

CITY OF CANNON BEACH

P.O. Box 368, OR 97110 • Fax: 503-436-2050 • TTY 503.436.8097 • Telephone: 503-436-1581
Website: <http://www.ci.cannon-beach.or.us> • Email: cityhall@ci.cannon-beach.or.us



July 1, 2011

To Tourism and Arts Fund Applicants:

Thank you for your interest in the City of Cannon Beach Tourism and Arts Commission's 2011-2012 Tourism and Arts Fund Award Program. This program disburses funds for events/activities/projects or programs which meet eligible criteria--to attract tourists to the City through efforts directly related to marketing and enhancing the Arts of Cannon Beach. Enclosed is the application packet. The application packet is also available electronically at www.ci.cannon-beach.or.us. Completed applications will be accepted in person at City Hall, by mail, or by email, using the City's official application packet. Completed application packets must be returned to Cannon Beach City Hall by **2:00 p.m. on Thursday, September 1, 2011.**

The eligibility criteria are very strict. Please review ORS 320.350, Ordinance 10-06, and the TAC Guidelines for compliance. The application packet format must be carefully followed. Alternative formats will not be accepted. "On File with City" is not a valid response to application questions. **All application information and supporting documentation must be on 8 ½" x 11" paper.** Compliance with the criteria and application checklist is required. **Incomplete or late applications will not be considered.** Please be advised that mid-term evaluations and final project evaluations will be required in order to maintain future eligibility for TAF awards. Further, a TAF Award Agreement must be signed by the Applicant prior to the receipt of any award disbursements.

TAF applications for FY 2011-2012 will be reviewed by the Tourism and Arts Commission after the closing date of September 1, 2011, and the Commission recommendations must be approved by the City Council. First quarter funds will not be dispersed until after November 15, 2011. Subsequent quarterly award payments will be disbursed after February 15, 2012, May 15, 2012, and August 15, 2012.

Please feel free to call me at 436-8048 or email me at meguire@ci.cannon-beach.or.us if you have any questions.

Sincerely,

Stephanie McGuire
Administrative Assistant
Tourism and Arts Commission Staff

Enclosures: Application for Funding - Tourism and Arts Fund (TAF) FY 2011-2012
Criteria and Checklist
Application Checklist and Receipt
Tourism and Arts Fund Recipient Evaluation
ORS 320.350
City of Cannon Beach Ordinance #10-06
TAF Award Agreement
TAC Guidelines

For Staff Use Only: Date Received: _____
Application #: _____

**Application for Funding
Tourism and Arts Fund (TAF)
FY 2011-2012**

Please review the TAC Guidelines, ORS 320.350, Ordinance 10-06, attached criteria and checklist, TAF Award Agreement, and evaluation forms as you complete this application. Completed applications should be sent to the Cannon Beach Tourism and Arts Commission, Attention Stephanie McGuire, P.O. Box 368, Cannon Beach, OR 97110. Electronic applications are available at www.ci.cannon-beach.or.us. All information must be submitted on 8 1/2" x 11" papers. No colored documents please. **Applications must be received at Cannon Beach City Hall by 2:00 p.m., or post marked, Thursday, September 1, 2011.**

The Tourism and Arts Commission (TAC) will review applications for funding after the closing date of September 1, 2011, and will make recommendations to the City Council. A final determination will be made within 75 days of the application closing date. Applicants will be notified by letter of the Tourism and Arts Commission's decision and checks will be disbursed after November 15th.

A Mid-Term evaluation will be due from each TAF recipient by March 15, 2012. A Final Evaluation will be due upon completion of the event/activity/project/program, or by the end of the TAF fiscal year, June 30, 2012. Future ineligibility will result if evaluation forms are not received in timely manner.

Please type or print. Use additional sheets as necessary.

Contact Information

Organization Name _____

Nonprofit Tax ID #: _____

Address _____

Telephone _____ Website (if applicable) _____

Contact Name _____ Email _____

1. **Organization Information** - Provide a brief statement of the history and purpose of your organization:

2. **Event/Activity/Project/Program Information**

a) Duration (Date(s)) of Event/Activity/Project/Program: _____

b) Project Type: (circle any applicable) Special Event Attraction Development Marketing Funding
Other (please describe)

c) Name of Event/Activity/Project/Program: _____



3. Project Description, Scope, and Potential Economic Impact on the City: Be sure to include complete details of this project and the anticipated benefits to be received as it relates to the attraction of tourists to the City through efforts directly related to marketing and enhancing the Arts in Cannon Beach. Please include details on the projected generation of additional overnight visitors or other tourism benefits to Cannon Beach, goals and objectives of the project, marketing plan including collaborative opportunities, organizational structure of project, uniqueness of the project, timelines and readiness to proceed with project, financial sustainability, and compliance with the requirements of ORS 320.350. Attach additional pages as needed.

