

HALIFAX

Amazon HQ2 Response

EXECUTIVE SUMMARY

OCTOBER 2017

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MAKERS UNITE.

Amazon made Seattle what it is today.
And you've been rewarded for that
incredible impact.

Amazon has a vision to evolve, to
invent—to be bold, unflinching pioneers
in the service of your customers.

HQ2 is the next step on your journey.
Halifax is the place to take it.

Amazon Halifax HQ2 isn't a dream to us.
We're ready to make it your reality, and ours.
It's what Halifax has been working towards,
and we want Amazon to be our partner in
the next stage of our city's evolution.

But this isn't about us. It's about you.



CANADA

PRIME MINISTER · PREMIER MINISTRE

October 13, 2017

Dear Jeff:

There is no better place to do business than Canada. In an increasingly complex and uncertain world, Canadians have embraced change while staying true to their values. Canadians are bold innovators and good neighbours, bound together by a spirit of openness and hard work. Every day we demonstrate that these values are sources of strength, and that better is always possible. I can imagine no better place for Amazon to call its second home.

As the first country in the world to adopt a policy of multiculturalism, we have shown time and time again that a country can be stronger not in spite of its differences, but because of them. Diversity is a fact, but inclusion is a choice. Canada has made its decision and our cities have become windows to the world.

We believe in building a clean-growth economy that is as inclusive as it is innovative. We have embraced technological change, while also helping our citizens adapt to the changing nature of work. That is why we have boosted investment in skills and training and introduced an ambitious Innovation and Skills Plan to make Canada a world-leading centre for innovation.

This plan includes actions that will benefit everyone, from students looking to get work experience to adult workers hoping to improve their skills. It delivers simpler and more efficient support to entrepreneurs, while making it easier for both domestic and global companies to invest in Canada and Canadians. We have simplified our business support programs and designed strategic funds to spur innovation and support high-quality business investments. Our government is a ready and willing partner, with the tools already in place, to make bold and strategic investments to create high-quality jobs.

Mr. Jeff Bezos
Amazon
410 Terry Avenue
Seattle, Washington
98109
United States of America

Canada is also committed to reinforcing our strengths in education. Our world-class colleges and universities have graduated the most highly educated workforce within the OECD. In the new economy, however, we recognize that we must also have access to the best talent in the world, wherever it is. We have therefore introduced dedicated immigration services, allowing companies to attract highly-skilled global talent through an expedited review process to quickly recruit for the skills they need.

Canadian cities are progressive, confident, and natural homes for forward-thinking, global leaders. They are consistently ranked as the best places to live, work, and play in the world. They are welcoming, walkable communities with vibrant arts and culture scenes, connected by ever-improving public transportation networks. Canadians enjoy a universal health care system and a robust public pension plan which help support our excellent quality of life and also mean lower costs for employers. Our cities offer welcoming and predictable business environments, with the lowest overall business costs in the G7, underpinned by the soundest banking and legal systems in the world. They are great places to work, invest, and live – all with unmatched global market access and within a short flight of major American cities.

Throughout our history, it is in one another that Canada and the United States have found their closest friend and ally. We enjoy the longest, most peaceful, and mutually beneficial relationship of any two countries in the world. Canada is the largest foreign customer for goods and services made in the United States. We are the number one customer of the majority of American states, and among the top three customers of 48 states. Our economic integration and partnership are unparalleled.

As Amazon decides on the location for its second North American headquarters, I am certain that Canada will stand out. With all our advantages and a government that is willing to invest in the future, the business case is simple.

Amazon has already established roots in Canada, creating thousands of good jobs, and taking advantage of leading technologies in areas such as artificial intelligence and drones. We are grateful for the confidence Amazon has placed in our cities and people. We look forward to growing this partnership.

The Government of Canada is committed to working closely with Canadian cities in providing Amazon a second home. The full support of our government stands behind them.

Please accept my warmest regards.

Sincerely,

A handwritten signature in blue ink, appearing to read "Justin Trudeau", is written over a large, stylized blue circular graphic element.



On behalf of all Nova Scotians, I am pleased to support our capital city's response to the Amazon HQ2 RFP. Nova Scotia, Canada, our capital city of Halifax, and supporting communities across our province offer all the advantages for a global player like Amazon—a diverse, creative, and educated workforce, competitive operating costs, a prime geographic location, clear and open immigration pathways, flexible real estate options, and a pool of incentives and programs to support Amazon HQ2.

