



City of Hillsboro, Oregon  
**Budget In Brief**  
Fiscal Year 2017-18







## *OUR MISSION*

The City of Hillsboro is dedicated to providing visionary leadership, delivering responsive municipal services, and fostering collaborative partnerships that enhance Hillsboro's hometown livability.



## To my Hillsboro neighbors and friends,



It is an honor to welcome you to the City of Hillsboro's FY 2017-18 Budget in Brief. Each year, the City of Hillsboro produces a budget document to fulfill the community's vision for where our resources should be directed. We strive for excellence in providing sound, reasonable, honest, and transparent management of these resources. Thank you for taking the time to stay informed on the important budgetary decisions made by your City Council and Budget Committee.

The City's budget remains several hundred pages due to the many documents we are required by law to include. While the entire budget document is available to view at any time, many Hillsboro residents prefer this Budget in Brief, which summarizes the most essential elements of the City's budget. We believe it is important that you understand all of the services that the City of Hillsboro provides, and this document is abbreviated for your convenience.

Our budget reflects the City Council's goals, maintains the long-term financial health and stability of our General Fund and reserves, and continues the delivery of high-quality services for our community. The FY 2017-18 budget allocates \$536.3 million, including these capital improvement expenditures:

- \$20.96 million for the Willamette Water Supply Program
- \$17.75 million for the expansion of the Joint Water Commission Water Treatment Plant
- \$10.25 million for the expansion of the Hillsboro Police Department headquarters
- \$9 million for architectural design and construction of the Hillsboro Community Center at 53rd Avenue
- \$6 million for the Pavement Management Program maintenance and re-construction projects
- \$4 million for the construction of a Fire Training Facility
- \$3.3 million for the widening of Cedar Street near Brookwood Elementary School, including sidewalks

For a more detailed look at the City of Hillsboro's FY 2017-18 adopted budget, please visit the City's website at [Hillsboro-Oregon.gov/Finance](http://Hillsboro-Oregon.gov/Finance).

Through sound fiscal management, we are able to deliver the services our community members expect from their local government. By providing important services for today, as well as planting the seeds for a strong future, we ensure that we will continue to grow great things here in Hillsboro!

Sincerely,  
Mayor Steve Callaway  
City of Hillsboro



# Growing Great Things



## What's Inside...

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As Oregon’s 5th largest city and a population of more than 100,000 people, Hillsboro residents enjoy award-winning neighborhoods; exceptional education, recreation and cultural opportunities; a strong economy and one of the state’s most diverse populations. Our original farming way of life is still honored in Hillsboro, though the “crops” continue to diversify. High-tech companies arrived in the 1980s, including Intel. In addition, health care, retail sales—and yes, still agriculture, including vineyards and flower farms—are keys to Hillsboro’s economy.

Residents enjoy a great quality of life including a variety of recreational opportunities, as Hillsboro is home to 29 public parks, some of the area’s premier wineries and Jackson Bottom Wetland Preserve, a 710-acre wildlife preserve located within the city limits. There is a thriving cultural arts scene, including a community arts center, art galleries, musical and theater groups and a history museum. Hillsboro is also home to the Portland metro area’s only professional baseball team - the Single A Hillsboro Hops who are the 2014 and 2015 Northwest League Champions! Yearly community events include one of Oregon’s largest 4th of July parades, a “Celebrate Hillsboro” family festival, and the Oregon International Air Show.

As we evolve, Hillsboro is helping to grow Oregon’s future with hometown values and agricultural roots. The people, businesses, nonprofits and government take great pride in their town as they work side by side, giving as much attention to community and livability as to development and industrial growth. With a healthy patchwork of history, business opportunities, neighborhoods, education, recreation and culture, great things are growing in Hillsboro.





# Council Priorities

The Hillsboro City Council takes time each year to identify top priorities to help guide City employees in effectively serving our community. Having this direction is vital for our City to ensure future stability and prosperity for residents and businesses.

## Guiding Principles

- Remain the full-opportunity, full-service City that serves all of our diverse community members in areas including but not limited to, public safety, job creation, arts and recreation, libraries, school support, housing supply, and transportation
- Maintain community support for our public safety personnel and the vital services they deliver
- Continue the City's tradition of exceptional stewardship and accountability for assets, including maintaining appropriate fiscal reserves and funding long-term asset maintenance programs
- Maintain Hillsboro's leadership role as a business-friendly City committed to strategic economic development that grows community prosperity
- Operate with transparency and openness in engaging the community on decision-making
- Promote Hillsboro's unique identity while ensuring we grow and develop with consideration of our community's agricultural roots and history
- Continue to plan ahead and position the City 50 years out for the future success
- Support and show pride for high-quality education in Hillsboro- from preschool through high school, and higher education

## Short Term Priorities

- Design and construct capital improvement projects that improve service delivery: community center, replacement police headquarters, fire training facility
- Create and implement a Cultural Arts Strategic Plan that includes public art funding
- Continue sidewalk infill projects, particularly those that improve safety and walkability around schools, as identified through Hillsboro's Safe Routes to Schools program

- Achieve the highest level of community benefits from Block 67 development in Downtown Hillsboro
- Review and adopt the City's updated Comprehensive and Transportation System Plans
- Review and approve the Jackson School Road transportation project
- Develop an action plan for City participation in affordable housing partnership projects/programs
- Encourage and support innovative sustainability projects and programs in the South Hillsboro development

## Long Term Priorities

- Work with community partners to implement the Hillsboro 2035 Community Plan
- Emphasize development in key areas of the City, including the South Hillsboro master-planned community, the North Hillsboro Industrial Area, and continued Downtown revitalization
- Support community mobility by continuing to prioritize street transportation infrastructure funding
- Work with community partners to enhance public transportation services and options
- Expand workforce training opportunities that benefit all residents
- Continue Hillsboro's leadership role in promoting the community's use of sustainable energy and energy saving practices
- Create partnerships to support the development of affordable housing in the City of Hillsboro
- Support the Willamette Water Supply Program to ensure the City's 50-year water supply

**Adopted Budget**

**\$536,269,089**

**July 1, 2017 - June 30, 2018**



# About the City

## About the City

While we greatly respect tradition, we are not your traditional City government here in Hillsboro. We take pride in having an open, entrepreneurial and cooperative approach toward serving residents, businesses and community partners. Success to us means working together to provide excellent municipal services and planning a bright future for Hillsboro.

We are a financially conservative, yet innovative and forward-thinking, full-service city. The City of Hillsboro has 817 full-time budgeted positions and approximately 500 part-time/temporary employees at any one time. City Departments include: the City Manager's Office, Building, Economic Development, Finance, Fire, Human Resources, Information Services, Library, Parks and Recreation, Planning, Police, Public Works and Water.

Together with community partners and residents, we work to thoughtfully plan for and grow Hillsboro's future. We are home to Oregon's largest employer, Intel Corporation, as well as other high technology leaders and hundreds of smaller companies. Continuing to be a leader in attracting new businesses and opportunities to Hillsboro is critical. We value our business partners because when businesses thrive they create jobs and economic opportunity.

## DID YOU KNOW...

Hillsboro is expanding our community in South Hillsboro? This 1,400 acre addition will provide housing for nearly 20,000 new residents and will add new mixed-use town centers, complete with shopping, restaurants, and services. South Hillsboro will feature 286 acres of new parks and world class bicycle infrastructure.

