

Amazon reportedly reconsidering its New York City HQ2 site – but not so fast, Raleigh



Amazon.com is reconsidering its plan to bring a new headquarters and 25,000 jobs to Long Island City in New York following local backlash.

By Gina Hall and Lauren Ohnesorge – Triangle Business Journal - Feb 8, 2019

Amazon.com is reportedly reconsidering its plan to bring a new headquarters and 25,000 jobs to New York City following local backlash.

But that doesn't mean Raleigh is back in the mix, says site development expert John Boyd.

Speaking in an interview shortly after the Washington Post reported that the e-commerce company was reassessing its New York expansion, Boyd says it's unlikely that Amazon will reconsider Raleigh for HQ2.

"They love that labor market," he says of the New York area. "They love those transportation assets. This just underscores the role that politics plays in site selection."

The Seattle-based company has not yet leased or bought office space in New York City, and Boyd theorizes it could easily look to New Jersey instead.

"They better be careful," he says of New York politicians. "Amazon can only put up with so much of this ... and right across the Hudson River, New Jersey is not shy with incentives. Newark, unlike Long Island City, would really welcome this."

In New York, the Washington Post reports major political push back.

"The question is whether it's worth it if the politicians in New York don't want the project, especially with how people in Virginia and Nashville have been so welcoming," one person familiar with the company's plans told the Washington Post.

New York officials, including freshman U.S. Rep. Alexandria Ocasio-Cortez (D-NY), have come out against the New York headquarters. Amazon's planned move has also attracted protests from activists, the Retail Wholesale and Department Store Union, and the Teamsters.

Boyd calls it "political posturing."

"You're seeing progressive lawmakers like Cortez make this an opportunity for their close up to become national super stars," he says. "

While there are no official plans to pull out of New York, Amazon executives may have to make a decision soon with a pending meeting with the state's Public Authorities Control Board and a third City Council hearing later this month. It is unknown how Amazon would move forward if its New York plans fail to work out.

Raleigh was one of 20 finalists for the project, and the only North Carolina metro to make the cut. Economic developers made an aggressive – albeit unsuccessful – push for the project, even cobbling together an incentives offer worth \$2 billion, public records show.

On Friday, Triangle Business Journal asked the N.C. Department of Commerce if it planned to reach back out to Amazon amid the rumors.

"We always welcome an opportunity to speak with any company about the advantages North Carolina offers as a business location," Commerce spokesman David Rhoades says in an email. "We offer a lot, from a skilled and talented workforce, rich education resources like our universities and community colleges, and things like our transportation and logistics advantages."

In the meantime, the firm has been expanding in New York outside of HQ2.

The company, led by Jeff Bezos, announced last month that it took over a warehouse facility in the Bronx. Amazon also owns a facility on Staten Island that is considered New York City's biggest warehouse on record — about 975,000 square feet.

In 2016, the company purchased a 161,400-square-foot distribution hub for food in Bethpage, Long Island.

In December 2014, Amazon (Nasdaq: AMZN) opened a 40,000-square-foot “Prime Now” hub at 7 W. 34th St. in Manhattan. A year later, it debuted another one in Brooklyn’s Sunset Park.

Meanwhile, in Manhattan, Amazon signed a 15-year lease at Brookfield Properties’ 5 Manhattan West — a total of 360,000 square feet.

If Amazon moves into Long Island City, the company would continue to grow its presence in New York with an additional 8 million square feet.