



Destination Stewardship Guidance

Prepared for:



June 2024



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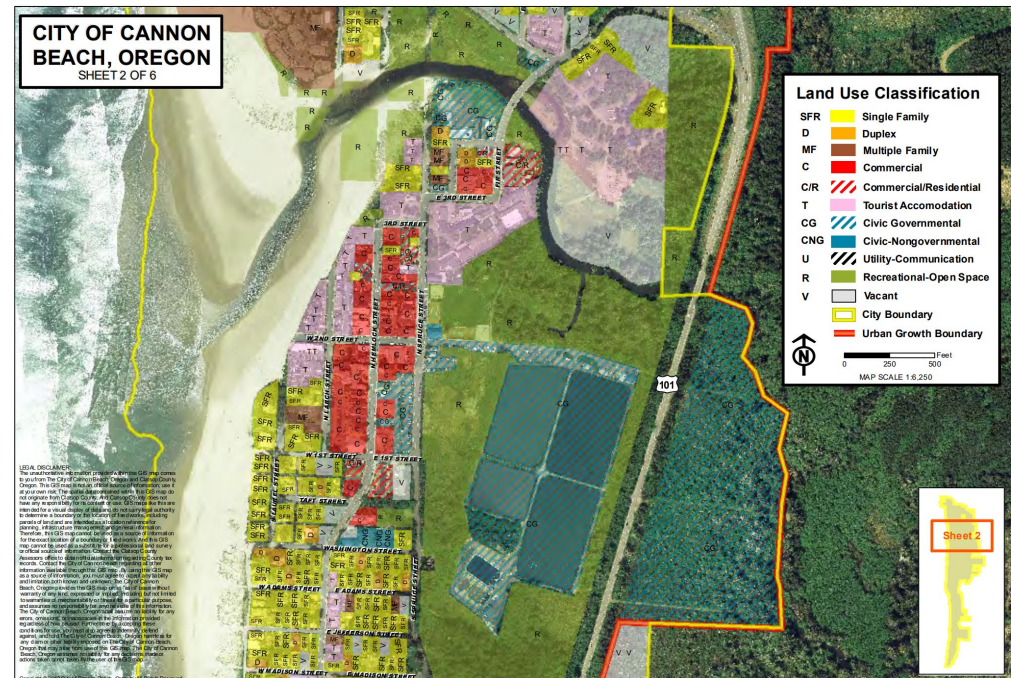
Purpose:

Build a community approach to destination stewardship and reposition the value of tourism for residents, business stakeholders, and community leaders

OVERVIEW

As an increasingly popular resort community, Cannon Beach, Oregon has a fragile relationship with its visitor economy. Transient Room Tax supports 71.2% of the City's general fund budget, yet many residents question whether the community would be better off limiting or eliminating tourism. The community's business mix reflects its dependency on tourism as the City's share of restaurants, retailers, and lodging properties is significantly higher than a community of 1,500 residents can support. Tourism is the lifeblood of Cannon Beach.

This PlaceBalance initiative seeks to find a better point of balance. as the destination grows more strained by visitor volume, more disenchanted with visitor behavior, and less affordable for the area's workforce.



This data driven research report provides a possible path forward through destination stewardship.

STARTING POINT

Destination stewardship has many definitions, priorities and viewpoints. Community input helps establish a consistent and meaningful definition for use in Cannon Beach.

TEXTBOOK

Protecting, preserving, and promoting the tourism industry's long-term viability and ensuring the industry has a net-positive impact on its community

KEY WORDS

Vision group
Value group
Behavior group
Goal group
Audience group

Balance
Healthy
Community
Comfort
Quality
Business
Resident
Change
Environment

Care
Live
Available
Affordable
Diversity
Responsible
Respectful
Stable
Consistent

Safe
Infrastructure
Natural
Resilient
Engagement
Property rights
Sense of belonging
Public land management
Shared expectations

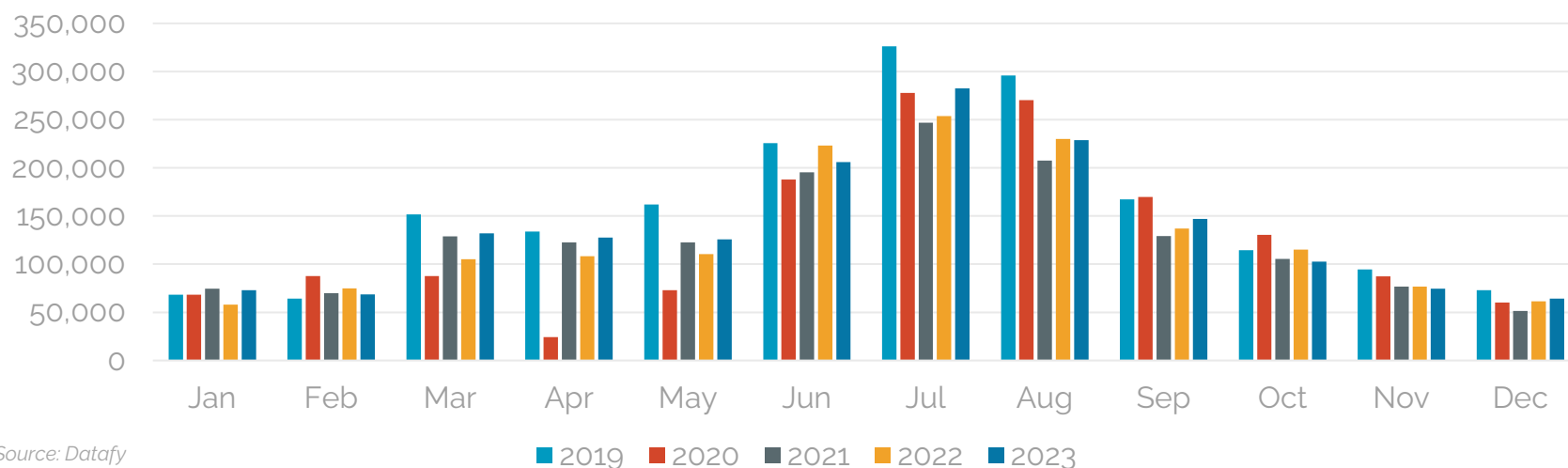
CANNON BEACH

Through responsible and respectful community engagement Cannon Beach carefully and consistently balances quality, vitality, and comfort for its diverse mix of businesses, residents, and natural resources to forge a true sense of belonging and a resilient future.

WHERE CANNON BEACH STANDS

Visitation to Cannon Beach soared following the pandemic, especially in 2022 and 2023, yet visitor days have still not reached 2019 levels. The usual seasonal spikes in visitation also changed. The shift created multiple new challenges and opportunities for the community as the reliance on the traditional summer marketplace radically expanded into being more of a year-round destination. This year-round impact coincided with a shift in lifestyle as home values skyrocketed, day trip visitation grew uncontrollably, and work from anywhere options changed the daily patterns of both visitors and inhabitants of Cannon Beach. The pressure from these various change created dramatic strain on the community and caused residents to sour on the tourism industry upon which the community depends.

Monthly Trends in Visitor Days



CANNON BEACH HOUSING PERSPECTIVES

Population¹

- Cannon Beach population in 2020: 1,489
- Cannon Beach population decrease since 2010: **201 people (-11.9%)**
- Clatsop County population in 2020: 41,102
- Clatsop County population increase since 2020: **4,063 people (+11.0%)**

Valuation¹

- Median value of owner-occupied housing unit in 2022: \$407,700
- Clatsop County resident median income: \$68,025
- Cannon Beach resident median income: \$61,042
- The median sale price of \$2,100,000 in Cannon Beach grew 201.3% from 2023 to 2024.³

Housing Study²

- 22,882 housing units
 - 16,649 occupied (72.7%)
 - 4,712 occupied by renter (28.3%)
 - 6,233 vacant
 - 1,384 vacant for second home (22.2%)

Clatsop County maintains a housing dashboard and regularly updates housing studies. Housing information is included here merely as a reference point. The County housing studies provide more accurate and timely understanding of the area's housing challenges.