The Hillsboro 2035 Community Plan is modeled after Hillsboro's original award-winning visioning effort, the Hillsboro 2020 Vision and Action Plan. For the past fifteen years, Hillsboro 2020 has served as a catalyst for a wide range of community enhancements, partnerships and investments. The overarching goal of the Hillsboro 2035 Community Plan is to extend that success into the future, and guide Hillsboro's future growth and evolution through coordinated, collaborative community engagement.

As Hillsboro continues to grow and diversify, we will continue to partner and plan for success, so this great community grows by choice, not by chance.



*New information kiosk: Civic Center Plaza*



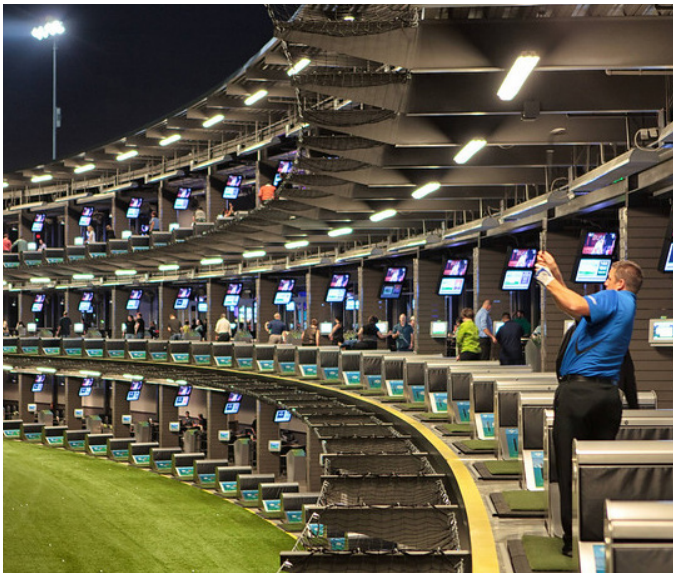
## Form of Government

An elected Mayor and six Council members comprise the City Council and govern the City of Hillsboro. The City's Charter establishes a Council/Manager form of government. The Mayor and members of the City Council are elected to serve four-year terms. The Mayor presides at Council meetings and is elected at-large for a four-year term, subject to a charter-imposed limitation of two consecutive terms. The Mayor and Council provide community leadership, develop policies to guide the City in delivering services and achieving community goals, and encourage citizen awareness and involvement.

The City Council appoints the City Manager who in turn serves as the administrative head of the City government. The City Manager is responsible for ensuring Council policies are implemented using resources appropriated by the Council to achieve desired service results in the community.



*Produce from Hillsboro Tuesday Night Market*



*Topgolf facility in Hillsboro, Oregon*

## Doing Business in Hillsboro

Hillsboro is home to some of the best land, power and water resources in the country. As a result, many high tech and advanced manufacturing companies put down roots in Hillsboro, and we continue to attract new investment from these and other industries around the world.

Hillsboro is particularly attractive for its manufacturing infrastructure, its technologically skilled workforce, its proximity to airports, major highways and interstates, and its business-friendly climate. We also have access to incentives through urban renewal, enterprise zones and strategic investment programs that can be an attraction for businesses looking to locate or expand in Hillsboro.

### DID YOU KNOW...

In 2016, over 350 new businesses registered with the City of Hillsboro and claimed more than 2,950 new owners and employees.



# H The Budget Process

## Hillsboro's Budget Process

The process followed in the preparation of the budget complies with Oregon Local Budget Law established by Oregon Revised Statutes. City management seeks and welcomes public input, participation and deliberation throughout the process. Budget Committee meetings are open to the public and are advertised on the City's website and in Hillsboro's local newspapers. The Proposed Budget—submitted to the Budget Committee in May—and the Approved Budget—submitted to the City Council in June for adoption—are available to the public prior to each meeting.

City departments work with the Finance Department to compile their budget and capital requests

between the months of November and March each year. This information is then reviewed by City management. During the same time frame, Finance and City management review revenue and expenditure forecasts, as well as financial trends. All of this information is compiled, prepared and presented to the Budget Committee as the Proposed Budget. After the Budget Committee reviews and deliberates over the Proposed Budget and makes appropriation changes, the Committee then recommends and forwards to the City Council an Approved Budget. After a public hearing, the Council takes action on any final changes deemed appropriate, and adopts the budget in late June. The Adopted Budget becomes effective July 1. The final Adopted Budget is available on the City's website.



# Budget Committee

## Committee and Council

The Budget Committee consists of the Mayor, six City Councilors, and seven citizens appointed by the City Council. Citizen members serve three-year terms. Meetings occur approximately twice a year in the evening at the Civic Center. The Committee has the legal authority to change any portion of the proposed budget and is responsible for approving it. Visit the City's website at [Hillsboro-Oregon.gov](http://Hillsboro-Oregon.gov) to see the map of Hillsboro's three wards and to learn more about Hillsboro's Mayor and City Councilors.



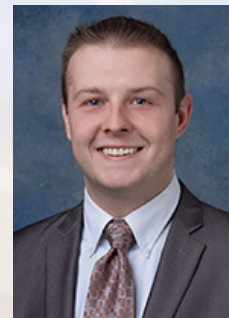
Steve Callaway  
Mayor



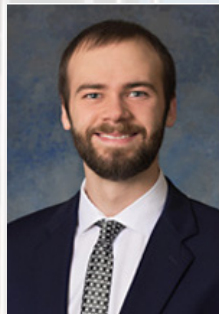
Darell Lumaco  
Council President  
Ward 1



