

PORT OF GREEN BAY

2016 Annual Report

Message from the Director

The Harbor Commission and staff adopted a new strategic plan for the Port of Green Bay in 2015. The strategic plan identifies strengths, weaknesses, opportunities and threats and assembles them into strategic themes. From there the strategic plan identifies a few primary goals and a number of objectives to reach the agreed upon goals over the next five (5) years. This annual report identifies work items and deliverables reflected in the strategic plan.

The Port of Green Bay consists of fourteen (14) Port businesses spanning over three miles of the Fox River. These businesses moved **1,812,143 metric tons (mt) during 2016, representing a 9 percent decrease from 2015.** The tonnage is near the **2 million mark, which is considered a good season and indicates the economy in Northeastern Wisconsin remains strong.** The 2016 season started off March 21st, 13 days earlier than the 2015 shipping season due to a mild winter. With a final shipment of cement on January 7, the 2016 shipping season for the [Port of Green Bay](#) came to an official end six days later on January 13.


Major positive contributors to the 2016 season included increases in domestic imports of petroleum products (1,421 percent) and U.S. salt (40 percent). The incredible change in petroleum product imports is a result of the closure of a petroleum pipeline serving Northeast Wisconsin. The Port also saw the number of vessels increase by one percent to a total of 158, due to smaller capacity vessels carrying petroleum products. The increase in salt was the result of a shift from salt mines in Canada to the United States.

The 2016 season saw a 1,421 percent increase in domestic imports of petroleum products.

All other domestic and foreign import and export commodities experienced declines that resulted in a four percent decrease in domestic imports, a 50 percent decrease in domestic exports, a 13 percent drop in foreign imports and a 24 percent decrease in foreign exports.

The most significant change affecting those decreases as well as the increase in domestic imports of petroleum products can be attributed to the petroleum pipeline closure. Prior to the closure, US Venture exported diesel, gasoline and ethanol to other markets. With the closure of the pipeline, the exports flipped to imports to meet the demand for petroleum products. Though the need for petroleum products resulted in consideration of keeping the Port's navigation channel open all winter, a lack of available petroleum products caused the Port to close in January. If the pipeline continues to stay closed, the Port will likely play a significant role in the movement of petroleum products, and this role may include staying open all year for the first time in its history.

Looking to the 2017 shipping season, we expect an increase in limestone and petroleum products with a decrease in coal and cement due to continued low cost natural gas and completion of the Interstate 41 project. Based on the 2016 results, I am looking forward to 2017 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 to expand the movements of diverse cargo and extend the Port's reach to new markets in Northeast Wisconsin in 2017.



Dean Haen

Port & Resource Recovery Director

Overview

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, petroleum 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 a 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 \$83 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.

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.



Mission & Vision

The 2015 Port of Green Bay Strategic Plan serves as a long range guiding document that identifies strategic issues to address, and establishes goals and objectives to strive towards. This annual 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”.

Harbor Commission

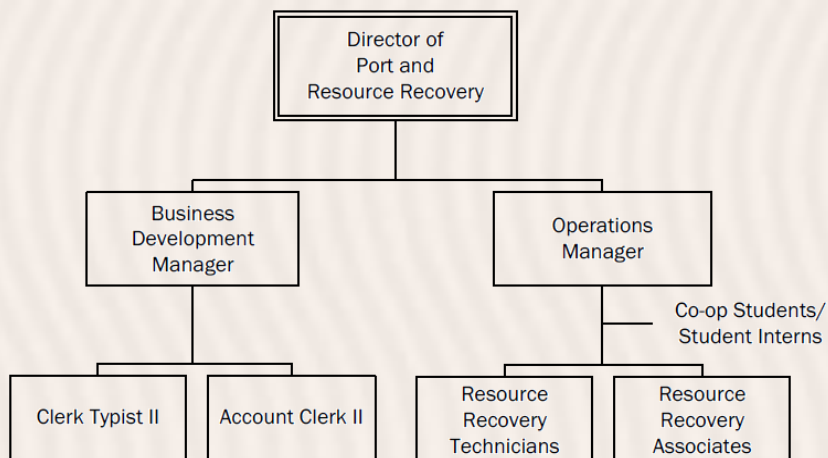
The Port of Green Bay is operated by the Brown County Port & Resource Recovery Department. The Port’s mission is to promote harbor improvements and waterborne transportation resulting in economic development and employment using the safe, efficient and cost-effective waterways as transportation corridors 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.

Harbor Commission Members

- | | |
|-------------------------|---------------------------|
| Tom Klimek, President | Ngosong Fonkem |
| Bryan Hyska, Vice-Pres. | John Hanitz (Jan.) |
| Ron Antonneau | Mike Vizer |
| Bernie Erickson | Hank Wallace |
| Tim Feldhausen | Peter Zaehring (May-Dec.) |

Port & Resource Recovery Table of Organization



The Port's 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.

