



**PROSPER**  
PORTLAND

# East Portland Enterprise Zone Program 10-Year Reauthorization

# Summary

1. Review East Portland Enterprise Zone Program (2012-2023)
2. Enterprise Zone State Statute overview
3. Enterprise Zone Program Impact
4. Proposed East Portland Enterprise Zone boundary map
5. Discussion and feedback



# Enterprise Zone Overview

- E-Zone is a property tax abatement program of the State of Oregon
- Companies receive abatement on increased property taxes on new investment in construction or equipment to property for five years
- Average Tax Liability for new Capital Investments is around 1.5%/year
  - Example: \$20M investment would create new tax liability of 300k/year. After 5 years, and \$1.5M exempted, and the total asset re-enters the tax rolls.
- Must be creating new or additional living wage jobs, \$15/hour minimum or \$20/hour total compensation.
- Companies agree to public benefits when applying to the program.
- Additionally, 15% of their exempted taxes go towards public benefit agreement activities or other economic opportunity programming.

# Oregon State Statute/Administrative Overview

**1985**

Enacted by legislature, continuously supported by nearly all legislators, both urban & rural, for decades

**70+**

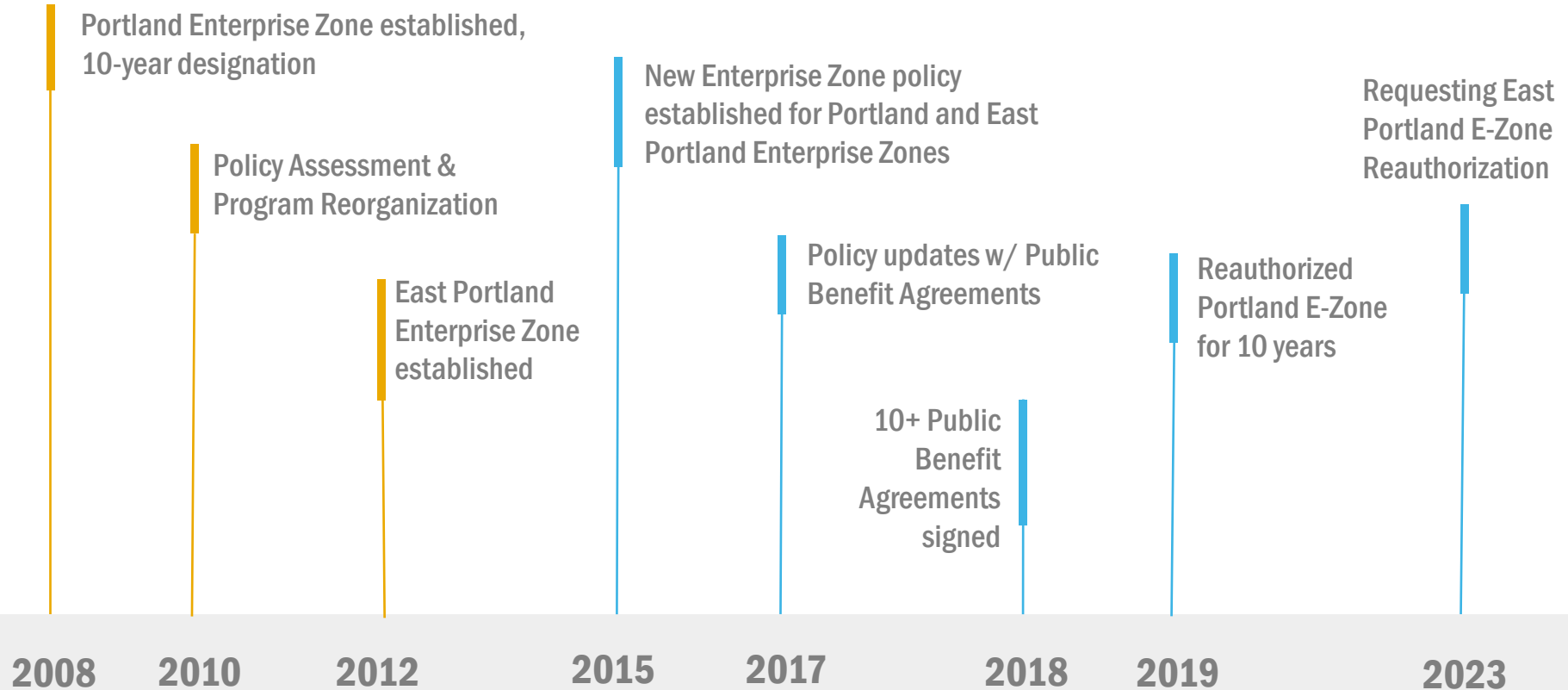
Enterprise Zones across the state; nearly every medium/large city in Oregon has a zone

