

**82nd Ave Area  
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.<sup>1</sup> This report satisfies that requirement, providing technical information on existing conditions, proposed projects and financial analyses in support of the community co-created 82nd Avenue Area 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 areas recommended for the 82<sup>nd</sup> Ave Area TIF District and discusses the reasons for their inclusion. These areas were selected due to physical, social, and economic conditions as described in Attachment A and their direct relationship to the investment needs detailed in Section 1.2.

The creation of a TIF District along 82<sup>nd</sup> Avenue presents a unique opportunity to leverage the recent jurisdictional transfer of the corridor from the Oregon Department of Transportation to the City of Portland in 2022. Establishing a dedicated TIF District for 82<sup>nd</sup> Avenue will ensure that the entire length of the corridor receives the attention and housing and economic development resources required to stabilize and support the local community while stimulating growth and making community-based investments that complement the City and region’s larger scale infrastructure project. As part of the TIF Exploration process, the 82<sup>nd</sup> Avenue Working Group developed "principles of inclusion" to guide boundaries and elevate areas in need of affordable housing and commercial development:

- *Focus on nodes rather than a continuous strip of development; support less car-centric 20-minute micro-communities*
- *Capture commercial mixed-use zoning, employment, and higher density residential on entire 82<sup>nd</sup> Avenue corridor*
- *Include western “fingers” on neighborhood corridors and greenways for approximately 10 blocks, to meaningfully support 82<sup>nd</sup> Avenue nodes and communities*
- *Prioritize higher-density residential near the corridor but include some surrounding single-family areas for ownership programs*
- *Remove school properties, except for Portland Community College, acknowledging ability to invest in K-12 is limited*

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<sup>1</sup> 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.

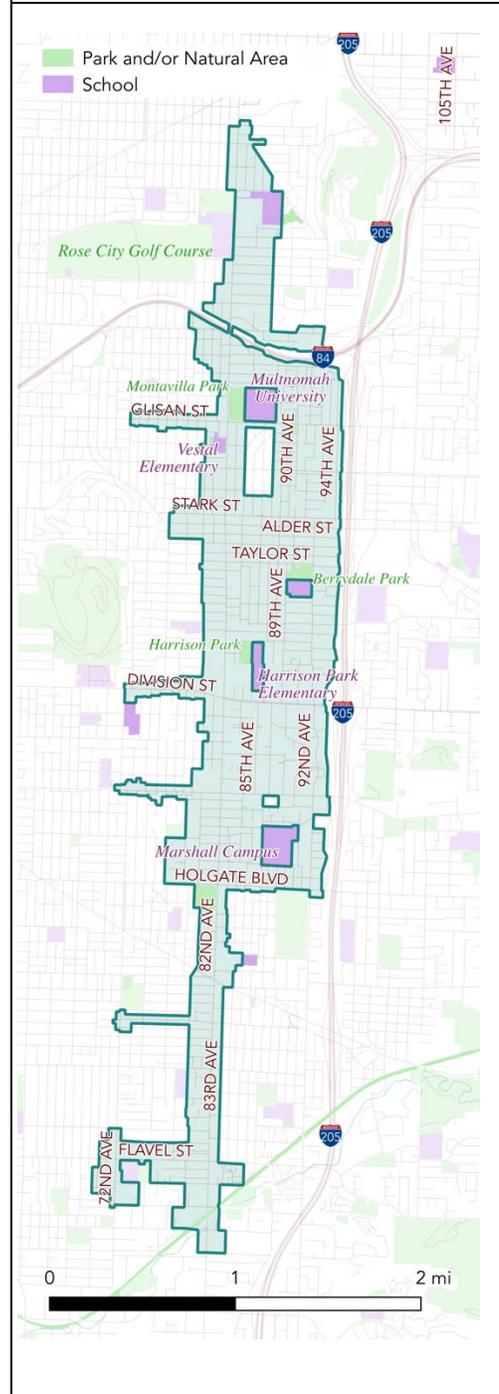
- Include parks properties to support an inclusive, diverse and cohesive community
- Exclude areas of higher value single-family residential near Rocky Butte<sup>2</sup>

The final TIF District boundary encompasses much of the urban corridor for 82<sup>nd</sup> Avenue running through NE and SE Portland. Figure A shows the areas included within the boundaries of the TIF District.

**Rationale for the TIF District Boundary**

- **Concentration of vacant and underutilized properties:** The commercial 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. Parcel assembly may be required, given small lots in the area. [ORS 457.010(a)(b)(c)(h)]
- **Alignment with planned infrastructure and transportation investments:** This boundary aligns with Building a Better 82<sup>nd</sup> Avenue, which 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, road safety issues, and local flooding. TIF Projects can help to advance community goals for equitable development of housing and commercial projects. [ORS 457.010 (e)(f)]
- **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)]

**Figure A. 82<sup>nd</sup> Ave Area TIF District Boundary**



<sup>2</sup> Presentation at TIF Exploration Working Group – March 6, 2024.pdf  
82<sup>nd</sup> Avenue Area TIF District Report 2024 DRAFT

- **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-serving businesses. Investments that transition the built environment to better meet the needs of neighborhood-serving commercial uses will help stabilize local businesses and advance employment and entrepreneurship goals for the community. *[ORS 457.010(a)(b)(h)]*

### **NE Siskiyou to E Burnside**

The area features auto-oriented parcels, some with vacant buildings and large parking lots, especially south of NE Siskiyou and north of Interstate 84. These areas have a mix of active and vacant properties, which could be positioned for targeted equitable redevelopment. Parcel assembly may be required due to the presence of small lots. Additionally, there is a large former landfill in this area. *[ORS 457.010(a)(g)]*

The area near McDaniel High School presents an opportunity to mitigate livability and safety issues for students and residents through targeted investments in small businesses, recreational facilities, and other community resources. Community members have expressed a desire to see more vibrancy in this area, with the hope that it would reduce some of the illegal and/or vice activity seen here. In addition, the University of Western States is located at between NE Tillamook and NE Schuyler Streets.

The NE Glisan commercial corridor serves many diverse customers with unique cultural goods and services, but it has older buildings that may have antiquated systems and deferred maintenance. This area could also benefit from district branding. Including this corridor in the district allows for more cohesive commercial nodes where there is already business activity. *[ORS 457.010(a)(b)]*

### **E Burnside to SE Powell**

The Montavilla commercial strip on SE Stark is a key destination in the TIF District for local residents and visitors. Including this area in the TIF boundary can help the area continue to serve as a catalyst for further economic growth through commercial development and housing projects. This area includes significant educational institutions like the chiropractic college and Portland Community College, as well as large property owners and tenants. Including these partners aims to leverage these institutions' presence for broader community benefits. Portland Community College's Southeast Campus is located just north of SE Division Street which serves as an important community asset to support businesses along both the 82<sup>nd</sup> Avenue and SE Division corridors. *[ORS 457.010(a)]*

The Montavilla Community Center needs repair to serve the community at the Portland Parks and Recreation. *[ORS 457.010(b)]*

The Jade District, which includes 82<sup>nd</sup> Avenue between SE Harrison Street and SE Franklin Street, and SE Division Street to SE 93<sup>rd</sup> Avenue, includes a concentration of Asian grocery stores, restaurants, services and retail businesses – including Fubonn Shopping Center – that serve both local and regional markets, making it a key destination for culturally-specific goods and services. Inclusion of this area enables activation of existing spaces and intensifying of commercial uses to support employment and entrepreneurship. Community feedback emphasized protecting small businesses along the 82<sup>nd</sup> Avenue

corridor, an important destination for immigrant-serving businesses. Residents support investment in Jade District branding and concentrating small businesses along the corridor. Including culturally specific community organizations such as Asian Pacific American Network of Oregon (APANO) and African Youth & Community Organization (AYCO) in the TIF District ensures inclusive development that benefits diverse community members. Including Division Street in the corridor helps to strengthen the Jade District as a commercial business district. *[ORS 457.010(h)]*

### **SE Powell to SE Foster**

This area features large-scale retail including the Eastport Shopping Center and major Asian grocery stores. While part of the 82<sup>nd</sup> Avenue TIF Boundary falls within the boundaries of the Lents TIF District, the focus of resources in that plan was on the town center and Foster Road, leaving 82nd Avenue without much-needed investment to advance the broader area vision. *[ORS 457.010(a)]*

This area is one of the only areas in the corridor that does not meet the Portland Parks' Bureau's level of service goal of providing a park within a half-mile of every home. The current Marshall Campus, at SE 86<sup>th</sup> Avenue and SE Rhone Street, could provide additional community amenities when it can be permanently reactivated. Investment in community services and open spaces is a priority to improve the overall quality of life. This includes creating residential open spaces, enhancing recreational facilities, and ensuring better and safer connections to neighborhood destinations. *[ORS 457.010(a)(e)(g)]*

TIF Projects can also leverage the Oregon Department of Transportation's Powell Boulevard improvements from Interstate 205 to SE 174<sup>th</sup> Avenue.

### **SE Foster to SE Flavel**

The southernmost area of the TIF District has been identified through extensive community engagement as having significant potential for development and need for stabilization. However, it remains under-resourced and historically neglected. Auto-oriented areas with vacant buildings and large parking lots are prevalent, particularly south of SE Woodstock Boulevard.

These areas exhibit 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. The Lower SE Rising Plan has designated a new Brentwood-Darlington Neighborhood Center that roughly encompasses the area between SE 72 Avenue and SE 82<sup>nd</sup> Avenue along SE Flavel Street, to focus investment in developing a new hub for commercial and community services and housing opportunity. *[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)]*

## 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 82nd Ave Area 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 82<sup>nd</sup> Ave Area Investment Needs Findings to Existing Conditions**

ORS 457.010 CONDITIONS	HOW THE 82 <sup>ND</sup> AVE AREA TIF DISTRICT MEETS THESE CONDITIONS
<p>(i.) 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 <b>unfit</b> or <b>unsafe</b> 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> <p>E. Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;</p>	<ul style="list-style-type: none"> <li>• <b>Concentration of Older Buildings with Antiquated Systems and Deferred Maintenance (A):</b> Many of the buildings in the area are older than 50 years. According to data from Metro’s RLIS database, 69 percent of buildings were constructed before 1970, which means they 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 often have deferred maintenance, making them more difficult and expensive to renovate. Buildings older than 1960—62 percent of structures in the TIF District—are likely to have additional hazards from materials and systems built before modern safety standards. The defective design and physical quality of active transportation infrastructure and transportation right of way connections to neighborhood destinations puts current residents at greater risk of accident, injury, or death.</li> <li>• <b>Health and Safety Issues in Housing (D):</b> The obsolescence and deterioration of existing single family 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. Many apartment complexes lack shared outdoor spaces to serve residents, particularly households with young children.</li> <li>• <b>Transition to Neighborhood Services (E):</b> This area reflects the transition between denser urban neighborhoods to the west and lower-density areas to the east. Additionally, the character of the area is shifting over time from auto-oriented uses to higher-density neighborhood-oriented services and an increasing concentration of small businesses. Much of the commercial and residential building stock does not match the needs for existing or future housing and 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 need.</li> </ul>

