



DETROIT/WAYNE COUNTY PORT AUTHORITY
MICHIGAN'S INTERMODAL GATEWAY

BUREAU OF URBAN AND PUBLIC TRANSPORTATION
RECEIVED

FEB 28 2002

KAZMIERSKI FILE

February 27, 2002

Mr. Philip F. Kazmierski, Deputy Director
Urban and Public Transportation
Michigan Department of Transportation
State Transportation Building
425 W. Ottawa Street - P.O. Box 30050
Lansing, Michigan 48909

Dear Mr. Kazmierski:

In accordance with the Michigan Department of Transportation's enabling legislation, Section 712, enclosed please find a copy of the Detroit/Wayne County Port Authority's Operations Assessment, including its five-year operational goals. Also enclosed please find a copy of the 2001 Annual Report.

If you have any questions, please do not hesitate to contact me.

Sincerely,


John Stoker
Chief Financial Officer

Enclosures

**Detroit/Wayne County
Port Authority**

Michigan's Intermodal Gateway

Operation's Assessment

2002

**Detroit/Wayne County Port Authority
Board of Directors**

Arthur B. Blackwell, II
Chairman

Byron Kelley
Vice-Chairman

Phillip B. Fischer
John James
Roderick Gillum

Staff

John Stoker
Chief Financial Officer

W. Steven Olinek
Deputy Director

Cheryl Solomon
Director of Marketing

John K. Kerr
Economic Development Specialist

Executive Summary

This Work Plan provides a brief history of the port, its impact on the region and State and specific projects, both short and long term the Port Authority is developing. The intent is for this document to provide a framework of current DWCPA initiatives.

The mission of the Port Authority is to plan, develop and foster economic growth within Southeast Michigan. Traditionally the marketing and promotional arm for the Port of Detroit, the DWCPA now is looking to broaden its horizons by becoming an economic development agency within the region. Comprehensive port goals stress the importance of adding collaborative pieces to the complex puzzle of effective riverfront redevelopment. The Work Plan also outlines goals and summaries for the three main strategic components of the Port Authority: Economic Development, Recreation and Environment.

Besides educating and marketing the value our intermodal connection has to the economy, the DWCPA seeks to contribute its development capabilities as a part of regional economic development initiatives. The Port Authority finds it vital to maintain and preserve current port facilities in order to sustain the strength of Detroit's efficiency. Further, development of a Great Lakes maritime center has already been appropriated \$6 million from the federal government and should break ground in 2002. This development not only enhances Detroit's standing as a tourist destination, but provides tangible evidence that riverfront redevelopment is underway. Other projects include adequate dredging of the Detroit River to provide efficient access for large freighters and cruise vessels.

The Detroit River is gaining increased visibility with its recent designation as one of only 14 American Heritage Rivers. Logically, this calls for increased assistance and management of Detroit's most marketable resource. Long-term, the DWCPA sees itself becoming the lead agency for preserving and building the region's maritime assets, and a complementary component for waterfront redevelopment. General bonding capabilities position the DWCPA as an alternative financing mechanism for respective development efforts. The DWCPA will be issuing bonds for the first time for the Port of Detroit Project.

The DWCPA, like port authorities in other major cities, can be a very effective development partner. Further, as an agency that can contribute expertise in marketing maritime and port related initiatives, the DWCPA seeks to become more involved in waterfront redevelopment management and financing.

Introduction

A. HISTORY OF THE PORT

Detroit, "the gateway to the West" was founded in 1701. Immediately envisioned as a major trading center, it became a central location for valuable commodities imported and exported from all directions. The logistical importance of Detroit, then a tiny outpost located at the southern tip of what is now Griswold Street, was recognized by Antoine de la Mothe Cadillac. He saw a vital link for such valuable commodities as forest products, soil, and various mining materials. More prominently, Detroit quickly became known as a lucrative fur-trading center. The West Coast supplied daily shipments of timber, wool and field products, while the East Coast continued the production of various manufactured goods. Combined, they both utilized Detroit as a natural location for transshipment. Added to the scheme were valuable discoveries of copper, iron ore and limestone in Northern Michigan, as well as crucial supplies of coal in the South. With these discoveries in place, Detroit's status rose dramatically, and shipbuilders and storage companies began to position themselves along the Detroit River. Emerged from these developments came the steel industry, thus the roots for the world's automotive birthplace. Cadillac's small French trading post was eventually transformed into one of the world's most notable manufacturing centers.

B. ENABLING LEGISLATION

The automotive companies maintained Detroit in strong shipping position in the decades that followed. The Port enabling legislation was revised in 1978 to permit the creation of the Port Authority, with Henry Ford II the first chairman of the board.

The original Port Authority Act¹ from 1978 allows the DWCPA to,

"do all acts and things necessary or convenient to promote and increase commerce and recreation within [DWCPA's] territorial jurisdiction and carry out the powers expressly granted and any powers implied or necessary for the exercise of powers expressly granted in this act."

Further, those powers granted in the legislation include the following,

"Enter into contracts for the acquisition, improvement, enlargement, or extension of port facilities."

"Acquire construct, reconstruct, rehabilitate, improve, maintain, lease as lessor or as lessee, repair or operate port facilities within its territorial jurisdiction, including the dredging of channels, and turning basins and the filling of land."

¹ State of Michigan Hertel-Law T. Stopczynski Port Authority Act, Act 639 of 1978) as amended.

With this enabling legislation, the Port Authority seeks to complement City, County and State initiatives as they relate to economic development through our region, by taking a more active role in developing property or helping to underwrite the development of projects in Southeast Michigan. The DWCPA also administers Greater Detroit Foreign Trade Zone, Inc., a separate non-profit corporation responsible for licensing duty free locations available to store or distribute foreign or domestic products.

Effective utilization of Port Authority resources increases access to potential funding sources, and provides the City, County and State with another agency to administer and finance important development projects along the waterfront.

C. MISSION STATEMENT / GOALS AND OBJECTIVES

The Mission of the DWCPA is to plan, develop and foster economic and recreational growth, through environmental stewardship, in promoting Detroit and Southeast Michigan as an import/export freight transportation and distribution hub for the U.S., Canada and the World marketplace.

The DWCPA will accomplish this task as a performance-based agency by providing logistical, marketing, bonding, educational and integrated support services to the intermodal transportation industry (air, water, rail and trucking) based around the Great Lakes, St. Lawrence Seaway and regional foreign trade zone areas. The DWCPA objective in developing this Work Plan is to produce a strategic plan that identifies our Port's mission, goals and objectives, economic impact on the community and specific projects planned or currently undertaken. All projects are geared toward a combination of three development areas: economic development, recreation/tourism and environmental stewardship as outlined on the following pages.

