



2021



**ANNUAL
REPORT**



ACKNOWLEDGEMENTS

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LETTERS FROM LEADERSHIP



Commissioner Jonathan C. Kinloch
Chairman

2020 was a year unlike any other for our industry, our organization, and, indeed, the world. Following a year of chaos and uncertainty, we entered 2021 with a renewed hope and purpose to continue leading the Detroit Wayne County Port Authority in a better direction. To that end, the Board of Directors hired a new Executive Director in 2021 and resolved to do all in our power to provide the access, tools, and resources needed for success.

From pursuing new lines of business, to negotiating a way out of the master concession agreement, from advocating for vital legislative changes impacting the maritime industry, to laying out a comprehensive plan for what the Port of Detroit can and should be, I am proud of all that has been done in furtherance of our mission in 2021.

I welcome the renewed focus and work that has been done to revive objectives outlined in our strategic review. Working hand in hand with Mr. Schrupp and agency staff, and in the face of still lingering challenges posed by COVID, the Board of Directors is confident that 2022 will be even better than 2021. For our part, we will keep working every day to create a Port Authority that effectively advocates for the maritime industry, supports projects to improve transportation infrastructure and jobs, and do so in a responsible way that benefits the residents of Southeast Michigan whom we serve.



Mark Schrupp
Executive Director

2021 has been an exciting year for the DWCPA. The prospect of an authority free of the MCA's restrictions has invigorated us and positioned us to move swiftly in any direction, depending on the final outcome of the release agreements. Regardless, our commitment to creating a more efficient, more capable, and better connected Port of Detroit endures.

In 2022, we'll seek to compete for and capitalize on federal infrastructure dollars for our facility, and seek to connect other facility operators with the same opportunities. We'll keep chasing new lines of business to encourage the use of the Port of Detroit in exporting the goods and commodities produced right here in Michigan. With travel restrictions easing, we'll finally be able to once again welcome cruise passengers from around the world to our city. And finally, we'll do more to partner with other agencies and the private sector to better utilize our bonding authority to spread economic impact across the county.



INTRODUCTION

The mission of the Detroit Wayne County Port Authority (the “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 year 2021 was a turning point for the Authority in a number of ways. It began with hopes of a) re-emerging from the COVID-19 pandemic and returning to normal business operations; and b) getting closer to fulfilling its mission by exiting the Master Concession Agreement, a 15 year-old debilitating port operations agreement that lasts until the year 2105 and grants near total control of the Authority’s powers to a private company. Unfortunately, both of these hopes have been postponed.

The pandemic continues, although some of the lost revenue from event bookings at the Authority’s headquarters have returned and operations have shifted to a new normal of mask-wearing and vaccinations. And the agreement to end the MCA remains subject to approval by the City of Detroit, which the Authority hopes to receive in 2022.

Notwithstanding the stalled effort to exit the MCA, Authority staff, under a new Executive Director, has embarked on very promising efforts to develop new kinds of marine transport business that will serve the region’s two leading industries – automotive and agriculture. These efforts are supported by greater awareness of climate change and the benefits of marine transportation. The Authority hopes that 2022 will bear fruit from this research and development work.

Financially, the Authority managed to weather the storm of 2020 and 2021’s lower revenues, though it was required to expend approximately \$198,000 of its fund balance. Prior years of wise financial management truly paid off. The attached, unaudited financial statement shows a projected fund balance of \$450,000 for the end of Fiscal Year 2022. In the next few years, the Authority will need to rebuild that fund.

2021 saw the second year with no cruise ship dockings. The Authority hopes to return and perhaps exceed 2019’s record of 30 ships visiting the Port of Detroit. 42 stops are already scheduled for 2022. Event space bookings returned in 2021 to about 50% of normal activity. Bookings for 2022 are at pre-pandemic levels.

In the end, the Authority remains committed to fulfilling its mission, regardless of the obstacles. Engagement with businesses, other governmental entities with a goal of providing economic and environmental benefits to Detroit, Wayne County and the rest of Michigan will continue to be our modus operandi. Please review the sections below and the attached financial statement for details on our 2021 activities.



