



R.I. jumps 'in the game' as Amazon looks for second HQ site

By Kate Bramson - Journal Staff Writer - Sep 7, 2017

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PROVIDENCE — As the Seattle-based retail giant Amazon announced Thursday it's seeking proposals from potential hosts of a second North American headquarters, Rhode Island swiftly jumped into the competition — as did much larger locales, including Chicago, Dallas-Fort Worth, Pittsburgh and Minneapolis-Saint Paul.

“Rhode Island is in the game,” Rhode Island Commerce Corporation spokesman Matthew Sheaff said.

Led by Commerce Secretary Stefan Pryor, Commerce will take the lead in crafting the state’s proposal, Sheaff said.

Amazon said it expects this expansion to cost more than \$5 billion, employ as many as 50,000 new full-time employees at an average total compensation of \$100,000 and rival its Seattle headquarters in size.

The Seattle hub includes 33 buildings that total 8.1 million square feet of space, more than 40,000 employees and 24 restaurants and cafes, Amazon said.

While Amazon expects to announce its final selection in 2018, the publicly traded company outlined an aggressive timeline for potential hosts, who must respond by Oct. 19. The news comes a week after the company completed its \$13.7-billion takeover of Whole Foods Market.

Certain communities stand out as likely to land on Amazon’s short list, says site selector John Boyd Jr., principal of The Boyd Company in Princeton, New Jersey: Boston; Toronto, Canada; Jersey City, New Jersey; Atlanta, Georgia; South Florida; Pittsburgh, Pennsylvania.

Communities rise to the top for reasons as wide-ranging as gaining political support in Washington to giving Amazon CEO Jeff Bezos a platform to talk about immigration and the need to access international talent, Boyd said. That latter option puts Toronto on his anticipated short list.

South Florida rises for multiple reasons: New high-speed rail from Miami to Orlando; Central Florida’s rise as an epicenter of the nation’s drone activity as Amazon positions itself a leader in that market; and access to 27 members of the U.S. House of Representatives at a time when the possible antitrust implications of the Whole Foods acquisition mean “Jeff Bezos needs as many friends in D.C. as he can possibly get,” Boyd said.

Boyd’s site-selection firm isn’t working with Amazon.

As the industry is abuzz over Amazon’s search, Boyd said, “We’re not hearing anything about Providence,” which he said is “probably too small of a city to attract a project on this grand scale.”

Boston, however, “is clearly going to be looked at very closely,” in part because of Amazon’s significant New England presence.

“I think it would be a great win for Providence for this to go to Boston,” Boyd said. “The Rhode Island economy [would] benefit. Economists talk in multiplier effects. Executives find second homes. And as Rhode Island continues to become more business-friendly, you can consider back-office, suppliers and vendors relocating in Rhode Island.”

The Boston Globe identified a half-dozen locations that might accommodate Amazon's needs — including the 161-acre former horse track Suffolk Downs and Kendall Square, where Amazon could cobble together enough MIT development sites and employ hundreds of software engineers.

Such large Rhode Island sites don't readily come to mind.

Although the state is working to develop former Route 195 land in Providence, only 19 acres are available there for development — which state leaders have said might accommodate 2- to 3-million square feet of development.

Quonset Development Corporation spokesman David E. Preston didn't immediately answer questions about Amazon's search, but when asked how much available space remains in the North Kingstown business park, he said, "Not a lot."

Sheaff said it's too early to say what area the state might pitch to Amazon.

"But we feel that because of the governor's economic-development toolbox and some of our recent successes, we're in a good position to make a competitive application," he said.

After Boston triumphed with General Electric's headquarters move from Connecticut last year, a GE spokesman identified Rhode Island as having been a finalist. Not five months later, General Electric announced its GE Digital division would expand into Providence and hire 100 high-wage employees in a new information technology center.

Boyd praised the state's wisdom for continuing to meet with GE after the headquarters announcement — and recognition that sometimes "the bridesmaids end up being the winner months or years down the road."