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TRANSPORTATION  
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DE NAMUR  
YOUTH  
DOWNTOWN  
ALTAMONT  
COMMUTER  
EXPRESS  
PROJECTS  
AMAZON  
ORGANIZATION  
COMMUNICATION  
RECREATION  
ECONOMIC  
DEVELOPMENT  
STRATEGY  
TECHNOLOGY  
THE TRACY ADVANTAGE

The City of Tracy and Tracy Chamber of Commerce Present:

# STATE OF THE CITY 2016

March 17th, 2016  
#TracyAdvantage



# TOUR OF THE CITY RED Real Estate & Development LUNCHEON

**SAVE THE DATE:**

**THURSDAY, APRIL 21, 2016**

TOUR STARTS AT CITY HALL, 333 CIVIC CENTER PLAZA  
LUNCH AT TRACY COMMUNITY CENTER, 950 EAST ST.

**TOUR COMMERCIAL & RESIDENTIAL  
DEVELOPMENTS IN TRACY!  
LIMITED TICKETS AVAILABLE**

**Discover the Opportunities Available in Tracy!**

**Tour: 9AM \* Tradeshow/Lunch : 10:30AM - 1PM**

**\*\*\* Tickets On Sale 03/17 \*\*\***

**Call 209-835-2131 to purchase tickets**

**Member Price \$55 for Tour & Lunch**

**Non-Member: \$70 Tour & Lunch**



**TRACY**  
Chamber of Commerce

**Event Presented by: Tracy Chamber & City of Tracy**



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# STATE OF THE CITY 2016

# THANK YOU SPONSORS



Sutter Gould Medical Foundation  
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TRACY CITY COUNCIL

# NEW SENIOR LEADERSHIP



STEPHANIE  
GARRABRANT-SIERRA  
ASSISTANT CITY  
MANAGER



RACHELLE MCQUISTON  
ADMINISTRATIVE  
SERVICES DIRECTOR



RANDALL BRADLEY  
FIRE CHIEF

# NEW SENIOR LEADERSHIP



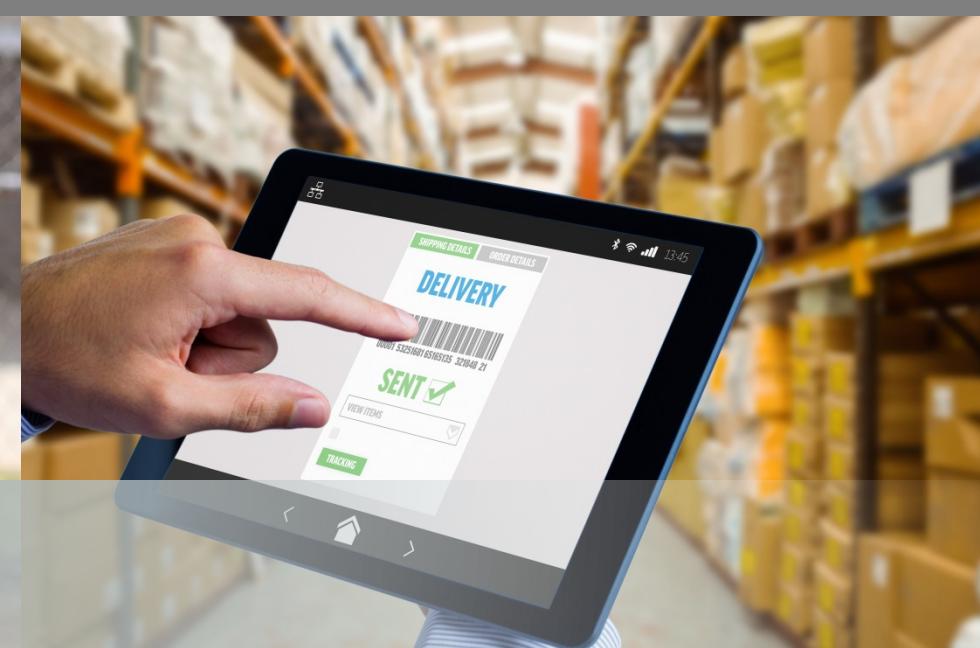
**DON SCHOLL**  
PUBLIC WORKS  
DIRECTOR



**ANDRE PICHLY**  
PARKS & COMMUNITY  
SERVICES DIRECTOR



**LARRY ESQUIVEL**  
POLICE CHIEF



ACTIVE. INNOVATIVE. CONNECTED





*We're an Active Community*

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# LEGACY FIELDS

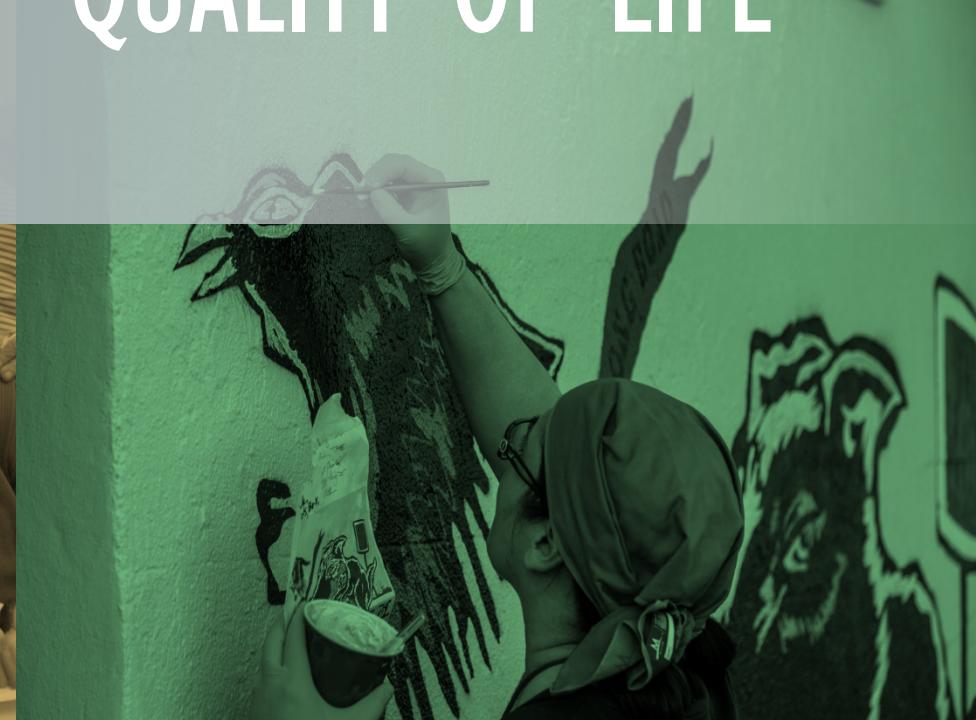


# JOE WILSON POOL





QUALITY OF LIFE





Downtown Block Parties

Movies in the Plaza

Girls' Night Out

Blues, Brews & BBQ

Holiday Parade & Tree Lighting

Concerts in the Park

SPECIAL EVENTS



## 1 | LAW ENFORCEMENT

Crime levels  
remain low

Operation  
Helping Hands

Training  
Facility

## 2 | FIRE SERVICE

New Fire  
Stations

New Fire  
Engines

Service  
Assessment

## 3 | COMMUNITY PARTNERSHIPS

Animal  
Shelter  
Support

Crime  
Stoppers

Outreach &  
Education



*We're an Innovative Community*





## PROLOGIS INTERNATIONAL PARK OF COMMERCE



## ELEVENTH STREET BRIDGE REPLACEMENT



## \$18-MILLION RECYCLED WATER PIPELINE GRANT



## ROADWAY IMPROVEMENTS

# Signs of Improving Economy

Developer Investor Interest



Industrial

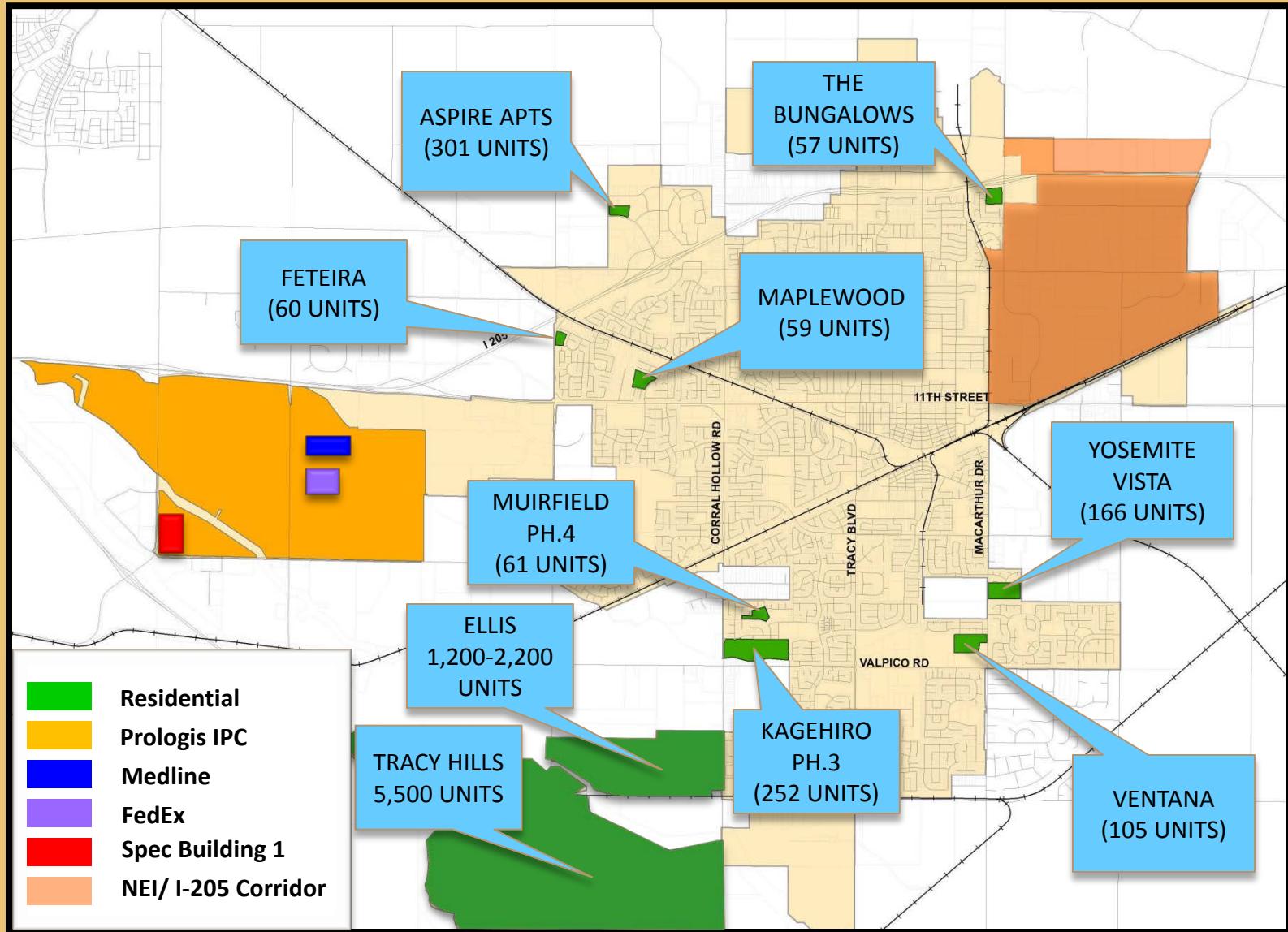


Residential



Commercial/Retail

# Recent Development



# Job Creation

## 2015 Job Figures

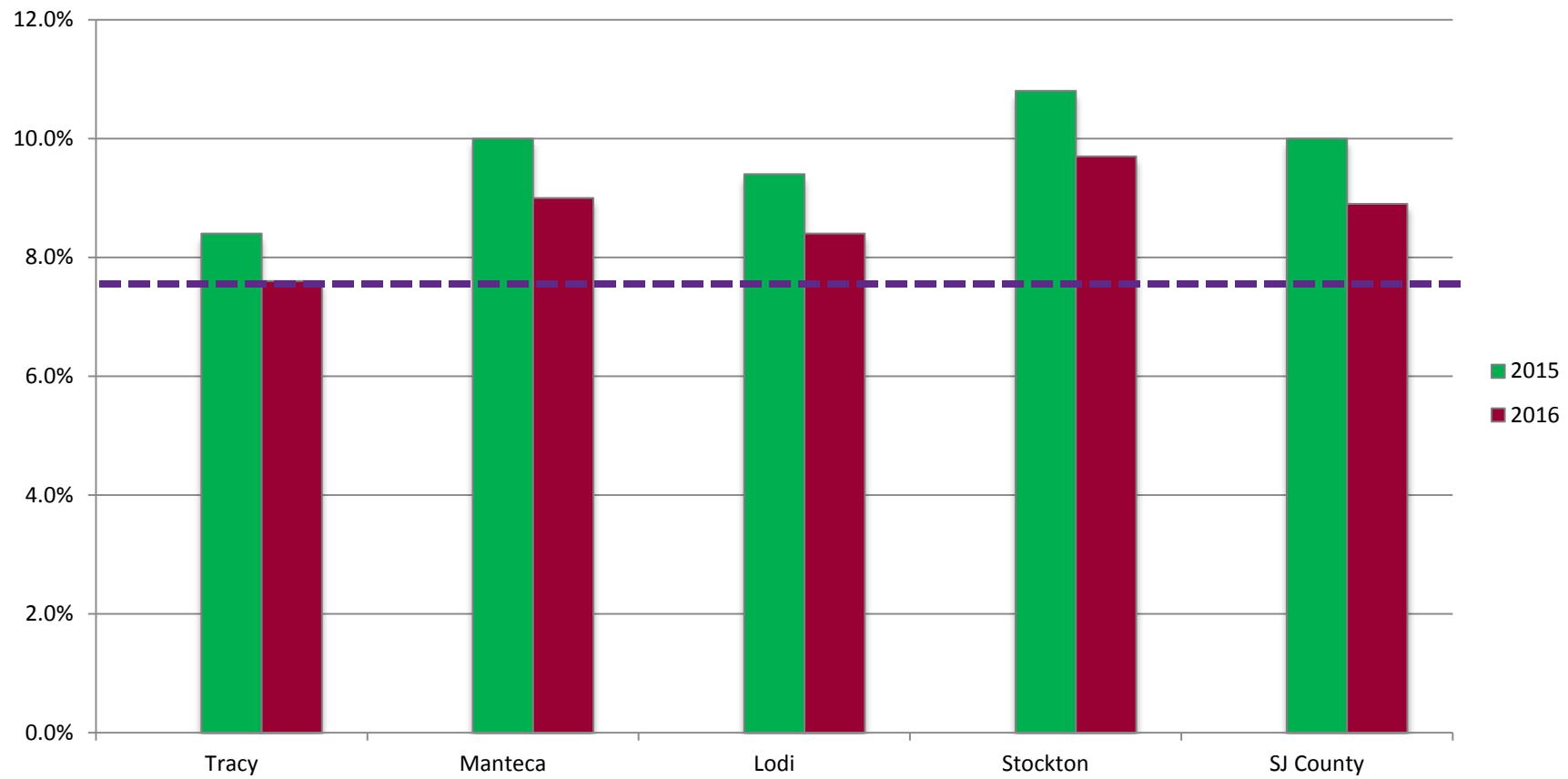
- 6,992 **Net New** jobs added!

