

**East 205
Tax Increment Finance District Report**

September 4, 2024 DRAFT

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INTRODUCTION

Oregon Revised Statutes (ORS) 457.087 requires the development of a Tax Increment Financing (TIF) District Report to accompany a proposed TIF Plan.¹ This report satisfies that requirement, providing technical information on existing conditions, proposed projects and financial analyses in support of the community co-created East 205 TIF District Plan.

Section 1 addresses how and why the TIF District area was selected for inclusion in the Plan boundary and Section 2 provides additional detail on Proposed Projects and Financial Impacts over the life of the District. Section 3 provides a detailed Financial Analysis of the Plan and Section 4 addresses requirements around a Relocation Report. Select existing condition data points are referenced and relied upon in the body of this Report, Attachment A provides a detailed breakdown of existing conditions for future reference and transparency.

SECTION 1 – PROPOSED TIF DISTRICT AREA REPORT

Section 1.1 –Area Selected for the TIF District

Defining the TIF District boundary provides the ability to fund projects necessary to improve existing conditions for the community and address identified investment needs within specific areas. This section identifies the area recommended for the East 205 TIF District and discusses the reasons for their inclusion. These areas were selected due to physical, social, and economic conditions as described in in this Section² and their direct relationship to the investment needs detailed in Section 1.2.

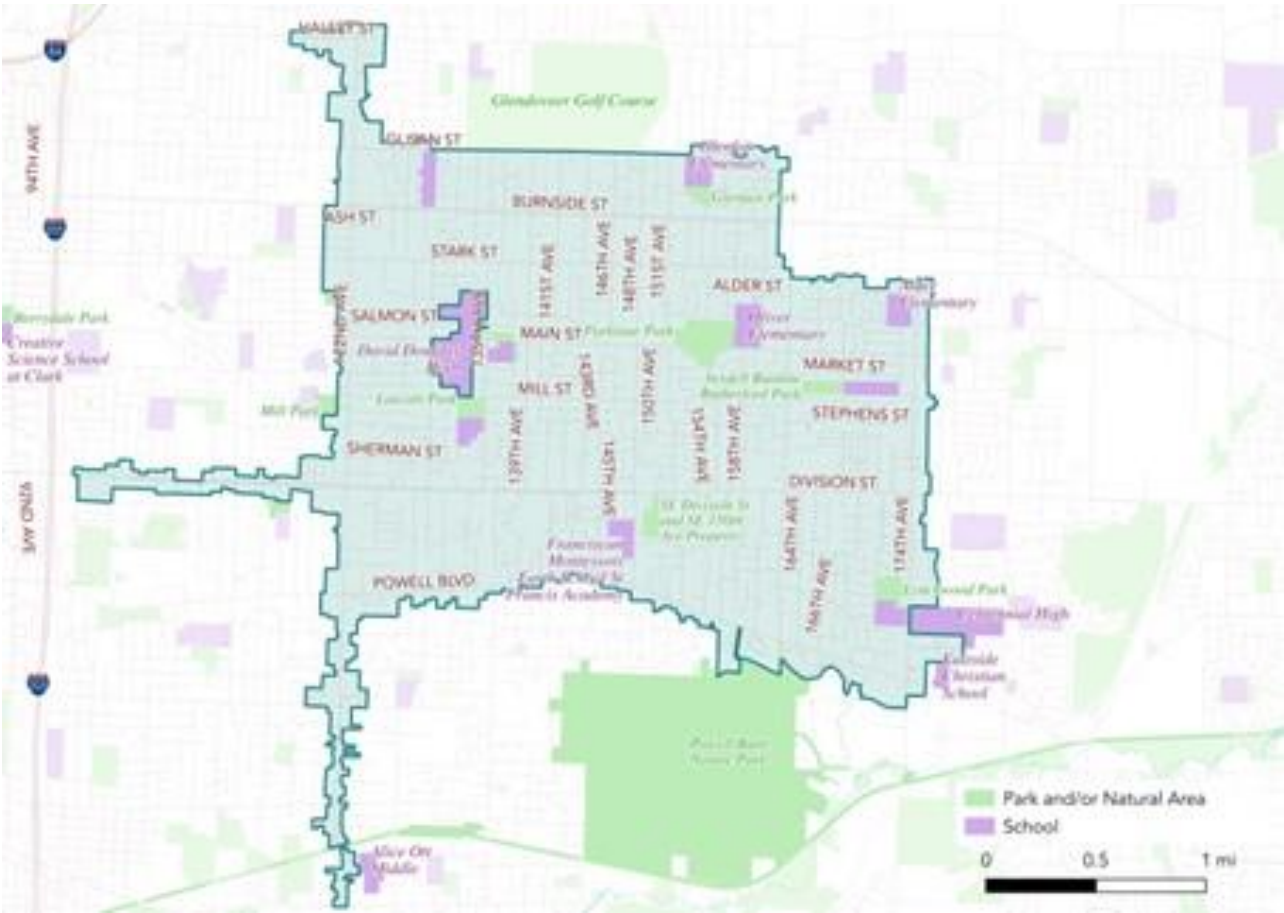
Establishing a dedicated TIF District for East Portland ensures that this area—one of the most diverse in the City of Portland and the State of Oregon—receives the attention and resources required to stimulate growth, improve infrastructure, and support the local community.

The East 205 TIF District encompasses several key east-west and north-south urban corridors in East Portland. Figure A shows the TIF District boundary.

¹ As used in this Report and the accompanying Plan, the term “TIF plan” has the same meaning as the term “urban renewal plan” as defined in ORS 457.010, and the term “TIF district” means the “urban renewal area(s)” (as defined in ORS 457.010) included within the TIF plan.

² Many of the geographies cited for social and economic conditions data in Section 1.1 overlap but extend outside of the TIF District boundary.

Figure A. Map of East 205 TIF District



Rationale for the TIF District boundary

- Obsolete buildings unfit for neighborhood-serving uses:** A concentration of auto-oriented uses within this boundary has created commercial building stock that does not match the needs for the growing share of small businesses in an area that is increasingly racially and ethnically diverse and a destination for immigrant and culturally-serving businesses. Investments that transition the built environment to better meet the needs of neighborhood-serving commercial and community uses will help stabilize local businesses and advance employment and entrepreneurship goals for the community. [ORS 457.010(a)(b)(h)]
- Concentration of underutilized properties and potential for equitable development:** The commercial and mixed-use corridors in the recommended areas include a mix of vacant properties and active sites that are underutilized, which could be positioned for targeted equitable redevelopment. Ensuring that commercial uses are integrated into future development in key areas is crucial to supporting local businesses and providing employment opportunities. This includes the development of business incubation spaces and workforce training centers to help residents gain better employment and economic stability. Residential development should support goals for affordable housing and increased ownership

opportunities. Parcel assembly may be required in areas with smaller lots. [ORS 457.010(a)(b)(c)(h)]

- **Alignment with multi-dwelling zoning:** The boundary aligns with areas of multi-dwelling zoning to support the development of housing that meets the community's needs, especially affordable housing and family-sized units. This approach ensures that housing investments are made where they are most needed, enhancing the livability of the corridor. Including manufactured home parks supports the goal of providing stable, affordable housing options and preventing displacement. [ORS 457.010(a)(b)(h)]
- **Alignment with planned infrastructure and transportation investments:** This boundary aligns with several plans focused on improving multimodal transportation and increased safety for walking, rolling, and biking along key arterial corridors. Including these corridors in the TIF Districts is crucial for maximizing the impact of transportation investments, continuing community engagement, and ensuring comprehensive, sustainable development that mitigates existing harms to the community, including heat islands, brownfields, and road safety issues. TIF Projects can help to advance community goals for equitable development of housing and commercial projects. [ORS 457.010 (e)(f)]

122nd Avenue Corridor

122nd Avenue is one of the longest and busiest north-south corridors in East Portland, offering connectivity to community destinations, jobs, and services. Historic development patterns along the corridor created a concentration of low-density and auto-oriented uses, often without adequate sidewalk and sewer infrastructure. As 122nd Avenue has become integrated into the East Portland street grid and surrounding neighborhoods have grown, the corridor requires investments to improve safety and support higher density and diverse uses. The Portland Bureau of Transportation's 122nd Avenue Plan identifies and prioritizes targeted investments along the corridor to support safety, transit performance, and livability for area residents. [ORS 457.010(b)(e)]

The City of Portland's 2035 Comprehensive Plan recognizes this evolution of 122nd Avenue with its designation as a "Civic Corridor," where investment and urban design supports multimodal access to business districts and increasingly mixed areas of higher density residential and commercial uses. Key nodes along the corridor within the TIF District boundary include a "Town Center" at the intersection with SE Division Street, and a "Neighborhood Center" around E Burnside Street. These locations are designated as pedestrian districts where large numbers of pedestrians use the corridor now or are expected to in the future, and where investments are needed to transition the landscape away from auto-oriented uses with large street-facing parking lots. The intersection of 122nd Avenue and SE Division Street is also within the boundary of the Division-Midway Alliance district, which supports community-driven economic development as part of the Neighborhood Prosperity Network. As development happens throughout the 122nd Avenue corridor, local residents want to ensure the area remains a vibrant area with commercial activities and local businesses that serve residents. [ORS 457.010(a)(e)]

The southernmost area of the corridor exhibits a mix of active and vacant properties and could greatly benefit from targeted investments to revitalize existing spaces, attract new businesses, and enhance

community infrastructure, including improved green spaces and a full-service grocery store. *[ORS 457.010(a)]*

The area also features several naturally occurring affordable housing projects and manufactured home parks which could be preserved and stabilized for long-term affordable housing. *[ORS 457.010(h)]*

SE Division Street

The TIF District extends west along SE Division Street to Interstate 205 to leverage its commercial potential and existing community assets. SE Division Street has a diversity of small businesses, childcare facilities, and other amenities that are vital for the community. The 2011 East Portland Action Plan emphasized the need for this area to accommodate mixed-use developments to create vibrant commercial hubs that provide local employment opportunities, services, and amenities to enhance the overall livability of East Portland. Many of these buildings could use additional investments and façade improvements to better support tenants. *[ORS 457.010(a)(g)]*

SE Powell Boulevard

Oregon Department of Transportation’s Powell Boulevard improvements from Interstate 205 to SE 174th Avenue provide opportunities for TIF-funded priority projects. SE Powell Boulevard is a key commercial corridor in this area that fosters economic activity and employment. Like SE Division Street, community priorities for SE Powell Boulevard highlight the corridor’s potential as a hub for equitable development, employment, services, and community gathering spaces. Additionally, SE Powell Boulevard—as a segment of U.S. Route 26—provides essential access to various services and amenities within and beyond the city, making it a key corridor for community connectivity and convenience. *[ORS 457.010(a)(e)(h)]*

East Portland Neighborhoods

Residential areas of the TIF District are among the most racially and ethnically diverse in the City of Portland and the State of Oregon, with more than 143 languages spoken. As the area has grown and become a hub for immigrant communities in the region, the need for investment in resources such as community centers, gathering spaces, and placemaking that reflects the community’s diversity has become a community priority.

The TIF District’s neighborhoods also have a larger share of families with young children and residents with disabilities. Accessible and affordable housing that serves a range of incomes, includes family-sized units, and is located near childcare is a priority for the community. These neighborhoods have seen some of the sharpest increases in rents across the city, and median sales prices make homeownership unaffordable to many households from the area’s racially diverse and immigrant communities.³ The older housing stock in the TIF District’s neighborhoods may also be in need of critical repairs to ensure they remain habitable and safe. *[ORS 457.010(a)(b)(h)]*

³ Portland Housing Bureau, “State of Housing in Portland, 2023.”

Residents have also prioritized investments in better connectivity, especially for pedestrians, throughout the TIF District. The lack of sidewalks and other basic infrastructure is a major safety concern, particularly for children and people with disabilities. While there is a strong need for sidewalks, there is also a sentiment that these long-promised improvements should be funded with non-TIF resources. There is also concern about the potential for displacement if large-scale sidewalk improvements lead to increased property values and rents. [ORS 457.010(b)(e)]

Section 1.2 – Investment Need

This section presents the required findings to legally support the designation of the TIF District. The findings address the factors specified in the definition of “blighted areas” under ORS 457.010(1), which describes a blighted area as any region “detrimental to the safety, health, or welfare of the community” due to conditions such as “deterioration, faulty planning, inadequate or improper facilities, deleterious land use, or the existence of unsafe structures, or any combination of these factors.”

This section presents the required findings to legally support the designation of the TIF District. The findings for needed investments are linked to the existing conditions detailed in Attachment A and identify one or more of the statutory conditions listed in ORS 457.010(1)(a) through (i). The East 205 TIF District meets the requirements as specified in ORS 457.010, as summarized in Table A. It is within the assessed value and size limitations imposed by ORS 457.420.

Table A. Relationship of East 205 Investment Needs Findings to Existing Conditions

ORS 457.010 CONDITIONS	HOW THE EAST 205 TIF DISTRICT MEETS THESE CONDITIONS
<p>(a) The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, that are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:</p> <p>A. Defective design and quality of physical construction</p> <p>B. Faulty interior arrangement and exterior spacing;</p> <p>C. Overcrowding and a high density of population;</p> <p>D. Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or</p>	<ul style="list-style-type: none"> • Concentration of Older Buildings with Antiquated Systems and Deferred Maintenance (A): Many of the buildings in the area are older than 50 years. According to data from Metro’s RLIS database , 64 percent of buildings were constructed before 1970, which means they may have exceeded their lifespan without adequate renovation and their internal systems may not have been updated to address increased risks from climate change. Many of the buildings constructed prior to 1970 are residential buildings, most commonly in a low-density detached single-dwelling building pattern. The lots, sometimes lacking street and sidewalk improvements have suffered from depreciation without substantial reinvestment. Many of the commercial structures were developed during the 1960s–1980s. These buildings may have deferred maintenance, making them more difficult and expensive to renovate. • Health and Safety Issues in Housing (D): The obsolescence and deterioration of existing single-dwelling and multi-dwelling housing places existing residents at greater risk for exposure to indoor air contaminants and fails to provide sufficient mitigation for severe weather resulting from climate change. The livability of multi-dwelling housing has a disproportionate impact on the quality of life of people of color and low-income households, larger proportions of whom live in multi-dwelling housing than the general population. The need for better and safer connections to neighborhood destinations, housing design supportive of healthy living, and improved residential open spaces was identified through extensive outreach to people of color,

ORS 457.010 CONDITIONS	HOW THE EAST 205 TIF DISTRICT MEETS THESE CONDITIONS
<p>E. Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;</p>	<p>low-income, and immigrant households within the TIF District boundary. Many apartment complexes do not have shared outdoor spaces to serve households with young children, especially in high-density areas.</p> <ul style="list-style-type: none"> • Transition to Neighborhood Services (E): The TIF District includes key commercial and mixed-use corridors with a concentration of large-scale commercial buildings. The character of the area is shifting from auto-oriented uses to more neighborhood services, with an increasing concentration of small businesses. Much of the commercial building stock does not match the needs for existing or future commercial demand. Addressing the spatial and temporal shifting of uses requires updates to building position, size, layouts and interface with exterior spaces to accommodate new business, service, and customer needs.
<p>(b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;</p>	<ul style="list-style-type: none"> • Pre-Annexation Development Patterns: Most of East Portland developed under Multnomah County regulations and was then annexed into the city starting in the late 1970s. Because it was not developed as part of the city, the TIF District has a concentration of auto-centric uses and lacks amenities better available in other neighborhoods, such as open space, street trees, and neighborhood-scale commercial corridors. As the city has grown, many of the older buildings in the TIF District have become obsolete. • Inadequate Provision of Open Space: Much of the area’s existing zoning was converted to multi-dwelling zones without open space requirements, resulting in inadequate outdoor spaces for residents. The high-density residential zone (RH) requires no outdoor spaces, leading to situations where parking lots are the only places for children to play. • Concentration of Brownfields: The East Portland area, including the TIF District, has over 57 acres of brownfields. Given past auto-oriented businesses, the East 205 TIF District area has a high concentration of brownfield sites which increases uncertainty in helping to reposition some of these sites for other uses.
<p>(c) The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;</p>	<ul style="list-style-type: none"> • Prevalence of Small Lots: Many vacant or underutilized lots in the TIF District are smaller than 10,000 square feet, making them difficult to develop effectively. According to data from the Portland Bureau of Planning and Sustainability, 76 percent of vacant parcels and 67 percent of underutilized parcels are under 20,000 square feet.
<p>(e) The existence of inadequate streets and other rights of way, open spaces and utilities;</p>	<ul style="list-style-type: none"> • Inadequate Street and Active Transportation Infrastructure: The area has inadequate street infrastructure, leading to safety issues and accessibility challenges. Several of the TIF District’s arterial corridors are part of the Portland Bureau of Transportation’s Vision Zero High Crash Network, and nearly all of the high crash intersections on these streets are within or near the proposed TIF District boundaries. These streets have a high number of traffic incidents and pedestrian-

