



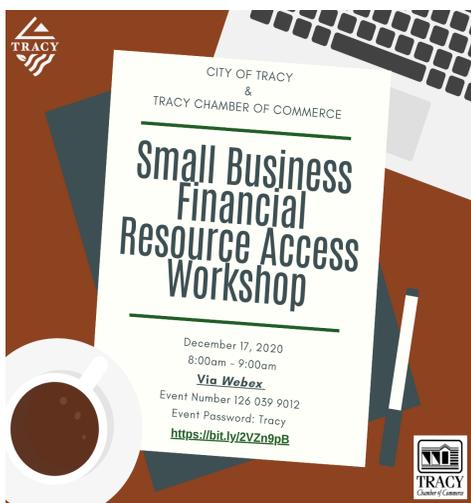
# ECONOMIC DEVELOPMENT MONTHLY UPDATE

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## Small Business Survey, Committee and Resources

Recent changes in the State and County Public Health Orders are putting economic pressure on businesses in the community, particularly small business. The Tracy City Council has directed formation of an Economic Strategies Committee to assess the needs of the local business community and ensure strategic deployment of resources. As part of this effort, we invite small business input in a five-minute **survey**. Responses are confidential and feedback will inform city policy to support small businesses during these trying times.



Last week, the State announced commitment of new resources to support small business activity. The Economic Development Team continues to track programs available for local businesses closely and has put together the following list of available resources. We are

also partnering with the **Tracy Chamber of Commerce** to host a virtual workshop on these opportunities on December 17.

### City of Tracy Resources:

[COVID-19 Small Business Forgivable Loan](#)

[Grow Tracy Loan](#)

### Regional Resources:

[Sudden & Severe Economic Dislocation Loan Program](#)

[San Joaquin County Revolving Loan](#)

[Small Business Administration 504c Loan](#)

[Labor and Workforce Assistance](#)

### State Resource:

[Tax Relief, Deferrals, and Credits](#) (new programs forthcoming)

[California Rebuilding Fund](#)

[Loan Guarantee Program](#)

[Small Business Centers: Stockton and Modesto](#) (help navigate new guidance, access capital, adapt to new marketplace)

Grants up to \$25k for small businesses, non-profits, and cultural institutions (forthcoming)

### U.S. Small Business Administration

[Economic Injury Disaster Loan](#)

[Express Bridge Loan Pilot Program](#)

[Debt Relief](#)

Governor Newsom announced that all sectors other than retail and essential operations will close in regions of the State where less than 15 percent of intensive care unit beds are available. The Regional Stay Home Order, applying to all counties in the San Joaquin Valley region, has gone into effect starting December 6 and will be in effect for at least three weeks. This order is a protective measure to limit the spread of COVID-19 and support the most vulnerable community members and hospital frontline workers.

## Regional Stay Home Order



California's Regional Stay Home Order goes into effect after a region reaches less than 15% ICU availability.

For our Region, the order goes into effect Sunday, December 6th at 11:59 pm as we have fallen below the threshold.

This is a targeted protective measure to help prevent spread and a strain on our healthcare systems.

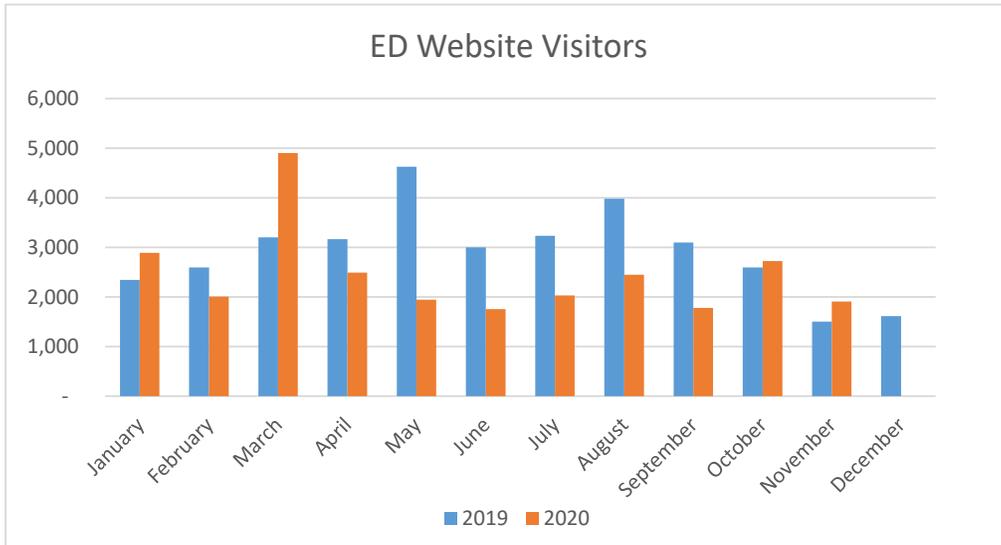
If we don't act now, California will reach ICU capacity.

