



ECONOMIC DEVELOPMENT

MONTHLY UPDATE

Tracy Innovation in the News!

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Tracy made the news twice in March for innovation. The first article was an offshoot of the Clean Tech innovation emergence story featured in the January version of the Economic Development newsletter, which was picked up by the World News Network, a global digital platform that features business and other news stories from around the world. Read the article [here](#).

The second story featured Tracy Safeway, which is testing battery-powered vehicles, or robotics, for its grocery delivery to customers. Tracy was only one of two locations in Northern California chosen for the testing of this innovative technology, which is designed to enhance grocery delivery efficiency and reduce costs. The article can be viewed [here](#).

Support Tracy Campaign

The last 12 months have been difficult for small businesses in Tracy. Based on the Small Business Survey conducted by the City, more than half of local businesses only had enough cash to survive six months or less and were disproportionately affected by the pandemic and related public health restrictions.

The City of Tracy Economic Development team, in collaboration with the Tracy Chamber of Commerce, Tracy City Center Association, and members of the City of Tracy COVID-19 Strategies Committee are rolling out a new “Shop Local” marketing campaign designed to support our local businesses. The campaign aims to capture local spending in Tracy by creating a user-friendly digital business directory, and promoting Shop Local messaging through window decals, social media, newsletters, radio, and video advertisements.

The “Support Tracy” brand message is the outcome of the small business COVID-19 Strategies Committee, which was formed under City Council direction in December 2020 as part of an effort to enhance collaboration between small business owners and community stakeholders, and generate opportunities that enable local businesses to survive regulatory uncertainty and decreased revenues.



INSIDE THE TRIANGLE *Support Tracy*

The newly designed campaign will highlight the importance of spending money locally to support small businesses, which in-turn helps strengthen our local economy and quality of life.

Small business owners are encouraged to pick-up and post the “Support Tracy” window decal in their storefront window to encourage customers to shop locally. The decals can be requested from one of the following sources:

Businesses located outside of downtown
Tracy Chamber of Commerce
Phone: 209-835-2131
Email: info@tracychamber.org
<https://www.tracychamber.org/>

Businesses located in the Downtown District
Tracy City Center Association
Phone: 209-597-0073
Email: tcca@tracycitycenter.com
<https://tracycitycenter.com/>

Additionally, the public can find out more information about local business services, locations, and contact information by visiting the newly created digital business directory at: www.tracychamber.org/business-directory. The directory will be updated periodically to ensure the business information remains accurate.

East Bay Community Energy Update



By now, Tracy residents and businesses should have received at least one enrollment notice from [East Bay Community Energy](#) (EBCE). EBCE is a local public agency that will be providing greener electricity throughout Tracy starting next month! EBCE is a community choice energy supplier and is now the default supplier of electricity generation service for the City of Tracy. EBCE will provide electricity to the grid and PG&E will deliver it on its transmission and distribution system. EBCE rates are slightly lower than PG&E, the billing comes from PG&E, and enrollment is automatic so you probably won't even notice the change!

EBCE is hosting an informative webinar to introduce Tracy residents to their service, on March 24, 2021 at noon. To join, use this link: <https://us02web.zoom.us/j/85772853221>

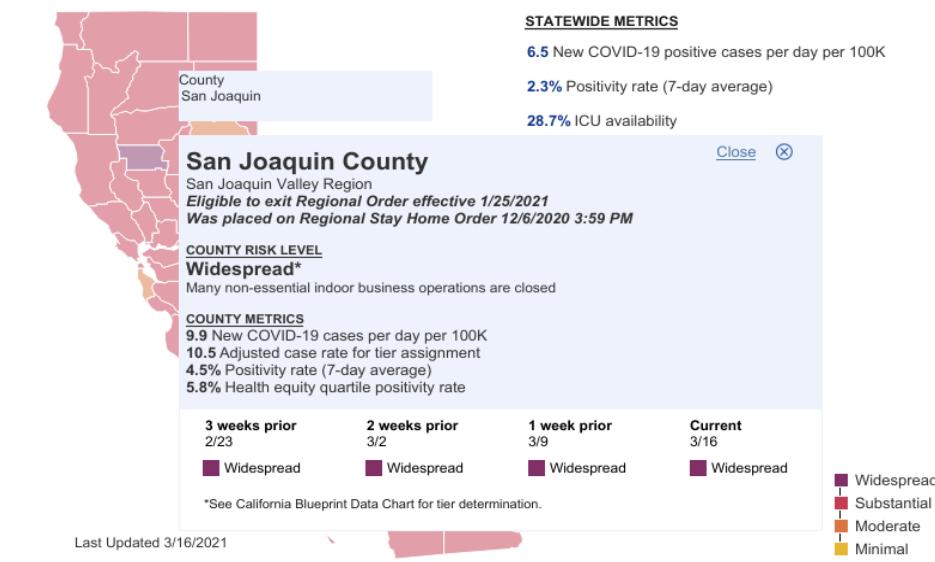


[FIND OUT MORE ABOUT EBCE](#)

