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2011-12 Annual Report & Financial Statement

Letter from Chairwoman Nola Xavier



*Florence Urban Renewal
Agency Chairwoman
Nola Xavier*

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The Florence Urban Renewal Agency has prepared this annual report in accordance with ORS 457.460. It will be available on file for all interested parties and posted on the website at www.ci.florence.or.us. The required information is as follows:

The FURA General Fund received a total of \$284,386.74 in tax increment funds for Fiscal Year 2011-12. This amount consisted of \$279,240.36 in current year property taxes, \$4,100.14 in prior year property taxes, \$289.69 of in lieu of taxes and \$756.55 of interest earned on property taxes. Loan proceeds in the amount of \$2,237,530 were transferred in from the Debt Service Fund. Interest earned on the general bank account totaled \$11,155.32 and the carryover from fiscal year 2010-11 was \$383,950.61 making the Agency's total revenue \$2,917,022.67.

Total expenditures for Fiscal Year 2011-12 came to \$678,964.71. The major expenditures included \$417,083.32 transfer out to the Debt Service Fund for loan payments; \$209,421.78 to the City of Florence for the Infrastructure Improvement Project Grant Reimbursement; \$27,885 for the Siuslaw Public Library Loan; \$12,500 in Legal Fees and \$12,074.61 in miscellaneous expenses including audit fees, contract services, website maintenance, membership dues, publication of legal notices and office supplies. The major change in our financial reporting is the addition of the Debt Service Fund. This fund is the mechanism for receiving the loan proceeds of our \$2.5 million loan from Oregon Pacific Bank, for disbursing the funds to do the Old Town Infrastructure Project and for repaying the loan.

FURA Debt Service Fund recorded loan proceeds in the amount of \$2.5 million. The interest earned was \$1,025.14 and \$417,083.32 was transferred from Urban Renewal to cover debt service payments for a total revenue of \$2,918,108.46. The total expenditures for the Debt Service Fund included a \$2,237,530 transfer of loan proceeds to Urban Renewal, \$417,083.32 in Debt Service Payments and \$12,470 in loan transaction fees.

I'm sure you have all noticed that phase one of the infrastructure project was completed earlier in the year and that phase two is well underway. We will open the bids for the final phase in January 2013 for the work to complete the project. The other exciting news is that the ground breaking for the Siuslaw Interpretive Center was held on November 29th and work has started on this long planned for site on Bay Street.

The Agency prepared and adopted the following budget for Fiscal Year 2012-13. In the General Fund: Beginning fund balance \$2,370,000; tax increment of \$288,000; prior year property tax of \$3,000; in lieu of taxes \$300; and interest income of \$6,000 for a total projected income of \$2,667,300.

Projected expenses are: Materials and Services \$64,500 which includes \$32,500 to the Library loan; \$20,000 for contract services; \$5,000 for the audit; \$2,000 for legal services and \$5,000 in miscellaneous expenses. \$1.8 million was budgeted for the infrastructure project and a transfer to the Debt Service Fund of \$311,000 for debt service payments. The budget also contains a contingency of \$338,000.

The Debt Service Fund for 2012-13 includes a beginning fund balance of \$250,800, interest income of \$800 and a transfer-in from FURA General Fund of \$311,000 for a total projected revenue of \$562,600. \$250,000 of our \$2.5 million loan continues to be held in a restricted reserve money market account against future loan payments and is accruing interest. Budgeted expenses for the Debt Service fund include \$311,000 in debt payments.

We have concentrated this year on the infrastructure project and the interpretive center. Sometime in the spring after these projects are completed the directors plan on having a goal setting session where we will evaluate the progress we have made on the Urban Renewal Plan and work on priorities for the coming years. Follow our progress on the website.

Respectfully submitted, Nola Xavier — Chairwoman



The long awaited time finally arrived and the contractor for the first phase of the FURA Infrastructure upgrade projects began work April 16th. The first phase of the infrastructure upgrade project replaced the small diameter water main on Quince Street from Hwy 126 to Harbor with a new 16-inch water main. The water main will bring much needed additional fire suppression water to the area. In addition this phase of the project installed a new sanitary sewer line from just north of 6th Street to Harbor Street along Quince. This portion of Quince Street was unanswered, so by installing the new sewer line the former middle school site across from the Florence Events Center will now have full access to sewer making the site more appealing to potential developers.

During the trenching for the new sewer line within Quince Street, we discovered why the pavement was failing so quickly within this area of Quince Street. The asphalt thickness within the trench areas averaged less than 1 ½ -inches. This was a disappointing discovery because it meant that we needed to complete a total reconstruction of the street. The good news is that since we received an excellent bid for the project, the bid was lower than our estimate; we were able to reconstruct the street and stay within budget.