## Highest Increases by Industry

- Retail & Wholesale Trade (4,085)
- Manufacturing (2,121)
- Construction (1,655)

# Unemployment

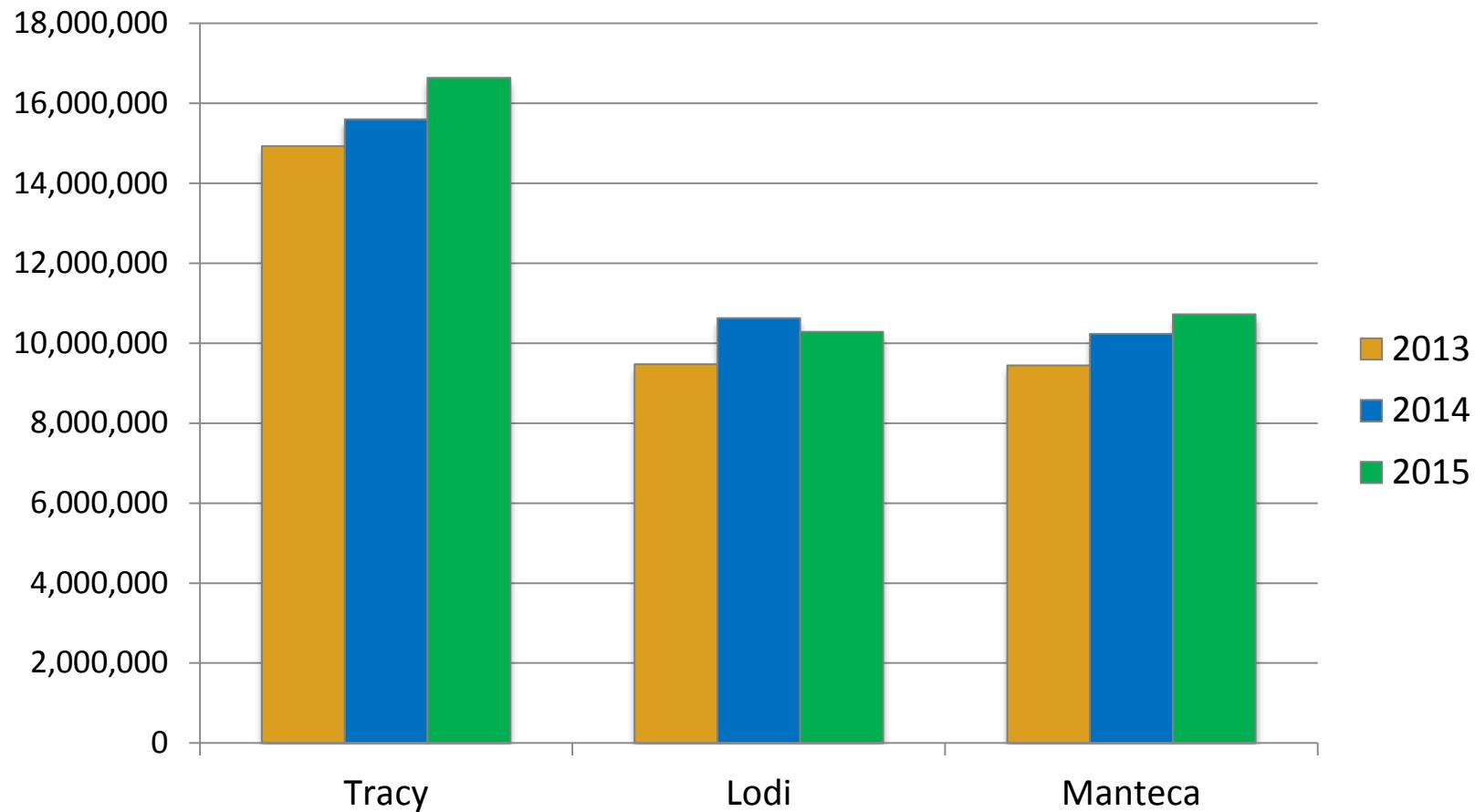
## Local Comparison (January 2016)



*Source: Employment Development Department*

# Sales Tax Revenue

## 2014-2015 Comparison



Source: MuniServices, LLC

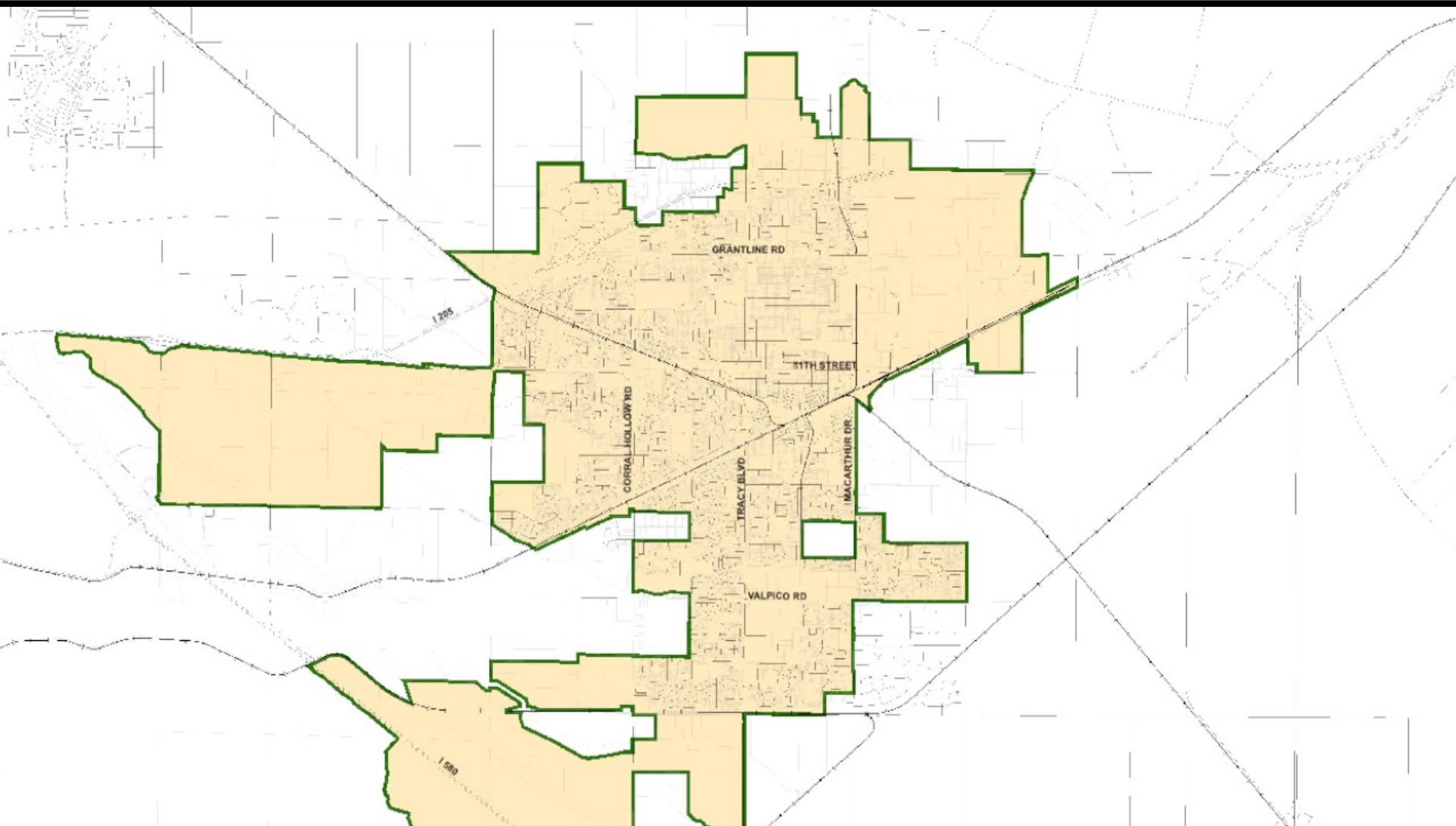


# DOWNTOWN TRACY





# BUSINESS ATTRACTION







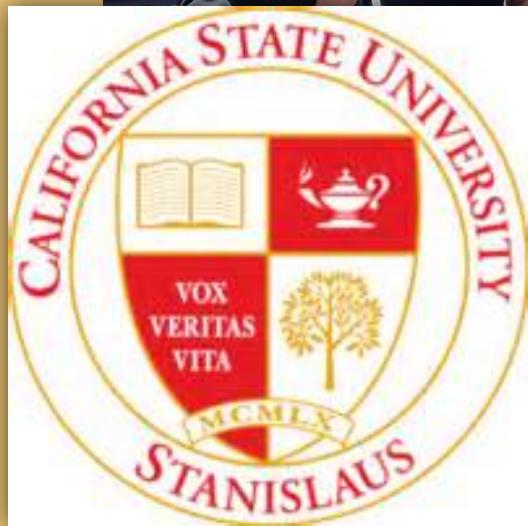
# Now Open!



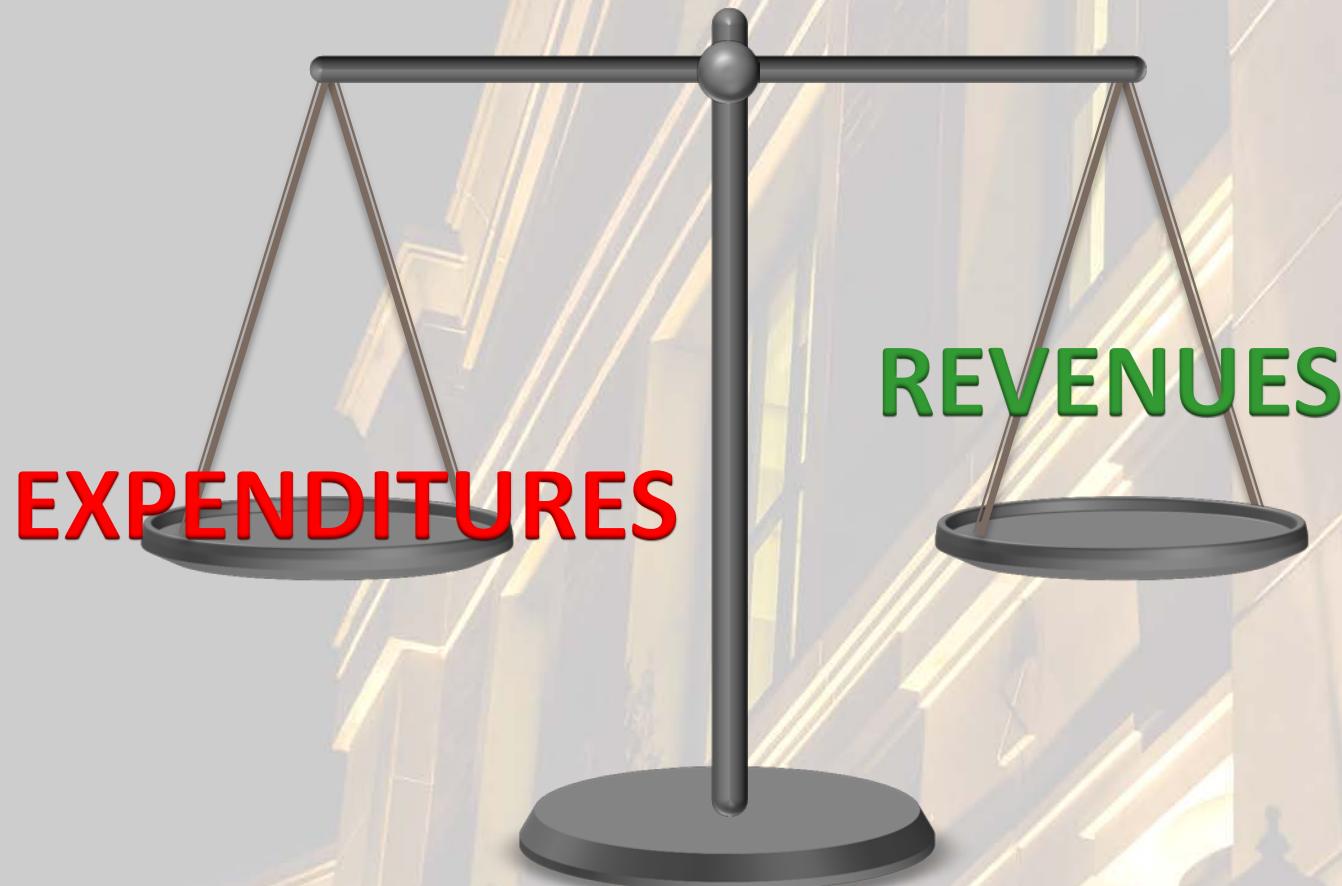
# Coming Soon!



