

# *Annual Report 2014*



## *Port of Green Bay*

*Brown County Port & Resource Recovery Department*



## I. Message from Director

This past year of 2014 was another year of change for the Brown County Port & Resource Recovery Department. The Department reorganized and assumed a new identity as the Brown County Port & Resource Recovery Department. The name change better reflects the actual business activities of the Department. The reorganized Department is designed to better pursue growth opportunities and will allow both employee development and increased strategic business development while providing cross training and improved teamwork.

Fourteen Port businesses span over three miles of the Fox River. These businesses moved **2,304,837 metric tons during 2014, representing a 3% increase from 2013. This is the highest port tonnage total since 2007.** The season started off under heavy ice conditions that resulted in no port activities until mid-April; however, over the remaining shipping season, the Port became very busy and the shipping season extended into early January 2015.

Major positive contributors to the 2014 season included increases in domestic imports of U.S. petroleum coke (130%), salt (30%) and limestone (5%). In 2014, limestone surpassed 700,000 mt for the second consecutive year. Overall domestic imports were up 2%. Foreign imports of coal, petroleum products, salt, and limestone were down 10%, with the only increase occurring in project cargo. The project cargo was the delivery of a 180 ton natural gas boiler for Georgia-Pacific. Overall, petroleum products' movements both inbound and outbound continued to be a year over year area of growth with 2014 growing 46%. Domestic exports increased 111% with increases in petroleum products, pig iron, sand, and project cargo. The project cargo was activity from our newest terminal operator Ace Marine. Ace Marine began moving aluminum components to Marinette Marine shipyard in 2014. In addition, the export of sand was also a new cargo movement by KK Logistics.

The Port also saw a resulting increase of 4% in the number of vessels that came through the port. There were 191 vessels in port in 2014, compared to 183 in 2013.

The Port closed January 3, 2015, but work is already underway for the 2015 season. Early forecasts show that commodities like limestone, cement and petroleum products are expected to increase in 2015. At the same time, the Georgia-Pacific natural gas boiler delivered in 2014 will result in increased use of natural gas rather than traditional coal. The port will again strive to move more than 2M mts of cargo in the upcoming season.

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. Three terminal operators are capable of handling bulk liquids including tallow, petroleum products, chemicals and liquid asphalt. Three general cargo docks are capable of handling machinery, aluminum products, bagged agricultural commodities, wood pulp and forest products. Based on the 2010 economic impact study, **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 2014 results, I am looking forward to 2015 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 of our area economy and an economic engine not found in many communities. We want to capitalize on that and expand the movements of diverse cargo with the US Venture (formerly Noble Petrol) facility and extend the Port's reach to new markets in Northeast Wisconsin in 2014.

## II. Overview: Management

The Port is operated by the Brown County Port & Resource Recovery 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.

The 2010 *Port of Green Bay Strategic Plan* continues to serve as a long range guiding document that identified strategic issues to address, and established goals and objectives to strive towards. Annually, an operating report is adopted to ensure the strategic plan goals and objectives are being strived for. The following is the mission statement and vision for the Port of Green Bay:

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 (1) ton of emissions. With nearly 200 ships entering the Port of Green Bay annually, it is quite easy to see that moving cargo by ship continues to be 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 also 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 according to a 2010 report on the economic impact of the Port that 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.



The good news is the economy is recovering and the Port serves as a leading indicator of economic activity. The Port is a vital component of our area economy and the 2015 shipping season looks bright. 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. 2014 Goals & Accomplishments

- Coordinate with Fox River PCB clean-up project  
Coordinate and cooperate with Fox River Clean-up Project for uninterrupted operations of the Port of Green Bay while advocating for dredging rather than capping to ensure the future of the Port of Green Bay.
  - Partner with Chamber of Commerce
  - Educate property owners of their property rights
  - Cooperate with the Project
  - Coordinate port operations
  - Hold meetings with property owners
  - Invite Project presentation at the Port Symposium

- Cat Island Restoration Project  
**Complete:** Brown County and the Corps completed the dredging of the off-loading facility in September of 2014. About 400,000 cy of dredged material has already been placed in the West Island. This west island was named McKloskey Island after Neil McKloskey. A Cat Island Advisory Committee (CIAC) Plan and a revised Project Partnership Agreement was finalized. Lineville Road was resurfaced in November 2014.

**In-Progress:** The Corps will place signage along the Cat Island Chain in early 2015.

**Deferred:** Brown County will coordinate the Corps invoicing and maximize HAP grant reimbursement. This will be done in 2015 after the reconstruction of Lineville Road.

