

# HP To Close Cupertino Campus

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**Mercury News Posted: 07/15/2010 07:59:52 PM PDT** Computer giant Hewlett-Packard said Thursday that it plans to close its longtime campus in Cupertino, while transferring several thousand workers to its Palo Alto headquarters over the next two years.

The announcement is a blow to the city of Cupertino, said Mayor Kris Wang, who added that the city gets tax revenue from HP's operations in her city.

The 100-acre campus has been home to some of HP's personal computer division as well as some of HP's commercial software and hardware units. It's also the site of a high-tech "customer briefing center," where HP holds meetings and shows off some of its wares to corporate clients.

"Closing the Cupertino site is a big change, and we recognize that the transition will touch all Bay Area employees in some way," said Pete Bocian, HP's chief administrative officer, in a memo sent to employees Thursday.

By consolidating operations in Palo Alto, he added, HP "will create a more productive, flexible, ecological and highly energized work environment."

HP, which has more than 300,000 employees worldwide, has gone through several waves of consolidation and has laid off thousands of employees in recent years, while adding others through new hiring and acquisitions of other tech companies.

Bocian's memo said the Palo Alto and Cupertino campuses are each about 60 percent occupied, and that HP hopes to reach 90 percent capacity in Palo Alto after the consolidation is completed. The transition will occur over two years.

HP declined to say how many employees work at the Cupertino campus, but Cupertino City Councilman Barry Chang estimated the number at 3,000 to 3,500. Wang agreed that it is probably "several thousand." "It's bad news, no doubt about it," Chang said.

Wang said she believes HP is the biggest corporate landowner in Cupertino, and probably the most prominent business in the city after Apple, whose world headquarters is located nearby.

She said HP notified the city of its plans Thursday and officials had not yet calculated the financial impact. But she added that she's optimistic the city will find another tech company to move onto the HP site.

"We're sure that we can work with their real estate team to position the land for future revenue generation," she said.

Some of the HP buildings at both campuses are decades old. Bocian said in his memo that HP will make "substantial investment" to improve several buildings in Palo Alto.

In a brief statement Thursday night, HP said the move is part of a broader strategy "to improve efficiency across the company. This effort allows HP to better use space, continue to reduce our carbon footprint and provide employees with a more collaborative work environment."

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