

Economic Indicators

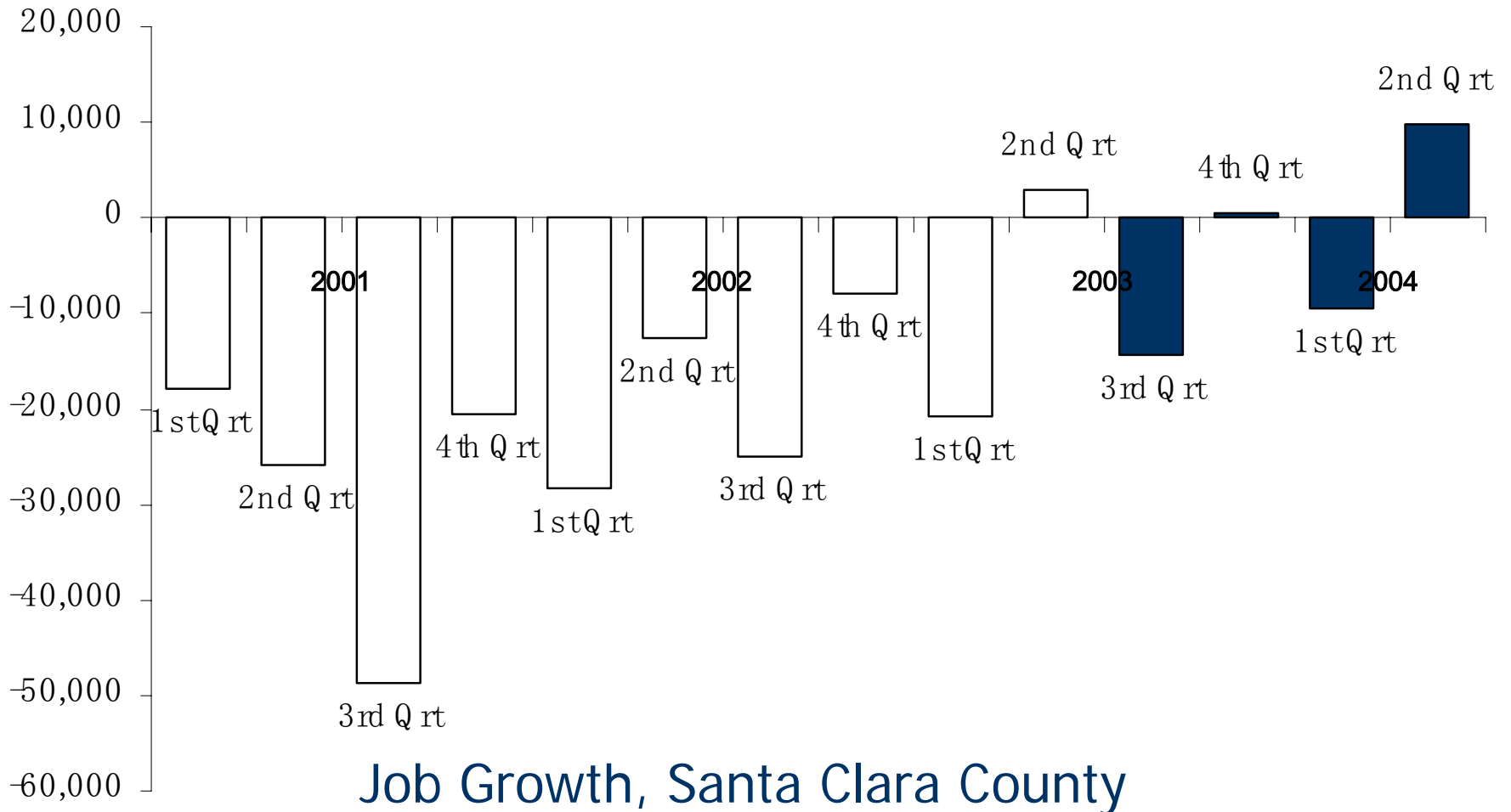
August 2004

Office of Economic Development

- I. Some Signs of Recovery**
- II. Waiting for Improvement**
- III. Comparing San Jose with Silicon Valley**

I. Some Signs of Recovery

First Quarter of Significant Job Gains

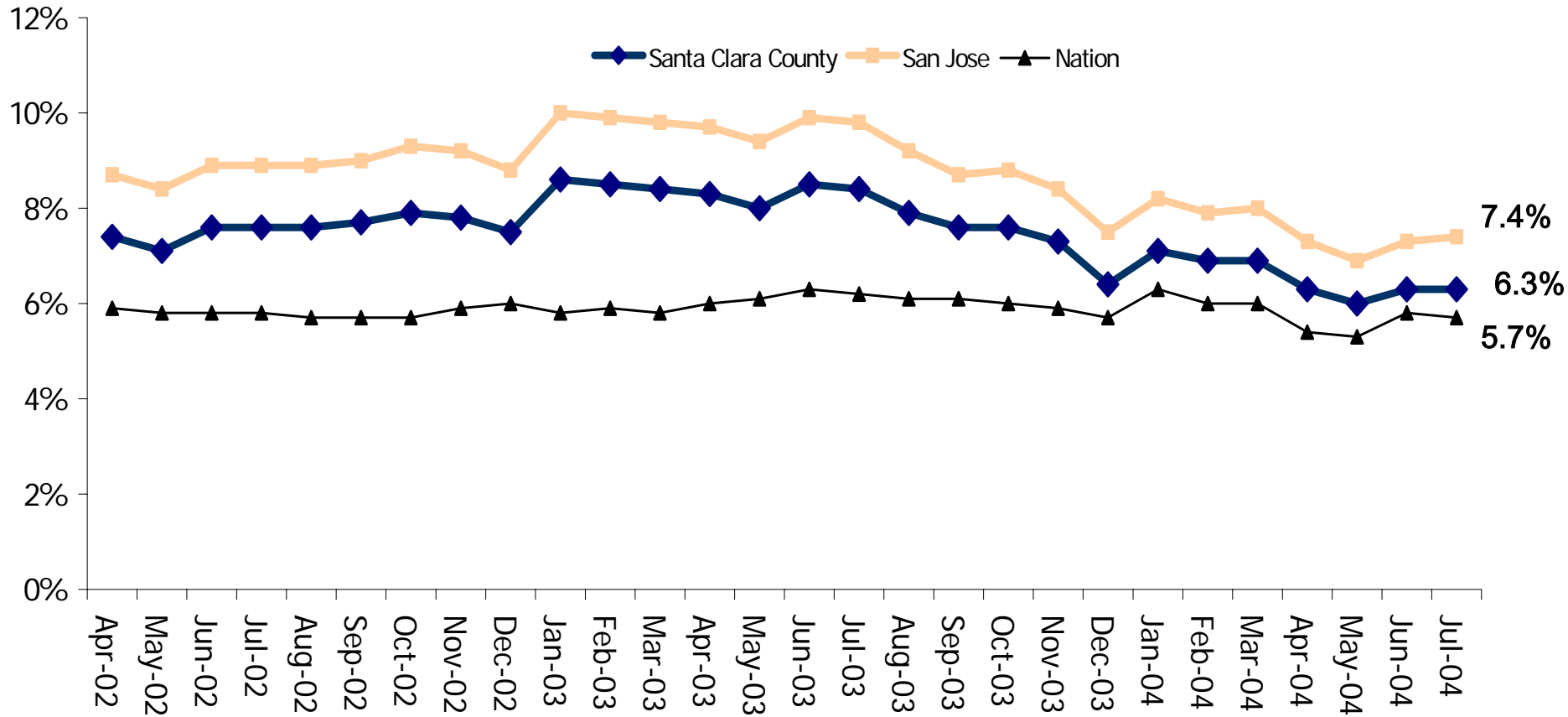


Job Growth, Santa Clara County

Lost 13,400 jobs in most recent year.