- Renard Island  
**Complete:** A final engineered cap was put on Renard Island from beneficial repurposed Bay Port dredged material. Costs and permit requirements were determined for Brown County to assume causeway ownership. The County Board had approved ownership transfer from the Corps to Brown County which will take place in 2015. The causeway was approved as a permanent structure and an engineering analysis was completed in October 2014 for end-use structures. A box culvert was installed in the fall of 2014.

**In-Progress:** A fish reef and fish habitat structures will be completed in the winter of 2015 and an easement needs to be executed for future access to the island beyond the existing 10-year easement.

- 1445 Bylsby Avenue  
**Complete:** The Port will continue to pursue interested parties to lease the property for port-related purposes. A Web-based marketing effort was implemented.

- WPCA Visioning Document  
**Complete:** The Port will continue to lead the Wisconsin Commercial Ports Association in a collaborative and partnership effort with the Wisconsin Economic Development Corporation (WEDC), Wisconsin Coastal Management Program (WCMP), WI Department of Transportation (WisDOT), Center for Freight & Infrastructure Research & Education (CFIRE), Great Lakes Maritime Research Institute (GLMRI) and all of the Wisconsin Commercial Ports to create the visioning document necessary to ensure the Ports of Wisconsin meet our transportation needs for the next 20 years. Phase I was completed in November 2014. Phase II will begin in summer of 2015.
- Beneficial Reuse  
**Delayed:** The Port will continue marketing, outreach and educational efforts in pursuit of beneficial reuse of dredged materials. The UW-Green Bay graduate student master's degree thesis on developing a business case for advancing beneficial reuse of dredged material will be completed in May 2014.
- Research Aluminum  
**Complete:** The Port researched the development of market opportunities for the transport of aluminum. The Port will determine if any smelters of aluminum exist in Wisconsin and then identify users of aluminum, such as: Mercury Marine, Ace Marine, Polaris Industries and others. Based on the research, the Port of Green Bay may become a destination for aluminum ingots destined for Wisconsin manufacturers.
- Noble Petro  
**Deferred:** Assist Noble Petro in utilizing the \$4.6M HAP grant to reconstruct the mooring facility into a more permanent dockwall facility using steel sheet pile. The project will also involve installing a vapor combustor unit for the loading and unloading of petroleum products. Noble Petro was purchased by US Venture and they may not utilize the grant award. Need to assign a dockwall lease agreement in 2015.
- Exhibit the Port of Green Bay and Foreign Trade Zone #167 at trade show(s)  
**Complete:** The Port of Green Bay was present at Breakbulk America, Houston, Texas and WI Economic Development Conference, Madison, Wisconsin.
- Disseminate the Port of Green Bay Economic Opportunity Study  
**Complete:** The Port disseminated the *Port of Green Bay Economic Opportunity Study* to key stakeholders in the port industry, economic development and elected officials. In addition, the Port utilized the study to economically develop the port by mail, in-person and at trade shows.
- Coordinate Meetings with Freight Forwarders and Ship Agents  
**Complete:** The Port coordinated meetings with freight forwarders and ship agents to educate the professionals on utilizing the Port of Green Bay in Chicago, IL.

