



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

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STATE OF THE CITY 2016

THANK YOU SPONSORS



Sutter Gould Medical Foundation
Sutter Tracy Community Hospital





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*

.....

LEGACY FIELDS

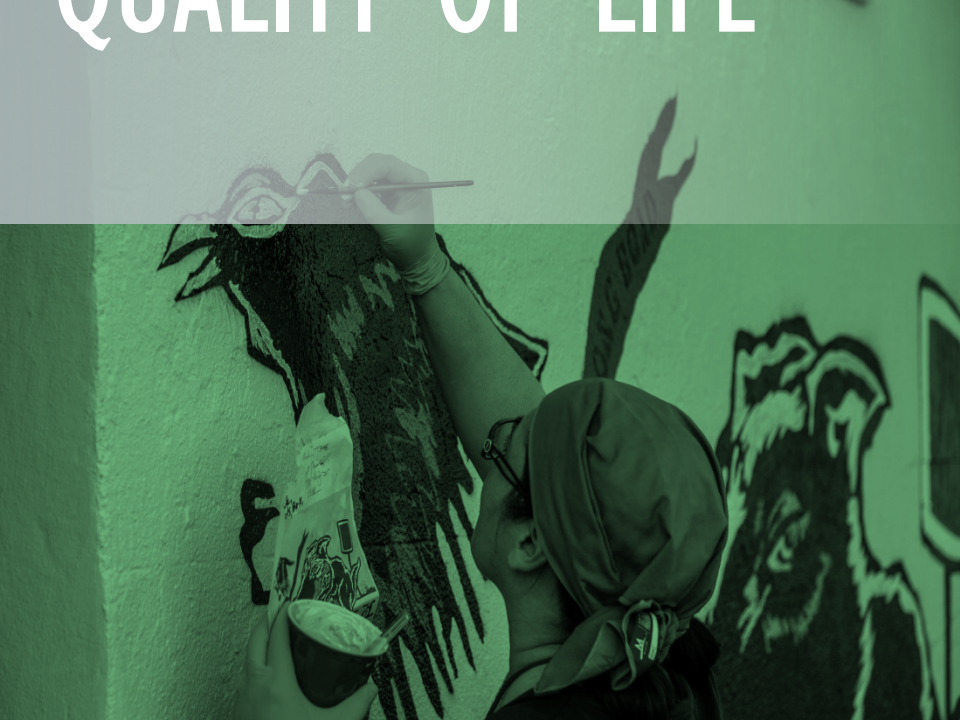


JOE WILSON POOL





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

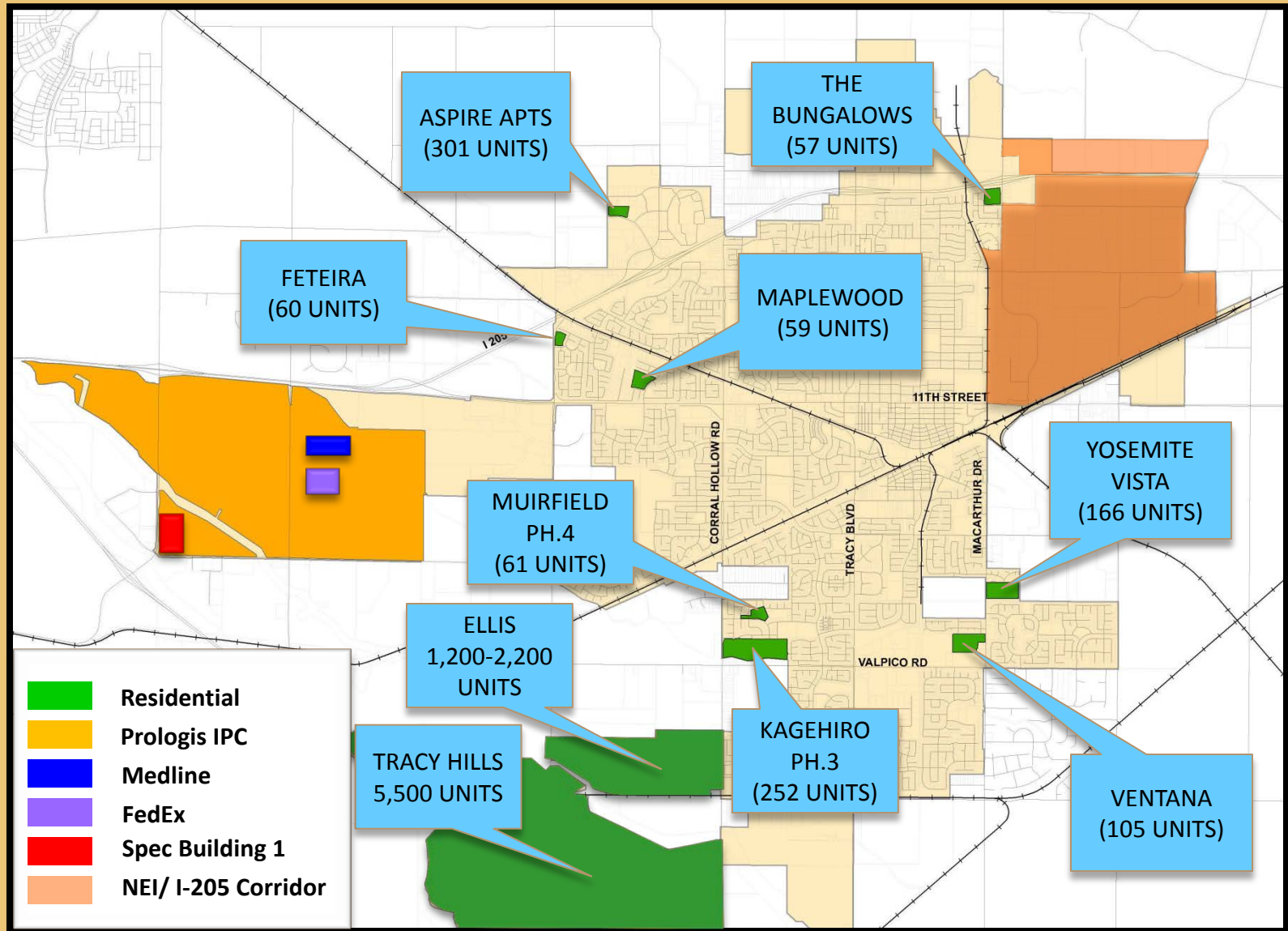


Residential



Commercial/Retail

Recent Development



Job Creation

2015 Job Figures

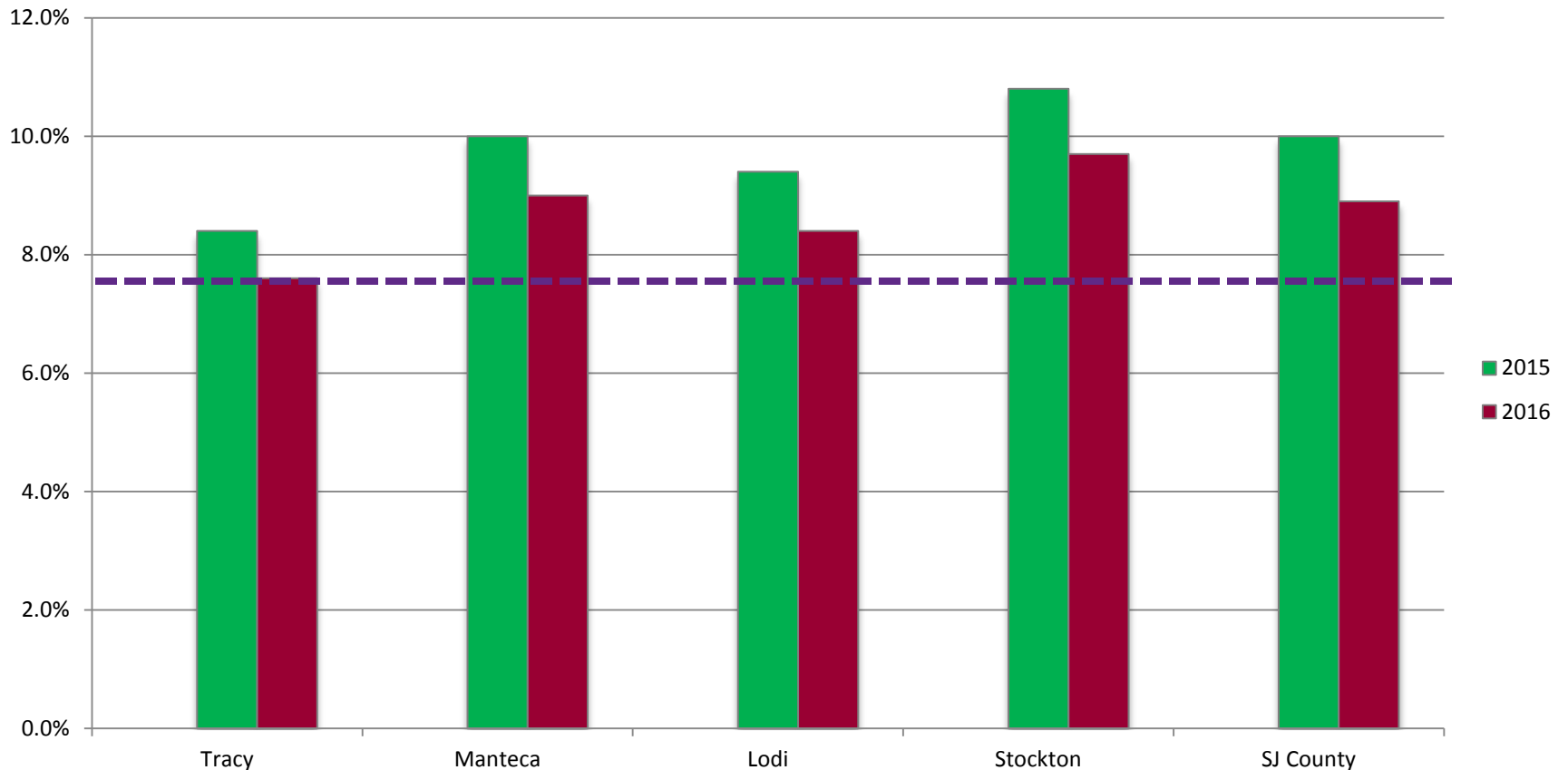
- 6,992 **Net New** jobs added!

Highest Increases by Industry

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

Unemployment

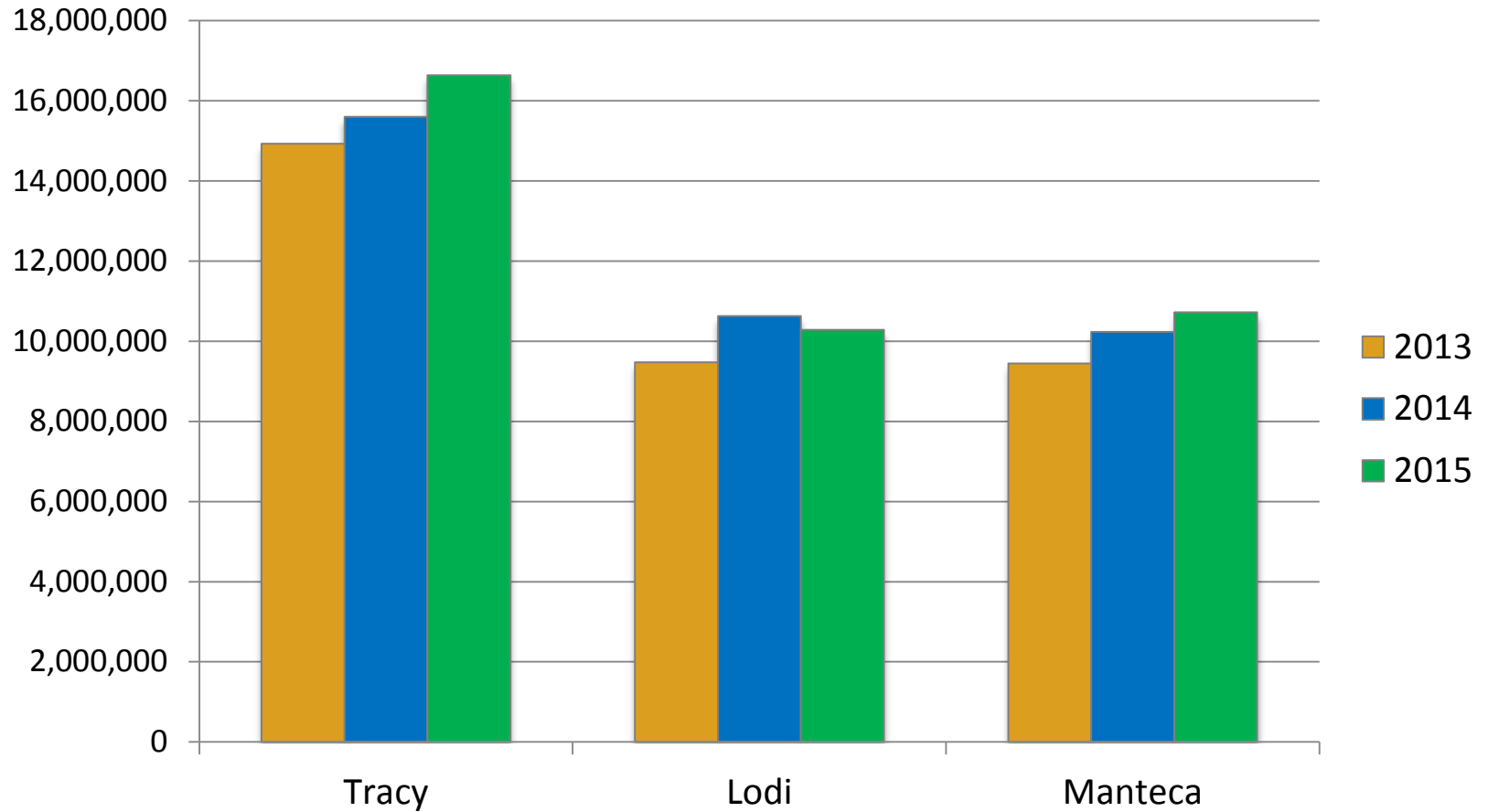
Local Comparison (January 2016)



