PLANNING COMMISSION REGULAR MEETING AGENDA

Wednesday, April 12, 2023, 7:00 P.M.

A quorum of Planning Commission will be in attendance at
Tracy City Hall Chambers, 333 Civic Center Plaza, Tracy
Web Site: www.cityoftracy.org
And a Commissioner will attend remotely at the following location:
Sentral East Austin at 1630 E. Sixth Street, Austin, Texas 78702

Tracy City Hall, 333 Civic Center Plaza, Tracy Web Site: www.cityoftracy.org

THIS MEETING WILL BE OPEN TO THE PUBLIC FOR IN-PERSON AND REMOTE PARTICIPATION PURSUANT TO GOVERNMENT CODE SECTION 54953(e).

MEMBERS OF THE PUBLIC MAY PARTICIPATE REMOTELY IN THE MEETING VIA THE FOLLOWING METHOD:

As always, the public may view the Planning Commission meetings live on the City of Tracy's website at CityofTracy.org or on Comcast Channel 26/AT&T U-verse Channel 99. To view from the City's website, open the "Government" menu at the top of the City's homepage and select "Planning Commission", then select "Planning Commission Meeting Videos" under the "Boards and Commissions" section.

If you only wish to watch the meeting and do not wish to address the Council, the City requests that you stream the meeting through the City's website or watch on Channel 26.

Remote Public Comment:

During the upcoming Planning Commission meeting public comment will be accepted via the options listed below. If you would like to comment remotely, please follow the protocols below:

- *Comments via:*
  - **Online by visiting** https://cityoftracyevents.webex.com and using the following
  - **Event Number: 2550 820 1379** and **Event Password**: Planning
  - ***If you would like to participate in the public comment anonymously***, you may submit your comment in WebEx by typing "Anonymous" when prompted to provide a First and Last Name and inserting Anonymous@example.com when prompted to provide an email address.
  - Join by phone by dialing +1-408-418-9388,,25508201379#75266464# Press *3 to raise the hand icon to speak on an item.

- *Protocols for commenting via WebEx:*
  - *If you wish to comment on the "New Business" or "Items from the Audience" portions of the agenda:*
    - *Listen for the Chair to open that portion of the agenda for discussion, then raise your hand to speak by clicking on the Hand icon on the Participants panel to the right of your screen.*
    - *If you no longer wish to comment, you may lower your hand by clicking on the Hand icon again.*

- *Comments for the "New Business" or "Items from the Audience" portions of the agenda will be accepted until the public comment for that item is closed.*

Comments received on Webex outside of the comment periods outlined above will not be included in the record.

Americans With Disabilities Act – The City of Tracy complies with the Americans with Disabilities Act and makes all reasonable accommodations for the disabled to participate in Council meetings. Persons requiring assistance or auxiliary aids should call City Hall (209/831-6105) 24 hours prior to the meeting.

Addressing the Council on Items on the Agenda – The Brown Act provides that every regular Council meeting shall provide an opportunity for the public to address the Council on any item within its jurisdiction before or during the Council's consideration of the item, provided no action shall be taken on any item not on the agenda. To facilitate the orderly process of public comment and to assist the Council to conduct its business as efficiently as possible, members of the public wishing to address the Council are requested to, but not required to, hand a speaker card, which includes the speaker's name or other identifying designation and address to the City Clerk prior to the agenda item being called. Generally, once the City Council begins its consideration of an item, no more speaker cards will be accepted. An individual's failure to present a speaker card or state their name shall not preclude the individual from addressing the Council. Each citizen will be allowed a maximum of five minutes for input or testimony. In the event there are 15 or more individuals wishing to speak regarding any agenda item including the "Items from the Audience/Public Comment" portion of the agenda and regular items, the maximum amount of time allowed per speaker will be three minutes. When speaking under a specific agenda item, each speaker should avoid repetition of the remarks of the prior speakers. To promote time efficiency and an orderly meeting, the Presiding Officer may request that a spokesperson be designated to represent similar views. A designated spokesperson shall have 10 minutes to speak. At the Presiding Officer's discretion, additional time may be granted. The City Clerk shall be the timekeeper.

Addressing the Council on Items not on the Agenda – The Brown Act prohibits discussion or action on items not on the posted agenda. The City Council's Meeting Protocols and Rules of Procedure provide that in the interest of allowing Council to have adequate time to address the agendized items of business, "Items from the Audience/Public Comment" following the Consent Calendar will be limited to 15-minutes maximum period. "Items from the Audience/Public Comment" listed near the end of the agenda will not have a maximum time limit. A five-minute maximum time limit per speaker will apply to all individuals speaking during "Items from the Audience/Public Comment". For non-agendized items, Council Members may briefly respond to statements made or questions posed by individuals during public comment; ask questions for clarification; direct the individual to the appropriate staff member; or request that the matter be placed on a future agenda or that staff provide additional information to Council. When members of the public address the Council, they should be as specific as possible about their concerns. If several members of the public comment on the same issue an effort should be made to avoid repetition of views already expressed.

Notice – A 90-day limit is set by law for filing challenges in the Superior Court to certain City administrative decisions and orders when those decisions or orders require: (1) a hearing by law, (2) the receipt of evidence, and (3) the exercise of discretion. The 90-day limit begins on the date the decision is final (Code of Civil Procedure Section 1094.6). Further, if you challenge a City Council action in court, you may be limited, by California law, including but not limited to Government Code Section 65009, to raising only those issues you or someone else raised during the public hearing, or raised in written correspondence delivered to the City Council prior to or at the public hearing.

Full copies of the agenda are available on the City's website: *www.cityoftracy.org.*

MEETING AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

MINUTES

DIRECTOR'S REPORT REGARDING THIS AGENDA

ITEMS FROM THE AUDIENCE - *In accordance with Council Meeting Protocols and Rules of Procedure,* adopted by Resolution No. 2019-240, a five-minute maximum time limit per speaker will apply to all individuals speaking during "Items from the Audience/Public Comment". For non-agendized items, Planning Commissioners may briefly respond to statements made or questions posed by individuals during public comment; ask questions for clarification; direct the individual to the appropriate staff member; or request that the matter be placed on a future agenda or that staff provide additional information to the Planning Commission.

1. NEW BUSINESS

1.A THIS ITEM HAS BEEN REMOVED FROM THE AGENDA AND WILL BE RE-NOTICED FOR A LATER DATE.

STAFF RECOMMENDS THAT THE PLANNING COMMISSION RECOMMEND THAT THE CITY COUNCIL ADOPT AN ORDINANCE (1) DETERMINING THAT THE PROJECT IS EXEMPT FROM CEQA REVIEW, (2) REPEALING TRACY MUNICIPAL CODE (TMC) SECTION 10.08.052, DEFINITION OF ACCESSORY DWELLING UNIT ANDTMC SECTION 10.08.3180, ZONING REGULATIONS REGARDING ACCESSORY DWELLING UNITS; AND (3) ADOPTING THE NEW TMC SECTION 10.08.3180.

1.B STAFF RECOMMENDS THAT THE PLANNING COMMISSION RECEIVE 1) AN UPDATE REGARDING THE CITY'S PROGRESS ON THE DEVELOPMENT OF THE DOWNTOWN SPECIFIC PLAN (PLAN); AND 2) DISCUSS AND PROVIDE FEEDBACK REGARDING PRIORITIES AND OTHER KEY ELEMENTS THAT SHOULD BE INCORPORATED INTO THE PLAN

1.C STAFF RECOMMENDS THAT PLANNING COMMISSION ADOPT A RESOLUTION RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ORDINANCE 1) DETERMINING THAT THE PROJECT IS CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENT QUALITY ACT, PURSUANT TO CEQA GUIDELINES SECTION 15061(B)(3), AND 2) APPROVING AMENDMENTS TO SECTIONS 10.08.3196(B) AND (D) OF THE TRACY MUNICIPAL CODE TO EXPAND THE DEFINITION OF YOUTH CENTER AND TO ESTABLISH BUFFERS BETWEEN CANNABIS USES AND SENSITIVE USES

2. ITEMS FROM THE AUDIENCE

3. DIRECTOR'S REPORT

4. ITEMS FROM THE COMMISSION

5. ADJOURNMENT

Posted: April 6, 2023

Any materials distributed to the majority of the Planning Commission regarding any item on this agenda will be made available for public inspection via the City of Tracy website at *www.cityoftracy.org*.

MINUTES
TRACY CITY PLANNING COMMISSION
REGULAR MEETING
MARCH 22, 2023, 7:00 P.M.
CITY OF TRACY COUNCIL CHAMBERS
333 CIVIC CENTER PLAZA

CALL TO ORDER

Chair Hudson called the meeting to order at 8:34 p.m.

PLEDGE OF ALLEGIANCE

Chair Hudson led the pledge of allegiance.

ROLL CALL

Roll Call found Commissioner Atwal, Commissioner Augustus, Commissioner Boakye-Boateng, and Chair Hudson present. Vice Chair Orcutt was not present at the time of roll call. Also present were: Bill Dean, Assistant Director of Development Services; Alan Bell, Senior Planner, Kenny Lipich, Associate Planner, Al Gali, Associate Engineer, Majeed Mohamad, Associate Engineer, and Miranda Aguilar, Administrative Assistant.

MINUTES

Chair Hudson introduced the Regular Meeting Minutes from the January 25, 2023 meeting.

ACTION: It was moved by Commissioner Atwal and seconded by Commissioner Augustus to approve the January 25, 2023 Planning Commission Regular meeting minutes. A voice vote found Commissioner Atwal, Commissioner Augustus, and Chair Hudson in favor; Vice Chair Orcutt and Commissioner Boakye-Boateng absent. Passed and so ordered; 4-0-1-0.

DIRECTOR'S REPORT REGARDING THIS AGENDA

None.

ITEMS FROM THE AUDIENCE

None.

1. NEW BUSINESS

A. STAFF RECOMMENDS THAT THE PLANNING COMMISSION ADOPT A RESOLUTION 1) DETERMINING THAT THE PROJECT IS CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; 2) GRANTING A CONDITIONAL USE PERMIT (CUP22-0014) FOR THE CONSTRUCTION OF A NEW TELECOMMUNICATION FACILITY IN THE FORM OF A TREE, KNOWN AS A MONOPINE, AT 29998 S. CORRAL HOLLOW ROAD (PROPERTY); AND 3) APPROVING A DEVELOPMENT REVIEW PERMIT (D22-0040) FOR THE SITING AND DESIGN OF THE

MONOPINE AT THE PROPERTY. THE APPLICANT IS NICK TAGAS AND THE PROPERTY OWNER IS JASDEEP SINGH.

Bill Dean, Assistant Director of Development Services, advised that the item brought to commission today would need to be removed and re-noticed.

ACTION: No action required.

2. ITEMS FROM THE AUDIENCE

None.

3. DIRECTOR'S REPORT

None.

4. ITEMS FROM THE COMMISSION

None.

5. ADJOURNMENT

ACTION: It was moved by Commissioner Augustus and seconded by Commissioner Atwal to adjourn.

A voice vote found Commissioner Atwal, Commissioner Augustus, Chair Hudson, and Commissioner Boakye-Boateng in favor; Vice Chair Orcutt absent. Passed and so ordered; 4-0-1-0.

Time: 8:36 p.m.

____
CHAIR

____
STAFF LIAISON

April 12, 2023

Agenda Item 1.A

THIS ITEM IS REMOVED FROM THE AGENDA AND WILL BE RE-NOTICED FOR ANOTHER DATE

STAFF RECOMMENDS THAT THE PLANNING COMMISSION RECOMMEND THAT THE CITY COUNCIL ADOPT AN ORDINANCE (1) DETERMINING THAT THE PROJECT IS EXEMPT FROM CEQA REVIEW, (2) REPEALING TRACY MUNICIPAL CODE (TMC) SECTION 10.08.052, DEFINITION OF ACCESSORY DWELLING UNIT ANDTMC SECTION 10.08.3180, ZONING REGULATIONS REGARDING ACCESSORY DWELLING UNITS; AND (3) ADOPTING THE NEW TMC SECTION 10.08.3180.

April 12, 2023

Agenda Item 1.B

RECOMMENDATION

STAFF RECOMMENDS THAT THE PLANNING COMMISSION RECEIVE 1) AN UPDATE REGARDING THE CITY'S PROGRESS ON THE DEVELOPMENT OF THE DOWNTOWN SPECIFIC PLAN (PLAN); AND 2) DISCUSS AND PROVIDE FEEDBACK REGARDING PRIORITIES AND OTHER KEY ELEMENTS THAT SHOULD BE INCORPORATED INTO THE PLAN

EXECUTIVE SUMMARY

The City of Tracy (City) initiated preparation of a Downtown Specific Plan after the City Council approved an amendment to a Professional Services Agreement (PSA) with DeNovo Planning Group on March 2, 2021. The Downtown Specific Plan Area is generally the area bounded by Eleventh Street, Tracy Blvd., Schulte Road, and MacArthur Drive, as is depicted on **Attachment A**. This agenda item provides an update on the preparation of the Downtown Specific Plan, including background summary, community survey results, a market study, project objectives, key questions to discuss, and the project schedule. For this agenda item, the City's consultant, DeNovo Planning Group, will present a PowerPoint as shown in **Attachment B**.

BACKGROUND AND LEGISLATIVE HISTORY

The Tri Valley – San Joaquin Valley Regional Rail Authority was established on January 1, 2018 through the enactment of Assembly Bill 758 and began creating plans for a commuter rail service, known as Valley Link, which would connect passengers from Lathrop to the Dublin BART station. The initial Valley Link plans included a potential station in Downtown Tracy in the vicinity of the Transit Station.

In anticipation of Valley Link, the City Council authorized staff to enter into a Professional Services Agreement (PSA) with DeNovo Planning Group on June 18, 2019 to conduct a Downtown Transit-Oriented Development (TOD) study. The purpose of this long-range planning and urban design study was to evaluate how the potential introduction of commuter rail service, via Valley Link, could impact development opportunities in and around the greater Downtown and surrounding areas.

In preparing the Downtown TOD Study, the City implemented a broad and comprehensive outreach and participation process in order to engage key stakeholders and broad segments of the community. The outreach effort included a community workshop, an online survey, stakeholder interviews and meetings, and working sessions with the City Council and Planning Commission. The Downtown TOD Study was presented to the Planning Commission on February 26, 2020 and the City Council on July 21, 2020, which concluded the first phase of the project.

On March 2, 2021, the City Council approved an amendment to the PSA with De Novo Planning Group to proceed with the second phase of the planning effort, which is the preparation of a Downtown TOD Specific Plan and Environmental Impact Report (EIR).

On November 16, 2021, the City Council received an update on the Valley Link project. The Tri Valley – San Joaquin Valley Regional Rail Authority staff explained that they are considering an alternative rail alignment that would connect Valley Link with the I-205 Managed Lanes Project and potentially shift the Tracy station location from Downtown to the I-205 area. It was also reported that the first phase of the Valley Link project is planned to only extend from the Dublin BART station to Mountain House.

City Council's direction at the November 16, 2021 meeting was to move forward with preparation of a Downtown TOD Specific Plan that would focus on what would be best for the Downtown while encouraging transit-oriented development- rather than solely focusing on such development. The consensus was that a planning effort for the Downtown would be beneficial regardless of what happens with Valley Link. Further, because TOD can also be planned to occur around bus stations and a city may have multiple TOD areas, the planning effort would still encourage TOD. Given that direction, which provided an increased focus on what would be best for Downtown and acknowledged the uncertainty of Valley Link, the plan is now being referred to as the Downtown Specific Plan rather than the Downtown TOD Specific Plan.

ANALYSIS

Community Survey Results

Another round of community outreach was conducted via an online survey posted on the project website (https://tracydowntowntod.org/) from March 28 through April 30, 2022. The survey was 13 questions long and had 154 total respondents. The questions focused on the biggest benefits respondents hope the Specific Plan will bring to Downtown Tracy, the types of desired uses, and the types of homes respondents think would be appropriate in the Downtown. The community survey results are included as **Attachment C**. Below is a summary of the results:

- Most respondents (93.5%) live in Tracy while most (57.4%) do not work in Tracy.
- The top three biggest benefits respondents hope the Specific Plan will bring to Downtown Tracy are:
    - New shops and restaurants (69.7%)
    - Redevelopment of underutilized areas (42.9%)
    - Easier to walk and/or bike to destinations I enjoy (35.2%)
- The top three biggest concerns reported about the Specific Plan are:
    - Traffic (42.9%)
    - Crime (40.1%)
    - Loss of historic buildings (27.4%)
- The top three types of desired uses are:
    - Local/independent restaurants (71.1%)
    - Entertainment venues (51.4%)
    - Specialty/boutique shops (37.3%)
- The top three types of homes respondents think would be appropriate in the Downtown Core are:
    - Mixed-Use (75%)
    - Live-Work (54.4%)
    - Garden Cluster (31.2%)
- The top three types of homes respondents think would be appropriate in the Bowtie Area are:
    - Mixed-Use (43.4%)
    - Garden Cluster (42.6%)
    - Live-Work (40.8%)

- The top three types of homes respondents think would be appropriate in the underdeveloped parcels south of the Bowtie Area are:
  - Garden Cluster (65.4%)
  - Duplex (48.6%)
  - Courtyard Building (34.5%)

Market Study and Development Feasibility Analysis

A Market Study and Development Feasibility Analysis was prepared for the Downtown Specific Plan during late 2022/ early 2023. The purpose of the analysis was to assess the market prospects and development feasibility of new housing development in Tracy's Downtown generally, and, more specifically, the City's Central Business District (CBD) Zone and the Bowtie Area. The analysis also addressed the retail and office market conditions in Downtown Tracy. The findings of this assessment will help inform City policy decisions concerning land use and other policies with the goal of supporting and catalyzing new development in the Downtown. The complete market study is included as **Attachment D**. Key points of the market study are as follows:

Retail Context

- Downtown Tracy provides a walkable setting, anchored by a broad mix of eating, drinking and retail establishments
- Downtown businesses face long-standing retail competition within the City and the greater region
- Emergence of e-commerce has added new competitive challenges to a highly competitive industry
- The economics of Tracy's downtown businesses limit the retail lease rates that can be charged, which in turn, limits opportunities for new retail development
- Vacancy rates in the DTSP are low, reflective of TCCA's efforts to support downtown businesses
- Adding housing to Downtown could provide additional support for existing retail and potentially attract new businesses

Housing Context

- Existing demand for new housing is driven by Bay area workers seeking less expensive housing opportunities
- There is a limited amount of housing in the Downtown Specific Plan study area
- Infill sites in the CBD are generally small (0.1-0.7 acres), making new development challenging
- Bowtie Area presents an opportunity for substantial housing development, though it has robust barriers to development

Project Objectives

Given all the previous work, community input, and past discussions with the Planning Commission and the City Council, the project objectives identified for the Downtown Specific Plan are as follows:

- Proactively plan for the future of Downtown Tracy
- Support and strengthen Downtown businesses
- Provide expanded options for walking, biking and transit use throughout the Downtown area
- Improve public spaces throughout the study area
- Increase high quality employment opportunities in Tracy

- Provide for additional housing choices to meet community demand
- Develop updated design standards that improve the built environment and complement the Downtown character
- Establish a land use plan that is consistent with the principles of TOD and helps promote convenient ridership of the new Valley Link commuter rail system in Tracy

Key Questions to Discuss

The Draft Downtown Specific Plan will be shaped largely by the project objectives, community input, and the market study, as well as build on the work of the first phase, Downtown TOD Study. Prior to moving forward with drafting the Downtown Specific Plan, the staff/consultant team would like to have a discussion with the Planning Commission, as part of this agenda item, regarding the following questions:

- What do you feel are the top priorities that the Downtown Specific Plan should seek to address?
    - What are Downtown's greatest assets, and what should Tracy seek to build upon?
    - What are Downtown's greatest challenges, and what should Tracy seek to address?
    - What are your thoughts regarding the Project Objectives that have been identified?
- In thinking about the future of Downtown Tracy, are there specific actions or programs the City should consider initiating, leading, or even funding?
- What are your thoughts regarding additional housing in the Downtown?
    - Important? Helpful?
    - Pros and cons?

Project Schedule

Following this agenda item with the Planning Commission, the staff/consultant team will conduct a similar discussion agenda item with the City Council on May 16, 2023. Once direction is confirmed with the City Council, the project team will proceed with drafting the Downtown Specific Plan and preparing the Draft Environmental Impact Report (DEIR). The final Specific Plan will address topics such as the land use plan, architectural guidelines, zoning standards (permitted and conditionally permitted uses, density, building height, parking, etc.), and factors for determining how to address the Bowtie. Below is a summary of the project schedule:

- June thru November 2023 – Preparation of the Draft Specific Plan and Draft EIR
- November/December 2023 – Planning Commission and City Council agenda items to provide an update and discussion
- January/February 2024 – Publish the Public Draft Specific Plan and Public Draft EIR
- March/April 2024 – Preparation of the Final EIR
- May 2024 – Planning Commission Public Hearing to make a recommendation to the City Council regarding certification of the Final EIR and adoption of the Downtown Specific Plan
- June 2024 – City Council Public Hearing to consider certification of the Final EIR and adoption of the Downtown Specific Plan

<u>PUBLIC OUTREACH/ INTEREST</u>

Staff/consultant team conducted a stakeholder meeting with a group of individuals from the Tracy City Center Association (TCCA) on March 8, 2023 regarding the Downtown Specific Plan. Several topics were discussed, such as the potential need for additional public parking, need for a way-finding sign program, need for public access easements to improve pedestrian connectivity from public parking lots to Downtown streets and shops, potential for additional lighting on adjacent streets, need to facilitate accessory dwelling unit (ADU) development and to allow conversion of single-family dwellings to duplexes, and the need for incentives in the Downtown, such as no development impact fees, no RGAs (or increase the number of units needed to require RGAs), and timely development permit processing.

As mentioned above, the City has implemented a broad and comprehensive outreach and participation process in order to engage key stakeholders and broad segments of the community. The outreach effort has included a community workshop, online surveys, stakeholder interviews and meetings, and working sessions with the City Council and Planning Commission. Additional public outreach will continue throughout the process.

For this Planning Commission agenda item, a public notice was published in the local newspaper, mailed to all property owners within a 300-foot radius of the Specific Plan Area, and posted on the City's website.

COORDINATION

The planning process for the Downtown Specific Plan involves coordination with multiple City Departments and Divisions, as well as coordination with outside agencies, such as the Tri Valley – San Joaquin Valley Regional Rail Authority regarding Valley Link.

CEQA DETERMINATION

An Environmental Impact Report (EIR) will be prepared for the Downtown Specific Plan. The Initial Study / Notice of Preparation is anticipated to be published in August 2023 and the Draft EIR is planned for publication in January/February 2024. Planning Commission and City Council public hearings to consider certification of the Final EIR and adoption of the Downtown Specific Plan are anticipated for May/June 2024.

ACTION REQUESTED OF THE PLANNING COMMISSION

STAFF RECOMMENDS THAT THE PLANNING COMMISSION RECEIVE 1) AN UPDATE REGARDING THE CITY'S PROGRESS ON THE DEVELOPMENT OF THE DOWNTOWN SPECIFIC PLAN (PLAN); AND 2) DISCUSS AND PROVIDE FEEDBACK REGARDING PRIORITIES AND OTHER KEY ELEMENTS THAT SHOULD BE INCORPORATED INTO THE PLAN

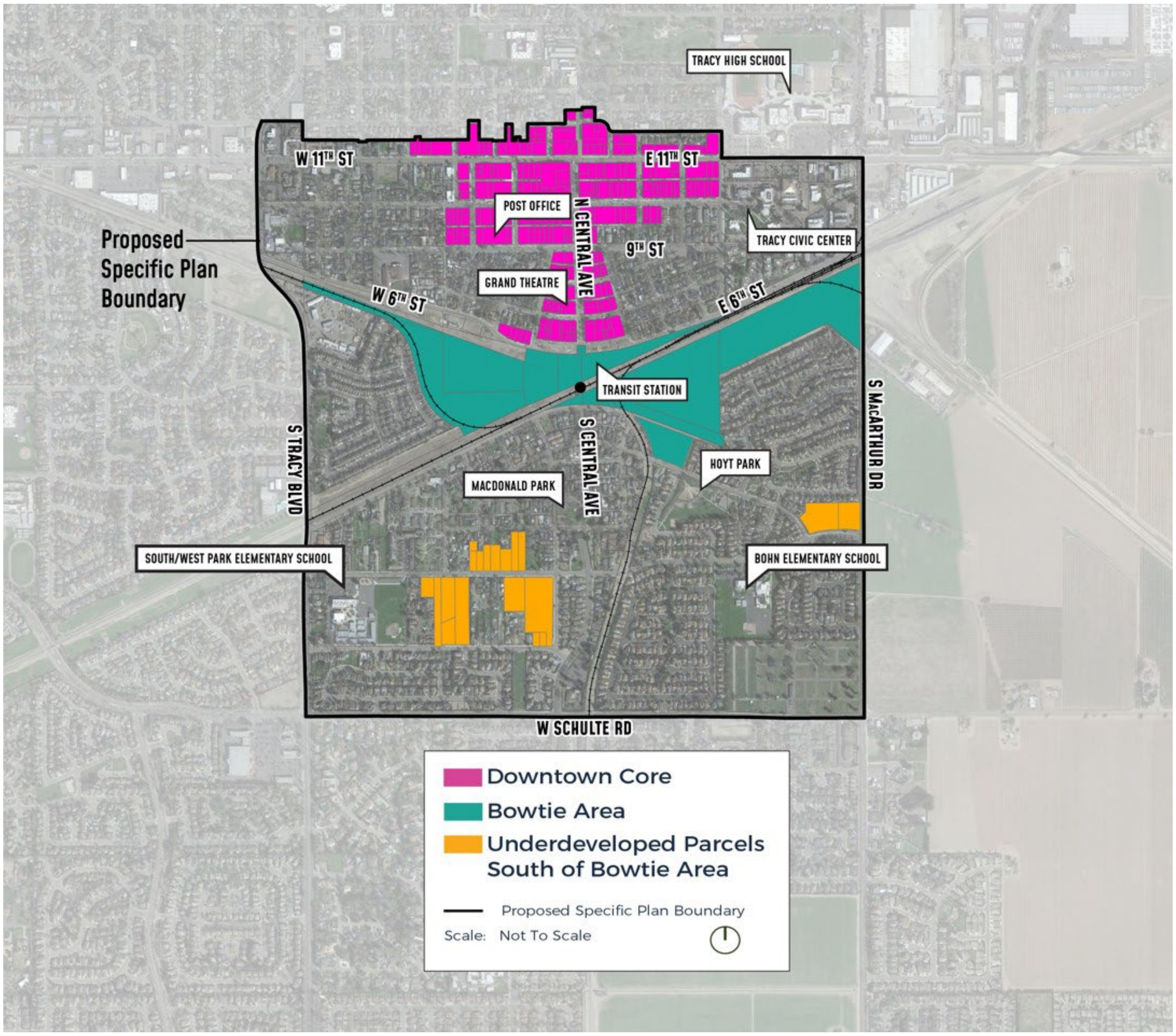
Prepared by: Scott Claar, Senior Planner
Reviewed by: Bill Dean, Assistant Director of the Development Services Department
Approved by: Jaylen French, Director of the Development Services Department

Attachments:

- Attachment A – Downtown Specific Plan Area
- Attachment B – Consultant's PowerPoint Presentation
- Attachment C – Community Survey Results
- Attachment D – Market Study & Development Feasibility Analysis

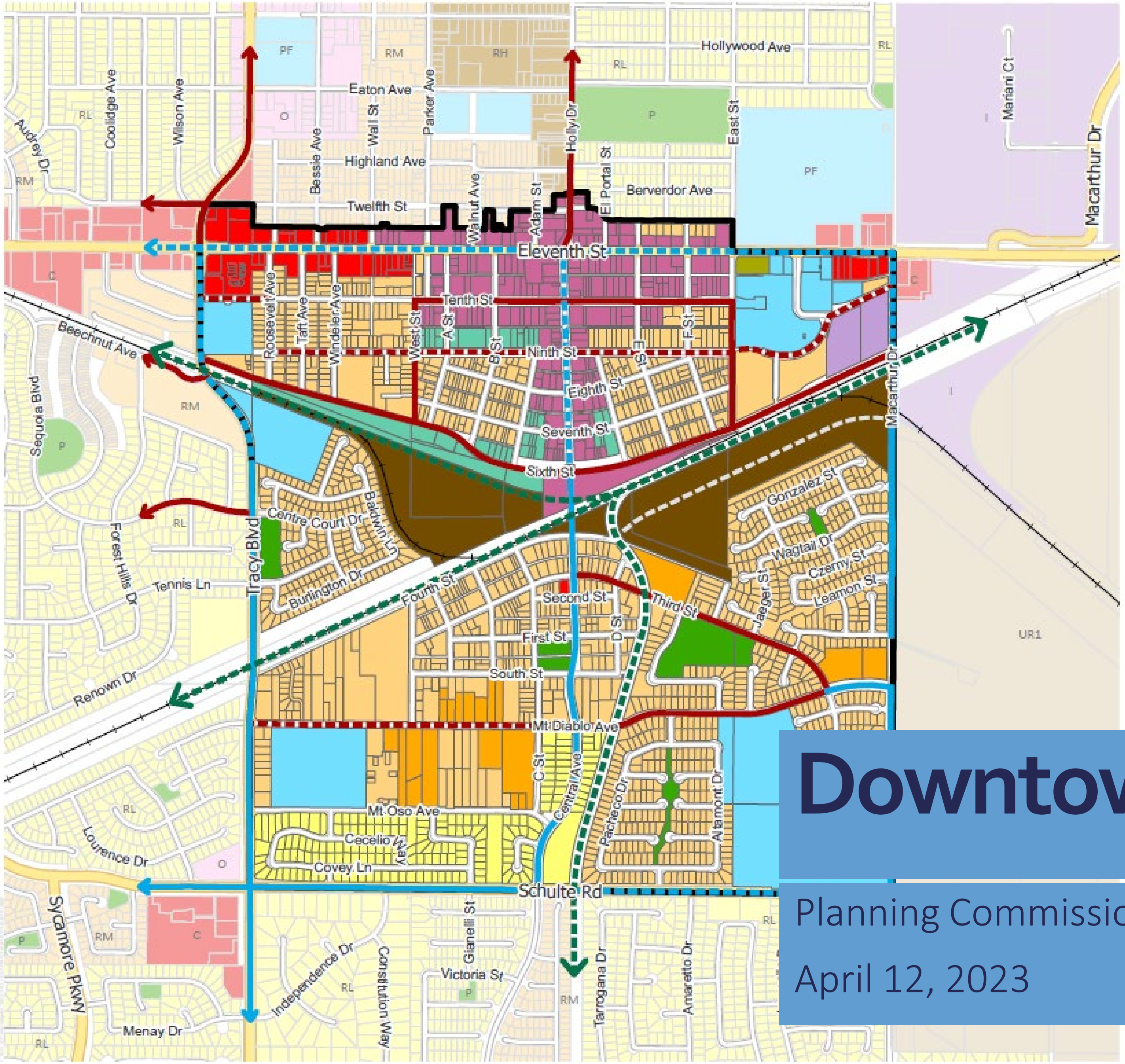
Revised 4/12/23

Attachment A



Attachment B

Revised 4/12/23



Downtown Tracy Specific Plan

Planning Commission Study Session

April 12, 2023

Revised 4/12/23

Agenda

1. Background
2. Project Objectives
3. Market Study and Development Feasibility Analysis
4. Community Survey Results
5. Preliminary Concept Land Use Plan
6. Discussion and Feedback
7. Next Steps

Revised 4/12/23

Background

1

Revised 4/12/23

1. Background

- **De Novo Planning Group was retained by the City to prepare a Downtown TOD Study in 2019.**
  - Outreach included a community workshop, online survey, stakeholder interviews and meetings, and working sessions with the City Council and Planning Commission.
- **The Downtown TOD Study was presented to the City Council in July 2020. It included:**
  - Existing conditions; preliminary planning concept with land use designations, recommendations for circulation improvements and parking strategies, conceptual site designs for key opportunity sites; and implementation recommendations.
- **In April 2021, the City retained De Novo to proceed with the next phase of the planning effort, which is the preparation of a Downtown TOD Specific Plan and associated Environmental Impact Report (EIR).**
  - Given the uncertainty regarding the future of a Downtown Tracy light rail station, the new project is simply the Downtown Tracy Specific Plan.

Revised 4/12/23

1. Background continued

- An additional community survey was completed in 2022 and a Market Study and Development Feasibility Analysis was completed in early 2023.
- The project team is currently holding meetings with key stakeholders to share public feedback received, reaffirm the project objectives, and seek greater clarity on the potential for a Downtown Valley Link Station.
- De Novo will update and refine the Preliminary Concept Land Use Plan presented in the Downtown TOD Study to incorporate and respond to key findings presented in the Market Study, community survey, and stakeholder feedback.

Revised 4/12/23

Project Objectives

2

2. Project Objectives

- Proactively plan for the future of Downtown Tracy
- Support and strengthen Downtown businesses
- Provide expanded options for walking, biking and transit use throughout the Downtown area
- Improve public spaces throughout the study area
- Increase high quality employment opportunities in Tracy
- Provide for additional housing choices to meet community demand
- Develop updated design standards that improve the built environment and complement the Downtown character
- Establish a land use plan that is consistent with the principles of TOD and helps promote convenient ridership of the new Valley Link commuter rail system in Tracy

Revised 4/12/23

Market Study and Development Feasibility Analysis

3

Revised 4/12/23

3. Market Study and Development Feasibility Analysis

Retail Context

- Downtown Tracy provides a walkable setting, anchored by a broad mix of eating, drinking and retail establishments
- Downtown businesses face long-standing retail competition within the City and the greater region
- Emergence of e-commerce has added new competitive challenges to a highly competitive industry
- The economics of Tracy's downtown businesses limit the retail lease rates that can be charged, which in turn, limits opportunities for new retail development
- Vacancy rates in the DTSP are low, reflective of TCCA's efforts to support downtown businesses
- Adding housing to Downtown could provide additional support for existing retail and potentially attract new businesses

Revised 4/12/23

3. Market Study and Development Feasibility Analysis

Housing Context

- Existing demand for new housing is driven by Bay area workers seeking less expensive housing opportunities
  - Most new apartment complexes are located along the I-205
- There is a limited amount of housing in the DTSP study area
  - Only 1,800 units or 7.2 percent of the City's housing stock is in the DTSP, with approximately 120 of those units located in the CBD
  - The most recent housing development in the DTSP was in 2007 ("Tuscana Townhomes")
- Infill sites in the CBD are generally small (0.1-0.7 acres), making new development challenging
  - Site size limits design flexibility, results in higher construction costs per square foot, and limits interest from developers with minimum project size requirements
- Bowtie Area presents an opportunity for substantial housing development, though it has robust barriers to development
  - Larger sites for more cost-efficient residential development
  - Proof of concept to small-site developers

Community Survey Results

4

Revised 4/12/23

4. Community Survey Results

- **A community survey regarding the Specific Plan was posted on the project website from March 28, 2022 through April 30, 2022.**
- **The survey was 13 questions long and had 154 total respondents.**
  - Most respondents (93.5%) live in Tracy while most (57.4%) do not work in Tracy.
  - The top three biggest benefits respondents hope the Specific Plan will bring to Downtown Tracy are:
    - New shops and restaurants (69.7%)
    - Redevelopment of underutilized areas (42.9%)
    - Easier to walk and/or bike to destinations I enjoy (35.2%)
  - The top three biggest concerns reported about the Specific Plan are:
    - Traffic (42.9%)
    - Crime (40.1%)
    - Loss of historic buildings (27.4%)
  - The top three types of desired uses are:
    - Local/independent restaurants (71.1%)
    - Entertainment venues (51.4%)
    - Specialty/boutique shops (37.3%)

Revised 4/12/23

4. Community Survey Results

- The top three types of homes respondents think would be appropriate in the Downtown Core are:
  - Mixed-Use (75%)
  - Live-Work (54.4%)
  - Garden Cluster (31.2%)
- The top three types of homes respondents think would be appropriate in the Bowtie Area are:
  - Mixed-Use (43.4%)
  - Garden Cluster (42.6%)
  - Live-Work (40.8%)
- The top three types of homes respondents think would be appropriate in the underdeveloped parcels south of the Bowtie Area are:
  - Garden Cluster (65.4%)
  - Duplex (48.6%)
  - Courtyard Building (34.5%)

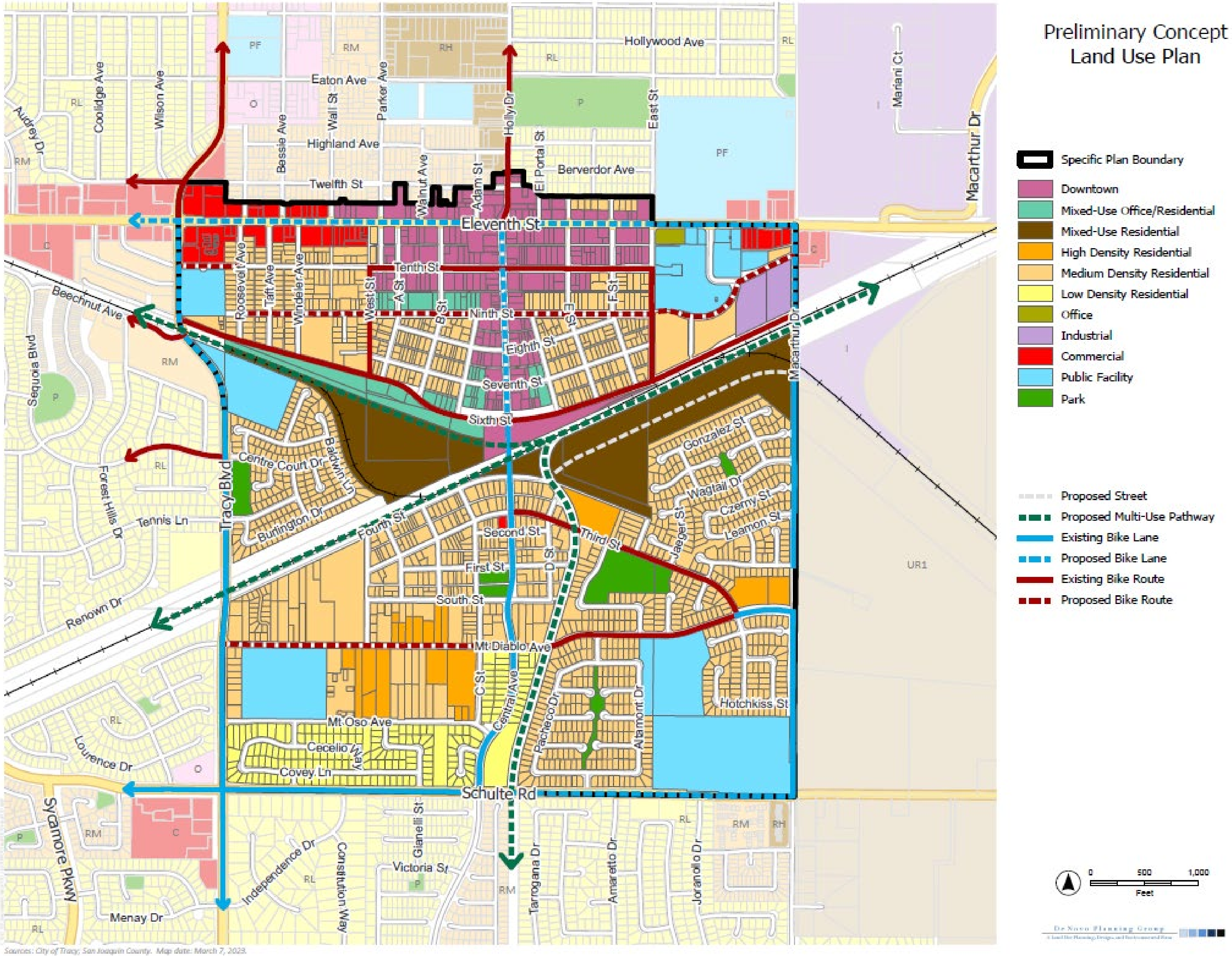
Revised 4/12/23

Preliminary Concept Land Use Plan

5

5. Preliminary Concept Land Use Plan

Revised 4/12/23



Discussion and Feedback

6

6. Discussion and Feedback

- **What do you feel are the top priorities that a Downtown Specific Plan should seek to address?**
  - What are Downtown's greatest assets, and what should Tracy seek to build upon?
  - What are Downtown's greatest challenges, and what should Tracy seek to address?
  - What are your thoughts regarding the Project Objectives that have been identified?
- **In thinking about the future of Downtown Tracy, are there specific actions or programs the City should consider initiating, leading, or even funding?**

- **What are your thoughts regarding additional housing in the Downtown?**
  - Important? Helpful?
  - Pros and cons?

