



Viewpoint: Amazon HQ2 national site search, a look from 30,000 feet

By John Boyd Jr. - Principal of The Boyd Co. Inc., Princeton, N.J. - January 8, 2018

Seattle-based Amazon plans to spend \$5 billion on its second headquarters - the so called HQ2 project - which the online retailer projects will ultimately employ 50,000 people in well-paying, high-tech jobs. Amazon says in its September 2017 RFP that it is seeking a metropolitan area with more than one million people, a "stable and business-friendly environment," a market that can attract and retain strong technical talent and a community that thinks "big and creatively." Its RFP further states that it favors convenient access to mass transit and an international airport, a highly educated labor pool, a strong university system along with a diverse population.



John Boyd Jr., principal of site consulting firm The Boyd Co. Inc.

Over the past five decades, our firm has witnessed a number of trend-setting corporate headquarters relocations that served to tell a larger story than just the companies and cities involved. They provided a window into the economy and emerging site selection trends that would impact other corporate moves. We view the Amazon HQ2 search as a generational one, eclipsing all other high profile corporate headquarters relocations over the past five decades (see Figure 1 below) and establishing a whole new set of relocation standards and practices. Among these are:

***Growing politicalization of the corporate site selection process** – Politics have always been part of the relocation process but never to the extent that we are experiencing today. Amazon, with its long laundry list of lobbying priorities – ranging from

immigration reform, state pharmacy regulations, aerospace issues, food safety laws, media concerns, trucking regulations, etc., wants as many friends on Capitol Hill as possible. This could potentially give an edge to states with large congressional delegations such as Texas, New York and Florida. Another issue on the political front is the power of diplomacy. Every politician today runs on a platform of job creation. They just go about it in different ways. In the old days, we would interface with county commissioners, mayors and sometimes a governor during our site searches. Now, virtually all of our projects involve not only governors directly but also members of Congress that are increasingly playing an advocacy role in business attraction. We don't need to remind Georgia about the power of diplomacy. We recall the influence of former Georgia Senator Sam Nunn - at the time chairman of the Senate Armed Services Committee - supporting Boyd client Pratt & Whitney's expansion of manufacturing operations in Columbus, Ga.

***Housing** – A Growing and Pivotal Factor – Redfin CEO Glenn Kelman recently predicted a vast migration of corporate investment and talent out of Silicon Valley and further prognosticated that Amazon will avoid pricey housing markets on both the East and West Coasts for its HQ2. He favored central U.S. cities like San Antonio, Denver and Houston. Kelman said tech companies like Amazon are chasing talent and the talent is chasing affordable housing. Some millennial-friendly urban enclaves – deemed affordable only a year or two ago - are now experiencing rapidly rising housing prices. In Philadelphia - considered a strong HQ2 candidate in the Northeast - the gentrification of its popular Fishtown neighborhood while bringing in new retail and restaurant development is also driving home and apartment rental prices skyward pushing out many of the young professionals that Amazon would likely recruit. Amazon and its head office employees in Seattle – perhaps the hottest downtown market in the U.S. outside of the Silicon Valley – have suffered a similar housing cost whammy and would not want to re-live those recruiting and housing challenges at its second head office site.

***“Dossier” building** – Given the high profile and overriding influence of Amazon CEO Jeff Bezos in the search, competing locations for HQ2 are deep-diving into his background and personal likes and dislikes. The governor of Massachusetts, Charlie Baker, and his economic development team have compiled in-depth personal information about Jeff Bezos and a number of top Amazon executives as part of its HQ2 bid. For Bezos, the bio included professional investments and history, information about where he grew up, where his maternal ancestors are from and even where he met his wife. Personal information on other top Amazon executives were also part of the dossier. Also, Boyd's home state of New Jersey is not shy about touting the fact that both Bezos and his wife are Princeton grads. South Florida is pointing to the fact that Bezos went to high school at Miami's Palmetto High School. Austin and Dallas are reminding all that will listen that Bezos spent 10 hot summers on his grandfather's cattle ranch in Cotulla, Texas, and his cousin is country singer George Strait. Bezos was born in Albuquerque but his family moved to Houston when he was a toddler. His father was a petroleum engineer for Exxon.

