



CITY OF STOCKTON

Economic Development Incentive Programs

DEVELOPMENT INCENTIVE PROGRAMS

Public Facilities Fees Reductions

The City Council extended a 50% fee reduction on certain Public Facilities Fees (PFF) (listed above) for commercial and industrial developments within city limits. Eligible fees under this program include:

- City Office Space
- Libraries
- Fire Stations
- Parkland
- Community Recreation Centers
- Police Stations
- Street Improvements
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A single-family residential project may receive a reduction of up to \$19,997 or 100% of eligible PFFs, whichever is less, or \$14,080 per unit for multi-family residential projects. Non-residential projects may receive a 50% reduction in eligible PFFs.

[View Stockton Economic Stimulus Plan](#)

Non-Residential Fee Deferral Program

This program allows developers to defer certain Public Facilities Fees (PFF) for commercial or industrial developments. A 10% down payment of all qualifying fees (including all other fees due at time of permit issuance) is required, and developers are required to pay back the deferred amount + interest* over a 5- or 10-year period (water and sewer connections must be paid over a 5-year period).

*The interest rate is the Federal Home Loan Bank Board's 11th District Cost of Funds July rate, plus one percentage point. May 2021 rate is 0.38% + 1.0% = **1.38%**

[View Non-Residential Fee Deferral Program Information](#)

[Non-Residential Fee Deferral- Application](#)

Short-term Non-residential Public Facilities Fee and Mitigation Fee Deferral Program

Rather than paying development impact fees when a building permit is issued, a developer with a qualified non-residential project may elect to defer payment of such fees, except for certain "pass-through" fees until construction has been completed and the building has received a certificate of occupancy, whether temporary or final, or for two years from the first building permit issuance, whichever is shorter.

1. Make a capital investment of at least \$500,000.
2. Make public infrastructure improvements equal to \$100,000 or more.

[Short-term Non-residential Public Facilities Fee and Mitigation Fee Deferral Program- Guidelines](#)

[Short-term Non-residential Public Facilities Fee and Mitigation Fee Deferral Program- Application](#)

Downtown Infrastructure Infill Incentive Program

Financial incentives to eligible parties interested in developing new market-rate residential, commercial, or mixed-use projects in Downtown Stockton. To qualify, businesses must meet criteria:

1. Develop a minimum of 35 new market-rate residential units and/or develop a minimum of 30,000 square feet of new, or newly renovated, retail or commercial space.
2. Be located within the program boundary, which includes Center Street to the west, Park Street to the north, ACE Rail/Union Pacific Railroad to the east, and Washington Street to the south.
3. Make a capital investment of at least \$500,000.
4. Eligible public infrastructure improvements must equal \$100,000 or more.

[View the Downtown Infrastructure Infill Incentive Program.](#)

Downtown Financial Incentive Program

Reduces or eliminates the cost of building permits and certain public facility fees for the rehabilitation or reuse projects of an existing vacant space in the downtown area through a grant reimbursement.

[View the Downtown Financial Incentive Program Guidelines.](#)

[Apply for the Downtown Financial Incentive Program.](#)

Use Tax Business Incentive Rebate Program

The Use Tax Business Incentive Program provides a rebate to Stockton businesses that purchase equipment, materials, and fixtures (\$500,000+) made outside of California and for construction projects exceeding \$5 million. When necessary forms and program requirements are met, the business can receive a rebate of up to 25% of net new use tax received by the City of Stockton. There is no cost to participate and you would not pay more tax than you would otherwise.

[View Stockton Use Tax Business Incentive Rebate Program.](#)

Commercial Façade Improvement Forgivable Loan Program

Designed to assist property owners in eligible areas to make exterior cosmetic improvements to commercial properties with forgivable loans up to \$100,000.

[View the Commercial Façade Improvement Forgivable Loan Program Guidelines.](#)

[Apply for a Commercial Façade Improvement Forgivable Loan.](#)

Commercial Lien Forgiveness Incentive Program

This incentive will allow forgiveness for certain liens imposed by the City for the public purpose of facilitating substantial investment, improvements, and blight abatement to eligible properties. Liens must exceed \$5,000. An application must be submitted to the Economic Development Department for review of eligibility. If eligible, the applicant will proceed to negotiations with City staff to determine criteria for the project.

