



## 2019 ANNUAL REPORT



## A REMARKABLE YEAR



2019 will stand out in the history of Port Milwaukee as a year of success and reinvention.

In his first full year as Municipal Port Director, Adam Schlicht oversaw a significant increase in cargo tonnage that moved through Port Milwaukee. He also garnered a prestigious national award for the Port's marketing efforts.

At the same time, the Port focused considerable attention on the future. Major grants were landed to expand agricultural product exports in the coming years. Partnerships were built to advance environmental cleanup around the Port and upstream in Milwaukee's rivers. And, remarkable strides were made to increase cruise ship business at Port Milwaukee.

Infrastructure investments in 2019 position Port Milwaukee to continue providing high quality service to its tenants.

None of this would be possible without the excellent team in place at Port Milwaukee. The staff is experienced, knowledgeable, and professional. The Port's retiring Chief Engineer Larry Sullivan exemplifies those traits. Larry departs with our gratitude after more than 50 years of service to Port Milwaukee.

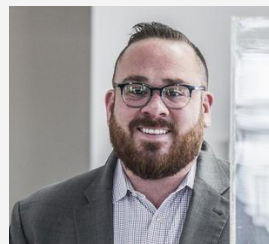
Our Port serves our economy, and as Port Milwaukee succeeds, employment in our city increases, businesses operate more efficiently, and a dividend is returned to city government's general fund.

I am proud of the Port's accomplishments and look forward to great things ahead.

**TOM BARRETT**  
Mayor of Milwaukee







Port Milwaukee is an economic asset in southeastern Wisconsin and an internationally recognized hub for multimodal transportation. In 2019, the Port's award-winning team of engineers, technicians, operators, economic developers and other professionals delivered on our promise to add value to commerce and culture in our region.

It has been an impressive year. Overall tonnage handled was up 24% at Port facilities and up 11% across Milwaukee Harbor in 2019. Port Milwaukee stands out as a Great Lakes port which remains open in the winter receiving dry bulk deliveries year-round.

In the coming year, the Port looks to diversify the cargo transiting its facilities with additional agribusiness exports, wind energy equipment, and international lumber imports. The Port will develop new commerce with Canadian ports in Quebec and other provinces, and international partners including the Port of Antwerp and Ports of Bremen.

Port Milwaukee is an increasingly attractive destination for Great Lakes cruise passengers. In 2019, the Pearl Mist became the first vessel to select Milwaukee as a turnaround homeport. Port Milwaukee also established the Milwaukee Cruise Collaborative, a network of local hospitality and logistics providers to promote cruise traffic.

We invite you to take advantage of all Port Milwaukee offers. More information is available online at [portmilwaukee.com](https://portmilwaukee.com) or upon request via email at [port@milwaukee.gov](mailto:port@milwaukee.gov).

**ADAM SCHLICHT**  
Director, Port Milwaukee



## CONTINUING SUCCESS



### SALT SHIPMENTS LEAD THE WAY

Salt shipment throughput at the Port in 2019 saw a 56% increase over 2018. The significant increase can be attributed in part to deliveries throughout January, February, and March 2019. Port Milwaukee's ability to maintain consistent winter shipments is a credit to its ongoing partnership with the U.S. Coast Guard, which provides needed icebreaking efforts in the Straits of Mackinac and across the Great Lakes. The Port also strategically identified efforts to increase its Great Lakes salt inventory due to shortfalls experienced during the 2018 winter season.

A portion of the increased salt delivery was imported from overseas markets in 2019, representing an emerging line of international business at Port Milwaukee. Over the last two years, Port Milwaukee tenants have increased coordination with markets outside North America and have handled needed salt from developing economies in Latin America and North Africa. Domestic and international salt was the most handled commodity at Port Milwaukee in 2019.

### FIRST-TIME LUMBER SHIPMENT

A first shipment of international lumber transited through Port Milwaukee in 2019, demonstrating a new opportunity for beneficial owners of cargo in Wisconsin and throughout the region. The lumber was previously delivered to Midwest markets after shipping through other Mid-Atlantic gateway ports.