4. Please describe the attempts you have made with other sources to secure the funding necessary for this project. Also include a statement on your organization's financial need for this project. Include a detailed line-item project budget depicting both revenues, revenue sources, and expenses. Attach copies of the organization's budget for the current year, and the most recent financial statement reviewed by a professional accountant for the most recently completed fiscal year. Attach additional pages as necessary.

5. Describe in detail how you will track, evaluate and report the success of your program.

6. Describe in detail the support of the community for this project, including partners, sponsors, volunteers, or other contributors or collaborators.

7. Amount of TAF Funds Requested: _____

Criteria and Checklist
Tourism and Arts Fund (TAF) Application
FY 2011-2012

Application Criteria

The following criteria will be used by the Tourism and Arts Commission (TAC) to evaluate applications for TAF awards:

1. Applicants must be a qualified tax-exempt organization.
2. Advertising or marketing of tourism related facilities, events, and projects (as defined in ORS 320.350 and Ordinance 10-06) included as part of the TAF application for award must be for facilities located within the City limits of Cannon Beach. Funds for events or projects within 5 miles of the City limits may be considered.
3. Applications must be complete and received or postmarked by the deadline advertised.
4. Applicant agrees to provide the City with an evaluation of the program/project within 30 days of completion of the program/project, or the end of the fiscal year, whichever occurs first. Evaluation must include a description of the events and services, audience, number of participants, and a final financial statement showing line-item income and expenses for the project, with supporting documentation attached.
5. Applicant understands that a Mid-Term Evaluation is required to be submitted by March 15, 2012.
6. Applicant understands that a TAF Award Agreement must be signed by the Applicant prior to receipt of any TAF award disbursements.
7. The TAC reserves the right to recommend to the City Council reimbursement from any organization who has received TAF awards and misrepresented their application or has not utilized the award funds in a manner consistent with their application.
8. Former TAF recipients who have not submitted a completed evaluation will not be considered for future TAF awards.

Evaluation Criteria

The applicant will be further considered for funding and ranked based on the following criteria:

- 1) Does the project comply with ORS 320.350 and Ordinance 10-06?
- 2) What is the economic impact on the City? Will it attract overnight visitors?
- 3) Does the project enhance the arts or tourism in Cannon Beach?
- 4) Is the project feasible?
- 5) What resources are available to the applicant and what is the total budget for the project?
- 6) To what extent is there an effort to collaborate with other organizations?

Application Checklist and Receipt for TAF Funding Request

Please acknowledge receipt of the following documents by initialing each item.

- _____ Receipt of ORS 320.350.
- _____ Receipt of Ordinance 10-06
- _____ Receipt of Tourism and Arts Commission (TAC) Guidelines
- _____ Receipt of Tourism and Arts Funding (TAF) Award Agreement

Please initial to verify that the following items have been included in the TAF application submittal.

- _____ Completed application form, signed by an authorized representative of the organization
- _____ Copy of Board of Directors list
- _____ A copy of organization's IRS statement as evidence of 501(c)3 or 501(c)6 status, or evidence of other non-profit status, and date organization was formed
- _____ A copy of line-item budget for proposed program/project
- _____ A copy of line-item organizational budget for the current fiscal year
- _____ A copy of most recent financial statement, reviewed by a professional accountant, for the most recently completed fiscal year
- _____ Evaluation for last TAF award received, if applicable
- _____ Initialed copy of this Application Checklist and Receipt
- _____ **All information is on 8 ½" x 11" sized paper**

**Tourism and Arts Fund Recipient Evaluation
FY 2011-2012**

All recipients are required to complete an evaluation of the TAF-funded program/project to the City within 30 days of completion of the program/project, or the end of the fiscal year, whichever occurs first. This form may also be used for Mid-Term Evaluations. For ongoing program/projects, evaluations should be received prior to the submittal of a new TAF award request. Please type or print. Use additional 8 1/2" x 11" sheets as necessary.

Program/Project Title _____

Evaluator Name/Position _____ **Date** _____

1. Project/Program Summary

Briefly describe your program/project as it was delivered. Include information on original program/project goals, number of participants, audiences served, types of activities and events, etc. Include specifically, details on how the program/project furthered tourism and the arts in Cannon Beach.

2. Program/Project Evaluation

a. Describe whether the program/project was successful and met its goals. Include supporting documentation.

b. Describe what could be done differently in the future to improve the program/project.

3. Budget

Briefly describe how the program/project did or did not meet its financial projections. Include a copy of the final program/project income and expenses, clearly showing the TAF award, **on a line-item basis**, with this evaluation.

Rev 06/28/2011



TRANSIENT LODGING TAXES

(Definitions)

320.300 Definitions for ORS 320.300 to 320.350. As used in ORS 320.300 to 320.350:

(1) “Collection reimbursement charge” means the amount a transient lodging provider may retain as reimbursement for the costs incurred by the provider in collecting and reporting a transient lodging tax and in maintaining transient lodging tax records.

(2) “Conference center” means a facility that:

(a) Is owned or partially owned by a unit of local government, a governmental agency or a nonprofit organization; and

(b) Meets the current membership criteria of the International Association of Conference Centers.