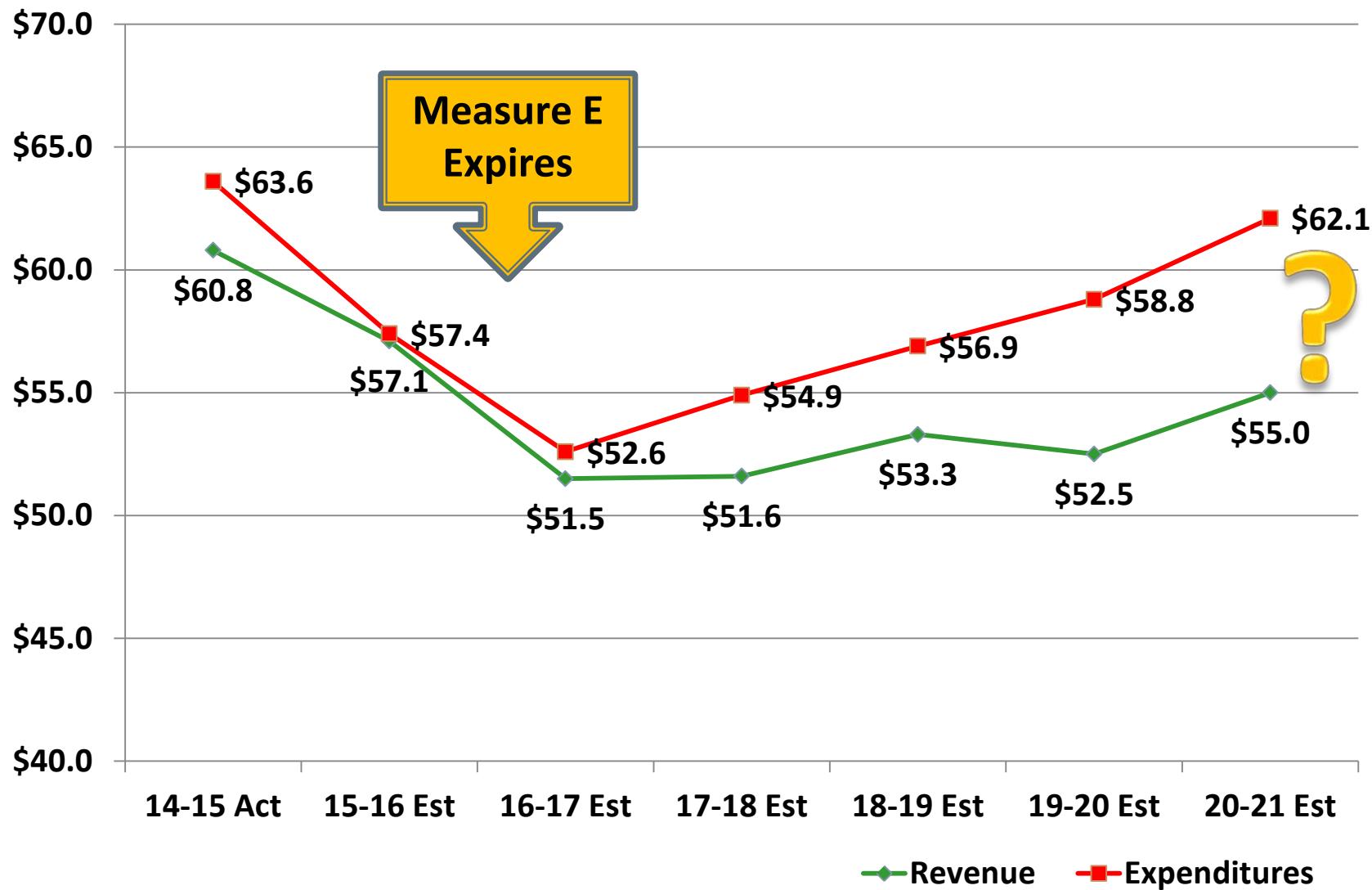
# Bringing Higher Education to Tracy



# CHALLENGES & UNKNOWNNS



# General Fund Forecast





# Quality of Life: Infrastructure Needs

## Roadways

**\$55M**

the amount of unfunded  
ROADWAY maintenance/  
repair needed over the  
next 10 years

80%

maintaining  
City STREETS,  
ROAD, & POTHOLEs



## Parks, Playgrounds, & Facilities

**\$44M**

in unfunded park maintenance  
and revitalization, facilities, and  
bikeway improvements over the  
next 10 years



maintaining  
city PARKS &  
PLAYGROUNDS

**72%**

## Youth & Senior Centers

**\$46M**

the amount in unfunded  
youth and senior center  
development and activities  
over the next 10 years

AFTER-SCHOOL  
programs and facilities for  
CHILDREN & TEENS

**52%**

SENIOR CENTER  
facilities and senior  
support SERVICES

**41%**

maintaining  
9-1-1  
emergency  
& medical  
response  
times

**68%**

attracting,  
training, &  
retaining  
qualified  
firefighter  
& police  
officers

**55%**

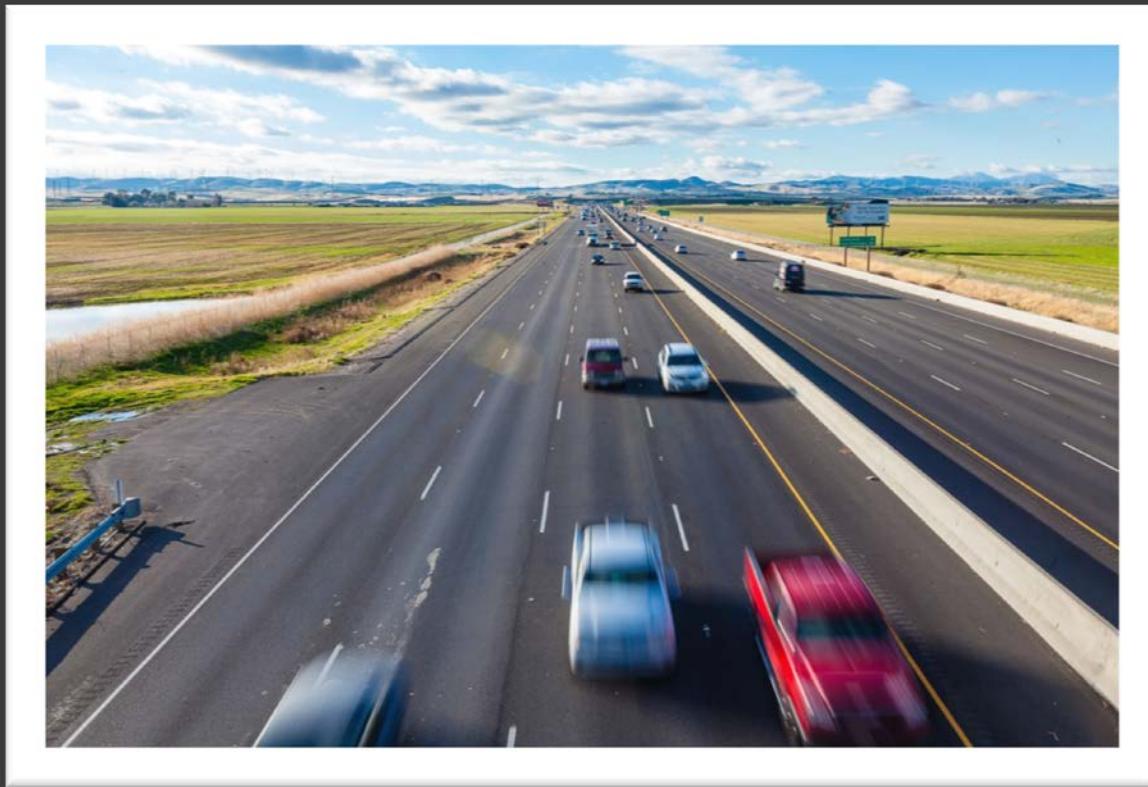
**\$14  
MILLION**

the amount of unfunded  
public safety FACILITIES  
and TRAINING needs over  
the next 10 years



**RESERVES**  
**\$31.9 M**





*We are **Connected** – The Tracy Advantage*





## REGIONAL IMPACTS

Source: University of the Pacific, 2015;  
National Geographic Society, 2013



THE TRACY ADVANTAGE



# STATE OF THE CITY 2016



**KEYNOTE SPEAKER**  
**Dr. Jeffrey Michael**

# 2016 San Joaquin County/Tracy Economic Outlook

Dr. Jeffrey Michael

Director, Center for Business and Policy  
Research  
University of the Pacific



# U.S. and California Economic Outlook: Themes

## Strengths

- U.S. consumption should sustain growth.
  - Gas prices & consumer debt low. Wages finally growing.
- Housing market has healed, construction will grow.

## Weaknesses

- Low labor force participation and inequality
- CA: cost of living, education performance outside Bay

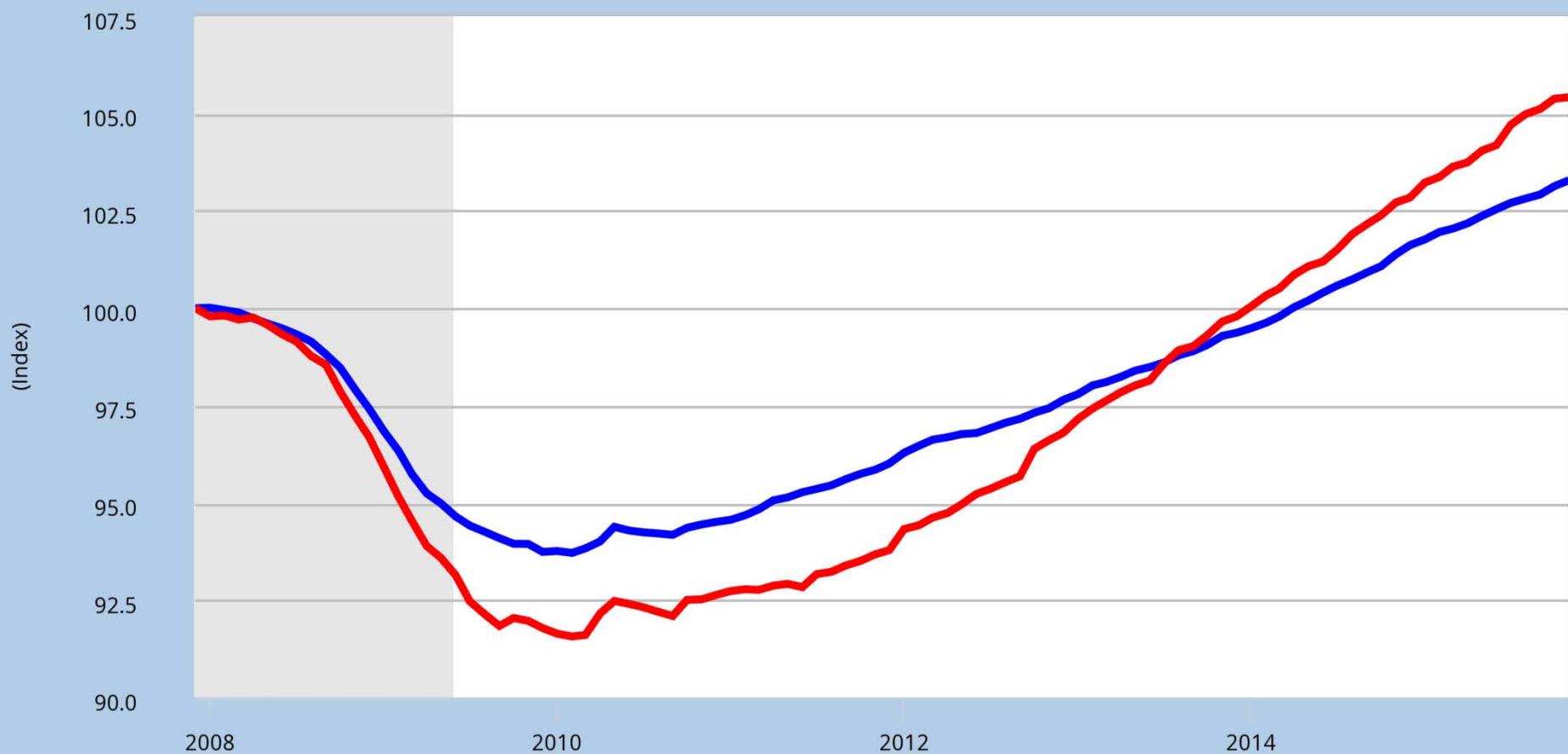
## Risks

- Global: Slowing growth, geo-political uncertainty.
- Overdependence on Silicon Valley/SF boom.

