

ECONOMIC FEASIBILITY STATEMENT FOR PETITION TO INCORPORATE OCEANSIDE VILLAGE

I. INTRODUCTION

Petitioners seek a county order approving a ballot measure to incorporate the northern portion of unincorporated Oceanside as “Oceanside Village” pursuant to ORS 221.040.

II. BOUNDARY AND MAP

As proposed, Oceanside Village (hereafter “the Village”) would encompass all properties within the current boundary of unincorporated Oceanside that lie north and west of the junction of Highway 131 and Cape Meares Loop Road. (See Map at Appendix). This area includes 429 properties, of which 314 are residential dwellings. County records indicate that there XXX registered voters reside in the area along with an unspecified of nonregistered residents. If incorporated, Oceanside Village will arrange for its inclusion in the next United States Census.

Pursuant to ORS 221.331, petitioners have submitted a Form SEL 701 identifying the lead petitioners accompanied by a map reflecting the boundary of the proposed municipality.

III. COMMERCE – A \$5 MILLION SHORT-TERM RENTAL ECONOMY

Oceanside’s economic drivers are distinct from more heavily traveled coastal communities, such as Manzanita, Rockaway Beach or even Bay City, where visitor growth and retail commerce drive each other. In contrast, Oceanside lies nine miles west of Highway 101, with only 300-plus residences overlooking the terminus of Highway 131 at the Oceanside Beach Wayside. The few blocks serving as the Village’s dead-end “main street” barely accommodate its lone restaurant, two coffee shop/cafes and two motels. Oceanside is no commercial hub.

Accordingly, Oceanside’s economy stems not from its vibrance, but from its tranquil setting.¹ Upon rounding that last turn on Highway 131, visitors are treated to an inviting prospect of jumbled houses nestled on terraced streets framing Maxwell Point’s natural amphitheater – nearly all of which feature spectacular views of Oceanside Beach, Netarts Bay and/or Three Arch Rocks. Such visitors may encounter colorful paragliders circling above the village, an exposition by local artists at the community hall or a festive wedding gathering on the beach below. This unique ambience explains why travelers who happen upon Oceanside Village tend

¹ The Oregon tourism website “Beach Connections.net” opens its description of Oceanside with this statement:

“One tiny town has never provided so many means of fun and distraction. And it’s all done without a single commercialized attraction.”

to claim it, sharing the “discovery” with friends as they would a favorite book or heirloom recipe.

It also explains why they also revisit it – in the thousands every year - seeking the opportunity for more extended stays. As a result, the Village features a short-term rental driven economy that generated over \$5 million a year in lodging fees between 2021 and 2025. That figure excludes the revenue and jobs generated by a satellite economy of small, local cleaning businesses and their employees. Indeed, Oceanside Village’s 109 short term rentals are so active year-round that it ranks second only to much-larger Pacific City in generating annual Transient Lodging Tax (“TLT”) revenues since the tax’s inception in 2014.

OCEANSIDE VILLAGE ANNUAL TLT REVENUE²

FISCAL YEAR	2021-2023	2022-2023	2023-2024	2024-2025
LODGING FEES	\$532, 146	\$536,086	\$496,806	\$XXXXXX

IV. ECONOMIC FEASIBILITY – STATUTORY REQUIREMENTS

Oregon’s incorporation law generally requires petitioners to identify a maximum tax rate “sufficient to support an adequate level of municipal services.”³ To do so, petitioners must submit an “Economic Feasibility Statement” that includes the following:

- (1) a description of the services and functions to be provided by the proposed city;
- (2) an analysis of the relationship between those services and other existing or needed government services; and
- (3) proposed first and third year budgets.

A. Services to be Provided by the Proposed City – ORS 221.035(2)(a)

Nearly all urban services for the Village will continue to be provided and funded through existing special districts or county departments. (*See Part B below.*) This will enable the elected Village Council will be able to focus its attention and resources on relatively few services or functions as prioritized by its residents after public input. Based on the relevant legal

² Source: Tillamook County Department of Community Development statistics.

