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21 September 2017

Matthew Hurlbutt
Greater Rochester Enterprise
100 Chestnut Street, Suite 1910
Rochester, NY

CC: Camella Wilson
The Boston Consulting Group

Dear Camella,

Per our discussion this morning, I have appended the document that I prepared to support the Greater Rochester (NY) response to Amazon's RFP for a second headquarters.

Sincerely Yours,

Nicholas Wilt

Enclosure

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21 September 2017

To Whom it May Concern:

After living in Rochester and Seattle for equal parts of my adult life, and recently having worked at Amazon in a senior role for a significant period of time (2011-2016), I am writing to lend my perspective on how best to craft Rochester's HQ2 proposal. I won't dwell on Rochester's attributes that make it a good fit: Rochester has a proven track record of having hosted companies with 50,000+ employees; it has excellent local universities and public schools; its airport can accommodate growth; it is reasonably close to the East Coast, yet buffered from coastal calamities; and its cultural amenities are outsized relative to its population. I am not writing to reiterate the good things that Rochester brings to the table.

Instead, I am writing to offer the insights that I garnered as an Amazonian¹, assimilating into Amazon's unique corporate culture and watching Seattle transform during the time I was there.

To separate Rochester from the crowd, it is critically important to differentiate the proposal in a way that signals an understanding of Amazon's culture and objectives. My three key recommendations:

1. Work backwards and structure the proposal in the form of a "6-pager."
2. Study Amazon's Leadership Principles and incorporate them into your proposal.
3. Emphasize that Rochester is *peculiar*.

¹ "Amazonian" is a real and non-pejorative term for Amazon employees.

Six-Pagers and Working Backwards

“Working backwards” is a core tenet of Amazon’s business philosophy. Rather than charting a course starting from the status quo, they prefer to articulate the long-term objective and envision how best to achieve that objective. In keeping with this philosophy, Rochester leaders should embrace an expansive vision of the realized proposal, then describe how to bring that vision to fruition. We can draw inspiration from Amazon’s history in Seattle. Amazon’s headquarters were in a quaint, architecturally significant art deco building called the Pacific Tower, about 260,000 sqft of office space. When it became clear that Amazon was outgrowing that space, Amazon partnered with Vulcan Real Estate to build out an 11-building, 1.8M-sqft complex in South Lake Union – a campus that Amazon purchased in 2012 for \$1.16B². The South Lake Union campus turned out to be inadequate for Amazon’s growth, however – all the office space was spoken for before the buildings were complete – so in 2012, Amazon announced a new \$2B development (“Rufus 2.0”) to include 3.3M sqft of additional office space. Rufus 2.0 includes three 37-story buildings, a lawn, a dog park, and three intersecting spheres that will include office space for 1,800 employees as well as retail space. The spheres are a novel architectural curiosity that house waterfalls, a river, and treehouse-like spaces overlooking tropical gardens. Our proposal should envision a similar scale of development, over a 10-year time period, preferably with architectural concept drawings. It’s very important to swing for the fences in this proposal! Amazon has a Leadership Principle called “Think Big” (Leadership Principles are discussed in the next section) and proposals that fail to Think Big will not get beyond the first phase of consideration.

The proposal should be structured along the lines of an Amazon “six-pager.” Six-pagers are memoranda used in conjunction with meetings with Amazon executives. These meetings typically begin with a roomful of executives sitting in silence for 30 minutes or longer, reading the document that had been prepared for the meeting³. Six-pagers are used to present a variety of topics within Amazon, from innovative new products (with accompanying schedule and headcount estimates) to summaries of significant businesses (revenue, planned innovations, headcount to maintain the status quo versus to enable the innovation). Amazon Distinguished Engineer Brad Porter, whom I have the privilege of knowing, has written publicly about six-pagers and how they incorporate press releases:

<https://www.linkedin.com/pulse/beauty-amazons-6-pager-brad-porter>

<https://www.linkedin.com/pulse/beauty-amazons-press-release-process-brad-porter>

If Andy Jassy, the Bezos subordinate who runs Amazon Web Services, can distill the status of his \$12B enterprise into a six-pager, then Rochester can distill its case for hosting Amazon’s HQ2 into a six-pager. (Note: It is acceptable to include appendices with supporting data. I have seen 30-page “six pagers.” But, there mustn’t be any fat in any part of the document. I also have seen VPs terminate meetings in the first few minutes, when they realized the six-pager was more than six pages long.)

One reason to follow this approach is because the decision as to where to site Amazon HQ2 is a Bezos decision, and the team making the recommendation will be presenting Bezos with a 6-pager.

² I have appended the press release that announced this project in 2007. The project was completed in 2011 exactly as outlined in the press release.

