land Value per SF (Rounded)		\$ (1.00)	\$ (10.00)	\$ (9.00)

Lotus: Two Townhome Pro Forma Part 1

Florence Vacant Lotus Site			
Description	<p>Townhome and Mixed Use : This development option proposes a small mixed use building and 10 townhomes to be built on the vacant parcel adjacent to the Lotus Building Site.</p>		
Development Concept	2		
Gross Site Size (sf)			30,450
Gross Site Size (acres)			0.70
Townhomes			
Number of Units			10
Average Unit Size			2,560
Unit Sale Value		\$	350,000
Value per SF		\$	137
Number of Units			10
Total Value		\$	3,500,000
Mixed Use			
Mixed Use	First Floor Commercial	Apartment Units	
Number of Units		1	4
Average Unit Size		3,200	825
Rent per SF	\$	18.00	\$ 1.50
Monthly Rent	\$	4,800	\$ 1,238
Annual Rent	\$	57,600	\$ 14,850
PGI to NOI Rate		35%	35%
NOI	\$	37,440	\$ 9,653
Cap Rate		6.25%	6.25%
Value per Unit	\$	599,040	\$ 154,440
Number of Units		1	4
Total Value	\$	599,040	\$ 617,760
Total Mixed Use Value		\$	1,216,800
Total Combined Development Value		\$	4,716,800

Lotus: Two Townhome Pro Forma Part 2

Construction Costs		
Townhomes		
Townhome SF per Unit		2,560
Hard Cost per SF	\$	95
Soft Cost %		25%
Cost Per Townhome	\$	304,000
Number of Townhomes		10
Total Townhome Construction Cost	\$	3,040,000
Total Townhome Construction Cost (Rounded)	\$	3,040,000
Mixed Use		
Mixed Use Building Size		6,500
Hard Cost per SF	\$	110
Soft Cost %		25%
Total Mixed Use Building Cost	\$	893,750
Total Mixed Use Construction Cost (Rounded)	\$	894,000
Parking and Sitework Cost	\$	100,000
Total Construction Cost	\$	4,034,000
Residual Land Value		
Total Construction Cost	\$	4,034,000
Gross Margin	10%	10%
Minimum Gross Margin Expectation (10% of Value)	\$	471,680
Residual Land Value	\$	211,120
Land Value per sf	\$	6.93
Rounded	\$	7.00

Port of Siuslaw Parking Lot Pro Forma Part 1

Project Description		
Building Type		
Description		A mixed use residential building with first floor commercial space and two flexible pad buildings near the boardwalk
Development Concept		B
Site Attributes		
Gross Site Size (sf)		80,000
Gross Site Size (acres)		1.84
Site Coverage		12%
FAR		0.4
Building Attributes		
Stories		3
Level 0		-
Level 1		13,500
Level 2		10,500
Level 3		10,500
Total GBA		34,500
First Floor Commercial NRA		11,600
Residential		
Number of Total Units		18
Level 0		-
Level 1		-
Level 2		9,500
Level 3		9,500
Total Residential RBA		19,000
Total Net Rentable Area		30,600
Avg unit size (sf)		1,700
Dwelling units per acre		10
Parking		
Total Parking Stalls		125
Parking Stall Size		350
Total Parking Stall Area		43,750

Port of Siuslaw Parking Lot Pro Forma Part 2

Gross Revenue		
Commercial Space		
Commercial Lease Rate (per sf per year, NNN)		\$ 18.00
Annual Commercial Lease Revenue		\$ 208,800
Residential	Avg Unit Size	1,700 SF
Rent per square foot per month		\$ 1.50
Average Gross rent per unit per month		\$ 2,550
Residential Annual gross rent		\$ 342,000
Parking		
Parking Lease Rate (per space per month)		\$ -
Parking Annual Lease Revenue		\$ -
Potential Gross Income (PGI)		\$ 550,800
Allowance for Vacancy (5%)		\$ 27,540
Effective Gross Income		\$ 523,260
Operating Expenses as % of Income		35%
Operating Expenses		\$ 183,141
Total Annual Expenses		\$ 183,141
Net Operating Income (NOI)		\$ 340,119
Capitalization Rate	6.25%	6.50%
Project Value		\$ 5,232,600
Construction Costs		
Hard Costs		
Podium Hard Cost per GBA SF		\$ 125
Upper Floors Hard Cost Per GBA SF		\$ 110
GBA Cost Total		\$ 3,997,500
Total Hard Costs		\$ 3,997,500
Soft Costs (percent of hard costs)	30%	\$ 1,199,250
Total Building Cost		\$ 5,196,750
Extra Site Costs (Pavilion, Hardscape, Etc)		\$ 850,000
TBC per SF		\$ 151
Parking Cost		\$ 375,000
Cost per stall		\$ 3,000
# Parking Stalls		125
Total Construction Cost		\$ 6,421,750
Gross Margin	10%	10%
Minimum Gross Margin Expectation (10% of Value)		\$ 523,260
Residual Land Value		\$ (1,712,410)
Land Value per SF		\$ (21.41)
Land Value per SF (Rounded)		\$ (21.00)

Pro Lumber Pro Forma Site A

Project Description			
Building Type			
Description		East Side of Highway Large Mixed Use: This development option considers development in this node on the west side of Highway 101	West Side of Highway Triangle Mixed Use: This development option considers development in this node on the east side of Highway 101
Revenue Assumption			
Development Concept		C	C
Site Attributes			
Gross Site Size (sf)		80,000	75,920
Gross Site Size (acres)		1.84	1.74
Site Coverage		12%	13%
FAR		2.4	1.8
Building Attributes			
Stories		4	4
Level 0		25,900	40,300
Level 1		58,700	38,300
Level 2		58,700	38,300
Level 3		46,000	16,000
Total GBA		189,300	132,900
First Floor Commercial NRA			
		19,500	22,000
Residential			
Number of Total Units		136	69
Level 0		5,500	-
Level 1		30,800	6,600
Level 2		63,800	34,100
Level 3		49,500	34,100
Total Residential RBA		149,600	74,800
Total Net Rentable Area			
		169,100	96,800
Avg unit size (sf)		1,243	1,403
Dwelling units per acre		74	40
Parking			
Total Parking Stalls		30	35
Parking Stall Size		350	350
Total Parking Stall Area		10,500	12,250

Pro Lumber Pro Forma Site B

Gross Revenue			
Commercial Space		(East Side)	(West Side)
Commercial Lease Rate (per sf per year, NNN)		\$ 18.00	\$ 18.00
Annual Commercial Lease Revenue		\$ 351,000	\$ 396,000
Residential	Avg Unit Size	1,243 SF	1,403 SF
Rent per square foot per month		\$ 1.50	\$ 1.50
Average Gross rent per unit per month		\$ 1,865	\$ 2,105
Residential Annual gross rent		\$ 2,692,800	\$ 1,346,400
Parking			
Parking Lease Rate (per space per month)		\$ -	\$ -
Parking Annual Lease Revenue		\$ -	\$ -
Potential Gross Income (PGI)		\$ 3,043,800	\$ 1,742,400
Allowance for Vacancy (5%)		\$ 152,190	\$ 87,120
Effective Gross Income		\$ 2,891,610	\$ 1,655,280
Operating Expenses as % of Income		35%	35%
Operating Expenses		\$ 1,012,064	\$ 579,348
Total Annual Expenses		\$ 1,012,064	\$ 579,348
Net Operating Income (NOI)		\$ 1,879,547	\$ 1,075,932
Capitalization Rate	6.25%	6.50%	6.50%
Project Value		\$ 28,916,100	\$ 16,552,800
Construction Costs			
Hard Costs			
Podium Hard Cost per GBA SF		\$ 130	\$ 130
Upper Floors Hard Cost Per GBA SF		\$ 110	\$ 110
GBA Cost Total		\$ 21,341,000	\$ 15,425,000
Total Hard Costs		\$ 21,341,000	\$ 15,425,000
Soft Costs (percent of hard costs)	30%	\$ 6,402,300	\$ 4,627,500
Total Building Cost		\$ 27,743,300	\$ 20,052,500
TBC per SF		\$ 147	\$ 151
Parking Cost		\$ 90,000	\$ 105,000
Cost per stall		\$ 3,000	\$ 3,000
# Parking Stalls		30	35
Total Construction Cost		\$ 27,833,300	\$ 20,157,500
Gross Margin	10%	10%	10%
Minimum Gross Margin Expectation (10% of Value)		\$ 2,891,610	\$ 1,655,280
Residual Land Value		\$ (1,718,810)	\$ (5,154,980)
Land Value per SF		\$ (21.49)	\$ (67.90)
Land Value per SF (Rounded)		\$ (21.00)	\$ (68.00)

Old School Furniture Pro Forma Site A

Project Description		
Building Type		
Description		This development options explores the feasibility of new apartment buildings, new commercial buildings, and redevelopment of the Old School building.
Revenue Assumption		
Development Concept		D
Site Attributes		
Gross Site Size (sf)		80,000
Gross Site Size (acres)		1.84
Site Coverage		12%
FAR		1.3
Building Attributes		
Stories		3
Level 0		-
Level 1		66,000
Level 2		18,000
Level 3		18,000
Total GBA		102,000
First Floor Commercial NRA		48,000
Residential		
Number of Total Units		58
Level 0		-
Level 1		19,800
Level 2		17,000
Level 3		17,000
Total Residential RBA		53,800
Total Net Rentable Area		101,800
Avg unit size (sf)		1,755
Dwelling units per acre		32
Parking		
Total Parking Stalls		171
Parking Stall Size		350
Total Parking Stall Area		59,850

