



PROSPER
PORTLAND
Building an Equitable Economy

DATE: May 7, 2024
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 24-15

Authorizing a Special Authority Loan to Daimler Truck North America LLC in an Amount Not to Exceed \$1,500,000 for the Development of an Electric Vehicle Service Equipment Center for Competency and Training

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7529

This action by the Prosper Portland Board of Commissioners (Board) will authorize a \$1,500,000 special authority loan (Loan) to Daimler Truck North America LLC (DTNA) to enable the development of an Electric Vehicle Service Equipment (EVSE) Center for Competency and Training (Center) adjacent to Electric Island, North America's first public charging station for medium and heavy-duty electric vehicles located on Swan Island (see a Site Map in Attachment A).

If Daimler Truck North America meets certain conditions tied to public benefits related to the Center by the loan maturity date, the Loan will be forgiven. The public benefits requirements include training, partnerships with schools and youth programs, and hosting conferences that help demonstrate Portland as a leading city for clean technology and electric vehicle infrastructure innovation.

The Center is one of several major investments that DTNA is making to expand future product lines for zero emission mobility at the Portland campus. Portland was among several cities considered for these investments.

STRATEGIC ALIGNMENT AND OUTCOMES

This action aligns with Advance Portland's high-level goal of "establishing enduring partnerships and initiatives that propel and align economic prosperity with racial equity and climate action." Prosper Portland's long-standing partnership with DTNA has resulted in a deep collaboration for racial equity through programs such as Portland Means Progress and a Prosper Portland facilitated supplier diversity roundtable. The Loan supports DTNA's existing and future business lines in zero emission mobility, including a long-term ambition to transition all new vehicle sales to exclusively carbon-neutral in driving operation by 2039.

More specifically, construction of the Center aligns with Objective 1 *Propel Inclusive Economic Growth and Innovation* and Objective 4 *Connect Portlanders to High Quality Jobs in Future-Ready Sectors*. The Center will not only be a resource for local schools and youth programs but will also be a center for innovation in the industry. DTNA is Portland's largest Green Cities business by employee size, an international market leader in zero emission mobility, and a significant contributor to the Metals and Machinery cluster with its manufacturing operations and connection to local supply chain

manufacturers. DTNA provides high-wage engineering jobs as well as non-degreed family-wage jobs for technicians and manufacturing floor workers.

Finally, the Center supports Objective 3 *Foster a Vibrant Central City and Commercial Districts* by drawing more visitors to Portland to showcase the city as a center for climate tech innovation. DTNA facilities and events will provide opportunities for out-of-town trainees and conference attendees to stay at and visit downtown Portland hotels and restaurants.

BACKGROUND AND CONTEXT

DTNA's history in Portland dates to the 1940's and it is now one of the city's largest employers, manufacturers, and domestic and international exporters, with more than 3,000 quality jobs. Prosper Portland and DTNA have worked together over the years as the company has expanded its presence in Portland. Most notably, on November 13, 2013, through Resolution No. 7031, the Prosper Portland Board authorized a \$8,000,000 loan to DTNA to complete construction of a parking garage as part of the development of their new headquarters building.

The company is now considering certain investments to increase its business lines in zero-emission mobility and for more than a year Prosper Portland staff has been working with DTNA to discuss potential investments, goal alignment, and partnership opportunities.

Of these new investments, the Loan would contribute to the construction of the EVSE Center located directly adjacent to Electric Island, North America's first public heavy duty vehicle charging station built and owned by DTNA in collaboration with Portland General Electric. Built in 2021, Electric Island is a living lab for testing Electric Vehicle Service Equipment (EVSE), also known as electric vehicle chargers. The new Center would provide a building to conduct training for this equipment and serve as a central point for community stakeholders and students to engage with the technology. The approximately \$3,000,000 construction is expected to begin in late 2024 and be completed by 2026.