Next Steps

7

Revised 4/12/23

Next Steps

Major project milestones

Spring 2023

Stakeholder meetings with Valley Link and Union Pacific Railroad

Study session with City Council May 16th

Summer – Fall 2023

Refine Land Use Plan

Administrative Draft Specific Plan

Fall 2023

Public Workshop

Winter 2023/ 2024

Public Review Draft Specific Plan

Spring and Summer 2024

Planning Commission and City Council Public Hearings

Summer 2024

Final Specific Plan

Followed by the Environmental Impact Report

Community Survey Report

City of Tracy
Downtown Tracy TOD Specific Plan

May 2022

In partnership with De Novo Planning Group

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Introduction

A community survey regarding the Downtown Tracy Transit-Oriented Development (TOD) Specific Plan was posted on the project website at https://tracydowntowntod.org/ from March 28, 2022 through April 30, 2022.

The survey was 13 questions long and had 154 total respondents. The typical time spent was 11 minutes. Page 3 of this report includes a high-level summary; pages 7-35 include complete responses, and the full text of the survey is provided on pages 36-53.

To promote the survey, the City made posts on the City's Facebook page, used the flyer to place a quarter page ad in the weekly Tracy Press for each of the four weeks in April, and mailed flyers to property owners in the Specific Plan Area and key stakeholders such as the Tracy City Center Association. Copies of the flyer and Facebook posts are included on pages 4-6.

Graphic that was used to promote survey on Facebook.

Summary

- Most respondents (93.5%) live in Tracy while most (57.4%) do not work in Tracy.

- The top three biggest benefits respondents hope the Specific Plan will bring to Downtown Tracy are:
    - New shops and restaurants (69.7%)
    - Redevelopment of underutilized areas (42.9%)
    - Easier to walk and/or bike to destinations I enjoy (35.2%)

- The top three biggest concerns reported about the Specific Plan reported are:
    - Traffic (42.9%)
    - Crime (40.1%)
    - Loss of historic buildings (27.4%)

- The top three types of desired uses are:
    - Local/independent restaurants (71.1%)
    - Entertainment venues (51.4%)
    - Specialty/boutique shops (37.3%)

- The largest portion of respondents (49.2%) are supportive of removing UR-1 and the Heinz site from the Downtown TOD planning area. Of the remainder, 30.1% are unsure or have no opinion, and 20.5% are not supportive.

- The top three types of homes respondents think would be appropriate in the Downtown Core are:
    - Mixed-Use (75%)
    - Live-Work (54.4%)
    - Garden Cluster (31.2%)

- The top three types of homes respondents think would be appropriate in the Bowtie Area are:
    - Mixed-Use (43.4%)
    - Garden Cluster (42.6%)
    - Live-Work (40.8%)

- The top three types of homes respondents think would be appropriate in the underdeveloped parcels south of the Bowtie Area are:
    - Garden Cluster (65.4%)
    - Duplex (48.6%)
    - Courtyard Building (34.5%)

Flyer


TRACY
Downtown Tracy
Transit-Oriented Development
Specific Plan
GRAND THEATRE
tracydowntowntod.org
Use your cell phone camera to scan the QR code and visit the website
WE NEED YOUR INPUT!
The City's Downtown Transit-Oriented Development (TOD) Specific Plan will identify the community's vision and establish goals, objectives, and policies for future development in Downtown Tracy.
VISIT THE PROJECT WEBSITE TO:
Watch the project overview video
Read more about the project
Take the survey by April 30th
Stay informed about participation opportunities
Questions? Contact Scott Claar, Senior Planner at:
scott.claar@cityoftracy.org
209-831-6429
333 Civic Center Drive, Tracy, CA 95376

Facebook Post #1

City of Tracy - Local Government
April 14 ·

If you live and/or work in Tracy and are interested in the future of our Downtown, WE NEED YOUR INPUT!

Please visit the Downtown Tracy Transit-Oriented Development (TOD) Specific Plan website (www.TracyDowntownTOD.org) to:

✔Watch the project overview video: https://youtu.be/D8dpmKE0OsA

✔Read more about the project

✔ Take the survey and share your thoughts before 5:00 p.m. on Saturday, April 30, 2022: https://www.surveymonkey.com/r/downtowntracy

✔ Stay informed by signing up to receive project updates: https://tracydowntowntod.org/contact

If you have any questions about the survey or the project, please contact Scott Claar, Senior Planner: scott.claar@cityoftracy.org or (209) 831-6429.

Thank you in advance for your time, participation, and for sharing this post!

Your voice is vital to producing a Specific Plan that reflects the community's vision and priorities for the city's future, while ensuring new development is in harmony with the special character of Downtown Tracy and its existing neighborhoods.

Downtown Tracy
Tracy Chamber

#TracyCA #CityofTracy #ThinkInsideTheTriangle

Facebook Post #2

City of Tracy - Local Government
April 29 at 7:24 PM ·

LAST CHANCE TO PARTICIPATE IN THIS SURVEY! DEADLINE IS TOMORROW AT 5:00 P.M.

If you live and/or work in Tracy and are interested in the future of our Downtown, WE NEED YOUR INPUT!

Please visit the Downtown Tracy Transit-Oriented Development (TOD) Specific Plan website (www.TracyDowntownTOD.org) to:

✔Watch the project overview video: https://youtu.be/D8dpmKE0OsA

✔Read more about the project

✔ Take the survey and share your thoughts before 5:00 p.m. on Saturday, April 30, 2022: https://www.surveymonkey.com/r/downtowntracy

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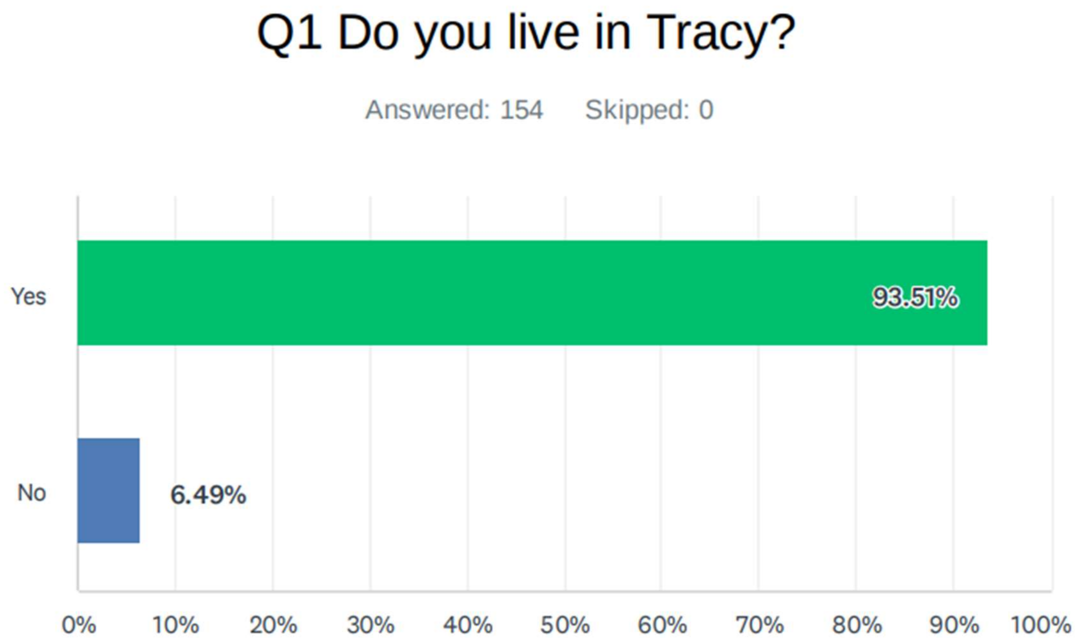
Downtown Tracy
Tracy Chamber

#TracyCA #CityofTracy #ThinkInsideTheTriangle

Complete Responses

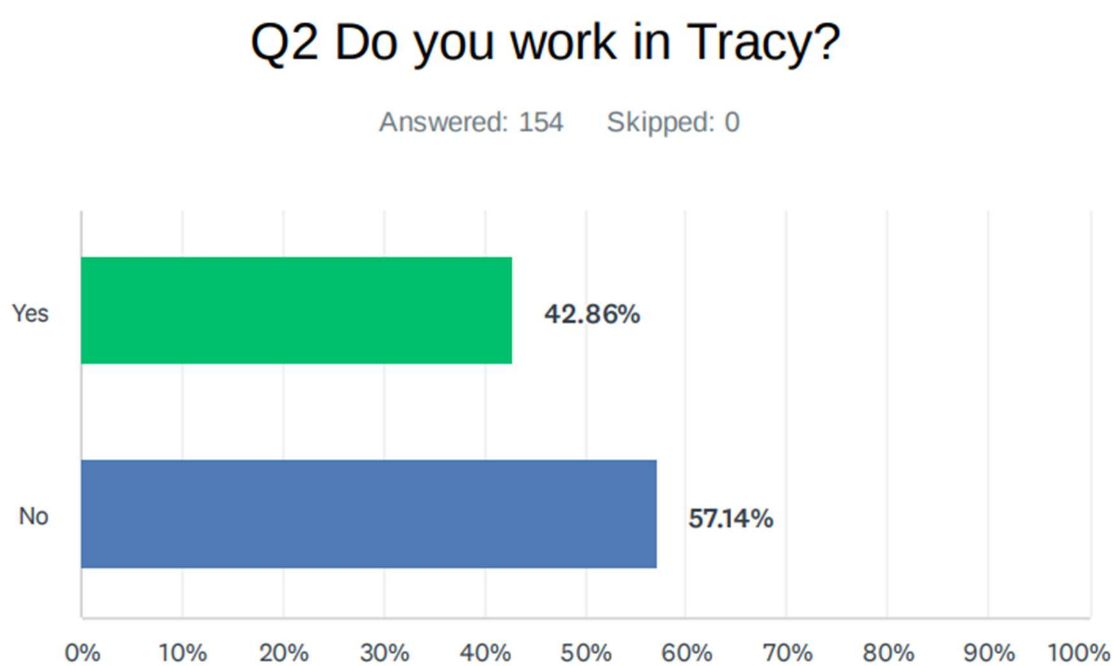
Question 1

- Most respondents (93.5%) live in Tracy.



Question 2

- Most respondents (57.4%) do not work in Tracy.



Question 3

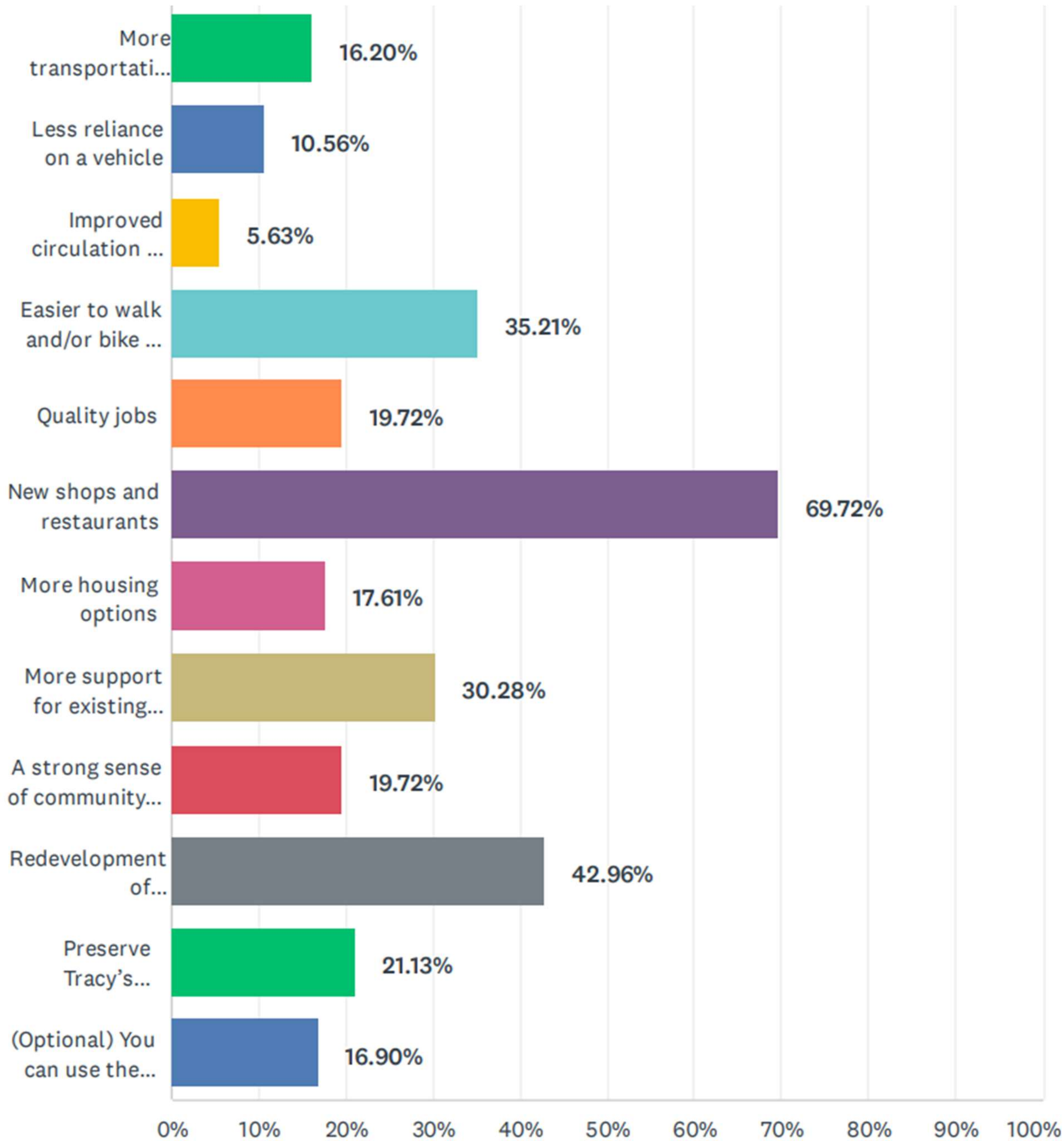
Q3 Our goal is to create a Specific Plan that is good for Downtown Tracy, first and foremost. We want to improve the economic vitality of Downtown and attract vibrant uses that complement Tracy's small-town feel. In the best-case scenario, what are the three biggest benefits you hope that the Specific Plan would bring to our Downtown?

Answered: 142 Skipped: 12

- The top three choices reported are:
  - New shops and restaurants (69.7%)
  - Redevelopment of underutilized areas (42.9%)
  - Easier to walk and/or bike to destinations I enjoy (35.2%)
- This information is presented in a table below so that the full text of the answer choices is viewable. A graph is provided on the following page.

ANSWER CHOICES	RESPONSES	
More transportation options	16.20%	23
Less reliance on a vehicle	10.56%	15
Improved circulation for vehicles	5.63%	8
Easier to walk and/or bike to the destinations I enjoy	35.21%	50
Quality jobs	19.72%	28
New shops and restaurants	69.72%	99
More housing options	17.61%	25
More support for existing local businesses	30.28%	43
A strong sense of community pride	19.72%	28
Redevelopment of underutilized areas	42.96%	61
Preserve Tracy's heritage	21.13%	30
(Optional) You can use the comment box below to add details about your selections and what they mean to you or add other options that aren't listed.	16.90%	24
Total Respondents: 142		

Question 3 continued



Question 3 continued

#	(OPTIONAL) YOU CAN USE THE COMMENT BOX BELOW TO ADD DETAILS ABOUT YOUR SELECTIONS AND WHAT THEY MEAN TO YOU OR ADD OTHER OPTIONS THAT AREN'T LISTED.
1	- Focus on affordable housing, with nearby transit (options including buses, bike and walking trail nodes, ValleyLink option or feeders transit to the alternate station), and new restaurant and retail shops. - Sensitive & appropriate design of architecture, public art/sculpture, streetscape elements, for district-wide aesthetic character & continuity, including pedestrian and bicycle safety, convenient but not "dominant" parking areas to encourage walking in Tracy's Downtown. Attending to these qualities will maintain & even enhance Tracyites feel for the history & heritage of our community.
2	Don't need housing downtown. Don't need trains downtown. Need shopping and eating.
3	Clean up and improve buildings such as Great plate.
4	The old buildings not in use such old corner liquor store on Central, Great plate should be converted to more restaurants. More outside dinning.
5	Diversity, Inclusion and Equity across all aspects of business and reflection of projects that are either existing or in the future. A Multicultural center would be a start. The fact that there are many Asian Americans specifically Filipino, Japanese, Chinese, Cambodian and South Asian does not reflect the makeup of your local government or business scenery. This should be something that is included in the Master Plan.
6	Preserve the small town family oriented town that Tracy used to be. It's turning into another Bay Area town with Bay Area prices except for there's really not much to do at all for kids and families. (Not sure why) taking away the day at the park for the 4th of July was not a smart move either. That was one of the last family oriented, small town feel things left in our town. I'm starting to feel that decision makers would like to turn our town into a commuter town with not much more than warehouses ♀ Hopefully there will be restoration of what tracy used to be. Also please Stop building more homes/apartments that no one from tracy can afford.
7	Tables on the sidewalk need to be arranged so they don't impede pedestrians. The coffee shop at the corner across from the old Penney's makes it hard to use h to e crosswalk on 10th
8	Open space for social gatherings with multiuse - with focal point on art or historic piece
9	Youth oriented activities such as skate parks, BMX tracks, Bicycle pump Tracks and dirt jump tracks. See San Jose Lake Cunningham Actuin Sports Park. The current skate park is lacking features and has been overrun by homeless for years.
10	Clean up what you have now downtown like the old Westside market. Seems like the people running our town now just want to build new. However they can't take care of what they have now.
11	Make the downtown appealing to our citizens. Get rid of the old building that are a safety hazard such as lifting sidewalks and clean up and fill in the vacant lots with something a person can live in or shop. no one will come to downtown from other cities until you make it more appealing. Many building owners haven't done anything to most of the building that have the most history. Adding more traffic and congestion wont help until this is done. Handicapped in walkers or wheelchairs cant make it downtown do to this safety hazards on the sidewalks and streets.
12	Each one of these options is vital. Very difficult to choose only three.

Question 3 continued

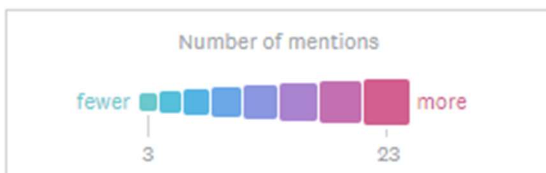
13	When we moved to Tracy 6 years ago, we thought downtown was on the cusp of growing into its potential. Sadly, we were mistaken. The same abandoned buildings and empty lots have been sitting vacant and unimproved, with even more businesses closing and adding to the blight. With the exception of the corner of 6th and Central and a few shops and restaurants on 10th, downtown is an embarrassment. I read recently that the city and Chamber of Commerce received a grant to draw tourism to Tracy. I would suggest that any available monies be spent on creating something downtown that anyone might be drawn to.
14	Facelift for downtown. More outdoor eating facilities, but needs to look nicer. Current look attempt is awful. Looks cheap and not inviting. Our poor mall needs help.
15	No more apartments without infrastructure updates. This town has become ridiculous with more and more people no parks and no bike lanes and no updates (widening) and lights on main roads.
16	We definitely need a Trader Joe's, more shops to attract visitors and tracy residents. More or so like downtown Livermore, myself and many more tracy residents prefer to travel to other downtowns because there is not much here in our downtown Tracy so we definitely need to improve that to prevent our residents from going somewhere else.
17	We need more variety downtown. A downtown rec center or activity hub would help bring people to the area who would then stay and hang out
18	We need more places to shop in Tracy. I always have to go out of town or buy online. If we had more stores I think it would be good for our community by bringing more jobs. Tracy is also a commuter town and who wants to commute all week and have to commute to shop on the weekends.
19	Entertainment for the family
20	Keep the homeless far away from Downtown. (1) By genuinely helping the homeless, provide shelter, some food, re-education, re-entrance to get jobs, can be done far far away from Tracy downtown. By receiving assistants from Tracy, CA, Fed, they give up some freedom to harass "the pride of Tracy" many of us made. (2) More housing does not mean right at the downtown, it could be a mile away, some walking distance of a mile to stroll downtown, have a dinner, and walk back is a good distance. (3) Do not allocate specifically for bike as yet. Our society will have less bike for serious use as yet, they do ride in the parks. Fremont, CA 94539 has wasted tons of money and precious lane space. Local traffic congestion has increased, and no one rarely uses the bike lane of 10' wide (crazy). (4) When downtown is free of crime, homeless, gang, and weird people, people will come, restaurants will make money (right now, I don't see them busy, definitely losing money).
21	There is a severe lack of walking and bike paths in Tracy.
22	Tracy definitely needs more restaurants. We have one decent breakfast restaurant in downtown Tracy and it would be nice to see some more options. Also, downtown Tracy looks very rundown. It needs to be more appealing for others to want to visit. Think Santana row or downtown Livermore
23	Maker & micro business incubator space, spared non-profit co-op space, artist live/work spaces, and retail business that are complimentary to the Grand Theatre Center for the Arts.

Question 3 continued

	C'mon, let's stop talking about supporting an arts district, and really create it between 6th and 8th Streets! There are several large, high profile lots and buildings in this area to support this effort.
24	There should be specific criteria of what can open as a business downtown.

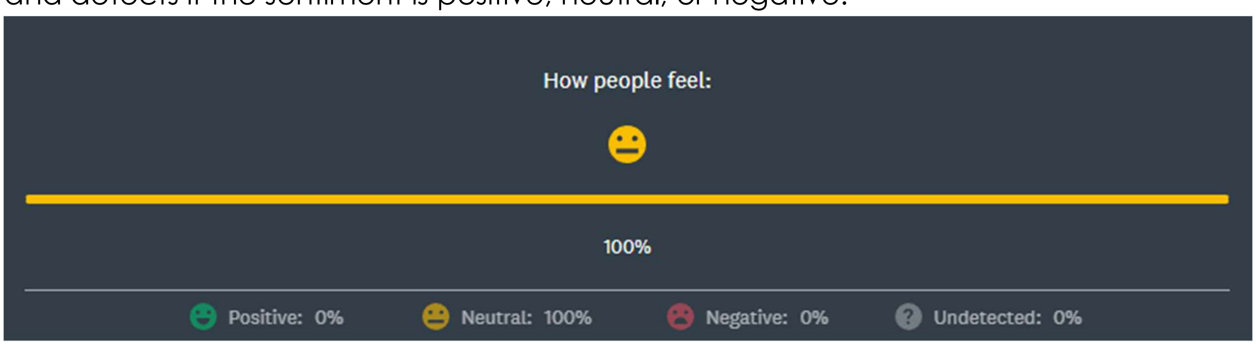
Word Cloud

The website used to create the survey (SurveyMonkey) automatically generates a word cloud showing the most mentioned words in the comment responses.



Sentiment Analysis

SurveyMonkey includes a tool that analyzes the words used in the comment responses and detects if the sentiment is positive, neutral, or negative.



Question 4

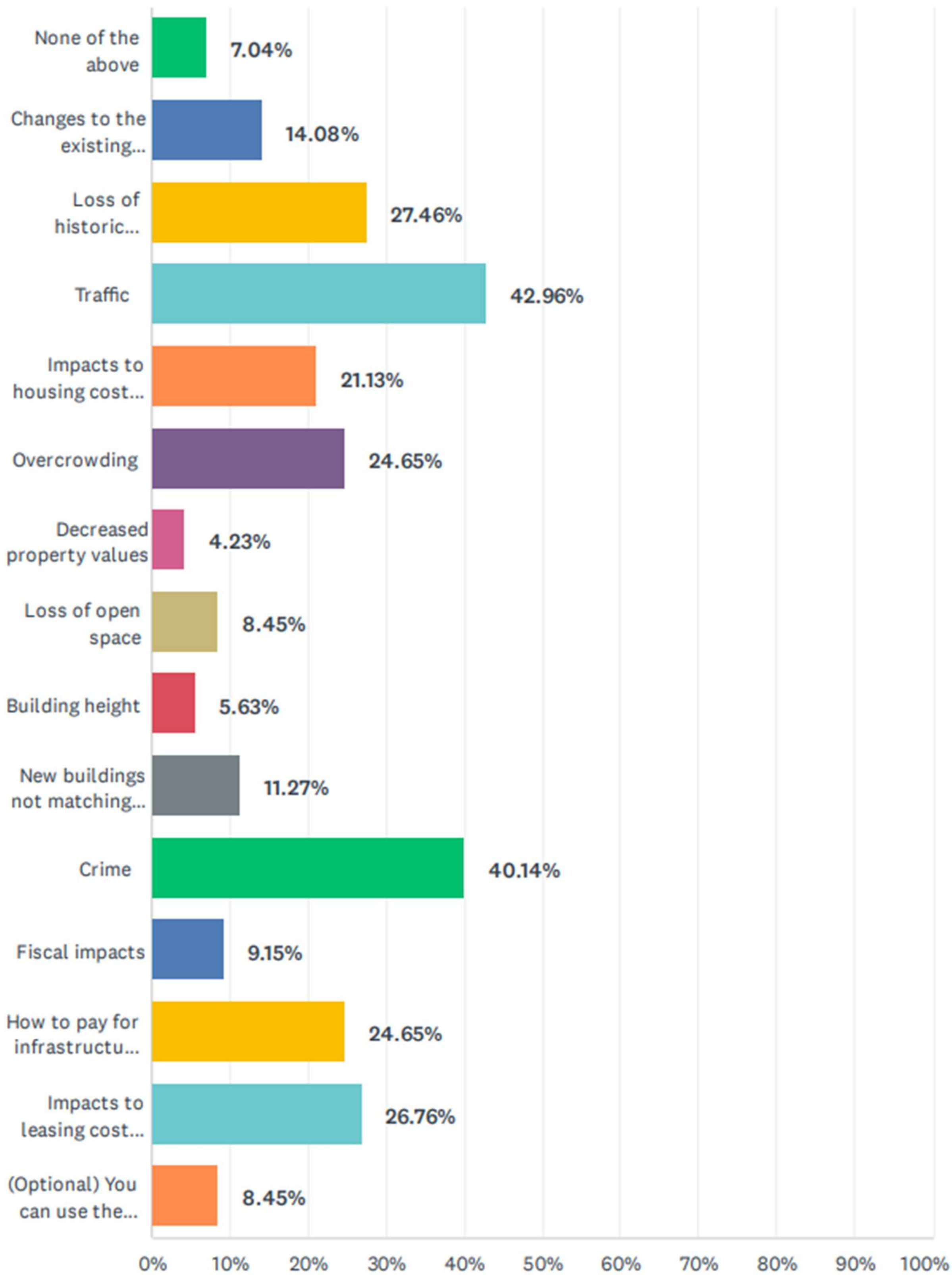
Q4 We understand you may also have some concerns about what the Specific Plan means for Downtown Tracy. We want to give you an opportunity to tell us more about your thoughts so that we can be sure to address them. What would you say are your three biggest concerns about the Specific Plan?

Answered: 142 Skipped: 12

- The top three biggest concerns reported are:
  - Traffic (42.9%)
  - Crime (40.1%)
  - Loss of historic buildings (27.4%)
- This information is presented in a table below so that the full text of the answer choices is viewable. A graph is provided on the following page.

ANSWER CHOICES	RESPONSES	
None of the above	7.04%	10
Changes to the existing community character	14.08%	20
Loss of historic buildings	27.46%	39
Traffic	42.96%	61
Impacts to housing costs for existing Downtown Tracy residents	21.13%	30
Overcrowding	24.65%	35
Decreased property values	4.23%	6
Loss of open space	8.45%	12
Building height	5.63%	8
New buildings not matching the style of existing buildings	11.27%	16
Crime	40.14%	57
Fiscal impacts	9.15%	13
How to pay for infrastructure improvements	24.65%	35
Impacts to leasing costs for existing Downtown Tracy businesses	26.76%	38
(Optional) You can use the comment box below to add details about your selections and what they mean to you or add other options that aren't listed.	8.45%	12
Total Respondents: 142		

Question 4 continued

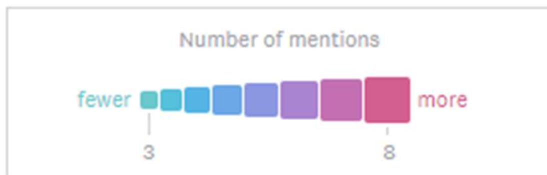


Question 4 continued

#	(OPTIONAL) YOU CAN USE THE COMMENT BOX BELOW TO ADD DETAILS ABOUT YOUR SELECTIONS AND WHAT THEY MEAN TO YOU OR ADD OTHER OPTIONS THAT AREN'T LISTED.
1	For reference, other communities (Pleasanton, Livermore, Danville, Moraga, Piedmont, San Anselmo, San Rafael) have attractive downtowns, building heights are 3 stories, have a complimentary sense of continuity, and bring entertainment, retail & dining options, and public transportation & parking together in a winning combination. Unfortunately affordable housing is hard to fit into highly desirable neighborhoods but serious efforts should guarantee that Tracy secures some in the TOD. Existing rents will hopefully be slow to adjust to new market rates, and with additional business drawn to downtown longtime "mainstays" will be able to accommodate reasonable rent increases.
2	The lack of Diversity, Inclusion and Equity. Non-existing Multicultural Center or space where the population of Asian Americans (Filipino, South Asians, Japanese, Chinese, Korean & Cambodian) is actually the majority in homeownership and residency. Tracy being an agricultural town does not reflect the contributions of the above-mentioen groups. I would like to see representation both in local government, commissions, civic activities, etc.
3	Homeless overrunning downtown area just like city officials have allowed at El Pescadero Park. Tax paying Community can not use this park with out being subjected to the filth and rampant drug and alcohol abuse.
4	No Vargas backed train. All that brings is crime.
5	Housing costs for existing Tracy residents are already a concern for Tracy residents, whether they live Downtown or not. The solution to that concern is to allow many more housing units to be built downtown. New buildings don't have to match the style of the existing buildings, but they should at least be complementary. Although we should keep the character of downtown with the existing buildings, not every old building is worth saving.
6	Need new businesses to revitalize the Downtown
7	Actually ALL of these are concerns
8	No more housing please we need for shopping centers. Grant line shopping centers will not cut it for all tracy residents especially all the new infrastructure by tracy hills and all the new development in valpico. It takes 20 min to go to the other side of town to go to target! We need more shops on the the southwest side of tracy PLEASE!!!!!
9	Parking. I feel like there isn't enough parking for additional businesses
10	Visit Lodi and Livermore. Make it look, feel, and be an experience similar. There is zero reason we can not have a vibrant downtown that attracts people from other cities. Tracy is 20 years behind with this development. Find a moto. Livermore and Lodi have grapes. We had beans and no idea what it is now. Hire some smart people at City Hall who want to see improvements.
11	Preservation of the historic district should be priority.not gentrification.
12	We need a tiny home community for people on limited incomes such as single moms like myself who grew up in Tracy but can not afford rent after moving back. I love Tracy and want to stay here the rest of my life!

Question 4 continued

Word Cloud



Sentiment Analysis

Question 5

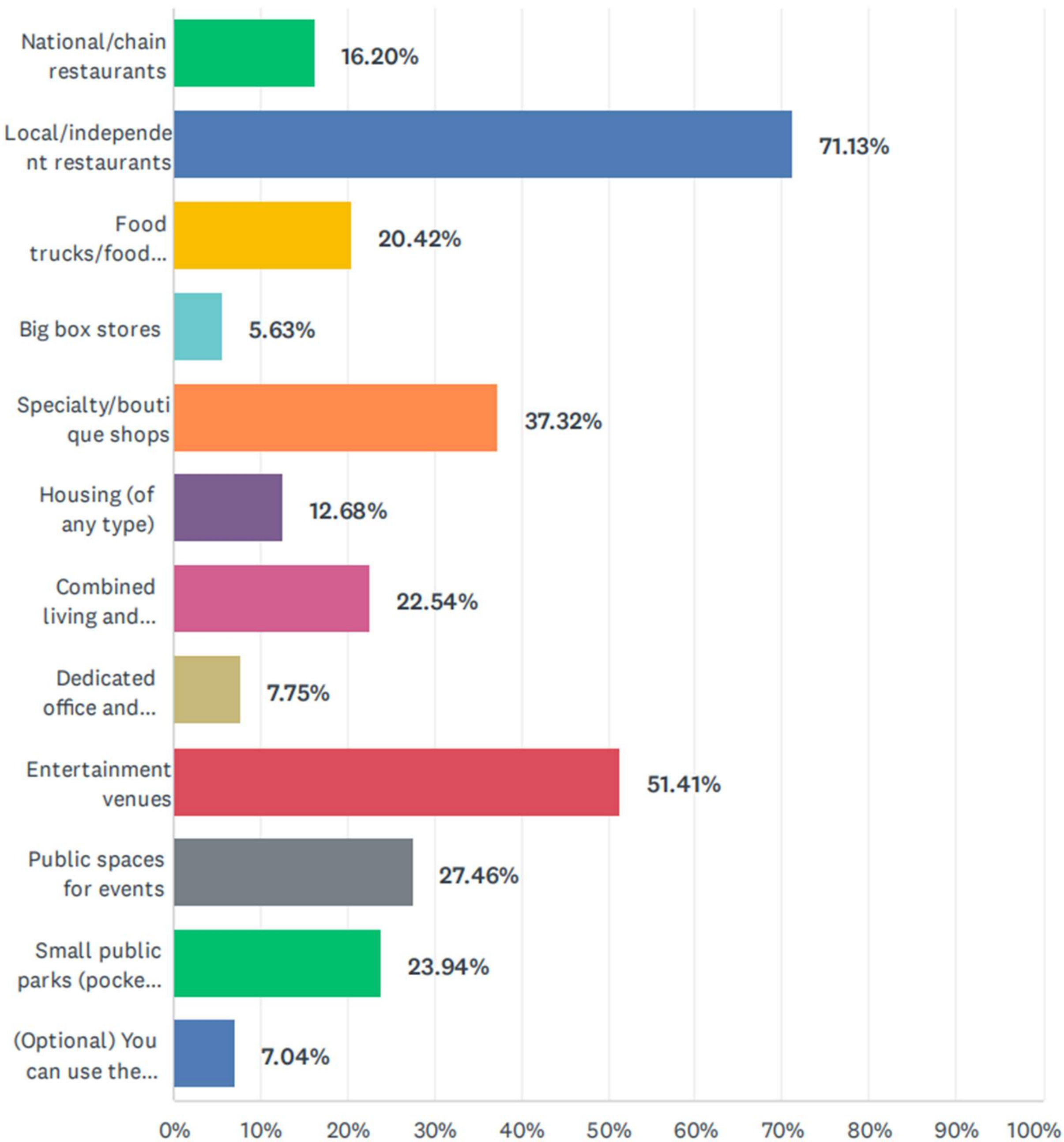
Q5 We envision Downtown Tracy to be a pedestrian-oriented area with a vibrant mix of uses. What are the top three types of uses you enjoy most in Downtown Tracy that you wish there were more of, or what types of uses does Downtown Tracy not currently have that you wish it did?

