



PORT OF STOCKTON - BUILDING FOR TOMORROW ANNUAL REPORT 2015

AAPA 2017 Communications Awards Program, Classification 2 - Annual Report

The Port of Stockton's 2015 Annual Report, *Building for Tomorrow*, looks back on a year of record-breaking success while exploring the various projects and initiatives that will bring new prosperity far into the future. Engaging copy, clean design, beautiful photography, and colorful illustrations all come together to help tell the Port's story.

1. WHAT ARE/WERE THE ENTRY'S SPECIFIC COMMUNICATIONS CHALLENGES OR OPPORTUNITIES?

The development and creation of the Port of Stockton's (Port) 2015 Annual Report (Report) provided the opportunity to pull back the curtain and highlight the tremendous developments of the Port's past year as well as our stellar growth in recent years. 2015 was a record-breaking success for the Port's business, both in ship calls and revenue, while tonnage handled was the second best in 10 years. In the midst of all this activity, the Port has been making significant investments in infrastructure, community, and the environment, planting the seeds for future prosperity. *Building for Tomorrow* emphasizes the importance of these investments.

It can be satisfying to look back on a successful year or stretch of years and merely share the statistics in an annual report, but the Port also wished to spotlight the infrastructure investments made that will pay dividends far into the future. This can be difficult to communicate through tonnage totals and commodity features. The Port saw the Report as an opportunity to share with its readers not only our present-day successes but also our strategic vision for the future.

2. HOW DOES THE COMMUNICATION USED IN THIS ENTRY COMPLEMENT THE ORGANIZATION'S OVERALL MISSION?

Our overall mission is to provide excellent service to our current business partners and attract new business, all while being a positive force for the local Stockton community and an exemplary steward of the environment at large. The Report, *Building for Tomorrow*, tells the story of a year spent carrying out this mission.

The Report is set up to tell our complete story of who we are, how we operate, our current initiatives, and most importantly for this year's theme, our continued investment in infrastructure and our community. The report is divided into six sections including:

- Building for Tomorrow
- Operational Efficiency
- Environmental Stewardship
- Community Commitment
- In the News
- Port Recognition



GLOBAL SHIP MOVEMENTS

This year proved to be another successful year in maritime trade at the Port of Stockton, with vessel calls once again surpassing the record set the previous year. The Port hosted 245 vessels, 15 more than in 2014. The long history of cargo diversity has driven growth in capability to handle and accommodate a wide spectrum of maritime cargo. An experienced labor force and port staff, availability of dock space and real estate, and a strategic geographic location with accessible inland rail and highway transportation corridors are all factors that make the Port a valued choice in the supply chain.

In 2015, the Port handled 3.87 million metric tons of cargo, with over 25 different commodities. Imports represented 60 percent and exports represented 40 percent of total tonnage. The Port's top five cargoes this year by tonnage were liquid fertilizer, bulk cement, steel, low-sulfur coal and molasses. New to the top five cargoes are steel and cement. Steel imports were the highest the Port has experienced in ten years with a mix primarily of beams, coils, rebar and rail. Cement also made a return in 2015, with import tonnage at the highest levels posted in the past eight years. Both steel and cement are cyclical commodities traditionally linked to activity in the construction industry and the return of these commodities is a welcome sign for the region. In 2016, customer interest in the services offered by the Port of Stockton are projected to be high, with both new and existing customers inquiring about cargoes new to the Port.

The Port continues to focus on diversifying their cargo mix as they position themselves to attract agriculture and

energy-related commodities. Ongoing improvements to infrastructure in order to meet shifting market demands will be a priority in order to accommodate a wide spectrum of commodities.