Old School Furniture Pro Forma Site B

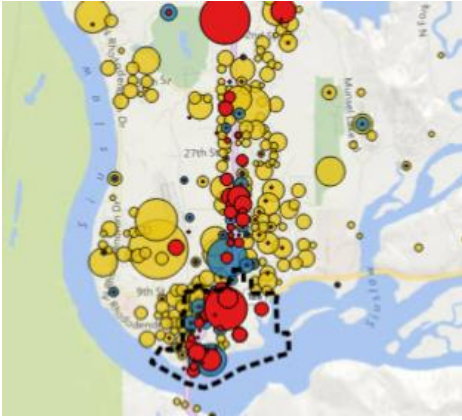
Gross Revenue		
Commercial Space		
Commercial Lease Rate (per sf per year, NNN)		\$ 18.00
Annual Commercial Lease Revenue		\$ 864,000
Residential	Avg Unit Size	1,755 SF
Rent per square foot per month		\$ 1.50
Average Gross rent per unit per month		\$ 2,633
Residential Annual gross rent		\$ 968,400
Parking		
Parking Lease Rate (per space per month)		\$ -
Parking Annual Lease Revenue		\$ -
Potential Gross Income (PGI)		\$ 1,832,400
Allowance for Vacancy (5%)		\$ 91,620
Effective Gross Income		\$ 1,740,780
Operating Expenses as % of Income		35%
Operating Expenses		\$ 609,273
Total Annual Expenses		\$ 609,273
Net Operating Income (NOI)		\$ 1,131,507
Capitalization Rate	6.25%	6.50%
Project Value		\$ 17,407,800
Construction Costs		
Hard Costs		
Podium Hard Cost per GBA SF		\$ 130
Upper Floors Hard Cost Per GBA SF		\$ 110
GBA Cost Total		\$ 12,540,000
Total Hard Costs		\$ 12,540,000
Soft Costs (percent of hard costs)	30%	\$ 3,762,000
Total Building Cost		\$ 16,302,000
TBC per SF		\$ 160
Parking Cost		\$ 513,000
Cost per stall		\$ 3,000
# Parking Stalls		171
Total Construction Cost		\$ 16,815,000
Gross Margin	10%	10%
Minimum Gross Margin Expectation (10% of Value)		\$ 1,740,780
Residual Land Value		\$ (634,980)
Land Value per SF		\$ (7.94)
Land Value per SF (Rounded)		\$ (8.00)

Florence Urban Renewal Area Action Plan

	1-2 years	2 - 3 years	3-5 years
FURA			
Design and Development Assistance Program			
Develop DDAP program guidelines	X		
Evaluate redevelopment of City Hall has a pilot project	X		
Secure the services of an architect on an on-call basis to carry out DDAP studies	X		
Secure the services of a development economist on an on-call basis to carry out DDAP studies	X		
Initiate outreach to property owners to generate interest in the program and identify candidate projects	X		
Conduct one to three DDAP studies per year.	X	X	X
Preservation and Rehabilitation Program			
Revisit prior program guidelines from the 2010 Preservation and Rehabilitation program. Update as necessary.	X		
Confirm design criteria to ensure that funded projects meet FURA expectations	X		
Establish criteria that would require minimum matching contributions from property owners of two times the grant amount	X		
Develop a funding partnership with a local bank that would provide loans to local businesses and property owners	X		
Secure the services of an architect or pool of qualified architects to provide on-call support services to applicants	X		
Identify targeted areas within the FURA boundaries where grants can combine to create a greater impact	X		
Roll out program by marketing directly to property owners in targeted areas	X		
Fund four or five projects per year.		X	X
Parking Management Study			
Develop a scope of work	X		
Issue RFP to retain a parking management consultant	X		
Coordinate with Code Audit action	X		
Catalyst Development Fund			
Determine project evaluation criteria	X		
Conduct RFP process for a development team	X		
Develop a catalyst project		X	
If desired, repeat the process for a second catalyst project			X
Develop a Co-Working Space			
Prepare a feasibility study	X		
If feasible, conduct outreach to potential partners for funding	X		
If funded, initiate development		X	
Market facility to local entrepreneurs and local partner agencies			X

City of Florence Action Plan

	1-2 years	2 - 3 years	3-5 years
City of Florence			
Accessory Dwelling Unit Program			
Explore Oregon ADU case studies	X		
Develop ADU Ordinance	X		
Adopt ADU Ordinance	X		
Create educational campaign to introduce ADUs to community	X		
Implement educational campaign	X		
Housing Marketing and Development Strategy			
Organize housing strategy work group	X		
Organize series of events to present the market opportunity for housing, to discuss potential collaborations, and to develop strategies to overcome barriers to development	X		
Prepare annual reports	X	X	X
Code Audit			
Retain services of consultant to conduct audit	X		
Conduct code audit	X		
Present findings of audit	X		



FLORENCE URBAN RENEWAL DISTRICT



MARKET ANALYSIS

PREPARED FOR

The Florence Urban Renewal Agency

PREPARED BY



LELAND CONSULTING GROUP

Contents

Introduction	1
Overview.....	1
Key Questions	1
Study Area	2
Emerging Economic Trends.....	3
Boomers and Millennials	3
Household Size	3
Retail Development	3
Area Demographic Analysis.....	4
Lifestyle Segments	5
FURA District Demographics.....	8
Major Demographic Takeaways	9
Area Economic Analysis	10
Major Economic Conditions Takeaways.....	12
Market Conditions	13
Florence’s Residential Market	13
Major Residential Market Takeaways.....	15
Florence’s Commercial Real Estate Market	16
Major Commercial Real Estate Market Takeaways.....	18
Market Analysis Conclusion	19
Opportunity Areas.....	20
Stakeholder Interviews Summary	21
Stakeholder Interview Themes	21
Online Survey Summary	24
Stakeholder Interviews and Survey Conclusion	27

List of Figures

Figure 1 - Florence in Relation to Portland and Eugene 2
 Figure 2 - Florence's Urban Renewal District..... 2
 Figure 3 - Population by Age, Florence, Lane County, and the State of Oregon (2015)..... 4
 Figure 4 - Florence's Urban Renewal District..... 8
 Figure 5 - Employment Growth Comparison (2005 to 2013)..... 10
 Figure 7 - Percent Employment by Industry, Florence and Lane County (2013) 11
 Figure 8 - Florence Resident and Commuter Patterns (2013) 12
 Figure 9 - Florence Housing Permits Issued (2004-2014) 13
 Figure 10 - Florence Comparative Residential Population by Block Group (2013) 15
 Figure 11 - Comparative Retail Employment by Block Group (2013) 16
 Figure 12 - Florence Industrial Parks 17
 Figure 13 - Improved Value to Land Value Map..... 20
 Figure 14 - Florence Stakeholder Interviews Word Cloud..... 21

List of Tables

Table 1 - Florence's ESRI Tapestries (2015) 5
 Table 2 – Florence Urban Renewal District vs. Citywide Demographics (2015)..... 8
 Table 3 - Florence Multifamily Snapshot 14

Introduction

Overview

The Florence Urban Renewal Agency (FURA) retained Leland Consulting Group in 2015 to develop an economic opportunities strategy for the Florence Urban Renewal District and to identify key catalytic development sites. This two-part approach is aimed at providing FURA with clear guidelines for FURA investments and to test the economic viability of various development alternatives on several specific properties within the district boundaries. The goal of the project is to identify feasible and realistic actions that will attract private investment to the district in order to enhance Florence's existing economic strengths and to grow the tax base within the district in order to revitalize the area.

This report arrives during the Discovery phase of the project; an early stage that establishes a baseline of understanding about Florence for the project going forward. Gathered here, from various sources including stakeholder interviews, an online survey, US Census data, and market data resources, are demographic, economic, and market data. With these data we aim to tell the story about where Florence is and where it could be headed.

Key Questions

- What existing market conditions and economic factors, including demographics, affect development in Florence in general, and in the FURA district specifically?
- For each major land use under consideration (including residential, retail, and office):
 - What are the existing competitive supply conditions?
 - What are the prospects for development in the near future?
- Given the findings, along with stakeholder desires, what strategic considerations should guide the approach to development in the FURA district?

Study Area

The city of Florence is located on the Siuslaw River, just east of the Oregon Coast and a little over an hour's drive west from the city of Eugene. For the purposes of this analysis the study area boundary will be the Urban Growth Boundary (UGB) for Florence, unless otherwise noted. The UGB also happens to correspond, for the most part, with the Florence city limits. Where the UGB and the city limits are different happens primarily to the north, where Florence's UGB incorporates the unincorporated settlement of Heceta Beach. This study area was chosen because it is the area from which most market-driven opportunities for downtown will be derived.

The focus of this study is the Florence Urban Renewal District. The district surrounds the central core of Florence, an area known as Old Town. The district boundaries are as follows:

- The Siuslaw River to the east, and south
- Near Kingwood Street to the west
- Near 9th Street and Highway 126 to the north

Figure 1 - Florence in Relation to Portland and Eugene

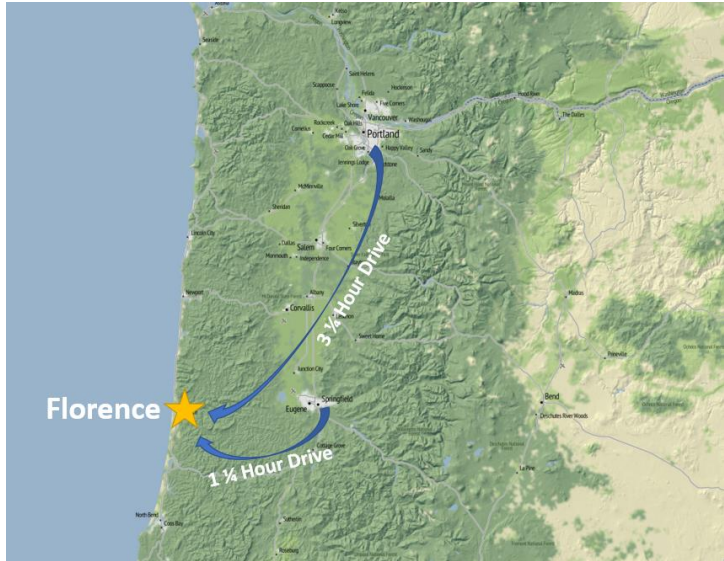
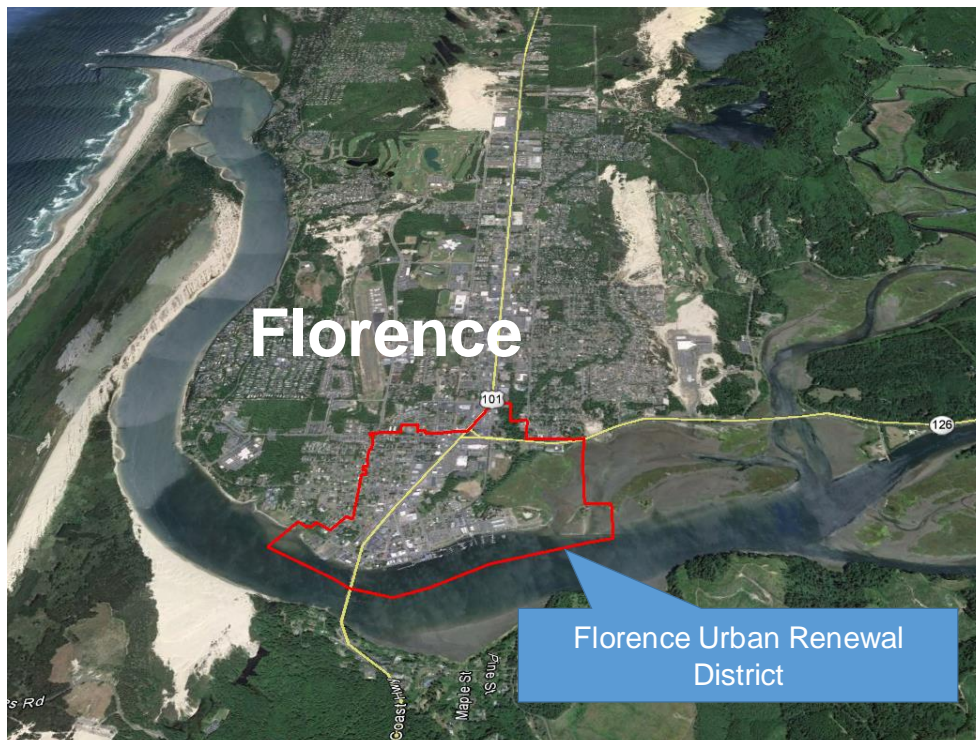


Figure 2 - Florence's Urban Renewal District



Emerging Economic Trends

As part of the analysis of the city of Florence, understanding broader national and local trends is helpful to inform the types of development and uses that are most likely to succeed.