Rick Van Beveren  
Councilor  
Ward 1



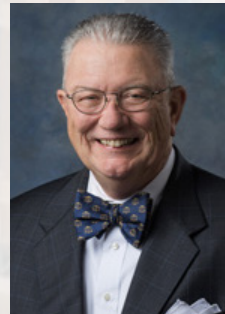
Kyle Allen  
Councilor  
Ward 2



Anthony Martin  
Councilor  
Ward 2



Olivia Alcaire  
Councilor  
Ward 3



Fred Nachtigal  
Councilor  
Ward 3

## Citizen Members

**Olga Acuña** - Director of Federal Programs, Hillsboro

**John Coulter** - Manager, Fisher Farms

**Jennifer Davis** - Vice President/Branch Manager, Washington Federal

**Alexander Diaz** - Graduation Coach, Hillsboro School District

**David Judah** - Program Manager

**Dan Mason** - Community Manager, Prime Group LLC

**Nathan Parent** - Information Technology Services



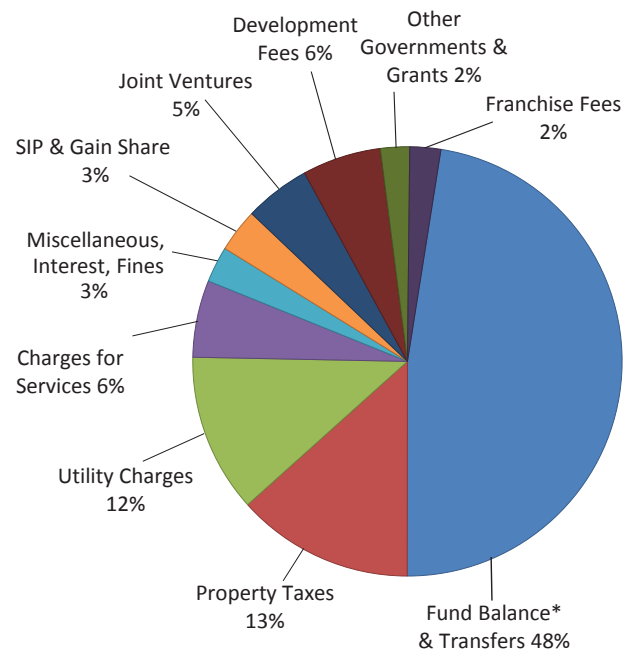


# Where the Money Comes From

## Resources of all Funds Combined by Category

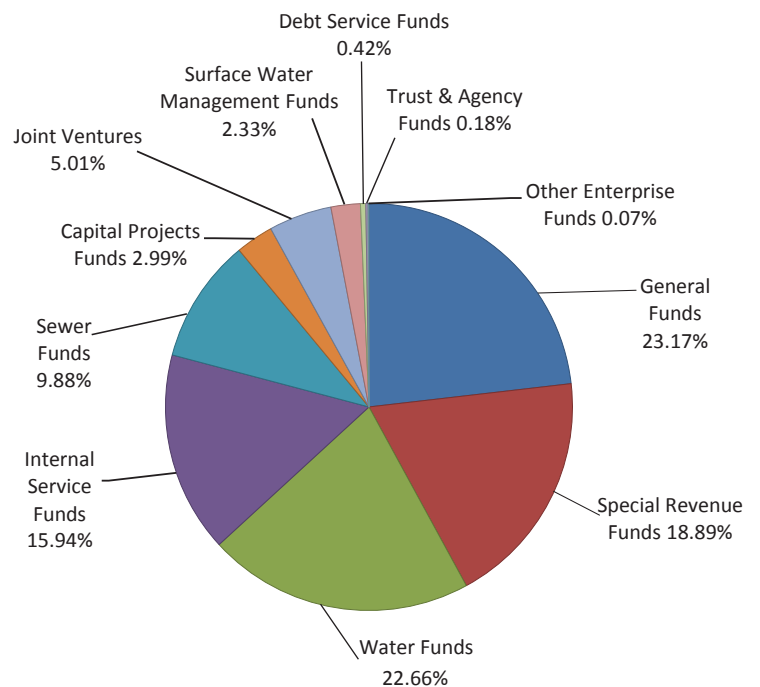
Fund Balance* & Transfers	\$ 254,835,490
Property Taxes	71,555,851
Utility Charges	64,071,952
Charges for Services	31,107,171
Development Fees	31,823,107
Miscellaneous, Interest, Fines	14,516,609
Strategic Investment Program & Gain Share	17,510,000
Joint Ventures	26,604,834
Other Governments & Grants	11,764,075
Franchise Fees	12,480,000
<b>Total</b>	<b>\$ 536,269,089</b>

\*Many funds, like Transportation, Water, Sewer and Building have dedicated resources which can only be expended on these programs. Reserves may be higher in these programs due to saving for future large capital projects.

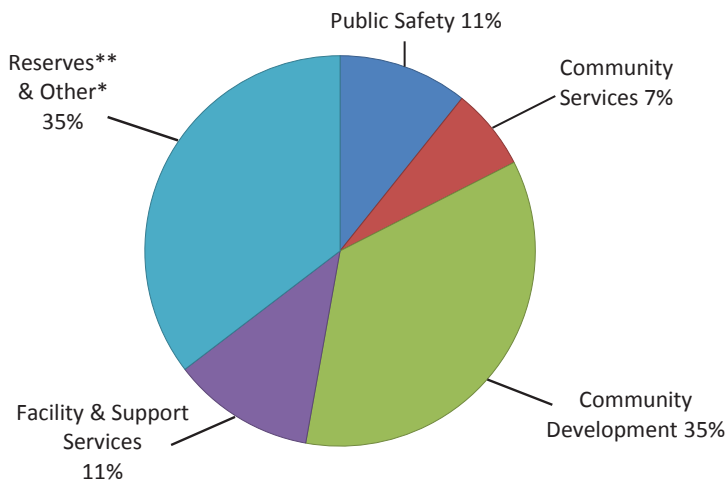


## Resources by Fund Group

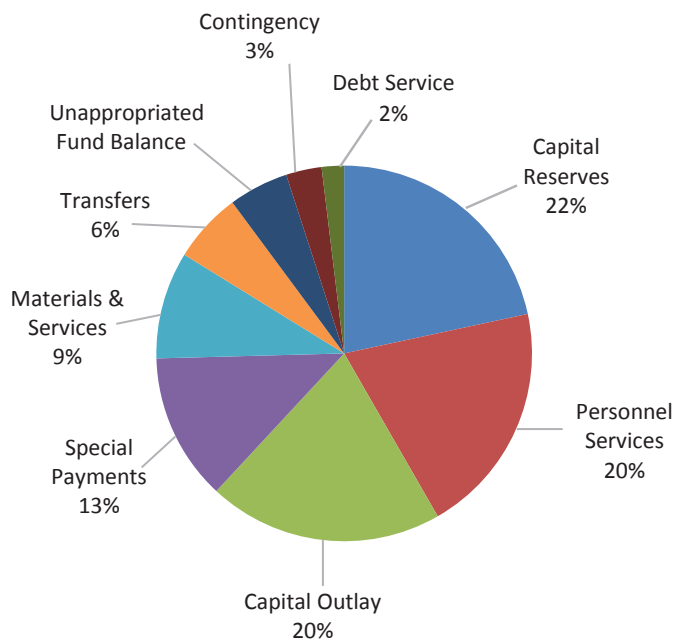
General Funds	\$ 124,266,141
Water Funds	113,262,935
Special Revenue Funds	101,278,557
Internal Service Funds	85,477,397
Sewer Funds	52,973,353
Capital Projects Funds	16,050,726
Joint Ventures	26,876,834
Surface Water Management Funds	12,495,255
Debt Service Funds	2,258,100
Trust & Agency Funds	948,291
Other Enterprise Funds	381,500
<b>Total</b>	<b>\$ 536,269,089</b>



# Where the Money Goes



Expenditures by Service Area	
33,851,071	Police
588,204	Municipal Court
22,785,810	Fire
318,468	Emergency Management
<b>57,543,553</b>	<b>Public Safety</b>
10,132,086	Library
26,215,387	Parks and Recreation
<b>36,347,473</b>	<b>Community Services</b>
5,354,529	Planning
6,300,999	Economic Development
8,516,943	Building
85,469,701	Water
83,715,818	Public Works
<b>189,357,990</b>	<b>Community Development</b>
4,598,143	City Manager's Office
4,894,553	Human Resources/Risk
8,099,173	Information Services
3,390,568	Finance
42,334,586	Facilities & Fleet
<b>63,317,023</b>	<b>Facility &amp; Support Services</b>
29,646,389	Other*
160,056,661	Reserves & Contingency**
<b>\$ 536,269,089</b>	<b>Total</b>
	*Non-Department Expenditures
	**Reserves for all Departments



Expenditures of All Funds Combined by Category	
\$ 115,975,637	Capital Reserves
107,642,734	Personnel Services
108,402,010	Capital Outlay
67,914,423	Special Payments
49,498,530	Materials & Services
32,432,353	Transfers
27,617,634	Unappropriated Fund Balance
16,463,390	Contingency
10,322,378	Debt Service
<b>\$ 536,269,089</b>	<b>Total</b>





# Capital Improvement Program

The Capital Improvement Program (CIP) section of the budget shows the City's investment in any project that adds, improves and extends the life of the City's infrastructure. The City budgets its major construction and acquisition activities in one of seven capital improvement project categories. Generally, projects with a total cost of \$25,000 or more are included in the CIP. In addition to capital projects, fleet vehicles are included in the CIP.

