

ON THE HORIZON

2021 ANNUAL REPORT



LETTER FROM THE HARBOR COMMISSIONION



Port Milwaukee is an economic engine for our city, our state, and the region. While this work is not top-of-mind for most residents, the Port creates jobs, advances efficient transportation solutions, and delivers exciting activity for Wisconsin's maritime economy. The Board of Harbor Commissioners is proud to support the Port's day-to-day operations and emerging initiatives, including development and improvement projects and recreational use efforts, through its oversight of harbor land.

As President of the Board of Harbor Commissioners, I look forward to Port Milwaukee's Annual Report every year as an opportunity to reflect, to consider the path ahead, and to implement meaningful solutions for the challenges we face. Looking back, 2021 showcased the resiliency of Port Milwaukee and its dedicated staff as the COVID-19 pandemic continued to play a role in our lives, and nationwide supply chain issues impacted how the Port conducts business.

As we plan for the future, there's much to be excited about. New federal infrastructure investments will help improve Milwaukee's rail network, waterways, and facilities. Economic development projects continue to build up along the Kinnickinnic River and throughout Milwaukee's harbor. The recreational cruise passengers that are expected in Milwaukee this summer and in the years ahead will boast new opportunities for workers, businesses, and visitors throughout the region.

Great things are **on the horizon**. Thank you to the Milwaukee Mayor's Office, the Milwaukee Common Council, and my colleagues on the Board of Harbor Commissioners for providing invaluable leadership throughout the year. Port Milwaukee is on course for success, and I look forward to continued benefits in Milwaukee Harbor and the entire city.

TIMOTHY K. HOELTER

President of the Board of Harbor Commissioners



LETTER FROM THE PORT DIRECTOR



Port Milwaukee's Annual Report allows us to examine the challenges and achievements that shaped the previous year, as well as the obstacles and opportunities that remain **on the horizon**.

In 2020, the Port's maritime utilization in Milwaukee Harbor increased while other port authorities nationwide experienced decreased activity due to the pandemic. In 2021, Port Milwaukee and its tenants continued to prioritize safe, healthy, and efficient operations while the world moved toward recovering from the pandemic and its economic effects. Like other port authorities across the nation, Port Milwaukee was impacted by supply chain disruptions, fluctuating weather conditions, and global trade disputes. As a result, tonnage levels in Milwaukee Harbor fell back to pre-pandemic levels in 2021.

But that's not the whole story. Port Milwaukee found new success in its strategic partnerships, grant funding efforts, and new economic development opportunities over the past year. The Port's work with local and regional leaders is delivering exciting enhancements to rail and maritime infrastructure at the Port.

The DeLong Company's forthcoming agricultural maritime export facility will add a new dimension to Port Milwaukee's role in connecting Wisconsin's businesses and farmers to world markets. New sustainability initiatives aim to combat climate change, promote environmental stewardship, and incentivize eco-friendly customers to do business at Port Milwaukee. Canadian Pacific's merger with Kansas City Southern boasts huge potential for rail investments and new business that will fuel future growth at the Port and across Wisconsin.

As an economic catalyst, environmental steward, and recreational hub for the Great Lakes region, Port Milwaukee continues to maintain a standard of excellence in providing commercial, recreational, and passenger services to global customers. The Port is committed to growing the maritime economy in Milwaukee.

In the year ahead, we look forward to working with our customers and partners at home and around the world. I invite you to join Port Milwaukee's work online at portmilwaukee.com or via email at port@milwaukee.gov.

ADAM TINDALL-SCHLICHT

Director, Port Milwaukee

WHAT GUIDES US



OUR MISSION

Port Milwaukee strengthens the overall economic and social environment of the city and region by increasing international trade, business development, job creation, and public access to the waterfront. The Port is a premiere provider of domestic and international transportation and freight distribution services for its commercial customers.



OUR VISION

The Port sustains Milwaukee as a water-centric city, where businesses thrive in a robust, port-led regional maritime economy, and where everyone can work, live, and play through access to water-based commerce, recreation, and leisure.

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NAVIGATING GROWTH

CAPITAL ASSET RENEWAL PLAN SET IN MOTION

Given that much of Port Milwaukee’s infrastructure dates back to the 1950s and 1960s concurrent to the opening of the St. Lawrence Seaway, planning for infrastructure renewal was a key Port priority in 2021.