FINANCIAL REPORT



The information in this report is unaudited at the time of writing. The Port Authority's annual audits are typically completed in June of each year. The numbers below are provided by staff for the purposes of this report. 2020's complete audited statement is linked on the next page, along with the unaudited 2021 report.

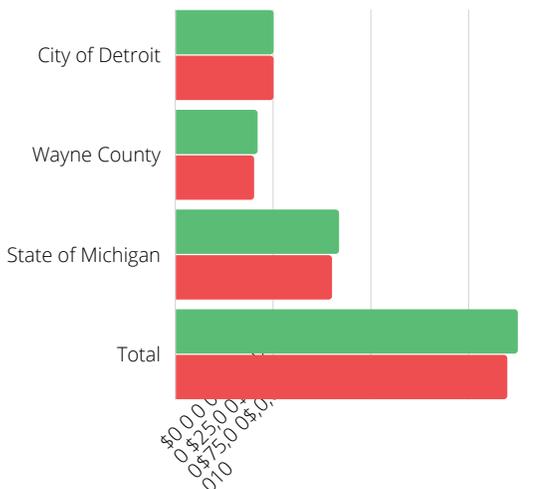
In 2021, governmental funding for the Port Authority totaled \$850,000, down from \$877,000 in the previous year. The decline was due to a reduction in the State of Michigan's budget allocation from \$418,000 to \$400,000. Accordingly, Wayne County also reduced funding from \$209,000 to \$200,000 following the State's lead. The City of Detroit's funding has remained stable at \$250,000.

Event rental income increased to \$130,000 in 2021, up from \$94,000 owed to the lifting of COVID -19 restrictions. However, event revenue remains low due to the pandemic. Similarly, dock rentals at the Levin Terminal remained down due to COVID related border closures, which has halted Great Lakes cruising for the past two seasons.

The Ambassador Port Company revenue increased 14% to \$101,000 from \$87,000 in the previous year. There were no new grant dollars disperse during the fiscal year.

Operating Expenses increased during the year due to the hiring of a new Executive Director in the second quarter of the year. Also, the Authority was able to complete a major repair to the Authorities dock on Atwater.

STAKEHOLDER FUNDING (FY'20 VS FY'21)



\$27,000 YOY
reduction in governmental
funding



\$36,000
YOY increase in event
revenue, down overall from
2019



FINANCIAL REPORT

<u>Administrative Budget</u>	<u>Preliminary 2021/2022 BUDGET</u>	<u>Approved 2020/2021 BUDGET</u>	<u>DIFFERENCE PROPOSED VS. PRIOR YEAR</u>
GRANT REVENUE:			
STATE	\$ 500,000	(1) \$ 400,000	\$ 100,000
COUNTY	\$ 250,000	(1) \$ 200,000	\$ 50,000
CITY	\$ 250,000	(1) \$ 250,000	\$ -
INTEREST INCOME	\$ 2,000	\$ 2,000	\$ -
RENTAL INCOME	\$ 250,000	\$ 195,000	\$ 55,000
DOCK INCOME	\$ 80,000	\$ 80,000	\$ -
OTHER RENTAL PROPERTY INCOME	\$ 15,000	\$ 15,000	\$ -
MANAGEMENT & ADMINSTRATIVE	\$ 7,000	\$ 10,000	\$ 3,000
TOTAL REVENUE	\$ 1,354,000	\$ 1,152,000	\$ 208,000
EXPENSES :			
SALARIES AND BENEFITS	\$ 787,350	(2) \$ 684,500	\$ 102,850
ECONOMIC DEVELOPMENT	\$ -	\$ -	\$ -
BANK SERVICES CHARGES	\$ 500	\$ 500	\$ -
TRAVEL & MEETINGS	\$ 3,000	\$ 4,000	\$ (1,000)
PRINTING	\$ 1,000	\$ 1,000	\$ -
POSTAGE	\$ 1,000	\$ 1,000	\$ -
TELEPHONE	\$ 12,000	\$ 12,000	\$ -
UTILITIES-PLD/DTE Electric	\$ 120,000	\$ 110,000	\$ 10,000
UTILITIES-Det. Water & Sewage	\$ 13,000	\$ 13,000	\$ -
OFFICE EQUIPMENT	\$ 5,000	\$ 5,000	\$ -
OFFICE SUPPLIES	\$ 5,000	\$ 5,000	\$ -
CONF., DUES & SUBSCRIPTS	\$ 25,000	\$ 25,000	\$ -
ACCOUNTING	\$ 35,000	\$ 35,000	\$ -
CONSULTANTS	\$ 85,000	(3) \$ 50,000	\$ 35,000
PLANNING & STUDIES	\$ 30,000	(4) \$ -	\$ 30,000
MAINTENANCE CONTRACTOR			\$ -
DOCK EXPENSES			\$ -
INSURANCE(GEN. LIAB & WC)	\$ 55,000	\$ 50,000	\$ 5,000
LEGAL	\$ 50,150	\$ 35,000	\$ 15,150
SECURITY CONTRACTOR	\$ 5,000	\$ 5,000	\$ -
MARKETING/PROMOTIONS	\$ 3,000	\$ 4,000	\$ (1,000)
DWCPA MEETING & EVENTS	\$ 3,000	\$ 2,000	\$ 1,000
BUILDING & DOCK MAINTENANCE	\$ 135,000	\$ 130,000	\$ 5,000
TOTAL EXPENSES	\$ 1,354,000	\$ 1,152,000	\$ 202,000

