



CITY OF GEARHART

Staff Report

For Special City Council Meeting – February 12, 2026

Subject - Ordinances/Resolutions – Resolution# 1011 - A RESOLUTION OF THE CITY OF GEARHART, OREGON, CALLING A MEASURE ELECTION FOR GENERAL OBLIGATION BONDS

Synopsis: The City of Gearhart is preparing to submit a General Obligation (GO) bond measure to voters at the May 19, 2026 election to fund improvements to existing City facilities that support public safety, public works, and related municipal operations.

Under Oregon election law, the City Council must adopt a resolution calling the election and approving ballot title language in advance of the filing deadline. If approved, Resolution# 1011 will be finalized and submitted by the City Elections Officer following this meeting.

As part of this action, Council will be asked to determine the maximum bond maturity term to be included in the resolution.

Council Action Requested:

Council is asked to consider Resolution No. 1011, including:

- Calling a General Obligation bond measure election for May 19, 2026;
- Approving ballot title language; and
- Establishing the maximum maturity term for the proposed bonds.

Council Options:

Council may:

- Adopt Resolution No. 1011 as presented, including selection of a bond maturity term;
- Adopt Resolution No. 1011 with amendments, including modification of the bond term; or
- Take other action as deemed appropriate.

Recommended Motion: Move to adopt Resolution# 1011, calling a General Obligation bond measure election for May 19, 2026, approving ballot title language, and establishing the maximum maturity term for the proposed bonds.

Legal Analysis: Attached exhibits include proposed ballot title language prepared for the required election forms. The ballot title identifies the bond amount and general purpose and includes the required statement regarding property tax impacts under Article XI of the Oregon Constitution.

Interim City Attorney Chad Jacobs has reviewed the election process and is available to answer procedural or legal questions related to the resolution, ballot title, or bond authorization.

Financial Analysis: Resolution# 1011 authorizes submission of a bond measure up to \$10 million and requires Council to establish a maximum bond maturity term.

Preliminary financial modeling has been prepared for multiple maturity scenarios for planning purposes. The selection of a bond term establishes an upper limit on repayment duration; final interest rates and levy amounts will be determined at the time of issuance based on market conditions.

No bonds will be issued, and no tax levies will be imposed, unless the measure is approved by voters.

Next Steps: If Resolution# 1011 is adopted, staff will finalize and submit the approved election materials to the City Elections Officer to meet statutory deadlines. Additional bond structuring and issuance details will be addressed following the election, subject to voter approval.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be 'Chad', written in a cursive style.

Chad

TO: Mayor and City Council
FROM: Chad Sweet, City Administrator
DATE: February 10, 2026
SUBJECT: Public Safety Facilities – Remodel Scope Overview

Purpose

The attached materials are provided to support Council consideration of **Resolution No. 1011**, which relates to the potential referral of a general obligation bond for public safety facilities.

The accompanying documents are included to provide **background information and context** regarding the scope of facility improvements under evaluation, the overall project cost structure, and preliminary levy rate estimates. Together, these materials are intended to inform Council discussion and decision-making, while distinguishing between **concept-level planning information** and formal Council action.

Attachments Overview

The following materials are included in this packet:

1. **What the Proposed Remodel Would Do — and What It Would Not Do**
A one-page summary outlining the specific, limited scope of improvements being evaluated for the Fire Station and the City Hall / Police Department.
 2. **Project Cost Context (Informational Summary)**
A high-level explanation of how the overall project cost range is structured, including construction, voluntary seismic improvements, contingency, escalation, and soft costs.
 3. **Bond Cost Overview (Preliminary – Informational)**
A one-page summary showing estimated levy rates per \$1,000 of taxable assessed value for three potential bond terms (10-, 15-, and 20-year), provided for planning and context.
 4. **Resolution No. 1011**
A resolution of the City Council relating to the potential referral of a general obligation bond for public safety facilities.
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Facilities Scope

The scope described in the attached informational materials focuses on:

- Life, health, and safety improvements
- Operational functionality for emergency services
- Basic building-condition and durability needs

The scope is limited to **existing facilities** and does not include building expansion, new apparatus space, or major structural reconstruction. All information reflects **concept-level professional estimates**, not final designs or bids.

