

East 205
Tax Increment Finance District Report

October 1, 2024

TABLE OF CONTENTS

INTRODUCTION	2
SECTION 1 – PROPOSED TIF DISTRICT AREA REPORT	2
Section 1.1 –Area Selected for the TIF District	2
Section 1.2 – Investment Need	6
Section 1.3 – Existing Conditions	9
SECTION 2 – PROPOSED PROJECTS REPORT	10
Section 2.1 – Proposed Projects and Impacts.....	10
Section 2.2 – Cost and Completion Dates	14
SECTION 3 – FINANCIAL REPORT	16
Section 3.1 - Maximum Indebtedness and Debt Retirement.....	16
Section 3.2 – Financial Analysis.....	16
Section 3.3 – Fiscal Impact Statement	28
Section 3.4 – Assessed Value and Acreage Analysis	36
SECTION 4 – RELOCATION REPORT	38
Attachment A. Existing Conditions Report.....	39

INTRODUCTION

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

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

SECTION 1 – PROPOSED TIF DISTRICT AREA REPORT

Section 1.1 –Area Selected for the TIF District

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

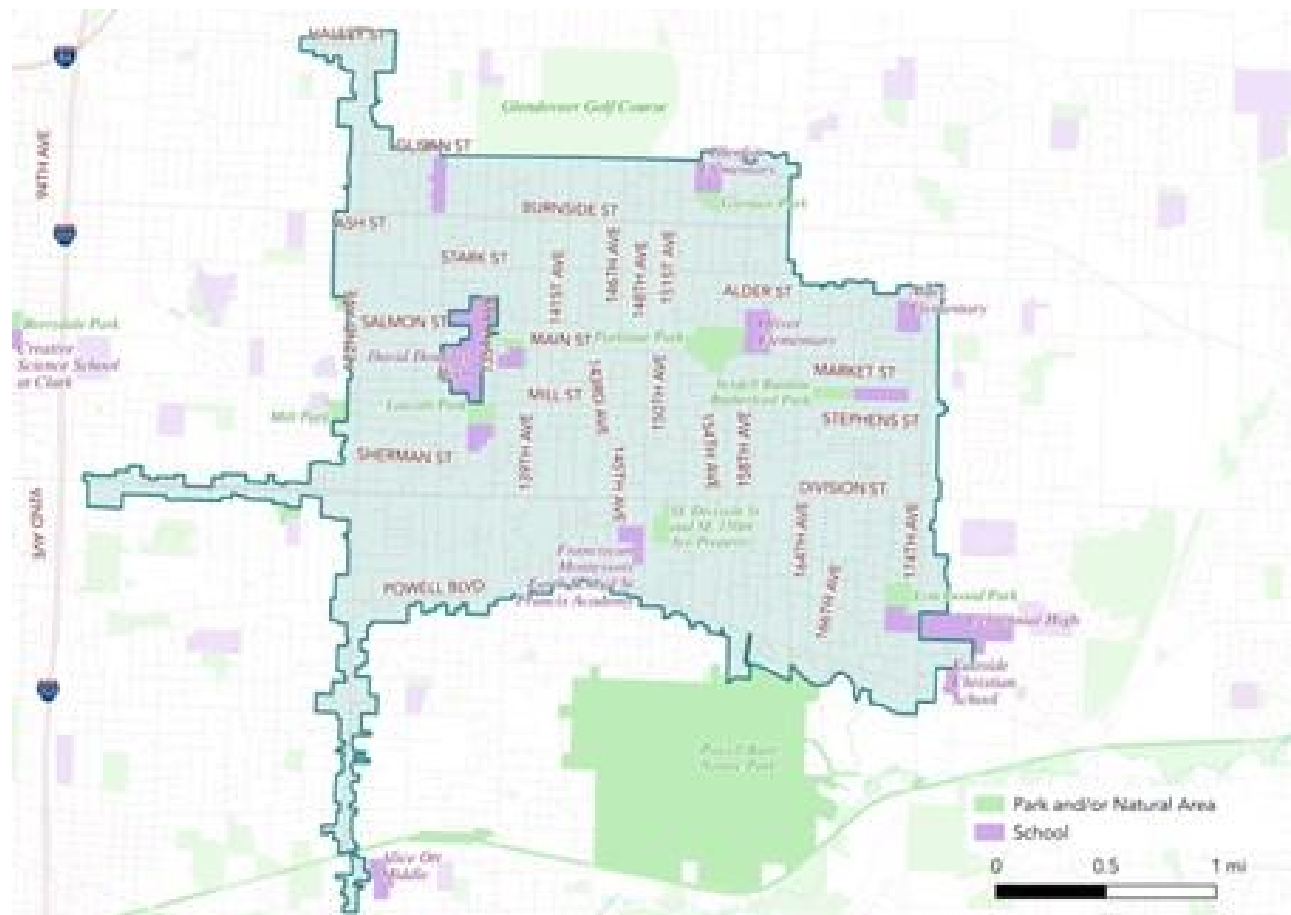
Establishing a dedicated TIF District for East Portland ensures that this area—one of the most diverse in the City of Portland and the State of Oregon—receives the attention and resources required to stimulate growth, improve infrastructure, and support the local community.

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

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

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

Figure A. Map of East 205 TIF District



Rationale for the TIF District boundary

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

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

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

122nd Avenue Corridor

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

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

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

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

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

SE Division Street

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

SE Powell Boulevard

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

East Portland Neighborhoods

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

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

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

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

Section 1.2 – Investment Need

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

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

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

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

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

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

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

Section 1.3 – Existing Conditions

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

SECTION 2 – PROPOSED PROJECTS REPORT

Section 2.1 – Proposed Projects and Impacts

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

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

- A. Inclusive Growth (to be implemented by Prosper Portland)
 - 1. Economic and Urban Development (including Middle-Income Housing)
 - 2. Infrastructure
- B. Affordable Housing (to be implemented by Portland Housing Bureau)
 - 1. Affordable Housing (Housing Set-aside Policy eligible)

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

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

Table B. Plan Response to Existing Conditions

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

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

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

PROJECT	DESCRIPTION	EXISTING CONDITIONS
	operations and other temporary, pop-up, seasonal and low-barrier opportunities for startup businesses and non-profits.	compared with 57 percent of housing units citywide.
Arts and Culture	Support Arts and cultural investments (not public art as a “public building,” defined in ORS 457.010) that celebrate and represent Priority Communities, developed by and/or in collaboration with local artists and community members who represent those communities. Prioritize murals, placemaking investments, arts and entertainment performance venues, a new library, or interactive, multicultural community art spaces that create a sense of community and instill pride.	
Signage	Develop signage that serves the greater purpose of the TIF district, including multi-lingual signage and directional signage to local businesses.	
Infrastructure Investments Triggered by Development, Redevelopment or Renovation Activities	Invest in critical public safety improvements, transportation improvements, green infrastructure and/or other climate resilience investments triggered by, or that directly support, the implementation of other investments in this Plan.	
INFRASTRUCTURE (10%)		
Street and Utilities Improvements	Support new streets, street improvements, sidewalks, bike lanes and paths, stormwater improvements.	• Targeted transportation improvements will be needed in conjunction with development projects to continue the momentum of