Learn more at [covid19.ca.gov](https://covid19.ca.gov)

# ThinkInsideTheTriangle.com

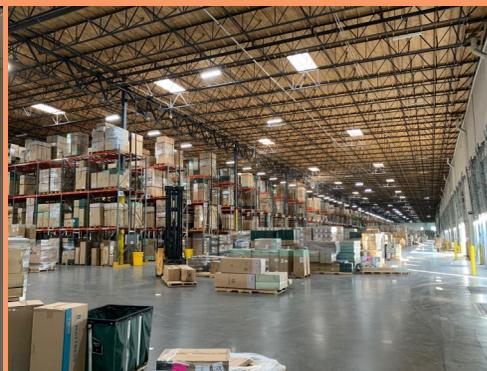


The Tracy Economic Development Team continues to leverage the [ThinkInsideTheTriangle.com](http://ThinkInsideTheTriangle.com) website for small business assistance, business attraction, marketing, data brokerage, promotions, COVID-19 related resources and news sharing. The Economic Development Team released a survey soliciting input from small businesses as part of the effort to match available resources to business needs. The website continues to average over 2,470 monthly visitors with more traffic in 2020 relative to 2019 over the last two months.



## Staff Visits the Zinus U.S. Headquarters

Tracy's Economic Development Team makes an effort to visit various employers in the City, which serve as the backbone of the local economy, ranging from small businesses to the largest and most innovative employers. Following social distancing protocols, the Economic Development Team visited the 660,000 square-foot Zinus facility in November 2020, located within the Prologis International Park of Commerce (IPC). Zinus is a world-leading and rapidly growing e-commerce mattress and furniture company that was started in Korea in 2004. With a global footprint and \$1 billion in annual revenue, Zinus chose Tracy to be home to its U.S. headquarters with only one of two distribution facilities in America. Zinus employs about 200 warehouse associates in addition to managerial, information technology, sales, and human resources staff. Zinus continues to thrive with the broader growth in the e-commerce industry, while leveraging its strategic location in Tracy.