Recommendations 2002

Comprehensive Port Goals

1. Build and maintain relationships among three funding sources (City of Detroit, Wayne County and the State of Michigan) to ensure that its strategic visions are compatible.
2. Develop and enhance the credibility of the Port Authority by aggressively marketing and educating regional government agencies, industries and academic institutions of our mission, goals and value to the economy.
3. Carve out a more defined niche within the larger planning and development arena that does not duplicate efforts by other agencies, thus utilizing port services more effectively.
4. Collaborate, where appropriate, with other planning and development agencies to establish working partnerships that enhance trade and commerce for the region.
5. Utilize available resources and personnel so that the implementation of projects will spur new business opportunities, fueling our global competitiveness.

Economic Development

1. Create comprehensive, easily obtainable documentation that provides all types of information needed to research or establish feasibility of service for international or domestic customers.
2. Pursue revenue-generating economic development projects beneficial to the citizens of Michigan, which provide for greater financial independence.
3. Increase domestic and international commerce by evaluating potential markets, participating in improved cross-border trade and expanding the influence and services of the Greater Detroit Foreign Trade Zone.
4. Support Michigan's congressional delegation to appropriate a fair share of federal economic development funds toward Saint Lawrence Seaway/Great Lakes transportation system development initiatives.
5. Continue involvement in the development of world-class intermodal capabilities.

In order to maintain and encourage growth in Michigan's manufacturing industry, the DWCPA makes it a priority to seek and preserve valuable industrially zoned property. The Port Authority's enabling legislation allows the Port to undertake land purchases that help promote the flow of domestic and international commerce. Preserving current dock facilities and adjacent port property allows the Port to aggressively market the region with tangible facilities and infrastructure, keeping Detroit and Southeast Michigan one of the country's largest ports. Projects have been extremely successful in other competitive port cities like Cleveland where their development powers were used to finance such high profile projects as the Rock and Roll Hall of Fame, and the new Cleveland Browns football stadium. The DWCPA's main interests are industrial and recreational projects that further secure growth in employment and a strong revenue base for the region. The Port Authority remains committed to working with the State of Michigan, Wayne County and the City of Detroit in assisting in waterfront development.

The Authority also seeks to enhance its role in facilitating the resolution of cross-border transportation and trade issues that affect the City of Detroit, the business community and its citizens. The DWCPA fully supports the efforts to facilitate a more efficient flow of traffic through Detroit-Windsor connection. We feel it necessary to remove unnecessary impediments that clog traffic through this vital international link in order to encourage future business and tourism demand.

Economic development projects such as these can be carried out in Detroit. However, effective utilization by outside planning and development agencies needs to be encouraged. The Port Authority feels it is imperative to educate and market its development capabilities to those directly involved in the effort to improve Greater Detroit's economic standing and visibility along with its complete transportation system.

Recreational

1. Continue developing the Great Lakes and City of Detroit as a sustainable port of call for the cruising industry.
2. Collaborate with agencies dedicated to promoting tourism and increased recreational access in order to explore new opportunities for DWCPA involvement, while enhancing the promotion of current DWCPA recreational projects.
3. Create a unique identity for the region by educating visitors along the 32-mile Detroit waterfront of the region's historical significance as it relates to trade and commerce.

The DWCPA has several recreational goals and accomplishments, aside from commerce, which promote tourism and other forms of activity. All of them generate interest in the Detroit Riverfront. Leading these accomplishments is the return of passenger cruise vessels to the Great Lakes. Preliminary findings reveal that for every cruise visit to the Port of Detroit, significant money is directly spent within City limits on hotel space, museum trips, restaurants, tour buses, cab rides and other tourist related expenditures. Redeveloping this industry, which came to a halt in 1967, does more than economically impact our community. It helps renew a worldwide image for the City of Detroit, complementing a larger campaign to promote and attract more tourism to our region.

The Port Authority also wishes to improve access and amenities for the recreational boating industry in Southeast Michigan. Creating better access to marinas, museums and restaurants helps draw attention to the riverfront. At the same time it provides amenities for current residents who wish to share in the splendor of our river.

The DWCPA vision for the riverfront is a blend of recreational and commercial activity linked by visible access from Lake Erie to Lake St. Clair. Understanding that the Detroit Riverfront is our most marketable asset, the Port Authority encourages increased access and visibility from strategic points of pedestrian concentration. The DWCPA also encourages the education of visitors about our waterfront's historical significance in trade, as well as about the rich habitats and wildlife it supports. This helps establish our unique identity and contribution to the development of our country that we can promote and be proud of.

Environmental

1. Collaborate with the United States Army Corps of Engineers to pursue federal funding for select dredging and other river related projects that maintain and enhance our waterways.
2. Continue leadership involvement with the American Heritage River development team.
3. Establish a collaborative working partnership with the City of Detroit Parks and Recreation Department and the Department of Environmental Quality, through all units of government, for involvement in brownfield and other Clean Michigan initiatives.

Helping to maintain adequate environmental standards along the 32-mile Detroit River waterfront is another facet of the DWCPA Work Plan. Working directly with the United States Army Corps of Engineers (ACOE) and our region's terminal operators, the Port Authority desires to divert a portion of the dredging funds usually ear-marked for other coastal ranges, in order to initiate dredging projects on local waterways. The DWCPA seeks to be the agency that drafts proposals and secures funding for dredging and soil erosion projects amid a larger environmental cleanup plan along the Detroit River. The Port Authority will coordinate its project submission with the ACOE budget cycle. The Port will determine future market trends and how they relate to navigational and harbor depth requirements. By forecasting the possibilities of our future markets, the Port Authority, in collaboration with our terminal operators, will effectively meet the needs of the international community. One successful project recently accomplished with the help of the U.S. Army Corps of Engineers was a shoreline erosion protection project along Belle Isle.

Five-Year Operational Goals

Currently, the Detroit/Wayne County Port Authority has the following high-priority projects. These projects allow the DWCPA to improve land acquisition and develop efficiency as a Port Authority and economic development partner within the community.

- **FORMER REVERE COPPER & BRASS SITE**

The Port Authority has filed an application for developing the former Revere Copper & Brass site, located on W. Jefferson Avenue, along the Detroit River in Southwest Detroit. The conceptual plan created by the Port Authority includes the construction of a 20,000 square foot headquarters and public reception facility, able to handle the visits of recreational, historical and education vessels wishing to call on the Port of Detroit. The 28-acre site will include additional recreational and/or cultural programming.

