Economic Profile

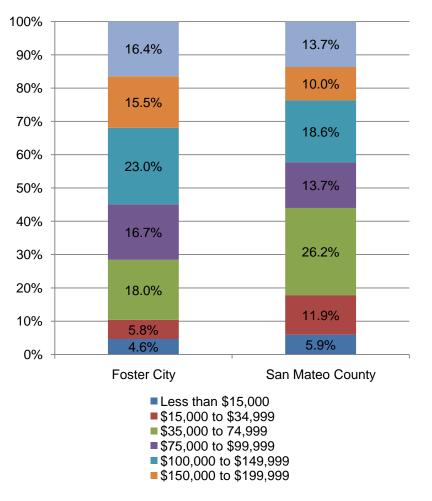
Foster City is recognized for its close proximity to major transportation centers in the Bay Area; such as the San Mateo Bridge, State Route 92, Highway 101, and the San Francisco Airport.

Foster City is attractive to businesses due to its location, amenities, strong economy, and skilled labor force. Foster City Several major corporations are located within Foster City, including Gilead Sciences, Applied Biosystems (part of Life Techologies), Electronics for Imaging, VISA International, Innovant, Sony Computer Entertainment and Quinstreet.

Income

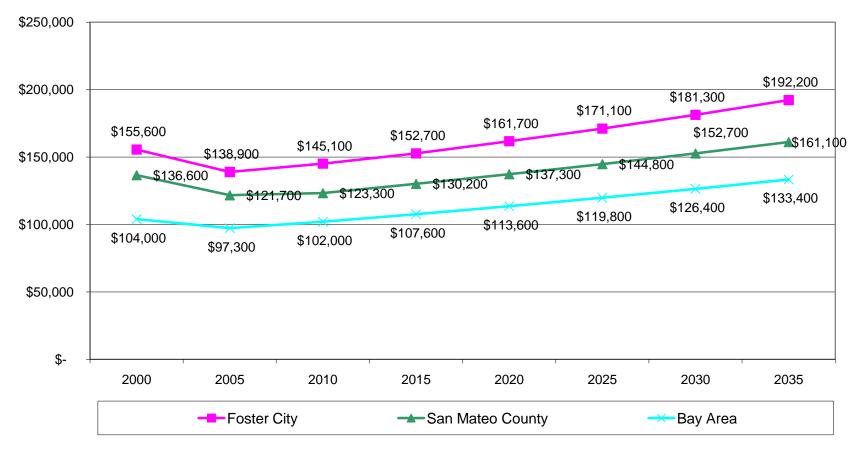
The median household income in Foster City in 2008 was \$107,448, compared to \$84,684 for San Mateo County. The distribution of household income by income category is shown in Figure 48. More than half of the households (54.9%) in Foster City had an income over \$100,000, compared to 42.3% in San Mateo County.

Foster City is projected to maintain a relatively high household income compared to San Mateo County and the Bay Area, as shown in Figure 47.



Source: U.S. Census American Community Survey 2008

Figure 46: Percentage of Households per Income Category (1999 & 2008)



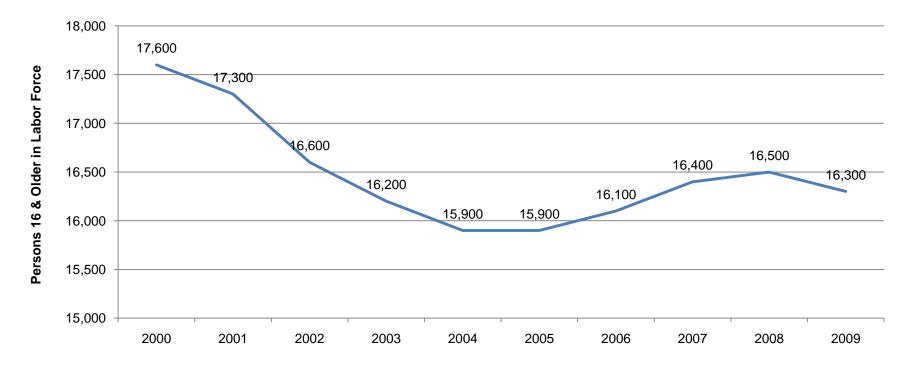
Source: Association of Bay Area Governments, Projections and Priorities: Building Momentum, 2009.

Figure 47: Projected Mean Household Income (2000-2035)

Labor Force

The resident labor force is defined as the population sixteen years of age or older, having the potential for active work for

wages. The labor force declined since 2000 to a low of 15,900 in 2004-2005, then increased to 16,500 in 2008 but dropped to 16,300 in 2009.