***Very public face of the HQ2 site search** -- Unlike most site-selection projects, Amazon's HQ2 search is playing out very, very publicly. It is reminiscent of General Motors' hunt back in the late 1980s for a location to manufacture its then new-age Saturn line, when mayors and governors pitched their cities and states on the Phil Donahue Show. Very few companies have the swagger and wherewithal to pull off this public, in-your-face strategy. It is something we generally do not

recommend to our clients because it risks an exodus of key staff, an onslaught of disruptive solicitations by economic development agencies and politicians, the scrutiny of the media and having to deal with questions like: "Why should a state give millions of tax credits and incentives to Jeff Bezos - the richest man in the world at \$100 billion and counting - when it cannot afford to sufficiently fund pensions, health care and education?"

***Incentives explosion** - While incentives have become very politically contentious in recent years, they have evolved as a necessary evil in what we term the "Second War Between the States" for new industry and jobs. Amazon, the fifth-largest company in the U.S., has an impressive record in marshalling incentives over the years – to the tune of over \$1.2 billion related to its network of fulfillment centers around the country. HQ2, with its potential of 50,000 workers and eight million square feet of Class-A office space, will provide an almost incalculable economic boost to the winning city. My take is that Amazon – like most of our clients - wants to view the winning city as a partner in its success and in its "brand." Keep in mind that incentives are not limited to just tax credits and free land and that some like infrastructure improvements and workforce training serve a wider, public good. My message to lawmakers that question the appropriateness of incentives is to first do the heavy lifting by making government less expensive by cutting costs through pension reform and more consolidations of municipalities and services. Until that happens, incentives will remain the rule rather than the exception in corporate site selection, especially in high cost states like New Jersey (which is offering a chart-topping package of \$7 billion to Amazon to help underwrite the Garden State's lofty cost of doing business).

Front runners in the hunt for HQ2

Amazon is currently going through over 200 bids from cities throughout the U.S. and Canada. Toronto - with Canada's open immigration and globalist policies much in tune with the progressive Bezos - is in the mix and Canada's leading contender. While there will be over 200 bridesmaids and just one bride, there is tremendous value for cities to enter the battle to win HQ2 regardless how their chances are being handicapped. For many cities and their economic development professionals, HQ2 is a once-in-a-lifetime platform to extol the virtues of their communities to a national corporate and media audience, not to mention solidifying local economic development networks and engendering home town esprit de corps.

Beyond the sales and local networking benefits, HQ2 is an opportunity to forge relationships with key Amazon executives during corporate prospecting interactions and site visits. These relationships may pay dividends down the road – either with an investment by Amazon or one of its many vendors. Keep in mind that goliath Amazon is staking its claim in multiple sectors like healthcare, fashion, food & beverages, aerospace, publishing, I.T., not to mention booming e-commerce. This all translates into a deep and diverse pool of potential suppliers for communities to forge new relationships with.

Viewing Amazon's HQ2 North American site search from 30,000 feet, we see leading candidates to certainly include Atlanta along with several others. Here are some Boyd observations on Atlanta and other strong candidates that we see for HQ2:

Atlanta

Harken back a minute to the famous line in the 1967 coming-of-age movie "The Graduate" when Dustin Hoffman leaned in to hear career advice centered on one word: "Plastics." Well, today the one HQ2 word here in Atlanta would center on "Logistics." While Amazon is expanding into a number of industries, logistics is its bread and butter, its *raison d'être*.

Since its founding in 1837 as a strategic railroad junction, Atlanta has emerged as one of the nation's premier logistics hubs, something that certainly resonates with Amazon who is re-writing the rules of the road when it comes to logistics, distribution, warehousing, shipping and the driving force of e-commerce. Over the years, Atlanta has grown into a major global center for supply chain management due to its large cluster of corporate headquarters that demand efficient logistics services, its strategic Southeast U.S. location and its robust ground, rail and air infrastructure.

In 1991, global logistics leader UPS in a high profile move, relocated its corporate headquarters from Greenwich, Conn., to Atlanta bringing into the modern era Atlanta's reputation as a major international center for transportation and logistics.

Atlanta's long history as a distribution hub has spawned a globally leading technology ecosystem that develops modern software solutions for the movement and production of goods throughout the world. Industry-leading supply chain software provider Manhattan Associates, e.g., is headquartered in Atlanta and 12 of the global top 20 maintain an Atlanta presence, the highest concentration in North America. Also, 16 of the 25 Fortune 500 and Fortune 1000 companies based in Atlanta manage or support their global supply chains here, including well-known brands like Coca-Cola, The Home Depot, Delta Air Lines, as well as UPS.

