



**DETROIT/WAYNE COUNTY
PORT AUTHORITY**

2012 Operational Assessment

February 22, 2012

Mission: To promote commerce and recreation throughout the Port of Detroit; to enhance tourism and provide unique experiences throughout the Great Lakes; and to implement creative economic development strategies that draw investment to Southeast Michigan.

Priorities:

1. Promote growth within the greater Port of Detroit by promoting and marketing our existing assets, researching and developing new opportunities for import cargoes, and advocating policy changes at the State level that will re-open export markets.
2. Advocate legislative changes that will free restrictions currently placed on the DWCPA's structured financing program that will, in turn, provide creative solutions using DWCPA revenue bonds.
3. Operate and manage a successful first full season of the newly constructed Public Dock & Terminal building by hosting cruise ships, tall ships, naval frigates, excursion vessels and other vessels of interest.
4. Address homeland security gaps throughout the Port of Detroit by making strategic investments, offering specialized training, and facilitating greater coordination and communication among all stakeholders within the maritime domain.
5. Administer the Greater Detroit foreign trade zone program throughout our service area, which reduces the duties and tariffs paid by companies in Metropolitan Detroit engaged in global trade.

2011 Accomplishments

Public Dock & Terminal Project



The DWCPA, in June of 2011, dedicated their new Public Dock & Terminal project along the Detroit River. The \$22 million project was funded by a variety of competitive and discretionary grant programs. Primary project partners, and funders, were the U.S. Federal Highway Department and the Michigan Department of Transportation. The DWCPA anticipates hosting cruise ships, ferries, naval frigates, dinner cruisers and several tall ships, many of which are already booked for the 2012 shipping season.

Grand Mariner Cruise Ship



Successfully hosted the first cruise ship at the Port Detroit, Public Dock & Terminal in 2011. The Grand Mariner cruise ship brought over 100 people into downtown Detroit for shoreside excursions to the Henry Ford museum, Detroit Institute of Arts and other cultural amenities. An additional visit, later in the year, incorporated the clearing of passengers by U.S. Customs & Border Protection, due to the re-entry from Canada into the United States as part of its itinerary.

U.S. EPA Brownfield Program – Phoenix Award



The DWCPA finalized spending of its third U.S. EPA Brownfield Assessment grant in 2011, completing \$1.2 million of investigations on over 50 properties throughout Metro Detroit. Arguably, the most notable investment was Piquette Square, a housing and special services development for homeless veterans of Detroit (pictured). The project was awarded a Phoenix Award in 2011 for Best Community Impact. It was accepted at the U.S. EPA National Brownfield Conference by the DWCPA, in conjunction with the non-profit developer, Southwest Housing Solutions.

MDEQ Brownfield Cleanup Grant – Southwest Housing Solutions



As an extension to its successful brownfield program, the DWCPA applied for, and received, \$160,000 in brownfield cleanup funding to cleanup a former Detroit police station. For more than five years, Southwest Housing Solutions in collaboration with other art groups, residents and businesses expressed an interest in developing a Creative Arts Center in southwest Detroit. The proposed Creative Arts Center will allow for low cost art studios and exhibition space for emerging and practicing artists. More importantly, it will revitalize a portion of a neighborhood, adjacent to the Port of Detroit, impacted by blight and abandonment.

Detroit-Wayne County Brownfield Coalition

 The image shows two circular seals side-by-side. The left seal is the official seal of the Charter County of Wayne, Michigan, featuring a central figure holding a scale and a sword, surrounded by the text 'THE CHARTER COUNTY OF WAYNE MICHIGAN' and '1816'. The right seal is the official seal of the City of Detroit, Michigan, featuring two female figures, one holding a scale and the other a sword, with the text 'THE CITY OF DETROIT MICHIGAN' and '1805'.	<p>In 2011, the DWCPA formally partnered with its governing units, including the City of Detroit and Wayne County, to apply for a \$1 million community coalition grant that will help fund brownfield investigations for proposed redevelopment efforts. This application, if successful, will complement a \$1 million Revolving Loan Fund that the DWCPA was awarded in 2011 for implementation in 2012. The grant funds will be available to both non-profit and market-rate developers for investigations of environmentally challenged sites. By assisting developers with their environmental due diligence costs, urban sites that have historically been more industrial than suburban sites, can be as attractive for redevelopment.</p>
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Port of Detroit – Sixth Full Season

