

Austin American-Statesman

While other cities loudly woo Amazon's HQ2, Austin proceeding quietly

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The responses from cities across the U.S. to Amazon's plans for a second headquarters have been overwhelming. Municipalities have been loud and passionate in their pursuit of the \$5 billion facility Amazon said will create 50,000 jobs, with positions averaging more than \$100,000 in annual salary. Landing the project will be an economic boon, and cities are doing everything from sending video messages to Amazon CEO Jeff Bezos to offering to rename part of a city in Amazon's honor.

Then there's Austin, where the response from economic development leaders has been much more muted.

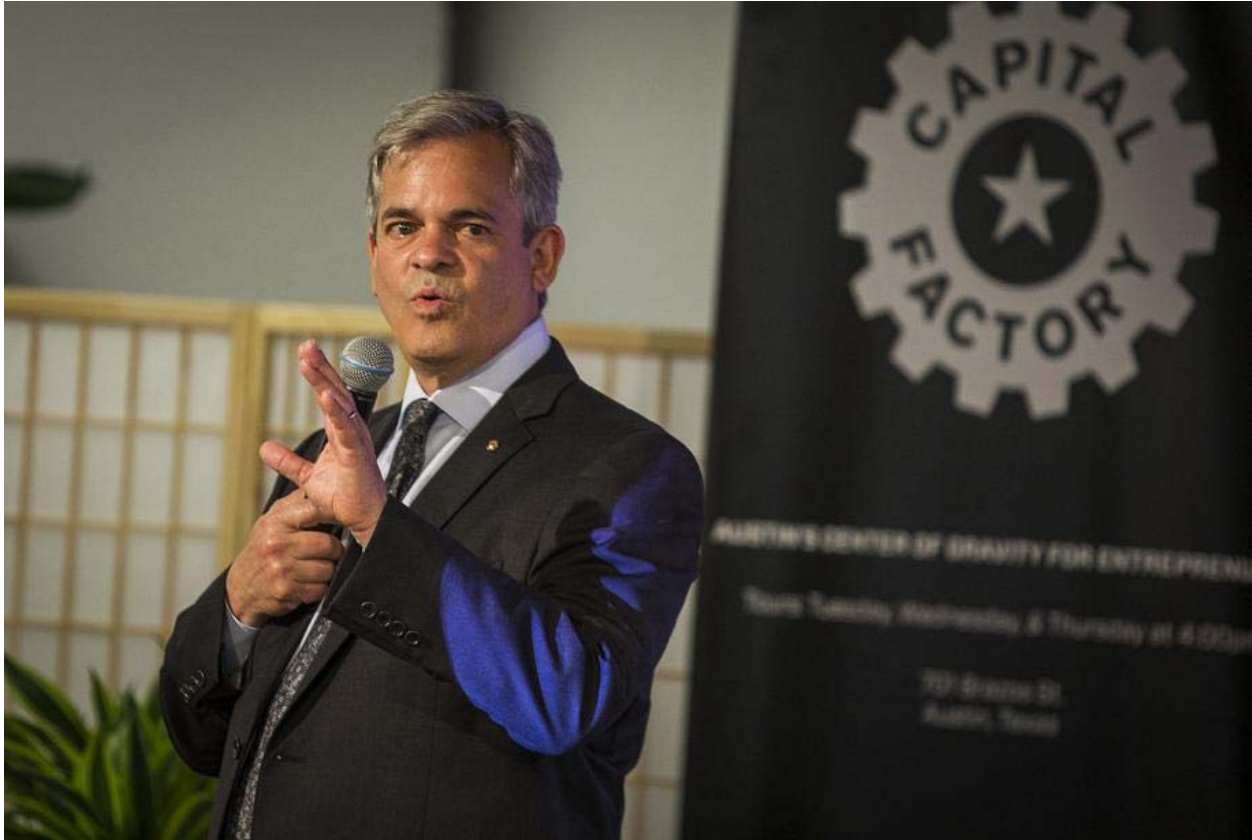
Even with the city being touted nationally as a top contender for HQ2 because of its hip culture, number of young professionals, tech talent and other factors, Austin officials have been — at least publicly — quieter in their pursuit than other cities. In some cases, they've even distanced themselves from the project.

