



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

FOR INFORMATIONAL PURPOSES ONLY

DATE: FEBRUARY 28, 2017

TO: AUDIT COMMITTEE OF THE BOARD OF HARBOR COMMISSIONERS

SUBJECT: GRANTS UPDATE

The attached grants update for February 28, 2017 (Transmittal 1) provides the following information pertaining to the Port's grants program:

- an overview of grant receipts in the current fiscal year (FY 2016-17);
- a breakdown of grant funding received by major transportation project;
- a discussion of the success rate of grant applications in the last three years;
- a summary of grant agreements approved by the Board of Harbor Commissioners (Board);
- a discussion of grant agreements pending Board approval;
- the status of outstanding grant applications; and
- a summary of potential grant funding opportunities.

Also included is a breakdown of all Port grant applications since January 2014 (Transmittal 2).

EUGENE D. SEROKA
Executive Director

Transmittals:

1. Grants Update
2. Grant Applications - January 2014-current

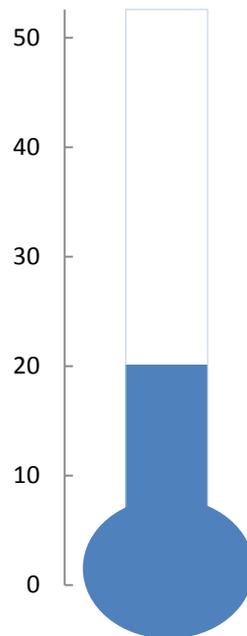
PORT OF LOS ANGELES – GRANTS UPDATE

February 28, 2017

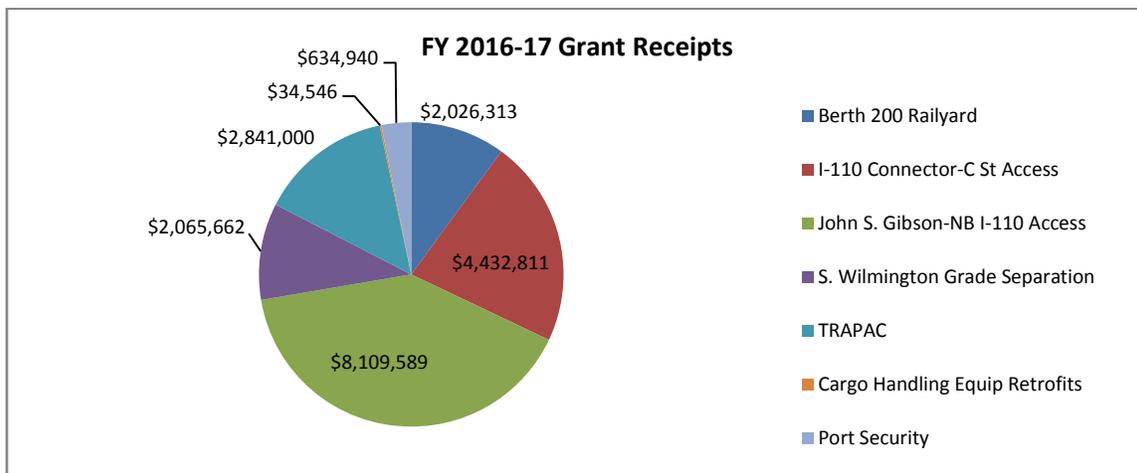
GRANT RECEIPTS

The Port has received \$20.14M in grant funding in FY 2016-17 (as of February 28, 2017). This is 38.3% of the total expected FY 2016-17 grant receipts of \$52.6M. The following chart shows the progress made this fiscal year through the end of February toward the goal of 100 percent of grant receipts by June 30, 2017:

Grant Funding Receipts FY 2016-17 (\$ million)