As with all projects, weather and scheduling are an important aspect to successful completion of a project. Mother nature played a big part in our success with the first phase of the infrastructure projects in that we had great weather during the middle of May and the contractor was able to complete the reconstruction of Quince Street from 6th to Harbor streets, just in time for Rhody Festival.

Phase one of the multi-phased project was completed in June and we very much appreciate the businesses and public's patience as the project progressed. FURA has been a success and now Florence has an awesome new street to boot!

Phase 2 of the FURA infrastructure projects started in November 2012 and is expected to be completed in January 2013. This phase of the project extends the 16-inch water main from Harbor Street along 2nd to Kingwood Street on the west side of Hwy 101. In addition the project will replace old sanitary sewers, stormwater systems and water lines within Oak Street between 1st and 4th Streets.

Phase 3 of the FURA infrastructure projects will be out to bid in December 2012 with a bid opening in January and construction to start February 1, 2013. This project will install a new water main within Bay Street from Juniper to Nopal streets, completing the water line upgrades to Old Town.



FURA 2011-12 Budget

GENERAL FUND

REVENUE

Carryover	\$383,950.61
Property Tax — Prior Year	\$4,100.14
Property Tax — Current Year	\$279,240.36
In Lieu of Taxes	\$289.69
Interest — Property Taxes	\$756.55
Interest — OPB	\$11,155.32
Transfer — In from Debt Service Fund	\$2,237,530.00

Total \$2,917,022.67

EXPENSES

Materials & Services	\$24,574.61
Siuslaw Library	\$27,885.00
Infrastructure Improvement Grant	\$209,421.78
Transfer — Out to Debt Service	\$417,083.32

Total \$678,964.71

DEBT SERVICE FUND

REVENUE

Loan Proceeds	\$2,500,000.00
Interest Income	\$1,025.14
Transfer-In from FURA	\$417,083.32

Total \$2,918,108.46

DEBT SERVICE

Debt Payment — Principal	\$280,000.00
Debt Payment — Interest	\$137,083.32
Debt Service Fees	\$12,470.00
Transfer — Out to FURA	\$2,237,530.00

Total \$2,667,083.32

FURA 2012-13 Adopted Budget

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GENERAL FUND

REVENUE

Carryover	\$2,370,000.00
Projected Revenue	\$297,300.00
Transfer-In from Debt Service Fund	\$0.00

Total \$2,667,300.00

EXPENSES

Materials & Services	\$64,500
Infrastructure Grant	\$1,800,000.00
Transfer-Out to Debt Service Fund	\$311,000.00
Contingency	\$338,000.00
Unappropriated Ending Fund Balance	\$153,800.00

Total \$2,667,300.00

DEBT SERVICE FUND

REVENUE

Carryover	\$250,800.00
Projected Revenue	\$800.00
Transfer-In from Urban Renewal	\$311,000.00

Total \$562,600.00

DEBT SERVICE

Debt Service	\$311,800.00
Transfer-Out to Urban Renewal	\$0.00
Ending Fund Balance	\$250,800.00

Total \$562,600.00

2011-12 Tax Increment Received by Special Districts

The purpose of the Florence Urban Renewal Plan is to provide incentives for new development that will create increased property values, new jobs, and economic growth opportunities in Florence.

Under the provisions of Ballot Measure 50, an urban renewal plan will have some impact on future property tax revenues for general government taxing bodies, however the Agency believes that our renewal efforts will increase overall property values in Florence, and therefore produce additional revenue for all taxing bodies.

Below is a breakdown of the impact the urban renewal plan had on the tax collection on the special districts for 2011-12:

Siuslaw Valley Fire & Rescue	\$19,299.51
Lane County	\$30,174.01
Lane Community College	\$13,492.44
Lane ESD	\$4,824.57
City of Florence	\$62,637.65
Siuslaw School District 97J	\$104,423.33
Siuslaw Public Library District	\$11,202.82
Port of Siuslaw	\$3,189.12
Western Lane Ambulance District	\$6,950.65
Total	\$256,194.10

FURA Board of Directors

The Urban Renewal Board has ten members, four representing special districts, two members representing the Florence community, two city councilors and the mayor. The Current members are:

<u>Member</u>	<u>Term Expires</u>	<u>Member</u>	<u>Term Expires</u>
Phil Brubaker Mayor	2012	Sue Roberts Councilor	2014
Nola Xavier Councilor Chair of the Urban Renewal Agency	2012	Woody Woodbury Community Member	2014
Joshua Greene Port of Siuslaw	2012	Ian Jarman Siuslaw Library Board	2014
Mike Webb Western Lane Ambulance Vice-Chair of the Urban Renewal Agency	2013	John Scott Siuslaw Valley Fire District	2014
Ann Huntington Community Member	2013	Open Lane County Representative	2012

The term of office of each member of the Board of Directors, with the exception of the Mayor of Florence, is three years with the term