



CANNON BEACH COMMUNITY BULLETIN

163 E. Gower Street
PO Box 368
Cannon Beach, OR 97110

503.436.1581

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For the latest information about our City, visit www.ci.cannon-beach.or.us

BULLETIN NO. 5

ALTERNATIVE FUNDING SOURCES

People have asked me to provide accurate information regarding the current discussions regarding potential funding sources for the Cannon Beach Rural Fire District (CBRFD) and the City's major projects.

Executive Summary

If I had to summarize it I would say that the city is at a historically important point where the possibility exists to significantly increase the capabilities of our (CBRFD) and develop a survivable City Hall/Police Station that can function as an EOC if nature hands us a really bad situation. The most important point is that all these things can potentially be funded by visitors who, unless they are staying in lodging accommodations, currently pay nothing.



If you review the real alternatives below, it appears the best option tends to be a Food and Beverage Tax and that is the primary option being considered at this point.

If a Food and Beverage Tax does is not approved, then the logical funding source for both of those needs would be Property Taxes.

THIS MONTH'S AGENDA

[City Council - 06/01/2021](#)

[City Council Work Session - 06/08/2021](#)

[Tourism & Arts Commission - 06/14/2021](#)

[Public Works Committee - 06/15/2021](#)

[Tourism & Arts Commission - 06/15/2021](#)

[Parks Committee - 06/17/2021](#)

[Design Review Board - 06/17/2021](#)

[Coffee With A Councilor - 06/21/2021](#)

[Planning Commission - 06/24/2021](#)

[Tourism & Arts Commission - 06/28/2021](#)



Introduction

This is my attempt to bring many of the pieces together to try to provide accurate information about what has been happening regarding alternative funding sources at the City Council level. If this is at least partly successful in doing so it is hoped we can have a meaningful, collective conversation about many things that are important to our community.

There have been several discussions about funding options, but few decisions have been made. That's why there is so much confusion in the community and especially on social media. That lack of available specifics is what makes writing about this subject hard. I can only talk about what is being discussed but not what has been decided.

What follows are only my thoughts and impressions so it is important to ZOOM in on the Council meetings or go to the city's website where you can find them on YouTube to get the latest information. An important discussion will happen at the Tuesday, June 1st at 6:00 City Council meeting so **please tune in**.

A short while back the (CBRFD) approached the city for help in identifying an on-going, unrestricted funding source that would help them accomplish what their available funding sources could not. They explained that 77% of calls are for visitors (others than residents or second homeowners) and those folks pay nothing towards the service.

The District's major funding source comes from property taxes. The (CBRFD) current tax rate is \$0.89 per \$1,000 in assessed valuation. For comparison, the average tax rate for fire districts in this area is \$1.35 per \$1,000. I strongly recommend that you go to the (CBRFD) website, **cbfire.com**, to get specifics about how they plan to use the additional funding should it become available.

The city also has some important public safety needs and would prefer to find a funding source other than property taxes to meet those needs. Please note that there has not been a decision what, if any projects will receive funding from this effort.

CODE ENFORCEMENT



Did you know the City has a Code Enforcement Complaint Form on their website?

1. Find Services from the menu on the City's Website.
2. Click Code Enforcement Complaint under Police Department.
3. Complete the form to submit your complaint.

<https://www.ci.cannon-beach.or.us/police/webform/code-enforcement-complaint-form>

An Analysis of Viable Funding Options

Property Tax

It appears that even if the city were to sponsor a referral (a vote) giving residents the option to increase their city taxes to support the CBRFD, the City would not actually have the ability of forwarding the funding to the Fire District. For this reason the property tax increase is not a viable option for the specific plan to assist the (CBRFD).

However, it would be possible for both the City and the Fire District to hold separate referrals for property tax increases to address their needs. In the case of the Fire District, it would be a levy that could be in place for up to 5 years if approved and a new levy would eventually be required for to continue that funding. They currently have one levy in place.

The City could also schedule a referral for a specific purpose. For example, the voters could vote on an increase in their property taxes to fund debt service for a new facility or infrastructure project. In these examples, the funds would come from additional costs to taxpayers.

Tourist Lodging Tax (TLT)

TLT funds are collected *from tourists* as a tax on the cost for each lodging night. The collections are forwarded quarterly by the lodging establishments. They keep 5% of what they have collected as a servicing fee.

Some simple math:

Based on 2019 data, each 1% TLT increase would raise:	\$572,570
<u>70% is required to be spent for tourism related purposes:</u>	<u>\$400,799</u>
30% discretionary revenue available to the city:	\$171,771

The city anticipates that the debt service on a new CH/PD could be up to \$700,000 per year. This means that the TLT would need to be raised an additional 4 % to come close to that level of revenue.

