

TRANSPORTATION AND LOGISTICS INDUSTRY CLUSTER REPORT

Stanislaus County, California

Prepared by the

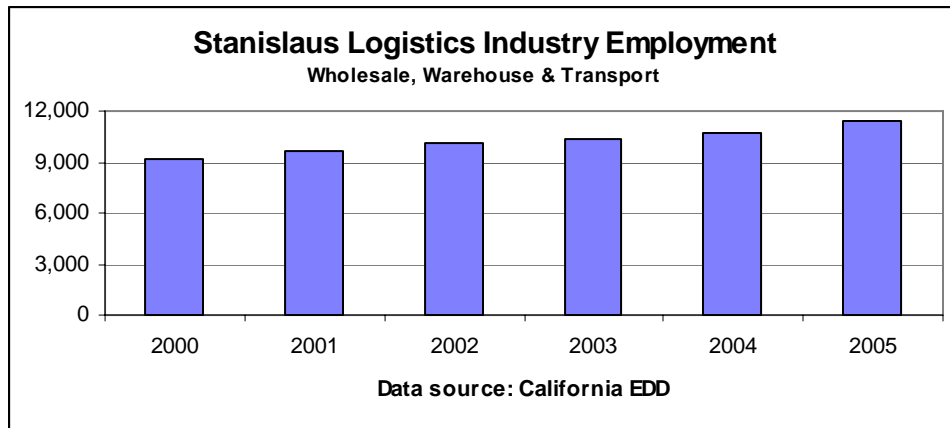
Stanislaus Economic Development & Workforce Alliance

September 2006

Transportation and Logistics in Stanislaus

The Stanislaus River Valley is building a reputation as a logistics hub. This trend is reflected in the growing number of distribution centers and related operations opening in the area. Sector employment has increased 24% since 2000, nearly triple the overall rate of local job creation.

A major attraction is the County's strategic location. Drive time to San Francisco and the Silicon Valley is 90 minutes, while greater Los Angeles is only five hours away. In addition to its prime location, Stanislaus offers some of the most competitive wage and electricity rates in the Golden State, especially when compared with many Bay Area locations. A large portion of the County was awarded Enterprise Zone status in November 2005, further enhancing the area's competitiveness.



Area Overview

Stanislaus has long been known for its farming and food processing sectors. Many name brand companies are headquartered or have operations in the area, including ConAgra, E&J Gallo Winery, Foster Farms, Frito-Lay, and Hershey Chocolate to name but a few. The large majority of Stanislaus businesses are served by a public utility district. Industrial electric rates often range between 7¢ and 8¢ locally compared with approximately 12¢ for much of California. The area's population has grown to over 514,000 and offers a significant available workforce.

Transportation Infrastructure

Stanislaus is crossed by two of California's major north-south arteries: Interstate 5 and Highway 99. These routes directly serve or provide freeway connections to all the major cities of the western United States. Five freight railroads have track in Stanislaus, including two national operations and three short-haul lines. As a result, almost every community has access to at least one rail provider. Daily passenger air service is available from Modesto City-County Airport to San Francisco and Los Angeles.

Rail Freight Service Providers		
<u>Railroad</u>	<u>Description</u>	<u>Website</u>
Burlington Northern & Santa Fe	National	www.bnsf.com
California Northern	Short Line	www.railamerica.com/railmaps/CFNR.htm
Modesto Empire & Traction	Short Line	www.metr.com/sections/railroad
Sierra Northern	Short Line	www.sierrarailroad.com/freight.html
Union Pacific	National	www.up.com

Located due east of California's Bay Area, Stanislaus is well within driving distance of the Port of Oakland (80 miles) and the Port of San Francisco (90 miles). Likewise, major airports in Oakland, San Francisco, San Jose and Sacramento are also in close proximity.

Distribution Centers

A number of companies have located major distribution operations in the area. Recently, the pace of major openings has increased. Some recent examples include WinCo Foods' distribution center (720,000 square feet, opened in 2004), Kohl's Corporation (650,000 square feet, 2006), Longs Drug (500,000 square feet, 2006) and Fastenal Company (2006).

Representative Distribution Centers		
<u>Company</u>	<u>City</u>	<u>Business Description</u>
Dot Foods	Modesto	Food redistributor
Fastenal	Modesto	Regional distribution center
G-3 Enterprises	Modesto	Logistics
Heartland Logistics	Modesto	Tomato products distribution
Kohl's Corporation	Patterson	Regional distribution center
Longs Drug	Patterson	Regional distribution center
MTC Distributing	Modesto	Wholesaler grocery related products
Nasco	Modesto	Regional distribution center
Piranha Produce	Keyes	Wholesale produce
Sysco	Modesto	Wholesale food and related products
WinCo Foods	Ceres	Regional grocery products distribution

Logistics and Warehousing

Logistics services are available through any of a number of nationally recognized vendors. A few examples of firms with local operations include Americold, G-3 Enterprises, Sierra Pacific and Transload Shippers. Significant warehousing capacity, including dry and cold storage for food products, is available locally.