Source: Employment Development Department

Sales Tax Revenue

2014-2015 Comparison



Source: MuniServices, LLC

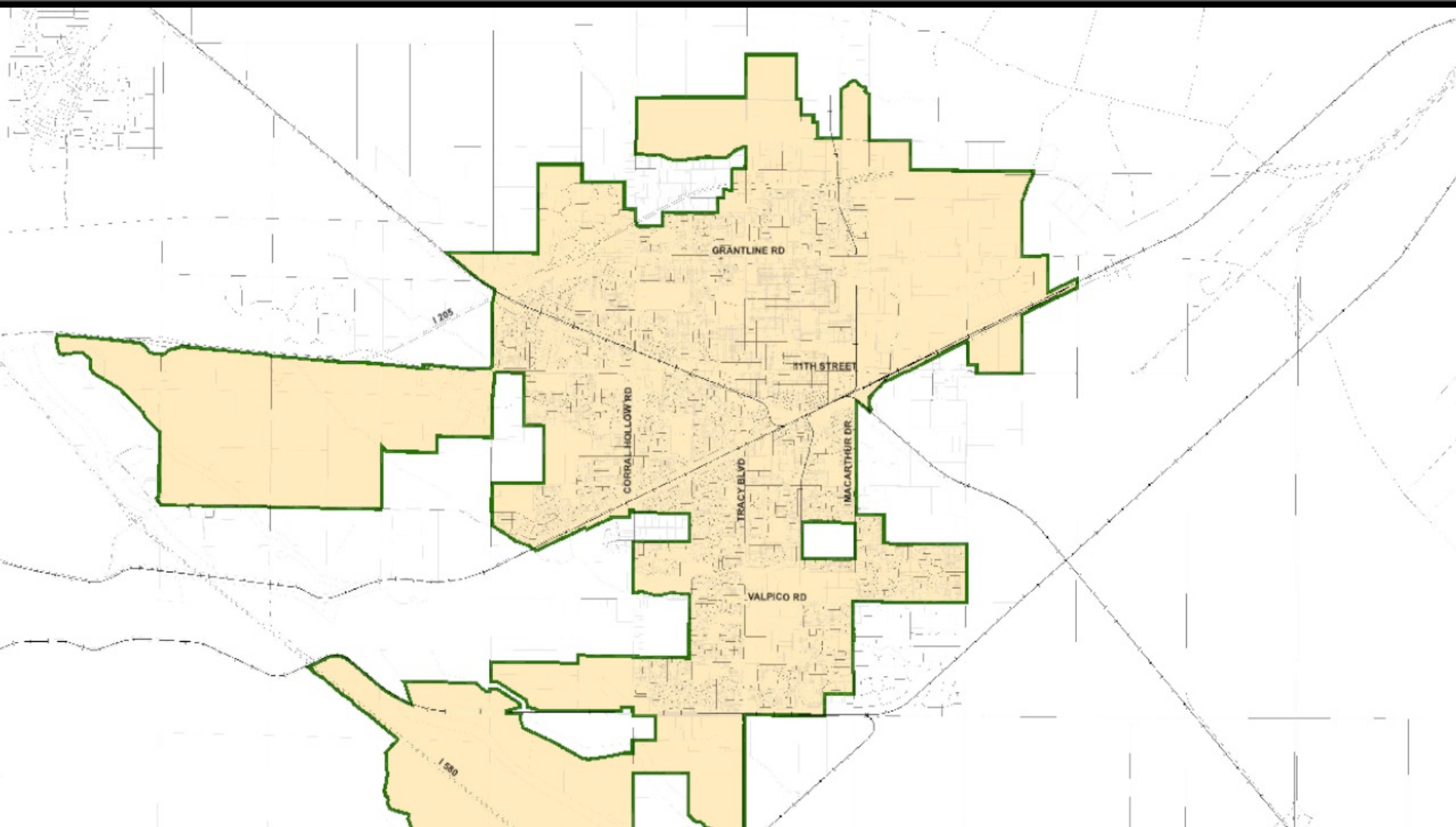


DOWNTOWN TRACY





BUSINESS ATTRACTION







Now Open!



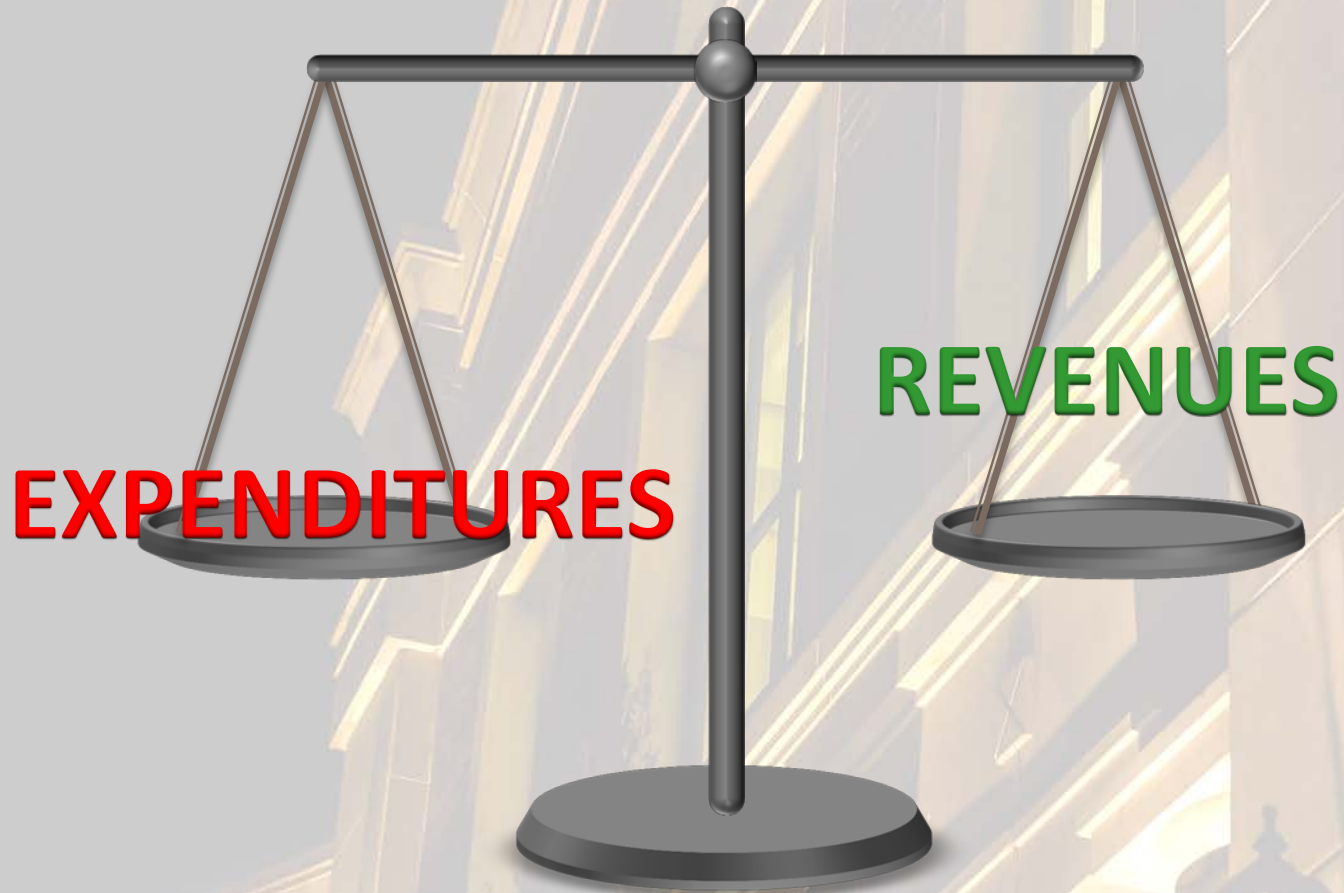
Coming Soon!