If the CBRFD is to receive a similar amount, the city would have to raise the TLT an additional 4% to provide their funding for a total TLT increase of 8%.

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ALTERNATIVE FUNDING SOURCES CONTINUED

8% is the total levy the city currently imposes on an annual basis. Essentially we would have to double this tax on folks staying in hotels, etc.

If this option were chosen only visitors staying in hotels or short-term rentals would pay a tax. People visiting for the day would pay nothing.

Food and Beverage Tax

A food and Beverage Tax is a tax paid by the diner, not the restaurant. It is a pass-through tax collected in a similar method as is used with the TLT. Discussions to this point tend to favor a 5% servicing fee for the collecting restaurant but that has not yet been decided.

In order to determine the potential income from a Food and Beverage Tax the Fire District and City jointly commissioned a study prepared by ECONorthwest. A copy of the ECONorthwest Report is available on both the City and Fire District websites. Bob Whelan, who developed the report for ECONorthwest, presented his methodology at the May 18th City Council meeting. You can see his presentation by going to the city's website.

The ECONorthwest report estimates that each 1% of a Food and Beverage Tax imposed could generate \$431,590. It is important to note that this information is very preliminary, and the actual revenues will be impacted by many factors.

If the ECONorthwest estimate is accurate then a 4% F & B tax would generate approximately \$863,180 each for both the City and Fire District. The ECONorthwest report estimates that 96% of the Food and Beverage tax would be collected from tourists and 4% from locals dining out.

VACCINE INFORMATION

Clatsop County and its local partners are striving to ensure that local residents can receive the COVID-19 vaccine in as timely and convenient a manner as possible.

Vaccines are being administered according to a multi-phase plan from the Oregon Health Authority.

GROUPS CURRENTLY ELIGIBLE FOR VACCINATIONS: All individuals ages 12 and over

PLEASE NOTE: Currently the Pfizer vaccine is the only one approved for individuals under 18 and will be used for all individuals 12 to 17 years old who want to be vaccinated. Immediate family members of those 12 to 17 years old can also receive the Pfizer vaccine at the same events.

Other individuals age 18 and over who wish to be vaccinated will receive the Moderna vaccine.

<https://www.co.clatsop.or.us/publichealth/page/vaccine-information-faqs>

ALTERNATIVE FUNDING SOURCES CONTINUED

Several years ago, the City's Finance Department did a study that was less sophisticated than the one completed by ECONorthwest that estimated F & B revenues would come in at \$851,625 based on a 4% levy. This is approximately half of the ECONorthwest estimate.

Summary Comments & Other Thoughts

A Food and Beverage Tax is paid by people consuming the food, not the restaurant. The restaurant is paid to collect the tax.

The earliest that I have heard suggested for the implementation date is January 1, 2022. If a smaller operation needs to buy a system to keep track of the tax it will cost between \$1,300 and \$1,400. The City Council is exploring ways to assist with that purchase.

There are industry trade organizations that will fight the efforts of local communities (that means you) to stop them from spreading the burden of the cost of government services to visitors who currently get the services for free. They feel that is advantageous to their constituents even though it means that city residents will be forced to fund the bill for the visitors.

The recent push to have the City Council approve the F&B tax quickly was only to make sure that the food and lodging trade group could not lobby the state legislature to preclude the voters of Cannon Beach from voting on a Food and Beverage Tax in November. That possibility may still exist.

Other funding sources such as parking fees have been suggested. If the city were to make \$10 per vehicle we would need to collect from 160,000 cars to match what has been projected from Food and Beverage Tax. A parking fee is certainly a viable funding source but probably for smaller projects.

The City Manager's Rant About the City Hall/Police Station (Included because there is a lot of misinformation out there)

The reader's digest version of *my* concerns is that because of the construction materials (hollow block) and age of the current building (+ 70 years) it is possible the facility will not survive a small to medium seismic event. (Can that really happen? In the last year southern Oregon

CITY MANAGER



All our meetings are recorded via YouTube. Check the City's channel.



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Check out our meetings page for agendas, packets, presentations & minutes.

ALTERNATIVE FUNDING SOURCES CONTINUED

experienced between a 5.9 and a 6.3 earthquake located 190 miles offshore. The tremors were felt in Eugene, 280 miles from the epicenter.) We do not need “The Big One” to put us in a bad situation.