ORS 457.010 CONDITIONS	HOW THE EAST 205 TIF DISTRICT MEETS THESE CONDITIONS
	<p>involved crashes. As a designated Civic Corridor, 122nd Avenue is in the process of revitalization into a distinctive civic place.</p> <ul style="list-style-type: none"> • Stormwater Management: Over time, the area will need improvements in stormwater management to prevent flooding conditions. • Parks Level of Service. Within the TIF District, only 62 percent of homes have adequate access to parks (compared to 85 percent citywide) per the Portland Parks and Recreation goal of providing a park within a half mile of every home in the city.
(f) The existence of property or lots or other areas that are subject to inundation by water;	<ul style="list-style-type: none"> • Local Flooding Issues: Inadequate on-street stormwater management can create flooding conditions in several areas within the TIF District.
(g) A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;	<ul style="list-style-type: none"> • Underutilized Properties: The area has numerous vacant and underutilized properties with deferred maintenance. About 40 percent of the acreage in the TIF District has an Improvement to Land ratio of less than 1, indicating a higher potential for redevelopment. The depreciated values and impaired investments reduce the capacity to pay taxes and results in inadequate funding for public services. This is inconsistent with the City’s policies for the area and local stakeholder priorities.
(h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare; or	<ul style="list-style-type: none"> • Affordable Housing Need: While 53 percent of residents are homeowners—the same as citywide—63 percent of the TIF District's renter households experience housing cost burden, meaning they spend over 30 percent of their income on housing. This issue is more pronounced in the TIF District compared to the City of Portland, and influenced by the lower rate of vacancy in the TIF District, which indicates higher demand for housing, including through additional development of affordable housing and opportunities for ownership. • Stabilization of Manufactured Home Parks: The TIF District has 20 manufactured home parks with 1,120 homes, which provide needed affordable homeownership opportunities in the area. Investments that preserve and stabilize existing manufactured home parks support homeowners who are particularly vulnerable to displacement from increased rents or utility costs set by the owners of the underlying land. • Homeownership Need: While 53 percent of residents are homeowners—the same as citywide—over half of the TIF District's renter households experience housing cost burden, spending more than 30 percent of their income on housing. Housing cost burden puts residents at risk of displacement and suggests a need to stabilize the TIF District’s households. • Stabilization of Businesses: The combination of localized depreciation and regional commercial demand increases the risk that existing businesses are displaced to lower-cost neighborhoods. There is a significant need for affordable commercial space to support local businesses. Many businesses are vulnerable to displacement as the

ORS 457.010 CONDITIONS	HOW THE EAST 205 TIF DISTRICT MEETS THESE CONDITIONS
	<p>area grows, creating a need for commercial community ownership opportunities and affordable commercial space rental spaces.</p> <ul style="list-style-type: none"> • Concentration of Heat Islands. With large swathes of the TIF District covered by asphalt roads or parking lots and with areas of low tree canopy, about 83 percent of homes in the TIF District are in the 75th percentile or higher of all temperature readings in the region, compared with 57 percent citywide. Higher urban temperatures can lead to poor health outcomes, especially for vulnerable populations

Section 1.3 – Existing Conditions

Attachment A summarizes existing conditions in the East 205 TIF District to inform investments and strategies. It draws on data collected from sources like the American Community Survey (ACS), market platforms, federal bureaus, and local data sources.

SECTION 2 – PROPOSED PROJECTS REPORT

Section 2.1 – Proposed Projects and Impacts

This section provides an overview of the proposed projects under the Plan and their connection to the current conditions within the TIF District (See Appendix A). It details how each project addresses the specific issues and investment needs identified in the area, demonstrating how these projects will improve conditions for the community (Table B).

The Plan identifies three project categories, organized within two work portfolios:

- A. Inclusive Growth (to be implemented by Prosper Portland)
 1. Economic and Urban Development (including Middle-Income Housing)
 2. Infrastructure

- B. Affordable Housing (to be implemented by Portland Housing Bureau)
 1. Affordable Housing (Housing Set-aside Policy eligible)

Tax Increment Finance Plans and districts enable public investments in public/private/community partnerships that would not otherwise be financially feasible, and for related planning that is not tethered to annual appropriations. Tax increment funds (TIF) generated by the creation of a TIF District provide a dedicated stream of tax revenue to accomplish those plans and policies, while leveraging outside funding sources to complement the TIF resources. The plan anticipates that the projects described in the East 205 TIF District Plan will catalyze the development of vacant and underdeveloped parcels as well as the redevelopment and re-tenanting of underutilized properties with businesses and residents that will require access to City services.

Implementation of this plan will be undertaken with community leadership and ongoing engagement. As described in the Governance Charter (Exhibit D). Prosper Portland and the Portland Housing Bureau will work in co-creation with the Community Leadership Committee to create re-occurring Five-Year Action Plans. The intent of the Five-Year Action Plan is to establish near-term investment priorities and associated budgets in accordance with the TIF Plan. The Five-Year Action Plans will additionally establish mechanisms for ongoing reporting and implementation oversight.

Table B. Plan Response to Existing Conditions

PROJECT	DESCRIPTION	EXISTING CONDITIONS
AFFORDABLE HOUSING (45%)		
Single Family Home Repair	Support low-income community members who currently own their homes, so that they are more likely to be able to stay in place, through home repairs relating to life safety, code compliance, energy efficiency upgrades, and accessibility upgrades.	<ul style="list-style-type: none"> • Almost two thirds of households experience housing cost burden. Among the TIF District’s residents who rent, 63 percent spend more than 30 percent of their income on housing, while 34 percent spend more than 50 percent of their income on housing. Given the number of households experiencing housing cost burden in the area, the TIF District lacks adequate affordable housing supply.

PROJECT	DESCRIPTION	EXISTING CONDITIONS
Homeownership Support	Provide down payment assistance and other types of financial assistance, as well as the financial subsidization of the development of new homes. The preferred model for homeownership investments made under this plan is permanently affordable homeownership utilizing mechanisms such as down payment assistance, community land trusts, and covenants that ensure the homes remain affordable for subsequent buyers.	<ul style="list-style-type: none"> • Residents are more vulnerable to changing economic conditions, making displacement more difficult to prevent. The BPS Economic Vulnerability Assessment determined a score of 91 for the District’s Census tracts, with any score over 60 considered a tract vulnerable to displacement. • Lower household incomes. Compared to Portland, a greater share of TIF District households earn less than \$50,000 (44 percent versus 30 percent). Overall, Median Household Income in Portland is \$85,876 compared to \$57,149 in the TIF District. • Several existing manufactured home parks. There are 20 manufactured home parks in the TIF District with 1,120 housing units. Supporting manufactured home parks could help maintain affordable housing, community stability, social equity, and prevent displacement and homelessness among vulnerable populations. • Lower growth in housing supply. The TIF District has expanded its multi-dwelling housing stock by 148 percent since 2000 whereas Portland’s multi-dwelling stock grew by 170 percent. At this time, no new units are under construction in the district, despite lower vacancy rates than the rest of the city.
Multi-family Rental Development	Develop new affordable rental housing in a variety of unit sizes, including family sized units and multi-generational options (two-bedrooms or larger).	
Rehabilitation and Preservation of Existing Regulated Housing	Provide funding to rehabilitate and preserve the affordability of existing regulated affordable housing.	
Acquisition & Rehabilitation of Existing Market-Rate and Naturally Occurring Affordable Housing <i>This category also includes manufactured housing park stabilization, preservation and development</i>	Purchase market-rate and naturally occurring affordable housing; including motels, foreclosed and unoccupied properties; make needed repairs and renovations; and convert to regulated affordable housing (for individual ownership, cooperative ownership, and rental).	
Opportunistic Land Acquisition	Prioritize opportunistic land acquisition of larger sites for future multifamily affordable housing.	
Capital Expenditures for Community Services for Houseless Neighbors	Prioritize housing development for people experiencing houselessness, and provide limited resources for capital	

PROJECT	DESCRIPTION	EXISTING CONDITIONS
	expenditures related to community services, including shelters and food pantries.	
ECONOMIC AND URBAN DEVELOPMENT (minimum 45%)		
Predevelopment to support future commercial, middle-income residential or mixed-use development	Support technical and/or financial assistance to determine the feasibility of development, redevelopment and renovation projects.	<p><u>Development Conditions</u></p> <ul style="list-style-type: none"> • A large share of underutilized properties. The TIF District has 492 vacant parcels and 295 underutilized parcels. The majority of vacant parcels (68 percent) are less than 10,000 square feet, which limits the potential for catalytic redevelopment projects to expand housing, employment, or commercial opportunities unless they can be combined with neighboring parcels into larger sites. • A large share of older buildings, that may be obsolete or in need of deferred maintenance, with 64 percent of buildings built before 1970. • Potential brownfield sites along commercial corridors given the presence of legacy auto-oriented businesses and older commercial buildings. <p><u>Economic and Social Conditions</u></p> <ul style="list-style-type: none"> • A higher unemployment rate and lower average wages than the rest of Portland. High levels of retail and service employment contribute to lower average wages in the TIF District, but average wages in the area are lower for all employment sectors compared to Portland as a whole. • A concentration of neighborhood and BIPOC-serving service and retail establishments. Commercial corridors in the TIF District have seen a growing share of small businesses and especially immigrant-serving businesses. • A diverse population, with a higher share (47 percent) of residents who identify as Black, Indigenous, or people of color (BIPOC) compared to Portland as a whole (32 percent). • A concentration of urban heat island. About 83 percent of the homes in the TIF District are in the 75th percentile or higher of all temperature readings in the region,
Land Acquisitions & Land Banking for immediate or future commercial and mixed-use purposes	Invest to acquire properties for development or redevelopment in conformance with the goals of this Plan.	
<p>Commercial, Middle-Income Residential, Mixed-use Development, Redevelopment and Renovation</p> <p><i>This category also includes resources for residential properties and projects (e.g., middle-income housing) that do not qualify for support under the housing set-aside policy.</i></p>	<p>Support development, redevelopment and renovation activities, including:</p> <ul style="list-style-type: none"> • New construction • Building façade improvements • Remediation activities • Professional services, building and site design assistance • Tenant improvements • Building repairs and upgrades • Lease and/or loan guarantees • Climate, resilience and community solar projects • Seismic, fire suppression, other public safety improvements • Accessibility improvements; landscaping enhancements; pedestrian amenities and lighting outside of the public right of way • Permanent infrastructure to support food cart 	

PROJECT	DESCRIPTION	EXISTING CONDITIONS
	operations and other temporary, pop-up, seasonal and low-barrier opportunities for startup businesses and non-profits.	compared with 57 percent of housing units citywide.
Arts and Culture	Support Arts and cultural investments (not public art as a “public building,” defined in ORS 457.010) that celebrate and represent Priority Communities, developed by and/or in collaboration with local artists and community members who represent those communities. Prioritize murals, placemaking investments, arts and entertainment performance venues, a new library, or interactive, multicultural community art spaces that create a sense of community and instill pride.	
Signage	Develop signage that serves the greater purpose of the TIF district, including multi-lingual signage and directional signage to local businesses.	
Infrastructure Investments Triggered by Development, Redevelopment or Renovation Activities	Invest in critical public safety improvements, transportation improvements, green infrastructure and/or other climate resilience investments triggered by, or that directly support, the implementation of other investments in this Plan.	
INFRASTRUCTURE (10%)		
Street and Utilities Improvements	Support new streets, street improvements, sidewalks, bike lanes and paths, stormwater improvements,	<ul style="list-style-type: none"> • Targeted transportation improvements will be needed in conjunction with development projects to continue the momentum of

PROJECT	DESCRIPTION	EXISTING CONDITIONS	
	increased tree canopy, new and/or relocated utilities (water, storm, sanitary sewer)	<p>investments on key arterial streets. Overall, these projects will make high-traffic corridors in the TIF District safer, with a focus on bike-friendly and pedestrian-friendly improvements. These projects address longstanding safety and livability issues. Such projects will support district residents, who are currently more likely to drive or carpool than Portland residents but may be more willing to walk or ride bikes if the transportation network is safer.</p> <ul style="list-style-type: none"> • Sewer infrastructure including pump stations, stormwater pipes, and sewer pipes may need upgrading in conjunction with development projects. • Neighborhoods that lack adequate access to parks, including areas north of E Burnside Street and south of SE Division Street. 	
Connectivity and Accessibility	Improve pedestrian and bicycle safety and connectivity while enhancing accessibility for individuals with mobility challenges. Prioritize connections and pedestrian-scale lighting near commercial corridors, industrial spaces, schools, parks and other institutions. Invest in key pedestrian bridge crossings.		
Public Recreation, Safety, Health and Resilience Investments	Support resilience, recreation, public and personal health outcomes, community gathering space and food access in public spaces. Prioritize new local parks, trails, and natural areas, especially ones that do not require use of motor vehicles to reach; covered spaces for existing parks; new and updated community centers; resilience hubs; community gardens, community gathering spaces, business-adjacent rest areas, athletic facilities such as basketball courts and soccer fields, and public exercise equipment (outdoor, permanently installed). Support inclusive spaces that are youth and family friendly.		

Section 2.2 – Cost and Completion Dates

Some projects will require funding from multiple sources, and TIF will often be used to provide matching funds or gap funds to facilitate the implementation of a project. Although this section provides estimated completion dates for all projects, many projects will be funded in phases over a longer period,

which means that expenditures for some projects could begin much earlier than the estimated completion dates listed below. Adopted Five-Year Action Plans will further refine and describe the funding priorities, estimated costs, and completion dates for these projects. Prosper Portland’s annual budget shall reflect the priorities and investments outlined in the Five-Year Action Plan and in conformance with the TIF Plan.

Table C. Project Cost and Completion Dates

PROJECT NAME	PROJECT COST (NOMINAL DOLLARS; % NET PLAN ADMIN & FEES)	ANTICIPATED COMPLETION DATE
Affordable Housing <ul style="list-style-type: none"> - Single Family Home Repair - Homeownership Support - Multi-Family Rental Development - Rehabilitation and Preservation of Existing Regulated Housing - Acquisition and Rehabilitation of Existing Market-Rate and Naturally Occurring Affordable Housing - Manufactured Housing Park Stabilization, Preservation and Development - Opportunistic Land Acquisition - Capital Expenditures for Community Services for Houseless Neighbors 	\$ 323,244,997 (45%)	2057
Economic & Urban Development <ul style="list-style-type: none"> - Predevelopment to support future commercial, middle-income residential or mixed-use development - Land Acquisitions & Land Banking for immediate or future commercial or mixed-use properties - Commercial, Middle-income Residential or Mixed-Use Development, Redevelopment and Renovation - Arts and Culture - Signage - Infrastructure Investments Triggered by Development, Redevelopment or Renovation Activities 	At Least \$323,244,997 (45%)	2057
Infrastructure <ul style="list-style-type: none"> - Street and Utilities Improvements - Connectivity and Accessibility - Public Recreation, Safety, Health and Resilience Investments 	Up to \$71,832,222 (10%)	2057

SECTION 3 – FINANCIAL REPORT

Section 3.1 - Maximum Indebtedness and Debt Retirement

The maximum amount of the principal of indebtedness that may be issued or incurred under the Plan (the “**Maximum Indebtedness**”) is \$770,000,000 as shown in Table D. The estimated amount of TIF moneys required for the District to service this Maximum Indebtedness is \$934,810,801, which reflects the additional projected costs of the interest on borrowings (loans) which is not a part of the maximum indebtedness. It is anticipated that the indebtedness will be retired or otherwise provided for by FY 2057. Table E shows a summary of the financial capacity of the District, including how total TIF revenue translates to the ability to fund tax increment projects in constant 2025 dollars in five-year increments.

