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DATE: 1/14/2019

TO: Board of Harbor Commissioners

FROM: Matthew Arms, Acting Director of Environmental Planning

SUBJECT: Approve Subgrant Award Agreement with Port of Stockton for the California Air Resources Board Zero- and Near-Zero Emissions Freight Facility Grant

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Executive Summary
The Port of Long Beach has received a grant award from the California Air Resources Board (CARB) for $50 million in funds for near-zero and zero-emissions vehicles and equipment in Long Beach, Port of Oakland, and Port of Stockton. The Board of Harbor Commissioners is requested to approve a subgrant agreement with Port of Stockton in order to pass through grant funds and terms to support the execution of this project.

Key Points
- The Port of Long Beach has received a $50 million grant under the Zero- and Near-Zero Emissions Freight Facility funding program (ZANZEFF). The Sustainable Terminals Advancing Regional Transformation (START) Project will deploy 102 pieces of zero-emissions cargo-handling equipment and trucks in Port of Long Beach, Port of Oakland, and Port of Stockton; deploy a near-zero-emissions tugboat in Long Beach, and deploy two Tier 3 ships - the cleanest in the world - to Long Beach and Oakland.
- The Board of Harbor Commissioners approved the CARB grant agreement on December 10, 2018.
- The total project cost is nearly $103,000,000, which includes nearly $53,000,000 in matching funds from public and private partners. The Port has committed $7,891,157 in matching funds, consisting of in-kind expenditures, $496,157 in cash, and funds expected from other partners.
- Port of Stockton is an operating port that primarily handles non-containerized goods. Port of Stockton will deploy 12 battery-electric forklifts with 36,000-pound capacity; 16 battery-electric forklifts with 8,000-pound capacity; one battery-electric rail car mover; and charging infrastructure for the new equipment. The total project cost for Port of Stockton’s portion of the project is $9,271,000. Port of Stockton will receive $7,271,000 in grant funds and provide $2,000,000 as match.
- The project must be completed by June 2021.
- The Port must enter into a subgrant agreement with Port of Stockton in order to pass through the grant funds and the terms and conditions of the grant.

Recommendation

Title

Approve a subgrant award agreement with Port of Stockton for the California Air Resources Board Zero- and Near-Zero Emissions Freight Facility Grant...

Body

Financial Impact
The Port will pass through $7,271,000 in grant funds to Port of Stockton for zero-emissions forklifts, a rail car

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mover, and infrastructure. All match funding will be provided by Port of Stockton. There are no Port funds allocated to this project. These pass-through expenditures will take place largely in Fiscal Year 2020.

Background
The Port received a $50 million CARB grant under the Zero- and Near-Zero Emissions Freight Facility Grant program. The overall grant requires a 50% cost share of which 10% must be in cash. The project must be completed by June 2021. Under the START Project, operators will deploy 102 pieces of zero-emissions cargo-handling equipment and trucks in Port of Long Beach, Port of Oakland, and Port of Stockton; deploy a near-zero-emissions tugboat in Long Beach, and deploy two Tier 3 ships - the cleanest in the world - to Long Beach and Oakland.

Port of Stockton is an operating port that primarily handles non-containerized goods. Port of Stockton will deploy 12 battery-electric forklifts with 36,000-pound capacity; 16 battery-electric forklifts with 8,000-pound capacity; one battery-electric rail car mover; and charging infrastructure for the new equipment. The total project cost for Port of Stockton’s portion of the project is $9,271,000. Port of Stockton will receive $7,271,000 in grant funds and provide $2,000,000 as match. The forklifts are proposed to be manufactured by Wiggins with Thor as the technology developer. The rail car mover is proposed to be manufactured by Nordco/Shuttlewagon.

Port of Stockton has selected the equipment providers in alignment with its own procurement processes and operational needs. The equipment will largely be manufactured in Oxnard.

Detailed Discussion of Current Issues

The Port must enter into a subgrant agreement with Port of Stockton in order to pass through the grant funds and the terms and conditions of the grant. The Board is asked to approve the Port of Stockton subgrant agreement.

Attachments: Port of Stockton Subgrant Agreement