



DATE: May 13, 2026
TO: Board of Commissioners
FROM: Cornell Wesley, Executive Director
SUBJECT: Report Number 26-13

Authorizing Execution of an Intergovernmental Agreement with the City of Portland Bureau of Planning and Sustainability for Portland Clean Energy Community Benefits Funds of \$16,200,000 and Approving Clean Industry Community Program Guidelines

Board action requested and brief description

Adopt Resolution Nos. 7645 and 7646

These actions by the Prosper Portland Board of Commissioners (Board) will authorize an intergovernmental agreement (IGA) with the City of Portland Bureau of Planning and Sustainability (BPS) to transfer \$16,200,000 in Portland Clean Energy Community Benefits Fund (PCEF) resources to Prosper Portland (Resolution 7645) and approve the Clean Industry Community Program (Program) Tier 1 Grant Guidelines (Guidelines, included as Resolution 7646). If approved, the IGA would fund industrial decarbonization projects paired with substantial community benefits over the period of five years and enable rapid deployment of funds for ready-to-launch decarbonization projects through industrial businesses, hospitals, and universities.

Strategic alignment and outcomes

These actions deliver on Advance Portland Objective 1, Propel Inclusive Economic Growth and Innovation, specifically through Outcome 1.2: Develop industry-specific innovation strategies to support growth of green products and services, and Outcome 1.3.3: Improve coordination between industry-specific private-sector partners, higher education partners, and workforce providers to address challenges to workforce training, retention, and recruitment.

Background and context

The PCEF Clean Industry Community Program is a five-year grant program that funds industrial and innovation projects at industrial businesses, hospitals, and universities. The Program is supported by a \$20 million Collaborating for Climate Action grant from PCEF to BPS, and builds upon the foundational work BPS, Prosper Portland, and Portland State University Center for Public Service (PSU) have begun through the city's Clean Industry Initiative, which is part of the City of Portland's broader Climate Emergency Workplan. The Clean Industry Initiative is built upon a 2023 study commissioned by BPS which, in addition to studying opportunities for decarbonization, employment, and pollution reduction, laid a collaborative roadmap for clean industry.

The Program is informed by a Partnership Committee comprised of seven organizations including BPS, Prosper Portland, PSU, Portland Metro Chamber, Neighbors for Clean Air, Worksystems, Inc., and Energy 350. Prosper Portland will administer the funding opportunity through an IGA with BPS, included as Exhibit A to Resolution 7645. The main objective of the Program is to fund clean industry projects that reduce greenhouse gas (GHG) emissions and create meaningful community benefits.

Projects will fall into three categories detailed within the IGA as follows:

Tier 1 Grants - \$2,000,000

The IGA allocates \$2 million for Tier 1 Grants. This is the first funding opportunity provided by the Program and offers grants for up to \$300,000. This initial offering, intended for rapid deployment of funds to industrial businesses, hospitals, and universities, targets applicants with industrial decarbonization projects largely pre-scoped. Projects require a 25% match from the grant recipient. All projects are expected to meet a cost effectiveness threshold (\$200 per lifetime ton of carbon saved) to ensure responsible investment.

Proposed Tier 1 Grant Guidelines, included as Exhibit A to Resolution 7646, prioritize applicants with realistic timelines, clearly calculated and measured carbon impacts, well-defined community benefits, and a strong likelihood of successful implementation through demonstrated feasibility. Tier 1 Grants catalyze immediate investment toward industrial decarbonization, building momentum and demonstrating initial results ahead of the subsequent funding opportunities through the Program.

Tier 2 Grants - \$11,000,000

The IGA allocates \$11 million for Tier 2 Grants. Prosper Portland will launch this second grant in 2027, which will fund up to \$2 million for capital projects, also with a 25% match provided by the grantee. Before funding, projects must demonstrate how they will meet GHG reduction and community benefit requirements. Larger projects will be expected to demonstrate commensurate community benefits. All projects are expected to meet a cost effectiveness threshold (\$200 per lifetime ton of carbon saved) to ensure responsible investment.

Feasibility Study Grants - \$1,000,000

Feasibility study grants, which will launch in 2027 along with the Tier 2 offering, are intended to move projects out of a conceptual stage and ready them for construction. These studies will vet the technical elements of a potential project, such as the cost, timeline, GHG reduction potential, and corollary benefits like water efficiency. Studies will also evaluate the community benefits such as job creation or pollution reduction. Projects that have a completed feasibility study, either through an independent analysis or through the Clean Industry Community Program, will then be eligible for capital project funding. Feasibility studies require a 25% percent match from the business.