Imported from Europe on a Royal Wagenborg vessel and using a supply chain via the Great Lakes directly through Milwaukee, the shipper realized cost savings by utilizing a more streamlined and less expensive means of transport.

In partnership with the binational HwyH2O marketing collective, Port Milwaukee coordinated with European lumber exporters and was able to effectively demonstrate its multimodal capabilities and expertise in import and export cargo handling. Port Milwaukee welcomes the opportunity to quote an array of diverse commodities for handling at its facilities. For more information, please visit [portmilwaukee.com](http://portmilwaukee.com) or email [port@milwaukee.gov](mailto:port@milwaukee.gov).





### **INTERMODAL CONTAINER SUMMIT HELD IN NOVEMBER 2019**

Sponsored by Wisconsin Manufacturers & Commerce (WMC), the Metropolitan Milwaukee Association of Commerce (MMAC) and Wisconsin Department of Transportation (WisDOT) organized the first Intermodal Summit for Southeastern Wisconsin on November 5, 2019. The Summit was part of the ongoing statewide effort to reinstate an intermodal container service in Wisconsin. Port Milwaukee was specifically highlighted as a potential container site in the Wisconsin Freight Advisory Committee's Overview of Intermodal Freight report, as released in March 2019 and available online now. Director Adam Schlicht represented Port Milwaukee as a featured panelist at the Summit, emphasizing the Port's ongoing coordination and operational modeling with the railroad industry, global liner services, drayage providers, and other intermodal operators.



# 2019 BY THE NUMBERS

## PORT MILWAUKEE VESSEL COUNTS: (PUBLIC AND PRIVATE DOCKS)

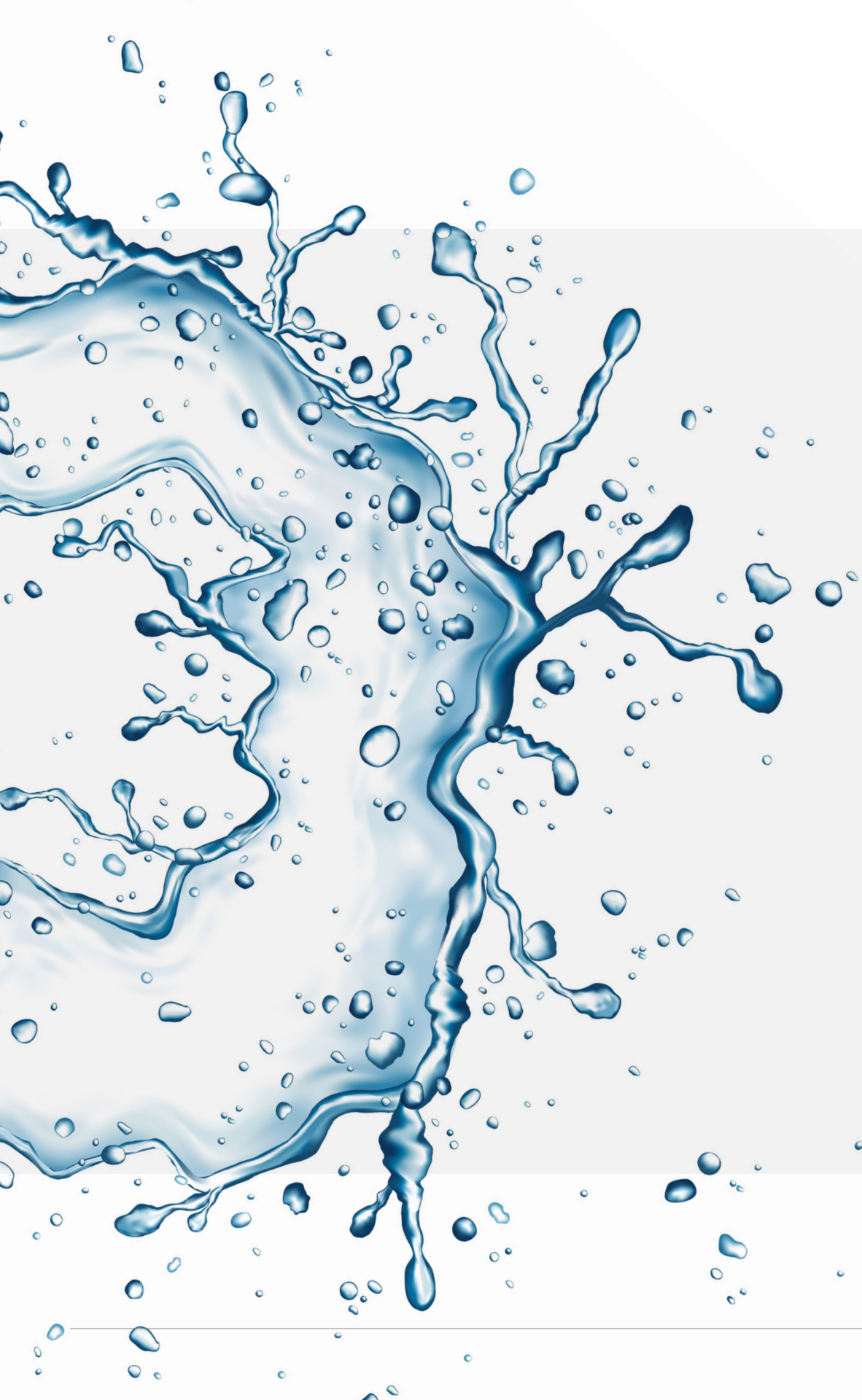
	2019	2018
American/Canadian Lakers	165	149
Foreign	32	43
Barges	67	52
Cruise Ships	10	4
<b>Total</b>	<b>274</b>	<b>248</b>