ORS 457.010 CONDITIONS	HOW THE 82 <sup>ND</sup> AVE AREA TIF DISTRICT MEETS THESE CONDITIONS
(ii.) An economic dislocation, deterioration or disuse of property <b>resulting from</b> faulty planning;	<ul style="list-style-type: none"> <li>• <b>Historical Role:</b> The concentration of auto-oriented uses on the corridor stems from its historical role as a farm-to-market route and later as a key corridor on the outskirts of town. As the city has grown, many of these buildings have become obsolete.</li> <li>• <b>Inadequate Provision of Open Space:</b> 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.</li> <li>• <b>Concentration of Brownfields:</b> The East Portland area, including the TIF District, has over 57 acres of brownfields. Given past auto-oriented businesses, the 82<sup>nd</sup> Corridor area has a high concentration of brownfield sites which increases uncertainty in helping to reposition some of these sites for other uses.</li> </ul>
(iii.) The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions <b>for property usefulness</b> and development;	<ul style="list-style-type: none"> <li>• <b>Prevalence of Small Lots:</b> Many vacant or underutilized lots in the TIF District are smaller than 20,000 square feet, making them difficult to develop effectively using modern economies of scale, engineering, and efficiency. According to data from the Portland Bureau of Planning and Sustainability, 94 percent of vacant parcels and 90 percent of underutilized parcels are under 20,000 square feet.</li> </ul>
(iv.) The existence of <b>inadequate streets</b> and other rights of way, open spaces and utilities;	<ul style="list-style-type: none"> <li>• <b>Inadequate Street and Active Transportation Infrastructure:</b> The area has inadequate street infrastructure, leading to safety issues and accessibility challenges. The Portland Bureau of Transportation includes 82<sup>nd</sup> Avenue in its Vision Zero High Crash Network, with a high number of traffic incidents and pedestrian-involved crashes. As a designated Civic Corridor, 82<sup>nd</sup> Avenue is in the process of revitalization into a distinctive civic place.</li> <li>• <b>Stormwater Management:</b> Over time, the area will need improvements in stormwater management to prevent flooding conditions. Many stormwater pipes are in poor condition and require upgrades.</li> <li>• <b>Parks Level of Service.</b> Portland Parks and Recreation is working to achieve its vision for every home in the city to have access to a park within a half mile. Currently only 86 percent of homes in the TIF District are within a half mile of a park.</li> </ul>
(v.) <b>The existence of property</b> or lots or other areas that are <b>subject to inundation</b> by water;	<ul style="list-style-type: none"> <li>• <b>Local Flooding Issues:</b> Inadequate on-street stormwater management can create flooding conditions in several areas within the TIF District.</li> </ul>
(vi.) A prevalence of depreciated values, impaired investments and social and economic maladjustments <b>to such an extent that the capacity to pay taxes is</b>	<ul style="list-style-type: none"> <li>• <b>Underutilized Properties:</b> The area has numerous vacant and underutilized properties with deferred maintenance. About 54 percent of the acreage in the TIF District has an Improvement to Land ratio of less than 1, indicating a high potential for redevelopment. The depreciated values and impaired investments reduce the capacity to pay taxes and results in inadequate</li> </ul>



ORS 457.010 CONDITIONS	HOW THE 82 <sup>ND</sup> AVE AREA TIF DISTRICT MEETS THESE CONDITIONS
<p><b>reduced</b> and tax receipts are inadequate for the cost of public services rendered;</p>	<p>funding for public services. This is inconsistent with the City’s policies for the area and local stakeholder priorities.</p>
<p>(vii.) A growing or total lack of proper utilization of areas, <b>resulting in</b> a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare;</p>	<ul style="list-style-type: none"> <li>• <b>Affordable Housing Need:</b> While 62 percent of residents are homeowners compared to 53 percent citywide, over half of the district's renters 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, including through additional development of affordable housing and opportunities for ownership.</li> <li>• <b>Stabilization of Manufactured Home Parks:</b> The TIF District has 11 manufactured home parks with 313 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.</li> <li>• <b>Stabilization of Businesses:</b> The combination of localized depreciation and regional commercial demand increase 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 area grows, creating a need for commercial community ownership opportunities and affordable commercial space rental spaces.</li> </ul>

Section 1.3 – Existing Conditions

Attachment A summarizes existing conditions in the 82<sup>nd</sup> Avenue Area 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 82<sup>nd</sup> Ave Area 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 (Plan 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
<b>AFFORDABLE HOUSING (minimum 45%)</b>		
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"> <li>• <b>Over half of households experiencing housing cost burden.</b> More than half of the TIF District’s residents experience cost burden, meaning they spend over 30 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.</li> <li>• <b>Residents that are more vulnerable to changing economic conditions, making displacement more</b></li> </ul>
Homeownership Support	Provide down payment assistance and other types of	

PROJECT	DESCRIPTION	EXISTING CONDITIONS
	<p>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.</p>	<p><b>difficult to prevent.</b> The BPS Economic Vulnerability Assessment determined a score of 62 for the District’s Census tracts, with any score over 60 considered a tract vulnerable to displacement.</p> <ul style="list-style-type: none"> <li>• <b>Lower household incomes.</b> Compared to Portland, a greater share of TIF District households earn less than \$50,000 (35 percent versus 30 percent). Overall, Median Household Income in Portland is \$85,876 compared to \$78,597 in the TIF District.</li> </ul>
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).	<ul style="list-style-type: none"> <li>• <b>Several existing manufactured home parks.</b> There are ten manufactured home parks in the TIF District with 267 housing units. Supporting manufactured home parks could help maintain affordable housing, community stability, social equity, and prevent displacement and homelessness among vulnerable populations.</li> </ul>
Rehabilitation and Preservation of Existing Regulated Housing	Provide funding to rehabilitate and preserve the affordability of existing regulated affordable housing.	<ul style="list-style-type: none"> <li>• <b>Expiring regulated units.</b> Almost all of the existing regulated affordable housing units are on track to expire, with a quarter of those units expiring in the next 10 years.</li> </ul>
Acquisition & Rehabilitation of Existing Market-Rate and Naturally Occurring Affordable Housing  <i><b>This category also includes manufactured housing park stabilization, preservation and development</b></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).	<ul style="list-style-type: none"> <li>• <b>Lower growth in housing supply.</b> The TIF District has expanded its multi-dwelling housing stock by 125 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.</li> </ul>
Opportunistic Land Acquisition	Prioritize opportunistic land acquisition of larger sites for future multi-dwelling affordable housing.	
Capital Expenditures for Community Services for Houseless Neighbors	Prioritize housing development for people experiencing houselessness, and provide limited resources for capital expenditures related to community services, including shelters and food pantries.	

PROJECT	DESCRIPTION	EXISTING CONDITIONS
<b>ECONOMIC AND URBAN DEVELOPMENT (minimum 40%)</b>		
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><b><u>Development Conditions</u></b></p> <ul style="list-style-type: none"> <li>• <b>A large share of underutilized properties.</b> Over half of the acreage (55 percent) in the TIF District has an Improvement to Land Value ratio of less than 1 compared to 42 percent of properties citywide. The TIF District has 327 vacant parcels and 889 underutilized parcels.</li> <li>• <b>A large share of older buildings,</b> that may be obsolete or in need of deferred maintenance, with 62 percent of buildings built before 1960.</li> <li>• <b>A concentration of potential brownfield sites</b> given the presence of numerous legacy auto-oriented businesses and older commercial buildings.</li> </ul> <p><b><u>Economic and Social Conditions</u></b></p> <ul style="list-style-type: none"> <li>• <b>A higher unemployment rate and lower average wages than the rest of Portland.</b> 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.</li> <li>• <b>A concentration of neighborhood and BIPOC-serving service and retail establishments.</b> Commercial corridors in the TIF District have seen a growing share of small businesses and especially immigrant-serving businesses.</li> <li>• <b>A diverse population,</b> with a higher share (38 percent) of residents who identify as Black, Indigenous, or people of color (BIPOC) compared to Portland as a whole (32 percent).</li> <li>• <b>A concentration of urban heat island.</b> About 66 percent of the housing units in the TIF District are in the 75<sup>th</sup> percentile or higher of all temperature readings in the region, compared with 57 percent of housing units citywide.</li> </ul>
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><b>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.</b></i></p>	<p>Support development, redevelopment and renovation activities, including:</p> <ul style="list-style-type: none"> <li>• New construction</li> <li>• Building façade improvements</li> <li>• Remediation activities</li> <li>• Professional services, building and site design assistance</li> <li>• Tenant improvements</li> <li>• Building repairs and upgrades</li> <li>• Lease and/or loan guarantees</li> <li>• Climate, resilience and community solar projects</li> <li>• Seismic, fire suppression, other public safety improvements</li> <li>• Accessibility improvements; landscaping enhancements; pedestrian amenities and lighting outside of the public right of way</li> <li>• Permanent infrastructure to support food cart operations and other temporary, pop-up, seasonal and low-barrier opportunities for startup</li> </ul>	

PROJECT	DESCRIPTION	EXISTING CONDITIONS
	businesses and non-profits.	
Arts and Culture	<p>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.</p> <p>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.</p>	
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.	
<b>INFRASTRUCTURE (maximum 15%)</b>		
Street and Utilities Improvements	Support new streets, street improvements, sidewalks, bike lanes and paths, stormwater improvements, increased tree canopy, new and/or relocated utilities (water, storm, sanitary	<ul style="list-style-type: none"> <li>• <b>Targeted transportation improvements will be needed in conjunction with development projects to continue the momentum of the Building a Better 82<sup>nd</sup> Avenue project.</b> Overall, this project will transform the corridor into a safer</li> </ul>

PROJECT	DESCRIPTION	EXISTING CONDITIONS
	sewer) that consider and prioritize innovative, sustainable solutions	and more bike-friendly and pedestrian-friendly corridor. This project will address longstanding safety and livability issues. Such projects will support district residents, who are more likely to drive, carpool, or take public transit than Portland residents but may be more willing to walk or ride bikes if the transportation network is safer. This will also help to alleviate localized flooding that occurs during heavy rains.
Connectivity and Accessibility	Improve pedestrian and bicycle safety and connectivity while enhancing accessibility for individuals with mobility challenges. Prioritize connections within the district and to other parts of the city. Install pedestrian-scale lighting near commercial corridors, industrial spaces, schools, parks and other institutions. Invest in key pedestrian bridge crossings.	<ul style="list-style-type: none"> <li>• <b>Sewer infrastructure including pump stations, stormwater pipes, and sewer pipes may need upgrading in conjunction with development projects.</b></li> <li>• <b>Neighborhoods that lack adequate access to parks</b>, including the neighborhood between SE Division and SE Powell.</li> </ul>
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
<p><b>Affordable Housing</b></p> <ul style="list-style-type: none"> <li>• Single Family Home Repair</li> <li>• Homeownership Support</li> <li>• Multi-Family Rental Development</li> <li>• Rehabilitation and Preservation of Existing Regulated Housing</li> <li>• Acquisition and Rehabilitation of Existing Market-Rate and Naturally Occurring Affordable Housing</li> <li>• Manufactured Housing Park Stabilization, Preservation and Development</li> <li>• Opportunistic Land Acquisition</li> <li>• Capital Expenditures for Community Services for Houseless Neighbors</li> </ul>	<p><b>At least</b> <b>\$191,418,347 (45%)</b></p>	<p>2058</p>
<p><b>Inclusive Growth: Economic &amp; Urban Development</b></p> <ul style="list-style-type: none"> <li>• Predevelopment to support future commercial, middle-income residential or mixed-use development</li> <li>• Land Acquisitions and Land Banking for immediate or future commercial or mixed-use properties</li> <li>• Commercial, Middle-Income Residential, Mixed-Use Development, Redevelopment and Renovation</li> <li>• Arts and Culture</li> <li>• Signage</li> <li>• Infrastructure Investments Triggered by Development, Redevelopment or Renovation Activities</li> </ul>	<p><b>At least</b> <b>\$170,149,642 (40%)</b></p>	<p>2058</p>

<p><b>Inclusive Growth: Infrastructure</b></p> <ul style="list-style-type: none"> <li>• Street and Utilities Improvements</li> <li>• Connectivity and Accessibility</li> <li>• Public Recreation, Safety, Health and Resilience Investments</li> </ul>	<p><b>Up to</b> <b>\$63,806,116 (15%)</b></p>	<p>2058</p>
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# 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 \$460,000,000 as shown in Table D. The estimated amount of TIF moneys required for the District to service this Maximum Indebtedness is \$508,600,000, 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 2058. Table E shows a summary of the financial capacity of the Area, including how total TIF revenue translates to the ability to fund tax increment projects in constant 2024 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	13,973	5,194,220	16,901,974
District-Wide Admin/Predev	558,376	3,453,747	17,723,921
Affordable Housing (PHB)	6,030,461	37,300,465	191,418,347
Inclusive Growth (Prosper Portland)	7,370,564	45,589,457	233,955,758
Total	13,973,374	91,537,887	460,000,000

**Table E. Total Capacity Through Final Bond Payoff**

	Actual Dollars	Rounded Dollars
Total Net TIF	608,562,405	608,600,000
Maximum Indebtedness	460,000,000	460,000,000
Capacity (2024-25 \$)	319,446,822	319,400,000
Years 1-5	9,164,129	9,200,000
Years 6-10	34,754,719	34,800,000
Years 11-15	62,962,222	63,000,000
Years 16-20	87,961,460	88,000,000
Years 21-25	116,348,612	116,300,000
Years 26-30	149,835,553	149,800,000
Years 31-33	147,535,709	147,500,000

## Section 3.2 – Financial Analysis

The total amount of TIF projected to be used for all projects, excluding administration and finance fees, is \$ 249,793,942 in 2024-25 dollars. The cost of administration and finance fees over the life of the Area increase this total to \$270,341,042. The Plan assumes annual inflation rate of 3% 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 \$ 425,374,105, which is within the \$ 460,000,000 maximum indebtedness established by the Plan. We estimate the frozen base assessed value of the Area to be \$1,721,086,470, two percent of the City’s assessed value of \$80,988,896,967.