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

Section 2.2 – Cost and Completion Dates

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

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

Table C. Project Cost and Completion Dates

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

SECTION 3 – FINANCIAL REPORT

Section 3.1 - Maximum Indebtedness and Debt Retirement

The maximum amount of the principal of indebtedness that may be issued or incurred under the Plan (the “**Maximum Indebtedness**”) is \$770,000,000 as shown in Table D. The estimated amount of TIF moneys required for the District to service this Maximum Indebtedness is \$948,300,000, 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 2057. Table E shows a summary of the financial capacity of the District, including how total TIF revenue translates to the ability to fund tax increment projects in constant 2025 dollars in five-year increments.

Table D. Total Uses

Uses Summary	First 5 Years	First 10 Years	30 Year Total
Bond Issuance Costs and Reserves	23,264	9,229,928	21,747,691
District-Wide Admin/Predev	929,632	5,970,569	29,930,092
Affordable Housing (PHB)	10,040,027	64,482,140	323,244,997
Inclusive Growth (Prosper Portland)	12,271,144	78,811,504	395,077,219
Total	23,264,068	158,494,141	770,000,000

Table E. Total Capacity Through Final Bond Payoff

	Actual Dollars	Rounded Dollars
Total Net TIF	948,257,597	948,300,000
Maximum Indebtedness	770,000,000	770,000,000
Capacity (2024-25 \$)	507,448,291	507,400,000
Years 1-5	23,217,633	23,200,000
Years 6-10	67,086,921	67,100,000
Years 11-15	113,653,400	113,700,000
Years 16-20	155,328,664	155,300,000
Years 21-25	204,368,914	204,400,000
Years 26-30	261,799,409	261,800,000
Years 31-32	122,802,656	122,800,000

Section 3.2 – Financial Analysis

The total amount of TIF projected to be used for all projects, excluding administration and finance fees, is \$416,499,332 in 2024-25 dollars. The cost of administration and finance fees over the life of the District increase this total to \$447,333,483. The Plan assumes annual inflation rate of 3 percent per year. When accounting for inflation and based on the assumed timing of projects, the total project costs in nominal year-of-expenditure (“YOE”) dollars is \$ 718,322,216, which is within the \$ 770,000,000 maximum indebtedness established by the Plan. We estimate the frozen base assessed value of the District to \$2,849,078,510, 3.5 percent of the City’s assessed value of \$80,988,896,967

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

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

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

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

Yr No.	FYE	Total Assessed Value	Frozen Base Assessed Value	Increment URA	Increment Shared	Tax Rate	Gross TIF URA	Gross TIF Shared	Adjustments (to URA)	Net TIF (URA)	PV of Net TIF (URA)
1	2026	2,934,550,865	2,849,078,510	85,472,355	0	18.83	1,609,790	-	(141,661)	1,468,128	1,425,367
2	2027	3,022,587,391	2,849,078,510	173,508,881	0	18.93	3,285,224	-	(289,100)	2,996,124	2,824,134
3	2028	3,113,265,013	2,849,078,510	264,186,503	0	19.03	5,028,536	-	(442,511)	4,586,025	4,196,862
4	2029	3,206,662,963	2,849,078,510	357,584,453	0	19.03	6,806,276	-	(598,952)	6,207,324	5,515,127
5	2030	3,302,862,852	2,849,078,510	453,784,342	0	19.23	8,728,105	-	(768,073)	7,960,032	6,866,394
6	2031	3,401,948,738	2,849,078,510	552,870,228	0	19.23	10,633,927	-	(935,786)	9,698,141	8,122,041
7	2032	3,504,007,200	2,849,078,510	654,928,690	0	19.23	12,596,923	-	(1,108,529)	11,488,394	9,341,116
8	2033	3,609,127,416	2,849,078,510	760,048,906	0	19.33	14,694,814	-	(1,293,144)	13,401,671	10,579,403
9	2034	3,717,401,238	2,849,078,510	868,322,728	0	19.33	16,788,185	-	(1,477,360)	15,310,824	11,734,472
10	2035	3,828,923,276	2,849,078,510	979,844,766	0	19.23	18,846,371	-	(1,658,481)	17,187,891	12,789,405
11	2036	3,943,790,974	2,849,078,510	1,094,712,464	0	19.23	21,055,741	-	(1,852,905)	19,202,836	13,872,537
12	2037	4,062,104,703	2,849,078,510	1,213,026,193	0	19.23	23,331,392	-	(2,053,162)	21,278,229	14,924,122
13	2038	4,183,967,844	2,849,078,510	1,301,415,965	33,473,369	19.23	25,031,484	643,828	(2,202,771)	22,828,714	15,545,243
14	2039	4,309,486,880	2,849,078,510	1,397,124,429	63,283,940	19.13	26,732,632	1,210,877	(2,352,472)	24,380,160	16,118,158
15	2040	4,438,771,486	2,849,078,510	1,495,673,560	94,019,416	19.03	28,468,707	1,789,569	(2,505,246)	25,963,461	16,664,958
16	2041	4,571,934,630	2,849,078,510	1,597,148,344	125,707,777	18.93	30,240,467	2,380,156	(2,661,161)	27,579,306	17,186,512
17	2042	4,709,092,669	2,849,078,510	1,701,636,315	158,377,845	18.83	32,048,683	2,982,894	(2,820,284)	29,228,399	17,683,662
18	2043	4,850,365,449	2,849,078,510	1,807,590,900	193,696,040	18.83	34,044,236	3,648,079	(2,995,893)	31,048,343	18,237,629
19	2044	4,995,876,413	2,849,078,510	1,918,360,853	228,437,050	18.73	35,938,645	4,279,548	(3,162,601)	32,776,044	18,691,720
20	2045	5,145,752,705	2,849,078,510	2,030,768,072	265,906,123	18.73	38,044,486	4,981,495	(3,347,915)	34,696,571	19,210,650
21	2046	5,300,125,287	2,849,078,510	2,146,547,508	304,499,269	18.73	40,213,503	5,704,501	(3,538,788)	36,674,714	19,714,466
22	2047	5,459,129,045	2,849,078,510	2,265,800,327	344,250,208	18.73	42,447,589	6,449,196	(3,735,388)	38,712,202	20,203,608
23	2048	5,622,902,916	2,849,078,510	2,388,630,730	385,193,676	18.73	44,748,699	7,216,233	(3,937,886)	40,810,813	20,678,502
24	2049	5,791,590,004	2,849,078,510	2,515,146,046	427,365,448	18.73	47,118,842	8,006,281	(4,146,458)	42,972,384	21,139,565
25	2050	5,965,337,704	2,849,078,510	2,645,456,821	470,802,373	18.73	49,560,089	8,820,030	(4,361,288)	45,198,801	21,587,199
26	2051	6,144,297,835	2,849,078,510	2,779,676,919	515,542,406	18.73	52,074,573	9,658,191	(4,582,562)	47,492,011	22,021,795
27	2052	6,328,626,770	2,849,078,510	2,917,923,621	561,624,639	18.73	54,664,492	10,521,497	(4,810,475)	49,854,017	22,443,733
28	2053	6,518,485,573	2,849,078,510	3,060,317,723	609,089,340	18.73	57,332,109	11,410,703	(5,045,226)	52,286,883	22,853,381
29	2054	6,714,040,141	2,849,078,510	3,206,983,649	657,977,982	18.73	60,079,754	12,326,585	(5,287,018)	54,792,735	23,251,098