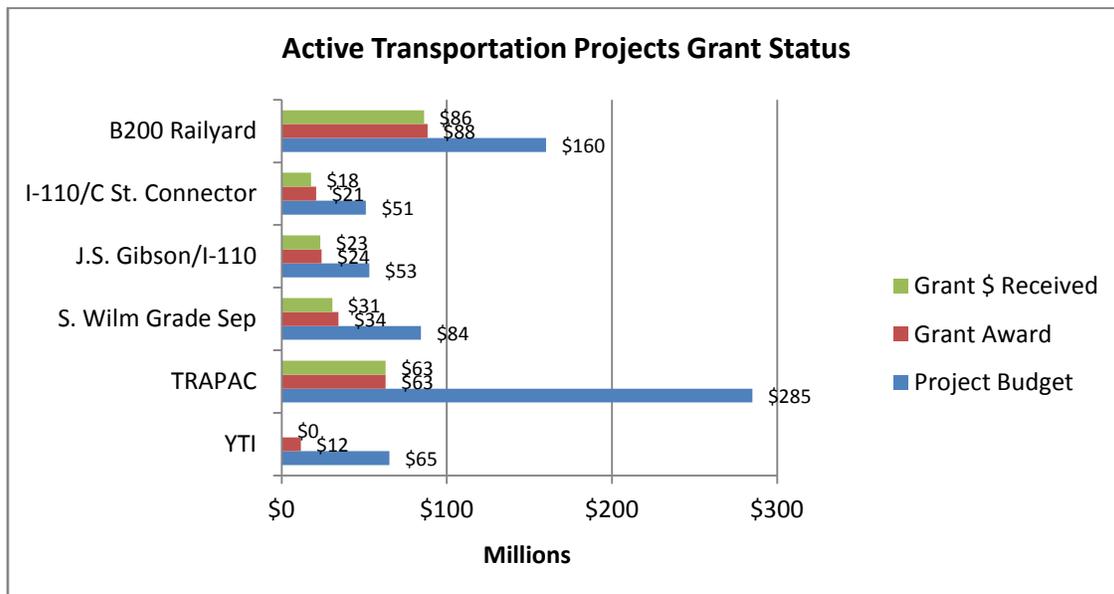


The Port generally receives grant funding for transportation projects as capital reimbursements, for environmental projects as pass-through funds to third parties working with the Port, and for security projects as operational reimbursements. Most grant receipts so far this FY are for Port transportation projects. The following chart summarizes grant reimbursements in FY 2016-17:



The total amount received this FY includes \$15.52M in state grants and \$4.62M in federal grants.

For all active transportation projects receiving grant funds, the following chart provides an update on how much funding has been reimbursed for each project across fiscal years. Note that the TRAPAC project has now been fully reimbursed and many other projects are nearing full reimbursement.



GRANT SUCCESS

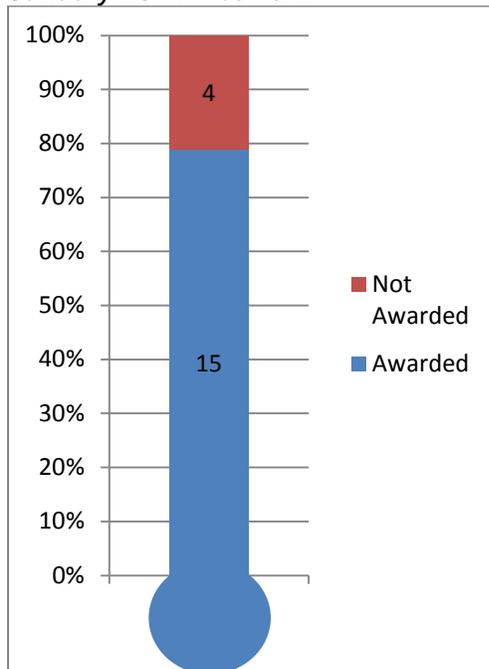
Success or failure in securing grant funds is dependent on a number of factors: funds available, the number of applicants, the quality of the applications, past success on grant funded projects, as well as geographical and political considerations. But how is success defined? The number of successful applications? The amount of grant funds awarded? The percentage of grant funds for a project?

The U.S. National Institutes of Health define success as the percentage of reviewed grant applications that receive funding. For their most recent fiscal year, 15,597 research project grants were awarded out of 74,311 applications, or a success rate of 21 percent (total funding awarded was \$6.8 billion).

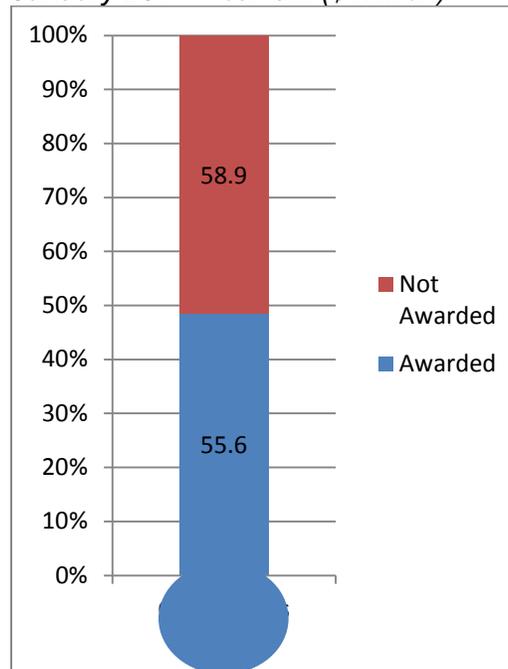
The U.S. Department of Transportation (DOT) awards Transportation Investment Generating Economic Recovery (TIGER) grants for urban and rural projects across the country. For the most recent round of funding in 2016, DOT received 585 applications for a total amount of \$9.3 billion. But only 40 applications were funded to match the \$500 million that was available. That is a success rate of just 6.8 percent in applications approved and 5.4 percent in funds awarded.