³ ORS 221.021(3)(c).

requirements and surveys conducted by the Oceanside Neighborhood Association, Petitioners envision that those services will mainly consist of the following:

Land Use Planning / Building Services

Land use planning is the only service that cities are required to provide under Oregon law.⁴ It consists of two main components: Building Services (building/trade permits and associated inspections) and Planning Services (land use reviews/applications for variances and subdivisions/appeals). If the Village votes to incorporate, state law provides that the county will initially continue to provide such services and apply existing county ordinances pursuant to an intergovernmental agreement in exchange for retention of the relevant fees.⁵

Eventually, however, the new city will provide Planning Services with the assistance of contracted consultants who will help with training, complicated land use applications and the preparation of staff reports in planning disputes that are appealed. The projected budget incorporates this phased approach in its staffing projections.

In addition to land use services, an incorporated Oceanside Village will be required to prepare a Comprehensive Plan, including designation of an Urban Growth Boundary, within four years after incorporation.⁶ During pre-petition planning, Department of Land Conservation and Development Commission (DLCD) indicated a likelihood that the state will provide financial assistance for that undertaking.⁷

⁴ “Oregon cities are general purpose governments with broad powers. With a few exceptions (the major one being land use planning) there are no requirements that cities provide specific services. A city is a vehicle for local determination of the level and type of public services and regulation.” – *League of Oregon Cities Guide to Incorporation (2017)* - page 4.

⁵ The Oregon Supreme Court helpfully clarified this in *1000 Friends v. Wasco County, et al.*, 299 Or 344, 365 (1985).

⁶ ORS 197.757 provides: “Cities incorporated after January 1, 1982, shall have their comprehensive plans and land use regulations acknowledged under [ORS 197.251 \(Compliance acknowledgment\)](#) no later than four years after the date of incorporation.”

⁷ The Oregon Department of Land Conservation & Development offers grants to assist communities to formulate and obtain acknowledgment of comprehensive plan, adopt land use ordinances consistent with that plan, and to fund planning compliance projects. See <https://www.oregon.gov/lcd/CPU/Pages/Community-Grants.aspx>

Road Improvement and Maintenance

Given its modest road system (approximately 4 miles in total) and historically slow growth rate, the Village will not initially employ public works personnel or purchase equipment. Instead, it is anticipated that the Village will recruit staff and local volunteers with expertise in public works contracting to engage third-party vendors in the implementation of a scheduled road improvement program that will be circulated during the election campaign.

Based on data and advice from Public Works Director Chris Laity, the proposed roads budget projects funding streams allocated separately to:

- (1) **a road maintenance** fund and
- (2) **a capital improvements** reserve.

Petitioners anticipate the new city will allocate fixed-amount transfers to these accounts from the general fund, state gas tax city allocations and unrestricted TLT funds. The new city will also participate in the grant programs, such as the ODOT Small City Allotment Program for more ambitious grading and paving projects.⁸ Importantly, based on community surveys and comment, Petitioners anticipate that city residents will urge the new City Council to prioritize road work when allocating unanticipated revenues or surplus funds that result from budget adjustments over time.

Stormwater Management

Petitioners anticipate that a broad program of road improvement will eventually dovetail with a long-term need for updated stormwater drainage and treatment infrastructure in the coming decades – especially in the Maxwell Mountain Road area. Laity further advised that an incorporated Oceanside will be in a better position than the county to successfully obtain grants for such work that are available from state and federal agencies. (Appendix)

Emergency Preparedness

A committee of ONA volunteers (the Oceanside Volunteer Emergency Readiness Team or OVERT) has been working for years to plan and muster community resources for emergency survival and resiliency measures. This has been motivated by the realization that any significant disaster, such as a wildfire, tsunami-related inundation or earth movement, will probably leave the Oceanside community isolated from communication or material assistance for an extended period of time. The concern is compounded by the fact that the community will be confronted

⁸ Information on the state of Oregon “Smallest Cities” grant program is available at <https://www.oregon.gov/odot/LocalGov/Pages/SCAC.aspx>

with hundreds of stranded visitors if such a calamity occurs during summer or spring break or other high-volume holidays. One significant hurdle to such planning is the scarcity of resources at the county or state level for unincorporated communities. Incorporation will not only enable the community to channel and devote its own resources to such planning, but will also afford it staff time and the legal status to pursue federal, state and private grants available to municipalities.⁹

Recreational Services and Amenities

Oceanside Village's "front yard" is one of the Oregon's most beautiful and expansive beaches, featuring an Oregon State Park wayside and affording ready views of the Three Arch Rocks National Wildlife Refuge. The community makes intensive use of the beach for recreation and exercise. It has also consistently rallied to support (and helped fund) ways to make it more usable and welcoming, such as the community initiatives resulting in installation of the terraced access ramp at the Oceanside Beach Wayside and paving of the adjacent parking areas. This type of community support is typical and will undoubtedly continue.