3,700 jobs were lost in July—the smallest July job loss in 4 years.

Unemployment Rate Keeps Falling



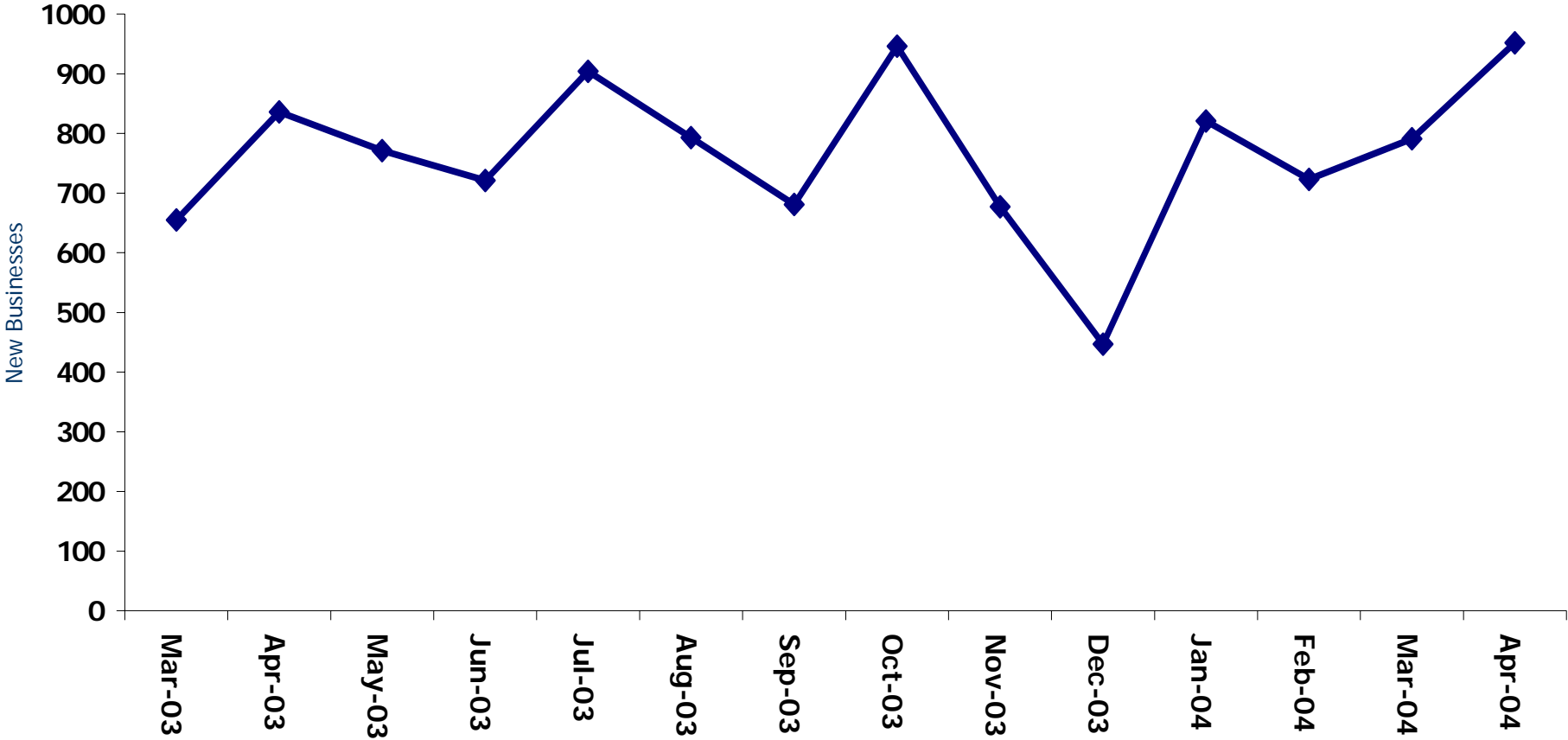
Unemployment Rate

55,500 county residents, including 33,220 San Jose residents, are "officially" unemployed

Source: Employment Development Department

The most recent monthly 2004 figures "July" reflect the EDD's preliminary estimate of jobs. June figures will become *official* with the release of the August 2004 figures. All figures prior to July 2004 reflect *official* numbers.

New Business Licenses Up 14% From Prior Year



New Business Licenses Issued, San Jose

Source: City of San Jose

San Jose Vacancy Rates are Lower than Peninsula

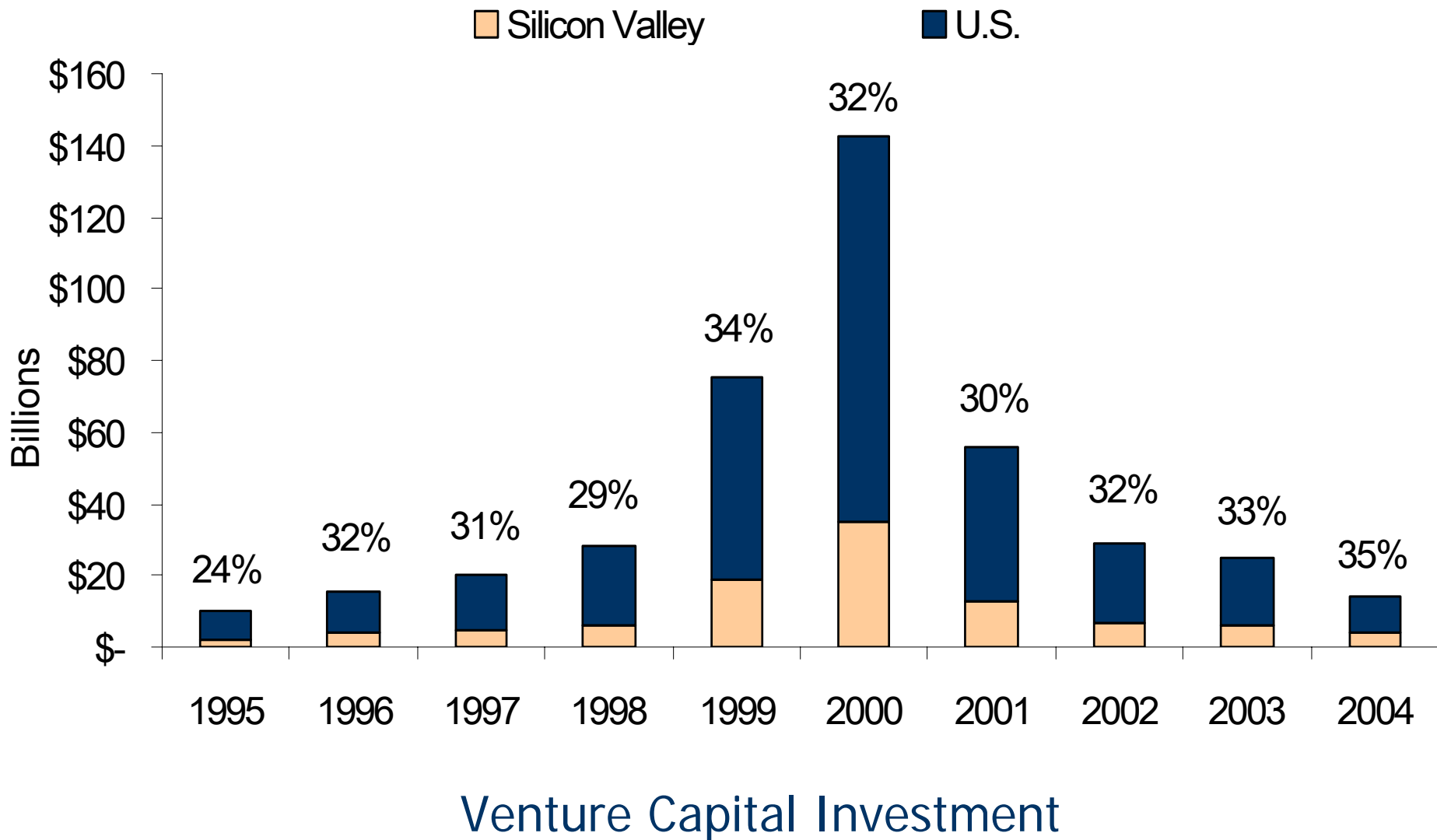
	Office	R&D	Manufacturing
Redwood City	44.6%	33.6%	6.0%
Palo Alto	13.6%	20.1%	4.0%
Mountain View	15.3%	21.9%	6.1%
North San Jose	14.4%	22.3%	9.9%
Downtown San Jose	17.3%	N/A	N/A
South San Jose	5.6%	22.3%	4.2%

