

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
STAFF BRIEFING

Item No.: 10A
Meeting Date: March 7, 2025

DATE: February 24, 2025
TO: Managing Members
FROM: John Wolfe, CEO

Sponsor: Jason Jordan
Project Managers: Deirdre Wilson, Ryan McFarland

SUBJECT: 2025 Grant Funding Strategy and Q1 2025 Grants Update Briefing

A. BRIEFING REQUESTED

The purpose of this briefing memo is to share an update on the grant program.

B. SYNOPSIS

Our outside funding strategy covers grant opportunities at all levels, from local to federal. However, much of our focus is on federal grant programs due to the nature and cost of our projects. Consideration of projects is rooted in a project list matched with potential funding options using information available from the capital investment plan (CIP), Coordinated Course materials, and conversations with partner agencies. We update the project list regularly to reflect new priorities, project readiness, and available funding options – and vet with all disciplines within the organization.

Every other month the Grant Steering Committee (GSC) meets so staff can update executive leadership staff on recent and upcoming grant activity. The GSC is a NWSA and Port of Tacoma joint process, and meetings include staff from the Port of Seattle to make sure information is shared across the organizations. Approval by the GSC is a required step before grant applications are submitted. Following those meetings, a recap of the meeting is sent to the managing members in the weekly electronic mail communication.

Federal policies and actions have resulted in uncertainty about current funding cycles and application requirements are unclear. Staff continue to refine the list of grant ready projects for consideration as opportunities become clear.

C. STATUS OF PENDING GRANTS

If we have an agreement in place, funds are safer but still may be at risk. Traditional transportation infrastructure projects are safer than others. Staff recommends we continue to work toward grant agreements, investing staff time and completing environmental review as may be needed. For Air Quality program grants, staff recommend continuing to prepare requests for proposals (RFPs) (but not issuing them) so the RFPs will be ready to issue if the federal government approves use of the funds. For certain construction projects, staff recommends proceeding regardless of grant status due to the vital nature of the project.

Assuming grants are eventually allowed to move forward once the pause is lifted, the main impact to these projects will be a delay to getting started. We are still unclear about the extent and depth of the ongoing department reviews at USDOT, and whether USDOT leadership intends to review project by project for components, or whether the review will be more on a program-by-program basis. NWSA staff are coordinating our responses, which may include engaging our lawyers to review.

Grants for our more traditional infrastructure projects (as opposed to air quality grants) that have funding agreements are, for the most part, moving along appropriately. We are told that grants for these projects that have been awarded but do not have funding agreements will be delayed for a few months. This might not be the case for air quality grants, which according to the Trump Administration's executive orders will be targeted for elimination. The impact of losing any of the clean air grants is significant and will be a serious blow to the NWSA's clean air strategy implementation, impeding our region's ability to deploy ZE heavy duty trucks in the freight sector. We have been preparing to issue a Request for Proposals (RFP) that would utilize the funds the NWSA was awarded through a Charging and Fueling Infrastructure (CFI) grant.

Staff will keep our congressional delegation apprised of all grant milestones as they want to know when we are allowed to submit reimbursements again, when we get any kinds of decisions or agreements from different grantors, etc. and help troubleshoot when things are stalled.

Our recent PIDP grant awards are pending funding agreement. Staff has reviewed and has the following recommendations.

