



## Portland ESD Fact Sheet

3/27/2019

### *What is an ESD?*

In an **Enhanced Service District (ESD)** property managers are required to pay a license fee, and the money from that license fee is used to fund extra security, marketing, and cleaning programs. The ESD is the area in which property managers are required to pay the fee, not the organization that runs the programs. The ESDs in Portland are Lloyd, Clean & Safe, and the Central Eastside. The organizations that run the programs in each ESD are Lloyd BID Inc., the Portland Business Alliance, and the Central Eastside Industrial Council.

ESDs patrol a huge chunk of Portland's public space. Clean & Safe covers **213 blocks**, Lloyd covers **77 blocks**, and Central Eastside covers **263 blocks**. All together, ESDs in Portland control over **550 blocks** of the city. Despite their significant role in public spaces, oversight for ESDs is very limited. The city government collects the fee and gives the money to the organizations to spend. There are no oversight measures for these organizations mandated by law, and their budgets are not independently audited.

### *How are ESDs created?*

Chapter 6.06 of the Portland City Code determines who is required to pay property management license fees. To create a new ESD, the City Council adds new sections to Chapter 6.06. A non-profit organization, like the Central Eastside Industrial Council, will lead the campaign to have the city council form a new ESD. After the ESD is established, the organization that advocated for its formation receives the license fee funds. Unlike the process for forming a BID in California or Colorado, forming a new ESD **does not require** a public vote or any form of written support from property owners in the district

### *What kinds of programs do ESDs fund?*

The majority of ESD funds go towards increased security in public spaces. ESDs pay for ambassadors, cops, and private security, sometimes armed, who work to exclude homeless people from public spaces and regularly harass them. These programs have contributed to a system where over 50% of arrests made by Portland police are of homeless people, and the vast majority of arrests are for "quality of life" crimes.<sup>1</sup> To manage these arrests, ESDs pay for

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<sup>1</sup> Woolington, R., & Lewis, M. (2018, June 27). Portland homeless accounted for majority of police arrests in 2017, analysis finds. The Oregonian. Retrieved March 21, 2019, from [https://www.oregonlive.com/portland/2018/06/portland\\_homeless\\_accounted\\_fo.html](https://www.oregonlive.com/portland/2018/06/portland_homeless_accounted_fo.html)

additional courts, commonly referred to as homeless courts, and district prosecutors that focus exclusively on “quality of life” crimes in ESDs.

- Using funds from Clean & Safe, the Portland Business Alliance works with the Portland Police Bureau to increase policing in the Clean & Safe District by:
  - Selecting **four cops** from the Portland Police Bureau to patrol the Clean and Safe district, *in addition to* the officers regularly stationed there.
  - Hiring a **private security contractor to supervise** the Portland cops.
  - Use the **funds collected by the city** to pay for these cops.
- Portland Business Alliance also contracts with the private security company Portland Patrol Inc. to provide additional armed and unarmed security for the district.
- Money from both Lloyd and Clean & Safe fund courts specifically for their districts.
- The budget for Central Eastside ESD includes **\$1,250,000** for cleaning and security.

### ***How much do ESDs cost?***

- Together, property management license fees for Clean & Safe and Lloyd ESD for the 2019/2020 Fiscal Year are expected to cost **\$6,086,066**.<sup>2</sup>
- Central Eastside, which will commence services in July of 2019, will receive an additional **\$1,200,000** from property management license fees during its first year.<sup>3</sup>
- Lloyd ESD will receive **\$496,155** from the City of Portland for the 2019 Calendar Year.<sup>4</sup>

### ***Who has to pay for ESDs?***

- Portland city code requires that **any person responsible for water service** provided to **any building or land without a building** must pay a property management license fee.
- There is no exception for non-profits.
- There is no exception for publicly owned properties.
- Mass shelters and property owned by religious organizations are exempt from the license.
  - Lloyd ESD also exempts residential properties that are owner-occupied, single room occupancy housing, low income housing, and subsidized housing.
  - Clean & Safe ESD exempts *only* owner-occupied residential properties.
  - Central Eastside ESD exempts *only* owner-occupied residential properties.

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<sup>2</sup> City of Portland Office of Management & Finance FY 2019-20 Requested Budget.

This number is for the fiscal year because the city budget is planned for the fiscal year.

<sup>3</sup> Central Eastside ESD Final Service Plan.

This first year commences on July 1.

<sup>4</sup> Portland City Council Ordinance No. 189330.

This number is for the calendar year because Lloyd B.I.D.’s contract with the city is for the calendar year.