

MINUTES OF THE
BOARD OF HARBOR COMMISSIONERS
August 6, 2020
Port Milwaukee - 2323 S. Lincoln Memorial Drive
Videoteleconference

COMMRs: Borkowski Smith, Diel, Krawczyk, Mastantuono, San Felippo, Pres. Hoelter

ATTENDANCE

Peter Hirthe, SLS	CBS News
Lilith Folwer, HDI	Bo DeLong, DeLong Co.
Carolyn Weissen, HDI	Dave Stegeman, Michels Corp.
Will Baines, Kinder Morgan	Jazmine Jurkiewicz, Port
Mary Schanning, City Attorneys	Matt Gwiazdowski, Port
Cheryl Nenn, Milw. Riverkeeper	Jackie Carter, Port
Susan Bence, UWM	Steve Paczesny, Port
Jeremy McKenzie, City Attorney's	Maria Cartier, Port
Jeff Fleming, DCD	Brian Kasprzyk, Port
FOX 6 News	Larry Sullivan, Port
Dan Adams, HDI	Wayne Johnson, Port
Jeramey Jannene, Urban Milw.	Adam Schlicht, Secretary
	Donna Luty, Asst. Secretary

Approve June 11, 2020 Minutes

Commr. Borkowski's motion to approve the June 11, 2020 minutes was seconded by Commr. Mastantuono and carried by the following vote:

AYES: Comms. Borkowski, Diel, Smith, Krawczyk, Mastantuono, San Felippo, Pres. Hoelter
NOES: None

Approve DeLong Lease on the Port's South Harbor Tract (Adam Tindall-Schlicht)

It will cost \$31 million to build the new agricultural export facility for the DeLong Company. Port Milwaukee's capital contribution will be \$4.3 million.

The lease consists of 3.95 acres with an available 4.42 acres. The parcel will be used for receiving, storing, handling and packaging of aggregate materials mostly of dry distiller grains. The 15-year base lease has three extensions totaling 30 years. This amounts to \$3.4 million in lease income to the City in addition to dockage and wharfage charges.

Staff requested the Board's approval of this lease.

Commr. San Felippo's motion to approve the DeLong lease was seconded by Commr. Smith and carried by the following vote:

AYES: Comms. Borkowski, Diel, Smith, Krawczyk, Mastantuono, San Felippo, Pres. Hoelter
NOES: None

Approve Michels Lease on the Port's Grand Trunk parcel (Commr. San Felippo & Adam Tindall-Schlicht)

The term of the lease is specific to lots 1 and 3 of the Grand Trunk Site. Lot 2 is the Grand Trunk wetland. The lots will be maintained subject to the Certified Survey Map approval later this year.

The lease term is for 20 years with seven periods of 10 years each followed by one period of nine years for a total of 99 years. This will bring in over \$23 million to the City as well as dockage and wharfage charges. There will be construction office buildings, utilization of loading, unloading and storing of aggregate materials.

Staff requested the Board's approval of this lease.

Commr. Smith's motion to approve the Michels lease was seconded by Commr. Krawczyk and carried by the following vote:

AYES: Commrs. Borkowski, Diel, Smith, Krawczyk, Mastantuono, San Felippo, Pres. Hoelter
NOES: None

Approve Kinder Morgan Lease Amendment on the Port's South Harbor Tract – "Master Lease" (Adam Tindall-Schlicht)

This lease is being brought into Kinder's master lease, which expires December 31, 2038. The initial lease will now expire December 31, 2030 with two extensions through 2040.

Staff requested the Board's approval of this lease amendment.

Commr. Smith's motion to approve the Kinder Morgan lease amendment for the master lease was seconded by Commr. San Felippo and carried by the following vote:

AYES: Commrs. Borkowski, Diel, Smith, Krawczyk, Mastantuono, San Felippo, Pres. Hoelter
NOES: None

Approve Kinder Morgan Lease Amendment on the Port's South Harbor Tract – "Domes" (Adam Tindall-Schlicht)

The Domes are an indoor receiving and handling facility for dry commodities. The site is less than 1 acre on Jones Island.