Infrastructure Grants Update				
Grant - Project		Grant Amount	Funding Agreement	Project Status
1	FY2020 PIDP - Terminal 5 Uplands	\$10,687,333	Yes	Proceed
	T5 Modernization grant funds have been obligated. Some of the project components are lease obligations, and they include: Stormwater Treatment System, Uplands Paving, Reefer Demarc, and Reefer Plugs. Rail Improvements are another component of the grant but are not included in the lease.			
2	FY2021 PIDP – PoT Thorne Road Off-dock yard	\$15,730,000	Yes	Proceed
	Thorne Road Off-dock container storage grant agency funds have been obligated. This Port of Tacoma project supports NWSA business.			
3	FY2022 PIDP - T5 New Gate Complex and Container Yard Expansion	\$17,035,900	Yes	Proceed
	T5 New Gate Complex and Container Yard Expansion are both lease commitments. The tenant is pursuing use of the existing Container Freight Station.			
4	NHFP - T5 New Gate Complex	\$1,750,000	Yes	Proceed
	The New Gate Complex project is a lease commitment.			
5	FY2022 CRISI earmark – PoT Banana Yard rail switches	\$2,500,000	Yes	Proceed
	This Port of Tacoma project supports NWSA business.			
6	FY2023 PIDP - Husky Terminal Expansion	\$54,233,330	No	Proceed
	Husky Terminal Expansion . We are very close but have no signed agreement. We have received good signals from MARAD that the agreement will ultimately go forward but may be somewhat delayed. Some of the grant project components are included in lease agreements.			
7	FY2024 PIDP – PCT Efficiency Improvements	\$11,647,000	No	Pause
	Pierce County Terminal efficiency projects include LED Lighting, Transfer Zone Paving and Reefer Upgrades. Staff had the kickoff meeting with MARAD in early February and the grant agreement process is expected to proceed as normal. If we don't get the grant, a discussion will need to be had with the tenant. LED Lighting project will move ahead of the grant execution to address workplace needs. Projects in this grant are currently under lease negotiations.			
8	FY2022/2023 PROTECT - Wapato Creek Culvert	\$24,500,000	No	Pause
	Replacing a failing culvert where Wapato Creek empties into Commencement Bay in Tacoma, underneath Pierce County Terminal. No signed agreement.			
9	FY2022 Culvert AOP - Wapato Creek Culvert	\$2,000,000	No	Pause
	Design and permitting for the same PCT culvert. No signed agreement yet – these funds will also be passed through WSDOT Local Programs.			

Air Quality Grants				
Grant - Project		Grant Amount	Funding Agreement	Project Status
1	DERA - Truck scrap and replace	\$1,619,957	Yes	Proceed
	Two active grants with signed agreements providing incentives to drayage operators to scrap old trucks and replace them with newer, cleaner diesel trucks (at least model year 2016). We have successfully submitted for reimbursements for these funds in the month of February and received payment.			
2	Hydrogen Hub Subrecipient	\$45,000	Yes	Proceed
	Phase 1 grant agreement.			
3	CFI - ZE truck charging infrastructure	\$12,000,000	Yes	RFP only
	Deploying zero-emission truck charging infrastructure. We have a signed agreement but may not yet be "obligated." Because this program was specifically called out in the initial Executive Order on January 20, 2025, the risk to this grant seems high. RFP is a cost of staff time.			
4	Clean Ports Planning - WUT shore power design, EB1 CHE planning	\$3,000,000	Yes	Pause
	Planning and design for shore power at Washington United Terminal plus infrastructure/cargo handling equipment planning at East Blair 1 Terminal, both in the Tacoma Harbor. While we do have a signed agreement, as of Feb. 12, we are not able to access EPA's ASAP payment processing portal.			
5	FY2023 RTEPF - ZE truck deployments	\$16,000,000	No	RFP only
	Deploying zero-emission truck charging infrastructure. Draft agreement in process. Staff recommends we continue to advertise RFP for Air Quality programs (CFI, RTEPF).			
6	FY2022 CMAQ - ZE truck deployments	\$2,600,000	No	Hold
	ZE truck deployment in Pierce County. No signed agreement yet pending negotiations with WSDOT. This grant is also part of a Buy America Waiver for the ZE trucks themselves that was part of a bundle of waivers posed in late December for public comment. Staff have not been able to get more clarity on what steps remain to finalize this waiver.			
7	FY2024 earmark for ZE truck charging infrastructure	\$850,000	No	Hold
8	Hydrogen Hub Subrecipient	\$12,000,000	No	Hold
	Second phase of the Hydrogen Hub award is \$12,000,000, expected in 2028.			