Answered: 142 Skipped: 12

- The top three types of desired uses are:
  - Local/independent restaurants (71.1%)
  - Entertainment venues (51.4%)
  - Specialty/boutique shops (37.3%)
- This information is presented in a table below so that the full text of the answer choices is viewable. A graph is provided on the following page.

ANSWER CHOICES	RESPONSES	
National/chain restaurants	16.20%	23
Local/independent restaurants	71.13%	101
Food trucks/food halls	20.42%	29
Big box stores	5.63%	8
Specialty/boutique shops	37.32%	53
Housing (of any type)	12.68%	18
Combined living and workspaces (artist lofts, for example)	22.54%	32
Dedicated office and co-working space	7.75%	11
Entertainment venues	51.41%	73
Public spaces for events	27.46%	39
Small public parks (pocket parks)	23.94%	34
(Optional) You can use the comment box below to add details about your selections and what they mean to you or add other options that aren't listed.	7.04%	10
Total Respondents: 142		

Question 5 continued

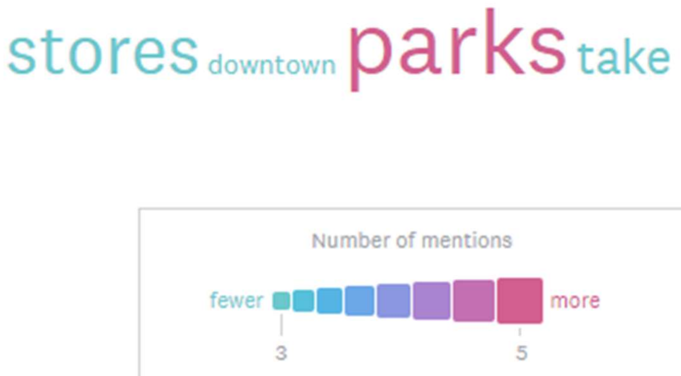


Question 5 continued

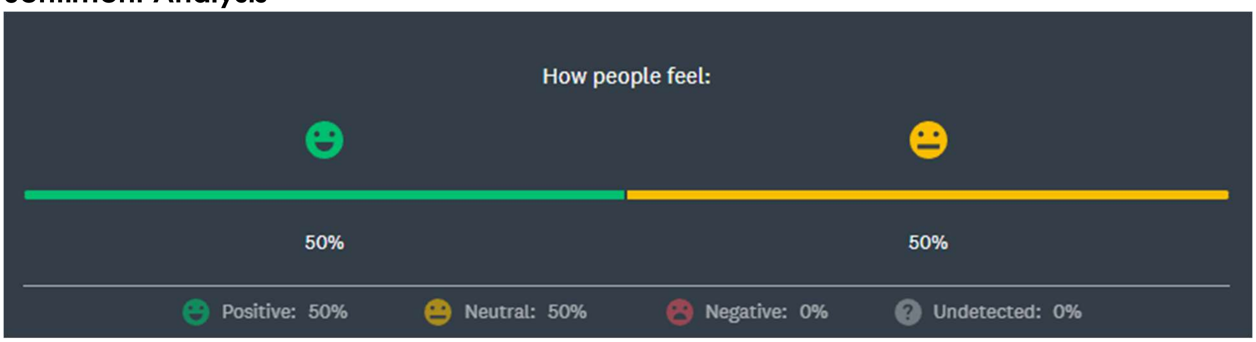
#	(OPTIONAL) YOU CAN USE THE COMMENT BOX BELOW TO ADD DETAILS ABOUT YOUR SELECTIONS AND WHAT THEY MEAN TO YOU OR ADD OTHER OPTIONS THAT AREN'T LISTED.
1	Affordable housing individual/couple and family.
2	Activities for teens and kids to go to. Ice ri KS, bouncy houses, trampoline parks, water parks, escape rooms etc. We need fun things to do here IN TRACY!
3	Many more people need to live in or near downtown. If they did, everything else would take care of itself.
4	I would prefer to spend my money shopping and eating in downtown Tracy. But not enough stores and the restaurants are usually too small, too crowded or not open. They are loosing my dollars.
5	Homeless taking over
6	Parking. Pedestrian oriented is great, but I don't want to drive in commute traffic to get home then hop on a bike/bus/walk to go to dinner. Give me somewhere to park my car, even on the outskirts of downtown, and I can walk around after I'm there.
7	Grocery store, particularly to support local residences, but to attract consumers as well.
8	Having a well known nationally recognized business located where the old JC Penny was would help drive more people downtown, perhaps a supermarket or a higher end well known restaurant
9	small stores that are easy to access
10	Trader Joe’s, bath and body works could both be supported in downtown Tracy. Also, take down the ugly fence around the old grate plate and leave it as a historical building facade or demolish for Parking

Question 5 continued

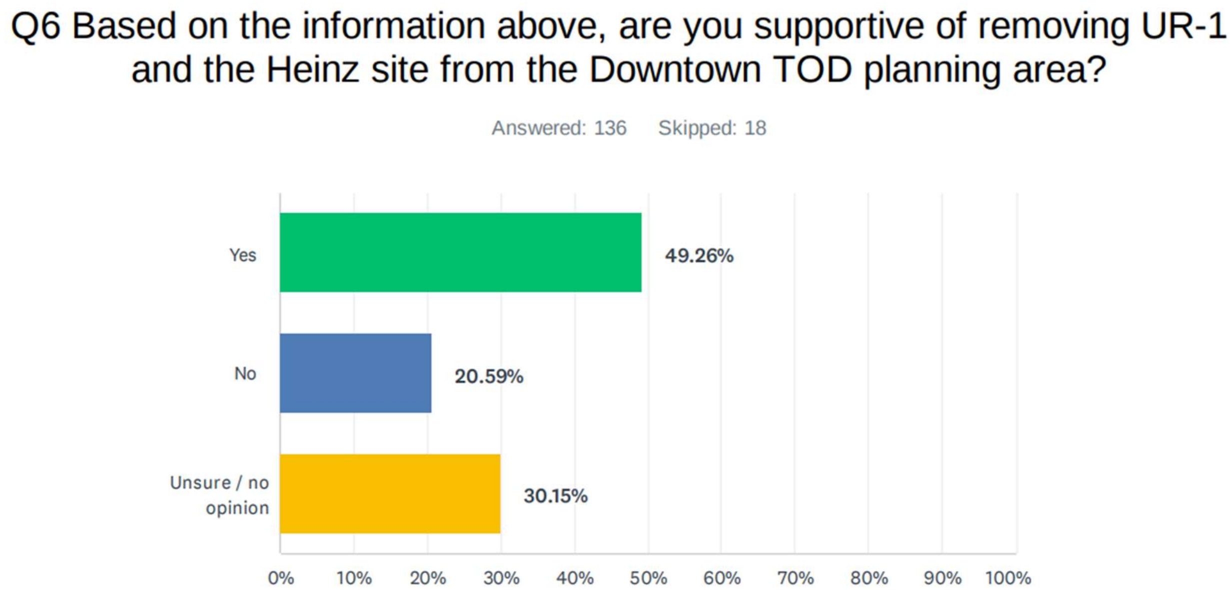
Word Cloud



Sentiment Analysis



Question 6



- Most respondents (49.2%) are supportive of removing UR-1 and the Heinz site from the Downtown TOD planning area.

#	IF YOU HAVE ADDITIONAL FEEDBACK, YOU MAY PROVIDE IT HERE:
1	UR-1 may be needed for housing - mixed types not necessarily the type put in on First St in Livermore, might be possible to do more traditional infill.
2	Keep the Heinz plant
3	Maybe the old Heinz building can become something for the younger Tracy community to participate in. Such as a roller rink, updated bowling alley, Dave & Busters, mini golf. Our Tracy community does not have nothing for our children or teens to go to on the weekends. In order for families to participate in any of these we have to go to other cities.
4	Get off the UR1 and take care of your downtown. It failed in the voting by the people!
5	Yes. If it's not for housing. Great area for Rec center
6	The city is expanding more to the south west. maybe focus on that direction where the housing is. Taking precious farm land is destroying the history of the farming community. It's a land grab and becoming the new East bay.
7	I can't honestly answer that because I have no clue how it would impact anything about the TOD. For me it depends on what deals may already be in the pipeline and if this is being asked to do some weird behind the back changes so corporations and council benefit.
8	Less houses/apartments more parks green space
9	Although a half mile radius around the transit center doesn't make a lot of sense either
10	Too much reach, let private money develop these areas

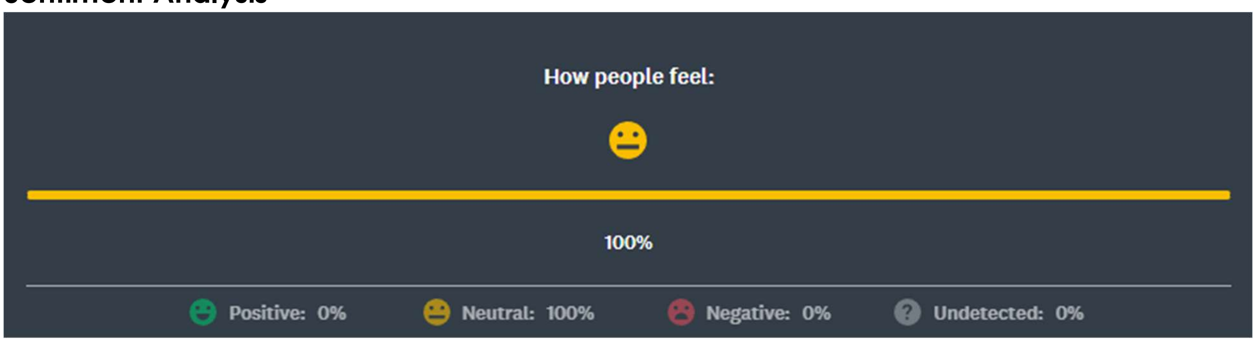
Question 6 continued

11	I would not build a new subdivision in UR-1. Traffic is already awful on MacArthur certain times a day due to increased traffic from newer development further down, since this road is a major way residents travel to and from schools in the area. I would use UR-1 as a nature park. We have a lot of nice playgrounds in Tracy, but I would love to see an area where people could hike or bike safely and enjoy the outdoors. It would be nice if this was walking distance from downtown, and maybe the existing walking paths in the area could be linked to form a more robust network of nice places to walk. The path through Meadow Glen is my favorite place to walk, because you are away from traffic and in some nice trees. It links with nice sidewalks on Schulte, Central, and Sycamore Parkway, but these are all areas next to the road. It would be neat if there were more of these paths and they linked up to downtown and other areas.
12	I think focusing on Downtown TOD by itself first is good if that can get things moving, but the other sites should be addressed too
13	I live in the UR1 area and don't want a lot of development in that area.
14	Please consider a phased approach that focuses on downtown, then addresses the eyesore that is the Heinz site, then tackles UR-1. Including all three sites under one effort seems likely to drive failure and/or slowed progress.
15	By including these areas might make the money available for this project not enough, so at the end it the result might not be what we expect.
16	I'm against this whole 'concept'. You are planning for land that is already developed or outside of the city limits. It's as if you're in some fantasyland on the tax payers dime while at same time neglecting the job you were eleced to do.
17	Turn the Heinz factory into affordable lofts please

Question 6 continued

Word Cloud

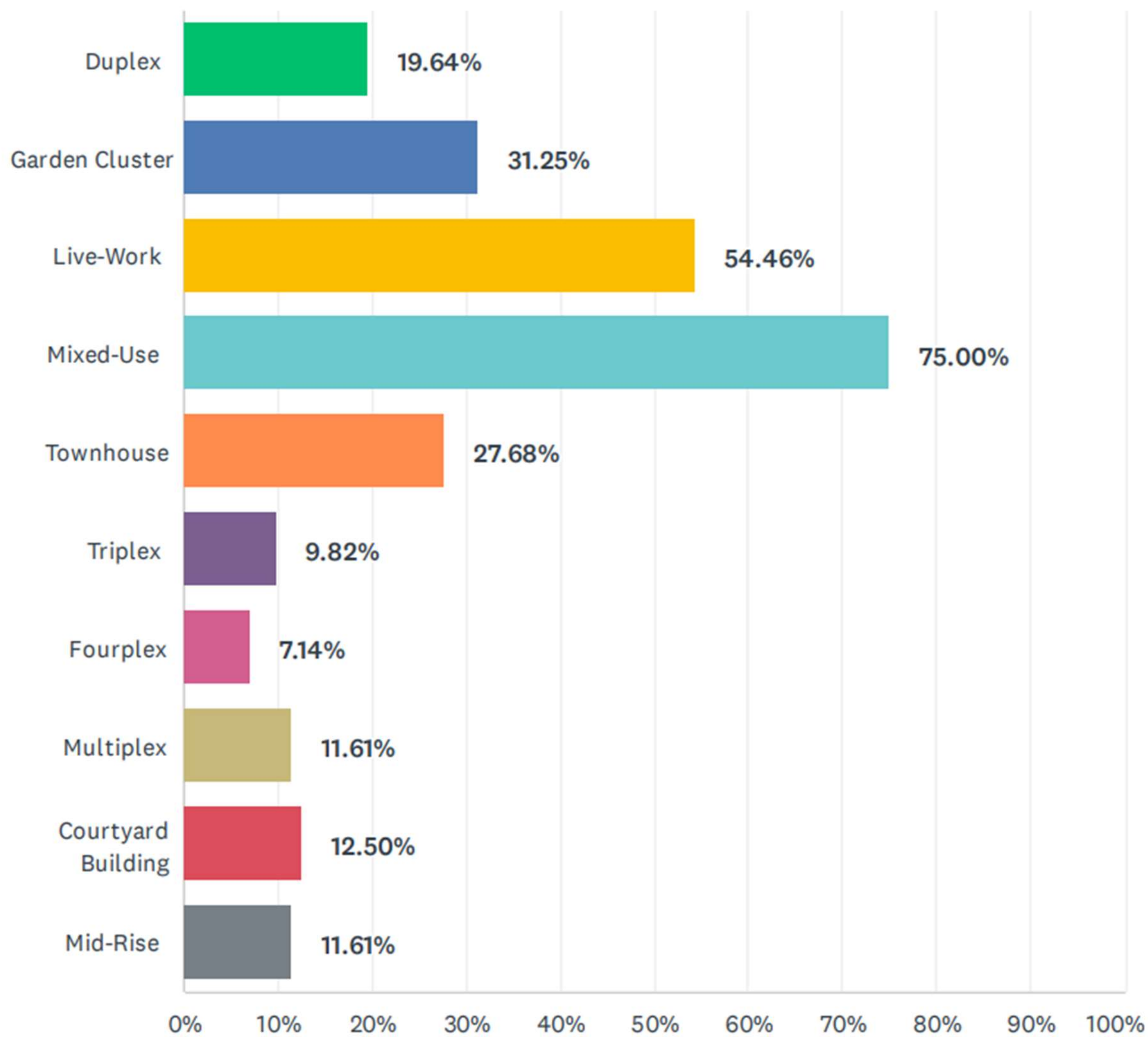
Sentiment Analysis



Question 7

Q7 Area A - Downtown CoreThis north-central portion of Downtown is mostly developed with commercial uses, but also has some undeveloped or underutilized parcels that could be ideal locations for new mixed-use buildings. It is also surrounded by historic neighborhoods. Future infill development should be designed to complement existing historic architectural and design motifs and respect the established smaller scale buildings.Please select the types of homes you think would be appropriate in Area A.

Answered: 112 Skipped: 42



Question 8

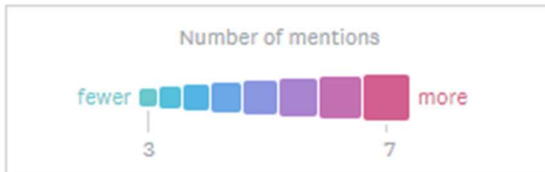
Q8 If you have additional feedback on housing types in Area A, you may provide it here:

Answered: 19 Skipped: 135

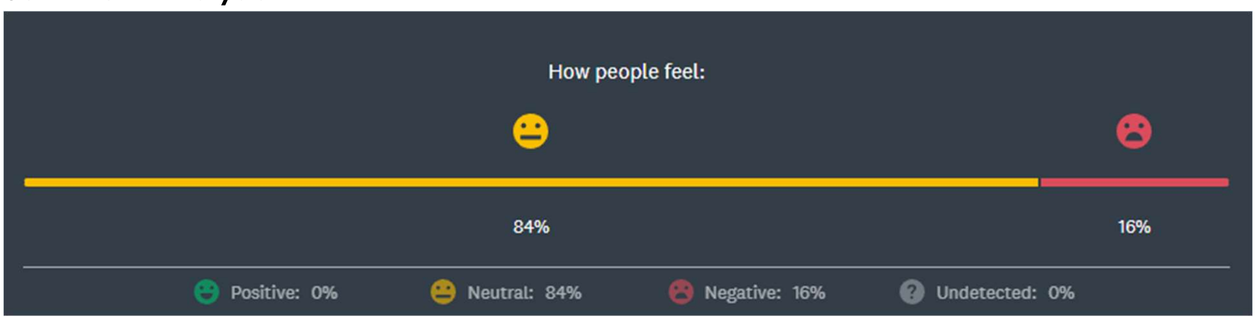
#	RESPONSES
1	In my previous comment re "traditional infill" I actually meant "missing middle" housing as described here.
2	Already to many houses going up in Tracy. We need more restaurants and shops
3	No Midrise or elevations above 3 stories!
4	Our input makes no difference. Mayer Nancy is useless
5	None of those
6	Three stories are certainly appropriate along 10th, 11th and Central. Maybe not so much at 9th and Taft, depending.
7	No large building take over I actually live in this area and I like my neighborhood. We do not need this craziness of over grown building with thousands of people and cars on our small streets
8	No more houses
9	Area A should include taller buildings and higher density housing.
10	None
11	This needs to be combo of residential and retail units
12	How about single family
13	If your gona build more more homes downtown we definitely need more work a d retail
14	Let's do infill housing first. Even if single family. Keep it small.
15	I enjoy single family homes in the Area A location, and as a buyer, I am specifically looking for single family homes in this area.
16	Infill and gentrification. Getting rid of the old community. Be aware that lawsuits will block your desire to rid the area of the people that have lived in the area for generations.
17	Why single house is not an option? This makes me believe big construction companies are behind this survey! I believe this area should be use for single family homes.
18	Declined to endorse any housing types in Area A.
19	First I would suggest quit planning for property that is not up for development. If your ego project fantasy must waste taxpayer money I would suggest no two buildings allowed to be same look or floorplans, each structure must be it's own unique structure in a distinct architectural style (but NOT Mediteranean)

Question 8 continued

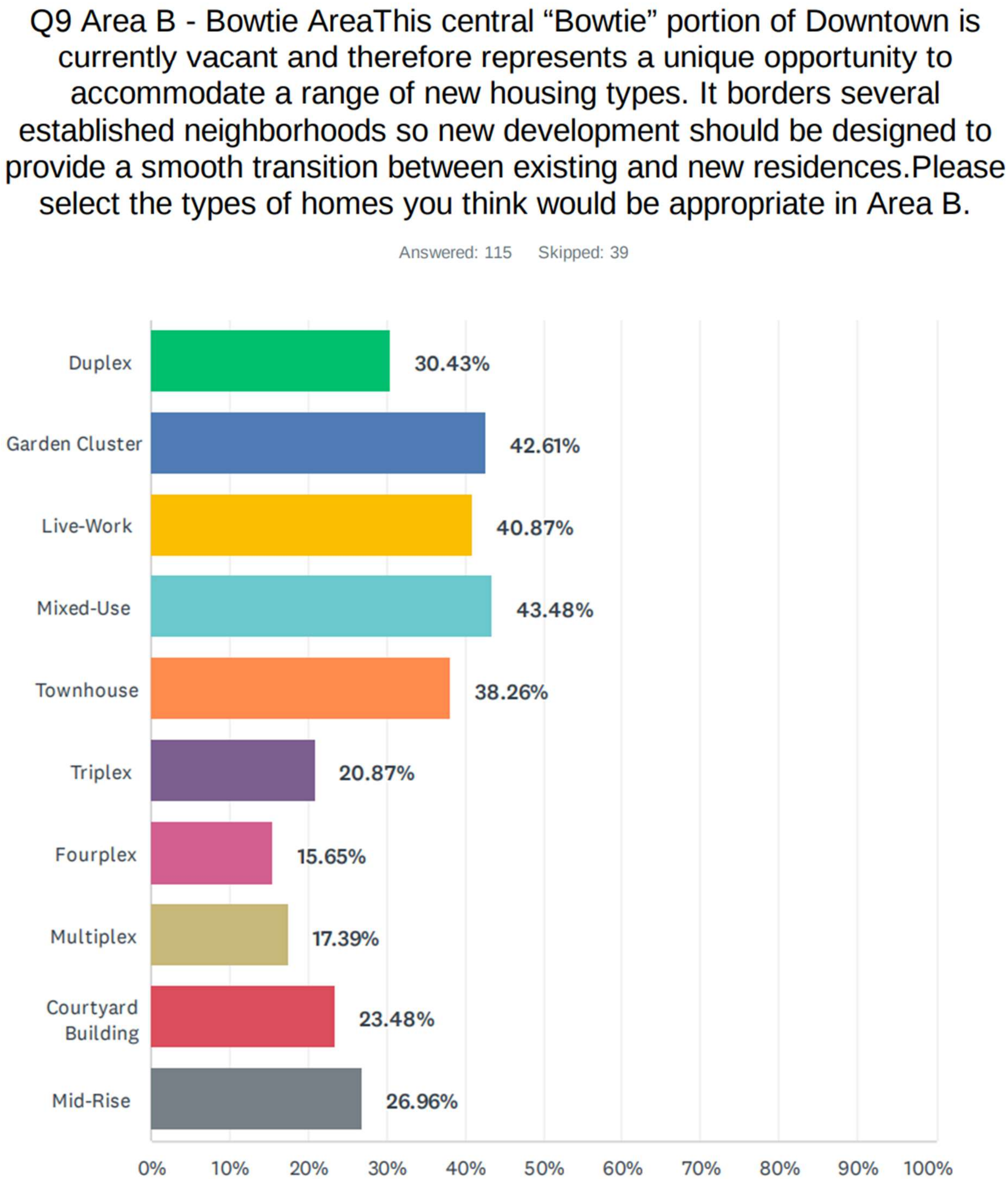
Word Cloud



Sentiment Analysis



Question 9


Q9 Area B - Bowtie AreaThis central “Bowtie” portion of Downtown is currently vacant and therefore represents a unique opportunity to accommodate a range of new housing types. It borders several established neighborhoods so new development should be designed to provide a smooth transition between existing and new residences.Please select the types of homes you think would be appropriate in Area B.
Answered: 115 Skipped: 39
Duplex
30.43%
Garden Cluster
42.61%
Live-Work
40.87%
Mixed-Use
43.48%
Townhouse
38.26%
Triplex
20.87%
Fourplex
15.65%
Multiplex
17.39%
Courtyard Building
23.48%
Mid-Rise
26.96%
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%

Question 10

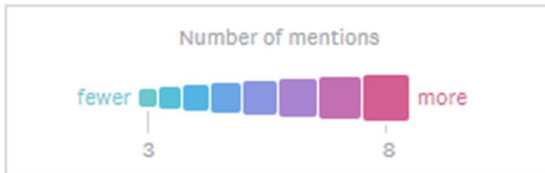
Q10 If you have additional feedback on housing types in Area B, you may provide it here:

Answered: 16 Skipped: 138

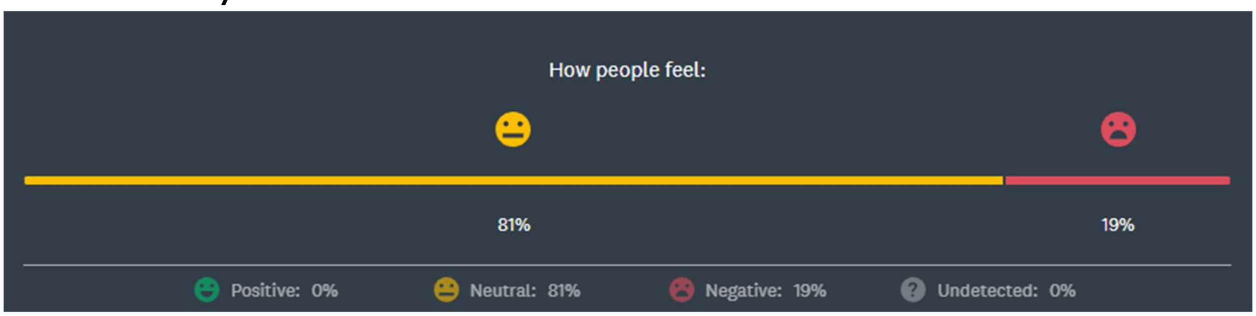
#	RESPONSES
1	No more houses
2	Nothing above 3stories.
3	Area B consists of highly contaminated ground. Who will pay to mitigate the hazards?
4	Anything over 2 stories is too big and out of place. Do you really believe people are going to want to live on top of the train tracks? This is not the Bay Area. People already complain about the train noise level and they are not on top of it like this bow tie area.
5	The Bow Tie should be developed the same way the downtown was - one lot at a time. The City should buy it and then act as the developer. (It could pay for itself.) Do not let one large developer have the Bow Tie!
6	Same issues no green spaces just add on of more people without thought of quality of life
7	None
8	(The term "live-work" is useless and non-descript. Would you intend to require someone who lives there to also work on site? Would you intend to require someone who works there to also live on site? Of course, not. "Live-work" is just a gimmicky name for mixed use, so you should stop using it.
9	None
10	I could see mid-rise in some areas but it would have to be handpicked. It would not fit the whole bowtie area.
11	There should be no more than duplex
12	This area especially should be more retail
13	None
14	No housing should be on this area. This area could be the "Central Park" of Tracy. By building more houses it will be just one more block. Also, providing nothing but housing as an option for this area, makes me believe big construction companies are behind this survey!
15	Declined to endorse any housing types in Area B.
16	Because the land is owned by the railroad I would suggest mix of boxcars and vintage cabooses.

Question 10 continued

Word Cloud



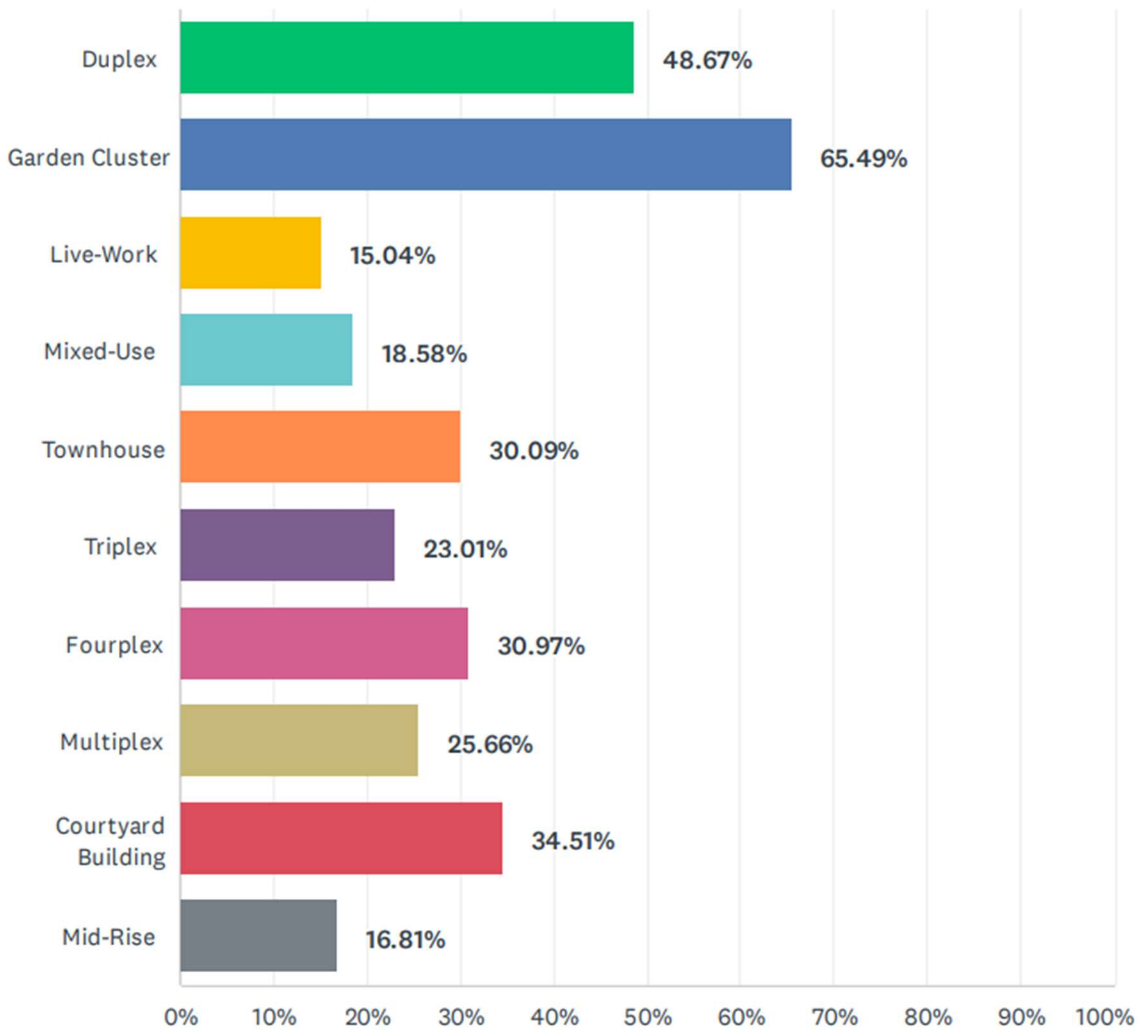
Sentiment Analysis



Question 11

Q11 Area C - Underdeveloped Parcels South of Bowtie AreaThese sizable vacant or underutilized parcels in the southern half of the Downtown TOD planning area provide an excellent opportunity to provide residents a broader range of housing opportunities within otherwise built-out neighborhoods. Future development on these parcels should be designed to reflect the characteristics of the surrounding lower density homes.Please select the types of homes you think would be appropriate in Area C.

Answered: 113 Skipped: 41



Question 12

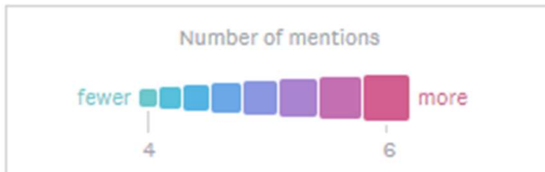
Q12 If you have additional feedback on housing types in Area C, you may provide it here:

Answered: 12 Skipped: 142

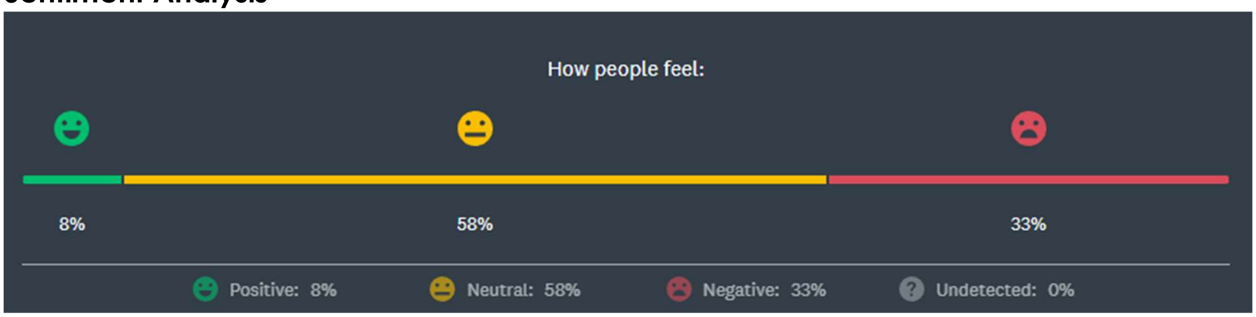
#	RESPONSES
1	More shops and restaurants no more houses with out more infrastructure
2	No housing. Walking trails and parks ball fields
3	Again nothing above 3 stories
4	How about using an area for a school or park? Not just housing there are too many people here already
5	Lots of opportunities here!!
6	More of the same more people without thought to existing neighbors
7	Build more parks. Less housing.
8	None
9	Get the picture? We don't want more housing until you give us more amenities and better infrastructure for your EXISTING CITIZENS
10	Open space and park needed
11	Only single family homes should be done at this area. Not providing this as an option for this area, makes me believe big construction companies are behind this survey!
12	Declined to endorse any housing types in Area C.

Question 12 continued

Word Cloud



Sentiment Analysis



Question 13

Q13 If you would like to share any additional input on the Downtown TOD Specific Plan, you may provide it here:

Answered: 32 Skipped: 122

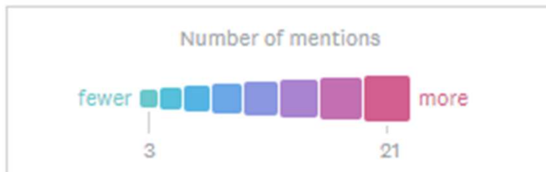
#	RESPONSES
1	TY for providing very helpful examples of housing types. And overall survey questions were very pertinent to community concerns.
2	Watch the people who get off the train watch the people who get dropped off at passes none of them are going into restaurants or shopping downtown they are getting their cars and go home
3	Please keep the "small town feel" to our community. As i talk with my coworkers, family and friends, that's what we all love about Tracy. Thats what those of us who are not from here love about out Town. The small town feel.
4	I think this is a wonderful idea as long as it doesn't effect housing because it's already expensive to live here
5	The "transit center" is an expensive boondoggle. Trains are unlikely to ever stop there unless new tracks are laid which is a very long process. Please quit pretending that any actual "transit related development" will actually involve commuter trains on that site in the next twenty years!
6	Upgrade Parking to include more charging stations and bike racks
7	Stop building warehouses. Encourage business including retail, entertainment, restaurants. Look at livermore, Manteca and Lathrop who seem to have better city planners. Improve the roadways especially the east west corridors. Focus on youth and giving them places to safely recreate. The city of tracy will never transition to less vehicle traffic.. it is not a community that would benefit from additional biking and walking options. It is a town where people commute.
8	Support your people who operate a business downtown now. We don't need any chain restaurants downtown. That would hurt all the mom and pop places. If you cannot take care of what you have now why build more? Clean up Central Ave.
9	na
10	We need to make more things to do in tracy. We are know as a "pillow town" where people only come to sleep. They work, shop, and have fun in other cities. Why can we not have things to do in our town.
11	I would love to keep Tracy history in the Downtown but also new beginnings and safety is a big concern
12	More vegan restaurants and healthy juice stores or cafe
13	Bus connecting bart
14	Since we know now that Valley Link will not come through downtown why must we continue to force this building of homes in the downtown area. Even if Valley Link did come to downtown I hate to tell you not many people will use it. Can't we focus on improving the area and it's economy by making it more attractive to potential businesses? The residents of Tracy are sick of having these homes and warehouses crammed into our neighborhoods. I hope the council hears us and doesn't just go with what they want this time.

Question 13 continued

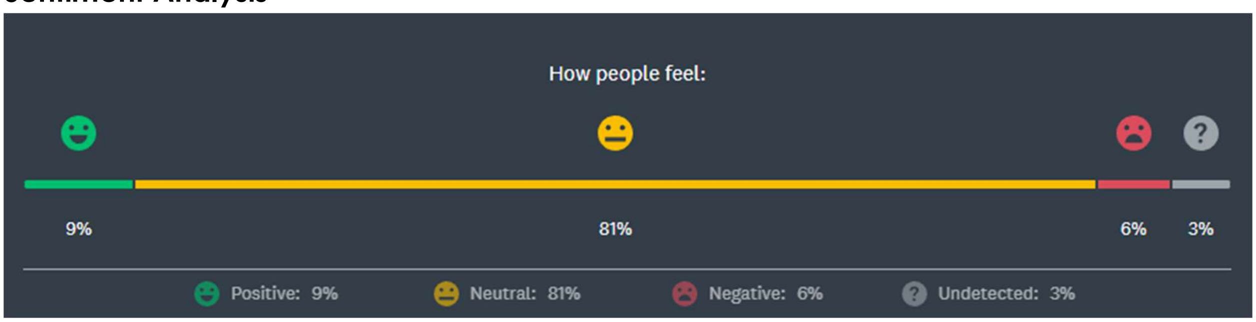
15	The City should be actively working to ensure the Valley Link comes downtown. Getting people in and out of downtown quickly and efficiently will be key to future viability. The City has already put plenty of dollars into downtown, now we need to make sure there are plenty of people in downtown.
16	More thought for how people will be moving around on the area. More bike paths tha extend around Tracy and don't just work in small areas. More GREENSPACE we need better streets walking areas and parks. NO NEW TAXES
17	A movie theater downtown might be good. That seemed to really boost Livermore's downtown when they did that
18	Please make our downtown shine and create spaces for all ages to enjoy.
19	Get more restaurants and specialty shops downtown. Pave the corner lot at 6th and central for parking. No more housing.
20	More outdoor dining
21	None
22	Please stop ignoring us, we have voted against more housing especially multi, condo, apt. And warehouses. We need higher paying jobs and building more housing of any kind will not lower the price of housing here.
23	Single family homes are desirable in the Area A location of downtown. Please take that into consideration!
24	One major request: please please build high quality and high end looking buildings. Tracy needs to class it up
25	I have been hearing downtown revitalization many times since we started rental business in Tracy. Things are slow, not much has changed since 2009. I however feel safer visiting the downtown area, crime issue seems to be contained. Thanks.
26	No thanks as you will keep pushing regardless. This should be on hold anyway, till after the elections. Concentrate on all of the projects approved that have not been started. Except for Ellis of course.
27	increased use of bike lanes and brining business into neighborhoods will prevent the rise of gas prices to be any serious matter
28	No big corporations in downtown. No big box stores in downtown. No chain restaurants in downtown. Absolutely no large multi-residents buildings in downtown.
29	Declined to endorse any new housing in Downtown Tracy. Focus should be on economic business development and less on housing in Downtown Tracy.
30	Our city council seems to have delusions of grandeur.
31	Try to make similar to Santa Row, but on a smaller scale building wise.
32	Please follow the local laws and have the homeless person taking up most of an area of central Ave go to the el pescadero park

Question 13 continued

Word Cloud



Sentiment Analysis



Full Text of Survey

CITY OF TRACY
DOWNTOWN
TRANSIT-ORIENTED
DEVELOPMENT (TOD)
SPECIFIC PLAN

Downtown TOD Specific Plan Survey

Welcome! We are glad you are here!

