Amazon HQ2 RFP

INSTRUCTIONS TO RESPONDENTS

Amazon invites you to submit a response to this Request for Proposal ("RFP") in conjunction with and on behalf of your metropolitan statistical area (MSA), state/province, county, city and the relevant localities therein. Amazon is performing a competitive site selection process and is considering metro regions in North America for its second corporate headquarters. We encourage states, provinces and metro areas to coordinate with relevant jurisdictions to submit one (1) RFP for your MSA. The RFP may contain multiple real estate sites in more than one jurisdiction, but we do encourage you to submit your best sites to meet or exceed the needs of our Project described in this RFP. Any questions regarding the information or items requested in this document can be submitted using the email below. We encourage you to go through the process as outlined in the RFP and ask questions of the team using the email provided below.

PROPOSAL REQUIREMENTS

Please provide an electronic copy and five (5) hard copies of your responses by **October 19, 2017** to **amazonhq2@amazon.com**. Please send hard copies marked "confidential" between the dates of October 16th – 19th to:

Amazon
Office of Economic Development
c/o Site Manager Golden
2121 7th Ave
Seattle, WA 98121

For electronic submittals, please send a password-protected website URL or a USB only. If using a password-protected website, the submitting agency should also submit written responses to the RFP questions (Information Requested section).

TIMELINE

September 7, 2017	RFP Phase I Available
October 19, 2017	RFP Phase I Response Deadline
2018	Final Site Selection and Announcement

OVERVIEW

Background: The purpose of this RFP is to describe the Project and provide a framework for soliciting specific information that will allow Amazon to determine the ideal location for our Project.

The Project is a second corporate headquarters (HQ2), at which Amazon will hire as many as fifty thousand (50,000) new full-time employees with an average annual total compensation exceeding one hundred thousand dollars ($100,000) over the next ten to fifteen years, following commencement of operations. The Project is expected to have over $5 billion in capital expenditures as described in more detail in this RFP.

Amazon is a publicly traded U.S. corporation and is a leading internet retailer and technology company. Amazon is guided by four principles: customer obsession rather than competitor focus, passion for invention, commitment to operational excellence, and long-term thinking. The Company presently maintains more than 380,000 employees at multiple facilities in North America and throughout the world. Due to the successful growth of the Company, it now requires a second corporate headquarters in North America.

Amazon's current headquarters is located in downtown Seattle, Washington. This urban campus employs tens of thousands of employees. Amazon has been a catalyst for development in downtown Seattle with an abundance of restaurants, services, coffee shops, and for the redevelopment of South Lake Union and Denny Triangle with its sustainable buildings and open spaces. In 2017, Amazon was awarded the "City Maker" award by the Downtown Seattle Association.

Amazon estimates its investments in Seattle from 2010 through 2016 resulted in an additional $38 billion to the city's economy – every dollar invested by Amazon in Seattle generated an additional $1.4 for the city's economy overall. Find more information at: www.amazon.com/amazonHQ2.

We look forward to working with you and your team to find a suitable site and establish a cost structure with a stable business climate for growth and innovation that would encourage Amazon to locate this high-profile Project in your community.

In choosing the location for HQ2, Amazon has a preference for:

- Metropolitan areas with more than one million people
- A stable and business-friendly environment
- Urban or suburban locations with the potential to attract and retain strong technical talent
- Communities that think big and creatively when considering locations and real estate options

HQ2 could be, but does not have to be:

- An urban or downtown campus
- A similar layout to Amazon's Seattle campus
- A development-prepped site. We want to encourage states/provinces and communities to think creatively for viable real estate options, while not negatively affecting our preferred timeline

PROJECT FACTS

Employment: The Project is expected to create as many as fifty thousand (50,000) new full-time jobs with an average annual compensation exceeding one hundred thousand dollars ($100,000) per employee. We will begin sourcing for talent at Amazon HQ2 upon final site selection. Please note that the actual average wage rate may vary from the projected wage rate depending upon prevailing rates at the final location. Amazon also provides a highly competitive benefits package including a retirement plan, health insurance, and maternity/paternity leave, featuring Amazon's Leave Share and Ramp Back program. All job numbers, categories, and salaries contained herein are estimates/projections and are subject to change. The jobs will likely be broken down into the following categories: executive/management, engineering with a preference for software development engineers (SDE), legal, accounting, and administrative. Amazon is an equal opportunity employer.

Building/Site Requirements: Amazon is considering greenfield sites, infill sites, existing buildings, or a combination for the Project. If existing buildings are available that can be retrofitted/expanded within an acceptable budget and time schedule, Amazon may consider this option; however, the company acknowledges that existing buildings may not be available to meet its requirements. As such, Amazon will prioritize certified or shovel-ready greenfield sites and infill opportunities with appropriate infrastructure and ability to meet the Project's timeline and development demands, as set forth below.

