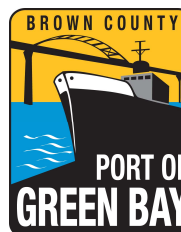


Annual Report 2013



Port of Green Bay

Brown County Port & Resource Recovery Department



I. Message from Director

This past year of 2013 was another year of change for the Brown County Port & Solid Waste 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 **2,245,343 metric tons during 2013, representing a 17% increase from 2012 numbers.** The season started off positive and continued strong. The shipping season closed prematurely due to thickening ice conditions on December 16, the earliest closure in ten years.

Major positive contributors to the 2013 season included increases in domestic imports of U.S. salt (35%), coal (21%) and limestone (21%). In 2012, limestone surpassed coal as the largest commodity moved and this was true in 2013 as well, even with the significant increase in coal shipments. Foreign imports of petroleum products (150%) and salt (84%) were also positive contributors to the 2013 season. Petroleum products continue to be an area of growth each and every year thanks to U.S. Venture. This new market has contributed to diversifying port cargo and meeting the goals of the Harbor Commission's 2010 Strategic Plan. Noble Petro received a \$4.6M grant to improve their infrastructure in 2014 in order to capitalize on the market of moving petroleum products in and out. The major negative contributors to the 2013 season include reduced road construction (although it is hard to recognize it in the immediate Green Bay area) resulting in 42% less liquid asphalt and 11% less cement last year.

The Port also saw a resulting increase of 8% in the number of vessels that came through the port. There were 183 vessels in port in 2013, compared to 170 in 2012.

The Port closed December 16, 2013, but work is already underway for the 2014 season. Early forecasts show that commodities like limestone, cement and petroleum products are expected to increase in 2014. The Great Lakes are experiencing ice conditions not seen for 20-30 years. The U.S. Coast Guard is working hard to keep commerce moving and will likely be breaking significant ice this spring to open ports like the Port of Green Bay.

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 2013 results, I am looking forward to 2014 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 Port with the Noble Petro 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 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. A 2010 report on the economic impact of the Port 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 2014 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. 2013 Accomplishments

The following list represents some of the Port's major accomplishments in 2013.

- Department Reorganization
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. The reorganized Department is designed for anticipated growth and will allow both employee development and increased strategic business development all the while providing cross training and improved teamwork.
- 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. During 2013, the Brown County/U.S. Army Corps of Engineers (Corps) portion of the \$17M wave barrier was constructed. Though the original project cost estimate was \$34M, as a result of the project's low cost, an off-loading facility was designed and built in 2013. Brown County will provide 35% of project costs.

The islands will then be filled by the Corps using clean dredge material from the maintenance of the Green Bay Harbor over the next 20 to 30 years. Overall, the project is under budget and being completed more quickly than originally estimated.

- Renard Island
The Port advanced Renard Island closure activities over the winter months of 2013 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. The work resulted 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.

In addition, the Port requested and received Corps approval for any un-used Cat Island project funds to be redirected to advance and complete the Renard Island closure requirements. The Port received an extension of a DNR imposed June 2013 closure date until 2015.

- 1445 Bylsby Avenue
The Port received all necessary permits and approvals to improve this Port-owned property. The property was substantially filled using old concrete from a runway improvement project at Austin Straubel Airport. A stormwater management plan was designed and constructed. The site is prepped for a future port development project.
- Beneficial Reuse
The Port continues to invest in beneficial reuse of dredged material. Brown County

received WDNR approval for beneficial reuse of dredged material with a variety of protocols to meet in different applications. The Port continued (although unsuccessfully) its efforts to incorporate dredged material into the Highway 41 reconstruction project. During 2013, direct outreach and education was done with the WI Department of Transportation and all their potential contractors. Staff presented at a national conference for the WI Department of Transportation Engineers on our beneficial reuse efforts. A UW-Green Bay graduate student interning with the Port is working on a Master's degree thesis on developing a business case for advancing beneficial reuse of dredged material. The thesis will be completed in spring 2014.

- *Advance Port/Rail Intermodal Ramp*
The Port advanced the 2013 Port/Rail Intermodal Economic Development white paper recommendations including meetings with Canadian National, Shopko and Schneider National.
- *WPCA Visioning Document*
The Port spent 2013 voluntarily coordinating with funding agencies to lead the Wisconsin Commercial Ports Association in a collaborative and partnership effort supported by the Wisconsin Economic Development Corporation (WEDC), WDOA-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 Wisconsin Commercial Ports. Each entity is contributing financially or in-kind to create a visioning document to ensure the Ports of Wisconsin meet our transportation needs for the next 20 years.
- *Public Relations Plan*
The Port solicited a Request for Proposal (RFP) and retained 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.
- *Port Economic Opportunity Study*
Brown County Planning and Land Services staff, on behalf of the Port, and funded by a Wisconsin Coastal Management Program grant, completed a *Port of Green Bay Economic Opportunity Study*. This study updates the 2005 *Port Opportunities Study*. The study identifies properties within the four port-related and/or industrial use opportunity areas that if redeveloped for port-related uses would maximize the return on investment for the Port of Green Bay in terms of compatible land uses, projected employment, tax revenues and overall contribution to the economy.

VI. 2014 Goals

- *Cat Island Restoration Project*
Brown County and the Corps will complete construction of this project with the Corps completing the dredging of the off-loading facility and Brown County reconstructing Lineville Road. 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. A *Cat Island Operations and Maintenance Plan* will be created in partnership between the Port, Corps and the Cat Island Advisory Committee. Work will continue with UWGB faculty and graduate students on establishing baseline conditions as a basis for future environmental and economic performance.