Table D. Total Uses

Uses Summary	First 5 Years	First 10 Years	30 Year Total
Bond Issuance Costs and Reserves	22,885	9,228,454	21,747,691
District-Wide Admin/Predev	914,486	5,911,656	29,930,092
Affordable Housing (PHB)	9,876,445	63,845,890	323,244,997
Inclusive Growth (Prosper Portland)	12,071,211	78,033,866	395,077,219
Total	22,885,027	157,019,866	770,000,000

Table E. Total Capacity Through Final Bond Payoff

	Actual Dollars	Rounded Dollars
Total Net TIF	934,810,801	934,800,000
Maximum Indebtedness	770,000,000	770,000,000
Capacity (2024-25 \$)	500,300,814	500,300,000
Years 1-5	22,833,811	22,800,000
Years 6-10	65,978,041	66,000,000
Years 11-15	112,526,268	112,500,000
Years 16-20	153,195,749	153,200,000
Years 21-25	201,424,955	201,400,000
Years 26-30	257,905,787	257,900,000
Years 31-33	120,946,191	120,900,000

Section 3.2 – Financial Analysis

The total amount of TIF projected to be used for all projects, excluding administration and finance fees, is \$414,947,475 in 2024-25 dollars. The cost of administration and finance fees over the life of the District increase this total to \$445,715,348. The Plan assumes annual inflation rate of 3 percent per year. When accounting for inflation and based on the assumed timing of projects, the total project costs in nominal year-of-expenditure (“YOE”) dollars is \$ 718,322,216, which is within the \$ 770,000,000 maximum indebtedness established by the Plan. We estimate the frozen base assessed value of the District to \$2,849,078,510, 3.5 percent of the City’s assessed value of \$80,988,896,967

The estimated East 205 Tax Increment Finance Plan revenues through Fiscal Year End (FYE) 2057 are calculated based on projections of the assessed value within the District and the consolidated tax rate that will apply in the District adjusted for discounts, and delinquencies. The long-term projections for FYE 2026 and beyond assume an annual growth rate of 3 percent for assessed value in the District. These projections of growth are the basis for the projections in Table F, which shows the incremental assessed value, tax rates, and E205 Tax Increment Finance Plan revenues each year.

The first year of East 205 Tax Increment Finance Plan collections is anticipated to be the fiscal year ending in 2026. Gross East 205 Tax Increment Finance Plan financing (TIF) is calculated by multiplying the tax rate times the assessed value used. The tax rate is per thousand dollars of assessed value, so the calculation is “tax rate times assessed value used divided by one thousand.” The consolidated tax rate includes permanent tax rates only, except for \$0.5038/\$1,000 of the Portland Public Schools permanent rate levy (the “Gap Tax”). The consolidated rate also excludes levies for general obligation bonds and local option levies. The adjustments are for compression losses estimated at 5 percent and underpayments and delinquencies assumed at 4 percent.

The District is anticipated to complete all projects and have sufficient East 205 Tax Increment Finance Plan finance revenue to terminate the tax increment area in FYE 2057, a 32 year tax increment plan. Table G shows more detailed tables on the allocation of tax revenues to debt service. These assumptions show one scenario for financing and that this scenario is financially feasible.

Table F. Projected Incremental Assessed Value, Tax Rates, and East 205 Tax Increment Finance Plan Revenues

Yr No.	FYE	Total Assessed Value	Frozen Base Assessed Value	Increment URA	Increment Shared	Tax Rate	Gross TIF URA	Gross TIF Shared	Adjustments (to URA)	Net TIF (URA)	PV of Net TIF (URA)
1	2026	2,886,738,234	2,802,658,480	84,079,754	-	18.83	1,583,172	-	(139,319)	1,443,853	1,401,799
2	2027	2,973,340,381	2,802,658,480	170,681,901	-	18.93	3,230,908	-	(284,320)	2,946,588	2,777,442
3	2028	3,062,540,593	2,802,658,480	259,882,113	-	19.03	4,945,404	-	(435,196)	4,510,209	4,127,480
4	2029	3,154,416,811	2,802,658,480	351,758,331	-	19.03	6,693,755	-	(589,050)	6,104,704	5,423,951
5	2030	3,249,049,315	2,802,658,480	446,390,835	-	19.23	8,583,834	-	(755,377)	7,828,456	6,752,895
6	2031	3,346,520,794	2,802,658,480	543,862,314	-	19.23	10,458,153	-	(920,317)	9,537,836	7,987,787
7	2032	3,446,916,418	2,802,658,480	644,257,938	-	19.23	12,388,702	-	(1,090,206)	11,298,496	9,186,711
8	2033	3,550,323,911	2,802,658,480	747,665,431	-	19.33	14,451,934	-	(1,271,770)	13,180,164	10,404,543
9	2034	3,656,833,628	2,802,658,480	854,175,148	-	19.33	16,510,704	-	(1,452,942)	15,057,762	11,540,521
10	2035	3,766,538,637	2,802,658,480	963,880,157	-	19.23	18,534,850	-	(1,631,067)	16,903,783	12,578,002
11	2036	3,879,534,796	2,802,658,480	1,076,876,316	-	19.23	20,707,699	-	(1,822,278)	18,885,422	13,643,231
12	2037	3,995,920,840	2,802,658,480	1,193,262,360	-	19.23	22,945,735	-	(2,019,225)	20,926,510	14,677,433
13	2038	4,115,798,465	2,802,658,480	1,313,139,985	-	19.23	25,250,911	-	(2,222,080)	23,028,831	15,681,513
14	2039	4,239,272,419	2,802,658,480	1,379,351,579	57,262,360	19.13	26,386,186	1,095,395	(2,321,984)	24,064,202	15,909,272
15	2040	4,366,450,592	2,802,658,480	1,476,321,653	87,470,459	19.03	28,093,534	1,664,511	(2,472,231)	25,621,303	16,445,340
16	2041	4,497,444,109	2,802,658,480	1,576,169,998	118,615,632	18.93	29,835,973	2,245,324	(2,625,566)	27,210,407	16,956,626
17	2042	4,632,367,433	2,802,658,480	1,678,982,725	150,726,227	18.83	31,614,259	2,838,086	(2,782,055)	28,832,204	17,443,958
18	2043	4,771,338,456	2,802,658,480	1,783,210,993	185,468,983	18.83	33,576,816	3,492,272	(2,954,760)	30,622,056	17,987,231
19	2044	4,914,478,609	2,802,658,480	1,892,203,645	219,616,485	18.73	35,439,864	4,113,288	(3,118,708)	32,321,156	18,432,303
20	2045	5,061,912,968	2,802,658,480	2,002,779,413	256,475,074	18.73	37,510,883	4,803,628	(3,300,958)	34,209,925	18,941,206
21	2046	5,213,770,357	2,802,658,480	2,116,672,455	294,439,422	18.73	39,644,033	5,514,678	(3,488,675)	36,155,358	19,435,286
22	2047	5,370,183,467	2,802,658,480	2,233,982,288	333,542,699	18.73	41,841,177	6,247,059	(3,682,024)	38,159,153	19,914,976
23	2048	5,531,288,971	2,802,658,480	2,354,811,416	373,819,075	18.73	44,104,236	7,001,412	(3,881,173)	40,223,063	20,380,694
24	2049	5,697,227,641	2,802,658,480	2,479,265,418	415,303,743	18.73	46,435,186	7,778,395	(4,086,296)	42,348,890	20,832,847
25	2050	5,868,144,470	2,802,658,480	2,607,453,040	458,032,950	18.73	48,836,065	8,578,688	(4,297,574)	44,538,491	21,271,831
26	2051	6,044,188,804	2,802,658,480	2,739,486,290	502,044,033	18.73	51,308,970	9,402,990	(4,515,189)	46,793,781	21,698,029
27	2052	6,225,514,468	2,802,658,480	2,875,480,538	547,375,449	18.73	53,856,063	10,252,021	(4,739,334)	49,116,729	22,111,814
28	2053	6,412,279,902	2,802,658,480	3,015,554,614	594,066,808	18.73	56,479,568	11,126,523	(4,970,202)	51,509,366	22,513,546
29	2054	6,604,648,299	2,802,658,480	3,159,830,912	642,158,907	18.73	59,181,778	12,027,259	(5,207,996)	53,973,782	22,903,578
30	2055	6,802,787,748	2,802,658,480	3,308,435,499	691,693,770	18.73	61,965,055	12,955,018	(5,452,925)	56,512,130	23,282,249
31	2056	7,006,871,381	2,802,658,480	3,461,498,223	742,714,678	18.73	64,831,830	13,910,610	(5,705,201)	59,126,629	23,649,891
32	2057	7,217,077,522	2,802,658,480	3,619,152,829	795,266,213	18.73	67,784,608	14,894,869	(5,965,046)	61,819,563	24,006,826

Table G. East Portland Tax Increment Plan Revenues and Allocations to Debt Service

	24-25	25-26	26-27	27-28	28-29	29-30	30-31
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Prior Year Assessed Value	-	2,802,658,480	2,886,738,234	2,973,340,381	3,062,540,593	3,154,416,811	3,249,049,315
Frozen Base	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480
Increment	-	84,079,754	170,681,901	259,882,113	351,758,331	446,390,835	543,862,314
AV (Baseline)	-	2,886,738,234	2,973,340,381	3,062,540,593	3,154,416,811	3,249,049,315	3,346,520,794
Taxes							
Consolidated Tax Rate for Du Jour	18.6726	18.8340	18.9340	19.0340	19.0340	19.2340	19.2340
Beginning Balance	-	-	-	-	-	-	-
Divide the Taxes (to Raise) Sal 4c	-	1,583,561	3,231,698	4,946,606	6,695,381	8,585,898	10,460,668
Compression	-	(79,178)	(161,585)	(247,330)	(334,769)	(429,295)	(523,033)
Net Tax Increment Revenues	-	1,444,208	2,947,308	4,511,305	6,106,188	7,830,339	9,540,130
Used for Du Jour	-	1,447,096	2,953,203	4,520,327	6,118,400	7,846,000	9,559,210
Debt Service							
LOC 1					-	-	-
LOC 2							-
LOC 3							
BOND 1							
BOND 2							
BOND 3							
Total Debt Service	-	-	-	-	-	-	-

	31-32	32-33	33-34	34-35	35-36	36-37	37-38
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Prior Year Assessed Value	3,346,520,794	3,446,916,418	3,550,323,911	3,656,833,628	3,766,538,637	3,879,534,796	3,995,920,840
Frozen Base	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480
Increment	644,257,938	747,665,431	854,175,148	963,880,157	1,076,876,316	1,193,262,360	1,313,139,985
AV (Baseline)	3,446,916,418	3,550,323,911	3,656,833,628	3,766,538,637	3,879,534,796	3,995,920,840	4,115,798,465
Taxes							
Consolidated Tax Rate for Du Jour	19.2340	19.3340	19.3340	19.2340	19.2340	19.2340	19.2340
Beginning Balance	-	-	-	15,102,868	7,551,434	7,551,434	7,551,434
Divide the Taxes (to Raise) Sal 4c	12,391,682	14,455,392	16,514,655	18,539,308	20,712,680	22,951,254	25,256,984
Compression	(619,584)	(722,770)	(825,733)	(926,965)	(1,035,634)	(1,147,563)	(1,262,849)
Net Tax Increment Revenues	11,301,214	13,183,317	15,061,365	16,907,849	18,889,964	20,931,543	23,034,370
Used for Du Jour	10,723,816	11,709,684	5,140,054	17,002,076	11,406,516	13,452,178	15,559,210
Debt Service							
LOC 1	600,000	600,000	600,000				
LOC 2	-	900,000	900,000				
LOC 3			900,000				
BOND 1				7,551,434	7,551,434	7,551,434	7,551,434
BOND 2							
BOND 3							
Total Debt Service	600,000	1,500,000	2,400,000	7,551,434	7,551,434	7,551,434	7,551,434

	38-39	39-40	40-41	41-42	42-43	43-44	44-45
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Prior Year Assessed Value	4,115,798,465	4,239,272,419	4,366,450,592	4,497,444,109	4,632,367,433	4,771,338,456	4,914,478,609
Frozen Base	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480
Increment	1,436,613,939	1,563,792,112	1,694,785,629	1,829,708,953	1,968,679,976	2,111,820,129	2,259,254,488
AV (Baseline)	4,239,272,419	4,366,450,592	4,497,444,109	4,632,367,433	4,771,338,456	4,914,478,609	5,061,912,968
Taxes							
Consolidated Tax Rate for Du Jour	19.1340	19.0340	18.9340	18.8340	18.8340	18.7340	18.7340
Beginning Balance	7,551,434	7,551,434	7,551,434	7,551,434	7,551,434	15,102,868	11,327,151
Divide the Taxes (to Raise) Sal 4c	26,391,169	28,098,959	29,841,852	31,620,606	33,583,645	35,447,189	37,518,720
Compression	(1,319,558)	(1,404,948)	(1,492,093)	(1,581,030)	(1,679,182)	(1,772,359)	(1,875,936)
Net Tax Increment Revenues	24,068,746	25,626,250	27,215,769	28,837,993	30,628,284	32,327,836	34,217,072
Used for Du Jour	16,595,656	18,156,275	19,748,972	21,374,440	19,392,596	24,901,469	23,003,664
Debt Service							
BOND 1	7,551,434	7,551,434	7,551,434	7,551,434	7,551,434	7,551,434	7,551,434
BOND 2						3,775,717	3,775,717
BOND 3							
Total Debt Service	7,551,434	7,551,434	7,551,434	7,551,434	7,551,434	11,327,151	11,327,151

	45-46	46-47	47-48	48-49	49-50	50-51	51-52
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Prior Year Assessed Value	5,061,912,968	5,213,770,357	5,370,183,467	5,531,288,971	5,697,227,641	5,868,144,470	6,044,188,804
Frozen Base	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480
Increment	2,411,111,877	2,567,524,987	2,728,630,491	2,894,569,161	3,065,485,990	3,241,530,324	3,422,855,988
AV (Baseline)	5,213,770,357	5,370,183,467	5,531,288,971	5,697,227,641	5,868,144,470	6,044,188,804	6,225,514,468
Taxes							
Consolidated Tax Rate for Du Jour	18.7340	18.7340	18.7340	18.7340	18.7340	18.7340	18.7340
Beginning Balance	11,327,151	11,327,151	11,327,151	11,327,151	11,327,151	11,327,151	23,598,231
Divide the Taxes (to Raise) Sal 4c	39,652,396	41,850,083	44,113,701	46,445,227	48,846,698	51,320,214	53,867,936
Compression	(1,982,620)	(2,092,504)	(2,205,685)	(2,322,261)	(2,442,335)	(2,566,011)	(2,693,397)
Net Tax Increment Revenues	36,162,985	38,167,276	40,231,695	42,358,047	44,548,189	46,804,035	49,127,557
Used for Du Jour	24,953,469	26,961,768	29,030,316	31,160,920	33,355,443	29,480,261	37,993,054
Debt Service							
BOND 1	7,551,434	7,551,434	7,551,434	7,551,434	7,551,434	7,551,434	7,551,434
BOND 2	3,775,717	3,775,717	3,775,717	3,775,717	3,775,717	3,775,717	3,775,717
BOND 3							6,135,540
Total Debt Service	11,327,151	11,327,151	11,327,151	11,327,151	11,327,151	11,327,151	17,462,691

	52-53	53-54	54-55	55-56	56-57
	Forecast	Forecast	Forecast	Forecast	Forecast
Prior Year Assessed Value	6,225,514,468	6,412,279,902	6,604,648,299	6,802,787,748	7,006,871,381
Frozen Base	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480	2,802,658,480
Increment	3,609,621,422	3,801,989,819	4,000,129,268	4,204,212,901	4,414,419,042
AV (Baseline)	6,412,279,902	6,604,648,299	6,802,787,748	7,006,871,381	7,217,077,522
Taxes					
Consolidated Tax Rate for Du Jour	18.7340	18.7340	18.7340	18.7340	18.7340
Beginning Balance	17,462,691	17,462,691	17,462,691	23,737,117	73,179,017
Divide the Taxes (to Raise) Sal 4c	56,492,089	59,194,966	61,978,930	64,846,413	67,799,921
Compression	(2,824,604)	(2,959,748)	(3,098,947)	(3,242,321)	(3,389,996)
Net Tax Increment Revenues	51,520,785	53,985,809	56,524,784	59,139,929	61,833,528
Used for Du Jour	34,230,986	36,700,940	40,522,002		
Debt Service					
BOND 1	7,551,434	7,551,434			
BOND 2	3,775,717	3,775,717	3,775,717	3,775,717	3,775,717
BOND 3	6,135,540	6,135,540	6,135,540	6,135,540	6,135,540
Total Debt Service	17,462,691	17,462,691	9,911,257	9,911,257	9,911,257

The District is anticipated to complete all projects and have sufficient revenue to terminate the District in FYE 2057, a 32-year program. The projects will be ongoing and the schedule for construction of projects will be based on the availability of funding and will be completed as directed by the Agency in accordance with the Five-Year Action Plans.