2015 SHIP MOVEMENTS & TONNAGES			
SHIP MOVEMENTS (TOTAL VESSEL CALLS)			
Q1 15	Q2 15	Q3 15	Q4 15
SHIP TONNAGE (MILLION METRIC TONS)			
Q1 15	Q2 15	Q3 15	Q4 15
2015 TONNAGE BREAKDOWN			
LIQUID FERTILIZER	2016	BLK BLDG	
LIQUID FERTILIZER	1816	BLK BLDG	
LIQUID FERTILIZER	1616	BLK BLDG	
LIQUID FERTILIZER	1416	BLK BLDG	
LIQUID FERTILIZER	1216	BLK BLDG	
LIQUID FERTILIZER	1016	BLK BLDG	
LIQUID FERTILIZER	816	BLK BLDG	
LIQUID FERTILIZER	616	BLK BLDG	
LIQUID FERTILIZER	416	BLK BLDG	
LIQUID FERTILIZER	216	BLK BLDG	
LIQUID FERTILIZER	116	BLK BLDG	
LIQUID FERTILIZER	16	BLK BLDG	



A STEEL SIGN IS A GOOD SIGN

Steel is used in nearly every industry in the world from transportation improvements, home goods and construction to energy and agriculture. In construction, steel is used to build roads, bridges, railways and commercial and residential buildings. Steel structures can be built quickly and relatively cheaply, making it convenient for projects large and small. The Port saw steel tonnage double in 2015, which is a good sign of the region's economic stability. In total, 293,877 metric tons of steel products passed through the Port, a 51 percent increase over 2014. These numbers mark a considerable change in the demand for steel products as the Port's average tonnage between 2009 and 2013 was 58,919.

The Port handles steel products which come in all shapes and sizes like rebar, coils and rail. In fact, the rebar used to construct roadways, bridges and highways totaled 112,752 metric tons in 2015 compared to only 12,289 metric tons in 2013. In addition, in February 2015 a rebar "procure" which bends the rebar into forms used for construction, was located at the Port. While the rebar processor was not responsible for the entire increase in steel commodities, projections estimate that 60,000 metric tons of steel will be supplied for projects throughout California in 2016. Some of the steel that arrived at the Port's docks can be found throughout San Joaquin County in the form of rebar used in the construction or in this case reconstruction, of a number of highway improvement projects taking place on Interstate 5, State Route 99 and the State Route 4 Crosstown Freeway Extension. Rebar is also being used on the roof of the new Sacramento Kings arena otherwise known as Golden One Center, which is scheduled to open to the public in October 2016. Each of these areas projects within the region are utilizing steel that came through the Port and once completed will make accessibility, goods movement and overall quality of life better within the Central Valley. To the Port, an increase in steel means construction, construction means economic vitality and opportunity; and that is a good sign.



Contained within the Operational Efficiency section is a subsection entitled "Improving Our Infrastructure." Here, the Report focuses on four banner projects:

New Rail Connections - Improvements to the Port's rail network enables more efficient handling of cargo and decreased idling time for trains, which results in improved air quality.

SR 4 Crosstown Freeway Extension - This project links the Port directly to the nearby I-5 and CA-99 freeways, bypassing surface streets through local neighborhoods.

Navy Drive Infrastructure Improvements - This important passage will be the primary link between the Port and the above mentioned SR 4 extension. Improvements include widening Navy Drive from two to four lanes including a bridge spanning the San Joaquin Delta.

BNSF Railway Underpass - A new BNSF underpass was part of the corridor improvements along Navy Drive, including an additional mainline shared track for BNSF and Amtrak.

In addition, a hand-drawn illustrated centerfold map gives the reader a colorful visual understanding of where these and other infrastructure improvement projects are taking place at the Port.

3. WHAT WERE THE COMMUNICATIONS PLANNING AND PROGRAMMING COMPONENTS USED FOR THIS ENTRY?

With *Building for Tomorrow* the Port wished to increase awareness of the Port's activities, even the ones that don't translate into immediate financial gain. Infrastructure improvements are a down payment on future capacity and efficiency gains. To effectively identify and portray the extensive activities and programs occurring at the Port within Building for Tomorrow, Port staff engaged in the following activities to prepare this report:

Research and Outreach

Internally, the Port had to reach out to various department heads and staff to gather information on the various sections of the Report.

Article-writing, Photography, and Design

Content for all the articles was drafted and finalized. Photography was taken in and around the Port and at various off-site events throughout the year. The Report's layout, design, and illustrations were created to bring the articles to life.