Sources:

1 - Census.gov (Because Cannon Beach population is less than 5,000, US Census does not project an estimated update to population. Data USA projects 2022 population at 1,271)

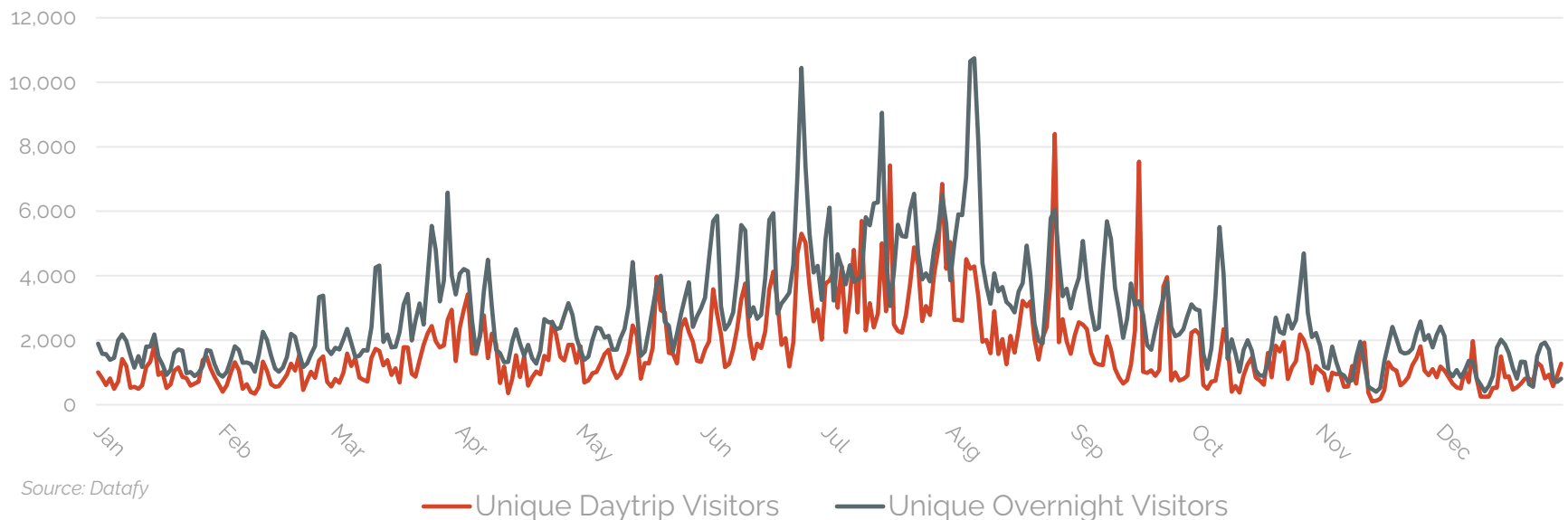
2 - The Research Group - OREGON COASTAL COUNTIES SOCIAL AND ECONOMIC CHARACTERISTICS - Clatsop County 2021

3 - Redfin.com/city/2795/OR/Cannon-Beach/housing-market

VISITOR VOLUME TRENDS

Understanding visitation trends for Cannon Beach requires breaking down the data sets into overnight travelers and daytrippers. The trendlines are similar, but the volume trends are somewhat different. For this report, the visitation volume trends will be compared to resident population to understand visitor to resident ratios.

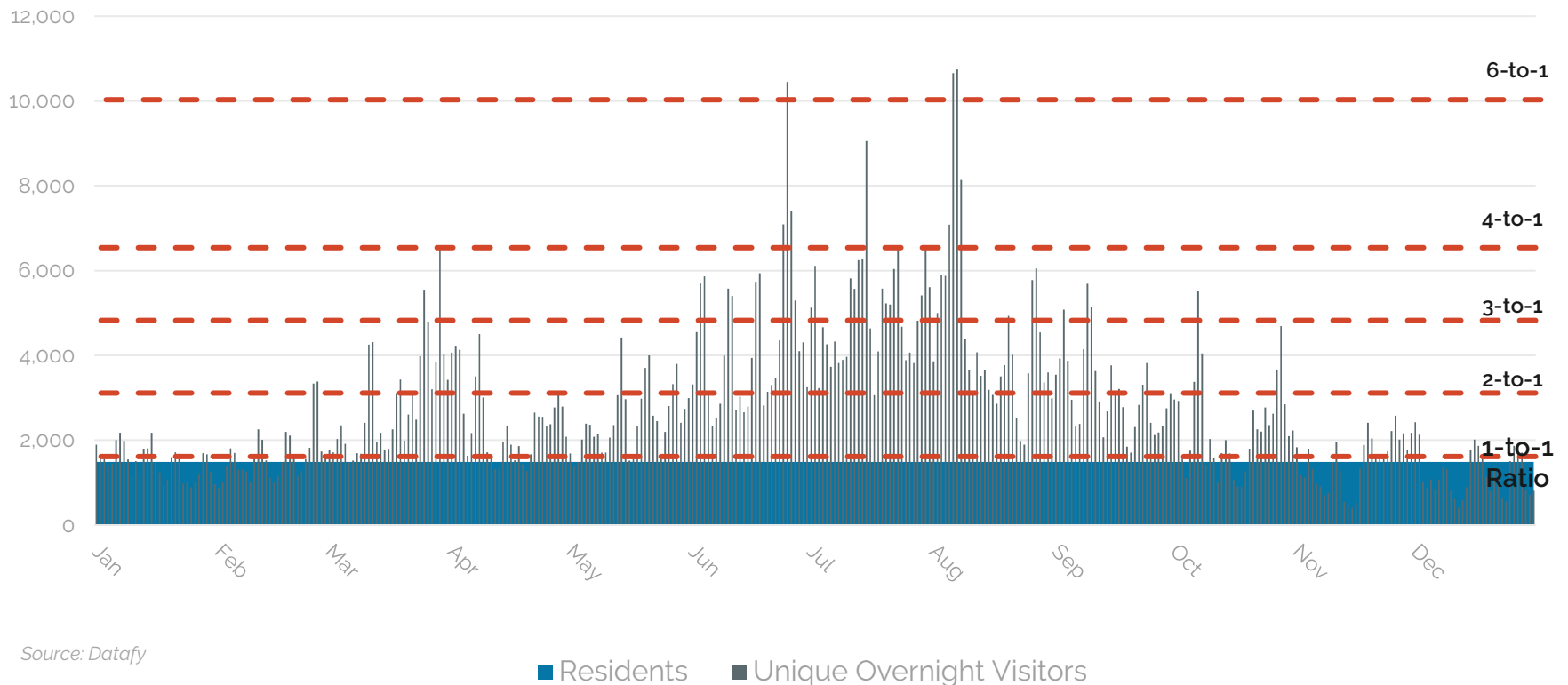
Daily Overnight Visitor Trends – 2023



Visitation trends are compiled from geolocation data vendor, Datafy, using their *Galicia* data model. Geolocation data is helpful for monitoring visitation volume trends, but reliance on precise visitation estimates is unadvised

VISITOR VOLUME TRENDS

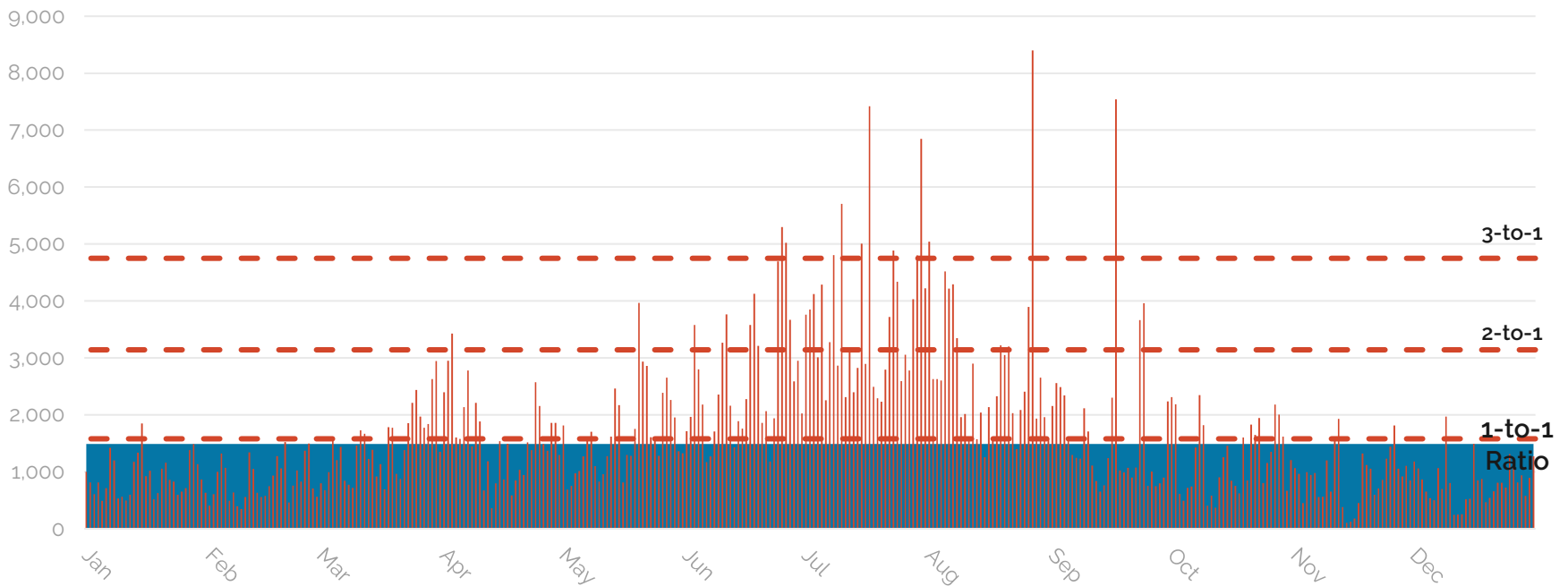
Daily Overnight Visitor Trends Compared to Residents – 2023