Boomers and Millennials

Nationally, the United States is experiencing a renaissance of urban living, led primarily by the lifestyles of America's two largest population cohorts: Baby Boomers (approximately 75 million people born between approximately 1946 and 1964) and Millennials (approximately 83 million people born between approximately 1982 and 2000) per the 2015 US Census. Baby Boomers are aging and creating new and powerful demands on both residential and medical markets. Many Boomers are retiring later and downsizing in home size, if not lifestyle. Boomers are typically living longer and more independently than previous generations, requiring communities that support their mobility and interests.

Millennials, one quarter of the US population, are often burdened by student debt and a tight employment market and, as a result, are typically achieving life milestones later in life. They are living with their parents longer, delaying family creation, and investing in experiences instead of property. Furthermore, they are more likely to rent their homes and to use transit instead of driving cars.

Both groups tend to be drawn to walkable, mixed-use neighborhoods that have a variety of basic daily services and housing types within easy walking distance. They value quality over quantity and desire a sense of community and place in their neighborhoods. Research suggests that these two groups will drive demand for infill development in areas that are walkable and proximate to commercial and community amenities, and they will significantly increase demand for multifamily housing.

Household Size

In 2013, the United States crossed a housing threshold; today, there are more single-person households (28 percent) than households of married couples with minor children (19 percent)¹. Households of married couples without minor children make up 29 percent of all US households. Single-person households are made up of people from all age groups, from Millennials just starting out to elderly living alone, and 54 percent of single-person households are women. This is the result of a variety of social and economic trends and has significant impacts on future residential development. According to the Harvard Joint Center for Housing Studies (HJCHS), "aging Boomers will drive the share of over-65 year olds living in single-person households even higher over the next two decades." What kinds of housing, transportation, and services will smaller households prefer? This depends largely on their disposable income, but generally, smaller households will want smaller housing units and will be more open to multifamily developments such as apartments, assisted living facilities, or condominiums. For example, among single-person households under the age of 45, two-thirds are renters (HJCHS, 2015).

Retail Development

In recent years, cities of all sizes have begun to address the changing demands in growth, development, lifestyle, and retail, namely as they relate to the resurgence of interest of living in urban areas and a response to the growing availability of many products online. Retail stores have shifted to niche markets and a focus on experience and authenticity, as many consumers are able to find most daily necessities at bulk stores, or in the increasingly competitive online shopping arena. Brick and mortar retail has responded with smaller leased spaces and higher value items. The experience of shopping is being peddled as a way to entice shoppers to visit retail outlets. Coffee bars, sample kiosks, or product trial stations are being marketed to enhance the shopping experience. Downtowns and Main Streets are well positioned in this reevaluation of the shopping experience. They are, by their historical nature, authentic and have the feel and funkiness that consumers are seeking.

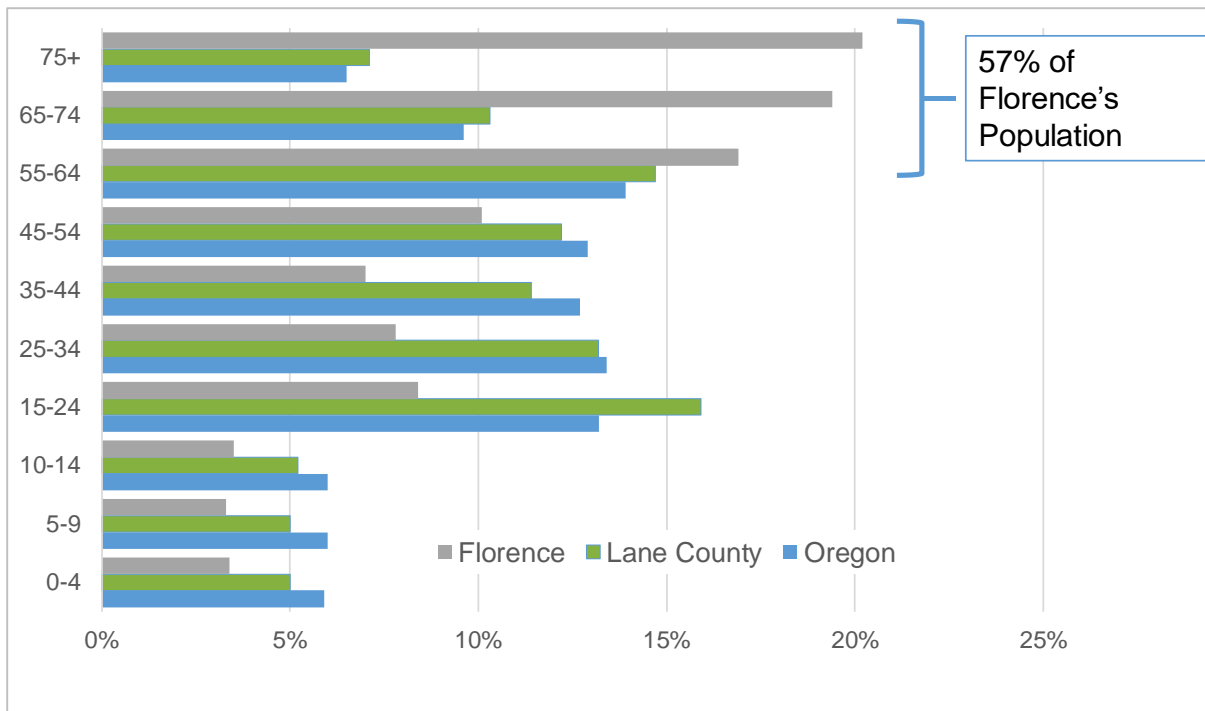
¹ "The Rise of the Single-Person Household," Harvard Joint Center for Housing Studies' Housing Perspectives Blog (May 20, 2015).

Area Demographic Analysis

Today Florence’s population stands around 10,486 residents². The city’s population has grown at a reasonably fast pace over the past few decades. Between 2000 and 2010 Florence grew by over 16 percent, while during the same period, Lane County only grew by nine percent and the State of Oregon by 13 percent³.

Florence’s population broken down by age group is dramatically different than that of Lane County and the State of Oregon as a whole. Florence has a much higher population at the top of the age spectrum, with the portion of the population above age 55 making up 57 percent of the total population. As one would assume, the median age of Florence is quite high at 57, compared to Lane County’s median age of 37 and Oregon’s median age of 38.

Figure 3 - Population by Age, Florence, Lane County, and the State of Oregon (2015)



Source: ESRI, Leland Consulting Group

The Population Research Center housed at Portland State University forecasts that Florence will grow with an average annual growth rate of 0.9 percent between 2015 and 2035. This forecast projects that Florence’s population will be approximately 12,500 residents in 2035, an almost 20 percent increase from today’s population. Most of this increase will come from net in-migration rather than natural increase (more births than deaths)⁴.

² Includes Heceta Beach and all areas inside the UGB. Source: Coordinated Population Forecast for Lane County, its Urban Growth Boundaries (UGB), and Area Outside UGBs 2015-2065. Population Research Center, College of Urban and Public Affairs, Portland State University. June 2015.

³ Ibid.

⁴ Ibid.

Florence Demographic Snapshot

- Florence grew faster than Lane County between 2000 and 2010 and also exceeded Oregon’s growth rate. **Florence grew by 16 percent** during this time period, Lane County by nine percent and Oregon by 13 percent.
- **Florence is predicted to grow by 20 percent by 2035**, while Lane County is predicted to grow by 19 percent.
- Florence has a much higher percentage of its population living in one or two-person households. **Eighty-one percent of Florence households are just one or two people.** This compares to 67 percent of households in Lane County and 64 percent of households in Oregon.
- Florence’s population is generally much older than the rest of Lane County and the State of Oregon. **Florence’s median age is 57** versus 37 for Lane County, and 38 for the State of Oregon.
- Florence’s average household size is smaller than both Lane County’s and Oregon’s. **Florence’s average household size is 1.9** versus 2.4 for Lane County and 2.5 for the State of Oregon.
- **Florence’s median household income is on par with the national median**, both being around \$53,000, but is slightly lower than Oregon’s median of almost \$57,000.
- **As of 2010, about 62 percent of Florence housing units were owner-occupied and 38 percent were rented.** Lane County has an owner-occupied rate of 60 percent, and a rental rate of 40 percent (with few vacant units), and the State of Oregon has an owner-occupied rate of 62 percent and a rental rate of 38 percent.
- **Florence’s population has slightly higher educational levels than the State of Oregon.** Eight percent of Florence residents have no high school degree, versus 10 percent for all of Oregon. Thirty-nine percent of Florence’s population versus 35 percent of Oregon’s have some college experience but no degree. About 23 percent of Florence residents have a bachelor’s degree or higher, versus over 19 percent for the State of Oregon.
- While Florence’s population is fairly homogeneous at 95 percent white, only five percent of the population identifies as Hispanic versus 13 percent of all Oregon residents.