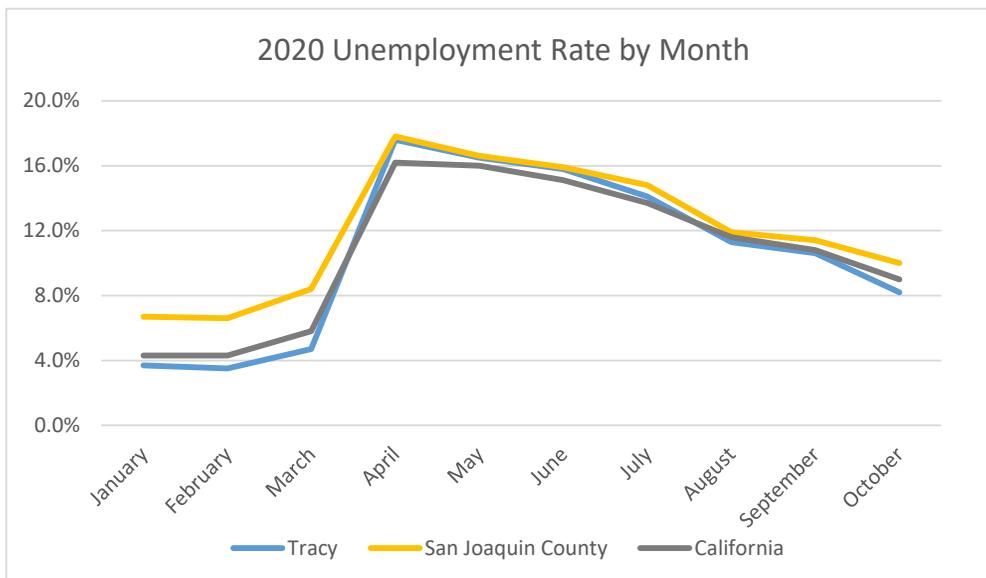


# Employment Trends



Tracy's unemployment continues to decrease since it peaked in April 2020. By October, the rate was down to 8.2% in the City, a 2.4% decrease from the prior month. Tracy's unemployment remains slightly below that of the County and the State.\*

\* Data reported by the California Employment Development Department. Due to the reporting methodology, there is a 2-month lag.



## New Development Activity

Item	Oct-20	Oct-19	YTD 2020	YTD 2019
<b>Issued Permits</b>				
Residential	228	276	1,381	1,588
Commercial	10	11	110	135

Tracy continues to experience a strong level of development activity despite the pandemic. Residential development continues to be strong with increasing home prices, as home buyers are looking for larger living space and affordability. The industrial sector is still faring best among commercial property types. Tracy continues to develop a thriving industrial ecosystem with strong industrial space performance, driven by growth in e-commerce, cold storage, advanced manufacturing, and logistics. The retail sector has continued a gradual decline under COVID-19, particularly as the County was downgraded into the Purple/Widespread tier in November and regional Stay at Home Order on December 6.

The City of Tracy Economic Development team continues to explore options to help existing businesses survive COVID-induced regulations, while encouraging residents to "Shop Local."

With the holiday season upon us, the goal is to capture local resident spending in the City and generate support to Tracy businesses while keeping the community safe and healthy.



# Tracy's Passage of Measure W Expected to Generate Revenue for Community Services



The economic impact of the cannabis industry in the U.S. is estimated at \$60 billion in 2020 with impact forecasted to double by 2024. The industry's growth is largely perceived as an opportunity by many municipalities seeking to diversify local economies and offset revenue losses imposed by the COVID-19 pandemic. According to the San Francisco Business Journal, Q3 revenue released by the California Department of Tax and Fee Administration revealed a jump in cannabis tax revenue of almost 80 percent compared to 3rd quarter a year prior. The State received \$306.7 million in Q3 cannabis tax revenue in 2020, coming from an excise tax of \$159.8 million, a cultivation tax of \$41 million, and sales tax of \$105.9 million.

The City of Tracy's voters approved Measure W on November 3, which introduced a cannabis tax on cultivation, retail, and other cannabis activity in the City. Tracy staff is processing 41 applications including 31 storefront dispensaries, 19 non-storefront retail, 8 manufacturing, 8 distribution, 7 cultivation, and 7 micro-businesses. From these applications, the City may see several cannabis businesses from the various sectors (retail dispensaries are limited to four). These businesses have a strong revenue generation potential that could help reduce the existing General Fund structural deficit and fund additional community services. Cannabis-based activities could also add resiliency to the local economy, which has developed heavy reliance on e-commerce, logistics, and retail industry segments. Tracy's commercial cannabis regulations can be found [here](#).

## Look for Tracy in Site Selection Magazine!

With COVID-19 eliminating many marketing opportunities via in-person conferences and trade shows, the Economic Development Team continues to be strategic about promotions and business attraction. The City of Tracy has teamed up with Prologis to place a one-page advertisement in Site Selection magazine this fall. The Infrastructure & Logistics Edition featuring California reached over 68,000 corporate executives and site selection consultants with active relocation and expansion plans. The digital issue of the magazine can be found [here](#). Site Selection magazine is an internationally circulated business publication covering corporate real estate and economic development.



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