This survey is an opportunity to share your thoughts on the City of Tracy's Downtown Transit-Oriented Development (TOD) Specific Plan. If you haven't already, we encourage you to visit the project website at https://tracydowntowntod.org to help familiarize yourself with the project before taking the survey.

The City wants to hear from those who live and/or work in Tracy and are interested in the future of the City's downtown.

This survey is available until 5 pm on **Saturday, April 30, 2022**.

If you have any questions about the survey or the project, please contact Scott Claar, Senior Planner, at scott.claar@cityoftracy.org or (209) 831-6429.

Thank you for participating in our survey. Your feedback is valued and important.

CITY OF TRACY
DOWNTOWN
TRANSIT-ORIENTED
DEVELOPMENT (TOD)
SPECIFIC PLAN

Downtown TOD Specific Plan Survey

Tell us about you

1. Do you live in Tracy?

◯ Yes

◯ No

2. Do you work in Tracy?

◯ Yes

◯ No

TRACY

CITY OF TRACY
DOWNTOWN
TRANSIT-ORIENTED
DEVELOPMENT (TOD)
SPECIFIC PLAN

Downtown TOD Specific Plan Survey

Tell us your thoughts about Downtown Tracy

* 3. Our goal is to create a Specific Plan that is good for Downtown Tracy, first and foremost. We want to improve the economic vitality of Downtown and attract vibrant uses that complement Tracy's small-town feel. In the best-case scenario, what are the **three biggest benefits** you hope that the Specific Plan would bring to our Downtown?

- ☐ More transportation options
- ☐ Less reliance on a vehicle
- ☐ Improved circulation for vehicles
- ☐ Easier to walk and/or bike to the destinations I enjoy
- ☐ Quality jobs
- ☐ New shops and restaurants
- ☐ More housing options
- ☐ More support for existing local businesses
- ☐ A strong sense of community pride
- ☐ Redevelopment of underutilized areas
- ☐ Preserve Tracy's heritage
- ☐ (Optional) You can use the comment box below to add details about your selections and what they mean to you or add other options that aren't listed.

* 4. We understand you may also have some concerns about what the Specific Plan means for Downtown Tracy. We want to give you an opportunity to tell us more about your thoughts so that we can be sure to address them. What would you say are your **three biggest concerns** about the Specific Plan?

- ☐ Changes to the existing community character
- ☐ Loss of historic buildings
- ☐ Traffic
- ☐ Impacts to housing costs for existing Downtown Tracy residents
- ☐ Overcrowding
- ☐ Decreased property values
- ☐ Loss of open space
- ☐ Building height
- ☐ New buildings not matching the style of existing buildings
- ☐ Crime
- ☐ Fiscal impacts
- ☐ How to pay for infrastructure improvements
- ☐ Impacts to leasing costs for existing Downtown Tracy businesses
- ☐ (Optional) You can use the comment box below to add details about your selections and what they mean to you or add other options that aren't listed.
- ☐ None of the above

* 5. We envision Downtown Tracy to be a pedestrian-oriented area with a vibrant mix of uses. What are the **top three types of uses** you enjoy most in Downtown Tracy that you wish there were more of, or what types of uses does Downtown Tracy not currently have that you wish it did?

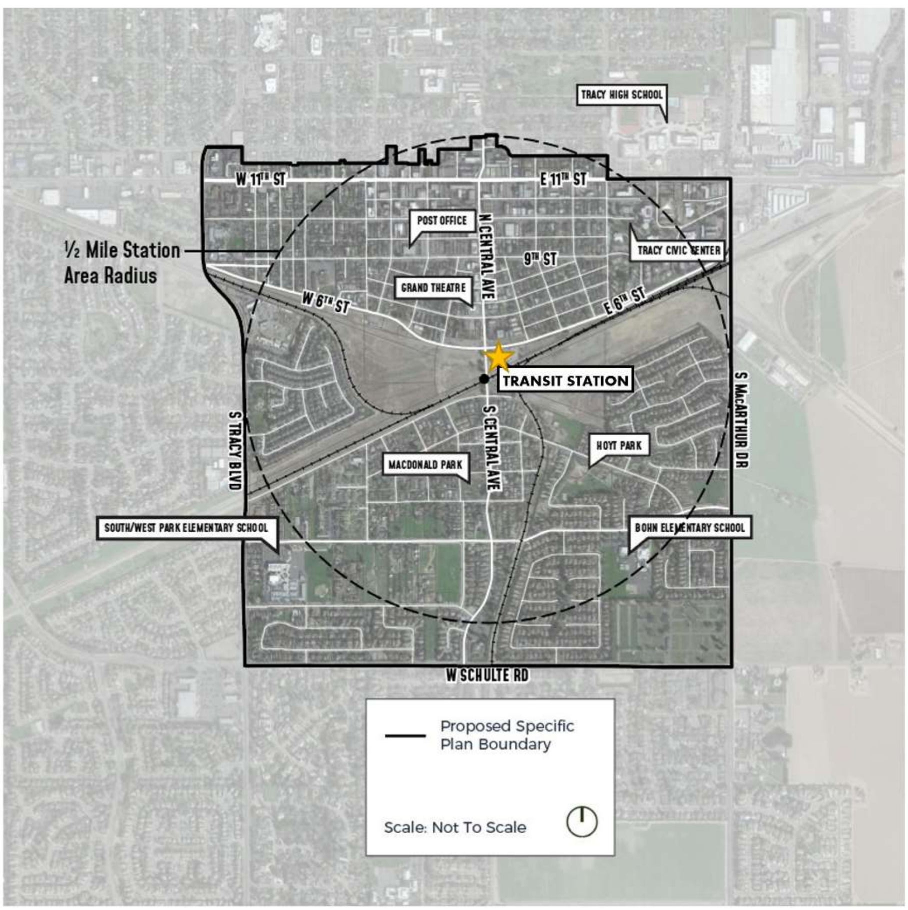
- ☐ National/chain restaurants
- ☐ Local/independent restaurants
- ☐ Food trucks/food halls
- ☐ Big box stores
- ☐ Specialty/boutique shops
- ☐ Housing (of any type)
- ☐ Combined living and workspaces (artist lofts, for example)
- ☐ Dedicated office and co-working space
- ☐ Entertainment venues
- ☐ Public spaces for events
- ☐ Small public parks (pocket parks)
- ☐ (Optional) You can use the comment box below to add details about your selections and what they mean to you or add other options that aren't listed.

CITY OF TRACY
DOWNTOWN
TRANSIT-ORIENTED
DEVELOPMENT (TOD)
SPECIFIC PLAN

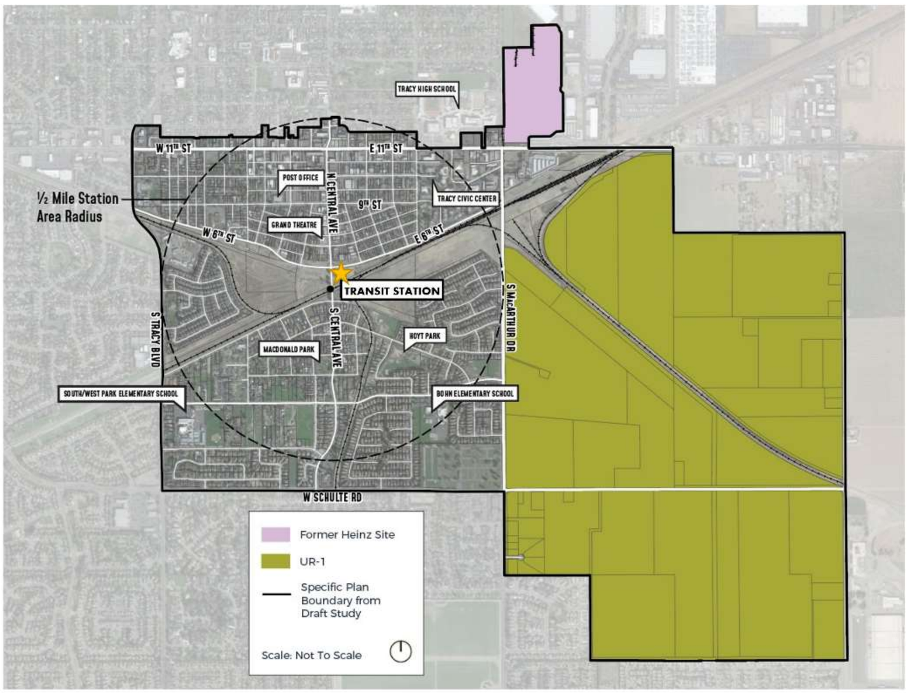
Downtown TOD Specific Plan Survey

Specific Plan Boundaries

We would like to get your input on the boundaries of the Specific Plan. Research suggests that a ½ mile radius represents the distance and time (about a 10-15 minute walk) that most people would be willing to walk from a transit station to other uses such as shopping, dining, jobs, and their homes. Therefore, we are proposing for the Specific Plan to focus on the ½ mile radius surrounding the Tracy Transit Station, as shown in the following map.



The draft study prepared last year included what is called Urban Reserve-1 (UR-1) and the former Heinz Factory site in the Specific Plan boundaries. Both of these areas are outside of the ½ mile radius. The locations of these areas are shown on the map below, with brief descriptions following.



Urban Reserve-1 (UR-1)
This approximately 780-acre area is located on the eastern side of the City of Tracy, outside of City limits. The vision for UR-1 as described in the 2011 City of Tracy General Plan includes primarily residential uses, with a small amount of commercial uses (such as retail and grocery stores), parks, and public schools to support the residential neighborhoods.

Former Heinz Factory Site
The former Heinz factory site is located at the northeastern corner of 11th Street and MacArthur Drive, within City limits, just east of Tracy High School. The existing factory building could accommodate one large employer or a combination of smaller businesses that need unique and flexible building spaces.

Based on the notable differences between the UR-1 area, the Heinz site, and the Downtown TOD area, it might be preferable to focus the Downtown TOD planning efforts on a ½-mile radius of the Tracy Transit Station and not include the UR-1 area and the Heinze site in this particular planning process.

* 6. Based on the information above, are you supportive of removing UR-1 and the Heinz site from the Downtown TOD planning area?

◯ Yes

◯ No

◯ Unsure / no opinion

If you have additional feedback, you may provide it here:

TRACY

CITY OF TRACY
DOWNTOWN
TRANSIT-ORIENTED
DEVELOPMENT (TOD)
SPECIFIC PLAN

Downtown TOD Specific Plan Survey

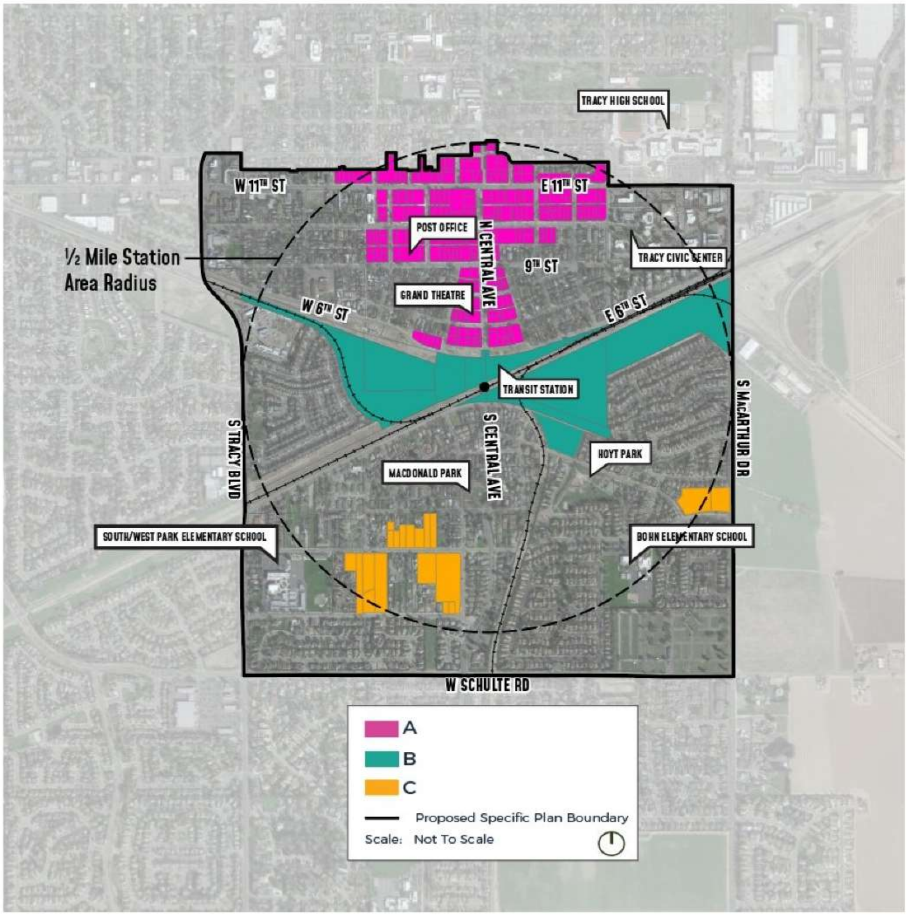
Housing Options

Just as we want to provide choices about where to eat, shop, and work, we want to provide choices about where to live and what type of home to live in. We want to create high-quality walkable neighborhoods that meet differing income and generational needs. One size or type of housing does not fit all. Empty nesters looking to downsize, retirees who don't want to worry about home maintenance or yardwork, young professionals, multi-generational homes, and growing families all have different housing needs. Some folks are looking to buy, and others prefer to rent. Not all buyers want a detached single-family home and not all renters want to live in a large apartment complex.

There are a range of housing types, such as courtyard apartments, garden clusters, duplexes, and townhomes that are beautifully designed and seamlessly integrated into existing neighborhoods. These types of homes are sometimes referred to as "missing middle" housing. They are called "missing" because they have not typically been built in most U.S. cities since the mid-1940s and "middle" because they sit in the middle of a spectrum between detached single-family homes and mid-rise to high-rise apartment buildings.

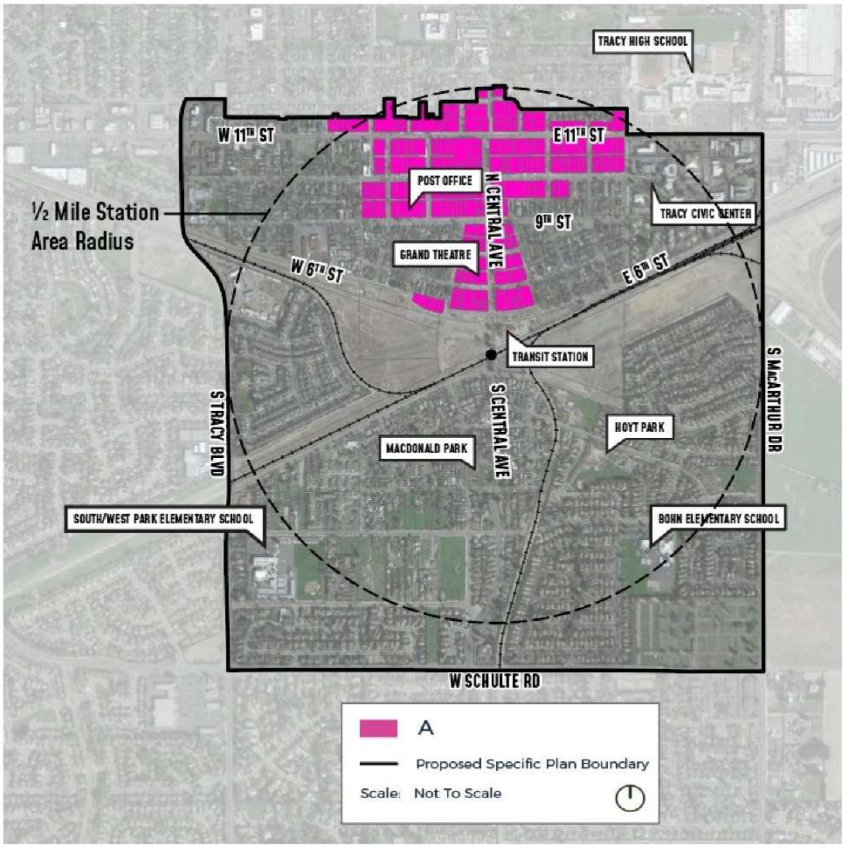
Examples of "missing middle" housing types are shown in the diagram below.

Below is a map showing three locations (labeled A, B, and C) within the Downtown TOD planning area.



The following questions include example images of different housing types. We would like you to select the housing types you think would be appropriate in each of the three locations shown in the map above. When selecting housing preferences, try to think not only about what you personally prefer, but also about what those who you interact with in your community might prefer, such as your child's teacher, your aging parents, a recent college graduate with their first job, your favorite barista at the local coffee shop, or the person who delivers your mail and packages. Think about what kind of home that person might be able to both enjoy and afford within Downtown Tracy.

Map of Area A


TRACY HIGH SCHOOL
W 11TH ST
E 11TH ST
POST OFFICE
N CENTRAL AVE
9TH ST
TRACY CIVIC CENTER
½ Mile Station Area Radius
GRAND THEATRE
W 6TH ST
E 6TH ST
TRANSIT STATION
S CENTRAL AVE
HOYT PARK
S MACARTHUR DR
S TRACY BLVD
MACDONALD PARK
SOUTH/WEST PARK ELEMENTARY SCHOOL
BOHN ELEMENTARY SCHOOL
W SCHULTE RD
A
Proposed Specific Plan Boundary
Scale: Not To Scale

7. **Area A - Downtown Core**

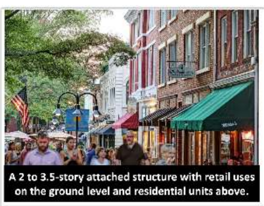
This north-central portion of Downtown is mostly developed with commercial uses, but also has some undeveloped or underutilized parcels that could be ideal locations for new mixed-use buildings. It is also surrounded by historic neighborhoods. Future infill development should be designed to complement existing historic architectural and design motifs and respect the established smaller scale buildings.

Please select the types of homes you think would be appropriate in Area A.

Duplex

Garden Cluster

Live-Work



Mixed-Use

Townhouse

Triplex

Fourplex

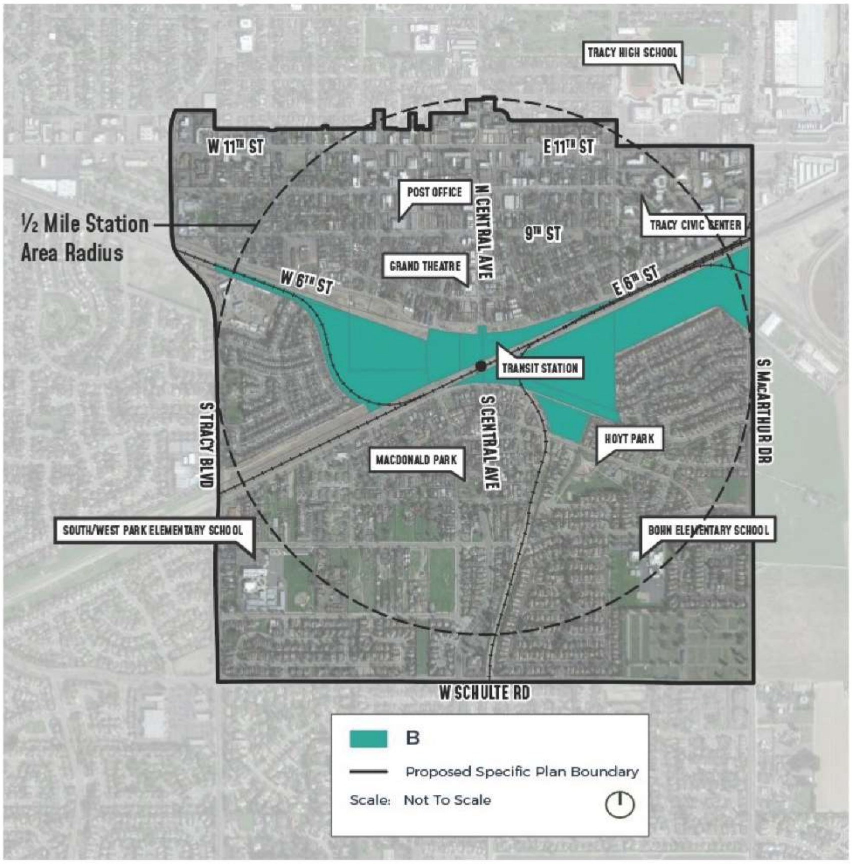
Multiplex

Courtyard Building

Mid-Rise

8. If you have additional feedback on housing types in Area A, you may provide it here:

Map of Area B



9. **Area B - Bowtie Area**
This central "Bowtie" portion of Downtown is currently vacant and therefore represents a unique opportunity to accommodate a range of new housing types. It borders several established neighborhoods so new development should be designed to provide a smooth transition between existing and new residences.

Please select the types of homes you think would be appropriate in Area B.

Duplex

Garden Cluster

Live-Work

Mixed-Use

Townhouse

Triplex

Fourplex

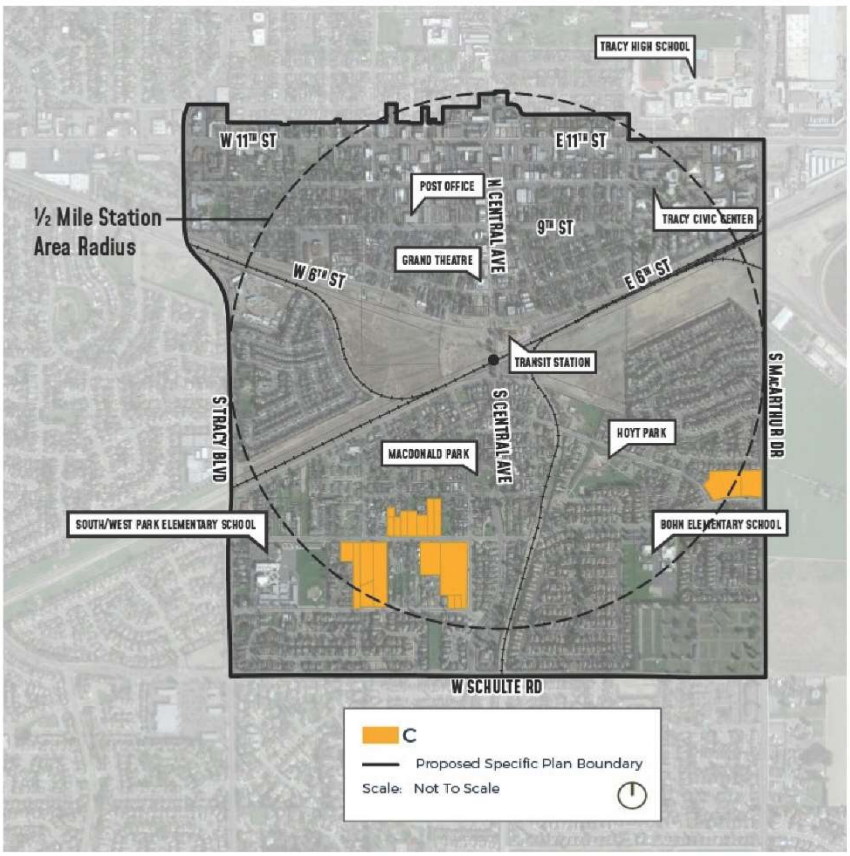
Multiplex

Courtyard Building

Mid-Rise

10. If you have additional feedback on housing types in Area B, you may provide it here:

Map of Area C



11. **Area C - Underdeveloped Parcels South of Bowtie Area**

These sizable vacant or underutilized parcels in the southern half of the Downtown TOD planning area provide an excellent opportunity to provide residents a broader range of housing opportunities within otherwise built-out neighborhoods. Future development on these parcels should be designed to reflect the characteristics of the surrounding lower density homes.

Please select the types of homes you think would be appropriate in Area C.


A 1 to 2.5-story detached structure with two dwelling units either side-by-side or one above the other.

Duplex


A group of 1 to 1.5-story detached structures arranged around a shared green space.

Garden Cluster


A 2 to 3.5-story attached structure with flexible ground floor space that can accommodate a wide range of workspaces with residential units above.

Live-Work


A 2 to 3.5-story attached structure with retail uses on the ground level and residential units above.

Mixed-Use


A small-to medium-sized attached structure that consists of 2 to 16 multi-story dwelling units placed side-by-side.

Townhouse


A 3 to 3.5-story detached structure that consists of 3 dwelling units stacked on top of each other on consecutive floors.

Triplex


A 2 to 2.5-story detached structure with four dwelling units, two on the ground floor and two above.

Fourplex


A 2 to 2.5-story detached structure with 5 to 12 dwelling units arranged side-by-side and/or stacked, with a shared entry from the street.

Multiplex


A 1 to 3.5-story detached structure consisting of multiple side-by-side and/or stacked dwelling units oriented around a courtyard.

Courtyard Building


A 3 to 5 story attached structure with common entrances and internal staircases and/or elevators.

Mid-Rise

12. If you have additional feedback on housing types in Area C, you may provide it here:

CITY OF TRACY
DOWNTOWN
TRANSIT-ORIENTED
DEVELOPMENT (TOD)
SPECIFIC PLAN

Downtown TOD Specific Plan Survey

Additional Comments

13. If you would like to share any additional input on the Downtown TOD Specific Plan, you may provide it here:

Technical Memorandum

To: City of Tracy and De Novo Planning Group

From: Economic & Planning Systems, Inc.

Subject: Downtown Tracy Specific Plan: Market Review and Development Feasibility Analysis

Date: February 28, 2023

The City of Tracy and its prime consultant De Novo are in the process of developing a Downtown Tracy Specific Plan (DTSP). A core strategy for the DTSP is to attract new residential development into the downtown area. Although the downtown already includes a broad array of retail and eating/ drinking establishments, new housing would bring additional residents to the area and further provide built-in support for retail. New residents will also enhance the sense of place and vitality of Downtown. There is also potential for a new commuter rail station in the City's Transit Center located in the "Bowtie Area" of Downtown. This rail station could further encourage housing development, although housing would bring benefits to the Downtown regardless of the station.

The purpose of this memorandum is to assess the market prospects and development feasibility of new housing development in Tracy's Downtown and more specifically the City's Central Business District (CBD) and Bowtie Area. The findings of this assessment will help inform the identification of City policies and actions that could help support and catalyze new development in Downtown Tracy. This memorandum also addresses retail and office market conditions in Downtown Tracy.

This memorandum is organized into the following sections:

- Summary of Findings and Potential City Actions
- Geographic Context
- Demographic and Economic Context
- Housing Market Conditions
- Downtown Residential Development Feasibility
- Retail Market Conditions
- Office Market Conditions
- Valley Link Station Opportunity

The Economics of Land Use

Economic & Planning Systems, Inc.
1330 Broadway
Suite 450
Oakland, CA 94612
510 841 9190 tel

Oakland
Sacramento
Denver
Los Angeles

www.epsys.com

Summary of Findings

Current Context

- **The core of Downtown Tracy is anchored by a broad mix of eating, drinking, and retail establishments in a walkable setting.** Downtown Tracy has many of the key characteristics of a successful downtown with a broad array of eating, drinking, shopping, and services establishments in a walkable setting.
- **Downtown Tracy businesses face long-standing and new challenges.** Freeway and corridor retail both in the City of Tracy and elsewhere in the region have long provided alternatives to downtown, while the emergence of e-commerce has added new competitive challenges to an already highly competitive industry.
- **Local entrepreneurs and business owners with the support of the Tracy City Center Association (TCCA) have been successful despite these challenges.** Downtown Tracy has managed to maintain low vacancy rates and attract new businesses despite the shift to e-commerce and the contraction of retail space in many locations.
- **The economics of Tracy's downtown businesses limit the retail lease rates that can be charged, limiting opportunities for new retail development.** Demand for retail spaces, especially on the smaller side, has been strong, allowing landlords to fill vacated spaces. At the same time, the level of sales activity limits the lease rates landlords can charge and also limits the ability to attract more established retail chains to downtown.

Housing Development Prospects

- **The addition of housing to downtown and other commercial districts provide many benefits.** There are numerous cities that have added housing to their downtowns, transit areas, retail centers, and office parks with positive outcomes for vitality as well as direct support for retail.
- **Much of the demand for new housing in the City of Tracy has come from Bay Area workers seeking less expensive housing opportunities.** For many years, the City of Tracy has been an attractive location for Bay Area workers seeking larger and more affordable homes. This has driven strong demand for single family detached homes in new projects with good freeway access.
- **The City has also attracted new apartment development in recent years.** The City of Tracy's new housing development has long been focused on single family detached products. However, in recent years, several new 3-story apartment developments have been developed, most commonly along the I-205 corridor. These new developments provide attractive new rental options for commuting households.
- **There is a modest amount of existing housing within the DTSP study area and the CBD.** About 1,800 units or about 7.2 percent of the City's housing stock is located in the DTSP study area, with approximately 120 units located within the CBD. This housing stock is predominantly single family detached, though the inventory includes some attached and apartment developments.

- **The CBD includes several potential infill development sites generally in the 0.1 to 0.7 acre-range.** There are a modest number of vacant lots within the CBD with the potential for residential development. The small size of these sites creates challenges for new housing developers in terms of building design, parking, and higher construction costs per square foot. It also limits the number of interested developers as many regional developers will have minimum project sizes.
- **There has been limited interest in housing development in the CBD over the last decade, though more recently housing development applications have been submitted to the City on two sites within the CBD.** The City has received a development review permit application that is currently under review for a mixed-use market rate housing project on a 0.1 acre site. The City also recently approved a development review permit for a mixed-use affordable (below market rate) housing project with 45 units on a 0.47-acre site.
- **Planning-level feasibility analyses indicate that small-lot residential development economics in Downtown Tracy is challenging.** Given current housing development costs and the small site sizes available, making new market-rate residential development "pencil" is challenging. To limit development costs, developers will likely need to focus on less expensive development forms, most likely 2-3 story apartment buildings with surface parking (though surface parking is hard to incorporate on small lots). Even with these products and as much cost minimization as possible, projects will likely need to lease at similarly robust rates to new apartments developed on larger lots along the freeway corridors to be feasible.
- **The Bowtie Area is a large opportunity site for substantial housing development.** The Bowtie Area has specific barriers to development (acquisition from Union Pacific Railroad and extensive environmental remediation). To the extent that the hurdles of ownership and clean-up can be overcome, the Bowtie Area would offer larger sites to residential development allowing opportunities for more cost-efficient development in Downtown Tracy. This could provide substantial new residential development in the DTSP study area while also providing proof-of-concept for other developers who might be interested in smaller sites within the CBD. It should also be noted that the Bowtie Area is subject to any State Transit Oriented Development laws applicable at the time of development (e.g. the recent elimination of minimum parking requirements under AB 2097).

Existing City Policies

- **The City has implemented supportive development policies for new CBD development including flexible parking and limited building requirements.**
    - **Parking.** In many California downtowns, minimum parking requirements are viewed as additional costs to housing development and, as a result, reduce its feasibility. Although the City has a minimum off- street parking requirement for differing land uses throughout the City, developers within the CBD have an option to provide the spaces or to pay the one-time CBD Zone parking in-lieu fee. In October 2015, the in-lieu fee was reduced to $0 as part of a five-year pilot program which aimed to attract new developments to Downtown. The program was extended in 2020 until 2025.

- **Building Design.** Many cities also restrict developer flexibility and opportunity with limits on density, floor-area-ratios, and heights, constraining housing development. Although the CBD Zone limits density and floor area ratios for development it has no height limits. Additionally, requirements are considered relatively flexible for the market area. Residential uses have an allowance for up to fifty units per acre while non-residential uses have a maximum floor-area-ratio of 1.0. The City of Tracy imposes fewer limitations in the CBD and similar or more flexibility would encourage housing development in the Bowtie area as an amendment to the General Plan.

- **The City's voter growth control initiative limits the pace of residential development in the City with implications for downtown development.** The City's growth control policy limits new pace of new housing development in the City. In the future, this initiative could act to constrain downtown housing development.

Potential City Actions

- **City pursuit of and investments in Bowtie ownership transfer and site clean-up could open transformative opportunities for Downtown Tracy.** The scale and location of the Bowtie area offers a unique opportunity to attract new housing development to support Downtown businesses and activity. There are several hurdles facing this outcome and potential complexity for construction depending on the level of clean-up. The City could consider whether this opportunity warrants City investment in site remediation and staff efforts to engage in ownership transfer discussions with Union Pacific Railroad.
- **The location of a future Valley Link Station in the City of Tracy is uncertain, but if the Downtown Tracy/ Bowtie site is selected, the City should seek to maximize its benefits**. Beyond the broader regional and commute benefits, the most immediate benefits of the new Valley Station are the substantial investments associated with the development of the transit station and associated improvements. Transit Station development often involves or requires investment in adjoining public spaces, connecting transportation infrastructure, among others. The City could work closely with the Rail Authority to seek to benefit from the substantial investment in the transit station area and look for opportunities to benefit from and build on these investments. For example, transit area development might start the process of further Bowtie clean-up and land transfer, result in investment in new pedestrian/ bike connectivity, and open up new areas for public/ private development partnerships.
- **Public/ private partnerships offer potential opportunities to catalyze new housing development.** The City owns some properties in the CBD. In some cities, public/ private partnerships can catalyze new development with challenging development economics whereby the City provides the land for the development. This approach does not, however, always work as City participation in developments can bring prevailing wage rate requirements and higher development costs. The City could consider entering into public/ private partnership with interested private developers where the City provides land and the developer becomes the owner-operator of the housing. The City could also continue conversations with local developers and landowners concerning opportunities for Downtown development. As part of these conversations, the City could consider whether any additional supportive

policy actions for development are appropriate, such as temporary impact fee reductions.

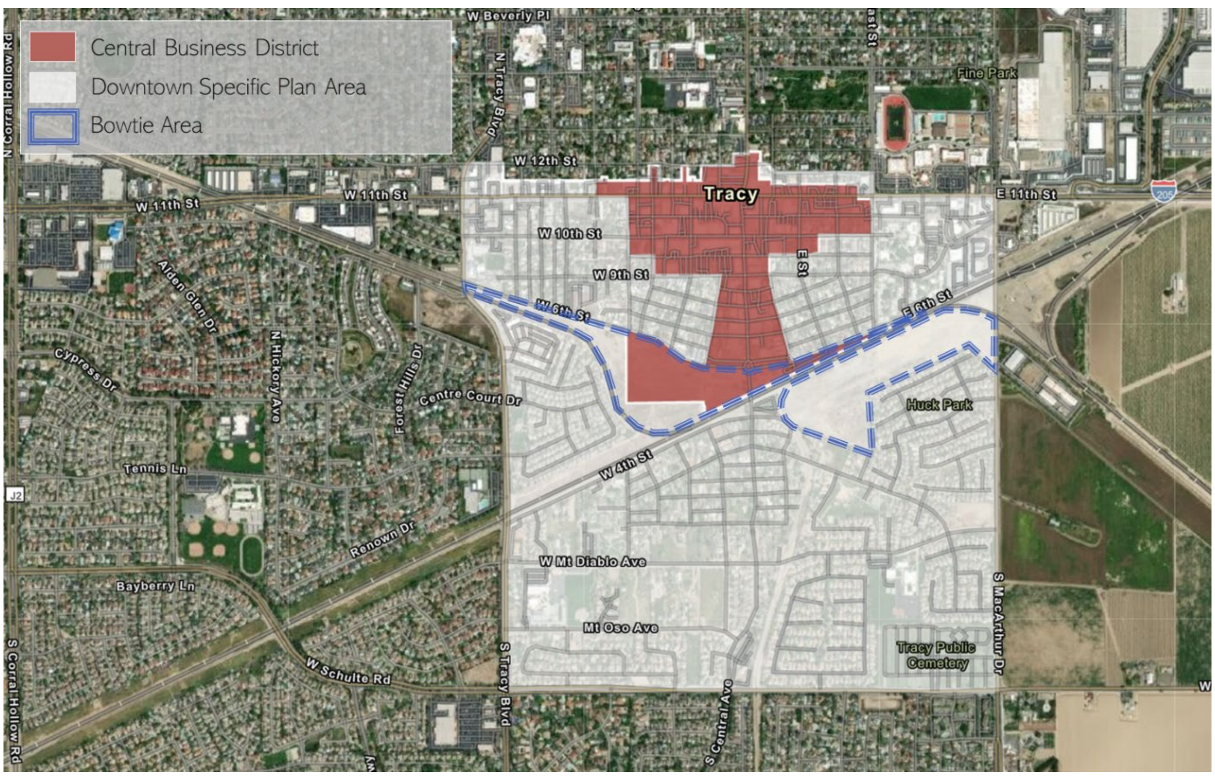
- **Downtown vitality can be supported by City investments.** The City has invested in Downtown through the Grand Theater renovation along with investments in landscaping and other street improvements. These investments boost general awareness, enhance walkability and vitality, and attract visitors to Downtown Tracy. The City could consider future investments to continue to boost economic activity in the Downtown.
- **The Tracy City Center Association (TCCA) has played a critical role in supporting the economics of Downtown and continues to be a critical part of Downtown's future success**. The TCAA has provided a forum for discussion and collaboration among business owners, contributed to the review of new potential tenants and their business sustainability, and acted as sponsor and organizer of Downtown events. Collectively these efforts have helped maintain occupancy rates and lease rates while downtowns and other retail centers in other cities have struggled. As well as the day of spending, the events raise visitor and resident awareness of Downtown Tracy. The city should continue to collaborate and coordinate with the TCAA in promoting the Downtown and expanding Downtown's customer base.
- **Continuation and future review of existing City policies**. The City's current policy framework is generally supportive of new development in Downtown Tracy. The City could consider the following: (1) continue extension of zero in-lieu parking fees beyond 2025 when next reviewed; (2) maintain flexibility of land use policies for Downtown development; to the extent more residential development starts to occur, consider a future increase in the 50 unit per acre density limit if requested by developers; (3) consider voter growth control initiative policies in the context of Downtown residential development; (4) adopt new land use policies at the Bowtie site if remediation and development are possible; and, (5) carefully apply ground floor commercial requirements for residential projects as this policy can deter new residential development.
- **Overall, the City should support Downtown businesses and activities while also encouraging new housing development.** New housing would support and enhance Downtown Tracy, though is likely to be an incremental process with new projects occurring gradually over a long time period. While focusing on attracting new housing is appropriate, a fundamental key to a successful downtown (including attracting housing development) will be sustaining its cluster of businesses and activities that attract visitors. In this regard, the City should continue to invest in and contribute to efforts that support current and future Downtown businesses in coordination with the Tracy City Center Association (TCCA). In the coming years, the ability of the downtown area to add and further diversify its dining and entertainment options along with maintaining low vacancy rates will be critical.

