



## PORT OF STOCKTON - 85 YEARS OF INNOVATION

Annual Reports

2018 saw the Port of Stockton reach an impressive milestone as it celebrated its 85th year of operation. “85 Years of Innovation” takes a closer at what has driven our success in the past while exploring the various ways the Port invests in its future and the future of the greater Stockton region. From the first commercial vessel in 1933 the Daisy Gray, to our current operations, the Port has become a major economic engine and job generator as well as leader in environmental stewardship for the greater Stockton region. An attention-grabbing die-cut cover, informative and engaging articles, bright and clean design, stylized watercolor images, and beautiful photography help tell the Port’s story.

### I. WHAT ARE/WERE THE ENTRY’S SPECIFIC COMMUNICATIONS CHALLENGES OR OPPORTUNITIES?

Every year, the development and creation of the Port of Stockton’s (Port) Annual Report (Report) provides the opportunity reflect and highlight the growth and success experienced the prior year. In 2018, the Port handled a record-setting 4,739,249 metric tons of import and export cargos with 252 ship calls. To keep up with this activity, various important infrastructure projects continued closer to completion while environmental initiatives reaffirmed the Port’s commitment to environmental sustainability. The Port also remained committed to its community, sponsoring free mobile dental services to underprivileged communities, engaging elementary students in owl pellet dissections, and fostering the next generation of the Stockton workforce with our internship program.

Internally, the primary challenge was to synthesize information from several departments within the Port and present it in a cohesive way. Externally, the challenge was to distribute the Report widely and to the right people to increase awareness of the Port and how we contribute to the prosperity of the region.

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

The Port’s 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 documents a year of 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 our continued investment in our community and environment. The Report is divided into six sections including:

- A Port’s Journey
- Operational Efficiency
- Financial Transparency
- Community Commitment
- Environmental Sustainability
- Events & Recognition



**2018 ANNUAL REPORT | 105TH ANNIVERSARY EDITION**

**POLICE YEAR IN REVIEW**  
 HONORING THE POLICE AT THE PORT'S POLICE DEPARTMENT

**ENVIRONMENT**

- Hosted the 10th Annual Environmental Conference
- Received the 2018 Environmental Award
- Received the 2018 Environmental Award
- Received the 2018 Environmental Award

**TRAINING**

- Received a 100% Rating
- Received the 2018 Training Award
- Received the 2018 Training Award
- Received the 2018 Training Award

**STAFFING**

- Received the 2018 Staffing Award
- Received the 2018 Staffing Award
- Received the 2018 Staffing Award
- Received the 2018 Staffing Award

**LEADERSHIP**

- Received the 2018 Leadership Award
- Received the 2018 Leadership Award
- Received the 2018 Leadership Award
- Received the 2018 Leadership Award



**STOCKTON INSTITUTIONS HONOR THE PORT**  
 Members of the Board receive praise from the community

**STOCKTONS OF THE YEAR**  
 Port Commissioner Dr. Elizabeth Blanchard was named the 4th Stockton of the Year in 2018 by the Central Valley Association of Realtors and the Greater Stockton Chamber of Commerce for her legacy of decades of service, philanthropy and advocacy of education, arts, welfare affairs, the environment and politics throughout San Joaquin County. The Stockton of the Year award is just one recognition of a long list of awards that Commissioner Blanchard has received including the Susan B. Anthony Community Service Award, Chinese Cultural Society of Stockton Citizen Award, Businesswoman of the Year award and more. The Port is honored to have such a vibrant force on the Commission.

**GOVERNMENT SERVICE AWARDS**  
 In September, Board of Commissioner's Vice Chair Michael P. Duffy was honored with the 2018 Goodwill History Friends Award. The Goodwill Foundation Board of Directors selected Commissioner Duffy because of his broad-based commitment and dedication to the betterment of San Joaquin County, and his support and involvement in nonprofit organizations dedicated to children, families and literacy. Most notably, Commissioner Duffy is responsible for developing and building the first financial institution in the region, WayCharter Way center of South Stockton. The Goodwill Foundation was started in 2005 for the purpose of providing a financial legacy, primarily through Evening of Good Will, to support the mission of Goodwill Industries of San Joaquin Valley, Inc.

The featured centerfold shines a spotlight on the Central California Traction Company (CCTC), the rail company that builds and operates on-dock rail at the Port. CCTC plays an important role for the Port, not only by moving cargo from the docks to warehouses, but also by connecting this Port rail network to Union Pacific Railroad and BNSF Railways. Combined, these two rail lines cover 2/3 of the U.S., making CCTC indispensable to the Port's operations.