30	2055	6,915,461,345	2,849,078,510	3,358,049,552	708,333,283	18.73	62,909,828	13,269,943	(5,536,065)	57,373,763	23,637,231
31	2056	7,122,925,185	2,849,078,510	3,513,647,432	760,199,243	18.73	65,824,805	14,241,602	(5,792,583)	60,032,222	24,012,117
32	2057	7,336,612,941	2,849,078,510	3,673,913,249	813,621,182	18.73	68,827,230	15,242,410	(6,056,796)	62,770,434	24,376,084

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

	24-25	25-26	26-27	27-28	28-29	29-30	30-31
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Prior Year Assessed Value	-	2,849,078,510	2,934,550,865	3,022,587,391	3,113,265,013	3,206,662,963	3,302,862,852
Frozen Base	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510
Increment	-	85,472,355	173,508,881	264,186,503	357,584,453	453,784,342	552,870,228
AV (Baseline)	-	2,934,550,865	3,022,587,391	3,113,265,013	3,206,662,963	3,302,862,852	3,401,948,738
<i>Taxes</i>							
Consolidated Tax Rate for Du Jour	18.6726	18.8340	18.9340	19.0340	19.0340	19.2340	19.2340
Beginning Balance	-	-	-	-	-	-	-
Divide the Taxes (to Raise) Sal 4c	-	1,609,790	3,285,224	5,028,536	6,806,276	8,728,105	10,633,927
Compression	-	(80,489)	(164,261)	(251,427)	(340,314)	(436,405)	(531,696)
Net Tax Increment Revenues	-	1,468,128	2,996,124	4,586,025	6,207,324	7,960,032	9,698,141
Used for Du Jour	-	1,471,064	3,002,116	4,595,197	6,219,738	7,975,952	9,717,538
<i>Debt Service</i>							
LOC 1					-	-	-
LOC 2							-
LOC 3							
BOND 1							
BOND 2							
BOND 3							
Total Debt Service	-	-	-	-	-	-	-

	31-32	32-33	33-34	34-35	35-36	36-37	37-38
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Prior Year Assessed Value	3,401,948,738	3,504,007,200	3,609,127,416	3,717,401,238	3,828,923,276	3,943,790,974	4,062,104,703
Frozen Base	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510
Increment	654,928,690	760,048,906	868,322,728	979,844,766	1,094,712,464	1,213,026,193	1,334,889,334
AV (Baseline)	3,504,007,200	3,609,127,416	3,717,401,238	3,828,923,276	3,943,790,974	4,062,104,703	4,183,967,844
Taxes							
Consolidated Tax Rate for Du Jour	19.2340	19.3340	19.3340	19.2340	19.2340	19.2340	19.2340
Beginning Balance	-	-	-	15,102,868	7,551,434	7,551,434	7,551,434
Divide the Taxes (to Raise) Sal 4c	12,596,923	14,694,814	16,788,185	18,846,371	21,055,741	23,331,392	25,031,484
Compression	(629,846)	(734,741)	(839,409)	(942,319)	(1,052,787)	(1,166,570)	(1,251,574)
Net Tax Increment Revenues	11,488,394	13,401,671	15,310,824	17,187,891	19,202,836	21,278,229	22,828,714
Used for Du Jour	10,911,371	11,928,474	5,390,012	17,282,678	11,720,013	13,799,558	15,353,143
Debt Service							
LOC 1	600,000	600,000	600,000				
LOC 2	-	900,000	900,000				
LOC 3			900,000				
BOND 1				7,551,434	7,551,434	7,551,434	7,551,434
BOND 2							
BOND 3							
Total Debt Service	600,000	1,500,000	2,400,000	7,551,434	7,551,434	7,551,434	7,551,434

	38-39	39-40	40-41	41-42	42-43	43-44	44-45
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Prior Year Assessed Value	4,183,967,844	4,309,486,880	4,438,771,486	4,571,934,630	4,709,092,669	4,850,365,449	4,995,876,413
Frozen Base	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510
Increment	1,460,408,370	1,589,692,976	1,722,856,120	1,860,014,159	2,001,286,939	2,146,797,903	2,296,674,195
AV (Baseline)	4,309,486,880	4,438,771,486	4,571,934,630	4,709,092,669	4,850,365,449	4,995,876,413	5,145,752,705
Taxes							
Consolidated Tax Rate for Du Jour	19.1340	19.0340	18.9340	18.8340	18.8340	18.7340	18.7340
Beginning Balance	7,551,434	7,551,434	7,551,434	7,551,434	7,551,434	15,102,868	11,327,151
Divide the Taxes (to Raise) Sal 4c	26,732,632	28,468,707	30,240,467	32,048,683	34,044,236	35,938,645	38,044,486
Compression	(1,336,632)	(1,423,435)	(1,512,023)	(1,602,434)	(1,702,212)	(1,796,932)	(1,902,224)
Net Tax Increment Revenues	24,380,160	25,963,461	27,579,306	29,228,399	31,048,343	32,776,044	34,696,571
Used for Du Jour	16,907,692	18,494,160	20,113,237	21,765,627	19,813,494	25,350,574	23,484,122
Debt Service							
BOND 1	7,551,434	7,551,434	7,551,434	7,551,434	7,551,434	7,551,434	7,551,434
BOND 2						3,775,717	3,775,717
BOND 3							
Total Debt Service	7,551,434	7,551,434	7,551,434	7,551,434	7,551,434	11,327,151	11,327,151

