

Economic Development IN THE CITY OF SANTA CLARA



Opportunities to build a solid financial future

As the graphic shows, there are dozens of aspects to economic development. But among all of these many words, the ones most significant to the City of Santa Clara are: leader... services... generation... value. Here's why.

Leader – Santa Clara has a proven track record of leadership in forging innovative, mutually beneficial partnerships with private enterprise. These relationships have positioned Santa Clara to be a community of choice in Silicon Valley for both businesses and residents.

Services – Revenues generated from the business community – sales tax, property tax, transient occupancy tax, rents and leases of City-owned property – account for more than half of the City's General Fund that pays for core services such as police, fire, library, parks, street repair, youth and senior programs, and more.

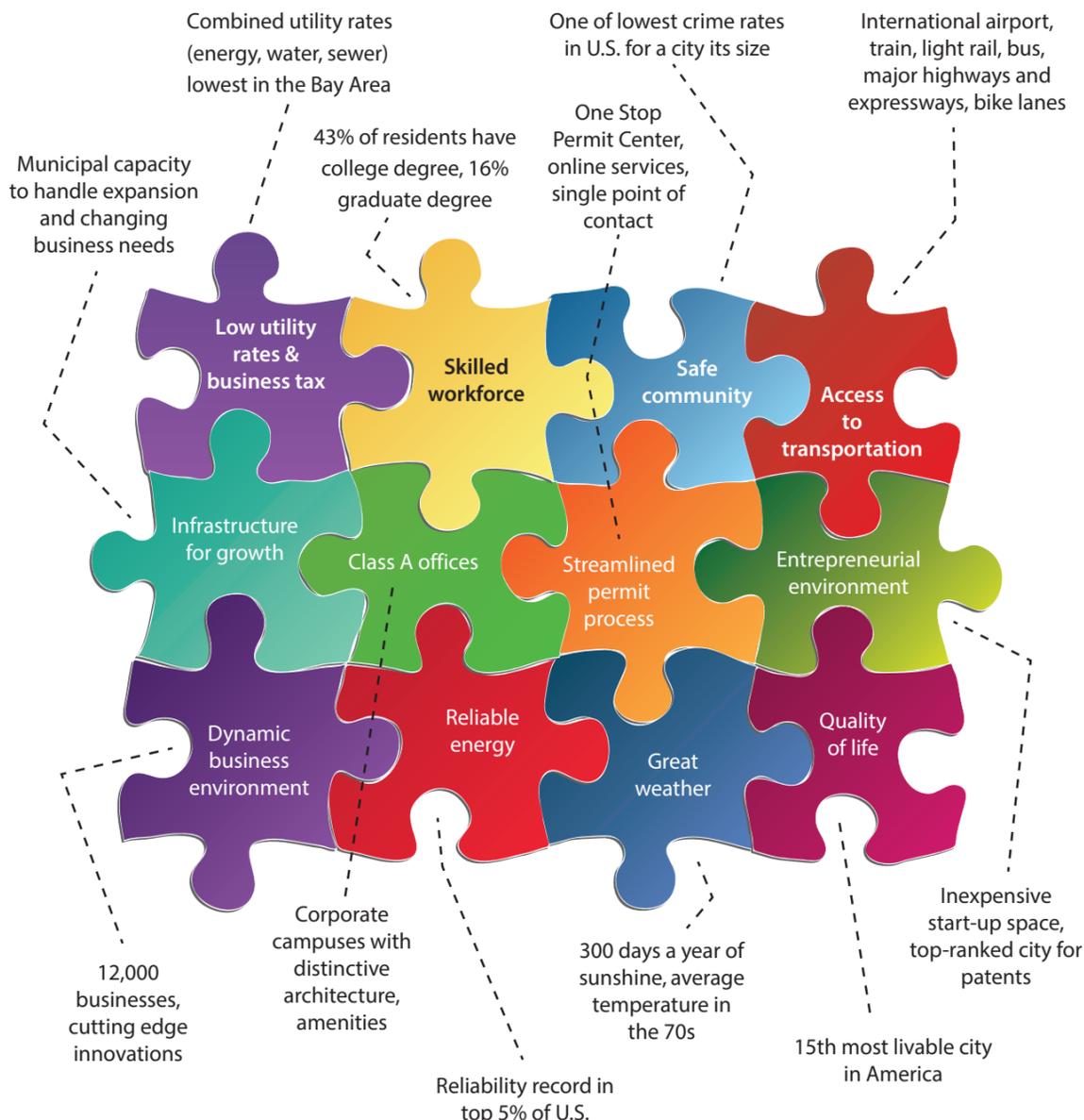


Generation – Building a healthy, diversified local economy does not just benefit today's residents. It creates a solid foundation for future generations, ensuring fiscal stability and employment opportunities.