According to a 2010 economic impact study, the Port was responsible for:

 **\$83 million economic impact**

 **\$802,000 in state taxes**

 **823 local jobs**

 **\$890,000 in local taxes**

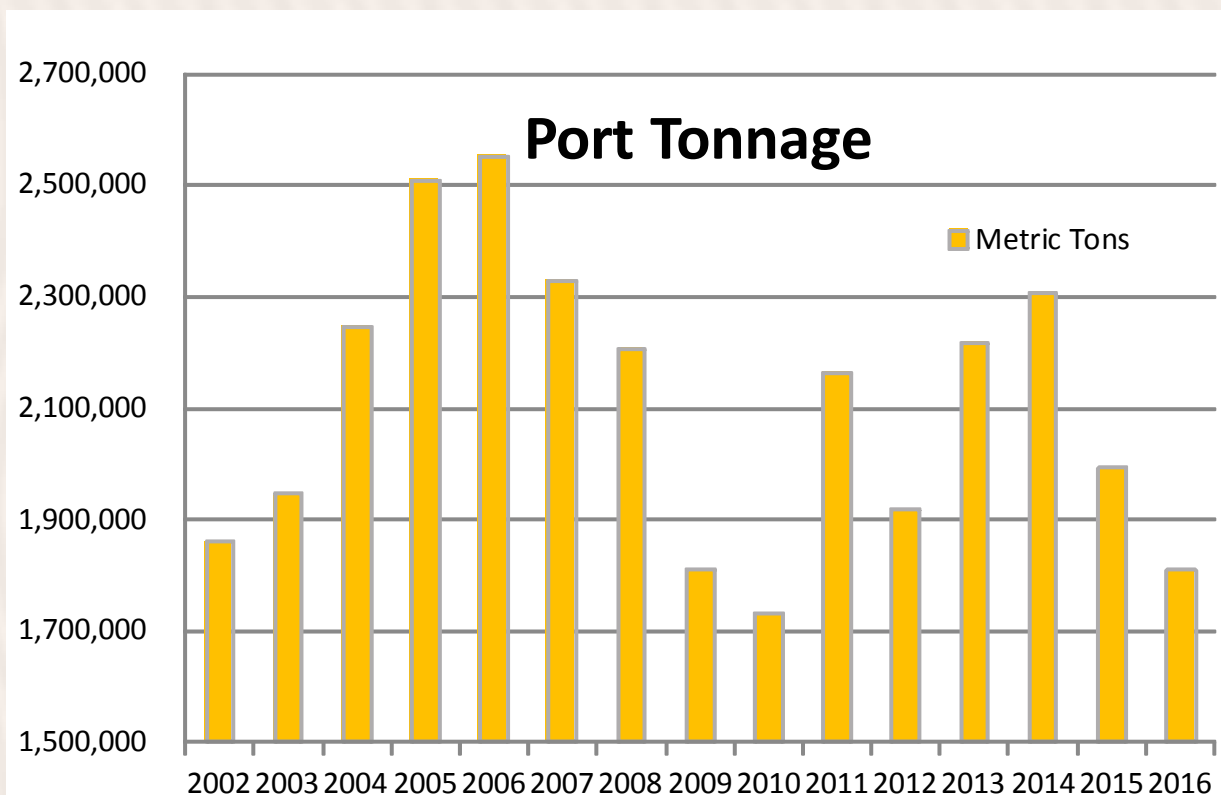
 **\$26 million in income**

 **\$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 Port of Green Bay is a vital component of our area economy and serves as a leading indicator of economic activity. Our strategic plan outlines new ideas and ways we can expand our reach beyond our existing markets to increase business in Northeast Wisconsin.

A new Economic Impact Study will be prepared in 2017 using 2016 data.

2016 Tonnage

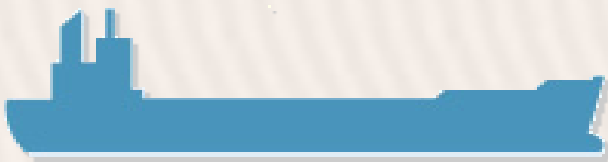


The Port and The Environment

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, 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 more than 150 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.