 A large red cargo ship named 'FEDERAL NAKAGAWA' is docked at a pier. The ship has several cranes on its deck and is surrounded by water. The sky is blue with some clouds.	<p>2011 marked the sixth full year of operations at the Port of Detroit Marine Terminals, at the foot of Clark Street in southwest Detroit. 2011 saw 66 vessels, from more than a half-dozen countries, call on the Port of Detroit resulting in the delivery of approximately 436,000 tons of steel. The DWCPA conducted preliminary investigations in 2011 of the entire 35-acre terminal and discovered approximately \$32 million of needed investment. Required updates include new paving and seawall cap, rail spur construction and demolition/retrofitting of an abandon cold-storage facility.</p>
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Port of Detroit – Federal Railroad Administration

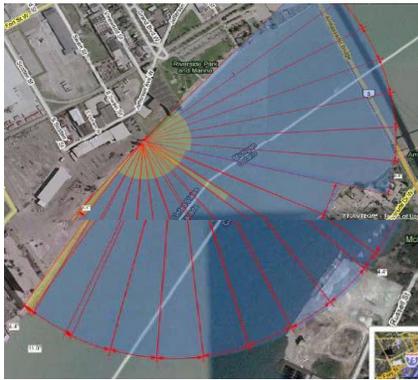
 An aerial map showing the proposed rail spur route. The map includes a legend with various colored areas and labels. A red line indicates the proposed rail spur route. A compass rose is visible in the bottom right corner. The map shows the Port of Detroit and the Detroit Intermodal Freight Terminal (DIFT).	<p>The DWCPA secured \$500,000 through the Federal Railroad Administration for the development of a new rail spur to connect the site to the main rail line, which leads to the Detroit Intermodal Freight Terminal (DIFT). The DIFT is the main intermodal facility being developed by the Michigan Department of Transportation. By linking the marine terminal to this project, via rail, true multi-modalism can be accomplished at the Port of Detroit. This assists the DWCPA in negotiating the importing and exporting of alternative energy components, project cargoes and potential grain exports.</p>
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U.S. DHS Port Security Grants



The DWCPA continues to serve as the Fiduciary Agent for all U.S. Port Security Grant funding distributed to the Port of Detroit by the U.S. Department of Homeland Security. Chosen by the local Area Maritime Security Committee, which is facilitated by the U.S. Coast Guard, and represents all local homeland security agencies, the DWCPA will continue to invest in projects that mitigate gaps in security, while advancing economic development goals of the region. This will encourage local companies and businesses to provide solutions. The Port of Detroit received \$1 million in funding in 2011, and seeks to implement selected projects in 2012.

DWCPA Border Surveillance Project



The DWCPA finished 2011 having successfully installed two state-of-the-art surveillance systems at two critical locations along the Detroit River. One system, at the Port of Detroit Marine Terminal in southwest Detroit, and a second system at the new Port Detroit, Public Dock & Terminal facility. The systems have received national attention and personal visits by distinguished members of the federal government, including the U.S. Naval Secretary. Once fully optimized, the DWCPA seeks to share its border surveillance feeds of the Detroit River with their homeland security partners, both locally and statewide.

Great Lakes Restoration Initiative, Marine Debris Removal Grant



The DWCPA, in partnership with Friends of the Rouge River, Southwest Detroit Environmental Vision, and City of Dearborn, completed a \$150,000 from the National Oceanic and Atmospheric Association's, Great Lakes Restoration Act and removed 18 abandon vessels from the Rouge River around Fordson Island. This island is half-way between the Rouge River turning basin at the Ford Rouge facility and the mouth of the Rouge River, which connects at the Detroit River. These vessels contained harmful substances that were a threat to the surrounding habitat, but also made for an eyesore in the adjacent neighborhood.

Great Lakes Cruising, Ferry and Other Transient Vessels



The DWCPA will continue to be the leading agency in Michigan actively promoting and marketing Detroit and Wayne County as a port of call for the various cruise ships in the Great Lakes system, largely due to its role chairing the bi-national Great Lakes Cruising Coalition. The DWCPA is excited to host the Yorktown Clipper (shown left) for twelve visits this Summer of 2012 bringing approximately 2,000 visitors. Additional efforts have been made to establish ferry service from its headquarters facility. Other vessels of interest such as tall ships, Navy vessels, excursion boats and, potentially, eco-tourism charters also are being targeted.

Greater Detroit Foreign Trade Zone



The DWCPA will continue to administer the Greater Detroit Foreign Trade Zone (GDFTZ) program. The GDFTZ provides a competitive advantage to companies involved in international trade through deferral, reduction or elimination of U.S. Customs duties. Through cooperative efforts with public and private organizations, these advantages are used to attract and retain businesses which create employment and economic activity in Southeast Michigan.