## PORT MILWAUKEE REVENUES AND EXPENSES:

	2019	2018
Operating Revenues*	\$4,608,768.79	\$4,753,949.00
Operating Expenses	\$3,866,519.78	\$4,265,888.25
Net Income (Loss)	\$742,249.01	\$488,060.75

\*Note: This does not include an additional \$1,549,000 in revenue for the City of Milwaukee in 2019 resulting from Milwaukee World Festival's long-term lease with Port Milwaukee for use of the City-owned Henry Maier Festival Grounds





**PORT MILWAUKEE WELCOMES NEW MARKET DEVELOPMENT MANAGER**

After a nationwide search in late 2019, Port Milwaukee welcomed Ms. Maria Magyar Cartier to its senior management team as Market Development Manager. As Port Milwaukee seeks to expand and diversify its domestic and international trade footprint, Ms. Cartier will lead the Port’s efforts to market the Port and the freight-handling capability of Port Milwaukee’s 20+ tenants to new customers and stakeholders worldwide. Maria’s creative and marketing efforts will comprehensively support Port Milwaukee’s multimodal, cruise ship, and commercial operations portfolio.

Maria comes to the Port with 20+ years in international marketing and, throughout her career prior to joining the Port, has demonstrated a capacity for implementing a variety of integrated and complementary marketing activities, including traditional, digital, and interactive approaches in the manufacturing space. Maria is fluent in German and conversational in French and Hungarian. Ms. Cartier is available to assist interested Port customers via email at [maria.cartier@milwaukee.gov](mailto:maria.cartier@milwaukee.gov) and via phone at 414-286-8134.

Ms. Cartier replaces Peter Hirthe, former Trade Development Representative at Port Milwaukee, who joined the U.S. Saint Lawrence Seaway Development Corporation (SLSDC)’s marketing team as its Great Lakes Regional Representative in 2019. Ms. Cartier and Mr. Hirthe will partner as part of the HwyH2O international marketing collective, jointly promoting the capabilities of Port Milwaukee and all U.S. and Canadian ports on the Great Lakes.

**PORT MILWAUKEE FINAL PORT TONNAGE SUMMARY (IN METRIC TONS)**

	2019	2018	Avg. 5 yr
Total Public Docks	2,182,810	1,753,828	1,919,905
Total Private Docks	485,814	637,833	633,023
Total Port Tonnage & Private Docks Waterborne Tonnage	2,668,624	2,391,661	2,458,088

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.



