

BUSINESS INCENTIVES

Downtown Tracy offers a wide variety of incentives and programs that benefit local businesses.

Downtown Tracy offers a range of business-friendly amenities and incentives for companies that choose to open a business or retail establishment downtown. The Tracy City Center Association (TCCA) provides valuable knowledge and expert advice making the process seamless. Following is an overview of local and state business incentives applicable to businesses locating in Downtown Tracy.



Local Incentives

Retail, Office, and Industrial Incentive

The Retail, Office, and Industrial Incentive Program is designed to attract “unique businesses” to the existing I-205 area. The program seeks to attract new investment dollars from retailers not currently serving the Primary Trade Area. There are 2 main components to this program. The Retail component consists of the I-205 Retail Incentive Program, which uses sales tax rebate as the incentive, and the West Valley Mall Revitalization Program, which provides financial assistance in attracting and retaining an appropriate anchor tenant at the West Valley Mall. The Office & Industrial Incentive Program intends to provide financial incentives to eligible developer-owners, prospective tenants, or tenant representatives for clients looking to locate in the City’s office or industrial areas.

Façade Improvement Program

The City of Tracy’s Façade Improvement Program offers grant funds to property and business owners to be matched by an equal or greater investment of private funds for restoring/renovating commercial storefronts and replacing old commercial signs and awnings. The program committee evaluates all applications and determines eligibility and awards funding to projects that will have the greatest impact on enhancing Downtown Tracy.

Grow Tracy Fund Loan Program

The City of Tracy and the Grow America Fund established and capitalized the Grow Tracy Fund as an economic development tool designed to assist eligible small businesses within the City of Tracy to obtain the financing required to grow their business. The program can make loans ranging from \$100,000 to \$2 million as permitted by the US Small Business Administration (SBA) at or below market rates, for terms up to 25 years depending on the proposed use of funds.

State of California Incentives

California Competes Tax Credit

This is an income tax credit available to businesses that are looking to come to California or stay and grow in California. This is a statewide program and poses no geographic restrictions. Tax credit agreements are negotiated by GO-Biz and approved by the “California Competes Tax Credit Committee.”

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Employment Training Panel

The Employment Training Panel (ETP) is a business and labor supported state initiative providing funds to offset the cost of job skills training necessary to maintain high-performance workplaces. ETP uses a pay-for-performance contract to provide a specific, fixed-fee cash reimbursement for the costs of employer customized, job-specific skills training. Contracts are based on a two-year term. ETP funding is earned once the trainee completes a minimum number of ETP funded training hours and a post training employment retention period earning a contract specific wage.

Research & Development Tax Credit

The California R&D tax credit program reduces income or franchise tax. A business may qualify for the credit if they paid or incurred qualified research expenses while conducting qualified research activity in California. Qualified research expenses include wages, supplies, and contract research costs. To qualify, the research must be conducted within California and include basic or applied research of scientific inquiry, original investigation for the advancement of scientific or engineering knowledge or improved function of a business component.

California Alternative Energy & Advanced Transportation Financing Authority (CAEATFA)

Advanced transportation, renewable energy and clean technology businesses in California may be eligible for Sales & Use Tax Exemptions or different methods of financing through CAEATFA

Advanced Transportation and Alternative Source Manufacturing Sales and Use Tax Exclusion Program

This program (SB71) promotes the creation of California-based manufacturing, California-based jobs, and the reduction of greenhouse gases, air and water pollution, or energy consumption. This is done through an approved sales and use tax exclusion (STE) for eligible projects on property utilized for the design, manufacturing, production, or assembly of advanced transportation technologies or alternative source – including energy efficiency – products, components, or systems.

Statewide Community Infrastructure Program (SCIP)

This financing program enables developers to pay most impact fees and finance public improvements through an acquisition agreement that qualifies under the 1913/1915 Act (excluding school fees) via tax-exempt bond issuance proceeds. As the City of Tracy requires developers to pay impact fees prior to obtaining a permit, SCIP can be used to directly prepay these fees or alternatively, to reimburse the developer after fee payment. The program can be used to enable developers to pay for, or be reimbursed for, all eligible impact fees or for a single impact fee.

Small Business Association (SBA) 504 Loan

The SBA 504 Program provides small businesses with long-term, fixed-rate financing to acquire major fixed assets for expansion or modernization. This program offers key advantages to businesses that plan to invest in equipment and/or real estate for their own use:

- Low down payment to conserving valuable operating capital
- Competitive, fixed interest rate for no future interest rate fluctuations
- Long term to bring debt service in line with the cash flow generated by the asset
- Loan amounts range from \$50,000 to \$1.5M