Michigan Port Collaborative



The DWCPA continues to play a leadership role by Chairing the Michigan Port Collaborative, which incorporated itself as a 501(c)3 in 2011. The Michigan Port Collaborative (MPC) seeks to advocate policy and secure funds that are critical for the advancement of our ports throughout Michigan. The MPC has identified over 100 port communities across both peninsulas. Successful conferences were held in Sault Ste. Marie, this past Spring, and Lansing, this past Fall. The MPC is advancing policy that would eliminate the Harbor Maintenance Tax for non-bulk cargoes, while directing Congress to spend those tax collections on their intended purpose, which is to maintain Great Lakes infrastructure.

ARRA MDEQ Clean Diesel



The DWCPA spent \$400,000 in 2011, thanks to a grant by the Michigan Department of Environmental Quality (MDEQ), through their Michigan Clean Diesel Initiative (MCDI). This funding was made possible by the U.S. Environmental Protection Agency (EPA), through the American Recovery and Reinvestment Act (ARRA), to retrofit four diesel engines on aerial lift equipment owned by Nicholson Terminal & Dock Co., and to retrofit diesel engines on a tugboat and two generator sets at Waterfront Petroleum, both located within the Port of Detroit. The DWCPA plans to market these successful projects port-wide in 2012 and pursue more funds for additional work.

2011 Great Lakes Transportation Summit



Attended and presented the role of the Great Lakes maritime sector in delivering windmill components into and out of Michigan ports at the Great Lakes Transportation Summit, hosted by The Right Place, in Grand Rapids, Michigan this past July. The gathering brought more than one hundred professionals from both the public and private sector to determine how Michigan can best leverage the opportunities our ports and transportation system provides. 2011 also saw over 6,000 tons of windmill components imported into the Port of Detroit through Nicholson Terminal & Dock Co.'s Ecorse dock.

Council of Development Finance Agencies



Continue to play a leadership role on the Council of Development Finance Agencies (CDFA), Board of Directors. CDFA is a national association dedicated to the advancement of development finance concerns and interests. CDFA is comprised of the nation's leading and most knowledgeable members of the development finance community representing 300 public, private and non-profit development entities. The DWCPA looks forward to leveraging the resources CDFA offers to help raise the profile of Metro Detroit amongst some of the nation's leading financial institutions.

General Motors/ Beaubien Place, Bond Closing



The DWCPA closed out its first bond issuance this past year with General Motors. The \$41 million bond issuance, which took place in 2005, was a showcase project for the DWCPA, providing an example of the public-private investment model the DWCPA's structured financing program offers. The unique aspects of the financing provide benefits to private sector participants, while providing the DWCPA a separate revenue stream that will allow for self-sufficiency from its governing units and a separate revenue stream for waterfront redevelopment projects.

Port of Detroit Economic Impact Study



The DWCPA released its brand new Port of Detroit Economic Impact Study in October of 2011. The study, with refreshed data, showed the commercial Port of Detroit contributed over 16,000 jobs, \$500 million in direct business revenue, and \$255 million in personal income. The study was done in collaboration with the St. Lawrence Seaway Development Corporation and the American Great Lakes Ports Association. The Port of Detroit is comprised of 28 companies including Severstal NA, U.S. Steel, Marathon Petroleum, BP, Nicholson Terminal & Dock Co. and Michigan Marine Terminal.

Goals and Potential Projects: 2012-2016

Structured Financing Program Growth

The DWCPA will introduce new legislation in 2012 that will enhance the current Port Authority Act. This will allow for increased participation and effectiveness for its structured financing program. The proposed legislation will bring the DWCPA up to par with neighboring states and their respective port authorities. The result will generate new revenue streams to the DWCPA that will provide for future self-sufficiency and investment for port infrastructure and other waterfront redevelopment activities.

Port of Detroit Marine Terminal Investment

The DWCPA has determined that approximately \$32 million worth of investment is needed at the City of Detroit's only remaining general cargo facility in order to accommodate a diversified cargo base and increased shipments into and out of the Port of Detroit. Projects include a recapping of the surface deck, demolition of a vacant and functionally obsolete ten-story warehouse, and construction of a rail spur in order to handle alternative energy components and grain exports.

Public Dock & Terminal Operations Plan and Ferry Service

Port Detroit, Public Dock & Terminal will see its first full season of shipping activity in 2012. Highlights will include visits from the 138 passenger MV Yorktown cruise ship and numerous dockings by the Infinity and Ovation dinner cruisers. Naval frigates will line Detroit's waterfront, including at Port Detroit, with the bi-centennial of the War of 1812 in September. Tall ships will utilize the dock in June in coordination with the annual River Days festival. Cross-border ferry service will continue to be studied with the hopes of implementing a \$2.4 million Ferry Boat Discretionary grant program.