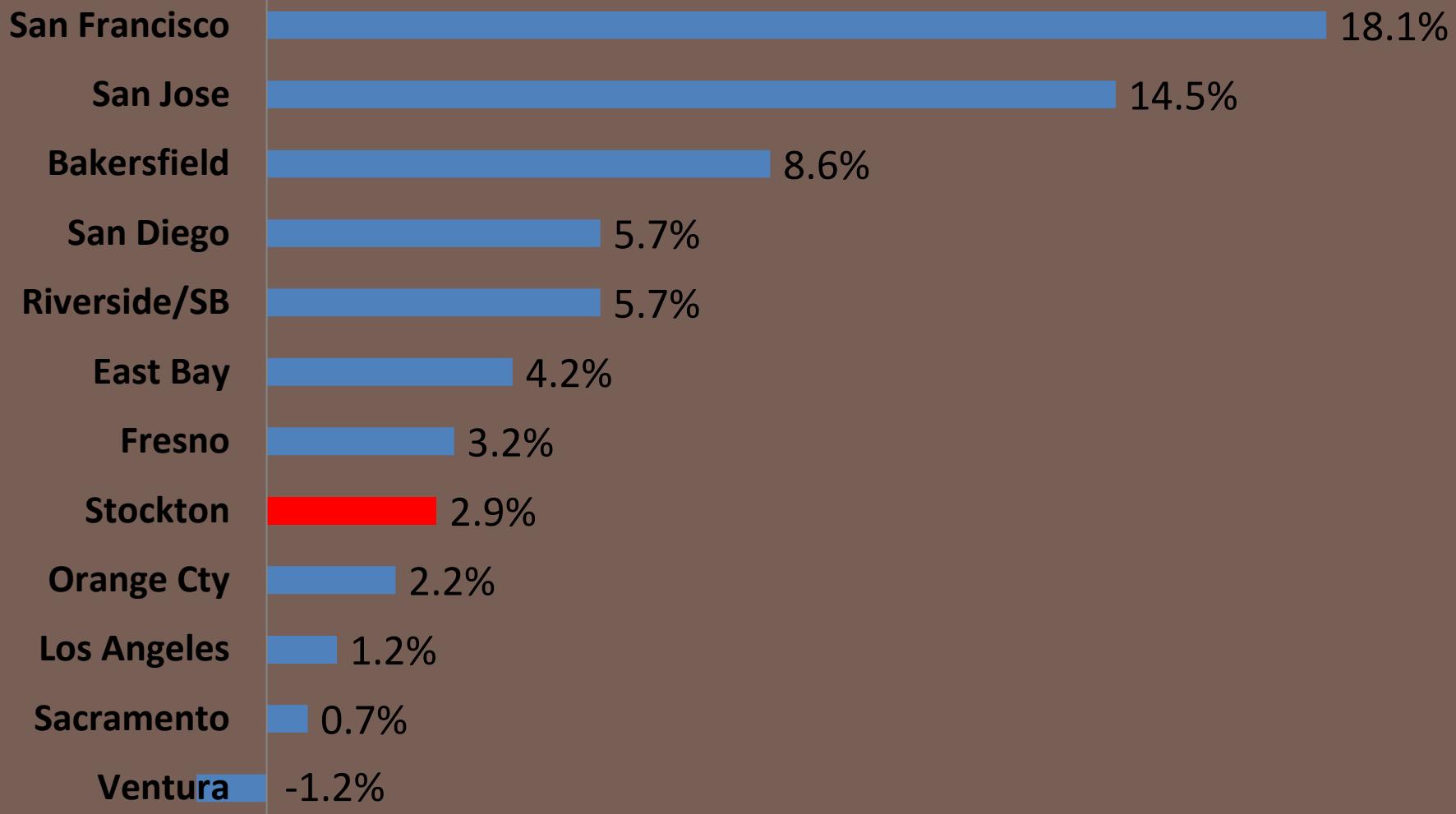
# California has added jobs faster than the US since 2013.



— All Employees: Total Nonfarm Payrolls, 2007-12=100  
— All Employees: Total Nonfarm in California, 2007-12=100



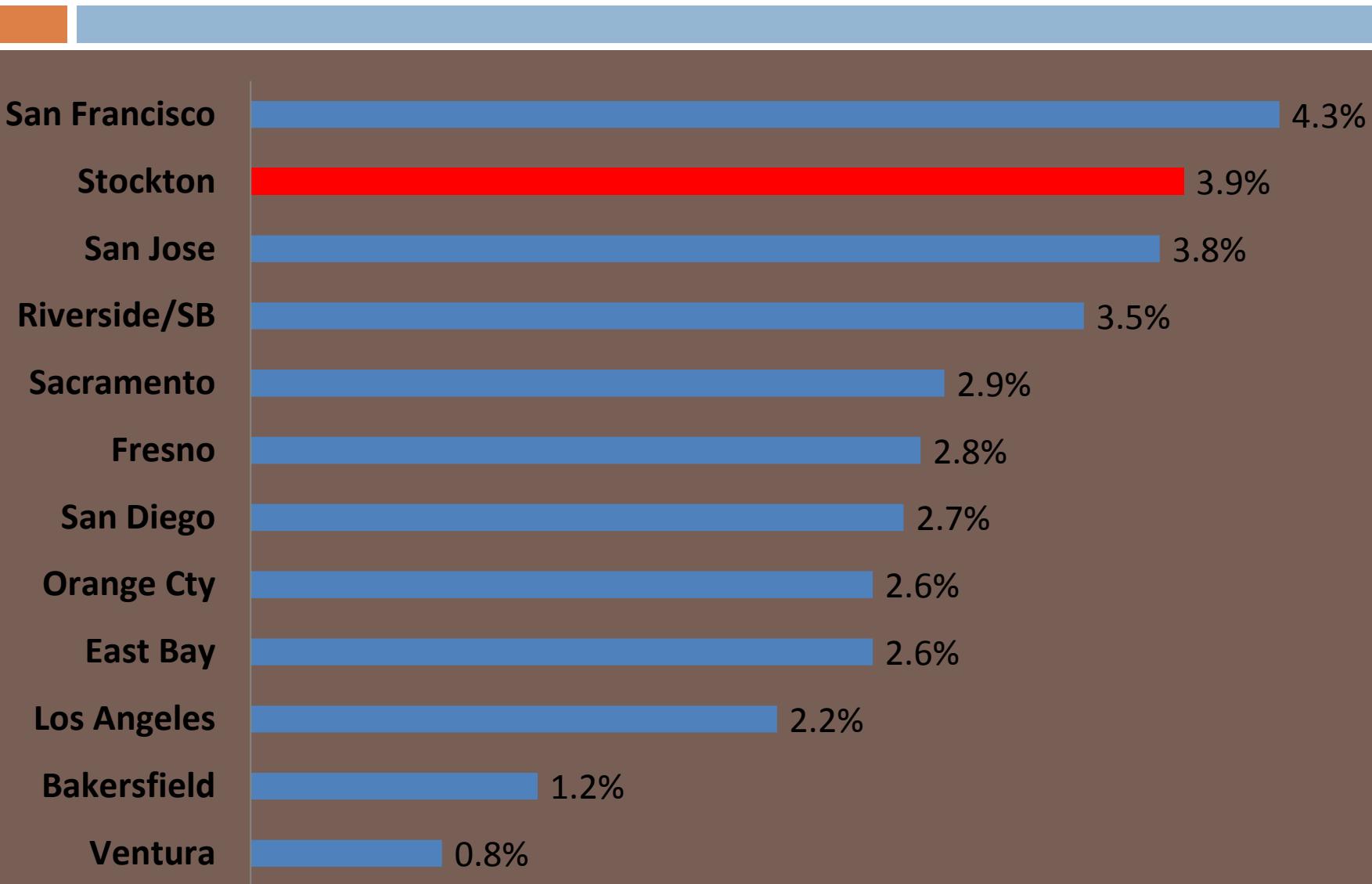
# Job Growth Since 2007: 12 largest California metro areas.



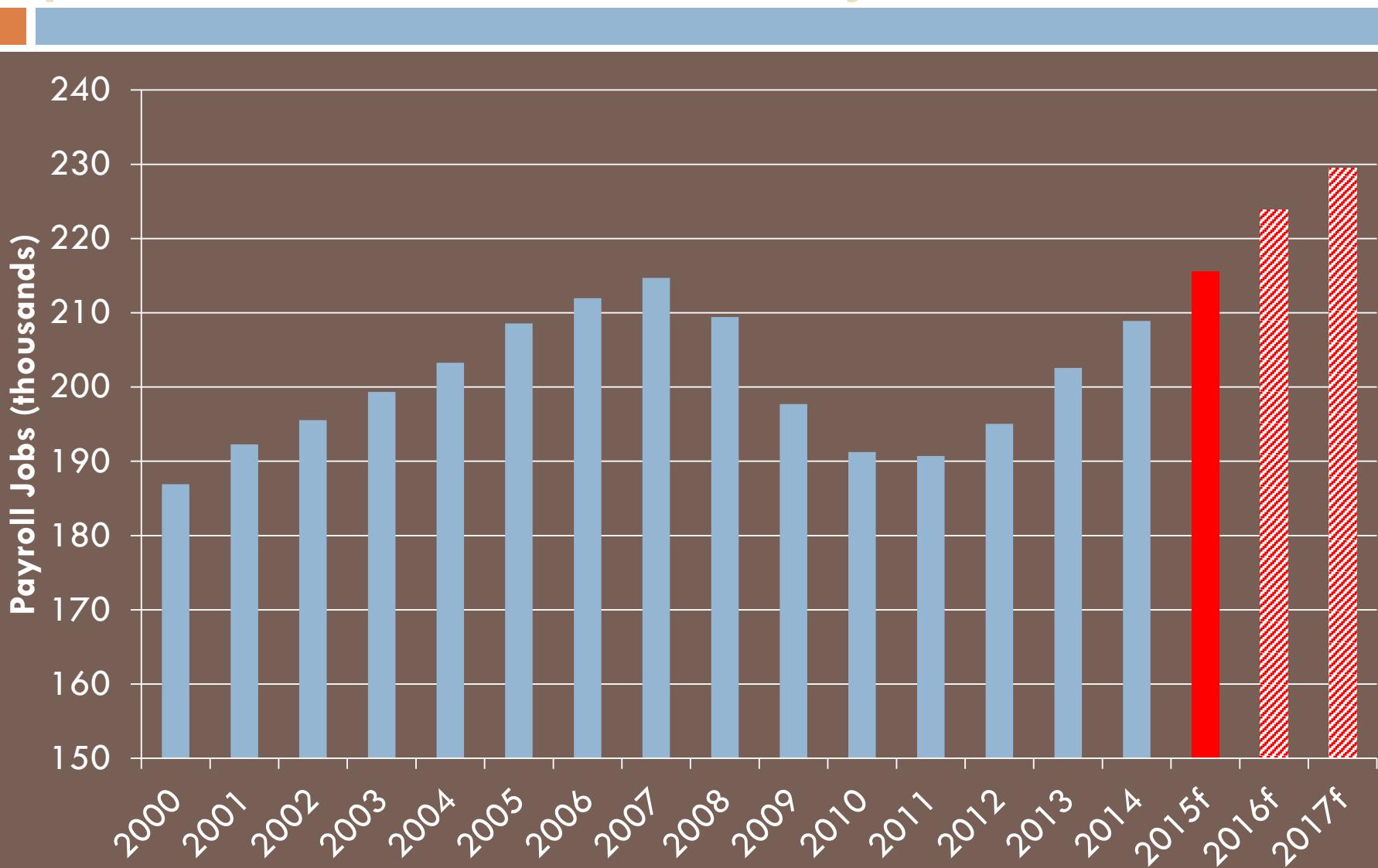
# Job Growth Past 12 Months

(source: CA EDD)

Other data shows Stockton growing jobs at 4.0%



# San Joaquin County recovered pre-recession level of jobs in 2015.



# Annual Percentage Change in San Joaquin County Jobs



# San Joaquin Employment Changes By Industry Since 2007.

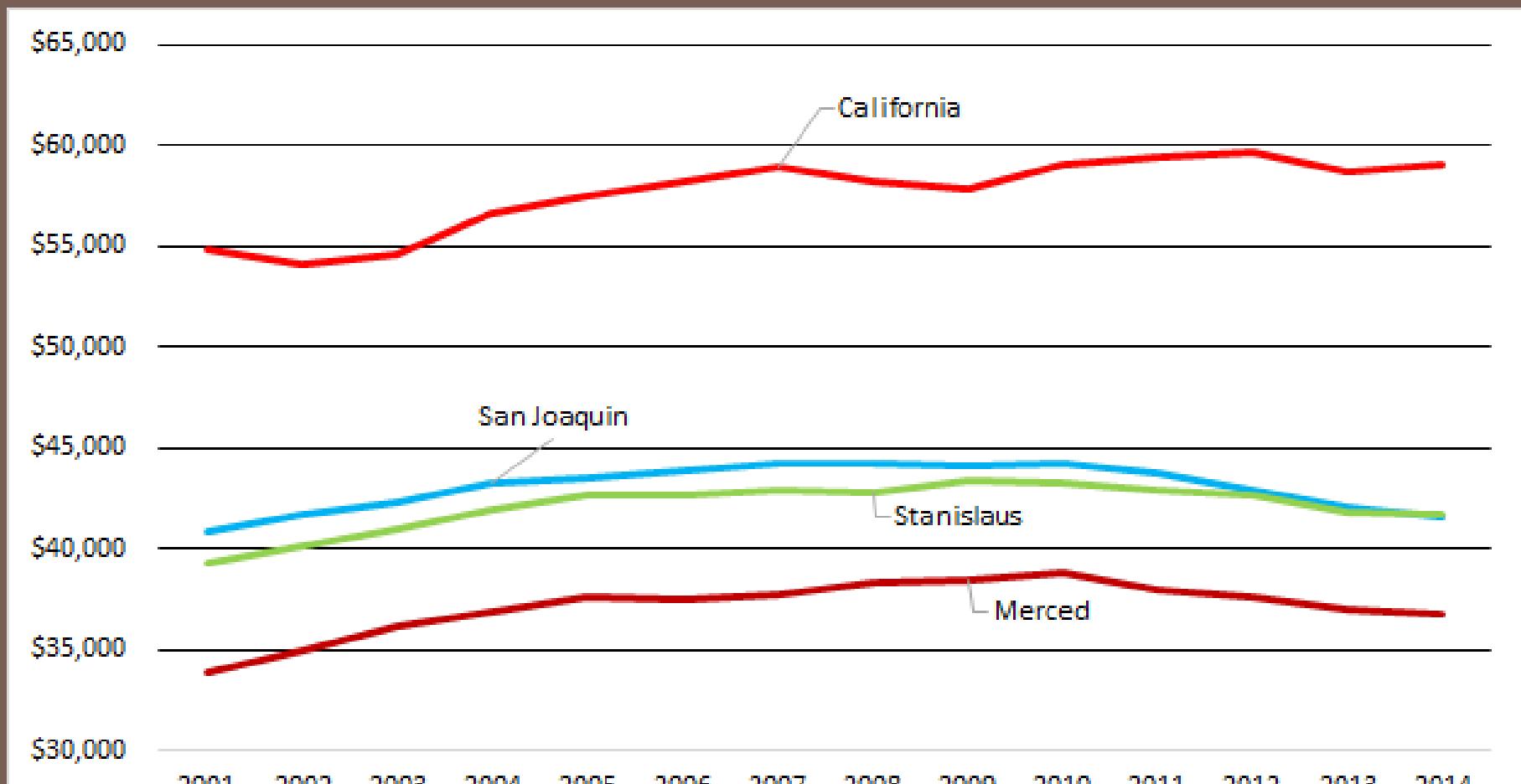
## **Biggest Decreases in Employment 2007 to 2015**

