FLORENCE URBAN RENEWAL DISTRICT

MARKET ANALYSIS

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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:

Figure 1 - Florence in Relation to Portland and Eugene

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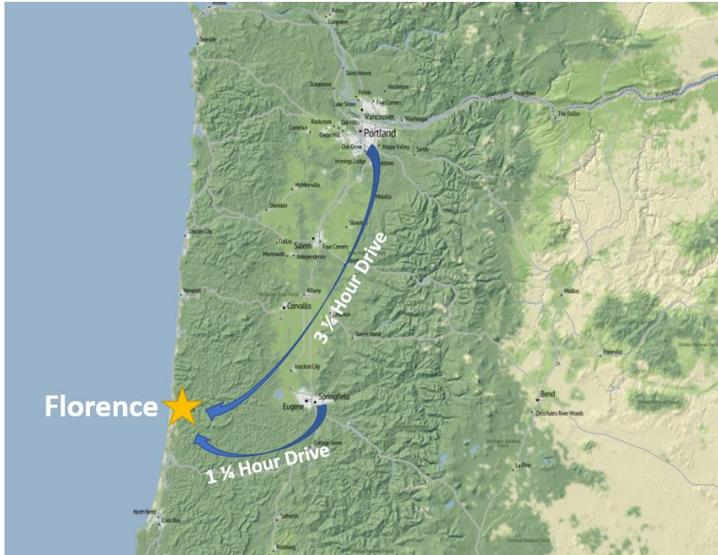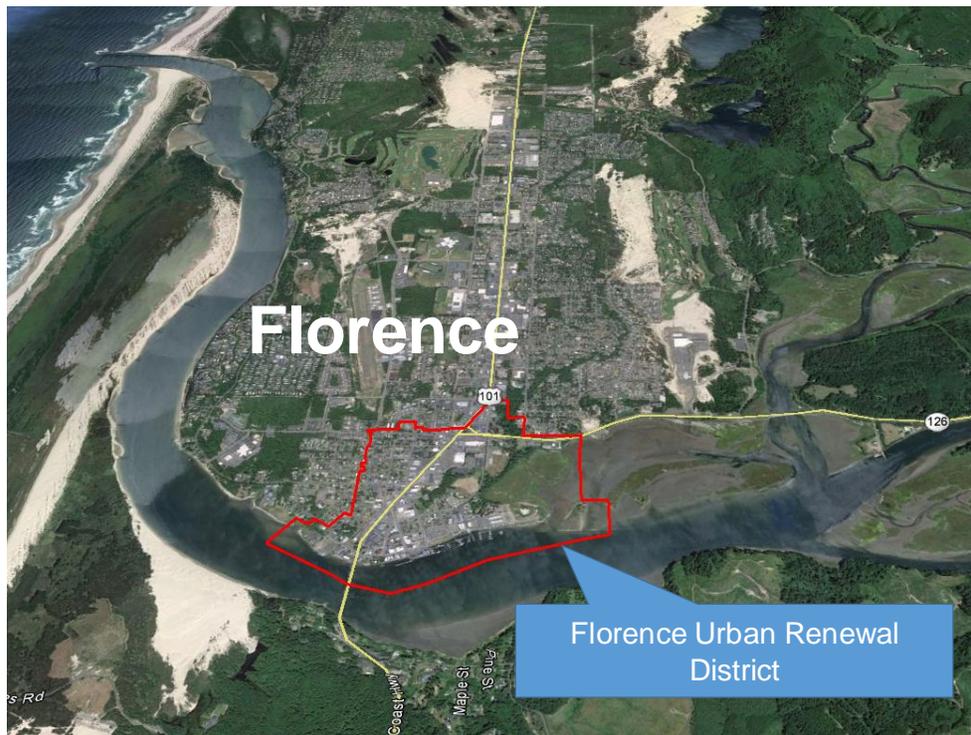- Near 9th Street and Highway 126 to the north

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.

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[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 residents[2]. 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 percent[3].

