

CITY OF TRACY INCENTIVES



Tracy is committed to a strong, growing business climate. Businesses locating in Tracy will enjoy working in an economic environment with knowledgeable professionals readily available to make the development and permitting processes seamless. A wide range of business-friendly services and financial incentives are available to companies choosing to locate here.

Technology & Innovation Based Industry Incentive Program

Technology & Innovation based industry (Tech Based) research and development, advanced manufacturing, and services are highly desired economic activities. The Tech Based workforce is highly paid, possesses strong skills, and has a higher educational attainment. Diversifying the local economy to include Tech Based businesses benefits the city's job growth, educational attainment, STEM (Scientific, Technology, Engineering, and Mathematics) programs, sales tax base, and quality of life.

The Technology & Innovation Based Incentive Program aims to increase the viability of current and future Tech Based businesses in Tracy. It is intended to provide various incentives to eligible Tech Based companies interested in locating within the Tracy city limits and existing Tech Based companies in Tracy who are interested in expanding.

Program incentives include:

- Expedited Plan Review Rebate (up to \$5,000)
- Use Tax Rebate (up to 50%)
- Building & Planning Rebates (75%, up to \$20,000; Planning Division permits maximum rebate \$10,000)
- High Wage Incentive (\$1,000 per eligible employee/per year, up to 5 years)

Office & Industrial Incentive Program

This program aims to attract new businesses and create jobs in Tracy by **providing sales tax rebates or direct financial assistance incentives, Building & Planning fee rebates, and High Wage incentives** to qualifying developer-owners, prospective tenants, or tenant representatives looking to locate in Tracy's office & industrial areas. The prospective company must:

- Generate \$100 million or more in gross annual sales
- Generate sales tax to the City corresponding to the gross sales
- Provide a minimum of 1,000 FTE jobs

Program incentives may include:

- Sales Tax Rebate or Direct Financial Assistance
- Building & Planning Rebates (75%, up to \$20,000; Planning Division permits maximum rebate \$10,000)
- High Wage Incentive (\$1,000 per eligible employee/per year, up to 5 years)
 - New Companies must create or relocate a minimum of 250 jobs with at least 50% of their workforce at "Head of Household" wage level
 - Existing companies must have expanded their workforce by a minimum of 25% with new "Head of Household" jobs

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Hospitality, Entertainment, & Recreation Incentive Program

The Hospitality, Entertainment & Recreation (HER) incentive offers a sales tax rebate or direct financial assistance, building and planning fee rebates, and/or transient occupancy tax rebates and is available to unique retailer(s) who offer a full-service establishment with hospitality, recreation, and entertainment venues. To qualify, a business must:

- Be engaged in “retail sales” and “Transient Occupancy Tax” within the City of Tracy
- List the City of Tracy as its point of sale
- Be located within the City limits
- Not be located within the primary trade area
- Be a unique business “as defined”
- Provide 5 years worth of actual annual sales for its two closest locations
- Generate a minimum of \$10 million in sales tax generating annual sales
- Operate a minimum of 250 overnight rooms at one location

Grow Tracy Fund Loan Program

Loan proceeds can be used for any legitimate business purpose including working capital, machinery & equipment, acquisition of land & building, construction, renovations, and tenant improvements. Qualifying businesses must be in operation for at least 2 years, have between 2 and 100 employees, and have revenues generally between \$500,000 and \$20 million.

Loans can range from \$100,000 to \$2 million, with terms of up to 25 years. Rates are prime + 1 1/2%, variable quarterly (fixed rates also available).

NOTE: All financial incentive agreements and performance contracts must be approved by the Tracy City Council. Approval of a performance contract is within the complete discretion of the City Council.

Citywide Retail Incentive Program

Sales Tax and Building & Plan Fee rebate incentives used to attract “unique business” to Tracy. Qualified businesses must:

- Engage in “retail sales” within the City limits of Tracy
- Classify as a “unique business”
- Provide 5 years of actual annual sales for its 2 closest locations
- Identify the City of Tracy as the point of sale
- Must not currently be located within the primary trade area
- A minimum of \$10 million in annual sales qualifies for a 20% rebate of the portion of tax collected by the City, growing to a sales tax rebate of 50% for businesses generating \$30 million or more in annual sales.
- Building & Planning Rebates, 75% up to \$20,000; Planning Division permits maximum rebate \$10,000

Small businesses (5-25 employees):

- Building & Planning Rebates, 75% up to \$5,000; Planning Division permits maximum rebate \$2,500

The small business portion of the building and planning fee rebate program are limited, and will be available on a first-come, first-served basis until designated funds have been exhausted.