

Minutes of the  
**CANNON BEACH CITY COUNCIL**  
Tuesday, January 9, 2024  
Council Chambers

Present: Mayor Barb Knop, Council President Nancy McCarthy, Councilors Brandon Ogilvie, Gary Hayes and Lisa Kerr

Excused:

Staff: City Manager Bruce St. Denis, IT Director Rusty Barrett, Recorder Jennifer Barrett and Chief of Police Jason Schermerhorn

Other:

CALL TO ORDER AND APPROVAL OF AGENDA

Mayor Knop called the meeting to order at 6:00 p.m.

Motion: Ogilvie moved to approve the agenda; Hayes seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried. The agenda was approved.

Knop said for public comment, if it's not related to projects please give so now. Council will answer questions that were posed at the November 28<sup>th</sup> meeting, then will open it up to project comment on the projects.

PUBLIC COMMENT

Deanna Hammond: the agenda says public comment, then discussion, but doesn't say public comment at end of the discussion. Knop replied that's why I said it.

Motion: Ogilvie moved to approve the agenda as amended; Hayes seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried. The agenda was approved.

Andrew Tonry: why are we doing it in this order? Knop replied the purpose of the meeting is to answer concerns from the November 28<sup>th</sup> meeting, that's why I am delaying public comment until we have answered the top questions from the November 28<sup>th</sup> meeting.

Deanna Hammond said I would like to make my public comment now or I will have to zoom in.

Deanna Hammond PO Box 942: I would like Council to remember the city manager serves at your pleasure, it's your job to question and not just to buy in. Council also serves constituents, not just the ones that are like minded. Hammond noted the verbiage that PFT and TLT is pass through has been exhausted, spoke of concerns of the CBE project. Added projects are not in the best interest of the community.

**(1) Regarding Issues Discussed at the November 28<sup>th</sup> Project Meeting**

Knop we will go through the questions that came up at the November 28<sup>th</sup> meeting, then after we will ask for public comment.

### **How will the construction costs of the projects be funded?**

Ogilvie gave an overview of the funding, Hayes added it's not coming from the general fund but are slowing the contributions for general fund reserve. Knop added no property taxes will be used. To date, \$728,480 has been spend on the CH/PD Project to date.

### **Specifics on funding the Cannon Beach Elementary project**

Kerr said the TLT tax falls pretty much close to the middle of the rate for all other municipalities along the coast. Before we raised it, we were close to the bottom. Kerr gave a summary of the TLT allocations. The money funding the school comes out of the 70% of the 7.5%. Hayes added, the ORS that required the 70/30 split, any lodging tax in place become that law is not subject to that. What's funding the school is the county's lodging tax. They are returning the 70% to the cities where it was collected. The remaining portion going to the school was from the lodging tax we passed to fund the CH/PD and the school. There is \$500,000 left for operations through this funding. Kerr added there has been an undercurrent from comments that Council was during maharaja Bruce's bidding. But we've ask him questions, and if something doesn't add up we have questioned it. When it comes to the budget it's a different subject on whether you like the project or not. we have looked that the numbers and they make sense. McCarthy added we've also spoke with the bond people. We spoke with him extensively and it was the second day of the retreat and it's available on YouTube. We haven't just spoke with St. Denis. Kerr added no one council takes spending this much money lightly. Hayes said I acknowledge I could have responded better in the past to people's concerns and the discussion we are having right now, we have answered the questions but not sure we make it really that clear that we are concerned about the money and looked at it in depth. We researched the history and considered impacts of major disaster, we have looked at the risks and not something we are taking lightly. McCarthy added it's an ongoing discussion. Kerr noted if we can use that money for housing the council would jump at the chance, but we can't, it is state law. Hayes added the funding for CBE is 100% paid by visitors through the sources we spoke about. I can't image any of us supporting a property tax to increase to pay for these projects. Kerr replied of food tax. Hayes noted the budget's all have contingency's built in and all have contingency's for increased interest. If we get to the point when something bigger happens our job becomes more difficult and we look at things to cut.

### **Other funds potentially available for funding CBE construction and operations.**

Knop said we have an advisory committee that has met and looked at this, but it has not been presented to council yet. However, the committee has a recommendation to the council at the February work session for discussion. Hayes added I feel there is misunderstanding and intentional misinformation out there of the intended use of NeCus. It's been called an event center or wedding venue; some are trying to stir up anti-tourism divisiveness. Primary daily use is a cultural and nature center, it's not an event center or wedding venue. That will give us the opportunity to save the school as a place of education and honor the indigenous people that lived on the site, create a nature center, promote environmental stewardship and ta place the community gets to use a community gathering place, giving and overview. It will provide a new tourist activity, but as a cultural and nature center. Discussed the options for use of the location. Hayes added feel like we listened to the concerns of the committee and the next set of recommendations address the issues in the policies. Ogilvie noted for management, the \$500,000 that was brought up is not just one time, it's annually and would go a long ways to provide management. Hayes added the recommended management of the facility is a nonprofit board and the use and policies would be passed to them. They would hire a director and operate the facility. The city will contract with the nonprofit.

### **Food Pantry**

Knop said another item that came up is Food pantry. The tribe, city and council are strong supporters of the food pantry. There are not plans for the food pantry to not be at that site and it will get a good facelift. You don't need to worry about it, it will still be there. Hayes added the funding can't be mixed. The visitors are paying for CBE and can't fund the food pantry, but the city is funding it 100%.