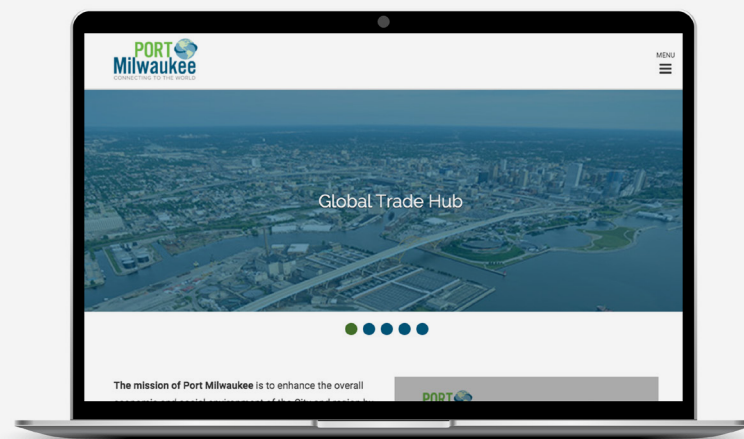
# 2019 HIGHLIGHTS



## NEW WEBSITE AND PORT VIDEO LAUNCHED

Increased marketing investments were approved by the Board of Harbor Commissioners to support two key initiatives executed by Port Milwaukee in 2019 – a relaunch of portmilwaukee.com and the creation of a digital whiteboard animation video. These two online mediums are key tools to increasing the local community’s awareness of the Port’s capabilities and reaffirming the economic significance of multimodal transportation in the region. Port Milwaukee has focused significantly on expanding its international marketing profile to attract new business and customers in recent years. Key enhancements to the website include:

- Implementing a responsive design for optimum viewing on all platforms (desktop, mobile, tablet);
- Developing a visually appealing design with intuitive navigation;
- Creation of an interactive property map for easy-to-find tenant locator; and
- Strengthened branding throughout the site.



## ANIMATION VIDEO

The video is a great tool for marketing activities including engaging with our online audience via social media, posting on the website and other relevant promotional activities. Key enhancements to the video include:

- Easy-to-understand visual presentation of Port Milwaukee’s operational capabilities;
- Creating awareness of the Port’s cruise vessel activity; and
- Education around recreational uses of Port Milwaukee owned land.





### **RECORD YEAR FOR CRUISING**

Milwaukee's Great Lakes cruise activity climbed dramatically almost overnight in 2019. From June to October, Milwaukee hosted 3 transit and 7 turnaround visits. This was the first year Milwaukee was selected as an international host of turnaround service in which Great Lakes passenger itineraries begin and end in Milwaukee. Over 3200 cruise passengers visited Milwaukee with many participating in pre- and post- cruise packages at Milwaukee-area restaurants, hotels, and cultural destinations. Cruising continues to be a strong vehicle for promoting the City of Milwaukee, the State of Wisconsin, and showcasing all that the Great Lakes region has to offer, while also providing a positive economic impact to businesses in the area. As proof of the premier experience Milwaukee has to offer passengers, new entrants into the Great Lakes cruising market are looking closely at Milwaukee as a turnaround of choice. With increasing frequency, cruise ship companies are looking at Milwaukee as an attractive destination. Port Milwaukee is dedicating its attention and resources to meeting the needs of the cruise industry, and there are indications our community will see additional benefits from this growing tourism sector.

### **AAPA 2019 OVERALL AWARD OF COMMUNICATIONS EXCELLENCE**

Port Milwaukee won top honors for marketing by the American Association of Port Authorities (AAPA) as the recipient of the 2019 Award for Overall Communications Excellence. This award recognizes and rewards strategic port communications through peer reviewed analyses of programs and projects and by showcasing best practices and lessons learned. Port Milwaukee was one of only three ports in the Western Hemisphere to receive the award in 2019, sharing the honor with the Port of San Diego and Port of New Orleans. Port Milwaukee's revamped website and animation video were major contributing factors to the Ports communications activities and recognition in 2019. A special presentation was held in October during the 108th AAPA Convention and Expo in Norfolk, VA.



