



# ECONOMIC DEVELOPMENT MONTHLY UPDATE

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## About the Economic Development Division

Michael Nimon and Barbara Harb lead the City of Tracy's powerhouse Economic Development division with more than 25 years of combined experience in strategic policy formation, business attraction, job retention and expansion, data



brokerage, and marketing. We are passionate about

developing new pathways towards prosperity for the businesses we serve and through enhanced economic opportunity and overall quality of life growth for the Tracy community. Our mission is to enhance the competitiveness of the City while further developing a strong and diverse economic base and we achieve this mission through exceptional customer service and effective inter-departmental coordination. We hope this monthly update demonstrates how we are working tirelessly on making Tracy the wealthiest community in California.

## L'aube Boutique Ribbon Cutting

Even a global pandemic could not spoil the celebratory mood on Central Avenue in downtown Tracy on September 1. Elected officials, city staff, and members of the public formed a cheerful crowd for a ribbon cutting ceremony organized by the Tracy Chamber of Commerce for L'aube Boutique's opening. The boutique is the newest tenant in a long line of restaurants, professional services, and specialty shops to enhance downtown Tracy's unique ecosystem.

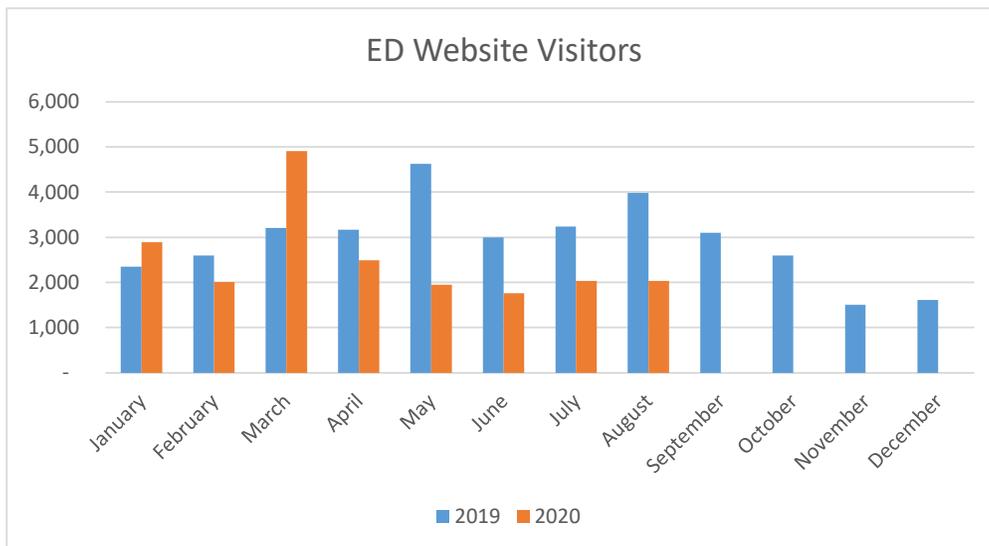
The owner, Fariza Meyer, made a heartfelt speech about embracing the Tracy community as she is expanding her boutique operation from Patterson. Change is in the air with the new cryotherapy business going in next door, with restaurants and retail on the block housed in buildings with a long history of supporting the rail station operation from more than a century ago. L'aube Boutique is located in the historic Clark Building, which was previously called the Slack building, named after Charles Slack, who operated the adjacent Tracy Hotel from 1899 to 1911. L'aube Boutique replaces the Portuguese Club as a former tenant and we wish it long-lasting success in downtown Tracy.



## Tracy Awarded RTIF Grant from SJCOG

Economic development staff is pleased to announce that the board of the San Joaquin Council of Governments approved a \$500,000 economic development grant from the Regional Transportation Impact Fee fund on August 27. The award is the first of its kind in the history of the program. The grant will fund offsite transportation improvements along Corral Hollow Road in front of Edgewood Commercial Center, a recently approved 11-acre development at the corner of Middlefield Drive and Corral Hollow Road. Approved by Tracy City Council in July, Edgewood Commercial Center consists of a gas station, a car wash, and a retail center that will support 170 jobs at buildout. The award is reflective of a several month-long collaborative effort between the City's economic development staff, the applicant team, and SJCOG.