Value – Economic development adds value to the quality of life of a community by helping to provide a full range of goods and services, jobs, corporate involvement, worldwide recognition and financial security.

The City Council's goals for 2013-2015 all point to the need for a robust economic development program in order to achieve these objectives: promote and enhance economic and housing development; ensure fiscal responsibility; enhance community sports and recreational assets; and deliver and enhance high quality efficient services and infrastructure.

It's not puzzling why businesses want to be in Santa Clara

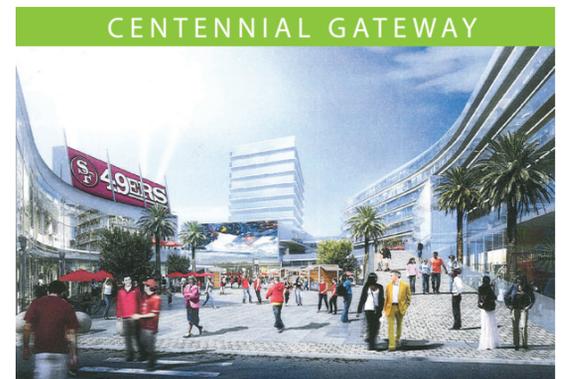


For more information on the benefits of locating and growing a business in the City of Santa Clara, visit MoveToSantaClara.com.

Levi's Stadium is catalyst for exciting new developments

Two significant development proposals are now in the process of being considered by the City for areas near Levi's Stadium and the Convention Center. Together, these developments represent a private investment in Santa Clara of more than \$3.9 billion.

The Montana Property Group is proposing Centennial Gateway on the corner of Tasman and Centennial Boulevard north of the Stadium. These 8.4 acres, now empty lots used for construction staging, would become the home of two hotels, retail, restaurants and office. The \$400 million project will generate \$3.5 million in taxes to the City and create 600 jobs.



Across from Levi's Stadium, Related California is envisioning City Place Santa Clara, a mixed use transit-oriented development that would include more than 5.2 million square feet of retail, entertainment, restaurant, hotel and office space. Additional uses might also include residential units. The \$3.5 billion project will generate \$11.2 million in taxes to the City and create 12,400 jobs.



"Together, Centennial Gateway, City Place Santa Clara, and Levi's Stadium will be the hub of a new, exciting entertainment district that will provide our residents and visitors with a world class dining, shopping and entertainment options," said Santa Clara City Manager Julio Fuentes.

Environmental review and multiple public hearings will be held in 2014 as both projects go through the City's planning process.

Visionary developers look at Santa Clara and see endless possibilities for progress and partnerships.

Private investment in the future of Santa Clara brings jobs, more housing options, expanded retail & entertainment



More Employment Opportunities



Santa Clara Gateway, 5405 Great America Parkway

The Irvine Company is completing construction of 911,000 square feet of Class A office space on 40 City-owned acres, providing land lease rents to the City in addition to jobs and tax revenues. Signed tenants include high tech firms Dell Computers, Arista Networks and Global Foundries.

New developments add civic assets and a steady stream of revenue to the General Fund that pays for core City services.



Santa Clara Technology Center, 2620-2701 Augustine Drive

The Irvine Company began demolition of older buildings on this 30-acre site at the end of 2013 and will be initiating construction of a 610,000 square foot first phase of a Class A office/R&D (research and development) campus. The second phase would bring the campus to its approved 1.2 million square feet of corporate technology space.



NVIDIA Campus, 2600 San Tomas Expressway

NVIDIA corporation was granted approval for 1.95 million square feet of high tech office/R&D space on 30 acres in 2008. After weathering the Great Recession, NVIDIA is prepared to move forward, demolishing existing industrial/office buildings and replacing these with nearly three times the floor area in the new iconic buildings. The new campus is now being designed and anticipated to be under construction in 2014.