If the City Hall/Police Station were to fail we would lose our ability to communicate with the outside world, much of our information resources and equipment, a place to centralize information gathering about the event, our ability to develop/coordinate rescue locations and priorities, to deploy resources as they became available, assess damage to our utilities and to plan for water and wastewater restoration.

A new City Hall/Police Station is not about the comfort or convenience of staff.

I strongly suggest that the degree to which we equip/prepare our team should be in proportion to our expectations of their performance when it comes time to manage a significant emergency.

You will be hearing more about the City Hall/Police Station in future Bulletin articles.

Thanks for your time and attention and I look forward to our future discussions.

Bruce St. Denis, City Manager

CANNON BEACH CELEBRATES TREES

As a nod to the modified 12 Days of Earth Day event, the City of Cannon Beach took time this spring to celebrate all things trees!

First, the Parks division staff planted a Leyland cypress tree by the Recycle Center, on E 2nd Street. The sapling was generously donated by a resident who wanted to share its beauty with the community. Be sure to check it out next time you drop off your recyclables.

Second, members of the Parks & Community Services Committee joined Councilor Robin Risley and Public Works staff to commemorate Cannon Beach’s 13th year as part of “Tree City USA”, a program sponsored by the Arbor Day Foundation. New “13” stickers were posted on the Tree City USA signs at the entryways to town.



City of Cannon Beach

Prepared Food Tax Public Input Sessions

Thursday, June 10th at 2:00 pm

Wednesday, June 16th at 6:00 pm

Saturday, June 19th at 10:00 am

**Zoom link, how to give public comment and
additional information
available on the City's website**

These are virtual meetings



CITY OF CANNON BEACH

NOTICE

ANNUAL INVITATION FOR TOURISM AND ARTS FUND (TAF) APPLICATIONS/REQUESTS

Non-profit organizations providing programs/projects that further the ARTS while promoting tourism in Cannon Beach are invited to apply for TAF funding from the Tourism and Arts Commission of the City of Cannon Beach by filing an application with:

City of Cannon Beach
Tourism & Arts Commission
P.O. Box 368
Cannon Beach, OR 97110
Attention: Jennifer Barrett
recorder@ci.cannon-beach.or.us

**Applications must be received at City Hall by
5:00 pm, June 7, 2021**

Applications available now at
www.ci.cannon-beach.or.us

Posted: April 5, 2021

CITY REPLACING SITKA BEACH ACCESS

Residents in Tolovana will soon have better access to the beach from the foot of W Sitka Street, thanks to a project being undertaken by the City of Cannon Beach Public Works Department.

Originally built in the mid-'80s, the current set of stairs at W Sitka is showing signs of rot and could become unsafe if left unaddressed. Public Works staff determined that a total replacement of the stairs was the best option for this location.

After soliciting several quotes for the work, the City selected a local contractor to execute the job. Work on this project began in mid-May, with pre-engineering and an elevation survey. Demolition will take place in early June, and the new staircase installation is anticipated to be complete by June 30, 2021. Along with the staircase replacement, Public Works team members from the Parks and Roads divisions will overhaul the upper portion of the beach access, updating the natural steps in the path leading down to the stairs.

The Budget Committee allocated funds for this project in the FY 2020-2021 budget, and the total cost of the work is estimated at \$42,000. The updated beach access off of W Sitka will ensure that Cannon Beach residents continue to have a safe, easy way to enjoy the wonders along the ocean shore.



FARMERS MARKET



We are thrilled to announce that the Cannon Beach Farmers Market will be open for the 2021 season!

Our market is scheduled for June 15th through September 28th, providing Clatsop County remains in moderate or lower risk for COVID. We will be taking proper precautions to help protect our vendors, volunteers and customers. Our vendors will be offering a wide variety of produce, cheeses, flowers, artisan foods, drinks and more! Come out and enjoy the fun, food, shopping, hopefully sun and more!!! See you at the Market!

The City of Cannon Beach Requests Your Input on Transportation Concerns

The City of Cannon Beach is launching its first system-wide plan for transportation, from its biking trails and pedestrian safety concerns to its seasonal congestion and parking issues. The City of Cannon Beach is asking for community involvement through a series of Open Houses, beginning June 3rd, with an online webinar, from 6 to 7 PM, via Zoom.

This initial webinar Open House will be focused on the existing conditions, long-term goals and objectives, of the Cannon Beach TSP, while future Open Houses, to be held later this summer, will investigate alternatives, analysis and the funding program for future transportation system improvements.

A TSP engages community members to develop a vision for how future investments can improve travel for all users of the transportation system, including those who drive, walk, bike, roll, ride transit, or deliver freight within the city.