This lease will be brought into Kinder's master lease, which expires December 31, 2030. The initial lease will now expire December 31, 2030 with extensions through 2040.

Staff requested the Board's approval of the lease amendment.

Commr. Smith's motion to approve the Kinder Morgan lease amendment for the domes was seconded by Commr. San Felippo and carried by the following vote:

AYES: Commrs. Borkowski, Diel, Smith, Krawczyk, Mastantuono, San Felippo, Pres. Hoelter
NOES: None

Approve Kinder Morgan Lease Amendment on the Port's South Harbor Tract – "Bagging" (Adam Tindall-Schlicht)

The lease is for Terminals 4 and 4A bagging facility, which is a dockside material and bulk warehouse facility totaling 8.6 acres. The lease will expire in 2028. It will be brought into the master lease with current extensions through 2040. The lease will bring in \$2.25 million income to the City.

Staff requested the Board's approval of this lease amendment.

Commr. Smith's motion to approve Kinder Morgan's lease amendment for Terminals 4 and 4A was seconded by Commr. San Felippo and carried by the following vote:

AYES: Commrs. Borkowski, Diel, Smith, Krawczyk, Mastantuono, San Felippo, Pres. Hoelter
NOES: None

Approve Framework for Advancing Equity and Opportunity at the Port (Adam Tindall-Schlicht)

By direction of the Mayor, each City department is to develop its own framework for advancing its strategic objectives with the City and across the region for the greater good of its employees, tenants and customers.

The Port's framework will examine and commit to the vision of the Port in order to accomplish its strategic objectives for the City and for the greater good of racial, social and economic justice for Port employees, tenants, customers and all people. The Framework will assist in maintaining the Port's/City's future by expanding maritime and transportation careers; and investing in the capital assets at the Port for transportation connections and economic durability for the City. This will be satisfied through Port policies and various programs.

Staff requested the Board's support and approval of the process of the Port's draft Framework.

Commr. Smith's motion to approve the process of the Port's draft Framework subject to changes, was seconded by Commr. Krawczyk and carried by the following vote:

AYES: Commrs. Borkowski, Diel, Smith, Krawczyk, Mastantuono, San Felippo, Pres. Hoelter
NOES: None

Approve Contract # 672, Railroad Crossing Reconstruction – Phase IV (Brian Kasprzyk)

Two bids were received in response to Contract 672 for railroad crossing reconstruction work on the Port's South Harbor Tract.

The low bidder, Knapp Railroad Builders, Inc. of West Milwaukee, WI, has performed satisfactorily on similar work for Port Milwaukee. Staff has reviewed Knapp's bid and finds that it has met all the requirements of the bid documents. The contractor has committed to 6% SBE utilization.

This project is the fourth phase in the reconstruction of several railroad crossings on the South Harbor Tract and is being funded (80%) through a Wisconsin Department of Transportation Freight Railroad Preservation Program grant. Sufficient funds for the project are available in the Board's Account.

Staff requested that the Board accept the bid and award Contract 672 to Knapp Railroad Builders for its bid items 1-9 for a total price of \$513,540. The award is subject to the Wisconsin Department of Transportation's concurrence, as required by the grant agreement.

Commr. Krawczyk's motion to approve contract 672 was seconded by Commr. Smith and carried by the following vote:

AYES: Comms. Borkowski, Diel, Smith, Krawczyk, Mastantuono, San Felippo, Pres. Hoelter
NOES: None

Approve Statement of Condolence on the Passing of Elizabeth "Bo" Black (Commr. San Felippo)

Given the long working relationship Commr. San Felippo had with Elizabeth "Bo" Black, he offered a statement of condolence for her passing on July 24 for the Board's approval. "Bo" served as executive director of Milwaukee World Festivals for 19 years. She worked diligently to increase the growth of the ethnic festivals and expanded domestic and international renown and attendance at Maier Festival grounds.