³ One might argue that the meeting time would be better spent if participants read the document ahead of time, but that would not reduce the amount of manpower invested in reading the document.

Leadership Principles

The Leadership Principles (“LPs”) are another key to understanding how Amazon operates. Like 6-pagers, they are a matter of public record. See for example:

<https://www.amazon.com/p/feature/p34qgicv93n37yd> (short link: <http://amzn.to/2h5dtlf>)

Although some of the LPs only make sense for a profit-seeking enterprise, some are applicable to Rochester’s proposal for Amazon HQ2. Amazonians routinely invoke the LPs in writing interview feedback, peer feedback, evaluations of companies being considered for acquisition, and elsewhere; so in evaluating proposals from cities across North America, there is no reason to expect them to deviate from that course.

Here is a list of LPs with some thoughts on how each could be incorporated into Rochester’s proposal:

- Learn and Be Curious (educational infrastructure-both university and public schools)
- Think Big (waterfall-centric development, or similar expansive proposal. Innovative zoning initiatives or tax incentives.)
- Deliver Results – testimonials from incumbent employers
- Earn Trust (proposed public/private partnerships)
- Customer Obsession (“Rochester is home to Wegmans, the grocery chain with a cult following due to its unstinting embrace of Customer Obsession.”)
- Ownership (housing market)
- Invent And Simplify (history of tech innovation)
- Hire And Develop The Best (housing stock, schools, Rochester is good for raising families. #3 in the 2010 Forbes survey, ahead of Pittsburgh)
- Frugality (cost of living)
- Dive Deep (reference this LP when citing appendices)
- Bias For Action (developing this proposal)
- Are Right, A Lot
- Insist on the Highest Standards
- Have Backbone: Disagree And Commit
- Vocally Self-Critical – this LP was rolled into “Learn and Be Curious” a few years ago, but deserves an honorable mention because it could be used to structure a candid narrative around how Rochester will address its known deficiencies.

Rochester Is Peculiar

Amazon is *peculiar*, taking pride in being unconventional in many ways, not just by incorporating six-pagers and LPs into its business practices. For example, according to their Web site, the Leadership Principles are "...just one of the things that makes Amazon peculiar." Examples of Amazon's peculiarities abound. Dogs are allowed (if not encouraged) at work. Amazonians play "broomball" (a game that looks just like it sounds) at company picnics. They host eating contests at conferences. "Rufus," the dog for whom the \$2B 2012 campus expansion was named, was a dog whose paw was used to hit the Enter key on every deployment to amazon.com in the early years.

Rochester also is peculiar. The signature dish of the city is the Garbage Plate. A distinctive element of our skyline is an art deco skyscraper featuring a 42-foot-tall aluminum sculpture called *The Wings Of Progress*. But then again, Seattle has the Space Needle. The good news is that when aspiring to host Amazon, being peculiar is an asset, not a liability. Enumerating some oddball aspects of Rochester that make it stand out in the crowd, and specifically saying *Rochester is peculiar*, would differentiate the proposal and increase the likelihood of consideration.

Other cities have full-time staffs working on their proposals – Pittsburgh earmarked \$500,000 for the endeavor. So it is critical that Rochester's proposal put its best foot forward. I can understand that the points in this letter may strain the reader's credulity; I worked at Amazon for more than a year before I began to appreciate Amazon's corporate culture. If it would be helpful to discuss the contents of this letter in person, or to consult me on other aspects of the proposal, please don't hesitate to contact me at the above address or the below cell phone number.

Sincerely Yours,

Nicholas Wilt

585- (cell)

APPENDIX A: Sample Amazon Press Release

Amazon.com Plans Move to South Lake Union

City officials, Amazon.com, Vulcan and Schnitzer West work together to create a new headquarters in downtown Seattle

SEATTLE - December 21, 2007 - The city of Seattle, Amazon.com, Vulcan Inc. and Schnitzer West today announced that Seattle's South Lake Union neighborhood will be home to Amazon.com's new corporate headquarters.

"Amazon.com is one of those great Seattle success stories and I'm pleased the company has decided to stay right here in its hometown," said Seattle Mayor Greg Nickels. "The move also highlights the great things happening in South Lake Union, where we are seeing new jobs, homes and parks transforming this area into a dynamic and diverse neighborhood in the heart of our city. My goal is make Seattle a great place to live and work. This move does both by bringing thousands of jobs to the South Lake Union area -- with room to grow -- and helping to build new affordable homes in our Center City."

Amazon.com's new headquarters will include up to 11 new buildings on six blocks in the heart of South Lake Union, located along Terry and Boren Avenues between Mercer and John Streets totaling up to 1.6 million square feet. The company expects to begin moving into its new office space in mid-2010, with full occupancy in 2011.