Lifestyle Segments

The demographics and analytics firm ESRI has created a number of psychographic profiles, or “tapestries,” which are used to better understand a place’s population. These tapestries combine demographic information with consumer purchasing and other proprietary data sources to present a fuller picture of the attitudes, interests, opinions, and lifestyles of a community. Commercial retail developers, in particular, are interested in understanding a community’s lifestyle segment, as this is an indication of the residents’ propensity to spend across select retail categories. Residential developers are also interested in understanding this profile as it tends to suggest preferences for certain housing products. Florence’s five tapestries, that together represent 100 percent of the city’s population, are highlighted in the following table.

Table 1 - Florence's ESRI Tapestries (2015)

Rank	Tapestry Segment	Percent of Florence Households	Percent of US Households
1	The Elders (9C)	35%	0.7%
2	Old and Newcomers (8F)	26%	2.3%
3	Retirement Communities (9E)	17%	1.2%
4	Senior Escapes (9D)	14%	0.9%
5	Silver and Gold (9A)	9%	0.8%

Source: ESRI

The following ESRI descriptions explain in brief detail characteristics that define each of Newberg's top five tapestries.



The Elders (35 percent) – The oldest tapestry segment. This group enjoys living in warmer climates or seasonal towns that are designed for senior living. They live in a variety of housing types, including townhomes and high-density apartment buildings.



Old and Newcomers (26 percent) - Primarily single-person households, with some couples. Average household size is small at 2.11 people. These households are on a budget and usually trying to launch a career or are retired. They care about the environment and are price aware. They are more likely to be renters, and age isn't always apparent from their choices.



Retirement Communities (17 percent) – This group lives in small single-family homes, independent care units, or assisted living facilities. Most lease their homes, and average wealth is less than the national average. They are fiscally frugal but enjoy dining out and getting out into the greater community.



Senior Escapes (14 percent) – This group has moved into their seasonal getaways that they acquired earlier in life. They enjoy boating, fishing, and golfing. The majority own their homes and tend to draw their income from social security.



Silver and Gold (9 percent) – The most affluent senior segment of the population. This group has retired to where they want to be and live an active, outdoors focused, lifestyle. They are well educated and live primarily in single-family homes.

FURA District Demographics

The Florence Urban Renewal District occupies 341 acres of land and encompasses all of Florence's Old Town. Within the district are multiple land use zones that allow for a variety of uses and development types. There is everything from single-family homes and large multiunit condominiums to two-story mixed-use developments and retail neighborhood centers. The table below compares the demographics of the population inside the district with the entire city of Florence.

Figure 4 - Florence's Urban Renewal District

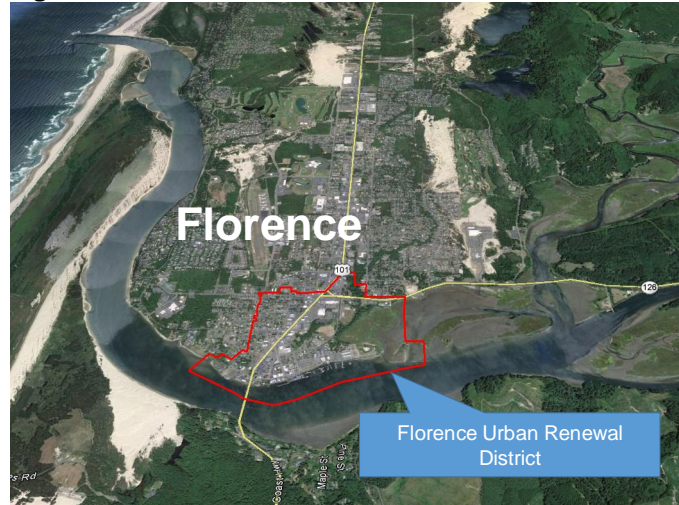


Table 2 – Florence Urban Renewal District vs. Citywide Demographics (2015)

	Florence Urban Renewal District	Entire City of Florence*	Comparison
2015 Population	706	8,620	The FURA area accounts for eight percent of Florence's population
2015 Average Household Size	1.9	1.9	Households are generally of similar size
2015 Housing Units	495	5,364	Nine percent of households are located in the FURA area
Renter-Occupied Housing Units	42%	34%	The FURA area has a higher portion of renters than the rest of the city
One or Two-Person Households	81%	81%	Households are similarly small across the city
2015 Median Age	53	57	The median age in the FURA area is slightly younger than the rest of the city
<i>*Not including Heceta Beach</i>			

Source: ESRI, Leland Consulting Group

Major Demographic Takeaways

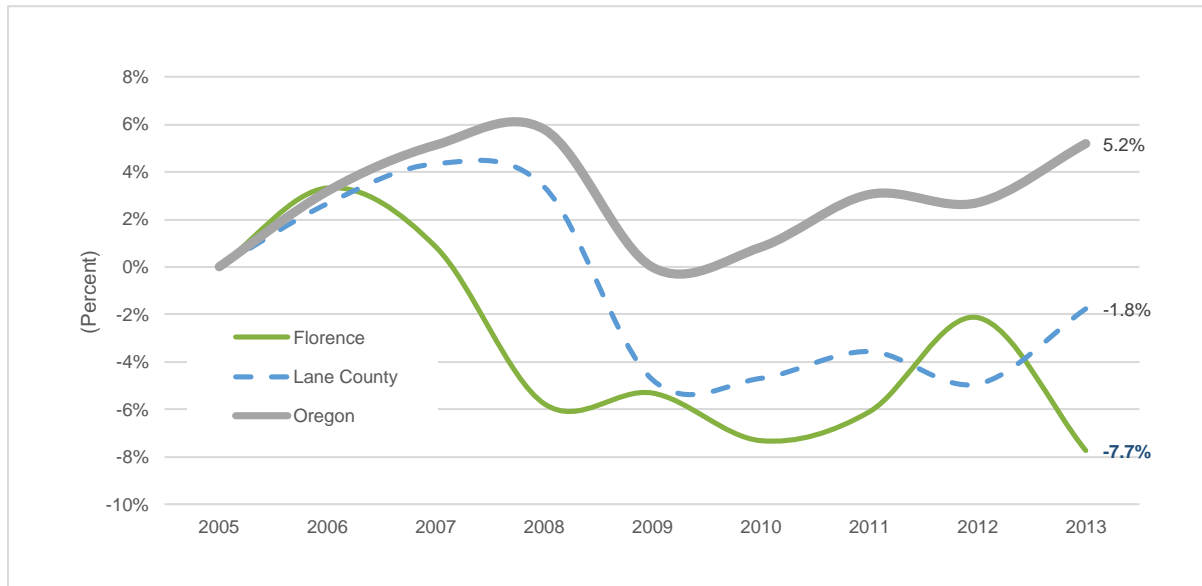
- **Florence is a growing community** and can expect to absorb many newcomers in the next decade.
- **Florence has a large senior population**, a group that is more active than past generations and is interested in an urban and dynamic lifestyle.
- **The majority of Florence residents live in one or two-person households.** This trend will lead to demand for smaller housing units.

Area Economic Analysis

Florence is the largest coastal city in Lane County and the closest point on the coast from Oregon’s second largest city, Eugene. It is also the largest city on the Oregon coast in the 85-mile north and south stretch between Coos Bay to the south and Newport to the north. Given this regional significance, Florence is the hub for shopping and services for this large swath of coastal area. Florence has major grocery stores, a regional hospital, and the largest employment concentration in the surrounding area.

The recent economic recession hit Florence harder than many communities in Oregon. Job growth has declined in recent years and the number of full-time jobs has not recovered to pre-recession levels. The chart below illustrates employment growth patterns of Florence, Lane County, and the State of Oregon.

Figure 5 - Employment Growth Comparison (2005 to 2013)



Source: US Census Bureau Longitudinal Employer-Household Dynamics

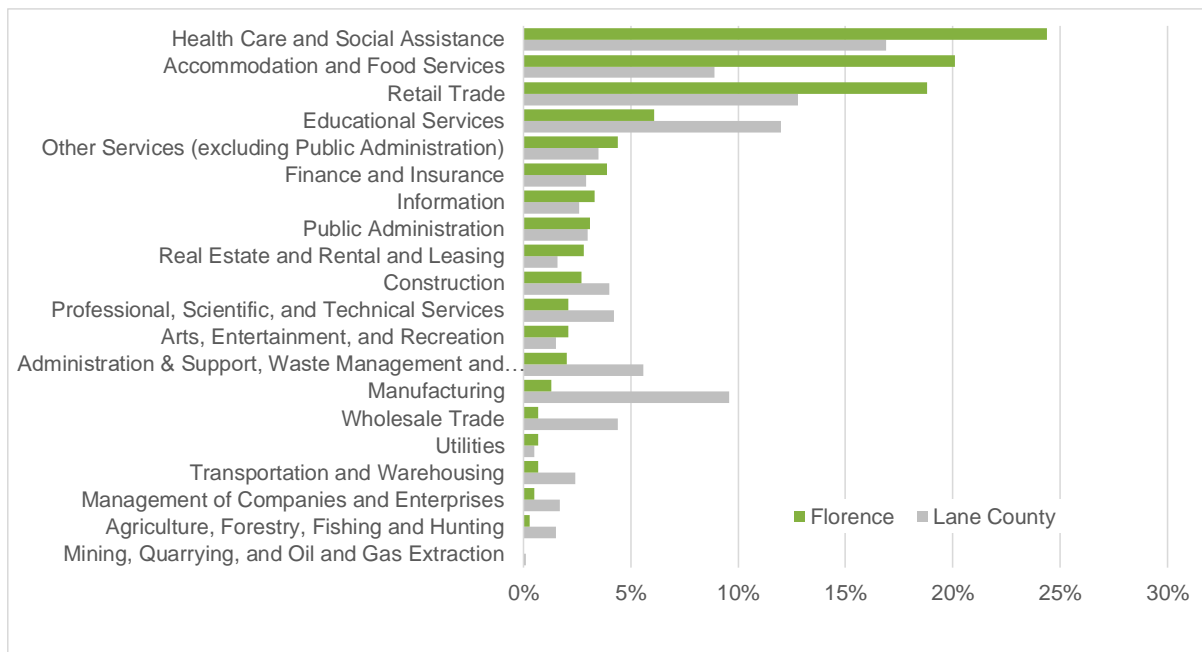
As of 2013, the city of Florence has over 2,600 full-time workers. The two largest employers in the Florence area are the Three Rivers Casino Resort⁵ and Peace Harbor Medical Center. Other major employers include, Fred Meyer, Oregon Pacific Bank, R&R King Logging Inc., Regency Florence, and the Siuslaw School District.

