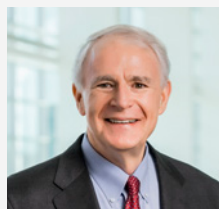


2020 ANNUAL REPORT

A YEAR OF EBBS AND FLOWS



Port Milwaukee is a valued department of city government, a part of both our infrastructure and our operations that adds to our economy's strength. The Port might not be top-of-mind for most of our residents, but it creates jobs, increases transportation efficiency, and maximizes the economic benefits of maritime activity.

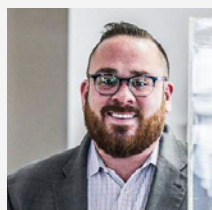
2020 saw both challenges and successes at Port Milwaukee. Storms and high lake levels brought damaging floods early in the year, and the global pandemic forced changes in operations. Even so, the volume of cargo that moved through our docks and the nearby private facilities grew. With an eye toward the future, we invested in roadways, rail, and buildings. We planned for the expansion of the dredge material management facility, which will aid in the environmental cleanup of our waterways and, in the coming decades, create additional land to be used for public purposes.

New and expanding partnerships will add even more to our economy. An agricultural export facility will bring the DeLong Co. to the Port's Jones Island, and Michels Corporation will enlarge its marine construction division on the Grand Trunk parcel. Passenger activity took major strides forward with Pearl Seas Cruises agreeing to a new lease and Viking Cruises announcing Port Milwaukee as a turnaround destination for its Expedition offerings. Port Milwaukee is on course for success, and I look forward to the benefits that will bring to the entire city.

TOM BARRETT

Mayor, City of Milwaukee





Every year, preparing Port Milwaukee's Annual Report provides an opportunity to frame the trials and accomplishments of the Port's work through a historical lens. The unprecedented nature of COVID-19 makes this effort all the more important this year, as the global pandemic has affected every facet of life on land and at sea. Despite COVID-19, Port Milwaukee and its team of expert staff and tenants maintained the Port's safe, efficient, and healthful operations without commercial interruption.

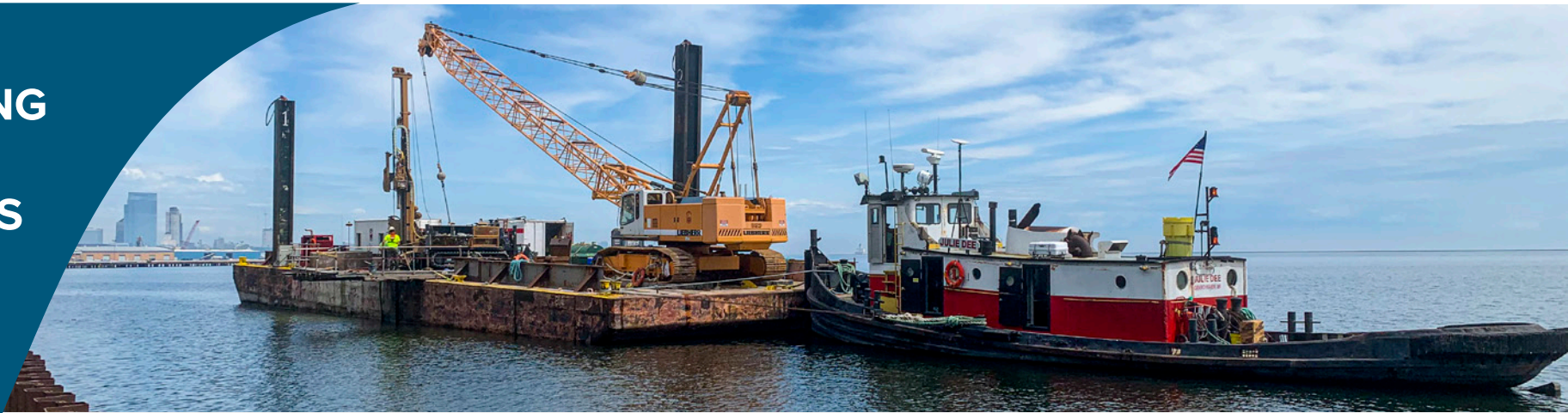
For the second year in a row, maritime utilization in the Milwaukee Harbor increased. In 2020, commercial tonnage handled at the Port's municipal and private docks increased by 5% from 2019. The success of Port Milwaukee's efforts in 2020 is a credit to its essential and front-line workers, who have been tireless in maintaining the Port's transportation and infrastructure operations. I'm proud of how Port Milwaukee rose to meet the challenges of 2020. Milwaukee Mayor Tom Barrett, the Milwaukee Common Council, and the Board of Harbor Commissioners provided invaluable guidance and oversight of the Port's work throughout the year. Board President Tim Hoelter and Board Vice President Ron San Felippo were also reelected this year to continue in their respective leadership roles.