- **PORT OF DETROIT PROJECT**

The DWCPA continues to finalize the agreements necessary to take possession of the Detroit Marine Terminal site also known historically as the Port of Detroit. The property is owned by the City of Detroit and is presently leased long-term to the marine terminal company. The project entails the DWCPA entering into a long-term lease from the City for the 35-acre site and bringing in a new international company to operate the marine cargo terminal. There are many preparations and legal considerations to this project and it will continue to require a very significant portion of staff time. This project is the highest priority to the DWCPA and will continue for many more months before completion.

- **SUPPORT FOR TERMINAL OPERATORS**

The DWCPA will develop and improve its relationships with the current terminal operators by working closely with the maritime community to coordinate their needs and objectives with local, regional and state government. The DWCPA will expand its efforts to better support the existing cargo handling and stevedoring companies located in the Port of Detroit, including the Rouge River, to improve markets and assist in upgrading the infrastructure and facilities.

- **REHABILITATE CURRENT PORT FACILITIES**

This project would preserve and develop existing deep-water ports by initiating the planning and support of the Detroit/Wayne County Port Authority. The DWCPA could facilitate a land/water transfer facility for international/interstate trade fulfilling its mission in developing and ensuring the provision of transportation facilities and services in metropolitan Detroit. The potential for development within the boundaries of our federally designated empowerment zone is also being pursued by the DWCPA. Rehabilitating current dock facilities and leasing them out within the zone would bring employment and revenue to the area.

- **DREDGING PROJECTS**

The Detroit/Wayne County Port Authority has established a collaborative working agreement with the United States Army Corps of Engineers (ACOE), Detroit District. The purpose is to coordinate the needs of government and industry on important dredging or other environmental river related issues and to assist the ACOE in their federal budget requests for the next few fiscal years. In 2000, the DWCPA secured funding for several reconnaissance studies to be done in and along the Detroit River. Included is a comprehensive study of the City of Detroit's seawalls, the reef that impedes navigation into Hart Plaza, and a system-wide Great Lakes Navigation Study.

The majority of federal assistance for dredging projects is sent to coastal ports. Therefore, it is essential for the Port Authority to aggressively attract and secure subsidies for dredging and other river related projects in order to sustain current output levels produced by the Port of Detroit. Without adequate leadership on river maintenance issues, federal assistance would continue to be diverted from our region.

The Army Corps of Engineers provides technical assistance through surveys, soundings, borings, environmental studies or tests and contract award administration and documentation. The Federal government, acting through the Army Corps of Engineers and Port Authority, will enter into an agreement that enlists the engineering and related expertise of the Army Corps for dredging, inspection, consultation and other related activities. Additional funds may become available through Detroit's status as an American Heritage River.

- **INTERMODAL CORRIDORS**

The DWCPA will continue to make our services available to the City, County and State as it relates to the development of MDOT's Detroit Intermodal Freight Transportation project. Further, there are ongoing efforts to seek the capabilities of other facilities in Southeast Michigan that may potentially be home to intermodal services. It is the intent of the DWCPA to seek collaborative relationships with other transportation-oriented agencies in studying these alternatives. Recent TEA-21 legislation adds further direction to these initiatives by stressing the importance of improved border crossing processes.

- **CONTINUED LAND BANKING**

The DWCPA will continue to pursue other avenues of development that focus on the preservation and growth of facilities related to waterborne commerce. The DWCPA finds it essential to sustain our current manufacturing output levels in order to solidify our current standing as one of our country's most valuable ports. To help this cause further, the DWCPA will study various State loan programs as they relate to brownfield redevelopment such as the Clean Michigan Initiative.

- **BONDING ENHANCEMENT**

The DWCPA will actively pursue how we can establish effective utilization of our bonding capacity. Numerous discussions have centered on the DWCPA being a developer or co-developer of various economic development projects. However, thorough research and feasibility studies need to be accomplished to ensure success. It is the goal of the DWCPA to successfully complete bonding for the Port of Detroit project in order to pave the way for future developments that can enhance the economic viability of our region.

- **EQUIPMENT RENTAL PROGRAM**

The DWCPA would eventually like to establish an equipment rental program that can further enhance the agency's revenue stream. Concurrent with our goals to preserve and improve port terminals, we foresee future demand for this business. This program will assist our local terminal operators in having access to important equipment that could be shared. Further, having the appropriate equipment on hand to serve future port terminal tenants is essential in order to attract new customers.

- **DEWIN JOINT VENTURE**

The Detroit-Windsor regional port system could potentially bring two of the richest cargo markets in North America to one port of call. Such consolidation would more efficiently distribute cargo handling and storage capabilities by expanding the services our region can offer. In addition, such a regional port system would enhance the costs and services we can offer by increasing competition.

- **EQUIPMENT UPDATING**

The DWCPA will establish itself as a coordinator for the purpose of assessing the conditions and capacities of current port terminal equipment. In order to sustain current output levels it is essential that equipment is updated and modernized to meet the needs for the next century of maritime activity. By assisting our terminal operators, we can facilitate relationships with other government agencies that are able to appropriate adequate funding for the purpose of modernizing current equipment. The DWCPA seeks to maintain our standing as one of the country's most valuable ports.

- **CULTURAL OUTREACH**

In conjunction with the Detroit Historical Museums, the Detroit/Wayne County Port Authority is co-sponsoring an exhibit at the Dossin Maritime Museum entitled, *African-American Sailors on the Great Lakes*. The event will commence in February 2002, to kick off Black History month. It will highlight the significant contributions made and continuing to be made by African-American sailors to commercial sailing on the Great Lakes. Planning for the event is already well underway.

- **SAIL DETROIT- 2003**

Building on the extremely successful Sail Detroit extravaganza last July, arguably the highpoint of all Detroit 300 events, the Detroit/Wayne County Port Authority is already exploring the feasibility of bringing Tall Ships to town in 2003. The proposed event is likely to be co-hosted by the Windsor Port Authority. Efforts are underway to find suitable corporate sponsors to underwrite the event. Sail Detroit brought several million visitors and a commensurate economic impact to downtown Detroit during its three-day run.

- **GREAT LAKES NAVIGATION STUDY**

The Detroit/Wayne County Port Authority, in partnership with our neighboring Great Lakes Ports and other stakeholders, helped secure the first phase of funding for a Great Lakes/St. Lawrence Seaway Navigation Study. The study will help identify critical areas of need and recommend ways to deepen, expand and modernize the system's channels, harbors and locks. Maintaining and expanding the system is viewed as an integral approach to remain competitive with the coastal and gulf ports. The beginning reconnaissance phase of the work should be completed in fall of 2002.