(3) “Convention center” means a new or improved facility that:

(a) Is capable of attracting and accommodating conventions and trade shows from international, national and regional markets requiring exhibition space, ballroom space, meeting rooms and any other associated space, including but not limited to banquet facilities, loading areas and lobby and registration areas;

(b) Has a total meeting room and ballroom space between one-third and one-half of the total size of the center’s exhibition space;

(c) Generates a majority of its business income from tourists;

(d) Has a room-block relationship with the local lodging industry; and

(e) Is owned by a unit of local government, a governmental agency or a nonprofit organization.

(4) “Local transient lodging tax” means a tax imposed by a unit of local government on the sale, service or furnishing of transient lodging.

(5) “State transient lodging tax” means the tax imposed under ORS 320.305.

(6) “Tourism” means economic activity resulting from tourists.

(7) “Tourism promotion” means any of the following activities:

(a) Advertising, publicizing or distributing information for the purpose of attracting and welcoming tourists;

(b) Conducting strategic planning and research necessary to stimulate future tourism development;

(c) Operating tourism promotion agencies; and

(d) Marketing special events and festivals designed to attract tourists.

(8) “Tourism promotion agency” includes:

(a) An incorporated nonprofit organization or governmental unit that is responsible for the tourism promotion of a destination on a year-round basis.

(b) A nonprofit entity that manages tourism-related economic development plans, programs and projects.

(c) A regional or statewide association that represents entities that rely on tourism-related business for more than 50 percent of their total income.

(9) “Tourism-related facility”:

(a) Means a conference center, convention center or visitor information center; and

(b) Means other improved real property that has a useful life of 10 or more years and has a substantial purpose of supporting tourism or accommodating tourist activities.

(10) “Tourist” means a person who, for business, pleasure, recreation or participation in events related to the arts, heritage or culture, travels from the community in which that person is a resident to a different community that is separate, distinct from and unrelated to the person’s community of residence, and that trip:

(a) Requires the person to travel more than 50 miles from the community of residence; or

(b) Includes an overnight stay.

(11) “Transient lodging” means:

(a) Hotel, motel and inn dwelling units that are used for temporary overnight human occupancy;

(b) Spaces used for parking recreational vehicles or erecting tents during periods of human occupancy; or

(c) Houses, cabins, condominiums, apartment units or other dwelling units, or portions of any of these dwelling units, that are used for temporary human occupancy.

(12) “Unit of local government” has the meaning given that term in ORS 190.003.

(13) “Visitor information center” means a building, or a portion of a building, the main purpose of which is to distribute or disseminate information to tourists. [Formerly 305.824; 2005 c.187 §1]

Note: Section 4, chapter 187, Oregon Laws 2005, provides:

Sec. 4. Section 3 of this 2005 Act [320.308] and the amendments to ORS 320.300 by section 1 of this 2005 Act apply to transient lodging tax reporting periods beginning on or after January 1, 2006. [2005 c.187 §4]

Note: 320.300 to 320.350 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapters 305 to 324 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

320.302 Certain terms defined by rule. The Department of Revenue may by rule define “dwelling unit,” “nonprofit facility,” “temporary human occupancy” and other terms for purposes of ORS 320.300 to 320.350. [2005 c.187 §5]

Note: See second note under 320.300.

(State Transient Lodging Tax)

320.305 Rate of tax; provider reimbursement. (1) A tax of one percent is imposed on any consideration rendered for the sale, service or furnishing of transient lodging. The tax imposed by this subsection shall be in addition to and not in lieu of any local transient lodging tax. The tax shall be collected by the transient lodging provider.

(2) The transient lodging provider shall withhold five percent of the amount the provider collects under subsection (1) of this section for the purpose of reimbursing the provider for the cost of tax collection, record keeping and reporting. [2003 c.818 §2]

Note: See second note under 320.300.

320.308 Exemptions. The following are exempt from the state transient lodging tax:

(1) A dwelling unit in a hospital, health care facility, long term care facility or any other residential

facility that is licensed, registered or certified by the Department of Human Services;

(2) A dwelling unit in a facility providing treatment for drug or alcohol abuse or providing mental health treatment;

(3) A dwelling unit that is used by members of the general public for temporary human occupancy for fewer than 30 days per year;

(4) A dwelling unit, the consideration for which is funded through a contract with a government agency and the purpose of which is to provide emergency or temporary shelter;

(5) A dwelling unit at a nonprofit youth or church camp, nonprofit conference center or other nonprofit facility; or

(6) A dwelling unit that is leased or otherwise occupied by the same person for a consecutive period of 30 days or more during the year. The requirements of this subsection are satisfied even if the physical dwelling unit changes during the consecutive period, if:

(a) All dwelling units occupied are within the same facility; and

(b) The person paying consideration for the transient lodging is the same person throughout the consecutive period. [2005 c.187 §3]

Note: See notes under 320.300.