Additional Financial Information

FY '20 Annual Audit Report

FY '21 YTD Budget Report (unaudited)

[CLICK HERE](#)

[CLICK HERE](#)



PORT OPERATIONS

The 2021 shipping season was a marked improvement from 2020. However, cargoes into the Authority's general cargo dock are still down from the recent past. Through November, the Authority's terminal operator – Nicholson Terminal and Dock Co., operating as subcontractor to the Ambassador Port Company – handled approximately 98,000 tons of cargo from 14 vessels through the end of November. This represents a slight increase from 2020, when 92,587 tons were handled. It is hoped that the end of steel tariffs and restoration of the economy from the COVID pandemic will increase cargoes in 2022. However, COVID variants continue to spread, and inflation and other economic uncertainty may impact activity in 2022.



+ 5.3%
YOY increase in
tonnage handled



NICHOLSON
TERMINAL & DOCK COMPANY

FACILITY OPERATIONS



(Above) NEW Viking vessel expected to enter Great Lakes cruise market in 2022, stops to include Detroit

2021 saw a welcome return to bookings for events being held at the Carl M. Levin Public Dock and Terminal Building, the Authority's headquarters, after events abruptly ceased in 2020. While revenues to the Authority are still lagging from 2019, bookings for 2022 are approaching normal levels, with revenues from the contract with Continental Catering (the exclusive caterer for the Carl M. Levin Public Dock and Terminal Building) expected to top \$300,000. Continental routinely hosts weddings, receptions, corporate events, and other social gatherings in the building and the Authority earns a commission and fees from those events. By the end of the calendar year 2021, Continental will have held 77 events from June 1 through the end of the year, with total revenues for the year expected to exceed \$130,000.

Dock operations in 2021 generated no revenue, as COVID continued to affect travel and cruise ship operations worldwide. With regard to dock operations, cruise ships will return in 2022 after a 2021 Canadian border closure which effectively prohibited Great Lakes cruising. To date, 42 cruise ship stops are scheduled, including four different cruise ships, and it is anticipated that up to 50 or more stops will be seen in Detroit in 2022. The DWCPA dock is a federally regulated maritime transportation facility that recently updated its Facility Security Plan with the United States Coast Guard, and has a contract in place with NAIAS Security to perform security services as necessary when MTSA regulations mandate facility security. This includes cruise ships and vessels with a capacity over 149, the only one of which the DWCPA dock sees with regularity is the Ovation. Infinity and Ovation currently have 13 dockings scheduled for 2022, with more anticipated.

Moreover, with regard to cruise ship operations, 2022 will see increased rates for cruise ships, with a \$1,250 dockage fee (up from \$1,000), \$500 for trash, fee for security services, and a new \$5 per passenger fee. These fees are intended to assist with improvements and repairs to the dock as they are needed.

