

TRIANGLE BUSINESS JOURNAL

North Carolina officials: We know why we lost Amazon HQ2



Triangle Business Journal hosted a panel discussion Dec. 18, 2018, to analyze the state's failed recruitment efforts to land expansions from Amazon and Apple. (L, R): Economic Development Partnership of North Carolina CEO Chris Chung, New Jersey site selection expert John Boyd, TBJ editor Sougata Mukherjee, Greater Raleigh Chamber of Commerce President and CEO Adrienne Cole, and Greater Durham Chamber of Commerce CEO Geoff Durham.

By Lauren K. Ohnesorge – Senior Staff Writer, Triangle Business Journal - Dec 18, 2018

North Carolina's loss of Amazon HQ2 was about market size – not transit or politics, top economic developers told a crowd of business leaders Tuesday morning.

“We weren’t big enough,” said Adrienne Cole, president and CEO of the Greater Raleigh Chamber of Commerce. “Not only were we not big enough, two of the largest cities in the country weren’t big enough. They had to split it.”

Cole participated in a Triangle Business Journal panel discussion at Prestonwood Country Club along with Economic Development Partnership of North Carolina CEO Chris Chung, Greater Durham Chamber of Commerce CEO Geoff Durham and New Jersey site selection expert John Boyd. The candid talk covered what stakeholders could learn from losing high-profile expansions such as Amazon and Apple, which picked Austin, Texas, over the Triangle for a major operation.

Both Cole and Chung said they knew the odds going in with Amazon.

“I think all of us were very clear on it, that one of our limitations in the Raleigh-Durham market was just the size of the market,” Chung said. “That said, you do want to make the best effort.”

And Cole says officials did – an effort that started the day Amazon released its request for proposals more than a year ago.

“The morning that that RFP went on the web, I thought my building was burning down because my phone was going crazy,” she recalled. “We had to pursue it. And we came together as a region that morning ... If we’re going to pursue this in a real way, we have to do this together.”

It was the first time such a wide geography collaborated on a single project, she said. And, despite the odds, they thought they could win.

“I don’t think we waste our time meeting every single week, strategizing if we don’t think we have a chance to win,” Durham noted.

“We learned a lot about ourselves in the process,” Cole said, claiming Amazon was “blown away” by a workforce development and higher education panel the team put together to showcase the region’s talent assets.

“Amazon was really impressed with what was said,” she added, noting that the company continues to grow. “We are very much on their radar screen.”

Boyd said the relationships the region forged through the HQ2 process could put it ahead in future expansion discussions.

Boyd also said not to “read too much into” the Seattle giant’s decision. He predicts that, with the Amazon announcement out of the way, companies waiting in the wings will start finalizing their next expansion plans.

And the officials on stage said they’re ready to lure those firms across the finish line.

“Our hit ratio is pretty darn good,” Cole said.

While incentives play a factor, it’s lower on the list than talent, she noted.

Chung declined to outline what the state offered Apple before it turned to Texas (“Next question,” he said), but Boyd theorizes social politics – not just incentives and talent – may have played into the decision.

“Social policy plays a role in economic development today,” he said, referencing measures on HB2 and voter ID.

“Uncertainty is not great for economic development,” Cole said, not mentioning Apple or Amazon directly. “So companies don’t want to have surprises, and John’s right. The social policy area is an area of concern.”

In the meantime, Durham said economic developers aren’t just tasked with recruiting the next big job-creating fish, however. It’s also about “looking at some of the implications of growth,” which includes pushing transit issues. Projects like light rail can ensure that, “as our community grows, it grows to the benefit of everybody in the Triangle,” he said.