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)
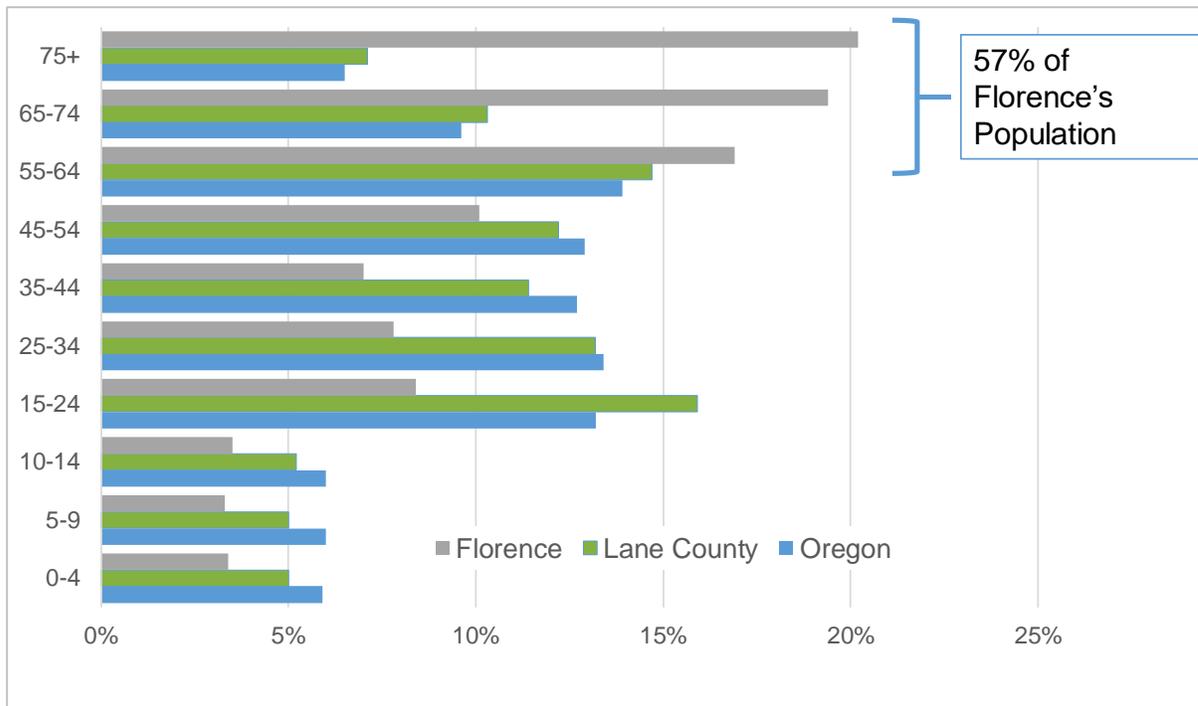
Source: ESRI, Leland Consulting Group

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].

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[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%

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

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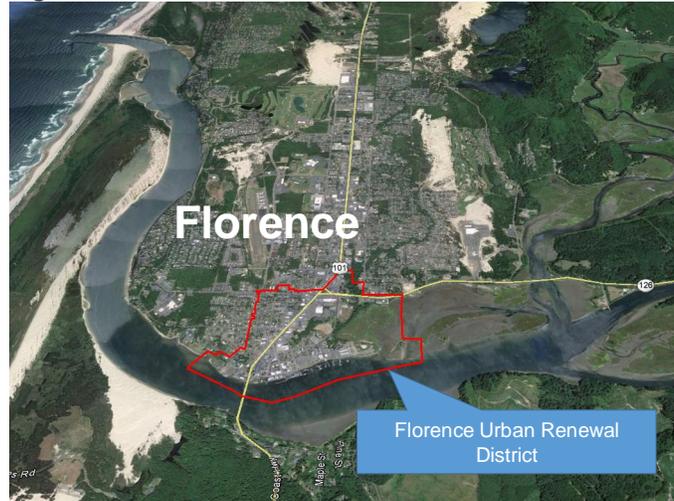
Table 2 – Florence Urban Renewal District vs. Citywide Demographics (2015)