Construction	-4,200
Manufacturing (biggest losses in building materials, furniture, auto parts)	-2,800
Finance & Real Estate	-2,400

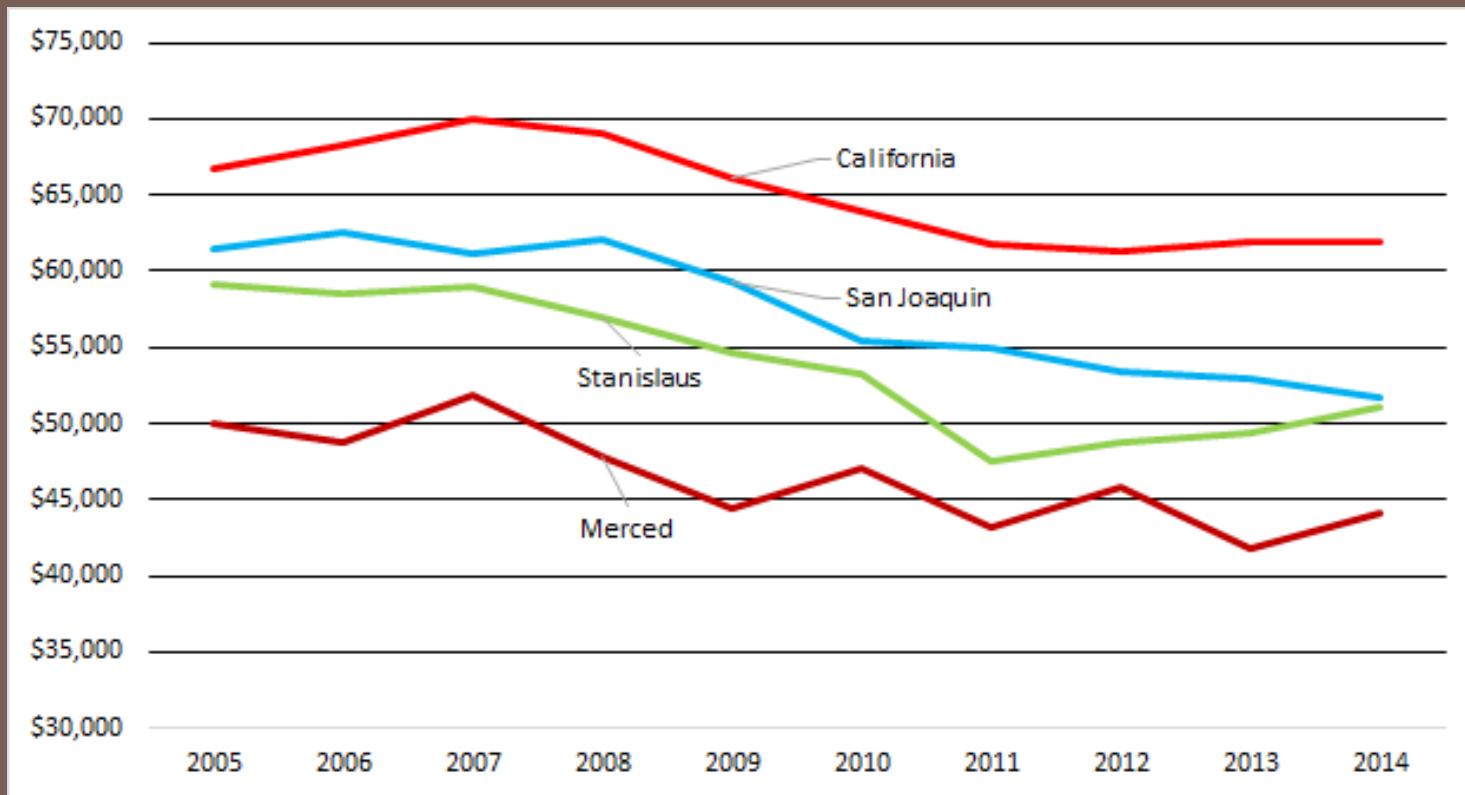
## **Biggest Increases in Employment 2007 to 2015**

Education and Health Services	+5,500
Transportation and Warehousing	+3,300
Hospitality	+2,300

# Average Wages (adjusted for inflation) declined from 2010 to 2014.



# Real Median Household Income



Median household income declined significantly from 2008 to 2014. Reflects increasing inequality.

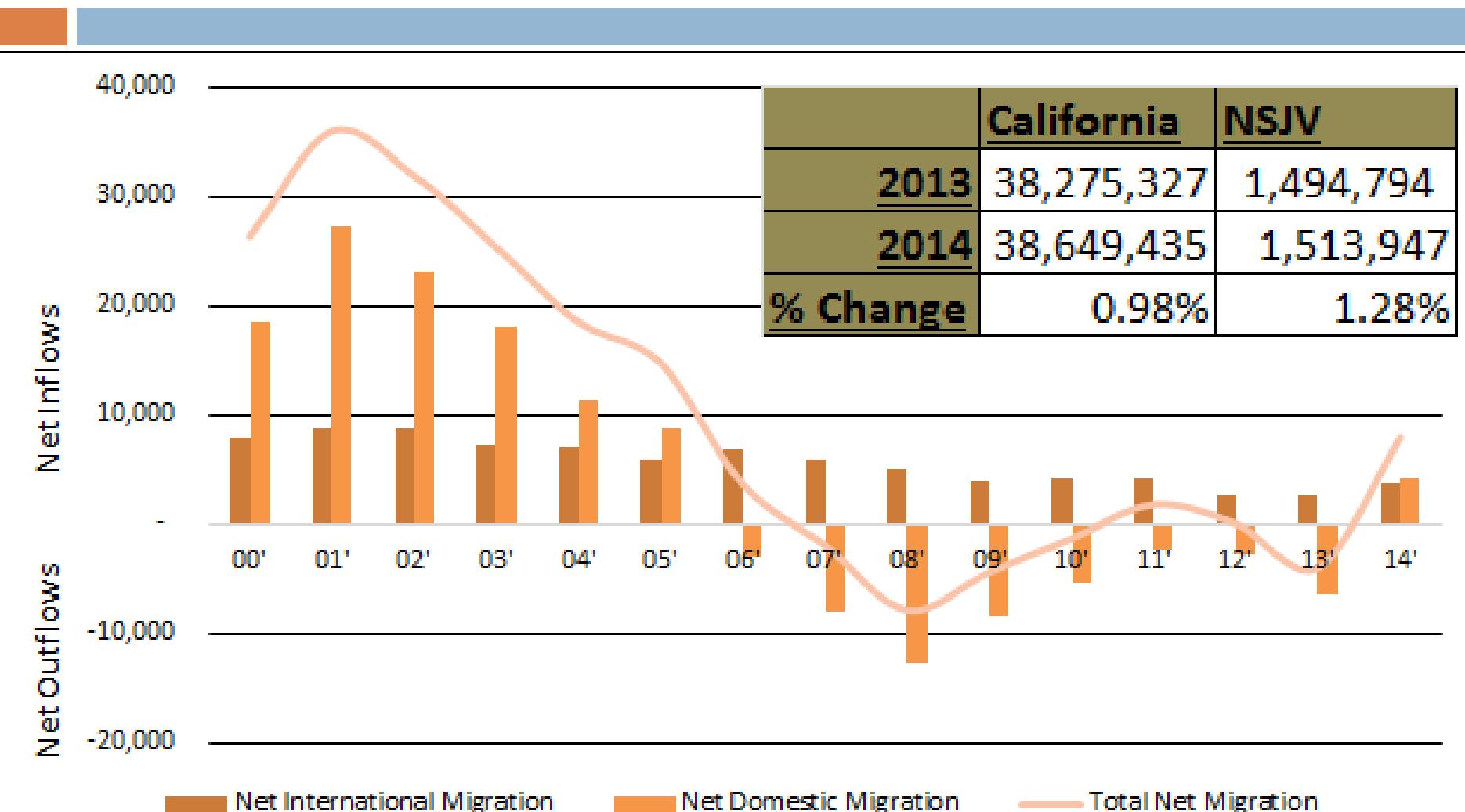
# But 2015 Brought Significant Improvements to San Joaquin County Labor Market

- SJC average Wage Up 4% between Sept 2014-15.
  - Top 15% of US counties for wage growth.
  - Top 10% of US counties for employment growth.
  - Wages grow faster than inflation for the first time since 2008.
- Middle Class Sectors Adding Jobs Again
  - Construction, State and Local Government
- Trade and Transportation Fastest Growing
  - Up 12%, increase of over 6,000 jobs in the past year
  - Avg. wage up 5.4%

In 2013, the Federal Government added San Joaquin County to the San Jose-San Francisco-Oakland Combined Statistical Area due to growing economic integration.