**10 years**

10-year designations must be approved by local zone sponsor, port, and state

Allows for local conditions/community benefits, but not required for 3-year exemptions

# Adaptation and Evolution



# Advance Portland

**OBJECTIVE 2**  
Promote Equitable  
Wealth Creation

**OBJECTIVE 1**  
Propel Inclusive  
Economic Growth  
& Innovation



**Goal:**  
Advance inclusive  
growth in Portland

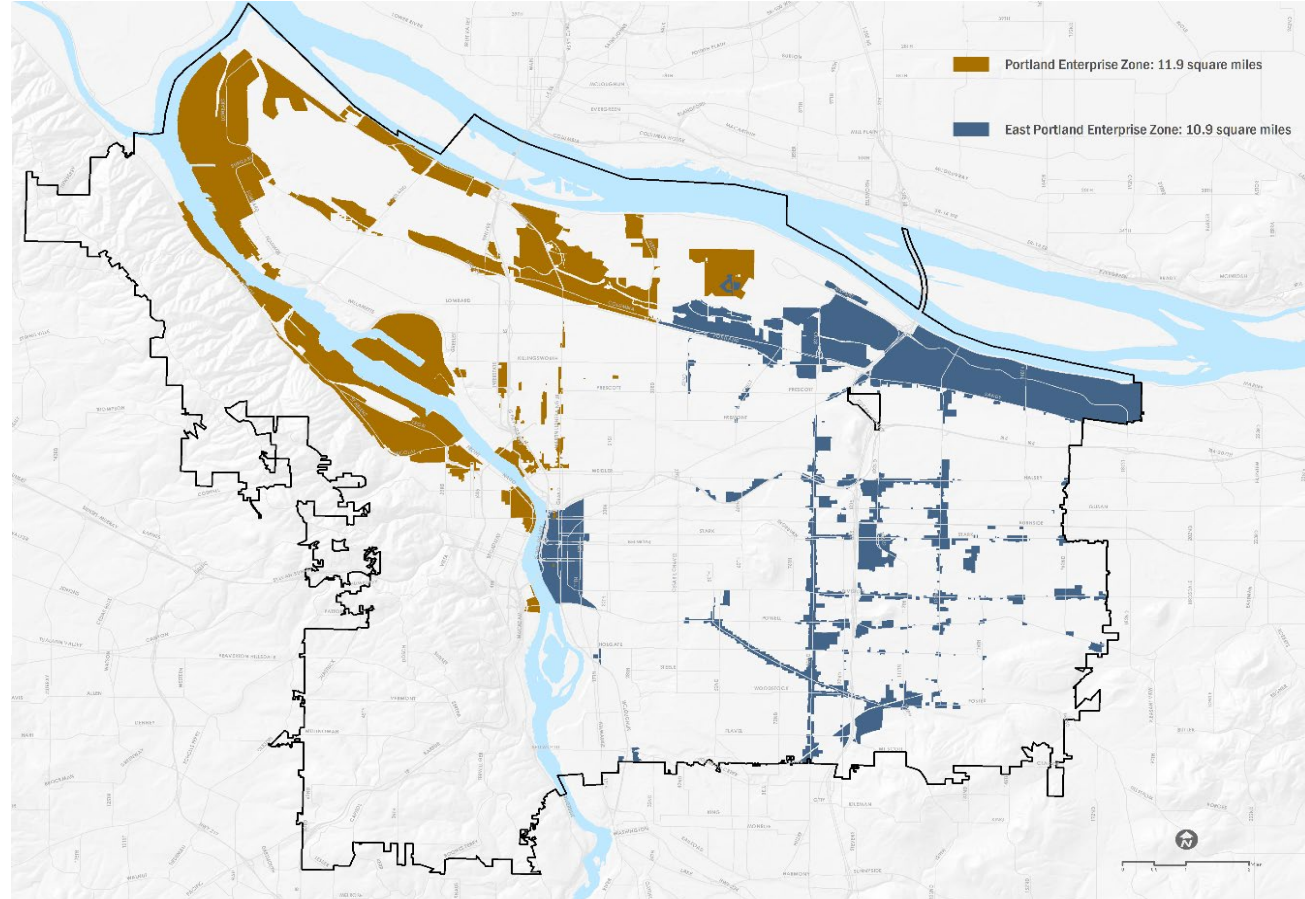
**OBJECTIVE 3**  
Foster a Vibrant  
Central City  
& Neighborhood  
Commercial Districts