The estimated 82nd Avenue Area Tax Increment Finance Plan revenues through Fiscal Year End (FYE) 2058 are calculated based on projections of the assessed value within the Area and the consolidated tax rate that will apply in the Area 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 Area. These projections of growth are the basis for the projections in Table F, which shows the incremental assessed value, tax rates, and 82nd Avenue Area Tax Increment Finance Plan revenues each year.

The first year of 82<sup>nd</sup> Avenue Area Tax Increment Finance Plan collections is anticipated to be the fiscal year ending in 2026. Gross 82<sup>nd</sup> Avenue Area 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 Area is anticipated to complete all projects and have sufficient 82nd Avenue Area Tax Increment Finance Plan finance revenue to terminate the tax increment area in FYE 2058, a 33-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 82<sup>nd</sup> Avenue Area 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	1,772,719,064	1,721,086,470	51,632,594	0	18.73	966,836	0	(85,082)	881,754	856,072
2	2027	1,825,900,636	1,721,086,470	104,814,166	0	18.83	1,973,158	0	(173,638)	1,799,520	1,696,220
3	2028	1,880,677,655	1,721,086,470	159,591,185	0	18.93	3,020,311	0	(265,787)	2,754,524	2,520,779
4	2029	1,937,097,985	1,721,086,470	216,011,515	0	18.93	4,088,083	0	(359,751)	3,728,331	3,312,574
5	2030	1,995,210,924	1,721,086,470	274,124,454	0	19.13	5,242,712	0	(461,359)	4,781,354	4,124,438
6	2031	2,055,067,252	1,721,086,470	333,980,782	0	19.13	6,387,483	0	(562,098)	5,825,384	4,878,667
7	2032	2,116,719,270	1,721,086,470	395,632,800	0	19.13	7,566,596	0	(665,860)	6,900,735	5,610,929
8	2033	2,180,220,848	1,721,086,470	459,134,378	0	19.23	8,826,996	0	(776,776)	8,050,220	6,354,918
9	2034	2,245,627,473	1,721,086,470	524,541,003	0	19.23	10,084,458	0	(887,432)	9,197,026	7,048,754
10	2035	2,312,996,297	1,721,086,470	591,909,827	0	19.13	11,320,453	0	(996,200)	10,324,253	7,682,214
11	2036	2,382,386,186	1,721,086,470	661,299,716	0	19.13	12,647,555	0	(1,112,985)	11,534,570	8,332,819
12	2037	2,453,857,772	1,721,086,470	732,771,302	0	19.13	14,014,471	0	(1,233,273)	12,781,197	8,964,475
13	2038	2,527,473,505	1,721,086,470	785,179,607	21,207,428	19.13	15,016,795	405,598	(1,321,478)	13,695,317	9,325,845
14	2039	2,603,297,710	1,721,086,470	842,995,916	39,215,324	19.03	16,038,250	746,083	(1,411,366)	14,626,884	9,670,093
15	2040	2,681,396,641	1,721,086,470	902,528,290	57,781,882	18.93	17,080,618	1,093,539	(1,503,094)	15,577,524	9,998,620
16	2041	2,761,838,541	1,721,086,470	963,828,069	76,924,002	18.83	18,144,352	1,448,117	(1,596,703)	16,547,649	10,311,948
17	2042	2,844,693,697	1,721,086,470	1,026,948,133	96,659,094	18.73	19,229,911	1,809,970	(1,692,232)	17,537,679	10,610,584
18	2043	2,930,034,508	1,721,086,470	1,090,953,741	117,994,296	18.73	20,428,436	2,209,479	(1,797,702)	18,630,733	10,943,592
19	2044	3,017,935,543	1,721,086,470	1,157,868,724	138,980,349	18.63	21,565,652	2,588,551	(1,897,777)	19,667,875	11,216,314
20	2045	3,108,473,609	1,721,086,470	1,225,772,274	161,614,865	18.63	22,830,376	3,010,125	(2,009,073)	20,821,303	11,528,251
21	2046	3,201,727,818	1,721,086,470	1,295,712,930	184,928,417	18.63	24,133,042	3,444,347	(2,123,708)	22,009,334	11,831,101
22	2047	3,297,779,652	1,721,086,470	1,367,751,806	208,941,376	18.63	25,474,787	3,891,596	(2,241,781)	23,233,006	12,125,132
23	2048	3,396,713,042	1,721,086,470	1,441,951,848	233,674,723	18.63	26,856,785	4,352,262	(2,363,397)	24,493,388	12,410,598

24	2049	3,498,614,433	1,721,086,470	1,518,377,892	259,150,071	18.63	28,280,243	4,826,748	(2,488,661)	25,791,582	12,687,749
25	2050	3,603,572,866	1,721,086,470	1,597,096,717	285,389,679	18.63	29,746,405	5,315,468	(2,617,684)	27,128,721	12,956,828
26	2051	3,711,680,052	1,721,086,470	1,678,177,106	312,416,476	18.63	31,256,551	5,818,850	(2,750,577)	28,505,975	13,218,070
27	2052	3,823,030,453	1,721,086,470	1,761,689,907	340,254,076	18.63	32,812,002	6,337,334	(2,887,456)	29,924,546	13,471,703
28	2053	3,937,721,367	1,721,086,470	1,847,708,092	368,926,805	18.63	34,414,117	6,871,372	(3,028,442)	31,385,675	13,717,949
29	2054	4,055,853,008	1,721,086,470	1,936,306,823	398,459,715	18.63	36,064,295	7,421,432	(3,173,658)	32,890,637	13,957,022
30	2055	4,177,528,598	1,721,086,470	2,027,563,516	428,878,612	18.63	37,763,978	7,987,993	(3,323,230)	34,440,748	14,189,132
31	2056	4,302,854,456	1,721,086,470	2,121,557,909	460,210,077	18.63	39,514,652	8,571,551	(3,477,289)	36,037,362	14,414,482
32	2057	4,431,940,090	1,721,086,470	2,218,372,135	492,481,485	18.63	41,317,846	9,172,615	(3,635,970)	37,681,875	14,633,268
33	2058	4,564,898,293	1,721,086,470	2,318,090,787	525,721,036	18.63	43,175,135	9,791,712	(3,799,412)	39,375,723	14,845,681

**Table G. 82<sup>nd</sup> Ave Tax Increment Finance 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	-	1,721,086,470	1,772,719,064	1,825,900,636	1,880,677,655	1,937,097,985	1,995,210,924
Frozen Base	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470
Increment	-	51,632,594	104,814,166	159,591,185	216,011,515	274,124,454	333,980,782
AV (Baseline)	-	1,772,719,064	1,825,900,636	1,880,677,655	1,937,097,985	1,995,210,924	2,055,067,252
<b>Taxes</b>							
Consolidated Tax Rate for Du Jour	18.5639	18.7253	18.8253	18.9253	18.9253	19.1253	19.1253
Divide the Taxes (to Raise) Sal 4c	-	966,836	1,973,158	3,020,311	4,088,083	5,242,712	6,387,483
Net Tax Increment Revenues	-	881,754	1,799,520	2,754,524	3,728,331	4,781,354	5,825,384
<b>Used for Du Jour</b>	-	883,518	1,803,119	2,760,033	3,735,788	4,790,916	5,837,035
<b>Debt Service</b>							
LOC 1					-	-	-
LOC 2							-
LOC 3							

BOND 1							
BOND 2							
BOND 3							
<b>Total Debt Service</b>	-	-	-	-	-	-	-

	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	2,055,067,252	2,116,719,270	2,180,220,848	2,245,627,473	2,312,996,297	2,382,386,186	2,453,857,772
Frozen Base	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470
Increment	395,632,800	459,134,378	524,541,003	591,909,827	661,299,716	732,771,302	806,387,035
AV (Baseline)	2,116,719,270	2,180,220,848	2,245,627,473	2,312,996,297	2,382,386,186	2,453,857,772	2,527,473,505
<b>Taxes</b>							
Consolidated Tax Rate for Du Jour	19.1253	19.2253	19.2253	19.1253	19.1253	19.1253	19.1253
Divide the Taxes (to Raise) Sal 4c	7,566,596	8,826,996	10,084,458	11,320,453	12,647,555	14,014,471	15,016,795
Net Tax Increment Revenues	6,900,735	8,050,220	9,197,026	10,324,253	11,534,570	12,781,197	13,695,317
<b>Used for Du Jour</b>	6,314,537	6,866,321	3,167,738	10,378,883	7,326,949	8,576,069	9,492,017
<b>Debt Service</b>							
LOC 1	600,000	600,000	600,000				
LOC 2	-	600,000	600,000				
LOC 3			600,000				
BOND 1				4,247,682	4,247,682	4,247,682	4,247,682
BOND 2							
BOND 3							
<b>Total Debt Service</b>	600,000	1,200,000	1,800,000	4,247,682	4,247,682	4,247,682	4,247,682

	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	2,527,473,505	2,603,297,710	2,681,396,641	2,761,838,541	2,844,693,697	2,930,034,508	3,017,935,543

Frozen Base	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470
Increment	882,211,240	960,310,171	1,040,752,071	1,123,607,227	1,208,948,038	1,296,849,073	1,387,387,139
AV (Baseline)	2,603,297,710	2,681,396,641	2,761,838,541	2,844,693,697	2,930,034,508	3,017,935,543	3,108,473,609
<b>Taxes</b>							
Consolidated Tax Rate for Du Jour	19.0253	18.9253	18.8253	18.7253	18.7253	18.6253	18.6253
Divide the Taxes (to Raise) Sal 4c	16,038,250	17,080,618	18,144,352	19,229,911	20,428,436	21,565,652	22,830,376
Net Tax Increment Revenues	14,626,884	15,577,524	16,547,649	17,537,679	18,630,733	19,667,875	20,821,303
<b>Used for Du Jour</b>	10,425,447	11,377,988	12,350,054	13,342,064	9,717,658	15,514,277	11,931,487
<b>Debt Service</b>							
LOC 1							
LOC 2							
LOC 3							
BOND 1	4,247,682	4,247,682	4,247,682	4,247,682	4,247,682	4,247,682	4,247,682
BOND 2						4,719,646	4,719,646
BOND 3							
<b>Total Debt Service</b>	4,247,682	4,247,682	4,247,682	4,247,682	4,247,682	8,967,328	8,967,328

	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	3,108,473,609	3,201,727,818	3,297,779,652	3,396,713,042	3,498,614,433	3,603,572,866	3,711,680,052
Frozen Base	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470
Increment	1,480,641,348	1,576,693,182	1,675,626,572	1,777,527,963	1,882,486,396	1,990,593,582	2,101,943,983
AV (Baseline)	3,201,727,818	3,297,779,652	3,396,713,042	3,498,614,433	3,603,572,866	3,711,680,052	3,823,030,453
<b>Taxes</b>							
Consolidated Tax Rate for Du Jour	18.6253	18.6253	18.6253	18.6253	18.6253	18.6253	18.6253
Divide the Taxes (to Raise) Sal 4c	24,133,042	25,474,787	26,856,785	28,280,243	29,746,405	31,256,551	32,812,002
Net Tax Increment Revenues	22,009,334	23,233,006	24,493,388	25,791,582	27,128,721	28,505,975	29,924,546

<b>Used for Du Jour</b>	13,121,894	14,348,013	15,610,916	16,911,706	18,251,520	14,911,882	21,090,694
<b>Debt Service</b>							
LOC 1							
LOC 2							
LOC 3							
BOND 1	4,247,682	4,247,682	4,247,682	4,247,682	4,247,682	4,247,682	4,247,682
BOND 2	4,719,646	4,719,646	4,719,646	4,719,646	4,719,646	4,719,646	4,719,646
BOND 3							4,719,646
<b>Total Debt Service</b>	8,967,328	8,967,328	8,967,328	8,967,328	8,967,328	8,967,328	13,686,974

	52-53	53-54	54-55	55-56	56-57	57-58
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Prior Year Assessed Value	3,823,030,453	3,937,721,367	4,055,853,008	4,177,528,598	4,302,854,456	4,431,940,090
Frozen Base	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470	1,721,086,470
Increment	2,216,634,897	2,334,766,538	2,456,442,128	2,581,767,986	2,710,853,620	2,843,811,823
AV (Baseline)	3,937,721,367	4,055,853,008	4,177,528,598	4,302,854,456	4,431,940,090	4,564,898,293
<b>Taxes</b>						
Consolidated Tax Rate for Du Jour	18.6253	18.6253	18.6253	18.6253	18.6253	18.6253
Divide the Taxes (to Raise) Sal 4c	34,414,117	36,064,295	37,763,978	39,514,652	41,317,846	43,175,135
Net Tax Increment Revenues	31,385,675	32,890,637	34,440,748	36,037,362	37,681,875	39,375,723
<b>Used for Du Jour</b>	17,816,220	26,345,261				
<b>Debt Service</b>						
LOC 1						
LOC 2						
LOC 3		-	-	-	-	-
BOND 1	4,247,682	4,247,682				
BOND 2	4,719,646	4,719,646	4,719,646	4,719,646	4,719,646	4,719,646
BOND 3	4,719,646	4,719,646	4,719,646	4,719,646	4,719,646	4,719,646
Bond Payoff						84,953,633

<b>Total Debt Service</b>	13,686,974	13,686,974	9,439,293	9,439,293	9,439,293	94,392,925
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The Area is anticipated to complete all projects and have sufficient revenue to terminate the Area in FYE 2058, a 33-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 Area is approximately \$249,793,942. 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 Area.