As an economic artery and environmental steward of the Great Lakes region, Port Milwaukee has maintained a standard of excellence in providing commercial, recreational, and passenger services. The Port is committed to continuing its growth and in fostering an equitable and inclusive maritime economy in Milwaukee. I invite you to join Port Milwaukee's work online at www.portmilwaukee.com or via email at port@milwaukee.gov. Best wishes for continued health and prosperity,

ADAM TINDALL-SCHLICHT

Director, Port Milwaukee

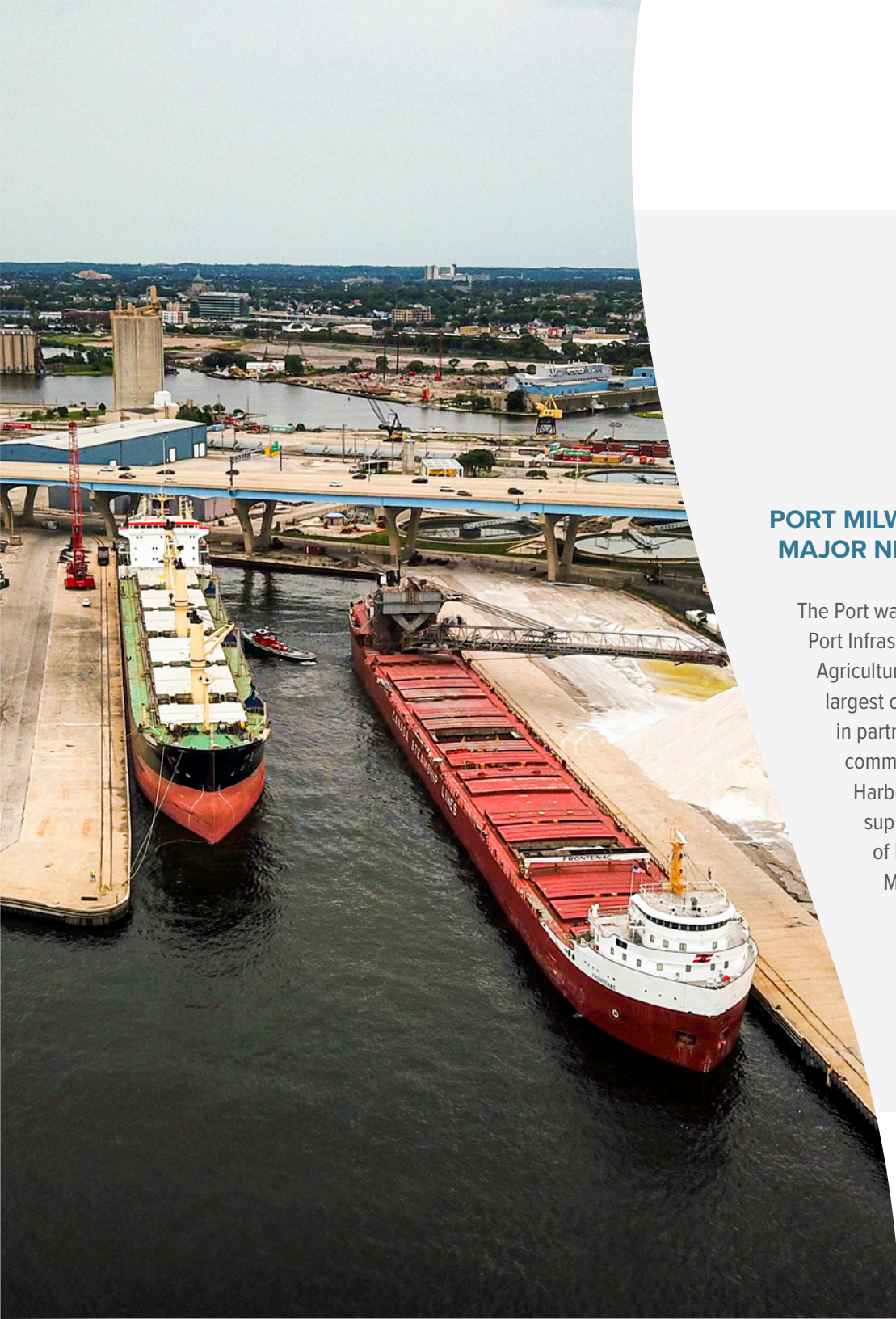
PLANNING FOR SUCCESS



PORT MILWAUKEE REBOUNDS FROM HISTORIC DAMAGE, ENHANCES INFRASTRUCTURE PLANNING

On January 11, 2020, Port Milwaukee was heavily damaged by a winter storm. Declared a federal disaster event, the Port estimates that as much as 60% of Jones Island was flooded in up to 4 feet of water, causing approximately \$2 million in damage to the Port overnight. Responding to the flood event required a team effort. Milwaukee Mayor Tom Barrett, Wisconsin Governor Tony Evers, and the White House provided short-term and long-term assistance in supporting Port Milwaukee's ongoing recovery. With the particular aid of the Wisconsin Department of Transportation and the Federal Emergency Management Agency, the Port's flood remediation efforts began in 2020 and will continue in 2021.

The impacts of climate change on the Great Lakes' water levels and weather is irrefutable, and this year, Port Milwaukee began an aggressive plan to strategically envision its future through the prism of coastal resiliency. The Port's forthcoming Capital Asset Renewal Plan (CARP) will conduct a comprehensive inventory of the Port's transportation and infrastructure assets and provide a roadmap for necessary preventative maintenance and capital funding for decades to come. CARP-related work is already underway, and the completed plan is expected to be delivered in late 2021. The CARP and the Port's infrastructure planning program would not be possible without the support of the Wisconsin Coastal Management Program, which continues to shepherd key projects at the Port and throughout Milwaukee Harbor.