- *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 Corps has estimated the remaining costs at \$3M to move the DNR approved 172,000 cy of final cover material from Cell 7 at Bay Port. This work will be completed over the winter of 2014.

The Port will pursue re-permitting the Corps temporary Renard Island causeway as a permanent structure allowing access to the island for future public use. The WDNR and Corps have indicated significant causeway modification and mitigation costs are necessary. The Port will work with the regulating agencies and elected officials to ensure the 54 acres of waterfront property can be accessible and available for recreational opportunities.

- *1445 Bylsby Avenue*

The Port will pursue interested parties to lease the property for port-related purposes.

- *WPCA Visioning Document*

The Port will 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.

- *Beneficial Reuse*

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.

- The Port will research 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, like 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.

- Exhibit the Port of Green Bay and Foreign Trade Zone #167 at trade show(s).

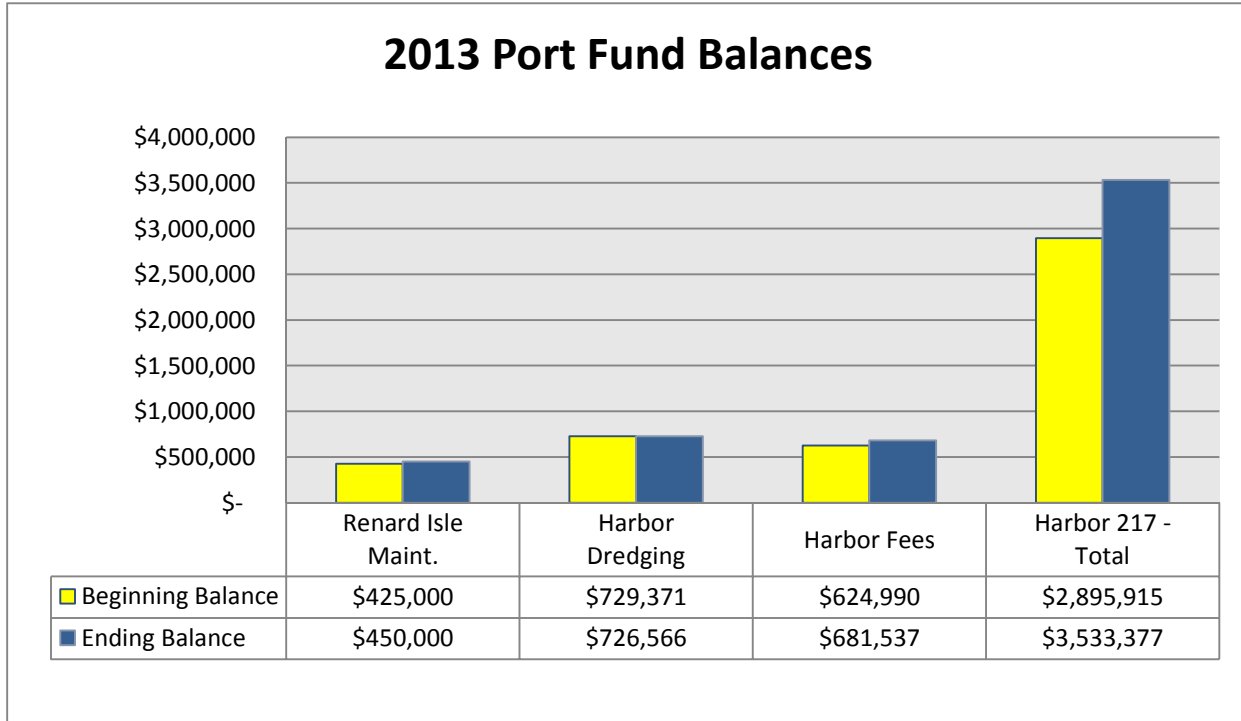
- Assist Noble Petro in utilizing the \$4.6M HAP grant to reconstruct the mooring facility into

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.

- The Port will disseminate the *Port of Green Bay Economic Opportunity Study* to key stakeholders in the port industry, economic development and elected officials. In addition, the Port will utilize the study to economically develop the port whether by mail, in-person, at trade shows or otherwise.
- Coordinate a meeting with freight forwarders and ship agents to educate the professionals on utilizing the Port of Green Bay.



VI. 2013 Financial Highlights



Brown County Port and Resource Recovery Department Port Area Budget Status Report 12/31/2013

Account Descriptions	Annual Budget	YTD Actual	% of Budget	HIGHLIGHTS:
Expense				
Personnel	\$ 96,017	\$ 53,246	55%	Expenses: Personnel and Fringe Benefit expenses are lower due to Reorganization. The other differences are all related to the Cat Island Project coming in significantly under budget and no need to transfer in Harbor Fee funds for project.
Fringe Benefits	\$ 23,458	\$ 13,334	57%	
Operations & Maintenance	\$ 5,700,937	\$ 3,871,757	68%	
Utilities	\$ 6,100	\$ 3,610	59%	
Contracted Services	\$ 2,054,106	\$ 70,968	3%	
Chargebacks	\$ 45,769	\$ 54,195	118%	
Maintenance	\$ 25,000	\$ 25,000	100%	
Transfer Out	\$ 740,365	\$ 48,291	7%	
Depreciation	\$ 213,888	\$ 201,151	94%	
Revenue				
Federal & State Grants	\$ 6,866,089	\$ 3,710,365	54%	
Public Charges	\$ 211,131	\$ 948,146	449%	
Miscellaneous Revenue	\$ -	\$ 21		
Rent	\$ 10,560	\$ 24,908	236%	
Interest	\$ 20,737	\$ 12,367	60%	
Transfer In	\$ 702,051	\$ 25,000	4%	

Revenues and Expenses are current as of 1/31/14 and are unaudited.



PORT AREA - December 31, 2013