Table H shows the approximate \$270,341,042 of 2025 constant dollars for projects inflated over the life of the Area including administrative expenses and bond issuance costs and reserves, reaching the total maximum indebtedness of \$460,000,000. 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 Area 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	13,973	558,376	6,030,461	7,370,564	13,973,374
Years 6-10	5,180,246	2,895,371	31,270,003	38,218,893	77,564,513
Years 11-15	47,198	1,886,051	20,369,349	24,895,871	47,198,469
Years 16-20	5,782,502	4,282,921	46,255,552	56,534,563	112,855,538
Years 21-25	78,244	3,126,632	33,767,628	41,271,545	78,244,050
Years 26-30	5,799,810	4,974,570	53,725,354	65,664,322	130,164,056
Total	16,901,974	17,723,921	191,418,347	233,955,758	460,000,000

### Section 3.3 – Fiscal Impact Statement

The impact of 82<sup>nd</sup> Avenue Area 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 Area.

The impact of 82<sup>nd</sup> Avenue Area 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 Area. These projections are for impacts estimated through FYE 2058 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 Area. 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 Area 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	32-33	33-34
City	215,526	437,518	666,169	901,680	1,144,257	1,394,111	1,651,460	1,916,530	2,189,552
County	204,526	415,188	632,170	855,661	1,085,857	1,322,958	1,567,173	1,818,714	2,077,802
Library	57,448	116,620	177,568	240,343	305,002	371,600	440,197	510,851	583,625
Metro	4,549	9,234	14,060	19,030	24,150	29,423	34,855	40,449	46,212
Port	3,301	6,701	10,203	13,810	17,525	21,352	25,293	29,353	33,535
E Mult Soil/Cons	4,709	9,559	14,555	19,700	25,000	30,459	36,082	41,873	47,838
FPDR	131,849	277,213	436,641	591,008	800,005	974,690	1,154,615	1,381,811	1,578,659
<b>Total Gov't</b>	<b>621,908</b>	<b>1,272,033</b>	<b>1,951,365</b>	<b>2,641,232</b>	<b>3,401,795</b>	<b>4,144,593</b>	<b>4,909,675</b>	<b>5,739,582</b>	<b>6,557,222</b>
David Douglas	7,865	15,965	24,309	32,903	41,755	50,872	60,263	69,936	79,898
Portland SD No. 1	216,723	439,948	669,870	906,689	1,150,613	1,401,855	1,660,634	1,927,176	2,201,715
Portland CC	12,784	25,952	39,514	53,484	67,872	82,693	97,958	113,680	129,875
Mt. Hood CC	926	1,880	2,863	3,875	4,917	5,991	7,097	8,236	9,409
Multnomah County ESD	21,548	43,742	66,602	90,148	114,401	139,381	165,110	191,611	218,907
<b>Total Education</b>	<b>259,846</b>	<b>527,488</b>	<b>803,158</b>	<b>1,087,099</b>	<b>1,379,558</b>	<b>1,680,791</b>	<b>1,991,061</b>	<b>2,310,639</b>	<b>2,639,804</b>

Foregone Revenue to Taxing Jurisdictions	34-35	35-36	36-37	37-38	38-39	39-40	40-41	41-42	42-43
City	2,470,764	2,760,413	3,058,752	3,277,516	3,518,854	3,767,355	4,023,234	4,286,712	4,553,885
County	2,344,662	2,619,528	2,902,640	3,110,238	3,339,259	3,575,078	3,817,897	4,067,927	4,321,465
Library	658,583	735,789	815,311	873,622	937,951	1,004,189	1,072,394	1,142,624	1,213,839
Metro	52,147	58,260	64,557	69,174	74,267	79,512	84,912	90,473	96,112
Port	37,842	42,278	46,847	50,197	53,894	57,700	61,619	65,654	69,746
E Mult Soil/Cons	53,982	60,311	66,829	71,608	76,881	82,311	87,901	93,658	99,495
FPDR	1,727,430	1,929,937	2,138,520	2,291,468	2,383,318	2,469,317	2,549,132	2,622,415	2,785,859
<b>Total Gov't</b>	<b>7,345,409</b>	<b>8,206,515</b>	<b>9,093,454</b>	<b>9,743,824</b>	<b>10,384,424</b>	<b>11,035,462</b>	<b>11,697,090</b>	<b>12,369,462</b>	<b>13,140,402</b>
David Douglas	90,160	100,730	111,616	119,599	128,406	137,474	146,811	156,426	166,175
Portland SD No. 1	2,484,489	2,775,747	3,075,743	3,295,722	3,538,401	3,788,283	4,045,583	4,310,524	4,579,182

Portland CC	146,555	163,736	181,432	194,408	208,723	223,463	238,641	254,269	270,117
Mt. Hood CC	10,617	11,862	13,144	14,084	15,121	16,189	17,288	18,421	19,569
Multnomah County ESD	247,022	275,981	305,808	327,680	351,808	376,653	402,236	428,577	455,289
<b>Total Education</b>	<b>2,978,844</b>	<b>3,328,056</b>	<b>3,687,743</b>	<b>3,951,493</b>	<b>4,242,460</b>	<b>4,542,062</b>	<b>4,850,559</b>	<b>5,168,217</b>	<b>5,490,332</b>

Foregone Revenue to Taxing Jurisdictions	43-44	44-45	45-46	46-47	47-48	48-49	49-50	50-51	51-52
City	4,833,203	5,116,648	5,408,596	5,709,302	6,019,030	6,338,049	6,666,639	7,005,087	7,353,688
County	4,586,527	4,855,506	5,132,553	5,417,912	5,711,832	6,014,569	6,326,389	6,647,563	6,978,372
Library	1,288,291	1,363,843	1,441,662	1,521,815	1,604,373	1,689,408	1,776,994	1,867,207	1,960,127
Metro	102,007	107,990	114,151	120,498	127,035	133,768	140,703	147,846	155,203
Port	74,024	78,365	82,836	87,442	92,186	97,072	102,104	107,288	112,627
E Mult Soil/Cons	105,598	111,790	118,169	124,739	131,506	138,476	145,655	153,050	160,666
FPDR	2,851,136	3,018,342	3,190,564	3,367,952	3,550,662	3,738,854	3,932,691	4,132,343	4,337,985
<b>Total Gov't</b>	<b>13,840,787</b>	<b>14,652,484</b>	<b>15,488,532</b>	<b>16,349,661</b>	<b>17,236,624</b>	<b>18,150,196</b>	<b>19,091,175</b>	<b>20,060,384</b>	<b>21,058,669</b>
David Douglas	176,367	186,711	197,364	208,337	219,639	231,281	243,271	255,621	268,342
Portland SD No. 1	4,860,052	5,145,071	5,438,641	5,741,018	6,052,466	6,373,257	6,703,673	7,044,000	7,394,538
Portland CC	286,685	303,498	320,815	338,651	357,023	375,946	395,436	415,512	436,189
Mt. Hood CC	20,769	21,987	23,241	24,534	25,865	27,235	28,647	30,102	31,600
Multnomah County ESD	483,215	511,553	540,741	570,806	601,771	633,666	666,518	700,356	735,208
<b>Total Education</b>	<b>5,827,088</b>	<b>6,168,819</b>	<b>6,520,802</b>	<b>6,883,345</b>	<b>7,256,764</b>	<b>7,641,386</b>	<b>8,037,546</b>	<b>8,445,591</b>	<b>8,865,877</b>

Foregone Revenue to Taxing Jurisdictions	52-53	53-54	54-55	55-56	56-57	57-58
City	7,712,747	8,082,578	8,463,504	8,855,858	9,259,982	9,676,230
County	7,319,106	7,670,061	8,031,546	8,403,874	8,787,373	9,182,377
Library	2,055,834	2,154,412	2,255,948	2,360,530	2,468,250	2,579,201
Metro	162,782	170,587	178,627	186,908	195,437	204,222
Port	118,126	123,790	129,625	135,634	141,823	148,198
E Mult Soil/Cons	168,511	176,591	184,914	193,486	202,316	211,410
FPDR	4,549,796	4,767,962	4,992,672	5,224,124	5,462,520	5,708,067
<b>Total Gov't</b>	<b>22,086,902</b>	<b>23,145,983</b>	<b>24,236,836</b>	<b>25,360,414</b>	<b>26,517,700</b>	<b>27,709,704</b>

David Douglas	281,444	294,940	308,840	323,157	337,904	353,093
Portland SD No. 1	7,755,592	8,127,477	8,510,519	8,905,052	9,311,421	9,729,982
Portland CC	457,487	479,424	502,019	525,291	549,262	573,952
Mt. Hood CC	33,143	34,732	36,369	38,055	39,791	41,580
Multnomah County ESD	771,106	808,081	846,166	885,392	925,796	967,412
<b>Total Education</b>	<b>9,298,772</b>	<b>9,744,654</b>	<b>10,203,912</b>	<b>10,676,948</b>	<b>11,164,175</b>	<b>11,666,019</b>

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 Area. The first threshold is when annual 82<sup>nd</sup> Avenue Area Tax Increment Finance Plan finance revenues exceed three percent of the original maximum indebtedness of the Plan is in 2038. 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 Area 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	1,772,719,064	1,721,086,470	51,632,594	0
2027	1,825,900,636	1,721,086,470	104,814,166	0
2028	1,880,677,655	1,721,086,470	159,591,185	0
2029	1,937,097,985	1,721,086,470	216,011,515	0
2030	1,995,210,924	1,721,086,470	274,124,454	0
2031	2,055,067,252	1,721,086,470	333,980,782	0
2032	2,116,719,270	1,721,086,470	395,632,800	0
2033	2,180,220,848	1,721,086,470	459,134,378	0
2034	2,245,627,473	1,721,086,470	524,541,003	0
2035	2,312,996,297	1,721,086,470	591,909,827	0
2036	2,382,386,186	1,721,086,470	661,299,716	0
2037	2,453,857,772	1,721,086,470	732,771,302	0
2038	2,527,473,505	1,721,086,470	785,179,607	21,207,428
2039	2,603,297,710	1,721,086,470	842,995,916	39,215,324
2040	2,681,396,641	1,721,086,470	902,528,290	57,781,882
2041	2,761,838,541	1,721,086,470	963,828,069	76,924,002
2042	2,844,693,697	1,721,086,470	1,026,948,133	96,659,094
2043	2,930,034,508	1,721,086,470	1,090,953,741	117,994,296
2044	3,017,935,543	1,721,086,470	1,157,868,724	138,980,349
2045	3,108,473,609	1,721,086,470	1,225,772,274	161,614,865
2046	3,201,727,818	1,721,086,470	1,295,712,930	184,928,417
2047	3,297,779,652	1,721,086,470	1,367,751,806	208,941,376
2048	3,396,713,042	1,721,086,470	1,441,951,848	233,674,723
2049	3,498,614,433	1,721,086,470	1,518,377,892	259,150,071
2050	3,603,572,866	1,721,086,470	1,597,096,717	285,389,679
2051	3,711,680,052	1,721,086,470	1,678,177,106	312,416,476
2052	3,823,030,453	1,721,086,470	1,761,689,907	340,254,076
2053	3,937,721,367	1,721,086,470	1,847,708,092	368,926,805

2054	4,055,853,008	1,721,086,470	1,936,306,823	398,459,715
2055	4,177,528,598	1,721,086,470	2,027,563,516	428,878,612
2056	4,302,854,456	1,721,086,470	2,121,557,909	460,210,077
2057	4,431,940,090	1,721,086,470	2,218,372,135	492,481,485
2058	4,564,898,293	1,721,086,470	2,318,090,787	525,721,036

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 2059. 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 Area established by the County Assessor at the time the Area is established. Excess Value is the increased assessed value in the Area above the Frozen Base.