PORT MILWAUKEE ANNOUNCES MAJOR NEW INVESTMENTS

The Port was one of the first nationwide recipients of the U.S. Department of Transportation's Port Infrastructure Development Program grant, which will partially fund the Port's new Agricultural Maritime Export Facility (AMEF). Construction of the \$31+ million AMEF is the largest one-time investment in the Port's history. The Port will commence with this project, in partnership with the DeLong Co., Inc., in 2021. The Michels Corporation also recently committed to long-term use of the Port's Grand Trunk parcel in Milwaukee's Inner Harbor. Developing Grand Trunk for increased multimodal utilization while concurrently supporting the city-wide effort to remediate the adjacent urban wetland is a hallmark of Port Milwaukee's role as both an economic and environmental steward of Milwaukee Harbor.

FORWARD PROGRESS

MILWAUKEE'S HARBOR DISTRICT CONTINUES TO EVOLVE

The area around Port Milwaukee is noticeably changing with attractive new investments and aesthetic improvements.

Komatsu Mining is well into the construction phase of its headquarters and manufacturing campus on a large parcel in the inner harbor. A portion of the company's land is a former bulk material storage site that Port Milwaukee sold to Komatsu.

A short distance up the Kinnickinnic River, new buildings at R1ver, the Michels Corporation campus, have taken shape. This multi-use development includes a large office along with multiple waterfront amenities.

A community effort to "Light the Hoan" reached a milestone when the west side of the Hoan Bridge was illuminated with thousands of animated lights in 2020. The bridge, which spans the entrance to the inner harbor, has been a landmark since it was built in the 1970s. Now, the landmark has been colorfully reinvented.