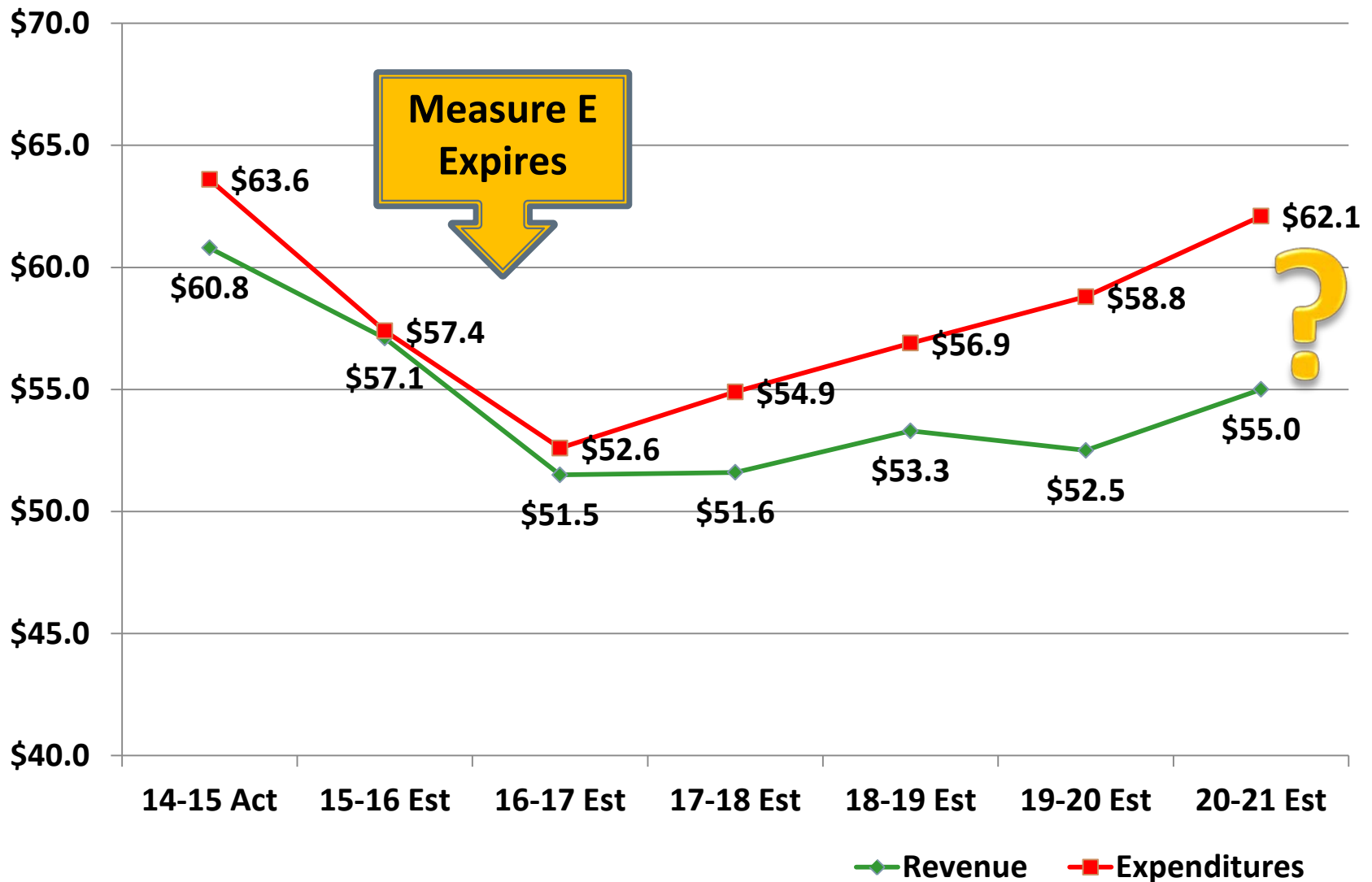
Bringing Higher Education to Tracy



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%

Public Safety

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



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

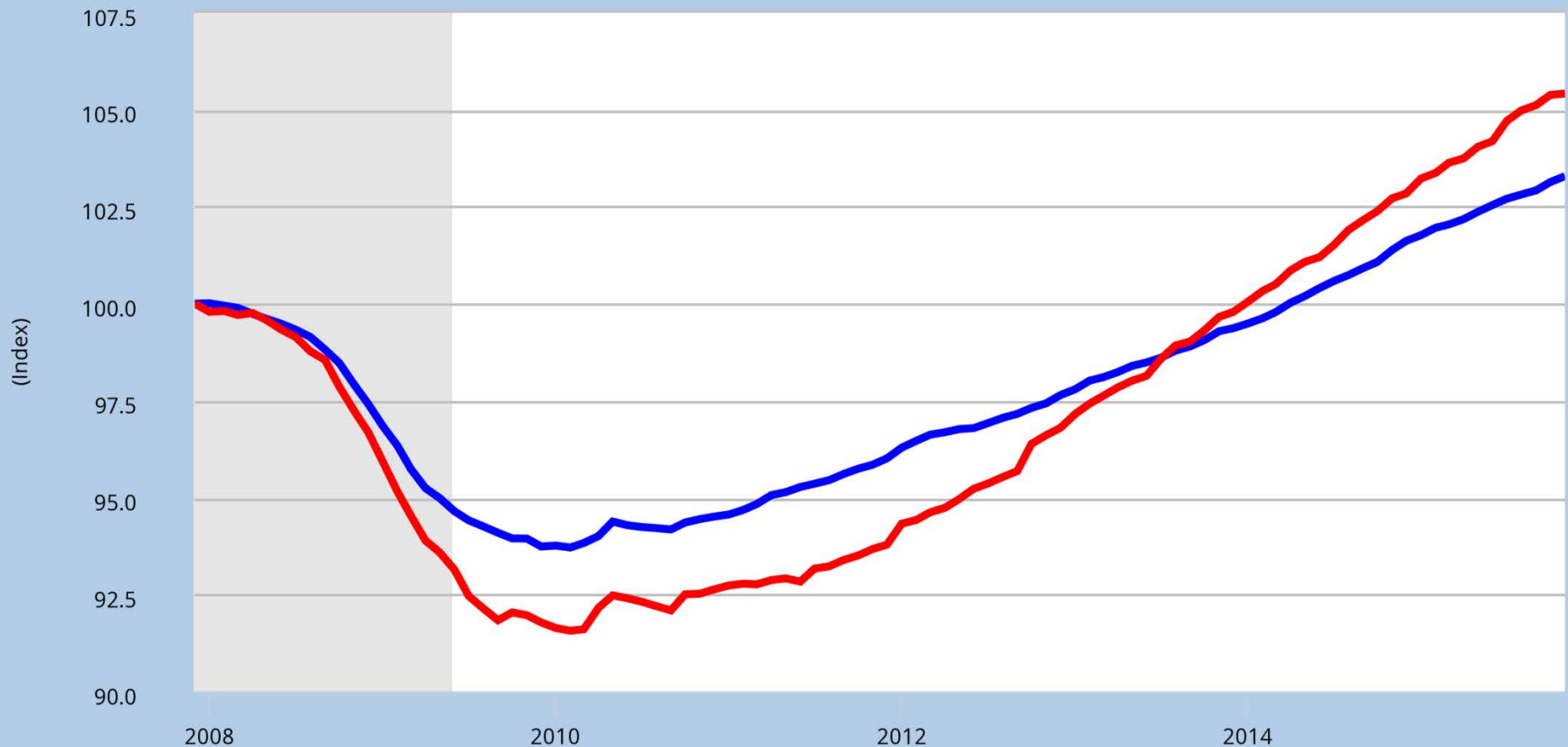
Risks

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

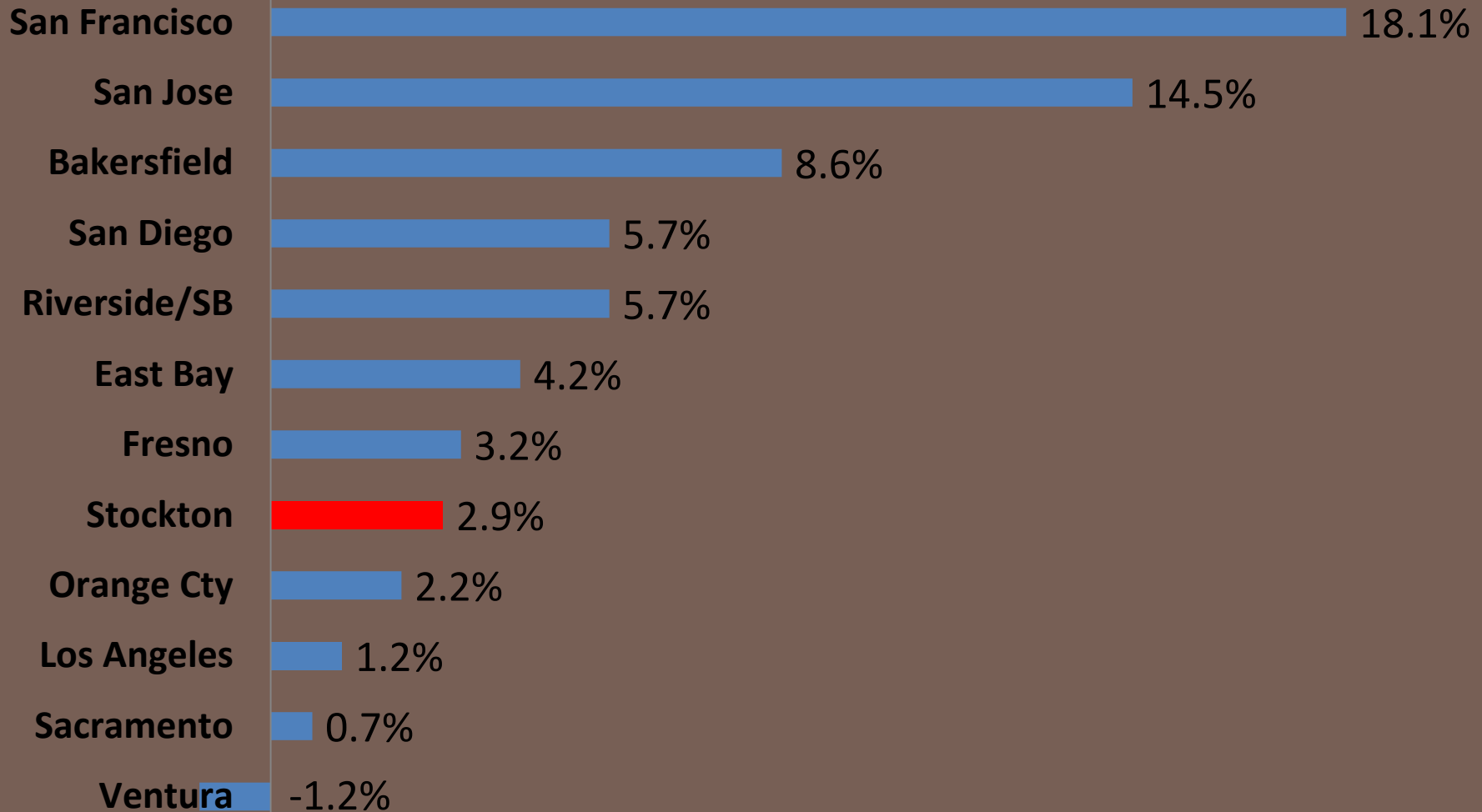
California has added jobs faster than the US since 2013.

FRED 

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

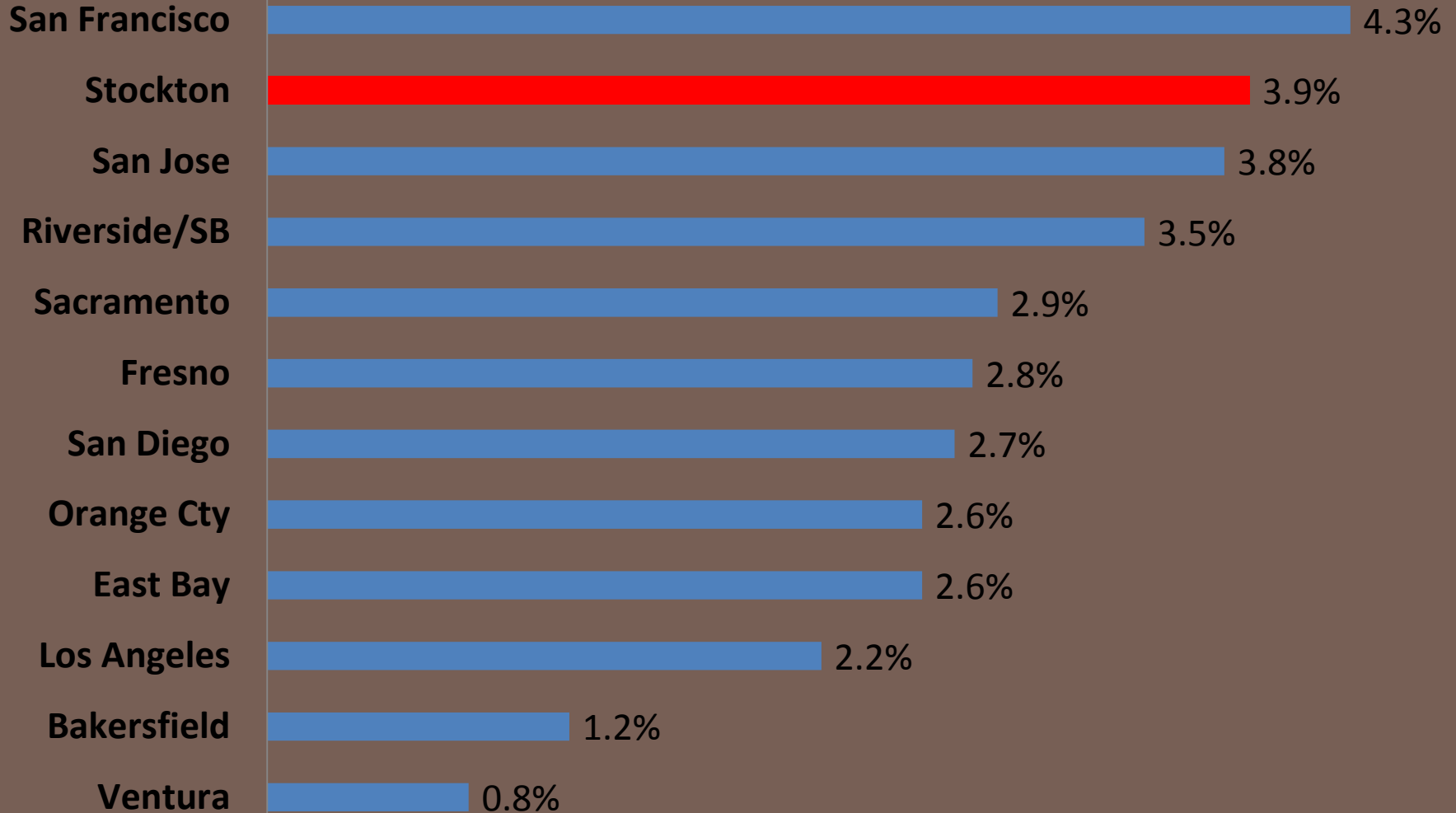


Job Growth Since 2007: 12 largest California metro areas.