Representative Warehousing Providers		
<u>Company</u>	<u>Location(s)</u>	<u>Description</u>
G-3 Enterprises	Modesto	Food grade facilities
Hughson Cold Storage	Hughson	Refrigerated storage for food products
Versacold Logistics	Modesto	Multi-million cubic feet of space
Sierra Pacific Distribution	Modesto, Patterson, Turlock	Dry and cold storage capability
Trinidad-Benham	Patterson, Westley	Agricultural products
Americold	Turlock	Multi-million cubic feet of cold storage

Trucking Services

The area is well served by the full range of large number of national and regional trucking providers such as Old Dominion, Swift, USF Bestway, Watkins & Shepard and many more. Stanislaus also is home to a number of locally headquartered fleets. The following table lists some of Stanislaus' multi-unit trucking firms. Combined fleet size for just these listed operators exceeds 660 trucks.

Representative Trucking Firms Based in Stanislaus	
Ameri Eagle, LLC	Manuel Brasil Trucking
B & B Trucking, Inc	Northern Refrigerated, Inc
B Panella Drayage Co	Pohl & Holmes, Inc
Baldwin Trucking, Inc	Quigley Trucking
Borden & Son's	Robert Harkrader Trucking
Brite Transportation System, Inc	Ron Lawrence Trucking
Cartel Transport, LLC	Sunshine Express
Cobb Frozen Transport, Inc	Sward Trucking, Inc
Ed Rocha Livestock Transportation	Thornberry
Ernest Prouty & Sons Trucking	Timmerman Starlite Trucking
Fandick Trucking, Inc	Try-Us Trucking, Inc
G & G Transportation	Golden Valley Trucking Corp
Golden Eagle Trucking Co	Guerrero Trucking
Joe L Coelho Trucking & Hay, Inc	Takhar Trucking
Lopes Trucking Service	Trevino Trucking, LLC

Workforce and Compensation

According to California Employment Development Department (EDD), 14,270 jobs in Stanislaus were in transportation-related occupations as of late 2004. This same source shows the area's 2005 median hourly wage in the overall category at from 17%-to-18% less than in the San Francisco and Oakland metropolitan statistical areas.

Stanislaus Logistics-Related Wage and Employment Data Third Quarter 2005 Wage Levels, California EDD							
SOC Code	Occupational Title	Estimated Employment Nov. 2004	Entry-Level Wage (1)	Mean Hourly Wage	25th Percentile Wage	Median Hourly Wage	75th Percentile Wage
53-0000	Transportation and Material Moving Occupations	14,270	\$8.28	\$13.26	\$8.81	\$12.05	\$16.46
53-1021	First-Line Supervisors/Managers of Helpers, Laborers, and Material Movers, Hand	250	\$12.50	\$19.69	\$14.17	\$18.46	\$24.49
53-1031	First-Line Supervisors/Mgrs of Transport and Material-Moving Machine and Vehicle	240	\$16.04	\$22.89	\$18.05	\$22.87	\$27.65
53-3031	Driver/Sales Workers	1,280	\$8.02	\$14.12	\$8.57	\$10.56	\$16.72
53-3032	Truck Drivers, Heavy and Tractor-Trailer	2,440	\$12.95	\$17.17	\$14.19	\$16.49	\$19.80
53-3033	Truck Drivers, Light or Delivery Services	1,210	\$8.07	\$11.53	\$8.59	\$10.55	\$13.63
53-3099	Motor Vehicle Operators, All Other	20	\$8.72	\$11.63	\$9.05	\$10.16	\$12.83
53-6099	Transportation Workers, All Other	40	\$7.76	\$10.40	\$8.14	\$10.29	\$12.45
53-7011	Conveyor Operators and Tenders	120	\$13.85	\$16.90	\$15.03	\$17.18	\$19.66
53-7032	Excavating and Loading Machine and Dragline Operators	(3)	\$18.53	\$21.34	\$18.91	\$21.00	\$24.24
53-7051	Industrial Truck and Tractor Operators	1,460	\$11.16	\$15.17	\$12.20	\$15.28	\$18.04
53-7061	Cleaners of Vehicles and Equipment	720	\$7.83	\$9.72	\$7.88	\$8.74	\$10.53
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	3,710	\$7.87	\$10.62	\$8.11	\$9.41	\$12.41
53-7063	Machine Feeders and Offbearers	150	\$8.08	\$14.73	\$8.38	\$17.02	\$20.55
53-7064	Packers and Packagers, Hand	1,550	\$7.62	\$10.69	\$7.78	\$9.23	\$13.36
11-3071	Management Occupation: Transportation, Storage, and Distribution Managers	120	\$18.70	\$29.31	\$22.10	\$30.15	\$35.34

Data Footnotes:

(1) The mean of the first third of the wage distribution is provided as a proxy for entry-level wage.

(2) For some occupations, workers may not work full-time all year-round. For These occupations it is not feasible to calculate an hourly wage.

(3) An estimate of employment could not be provided.

(4) An estimate of wage could not be provided.

(5) For Mean Relative Standard Error data, see EDD website.

Reproduced from the California Employment Development Department website

Data sources:

California Employment Development Department www.edd.ca.gov

California Department of Finance www.dof.ca.gov

California Department of Transportation www.dot.ca.gov

Stanislaus GIS <http://regional.stangis.org>

United States Bureau of Labor Statistics www.bls.gov