**OBJECTIVE 4**  
Connect Portlanders to  
High-Quality Jobs in  
Future-Ready Sectors

# Current Enterprise Zones

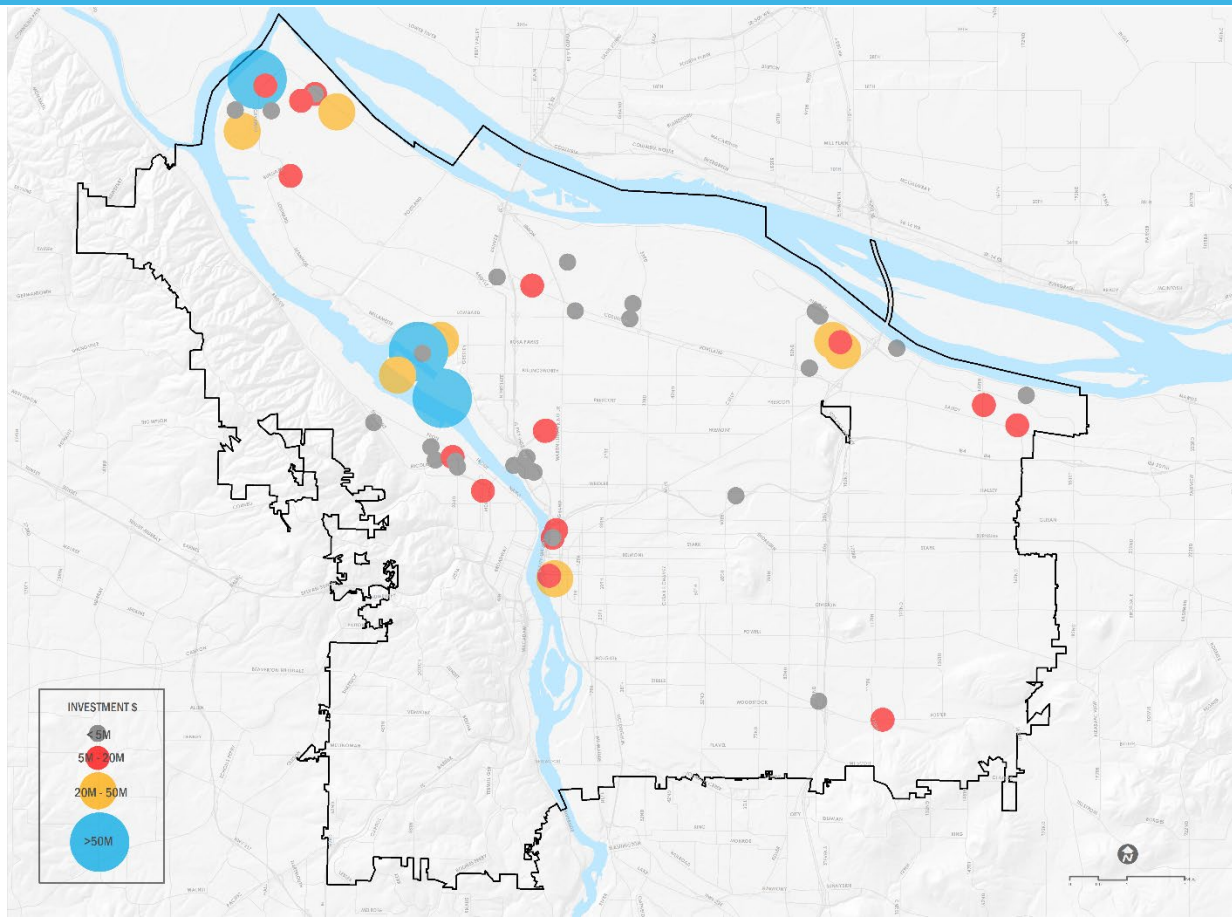
● Portland Enterprise Zone (2019)

● East Portland Enterprise Zone (2012)