With support from a coastal management grant from the Wisconsin Department of Administration, the Port commissioned the consultancy company Ramboll to conduct a thorough review of port assets and transportation infrastructure. The result was a 50-year capital asset renewal plan (CARP), including a 10-year infrastructure renewal budget and maintenance schedule. The completed plan was approved by the Board of Harbor Commissioners and the Milwaukee Common Council in September.

In addition to providing a strategic roadmap for investing in Port Milwaukee’s growth over the next 50 years, Port Milwaukee’s new capital asset renewal plan includes the development and implementation of a coastal resiliency framework.





DELONG BREAKS GROUND ON NEW EXPORT FACILITY

On October 15, 2021, Port Milwaukee and The DeLong Company broke ground on an over \$35-million agricultural maritime export facility on Jones Island.

Port Milwaukee and DeLong representatives were joined at the groundbreaking by Wisconsin Governor Tony Evers, U.S. Senator Tammy Baldwin, U.S. Representative Gwen Moore, other local and state officials, port customers, and stakeholders.

By opening Wisconsin's maritime and agricultural economies to new international markets, this major development is expected to create jobs, support Wisconsin's agricultural industry, and grow the regional economy.

The new facility is expected to handle roughly \$40 million in exports and increase Port activity by 400 thousand tons per year.

The new port terminal will be one of the first on the Great Lakes – St. Lawrence Seaway System to handle and export agricultural commodities via truck, rail, and international vessel. It is expected to be fully operational by April 2023 at the start of Port Milwaukee's international shipping season.

Thanks to a robust public-private partnership, this development is the largest one-time investment at Port Milwaukee in decades. Port Milwaukee was one of the first nationwide recipients of the U.S. Department of Transportation's Port Infrastructure Development Program grant. Additional funding was provided by the Wisconsin Department of Transportation, Port Milwaukee, and The DeLong Company.



FUTURE CRUISE SEASONS TAKE SHAPE

Port Milwaukee's highly anticipated 2021 cruising season was expected to be the largest ever. However, as in 2020, the continuing COVID-19 pandemic disrupted the cruise industry's normal operations. In an abundance of caution, Transport Canada banned cruise ships in Canadian waters, including the Great Lakes, through November 2021. Due to the *U.S. Passenger Vessel Services Act of 1886*, cruise ships could not operate on the Great Lakes in U.S. territory alone. The result was the cancellation of the 2021 cruise season.

Prior to cancellation, Port Milwaukee was expecting 17 cruise vessels and over 5,200 passengers to stop in Milwaukee. This would have represented an increase of 21% over 2020 expectations for tourism activity and passengers.

Despite the disappointment of yet another cancelled season, Port Milwaukee is forging ahead to capture the cruising market on the Great Lakes locally. With memberships in cruising associations such as *Cruise the Great Lakes* and the *Great Lakes Cruising Coalition*, Port Milwaukee continues to market to new entrants embracing Great Lakes cruising.

Port Milwaukee also used this time to ensure a more seamless experience for future cruise passengers, including the procurement of a mobile x-ray machine for more efficient luggage screening. The Port also began seeking grant funding for infrastructure improvements to accommodate new seawaymax-size cruise vessels.

2021 HIGHLIGHTS:

SIGNING A **20-YEAR** AGREEMENT

WITH PEARL SEAS CRUISES FOR
PRIORITY BERTHING AT THE PIER
WISCONSIN CRUISE DOCK.

COLLABORATING WITH **VIKING** **CRUISES**

A NEW ENTRANT INTO THE GREAT
LAKES CRUISE MARKET THAT WILL
START OPERATIONS IN 2022.

PREPARING FOR AN EXPECTED **27 CRUISE** **VESSELS**

AND MORE THAN 10,000 PASSENGERS,
INCLUDING TURNAROUND SERVICE,
DURING THE 2022 SAILING SEASON.





SUPPORTING LAST MILE LOGISTICS FOR AN INNOVATIVE HOUSING PROJECT

Port Milwaukee and Federal Marine Terminals (FMT), the Port's international stevedore, played a key role in the warehousing and last mile delivery of cargo for construction of The Ascent, currently the world's largest mass timber structure.

