



## **N.J. to toss its hat in the ring for Amazon's \$5 billion “HQ2” facility**

By Vince Calio, September 8, 2017

New Jersey reportedly plans to enter the sweepstakes to become the location for Amazon.com's massive "HQ2" facility.

Amazon recently issued a request for proposals to developers and state and local governments to be the potential landing spot for the facility, which will be "a full equal to our Seattle headquarters," Amazon CEO Jeff Bezos said in a public statement.

The new facility is expected to cost at least \$5 billion and create tens of thousands of jobs. The RFP, which can be found [here](#), is due Oct. 19.

A spokesperson for the state's Economic Development Authority, which would be one of the entities responsible for putting together a package of tax incentives to lure Amazon, said the agency is reviewing the RFP, but stopped short of saying whether the state will submit a proposal.

"We are excited about this opportunity and look forward to reviewing the RFP, which was just released," the spokesperson said in an e-mail.

A source familiar with the EDA said that one major obstacle that state may face is the fact that it has one of the highest personal income tax rates in the country. According to a recent study, New Jersey's personal income tax is the fourth highest in the country.

The source said that the EDA, through its GrowNJ program, will work with state officials put together a "massive bundle of tax incentives" to lure Amazon. He added that those incentives "could very well be the difference maker, given the competition we will probably have."

According to the RFP, Amazon is looking to locate its HQ2 in an urban or suburban location with a population of at least one million, and be close to communities where it can attract talent.

Chicago Mayor Rahm Emmanuel publicly stated that he has spoken to Bezos about the new headquarters, but would not say if the windy city would submit a proposal.

Boston and Columbus, Ohio, also are rumored to be among the cities that will submit proposals.

John Boyd, principal at Princeton-based corporate location consultant The Boyd Company, is very optimistic about the state's chances of landing Amazon's new facility.

"This is a trophy project, and it would be malfeasance if the NJ real estate community and the state did not submit a proposal," he said.

He pointed out that Jersey City, for example, would fit all of the criteria that Amazon is seeking in its RFP, and that it already employs nearly 2,000 people in Robbinsville. He also underscored the fact that Amazon would have recruiting opportunities from Princeton, Rutgers and other major universities, and have easy access to major urban centers such as New York City and Philadelphia.

"I expect Jersey City to be a strong contender," Boyd said. "If you look at the criteria that Amazon has said it is looking for — it wants to be in a major market with skill sets that's associated with innovation, Jersey City meets all of them. New Jersey also has compelling development activity and is transit-oriented. We're one of the few major areas that has the type of transportation infrastructure in place to meet the needs of its employees."

Boyd also dismissed the notion that taxes will be a major factor in Amazon's decision.

"This move will not be cost driven. Incentives will play a big role, but this move will be more about the ability to attract and recruit intellectual capital," he said.