

TRANSPORTATION AND LOGISTICS INDUSTRY CLUSTER

Stanislaus County, California

Prepared by the

Stanislaus Economic Development & Workforce Alliance

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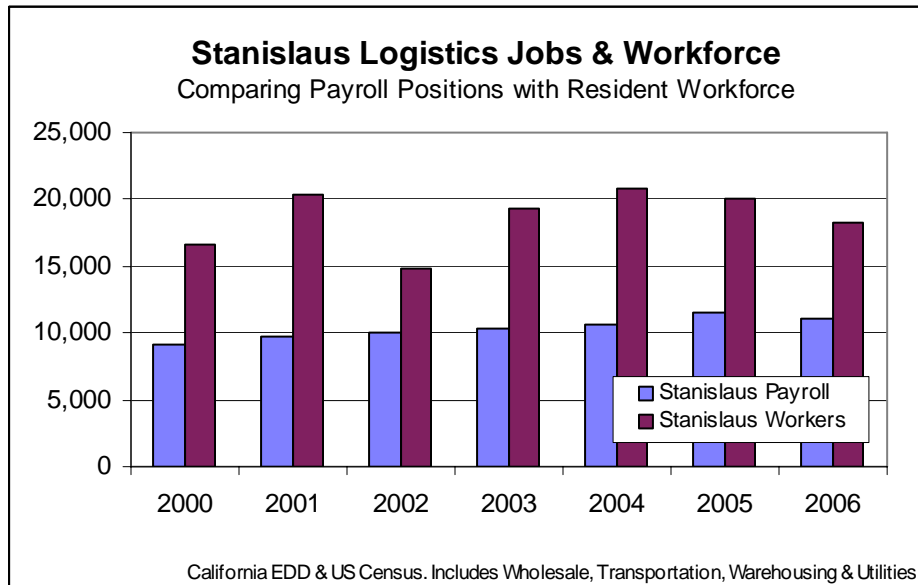
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Transportation and Logistics in Stanislaus

The Stanislaus River Valley is building a reputation as a logistics hub. A major attraction is the County's strategic California location. Drive time to San Francisco and the Silicon Valley is 90 minutes, while portions of the eastern Bay Area are significantly closer. 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 alternatives. Business parks, some with direct rail access, are strategically located across the County. Further enhancing the area's competitiveness, a large portion of Stanislaus was awarded Enterprise Zone status in November 2005. Additional expansions have occurred since that time. Among the most popular benefits of the Zone are hiring and production equipment tax credits. Employers can earn state tax credits with a potential value of up to \$35,100 over five years for each qualified employee added.

All the above factors are reflected in the growing number of distribution centers and related operations expanding in the area and greater region. Industry payroll positions in the County have increased 20% since 2000, more than half-again the overall rate of local job creation. The number of Logistics workers residing in Stanislaus has also grown over the same time span. Although Census estimates of the workforce fluctuate over time, there is a consistent surplus of sector employees residing in the community compared to the number of local payroll positions. This data suggests a significant commuter base that could fill additional Stanislaus positions as they become available. *(Note: due to data limitations, graphed figures include approximately 1,500 to 2,000 Utilities sector positions.)*



Area Overview

Stanislaus has long been known for its farming and food processing sectors. Many name brand companies are headquartered or have major operations in the area, including ConAgra, E&J Gallo Winery, Foster Farms, Frito-Lay, and Save Mart, to name but a few. The large majority of Stanislaus businesses are served by a public utility district. Within



these local service territories, industrial electric rates often are in the 8¢ range per kWh compared with approximately 10¢ for much of California. Commercial rates are also lower than state averages. The County population exceeds 521,000 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. The area connects to the San Francisco Bay Area via Interstates 205 and 580. Collectively, 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 at least one rail provider. Passenger air service is available multiple times daily from Modesto City-County Airport to San Francisco.

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
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), plus the Port of Stockton to the north (25 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. Some recent distribution center openings include WinCo Foods (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 in the area.

Representative Warehousing Providers		
<u>Company</u>	<u>Location(s)</u>	<u>Noteworthy</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 region is well served by the full range of national and regional trucking providers such as JB Hunt, Old Dominion, Roadway, 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	Takhar Trucking
Lopes Trucking Service	Trevino Trucking, LLC



Workforce and Compensation

According to the Employment Development Department, just over 14,000 jobs in Stanislaus are identified as being in transportation and material moving occupations, augmented by several thousand more positions in related fields. This same source shows the area's 2007 median hourly wage in the overall category at approximately 13% less than in the San Francisco and Oakland metropolitan statistical areas.

Stanislaus Logistics-Related Wage and Employment Data							
First Quarter 2007 Wage Levels							
SOC* Code	Occupational Title	May 2006 Empl't Estimates	Mean Hourly Wage	Mean Relative Standard Error (1)	25th Percentile Hourly Wage	50th Percentile (Median) Hourly Wage	75th Percentile Hourly Wage
53-0000	Transportation and Material Moving Occupations	14,070	\$13.98	\$1.70	\$9.28	\$12.97	\$17.59
53-1021	First-Line Supervisors/Managers of Helpers, Laborers, and Material Movers, Hand	250	\$20.00	\$2.00	\$16.19	\$19.18	\$23.44
53-1031	First-Line Supervisors/Mgrs of Transport and Material-Moving Machine and Vehicle	290	\$25.84	\$2.80	\$21.10	\$26.31	\$30.64
53-3031	Driver/Sales Workers	860	\$12.31	\$4.30	\$7.55	\$10.76	\$15.86
53-3032	Truck Drivers, Heavy and Tractor-Trailer	3,050	\$18.15	\$2.40	\$14.30	\$17.65	\$21.36
53-3033	Truck Drivers, Light or Delivery Services	1,080	\$12.16	\$3.60	\$8.85	\$11.48	\$14.84
53-7051	Industrial Truck and Tractor Operators	1,510	\$15.64	\$2.30	\$11.84	\$16.02	\$19.24
53-7061	Cleaners of Vehicles and Equipment	720	\$10.66	\$4.80	\$8.15	\$9.65	\$13.06
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	3,480	\$11.25	\$2.30	\$8.39	\$10.11	\$13.22
53-7064	Packers and Packers, Hand	1,370	\$10.74	\$5.70	\$7.93	\$9.13	\$13.18
53-7121	Tank Car, Truck, and Ship Loaders	(3)	\$11.81	\$3.70	\$10.26	\$11.54	\$13.17
11-3071	Transportation, Storage, and Distribution Managers	130	\$35.86	\$4.90	\$29.62	\$34.80	\$40.87
43-5071	Shipping, Receiving, and Traffic Clerks	780	\$14.59	\$2.20	\$10.93	\$14.04	\$18.33
43-5081	Stock Clerks and Order Fillers	2,420	\$11.16	\$1.80	\$8.46	\$10.17	\$13.05

Data Footnotes:

(1) The "Mean Relative Standard Error" is a measure of the relative precision of the wage estimate. A low number denotes relatively high validity.

(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.

* SOC job coding system. For a more detailed description regarding a specific job, visit: www.bls.gov/oes/2002/oes_stru.htm

Effective January 1, 2008, the California minimum wage is \$8.00 per hour.

Data source: California Employment Development Department & US Bureau of Labor Statistics

Data sources

California Department of Finance www.dof.ca.gov

California Department of Transportation www.dot.ca.gov

California Employment Development Department www.edd.ca.gov

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

United States Bureau of Labor Statistics www.bls.gov

United States Census Bureau www.census.gov



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