The CIP projects are tracked in several categories: Parks Capital Projects, Transportation Projects, Sanitary Sewer Projects, Surface Water Management (SWM) Projects, Water Projects, Facility Projects and Fleet Replacements.

Depending on the type of project, financing sources can include system development charges (SDC), operating revenues, bonded debt, other one-time revenues, and/or a combination of several different revenue sources. The individual project descriptions within the larger budget document include information on the financing sources used to fund each project.

The total cost for the five year CIP covering FY 2018-22 is just over \$484 million. This amount includes \$51.6 million of projects that have no defined funding source identified at this time.

## Notable FY 2017-18 City Projects

**Parks & Recreation:** Design and development of South Hillsboro neighborhood parks, including Sohi-West, Butternut Creek, and Reed's Crossing. (\$1.95 Million)

**Public Works Transportation:** 253rd Extension Project (\$2.54 Million), Century Blvd Extension Project (\$2.187 Million), and Jackson School Rd. Bike/PED Project (\$2.8 Million)

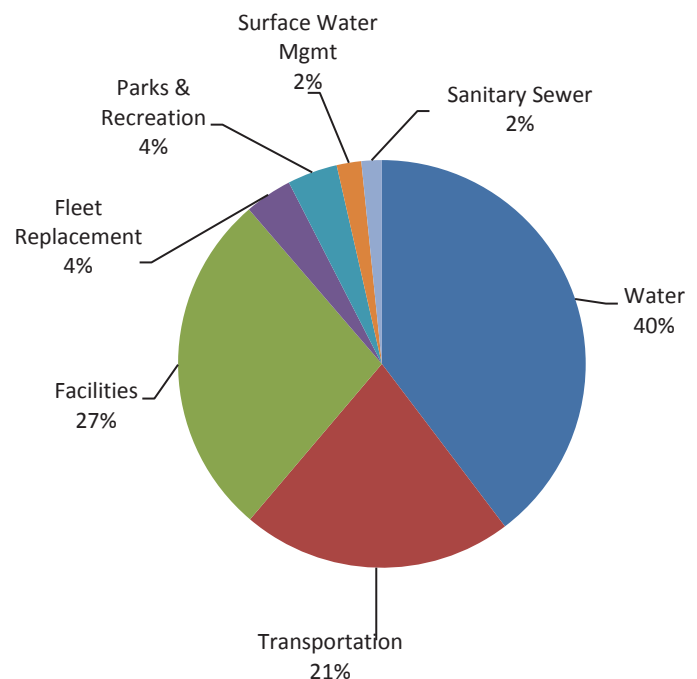
**Public Works Sanitary Sewer:** Healthy Stream Project (\$60,000) and NW 1911/1936 Sanitary I&I Abatement Project (\$1.5 Million)

**Public Works Surface Water Management:** Griffin Oaks Pavement Replacement (\$471,200), and Cedar St Widening Project (\$250,000)

**Water:** Willamette Water Supply Project (\$20.9 Million)

**Facilities:** Police Station Expansion Project (\$10.2 Million), Community Center at 53rd Avenue Project (\$9 Million)

Capital Improvement Program	
Water	\$ 40,495,230
Transportation	21,952,380
Facilities	28,057,916
Fleet Replacement	3,847,400
Parks & Recreation	4,056,250
Surface Water Mgmt	1,991,300
Sanitary Sewer	1,647,650
<b>Total</b>	<b>\$ 102,048,126</b>



For more detailed information regarding all the projects included in the Capital Improvement Program, visit: [Hillsboro-Oregon.gov/Finance](http://Hillsboro-Oregon.gov/Finance).

## Debt Service Overview

The City issues debt to pay for long-term capital improvements. The City only issues debt where the repayment schedule does not exceed the useful life of the capital investment. The City has a limited amount of debt and no outstanding general obligation debt.

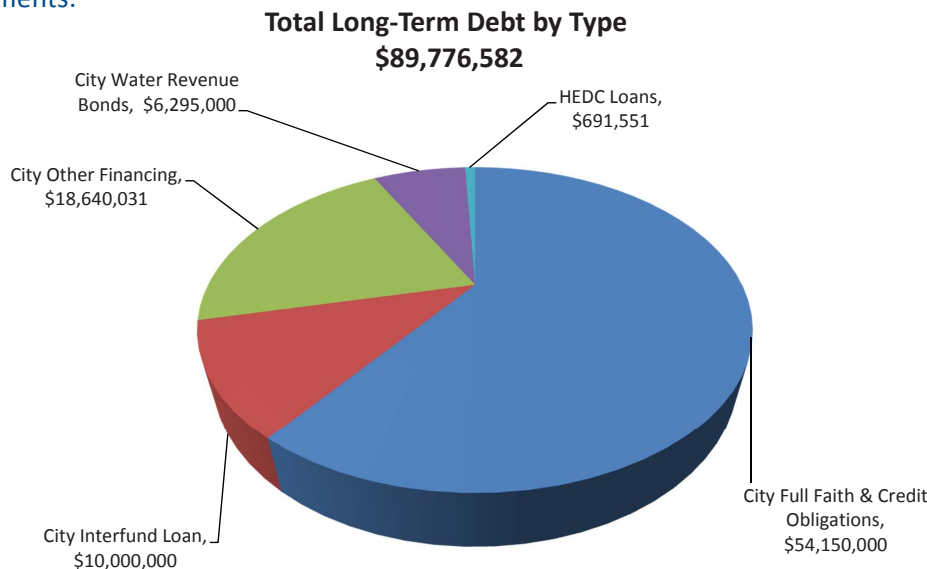
Debt service appropriations provide for the payment of principal and interest on bonds and special obligation notes. The City has revenue bonds, full faith and credit obligations, private loans, and an interfund loan currently outstanding. Full faith and credit obligations are backed by the City's General Fund revenues; however, they may be repaid from other resources such as Strategic Investment Program revenues.

Revenue bonds are used to finance enterprise-related capital to sustain the increasing demands of the system. Revenue bonds are repaid through user fees that are reviewed annually to meet operational and debt service requirements.

Interfund loans are used to loan money from one fund to any other fund of a municipality whenever the loan is authorized by official resolution or ordinance of the governing body. Interfund loans can either be for operations or capital expenses. Operating loans must be repaid within one year of the original loan date and capital loans must be repaid within 10 years.