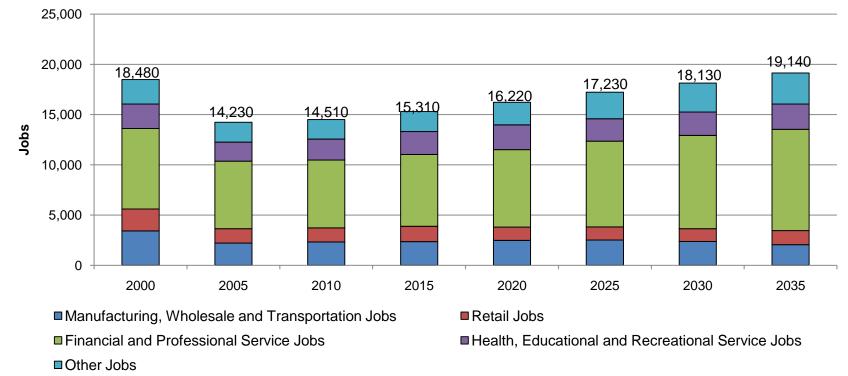
Source: California Employment Development Department

Figure 48: Foster City Resident Labor Force: 2000-2009

Jobs

During the initial stages of Foster City's growth, development was primarily residential. However, starting in 1980 several industrial and office complexes began construction. The original Foster City Master Plan called for office and industrial development north of East Hillsdale Boulevard. The context of the original master plan has been followed and most of the employment centers are located in the northern and northeastern portions of the city.

The Association of Bay Area Governments (ABAG) has projected that the number of jobs in Foster City will increase from 14,230 in 2005 to 19,140 in 2035, with most of the growth in the Financial and Professional Service Jobs sector.

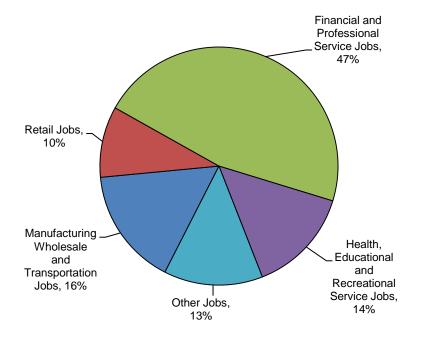


Source: Association of Bay Area Governments, Projections and Priorities: Building Momentum, 2009.

Figure 49: Projected Jobs (2000-2035)

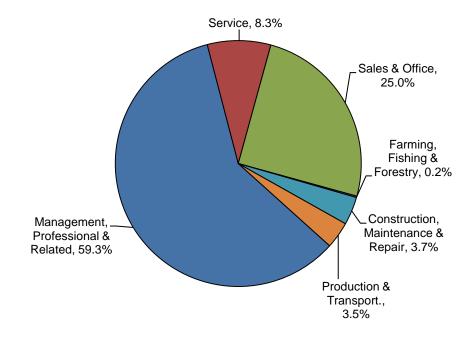
Jobs and Occupations by Sector

The largest jobs sector in Foster City jobs is the Financial and Professional Service Sector at 47%. This is followed by Manufacturing, Wholesale and Transportation sector with 16% of jobs, then Health, Education and Recreational Service sector with 14% of jobs. For Foster City residents. The largest percentage is occupations is in the management, professional and related category at 59.3%.



Source: Association of Bay Area Governments, Projections and Priorities: Building Momentum, 2009.

Figure 50: Jobs by Sector (2010)

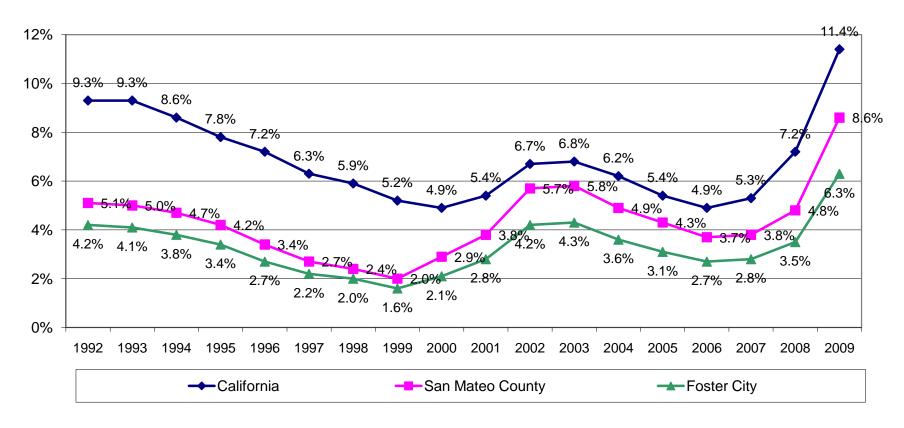


Source: U.S. Census American Community Survey 2006-2008

Figure 51: Occupations of Foster City Residents (2008)