Note: 320.308 was added to and made a part of 320.300 to 320.350 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

320.310 Records and statements. Every transient lodging provider responsible for collecting the tax imposed by ORS 320.305 shall keep records, render statements and comply with rules adopted by the Department of Revenue with respect to the tax. The records and statements required by this section must be sufficient to show whether there is a tax liability under ORS 320.305. [2003 c.818 §3]

Note: See second note under 320.300.

320.315 Due date and form of returns; payment of tax. (1) Every transient lodging provider is responsible for collecting the tax imposed under ORS 320.305 and shall file a return with the Department of Revenue, on or before the last day of the month following the end of each calendar quarter, reporting the amount of tax due during the quarter. The department shall prescribe the form of the return required by this section. The rules of the department shall require that returns be made under penalties for false swearing.

(2) When a return is required under subsection (1) of this section, the transient lodging provider required to make the return shall remit the tax due to the department at the time fixed for filing the return. [2003 c.818 §4]

Note: See second note under 320.300.

320.320 Refunds. If the amount paid by the transient lodging provider to the Department of Revenue under ORS 320.315 exceeds the amount of tax payable, the department shall refund the amount of the excess with interest thereon at the rate established under ORS 305.220 for each month or fraction of a month from the date of payment of the excess until the date of the refund. A refund may not be made to a transient lodging provider who fails to claim the refund within two years after the due date for filing the return to which the claim for refund relates. [2003 c.818 §5]

Note: See second note under 320.300.

320.325 Amounts held in trust; enforcement. (1) Every transient lodging provider required to collect

the tax imposed by ORS 320.305 shall be deemed to hold the amount collected in trust for the State of Oregon and for payment to the Department of Revenue in the manner and at the time provided by ORS 320.315.

(2) At any time the transient lodging provider required to collect the tax fails to remit any amount deemed to be held in trust for the State of Oregon, the department may enforce collection by the issuance of a distraint warrant for the collection of the delinquent amount and all penalties, interest and collection charges accrued thereon. The warrant shall be issued, docketed and proceeded upon in the same manner and shall have the same force and effect as is prescribed with respect to warrants for the collection of delinquent income taxes. [2003 c.818 §6]

Note: See second note under 320.300.

320.330 Applicability of other provisions of law. Unless the context requires otherwise, the provisions of ORS chapters 305, 314 and 316 as to the audit and examination of reports and returns, confidentiality of reports and returns, determination of deficiencies, assessments, claims for refunds, penalties, interest, jeopardy assessments, warrants, conferences and appeals to the Oregon Tax Court, and procedures relating thereto, apply to ORS 320.305 to 320.340, the same as if the tax were a tax imposed upon or measured by net income. All such provisions apply to the taxpayer liable for the tax and to the transient lodging provider required to collect the tax. As to any amount collected and required to be remitted to the Department of Revenue, the tax shall be considered a tax upon the transient lodging provider required to collect the tax and that provider shall be considered a taxpayer. [2003 c.818 §7]

Note: See second note under 320.300.

320.335 Distribution of revenues. All moneys received by the Department of Revenue pursuant to ORS 320.305 to 320.340, and interest thereon, shall be paid to the State Treasurer to be held in a suspense account established under ORS 293.445. After the payment of refunds:

(1) Moneys necessary to reimburse the Department of Revenue for the actual costs incurred by the department in administering the state transient lodging tax, not to exceed two percent of state transient lodging tax collections, are continuously appropriated to the department; and

(2) The balance of the moneys received shall be transferred to the account of the Oregon Tourism Commission established under ORS 285A.274. The moneys transferred under this subsection are continuously appropriated to the Oregon Tourism Commission for the purposes set forth in ORS 285A.274. [2003 c.818 §8]

Note: See second note under 320.300.

320.340 Exemption from public records law. (1) Public records of moneys received by the Department of Revenue pursuant to ORS 320.305 to 320.340 are exempt from disclosure under ORS 192.410 to 192.505. Nothing in this section shall limit the use that can be made of such information for regulatory purposes or its use and admissibility in any enforcement proceedings.

(2) If a conflict is found to exist between subsection (1) of this section and ORS 314.835, ORS 314.835 controls. [2003 c.818 §8a]

Note: See second note under 320.300.

(Local Transient Lodging Taxes)

320.345 Lodging provider collection reimbursement charges. (1) On or after January 1, 2001, a unit of local government that imposed a local transient lodging tax on December 31, 2000, and allowed a transient lodging provider to retain a collection reimbursement charge on that tax, may not decrease the

percentage of local transient lodging taxes that is used to fund collection reimbursement charges.

(2) A unit of local government that imposes a new local transient lodging tax on or after January 1, 2001, shall allow a transient lodging provider to retain a collection reimbursement charge of at least five percent of all collected local transient lodging tax revenues. The percentage of the collection reimbursement charge may be increased by the unit of local government.

