



February 2022

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City Pursues Bond Refinancing to Lower Property Taxes

The City of Cannon Beach is pursuing a bond refinancing that would reduce property tax rates over the next five years.

The opportunity comes as the City plans to issue a bond to fund the Cannon beach Elementary School Rejuvenation Project. (The debt service of this bond will be paid for by revenue from the Transient Lodging Tax.)**

In issuing that bond, the City would include a refinancing of the bonds previously issued to purchase the Ecola Creek Forest Reserve and expand the Wastewater Treatment Plant.

In refinancing and consolidating these bonds, Cannon Beach taxpayers could see a reduction of \$60-to-80 per \$100,000 of assessed home value.

For example, consider a home valued at \$700,000. If the assessed value were reduced by \$60 per year, that homeowner would save \$420 annually.

To catch the bond market while rates remain favorable, and to move forward on the Elementary School project in a timely fashion, City Council must take action on the refinancing proposal at its March 1st meeting.

To explain the transaction and allow for public discussion, a special City Council Work Session has been scheduled for 5:00 P.M. on Tuesday, February 22nd.

Both meetings will be held via ZOOM. To attend, follow this link:

<https://zoom.us/j/99261084699?pwd=TkpjbGcxS0pCOGIMOCtSbSsxVWFMZz09>

The meeting can also be accessed by a regular phone at:

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

Meeting ID: 992 6108 4699

Password: 365593

The meeting information will be available on the [City's website](#).

****More on the Elementary School Bond:**

For the Cannon Beach Elementary School project, the City is not issuing a bond that will increase property taxes that would trigger a referral or vote (as would happen with a general obligation bond). Instead, the City is borrowing the funds and will pay the debt services with existing revenue streams, including the Tourism Lodging Tax funds. Because the City is not issuing a general obligation bond that will increase taxes, the City Council may authorize the bond issue with a resolution.