- **GREAT LAKES CRUISING COALITION**

The DWCPA has taken a leadership role in re-developing this long-absent market segment by being a founding member of the binational Great Lakes Cruising Coalition (GLCC). It may be that North Americans will choose the Great Lakes instead of other cruise destinations. By heading the GLCC's Technical Committee and otherwise remaining intimately involved in the redevelopment efforts, the DWCPA hopes to attract cruise lines and the economic impact they bring to the City of Detroit, well into the future.

- **GDFTZ**

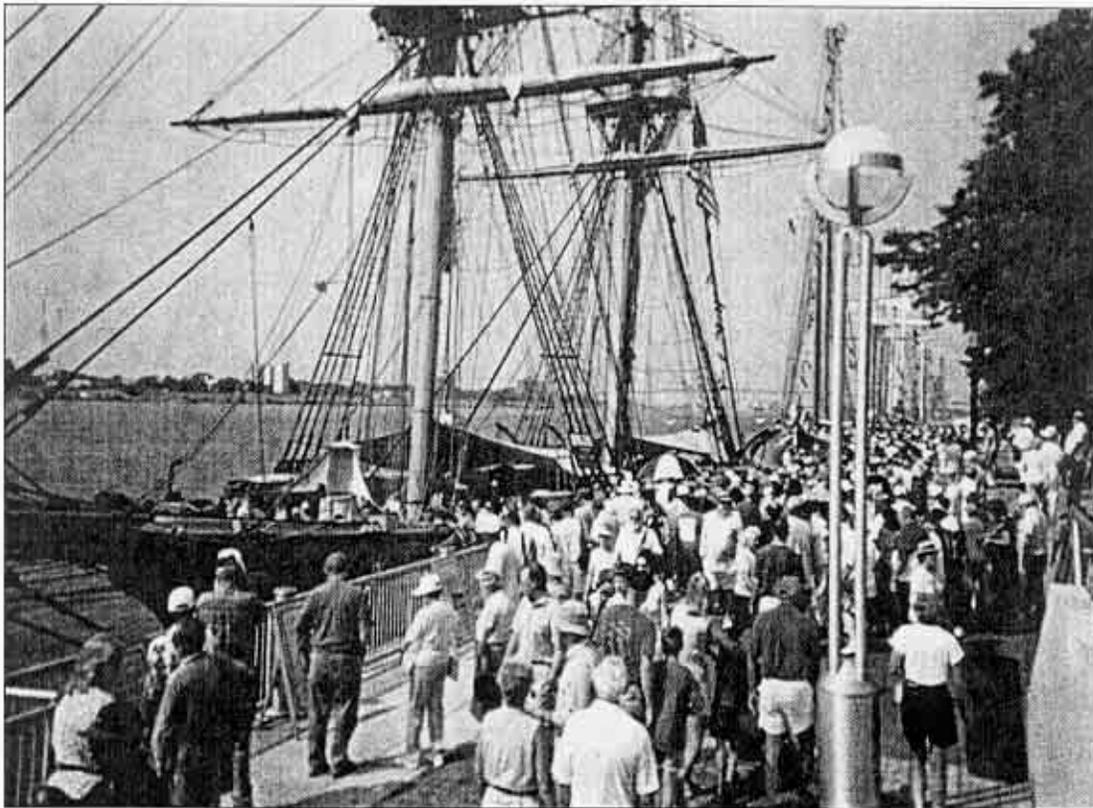
Continued to market and administer one of the largest foreign trade zone programs in the United States, Greater Detroit Foreign Trade Zone, Inc. (GDFTZ). Since its inception more than twenty years ago, GDFTZ has continually worked to gain new program participants and to diversify the types of companies and industries involved. This is consistent with the mission of GDFTZ to provide a means of helping local companies successfully compete in the world marketplace. By promoting FTZ use, GDFTZ helps spur regional economic development and the creation of local jobs.

In 2001, new FTZ sites or expanded facilities were activated in the City of Detroit, Hamtramck, Taylor and Romulus. Approvals of two additional sites are expected soon. Meanwhile, two additional applications for facilities in Romulus and Woodhaven are underway. During the coming year, additional FTZ projects are anticipated in Oakland and Wayne Counties including a zone application for Pinnacle Aeropark of Wayne County. Overall, the program is expected to make significant gains in the coming year, despite the ongoing economic downturn.



DETROIT/WAYNE COUNTY PORT AUTHORITY

2001 Annual Report





THE REENACTMENT OF CADILLAC'S LANDING

On July 24, 2001 General Motors Corporation sponsored this special reenactment and colorful celebration which marked the official 300th birthday of the City of Detroit. The ceremony took place at Hart Plaza and featured French explorers paddling down the Detroit River in authentic 32-foot canoes. The voyageurs, led by a costumed "Antoine de la Mothe Cadillac," disembarked at Hart Plaza and led a formal program including presentations by diverse ethnic groups, dignitaries and special guests. The program included the unveiling of a new statue of Cadillac on Hart Plaza, a gift from the French-American Chamber of Commerce.



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

2001 was a unique year in the history of both the City of Detroit and the Detroit/Wayne County Port Authority (DWCPA). The Detroit 300 activities held throughout the year to celebrate the city's landmark birthday included a maritime event called *Sail Detroit*. This extravaganza brought attention to the importance of the Detroit River in the City's evolution. Of course, the DWCPA played a key role in bringing an estimated five million people to the riverfront. With great fanfare, Detroit's significance as a leading American city and its maritime heritage were highlighted. From Cadillac's meager outpost, Detroit and her port have grown to become leaders in the global economy. The Port of Detroit continues to rank among the nation's leaders in the value of goods traded.

The Mission of the Detroit/Wayne County Port Authority is to plan, develop and foster economic and recreational growth through environmental stewardship, in promoting Detroit and Southeast Michigan as an import/export freight transportation and distribution hub for the U.S., Canada and the world marketplace.

The DWCPA will accomplish this task as a performance-based agency by providing logistical, marketing, bonding, educational and integrated support services to the intermodal transportation industry (air, water, rail and trucking) based around the Great Lakes, St. Lawrence Seaway and foreign trade zone areas. The DWCPA has established a "Development Plan" to identify our Port's mission, goals and objectives, economic impact on the community and specific projects planned or currently undertaken. It is the intent of the DWCPA for this document to serve as a guide for future Port activities. All projects are a combination of three development areas: economic development, recreation/tourism and environmental stewardship.

Our future course is set: make Detroit and the entire region more economically competitive and the most desirable location for businesses in the Great Lakes region. We look forward to assisting you.



