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Site consultant: Charlotte should be considered for $5 billion Amazon HQ project

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Site selection expert John Boyd Jr. says Charlotte will definitely be considered for a second headquarters for Amazon although he didn't include the Queen City in his list of "strong front runners" for the proposed $5 billion project.

"Charlotte will be considered," says Boyd, principal at The Boyd Co. Inc. of Princeton, N.J. "I think it will be looked at surely. Any competent site selection company would consider Charlotte for a project like this."

ANTHONY BOLANTE | PSBJ

Amazon's Doppler Tower was the company's first downtown Seattle headquarters campus high-rise.

On Thursday, Amazon.com (NASDAQ: AMZN) announced that it wants to build a 50,000-employee "HQ2" along the East Coast that would give executives an option to base their staffs either in Seattle or the planned second headquarters. The Seattle headquarters includes 33 buildings with 8.1 million square feet of space, employing more than 40,000 people. About $3.7 billion in capital investment has been made in building Amazon's headquarters.

Boyd says one could argue Charlotte could be included in a preliminary list of leading contenders for HQ2. His list includes Boston, Atlanta, South Florida, Jersey City, N.J., and Toronto.

"They are the really strong front runners," Boyd says.

Mark Sweeney, senior principal at McCallum Sweeney in Greenville, S.C., agrees with Boyd, saying he believes Amazon CEO Jeff Bezos is looking for a larger metropolitan area for the company's next headquarters.

"They're looking for populations that are very large," Sweeney says. Sweeney notes that McCallum Sweeney hasn't been contacted to assist in the Amazon site search.

From a real estate perspective, there are plenty of opportunities in and around the Charlotte region to develop such a substantial project. Planned developments on the horizon are expected to contain a significant amount of office space — for instance, up to 8 million square feet is called for in River District in west Charlotte over a 30-year period.

"We certainly have the available land, and we certainly have local developers who have the capacity to handle it, so we should be in contention for it," said <u>Anne Vulcano</u>, senior vice president at CBRE's Charlotte office. "There are people who have consolidated a bunch of land that would be able to put (Amazon) in a logical location."

Vulcano continued, noting that if Amazon were to look at Charlotte, they could establish a campus nearly anywhere and be a market maker — even in less bustling submarkets north of uptown.

But being in close proximity to the Blue Line Extension would likely be a critical factor for a user like Amazon. The requests for proposals on Amazon's site indicate the company's core preferences are to be within 30 miles of a population center, 45 minutes of an international airport, no more than 2 miles from major highways and arterial roads, and direct access to mass transit.

"If you're looking at a developer that wants to build a 100,000-square-foot building, going north might be a little premature," Vulcano said. "If you're looking at someone who wants to build 1 million square feet, you're going to set the market."

The initial phase of Amazon's second headquarters calls for at least 500,000 square feet of space, with the potential for up to 8 million total beyond 2027.

Amazon already has a fairly significant presence in and around the Queen City. Just last month, the e-commerce giant announced it was developing an $85 million, 1 million-square-foot distribution center in Kannapolis that would employ 600 over the next five years. It has another 225,000-square-foot distribution center in Concord as well as a 500,000-square-foot center on Old Dowd Road in Charlotte.

Commercial real estate sources previously told the *Charlotte Business Journal* that Amazon had also recently signed a smaller deal at Wilkinson Commerce Center. Amazon also has air-cargo service at Charlotte Douglas International Airport.