Geographic Context

The focus of this memorandum is on the Downtown Tracy Specific Plan (DTSP) study area and, more specifically, the City's Central Business District (CBD) and Bowtie Area. At the same time, demand for housing and retail space in Downtown Tracy are tied to regional dynamics and competition. This section provides a series of contextual maps.

Figure 1 shows an aerial map of Downtown Tracy and surrounding areas. The larger grey area represents the Downtown Specific Plan study area. Within this larger area, the Central Business District[1], the primary concentration of downtown retail, is shown in red. Finally, the Bowtie Area, a brownfield redevelopment area where the City's new transit center was recently developed, is shown bounded in blue. 11th Street, which prior to freeway development was the main route through the City, runs along the northern edge of the CBD and DTSP study area. The historic center of the City lies at the southern end of the CBD, adjacent to the Bowtie Area.

Figure 1: Downtown Tracy Specific Plan Study Area and Subareas



[1] Central Business District (CBD) geography based on the City of Tracy Zoning Map published August 2021.

Figure 2 shows the DTSP study area and CBD in the context of the whole City and the major freeways that run through it. As shown, the DTSP study area lies on the eastern edge of the city, relatively far from both I-205 and I-580. This relative distance from the freeways likely affects the number of visitors to the downtown establishments, and demand for downtown housing from households who commute to jobs outside of the City.

Figure 2: Downtown Tracy in Context of City

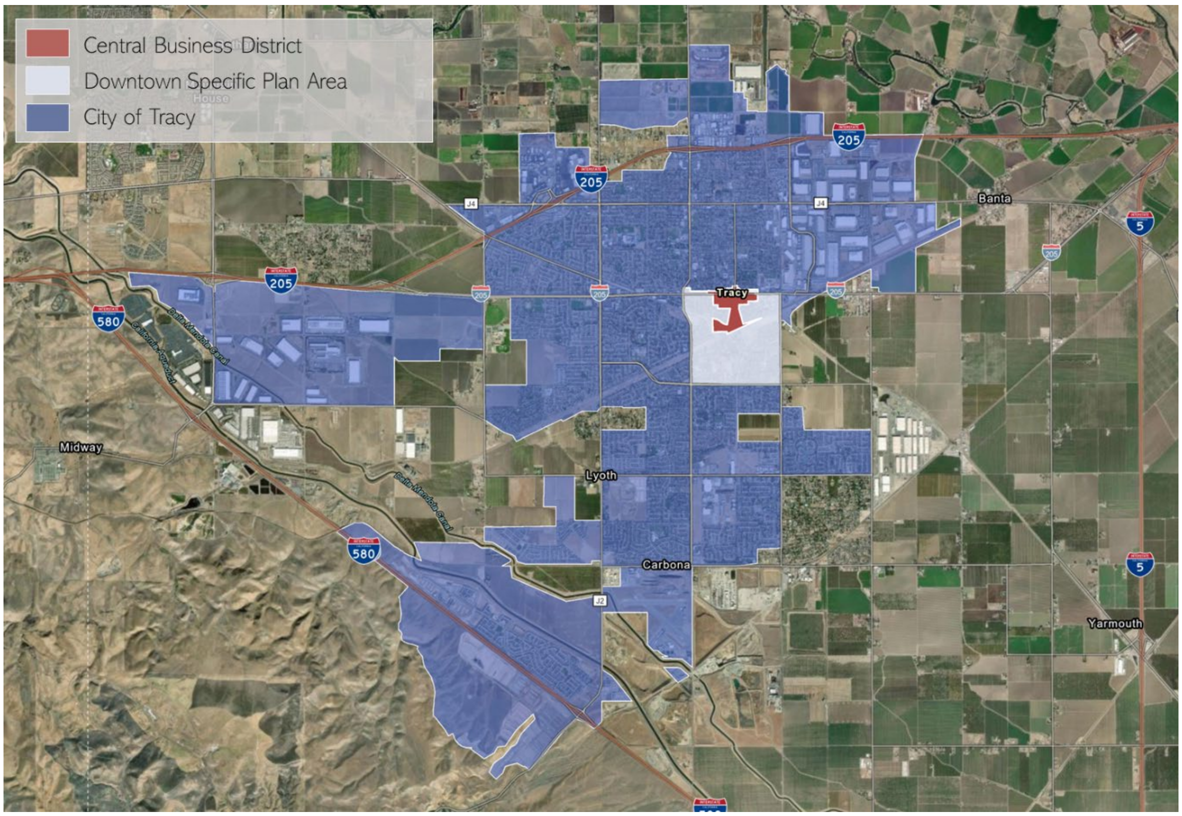
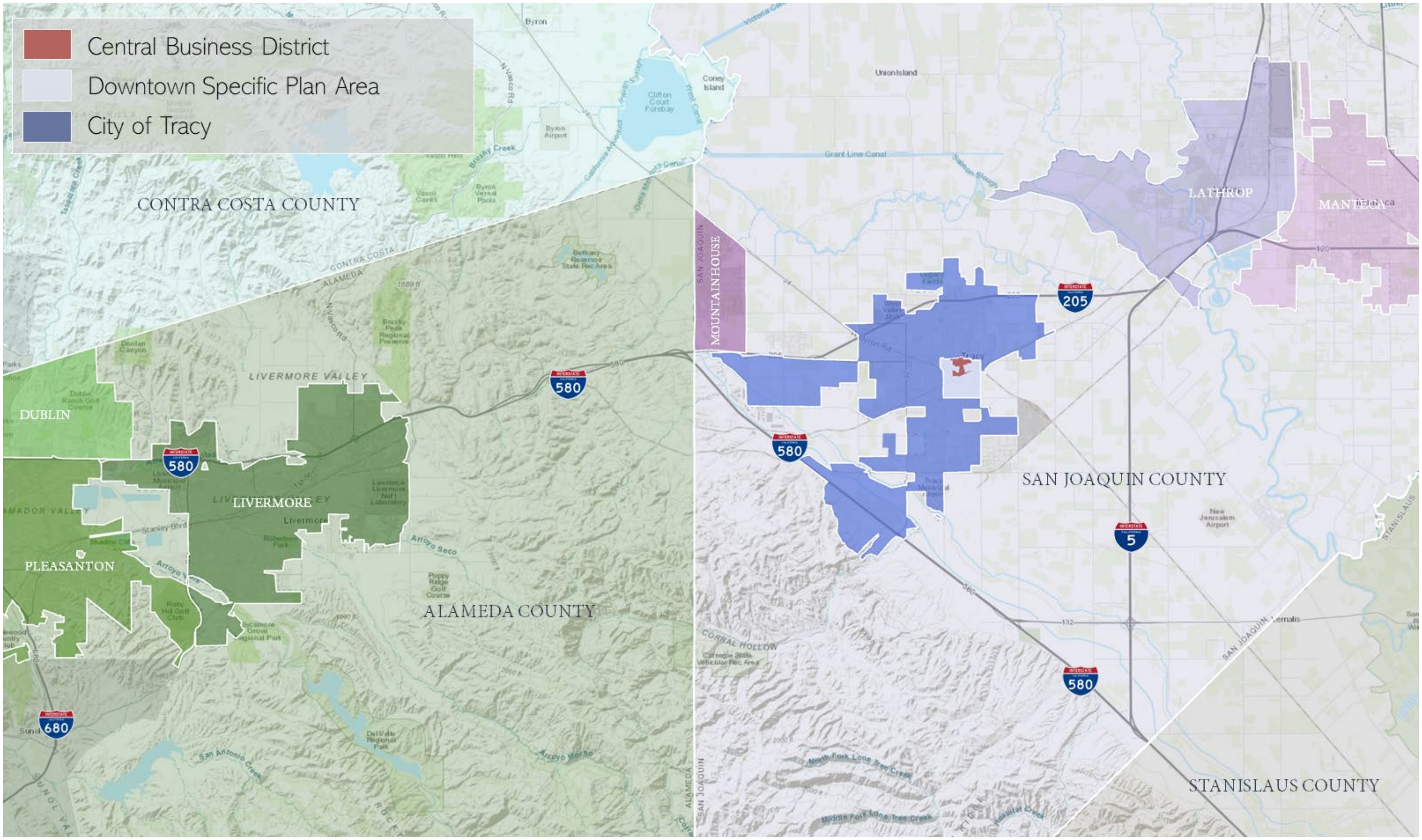


Figure 3 shows the DTSP study area and the City of Tracy in its subregional context of western San Joaquin County and eastern Alameda County. As shown, the City of Tracy, along with the unincorporated Mountain House community, lies on the western edge of San Joaquin County, to the west of the cities of Lathrop and Manteca. In addition to being in San Joaquin County and connected to its other cities and communities, the City of Tracy's location has long resulted in strong connections to the Alameda County and the broader 9-County Bay Area as a whole. For decades now, the City of Tracy has attracted households with workers commuting into job centers in Alameda County who have been drawn to the City for, among other reasons, its more modestly priced housing (on a relative basis). Many of these households moved from the Tri-Valley (Livermore, Pleasanton, and Dublin) among other Alameda County locations when seeking to buy a home.

Figure 3: Downtown Tracy in Regional Context



Demographic and Economic Context

This section provides an overview of key demographic and economic conditions which establish context for critical long-term planning and policy issues. The areas selected are intended to reflect differences between the population and economy of Downtown Tracy to the larger region. For an additional point of comparison, this analysis includes the data for the City of Livermore which is the closest city west of Tracy and has undergone substantial revitalization as part of the Livermore Downtown Specific Plan.

Demographic Profile

In 2022, the City of Tracy's population was about 96,000 residents, slightly above the population of the City of Livermore, representing about 12 percent of the total number of San Joaquin County residents. The DTSP study area (which includes the CBD and surrounding residential neighborhoods) has a population of about 7,100, about 7.5 percent of Tracy residents (see **Table 1**).

The City of Tracy has about 28,500 households and an average of 3.35 persons per household. By comparison, the City of Livermore has about 31,900 households and an average of 2.77 persons per household. There are about 2,200 households living in the Downtown Tracy Specific Plan area with an average of 3.25 persons per household, similar to the City household size. In San Joaquin County as a whole, there are about 245,700 households with an average of 3.16 persons per household (see **Table 1**).

Table 1: Population and Household Formation Estimates

Item	DTSP	City of Tracy	San Joaquin County	City of Livermore
Population	7,141	96,045	795,083	88,984
Households	2,194	28,527	245,681	31,828
Average Household Size	3.25	3.35	3.16	2.77

Source: ESRI Business Analyst Online Estimates derived from US Census Bureau's Decennial Census Data, 2022

In the City of Tracy, San Joaquin County, and within the Downtown Tracy Specific Plan area, about 30 percent of the population is under 19 years old, relative to 25 percent in the City of Livermore. The City of Tracy and the DTSP Study Area also have a higher proportion of population between 25 and 45 years than San Joaquin County and the City of Livermore. Over 40 percent of the City of Livermore's population is over 45 years old, followed by 36 percent in San Joaquin County, and about 34 percent in the City of Tracy and Downtown Tracy (see **Table 2**).

There are also some differences in race/ethnicity. The City of Tracy and San Joaquin County have similar distributions with about one-third White, one-fifth Asian, and one-fourteenth Black.. Downtown Tracy has a higher proportion of residents of Hispanic origin, while the City of Livermore has a higher proportion of White residents (see **Table 2**).

Table 2: Percent of Population by Age, Race and Ethnicity

Item	DTSP	City of Tracy	San Joaquin County	City of Livermore
Population by Age				
0 - 4	7.6%	7.2%	7.3%	5.6%
5 - 9	7.7%	7.7%	7.4%	6.2%
10 - 14	7.1%	7.8%	7.2%	6.8%
15 - 19	7.5%	7.2%	6.9%	6.3%
20 - 24	7.7%	6.2%	6.6%	5.2%
25 - 34	16.3%	16.1%	15.7%	12.7%
35 - 44	12.7%	13.5%	12.8%	13.4%
45 - 54	11.0%	13.1%	11.3%	14.1%
55 - 64	11.2%	11.1%	11.0%	14.5%
65 - 74	7.4%	6.4%	8.1%	9.1%
75 - 84	2.9%	2.7%	4.0%	4.5%
85+	1.0%	0.9%	1.6%	1.7%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Race and Ethnicity				
White Alone	27.7%	33.3%	33.5%	58.9%
Black Alone	7.4%	6.3%	7.7%	1.9%
American Indian Alone	1.6%	1.3%	1.6%	0.9%
Asian Alone	14.1%	21.4%	18.5%	15.1%
Pacific Islander Alone	0.8%	1.1%	0.7%	0.3%
Some Other Race Alone	28.9%	19.9%	23.5%	8.8%
Two or More Races	19.6%	16.7%	14.5%	14.2%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Hispanic Origin (Any Race)	53.5%	38.9%	41.7%	21.6%

Source: ESRI Business Analyst Online Estimates derived from US Census Bureau's Decennial Census Data, 2022

There are substantial differences in household income between the four geographies. The median annual household income in the City of Livermore is about $155,000, compared to $102,000 in the City of Tracy, and $76,300 for San Joaquin County as a whole. Median household incomes in the DTSP Study Area are closer to those in San Joaquin County at about $80,100. As shown, in the City of Livermore, about 71 percent of household have a household income of over $100,000 compared to 51.5 percent in the City of Tracy, 40 percent in the DTSP Study Area, and 38 percent in San Joaquin County as a whole (see **Table 3**).

Table 3: Household Income

Income Levels	DTSP	City of Tracy	San Joaquin County	City of Livermore
Median Income	**$80,148**	**$102,113**	**$76,314**	**$154,986**
Households by Income				
<$15,000	5.5%	3.0%	6.7%	2.6%
$15,000 - $24,999	6.7%	3.4%	6.9%	2.1%
$25,000 - $34,999	6.0%	3.6%	7.4%	2.3%
$35,000 - $49,999	13.9%	7.5%	10.1%	4.7%
$50,000 - $74,999	14.5%	15.1%	18.1%	8.5%
$75,000 - $99,999	13.0%	15.8%	12.6%	8.2%
$100,000 - $149,999	23.7%	23.5%	18.3%	18.9%
$150,000 - $199,999	10.1%	15.5%	10.6%	19.4%
$200,000+	6.6%	12.6%	9.4%	33.3%
Less than $100,000	59.7%	48.4%	61.8%	28.4%
$100,000 and over	40.3%	51.6%	38.3%	71.6%

Source: ESRI Business Analyst Online Estimates derived from US Census Bureau's Decennial Census Data, 2022

Table 4 shows the HUD income categories for San Joaquin County that define income affordability levels based on County median income. Household income levels by block group[2] are shown on **Figure 4** based on ESRI estimates. As shown, households in the western, southwestern, and northeastern block groups in the City have above-moderate incomes, with some block groups showing earnings of over $150,000 per household. The DTSP study area includes a broader variation of household incomes with block group averages reflecting low, moderate, above moderate household incomes.

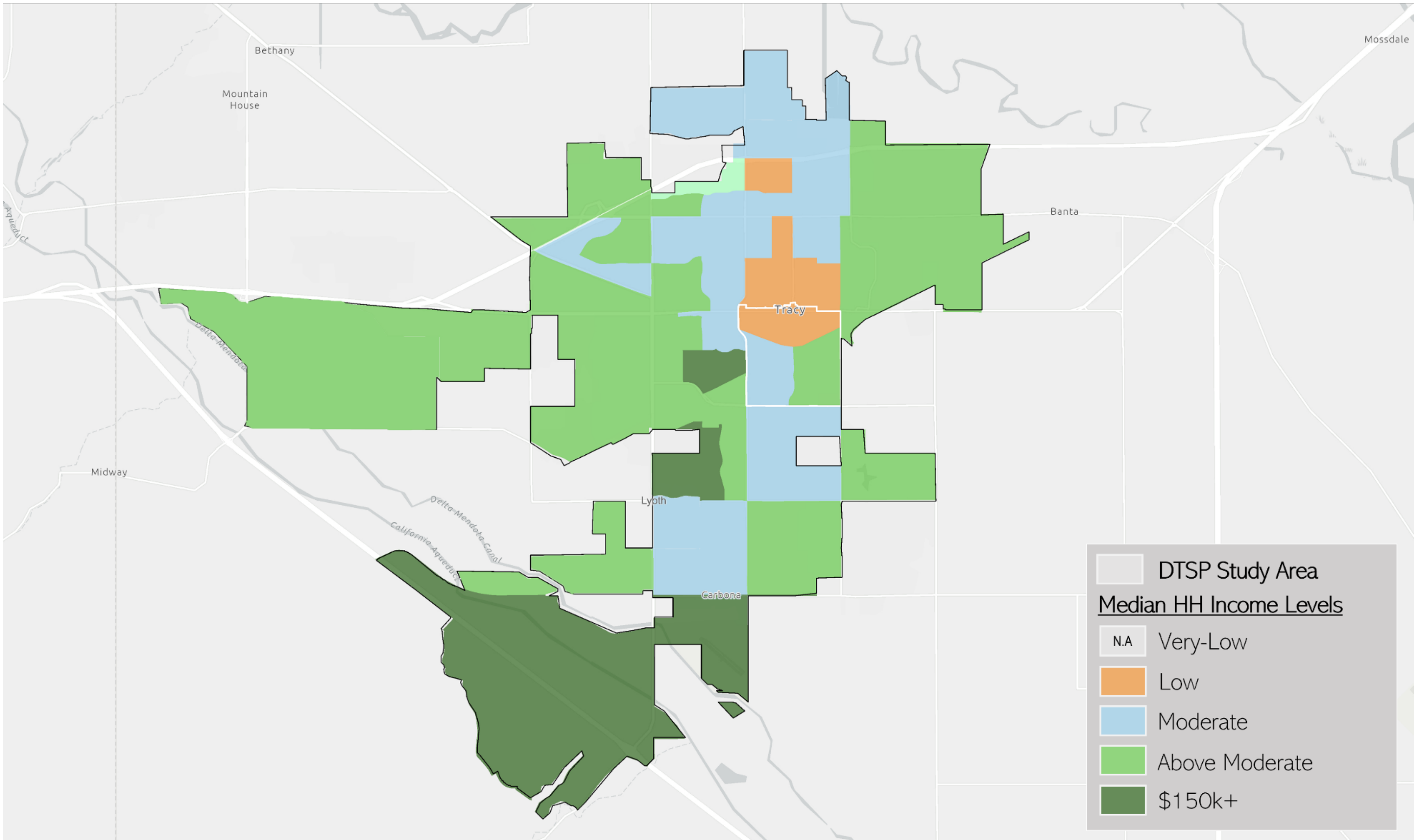
[2] Whole block group geographies are not shown as they extend beyond City limits.

Table 4: 2022 Household Income Categories

Income Category	Category Description	Range for San Joaquin County
Very-Low	Income not exceeding 50% median family income in the county	< $41,400
Low	Income between 50% and 80% of median family income	$41,400 - $66,200
Moderate	Income between 80% and 120% of median family income	$66,200 - $102,000
Above-Moderate	Income above 120% of median family income	> $102,000

Source: 2022 State Income Limits, Department of Housing and Community Development

Figure 4: Median Household Income by Block Groups



Source: ESRI Business Analyst Online

Table 5 summarizes some of the demographic changes in the DTSP Study Area and in the City of Tracy over the last 12 years. The number of households has remained relatively steady in the DTSP, reflecting limited/ no new residential development, while the number of households have increased by about 3,700 elsewhere in the City. Median income in the City of Tracy has increased in parallel with inflation, while median income in the DTSP Study Area has increased at a faster pace than inflation. Overall housing growth in the City is limited by the City's Residential Growth Management Ordinance that restricts new housing growth to an average of 600 units each year and a maximum of 750 units each year, with exemptions for some types of housing.

Table 5: Downtown and City of Tracy Comparison

	DTSP			City of Tracy		
Item	**2010**	**2022**	**% Change**	**2010**	**2022**	**% Change**
Households	2,072	2,194	5.9%	24,836	28,527	14.9%
Household Size	3.27	3.25	-0.6%	3.39	3.35	-1.2%
Median Income [1][2]	$51,270	$80,148	56.3%	$76,753	$102,113	33.0%

[1] Income not adjusted for inflation
[2] 2010 Median income for the DTSP is unavailable. Income shown is an average of census tracts 54.05 & 54.06 for comparison.
Source: ESRI Business Analyst Online Estimates derived from US Census Bureau's Decennial Census Data

Jobs and Commuting

The sole publicly available data source for both Citywide jobs and employed residents is the U.S. Census Bureau's Origin-Destination Employment Statistics program (LODES), which uses State administrative data (e.g., unemployment insurance claims) to estimate jobs by industry, employed residents, and commuting statistics.[3] The latest release of this dataset was in 2019 and is used in this analysis to augment the understanding of industry and commute trends for City jobs and employed residents.

As of 2019, City of Tracy employers provided about 33,300 jobs. A substantial proportion of those jobs in the City (32.8 percent) are in the transportation and warehousing sector, reflecting the strong concentration of the logistics industry. Other larger industry sectors included: the retail trade and accommodation and food services sectors that together provided 20.0 percent of the City's jobs, the health care and educational services sectors that provided about 15.1 percent, and the manufacturing sector that provided over 8

[3] The program features Longitudinal Employer-Household Dynamics (or LEHD) OnTheMap, a map-based user interface for interacting with LODES data.

percent. A relatively modest number were in the professional, scientific, and technical, information, and management sectors (3.1 percent) (see **Table 6**).

Table 6: City of Tracy Jobs by Sector (2019)

Job Sector	Amount	%
Transportation and Warehousing	10,929	32.8%
Retail Trade	3,787	11.4%
Accommodation and Food Services	2,861	8.6%
Manufacturing	2,774	8.3%
Health Care and Social Assistance	2,597	7.8%
Educational Services	2,413	7.3%
Wholesale Trade	1,813	5.4%
Other Services (excluding Public Administration)	1,080	3.2%
Admin. & Support, Waste Management and Remediation	1,071	3.2%
Construction	1,048	3.1%
Professional, Scientific, and Technical Services	842	2.5%
Public Administration	732	2.2%
Finance and Insurance	334	1.0%
Arts, Entertainment, and Recreation	322	1.0%
Agriculture, Forestry, Fishing and Hunting	239	0.7%
Real Estate and Rental and Leasing	220	0.7%
Information	173	0.5%
Management of Companies and Enterprises	39	0.1%
Utilities	8	0.0%
Total	**33,282**	**100%**

Source: OntheMap, LEHD, 2019

The State's Employment Development Department (EDD) reports that the City of Tracy had about 44,400 employed residents as of December 2022 compared to LEHD's estimate of 38,200 employed residents in 2019, reflecting a 16.2 percent growth of employed residents. Derived from the best available data (LEHD), **Table 7** shows a breakdown of industries by employed residents. For 2019, the City's employed residents are spread among a broad range of industries. Relative to the distribution of jobs in the City of Tracy, a larger proportion of employed residents worked in professional, scientific, information, and management jobs (about 1.7 percent) and a lower proportion in transportation and warehousing (about 6.7 percent).

Table 7: Resident Employment by Industry (2019)

Job Sector	Amount	%
Health Care and Social Assistance	5,015	13.1%
Retail Trade	4,021	10.5%
Manufacturing	3,631	9.5%
Accommodation and Food Services	3,273	8.6%
Professional, Scientific, and Technical Services	3,064	8.0%
Construction	2,920	7.6%
Educational Services	2,703	7.1%
Transportation and Warehousing	2,559	6.7%
Admin. & Support, Waste Management and Remediation	2,526	6.6%
Wholesale Trade	1,678	4.4%
Public Administration	1,495	3.9%
Other Services (excluding Public Administration)	1,096	2.9%
Information	864	2.3%
Finance and Insurance	824	2.2%
Arts, Entertainment, and Recreation	656	1.7%
Agriculture, Forestry, Fishing and Hunting	620	1.6%
Management of Companies and Enterprises	522	1.4%
Real Estate and Rental and Leasing	503	1.3%
Utilities	222	0.6%
Mining, Quarrying, and Oil and Gas Extraction	27	0.1%
Total	**38,219**	**100%**

Source: OntheMap, LEHD

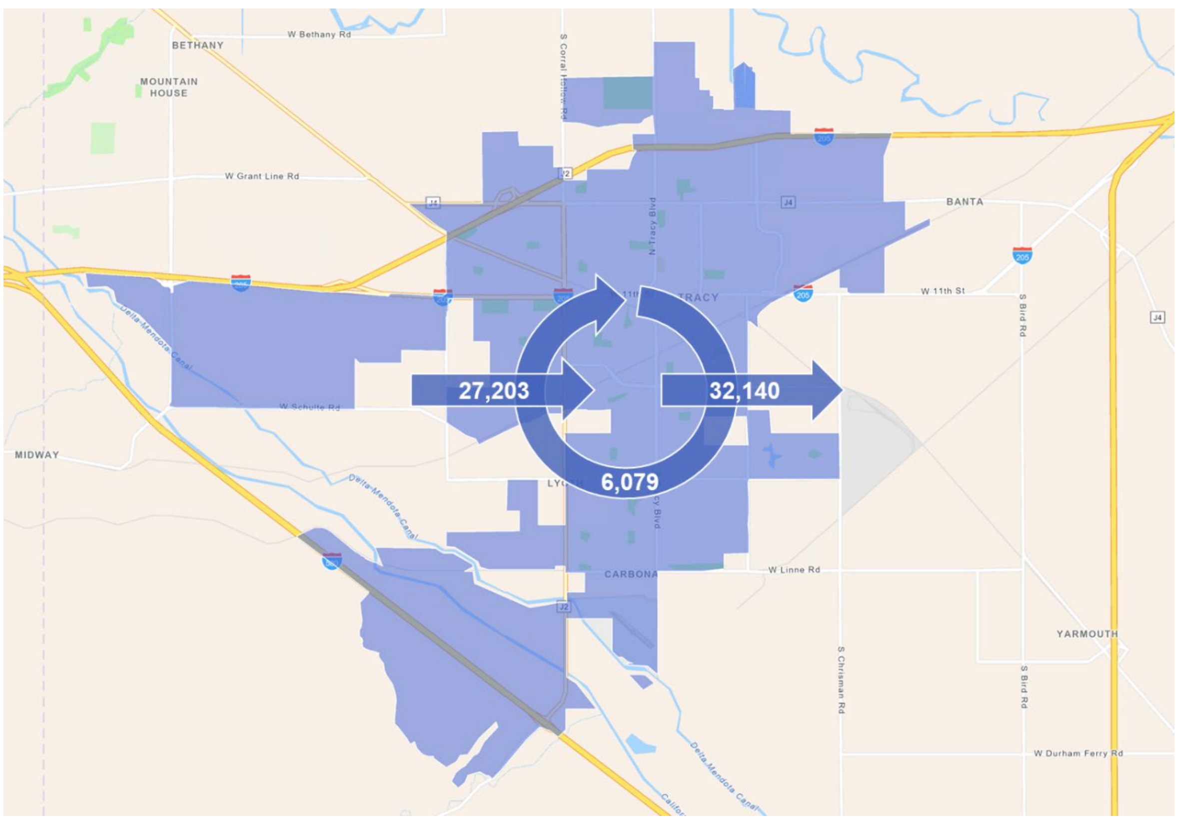
In part because of the relative mismatch between jobs in the City of Tracy and the professions/ skillsets of Tracy's employed residents, only about 6,100 Tracy residents (15.9 percent) worked in the City. Many employed residents commute west – 12.2 percent worked in Livermore and Pleasanton, and 14.3 percent in Oakland, Fremont, San Francisco, and San Jose – with relatively few working in San Joaquin County (e.g. only 5.4 percent of Tracy employed residents worked in Stockton). In contrast, a large proportion, 38.0 percent, of people working in the City of Tracy lived in San Joaquin County. Overall, the City of Tracy was a "net exporter" of workers with about 32,100 residents employed outside of the City and 27,200 non-residents working in the City.

Table 8: Commute Trends (2019)

Where Tracy Residents Work			Where Tracy Workers Live		
Destination	**Amount**	**%**	**Origin**	**Amount**	**%**
Tracy	6,079	15.9%	Tracy	6,079	18.3%
Livermore	3,092	8.1%	Stockton	3,709	11.1%
Stockton	2,076	5.4%	Manteca	1,765	5.3%
San Jose	1,963	5.1%	Modesto	1,301	3.9%
Pleasanton	1,586	4.1%	San Jose	1,026	3.1%
Fremont	1,375	3.6%	Sacramento	596	1.8%
Oakland	1,177	3.1%	Lathrop	581	1.7%
Modesto	996	2.6%	Mountain House, CDP	514	1.5%
San Francisco	949	2.5%	San Francisco	491	1.5%
Sacramento	779	2.0%	Fresno	479	1.4%
All Other Locations	18,147	47.5%	All Other Locations	16,741	50.3%
Total	**38,219**	**100.0%**	**Total**	**33,282**	**100.0%**

Source: OntheMap, LEHD

Figure 5: City of Tracy In- and Out- Commutes



Source: OntheMap, LEHD

Forecasts for future housing and job growth developed by the San Jose Council of Governments (SJCOG) and the University of the Pacific are shown in **Table 9**. The number of housing units is forecast to increase by about 9,200 units over the next 20 years or about 460 units on average each year. The number of jobs is expected to grow at a slightly higher pace than housing with a forecast of 11,800 jobs in the same time frame. This represents an average of 600 jobs each year, with primary job growth expected in the transportation, warehousing, and utilities, leisure and hospitality, and healthcare and education. Limited new job growth is expected in the retail sector or in sectors with traditionally higher demand for office space (e.g. financial activities, professional and business services, and government).

Table 9: Housing & Employment Projections – City of Tracy

	Projections		Growth		
Item	**2020**	**2040**	**Net Total**	**% Total**	**Annual Rate**
Housing	**27,535**	**36,686**	**9,151**	**33.2%**	**1.4%**
Jobs					
Agriculture	113	119	6	5.3%	0.3%
Construction	1,440	1,587	147	10.2%	0.5%
Financial Activates	1,783	1,896	113	6.3%	0.3%
Government	4,002	4,441	439	11.0%	0.5%
Healthcare ad Education	2,663	4,711	2,048	76.9%	2.9%
Information	153	97	-56	-36.6%	-2.3%
Leisure and Hospitality	2,055	4,130	2,075	101.0%	3.6%
Manufacturing	1,749	1,933	184	10.5%	0.5%
Other Services	1,347	1,737	390	29.0%	1.3%
Professional and Business Services	2,585	2,964	379	14.7%	0.7%
Retail Trade	4,081	4,364	283	6.9%	0.3%
Transportation, Warehousing, Utilities	8,594	14,353	5,759	67.0%	2.6%
Wholesale	1,133	1,201	68	6.0%	0.3%
Total	**31,698**	**43,533**	**11,835**	**37.3%**	**1.6%**

Source: San Joaquin County Demographic and Employment Forecast, Appendix Q. September 10, 2020

Housing Market Context

The City of Tracy's current housing stock consists of about 29,600 units, predominantly made up of single-family homes (about 83 percent of all homes). The DTSP Study Area has a housing stock of about 2,400 housing units of which about three-quarters are single family homes, and one quarter are multifamily homes (see **Table 10**). The large majority of single-family housing stock is detached with 10 percent being attached (see **Table 11**).

Table 10: Existing Housing Stock by Geography

Item [1]	DTSP Number	DTSP %	City of Tracy Number	City of Tracy %	San Joaquin County Number	San Joaquin County %
Single Family [2]	1,774	74.9%	24,520	82.8%	201,909	78.1%
Multi-Family	583	24.6%	4,631	15.6%	47,713	18.5%
Mobile Homes	13	0.5%	473	1.6%	8,941	3.5%
Total	**2,370**	**100.0%**	**29,624**	**100.0%**	**258,563**	**100.0%**

[1] DTSP estimates are from ESRI Business Analyst Online except for multi-family estimates which is from CoStar. The State Department of Finance only provides jurisdiction-wide estimates.
[2] Includes attached and detached single family homes.
Sources: CA Department of Finance, ESRI Business Analyst Online, CoStar, 2022.

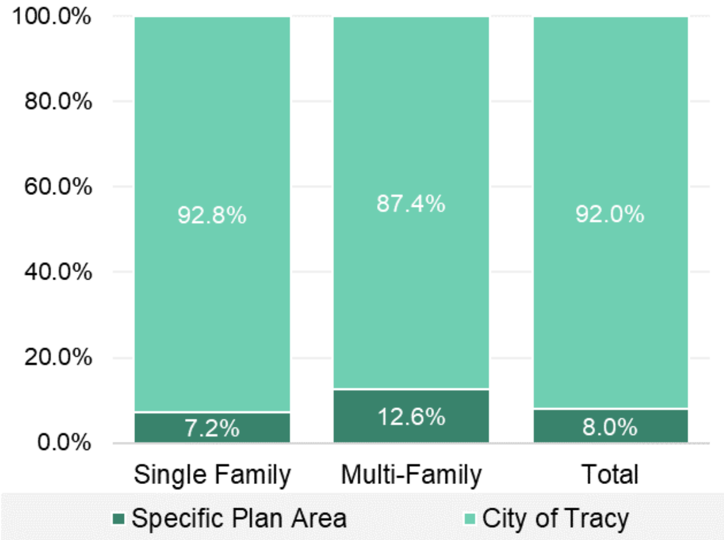
Table 11: Existing Single Family Housing Stock by Geography

Item [1]	DTSP Number	DTSP %	City of Tracy Number	City of Tracy %	San Joaquin County Number	San Joaquin County %
Attached Single Family	177	10.0%	906	3.7%	13,260	6.6%
Detached Single Family	1,597	90.0%	23,614	96.3%	188,649	93.4%
Total	**1,774**	**100.0%**	**24,520**	**100.0%**	**201,909**	**100.0%**

[1] DTSP estimates are from ESRI Business Analyst Online as the State Department of Finance only provides jurisdiction-wide estimates.
Sources: CA Department of Finance, ESRI Business Analyst Online

As compared to the City, the DTSP housing inventory shows a higher proportion of denser housing products with relatively more multi-family and attached single family developments. However, as shown in **Figure 6**, the DTSP study area housing stock is only a modest proportion of the City's existing single family and multifamily housing stock.

Figure 6: Specific Plan Area as a Percentage of City



Source: CoStar

The overall pace and level of housing growth in both the City of Tracy and San Joaquin County were substantially higher between 2000 and 2010 than between 2010 and 2022. The average annual increase in the number of homes was about 300 units each year in the City of Tracy between 2010 and 2022, less than half the pace in the previous decade. Single family detached development was the primary form of growth in both these time periods, though multi-family development in the City of Tracy increased its share (see **Table 12**). As noted in a prior section, there has been minimal new development in the DTSP Study Area in recent years.

