



DETROIT/WAYNE COUNTY PORT AUTHORITY

2014 - 2018 Operational Assessment

2014

Mission:

The mission of the DWCPA is to continue on the path of advancing programs and projects in the maritime domain that will enhance public awareness for the Port of Detroit, enhance tourism for the Great Lakes, and provide economic development, job creation, and investments through sustainable partnerships.

Priorities:

1. Advocate legislative changes that will remove difficult restrictions currently placed on the DWCPA bonding capacity, which in turn will provide additional resources and solutions for businesses looking to build and invest in the region. This will help the Authority become more financially sustainable.
2. Promote growth within the greater Port of Detroit by highlighting and marketing our Ports existing terminal services, researching and developing new opportunities for import cargoes, and advocating policy changes at the State and Federal level that will re-open our ability to export Michigan products around the globe.
3. The Port of Detroit will also continue this work to develop export opportunities for our agriculture and steel industries.
4. Create new marketing strategies for our Public Dock & Terminal building to host cruise ships, tall ships, excursion and other maritime vessels of interest, including a cross border Ferry and water taxi service.
5. Continue policy of monitoring the Homeland Security Plan for Port of Detroit by making strategic investments, offering specialized training, and facilitating greater coordination and communication among all stakeholders within the maritime domain.
6. Strategically evaluate economic growth, sustainability and opportunities within the greater Port of Detroit and its constituents by utilizing existing relationships, research and development to obtain current information for marketing Port of Detroit as a destination for international cargo and visiting passenger ships.
7. Assist to launch the Detroit Wayne County Port Foundation, a newly established independent 501c 3, by marketing the mission for community outreach, maritime preservation and environmental stewardship. This will provide our local educational scholarships to Maritime schools and academy's.
8. Working with the waterfront communities to understand and collaboratively seek grant opportunities. This includes Brownfield and Port related Homeland Security grants. (This includes potentially replacing our Detroit Fireboat with a new vessel).

Objectives

“Economic Impacts of the Great Lakes Maritime Industry”, published in 2011, is the driving force in understanding the future economic landscape for the Port of Detroit. The study found cargo and vessel activity at the Port of Detroit generated over 15,459 direct and indirect jobs, personal income, business revenue, local purchases, and state and federal taxes.

- **Job Impacts:** Of the 15,459 jobs, 5,622 jobs were directly generated by the marine cargo, manufacturing and vessel activity at the marine terminals at the Port of Detroit. As a result of the local and regional purchases by those 5,622 individuals holding the direct jobs, an additional 4,256 indirect jobs were supported by \$433.2 million of regional purchases by businesses supplying services at the marine terminals at the Port of Detroit.
- **Revenue Impacts:** The business revenue generated by these firms directly dependent upon the cargo handled at the public and private marine terminals located in the Port of Detroit was \$1.6 billion. These firms provide maritime services and inland transportation services for the cargo handled at the Port.
- **Personal Income and Local Consumption Impacts:** The 5,622 individuals directly employed as a result of the cargo handled at the ports and marine terminals of the Port received \$255.3 million in wages and salaries. These individuals, in turn, used these earnings to purchase goods and services in the local community.
- **Federal, State and Local Tax Impacts:** A total of \$289.7 million in state and federal taxes were generated by cargo and vessel activity at the Port of Detroit with \$101.4 million generated at the state level and \$188.3 million generated at the federal level.
- **2013 Cargo Report:** Cargo volume estimates have some uncertainty, but with an increase expected in all cargo types and the rebound of the automotive industry the Port of Detroit anticipates an annual volume of over 400,000 tons. The volume estimate will generate the recent Foreign Trade Zone designation at the Detroit facility allowing for additional cargo that requires this type of facility designation. We continue to market the Port of Detroit as a destination for international cargo.
- **Passenger Terminal:** Now in full operation the port is able to provide ample space to accommodate passengers for various types of Great Lakes cruise ships, U.S. Naval vessels, historic Tall Ships and ferry services for the Detroit Belle Isle Grand Prix. The economic impact of the Great Lakes Cruising industry is calculated to be \$11 million per season. The Yorktown Cruise line alone generated almost \$4 million in economic activity in 2012.
- **Brownfield Assessments:** DWCPA is proud of its ability to work collaboratively with local units of government and private industry, to spur additional investment and inform planning and development efforts of our Brownfield grant program. It also chart's a direction for future growth and success with our new EPA Revolving Loan Fund for Brownfield site development. The DWCPA gets paid to manage this program