The following is a summary of the Project's ideal site and building requirements:

Core Preferences	***Quantity***	***Units***	***Description***
Site Requirements			
Proximity to population center	30	Miles	
Proximity to International airport	Within approx. 45	Minutes	
Proximity to major highways and arterial roads	Not more than 1-2	Miles	Close to major arterial roads to provide optimal access
Access to mass transit	At site		Direct access to rail, train, subway/metro, bus routes
Building Requirements			
Initial Square Foot Requirement	500,000+	Sq. Ft.	Phase I (2019)
Total Square Foot Requirement	Up to 8,000,000	Sq. Ft.	Beyond 2027

Details of Amazon's Seattle headquarters:

	Amazon Seattle HQ	
Direct[1]	Number of buildings	33
	Square feet	8.1 million
	Local retail within Amazon headquarters	24 restaurants/cafes + 8 other services
	Amazon Employees	40,000+
	Capital investment (buildings & infrastructure)	$3.7 billion
	Operational expenditures (utilities & maintenance)	$1.4 billion
	Compensation to employees	$25.7 billion
	Number of annual hotel nights by visiting Amazonians and guests	233,000 (2016)
	Amount paid into the city's public transportation system as employees' transportation benefit	$43 million
Indirect[2]	Additional jobs created in the city as a result of Amazon's direct investments	53,000
	Additional investments in the local economy as a result of Amazon's direct investments	$38 billion
	Increase in personal income by non-Amazon employees as a result of Amazon's direct investments	$17 billion
	Increase in Fortune 500 companies with engineering/R&D centers in Seattle	From 7 in 2010 to 31 in 2017

[1]From 2010 (when Amazon moved its headquarters to downtown Seattle) to June 2017.
[2]From 2010-2016. Calculated using Input-Output methodology and multipliers developed by the U.S. Bureau of Economic Analysis.

Priority for Consideration (in no particular order):
Amazon will consider the following site/building categories for the Project:

1. Existing buildings of at least 500,000+ sq. ft., meeting the core requirements described above and that are expandable or have additional options for development nearby.

2. A greenfield site of approximately 100 acres certified or pad ready, with utility infrastructure in place. The sites do not have to be contiguous, but should be in proximity to each other to foster a sense of place and be pedestrian-friendly.

3. Other infill, existing buildings, including opportunities for renovation/redevelopment and greenfield sites, meeting the proximity and logistics requirements of the Project. This can also be a combination of the above.

4. Please also consider the overall proximity of the buildings at full build-out as you are making recommendations.

Capital Investment: The Project could be over $5 billion in capital investment over the initial 15-17 years of the Project. Please note the capital investment required to acquire and retrofit an existing building is dependent upon the condition and nature of that building. As such, the following capital investment estimates will vary depending upon site requirements and actual construction costs, particularly with respect to an existing building.

Building Phase	Estimated Capital Investment
Phase I Building (500,000-1,000,000 sf)	$300,000,000-$600,000,000
Phase II Building (1,000,000-2,000,000 sf)	$600,000,000-$1,260,000,000
Phase III Building (2,000,000-3,000,000 sf)	$1,260,000,000-$1,985,000,000

Phase IV and beyond will grow organically. At full build-out, the campus or park may exceed 8 million square feet and over $5 billion in total capital investment. Amazon will continue to invest in its facilities to ensure we offer a state-of-the-art workplace for our employees. States, provinces and metro economic development organizations should consider this as they suggest potential sites. Be sure to include opportunities to cultivate local culture and creativity into the Amazon HQ2 site. Also, include connectivity options: sidewalks, bike lanes, trams, metro, bus, light rail, train, and additional creative options to foster connectivity between buildings/facilities.

Additional Information:

Sustainability: Amazon is committed to sustainability efforts. Amazon's buildings in its current Seattle campus are sustainable and energy-efficient. The buildings' interiors feature salvaged and locally sourced woods, energy-efficient lighting, composting and recycling alternatives as well as public plazas and pockets of green space. Twenty of the buildings in our Seattle campus were built using LEED standards. Additionally, Amazon's newest buildings use a 'District Energy' system that utilizes recycled heat from a nearby non-Amazon data center to heat millions of square feet of office space – a system that is about 4x more efficient than traditional heating. This system is designed to allow Amazon to warm just over 4 million square feet of office space on Amazon's four-block campus, saving 80 million kilowatt-hours over 20 years, or about 4 million kilowatt-hours a year. We also invest in large solar and wind operations and were the largest corporate purchaser of renewable energy in the U.S. in 2016. Amazon will develop HQ2 with a dedication to sustainability.

Connectivity: Ensuring optimal fiber connectivity is paramount at our HQ2 location. Please demonstrate the fiber connectivity on all submitted sites. Also, demonstrate multiple cellular phone coverage maps to ensure optimal service.

KEY PREFERENCES AND DECISION DRIVERS

The below are our preferences and are not in a ranking order. We want to encourage you to think big and be creative as you are collaborating to respond. Please address the drivers discussed below in your RFP submittals.

Site/Building – As described herein, finding suitable buildings/sites is of paramount importance. Amazon HQ2 is a transformational Project, and we must ensure we have the best real estate options available whether this be a redevelopment opportunity, a partnership with the state, province, local government, or new buildings. All options are under consideration.

Capital and Operating Costs – A stable and business-friendly environment and tax structure will be high-priority considerations for the Project. Incentives offered by the state/province and local communities to offset initial capital outlay and ongoing operational costs will be significant factors in the decision-making process.