ARTHUR B. BLACKWELL, II
Chairman, President and Chief Executive Officer of the Deway Development Corporation

Sincerely,

Arthur B. Blackwell, II
Chairman



BYRON F. KELLEY
*Vice Chairman Retired
Seafarers International Union*



PHILIP B. FISCHER
*President
Philip B. Fischer Co.*



RODERICK GILLUM
*Vice President of Corporate Relations and Diversity
General Motors Corporation*



JOHN A. JAMES
*Chairman of the Board and CEO
The G-I Group*

WELCOME LETTER FROM THE EXECUTIVE DIRECTOR



JOHN JAMIAN
Executive Director

What a great year it was! 2001 began with Mayor Archer opening the time capsule that Mayor Mayberry sealed in 1901. The capsule contained many letters from prominent Detroiters who talked about their lives and openly wondered about the future. William Scripps Booth wrote that he envisioned a day when the great Port of Detroit would be accessible by the ocean fleets of the world. That dream came true in 1959 when President Dwight Eisenhower and Queen Elizabeth officiated at the opening of the bi-national St. Lawrence Seaway.

2001 was a celebration of our city's founding, as a fur-trading outpost, 300 years ago by French explorer Antoine de la Mothe Cadillac. Our Tricentennial Celebration peaked in July with the arrival of 24 Tall Ships from all over the world. "Sail Detroit" was a phenomenal success, bringing 5 million people to the waterfront over a three-day period.

Cadillac was confident that Detroit would become a major commerce hub whose central location was ideal for staging the valuable commodities imported and exported from all over the New World. Its status grew dramatically as shipbuilders and storage companies positioned themselves along the Detroit River. Ultimately, Cadillac's small French trading post evolved into one of the world's most prolific manufacturing centers.

Today the Port of Detroit contributes significantly to the nation's economy. As part of the Great Lakes/St. Lawrence Seaway System, the Port of Detroit provides direct access to global markets via an efficient and cost-effective transportation system. It is estimated that during the current shipping season, this transportation system provided income in excess of \$550 million from steel mills, utilities, and other key regional industries. These Great Lakes industries provided 10,000 direct jobs.

On New Years Eve, Mayor Archer will place items documenting our accomplishments and hopes into a new time capsule that will be opened in 2100. We wonder what Detroit's future citizens will think of our society. Will the city's progress be as significant as that of the past 300 years? Will Cadillac's tiny outpost continue to flourish? We know it will. Vive Detroit!

Yours truly,

A handwritten signature in cursive script that reads "John Jamian".

John Jamian
Executive Director

PORT SECURITY SUMMIT

Following the September 11, 2001 terrorist attacks the Detroit/Wayne County Port Authority, recognizing the need for heightened security at our international border crossings and largely unprotected river port facilities, organized a meeting that would begin the process of dealing with necessary changes. More than 50 stakeholders representing Canada and the United States from industry and several governmental agencies participated. In addition to automobile industry officials and high-level representatives from the police, U.S. Customs, Immigration and Naturalization, U.S. Coast Guard, FBI, U.S. Department of Defense and representatives of Michigan's congressional delegation joined tunnel, bridge and Port Authority personnel at this summit. Subsequent meetings continue to be held to address this ongoing issue.



BALLAST WATER LEGISLATION

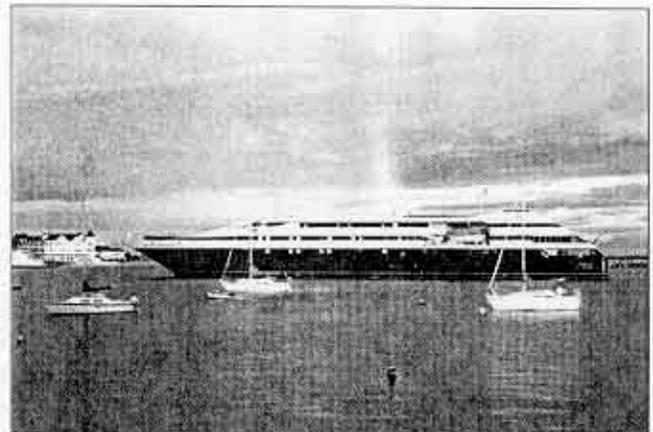
After a two-year effort, the DWCPA and the Ballast Water Management Coalition succeeded in winning concessions on reintroduced legislation to regulate ballast water discharges from Great Lakes vessels. On August 22, 2001, the DWCPA joined Federal Navigation and other coalition members in Detroit aboard the vessel *Federal Yukon* for the official signing of this legislation by Michigan Lieutenant Governor Dick Posthumus.



Left to right: Laurence G. Pathy, President of Fednav, Ltd., Admiral James D. Hull, Commander of 9th Coast Guard District and Dick Posthumus, Lieutenant Governor of Michigan.

CRUISING THE GREAT LAKES

The DWCPA continues to take an active role in returning regularly scheduled passenger cruise ships to the Great Lakes. As a founding member of the Great Lakes Cruising Coalition (GLCC) and chair of its technical committee, the Port Authority is working closely with bi-national seaway authorities and its international Great Lakes port authority counterparts in developing this re-emerging industry. The effort this year was aided by the hiring of long time, international tourism industry expert, Stephen Burnett, as executive director of the GLCC.





**DETROIT CELEBRATES
300TH BIRTHDAY WITH
FORD PARADE OF HISTORIC SHIPS**



This past summer the City of Detroit celebrated its 300th birthday. Detroit paid homage to its history of dynamic diversity and its Great Lakes maritime heritage.

John Jamian, DWCPA Executive Director, served as Chairman of Detroit 300 *Sail Detroit*. On July 19-22, 2001 more than 20 Tall Ships from Canada, United States, France and Ukraine sailed into Detroit as part of the Detroit 300 birthday festival. This collection of vessels included schooners, brigs and brigantines which were docked at the recently-dedicated Riverfront Promenade in downtown Detroit, as well as at Dieppe Park in Windsor, Ontario.

These Tall Ships participated in the Detroit 300 *Sail Detroit* and *Ford Parade of Historic Ships* events: *Appledore IV* (USA), *Bat'kivshcyna* (Ukraine), *Bel Espoir II* (France), *BlueNose II* (Canada), *Cape Rose* (USA), *Concordia* (Bahamas), *Fair Jeanne* (Canada), *Grand Nellie* (USA), *Highlander Sea* (Canada), *HMS Techumseth* (Canada), *Larinda* (USA), *Madeline* (USA), *Norfolk Rebel* (USA), *Pathfinder* (Canada), *Playfair* (Canada), *Pride of Baltimore II* (USA), *Red Witch* (USA), *Road to the Isles* (Canada), *St. Lawrence II* (Canada), *True North of Toronto* (Canada) and *US Brig Niagara* (USA).