Unemployment Rate

The unemployment rate for Foster City residents has been historically lower than the unemployment rate for the State of California and San Mateo County. The lowest rates were in 1999, with Foster City's unemployment rate at 1.6% and San Mateo County's at 2.0%. The State's rate was at its lowest in 2000 and 2006 at 4.9%. The highest unemployment rates were in 2009 with Foster City at 6.3%, San Mateo County at 8.6% and the State at 11.4%.



Source: California Employment Development Department

Figure 52: Unemployment Rate (1992-2009)

Businesses in Foster City

Major Employers in Foster City

The largest employer in Foster City is Gilead Sciences, a biopharmaceutical company with 3,447 employees in 2009. The

Table 10: Major Employers in Foster City (2009)

second largest employer in Foster City is Applied Biosystems (now owned by Life Technologies), a biotechnology company, which employs approximately 1,675 people.

Business	No. of Employees	Products	
Gilead Sciences, Inc.	3,447	Corporate Headquarters/Biopharmaceuticals	
Applied Biosystems, LLC	1,645	Instruments and Software for Genetic and Biological Purposes	
Electronics for Imaging, Inc.	1,361	Designs and Markets Printing Products	
VISA U.S.A. Inc.	1,233	VISA Company Headquarters	
Innovant LLC	1,020	Furniture systems for offices	
Sony Computer Entertainment	734	Computer Games	
Quinstreet, Inc.	537	Online marketing services and technology	
IBM Corporation	298	Computer technology and information technology consulting	

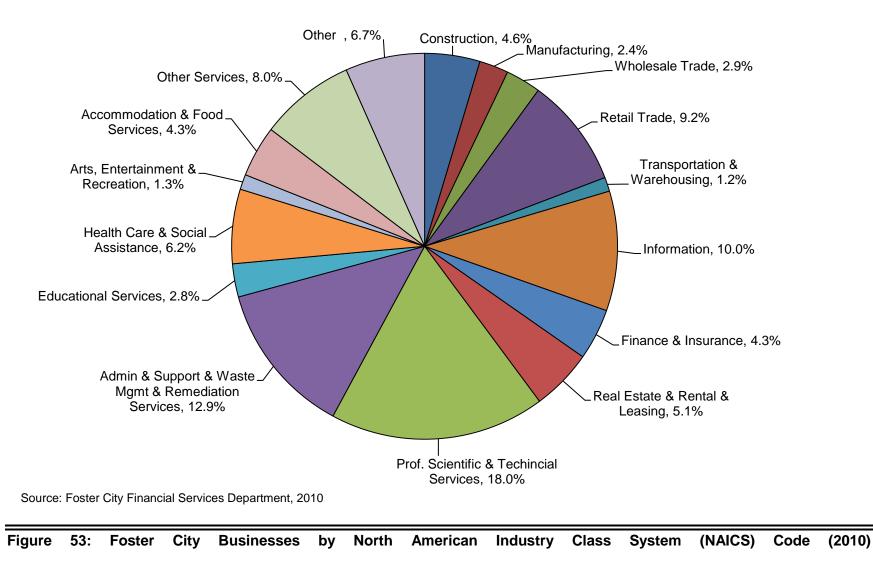
Source: Foster City Business License Data, 2010

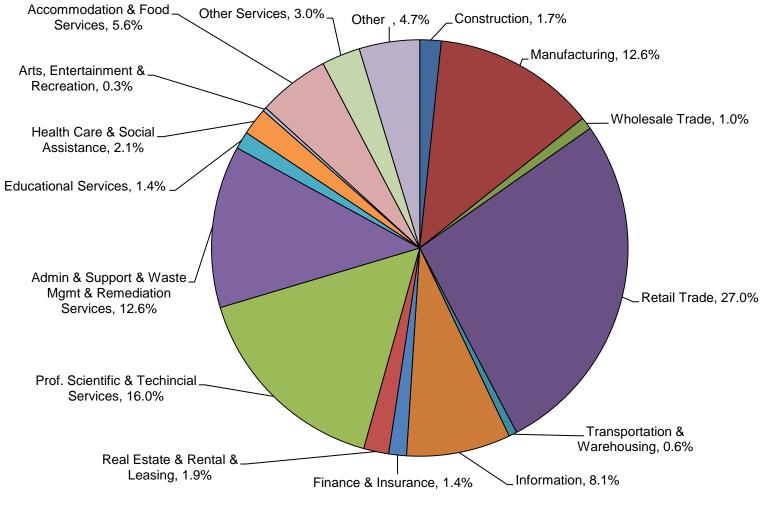
Foster City Businesses with Business Licenses

In 2010, there were 1,187 businesses in Foster City with active business licenses, including home occupations. The largest percentage of businesses, 18%, are in the Professional, Scientific and Technical Services category. These businesses include lawyers, accountants, architects and professions where a high level of knowledge is required.