2012 Accomplishments

Public Dock & Terminal



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. The DWCPA will continue hosting cruise ships, ferries, dinner cruisers and tall ships, many of which are already booked for future shipping seasons. The economic impact of future Great Lake Cruise Ships would generate \$36 million in economic activity per season.

The DWCPA Public Terminal Building is also a premier location and facility for our public leaders, constitutes and media to conduct business events and host community events. For the State of Michigan our facility is the home Port for Great Lakes cruises.

M/V Yorktown Clipper Cruise Ship



The DWCPA successfully hosted the first cruise ship at the Port Detroit Public Dock & Terminal for 2012. The Yorktown Clipper cruise ship, with over 200 people on board, we're able to take shore side excursions to the Henry Ford museum, Detroit Institute of Arts and other cultural institutions... It logged 12 visits in 2013 and initially scheduled for 8 visits this summer with an additional 4 overnight docking at DWCPA in 2014. In addition the DWCPA is also planning on receiving the 400 passenger ship, M.S. Hamburg and the 100 passenger ship, Grande Mariner in 2014, plus the new Pearl Line Cruise ships in 2014 and 2015

EPA Revolving Loan Fund



In 2012 the DWCPA was awarded an EPA Revolving Loan Fund program and has begun the process to loan up to \$1 million in 2013 for market worthy projects. The loan funds are available to both non-profit and for-profit developers for investigations of environmentally challenged sites. By assisting developers with their environmental due diligence costs for industrial sites, these sites can suddenly become attractive for redevelopment.

Port of Detroit – Eighth Full Season



In 2013 the Port of Detroit Marine Terminals, at the foot of Clark Street in southwest Detroit, marked its ninth year of operations. Receiving vessels from more than a half-dozen countries from around the world, resulting in the delivery of more than 400,000 tons of steel. DWCPA anticipates that 2014 promises to be a very good year for cargo operations at Port Detroit. Michigan's international port is expecting an increase of all cargo types, estimated an annual volume of approximately 50,000 tons. The advanced steel products imported through this facility are crucial to Detroit and Wayne County's automotive manufacturing industries. The recent Foreign Trade Zone designation at the Detroit facility will allow for additional cargo that requires this type of facility designation.

Port of Detroit – Federal Railroad Administration

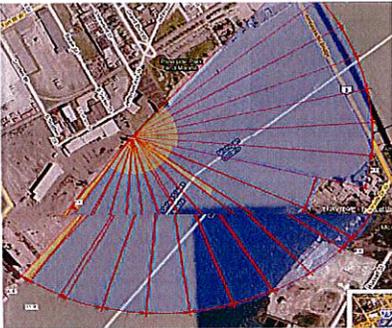
The DWCPA with matching funds of \$500,000 through the Federal Railroad Administration for the development of a new rail spur to connect the site to the main rail line, which leads also to the Detroit Intermodal Freight Terminal (DIFT). The DIFT is the main intermodal facility being developed by the Michigan Department of Transportation. By linking the marine terminal to this project, via rail, Port Detroit will become a true multi-modal Port. This assists the DWCPA in negotiating the importing and exporting of alternative energy components, project cargoes and potential grain exports.

U.S. DHS Port Security Grants



The DWCPA continues to work with U.S. Port Security Grant funding distributed to the Port of Detroit by the U.S. Department of Homeland Security up through 2014. 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 advocate for projects that mitigate gaps in security while advancing economic development goals of the region. This will encourage local companies and businesses to provide so many solutions.