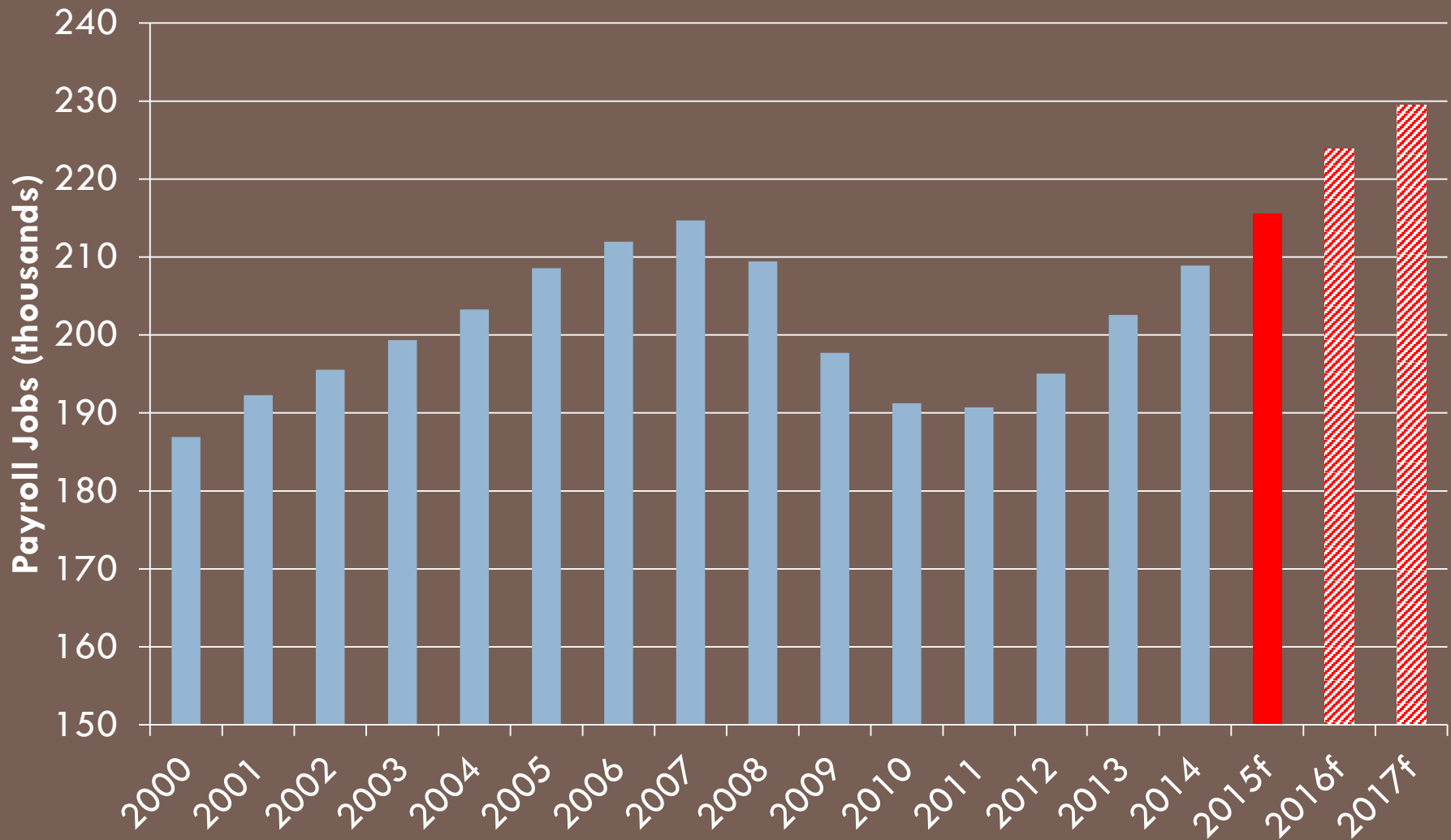


Job Growth Past 12 Months (source: CA EDD)

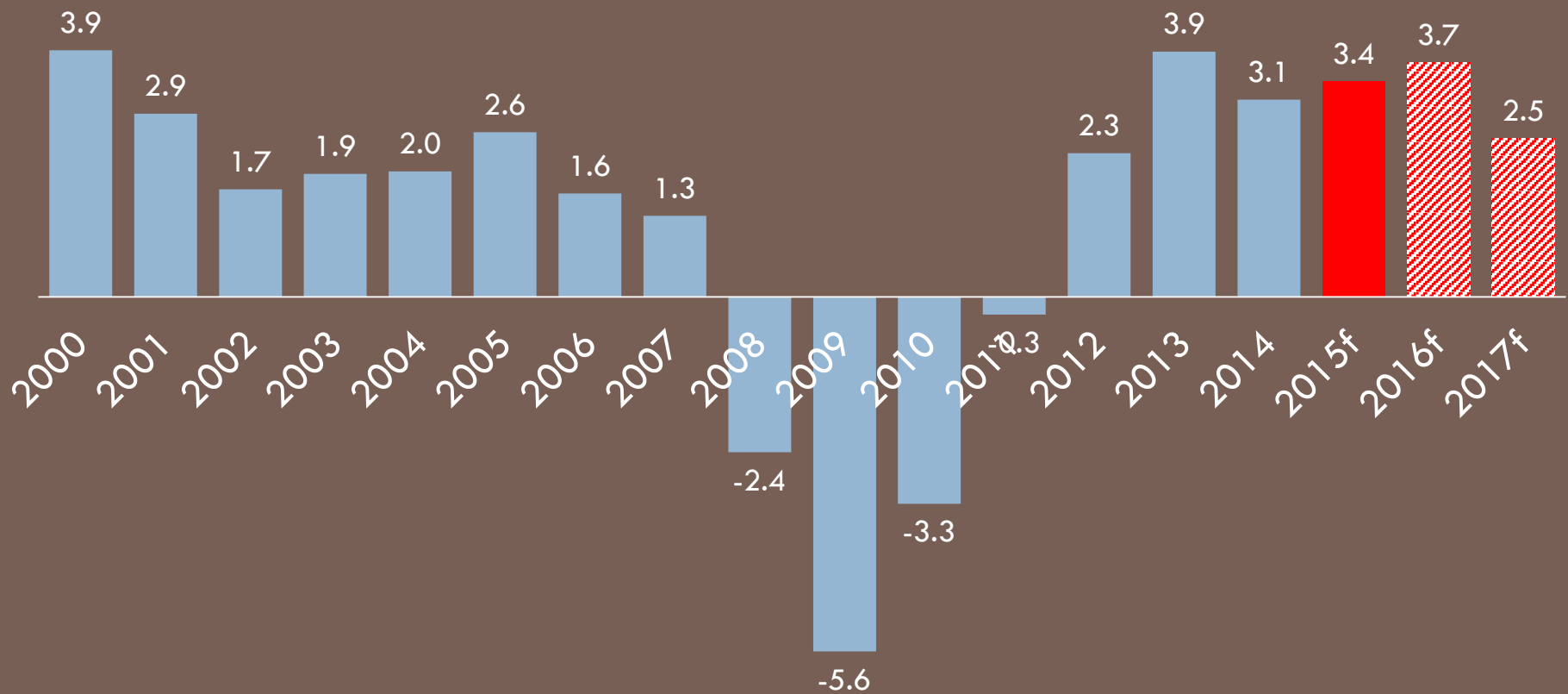
Other data shows Stockton growing jobs at 4+%



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.

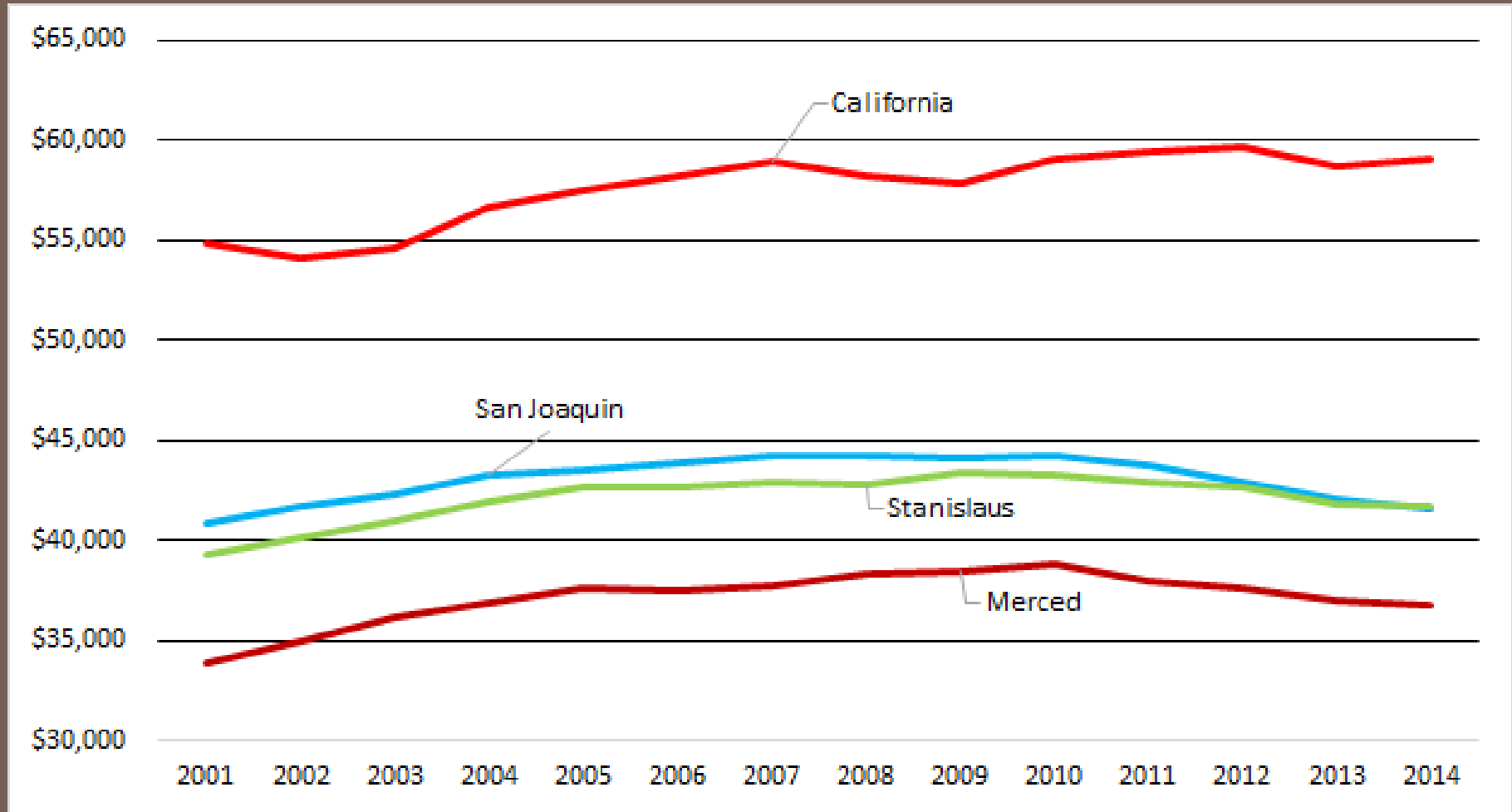
Biggest Decreases in Employment 2007 to 2015

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

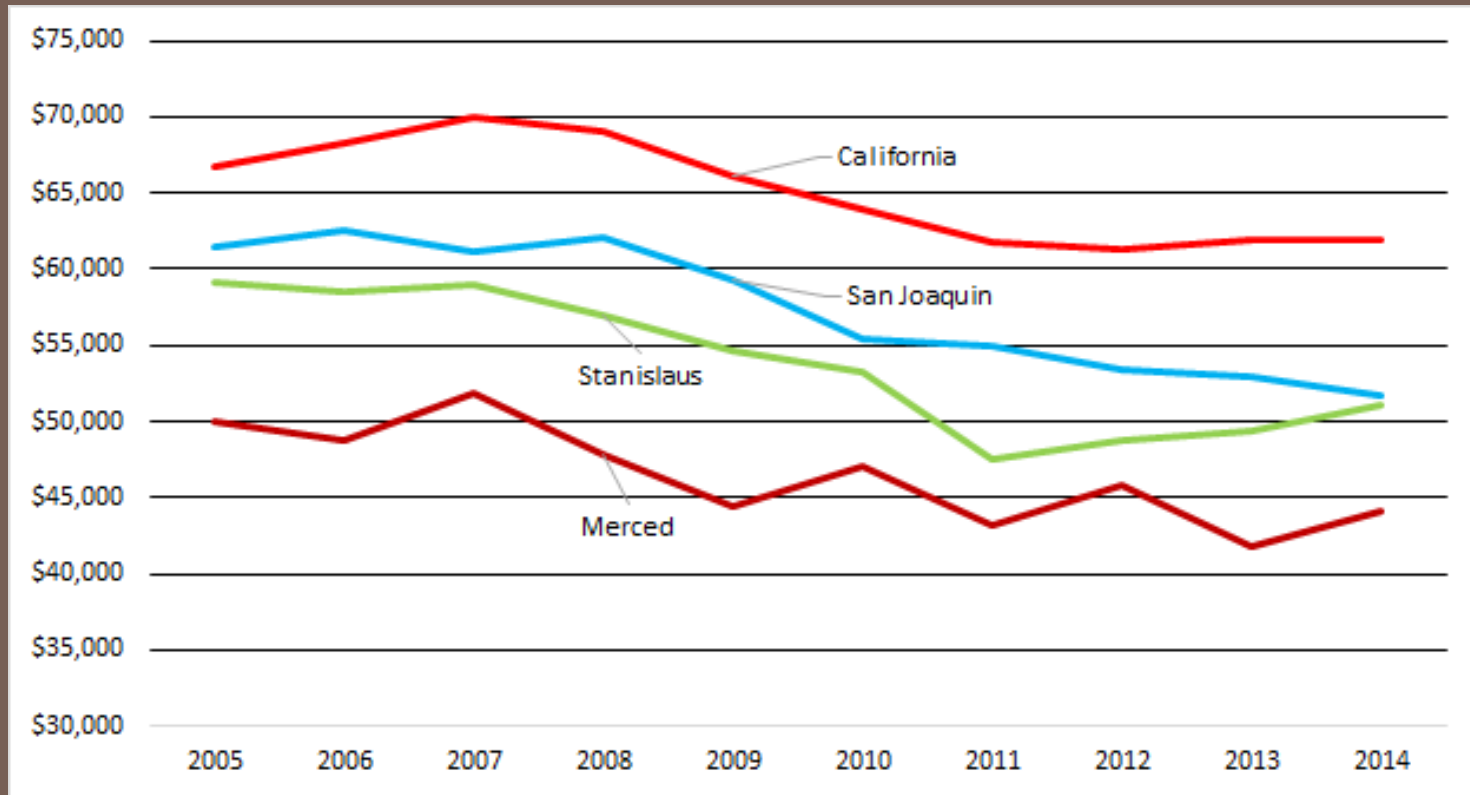
Biggest Increases in Employment 2007 to 2015