[View the Commercial Lien Forgiveness Incentive Program.](#)

Residential Neighborhood Reinvestment Program

This reinvestment tool promotes neighborhood revitalization. Property owners may apply for this program when the City has imposed fines for non-compliance with municipal codes on residential properties. The program will allow forgiveness of certain liens for eligible properties. An application must be submitted to the Economic Development Department for review of eligibility with consultation and coordination with the Neighborhood Services Division. If eligible, the applicant will proceed to negotiations with City staff and outline terms and amount to be forgiven. Penalties will only be forgiven if the improvements are completed and inspection by the City is finalized.

[View the Residential Neighborhood Reinvestment Program.](#)

Economic Review Committee and Project Coordinator (ERC)

In order to provide feedback on preliminary site plans and potential project requirements/permits, the City can schedule an informal meeting with developers and representatives from various City departments. The representatives can provide relevant information about possible project challenges. Additionally, an Economic Development staffer will be assigned as a "Project Coordinator" who will track your project through the permitting process until completion.

[Review the Economic Review Committee \(ERC\) Service.](#)

Statewide Community Infrastructure Program (SCIP)

Allows property owners to finance development impact fees and public capital improvements through low-cost, long-term, tax-exempt financing. Selected public capital improvements and the development impact fees to the City will be financed by the issuance of tax-exempt bonds by the California Statewide Communities Development Authority.

Also, the City often provides fee estimates for potential projects to help provide a better understanding of what financial resources will be required to move a project forward.

[Review the Statewide Community Infrastructure Program \(SCIP\).](#)

Development Fee Estimates

The City can provide free fee estimates for potential projects to help provide a better understanding of what financial resources will be required to move a project forward.

[Review the Development Fee Estimates](#)

BUSINESS ASSISTANCE PROGRAMS

Local Business Preference Ordinance

Stockton businesses receive a 5% bid preference on City purchase of goods and services.

[View the Local Business Preference Ordinance.](#)

Office and Industrial Sales Tax Incentive Program

Eligible companies may receive up to a 65% rebate of net new sales tax revenue received by the City.

[View the Office and Industrial Sales Tax Incentive Program.](#)

Property Assessed Clean Energy Programs (PACE)

The City of Stockton provides programs for property owners to finance the purchase and installation of infrastructure improvements to their properties with no up-front costs for:

- Renewable Energy
- Energy and water efficiency improvements
- Water conservation upgrades, and/or
- Electric vehicle charging

Property owners repay the financing through an assessment on their property, collected on their tax bills at the same time and in the same way as property taxes. If the owner sells the property, the repayment obligation remains with the property and does not need to be paid off at the time of escrow closing. Click on the External Links at the bottom of page to learn more about:

- CaliforniaFIRST www.renewfinancial.com/commercial
- Dividend www.dividendfinance.com/commercial-pace-financing
- HERO Program
- Ygrene Energy www.ygrene.com
- California Statewide Communities Development Authority (CSCDA)
- California Municipal Finance Authority (CMFA)

[Review the Property Assessed Clean Energy \(PACE\) Program.](#)

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Certain programs require an application

Certain programs are subject to the availability of funds

For more information, visit www.stocktonca.gov/econdev or contact the City of Stockton Economic Development Department at (209) 937-8539 or economic.development@stocktonca.gov.

Other Incentives

Opportunity Zones

The Opportunity Zones federal tax incentive allows investors to defer and potentially reduce the amount of capital gains tax paid for investments made within a designated Opportunity Zone. The City of Stockton has 19 Opportunity Zones offer a range of opportunities for growth and investment.

[View California Opportunity Zone Information](#)

[View Stockton Opportunity Zone Opportunities](#)

California Competes Tax Credit

California Competes Tax Credit is an income tax credit available to businesses that want to come to California or stay and grow in California. Criteria for competition are based on eleven factors which include: the number of jobs to be created or retained, compensation paid to employees, amount of investment, extent of poverty in a business development area, other incentives available in California or other states, duration of project and commitment to remain in the state, overall economic impact, strategic importance to state, region and locality, opportunity to future growth and expansion, extent the benefit to the state exceeds the amount of the tax credit. Approved credits may be recaptured if a business fails to fulfill the terms and conditions of the contract. 25% of these credits will be designated for small business.

[View the California Competes Tax Credit Information](#)

New Employment Credit

The New Employment Credit (NEC) is available for each taxable year beginning on or after January 1, 2014, and before January 1, 2026, to a qualified taxpayer that hires a qualified full-time employee on or after January 1, 2014, and pays or incurs qualified wages attributable to work performed by the qualified full-time employee in a designated census tract or economic development area [herein referred to as a designated geographic area (DGA)], and that receives a tentative credit reservation for that qualified full-time employee. In addition, an annual certification of employment is required with respect to each qualified full-time employee hired in a previous taxable year. In order to be allowed a credit, the qualified taxpayer must have a net increase in the total number of full-time employees in California.