# INTERNATIONAL TRADE HUB

## INFRASTRUCTURE INVESTMENTS

Port Milwaukee tenant U.S. Venture/U.S. Oil made significant safety-and operations-related enhancements to their leased property on Jones Island in 2019. Activities included demolition of an underutilized warehouse as well as completion of exterior upgrades to multiple liquid bulk tanks.

The Port continues to be successful in leveraging state funds for major capital improvements made available through the Port's partners at the Wisconsin Department of Transportation (WisDOT).

Work progresses on upgrading the at-grade railroad crossings throughout Jones Island. Funded through WisDOT's Freight Railroad Preservation Program (FRPP), the Port reconstructed six crossings in 2019, including all leading to the heavy lift dock and intermodal yard.

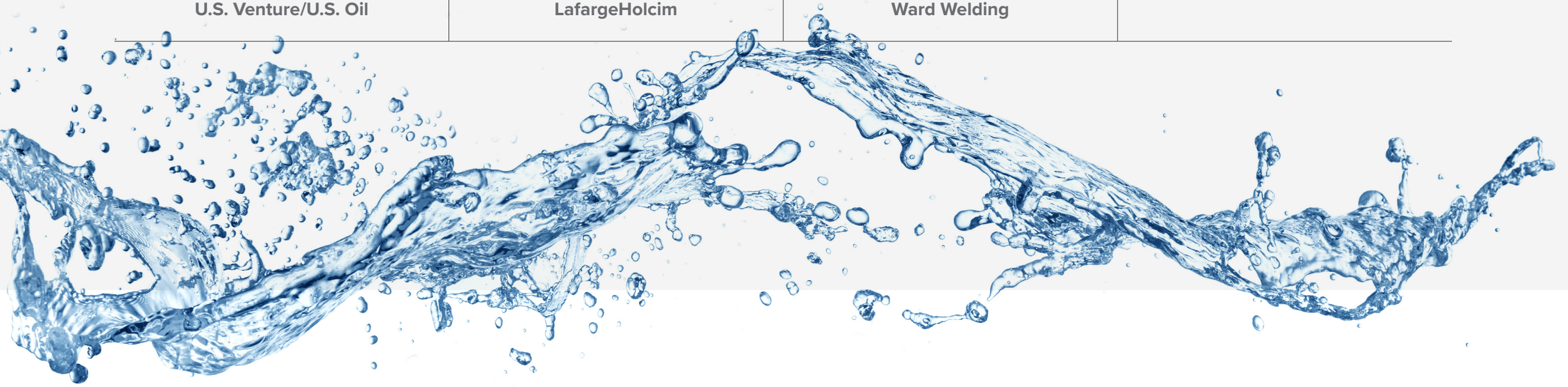
Also funded by the FRPP, work commenced on reconstructing approximately 10,000 track feet of rail within and leading to the intermodal yard. In late 2019, work began on interior improvements at the Lake Express Ferry Terminal building. This project is being funded through a WisDOT Harbor Assistance Program (HAP) grant, and is anticipated to be completed in early 2020.

Additional investments in Port infrastructure during 2019 included new safety curbing at the Liquid Cargo Pier, and additional fenders and ladders at the Terminal 1 dock. In conjunction with Milwaukee Water Works, the Port also upgraded several components of the Jones Island water distribution system.



PORT MILWAUKEE TENNANTS & PARTNERS

Canadian Pacific	Cargill Salt, Inc.	Compass Minerals	Discovery World
Federal Marine Terminals	Great Lakes Towing	Harbor House Restaurant	Kinder Morgan
Kompost Kids	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	Ward Welding	





## MILESTONES



### RIVER CLEAN-UP

After the spring thaw and following heavy rains, debris in the Milwaukee River becomes visible and requires seasonal clean-up, and Port operations crews continue to provide community assistance each year. Working in tandem with the Milwaukee Metropolitan Sewerage District (MMSD) team aboard the Lynyrd Skymmr, Port Milwaukee Operations Team provides ongoing assistance in removing all larger debris build up across Milwaukee's river system.

Increasing amounts of natural debris have been witnessed on Milwaukee's rivers in recent years, particularly following the demolition of the Estabrook Dam. Aboard Port Milwaukee's working tugboat, the Joey D, Port operations crews can remove logjams and assist with bridge clearance.

