

Modesto is the business-friendly center of the Central Valley, offering incentives for property development, business expansion and relocation, small businesses and entrepreneurs.

INCENTIVES GUIDE

Modesto Economic Development



Modesto Incentives

Our hospitable attitude toward businesses makes Modesto one of the most convenient and most affordable places in California to do business.

Business Attraction and Development Incentives

White Glove Permitting Assistance

Our economic development staff provides project advocacy and assists in the permitting process from entitlement to certificate of occupancy to save developments both time and money. We guarantee to work in an honest and sincere manner. We understand the difficulties involved with relocating and expanding; we are here to help during and after the transition.

Incentives for Green Businesses

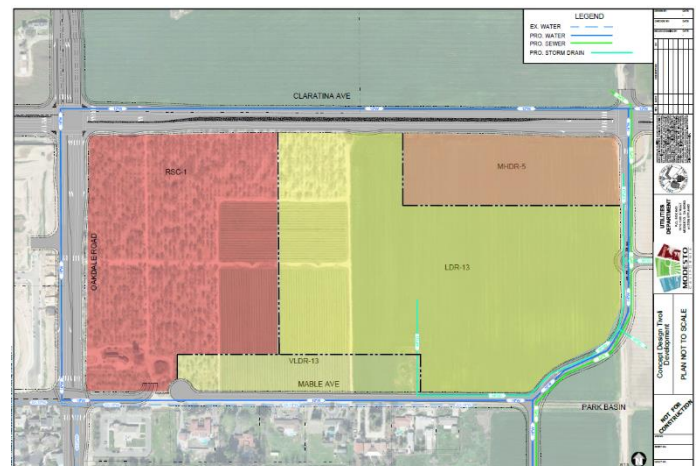
Modesto is particularly interested in initiatives that promote the development of net-zero and sustainable equipment. Our local Community Development Financial Institution (CDFI) lender plays a crucial role in financing such endeavors, and we welcome discussions that align with our shared vision.

Workforce Training Programs

The City of Modesto's strong partnerships with Modesto Junior College and Stanislaus Workforce Development provide low-cost or free workforce training for local employers. These programs offer customized curricula, reimbursement for eligible new hires, and On-the-Job Training Grants to cover employment costs while training your staff on the latest equipment. At your request we can introduce you to those partners to start the process.

Expedited Entitlement and Permitting

We appreciate the value of time in the development process, especially in the current interest rate environment. Economic Development, Planning, Building, and Engineering work closely together with applicants to develop the most time-efficient project plan possible. Modesto offers a range of [expedited building permit services](#) including same-day, by-appointment Tenant Improvement permits.



Entitlement planning for Road, Water, Sewer and Storm Drain infrastructure for Tivoli Specific Plan

Fee Deferral and Waiver

Modesto encourages the development and expansion of commercial, industrial and multi-family projects by deferring payment of Capital Facilities, Water Connection and/or Wastewater Capacity Fees. 80% of the Capital Facilities, Water Connection and/or Wastewater Capacity Fees, plus interest, are paid in equal installments over 5 years in the deferral program. [Visit the program website](#). Under special circumstances, some development fees may be waived. Contact [Economic Development](#) for more information.

California Competes Tax Credit

Businesses that want to locate in California or stay and grow in California can compete for over \$180 million available in [California Competes](#) tax credits. The credit is based on factors such as the number of full-time jobs created, investment amount, and strategic importance to the state or region. Our team of experts can provide advice on your application to help make it more competitive. We are happy to provide a letter of support to the California Governor's Office of Business and Economic Development (Go-Biz) and introduce you to our Regional Business Development Specialist.

Downtown Incentives

Occupancy Incentive

- Purpose: Ensure retail storefronts are occupied, with emphasis on pedestrian-serving businesses; secondary objective is to expand regular business opening hours.
- Eligible Area: Initially the core retail block on 10th Street between I and J, and other downtown locations at CEDD Director discretion.
- Benefits: A cash incentive up to \$2,500 depending on the number of full-time equivalent jobs added, and one year of city sales tax (not Measure H) and mill tax (not DID assessments) rebates.
- [Application](#)

Façade Incentive

- Purpose: to enhance the attractiveness and street appeal of downtown businesses.
- Eligible area: Downtown core including J Street from 9th to Needham and CEDD Director discretion.
- Benefits: Up to \$10,000 matching cash rebate on completion of approved projects.
- [Application](#)



The State Theatre Intermision neon sign was supported by a Façade Incentive award.

Downtown Development Incentive

- Purpose: to encourage development of mixed-use and residential units in the downtown area.
- Eligible Area: Entire downtown area.
- Benefits: Waiver of roadway community facility fees; no fees associated with construction-related encroachment permits; reduced or eliminated parking requirements; development plans are approved administratively without public hearing.
- Contact Economic Development for more information.