[View the California New Employment Credit](#)

Sales Tax Exemption

Manufacturers and certain research and developers are allowed to exclude the first \$200 million in equipment purchases from the State of California's share of sales tax (4.1875%). This statewide sales tax exemption is based on manufacturing equipment or research and development equipment purchased by companies in the business of all forms of manufacturing, research and development in biotechnology, and research and development in the physical, engineering and life sciences.

[View the Manufacturing and Research and Development Tax Exemption](#)

Net Operating Loss Carryover

California tax law allows businesses that experience a loss for the year to carry this loss forward to the next year in order to offset income in the years that follow subject to certain limitations. Businesses can carryover 100% of their NOL for up to 20 years.

https://www.ftb.ca.gov/forms/2016/16_3805vins.pdf

California Alternative Energy & Advanced Transportation Financing Authority Sales & Tax Exclusions

The program excludes from sales and use taxes purchases of qualified property:

- Used to either process or use recycled feedstock in the production of another product or soil amendment, or
- Used in an advanced manufacturing process, or
- Used to manufacture alternative source products or advanced transportation technologies.

<https://www.treasurer.ca.gov/caeatfa/ste/index.asp>

Manufacturing and Research & Development Equipment Exemption

Manufacturers and research and development companies may qualify for a partial exemption of sales and use tax on certain manufacturing and research and development equipment purchases and leases.

<https://www.cdtfa.c.gov/industry/manufacturing-exemptions.htm>

Pacific Gas & Electric Incentives

Economic Development Rate

Newly approved economic development rates for companies with power loads of at least 200 kilowatts – that would otherwise locate operations and hire employees out of state. The rate will provide a 12 percent rate reduction for five years for those who avow that they need it to stay, site new operations, or expand existing facilities in California. To address the more acute challenges faced by cities and counties in PG&E's service area with unemployment rates at least 25 percent higher than the state average, the utility will offer a more significant rate reduction of 30 percent for five years. Eligibility will be determined by the Governor's Office of Business and Economic Development.

[View the PG&E Economic Development Rate Fact Sheet](#)

Energy Efficiency Rebates

PG&E also offers energy efficiency rebates which pay customers cash back when they purchase and install energy-efficient equipment such as building envelope improvements, efficient motor and pumps and improved lighting.

[View PG&E Energy Efficiency Rebates](#)

For more business incentives from [PG&E visit the website](#).

WorkNet

San Joaquin County WorkNet is funded through the Federal Workforce Investment Act. WorkNet programs may be utilized as an extension of human resource services to provide an employer cost avoidance. Programs include:

- Coordinating services to assist a company with employee outreach, screening assessment and training.
- Employee outreach for recruitment can be implemented locally and statewide.
- Applicants can be screened and/or tested for valuable information ranging on aptitude to skills.

[WorkNet Job Training Information](#)

On-the-Job Training

Reimburses an employer up to 50% of eligible employees wages for up to 6 months. Funded by the Federal Workforce Investment Act and governed through the San Joaquin County Workforce Investment Board. Available depending on funding. www.sjworknet.org/job-training.asp.

Employment Training Panel

The Employment Training Panel (ETP) provides funding to employers to assist in upgrading the skills of their workers through training that leads to good paying, long-term jobs. The ETP was created in 1982 by the California State Legislature and is funded by California employers through a special payroll tax. The ETP is a funding agency, not a training agency. Businesses determine their own training needs and how to provide training. ETP staff is available to assist in applying for funds and other aspects of participation.

[Learn more about ETP](#)

For State Incentives by Industry visit the website: <http://www.businessportal.ca.gov/Incentives>

Green Business Incentives-Cal Recycle

Economic incentives are mechanisms that provide financial rewards for reducing environmental impacts or penalties for increasing them. Some economic incentives provided by the Department of Resources Recycling and Recovery (CalRecycle) includes grants, payment loan programs to address household hazardous waste, used oil, and tires. In addition, CalRecycle's Recycling Market Development Zone Loan Program combines recycling with economic development to fuel new businesses, expand existing ones, create jobs, and divert waste from landfills. For more information, please visit CalRecycle's website:

<https://www.calrecycle.ca.gov/business/incentives>