Visitation trends are compiled from geolocation data vendor, Datafy, using their *Galicía* data model. Geolocation data is helpful for monitoring visitation volume trends, but reliance on precise visitation estimates is unadvised

VISITOR VOLUME TRENDS

Daily Daytripper Trends Compared to Residents – 2023



Source: Datafy

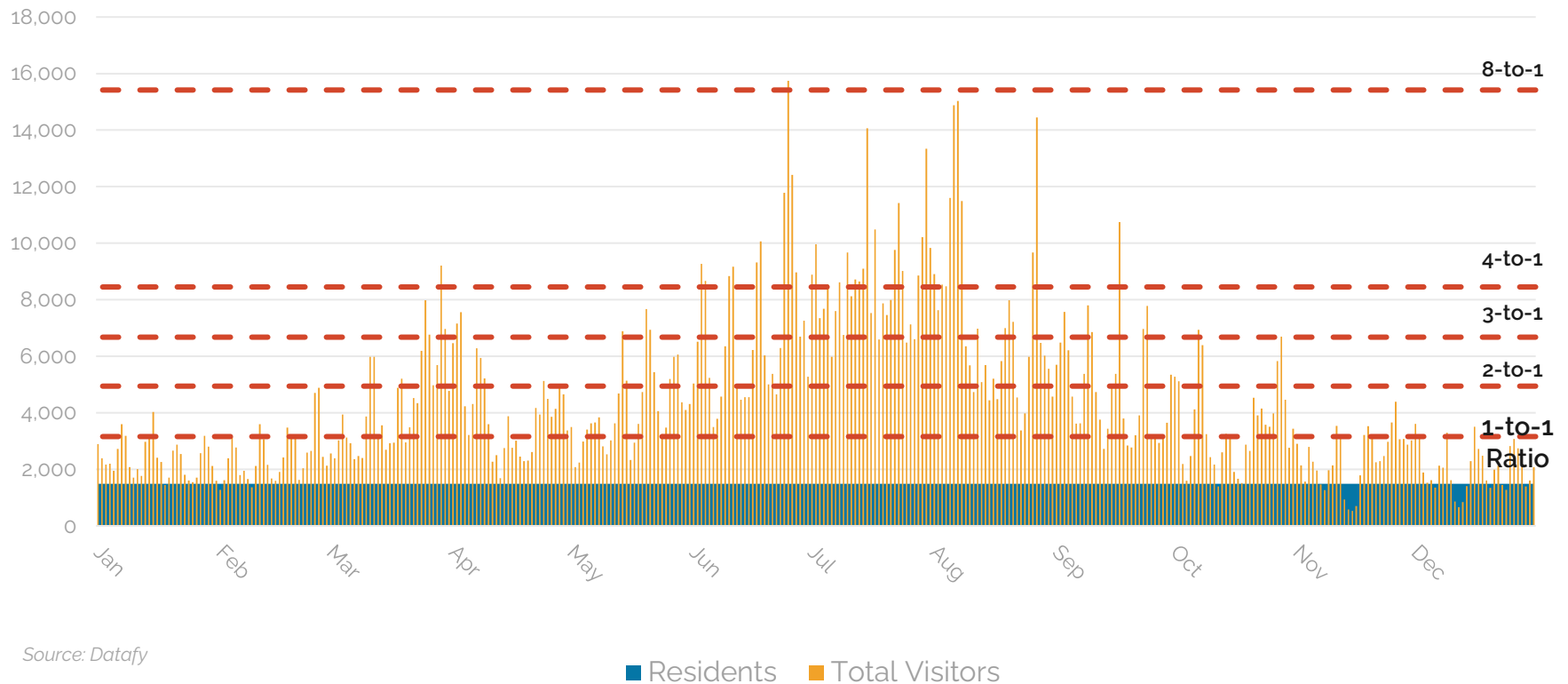
■ Residents ■ Unique Daytrip Visitors

Visitation trends are compiled from geolocation data vendor, Datafy, using their *Galicia* data model. Geolocation data is helpful for monitoring visitation volume trends, but reliance on precise visitation estimates is unadvised

Geolocation tracking of day trips are possibly under counting based on requirements for time spent within the community.

VISITOR VOLUME TRENDS

Total Daily Visitor Trends Compared to Residents – 2023



Visitation trends are compiled from geolocation data vendor, Datafy, using their *Galicia* data model. Geolocation data is helpful for monitoring visitation volume trends, but reliance on precise visitation estimates is unadvised

VISITOR SPENDING IMPACTS

Travel Oregon commissions Portland-based economics firm, Dean Runyan Associates to calculate the annual economic impact of travel across each county. The 2022 report revealed the following for **Clatsop County**:

Travel spending: \$586.6 million

Market share of state total: 4.2%

Growth from 2017: 5.5%

Tourism employment: 7,120 jobs

Share of total employment: 27.4%

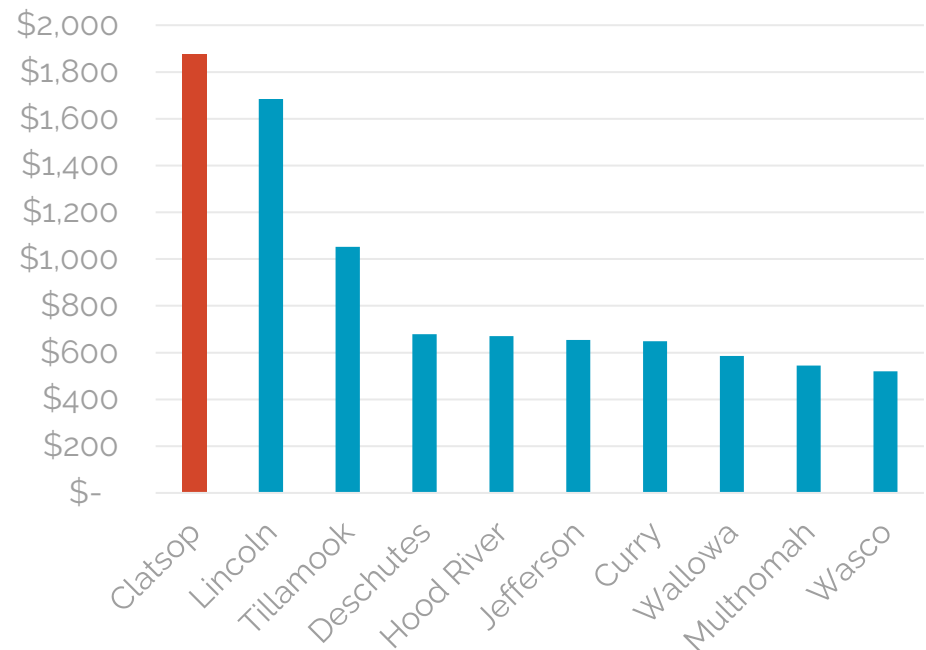
Tourism employment earnings: \$252.3 million

Total tourism taxes generated: \$32,342 million

(Local): \$13,156 million

(State): \$19,186 million

Tax savings per household



Tourism to Clatsop County produces the highest tax savings in the state at \$1,875 per household!

Source: Travel Oregon – The Economic Impact of Travel 2022

GATHERING CONTEXTUAL INPUT

Input from stakeholders, community leaders, and residents is essential to understanding the needs and opportunities connected to destination stewardship. This PlaceBalance process relied on a combination of interviews, small group sessions, and two separate town hall gatherings to build a clear understanding of the destination stewardship challenges facing Cannon Beach.

Eleven (11) community and business leaders were interviewed between March 25th and April 11th, 2024, to gather a contextual starting point to guide the group discussions. The interviews are summarized below:

<u>Tourism Value</u>	<u>Strains related to tourism</u>	<u>Desired Outcomes</u>
Economic <ul style="list-style-type: none">• Majority of city budget from lodging tax• Property taxes are lower• Businesses would not be here without visitation	Congestion (4) Trash (4) Parking (8) Affordability of housing (4) Daytripper actions (5) Lack of transit options	<ul style="list-style-type: none">• Agreement on acceptable capacity (3)• Balancing day trippers with overnight guests (2)• Expectations for visitor behavior
Pride of place <i>"Reminder of how lucky we are to live here"</i>	Public safety/enforcement (4) Divide between the City and business community (4)	<ul style="list-style-type: none">• Cooperation/communication to move forward (5)• Parking system
Respectful appreciation <i>"The beach and community does not belong to the locals. The beauty needs to be shared."</i>	Short term rentals, especially those managed outside the area	<ul style="list-style-type: none">• Balanced approach to livability and profitability• More consistent and manageable means of enforcement (3)

(xx) = number of specific mentions

If there is not tourism, Cannon Beach is a very different place. Can't have people living here and the culture we provide without tourism. The Chamber has done a nice job in moving the focus away from the peak season. Visitors are coming for the coast and the beauty of the area. Local residents will let us know if the efforts are successful. We need to listen. Visitors that are passionately caring about the destination are our ideal guests.