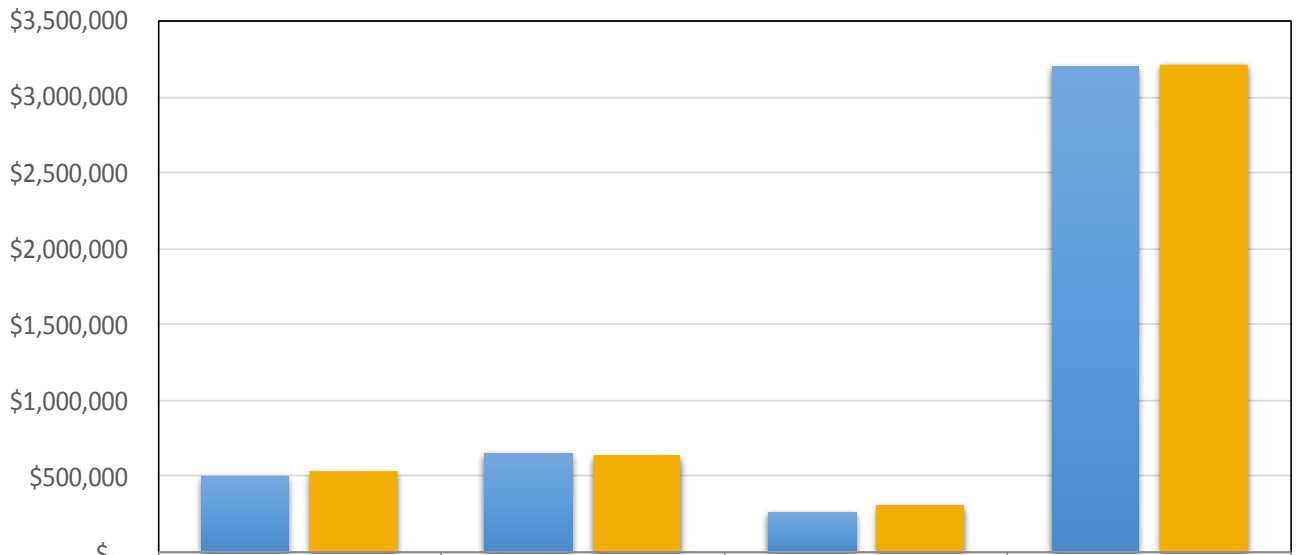
Waterborne transportation generates the least amount of air, ground and water pollution. Waterborne transportation offers lower fuel consumption, fewer accidents, less noise and reduces congestion on our highways. For these reasons, the Port of Green Bay has a bright future not only economically, but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



Transportation Type	Amount of Coal	Fuel Used	Fuel Emissions
Ship	18,000 tons	7,000 gallons	1 ton
Rail	18,000 tons	36,000 gallons	11 tons
Truck	18,000 tons	110,000 gallons	16 tons

Financials

2016 Port Fund Balances



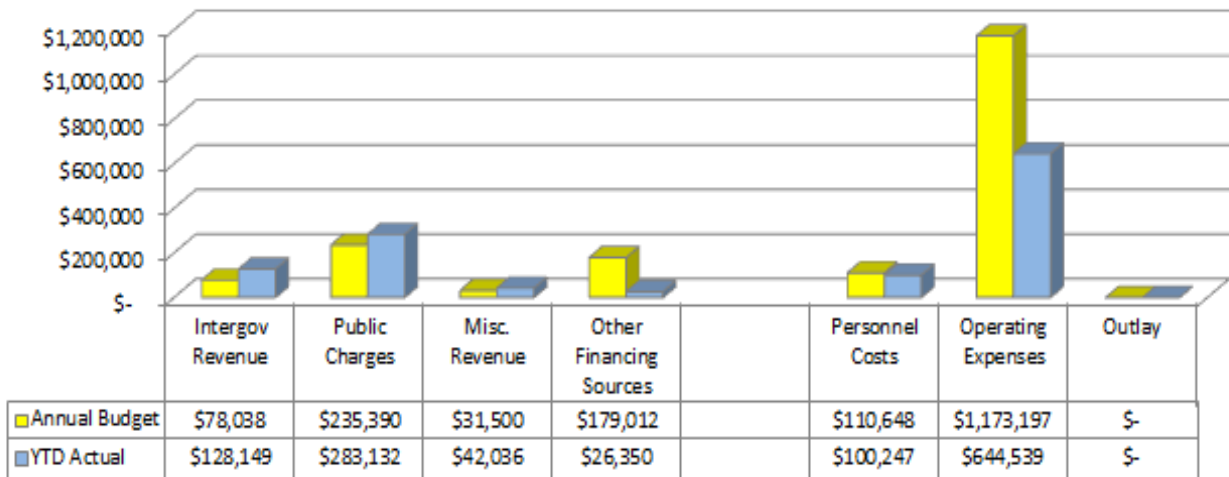
	Renard Island Maintenance	Harbor Dredging	Harbor Fees	Harbor 217 - Total
■ Beginning Balance	\$500,000	\$656,099	\$262,197	\$3,196,169
■ Ending Balance	\$525,000	\$632,520	\$305,403	\$3,206,962

These are unaudited fund balances. 2016 Financials will not be finalized until March.