The City's Full Faith and Credit Obligations debt rating provided by Moody's Investors Service is currently Aa2. The City's Water Revenue Bonds Refunding Series 2012 debt rating by Moody's Investors Service is also Aa2.

The City fulfills its obligation for continuing disclosure requirements under the Securities and Exchange Commission Rule 15c2-12 by filing its audited financial reports and other required disclosures with the Municipal Securities Rulemaking Board Electronic Municipal Market Access (EMMA) database service which is available at [emma.msrb.org](http://emma.msrb.org).



## Future Debt Plans

In the future, the City is expecting to issue significant debt due to some very large projects. The City plans to issue approximately \$26.8 million for the South Hillsboro Local Improvement District in 2019. The City anticipates issuing a total of \$350 million in water revenue bonds for the Willamette Water Supply Program between FY 2019-20 and FY 2023-24. The City is also likely to issue debt for the Downtown Urban Renewal area, a Community Recreation Center at 53rd Avenue, and other capital needs.





# The City's General Funds

The City has four funds that are considered General Funds for reporting purposes. The City's primary General Fund accounts for all revenues and expenditures of a general nature that are not required to be recorded in another fund. General Fund revenue is derived from property taxes, charges for services, franchise fees, grants, and transfers from other funds. The Economic Development Fund, also grouped with the General Funds, accounts for all economic development activities. Sources of revenue for Economic Development include certain Strategic Investment Program resources, Enterprise Zone revenues and General Fund support. Economic Development resources fund activities to attract new businesses to Hillsboro, facilitate their transition to the area, revitalize the City and enhance our community's livability.

The two remaining funds are the Public Arts Fund and the PERS Stabilization Fund. General Fund resources pay for Police, Fire, Parks & Recreation, Library, Planning, Municipal Court and Economic Development services.

The graphs on the following page represent where the General Fund resources come from and what they are spent on.



*Performance at the Walters Cultural Arts Center, located in downtown Hillsboro*

## POLICE



## FIRE



## PARKS & RECREATION



## LIBRARY



## PLANNING

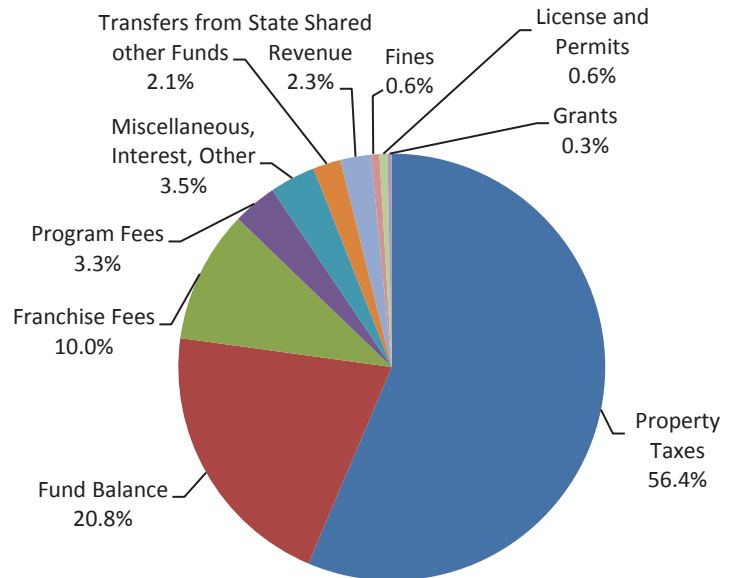


## ECONOMIC DEVELOPMENT

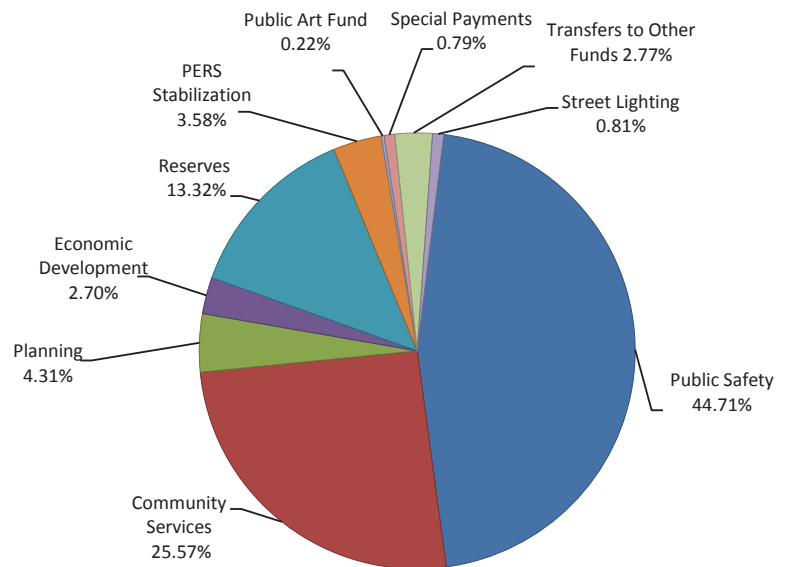


# The City's General Funds

General Funds Resources by Category	
Property Taxes	\$ 70,069,351
Fund Balance	25,826,440
Franchise Fees	12,480,000
Program Fees	4,152,600
Miscellaneous, Interest, Other	4,301,750
Transfers from other Funds	2,620,000
State Shared Revenue	2,880,000
Fines	785,000
License and Permits	751,000
Grants	400,000
<b>Total</b>	<b>\$ 124,266,141</b>



General Fund Expenses by Department and Category	
Police	\$ 33,690,832
Fire	22,785,810
Municipal Court	588,204
<b>Public Safety</b>	<b>\$ 57,064,846</b>
Parks and Recreation	21,641,191
Library	10,132,086
<b>Community Services</b>	<b>\$ 31,773,277</b>
Planning	5,354,529
Street Lighting	1,010,000
Reserves	16,555,201
Special Payments	975,518
Transfers to Other Funds	3,446,275
<b>Total General Fund</b>	<b>\$ 116,179,646</b>
Economic Development	3,360,460
PERS Stabilization	4,454,285
Public Arts Fund	271,750
<b>Total</b>	<b>\$ 124,266,141</b>



\*\*includes Pers Stabilization

## DID YOU KNOW...

The Hillsboro libraries had 921,751 visitors last year and checked out 2,977,376 articles to patrons?





# Property Taxes

## Property Taxes

The City's General Fund operating budget relies on property taxes for approximately 56% of its total budget. Measure 50 created a State property tax system which moved local governments from a dollar-based tax system to a rate-based tax system. The City currently has a permanent tax rate of \$3.6665 per \$1,000 of assessed property value. The City tax rate funds city services. Other agencies, including the County and Schools also have tax rates for their services. All of these rates combine to represent a full property tax assessment that is reflected in the annual property tax statements provided by Washington County Assessment and Taxation.

## Local Option Tax

The City has a voter approved five year Local Option Tax (LOT) of \$1.72 per \$1,000 of assessed property value specifically for Police, Fire, and Parks & Recreation maintenance services. The total tax rate, including the LOT for city services, is \$5.3865 per \$1,000 of assessed value. Local option levies are five year levies. The levy was first approved by voters in 1998 and was just renewed in the May 2017 election by an 81% margin.