Nova Scotia has a proven track record working with multinational companies, facilitating their integration, and scale-up needs. We are a location that has achieved many notable innovative firsts with our business partners—we are the first North American beachhead for the world's 10th largest bank—Japan's Mitsubishi Financial (MUFG). And, in 2016, IBM chose Halifax over all other cities in Canada to build their Client Innovation Centre. Just this year, the Pepper Group, headquartered in Australia, chose to expand in Halifax at the conclusion of a worldwide analysis of business jurisdictions.

With the most post-secondary institutions per capita in North America, our early education and K-12 programs focusing on coding and computer science, our green energy initiatives, and the regulatory reform we are undertaking to be among the most business-friendly environments, we would welcome the opportunity for a dialogue with Amazon to further reinforce not only our advantages, but also to define an incentive package for Amazon HQ2.

As Premier of Nova Scotia, Canada, my own commitment to Amazon is also part of our business-friendly environment. On behalf of the Provincial Government of Nova Scotia, we will work with Amazon, our capital city, neighboring communities, our post-secondary universities and colleges, our immigration colleagues, and business community stakeholders to ensure that Amazon is in good company.

My government and Nova Scotians have worked hard to achieve and maintain our strong fiscal position. In September 2017, I tabled my government's balanced budget, which is projecting a surplus of \$131.6 million, with a positive net position of \$21.3 million. Our net debt-to-GDP was reduced to 36.3%, and our budget estimates a further reduction to 35.5%.

Alongside our capital city of Halifax and the Government of Canada, I extend an invitation to Amazon to join us. An invitation to come and share everything our province has to offer as a place to work, live, and thrive. From our bustling city districts to our expansive ocean coastline, Nova Scotia has built on a genuine foundation of hard work, community, and innovation as a path to prosperity. Information technology is a priority sector for Nova Scotia, and we will stand behind our companies that join us in growing the province's global presence in this highly competitive and innovative industry. Nova Scotia will grow side-by-side with the businesses that choose our location to expand their global footprint.

Sincerely,

Honourable Stephen McNeil, M.L.A.
Premier



Amazon HQ2 will transform a city in North America.

As Mayor of Halifax, Nova Scotia, I am steadfast in my belief that the city you should look to next is ours, the economic and cultural heart of the vibrant, unspoiled Canadian East Coast. Every day, Amazon takes possibility and shapes it into new ideas and new technology. Where better to do that than from a place with limitless possibilities?

When we look to the Atlantic that laps our shores, our historic city sees new possibilities. Whether you come as a world-changing company, international student, immigrant entrepreneur, or with little more to invest than hope, Halifax becomes home.

Our harborfront is the headquarters of the international energy company Emera Inc., a new hub for applied ocean innovation, and a science center for curious young minds. It's home to hotels, condos, marinas, parks, and boardwalks, with just enough room for Amazon HQ2 too.

Outside the mouth of the harbor the fastest telecommunications cable to ever cross the Atlantic connects us to Europe with a 2,800 mile subsea link. Just up from the bustling waterfront, the Volta Tech Super Hub (founded by Jevon MacDonald, who sold his two-year-old Golnstant start-up to Salesforce.com) is undertaking a massive expansion, anchoring its position in Halifax's innovation corridor. A block away, Dalhousie University's Innovation and Design in Engineering and Architecture (IDEA) campus is coming out of the ground, beside Halifax's award-winning, technology-enriched Central Library.

While we are proud to be a hard-working port city, Halifax also offers a constant reminder that life is well lived in proximity to the sea. You can hear it in our music, taste it in our food, smell it in the salt air.

Amazon, if you want to give your employees a city to love, to feel a sense of belonging, and pride of place, it's time to come to Halifax.

I would be happy to personally introduce you to our city.

Warm regards,

A handwritten signature in black ink that reads "Mike Savage". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Mike Savage
Mayor of Halifax

EXECUTIVE SUMMARY

Amazon HQ2 is a chance to explore, take an uncharted path. For you to make something exceptional. That something exceptional is Halifax. The technology, commercial, and cultural heart of Canada's east coast.

You know what it takes to make great things happen. It takes great people. Engaged, connected, inspired people with bold vision, fearless tenacity, and genuine ideals.

Your pioneers live this reality within Amazon every day. Halifax citizens do too.

We've fostered growth without destroying the essential authenticity of our city. Our evolution has never depended on a single entity working alone. We are collaborative by nature, a united front, because that's the better way to do things. And it means that the lives we build, our neighborhoods and communities, are crafted by the people of our city.