FACILITY OPERATIONS (CONT)



In December of 2021 the Authority Board of Directors approved three contracts to further the mission of the Authority and one contract for to support employee retirement investment options.

The Authority contracted with GLP, LLC to provide a 457b plan to add to the employee benefit options under the current cafeteria plan. There were no retirement plan options prior to the current contract and employees could only invest in individual retirement plans, which have lower annual contribution limits.

The Authority reinstated a contract with Hanka Advisor, LLC to aid with federal port authority grants, funding request and legislation at the U.S. Congressional level. Hanka Advisor, LLC has a history of working with the Authority on Port Infrastructure Development grant requests and energy efficiency earmark requests. In the new contract, Hanka Advisor, LLC will be writing, advocating and submitting the Port Authority applications for grant funding and Congressional authorized spending. The proposed grant funding and authorized spending dollars will go to the Port Community located in Detroit/Wayne County.



To assist with lobbying and business development in Michigan, the Authority renewed a contract with Government Consultant Services, Inc. ("GCSI"). GCSI has been effective in getting meetings with state department leaders, automotive companies and has great contacts with owners of potential port properties.



Finally, to assist with the Authority's Great Lakes Auto Distribution planning, the Authority board authorized a contract with Foth Infrastructure and Environment, LLC. Foth, in response to an Authority issued Request for Proposals, will provide technical assistance and promotional materials. The GLAD plan aligns with the auto industry sustainability plans will help to reduce their carbon footprint. This plan would also reduce the number of finished vehicles transported on local roads and highways, and thus reduce wear and tear on roads, highways and bridges.



Detroit Free Press

New deal would end 'arranged marriage' between port authority, Moroun family

DETROIT'S PREMIER BUSINESS JOURNAL
dbusiness

Moroun Family and Port Authority End Master Agreement, Boblo Building to be Demolished

MCA TERMINATION AGREEMENTS

Perhaps the most significant development in the last 15 years of the Authority occurred in 2021. In March, the Board of the Authority approved a set of agreements (referred to as the "MCA Release Agreements") that would terminate the Master Concession Agreement ("MCA") between the Authority and Ambassador Port Company ("APC"), and put an end to APC's 16 years of total control over the Authority's ability to operate and/or finance ports and port-related projects. Implementation of the MCA Release Agreements, as set forth below, is contingent upon City of Detroit approval, which the Authority hopes to receive in 2022.

Those who have followed the history of the Authority understand how unfortunate and debilitating the MCA has been. By way of background for others, the MCA was created in 2005 and granted APC a 100-year exclusive right to operate the 34-acre general cargo dock the Authority acquired in 2005 from the City of Detroit. APC's exclusive rights extend to any other property the Authority acquires or any port operations it would ever control. Moreover, as part of the 2005 MCA transaction, the Authority was required to assume a \$2 million debt obligation to APC. Lastly, the MCA was structured such that APC pays no property taxes on any property covered by the MCA, thus depriving taxing authorities of revenue from essentially private business activity.



(Left) Parties to the MCA Release Agreements

(Above) Aerial view of the 34 acre general cargo facility on Jefferson Ave in Detroit

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MCA TERMINATION AGREEMENTS

Although intended to spur investments by APC in the dock, an expansion of port business and generate positive revenue for the Authority, after 16 years it has achieved none of these goals. The dock and structures have not been improved, despite needing over \$20 million in upgrades. Overall business at the port is lower than at the beginning of the agreement. And the Authority has only received approximately \$80,000 in net payments under the deal. Virtually all of the nearly \$2 million in Authority revenues under the MCA have gone to cover exorbitant interest obligations.