Commr. Krawczyk's motion to approve and adopt the statement of condolence on the passing of Elizabeth "Bo" Black was seconded by Commr. Smith and carried by the following vote:

AYES: Comms. Borkowski, Diel, Smith, Krawczyk, Mastantuono, San Felippo, Pres. Hoelter
NOES: None

Update from non-profit Harbor District, Inc. (Lilith Fowler & Carolyn Esswein)

Carolyn Esswein stated the Harbor District (HD) continues to work on its mission "to lead the revitalization in the Milwaukee's Harbor District by connecting people to place and supporting a health business community and improving the quality of its natural environment." HD also brings in diversity working with local schools and various partners.

Lilith Fowler has been working with staff at the Dept. of City Development for the approval of a riverwalk overlay. A route was established for the riverwalk and design guidelines were adopted. The route for the. Design guidelines for the riverwalk include signage and furnishings to support HD's "Gritty, Green, Real" brand.

HD received a \$500k grant from EPA to install a trash interceptor on the Kinnickinnic River. The trash interceptor will work in partnership with the JOEY D. to remove larger debris. It will take approximately one year to bid, design and build the device with a launch in 2022.

HD is partnering with DCD on the Grand Trunk restoration as it receives a lot of storm water. It wants to make sure it's clean before it dumps into the wetland. HD secured grant funding to build out a green infrastructure maintenance system that will filter the water as it works its way into the wetlands.

This was received as information only.

Update on Safety-Related Collaboration with Milwaukee World Festivals (Commr. Mastantuono)

Milwaukee World Festivals (MWF) and the Milwaukee Police Dept. (MPD) have been engaged in discussions regarding an operating agreement to cover Summerfest 2020 prior to canceling Summerfest. MWF hopes to finalize the schedule for Summerfest 2021 later this month. Subsequently it will submit a proposal to MPD to cover Summerfest 2021. Commr. Mastantuono will keep the Board updated on developments.

This was received as information only.

Finance Report (Jackie Carter)

For the period ending July 31, the Port is at 50% for payroll. Operating revenue is ahead and salaries is ahead by 1%. The Port was awarded the carryover requested from the Budget Office and is reflected in the new salary budget. It is \$126k higher at this time. Gain and loss continues to look good and Jackie will adjust as needed.

Receivables are at \$293k. Some of this is pending cancellations. There is a plan to do a more aggressive effort to reduce the balance. Letters were sent out to customers with outstanding balances and some funds been received.

Revenue and Expenses are good.

This was received as information only.

Engineering Report (Brian Kasprzyk & Steve Paczesny)

Lake levels have been above the all-time high since January and is beginning to fall at this time.

Contract work for railroad Track 13 at the intermodal yard has now been completed. The crossings to US Venture were completed one month ago. A total of 17 crossings were replaced.

Renovations continue for the Port restrooms. It was part of the City's agreement with the Justice Department to ensure the facilities are ADA compliant. The project is almost complete and should be complete by the end of September.

The lakewalk south of the Art Museum to Harbor House was damaged by the January flooding. The waves washed out underneath the walk creating erosion on the west side and sinkholes were forming. Steve Paczesny hired a contractor to do repair work preventing future erosion. This should be completed by next week.

This was received as information only.

Trade Development, Marketing, and Foreign Trade Zone Report (Maria Cartier & Jazmine Jurkiewicz)

Through June 2020, tonnage is up 2%. Municipal cargo is down 3%. Cement and grain continue to remain strong. Over the last year, liquid cargo increased 6% while fuel was done down 19%.

Staff completed the Port ad "Destination Milwaukee". It will appear in publications starting in August. The goal in developing the ad was to elevate the brand and create awareness targeting regional, national and international companies. A formal advertising plan was put together for placement in four new publications targeting various audiences. Staff was able to secure free editorial coverage as well as free digital ads.