The Detroit/Wayne County Port Authority was proud to be a part of *Sail Detroit* in conjunction with Detroit 300 birthday festival.

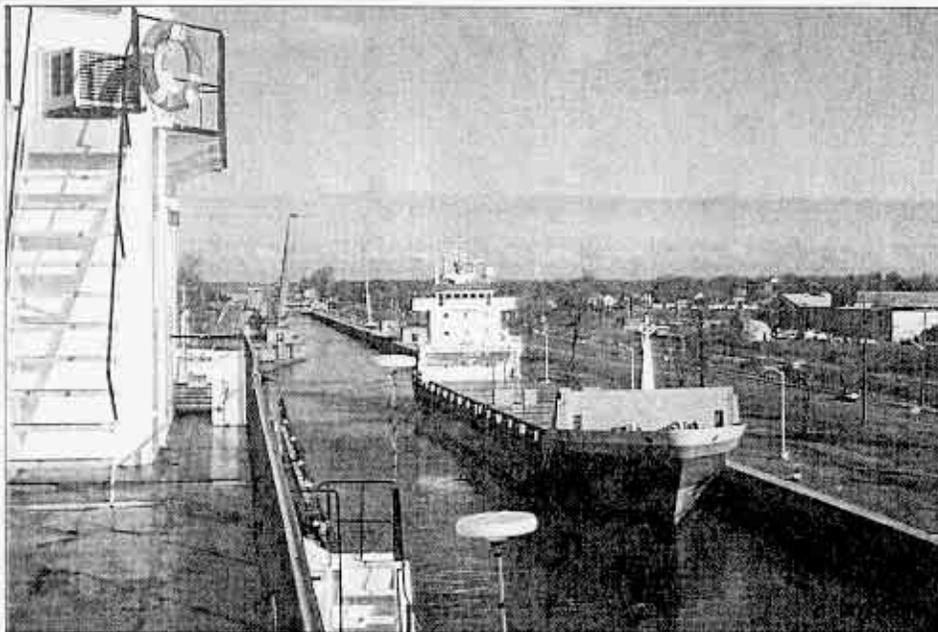
CITY OF DETROIT SEAWALL RECONNAISSANCE STUDY

The Detroit/Wayne County Port Authority received authorization and an appropriation of \$100,000 from the federal government under the Water Resource Development Act. The United States Army Corps of Engineers, Detroit District used this grant to study the condition of Detroit River seawalls. As the nonfederal sponsor of this study, the Port Authority secured authorization to implement the project. The study began in February, 2001 and was completed by the end of September, 2001. The main partners of the project were the DWCPA, the U.S. Army Corps of Engineers, and the City of Detroit Recreation Department, Greater Detroit American Heritage River Initiative.



The study identified several sites as priority projects, for both hard seawalls and soft engineering techniques. The engineering firm, Wade-Trim, conducted this multifaceted feasibility study. The Detroit River seawalls date back to the early 1920s and are in a deteriorating condition and need refurbishing.

WATERWAY STRATEGIC ISSUES FORUM



Guy Veronneau, head of the Canadian St. Lawrence Seaway Management Corporation, assembled a bi-national Waterway Strategic Issues Forum for the purpose of developing a system-wide strategic plan. The Forum's Long-Term Competitiveness Committee was chaired by the Detroit/Wayne County Port Authority. Among the issues considered by the Forum were ways of improving management practices and reducing costs, increasing tonnage, enhancing long-term competitiveness and securing greater governmental support.

**SUMMARY OF 2001
DETROIT/WAYNE COUNTY PORT AUTHORITY
PROJECTS AND ACTIVITIES**

- **Greater Detroit Foreign Trade Zone, Inc.**
Administered one of the largest foreign trade zone programs in the United States and sponsored new applications including Wayne County's Pinnacle Aeropark.
- **Cruise Ship Arrivals**
Returned passenger cruise ships to the City of Detroit.
- **Soft Engineering Techniques Project**
Completed a soft shoreline engineering project on Lake Muskoday, Belle Isle, through a Great Lakes Commission grant of \$25,000.
- **Tours of the River**
Arranged various Detroit River tours including U.S. Senator Debbie Stabenow (D-MI), members of the Detroit City Council and Detroit Planning Commission, Wayne County Commissioners, and other city and state officials.
- **U.S. Army Corps of Engineers Projects**
Seawall Reconnaissance Study, the St. Lawrence Seaway Navigation Study, and "Chicken Bone Reef" Navigation Study.
- **Security Summit**
Organized a meeting of international stakeholders regarding security issues in the port and at the international border crossings.
- **Port Agents' Meeting**
Hosted the annual port agents' meeting to discuss related port constituent issues.
- **Educational Meetings for Schools**
Conducted public outreach for regional and local school systems.
- **American Association of Port Authorities (AAPA)/ International Association of Great Lakes Ports (IAGLP)/ American Association of Great Lakes Ports (AGLP)**
Chairman of the American Great Lakes Ports and Board memberships on the International Association of Great Lakes Ports and American Association of Port Authorities.
- **Cruising the Great Lakes Coalition Meetings**
Board membership and official host of the Great Lakes Cruising Coalition representing bi-national interests in the cruise industry.
- **Ballast Water Legislation**
Reintroduced legislation to regulate ballast water discharges from Great Lakes vessels.
- **St. Lawrence Seaway Management Corporation**
Chaired the Long-Term Competitiveness Committee of the Waterway Strategic Issues Forum.

GREATER DETROIT FOREIGN TRADE ZONE, INC.



W. STEVEN OLINEK

Greater Detroit Foreign Trade Zone, Inc. (GDFTZ) continues to administer one of the largest zone programs in the United States in terms of the value of products leaving the zones and the number of zone sites. In recent years, local firms have annually shipped more than \$34 billion in goods from GDFTZ facilities. These goods have typically included automobiles, chemicals and auto parts. At the same time, more than \$2 billion in goods have been exported annually from the zone.

GDFTZ is a user-funded, Michigan non-profit corporation that provides competitive advantages to companies involved in international trade through deferral, reduction or elimination of U.S. Customs duties. Maximizing the use of foreign trade zones by existing and prospective businesses, GDFTZ helps ensure the competitive market position of firms involved in both international and domestic commerce.

