

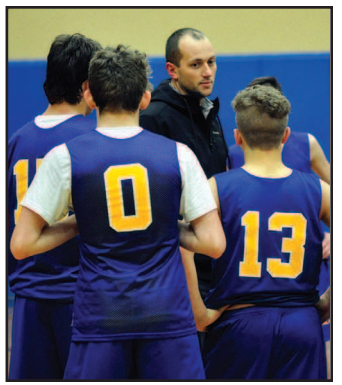


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# Siuslaw News

127TH YEAR | ISSUE NO. 95

SERVING WESTERN LANE COUNTY SINCE 1890

FLORENCE, OREGON

# Rocking around the Christmas Tree

*Florence enters season of merriment with Holiday Festival in Historic Old Town and Port of Siuslaw*



STORY AND PHOTOS  
BY MARK BRENNAN  
Siuslaw News

People welcomed Santa Claus to Old Town Florence with the annual Holiday Festival, featuring a tree lighting, Christmas songs and hayrides down Bay Street.

**T**he winter holiday season officially kicked off locally on Nov. 25 with a series of Christmas related events sponsored by Florence Area Chamber of Commerce and the City of Florence.

Historic Old Town was the focus of the Holiday Festival, which took place during “Small Business Saturday,”

when people were encouraged to “shop small” at local businesses. Merchants along Bay Street reported brisk business during the day and well into the evening.

Santa and Mrs. Claus arrived at the Gazebo Park around 3:30 p.m. by way of a fire engine provided by Siuslaw Valley Fire and Rescue. More than 100 youngsters and their parents were on hand to greet the jolly couple. Youths

waited patiently in line to take a picture and chat with Santa throughout the event.

As Florence Mayor Joe Henry predicted, the rain subsided just before Santa’s arrival.

Tractor-pulled hayrides were offered from Old Town to the parking lot of the Port of Siuslaw.

The festivities continued once dark settled in. At 5:30 p.m., Henry lit the

official city Christmas tree to cheers and “ahhhhs” from the jovial crowd. This is the first holiday for the permanent 22-foot living grand fir at the Siuslaw River Bridge Interpretive Center on Bay Street.

Florence Public Works installed more lights this year than in the past.

In addition, the Port of Siuslaw Marina featured the Light Your Boat Float. A number of boats were fes-

toon for the occasion, and a U.S. Coast Guard Station Siuslaw River motor lifeboat was lit and docked for residents to view and explore.

According to the Florence Area Chamber of Commerce, the trophy went to Peter and An’ya of the So...fea.

Festive events took place throughout the weekend, and will continue all month. Look for more information in the Siuslaw News.

## OPB raises millions in new capital

*Money will be used primarily for loans made to customers and local businesses*

Oregon Pacific Bank (OPB) announced it has raised \$13.58 million dollars through a private stock offering campaign.

BY MARK BRENNAN  
Siuslaw News

Oregon Pacific Bancorp, the holding company for OPB,

issued 2,508,750 new shares of common stock and an existing shareholder sold 500,000 in a secondary offering. All stocks were bought at a purchase price of \$4.60 per share.

OPB CEO Ron Green, whose office is at the Florence location, said the funds will be leveraged to help provide local businesses with more than \$130 million in new loans.

“The additional capital will allow us to build on our success and make significant investments in the communities we serve,” he said. “Our reputation as a local, community-based bank has been solidified in Florence, Coos Bay and Roseburg for many years. We remain committed to supporting these communities.”

Oregon Pacific Bancorp intends to dedicate all of the net proceeds raised to OPB as capital. This influx of capital will, among other things, allow customers to apply for a larger loan for their business or personal needs.

The additional capital will also allow OPB to add to and improve the bank’s business technology platform, increasing the variety and sophistication of online services available to business clients.

See **BANK 8A**

## HOW WE GOT HERE IS COASTAL LIVING IN JEOPARDY? PART III

*Florence is still reeling from the 2008 recession, which contributes to current rental crisis*

BY JARED ANDERSON  
Siuslaw News

**F**lorence’s current rental crisis began in earnest in the mid-2000s, though nobody seemed to notice. In fact, it was celebrated. This was the era of housing as quick investment.

House flipping was the buzz phrase, with cable TV chock full of shows extolling the opportunities from the practice. The Learning Channel had “Flip This House,” while A&E had “Flip That House,” among others.

Previous crashes in the stock market, from the dot-com bubble crash to the attack on the World Trade Center in 2001, scared off many people from the stock market exchanges.

Housing, on the other hand, was always a safe bet. Real estate hadn’t seen a devastating crash in decades.

“You could buy a home in Florence for \$120,000,” Coastal Property Management co-owner Barry Nivilinszky said. “They were selling for \$180,000. For investment purposes, the value would increase by 15 percent

within a year. So, people were buying on the premise of letting it grow and reselling. And so, all of these homes were bought at top dollar.”

Nivilinszky started his business in 2004, right in the middle of that boom. He’s seen the rise, fall and rise again of the rental industry in Florence. Now he’s anticipating another fall.

“We’re in the next housing bubble,” he said. “But the bubble is not working for us today.”

A housing bubble is a run-up in housing prices fueled by demands, speculation and exuberance, according to Investopedia. It usually starts with an increase in demand in the face of limited supply, made worse when speculators enter the market, further driving demand.

Why the bubble is not working for Florence is a complicated story, and many financial experts believe it’s a global problem. One-bedroom homes in Australia are selling for \$3 million while dilapidated houses in California run for \$600,000 or more.

As the prices go up, the working poor struggle to find affordable housing, with some workers in

Florence resorting to living in their cars.

Every city has different situations that led to this moment, but for Florence the seeds were planted in the late 1990s.

### “Best Place to Retire”

After the decline in the lumber and fishing industries, the town had slowly moved from a rough coastal town to a tourist destination, led by the hard work of developers, business owners and retirees. The city had found its footing, but it needed a stronger direction to truly thrive. It had tourism, but what else could the community be?

“I think the most important thing is to have choices and diversity in anything you’re doing, because the more diverse you are, just like in a financial portfolio, the stronger your foundation is,” Florence City Manager Erin Reynolds said.

For the past three years, Reynolds, along with city staff

and the Florence City Council, has been working on finding solutions for the housing crisis.

In 2015, she co-wrote a report on the history of Florence’s economic development efforts.

In the 1990s, the city looked to diversify its offerings beyond tourism.

“We strived to reinvent our economic development mission with the creation of the ‘The Greater Florence Strategic Plan for Community Economic Development,’” Reynolds wrote in her report. “The plan began the establishment of retirees as a strong economic development community, asserting, ‘The Retirement Industry is perhaps the primary source of economic development growth and stability in Florence.’”

See **HOUSING 9A**

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