Sections on the Port's operations feature ship movement and tonnage breakdowns, landside infrastructure improvements, a look at the Port's booming real estate business, an impressive list of tenants, a view of the Port's worldwide trading partners, and a detailed overview of its finances. Each section features infographic factoids in sidebars that highlight important figures.

Other sections highlighted the Port's commitment to the community and continuing education and enhancement programs. For example, in 2018, Port staff visited area elementary schools to present a workshop about the biology, life history, and habitat of barn owls as part of the Port's owl box program. Meanwhile, five key internships (within the Accounting, Information Technology, Maritime Operations, Environmental and Human Resources departments) helped to foster the next generation of the Stockton workforce. Other initiatives like bringing a mobile dental service to the Boggs Tract neighborhood, tree planting, and the Stockton Leadership Breakfast are summarized in this section.

The remaining sections touch on the Port's environmental initiatives and the awards and recognition the Port has received for its success. As one of the newest members Green Marine Program, the Port voluntarily submitted to an environmental review of their cargo handling procedures and environmental leadership and received certification for its leadership in this area. The section on events and recognitions highlight the Port's hosting of the Association of Pacific Ports 105th Annual Conference, the Port's own 85th anniversary celebration, community recognition of two members of the Port Board of Commissioners, and awards received for the Port's communications and accounting.

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

To prepare for this Report, Port staff engaged in the following activities:

**Research and Outreach**—The Port reached out to various internal department leads and staff to gather vital information on the various sections of the Report.

**Article-writing, Photography, and Design**—Writing content for each article takes brainstorming, drafting, editing, rewriting and finalizing. Photography is taken each year at the Port, in and around the facilities, and at various off-site events throughout the year. The Report's layout, design, and illustrations are created to bring colorful flavors to what is considered to be a typically dry piece of information. It is important to the Port to show our personality in everything we do.

**Distribution**—The Report is widely distributed. Over 1,500 copies were printed and disseminated throughout the community to local and regional



**4.7 MILLION**  
 METRIC TONS  
 of cargo handled in  
 2018

**PARTNERS IN TRADE**  
 The Port's global reach brings continued success

The Port has maintained its strong trade relationship with 27 countries in 2018 importing and exporting commodities such as cement, fertilizer, steel, coal and sulfur. The Port also had 252 ship calls, one of its highest numbers in history. The leading trade partners for 2018 were once again Japan and China. Japan received about two thirds of the Port's exports for largest rice, bulk beef pellets, coal and the ships. China led imports for bulk cement and bagged sweet potato pellets, totaling nearly 650,000 metric tons delivered to the Port. 2018 marked the Port's best performing year yet with more than 22 million metric tons of American products exported and over 25 million metric tons imported for a total of 4.7 million metric tons.



**05 ENVIRONMENTAL SUSTAINABILITY**  
Proud of our diverse environmental programs, the Port remains focused on data preservation through habitat restoration, reducing impacts to dissolved oxygen within the river and preserving river access. Moving forward, the Port has a zero-emissions goal for all energy handling equipment leading to improved regional air quality.



portofstockton.com/annuaireport

**CTCT is the PERFECT PORT PARTNER**

**NEEDS: CTCT**  
STAYING AHEAD of tenants' needs

**INNOVATIVE SOLUTIONS**  
for rail logistics

One of the biggest things we do at CTCT that differs from similar services is our constant motivation to becoming more efficient with the existing tools and space we have at the Port. — General Manager Randy Egusquiza

**EFFECTIVE & EFFICIENT**  
shipment management

**EVERY MAJOR CURVE**  
has been upgraded

**THE FUTURE**

Plans to build new **LOOP & STORAGE TRACKS**

Port warehouse capacity at 95% — **EXPANSION IS INEVITABLE**

55,000-58,000 rail cars per year

45% since 2016

4X since 1999

As rail continues to be of vital importance for future growth at the Port, CTCT will continue looking for additional rail while also working to improve underutilized rail for supplementary storage at no additional cost to its tenants. The Port is working on several new projects that could double the amount of rail cars currently received, creating new jobs and better opportunities to current and future tenants, and CTCT is definitely ready for the challenge.