STAKEHOLDER & RESIDENT PERSPECTIVES

On April 17th and 18th, 2024, the Cannon Beach Chamber of Commerce hosted seven topical small group discussions and two resident town hall gatherings to work through the issues and opportunities connected to visitor volume growth since the pandemic. In total, nearly 60 individuals attended the various conversations.

The small discussion groups included arts/not-for-profits/retail, lodging operators, municipality/public sector, the Chamber of Commerce Board of Directors, businesses, and restaurants. The community input sessions were facilitated by the destination planning firm, Clarity of Place, as part of their PlaceBalance process.

The groups worked through a wide range of destination stewardship topics including:

- Affordable and attainable housing
- Parking
- Trash and waste
- Visitor behavior

Housing consistently emerged as the most important challenge facing the future of Cannon

Beach. Unlike many other resort communities, short term rentals were not viewed as a primary contributing factor to the housing affordability deficiencies, but merely one of many causes. As pressing as the housing issue is for Cannon Beach, the groups recognized the solutions would be long-term and require significant creative planning.

The groups shifted discussion to more attainable destination stewardship initiatives with near-term options for pursuit:

- Convening ongoing conversations between businesses, the city, and residents to help collaboratively address issues facing Cannon Beach;
- Crafting a community wide program to reduce trash and waste left behind on the beach, in the parks, and within the town; and
- Implementing a series of parking management solutions that consider the needs of employees, property owners, and neighborhoods while continuing to facilitate commerce

STAKEHOLDER & RESIDENT IMPACTFUL STATEMENTS

- Westward growth of Portland influences daytrip popularity.
- As a community with aging population, Cannon Beach must be prepared for a natural disaster emergency.
- Businesses need daytrippers and they are coming to see us. They must have a place to park.
- Divisiveness has been a constant in Cannon Beach, and we just cannot seem to align. Is it that we are unwilling to let ourselves come together?
- Cannon Beach needs to talk about issues before they become issues.
- Public transportation is a missing solution for Cannon Beach, especially for workforce and daytrippers.
- Tackling fireworks was initially divisive but gradually became community accepted. Can the steps Cannon Beach followed be applied to a new cause?
- The uniqueness and aesthetics of the village must be a consideration of destination stewardship.
- Pollution is a factor beyond trash as light and noise interrupt the serenity of Cannon Beach.
- Visitor education is vital to change behaviors and broaden positive impacts.
- Currently, either the city or county is conducting research on parking, transportation, and housing studies.
- Parking solutions are within reach especially if approached through a series of small steps.



STAKEHOLDER SURVEY RESULTS

In July of 2024, the Cannon Beach Chamber of Commerce conducted a stakeholder survey of its members to gain wider input on issues and the state of business. The survey elicited 55 total responses across a range of businesses and groups worked through a wide range of destination stewardship topics including:

- Affordable and attainable housing
- Parking
- Trash and waste
- Visitor behavior

The respondents echoed the seasonality trends of the geolocation data as 91% indicated that summer months had either the right amount or too much visitation and 81% of lodging business respondents noted their July and August occupancy rates were over 90%.

The stakeholders expressed clear understanding of the importance of tourism to the Cannon Beach economy and mixed feelings on the negative impacts of visitors on the community.

The respondents were asked about priorities and concerns for the destination, the Cannon Beach Chamber, and their own operations.

Top Chamber Priorities:

- Advocate for parking management system; Promotion of the value of tourism; Assist with workforce development efforts; and Participate in regional planning to address workforce housing.

Top Concerns for their Business:

- Costs of workforce housing; Resident attitudes towards tourism; Traffic congestion; and Rising costs of supplies.

Most Important Issues over next 10 Years:

- Implementation of a better system for parking; Identification of ways that visitors pay to offset their impacts; Engagement of residents and businesses in tourism-related policy decisions.

It should be noted that 70% of the respondents to the stakeholder survey live in Cannon Beach.

RECOMMENDATIONS

Destination Stewardship in Cannon Beach

The community input and data analysis utilized within the PlaceBalance process highlighted numerous opportunities for destination stewardship efforts in Cannon Beach. This input also emphasized the necessity of creating a direction that could easily lead to accomplishments and results. The community desired simple steps for immediate outcomes.

The recommendations that follow are meant to apply the findings to create quick and easy wins. These recommendations fall into three categories:

- Encourage more responsible visitor behavior
- Rebuild the collaborative spirit of community
- Facilitate building seasonal consistency in overnight stays



RECOMMENDATIONS

Encourage more responsible visitor behavior

What Cannon Beach must do:

Develop and disseminate messages, visuals, and reminders of expected and desired behavior for visitors to Cannon Beach

Why this is important:

The fragile and environmentally sensitive beaches, rock formations, and forest land of Cannon Beach must be protected. The charm and allure of downtown Cannon Beach must also be preserved along with the quality of life of the community's year-round residents. Destination stewardship efforts are needed to educate overnight and day trip visitors before they arrive and throughout their actual visits on how to be a caring and respectful visitor.

Immediate actions:

- Develop content that reinforces the uniqueness of Cannon Beach and the need to treat it with care and respect
- Work with regional partners to target the Portland metro area with media relations, advertising, and social media programming utilizing the developed content
- Monitor visitor patterns to determine areas within Cannon Beach for visual cues on desired visitor behaviors
- Place visitor behavior signage within lodging properties, retailers, and restaurants

RECOMMENDATIONS

Rebuild the collaborative spirit of community

What Cannon Beach must do:

Convene ongoing conversations between businesses, the city, and residents to help collaboratively address issues facing Cannon Beach

Why this is important:

The relationship between the City and its business community should be forged on trust and communication. Both elements are currently fractured, but both groups highlight similar needs and desires for the direction of Cannon Beach as a destination. The first step to rebuilding mutual reliance and respect should be focused conversations on issues, opportunities, and needs. If the business community suffers it will impact the City's ability to cover its investments. If the City is not an active participant in problem solving, then key priorities can be overlooked. Rebuilding needs steady and consistent candor to coincide with delivering a quick and easy win which should be followed by another quick and easy win.

Immediate actions:

- Craft a community-wide program to reduce trash and waste left behind on the beach, in the parks, and within downtown (*Modeled after the area's implementation of the fireworks ban*)
- Implement a series of parking management solutions that consider the needs of employees, private property, and neighborhoods while continuing to facilitate commerce within the city
- Work regionally to deliver an effective transportation shuttle system for visitors and employees

RECOMMENDATIONS

Facilitate building seasonal consistency in overnight stays

What Cannon Beach must do:

Concentrate paid marketing and media relations programming on driving weekday and off-peak overnight stays

Why this is important:

Cannon Beach possesses the opportunity to grow non-peak overnight visitation. Marketing investments need to reflect this approach and concentrate on travel segments that can visit during non-traditional seasons and days of the week to help consistently spread overnight stays and the resulting employment produced. The messaging for this marketing outreach should include both the invitation to visit and a plea to visit responsibly. Certain markets within Oregon and southern Washington should not be targeted with paid advertising, as these areas should be engaged through the visitor behavior content program.

The businesses of Cannon Beach, and the hospitality workforce they support, need a more consistent level of overnight visitation across both days of the week and seasons of the year. The area's peaks and valleys of overnight stays create fluctuations in income for the area's front-line staff.

Immediate actions:

- Develop the marketing plan that reaches more distant markets
- Build a list of potential audience groups that have the interest and means to travel to Cannon Beach.