ED staff continues to leverage its website for business attraction, marketing, data brokerage, promotions, perception management, and news sharing. Additionally, the website is used for COVID-19-related resource sharing and implementing the Community Recovery Plan survey. Staff has also just added educational resources for the November election related to Measures W and Y. The website has averaged a monthly visitorship of over 2,600 with over 98% of visitors visiting the website for the first time.



## Responding to the Economic Impacts of COVID-19

Economic development staff continues to oversee the Tracy Small Business Forgivable Loan Program. The program supports small businesses in Tracy of up to 20 employees to cover COVID-related business interruptions. The program provides eligible small businesses access to financing in the form of forgivable loans to support employee retention or creation efforts and cover economic damages suffered during the pandemic. To date, out of nearly 100 applications received, about 40 applications have received funding totaling more than \$225,000 out of the \$435,447 total.

## Urgency Ordinance Approved to Support Local Businesses

The City of Tracy City Council adopted an urgency ordinance that authorizes the City Manager to extend the duration of temporary event permits, issue special event permits, and waive certain permit fees during the current public health emergency. Social-distancing requirements and other health and safety guidelines to minimize the risk of spread of COVID-19 have local businesses adapting operations. With this action, the City of Tracy is working to support local businesses in their efforts to operate in compliance with State and County guidance, while safeguarding the health of the community.

## Shop and Dine Local Campaign

Economic development staff implements a Shop Local campaign to increase community support for local businesses, including restaurants and retail, as part of employment retention strategy.

**LOVE TRACY?  
DINE SAFE.  
SHOP LOCAL.**





**SUPPORT YOUR  
COMMUNITY.  
SHOP INSIDE THE  
TRIANGLE.**

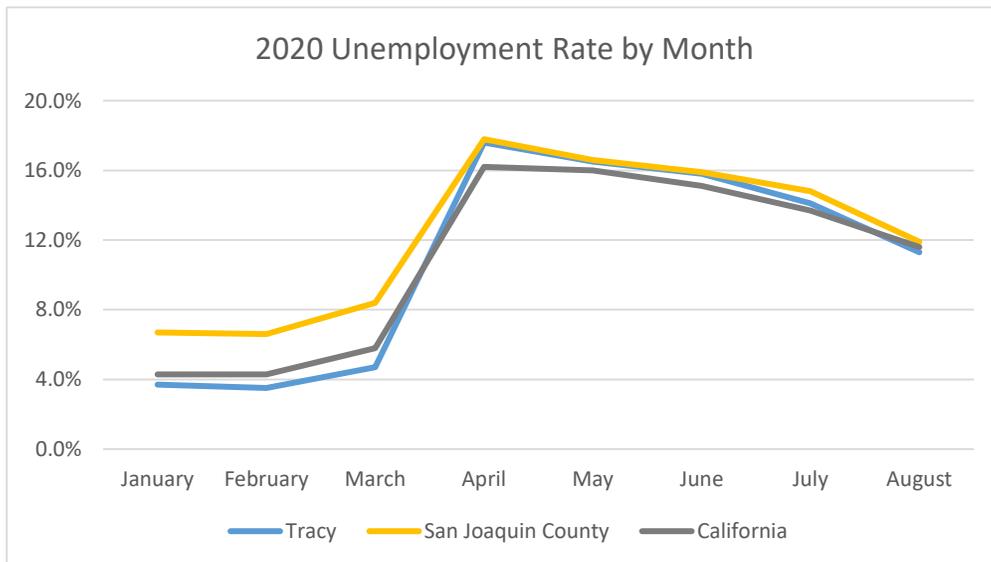
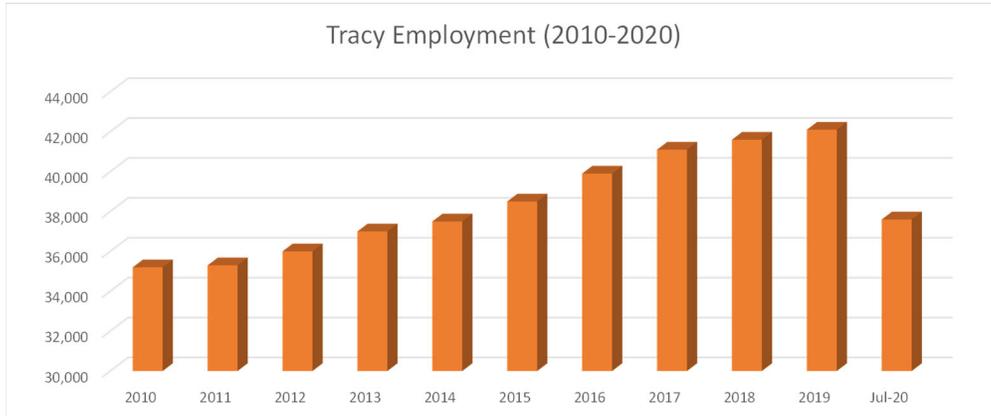