Public Works Context

The overall project evaluation also includes **Public Works facility needs** as part of the broader public safety and operations context. While the scope summary focuses on the Fire Station and City Hall / Police Department, Public Works remains part of the overall facilities discussion reflected in the project cost range.

Important Clarifications

- The background materials provided are **informational in nature**
 - Resolution No. 1011 represents the **formal Council action** included in this packet
 - Any future bond measure would establish a **maximum authorization**, not a required expenditure
 - Final scope, sequencing, contracts, and bond issuance terms would require additional Council action
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Attachments

- *What the Proposed Remodel Would Do — and What It Would Not Do* (1 page)
 - *Project Cost Context (Informational Summary)* (1 page)
 - *Bond Cost Overview (Preliminary – Informational)* (1 page)
 - **Resolution No. 1011**
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Gearhart Public Safety Facilities

What the Proposed Remodel Would Do — and What It Would Not Do

Purpose of this information

This document summarizes the specific, limited improvements being evaluated for existing public safety facilities. It is based on concept-level professional estimates and is intended to explain scope — not to authorize construction or spending.

Fire Station – Specific Improvements

The proposed work focuses on **life safety, health, operational function, and basic building durability** within the existing structure.

Life, Health, and Safety

- Improved ventilation and HVAC in living and working areas
- Vehicle exhaust capture system in the apparatus bay
- Plumbing upgrades to support showers, restrooms, and decontamination
- Lighting upgrades in apparatus bay and work areas

Operational Function

- Interior reconfiguration of bunk, training, kitchen, and office areas
 - New interior partitions where required for operations
 - Fixed storage and shelving in the apparatus bay
 - Electrical upgrades to support modern emergency equipment
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Building Condition & Durability

- Limited voluntary seismic improvements tying roof systems to walls (no foundation work)
- Targeted roof repairs and patching
- Replacement of **four overhead apparatus bay doors** and the main exterior entry doors
- Window replacements where needed
- Interior wall, ceiling, and floor updates in worn areas
- Limited wall improvements addressing existing hollow-core brick conditions

Security & Readiness

- Exterior security cameras
- Controlled access at exterior doors

Not Included

- No building expansion
- No new apparatus bays
- No major structural reconstruction
- No decorative or non-functional upgrades

City Hall / Police Department – Specific Improvements

This portion of the project is **smaller in scale**, focused on keeping an aging facility functional, secure, and maintainable.

Police Operations

- Interior remodel of police work areas

- Technology and communications upgrades in designated spaces
- Security camera and lighting improvements

City Hall Function

- Interior refresh and limited reconfiguration of public-facing areas
- Lighting upgrades throughout workspaces
- Flooring, wall, and ceiling repairs in high-wear areas
- Minor HVAC improvements for comfort and efficiency

Building Condition

- Roof replacement on the City Hall / Police portion of the building
- Electrical and plumbing updates where systems are outdated
- Interior demolition only where required to support reconfiguration

Not Included

- No new City Hall building
- No expansion of square footage
- No luxury finishes
- No major structural changes

These improvements are limited to existing facilities and are intended to address specific safety, operational, and building-condition needs identified through professional evaluation.

Public Safety Facilities

Project Cost Context (Informational Summary)

Purpose of this summary

This page provides **high-level context** for the estimated project costs associated with proposed improvements to the City's public safety facilities. It is intended to explain *how* the overall cost range is structured — not to present a final budget or authorize spending.

All figures are based on **concept-level professional estimates** and will continue to be refined as planning progresses.

Overall Project Cost Range

The project under evaluation reflects a **total cost of up to \$10 million**, which includes capacity to address:

- Fire Station improvements
- City Hall / Police Department improvements
- Public Works facility needs
- Voluntary seismic improvements
- Required contingencies, escalation, and soft costs

This amount represents a **maximum planning range**, not a required expenditure.

How the Costs Are Structured (High Level)

1. Construction (Hard Costs)

These are the direct, physical costs of improving existing facilities, such as:

- Mechanical, electrical, and plumbing upgrades
- Roofing and exterior door replacement

- Interior reconfiguration and finishes
- Apparatus bay safety systems

These costs reflect the **hands-on work** required to improve functionality, health, and safety.