Assessments conducted by



www.clarityofplace.com

PLACE|BALANCE

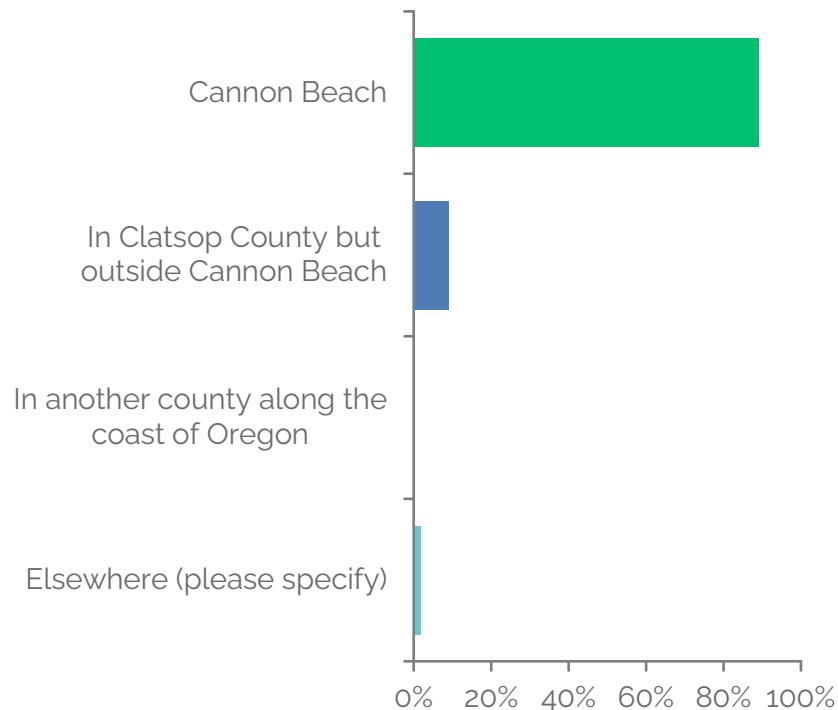
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APPENDIX – STAKEHOLDER SURVEY RESULTS

