

# ***Annual Report 2012***



## ***Port of Green Bay***

### ***Brown County Port & Solid Waste Department***



## I. Message from Director

Fourteen Port businesses span over three miles of the Fox River. These businesses moved **1,917,651 metric tons during 2012, representing an 11% decrease from 2011 numbers.** The season started off positive, but trailed off in the second half of 2012.

Major positive contributors to the 2012 season included increases in domestic imports of cement (10%) and the increase (4%) in the overall movement of petroleum products by U.S. Venture. This new market has contributed to diversifying port cargo and meeting the goals of the Harbor Commission's 2010 Strategic Plan. The major negative contributors to the 2012 season include the past few mild winters have lowered the demand for road salt resulting in a 40% decrease of salt shipments. Another factor is the current low cost of natural gas. The price of natural gas is affecting utility and industrial energy decisions, which are impacting on coal shipments. The Port's historic largest commodity has been coal. In the past, more than 1 million tons of coal has moved through the Port. This past year, limestone surpassed coal as the largest commodity moved. The Port saw a decline (11%) in coal this year and the forecast for 2013 coal shipments is for further declines in this commodity.

The Port also saw a decrease (10%) in the number of vessels that came through the port. There were 170 vessels in port in 2012, compared to 188 in 2011.

The Port closed December 21, 2012, but work is already underway for the 2013 season. Early forecasts show that commodities like limestone, cement and petroleum products are expected to increase in 2013.

The Port of Green Bay is the western-most port of Lake Michigan offering the shortest, most direct route for shipments between the Midwest and the rest of the world. The Port provides modern, state-of-the-art facilities, which have the ability to facilitate economical cargo handling and safe navigation. Nationally-known trucking lines provide overnight delivery within a 400-mile radius. Major railroads and highway infrastructure also connect the Port with America's heartland.

The Port of Green Bay is a fundamental part of our local economy, our history and our lives. It plays an important role in the transportation of goods and commodities that are critical to the economic health of the region. The Port of Green Bay receives and/or sends commodities as far south as Sheboygan, Wisconsin, west to Wausau, Wisconsin, and north into the Upper Peninsula of Michigan. Waterborne transportation provides an efficient and environmentally-friendly mode of transportation.

Commodities include coal, limestone, cement, salt, pig iron, fuel oil, forest products, liquid asphalt and many other essential commodities valued at over \$300 million. Eight terminal operators located on the Fox River are capable of handling dry bulk commodities such as coal, cement, limestone, salt, and others. Four terminal operators are capable of handling bulk liquids including tallow, petroleum products, chemicals and liquid asphalt. Two general cargo docks are capable of handling machinery, bagged agricultural commodities, wood pulp and forest products. **The Port of Green Bay supports over 832 jobs resulting in \$27 million in**



**personal income, and has an annual economic impact on the Green Bay area of around \$88 million. The 14 port businesses pay over \$5 million in local and state taxes.**

The Port of Green Bay plays a vital role in providing Northeast Wisconsin with a natural competitive advantage for businesses to locate and prosper while paying good wages for families to live and thrive in our communities.

Based on the 2012 results, I am looking forward to 2013 as the shipping industry continues to be the most cost-effective method of transportation for commodities. The Port generates employment opportunities for the region and brings money into our communities. The Port is a vital component to our area economy and an economic engine not found in many communities. We want to capitalize on that and extend the Port's reach to new markets in Northeast Wisconsin in 2013.

## **II. Overview: Management**

The Port is operated by the Brown County Port & Solid Waste Department. The Port's mission is to promote harbor improvements and waterborne transportation resulting in economic development and employment using the safe, efficient and cost-effective waterways as transportation corridors while taking into consideration the recreational opportunities the waterfront provides.

The nine members of the Harbor Commission are appointed by the Brown County Executive and serve as an oversight committee of the Brown County Board. The Harbor Commission's role is to develop public policy for the Port. The Harbor Commission directs the commercial aspects of the harbor's day-to-day operations.

Mission Statement: "The Port of Green Bay exists to enhance the prosperity of the people of Northeast Wisconsin by providing facilities and infrastructure able to effectively and efficiently move commodities and goods across the nation".