(3) A unit of local government that increases a local transient lodging tax on or after January 1, 2001, shall allow a transient lodging provider to retain a collection reimbursement charge of at least five percent of all collected local transient lodging tax revenues. The collection reimbursement charge shall apply to all collected local transient lodging tax revenues, including revenues that would have been collected without the increase. The percentage of the collection reimbursement charge may be increased by the unit of local government.

(4) A unit of local government may not offset the loss of local transient lodging tax revenues caused by collection reimbursement charges required by this section by:

(a) Increasing the rate of the local transient lodging tax;

(b) Decreasing the percentage of total local transient lodging tax revenues used to fund tourism promotion or tourism-related facilities; or

(c) Increasing or imposing a new fee solely on transient lodging providers or tourism promotion agencies that are funded by the local transient lodging tax. [2003 c.818 §10]

Note: See second note under 320.300.

320.347 Alternative remittance of receipts from tax on camping and recreational vehicle spaces.

(1) Except as provided in this section, a unit of local government that imposes a tax on the rental of privately owned camping or recreational vehicle spaces shall, regardless of a schedule imposed by the unit of local government for remitting tax receipts, allow a transient lodging provider to hold the tax collected until the amount of money held by the provider equals or exceeds \$100.

(2) Once the amount held by a transient lodging provider equals or exceeds \$100, or by December 31 of each year if the \$100 threshold is not met, the provider shall remit the tax collected at the next following reporting period established by the unit of local government for payment of the tax.

(3) A unit of local government may not assess any penalty or interest against a transient lodging provider that withholds payments pursuant to this section. [2005 c.610 §4]

Note: Section 5, chapter 610, Oregon Laws 2005, provides:

Sec. 5. Section 4 of this 2005 Act [320.347] applies to taxes collected by transient lodging providers on or after the effective date of this 2005 Act [January 1, 2006]. [2005 c.610 §5]

Note: See second note under 320.300.

320.350 Local transient lodging tax moratorium; exceptions; uses of revenues. (1) A unit of local government that did not impose a local transient lodging tax on July 1, 2003, may not impose a local transient lodging tax on or after July 2, 2003, unless the imposition of the local transient lodging tax was approved on or before July 1, 2003.

(2) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may not increase the rate of the local transient lodging tax on or after July 2, 2003, to a rate that is greater than the rate in effect on July 1, 2003, unless the increase was approved on or before July 1, 2003.

(3) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may not decrease the percentage of total local transient lodging tax revenues that are actually expended to fund

tourism promotion or tourism-related facilities on or after July 2, 2003. A unit of local government that agreed, on or before July 1, 2003, to increase the percentage of total local transient lodging tax revenues that are to be expended to fund tourism promotion or tourism-related facilities, must increase the percentage as agreed.

(4) Notwithstanding subsections (1) and (2) of this section, a unit of local government that is financing debt with local transient lodging tax revenues on November 26, 2003, must continue to finance the debt until the retirement of the debt, including any refinancing of that debt. If the tax is not otherwise permitted under subsection (1) or (2) of this section, at the time of the debt retirement:

(a) The local transient lodging tax revenue that financed the debt shall be used as provided in subsection (5) of this section; or

(b) The unit of local government shall thereafter eliminate the new tax or increase in tax otherwise described in subsection (1) or (2) of this section.

(5) Subsections (1) and (2) of this section do not apply to a new or increased local transient lodging tax if all of the net revenue from the new or increased tax, following reductions attributed to collection reimbursement charges, is used consistently with subsection (6) of this section to:

(a) Fund tourism promotion or tourism-related facilities;

(b) Fund city or county services; or

(c) Finance or refinance the debt of tourism-related facilities and pay reasonable administrative costs incurred in financing or refinancing that debt, provided that:

(A) The net revenue may be used for administrative costs only if the unit of local government provides a collection reimbursement charge; and

(B) Upon retirement of the debt, the unit of local government reduces the tax by the amount by which the tax was increased to finance or refinance the debt.

(6) At least 70 percent of net revenue from a new or increased local transient lodging tax shall be used for the purposes described in subsection (5)(a) or (c) of this section. No more than 30 percent of net revenue from a new or increased local transient lodging tax may be used for the purpose described in subsection (5)(b) of this section. [2003 c.818 §11]

Note: See second note under 320.300

BEFORE THE COMMON COUNCIL OF THE CITY OF CANNON BEACH

FOR THE PURPOSE OF AMENDING THE)) ORDINANCE NO. 10-06
MUNICIPAL CODE, CHAPTER 3, TO)
INCREASE THE AMOUNT OF THE)
TRANSIENT LODGING TAX FROM SIX)
PERCENT (6%) TO SEVEN PERCENT (7%);)
THE LOCAL TRANSIENT ROOM (LODGING))
TAX IN ACCORDANCE WITH OREGON)
REVISED STATUTES 320.300 TO 320.350

WHEREAS the Cannon Beach Municipal Code Chapter 3.12 creates and implements a local transient room (lodging) tax in accordance with Oregon Revised Statutes 320.300 to 320.350;

WHEREAS the Cannon Beach City Council desires to increase the amount of the transient lodging tax from six percent (6%) to seven percent (7%);