2. Voluntary Seismic Improvements

The project includes **voluntary seismic strengthening** intended to modestly improve building performance during an earthquake.

This work focuses on:

- Basic connections between roof and wall systems
- Targeted structural reinforcement within existing walls

Importantly:

- These improvements **do not involve new foundations or ground disturbance**
- The work is limited by critical-infrastructure and site constraints
- The goal is **incremental risk reduction**, not a full seismic retrofit

Because seismic work involves structural systems and specialized labor, it represents a **meaningful portion of overall construction cost**, even though the scope is limited.

3. Risk and Contingency

Because the project involves **older, occupied buildings** and is currently at a concept level, contingencies are included to responsibly account for:

- Unknown conditions discovered during construction
- Refinement as designs advance
- Phasing and temporary work needed to keep services operating

Contingency funds are **not pre-approved spending** and are only used if needed.

4. Escalation (Inflation)

The estimate includes an allowance for **construction cost escalation**, based on a projected construction start in 2027.

- Starting sooner reduces escalation
- Delaying construction increases costs

Including escalation at this stage avoids underestimating future costs.

5. Soft Costs

Soft costs are standard components of public projects and include items such as:

- Professional services (design and engineering)
- Permitting and plan review
- Project administration and inspections

These costs support delivery of the project but are **not construction work**.

Important Clarifications

- All costs shown are **preliminary estimates**, not bids
- Final costs depend on design decisions, market conditions, and timing
- Council retains full authority over scope, sequencing, and contracts
- Any bond measure would establish a **maximum authorization**, not a required expenditure

Bond Cost Overview

Preliminary – Informational

Purpose of this information

This page provides **high-level, preliminary information** about how a potential General Obligation (GO) bond could translate into a cost per \$1,000 of taxable assessed property value. It is intended to provide context only and does not authorize construction or spending.

All figures shown are **estimates**, not final numbers.

Estimated Levy Rate per \$1,000 of Taxable Assessed Value

(Based on a maximum bond amount of up to \$10 million)

Bond Term	Estimated Levy Rate
10 years	\$1.38 per \$1,000
15 years	\$0.96 per \$1,000
20 years	\$0.77 per \$1,000

How to Read These Numbers

- Levy rates are shown **per \$1,000 of taxable assessed value**, not market value
- Shorter bond terms generally result in **higher annual levy rates** but **lower total interest over time**
- Longer bond terms generally result in **lower annual levy rates** but **higher total interest over time**

These three options illustrate the tradeoffs between **annual cost** and **overall borrowing duration**.

Important Clarifications

- Levy rates shown are **preliminary estimates**
 - Final rates depend on:
 - Interest rates at the time of issuance
 - Final bond structure and timing
 - Market conditions
 - The bond amount represents a **maximum authorization**, not required spending
 - Final issuance terms would be set by Council if the bond were approved by voters
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Context

This bond cost overview is provided alongside:

- **What the Proposed Remodel Would Do — and What It Would Not Do**
- **Project Cost Context (Informational Summary)**

Together, these materials are intended to support informed discussion by clearly explaining scope, cost structure, and potential levy impacts.

RESOLUTION NO. 1011

A RESOLUTION OF THE CITY OF GEARHART, OREGON CALLING A MEASURE ELECTION FOR GENERAL OBLIGATION BONDS.

Whereas, the City of Gearhart, Oregon (the “City”), determines that it will benefit the City to obtain the authority to issue up to \$10,000,000 of general obligation bonds (the “Bonds”) to finance the capital costs described in the form of ballot title attached here to as Exhibit A (the “Project”); and

Whereas, Oregon Revised Statutes (“ORS”) Section 287A.050, the City Charter, and the Oregon Constitution authorize the City to issue general obligation bonds to finance capital costs upon approval by the electors of the City; and

Whereas, ORS 287A.050 limits the amount of general obligation bonds for certain types of general obligation bonds to three percent of the real market value of taxable property in the City, and issuing the Bonds described in this resolution will not cause the City to exceed this limit; and

Whereas, the City anticipates incurring expenditures (the “Expenditures”) to finance costs of the Project and wishes to declare its official intent to reimburse itself for any Expenditures it may make on the Project from the proceeds of the Bonds which may be issued in multiple series.