The amount of money available for projects in 2025 constant dollars for the District is approximately \$414,947,475. This is calculated by taking the maximum indebtedness (MI) and bringing it back to constant 2025 dollars. This is done as the MI is referenced in constant dollars, so understanding how the MI relates to the inflation factor over 30 years is important to be able to make projections on the allocation of funds throughout the life of the District.

Table H shows the approximate \$445,715,348 constant dollars for projects inflated over the life of the District including administrative expenses and bond issuance costs and reserves, reaching the total maximum indebtedness of \$770,000,000. The 3 percent inflation rate is the rate to use in the future if any amendment to increase maximum indebtedness is pursued in accordance with ORS 457.470.

The following tables are prepared to show that the District is financially feasible as required by ORS 457. It assumes completion of projects as funding becomes available and in accordance with the Five-Year Action Plans. Annual expenditures for program administration are also shown.

Table H. Financial Feasibility

	Bond Issuance Costs and Reserves	District-Wide Admin/Predev	Affordable Housing (PHB)	Inclusive Growth (Prosper Portland)	Total
Years 1-5	22,885	914,486	9,876,445	12,071,211	22,885,027
Years 6-10	9,205,569	4,997,171	53,969,445	65,962,655	134,134,840
Years 11-15	75,170	3,003,787	32,440,895	39,649,983	75,169,834
Years 16-20	4,684,138	5,749,480	62,094,385	75,893,138	148,421,141
Years 21-25	145,462	5,812,658	62,776,708	76,727,087	145,461,915
Years 26-30	7,614,467	9,452,511	102,087,119	124,773,146	243,927,243
Total	21,747,691	29,930,092	323,244,997	395,077,219	770,000,000

Section 3.3 – Fiscal Impact Statement

The impact of East 205 Tax Increment Finance Plan financing of the maximum indebtedness, both until and after the indebtedness is repaid, is on all entities levying permanent rate property in the District.

The impact of East 205 Tax Increment Finance Plan financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the District. These projections are for impacts estimated through FYE 2057 and are shown in Table I.

Other than the Portland Public Schools Gap Tax, the Portland School District and the Multnomah County ESD are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for

the Plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the state level. The Gap Tax is not anticipated to be calculated in the division of tax revenues to be allocated to Prosper Portland, so the impact on the Portland Public Schools of the Gap Tax is a positive impact. The School District will need to complete appropriate paperwork with the Multnomah County assessor to ensure the Gap tax is not included in the division of taxes.

The City of Portland levies a tax to pay costs of its Fire and Police Disability and Retirement Fund (FPD&R) Plan. The rate for this levy is included in the consolidated tax rate for the District. The levy is imposed such that, when the tax rate is divided for tax increment areas, tax collections are sufficient to provide both the amount requested by the City for the FPD&R Plan and amounts for tax increment plans. Taxpayers pay a higher amount of taxes as a result of the division of taxes. Tax collections for the District attributable to the FPD&R levy are shown in Table I.

Since the properties within the TIF District are also already within the City's urban growth boundary, the City has planned for the need to provide infrastructure to these parcels through its existing plans and policies. In addition, since any new development will be new construction or redevelopment of existing buildings, the current building code requirements will address fire protection needs. Any potential impacts to the City will be countered by the increased revenue resulting from new jobs, stabilized housing, increased property tax revenues from development and redevelopment, and future increased tax base for all overlapping taxing jurisdictions.

Table I. Projected Impact on Taxing District Permanent Rate Levies

Foregone Revenue to Taxing Jurisdictions	25-26	26-27	27-28	28-29	29-30	30-31	31-32
City	350,968	712,464	1,084,806	1,468,318	1,863,335	2,270,203	2,689,277
County	333,055	676,102	1,029,440	1,393,378	1,768,235	2,154,337	2,552,022
Library	93,550	189,908	289,155	391,380	496,672	605,123	716,827
Metro	7,407	15,037	22,895	30,990	39,327	47,914	56,759
Port	5,375	10,912	16,615	22,488	28,538	34,770	41,188
E Mult Soil/Cons	7,668	15,566	23,701	32,080	40,711	49,600	58,756
FPDR	214,706	451,419	711,037	962,411	1,302,747	1,587,208	1,880,202
Total Gov't	1,012,730	2,071,408	3,177,650	4,301,046	5,539,565	6,749,155	7,995,032
Reynolds	34,343	69,716	106,150	143,677	182,330	222,143	263,150
Parkrose	16,924	34,357	52,312	70,805	89,854	109,474	129,683
David Douglas	147,068	298,548	454,573	615,278	780,805	951,297	1,126,904
Centennial	157,519	319,763	486,874	658,999	836,288	1,018,895	1,206,980
Portland	2,991	6,072	9,245	12,513	15,880	19,347	22,919
Portland CC	217	440	670	907	1,151	1,403	1,662
Mt. Hood CC	37,327	75,774	115,374	156,162	198,173	241,446	286,016
Multnomah County ESD	35,089	71,231	108,457	146,800	186,293	226,971	268,869
Total Education	431,478	875,900	1,333,655	1,805,142	2,290,774	2,790,975	3,306,182

Foregone Revenue to Taxing Jurisdictions	32-33	33-34	34-35	35-36	36-37	37-38	38-39
City	3,120,923	3,565,518	4,023,452	4,495,123	4,980,944	5,481,340	5,757,418
County	2,961,638	3,383,542	3,818,104	4,265,702	4,726,728	5,201,585	5,463,572
Library	831,882	950,389	1,072,452	1,198,176	1,327,671	1,461,052	1,534,641
Metro	65,869	75,252	84,917	94,872	105,125	115,687	121,513
Port	47,799	54,608	61,622	68,846	76,287	83,951	88,179
E Mult Soil/Cons	68,187	77,901	87,906	98,211	108,826	119,758	125,790
FPDR	2,250,174	2,570,726	2,812,988	3,142,756	3,482,417	3,832,268	3,899,496

Total Gov't	9,346,472	10,677,937	11,961,440	13,363,685	14,807,998	16,295,641	16,990,609
Reynolds	305,387	348,891	393,701	439,855	487,393	536,358	563,372
Parkrose	150,498	171,937	194,019	216,764	240,192	264,322	277,635
David Douglas	1,307,779	1,494,081	1,685,971	1,883,619	2,087,195	2,296,879	2,412,566
Centennial	1,400,708	1,600,248	1,805,774	2,017,466	2,235,509	2,460,093	2,584,000
Portland	26,597	30,386	34,289	38,308	42,449	46,713	49,066
Portland CC	1,928	2,203	2,486	2,777	3,078	3,387	3,557
Mt. Hood CC	331,923	379,208	427,911	478,075	529,744	582,963	612,325
Multnomah County ESD	312,024	356,474	402,257	449,414	497,986	548,014	575,616
Total Education	3,836,845	4,383,428	4,946,409	5,526,279	6,123,545	6,738,729	7,078,137

Foregone Revenue to Taxing Jurisdictions	39-40	40-41	41-42	42-43	43-44	44-45	45-46
City	6,162,189	6,578,976	7,008,136	7,443,208	7,898,164	8,359,732	8,835,147
County	5,847,685	6,243,199	6,650,456	7,063,323	7,495,059	7,933,070	8,384,221
Library	1,642,532	1,753,627	1,868,020	1,983,988	2,105,257	2,228,288	2,355,010
Metro	130,056	138,853	147,910	157,093	166,695	176,437	186,470
Port	94,378	100,762	107,335	113,998	120,966	128,035	135,317
E Mult Soil/Cons	134,634	143,740	153,116	162,622	172,562	182,647	193,034
FPDR	4,039,014	4,168,457	4,287,258	4,553,415	4,659,175	4,931,457	5,211,907
Total Gov't	18,050,489	19,127,613	20,222,230	21,477,647	22,617,878	23,939,665	25,301,105
Reynolds	602,980	643,763	685,757	728,329	772,848	818,013	864,533
Parkrose	297,154	317,252	337,947	358,927	380,866	403,124	426,050
David Douglas	2,582,179	2,756,828	2,936,661	3,118,972	3,309,615	3,503,029	3,702,245
Centennial	2,765,666	2,952,725	3,145,337	3,340,603	3,544,793	3,751,950	3,965,322
Portland	52,515	56,067	59,725	63,432	67,310	71,243	75,295
Portland CC	3,807	4,065	4,330	4,599	4,880	5,165	5,459
Mt. Hood CC	655,374	699,701	745,344	791,616	840,003	889,092	939,655
Multnomah County ESD	616,084	657,754	700,660	744,158	789,644	835,791	883,322
Total Education	7,575,761	8,088,155	8,615,762	9,150,638	9,709,958	10,277,408	10,861,880

Foregone Revenue to Taxing Jurisdictions	46-47	47-48	48-49	49-50	50-51	51-52	52-53
City	9,324,825	9,829,193	10,348,691	10,883,775	11,434,912	12,002,582	12,587,283
County	8,848,906	9,327,532	9,820,517	10,328,291	10,851,299	11,389,997	11,944,856
Library	2,485,533	2,619,973	2,758,445	2,901,072	3,047,977	3,199,290	3,355,142
Metro	196,805	207,450	218,415	229,708	241,340	253,321	265,661
Port	142,816	150,541	158,498	166,693	175,134	183,828	192,783
E Mult Soil/Cons	203,732	214,752	226,102	237,793	249,834	262,237	275,012
FPDR	5,500,771	5,798,300	6,104,756	6,420,405	6,745,524	7,080,396	7,425,314
Total Gov't	26,703,389	28,147,741	29,635,424	31,167,737	32,746,019	34,371,650	36,046,050
Reynolds	912,449	961,802	1,012,635	1,064,994	1,118,924	1,174,471	1,231,685
Parkrose	449,663	473,985	499,036	524,839	551,416	578,790	606,986
David Douglas	3,907,438	4,118,786	4,336,475	4,560,694	4,791,640	5,029,514	5,274,525
Centennial	4,185,096	4,411,462	4,644,620	4,884,772	5,132,129	5,386,906	5,649,327
Portland	79,468	83,766	88,193	92,754	97,450	102,288	107,271
Portland CC	5,762	6,073	6,394	6,725	7,065	7,416	7,777
Mt. Hood CC	991,734	1,045,376	1,100,626	1,157,535	1,216,150	1,276,525	1,338,710
Multnomah County ESD	932,279	982,705	1,034,643	1,088,140	1,143,241	1,199,996	1,258,453
Total Education	11,463,887	12,083,954	12,722,623	13,380,452	14,058,016	14,755,907	15,474,734

Foregone Revenue to Taxing Jurisdictions	53-54	54-55	55-56	56-57
City	13,189,524	13,809,833	14,448,751	15,106,837
County	12,516,360	13,105,010	13,711,319	14,335,817
Library	3,515,670	3,681,013	3,851,317	4,026,730
Metro	278,372	291,464	304,949	318,838
Port	202,007	211,507	221,293	231,372
E Mult Soil/Cons	288,170	301,722	315,682	330,060
FPDR	7,780,580	8,146,504	8,523,406	8,911,614
Total Gov't	37,770,682	39,547,053	41,376,716	43,261,267

Reynolds	1,290,615	1,351,314	1,413,833	1,478,227
Parkrose	636,027	665,940	696,750	728,484
David Douglas	5,526,886	5,786,818	6,054,548	6,330,309
Centennial	5,919,620	6,198,022	6,484,777	6,780,134
Portland	112,404	117,690	123,135	128,743
Portland CC	8,149	8,533	8,927	9,334
Mt. Hood CC	1,402,761	1,468,733	1,536,685	1,606,675
Multnomah County ESD	1,318,664	1,380,682	1,444,559	1,510,354
Total Education	16,215,127	16,977,731	17,763,213	18,572,260

Revenue sharing means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the District. The first threshold is when annual East 205 Tax Increment Finance Plan finance revenues exceed three percent of the original maximum indebtedness of the Plan is in 2039. At the three percent threshold, the Agency will receive tax increment revenue as stated in ORS 457.470(4)(a-e). The overlapping taxing districts would receive the remainder of the TIF revenues. Revenue sharing projections are shown in Table J in the column labelled “Increment Shared”.

If assessed value in the District grows more quickly than projected, the revenue sharing triggers would be reached earlier.

Table J. Tax Increment Revenue Sharing

FYE	Total Assessed Value	Frozen Base Assessed Value	Increment URA	Increment Shared
2026	2,886,738,234	2,802,658,480	84,079,754	-
2027	2,973,340,381	2,802,658,480	170,681,901	-
2028	3,062,540,593	2,802,658,480	259,882,113	-
2029	3,154,416,811	2,802,658,480	351,758,331	-
2030	3,249,049,315	2,802,658,480	446,390,835	-
2031	3,346,520,794	2,802,658,480	543,862,314	-
2032	3,446,916,418	2,802,658,480	644,257,938	-
2033	3,550,323,911	2,802,658,480	747,665,431	-
2034	3,656,833,628	2,802,658,480	854,175,148	-
2035	3,766,538,637	2,802,658,480	963,880,157	-
2036	3,879,534,796	2,802,658,480	1,076,876,316	-
2037	3,995,920,840	2,802,658,480	1,193,262,360	-
2038	4,115,798,465	2,802,658,480	1,313,139,985	-
2039	4,239,272,419	2,802,658,480	1,379,351,579	57,262,360
2040	4,366,450,592	2,802,658,480	1,476,321,653	87,470,459
2041	4,497,444,109	2,802,658,480	1,576,169,998	118,615,632
2042	4,632,367,433	2,802,658,480	1,678,982,725	150,726,227
2043	4,771,338,456	2,802,658,480	1,783,210,993	185,468,983
2044	4,914,478,609	2,802,658,480	1,892,203,645	219,616,485
2045	5,061,912,968	2,802,658,480	2,002,779,413	256,475,074
2046	5,213,770,357	2,802,658,480	2,116,672,455	294,439,422
2047	5,370,183,467	2,802,658,480	2,233,982,288	333,542,699
2048	5,531,288,971	2,802,658,480	2,354,811,416	373,819,075
2049	5,697,227,641	2,802,658,480	2,479,265,418	415,303,743

2050	5,868,144,470	2,802,658,480	2,607,453,040	458,032,950
2051	6,044,188,804	2,802,658,480	2,739,486,290	502,044,033
2052	6,225,514,468	2,802,658,480	2,875,480,538	547,375,449
2053	6,412,279,902	2,802,658,480	3,015,554,614	594,066,808
2054	6,604,648,299	2,802,658,480	3,159,830,912	642,158,907
2055	6,802,787,748	2,802,658,480	3,308,435,499	691,693,770
2056	7,006,871,381	2,802,658,480	3,461,498,223	742,714,678
2057	7,217,077,522	2,802,658,480	3,619,152,829	795,266,213

Table K shows the projected increased revenue to the taxing jurisdictions after the Central City – East Tax Increment Finance Plan proceeds are projected to be terminated. These projections are for FYE 2057. The table also shows the estimated impact of returned incremental assessed value on the FPD&R tax levy rate, which could be reduced by approximately 3 percent.