	45-46	46-47	47-48	48-49	49-50	50-51	51-52
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Prior Year Assessed Value	5,145,752,705	5,300,125,287	5,459,129,045	5,622,902,916	5,791,590,004	5,965,337,704	6,144,297,835
Frozen Base	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510
Increment	2,451,046,777	2,610,050,535	2,773,824,406	2,942,511,494	3,116,259,194	3,295,219,325	3,479,548,260
AV (Baseline)	5,300,125,287	5,459,129,045	5,622,902,916	5,791,590,004	5,965,337,704	6,144,297,835	6,328,626,770
Taxes							
Consolidated Tax Rate for Du Jour	18.7340	18.7340	18.7340	18.7340	18.7340	18.7340	18.7340
Beginning Balance	11,327,151	11,327,151	11,327,151	11,327,151	11,327,151	11,327,151	23,598,231
Divide the Taxes (to Raise) Sal 4c	40,213,503	42,447,589	44,748,699	47,118,842	49,560,089	52,074,573	54,664,492
Compression	(2,010,675)	(2,122,379)	(2,237,435)	(2,355,942)	(2,478,004)	(2,603,729)	(2,733,225)
Net Tax Increment Revenues	36,674,714	38,712,202	40,810,813	42,972,384	45,198,801	47,492,011	49,854,017
Used for Du Jour	25,466,221	27,507,784	29,610,593	31,776,486	34,007,356	30,169,612	38,720,967
Debt Service							
BOND 1	7,551,434	7,551,434	7,551,434	7,551,434	7,551,434	7,551,434	7,551,434
BOND 2	3,775,717	3,775,717	3,775,717	3,775,717	3,775,717	3,775,717	3,775,717
BOND 3							6,135,540
Total Debt Service	11,327,151	11,327,151	11,327,151	11,327,151	11,327,151	11,327,151	17,462,691

	52-53	53-54	54-55	55-56	56-57
	Forecast	Forecast	Forecast	Forecast	Forecast
Prior Year Assessed Value	6,328,626,770	6,518,485,573	6,714,040,141	6,915,461,345	7,122,925,185
Frozen Base	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510	2,849,078,510
Increment	3,669,407,063	3,864,961,631	4,066,382,835	4,273,846,675	4,487,534,431
AV (Baseline)	6,518,485,573	6,714,040,141	6,915,461,345	7,122,925,185	7,336,612,941
Taxes					
Consolidated Tax Rate for Du Jour	18.7340	18.7340	18.7340	18.7340	18.7340
Beginning Balance	17,462,691	17,462,691	17,462,691	35,172,670	85,554,390
Divide the Taxes (to Raise) Sal 4c	57,332,109	60,079,754	62,909,828	65,824,805	68,827,230
Compression	(2,866,605)	(3,003,988)	(3,145,491)	(3,291,240)	(3,441,362)
Net Tax Increment Revenues	52,286,883	54,792,735	57,373,763	60,032,222	62,770,434
Used for Du Jour	34,998,616	37,509,480	29,937,125		
Debt Service					
BOND 1	7,551,434	7,551,434			
BOND 2	3,775,717	3,775,717	3,775,717	3,775,717	3,775,717
BOND 3	6,135,540	6,135,540	6,135,540	6,135,540	6,135,540
Bond Payoff					108,551,865
Total Debt Service	17,462,691	17,462,691	9,911,257	9,911,257	118,463,122

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

The amount of money available for projects in 2025 constant dollars for the District is approximately \$416,499,332. This is calculated by taking the maximum indebtedness (MI) and bringing it back to constant 2025 dollars. This is done as the MI is referenced in constant dollars, so understanding how the MI relates to the inflation factor over 30 years is important to be able to make projections on the allocation of funds throughout the life of the District.

Table H shows the approximate \$447,333,483 constant dollars for projects inflated over the life of the District including administrative expenses and bond issuance costs and reserves, reaching the total maximum indebtedness of \$770,000,000. The 3 percent inflation rate is the rate to use in the future if any amendment to increase maximum indebtedness is pursued in accordance with ORS 457.470.

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

Table H. Financial Feasibility

	Bond Issuance Costs and Reserves	District-Wide Admin/Predev	Affordable Housing (PHB)	Inclusive Growth (Prosper Portland)	Total
Years 1-5	23,264	929,632	10,040,027	12,271,144	23,264,068
Years 6-10	9,206,664	5,040,936	54,442,112	66,540,360	135,230,073
Years 11-15	76,275	3,047,932	32,917,662	40,232,698	76,274,566
Years 16-20	4,686,244	5,833,632	63,003,230	77,003,948	150,527,054
Years 21-25	148,368	5,928,803	64,031,071	78,260,197	148,368,439
Years 26-30	7,606,876	9,149,157	98,810,895	120,768,872	236,335,800
Total	21,747,691	29,930,092	323,244,997	395,077,219	770,000,000

Section 3.3 – Fiscal Impact Statement

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

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

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

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

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

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

Table I. Projected Impact on Taxing District Permanent Rate Levies

Foregone Revenue to Taxing Jurisdictions	25-26	26-27	27-28	28-29	29-30	30-31	31-32
City	356,781	724,265	1,102,774	1,492,638	1,894,197	2,307,804	2,733,819
County	338,571	687,300	1,046,491	1,416,457	1,797,522	2,190,019	2,594,291
Library	95,100	193,053	293,944	397,863	504,899	615,146	728,700
Metro	7,530	15,286	23,275	31,503	39,978	48,707	57,699
Port	5,464	11,093	16,890	22,861	29,011	35,346	41,870
E Mult Soil/Cons	7,795	15,824	24,094	32,612	41,385	50,422	59,729
FPDR	218,262	458,896	722,814	978,351	1,324,324	1,613,496	1,911,344
Total Gov't	1,029,504	2,105,717	3,230,281	4,372,284	5,631,316	6,860,940	8,127,452
Reynolds	34,912	70,870	107,908	146,057	185,350	225,822	267,508
Parkrose	17,205	34,926	53,178	71,978	91,342	111,287	131,831
David Douglas	149,504	303,493	462,102	625,469	793,737	967,053	1,145,569
Centennial	160,128	325,059	494,938	669,914	850,139	1,035,771	1,226,972
Portland	3,041	6,172	9,398	12,721	16,143	19,668	23,298
Portland CC	220	448	681	922	1,170	1,426	1,689
Mt. Hood CC	37,945	77,029	117,285	158,748	201,456	245,445	290,753
Multnomah County ESD	35,670	72,411	110,253	149,231	189,378	230,730	273,322
Total Education	438,624	890,407	1,355,744	1,835,040	2,328,716	2,837,201	3,360,942