San Joaquin County Could Move into the Red Tier at the end of March

San Joaquin County continues to show case rates steadily dropping and progressing closer toward the seven cases per 100k daily average needed for the County to move from the Purple to the Red Tier. Hospitals in San Joaquin County report having 62 COVID-19 positive patients admitted for care. Demand for intensive care services remains high with adult intensive care units (ICU) operating at 98% of licensed bed capacity. Over the past week, the number of COVID hospitalizations has decreased by 29.5%.

To view the most recent San Joaquin County COVID-19 hospitalization press release and related reports, please visit the San Joaquin County Emergency Medical Services Agency's [website](#). You can watch this week's COVID-19 presentation to City Council [here](#).



Small Business Financial Resources

The City of Tracy's Economic Development Team continues to monitor funding opportunities available for local businesses. The State has recently announced the opening of additional rounds for the California Small Business COVID-19 Relief Grant program. The program offers grants varying between \$5,000 and \$25,000 with additional information available [here](#).

Additionally, the Senate passed the \$1.9 trillion "American Rescue Plan Act" for Coronavirus relief and stimulus funds with the President approving it last Thursday. We are tracking the status of the Bill as well as the implications of its provisions on Tracy businesses. We will continue sharing information at: www.thinkinsidethetriangle.com/covid-19-resources as new details are available.



New Development Activity

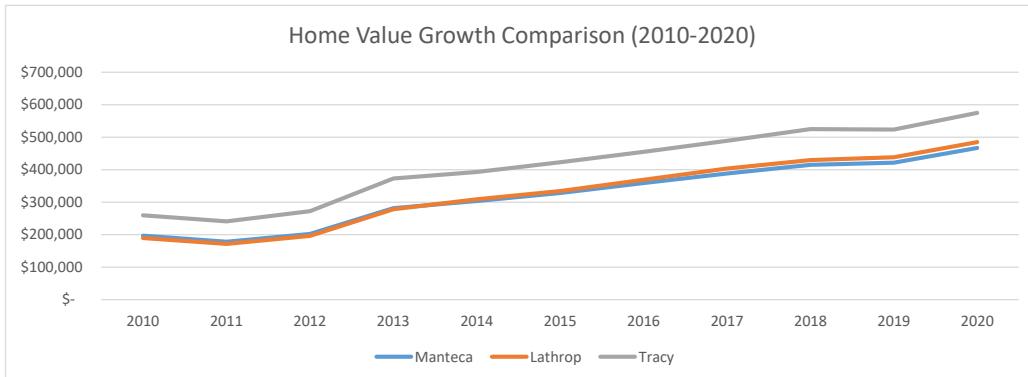


Tracy continues to experience a strong level of development activity during the pandemic in early 2021. Residential activity is driven by strong consumer demand for single family housing, combined with the exodus from large cities and job centers, such as the inner Bay Area. Industrial activity also continues to perform well, driven by strong growth in online shopping and e-commerce expansion, onshoring, and redesign of supply chains by many large companies. Tracy is well-positioned to continue capitalizing on these trends with land availability and healthy supply of entitled sites for residential and commercial uses.

Item	Jan-21	Jan-20	YTD 2021	YTD 2020
Issued Permits				
Residential	110	122	110	122
Commercial	8	14	8	14

Home Value Growth in Tracy

2020 has been a great year for home growth with the national market gaining more home price increases than any other year since 2005. Tracy continues to experience the highest home values in the county with value growth comparison over the last 10 years shown below. Tracy's current average home value is \$586,000.



The City of Tracy has a diverse mix of existing housing, ample supply of entitled land, and a long-standing reputation as a welcoming, caring community with a vibrant downtown, various community amenities, good schools, and low crime rate. The City's housing growth has been accommodating a spectrum of home buyers and renters. The City has a diverse neighborhoods ranging from historic to modern with a range of amenities and urban fabric textures. Emergence of telecommuting during the pandemic has only amplified housing demand within the City. WalletHub ranked Tracy in the top 40 best places to live in California for families, with it reaching the top 20 for affordability.