The GDFTZ program is comprised of many private operators of general-purpose zone sites with facilities in Detroit, Ecorse, Riverview, Romulus, Plymouth, Trenton and Melvindale, Michigan. These general-purpose zones are usually warehouses that customize services and space to meet the needs of the user and are located at international port terminals, at the international airport, near the Ambassador Bridge, in manufacturing centers and at major interstate highway accesses. Besides automotive manufacturers GDFTZ's mix of foreign trade zone operators includes such companies as: BASF Corporation, Marathon Ashland Petroleum, Northwest Airlines and many others. Pending future projects include the Pinnacle Aeropark of Wayne County and the Detroit City Airport.



INTERNATIONAL AIR CARGO

Complete air services are available through Detroit. Services include direct international cargo and passenger flights, extensive domestic service, charters and U.S. Customs services. Shippers can export and import worldwide through Detroit. Air service is available through:

- Detroit Metropolitan/Wayne County Airport
- Detroit City Airport
- Oakland County International Airport
- Willow Run Airport

Service through Detroit avoids costly delays and lost cargo problems of other freight centers.

INTERNATIONAL CARGO HANDLING SERVICES

The complex requirements of companies importing and exporting through Detroit are met by nearly 100 firms that specialize in serving those needs.

- Foreign freight forwarders act as agents for exporters and are licensed by the Federal Maritime Commission
- Customhouse brokers, licensed by the U.S. Treasury Department, enter and clear goods through U.S. Customs
- International Air Freight Forwarders handle air cargo and are licensed by the International Air Transportation Association
- Foreign trade zones provide duty-free storage and value-added services on goods with immediate release capability
- Export packaging and crating firms provide expert service for truck, air or ocean transportation
- Inventory and sequencing systems

All these services are expertly provided in Detroit by companies accustomed to the demands of industry and just-in-time distribution.

OCEAN SHIPPING SERVICE

Detroit is directly linked by water to all world markets through the international port located on the Detroit and Rouge Rivers, 618 miles from the entrance to the St. Lawrence Seaway.

The Port of Detroit handles more than 22 million tons of cargo annually, including more than 6 million tons of foreign cargo and ranks as the third largest steel handling port in the U.S.

FACILITIES

- 10 berths on the Detroit and Rouge rivers provide ocean access through the St. Lawrence Seaway
- Completely equipped to handle all types of cargo from bulk to container, heavy-lift to roll on/ roll off
- Fully secured, guarded terminal facilities with covered and heated storage available
- Complete intercontinental rail service
- Ship repair, chandlery, bunkering and tug and barge services available
- International reputation for high productivity and damage-free cargo handling
- On-site U.S. Customs services
- Tug assistance
- Direct, regular service to Northern Europe
- Charter service throughout the world through 16 shipping lines
- Excellent intermodal connections with interstate highways and rail lines to U.S. midwest and Ontario, Canada
- London Metal Exchange approved port facilities

RAIL SERVICE

Detroit is served by all major rail lines which link Detroit to major markets in the United States, Canada and Mexico. Port facilities, foreign trade zones, distribution centers and manufacturing facilities are linked to all of the rail lines.

DISTRIBUTION SERVICES

Within 500 miles (800 km) of Detroit is:

- 46% of the U.S. population
- 46% of U.S. personal income
- 44% of Canada's population
- 45% of Canadian personal income

Detroit provides personalized, just-in-time services without the congestion and lost cargo problems of other distribution centers.

**George Johnson
& Company**

243 West Congress • Suite 1080 • Detroit, Michigan 48226
(313) 965-2655 • Fax (313) 965-4614

INDEPENDENT AUDITORS' REPORT

October 18, 2001

To the Board of Directors
Detroit/Wayne County Port Authority
Detroit, Michigan

We have audited the accompanying balance sheet of Detroit/Wayne County Port Authority as of September 30, 2001, and the related statements of revenue, expenses, and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Detroit/Wayne County Port Authority as of September 30, 2001, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Information as of, and for the year ended, September 30, 2000 is presented for comparative purposes only and was extracted from the financial statements presented by fund for that year, on which an unqualified opinion dated November 10, 2000 was expressed.