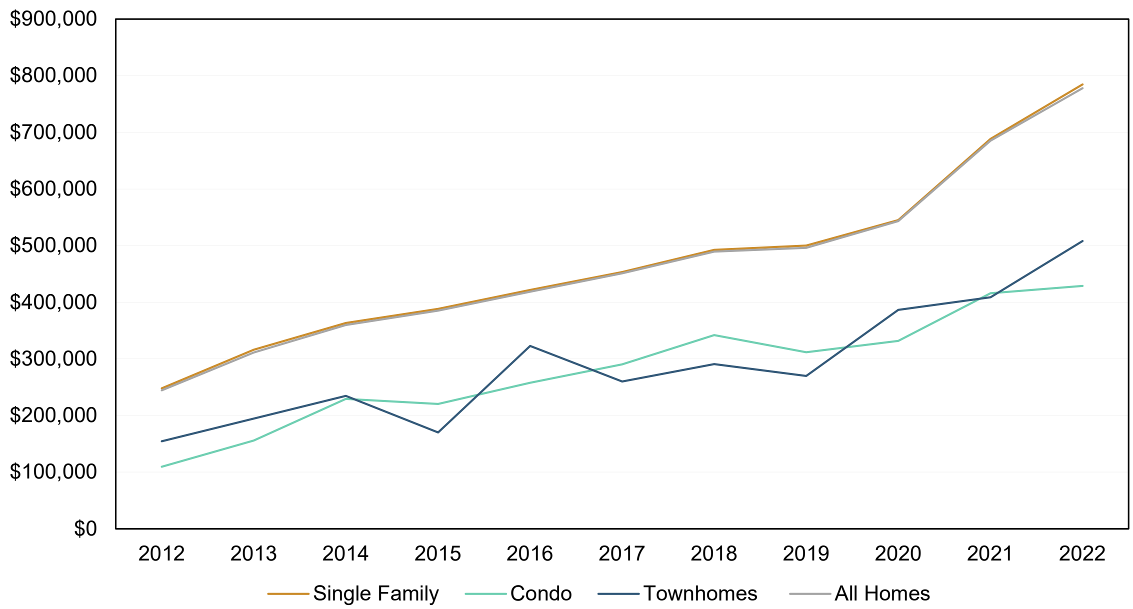
Table 12: Regional Housing Trends

Item	Year			% Change		
	2000	2010	2022	(2000-2010)	(2010-2022)	(2000-2022)
City of Tracy						
Single Family	15,076	22,002	24,520	45.9%	11.4%	62.6%
Attached [1]	N/A	877	906	N/A	3.3%	N/A
Detached [1]	N/A	21,125	23,614	N/A	11.8%	N/A
Multi-Family	2,536	3,494	4,631	37.8%	32.5%	82.6%
Mobile Homes	475	467	473	-1.7%	1.3%	-0.4%
Total	**18,087**	**25,963**	**29,624**	**43.5%**	**14.1%**	**63.8%**
San Joaquin County						
Single Family	140,524	181,399	201,909	29.1%	11.3%	43.7%
Attached [1]	N/A	12,281	13,260	N/A	8.0%	N/A
Detached [1]	N/A	169,118	188,649	N/A	11.5%	N/A
Multi-Family	39,445	43,783	47,713	11.0%	9.0%	21.0%
Mobile Homes	9,191	8,573	8,941	-6.7%	4.3%	-2.7%
Total	**189,160**	**233,755**	**258,563**	**23.6%**	**10.6%**	**36.7%**

[1] Data unavailable.
Source: State Department of Finance

The ongoing recovery from the Great Recession and low interest rates drove gradual for-sale housing price increases between 2012 and 2020, with an accelerating pace due to the pandemic related increase in demand for single family detached homes. The pace of increase is expected to fall off due to recent escalations in interest rates and concerns of an economic slowdown. As most home sales are for single-family product types, the "All Homes" and "Single Family" trendlines parallel in track.

Table 13: City of Tracy Median Home Sales



Source: Redfin, Accessed September 2022.

In terms of new home sales pricing, Redfin indicates an average home price of about $1.0 million for homes constructed since 2021 and sold within the last 12 months.

Table 14: City of Tracy Recently Sold, New Construction Home Sales

Item	Average Sale Price	Average Sq.Ft.	Average Sales/Sq.Ft	Number of Sales
Detached Single Family [1]	$1,025,000	2,853	$370	24
Attached Single Family [2]	$505,000	1,978	$255	1

[1] Constructed in 2021+, sold within the last 1 year.
[2] Constructed in 2015+, sold within the last 5 years.
Source: Redfin, Accessed September 2022.

The Gregory Group provides sales information for actively selling subdivisions. As shown, the weighted average home price was about $956,400, for an average home of about 2,800 square feet (a home price of about $350 per square foot).

Table 15: Current Home Prices at Active Subdivisions (2022)

Project Name	Average Price	Average Sq.Ft.	Price/ Sq.Ft.	HOA Fee	Units Sold
Amber	$930,380	2,395	$388	$77	1
Amethyst	$811,880	2,087	$389	$0	15
Berkshire	$1,100,990	3,146	$350	$40	1
Hartwell	$922,740	3,159	$292	$40	13
Hillview	$802,880	1,971	$407	$0	3
Kinbridge	$828,240	2,651	$312	$40	15
Larimar	$990,380	2,641	$375	$77	5
Pearl	$1,154,380	3,296	$350	$77	14
Topaz	$1,216,880	3,676	$331	$77	16
Townsend	$849,740	2,337	$364	$40	21
Weighted Average	**$956,397**	**2,796**	**$346**	**$46**	**104**

Source: The Gregory Group, Accessed September 2022.

CoStar identifies and tracks 171 apartment buildings in the City of Tracy with a total of approximately 4,400 units or about 26 units per building (see **Table 16**). 30 of these buildings are in the DTSP Study Area with a total of 575 units, resulting in an average of about 19 units per building. As shown in **Table 16**, the CoStar database indicates that the majority of apartment buildings in the City of Tracy were developed prior to 2000. Over the last twelve years, only five (5) new apartment buildings have been developed, all outside of the DTSP Study Area. However, these five apartment buildings have increased the number of apartments in the City by about 30.9 percent due to their large size. The current average rent per square foot in the City of Tracy is $2.60 representing an average monthly rent of about $2,400 for the average 920 square foot apartment. This average rent is substantially higher than the average rent in 2010. In contrast, the current average rent at the apartments in the DTSP study area and the CBD is substantially lower at about $1.10 per square foot, and ranges from $830 per unit to $970 per unit, respectively. Based on CoStar data, no new apartment buildings have been built in the DTSP or CBD area since 2007.

This narative is similar to the trends seen in the City of Livermore, in which its downtown has only had four new residential developments constructed since 2015. Of which, three of the four projects are income-restricted properties while the largest project (Legacy at Livermore) has a larger development site at approximately four acres.

Table 16: Apartment Inventory Through Time

Item	Year			% Change		
	2000	2010	2022	(2000-2010)	(2010-2022)	(2000-2022)
City of Tracy						
Number of Buildings	160	166	171	3.8%	3.0%	6.9%
Number of Units	2,563	3,033	4,389	18.3%	44.7%	71.2%
Average Sq.Ft.	816	844	916	3.4%	8.5%	12.3%
Rents/Sq.Ft.	$1.62	$1.81	$2.60	11.7%	43.6%	60.5%
Rents/Unit	$1,510	$1,681	$2,419	11.3%	43.9%	60.2%
Vacancy	2.9%	4.1%	8.7%	41.4%	112.2%	200.0%
Downtown Tracy Specific Plan						
Number of Buildings	30	31	31	3.3%	0.0%	3.3%
Number of Units	545	575	575	5.5%	0.0%	5.5%
Average Sq.Ft.	845	862	862	2.0%	0.0%	2.0%
Rents/Sq.Ft.	$0.78	$0.89	$1.13	14.1%	27.0%	44.9%
Rents/Unit	$668	$762	$965	14.1%	26.6%	44.5%
Vacancy	1.9%	4.0%	2.5%	110.5%	-37.5%	31.6%
Central Business District						
Number of Buildings	6	6	6	0.0%	0.0%	0.0%
Number of Units	41	41	41	0.0%	0.0%	0.0%
Average Sq.Ft.	1,040	1,040	1,040	0.0%	0.0%	0.0%
Rents/Sq.Ft.	$0.75	$0.84	$1.11	12.0%	32.1%	48.0%
Rents/Unit	$562	$630	$834	12.1%	32.4%	48.4%
Vacancy	2.5%	3.5%	3.0%	40.0%	-14.3%	20.0%

[1] 2007 is the earliest data provided by CoStar.

Source: CoStar, Accessed January 2023

CoStar provides information on four new apartment projects constructed in the City of Tracy within the last five years as well as one project that is under construction. The most recent rental project developed in the DTSP Study Area is also shown. As shown in **Table 17** and **Figure 7**, the four most recently constructed apartments (A – D) are 2- to 3-stories and lie proximate to the I-205. They all have between 200 and 350 units in total and represent densities of between 10 and 30 units per acre. They all have low (less than 5 percent) vacancy rates and command monthly rents of between $2.36 and $2.94 per square foot, for average apartment size of between 865 and 1,158 square feet. Including "The Vela", which is currently under construction, the average monthly rent is about $2,650 for an average apartment size of about 1,040 or a $2.58 per square foot rent.

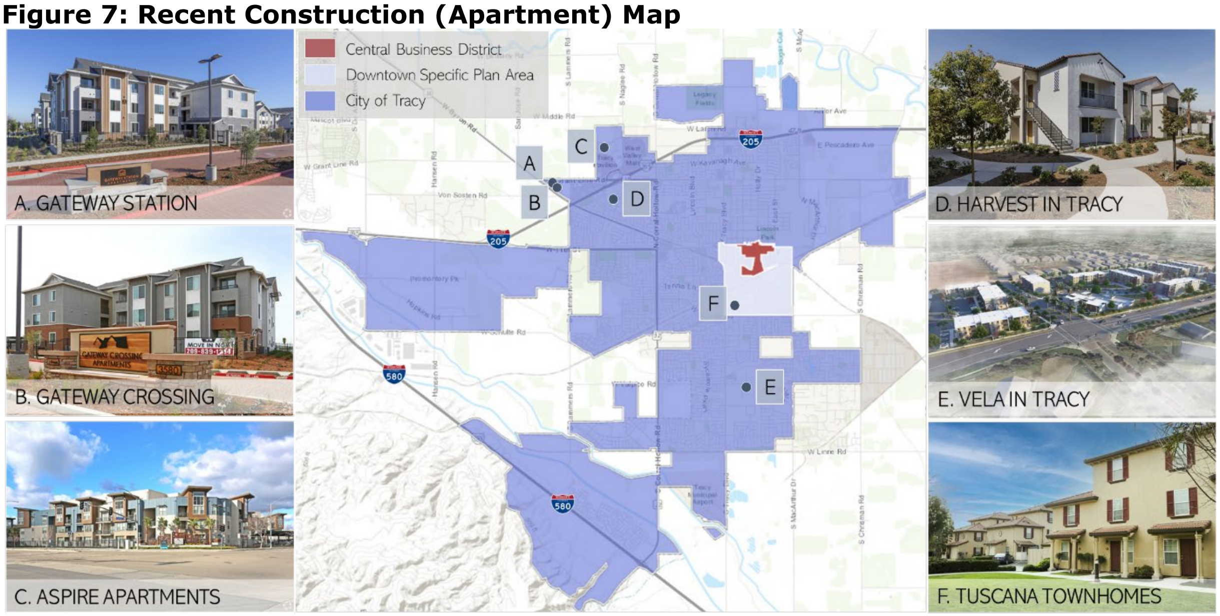
The Tuscana Townhomes project is a 30-unit project that in the southwest corner of the DTSP Study Area. It costs about $2,500 per month, about $2.40 per square foot, well above average rent within the DTSP Study Area.

Table 17: Recent Construction (Apartment) Characteristics

Development	Rent per per Sq.Ft.	Rent per Unit	Unit Size (Sq.Ft)	Vacancy Rate	No. of Units	DU per Acre	No. of Stories	Year Built
City of Tracy								
A. Gateway Crossing	$2.85	$2,819	990	4.4%	231	11.9	3	2018
B. Gateway Station	$2.46	$2,305	937	1.9%	210	22.1	3	2019
C. Aspire Apartments [1]	$2.36	$2,708	1,158	2.9%	348	31.8	3	2017
D. Harvest in Tracy	$2.43	$2,813	1,156	4.4%	304	16.2	2	2020
E. Vela in Tracy	$2.94	$2,545	865	n/a	264	22.7	3	In Constr.
Average	**$2.59**	**$2,656**	**1,038**	**3.40%**	**271**	**20.9**	**3**	**N/A**
DTSP								
F. Tuscana Townhomes	$2.40	$2,502	1,043	0.4%	30	11.5	3	2007
All Average	**$2.58**	**$2,653**	**1,038**	**2.72%**	**231**	**19.4**	**3**	**N/A**

[1] Rents were unavailable per CoStar and are based on accessible data from ApartmentList.com
Source: CoStar, ApartmentList.com, Accessed September 2022

Figure 7: Recent Construction (Apartment) Map



Source: CoStar

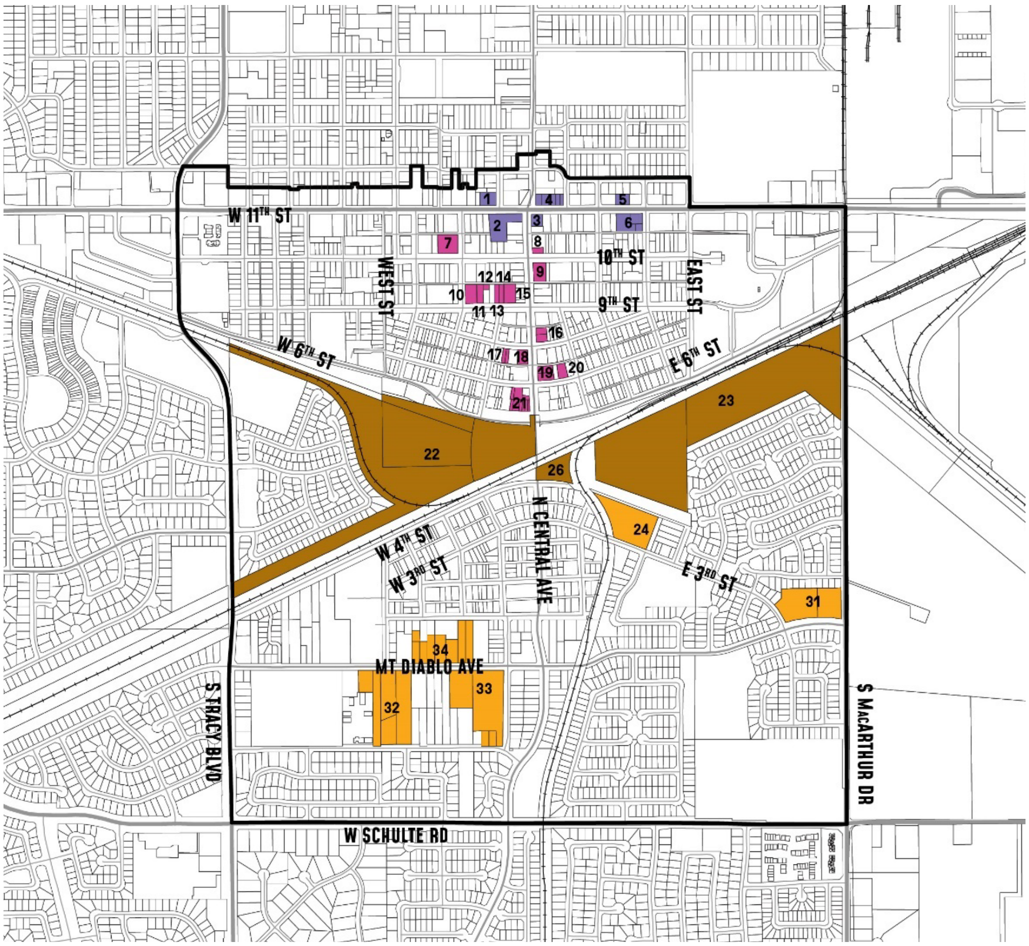
Downtown Residential Development Feasibility Analysis

Housing Opportunity Sites

De Novo and City staff identified several housing development opportunities sites in the CBD and surrounding areas as part of the Downtown Specific Plan study process. These sites represent potential opportunity sites for new housing and/or mixed used development (housing with commercial space).

Figure 8 shows the map of potential opportunity sites identified by De Novo and City staff. The most promising opportunity sites will be vacant or with modest improvements (e.g. surface parking lot), though their viability will depend on a number of factors, including landowner interest, City policies, site size and dimensions, market conditions, and development costs.

Figure 8: Tracy Downtown TOD Opportunity Sites



Source: De Novo Planning Group

On a walking tour with the Tracy City Center Association, among the identified CBD opportunities sites, three particular sites were noted as potential "first mover" or catalyst sites for the attraction of housing to the CBD, including:

- The 0.1-acre sites at 10th Street and Central, where the owner is currently exploring the feasibility of housing development;
- The 0.3-acre City-owned site ("Westside Market property") adjacent to the Grand Theater; and
- The 0.47-acre site at 6th Street and Central where the city recently approved a development review permit.

To assess residential development feasibility in Downtown Tracy, EPS developed illustrative development prototypes for evaluation. Key parameters for the development prototypes will be site size as well as general location and associated City zoning. Based on a review of the opportunity site sizes in the CBD/Bowtie area and some of the noted catalyst sites, four site types were identified, representing a range of site sizes. As shown in **Table 18**, three of the protype sites are in the CBD and one is in the Bowtie Area.

Table 18: Site Types and Opportunity Sites

Site Types	Site Acreage	Opportunity Site #	Land Use Zoning
1	0.1	#8, #12	CBD/ Urban Infill
2	0.3	#5, #16, #18	CBD/ Urban Infill
3	0.7	#21	CBD/ Urban Infill
4	3.0	n/a	Brownfield/ Bowtie/ Downtown

Illustrative Development Prototypes

The City's current regulatory parameters for parcels within the CBD include a General Plan residential density range of 15 to 50 units per gross acre and a maximum 1.0 FAR for nonresidential developments. Under the extension of the CBD Zone parking in-lieu pilot program, developers have the option to pay a $0 parking in-lieu fee instead of providing the required parking. Additionally, there are no height restrictions within the CBD. Collectively, these requirements are unlikely to restrict development and should allow residential developers the ability to design projects targeted to market demand and maximize the opportunity for development feasibility. This feasibility analysis considers the development prototypes most likely to be feasible in Tracy's CBD where there is history of limited housing development.

Working with City staff and De Novo with consideration of proposed Downtown Specific Plan land use policies, parking requirements, and potential building forms, the following seven (7) illustrative development prototypes were generated for the four illustrative site types. This includes four development prototypes that are surfaced-parking residential developments and three prototypes that have residential over a ground floor podium with parking and retail development. **Table 19** provides a summary of key development parameters for the seven illustrative prototypes, including number of residential units, parking spaces, and commercial square feet.

Table 19: Prototypes and Development Programs

Item	Residential Development				Mixed-Use Development		
	0.1 Acres	0.3 Acres	0.7 Acres	3.0 Acre	0.1 Acres	0.3 Acres	0.7 Acres
Description	***Residential with surface parking***				***Residential above retail and parking podium with additional surface parking***		
Dwelling Units (DU)	4	11	25	105	5	14	33
DU/ AC	35	35	35	35	47	47	47
Stories	3 Stories	3 Stories	3 Stories	3 Stories	3 Stories	3 Stories	3 Stories
Construction Type	Type V	Type V	Type V	Type V	Type V/Podium	Type V/Podium	Type V/Podium
Rentable Commercial Area (Sq.Ft.)	0	0	0	0	618	1,852	4,319
Rentable Residential Area (Sq.Ft.)	3,510	10,529	24,568	105,291	4,666	13,990	32,629
per DU (Sq.Ft.)	999	999	999	999	999	999	999
Gross Building Area (GBA) (Sq.Ft.)	4,129	12,387	28,903	123,871	8,234	24,688	57,581
Total Parking Spaces	5	16	37	158	7	21	49
Surface Parking Spaces	5	16	37	158	2	6	13
Podium Parking Spaces	0	0	0	0	5	15	36

The feasibility analysis considers 3-story housing developments with either surface parking or podium parking. The parking included is an assumed market demand requirement. It also considers developments that are 100 percent residential developments as well as developments that include 2 stories of residential above a podium with both retail and parking. Over time, taller and denser product types may be feasible, though are less likely to be feasible at this time due to their higher development costs.

Development Feasibility Analysis

The development feasibility analysis provides planning-level indications of the potential feasibility of the illustrative development prototypes on the illustrative site sizes. The purpose of the analysis is to assess the current challenges to feasible residential development in the CBD and Bowtie Area and to determine whether there are regulatory adjustments the City could make as part of the Downtown Specific Plan to encourage new development. In reality, every site is different and will require its own unique analysis to account for differences in site conditions, acquisition costs, site dimensions, building design and type, building costs, parking strategy, and estimates concerning achievable market rents.

Appendix A provides a detailed methodology and planning-level static pro formas. This section provides a detailed summary of the results of the feasibility analyses and their implications

Baseline Assumptions

The baseline feasibility analysis includes planning-level estimates of development costs and revenues for each prototype and considers whether the project’s yield on cost meets a specific hurdle return – an indication of whether a developer could expect a sufficient return to consider moving forward with the project.

Key assumptions that drive the analysis include:

- **Direct Building Costs**. Costs of building development are a key assumption and increase as site size becomes smaller. Costs are substantially higher when a parking podium is included. These are derived from Marshall & Swift.
- **Land Costs**. Land costs can vary widely. Based on a review of recent CoStar land sale transaction information and current asking prices, land acquisition costs are assumed to be $1.1 million per acre.
- **Sitework Costs**. The extent of sitework required varies by site and site quality. Sitework is assumed to be $20 per site square foot which does not account for any additional remediation, excavation, infrastructure/ vegetation removal, or grading needs beyond those of a typical site.
- **Soft costs.** Soft costs include professional services associated with planning, design, and other professional support services; assumptions regarding taxes and insurance and financing costs; and general and administrative costs borne by the project developer. Permits and City/County fees are estimated at a planning level based on a percentage of construction costs. Soft costs also include marketing and leasing costs that would be borne by the developer to tenant the building. City, County, and school

fees for residential development ranges from $33,200 to $38,400 per multifamily unit[4] while commercial fees are approximately $8.64 per square foot.

- **Revenues**. The market will determine the lease rates. For the baseline analysis, a lease rate of $2.50 per square foot or about $2,500 monthly for the average apartment size was used. This is a similar rent to those at the Tuscana Townhome project in the DTSP Study Area noted above and marginally below the average per square foot and monthly rent of the recently developed apartments in the City of Tracy that lie along the I-205.
- **Hurdle Return.** The hurdle rate of return is set at a project yield, or yield on cost, of 5.5 percent. In other words, if the project yield (stabilized net operating income divided by total project cost) is equal to or greater than 5.5 percent, a developer might be interested in proceeding with the project. If it is below this level, the developer would either consider the project infeasible or look to see whether it could reduce development costs and/or increase revenues to increase the expected yield. For many San Francisco Bay Area development projects, a 5.0 percent yield is considered sufficient, though the yield has been adjusted upwards for Downtown Tracy due to the speculative nature of this location. More residential development projects will be feasible sooner if developers consider a 5.0 percent yield as sufficient.

Baseline Results

Table 20 summarizes the results of the baseline feasibility analysis for the seven illustrative development prototypes. It also provides a sensitivity analysis that estimates, where yields fall below the hurdle lease rate, the required higher lease rate that would provide the hurdle yield.

As shown, with average monthly lease rates at $2.50/ SF or about $2,500 per month, none of the seven prototypes equal or exceed the 5.5 percent hurdle yield. For the surface parking residential scenarios, the yields range from 3.9 percent to 4.7 percent, with yields increasing as per unit development costs decrease with larger sites. While the three projects with podium parking and retail support more residential square footage, the additional costs associated with podium development results in somewhat lower yields than the surface-parked scenarios; generally about 0.3 to 0.5 percent lower than their equivalent site size.

Table 20 also shows the increased lease rates required to bring the yield up to the hurdle for all scenarios, assuming all other assumptions remain the same. As shown, lease rates would need to increase between 11 percent and 41 percent depending on the scenario or up to between $2.77 per square foot and $3.53 per square foot. As a point of comparison, the highest average lease rate per square foot for an apartment project in the City of Tracy is currently $2.95 per square foot. At this time, the surface parking residential development on the larger site is the closest to feasibility of the prototypes.

[4] Excludes connection fees which varies by development.

Table 20: Baseline Results

Development Type	Yield on Cost	Residential Lease Rate	Construction Cost per Unit	Threshold Lease Rate [1]	% Rent Increase
Residential/ Surface Parking					
0.1 Acre	3.9%	$2.50	$475,205	$3.17	27%
0.3 Acre	4.3%	$2.50	$431,488	$2.96	19%
0.7 Acre	4.5%	$2.50	$411,311	$2.87	15%
3.0 Acres	4.7%	$2.50	$390,896	$2.77	11%
Mixed-Use/ Podium and Surface Parking					
0.1 Acre	3.6%	$2.50	$599,990	$3.53	41%
0.3 Acre	3.9%	$2.50	$550,849	$3.29	32%
0.7 Acre	4.0%	$2.50	$528,179	$3.18	27%

[1] Threshold lease rate required to achieve a 5.5 percent yield on cost.

Reduced Building Cost Scenario

Marshall & Swift, a cost estimating firm, provides a range for development costs, including lower costs (about 13 percent lower) than the ones used in the baseline. Whether these reduced construction costs could be obtained at the current time will depend on the market.

Table 21 shows the implications for yields and feasibility of these reduced costs. As shown, the surface parked scenario on the 3.0-acre scenario now has a yield very close to the hurdle level,[5] while the 0.7-acre site has a yield at 5.0 percent which could be feasible for certain higher risk developers. The 0.1- and 0.3-acre surface-parked developments and the podium developments on all site sizes, however, all still return yields below the hurdle level with these lower costs.

Table 21 also shows the increased lease rates required to support the hurdle yields under these reduced cost scenarios. As shown, the lease rates would need to increase between 3 and 30 percent depending on the scenario. At the same time, if the developer was comfortable with 5.0 percent hurdle yield, the two of the four-surface parked residential development prototypes would appear feasible.

[5] The analysis accounts for typical sitework and does not include costs for sites needing intensive remediation. Development within the Bowtie area may still be infeasible as there are higher than normal costs for the extent of environmental clean-up needed.

Table 21: Reduced Cost Scenario Results

Development Type	Yield on Cost	Residential Lease Rate	Construction Cost per Unit	Threshold Lease Rate [1]	% Rent Increase
Residential/ Surface Parking					
0.1 Acre	4.4%	$2.50	$422,605	$2.92	17%
0.3 Acre	4.8%	$2.50	$384,709	$2.74	9%
0.7 Acre	5.0%	$2.50	$367,213	$2.65	6%
3.0 Acres	5.3%	$2.50	$349,510	$2.57	3%
Mixed-Use/ Podium and Surface Parking					
0.1 Acre	3.9%	$2.50	$540,815	$3.24	30%
0.3 Acre	4.3%	$2.50	$498,223	$3.03	21%
0.7 Acre	4.5%	$2.50	$478,569	$2.94	18%

[1] Threshold lease rate required to achieve a 5.5 percent yield on cost.

Overall Conclusions and Considerations

The planning-level development feasibility analysis of the illustrative development prototypes provides several important insights:

- The viability of new residential developments in these areas of Downtown Tracy is highly dependent on the lease rates renters would be willing to pay, the project- and site-specific construction costs at the time of development, the cost of acquiring sites, and hurdle return of potential developers.

- Even under relatively robust lease rate assumptions - i.e. only slightly below the average lease rates of new commuter-oriented apartment developments in the City of Tracy - the development prototypes considered do not appear feasible under current market conditions. Downtown developments might command even lower lease rates than those modelled, further underlining the feasibility challenge for downtown residential developments.

- The achievable lease rates will be tied to the extent potential renters value all the potential benefits of living in Downtown Tracy, including proximity to restaurants, retail, and general walkability, relative to some of the potential inconveniences (e.g. greater distance from freeway if commuting).

- If projects can be valued-engineered for lower development costs, the surface-parked project on three acres is close to feasible, though the other prototypes are still not feasible. Under the applied rent assumptions, the total per unit development cost (including land costs) would need to be about $335,000 in order to meet the hurdle rate of return.

- Site size has a substantial effect on the costs of development. Ideal site sizes for new apartment developments tend to be over three (3) acres. Sites under one (1) acre, in particular, pose a range of development and cost challenges. This poses particular challenges for residential development in Downtown Tracy (similar to other downtowns) where sites tend to be on the smaller size. While the assembly of multiple small downtown sites into one larger development site would improve development economics, many developers are wary of taking on such efforts given the complexities of reaching agreements with multiple parties.

- • The Bowtie site could offer larger site sizes, lower development costs, and improved residential development feasibility prospects. However, this will only be true once the site has been remediated and if the land is available for transfer/ sale. The remediation costs also tend to be higher when preparing for future residential development or may require the more costly development of residential over podium parking.
- Lease rates are not expected to cover the additional costs of podium parking at this time, making surface parking the preferred and more cost-efficient approach. As a result, the 50 units per acre residential density allowance is likely sufficient, though, as the market evolves, developers might start to look to develop projects in the 50 to 100 units per acre range if permitted by the City.
- Commercial spaces on the ground floor can generate some project revenue, though in some cases, building design, costs, and revenues will be simpler and improved without incorporating retail/ commercial space.

Retail Market Conditions

While the primary focus of this memorandum is on the goal of bringing housing downtown to boost downtown businesses and vitality, the underlying robustness of the existing retail (including eating/ drinking) businesses that form the core of downtown is of critical importance. Without existing small businesses and the attraction of new ones as turnover inevitably occurs, downtown would be substantially weakened with storefront vacancies, lower sales, and less of the inter-business synergies that define successful downtowns.

Like other downtowns throughout the U.S., Downtown Tracy must continue to compete with large shopping centers and commercial strips as well as with e-commerce and the large shifts to online shopping. As was indicated by our walking tour of Downtown with representatives of the Tracy City Center Association (TCCA), Downtown Tracy has a substantial downtown given its size (population) and distance from freeways and has weathered the market storm of technological change and shift to online shopping well (based for example, on vacancies rates). At the same time, vacancies among larger retail spaces as well as banks and other commercial businesses do occur and can be hard to fill. The margins for most Downtown businesses are also relatively modest, often making it a full-time job for business owners with associated limitations on hiring store managers as well as attracting retail chains to the Downtown. These economic factors also limit the rents landlords can charge which generally do not justify construction of new retail buildings in downtown.

The TCCA has made major efforts in recent years to support and boost downtown businesses with substantial success. A number of major events are organized and attracted to the downtown to bring activity and boost awareness; landlords closely vet potential tenants for business viability to try to minimize unnecessary turnover; and, efforts are made to attract complementary businesses (e.g. brewpubs) to spaces downtown. These ongoing and supportive efforts in combination with the commitment and entrepreneurship of downtown business owners are critical to the ongoing success of Downtown Tracy and its ability to attract more businesses and new housing.

Another key goal is to increase awareness of Downtown throughout the City of Tracy, ensuring all residents are aware of eating, drinking, and shopping opportunities. This should include the many new households moving from the Bay Area to Tracy as historical shopping patterns have focused on Bay Area retail clusters.

Retail Buildings and Rents

As shown in **Table 22**, CoStar estimates about 4.7 million square feet of retail space in the City spread across 310 retail buildings. Average triple net rents are about $1.57 per square foot and the vacancy rate is 5.3 percent[6]. The DTSP area includes 85 of these buildings with 66 of them located in the CBD. Both the DTSP and the CBD area have substantially smaller retail buildings averaging ~5,800 to 6,300 square feet per building as compared to the Citywide average of 15,200. The average triple net rent in the CBD and the DTSP is reported to be $1.97 per square foot, higher than the City average. Vacancies are also lower in the DTSP and the CBD area at about 0.5 percent when compared to that of the City average. The retail performance of the CBD compared to both the DTSP and the City reflect trends reported by TCCA which indicated there is more demand for smaller retail spaces (500 to 1,000 square feet) commanding higher per square foot lease rates.

Although the CBD has performed relatively well for the City, it is worth noting that CoStar reports no new retail buildings in the DTSP or CBD area since 2007. Additionally, lease rates have decreased from 2007 both Citywide and within the DTSP further indicating the challenging economics of new retail development in the context of the Great Recession and the rise of ecommerce.

[6] CoStar may not capture all small buildings within a city.

Table 22: Retail Inventory Through Time

	Year			% Change		
Item	**2007 [1]**	**2010**	**2022**	**(2007-2010)**	**(2010-2022)**	**(2007-2022)**
City of Tracy						
Number of Buildings	289	302	310	4.5%	2.6%	7.3%
Inventory (Sq.Ft.)	4,321,779	4,617,860	4,703,507	6.9%	1.9%	8.8%
NNN Rents/Sq.Ft.	$2.12	$1.55	$1.51	-26.8%	-2.5%	-28.6%
Vacancy	4.3%	9.4%	5.3%	118.6%	-43.6%	23.3%
Downtown Tracy Specific Plan						
Number of Buildings	85	85	85	0.0%	0.0%	0.0%
Inventory (Sq.Ft.)	493,992	493,992	492,896	0.0%	-0.2%	-0.2%
NNN Rents/Sq.Ft.	$2.25	$1.24	$1.97	-45.1%	59.2%	-12.6%
Vacancy	4.8%	12.8%	0.5%	166.7%	-96.1%	-89.6%
Central Business District						
Number of Buildings	66	66	66	0.0%	0.0%	0.0%
Inventory (Sq.Ft.)	415,224	415,224	414,128	0.0%	-0.3%	-0.3%
NNN Rents/Sq.Ft.	n/a	$1.26	$1.97	n/a	56.0%	n/a
Vacancy	4.3%	13.0%	0.6%	202.3%	-95.4%	-86.0%

[1] 2007 is the earliest data provided by CoStar. Rents are not available for the Central Business District in 2007.
Source: CoStar, Accessed January 2023

CoStar tracks some of the new leases in the CBD. **Figure 9** shows the location of two recently completed leases (A, B) and two leases currently on the market (1, 2). As shown in **Table 23**, recent leases/ on-market leases are generally seeking rents in the $1.25 to $2.00 per square foot range. As noted above, this level of lease rate is not sufficient to generate interest in the development of new rental retail buildings.

Figure 9: Active or Recent Leases (Retail) Map

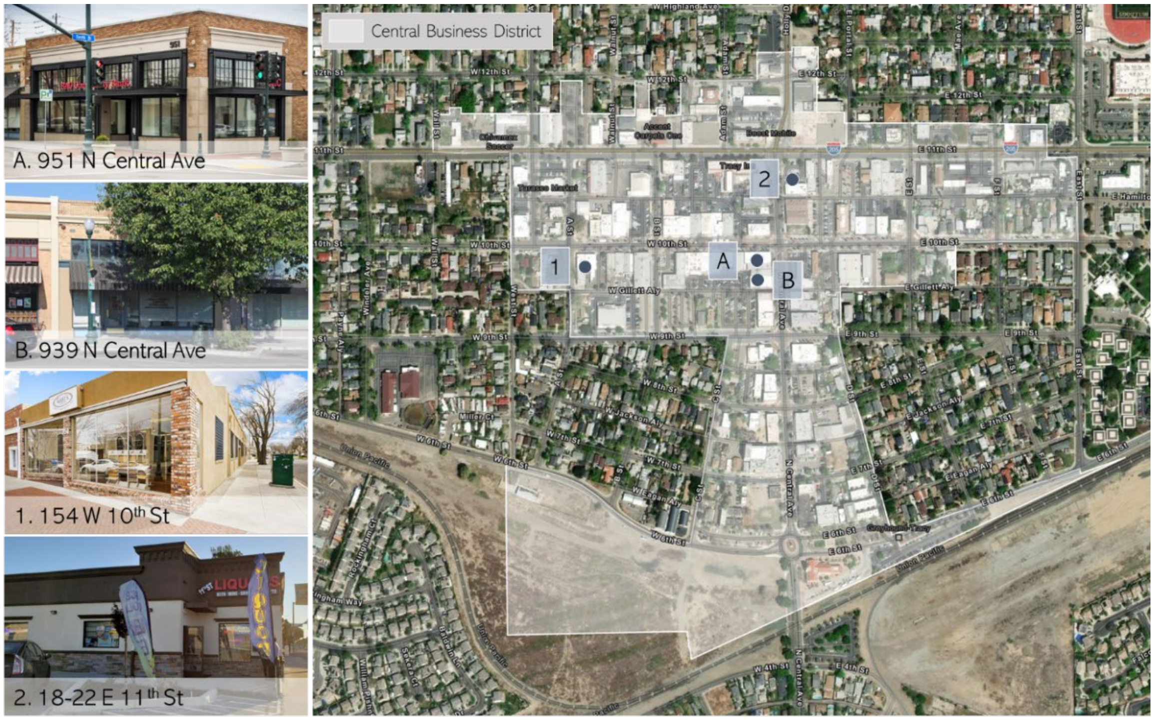


Table 23: Recent Retail Leases

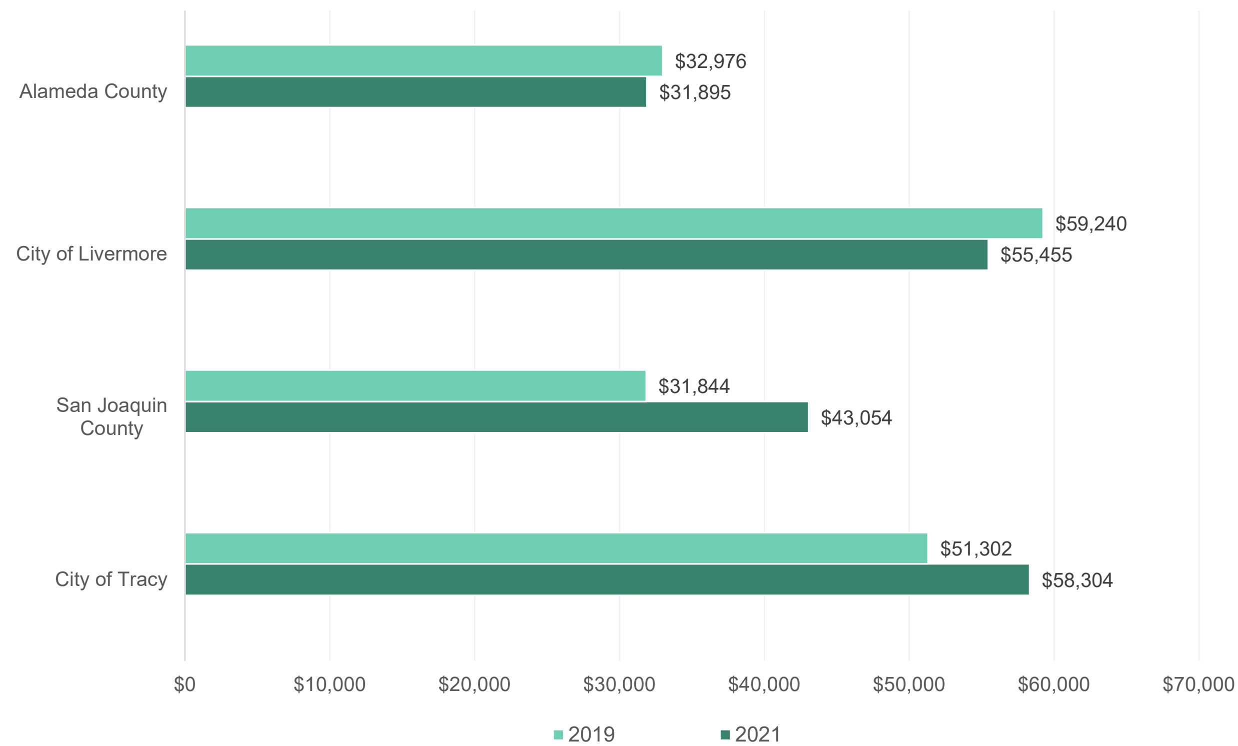
Address	Building Size (Sq.Ft.)	Land (Sq.Ft.)	FAR	Parking/ 1KSF	Leased Sq.Ft.	Rent/Sq.Ft. (NNN)	Lease Term	Lease Type [2]	Year Built
Recent Leases (After 2018+)									
A. 951 N Central Ave	2,775	6,098	0.46	N/A	2,775	$2.00	2022-27	NNN	1960
B. 939 N Central Ave	6,564	10,019	0.66	N/A	3,400	$1.50	2018	MG	1930
On Market									
1. 154 W 10th St	3,400	6,098	0.56	0.88	3,400	$1.95	On Market	NNN	1940
2. 18-22 E 11th St [1]	8,610	20,473	0.42	2.90	2,500	$1.25-$1.59	On Market	N/A	1970

[1] Lease rates are estimated by CoStar
[2] MG- Modified Gross: The tenant and the landlord both share in the responsibility for paying the property's operating expenses.
NNN-Triple Net: The tenant is responsible for all of the property expenses including real estate taxes, insurance, and maintenance.
Source: CoStar, Accessed September 2022

Retail Sales Capture

The City of Tracy, like all cities, captures spending from its residents as well as other City residents, though also leaks spending out to other Cities. The ultimate retail sales captured in a City will depend on the scale and appeal of its retail as well as its location in proximity to other retail centers and population centers in other cities. In 2021, the City of Tracy's taxable sales was approximately $5.9 billion. After excluding the categories of "Other Retail Group"[7] and "All Other Outlets,"[8] the City's taxable sales for typical retail and eating/ drinking establishments was approximately $58,300 per household, up from 2019. The level of retail sales capture is robust in comparison to the average for Alameda County ($31,900 per household) and only marginally below that for the City of Livermore.

