

As Amazon backs away from NY, Tennessee leaders signal appetite for bigger Nashville hub

Jamie McGee | Nashville Tennessean | February 15, 2019

Amazon's Nashville operations center images released

Amazon officials were unequivocal: Amazon is not seeking to go beyond its initial commitment to Nashville of 5,000 high-paying jobs after pulling out of headquarter plans in New York.

State and city officials backed up the company's statement, saying those conversations had not happened — at least, not yet. But, if the company were to broach the topic, Tennessee and Nashville business leaders said they would be receptive.

"We would be very interested in that opportunity, should it present itself," Tennessee Economic and Community Development Commissioner Bob Rolfe said Thursday. "Is there a scenario where Amazon maybe goes back to the drawing board and looks at splitting up and redistributing these jobs? Gosh, we would hope Nashville and Tennessee would be a part of a potential opportunity."

What Amazon's shifting plans may mean for Nashville

Amazon canceled its plans for an massive, additional headquarters in New York Thursday after backlash from city leaders over the Queens business hub that was expected to yield 25,000 jobs. The reversal caused an uproar in New York, but also turned eyes to Virginia and Nashville, two other beneficiaries of the company's extensive search for additional office space in 2018.

"Many of these thousands of jobs are now up for grabs and that's good news for markets like Nashville," said New Jersey-based site selector John Boyd. "Amazon is saying that they are going to focus on the Virginia headquarters and the regional hubs. There is one way to interpret that if you are in Nashville and that is a positive indicator."

Since announcing a Nashville hub in November, Amazon has heaped praise on Nashville and its ability to draw talent. At a recent event at the Ryman Auditorium, Amazon executive and University of Tennessee graduate Dave Clark pointed to the city's attractive culture and the appeal of the Nashville Yards site, where it plans to build two towers.



Amazon executive Dave Clark, left, answers questions about the company at Amazon: Live at the Ryman event on Feb. 6.

"We are really excited to continue growing in Tennessee," Clark said. "Last year when we started looking around at places to open this Operations Center of Excellence, we looked at Nashville. The quality of the city, the culture of the city and the people that live in this area, it really just clicked."

In its statement released Thursday, Amazon said it did not plan to reopen a search for a second headquarters to replace the New York designation.

"We will proceed as planned in Northern Virginia and Nashville, and we will continue to hire and grow across our 17 corporate offices and tech hubs in the U.S. and Canada," company officials said in the statement.

Amazon responded to Tennessean inquiries about Nashville's prospects for more jobs by emphasizing plans remained the same.

"This news from New York today doesn't mean anything new for Nashville," Amazon spokeswoman Jodi Seth said. "Our plan is Nashville has not changed and we have no plans to announce more jobs at this time"



A rendering of Amazon's eastern U.S. operations center in downtown Nashville

Virginia, Nashville quick to offer Amazon incentives

Boyd said unlike in New York City, both Virginia and Nashville leaders have welcomed Amazon's presence by quickly passing incentives for the company. Virginia has approved \$750 million in incentives for Amazon's other planned headquarters in Arlington, and Tennessee and Nashville have committed a combined \$102 million, with Metro Council in the process of voting on a \$15 million deal.

"One of the takeaways here is how cautious companies are of the tenor among elected officials and regional economic development officials," Boyd said. "Nashville is a superstar in that regard."



A rendering of two offices towers for Amazon's eastern U.S. operations center in downtown Nashville.

Rolfe said that Amazon officials had notified Nashville Thursday about the New York decision. The company's relationship with state predates the Nashville hub, dubbed the Operations Center of Excellence, he said, pointing to thousands of Amazon jobs in Tennessee and \$5 billion invested by the company statewide.

Rolfe emphasized that while state officials helped negotiate for the Operations Center of Excellence, the city likely would be the first point of contact for the company on further job deliberations.

Nashville Mayor David Briley issued a statement Thursday, saying the New York deal reversal does not impact expectations for Nashville jobs. His spokesman Thomas Mulgrew said looking beyond the current plans was premature.



Gov. Bill Haslam, Amazon's Holly Sullivan, Nashville Mayor David Briley and Tennessee Economic Development Commissioner Bob Rolfe gather for a photograph after a news conference Nov. 13, 2018, in Nashville.

"It's way too early to even begin thinking about something like that," Mulgrew said. "We are just focused on the 5,000 jobs and the Operations Center of Excellence."

Nashville Area Chamber of Commerce CEO Ralph Schulz said he "wouldn't be surprised" if Amazon added more jobs in Nashville but also emphasized he is not aware of any discussions at this time.

"The economic development front in Nashville moves so quickly. Anything can happen," he said.

He described the current Amazon jobs plan as "pretty perfect," but indicated he would be open to more positions in Nashville.

"The chamber is always welcoming jobs," Schulz said.

Given the positive relationship between the company and the city, more jobs for Nashville would not come as a surprise, said Nashville Technology Council CEO Brian Moyer.

"They like what they see here," he said. "It's early, but I think they feel very good about what they are going to be able to do here."