INTERNATIONAL CRUISE FUTURE AT PORT MILWAUKEE TAKES SHAPE

In 2020, the U.S. and Canadian governments placed regulations on the international Great Lakes cruising industry to minimize the transmission of the coronavirus. While this was a necessary step to control the global pandemic, it had the unfortunate consequence of canceling all Great Lakes cruise itineraries, including several expected stops at Port Milwaukee.

Despite the unprecedented challenges of 2020, the future of cruising on the Great Lakes, including Milwaukee, looks promising. The reservations for cruising in 2021 have continued an upward trend in transit visits, turnarounds, and passenger calls, though the pandemic may further impact the 2021 cruise season. Port Milwaukee's cruise partners have reported that future passenger reservations are stronger than ever. In the years ahead, Port Milwaukee will continue to provide a luxurious getaway to the "familiar unfamiliar," offering a unique and highly coveted vacation for those seeking new travel experiences.

This increased demand has motivated several new cruise lines to enter the Great Lakes market. The Port's notability as a cruising berth was evidenced in 2020 with Pearl Seas approving a long-term commitment to Milwaukee as a home port for its vessel, the *Pearl Mist*. Pearl Seas is the first cruise line to select Milwaukee for its turnaround service. The Port is eager to continue its partnership with Pearl Seas and welcome its international cruise passengers with enthusiasm for many years to come.

In January 2020, Viking Cruises officially announced it was constructing two new Expedition Class cruise ships custom built to optimize the Great Lakes St. Lawrence Seaway system. Viking is the second major cruise line to select Milwaukee as its home port of choice. Viking's inaugural cruise itineraries are expected to launch in Milwaukee in 2022. The Port looks forward to welcoming Pearl Seas, Viking Cruises, and many other cruise lines to Milwaukee in the future.