Source: BT Commercial, 2nd Quarter 2004

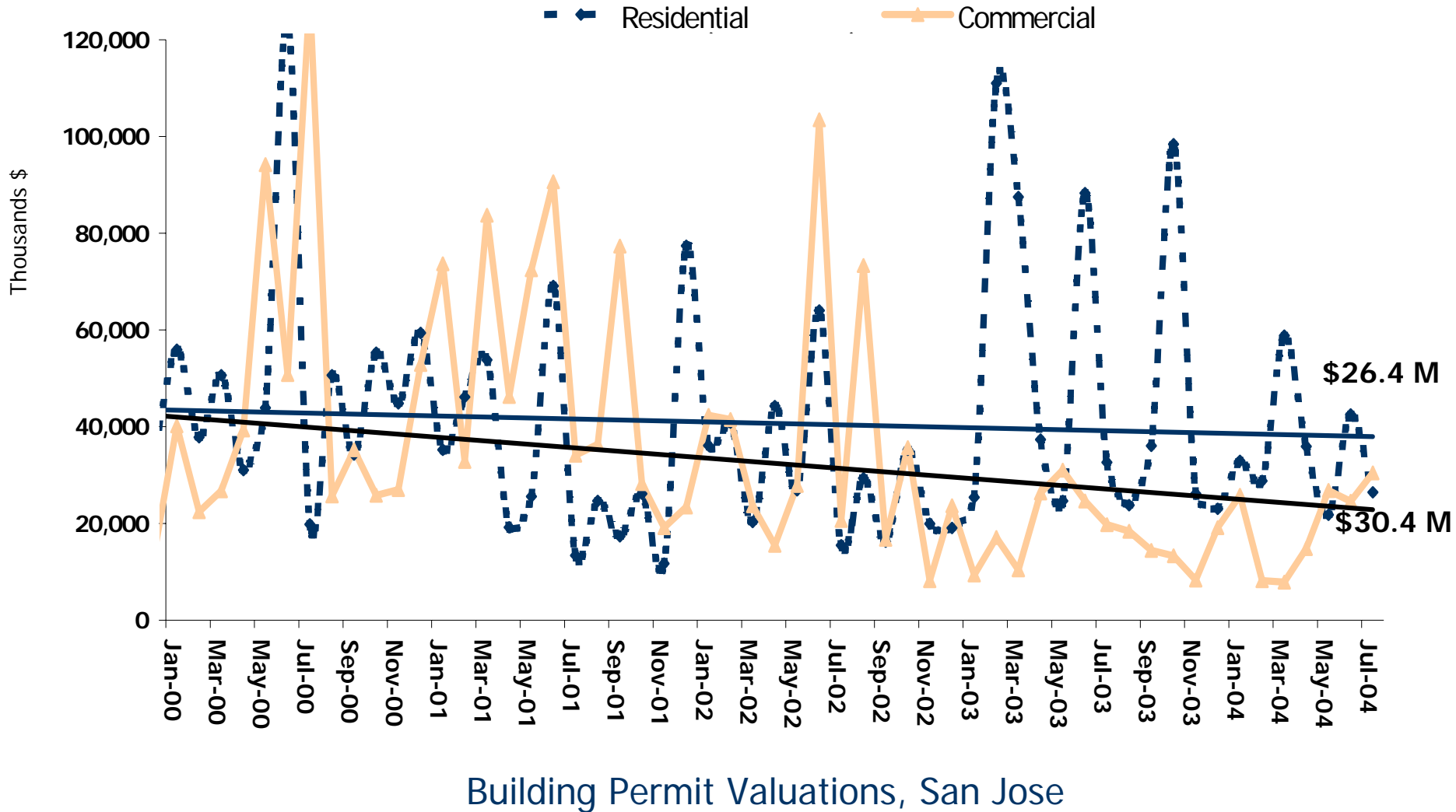
Office Space reflects Class A, Class B, Class C and suburban garden office buildings over 10,000 sq ft.