2024 APPLICATIONS

2024 External Funding Applications	
FUNDING	PROJECT
USDOT PIDP: \$11M - Funded	Pierce County Terminal (PCT) - Reefer expansion - Terminal connection over Wapato Creek (replace failing culvert) - Maintenance dredging, wharf and terminal upgrades (portion HMT eligible)
USDOT FHWA PROTECT: \$24.5M - Funded	
USDOT FHWA Culvert: \$2M - Funded	
EPA DERA: \$900k - Funded	Northwest Ports Clean Air Strategy Implementation - Drayage truck pilot - Energy efficiency projects - Electric yard trucks and handling equipment - Electric vehicle charging infrastructure - Shore power infrastructure - Shore power design
USDOT FHWA RTPEF: \$16M – Funded	
USDOT FHWA CFI: \$12M – Funded	
USDOT FHWA CMAQ: \$9.2M - Funded	
WA Ecology VW Settle: \$244K – Funded	
WSDOT Port Electrification: \$2.6M - Funded	
EPA Climate Pollution Reduction Grants (CPRG): \$52M for NWSA projects - Unfunded	
EPA Clean Ports Zero-Emission Technology Deployment: \$499M - Unfunded	Northwest Ports Clean Air Strategy Implementation - CPRG: ZE truck and ZE CHE incentive programs. - Clean Ports ZE Tech Deployment: The NWSA-led application for Alliance, Port of Seattle, and Port of Tacoma totaling \$499 million included support for vessel shore power, ZE cargo handling equipment, drayage trucks, public engagement, and more.
USDOT FRA Consolidated Rail Infrastructure & Safety Improvements (CRISI): \$10.3 million for 509 Support Tracks – Unfunded	
FY2025 CRISI Earmark: T18 On-Dock Rail Restoration and Capacity Expansion – partial award (pending Congressional approval)	
USDOT FRA Rail Crossing Elimination (RCE): \$800K for rail crossing elimination study – Unfunded	
EDA Public Works & Economic Adjustment Assistance: \$2.6M - Pending	South Harbor Rail - CRISI: SR 509 Support Tracks (final design and construction) - RCE: Harbor Area Railroad Crossing Elimination Study T18 On-Dock Rail Restoration and Capacity - CRISI Earmark: Design and construction of restoration work to on-dock rail infrastructure. The award still requires final Congressional approval.
	Log Debarker Decommissioning and Demolition. Removal of the obsolete debarker, a relic from former log yard, on port parcel 105. Application status and timeline for notification unknown as of 11 February 2025.

D. 2025 OPPORTUNITIES

FY2025 BUILD Staff submitted a Port of Tacoma BUILD 2025 (formerly RAISE) grant application on Jan 29, 2025, for Arrival and Departure tracks near SR 509 in Tacoma. It is unclear how or if the program dollars will further be affected given the reduction from the original \$200M available. Port of Tacoma is pursuing this project at NWSA's request.

FY2025 PIDP Applications are due April 30th. However, the MARAD website indicates that a revised Notice of Funding Opportunity (NOFO) may be released. We expect that would result in a later application deadline.

The following projects are being considered for an NWSA application:

Terminal 18

Construction Application:

- 1) Construction of Shore power¹,
- 2) Design and construction of water system - distribution system that feeds the buildings and fire suppression, and
- 3) Weigh in Motion for the gate.

Planning Application: Berth deepening to -55'

Terminal 46

Construction Application:

- 1) #2 North Substation replacement, and
- 2) Water system replacement.

Planning Application: Shore power

East Blair Two (EB2) Honoring the 2024 MOU² between the NWSA and the Puyallup Tribe relating to the proposed construction of EB2 and the combined operations of EB1 and EB2 by the NWSA and the Tribe, NWSA staff have been providing grant and project related technical support to tribal staff.

¹ In February, staff met with the Environmental Working Group to discuss next steps on the T-18 shore power project. The direction was to proceed with a two-berth installation, utilizing \$30M in secured state funding.

² Capital Costs. The Tribe shall be solely responsible for all capital costs associated with the construction of EB2. The Tribe intends to apply for Federal and State grants in order to offset such capital costs. NWSA shall offer assistance to the Tribe with respect to any grant applications pertaining to the construction of EB2, at no cost to the Tribe.