PORT'S JOURNEY | PAGE 05

**COMMISSIONER'S & DIRECTOR'S MESSAGE**

Since 1933, the Port of Stockton has connected the city of Stockton and the greater region to the global trade network, creating jobs and prosperity while protecting our environment and filling up our local communities. 85 years later, we handled a record-setting 4,720,249 metric tons of import and export cargo with 252 ship calls, despite a challenging international economic climate due to tariff negotiations affecting the cement and steel sectors. We continue to succeed by staying committed to serving our tenants, adapting to changes in the market and investing in our infrastructure to improve operations.

With a nearly 97% occupancy rate, we are seeing current tenants expand into new terminals and improvements to our infrastructure, and we've made major progress with the Navy Drive Widening Project.

the Navy Drive Bridge Expansion Project and the Dock 12-13 Rehabilitation Project.

Maintaining our longtime commitment to environmental sustainability, we have rolled out zero-emissions forklifts and qualified for the voluntary Green Marine certification. We also remain committed to our community, sponsoring four mobile, dental, vision, and underrepresented communities, engaging elementary students in our pilot classrooms, and fostering the next generation of the Stockton workforce with our internship program.

2018 was a year for celebration. Commemorating our 85th year, the Port hosted a night of business at the Faggh Museum and developed an awareness campaign to showcase how far we've come in 85 years.

We hope you enjoy our 2018 Annual Report.

*Christine J. Brundage*  
SUN-MAID RAISINS  
CEO

*Michael Duffy*  
HONORARY CHIEF OF PORT  
VICE CHAIR

*Ray Brantley*  
SUN-MAID RAISINS  
SVP OPERATIONS

*John S. Giff*  
SUN-MAID RAISINS  
SVP OPERATIONS

*John Allen*  
SUN-MAID RAISINS  
SVP OPERATIONS

*John Allen*  
SUN-MAID RAISINS  
SVP OPERATIONS

*John Allen*  
SUN-MAID RAISINS  
SVP OPERATIONS

stakeholders, industry professionals, business partners, and federal representatives. It was debuted at the State of the City event held at the Port of Stockton in May 2019 and was also on display at various trade shows including the AAPA Annual Conference in Norfolk, VA, BreakBulk Americas Annual Conference and Tradeshow in Houston, the Railway Industrial Clearance Association Annual Conference in Utah, and several others. The Report is also available on the Port's website for online viewing with an elegant page-flipping interface.

**Evaluation**—To measure success of the Report, the Port seeks direct, honest, anonymous feedback through the use of a survey administered online and in-person. The Port's primary target audience is the maritime industry and the Stockton and Central Valley business community and local government. Secondary target audiences are the general public of Stockton and those who live in the Central Valley region who might be interested in what the Port does.

## 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 the Port's Success

Provide financial information, tonnage breakdowns, a list of trade partners and tenants, and other hard data to show the scope and scale of the Port's business operations.

### Feature Environmental Programs

Share projects the Port is spearheading that will improve the overall environmental health of the Port and surrounding region, including habitat restoration and energy efficiency initiatives.

### Demonstrate Community Investment

Highlight ways the Port actively engages with and improves the city of Stockton and Central Valley region. The Port supports a number of organizations working diligently to improve our community.

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

TASK		DUE DATE	STATUS
*Kick off Meeting with Department Leads	POS/HDR	Tues, 11/13	<input type="checkbox"/>
Provide section direction (word count/topics) to Port	HDR	Fri, 12/7	<input type="checkbox"/>
Provide News Articles / Tenants, Staff, Awards Lists	POS	Fri, 12/14	<input type="checkbox"/>
HDR gather photography for Report	HDR	Ongoing	<input type="checkbox"/>
Port to provide draft section content to HDR	POS	Fri, 2/8	<input type="checkbox"/>
HDR to provide draft pages for review	HDR	Fri, 2/15	<input type="checkbox"/>
Port provide comments on Report Design		Fri, 2/22	<input type="checkbox"/>
Send final design for POS approval	HDR DOC	Fri, 3/1	<input type="checkbox"/>
*Port Approve final design for print	POS	Fri, 3/8	<input type="checkbox"/>
Format report for printing & send to printer	HDR	Wed, 3/13	<input type="checkbox"/>
POS receives reports (quantity TBD by POS)	POS	Wed, 4/24	<input type="checkbox"/>
Design online report for website	HDR	Fri, 3/29	<input type="checkbox"/>

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

Feedback on the Report has been anecdotal in nature but almost unanimously positive. Readers have loved the dazzling photography, the approachable, colorful design and clean layout, and the informative articles on every aspect of the Port's activities.

