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# Memorandum

**TO:** HONORABLE MAYOR, CITY  
COUNCIL AND REDEVELOPMENT  
AGENCY BOARD

**FROM:** Debra Figone  
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**SUBJECT:** CALIFORNIA CLEAN TECH  
OPEN PARTNERSHIP

**DATE:** November 6, 2008

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## INFORMATION

The City of San Jose and the San Jose Redevelopment Agency have agreed to be sponsors for the California Clean Tech Open (CCTO) in an effort to connect top clean tech entrepreneurs with San Jose's world-class incubator programs, specifically the Environmental Business Cluster (EBC) and the San Jose BioCenter. Through this sponsorship, the City and Agency will provide a "San Jose Prize for Green Vision Innovation" to the twelve highest-ranking participants of the CCTO. The Prize will include free commercialization services and either free office space at the EBC or subsidized space in the BioCenter, as well as a one-year membership in the BioCenter's Affiliate Membership Program. The Prize will accelerate the commercialization process of clean tech innovations critical to achieving the City's Green Vision, provide these companies with opportunities to grow and create jobs in San Jose, and strengthen relationships between San Jose and leading entrepreneurs and investors across California.

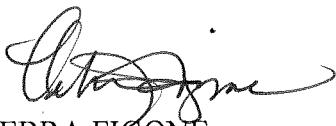
The CCTO will be an important strategic partner in San Jose's efforts to achieve the Green Vision, especially Goal #1 to create 25,000 Clean Tech Jobs and transform San Jose into a "world center of clean tech innovation." The organization brings together entrepreneurs, researchers, and investors who are committed to spurring economic growth and environmental sustainability by helping promote and launch clean tech companies. In April 2008, San Jose hosted the launch of the 2008 CCTO competition, which provides leading clean tech start-up companies with technical assistance and expertise from premier investors, lawyers and entrepreneurs to accelerate the cycle time to market as part of an annual competition. Winners are chosen in each of six categories (renewable energy, energy efficiency, smart power, green building, air water and waste, and transportation) and receive a prize of cash and essential services that are essentially a "start-up in a box" valued approximately \$100,000. The purpose of the CCTO aligns with the focus of the Green Vision on growing San Jose's economy by incubating innovation and working with entrepreneurs to develop the technologies needed to address climate change and end dependence upon foreign oil.

The establishment of the San Jose Prize will connect top innovators with the Agency's award winning incubator program that has advanced San Jose's economic development goals since 1994 by providing commercialization services that help entrepreneurs transform ideas into thriving companies.

The Agency currently sponsors four business incubators, the EBC, BioCenter, Software Business Cluster (SBC), and the U.S. Market Access Center (US MAC), including paying 100% of the Downtown office leases for the SBC, EBC, and US MAC. The EBC is currently the largest clean energy commercialization center in the U.S. that is not operated by federal or state government. The EBC received the National Business Incubation Association's 2008 Randall M. Whaley Incubator of the Year award, their most prestigious honor, recognizing overall excellence in business incubation. The BioCenter is recognized throughout the life sciences industry as a thriving enterprise that supports the growth of life sciences cluster in San Jose and Silicon Valley. Since 2004, the Agency has invested \$8.7 million in tenant improvements and equipment at the BioCenter to develop wet labs, dry labs, offices, and conference facilities to ensure that innovative life science startups have the resources they need to succeed.

Working closely with CCTO, EBC, and BioCenter, the City and Agency will sponsor the twelve highest-ranking companies in the 2008 CCTO competition with a "San Jose Prize for Green Vision Innovation," which would be either one year of free commercialization services, free office space at the EBC or subsidized space at the BioCenter, and one year of free membership in the San Jose BioCenter's affiliate program. The total cost of the "Green Vision Innovation Prize" for twelve companies is \$144,000. The sources of support and costs include incubation and business services at the EBC or BioCenter at \$12,000 per company, which is 50% supported by the Agency and 50% by OED. The City contribution will be provided through a combination of general fund resources, work2future resources, and other existing external funding sources. The balance of the membership cost will be covered by an in-kind contribution from the San Jose BioCenter.

Establishing a partnership with the CCTO is a key element of expanding the City's long-term clean tech company attraction, job creation, and retention efforts. By focusing on helping early stage companies locate and grow in San Jose, the City and the Agency are positioned to retain companies that have large growth potential hiring new employees and expanding their facilities. San Jose's partnership with the CCTO will provide San Jose a stronger competitive advantage in attracting and retaining some of the top Silicon Valley start-up companies. This partnership is an integral part of the Redevelopment Agency's existing business retention and expansion program to attract companies into the Redevelopment Project Areas.



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