Overall, Atlanta is a booming global logistics center, home to more than 12,300 logistics providers that employ over 150,000 people. Amazon already employs 300 tech workers in Atlanta and is expanding rapidly in the market — one of at least a dozen regional tech hubs the company has around the country.

Academic institutions like Georgia Tech, Kennesaw State University and the Georgia Center of Innovation for Logistics consistently turn out leading research, graduates and ideas that influence the entire supply chain industry. Atlanta startups include leading edge firms like Roadie and Kanga that are re-defining the current supply chain landscape.

If you look for a common denominator among cities successfully attracting trophy corporate headquarters projects, it is often the presence of a major international gateway airport. Look at Dallas and its recent attraction of the Toyota headquarters, Chicago and its attraction of the ConAgra head office, Newark and its attraction of the Panasonic headquarters and Atlanta and its attraction of the Mercedes head office.

Hartsfield-Jackson Atlanta International Airport is the busiest airport in the world and a major economic driver and industry-attraction tool for Atlanta's economic development practitioners. Amazon's growing international business would be well-supported by Hartsfield-Jackson, a major global gateway, offering nonstop service to more than 150 domestic and nearly 70 international destinations. Looking ahead with its capital improvement plan – ATLNext - a 20-year blueprint for growth, the Hartsfield-Jackson is set to modernize its domestic terminal, expand its cargo operations and concourses, replace two of its parking facilities, and pave the way for a hotel and mixed-use development that will further solidify Hartsfield-Jackson leading driver of economic and logistics sector growth in Atlanta.

The UPS footprint in Atlanta has grown significantly since its 1991 head office move from Greenwich, including its latest investment in excess of \$400 million to build a new regional package sorting hub on the west side of Atlanta. The new hub will be the third largest processing facility in the company's entire U.S. network. Amazon and UPS have much in common, including parts of their growth strategy in areas like robotics as they both strive to best balance costs and revenue as the e-commerce boom evolves.

Boston

Boston is home to 35 colleges and over 150,000 students and houses one of the nation's largest millennial populations. Its recent attraction of the General Electric corporate headquarters from Fairfield, Connecticut, underscores the draw of Boston's concentration of young professional talent and intellectual capital. Boston's Amazon HQ2 bid benefits from close collaboration between Governor Charlie Baker and Mayor Marty Walsh. Its Suffolk Downs real estate site appears to be the front runner showing great promise. Expanding Logan International Airport is another plus along with the city's highly regarded mass transit system.

Chicago

Chicago Mayor Rahm Emmanuel is never shy about touting the virtues of the Windy City and offering rich incentives to back up his rhetoric. Emmanuel and Chicago have done an impressive job in recent years in attracting corporate headquarters like ADM, ConAgra, Motorola, Kraft-Heinz, GE Healthcare, Gogo Inflight, to name a few. Chicago's university system, public transit and two major airports also bode well for the Second City. Rahm Emmanuel could potentially be a difference-maker here as well – he is skilled in the arts of diplomacy and persuasion and he shares much in common with the progressive and politically-minded Jeff Bezos. Chicago's geographic centrality is a fundamental strength, enabling traveling Amazon executives to reach either coast in three hours from O'Hare's major gateway. Chicago's attracting Amazon from Seattle would double down on its huge head office win 17 years ago when it successfully wooed Boeing's corporate headquarters from Seattle.

Dallas

No personal income tax – always a powerful corporate headquarters attraction tool – distinguishes Dallas and its HQ2 bid. The Dallas Metroplex Region is already home to 21 Fortune 500 companies and a deep pool of head office support service providers. The Dallas/Fort Worth area supports two major airports: the American Airlines international hub at Dallas/Fort Worth Airport (DFW) and the Southwest Airlines hub at Dallas Love Field Airport (DAL). Jeff Bezos' Blue Origin Rocket business is also well-established in the state. A Texas-size incentive package will also be available to Amazon, should it chose Dallas, which I consider the state's strongest contender.