PHOTO CREDIT - KRISTINE HINRICH

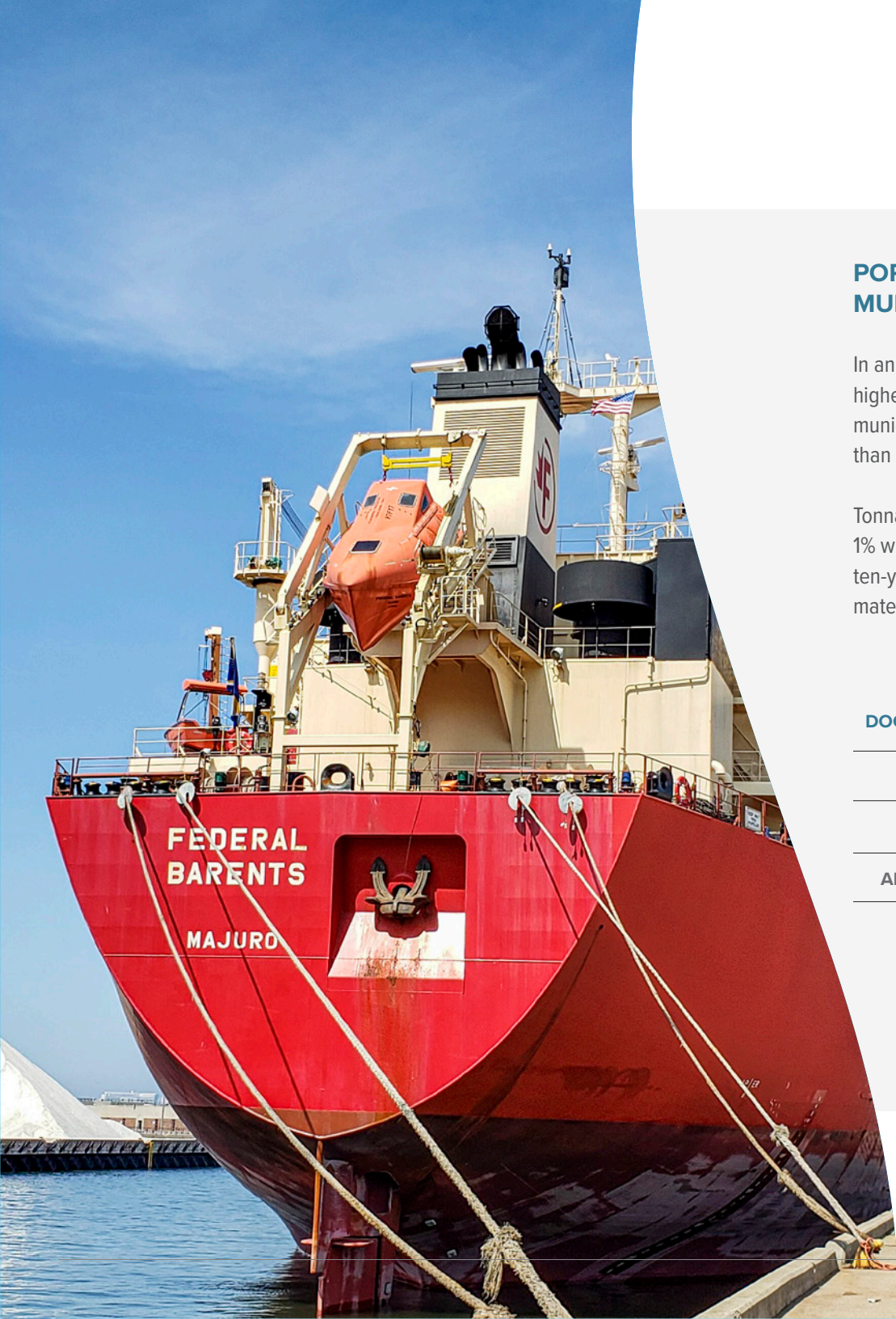
2020 BY THE NUMBERS

PORT MILWAUKEE REVENUES AND EXPENSES:

REVENUE	2020	2019
Operating Revenues*	\$5,136,721.26	\$4,608,768.79
Operating Expenses	\$4,356,231.59	\$3,866,519.78
Net Income (Loss)	\$780,489.67	\$742,249.01

*Note: This does not include an additional \$2,465,165 in revenue for the City of Milwaukee in 2020 resulting from Milwaukee World Festival's long-term lease with Port Milwaukee for use of the City-owned Henry Maier Festival Grounds.

2020 financials estimated as of March 2021.



**PORT MILWAUKEE CONTINUES
MULTI-YEAR COMMERCIAL GROWTH**

In an unusual year with historic challenges, Port Milwaukee finished 2020 with its highest annual cargo volume in the past seven years. Overall tonnage for the municipal port and the adjacent private docks in Milwaukee Harbor rose more than 5%, led by agricultural exports and handling of cement.

Tonnage at the Port’s municipal facilities on Jones Island was down by slightly more than 1% when compared to 2019. Even so, that tonnage finished ahead of both the five-year and ten-year averages for Port Milwaukee. Led by outbound grain shipments and construction material, private docks in the Harbor handled nearly 37% more cargo than last year.

DOCK LOCATION	2020	2019	FIVE YEAR 2016 - 2020	TEN YEAR 2011-2020
Municipal	2,148,200	2,182,810	1,943,268	2,145,907
Harbor	663,808	485,814	634,551	424,774
All Port Cargo	2,812,008	2,668,624	2,577,819	2,570,681

The economic performance of international ports are compared against different metrics, including volume, value of trade, number of cruise passengers, twenty-foot equivalent units, revenues, storage capacity, etc. Tonnage is the most common, particularly as a tool for determining dredging requirements by the U.S. Army Corps of Engineers and as a justification for state and federal grant eligibility.