Expansion of Regional Foreign-Trade Zones

2012 will bring continued administration and implementation of the Greater Detroit Foreign Trade Zone (GDFTZ). The GDFTZ program erases barriers to trade by companies that are importing from foreign countries. Foreign-trade zones help keep U.S.-based companies competitive in the global marketplace.

Homeland Security

The DWCPA will continue to serve as the Fiduciary Agent for all Port Security Grant funding at the Port of Detroit in 2012. Approximately fifteen projects will begin in 2012 including vessel purchases, surveillance systems and access control projects. Partners will include the Detroit-Windsor Truck Ferry, Michigan State Police, City of Detroit Police Department, Wayne County Sheriff, and both Homeland Security departments from the City of Detroit and Wayne County.

Detroit River Alliance

The DWCPA, in conjunction with Wayne State University, will study the formation of a new Detroit River Alliance, which will integrate and collaborate with stakeholders along the full 32-mile stretch of the Detroit River. The Alliance will serve as a research and development arm of the DWCPA and look at ways to leverage the natural resources of the Detroit River and its stakeholders to advance water quality and monitoring, habitat restoration and other technologies that lend to increased economic development opportunities and improved homeland security solutions.

DWCPA Revolving Loan Fund

2012 will kick-start the DWCPA's new EPA-funded Revolving Loan Fund (RLF) program. Complementing the brownfield assessment program that the DWCPA has administered since 2004, the newly established RLF program will allow the DWCPA to participate in actual brownfield remediation activities.

Federal Transportation, Community, and System Preservation (TCSP) Grant

This project consists of an inventory of land use within the Port of Detroit, which in turn will identify where opportunities exist for future investment in commercial activity, brownfield redevelopment, habitat restoration and recreation. Beyond an inventory of land and uses, a more sophisticated means of sharing information will be created that allows for quick viewing and data transfer across multiple levels of local and state government, as well as private industry, to spur additional investment and inform planning and development efforts. Ultimately, this work will position the Port of Detroit to continue operating as it was founded, as a port, but also chart a direction for future growth and success.

U.S. Marine Highway Program

Designated as a Marine Highway Corridor Project by U.S. Transportation Secretary Ray LaHood in 2010, the DWCPA will continue to leverage the federal resources provided by U.S. DOT to establish cross-border ferry service between Detroit and Windsor, Ontario. Working closely with U.S. Customs, Canadian Border Services and the Windsor Port Authority, the DWCPA will attempt to bring service that will help move thousands of health care workers that cross the border daily, amongst many others who cross for the bi-national cultural amenities provided by both communities.

SAFETEA-LU Reauthorization

The DWCPA will monitor and communicate closely with the Michigan Congressional Delegation to leverage the financial resources provided by the U.S. Federal Highway bill (SAFETEA-LU), up for re-authorization in 2012. The DWCPA has been highly successful in securing federal funding from SAFETEA-LU, highlighted in the successful completion of Port Detroit, a \$22 million investment on the Detroit riverfront.

New PortDetroit.com Web Site

The DWCPA will launch its newly refreshed web site in February of 2012, including a package of social media accounts that will better inform citizens, visitors and prospective companies wishing to learn more about the Port of Detroit.

Creation of new Detroit/Wayne County Port Foundation (DWCPF)

The DWCPA took steps to complete and formalize a brand new 501(c)3 foundation in 2011 and look to launch the effort in 2012. The DWCPF will seek to educate school children and the general citizenry as to the importance of the Port of Detroit, through partnerships with Detroit Public Schools and our local universities and community colleges.

Port of Detroit Stakeholder Outreach

The DWCPA convened the first of a series of port terminal stakeholder outreach meetings in 2011, and will continue to do so through 2012. Dialogue at the meeting has led to additional strategy sessions with port terminal operators as to how best the DWCPA can assist them in their operations. Potential projects for 2012 include capital financing and habitat restoration projects with companies like Severstal and Marathon.

