

August 20, 2021

To the Honorable
Common Council
City of Milwaukee

Dear Council Members,

Enclosed herein is Port Milwaukee's new Capital Asset Renewal Plan (CARP), which establishes a long-term maintenance and replacement schedule for Port facilities and infrastructure. The CARP was partially funded by a Wisconsin Department of Administration 2020 Wisconsin Coastal Management Program (WCMP) grant, which was approved by the Council under File # 200342. The CARP finds that the current placement value (CPV) of all Port-operated and -owned capital assets (in 2021 figures) is over \$190 million. The total 50-year renewal costs for Port capital assets (in 2021 figures) is over \$202 million or approximately \$4 million annually.

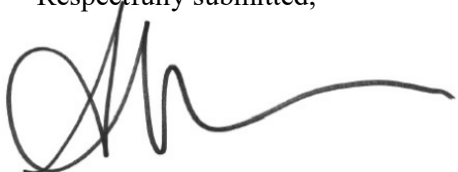
The CARP was developed to provide an action plan for asset renewal over a 50-year period and to consider key factors influencing capital improvement planning at the Port, including (i) the Port's commercial growth over time, (ii) input from Port customers and stakeholders, (iii) evolving coastal conditions and climate change affecting the Great Lakes, and (iv) overall infrastructure resiliency.

The CARP is inclusive of all capital assets maintained and operated by the Port in 2021, including commercial and recreational infrastructure on both the Port's North Harbor Tract, including the Henry Maier Festival Grounds as operated by Milwaukee World Festivals, and the Port's South Harbor Tract, known as Jones Island. As of today, the Port's capital assets include buildings, terminals, dock walls, navigational areas, fencing, green infrastructure, public space, lighting, pavement, roads, rail, utilities, vehicles, vessels, cranes, and other mission-critical transportation equipment.

A recent City of Milwaukee Comptroller audit report concluded that the "identified internal controls in place over Port capital assets are sufficient in the growth stage," and, in effort to realize the Comptroller's recommendations, the Port seeks to also utilize the CARP to execute a new asset management system for coordinating the long-term maintenance and replacement of the Port's assets. The CARP is in adherence with the recommendations of the audit report, as previously accepted by the Council under File # 200767, and will be used as an invaluable tool in modernizing the Port's capital management processes further.

On behalf of Port Milwaukee staff and the Board of Harbor Commissioners, I am pleased to present you with the enclosed copy of the CARP. We recommend that the CARP be leveraged by current and future policymakers and funders to strategically plan for over \$200 million in new investment needed to sustain the Port's commercial, multimodal and recreational mission in the decades ahead.

Respectfully submitted,



Adam Tindall-Schlicht
Director
Port Milwaukee