**Table K. Additional Revenues Obtained after Termination of TIF – FYE 2059**

Taxing District	Type	Tax Rate	From Frozen Base	From Excess Value	Total
<b>General Government</b>					
City	Permanent	4.5770	7,877,413	13,642,933	21,520,346
County	Permanent	4.3434	7,475,367	12,946,628	20,421,995
Library	Permanent	1.2200	2,099,725	3,636,526	5,736,251
Metro	Permanent	0.0966	166,257	287,941	454,198
Port	Permanent	0.0701	120,648	208,951	329,599
E Mult Soil/Cons	Permanent	0.1000	172,109	298,076	470,185
FPDR	Permanent	2.7000	4,646,933	8,048,049	12,694,982
<b>Subtotal General Government</b>		13.1071	22,558,452	39,069,103	61,627,556
<b>Education</b>					
Portland SC No. 1	Permanent	4.7743	7,921,172	13,718,719	21,639,891
David Douglas	Permanent	4.6394	287,453	497,842	785,295
Portland CC	Permanent	0.2828	467,254	809,240	1,276,495
Mt Hood CC	Permanent	0.4917	33,850	58,626	92,476
Multnomah County ESD	Permanent	0.4576	787,569	1,363,995	2,151,564
<b>Subtotal Education</b>			9,497,299	16,448,422	25,945,721
<b>Total</b>			32,055,751	55,517,525	87,573,276

### 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).<sup>3</sup> 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.<sup>4</sup> 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 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**

TIF District	Frozen Base Assessed Value		Acreage		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)	Frozen Base (as of FY 21-22 values)	Proposed Adjustments	Proposed values (as of FY 23-24 values)
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)	-

<sup>3</sup> 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.

<sup>4</sup> The proposed new TIF Districts include: Westside, Lloyd-Holladay, Central Eastside Corridor, Sumner-Parkrose-Argay-Columbia Corridor (SPACC), 82nd Avenue Area, and East 205.



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
Sumner- Parkrose-Argay-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
<b>Total: TIF Districts</b>	<b>\$5,439,318,586</b>	<b>\$6,056,949,684</b>	<b>\$11,496,268,270</b>	<b>11,579</b>	<b>(435)</b>	<b>11,144</b>
<b>Total: City of Portland</b>	\$76,142,269,310		\$80,988,896,967	92,768		92,768
<b>Percent in TIF District</b>	<b>7.14%</b>		<b>14.19%</b>	<b>12.48%</b>		<b>12.01%</b>

## 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

## Physical Conditions

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

### Land Use

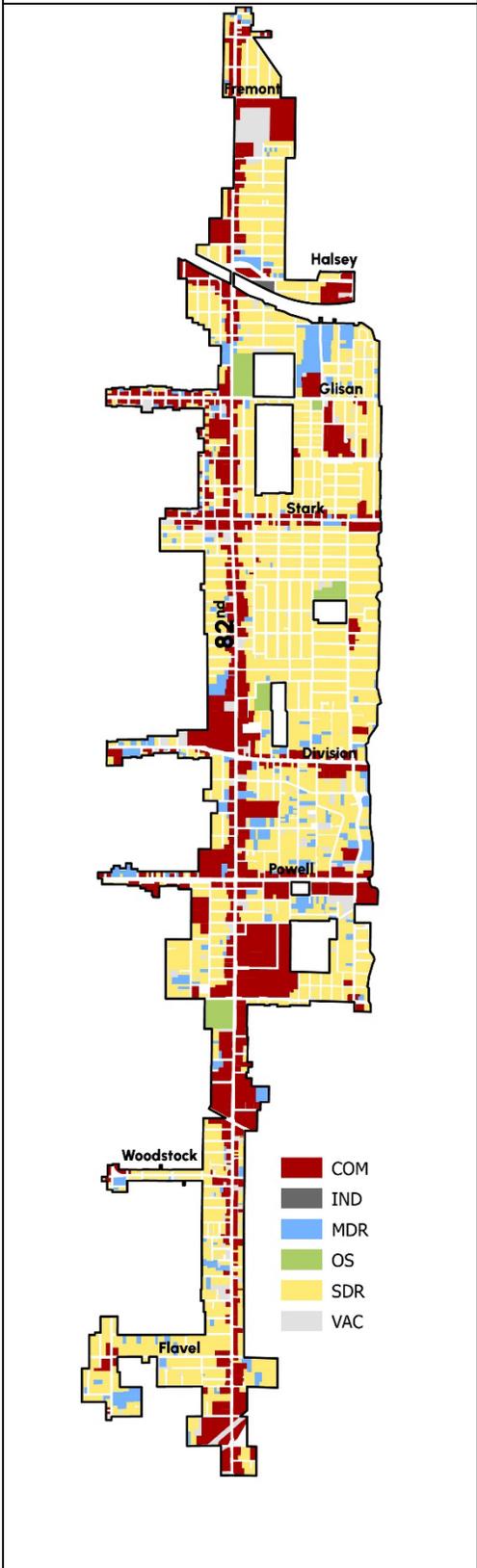
82<sup>nd</sup> Avenue forms the commercial spine of the TIF District, with residential uses surrounding the corridor. The existing land uses on existing properties within the 82<sup>nd</sup> Ave Area TIF District are shown in Figure B. The TIF District comprises 1,868 acres, with 1,412 acres consisting of land within tax lots and the remaining 459 acres in the right-of-way, as summarized in Table M. Commercial uses make up 22 percent of the area, mostly along 82<sup>nd</sup> Avenue and along intersecting arterial streets such as NE Glisan, SE Stark, SE Division, and SE Powell Streets. Multi-dwelling uses make up just six percent of the TIF District’s acreage. The majority of housing in the TIF District is single-dwelling residential uses (42 percent of total TIF District acreage). Four percent of acreage and parcels are vacant, totaling more than 67 acres across 329 parcels.

**Table M. Existing Land Use, 82<sup>nd</sup> Ave Area TIF District, 2024**

	PARCELS	SHARE	ACRES	SHARE
Single-Dwelling Residential	5,794	77%	784.1	42%
Multi-Dwelling Residential	331	4%	110.3	6%
Commercial	863	12%	409.5	22%
Industrial	1	0%	1.7	0%
Vacant	329	4%	67.0	4%
Rural	14	0%	29.8	2%
Right of Way	110	1%	455.4	24%
Other	36	0%	10.2	1%

Source: Regional Land Information System (RLIS), 2024

**Figure B. Land Use, 82<sup>nd</sup> Ave Area TIF District**



## Zoning

Along 82<sup>nd</sup> Avenue and key commercial nodes, many commercial properties are zoned CM2 (Commercial Mixed-Use 2) with the remainder zoned CE (Commercial Employment), EG1 (General Employment), or CM3 (Commercial Mixed-Use 3). Figure C shows zoning designations of land within the TIF District boundary.

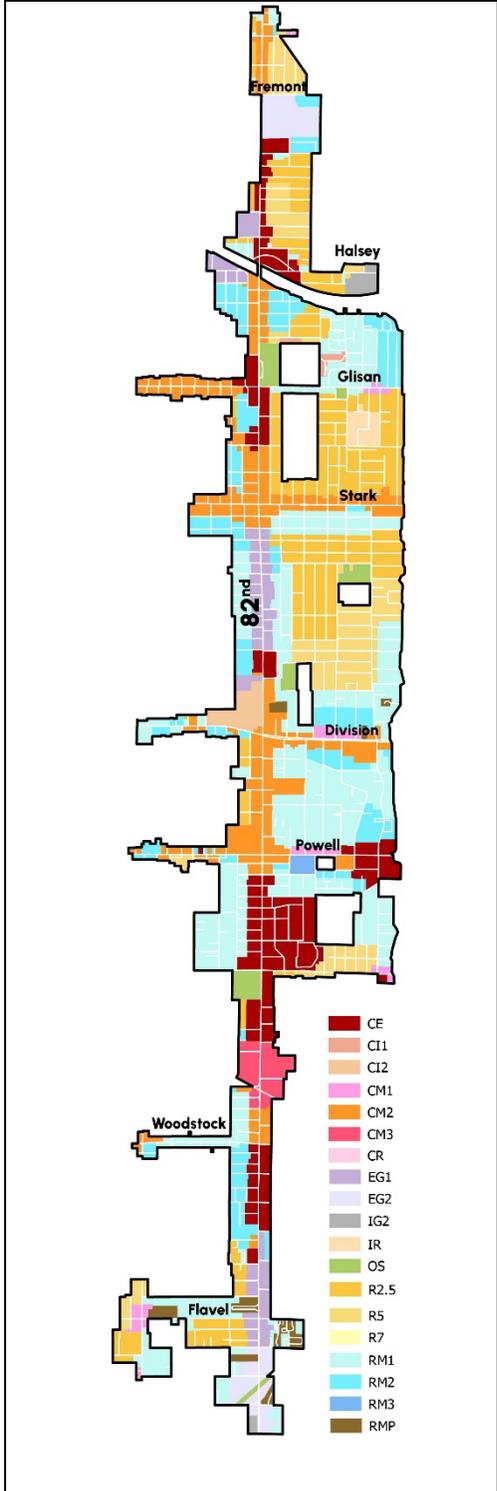
Over half of the acreage of the TIF District is zoned for residential development. Table N highlights the density of single-family residential areas in the TIF District with nearly two-thirds of the residential areas zoned R2.5 and one-third zoned R5. Of the areas zoned for multi-dwelling residential, 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. The remaining RM2 areas are designated for medium-scale residential development.

