

SAN DIEGO UNIFIED PORT DISTRICT

MEMORANDUM

**Date:** July 11, 2025

**To:** Board of Port Commissioners

**Via:** Job Nelson  
Vice President, Chief Government and Public Relations Officer  
jnelson@portofsandiego.org

**From:** Aimee Heim  
Program Director, Government and Civic Relations  
aheim@portofsandiego.org

Laura Wagner  
Grants Coordinator, Government and Civic Relations  
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**Subject:** Agenda Related Memo – America’s Marine Highway FY22 Grant Agreement

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At the July 15, 2025 meeting of the Board of Port Commissioner (Board), San Diego Unified Port District (District) staff will request the Board to adopt a resolution accepting \$5,550,000 from the America’s Marine Highway Grant Program Administered by the US Department of Transportation (USDOT) Maritime Administration (MARAD) and allocating \$9,700,000 in Match from the Economic Recovery Program (ERP) for a Total of \$15,250,000 for the West Coast M-5 Coastal Connector Project.

District staff have been diligently and collaboratively working with MARAD since October 2022 to finalize a grant agreement and comply with the various conditions and federal regulations to use the funds. This has included a lengthy negotiation phase to finalize the proposed grant agreement. After the publication of the agenda on July 10, 2025, District staff received a revised grant agreement from MARAD staff. The changes to the agreement do not substantively change the agreement or the Board action proposed. Staff recommendations remain unchanged from the published agenda sheet.

The updated grant agreement is attached to this memorandum for Board review. The changes from the published agenda are:

- Schedule C, Item 3 Special Milestone Deadlines
  - Updated to September 30, 2027
- Schedule E, Changes from Application
  - Minor narrative changes in schedule E. Additionally, the table on page 8 incorporates the entire funding ask from the application, which included the

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Port of Bellingham and the Port of San Diego as discussed in the agenda sheet. The federal award and District match remain unchanged

If you have any questions, please contact Aimee Heim at (619) 961-6322 or via email at [aheim@portofsandiego.org](mailto:aheim@portofsandiego.org).

Attachment: AMH FY22 Port of San Diego 7.10.25

**U.S. DEPARTMENT OF TRANSPORTATION  
MARITIME ADMINISTRATION**

**GRANT AGREEMENT UNDER THE  
FISCAL YEAR 2022 AMERICA'S MARINE HIGHWAY (AMH) PROGRAM**

MARAD FY 2022 AMH Grant No. 693JF72340010

70X1750S22	2025	1CC2340009	0000150000	41010	61006600	— \$2,065,243
702232AMHG	2025	1CC2340009	0000150000	41010	61006600	— \$3,484,757

This agreement is between the United States Department of Transportation Maritime Administration (“**MARAD**”) and the San Diego Unified Port District (the “**Recipient**”).

This agreement reflects the selection of the Recipient to receive an AMH Grant for the M-5 Coastal Connector Project.

The parties therefore agree to the following:

**ARTICLE 1  
GENERAL TERMS AND CONDITIONS**

**1.1 General Terms and Conditions.**

- (a) In this agreement, “**General Terms and Conditions**” means the content of the document titled “General Terms and Conditions Under the Fiscal Year 2022 America’s Marine Highway Program Grants,” dated April 24, 2025, which is available at <https://www.maritime.dot.gov/grants/federal-grant-assistance/federal-grant-assistance>. The General Terms and Conditions reference the information contained in the schedules to this agreement. The General Terms and Conditions are part of this agreement.
- (b) The Recipient states that it has knowledge of the General Terms and Conditions.
- (c) The Recipient acknowledges that the General Terms and Conditions impose obligations on the Recipient and that the Recipient’s non-compliance with the General Terms and Conditions may result in remedial action, terminating of the AMH Grant, disallowing costs incurred for the Project, requiring the Recipient to refund to MARAD the AMH Grant, and reporting the non-compliance in the Federal-government-wide integrity and performance system.

## **ARTICLE 2**

### **SPECIAL TERMS AND CONDITIONS**

1. Pursuant to the court’s preliminary injunction order in State of California v. Duffy, 1:25-cv-00208-JJM-PAS (D.R.I.) (June 19, 2025), USDOT will not impose or enforce the challenged immigration enforcement condition\* or any materially similar terms and conditions, to any grant funds awarded, directly or indirectly, to Plaintiff States or local government entities within those States (collectively referred to as “Plaintiff State Entities”), or otherwise rescind, withhold, terminate, or take other adverse action, absent specific statutory authority, based on the challenged immigration enforcement condition while USDOT is subject to an injunction. USDOT will not require Plaintiff State Entities to make any certification or other representation related to compliance with the challenged immigration enforcement condition nor will USDOT construe acceptance of funding from USDOT as certification as to the challenged immigration enforcement condition.

\*The challenged immigration enforcement condition:

“[T]he Recipient will cooperate with Federal officials in the enforcement of Federal law, including cooperating with and not impeding U.S. Immigration and Customs Enforcement (ICE) and other Federal offices and components of the Department of Homeland Security in the enforcement of Federal immigration law.”