Another unmet need is safer access routes for pedestrians and bicyclists to reach the beach and main street from the homes in the hillsides above. Petitioners anticipate that an incorporated Oceanside will aggressively press for broader guidelines to allow use of Transient Lodging Tax (TLT) "facilities" funds for such purposes. Regardless of its success in that effort, the hundreds of thousands of dollars in TLT revenue generated annually by Oceanside Village's short-term rentals will be available to fund amenities, such as a replacement for its venerable but time-worn community hall, that would benefit both visitors and residents.

B. Relationship Between Proposed and Existing Services – ORS 221.035(2)(b)

The city services envisioned above would complement and fill the narrow service gaps left by existing services providers, who would continue their operations uninterrupted and unaffected by incorporation.

The following entities currently provide essential services to the Oceanside community, including established revenue sources independent of an incorporated Oceanside:

Waste Treatment: Netarts-Oceanside Sanitary District
[Netarts-Oceanside Sanitary District \(n-o-s-d.com\)](http://Netarts-Oceanside Sanitary District (n-o-s-d.com))

Water: Oceanside Water District (also serves Cape Meares)

⁹ For example, emergency preparedness grants are available through federal grant programs administered by the Oregon Emergency Management Performance Grant Program (EMPG).
<https://www.oregon.gov/oem/emresources/Grants/Pages/default.aspx>

<http://www.owd-oregon.org>

Fire/Emergency Rescue: Netarts-Oceanside Fire District
www.netartsoceansidefire.org

Declaration regarding Special Districts: Because each of the special districts identified above also serves geographic areas outside of the proposed municipality, it will not be necessary or practical for the new city government to disturb these systems. In particular, the petitioners disclaim any intent or need to absorb or extinguish any of the existing Special Districts. See ORS 221.031(3)(f).

Public Transportation: [Tillamook County Transportation District](#)

The Transportation District participates in the [NW Connector](#) program as part of the Northwest Oregon Transit Alliance. It currently maintains [three round trip routes](#) between Oceanside and the Tillamook Transit Center, where connections may be made to Portland and coastal communities to the north and south. In addition, Oceanside residents are eligible for on-demand service from the District's [Dial-A-Ride Service](#). Both services abide by federal and state [accessibility](#) requirements. Petitioners do not anticipate that incorporation will affect the availability of this service, just as it does not affect current service to other incorporated communities.

Police / Public Safety [Tillamook County Sheriff's Office](#)

The Tillamook County Sheriff's Office currently services Oceanside by way of its established patrols and call response system. According to its "[Calls for Service Log](#)", the County Sheriff's Office responded to 210 calls in Oceanside for the period of August 12, 2020 through August 12, 2021. These calls varied from 11 to 31 calls per month with an average of 18. The number of visits was sufficiently high, and the incidence of serious or violent crime was so low, that the Petitioners believe that is reasonable and sufficient for the new city to continue relying on them for its needs, at least in the near term. In [emails](#) and [telephone conversations](#) with the Petitioners, the Sheriff's office confirmed that incorporation would not affect the services it provides to Oceanside.

Solid waste disposal and curbside recycling services are currently provided to Oceanside by:

Solid Waste Disposal/Recycling

[City Sanitary Service](#)

[Tillamook Co. Solid Waste Administration](#)

Petitioners anticipate that the new City Council will either ratify and adopt the franchise agreement currently in place between the county and City Sanitary or enter its own agreement under the same terms. Oceanside residents have also historically been avid supporters and users of the recycling services and facilities made available by the Tillamook County Solid Waste Administration. That will continue notwithstanding incorporation.

PROJECTED HYPOTHETICAL BUDGETS

Minimum and Maximum City Tax Scenarios

Pursuant to ORS 221.035(2), Petitioners must propose “first and third year budgets for the new city to demonstrate its feasibility.” This is purely a hypothetical exercise. The elected city council will formulate the actual budgets once incorporation is approved in the same election that they are elected. The sole purpose of this budgeting exercise is to establish at least one scenario under which incorporation would be economically feasible.