Bowers Office Park, 3000 Bowers Avenue

Sobrato Development Companies has developed and owns a number of properties in Santa Clara, both commercial and residential. This approved office campus site on the southeast corner of Bowers Avenue and Central Expressway will replace an older industrial building and provide 300,000 square feet of high technology space for a future tenant.



Santa Clara is at the center of the action in Silicon Valley.

3333 Scott Office Park

Menlo Equities is developing a five-building corporate campus facility of up to 745,000 square feet on a 30-acre site off Bowers Avenue. Three of the four-story building shells have been completed and interiors will be completed with the signing of one or more tenants.

Santa Clara leaders have been future-focused for decades and their investment in infrastructure is paying off.

Arrillaga Office Campus, 5305 Stevens Creek Boulevard

Building 1 of this two-building 295,000 square foot office campus is underway, and the second building will come as needed. Both underground and a surface parking structure support this campus, and the existing IHOP restaurant will remain until Phase 2 is called for.



More Shopping/Hotel Accommodations



Santa Clara Town Centre, 2000 El Camino Real

The former Mervyn's Plaza shopping center is expanding from 180,000 to 220,000 square feet of space with the remodeling and reconstruction of this center. It will feature a new 150,000 square foot Target and many new shops, as well as current long-time favorite businesses who will remain as tenants. Completion of the center is scheduled for fall of 2014.

Santa Clara Gateway Village, 3700 El Camino Real

This site on El Camino Real at Lawrence Expressway is planned for redevelopment in the near future, with a proposal for the current Kohl's store to be relocated on site or to another nearby City center. The new mixed use development will provide approximately 85,000 square feet of retail space and some 400 housing units, providing a vibrant place for living and shopping, as well as just spending time enjoying a community gathering place.



Marriott Towneplace Suites, Lakeside Drive

Extended stay visitors to Santa Clara will enjoy this five-floor hotel that offers 107 suites in a prime location for business travelers.



Monticello Village, 3515-3585 Monroe Street

This mixed use development includes 825 apartments above ground floor retail space on 16 acres. Two levels of garage parking will accommodate 1,728 spaces.

More Affordable and Market Rate Homes



Camino del Rey Senior Apartments, 2525 El Camino Real

These 50 affordable senior apartments, developed by the ROEM Company of Santa Clara, provide housing for our growing senior population in the City. Located close to shopping and transit, the project provides a secure living environment for residents aging out of their homes elsewhere in the City.



Creekside Vista Condominiums, 2585 El Camino Real

Silicon Sage Builders of Santa Clara is constructing 60 ownership units as condominiums on El Camino Real, adjacent to the Camino del Rey senior project. The project will provide an opportunity for the City to make a creekside trail amenity along the Saratoga Creek abutting the site and residents will benefit from nearby shopping and good transit access.

Tuscany Apartments, 3175 El Camino Real

Citation Homes of Santa Clara is developing 133 market rate units on El Camino Real, the transit corridor for the upcoming Bus Rapid Transit (BRT) project by the Valley Transportation Authority. An introductory program of transit passes provided by the developer will help to draw residents who can make use of the transit opportunity in this location.



Keep track of new development projects on City website

Major commercial, residential and retail projects approved by the City are described on the City's website under the heading Development Projects. [Look for the quick link on the City website homepage under Helpful Links.] Each project is described with words and photos or renderings, and a map points out the location. Some listings also have information on anticipated property valuation change as a result of the new development (an indicator of how much additional property tax the City will receive when the project is complete) and projected sales tax revenue from the new enterprises located there.

Visitor spending energizes, strengthens local economy



Whether they are day trippers here to cheer the 49ers or Earthquakes to victory, or overnight travelers in Santa Clara for business, family or leisure activities, spending by visitors adds new revenue to the City coffers.

Overnight accommodations at a Santa Clara hotel or motel come with a Transient Occupancy Tax that generates

\$13 million for the City's General Fund each year. Purchases in local restaurants and shops bring in sales tax for the City.

The Santa Clara Convention and Visitors Bureau website now contains new multi-media experiences to introduce visitors to the City. Videos feature local attractions and there are 360 degree virtual tours of the Convention Center, California's Great America, Mission Santa Clara and other locations. To check it out, visit SantaClara.org.