Vision: "The Port of Green Bay is an integral part of a healthy Northeastern Wisconsin economy and provides a critical link to national and global markets for Wisconsin enterprises".

## **III. Port and the Environment**

Waterborne transportation is the most cost-effective mode of transportation when compared to truck or rail. Per ton-mile, ships quietly move cargo farther and more efficiently than trucks or trains. Most importantly, ships move cargo safer than trucks and trains.

Consider that a ship destined for the Port of Green Bay carrying 18,000 tons of coal from Sandusky, Ohio on Lake Erie will burn over 7,000 gallons of fuel. However, if that same amount of coal was delivered to Green Bay by rail, it would take almost 200 rail cars burning 36,000 gallons of fuel. If that same amount of coal was delivered to Green Bay by truck, an additional 700 trucks burning over 110,000 gallons of fuel would be on our already congested highways. Not only does waterborne shipping save fuel, but it also results in less pollution from fuel emissions. Using the coal example above, moving the same amount of cargo by rail would result in 11 tons of emissions or 16 tons of emissions by truck. Transporting this cargo by ship



would result in only one ton of emissions. With over 200 ships entering the Port of Green Bay annually, it is quite easy to see that moving cargo by ship is the “green” choice.

Waterborne transportation generates the least amount of air pollution, ground pollution, and water pollution. Waterborne transportation offers lower fuel consumption, fewer accidents, less noise and reduces congestion on our highways. For these reasons, the Port of Green Bay has a bright future not only economically, but environmentally, benefiting everyone.

#### **IV. Economic Impact**

The Port of Green Bay is a critical link in Wisconsin’s transportation system and serves as a multi-modal distribution center connecting waterborne vessels with an extensive network of highways and railroads. The Port of Green Bay provides Northeast Wisconsin manufacturers a cost-effective way to receive raw materials from suppliers and to ship high-valued finished goods to customers.

The Port of Green Bay had an economic impact of more than \$83 million in 2010, supporting 823 local jobs. The report found that port activities produced an estimated \$26 million in income, \$802,000 in state taxes, \$890,000 in local taxes and provided an estimated \$40 million in gross state product. The shipping industry continues to be the most cost-effective method of transportation for commodities, generating employment opportunities for the region and bringing money into our communities.

The economy has been a challenge for all types of businesses and the port is no exception. We are confident that business will increase as the economy recovers, keeping the Port a vital component of our area economy. In addition, our strategic plan outlines new ideas and ways we can expand our reach beyond our existing markets to increase business in Northeast Wisconsin.

#### **V. 2012 Accomplishments**

The following list represents some of the Port’s major accomplishments in 2012.

- *Cat Island Restoration Project*  
The Port continued to advance this project. During 2012, the Port used a \$1.5 million grant from the US Environmental Protection Agency’s (EPA) Great Lakes Restoration Initiative (GLRI) to construct the first nearly 4,000 feet of access road and wave barrier of the Cat Island Restoration Project. The County also entered into a Cooperative Partnership Agreement with the U.S. Army Corps of Engineers. The Agreement spelled out our roles and cost share responsibilities to fully construct the project. The Corps’ portion of construction began in late 2012, and will continue well into 2013. The islands will then be filled by the US Army Corps of Engineers using clean dredge material from the maintenance of the Green Bay Harbor over the next 20-30 years. The project is under budget and being completed more quickly than originally estimated. The total project cost is currently estimated to be \$17,851,922, which is significantly lower than the original \$34 million project estimate. Brown County will provide 35 % or \$6,248,172, a portion of which is the stone for the project, as a way to meet its cost share.



- Renard Island  
The Port advanced closure activities by agreeing to forego Bay Port tipping fees in exchange for the U.S. Army Corps of Engineers emptying dry dredged material from cell 5 and placing it on Renard Island. This work will result in the excavation and hauling of 125,000 cy of dredged material and placement on Renard Island as part of the closure activities with no fiscal impact to the Bay Port Facility. This work began in January 2013.

The Port requested and received Corps approval for any un-used Cat Island project funds to be redirected to advance and potentially complete the Renard Island closure requirements.