In this case, petitioners have elected to go beyond what the statute requires. First, we have proposed budgets for each of the first three years (not merely the first and third years) to provide more context for feasibility determination. Second, we have formulated such budgets under two scenarios: one positing a revenue minimum (i.e. assuming no assessment of a city property tax), and another positing a revenue maximum (i.e. assuming the council assesses a city property tax at the maximum proposed rate).

All of these projections assume the new city will be established in July 2026 and will operate based on a July 1 to June 30 fiscal year.

IIV. PROJECTED HYPOTHETICAL BUDGETS – NO CITY TAX SCENARIO

A. Projected Resources

If the city elects to not assess a property tax, Petitioners project that the new City Council will take the necessary administrative steps to commence collection of revenue in the first half of calendar year 2026 from a 14% Transient Lodging Tax and a Short Term Rental Operator’s Fee program (both of which will be initially be modeled on comparable Tillamook County ordinances). While some grant funding may also be available during the first three years, Petitioners opted not to include such funds as resources to fund general operations despite a

high degree of confidence they can be obtained. The other allocations are broad projections by the Petitioners based on research and advice from contacts with local cities in Tillamook County and County officials. They will not be binding on the new City Council, should incorporation be approved by voters.

PROJECTED RESOURCES

	Fiscal Year 7/2026-6/2027	Fiscal Year 7/2027-6/2028	Fiscal Year 7/2028-6/2029
(1) City Tax			
(2) Previous Year City Tax			
(3) Transient Lodging Tax	617,500	636,500	655,500
(4) STR Operator's Fees	50,000	50,000	50,000
(5) State Revenue Sharing			
(6) Misc. Fees and Taxes	15,000	25,000	25,000
(7) Donations (cash and In kind)	10,000		
TOTAL	692,500	711,500	730,500

NOTES REGARDING RESOURCE LINE ITEMS

- (1) These amounts assume the new City Council will enact an ordinance within the first six months of incorporating that levies an annual tax of 14% levied on gross income by Oceanside Village short term rentals. Per DCD data, the county's current TLT tax of 10% generated roughly \$500,000 from Oceanside Village's STRS in each of the last three years 2022-2024. Given the County's recent ordinance increasing TLT rates to 14% beginning in 2026, Oceanside Village's 14% tax would generate \$650,000 – and this is the figure used in the table less a 5% collection fee. (The county TLT ordinance specifies that it will reduce its TLT assessment by the amount that an STR pays in TLT to a municipality – up to a 13% maximum. These projections do not include future increases in the number of individual STRs licensed in Oceanside Village or potentially significant revenue from impending commercial development. They do reflect a likely 3% increase (inflation) in STR lodging fees, and therefore TLT revenues based upon them, in the 2026-2027 fiscal year.

- (2) These amounts assume Oceanside will act expeditiously to impose short term rental operator's fees at rates comparable to those which Tillamook County currently assesses in unincorporated areas. DCD staff provided this projection for fees anticipated from Oceanside's short term rentals in 2024-2025.
- (3) This amount reflects as-yet unspecified revenue sources available to the new city, such as development charges, business receipts taxes, utility franchise fees and other permit fees.
- (4) During its initial year, it is anticipated that City Councilors will primarily work without staff utilizing equipment, space and services made available or donated by themselves or other city residents.

PROJECTED EXPENDITURES

	FY 7/2026-6/2027	FY 7/2027-6/2028	FY 6/2028-6/2029
1. Staff /Administration Svcs	25,000	50,000	60,000
2. Election Costs	6,000		
3. Office Rent, Equipment, Supplies, Utilities	20,000	20,000	20,000
4. Fees, Training, Dues, Subscriptions, Travel	5,000	5,000	5,000
5. Insurance	10,000	12,500	15,000
6. Professional Services/Legal	50,000	25,000	25,000
7. Land Use Consult. Services	35,000	25,000	25,000
8. Transfer to Roads Maint.	30,000	75,000	75,000
9. Transfer to Roads Capital Reserve	10,000	20,000	25,000
10. Emergency Preparedness	7,500	15,000	10,000
11. Transfer to TLT Tourism Reserve	432,250	445,550	458,850
12. Contingency Reserve	56,750	18,450	11,650
TOTAL	\$ 692,500	\$ 711,500	\$ 730,500

