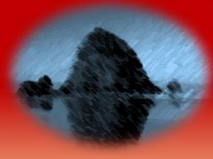




# Cannon Beach

## Rural Fire Protection District

188 SUNSET BLVD · PO Box 24 · CANNON BEACH OR 97110  
(503) 436-2949 · EMERGENCY: 9-1-1 · [WWW.CBFIRE.COM](http://WWW.CBFIRE.COM) · [INFO@CBFIRE.COM](mailto:INFO@CBFIRE.COM)



## Food and Beverage Tax Overview & FAQ June 1, 2021

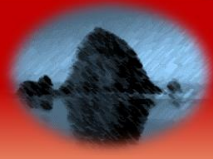
<b>Intent</b>	<i>To inform Cannon Beach (CB) residents of the facts surrounding the push by the CB Fire District (Fire District) to have CB City Council (City Council) pass a Food and Beverage Tax in an effort to meet future Fire District expenses and offset Homeowner’s burden to pay for Visitor’s usage of Fire District Emergency Services.</i>
<b>What should I know about property tax?</b>	<p>In 1996, Measure 5 limited property tax rates. Shortly after, Measure 50 replaced Oregon’s traditional levy system for assessing property from “Real Market Value” (RMV) to “Assessed Value” (AV). This means a home in Cannon Beach might sell for \$424,000 RMV but assess for \$330,000. With AV being less than RMV, taxes are lower.</p> <p>The “permanent” property tax rate of \$0.35 per thousand was set in 1949 and will never change unless through re-districting (e.g., merging of districts).</p> <p><b>This means that:</b> #1) CB homeowners may believe they pay higher property taxes because their homes are priced higher than other Clatsop County areas. This is not entirely the case as the Assessed Value is applied throughout all Clatsop County and not the Real Value. #2) A permanent tax rate does not allow for the natural costs-of-living increases. Applying 1949 resources to a 2021 world, means other means of income (Resources) need to be pursued such as Levies, Bonds and Taxes. Levies (e.g. as Fire Chief and Operations) and Bonds (e.g. replacement of Ladder Truck) are paid by the homeowners. Food and Beverage Taxes would be paid by mostly visitors who are receiving the majority of Emergency Services provided by Fire District.</p> <p>Refer to the Clatsop County Assessment and Taxation <a href="#">website</a> for further understanding of tax assessments for Clatsop County.</p> <p><b>Note:</b> The only taxing revenue a District , such as a Fire District, can impose are property taxes. A City has other means of taxing, such as the Food and Beverage Tax.</p>



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**Why Now?**

Fire District responds to Emergency Calls. CB Taxpayers pay for these Fire Services.

- 🔥 As of May 31, 2021, **Emergency Calls are on the rise by 41%** against 3-year average.
- 🔥 Of those calling for these services, **77% are visitors** (non-residents or non-property taxpayers).
- 🔥 Tax-paying **homeowners fund 100%** of Emergency Services, with the exception of occasional Grants solicited by CB Fire District leadership.
- 🔥

	CBRFPD		CBRFPD		Average on Coast	
	2020		2021		2020	
		Per		Per		Per
Permanent Tax Rate	\$0.35	\$ 1,000	\$0.35	\$ 1,000		
1999 Levy: support Fire Chief*	\$0.19	\$ 1,000	\$0.19	\$ 1,000		
2020 Levy: support Ops & Staffing*	N/A		\$0.35	\$ 1,000		
<b>TOTAL</b>	<b>\$ 0.54</b>	<b>\$ 1,000</b>	<b>\$ 0.89</b>	<b>\$ 1,000</b>	<b>\$ 1.37</b>	<b>\$ 1,000</b>
<b>% BELOW AVERAGE</b>	<b>-65%</b>		<b>-39%</b>			

- 🔥 Cannon Beach City uses a lodging tax regulation to help fund city business and attract visitors through marketing categories, such as campaigns and funding cultural-based attractions.
- 🔥 CB Fire District does not qualify within these marketing categories to receive funds and therefore cannot be compensated for the influx of emergency services needed by increased visitors through this lodging tax.
- 🔥 **Instead of increasing a levy to be paid by homeowners in five years, the Fire District is recommending the burden transition away from the homeowner's solely, and instead, have visitors bare a nominal responsibility through City Council passing a Prepared Food & Beverage Tax.**

**Who makes the decision?**

The CB City Council has the voting power to impose a Food & Beverage Tax for the City. If this is not done through City Council, Fire District will need to go directly to the public through the election process, which would cost the Fire District more money and time.

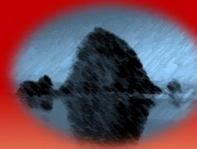
The Fire District presented this information to City Council in 2019 and since -- with increasing urgency. City Council requested more information from external resources. The Fire District split the cost with City Council for ECONorthwest, (an economics, finance, and planning consultant) to provide information and consulting based on their similar research for other municipalities.