- 1445 Bylsby Avenue  
The Port received all necessary permits and approvals to improve the property. The property was substantially filled using old concrete from a runway improvement project at the airport. A stormwater management plan was designed and will be constructed as part of the eventual port development of the site. Staff has been working with two interested parties.
- Beneficial Reuse  
The Port continues to invest in beneficial reuse of dredge material. Brown County received WDNR approval for beneficial reuse of dredge material with a variety of protocols to meet in different applications. The Port invested significant resources into efforts to incorporate dredge material into the Hwy 41 reconstruction project. During 2012, direct outreach and education was done with all potential WI Department of Transportation contractors. A UW-Green Bay student was hired to develop a research paper on beneficial reuse of dredged material.
- Website  
The Port's website [www.portofgreenbay.com](http://www.portofgreenbay.com) was updated with improved content management software for in-house updates.

## VI. 2013 Goals

- Department Reorganization  
Reorganize and rename the Department and creating a more flexible, cross trained, and responsive team to meet the Port and Solid Waste management needs for the future.
- Cat Island Restoration Project  
The Port will continue to advance this project. During 2013, the County will work with the Corps to complete the remainder of the wave barrier and side dikes for the three islands. The County will work with WisDOT to look for ways to use the awarded HAP grant to fully meet its cost share obligations. A Cat Island Operations and Maintenance Plan will be created by the Port and the Cat Island Advisory Council.