NOTES REGARDING EXPENDITURES LINE ITEMS

1. Salary/benefit amounts reflect an assumption that one part-time manager will be employed commencing in Fiscal Year 2026-2027 supplemented by part-time or contracted clerical support as needed.
2. This expenditure reflects the estimated election costs to be invoiced by the County Clerk for the incorporation election pursuant to ORS 221.061(1).
3. This amount includes allotments, including use of in-kind donations, rent, furniture, computer, printer, supplies and utilities for a modest office to serve as a center of operations and communications. Subject to further negotiations and approvals, Petitioners have considered options including an agreement to locate a job trailer/office, serviced by existing utility hook-ups, on the Netarts-Oceanside Sanitary District waste treatment compound for a nominal charge, or to utilize office space at the Three Arch Inn. Public meeting space will also be made available without charge in the public meeting room at the Netarts-Oceanside Sanitary District.
4. This item reflects expenditures for association dues, subscriptions and fees to access education programs, training, group insurance programs and consulting offered by organizations such as the League of Oregon Cities (dues of \$281.86 per year). They anticipate participation in such training, not only by staff, but also by elected and appointed officials on issues such as municipal operations, liability, public meetings and public budgeting.
5. This allocation is a placeholder for any property/casualty/liability or workers' compensation insurance premiums to cover city officials and, eventually, staff. Actual quotes or even broad estimates were refused by insurers we contacted unless an application was completed. This estimate is based on a review of comparable expenditures budgeted for such insurance in other Tillamook County cities.
6. This item reflects an allocation for accounting, legal services and other professional service. The outsized estimates for FY1 and FY2 anticipate the likely need for extra legal assistance during the process of drafting and implementing the city's baseline ordinances, policies and procedures.
7. The Petitioners anticipate that the city will retain a land use planning consultant/services provider to assist with initial training, staff reports on appealed applications and the baseline work to prepare for drafting the city's Comprehensive Plan. Officials with LCDC has indicated it is likely their agency will also offer financial support for such preparation.

8. This amount reflects a proposed, regular allotment for roads repair and maintenance to be contracted by staff with outside vendors. The allotment represents the anticipated gasoline tax portion of revenue sharing allotments from the State of Oregon combined with a direct allocation from the general fund. Petitioners project this as a baseline allocation and anticipate that the road maintenance and capital reserve funds will be the highest priority targets for any unanticipated revenue or other surplus revenues.
9. This amount reflects an annual transfer to a reserve fund for capital road projects and improvements.
10. This amount represents an undifferentiated allocation for “code compliance” or “code enforcement” services aimed at providing an effective patrol, warning and sanction regime for misconduct or infractions too minor to warrant interventions by county law enforcement. Petitioners have left it to the City Council and staff to determine whether this will best be accomplished by staff assignments or third-party service providers. The city may also contract for periodic services from a private Municipal Judge.
11. This expenditure reflects an anticipated transfer of 70% of TLT revenues to a reserve for future expenditures for “tourism promotion” or “tourism facilities” pursuant to state law. The remaining 30% will be retained in general funds.
12. This amount reflects transfers to a reserve for unanticipated contingencies that will be converted to a cash carryover to the following fiscal year if not expended.

V. PROJECTED HYPOTHETICAL BUDGETS – MAXIMUM CITY TAX SCENARIO

Pursuant to ORS 221.035(2), Petitioners must propose “first and third year budgets for the new city to demonstrate its feasibility.” Petitioners have elected to project all three of the initial annual budgets to provide additional context for the feasibility determination. These calculations assume the new city will be established in May 2026 and will operate based on a July 1 to June 30 fiscal year.

B. Projected Resources

The new city will initially enjoy the full available revenue during the first fiscal year because the timing of the May 2026 election will allow it to certify a city tax to the County Assessor in time to meet the yearly July 15 deadline. As a result, city tax collections will begin in November 2026.

