

What does Amazon's decision to ditch New York mean for Atlanta?

J. Scott Trubey and Greg Bluestein, The Atlanta Journal-Constitution – February 14, 2019

Could New York's loss be Atlanta's gain?

On Thursday, the hearts of economic developers in Atlanta and across the country likely skipped a beat with the stunning news that Amazon was abandoning plans to add 25,000 jobs in New York City. In the announcement, which hit the airwaves just before noon, Amazon said it didn't plan to re-ignite a competition between cities nationally for the high-paying tech jobs.

But the e-commerce giant said it would grow its 17 existing corporate offices and tech hubs — which could be good news for Georgia. Atlanta is one of those tech hubs and, as of last April, Amazon had more than 250 technology employees in the city, largely focused on cloud computing. They're part of a 4,000-employee Amazon workforce around the state.

"Man, every economic developer in America just cancelled lunch," said one Atlanta area corporate recruitment expert familiar with Georgia's pursuit of Amazon, who declined to be named because of the sensitivity of the matter.

Georgia offered billions in incentives and Atlanta made the short list for Amazon's massive second headquarters, but ultimately lost out to New York and Northern Virginia. So, could the city make another play?

Local economic development and political leaders in Georgia appeared reticent to comment.

Messages left for comment from the offices of Gov. Brian Kemp, Atlanta Mayor Keisha Lance Bottoms and the Metro Atlanta Chamber were not immediately returned.

At the state Capitol, a pall of silence hung over any discussion of whether Georgia was going to reignite a campaign to court Amazon. Leading state legislators and economic development lobbyists all declined comment.

"You're not going to get me to say anything good or bad about them," one lawmaker said.

The state Department of Economic Development said in a statement that it has worked with Amazon to grow in the state since the HQ2 hunt ended in November and “we look forward to assisting Amazon in evaluating Georgia’s strengths to support continued growth.”

Privately, state officials were squeamish about the prospect of revving up the Amazon machinery all over again. The quest to recruit Amazon helped shape last year’s legislative session, so much so that then-Gov. Nathan Deal pledged to call a special session to hash out incentives.

It didn’t come to that, but lawmakers and state officials frequently aired concerns that even introducing controversial legislation, let alone voting on it, could spurn the company. And it sparked debate over how much incentives the state should dole out to one of the most powerful companies in the world.

Economic development observers said they expect Georgia officials to at least make inquiries with Amazon, just to let the company know the Atlanta area remains interested.

“There’s a hotline probably being burned to Seattle right now,” said Bill Weghorst, executive vice president and Southeast managing director for real estate services firm PM Realty Group.



Georgia Governor Nathan Deal speaks during a press conference at the one-year-old Amazon Fulfillment Center in Jefferson, Friday, August 10, 2018. The Deal administration courted Amazon but the corporate giant chose Northern Virginia and New York for HQ

Documents outlining Georgia’s official bid for HQ2, released in response to open records requests shortly after Amazon rebuffed Atlanta, offered a glimpse of what the state was willing to offer to land the corporate campus. The state offered more than \$2 billion worth of publicly funded incentives, including an academy to train its employees and an exclusive lounge at the Atlanta airport.

Local opposition in New York to a potential incentive package of \$3 billion helped sink the deal for the planned corporate campus in Long

Island City, Queens. Local political leaders and newly elected U.S. Rep. Alexandria Ocasio-Cortez, a rising star on the left who represents the Long Island City area, were fiercely critical of granting such massive incentives to one of the world’s richest companies and cited the risk of gentrification.

Greg LeRoy of Good Jobs First, a left-leaning group that tracks public subsidies for corporations, called Thursday’s news “a huge victory for community organizing.”

“Amazon’s arrogance in staging a rare public auction that caused hundreds of politicians in three nations to embarrass themselves — and waste millions of taxpayer dollars on bids that never had a prayer — will go down in history as both a financial failure and as a negative turning point in the corporation’s reputation,” LeRoy said in a news release.

Amazon recently hinted it could re-evaluate its decision to pick New York, but the Thursday announcement still came as a surprise to many.

In September 2017, Amazon announced its need for an “HQ2,” a corporate campus with 50,000 jobs. Some 238 communities in North America submitted proposals. Atlanta was one of 20 communities who made the short list.

Three months ago, Amazon announced it would split HQ2 into two facilities and also a made a surprise 5,000-job expansion announcement in Nashville.

In a statement, Amazon said it “(does) not intend to re-open the HQ2 search at this time. 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.”

The Amazon decision firmly cements Seattle as the company’s primary headquarters and means Northern Virginia will be viewed as the true HQ2. More jobs than previously announced could flow to metro D.C. and to Nashville.

John Boyd, a site selection consultant in New Jersey, said he expects Amazon to continue to grow in the Greater New York City area, including potentially in Newark, which was also one of 20 communities for HQ2. That expansion will likely happen quietly to avoid negative reactions, he said.

“It’s a good day for Atlanta, it’s a good day for Nashville and obviously it’s a good day for Northern Virginia,” Boyd said. “It’s also a good day for all the 20 markets that made this final 20 list.”