The chart below shows the concentrations of workers by industry for the city of Florence compared to Lane County⁶.

⁵ The Three Rivers Casino Resort is technically outside of the Florence city limits.

⁶ As mentioned in the previous comment, the chart on the following page does not include the Three Rivers Casino Resort because it is outside the city limits.

Figure 6 - Percent Employment by Industry, Florence and Lane County (2013)



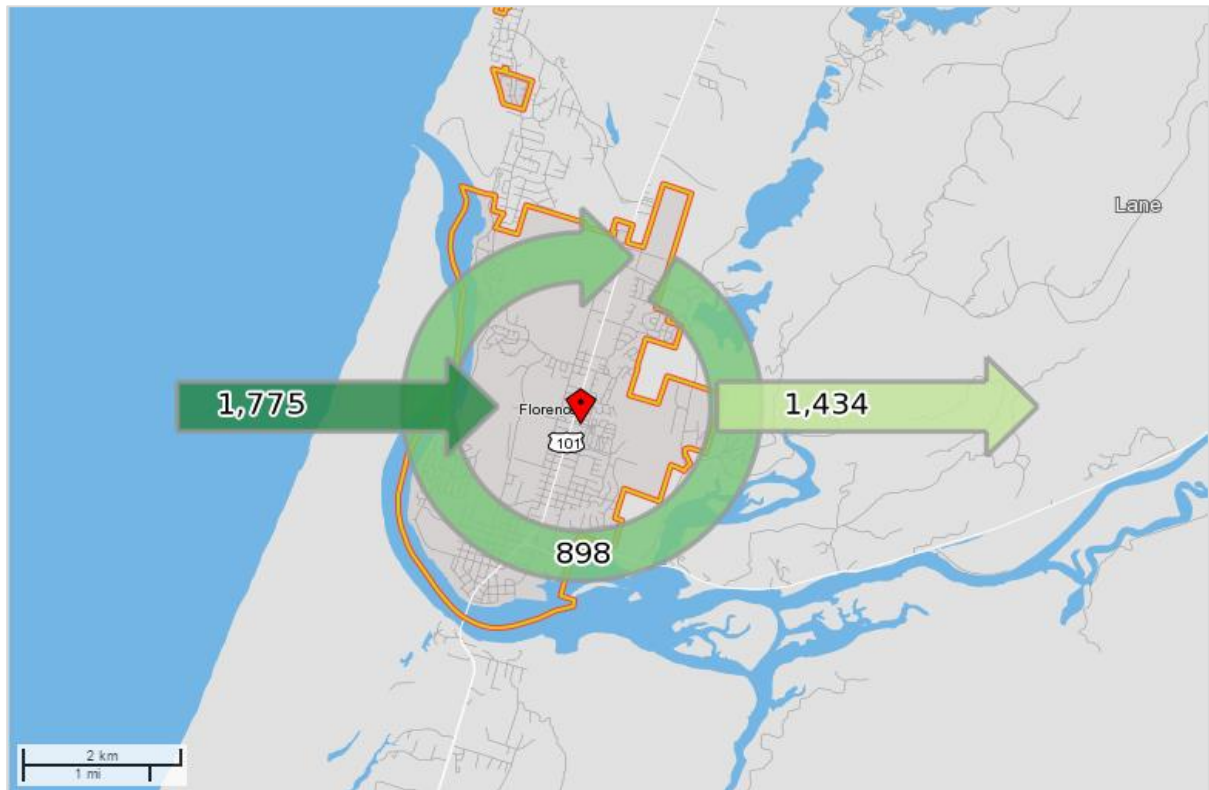
Source: US Census Bureau

The top three employment categories for Florence are health care and social assistance, accommodation and food services, and retail trade. These three categories make up over 63 percent of all full-time jobs in Florence. Adding in the Three Rivers Casino Resort, the data shows a very high concentration of service occupations, especially positions that cater to Florence’s older population.

As we saw earlier, job growth has been anemic in Florence in recent years. Accounting for Florence’s predicted steady and robust population growth over the next 20 years, along with an aging population, one can assume that service sector employment will grow at a similar pace.

Florence has a fairly even split between residents that work out of the city limits and workers who commute into Florence for work. Approximately 1,800 workers commute into Florence for work each day, while another 900 live and work in Florence. Approximately 1,400 workers commute out of Florence for work. The following chart outlines this data.

Figure 7 - Florence Resident and Commuter Patterns (2013)



Source: US Census Bureau

This commuting pattern is typical of a city Florence's size. It shows a possible opportunity for housing for the workers that commute in every day, and conversely a potential employment opportunity for workers that leave Florence for work elsewhere.

Major Economic Conditions Takeaways

- Florence's economy is based on the **service and retail sectors**.
- **Florence has struggled with job creation** in recent years.
- Florence will likely see **service sector job growth** in the future due to the need to provide services to its growing residential population.

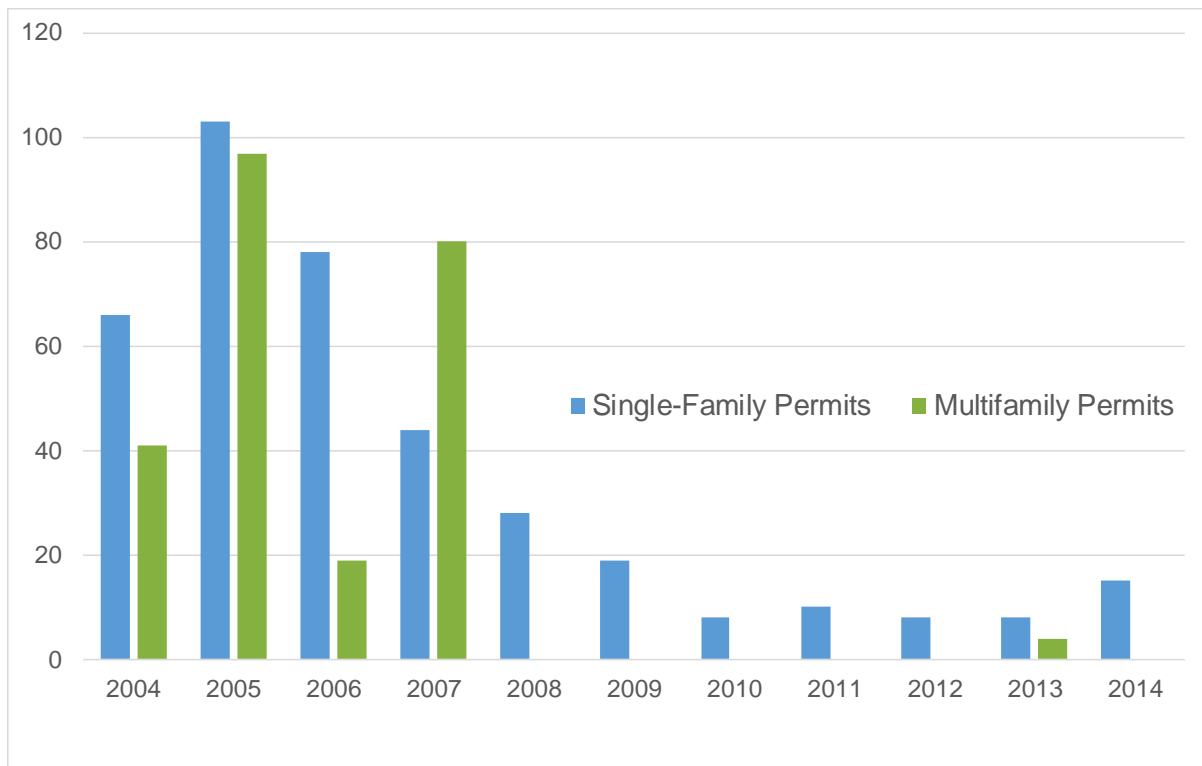
Market Conditions

Florence’s Residential Market

As of the last official census count in 2010, Florence had 5,103 housing units, a 20 percent increase from the 4,254 housing units Florence had during the 2000 census⁷. More recent census estimates see Florence’s housing stock continuing to grow but at a slower pace. Approximately 23 percent of Florence’s housing stock are multifamily units, another 24 percent are mobile homes, or recreational vehicles, leaving around 53 percent of housing units as detached single-family homes⁸.

The drop in home construction in Florence after the recent recession is illustrated in the following chart. Fewer than 20 single-family home permits per year were issued in the past few years, and only four multifamily unit permits have been issued since 2007.

Figure 8 - Florence Housing Permits Issued (2004-2014)



Source: SOCDS, HUD permit database

The single-family home construction activity that is taking place in Florence is primarily focused in the Sandpines area north of Old Town. Sandpines is comprised of two subdivisions, east and west, that are constructed adjacent to a golf course. There are currently a number of development-ready home sites at Sandpines.

As is the case with tourist-attracting coastal towns, the occupancy rate of housing units is lower than non-coastal cities. Only 80 percent of housing units in Florence are occupied, versus 94 percent for Lane County overall⁹. The low occupancy rate should not be confused as an indicator that there is plentiful housing supply however. The occupancy rate is low due to many second homes, or homes that are used

⁷ US Census.

⁸ US Census, 2009-2013 American Community Survey (ACS).

⁹ Ibid, reference #4.

as seasonal rentals (or both). These homes are not available to full-time residents, and therefore they can even put pressure on the housing market, especially when the economy is expanding.

Single-family home prices in Florence have not recovered to pre-recession levels, although they're starting to creep back up. Median home sold price in Florence has fluctuated in the \$150,000 to \$200,000 range over the past two years. This is down from median home prices as high as \$230,000 in 2006 and 2007¹⁰.

The rental market in Florence is quite tight right now. There have been few new apartment complexes constructed in the past 20 years. The Northwood Apartments, a 20-unit income-restricted apartment complex built in 2008, was the last multifamily development delivered to the market. Through our stakeholder interviews we heard that there are waiting lists for apartment rentals in the Old Town area. With average asking rents of approximately \$1.27 per square foot per month, the market is at a tipping point where new construction should be feasible. Typically, in today's market, wood-frame, surface-parked garden apartments are feasible when rents are above \$1.20 per square foot per month.