PORT ACTIVITY

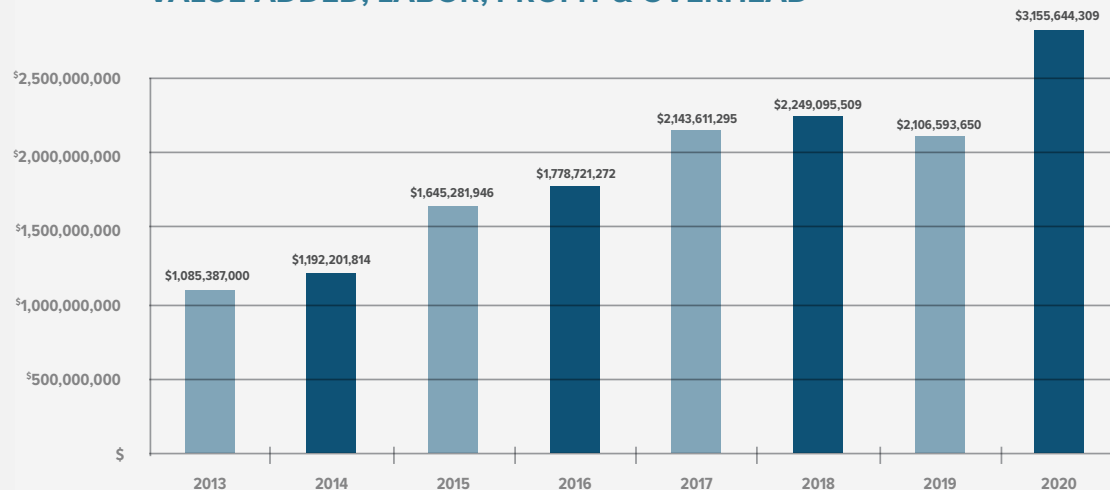
PORT MILWAUKEE VESSEL COUNTS

	2020	2019
American / Canadian Lakers	160	165
Foreign	30	32
Barges	159	67
Cruise Ships	0	10
Total	349	274

PORT MILWAUKEE'S FOREIGN TRADE ZONE MAINTAINS REGIONAL IMPACT

As grantee of Foreign Trade Zone (FTZ) No. 41 for Southeastern Wisconsin, Port Milwaukee continues to promote the benefits and potential cost savings when utilizing the FTZ for manufacturing and distribution purposes. Used as a way to control costs of imported goods, implementing an FTZ via the Port can help local manufacturers and distributors increase competitiveness through the deferral, reduction, or complete elimination of tariffs. This provides the benefits of increased cash flow and inventory management optimization for FTZ operators in the Port's multicounty service area.

TOTAL VALUE OF SHIPMENTS INCLUDING MERCHANDISE, VALUE ADDED, LABOR, PROFIT & OVERHEAD



Despite the unprecedented challenges of 2020, the FTZ program continued to demonstrate the value it provides to regional businesses competing in a global economy. The total value of shipments passing through active zones saw a 49.8% increase over 2019.

2020 INVESTMENTS

PORT PRESSES AHEAD WITH INFRASTRUCTURE INVESTMENT

The team at Port Milwaukee has been hard at work repairing and rebuilding damaged infrastructure and other major transportation capital assets across the Port, resulting from the devastating January 2020 storm event. Strides were made in 2020 and will continue throughout 2021.

Other planned improvements also took place this year. The Lake Express ferry terminal building saw interior upgrades following an extensive floor-leveling project partially funded by the Wisconsin Department of Transportation (WisDOT) Harbor Assistance Program. The parking lots at Lake Express, as well as at the Port Administration building, were both resurfaced and repainted to allow for needed American with Disabilities Act (ADA) improvements.

The third phase of the Port's railroad crossing reconstruction project was finished in 2020; seven new at-grade crossings were completed with improved track materials and driving surfaces. The first phase of the intermodal and classification yard railroad project was also completed this year, including the replacement of 2,000 feet of track on Jones Island. The fourth phase of crossing work and the second phase of intermodal rail work were awarded at the end of 2020 and will begin in spring of 2021. Both of these railroad projects are partially funded by the WisDOT Freight Railroad Preservation Program grant.

Other projects slated for 2021 include beginning construction of the AMEF, multiple paving projects, and other terminal building repairs and upgrades, including roofing, overhead doors, and fencing.



COMMUNITY WIDE AREA OF CONCERN WORK ADVANCES

With strong community, city, state, and federal support, work continues to progress on the effort to clean Milwaukee's estuary, including the Menomonee River, the Kinnickinnic River, the Milwaukee River, and Milwaukee Harbor. A new Dredged Material Management Facility (DMMF) has been proposed on the eastern edge of Jones Island to contain nearly 1.9 million cubic yards of sediment from the estuary and to provide for future Port expansion. This work will ultimately lead to Milwaukee being delisted as an Area of Concern (AOC). Port Milwaukee will be a critical partner throughout the estuary cleanup effort in the years ahead, which is expected to cost \$400 million overall, and will be a nationwide best practice example for water leadership and development upon completion.