Over the years, many observers have questioned the legality of the MCA, given its breadth and near total abdication of the Authority's control over its primary asset and operations. Others have questioned the validity of the property tax exemption claimed by APC as part of the deal's structure. Nevertheless, no suit has been filed to challenge its enforceability. Instead of embarking on expensive and uncertain legal challenges, the Authority negotiated with APC to end the agreement and the parties have reached agreement on the terms, which are summarized below:

1. Terminate the MCA and the 100-year exclusive right of APC to operate and manage any port facility of the Authority located anywhere in Wayne County;
2. Provide the Authority with at least \$1 million in cash proceeds, for general purpose use;
3. Eliminate approximately \$2,103,000.41 of Authority debt, comprising the entire balance owed to the APC under a Promissory Note executed in connection with the MCA;
4. Transfer to APC ownership of the 34 acre general cargo dock and related buildings (currently operated and controlled by the APC under the MCA);
5. Require APC to demolish the former Boblo Building located on the property; and
6. Terminate the rights of the City of Detroit under the Springing Interest Agreement (and related rights and obligations between the City and APC).



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MCA TERMINATION AGREEMENTS (CONT)

Although APC and the Authority have agreed to these terms, final execution and implementation of the MCA Release Agreements remains subject to approval by the City of Detroit. That is because the original MCA and related agreements provided that any transfer of the ownership of the 34-acre dock would be subject to City approval. The Authority has requested that the City consent to the transfer and hopes to gain approval in 2022.

If implemented, the proposed MCA Release Agreements will be a turning point in the history of the Authority, allowing it to move forward with projects and opportunities that have been stifled by the exclusivity provisions under the MCA. In addition to the \$1 million in cash revenues and elimination of \$2.1 million in debt, execution and implementation of the MCA Release Agreements will have the following effects:

- ✓ The Authority will no longer be liable for property it does not control and from which it receives little or no income.
- ✓ The Property (34+ acres) will return to the tax rolls and benefit all taxing bodies.
- ✓ The Authority can utilize its powers to finance public-private projects through the issuance of Revenue Bonds, spurring economic activity and creating jobs.
- ✓ The Authority can proceed with implementation of its Port Forward strategic plan and engage with transportation businesses and other stakeholder groups to develop port and intermodal transportation, which will help Michigan producers, manufacturers, farmers and other entities market products throughout the world.
- ✓ The Authority will be able to develop more reliable revenue streams and reduce or eliminate its reliance on State, County and City funding.
- ✓ Severing the restrictions of the MCA will improve the Port Authority's reputation as an independent organization.
- ✓ The Authority will be able to undertake additional projects to maintain and restore the riverfront, eliminate environmental contamination and serve as a strong, lead-agency with respect to our waterways.
- ✓ Taxing entities in Wayne County will not have to fear that the MCA could be used as a mechanism to remove large commercial properties from the tax rolls.

The Authority's Port Forward strategic plan, developed in 2019, is bold, ambitious and includes, among other things, a goal of developing a transportation hub connecting rail and truck with an expanded riverfront port, all centered around the Property. If the Authority conveys the property, how can this goal be achieved?

Terminating the MCA would, in a few ways, actually accelerate the Port Forward Plan. First, although developed with the Property as the focus, the Plan can be achieved anywhere along the riverfront. Indeed, there are a number of other areas along the riverfront in close proximity to rail and highways where a transportation hub would make sense. And eliminating the exclusive rights of APC would encourage other property owners to be willing to engage in partnerships with the Authority.

Second, not needing to focus on making improvements to the property, the Authority could focus on other strategic goals like facilitating a Port District, rather than owning and developing the main components of the port.

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MCA TERMINATION AGREEMENTS (CONT)

Third, eliminating the relationship with APC would also assist in healing political impediments to working with others, including competing firms, community groups and even other political bodies who may be avoiding the Authority because of the relationship with APC. Indeed, it may also help our efforts to obtain federal grants to have a formal break with APC.

The biggest objection to moving forward with the MCA Release Agreements has been the proposed transfer of title to the 34-acre dock to APC. Let's be clear, the Authority, which was created in 1978, did not own the dock until 2005, has never used it directly, has not generated meaningful revenues from it, and under the terms of the MCA is unlikely to ever benefit from it. Owning any property usually means a lot more than what the Authority actually has vis-à-vis the general cargo dock. Thus, parting with it is not a sacrifice at all. Executing the MCA Release Agreements will produce \$1 million in cash for the Authority, relieving serious budget concerns, something actually owning the Property has not done. And, as discussed above, the Authority can move forward with its Port Forward Plan without owning the Property.

