

Economic Prosperity Commission Recommendation

Recommendation No. 20171018-4.b. – Economic Prosperity Commission Update from working group on the Greater Austin Chamber of Commerce meeting and recommendation to Council

WHEREAS, the Austin City Council created the Economic Prosperity Commission to advise the Council on matters related to construction and job creation, and specified in the City Code that the Commission should include representatives from trade and business associations and chambers of commerce;

WHEREAS, on September 7, 2017, Amazon.com, Inc. (“Amazon”) announced its intention to open a second headquarters office in North America, and issued a Request for Proposal (“RFP”) setting out its requirements and soliciting bids from cities and potential sites for this second headquarters, which Amazon dubbed “HQ2”;

WHEREAS, Amazon intends for HQ2 to be “a full equal” to its current headquarters campus in Seattle;

WHEREAS, Amazon expects to invest over \$5 billion in construction at HQ2;

WHEREAS, Amazon expects HQ2 to create as many as 50,000 permanent jobs with an average salary above \$100,000;

WHEREAS, Amazon estimates its investments in its Seattle headquarters from 2010 through 2016 resulted in an additional \$38 billion to the city’s economy;

WHEREAS, Amazon estimates that every dollar it has invested in Seattle generated an additional \$1.40 for the city’s economy overall;

WHEREAS, between Amazon’s corporate offices in North Austin, the Whole Foods headquarters downtown, and its fulfillment center in San Marcos, the Austin Metropolitan area is already home to thousands of Amazon employees;

WHEREAS, Austin offers significant geographic diversity from Seattle, is located near the center of population of the North American continent, within approximately a 4-hour flight of nearly anywhere in the Continental United States and with easy access to Mexico and Central America;

WHEREAS, Austin is globally renowned for sharing Amazon's values of entrepreneurship and sustainability;

WHEREAS, the Amazon RFP expresses a preference for fiber connectivity;

WHEREAS, Austin has widespread fiber connectivity, was an early adopter of fiber technology, and supports multiple fiber connectivity options, such that PC Magazine named Austin one of the 15 most connected cities in the United States;

WHEREAS, Amazon's RFP expresses a preference for a Metropolitan area with more than one million people;

WHEREAS, the Austin Metropolitan Area population is currently estimated as over two million people;

WHEREAS, Amazon's RFP expresses a preference for a stable and business-friendly environment;

WHEREAS, Austin is already home to large headquarters-level offices of peer companies of Amazon such as Apple, Samsung, Facebook, and Dell, all of which have experienced great growth and success in the Austin area;

WHEREAS, Chief Executive Magazine has named Texas the Number 1 state for business for 13 years, and Texas is consistently named among the best states for business by a variety of publications;

WHEREAS, Austin's thriving and growing business community, especially in the technology sector, as well as Texas's strong reputation as a business environment, attest to the stability and business friendliness of the business environment;

WHEREAS, Amazon's RFP expresses a preference for urban or suburban locations with strong compatibility with Amazon's cultural and community values and the potential to attract and retain strong technical talent;

WHEREAS, Austin is home to the University of Texas, one of the World's great Public Universities with over 50,000 students and an elite faculty, whose business and engineering schools each award nearly 2,000 degrees at all levels each year;

WHEREAS, Austin is home or near many other renowned institutions of higher learning including, among others, Houston-Tillotson University, St. Edward's University, Concordia University, Southwestern, and Texas State University;

WHEREAS, diversity and inclusion are core values of the City of Austin, whose people and government recognize and respect a variety of perspectives, experiences and the value created in our city by our diversity and tolerance;

WHEREAS, between the academic excellence of these institutions, global thought leadership expressed at conferences such as SXSW, its commitment to tolerance and long-term thinking, and a vibrant technology sector spanning from entrepreneurial startups to the largest technology companies in America, Austin has proven its ability to attract and retain strong technical talent;

WHEREAS, the Amazon RFP expresses a preference for a community that shares Amazon's commitment to sustainability;

WHEREAS, Austin's commitment to sustainability is written on our landscape, with ample green spaces, wildlife preserves, urban forests, protected watersheds, and commitment to carbon neutrality pursued by the City's Office of Sustainability and others;

WHEREAS, the Amazon RFP expresses a preference for a site near major highway corridors with daily direct flights to Seattle, New York, San Francisco/Bay Area, and Washington, D.C.;

WHEREAS, Austin sits on I-35, one of the central logistics corridors of North America, and has daily, non-stop flights to all of those cities and many more;

WHEREAS, the Amazon RFP expresses a preference for a strong opportunity with a high quality of life;

WHEREAS, U.S. News and World Report named Austin the best place to live in America in 2017;

WHEREAS, the Amazon RFP expresses interest in a broad array of potential incentive programs, stating that “[t]he initial cost and ongoing cost of doing business are critical decision drivers”;

WHEREAS, the Austin City Council, Travis County, AISD and surrounding school districts, and the government of the State of Texas have a variety of incentive tools at their disposal, which have proven critical to closing major corporate relocations in the past;

WHEREAS, on October 19, 2017, the Greater Austin Chamber of Commerce intends to submit a proposal in response to Amazon’s RFP, proposing numerous sites in the Austin Metropolitan area as potential sites for HQ2;

THEREFORE, THE ECONOMIC PROSPERITY COMMISSION HEREBY RECOMMENDS, that the Austin City Council support, direct the Economic Development Department to support, and work with state, county, school district, and other municipal governments to support, Austin’s bid for Amazon’s HQ2 in every way practical, including consideration of the full spectrum of incentive and other economic development tools.

Yes: 6 (K. Haverlah, R. Rondero de Mosier, H. Frankel, A. Noel, K. Opp, H. Lackey)

No: 0

Abstain: 0

Not Present: O. Segura, M. Bhargava, A. Cavanaugh, M. Joyce

APPROVED:

A handwritten signature in black ink, appearing to read "R. Rondero de Mosier".

Roberto Rondero de Mosier, Chair