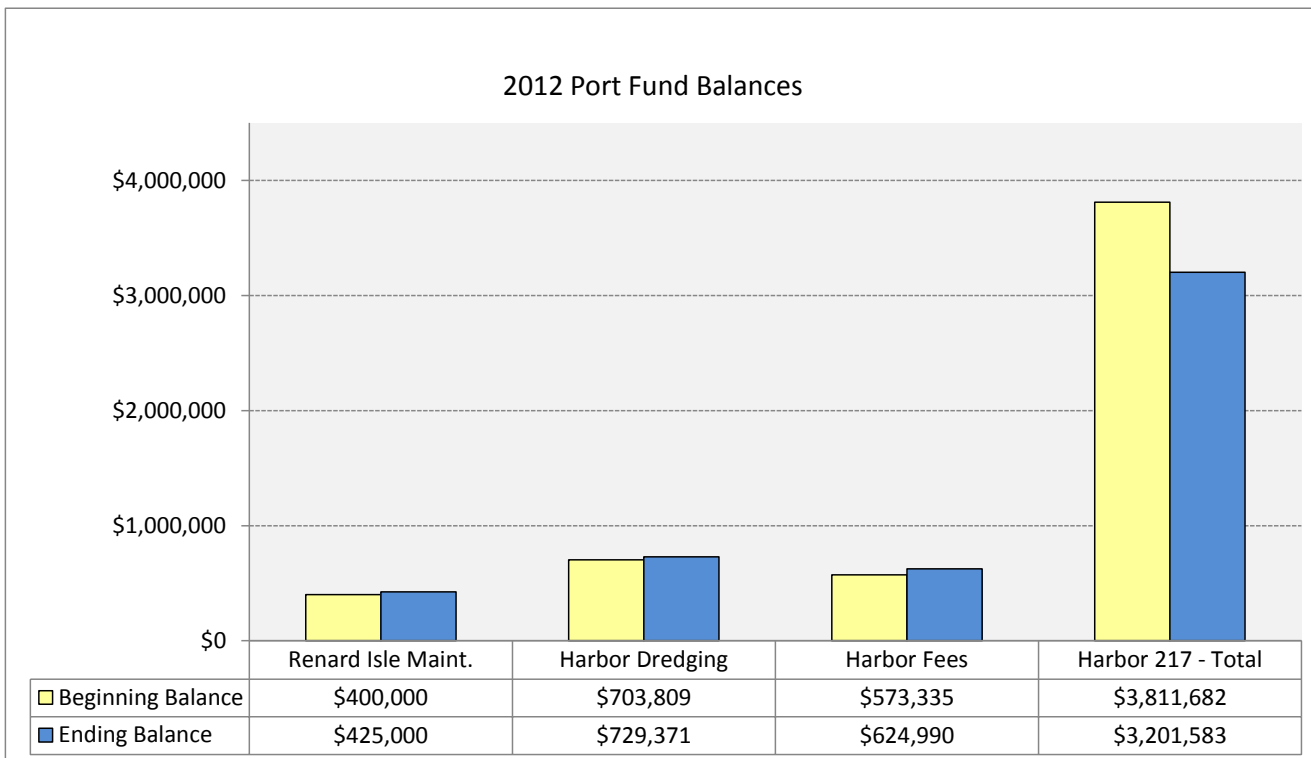


- Renard Island  
The Port requested and received Corps approval for any un-used Cat Island project funds to be redirected to advance and potentially complete the Renard Island closure requirements. The anticipated remaining cost are estimated at \$3M to move the DNR approved 172,000 cy of final cover material from cell 7 at Bay Port. This work will likely be started and completed over the winter of 2013/14. Upon negotiating Corps closure activities, the Port will request an extension of DNR imposed June 2013 closure date.
- Advance Port/Rail Intermodal Ramp  
Advance the Port/Rail Intermodal Economic Development white paper recommendations upon its release in February 2013.
- 1445 Bylsby Avenue  
The Port will pursue interested parties to lease the property for port-related purposes.
- WPCA Visioning Document  
Lead Wisconsin Commercial Ports Association in a collaborative and partnership effort with the Wisconsin Economic Development Corporation, WDOA-Coastal Management Program, WI Dept. of Transportation, CFIRE, Great Lakes Maritime Research Institute and all Wisconsin Commercial Ports to financially or in-kind create a vision document to ensure the Ports of Wisconsin meet our transportation needs for the next 20 years.
- Beneficial Reuse  
Outreach and educational efforts will continue with the WI Department of Transportation and their contractors. Staff will present at a national conference for the WI Department of Transportation Engineers on our beneficial reuse efforts. The UW-Green Bay graduate student intern has set his master's degree thesis on developing a business case for advancing beneficial reuse of dredge material.
- Public Relations Plan  
Solicit a Request for Proposal (RFP) and retain a Public Relations firm to advance the public awareness campaign to keep the community, opinion leaders and elected officials informed and engaged in the Port. In addition, conduct outreach to potential businesses and industries to increase awareness of advantages and business opportunities available in the Port of Green Bay.





## VI. 2012 Financial Highlights



# Brown County Port and Solid Waste Department Port Area Budget Status Report 12/31/2012

Account Descriptions	Annual Budget	Year End Actual	% of Budget
<b>Expense</b>			
Personnel	\$ 85,495	\$ 18,748	22%
Fringe Benefits	\$ 29,065	\$ 4,256	15%
Operations & Maintenance	\$ 5,584,780	\$ 1,810,790	32%
Utilities	\$ 3,036	\$ 2,678	88%
Contracted Services	\$ 5,757,239	\$ 1,717,688	30%
Chargebacks	\$ 32,620	\$ 37,977	116%
Maintenance	\$ 25,000	\$ 25,000	100%
Transfer Out	\$ 1,105,965	\$ 70,747	6%
Depreciation	\$ 213,888	\$ 196,064	92%
<b>Revenue</b>			
Federal & State Grants	\$ 9,718,800	\$ 2,127,541	22%
Public Charges	\$ 1,190,719	\$ 277,662	23%
Miscellaneous Revenue	\$ -	\$ 596	
Rent	\$ 10,560	\$ 10,560	100%
Interest	\$ 20,737	\$ 17,962	87%
Transfer In	\$ 1,085,193	\$ 68,989	6%

**HIGHLIGHTS:**

Expenses: O&M, Contracted Services and Transfer Out are lower due to the late year start of the Cat Island project. Personnel expense are lower due to vacancies.

Revenues: Federal & State Grants are lower due to late Cat Island project start up. Funds carried forward. Public charges revenue has been reduced and redirected for Renard Island closure activities.

Revenues and Expenses are current as of 1/31/13 and are unaudited.

## PORT AREA - December 31, 2012

