

**TRACY GATEWAY BUSINESS PARK**  
**Eleventh Street/I-205 Interchange (San Joaquin County)**  
**JOBS OPPORTUNITY ZONE PROPOSAL SUMMARY**

Proposer

City of Tracy

Private Sector Partner

Tracy Gateway LLC

Zone Characteristics

This employment zone proposal would develop a 500 acre site into a state-of-the-art, mixed-use business park campus. It would be located on the western edge of the City of Tracy, bounded on the north by Eleventh Street and I-205, on the east by Lammers Road, on the west by Upper Main Canal, and on the south by undeveloped agricultural land. The site would have to be annexed into the City of Tracy. The site was designated for low-density single family housing in the City's Urban Management Plan. The City and the Tracy Gateway developers are in the process of amending the Urban Management Plan designation to commercial and open space. The site is currently zoned for residential development by San Joaquin County.

Existing Jobs/Housing Imbalance

The City of Tracy, in the year 2000, had an estimated 17,089 jobs and 17,620 housing units, or a ratio of 1.0 jobs per employed residents. The City of Tracy maintains that the ratio is misleading. The jobs tend to be lower paying, blue-collar positions, many of which are held by residents of communities and unincorporated areas around Tracy. For higher wage employees, there are few job opportunities in Tracy, resulting in a large out-commute to the Bay Area counties.

Development Proposal

The proposal would create six million square feet of Class-A office R&D facilities, on 335 acres, in mid-rise buildings, organized into 44 clusters of two to four buildings, surrounding a nine hole championship golf course (which is not part of the opportunity zone proposal). The site would also include 60 acres of commercial urban, commercial office, or commercial service uses including restaurants, shops, Class B offices, a fitness center and two hotels. Approximately 104 acres would be reserved for on site roadways and parking. Of the 500 acres, approximately 454 acres are currently vacant of structures and roadways.

Incentives Requested.

Four types of incentives would be requested to support implementation of the zone.

Tax Increment Financing would allow the gateway to compete on a national level for some of the nation's largest companies.

A cash grant from \$2.5 million to \$5.0 million would be applied to engineering design studies, improve the project's cash flow, reduce the project's overall costs, and begin the marketing effort for the project.

Priority consideration at the State Infrastructure Bank for loans at below market rates.

Enterprise Zone status, modified to allow, for example, tax credits for each employee hired.

Performance Measures.

The project would be constructed in five phases beginning in 2002. Build out is expected in 10 years. The Gateway project is estimated to generate over 25,000 jobs. The proponents estimate that nearly half of these jobs could be created in the next five years. They offer as performance measures job creation, employment space established, and infrastructure created.