

# Finding the 'right fit' in Cannon Beach

## Almost \$300,000 awarded by Tourism and Arts Committee

By Brenna Visser  
Cannon Beach Gazette

The Tourism and Arts Commission allocated more than \$298,000 to fund a dozen events and projects for next year.

Many familiar faces were funded, including the Cannon Beach Museum Cottage and Garden Tour, Savor Cannon Beach, Get Lit at the Beach and the relatively new Fat Bike Festival for either full or partial amounts.

About \$86,000 was allocated into a reserve.

But four new events and projects pitched generated the most discussion, with some causing commissioners to question and reevaluate the structure of what should qualify for the revenue generated from a lodging tax passed in 2008. All requests will be either approved or denied by the City Council in July.

Here's a look at three new events that were approved — and one that was denied, and the conversation that surrounded them.

### Klootch Creek Trail

The commission was split down the middle over a proposal to develop a network of bicycle trails based 4.5 miles from Cannon Beach at Klootch Creek County Park off Highway 26 on private industrial timber land owned by Greenwood Resources. Commissioners awarded about \$12,243 — about 49 percent of what was asked.

A divided council voted to either not fund or fund the project minimally based on legal concerns presented by



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The Fat Bike Festival is among recipients of Tourism and Arts Commission dollars in Cannon Beach.

City Attorney Tammy Herdener. Herdener raised questions about whether or not the trail project fit the definition of a tourism facility, which an Oregon statute defines as “real property that has a useful life of 10 or more years and has a substantial purpose of supporting tourism or accommodating tourist activities.” Because the agreement is only five years between the association and the landowner, this fact could come into question.

Matthew Weintraub, vice president of the Northwest Trail Alliance and grant applicant, said multiple cities and counties have used state dollars to fund similar projects without issue.

Herdener also said the project was a legal gray area when it came to Cannon Beach's local ordinance, which states that an additional emphasis should be given to grants where the tourism is tied to the arts community. The project is sited right on the boundary of Cannon Beach city limits. Weintraub argued other arts projects, like the Fat Bike Festival, were funded last year and that nothing in the ordinance requires it to be art related.

Some commissioners voted against it, out of fear of possible legal challenges and whether or not it was “the right fit” for tourism and arts money. Others worried about how room nights would be counted since it isn't a formal event.

Weintraub responded that many events — like the art festivals — don't have formalized ticketing and can't prove “heads in beds.”

The City Council held similar concerns in a preliminary review, with questions about the purpose of the funding in the big picture.

“Is the council shifting its focus from arts to outdoor activities?” Mike Benefield asked at a work session.

Those who fully funded the project, like Swedenborg, saw a trail system as a year-round benefit to the tourism industry, and that as long as it was promoted as a tourist destination, the gray area “isn't so gray.”

“It's an investment in the future. I liken it to surfing. Twenty years ago, you just saw a few surfboards on cars. Now they are everywhere, and we have multiple surf shops to support it,” Swedenborg said. “That's where biking is going.”

## Grant recipients

**CANNON BEACH ARTS ASSOCIATION — WORKSHOPS:** 24,051 — 96 percent of funding.

**CANNON BEACH ARTS ASSOCIATION MUSIC FESTIVAL:** \$10,554 — 100 percent of funding.

**CULINARY FESTIVAL:** \$23,143 — 58 percent of funding.

**CHAMBER OF COMMERCE VIDEO PROJECT:** \$16,500 — 97 percent of funding.

**FAT TIRE BIKE FESTIVAL:** \$16,804 — 97 percent of funding.

**NORTH COAST PARTNERSHIP:** \$16,714 — 48 percent of funding.

**CANNON BEACH GALLERY GROUP FOR THREE ART FESTIVALS:** 56,750 — 100 percent of funding.

**COTTAGE TOURS:** \$25,429 — 99 percent funded

**SAVOR CANNON BEACH:** \$44,419 — 95 percent of funding

**COASTER THEATRE:** \$36,457 — 90 percent of funding

**HALO:** No funding.

**KLOOTCHY CREEK:** \$12,143 — 49 percent of funding

**GET LIT AT THE BEACH:** \$29,143 — 97 percent of funding

### Music Festival

For \$10,480, the Cannon Beach Arts Association is fully-funded to start a Music Festival the last weekend of September. It is an expansion of the Manzanita Music Festival, according to the grant application, and will be held in the Cannon Beach city park. There will be music-related workshops, lectures and performing artists throughout Friday and Saturday.

Commissioners overwhelmingly supported this event. Commissioner and owner of Ice Fire Glassworks Jim Kingwell commented that it's an event the town needs, and that the grant would be a “small amount for an experiment with a lot of potential.”