The use of mass timber in construction projects like The Ascent is gaining popularity due to its lower cost, increased efficiency, and appealing environmental benefits. This 25-story residential housing tower located in downtown Milwaukee was constructed using manufactured cross-laminated timber sourced in Austria, shipped via containers to ports in North America, and ultimately trucked to Port Milwaukee for staging and just-in-time delivery to the construction site.



The Ascent project has put a positive spotlight on the city and demonstrates how Port Milwaukee provides value to global customers by acting as a reliable and cost-effective link in the local supply chain.

BY THE NUMBERS

Port Milwaukee uses a variety of metrics to measure its commercial performance each year, including revenues and expenses, the number of vessels transiting through Milwaukee's harbor, and freight tonnage.

TONNAGE

DOCK	2021	2020	FIVE YEAR 2017 - 2021	TEN YEAR 2012-2021
Municipal	1,804,973	2,148,200	1,964,527	2,045,525
Harbor	543,446	663,808	594,761	470,341
Total	2,348,419	2,812,008	2,559,288	2,515,866

Port Milwaukee was one of eight Great Lakes port authorities to be recognized for increasing its international tonnage during the 2020 navigation season.

14%

Increase in Port Milwaukee overall international tonnage transiting the St. Lawrence Seaway from 2019 to 2020.

82%

Increase in grain tonnage exported from Port Milwaukee via the Seaway from 2019 to 2020.

VESSEL COUNTS

	2020	2021
Barges	159	198
American/Canadian Lakers	160	175
Foreign	30	27
Cruise Ships	0	0
Total	349	400

REVENUES AND EXPENSES¹

	2020	2021 ²
Operating Revenues	\$5,136,721.26	\$4,713,416.53
Operating Expenses	\$4,356,231.59	\$4,337,194.33
Net Income (Loss)	\$780,489.67	\$376,222.20

FOREIGN TRADE ZONE 41

	2021
Businesses	7 active operators, 1 pending operator
Jobs Supported	7,062
Total Value of Shipments	\$13 billion²

Foreign Trade Zones (FTZs) are secured, designated locations around the United States in or near a U.S. Customs Port of Entry where foreign and domestic merchandise is generally considered to be in international commerce and outside of U.S. Customs territory. As a result, activated businesses in an FTZ can reduce or eliminate duties on imports and take advantage of other benefits to encourage foreign commerce within the United States.

3 NEW TENANTS AT THE PORT

MICHELS[®]

Existing Port tenant Michels Corporation signed a long-term lease in 2021 for an additional 17.4 acres at Port Milwaukee's Grand Trunk location. The site will be home to the energy and infrastructure contracting company's new Michels Marine business sector.



Marek Landscaping, operating as Perch Point, is a design/build ecological restoration business focusing on natural areas management, parks, trails, and waterfronts that now occupies 0.87 acres on the far south end of the Port.



The DeLong Co., Inc.

The DeLong Company's new \$35 million-plus agricultural maritime export terminal will handle exports of Wisconsin-grown agricultural products such as corn, soy, and dried distillers' grain with solubles.

¹Not including an additional \$1,679,185.42 in revenue from Milwaukee World Festival's long-term lease of the city-owned Henry Maier Festival Grounds

²Figures not yet final as of this printing

OUR PEOPLE, OUR COMMUNITY, AND OUR ENVIRONMENT



FEDNAV LIMITED SUSTAINABILITY PARTNERSHIP PLANTS TREES

Promoting environmental stewardship and community revitalization efforts are core priorities for Port Milwaukee and for Fednav Limited, one of the Port's shipping partners. Looking to find greener alternatives to traditional corporate giveaways at Green Marine's 2021 GreenTech conference, Fednav worked with Port staff to donate more than 100 trees throughout Milwaukee. Most of the trees were planted at Three Bridges Park in the nearby Menomonee River Valley, and a dozen trees were also planted on Port property.



MILWAUKEE ESTUARY CLEANUP PROJECT CONTINUES

City, state, and federal agencies, together with community organizations, continue to make progress on efforts to remove legacy contaminants from Milwaukee's rivers and harbor. Together with the Milwaukee Metropolitan Sewerage District and the Wisconsin Department of Natural Resources, Port Milwaukee is working on the design and construction of a facility to permanently store sediment dredged from the estuary. It is expected that the planned Jones Island facility will be able to accept 1.9 million cubic yards of sediment in the years ahead.