Future Funding Opportunities		
PRIORITY	FACILITY PROJECT IDEAS	FUNDING TO EXPLORE
*****	<p>Terminal 18</p> <ul style="list-style-type: none"> - Shore power construction - Water distribution system design and construction - Berth deepening, planning and design - Rail switches and track restoration - Zero Emission Cargo Handling Equipment (CHE) infrastructure - Full dock rehabilitation (HMT) - Maintenance dredging (HMT) - Bollard replacement (HMT) 	<ul style="list-style-type: none"> ▪ Port Infrastructure Development Program (PIDP) ▪ Infrastructure for Rebuilding America (INFRA) ▪ Congestion Mitigation Air Quality (CMAQ) ▪ Diesel Emission Reduction Act (DERA)
*****	<p>Terminal 46</p> <ul style="list-style-type: none"> - NW Bulkhead Replacement - SE Bulkhead replacement - South Dock rehab - Deck repair - Crane Rail Extension - Shore power planning - Shore power construction - #2 North Substation replacement - Water Line (8"/10") replacement - Wharf, Toe Wall / Berth Deepening - Maintenance dredging (HMT) - Wharf and terminal upgrades 	<ul style="list-style-type: none"> ▪ PIDP ▪ INFRA
*****	<p>Husky Terminal</p> <ul style="list-style-type: none"> - Zero Emission Cargo Handling Equipment (CHE) infrastructure (tenant support) - Toe wall related to berth deepening (HMT) - Berth deepening - Relocate North Intermodal (NIM) rail and straddle carrier operations - POT Main Gate relocation - Relocate existing Husky entry control - Phase III expansion 	<ul style="list-style-type: none"> ▪ PIDP (2023)³ ▪ DERA
*****	<p>Washington United Terminal (WUT)</p> <ul style="list-style-type: none"> - Berth Deepening - Shore power construction - Toe wall related to berth deepening (HMT) - Weigh in motion - Yard expansion/densification - ZE CHE charging infrastructure - Gate improvements - Lot 'F' expansion 1-3.6 acres - M&R Improvements - Concrete paving for RTGs 	<ul style="list-style-type: none"> ▪ PIDP ▪ INFRA ▪ DERA

³ FY2024 PIDP grant to realign yard to match berth, install reefer racks, and move NIM tower.

Future Funding Opportunities		
PRIORITY	FACILITY PROJECT IDEAS	FUNDING TO EXPLORE
	<ul style="list-style-type: none"> - Electrical lines for Top Picks - Add 228 reefer racks 	
*****	Northwest Ports Clean Air Strategy Implementation <ul style="list-style-type: none"> - Drayage truck pilot - Energy efficiency projects - Electric yard trucks and handling equipment - Electric vehicle charging infrastructure - Shore power infrastructure 	<ul style="list-style-type: none"> ▪ DERA ▪ CMAQ ▪ State transportation and operating budgets
****	Terminal 5 <ul style="list-style-type: none"> - ZE CHE & infrastructure 	<ul style="list-style-type: none"> ▪ PIDP (2020, 2022)⁴ ▪ CMAQ
***	Terminal 7 <ul style="list-style-type: none"> - Maintenance dredging, wharf and terminal upgrades (portion HMT eligible) 	<ul style="list-style-type: none"> ▪ PIDP ▪ Dept of Defense
***	Pierce County Terminal (PCT) <ul style="list-style-type: none"> - ZE CHE infrastructure (at Portac) - Maintenance dredging, wharf and terminal upgrades (portion HMT eligible) 	<ul style="list-style-type: none"> ▪ PIDP (2024)⁵ ▪ Building Resilient Infrastructure and Communities (BRIC) ▪ DERA
***	Terminal 25 South <ul style="list-style-type: none"> - Stormwater upgrades - Elevate portions of site to remove them from the floodplain - Truck parking and charging infrastructure 	<ul style="list-style-type: none"> ▪ CMAQ ▪ DERA ▪ Federal Highway Administration (FHWA)
**	West Sitcum Terminal <ul style="list-style-type: none"> - Energy efficiency project (infrastructure, lighting, building upgrades) - Electric yard trucks (tenant support) - Site clean-up (underground) - Shoreline repairs - Substation repairs/upgrades 	<ul style="list-style-type: none"> ▪ America's Marine Highways Program (AMH) ▪ DERA
**	TOTE Terminal <ul style="list-style-type: none"> - Energy efficiency project (infrastructure, lighting, building upgrades) - Electric yard trucks (tenant support) 	<ul style="list-style-type: none"> ▪ DERA ▪ AMH
**	Terminal 30 <ul style="list-style-type: none"> - Maintenance dredging (HMT eligible) 	
*	Terminal 115 <ul style="list-style-type: none"> - Wharf rehab (Tenant Improvement) 	<ul style="list-style-type: none"> ▪ AMH