## Washington County Cooperative Library Services Levy

Washington County Cooperative Library Services (WCCLS) was established in 1976 with the passage of the first countywide tax measure to fund library services. At that time, over half of the county population did not have access to a public library. Currently, the county, nine cities and two non-profit organizations are part of this cooperative structure. In November 2015, a replacement levy passed for a five-year local option levy. The new rate of \$0.22 per \$1,000 of assessed value is effective July 1, 2016 through June 30, 2021 and replaces the previous rate of \$.17. The City receives a share of these funds annually to help maintain Library services. For more information about WCCLS visit: [wccls.org](http://wccls.org).

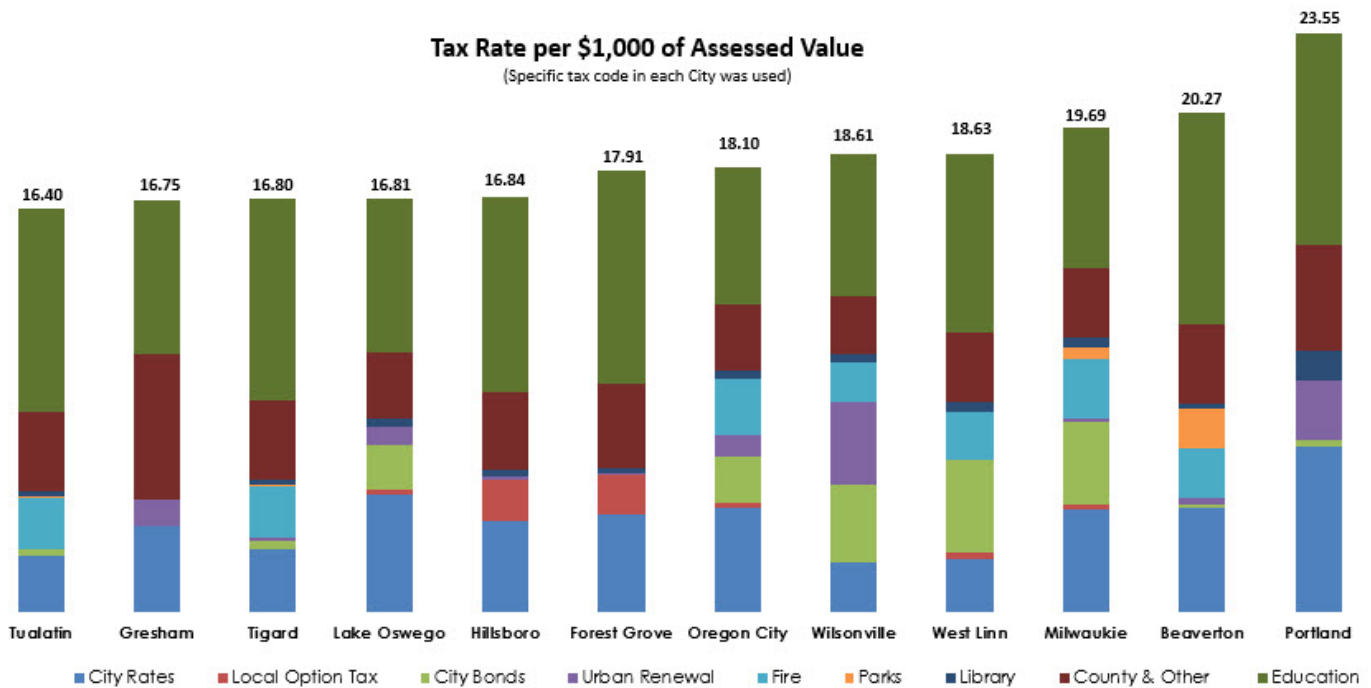
## Your Tax Dollars at Work in Hillsboro



# Tax Comparisons

## Tax Comparisons

The City of Hillsboro is a full service city providing Police, Fire, Parks, Libraries and other general services. The chart below compares the City of Hillsboro tax rates to other cities in the metro region. In order to make this table comparable from one agency to another, it is necessary to add services provided by special service districts like Tualatin Valley Fire and Rescue and Tualatin Hills Parks and Recreation District.



## City's Assessed Value

Annual property taxes are calculated using the assessed value (AV), as opposed to the market value of your property. Taxes are calculated by taking a property's AV divided by 1,000 and multiplied by the rate for the tax code where the property resides (subject to Measure 5 limitations). The City represents approximately 20% of Washington County's total AV, but has disproportionately more of the total industrial property and machinery & equipment value in the County. A reliance on the industrial sector brings more risk of significant shifts in AV, which can equate to more volatility in annual property tax assessments. Due to how quickly this type of property depreciates, continued reinvestment is important in

maintaining AV. The City's AV annual growth has been fairly healthy with the exception of FY 2012-13 where growth rates for the City were at record lows. The budget assumes a 4% increase in assessed value projection for FY 2017-18. Assessed Value that is attributed to the 1999 SIP coming back on the tax roll has been deducted from the projected AV growth rate in an effort to remain conservative. The majority of the SIP value was a result of machinery and equipment which depreciates rapidly for tax purposes. This reduction represented a .62% reduction in the projected growth rate, resulting in a budgeted AV Growth rate of 3.4%. Tax rolls are certified by the County on or before the end of October of each fiscal year.



# Strategic Investment Program & Gain Share

## Strategic Investment Program

The Strategic Investment Program (SIP) was authorized by the State legislature in 1993 to increase Oregon's ability to attract capital-intensive industry, particularly high-tech firms. Projects approved for the urban SIP must pay full property taxes on the first \$100 million of their investment, in addition to an annual Community Service Fee equal to 25% of the abated taxes, up to \$2 million and any other negotiated fees. The City receives 38% of the active Intel agreements. The City has received just under \$66.68 million under this tax abatement program.

In FY 2016-17, the City received SIP revenues from Intel Corporation's 2005 SIP. The 2005 SIP is estimated to collect close to \$57 million through FY 2024-25. Estimating these payments is very speculative and there can be a wide range between conservative to aggressive forecasts. The City has budgeted \$11.25 million in Intel SIP revenues for FY 2017-18.

On August 26, 2014, Intel partnered with the City and Washington County for a fifth SIP agreement, over a 30 year period for up to \$100 billion investment over concurrent 15 year periods. The agreement, as with past agreements, requires Intel to pay the equivalent of full property taxes on all land and buildings associated with each SIP project, while saving on partial property taxes related to machinery and equipment. Historically, the City has chosen to use the Intel SIP revenues as one-time funds. The City has used SIP funds to back debt for facilities and improvements, as well as enhancing the City's ability to pay for certain projects without incurring additional debt.

The FY 2017-18 budget obligates approximately \$4.14 million for debt service for bonds issued for the construction of the Civic Center (City Hall), two fire stations, a baseball stadium, and renovations at both City libraries. The remaining SIP revenues will be used for one-time capital projects including establishing the City's first Community Development Block Program and funding for the pavement management program.