Foregone Revenue to Taxing Jurisdictions	32-33	33-34	34-35	35-36	36-37	37-38	38-39
City	3,172,614	3,624,574	4,090,092	4,569,575	5,063,443	5,432,402	5,831,910
County	3,010,691	3,439,583	3,881,342	4,336,354	4,805,016	5,155,144	5,534,262
Library	845,661	966,131	1,090,214	1,218,021	1,349,661	1,448,007	1,554,497
Metro	66,960	76,499	86,324	96,443	106,867	114,654	123,086
Port	48,591	55,513	62,643	69,986	77,550	83,201	89,320
E Mult Soil/Cons	69,316	79,191	89,362	99,838	110,628	118,689	127,418
FPDR	2,287,443	2,613,304	2,859,579	3,194,809	3,540,096	3,798,052	3,949,950

Total Gov't	9,501,277	10,854,794	12,159,555	13,585,026	15,053,261	16,150,149	17,210,443
Reynolds	310,445	354,670	400,222	447,140	495,466	531,569	570,661
Parkrose	152,990	174,785	197,233	220,355	244,170	261,962	281,227
David Douglas	1,329,440	1,518,827	1,713,896	1,914,817	2,121,765	2,276,372	2,443,781
Centennial	1,423,908	1,626,753	1,835,683	2,050,881	2,272,535	2,438,129	2,617,433
Portland	27,038	30,889	34,857	38,943	43,152	46,296	49,701
Portland CC	1,960	2,240	2,527	2,823	3,129	3,357	3,603
Mt. Hood CC	337,421	385,488	434,998	485,993	538,518	577,759	620,248
Multnomah County ESD	317,192	362,378	408,920	456,858	506,234	543,121	583,064
Total Education	3,900,394	4,456,030	5,028,335	5,617,810	6,224,968	6,678,564	7,169,718

Foregone Revenue to Taxing Jurisdictions	39-40	40-41	41-42	42-43	43-44	44-45	45-46
City	6,243,276	6,666,855	7,103,011	7,545,289	8,007,668	8,476,881	8,960,170
County	5,924,633	6,326,593	6,740,489	7,160,194	7,598,974	8,044,239	8,502,863
Library	1,664,146	1,777,051	1,893,309	2,011,198	2,134,445	2,259,514	2,388,335
Metro	131,768	140,707	149,913	159,247	169,006	178,909	189,109
Port	95,620	102,108	108,788	115,561	122,643	129,829	137,231
E Mult Soil/Cons	136,405	145,660	155,189	164,852	174,955	185,206	195,765
FPDR	4,092,163	4,224,138	4,345,298	4,615,864	4,723,772	5,000,563	5,285,659
Total Gov't	18,288,012	19,383,112	20,495,997	21,772,207	22,931,463	24,275,142	25,659,132
Reynolds	610,914	652,362	695,041	738,318	783,563	829,476	876,767
Parkrose	301,064	321,490	342,522	363,850	386,147	408,773	432,079
David Douglas	2,616,158	2,793,653	2,976,418	3,161,748	3,355,501	3,552,119	3,754,634
Centennial	2,802,059	2,992,166	3,187,918	3,386,418	3,593,940	3,804,528	4,021,434
Portland	53,206	56,816	60,533	64,302	68,243	72,242	76,360
Portland CC	3,858	4,119	4,389	4,662	4,948	5,238	5,536
Mt. Hood CC	663,998	709,048	755,435	802,473	851,649	901,552	952,951
Multnomah County ESD	624,191	666,540	710,146	754,364	800,592	847,503	895,821
Total Education	7,675,449	8,196,194	8,732,402	9,276,136	9,844,582	10,421,430	11,015,583

Foregone Revenue to Taxing Jurisdictions	46-47	47-48	48-49	49-50	50-51	51-52	52-53
City	9,457,958	9,970,680	10,498,783	11,042,729	11,602,994	12,180,067	12,774,452
County	8,975,245	9,461,798	9,962,948	10,479,133	11,010,803	11,558,423	12,122,472
Library	2,521,020	2,657,686	2,798,452	2,943,441	3,092,780	3,246,599	3,405,032
Metro	199,615	210,436	221,582	233,063	244,887	257,067	269,612
Port	144,855	152,708	160,796	169,127	177,708	186,546	195,650
E Mult Soil/Cons	206,641	217,843	229,381	241,266	253,507	266,115	279,101
FPDR	5,579,307	5,881,764	6,193,296	6,514,173	6,844,676	7,185,095	7,535,726
Total Gov't	27,084,641	28,552,916	30,065,239	31,622,932	33,227,355	34,879,911	36,582,044
Reynolds	925,476	975,646	1,027,322	1,080,548	1,135,371	1,191,838	1,250,000
Parkrose	456,083	480,808	506,274	532,504	559,521	587,349	616,012
David Douglas	3,963,225	4,178,074	4,399,368	4,627,302	4,862,073	5,103,887	5,352,956
Centennial	4,244,848	4,474,963	4,711,983	4,956,112	5,207,566	5,466,563	5,733,331
Portland	80,602	84,972	89,473	94,108	98,883	103,801	108,866
Portland CC	5,844	6,161	6,487	6,823	7,169	7,526	7,893
Mt. Hood CC	1,005,893	1,060,423	1,116,589	1,174,440	1,234,027	1,295,401	1,358,616
Multnomah County ESD	945,589	996,850	1,049,649	1,104,032	1,160,046	1,217,741	1,277,166
Total Education	11,627,560	12,257,897	12,907,145	13,575,869	14,264,656	14,974,106	15,704,839

Foregone Revenue to Taxing Jurisdictions	53-54	54-55	55-56	56-57
City	13,386,668	14,017,251	14,666,751	15,335,737
County	12,703,442	13,301,841	13,918,193	14,553,035
Library	3,568,218	3,736,300	3,909,425	4,087,743
Metro	282,533	295,841	309,550	323,669
Port	205,026	214,684	224,632	234,878
E Mult Soil/Cons	292,477	306,254	320,445	335,061
FPDR	7,896,877	8,268,861	8,652,005	9,046,644
Total Gov't	38,335,241	40,141,034	42,001,000	43,916,766

