

Amazon one step closer to Kernersville; affiliate signs lease memorandum for Triad Park site

By Richard Craver Winston-Salem Journal – June 26, 2018



Possible Amazon project site plans were submitted May 9 to Kernersville town officials.

Amazon has taken another step toward opening a fulfillment center in Kernersville, with an affiliate signing a memorandum of lease agreement for potentially up to 40 years.

The agreement is with the Atlanta developer that bought three sites between June 8 and June 18. Neither Amazon nor Seefried Properties Inc. officials could not be reached for comment about the project. Amazon's proposed Triad plans surfaced May 30 and feature a 1 million-square-foot center that could employ up to 953 full-time and full-time equivalent workers.

The site is near the FedEx Ground operations on Old Greensboro Road in Kernersville. It's within 10 miles of the FedEx sorting hub at Piedmont Triad International Airport.

According to the Guilford County Register of Deeds office, HPC-Seefried NC I LLC has made three land purchases between June 8 and June 18. Seefried has developed similar fulfillment centers for the online retailing giant.

The lease agreement, signed June 15, is with Amazon.com DEDC LLC, based in Delaware.

The initial lease would run for 15 years, or 180 months. The agreement allows Amazon to extend the lease five times at five years each.

The memorandum also gives the Amazon affiliate the rights of first offer and first refusal to buy the property during the terms of the lease. The memorandum was signed by Jonathan Levy, a vice president for the Amazon affiliate.

Jeff Hatling, Kernersville's community development director, said Tuesday that the town "has not been notified of the tenant for the Kernersville fulfillment center."

John H. Boyd, a national site-selection expert based in New Jersey, said Monday that the Charlotte plans for a \$200 million fulfillment center "are definitely an in-addition-to project for Amazon" along with the Kernersville project.

Boyd has projected the Kernersville fulfillment center could represent a \$150 million capital investment.

"Amazon recognized, under its new growth strategy, that it is shy of distribution centers in North Carolina," Boyd said.

The biggest lot was purchased for \$10.41 million in the Triad Business Park subdivision. The seller was TDO Land Holding LLC, listed with Arthur Samet as its manager and an address of 309 Gallimore Dairy Road, Suite 102.

Adjacent lots were sold by Brian and Kris Dooley of Colfax for \$500,000, and by Andrea and Mark Harris II of Colfax for \$295,000.

"Triad Business Park does not require any board or commission action," Hatling said June 6. "The only active project we are working on is Project Triad (the development of the business park). We're currently reviewing construction plans."

Hatling said that process typically takes between 30 and 60 days "depending how fast everyone is reacting to review comments."

Amazon has not made a public request for local or state economic incentives, as it has for the Charlotte project that could have up to 1,500 employees.

The Charlotte airport plans to reimburse Amazon \$4.4 million to design and build a new realignment of Tuckaseegee Road and to move and extend Todd Road. The city also plans to reimburse the company \$9 million for other infrastructure work.

According to Glassdoor, a jobs listing and information website, the average salary for Amazon fulfillment center employees is \$13 an hour, about \$27,000 a year.

Several employment studies have shown that working at an Amazon fulfillment center is not for everyone. For example, Amazon makes it clear that the job can be taxing, particularly during the peak holiday shipping season of November and December. Workers can be required to work up to 12-hour shifts and walk 7 to 12 miles during a shift. Most employees must be able to lift up to 49 pounds.

Boyd said modern fulfillment centers “not only employ lower-skilled workers, like forklift operators, but also information-technology professionals doing inventory and other software-related functions.”

Altogether, Amazon has about 2,000 employees in North Carolina.