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

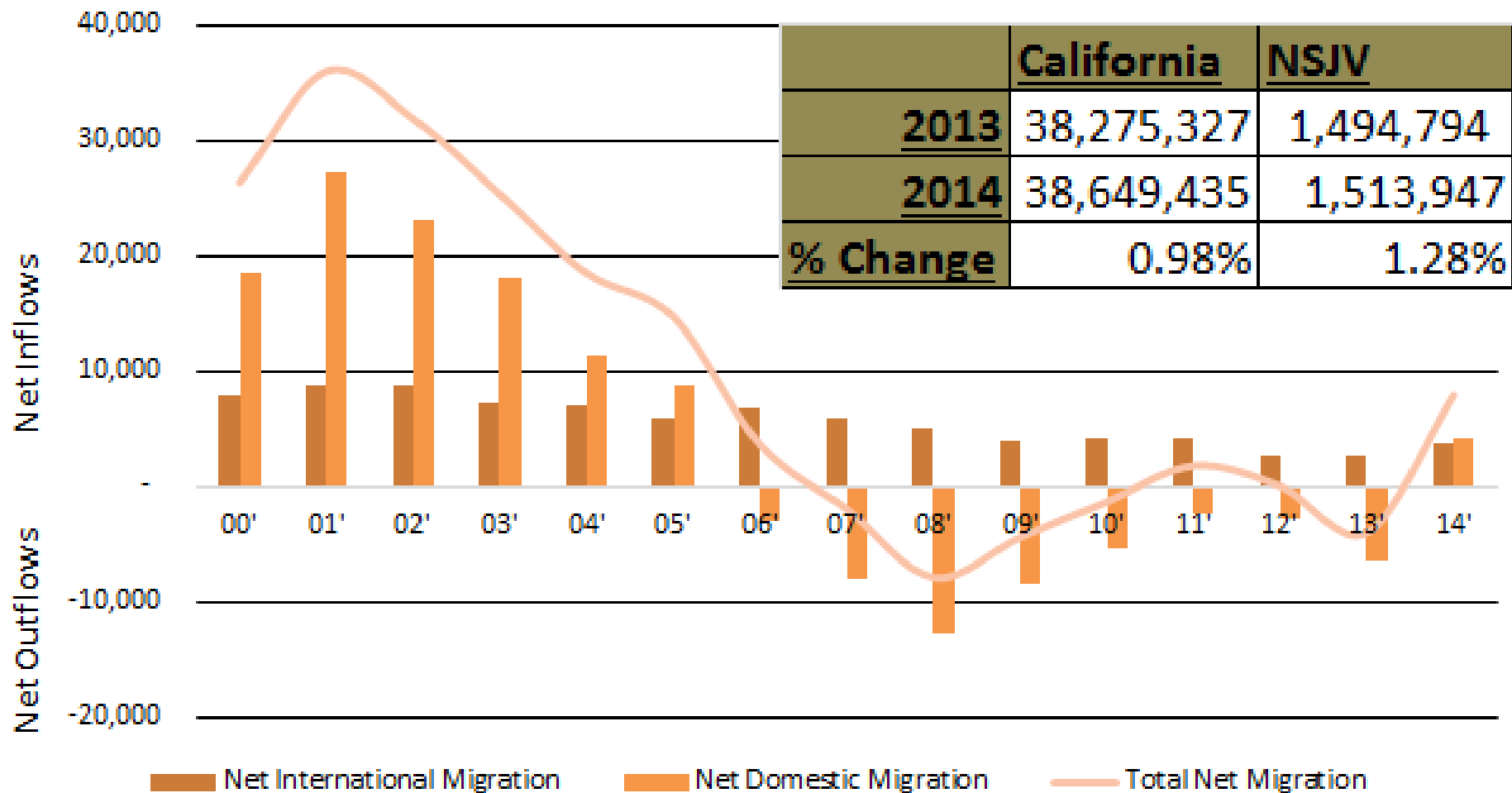


Median household income declined significantly from 2008 to 2014. Reflects increasing inequality.

But 2015 Brought Significant Improvements to San Joaquin County Labor Market

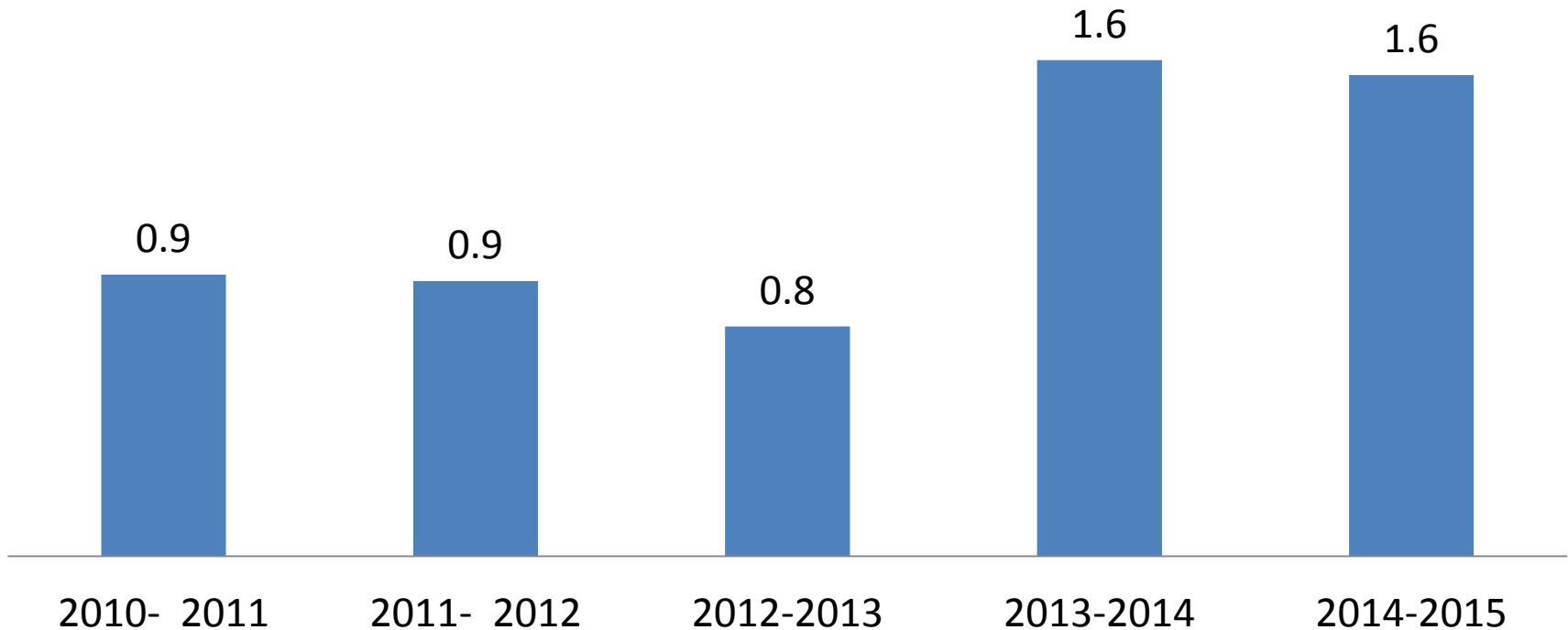
- ❑ SJC average Wage Up 4% between Sept 2014-15.
 - ❑ Top 15% of US counties for wage growth.
 - ❑ Top 10% of US counties for employment growth.
 - ❑ Wages grow faster than inflation for the first time since 2008.
- ❑ Middle Class Sectors Adding Jobs Again
 - ❑ Construction, State and Local Government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

