

**October 4, 2011, 4:30 p.m.**

Community Center, 300 East Tenth Street

Web Site: [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

1. Call to Order - Mayor Ives called the special joint workshop of the Tracy City Council, Planning Commission, Tracy City Center Association and the Chamber of Commerce to order at 4:31 p.m.
2. Roll Call - Roll call found Council Members Abercrombie, Elliott, Rickman, Mayor Pro Tem Maciel and Mayor Ives present. Planning Commission – Commissioners Mitracos, Johnston, Manne and Ransom present; Commissioner Alexander absent. Tracy City Center Association – Jan Couturier, Dino Margaros and Dan Schack present. Tracy Chamber of Commerce – Lis Aguilera, Larry Benson and Chad Wood present.
3. Items from the Audience - None.
4. PARTICIPATION IN A DOWNTOWN WORKSHOP REGARDING CURRENT EFFORTS AND NEAR TERM AND LONG TERM STRATEGIES TO REVITALIZE DOWNTOWN TRACY – Leon Churchill, City Manager, welcomed the participants to the meeting and stated the workshop would provide an opportunity to discuss current Downtown revitalization efforts and to re-evaluate near term and long term strategies for the area. The workshop included (1) brief summaries of current activities by the Tracy City Center Association (TCCA), the Tracy Chamber of Commerce, and the City; (2) a presentation by Michael Freedman of Freedman Tung and Sasaki, regarding the Specific Plan/Strategic Plan, major findings about Downtown, key areas of City intervention, major concerns about the economy, and ideas for the future; (3) a question and answer session with the Boards and Commissions; and (4) public comments and questions.

Mr. Churchill used a power point in his presentation, and offered the following reasons a downtown is important. A central business district is a prominent employment center, which represents a large concentration of businesses. It serves as an incubator for new business and since most businesses are independently owned profits are kept in town. Downtown is also a reflection of how a community sees itself—a critical factor in business retention and recruitment efforts which represent a significant portion of a community's tax base. The central business district is an important shopping and service center which can be a tourist draw since people want to see unique places. Tracy's Downtown is the historic core of the City which represents a vast amount of public/private investment. Finally, downtowns are usually government centers which provide a sense of community.

Mr. Churchill suggested everyone has a role in the Downtown either as a leader, a representative or an individual.

Mr. Churchill requested one representative from the City, the Chamber and the TCCA give an overview of what their organization is doing in the Downtown area.

Lis Aguilera, Chamber of Commerce, stated significant events for the Chamber include the Bean Festival and July 4. The Chamber also co-sponsors Downtown block parties, mixers, and get-togethers for new business owners. Seminars and workshops to help prospective business owners understand the hardships of starting a business are promoted by the Chamber, as well as commerce and community events.

Jan Couturier, TCCA, stated the TCCA was formed in December 2009, following the dissolution of the DTBIA. The group interacts with Downtown property owners regarding landscape maintenance, clearing sidewalks and parking lots, maintaining flower pots, erecting banners, and continuing from where the DTBIA left off. Ms. Couturier added the TCCA has agreed to a 5-year assessment to fund the community benefit district.

Ms. Couturier stated there are five major categories of business in the downtown, just about split equally among health and beauty which includes medical, dental and hair salons; food and drink; retail and consignment; financial services and real estate, as well as City services. The goal of the TCCA is to continue to develop the Downtown in coordination with the City and the Chamber, and to bring in new businesses which complement what is already in the Downtown.

Andrew Malik, Director of Development Services, stated for the past seven years the City has worked on a number of projects in the Downtown area including the streetscape project, the Fire Administration building, the Grand Theatre and the Transit Station. More recently, the City has acquired the Westside Market and is actively looking for a tenant. The Downtown Plaza, which will be a signature gathering place, is under construction and is scheduled for completion by February 2012. The City also puts on a number of events in conjunction with other organizations including the "Concert Series" and "A Taste of Tracy." The City shows "Movies on the Plaza" and has organized a series of block parties at Sixth and Central. Mr. Malik added that most of these events will be moved to the Plaza when it is completed in an attempt to invigorate the Downtown.

In response to a question from Mr. Churchill regarding whether anyone had anything to add, Ms. Couturier stated TCCA also is responsible for the Wine Stroll, the Halloween and Christmas parades as well as the banner program and the Christmas decorations.