II. Waiting for Improvement

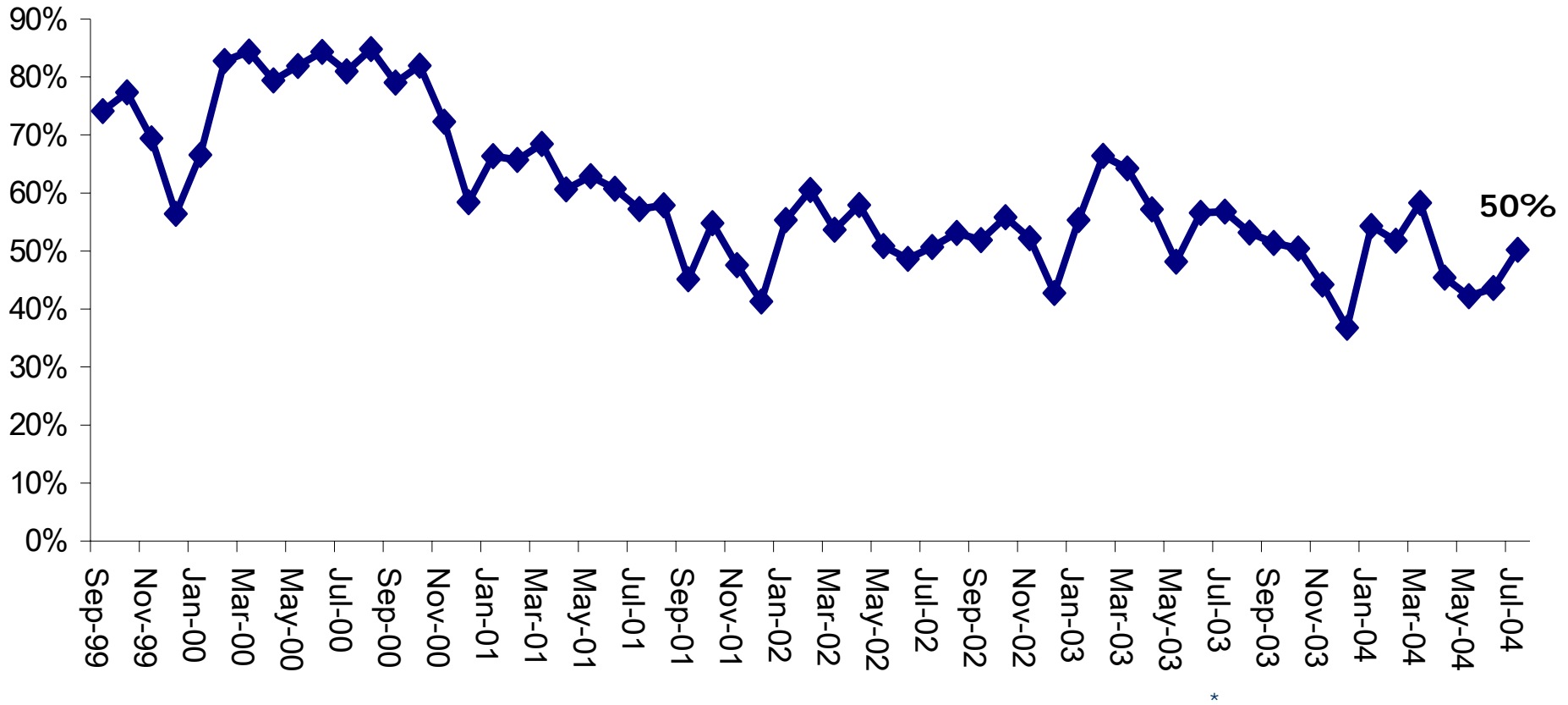
Silicon Valley Continues to Receive 1/3 of All Venture Funding



Commercial Valuation Was Up in July



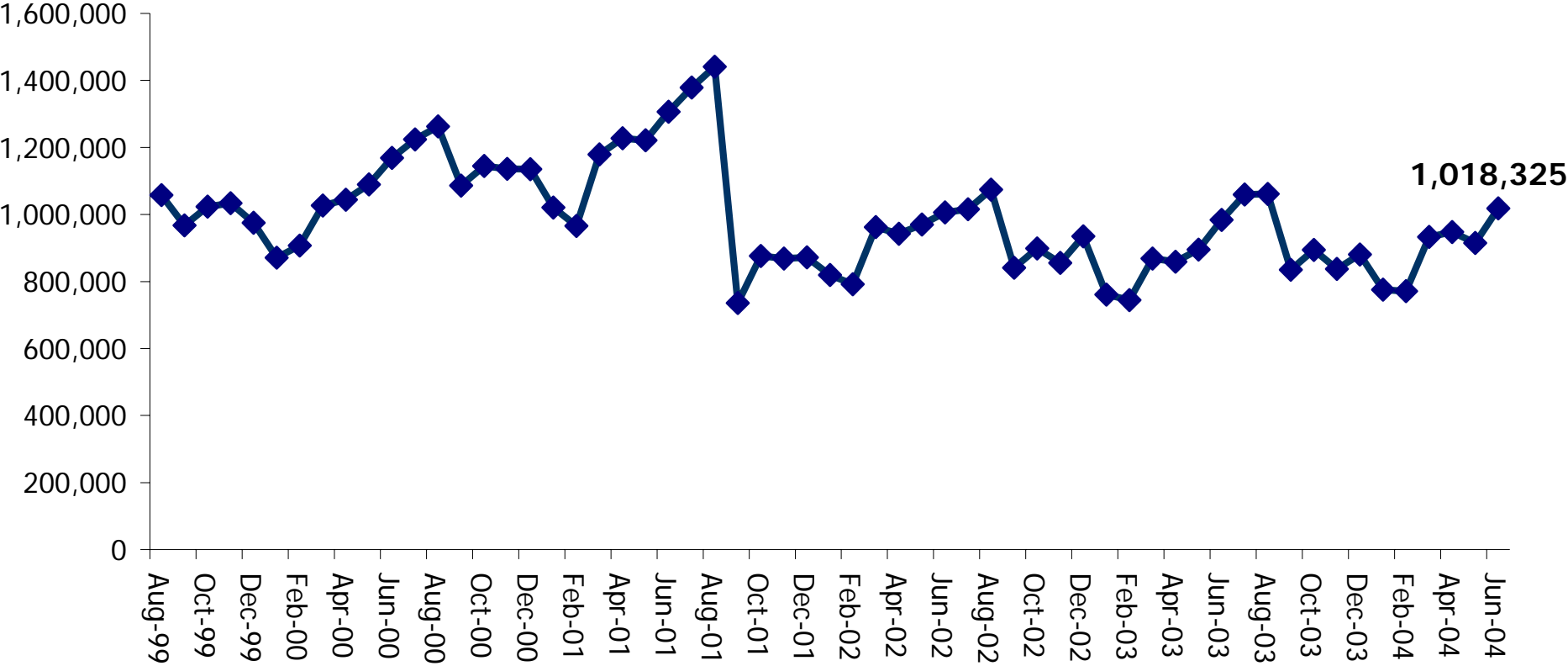
July Occupancy Rebounds



Hotel Occupancy, San Jose

Source: San Jose Convention & Visitors Bureau
*New Marriott Hotel added July 2003