⁴ FY2020 PIDP grant for uplands development, FY2022 PIDP grant for gate and yard improvements.

⁵ FY2024 PIDP grant for reefers, lighting, and transtainer paving.

Future Funding Opportunities		
PRIORITY	FACILITY PROJECT IDEAS	FUNDING TO EXPLORE
TBD	<p>Partner Project Examples</p> <ul style="list-style-type: none"> - Tacoma Rail track improvements and locomotive repower/replace - Fishing Wars Memorial bridge - Heavy haul routes - Off-dock support and inland rail development - Property clean-up - Terminal 25 habitat site - Gog-le-hi-te wetland III habitat restoration - East Commencement Habitat Opportunity (ECHO) - East Blair Two (EB2) 	<ul style="list-style-type: none"> ▪ Consolidated Rail Infrastructure and Safety Improvement (CRISI) ▪ Infrastructure for Rebuilding America (INFRA) ▪ BUILD ▪ Ecology Remedial Action Grant Program ▪ Remedial Action Grants (RAG) ▪ Surface Transportation Program (STP) ▪ Freight Mobility Strategic Investment Board (FMSIB) ▪ Building Resilient Infrastructure and Communities (BRIC) ▪ Freight Rail Investment Bank (FRIB) ▪ Freight Rail Assistance Program (FRAP)

E. NEXT STEPS

Staff will provide grant updates to the Managing Members at regularly scheduled meetings quarterly in 2025.

Item No.: 10A
Meeting Date: March 7, 2025

2025 Grant Funding Strategy and Q1 2025 Grants Update Briefing



**THE NORTHWEST
SEAPORT ALLIANCE**

SEATTLE + TACOMA

Presenters: Deirdre Wilson, Senior Manager Planning
Ryan McFarland, Director Federal Government Relations

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Grant Program Update

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- Grants for traditional infrastructure projects that have funding agreements are, for the most part, moving along appropriately.
- Staff recommend continuing to work on pending grant agreements, investing staff time and completing environmental review as needed.
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CRISI Earmark: T18 On-Dock Rail Restoration and Capacity Expansion \$500K - funded	
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Grant Program Update

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7	FY2024 PIDP – PCT Efficiency Improvements	\$11,647,000	No	Pause
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Grant Program Update

Air Quality Grants Update				
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5	FY2023 RTEPF - ZE charging infrastructure	\$16,000,000	No	RFP only
6	FY2022 CMAQ - ZE truck deployment	\$2,600,000	No	Hold
7	FY2024 earmark for Truck charging infrastructure	\$850,000	No	Hold
8	Hydrogen Hub Subrecipient	\$12,000,000	No	Hold



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Grant Program Update

FY2025 PIDP

Applications are due April 30th, but the MARAD website indicates a revised Notice of Funding Opportunity (NOFO) will be released.

NWSA:

The following projects are being considered for an NWSA application:

- T18 Construction of shore power; Design/construction of water system; Weigh in Motion
 - Planning Application: Berth deepening to -55'
- T46 #2 North Substation replacement; Water system replacement
 - Planning Application: Shore power

Puyallup Tribe:

East Blair Two (EB2). 2024 MOU between the NWSA and the Puyallup Tribe.

"The Tribe shall be solely responsible for all capital costs associated with the construction of EB2. The Tribe intends to apply for Federal and State grants to offset such capital costs. NWSA shall offer assistance to the Tribe with respect to any grant applications pertaining to the construction of EB2, at no cost to the Tribe."



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Next Grants Update Briefing July 1, 2025



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