



ECONOMIC DEVELOPMENT MONTHLY UPDATE

Relief Across Downtown (RAD) Gift Card Program is in Tracy

In this issue:

- RAD Card Program in Tracy
- EBCE Community Update
- Economic Recovery and State Reopening
- Unemployment Rate in Tracy
- New Project Entitled at IPC
- IAMC Conference
- Building Permit Activity
- Cannabis Update

In an effort to support Tracy's local economic recovery efforts, the Tracy Chamber of Commerce brought the Relief Across Downtown (RAD) gift card program to Tracy. The RAD digital gift card app was launched last week and provides matching funds to patrons, doubling their purchasing power at restaurants, retailers, and personal care businesses. The transaction experience is designed to be completely contact-free.

Originally created in Modesto, the program was subsequently adopted by San Joaquin County with \$1 million in funding made available to hard hit businesses throughout San Joaquin County. Tracy received \$150,000 of this allocation. Customers can purchase a gift card for any participating business in Tracy through downloading the RAD card app via the [APP Store](#) or [Google Play](#).

Businesses can follow the same process and should choose the "Sign Up as a Business" option. Business owners are encouraged to use an email address associated with their RAD card business account. This email account would need to be referenced during the enrollment process for further instructions. Once this simple enrollment process is completed, a link to a step-by-step training guide that illustrates how to transact with the RAD card will be generated. For questions, please reach out to customer service at radcard@domopartnership.org. You may also view a how-to video tutorial at: www.theradcard.com/video. In addition, you may contact Tracy's RAD card community liaison at:

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East Bay Community Energy Update

In April, the City of Tracy joined EBCE's service in order to provide residents and businesses, as well as municipal facilities, with greener power at lower rates. All electricity customers in Tracy were placed onto EBCE's Bright Choice plan, which offers a 1% discount to PG&E rates. For more information on rates and billing, please visit: <https://ebce.org/understand-your-bill/> or call their call center at 1-833-699-EBCE (3223) or email customer-support@ebce.org

Last month, EBCE was awarded a \$300,000 grant to support development of electric vehicle (EV) charging hubs and will focus on redeveloping brownfields in communities impacted by environmental justice challenges in Alameda County and the City of Tracy. The funds will be used to complete environmental assessments of potentially contaminated properties and develop cleanup and reuse plans for electric vehicle (EV) hub development. These future hubs may include solar arrays and battery storage. Battery storage at former brownfields sites can increase community climate resiliency by improving access to electric power during blackouts, which have been increasing in frequency due to wildfires.



**EAST BAY
COMMUNITY
ENERGY**

California is (re)Opened for Business



On June 15th, California reopened for business with prior tier-based restrictions removed. With capacity based limits and social distancing removed as well, the only remaining regulations apply to mass gathering events defined as more than 10,000 people outdoors (e.g. concerts) or 5,000 people indoors (e.g. sports events). The State will reevaluate these restrictions on October 1st.

California's reopening coincides with the national economic boom associated with increased consumer optimism and positive outlook about the future with decreasing COVID-19 rates across the nation. A federal stimulus injection of \$19 trillion is also supporting economic growth. The pace of hiring accelerated across the nation in June with 850,000 new jobs created, following roughly 583,000 jobs created in May. Overall, payrolls have expanded by 15.6 million people since the April 2020 trough, although headcounts still trail the pre-pandemic mark by about 6.8 million.

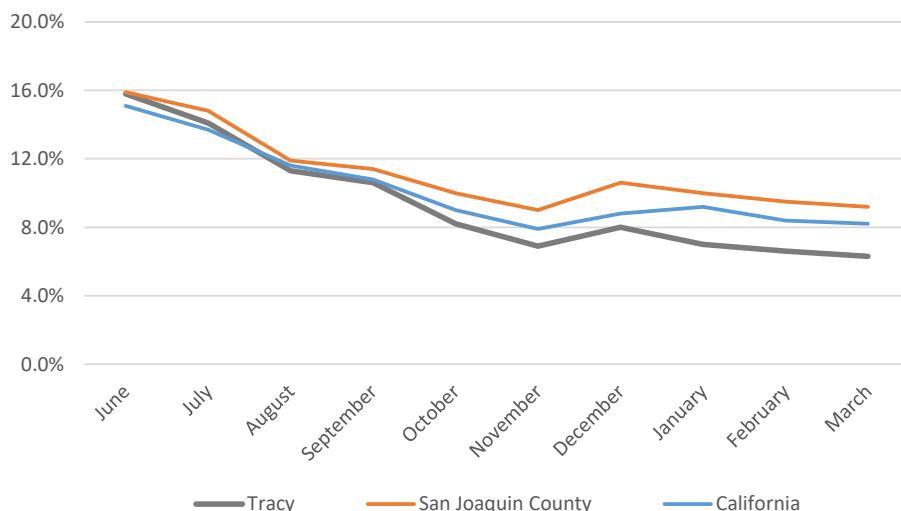
National growth has been led by strong recovery in hospitality and retail sectors, both of which were particularly affected during the COVID-19 pandemic. However, despite the recovery, labor shortage is emerging as a new issue that may slow the rate of growth with labor force participation still relatively low. This is because many workers have left the labor force or reduced their working hours. About 58 percent of the population was working in June, up 670 basis points from the April 2020 low, but still below the 61-percent threshold reached in late 2019. The labor shortage may improve in September when unemployment benefits expire and students return to in-person schooling.