Reynolds	1,309,906	1,371,610	1,435,164	1,500,626
Parkrose	645,534	675,942	707,262	739,522
David Douglas	5,609,496	5,873,733	6,145,897	6,426,226
Centennial	6,008,101	6,291,114	6,582,618	6,882,867
Portland	114,084	119,458	124,993	130,694
Portland CC	8,271	8,661	9,062	9,476
Mt. Hood CC	1,423,728	1,490,793	1,559,870	1,631,019
Multnomah County ESD	1,338,374	1,401,419	1,466,355	1,533,239
Total Education	16,457,494	17,232,729	18,031,222	18,853,669

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

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

Table J. Tax Increment Revenue Sharing

FYE	Total Assessed Value	Frozen Base Assessed Value	Increment URA	Increment Shared
2026	2,934,550,865	2,849,078,510	85,472,355	0
2027	3,022,587,391	2,849,078,510	173,508,881	0
2028	3,113,265,013	2,849,078,510	264,186,503	0
2029	3,206,662,963	2,849,078,510	357,584,453	0
2030	3,302,862,852	2,849,078,510	453,784,342	0
2031	3,401,948,738	2,849,078,510	552,870,228	0
2032	3,504,007,200	2,849,078,510	654,928,690	0
2033	3,609,127,416	2,849,078,510	760,048,906	0
2034	3,717,401,238	2,849,078,510	868,322,728	0
2035	3,828,923,276	2,849,078,510	979,844,766	0
2036	3,943,790,974	2,849,078,510	1,094,712,464	0
2037	4,062,104,703	2,849,078,510	1,213,026,193	0
2038	4,183,967,844	2,849,078,510	1,301,415,965	33,473,369
2039	4,309,486,880	2,849,078,510	1,397,124,429	63,283,940
2040	4,438,771,486	2,849,078,510	1,495,673,560	94,019,416
2041	4,571,934,630	2,849,078,510	1,597,148,344	125,707,777
2042	4,709,092,669	2,849,078,510	1,701,636,315	158,377,845
2043	4,850,365,449	2,849,078,510	1,807,590,900	193,696,040
2044	4,995,876,413	2,849,078,510	1,918,360,853	228,437,050
2045	5,145,752,705	2,849,078,510	2,030,768,072	265,906,123
2046	5,300,125,287	2,849,078,510	2,146,547,508	304,499,269
2047	5,459,129,045	2,849,078,510	2,265,800,327	344,250,208
2048	5,622,902,916	2,849,078,510	2,388,630,730	385,193,676
2049	5,791,590,004	2,849,078,510	2,515,146,046	427,365,448

2050	5,965,337,704	2,849,078,510	2,645,456,821	470,802,373
2051	6,144,297,835	2,849,078,510	2,779,676,919	515,542,406
2052	6,328,626,770	2,849,078,510	2,917,923,621	561,624,639
2053	6,518,485,573	2,849,078,510	3,060,317,723	609,089,340
2054	6,714,040,141	2,849,078,510	3,206,983,649	657,977,982
2055	6,915,461,345	2,849,078,510	3,358,049,552	708,333,283
2056	7,122,925,185	2,849,078,510	3,513,647,432	760,199,243
2057	7,336,612,941	2,849,078,510	3,673,913,249	813,621,182

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

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

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

Taxing District	Type	Percent of District	Tax Rate	From Frozen Base	From Excess Value	Total
General Government						
City	Permanent	100%	4.5770	13,040,232	21,546,835	34,587,068
County	Permanent	100%	4.3434	12,374,688	20,447,132	32,821,820
Library	Permanent	100%	1.2200	3,475,876	5,743,312	9,219,188
Metro	Permanent	100%	0.0966	275,221	454,757	729,978
Port	Permanent	100%	0.0701	199,720	330,005	529,725
E Mult Soil/Cons	Permanent	100%	0.1000	284,908	470,763	755,671
FPDR		100%	2.7000	7,692,512	12,710,609	20,403,121
Subtotal General Government				37,343,157	61,703,414	99,046,571
Education						
Portland	Permanent	0.8%	4.7743	111,131	183,626	294,757
Centennial	Permanent	43.3%	4.7448	5,852,616	9,670,484	15,523,100
Parkrose	Permanent	4.5%	4.8906	628,828	1,039,035	1,667,863
Reynolds	Permanent	10.0%	4.4626	1,276,007	2,108,391	3,384,398
David Douglas	Permanent	41.3%	4.6394	5,464,327	9,028,901	14,493,228
Portland CC	Permanent	1.0%	0.2828	8,057	13,313	21,370

Mount Hood CC	Permanent	99.0%	0.4917	1,386,883	2,291,596	3,678,479
Multnomah County ESD	Permanent	100.0%	0.4576	1,303,738	2,154,213	3,457,951
Subtotal Education				16,031,588	26,489,558	42,521,146
Total				53,374,745	88,192,972	141,567,717

