

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
STAFF BRIEFING

Item No.: 10A
Meeting Date: July 1, 2025

DATE: June 23, 2025
TO: Managing Members
FROM: John Wolfe, CEO
Sponsor: Jason Jordan, Sr. Director, Environmental & Planning
SUBJECT: Q2 Grant Update 2025

A. BACKGROUND

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 Port of Tacoma and NWSA joint process, and meetings include staff from the Port of Seattle to make sure information is shared across 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 weekly electronic mail communication. The GSC met in March and May and will meet again in July.

Federal policies and actions noted in our March update continue to cause uncertainty around funding cycles and application requirements and much remains unclear. However, while uncertainties persist, we have seen progress for some awards in the negotiation phase, and opportunities to apply for federal funding are still being posted. Staff continue to refine the list of grant-ready projects for consideration as opportunities become clear, e.g. the reissued notice of funding opportunity (NOFO) and extended application deadline for FY25 PIDP described in more detail below.

B. STATUS OF PENDING GRANTS

As noted in March, in cases where we have an agreement in place, funds are safer but still may be at risk. This risk is demonstrated in the termination of FEMA's Building Resilient Infrastructure and Communities (BRIC) program.¹ BRIC projects fully obligated *and under construction* will be allowed to proceed and expend remaining funds, while grants that are fully obligated but not yet underway will be terminated.² The NWSA is not directly affected as we do not have a BRIC grant and had not applied for one, but the abrupt termination of BRIC illustrates the unpredictable state of federal funding in Spring of 2025.

We have received limited clarification about the extent of ongoing department reviews at USDOT. An example of a new process into which we have been afforded some insight is Section 106³ review. There was a delay due to new processes instituted, including around Section 106, that involves sending notification letters to Tribes and historic preservation officers. Port permitting staff provided letters for MARAD's review; formerly, MARAD would have reviewed the letters and then notified us that we could send the letters directly to Tribes and preservation officers. With the introduction of new processes, those letters must be reviewed through MARAD legal channels and by the Chief Counsel's office. Our FY24 (PCT) PIDP grant was one of the first projects for which MARAD sought approval, and the NWSA's contact described the experience as "learning as they go." The letters have since been approved, and Port permitting staff sent them to the appropriate Tribal and preservation contacts.

B1. FY25 PIDP

NWSA:

On April 30, the NWSA submitted an application titled *Terminal 18 Service Expansion Project*, for shore power and weigh-in-motion at T18 in Seattle. Proposing an NWSA match of \$7,877,200 and an SSA match of \$328,500, the grant ask was \$8,205,700. The NWSA submitted this application based on current guidance so we wouldn't miss the opportunity to apply in the event that MARAD did not reissue the opportunity and extend the deadline.

¹ [FEMA Ends Wasteful, Politicized Grant Program, Returning Agency to Core Mission of Helping Americans Recovering from Natural Disasters | FEMA.gov](#)

² [FEMA ends Building Resilient Infrastructure and Communities \(BRIC\) Program](#)

³ A review required under Section 106 of the National Historic Preservation Act (NHPA), required as part of grant negotiations.

As anticipated, however, MARAD reissued the notice of funding opportunity (NOFO) and extended the application deadline. Now due September 10, a revised application will need to adhere to new USDOT Benefit Cost Analysis (BCA) guidelines.⁴ Unfortunately, changes to the guidance mean the Benefit Cost Ratio (BCR) of the shore power component of our April 30 application has sunk to a .6 (to be competitive, the BCR should be no lower than 1.)

As of June 9th, staff and consultants are revisiting the benefits and costs of the proposed shore power project. Staff and consultants are also identifying additional operational benefits of shore power (e.g. would shore power mean getting vessels off berth faster?) Staff and consultants will refine the assumptions that go into the BCA to see if flexing those assumptions, in addition to more operational benefits, can get the BCR up. The revised FY25 NOFO is explicit that shore power is not only eligible but is *assumed to have the safety/reliability/efficiency benefits required by statute*; at the same time, the new BCA guidance make it difficult to get a competitive BCR for shore power.

Due to HMT uncertainties noted below, several NWSA projects previously ruled out for competitive grants are being reevaluated for FY25 PIDP and future infrastructure grant opportunities.

Puyallup Tribe of Indians (PTOI):

The PTOI are working on an application for the Puyallup Tribal Terminal, also known as East Blair Two (EB2). A 2024 MOU between the NWSA and the Puyallup Tribe states that 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.”

The PTOI has engaged a consultant team to support their FY25 PIDP submission and are meeting regularly with NWSA Planning and Environmental staff as the application progresses.

B2. FY22, FY23, and FY24 PIDP

Due to changes in the gate complex scale investment, the FY22 PIDP (T5) award is in the process of being restated. The restated grant agreement reduces the NWSA’s PIPD funding by \$1,477,459.53, and the NWSA matching contribution requirement by \$1,123,701.62.

In May, the FY23 PIDP grant, *Husky Terminal Expansion Part One*, was executed after months of delay due to new rounds of review at MARAD and the USDOT.