The Frozen Base is the assessed value of the District established by the County Assessor at the time the District is established. Excess Value is the increased assessed value in the District above the Frozen Base.

Table K. Additional Revenues Obtained after Termination of TIF – FYE 2057

Taxing District	Type	Percent of District	Tax Rate	From Frozen Base	From Excess Value	Total
General Government						
City	Permanent	100%	4.5770	12,827,768	21,195,773	34,023,541
County	Permanent	100%	4.3434	12,173,067	20,113,987	32,287,054
Library	Permanent	100%	1.2200	3,419,243	5,649,736	9,068,980
Metro	Permanent	100%	0.0966	270,737	447,348	718,085
Port	Permanent	100%	0.0701	196,466	324,628	521,095
E Mult Soil/Cons	Permanent	100%	0.1000	280,266	463,093	743,359
FPDR		100%	2.7000	7,567,178	12,503,515	20,070,693
Subtotal General Government				36,734,725	60,698,081	97,432,805
Education						
Portland	Permanent	0.8%	4.7743	109,321	180,634	289,955
Centennial	Permanent	43.3%	4.7448	5,757,259	9,512,923	15,270,182
Parkrose	Permanent	4.5%	4.8906	618,583	1,022,106	1,640,688
Reynolds	Permanent	10.0%	4.4626	1,255,217	2,074,039	3,329,256
David Douglas	Permanent	41.3%	4.6394	5,375,297	8,881,793	14,257,090
Portland CC	Permanent	1.0%	0.2828	7,926	13,096	21,022

Mount Hood CC	Permanent	99.0%	0.4917	1,364,287	2,254,259	3,618,545
Multnomah County ESD	Permanent	100.0%	0.4576	1,282,497	2,119,114	3,401,611
Subtotal Education				15,770,386	26,057,964	41,828,349
Total				52,505,111	86,756,044	139,261,155

Section 3.4 – Assessed Value and Acreage Analysis

The Plan includes a provision indicating that it will be financed by tax increment revenues (TIF) allocated to the District, as provided in ORS Chapter 457, and that the ad valorem taxes levied by a taxing district in which all or a portion of the District is located, will be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Pursuant to ORS 457.420(2), the Plan may only include such a provision if:

- The assessed value for the TIF District, when added to the total assessed value for other TIF Districts of the City, does not exceed a figure equal to 15 percent of the total assessed value of the City (exclusive of any increased assessed value for other TIF Districts and without regard to adjustments made pursuant to ORS 457.435 (2)(c), 457.455 or 457.470 (2) to (5)), and
- The acreage of the TIF District, when added to the acreage of other TIF Districts of the City, does not exceed 15 percent of the total acreage of the City.

As explained in this Section, the proposed TIF District complies with both the assessed value and acreage limits set forth in ORS 457.420.

As of the date that the TIF Plan is expected to be approved by the City, it is projected that the total Assessed Value for all real property in the City of Portland will be just over \$80.98 billion and the total acreage of the City will be 92,768 acres, as shown in Table L, below. In addition, as of the approval date, the total assessed value for the real property contained within all pre-existing TIF Districts will be approximately \$2 billion (2.5% of total City AV) and the acreage of such districts will be 2,729 acres (2.9% of total City acreage).⁴ Finally, the TIF District is being proposed for creation along with several other TIF Districts that, when combined, will account for up to \$9.49 billion in assessed value and 8,415 acres.⁵ If all six proposed TIF Districts are approved, the resulting total areas included in all TIF Districts within the City will contain \$11.49 billion in assessed value (14.2% of total City AV) and 11,144 acres (12% of total City acreage). These limits will fall within the threshold for assessed value and acreage

⁴ Prior to adoption of the proposed TIF District, Prosper Portland and/or the City are expected to either take action to amend the size of certain TIF Districts, allow some TIF Districts to expire, and/or otherwise amend the plans to release some or all of the assessed value and acreage associated with the following pre-existing TIF Districts: Central Eastside, Downtown Waterfront, Interstate Corridor, Lents Town Center, Oregon Convention Center, River District, South Park Blocks, and the Neighborhood Prosperity Initiative districts.

⁵ The proposed new TIF Districts include: Westside, Lloyd-Holladay, Central Eastside Corridor, Sumner-Parkrose-Argay-Columbia Corridor (SPACC), 82nd Avenue Area, and East 205.

established by ORS 457.420, which allows for the TIF Plan to include a provision for the division of ad valorem property taxes to finance the TIF District’s activities under the Plan.

Table L. Assessed Value and Acreage

	Frozen Base (as of FY 21-22 values)	Proposed Adjustments	Proposed values (as of FY 23-24 values)	Frozen Base (as of FY 21-22 values)	Proposed Adjustments	Proposed values (as of FY 23- 24 values)
TIF District	Frozen Base Assessed Value			Acreage		
Central Eastside	\$230,541,190	(\$230,541,190)	\$0	708	(708)	-
Downtown Waterfront	\$55,674,313	(\$55,674,313)	\$0	233	(233)	-
Gateway Regional Center	\$307,174,681	-	\$307,174,681	659	-	659
Interstate Corridor	\$1,293,460,097	(\$1,293,460,097)	\$0	3,995	(3,995)	-
Lents Town Center	\$736,224,033	(\$736,224,033)	\$0	2,846	(2,846)	-
North Macadam	\$628,094,444	-	\$628,094,444	447	-	447
Oregon Convention Center	\$214,100,689	(\$214,100,689)	\$0	410	(410)	-
River District	\$432,292,135	(\$432,292,135)	\$0	315	(315)	-
South Park Blocks	\$305,692,884	(\$305,692,884)	\$0	98	(98)	-
Cully	\$1,071,144,885	-	\$1,071,144,885	1,623	-	1,623
Neighborhood Prosperity Initiatives (combined)	\$164,919,235	(\$164,919,235)	\$0	245	(245)	-
Westside (NEW)	\$0	\$2,401,540,540	\$2,401,540,540	-	492	492
Lloyd-Holladay (NEW)	\$0	\$842,896,040	\$842,896,040	-	261	261
Central Eastside Corridor (NEW)	\$0	\$551,392,310	\$551,392,310	-	486	486
Parkrose/Columbia Corridor (NEW)	\$0	\$1,123,860,390	\$1,123,860,390	-	1,578	1,578
82nd Ave (NEW)	\$0	\$1,722,322,630	\$1,721,086,470	-	1,868	1,868
East 205 (NEW)	\$0	\$2,849,078,510	\$2,849,078,510	-	3,730	3,730
Total: TIF Districts	\$5,439,318,586	\$6,056,949,684	\$11,496,268,270	11,579	(435)	11,144
Total: City of Portland	\$76,142,269,310		\$80,988,896,967	92,768		92,768
Percent in TIF District	7.14%		14.19%	12.48%		12.01%

SECTION 4 – RELOCATION REPORT

Pursuant to ORS 457.087(9), this report must include: (a) an analysis of existing residents or businesses that may be required to relocate temporarily or permanently as a result of any of the proposed projects identified in Section 2.1, above; (b) a description of the methods to be used for the temporary or permanent relocation of such residents or businesses; and, (c) an enumeration, by cost range, of the existing housing units in the urban renewal areas of the plan to be destroyed or altered and the new units to be added.

It is not anticipated that any of the proposed projects identified in Section 2 will require or result in the temporary or permanent relocation of any residents or businesses. In addition, it is not anticipated that any of the proposed projects identified in Section 2 will require or result in the alteration or destruction of any existing housing units. To the extent that temporary or permanent relocation is necessary, Prosper Portland and Portland Housing Bureau will comply with the requirements set forth in ORS 35.500 to 35.530 to protect the rights of any person or business impacted by such relocation. New housing units anticipated to be added within the TIF District are enumerated in Section 2.

Attachments to Report

- A. Existing Conditions Report

Attachment A. Existing Conditions Report

This section presents a high-level summary of existing conditions in the TIF District, covering key features of the built environment, population, economy, and development landscape.

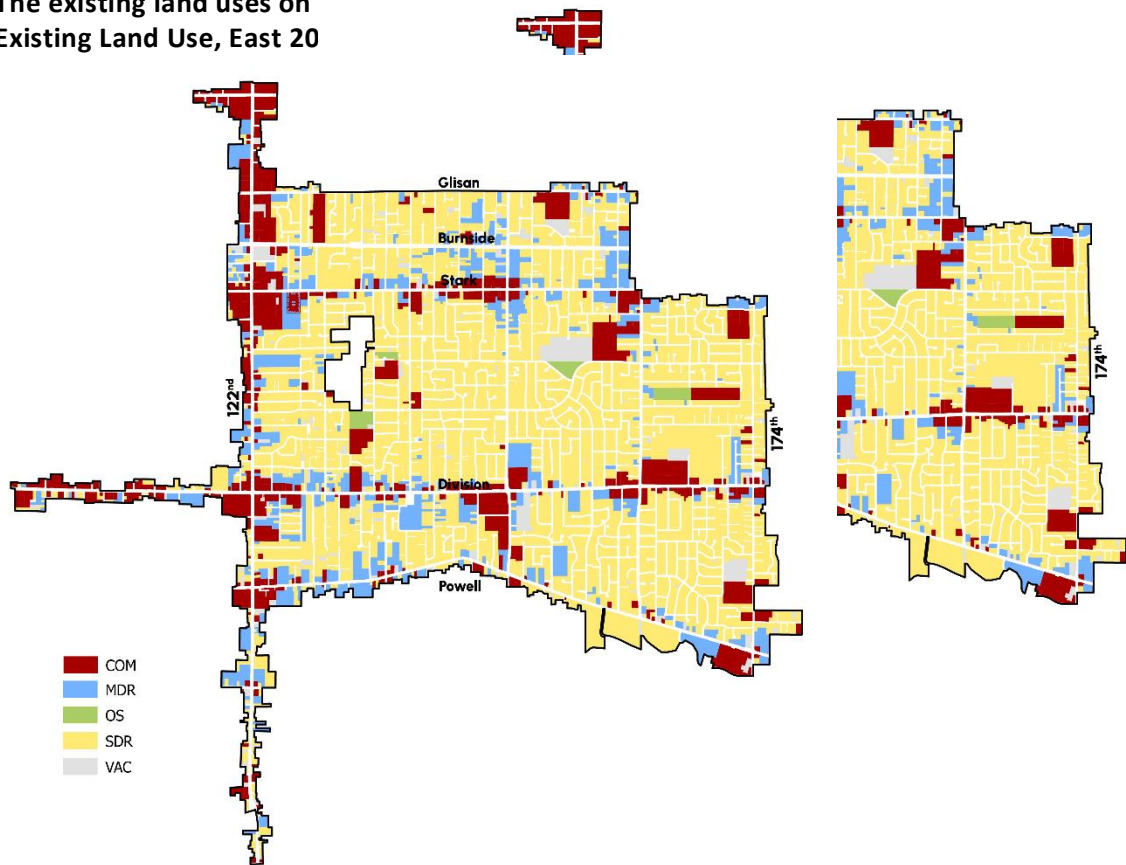
Physical Conditions

This section describes the physical conditions of the TIF District, including existing land uses, zoning designations, and comprehensive designations.

Land Use

The East 205 TIF District is bounded by Glisan Street to the north, Powell Street to the south, 122nd Avenue to the west, and 174th Street to the east.

The existing land uses on
Existing Land Use, East 20



. There are approximately 3,730 acres within the TIF District, with 3,039 acres within tax lots and 691 acres in the right-of-way, as summarized in Table . Commercial uses make up 13 percent of the TIF District, mostly along 122nd Avenue and along intersecting arterial streets such as NE Glisan Street, SE Stark Street, SE Division Street, and SE Powell Boulevard. Multi-dwelling uses make up 12 percent of the TIF District's

acreage. The majority of housing in the TIF District are single dwellings (52 percent of total TIF District acreage). Three percent of acreage is vacant, totaling 117 acres across 466 parcels.

Table M. Existing Land Use, East 205 TIF District, 2024

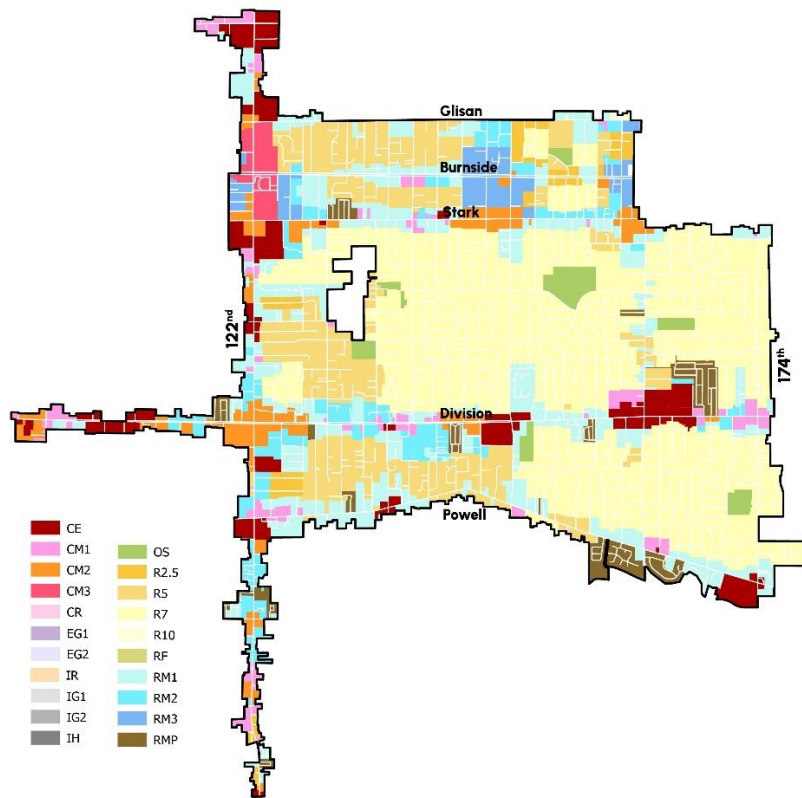
	PARCELS	SHARE	ACRES	SHARE
Single-Dwelling	9,429	83%	1945.3	52%
Multi-Dwelling	586	5%	430.3	12%
Commercial	557	5%	492.1	13%
Vacant	466	4%	116.5	3%
Open Space	6	0%	22.3	1%
ROW	137	1%	690.3	19%
Other	125	1%	31.6	1%

Source: Regional Land Information System (RLIS), 2024

Zoning

Figure C. Zoning, East 205 TIF District

Along the major corridors of 122nd Avenue, SE Division Street, and SE Powell Boulevard, many commercial properties are zoned CE (Commercial Employment) with the remainder zoned CM1, CM2, and CM3 (Commercial Mixed-Use 1, 2 and 3). Figure C shows zoning designations of land within the TIF District boundary.



Over 84 percent of the acreage in the TIF District is zoned for residential development. The single-dwelling zoning is characterized by average lot sizes, with

over 40 percent of acreage devoted to R7 (Residential 7,000), as shown in Table N. Of the areas zoned for multi-dwelling residential, nearly two-thirds are zoned RM1 which is a smaller-scale multi-dwelling designation mostly found adjacent to single family residential zoning to act as a transition between residential zones and higher scale or commercial uses. Higher scale multifamily residential (RM3) is mostly concentrated along E Burnside and SE Stark Streets at the northern end of the TIF District.

