

Redevelopment Works



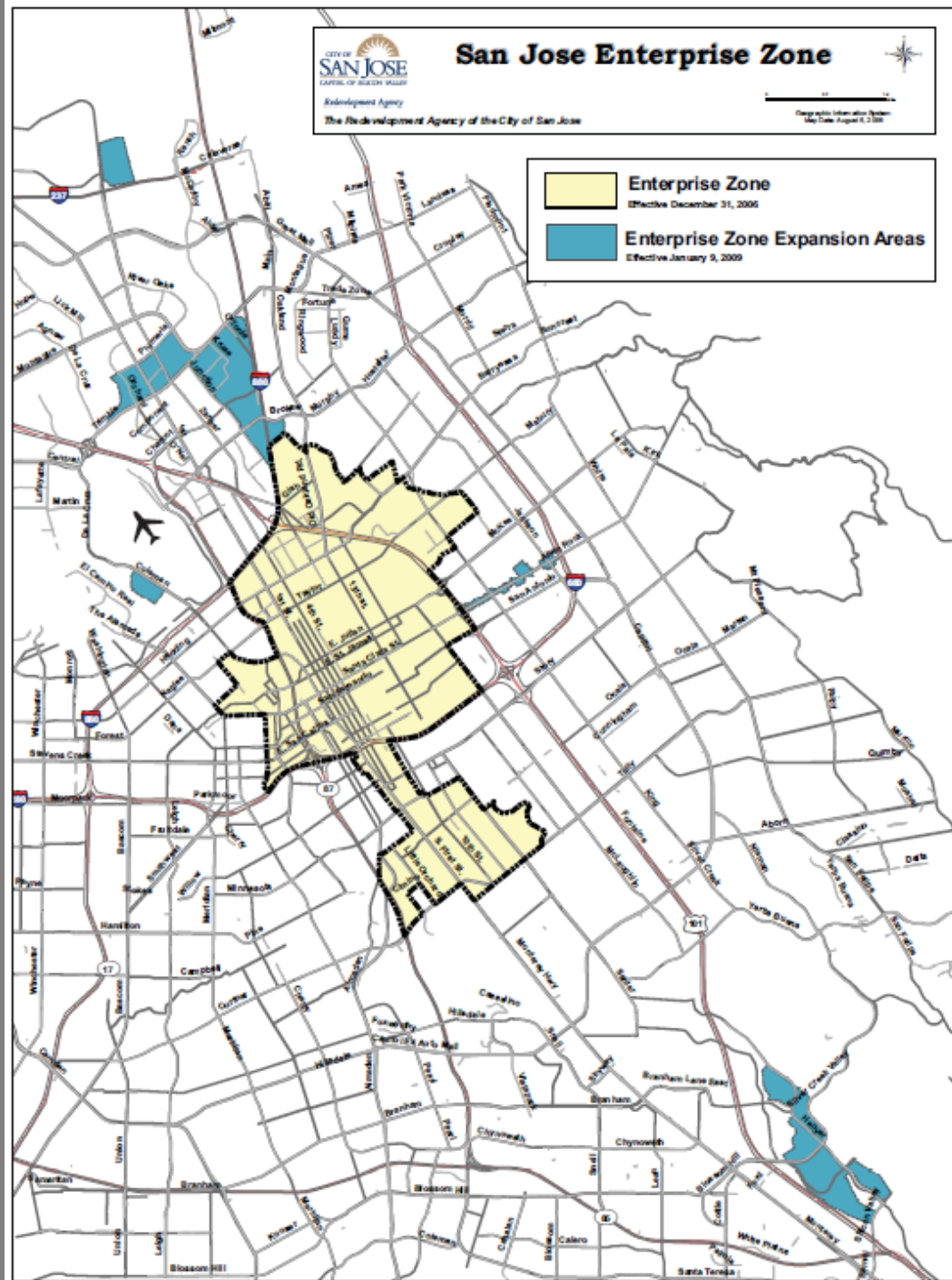
San Jose Redevelopment Agency

Presentation to Assembly Committee

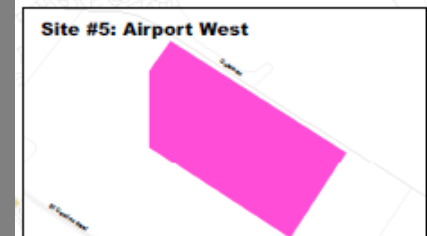
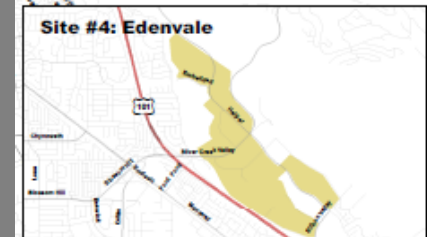
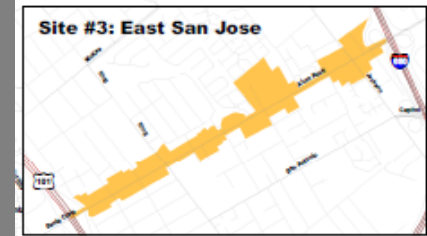
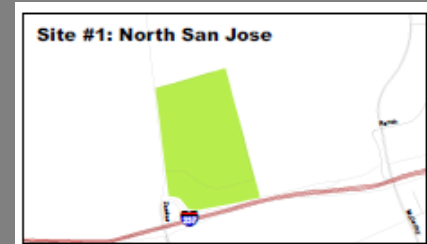
on Jobs, Economic Development and the Economy

California Enterprise Zone: A Review and Analysis

October 8, 2009



Expansion Areas



About San Jose's Enterprise Zone

Original Areas

Total 10 square miles:

- Downtown
- Monterey Corridor
- North San Jose
- Julian Stockton

Expansion Areas

Total 2 square miles:

- Rincon de Los Esteros
- Edenvale
- Airport West (FMC Coleman)
- Alum Rock Avenue

Original Term 1986-2006

New Enterprise Zone designation--12/31/2006 to 12/30/2021

Expansion Areas--January 9, 2009

About San Jose's Enterprise Zone

- 6,500 businesses are located in the San Jose EZ companies
- 810 companies have participated in the San Jose EZ program
- 1 Qtr FY 2009/10 - 542 EZ Vouchers issued to 80 companies, 24 new EZ companies

About San Jose's Enterprise Zone

80% of EZ companies in SJ are small businesses
(with less than 25 employees)

Businesses that hire EZ eligible individuals can receive 5-year
EZ hiring tax credit voucher

- Total number of vouchers issued: 1591 (7/1/08-6/30/09)
- Vouchers issued to date: 14,545 (1986 -2009)
- EZ Average wage: \$13.99/Hour
(State minimum wage \$8.00/Hour)

San Jose Unemployment Rate 13.3%