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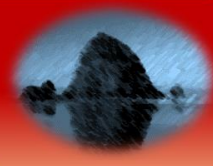
	<p>This research indicated that approximately \$36 to \$43 million, could be available for taxing. Taxing \$36 million at a rate of 2%-5% would result in \$720,000-\$1,800,000 resources. The restaurant owners would receive 5% of the \$720K-\$1.8M for administration costs, and the balance would be distributed to CB Fire and CB City at an agreed upon percentage.</p> <p>To date, no decision has been made by CB City Council. To listen to past city Council meetings, refer to below link: <a href="https://www.youtube.com/channel/UC5FP-JQFUMYyMrUS1oLwRrA/videos">https://www.youtube.com/channel/UC5FP-JQFUMYyMrUS1oLwRrA/videos</a></p> <p>To listen to future City Council meetings, refer to below zoom link: <a href="https://zoom.us/j/99261084699?pwd=TkpjbGcxS0pCOGIMOCtSbSsxVWFMZz09">https://zoom.us/j/99261084699?pwd=TkpjbGcxS0pCOGIMOCtSbSsxVWFMZz09</a></p> <p>The City of Cannon Beach is planning 3 public input meetings: Thursday June 10<sup>th</sup> at 2 pm Wednesday June 16<sup>th</sup> at 6 pm Saturday June 19<sup>th</sup> at 10 am</p>
<p><b>Why does CB Fire District Need more Money?</b></p>	<p>The fire district faces challenges with staffing, increasing calls, and rising expenses. These in large part require creative problem-solving and funds to resolve.</p> <p><b>Staffing-Volunteers.</b> According to the National Fire Protection Association (NFPA), new volunteers are getting tougher to find and retain. This is definitely the case for the CB Fire District which is a mostly volunteer fire department. Low staffing also makes it difficult for fire services to comply with the OSHA requirement that says when two firefighters are inside fighting a fire, two more firefighters must be waiting outside, prepared to rescue them if necessary. There are often inadequate number of firefighters on scene to address all the necessary services provided. High housing costs and time constraints are two big reasons volunteers don't stick around. Further, Firefighters are required to keep up with strict training requirements, prior to being qualified to run calls and throughout their volunteer status.</p> <p>When a fire breaks out during normal business hours, many fire departments are short staffed because most of their volunteer firefighters are unable to leave their day jobs. This is the case with CB Fire District.</p> <p>There are currently 15 volunteer firefighters. Four volunteers own homes in the Fire District. All others rent. We may lose three renting volunteers as their housing is being sold and there are limited-to-no options for affordable housing in Cannon Beach. With the increased calls, it is important to have adequate staff.</p>



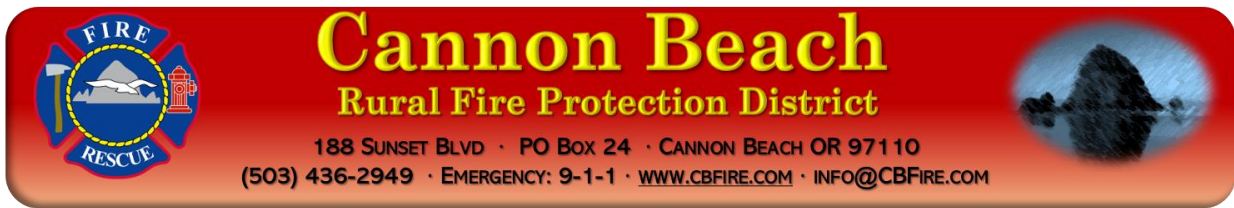
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	<p>The Fire District is trying a number of programs aimed at getting full coverage for calls, including a Student Program and Out-of-District Program. Paid staff are staggering shifts to get coverage and prevent burnout. If these fail, we have to be prepared.</p> <p><b>Fire Marshal.</b> There is a current backlog and future need of inspections. It is particularly risky in a resort town with many hotels, restaurants, and visitors to ensure their safety through building inspections. A Fire Marshal would ensure all annual building inspections are completed, plan reviews for constructions are submitted, and preventive risk-reduction and education occur.</p> <p><b>Capital improvements.</b> The CB Fire Station Building is 25 years old and has some deterioration. Past maintenance included a new roof, new generator, fuel tank repair, and new power transfer switch. Future maintenance includes siding replacement, rot on the fascia board soffits, and rotted doors in tower.</p> <p><b>Apparatus Maintenance/Replacements.</b> This is currently being addressed to the extent we have funds. As equipment and vehicles age, replacement must be planned well in advance because of the sizeable cost.</p> <p><b>Increased Calls.</b> There are other sides to increased calls besides staffing. Expenses also rise related to wear and tear on equipment and their increased maintenance as well as tool replacement. Another example is fuel. CB Fire’s Fuel tank is typically filled every July and lasts a year. This year because of the call volume, fuel had to be replenished in March.</p> <p><b>Rightsizing.</b> Rightsizing is to bring the optimum number of resources to meet expectations. Cannon Beach is considered a relatively small town with a population of 2,200. This small-town population must meet infrastructure needs for mid-size city population of over 50,000 during peak tourist season which is expanding. It is a challenge to provide mid-size city population resources on a small city population budget.</p>
<p><b>Will the Food and Beverage Tax replace current Levies?</b></p>	<p>It is not expected to replace levies. The goal of the levy in 2020 was to increase funding to a level that, with the passing of a Food and Beverage Tax, the Fire District would be in a sustainable position. If Food and Beverage Tax is passed, the plan would be to combine the Chief and Operations levy into one levy in three years and continue that one levy.</p>



**Please feel free to contact us with any questions or to discuss further. We can be reached at 503-436-2949.**

**To be on our emailing list, send your email information to [info@cbfire.com](mailto:info@cbfire.com)**

**We do not sell, give away or share your email address.**