Figure 10: Taxable Retail Sales per Household



*Excludes the categories of "Other Retail Group" and "All Other Outlets."
Source: California Department of Tax and Fee Administration

Figure 11 shows the changes in total retail sales by store type in the City of Tracy in recent years. The data shows both positive and negative impacts of the pandemic on differing sectors. Except for clothing stores, most store types have generally trended upwards in sales, despite some decline in the pandemic and increasing competition from e-commerce. While CBD businesses are especially clustered in the food services and drinking places category, the District does have a physical store presence in most other categories.

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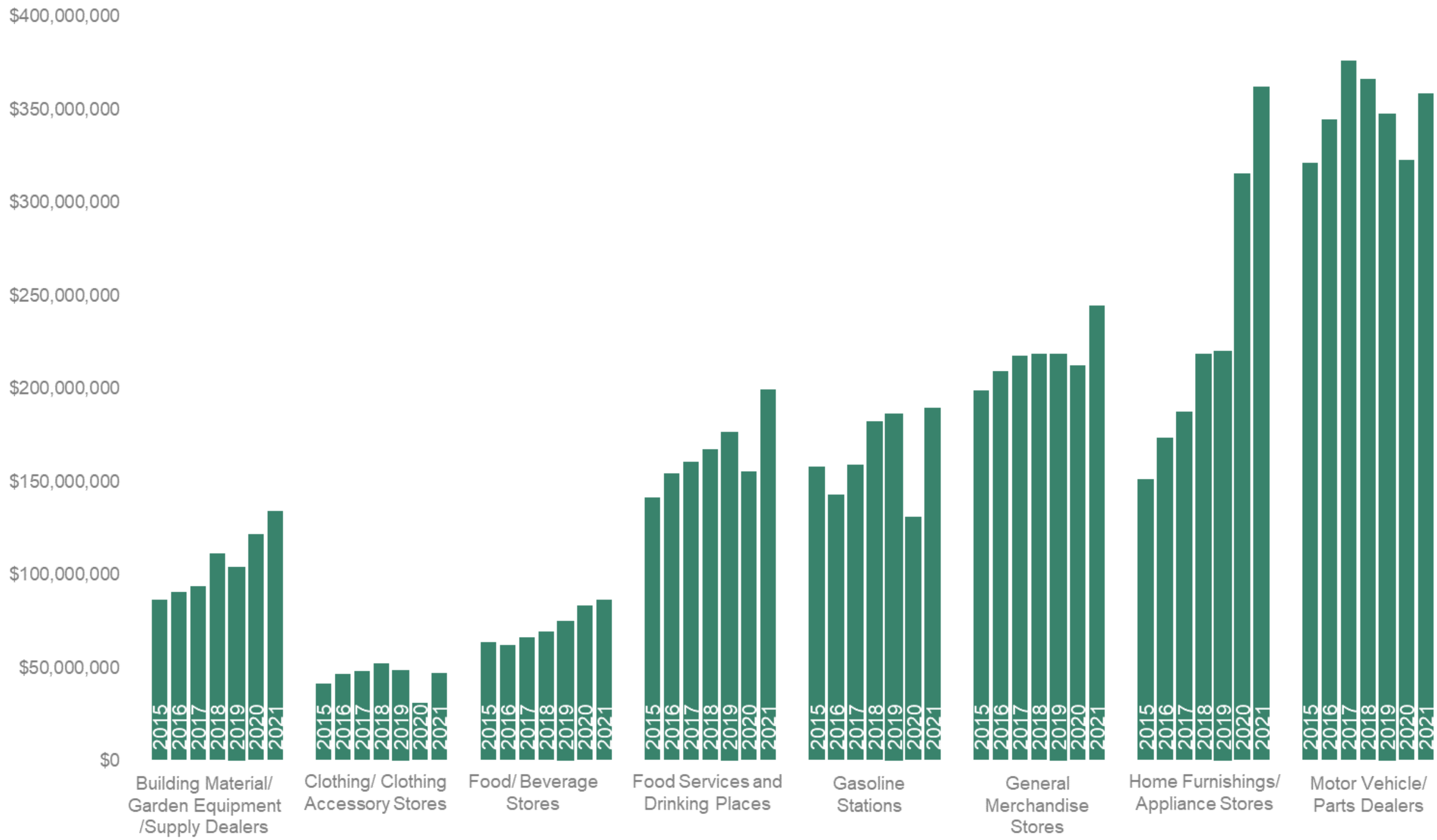
[7] "Other Retail Group" includes taxable sales from nonstore retailers such as the City's Amazon fulfillment center.

[8] "All Other Outlets" category includes taxable sales from services and industries that are not eating, drinking, or typical retail establishments, such as agriculture, forestry, fishing, and hunting, health care and social assistance, public administration, etc.

Figure 11: Taxable Retail Sales per Household



Source: California Department of Tax and Fee Administration:

Retail Spending

Businesses in downtowns, shopping centers, commercial corridors, and online all compete for household retail expenditures. Based on the number of households, household incomes, and typical spending patterns, it is possible to estimate aggregate retail spending. As shown in **Table 24**, Tracy households are estimated to spend about $795 million on retail goods and services annually or about 27.3 percent of gross household incomes. The smaller set of Downtown households, with somewhat lower median household incomes, are estimated to be about $54.6 million on retail goods and services. Some of these expenditures will occur on-line, while some will also occur in other locations/ cities. At the same time, Tracy retail establishments will capture some expenditures from residents of other cities.

The current retail sales captured in Downtown Tracy are not known specifically. However, with about 340,000 square feet of retail space in the CBD and assuming an average sales of about $250 per square foot (this will vary significantly by business), Downtown Tracy is estimated to capture about $85 million of annual retail spending each year. This represents a little over 10 percent of the overall retail expenditure of Tracy households. Relatively small increases in retail spending capture rates in the CBD could substantially strengthen and sustain the existing businesses. Similarly, small shifts in spending away from the CBD could also cause substantial challenges.

Table 24: Household Retail Spending Patterns

Item	Downtown Tracy Specific Plan			City of Tracy		
	Total Retail Spending	Spending per HH	% of Total Spending	Total Retail Spending	Spending per HH	% of Total Spending
Number of Households	**2,194**			**28,527**		
Median Income	**$80,148**			**$102,113**		
Retail Industry Sector						
Food	$17,216,817	$7,847	9.8%	$244,835,915	$8,583	8.4%
Food at home	$10,570,844	$4,818	6.0%	$148,012,363	$5,189	5.1%
Food away from home	$6,645,973	$3,029	3.8%	$96,823,552	$3,394	3.3%
Alcoholic Beverages	$1,197,454	$546	0.7%	$19,066,570	$668	0.7%
Housing						
Housekeeping Supplies	$2,032,936	$927	1.2%	$25,558,340	$896	0.9%
Household furnishings/equipment	$5,069,712	$2,311	2.9%	$70,591,991	$2,475	2.4%
Apparel and services	$3,394,539	$1,547	1.9%	$51,525,421	$1,806	1.8%
Entertainment	$5,842,059	$2,663	3.3%	$105,070,504	$3,683	3.6%
Personal care products/services	$1,595,202	$727	0.9%	$22,841,414	$801	0.8%
Reading	$197,822	$90	0.1%	$2,765,013	$97	0.1%
Tobacco products/smoking supplies	$839,691	$383	0.5%	$7,838,212	$275	0.3%
Total Spending	**$54,603,048**	**$24,887**	**31.05%**	**$794,929,295**	**$27,866**	**27.29%**

Sources: ESRI Business Analyst, Bureau Labor of Statistics Consumer Expenditure Survey Table 1203, 2020

Office Market Conditions

The City of Tracy office sector, in aggregate, is substantially smaller than its retail sector, with about 856,800 square feet in 107 buildings. A significant portion (35.1 percent) of the City's office inventory is located in the DTSP Study Area. 65.2 percent of the inventory in the DTSP is within the Central Business District. Lease rates are relatively low for office spaces Citywide at $1.42 per square foot and are even lower in the DTSP Study Area at about $1.35 per square foot. According to CoStar data, there has been limited new office development in the City of Tracy over the last 15 years, particularly in the Downtown and CBD areas. The combination of shifts to working-from-home, the lack of a substantial office sector in Downtown, and the modest rents mean new office development is likely to be limited in Downtown in the foreseeable future. It is also improbable that office development will provide enough support to lease revenues in downtown mixed-use housing developments.

Table 25: Office Market Context

	Year			% Change		
Item	**2007 [1]**	**2010**	**2022**	**(2007-2015)**	**(2010-2022)**	**(2007-2022)**
City of Tracy						
Number of Buildings	106	106	107	0.0%	0.9%	0.9%
Inventory (Sq.Ft.)	781,654	810,816	856,776	3.7%	5.7%	9.6%
Gross Rents/Sq.Ft.	$1.98	$1.44	$1.42	-27.4%	-1.2%	-28.3%
Vacancy	13.7%	14.2%	5.0%	3.6%	-64.8%	-63.5%
Downtown Tracy Specific Plan						
Number of Buildings	51	51	51	0.0%	0.0%	0.0%
Inventory (Sq.Ft.)	300,539	300,539	300,539	0.0%	0.0%	0.0%
Gross Rents/Sq.Ft.	$1.20	$1.42	$1.35	18.5%	-5.0%	12.6%
Vacancy	12.6%	11.4%	3.5%	-9.5%	-69.3%	-72.2%
Central Business District						
Number of Buildings	34	34	34	0.0%	0.0%	0.0%
Inventory (Sq.Ft.)	195,999	195,999	195,999	0.0%	0.0%	0.0%
Gross Rents/Sq.Ft.	$0.21	$1.35	$1.20	549.6%	-11.3%	476.0%
Vacancy	13.2%	11.3%	2.6%	-14.4%	-77.0%	-80.3%

[1] 2007 is the earliest data provided by CoStar.
Source: CoStar, Accessed January 2023

Valley Link Station Opportunity

The Tri-Valley – San Joaquin Regional Rail Authority and its member agencies are developing plans for a new 42-mile passenger rail serve connecting the Dublin/ Pleasanton BART station with the approved North Lathrop Altamont Corridor Express (ACE) station. The project includes the construction of seven stations, with one station planned in the City of Tracy. At full operation, it is envisioned as providing trains every 12 minutes during peak hours. The City of Tracy station is expected to be located either in Downtown Tracy at the Bowtie Site or along I-205 corridor.

As described by the Regional Rail Authority, Valley Link would bring a broad range of regional benefits, including: (1) connecting housing, people, and jobs; (2) reducing greenhouse gas emissions; (3) serving disadvantaged or low-income communities; (4) create new jobs and promote economic recovery.

The development of transit stations also brings benefits at a City/ Community level including investment and improvements to the transit area, and, in some cases, the catalyzing of additional new development in the transit station area. Beyond the direct benefits to City of Tracy commuters/ transit users, potential benefits associated with a new transit station include:

Transit Station Development. The development of new Transit Stations with regional, State, and federal dollars typically brings broader investment in public infrastructure and improvements around the transit station. As well as infrastructure upgrades and site improvement investments required to support transit station development, accompanying investments often include improvements to transportation connections (for cars, bicyclists, and pedestrians), parking lots or structures, plazas/ public spaces, and other infrastructure.

These investments can improve the attractiveness of the area around the transit station. For Downtown Tracy, investment in Valley Link transit station might also require investment in Bowtie Site remediation with potential benefits for opening up larger parts of the site for new development. Many transit agencies have also been successful in forming public/ private partnerships with private developers to help catalyze new development adjacent to the transit station.

Downtown Tracy Development Economics. In some cases, proximity to transit has been shown to improve development economics and prospects by, for example, increasing apartment rents relative to non-transit proximate locations, and improving local business prospects, by bringing more potential customers to an area. These effects are most significant when transit service is fully established, well-used, and transit-proximity is a significant driver of a number of household location decisions.

For new Downtown Tracy residential development, the new transit station is most likely to show benefits over the medium to long term. For 1- and 2 person households interested in commuting by transit, the station will provide an additional positive reason to live downtown, potentially increasing the rent they would pay. Initially, however, the size of that market is expected to be modest and the resulting aggregate effects on the downtown real estate market modest too. With the substantial current challenges to residential development feasibility described above in Downtown Tracy, the arrival of the station should not be expected to change the outlook substantially in the short term.

If the Valley Link station is planned for Downtown Tracy, the City should seek to maximize the potential benefits, by collaborating with the Rail Authority on station design, improvements, and opportunities remediation of the Bowtie Site Remediation and opening up transit-adjacent areas for potential residential development.

Appendix A

Analytical Approach

This analysis relies on the well-accepted static (stabilized-year) pro forma financial feasibility framework to estimate the yield on cost generated by the proposed Project and each of the development alternatives. The approach compares net operating income at project stabilization (i.e., after project lease-up is complete) with the cost of project development, in constant 2022 dollars. The analysis estimates net operating income based on anticipated market-supportable lease rates and typical operating cost factors. The analysis seeks to provide an initial indication of feasibility but does not contemplate potential development phasing or temporal cash flow considerations.

Development cost assumptions reflect current (location-adjusted) construction costs, typical project soft costs (e.g., architecture and engineering), local fees and permits, leasing costs, developer overhead, and site acquisition costs already incurred by the developer. The data and assumptions reflect EPS research, third-party data, and industry sources.

The analysis estimates **return on investment using the yield on cost metric**. The threshold required yield rate reflects the risk premium necessary to build a new building (versus acquiring an existing income-generating building). A developer/ investor would not reasonably be expected to take on investment risk without commensurate return expectations. With yields on stabilized buildings in the range of 4.5percent to 5.5percent, EPS believes a "feasible" ground up development project would seek to achieve a yield in the range of 5.0percent to 6.0percent, with a 5.5percent hurdle yield most likely for a residential development project in the City of Tracy. For simplicity, this analysis considers a fixed 5.5 percent hurdle rate across the development scenarios.

Summary of Key Terms

Project Revenues – The estimated net operating income potential of an income-generating real estate asset, assuming current market conditions.

Construction Costs – Direct construction costs including labor, materials, and associated overhead required to prepare the site, build structures, install parking systems, and fit out leasable spaces.

Soft Costs – Indirect development costs such as architecture, engineering, permits, fees, financing, leasing costs, and developer overhead.

Contingency – A development cost provision for unforeseen events or circumstances.

Yield on Cost – Stabilized net operating income divided by the total development cost of the project, calculated in constant 2022 dollars.

Project Revenues

This analysis assumes achievable lease rates based on market research conducted using data from CoStar Group and EPS knowledge of the local and regional commercial real estate landscape. EPS identified local residential and retail spaces in the City of Tracy and observed asking rents.

Residential – The prototypes chosen for this analysis reflect a typical new residential rental development in the City of Tracy. The monthly lease rates in the prototypes are assumed to average $2.50 per square foot. It can be noted that rents assumed for this analysis are at the top of the market.

Retail – Retail uses are included within three of the prototypes. Retail could include dry goods retail, restaurant, and/or entertainment uses. In the City of Tracy, market rate retail rents average roughly $1.58 per square foot per month as discussed in the next section. However, recent leases show that retail could potentially reach $2.00 in the Downtown Tracy Specific Plan Area. Retail lease rates vary significantly by location, size, and space characteristics. This analysis assumes that new ground floor retail may be able to achieve $2.00 rents.

Project Development Costs

Project costs reflect a comprehensive vertical development budget and comprise construction costs, soft costs, a development contingency, and site acquisition costs.

Construction costs – Project construction costs cover the vertical development of building spaces, including all labor and materials, fit out, and general contractor charges. Costs include a tenant improvement budget for fit-out (paid by the developer), as confirmed by brokers active in the marketplace. Construction costs estimates reflect data from Marshall & Swift, a third-party cost estimating resources.[9] The analysis of construction cost is specific to the type of construction anticipated for the prototypes with unique cost estimates. For example, in the residential only prototypes, only surface parking is assumed resulting in a wood frame Type 5 construction, while a ground floor podium and two levels of Type 5 construction is assumed for the residential/ retail mixed-use prototypes.

Soft Costs – Soft costs include professional services associated with planning, design, and other professional support services; assumptions regarding taxes and insurance and financing costs; and general and administrative costs borne by the project developer. Permits and City/County fees are estimated at a planning level based on a percentage of construction costs. Soft costs also include marketing and leasing costs that would be borne by the developer to tenant the building.

Contingency – Other project costs include a development contingency of 5 percent of construction costs, consistent with industry project budgeting at the planning stage of project development.

Site Acquisition Costs – EPS looked at recently sold sites in the City of Tracy and include a site acquisition cost of $1.1 million per acre in this analysis.

[9] EPS evaluated construction cost data for Oakland ZIP code 94612 reported by Marshall & Swift Commercial Building Cost Data.

Appendix A: Table-1A
Baseline Feasibility Analysis: Cost Assumptions
City of Tracy Downtown Specific Plan; EPS #201088

Development Program Assumptions	Assumptions/Factors		Residential Prototypes				Mixed-Use Prototypes		
			0.1 Acre Site	0.3 Acre Site	0.7 Acre Site	3 Acre Site	0.1 Acre Site	0.3 Acre Site	0.7 Acre Site
Dwelling Units (DU)			4	11	25	105	5	14	33
Stories			3 Stories	3 Stories	3 Stories	3 Stories	3 Stories	3 Stories	3 Stories
Construction Type			Type V	Type V	Type V	Type V	Type V/Podium	Type V/Podium	Type V/Podium
Development Site (Acres)			0.1	0.3	0.7	3.0	0.1	0.3	0.7
Development Site (Sq.Ft.)			4,356	13,068	30,492	130,680	4,356	13,068	30,492
Gross Commercial Area (Sq.Ft.)			0	0	0	0	686	2,057	4,798
Rentable Commercial Area (RCA) (Sq.Ft.)	90%	of Gross Commercial Area	0	0	0	0	618	1,852	4,319
Gross Residential Area (Sq.Ft.)			4,129	12,387	28,903	123,871	5,490	16,459	38,387
per DU			1,175	1,175	1,175	1,175		0	0
Rentable Residential Area (RRA) (Sq.Ft.)	85%	Efficiency Factor	3,510	10,529	24,568	105,291	4,666	13,990	32,629
per DU			999	999	999	999	999	999	999
Gross Building Area (GBA) (Sq.Ft.)			4,129	12,387	28,903	123,871	8,234	24,688	57,581
Rentable Area (RA) (Sq.Ft.)			3,510	10,529	24,568	105,291	5,284	15,842	36,948
Residential Parking	1.50	spaces per DU							
Surface Parking (Spaces)			5	16	37	158	2	6	13
Podium Parking (Spaces)			0	0	0	0	5	15	36
Commercial Surface Parking Spaces	0.0	space per 1,000 Sq.Ft. of Commercial	0	0	0	0	0	0	0
Total Parking Spaces			5	16	37	158	7	21	49
Surface Parking Area (Sq.Ft.)	400	Sq.Ft. per Parking Space	2,108	6,325	14,759	63,254	740	2,225	5,200
Podium Parking (Sq.Ft.)	400	Sq.Ft. per Parking Space	0	0	0	0	2,059	6,172	14,395

Project Development Costs	Assumptions/Factors		0.1 Acre Site	0.3 Acre Site	0.7 Acre Site	3 Acre Site	0.1 Acre Site	0.3 Acre Site	0.7 Acre Site
Building Direct Cost per Sq.Ft.			$249	$222	$209	$196	$249	$222	$209
Building Direct Cost (Excluding Parking)			$1,028,835	$2,745,115	$6,037,619	$24,281,284	$1,538,824	$4,103,364	$9,021,040
Site Work	$20	per Sq.Ft. (Site Area)	$87,120	$261,360	$609,840	$2,613,600	$87,120	$261,360	$609,840
Cost			**$1,115,955**	**$3,006,475**	**$6,647,459**	**$26,894,884**	**$1,625,944**	**$4,364,724**	**$9,630,880**
Tenant Improvement Cost	$75	per Sq.Ft. (RCA)	$0	$0	$0	$0	$46,319	$138,871	$323,892
Surface Parking	$7,500	per space	$39,533	$118,600	$276,734	$1,186,003	$13,875	$41,719	$97,500
Podium Parking	$60,000	per Space	$0	$0	$0	$0	$308,790	$925,808	$2,159,280
Total Parking Cost			**$39,533**	**$118,600**	**$276,734**	**$1,186,003**	**$322,665**	**$967,526**	**$2,256,780**
Total Construction Cost		**sum of Construction Costs**	**$1,155,489**	**$3,125,076**	**$6,924,193**	**$28,080,887**	**$1,994,928**	**$5,471,121**	**$12,211,552**
per GBA			$280	$252	$240	$227	$242	$222	$212
Soft Costs	**30%**	**of Construction Costs**	**$346,647**	**$937,523**	**$2,077,258**	**$8,424,266**	**$598,478**	**$1,641,336**	**$3,663,466**
Development Contingency	**5%**	**of Construction Costs**	**$57,774**	**$156,254**	**$346,210**	**$1,404,044**	**$99,746**	**$273,556**	**$610,578**
Subtotal: Project Cost Excluding Land		**sum of Project Costs**	**$1,559,910**	**$4,218,852**	**$9,347,661**	**$37,909,198**	**$2,693,152**	**$7,386,014**	**$16,485,595**
per unit			$443,902	$400,185	$380,008	$359,593	$576,445	$527,290	$504,610
Cost of Land Acquisition	**$1,100,000**	**per acre**	**$110,000**	**$330,000**	**$770,000**	**$3,300,000**	**$110,000**	**$330,000**	**$770,000**
per unit			$31,303	$31,303	$31,303	$31,303	$23,545	$23,559	$23,569
Total Project Costs		**sum of Project Costs**	**$1,669,910**	**$4,548,852**	**$10,117,661**	**$41,209,198**	**$2,803,152**	**$7,716,014**	**$17,255,595**
per unit			$475,205	$431,488	$411,311	$390,896	$599,990	$550,849	$528,179
per GBA			$404	$367	$350	$333	$340	$313	$300

Appendix A: Table-1B
Reduced Construction Cost Feasibility Analysis: Revenue Assumptions and Results
City of Tracy Downtown Specific Plan; EPS #201088

Annual Operating Income	Assumptions/Factors		Residential Prototypes				Mixed-Use Prototypes		
			0.1 Acre Site	0.3 Acre Site	0.7 Acre Site	3 Acre Site	0.1 Acre Site	0.3 Acre Site	0.7 Acre Site
Dwelling Units (DU)			4	11	25	105	5	14	33
Development Site (Acres)			0.1	0.3	0.7	3.0	0.1	0.3	0.7
DU/ AC			35	35	35	35	47	47	47
Rentable Commercial Area (RCA) (Sq.Ft.)			0	0	0	0	618	1,852	4,319
Rentable Residential Area (RRA) (Sq.Ft.)			3,510	10,529	24,568	105,291	4,666	13,990	32,629
per DU			999	999	999	999	999	999	999
Gross Building Area (GBA) (Sq.Ft.)			4,129	12,387	28,903	123,871	8,234	24,688	57,581
Total Parking Spaces			5	16	37	158	7	21	49
Commercial Rent Income		per Sq.Ft./month (NNN)	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00
Gross Potential Rent Income (CGPR)		rent x RCA x 12	$0	$0	$0	$0	$14,822	$44,439	$103,645
Income Lost to Vacancy	5.0%	of CGPR	$0	$0	$0	$0	-$741	-$2,222	-$5,182
Gross Commercial Revenue		CGPR less losses to vacancy	$0	$0	$0	$0	$14,081	$42,217	$98,463
Residential Rent Income		per Sq.Ft./month	$2.50	$2.50	$2.50	$2.50	$2.50	$2.50	$2.50
Gross Potential Rent Income (RGPR)		rent x RRA x 12	$105,291	$315,872	$737,035	$3,158,722	$139,985	$419,699	$978,874
Income Lost to Vacancy	5.0%	of Gross Residential Income	-$5,265	-$15,794	-$36,852	-$157,936	-$6,999	-$20,985	-$48,944
Gross Residential Revenue		RGPR less losses to vacancy	$100,026	$300,079	$700,183	$3,000,786	$132,986	$398,714	$929,930
Potential Parking Income	$0	per space	$0	$0	$0	$0	$0	$0	$0
Annual Total Gross Revenue		**Gross Commercial Revenue plus Gross Residential Revenue**	**$100,026**	**$300,079**	**$700,183**	**$3,000,786**	**$147,066**	**$440,931**	**$1,028,393**
Commercial Operating Expenses	5%	of Gross Commercial Income	$0	$0	$0	$0	-$704	-$2,111	-$4,923
Residential Operating Expenses	$10,000	per unit/year	-$35,141	-$105,423	-$245,986	-$1,054,225	-$46,720	-$140,075	-$326,700
Annual Total Operating Expenses			-$35,141	-$105,423	-$245,986	-$1,054,225	-$47,424	-$142,186	-$331,623
Net Operating Income (NOI)		**Gross Revenue less Total Operating Expenses**	**$64,885**	**$194,656**	**$454,198**	**$1,946,561**	**$99,642**	**$298,746**	**$696,770**
Total Project Costs		**sum of Project Costs**	**$1,669,910**	**$4,548,852**	**$10,117,661**	**$41,209,198**	**$2,803,152**	**$7,716,014**	**$17,255,595**
per unit			$475,205	$431,488	$411,311	$390,896	$599,990	$550,849	$528,179
per GBA			$404	$367	$350	$333	$340	$313	$300
Yield on Cost (NOI/ Total Project Costs)			**3.9%**	**4.3%**	**4.5%**	**4.7%**	**3.6%**	**3.9%**	**4.0%**

Appendix A: Table-2A
Construction Sensitivity Analysis: Cost Assumptions
City of Tracy Downtown Specific Plan; EPS #201088

Development Program Assumptions	Assumptions/Factors		Residential Prototypes				Mixed-Use Prototypes		
			0.1 Acre Site	0.3 Acre Site	0.7 Acre Site	3 Acre Site	0.1 Acre Site	0.3 Acre Site	0.7 Acre Site
Dwelling Units (DU)			4	11	25	105	5	14	33
Stories			3 Stories	3 Stories	3 Stories	3 Stories	3 Stories	3 Stories	3 Stories
Construction Type			Type V	Type V	Type V	Type V	V over Podium	V over Podium	V over Podium
Development Site (Acres)			0.1	0.3	0.7	3.0	0.1	0.3	0.7
Development Site (Sq.Ft.)			4,356	13,068	30,492	130,680	4,356	13,068	30,492
Gross Commercial Area (Sq.Ft.)			0	0	0	0	686	2,057	4,798
Rentable Commercial Area (RCA) (Sq.Ft.)	90%	of Gross Commercial Area	0	0	0	0	618	1,852	4,319
Gross Residential Area (Sq.Ft.)			4,129	12,387	28,903	123,871	5,490	16,459	38,387
per DU			1,175	1,175	1,175	1,175		0	0
Rentable Residential Area (RRA) (Sq.Ft.)	85%	Efficiency Factor	3,510	10,529	24,568	105,291	4,666	13,990	32,629
per DU			999	999	999	999	999	999	999
Gross Building Area (GBA) (Sq.Ft.)			4,129	12,387	28,903	123,871	8,234	24,688	57,581
Rentable Area (RA) (Sq.Ft.)			3,510	10,529	24,568	105,291	5,284	15,842	36,948
Residential Parking	1.50	spaces per DU							
Surface Parking (Spaces)			5	16	37	158	2	6	13
Podium Parking (Spaces)			0	0	0	0	5	15	36
Commercial Surface Parking Spaces	0.0	space per 1,000 Sq.Ft. of Commercial	0	0	0	0	0	0	0
Total Parking Spaces			5	16	37	158	7	21	49
Surface Parking Area (Sq.Ft.)	400	Sq.Ft. per parking space	2,108	6,325	14,759	63,254	740	2,225	5,200
Podium Parking (Sq.Ft.)	400	Sq.Ft. per parking space	0	0	0	0	2,059	6,172	14,395

Project Development Costs	Assumptions/Factors		0.1 Acre Site	0.3 Acre Site	0.7 Acre Site	3 Acre Site	0.1 Acre Site	0.3 Acre Site	0.7 Acre Site
Building Direct Cost per Sq.Ft.			$216	$192	$181	$170	$216	$192	$181
Building Direct Cost (Excluding Parking)			$891,916	$2,379,819	$5,234,106	$21,049,478	$1,334,035	$3,557,323	$7,820,480
Site Work	$20	per Sq.Ft. (Site Area)	$87,120	$261,360	$609,840	$2,613,600	$87,120	$261,360	$609,840
Cost			**$979,036**	**$2,641,179**	**$5,843,946**	**$23,663,078**	**$1,421,155**	**$3,818,683**	**$8,430,320**
Tenant Improvement Cost	$75	per Sq.Ft. (RCA)	$0	$0	$0	$0	$46,319	$138,871	$323,892
Surface Parking	$7,500	per space	$39,533	$118,600	$276,734	$1,186,003	$13,875	$41,719	$97,500
Podium Parking	$60,000	per Space	$0	$0	$0	$0	$308,790	$925,808	$2,159,280
Total Parking Cost			**$39,533**	**$118,600**	**$276,734**	**$1,186,003**	**$322,665**	**$967,526**	**$2,256,780**
Total Construction Cost		**sum of Construction Costs**	**$1,018,569**	**$2,759,779**	**$6,120,680**	**$24,849,081**	**$1,790,138**	**$4,925,080**	**$11,010,992**
per GBA			$247	$223	$212	$201	$217	$199	$191
Soft Costs	**30%**	**of Construction Costs**	**$305,571**	**$827,934**	**$1,836,204**	**$7,454,724**	**$537,041**	**$1,477,524**	**$3,303,298**
Development Contingency	**5%**	**of Construction Costs**	**$50,928**	**$137,989**	**$306,034**	**$1,242,454**	**$89,507**	**$246,254**	**$550,550**
Subtotal: Project Cost Excluding Land		**sum of Project Costs**	**$1,375,069**	**$3,725,701**	**$8,262,918**	**$33,546,259**	**$2,416,686**	**$6,648,858**	**$14,864,840**
per unit			$391,302	$353,407	$335,910	$318,208	$517,270	$474,665	$455,000
Cost of Land Acquisition	**$1,100,000**	**per acre**	**$110,000**	**$330,000**	**$770,000**	**$3,300,000**	**$110,000**	**$330,000**	**$770,000**
per unit			$31,303	$31,303	$31,303	$31,303	$23,545	$23,559	$23,569
Total Project Costs		**sum of Project Costs**	**$1,485,069**	**$4,055,701**	**$9,032,918**	**$36,846,259**	**$2,526,686**	**$6,978,858**	**$15,634,840**
per unit			$422,605	$384,709	$367,213	$349,510	$540,815	$498,223	$478,569
per GBA			$360	$327	$313	$297	$307	$283	$272

Appendix A: Table-2B
Construction Sensitivity Analysis: Revenue Assumptions and Results
City of Tracy Downtown Specific Plan; EPS #201088

Annual Operating Income	Assumptions/Factors		Residential Prototypes				Mixed-Use Prototypes		
			0.1 Acre Site	0.3 Acre Site	0.7 Acre Site	3 Acre Site	0.1 Acre Site	0.3 Acre Site	0.7 Acre Site
Dwelling Units (DU)			4	11	25	105	5	14	33
Development Site (Acres)			0.1	0.3	0.7	3.0	0.1	0.3	0.7
DU/ AC			35	35	35	35	47	47	47
Rentable Commercial Area (RCA) (Sq.Ft.)			0	0	0	0	618	1,852	4,319
Rentable Residential Area (RRA) (Sq.Ft.)			3,510	10,529	24,568	105,291	4,666	13,990	32,629
per DU			999	999	999	999	999	999	999
Gross Building Area (GBA) (Sq.Ft.)			4,129	12,387	28,903	123,871	8,234	24,688	57,581
Total Parking Spaces			5	16	37	158	7	21	49
Commercial Rent Income		per Sq.Ft./month (NNN)	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00
Gross Potential Rent Income (CGPR)		rent x RCA x 12	$0	$0	$0	$0	$14,822	$44,439	$103,645
Income Lost to Vacancy	5.0%	of CGPR	$0	$0	$0	$0	-$741	-$2,222	-$5,182
Gross Commercial Revenue		CGPR less losses to vacancy	$0	$0	$0	$0	$14,081	$42,217	$98,463
Residential Rent Income		per Sq.Ft./month	$2.50	$2.50	$2.50	$2.50	$2.50	$2.50	$2.50
Gross Potential Rent Income (RGPR)		rent x RRA x 12	$105,291	$315,872	$737,035	$3,158,722	$139,985	$419,699	$978,874
Income Lost to Vacancy	5.0%	of Gross Residential Income	-$5,265	-$15,794	-$36,852	-$157,936	-$6,999	-$20,985	-$48,944
Gross Residential Revenue		RGPR less losses to vacancy	$100,026	$300,079	$700,183	$3,000,786	$132,986	$398,714	$929,930
Potential Parking Income	$0	per space	$0	$0	$0	$0	$0	$0	$0
Annual Total Gross Revenue		**Gross Commercial Revenue plus Gross Residential Revenue**	**$100,026**	**$300,079**	**$700,183**	**$3,000,786**	**$147,066**	**$440,931**	**$1,028,393**
Commercial Operating Expenses	5%	of Gross Commercial Revenue	$0	$0	$0	$0	-$704	-$2,111	-$4,923
Residential Operating Expenses	$10,000	per unit/year	-$35,141	-$105,423	-$245,986	-$1,054,225	-$46,720	-$140,075	-$326,700
Annual Total Operating Expenses			-$35,141	-$105,423	-$245,986	-$1,054,225	-$47,424	-$142,186	-$331,623
Net Operating Income (NOI)		**Gross Revenue less Total Operating Expenses**	**$64,885**	**$194,656**	**$454,198**	**$1,946,561**	**$99,642**	**$298,746**	**$696,770**
Total Project Costs		**sum of Project Costs**	**$1,485,069**	**$4,055,701**	**$9,032,918**	**$36,846,259**	**$2,526,686**	**$6,978,858**	**$15,634,840**
per unit			$422,605	$384,709	$367,213	$349,510	$540,815	$498,223	$478,569
per GBA			$360	$327	$313	$297	$307	$283	$272
Yield on Cost (NOI/ Total Project Costs)			**4.4%**	**4.8%**	**5.0%**	**5.3%**	**3.9%**	**4.3%**	**4.5%**

April 12, 2023

Agenda Item 1.C

RECOMMENDATION

STAFF RECOMMENDS THAT PLANNING COMMISSION ADOPT A RESOLUTION RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ORDINANCE 1) DETERMINING THAT THE PROJECT IS CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENT QUALITY ACT, PURSUANT TO CEQA GUIDELINES SECTION 15061(B)(3), AND 2) APPROVING AMENDMENTS TO SECTIONS 10.08.3196(b) and (d) OF THE TRACY MUNICIPAL CODE TO EXPAND THE DEFINITION OF YOUTH CENTER AND TO ESTABLISH BUFFERS BETWEEN CANNABIS USES AND SENSITIVE USES.