### Earth to Ocean Arts Festival

The longtime event of Plein Air & More Arts Festival was also funded, but with notable conceptual changes like moving the date to be out of the town's peak season of June, and piv-

oting the focus to environmental activism by changing the name to “The Earth to Ocean Arts Festival.” Some commissioners objected to the change, believing the Plein Air Festival has built a brand, and argued changing it could hurt attendance. According to Jeffrey Hull, who submitted the application, the gallery group believes the June date is inconvenient and doesn't fit the criteria of the “off-season,” and September could offer better weather and a chance to rebrand with environmental themes.

### Culinary Festival

A culinary festival, pitched for a weekend in April, was given \$23,143 — about 58 percent of the funding requested. Sponsored through the Chamber, EVOO Cannon Beach Cooking School owner Bob Neroni is organizing the event, which intends to feature four visiting chefs to be each paired with a chef from the Cannon Beach area to celebrate, educate and appreciate the culinary offer-

ings available in town. On Saturday, a larger festival event at the Surfsand is imagined, highlighting a variety of cuisine.

The event was only partially funded, however, because some commissioners took issue with the timing of the event being so close to the wine-tasting event, Savor Cannon Beach.

“I like the concept, but I don't like the timing,” Steve Sinkler of The Wine Shack said. “I fear it will cannibalize Savor.”

But others, like Linda Beck-Sweeney and Claudia Toutain-Dorbec, voted to fully fund the event, arguing that the festival would ultimately be an asset to the restaurant community.

“Bob (Neroni) is focused on preserving the restaurants. I don't think it's taking away — it's adding to,” Beck-Sweeney said.

### Rockdance Ecofest

A proposed environmental film festival, which would be called Rockdance Ecofest, asked for \$48,735 in funding but received nothing. For 10 days, the festival would have been held in March around spring break, and showed a number of environmental activist films and hosted videography workshops.

While every commissioner supported the idea of an environmental film festival, most felt the proposal was still in the conceptual stage, and needed more revision before awarding funds.

“We've long needed a film festival, but I didn't feel comfortable with where this group was in the planning,” Toutain-Dorbec said.

Commissioner Greg Swedenborg also took issue with the timing around spring break, which is when the lodging community usually is already booked.

# Room tax hike undergoes debate

Bed tax from Page 1A

the general fund. The other \$220,000 would be available to invest in ideas like public art, creating an event center at the former Cannon Beach Elementary School or possibly funding portions of the Haystack Rock Awareness Program.

The proposed tax increase, which is set to be discussed at a work session in August, would raise the lodging tax from 8 percent to 9 percent. The last time the lodging tax went up was in 2015, after the Chamber of Commerce argued new revenue would fund better marketing. The chamber is still in contract with the city to use the tourism-restricted money from the tax hike for promotion.

The new increase was first suggested during budget committee hearings by City Manager Bruce St. Denis as a way to address shrinking general-fund reserves. Years of heavily subsidizing other city funds like public works, which has projects that can't be covered by water and wastewater rates, has caused the general-fund balance to decrease over time.

“If everything stopped, we would make it about three months,” St. Denis said in May, referencing the city's reserve.

Raising the lodging tax would allow the city to pay for items like the Visitor Information Center or a possible event center without having to dip into the general fund.

“There might be other things that are clearly related to tourism promotions and it would be nice to explore that,” St. Denis said.

Some in the lodging community, however, are pushing back.

Jason Brandt, CEO of the Oregon Restaurant & Lodging Association, sent a letter to the Cannon Beach City Council in mid-June, raising concerns about the proposal.

“Our concern has everything to do with little communication between city and lodging stakeholders,” Brandt said in an interview.

In May, a Deschutes County judge ruled in favor of the industry group in a lawsuit against Bend, asserting the city misappropriated lodging tax dollars to fix roads.

Brandt cited no specific concerns with how Cannon Beach so far has planned to use the tax revenue, but rather takes issue with the fact local hotels and vacation rentals weren't invited to the table before an increase was suggested.

“Local lodging property managers are the experts. They can help determine whether there is enough demand to justify an increase,” Brandt said. “If the experts aren't at the table for the discussion, how are you going to make the best of these funds?”

Greg Swedenborg, the general manager of The Waves Cannon Beach, has come out against the tax increase, calling it an “extremely inefficient” choice since only 30 percent of the new tax would benefit the city's general fund.

“The other 70 percent goes into promotion, and a lot of our scuttlebutt in town is how we're promoting ourselves too much,” Swedenborg said.

A common argument for raising local lodging taxes has been that the impact of the increase is minimal, often going unnoticed by hotel guests. But Swedenborg argues the lodging community is already “paying its fair share,” with lodging tax dollars making up about 70 percent of Cannon Beach's general fund.

He said continuing to raise

the lodging tax does not address the problem of maintaining city infrastructure under the pressure of thousands of tourists. He suggested instead that the city find revenue by taxing a different kind of tourist — those who only visit for the day

— through parking surcharges or a food and beverage tax.

“You're going back to the same well, and you are making people already contributing 70 percent of the general fund contribute even more,” Swedenborg said.

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