PROVIDING SAFE HARBOR FROM THE PANDEMIC

The COVID-19 pandemic continued to impact industry across the globe, and the Great Lakes maritime sector was no exception. Port Milwaukee was proud to do its part to combat the pandemic. Efforts in 2021 included:

- Coordinating regularly with the Milwaukee Health Department, the U.S. Centers for Disease Control, and U.S. Coast Guard to ensure that health and safety protocols were followed when receiving domestic and foreign vessels.
- Providing the U.S. flag vessel *Presque Isle* with a safe harbor for quarantining, disinfecting, and changing crews after several crew members on the 1,000-foot tug-barge tested positive for COVID in April.
- Working proactively with the Milwaukee Health Department to vaccinate vessel crews, including those onboard the foreign flag vessel *Maria G*, while she berthed at Port Milwaukee.
- Supporting Hospira, a Pfizer company and FTZ 41 operator, which stored life-saving medications and the first samples of the COVID-19 vaccine within their FTZ in Kenosha County while awaiting emergency use authorizations. The FTZ designation allowed the company to make medications available as soon as federal approvals were issued — saving time and lives in the process.





Port Milwaukee employees John Dermeyer, Jr. and Matthew Tillman were honored with Milwaukee Fire Department's Meritorious & Community Service Award for their role in the rescue.

PORT AND FMT EMPLOYEES ASSIST IN LAKE MICHIGAN RESCUE

On the afternoon of Tuesday, August 24, a *derecho*—a sudden and powerful rainstorm—began making its way toward Port Milwaukee, and a husband and wife sailing in the outer harbor soon found themselves in danger.

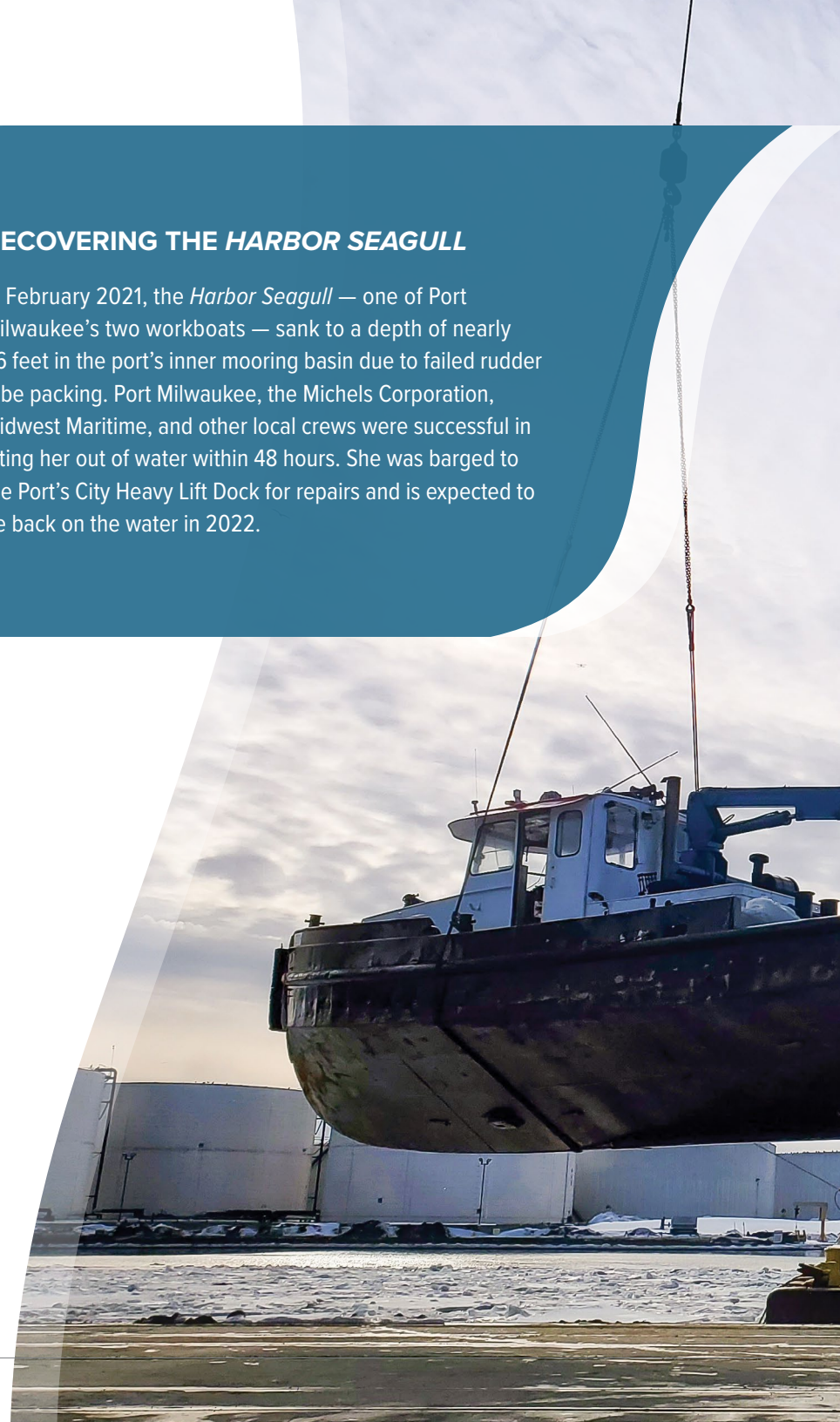
On Jones Island, Port Milwaukee employees John Dermeyer, Jr. and Matthew Tillman and staff from Federal Marine Terminals (FMT) noticed the sailboat in distress.