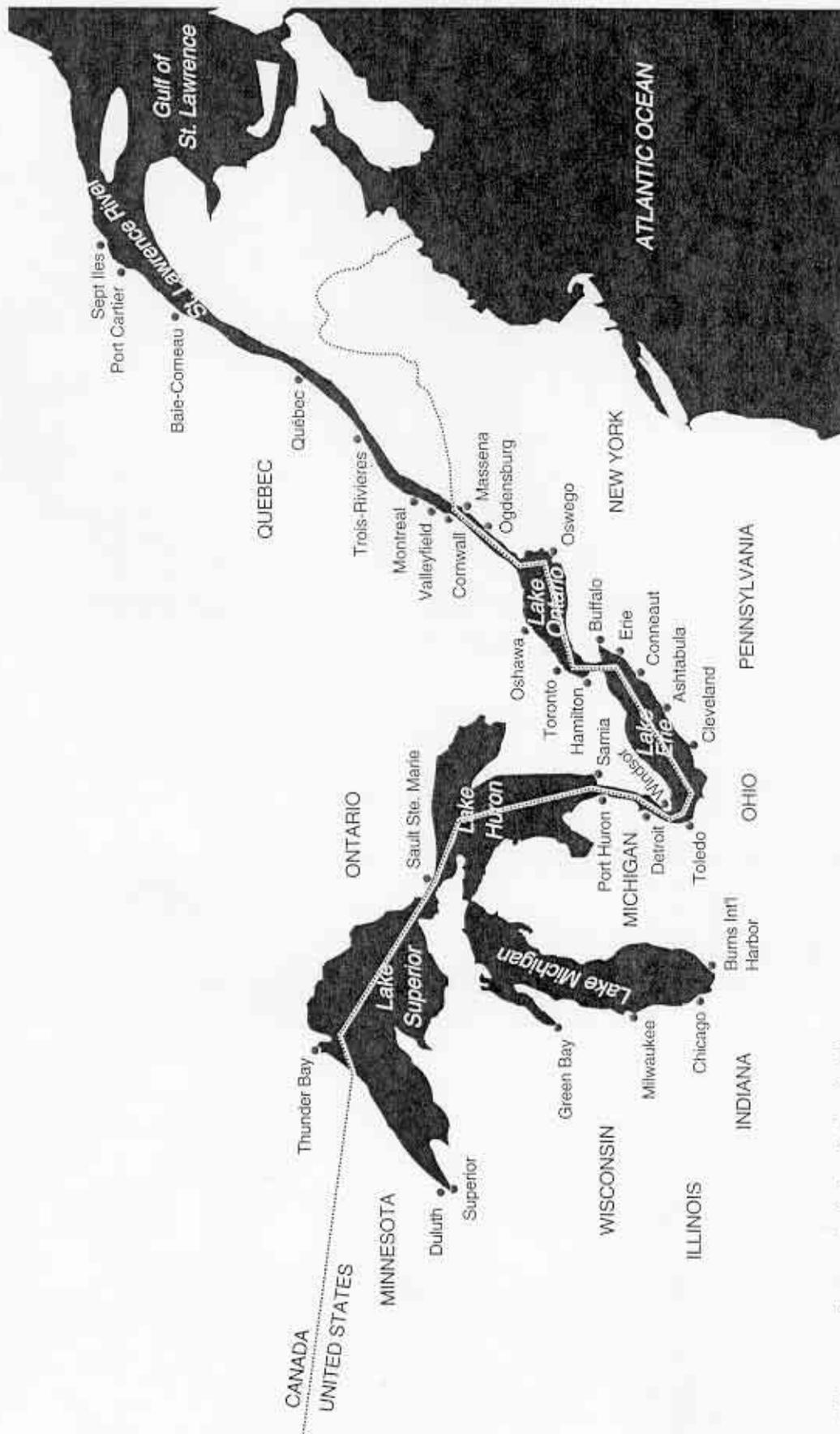

CERTIFIED PUBLIC ACCOUNTANTS

BALANCE SHEET

DETROIT/WAYNE COUNTY PORT AUTHORITY
SEPTEMBER 30, 2001

ASSETS	<u>2001</u>
Current Assets	
Cash	\$ 337,152
Accounts Receivable	80,661
Prepaid Expenses	<u>6,856</u>
Total Current Assets	\$ 424,669
Other Assets	
Property and Equipment	33,188
Deposits	<u>13,000</u>
Total Other Assets	\$ 46,188
Total Assets	<u>\$ 470,857</u>
 LIABILITIES AND FUND BALANCES	
Current Liabilities	
Leases Payable – Current Portion	\$ 3,143
Accounts Payable	4,225
Accrued Expenses	<u>227,547</u>
Total Current Liabilities	\$ 235,115
Long-Term Liabilities	
Leases Payable	<u>785</u>
Total Liabilities	\$ 235,900
Fund Balances (Deficiencies)	<u>234,957</u>
Total Liabilities and Fund Balances	<u>\$ 470,857</u>

THE ST. LAWRENCE SEAWAY SYSTEM



The St. Lawrence Seaway extends from Montreal to Lake Erie and includes the Montreal-Lake Ontario section and the Welland Canal. The maximum allowable dimensions for vessels transiting the locks in those sections are:

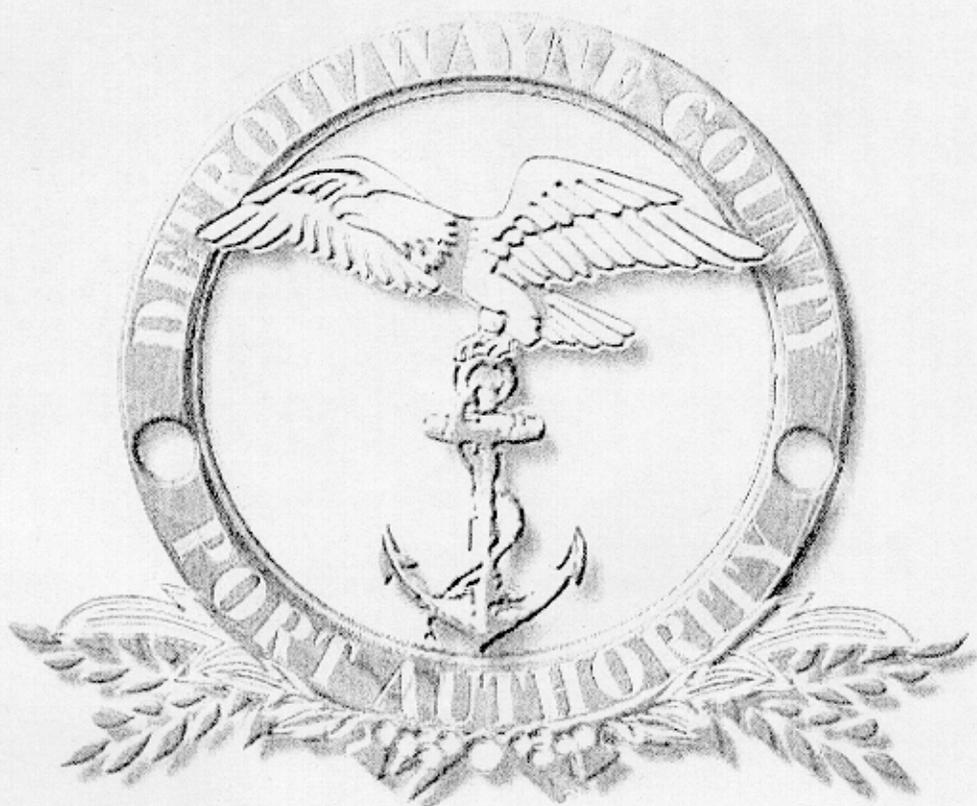
Length: 222.5 meters (740 ft.)

Breadth: 23.8 meters (78 ft.)

Draught: 8.0 meters (26.3 ft.)

Air draught: 35.5 meters (116.5 ft.)

NOTES



TERMINALS

DETROIT MARINE TERMINALS, INC.

(Scotten Street Facility)

4105 W. Jefferson Avenue
Detroit, Michigan 48209
Operations: (313) 843-7798
Traffic: (313) 843-5503

Mailing Address:

105 Maple
Wyandotte, Michigan 48192-5927
Phone: (734) 281-6828
Fax: (734) 281-6830

NICHOLSON TERMINAL & DOCK Co.

Ecorse Dock

P.O. Box 18066
River Rouge, Michigan 48218
Phone: (313) 842-4300
Fax: (313) 843-1091

MOTOR CITY INTERMODAL DISTRIBUTION

4005 W. Fort
Detroit, Michigan 48209
Phone: (313) 843-5533
Fax: (313) 843-5727

MICHIGAN MARINE TERMINAL

225 Marion Street
P.O. Box 18247
River Rouge, Michigan 48218
Office: (313) 842-8040
Fax: (313) 842-8068
Terminal: (313) 841-6100

HARRIDON TERMINAL INC.

363 N. Forman
Detroit, Michigan 48209
Phone: (313) 841-2400
Fax: (313) 841-8388



Michigan's Intermodal Gateway to the World

8109 E. Jefferson Avenue
Detroit, Michigan 48214
Phone: (313) 331-3842 Fax: (313) 331-5457
Internet: <http://www.portdetroit.com>