PORT LEADERSHIP & PARTNERS



BOARD OF HARBOR COMMISSIONERS

TIMOTHY K. HOELTER - PRESIDENT

RONALD S. SAN FELIPPO - VICE PRESIDENT

ALDERMAN MARK A. BORKOWSKI

DIANE S. DIEL

CLAUDE J. KRAWCZYK

CRAIG A. MASTANTUONO

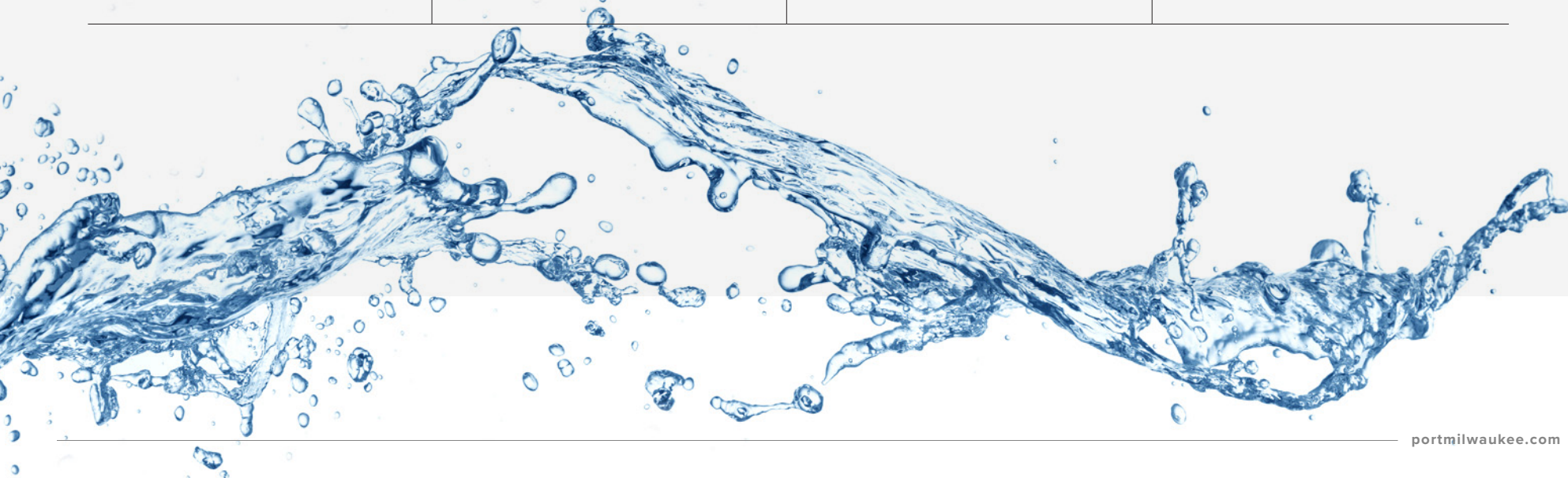
KATHLEEN M. SMITH

Port Milwaukee is governed by the seven-member Board of Harbor Commissioners, a panel appointed by Mayor Tom Barrett and confirmed by the Milwaukee Common Council.



PORT MILWAUKEE TENANTS & PARTNERS

Canadian Pacific	Cargill Salt, Inc.	Compass Minerals	The DeLong Company
Discovery World	Federal Marine Terminals	Great Lakes Towing	Harbor House Restaurant
Kinder Morgan	Lake Express High Speed Ferry	Michels Corporation	Milwaukee Intermodal Terminal, LLC
Milwaukee Metropolitan Sewerage District	Milwaukee World Festivals	Portland Trucking	South Harbor, LLC
St. Mary's Cement	Union Pacific	U.S. Coast Guard	U.S. Navy
U.S. Venture/U.S. Oil	LafargeHolcim		





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