Denver

Denver houses one of the fastest-growing tech clusters in the U.S. today and is home to major offices of tech giants like IBM, Oracle and Google. Denver is also a draw for college graduates and millennials rich in I.T. skill sets. Millennials are well-represented, with 24 percent of the region's population – some 891,000 people - aged 18-34. The cost of living in Denver is also relatively low – roughly 38 percent below San Francisco and 23 percent lower than Seattle - while at the same time offering many of the amenities of a world-class city, including professional sports, downtown living and nightlife. Recent high tech Denver start-ups of note include Galvanize, Stack Overflow, and Craftsyt.

Proximity to Colorado's natural landscape and outdoor recreation could be another draw. However, when it comes qualitative lifestyle amenities in corporate relocation, I have come to the conclusion that some people like vanilla and some like chocolate, tending to make these softer qualitative factors pretty much a draw. Indeed, today, quantitative cost of doing business factors carry the day in most corporate site selection decisions.

Newark

As many people know, the Garden State is no stranger to Amazon. The goliath has seven major fulfillment centers in New Jersey and is one of the largest and most influential employers in the state. Amazon's most successful subsidiary, Audible.com, is also headquartered in Newark. Major plusses for New Jersey include the state's skilled labor market, its colleges and universities and its highly developed public transportation infrastructure (including prospects for a third Hudson River tunnel into Manhattan given the Administration's 2018 focus on infrastructure). Newark Liberty International Airport is another plus with its impressive roster of non-stop flights to major global cities. New Jersey also offers a rich and diverse housing stock – from downtown living in Hoboken, Jersey City, Newark, up-and-coming Patterson and Bayonne – to lower cost suburban alternatives in Central NJ like Robbinsville's nationally recognized mixed-use Town Center near where Amazon operates one of its largest and most advanced fulfillment centers.

New York

Home to roughly nine million people, New York is too large and influential for Amazon to ignore. Long a center of excellence in sectors like finance, media and fashion, New York City's emergence in technology will resonate with Amazon. It is not only the intellectual capital that is a strong suit for New York – but its vast and diverse real estate stock ripe for redevelopment in Brooklyn, Queens and the Bronx. I expect Amazon to consider public transit-rich Sunnyside, Queens, with its proximity to diverse housing options on Long Island and ready access to LaGuardia and JFK airports. Repurposing possibilities in Brooklyn stretching from Williamsburg to Sunset Park and the Brooklyn Army Terminal should also be in play. In Queens, look for Willets Point redevelopment area to be considered. All of these options can meet Amazon's ambitious real estate requirements, which are estimated to be as high as eight million square feet.

Philadelphia

Philadelphia is one of the fastest-growing big city markets in the Northeast and distinguished by excellent public transit connectivity to both Washington, DC, and to New York City. A number of millennial-friendly downtown housing options exist here as well in the northern suburbs. Mayor Jim Kenney deserves credit for being one of the first major city mayors in the Northeast to make a very public pitch courting Amazon. Philadelphia also houses several sites that appear to be attractive for Amazon HQ2 like University City and the old Philadelphia Naval Yard. Drexel University President John Fry, who also serves as the Chairmen of the Board of the Philadelphia Chamber of Commerce, is a strong behind-the-scenes advocate for Philadelphia's growing tech sector. Another common denominator among successful cities today is to have a proactive university president – like a Michael Crow at Arizona State University in Phoenix, a John Kelly at Florida Atlantic University in Palm Beach, Florida or a John Fry at Drexel.

Pittsburgh

Pittsburgh has some very impressive connections to Amazon. Jeff Wilke is CEO of Amazon's worldwide consumer business and grew up near Pittsburgh. Pittsburgh's other ace up its sleeve is Brian Olsavsky, the company's chief financial officer. Olsavsky grew up in Hershey and went to Penn State but chose Carnegie Mellon University's Tepper School of Business for grad school. GeekWire noted that Olsavsky fostered recruiting efforts between Amazon and Carnegie Mellon and now has more than 150 CMU alumni working at Amazon. The State of Pennsylvania is also no stranger to Amazon - providing Amazon with \$22.3 million worth of incentives last year alone.

Pittsburgh has a better chance than most second-tier cities because of its impressive tech and engineering talent base churned out by universities like Carnegie Mellon, the University of Pittsburgh and city's old line industrial base now turning high tech and digital.

