

Pittsburgh Post-Gazette®

Let the sifting begin: Amazon sorts through hundreds of HQ2 bids



Mark Belko
Pittsburgh Post-Gazette
Oct 23, 2017

Talk about sleepless in Seattle.

All nighters might await Amazon executives as the e-commerce giant faces the enormous task of evaluating 238 proposals, including one from Pittsburgh, for a proposed second headquarters.

Amazon was swamped with proposals from 43 of the 50 U.S. states, Washington, D.C., seven Canadian provinces, three Mexico states and hurricane-ravaged Puerto Rico — all tempted by the promise of up to 50,000 jobs and \$5 billion in investment.

“The team is excited to review each of them!” the online retailer tweeted.

But the company may have gotten more than it bargained for, according to one site selection expert. “I don’t think they expected anything like this. It’s incredible,” said John Boyd, principal of The Boyd Co., a Princeton, N.J.-based site selection consultant.

He sees plenty of public relations pitfalls ahead. The company has received massive amounts of free media as a result of asking for bids for its planned HQ2, but Mr. Boyd believes Amazon already knows the cities that it considers the most likely contenders.

The challenge will be in making sure all of the others that submitted thick proposals with slick videos and endorsements from civic, business, and political leaders get the attention they deserve. Company officials will have to deal with the offers “very gingerly” — and not just discard those that have no chance, he said.

Of the 238 proposals, Mr. Boyd estimated 10 to 15 deserve serious consideration.

“The real challenge is to deal with the bridesmaids, the 215 bridesmaids,” he said.

Amazon did not release any other information Monday beyond the number of proposals it received and a map that showed the 54 states, provinces, districts, and territories across North America from which they came. It did not identify bidders by name.

The online retailer has said a “special multidisciplinary team” will read and evaluate each of the proposals submitted.



Pittsburgh doesn't shy away from painful past in video pitch to Amazon

That could make for some long nights. Pittsburgh's bid was about 2 inches thick and included a video, as did many of the other bids. Mr. Boyd referred to them as “home movies.”

“Oh, my God, they reinvented the term, what a home movie is all about,” he joked.

Allegheny County Executive Rich Fitzgerald isn't concerned Pittsburgh will get lost in the shuffle. “We stack up extremely well against some of the other major cities in North America,” he said.

Not everyone joined the sweepstakes. U.S. states sitting out the competition are Hawaii, Montana, North Dakota, South Dakota, Wyoming, Arkansas and Vermont.

Amazon has said it hopes to make a decision next year. It has not been any more specific than that, but Mr. Boyd expects the e-commerce giant to make a decision by mid-summer.

“The genie is out of the bottle. They need to address this national phenomena they created. They will be under enormous pressure to make a decision,” he said.

While Oct. 19 was the deadline for joining the competition, it by no means marks its end. The company may send delegates to the cities it's most interested in. Mr. Boyd anticipates additional phases as part of Amazon's “negotiating strategy.”

While he believes the availability of tech talent will be the deciding factor, having phases could force cities to up the ante in terms of incentives. Amazon has said that incentives “will be significant factors.”

Mr. Boyd, who has done work for PNC Financial Services Group, views Boston, Chicago, Dallas, Philadelphia, Atlanta, Washington, D.C., and Newark, N.J. — which has offered \$7 billion in incentives — as top contenders.

Pittsburgh, he said, could be in the top 15 based on its strong universities and burgeoning tech presence. Drawbacks include its airport (there is no nonstop flight to Seattle, for instance) and in attracting the talent to fill 50,000 jobs.

At least one party is betting Western Pennsylvania has a hot hand.

Paddy Power, a bookmaker based in Ireland, rates the Steel City as a 14-1 shot — fifth best behind Toronto, Boston, Austin and Atlanta, the favorite at 2-1 odds.

Pittsburgh has better odds than cross-state rival Philadelphia, Dallas, Los Angeles and Washington, D.C., according to the bookmaker.

Just the fact that there's a betting line shows how the Amazon site selection process has turned into a sport with communities touting their teams and rooting for their chances.

"It's almost like who's going to win the Super Bowl," Mr. Fitzgerald said. "It's almost like a parlor game."

Pittsburgh, of course, has been part of the hunt from the first.