E. Portland E-Zone Extension - March 8, 2023

# Portland Enterprise Zones Activity Map





# Enterprise Zones Program Activity

**97**

Total projects

**45**

Active projects



**29%**

of active projects are  
small businesses

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**10** YEARS

# Active Companies in Portland & East Portland Enterprise Zones

<b>A &amp; K Designs</b>	<b>Fedex Ground</b>	<b>Revant Optics</b>
<b>Adpearance Inc.</b>	<b>FXI Inc.</b>	<b>Salt &amp; Straw</b>
<b>Ajinomoto Toyo Frozen Noodles</b>	<b>Harder Mechanical</b>	<b>TEC Equipment</b>
<b>Amazon</b>	<b>Instrument Marketing Inc.</b>	<b>The Good Group</b>
<b>Bob's Metals</b>	<b>KeHe Distributors</b>	<b>The Home Depot</b>
<b>Bridge City Steel</b>	<b>Leatherman</b>	<b>TOAST</b>
<b>Bridgetown Natural Foods</b>	<b>Morel Ink</b>	<b>United Parcel Service</b>
<b>City of Roses Disposal</b>	<b>Nossa Familia Coffee Roasters</b>	<b>Urban Gypsum</b>
<b>Cook Security</b>	<b>Olympia Meats</b>	<b>Viewpoint Software</b>
<b>Cummins</b>	<b>PAE Consulting Engineers</b>	<b>Young's Market</b>
<b>Daimler Trucks North America</b>	<b>Portland Bulk Terminals</b>	<b>Z Haus LLC</b>

# Impact | Investments in Portland

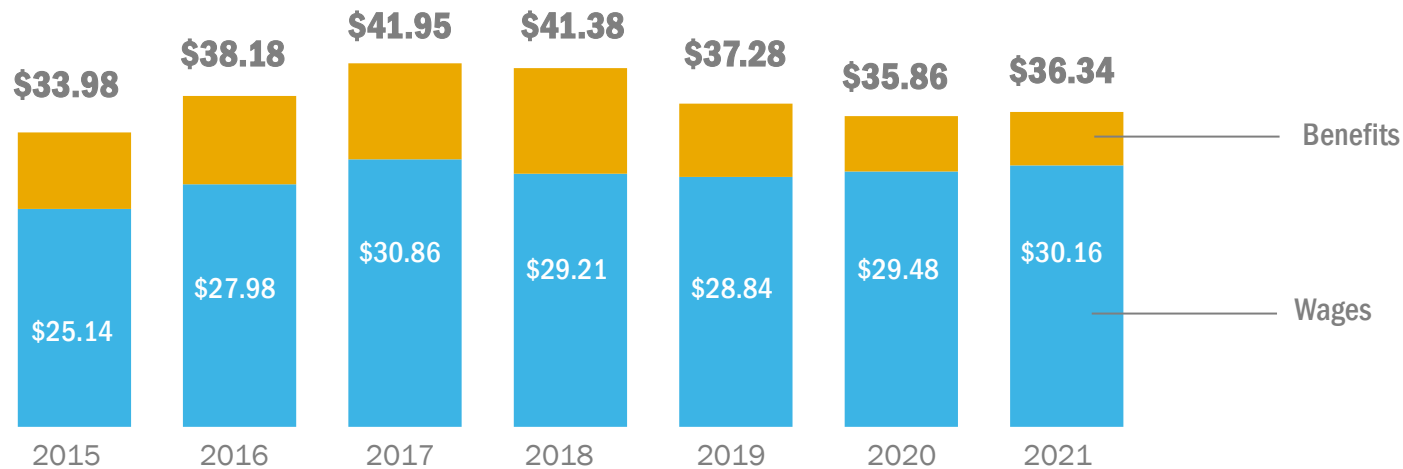
**\$1,813,680,775**

Total Capital and Procurement Investment, 2015-2022

\$974 M

\$940 M

# Impact | Jobs, wages & compensation



AVERAGE TOTAL COMPENSATION

# Public Benefit Agreements

In addition to new jobs and investing, companies agree to the following:



- \* Workforce Training and Business Development Fund Contributions
- \* Child care and transit support (if more than \$1M in Tax Savings)



- \* Equity Training



- \* Career ladder opportunities
- \* First Source Hiring Agreements
- \* Local procurement



- \* 2-6 additional public benefits from our menu



- \* Yearly compliance and outcome tracking: Department of Revenue and public benefit compliance with both quantitative and qualitative data on performance

# Economic Development Value Proposition



7-year average forgone Property Tax Revenue: \$1.9 million City General Fund (Total= \$13.6M)  
Cost Per Job: \$1,513