If, over the course of two years, DTNA meets certain forgiveness conditions tied to public benefits related to the Center the Loan will be forgiven. It is important to note that the following public benefits are anticipated to continue past the two-year period:

- **Training Hours.** DTNA will provide a minimum of 10,000 training hours to at least 600 trainees, most of whom will travel from other areas of the country. DTNA anticipates the number of trainees and trainings will increase over time as market adoption for zero emission vehicles increases;
- **Local Community Partnerships.** DTNA will partner with local schools, youth non-profit groups, or higher educational institutions to create at least 12 classes, tours and/or learning experiences on EVSE and electrical concepts for high school, community college, university, and life-long learning students; and
- **National Conferences.** The DTNA team has committed to hosting at least two industry-leading conferences or events related to zero emission mobility. These events will further enhance Portland's brand as a center for climate tech and add tourism revenue to the local economy.

Separately, DTNA is considering additional significant facility investments that will further solidify Portland's position as the center of zero-emission heavy-duty vehicle research and development.

EQUITY IMPACT

The Center provides the following community benefits and equity impacts:

- Comply with Prosper Portland’s Construction Business and Workforce Equity Policy, which supports with the company’s existing supplier diversity goals.
- Comply with Prosper Portland’s Green Building Policy.
- Provide access to technical training at the Center in EV charging for heavy duty vehicles for local students, opening doors to the growing field of EVSE technicians and engineers.
- Expose youth to careers in EV through partnerships with local schools and non-profits serving youth.
- Attract visitors and small business spending to Portland from out-of-town trainees and conference attendees.

COMMUNITY PARTICIPATION AND FEEDBACK

Staff has not conducted any specific public participation related to the Center. However, this action aligns with input gathered in 2022 and 2023 in the development of Advance Portland, which reflects Portlanders’ desire to further enhance Portland’s role as a leader in climate action and technology as well as provide training and job opportunities in future-ready sectors.

BUDGET AND FINANCIAL INFORMATION

There are sufficient resources in the fiscal year (FY) 2023-24 Business Retention Fund Budget and Forecast for this proposed action (see Attachment B). Staff anticipate that the entire Loan will be disbursed prior to the end of FY 2023-24.

As outlined in the loan term sheet, DTNA may request forgiveness of the entire loan if all principal forgiveness terms are met prior to December 31, 2028 (Maturity Date). DTNA is eligible to request a one-time extension of the Maturity Date of up to 12 months. If principal forgiveness terms are not met and an extension is not requested, all indebtedness is due on the Maturity Date.

RISK ASSESSMENT

Prosper Portland staff have reviewed DTNA’s financials and anticipate the company can pay back the Loan if it is unable to complete the terms as agreed.

Alternatively, if the Prosper Portland Board chooses to not approve the Loan, it is possible the Center will be built at one of DTNA’s other campuses in the country and Portland will not benefit from the Center’s industry and community impacts.

ATTACHMENTS

- A. Site Map
- B. Business Retention Fund Budget and Forecast

SITE MAP



BUSINESS RETENTION FUND REVISED FY 2023-24 BUDGET AND FORECAST

**Fund Summary
 Total Resources and
 Requirements**

EOI Fund	Revised 2				
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Resources					
Beginning Fund Balance	578,881	200,104	200,104	200,104	200,104
Revenue					
Fees and Charges	447,277	180,000	30,000	30,000	30,000
Grants - State & Local	100,000	0	0	0	0
Miscellaneous	429,800	50,000	50,000	50,000	50,000
Reimbursements	10,000	0	0	0	0
Transfers In	2,000,000	0	0	0	0
Total Revenue	2,987,077	230,000	80,000	80,000	80,000
Total Resources	3,565,958	430,104	280,104	280,104	280,104
Requirements					
Expenditures					
Economic Development	3,276,076	230,000	80,000	80,000	80,000
Total Expenditures	3,276,076	230,000	80,000	80,000	80,000
Transfers	89,778	0	0	0	0
Contingency	200,104	200,104	200,104	200,104	200,104
Ending Balance	0	0	0	0	0
Total Requirements	3,565,958	430,104	280,104	280,104	280,104