Following the Online Open House webinar, the interactive Online Open House will continue through June 18th, providing each guest a pandemic sensitive format for investigating the existing conditions and format for sharing your thoughts and concerns. The Online Open House can be found by logging onto the dedicated website at www.cannonbeachtsp.com, or via the city's website at ci.cannon-beach.or.us. The Online Open House will provide opportunities for engaging in transportation topics, following the latest TSP happenings and links to relevant TSP information.

The City of Cannon Beach Transportation System Plan (TSP) is a long-range plan that will guide investments for the next 20 years. The TSP will include a prioritized list of needed transportation projects, programs, and policy updates for the city to begin implementing after the plan is adopted.

The project team will also perform technical analysis to gain a deeper understanding of transportation needs in the community. The development of potential solutions will be based on what we learn from conversations with the community and this analysis. For example, solutions could include addressing traffic safety, sidewalk and crosswalk improvements, bike routes, curb ramps at intersection, and enhanced lighting.

Finally, the City of Cannon Beach TSP will provide a framework for funding and building projects based on community priorities. The final plan will include a prioritized list of improvements that reflects community needs, and that the city can pursue over time.

Please let city officials know your thoughts and concerns by visiting the Online Open House, June 3rd through June 18th at cannonbeachtsp.com. If you have questions or problems about the Cannon Beach TSP or any transportation or transit related issues, please contact the Cannon Beach Community Development Department at planning@ci.cannon-beach.or.us, or call 503.436.8040.

Why did the bunny cross the road?

To get to the Cannon Beach
Transportation System Plan
**Open House
Webinar**

6-7PM
June 3rd
[@cannonbeachtsp.com](http://cannonbeachtsp.com)



City of Cannon Beach
TRANSPORTATION SYSTEM PLAN



CITY OF CANNON BEACH

Tsunami Wayfinding Wednesdays:

We are going to start exercising our Tsunami Wayfinding signs to prepare ourselves and our community to mobilize from whichever location we are to the nearest Tsunami Assembly area.

Objective: We will exercise the walk from certain locations to the Tsunami assembly areas. We will start the exercises from 5:30 pm to 6:00 pm on the first Wednesday each month. Critical to time all walk out evolutions for personal information. Any Tsunami sign issues Email Emergency Manager Rick Hudson. HUDSON@ci.cannon-beach.or.us

Use the attached maps to assist.

<https://www.ci.cannon-beach.or.us/emergencymgmt/page/tsunami-evacuation-routes-assembly-areas>

CERT team, we will walk to our evacuation areas and then participate in a radio test starting at 5:30 pm -ending at 6:00pm. We will be operating on REPT 15



WANT TO ATTEND A LIVE CITY MEETING VIRTUALLY?



1. Click Agenda and Minutes from the City's Website.
2. Find your meeting and click View Details.
3. Click on the Zoom link.

<https://www.ci.cannon-beach.or.us/meetings>

DROUGHT INFORMATION EFFECTING OUR AREA

Recently we have been advised of the current emergent drought situation from the National Weather Service out of Portland and NOAA. This is measuring up to be one of the largest drought seasons state wide, and one of the earliest openings of fire season in Central/ Southern Oregon on record. We will be quick to close down fragile forest areas and probable reduction in camp fires and open fires.

- **Announcement / Slide Show Webinar**

- From the National Weather Service out of Portland. Click the link to a recording. There are a few minutes of quiet at the beginning before the webinar content starts.