DWCPA Border Surveillance Project



The DWCPA is currently utilizing its state-of-the-art surveillance systems at two critical locations along the Detroit River. One system is located 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 visits by members of the federal government, including the Department of Defense and the U.S. Naval Secretary. The DWCPA share's its border surveillance feeds of the Detroit River with their homeland security partners, both locally and statewide.

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 Michigan port cities as ports 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. Other vessels of interest such as tall ships, dinner vessels and, potentially, eco-tourism charters are also being targeted. Additionally we continue to work on cross border ferry and water taxi services from our headquarters in downtown Detroit, and are currently negotiating with three different cruise lines that have expressed interest in cruising on the Great Lakes.

Michigan Port Collaborative

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|  | <p>The DWCPA continues to play an active role in the Michigan Port Collaborative, which incorporated 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 MPC conferences are held throughout the State in support of 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.</p> |
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Port of Detroit Constituent Service Meetings

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|  | <p>The DWCPA has hosted quarterly Port Detroit Constituent service meeting to discuss public advocacy issues, dredging of our channels and security. With over \$1.5 billion in business revenue, Port Detroit fuels Michigan's economy. The Port of Detroit is comprised of 32 companies such as Severstal, NA, U.S. Steel, Marathon Petroleum, Nicholson Terminal & Dock Co., and Michigan Marine Terminal and Marine Pollution Control.</p> <p>Our job is to assist our state and region with multimodal transportation, infrastructure options, strategic development and finance options for business opportunities. These meetings also allow for policy briefing and constituent feedback.</p> |
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Goals and Projects: 2013-2018

Structured Financing Program Growth:

The DWCPA will introduce new legislation in 2014 that will enhance the current Port Authority Act. This will allow for increased participation and effectiveness for its structured financing program in collaboration with our regional economic development partners. 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 and investments with our transportation related partners while providing future sustainability and self-sufficiency for the DWCPA and the port. In addition these programs will provide funding for the much needed operational expenses of our new Terminal facility recently renamed in honor of Senator Carl M. Levin.

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 for steel mills, fabricators and automotive companies. Projects include a recapping terminal 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. This facility serves our steel manufacturing industry with components for the auto industry. The DWCPA continues to examine ways in which to help our other constituent Port terminal facilities.

Public Dock & Terminal Operations Plan and Ferry Service:

Port Detroit, Public Dock & Terminal will see its third full season of shipping activity in 2014. Highlights will include visits from passenger MV Yorktown cruise ship and numerous dockings by new Great Lakes cruise ships. Our docks also utilized by Infinity and Ovation dinner cruisers. We anticipate Tall ships to continue utilizing our public dock during the summer of 2014 in coordination with the annual River Days festival.

Grand Prix ferry service will successfully continue as the Penske organization saw the tremendous added value the port authority offered. In addition the DWCPA Public Terminal Building is also a premier location and facility for our community leaders, constitutes and media to conduct business on behalf of the DWCPA.

Homeland Security:

The DWCPA will finish serving as the Fiduciary Agent for FEMA's FY2011 Port Security Grant program at the Port of Detroit until it's end in 2014.. Approximately fifteen projects will began in 2013 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. All schedule projects completed by DWCPA in 2008, 2009, 2010 have expanded our homeland security investment.

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:

2013 saw the first applications of the DWCPA new EPA-funded Revolving Loan Fund (RLF) program. The program allows us to work with potential awardees and we anticipate all funds will have been allocated, by the end of the year. When paid back, we make the funds available again.

Brownfield Assessment Grant:

DWCPA has administered this grant since 2004 and recently was awarded a new round of funding of one million dollars in cooperation with the city of Detroit and Wayne County. This program helps off set environmental costs to spur development investment in our community. The RLF program mentioned above 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. We are working on habitat restoration on Fordson Island ultimately this work will position the Port of Detroit to chart a direction for future growth and success.

