

Good news for 2008

For the past 10-years, each year's first Economic Notes column has given our preview of projects on the horizon in Fairfield. We don't really believe *our* prognostications bring good fortune for the community. We do, however, like to give our readers a "heads up" on some stories that may be coming into view. 2007 was, of course, a tough year, and one question for this column is "Can we expect any good news in 2008?"

RETAIL NEWS. On a national level, retail sales had a healthy November "Black Friday" start for the holiday season but a disappointing finish. The first quarter of 2008 is likewise not expected to be particularly strong for retail sales on a national or local level. Retail sales have long been one of the economic bases of the Fairfield economy, providing jobs, economic activity, and tax revenues that fund public services in the City. In recent years, consumer purchasing power was strong because of the fast growth in property values. Now, with a depressed real estate market (and thus little or no home equity to tap), consumers are not going to be as free-spending as in the past.

Macy's recently announced that it will close several stores in locations with declining sales and with limited growth opportunities. Fairfield is not on the "hit" list and no California stores are expected to close. While the Fairfield Macy's store is probably considered an "average" store in sales volume, sales of its young adult/youth oriented merchandise are well above average. We can assume that Macy's is very interested in this kind of growth. And, Solano Mall is benefiting from a conscientious owner. Westfield Solano management stepped up and provided valet parking services for the holiday season, which shows the Mall is customer service friendly and ready to accommodate consumers in every way during challenging times.

Although we believe retail sales will be flat in Fairfield this year, we are hopeful a couple of stores slated to open this year will provide a spark. Orchard Supply Hardware has submitted plans to the City for the planned remodeling of the former Yardbird's space. This sizable anchor tenant could certainly boost activity in the shopping center that includes a Kinko's and Mary's Pizza Shack. Tenant improvements are already underway at the new TESCO "Fresh and Easy" store on Beck Avenue (former Smart-N-Final). The Staples opening at Oliver Road and Interstate 80 should help retail sales as well. These planned openings show that major regional and national tenants

remain interested in the Fairfield market. Let's face it, there is nothing like shopping in a nice new clean store. And of course luxury car lovers will get their chance to purchase a Mercedes-Benz later this year when the dealership opens on Auto Mall Parkway.

RESTAURANT NEWS. Huckleberry's, a new restaurant chain, will open in the previous Mel's Diner site at 3101 Travis Boulevard, at the intersection with Oliver Road. Huckleberry's will have a Southern feel, with interiors decorated in the style of a Mississippi steamboat and serving such foods as flapjacks with huckleberry syrup, Cajun hot links, Louisiana-style spareribs, catfish and chicken gumbo. It will serve breakfast and lunch only, with prices ranging between \$6 and \$8 per meal. The chain has other locations in Exeter, Pismo Beach, and Fresno. They expect to open in late February or early March 2008. Additionally, the vacant former Lou's Junction site on North Texas Street should see development activity for a sit-down dinner house this year.

HOME DEVELOPMENT. We anticipate new home development will not bounce back this year. There were fewer than 200 building single-family permits issued in 2007, and we don't anticipate an upswing this year. There are some smaller developers and individual homeowners purchasing and developing lots, but large scale development is in a holding pattern. Nonetheless, planning efforts for future large scale projects continue. These efforts will lay the groundwork for the next phase of growth in Fairfield, which will continue to be concentrated in Northeastern Fairfield and the fringes of Cordelia/Green Valley.

BUSINESS RECRUITMENT. The City's Economic Development staff has been providing presentations to Bay Area industrial and office real estate brokers over the last year to improve awareness of the Fairfield marketplace. Look for dividends to pay off during 2008 as City staff continues to respond inquires for industrial use and corporate headquarters to relocate or expand in Fairfield. For instance, a beverage manufacturer with 150-200 jobs is in the works. 2008 may well be another difficult year for the local and regional economy. Fairfield will continue to benefit from its location, relatively affordable land, and high quality water supply.

Economic Notes is an update from Fairfield City Hall written by Brian Miller and Karl Dumas of the Fairfield Community Development Department.