# Employment Trends



It is no surprise that the COVID-19 global pandemic has affected many industry sectors and employment trends. While employment rate in the City increased drastically in 2020, consistent with the broader trends associated with the global COVID-19 pandemic, unemployment rate started decreasing since reaching a high in April\*.

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



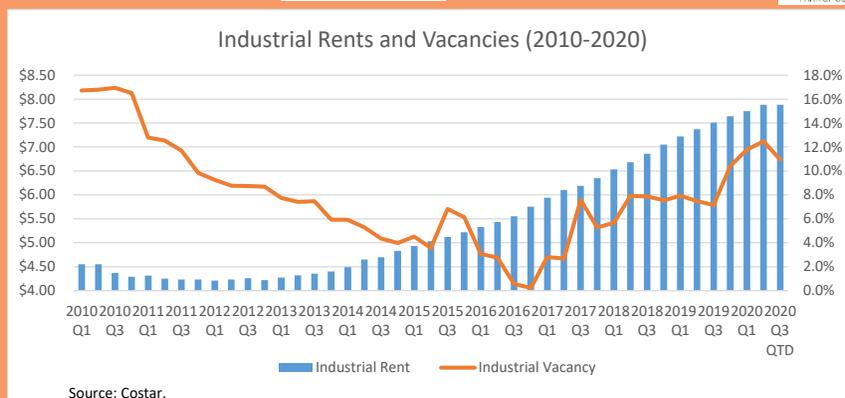
## New Development Activity

Item	Aug-20	Aug-19	YTD 2020	YTD 2019
<b>Issued Permits</b>				
Residential	149	147	1,012	1,151
Commercial	5	14	89	111
<b>Completed Buildings</b>				
Residential	37	0	128	130
Commercial	1	0	4	11

## Industrial

Industrial rents have continued increasing in Tracy since 2012 with vacancy decreasing. Industrial space has been in strong position to overcome COVID-related changes in the economy due to the needs of supply chains, proximity to the large Bay Area consumer markets, and reshoring.

- Home Depot #2, with Will Call 
- Best Buy #2, with Will Call 
- Amazon #3 
- 3 Buildings in NEI 



Source: Costar.