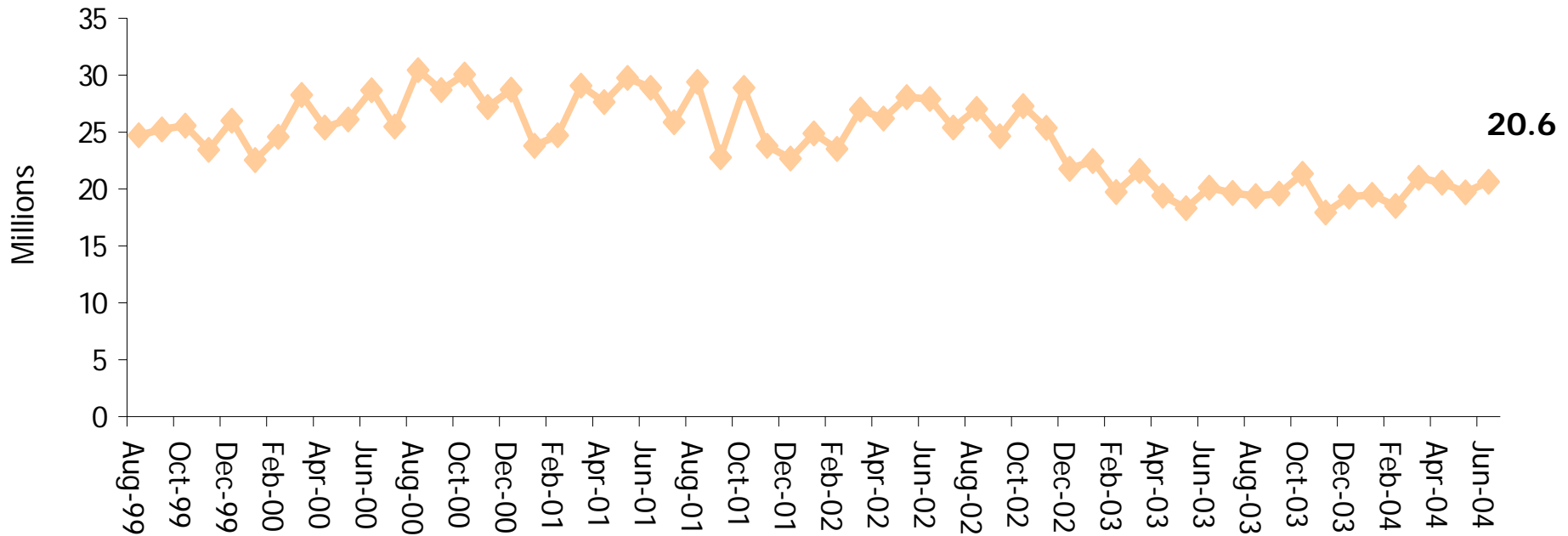
Airport Passenger Levels Up in July



Passengers, Mineta San Jose International Airport

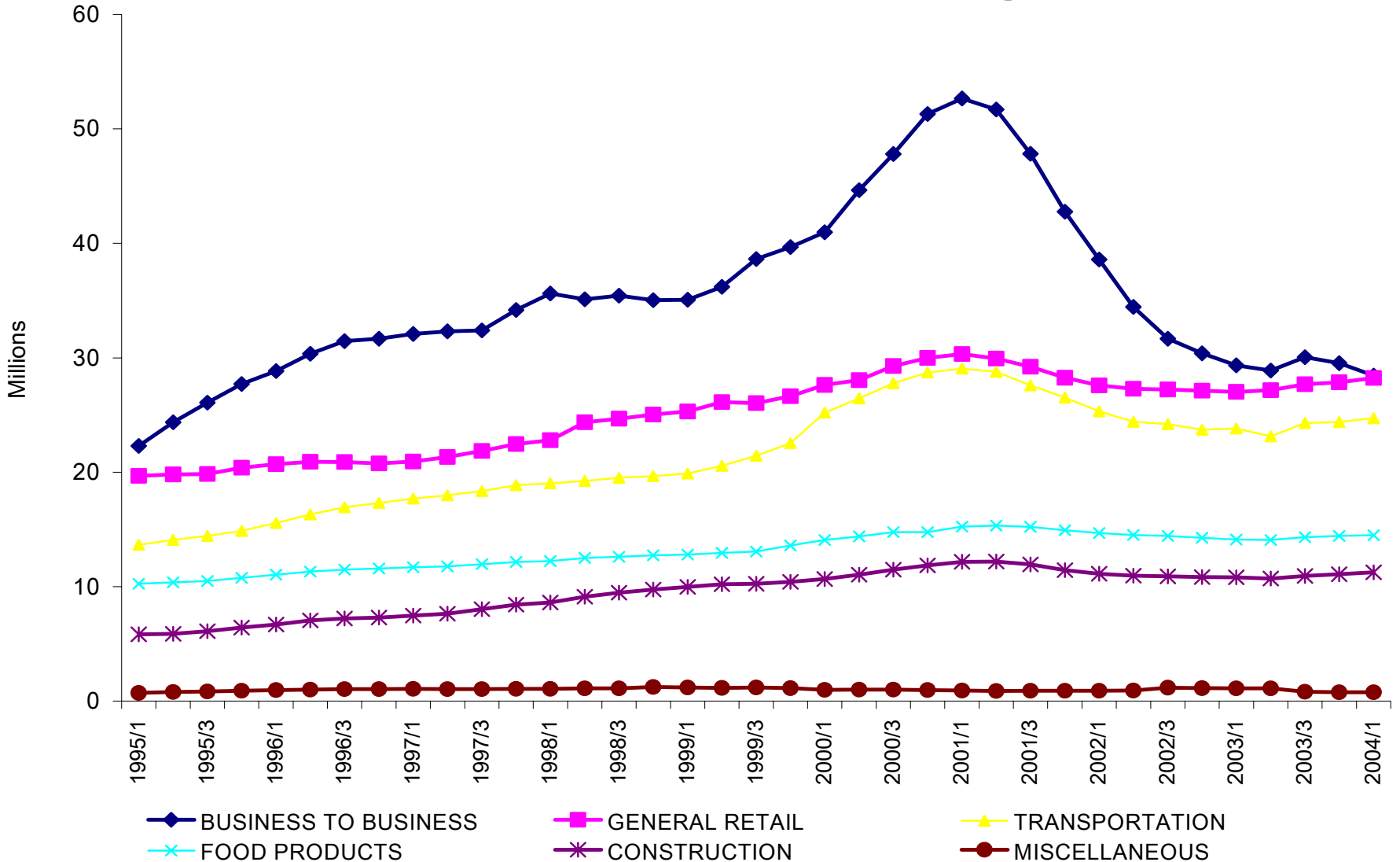
Source: Mineta San Jose International Airport