Pittsburgh has truly transformed from a steel town to a hub for education, medicine and technology with firms like Uber and Argo AI developing self-driving vehicles there. Pittsburgh Mayor Bill Peduto has been very vocal about his desire for HQ2 and would likely pull out all the

stops to land HQ2. Downsides of Pittsburgh include its size (just over 2 million), modest growth and marginal air service.

Raleigh

The HB2 clouds have lifted and North Carolina is again in the industry attracting business. The state has a recent string of economic development successes, including Egger Wood, Corning, Revlon, Deutsche Bank, MetLife, PayPal and is regarded as a frontrunner along with Huntsville, Alabama, for the coveted, high tech Toyota-Mazda auto assembly plant. The Raleigh/Research Triangle area houses a highly technical workforce strong in sectors like pharma, I.T. and financial services. Citrix and Red Hat also call Raleigh home and they are investing heavily in a \$1.1 billion transformation of the city's downtown business district. Raleigh has over 500 startups and 14 accelerators, many in its trendy downtown. Raleigh also has direct flights to Seattle and several European cities, the latter fueled by demand from the area's large pharma sector based at the famed Research Triangle Park. North Carolina's recalibrated incentive program and a series of wins for newly elected, pro-business Democrat governor Roy Cooper also provide some momentum here.

South Florida

South Florida is another strong and interesting candidate for Amazon HQ2. Beyond the state's premier business climate and lack of a personal income tax, the new Bright Line transit system connecting Miami to Fort Lauderdale to Palm Beach and on to Orlando is a new labor-market dynamic. High-growth South Florida is a magnet for global intellectual capital and multilingual skill sets, which complement Amazon's plans to rapidly grow in Latin America. Palm Beach County, in particular, has vast acreages of affordable land for development in the western portion of the county. Palm Beach also houses important high tech research campuses of Scripps Institute and the Max Planck Institute.

Amazon getting into bitcoin introduces another under the radar screen dynamic for South Florida. Miami is the home of the Miami International Bitcoin which is working to establish Miami as the epicenter of cryptocurrency and small-scale international finance. Miami has long been known as the gateway to the Latin American market – a market to the south that houses a half a billion people who do not have access to credit and a fully-functional banking system. This is all consistent with Amazon's plans to aggressively enter the Central and South American markets.

Toronto

Toronto's well-established technology base is Canada's largest by far and growing rapidly, up over 30 percent during the last five years. High tech U.S. employers like Amazon, Microsoft, Google and others have been very vocal about their recruiting successes in Canada, often pointing to its more open borders philosophy and H-1B visa constraints here in the States. Having Toronto in the mix gives the politically minded Jeff Bezos a platform to address immigration, trade and other progressive policies. Canada, led by progressive Prime Minister Justin Trudeau,

has a much more progressive stance on these issues compared to the U.S., including having important international trade accords with Europe and Asia in effect which distinguishes Canada at the present time. Toronto Pearson International Airport is a world-class gateway and would serve Amazon's North American and global traveling executives well. Its convenient downtown lakefront airport, Billy Bishop, is a Boyd favorite and another plus for Toronto.

On the important dollars and cents front, the favorable exchange rate and lower healthcare costs due to Canada's nationalized system will translate into a huge economic windfall for Amazon. Healthcare costs for our U.S. clients typically account for up to 40 percent of overall payroll costs. In Canada, where our site selection has been very active over the years, the figure is roughly half that. Canada, outside of Quebec, is generally not known for offering generous industry-attraction incentives. Healthcare cost savings are an especially pivotal cost factor for HQ2 due to the enormous workforce projected by Amazon and could be viewed as a kind of incentive.

Washington, DC

Jeff Bezos is no stranger to Washington, D.C. He owns The Washington Post and has recently bought a home in the area. Being in the epicenter of the nation's lawmaking apparatus would also be appealing to Amazon with its long list of lobbying priorities. Washington, D.C., along with neighboring Fairfax County, VA, and Montgomery County, Md., have a terrific talent base, strong academic communities and a well-developed and expanding public transportation system. Another potential advantage for the Washington, D.C., metro area is proximity to the influential National Institute of Health (NIH) in Bethesda. It is no secret that Bezos plans to expand heavily into the delivery of pharmaceuticals and medical devices in the coming years.

Figure 1: Boyd Names All-Time, Top Corporate Headquarters Moves

Here are 19 all-time, trend-setting corporate headquarters relocations identified by The Boyd Co. Amazon HQ2 and the winning city is waiting to be included. Note that Atlanta has made Boyd's list three times already since 1991. Will HQ2 make it four?