⁴ [Benefit-Cost Analysis Guidance for Discretionary Grant Programs | US Department of Transportation](#)

Negotiations are underway for FY24. The NWSA's FY24 PIDP grant, *Pierce County Terminal Efficiency Project*, was submitted and selected for funding with three project components: 1) Converting all lighting on the terminal to energy efficient LED lights; 2) Installing reefers on racks and power infrastructure to accommodate 198 additional refrigerated containers; and 3) Rebuilding the terminal's transfer zone. Due to urgent safety concerns on the terminal, Evergreen elected to proceed with the LED lighting conversion outside the grant process. The NWSA submitted a rescoping request to reallocate the \$1,666,000 proposed for the LED lighting conversion to shore power design at PCT. MARAD reviewed our request and determined that the LED lighting conversion was an integral part of the project and was specifically a part of the evaluation and award decision. Therefore, our rescoping request was denied and the NWSA's path forward is to remove the LED lighting conversion component from the project entirely. This removes \$1,666,000 in federal funding and \$1,666,000 in non-federal funds, bringing the new project total to \$19,961,000 with the remaining two components (the reefer expansion and transfer zone repaving.) The revised grant amount is \$9,981,000.

Our MARAD contact for all NWSA PIDP grants told us that MARAD wants to execute pending grants as quickly as possible, and staff are prioritizing quick turnaround for any deliverables we owe.

B3. WAPATO CREEK CULVERT GRANTS

Two federal grants totaling \$26.5 million support design and permitting (Culvert AOP) and construction (PROTECT) for this vital aquatic connectivity project under Pierce County Terminal.

USDOT FHWA FY22 Culvert Aquatic Organism Passage (Culvert AOP):

Grant award: \$2,000,000

NWSA match: \$662,000

Status: grant approved by the Managing Members at the May 6, 2025 public meeting, agreement pending. WSDOT Local Programs is the prime recipient and will pass through the award to the NWSA; the agreement we execute will be with WSDOT. WSDOT Local Programs has sent the term sheet (grant agreement) to the FHWA for review, a process we have been told is taking longer than hoped due to severe staffing cuts at the FHWA. Staff understand that any changes in federal policy need to be reflected in the grant agreement. Culvert AOP funds must be spent on reimbursable design services by January 31st, 2027.

USDOT FHWA FY 2022/23 Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT)

Grant award: \$24,500,000

NWSA Match: \$10,500,000

Status: Notified of successful application; however, award negotiations with FHWA are paused due to ongoing uncertainties and staffing issues.

This award we will negotiate and execute with FHWA directly, unlike Culvert AOP which we will execute with WSDOT Local Programs. We are in touch with our FHWA contact and hope to resume negotiations soon.

C. ADDITIONAL 2025 OPPORTUNITIES

FRA Consolidated Rail Infrastructure and Safety Improvements (CRISI) notice of funding opportunity expected to be released in late summer. CRISI provides funding for projects that improve the safety, efficiency, and reliability of intercity passenger and freight rail.

D. AIR QUALITY GRANTS

FY22 CMAQ (FHWA via WSDOT) – ZE Truck Demonstration

Staff recommend rescoping the project from trucks and charging infrastructure to infrastructure only to remain compliant with Buy America requirements as waivers are unlikely. The waiver question will be moot if we cannot execute an agreement at all. The issue is Local Program's inability to administer a pass-through grant. Staff are working with WSDOT Local Programs office to move forward in coordination with WA FHWA; due to staff cuts at FHWA, this is taking longer than anticipated. FY24 earmark funds for ZE trucks are imperiled for the same reason.

FY22-23 CFI and FY22-23 RTEPF (FHWA) – ZE Trucks and Infrastructure
CFI is partially obligated; RTEPF award negotiations paused due to ongoing Federal situation.

HARBOR MAINTENANCE TAX

Projects that were expected to be funded using HMT dollars are being reevaluated to determine whether any might be well-suited to competitive grant opportunities. HMT dollars were not provided in FY 2025 and may not be provided in the future, and as a result several projects are under discussion for inclusion in our PIDP application or future infrastructure grant opportunities that are expected to reopen this year. Staff are working on a list of HMT-eligible projects for grant consideration.

E. EARMARK UPDATES

As of June 13, all Congressional offices have announced their selections for earmarks, known as Congressionally Directed Spending (CDS) in the Senate and Community Project Funding (CPF) in the House. The following projects are being put forward for consideration by the full Appropriations Committees:

- \$8 million under PIDP for Terminal 18 shore power construction selected by Sen. Patty Murray.
- \$800,000 under PIDP for Port of Tacoma's rail crossing elimination study selected by Senator Maria Cantwell.

- \$2,350,000 under PIDP for deepening the berths at Husky Terminal and Washington United Terminal selected by Rep. Emily Randall.

The City of Fife's project for the 54th Ave E. railroad grade crossing separation project was also included, as were Port of Seattle projects for the Pier 86 switcher locomotive, T91 shore power upgrades, and a waterfront sea level rise vulnerability assessment.