WHEREAS the Oregon Revised Statutes Chapter 320 specifies that no less than 70% of the 1% increase must be dedicated to tourism and tourism related facilities and that no more than 30% of the increase may be dedicated to fund City services;

WHEREAS the City Council desires that the intended purpose of 70% of the 1% increase is to develop and support events and attractions that enhance tourism, in accordance with ORS 320.300 and 320.350, specifically tourists staying overnight in or traveling distances greater than 50 miles to Cannon Beach, and with additional emphasis given to tourism tied to the arts community of Cannon Beach;

WHEREAS 70% of the 1% increase would be collected and maintained in a fund entitled the "Tourism and Arts Fund";

WHEREAS a City Committee, the "Cannon Beach Tourism and Arts Commission", is created to develop grant guidelines and procedures to distribute and account for the monies in the "Tourism and Arts Fund" and that these procedures and any subsequent changes to the procedures be presented for approval to the City Council before implementation of such procedures;

WHEREAS the intent is to distribute monies in the Tourism and Arts Fund on a quarterly basis with the first distribution to be made to the recipients during November of each year with ensuing distributions during February, May and August;

WHEREAS the recipients of the Tourism and Arts Fund understand that the level of funding may fluctuate on a quarterly basis due to the fact that the amount of money in the Fund is entirely dependent upon the amount of tax revenue collected on a quarterly basis from the Lodging Tax;

WHEREAS it is the expectation of the Council that all recipients of the monies from the Tourism and Arts Fund exemplify accountability and transparency in all matters related to the application of these funds, further it is imperative that the recipients demonstrate to the Tourism and Arts Commission that they are in compliance with the State statute (ORS Chapter 320), City Ordinance and local rules related to the use of these funds;

WHEREAS the Tourism and Arts Commission shall present for approval to the City Council their recommendations as to grant recipients and amounts of such grants from the Tourism and Art Fund before final awards and distributions are made;

WHEREAS the Council recognizes the need for the recipients of these funds to rely upon funding from year to year; therefore, applicants may apply for multi-year grants contingent upon the Tourism and Arts Commission's annual review of the recipient's application and use of the funding to ensure

compliance with the State statute (ORS Chapter 320), City Ordinance and local rules related to the use of the funds; and

WHEREAS the Cannon Beach Tourism and Arts Commission shall be comprised of a total of five (5) voting members. Each member shall have experience in one or more of the following areas: public relations, marketing, advertising, tourism, lodging, promotions, events promotion and/or publicity.

NOW, THEREFORE, the City of Cannon Beach does ordain as follows:

Section 1. Amend the Municipal Code, 3.12.020 Tax imposed, to read as follows:

A. As of July 1, 2010 a transient shall pay a tax in the amount of seven percent for the privilege of occupancy in a hotel in the city. The tax constitutes a debt owed by the transient to the city and the debt is extinguished only when the tax is remitted by the operator to the city. The transient shall pay the tax to the operator at the time rent is paid. The operator shall enter the tax into the record when rent is collected if the operator keeps records on the accrual accounting basis. If the rent is paid in installments, a proportionate share of the tax shall be paid by the transient to the operator with each installment. In all cases, rent is paid or charged for occupancy shall exclude the sale of goods, services or commodities. (Ord. 91-8 § 1: Ord. 86-5 § 1: Ord. 83-21 §2)

B. Such tax increase shall not apply to reservations for lodging in the City of Cannon Beach made prior to the passage of this Ordinance. Reservations made prior to the passage of the Ordinance by the City Council are exempt from the 1% lodging tax increase; however, such tax increase shall apply to all reservations made after the date of passage of the Ordinance.

C. Pursuant to ORS 320.350, 70% of the net proceeds from the additional 1% of the transient lodging tax shall be used for the purposes described in ORS 320.350 (5)(a) or (c) which states that such funds shall be used for tourism promotion or tourism related facilities. Pursuant to ORS 320.350 (5)(A) (6), 30% of the net proceeds from the increased lodging tax may be used by the City for funding City services.

ADOPTED by the Common Council of the City of Cannon Beach this 4th day of May, 2010, by the following roll call vote:

YEAS:
NAYS:
EXCUSED:

Mike Morgan, Mayor

Attest:

Approved as to Form:

Richard A. Mays, City Manager

Tamara Herdener, City Attorney

**CITY OF CANNON BEACH (CITY)
TOURISM AND ARTS COMMISSION (TAC)
GUIDELINES FOR ADMINISTRATION OF TOURISM AND ARTS FUND (TAF)**

I. PURPOSE:

The purpose of the Tourism and Arts Commission is to see that expenditures from the TAF are used to attract tourists (per the definition of “tourist” in ORS 320.350) to the City through efforts directly related to marketing and enhancing the Arts in Cannon Beach. The TAF proceeds must be utilized in such a manner as to contribute to the development and improvement of the local economy through the enhancement, expansion, support and promotion of tourism and the arts.