	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
Not including Heceta Beach			

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)
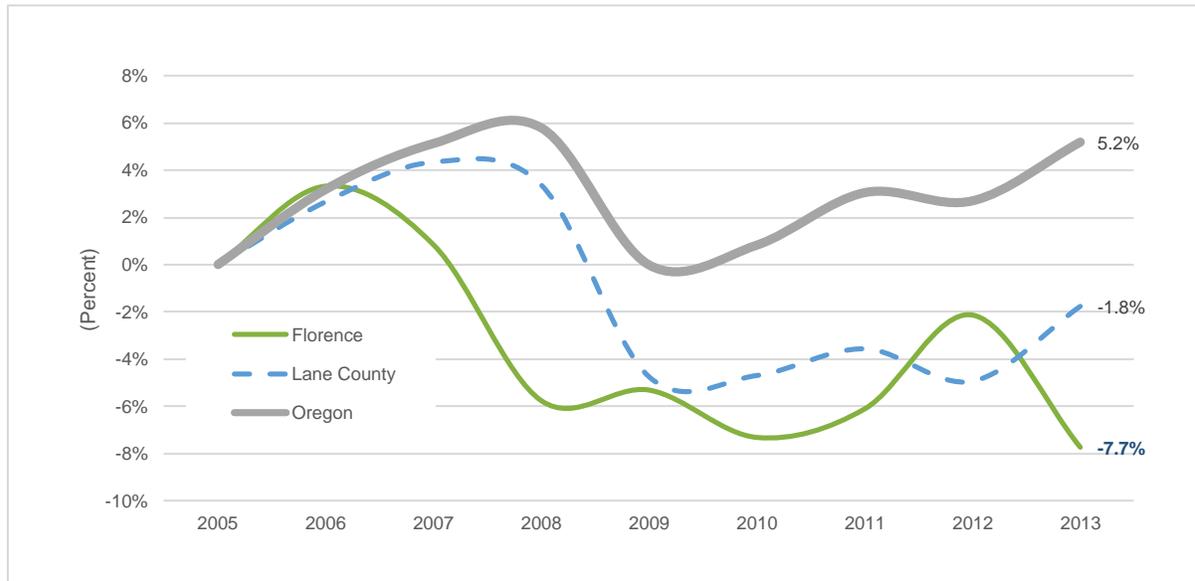
Source: US Census Bureau Longitudinal Employer-Household Dynamics

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 Resort[5] 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 County[6].

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[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)
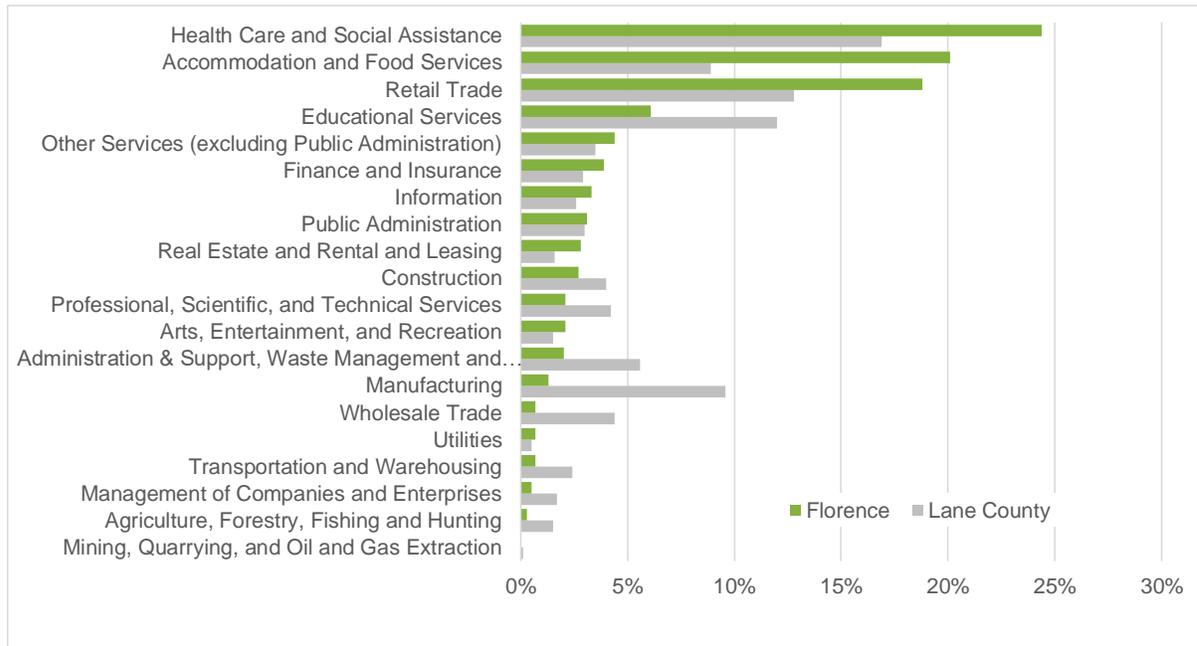
Source: US Census Bureau