From single family homes, to apartments, duplexes, and multifamily, Tracy has consistently met the needs of a wide range of residents.



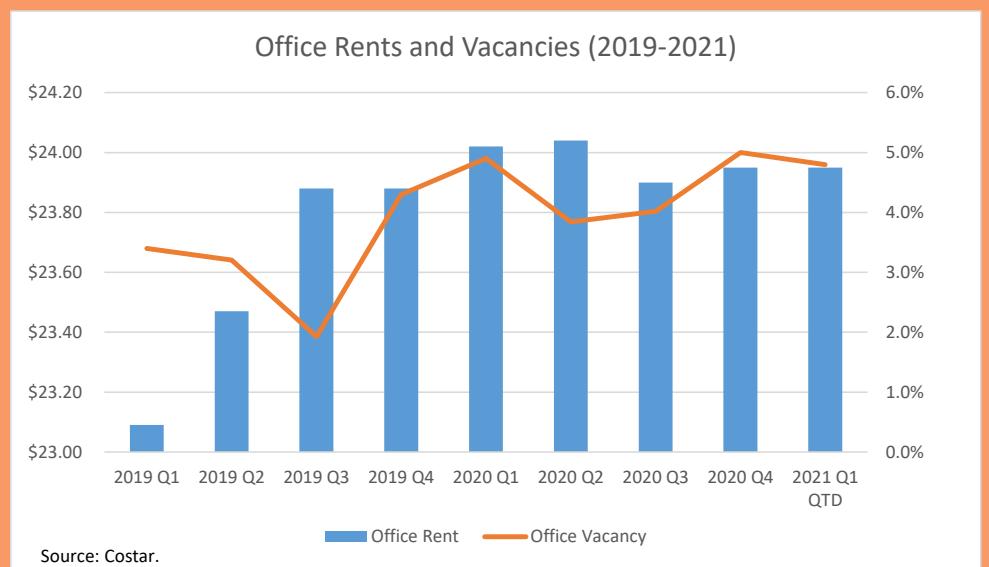
Source: CBS Sacramento.

In addition to attractive single family housing, Tracy has experienced one of the fastest rates in multifamily growth in San Joaquin County over the past decade. With rents in the \$2 per square foot range compared to \$3 per square foot in the Tri-Valley, \$4 per square foot in the inner Bay Area, and \$5 per square foot and above in San Francisco, Tracy has been an attractive destination.

New Office Activity



It's no surprise that the national office real estate market has been impacted by the COVID-19 pandemic. In Tracy, office rents have remained stable with low vacancy rates for a number of years. While the Bay Area's office market has been contracting over the last year, Tracy turned out to be much more resili-ent. With about 800,000 square feet of office space in the City, most of the tenants are local serving businesses.



As shown above, rents in Tracy remain stable at around \$24 per square foot with vacancies at or below five percent. Office vacancies below 10 percent are considered an indicator of a healthy office market. Strong market indicators for office space are important as they send a signal of potential new development opportunities. Office space supports employment in largely professional, scientific, medical, and financial services where many jobs tend to support head of household wages and wealth creation. Concentrations of these industries often leads to ripple effects from innovation and local spending. With roughly 30,000 jobs today, Tracy is fore-casted to have roughly 48,000 jobs by 2050.

Earlier this year, Prologis broke ground on its two-story, 35,000 square foot office building on a 3.36 acre site located at the International Park of Commerce. The building is the first new office construction in Tracy since 2004 and is the latest addition to Tracy's 1,780 acre industrial park. The facility will house Prologis staff and include additional space to lease for other users. The office building will be the first of its kind in the global portfolio of Prologis, the world's leading real estate company and an addition to its multiple existing industrial properties in Tracy, including Amazon, Zinus, and Medline among others.



California's New Rental Relief Program

On Monday, Consumer Services and Housing Agency announced their California COVID-19 Rent Relief Program website and acceptance of applications starting at 5:00 pm. The newly announced program is expected to be a lifeline to renters and landlords affected by the risk of evictions.

California tenants or landlords can visit the [CA COVID-19 Rent Relief webpage](#) through the [Housing Is Key website](#), or they can call toll-free 833-430-2122.

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