Infrastructure Public/Private Partnerships: Spotlight on Detroit
3:00 p.m. – 4:30 p.m.

Moderator
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#uliP3
Detroit River International Crossing (DRIC) / New International Trade Crossing (NITC) Project

Detroit, Michigan
June 25, 2014
Windsor-Detroit Trade Corridor: Critical for Canada’s Economic Security

- **Canada’s Busiest Crossing Corridor**
  - $105 billion of two-way surface trade – 30% of total Canada-United States (U.S.) trade
  - 220,000 jobs in the region depend on this border crossing
  - Consists of four crossings: Windsor-Detroit tunnel, Ambassador Bridge, truck ferry and Canadian Pacific Railway tunnel
    - Ambassador Bridge alone handles 99% of Windsor-Detroit truck traffic and more commercial traffic than the next two busiest crossings combined

- **Corridor is facing capacity challenges**
  - Current direct highway access (through central Windsor) and customs facilities inadequate
  - Only major Ontario-U.S. crossing without significant redundant capacity for truck traffic

- **New crossing a priority**
  - New bridge a key priority for shippers and manufacturers
  - Environmental approvals in Canada and the U.S., 2009
  - Canada-Michigan Crossing Agreement concluded in June 2012
Project Location—Windsor-Detroit
Components and Funding Responsibility

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<th>Component</th>
<th>Ownership</th>
<th>Funding Responsibility</th>
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<td>Land &amp; Utilities</td>
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<td>Canadian Port of Entry</td>
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<td>International Bridge</td>
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<td>U.S. Port of Entry*</td>
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<td>Interstate 75 Interchange</td>
<td>Michigan</td>
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*Most of the U.S. port of entry will be devoted to U.S. border inspection services. The other part, under responsibility of Michigan, will be used for the connection to Interstate 75, storm water infrastructure, and buildings for maintenance operations.

- Canada - Michigan Crossing Agreement defines responsibilities for funding of Canada and Michigan components.
- Michigan will only pay for operations and maintenance (O&M) of the Interstate 75 interchange.
Project Governance

- Government of Canada
- Windsor-Detroit Bridge Authority
- Michigan Parties
- International Authority
- P3 Concessionaire
Canada-Michigan Crossing Agreement

Framework for roles and responsibilities

Canada to fund project (except U.S. port of entry), collect all tolls/revenues, and implement through a public-private partnership (P3)

Canada is the financial backstop and will play central role for key decisions, through the Windsor-Detroit Bridge Authority
  - Deliver project on behalf of Canada and Michigan
  - Work with Michigan to acquire property in Michigan
  - Conduct P3 procurement process
  - Enters into agreement with P3 concessionaire
  - Oversee construction, manage concession agreement, set and collect tolls

Joint Canada-Michigan governance entity (International Authority) to approve P3 procurement process and final P3 agreement

“an investment in the future of the North American economy”
—Prime Minister Harper
Role of the Windsor-Detroit Bridge Authority

- Consult with Michigan in the development of RFQ, RFP and Project Agreement
- Obtain approval of procurement documents and Project Agreement from the International Authority
- Procure the private-sector partner for the public-private partnership
- Sign the Project Agreement with the private-sector partner (P3 concessionaire)
- Oversee the construction and operation of the crossing by the P3 concessionaire
- Set and collect tolls
P3 Delivery Model Structure

- Construction of components will be linked
- Full construction risk transferred to the private sector partner
- Performance payments begin when all components completed

One P3 Team

- Canada port of entry
- Bridge
- U.S. port of entry
- I-75 Interchange

Design-Build-Operate-Maintain

Finance a portion of construction costs
Project Phases

**Pre-procurement**
- Prepare the site to transfer to the concessionaire in Canada and Michigan
- Advance design and prepare the output specifications for P3 procurement
- Develop the RFQ and RFP documentation

**P3 Procurement**
- The RFQ process will result in 3 pre-qualified consortia (Proponents) to advance to the RFP
- The 3 Proponents will respond to the RFP
  - Advance design
  - Present proposals during development
  - Receive feedback from Project Sponsor
  - Proposals evaluated and Preferred Proponent selected
  - Project Agreement negotiated and signed

**Construction and Oversight**
- During construction of the project, oversight will be performed to verify that project completed as per Project Agreement
- Project is commissioned at end of construction

**Operations**
- After construction completion and commission, the Crossing is put into operation
## Project Status

### COMPLETED
- Environmental Assessment
- Traffic Forecasting
- Preliminary Engineering
- Crossing Agreement with Michigan
- Crown Corporation established
- Buy America Waiver
- Presidential permit
- US Coast Guard permit

### ONGOING
- Construction of Herb Gray Parkway
- Property acquisition and utility relocation in Canada
- Technical Studies (Geotechnical, Customs Plaza design, etc.)
- Operationalizing Crown Corporation and International Authority
- Discussions on approach to the U.S. POE

### UPCOMING
- Gradual transition of TC project work to the Crown Corporation
- Property acquisition and utility relocation in United States
- P3 Procurement process for DRIC project
Thank You!

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