II. GENERAL GUIDELINES:

- a) Priority will be given to grant applicants that demonstrate an effort to generate overnight visitors and collaboration with various local businesses and/or non-profit organizations through strategic partnerships to leverage TAF resources being sought.
- b) Use of TAF resources may include but is not limited to: personnel, special events, signage, attractions, owner-occupied facility development, promotional materials and advertising which furthers tourism in the City, specifically overnight visitors, directly benefiting the local economy, the arts and culture, and the image of the City.
- c) Funding for special events is limited to personnel, activities, events, program development or marketing strategies for ongoing events that can be directly related to generating overnight visitors to Cannon Beach or an annual event with introduction of new or expanded attractions or to sustain an already existing event that meets the above mentioned mission.

III. TIMELINES:

- a) Applications and grant guidelines will be available at City Hall by July 1st of each year. The application closing date is the first Wednesday of September and completed applications must be postmarked or hand delivered to City Hall by that date. The review of applications by the TAC will begin after the closing date and awards will be made within 75 days of the closing date.
- b) At the discretion of the TAC, the annual process may include a second application cycle for new projects and programs if funding is available in an amount not to exceed 10% of the budgeted estimate.

IV. DETERMINATION PROCEDURE AND APPLICATION

- a) The TAC will determine the amounts distributed to each organization based on the application. A recipient organization must be a 501(c)3, 501(c)6 or other non-profit entity. Proposed uses of TAF grant funds must comply with all current City ordinances and ORS 320.350.
- b) Each application must provide an analysis of the scope, duration, sustainability (if applicable to the project) and potential economic impact on the City. Annual events should demonstrate an effort to achieve future financial stability and sustainability.
- c) Each application must include a description of the project, the target market, the advertising and promotion plan and the evaluation process including how use of the funds is tied to generating tourists and visitors, and promoting the Arts.
- d) Consideration will be given to projects and programs that are unique, collaborative in nature and consistent with the qualities of Cannon Beach.

e) Annual applications should also include the following: letter from the IRS granting tax-exempt status; board of directors list; detailed project budget depicting both revenues and expenses for each applicable year (if ensuing years contain different budget than the first year); organization's budget for current year; most recent financial statement reviewed by a professional accountant for most recently completed fiscal year; and a completed and signed application form.

f) An organization may be denied a TAF award if previously awarded TAF projects have not complied with TAF procedures and guidelines including, but not limited, to filing a financial report and program evaluation.

V. DISTRIBUTION SCHEDULE AND PROJECT EVALUATIONS

a) Mid-term and final project evaluations will be required including financial and program information and results. The mid-term evaluation is due March 1st of the fiscal year in which the distributions are made. The final project evaluation is due within 30 days of either the completion of the event or end of the City's fiscal year, whichever occurs first.

b) The TAF awards will be distributed on a quarterly basis with the first distribution made by November 15th of each City fiscal year and every 3 months thereafter.

c) While it is the general goal of the TAC to make the annual awards equal to the total amount estimated to be deposited in the TAF, the TAC reserves the right to withhold up to 10% of the annual estimate for unforeseen events and programs and further, to make awards based on a percentage of the estimated funds expected to be received in the TAF versus a total dollar amount.

VI. PROJECT REQUIREMENTS

a) Applicants must be a qualified tax-exempt organization.

b) Advertising or marketing of tourism related facilities, events, and projects (as defined in ORS 320.350) included as part of the TAF funding request must be for facilities located within the City limits of Cannon Beach. Funds for events or projects within 5 miles of the City limits may be considered.

c) The TAC reserves the right to recommend to the City Council reimbursement from any organization who has received TAF funds and misrepresented their application or has not utilized the funds in a manner consistent with their application.

VII. EVALUATION CRITERIA

The applicant will be further considered for funding and ranked based on the following criteria:

a) Does the project comply with ORS 320.350 and local ordinances?

b) What is the economic impact on the City? Will it attract overnight visitors?

c) Does the project enhance the arts or tourism in Cannon Beach?

d) Is the project feasible?

e) What resources are available to the applicant and what is the total budget for the project?

f) To what extent is there an effort to collaborate with other organizations?

All questions should be directed to: Rich Mays, City Manager, City of Cannon Beach, P.O. Box 368 Cannon Beach, Oregon 97110.

City of Cannon Beach
Tourism and Arts Funding (TAF) Award Agreement

I. TAF Project Title _____

TAF Recipient: _____

Execution of this document by authorized city officials constitutes a legal agreement between the City of Cannon Beach (City) and _____ (TAF Recipient).

The TAF Award project is _____.

The TAF Award description is

_____.

This Agreement incorporates by reference the TAF Recipient's application for a Tourism and Art Funding submitted to the City of Cannon Beach, through the Tourism and Arts Commission, dated _____, and attached hereto as Exhibit A.

The Cannon Beach City Council approved an award of \$ _____ of the \$ _____ requested.

