

# The Columbus Dispatch

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## Amazon to build second headquarters in North America

By [Mark Williams](#)

The Columbus Dispatch

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Amazon plans to build a second headquarters somewhere in North America that will create as many as 50,000 jobs. It's asking any metropolitan area with a population of more than 1 million to make them an offer.

Let the frenzy begin.

Officials from both Ohio and Columbus declined to say on the record whether they will bid on the project, but two people close to business-development activities in central Ohio told The Dispatch that Columbus will be in the hunt.

An offer would not be a surprise, given the growing relationship between Amazon and central Ohio.

Three years ago, Amazon had no presence in the state. Today, it has data centers in New Albany, Hilliard and Dublin; distribution centers in Licking County's Etna Township and Obetz; and wind farms in northwestern Ohio.

Last week, the company said in a regulatory filing on electricity rates that it might add a dozen data centers in central Ohio. It also announced plans for another distribution center near Cleveland and has been offered incentives to build one in Warren County.

That relationship with Amazon might give central Ohio an edge compared with other metro areas, said Steve Weitzner, principal of Silverlode Consulting in Cleveland, which advises companies on site selection.

"It's tremendously valuable for a company like Amazon to have a positive experience in a region. They know that they can get a project up and running. They have a good understanding of the business market, what the labor market

is like,” he said.

Central Ohio would have plenty of competition. An early look at media reports shows that seven other cities and one state already have committed to bidding for the project. They include the state of Kentucky along with Austin, Boston, Kansas City, Memphis, Minneapolis-St. Paul, Nashville and St. Louis.

Amazon’s plans for the second headquarters, revealed Thursday and dubbed HQ2, includes a \$5 billion corporate campus that will create as many as 50,000 jobs over 10 or 15 years. Jobs would pay \$100,000 or more.

The project will demand 8 million square feet of space under roof eventually, an area so massive that it would be four times the size of the McCoy Center. The building, which is JPMorgan Chase & Co.’s operation at Polaris, already is one of the biggest office buildings in the U.S. In all, Chase has about 20,000 employees and contractors in central Ohio, using nearly 4 million square feet of space.

Another major employer, Nationwide, occupies 2.7 million square feet Downtown to accommodate its 11,000 workers.

“We expect HQ2 to be a full equal to our Seattle headquarters,” said Jeff Bezos, Amazon’s founder and CEO, in a statement. “Amazon HQ2 will bring billions of dollars in upfront and ongoing investments, and tens of thousands of high-paying jobs. We’re excited to find a second home.”

JobsOhio, the state’s nonprofit economic-development organization, and Columbus Mayor Andrew J. Ginther’s office declined to comment on any potential interest in the project.

This summer, City Council did pass tax-incentive legislation meant to attract large companies that invest heavily in jobs and operations. The legislation was developed at the same time central Ohio was actively courting Asian electronics company Foxconn, a major Apple supplier, for a project in central Ohio.

“Ohio and the major metropolitan regions should do absolutely everything possible to compete for Amazon’s HQ2 project,” Weitzner said. “This is a once-in-a-lifetime chance for a community to land a project that has the potential to completely reshape its future.”

By Weitzner's count, about 50 metro areas in the U.S. qualify.

"I would think that almost all these regions would want to take a shot at this project," he said.

"Although incentives will no doubt get a lot of attention and the packages that will be offered are likely to be some of the largest ever, it is clear from (Amazon's proposal) that there are many quantitative and qualitative factors of critical importance to Amazon. For example, even massive tax and financial inducement cannot overcome a weak regional workforce."

The incentives that Amazon expects to be offered likely will be in the billions of dollars, making it one of the costliest incentive packages of all time, said Greg LeRoy, executive director of Good Jobs First, a nonprofit that promotes accountability in economic-development projects.

"I hope it's only nine figures," he said.

The biggest incentives Goods Jobs has tracked to date include a package worth \$8.7 billion that airplane manufacturer Boeing received from the state of Washington in 2013 and a \$5.6 billion deal in New York for aluminum company Alcoa for discounts on electricity. Wisconsin is offering \$3 billion in incentives to Foxconn for its first U.S. manufacturing plant.

Amazon has received more than \$1 billion in incentives for projects throughout the country, the group said.

"If I were hired by a governor or mayor (to pitch for the headquarters), I'm completely ignoring the incentives. ... Focus on the executive talent pool for what Jeff Bezos is looking for," LeRoy said.