Regional Representative on Important Transportation Policy Initiatives

- **Michigan Port Collaborative**
The Michigan Port Collaborative (MPC) is comprised of representatives from over 100 port communities throughout the lower and upper peninsula's of Michigan. With support from the Governor's Office, Department of Transportation, Department of Natural Resources and Department of Environmental Quality, the MPC seeks to advocate policy and secure financial resources for its member communities in Lansing and Washington, D.C.
- **U.S. Coast Guard, Southeast Michigan Area Maritime Security Committee**
The Port of Detroit, Area Maritime Security Committee, and their executive bodies, provide the Federal Maritime Security Coordinators (FMSC) with advice on identification and mitigation of threats, serve as a link between law enforcement agencies and ship and marine terminal operators to communicate threat information and change Maritime Security levels (MARSEC) to respond to threats, and assist the FMSC with maintenance of the Area Maritime Security Plan (AMSP). The DWCPA serves on the Executive Committee.
- **American Association of Port Authorities (AAPA).**
The DWCPA has staff representatives who participate on the Cruise, Finance and Public Relations Committees. The AAPA is an alliance of 160 of the leading seaport authorities in the United States, Canada, Latin America and the Caribbean and more than 300 sustaining and associate member, firms and individuals with an interest in seaports. The four goals of its mission are: to advocate governmental policies that strengthen and expand opportunities for member ports, to advance professionalism in all facets of port management and operations, to promote information-sharing and relationship-building opportunities for all members and to achieve greater understanding of the essential role and economic value of ports.
- **The International Propeller Club of the United States-Port of Detroit.**
Annually, the DWCPA celebrates the opening of the Port of Detroit with the Port of Detroit Chapter by co-hosting a luncheon honoring the arrival of the first ocean going vessel. The DWCPA gives the "State of the Port" address at this luncheon and awards the coveted J.L. Hudson Award to the ship's agent. Many of the DWCPA staff are active members of the Port of Detroit chapter and participate in their educational forums. The Propeller Club, a grass-roots, non-profit organization, is dedicated to the promotion of United States domestic and international waterborne commerce, and to the enhancement and well being of the maritime industry on a national and international basis. Its goal is to educate government officials, the media, and the public as to the importance and necessity of a strong merchant marine and maritime industry.
- **Waterborne Transportation Action Group (Detroit Regional Chamber)**
This group was formed by the Detroit Regional Chamber to advocate for transportation policy and infrastructure improvements that will enhance the overall business climate and quality of life in the Detroit region. This select group of key transportation and business stakeholders, which includes the DWCPA, seeks to formulate a comprehensive strategy to establish the Detroit region as a viable Midwest multi-modal transportation center that is competitive in the global marketplace.

- **NBEST (Detroit Regional Chamber)**
 The DWCPA also participates on the Northern Border for Economic Security and Trade (NBEST), a bi-national coalition of public and private-sector stakeholders, created by the Detroit Regional Chamber, dedicated to improving efficiency at our Canadian border crossings.
- **American Great Lakes Ports Association (AGLP)**
 The American Great Lakes Ports Association (AGLP) is an organization representing the interests of the public port authorities on the U.S. side of the Great Lakes. The organization works to inform and influence public policies, primarily at the federal level, that foster maritime commerce and related employment in the Great Lakes region. The DWCPA has represented the Southeast Michigan area since its inception in the late 1970s.
- **Southeast Michigan Coastal Zone Committee (U.S. Coast Guard)**
 The DWCPA was recently asked to serve on the Coastal Zone Committee of the U.S. Coast Guard, which will look at several policy initiatives that affect security and infrastructure along our waterfront. One such issue is the introduction of the Transportation Worker Identification Credential (TWIC), a credentialing system for maritime workers who require unescorted access to secure areas of port facilities and vessels regulated under the Maritime Transportation Security Act.
- **Detroit/ St. Clair River Working Group**
 This working group, which includes representatives from the DWCPA, focuses on the St. Clair River–Lake St. Clair–Detroit River Corridor, and the many issues affecting its health ranging from fishing, to recreational boating, and from drinking water to commercial navigation.
- **Great Lakes Maritime Task Force**
 The Great Lakes Maritime Task Force was founded in November of 1992 to promote a strong U.S.-Flag Merchant Marine on the Great Lakes. Its labor/management membership comprise representatives from the domestic and international trades and encompasses carriers, maritime unions, longshoremen, shipyards, dredging companies, terminal operators, and port authorities, including the Detroit/Wayne County Port Authority. The Great Lakes Maritime Task Force is dedicated to increasing all kinds of trade on the Great Lakes to promote job creation.
- **Transportation Research Board**
 The Transportation Research Board (TRB) is a division of the National Research Council, which serves as an independent adviser to the federal government and others on scientific and technical questions of national importance. The National Research Council is jointly administered by the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine. The mission of the Transportation Research Board—one of six major divisions of the National Research Council—is to promote innovation and progress in transportation through research. The DWCPA provides input and information in various capacities with this research group.