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Port of Windsor looks forward to a bright future

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By DAVID CREE

The Windsor regional and national economies have been affected by the global recession and this has had a negative impact on the port. Windsor Port Authority (WPA) experienced a sharp decline in total volume in 2009 followed by a modest recovery in 2010 due in large part to the Federal Government's Infrastructure Stimulus Program. With most of those infrastructure projects completed early last year, port traffic again declined, with total volume dropping by approximately 5 per cent in 2011.

Turning to individual cargo statistics, stone and construction aggregates have traditionally accounted for over 30 per cent of the port's total throughput. Local projects funded under the Federal Government's Infrastructure Program were a major factor when tonnage of construction aggregates surged by over 40 per cent in 2009. However, as those projects were completed in 2011, volumes gradually declined with 2011 year-end totals being 25 per cent lower than 2010 at just over 1.5 million tonnes. Luckily, the Port is already receiving product for the new Windsor-Essex Parkway which is estimated to require 2 to 2.5 million tonnes of stone over the next 3 years. WPA is cautiously optimistic that construction of the parkway, together with the New International Trade Crossing (bridge and plaza) should result in the port handling near record volumes of stone and construction aggregates for the next 3 to 5 years.

Canadian Salt operates the Windsor Salt Mine and traditionally ships 1.5 to 2.5 million tonnes annually through its Ojibway dock. The Port has seen relatively steady growth in salt shipments in recent years and this continued in 2011 with volumes increasing by over 5 per cent. With significant underground reserves still available and despite the trend towards milder winters, it is anticipated that salt will continue to be one of the two major commodities handled within the port for the foreseeable future.

The new global economy and international demand for commodities has resulted in dramatic fluctuations in two of the major commodities handled within the port – imported steel and grain. Steel is handled at Morterm Terminal, the port's only general cargo facility, and has seen sharp declines in marine shipments of steel products in recent years. Imported wind turbine parts from Northern Europe partially filled that gap in 2011, resulting in a healthy increase of just over 15 per cent in general cargo last season. However, with the completion of most of the major wind farms in Southwestern Ontario, the future for this cargo is somewhat uncertain.

Grain shipments through the ADM Grain Terminal are affected by numerous domestic and international factors including global growing conditions, currency fluctuations, freight rates and domestic and international demand. ADM, which is one of the world's largest grain traders, provides an efficient and competitive outlet for local grain and soya bean farmers to access world markets. Shipments through the facility were up by almost 20 per cent in 2011, reaching 533,000 tonnes and WPA anticipates volumes remaining in the 500,000 tonne range for many years to come.

WPA secured a \$10-million Federal Infrastructure Grant to enlarge the existing Sterling Fuels dock and develop a new construction aggregates terminal on leased Port Authority property. The total cost of the project is well in excess of \$20 million. With the McAsphalt/Sterling/Miller projects now substantially completed, the port will be able to meet the increasing demands for liquid asphalt and construction aggregates anticipated over the next 5 to 10 years, and has already seen an increase in shipments of petroleum products and liquid asphalt – up 12 per cent over last year to just over 300,000 tonnes.

In March 2010, it was announced that WPA had entered into a partnership agreement with Canadian Pacific and OMERS' Borealis Infrastructure to construct a new rail tunnel under the Detroit River – now known as the Continental Rail Gateway. This new proposed tunnel, to be bored close to the existing two tubes, will be able to handle the current generation of double stack containers and AutoMax car carriers, and is an absolutely critical component of the future growth of Windsor and the region. The potential for developing Windsor/Detroit as a major North American multimodal hub has been discussed in the past and, with the announcement of the new bridge – the New International Trade Crossing, the only missing piece of the puzzle is a state-of-the-art rail tunnel. The environmental assessment process is well underway and talks are continuing with officials in both Canada and the United States about securing the necessary funding to move forward with the project. If all goes well, that construction should begin in 2014.

Partnerships are important to the Port Authority and working with other organizations to make Windsor a more beautiful and prosperous community remains a priority. In 2011, WPA continued joint initiatives with residents and community groups of Olde Sandwich Town to clean up vacant WPA-owned properties in the area, allowing for easier and safer access to the Detroit River. For over 30 years, WPA has shared the funding of operating patrol vessels on the Detroit River with Windsor Police, a service of critical importance, which both parties are continuing to support.

WPA also supports many local organizations and events such as the Mission to Seafarers, the Annual Tug Boat Race, the Dragon Boat Race, the Sandwich Teen Action Group, the Canadian Mental Health Association, and the Windsor Symphony. Just recently, WPA's Board agreed to increase to \$2,500 each the amount of the two scholarships provided by the Port Authority for many years to students at University of Windsor. In addition, a new scholarship will be initiated at St. Clair College in the same amount.

The Port Authority is a federal agency that must remain financially self-sufficient. However, WPA is free to re-invest any of its profits into the community in which it operates, which has allowed it to commit profits to local development and charities.

In 2011, WPA produced the best financial results since becoming a Port Authority with net profits of \$391,000. As of January of 2012, its reserves available for future development amounted to more than \$7.5 million. The Port Authority managed to do this while maintaining port fees that remain by far the lowest of any Canadian port on the Great Lakes. In the last 25 years, there has been only one increase in its port fees, and the Port Authority considers this one of the principal reasons why the port will continue to grow and to attract new activity.

WPA has two very good news stories which have been many years in the making. Over the past six years WPA has been working diligently with the Department of National Defense (DND) to construct a new naval reserve facility (HMCS Hunter) on the Port's vacant Mill Cove Marina site on the river. Late last year, an agreement was finalized, which will see DND construct a \$20-million, 40,000-square-foot, state-of-the-art building in the heart of Olde Sandwich Town. Construction is expected to start later this year, and it is anticipated that this facility will bring hundreds of employees and naval cadets into the area on a weekly basis. This project will be one more very important step in the rebirth of Olde Sandwich Town.

The other good news story – also contributing to the rebirth of Olde Sandwich Town – is that WPA has acquired the former bank building at the corner of Sandwich and Mill streets for the location of administrative offices for the Port. This will be the first stand-alone Port office in the Port's 55 year history.

During the past six years, WPA's Board of Directors has worked purposely towards expanding the profile of the Port while bringing awareness of the many valuable contributions Port activity brings to this Windsor-Essex region, including creation and maintenance of approximately 900 direct and indirect jobs, and total economic activity of over \$150 million annually. This new WPA office will be a visible flagship enhancing WPA's profile in the community.

Port offices will be relocated in the new year subject to meeting federal legal requirements and renovations to be completed.

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