



## MAYOR LEE BRAND

October 18, 2017

Mr. Jeff Bezos  
Amazon, Inc.  
Seattle, WA

Dear Mr. Bezos:

On behalf of the City of Fresno, I am submitting our package for the Amazon Headquarters Two (HQ2) project. I am excited for this opportunity because Fresno is the perfect location for your company's new headquarters.

Before I go into the details of my proposal, I want you to know something about me and my commitment to Fresno. I take my role as Mayor of Fresno very personally and very seriously. My family has deep roots in Fresno. My grandfather immigrated to Central California from Italy in 1915. As the third generation of my family, I have lived in Fresno for over 60 years, going to local schools and graduating from Fresno State University. My wife Trish grew up in Fresno and we have been married for over 38 years and have four children and four grandchildren. I owned a local successful property management company for over 35 years, which I sold to my partner prior to becoming Mayor of Fresno in January of this year. My family and I are vested in this community and my heart will always belong to Fresno.

Fresno may seem like an unlikely choice for the HQ2 project, but we are much like Seattle was back in 1994, the year Amazon was founded. In the mid-1990s, Seattle's population was around 525,000, it was struggling economically and was in no way the technology hub it is today. In many ways, this is the Fresno of 2017. Like Seattle, Fresno's proposal shows that we are a diamond in the rough that is already changing and making positive changes that would pay handsome dividends on your HQ2 investment far into the future.

The attached package includes the details of our proposal. I want to take this opportunity, however, to highlight four exceptional elements of the City's – or, more accurately, the Fresno Metropolitan Statistical Area's – proposal that I think sets us apart from any of the other cities or regions that you will hear from in your selection process. The combinations of these four elements have no parallel in North America.

First of all, the City of Fresno is the epicenter of North America's first high-speed rail line, a project that will connect the City to the population centers, corporate headquarters and deep talent pools of the Bay Area and Southern California. Downtown Fresno will be the location of the first high-speed rail station in the United States. No other city or region across the continent can boast of this transportation connectivity. Second, our unique Amazon Community Fund is a far better and, in many ways, revolutionary alternative to any sort of traditional incentive program you will be

offered by other cities. The Amazon Community Fund will ensure your investment's sustainability for all socio-economic classes for the next hundred years. Third, the speed to market for which the City of Fresno can deliver entitlements and permitting for the project areas is unprecedented in California. Fourth, locating HQ2 in Fresno will be a boon to our growing tech sector and the catalyst Fresno and Central California need to complete the historic socio-economic turnaround that is currently occurring in this region.

### **Fresno and California's High Speed Rail System**

As you and your site-selection team are no doubt keenly aware, the first and most important aspect of siting a project the size of HQ2 requires access to an exceptionally talented workforce over the next 25 years. California's high-speed rail network, which is currently under construction in Fresno, is the workforce answer. The first phase of the project is scheduled to start service in 2025, and will connect Fresno to San Jose. This will put Fresno within a one hour train ride of the exceptional talent of the Silicon Valley.

Four years later, Phase Two will connect to San Francisco in the north and Los Angeles in the south. This project will knit California together – with Fresno at the center – in a way that has never before been possible. Right now, highly paid technology workers are seeking homes further and further away from their Bay Area jobs so they can afford to provide for their young and growing families. These technology workers are looking for a quality, affordable lifestyle instead of “just getting by” economically.

Already, talented people with Bay Area jobs are buying homes in the Fresno and the greater San Joaquin Valley. Fresno has some of the most affordable housing in California with the median price of a home at \$259,000 according to the California Association of Realtors most recent report. By contrast the median price of a home is \$856,200 in the San Francisco Bay Area and \$499,940 in the Los Angeles Metropolitan Area.

High-speed rail will give technology workers the ability to live in Fresno or the Silicon Valley and travel back-and-forth in about 50 minutes. This will be a commute not of sitting in traffic behind the wheel of a car, but instead on a train where employees or managers will be able to use the time productively while connected to Wi-Fi. Eventually, the rail system will reach Anaheim, San Diego and Sacramento, putting Fresno no more than 90 minutes from every major metropolitan area in California, the nation's largest state with more than 39 million people. It is the first North American high-speed rail system with a station in Downtown Fresno that makes the Amazon HQ2 project a perfect and unique fit for Fresno.

### **The Amazon Community Fund**

The next aspect of our proposal that I would like to highlight is what we are calling the “Amazon Community Fund.” The cities of North America will undoubtedly propose all sorts of incentives to lure Amazon to their community. Fresno, however, is choosing not to offer any incentives. To reiterate, we propose no direct funding for this project. Instead, we are offering an innovative and creative avenue to enhance and build a sustainable community around the HQ2 project.