Population Growth and Migration



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

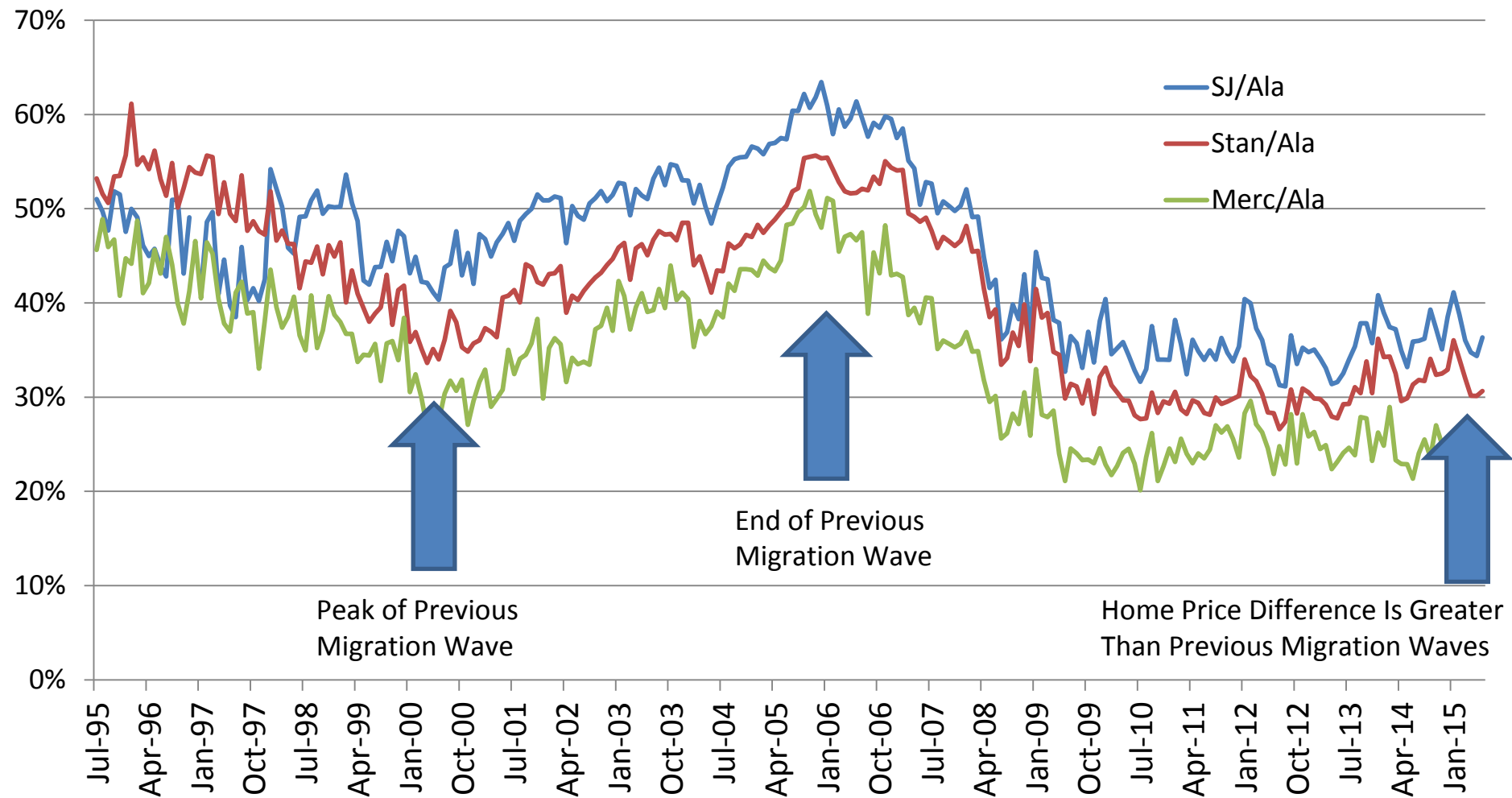
SJC Percent Change in Population



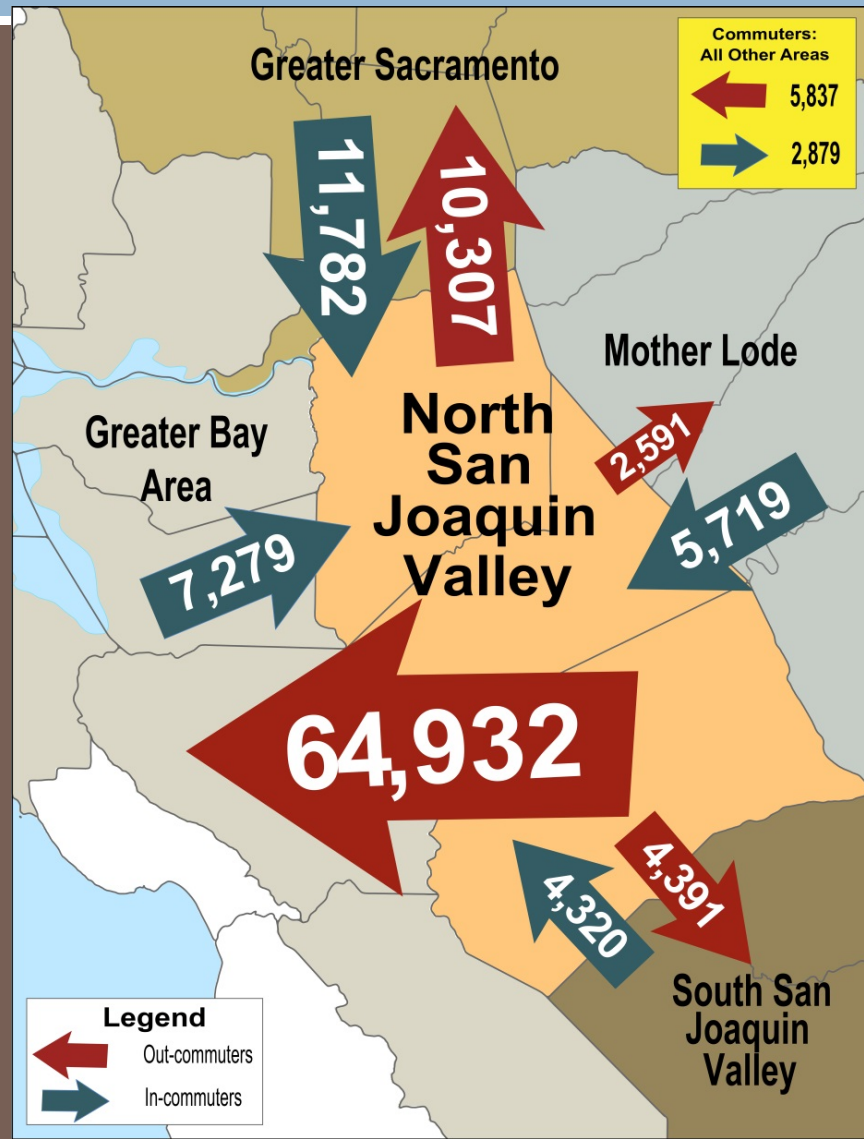
Next fastest growth rates in the State are Alameda and Santa Clara Counties.

Bay Area migration is back to 2004-05 levels.

NSJV Home Values as a % of Alameda County

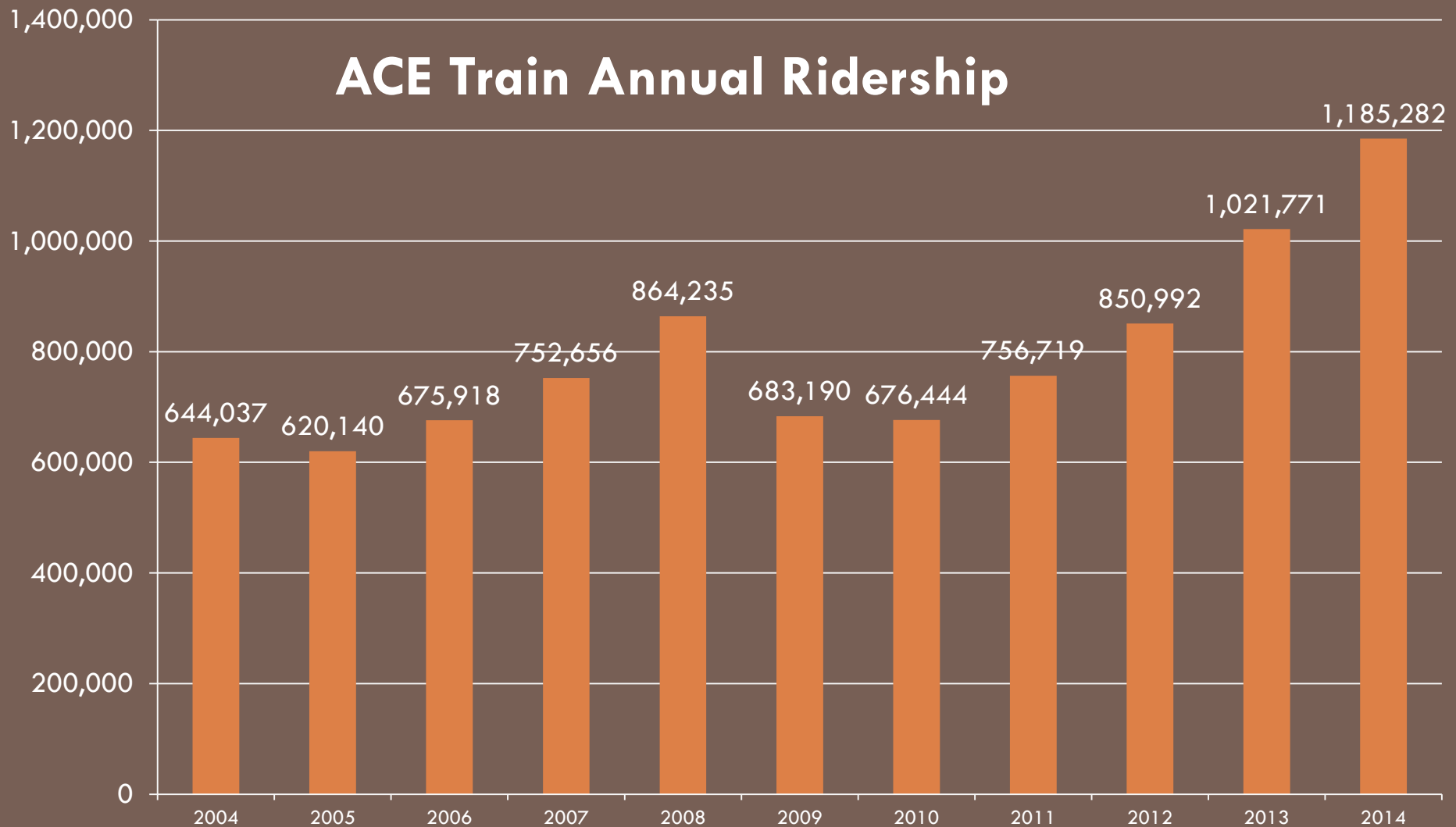


NSJV Commuting Patterns

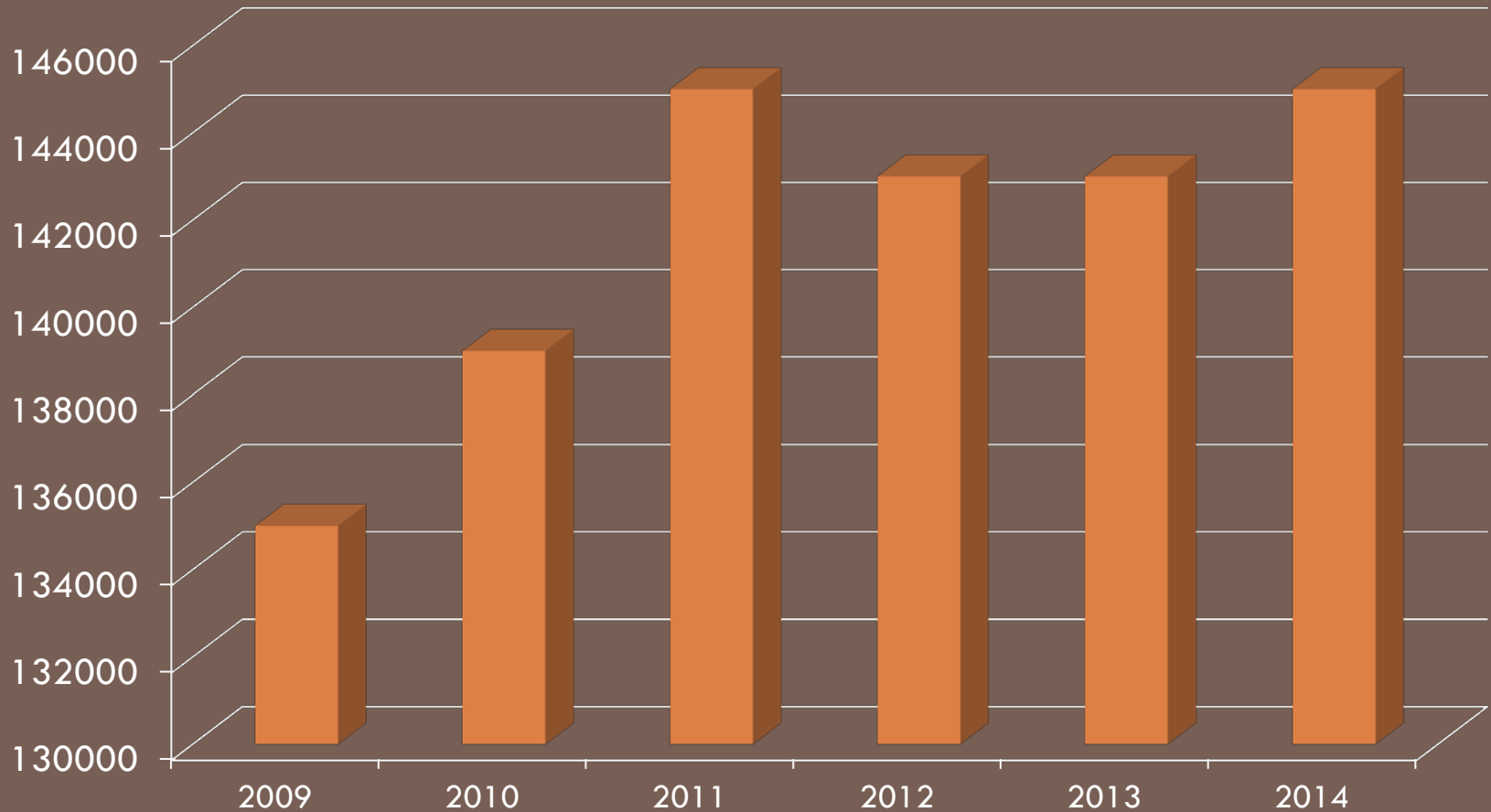


Altamont Commuter Express:

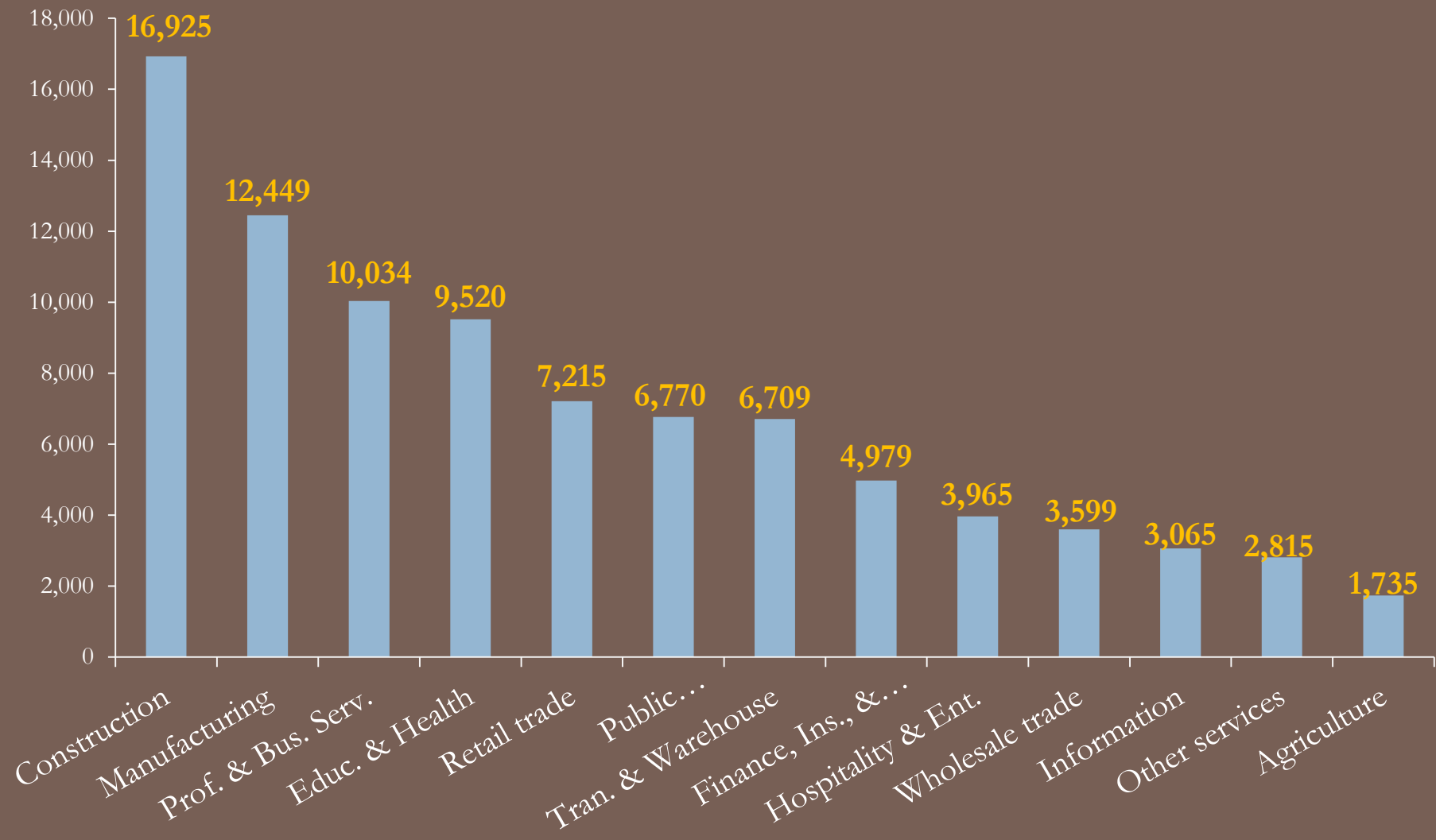
Ridership 75% increase 2010-2014



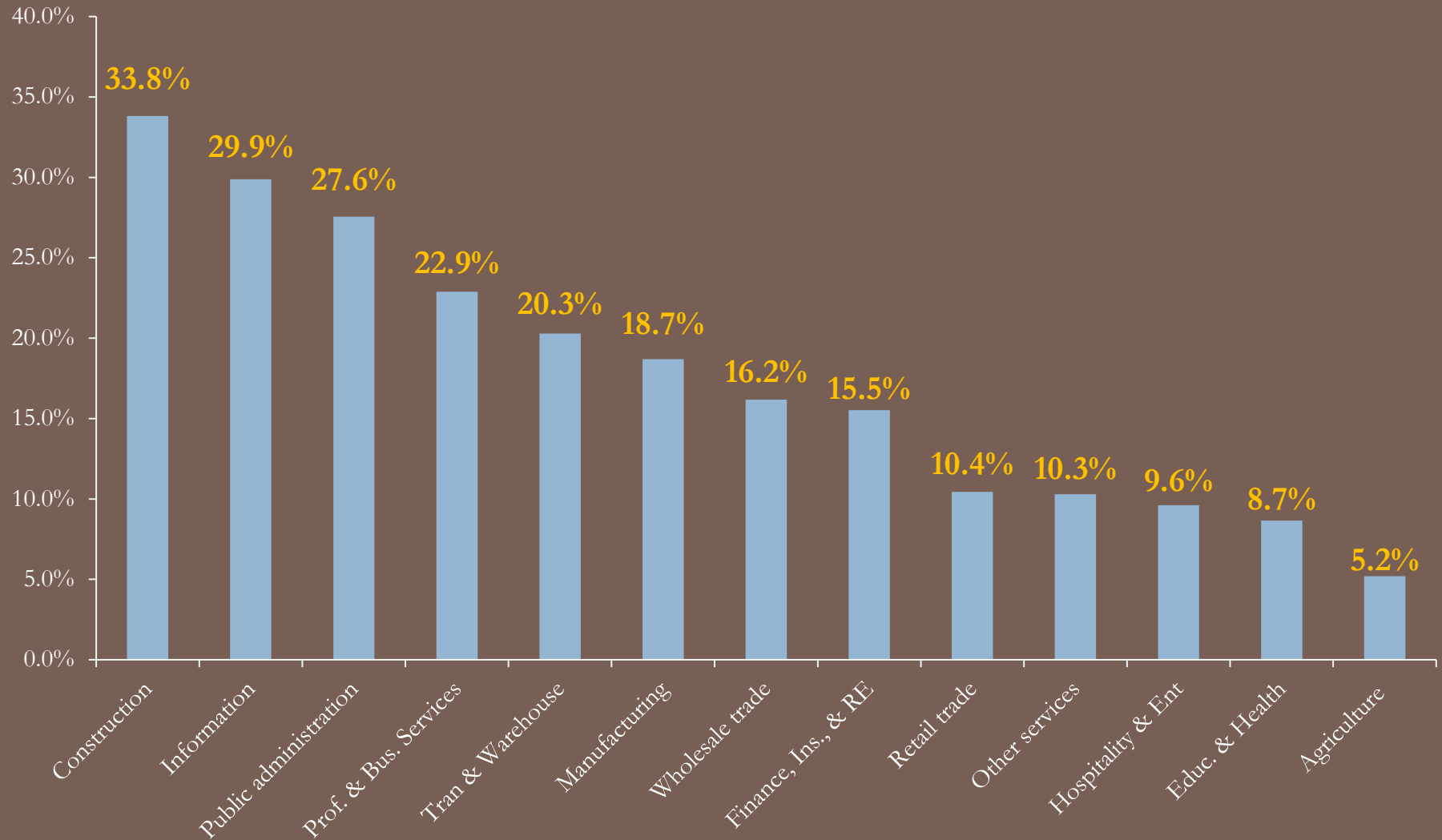
I-580 at Grant Line: Daily Vehicle Count



Number of NSJV Out-Commuters by Industry



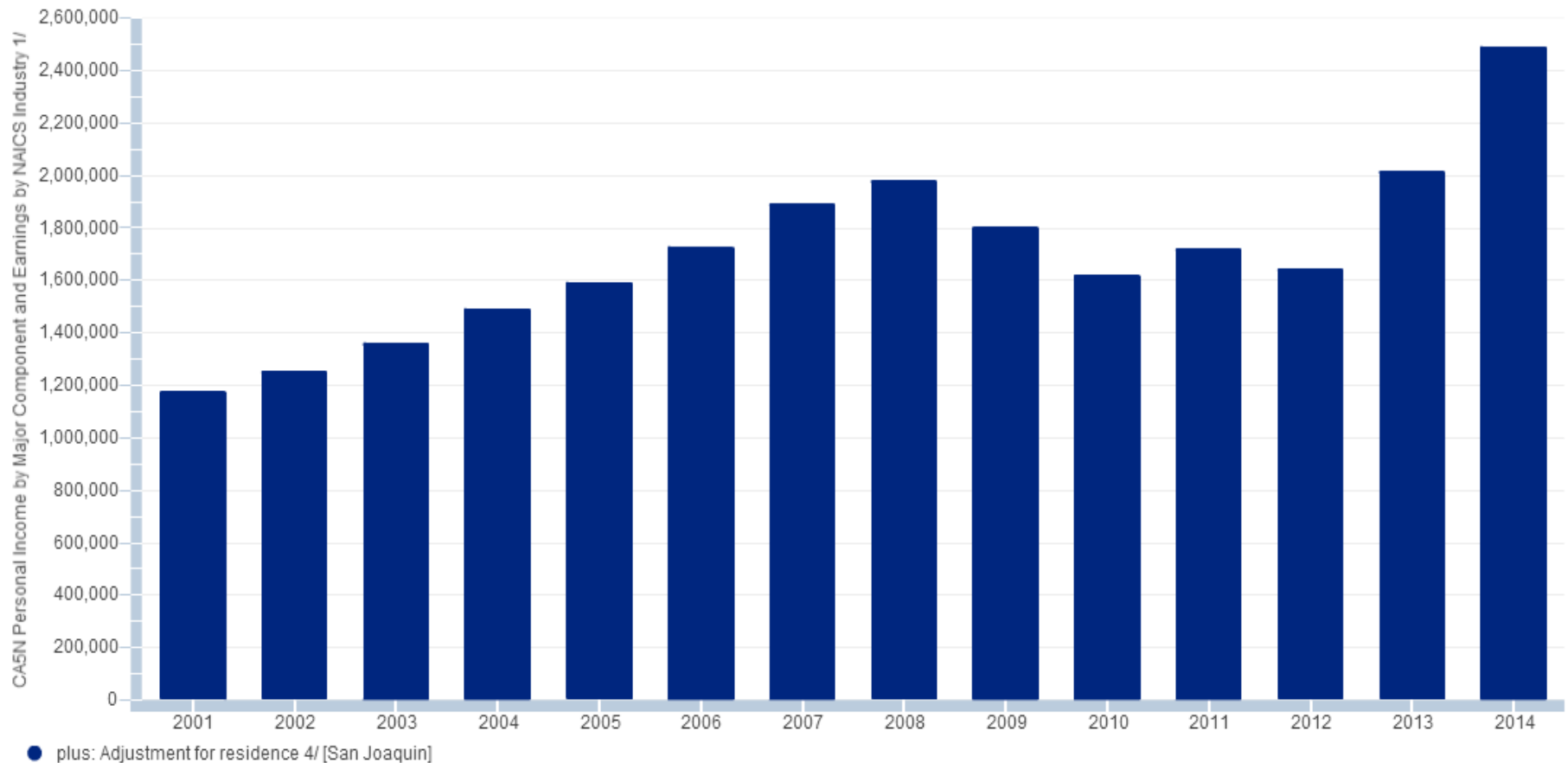
Share of NSJV Workers by Industry who Commute Out of the NSJV



Net Commuter Income Had Record Growth in 2013-14

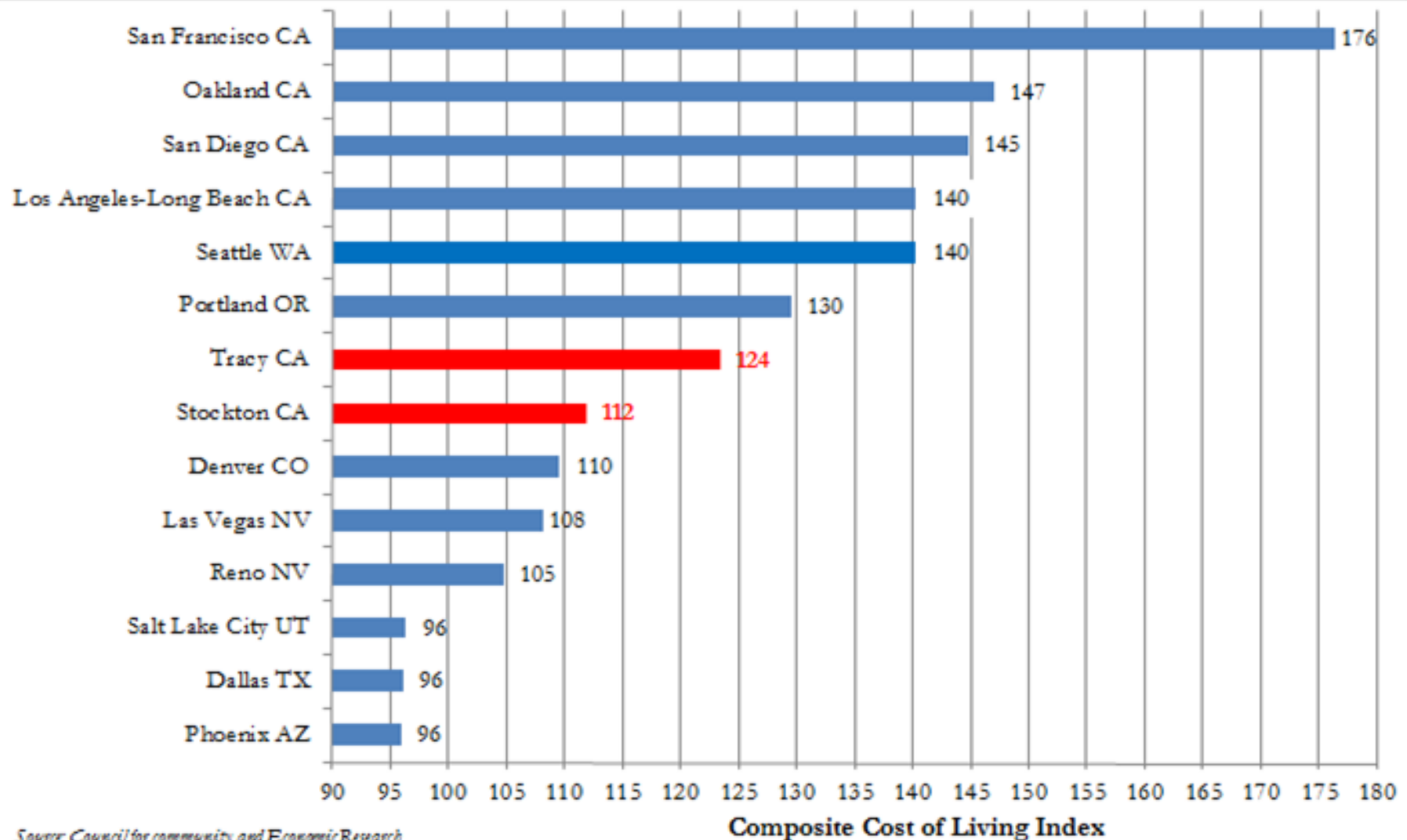
CA5N Personal Income by Major Component and Earnings by NAICS Industry 1/