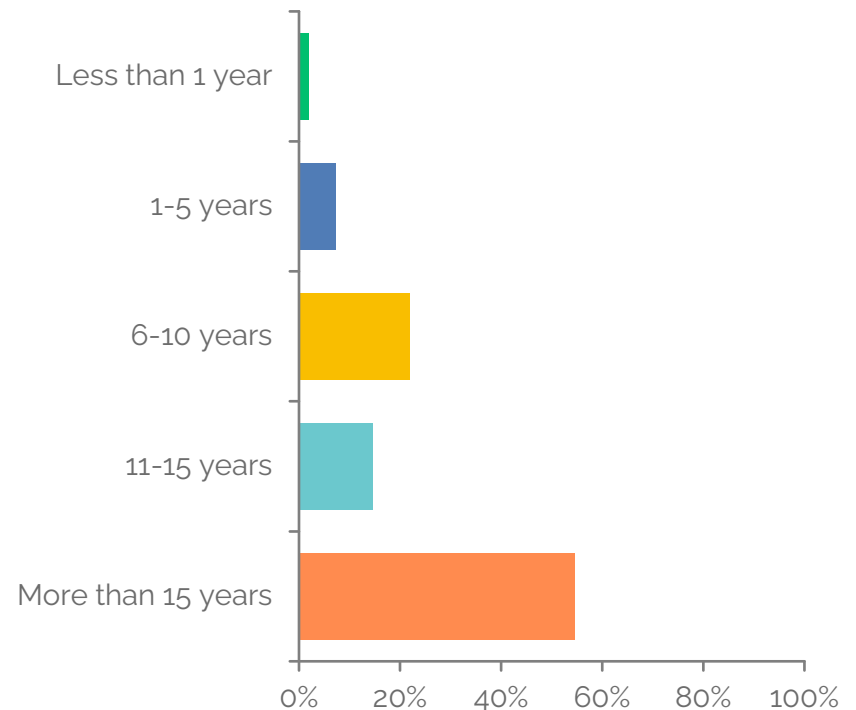
BUSINESS LOCATION

■ Answered: 55 Skipped: 0



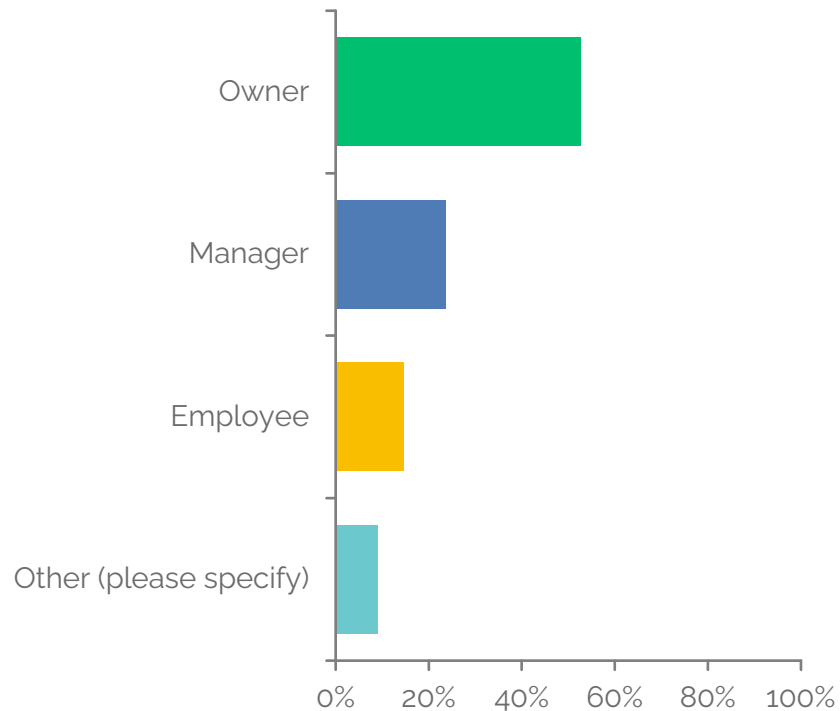
LENGTH OF TIME IN BUSINESS

■ Answered: 55 Skipped: 0



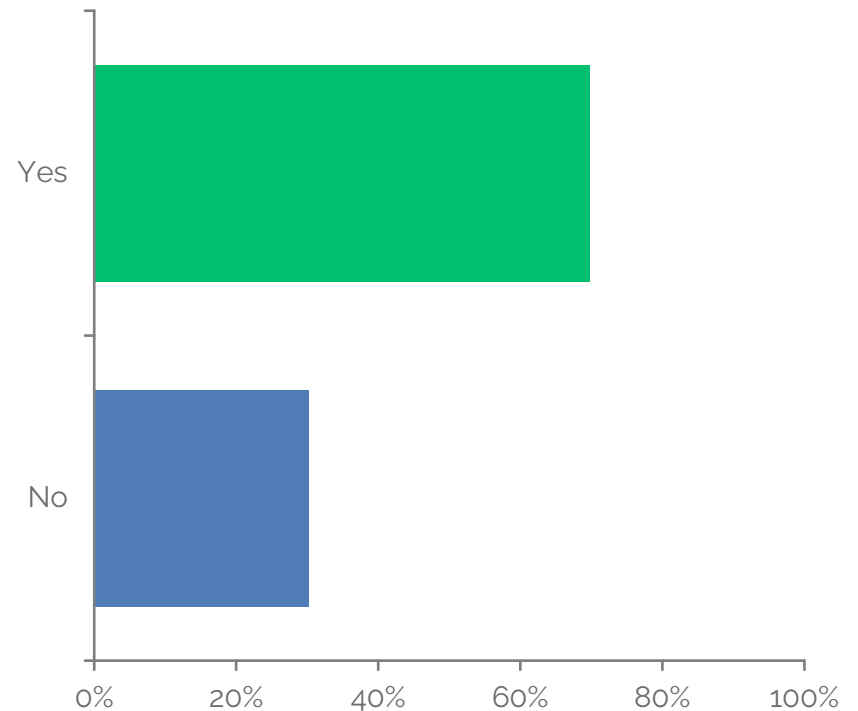
JOB ROLE

■ Answered: 55 Skipped: 0



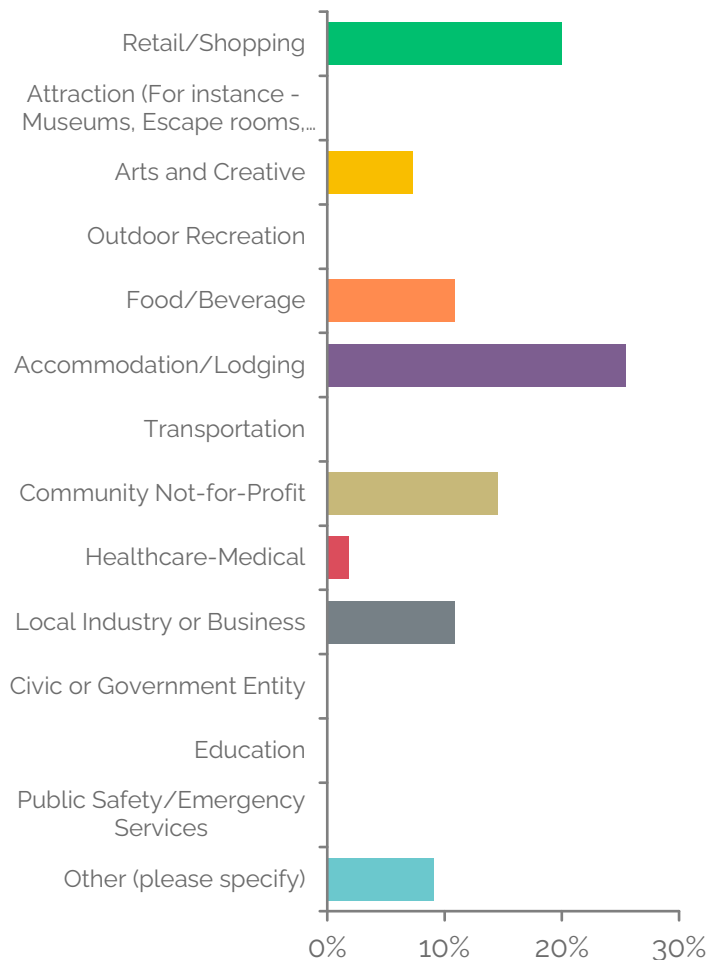
RESIDENT OF CANNON BEACH

■ Answered: 43 Skipped: 12



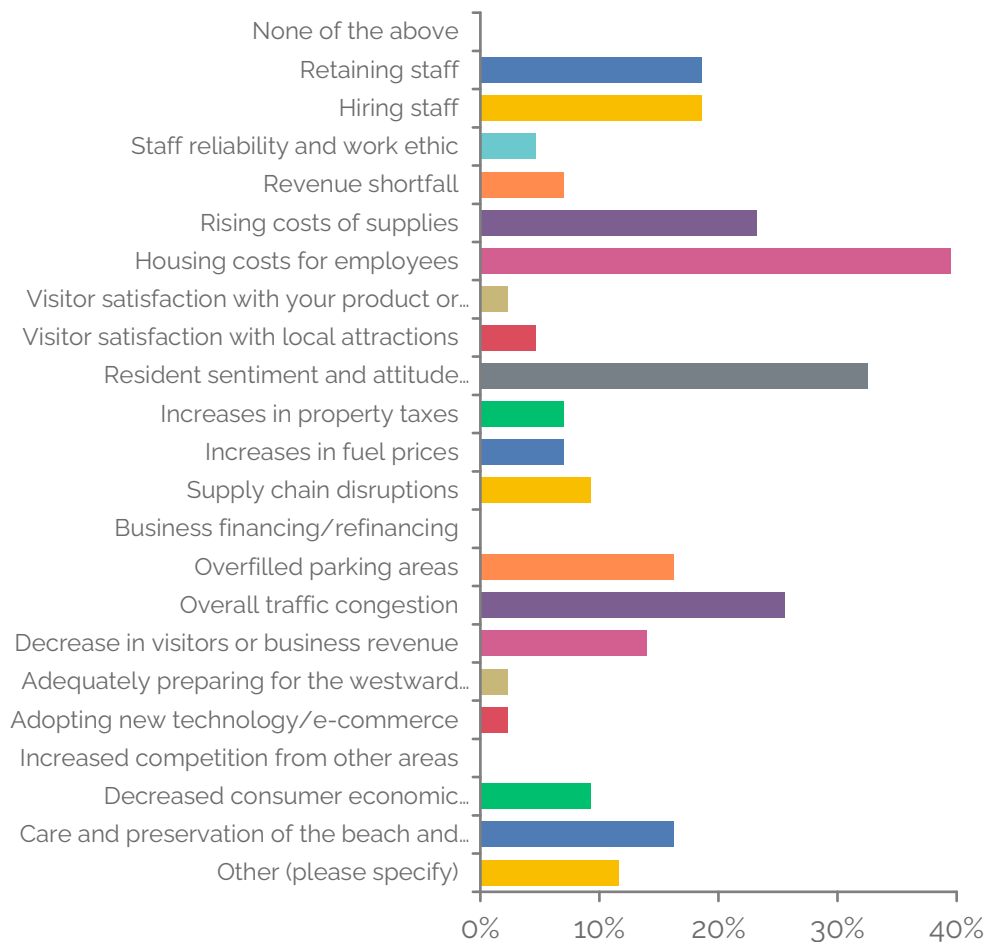
BUSINESS OR ORGANIZATION TYPE

■ Answered: 55 Skipped: 0



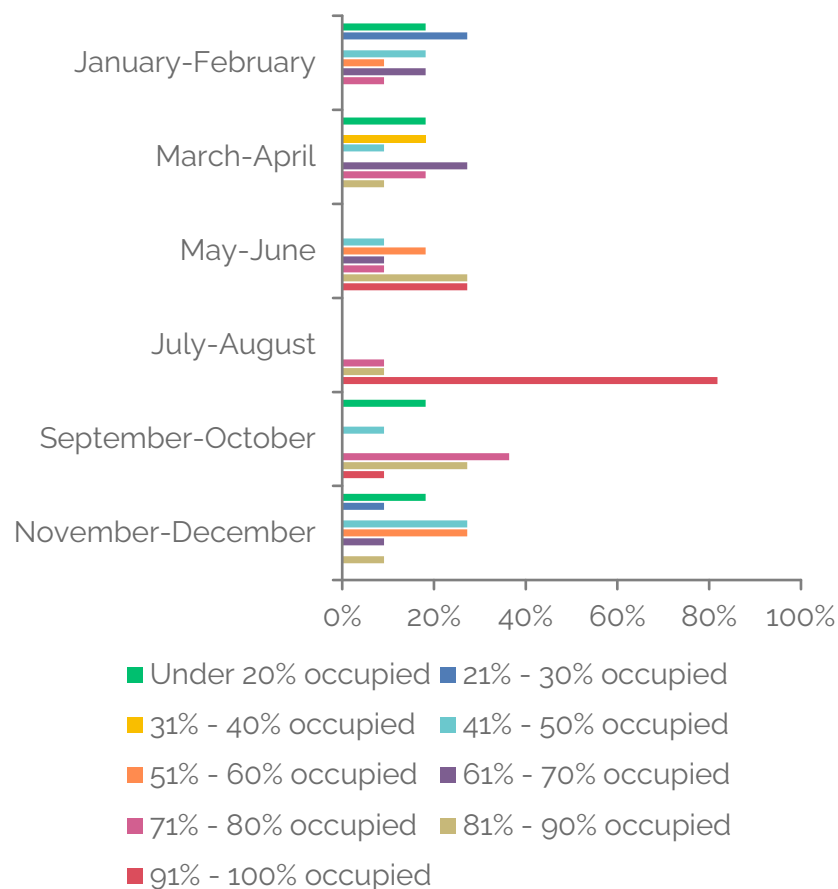
CONCERNS OVER NEXT 12 MONTHS

■ Answered: 43 Skipped: 12



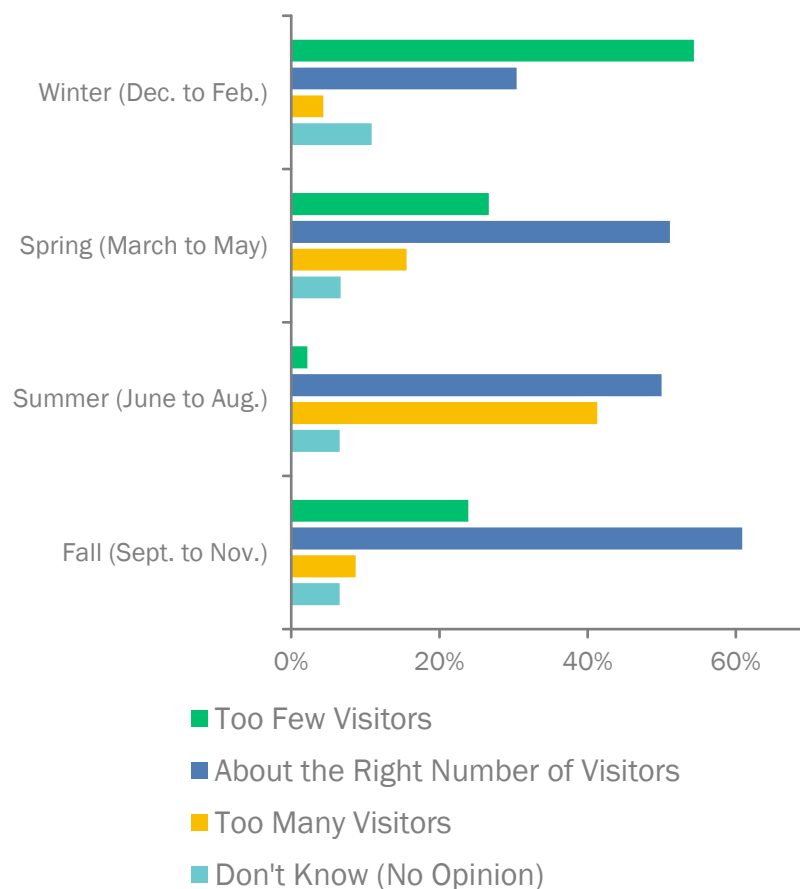
LODGING OCCUPANCY PROJECTION

■ Answered: 11 Skipped: 44 (*non-lodging businesses*)