Airport Cargo Traffic Holds Steady in June



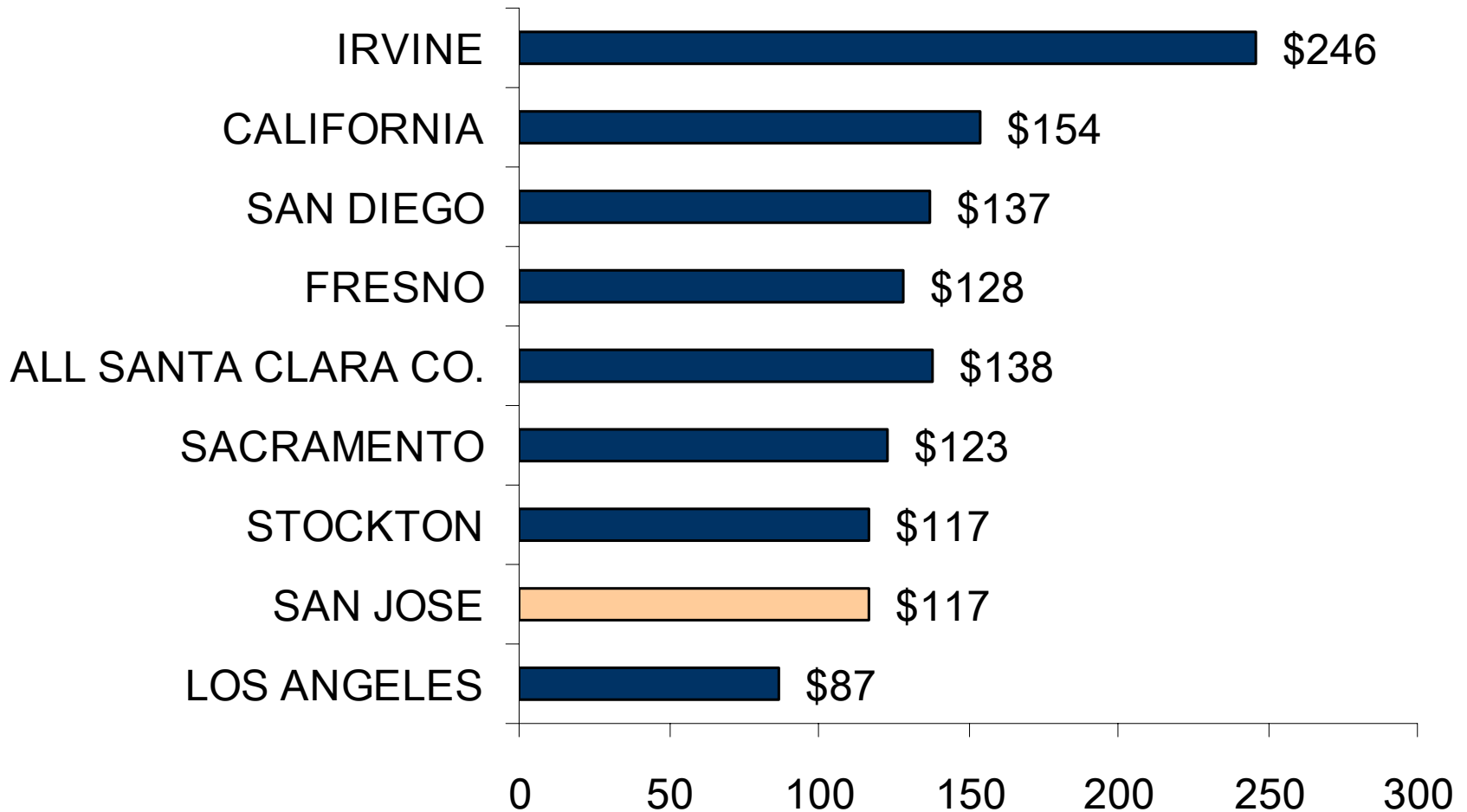
Cargo Volume, Mineta San Jose International Airport

Business to Business Tax Plummets While Consumer Sales Tax Stagnates



Breakdown of Sales Tax by Category

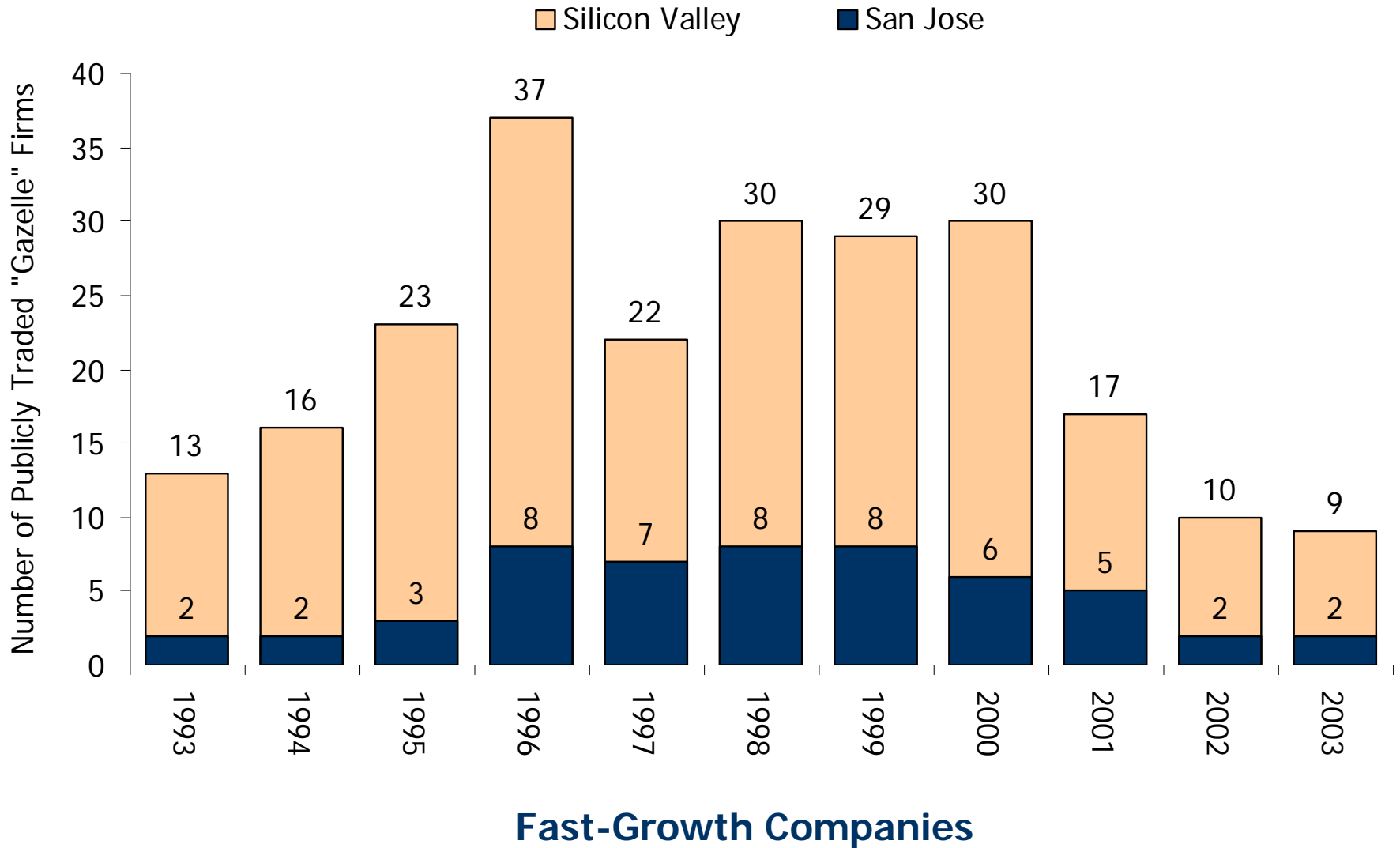
San Jose's Consumer Sales Tax Per Capita is Below the State



