

UPDATE

CITY ACQUISITION OF THE ECOLA TRACT

On May 19, 2009, the voters of Cannon Beach approved Measure 4-144, authorizing a general obligation bond in an amount of up to \$4,000,000 for the purchase of the Ecola Tract: the Ecola Tract to be acquired from the Oregon Department of Forestry (ODF).

In order to acquire the Ecola Tract, ODF required that the City trade forest lands to ODF with a general equivalent value to the Ecola Tract.

The City entered into a Purchase and Sales Agreement with Agency Creek Management Company (Hampton) for the purchase of eight parcels of forest land to exchange with ODF, with the land purchase to proceed in two phases.

Phase I was completed on April 16, 2010, when the City purchased the parcel referred to as North Klaskanine.

On December 3, 2010, the land exchange was completed. The City acquired title to the Ecola Tract and ODF acquired title to the eight parcels of land which the City had purchased from Agency Creek.

To finance the purchase of the Ecola Tract, the City sold general obligation bonds in the amount of \$3,575,000. The summary statement accompanying Measure 4-144 estimated that the annual cost to property owners if all \$4 million in bonds were sold would be \$0.36 per \$1,000 of assessed valuation. Based on the final bond amount of \$3,575,000, the additional annual cost to property owners will be \$0.30 per \$1,000 of assessed valuation. For the owner of a home with the median assessed value (2009) of \$200,516, Measure 4-144 stated that the additional annual property tax would be approximately \$75 per year. With an actual levy amount of \$0.30 per \$1000 of assessed value, the additional annual property tax on a home with an assessed value of \$200,516 will be \$60.15.

The City has applied for an Oregon Watershed Enhancement Board (OWEB) grant in the amount of \$1.4 million to assist in the purchase of the Ecola Tract. The City's grant application received a very good technical review. However, OWEB could not make a final decision on the grant application until the City had a title to the Ecola Tract. The City now has title to the Ecola Tract and is completing the application process. The City will be informed of any grant award in September of 2011.

The City plans on begin the process of preparing a management plan for the Ecola Tract in the summer of 2011. The City Council will appoint an advisory committee to assist in the preparation of the plan. The City Council will hold a work session in February to discuss the process for preparing the management plan. It is anticipated that there will be a general community informational meeting prior to work beginning on the management plan.