- **Evacuation Levels**

- Level 1 - Be Ready
- Level 2 - Be Set
- Level 3 - Go

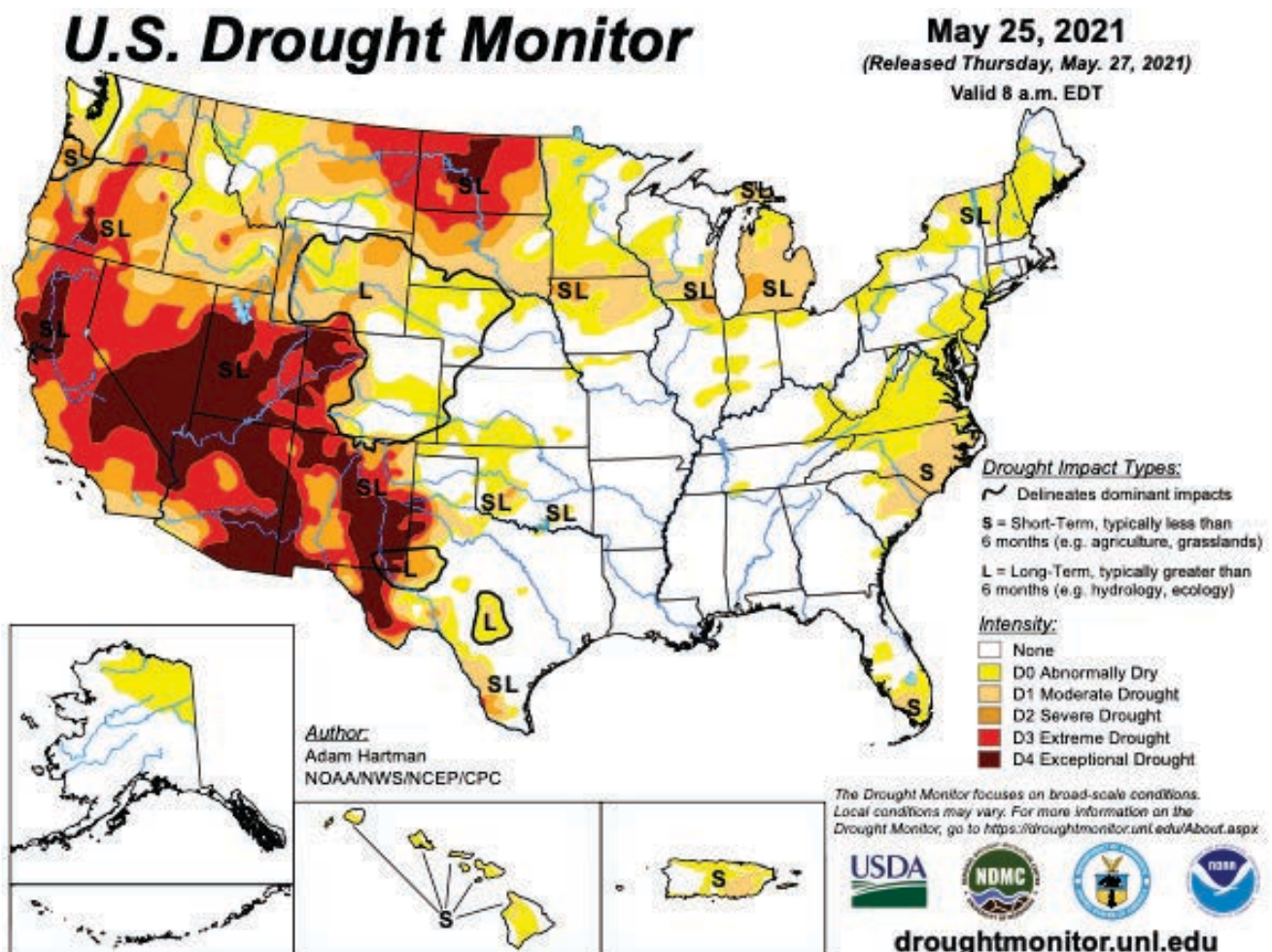
- **Evacuation Bag**

- Evacuation packing recommendations (2 weeks ready). This is larger than a GO BAG (72 hours ready)

- **Clatsop Alerts**

- Sign up on this everbridge tool to advise you of evacuations and other emergencies.

- **Latest Drought Monitor Fact Sheet From NOAA**



Fireworks Make Us Flee Our Nests!

Research has shown that disturbances like fireworks cause nest abandonment and high stress in adult birds.



Photo: © Bob Kroll

All fireworks are now illegal in Cannon Beach.



Fireworks are a serious fire hazard.

Cannon Beach is a "Safe Zone" for birds, pets and wildlife.

Please join us in embracing this new law.

Cannon Beach Municipal Code
Ordinance 9.16.010 and fines up to \$5,000
see Ordinance 9.16.030 Violation - Penalty levels





CANNON BEACH IS A VERITABLE ELK BUFFET



OUR ANIMAL FRIENDS HAVE PLENTY TO EAT PLEASE DON'T FEED THEM

Feeding wild animals in Cannon Beach is not only illegal (and punishable by a \$500 fine), it's also unsafe – both for us and the animals. "People food" is unhealthy for wildlife, who have very specialized diets. Feeding also encourages unwanted and unnatural behavior, like gulls becoming aggressive on the beach or rabbits congregating near roads and traffic. Feeding wildlife also reduces their fear of humans and can lead to dangerous confrontations. Remember: a bull elk can weigh 700 pounds and he's not afraid to charge. Plus we live in a land of natural abundance. Animals in the area have plenty of natural food to eat. So let's all enjoy and respect them—and their diets—from a distance.