

For Immediate Release
Tuesday December 4, 2001

Contact:
David Vossbrink, (408) 277-3515
Communications Director

Mayor Gonzales Proposes Package to Help Local Economy, Jobs

San Jose, CA ---- San Jose Mayor Ron Gonzales proposed a ten-point package of economic stimulus and business assistance programs to more than 125 community and business leaders at his "State of the Economy" presentation today.

"We are working with local businesses as our economic development partners to take advantage of our strengths," said Gonzales at the lunch meeting at the Hayes Conference Center. "San Jose already has a number of business programs and investments that can directly benefit their bottom-line, and we will do more to help local businesses survive and thrive during the current slow-down.

"We plan to ensure that San Jose continues to provide effective support for the long-term prosperity of our residents, businesses, and employees."

Gonzales also solicited suggestions from business representatives that could lead to further assistance from the city for local businesses.

The ten-point economic plan outlined by Mayor Gonzales includes the following measures:

1. **Emerging and Small Business Development.** This will enhance opportunities for new and small businesses, including women- and minority-owned businesses, to participate in City of San Jose purchasing and contracts. This program will be ready to for Council consideration within the next two months.
2. **San Jose Silicon Valley Workforce Investment Network** is currently identifying the demand for skills and jobs that will likely grow in Silicon Valley in the near future, and the city will use this information to assist companies likely to expand and need well-trained workers.
3. **Listening to Business and Development Community** focus groups to learn how the city and its redevelopment agency can stimulate local economic activity and have a positive impact on business and jobs in San Jose. These focus groups will be held by the end of the year.
4. **Federal Tax Credits.** The City will aggressively seek federal tax credits designed to stimulate investment in San Jose businesses. Over a third of San Jose companies could be eligible to compete for this benefit that would provide a tax credit of 39% to investors over seven years.
5. **Deferral of “Plan Check” fees** would allow developers to postpone payment of city fees for processing tenant improvements in industrial and R&D office buildings in several industrial and commercial areas of San Jose, including Rincon, downtown, Enterprise Zone, and Edenvale project areas. Fee deferrals would be granted for plans submitted within an 18-month period beginning in February in order to encourage and expedite improvements so space will be ready to occupy sooner when the economy recovers.

6. **Waivers of construction-related taxes** on tenant improvements in industrial and R&D office buildings in Rincon, Downtown, Enterprise Zone, and Edenvale project areas.

7. **Promote Permit Fee payment plans** to let businesses know they can pay fees in installments when a building permit is approved rather than the entire fee upfront. Payment plans can help businesses spread out their cash flow requirements.

8. **Improve the city's Development Enhancement Fund** to aid small and emerging businesses, including the possible partnership with a private sector agency to expedite lending programs and move funds more quickly and effectively.

9. **Promote the San Jose Enterprise Zone** with a partnership with the San Jose Silicon Valley Chamber of Commerce. The San Jose Enterprise Zone is an 18-square-mile area with more than 11,000 businesses that can provide direct benefits, tax advantages, and incentives for eligible businesses. The Enterprise Zone was just extended for five more years, and is the only such zone in Silicon Valley.

10. **The city will target emerging life sciences and biotechnology** industries and take steps to attract them to San Jose. A biotech outreach conference already is scheduled in San Jose on December 13.

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