

A GROWING NEED

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PORT OF STOCKTON—The deep-water channel into this commerce hub has been a valuable resource since the inception of the city.

Now entering its 85th year, the Port of Stockton is looking for ways to accommodate a growing future.

The Port was integral in the California Gold Rush, since the San Joaquin River connected the city with the Delta waterways and, ultimately, the San Francisco Bay Area. These days, the Port is just as integral because of its proximity to more than just the Bay.

Port operations are thriving because it is close to four major freeways, the Stockton Metropolitan Airport and two cross-country railroads. Those connections make the commerce hub a natural choice when it comes to locating operating facilities and the like.

“Calendar year 2017 was our best year ever. We handled 4.7 million metric tons [of product] and 268 ships,” said Rick Aschieris, port director for the Port of Stockton. “On top of having a very good business year, we’re doing a lot of work to improve our infrastructure.”

That work includes a recently completed overpass over the BNSF Railroad to help keep increased traffic flowing. Navy Drive, the main artery into



Port of Stockton celebrating 85 years of operations and growth

— COURTESY PHOTOGRAPH

the Port, is being widened from two to four lanes, and the bridge to Rough and Ready Island is being replaced with a four-lane bridge. Those two projects should be complete around the end of 2018.

Dredging into the river to increase depths has also made it possible to use the docks at full capacity, Aschieris said.

With the strengthening and growth comes challenges. One of which is space. According to Pete Grossgart, the Port’s marketing manager, there are only about 620 open acres that are available for development. He foresees that land being fully occupied within 15 years.

Currently, occupancy is about 90 percent.

All the activity is refreshing for Port operations. Just 12 years ago, activity had been

severely impacted by the Great Recession.

“Back in 2006, we had 2.2 million tons of cement come through this facility. The economy tanked, and cement literally dropped to zero for three years,” Grossgart said. “It’s rebounded. I think we did something like 800,000 tons last year. Which just shows the strength of the local economy.”

“The private sector has invested a little more than \$2 billion in projects at the Port,” Aschieris said. “We’re employing 5,500

people, though we think that’s a conservative number.”

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Port Director,
Port of Stockton

It doesn’t hurt that the Port of Stockton is very specific in what it offers its tenants, many of whom import or export bulk dry goods, like cement, sulfur and other fertilizers, animal feed and more. There are also commodities such as molasses, food grade oil and steel.

Though steel might have some challenges ahead due to 232 sanctions being considered

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Tugboats are a necessity in Port of Stockton operations.



Among the commodities brought through the Port of Stockton, steel may be one that is impacted by proposed sanctions.

BUSINESS JOURNAL PHOTOS BY MARC LUTZ

by the Trump administration. Those sanctions would impose tariffs on 24 percent of all steel imports.

One of the areas in which the Port is working to attract new tenants is in the renewable energies industry. Countries like Japan and Mexico are moving away from nuclear energy and moving toward the use of renewables. In the interim, they've upped the demand for coal.

"One of the renewables is wood pellets," Grossgart said. "Japan is talking eight to 14 million tons a year starting 2020. The obvious place for it to come is off the West Coast of North America. We're trying to get in front of some of these trends."

Grossgart wasn't shy about the Port's position on being the home for the moving of such renewable energy products. "We want the lion's share of it," he said.

Another energy product that Japan is going after is tire chips.

As operations grow, so do tenants. One such business at the Port is Alamillo Rebar, Inc. The company supplies rebar for construction in large-scale projects, and with construction on the rise throughout the nation, it follows demand for building materials rises as well.

Along with the increase in business operations and improved infrastructure, the Port is working at staying sustainable. Nowhere is that more evident than in its approach to pest control. Fifteen owl boxes have been installed to help save the local barn owl populations. In turn, the owls take care of vermin which can break down the levees with burrowing.

"An adult owl can eat something like 1,200 rodents a year," Grossgart said.

The same approach is taken with bat boxes. The bats take care of the flying insects that can prove to be problematic.

The aforementioned dredging is also beneficial not only for Port operations, but for the Antioch Dunes Project. Sand from the dredging is pumped to the Antioch Dunes National Wildlife Refuge to help bolster the population of the Lange's Metalmark Butterfly, which is near extinction.

All the efforts only highlight the uniqueness of the Port.

"This place is special. We're one of the few ports on the West Coast that actually has room to expand," Grossgart said. "We're always going to be an inland port. We're always going to be a niche port." **CV**



COURTESY PHOTOGRAPH

Airgas to expand CO2 operations to Port of Stockton

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STOCKTON—The Port of Stockton will soon be home to a new Airgas facility that will produce liquid carbon dioxide (CO2).

The plant, which will be located next door to Pacific Ethanol on Navy Drive, is expected to be up and running in the second half of 2018, according to the company.

Locating next to Pacific Ethanol is necessary for the creation of CO2, according to Tom Thoman, senior vice president of Merchant Gases for Airgas.

"[Pacific Ethanol is] producing ethanol, which is produced as an additive for fuel. The process gives off a pretty pure stream of carbon dioxide," Thoman said in a phone interview. "We have to find someone operating a process like this."

Airgas uses the CO2 to create things like dry ice and other such products. Nationwide, Airgas—which is owned by Air Liquide—serves more than one million customers. The Port facility will employ up to 30 employees in the areas of manufacturing, distribution and management.

"We may bring a few folks from other places for experience, but there will be new jobs here," Thoman said. He said the plans are moving forward and groundbreaking should be happening soon.

Though Airgas has facilities

all throughout California, Thoman said the Stockton location will help to bolster its dry ice network.

"Stockton is an important market for us for liquid CO2 and dry ice," Thoman said. "When you look at our network, this location is a nice add to this part of the state. This really strengthens our CO2 and dry ice supply network for our customer base in California, which is a growing customer base."

The products produced at such a facility, Thoman said, are used at water treatment plants, in the food industry for chilling, in the beverage industry for things like putting the fizz in soda, making beer and wine and for chemical applications since CO2 is a reactant.

"There's a whole host of things this industry supplies, but not a lot of people know about this industry," Thoman said.

According to Thoman, the industry is extremely safe because of measures put into place. Airgas is a member of the Compressed Gas Association, which develops the standards used by facilities such as those that produce CO2 products. There are also requirements by places like the Department of Homeland Security and the Food and Drug Administration that Airgas adheres to.

No matter where the product is being handled, whether at the production site, on the road or at the customer's location, Thoman said they put

safety as a top priority.

"That's the product stewardship we put into all our facilities," Thoman said.

Airgas not only supplies CO2 products, but gases that are used by industrial, specialty and medical trades. However, the Stockton plant will focus on the CO2 market.

At the same time it announced the creation of the Port location, Airgas also announced the expansion of its existing facility in Etiwanda, in Southern California.

According to a release issued by the company, "The expansion of the existing air separation unit in Etiwanda ... will increase available supply of industrial gases to customers throughout Southern California. The expansion will produce cryogenic liquid nitrogen and oxygen to support the region's merchant bulk gas market supplying a range of industries including health-care, chemical, food and beverage, steel, glass, electronics as well as oil and gas industries."

"With these two new production facilities in California, we are continuing to bolster our network of Airgas production facilities throughout the region in this important and growing market," said Pascal Vinet, CEO of Airgas in a statement. "The facilities will enhance our supply chain output and fortify long-term reliability for our packaged and merchant gas customers throughout the western United States." **CV**