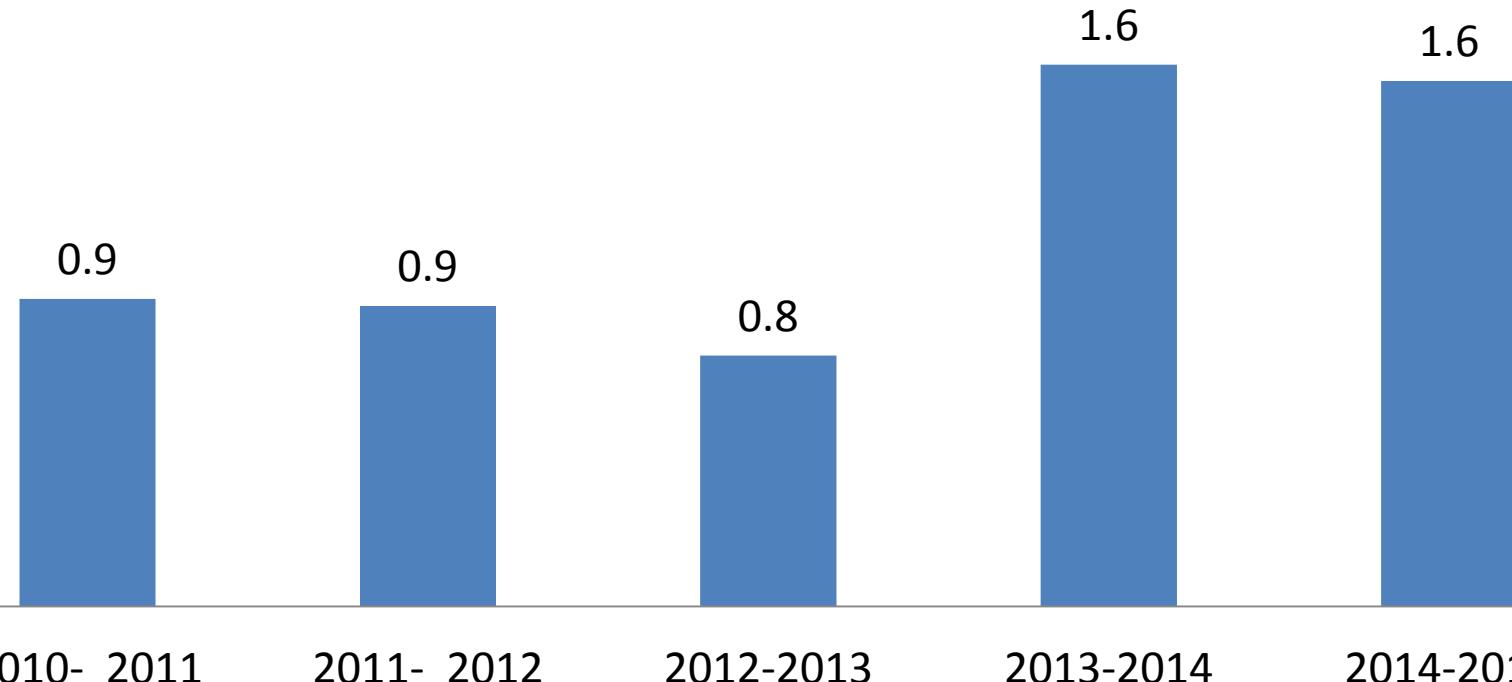


# Population Growth and Migration



# San Joaquin County had fastest population growth rate in California the past 2 years.

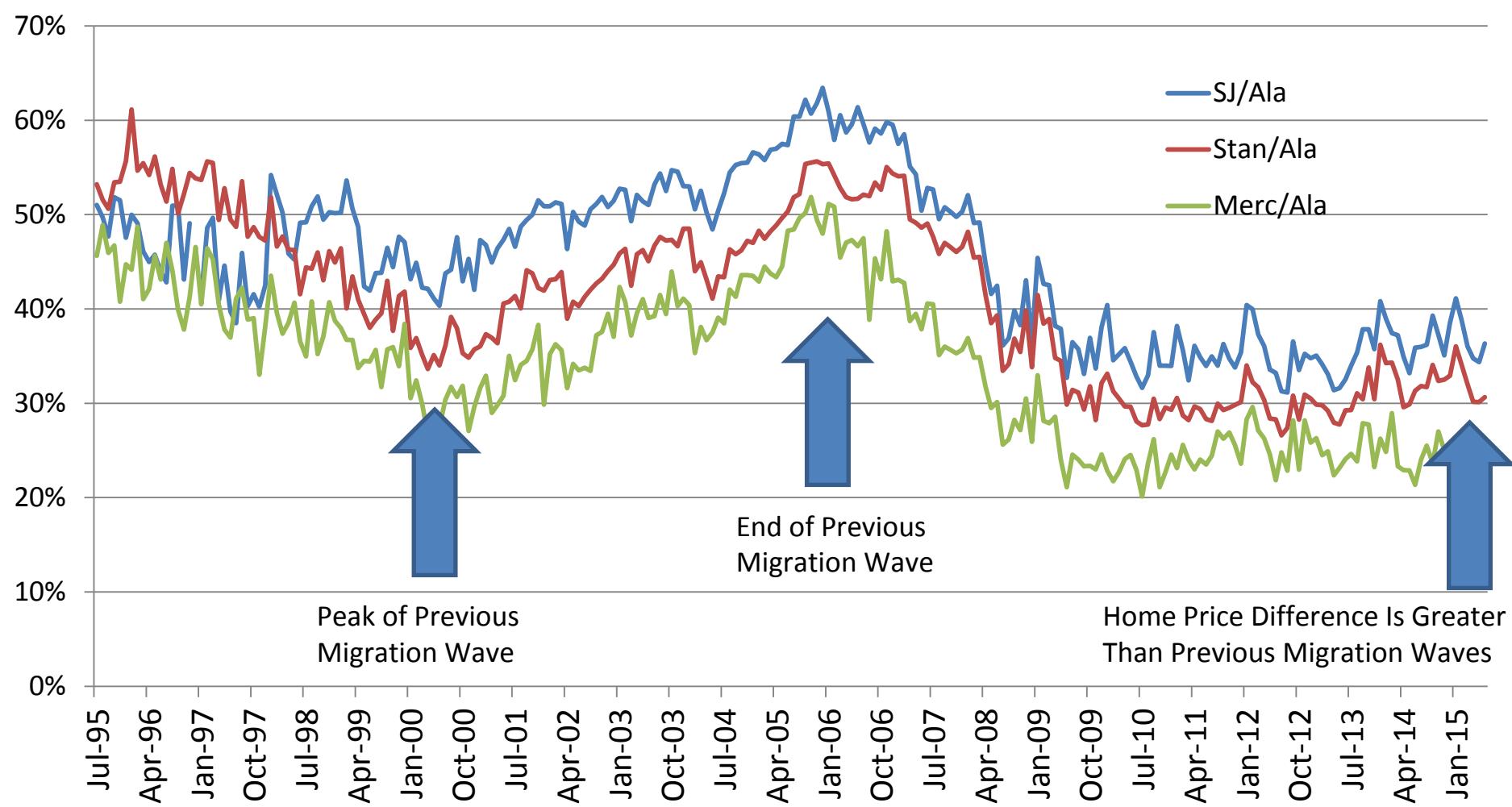
**SJC Percent Change in Population**



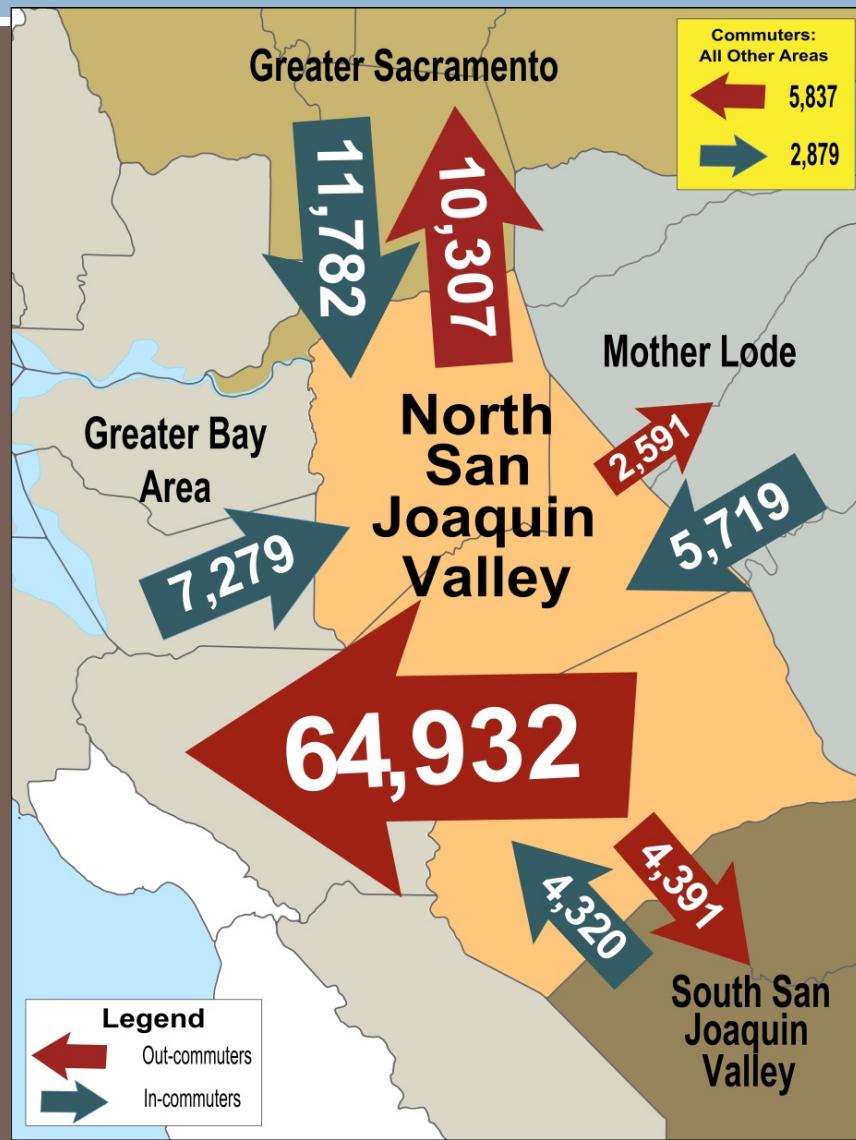
Next fastest growth rates in the State are Alameda and Santa Clara Counties.

Bay Area migration is back to 2004-05 levels.

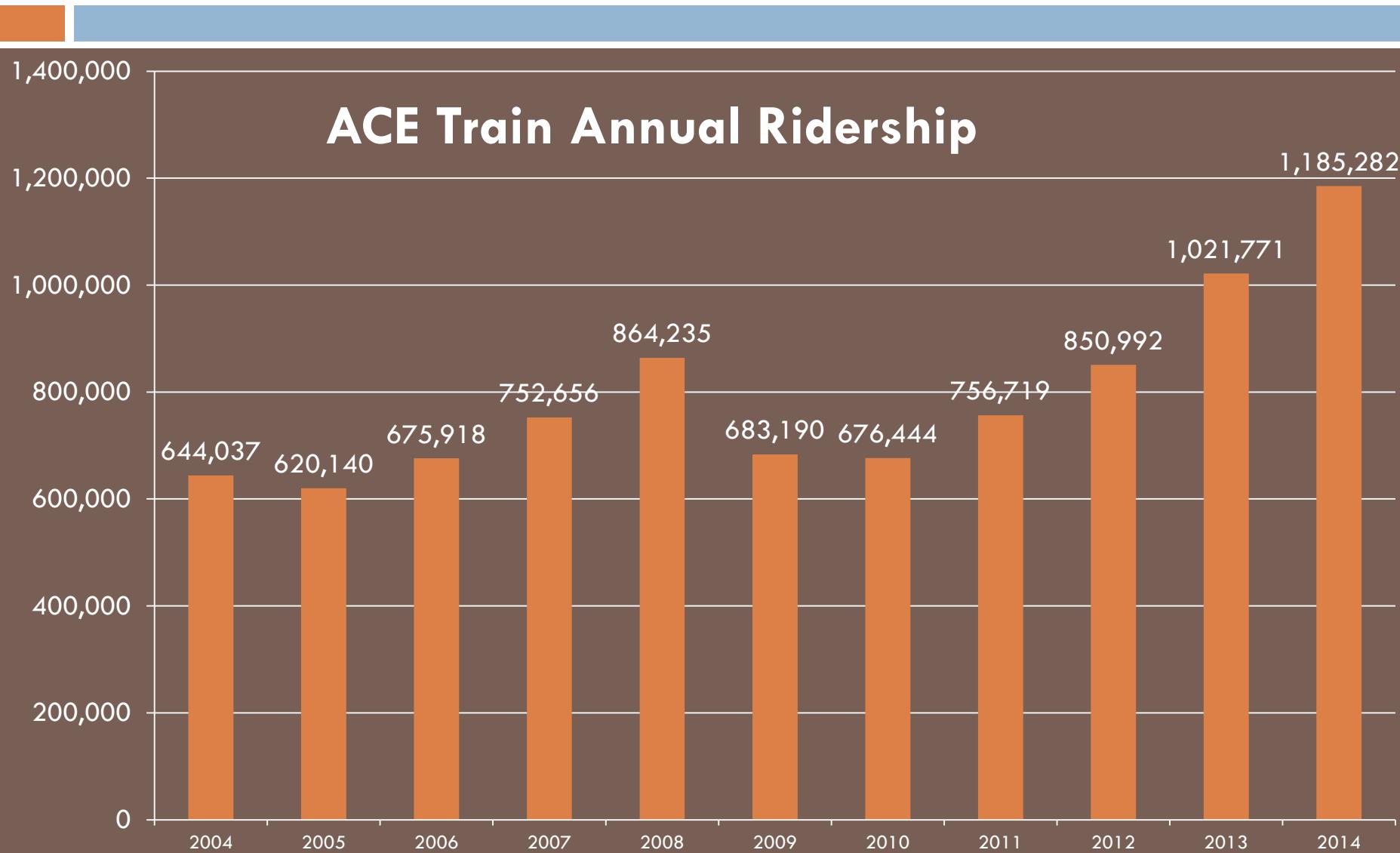
# NSJV Home Values as a % of Alameda County