**Table N. Parcel Acres by Zoning, 82<sup>nd</sup> Ave Area TIF District, 2024**

	ACRES	SHARE
Commercial Employment (CE)	192.7	10%
Campus Institutional 1 (CI1)	6.6	0%
Campus Institutional 2 (CI2)	20.0	1%
Commercial Mixed Use 1 (CM1)	24.8	1%
Commercial Mixed Use 2 (CM2)	248.5	13%
Commercial Mixed Use 3 (CM3)	31.5	2%
Commercial Residential (CR)	0.2	0%
General Employment 1 (EG1)	76.0	4%
General Employment 2 (EG2)	52.7	3%
General Industrial 2 (IG2)	11.7	1%
Institutional Residential (IR)	14.0	1%
Open Space (OS)	38.9	2%
Residential 2,500 (R2.5)	309.6	17%
Residential 5,000 (R5)	158.2	8%
Residential 7,000 (R7)	0.1	0%
Residential Multi-Dwelling 1 (RM1)	462.0	25%
Residential Multi-Dwelling 2 (RM2)	190.8	10%
Residential Multi-Dwelling 3 (RM3)	6.1	0%
Residential Manufactured Dwelling Park (RMP)	23.8	1%

Source: Bureau of Planning & Sustainability, 2024

**Figure C. Zoning, 82<sup>nd</sup> Ave Area TIF District**



## Comprehensive Plan

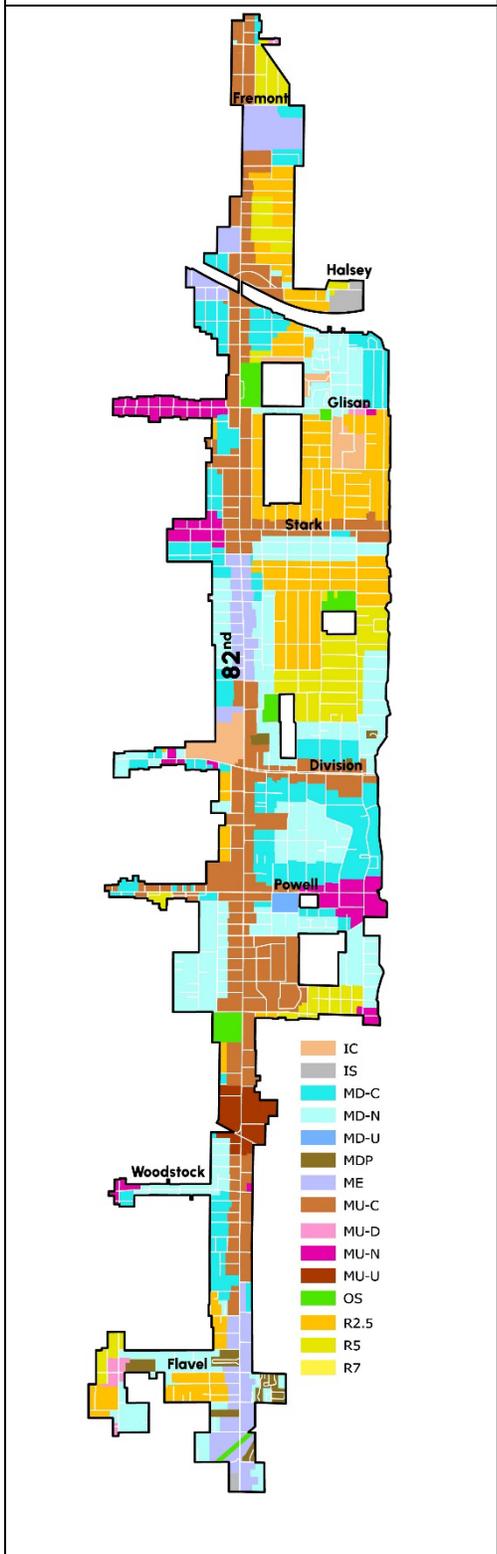
Under the Portland 2035 Comprehensive Plan, 82<sup>nd</sup> Avenue is designated as a "Civic Corridor" which is a street with high-quality transit service, multimodal facilities, mid-rise development, and landscaping. This designation is part of a broader effort to make the corridor safer, more accessible, 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 82<sup>nd</sup> Ave Area TIF District. Designations along the 82<sup>nd</sup> Avenue corridor include Mixed Use – Civic Corridor, Mixed Employment, and Mixed Use – Urban Center, which are each high-scale, transit-oriented development designations. Although Comprehensive Plan and zoning designations allocate approximately 35 percent of acreage to multi-dwelling residential uses, only 5 percent of the TIF District’s acreage is currently occupied by multi-dwelling uses.

**Table O. Parcel Acres by Comprehensive Plan Designation, 82<sup>nd</sup> Ave Area TIF District**

	ACRES	SHARE
Industrial Sanctuary (IS)	11.7	1%
Mixed Employment (ME)	128.7	7%
Mixed Use – Civic Corridor (MU-C)	392.6	21%
Mixed Use – Dispersed (MU-D)	9.0	0%
Mixed Use – Neighborhood (MU-N)	80.8	4%
Mixed Use - Urban Center (MU-U)	32.5	2%
Multi-Dwelling – Corridor (MD-C)	256.9	14%
Multi-Dwelling – Neighborhood (MD-N)	392.6	21%
Multi-Dwelling - Urban Center (MD-U)	6.1	0%
Institutional Campus (IC)	43.9	2%
Open Space (OS)	38.9	2%
Manufactured Dwelling Park (MDP)	23.8	1%
Single - Dwelling 2,500 (R2.5)	300.7	16%
Single - Dwelling 5,000 (R5)	149.5	8%
Single – Dwelling 7,000 (R7)	0.1	0%

Source: Bureau of Planning & Sustainability, 2024

**Figure D. Comprehensive Plan Designations, 82<sup>nd</sup> Ave Area TIF District**



## **Infrastructure**

This section discusses the existing conditions 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**

82<sup>nd</sup> Avenue started as a dirt farm-to-market road and is now a major transportation spine in East Portland running six miles north to south within the TIF District. It is a major north-south arterial road that supports high vehicle volumes, including significant freight traffic due to its designation as a state highway.

In 2022, ownership and maintenance responsibilities for 82<sup>nd</sup> Avenue transferred from the Oregon Department of Transportation (ODOT) to the City of Portland. Through this jurisdictional transfer, the City of Portland aims to transition 82<sup>nd</sup> Avenue (part of Oregon Route 213) into a more urban, community-focused corridor. The decision came in response to longstanding concerns from residents and local leaders about the state-managed road’s condition and safety.

Through an initiative called Building a Better 82<sup>nd</sup> Avenue, the transfer allows for local control over road improvements and better integration of 82<sup>nd</sup> Avenue into the city’s broader urban planning goals, including enhanced pedestrian safety, improved public transit services, and overall street modernization to support local businesses and communities. PBOT has reached over 5,000 local stakeholders in 2023 to identify their priorities and concerns for the corridor. Key themes from this outreach are summarized in this section.

### **Street Network**

The 82<sup>nd</sup> Avenue corridor intersects with several major thoroughfare that feature businesses and services and serve as connectors to other neighborhoods in Portland. These include:

- **NE Glisan Street**, classified as a District Collector, is a four-lane roadway with a center turn lane or a two-lane roadway with on-street parking and a center turn lane. The segment within the TIF District boundary from NE 72<sup>nd</sup> Avenue to NE 82<sup>nd</sup> Avenue is also classified as a Neighborhood Main Street, which emphasizes multimodal access to the growing business district in this area.
- **SE Division Street**, classified as a Neighborhood Collector west of 82<sup>nd</sup> Avenue and a District Collector to the east of 82<sup>nd</sup> Avenue, 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 NE Halsey Street, NE Glisan Street, NE Stark Street, and SE Foster Road.
- Neighborhood Collectors – E Burnside Street, SE Holgate Boulevard, SE Woodstock Boulevard, and SE Flavel Street.

Of the 11 corridors identified for improvements in the East Portland Arterial Streets Strategy, six intersect the 82<sup>nd</sup> Ave Area TIF District.<sup>5</sup> These corridors are characterized by a high number of collisions, narrow sidewalks, unsignalized intersections, and unprotected bike lanes. Few of the corridors meet PBOT’s pedestrian crossing guidelines. Planned improvements include reductions in vehicle travel lanes, increased buffering for bike lanes, additional street lighting, improving pedestrian crossings and other traffic calming measures.

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

A safe road network is critical to revitalization of 82<sup>nd</sup> Avenue as a business district and community corridor. In 2023, average daily traffic volumes on 82<sup>nd</sup> Avenue within the boundaries of the TIF District were approximately 13,000 (northbound) and 10,000 (southbound) vehicles per day<sup>6</sup> and vehicle speeds are consistently higher than the posted speed limit throughout the corridor.

82<sup>nd</sup> Avenue has a history of serious crashes and is part of the Vision Zero High Crash Network, the 30 streets with the highest number of crashes in Portland. From 2017 to 2021, there were 100 serious injury crashes and nine fatal crashes within the TIF District. During this period, 86 pedestrians and 39 bicyclists were hit by motor vehicles.<sup>7</sup> Along the broader 82<sup>nd</sup> Avenue Corridor, factors contributing to these crashes included movements in and out of driveways and left turns outside of signalized intersections. A majority of fatal incidents and more than half of all pedestrian-involved crashes occurred at night, demonstrating the importance of investments in additional and improved lighting along the corridor.<sup>8</sup>

## Public Transit

Effective public transportation is critical in this area, given that many residents do not get around by car for their daily needs.

Several high-frequency bus routes in the TIF District serve riders who depend on transit to reach destinations in the TIF District and beyond. The TIF District is served by TriMet bus lines:

- **Line 72** (Killingsworth/82<sup>nd</sup> Avenue) runs north-south along 82<sup>nd</sup> Avenue and has the highest transit ridership among all of TriMet’s bus routes, with 9,500 riders per weekday in Spring 2023.<sup>9</sup> The corridor services as a north-south connection that intersects with several east-west bus routes.
- **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 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.
- **Line 9** (Powell Boulevard) 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

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<sup>5</sup> Portland Bureau of Transportation, “East Portland Arterial Streets Strategy,” May 2021.

<sup>6</sup> According to data supplied by the Portland Bureau of Transportation. Count location was south of Burnside Street.

<sup>7</sup> Oregon Department of Transportation, Crash Data System. Available:

<https://www.oregon.gov/odot/data/pages/crash.aspx>.

<sup>8</sup> Portland Bureau of Transportation, “82<sup>nd</sup> Avenue Corridor Atlas,” n.d., p. 46. Available:

<https://www.portland.gov/transportation/planning/82nd-avenue/documents/82nd-avenue-corridor-atlas/download>.

<sup>9</sup> TriMet Route Ridership Report – Spring 2023 - Weekday. Available:

[https://trimet.org/about/pdf/route/2023spring/route\\_ridership\\_report\\_\(sorted\\_by\\_route\)\\_weekday.pdf](https://trimet.org/about/pdf/route/2023spring/route_ridership_report_(sorted_by_route)_weekday.pdf).

is designated as a frequent service line, with buses running every 15 minutes or less throughout most of the day.

- **Line 14** (Hawthorne/Foster) runs along SE Foster Boulevard connecting Lents Town Center with Southeast Portland and Portland Center City. This route is designated as a frequent service line, with buses running every 15 minutes or less throughout most of the day.
- **Line 17** (Holgate/Broadway) runs along SE Holgate Boulevard connecting the Powellhurst neighborhood east of Interstate 205 with Southeast Portland, South Waterfront, and Portland Center City via the Tilikum Crossing. The northern segment of the route connects to the Rose Quarter, Lloyd District, and Northeast Portland. This route is designated as a frequent service line, with buses running every 15 minutes or less throughout most of the day.
- **Line 20** (Burnside/Stark) connects Beaverton, Center City Portland, East Portland, and Gresham. This route is designated as a frequent service line, with buses running every 15 minutes or less throughout most of the day.
- Numerous other bus lines intersect with the TIF District, connecting diverse residential and commercial areas. However, bus service efficiency is often hampered by 82<sup>nd</sup> Avenue's congestion, especially in the Jade District between SE Division Street and SE Holgate Boulevard.

The Portland Bureau of Transportation's (PBOT) Building a Better 82<sup>nd</sup> project identified the need for enhancements such as better signal timing and bus infrastructure to improve transit flow. As part of this work, PBOT and Metro conducted engagement with local stakeholders and the business community. Key priorities include ensuring that customers can access businesses during construction and that employees who rely on transit have safe and timely services. There is also a need to protect freight delivery access to businesses, as there is concern that making driving difficult could result in a loss of business.

The 82<sup>nd</sup> Avenue MAX station is located in the middle of the TIF District, with direct service to downtown Portland, Portland International Airport, and Gresham. The Green Line MAX Line runs parallel to the TIF District along Interstate 205, providing transit connections to key destinations, including Clackamas Town Center and downtown Portland.

### **Pedestrian and Bicycle Facilities**

Building a more walkable urban corridor that continues to foster a diverse business base will be critical to the success of 82<sup>nd</sup> Avenue. PBOT's 82<sup>nd</sup> Avenue Critical Fixes project is delivering urgent safety and maintenance repairs to the corridor, including paving, improved and signalized pedestrian crossings, street lighting, signage, striping, and sidewalk accessibility. In the long term, PBOT's 82<sup>nd</sup> Avenue Civic Corridor Investment Strategy identifies and prioritizes key investments needed in transportation infrastructure to improve conditions on the corridor.

The TIF District faces many challenges that PBOT will be working to overcome over the next several years, with projects identified through the investment strategy expected to begin construction in 2026. The current design of 82<sup>nd</sup> Avenue and several other arterials in the TIF District favor vehicles through traffic, with wide travel lanes and narrow unbuffered sidewalks that do not meet current City of Portland or American with Disabilities Act (ADA) standards. Within the 82<sup>nd</sup> Avenue District, just 46 percent of streets have sidewalk coverage.

