

NOTES: Amazon Media Call 2.14.19

Peggy Fox, Channel 9: Do you have capacity for 25k more employees? Are you wooing Amazon? Are you contacting Amazon?

CD: No. We're not telling Amazon to shift all of your planned NY investments to Arlington. We have worked collaboratively with the company. They do have the chance to increase the number of jobs they have by 50% after 2030. But our understanding is that they are not interested in looking for new HQ2 location; instead they're looking to continue using their assets in other parts of the country.

Eric Flack, WUSA9: What is the Board's expectation of hitting 38.7k phase 2 level? With the pull out from NY, does the chance of that increase in your eyes?

CD: That is dependent on so many factors. ... If in fact their growth does materialize for the 50K jobs they were planning, they do have room here to make at least most of that happen. There is a path to reach almost 38k in Arlington, and they'll look to use their existing assets across the country to meet the remaining number. No one knows what the future holds. We're talking about a very long timeframe for growth.

Martin Austermuhle, WMAU: There was lots of opposition in NY and a lot less opposition in VA: any theories about why it seems folks in VA are more open to Amazon?

CD: Queens and Arlington are very different. All the elements that Amazon would have to go through in planning for land use, aligns with by community conversations we've already had. Our community has had those consensus conversations about number of employees that would come and the associated investments in infrastructure to accommodate employment and surrounding neighborhoods. This has been done through our planning process with the community. We've done that hard work already.

Prashant Gopal, Bloomberg News: How do you get to 38k employees and square footage? It's in previous plan as an option? Do you think it's more likely to happen now?

CD: We will have a performance agreement that we will consider in March. No earlier than March 16. The way it will be outlined, this has not changed at all from yesterday to today. Amazon will begin by occupying leased office space, with 400 employees initially and then the number of employees would ramp up to max of 3k employees in any given year. Up to 4M square footage is the base agreement. Then there is a conceptual path for them to reach 6M square feet and 38.75k jobs.

Christin, Smart Cities: Are you concerned about backlash from NY spreading to Arlington at all?

CD: It likely will cause people to increase their opposition, but I do want to underscore how very different the situations are. We've had these conversations about growth. Our community is ready to embrace that level of activity. Up until Nov.13, it just didn't have a name. We didn't know if would be one company or many companies. The real benefit of knowing it is Amazon and that there is a predictable path of growth which gives us the ability to deal with all the issues that were a concern in NY.

Matt Barakat, Associated Press: The deal is up to 38.7k jobs, and it outlines what performance incentives they would get. But there is nothing in there that would keep them from exceeding 38.7k jobs?

CD: No. If they want to occupy more square footage that would depend on the community plans we have in place. Anything else would be subject to us evaluating it against our community plans. Conceptually, we have room for more jobs in that area but whether that is Amazon remains to be seen

Cecilia Kang, The New York Times: What are the benefits of being the only HQ2 now?

CD: Makes it less complicated—as to whether we call it HQ2 or HQ2b. It certainly simplifies what to call it. Bragging rights? If we take great pride? No. It's no different than it was yesterday. We thought Amazon made a very smart decision to recognize the talent we have in our region. They've highlighted a particular community in a dynamic region that has its act together.

Robert McCartney, The Washington Post: Is Arlington going to now try to get more than the 25k jobs promised, or up to 38k?

CD: We're not changing what we want from Amazon. We have a path for 25k and up to 38.7k. We're comfortable with that. We're not going to make a play for more. We'll take Amazon at their word: that they will look at existing assets if their growth exceeds what they can do here.

Robert McCartney, The Washington Post (follow up): Is the fact that you're not pushing for up to the original 50k that you were seeking, is that a recognition that 50k was ultimately too much?

CD: Remember, we were responding to a solicitation. We did not pitch 50k jobs to them. As it evolved and came to 25k, it was something we thought that worked well for our community. We are growing in such a way where 50k jobs over the course of the next 15 years we can generally accommodate. But we don't see a need to make a play to fully bring all their planned NY investments here. We're very happy with what they have planned.