**SCHEDULE A  
ADMINISTRATIVE INFORMATION**

**1. Application.**

Application Title: West Coast M-5 Coastal Connector Project

Application Date: June 16, 2022

**2. Recipient's Unique Entity Identifier.**

Recipient's Unique Entity Identifier: MN5GADR8B2D5

**3. Recipient Contact(s).**

Laura Wagner  
Grants Administrator  
Port of San Diego  
3165 Pacific Highway  
San Diego, CA 92101  
(619) 686-6390  
[lwagner@portofsandiego.org](mailto:lwagner@portofsandiego.org)

and

Aimee Heim  
Program Director, Government and Civic Relations  
Port of San Diego  
3165 Pacific Highway  
San Diego, CA 92101  
(619) 686-6390  
[aheim@portofsandiego.org](mailto:aheim@portofsandiego.org)

and

Greg Borossay  
Principal, Maritime Business Development  
Port of San Diego  
3165 Pacific Highway  
San Diego, CA 92101  
(619) 686-6242  
[gborossay@portofsandiego.org](mailto:gborossay@portofsandiego.org)

**4. Recipient Key Personnel.**

None.

**5. MARAD Project Contact(s).**

Kelly Mitchell-Carroll  
Grants and Cooperative Agreement Officer  
DOT – Maritime Administration  
1200 New Jersey Ave, SE  
Washington, DC 20590  
MAR-380  
W26-422  
Mailstop 5  
(202) 366-9714  
k.mitchell-carroll@dot.gov

and

David Bohnet  
Grant Management Division Chief  
DOT – Maritime Administration  
1200 New Jersey Ave, SE  
Washington, DC 20590  
MAR-510  
W21-226  
Mailstop 3  
(202) 366-0586  
david.bohnet@dot.gov

**6. Payment System.**

MARAD Payment System: Delphi eInvoicing System

**7. Office for Subaward and Contract Authorization.**

MARAD Office for Subaward and Contract Authorization: None

**8. Federal Award Identification Number.**

Federal Award Identification Number: 693JF72340010

## **SCHEDULE B PROJECT ACTIVITIES**

### **1. General Project Description.**

The Project will fund infrastructure upgrades that will be deployed to handle cargo carried on a barge between the Pacific Northwest and Southern California. Funds will be used towards berth repairs at the Port of San Diego.

### **2. Statement of Work.**

The proposed Project will fund structural repairs to Berth 24-11 by the Port of San Diego in the city of National City, California. The work will be completed under one component and will consist of the following:

- Removal and replacement of a concrete deck with dimensions of approximately 756' x 62' x 16"
- Connection of all existing piles to the new concrete deck
- Removal and replacement of a fender system
- Removal of unsound concrete prior to jacket installation
- Structural reinforcement of piles through the installation of concrete structural or durability jackets
  - Installation of structural jackets on approximately two (2) piles
  - Installation of durability jackets on approximately thirty-five (35) piles
- Installation of a 24" catch basin with a new storm drain outlet
- Installation of storm drain modular bio-filtration systems

### **3. Documents Describing Mitigation Activities.**

<b>Document Description</b>	<b>Date</b>
Finding of No Significant Impact (FONSI)	June 5, 2025
Section 106 Consultation Correspondence with the California Office of Historic Preservation (CASHPO): CASHPO requests they be notified, and further consultations carried out if any inadvertent discoveries are made during the course of the Project.	March 21, 2024

**SCHEDULE C**  
**AWARD DATES AND PROJECT SCHEDULE**

**1. Award Dates.**

Budget Period End Date: December 30, 2027

Period of Performance End Date: December 30, 2027

**2. Estimated Project Schedule.**

<b>Milestone</b>	<b>Schedule Date</b>
Planned Berth Repairs Start Date:	November 1, 2025
Planned Berth Repairs Substantial Completion Date:	March 30, 2027

**3. Special Milestone Deadlines.**

<b>Milestone</b>	<b>Deadline Date</b>
Marine Highway Service Start Date:	September 30, 2027



**SCHEDULE D**  
**AWARD AND PROJECT FINANCIAL INFORMATION**

**1. Award Amount.**

AMH Grant Amount: \$5,550,000

**2. Federal Obligation Information.**

Federal Obligation Type: Single

**3. Approved Project Budget.**

<b>Eligible Project Costs</b>	
	<b>Total</b>
AMH Funds:	\$5,550,000
Non-Federal Funds:	\$9,700,000
Total:	\$15,250,000

**4. Cost Classification Table.**

<b>Cost Classification</b>	<b>Total Costs</b>	<b>Non-AMH Previously Incurred Costs</b>	<b>Eligible Costs</b>
Construction	\$15,250,000		<b>\$15,250,000</b>
<b>Project Total</b>	<b>\$15,250,000</b>		<b>\$15,250,000</b>

**5. Approved Pre-award Costs**

**None.** MARAD has not approved under this award any pre-award costs under 2 CFR 200.458. Because unapproved costs incurred before the date of this agreement are not allowable costs under this award, MARAD will neither reimburse those costs under this award nor consider them as a non-Federal cost sharing contribution to this award. Costs incurred before the date of this agreement are allowable costs under this award only if approved in writing by MARAD before being included in the Project costs and documented in this section 5. See section 13.3(b) of the General Terms and Conditions.