The second largest category is the Administrative, Support, and Waste Management and Remediation Services category, with 12.9% of the City's businesses. Businesses within this category include employment centers, consulting firms, and any business that provides support to another business. The following chart (Figure 54) illustrates the percentage of businesses in each classification. These classifications are defined by the North American Industry Class System (NAICS). This system is used by the United States, Canada, and Mexico as an index for statistical reporting of all economic activities.

Figure 55 shows the percentage of employees reported in each of the classifications. Here, the largest percentage of employees, 27% is in Retail Trade. The second largest percentage is in Professional, Scientific and Technical Services, with 16% of the employees.





Source: Foster City Financial Services Department, 2010

Figure 54: Foster City Employees by North American Industry Class System (NAICS) Code (2010)

Major Office and R & D Centers in Foster City

The largest office center in Foster City is VISA with about 940,000 sq. ft. and the second largest office/R&D center is Vintage Park. Vintage Park is home to Gilead Sciences and Electronics for Imaging and has approximately 750,000 sq. ft. of light industrial and office space.

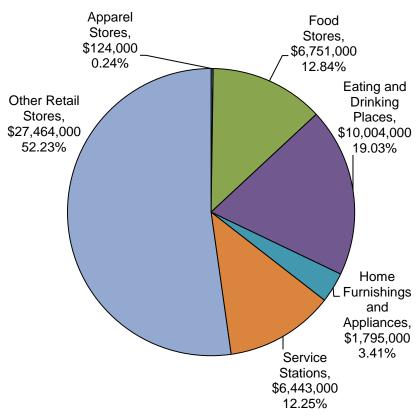
Table 11: Major Office and R & D Centers in Foster City

Commercial Center	Address	Total Sq. Ft.
Visa I-IV	800-900 Metro Center Blvd.	940,000
Vintage Park	Various	750,000
Metro Tower	950 Tower Lane	526,264
Parkside Towers	1015 E. Hillsdale Blvd.	386,181
Lincoln Centre	200-800 Lincoln Centre Drive	369,774
Bayside Towers	4000 and 4100 E. Third Ave.	279,396
Metro Center	919 & 989 E. Hillsdale Blvd.	278,436
R & B Commerce Park	551 Pilgrim & 1151 Triton Drive	229,000
Century Plaza	1065 E. Hillsdale Blvd.	115,511
Lincoln Center	101 Lincoln Centre Dr.	105,112
Foster City Executive Park	1125 E. Hillsdale, 551 Foster City Blvd., 550 & 558 Pilgrim Drive	61.500

Source: Foster City Community Development Department, 2010

Taxable Sales

In the second quarter of 2009, the largest category for taxable retail sales in Foster City was "other retail" business. The next highest sales tax revenues were generated from restaurants located within the City. As indicated in Figure 56, Foster City's total taxable sales has remained relatively constant when compared to San Mateo County, which decreased from 14.04 Million in 2000 to 11.4 Million in 2004 and then increased to 13,326,306 in 2008.