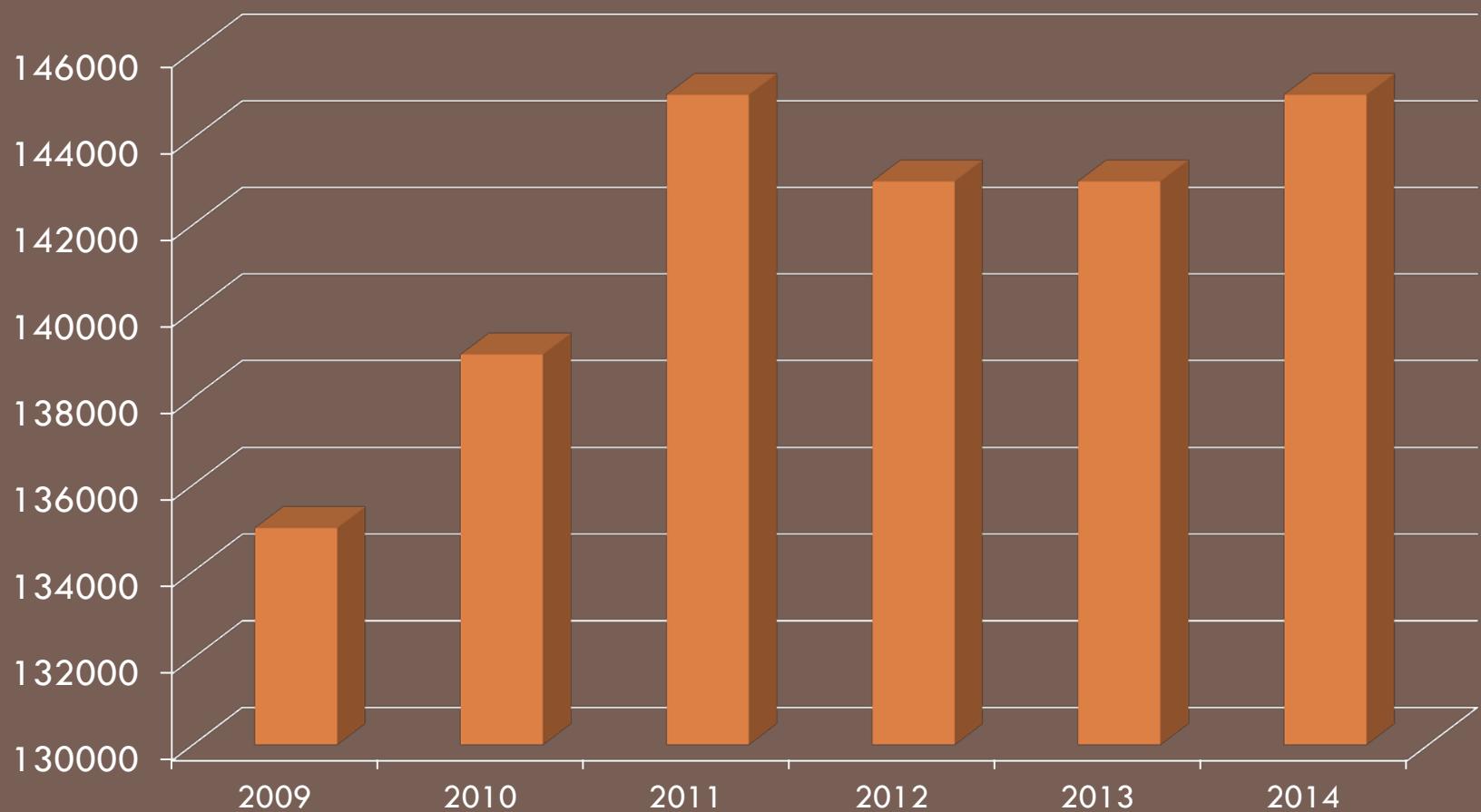
# NSJV Commuting Patterns



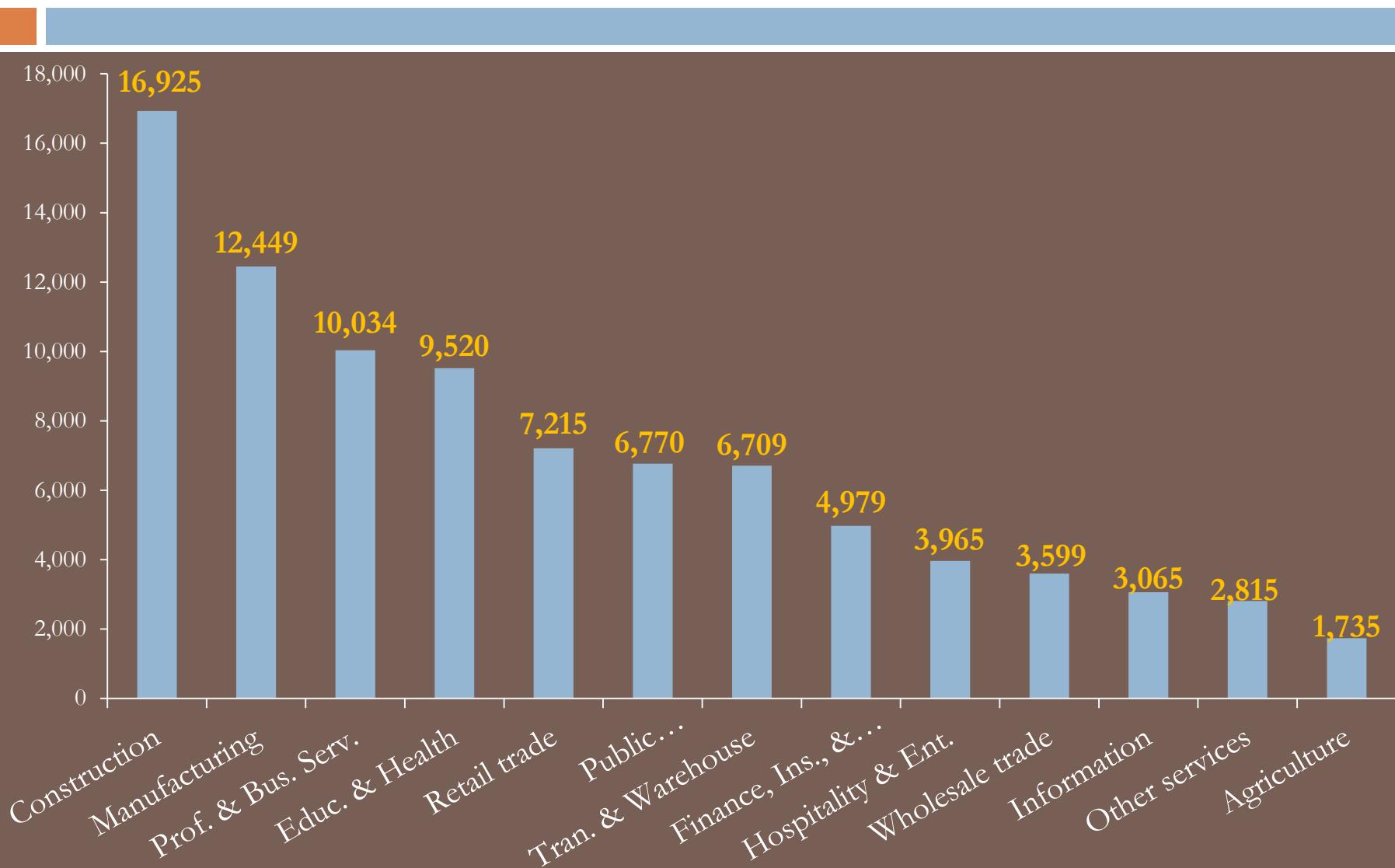
# Altamont Commuter Express: Ridership 75% increase 2010-2014



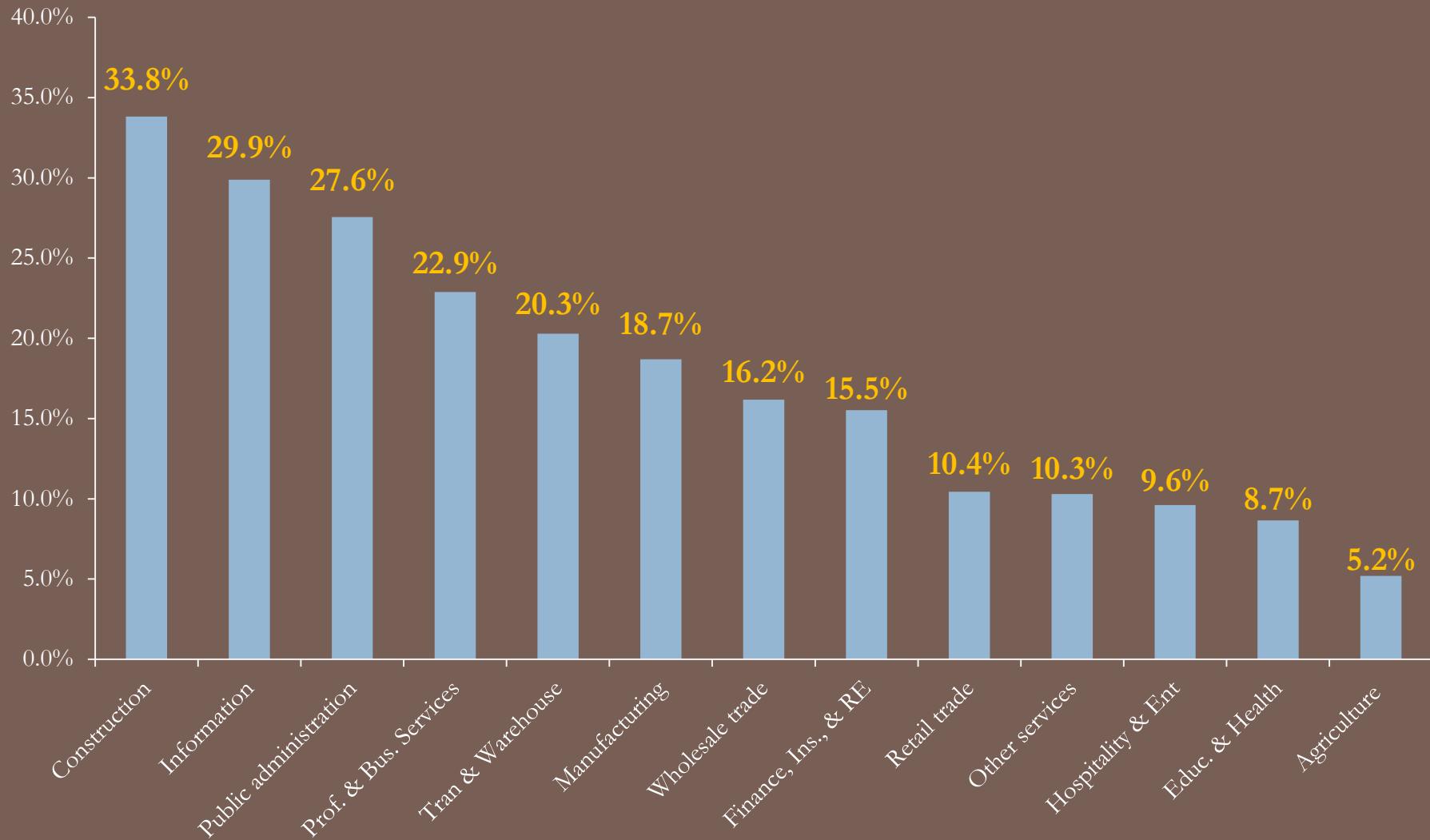
# I-580 at Grant Line: Daily Vehicle Count



# Number of NSJV Out-Commuters by Industry



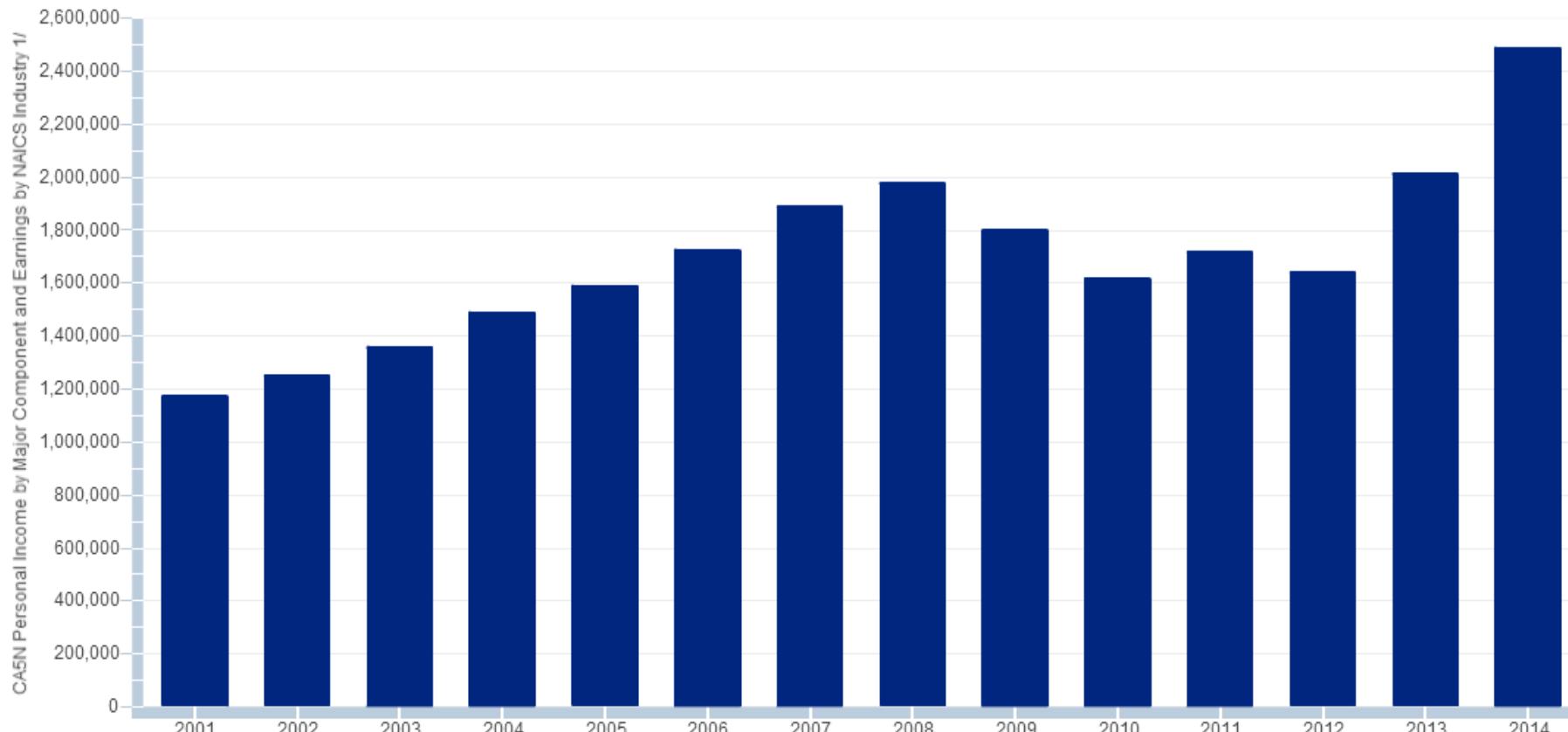
# Share of NSJV Workers by Industry who Commute Out of the NSJV



# Net Commuter Income Had Record Growth in 2013-14

CA5N Personal Income by Major Component and Earnings by NAICS Industry 1/

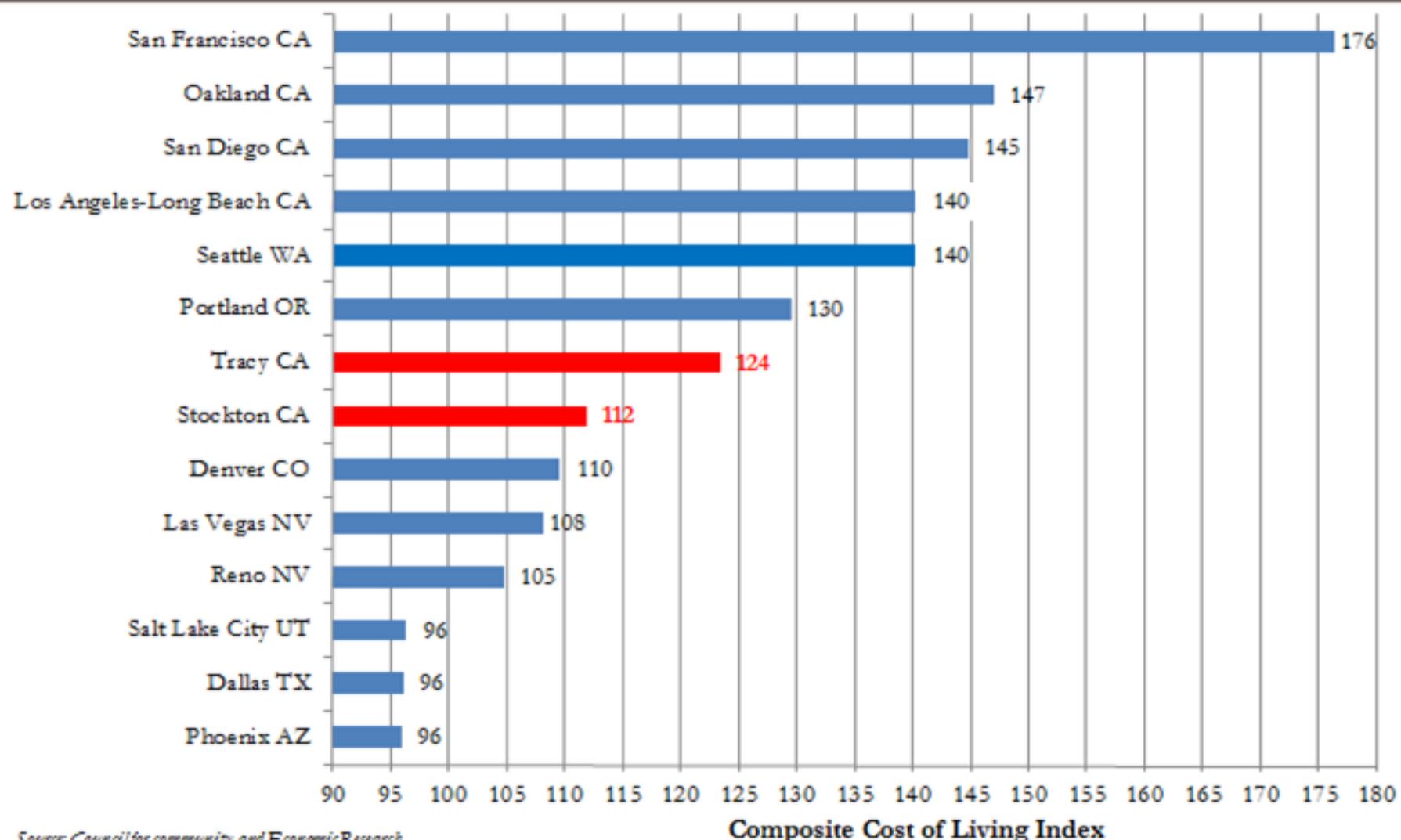
CA5N Personal Income by Major Component and Earnings by NAICS Industry 1/