## Gain Share

Gain Share was enacted by the State Legislature in 2007. Gain Share (or sharing of personal income tax revenues) is tied directly to an active SIP agreement. SIP agreements reduce property taxes locally to incentivize development, which is the revenue source that largely funds local government services. At the same time, SIP agreements increase personal income tax revenues due to the increase in jobs created by the new investment under a SIP. The intent of Gain Share is to make the SIP program a win/win for both local governments and the State. Gain Share allows local governments to share in the growth of State income tax collections calculated as a direct result of job growth spurred by the local investment covered under a SIP. The City has received annual payments from Gain Share for the last five years, and has worked with the City Council to identify guiding principles around the use of Gain Share.

In 2015 the State Legislature revised the Gain Share program with bill SB 129. The new law extended the sunset of the program to FY 2024 from the earlier date of FY 2017; however, it caps the revenues coming into Washington County at \$16 million per fiscal year, of which the City's share remains approximately 38%. The City has programmed the majority of the anticipated funds through FY 2024. Funds are being programmed towards schools, community resources like a community center, public safety, economic development and more.

The City received its fifth Gain Share payment in FY 2016-17 for \$5.83 million, a slight increase from the previous year of \$5.75 as a result of the new legislation enacted. The City is using the same figure for the budgeted amount in FY 2017-18. These funds have been budgeted in the Gain Share Capital Projects Fund.

\*For more information, see pages 68-71 in the FY 2017-18 Adopted Hillsboro Budget

# Citywide Strategic Projects

## Hillsboro 2035 Community Plan

For over 15 years, the City of Hillsboro has been a proud partner supporting the Hillsboro 2020 Vision and Action Plan, the original 20-year vision plan created by people that live, work, play and learn in Hillsboro. The City implemented numerous projects in the plan and provided support to the citizen-led Vision Implementation Committee (VIC). Hillsboro 2020 was a catalyst for many remarkable projects including the Venetian Theater and Bistro, Hondo Dog Park, community gardens, enhanced after school programs, the Walter's Cultural Arts Center and many more. With the Hillsboro 2020 Plan in its second decade of implementation and a large portion of the plan complete, the VIC and City Council called for a renewed plan to extend beyond the year 2020 to 2035.

The Hillsboro 2035 Community Plan, adopted by City Council in July 2015, included participation from more than 5,000 community members over a 3 year process. It contains a 2035 Vision Statement, five focus areas, and features participation from over 20 community partner organizations including the Hillsboro School District, Tuality Healthcare, Hillsboro Chamber and many others. Hillsboro 2035 builds on the success of the 2020 Plan and will guide the Hillsboro community for years to come. It also directly informs the current update of the City of Hillsboro Comprehensive Plan and along with City Council principles and priorities, helps guide the delivery of many City services.

For more information please visit:  
[hillsboro2035.org](http://hillsboro2035.org)



## Sustainability Program

Sustainability – defined by the City of Hillsboro as providing for the needs of our citizens, providing a healthy and satisfying work environment for our employees, and minimizing our impact on the physical environment of the community – continues to be a priority for the City. The City continues to pursue its established long-range (2030) environmental sustainability goals and has implemented numerous projects to improve operational efficiencies. The City also facilitates the Hillsboro Sustainability Task Force, part of the Hillsboro 2035 Community Plan, and implementation of the community-wide Environmental Sustainability Plan. The Task Force is comprised of representatives from private and public institutions and individuals in Hillsboro who are appointed by the Mayor, and it oversees implementation of the community Sustainability Plan. The City has been recognized most recently by the U.S. Environmental Protection Agency as the #1 green power community in the U.S.; by the U.S. Department of Energy as having achieved the goal to reduce energy consumption in City facilities 20% by 2020 – four years early; and by the U.S. Conference of Mayors Climate Protection Program for creation of the community Sustainability Plan.

For more information please visit [Hillsboro-Oregon.gov/sustainability](http://Hillsboro-Oregon.gov/sustainability) or contact the City Manager's Office at 503-681-6191 to learn more.





# Projects Around the City

## SOUTH HILLSBORO WHERE COMMUNITY COMES TO LIFE



Just south of Tualatin Valley Hwy, between southwest 209th and 229th, Hillsboro is in the early stages of developing the newest addition to our community. The South Hillsboro community will stretch 1,400 acres, offering a range of retail, services, and public facilities, while showcasing the diverse and harmonic blend of higher density mixed-use town centers with open, natural, green spaces. Many South Hillsboro neighborhoods and shopping districts will be connected through a multi-modal transportation network that will emphasize bicycle and pedestrian travel.

The new South Hillsboro community will provide as many as 8,000 homes in a variety of housing choices, for up to 20,000 Hillsboro residents. A development this large requires many public agencies and private sector partners to share a common vision and partnership. The latest South Hillsboro Finance Plan calls for \$450 million in infrastructure investment, including \$300 million in new roads.

### North Hillsboro Industrial Renewal Area

The North Hillsboro Industrial Renewal Area consists of approximately 1,100 acres, on the western end of the Hillsboro Industrial District. The City has identified this section of land as a premiere development target to expand Hillsboro's thriving economic district. The plan is to invest in public infrastructure, including streets, utilities, and services, in order to meet the needs of industrial, high tech, and other employment uses. Currently, companies within the Hillsboro industrial district employ more than 32,000 people. Almost 20% of the entire region's manufacturing employment is attributed to the Hillsboro industrial district. The plans for the future expansion and development of North Hillsboro industrial district will enable the continued growth of Hillsboro and Oregon's economy.

### Police Headquarters Improvement

The City has earmarked \$10.25 Million in FY 2017-18 toward a relocation of its Police Headquarters. Hillsboro Police has continued to grow alongside the City and has begun to reach the limitations of their current facility. Plans to expand the current facility have begun in the preliminary stages. Police looks forward to this project officially kicking off in FY 2017-18.





## Total population in the City of Hillsboro <sup>2</sup>

# 99,340

### Hillsboro Median Age <sup>2</sup>

## 35 YEARS

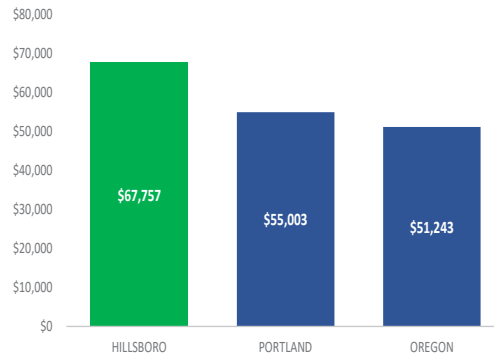
Portland: 37 years

Oregon: 39 years

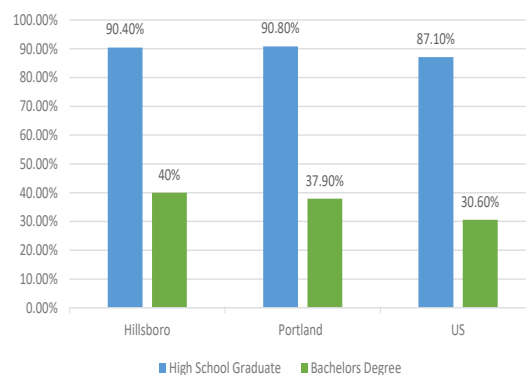
United States: 38 years

*The City of Hillsboro is the fifth largest City in Oregon and is located within Washington County. Just 18 miles west of Portland; Hillsboro is considered the "high tech corridor of the State" and is home to some of the best land, power and water resources in the country.*

