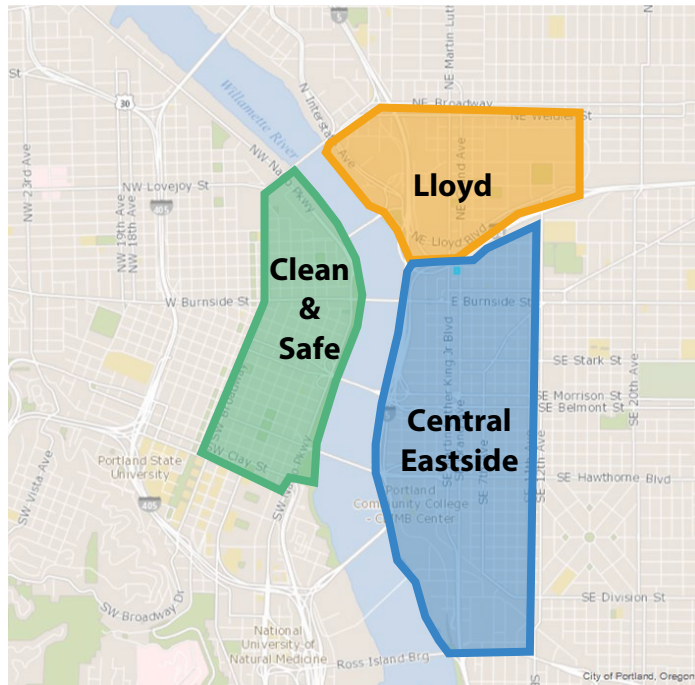


Enhanced services districts:

City provides little oversight of privately funded public services

AUDIT HIGHLIGHTS | August 2020



Source: Portlandmaps.com. District boundaries are approximate.

Audit findings

Districts provide security and maintenance of public spaces, but without the level of transparency and accountability required for similar services managed by the City.

Budgets

Lloyd Enhanced Services District

\$489,545 | 2019 budget

Clean & Safe Enhanced Services District

\$5,007,697 | 2019 budget

Central Eastside Enhanced Services District

\$3,058,761 | 2020 budget

Enhanced Services District process

1. Community members ask City to form district
2. City Council approves district fees and boundary in City Code
3. City and district sign agreement for fee collection and services
4. City collects fees, covers admin costs, and distributes revenue to district
5. District contracts with providers and uses fee revenue to fund services

Audit results

✗ **No City guidance** on process to form districts

✗ **No City guidance** on district governance or allowable services

✓ **Clear City guidance and process** in place to collect and distribute fee revenue

⚠ **Little oversight of public safety** or other services provided in public spaces

Audit recommendations

We recommend the City review the districts' purpose and the City's responsibility and revisit the district agreements. If the districts continue to provide services in public spaces, the City should develop guidelines for district formation, governance, and management.