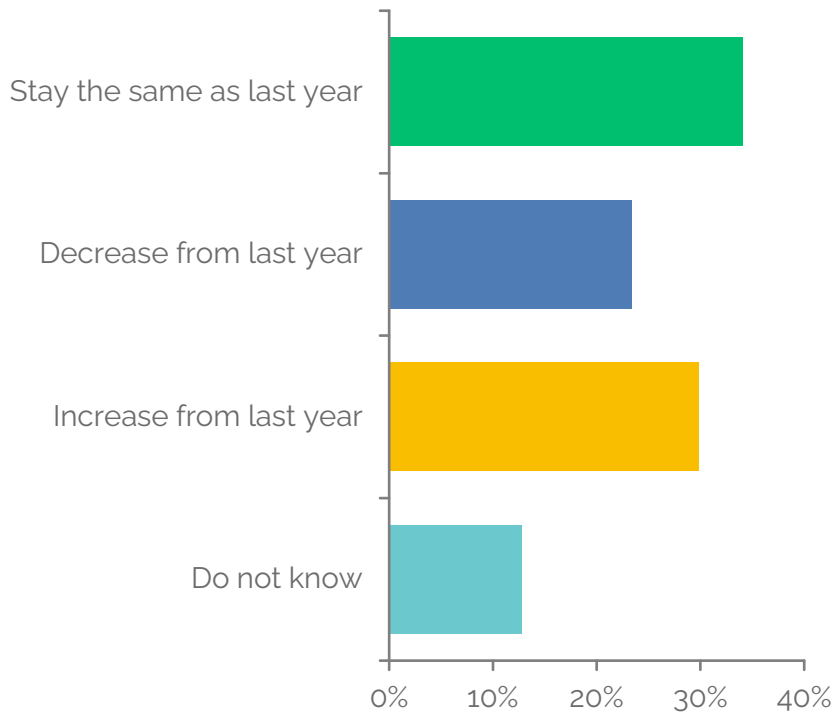
PROJECTED VISITORS BY SEASON

■ Answered: 46 Skipped: 9



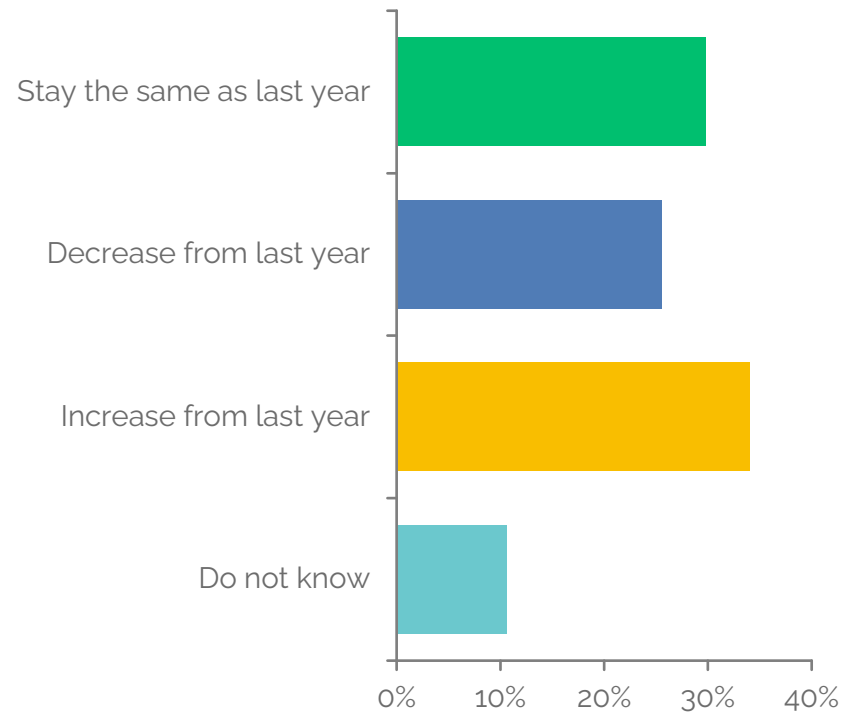
VISITOR OR BUSINESS VOLUME COMPARISON TO 2023