Aside from city tax revenues, Petitioners project that the new City Council will take the necessary administrative steps to commence collection of revenue in the first half of calendar

year 2026 from a 14% Transient Lodging Tax and a Short Term Rental Operator's Fee program (both of which will be initially be modeled on comparable Tillamook County ordinances). While some grant funding may also be available during the first three years, Petitioners opted not to include such funds as resources to fund general operations despite a high degree of confidence they can be obtained. The other allocations are broad projections by the Petitioners based on research and advice from contacts with local cities in Tillamook County and County officials. They will not be binding on the new City Council, should incorporation be approved by voters.

PROJECTED RESOURCES

	Fiscal Year 7/2026-6/2027	Fiscal Year 7/2027-6/2028	Fiscal Year 7/2028-6/2029
(1) City Tax	133,000	137,000	141,000
(2) Previous Year City Tax		12,635	13,015
(3) Transient Lodging Tax	617,500	636,500	655,500
(4) STR Operator's Fees	50,000	50,000	50,000
(5) State Revenue Sharing		16,560	16,560
(6) Misc. Fees and Taxes	15,000	25,000	25,000
(7) Donations (cash and In kind)	10,000		
TOTAL	825,500	877,695	901,075

NOTES REGARDING RESOURCE LINE ITEMS

- (5) The item reflects a tax rate of \$1.00 per \$1000 as applied to a total assessed value of \$139,461,239.00 for Oceanside Village as of 2025 based on data from the County Assessor. The total assessed value was also supplemented to include two annual increases of 3% each anticipated before Oceanside collects its first city tax in November 2026. Per guidance from the Oregon Department of Revenue, the resulting tax revenue has been discounted to 95.5% to reflect reductions due to early payment discounts and non-collected funds. This revenue figure is deemed conservative because (1) it does not reflect anticipated increases that will result from new property commercial developments currently proposed (such as the two hotel renovation projects at Kirk's Cabins and House on the Hill); and (2) it contains no adjustments for new revenue generated when properties with outdated tax valuations are sold or transferred to new owners.

- (6) The Assessor's Office advises that approximately 90% of taxpayers usually pay their entire annual tax bill by mid-November each year to take advantage of the prepayment discount, with the remaining 10% making payments during the ensuing year. This item reflects the delayed receipt of tax revenue originally levied in the previous year.
- (7) These amounts assume the new City Council will enact an ordinance within the first six months of incorporating that levies an annual tax of 14% levied on gross income by Oceanside Village short term rentals. Per DCD data, the county's current TLT tax of 10% generated roughly \$500,000 from Oceanside Village's STRS in each of the last three years 2022-2024. Given the County's recent ordinance increasing TLT rates to 14% beginning in 2026, Oceanside Village's 14% tax would generate \$650,000 – and this is the figure used in the table less a 5% collection fee. (The county TLT ordinance specifies that it will reduce its TLT assessment by the amount that an STR pays in TLT to a municipality – up to a 13% maximum. These projections do not include future increases in the number of individual STRs licensed in Oceanside Village or potentially significant revenue from impending commercial development. They do reflect a likely 3% increase (inflation) in STR lodging fees, and therefore TLT revenues based upon them, in the 2026-2027 fiscal year.
- (8) These amounts assume Oceanside will act expeditiously to impose short term rental operator's fees at rates comparable to those which Tillamook County currently assesses in unincorporated areas. DCD staff provided this projection for fees anticipated from Oceanside's short term rentals in 2024-2025.
- (9) At Petitioners' request, the League of Oregon Cities projected that an incorporated Oceanside could reasonably expect cumulative state revenue sharing revenue of at least \$92.00 per capita commencing in FY 2027/28 for taxes on gas, tobacco, and marijuana. The amount shown is based on a population of 180 per the U.S. Census. No such revenue is reflected before 2027 because cities are not eligible for state revenue sharing unless and until it has assessed and collected a city property tax during the preceding year. The gas tax portion of this revenue (approximately \$13,248) must be used for roads or similar transportation construction or maintenance. This is reflected as a discrete expenditure (transfer) in the following "Projected Expenditures" table.
- (10) This amount reflects as-yet unspecified revenue sources available to the new city, such as development charges, business receipts taxes, utility franchise fees and other permit fees.
- (11) During its initial year, it is anticipated that City Councilors will primarily work without staff utilizing equipment, space and services made available or donated by themselves or other city residents.