Section 3.4 – Assessed Value and Acreage Analysis

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

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

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

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

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

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

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

Table L. Assessed Value and Acreage

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

SECTION 4 – RELOCATION REPORT

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

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

Attachments to Report

- A. Existing Conditions Report

Attachment A. Existing Conditions Report

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

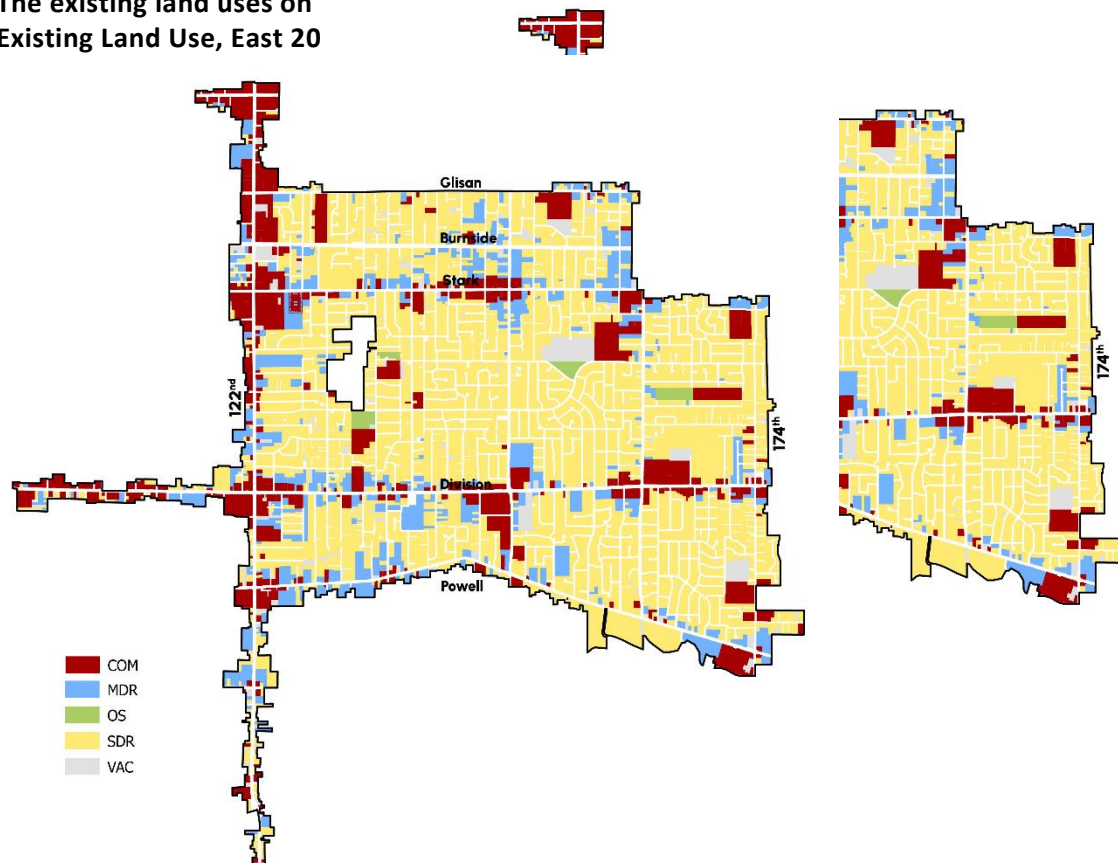
Physical Conditions

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

Land Use

The East 205 TIF District is framed by a residential core. The existing land uses on

Figure B. Existing Land Use, East 205 TIF District



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

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

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

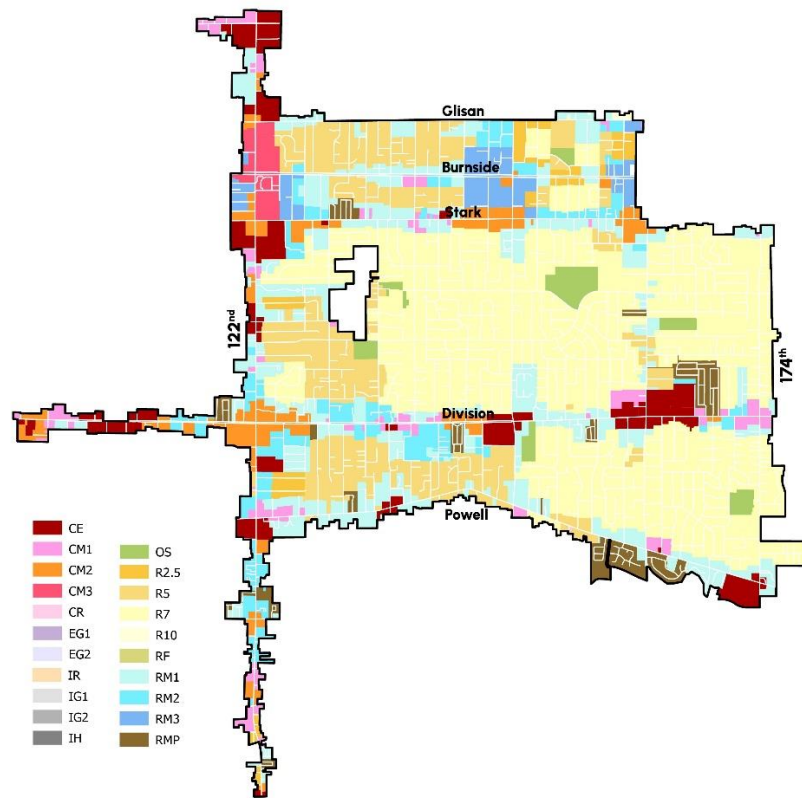
	PARCELS	SHARE	ACRES	SHARE
Single-Dwelling	9,429	83%	1945.3	52%
Multi-Dwelling	586	5%	430.3	12%
Commercial	557	5%	492.1	13%
Vacant	466	4%	116.5	3%
Open Space	6	0%	22.3	1%
ROW	137	1%	690.3	19%
Other	125	1%	31.6	1%

Source: Regional Land Information System (RLIS), 2024

Zoning

Figure C. Zoning, East 205 TIF District

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



Over 84 percent of the acreage in the TIF District is zoned for residential development. The single-dwelling zoning is characterized by average lot sizes, with over 40 percent of acreage devoted to R7 (Residential 7,000), as shown in Table N. Of the areas zoned for multi-dwelling residential, nearly two-thirds are zoned RM1 which is a smaller-scale multi-dwelling designation mostly found adjacent to single family residential zoning to act as a transition between residential zones and higher scale or commercial uses. Higher scale multifamily residential (RM3) is mostly concentrated along E Burnside and SE Stark Streets at the northern end of the TIF District.

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

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

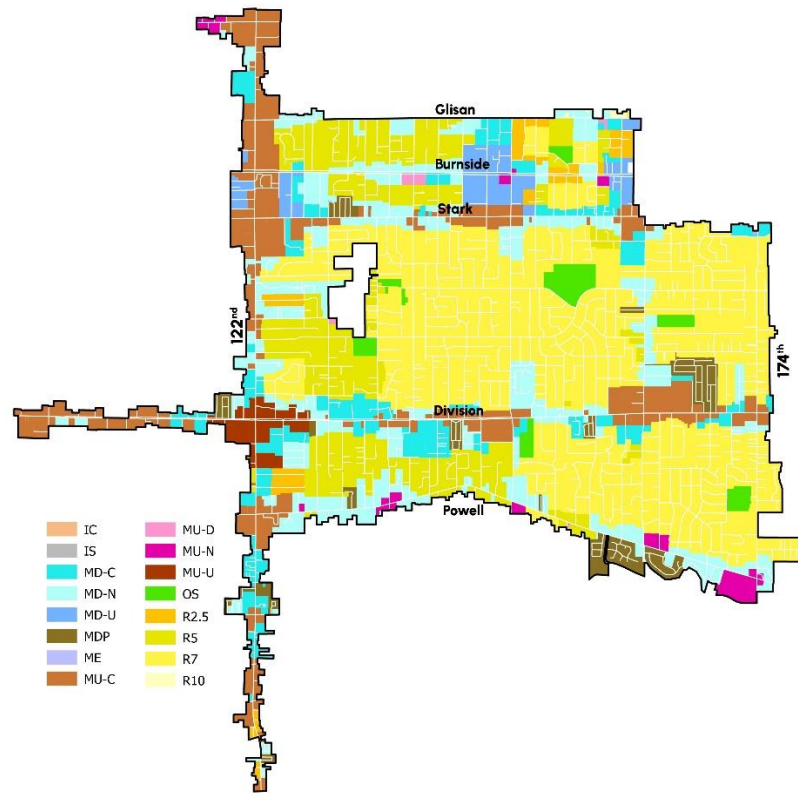
	ACRES	SHARE
Residential 2,500 (R2.5)	68.6	2%
Residential 5,000 (R5)	543.4	15%
Residential 7,000 (R7)	1,530.3	41%
Residential 10,000 (R10)	2.6	0%
Residential Multi-Dwelling 1 (RM1)	550.1	15%
Residential Multi-Dwelling 2 (RM2)	205.6	6%
Residential Multi-Dwelling 3 (RM3)	102.5	3%
Residential Manufactured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

