



Transportation Utility Fee, City of Hillsboro, Oregon

The City of Hillsboro is Oregon's fifth largest city with over 100,000 residents who benefit from award-winning urban planning, affordable cost of living, and a strong economic base with the State's fourth-largest school district. The City also includes over 1,500 acres of designated green spaces where events are hosted throughout the year for all to attend.

The Financing Challenges & The Indicative Solution

The City holds the safety and quality of roadways and sidewalks high on its priority list. In 2015, the Hillsboro City Council adopted the Hillsboro 2035 Community plan intended to continue the success of community enhancements, partnerships, and investments, and guide Hillsboro's future growth and evolution through collaborative community engagement. This Plan contains five focus areas, with one designated for the economy and infrastructure.

Initiative six in the economy and infrastructure focus area calls for ease of traffic congestion in and around the City and contains several projects to fulfill this goal. These projects will collectively require millions of dollars to complete and will receive funding from multiple sources including a Transportation Utility Fee (TUF).

The City realizes the positive correlation between the amount of time spent delaying street maintenance and the price of performing said repairs. Preventative maintenance can extend a street's life to 30 years or more and waiting until the end of a street's service life to restore it can cost up to four to five times more than regularly updating it in a timely manner.

Previously, the City used a gas tax, that had not been increased since 1993, to pay for street maintenance and as of 2008 had a \$9.1M-street maintenance backlog that grew by nearly \$1M every year. With \$5.8M in current overdue street maintenance projects, Hillsboro needed to derive a consistent funding mechanism that would reduce delaying the repairs even further. The TUF, in conjunction with the gas tax, offers this dependable, steady street maintenance funding avenue and that is why the City of Hillsboro implemented it.

The gas tax continues to fund the day-to-day operations such as sign and striping projects, pot-hole filling, and the like. The TUF replaced the portion of the gas tax previously used for the street maintenance program. Those reallocated gas tax dollars now add sidewalks, bicycle lanes, street lighting, striping, and curb ramps where needed.

Overview of Transportation Utility Fee and How it's Used

In 2008, the City Council established a monthly user charge – the TUF – based on road usage and proportion of residential and non-residential roadways. All residential, business, government agency, school, and nonprofit properties in the City contribute to the TUF via the City's utility bill to augment funding to improve pavement conditions throughout Hillsboro.

The TUF provides a direct and consistent source of funding for roadway maintenance, invests in and maintains the City's growing transportation infrastructure (via oversight by the Pavement



Management Program [PMP]), and provides necessary funding to address backlogged street maintenance projects by 2024.

The City conducted a five-year review of the TUF to ensure all residential and non-residential property owners or occupants are paying their fair share to maintain the roads, sidewalks and bicycle paths. This five-year review called for an adjustment for the fee to better collect proportionally from each property. The change which was proposed to go into effect on March 1, 2020 did not increase revenue.

TUF revenue from single- and multi-family residential properties invests in the PMP and the bicycle and pedestrian capital improvement program (BPCIP). The pavement management program helps fund City staff to evaluate major roadways annually and local streets every three years. The information collected sets each road's pavement condition score to help prioritize where maintenance efforts should be focused.

The BPCIP prioritizes a list of sidewalk, bike lane, and enhanced crossing projects throughout the City of Hillsboro, with priority given to school walk zones and areas within .25mi of a transit stop. The 2010-2019 BPCIP supported important projects to improve bicycling and walking in the City of Hillsboro such as new sidewalks, sidewalk and bicycle improvements, hundreds of new Americans with Disabilities Act-compliant pedestrian ramps, and installed Rectangular Rapid Flashing Beacons at six locations. The City of Hillsboro is in the process of updating the Transportation System Plan, which will then be used to develop the 2020–2029 BPCIP project list.

Non-residential properties such as businesses, government agencies, schools, and nonprofits pay a base charge and a calculated charge based on one of seven property categories. The categories are largely based on square footage of the occupant's property.

Sources:

[Hillsboro Transportation Utility Fee](#)

[Hillsboro Pavement Management Program](#)