NEW BUSINESS DEVELOPMENT



A major initiative in the Authority's 2019 strategic plan, Port Forward, is to develop new lines of port business, especially exports. Virtually all of the cargo moving through the Port of Detroit (which includes up to 30 private ports and the Authority's general cargo dock) is imports – materials used in manufacturing, heavy equipment, road construction materials, and liquid chemicals and fuel. Exporting finished goods, although often researched, has not occurred in recent memory. In 2021, the Authority staff has spent significant time researching the feasibility of two kinds of exports – finished vehicles and agricultural goods. In addition, and in anticipation of the end of the MCA, staff has researched how to establish a general cargo dock. Each line of work is summarized on the following pages.



NEW BUSINESS DEVELOPMENT (CONT)

Automobile Exports

In June, Authority staff held its first meeting with Ford Motor Company logistics leaders and made a pitch to consider exporting vehicles from Detroit to Europe, the Middle East and Africa. Ford had explored this idea over the years and even attempted to export Mustangs through the Port of Monroe in 2016. During the meeting, Ford redirected the Authority's efforts away from international exports, and instead recommended that it study the feasibility of moving vehicles throughout the Great Lakes – from plants near port cities to the major markets (Detroit, Cleveland, Buffalo, Toronto, Milwaukee and Chicago). Ford indicated that the potential for international exports was quite low and shipping through the St. Lawrence Seaway carried major impediments to competing with coastal exports (seasonal freezing and ship size limitations). On the other hand, data supplied by Ford suggests that nearly 300,000 vehicles could be shipped throughout the Great Lakes. Extrapolating to other OEMs, perhaps 1 million vehicles could be moved on the water.

In the fall and winter, work on the Great Lakes Auto Distribution ("GLAD") planning has accelerated. A ship operator has been identified, along with a design for modifying existing ships. The Authority has connected Ford with the ship company and discussions are underway regarding a pilot plan for 2022. The Authority has also engaged in discussions with a port in Buffalo regarding a pilot plan to move approximately 800 vehicles per week, beginning in the Spring of 2022. An auto handling firm has been engaged in developing pricing for the services. Planning will continue over the winter with a goal of obtaining letters of intent from multiple OEMs so that ships can be purchased and modified and dockside improvements can be implemented in the early spring.

While the Authority may not be a party to any of the agreements, our goal is to continue being a facilitator and to also seek grant funding for port infrastructure developments needed for this new service.



(Left) An off-shore supply vessel like those being considered for the auto pilot program **(Right)** Port of Buffalo and the old Bethlehem Steel site being considered for auto pilot

NEW BUSINESS DEVELOPMENT (CONT)

Agricultural Exports



Michigan exports approximately \$2 billion worth of agricultural products each year. Canada and Mexico are the leading recipients. Port Authority staff has been researching to find out how current exports are transported and whether some of the loads can be more efficiently transported by water. The data is difficult to obtain and requires engagement with producers, freight forwarders, trade groups and lots of research to really get a good understanding. Important and fruitful meetings have been held with short-line rail companies, as well as leaders of corn, bean and soybean commodity groups. Authority staff are planning to attend a Michigan agriculture trade convention in January to further engage in discussions and promote the idea of marine transportation of agricultural products.

General Cargo Dock

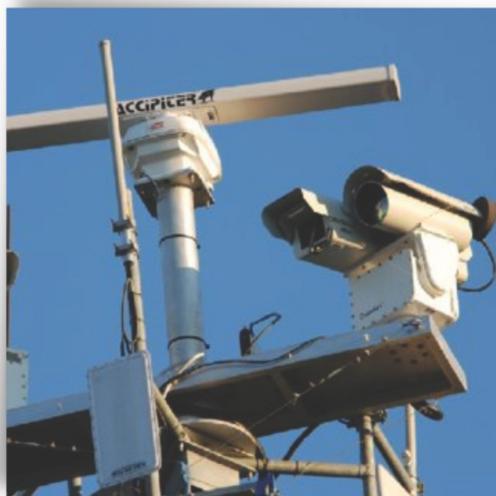
In anticipation of the ending of the MCA, Authority staff have begun planning to develop a public dock to handle bulk cargo – steel, coils, large project cargo, etc. This type of cargo constitutes nearly 100% of the current business at our port and will remain vital to our future operations. Planning steps include:

1. Identifying suitable land
2. Developing a scope and budget for the dock and facilities
3. Evaluating methods of operation (self-op vs. contracted management)
4. Market analysis
5. Identifying funding sources.