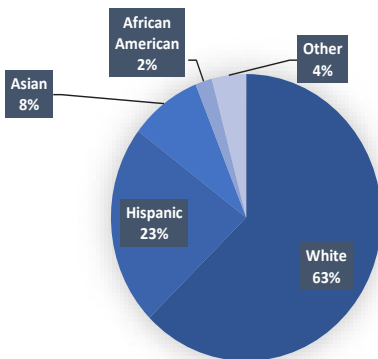
### Median Household Income <sup>1</sup>



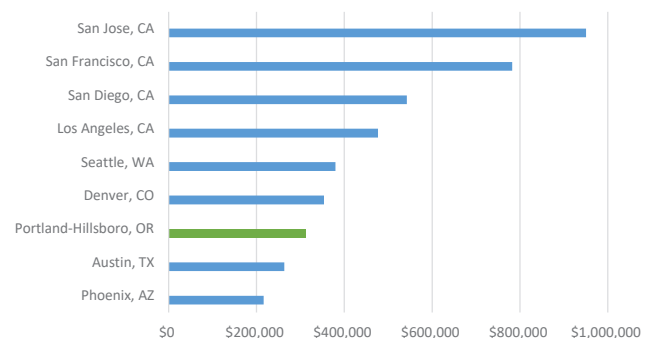
### Education <sup>1</sup>



### Diversity <sup>1</sup>



### Average Cost to Buy a House <sup>3</sup>



### Unemployment Rate <sup>2</sup>

## 4.2%

Portland MSA: 4.4%

Oregon: 5.2%

United States: 5.4%

[1] Data collected from US Census Bureau, American Community Survey 2010-2015;  
[3] Data collected from Council for Community and Economic Research

[2] Data collected from Bureau of Labor Statistics, 2015



# Department Highlights

## Police

- Awarded a Body-worn Camera Grant from the US Department of Justice for \$217,500
- Responded to 74,278 service calls
- Officers opened 10,904 cases
- Completed 290 DUII arrests

## Fire

- Responded to 10,716 Emergency Incidents in 2016
- Responded to 6,458 Medical Incidents in 2016
- Trained local middle school students in the use of Hands Only CPR, through a partnership with the Hillsboro School District

## Library

- Processed 2,977,376 in checkouts and renewals
- Hosted 921,751 patron visits
- Strengthened the Spanish language and world languages collections of materials to better reflect the demand of our community
- Handed out 6,423 books to young readers as part of the Summer Reading Program

## Parks & Recreation

- The Gordon Faber Recreation Complex hosted over 300 events in 2016
- The Parks BLAST program (Bringing Leadership, Arts and Sports Together) served approximately 5,000 Hillsboro school children.
- Completed Orenco Woods Nature Park

## Economic Development

- Provided assistance to 80 companies, with 15 successful expansion/recruitment projects
- Conducted 60 visits to key Hillsboro employers
- Funding support for the Future Connect Program provided scholarships and services to 50 first-generation high school students enrolled at PCC Rock Creek
- Completion of five storefront improvement projects in Downtown Hillsboro

## Building

- Between July 2016 and February 2017 over 4,000 permits were issued
- Administered projects valued at over \$374 million in total
- Assisted in the development of 4 new hotels, including Aloft, Candlewood Suites, and two Staybridge Suites
- Continued support of Intel's expansion of their new building

## Planning

- Established over 1,100 Land Use Entitlements for new single-family homes in South Hillsboro
- Implementation of the Hillsboro Street Naming Project
- Provided Downtown Storefront Grant Program design support for Hillsboro's Downtown revitalization effort

# Department Highlights

## Public Works

- Replaced 9,256 ft. of public sanitary sewer mainlines
- Issued 160 General Right-of-Way Permits
- Repaired 658 existing traffic signs and installed 90 new ones
- Cleaned 27 miles of storm sewer lines
- Swept 3,366 miles of Hillsboro streets

## Facilities & Fleet

- Completed construction of Phase I for the new Public Works facility
- Completed the Senior Community Center Remodel CDBG Project
- Received a Blue Seal certification for Automotive Service Excellence
- Completed the Request for Proposal for the architectural and engineering design for the new 53rd Ave Community Center

## Water

- Invested \$20.9 million in planning, design, and pipeline construction for the Willamette Water Supply Program
- Invested \$9.6 million in costs towards the expansion of the JWC Treatment Plant
- Investing \$2.5 Million towards projects for replacement or upgrades of pipeline reservoirs, and other infrastructure

## City Managers Office

- Completed 88% of the 2035 Community Plan Implementation
- Developed the 1st Annual Community Impact Grant, which will select a single non-profit to disperse \$40,000 a year - for three years
- Launched Camp Eagle, an outdoor camp created for 9-14 year olds experiencing homelessness

## Information Services

- Performed five major system upgrades
- Completed seven Eureka! process improvement projects
- Replaced 180 City computers
- Reduced FTE count by one position that transferred to the City Managers Office

## Human Resources

- Led a two day, city-specific Supervisor Development Series
- Grew the City's internship and workforce development programs that provide an opportunity for Interns to work in positions across the City
- Received the LOC/CIS Annual Safety Award, making Hillsboro the first to win the Gold Safety Award two years in a row

## Finance

- Assisted City efforts to renew Hillsboro's Local Option Tax
- Issued a \$9.7 million in Full Faith and Credit bonds to fund a portion of the construction of the new Public Works facility
- Worked with Planning Department to establish the South Hillsboro local improvement District





**CONNECT  
& GET  
INVOLVED!**

Here in Hillsboro we take pride in having an open, entrepreneurial and cooperative approach toward serving the community. Success to us means working together, and we invite you to work with us to enhance this great place we all share.

Whether you want to learn about or weigh in on a current public project, help with an ivy pull to restore a local park, share your skills with us on a committee or board, or participate in one of many other opportunities to make Hillsboro an even better place, we want to hear from you!

For those many thousands of community members annually who give their time, energy, and expertise to serve as a City of Hillsboro volunteer, we sincerely thank you. The people of this community make Hillsboro the exceptional place that it is.

## Volunteer with us

Volunteers provide a positive and meaningful impact on our community and play an important role in the success of the City's many programs. Individual contributions of time, energy, and talents help make our hometown a great place to live, work and play.

### Share your thoughts in other ways:

- **City website feedback forms**  
The City website contains links to feedback forms found throughout the site
- **Contact us directly**  
Ideas or questions can be sent directly to city staff, City Councilors, or the Mayor. Contact information can be found on the City website by department.
- **Attend a City Council meeting**  
Citizens also have the opportunity to speak to the City Council at every Council meeting during public comment time. Check our website calendar for current Council meeting information.

### Stay Informed:

Visit our website anytime for updated information on City news, events, public meetings, services, resources and more.

### Apply to join a City Commission, Committee, or Board:

The City of Hillsboro seeks volunteers to serve on our various standing boards, commissions, and committees. These appointed positions are filled by Hillsboro citizens who are interested in public decision-making and civic commitment. Check out our Commission, Committees & Boards webpage for more information and application forms.

### Contact us:

Website: [Hillsboro-Oregon.gov](http://Hillsboro-Oregon.gov)

Phone: 503-681-6100