Amazon wants their employees to have a home to love and shape. Halifax is it.

What's more, businesses of all sizes and descriptions are attracted to this place. We have talent and creativity, but without pretension. Our educated, highly-skilled workforce is growing every day and is unwaveringly loyal. We call the east coast home, but effortlessly connect with the world. We have flexible, captivating urban space and a competitive cost of doing business.

No single factor will determine the ideal home for Amazon HQ2. You are looking for the right fit. A combination of competitive business advantages—all together, in one place. This is it. And we couldn't be more ready for you.

The bottom line: **Halifax works.**

Here's what we're bringing to the table:

1.

A perfect fit

Amazon is a global company. Come join a place that is a global citizen. Our culture of respect, peace, order, and good government means diversity flourishes. Ideas and invention thrive. Perspectives and cultures from around the globe are embraced.

We work together to lift each other up, and create environments where business can evolve, innovate, and prosper. Our mayor, premier, government partners, universities, and business community work together regularly, quickly, and effectively to make big things happen in Halifax. Ask companies like IBM, NTT Data, or Irving Shipbuilding how we rally to help companies locate, grow, and succeed in Halifax.

Halifax came together, worked tirelessly, and secured the \$30 billion Canadian shipbuilding contract.



2.

Once-in-a-lifetime location

Amazon's Halifax HQ2 site is like no other in North America. We check every box. Ninety-two acres of central, urban, development-ready oceanfront land. Located next to the major highway system and only 25 minutes from our international airport. With easy access to road, rail, mass transit, and the harbor itself, Amazonians can drive, ride, or even kayak to work. Heating and cooling? No problem. Amazon's waterfront location offers ample opportunity for district energy. And we have plenty of room for Amazon to grow.

Shannon Park is an unparalleled 92-acre oceanfront site in the heart of Halifax primed for Amazon's HQ2.

3.

A \$10 billion advantage

Halifax is the best deal in North America for Amazon HQ2. KPMG's Competitive Alternatives study ranks Halifax 6th out of 108 mature markets for overall business competitiveness. Using KPMG's model, Amazon Halifax HQ2 will save Amazon more than \$10 billion over 10 years compared to Seattle.

Halifax has the lowest cost of labor for every position Amazon needs.

Among 17 North American cities, Halifax has the lowest cost of labor for every position Amazon needs. The average Halifax labor cost advantage ranges from 21% for supply chain logistics coordination to 51% for user support technicians.

* Note: Figure is based on operating costs and does not include Federal, Provincial or Municipal incentives yet to be negotiated.

* All costs and figures in US dollars unless otherwise noted.

4.

Top talent that stays

The world's most talented, inventive, engaged people want to be in Halifax and make their lives here. We have one of the world's most highly educated and loyal workforces with 36,000+ students enrolled every year at seven post-secondary institutions. Nearly 10,000 graduate with degrees and certificates annually. Nova Scotia has more engineering, applied science, mathematics, and physical science graduates per capita than anywhere else in Canada. Plus modern immigration policies and Canada's open, welcoming values mean the talent pipeline is always working for you, attracting people from around the world.

And given the opportunity to be in this place and work with one of the coolest companies on the planet, you bet people will stick around.

Halifax has exceptionally low employee turnover compared to the US

In the tech sector, it's just 8.6% versus the US average of 33.1%.

More than 50% of our post-secondary population comes from other places. And 70% of them want to stay in Halifax for good.

5.

It's a fact: Halifax makes people happy

The soul of this place speaks to people, draws them in, and brings them home. We have a city that's transforming every day, but has kept the essence of who we are.

Every year, Halifax welcomes thousands of immigrants, international students, and young professionals who fall in love with our city and east coast lifestyle. With housing prices a fraction of Boston, Seattle, Toronto, or Vancouver, low crime rates and our enviable combination of urban and rural communities and amenities, what's not to love?

fDi American Cities of the Future 2017/18 ranked Halifax Top 10 for Best Human Capital and Lifestyle

"There is no question that Nova Scotia will be key to our first Canadian Global Delivery Center's long-term success. The talent and technology, innovative partnering, and competitive market profile make a winning combination."