## VI. 2015 Goals

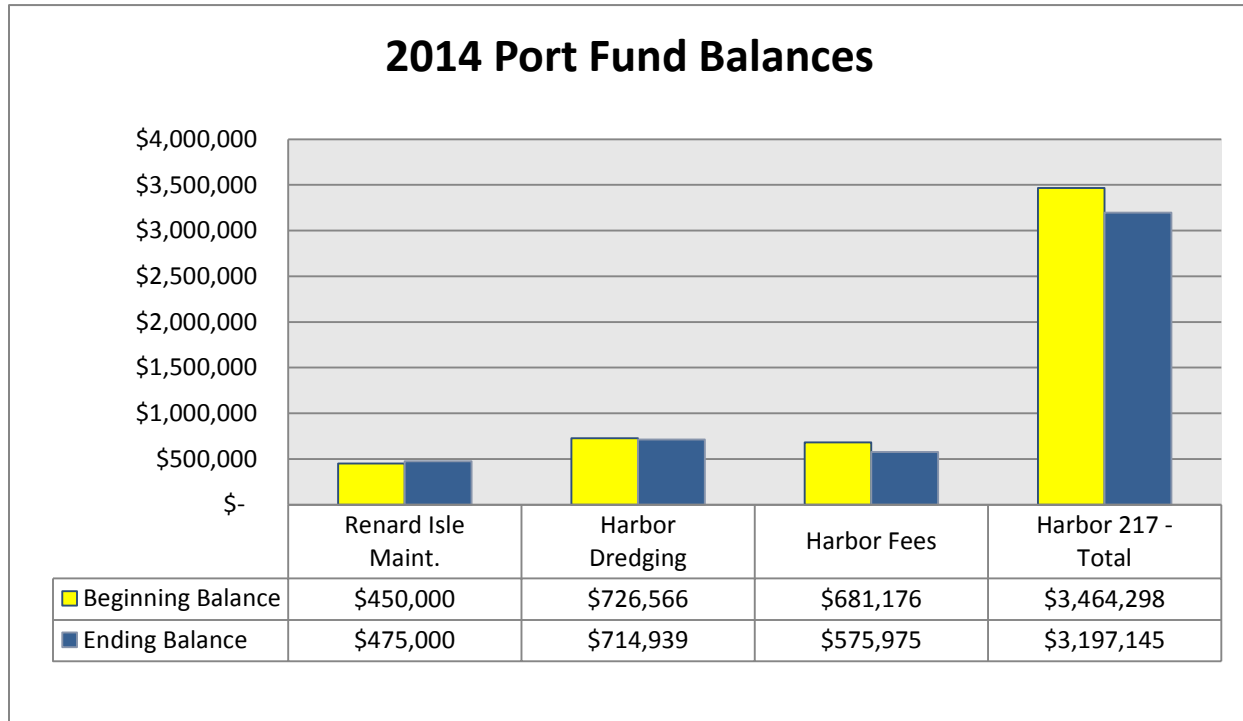
The following list represents some of the Port's major accomplishments in 2015.

- Adopt 2015 Port Strategic Plan
- Fox River PCB clean-up project

Coordinate and cooperate with Fox River Clean-up Project ensuring uninterrupted operations of the Port of Green Bay while advocating for dredging rather than capping.

- Educate property owners of their property rights
  - Cooperate with the project
  - Coordinate port operations
  - Invite Project presentation at Port Symposium
- Cat Island Restoration Project  
Project close out. The County will continue to work with WisDOT to look for ways to use the awarded HAP grant to fully meet its cost share obligations with a focus on the Corps 10% cash match requirement over 30-years.
  - Research Fertilizer  
Research WI fertilizer industry/users and evaluate importing fertilizer into the Port of Green Bay.
  - Renard Island  
Complete Closure Reports  
Advance End-Use Plans.  
Transfer Ownership
  - Advance Port/Rail/Truck Intermodal Effort  
Facilitate research, making contacts, outreach and educational efforts.
  - Market Bylsby Property for Port related purposes
  - Complete Phase 2 of the WPCA Visioning Document
  - Develop Property Acquisition Strategy
  - Dredge I-43 Area Over West Shore Pipeline

## VII. 2014 Financial Highlights



These are unaudited fund balances. 2014 Financials will not be finalized until March.





# Brown County Port & Resource Recovery Department

## Port Area Budget Status Report

### December 31, 2014

Account Descriptions	Annual Budget	YTD Actual	% of Budget
<b>Expense</b>			
Personnel	\$ 82,343	\$ 73,427	89%
Fringe Benefits	\$ 30,893	\$ 22,626	73%
Operations & Maintenance	\$ 813,089	\$ 400,394	49%
Utilities	\$ 5,000	\$ 2,678	54%
Contracted Services	\$ 1,381,801	\$ 148,274	11%
Chargebacks	\$ 315,311	\$ 43,195	14%
Maintenance	\$ 25,000	\$ 25,000	100%
Transfer Out	\$ 513,908	\$ 214,664	42%
Depreciation	\$ 213,888	\$ 201,151	94%
<b>Revenue</b>			
Federal & State Grants	\$ 1,237,396	\$ (156,557)	-13%
Public Charges	\$ 216,016	\$ 150,992	70%
Miscellaneous Revenue	\$ 1,421	\$ 737	52%
Rent	\$ 10,800	\$ 11,163	103%
Interest	\$ 92,000	\$ 110,969	121%
Transfer In	\$ 1,948,640	\$ 194,245	10%

**HIGHLIGHTS:**

**Expenses:** Contracted Services and Transfer Out budget intended for the Cat Island project. Off-loading facility dredging completed. Project close out deferred to 2015. Lineville Road work will be done by the Corps and not by Public Works under chargebacks. All other expense categories are on target with Operations and Maintenance under budget related to Bay Port material management.

**Revenues:** Transfer In and Federal Grants intended to fund County portion of the Cat Island off-loading facility dredging and Lineville Road work. Project close out deferred to 2015.

### PORT AREA - December 31, 2014