Table 3 - Florence Multifamily Snapshot

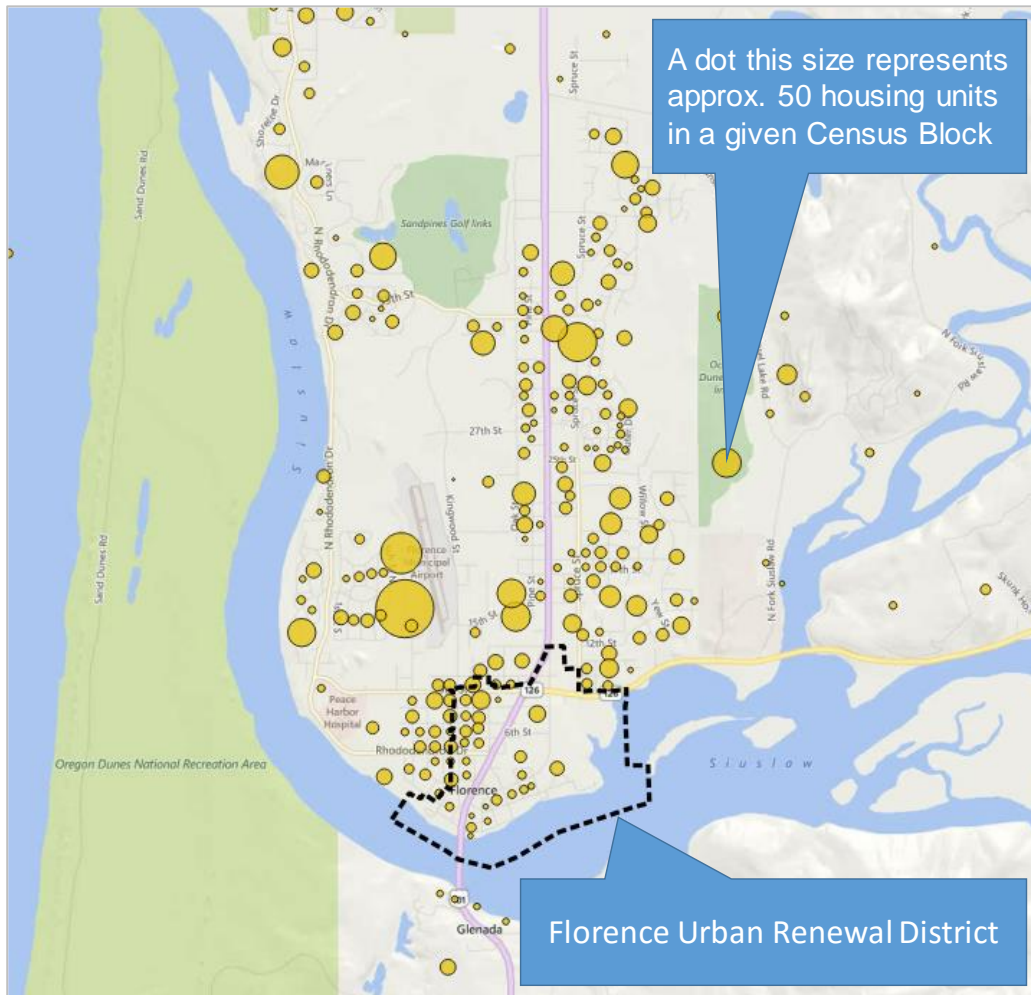
Florence Multifamily Inventory Data	
Percent of Total Multifamily Units that are Income Restricted	33%
Average Year Built	1991
Current Vacancy	6%*
Average Asking Rent/SF/Mo (All Units, 2015)	\$1.27*
Average Asking Rent (Monthly, 2015)	\$913*
<i>*These numbers are only from a sample of all multifamily units and therefore are provided only as snapshots</i>	

Source: CoStar Property Analytics

The condominium market in Florence has ebbed in recent years. There were a few condominium deliveries to market before the recent recession and one that was delivered during the downturn. Although condominiums are a favorable residential use for downtowns, market fundamentals (pricing, lending criteria) are currently favoring apartment construction. Over the long term, however, these conditions might change and the market could again favor condominiums.

¹⁰ Zillow Research data.

Figure 9 - Florence Comparative Residential Population by Block Group (2013)



Source: US Census

The map above illustrates the relative census block population of Florence. Larger circles indicate higher populations in that census block, and smaller circles vice-versa.

The map shows that the population of Florence is concentrated primarily in a north and south axis along Highway 101. Single-family home development is slowly increasing to the north of town.

Major Residential Market Takeaways

- **Home construction has been slow to pick back up** since the recent recession.
- There have been **very few market rate apartment deliveries** in the past 10 years, despite rents that could support new development.

Florence's Commercial Real Estate Market

Retail

CoStar Group, a real estate information and analytics company, reports that Florence has 1,152,440 square feet of retail space in 214 buildings. This is fairly typical for a community the size of Florence. Cottage Grove, a similar sized Lane County city, has 1,202,146 square feet of retail space in 164 buildings¹¹.

The local retail market has a vacancy rate of 4.5 percent as of late 2015, which is lower than the five-year average rate of 5.1 percent. A vacancy rate below five percent generally represents a tight market, where new tenants are likely to find it challenging to find suitable space available in prime locations. Rents vary by property type, condition, and configuration. Brokers are listing in-line retail spaces along Highway 101 with credit-tenant anchors around \$12 per square foot per year on a triple net basis¹². There appear to have been few deliveries to the market since before the recession. The average building age is over 50 years. Retail rents typically need to be around \$20 per square foot per year in order to make new construction feasible. However, given the age of existing inventory and the fact that many retailers will pay a premium for a good location or new construction, it is still possible that new retail construction is feasible for the right tenant in the right location.

Figure 10 - Comparative Retail Employment by Block Group (2013)



Source: US Census Bureau, Leland Consulting Group

Office and Employment

Florence's office and industrial sectors are comparatively small. As outlined in the Area Economic Analysis section, there are few workers in these sectors. The office sector is locally focused, with little demand for larger office spaces and certainly not speculative office construction. Typical office users are insurance agents, property managers, banking and finance workers, and attorneys. Gleaned from a few

¹¹ CoStar Property Analytics.

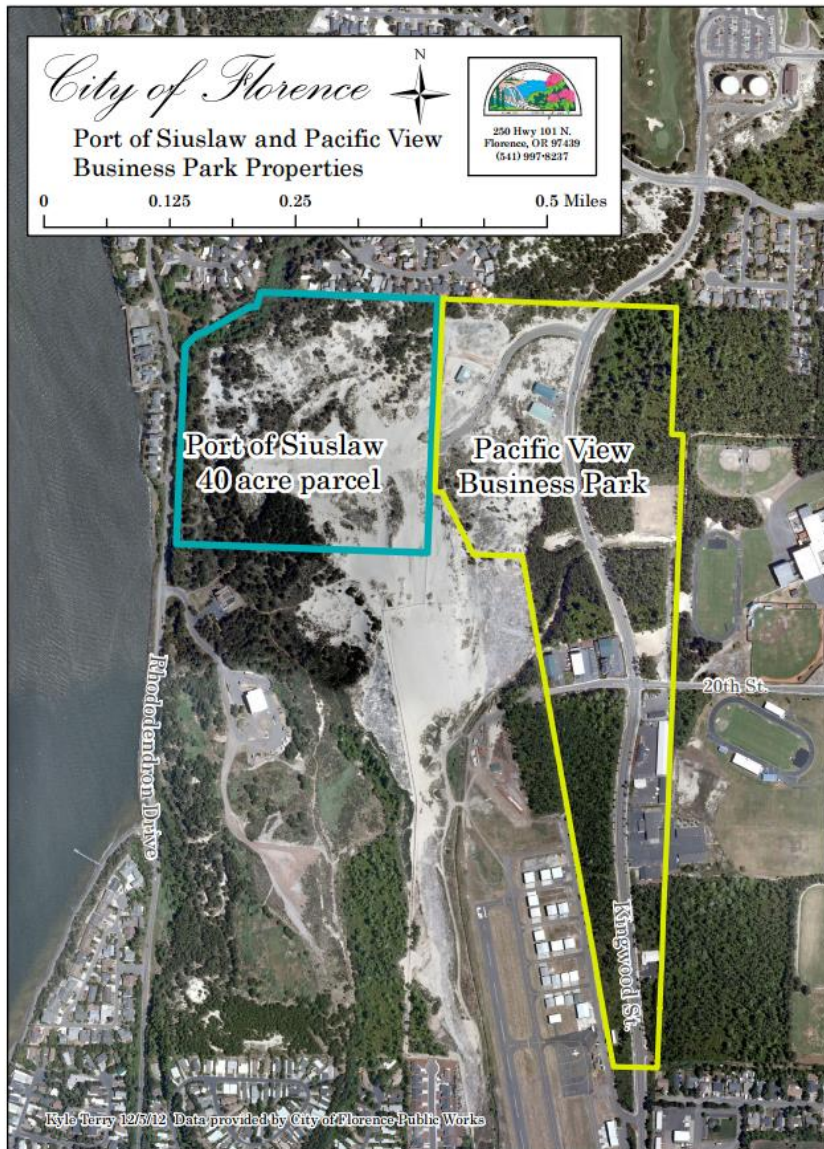
¹² Triple net leases, or NNN leases, are commercial real estate leases where the tenant is responsible for all of the property's expenses such as property taxes, utilities, and building maintenance, with the exception of structural maintenance and tenant management fees. NNN leases are typical for retail and industrial properties.

listings online and through stakeholder interviews, it appears that office rents are similar, if not slightly lower than retail rents.

Similarly, the industrial sector in Florence is small. Like many cities in the Western United States, Florence was established as a base for resource extraction, in this case timber and fish. As the economy in the late 20th century and early 21st century evolved, these industries have been shrinking. Florence still has one sizable timber company¹³, but no longer has a commercial fishing industry.

The City of Florence has been aware of this gap in the office and industrial sectors and has worked hard to encourage more business development. The City maintains a 53-lot business park, Pacific View Business Park, located adjacent to the Florence Airport. This park has seen limited success. Twenty-three lots have been sold and two have been leased. Of the sold lots, a number of them remain vacant and undeveloped. The Port of Siuslaw also owns a 40-acre industrial property in this area that is development-ready, with all of the necessary infrastructure in place for new construction. As of yet, the Port has not been able to attract a buyer for the property.

Figure 11 - Florence Industrial Parks



¹³ See Figure 6 in Economic Analysis Section. R & R King Logging Inc.

Source: City of Florence

Major Commercial Real Estate Market Takeaways

- **Retail rents in Florence are modest**, but there is little available space.
- There have been **few retail properties delivered** to the market in recent years.
- With anticipated population growth and low retail vacancy, demand for additional retail is likely.
- The **office sector is small** and locally focused.
- The **industrial sector has shrunk and continues to be a small part of the local economy**.