Brown County Port & Resource Recovery Department
 Port Area Budget Status Report
 December 31, 2016

		Annual Budget	YTD Actual	YTD %	YTD Total	Comments
R e v e n u e	Intergov Revenue	\$ 78,038	\$ 128,149	164%		
	Public Charges	\$ 235,390	\$ 283,132	120%		
	Misc. Revenue	\$ 31,500	\$ 42,036	133%		
	Other Financing Source	\$ 179,012	\$ 26,350	15%		
Total					\$479,666.65	
E x p e n s e s	Personnel Costs	\$ 110,648	\$ 100,247	91%		
	Operating Expenses	\$ 1,173,197	\$ 644,539	55%		
	Outlay	\$ -	\$ -	-		
Total					\$744,786.23	

Port - December 31, 2016



2016 Goals

Completed

✓ **Develop Property Acquisition Strategy:**

Subcommittee of the Harbor Commission drafted the *2016 Property Acquisition Strategy* that was adopted by the Harbor Commission and County Board. The Strategy created a matrix to evaluate property for acquisition.

✓ **Research Wisconsin Manufacturers and Determine Potential Import/Export Commodities from Northeast Wisconsin:**

Staff report outlining various markets summarizing the commodities currently moved in and out of NE Wisconsin. Report also included list of companies moving cargo and an assessment of potential port customers based on available facilities at the Port. Majority of exporter are looking to move containerized cargo. Europe is a large market for Wisconsin exports, while South America is growing in importance.

✓ **Coordinate with the 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
- Partner with Chamber of Commerce
- Hold meetings with property owners

Dredging and capping will be complete in 2018. Majority of caps in navigation channel have been eliminated from consideration. Each Harbor Commission meeting has a public comment agenda item for public input regarding the clean-up project.

In Progress

- **Research Potential to Barge Containers to and from Cleveland's Northern European Liner, Muskegon's Proposed Container Service:**
Continued communication with Supply Chain Solutions and Eco-Ships about adding Green Bay into the Milwaukee-Muskegon service. Quarterly communications with Spliethoff (Cleveland liner service), but their interest continues to focus on exports over imports for our area. Working with RGL Holdings on a Harbor Assistance Grant to upgrade their port facility.
- **Market Bylsby Property for Port-related Purposes:**
Limited success, effort will continue.
- **Closeout Cat Island Restoration Project:**
Brown County received August 26, 2016 letter from Corps of Engineers accepting our check as partial payment, with the overpayment of \$407,000 of In-Kind Contributions beginning to incur interest and payable in annual installments over 30 years. Brown County is evaluating drafting a letter paying the \$407,000 under protest and proposing three remedies including a legal challenge, not accepting ownership of the Renard Island causeway, and/or \$757,000 in credit towards a future project based on the 65/35 cost share requirements, plus interest
- **Advance Renard Island Ownership Transfer and End-Use Plans:**
County Board approved ownership transfer from the Corps to Brown County. Brown County received a permanent maintenance easement from McDonalds Lumber Company. Brown County received a legislative lakebed grant from Wisconsin legislature signed by Governor Walker. Both were requirements in order for the Corps to transfer ownership. The transfer was expected to be executed in 2016, but will occur in 2017.
- **Pursue Beneficial Reuse of Cat Island Sand:**
Limited success to date. Looked into use of sand in County production of asphalt and for construction purposes. Possible future opportunities could be for re-establishment of a swimming beach at Bay Beach or as filter media in Green Bay Metropolitan Sewerage District ponds.
- **Pursue Beneficial Reuse of Bay Port Topsoil:**
Limited success to date.

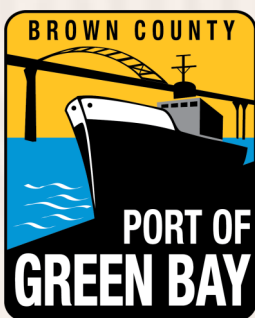
Deferred

- **Conduct a new Economic Impact Study for the Port of Green Bay:**
Economic Impact study was to be completed as part of a Great Lakes-wide economic impact study that has been postponed due to coordinating funding and commitments from U.S. and Canadian Great Lakes Ports and St. Lawrence Seaway Agencies. Exploring completion of economic impact study by UW-Madison.

2017 Goals

The following list represents some of the Port's major goals for 2017.

- ◆ Conduct a new Economic Impact Study for the Port of Green Bay.
- ◆ Research Potential to Barge Containers to and from Cleveland's Northern European Liner and Muskegon's Proposed Container Service.
- ◆ Closeout Cat Island Restoration Project.
- ◆ Advance Renard Island Ownership Transfer and End-Use Plans.
- ◆ Pursue Beneficial Reuse of Cat Island Sand and Bay Port Topsoil.
- ◆ Work with RGL Holdings as an Active Terminal Operator.
- ◆ Lease or Utilize 36 acres of Bay Port Property.



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