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Amid reported Amazon HQ2 talks for Northern Va. site, Philly not counting itself out of the running

by Jacob Adelman, November 3, 2018



Astrid Riecken / For the Washington Post

Amazon has reportedly held advanced talks about opening its planned second headquarters in Northern Virginia's Crystal City business enclave, but Philadelphia officials aren't indicating that they've given up hope of claiming the massive, job-creating corporate complex for themselves.

The Amazon.com Inc. discussions have revolved around specific buildings in the Arlington County district and have included such details as when employees may move in and how an announcement of the site's selection might be made, the Washington Post reported Saturday, citing public- and private-sector officials it did not identify.

"There's a lot of activity," one unidentified person reportedly close to the process told the Post. People "seem really positive, and they seem pretty confident."

The area, part of metropolitan Washington, is, along with Philadelphia, among the 20 locations that remain under consideration by the Seattle company for its so-called HQ2 office development, where it has said it will employ as many as 50,000 people.

The company has said it would make its decision before the end of 2018.

Whether or not Crystal City is the final victor in the competition begun by Amazon last year when it issued an open invitation for cities to pitch themselves as headquarters hosts, the reported negotiations indicate that the company is entering a final phase of its selection process, garnering concrete proposals from public officials and evaluating specific real estate options.

John Grady, president of the Philadelphia Industrial Development Corp., which has teamed with Philadelphia's Commerce Department on the city's HQ2 bid, declined in an interview Saturday to speculate on what the reported talks meant for Philadelphia's hopes or to remark on any potential recent activity regarding the city's bid.

"We think Philadelphia has competed well and shown itself through this process," he said.

Commerce Department spokeswoman Lauren Cox said in an email that her office has "no new information to share about the status of the HQ2 process."

Jerry Sweeney, who is overseeing the development of one of the Philadelphia sites pitched to Amazon — the Schuylkill Yards project in University City — as chief executive of Brandywine Realty Trust, said the city will have benefited from its overtures to Amazon even if it is not selected.

"If we don't win we will congratulate Amazon on orchestrating a game-changing process, and also the winning city," Sweeney said in an email. "Just as importantly, we will use all we learned during this process to both pursue and capture another job-growth success story."

Leaders of other development companies associated with sites proposed as potential headquarters locations by the city — Wexford Science & Technology's uCity Square project in University City and Liberty Property Trust in South Philadelphia's Navy Yard — either declined to comment or did not respond to messages.

A message seeking comment from Amazon also yielded no response.

Mike Grella, Amazon's economic development director, reacting to the Post's story, posted on Twitter: "Memo to the genius leaking info about Crystal City, VA as #HQ2 selection. You're not doing Crystal City, VA any favors."

Amazon's plans call for spending more than \$5 billion on the new headquarters, which it has said could eventually encompass eight million square feet of offices, an amount of space equal to more than six Comcast Center towers.

The Washington area — Northern Virginia in particular — has topped many analysts' lists of likely choices, thanks to an existing regional presence of Amazon workers, as well as its easy transit options, available office space, and accessible airports. Amazon chief executive Jeff Bezos also has a home in Washington and owns the Post newspaper.

There is no indication that any company representatives have returned to Philadelphia since their initial forays to each of the finalist cities earlier this year.

The Post said in its report on Saturday that Crystal City area officials "have discussed how to make an announcement to the public this month, following the midterm elections" and that JBG Smith, the enclave's dominant real estate developer, has stopped marketing some of its buildings for lease so they'll be available for Amazon's use.

John Boyd, a Princeton-based corporate-location adviser whose company has helped Boeing Co., PepsiCo Inc., and others with site searches, said he was especially interested in what Bezos had meant last week when he said in an onstage interview that he planned to rely on his intuition alongside the quantitative data Amazon is compiling for his HQ2 site deliberations.

"You immerse yourself in that data, but then you make the decision with your heart," Bezos told journalist Walter Isaacson during the Thursday event in New York hosted by the education nonprofit FIRST.

The comment was "very significant and indicative of this idea of social impact," Boyd said, "and I think that's something for Philadelphia and Chicago and Newark, N.J., to feel good about."