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)
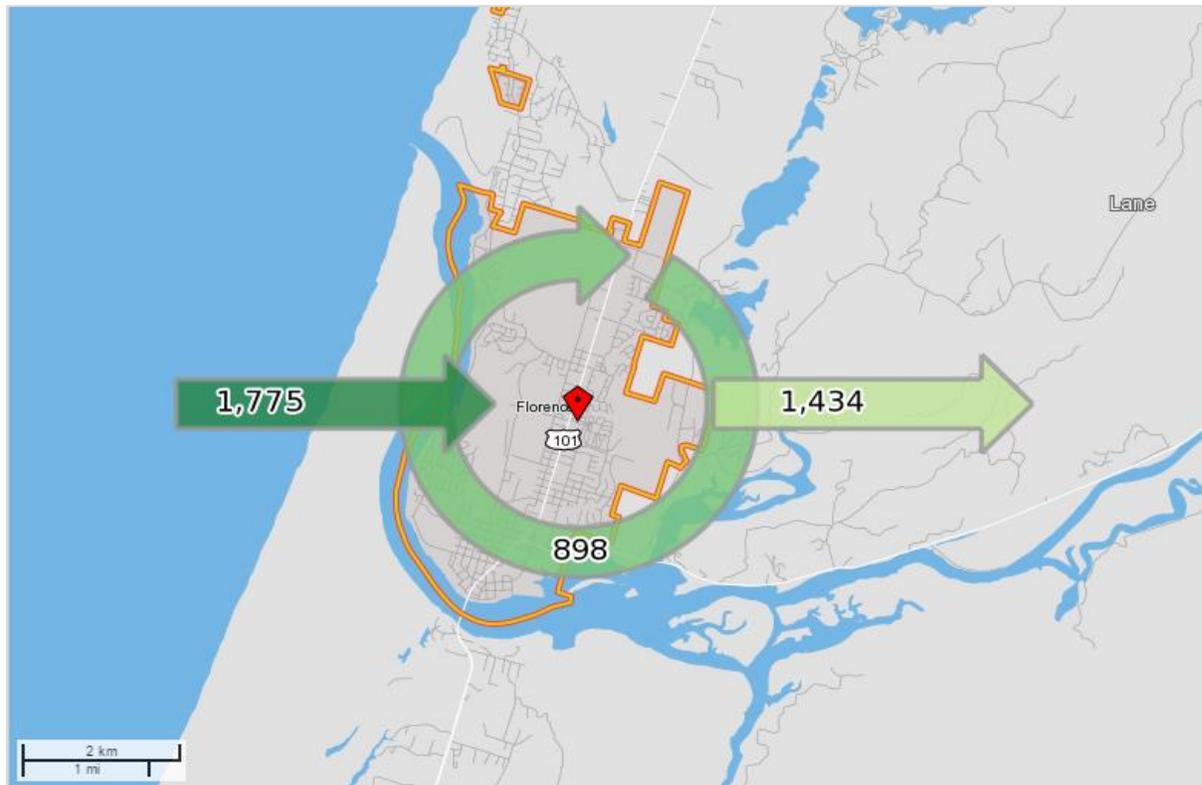
Source: US Census Bureau

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 census[7]. 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 homes[8].

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)
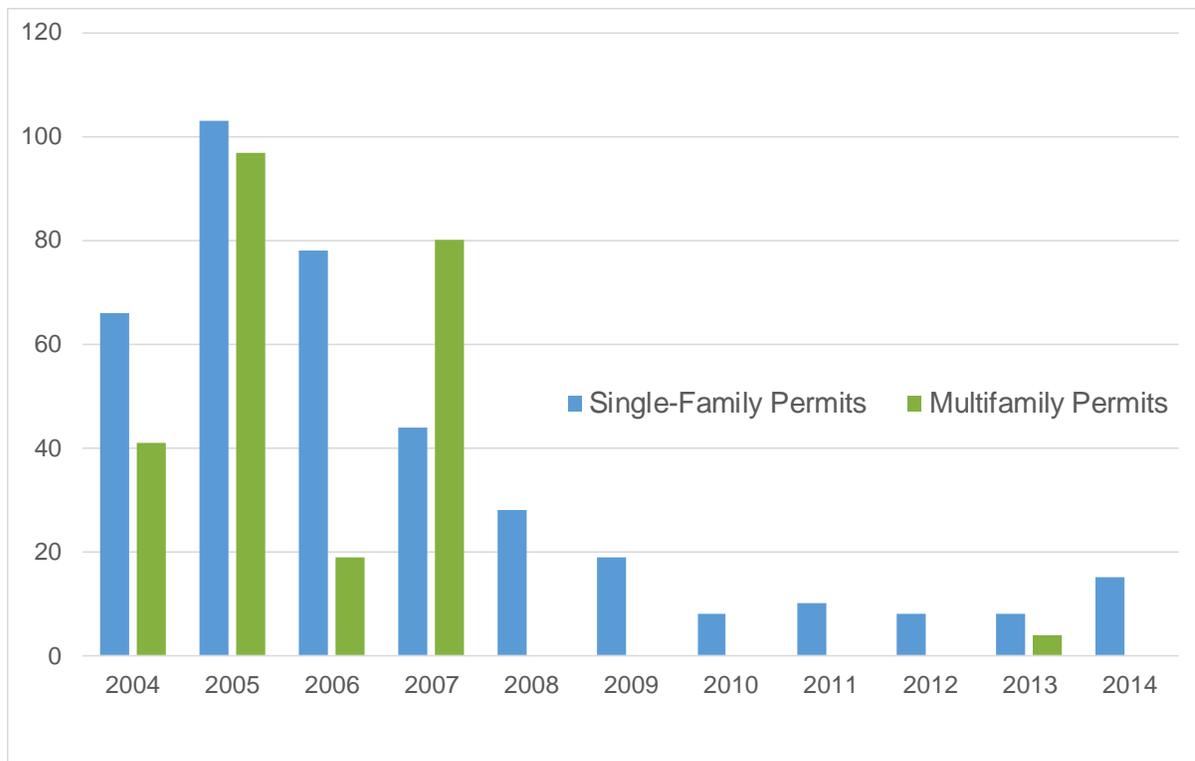
Source: SOCDS, HUD permit database

