



TO: Mayor and Council Members
FROM: Greg Canally, Interim Chief Financial Officer *gdc*
DATE: October 25, 2017
SUBJECT: Austin MSA Response to Amazon HQ2 RFP

The City of Austin, like many communities across the country, has been following Amazon's Request for Proposal (RFP) Phase I, as the company begins a competitive site selection process to consider metropolitan regions in North America for a second corporate headquarters (HQ2). In its RFP released on September 7, 2017, Amazon encouraged states, provinces, and metropolitan areas to submit a combined response for qualified Metropolitan Statistical Areas (MSA) based on population.

Amazon's request offered an opportunity for the Austin region to come together under the leadership of the Greater Austin Chamber of Commerce to submit a competitive, MSA-level RFP response. The Greater Austin Chamber of Commerce represented the five-county region, within which Austin is one of twenty cities, on the response that was submitted by the October 19, 2017 deadline. This regional RFP response did not include an incentive package offer on behalf of the City of Austin. Amazon has stated their selection process would extend into 2018, but provided no specific date.

Recap of City Process

The City's existing protocol for economic incentive opportunities is formally kicked-off by a prospective company using our Business Information Form to provide detailed information about the company and their proposal. Amazon has not initiated that process, so at this point City staff is not working on any prospective incentive proposal.

For any Chapter 380 performance-based opportunity, City staff follows our usual procedures and protocols in accordance with the City's Economic Incentive Policy. As a reminder, those steps include our Economic Development Department staff evaluating information and data, conducting economic and community value measurements, and determining if the new opportunity would be in alignment with Austin's values and community ideals. If staff determines a prospective company's proposal meets those values, a recommendation will be brought to Council for formal consideration.

Any Chapter 380 performance-based contract proposal would adhere to Ordinance #20091001-011. Per that ordinance, any such proposals require two City Council meetings and include certain public engagement process steps, including:

- **The first public step in the process is a press release** announcing the Chapter 380 proposal, Matrix, Business Information Form, WebLOCI analysis, and proposed contract. The press release and these materials are made available to the public no later than the sixth day before the Council meeting scheduled for the staff presentation agenda item. This information is also posted to the Economic development Department website.
- At an initial Council meeting, City staff presents the Chapter 380 proposal. **The public is allowed an opportunity to comment on the proposal following the presentation.**
- **An online comment portal is setup to collect public comments.** All comments received are forwarded to the City Council prior to the second Council meeting.
- **A second City Council meeting includes a public hearing and a Council action item** related to the Chapter 380 proposed contract.

If Amazon were to initiate an incentive process, City staff would follow these steps, as we have in the past with all other efforts.

Looking Ahead

In regards to the response to the Amazon HQ2 RFP, we have full faith in the Greater Austin Chamber of Commerce to present the Austin Region accurately and in accordance with the interests of economic development. The Chamber has been directly involved in many economic development projects that have resulted in advancements and community benefits for our region and city. As the process with Amazon moves forward, and if the region is selected to move forward into the next phase, the Chamber is well positioned to ensure that the City's Economic Incentive Policy is followed.

Should you need further information, guidance or have any additional questions about where we are in this process, please do not hesitate to contact me or David Colligan, Economic Development Department's Manager of the Global Business Expansion Division, at (512) 974-6381.

xc: Elaine Hart, Interim City Manager
 Kevin Johns, Director, Economic Development Department
 David Colligan, Global Business Expansion Division Manager, EDD