



**MAYOR KEVIN L. FAULCONER  
CITY OF SAN DIEGO**

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NEWS RELEASE

**Mayor Faulconer Announces “World’s Smartest Company”  
Will Stay, Expand in San Diego**

*Agreement with Illumina Inc. will keep hundreds of high wage jobs in the city*

San Diego, CA – Today Mayor Kevin L. Faulconer joined Illumina Inc. CEO Jay Flatley to announce an agreement that will keep the medical device company and its good-paying jobs in San Diego. Illumina was recently named “World’s Smartest Company” by the *MIT Technology Review*, ahead of Tesla Motors, Google and Samsung.

The City will provide a tax rebate in exchange for Illumina retaining approximately 300 middle-class manufacturing jobs in San Diego.

**“This is a perfect example of how San Diego can support middle class jobs while also encouraging economic growth,”** said Mayor Faulconer. **“This agreement keeps hundreds of high wage jobs in San Diego, ensures city residents benefit from over a million dollars in annual sales tax revenue, and strengthens our region’s leadership in biotechnology.”**

Illumina has over 1,500 employees within San Diego and is the city’s most highly valued biotechnology company. The company develops and manufactures instruments used to sequence human genomes. Its products range in size from bench top models to large floor-standing systems.

As Illumina was considering a variety of options to expand its manufacturing operations, including locations outside the city and state, Mayor Faulconer personally visited its headquarters and began a dialogue to ensure the company chose San Diego.

**“We’re excited to continue to grow a state-of-the-art campus that will not only contribute to Illumina’s success, but also contribute to the growth of San Diego’s life sciences community, to the advancement of genetic research, and ultimately to help people around the globe realize the benefits of personalized medicine,”** said Jay Flatley, Illumina’s CEO.

A City Council vote to ratify the agreement is scheduled for the week of July 21.

**“We value and support companies such as Illumina, and we’re strongly committed to make San Diego more business-friendly and, in turn, deliver more well-paying jobs to increase the region’s economic stability,”** said Council President Pro Tem Sherri Lightner. **“These types of incentive agreements are exactly the tools that San Diego needs to attract, retain and grow companies such as Illumina, which employs hundreds of workers in high-wage jobs.”**

The San Diego Regional Economic Development Corporation worked with the City to verify that Illumina was evaluating manufacturing leases in San Diego, Poway and Memphis, Tennessee.

**“The fact that the ‘World’s Smartest Company’ has decided to expand its footprint in San Diego speaks volumes to the quality of our biotech industry and innovation economy,”** said Mark Cafferty, president and CEO of San Diego Regional EDC. **“Not only do we have a Mayor that values economic development and job creation, but we also have a cutting-edge company showing how much they value San Diego’s dynamic workforce, manufacturing expertise and research capabilities.”**

Among the terms of the 10-year Economic Development Incentive Agreement, Illumina is eligible to apply increased sales and use tax revenue it generates over the course of the agreement toward a \$1.5 million tax rebate from the City, which it would receive after the City verifies the new revenue. The City will retain 30 percent of Illumina’s sales tax revenues in addition to the current level of sales and use tax generated by Illumina – approximately \$1.3 million annually in the most recent year. After the \$1.5 million tax rebate cap has been reached or the term of the 10-year agreement ends, the City will return to receiving 100 percent of Illumina’s tax revenue.

In exchange, Illumina will retain all of its existing manufacturing jobs and sales force within San Diego, at any site of its choice, during the 10-year term of the agreement.

**“Illumina's announcement that they are expanding in San Diego demonstrates the ability of California cities to develop creative solutions and encourage manufacturing investment,”** said Kish Rajan, director of the Governor’s Office of Business and Economic Development (GO-Biz). **“Our office will continue to work with the city of San Diego and Illumina to foster a strong partnership and showcase it as a model for how California competes on a global stage.”**

Manufacturing is one of San Diego’s major tax revenue generators and one of four base sector economic engines along with defense, tourism and international trade and logistics. Manufacturing is a primary source of middle class jobs, and typically generates 3-7 additional jobs for each direct job created.

Illumina was founded in San Diego in 1998. The company is the City’s 12<sup>th</sup> largest sales/use taxpayer. Illumina’s world headquarters, product development, sales, shipping, receiving and manufacturing are all based in San Diego. Other primary manufacturing locations include Hayward, CA and an off-shore location in Singapore. The company leases 6 buildings in San Diego totaling over 560,000 square feet.