In order to determine how successful (or not) the Port has been in securing grants, staff has gathered data on all grants that the Port has applied for since January 1, 2014, or a period of approximately three years. The following charts show the number of awarded grants out of the total number of applications submitted and the total amount of grant funds awarded to the Port out of the total amount of funds requested:

*Number of Grants Applied For
January 2014 – current*



*Awarded/Not Awarded Grant Funds
January 2014 – current (\$ Million)*



Even among Port grants, it is important to recognize the differences among the applying divisions. Port Police has been very successful in securing annual grants for port security system integration from the U.S. Federal Emergency Management Agency. Environmental Management Division has been very successful in securing federal and state pass-through grants for crane and equipment upgrades and other clean air initiatives. The competition for transportation grants is greater, as such the 'success rate' is lower. However, in comparison to the success rate of USDOT TIGER grants for transportation projects, for example, the Port succeeds at a level higher than the average success rate.

Transmittal 2 includes the detailed data reflected in the two summary charts above, and also references pending applications not awarded as of February 28, 2017.

GRANT APPROVALS FOR FY 2016-17

On December 15, 2016, the Board approved a \$5.83M California Energy Commission grant for Advanced Yard Tractor Deployment and Eco-FRATIS Drayage Truck Efficiency Projects. The first part of this two-part project includes equipping 20 Everport yard tractors with a near-zero emissions engine fueled by renewable natural gas, and equipping five Everport yard tractors with zero-emission propulsion technology. The second part of the project includes the integration of three technologies for 100 existing drayage trucks serving the Ports of Los Angeles and Long Beach:

- The Los Angeles Freight Advanced Traveler Information System (FRATIS) suite of applications developed by ProductivityApex (PAI) on behalf of the U.S. Department of Transportation and currently being demonstrated at the San Pedro Bay ports;

- The Harbor Trucking Association (HTA)/Infomagnus *Geostamp* application which involves providing real-time truck travel and terminal turn times via a mobile smart device application; and
- The University of California Riverside's Eco-Drive application which includes using traffic signal timing information to optimize acceleration/deceleration of trucks.

This is a pass-through grant for EverPort, Clean Energy, PAI, UC Riverside and Infomagnus, with matching funds of \$1.8M from EverPort, \$0.4M from Clean Energy, \$0.2M from LA Metro, \$0.3M from PAI (FRATIS), \$0.1M from UC Riverside and \$0.04M from Infomagnus.

On December 15, 2016, the Board approved an \$800,000 US Environmental Protection Agency grant to replace 16 yard tractors at APMT and repower two heavy lifts at TraPac. This is a pass-through grant for APMT and TraPac who own and will replace/convert the equipment.

GRANTS PENDING BOARD APPROVAL

On February 23, 2017, the Port was notified that it has been tentatively approved for state funding from the California Energy Commission (CEC) for demonstration of zero and near-zero emissions technologies on two battery electric top handlers and three electric yard trucks at Everport Terminal. The award is for \$4.52 million as part of a project totaling \$6.76 million. The Harbor Department will contribute \$1.1 million in capital funds (as part of the ten percent applicant matching requirement) and Everport, Taylor Machine Works and BYD Motors, Inc. will contribute a combined \$1 million.

PENDING GRANT APPLICATIONS

On December 15, 2016, the Port, through LACMTA, submitted an application for federal funding from the U.S. Department of Transportation FAST program, in partnership with the Port of Long Beach (POLB) and the Alameda Corridor – East Construction Authority (ACECA), for the addition of two tracks to the existing Pier 400 storage/staging yard and the construction of 5,000 feet of track and crossovers serving the TraPac and West Basin Container Terminal on-dock railyards. These projects, along with one from POLB and two from ACECA, are being submitted as the Southern California Rail Program, with a total of \$81.2 million in federal grant requests for projects totaling \$276.5 million. The two Port of Los Angeles projects include \$17.38 million in grant funding requests with total project costs of \$32.95 million.

On February 10, 2017, the Port submitted an application for state funding from the California Workforce Development Board (CWDB) for the Port Workforce Training Center, a partnership of the Harbor Department, the Economic Workforce Development Department, the Mayor's Office, the International Longshore and Warehouse Union (ILWU), and the Pacific Maritime Association (PMA). The request is for \$750,000 and will fund development of a strategic plan, an assessment of workforce needs, a pilot curriculum, and initiate training programs to 're-skill' or 'up-skill' incumbent longshore workers to meet the needs of zero-emission, automated, high technology container terminals. Partner staff salaries and benefits will provide the in-kind match for the partnership program.

POTENTIAL GRANT FUNDING OPPORTUNITIES

The Port continually monitors regional, state and federal agencies for opportunities to fund Port projects and programs. Among the possible projects and funding sources:

- State funds through CalTrans or Southern California Association of Governments for San Pedro Waterfront Promenade project;

- Proposition 1B funds through CARB for emissions reduction projects;
- Federal Transportation Investment Generating Recovery Program (TIGER) funds through the US Department of Transportation for Evergreen and/or Yang Ming infrastructure projects;
- Federal Port Security Grant funds through FEMA for non-capital security projects;
- Federal funds through the US Department of Commerce for San Pedro Waterfront infrastructure;
- Los Angeles County Sales Tax Measure M (approved in November 2016) to fund Port transportation projects; and
- Volkswagen Consent Decree Mitigation Funds (approximately \$1.2 billion for California).

EDS:MB:dy

