

## **Kernersville now claims all of the Amazon center property**

By Richard Craver, Winston-Salem Journal – January 15, 2019



*This Sept. 6, 2012 photo, shows the Amazon logo in Santa Monica, Calif.*

Developers of a planned 1-million-square-foot Amazon fulfillment center project have voluntarily agreed to allow two pivotal parcels to be annexed into Kernersville, which means the entire center now falls in the Kernersville town limits, according to a Guilford County Register of Deeds filing Monday.

The request by HPC Seefried 1 LLC, an affiliate of Atlanta developer Seefried Properties Inc., follows the Kernersville Town Council's Dec. 4 rezoning of 320 and 322 Bunker Hill Road from single-family residential to business industrial.

The two annexed properties, at a combined 2.03 acres, represent key pieces of the overall project site, which is adjacent to the newly annexed parcels off Old Greensboro Road in the Guilford section of Kernersville.

The filing includes a final plat for the annexation and a listing that a right-of-way is under construction for an entrance into the property from Old Greensboro Road.

The center in Triad Business Park could employ up to 953 full-time and full-time equivalent workers.

"The only thing left is completing the construction of the building," Jeff Hatling, Kernersville's community development director, said Monday. "By adding those lots, they create a more enhanced buffer."

Neither Amazon nor HPC Seefried has commented publicly on the facility.

A project site plan was submitted to the town May 9 by HPC Seefried NC 1 LLC on behalf of Amazon. Landscaping of the property began in August. The center is not likely to open until 2020.

John H. Boyd, a national site-selection expert based in New Jersey, has projected the Kernersville fulfillment center could represent a \$150 million capital investment.

"Amazon recognized, under its new growth strategy, that it is shy of distribution centers in North Carolina," Boyd said.

The site is near the FedEx Ground operations in Kernersville, as well as within 10 miles of the FedEx sorting hub at Piedmont Triad International Airport.

On July 26, Amazon affiliate Amazon DEDC LLC signed a memorandum of lease agreement for up to 40 years for the site.

The initial lease would run for 15 years. The agreement allows Amazon to extend the lease five times for five years each.

The memorandum also gives the Amazon affiliate the rights of first offer and first refusal to buy the property during the terms of the lease. The memorandum was signed by Jonathan Levy, a vice president for the Amazon affiliate.

Amazon has not made a public request for local or state economic incentives, according to Hatling.

Amazon has asked for at least \$13 million for a project near Charlotte-Douglas International Airport that could have up to 1,500 employees. The Charlotte Observer reported that wages for most of the 1,500 jobs at that center would be between \$25,000 and \$45,000.

Amazon has secured commitments for about \$5.1 million in road improvements from Garner and the state for a distribution center covering the Triangle.

Amazon said Oct. 2 it will raise its minimum wage to \$15 an hour for all U.S. employees, a decision that long-term could help set the bar for regional warehouse and distribution center pay, according to economists.

The company said about 250,000 of its 575,000 employees nationally will get a pay raise from the increase, as well as more than 100,000 seasonal employees.

Several employment studies have shown that working at an Amazon fulfillment center is not for everyone.

For example, Amazon makes it clear that the job can be taxing, particularly during the peak holiday shipping season. Workers can be required to work up to 12-hour shifts and walk 7 to 12 miles during a shift. Most employees must be able to lift up to 49 pounds.

Boyd said modern fulfillment centers “not only employ lower-skilled workers, like forklift operators, but also information-technology professionals doing inventory and other software-related functions.”

Amazon currently has about 2,000 employees in North Carolina.