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Why Miami could still be a winner even if it loses the Amazon headquarters

By Douglas Hanks - January 19, 2018

Miami was always seen as an underdog for Amazon's headquarters, given its thin roster of heavy corporate hitters, lack of a tech-savvy workforce and low marks on certain urban perks, like a vibrant transit system.

So when Amazon announced on Thursday that Houston was out, that Charlotte, North Carolina, was out, that Phoenix was out, that Tampa was out, but that Miami *was in* — well, some corporate boosters in South Florida took that as a surprise win all by itself.

"You almost want to put out 'Amazon HQ2 approved' or something," said Bob Swindell, president of the Greater Fort Lauderdale Alliance, Broward County's economic-development agency, which submitted two undisclosed sites as part of the regional application to Amazon's search for an auxiliary headquarters. "In my mind, it's just huge. No matter what happens."

South Florida's chances to land the Amazon facility certainly look better now than they did before the Seattle-based company announced its 20 top picks out of more than 200 applicants.

Miami — the geographical name given the regional bid, which is heavy on Miami-area sites — is the only Florida location to make the cut. Company founder Jeff Bezos graduated from Palmetto High in the 1980s, so there's a sentimental connection. If Amazon wants to use its "HQ2" choice to send a message about diversity or new markets, Miami offers a chance to plant a flag in the financial capital of Latin America. Florida's lack of an income tax, weak labor-union protections, and "business-friendly" climate fostered by a Republican-dominated Legislature could be particularly appealing in the headquarters hunt.

And then there's the weather. On the day Amazon made its HQ2 announcement, the high in Boston — believed to be a leading contender on the list — barely topped 20 degrees.

But with 20 cities now competing for a single corporate headquarters, the odds remain stacked against Miami. Miami-Dade leaders also say they held back from offering Amazon the kind of lavish subsidies included in the application packets by other contenders, like a \$2.5 billion incentives package from Chicago, including \$100 million in free land and hundreds of millions of

dollars in local and state tax breaks. Newark also made the list of 20; it offered a \$7 billion incentive package.

Amazon Prime Now opened a new hub in Wynwood on Wednesday, June 28, 2017 aimed at serving South Florida's Hispanic audience.

Amazon, an avid consumer of government subsidies, is conducting what is likely the most competitive and public competition in history for a corporate headquarters. That has some already looking past the current pursuit to consider how Miami might benefit even if it emerges as an HQ2 also-ran after submitting eight potential sites, with five of them in Miami-Dade, two in Broward and one in Palm Beach.

One executive involved in the local bid said organizers considered it a long shot even to make the first cut — and that Miami officials were salivating at the publicity potential from that moment alone.

“Part of what we have to do is tell Miami's story as effectively as possible as a desirable place for business. Amazon just helped that,” said Michael Finney, president of the Beacon Council, Miami-Dade's economic-development agency. “The fact that they identified us as a Top 20 location for their next headquarters says that Miami should be a target for consideration as other businesses are considering expansion locations.

“So we will take that messaging and build that into our marketing narrative,” he said. “It's a very important thing.”

With 20 cities claiming the same bragging rights, Miami's inclusion may amount to a short-lived applause line for local politicians and business luncheon speakers. If another round of cuts emerges, Miami could be best known in the HQ2 narrative as an Amazon also-ran — especially if the company winds up announcing, say, a list of 15 finalists without the Magic City.



Amazon CEO Jeff Bezos

As making the first cut raises hopes, the high stakes of the Amazon decision could make a defeat hurt even more. The company expects to create as many as 50,000 jobs with its secondary headquarters — easily enough to make Amazon Miami-Dade's largest employer, well ahead of the school system's 33,000 workers. While the Miami area already has Amazon warehouses and delivery centers, those facilities are scattered throughout the country and offer mostly low-wage jobs. Amazon is pledging to bring a secondary headquarters where the average wage will top \$100,000, inside a complex that will be part of a \$5 billion investment by the company.

Alyce Robertson, executive director of Miami's Downtown Development Authority, said she took Amazon's Top 20 decision as a chance to retire some dated national stereotypes about the city's corporate scene.

"This shows we're not just a fun-in-the-sun city," she said. "We move from our 'vacation spot' designation and into 'international business capital.' "

The nature of Amazon's business — the world's leader in online retailing and a pioneer in dominating categories through technological advances — adds to the cachet Miami hopes to absorb from being considered for a headquarters. In the single page of the Amazon application that Miami-Dade has agreed to make public, Mayor Carlos Gimenez touts Miami as "a city of the future" and the "Tech Center of the Americas."

With Amazon unleashing a high-profile, well-covered race to win its favor, the scoring of the Top 20 offers Miami a chance to highlight its strengths as a business hub (while also enduring a national spotlight on what might make Amazon say No). John Boyd Jr., a New Jersey-based relocation consultant for businesses looking to expand or move, said he's seen South Florida as a serious contender for Amazon since the contest was announced last September.

He thinks Amazon will look favorably on what Miami's economic boosters generally consider its top assets: central role in Latin American finance and commerce, one of the nation's leading Spanish-speaking workforces, and a diverse, multinational population with a broad mix of cultures and immigrant communities.

"There's an abundance of multilingual skills," said Boyd, a partner in the Boyd Company in Princeton, New Jersey. "Miami is the gateway to South America, and one of Amazon's central priorities is to expand into Central and South America."

He also pointed to the importance of Brightline, a new for-profit railroad scheduled to link downtown Miami with Fort Lauderdale and points north in a way that Tri-Rail, which sits farther west, does not. Should Miami's new urban train get national attention from the Amazon hunt, it could help blunt story lines around Miami traffic and the county's decades-long failure to expand its Metrorail system.

For Frank Nero, the former head of Miami-Dade's Beacon Council, seeing Miami on the Amazon 20 list means validation of something more obscure: a regional effort on recruiting companies. Rather than branding the application with the blander "South Florida" label, Broward and Palm Beach conceded to tagging along with the Miami moniker. And Amazon said yes.



Amazon's Prime Now Miami hub in Wynwood, where employee Michael Sterling checks products in the freezer before the hub opened in June 2017.

“It underscores the strength of doing a tri-county proposal,” he said. “It shows it has merit.” As for Miami making the cut, Nero sees the moment as a milestone.

“Now you’re identified with the major players. I think it sends a message for future recruitments, to say: ‘Look, we’ve got something going on down here,’” said Nero, a partner in the Economic Solutions Group consulting firm in Miami Springs. “If they whittle it down to a Top 10 or a Top 5, and Miami is in that hunt, it’s even better.”