Because 82<sup>nd</sup> Avenue bisects many neighborhoods, residents and visitors must cross the corridor to access parks, schools, businesses, services, and places of worship. The existing street design of 82<sup>nd</sup> Avenue contributes to a high rate of traffic incidents and pedestrian-involved crashes, making it one of the more dangerous roads in Portland. Pedestrian fatalities per capita are twice as high in East Portland compared to the city overall. Despite

82nd Avenue’s relatively dense urban setting, this lack of infrastructure poses safety risks and discourages non-vehicle travel, as documented in the East Portland Action Plan. In 2023, PBOT conducted outreach related to the 82nd/Glisan and Davis project and received 209 responses revealing strong support for street improvements aimed at enhancing walkability and safety.

No bike lanes exist on 82nd Avenue, and challenges remain to accommodate them along the corridor. PBOT has established several neighborhood greenways that run parallel to the corridor. Key east-west bikeway connections running through the corridor include NE Siskiyou, NE Tillamook, SE Yamhill, and SE Mill Streets. Neighborhood bikeways and greenways often have traffic calming and bike infrastructure without separation from motorized vehicles, and oftentimes do not have appropriate facilities for bikes to safely cross 82<sup>nd</sup> Avenue. Building a Better 82<sup>nd</sup> Avenue has identified crossing improvements for many of these east-west routes.

### 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.*

More than half of the TIF District is served by separated sewers. The rest of the TIF District is served by combined sewers. The area intersects with the Gregory Heights, NE Broadway, Altamead, Brooklyn, and South Lents sanitary basins and the Stark, Taggart B/C, and Lents combined sewer basins. Multiple pump stations serve the areas within the TIF District—though they may not be located within the TIF District boundary—including the Sullivan, Fremont, Broadway/87<sup>th</sup> Avenue, Altamead, Brooklyn, and SE 83<sup>rd</sup> Avenue stations. Improving the condition of the pump station portfolio has been identified as a BES priority. BES planning and design groups are working on multiple pump station improvement projects across the spectrum of the pump stations that BES owns or is responsible for maintaining. Most pump stations, except Fremont and SE 83<sup>rd</sup> Avenue, require condition upgrades. Broadway and 87<sup>th</sup> has recently moved into predesign. Other smaller pump stations will be prioritized for rehabilitation as resources are available.

Within the TIF District, approximately 34,600 linear feet of sanitary sewer pipe are rated as in poor or very poor/needs attention condition (about 12 percent of the sewer pipes, by length, in the District).

Most stormwater is managed by sumps (Underground Injection Control facilities). The TIF District has few storm pipes that direct flow to green infiltration facilities. The condition of more than two thirds of the existing storm pipe in the area is unknown.

**Table P: Sewer and Storm Pipe Condition Summary for 82<sup>nd</sup> Ave Area TIF District**

PIPE CONDITION SCORE	STRUCTURAL GRADES	SEWER PIPE LENGTH (FT)	SEWER PERCENT BY LENGTH	STORM PIPE LENGTH (FT)	STORM PIPE PERCENTAGE
Unknown	Unknown	7,511	2.6%	14,903	67.4%
Excellent	1	181,393	61.7%	3,950	17.9%
Good	2	34,935	11.9%	1,109	5.0%
Fair	3	35,356	12.0%	2,008	9.1%
Poor	4	26,915	9.2%	135	0.6%
Very Poor/Needs Attention	5	7,728	2.6%	NA	NA
<b>Total</b>		<b>293,839</b>	<b>100.0%</b>	<b>22,105</b>	<b>100.0%</b>

Source: Portland Bureau of Environmental Services, 2024



## **Potential Issues and Concerns**

The Bureau of Environmental Services (BES) lacks condition assessment data for sumps in this TIF District. Approximately 75 percent of sumps either lack installation date information or are past their expected useful life of 30 years. Some of these sumps may require immediate 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.

## **Planning Priorities**

This area intersects with large-diameter rehabilitation work zones in the Lents basin (LEN02 and LEN03). These work zones are considered high risk due to condition or the consequences of service failure, and are on BES's list of future planning priorities.

## **WATER INFRASTRUCTURE**

The water delivery system, transmission capacity, and supply will be able to serve new development in this TIF District over the life of the TIF District and beyond.

A significant portion of the water infrastructure work along the southeast segment of 82<sup>nd</sup> Ave is still ongoing as of 2024. Some small water pipes within the District are slated for replacement. Ongoing streetscape improvements, including road diets and traffic calming measures, have the potential to create conflicts with the existing water infrastructure.

Adjusting the streetscape can lead to the need for rerouting or reinforcing water lines to accommodate new road configurations and pedestrian-friendly designs. 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.

## **PARKS**

### **Existing Parks**

Montavilla Park and Community Center is the only existing public park within the District, though Glenhaven Park is immediately west of the District at NE Siskiyou Street. 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. During previous East Portland planning processes, community members identified the need for additional parks, green spaces and community gardens. Given the mix of uses and large parking lots, there could be opportunities to acquire and develop or provide shared space, for additional 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, ADA improvements for existing infrastructure, and transit access. 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 TIF District, 86 percent of housing units are within a half mile of a park which is on par with Portland averages. 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

Portland Parks and Recreation Department is planning for several park investments within this corridor, including renovations of the Montavilla Community Center, a planned park between SE Division Street and SE Powell Boulevard, and a trailhead at SE 82nd Ave to the Springwater Corridor.

## Environmental Challenges

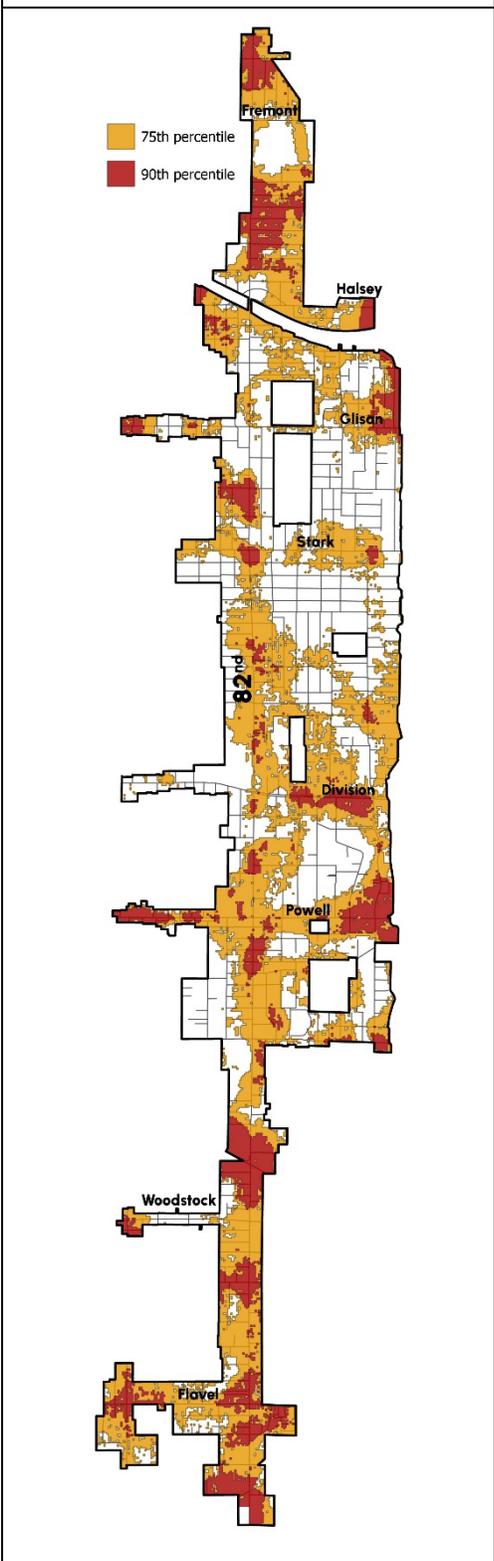
### URBAN HEAT ISLANDS

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.<sup>10</sup>

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

Figure E. Percentile of Average Temperatures, 82nd Ave Area TIF District



<sup>10</sup> U.S. Department of Agriculture, “Urban Heat Islands in the Northwest,” (n.d.). Available: <https://www.climatehubs.usda.gov/hubs/northwest/topic/urban-heat-islands-northwest>.

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.<sup>11</sup>

**About 66 percent of the housing units in the TIF District are in the 75<sup>th</sup> percentile or higher of all temperature readings in the region,** compared with 57 percent of housing units citywide, as shown in Figure E.<sup>12</sup> A lack of street trees and on-site trees contributes to the area’s urban heat island effect, due to the many large surface parking lots in the area and the 43 percent of land area that is in the right-of-way. 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 within the 82<sup>nd</sup> Ave Area TIF District boundary. The East Portland Community Prosperity Initiative 2021 Engagement Report and Portland African American Leadership Forum 2017 People’s Plan called for tree plantings and community garden investments in underserved neighborhoods. The 82<sup>nd</sup> Avenue Business Association has endorsed projects to mitigate the area’s heat islands, recognizing their potential to make the area more attractive to customers and residents while addressing long-standing safety concerns.

## BROWNFIELDS

Given the presence of numerous legacy auto-oriented businesses and older commercial buildings on 82<sup>nd</sup> Avenue, the TIF District contains many potential brownfield sites that could add to the redevelopment costs. Several sites along the corridor have ongoing remediation needs, as outlined in the Oregon DEQ ECSI database. In 2013, the City conducted an inventory<sup>13</sup> 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 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, including 82<sup>nd</sup> Avenue.<sup>14</sup>

## 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 46 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.

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<sup>11</sup> 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](https://www.opb.org/pdf/multco-heat-report-final-06262022_1656296951051.pdf).

<sup>12</sup> ECONorthwest analysis of data from City of Portland Bureau of Planning and Sustainability and Metro RLIS.

<sup>13</sup> Portland Bureau of Planning and Sustainability, “Brownfields,” (map). Available:

<https://www.portlandmaps.com/bps/brownfields/>.

<sup>14</sup> 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>.

## **Population and Population Growth**

**The TIF District’s population has grown at a slower rate compared to the City of Portland as a whole.** An estimated 44,714 people live in the 82<sup>nd</sup> Ave Area TIF District. Between 1990 and 2022, the TIF District’s population increased by 127 percent while the City of Portland’s population increased by 134 percent.<sup>15</sup>

## **AGE**

**The TIF District’s population is younger compared to the rest of Portland.** Youth under the age of 18 make up 17 percent of both the TIF District’s population and the City’s population, while working age residents (aged 18–64) make up 70 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.<sup>16</sup>

## **RACE AND ETHNICITY**

**The 82nd Ave Area 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 38 percent of the District’s population, which is 6 percentage points higher than Portland’s population of BIPOC residents. The predominant BIPOC racial groups are Asian, non-Hispanic (16.1 percent) followed by Hispanic of any race (10.1 percent).<sup>17</sup>

## **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 39 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 three percentage points higher in the TIF District.<sup>18</sup>

## **Commute Time and Transportation Mode**

**District residents are more likely to drive, carpool, or take public transit than Portland residents.** Residents are less likely to work from home and are less likely to use active transportation for their commutes. The greatest disparity exists in the ability to work from home; the share of District residents who work remotely is six percentage points lower than Portland’s share of remote workers. Most residents have a commute time up to 44 minutes, consistent with Portland averages.

## **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 82<sup>nd</sup> Ave Area TIF District:

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<sup>15</sup> U.S. Census Bureau, Decennial Census 1990, 2000, 2010, 2020.

<sup>16</sup> U.S. Census Bureau, 2018–2022 ACS 5-year estimates, Table B01001.

<sup>17</sup> U.S. Census Bureau, 2018–2022 ACS 5-year estimates, Table B03002.

<sup>18</sup> U.S. Census Bureau, 2018–2022 ACS 5-year estimates, Table B03002.

- **The TIF District’s population is growing, but not as fast as Portland’s.** Population has increased by over 127 percent since 1990. However, the area has not captured the same rate of population growth experienced throughout Portland, which grew by 135 percent over same period.
- **Residents are vulnerable to changing economic conditions, making displacement more difficult to prevent.** The BPS Economic Vulnerability Assessment determined a score of 66 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.<sup>19</sup>
- **Housing cost burden affects over half of households.** More than half of the TIF District’s renter households experience cost burden, meaning they spend over 30 percent of their income on housing. The TIF District is four percentage points more cost burdened than the City of Portland, as summarized in Table Q. The greatest disparity is in the number of severely cost-burdened households, who spend more than 50 percent of their income on housing. Thirty percent of District renter households are severely cost burdened, six percentage points higher than in the City of Portland.