PROJECTED EXPENDITURES

	FY 7/2026-6/2027	FY 7/2027-6/2028	FY 6/2028-6/2029
1. Staff /Administration Svcs	50,000	60,000	72,000
2. Election Costs	6,000		
3. Office Rent, Equipment, Supplies, Utilities	20,000	25,000	25,000
4. Fees, Training, Dues, Subscriptions, Travel	5,000	5,000	5,000
5. Insurance	10,000	15,000	15,000
6. Professional Services/Legal	50,000	30,000	25,000
7. Land Use Consult. Services	25,000	25,000	25,000
8. Transfer to Roads Maint. Fund (includes state gas Tax allotment)	40,000	120,000	120,000
9. Transfer to Roads Capital Reserve	20,000	50,000	50,000
10. Emergency Preparedness	10,000	10,000	10,000
11. Transfer to TLT Tourism Reserve	10,000	20,000	10,000
12. Contingency Reserve	432,250	445,550	458,850
TOTAL	107,250	92,145	85,225
	\$ 825,500	\$ 877,695	\$ 901,075

NOTES REGARDING EXPENDITURES LINE ITEMS

13. Salary/benefit amounts reflect an assumption that one part-time manager will be employed commencing in Fiscal Year 2026-2027 supplemented by part-time or contracted clerical support as needed.

14. This expenditure reflects the estimated election costs to be invoiced by the County Clerk for the incorporation election pursuant to ORS 221.061(1).
15. This amount includes allotments, including use of in-kind donations, rent, furniture, computer, printer, supplies and utilities for a modest office to serve as a center of operations and communications. Subject to further negotiations and approvals, Petitioners have considered options including an agreement to locate a job trailer/office, serviced by existing utility hook-ups, on the Netarts-Oceanside Sanitary District waste treatment compound for a nominal charge, or to utilize office space at the Three Arch Inn. Public meeting space will also be made available without charge in the public meeting room at the Netarts-Oceanside Sanitary District.
16. This item reflects expenditures for association dues, subscriptions and fees to access education programs, training, group insurance programs and consulting offered by organizations such as the League of Oregon Cities (dues of \$281.86 per year). They anticipate participation in such training, not only by staff, but also by elected and appointed officials on issues such as municipal operations, liability, public meetings and public budgeting.
17. This allocation is a placeholder for any property/casualty/liability or workers' compensation insurance premiums to cover city officials and, eventually, staff. Actual quotes or even broad estimates were refused by insurers we contacted unless an application was completed. This estimate is based on a review of comparable expenditures budgeted for such insurance in other Tillamook County cities.
18. This item reflects an allocation for accounting, legal services and other professional service. The outsized estimates for FY1 and FY2 anticipate the likely need for extra legal assistance during the process of drafting and implementing the city's baseline ordinances, policies and procedures.
19. The Petitioners anticipate that the city will retain a land use planning consultant/services provider to assist with initial training, staff reports on appealed applications and the baseline work to prepare for drafting the city's Comprehensive Plan. Officials with LCDC has indicated it is likely their agency will also offer financial support for such preparation.
20. This amount reflects a proposed, regular allotment for roads repair and maintenance to be contracted by staff with outside vendors. The allotment represents the anticipated gasoline tax portion of revenue sharing allotments from the State of Oregon combined with a direct allocation from the general fund. Petitioners project this as a baseline

allocation and anticipate that the road maintenance and capital reserve funds will be the highest priority targets for any unanticipated revenue or other surplus revenues.

21. This amount reflects an annual transfer to a reserve fund for capital road projects and improvements.
22. This amount represents an undifferentiated allocation for “code compliance” or “code enforcement” services aimed at providing an effective patrol, warning and sanction regime for misconduct or infractions too minor to warrant interventions by county law enforcement. Petitioners have left it to the City Council and staff to determine whether this will best accomplished by staff assignments or third-party service providers. The city may also contract for periodic services from a private Municipal Judge.
23. This expenditure reflects an anticipated transfer of 70% of TLT revenues to a reserve for future expenditures for “tourism promotion” or “tourism facilities” pursuant to state law. The remaining 30% will be retained in general funds.
24. This amount reflects transfers to a reserve for unanticipated contingencies that will be converted to a cash carryover to the following fiscal year if not expended.

Respectfully submitted,

Lead Petitioners for Oceanside Village Initiative