Foreign Trade Zone operator Mercury Marine, is in the process of submitting a new application to expand its zone as it needs additional capacity.

Jazmine met with one of cruise lines on the Great Lakes to discuss using the vessel to showcase Milwaukee as a turnaround Port. She looks forward to shore side excursion meetings in the near future. Viking Cruise is currently focusing on its river cruises and is reevaluating the logistics.

This was received as information only.

Operations Report (Wayne Johnson)

All operation employees are back to work practicing social distancing. Masks are required and there is one person per vehicle.

The Port's security plan is in the final phase. It will be submitted to the Coast Guard for approval.

The Harbor Seagull has been painted.

The Cruise Ship Dock was vandalized with graffiti. There has been tagging on the rocks and vandalism to the lighting bollards. The Port's City engineer has found new bollards to replace them. Pres. Hoelter requested Wayne to look into security and surveillance.

High water is still a problem at the CHL. A lot of debris gathers here. Great Lakes towing is under water on a daily basis.

This was received as information only.

Director's Report (Adam Tindall-Schlicht)

The City of Milwaukee audit of the Port's Capital Asset Management Program through the Comptroller's Office is ongoing. Next onsite assessment is next week and the results will be presented to the Common Council in September/October.

The Port's operations crew are on site daily. Office based employees continue to telework. The Health Dept. had completed a safety and health assessment of the Administration building in abundance of caution.

Adam acknowledged Ald. Borkowski for sponsoring the legislation which allowed the Port to receive supplemental funding to aid the Port's flood response efforts. The funding for the 2020 budget is critical as the City's insurance policy does not cover any damage. Staff continues to look for state and federal funding with the ongoing remediation of the flood event.

The Port's federal visit in support of the DeLong project is anticipated next week. Officials from the US Dept. of Transportation are also expected. The Port was due to receive over \$400k in WISDOT Multimodal Local Supplement Grant funding; however, due to the Wisconsin Supreme Court's recent finding in the Bartlet vs. Evers case, the program was canceled. Earlier this month the Common Council approved the 2019 HAP grant for work at the City Heavy Lift Dock and the WI Coastal Management Program Grant funding for the Capital Asset Renewal Program will provide a 10-year funding structure to extend the life span to all capital assets at the Port for another 50 years.

On August 1, staff submitted another HAP grant for cruise related development for the Viking Cruise which will arrive in 2022. Staff is waiting to hear from WISDOT regarding it Emergency HAP Grant for flood related relief. Adam acknowledged the Mayor's leadership for reaching out to the Governor and Transportation Secretary Thompson.

New recent appointments within the City came in for a Port's 101 briefing and tour. This included DCD Commr., Lafayette Crump, new DCD Deputy Commr., Vanessa Kostner, Cmdr. Coast Guard Lake Michigan Don Montoro and Marissa Jablonski, new director of the Freshwater Collaborative of WI.

The Light the Hoan effort is anticipated to move ahead in August with lighting of the western phase of the bridge.

Next week is the annual meeting of the Wisconsin Commercial Port's Association (WCPA). Adam will assume his new responsibility as president. WCPA represents all leaders of Wisconsin's 20+ commercial ports.

Adam continues to press ahead with hiring a new Administrative Assistant III given the retirement of Donna Luty in December. Interviews will take place August 24.

Adam stated that he is excited to see the progress the Port has made despite the flood event and COVID-19 pandemic. He stated it was all possible due to his incredible staff. He commended City Attorney, Jeremy McKenzie, for his invaluable efforts and time during the process and bringing new innovative projects to the Board.

There no being no further business, Commr. Smith's motion to adjourn was seconded by Commr. Mastantuono and carried by the following vote:

AYES: Commrs. Borkowski, Diel, Smith, Krawczyk, Mastantuono, San Felippo, Pres. Hoelter
NOES: None

Respectfully submitted,

Donna Luty
Assistant Secretary