Source: Bureau of Planning and Sustainability, 2024

Comprehensive Plan

Under the Portland 2035 Comprehensive Plan, 122nd Avenue is designated as a "Civic Corridor" which is a street with high-quality transit service, multimodal facilities, mid-rise development, and landscaping. This designation is part of a broader effort to make the corridor safer, more accessible, and more pedestrian-friendly. Figure D shows the Comprehensive Plan Designations within the TIF District. The designations prescribe the intended future development types and

Figure D. Comprehensive Plan Designations, East 205 TIF District



scales. The Comprehensive Plan emphasizes mixed-use and multi-dwelling land uses in the East 205 TIF District. High-scale, transit-oriented development designations (Mixed-Use Civic Corridor and Mixed-Use Urban Center) are proposed at the crossroads of SE Division Street and SE 122nd Avenue and extend down the two corridors.

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

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

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

Source: Bureau of Planning and Sustainability, 2024

Infrastructure

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

TRANSPORTATION

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

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

Future Jurisdictional Transfer

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

Street Network

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

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

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

Road Safety

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

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

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

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

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

Public Transit

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

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

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

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

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

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

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

Pedestrian and Bicycle Facilities

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

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

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

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

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

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

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

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

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

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

SANITARY SEWER AND STORMWATER SYSTEMS

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

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

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

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

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

Source: Portland Bureau of Environmental Services, 2024

Potential Issues and Concerns

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

Potential Investment Needs

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

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

WATER INFRASTRUCTURE

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

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

PARKS

Existing Parks

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

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

Level of Service

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

Planned Parks and Trails

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

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

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

Environmental Challenges

URBAN HEAT ISLAND

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

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

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

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

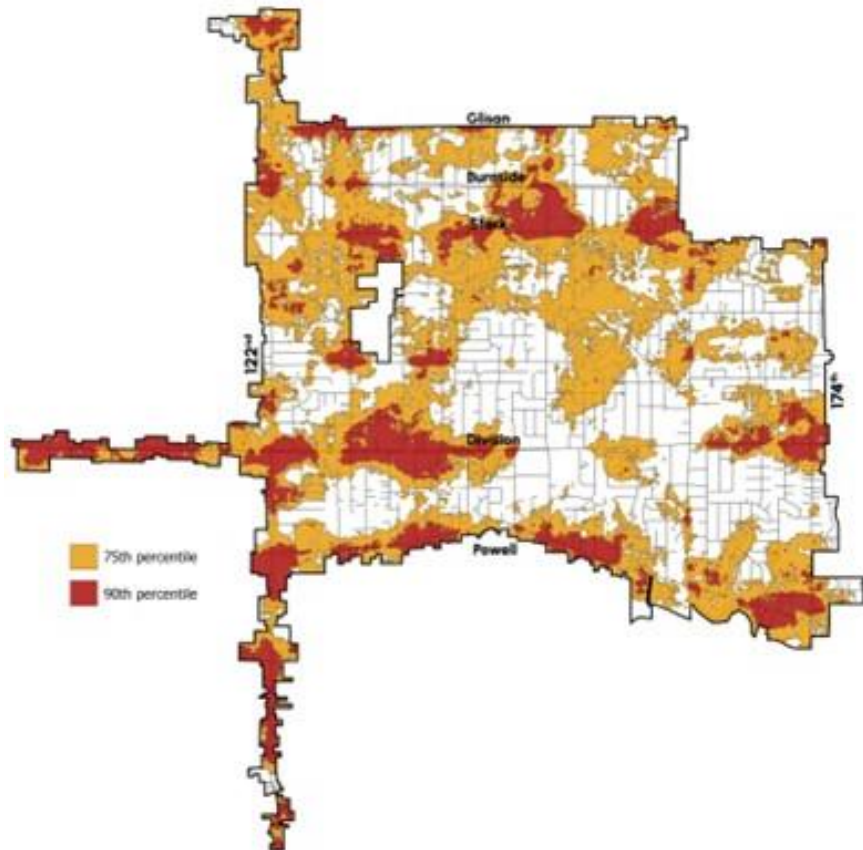
¹⁴ Multnomah County, "Health Impacts from Excessive Heat Events in Multnomah County, Oregon, 2021," June 2022), p. 14. Available: https://www.opb.org/pdf/multco-heat-report-final-06262022_1656296951051.pdf.

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

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

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

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



BROWNFIELDS

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

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

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

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

Social Conditions

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

Population and Population Growth

The TIF District's population has grown at a faster rate compared to the City of Portland as a whole.

An estimated 75,217 people live in the area. Between 1990 and 2022, the TIF District's population increased by 151 percent.¹⁸

AGE

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

RACE AND ETHNICITY

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

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

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

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

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

Educational Attainment

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

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

Commute Time and Transportation Mode

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

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

Economic Conditions

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

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

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

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

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

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

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

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

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

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

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

Business and Employment Conditions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Development Conditions

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

BUILDABLE LANDS

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

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

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

Source: Portland Bureau of Planning and Sustainability, 2024

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

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

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

Source: Portland Bureau of Planning and Sustainability, 2024

BUILDING TO LAND VALUE RATIO

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

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

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

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

Source: Regional Land Information System (RLIS)

BUILDING AGE

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

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

RESIDENTIAL REAL ESTATE MARKET CONDITIONS

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

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

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

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

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

Source: CoStar, 2024 Q1

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

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

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

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

OFFICE REAL ESTATE MARKET CONDITIONS

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

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

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

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

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

Source: CoStar, 2024 Q1

RETAIL REAL ESTATE MARKET CONDITIONS

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

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

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

Source: CoStar, 2024 Q1

INDUSTRIAL REAL ESTATE MARKET CONDITIONS

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

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

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

Source: CoStar, 2024 Q1