Brent Ives, Mayor, stated the City commissioned the Downtown Specific Plan which needs further discussion. A number of things have been done to improve the Downtown and a lot of public money has been put into the area, but the concern is that it is not quite where we want it to be yet. The City, the Chamber, the TCCA, property owners and the merchants all have a different take on Downtown, and need to get together to figure out what it will take to get to the next level.

Tyler O'Neil, Millennium High Senior and City intern, stated that for him Downtown is a "one stop shop." What is missing is a reason for people, young and old, to spend time in the Downtown. Mr. O'Neil stated the Grand Theatre is a good start but since it does not appeal to everyone a constant activity similar to a bowling alley would give people a place to go and just hang out. Mr. O'Neil added that this could then lead to a possible increase in sales of food and drink, etc.

Clare Atkins, resident, commented that by 7 p.m. everything in the Downtown is closed. Ms. Atkins suggested more lighting and shops that stay open longer, including Sunday afternoons.

Anne Mooney, Downtown resident, stated Downtown residents could be a valuable resource and inquired how the residents will be integrated into the plan.

In response to a question from Mr. Churchill as to "What is downtown?" Pete Mitracos, Planning Commissioner, stated that in the past Tracy's center has been spread out. Mr. Mitracos added a goal of this workshop is to find out where the center of Tracy is located.

John Fisher, representing property owners, questioned why Eleventh Street was included since it doesn't appear to belong in the Downtown.

Ben Curran stated he had been a property owner on Eleventh Street for 28 years and while he supported the Downtown, he did not want a use to be taken away from Eleventh Street and given to Downtown. Mr. Curran commented on the City's attempt to determine where businesses will locate by rezoning Eleventh Street and added that the market place determines where businesses locate.

Mr. Churchill asked, "How can land use controls help us get what we want?" Mr. Churchill introduced Consultant Michael Freedman, Freedman Tung and Sasaki, who included a power point in his presentation.

Mr. Freedman referred to the Downtown Specific Plan and asked the audience to consider two questions, "What does the 4 year-old Draft Plan include?" and "Does the Plan still fit the needs of Downtown?"

The Draft Plan includes:

1. Community Intent – where do we want to take the Downtown?
2. Development Regulations which can change zoning to revitalize the Downtown
3. City Actions (including staff time)

Mr. Freedman pointed out the objective is not to regulate but to use the City's tools to create the environment the City wants. The goal is to achieve sales of \$100 per square foot; currently, the amount is \$35 per square foot.

Revitalization of the Downtown includes capturing leakage by targeting Tracy's strong family demographics; providing uses for things that Tracy residents are currently going elsewhere to buy, and by recruiting select new businesses that complement the existing mix of businesses in the Downtown. Mr. Freedman added that what is in the shops is half the battle; how the Downtown is laid out is the other half. Mr. Freedman used a power point presentation to show examples of well-laid out downtown areas. The mix of uses for both daytime and evening need to be strengthened. For daytime the mix might include a higher concentration of arts and crafts stores; specialty home furnishings and home improvement; children and maternity stores; traditional visual arts supplies to complement visual arts classes at the Grand Theatre; mail service businesses and more Latino-owned stores. For the evening, Mr. Freedman suggested restaurants that complement the existing mix as well as restaurants with an entertainment component, such as Game Works; an additional coffee bar/café for the south end of Downtown; a tea shop and gourmet ice cream store; and after-show venues clustered close to the Grand Theatre, such as a wine bar, need to be considered.

Downtown must be a special place different from other highly valued places in Tracy and must be distinguished from auto-oriented and regional shopping centers. Tracy's Downtown needs to emphasize authenticity, civic buildings, great public places and its history and historic character. Promoting new housing within a half mile of the Downtown core is a sure way to support Downtown businesses and activate the street. High density could make both the Downtown and Eleventh Street more successful. The number of places geared towards families with children also needs to be increased.

Mr. Freedman commented on how the context for revitalization has changed since 2007, and how that impacts the Downtown. Bay area fundamentals remain unchanged and employment growth in the area will encourage demand for homes in Tracy.

