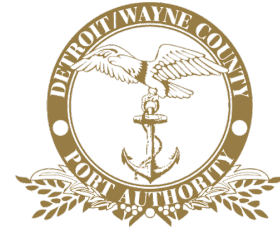


To: City Council Member Angela Whitfield-Calloway
City of Detroit, City Council

From: Mark Schrupp, Executive Director
Travis Jackson, Finance Director
Detroit/Wayne County Port Authority



Date: March 28, 2023

Re: Responses to Council Member Angela Whitfield-Calloway's Questions Related to the Detroit/Wayne County Port Authority FY2024 Budget Request

Please find below responses to your questions sent on March 20, 2023, regarding the Fiscal Year 2024 Proposed Budget for the Detroit/Wayne County Port Authority (the "Port Authority").

1. Question 1: What is the Port Authority's plan to improve and invest in our Blue Economy?

Answer: The Port Authority's mission is to promote maritime trade and transportation as well as the recreational use of Detroit & Rouge Rivers. Since the development of our strategic plan *Port Forward* in 2019, the Port Authority has engaged in extensive business development efforts to grow existing and create new lines of cargo traffic through the Port of Detroit. Below are examples of our business development efforts:

- **Great Lakes Auto Distribution plan.** The Port Authority has worked with Michigan-based EcoShips to promote the "short-sea" movement of cargo within the Great Lakes. Our initial goal is to move finished automobiles between production centers and the major markets.
- **Agricultural Import/Export Facility.** Michigan exports \$2 billion of agricultural products annually. Through our engagement with the Michigan Agribusiness Association and directly with businesses, we are analyzing the feasibility of building capacity with the Port of Detroit to move this type of cargo.
- **Port Infrastructure Development.** The federal government is offering over \$600 million annually for investments in port facilities. In November 2022, the Port Authority was awarded \$16 million toward a project with Water Front Petroleum Terminals in Detroit. The grant will double Water Front's capacity to fuel ships in the Great Lakes, create warehousing for bulk cargo and add a rail spur to the waterfront to allow multi-modal operations. The Port Authority is working with Levy Co., which operates on the Detroit and Rouge Rivers to apply for another port infrastructure grant that will expand Levy's capacity to create and transport net-zero carbon cement. It will also greatly reduce particulate matter and thus air quality within the port region. The Port Authority will continue to seek significant federal dollars that are available for port infrastructure projects.

- **Cruise Ship Tourism.** Modern day Great Lakes Cruise shipping began in the late 1990s and grew slowly over the next two decades. Now, there are over 11 cruise ships in the Great Lakes, with a broad range of itineraries and ships. The Port Authority is a member of Highway H2O, which promotes commercial cargo trade as well as cruise shipping. The Port Authority will host 67 dockings and over 12,000 passengers in 2023, a record year. We estimate that each passenger represents \$125 spent on our local economy, or \$1.5 million. A more definitive economic impact study is underway and will be released later this year.
2. **Question 2:** Has the Port Authority ever thought about opening access to our river by creating a county run Ferry System?

Answer: Yes. In 2015-17 the Port Authority worked with the Detroit Riverfront Conservancy to evaluate the feasibility of operating a ferry and trolley service between downtown Detroit and Belle Isle, with several stops along the riverfront. A copy of a feasibility report is attached. The service did not move forward due to the significant investment needed (\$4 million + up front) and the need for annual subsidies of \$350,000. A version of the ferry service was operated briefly during the Grand Prix to ferry passengers from the Port Authority's cruise ship dock and Belle Isle.

3. **Question 3:** What would be the cost of a feasibility study for a Ferry Service between Detroit's Atwater Dock and Grosse Isle?

Answer: A feasibility study can be performed for approximately \$50,000 - 125,000, depending on how detailed the market study would need to be.