Equity impact

This Program, and projects it will support, link climate and community impact by requiring every project to deliver meaningful greenhouse gas reductions and broader environmental justice or

workforce benefits. Manufacturing employs one of the most diverse workforces in middle wage jobs; investing in clean industry helps these workers access new opportunities in the growing clean energy fields, building financial independence and long-term wealth. Additionally, most of Portland's industrial areas are located next to communities that include the most underserved and frontline residents. The Clean Industry Community Program will help reduce citywide carbon emissions and lessen environmental impacts for these communities.

Community Participation and Feedback

Both actions have community and coalition support across public and private partnerships. Prosper Portland and BPS work with Neighbors for Clean Air, a Program partner who convenes a group of interested community members called the Co-Design Group. This group solicits input on what meaningful community benefits can look like for an industrial decarbonization program, and members include representatives from Breach Collective, Climate Solutions, Coalition of Communities of Color, Columbia Corridor Association, the Blueprint Foundation, the Kijani Collective, and Verde. Prosper Portland continues to engage with the Co-Design Group to ensure transparency while incorporating feedback.

Prosper Portland, the Columbia Corridor Association, and the Portland Metro Chamber also have solicited input via member surveys, and both group and individual focus group sessions, providing an opportunity for industrial businesses and potential Program applicants to weigh in on their needs as businesses, the opportunities in the industrial sector, and help shape the delivery of the program to best suit the needs of the sector.

Budget and Financial Information

This action will allow Prosper Portland to receive and deploy \$16,200,000 in PCEF resources, already included in Prosper Portland's Revised FY 2025-26 Budget under personnel and in the forecasted years for Tier 1 Grants (\$2,000,000), Tier 2 Grants (\$11,000,000), Feasibility Study Grants (\$1,000,000) and Program Administration, including staffing, materials and services (\$2,200,000). The Financial Summary is included in Attachment A.

Risk Assessment

Should the Board choose not to adopt the IGA Resolution, Prosper Portland would be unable to proceed with Program implementation as outlined in the FY 2025-26 Budget and forecast. Concurrent Board adoption of the Program Guidelines is intended to mitigate risks in PCEF grant deployment through setting clear, realistic, and well-defined goals and outcomes.

Attachments

- A. Financial Summary

Financial Summary

Financial Summary Forecast

PCEF Fund	Revised FY 2025-26	Proposed FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30	Forecast FY 2030-31
Resources						
Beginning Fund Balance	1,612,953	-	-	-	-	-
Revenue						
Fees and Charges	7,861,215	23,482,157	16,304,736	12,903,275	-	-
Transfers In	2,040,000	-	-	-	-	-
Total Revenue	9,901,215	23,482,157	16,304,736	12,903,275	-	-
Total Resources	11,514,168	23,482,157	16,304,736	12,903,275	-	-
Requirements						
Economic Development						
Community Economic Development						
A00838-Clean Industry-PCEF	-	5,145,718	5,050,000	4,524,215	-	-
A00782-Contractor Development-PCEF	333,523	717,471	748,971	348,645	-	-
Economic Development Total	333,523	5,863,189	5,798,971	4,872,860	-	-
Property Redevelopment						
Commercial Property Lending						
A00780-Property Flt-PCEF	1,049,038	8,960,000	1,590,000	-	-	-
A00839-Broadway Corridor-PCEF	1,085,000	-	-	-	-	-
Redevelopment Grants						
A00783-Building Energy Efficiency Grants	6,098,405	5,099,541	4,750,000	3,700,000	-	-
A00861-82nd Ave BEE Grants-PCEF	500,000	500,000	500,000	500,000	-	-
Property Redevelopment Total	8,732,443	14,559,541	6,840,000	4,200,000	-	-
Total Program Expenditures	9,065,966	20,422,730	12,638,971	9,072,860	-	-
Personnel Services	1,302,235	1,485,007	1,928,598	2,018,401	-	-
Total Fund Expenditures	10,368,201	21,907,737	14,567,569	11,091,261	-	-
Interfund Transfers - Indirect Charges	1,145,967	1,574,420	1,737,167	1,812,014	-	-
Total Fund Requirements	11,514,168	23,482,157	16,304,736	12,903,275	-	-