



8/23/2019

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 managing public spaces, oversight for ESDs is very limited. The city government collects the assessed fees and gives it to the overseeing organizations to spend. There are no oversight measures for these organizations mandated by law.

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 in Portland **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?

Each ESD refers to their programs by different names but all programs fall into the four categories of security, public space maintenance, communication and development, and administration and advocacy. 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 in which over 50% of arrests made by Portland police in 2017 were of homeless people, with the vast majority of these arrests for "quality of life" crimes.¹ To manage these arrests, ESDs pay for additional courts, commonly referred to as homeless courts, as well as 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:

¹ 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

- 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.
- Using 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 Clean & Safe district.
- Money from both Lloyd and Clean & Safe districts fund courts specifically for their districts.

How much do ESDs cost?

- Clean & Safe ESD collected **\$5,500,000** in property management license fees in FY 2018.
- Central Eastside, which will commence services in July of 2019, will have a total budget of **\$2,600,000** during its first year.²
 - It will receive **\$1,200,000** from property management license fees and **\$1,400,000** from parking permit and meter revenue.
 - The budget for Central Eastside ESD includes **\$1,250,000** for cleaning and security.
- Lloyd ESD will receive **\$496,155** from the City of Portland for the 2019 Calendar Year.³

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.

² Central Eastside Industrial Council for program management in the Central Eastside Industrial District contract presentation. City of Portland Record No. D/83021#3.

³ Portland City Council Ordinance No. 189330. This number is for the calendar year because the non-profit running the programs, Lloyd BID Inc., has a contract with the city for the calendar year.