**Table Q. Cost Burden, 82nd Ave Area TIF District and Portland, 2022**

	82ND AVE AREA TIF DISTRICT	PORTLAND
<b>Burdened</b>	22%	24%
<b>Severely Burdened</b>	29%	24%
<b>Total Burdened</b>	<b>51%</b>	<b>48%</b>

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 greater share of households earn less than \$50,000 (35 versus 30 percent) and a smaller share of households earn over \$150,000 (17 versus 25 percent). Overall, Median Household Income in Portland is \$85,876 compared to \$78,597 in the TIF District.<sup>20</sup>

**Business and Employment Conditions**

The 82nd Ave Area TIF District is centered on a major commercial corridor with over 1,000 businesses, ranging from national chains in large shopping centers to small family-owned shops. While the 82<sup>nd</sup> Ave Area TIF District is a hub within the city for retail and service businesses, the area has a low share of Portland’s overall employment (1.9 percent) compared to its population (8.4 percent) and wages for jobs located within the TIF District are lower on average compared to the city as a whole.

- **The 82<sup>nd</sup> Avenue commercial corridor is mostly composed of service and retail establishments.** Table R summarizes the share of establishments by industry, comparing the TIF District to Portland. The share of retail establishments is 11 percentage points higher in the TIF District compared with citywide business totals, which highlights the role the TIF District plays in providing services and retail goods both locally

<sup>19</sup> 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.

<sup>20</sup> ECONorthwest analysis of U.S. Census Bureau, 2018–2022 ACS 5-year estimates, Table B19013.

and as a regional destination. The primary corridors within the TIF District, including 82<sup>nd</sup> Avenue and the east-west connectors, serve an important function providing daily goods and services to nearby residents and workers. Large format retailers located along these corridors also serve a broader regional market, including culturally-specific grocery stores and other retailers.

**Table R. Share of Establishments by Industry, 82nd Ave Area TIF District and Portland, 2022**

	82ND AVE AREA TIF DISTRICT		PORTLAND	
	Establishments	Share	Establishments	Share
Construction and Resources	56	5%	1,897	5%
Finance, Insurance and Real Estate	62	6%	2,910	6%
Manufacturing	30	3%	1,286	6%
Public Administration	suppressed	suppressed	173	3%
Retail	189	18%	2,615	8%
Services	654	62%	23,810	61%
Wholesale Trade, Transportation, and Utilities	57	5%	2,730	12%
<b>Total</b>	<b>1,048</b>	<b>100%</b>	<b>35,421</b>	<b>100%</b>

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 8,459 employees in the TIF District. Given the concentration of retail and service establishments along the 82<sup>nd</sup> Avenue corridor, employment in those sectors is the most common occupation for TIF District employees, making up 87 percent of jobs, as shown in Table S. Across all employment, average wages for jobs in the TIF District are \$32,954 compared with \$54,816 citywide. For each employment sector, 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 18 percent lower in retail jobs and up to 47 percent lower in wholesale, transportation, and utilities jobs. Meanwhile, compared with citywide jobs, manufacturing or finance jobs are less common. These types of jobs can offer stable, living wages.

**Table S. Share of Employment by Industry, 82nd Ave Area TIF District and Portland, 2022**

	82ND AVE AREA TIF DISTRICT	PORTLAND
Construction and Resources	4%	5%
Finance, Insurance and Real Estate	2%	6%
Manufacturing	2%	6%
Public Administration	suppressed	3%
Retail	23%	8%
Services	65%	61%
Wholesale Trade, Transportation, and Utilities	5%	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, 82nd Ave Area TIF District and Portland, 2024**

	82ND AVE AREA TIF DISTRICT	PORTLAND
Construction and Resources	\$26,300	\$39,300
Finance, Insurance and Real Estate	\$31,000	\$55,300
Manufacturing	\$29,600	\$42,100
Public Administration	suppressed	\$85,700
Retail	\$25,800	\$31,600
Services	\$24,200	\$39,500
Wholesale Trade, Transportation, and Utilities	\$34,200	\$61,900

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 6.7 percent compared to 5.6 percent for Portland overall.<sup>21</sup>

**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 327 vacant parcels and 889 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. About 94 percent of vacant parcels and 90 percent of underutilized parcels are under 20,000 square feet, as summarized in Table U. Almost 40 percent of vacant and underutilized parcels are zoned for Commercial Mixed-Use 2 and Commercial Employment, as shown in Table V. 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, 82nd Ave Area TIF District, 2024**

PARCEL SIZE (SQ. FT.)	VACANT PARCELS (%)	UNDERUTILIZED PARCELS (%)
>100,000	0%	1%
50,000-99,999	1%	1%
20,000-49,999	5%	8%
10,000-19,999	19%	35%
5,000-9,999	31%	49%
<5,000	44%	6%

Source: Portland Bureau of Planning and Sustainability, 2024

<sup>21</sup> U.S. Census Bureau, 2018–2022 ACS 5-Year estimates, Table B23025.

**Table V. Vacant and Underutilized Parcels by Zoning, 82nd Ave Area TIF District, 2024**

	VACANT PARCELS (% OF PARCELS)	UNDERUTILIZED PARCELS (% OF PARCELS)
Commercial Employment	5%	7%
Commercial Mixed-Use 1	1%	1%
Commercial Mixed-Use 2	8%	13%
Residential 2,500	2%	2%
Residential 5,000	1%	1%
Residential Multi-Dwelling 1	8%	38%
Residential Multi-Dwelling 2	2%	9%

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.

Over half of the acreage (55 percent) in the TIF District has an I:L ratio of less than 1.0 compared to 42 percent of properties citywide, as shown in Table W. About 8 percent of properties (93 acres) in the TIF District have an I:L value of less than 0.25. This category includes the 67 acres in the TIF District that are vacant.

**Table W. Improvement to Land Value by Acreage, 82nd Ave Area TIF District, 2024**

	82ND AVE AREA TIF DISTRICT	PORTLAND
3 or higher	7%	14%
1–2.99	38%	43%
0.5–0.99	40%	29%
0.25–0.49	7%	7%
Less than 0.25	8%	7%

Source: CoStar, 2024 Q1

### BUILDING AGE

The TIF District has a large share of older buildings, with 62 percent of buildings built before 1960 and another 2 percent with an unknown year built. This is greater than the City of Portland’s average of 58 percent of buildings built before 1960.

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 a key commercial spine for East Portland and the city as a whole, the vast majority (88 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 82nd Ave TIF District are about 20 percent lower than Portland as a whole, at an average of \$1.62 per square foot compared with \$2.04 citywide, as shown in Table X. 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 125 percent compared to a 170 percent increase across the city. Fewer new housing units in the TIF District contributes to a lower vacancy rate (5.3 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. The 82<sup>nd</sup> Ave Area TIF District has seen a small share of middle housing development since the City of Portland’s Residential Infill Project code changes were adopted in 2020. Only three ADU permits have been filed in the TIF District area as of July 2022.<sup>22</sup>

**Table X. Multi-Dwelling Market Conditions, 82nd Ave Area TIF District, 2024**

	82ND AVE AREA TIF DISTRICT	PORTLAND
Multi-Dwelling Units (% of year 2000 total)	125%	170%
Vacancy Rate	5.3%	7.2%
Under Construction (Units)	0	5,183
Asking Rent (per square foot)	\$1.62	\$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 353 subsidized housing units out of a total of almost 9,500 homes. Of these units, 80 percent are designated for very low income (31–60 percent of Area Median Income) and 20 percent are designated for extremely low income (0–30 percent of Area Median Income). There are no

<sup>22</sup> 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>.

low-income (61–80 percent of Area Median Income) or 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 51 percent.

- **One quarter of the TIF District’s regulated affordable housing units are set to expire in the next 10 years.** Oregon Housing and Community Services maintains the Oregon Affordable Housing Inventory (OAHI) to track all regulated affordable housing projects and the dates when their affordability requirements are set to expire. Without new regulatory agreements to maintain affordability, these units could transition to rent on the open market. At least 79 percent of affordable housing units in the TIF District will expire, with 22 percent of the units set to expire within 10 years. The TIF district will lose a higher share of its regulated affordable housing in the next decade compared to the City of Portland, where 12 percent of units are set to expire.
- **Most multi-dwelling housing units in the TIF District are considered naturally occurring affordable housing (NOAH).** 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. Approximately 87 percent of the TIF District’s market rate multi-dwelling units qualify as NOAH compared to 36 percent citywide.<sup>23</sup>
- **Manufactured homes are the fifth most common type of housing in the TIF District.** There are eleven manufactured home parks in the TIF District that provide 313 housing units. 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.
- **Homeownership is more common in the TIF District, but home values are lower than the city median.** Sixty-two percent of residents are homeowners compared to 53 percent of Portlanders. In 2023, the median home sale price in the district was \$105,000 lower than Portland’s median home sale price.<sup>24</sup> 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 higher 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. 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

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<sup>23</sup> 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.

<sup>24</sup> Multnomah County Assessor and Portland Bureau of Planning and Sustainability.

are large enough to provide these opportunities are not required and often not provided with new multi-dwelling development.<sup>25</sup>

## OFFICE REAL ESTATE MARKET CONDITIONS

There are 100 office buildings and a total of 509,328 square feet in the corridor, with a concentration of office uses along SE Stark Street between 82<sup>nd</sup> Avenue and 91<sup>st</sup> Avenue. Office rents in the area are much lower than citywide averages, at \$19.23 per square foot compared to \$26.88 in Portland, as shown in Table Y. Growth in office space has slightly outpaced the city as a whole since 2003 and office vacancies are significantly lower than Portland averages, at 7 percent compared with 18 percent citywide. This growth and higher occupancy rates in the TIF District are driven by an increase in medical uses, which are often purpose-built and sometimes owned by their tenants. 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, 82nd Ave Area TIF District, 2024**

	82ND AVE AREA TIF DISTRICT	PORTLAND
Inventory (% of year 2003 total)	115%	112%
Vacancy Rate	7%	18%
Under Construction (SF)	0	0
Asking Rent (NNN)	\$19.23	\$26.88

Source: CoStar, 2024 Q1

## RETAIL REAL ESTATE MARKET CONDITIONS

Retail and service businesses form the largest share of commercial activity within the TIF District. Since 2000, however, retail inventory in the corridor has decreased slightly, compared with very slow growth in the City of Portland. Retail rents in the District are slightly lower than the Portland average, as shown in Table Z. The vacancy rate for retail uses within the TIF District is also lower (3.5 percent) than the city overall (6.6 percent), indicating considerable demand for affordable commercial spaces within the District’s business corridors. Despite this demand, there is no new supply in the development pipeline within the TIF District boundary.

**Table Z. Retail CoStar Market Conditions, 82nd Ave Area TIF District, 2024**

	82ND AVE AREA TIF DISTRICT	PORTLAND
Inventory (% of year 2000 total)	102%	116%
Vacancy Rate	3.5%	6.6%
Under Construction (SF)	0	509,669
Asking Rent (NNN)	No data	\$10.54

Source: CoStar, 2024 Q1

## INDUSTRIAL REAL ESTATE MARKET CONDITIONS

The TIF District has 370,415 square feet of industrial development, and industrial inventory has increased slightly since 2000, but at a slower pace compared to Portland’s overall industrial inventory, as shown in Table AA. There may be additional demand for light industrial uses in the area, given the low vacancy rate of 3.5 percent. New development of industrial uses, however, will be limited to zones that allow those uses. Areas for

<sup>25</sup> Bureau of Planning and Sustainability, “Better Housing By Design Concepts Report,” 2017.

general industry form 1 percent of the zoned area of the TIF District, located along NE Halsey Boulevard and the southern end of 82<sup>nd</sup> Avenue. Smaller-scale industrial uses are allowed in an additional 7 percent of the TIF District, in general employment zones. These zoning conditions reflect the evolution of the corridor into a more urban commercial district.

**Table AA. Industrial Market Conditions, 82nd Ave Area TIF District, 2024**

	82ND AVE AREA TIF DISTRICT	PORTLAND
Inventory (% of year 2000 total)	102%	116%
Vacancy Rate	3.5%	6.6%
Under Construction (SF)	0	509,669
Asking Rent (NNN)	No data	\$10.54

Source: CoStar, 2024 Q1