



Amazon Says 238 Places Want to Host Its New Headquarters

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Amazon.com Inc.'s open competition for its second headquarters triggered an extraordinary response, with the tech giant saying 238 cities and regions had bid for the project it expects to cost \$5 billion over nearly 20 years.

The proposals, from 54 states, provinces, districts and territories, were announced on Monday. Only seven U.S. states don't have a location participating in the beauty contest. Amazon, based in Seattle, didn't name any of the bidders or say when it would come up with a short list of finalists.

Cities including New York, Boston, Atlanta, Nashville, Tenn., and Austin, Texas, have said they applied for the new corporate site. The more unexpected bidders included Puerto Rico, which was devastated by a hurricane last month, and several locations in Mexico and Canada.

The proposals were due last week, and Amazon has said it would make a decision on the new location next year.

Amazon has said it would consider factors such as the availability of software developers and other tech talent, good transportation options, cultural fit -- recreational opportunities are a metric -- and the ability to move into a phase-one site as early as 2019. Other items on its wish list: a metro area of more than one million people and tax incentives such as breaks, abatements, credits and rebates.

"Few companies have the swagger, the wherewithal to do a high profile site selection like this," said John Boyd, principal and site selection expert at The Boyd Co. Inc. "Clearly, this is a very special, special case."

The last time site selection has seen something remotely comparable to this process was in the late 1980s, when General Motor Co. had governors going on TV to market their states for a car manufacturing plant, Mr. Boyd added.

Massachusetts publicly released a proposal last week separate from Boston's, touting the state's strong higher education network -- 125 colleges and universities -- and Amazon's existing operations there, which include warehouses and an office where it focuses on robotics.

"These institutions produce the best educated workforce in the country and have helped make Massachusetts a world leader in technology, science, and health care," the state said. "We think they can make great things happen for Amazon, too."

New York City said that it was proposing four different locations: Midtown West, Long Island City, the Brooklyn Tech Triangle and lower Manhattan, all of which meet Amazon's prerequisites.

"We see this as a competition for 50,000 new job openings -- jobs we want New Yorkers to land," Mayor Bill de Blasio said in a statement last week. "We win it based on the talent of our workers and the incredible diversity of industries in this town."

Washington, D.C., in comments released last week, proposed four sites, touting last year's No. 1 ranking as restaurant city in Bon Appétit, as well as its 2014 "Coolest City" title from Forbes. Amazon founder and Chief Executive Jeff Bezos, who also owns the Washington Post, bought a home there last year for \$23 million

In recent weeks, cities tried to grab Amazon's attention with stunts including New York lighting up its iconic buildings in the company's signature orange; Gary, Ind., (which doesn't appear to meet Amazon's requirements) taking out an amusing ad in the New York Times; and southern Arizona, which attempted to send Mr. Bezos a 21-foot cactus. (Amazon turned down gifts and instead arranged for it to be donated.)

Some cities and states are proposing big incentives. Newark, N.J., last week said it would offer a potential package of \$7 billion over a decade. Amazon has an economic-development team dedicated to shopping for incentives for its expansion.

Still, it is unclear where Amazon might land.

"I don't think any one market fits everything. It's going to be a balancing act of the various attributes," said Dave Bragg, a managing director at Green Street Advisors, a Newport Beach, Calif., firm that conducts real-estate research.

Amazon has increased its workforce from a few thousand to more than 40,000 over the past decade. And it is still planning to add 2 million square feet and 6,000 people in Seattle the next 12 months.

While Amazon continues to grow in Seattle, experts say it would be difficult for the company to essentially double its footprint there. In addition, hiring thousands more software developers will almost certainly be cheaper and easier in a different city, they say.

Amazon has said that it will give its team leaders the choice of staying in Seattle, relocating or being based out of both locations. The company has said that the average pay for the new jobs will be about \$100,000, depending on where it locates.

The weeks leading up to the deadline included many applications, including some from potentially unlikely candidates. Puerto Rico sent in a proposal even as much of the island remains without electricity following devastation by Hurricane Maria. Some Native American reservations also applied.

Stonecrest, Ga., located near Atlanta, voted to de-annex 345 acres of land to use it to form the city of Amazon -- if it wins the bidding war. "There are several major U.S. cities that want Amazon, but none has the branding opportunity we are now offering this visionary company," said Mayor Jason Lary, according to the city's website.

Nearly a dozen Canadian cities have submitted bids, including a joint bid from Toronto and Waterloo as well as from Hamilton, Vancouver and the national capital of Ottawa.

While the Toronto-led bid didn't include any tax incentives, it appears to be Canada's best bet in landing the tech giant's second headquarters, highlighting the region's access to local talent, a strong immigration policy and how the country's health-care system could save Amazon another \$600 million a year.

According to a map published Monday by Amazon, bids came from three Mexican states: Chihuahua, which borders Texas and New Mexico, Hidalgo and Querétaro.

Four of the U.S. states that didn't bid -- North and South Dakota, Wyoming and Vermont -- don't have one million people. Two more that didn't bid, Montana and Hawaii, aren't far above that mark.

Arkansas, home to Amazon's biggest competitor, Wal-Mart Stores Inc., was also absent from bidding. Little Rock last week launched a new, economic-development campaign with an ad and a banner over Seattle that said, "Hey Amazon, it's us, not you."

"We decided that we would break up with them before they broke up with us," Little Rock Mayor Mark Stodola said in an interview last week.