Return over 7 years:

**3,600**

New living wage full time jobs; (10% increase required, 30% increase realized)

**2.2%**

Business Tax on applicable revenue

**\$80.6M**

Income tax to the State of Oregon

**\$7.8M**

Workforce Training & Business Development Fund

**\$960M**

Procurement w/in City of Portland

**19** Public benefit agreements with **100+** engagements each year  
Estimated 'payback' of forgone revenue = **5 years** after abatement expires

# Action Proposed: 10-year Extension of East Portland E-Zone

## Enterprise Zone must:

- Meet state income/poverty standards for qualifying
- Stay within statutory limits on total square miles and point-to-point distances
- Be located in or near low-income areas
- Be authorized by Portland City Council and Port of Portland Commission by resolution (COMPLETED)

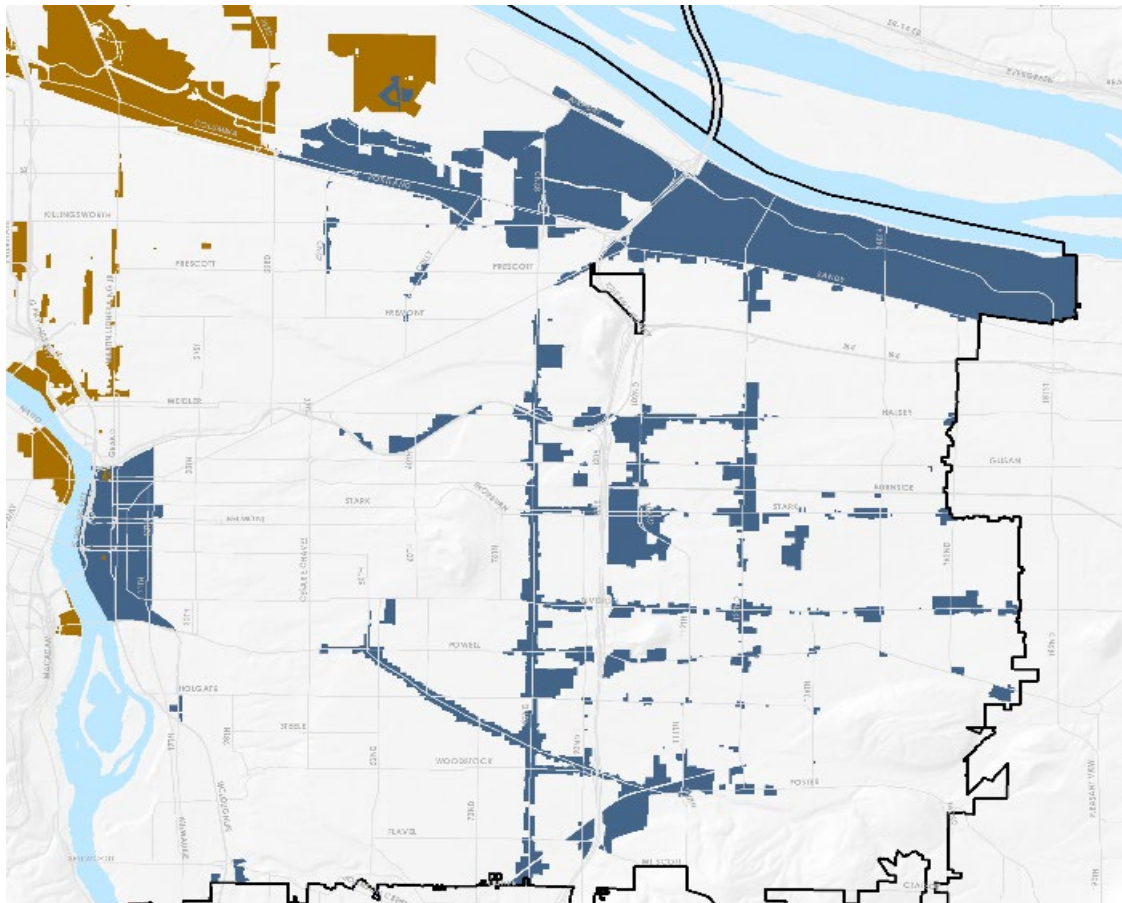
## Today's Actions

- Consideration by City Council

# Enterprise Zones Proposed 2023-2033

● Portland Enterprise Zone (2019-2029)

● East Portland Enterprise Zone (pending 2023)





# Discussion & Questions



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