● plus: Adjustment for residence 4/ [San Joaquin]

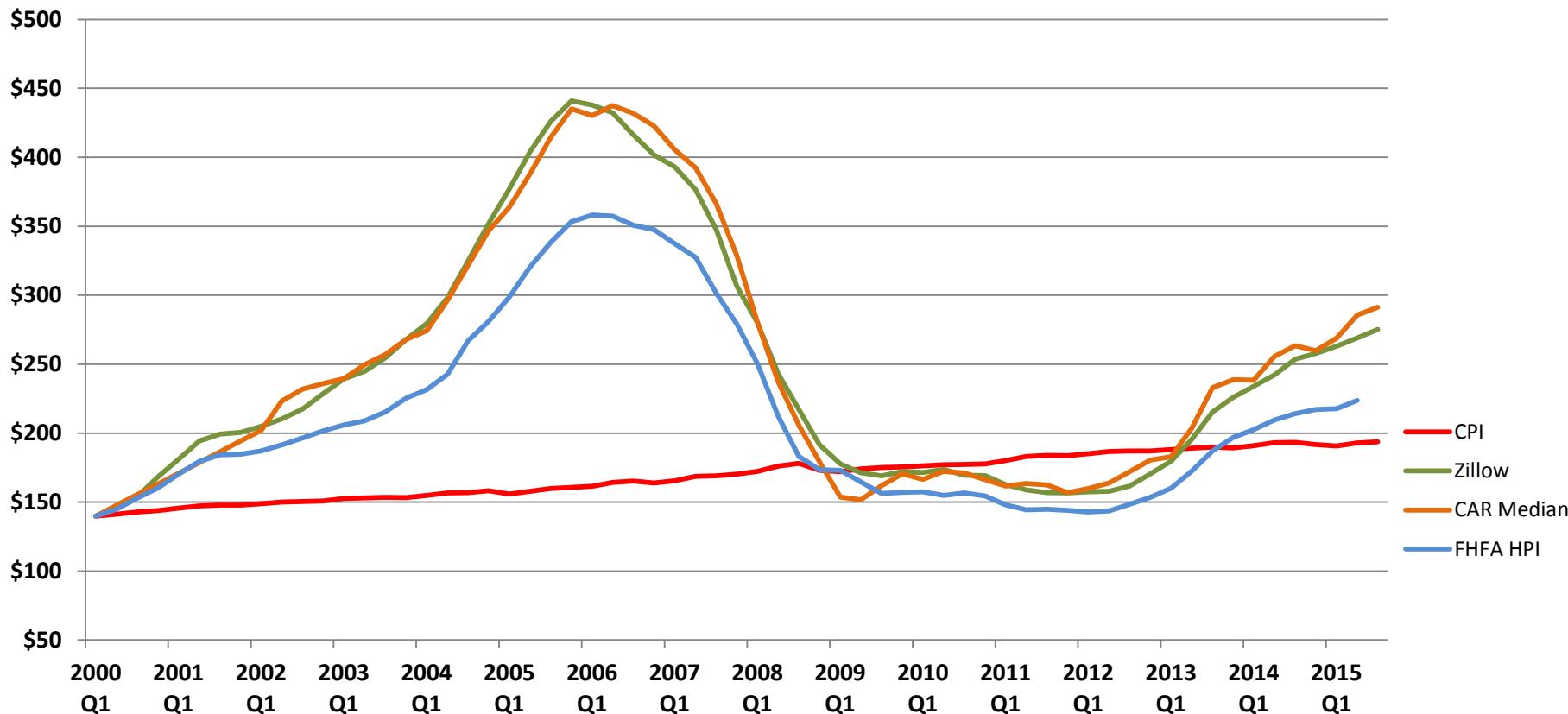
Source: U.S. Bureau of Economic Analysis

# Cost of Living Index, 2015



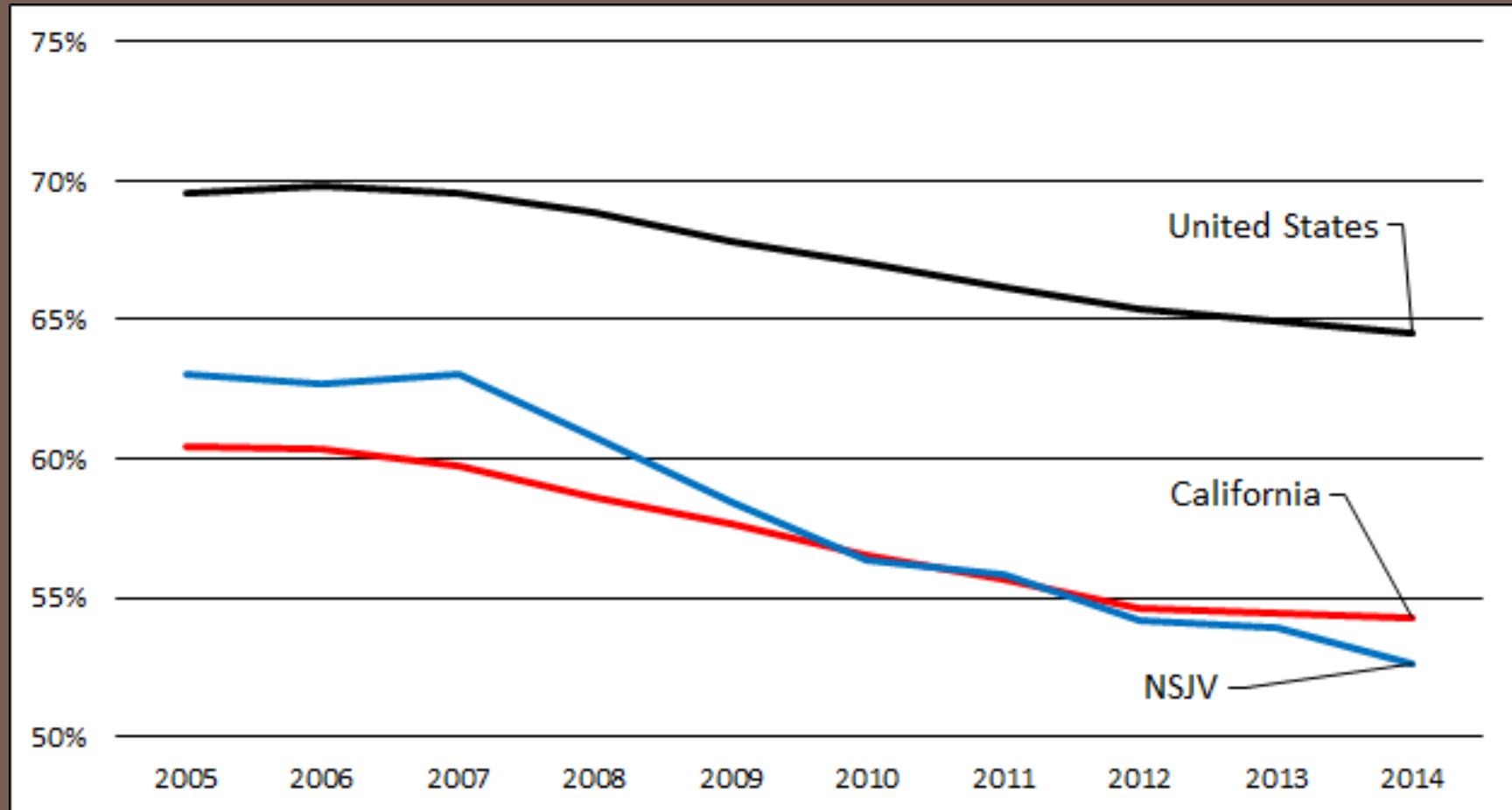
# Home Values Relative to Income Have Never Been This High Without Sub-prime Lending

San Joaquin MSA Home Prices (in thousands),  
2000-2015



Sources: Bureau of Labor Statistics, Consumer Price Index; Federal Housing Finance Agency, Regional House Price Index; California Association of Realtors, Historical Housing Data; Zillow.com Zindex

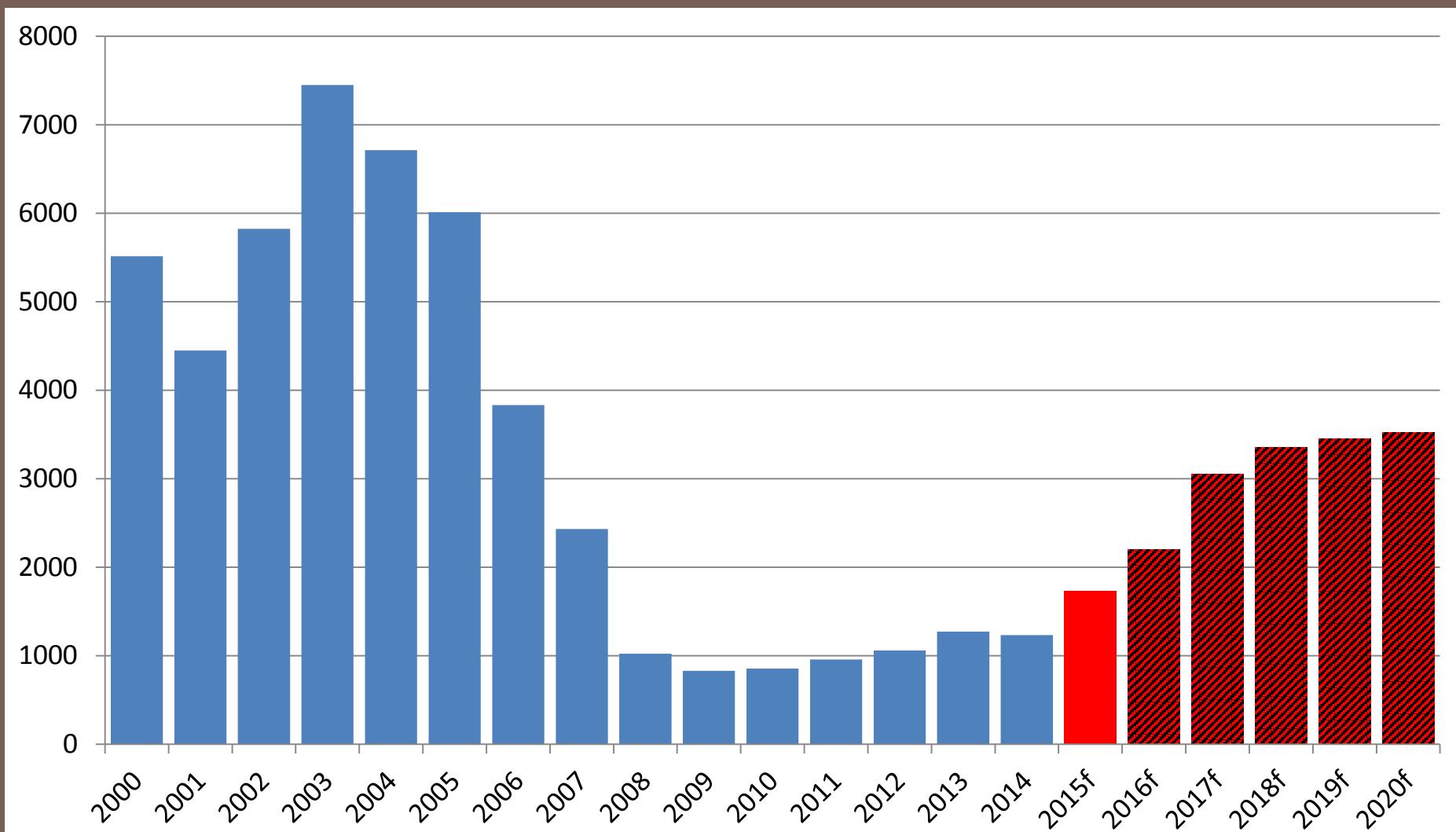
# Percent of Housing Units that are Owner Occupied (Tracy 60%)



# Tracy Housing Data (source: Census)

- Average monthly mortgage payment for Tracy homeowner is \$700 per month lower than 2010.
  - Owners spending >35% of income on housing has decreased from 40% to 25%.
- Vacancy rate is under 4%, median rent is \$1500 per month and rising.

# San Joaquin County Housing Starts



# Conclusion: Best outlook in a decade.

- 2016 Will Be 4<sup>th</sup> Consecutive Year of Job Growth Exceeding 3%
  - Early recovery was growth in low-paying jobs & stagnant wages.
  - Recent gains in middle-class jobs, & improving wages.
- Population Growth and Housing Are Issues Again
- Growing Integration with Bay Area
  - 1<sup>st</sup> stage: Commuters
  - 2<sup>nd</sup> stage: Logistics Industry
  - Next stage is harder: Integrating into the supply chain & knowledge economy.

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