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 overall[9]. 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

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[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 2007[10].

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*
*These numbers are only from a sample of all multifamily units and therefore are provided only as snapshots	

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.

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[10] Zillow Research data.

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

A dot this size represents approx. 50 housing units in a given Census Block

Florence Urban Renewal District
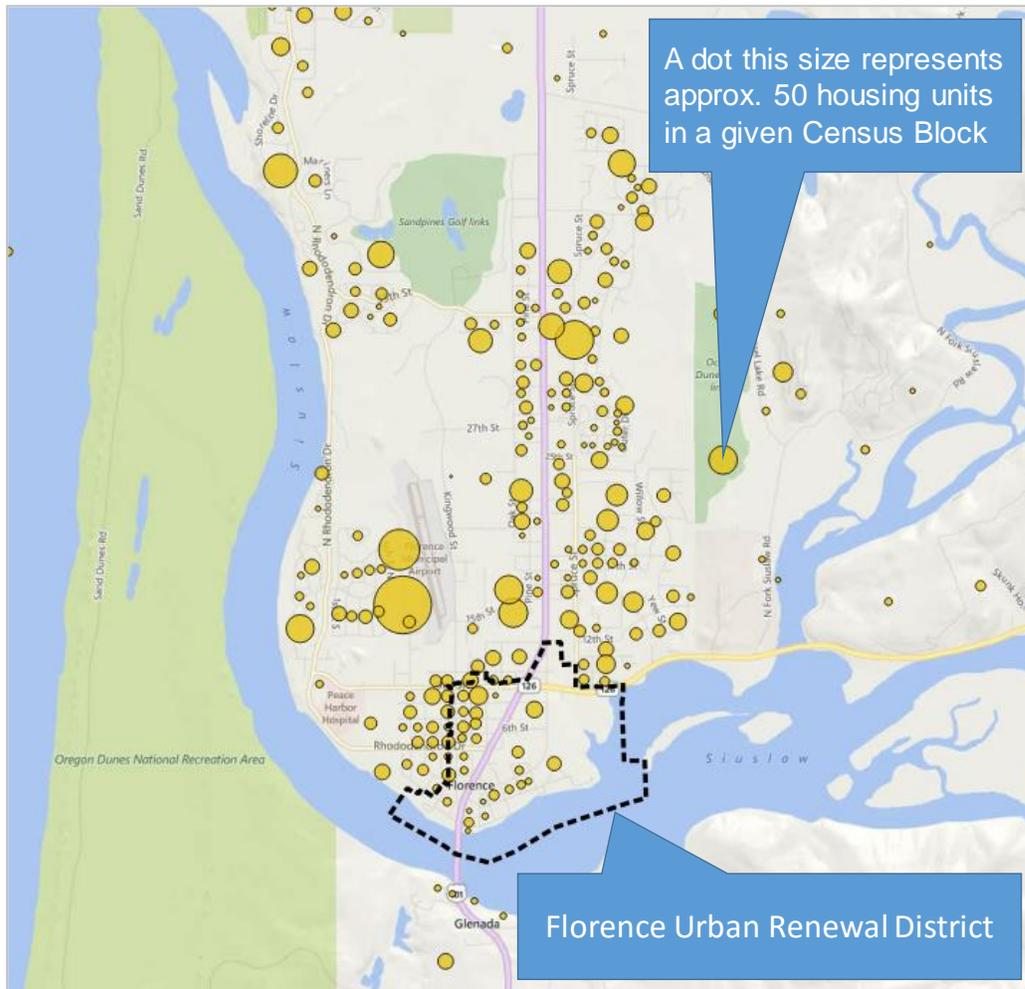
Source: US Census

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 buildings[11].