Table N. Parcel Acres by Zoning, East 205 TIF District, 2024

	ACRES	SHARE
Commercial Employment (CE)	210.3	6%
Commercial Mixed Use 1 (CM1)	112.0	3%
Commercial Mixed Use 2 (CM2)	164.3	4%
Commercial Mixed Use 3 (CM3)	49.9	1%
Commercial Residential (CR)	0.3	0%
General Employment 2 (EG2)	0.1	0%
General Employment 1 (EG1)	0.0	0%
Institutional Residential (IR)	0.4	0%
Open Space (OS)	70.0	2%

	ACRES	SHARE
Residential 2,500 (R2.5)	68.6	2%
Residential 5,000 (R5)	543.4	15%
Residential 7,000 (R7)	1,530.3	41%
Residential 10,000 (R10)	2.6	0%
Residential Multi-Dwelling 1 (RM1)	550.1	15%
Residential Multi-Dwelling 2 (RM2)	205.6	6%
Residential Multi-Dwelling 3 (RM3)	102.5	3%
Residential Manufactured Dwelling Park (RMP)	115.7	3%

Source: Bureau of Planning and Sustainability, 2024

Comprehensive Plan

Under the Portland 2035 Comprehensive Plan, 122nd Avenue is designated as a "Civic Corridor" which is a street with high-quality transit service, multimodal facilities, mid-rise development, and landscaping. This designation is part of a broader effort to make the corridor safer, more accessible, and more pedestrian-friendly. Figure D shows the Comprehensive Plan Designations within the TIF District. The designations prescribe the intended future development types and scales. The Comprehensive Plan emphasizes mixed-use and multi-dwelling land uses in the East 205 TIF District. High-scale, transit-oriented development designations (Mixed-Use Civic Corridor and Mixed-Use Urban Center) are proposed at the crossroads of SE Division Street and SE 122nd Avenue and extend down the two corridors.

Figure D. Comprehensive Plan Designations, East 205 TIF District

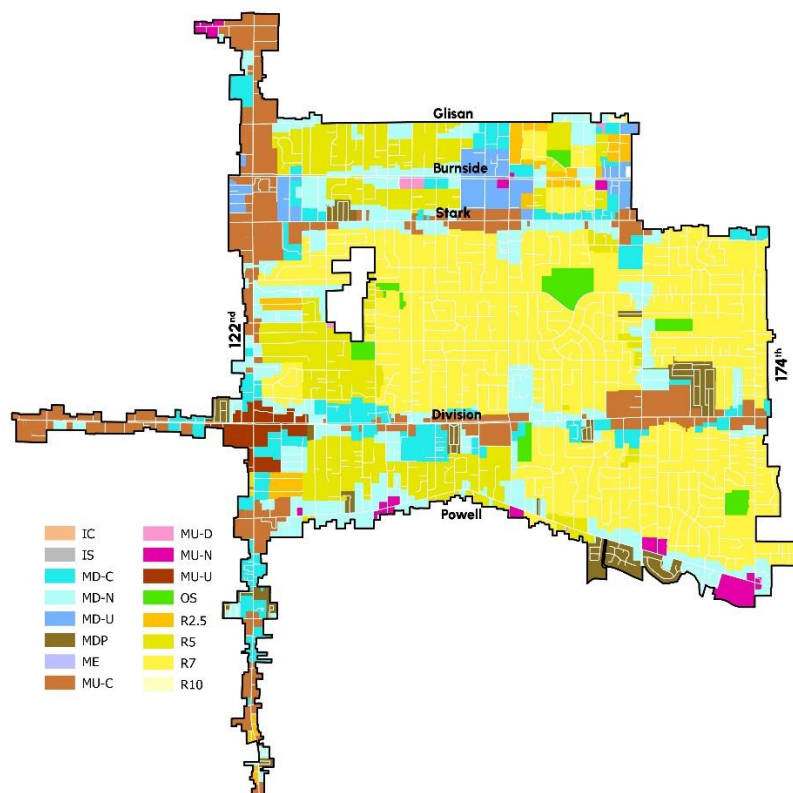


Table O. Parcel Acres by Comprehensive Plan Designation, East 205 TIF District

	ACRES	SHARE
Industrial Sanctuary (IS)	0.0	0%
Mixed Employment (ME)	0.1	0%
Mixed Use - Civic Corridor (MU-C)	435.4	12%
Mixed Use – Dispersed (MU-D)	7.5	0%
Mixed Use – Neighborhood (MU-N)	45.8	1%
Mixed Use - Urban Center (MU-U)	53.2	1%
Multi-Dwelling – Corridor (MD-C)	267.7	7%
Multi-Dwelling – Neighborhood (MD-N)	507.4	14%

Multi-Dwelling - Urban Center (MD-U)	102.5	3%
Institutional Campus (IC)	0.4	0%
Open Space (OS)	70.0	2%
Manufactured Dwelling Park (MDP)	115.7	3%
Single - Dwelling 2,500 (R2.5)	68.6	2%
Single - Dwelling 5,000 (R5)	525.9	14%
Single - Dwelling 7,000 (R7)	1,523.3	41%
Single - Dwelling 10,000 (R10)	2.6	0%

Source: Bureau of Planning and Sustainability, 2024

Infrastructure

This section outlines the existing condition of the area’s infrastructure and explains the need for many of the Plan’s projects. The Plan does not attempt to fund every infrastructure project that the City has planned or considered in the TIF District boundary.

TRANSPORTATION

The East 205 TIF District encompasses several of East Portland’s major streets along with district and neighborhood collectors. Most of East Portland developed under Multnomah County regulations and was then annexed into the city starting in the late 1970s. Because it was not developed under City of Portland regulations, many streets were built without adequate multimodal infrastructure and include a disconnected road network through residential and commercial areas and a lack of direct and safe transportation options for people walking, biking, and rolling. Today, East Portland can be hard to navigate without a car. Features that make active transportation attractive in other areas of Portland, like sidewalks and low-stress bikeways, are less common in the TIF District. The primary transportation corridors in East Portland are wide arterial roads. Residential streets are often poorly connected and sometimes unpaved. The vast majority of missing sidewalks on busy streets are in neighborhoods that were originally developed under County regulations. Where sidewalks were constructed, they were often “curb-tight,” lacking furnishing zones or street trees to buffer people walking from roadway traffic. Not surprisingly, use of active transportation modes is lower in East Portland than in the city as a whole.

This TIF District has been the focus of recent transportation planning and improvement projects, including the East Portland in Motion, East Portland Action Plan, East Portland Arterial Street Strategy, and the Outer Powell Transportation Safety Project, aimed at improving multimodal safety and connectivity. However, there are still gaps throughout the TIF District’s network of sidewalks, bikeways, trails, and street crossings.

Future Jurisdictional Transfer

Currently, ODOT owns and maintains SE Powell Boulevard from SE 99th Avenue to just east of SE 174th Avenue. As prescribed in Keep Oregon Moving (HB 2017), ownership and operation of this road will be transferred to the Portland Bureau of Transportation (PBOT). The transfer is expected after the construction of improvements included in the Outer Powell Transportation Safety Project are complete.

Street Network

The TIF District generally covers the area from NE Glisan Street to SE Powell Boulevard running east-west between SE 122nd Avenue and the Portland city limits just east of SE 174th Avenue. Major roads in the East Portland District include:

- **SE 122nd Avenue**, classified as a Major City Traffic Street, is a five-lane roadway running north-south through the TIF District. It includes a center turn lane and on-street parking. The TIF District includes SE 122nd Avenue from SE Foster Road to just north of NE Halsey Street. This street serves as a key arterial road in East Portland, linking neighborhoods to essential services, retail centers, schools, parks, and public transportation.
- **SE Division Street**, classified as a District Collector, is a major five-lane east-west roadway with on-street parking, or four-lane road with a median. It serves as a vital commercial connector between East Portland and the broader metropolitan area featuring a diverse array of businesses, shops, restaurants, and services that cater to the needs of the local community.
- **SE Powell Boulevard**, classified as a Major City Traffic Street and also a segment of U.S. Highway 26, is a two- or three-lane roadway, including a center turn lane.
- Other major streets include SE Stark Street, E Burnside Street, NE Glisan Street, SE 148th Avenue, SE 162nd Avenue, and SE 174th Avenue.

Within the TIF District, there are 2.25 miles of gravel roads. These roads face increased maintenance costs or fall into disrepair, causing safety concerns for local residents.

Road Safety

In 2024, average daily traffic (ADT) volume on SE Division Street was 9,166 eastbound and 9,900 westbound. On SE Powell Boulevard ADT was 9,657 eastbound and 8,800 westbound.⁶ Road safety in the East Portland District is a major concern due to its high traffic density and history of serious crashes. The 2023 Deadly Traffic Report, produced by the PBOT Vision Zero Program, identifies a High Crash Network that includes the 30 streets with the highest number of crashes in Portland and the highest crash intersections. SE Powell Boulevard, SE Division Street, and SE 122nd Avenue are all part of the Vision Zero High Crash Network, and nearly all of the high crash intersections on these streets are within

⁶ According to data provided by the Portland Bureau of Transportation. The ADT count location for SE Division Street was west of 145th Avenue. The ADT count location for SE Powell Boulevard was west of 130th Avenue.

or near the proposed TIF District boundaries.⁷ From 2017 to 2021, there were 127 serious injury crashes and 33 fatal crashes within the TIF District. During this period, 139 pedestrians and 42 bicyclists were hit by motor vehicles.⁸

Of the 11 corridors identified for improvements in PBOT's East Portland Arterial Streets Strategy, six intersect the East 205 TIF District, including 122nd Avenue, SE 162nd Avenue, NE Glisan Street, SE Stark Street and SE Washington Street, and SE Division Street.⁹ These corridors are characterized by a high number of collisions, narrow sidewalks, and unprotected bike lanes. Few of the corridors meet PBOT's pedestrian crossing guidelines.

Through the Vision Zero program, PBOT has implemented traffic calming measures throughout the TIF District, including high crash network street redesigns, speed limit reductions, street lighting upgrades, and intersection cameras. The East Portland Arterial Streets Strategy also identifies planned improvements including reductions in vehicle travel lanes, increased buffering for bike lanes, additional street lighting, improving pedestrian crossings and other traffic calming measures. These efforts aim to significantly lower crash rates and enhance the overall safety for both drivers and pedestrians.

Public Transit

Several high-frequency bus routes run through the TIF District. Key corridors such as SE 122nd Avenue and SE Division Street are integral parts of the transit network, supporting bus routes and accommodating substantial pedestrian and bicycle traffic.

- **The MAX Blue line** runs through The TIF District on E Burnside Street, connecting the TIF District to the Gateway Transit Center (and beyond) to the west and Gresham Central Transit Center to the East.
- **Bus Line 73** operates on SE 122nd Avenue, providing critical north-south connectivity. The Rose Lane Project has transit improvements underway or in planning to reduce travel time for Line 73 riders, such as right turn except bus lanes with signal priority, and other bus stop and safety access improvements.
- **Bus Line 9** runs along SE Powell Boulevard, connecting Gresham Central Transit Center with Southeast Portland, South Waterfront, and Portland City Center via the Tilikum Crossing. This route is designated as a frequent service line, with buses running every 15 minutes or less throughout most of the day.
- **TriMet FX2-Division** is the main transit service along SE Division Street. The Division Transit Project introduced the FX2-Division, which operates with 60-foot articulated buses and

⁷ Portland Bureau of Transportation, "Portland 2023 Deadly Traffic Crash Report," February 2024. Available: <https://www.portland.gov/transportation/vision-zero/documents/portland-2023-deadly-traffic-crash-report-0>.

⁸ Oregon Department of Transportation, Crash Data System. Available: <https://www.oregon.gov/odot/data/pages/crash.aspx>.

⁹ Portland Bureau of Transportation, "East Portland Arterial Streets Strategy," May 2021.

expanded bus stations for a more efficient and comfortable ride. Buses on this route arrive every 12 minutes, making it a high-frequency transit line.

Many residents do not feel safe using the local transit system. Local residents have called for increased safety and security at transit facilities, including improving amenities at bus stops and a pilot project for controlled-access platforms and emergency phones at MAX platforms.¹⁰

Pedestrian and Bicycle Facilities

The East Portland District has seen various improvements in pedestrian infrastructure but still faces significant challenges. Historically, many streets in this TIF District were developed without inadequate pedestrian facilities, leading to numerous gaps in sidewalks and safe crossings. Within the TIF District, only 47 percent of streets have sidewalk coverage. Pedestrian fatalities per capita are twice as high in East Portland compared to the city overall. To make these areas safe, the City must redesign streets to move people safely.

Through recent visioning and planning efforts including the Building Healthy Communities – Division Transit Corridor project, Division-Midway Visioning, and Unite Oregon’s East Portland Community Prosperity Initiative, community members have stressed the need for increased investments in the area’s active transportation infrastructure. Key investments called for through these projects include filling gaps in the TIF District’s pedestrian infrastructure, improving lighting, completing Safe Routes to School improvements, and accessibility improvements for residents with disabilities.

The health of local business districts depends upon people feeling safe traveling by foot and bicycle to these areas. Recent implementation efforts have focused on addressing these deficiencies. The East Portland Access to Employment and Education initiative completed new sidewalk infill in East Portland neighborhoods in and near the TIF District.¹¹ The East Portland Arterial Streets Strategy plans for pedestrian crossing safety improvements on NE Glisan Street, NE Halsey Street, SE Stark Street, SE Division Street, and SE 122nd Avenue. East Portland in Motion project implementation has completed new sidewalk or sidewalk infill, crossing improvements, and other corridor safety improvements throughout the TIF District.¹²

Despite these advancements, some areas continue to experience high rates of collisions. Streets such as SE 122nd Avenue, a high-traffic corridor, have been particularly dangerous. Six traffic-related fatalities have occurred on 122nd Avenue since 2022, with an average of two fatalities a year for the past 10 years. It also includes five of the 20 highest crash intersections in the City. The City has recently allocated and/or been awarded more than \$35 million to enhance safety on the corridor through the addition of

¹⁰ East Portland Action Plan, 2011. East Portland Plan Summary, Prosper Portland.

¹¹ Portland Bureau of Transportation, “East Portland Access to Employment & Education Overview Map,” February 2018. Available: <https://www.portland.gov/transportation/pbot-projects/documents/epaee-project-map/download>

¹² Portland Bureau of Transportation, “East Portland Completed Streets & Funded Projects,” Spring 2021. Available: <https://www.portland.gov/transportation/planning/documents/map-east-portland-completed-funded-projects-spring-2021/download>

enhanced crossings, protected bike lanes, intersections improvements, median islands, and better lighting. Nonetheless, after these improvements are constructed there will still be approximately \$65 million in additional safety and transit investments needed, based on the \$100 million estimate for comprehensive safety improvements that was developed as part of the Get Moving 2020 Regional Investment Measure.

The East Portland in Motion plan identified priority corridors for new bike lanes on SE Division Street, SE Stark Street, NE Glisan Street, NE 148th Avenue, and SE 162nd Avenue, as well as a Neighborhood Greenway from SE Powell Blvd to NE Halsey St (3.7 miles of low traffic streets and multi-use paths), which the City has implemented in the last several years. TriMet’s Division Transit Project also added new protected bike lanes along SE Division Street, with physical separation where possible. Even with these improvements, bicycle facilities throughout the TIF District are spotty and disconnected.

Continued implementation of bikeways with improved crossings at major streets and providing neighborhood greenways are crucial steps. Additionally, planning should focus on connecting natural areas and key destinations with trails and bikeway networks as outlined in the Portland Bicycle Plan for 2030.

SANITARY SEWER AND STORMWATER SYSTEMS

This summary is not a comprehensive summary of the BES’s risk or assets, nor does it include a full list of the BES’s Capital Improvement Projects or priority work as of 2024.

This TIF District is served by sanitary sewers in Johnson Creek and Inverness basins. Within the District, 94 percent of the sanitary sewer pipe is rated as in excellent condition. There are approximately 844 linear feet of sanitary sewer pipe rated as in poor condition (less than 1 percent of the sewer pipes, by length, in the District).

Multiple pump stations serve the area within the TIF District—though they may not be located within the TIF District Boundary—including Inverness, Skidmore, Marx & 92nd, Marx & 105th, Holman, Airport Way 1, and Airport Way 2 Pump Stations. The pump stations are not predicted to have capacity constraints. This assessment is based on existing and future development predictions made by the Bureau of Planning and Sustainability as of 2023. However, capacity improvements may be required if significant zoning changes increase inflow.

