OCEANSIDE VILLAGE INITIATIVE P.O. Box 324

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August 14, 2025

Tillamook County Board of Commissioners Tillamook County Courthouse via e-mail

Re: Announced Plan to Abandon Oceanside Roads Prior to Incorporation Vote and Request for Individual Meetings

Dear Commissioners:

We are the volunteer exploratory committee formed to gauge community support for a petition to incorporate the northern portion of Oceanside as the city of "Oceanside Village." We are writing to clarify whether the BOCC intends to entertain the legal maneuver announced by Public Works Director Chris Laity at our community outreach Zoom session on August 2. While we understand no formal action has been taken, the mere announcement, with Commissioner Fournier's ostensible support, is already affecting public discussion of the initiative. We also request that our group be scheduled for meetings with each of the commissioners to discuss this development.

At the August 2 meeting, Director Laity confirmed previous, after-the-fact statements that he had diverted \$250,000 in funds planned for paving in Oceanside this summer. He took this action in response to our courtesy notice that we were going to consider pursuing an incorporation petition. He justified this by pointing to a potential <u>future</u> reduction in his agency's TLT income from Oceanside that could not occur, if at all, before the May 2026 election. From our perspective, Director Laity's reaction was premature and disproportionate.

This letter, however, is mainly prompted by Director Laity's subsequent comments during the same meeting. In addition to what was already exacted from our community for merely considering incorporation, he notified us of further consequences if the community continues to do so. In that event, Director Laity stated that he will ask the BOCC to withdraw "county road" status from all Oceanside roads within the proposed city boundary just before the incorporation vote – thereby converting them to "local access" roads. This, he explained, would posture them for an automatic transfer of responsibility for such roads to the new city without its consent upon passage of the incorporation measure. Director Laity has also separately indicated that the county is unlikely to reinstate all of the affected roads to "county" status if incorporation fails.

We understand that this proposal reflects Director Laity's opposition to our plan for the new city to accept responsibility for its county roads in phases as it accumulates sufficient funds to afford maintenance and build adequate reserves. We had envisioned a collaborative and fiscally prudent process conducted according to a schedule that Oceanside Village and Director Laity's

department would work out together. Instead, Director Laity's position is that the new city must assume immediate fiscal responsibility and liability for all such roads, consistent with the immediate impact on his department's road budget should the city pass a local TLT tax.

We were unprepared for such an abrupt and unilateral response to our fiscal plan, which stands in stark contrast to the neutral approach adopted by the Public Works during the 2022 incorporation initiative. It is also inconsistent with the county's longstanding maintenance of roads inside other incorporated cities, such as Manzanita. Before formulating our response, we feel obligated to confirm that the BOCC has considered all of its ramifications. To facilitate further reflection, we offer the following points for your consideration:

- 1. <u>Unlawful circumvention of consent provisions</u>. Both ORS 373.270 (transfer of county roads to cities) and ORS 368.026 (withdrawing county status from roads within a city) explicitly require a city's consent for a transfer or conversion of county roads within its boundary. No matter how it is timed, Director Laity has admitted that this proposed maneuver is specifically designed to evade these consent provisions. We question whether this acknowledged effort to circumvent the intent of these statutes is legally viable.
- 2. <u>Improperly supplementing statutory incorporation requirements</u>. The requirements for obtaining BOCC approval of an incorporation petition are specified in ORS 221.021 to 221.050. They do not include a commitment to immediately assume responsibility for all county roads within its boundary, and the BOCC has no legal authority to attach additional requirements. Director Laity's proposed scheme would effectively and unlawfully impose that requirement on the new city by posturing it as an automatic consequence of incorporation.
- 3. Fatally compromising the incorporation effort. The incorporation statutes require petitioners to demonstrate the economic feasibility of forming a new city to the BOCC, primarily by submitting proposed budgets for its first and third years of operation. See ORS 221.035. As envisioned, petitioners plan to submit budgets that would reflect an incremental and fiscally prudent of assumption of responsibility for its county roads in phases. Director Laity's plan, however, would compel petitioners to demonstrate that it is economically feasible for it to assume immediate responsibility and liability for all four miles of county roads within the city from day one. No brand-new city could feasibly budget for such liability in its first years of existence. Imposing such an impossible financial burden will unlawfully prejudice the BOCC's feasibility determination.
- 4. Prejudicial impact on BOCC's quasi-judicial determination of economic feasibility. For the same reasons, it would be ethically untenable for the BOCC to endorse or implement Director Laity's proposed legal maneuver. Under ORS 221.040, the BOCC evaluates the prospective city's economic feasibility in its quasi-judicial capacity as an impartial judge. By adopting or even entertaining this prejudicial plan, the BOCC will disqualify itself from serving that function.

Before we formulate a formal response to Director Laity's disconcerting proposal, we felt obligated to seek an informal resolution. In short, we ask that the Commissioners consider the points we have raised and promptly confirm or disclaim their intention to proceed in accordance with his recommendations. We also request an opportunity to schedule a conference between our representative(s) and each of the Commissioners to discuss this issue.

Respectfully submitted,

Oceanside Village Initiative Steering Committee
Sharon Brown
Simeon Dreyfuss
Rob Hoeper
Carol Horton
Jerry Keene
Kathie Norris
Marilyn Roossinck

cc: Chris Laity, Director, Tillamook County Public Works