Cross-Border Ferry Initiative:

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 has finished the U.S. portion of the service that will help move thousands of health care workers and tourist that cross the border daily. In addition we have been exploring opportunities with the local automotive industry to create service between plants in the U.S. and Canada. Finally we are currently working with the Detroit Riverfront Conservancy to potentially provide water taxi service up and down our waterfront.

National Transportation Bill:

The DWCPA has been highly successful in the past in securing federal funds from previous transportation bills such as SAFETEA-LU. The DWCPA will monitor and communicate closely with the Michigan Delegation as they work on a secession bill.

New Port Detroit.com Web Site

The DWCPA has continues to refreshed it's web site 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. We also have produced a 2014 Port Handbook for distribution during various trade missions and for visitors to our Port.

Port Detroit Youth Mentoring Program and the Detroit/Wayne County Port Foundation (DWCPF)

The DWCPA has mentored many children from the Detroit Public school system about the importance of our waterway and Port. We brought local children to the Port of Detroit to visit a cruise ship and continue to engage them in maritime related activities.

In addition we took steps to assist and complete and formalize a 501c 3 Foundation in 2012 to provide children with scholarships to maritime trade schools, local community colleges and the Great Lakes Academy.

Port of Detroit Stakeholder Outreach

The DWCPA has continued its series of Port terminal stakeholder outreach meetings in 2014, and will continue to do so through out this year. Dialogue at these meetings has led to additional strategy sessions with port terminal operators, manufactures and logistics providers as to how best the DWCPA can assist them in their operations. Potential projects for 2014 include capital financing, habitat restoration, energy efficiency and Brownfield site investigations with companies like Severstal and Marathon.

City and County Collaboration

The DWCPA has been working with our partnering government agencies to better collaborate on programs we jointly support. We work on Regional Homeland Security, Environmental Remediation and Waterfront Development programs including our work with the Detroit Riverfront Conservancy.

Port Detroit Intermodal Working Group

The DWCPA hosts regular meetings with logistic and supply chain companies, fabricators and manufactures who supply General Motors, Ford and Chrysler with specialized products and projects.

Regional Representative on Important Transportation Policy Initiatives

Detroit Transportation Club (DTC)

The Detroit Transportation Club (DTC) is comprised of representatives from over 200 transportation companies through out Southeastern Michigan. With support from our government leaders and companies the DTC seeks to advocate policy and secure financial resources for our Multimodal transportation system in Lansing and Washington, D.C. Our mission is to elevate Michigan's transportation community awareness.

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 or the AMSP.

American Association of Port Authorities (AAPA).

The DWCPA with the AAPA 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. Their mission aligns with our mission.

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, 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. This year we have won the 2013 St. Lawrence Seaway Pace Setter Award and our new Presidential appointed administrator, The Honorable Betty Sutton, will come to our facility to present the award

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 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.

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.

The 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. Our major focus is to assist in procuring Federal Funds for the dredging of our harbors. The Great Lakes Maritime Task Force is dedicated to increasing all kinds of trade on the Great Lakes to promote job creation.

The S.E. Michigan Export Council

The Executive Director has been appointed to the U.S. Chamber of Commerce S.E. Michigan Export Council to help local business in the region with import and export opportunities.

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.

DWCPA Foundation Support

The DWCPA works with several foundations to support our Detroit Fireboat and provide much needed work to retrofit the boat to accommodate our waterfront community needs for first responders. The DWCPA continues to work on helping the Detroit Fire Department obtain a new fireboat through Federal and State grants.

The DWCPA also is currently working to provide funding through various local Foundations to bring up the historic anchor from the City of Detroit Cruise ship, which currently is sitting on the bottom of the Detroit River. Our vision for success in 2014-2015 is to proudly display this anchor on the riverfront side of the Port Terminal building to educate the public on our cities important maritime history.