Market Analysis Conclusion

Florence is a unique community in Oregon. The city of around 10,000 residents has a majority senior population, with 57 percent of the population over the age of 55. The vast majority of Florence residents, to the tune of 81 percent, live in one or two-person households, and the community is growing at a rate similar to the rest of Lane County. Florence's population growth is primarily attributed to residents moving to Florence.

The residential market in Florence took a big hit during the recent recession and has not fully recovered. Building starts are down to a minimum and there hasn't been a new market rate apartment complex constructed in over a decade. As one would assume, this all translates to a tight housing market.

The commercial real estate market has been lukewarm in recent years, most likely attributable to the recovering economy and the seasonal nature of much of Florence's economy. Florence has struggled to attract larger employers to its business park, and the Port of Siuslaw's 40-acre shovel-ready industrial site has not found a buyer.

While much of the data presented here may, on the surface, seem to be pessimistic about the Florence market, the reader should not jump to this conclusion.

Florence is fortunate to have a number of assets that make it an attractive place for development, investment, and future economic growth. Foremost of these assets are Florence's outdoor amenities such as the dunes, the river, the coast, the lakes, and the Old Town area. Few other cities in the State of Oregon have so many natural attractions within a quick drive from town than Florence. Furthermore, Old Town Florence is one of the most charming villages anywhere on the Oregon Coast. Properly marketed, these assets will continue to draw visitors and new residents in the foreseeable future.

Florence's demographics will also attract new investment. Florence's concentration of seniors means that businesses that cater to older populations, such as, health care, restaurants, outdoor recreation, and other services, have the critical mass of population that they need for their businesses to thrive. Additionally, this age cohort is continuing to grow in Florence, further adding to economic demand.

Therefore, there are several specific opportunities for new investment in the Florence Urban Renewal District over the short and medium term:

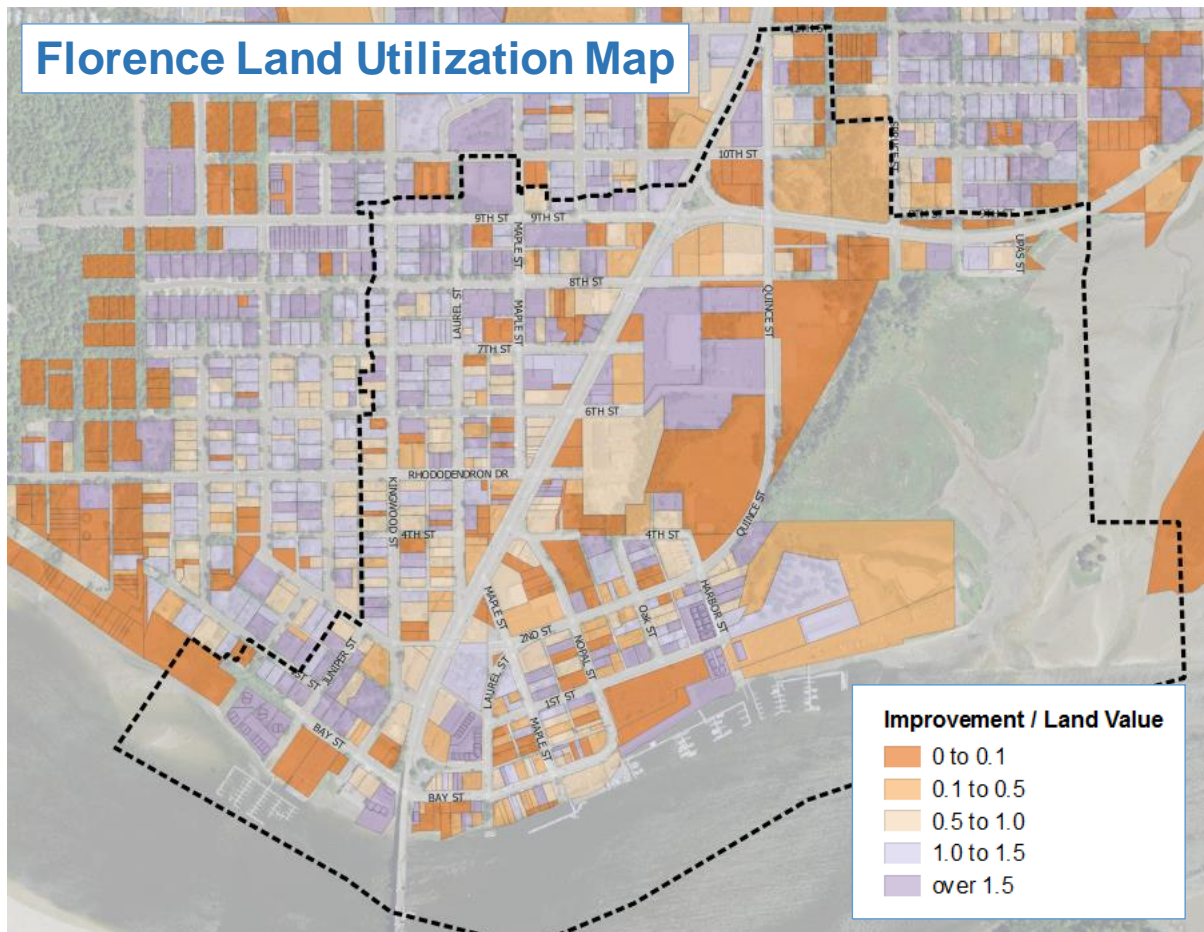
- Multifamily housing to serve Florence's ever-growing retiree population as well as to provide affordable housing options to retain and attract a younger workforce. Housing could take many forms, ranging from single-family attached townhouses to senior housing, apartments, and condominiums.
- Retail and services, both in Old Town and along US 101, to meet the needs of a growing population.
- Open space and streetscape amenities to create a stronger sense of place that extends Old Town's character up onto US 101.

Opportunity Areas

With the general economy improving, it is timely to consider and plan where future growth and development will and should take place in the Florence area. The map below illustrates the ratio between improved values and land values. This ratio is commonly used to understand which properties in a given area likely have buildings that are dilapidated or underutilized; that would be those properties with land values that are close to or higher than improved value. In the map below, the darker orange the tax parcel, the closer the land value is to the improved value. Dark orange areas of this map therefore are more likely to be opportunity sites for redevelopment. Conversely, the purple tax parcels are those where improved values are considerably higher than land values. These properties are, most likely, newer or well cared for, and are already contributing significantly to the tax base.

As the map illustrates, many of the residential properties in and around Old Town have high improved values, and therefore are more likely to be stable, or cash-flow producing properties. In contrast, there are many vacant or underutilized parcels at both ends of Bay Street and along Highway 101 and 126.

Figure 12 - Improved Value to Land Value Map



Source: City of Florence GIS data, Leland Consulting Group

Stakeholder Interviews Summary

As part of the Discovery phase of this project, Leland Consulting Group interviewed numerous community leaders, business owners, citizens, elected officials, developers, and other active Florence residents in order to better understand what is happening in Florence today.

Interviewees were each interviewed privately and assured confidentiality so as to enable candid and accurate responses to questions. For that reason, no quotes or data presented here are attributed to a single individual. Furthermore, given these candid responses, the reader should understand that these quotes may not represent a consensus of opinion of the Florence community and that many of these quotes are at odds with each other.

Below is a word cloud taken from all of our stakeholder interview notes. Word clouds emphasize the frequency of specific words in a document. With a quick glance, the word cloud enables one to visually see the dominant topics during the stakeholder conversations.

Figure 13 - Florence Stakeholder Interviews Word Cloud



Source: Leland Consulting Group, wordle.net

Stakeholder Interview Themes

During our conversations with Florence stakeholders, a few consistent themes emerged. Below we have organized a few of the most poignant quotes from Florence stakeholders into theme categories. The quotes are paraphrased and are not necessarily representative of the views of the City of Florence or Leland Consulting Group.

Economic and Market Conditions

The following quotes represent stakeholders' views on the economy of Florence.

- The economy is not very diverse. Was resource based (timber, fishing), now tourism based.

- Florence is a seasonal town. Winter is tough on businesses, although most stay open throughout the winter season.
- Florence is predominantly a retirement community.
- There is almost no workforce in Florence.
- Service workers can't afford to live in Florence.
- There is high unemployment in younger generations.
- We need more industry in Florence.
- Industrial area that City created has struggled, few tenants.
- Schools are need of improvement.
- Seniors are a great asset in Florence. They have a lot of experience. Can they be better leveraged?
- Florence needs to incentivize more businesses to come to town.
- When the Icehouse broke on the waterfront, it killed the fishing industry.
- Lane County is not pro-development.
- What can we do to raise employment during the winter?
- Zoning is nit-picky in Florence.
- Most Florence contractors are wrapped up in projects in Yachats and other cities to the north.

Florence Tourism and Marketing

Florence is a coastal community that has always seen seasonal visitors. In our interviews, many stakeholders saw an opportunity to grow this tourism economy. They were concerned that the community was only catching a portion of the possible visitors and that too many would-be Florence tourists just zipped by on Highway 101 without realizing all of the great places there are in Florence to visit. Below are a few paraphrased quotes:

- Florence has a lack of festivals/activities/events to draw in visitors.
- The Chamber of Commerce only has one staff member and therefore is limited in its promotional activities.
- The Chamber does not have a lot of funding; most of their funds go to the event center.
- Can the room tax (TOT) be raised?
- The Casino is a mixed blessing. They bring in a lot of visitors, but how much overlap is there between the Casino and other Florence attractions?
- Florence needs to better market itself generally and more specifically to the Portland market.
- Most popular festival is the Florence Rhododendron Festival (104th year).
- Marketing typically goes to local paper and radio. We should target more outsiders.
- No one knows about the Florence brand. Florence has a lot to offer: coast, river, lakes, dunes, fishing, etc.
- There's a lack of coordination between (promotional / marketing) organizations.
- Florence is just a stopover; we need to make it a destination.
- Sisters and Leavenworth are great examples for Florence.
- Florence needs to unify districts, the lines between them are too unclear.
- Old Town is too focused on restaurants.
- Sandboarding started in Florence. Sand Master Park is the epicenter of the sport.
- Need to advertise in Alaska Magazine.
- Florence needs to better attract the yachting crowd.
- Need more focus on the lakes around Florence. "Oregon's Coastal Lake District?"
- Florence sees a lot of bike packers.
- There's no playground in Old Town.
- There needs to be more focus on families.