Incentives – Identify incentive programs available for the Project at the state/province and local levels. Outline the type of incentive (i.e. land, site preparation, tax credits/exemptions, relocation grants, workforce grants, utility incentives/grants, permitting, and fee reductions) and the amount. The initial cost and ongoing cost of doing business are critical decision drivers.

Labor Force – The Project includes significant employment requirements at the threshold compensation levels described herein and with corresponding educational attainment of the available workforce. The Project must be sufficiently close to a significant population center, such that it can fill the 50,000 estimated jobs that will be required over multiple years. A highly educated labor pool is critical and a strong university system is required.

Logistics – Personnel travel and logistics needs, both from population centers to the Project site, as well as between company facilities, are critically important. As such, travel time to a major highway corridor and arterial roadway capacity potential are key factors. The highway corridors must provide direct access to significant population centers with eligible employment pools. Travel time to an international airport with daily direct flights to Seattle, New York, San Francisco/Bay Area, and Washington, D.C. is also an important consideration.

Time to Operations – The Project requires an expeditious timetable for the location decision and the commencement of construction. Given this, sites with the requisite access, utility infrastructure, and zoning are critical. Please outline the permitting process and estimated timetable to initiate Phase I of our operations.

Cultural Community Fit – The Project requires a compatible cultural and community environment for its long-term success. This includes the presence and support of a diverse population, excellent institutions of higher education, local government structure and elected officials eager and willing to work with the company, among other attributes. A stable and consistent business climate is important to Amazon. Please demonstrate characteristics of this in your response. We encourage testimonials from other large companies.

Community/Quality of Life – The Project requires a significant number of employees. We want to invest in a community where our employees will enjoy living, recreational opportunities, educational opportunities, and an overall high quality of life. Tell us what is unique about your community.

INFORMATION REQUESTED

1. Please provide information regarding potential buildings/sites that meet the criteria described herein. Along with general site information, please provide the current ownership structure of the property, whether the state/province, or local governments control the property, the current zoning of the site, and the utility infrastructure present at the site.

2. Please provide a summary of total incentives offered for the Project by the state/province and local community. In this summary, please provide a brief description of the incentive item, the timing of incentive payment/realization, and a calculation of the incentive amount. Please describe any specific or unique eligibility requirements mandated by each incentive item. With respect to tax credits, please indicate whether credits are refundable, transferable, or may be carried forward for a specific period of time. If the incentive includes free or reduced land costs, include the mechanism and approvals that will be required. Please also include all timelines associated with the approvals of each incentive. We acknowledge a Project of this magnitude may require special incentive legislation in order for the state/province to achieve a competitive incentive proposal. As such, please indicate if any incentives or programs will require legislation or other approval methods. Ideally, your submittal includes a total value of incentives, including the specified benefit time period.

3. If any of the programs or incentives described in the summary of total incentives are uncertain or not guaranteed, please explain the factors that contribute to such uncertainty and estimate the approximate level of certainty. Please also describe any applicable claw backs or recapture provisions required for each incentive item.

4. Please provide a timetable for incentive approvals at the state/province and local levels, including any legislative approvals that may be required.

5. Please provide labor and wage rate information in the general job categories described. Please provide relevant labor pool information and your ability to attract talent regionally. Also, include specific opportunities to hire software development engineers and recurring sourcing opportunities for this type of employment. Please include all levels of talent available in the MSA, including executive talent and the ability to recruit talent to the area.

6. Please include programs/partnerships currently available and potential creative programs with higher education institutions in the region in your response. Please also include a list of universities and community colleges with relevant degrees and the number of students graduating with those degrees over the last three years. Additionally, include information on your local/regional K-12 education programs related to computer science.

7. Please provide highway, airport, and related travel and logistics information for all proposed sites. Please also include transit and transportation options for commuting employees living in the region. For each proposed site in your region, identify all transit options, including bike lanes and pedestrian access to the site(s). Also, list the ranking of traffic congestion for your community and/or region during peak commuting times.

8. Please include information on your community with respect to daily living, recreational opportunities, diversity of housing options, availability of housing near potential sites for HQ2, and pricing, among other information. Please also include relevant crime data and cost of living data.

9. Please use your response as an opportunity to present any additional items and intangible considerations with respect to your state/province and community that Amazon should include in its analysis.

While the existence of the Project is not confidential, certain aspects of the Project and details regarding the company are confidential, proprietary, and constitute trade secrets. Amazon will deliver a Confidentiality and Non-Disclosure Agreement for execution at the appropriate time.

Conclusion: As this is a competitive Project, Amazon welcomes the opportunity to engage with you in the creation of an incentive package, real estate opportunities, and cost structure to encourage the company's location of the Project in your state/province. Please contact amazonhq2@amazon.com for questions while responding to this RFP.

This RFP is only an invitation for proposals, the substance of which may be memorialized in a binding, definitive agreement or agreements if any proposal is selected. Amazon may select one or more proposals and negotiate with the parties submitting such proposals before making an award decision, or it may select no proposals and enter into no agreement.