Unemployment Rate in Tracy

The recent passage of the \$1.9 trillion American Rescue Act is finally being translated to specific programs to support small businesses and households hard hit by the recent COVID-19 pandemic. The City has received about \$14 million in federal funding. It is expected that \$3 million will be allocated to economic development objectives. This investment, combined, with other financial programs, a loosened regulatory environment, and consumer confidence growth are all contributing to strong local economic growth, on par with the national trends described above.

While June data is not available on a local level, the City's unemployment continues to decrease in early 2021 and is expected to continue through the summer. Local economic development efforts combined with regional programs, like the RAD Card program, are expected to strengthen the rate of the local economic recovery through the end of the year and in 2022. The City of Tracy unemployment rate continues to be below that of the countywide average and the State as a whole.

12-Month Unemployment Rate by Month

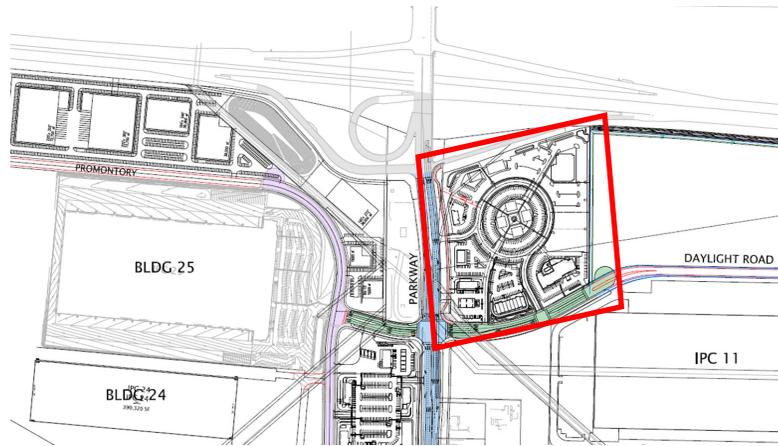




New Entitlements at IPC

The City approved two new development projects at the International Park of Commerce (IPC) in June 2021, which is the largest industrial business park in the region. These projects are currently referred to as Parcel 7 and

Parcel 8, both of which are a part of the West Parkway Village project which will consist of 14 commercial freeway-facing parcels on approximately 17.6 acres



located on the southeast corner of Interstate 205 and International Parkway.

Parcel 7 consists of 2 acres located east of International Parkway off of Daylight Road. Parcel 7 is the first commercial development of West Parkway Village and is entitled for a 10,465 square foot multi-tenant building with a drive-thru. The proposed exterior façade features would include corrugated metal siding, wood grain cement siding, an outdoor seating area, and metal awnings. The drive-thru is proposed to be screened from the public right of way. Economic development staff is working with the developer on the tenancing mix and ensuring that community survey results are factored into tenant outreach efforts.

Parcel 8 is 1.2 acres located on the northeast corner of International Park-



way and Daylight Road. This site is intended to be used by Chevron for an automobile service station with six fuel dispensers, 4,028 sq. ft. convenience store, and self-service carwash tunnel. The convenience store will be located on north end of the site and the fuel canopy will be on the south end of the site.

Tracy at IAMC

Shortly after the State reopening, Tracy's Economic Development Team returned to the conference circuit, which is one of the most effective ways to promote the City for business attraction. This time, it was the annual Industrial Asset Management Council (IAMC) in Fort Worth, Texas. IAMC is the leading industrial and manufacturing real estate trade association, offering dynamic networking opportunities, endless resources, and professional development opportunities. The IAMC event is attended by top corporate, site selector, and broker representatives and executives across the nation. Tracy was well represented and continues to remain on top of the C Suite executive minds.



Building Permits



After experiencing strong growth in 2020, May is outperforming the City's respective residential and commercial growth from a year ago. There are 6.7 million square feet of commercial development and nearly 2,800 residential units either approved or under construction. With the beginning of the peak of the seasonal construction period and reopening of the State, strong permitting activity indicates the City's continued desirability, economic growth, and strong quality of life.

Item	May-21	May-20	Annual Change	YTD 2021	YTD 2020	Annual Change
Issued Permits						
Residential	195	113	72.6%	871	553	57.5%
Commercial*	20	10	100.0%	138	67	106.0%

*Includes industrial uses.

Cannabis Update

With the passage of Measure W in 2020, Tracy is well-positioned to increase and diversify its revenue base with the addition and taxation of cannabis uses. Enabled in California by Proposition 64, Cannabis operation has been legalized since 2018 though many cities are still developing appropriate processes and regulations for the industry. Last month, Tracy selected four retail dispensary candidates after a multi-month selection process. More than 40 applications were received by the City, including 31 storefront dispensaries, 19 non-storefront retail, 8 manufacturing, 8 distribution, 7 cultivation, and 7 microbusinesses.

From these applications, the City selected top candidates for a retail location. The City's ordinance limits the number of retail operators to four. Selected cannabis retailers include Community Veterans of Tracy LLC, Inside the Culture Triangle, Inc., also known as Culture Cannabis Club, MOM TR Inc., doing business as Megan's Organic Market, and Doctor's Medical Choice Modesto LLC. These California-based retail businesses have a strong revenue generation potential that could help fund additional community services. For example, California took in more than \$1B in tax revenue from recreational marijuana in 2020 - a 62% increase from 2019. Cannabis-based activities also add resiliency to the local economy, which has developed heavy reliance on e-commerce, logistics, and retail industry segments in Tracy. The City's commercial cannabis regulations can be found [here](#).

The next step for the selected retail businesses will be to identify physical locations within 90 days, which is required to apply for a conditional use permit as the next step.



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