GRANTS AND CAPITAL FUNDING

2021 was a busy year for the Authority in its efforts to obtain grants and capital resources, with 2022 poised to be even more busy. Here is a summary of our work this year.



(Above) An Accipiter Radar system like those already housed at the Levin Terminal. New cameras would add visual feed of river for border & law enforcement

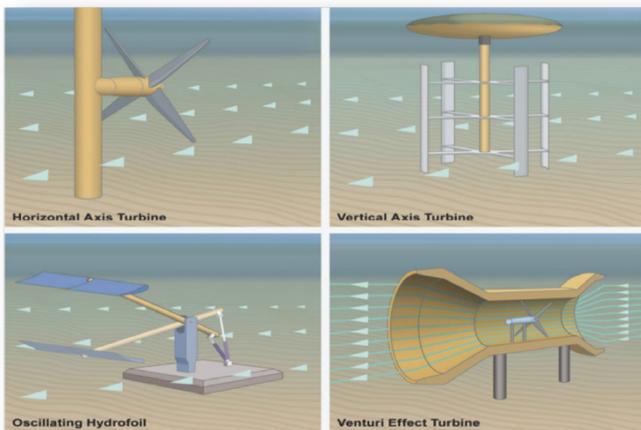
Port Security Grant. In 2021, the Authority submitted a request for roughly \$727,000 for a grant under the US Department of Homeland Security Port Security Grant Program, which, if awarded, would have supplemented the Authority's previous investments in radar equipment that tracks the movement of vessels in the Detroit River. Under the new grant request, camera equipment would be added to provide a visual feed in coordination with the existing radar feed. The Authority hosts this equipment at our headquarters on Atwater street. Under the Memorandum of Understanding with the provider of the technology, Accipiter Radar Corporation, access to the radar and video feeds is made available for free to the Authority and to local law enforcement agencies. Unfortunately, the Authority's request was not awarded. We will try again in future cycles.

Port Infrastructure Development Grant. In July, the Authority submitted a request for \$13 million+ for port infrastructure grant with the US Department of Transportation. The request seeks funding for 70% of the cost of improvements at Waterfront Petroleum Terminals, Inc's property located ¼ mile from the Authority's general cargo dock. The project will include the following components: a) Construction of a new port/rail connection; b) reconstruction of dock with new concrete pads; c) installation of 4 bulk-liquid storage tanks; and d) construction of an additional maritime fueling berth. The Authority aligned with Waterfront in the grant request because the project will, among other things, enhance the efficient movement of liquid cargo by reducing truck traffic, double the capacity of Waterfront to unload fuel and shore up its dock and seawall. We were not successful with the 2021 PIDP Grant request. However, we will seek feedback from USDOT to improve our chances for the 2022 cycle.



GRANTS AND CAPITAL FUNDING

Federal Earmarks. The Authority submitted two requests for renewable energy projects through the Department of Energy. The projects have each received endorsements by Michigan's Senators.



(Above) Renderings of various hydrokinetic turbine types, for ocean, tidal, and river use.

Hydrokinetic Energy Project:

The Authority requested \$680,000 to pay for the installation of an innovative Hydrokinetic Energy generator under our dock that will utilize technology developed at the University of Michigan. This technology generates electricity from the movement of water. Unlike turbines and other hydro-electric generators, there are no blades or rotors and fish in the river are not harmed. The high cost for this technology is because it is still in the research phase. Implementing this project will help advance that research and provide greater awareness about the potential to harness the power of the Detroit River. Senator Stabenow recommended this project.

Solar Energy Project:

The Authority also requested \$200,000 to install solar energy panels at its Atwater headquarters. Once installed, that the panels will generate approximately 14% of current electrical demands and save at least \$14,000 per year. This highly visible project will demonstrate the Authority's commitment to reducing our carbon footprint. Senator Peters recommended this project.