# New Development Activity (continued)

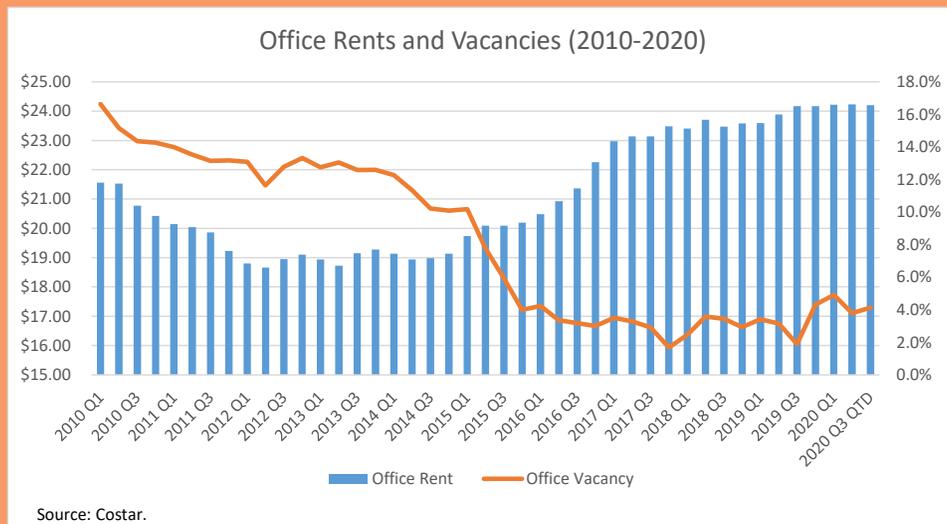


## Office

Office rents have been on an incline with vacancies fairly low since 2017. Prologis is nearing breaking ground on its first office building in its global portfolio. The 35,000 square foot building is the first new office construction in Tracy since 2004.



RENDERED IMAGE, VIEW FROM SOUTHEAST (REFERENCE)

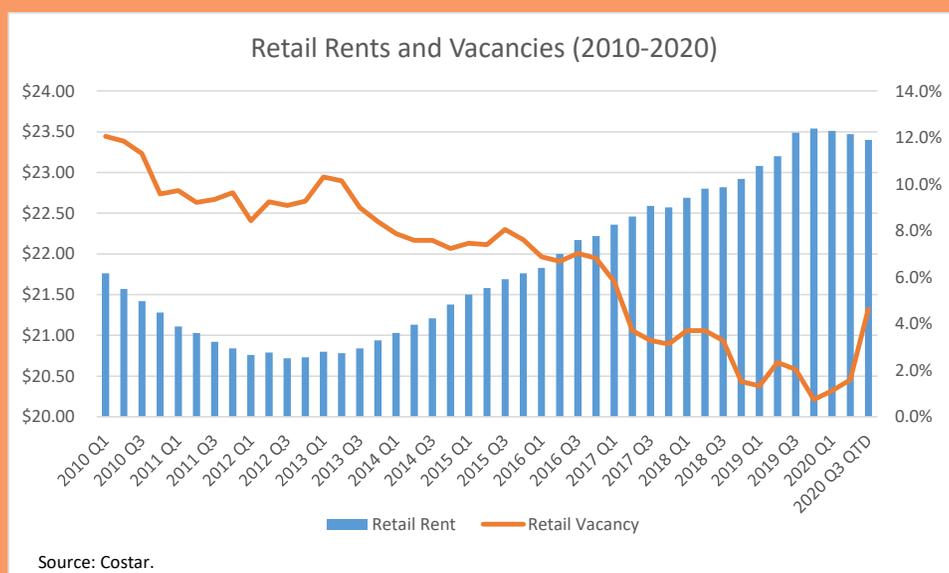


## Retail

COVID-19 has expedited the decline of many retail sectors, particularly in big box categories with multiple closures across the nation. Tracy rents have been decreasing since a high of 2019 with vacancy increasing. Recent closure of JC Penney and Sears at West Valley mall has contributed to the vacancy increase.

Although the retail sector is struggling, staff continues to reach out to retail brokers and retail representatives. Additionally, staff is working closely with the owner of the West Valley Mall as well as with downtown merchants.

Hella Pie is planning to open a brick and mortar location in downtown this fall. Meanwhile, 7-eleven is planning a new convenience store in north Tracy, partially driven by the visitor increase associated with Legacy Fields activity. Across the street from the 7-Eleven site, Dutch Bro's is planning to develop their first Tracy location. These outcomes reflect a several year site selection effort by the Economic Development staff.



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