Distribution

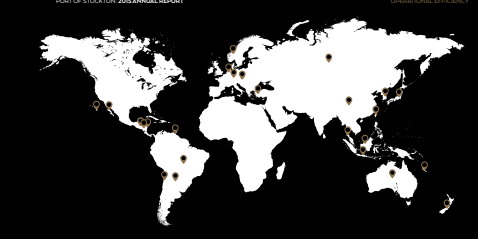
The Report was widely distributed. Over 1,500 copies of *Building for Tomorrow* were printed and disseminated throughout the community to local and regional stakeholders, industry professionals at conferences, business partners and representatives at the Federal level.



THE COMMISSIONERS
 BACK: Chair Gary Christoforoni, Commissioner Sylvester Riosola, Commissioner Stephen Griffin, Commissioner Michael Patrick Duffy
 FRONT: Vice Chair R. Jay Allen, Commissioner Victor Mize, Commissioner Elizabeth Blanchard, Port Director Richard Archetti



PORT OF STOCKTON 2015 ANNUAL REPORT OPERATIONAL EFFICIENCY



TRADE PARTNERSHIPS

The Port continues to maintain strong trade relationships with more than 50 countries. In 2015, the Port exported over 1.3 million metric tons of American products and imported more than 2.3 million metric tons, with an estimated cargo value of \$1.5 billion. Not only have exports increased for the Port over the past five years, but for the second consecutive year, the Port has received a record breaking number of ships at its docks. This year alone there were 241 ship calls, making it the highest number in the Port's history.

- Asia: China, Japan, Korea, Malaysia, Indonesia, Thailand, Taiwan
- Europe: Netherlands, Norway, Belgium, Germany, Turkey, Russia
- North America: Hawaii, Mexico, Guatemala, El Salvador, Nicaragua
- Oceania: Australia, New Caledonia, New Zealand
- South America: Argentina, Brazil, Chile, Trinidad



PORT AIDS CA POWER GENERATION

In 2015, the Port was excited to receive several shipments of windmill components on their way to the Central Valley for power generation. California continues to be one of the country's largest and fastest growing wind markets for generating electricity. The Port imported approximately 6,500 metric tons of windmill components throughout the year. Two ships carried windmill towers up the San Joaquin Delta to pass over Port docks. The RHC Pearl, originating in Brazil, transported blades while the Donald Sumner, transported windmill towers. The nacelle (tower housing for wind generator, gearbox, drive train, and brake assembly) arrived at the Port via train. All components were transported either by truck or train to wind farms throughout the San Joaquin Valley.

The Port is strategically located near one of the largest concentrations of wind turbines in the world. The Altamont Pass Wind Farm was established shortly after the 1970s energy crisis and is one of the earliest wind farms created in the United States. Today, the wind farm has a variety of turbines totaling 4920 with a capacity of 575 megawatts. As the turbines are being replaced with new units, the Port is well-positioned to provide support due to its proximity and efficient facility. The Port's two 400-ton 500-Megawatt Harbor Cranes have flexibility to handle large equipment and offer the ability to go from ship direct to rail as needed for projects throughout the country. Although it has been several years since the Port has seen this cargo, as the future grows closer for power in the United States, the Port plans to stay connected to the green energy industry and move more wind turbines in the coming years.



Evaluation

To measure the success of the Report, the Port sought direct, honest, anonymous feedback through the use of a survey administered online and in-person. To maximize participation and responses, a QR code is included on the inside cover of the Report. A reader can scan the code with a smartphone QR code reader and be taken directly to the survey. The in-person surveys were administered over the summer during the Annual Free Public Boat Tours of the Port.

The Report's primary target audience for these ads is the maritime industry and the Stockton and Central Valley business community and local government. Secondary target audiences are members of the general public of Stockton or the Central Valley region who might be interested in what the Port is up to.