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



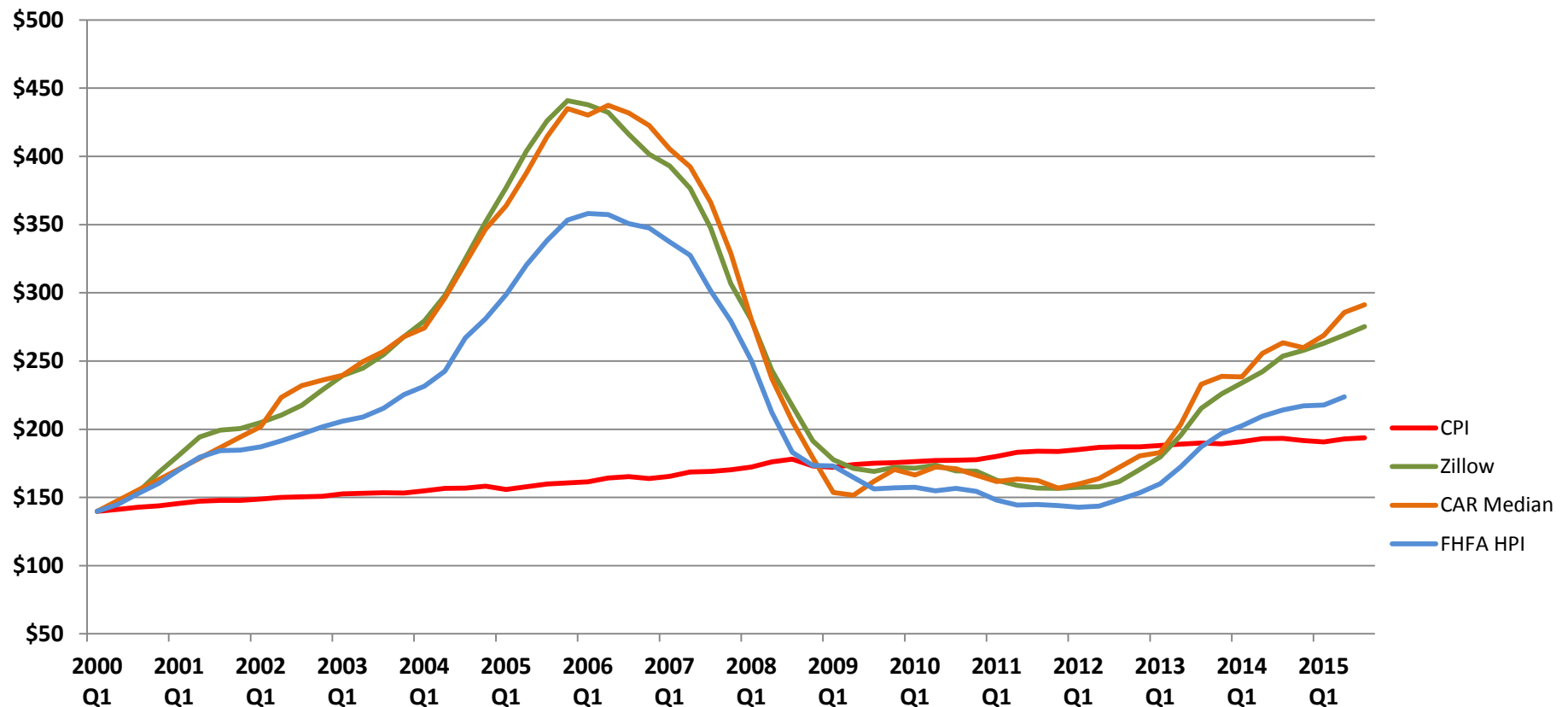
Source: U.S. Bureau of Economic Analysis

Cost of Living Index, 2015



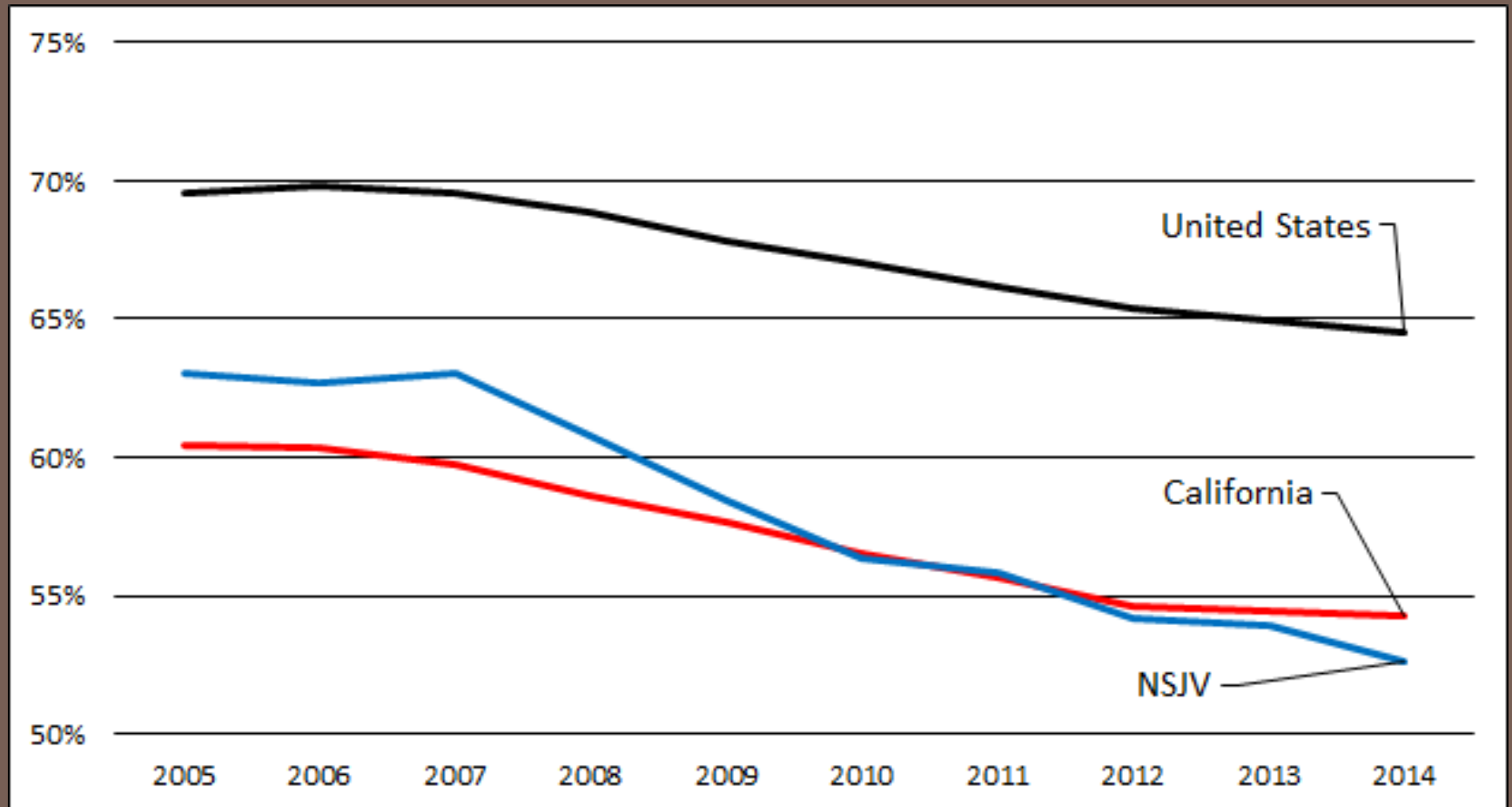
Home Values Relative to Income Have Never Been This High Without Sub-prime Lending

**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

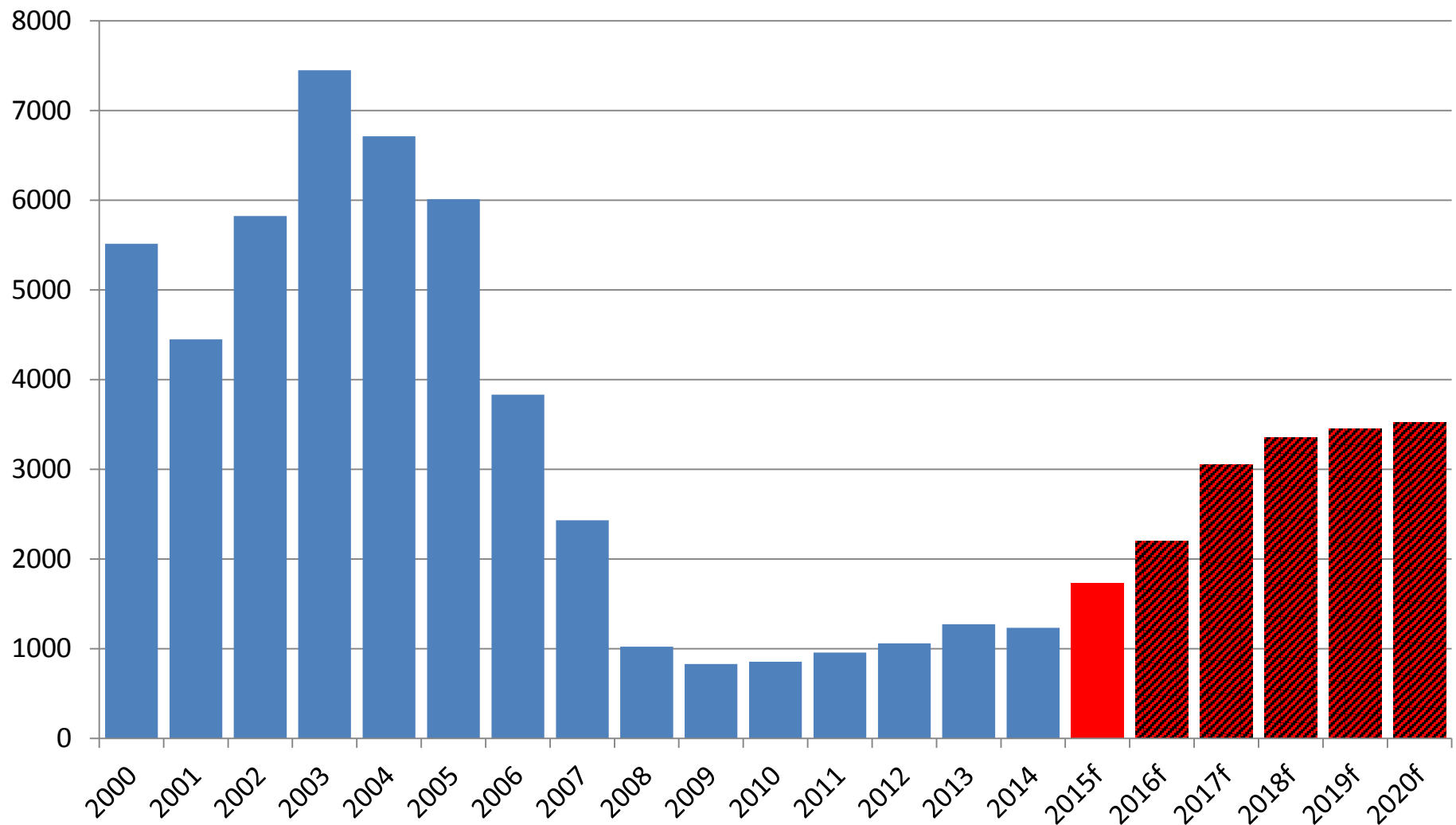
Percent of Housing Units that are Owner Occupied (Tracy 60%)



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 4th 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
 - ▣ 1st stage: Commuters
 - ▣ 2nd stage: Logistics Industry
 - ▣ Next stage is harder: Integrating into the supply chain & knowledge economy.



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