Old Town and Port of Siuslaw Properties

The focus of this project is the Florence Urban Renewal District. This area encompasses all of the Old Town area, and the riverside Port of Siuslaw properties. The following comments pertain to these areas.

- Need to update the public restroom next to Mo's Restaurant.
- Don't develop the Port's property between their parking and the boardwalk. It is the only open space in that area and provides good views of the river.

- Conversely, develop the Port grass strip.
- There's no evening outdoor venue in town.
- Old Town struggles with traffic in the summer.
- Need boardwalk improvements.
- Vision of Old Town as a complete village with live, work, play.
- The Port campground and RV park are big amenities.
- The auto shop/gas station site could be a good spot for redevelopment (triangle property just south of Old Brown Hen Café).
- Don't impede current businesses.
- Could Quince be renamed Old Town Way and be the primary entry to Old Town from 126?
- Grassy site under the Dairy Queen and the bridge is a great redevelopment site.
- There have been a lot of plans for redevelopment without a lot of follow-through.
- Regulations in Old Town can be too restrictive to allow for development to pencil. *(There is some confusion surrounding the new regulations for development in Old Town and along Highway 101. Some feel that the City requires developers to overbuild and therefore, in the developer's eyes, most development isn't feasible.)*
- New businesses trigger new rules that are prohibitive to development.
- Former ball field site already has a development planned.
- Former school site across the street from the event center is a great redevelopment site.
- Fees went up substantially during mid-00s boom. Made development difficult to pencil.

Highway 101

Highway 101 is a hot topic in Florence. Every interviewee had an opinion about what can be done to improve the section of highway that runs through the heart of Florence.

- There is a need for much better signage on Highway 101, especially for entrances to Old Town.
- New crosswalks are great, but it's hard for pedestrians to know if the yellow flashers are on while they're crossing.
- The promotional banners that went up along the highway are a good step towards branding, but they're too small.
- Most of the buildings along Highway 101 need an update.
- We need to focus on character of the Highway 101 with gateway treatments/streetscape improvements.
- It's hard to drive across Highway 101. Most residents use the backroads in order to cross.
- Nopal Street and Maple Street are really difficult crossings.
- Traffic comes off the bridge (heading north) way too fast.
- Putting a bike lane on Highway 101 is fine, but no one parks on the highway.
- The Dairy Queen intersection is crazy and dangerous (Kingwood Street).
- Traffic flow is a major issue.

Parking

Similarly, to Highway 101, parking came up in every single interview that we conducted. While this is typical of almost all communities and parking is an easy target for frustration, it shouldn't be taken lightly. Even if the number of parking spaces in the community is adequate, the perception of the parking problem needs to be addressed.

- Parking is a major issue in Florence.
- Better parking management is needed in Florence.
- Parking at the Lotus parking lot is very popular.
- We need more boat trailer and RV parking.
- Need more spaces in Old Town.
- Employees parking in front of their stores is a big issue.
- Could there be angled parking on Laurel Street?

Online Survey Summary

In addition to the stakeholder interviews, the project team created an online survey in order to solicit project input from the wider Florence community.

The online survey was hosted on Survey Monkey from early to late November 2015. It was shared through emails blasts and City newsletters. During this time the survey received 128 responses. The survey asked some general demographic questions, but primarily focused on letting respondents rank their priorities, concerns, and preferences. Many questions also included an “other” option to write in a response.

Online Survey Responses

Most respondents live in Florence year round (89 percent) and are over the age of 55 (65 percent). They primarily get around Florence by car (88 percent) and prefer to use Kingwood Street (30 percent) and Quince Street (24 percent) to access Old Town.

As a whole, respondents communicated a fairly sophisticated understanding of the relationships between public spaces, housing affordability, employment and business development, and having a safe, healthy, accessible and attractive city. Respondents value the nature, amenities, and sense of community they can experience in Florence. Top priorities include improving the aesthetics of the city, especially along Highway 101, improving accessibility for bicycles and pedestrians, and comprehensive economic development. The respondents recognize two significant conflicting viewpoints when it comes to future development in Florence: 1) young families and retired people, and 2) visitors and residents.

When asked to rank the most pressing issues affecting transportation facilities in Florence, the top responses were trying to cross Highway 101 in a vehicle, trying to cross Highway 101 on foot or by bicycle, and dangerous intersections. Write-ins emphasize the lack of public transportation and the condition of roads and intersections.

Thinking about the greater Florence community, what are its greatest assets? (Bay Street and Old Town, the dunes, Beaches, the Siuslaw River, the lakes, the weather, other)

- The top three options were Bay Street and Old Town, the beaches, and the Siuslaw River. The dunes and lakes were slightly less popular.
- Three themes emerged from the option to write in an answer: nature, amenities, and community. Several people commented on the quality of the community and the friendly attitudes of the people who live in Florence. Many listed the medical facilities, event center and library as great assets. Finally, respondents commented on the proximity and beauty of nature and accessibility of recreation in nature.

What are some of Florence’s greatest challenges? (limited employment opportunities, housing affordability, traffic congestion, education, pedestrian and bicycle safety, crime, other)

- The top three options were limited employment opportunities, housing affordability, and education. Pedestrian and bicycle safety and crime were slightly less popular.
- Three themes emerged from the option to write in an answer: demographics, economy, and infrastructure. Many people identified the lack of public transportation as a challenge along with parking and the condition of the roads, especially Highway 101. Some people pointed out the lack of variety of businesses and the difficulty in attracting and keeping professional jobs. Finally, many respondents noted the conflict between the aging population and younger households in both politics and allocation of resources.
 - *“In a population skewed toward the elderly, making sure younger people have a voice and are included is a challenge.”*

Now, specifically thinking about the urban renewal area, what are the greatest assets? (mix of stores and restaurants, outdoor gathering spaces and parks, walking paths and trails, entertainment and cultural activities, historic buildings, views, other)

- The top three options were mix of stores and restaurants, outdoor gathering spaces and parks, and views. Entertainment and cultural activities and historic buildings were slightly less popular.
- Overall, people who wrote in an answer addressed the amenities as the area's greatest asset: the library, special events, the harbor and marina.

Again, thinking specifically about the urban renewal area, what are some of the greatest challenges? (not enough parking, difficult access, too much traffic, too fast traffic, not the right business mix, wayfinding, aesthetics, infrastructure conditions, building conditions, other)

- The top three options were not enough parking, infrastructure conditions, and building conditions. Only slightly less popular were aesthetics and difficult access.
- Write in responses were more varied here, but the top three themes were access, marketing, and homelessness. People want the area to be more accessible by bike and on foot and to have more handicapped parking. Respondents noted the lack of a cohesive brand and marketing strategy for the district and the prevalence of homeless people in the area.
 - A “bike and walking path separate from public roadway for access to Old Town, river or beach, so there is no threat of from vehicles to pedestrians” is a challenge.

What kinds of uses would you like to see more of the Old Town area (including along Highway 101)? (restaurants or cafes, retail shops, retail services, offices or workplaces, housing, other)

- The top three options were restaurants or cafes (62 percent), retail shops, and housing. Retail services and office or workplace were slightly less popular.
- Write-in responses for the “other” category focused heavily on community spaces and amenities such as art studios and galleries, parks/trails, a community center, and food that encourages mingling such as farmer’s markets and food carts. Respondents also suggested mixed uses that provide daily services for local people.
 - “More walking/biking areas, maybe some self-guided “tours” that people can bike or walk to see things. More reasons to go there and gather than just restaurants.”

What kinds of public amenities would you like to see more of in the Old Town area? (parks or open spaces, benches or other street furniture, playgrounds, an amphitheater, a public plaza or open gathering spot, nothing, other)

- The top three options were street furniture (61 percent), an amphitheater (49 percent), and a public plaza (43 percent). Open space and playgrounds were slightly less popular.
- Parking was a very popular write in along with public restrooms and improved open space.
 - “More walking trails – the river is beautiful yet no one can walk far along it!”

What types of housing is needed in Florence? Choose all that apply. (single-family homes, rental housing, low income rental housing, luxury homes or condos, senior housing, other)

- The most popular response to his question was rental housing (70 percent), followed by single-family homes (60 percent) and low income rental housing (48 percent).
- In the write-ins for the “other” category, respondents mention a variety of housing types including multifamily, short-term housing for homeless, family-sized houses, active living, and middle income homes with an emphasis on affordability for all ages and incomes.

- *“Modest affordable housing such as townhouses, affordable two story condo units, and young family areas.”*

Do you own a business in Florence?

The survey included a brief section for business owners, who comprised 21 percent of respondents. Given the options of Old Town, Highway 101 between the bridge and intersection of 126, Highway 101 north of the intersection with 126, and another area, respondents' businesses are fairly evenly split between locations. The most are located in “another area” (33 percent), then north of the Highway 101 and 126 intersection (29 percent), and finally Old Town (29 percent).

- When asked what would help their businesses flourish, the top three choices were improved signage or wayfinding, better marketing of Florence as a destination, and improvements to the appearance of streets, sidewalks, and public spaces.
 - Write-ins mention that Florence needs a population that can support local business.

Stakeholder Interviews and Survey Conclusion

The responses from the stakeholder interviews and the online survey were very similar. Florence has a number of opportunities and a few challenges. Foremost in the minds of Florence residents are the strength of the local economy, housing affordability, traffic on Highway 101, and parking in Old Town.

The community of Florence has many terrific natural assets: the dunes, the river, the lakes, the coast. Florence residents are proud of these outdoor amenities and see an opportunity to grow the tourism industry. But, despite actually great winter weather, tourism remains a seasonal industry that is primarily drawing regional visitors. Many are worried about the lack of a diverse economy. They want to see more jobs in Florence and are trying to bolster economic development. One of the major challenges in attracting talent appears to be the lack of affordable housing. Few homes have been built recently, and apartments, both market rate and income-restricted, have waiting lists.

Infrastructure is another issue that Florence residents see as hindering development. Traffic on Highway 101 is fast, and would-be visitors zoom through the community without realizing the charm and attractions in Old Town. Those that do stop, during the high season at least, are typically faced with a parking challenge. Those with boat trailers or RVs must vie for a few parking spots on the Port of Siuslaw's property or risk overflowing into neighboring residential and business streets (much to the chagrin of business owners).

Florence residents are overwhelmingly hopeful about the future of their community. Stakeholders and online survey respondents all expressed excitement about the leadership at the City of both staff and elected officials.