***Johns-Manville from New York City to Denver, 1972** – this move was the Rocky Mountain Region's first major headquarters catch from the East. It created the urban legend of how top executives penchant for skiing was the real motivation for this cross-country, Colorado Rocky Mountain High move.

***AT&T from New York City to Bedminster, N.J., 1974** – this move to suburban New Jersey ushered in a trend of similar moves from Manhattan to close-in bedroom communities in northern New Jersey and southern Connecticut that continues to this day, albeit at a much slower pace.

***Mutual Benefit Life Insurance from Newark to Kansas City, 1975** – this move by the company nicknamed "The Tiffany of Insurance Companies" due to its upper crust policyholders was one of the Heartland's first major head office catch from the East. It was a feather in the cap for Kansas

City civic leaders Don Hall of Hallmark Cards, Lamar Hunt, owner of the Kansas City Chiefs, Ewing Kaufmann, owner of the Kansas City Royals and Henry Bloch founder of H&R Block who all spearheaded Kansas City's famed "Prime Time" marketing campaign to turn around the city's old cow town image. Our firm here in Princeton had the pleasure of providing research counsel to the "Prime Time" program which has become somewhat of a classic in the field of community promotion.

***Sun Life Insurance from Montreal to Toronto, 1978** – Canada's largest insurance company and later a Boyd client relocated to Toronto citing political instability surrounding Bill 101 mandating French as Quebec's official language. The move initiated a sea change of corporate influence from Francophone Montreal to Anglophone Toronto. The relocation was a symbolic and an economic blow for René Lévesque and the separatist Parti Québécois government at the time.

***American Airlines from New York City to Dallas, 1979** – this front-page move ushered in a new era of long-range corporate headquarters moves out of Manhattan. The move came at a time when New York was devastated by fiscal crisis, crime and racial unrest. The American Airlines loss more than any other helped inspire the iconic Madison Avenue promotion program, "I Love New York" -- designed to resurrect the City's fortunes as a tourist and business destination.

***UPS from Greenwich, Conn., to Atlanta, 1991** – from its founding as the South's rail and highway center, Atlanta has always been known as the logistics hub of the South. The high-profile and symbolic UPS move made it official.

***Canadian Pacific from Montreal to Calgary, 1996** – this move to Western Canada by one of the country's oldest and best known companies put booming, energy-rich Calgary, Alberta, in the corporate head office big leagues along with Toronto, Vancouver and Montreal.

***Boeing from Seattle to Chicago, 2001** – this move to downtown Chicago ushered in the modern era of U.S. head office mobility and helped formalize the process of state incentives and promotions geared specifically to headquarters attraction. More than any other relocation, it taught cities to think the unthinkable. No headquarters – even a homegrown icon like Boeing - is immune to relocation.

***Newell Rubbermaid from Freeport, Ill., to Atlanta, 2003** – This small city to big city relocation ended a 10-year absence of Fortune 500 moves to Atlanta. The company, in the stodgy, down-market trash can liner and plastic home goods sector, believed an Atlanta headquarters address would help invigorate sales and up-market its image to consumers and investors.

***Philip Morris from New York City to Richmond, Va., 2003** – This high profile move was announced just days after Mayor Bloomberg's tough anti-smoking law. Today, politics and corporate relocation are again colliding within our nation's gun manufacturing industry. Numerous relocations of gun makers to states with gun-friendly laws and cultures are taking place.

***Twitter from San Francisco's Financial District to San Francisco's Mid-Market District, 2011** – Emboldened by payroll tax breaks initiated by tech-friendly Mayor Edwin Lee, fast-growing Twitter rejects a move to the Silicon Valley suburbs and announces a new headquarters for San Francisco's then-seedy Mid-Market District. Numerous other techs like Spotify, Dolby Labs, Yammer followed suit and today San Francisco commercial real estate is on a tear.

***Zappos from Henderson, NV, to downtown Las Vegas, NV, 2012** -- The online shoe retailer led by its charismatic CEO Tony Hsieh is single-handedly transforming downtown Las Vegas to a destination site for new tech start-ups from California and beyond.