Table P. Sewer and Storm Pipe Condition Summary for the East 205 TIF District

CONDITION	STRUCTURAL GRADES	SEWER PIPE LENGTH (FT)	SEWER PERCENT BY LENGTH	STORM PIPE LENGTH (FT)	STORM PIPE PERCENTAGE
Unknown	Unknown	1,840	0.4%	31,695	99.1%
Excellent	1	479,857	94.2%	279	0.9%
Good	2	25,652	5.0%	NA	NA
Fair	3	1,408	0.3%	NA	NA
Poor	4	844	0.2%	NA	NA
Very Poor/Need Attention	5	NA	NA	NA	NA
Total		509,600	100.0%	31,974	100.0%

Source: Portland Bureau of Environmental Services, 2024

Potential Issues and Concerns

Approximately 25 percent of sumps in this area lack installation date information and close to 20 percent of sumps are past their expected useful life of 30 years. Some of these sumps may require replacement if they fail to provide adequate infiltration. Additional sumps or stormwater collection improvements may be required in locations where development occurs, especially where curbs are added to currently unimproved streets.

Potential Investment Needs

Though not located within the TIF District boundary, the Inverness pump station provides critical functionality for areas within the East 205 TIF District and is a high-priority project that requires rehabilitation and seismic improvements. Rehabilitation and seismic upgrades to the Inverness pump station are currently the Bureau of Environmental Service’s (BES) highest priority due to the existing force main issues and significant consequences of failure. As of 2024, BES is conducting a planning study to determine the best alternative for providing reliable sanitary sewer service to this area. One possible option is to reinstate a wastewater treatment plant at the pump station location and abandon the pump station and force main. This would increase resilience and reliability, as well as potentially increase the service capacity and expand the area served (depending on design).

The Inverness Pump Station pumps to the Columbia Boulevard wastewater treatment plant via a 36-inch force main in Marine Drive. The force main has experienced several structural failures recently and is located in a high seismic hazard area along the Columbia River.

WATER INFRASTRUCTURE

The water infrastructure in this TIF District contains a large amount of small distribution mains. If higher-density development occurs, the Portland Water Bureau may need to install new pipes. As noted in the Transportation section of this report, the District needs many improvements to the street network.

Street improvement projects will impact water mains. As the District undergoes road improvement projects, planning for concurrent updates to outdated water infrastructure can reduce overall costs and minimize disruption to the community. Portland Water Bureau conducted a review of 122nd Avenue transportation improvements in 2021 that identified

PARKS

Existing Parks

The District includes several smaller developed and undeveloped neighborhood parks (approximately 10 acres or less), including Cherry Park, Lynchwood Park, and Parklane Park. No community centers or natural areas exist within the TIF district boundaries, though the East Portland Community Center and the Kelly Butte Natural Area are just west of the District’s western boundary. As is the case with parks across the City, funding streams for repair, replacement, and ADA compliance updates for park facilities in this district are deficient

Planning projects including the Division-Midway Visioning (2023) and the SE 122nd Avenue Study (2011) emphasized the need to develop or provide shared space for additional recreational spaces and community gardens in unused right-of-way and other underused sites. Additional investments could help to support residents’ use of local parks, including bike lockers, adequate lighting ADA improvements for existing infrastructure, and transit access. Accessible parks and green spaces were desired by all groups, providing recreational areas for children, seniors, and families to enjoy. There was also a consensus on the importance of tree planting, flower baskets, and maintaining landscaping along the corridor. During future parks planning processes, the community emphasized the need for community in designing parks that are culturally responsive and address urban heat island effects.

Level of Service

The City of Portland’s Parks 2020 Vision includes the goal that there will be a developed park or natural area within a half-mile (10-minute to 15-minute walk) of every resident and a full-service community center within three miles of every resident. Portland Parks and Recreation has assessed levels of service throughout the city. According to their data, within the East 205 TIF District, only 62 percent of housing units are within a half mile of a park, compared to 85 percent of housing units citywide. Note that while the level of service provides a quantitative measure of park provision it does not assess park quality, conditions, amenities, or accessibility.

Planned Parks and Trails

In 2021, Portland Parks & Recreation acquired a 0.5-acre parcel adjacent to Mill Park, intending to solve access and visibility issues and provide needed parking for the park. Construction is currently underway at the 5.7-acre Mill Park property to add new park amenities, trails, and landscaping, with an expected completion date of Fall 2024.

A Park Master Plan for the 7.5-acre property at SE 150th and Division was approved by the Portland City Council in November 2017. When funding becomes available, Portland Parks & Recreation will again work with the community to refine the Master Plan, adding specific details to the park design. The future park will help fill a significant need for parks in one of Portland’s most diverse neighborhoods.

Parklane Park, at SE Main Street and SE Millman Street, is currently undergoing construction as part of a planned expansion from 5 acres to 25 acres. Park completion is expected in the Summer of 2025. The 2009 Parklane Park Masterplan also identified the need for an outdoor aquatics center in the area.

Environmental Challenges

URBAN HEAT ISLAND

Urban heat islands are urbanized areas that are significantly warmer than nearby areas. These areas can have daytime temperatures that are 1–7 degrees hotter and nighttime temperatures that are 2–5 degrees hotter than other surrounding areas. Climate change exacerbates this phenomenon, with regions like the Pacific Northwest experiencing average temperature increases of nearly 2 degrees since 1900 and more frequent heat waves.¹³

Many factors contribute to higher urban temperatures, but two of the most important are the share of impermeable, heat-absorbing surfaces like asphalt and concrete and the amount of tree cover and green spaces that cool the air with shade and moisture. Heat islands can increase energy consumption for cooling, leading to higher electricity bills and more pollution. Additionally, heat islands can cause health problems like heat stroke and exacerbate respiratory issues, especially for vulnerable populations and can also damage critical infrastructure.

The intensity of urban heat islands disproportionately affects low-income residents and BIPOC communities, often in formerly redlined areas where industrial development compromised environmental and public health. These communities continue to suffer from fewer natural amenities and heightened heat island effects in many places. Multnomah County’s report on the 2021 heat dome event indicates that 59 percent of the people who died from heat-related illness lived in areas with the highest mean temperatures.¹⁴

¹³ U.S. Department of Agriculture, “Urban Heat Islands in the Northwest,” (n.d.). Available: <https://www.climatehubs.usda.gov/hubs/northwest/topic/2021-northwest-heat-dome-causes-impacts-and-future-outlook>.

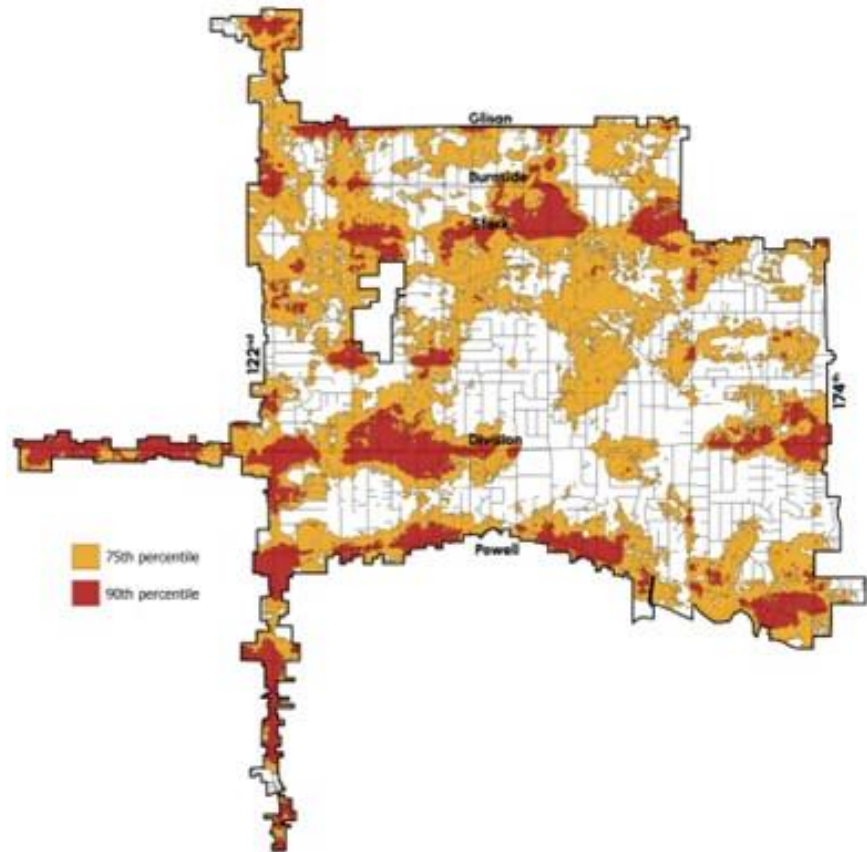
¹⁴ Multnomah County, “Health Impacts from Excessive Heat Events in Multnomah County, Oregon, 2021,” June 2022), p. 14. Available: https://www.opb.org/pdf/multco-heat-report-final-06262022_1656296951051.pdf.

Almost 83 percent of homes in the TIF District are in the 75th percentile or higher of all temperature readings in the region, compared with 57 percent of housing units citywide, as shown in Figure E.¹⁵ A lack of street trees and on-site trees contributes to the area’s urban heat island effect, along with many large surface parking lots in the area. Street trees also mitigate air pollution by absorbing particulate matter and preventing the formation of secondary pollutants.

Increasing tree canopy, vegetation, and green infrastructure has been identified as a community priority in many plans that intersect the East 205 TIF District boundary. Unite Oregon’s 2021 East Portland Community Prosperity

Initiative Engagement Report and Portland African American Leadership Forum’s (PAALF) 2017 People’s Plan called for tree plantings and community garden investments in underserved neighborhoods.

Figure E. Percentile of Average Temperatures, East 205 TIF District



BROWNFIELDS

Given the presence of numerous legacy auto-oriented businesses and older commercial buildings along the commercial corridors in the East 205 TIF District, the area contains many potential brownfield sites that could add to the redevelopment costs. In 2013, the City conducted an inventory¹⁶ of potential brownfields by identifying vacant or underutilized properties from the City’s Buildable Lands Inventory and cross-referencing them with the Oregon State Department of Environmental Quality (DEQ) inventory of environmental cleanup sites and leaking underground storage tanks. It is important to note that although these sites have been flagged by the DEQ, contamination has not been confirmed for

¹⁵ EConorthwest analysis of data from City of Portland Bureau of Planning and Sustainability and Metro RLIS.

¹⁶ Portland Bureau of Planning and Sustainability, “Brownfields,” (map). Available: <https://www.portlandmaps.com/bps/brownfields/>.

many of them. Detailed Phase 1 and Phase 2 environmental site assessments would provide greater detail about the environmental status of these sites. This inventory indicated that there were over 57 acres of brownfield sites in commercial corridors in East Portland.¹⁷

Social Conditions

This section provides an overview of demographic conditions within the TIF District. All data within this section were compiled from the United States Census Bureau's 2018–2022 American Community Survey (ACS) 5-year estimates. The project team assembled data from 43 United States Census Bureau block groups that provide the best representation of demographic and social characteristics of the area. These block groups encompass an area that is larger than the boundary of the TIF District.

Population and Population Growth

The TIF District's population has grown at a faster rate compared to the City of Portland as a whole. An estimated 75,217 people live in the area. Between 1990 and 2022, the TIF District's population increased by 151 percent.¹⁸

AGE

The TIF District's population is younger compared to the rest of Portland. Youth under the age of 18 make up 24 percent of the TIF District's population, compared to 17 percent of the City's population. In contrast, there are fewer working age residents (aged 18–64) and fewer seniors (aged 65 years or older) in the TIF District. Working age residents make up 63 percent of the population compared to 69 percent of the City's population. Seniors make up 13 percent of the District's population compared to 14 percent of Portland's population.¹⁹

RACE AND ETHNICITY

The East 205 TIF District has a diverse community with a higher share of residents who identify as Black, Indigenous, or people of color (BIPOC) compared to Portland as a whole. BIPOC residents make up 47 percent of the District's population, which is 15 percentage points higher than Portland's population of BIPOC residents. The predominant BIPOC racial groups are Hispanic of any race (19 percent) and Asian, non-Hispanic (12 percent).²⁰

¹⁷ E.D. Hovee & Company, ECONorthwest, Redevelopment Economics, Maul Foster Alongi, "Portland Brownfield Assessment, Final Report," December 2012. Available: <https://www.portland.gov/sites/default/files/2020-02/portland-brownfield-assessment-final-report-with-appendices.pdf>.

¹⁸ U.S. Census Bureau, Decennial Census 1990, 2000, 2010, 2020.

¹⁹ U.S. Census Bureau, 2018–2022 ACS 5-year estimates, Table B01001.

²⁰ U.S. Census Bureau, 2018–2022 ACS 5-year estimates, Table B03002.

Educational Attainment

Educational attainment in the TIF District is lower than Portland’s overall educational attainment.

While more than 50 percent of Portland residents have a four-year degree or higher, only 20 percent of those residing in the TIF District have achieved this level of education. Additionally, the share of residents without a high school diploma is 10 percentage points higher in the TIF District than in the City of Portland.²¹

Commute Time and Transportation Mode

TIF District residents are more likely to drive or carpool to work compared with other workers in Portland.

People living in the East 205 TIF District are less likely to work from home or use public transit or active transportation for their commutes. A large disparity exists in the ability to work from home—the share of TIF District residents who are able to work remotely is 13 percentage points lower than Portland’s share of remote workers. While most TIF District residents have a commute time up to 44 minutes, consistent with Portland averages, the share of workers with commutes longer than 45 minutes is six percentage points higher than the Portland workforce.

Economic Conditions

The following are economic trends identified in ACS data and other sources like the Quarterly Census of Employment and Wages (QCEW) and CoStar that have implications for new development in the East 205 TIF District:

- **The TIF District’s population is growing faster than Portland’s.** The population within the East 205 TIF District has increased by over 151 percent since 1990, which is 16 percentage points higher than Portland’s rate of population growth.²² This rate of population growth indicates there may be high demand for additional housing in the area.
- **Residents are vulnerable to changing economic conditions, making displacement more difficult to prevent.** The BPS Economic Vulnerability Assessment determined a score of 91 for the District’s Census tracts, with any score over 60 considered a vulnerable tract. Economic vulnerability means that residents are more likely to pay a large share of their income toward housing and transportation, belong to communities of color, lack college degrees, and have low incomes.²³
- **Housing cost burden affects nearly two thirds of households.** Approximately 63 percent of TIF District residents who rent experience cost burden, meaning they spend more than 30 percent of their income on housing. Renters in the TIF District are 15 percentage points more cost

²¹ U.S. Census Bureau, 2018–2022 ACS 5-year estimates, Table B15003.

²² National Historical Geographic Information System, population as percent of 1990 total.

²³ U.S. Census Bureau, 2016–2020 ACS 5-year estimates, Tables B25106, B25010, B03002, B19013, B15002.

Prepared June 19, 2022 by the Portland Bureau of Planning and Sustainability.

burdened than renters across the City of Portland, as summarized in Table . The greatest disparity is in the number of severely cost-burdened renter households, who spend more than 50 percent of their income on housing. Thirty-four percent of District residents are severely cost burdened, which is 10 percentage points higher than the City of Portland.

Table Q. Cost Burden, East 205 TIF District and Portland, 2022

	EAST 205 TIF DISTRICT	PORTLAND
Burdened	29%	24%
Severely Burdened	34%	24%
Total Burdened	63%	48%

Source: U.S. Census Bureau, 2018–2022 ACS 5-year estimates, Table B25070.

- **Household income is lower in the TIF District.** Compared to Portland, a smaller share of households in the TIF District earn more than \$75,000 (55 percent versus 37 percent). Overall, Median Household Income in Portland is \$85,876 compared to \$57,149 in the TIF District.²⁴

Business and Employment Conditions

The East 205 TIF District includes six commercial corridors. These commercial corridors are home to over 1,500 businesses, ranging from national chains in large shopping centers to small family-owned shops. Despite the density of businesses in the TIF District, the area has a low share of Portland’s overall employment (2.1 percent) compared to its working age population (11.1 percent) and wages are lower on average compared to the city as a whole.