Another sign of the Report's success is the utility it provides and the results it brings in the policy-making arena. The Reports are regularly provided to House and Senate Representatives and their staffers, as the Port justifies additional funding for U.S. Army Corps of Engineers dredging projects from the Office of Management and Budget, U.S. Fish and Wildlife Service, National Marine Fisheries Service, Department of Transportation, Department of Commerce, and the Department of Homeland Security. As Jeff Wingfield, the Port's Director of Environmental and Public Affairs, explains: "We typically start out our meetings by opening to a specific page as a reference point and leave with staff as a reminder/leave behind. The visuals really help hammer home our points for additional federal funding and support as they see the bustling seaport and our cargo throughput and job numbers! Most people not in the area think of Stockton as a sleepy port but the images and figures help to demonstrate otherwise."

In this way, the Report serves as a helpful tool in demonstrating the Port's dynamism to policy-makers, thus ensuring the continued funding of dredging and other projects that keep the Port running strong.

A PORT'S JOURNEY | PAGE 20

### FINANCIAL TRANSPARENCY

The Port celebrates another record-setting year

#### CARGO TYPES & PROPERTY LEASING

	FY2018	FY2017	FY2016
General Cargo	6,322,842	8,232,209	10,054,820
Dry Bulk Cargo	14,482,234	13,564,477	10,577,996
Liquid Bulk Cargo	6,201,495	6,642,701	5,327,201
Property Management	26,822,554	25,982,076	24,466,009
Other	76,822,078	2,490,912	4,527,009
<b>TOTAL</b>	<b>\$53,246,944</b>	<b>\$56,342,376</b>	<b>\$50,527,044</b>

#### REVENUE CENTERS

	FY2018	FY2017	FY2016
Terminal	25,332,382	24,509,913	24,493,343
Warehouse	1,679,220	1,828,425	2,254,263
Property Management	26,822,554	25,982,076	24,466,009
Other	681,020	288,919	288,329
Interest	637,688	254,230	152,873
Grant Revenue	14,322,789	2,856,901	4,051,967
<b>TOTAL</b>	<b>\$73,466,653</b>	<b>\$56,342,376</b>	<b>\$56,652,784</b>

**\$777 MILLION**  
generated in  
STATE AND  
LOCAL TAXES

**\$630.1 MILLION**  
in  
TOTAL PERSONNEL  
INCOME/MOBILE  
CONSUMPTION

**\$1.6 BILLION**  
TOTAL PORT  
RELATED IMPACT  
supported in  
the region

**PROPERTY LEASING & CARGO TYPES**  
Total Revenue: \$20,246,044

- Property Management: \$26,822,554
- Dry Bulk Cargo: \$14,482,234
- General Cargo: \$6,322,842
- Liquid Bulk Cargo: \$6,201,495
- Other: \$76,822,078

**REVENUE CENTERS**  
Total Revenue: \$53,246,944

- Property Management: \$26,822,554
- Terminal: \$25,332,382
- Grant Revenue: \$14,322,789
- Warehouse: \$1,679,220
- Other: \$681,020
- Interest: \$637,688

### BY THE NUMBERS

HERE'S WHAT'S NEW AT THE PORT

#### SHIP MOVEMENTS & TONNAGES

SHIP MOVEMENTS (TOTAL 2018 SHIP CALLS)

SHIP TONNAGES (4,178,341 NET TONS)

#### TONNAGE BREAKDOWN

Overseas Cargo in Metric Tons

10790	CONTAINERS/INTERMODALS	1480	LIQUID CRUDE OIL
14485	LIQUID CRUDE OIL	1479	LIQUID FERTILIZER
14033	LIQUID CRUDE OIL	1479	LIQUID FERTILIZER
20488	LIQUID CRUDE OIL	1479	LIQUID FERTILIZER
107900	LIQUID CRUDE OIL	1479	LIQUID FERTILIZER
79336	LIQUID CRUDE OIL	1479	LIQUID FERTILIZER
14485	LIQUID CRUDE OIL	1479	LIQUID FERTILIZER
10337	LIQUID CRUDE OIL	1479	LIQUID FERTILIZER
79337	LIQUID CRUDE OIL	1479	LIQUID FERTILIZER
76338	LIQUID CRUDE OIL	1479	LIQUID FERTILIZER
42330	LIQUID CRUDE OIL	1479	LIQUID FERTILIZER
8394	LIQUID CRUDE OIL	1479	LIQUID FERTILIZER

#### COMMODITIES ON THE RISE

Percent Increase Pct Year

