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Cc: [Schlicht, Adam](#); [Carter, Jackie Q](#); [Sullivan, Larry](#); [Lavey, Mason N](#); [Lee, Chris](#); [Zelazny, Dana](#)
Subject: Follow-up to proposed 2019 budget for Port of Milwaukee
Date: Monday, October 22, 2018 11:40:51 AM
Attachments: [1. FTZ Operators.pdf](#)
[4. Vacant Parcels.pdf](#)
[5. Vacant Buildings.pdf](#)
[2. Revenues and Rent.pdf](#)

Dear Chairwoman Coggs and members of the Common Council Finance & Personnel Committee,

I write as follow-up to the Committee's review of the Mayor's proposed 2019 budget for the Port of Milwaukee. During the Port's 2019 budget hearing, as held on Monday, October 8, 2018, the Port identified a number of follow-up inquiries requested by members of the Committee. The Port is pleased to provide you with the requested information as supplemental to the Port's earlier testimony and presentation.

1. Please provide the Committee with a list of active Foreign Trade Zone (FTZ) operators to-date.

Please see attachment.

2. Please provide the Committee with an analysis of the Port's revenues, particularly as related to rent, for 2017.

Please see attachment.

3. Please provide the Committee with additional information about the FTZ program and Federal oversight over FTZ financial operations.

The FTZ Board, chaired by the U.S. Secretary of Commerce, administers the U.S. Foreign-Trade Zone program by providing "approval authority" for zones nationwide. U.S. Customs and Border Protection (CBP) oversees the program's day-to-day operations and monitors the movement of goods into and out of Zones by providing the "activation authority" for use of zones nationwide. The FTZ Board provides a Grant by Board Order to a local organization responsible for regional economic development (e.g. the Port of Milwaukee) to sponsor and establish FTZ projects in its community. It is the responsibility of the Grantee organization to develop a comprehensive plan to organize, finance, maintain, and develop its zone to support its sites in operation.

Each Grantee establishes its own standards for generating the revenues necessary to maintain the organization. At the recommendation of the U.S. governments, fees charged to FTZ operators are moderate to encourage broad zone use. The FTZ Board regulations state that user fees should reflect the cost of actual services rendered plus any reasonable out-of-pocket expenses. Moreover, the FTZ Board stipulates that an FTZ program is not allowed to be a primary profit stream for the Grantee organizations; typically government entities and other not-for-profit organizations are thereby selected as the Grantees. Grantees are allowed to collect application/annual fees from our Operators for the expenses incurred in managing the zone, and it is up to the Grantee to determine those rates under Federal policy.

Port Milwaukee aspires to generate additional FTZ-related income by identifying and securing additional operators, particularly within the City of Milwaukee.

4. Please provide the Committee with additional information about vacant parcels currently available for lease on Port property.

Please see attachment.

5. Please provide the Committee with additional information about vacant buildings currently available on Port property.

Please see attachment.

6. Please provide the Committee with information about the Port's participation in the COMPETE Milwaukee Program.

The Port recently welcomed a new COMPLETE Milwaukee transitional employee to its operations team on Monday, October 22, 2018.

Please let me know if I can be of further assistance. We sincerely appreciate your continued support.

With best regards,
Adam Schlicht

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1. Foreign Trade Zone (FTZ) Operators
As of October 22, 2018

OPERATOR	CITY	COUNTY
Broan Nutone, LLC	Hartford, WI	Washington
CNH Industrial America	Sturtevant, WI	Racine
Generac	Whitewater, WI Jefferson, WI	Jefferson
Lindner Logistics	Milwaukee, WI	Milwaukee
Hospira	Pleasant Prairie, WI	Kenosha
Mercury Marine	Fond du Lac, WI Oshkosh, WI	Fond du Lac Winnebago
Kohler Co.	Kohler, WI Sheboygan, WI Sheboygan Falls, WI	Sheboygan

4. Vacant Parcels
As of October 22, 2018

The following parcels of land are currently available for lease at Port Milwaukee. The Port's staff remain diligent in identifying potential new tenants for review and approval by the Board of Harbor Commissioners (BHC) and the Milwaukee Common Council. Note that many parcels remain utilized as temporary and/or non-exclusive use options for current Port tenants.

PORT MAP PARCEL	ACRES	LOCATION
A	10.0	1225 S. Carferry Dr.
B	0.5	1200 S. Harbor Dr.
C	6.0	1414 S. Harbor Dr.
D	2.5	Carferry Dr.
E	2.5	1711 S. Carferry Dr.
F	4.5	1626 S. Harbor Dr.
G	1.2	1790 S. Carferry Dr.
J	6.7	Harbor Drive at Carferry Dr.
K	2.0	Bay Street at Harbor Dr.
L	4.6	Near Lake Express Ferry
Terminal 1	4.2	1034 S. Lincoln Memorial Dr.
TOTAL	44.7	-

5. Vacant Buildings
As of October 22, 2018

The following vacant buildings are currently available for use at Port Milwaukee.

BUILDING	LAST USED	LOCATION
Seaman's Club	2011	1200 S. Harbor Dr.
Sandblasting Shed	2015	1790 S. Carferry Dr.
Advance Boiler and Tank	2011	1711 S. Carferry Dr.

2. Revenues and Rent

As of October 22, 2018

In 2017, Port facility rent, including the Summerfest lease, accounted for 63.39% of overall Port revenue. Additional detail is provided below:

DESCRIPTION	2017 REVENUE (\$)	PERCENTAGE OF OVERALL REVENUE
Summerfest Lease	\$1,517,327.00	26.97%
Port Facility Rent	\$2,048,482.01	36.41%
Billable Labor & Equipment	\$305,873.39	5.44%
Docked Vessel Revenue	\$1,235,406.61	21.96%
Utility Recovery	\$360,219.62	6.40%
Foreign Trade Zone (FTZ) Fees	\$47,433.33	0.85%
Miscellaneous Revenue	\$110,823.55	1.97%