4. WHAT ACTIONS WERE TAKEN AND WHAT COMMUNICATION OUTPUTS WERE EMPLOYED IN THIS ENTRY?

To create a Report that successfully communicates the Port's proactive vision for a prosperous future, the following strategies were implemented:

Highlight Infrastructure Improvements

Detail specific examples of projects and initiatives underway that will make the Port run smoother and more efficiently in the future.

Feature Environmental Programs

Share projects the Port is spearheading that will improve the overall environmental health of the Port and surrounding region.

Show Community Investment

Highlight ways the Port actively engages with and improves the city of Stockton and Central Valley region.

The Port engaged its Communications and Public Involvement sub-contractor, HDR, to guide the process and manage the creative design. HDR developed and implemented the following project timeline:

TASK	ROLE	DUE DATE
Strategy/information gathering meeting with POS	HDR	Fri, 11/6
Draft possible themes and content outline for POS review	HDR	Wed, 11/18
Select theme and approve draft content outline	POS	Wed, 11/25
Provide information for articles	POS	Fri, 12/11
Provide draft content & draft design templates (per selected theme) for POS review/approval	HDR	Fri, 1/8
Review/edit/approve draft content & select design template	POS	Fri, 1/22
Send first draft design (minus 2015 stats) for POS review/approval	HDR	Fri, 2/5
Contact print vendors for quotes; select based on pricing and customer service (need desired quantity from POS)	HDR	Mon, 2/8
Provide 2015 states/comments/approval on first draft design	POS	Fri, 2/12
Input 2015 stats & send final draft design for POS review/approval	HDR	Fri, 2/19
Provide comments/approval on final draft design	POS	Fri, 2/26
Send final design for POS approval	HDR	Fri, 3/4
Approve final design for print	POS	Fri, 3/11
Format report for printing & send to printer	HDR	Fri, 3/18
POS receives reports (quantity TBD by POS)	TBD	Fri, 4/1
Design electronic report for website	HDR	Fri, 4/1
Assist with electronic promotion/distribution	HDR	Early April

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COMMODITY SPOTLIGHT

California is a major gateway and hub for international trade, but its large population and market size also create a huge demand for goods movement domestically. The Port plays a critical role in west coast import and export of commodities throughout California and the nation. Some key commodities such as steel, agricultural products and windmills drive California's economic vitality by enabling the region to continue building, producing food and generating green energy. The Port is proud to be a part of helping the nation to eat better, build smarter and live cleaner.

PORT OF STOCKTON 2015 ANNUAL REPORT IN THE NEWS

IN THE NEWS

JANUARY
Fox 40 "Chal Cam" at the Port of Stockton
Heavy Lift & Project Forwarding International Gateway build on their capabilities
International Bulk Journal: Stockton sets records

FEBRUARY
American Shipper: Long sail carrier transporting 400-foot lengths of railroad track on specialized vessel means fewer welds
Central Valley Business Journal: Port of Stockton sees best year for shipping
The Record (Recordnet.com): Increase vessel traffic is good sign

MARCH
The Record (Recordnet.com): Race heats up for cap and trade cash
The Record (Recordnet.com): Newsweek's Christy Gheron selected Port Chairman

APRIL
RTKS: UP receives delivery of "game changing" long rail

MAY
Comstock's A captain's call, moving the line
Tracy Press: Welded rail molting new for Tracy residents, workers
American Journal of Transportation: California's secondary ports add up to much more than their numbers

JUNE
The Record (Recordnet.com): Kings put their truss in Schiff Steel
Central Valley Business Journal: Port of Stockton to double rail capacity
Omaha.com: To boost safety, Union Pacific using superlong rail lengths to replace worn track
The Record (Recordnet.com): Port of Stockton sets records for revenues, income
Progressive Railroading: The long and winding road

JULY
East County Today: Rep. McNerney's amendment passes to curb water treatment in the delta
Progressive Railroading: Rail News: Federal Legislation & Regulation - CSX/OTI annual recommends rubber stamp for RRIF loans
The Record (Recordnet.com): Working on the railroad plant

