



# CITY OF POMONA COUNCIL REPORT

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October 16, 2017

**To:** Honorable Mayor and Members of the City Council  
**From:** Linda Lowry, City Manager  
**By:** Kirk Pelser, Deputy City Manager  
**Subject:** Adopt a Resolution Authorizing the Mayor to Submit a Response to the Amazon Headquarter 2 Request for Proposals

## OVERVIEW

**Recommendation** - That the City Council adopt the attached resolution authorizing the Mayor to sign a letter submitting a proposal in response to Amazon's Headquarter 2 (HQ2) Request for Proposals (RFP) process. The proposal is drafted as a sub-regional collaboration with Cal Poly Pomona (CalPoly) and FairPlex.

**Fiscal Impact** – This action will not create a fiscal impact to the City. The costs associated with preparation of the RFP response are being jointly borne by CalPoly and FairPlex. If Amazon were to locate their HQ2 in the Pomona Valley, the economic impacts would be significant, and similar to the positive impacts that resulted from General Dynamics' presence and the aerospace industry in the last century.

**Previous Related City Council Action** – The City Manager provided a brief summary of the Amazon RFP process, and the collaborative response, during the October 2, 2017 City Council Meeting.

## EXECUTIVE SUMMARY

Adoption of the attached resolution will authorize the Mayor to jointly sign a letter, along with the President of Cal Poly Pomona and the President/CEO of FairPlex, to submit a response to the Amazon HQ2 Request for Proposal. The response is a joint effort between the City of Pomona Cal Poly and Fairplex.

## **BACKGROUND & DISCUSSION**

Amazon issued an RFP on Sept 7, 2017 inviting responses in conjunction with, and on behalf of, Metropolitan Statistical Areas (MSA). Amazon is performing a competitive site selection process and is considering metro regions in North America for its second corporate headquarters. Amazon has defined their HQ2 project as comprehensive administrative center which ultimately will hire as many as 50,000 new full-time employees with an average annual total compensation exceeding \$100,000 over the next ten to fifteen years. The project is expected to have over \$5 billion in capital expenditures for facilities initially of 500,000 square feet and up to 8 million square feet. Amazon currently maintains more than 38,000 employees at multiple facilities in North America and throughout the world. Anticipated growth triggers their need for a second corporate headquarters in North America.

The Los Angeles Economic Development Corporation (LAEDC), under the oversight of the Los Angeles County Board of Supervisors, is the lead agency for the Los Angeles MSA's response to Amazon's RFP. LAEDC will package one submission for all of the MSA. A short list of sites, including the Pomona sub region, will be included in the final response.

Based upon Amazon's RFP criteria, a very compelling case can be made for the Pomona sub region, as we literally "tick all the boxes" for their locational criteria, such as proximity to large population base and multiple international airports, access to top level talent from the many regional colleges and universities, availability of housing across a wide price spectrum, convenient public transit, etc. A dynamic team of individuals from Cal Poly, FairPlex and the City have been busy assembling the narrative and graphical elements to include in the response. Proposals are due to Amazon by October 19, 2017.

In terms of incentives, time does not allow for a defined package to be approved. However, if the Pomona subregion is fortunate enough to be selected by Amazon, staff will commit to bringing forward for Council approval: 1) a recommendation to hire dedicated consultant(s) needed to rapidly process all Amazon-related entitlements and to create a concierge level team of City staff available round the clock to respond to Amazon, and 2) consideration of some form of an Enhanced Infrastructure Improvement District (EIFD) to leverage newly created Amazon-related tax increment to assist in infrastructure improvements.

It is important to note that we are only in the RFP response phase at this point in time. If Pomona is selected, the actual project scope would be subject to thorough review and approval for all environmental and zoning requirements, including traffic mitigation and other impacts.

## **CONCLUSION**

Amazon will receive hundreds of proposals from all across North America, many of which will include sizable incentives. No one truly knows if California will be a serious contender. But if it is, the Pomona subregion is a legitimate option for Amazon to consider; and we believe, the very best option within the Los Angeles MSC. Regardless of the outcome, very positive and dynamic collaboration between the City, CalPoly and FairPlex has resulted from this pursuit, and will be beneficial moving forward for other opportunities.