Amazon is moving fast on its new headquarters. The deadline for responses to Amazon's eight-page proposal is Oct. 19, and the first phase, including construction of at least 500,000 square feet of space, starting as soon as 2019.

Besides a minimum population threshold, Amazon is seeking a stable and business-friendly environment; urban or suburban locations with the potential to attract and retain strong technical talent; and communities that think big and creatively when considering locations and real-estate options.

One problem for Columbus could be air travel.

The proposal says an important consideration is availability of daily flights to Seattle, New York, the San Francisco area and Washington, D.C. John Glenn Columbus International Airport has no direct flights to Seattle.

Amazon said the headquarters location can be, but doesn't have to be, in an urban or downtown location, or a similar layout to its Seattle campus.

Ideally, the campus will be located within 30 miles of the population center and within 45 minutes of an international airport, according to the proposal.

In Seattle, Amazon has 33 buildings totaling 8.1 million square feet. It has more than 40,000 employees, and the total capital investment has been \$3.7 billion.

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# Chicago can land Amazon's second HQ, but it won't be easy, experts say

Amazon.com is searching for a second headquarters site in North America, likely setting off a race among dozens of major U.S. cities.

The image shows a close-up of the Amazon logo, which consists of the word "amazon" in a lowercase, sans-serif font. Below the letters, there is a curved arrow that starts under the 'a' and ends under the 'n', pointing to the right. The logo is set against a light-colored background.

Amazon has opened the search for a second headquarters, promising to spend more than \$5 billion on the site. (September 7, 2017) (Sign up for our free video newsletter here <http://bit.ly/2n6VKPR>)

By **Ryan Ori and Lauren Zumbach**  
Chicago Tribune

SEPTEMBER 9, 2017, 7:52 PM

**N**orth American mayors, governors and economic developers are sure to be working overtime in the coming months, following Amazon's announcement that it is seeking a second headquarters city where it can create 50,000 new jobs.

Chicago's **Rahm Emanuel** confirmed he's among those mayors already making his case to Amazon CEO **Jeff Bezos** to bring the transformational deal to the Midwest's unofficial capital.

It's likely to be one of the most hotly contested headquarters competitions in decades. The e-commerce giant's mere announcement on Thursday has sent hearts aflutter among politicians, urbanists, real estate brokers and developers — and, yes, journalists.

So, is Chicago a legitimate contender?

Yes, for sure, according to a sampling of experts. But they emphasize that Chicago will face plenty of able competitors, and the city and state will need to overcome hurdles, including some of their own making.

Here, the experts handicap the competition:

**John H. Boyd**, principal of The Boyd Co., a Princeton, N.J.-based corporate site selection consultancy

**Short list:** Chicago; Washington, D.C.; Austin, Texas; Dallas; Atlanta; Boston

- "Companies don't like to be pioneers, and there's a strong precedent for successful head office moves to Chicago."
- "Amazon is gaining a presence in other industries that are highly regulated by the government. ... The notion of access to K Street lobbying interests (in D.C.) would be something that would be considered."
- "Atlanta has a very positive business climate, with low operating costs for a market of its size. A head office in Atlanta would be anywhere from 20-25 percent less expensive than Seattle, and there's a robust incentive program."
- "Boston went through this attracting the GE headquarters about a year ago, so they have their game plan together, along with the intellectual capital at the universities."

**Richard Florida**, professor and director of cities at University of Toronto's Rotman School of Management's Martin Prosperity Institute; co-founder and editor-at-large of The Atlantic's CityLab; author of several books including "The Rise of the Creative Class"

**Short list:** Washington, D.C.; Toronto; Chicago; Denver; Philadelphia

- "The biggest predictor of headquarters location is where the CEO has a house. Bezos bought a \$23 million one in D.C., and he also owns The Washington Post."
- "They want urbanity, as well as a good airport."

**Mark Sweeney**, senior principal with Greenville, S.C.-based site selection and economic development consultancy McCallum Sweeney Consulting

**Short list:** Atlanta, Chicago, Dallas, Boston, New York

- "(Atlanta, Chicago and Dallas) have some of the best air service east of the Rockies, and that's very important. International air service is also an indicator of an international business community, international population, and the ability to recruit from a global standpoint."