- **The East Portland commercial corridors are composed primarily of service establishments.** Table RR summarizes the share of establishments by industry, comparing the TIF District to Portland. While the share of establishments in the TIF District generally resembles Portland’s industry makeup, there is a greater share of construction and resources in the District and a smaller share of manufacturing and wholesale trade, transportation, and utilities.

Table R. Share of Establishments by Industry, East 205 TIF District and Portland, 2022

	EAST 205 TIF DISTRICT		PORTLAND	
	Establishments	Share	Establishments	Share
Construction and Resources	126	8%	1,897	5%
Finance, Insurance and Real Estate	129	8%	2,910	8%
Manufacturing	10	1%	1,286	4%
Public Administration	5	0%	173	0%
Retail	151	10%	2,615	7%

²⁴ ECONorthwest analysis of U.S. Census Bureau, 2018–2022 ACS 5-year estimates, Table B19013.

Services	1,046	69%	23,810	67%
Wholesale Trade, Transportation, and Utilities	53	3%	2,730	8%
Total	1,520	100%	35,421	100%

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2022

Note: Industries with a small number of establishments and employees are suppressed for reasons of confidentiality required by the Oregon Employment Department.

- Average wages in the TIF District are less than the citywide average for all sectors.** There are 9,541 jobs in the TIF District. Employment in the service sector is the most common occupation for people who work in the TIF District, making up 66 percent of jobs, as shown in Table S. The retail sector employs 22 percent of TIF District workers, despite retail only composing 10 percent of establishments within the East 205 TIF District, likely due to the presence of large format national retail chains along key commercial corridors in the District. Across all employment, average wages in the East 205 TIF District are \$29,258 compared with \$54,816 citywide. For each private sector industry, average wages in the TIF District are lower than those same sectors in Portland as a whole, as shown in Table T. The disparity in pay ranges from 15 percent lower in retail jobs and up to 65 percent lower in wholesale, transportation, and utilities jobs. Other sectors that can offer stable, living wages, such as manufacturing and finance are less common in the TIF District relative to the city.

Table S. Share of Employment by Industry, East 205 TIF District and Portland, 2022

	EAST 205 TIF DISTRICT	PORTLAND
Construction and Resources	4%	5%
Finance, Insurance and Real Estate	4%	6%
Manufacturing	0%	6%
Public Administration	1%	3%
Retail	22%	8%
Services	66%	61%
Wholesale Trade, Transportation, and Utilities	2%	12%

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2022

Note: Industries with a small number of establishments and employees are suppressed for reasons of confidentiality required by the Oregon Employment Department.

Table T. Average Pay Per Employee, East 205 TIF District and Portland, 2024

	EAST 205 TIF DISTRICT	PORTLAND
Construction and Resources	\$22,656	\$39,285
Finance, Insurance and Real Estate	\$25,830	\$55,321
Manufacturing	\$18,621	\$42,135

Public Administration	\$103,854	\$85,721
Retail	\$26,910	\$31,603
Services	\$20,638	\$39,478
Wholesale Trade, Transportation, and Utilities	\$21,920	\$61,898

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2022

Note: Industries with a small number of establishments and employees are suppressed for reasons of confidentiality required by the Oregon Employment Department.

- **Unemployment is higher in the TIF District than in Portland.** In 2022, the TIF District’s unemployment rate was 6.4 percent compared to 5.6 percent for Portland overall.²⁵

Development Conditions

This section describes the condition of buildings within the TIF District along with current market conditions in the residential and commercial real estate sectors.

BUILDABLE LANDS

According to the Bureau of Planning and Sustainability Buildable Lands Inventory, the TIF District has 468 vacant parcels and 273 underutilized parcels. Vacant parcels have either no structure, or a structure that covers less than 5 percent of the site area. Underutilized sites are non-vacant sites where the adjusted market value is less than the value of the land. Vacant parcels in the East 205 TIF District tend to be smaller than underutilized parcels. The majority of vacant parcels (68 percent) are less than 10,000 square feet, while underutilized parcels tend to be larger, with almost 70 percent between 10,000 and 50,000 square feet, as summarized in Table U. About 40 percent of vacant and underutilized parcels are zoned for Residential Multi-Dwelling zones. The prevalence of small buildable parcels limits the potential for catalytic redevelopment projects to expand housing, employment, or commercial opportunities unless they can be combined with neighboring parcels into larger sites.

Table U. Vacant and Underutilized Parcels by Parcel Size, East 205 TIF District, 2024

PARCEL SIZE (SQ. FT.)	VACANT PARCELS (%)	UNDERUTILIZED PARCELS (%)
<5,000	31%	4%
5,000-9,999	37%	21%
10,000-19,999	19%	41%
20,000-49,999	12%	28%
50,000-99,999	1%	3%
>100,000	0%	2%

Source: Portland Bureau of Planning and Sustainability, 2024

²⁵ U.S. Census Bureau, 2018–2022 ACS 5-Year estimates, Table B23025.

Table V. Vacant and Underutilized Parcels by Zoning, East 205 TIF District, 2024

	VACANT PARCELS (% OF PARCELS)	UNDERUTILIZED PARCELS (% OF PARCELS)
Commercial Employment (CE)	3%	1%
Commercial Mixed Use 1 (CM1)	3%	2%
Commercial Mixed Use 1 (CM2)	4%	2%
Commercial Mixed Use 1 (CM3)	2%	1%
Residential 2,500 (R2.5)	1%	0%
Residential 5,000 (R5)	17%	5%
Residential 7,000 (R7)	17%	2%
Residential Multi-Dwelling (RM1)	9%	14%
Residential Multi-Dwelling (RM2)	5%	6%
Residential Multi-Dwelling (RM3)	2%	5%

Source: Portland Bureau of Planning and Sustainability, 2024

BUILDING TO LAND VALUE RATIO

Analyzing a property’s assessed value for its land and structures helps evaluate the economic condition of existing development in the area. The relationship between a property's improvement value (buildings and other enhancements) and its land value, known as the Improvement to Land Value Ratio (I:L ratio), gives a high-level indication of development intensity. An I:L ratio over 1.0 suggests the property is less likely to be redeveloped, while a ratio of 1.0 or less indicates a higher potential for redevelopment.

Forty percent of the acreage in the TIF District has an I:L ratio of less than 1.0, as shown in Table WW. About 31 percent of properties in the TIF District have an I:L ratio between 0.5 and 1 which may reflect the share of smaller, older buildings on larger lots in the TIF District.

Table W. Improvement to Land Value by Acreage, East 205 TIF District, 2024

	EAST 205 TIF DISTRICT	PORTLAND
3 or higher	15%	14%
1–2.99	46%	43%
0.5–0.99	31%	28%
0.25–0.49	7%	7%
Less than 0.25	2%	7%

Source: Regional Land Information System (RLIS)

BUILDING AGE

Although the East 205 TIF District did not experience the same level of construction activity before 1960 compared to City of Portland, the building stock still skews older than the city as a whole. Approximately 75 percent of the TIF District buildings were constructed before 1979 compared to 68 percent of buildings in Portland.

Buildings constructed before 1960 can contain hazardous materials and outdated systems that pose risks to current occupants. Many older buildings have insulation and flooring that contains asbestos, a chemical that poses severe respiratory risks if disturbed through decay or renovation. Lead-based paint, which was common before 1978, can cause serious health issues, particularly in children. Outdated electrical and heating systems increase the risk of fires, a particular risk in buildings that lack modern fire suppression systems and adequate exits. Aging plumbing systems can cause leaks and water contamination. Older buildings are also vulnerable to seismic activity due to the absence of earthquake-resistant designs. Poor insulation and ventilation contribute to mold growth and poor air quality, and radon resistant new construction has only been required in Portland since 2013. Finally, older buildings often do not comply with modern building codes, making thorough inspections and renovations essential for safety and habitability.

RESIDENTIAL REAL ESTATE MARKET CONDITIONS

While the TIF District is aligned along key commercial spines for East Portland, the vast majority (90 percent) of existing uses within the TIF District boundary are residential. The neighborhoods within the TIF District serve an increasingly diverse community of residents, including many immigrants, as well as young families. Demand for housing in the area is relatively strong, but conditions in the real estate market present challenges to adding additional needed housing to meet community needs.

- **Lower rents in the TIF District limit the potential for residential development, despite more demand for housing in the area.** Market-rate rents for multi-dwelling units in the East Portland District are about 29 percent lower than Portland as a whole, at an average of \$1.45 per square foot compared with \$2.04 citywide, as shown in Table XX. Compared to areas of the city with comparable development costs and incentives, the TIF District's low rents make the area less attractive for new residential development. This dynamic can be observed in the slower growth of multi-dwelling housing in TIF District compared to Portland overall. Between 2000 and 2024, the TIF District expanded its multi-dwelling housing stock by 148 percent compared to a 170 percent increase across the city. Fewer new housing units in the TIF District contributes to a lower vacancy rate (5.8 percent compared to 7.2 percent citywide) which indicates a more constrained housing market and higher demand for housing. Yet as of the first quarter of 2024, no new units were under construction in the TIF District. East Portland has also seen a smaller share of middle housing development since the City of Portland's Residential Infill Project code changes were adopted in 2020. Despite large parts of East Portland having 7,000-square foot residential lots that can more easily accommodate Accessory Dwelling Units (ADUs) and small

plexes, only 15 percent of ADU permits (14 units) and 20 percent of middle housing permits (40 units) have been filed in East Portland.²⁶

Table X. Multi-Dwelling Market Conditions, East 205 TIF District, 2024

	EAST 205 TIF DISTRICT	PORTLAND
Multi-Dwelling Units (% of year 2000 total)	148%	170%
Vacancy Rate	5.8%	7.2%
Under Construction (Units)	0	5,183
Asking Rent (per square foot)	\$1.45	\$2.04

Source: CoStar, 2024 Q1

- The TIF District lacks an adequate affordable housing supply.** According to the Portland Housing Bureau, the TIF District has 1,506 subsidized housing units out of a total of more than 21,500 homes. Of these units, 82 percent are designated for very low income (31–60 percent of Area Median Income) and 17 percent are designated for extremely low income (0–30 percent of Area Median Income). There are only 18 low-income (61–80 percent of Area Median Income) and no moderate-income (81–100 percent of Area Median Income) subsidized housing units within the TIF District boundary. The small share of affordable housing contributes to the higher rate of cost burden for renter households within the TIF District, at 63 percent.
- Most multi-dwelling housing units in the TIF District are considered naturally occurring affordable housing (NOAH).** Approximately 89 percent of the TIF District’s market rate multi-dwelling units qualify as NOAH compared to 36 percent citywide.²⁷ NOAH is generally defined as units whose rents are not regulated, but that rent on the open market at rates that are affordable to households earning 60 percent or less of Area Median Income. Often these buildings are older, with fewer building amenities, or in need of repair. NOAH properties are vulnerable to redevelopment and repositioning at higher rents, which can lead to displacement of existing residents.
- Manufactured homes are the third most common type of housing in the TIF District.** There are 20 manufactured home parks in the East 205 TIF District that contain 1,120 homes. Manufactured homes tend to be more affordable than other single-dwelling housing and provide an opportunity to build moderate wealth for their owners. Yet because manufactured homeowners do not own the land underneath their homes, they are especially vulnerable to increases in land rents and utility services for their homes, which can cause displacement.

²⁶ Cascadia Partners, “Residential Infill Project: Year-One Report,” June 2023. Available: <https://www.portland.gov/bps/planning/rip/documents/residential-infill-project-rip-year-one-report-full-report-june-2023/download>.

²⁷ CoStar, 2024. Analysis by ECONorthwest, May 2024. This analysis includes rental properties with more than 10 units. ECONorthwest modeled rents for properties that were missing rent data based on similar features (size, building age, amenities, etc.) of properties with recorded rent data.

- Over half of households own their homes, but home values are lower than the city median.** Approximately 53 percent of TIF District residents own homes, the same rate as the city overall. In 2023, the median home sale price in the district was \$127,000 lower than Portland’s median home sale price.²⁸ Lower and slow-growing home values can make it difficult for homeowners to weather economic shocks or keep up with maintenance and critical repairs due to lower incomes and more limited access to home equity credit.
- As high-density residential development increases, access to outdoor space may worsen for apartment residents.** Renters of multi-dwelling residential units may disproportionately experience limited access to outdoor spaces without development requirements to facilitate these amenities. The high-density residential zone (RH) requires no outdoor spaces. In some situations, such as in East Portland where the RH zone is located close to light rail stations, parking lots are the only places for children to play adjacent to their homes. Apartment residents have identified the need for having usable outdoor spaces located close by for activities such as children’s play and growing food. Currently, shared outdoor spaces that are large enough to provide these opportunities are not required and often not provided with new multi-dwelling development.²⁹

OFFICE REAL ESTATE MARKET CONDITIONS

There are 87 office buildings with a total of 392,647 square feet in the TIF District, with a concentration of office uses along SE Stark and SE Division Streets, and the segment of SE 122nd Avenue between these two corridors. Office rents in the area are much lower than citywide averages, at \$17.92 per square foot compared to \$26.88 in Portland, as shown in Table Y. Growth in office space has occurred slower than the city as a whole since 2003 and office vacancies are significantly lower than Portland averages, at 5 percent compared with 18 percent citywide. About 40 percent of existing offices are small scale buildings with less than 3,000 square feet, including converted single-dwelling homes. The share of small-scale offices, combined with overall low vacancy rates suggests a need for affordable commercial spaces to accommodate small service-based businesses that serve the area. As of the first quarter of 2024, there are no new offices under construction within the TIF District or in Portland overall, likely due to the continuing effects of COVID-19 on remote work patterns.

Table Y. Office Market Conditions, East 205 TIF District, 2024

	EAST 205 TIF DISTRICT	PORTLAND
Inventory (% of year 2003 total)	104%	112%
Vacancy Rate	5%	18%
Under Construction (SF)	0	0
Asking Rent (NNN)	\$17.92	\$26.88

²⁸ Multnomah County Assessor and Portland Bureau of Planning and Sustainability.

²⁹ Portland Bureau of Planning and Sustainability, “Better Housing By Design Concepts Report,” 2017.

Source: CoStar, 2024 Q1

RETAIL REAL ESTATE MARKET CONDITIONS

Retail and service businesses form the largest share of commercial activity within the TIF District, and represent a slightly larger share of businesses in the TIF District than in the city as a whole. Overall retail inventory has remained unchanged in the TIF District since 2000, which matches citywide. Retail rents in the East 205 TIF District are lower than Portland average rents, as shown in Table. The vacancy rate for retail uses within the TIF District is about the same as for the City of Portland (5.7 percent compared to 5.2 percent). Despite a similar demand, there is no new supply in the development pipeline within the TIF District boundary.

Table Z. Retail CoStar Market Conditions, East 205 TIF District, 2024

	EAST 205 TIF DISTRICT	PORTLAND
Inventory (% of year 2000 total)	100%	101%
Vacancy Rate	5.7%	5.2%
Under Construction (SF)	0	8,261
Asking Rent (NNN)	\$12.66	\$21.11

Source: CoStar, 2024 Q1

INDUSTRIAL REAL ESTATE MARKET CONDITIONS

The TIF District has just under 64,000 square feet of industrial development, which represents a decline of 11 percent since 2000, as shown in Table AA. Currently less than one acre is zoned to support industrial uses (General Employment 2 and General Industrial 2), and these parcels are not classified as vacant or underutilized. Given these constraints, new industrial development is not likely to occur in the East 205 TIF District.

Table AA. Industrial Market Conditions, East 205 TIF District, 2024

	EAST 205 TIF DISTRICT	PORTLAND
Inventory (% of year 2000 total)	89%	116%
Vacancy Rate	5.3%	6.6%
Under Construction (SF)	0	509,669
Asking Rent (NNN)	\$18.00	\$10.54

Source: CoStar, 2024 Q1