"We're very excited about our move to South Lake Union since it will enable us to serve our customers better by enhancing employee collaboration and productivity," said Tim Halladay, vice president of real estate and finance operations at Amazon.com.

Proximity to public transportation was an important factor in Amazon.com's decision to move to South Lake Union. The company's headquarters complex will be on the new Seattle Streetcar line, which also connects riders to the bus tunnel and light rail.

As part of South Lake Union's commitment to sustainable development practices that promote the social and economic health of the greater community, Amazon.com's new headquarters will be targeting LEED certification as sustainable, eco-friendly facilities. LEED, which stands for Leadership in Energy and Environmental Design, is a national industry measurement tool created by the U.S. Green Building Council to define the industry's most environmentally-conscious projects.

The Seattle City Council has approved increased building heights allowing construction of three 12-story, 160-foot high buildings in a one and one-half block area of the new headquarters bounded by Terry Avenue, John Street, Boren Avenue and Harrison Street. In addition to providing Amazon.com with better opportunities to consolidate employee workspace and operations into fewer adjacent buildings, the increased building height in this area encourages a more visually appealing skyline and a more efficient use of land that also aligns with the community's vision for the neighborhood's future growth.

Vulcan will develop the buildings in the specified one and one-half block area as LEED Silver or Gold certified projects, contribute approximately \$6.4 million for affordable housing and other benefits, implement an aggressive transportation management plan to reduce traffic impacts, implement an energy management plan and comply with setback, façade and landscaping requirements.

Vulcan and Schnitzer West are joint venture partners for the project's first phase known as Interurban Exchange IV & V and Interurban Exchange II. Vulcan will develop the remaining buildings comprising the new headquarters.

About Vulcan Real Estate

Vulcan Real Estate directs all real estate activities for Vulcan Inc., a Paul G. Allen company. The company's experienced, talented team of real estate professionals offers a full range of development services from site selection to build-to-suit construction. Its real estate model is based on quality, sustainable development that builds new value across the entire community. To date, Vulcan has delivered nine new commercial/biotech, residential and mixed-use projects in South Lake Union totaling 1.7 million square feet. The company has nearly 1 million square feet currently under construction and another 2.2 million square feet in the pre-development pipeline. Vulcan has been recognized as Developer of the Year by the Washington chapter of the National Association of Industrial and Office Properties for four years in a row (2003-2006) and its 2200 project was also honored in 2007 as a national Urban Land Institute Awards for Excellence winner. For more information, visit

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www.vulcanrealestate.com.

About Schnitzer West

Schnitzer West, LLC is one of the West Coast's leading commercial real estate investment and development companies. Formed in 1997 by Managing Investment Partner Dan Ivanoff of Seattle and Schnitzer Investment Corp. of Portland, Schnitzer West has a proven track record. The company is currently expanding to other growing regions in the western United States, including Denver, Northern California and Southern California. Since its inception, Schnitzer West has developed approximately 2 million square feet of Class-A and suburban office, biotech and multi-family property. In addition, the company has acquired and, in most cases, repositioned an additional 1 million square feet of commercial product. It now manages 3 million square feet of commercial property. Schnitzer West was named Developer of the Year for 2000 by the Washington Chapter of the National Association of Industrial and Office Properties.

For more information on Schnitzer West: www.schnitzerwest.com.

About Amazon.com

Amazon.com, Inc., (Nasdaq:AMZN), a Fortune 500 company based in Seattle, opened on the World Wide Web in July 1995 and today offers Earth's Biggest Selection. Amazon.com, Inc. seeks to be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online, and endeavors to offer its customers the lowest possible prices. Amazon.com and other sellers offer millions of unique new, refurbished and used items in categories such as health and personal care, jewelry and watches, gourmet food, sports and outdoors, apparel and accessories, books, music, DVDs, electronics and office, toys and baby, and home and garden.

Amazon and its affiliates operate websites, including www.amazon.com, www.amazon.co.uk, www.amazon.de, www.amazon.co.jp, www.amazon.fr, www.amazon.ca, and the Joyo Amazon websites at www.joyo.cn and www.amazon.cn.

Amazon.com Forward-Looking Statements

This announcement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Actual results may differ significantly from Amazon.com management's expectations. These forward-looking statements involve risks and uncertainties that include, among others, risks related to competition, management of growth, new products, services and technologies, potential fluctuations in operating results, international expansion, outcomes of legal proceedings and claims, fulfillment center optimization, seasonality, commercial agreements, acquisitions and strategic transactions, foreign exchange rates, system interruption, significant amount of indebtedness, inventory, government regulation and taxation, payments and fraud. More information about factors that potentially could affect Amazon.com's financial results is included in Amazon.com's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2006, and all subsequent filings.

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