DATE: 1/14/2019

TO: Board of Harbor Commissioners

FROM: Matthew Arms, Acting Director of Environmental Planning

SUBJECT: Approve Subgrant Award Agreement with SSA Terminals, Inc., 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 SSA Terminals, Inc., 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.
- SSA Terminals will deploy 40 pieces of electric terminal equipment and charging infrastructure at the Matson terminal in Long Beach and Matson terminal in Oakland. The total cost for their portion of the project is $27,231,803. SSA will receive $23,125,000 in grant funds and provide $4,106,803 as match.
- All projects must be completed by June 2021.
- The Port must enter into subgrant agreements with SSA Terminals in order to pass through the grant funds and the terms and conditions of the grant.

Recommendation

Approve a subgrant award agreement with SSA Terminals, Inc., for the California Air Resources Board Zero- and Near-Zero Emissions Freight Facility Grant

Financial Impact
The Port will pass through $23,125,000 in grant funds to SSA Terminals for zero-emissions terminal equipment and infrastructure in Long Beach and Oakland. All match funding for their portion of the project will be provided by SSA Terminals. There are no Port funds allocated to these projects. 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.

SSA Terminals will deploy 33 electric yard tractors and one electric top handler at its Matson terminal in Long Beach and 5 electric yard tractors and one electric top handler at its Matson terminal in Oakland. The yard tractors will be manufactured by Dina and TransPower. The top handlers will be manufactured by Taylor and BYD. Additionally, SSA Terminals will deploy charging infrastructure at each terminal location. The total project cost for their portion of the project is $27,231,803. SSA Terminals will receive $23,125,000 in grant funds and provide $4,106,803 as match.

SSA Terminals has selected the equipment providers in alignment with its own procurement processes and operational needs. The yard tractors will be manufactured in Mexico and fully integrated to zero emissions in San Diego. The top handlers will be manufactured and integrated in Mississippi and Lancaster.

Detailed Discussion of Current Issues

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

Attachments:  SSA Terminals Subgrant Agreement