Our unique proposal is to enter into a 100-year agreement that will place 85% of every tax dollar this project generates into the Amazon Community Fund. This fund will be jointly controlled and administered by a committee of City leaders and Amazon executives to enhance and address community impacts generated by the HQ2 project. As envisioned, the committee could set aside 25% of all of the funds generated by the project to provide workforce housing, 25% for transportation infrastructure in support of the project, 10% for parks and biking trails to support the company's workforce, another 10% for STEM education in area schools and the balance for public safety and other core City services.

Whatever Amazon paid in taxes would be used to support the workforce and build the infrastructure needed to sustain the HQ2 project – and the community – for the next century. Additionally, the City would take steps to ensure the community knows which projects were funded by the Amazon Community Fund. This approach makes HQ2 a win for both company and community over the next hundred years.

### **Sixty Days to Construction**

The next aspects of the Fresno proposal I would like to discuss is the project's speed to market. In 2016, Fresno completely updated its General Plan. Concurrent with the General Plan update, we updated and approved a master environmental impact report as required by the California Environmental Quality Act. In conjunction with the General Plan update and the master environmental impact report, Fresno rezoned all the parcels within the City to be consistent with the new General Plan. Translated, this means if the HQ2 project were located in downtown Fresno, construction could begin within 60 days of submission of construction plans for either tenant improvements for an existing building or a build-to-suit.

Additionally, as you are aware, Amazon's latest e-commerce fulfillment center is currently under construction in south Fresno. The feedback that we received from Amazon representatives, your developer, Seefried, and your financial partner, Dermody Properties, has been tremendous. They have told us they've never had such a business-friendly reception and positive working relationship as they have experienced in Fresno. They provide high marks and hold in high regard our development team and how we've handled every aspect of the fulfillment center project. The HQ2 project would be handled in the same efficient and expeditious fashion as Amazon's current fulfillment center. I think it is safe to say there are few communities in the United States or Canada that will be able to begin construction within 60 days of submission of construction documents. The Catalyst to Transform Fresno and Central California.

### **Transforming Fresno and Central California**

The final argument for Fresno's proposal is the truly transformative impact the HQ2 project would have on our community and for our burgeoning tech sector. Fresno and the region are in the middle stages of transforming from an economic model dependent on agriculture to a diversified model with many economic drivers. For all of my sixty plus years in Fresno, I have watched our unemployment rate consistently be double the state average. We are finally turning that around with my administration's goal of bringing 20,000 new jobs to the region. 10,000 of those jobs are

coming from current and planned projects such as Amazon and Ulta e-fulfillment centers, LED light manufacturing, etc., and another 10,000 will be indirect jobs in supporting businesses.

Fresno also has a burgeoning tech industry, led by a rapidly growing company known as Bitwise Industries. Featured in a March 14, 2015 Atlantic article by James Fallows, Bitwise Industries has made significant investments in Downtown Fresno using tech-promotion and startup efforts that have been successful in other areas. As Bitwise continues to grow, more tech companies are here and others are planning to locate in Fresno.

The HQ2 project would be transformative on a level rarely, if ever, seen in the United States. As I have watched Amazon grow and prosper, it is clear that a fundamental tenet of your corporation is social responsibility and being a positive contributor to the communities where you locate. We are witnessing that first-hand with your Fresno fulfillment center. As you know, robust social responsibility is not just a “feel good” policy, but also makes good business sense. Locating HQ2 in Fresno would not only build another successful technology community, it would also offer additional proof that Amazon right now is one of the world’s leading change agents. Locating this project in Fresno is the kind of game-changing project that I imagine Amazon, and you Mr. Bezos, would like to embrace as your own.

I would also like you to know that an investment in Fresno would be an investment in a city that is well-managed and on the move. In 2013, Fresno had a junk bond credit rating. *Time Magazine* profiled Fresno as “the next city” that would file for bankruptcy after Detroit. Through strong leadership and fiscal discipline, we were able to survive the Great Recession and emerge stronger. We paid off \$36 million in internal loans, successfully re-negotiated labor contracts and started re-hiring police officers and other new City employees. Earlier this year, Fresno’s credit rating was upgraded from junk bond status to A + by Standard and Poor’s and Moody’s, allowing the City to refinance debt at substantially lower interest rates, saving nearly 40 million dollars. In addition, Fresno is only one of a handful of cities in the country with a fully funded pension system.

As you will see in the attached proposal, we will elaborate in detail on the vision I have outlined in this letter. I would ask that you allow Fresno to move to the next step of the selection process, which would give us a chance to truly lay out an all-encompassing vision of the opportunities and possibilities that Fresno can offer. While considering Fresno may seem somewhat counterintuitive, you will find that this City will surprise you. Already, good things are happening and the future is looking bright. Thank you again for your consideration and I look forward to providing you additional information at the next step in the selection process. If you have any questions, please feel free to call me directly at (559) 905-5080, or you may always contact my Director of Economic Development, Larry Westerlund at (559) 799-7991 or [larry.westerlund@fresno.gov](mailto:larry.westerlund@fresno.gov).

Sincerely,



Lee Brand  
Mayor, City of Fresno