### **The Cannon Beach Elementary School Project came in over budget and the city did not give consideration for reducing the project scope.**

Hayes said I read things like ballooning or unsustainable. Costs are a concern, but that's not a concern here. When

we started talking about saving the gymnasium it came in somewhere over \$4M and we delayed and now the price is near \$7M. The only real budget we received is the \$12M budget. We were given a choice, do we give it a facelift or bring it up to code. We have identified the funding and approved it. The scope is do we want to fix the two buildings and call it good, spend \$8M and call it good. We made the decision to have it be one cohesive facility. We have looked at reducing the scope and that's where we directed the architects to simplify the landscape plan. Hayes gave an overview of the landscape plan and ways to scale it back.

Kerr on a different topic, we read every letter that's come in about the projects and I've noted that there is a lot of letters that say the citizens don't want it. It's true some don't, but we received a lot of letters of support and people who want it and think it's terrific or speak about it. We can't make everyone happy, some people just don't like the way it's laid out. I am not sure how you solve that. From what I've read there are more people leaning towards it than against it. I don't know how to resolve it, we will never make everyone happy. Hayes added I counted the letters in the November 18<sup>th</sup> packet, there were 20 letters, 12 in support, 4 said don't to it, the remaining were scale it back, delay, or let's talk about it more. We listen to everyone, there's a public process going on for years for the project. We are where we are because people said they wanted us to save the school building. To say the community does not support it a stretch. Discussed sustainable tourism, Hayes added we will counter some of the negative impacts of tourism and supporting the stewardship of the environment.

Hayes said a comment heard over and over again is using the money for affordable housing; it's not allowed per state law. 70% of any lodging increase must be used to fund tourism promotion or tourism facilities. This is the tourism facility we are looking at. There is no possible way to put it in housing. I hate it when I hear we are following Bruce's agenda. You should see his agenda. We are taking on things like housing, Kerr added and wetlands and trees, noting the attorney reviewing trees and wetland being reviewed at the state level. It was the council that said they wanted to put them through. McCarthy added we are in the process of putting on a housing meeting. Gary and Brandon have been going to Clatsop County Regional Housing meetings for years. There will be a lot of no I don't want that in my backyard. If you are passionate about housing, I hope you are here for the discussion. Kerr added and same with the environment, these will need a lot of community support. This is what drives the community, and it is what it is, it's not just because of the businesses, it's the natural beauty. That's what brings people here.

**Opened for public comment:**

Knop said a reminder we are here having a discussion. Let's be civil, kind respectful and keep it at three minutes.

Laurel Hood 295 E Jackson Cannon Beach spoke of her concerns with the bond proceeds trending down, the funding of operations, use of TLT funds, and the correspondence received. Council and St. Denis answered questions and a discussion ensued.

Lolly Champion PO Box 614: noted concerns with packet materials, the budget, cost, food pantry, the DRB decision. Council and St. Denis answered questions and a discussion ensued.

Anita Dueber PO Box 694 –speaking as a private citizen, spoke about the changes of the project over time, the costs, the size and aesthetic of the building. Council and St. Denis answered questions and a discussion ensued.

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Bonnnie Mitchell Fischer PO Box 1476 spoke about saving the school and turning into a center for Native Americans.

Sam Steidel PO Box 501spoke about housing, TLT, scope of the project. Council and St. Denis answered questions and a discussion ensued.

Andrew Tonry PO Box 664 spoke of concerns with the project, ways to honor the tribe. Council answered questions and a discussion ensued.

Watt Childress 40660 N Fork Road Nehalem, 97131 spoke about the history of the site and concerns with the

tourism aspect of the site. Council and St. Denis answered questions and a discussion ensued.

Lisa Nofield PO Box 843 spoke about the cost of the project.

Took a break at 7:57 pm, Reconvened at 8:04 pm

Leon Graver Box 145 spoke about past controversial projects, adding stay the course.

Jessica Sund PO Box 1358 spoke about scaling back and the trails system through the site.

Patick Nofield PO Box 843 spoke about the budget and cost and collaborating with the lodging community. Council and St. Denis answered questions and a discussion ensued.

Debbie Workman PO Box 433 spoke of parking concerns, and questions asked on the Cannon Beach Facebook group. Council and St. Denis answered questions and a discussion ensued.

Michelle Valigura PO Box 719 spoke about TLT use and housing. Council and St. Denis answered questions and a discussion ensued.

Lolly Alsop PO Box 1038 spoke about concerns with the project, being the tsunami zone, tourism, housing. Council and St. Denis answered questions and a discussion ensued.

Paul Dueber PO Box 549 spoke about the school closing the history of the Southwind purchase, and events that have been held. Council and St. Denis answered questions and a discussion ensued.

Sam no last name given PO box 1413 spoke of the project changing, the amount of time and money spent to date. Council and St. Denis answered questions and a discussion ensued.

Patrick Nofield gave an overview of redoing the chamber, the use, creating a resource to justify the cost.

Kerr said I feel more confused than ever. I am hearing that they either don't want the project, or a scaled back tourism related facility. Those are two very different things. Hayes added there is a lot of opposition from two different angles. Kerr replied I can't imagine how you'd even do a referendum. Ogilvie noted one thing that is clear is the opposition is the cost. If we can gather as a council to discuss that is what is being asked of us by the community.

Knop said I would like to thank everyone in attendance. We will not be able to always have back and forth discussion but think it was fruitful.

## **( 2 ) Good of the Order**

There was none.

## **ADJORNMENT**

The meeting was adjourned at 9:07 p.m.

ATTEST:

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Jennifer Barrett, Recorder

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Barb Knop, Mayor