Millions of people connect through these silent buildings

One of the fastest-growing business segments in Santa Clara are data centers, also called server farms. Data centers contain a collection of computer servers used by all types of businesses. With a skeleton staff – no commute time traffic! – these businesses make sure that millions of people have the Internet connectivity, storage and computational power they rely on in their daily lives at work and at home.



Santa Clara has more than 30 standalone data centers in operation, and more than a half million square feet of new data center space in planning and process. One reason they are drawn to Santa Clara is the availability of reliable energy. Data centers require a large amount of power to run and to keep cool, and a power deviation of a few milliseconds can play havoc with sensitive equipment that responds to a drop in voltage.

A strong economy is all about balance

A healthy local economy is diversified in many ways – by industry, size of business, stage of business life cycle and customer base. Santa Clara is fortunate to have them all:

- **International headquarters of large publicly traded corporations** such as Intel, Applied Materials, Agilent
- **Mid-sized companies**, like WhiteHat Security, Chegg scholastic materials, Silver Peak Systems
- **Emerging businesses** like Kno education software, Salorix social media marketing, Carroket apps

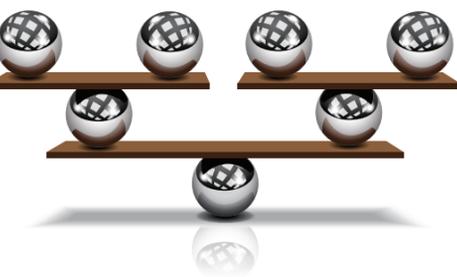
From semiconductors to personal computers, to software, to the Internet, to biotech and green energy, to apps, social media and the cloud, Santa Clara has been at the heart of the technology innovations that have changed the way people live, work, play and communicate.

Groundwork for next General Plan update starts in 2014

The City's 2010-2035 General Plan provides a long-range 25-year vision for the City's future. With resident input and the work of a representative community task force, the current General Plan was crafted and presented to City Council, which adopted it in November 2010.

As conceived, the General Plan has three more manageable time horizons within it in order to more readily adapt to economic and social forces over time. The next iteration is due for update in 2015, so new ideas and any realignment of the vision is scheduled for a new community effort over the course of 2014.

For information on activities related to the General Plan update, watch for notices on the City's website and in the "Inside Santa Clara" newspaper.



Snapshot of Santa Clara visitor headcount

1.2 million Projection of how many people will come to Levi's Stadium each year for sports, concerts and entertainment events	1,387,000 Number of "room nights" available to be booked in Santa Clara's 27 hotels/motels each year
345,430 Estimated number of people attending 500+ events at the Santa Clara Convention Center last year	50,000 Workforce population that comes into Santa Clara every work day as employees of a local business
2 million Average annual attendance at California's Great America since it opened in 1976	

City services need stable sources of funding

The economy of a community fluctuates as a result of multiple factors, many of them beyond the control of local government. When times are good, the City has more revenue to work with. When times are tough, like the Great Recession that is finally come to an end, it is a challenge to maintain services with less revenue.



Assessed valuation of commercial property in Santa Clara is \$10.1 billion.

The City's \$158 million General Fund pays for most of the day-to-day services delivered to the community such as police, fire, library, parks, recreation, street maintenance, etc. (City utilities including Silicon Valley Power, capital improvement projects, the Stadium Authority, and the Sports & Open Space Authority have separate sources of revenue and budgets.)

Primary sources of revenues for the General Fund are property tax (with commercial properties contributing about 45% of the \$3.2 million), sales tax (the biggest source of General Fund revenue at \$48.4 million), the 9.5% Transient Occupancy Tax (TOT) on hotel/motel rooms paid by guests that brings in about \$13 million per year. Together, these business-driven sources of revenue account for more than half of the General Fund.

Economic development efforts help to provide stability to the City's finances and services by attracting new businesses, helping existing businesses grow and be successful, and supporting regional efforts to maintain Silicon Valley's enviable position as the world center of innovation and technology.

INFORMATION CONTACTS

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Permit Center: (408) 615-2420

Planning & Inspection: (408) 615-2450

Electric Utility/Silicon Valley Power: (408) 615-5651

Santa Clara Chamber of Commerce & Convention-Visitors Bureau

1850 Warburton Ave., Santa Clara, CA 95050
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