



50,000 jobs the prize as South Florida makes Top 20 for new Amazon HQ

Marcia Heroux Pounds and David Lyons – January 18, 2018

South Florida leaders were ecstatic to learn Thursday that the Miami region made Amazon’s Top 20 list for a second headquarters location.

The tough competition — cities including Atlanta, New York and Chicago — doesn’t faze them.

“We compete with Atlanta on a consistent basis,” said Bob Swindell, president and CEO of the Greater Fort Lauderdale Alliance, which leads Broward County’s economic development effort.

This time, the entire tricounty region is competing for Amazon’s second headquarters with one proposal, submitting eight undisclosed potential sites.

The South Florida bid, submitted in October, was the only one from Florida to make the Top 20, narrowed from 238 sites around the country and Canada.

What’s at stake? Fifty-thousand jobs, a \$5 billion investment by Amazon and all the indirect economic activity — tens of thousands of additional jobs and other investment — that would come with it.

“I’m beaming,” said Kelly Smallridge, president and CEO of Palm Beach County’s Business Development Board, which recruits new businesses to the county. “This is a true testament that South Florida is a very attractive and competitive business location.”

Swindell said Amazon’s selection of the region in its Top 20 is a “huge validation” as a prime site for headquarters and technology companies. The region already has many top headquarters companies including AutoNation, Citrix Systems, Ultimate Software, Office Depot, ADT security, Carnival Corp. and Ryder System.

Ken Krasnow, executive managing director of commercial real estate company Colliers International South Florida, said the region’s global brand continues to strengthen.

“There’s a palpable buzz about our region,” he said. “The hard part is to come. There are some challenges — notably the competitors out there — but it’s not surprising we made it to this point.”

While taxes and incentives may play a part in Amazon’s decision, Swindell said, “talent is going to be the biggest driver.” For headquarters jobs, “recruiting to South Florida is going to be pretty easy.”

Smallridge said South Florida offers a 3 million-person labor force, of which 53 percent are bilingual. She said South Florida also has 375,000 college students.



Where will Amazon put its second headquarters? These 20 cities are finalists for the massive project.

John Boyd, an independent site selector based in New Jersey, said South Florida’s international tie-ins are a strong positive for Amazon choosing the region for its second headquarters.

“I’ve always viewed South Florida as a strong candidate for Amazon HQ2 with one [asset] being the abundance of multilingual skill sets and Miami being the gateway to South and Central America,” he said.

Boyd said Amazon is looking to expand into Latin American regions, as well as into the pharmaceutical and health-care industry. That means Amazon also would be interested in South Florida’s research institutions, including Scripps Florida, Max Planck Florida Institute for Neuroscience and University of Miami’s Life Science and Technology Park.

He also noted that Amazon's founder and CEO, Jeff Bezos, went to high school in Miami, at Palmetto High, and "understands" the area.

Amazon's site visit will be part of the headquarters location search process and, Swindell said, "we've got some things to show off." As one example, he said the South Florida team will take Amazon officials to Florida International University, Nova Southeastern University and Florida Atlantic University to observe the computer technology, engineering and cyber-security programs underway.

Florida is a no-income tax state, while New York, Illinois, Georgia and other states in the running are not, economic development officials pointed out. Moreover, the new federal tax law could give an advantage to no-income tax states since state taxes are no longer deductible at the federal level.

Transportation also will be an issue for Amazon, Swindell said, and South Florida officials will be touting the Brightline high-speed train available for commuters.

Smallridge said South Florida's more than 2,000 daily direct flights could also help win over Amazon.

But there are many challenges ahead. Finalists include major metropolitan regions in the country: New York; Chicago; Atlanta; Los Angeles; Dallas and Austin, Texas; Boston; Philadelphia and Pittsburgh, Pa.; Indianapolis, Ind.; Denver, Colo.; Columbus, Ohio; Montgomery County, Md.; Newark, N.J.; northern Virginia; Nashville, Tenn.; Raleigh, N.C.; and Washington, D.C.

Toronto is the only city on the list outside the United States.



South Florida's actual site locations are not available because they are a confidential part of the proposal, according to economic development officials.

Swindell said other challenges could be the region's growing population — a plus for talent and a minus for crowding, transportation and infrastructure issues. "We think we're crowded, but when you look at our density compared to other cities on the list, we have space to grow. We have quality of life," he said.

Site selector Boyd said he doesn't think available land is a big issue. Palm Beach County has the advantage of larger land sites, he said, adding that those are scarce in Broward and that Miami-Dade would likely build up.

"The real estate portion is the final piece of the puzzle," he said.

Noah Breakstone, managing partner for Fort Lauderdale-based BTI Partners, which develops affordable residential projects, said that while the region has an affordable housing deficit, he thinks it can be solved. He also thinks the labor force required by Amazon is already here.

"What's beautiful about South Florida is that South Florida is now attracting people from all over the eastern part of the United States and the Northeast."

Winning Amazon's second headquarters also could take some big bucks.

Newark has publicly offered \$7 billion in tax credits to Amazon to snag the new headquarters, while other communities are being more reticent.

Boyd said two items in Newark's favor could be that both Bezos and his wife went to Princeton University and that Amazon's Audible subsidiary is located there. Besides South Florida and Newark, Boyd's other top pick is Washington, D.C., because of Amazon's Washington Post newspaper ownership and the lobbying potential.

Swindell said South Florida has worked with the state on a potential incentives package but couldn't give an amount for confidentiality reasons. Florida still has economic incentives, but not as many to choose from as in past years.

Good Jobs First, a national organization that promotes accountability in economic development, points out that Amazon has gotten more than a quarter-billion dollars in economic development subsidies in the past two years for its warehouses. The group argues that state and local governments should stop subsidizing the online giant's network that it "must build" to grow distribution.

Its executive director, Greg LeRoy, said he views Amazon's competition for the second headquarters as a "PR stunt."

“Incentives will be marginal to irrelevant. It’s all about the talent pool,” he said, noting that Amazon will need people in accounting, marketing, finance and other typical headquarters roles.

In a news release Thursday, Holly Sullivan, who manages Amazon public policy, thanked their more than 200 applicants, saying “all the proposals showed tremendous enthusiasm and creativity.”

“Through this process, we learned about many new communities across North America that we will consider as locations for future infrastructure investment and job creation,” she said.

Amazon evaluated each of the proposals based on criteria outlined in its request for proposals. In the coming months, Amazon said it will work with each of the candidate locations to dive deeper into their proposals and request additional information.

Seattle-based Amazon, which has more than 540,000 employees worldwide, expects to make a decision in 2018. The company’s rapid growth has pushed its share price as high as \$1,340 in the past year.

Smallridge said the three counties in South Florida are remaining in close contact about how to land the headquarters.

“We stand ready to support each other in this race. There are no territory battles,” she said. “I feel like a win for Fort Lauderdale or Miami of this magnitude is a win for Palm Beach County as well.”