

100-plus contenders imagine hosting Amazon's HQ2

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An Arizona economic development group had intended to ship this 21-foot saguaro cactus to Amazon to announce its intention to bid for the company's second headquarters campus, but the company has turned it down. (Arizona Daily Star)

In the 7 days since Amazon said it would build a second headquarters outside Seattle, officials in more than 100 places have expressed interest. How they match Amazon's wish list remains to be seen. Experts say some regions are likely to offer billions in incentives.



By

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The Amazon gold rush is on.

At least 101 cities, states, provinces and counties in the U.S. and Canada have indicated they are interested in the Seattle company's second headquarters in the week since Amazon announced it was seeking bidders for the megaproject.

They range from obvious big-city candidates like Chicago, to a joint effort by smaller towns in North Carolina tobacco and textile country, and a push championed by the University of Maryland in suburban Washington, D.C.

It's unclear how many of these prospective bidders will send the online retail giant formal paperwork by the company's Oct. 19 deadline. Some don't appear to fit the criteria Amazon laid out for its second home.

Still, the rush for mayors and economic-development officials to announce their candidacy reflects Amazon's growing influence, as well as the unprecedented scale of its offer.

This isn't a distribution center or engineering office Amazon is promising, but a \$5 billion campus of as many as 50,000 employees, pitched as "a full equal" to the company's massive Seattle home.

A company that once sat on the fringes of economy in online commerce, and has sometimes been seen as a threat to Main Street jobs, is dangling a project that has the potential to instantly become a cornerstone of some region's economy.

Amazon has invited tax breaks and other incentives in its request for proposals, and economic-development experts say some regions are likely to respond with packages valued in the billions.

Amazon's HQ & HQ2

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- [Could Amazon's HQ bombshell let the air out of Seattle's housing and development boom?](#)
- [Amazon's surprise plan for HQ2 is a bold experiment](#)
- [Take it from us: With Amazon, you can get too much of a good thing | Danny Westneat](#)
- [Thanks to Amazon, Seattle is now America's biggest company town](#)
- Read more about [Amazon](#) and its [HQ2](#) plans.

Elected officials may ultimately be competing to offer Amazon an incentive package that could exceed the record subsidy Boeing received from Washington state.

"What you're seeing could be the tip of the iceberg," said Andy Shapiro, a corporate relocation consultant with Biggins Lacy Shapiro in Walnut Creek, Calif. "Everyone's interested."

Requirements like proximity to a major airport, a population center of at least a million people, and ample housing and mass transit would seem to cross more than a few interested cities off the list. Amazon also asked that metropolitan areas submit consolidated bids, meaning areas with multiple interested sites — such as the four interested cities in the Dallas orbit — will end up coming together for a single proposal.

The tally of potential bidders is almost certainly missing municipalities that have been quiet about their intentions. For instance, among the largest U.S. cities, officials in Atlanta and Cleveland have yet to discuss their thinking publicly. Spokespeople for development groups in both cities didn't respond to messages seeking comment on Wednesday.

Bloomberg News reported this week that some senior Amazon executives have [advocated for Boston](#) as the second headquarters location.

The company pushed back, saying there are no front-runners yet. "We're just getting started and every city is on a level playing field," Amazon said on Twitter.

Amazon's [original announcement](#), made via a news release in the early-morning hours of Sept. 7, kicked off a frenzy from coast to coast in the days that followed.

In Irvine, southeast of Los Angeles, a city employee versed in mapping software charted Amazon's Seattle campus to see how tightly clustered its buildings were. Across the continent, the premier of Ontario called up a former banking executive to see if he would lead the pitch for Canada's capital province.

And on Wednesday, Tucson announced its ambitions by loading a 21-foot saguaro cactus onto a flatbed truck and sending it off to Amazon Chief Executive Jeff Bezos in Seattle, the Arizona Daily Star [reported](#).

Irvine Mayor Don Wagner isn't surprised at the number of cities that have spoken up. But, as he said, "Of those who have raised their hands, which ones are serious, which ones are not?"

Economic-development boosters touted the potential of a former steel plant outside Baltimore and a derelict Ford truck-assembly site along the banks of the Mississippi in St. Paul, Minn. Underused downtown cores, rural plots near freeways, and decommissioned ammunition depots abound in the speculation.

Shapiro, the location consultant, said some elected officials who have expressed interest may not be seriously pursuing the project.

"A lot of the places know that they're really a longshot, but they don't want to be accused of not being in the hunt," he said. "They're going to be able to say, 'We took a shot.'"

Plenty of mayors and governors have touted their existing ties to Amazon.

The company's fast-growing warehousing and distribution network has made the company a major employer in many parts of the country. The company also operates satellite business offices, including an [entertainment cluster](#) in Los Angeles and [robotics development](#) outside of Boston.

That familiarity may not matter. The company's request didn't mention proximity to existing corporate facilities or its distribution network.

Tax breaks, on the other hand, will count. Amazon has said incentives offered by governments to offset its costs will be a significant factor in its decision.

Washington set a national record in 2013 with its \$8.7 billion subsidy to Boeing as the company was considering sites to build its 777X airplane.

Other projects that drew more than \$1 billion in tax breaks include a steel plant in Mobile, Ala., and a General Motors facility in Michigan, according to data compiled by Good Jobs First.

Amazon's package could ultimately exceed all of those, said Mark Sweeney, a corporate-relocation adviser with McCallum-Sweeney who has advised Boeing.

"With these kind of numbers and these kind of salaries, that impact is immense," he said. Of the incentive packages, he added: "I would expect they will begin with a B, that's for sure."

Companies prefer such incentives in cash, though common alternatives include abatement of sales, income and property taxes, as well as free utility or infrastructure work. Critics charge that those offers amount to a corporate giveaway, pitting states against each other for jobs Amazon would have sought to hire for anyway.

Meanwhile, a bidding process that started in public is likely to grow quieter as Amazon weighs bids internally.

After Amazon's public announcement, some unfamiliar with the ins and outs of corporate-location bidding may have anticipated a public vetting and selection process would follow, Sweeney said. "I would expect that to be dashed completely, and that the company has no intention of that."

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