BACKGROUND AND LEGISLATIVE HISTORY

California allows local governments to regulate commercial cannabis activities in their respective jurisdictions. On December 3, 2019, the City Council adopted Ordinance 1277) codified as Tracy Municipal Code (TMC) Chapter 6.36) establishing permitting regulations for commercial cannabis activity in the City of Tracy (City), which regulations require applicants to obtain a Cannabis Business Permit. In addition, the City Council adopted Ordinance 1278 (codified as TMC Section 10.08.3196, in order to establish a retail site (dispensary) in the City. The consideration and approval of Cannabis Business Permits are outside the purview of the Planning Commission, while Cannabis CUPs can solely be granted by the Planning Commission. Planning Commission decisions on Cannabis CUPs are appealable to the City Council.

Seventeen Cannabis Business Permits have been issued including 11 dispensaries and 6 non-dispensaries. To date, 12 applications for Cannabis CUPs have been filed and nine have been acted upon by the Planning Commission, including eight approvals and one denial. A large percentage of the cannabis businesses are proposed locations within the City's "Downtown" or Central Business District (CBD) zone, and within close proximity to one another. As of February 2023, of the 12 Cannabis CUP applications, six are in the CBD zone. Of those six applications, three have been approved by the Planning Commission, two are pending public hearings, and one was denied by the Planning Commission. All the Cannabis CUPs within the CBD Zone are for storefront dispensaries.

The City Council and Tracy residents have raised the issue of cannabis business concentration in the Downtown at various City Council meetings in 2022. At the September 6, 2022 City Council meeting, the City Council considered an urgency ordinance, sponsored by the now Mayor Pro Tem Davis and Councilmember Bedolla, that would place a temporary moratorium on the issuance of further Cannabis CUPs. The Council did not adopt the urgency ordinance at the meeting. Subsequently, at the September 14, 2022 Planning Commission hearing, three CUP applications were on the agenda, all of which were in the Downtown. During each hearing, various parties expressed concerns regarding overconcentration of dispensaries downtown, concerns about allowing dispensaries downtown, and concern regarding proximity to existing businesses that have a significant number of children as customers. The Planning Commission acted on the applications but expressed a desire to re-evaluate the City's zoning regulations and requested staff to return with potential changes to TMC Chapter 10.08.3196 related to where cannabis businesses could locate.

On October 26, 2022, Planning Commission held a workshop to re-evaluate the zoning regulations for cannabis and requested additional information (via research of regulations in other cities/counties) on how best to regulate locations of storefront retailers, including buffers between cannabis businesses and sensitive uses, between two cannabis businesses, density of cannabis businesses, and the definition of "youth center", so that each of these matters could be discussed for proposed amendments to the zoning regulations. A matrix of cannabis regulations in other jurisdictions and a table of other definitions of "youth centers" are included in **Attachment A**.

DISCUSSION

Any proposed amendments to TMC Chapter 10.08.3196 would apply to applicants/businesses that have not yet been permitted through the Conditional Use Permit process as of the effective date of the implementing ordinance. **Attachment B** is a chart showing the permit status of each of the Cannabis Business Permit holders.

To accommodate the Planning Commission's request, staff has prepared text amendments to Section 10.08.3196, as reflected in **Exhibit 1** to the proposed Resolution (shown in **Attachment C)**. The proposed changes to the zoning ordinance are shown in ~~strikethrough~~ and underline format These proposed amendments are drafted with the intent that these regulations be applied toward storefront dispensaries and other cannabis business types.

The proposed amendments are based upon analysis and information gathered by staff from various sources. As noted above, staff gathered and analyzed data from 20 other jurisdictions, as reflected in **Attachment A**. In addition, the following zoning elements were specifically discussed by Planning Commission on October 26, 2022:

- Proposed definition of Youth Center: new definition excludes the exception that existed for businesses that provide services primarily to children (such as dance studios, martial arts studios, and music schools whose clientele is more than 50% children). The new definition would now include those uses in the definition of "youth centers", thereby making the available locations for cannabis retailers more restrictive.
- Buffers between cannabis businesses (there is no current buffer required between cannabis businesses).
- Buffers between cannabis business and zoning districts that allow residential uses.

The proposed amendments address the first two bullets noted above. For the April 12th meeting, staff has prepared visual aids (maps and tables) which highlight the potential impact of the proposed amendments across the City. In addition, these tools will allow the Commissioners to evaluate how those impacts would change if the Commissioners wanted to consider different distance buffers than those proposed by staff.

CEQA DETERMINATION

CEQA Guidelines Section 15061(b)(3) is the "common sense exemption that CEQA only applies to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA". In this case, the action at hand is a zone text amendment, establishing a new definition of youth centers as they relate to cannabis, and/or modifying the possible allowable locations for cannabis businesses, by way of changing buffer zone requirements for such businesses. The change in code language itself does not have the possibility of causing a significant effect to the environment. When any future cannabis business conditional use permit applications are reviewed, the appropriate site-specific CEQA analyses will be completed for each individual application.

RECOMMENDATION

STAFF RECOMMENDS THAT PLANNING COMMISSION RECOMMEND THAT THE CITY COUNCIL ADOPT AN ORDINANCE 1) DETERMINING THAT THE PROJECT IS CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENT QUALITY ACT, PURSUANT TO CEQA GUIDELINES SECTION 15061(B)(3), AND 2) APPROVING AMENDMENTS TO SECTIONS 10.08.3196(b) and (d) OF THE TRACY MUNICIPAL CODE TO EXPAND THE DEFINTION OF YOUTH CENTER AND TO ESTABLISH BUFFERS BETWEEN CANNABIS USES AND SENSITIVE USES

Prepared by: Vicki Lombardo, Senior Planner, and Bill Dean Assistant Director of Development Services
Reviewed by: Bijal Patel, City Attorney, and Sekou Millington, Chief of Police.

Approved by: Jaylen French, Development Services Director

ATTACHMENTS

Attachment A— Matrix identifying cannabis regulations of other cities and counties
Attachment B— Table of Current Permit Holder Data
Attachment C— Planning Commission Resolution
Exhibit 1 – City Council Ordinance

Attachment A

Revised 4/12/23

Jurisdiction	Distance between Cannabis and Sensitive Uses	Distance between cannabis uses	Distance to residential	List of sensitive uses	Youth Center Definition	How many allowed (Storefront dispensaries)	How many allowed-other	Population	Dispensaries per capita
Colfax	600'	none	none	School, church, park, library, day care center, or youth center in existence at the time the permit is issued.	"Youth center" means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.	1	2 Cultivation, 2 Distribution, 2 non-volatile manufacturing, 2 Testing Labs, 2 Microbusiness	1,995	1/1,995
Cotati	600'	600'	100'	"Significant public interest" includes, but is not limited to, potential health or safety impacts, potential conflicts with neighboring uses, unique characteristics of the proposed site, unique characteristics of the proposed operations, and/or other factors that, in the city council's discretion, warrant rejection of application(s).	"Youth center" means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.	7	Zoning Board/Council	7,584	1/2,528
Marysville	600' from School/Youth Center and 400' from Library	250'	500'	School, residential, park, library, day care center, or youth center	"Youth center" means any public or private facility that is primarily used to host recreation or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades where ten or more video games or game machines or devices are operated and where minors are legally permitted to conduct business, or similar amusement park facilities. It shall also include a park, playground or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball or any similar facility located on a public or private school grounds, or on city, county or state parks. This definition shall not include any private martial arts, yoga, ballet, music, art studio or similar studio of this nature nor shall it include any private gym, athletic training facility, pizza parlor, dentist office, doctor's office primarily serving children or a location which is primarily utilized as an administrative office or facility for youth programs or organizations.	Resolution required to establish	Resolution required to establish	12,476	1/6,238
Clearlake	600'	N/A	N/A	Schools and Youth-oriented facilities	YOUTH-ORIENTED FACILITY shall mean a public or private school (K-12), licensed daycare facilities, public parks, or a "youth center" as defined by state law as any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.	3	Delivery-only limited by Council decision	16,685	1/5,561
Dixon	1000'	500'	1000'	School, church, residential, park, library, day care center, or youth center	Youth-oriented establishments which are characterized by any or all of the following: (a) the establishment advertises in a manner that identifies the establishment as catering to or providing services primarily intended for minors; or (b) the individuals who regularly patronize, congregate or assemble at the establishment are predominantly minors; or any boys' club, girls' club, or similar youth organization.	2	Development Agreement and CUP required	18,988	1/9,494
Martinez	600'	1000'	none	School, day care, youth center	none	2	1 each, manufacturing, distribution, testing, non-storefront	36908	1/18,454
El Centro	600'	Development Agreement	50'	School, park, day care center, or youth center	Youth center means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.	2 or as otherwise established by resolution	unspecified	44,322	1/22,166
Santa Barbara	600'	1000'	N/A	Schools and Youth-oriented facilities	"Youth center" means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.	Council decision	Council decision	88,665	1/22,166
Merced	600'-1000', varies based on type of cannabis business	none	none	School, day care, youth center, library or public park	"Youth center" means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades with over ten (10) or more video games on the premises, or similar amusement park facilities, or as otherwise described in Health and Safety Code Section 11353.1(e)(2).	5	CUP	89058	1/17,812
San Leandro	1000'	Zoning limited	500'	School, residential, library, youth center, park and recreation facilities and places of religious worship	"Youth center" means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.	CUP/Zoning Board/Council	CUP/Zoning Board/Council	91,008	1/30,336
Tracy	600'	none	none	School, day care center, youth center	none	11	*Zoning/CUP*	94538	1/8,594
Berkeley	600' from elementary school, or a City-operated community center or skate park, and 1,000' from a middle school or high school.	600'	Neighborhood Compatibility Standard	Schools, City-operated community center or skate park	Schools, City-operated community center or skate park	2 approved through Community Development/Cannabis Commission	23 approved through Community Development/Cannabis Commission	124,321	1/62,161
Vallejo	600'	Zoning limited with CUP/MUP	Zoning dependent	Schools and Youth-oriented facilities	"Youth center" means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.	CUP/MUP	CUP/MUP	126,090	1/11,463
Alameda County	1000'	5 miles in unincorporated east county and 1 mile between a county dispensary and any adjacent city dispensary	none	School, licensed child or day care facility, public park or playground, drug recovery facility, recreation center.	"Youth-populated area" means any parcel in the county that is occupied by a school for pre-K to 12th grade students, licensed child or day care facility, public park or playground, or public recreation center.	5	10 cultivation, 14 combined, testing-no limit listed	149,506	1/29,901

Santa Rosa	600'	600'	600'	Schools, playgrounds, and youth centers	"Youth center" means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.	CUP	CUP/MUP	178,127	1/11,875
Stockton	600'	1000'	300'	School, day care, park/recreational area, youth facility, religious faciliys and drug/alcohol treatment facility	none	14	Cannabis Lottery/CUP	322489	1/23,035
Oakland	600'	N/A	300'	5.80.060 - Profit. The dispensary shall not profit from the sale or distribution of marijuana. Any monetary reimbursement that members provide to the dispensary should only be an amount necessary to cover overhead costs and operating expenses. Retail sales of medical marijuana that violate California law or this chapter are expressly prohibited. 5.81.040 - Industrial cultivation of medical marijuana. A. Any use or activity that involves possessing, cultivating, processing and/or manufacturing and/or more than 96 square feet of cultivation area shall constitute industrial cultivation of medical cannabis and shall only be allowed upon the granting of a permit as prescribed in this Chapter. Possession of other types of State or City permits or licenses does not exempt an applicant from the requirement of obtaining a permit under this Chapter.	"Youth Center" means a community or recreation facility that primarily serves persons eighteen (18) years or younger.	8/year	8/year	440,646	1/36,720
Sacramento	600'	If less than 600', CUP required	If less than 300', CUP required	School, substance abuse rehab centes, youth-oriented facility	"Youth center" means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.	40	CUP	518037	1/12,951
San Jose	1000'	500' - 1000'	300	Public Library, Public Park, Recreation Center, School, Day Care Center Youth Center and/or Residential zoning, Permanent Supportive Housing.Alcoholism or Drug Abuse Recovery or Treatment Facility	"Youth center" means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.	1-3/business	1-3/business	1,013,240	1/92,113
Los Angeles	700'	700'	700'	"Sensitive Use" means an Alcoholism or Drug Abuse Recovery or Treatment Facility, Day Care Center, Public Library, Public Park, School, and/or Permanent Supportive Housing.	"Youth center" means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.	1/10,000	1/7,500	3,893,986	1/16,361

Attachment B
Revised 4/12/23

CITY OF TRACY

CANNABIS CUP APPLICATIONS

Received from January 01, 2021 through February 01, 2023

CBP No.	CBP Approval Date	CBP Expiration Date	Application No.	Project Title	Site Address and/or APN	Zone	Applicant	Applicant Contact Information	Owner 1	Owner 2 (if applicable)	Owner 3 (if applicable)	Owner 4 (if applicable)	Applied	Status	PC Hearing Date
CBPA20-0020	6/21/2021	6/21/2023	CUP21-0008	Cannabis Dispensary (Chronic, for Doctor's Choice)	2179 W GRANT LINE RD 21456002	GHC	DOCTOR'S CHOICE MODESTO LLC	Shan Bal 2039 Yosemite Blvd Modesto, CA 95354 (209) 872-1061 bobbybal531@gmail.com	Tajinder Kaur Muhar 2380 Gibralter Ln Tracy, CA 95337 (209) 640-9521	Rajwinder Kaur Bal 3537 Keys Rd Ceres, CA 95307 (209 872-7444	Bhupinder Singh Bal 3537 Keys Rd Ceres, CA 95307 (209) 380-0843	N/A	10/11/21	Approved	Approved by PC 4/13/22
CBPA20-0013	6/21/2021	6/21/2023	CUP21-0009	Cannabis Dispensary (The Cake House, for Community Veterans)	316 & 320 W ELEVENTH ST 23504005 & 23504006	GHC	Community Veterans of Tracy LLC	Daniel Wise 1611 Melrose Dr STE A #391 Vista, CA 92081 (512) 745-3342 danny@cakeenterprises.com	Daniel Wise 8725 Ariva Ct # 323 San Diego, CA 92123 (512) 745-3242	Cain Cabrera 1338 W 12th St Apt G Tracy, CA 95376 (9250 577-4791	Saad Pattah 553 W 9th Ave Escondido, CA 92025 (760) 644-3593	N/A	11/08/21	Approved	Approved by PC 10/12/22
CBPA20-0032	6/21/2021	6/21/2023	CUP22-0001	Cannabis Dispensary (Megan's Organic Market, for MOM TR)	104 TENTH ST 23505406	CBD	MOM TR INC	Megan Souza 719 Pismo St San Luis Obispo, CA 93401 (805) 709-0662 megan@megansorganicmarket.com	Megan Souza 517 Hathway Ave San Luis Obispo, CA 93405 (805) 709-0662	Eric Powers 517 Hathway Ave San Luis Obispo, CA 93405 (805) 441-7475	Lindsey Law 225 Ranchitos Ln San Luis Obispo, CA 93401 (805) 748-7541	Dotty Nygard 355 Hollywood Ave Tracy, CA 95376 (209) 968-7989	03/01/22	Denied	Denied by PC 9/14/22
CBPA20-0017	3/3/2022	3/3/2024	CUP22-0003	Cannabis Dispensary (Dr. Greenthumb's)	951 CENTRAL AVE 23505607	CBD	JIVA TCY LLC	Raj Pottabathni 436 Clementina St STE 303 San Francisco, CA 94103 (732) 801-6300 raj@jvalife.org	Bert Sarkis 895 Poppy Ct Oakdale, CA 95361 (209) 996-5959	Devin Stetler 3513 Gisborne Ct Modesto, CA 95355 (209) 554-0811	N/A	N/A	03/08/22	Approved	Approved by PC 9/14/22
CBPA20-0034	3/3/2022	3/3/2024	CUP22-0004	Cannabis Dispensary (Eden Wellness, for GOE Tracy, LLC)	2420 W GRANT LINE RD 23860037	GHC	Mike Souza	Mike Souza 672 W. 11th St Tracy, CA 95376 (209) 835-8330 mike@souzard.com	Maxim Tolstoguzov 2045 Jenni Lane Tracy, CA 95377 (650) 518-1300	N/A	N/A	N/A	03/10/22	Approved	Approved by PC 10/12/22
CBPA20-0021	3/3/2022	3/3/2024	CUP22-0006	Cannabis Dispensary (Tracy Cannabis Collective, for C.H.C.C)	85 TENTH ST 23517110	CBD	C.H.C.C. INC.	Michelle Trew CEO 9401 Fruitridge Rd Sacramento, CA 95826 (707) 616-7198 tracywellnesscollective@gmail.com	De Y. Zhong 1132 Cooke Ave Claremont, CA 91711 (626) 466-7759	Chris Tian 1582 Vista Dorada Pl Chino Hills, CA 91709 (626) 720-3586	N/A	N/A	03/25/22	Approved	Approved by PC 9/14/22
CBPA20-0014	6/21/2021	6/21/2023	CUP22-0007	Cannabis Dispensary(Culture,for Inside the Culture Triangle)	22 E TENTH ST 23517202	CBD	INSIDE THE CULTURE TRIANGE, INC.	Devon Julian 1 Corporate Parke STE 112 Irvine, CA 92606 (619) 277-2827 devon@culturecannabisclub.com	Marlo Richardson 18890 Carmel Crest Dr Tarzana, CA 91356	N/A	N/A	N/A	05/04/22	3rd Submittal Under Review	N/A
CBPA20-0022	3/3/2022	3/3/2024	CUP22-0008	Delivery Only Cannabis Dispensary (Higher Elevation)	487 E SIXTH STREET 23519015	M-1	MICHAELA TOSCAS	Michaela Toscas 2181 N Tracy Blvd #201 Tracy, CA 95376 (916) 740-0509 michaela@higerelevation.com	Christopher Berman 2014 Glyndon Ave Venice, CA 90291 (310) 770-6913	Jeff Linden 6151 Oak Lane Morada, CA 95212 (209) 623-8937	Diana Fernandez 1306 Shady Ct Tracy, CA 95377 (510) 455-1236	Tony Fernandez 1306 Shady Ct Tracy, CA 95377 (510) 755-3726	04/28/22	Approved	Approved by PC 01/25/23
CBPA20-0012	3/3/2022	3/3/2024	CUP22-0009 D22-0031	Cannabis Dispensary (Altamont Wellness)	239 W ELEVENTH STREET 23311303	CBD	JOSEPH DEVLIN	Joseph Devlin 1601 12th Ave Sacramento, CA 95818 (916) 718-9143 devlin.jm@gmail.com	John Palmer 1505 E Valpico Rd Tracy, CA 95304 (209) 639-1642	Brian Galetta 4860 Waterbury Way Granite Bay, CA 95746 (916) 612-1658	Mary Egan 11554 Green Road Wilton, CA 95693 (916) 261-7547	Robert Thomas 645 Blackwood St Sacramento, CA 95815 (916) 812-6627	05/02/22	Approved	Approved by PC 8/24/22
CBPA20-0024	3/3/2022	3/3/2024	CUP22-0012	Cannabis Dispensary (Embarc Tracy, for Resp. & Comp. Retail)	2706 PAVILION PKWY 110 21229047	PUD	RESPONSIBLE AND COMPLIANT RETAIL TRACY, LLC	John Ngu 1616 1/2 Webster St Alameda, CA 94501 (510) 507-4150 john@goembarc.com	Benny Sanchez 3531 Crowley Ct Tracy, CA 95376 (510) 697-8502	Lauren Carpenter 3009 6th St Sacramento, CA 95818 (916) 747-4643	Terry Muller 1116 Rosewood Way Alameda, CA 94501 (510) 717-3246	Dustin Moore 3009 6th St Sacramento, CA 95818 (831) 917-2533	06/29/22	Approved	Approved by PC 9/28/22
CBPA20-0008	3/3/2022	3/3/2024	CUP22-0013 D22-0030	Cannabis Dispensary (Manzanita of Tracy LLC)	60 E TENTH ST 23517204	CBD	MANZANITA OF TRACY LLC	Jeff Linden 2014 Glyndon Ave Venice, CA 90291 (209) 623-8937 lindenjg@gmail.com	Christopher Berman 2014 Glyndon Ave Venice, CA 90291 (310) 770-6913	Jeff Linden 6151 Oak Lane Morada, CA 95212 (209) 623-8937	Diana Fernandez 1306 Shady Ct Tracy, CA 95377 (510) 455-1236	Tony Fernandez 1306 Shady Ct Tracy, CA 95377 (510) 755-3726	08/15/22	2nd Submittal Under Review	N/A
CBPA20-0001	3/3/2022	3/3/2024	CUP22-0017	STIIIZY Tracy Cannabis Dispensary (Authentic Tracy)	775 W CLOVER RD 21418016	GHC	AUTHENTIC TRACY LLC	Cyrus Pai 728 E Commercial St Los Angeles, CA 90012 (408) 417-0912 cyrus.pai@shrynegroup.com	Brian Mitchell 120 Via Trieste Newport Beach, CA 92663 (415) 336-0374	James Kim 421 W Saint Andrews Ave La Habra, CA 90631 (562) 8330842	Tony Huang 716 Summerwood Ave Walnut, CA 91789 (949) 405-8824	Nikos Sotiridis 915 W Eaton Ave Tracy, CA 95376 (209) 482-3972	11/03/22	2nd Submittal Under Review	N/A
TOTAL NUMBER OF CANNABIS-RELATED CONDITIONAL USE PERMIT APPLICATIONS RECEIVED															12

: tolled the expiration date of each permit by 1 year.
12 months after date of issuance.

Revised 4/12/23

Attachment C

APPROVED AS TO FORM AND LEGALITY

____

CITY ATTORNEY'S OFFICE

TRACY PLANNING COMMISSION

RESOLUTION 2023-__

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1. **DETERMINING THAT THIS PROJECT IS CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT PURSUANT TO CEQA GUIDELINES SECTION 15061(B)(3), PERTAINING TO ACTIVITIES THAT DO NOT HAVE THE POTENTIAL FOR CAUSING A SIGNIFICANT EFFECT ON THE ENVIRONMENT;**

2. **RECOMMENDING CITY COUNCIL APPROVAL OF A ZONING TEXT AMENDMENT TO TRACY MUNICIPAL CODE (TMC) SECTION 10.08.3196, CANNABIS USES;**

WHEREAS, California state law allows local governments to regulate commercial cannabis activities in their respective jurisdictions; and

WHEREAS, The City of Tracy adopted regulations for commercial cannabis activity in 2019, including both rules for the establishment of cannabis business permits and operations, (Ordinance 1277) and establishing zoning and locational requirements for cannabis businesses (Ordinance 1278); and

WHEREAS, Since the adoption of these regulations, 17 provisional Cannabis Business permits were awarded by the Police Chief; and

WHEREAS, Prior to commencing operations, each cannabis business must secure a site-specific Conditional Use Permit, subject to the provisions of TMC Sections 10.08.3196 and 10.08.4250; and

WHEREAS, on April 13, 2022, the Planning Commission conducted a public hearing and approved an application for Conditional Use Permit for a commercial cannabis uses, specifically a storefront retailer (dispensary) (application number CUP21-0008); and

WHEREAS, on August 24, 2022 the Planning Commission conducted a public hearing and approved an application for Conditional Use Permit for a commercial cannabis uses, specifically a storefront retailer (dispensary) (application number CUP22-0009); and

WHEREAS, on September 14, 2022 the Planning Commission conducted public hearings on three applications for Conditional Use Permits for commercial cannabis uses, approving storefront retailers (dispensaries) (application numbers CUP22-0003, and CUP22-0006), and denying storefront retailer (dispensary) (application number CUP22-0001), and

WHEREAS, on October 12, 2022, 2022, the Planning Commission conducted a public hearing and approved applications for Conditional Use Permit for commercial cannabis uses, specifically a storefront retailers (dispensaries) (application numbers CUP21-0009 and CUP22-0004); and

WHEREAS, seven of the applications heard by Planning Commission on April 13, 2022, August 24, 2022, September 14, 2022, and October 10, 2022 were within the City's downtown district, or within close proximity to one another; and

WHEREAS, during the public hearings on September 14, 2022, various parties expressed concerns regarding a perceived overconcentration of dispensaries downtown, concerns about allowing dispensaries downtown at all, and concern regarding their proximity to other existing businesses that have a significant number of customers that are children; and

WHEREAS, during the public hearings on September 14, 2022, the Planning Commission expressed a desire to re-evaluate the City's zoning regulations and requested staff to return with potential changes to the zoning ordinance related to where cannabis businesses could locate and potential changes to the definition of youth center; and

WHEREAS, On October 26, 2022 the Planning Commission conducted a workshop regarding the zoning regulations for cannabis and requested additional information (via research of regulations in other cities/counties) how to best regulate locations of cannabis business, including buffers between cannabis businesses and sensitive uses, between two cannabis businesses, density of cannabis businesses, and the definition of "youth center", so that each of these matters could be discussed for proposed amendments to the zoning regulations; and

WHEREAS, as of February 2023, 12 applications for Conditional Use Permits (CUPs) for cannabis businesses have been submitted, with eight approved, one denied, and three under staff review; and

WHEREAS, In the review of each of the CUPs for cannabis businesses, community concern has been expressed regarding the number of cannabis businesses proposed downtown, with both Planning Commission and Council requesting revised zoning regulations for the siting of cannabis businesses as they related to sensitive uses, each other, and downtown; and

WHEREAS, Staff conducted research and formulated amendments to the zoning text for Planning Commission consideration; and

WHEREAS, The proposed project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), which pertains to "common sense" rule that CEQA only applies to projects, which have the potential for causing a significant effect on the environment; and

WHEREAS, The Planning Commission conducted a public hearing to review and consider the zone text amendment on April 12, 2023; now, therefore, be it

RESOLVED: That the Planning Commission of the City of Tracy hereby determines, based on the evidence in the record and its own independent judgment, that the proposed project is categorically exempt from the California Environmental Quality Act pursuant to Guidelines Section 15061(b)(3), and be it

FURTHER RESOLVED: That the Planning Commission hereby recommends that the City Council adopt an ordinance approving a zone text amendment to Tracy Municipal Code Section 10.08.3196, Cannabis Uses, as attached in Exhibit 1 hereto.

* * * * * * * * * * * * * *

The foregoing Resolution 2023-   was adopted by the Planning Commission on April 12, 2023, by the following vote:

AYES: COMMISSION MEMBERS:
NOES: COMMISSION MEMBERS:
ABSENT: COMMISSION MEMBERS:
ABSTAIN: COMMISSION MEMBERS:

____
CHAIR

ATTEST:

____
STAFF LIAISON

Revised 4/12/23
Exhibit 1

APPROVED AS TO FORM AND LEGALITY

____
CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

ORDINANCE NO. ________

AN ORDINANCE 1) DETERMING THAT THE PROJECT IS CATEGORICALLY EXEMPT FROM THE CALIFONRIA ENVIRONMENTAL QUALITY ACT, PURSUANT TO CEQA GUIDELINES SECTION 15061(B)(3), AND 2) AMENDING SECTIONS 10.08.3196(b) and (d) OF THE TRACY MUNICIPAL CODE TO EXPAND THE DEFINTION OF YOUTH CENTER AND TO ESTABLISH BUFFERS BETWEEN PROPOSED CANNABIS USES AND (A) SENSITIVE USES AND (B) EXISTING CANNABIS USES

WHEREAS, the Tracy Municipal Code (TMC) Section 10.08.3196, Cannabis Uses, establishes zoning regulations for commercial and personal cannabis activity in the City of Tracy (City); and

WHEREAS, TMC Section 10.08.3196 establishes relevant definitions for the purposes of regulating cannabis business locations and requires cannabis establishments to obtain a conditional use permit (CUP) ; and

WHEREAS, TMC Section 10.08.3196(b) defines "youth center" as "any public or private facility that is primarily used to host recreational or social activities for minors, including but not limited to: private youth membership organizations or clubs, social service teenage club facilities, video arcades where ten (10) or more video games or game machines or devices are operated, and where minors are legally permitted to accept services, or similar amusement park facilities. It shall also include a park, playground or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball or any similar facility located on a public or private school grounds, or in City, county, or state parks. This definition shall not include any private gym, martial arts, yoga, ballet, music, art studio or similar studio of this nature, nor shall it include any athletic training facility, pizza parlor, dentist office, doctor's office primarily serving children or a location which is primarily utilized as an administrative office or facility for youth programs or organizations"; and

WHEREAS, TMC Section 10.08.3196(d) establishes location requirements for commercial cannabis uses; and

WHEREAS, on September 19, 2017, the City Council adopted Ordinance 1240 prohibiting outdoor cultivation, commercial cultivation and manufacturing, and sales and delivery of cannabis, and

WHEREAS, on July 25, 2018 the Planning Commission recommended that the City Council adopt an ordinance amending the TMC Section 10.08.3196 to allow up to two medical cannabis non-storefront (delivery only) dispensaries to operate in the City's industrial zones, and

WHEREAS, on September 18, 2018 the proposed ordinance amending TMC Section 10.08.3196 to allow up to two medical cannabis non-storefront (delivery only) dispensaries to operate in the City's industrial zones was presented to the City Council for discussion, and

WHEREAS, on February 5, 2019, the City Council directed staff to draft an ordinance amending TMC Section 10.08.3196 to allow up to two storefront dispensaries with the possibility of increasing the number of dispensaries to three to operate in the City's industrial zones and possibly commercial zones, and

WHEREAS, on September 3, 2019, the City Council directed staff to draft an ordinance amending the TMC Section 10.08.3196 to allow up to four storefront dispensaries, and

WHEREAS, on December 3, 2019, City Council adopted Ordinance 1278 amending = TMC Section 10.08.3196 to allow up to four storefront dispensaries, and

WHEREAS, on December 3, 2019, the City Council also adopted Ordinance 1277 (codified as TMC Chapter 6.36) establishing permitting regulations for commercial cannabis activity in the City of Tracy (City), which regulations require applicants to obtain a Cannabis Business Permit; and

WHEREAS, on January 21, 2020, April 21, 2020, May 19, 2020, June 2, 2020, July 7, 2020, July 21, 2020, the City Council met to discuss the cannabis business permit guidelines and procedures which included adopting Ordinance 1293 to amend Chapter 6.36 of the TMC with regards to cannabis cultivation permit requirements, and adoption of Resolution 2020-137 to finalize and adopt the Cannabis Business Permit Application Procedures and Guidelines, and

WHEREAS, on September 7, 2021, the City Council directed staff to prepare an ordinance amending the cannabis regulations so as to allow one storefront retailer (dispensary) per 10,000 population, and

WHEREAS, on October 19, 2021, the City Council adopted Ordinance 1318 amending the cannabis regulations so as to allow one storefront retailer (dispensary) per 10,000 population up to a maximum of eleven storefront retailers (dispensaries), and

WHEREAS, seventeen Cannabis Business Permits have been issued, including 11 dispensaries and 6 non-dispensaries; and

WHEREAS, on April 13, 2022, the Planning Commission conducted a public hearing and approved an application for Conditional Use Permit for a commercial cannabis uses, specifically a storefront retailer (dispensary) (application number CUP21-0008); and

WHEREAS, on August 24, 2022, the Planning Commission conducted a public hearing and approved an application for Conditional Use Permit for a commercial cannabis uses, specifically a storefront retailer (dispensary) (application number CUP22-0009); and

WHEREAS, on September 14, 2022, the Planning Commission conducted public hearings on three applications for Conditional Use Permits for commercial cannabis uses, specifically storefront retailers (dispensaries) (application numbers CUP22-0001, CUP22-0003, CUP22-0006); and

WHEREAS, on October 12, 2022, the Planning Commission conducted a public hearing and approved applications for Conditional Use Permit for commercial cannabis uses, specifically storefront retailers (dispensaries) (application numbers CUP21-0009 and CUP22-0004); and

WHEREAS, seven of the applications heard by Planning Commission on April, 2022, August 24, 2022, September 14, 2022, and October 10, 2022 were within the City's Downtown district, or within close proximity to one another; and

WHEREAS, at the September 6, 2022 City Council meeting, the City Council considered an urgency ordinance, sponsored by the now Mayor Pro Tem Davis and Councilmember Bedolla, that would place a temporary moratorium on the issuance of further Cannabis CUPs; and

WHEREAS, the City Council did not adopt the urgency ordinance at the meeting; and

WHEREAS, during the Planning Commission public hearings on September 14, 2022, various parties expressed concerns regarding a perceived overconcentration of dispensaries downtown, concerns about allowing dispensaries downtown at all, and concern regarding their proximity to other existing businesses that have a significant number of customers that are children; and

WHEREAS, during the same public hearings on September 14, 2022, the Planning Commission expressed a desire to re-evaluate the zoning regulations and requested staff to return with potential changes to TMC Section 10.08.3196, related to where cannabis businesses could locate and potential changes to the definition of youth center; and

WHEREAS, on October 26, 2022 the Planning Commission conducted a workshop regarding the zoning regulations for cannabis and requested additional information (via research of regulations in other cities/counties) how to best regulate locations of cannabis businesses, including buffers between cannabis businesses and sensitive uses, between two cannabis businesses, density of cannabis businesses, and the definition of "youth center", so that each of these matters could be discussed for proposed amendments to the zoning regulations; and

WHEREAS, on April 12, 2023, the Planning Commission conducted a public hearing regarding the proposed amendments to TMC Section 10.08.3196, establishing buffers between cannabis businesses and sensitive uses as well as between two cannabis businessesand expanding the definition of "youth center", as such amendments are reflected in this Ordinance; and

WHEREAS, the Planning Commission's recommendation was based upon a determination that the proposed Ordinance is categorically exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(B)(3) pertaining to activities that do not have the potential for causing a significant effect on the environment; and

WHEREAS, on May__ , 2023, the City Council conducted a public hearing regarding the proposed amendments to TMC 10.08.3196 and considered the Planning Commission's recommendation to adopt such amendments.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TRACY DOES ORDAIN AS FOLLOWS:

SECTION 1. Incorporation of Recitals/Findings. The City Council finds and determines the foregoing recitals are true and correct and are hereby incorporated herein as findings and determinations of the City.

SECTION 2. <u>Amendment of Section 10.08.3196(b)</u>. Section 10.08.3196(b), Cannabis Uses, of the Tracy Municipal Code is hereby amended to read as follows (with additions <u>underlined</u>, and deletions in ~~strikethrough~~):

> "Youth center" means any public or private facility that is primarily used to host recreational or social activities for minors, including but not limited to: private youth membership organizations or clubs, <u>youth-focused instructional facilities, such as dance studios, martial arts studios, music studios or other recreational facilities that cater primarily to children (where the programming/schedule has more than 50 percent of their classes structured for children under the age of 18)</u>, social service teenage club facilities, video arcades where ten (10) or more video games or game machines or devices are operated, and where minors are legally permitted to accept services, or similar amusement park facilities. It shall also include a park, playground or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball or any similar facility located on a public or private school grounds, or in City, county, or state parks. ~~This definition shall not include any private gym, martial arts, yoga, ballet, music, art studio or similar studio of this nature, nor shall it include any athletic training facility, pizza parlor, dentist office, doctor's office primarily serving children or a location which is primarily utilized as an administrative office or facility for youth programs or organizations~~.

SECTION 3. <u>Amendment of Section 10.08.3196(d).</u> Section 10.08.3196(d), Location Requirements, of the Tracy Municipal Code is hereby amended to read as follows (with additions <u>underlined</u> and deletions in ~~strikethrough~~):

(d) Location Requirements.

(1) Any commercial cannabis use shall be located at least 600 feet <u>away</u> from <u>another</u> ~~any parcel containing~~ <u>commercial cannabis use and</u> any of the following sensitive uses as of the date the conditional use permit is issued: school, day care center, or youth center; and

(2) If located on separate parcels, the distance between the commercial cannabis use shall be measured from the ~~outer boundaries of the~~ parcel on which a sensitive use exists, to the ~~closest~~ structure containing a cannabis use, and

(3) If located on the same parcel, the distance between the structures containing the cannabis use and any sensitive use shall be at least 600-feet; and

<u>(4) Whether located on the same or seperate parcels, the distance between commercial cannabis uses shall be measured from the structures containing the commercial cannabis use.</u>

(5) If more than one application for a Cannabis CUP is proposed concurrently, then the application first deemed complete shall be first acted upon by the Planning Commission.

SECTION 4. CEQA Determination. The City Council finds that this Ordinance is categorically exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(B)(3) pertaining to activities that do not have the potential for causing a significant effect on the environment.

SECTION 5. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional

SECTION 6. Effective Date. This ordinance shall become effective upon the thirtieth (30^{th}) day after final adoption.

SECTION 7. Publication. The City Clerk is directed to publish this ordinance in a manner required by law.

SECTION 8. Codification. This Ordinance shall be codified in the Tracy Municipal Code.

* * * * * * * * * * * * * *

The foregoing Ordinance ________ was introduced at a regular meeting of the Tracy City Council on the ___ day of ________ 202_, and finally adopted on the __ day of ____________, 202_, by the following vote:

AYES –
NOES –
ABSENT –
ABSTENTION –

____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:______________________________
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Date of Attestation: ______________________________

NOTICE AND DIGEST

AN ORDINANCE AMENDING SECTIONS 10.08.3196(b) and (d) OF THE TRACY MUNICIPAL CODE TO EXPAND THE DEFINTION OF YOUTH CENTER AND TO ESTABLISH BUFFERS BETWEEN PROPOSED CANNABIS USES AND (A) SENSITIVE USES AND (B) EXISTING CANNABIS USES

The Ordinance amends Tracy Municipal Code Section 10.08.3196 to establish buffers between cannabis businesses and sensitive uses as well as between two cannabis businesses and expand the definition of "youth center" to include additional public and private facilities within the definition.