NOW, THEREFORE, THE CITY OF GEARHART RESOLVES AS FOLLOWS:

Section 1. A measure election is hereby called for the purpose of submitting to the electors of the City the question of issuing up to \$10,000,000 in principal amount of general obligation bonds to finance the Project.

Section 2. The measure election hereby called shall be held in the City on the 19th day of May, 2026.

Section 3. Pursuant to ORS 250.285, the City Council approves the ballot title that is attached as Exhibit A, in substantially the form attached but with such changes as the City Official, defined below, may approve, and directs that this ballot title be filed with the City Elections Officer.

Section 4. Pursuant to ORS 250.275(5) and 250.285 the City Elections Officer shall publish in the next available edition of the *Daily Astorian*, or in another newspaper of general distribution within the City, a notice of receipt of the ballot title including notice that an elector may file a petition for review of the ballot title pursuant to ORS 250.296 not later than the seventh business day after the title is filed with the City Elections Officer. The notice shall be in substantially the form attached to this resolution as Exhibit B with such changes as the City Official may approve.

Section 5. Pursuant to ORS 254.095(2), the City directs the City Elections Officer to submit to the County Clerk for Clatsop County, Oregon, a certified copy of this Resolution, the

Ballot Title, an explanatory statement and all other necessary information no later than March 19, 2026, so that this measure may appear on the ballot for the May 19, 2026 election.

Section 6. The City authorizes the Mayor, City Administrator or the designee of either of those officials (each a “City Official”), to act on behalf of the City, and the City Official is hereby authorized and directed to prepare the explanatory statement for this measure, and to take such other action as is necessary or appropriate to carry out the purposes and intent of this resolution in compliance with the applicable provisions of law.

Section 7. The City hereby declares its official intent pursuant to Treasury Regulation Section 1.150-2 to reimburse itself with the proceeds of the Bonds, which may be issued in one or more series, for any of the Expenditures incurred by it prior to the issuance of the Bonds.

Section 8. This resolution shall take effect immediately upon its adoption.

Adopted by the City Council this 12th day of February, 2026.

**CITY OF GEARHART,
CLATSOP COUNTY, OREGON**

By: _____
Kerry Smith, Mayor

ATTEST:

By: _____
Chad Sweet, City Administrator

EXHIBITS:

- A. Form of Ballot Title
- B. Notice of Receipt of Ballot Title

EXHIBIT A
FORM OF BALLOT TITLE
CITY OF GEARHART
CLATSOP COUNTY, OREGON

CAPTION:

Authorize General Obligation Bonds to Acquire and Improve City Facilities

QUESTION:

Shall Gearhart issue \$10 million in bonds to acquire, improve, and address deficiencies in public safety and other city facilities?

If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution.

SUMMARY:

Gearhart has evaluated options to address health, safety, and operational deficiencies in City facilities.

If approved, this measure would authorize the City to issue general obligation bonds to address those deficiencies.

Bond proceeds would pay for capital costs, including to:

- remodel the existing fire station to address fire safety needs, police and fire health protections, operational inefficiencies, and minor structural improvements;
- improve city hall to better support police department operations and space needs and to provide limited basic interior improvements; and
- acquire land and an existing building to provide a public works facility, which acquisition would allow space to be reconfigured for public safety operations and could provide temporary fire operations space during construction.

Bonds may be issued in one or more series and would not exceed \$10 million in principal. Each series would mature within _____ years from issuance. The estimated annual tax rate is \$ _____ per \$1,000 of assessed value. Actual levy rates may vary due to actual interest rates and changes in assessed value.

EXHIBIT B

NOTICE OF RECEIPT OF BALLOT TITLE

Notice is hereby given that a ballot title for a measure referred by the City of Gearhart has been filed with the City Elections Officer on February 13, 2026. The ballot title caption is "Authorize General Obligation Bonds to Acquire and Improve City Facilities." A copy of the ballot title is available from the City's Elections Officer by calling 503-738-5501. An elector may file a petition for review of this ballot title in the Clatsop County Circuit Court no later than 5:00 pm February 25, 2026 under ORS 250.296.

City Elections Officer

Date Signed

This legal notice is to be published by the City Elections Officer in the *Daily Astorian*, or in another newspaper of general distribution within the City.