% Sales Tax Revenue, Per Capita, Benchmark Year

III. Comparing San Jose with Silicon Valley

San Jose is Home to 2 "Gazelle" Companies



Silicon Valley 150: Largest Publicly Traded Companies

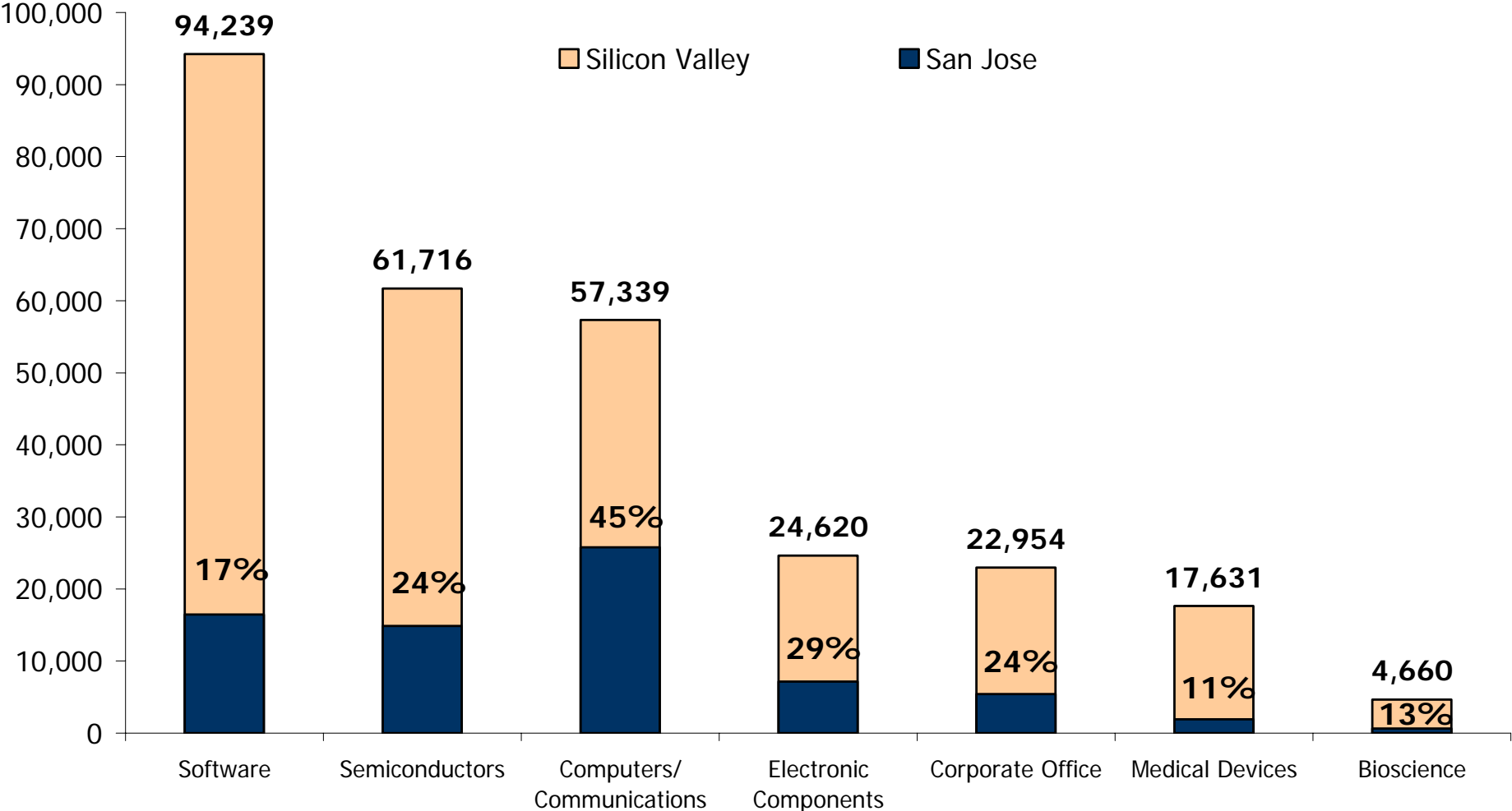
	2002	2003
San Jose	32	35
Sunnyvale	24	26
Santa Clara	23	22

San Jose has Small Share of Venture-Backed Companies

	San Jose	Silicon Valley
2 nd Quarter 2004	24 (10%)	230
1 st Quarter 2004	8 (4%)	193
4 th Quarter 2003	16 (8%)	213

San Jose has 31% of Silicon Valley jobs
and 39% of residents

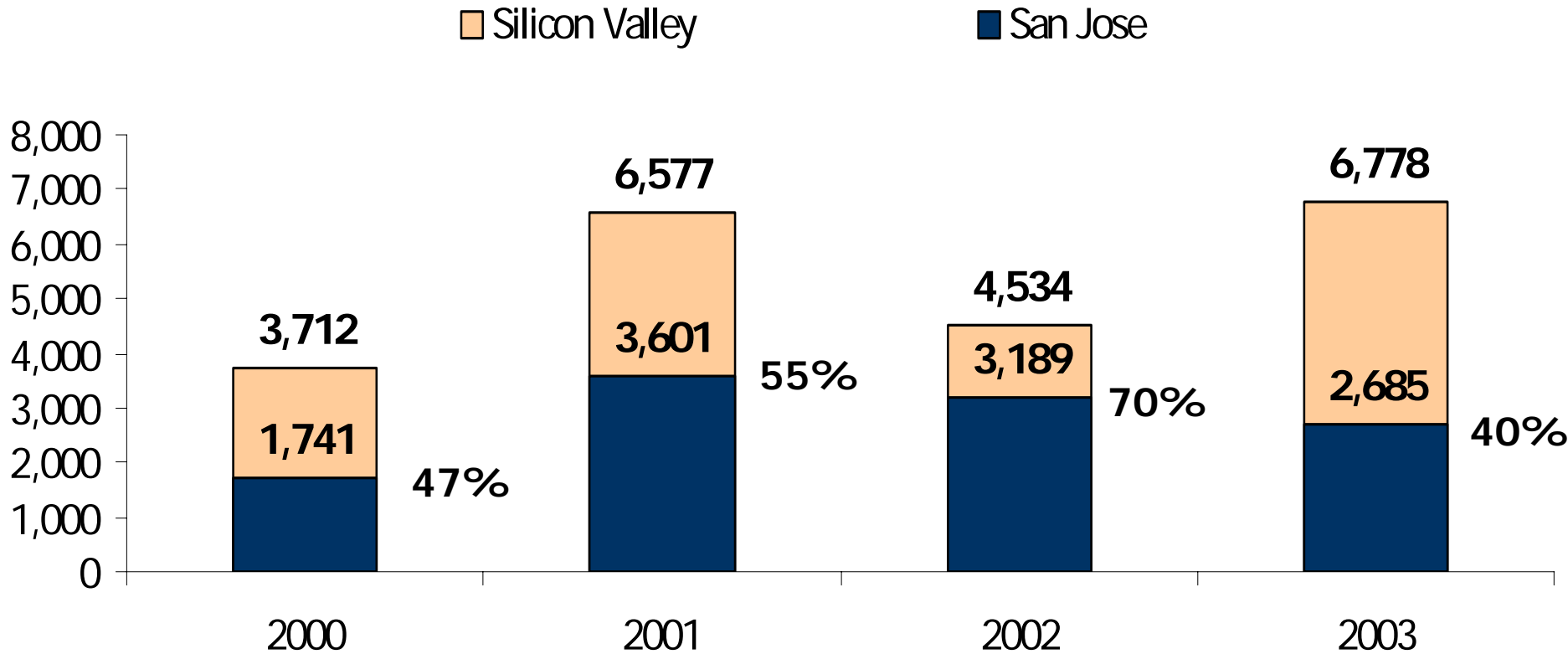
San Jose's Share of Regional Software Jobs Fall



