

Nevada to join competition for Amazon's 2nd headquarters



Keith Earnest, executive vice president of VanTrust Real Estate LLC, left, and North Las Vegas Councilman Richard Cherchio speak during a tour given of the newest Amazon warehouse that is under construction at Northgate Distribution Center in North Las Vegas

By Wade Tyler Millward - Las Vegas Review-Journal - September 7, 2017

Nevada will enter the fray to persuade Amazon to open a second company headquarters locally. Amazon announced Thursday that it will scout for buildings at least 500,000 square feet in size and undeveloped sites that measure about 100 acres.

Representatives of the Governor's Office of Economic Development and the Las Vegas Global Economic Alliance said they will work together on a package for Amazon.

“We have a very solid relationship with Amazon,” said Steve Hill, executive director of the state agency.

“Our goal is to compete for projects on all levels,” LVGEA CEO Jonas Peterson said. “We believe our community has a great product to offer headquarters-related projects.”

Amazon began fulfilling orders out of its North Las Vegas industrial building in August. Tax incentives helped to recruit a local presence for the Seattle-based company.

The technology giant announced Thursday that it plans to hire as many as 50,000 full-time workers. It plans to invest \$5 billion in construction and operation of the new location, which it is calling Amazon HQ2.

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

Seeking proposals

Amazon is seeking proposals from local, state and provincial government leaders, and it says it is focusing on metropolitan areas with more than 1 million people. It is also looking for areas that can attract and retain technical workers and “a stable and business-friendly environment.”

News of the search has unleashed a wave of speculation about where the world’s largest online retailer could set up shop. But experts say the company’s decision is likely to be as much about politics as it is about logistics and incentives. Bezos has been a vocal opponent of President Donald Trump’s immigration bans, and this week he was among hundreds of tech leaders who urged Trump to reconsider his stance on the Deferred Action for Childhood Arrivals program.

“The fact that Amazon is even considering Canada and Mexico shows how important politics has become in the site-selection process,” said Joyn Boyd, a Princeton, New Jersey-based location consultant whose clients include Boeing, Chevron and JPMorgan Chase. “This is a high-profile search, and Amazon has an incredible amount of wherewithal to influence state and federal legislation.”

Top contender

Toronto, where it is easier to hire foreign workers than in the United States, could be a top contender for Amazon’s new headquarters, according to Boyd. Other areas he thinks are likely: New Jersey, South Florida, northern Virginia and Atlanta.

“This is the most coveted headquarters project in the country, and Amazon will use it as a way to grow even faster,” Boyd said. “New infrastructure investments, workforce training programs, tax incentives — all of those will help Amazon down the line.”

Among the criteria it will consider, Amazon says, are tax exemptions and other incentives, including relocation grants and fee reductions. “The initial cost and ongoing cost of doing business are critical decision drivers,” the company said in its request for proposals.

It added that the location does not need to be in an urban or downtown location, or a development-prepped site. However, the site should be within two miles of a major highway and have access to mass transit. Amazon said it will give priority to existing buildings that are at least 500,000 square feet and undeveloped sites that measure about 100 acres.

“We want to encourage states and communities to think creatively for viable real estate options, while not negatively affecting our preferred timeline,” the company said.