It's a contrast from cities such as Chicago, where Mayor Rahm Emanuel and Illinois Gov. Bruce Rauner reportedly created a 600-person committee to try to attract Amazon.

Stonecrest City in Atlanta reportedly approved the de-annexation of 345 acres to potentially create a "city of Amazon," if the online retailer is interested.

In Texas, Frisco's city staff created a video pitch for Amazon that shows Mayor Jeff Cheney visiting various Frisco-involved public-private projects, such as the Dallas Cowboys' \$1.5 billion training center.

And the University of Texas at Dallas is offering Amazon 100 acres that the university owns near its campus, according to The Dallas Morning News.



Austin Mayor Steve Adler speaks at Capital Factory in Austin on June 29, 2017.

“We will aggressively demonstrate that Dallas and our surrounding area would be the perfect spot for (Amazon's) expansive business needs,” Dallas Mayor Mike Rawlings said in an interview shortly after Amazon announced plans for HQ2 on Sept. 7.

That same day, Alan Bernstein, spokesman for Houston mayor Sylvester Turner, told the Houston Chronicle that “the city is very interested” and “feels like it’s well positioned for a number of reasons.”

Also that day, San Antonio Mayor Ron Nirenberg issued a statement that “team San Antonio is ready to show that our city is in the most competitive position possible” when opportunities such as HQ2 arise.

But in Austin, the mayor’s office had little to say at first.

Mayor Steve Adler was not available for comment the day of the announcement, city staff members said. Adler spokesman Jason Stanford told the American-Statesman: “As much as we would like Amazon in town, we are not going to comment on whether or not we are trying to get them.”

Later that day, the Greater Austin Chamber of Commerce confirmed that it would compile and submit a bid for Austin. And Adler has since told the American-Statesman that HQ2 is a “pretty unique opportunity” that could result in “community benefits.” In the days since, though, area economic leaders have had little to say publicly about the Amazon project. There have been no announcements of partnerships to lure Amazon, or flashy video pitches.

“I’m not convinced that, ultimately, Amazon decides what’s the best match for them based on the kinds of things that some other cities are doing,” Adler said. “The ultimate decision to Amazon is where the best match is, and I don’t think that kind of decision lays out in a messaging to the rest of the world. The city of Austin will submit a proposal, and I think it will address the things that Amazon wants.”

Still, there’s little risk for Austin to be more vocal in its pursuit because doing so only enhances the city’s pitch, said John Boyd, head of The Boyd Co., a New Jersey-based corporate site selection consultancy.

"Austin has had the benefit of, despite having a less proactive mayor, having influential business people, media, tech people - they've been elevating Austin" in the HQ2 pitch, Boyd said. "One concern is that the mayor of Austin, because of all of the success you've had in economic development, is going on auto pilot. But you have to be a salesman every day because (luring companies) has never been more competitive."

Boyd also said it's possible that Austin's increasing wariness about giving financial incentives, which Amazon said will be an important factor in determining a location for HQ2, could be causing city leaders to be less vocal about the project.

Austin has been reviewing its incentive program and looking at possibly cutting it back to focus more on the city’s other attractive features when luring businesses.

David Colligan, the city’s head of global management and recruitment, said that Austin is working behind the scenes with other area cities to pitch Amazon a cohesive proposal for the entire region.

“Everyone is acting responsibly to bring the proposal forward as a region,” Colligan said. “We’re all collaborating through working through the chamber.”

Austin officials said the city would respond to Amazon’s proposal by the Oct. 19 deadline. A winning site is expected to be announced next year.

“Ultimately, (HQ2) will not be decided on a cute tweet or a pretty video clip,” Adler said. “These are very serious questions, and they are long-term in nature. What’s going to attract companies to Austin is who we are, our workforce, our culture and our natural beauty.”