## SCHEDULE E CHANGES FROM APPLICATION

**Scope:** Per the application, the Recipient requested AMH funding to purchase a ramp, a top pick, and complete berth repairs to support the West Coast M-5 Coastal Connector Barge Service at the National City Marine Terminal (NCMT) and to purchase a ramp and complete concrete pad repairs at the Port of Bellingham. USDOT approved only the berth repairs component for the Project because the evaluation team concluded that the Project would deliver sufficient benefits under a reduced scope, which subsequently reduced the Federal award from the originally requested amount. The Project scope of work now includes only the berth repairs component.

**Schedule:** The application schedule was very aggressive and did not consider the actual award selection date or the time needed to complete the pre-award phase milestones necessary for grant agreement execution, such as the Federal NEPA review and approval. Therefore, the planned schedule shifted to allow time to complete all pre-award phase Federal requirements.

The table below compares the Project milestone dates.

Milestone	Application	Agreement
Planned Berth Repairs Start Date	July 1, 2023	November 1, 2025
Planned Berth Repairs Substantial Completion Date	September 30, 2024	March 30, 2027

**Budget:** Per the application, the Recipient requested \$8,000,000 in AMH funding to purchase a ramp, a top pick, and complete berth repairs at the NCMT and \$6,000,000 in AMH funding to purchase a ramp, and complete concrete pad repairs at the Port of Bellingham. The Recipient planned to contribute \$9,700,000 and \$11,200,000 in non-Federal dollars in local match for the NCMT and Bellingham portions respectively for a Project cost of \$25,200,000. Per the approved scope reduction upon award, USDOT awarded the Recipient a reduced amount, \$5,550,000, for just the completion of the berth repairs at NCMT, but the Recipient's non-Federal match for the NCMT portion remained the same at \$9,700,000 for a total project cost of \$15,250,000.

The table below provides a summary comparison of the Project budget.

Fund Source	Application		Schedule D	
	\$	%	\$	%
<b>Previously Incurred Costs</b>				
Federal Funds				
Non-Federal Funds				
Total Previously Incurred Costs				
<b>Future Eligible Project Costs</b>				
AMH Funds	\$14,000,000	55.6%	\$5,550,000	36.4%
Other Federal Funds				
Non-Federal Funds	\$11,200,000	44.4%	\$9,700,000	63.6%
Total Future Eligible Project Costs	\$25,200,000	100%	\$15,250,000	100%
Total Project Costs	\$25,200,000	100%	\$15,250,000	100%

**SCHEDULE F**  
**AMH PROGRAM DESIGNATIONS**

**1. Urban or Rural Designation.**

Urban-Rural Designation: Urban

**2. Capital or Planning Designation.**

Capital-Planning Designation: Capital

**3. Funding Act.**

Funding Act: IJJA - \$3,484,757

FY2022 - \$2,065,243

**SCHEDULE G**  
**AMH PERFORMANCE MEASUREMENT INFORMATION**

**Study Area:** Port of San Diego – National City Marine Terminal in San Diego Bay

**Marine Highway Service:** Between San Diego, CA, and Bellingham, WA.

**Baseline Measurement Date:** November 1, 2024 – October 31, 2025

**Baseline Report Date:** December 31, 2025

**Table 1: Performance Measure Table**

<b>Measure</b>	<b>Category and Description</b>	<b>Measurement Frequency</b>
Freight Movements	Economic Competitiveness TEU movements over Project study area	Quarterly
Highway Mile Savings	Environmental Sustainability Savings calculated based on the elimination of highway miles that each container would have traveled on surface roads. <sup>1</sup>	Quarterly

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<sup>1</sup> The Program Office will provide a spreadsheet with the formula needed to make the calculations.

**RECIPIENT SIGNATURE PAGE**

The Recipient, intending to be legally bound, is signing this agreement on the date stated opposite that party’s signature.

**SAN DIEGO UNIFIED PORT DISTRICT**

	By
Date	Signature of Recipient’s Authorized Representative
	[insert name]
	_____
	Name
	[insert title]
	_____
	Title

## MARAD SIGNATURE PAGE

MARAD, intending to be legally bound, is signing this agreement on the date stated opposite that party's signature.

### UNITED STATES DEPARTMENT OF TRANSPORTATION MARITIME ADMINISTRATION

By \_\_\_\_\_

Date

Signature of MARAD's Authorized Representative

[insert name]

\_\_\_\_\_  
Name

[insert title]

\_\_\_\_\_  
Title