Revitalization is driven by retail anchors including supermarkets, department stores, power center uses, movie theatres and large scale retailers. Mr. Freedman offered an explanation of how investors decide where to locate. For example, Trader Joe stores need 30,000 – 50,000 households within a five to seven mile trade area, with a minimum amount of disposable income. Investors also need approximately 40,000 vehicles driving by. Since the Downtown does not have the drive-by numbers, adding to the number of people living in Downtown is critical. The Bowtie area is an opportunity site for housing which is not currently available, so the emphasis should shift to smaller infill sites. Residential development of the western Bowtie area should be encouraged with the possibility of a basketball court as an interim use.

Mr. Freedman suggested that during the next period of growth retail uses essential to the revitalization of the Downtown core should be restricted. In particular, the slow creep of commercial activity further east on Tenth Street and other side streets should be brought to a halt. Uses with similar peak times should be clustered to maximize synergy and street life. For example, daytime-oriented uses should be clustered around Tenth Street and North Central Avenue; nighttime-oriented uses to south Central Avenue and Sixth Street.

Mr. Freedman suggested that Tracy's Downtown is twice as large as it should be compared to other successful downtown areas. Mr. Freedman used Livermore, Mountain View and Santana Row as examples of successful, rebuilt downtowns which are larger than normal, but added they have been successful because they have a large number of vehicles driving by. Consequently, in the current period of weak retail sales the City has to allow offices into the Downtown. Ground floor shops, including offices, should all have shop fronts. Services in the Downtown should be located on the ground floor and should also have shop fronts. New restaurants, bookstores, etc., should not be allowed on Eleventh Street. If a particular business is already located on Eleventh Street it should be grandfathered in, but new businesses needed for the Downtown should not be allowed on Eleventh Street. Mr. Freedman stated the City cannot allow people to locate businesses anywhere they choose and also have a Downtown.

Since the mid-1990's, housing markets have changed, resulting in a huge demand for downtown living, and nationally housing prices are increasing at a 40-200 per cent premium over drivable single family homes. Downtown revitalization is on the increase. The advantages for Tracy's Downtown include City Hall, the Transit Center, homes, offices, transit, shops, food, civic buildings, public plazas and parks, culture and arts, history, classes, nightlife, day life and street life.

The City also needs to partner with the private business community. There is a growing demand for sustainable development, and at least one-third of future housing demand will be for compact housing. In addition, there is a growing interest in cycling and smart growth projects.

To ensure the Specific Plan still fits the needs of Downtown the following actions need to be considered:

1. Update market information
2. Re-inventory sites
3. Update and adopt the Downtown Specific Plan
4. Identify opportunity buildings and barriers to renovation
5. Emphasize small short-term successes e.g. West Side Market, Grow Tracy Seed Fund, build on successful special events, and encourage new energy around the Transit station, the Plaza and the Grand Theatre
6. Streamline approvals
7. Look for untraditional anchors, including educational anchors

Mr. Freedman concluded by stating that adopting the Downtown Specific Plan is not the end of the process but the beginning of revitalization round 2.

In response to a question from Mr. Churchill regarding how the City is doing, Charles Manne, Planning Commissioner, stated he doesn't like the idea of not cleaning up the Bowtie or comparing Tracy's Downtown to other downtown areas.

Dan Schack, TCCA, stated he believed Tracy was doing quite well. Changes to the Specific Plan suggested by Mr. Freedman are consistent with some of the things that are already being implemented. Jan Couturier, TCCA, did a good job summarizing many of the things TCCA has done in the past 18 months. TCCA will continue to try to find businesses willing to invest in Tracy. Mr. Schack added he liked the idea that the Specific Plan has flexibility and also that the core has property owners and business people who are willing to invest in the Downtown. Mr. Schack stated revitalization would not happen overnight, but added he believed we are on the right track.

Larry Benson, Tracy Chamber of Commerce, stated Tracy needs to be made more of a destination, with more retail and more things to do. Mr. Benson added he believed it was important to include Downtown residents and also increase their numbers. Mr. Benson added the City, TCCA and the Chamber can only do so much and need the support of the Tracy's residents to make the Downtown a success.