**Raymond Walker**, Atlanta-based executive vice president and national director of site selection services at commercial real estate brokerage Colliers International

**Short list:** Atlanta, Dallas, Houston, Phoenix

- "They will definitely be looking for a younger-type population, where people with technical backgrounds are entering the workforce from higher education."
- "A big issue is going to be the business climate and what the tax policies are, both at the municipal and state level. While Chicagoans may think they're a great location to land a project like this, their budget problems and tax issues would suggest they're not going to be as competitive as areas like Atlanta or Dallas. That doesn't mean they can't mitigate issues those with an incentives package, but they're inherently at a disadvantage."

**Steve Weitzner**, principal with Silverlode Consulting, a Cleveland-based site selection and economic development consulting firm

**Short list:** Chicago, Denver, Atlanta, New York, Toronto

- "(The millennial) generation is deciding where they want to live first, then where they want to work. Even Amazon isn't going to get people to move to a place that isn't on their radar."
- "They're going to get 50 proposals, so it will be important to do something memorable to make that impression where people around the table go, 'This is really something that's different.'"

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# Could Indianapolis be a contender for new Amazon headquarters and its 50,000 jobs?

**Tony Cook, Justin L. Mack and Chris Sikich, IndyStar** Published 12:24 p.m. ET Sept. 7, 2017 | Updated 5:35 p.m. ET Sept. 7, 2017



(Photo: Paul Sakuma/2010 Associated Press file photo)

Online retail giant Amazon is looking for a second North American headquarters that could bring as many as 50,000 jobs to the city that ends up winning the project.

But could Indianapolis be a contender?

Amazon's criteria for the new headquarters, the state's long-standing relationship with the company and the city's growing reputation as a Midwest tech hub could play to the city's advantage.

But competition likely will be fierce.

**Briggs:** [Amazon didn't kill bookstores. They're making a comeback. \(/story/money/2017/07/28/briggs-amazon-didnt-kill-bookstores-theyre-making-comeback/508453001/\)](/story/money/2017/07/28/briggs-amazon-didnt-kill-bookstores-theyre-making-comeback/508453001/)

**Amazon takeover:** [Here's what's changed about shopping at Whole Foods in Indianapolis \(/story/news/2017/08/28/heres-whats-changed-shopping-whole-foods-indianapolis/609460001/\)](/story/news/2017/08/28/heres-whats-changed-shopping-whole-foods-indianapolis/609460001/)

**More business news:** [Lilly CEO says 3,500 job cuts will make company healthier, stronger \(/story/news/2017/09/07/eli-lilly-eliminate-3-500-jobs-globally/641295001/\)](/story/news/2017/09/07/eli-lilly-eliminate-3-500-jobs-globally/641295001/)

Mark Lawrance, vice president of engagement and innovation policy at the Indiana Chamber of Commerce, said he expects city and state leaders to aggressively pursue the project.

"I think we certainly could be a contender when you look at the attributes Amazon is looking for and the assets we have in Central Indiana and particularly in Indianapolis," he said. "I hope we make a serious run toward this opportunity."

City and state officials were tight-lipped Thursday about any plans to pursue the project, but they touted Central Indiana's long-standing relationship with the company.

"Indianapolis continues to receive national attention as a rising tech hub, helping to drive innovation and growth for local and global businesses," said Mayor Joe Hogsett's spokeswoman, Taylor Schaffer. "That's why we are very excited to engage with state leadership and Amazon to encourage the growth of their current successful presence in our city."

The office of Gov. Eric Holcomb, who is traveling to Japan today for a trade mission, referred questions to the Indiana Economic Development Corp.

"Regarding the news from Amazon, all of the IEDC's negotiations with businesses are confidential," said IEDC spokeswoman Holly Gillham. "However, the company does have a strong presence in Indiana with multiple fulfillment centers across the state."

Carmel Mayor Jim Brainard said he was reviewing Amazon's proposal to determine if it fits with the city's economic strategy.

Another potential location for the new Amazon headquarters could be in Noblesville, where an unknown buyer has been negotiating options to purchase more than 2,000 acres of unincorporated farmland east of Noblesville. Speculation has begun that it could be for anything from an airport, to an amusement park, to an Amazon distribution facility.



Noblesville Mayor John Ditselar said he doesn't even know who is interested in that land, but that he is interested in pursuing the new Amazon headquarters.

He said Noblesville has the open land to make the headquarters viable, but that any deal to land Amazon likely would begin with regional economic planners and then trickle down to local cities with interest.