The TAF Recipient's (Recipient) assurances are part of the consideration for all financial assistance given by the City. The City shall have the right to seek judicial enforcement of these assurances, which are binding on the Recipient, its successors, transferees, and assignees.

II. TAF Recipient Responsibilities. The Recipient warrants and assures as follows:

1. That it is a recognized nonprofit tax exempt organization under IRS 503(c) with authority in its bylaws to undertake activities including the TAF project.
2. That it possesses legal authority to accept the financial award. A resolution, motion or similar action has been duly adopted by the recipient's governing body, authorizing the application and identifying an official (nonprofit chairperson) authorized to act in connection with the application.
3. That funds paid by the City shall be expended only for the TAF project set out above. The Recipient shall comply with the audit and reporting requirements established by the City's Tourism and Arts Commission.

4. That all records required by audit guidelines shall be kept for seven years and be available to the City, the Secretary of State of the State of Oregon and their authorized agents or auditors upon request.
5. That Recipient shall comply with all applicable laws and regulations associated with the spending of such Tourism and Arts (TAF) Funds.
6. That all funds must be spent and the project finished by the date specified in the TAF Application. Any changes to the project completion dates, or extensions, must be submitted to the Tourism and Arts Commission through a formal, written request by the TAF Applicant to the Tourism and Arts Commission for authorization.
7. That Project Evaluations must be received by City by March 15th (mid-term) and June 30th (final) of each calendar year.
8. That Final Evaluations must be received by City within thirty days after the project completion or by June 30th, in order for the application to remain in compliance.
9. That Recipient shall submit progress reports and/or other documentation associated with the TAF award to the Tourism and Arts Commission as requested.
10. That any TAF Award funds not used on the project be immediately returned to the City upon project completion.
11. That if at any time after City remits funds under Section II, Recipient determines it is not able or willing to pursue or complete the grant project, without any notice required of City, Recipient shall immediately return to City all TAF funds not yet expended along with an accounting of all expended and unexpended TAF funds.
12. That all information submitted to City, including but not limited to Recipient's TAF application and evaluations, is public record and subject to disclosure as allowed by law under ORS Chapter 192.

II. City Responsibilities. The City warrants as follows:

1. After execution of this Agreement, the City will release to the Recipient on a quarterly basis the authorized percentage of the TAF funds approved in the award.
2. The quarterly distributions will be made in the following months, November, February, May, and August.
3. The amount of Tourism and Arts funds to be used to pay said award is entirely dependent upon the amount of lodging tax the City collects each quarter. Thereby, if there is a

significant decrease in lodging tax collected, the Recipient's TAF award will be decreased as a result.

III. General Provisions

1. This Agreement may be terminated at any time by mutual consent of both parties.
2. The City may terminate this Agreement effective upon delivery of written notice to the Recipient if there is a change in federal, state or local laws, rules, regulations or guidelines rendering the TAF project ineligible for funding.
3. The City, by written notice to Recipient, may terminate the whole or any part of this Agreement if any of the following occurs:
 - a. Recipient defaults in the performance of any of its warranties or agreements contained herein or in the application; or
 - b. Any representation made by the Recipient in the application, budget, or any other documents or reports relied upon by the City in awarding the TAF award or as used to measure progress on the project and performance by the Recipient, are untrue in any material respect.
4. No failure on the part of the City to exercise any right, power, or privilege under this Agreement shall constitute a waiver, nor shall any single or partial exercise preclude any other or further exercise of any such right, power, or privilege under this Agreement.
5. All notices, requests, demands, and other communication to or upon the parties shall be in writing and shall be deemed to have been duly given or made when deposited in the US mail, addressed to the parties at the addresses below or such other address of which a party shall have notified in writing the other party.

If to the City:

Rich Mays, City Manager
City of Cannon Beach
P.O. Box 368
163 E. Gower
Cannon Beach, OR 97110
Phone (503) 436-8050
Fax (503) 436-8041
TTY (503) 436-8097

If to the recipient: Name, Mailing Address

6. This agreement may not be waived or altered without written consent of both parties.
7. The prevailing party in any dispute arising from the agreement shall be entitled to recover from the other reasonable attorney's fees and costs.
8. TAF Award recipient shall, to the extent permitted by the Oregon Constitution, and applicable statutes, save and hold harmless the City and its officers, employees and agents from all claims, suits, or actions of whatsoever nature resulting from or arising out to the activities of the recipient or its subcontractors, agents, volunteers or employees in connection with this agreement.
9. This agreement constitutes the entire agreement between the parties. There are no understandings, agreements or representations, oral or written, not specified herein regarding this agreement. Any waiver or consent, if made, shall be effective only in the specific instance and for the specific purpose given.

Recipient, by execution of this agreement, hereby acknowledges that the Recipient has read this agreement, understands it, and agrees to be bound by its terms and conditions.

City of Cannon Beach:

By: _____
City Manager
City of Cannon Beach, Oregon

Date _____

TAF Award Recipient:

By: _____

Name: _____

Title: _____

Date: _____

Email: _____