Source: California State Board of Equalization

Figure 55: Retail Taxable Sales by Category: 2nd Quarter 2009

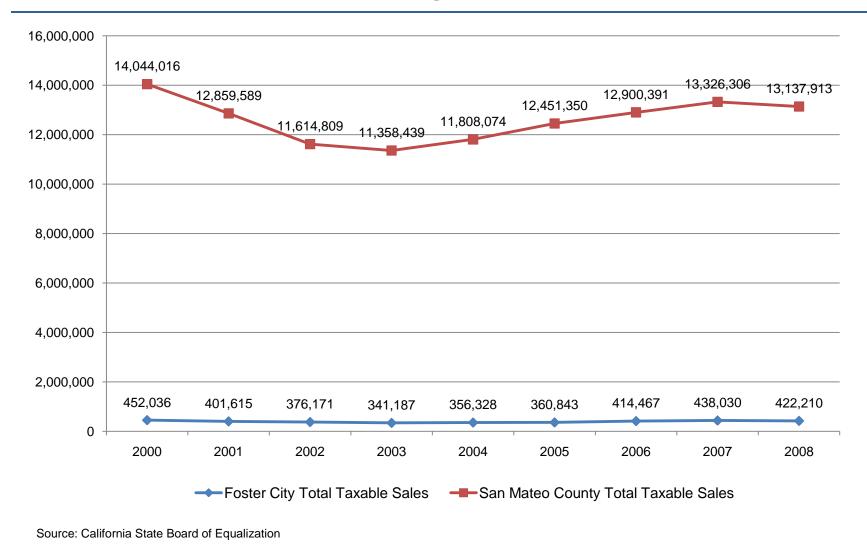
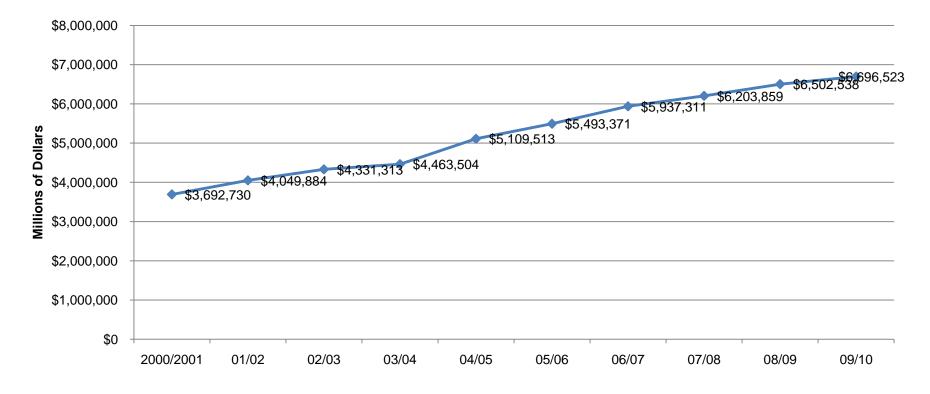


Figure 56: Total Taxable Sales: Foster City and San Mateo County (2000-2009)

Assessed Valuation

Property tax is based on the assessed value of a property, as determined by the County Assessor. The City of Foster City does not collect property taxes from the residents. Instead, the Estero Municipal Improvement District (EMID), established prior to incorporation of the City, collects the "city's" share of the property taxes.

Foster City has had a steady increase in assessed valuation despite the recession in recent years.



Source: Foster City Financial Services Department, 2010

Figure 57: EMID Assessed Valuation (Fiscal Year 2000-01 - 2009-10)

Transient Occupancy Tax

Currently, there are two hotels in Foster City. The Crowne Plaza is located at 1221 Chess Dr. and the Courtyard by Marriott is located at 1050 Shell Blvd. The Crowne Plaza has 350 rooms and employs approximately 300 people. The Courtyard by Marriott has 147 rooms and employs approximately 50 people. The transient occupancy tax is a tax assessed on the rent paid for a hotel room. The current rate charged is eight percent of the rent charged for the hotel room. The transient occupancy tax was adopted in 1983 by the City Council prior to the construction of hotels in Foster City. The transient occupancy tax generates revenue for the City's General Fund.

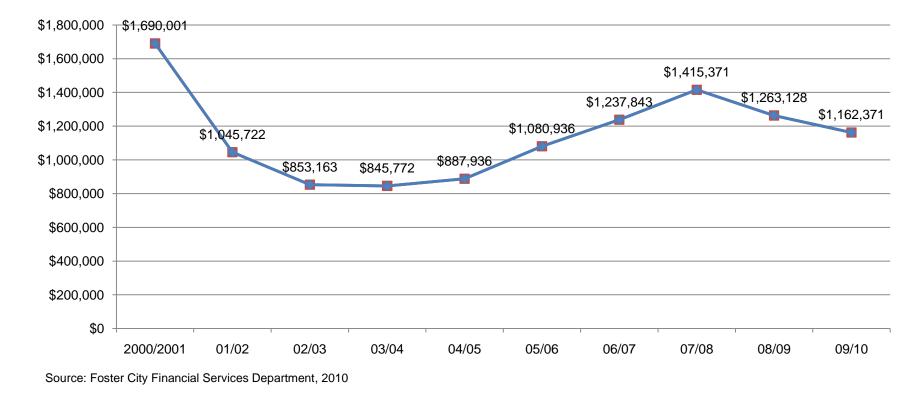


Figure 58: Transient Occupancy Tax Revenues (Fiscal Year 2000-01 - 2009-10)

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