■ Answered: 47 Skipped: 8



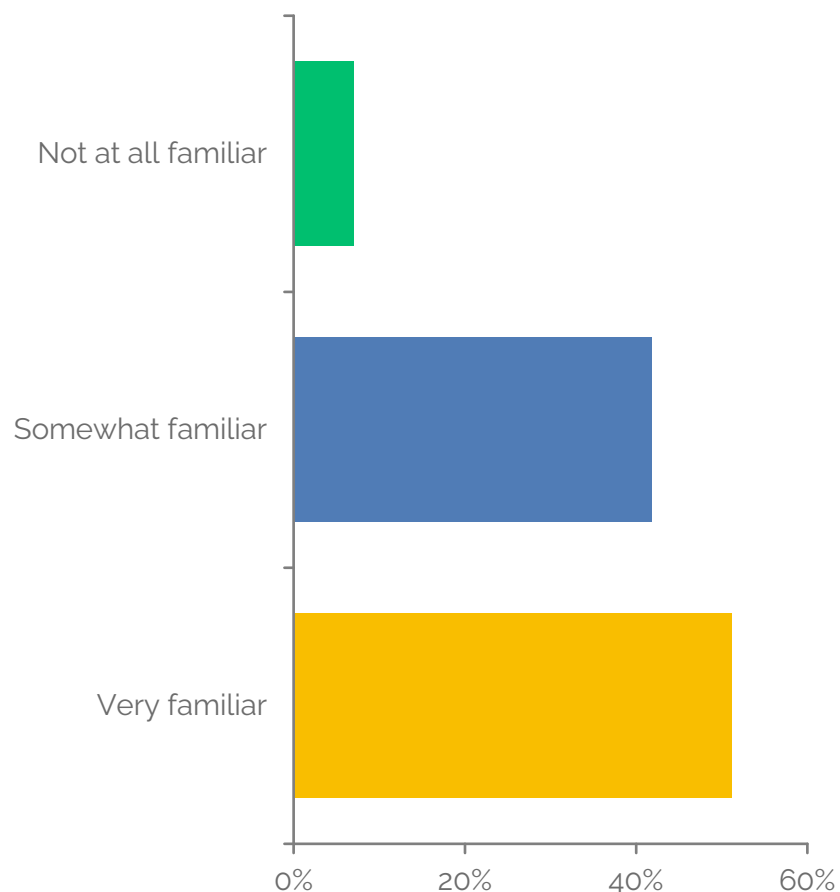
REVENUE COMPARISON TO 2023

■ Answered: 47 Skipped: 8



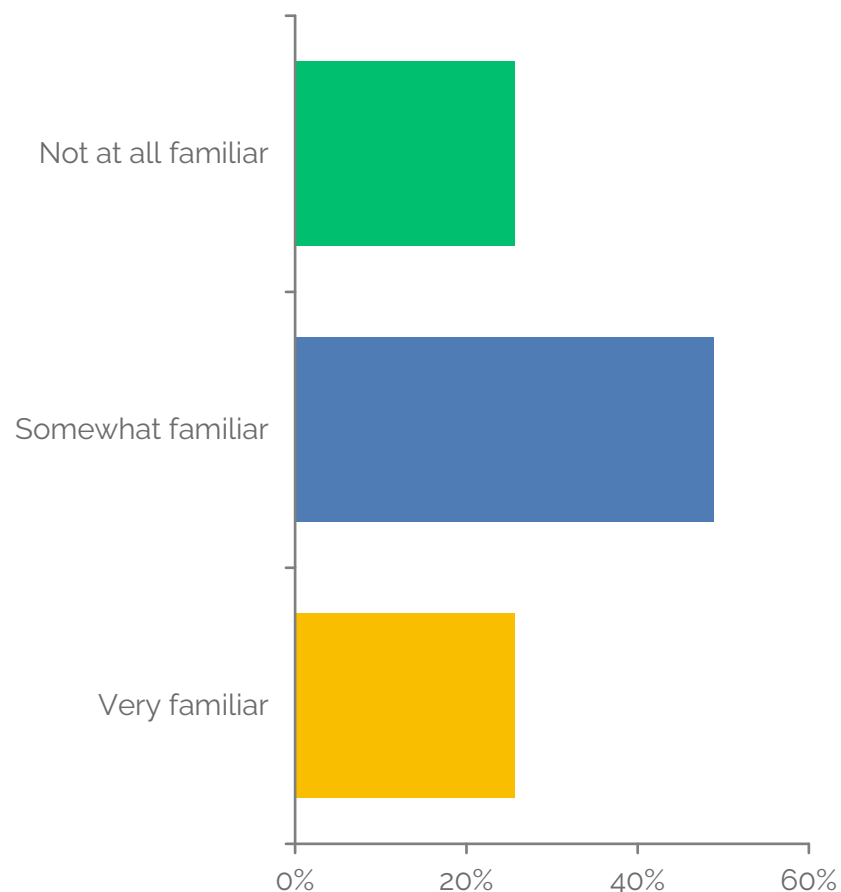
FAMILIARITY WITH CHAMBER'S MARKETING INITIATIVES

■ Answered: 43 Skipped: 12



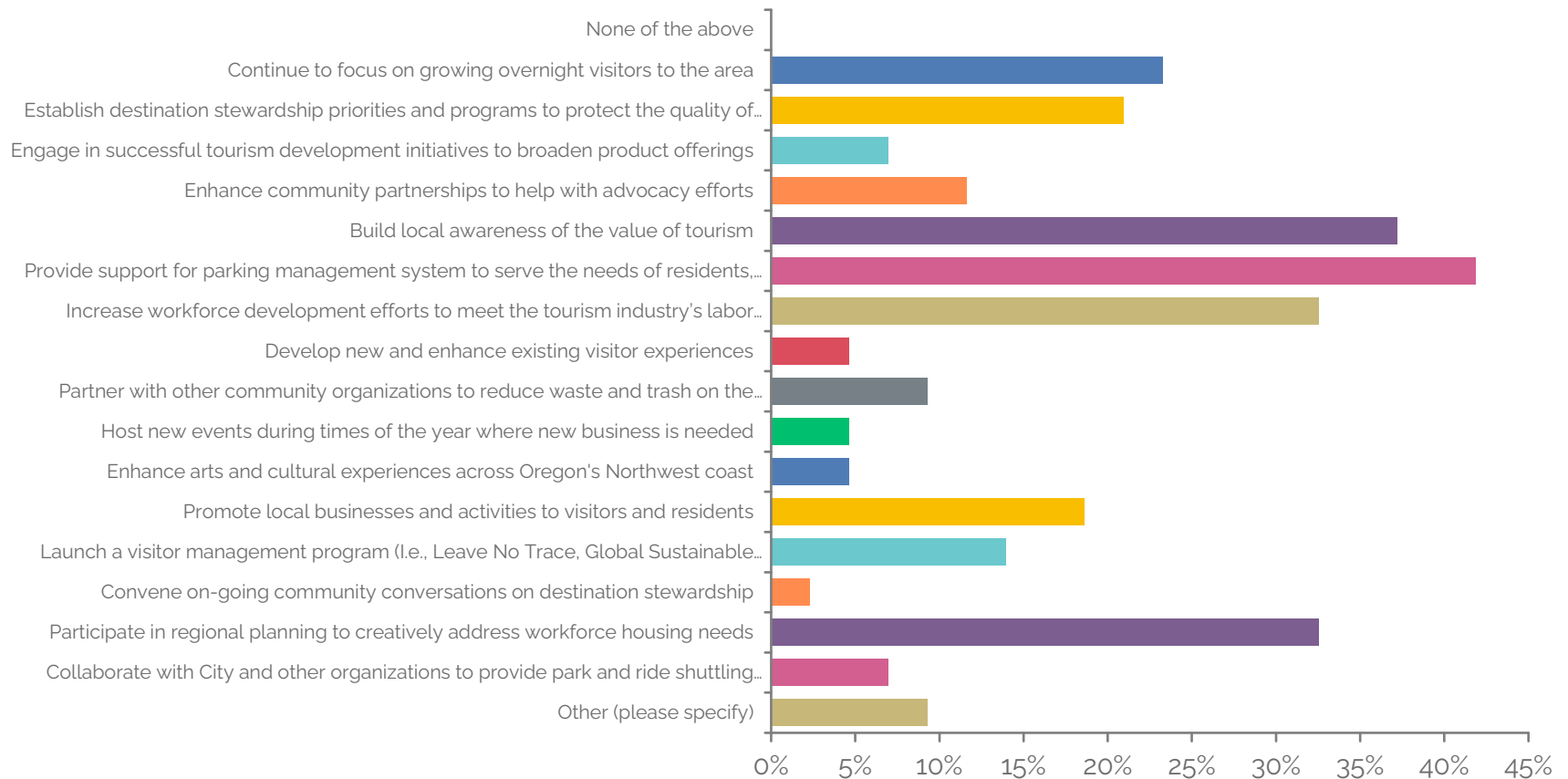
FAMILIARITY WITH CHAMBER'S STEWARDSHIP INITIATIVES

■ Answered: 43 Skipped: 12



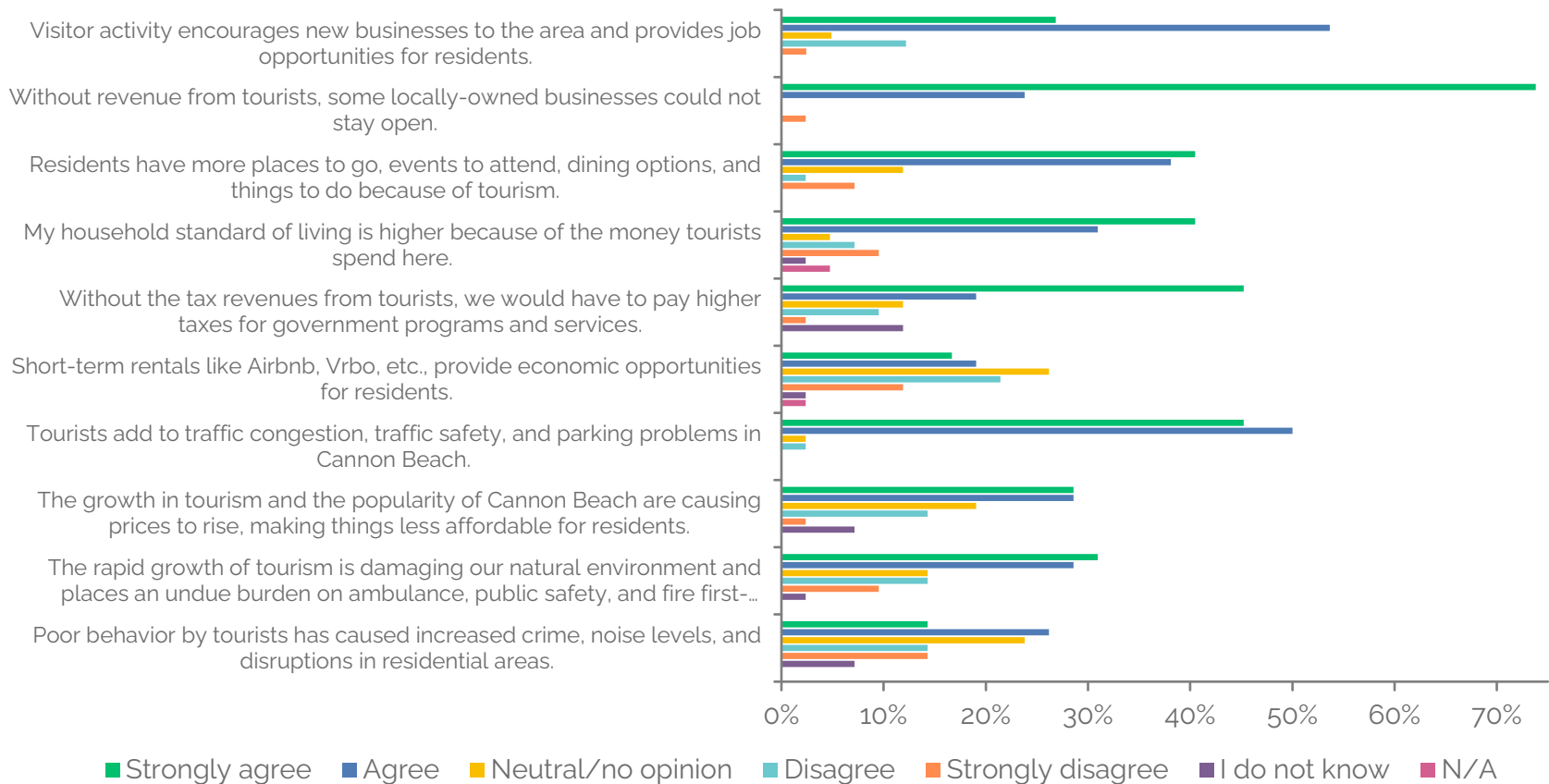
DESIRED 12-MONTH PRIORITIES FOR CHAMBER

■ Answered: 43 Skipped: 12



VISITOR ECONOMY IMPACTS ON COMMUNITY

■ Answered: 42 Skipped: 13



MOST IMPORTANT ISSUES OVER NEXT 10 YEARS

■ Answered: 41 Skipped: 14 (up to 3 choices)