Michael Martz, Richmond Times-Dispatch: Affordable housing: Do you feel that if you get up to the second phase that you would reasonably be able to protect housing options for existing population and new employees?

CD: That is a key concern of this board. As it was before Amazon's announcement. It's why we've been leaders in calling on our region to address this issue. We've been working with COG to really focus on not necessarily a coordinated housing policy but coordination of meeting a growth target in the region. This will continue unabated. One key element to managing growth is taking advantage of existing investments in infrastructure we have like Metro. So people can live as far away as PG County or PW county and use transit to have a one seat ride to HQ2. This is how you make sure that it doesn't put extreme pressure on Arlington. People can live elsewhere to meet their needs. We're doing all of that. We think that's the strategy to reduce the pressure on housing and have unintended consequences that they've seen in places like Seattle.

Michael Martz, Richmond Times-Dispatch (follow up): Anything you hope the legislature or the governor does in the budget to help address the pending growth?

CD: There's a lot we'd like them to do but it's not related to this news

Alex Koma, ARLnow: How has this changed your thinking of Amazon as a partner?

CD: Our dealings with Amazon have been collegial, collaborative. They haven't asked anything of us that we haven't been able to share with the community. I can't speculate about what went wrong in NY and frankly I don't want to. We will continue to treat Amazon as they have treated us. Amazon has been a completely honest broker, and we have been pleased with our relationship so far. They have been transparent, honest, and forthright, and they have not asked us to change anything at all. They've understood our values. In fact, they've embraced our values.

Eric Flack, WUSA9: Amazon has a history of playing hard ball. It's been seen that they push to get their way and then leave if they don't get what they want from local officials. This does seem like another example of that. How do you protect Arlington and Northern Virginia interests moving forward?

CD: When it comes to Arlington, Amazon has leaned in and embraced. So it has not been a cause for concern here. We think this works for us because it fits within our existing plans; it fits within our values. If it ever doesn't, then it's a completely different conversation. So there is no room for us to be concerned about Amazon changing who we are.

Naomi (Outlet???): There was lots of criticism about NY offering Amazon too much. There has been talk of a helipad and other things. Is there any idea with incentive package about things that are not going to work moving forward?

CD: We don't have a helipad as part of our performance agreement. Our incentive package is innovative. If the performance agreement is actualized then Amazon gets a small 15% increment of the revenue; and the rest is a benefit for the community. Our incentive agreement is actually fairly spartan compare to what you're used to seeing. Anything else is not a part of what we have been offering. I think it's a great way to think of incentives for a company in a way that achieves mutual goals. I think it's a model for how a community should engage in incentives.

Susan Decker, Bloomberg News: Is there just generally caveats or things you're concerned about because of these high-profile pullouts (not just Amazon, but also FoxConn In Wisconsin, Tesla in Nevada)?

CD: Our economic development team has done something very important, and it's consistent with state's incentive package as well, in the performance agreement, they have to occupy the square footage, they have to create the jobs before they can get the payment. They're not given in advance. They're only given with certification of performance. The issue with other jurisdictions giving diverting resources to give incentives upfront and then the company not meeting those goals--we have certainly warded against that in making sure we only deliver payments after performance has been realized. From the Commonwealth of Virginia, they're not paying out anything they've negotiated with Amazon until 2024, long after jobs have been onboarded and certified to be permanent.

Susan Decker, Bloomberg News (follow up): Please confirm your timeframe

CD: March 16 is Saturday, when staff is preparing to have the local performance agreement before the County Board for discussion and decision. The state has already approved its package. We anticipate that by March 16 we will have our local portion consummated.

Alex Koma, ARLnow: I hear that you're happy with what's planned and not making a play, but would you be open to those conversation with Amazon if they were to come to you?

CD: If that materializes, then we'll have that conversation. We'll take them at their word and that is how we will proceed.