San Jose's Share of the Silicon Valley Job Base is 31%

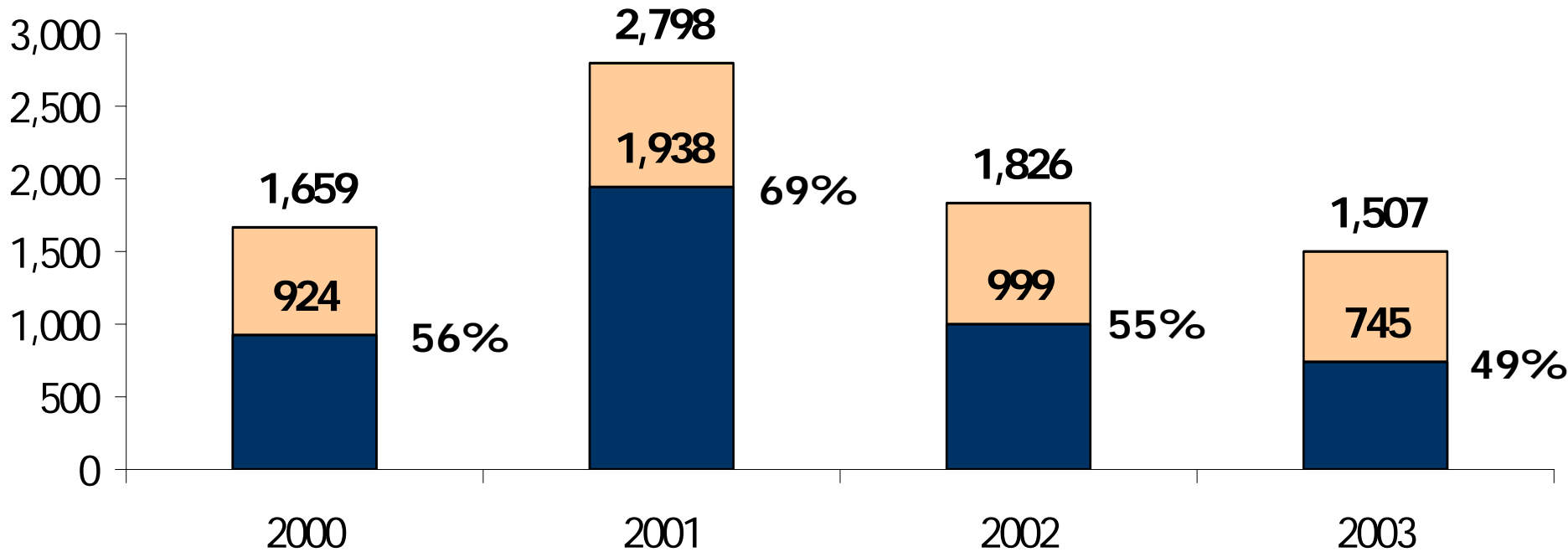
Source: CA Employment Development Department, LMID 2nd Qrt 2003

San Jose Produced 40% of Silicon Valley Housing in 2003



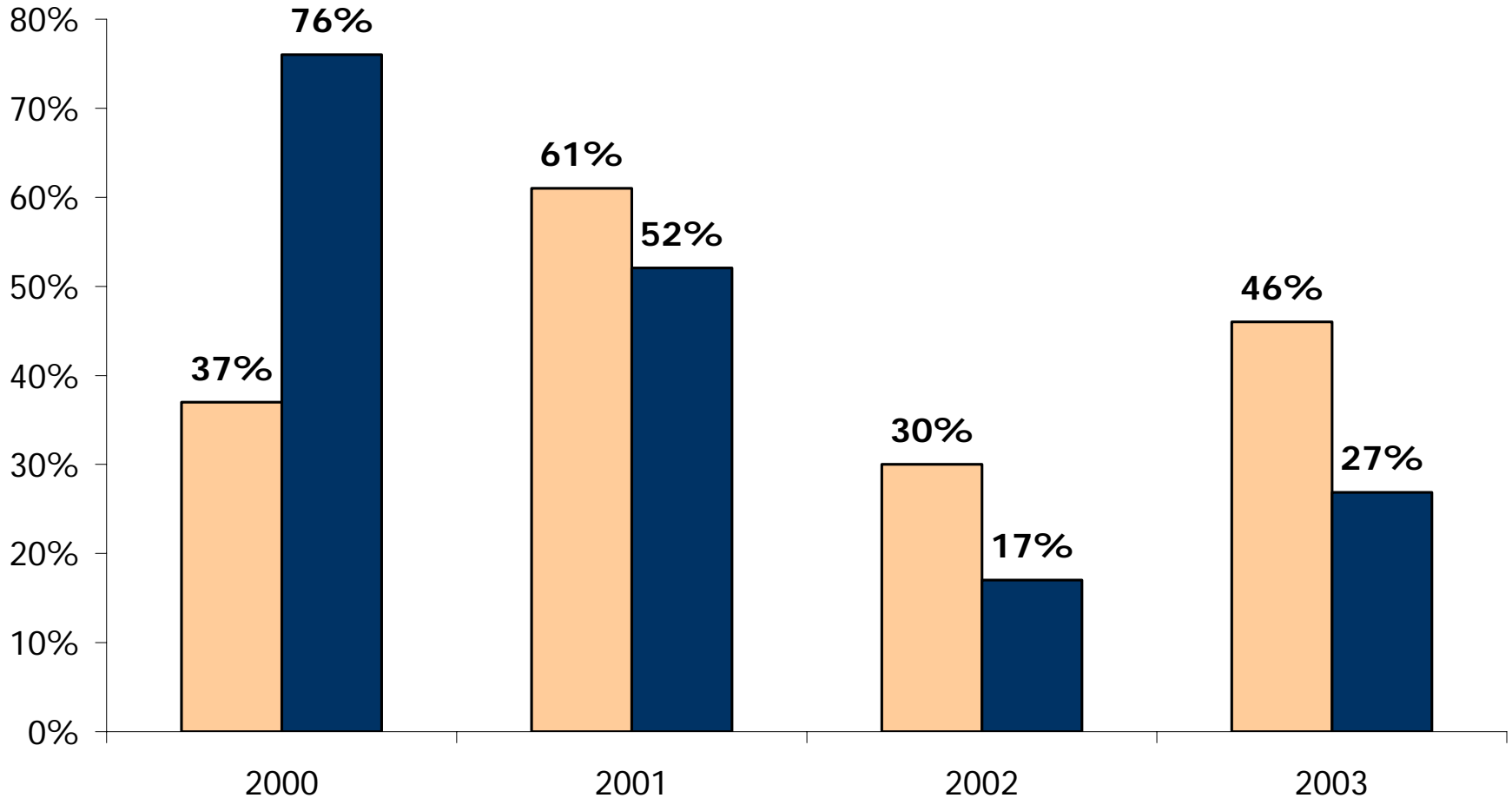
San Jose Produced Half of Silicon Valley's Affordable Housing in 2003

■ Silicon Valley ■ San Jose



27% of New Housing Is Transit Oriented

■ Silicon Valley ■ San Jose



Share of Newly Approved Housing Units Located Near Transit

San Jose's New Workplaces Are Not Transit Oriented