- John Lutz, Former President of IBM Canada

Halifax economic snapshot 2016

POPULATION

426,000 – Grew at 2.0%
(600,000 within a 1 hour drive; 750,000 within 2 hours)

GDP \$18,507 million – Grew at 2.0%

UNEMPLOYMENT RATE 6.1%

PARTICIPATION RATE 68.0%

FULL-TIME EMPLOYMENT 77.2%

INFLATION RATE

+1.7% Annual (10-year average)

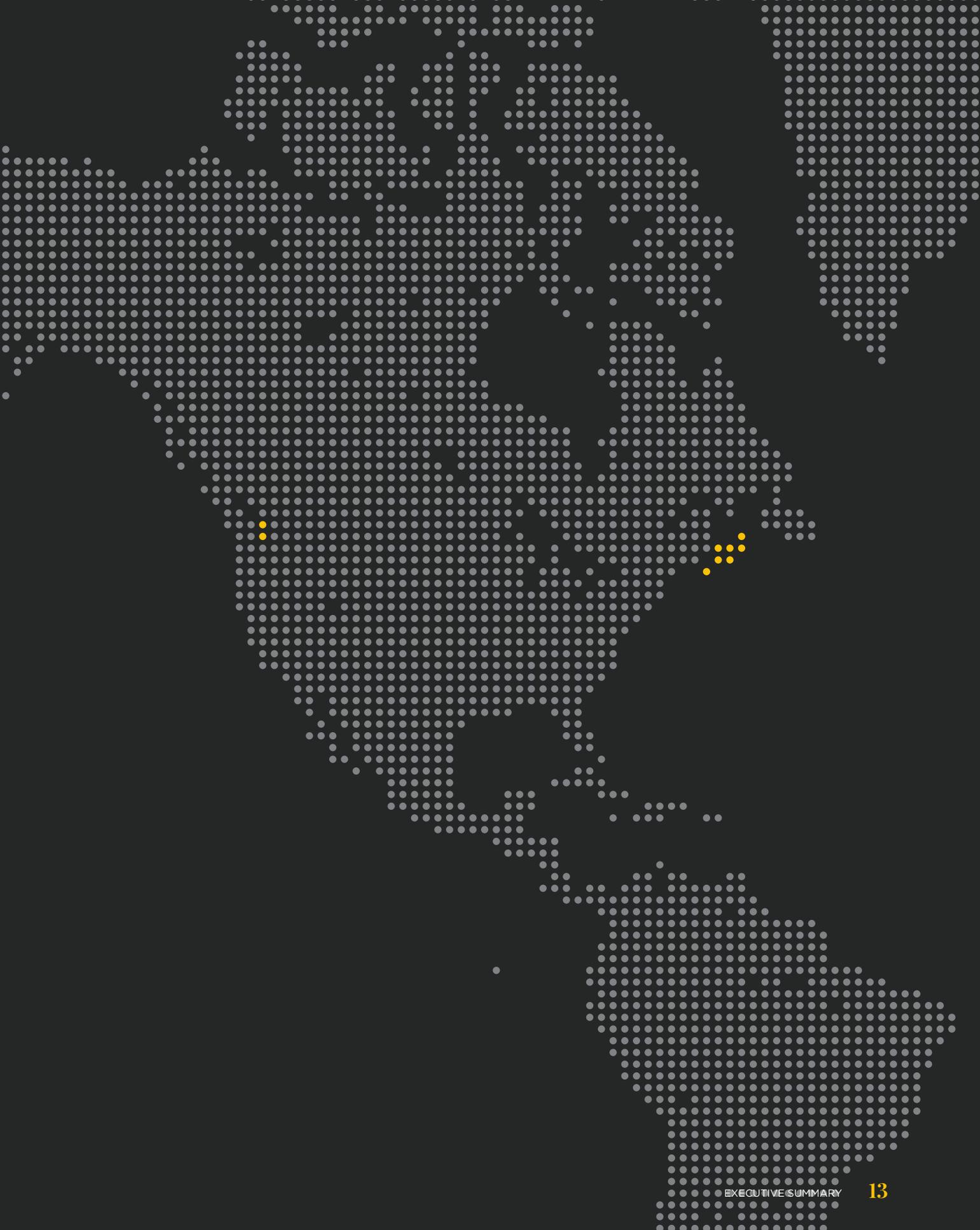
EARNINGS GROWTH

+2.1% Annual (10-year average)

This is just our short list.

We know Amazon has lots of options, but none are like Halifax. Before you make any decision, give us a call and let us introduce you to our city.

Come see for yourself why Halifax is the best location for Amazon HQ2.



ARTIST: JASON BOTKIN
MURAL IN HALIFAX
729 BARRINGTON ST.



HALIFAX