Our application to Sen. Murray for \$3,024,000 under DERA for a zero-emission cargo handling equipment incentive program was not successful.

Over the summer, we should see the Appropriation Committees final selections in FY26 Appropriations bill reports, after which the House and Senate have to eventually pass matching bills in order for the funding to be enacted. Staff will continue to provide updates as each step in the process occurs.

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Grants Update Q2 2025



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Cassandra de Kanter
Grants Specialist

1

Grant Program Update

- If we have an agreement in place, funds are safer than those stalled in the negotiations phase but may still be at risk.
- Some grants in the negotiation phase are proceeding normally, some slowly, and others remain stalled.
- Staff recommend continuing to work on pending grant agreements, investing staff time and completing environmental review and other tasks.
- Staff will continue keep our congressional delegation apprised of all grant milestones to help troubleshoot when things are stalled.



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2

2

Status of Pending Grants

FY25 PIDP:

- On April 30, the NWSA submitted an application titled *Terminal 18 Service Expansion Project*, for shore power and weigh-in-motion.
- MARAD reissued the notice of funding opportunity (NOFO) and extended the application deadline. Now due Sept 10, a revised application will need to adhere to revised USDOT Benefit Cost Analysis (BCA) guidelines.
- Changes to the guidance negatively affected the Benefit Cost Ratio (BCR) of the shore power component.
- Staff are revisiting assumptions and operational benefits related to shore power as well as reviewing other potential project components.

FY22, FY23, and FY24 PIDP:

- FY22 (T5) award is being restated to reduce PIPD funding by \$1,477,459 and the NWSA matching contribution requirement by \$1,123,701. Rescoping is due to changes in the gate complex scale investment
- FY23 (Husky) grant executed in May 2025.
- FY24 (PCT) grant agreement in negotiation; removal of the LED lighting conversion from the project scope resulted in:
 - Reduction in \$1,666,000 in grant funding and \$1,666,000 reduction in our match.
 - New project total is \$19,961,000 for reefer expansion and transfer zone repaving.
 - New grant amount will be \$9,981,000.

Status of Pending Grants

WAPATO CREEK CULVERT GRANTS at Pierce County Terminal (PCT)

Two federal grants totaling \$26.5 million for this vital aquatic connectivity project:

- 1) Culvert AOP - \$2M for design and permitting - approved by the Managing Members at the May public meeting, the agreement is pending.
WSDOT Local Programs is the prime recipient and will pass-through the award to the NWSA. Local Programs has sent the term sheet (grant agreement) to FHWA for review, a process we have been told is taking longer than hoped due to severe staffing cuts at the FHWA.
- 2) PROTECT - \$24.5M for construction
FHWA negotiations are paused due to ongoing uncertainties and federal staffing issues. NWSA staff are in touch with our FHWA contact and hope to resume negotiations soon.

Additional 2025 Opportunities

FRA Consolidated Rail Infrastructure and Safety Improvements (CRISI) notice of funding opportunity expected to be released in late summer. CRISI provides funding for projects that improve the safety, efficiency, and reliability of intercity passenger and freight rail.

Current recommendation is to revise and resubmit the Port of Tacoma's 2024 application for 509 Support Tracks, a project the NWSA supports.

Air Quality Grants

FY22 CMAQ (FHWA via WSDOT)

ZE Truck Demonstration

- Staff are working with WSDOT Local Programs office to move forward in coordination with FHWA; due to changes at FHWA, this is taking longer than anticipated.
- WSDOT Local Programs will administer a pass-through grant. State earmark funds for ZE trucks are imperiled for the same reason.

FY22-23 CFI and FY22-23 RTEPF (FHWA)

ZE Trucks and Infrastructure

- CFI is partially obligated;
- RTEPF award negotiations paused due to ongoing Federal uncertainty.

Harbor Maintenance Tax

- Army Corps of Engineers FY25 work plan doesn't include larger donor port funding.
 - The continuing resolution for FY25 passed in March stripped congressional guidance from the FY25 appropriations legislation.
 - Congressional guidance that was stripped from the FY25 appropriations legislation included the direction from Congress to distribute donor port funding.
- Several Homeport and NWSA projects, such as the Husky toe wall and dredge, were expected to be funded using HMT dollars.
 - With HMT dollars not provided in FY 2025 and uncertain in future years, staff are revisiting projects to determine which if any would be appropriate to include in competitive grant applications e.g. PIDP.

Earmark Update

Three NWSA earmarks are being put forward for consideration by the full Appropriations Committees:

Selected to advance as of June 13:

- \$8 million under PIDP for Terminal 18 shore power construction (Sen. Murray)
- \$800,000 under PIDP for Port of Tacoma's rail crossing elimination study (Sen. Cantwell)
- \$2.35 million under PIDP for deepening the berths at Husky and WUT (Rep. Randall)

Earmark requests must still clear several congressional hurdles before funding is secured.