In a typical year, Port Milwaukee provides river clean-up assistance to the community 10-15 times annually, helping to beautify and make Milwaukee's river system safe to navigate for recreational use. 2019 was no exception.





### **MILESTONE CELEBRATIONS**

Two of Port Milwaukee's tenants celebrated major milestone anniversaries in 2019.

Congratulations to Lake Express celebrating its 15th year in operation! Lake Express was the first high-speed auto and passenger ferry on Lake Michigan and in the United States. Lake Express made their first run from Port Milwaukee to Port Muskegon, Michigan, on June 1, 2004. Offering 4 daily trips every spring and 6 daily trips throughout the summer, the Lake Express high-speed ferry continues to offer a quick and convenient way for travel across Lake Michigan.

Port Milwaukee also extends its congratulations to Fednav, parent company of Port Milwaukee tenant Federal Marine Terminals (FMT), which celebrated its 75th year in business in 2019! Thanks to Fednav and Federal Marine Terminals (FMT) for decades of service and commercial sailing to Port Milwaukee!

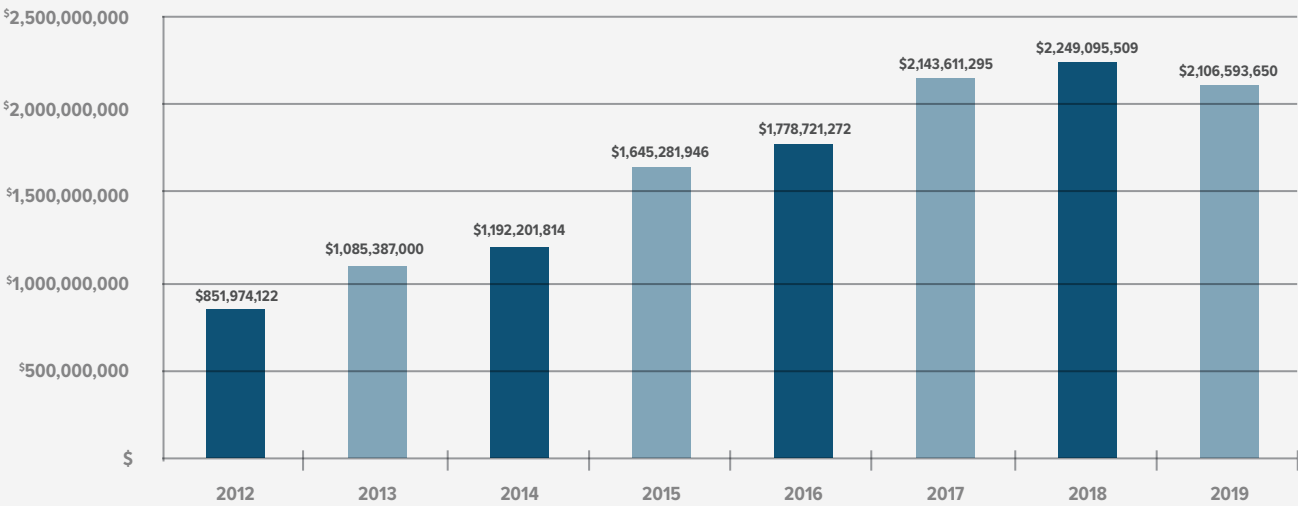


# FOREIGN TRADE ZONE NO. 41

As Grantee of Foreign Trade Zone (FTZ) No. 41 for Southeastern Wisconsin, Port Milwaukee continues to promote the benefits and cost savings potential across the region when utilizing the FTZ for manufacturing and distribution purposes. Used as a way to control costs of imported goods, Foreign Trade Zones increase the competitiveness of local manufacturers and distributors via the deferral, reduction, or total elimination of tariffs. This provides the benefits of increased cash flow and inventory management optimization for Zone Operators in the Southeastern Wisconsin region.

Compared to 2018, FTZ No. 41 saw a 1.65% decline in the total value of shipments recorded. This fluctuation was expected as a reflection of the market’s volatility, and the FTZ program remains a valuable tool towards mitigating those effects while remaining competitive in a global economy.

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







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