AUGUST
Capital Public Radio: Stockton urban garden provides fresh produce in poor communities
Global Trade America's niche Ports - from San Diego to Albany, the Ports suited for specialty cargo
The Record (Recordnet.com): Year provides machine feast, new steel
The Record (Recordnet.com): 19 scenes from Port of Stockton's popular boat tour

AGRIBUSINESS IS BIG BUSINESS

The Port is recognized as a port of national significance because of the role it plays in supporting the Central Valley region, the agricultural hub of California. More than half of the country's rice, vegetables, fruits and nuts are grown in California's fertile Central Valley and even more impressive, the Port supplies more than 90 percent of the chemical fertilizers used to produce the nation's food. A deeper look into one of these treasured commodities demonstrates that there are over 2,500 rice farmers in this region with a total of 500,000 acres of rice for local use and international export.

Japan is the leading importer of California's rice followed by other Asian and Middle Eastern countries, and places within South America and Europe. Along with the high demand products already listed, the Central Valley region is home to over 1,100 dairy farms housing over 1.8 million cows and feeding 80 percent of California's dairy supply. The Port plays an important role in keeping these dairies productive so that California can continue to supply 20 percent of the country's milk and cheese by importing molasses and organic corn that is used in cattle feed for the dairies. The Port also dedicates land to Central Valley Ag who moves cattle feed in by rail and out by truck to aid in keeping our agribusiness moving efficiently. Whether pushing food products out to market or supplying fuel to run successful farms, the Port plays a critical role in feeding America.

Of the 1.8 million metric tons of cargo that moved across Port docks in 2014, 42 percent of that cargo is related to agribusiness which represents more than 1.4 million metric tons. In fact more than 1,200 railcars to move the agricultural products from the Port to their final destinations. Today, the Port leases nearly 2 million square feet of warehouse space to businesses supporting agriculture and dedicates nearly 70 acres of land. The Port is pleased to be an integral part of California's highly lucrative and successful agribusiness.

PORT OF STOCKTON 2015 ANNUAL REPORT OPERATIONAL EFFICIENCY

5. WHAT WERE THE COMMUNICATIONS OUTCOMES FROM THIS ENTRY AND WHAT EVALUATION METHODS WERE USED TO ASSESS THEM?

Out of the 1,500 Reports distributed, approximately 250 were received on the Boat Tours and 7 were submitted online.

Of the survey's submitted: 64% reviewed the Report online on the Port's website. Feedback also demonstrated that 87% of those who read the Report felt that it was easy to understand and 66% rated the design as "Good."

The sample survey can be found below.



POS ANNUAL REPORT SURVEY

Survey questions are designed to elicit feedback in two areas:

- Invitation method (to track how many more attendees are using the web-based invite rather than hard copy)
- Content, presentation and use of multi-media in reports

QUESTIONS:

Which version of the Annual Report did you read?

- Online
- Print
- Both

The Annual Report was easy to understand and displayed information effectively:

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

Did you read?: (Check all that apply)

- Building for Tomorrow
- Operational Efficiency
- Environmental Stewardship
- Community Commitment
- In the News
- Port Recognition

Please check the statements that are accurate:

- 245 Ships called on the Port of Stockton in 2015, a record breaking number.
- The Port imports more than 90% of fertilizers used in the Central Valley.
- Unlike many other ports, the Port of Stockton is not supported by public tax dollars.
- Both A and C are true
- All of the above are true

Please check the correct answer:

The Port of Stockton is the 2nd busiest inland port on the western coast.

- True
- False

Please check the correct answer:

The Port uses barn owls to control rodents in an environmentally friendly way.

- True
- False

True or False

The Port supports more than 5500 jobs for the San Joaquin region annually.

- True
- False

Please rate the overall design of the Annual Report.

- Excellent
- Good
- Average
- Fair
- Poor

What did you like/dislike about the design?

Did you enjoy this year's Annual Report?

- Yes
- No

If no, why not? _____

How can we improve our Annual Report in future years?

To request a hard copy of the Port of Stockton's 2015 Annual Report, please call (209) 946-0246 or email Victoria Lucero at vlucero@stocktonport.com.