Council Member Abercrombie stated the Downtown hasn't grown since this process began in 2005/2006. Council Member Abercrombie voiced his concern that the Downtown is too large and inquired why this wasn't pointed out in the beginning. Council Member Abercrombie added he was frustrated that the plan now has changed to allow offices on the ground floor when a few years ago this was not the case. Council Member Abercrombie was concerned that the plan may have to change again in five years. Council Member Abercrombie stated he was impressed with the efforts of TCCA, and the amount of time the members commit to the Downtown. Council Member Abercrombie suggested the City wants constructive criticism and asked what can be done from this day forward to improve the Downtown and get to the goal we want to achieve.

Mike Maciel, Mayor Pro Tem, stated it was refreshing to hear Mr. Freedman say there are things the City needs to reconsider. The climate has changed and the City has to constantly reassess what is realistic. The solution does not lie with one entity. The City's function is to be a facilitator and an enabler. The City cannot make businesses stay open later or open on Sundays. The City can help provide an environment and the infrastructure that makes the Downtown more desirable. The Transit Station and the Grand Theatre are enhancements to the Downtown. The City supported the formation of TCCA, a group of people committed to improving the Downtown. Mayor Pro Tem Maciel added the City has taken some huge steps forward, but one thing that hadn't been talked about was the population center downtown. Mayor Pro Tem Maciel added that while the population center in the downtown probably does not meet the economic demographics needed to support the area it is what it is. Currently, the ability to revitalize the Bowtie area is beyond the City's control, and the City has to look to things that are within its control. Mayor Pro Tem Maciel suggested the one question that should be answered is "What is the Downtown." TCCA has a clear idea since they have a geographic district. Mayor Pro Tem Maciel suggested this is an ongoing process and everyone has a different idea of what they want the downtown to be, but this is a positive step forward.

Council Member Elliott stated he was happy with the direction TCCA has taken in the downtown area in cooperation with the Chamber and the City. Council Member Elliott added the focus needs to be on short term successes, particularly in this economic climate. Recruiting businesses such as restaurants which stay open later and which will encourage other businesses to stay open later should be a focus. Council Member Elliott also suggested not giving up on development of the Bowtie for the long term since he believed that was the best bet for increasing the population in the Downtown.

Mayor Ives asked Mr. Churchill to describe the problems with the Bowtie area. Mr. Churchill stated the City had tried to buy the property which is owned by the Union Pacific Railroad (UPRR). The City and the UPRR were able to come to terms on the price of the property, but could not come to terms on liability and clean-up issues. That was when the City turned its attention to construction of the Downtown Plaza. Mr. Churchill added UPRR has some operational plans for activity on that line which have not yet materialized.

Mayor Ives stated the City has not given up on the area and is looking at federal Brownfield grants to help clean up the property and eventually acquire the Bowtie.

Council Member Rickman inquired whether the additional money the City has put into events downtown, including the Farmers Market, the Kelly Pickler concert, the Grand Theatre and the block parties has made a difference. The City has spent \$50 to \$60 million dollars in the past few years but has not yet reached the vision the City wants for Downtown. Council Member Rickman referred to the restricted hours of operation of downtown businesses and pointed out that even on the Bean Festival weekend many businesses were closed and, therefore, were not able to take advantage of the additional traffic Downtown. Council Member Rickman inquired what the City could do better, and suggested a public/private partnership, to try to get people into the Downtown. Council Member Rickman stated he did not agree with building more homes in the Downtown, but believed more amenities would attract more people to the area.

Pete Mitracos, Planning Commissioner, asked Mr. Freedman to discuss Eleventh Street and grandfathering in some of the existing property uses.

Mr. Freedman responded the community wants a successful vibrant downtown, but it is not the only thing the City wants to do for the residents. An investor who is invested in a business should be allowed to have that business in perpetuity. Fairness is important, it's how communities take care of each other, and Mr. Freedman added that fairness could possibly be more important than having a downtown. The City needs to be able to modify its goals for the benefit of the larger community. All Downtown Specific Plan area businesses should be grandfathered in. Mr. Freedman suggested the City could create a temporary extension of 18 months subject to periodic reviews, and added that perhaps six months is not fair.

