

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
201910

Resolution:
☒ Yes ☐ No

TITLE:

Inclusion of WMATA Property for Amazon HQ2

PRESENTATION SUMMARY:

To delegate authority to the General Manager/CEO to offer Metro property in response to the Amazon HQ2 request for proposal.

PURPOSE:

To delegate authority to the General Manager/Chief Executive Officer to negotiate inclusion of WMATA property in a response to Amazon's second corporate headquarters location solicitation.

DESCRIPTION:

On September 7, 2017, Amazon issued a nation-wide request for proposals (RFP) for sites that could accommodate 8 million square feet for Amazon's second corporate headquarters (HQ2), in which as many as 50,000 new full-time employees will be located. Amazon's RFP states a preference for: metropolitan areas of more than one million people, urban or suburban locations with the potential to attract and retain strong technical talent, projects that are shovel-ready greenfield sites and infill opportunities with appropriate infrastructure and ability to meet the company's construction timeline. The RFP also states that the "ideal site" will have access to mass transit on-site, with direct access to rail, train, subway/metro, and bus routes. Responses are due to Amazon on October 19, 2017. This is a unique opportunity for Metro to contribute to the Washington region's efforts to secure the new Amazon HQ2, as well as recruit a new major employer at a Metro station.

Key Highlights:

- Amazon is seeking a second corporate headquarters location in the United States, with preference for transit locations.
- Metro has transit-adjacent property throughout the Washington region that could support one or more jurisdictional partners' response(s) to Amazon's RFP.
- Not only does Metro want to support the region's efforts to recruit Amazon's HQ2 project to the Washington area, but the estimated 50,000 new employees that could locate at and around a Metro station would have great long-term

benefit to the Authority.

- If the region were successful in attracting the Amazon HQ2, and WMATA property was required for the project, WMATA staff would return to the Board for approval of price and terms for the binding agreement.

Background and History:

On September 7, 2017, Amazon issued a nation-wide request for proposals (RFP) for sites that could accommodate 8 million square feet for Amazon's HQ2, in which as many as 50,000 new full-time employees will be located. Amazon's RFP states a preference for: metropolitan areas of more than one million people, urban or suburban locations with the potential to attract and retain strong technical talent, projects that are shovel-ready greenfield sites and infill opportunities with appropriate infrastructure and ability to meet the company's construction timeline. The RFP also states that the "ideal site" will have access to mass transit on-site, with direct access to rail, train, subway/metro, and bus routes. Responses to the RFP are due October 19, 2017. The final site selection and announcement will be made in 2018.

Amazon is seeking greenfield sites throughout the United States of approximately 100 acres certified or pad ready, or alternatively, infill sites that can accommodate 8 million square feet of office space by 2027. In addition to accommodating a state-of-the-art workplace environment, the sites must also include connectivity options, such as: "sidewalks, bike lanes, trams, metro, bus, light rail, train and additional creative options to foster connectivity between buildings."

While Metro itself does not own 100 acres of shovel-ready land, Metro has several joint development sites that could be included as part of a land assemblage with others to meet the 8 million square foot build-out requirement. Plus, Metro's property can provide the connectivity and transit-access that Amazon prefers. WMATA has approximately 15 remaining joint development sites throughout the region, not all of which meet the criteria stated by Amazon, but all of which are anchored by Metrorail and Metrobus. WMATA would consider including any viable and available site in a bid response to Amazon's RFP, in partnership with WMATA's jurisdictional partners or a serious developer.

Discussion:

Developers and the local jurisdictions throughout the Washington region are assessing this unique opportunity and several have approached Metro to determine the availability of Metro property to be offered as part of this RFP, particularly given the RFP's stated preference for on-site transit access. Metro desires employment centers and mixed-use transit-oriented development at its Metro stations, as such commercial use increases ridership. With as many as 50,000 new employees near or around a Metro station, Amazon HQ2 would be

a significant contributor to Metro's ridership and its overall financial sustainability.

WMATA does not intend to submit a proposal on its own. Instead, WMATA would offer property to be a part of a bid that was being coordinated by others. WMATA could concurrently offer its property on several competing bids, since WMATA does not have a locational preference for the siting of the new Amazon HQ2.

WMATA is asking that the General Manager/CEO have the authority to select appropriate sites and negotiate for their inclusion in a response for the Washington region so that WMATA is able to respond with the speed and flexibility required by this RFP. This authority should include the right to offer WMATA property under a joint development scenario. While this is not a typical solicitation, WMATA's Joint Development Guidelines require Board approval to offer (or put on the market) a parcel for a joint development project before that parcel is offered.

If a site in the Washington region were to move forward in Amazon's selection process and a WMATA parcel(s) was part of that site, WMATA's staff will bring the terms of any negotiated transaction back to the Board for review and approval before entering into any binding agreement for the parcel(s).

FUNDING IMPACT:

No expenditures by WMATA are required; this is a revenue-generating opportunity.	
Project Manager:	Nina Albert
Project Department/Office:	CFO/LAND

TIMELINE:

Previous Actions	Not applicable
Anticipated actions after presentation	Oct. 19, 2017 - Amazon RFP response deadline 2018 - Amazon RFP final site selection and announcement

RECOMMENDATION:

- To approve the delegation of authority to the General Manager/Chief Executive Officer to negotiate inclusion of WMATA property in a response to Amazon's second corporate headquarters location solicitation.

SUBJECT: DELEGATION OF AUTHORITY TO GENERAL MANAGER/CHIEF EXECUTIVE OFFICER TO NEGOTIATE INCLUSION OF WMATA PROPERTY IN A RESPONSE TO AMAZON'S SECOND CORPORATE HEADQUARTERS LOCATION SOLICITATION

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, Amazon has issued a Request for Proposals (RFP) seeking a location for a second corporate headquarters campus in North America in which the company is expected to invest approximately \$5 billion in construction and hire as many as 50,000 new full-time employees; and

WHEREAS, Amazon's RFP expresses a preference for transit-oriented development, including requirements for sites with "direct access to train, subway/metro, bus routes" that are in close proximity to a significant population center, major highways and roads, and international airports; and

WHEREAS, The RFP encourages metropolitan areas to coordinate with its relevant jurisdictions to submit one response for the area; and

WHEREAS, The Washington Metropolitan Council of Governments is coordinating efforts within the Washington region to submit one or multiple sites as a response to Amazon's RFP; and

WHEREAS, The Washington Metropolitan Area Transit Authority's (WMATA) real estate portfolio includes several sites (both joint development sites and other property) across the Washington region that could be beneficial to the Washington region's response to the Amazon RFP; and

WHEREAS, WMATA desires to participate in a response to Amazon's RFP; now, therefore be it

RESOLVED, That the Board of Directors delegates to the General Manager/Chief Executive Officer (GM/CEO) the authority to determine which site or sites within WMATA's real estate portfolio to include in a Washington region response to the Amazon RFP and to negotiate the terms of any such transaction with the appropriate parties; and be it further

RESOLVED, That, prior to entering into any binding agreement related to the transaction, the GM/CEO will present the selected site(s) and negotiated terms to the Board of Directors for approval; and be it finally

RESOLVED, That in order to meet the RFP timeline for responses, this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Patricia Y. Lee
General Counsel

WMATA File Structure Nos.:

PROPOSED