The storm soon pushed the woman and the boat towards Port Milwaukee's international terminals. As it slammed into the dockwall, John and Matthew were able to secure the vessel and FMT employees helped the woman to safety.

The Milwaukee Police Department (MPD) Harbor Patrol was able to rescue her husband soon after. Port Milwaukee is grateful to its staff, FMT, the U.S. Coast Guard, MPD, the Milwaukee Fire Department, and other community members for the coordinated response. It is thanks to them, their training, and their quick coordination that no lives were lost.

RECOVERING THE *HARBOR SEAGULL*

In February 2021, the *Harbor Seagull* — one of Port Milwaukee's two workboats — sank to a depth of nearly 26 feet in the port's inner mooring basin due to failed rudder tube packing. Port Milwaukee, the Michels Corporation, Midwest Maritime, and other local crews were successful in lifting her out of water within 48 hours. She was barged to the Port's City Heavy Lift Dock for repairs and is expected to be back on the water in 2022.





THREE LONG-TIME PORT EMPLOYEES RETIRE

With more than 127 years of knowledge and experience between them, Larry Sullivan, Wayne Johnson, and Donna Luty have had — and will continue to have — an immeasurable impact on Port Milwaukee.

LARRY SULLIVAN — 54 YEARS OF SERVICE

Chief Engineer

Larry spent his entire professional career in city service at Port Milwaukee. He began as a civil engineer, taking on more responsibilities over the years, until being appointed chief engineer in 1989. As a tribute to Larry's contributions, Port Milwaukee's new survey vessel was named in his honor by the Harbor Commission.

WAYNE JOHNSON — 42 YEARS OF SERVICE

Harbor Master

Wayne began his career with the city in 1979 as a bridge laborer for the Department of Public Works. He joined Port Milwaukee as a port maintenance technician in 2005. Wayne was appointed Harbor Master in 2010 serving as the Port's facilities, security, and operations officer until his retirement. As a tribute to Wayne's contributions, Port Milwaukee's newest crane was named "Big Wayne" by the Harbor Commission.

DONNA LUTY — 31 YEARS OF SERVICE

Administrative Assistant

For more than 30 years, port visitors were greeted and assisted by Donna Luty. As the port's administrative assistant since 1989, Donna served under four port directors.



Port Milwaukee's new survey vessel, the *Larry Sullivan*, is outfitted with sonar, an underwater drone, and an underwater camera system for inspecting port facilities.



Port Milwaukee is an economic entity of the City of Milwaukee government overseen by the seven-member Board of Harbor Commissioners, a panel appointed by the mayor and confirmed by the Common Council of Milwaukee. It administers operations on more than 400 acres that make up the port. It promotes shipping and commerce throughout the region by providing access to domestic and international vessels, rail, and over-the-road transportation.

BOARD OF HARBOR COMMISSIONERS

Timothy K. Hoelter – President	Claude J. Krawczyk
Ronald S. San Felippo – Vice President	Craig A. Mastantuono
Alderman Mark A. Borkowski	Kathleen M. Smith
Diane S. Diel	

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