

San Jose Set To Consider Samsung Incentives

The Associated Press

SAN JOSE, Calif. (AP) — San Jose is set to consider finalizing a \$7 million incentive package to keep Samsung Semiconductor in Silicon Valley and trump an open invitation from Austin, Texas, to expand its operations there.

The City Council is expected to approve the plan at its Tuesday meeting.

The package includes an expedited 120-day development permit process, a 50 percent break on utility taxes, and a \$37,440 tax credit for each employee hired. The city is also reimbursing Samsung \$500,000 for equipment purchases by the firm.

The deal was outlined at an August signing ceremony at the City Hall Rotunda with Gov. Jerry Brown, Mayor Chuck Reed and Jong-Joon Kim, president of device solutions for Samsung Electronics.

Parts of the incentive package have already been approved. In January, the City Council authorized a reduced traffic impact fee from \$13.54 per square foot to \$5 per square foot.

San Jose Mayor Chuck Reed thanked Samsung for choosing his city during his State of the City address last month.

"We appreciate the confidence you have in San Jose, and as your mayor, I am committed to helping your companies stay here and grow here by working at the speed of business."

Samsung Semiconductor, based in San Jose since 1986, has 370 employees in 200,000 square feet of office space.

Samsung's new San Jose campus would be about 680,000 square feet, making room for another 600 employees with two 10-story high-rises already receiving acclaim for their striking design that includes an interior courtyard. The campus will focus on research and development.

Samsung Semiconductor is a subsidiary of Seoul-based Samsung Electronics Co.

Samsung spokeswoman Chris Goodhart told the San Jose Mercury News the company looks forward to a successful conclusion of the incentive package.

"Our new campus will fuel employment and growth in the community and will be a landmark for San Jose, embracing the urban design guidelines developed by the city of San Jose," he said.

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San Jose's economic development director Kim Walesh says that as Samsung prepared to expand its R&D headquarters in North America, it explored alternative locations including Austin, where its Samsung Austin Semiconductor LLC, another subsidiary, began operations in 1996 and employs about 2,400 people. That firm is undergoing a \$4 billion expansion.

Last month, Texas Gov. Rick Perry swung through San Francisco, the Silicon Valley and Los Angeles, meeting with business leaders in hopes of luring more business to his state.

Texas provides an estimated \$19 billion a year in incentives to businesses, and about a third of the companies moving there are from California.

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