***Panasonic from Secaucus, N.J., to Newark, N.J., 2012** – this head office decision was the result of New Jersey's innovative Urban Transit Tax Incentive, an incentive that we see being copied in other urban centers around the country to help attract corporate headquarters and encourage the use of mass transit.

***Aon from Chicago to London, England, 2012** – This move underscores the global scope of head office moves, especially within the highly regulated and tax-sensitive financial services sector. It is seen as a tipping point move handing over bragging rights to London over New York as the world center of the financial services industry.

***Hertz from Park Ridge, N.J., to Estero, Fla., 2013** – this consolidation of operations from northern New Jersey and Oklahoma is viewed by our firm as the first of many that will find Florida as common ground for reluctant transferees from different cities and cultures. The absence of a personal income tax in Florida, real estate bargains, strong in-migration and low property taxes will further this trend.

***Mercedes-Benz from Montvale, N.J., to Atlanta, GA, 2014** – This high profile move is generating huge cost savings to the German luxury carmaker. It is the poster child for those projects pitting high cost and high tax Northeast states like New Jersey, New York and Connecticut against lower cost Southeast states like Georgia and the Carolinas. Mercedes characterized the move as one that will improve its competitive cost position for the next 50 years. Georgia's \$23 million dollar incentive package was welcomed by Mercedes but had little to do with the move. Fewer than 300 of Mercedes' 1,100 workers in New Jersey were even asked to relocate. The company sought a fresh start and fresh bottom line in the Atlanta suburb of Sandy Springs and got it.

***Cadillac from Detroit to New York City's SoHo District, 2014** - Cadillac and its new president, Johan de Nysschen, are hoping that the headquarters move from struggling Detroit to trendy, hipster-haven SoHo will enable the brand and its management to see and be seen by younger trendsetters from around the world and help re-establish the marque nameplate as a must-have, high-end automobile. Can a change of scenery turn things around for Cadillac? That's what the storied General Motors luxury division hopes to achieve by this controversial move, a move all about "branding" and little else.

***ConAgra from Omaha to Chicago, 2015** – After spending a hundred years in the Heartland city where it was founded, ConAgra’s move to Chicago doubles down on a similar Small Market to Big City move recently carried out by another food processing giant, Archer-Daniels- Midland when it move from Decatur, IL, to Chicago. These two “How You Gonna Keep Them Down on the Farm?” headquarter moves are all about the recruiting challenges faced by companies in smaller market metros. Another driver here is the draw of robust global air service from a major gateway airport like O’Hare, something Omaha’s Eppley Field cannot begin to compete with.

***General Electric from Fairfield, Conn., to Boston, 2016** – Connecticut proved you could go to the taxing well just so many times without dire consequences. Ironically, one of the last states in the Northeast to implement a personal income tax in 1991, incessant tax hikes and budget shortfalls over the years have led to an exodus of businesses from Connecticut. The GE move to Boston’s seaport district from suburban Fairfield, Conn., also points to the growing draw of downtowns versus suburbs for the coveted millennial worker.

Author’s note:

I was delighted to be asked by Atlanta Business Chronicle to weigh in on the Amazon HQ2 search. Our firm has been very active in the Atlanta market over the years and we know the Chronicle and its parent company, American City Business Journals well. In fact, in 1982, my dad who founded our firm, and former American City Business Journals CEO – the late Ray Shaw - was invited by the Charlotte Chamber of Commerce to tour Charlotte as a location for new corporate offices. Ray Shaw, at the time, was president of Dow Jones, publisher of The Wall Street Journal and worked out of Princeton, N.J., where the Journal had a major office presence. ACBJ is now headquartered in Charlotte.

Our firm has followed the phenomenal growth of the ACBJ network and regards its coast-to-coast publications and annual Book of Lists as valuable research tools during our site selection investigations. On numerous occasions, our firm has been asked by Business Journal editors to weigh in on their local economies and national trends in corporate site selection and economic development.

About The Boyd Co.

Founded in Princeton, NJ, in 1975, Boyd is one of the nation’s oldest and most experienced corporate site selection firms. The firm provides third-party location counsel to leading U.S. and overseas companies in a range of manufacturing, service and logistics fields. Some Boyd clients include: Boeing, JP Morgan Chase, PepsiCo, Dell, HP, TD Canada Trust and Royal Caribbean. Amazon is not a Boyd client and the ensuing comments are made from the viewpoint of an independent, third-party observer of this most unique, high profile national site search.