Earl Breitstein, property owner on Eleventh Street, stated he understood the concept, but asked why the Downtown is more important than the rest of the City. Big O brings a lot of traffic to Downtown, but it is an unwanted business in the City's plans. Mr. Breitstein stated he did not understand why the Downtown area was being extended from Parker to Tracy Boulevard and East to McArthur, because those areas were part of the Downtown plan. Mr. Breitstein related in the past 90 days he had been approached by a representative from a very large corporation for property for a retail establishment with gasoline, but since it is not an approved use today the establishment moved to a location 200 feet away, on the southeast corner of MacArthur and Eleventh, where it is allowed because it is outside the area. Mr. Breitstein asked if the City would allow Firestone to remodel the Big O property on Central and Tenth.

Mr. Breitstein commented on how businesses are suffering during construction on Sixth Street, but added they will benefit from the improvements if they survive. The new Sixth Street property will be beautiful, but it is all government money. Mr. Breitstein stated that Eleventh Street businesses should not be forced to support other businesses in the area.

Tyler O'Neil stated he liked what Mr. Freedman had to say, and believed Tracy was doing fairly well, even though it does not have the amount of drive by traffic. Mr. O'Neil added he agreed that the population should be increased in the Downtown area, and suggested additional housing.

Mary Carr, Tracy Performing Arts Foundation, commented on the difficulty in getting people into the Downtown area to see a production since many people do not know Tracy has a Downtown or even a Grand Theatre. Ms. Carr suggested additional signs promoting the Downtown, similar to those promoting the Farmer's Market and the Wine Stroll. Ms. Carr used Walnut Creek as an example of how a City promotes its downtown activities and suggested the City spend more money advertising downtown events on billboards along the freeway. Ms. Carr stated it was all about promotion.

Dave Helm, Downtown property owner, pointed out a number of differences between Livermore and Tracy. Livermore doesn't have a shopping center but it does have the lab and many of the 50,000 employees live in the area. Mr. Helm stated his dinner service does not start until 7- 7:30 p.m. because of the large number of people who commute into the Bay Area. There are two to three downtown restaurants that open on Sundays. The area needs more restaurants and True Valley Hardware needs a tenant. Livermore encourages biking as well as outside seating in the downtown area. Mr. Helm didn't

believe businesses on Eleventh Street should be limited but suggested if a business is doing well that business should be helped. The Downtown has a lot of retail space, but not a lot of restaurants. Mr. Helm suggested for people to come Downtown they need to feel safe, and welcome and we must provide for their needs. Mr. Helm suggested building more housing in Downtown was not a good idea and asked who would want to live in an 800 sq. ft. apartment when you can buy a 3,000 sq. ft. house that has been foreclosed on. Rather than building additional housing in Downtown we need to capitalize on the housing already there.

Mr. Churchill asked for a show of hands regarding whether everyone was on the same page; and whether we want to energize downtown; whether the downtown is a unique and special place. Mr. Churchill asked the Planning Commission if they had heard enough for their work to go forward.

Charles Manne, Planning Commissioner, mentioned a few things which had not been discussed, i.e. population growth, the ACE train relocating to the downtown. Mr. Manne added there were a few more ACE workshops left, but the impression was that stake holders want change, but don't change me. Mr. Churchill stated the Planning Commission is currently holding workshops on the Downtown Specific Plan.

Mr. Churchill closed by asking if the discussion needs to continue in a similar format. Mayor Ives stated he was concerned that Council not get left out of the process with regard to the workshops being held by the Planning Commission, since eventually the City Council will have to make some decisions. Mayor Ives stated he liked the collective nature of the workshop, and suggested that any steps that need to be taken need to be done in a public forum.

Commissioner Mitracos stated he disagreed with the Mayor. The meetings which were small scale and round table had been successful. Commissioner Mitracos agreed it was important for Council to know what happens at those meetings but added they have been helpful. Mayor Ives suggested the Council needs to have the information it needs to make the decisions. Mayor Ives stated he liked the fact everyone gets an opportunity to speak and suggest different steps which might be taken.

Mr. Churchill stated the dialogue will continue.

5. Adjournment – Mayor Ives adjourned the meeting at 6:25 p.m.

The agenda was posted at Tracy City Hall on September 29, 2011. The above are summary minutes. A recording is available at the office of the City Clerk.

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Mayor

ATTEST

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Assistant City Clerk