"We have the opportunities available and will at least inquire about the possibility of landing something like that," he said.

Amazon said in [announcing its plans \(/story/money/2017/09/07/amazon-plans-second-headquarters-dubbed-hq-2/640861001/\)](https://www.washingtonpost.com/news/energy-environment/wp/2017/09/07/amazon-plans-second-headquarters-dubbed-hq-2/640861001/) Thursday that the company expects to spend \$5 billion to build and operate "Amazon HQ2" in North America.

"We expect HQ2 to be a full equal to our Seattle headquarters," Amazon founder Jeff Bezos said.

Amazon will prioritize metropolitan areas with more than one million people and access to an international airport — criteria that Indianapolis meets.

Cities and states wishing to compete for the new headquarters have until Oct. 19 to [submit proposals \(https://www.amazon.com/gp/browse.html/?node=17044620011\)](https://www.amazon.com/gp/browse.html/?node=17044620011). The request for proposals says state and city incentives will be "significant factors" in the decision-making process.

"This is a very nontraditional approach," said Steve Weitzner, a site selection consultant with Ohio-based Silverlode Consulting. "We've done 20 headquarter relocation site selection projects and none of them have involved this kind of 'everybody-in-the-pool' approach."

Amazon's nontraditional approach makes predictions tough, but Weitzner said Indianapolis could be appealing for a number of reasons: Low cost of doing business, central location with quick access to much of the country, and a strong labor force with major research universities nearby.

But Indianapolis may struggle if Amazon is looking for a home that's particularly appealing to millennials, who Weitzner said often prioritize where to live over where to work.

"Cities like Denver and Austin (Texas) and Portland (Ore.), those are places the millennials are flocking into," he said.

Another potential hangup could be the incentives Amazon is likely to seek, said Michael Hicks, an economics professor at Ball State University who has studied economic development deals.

"The only concern I have is that Amazon is going to ask for everything," he said. "They're going to look at the Foxconn deal as the model."

He was referring to Wisconsin Gov. Scott Walker's offer of up to \$3 billion in subsidies for a new Foxconn plant that could employ up to 13,000 people.

Amazon's decision to cast a wide net for a new location could create fiercer competition and help drive up the amount of subsidies states and cities are willing to offer.

Still, Hicks said he puts Indiana in the top tier of possible locations. He speculated that Amazon is looking to expand beyond Seattle area because of the high demand for tech workers and more expensive construction and land costs.

With four public universities nearby, a lower cost of labor and a growing technology sector, Indianapolis can provide the kind of workforce Amazon is looking for, Hicks said.

"I wouldn't be surprised for Indianapolis to be in the top five," he said

Amazon already has a significant presence in Indiana, employing 9,000 Hoosiers at fulfillment centers in Indianapolis, Whitestown, Jeffersonville and two warehouses in Plainfield.

The state has paid Amazon nearly \$9.5 million in conditional tax credits and training grants since 2009 to support those operations,

Last month, the company announced a major U.S. hiring push, including plans to add 1,500 new jobs at its Central Indiana facilities.

So far, though, the company's commitment to Indiana has been primarily on the logistics side. The new headquarters would bring tens of thousands of higher paying technology jobs.

Holcomb has made attracting new technology industry investment a top goal of his administration. Earlier this year, lawmakers agreed to provide \$30 million over the next two years to promote Holcomb's economic development goals.

He used \$5.5 million of those funds this week to subsidize a new [nonstop Delta flight from Indianapolis to Paris \(/story/news/politics/2017/09/06/indianapolis-international-airport-offer-first-transatlantic-flight-paris/635535001/\)](#). The new service begins in May and will be the city's direct flight outside North America.

Holcomb has argued that such services will help the state build on its momentum as a technology hub.

Earlier this year, he announced Indian-based information technology company Infosys would open a new, 2,000-employee Downtown tech center — one of the largest jobs announcements in Indiana history.

In exchange, the state agreed to provide Infosys with up to \$31 million in tax credits and training grants — the largest incentive package in Indiana history.

Salesforce, a San Francisco-based cloud company, has also [expanded its presence \(/story/money/2017/05/20/salesforce-already-committed-hiring-800-indianapolis-plans-add-500-apprentices/333525001/\)](#) in Indianapolis in recent years and recently acquired the naming rights to the city's tallest building.

*USA Today contributed to this story.*

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