Pledge Cannabis Equity Program for Entrepreneurs

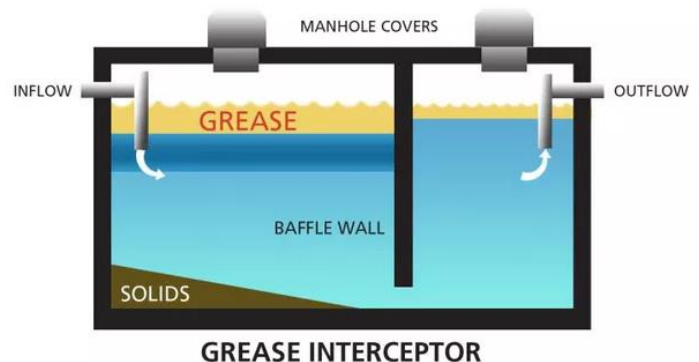
The City of Modesto Cannabis Equity Program (PLEDGE) provides local equity grants and education. This state-funded grant program provided by the California Governor’s Office of Business and Economic Development (GO-Biz) offers technical support, regulatory compliance assistance, and assistance with securing the capital necessary to begin a business—further reducing barriers to entry into the regulated cannabis industry.

Participants must have lived in one of the following zip codes—95355, 95354, 95350, or 95351—for at least five years prior to November 8, 2016; and must have lived in a low-income household measured at 80% of the area median income; and be an individual or immediate family member (parent, guardian, child, or sibling) who was arrested or convicted of a crime related to the sale, possession, use, or cultivation of cannabis in California prior to November 8, 2016. Visit the [Pledge Program website](#).

Other Incentives

City of Modesto Grease Interceptor Cost-Share Program

The City of Modesto requires Food Service Establishments to comply with regulation of Fats, Oils, and Grease (FOG) discharge. The Grease Interceptor/Trap Cost-Share Program (CSP) rebates 50% of the hardware purchase cost of a qualifying new or replacement grease interceptor/trap that is installed by a licensed contractor. [Download the application](#).



City of Modesto Turf Replacement Program

City of Modesto water customers may be eligible for a \$2 per square foot rebate when they convert their existing grass area with any qualifying artificial turf products or drought tolerant

landscape products. The rebate amount may not exceed \$6,000 per commercial City of Modesto water account. Funding is limited and applications will be accepted on a first-come, first-served basis. The program is per Fiscal Year (July 1 to June 30), The City reserves the right to terminate this program at any time and for any reason. Visit the [Turf Replacement Program](#) page for details and an application.

Shop Greater Modesto e-Commerce Portal for Local Businesses

The City of Modesto has provided financial support to the Modesto Chamber of Commerce to operate a free e-commerce portal for local Stanislaus County businesses, called Shop Greater Modesto. This portal can help local businesses expand their market reach and become more competitive. The portal also integrates with existing portals including Shopify and Square. There is no cost for businesses to take advantage of this program. Visit [Shop Greater Modesto's](#) sellers page to learn more and apply.

Modesto Irrigation District (MID) Business Rebates

The [MID MPower Business New Construction and Custom Rebate Programs](#) provide a monetary incentive up to \$0.12/KWh for the installation of energy efficient equipment that is more efficient than current code or industry practice. The rebate offsets a portion of the higher first-cost of the more efficient equipment.

Modesto Irrigation District also offers a [catalog of business rebates](#) including HVAC, water-heating, and other energy-saving equipment.

San Joaquin Valley Air Pollution Control District Grants

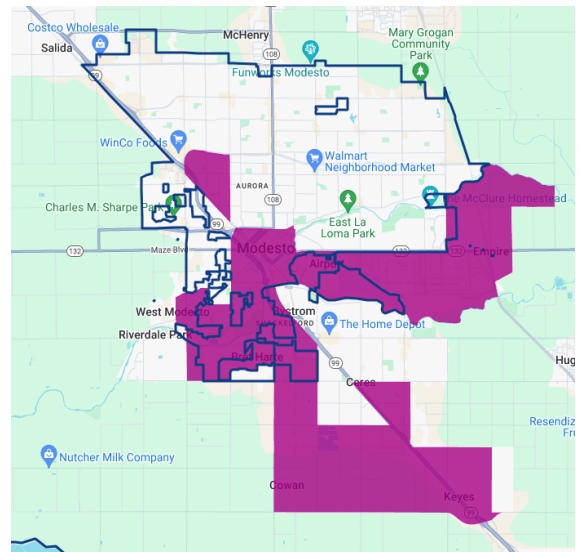
The Air Pollution Control District offers an array of [commercial and agricultural grants](#) to promote clean energy efficiency.

PACE Programs

California property owners can participate in [Property Assessed Clean Energy Programs](#) (PACE) which provide 100% upfront financing with long repayment for investments in residential and commercial energy efficiency and resilience and seismic improvements.

Federal Opportunity Zones

Opportunity Zones provide an opportunity to shelter capital gains by investing in property and/or business in designated areas. The program is active through the end of 2026. Go to [Modesto's Federal Opportunity Zones](#) and click on Map Layers > Incentives to see the zone map.



Modesto Federal Opportunity Zones

Stay Connected

Modesto's incentive offerings are constantly evolving. Be sure to check the incentives pages on www.modestogov.com and www.choosemodesto.com, sign up for the Economic Development email list, and follow [Economic Development on LinkedIn](#).

Community and Economic Development

Economic Development Division

<https://modestogov.com/1239/Economic-Development>

<https://choosemodesto.com>

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