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 tripe net basis[12]. 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

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[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 company[13], 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

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

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
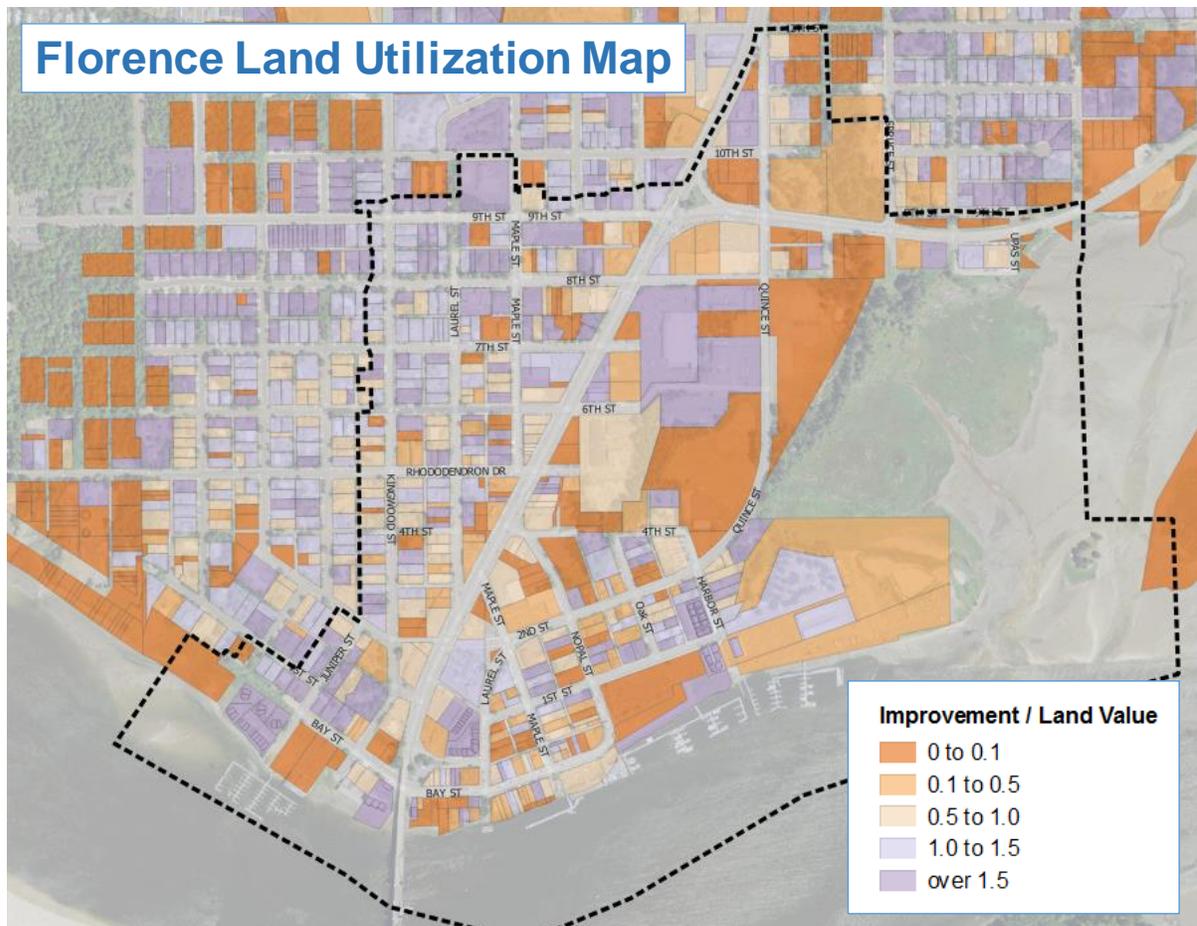
Source: City of Florence GIS data, Leland Consulting Group

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.

  o *"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 topedestrians*" 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.

o *"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.
  o 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.