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In the absence of facts about Amazon's HQ2 search, speculation rules



Construction and traffic around the Amazon headquarters in Seattle.

By Tim Logan Globe Staff August 15, 2018

There has been so little news of late about Amazon's search for a second headquarters that some observers have taken to seizing on the slightest whiff of a clue about where the e-commerce giant might decide to locate its coveted \$8 billion complex.

Take an advertisement the company posted last month seeking candidates for an economic development position in Washington, D.C. The notice sparked a round of news stories suggesting it meant the nation's capital — already considered

a front-runner for the so-called HQ2 — would indeed be chosen as the site of Amazon's massive expansion project. Never mind that Amazon already has an economic development team — including the executive in charge of the HQ2 search — based in Washington, and may just be adding to its staff.

Or the persistent rumor — most recently given life by a story this month in the New York Times — that the public release of a shorter short list of finalist cities for the project is imminent. It is not, an Amazon spokesman says.

Nearly a year after Amazon launched its search process to great fanfare — and hype — it's hard to blame people for resorting to speculation. Even those with some degree of involvement in the search process say there is little actual news to report about where the campus, and its promised 50,000 jobs, might be heading.

Since the start, Amazon has said it will make a decision in 2018, and it's still planning to do so, a spokesman said. But whether the list of finalists will be winnowed any further — or already has been internally — isn't clear.

"It has just been radio silence," said John Boyd, a New Jersey-based site selection consultant who has closely followed the search. "And it has been that way in all 20 markets that made the short list."

In Boston, economic development officials at City Hall and on Beacon Hill say they've heard little from Amazon about HQ2 in recent months. The company in March sent a team to tour regional sites — including the Suffolk Downs racetrack in East Boston — and to talk to business and education leaders, but hasn't said much since.

"We haven't heard a peep," said Colleen Arons, a spokeswoman for state economic secretary Jay Ash.

In a sense, the very public search that Amazon began last September has evolved into something closer to a typical corporate relocation process — an under-the-radar campaign, disguised with code words and bound by nondisclosure agreements. People familiar with such matters say Amazon's team is likely analyzing potential sites and reams of workforce and education data in the 20 markets they chose as finalists.

"They want to get it right, and I think there's an enormous amount of work being done," said Boyd. "It's just all happening behind the scenes."

Tom Stringer, head of site selection and incentives at the corporate consulting firm BDO, said Amazon has probably kept an internal short list all along, and launched the public search to generate publicity, gather data about new markets, and achieve other corporate goals. He suspects the Washington area — where Amazon named three separate locales as finalists — is the top choice, thanks to its strong workforce and access to lawmakers and regulators. He groups Boston, New York, and maybe Raleigh, N.C., in the next tier of contenders.

"There are only a few places that can really meet all their strategic aims, and they knew what those places were a year ago," said Stringer, who has worked with major defense contractors and pro sports teams on relocation deals. "At this point, any back and forth is 100 percent about incentives."

If that's the case, it's not clear where Massachusetts might stand. The state legislative session ended with little discussion of an incentive package to woo Amazon — be it tax credits or transportation funding. And existing programs that the state or city could offer without such a bill would likely pale in comparison to the multi-billion dollar deals being dangled by New Jersey, Maryland and Georgia.

From the start, Ash's office and the Walsh administration have focused Boston's pitch more on the region's workforce, universities, and tech economy rather than any subsidies for Amazon. That's smart, said April Anderson Lamoureaux, a former Massachusetts economic development official who now advises companies on moves.

"It's not always just financial concerns that drive these decisions," she said. "What I suspect, in this case, is that workforce is their number-one issue, and they're analyzing their target employees — where they live, what to pay, their commutes — in all these markets."

In the meantime, there's not a lot the people leading the Boston effort can do but wait. They're keeping lines of communication open with Amazon, a task made easier by the huge expansion the company is planning — separate from HQ2 — in the Seaport District. They're also available to answer any questions, though city economic development chief John Barros acknowledges there haven't been many.

"We remain very active in our relationship with Amazon, as they're an important employer in Boston," Barros said. "The HQ2 process? That's in more of a quiet phase."