BROWNFIELD & ENVIRONMENTAL

At the time of this writing, DWCPA anticipates fully expending its existing Brownfield Revolving Loan Fund. Due to historically low interest rates, it has been challenging to identify projects willing to take on the compliance requirements of federal funds for brownfield rehabilitation. However, the Detroit Food Commons project by the Detroit Black Community Food Security Network is expected to close on its real estate in early 2022 and will be the recipient of a Brownfield Revolving Loan Fund Grant not to exceed \$300,000 as authorized by the DWCPA Board of Directors. This project, located in Detroit's North End neighborhood, will feature the Detroit People's Food Co-Op, office space, event space, and a kitchen space for use by members of the co-op. Now that RLF funding has been exhausted, DWCPA anticipates applying for new RLF funding as it comes available. DWCPA also remains involved in the Detroit Environmental Partners group, which features the City of Detroit, DEGC, Wayne County, and EGLE.

Repayment continues on the past Brownfield RLF project of the Cardinal Health warehouse located near Henry Ford Hospital, and repayment is expected to begin shortly for the City Club Apartments Project.

Additionally, it bears mentioning that the Ferrous Steel project in Gibraltar, MI, the first joint project to the MEDC, EGLE, and Port Authority, is beginning repayment after a successful project combining EGLE Brownfield Funds and MEDC funds, for which DWCPA served as a pass-through agency.



(Right) An artist's rendering of ' the future Detroit People s Food Co-op

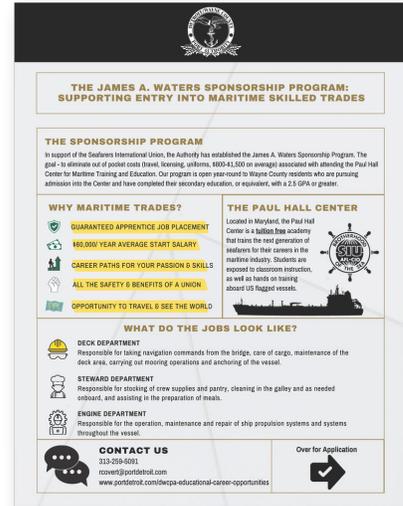




OTHER PROJECTS & INITIATIVES

Maritime Recruitment

In 2021, the DWCPA continued efforts to educate about career opportunities in the maritime industry. To that end, flyers and forms for the Paul Hall Center for Maritime Training and Education were streamlined and redesigned. The information featured in important stakeholder meetings, staff undertook efforts to identify career fairs, job boards, and potential partners (schools, veteran programs) to help feed applicants to the program. The authority's scholarship program saw its first graduate achieve full time job placement in their chosen field. We will continue to push the exciting opportunity to work and see the world in 2022.



BoardEffect Software

In October, the Authority purchased a license to use BoardEffect software. The new software will be rolled out for Board use in 2022. The move will improve the ease of access and use of information for board members during meetings, whether they be virtual or in person. Of equal importance, the system will improve the authority's document retention capabilities and make finding documents internally and for public requests much easier.



PIDP for Port Community

In November, the Port Authority hosted regional stakeholders and port facility operators to announce our PIDP application process for 2022 and to outline next steps in the coming months. The Authority is encouraging operators to seize the opportunity following the mass infusion of federal dollars into the program. The more applications, the larger the size of the projects proposed, the better the chances of success for our region. We're hoping to compile more applications than ever before, and it is imperative that the region's ports begin the process of applying with us as soon as possible. If successful, these dollars can greatly improve capacity of cargo handling, clean up sites along the riverfront, and enhance Michigan's competitiveness relative to our Great Lakes neighbors.

Engagement Focused on Economic Development

The Authority staff took steps to fulfill its mission to support economic development. First, the Executive Director held meetings with leaders of Detroit, Ecorse, Wyandotte, Trenton and Wayne County. The purpose of the meetings was to build relationships and spark discussion around funding for environmental remediation as well as project financing. The Authority staff will continue these efforts into 2022 and make sure that it can be a useful partner in supporting projects, especially those related to marine transportation, warehousing, logistics and intermodal facilities