(CA Unemployment Rate 12.2%)

New Business Relocating in EZ 2009



Borgata Recycling Inc.

Recycling and Waste-to-Energy Company
15 employees
\$385,000 Capital Equipment Reimbursement
(Agency)
\$500,000 Private Equity

Ecoffsite (Monterey Corridor)

Green building materials for customized
and sustainable buildings
Start-up to hire 15 employees

Green Earth Enterprises (North San Jose)

Processing clean and green wood products
3 new employees
Expects to hire 30-45 employees



Companies in New Expanded EZ

SoloPower

Solar Panel Manufacturing
103 employees
\$715,000 Agency Investment

Nanosolar

Solar Panel Thin Film
150 employees
\$1.5 million Agency Investment

CTS

Semiconductors
300 employees
\$500,000

Other EZ Businesses

Dinyari
Greenwaste
Airtronics
Fat Spaniel



EZ's unique role in the Silicon Valley economy

- Density of high tech companies located within San Jose metro area fosters collaboration and partnerships
- San Jose's strong manufacturing base plays a crucial role in facilitating large-scale job creation
- Concentration of high-tech industries in San Jose generates a strong demand for industrial suppliers and services

San Jose Enterprise Zone Tax Incentives

(Franchise Tax Board Report 2006)

Hiring Sales and Use Tax Credits: \$5.6 million

Net Operating Loss Carryover: \$2.9 million

Net Interest Deductions for Lenders: \$13.2 million

Business Expense Deduction: \$180,000



create + innovate + conserve

sjredevelopment.org