

## Could incentives eventually be in play for an Amazon distribution facility?

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*The 1-million-square-foot building would be on more than 94 acres. Site plans seem to indicate that Old Greensboro Road would be extended eastward to provide access to the fulfillment center, and it appears grading crews may already working to that end*

While Amazon has submitted plans for a 1 million-square-foot distribution center to the city of Kernersville, it has yet to make a request for incentives.

On Tuesday afternoon, Triad Business Journal broke the story that Seefried Construction and Development of Atlanta had submitted plans to the city of Kernersville to build a 1,016,041-square-foot warehouse at Triad Business Park with business park owner Samet Corp. serving as the general contractor.

Signage bearing the Amazon logo shown in the plans indicates that Seefried and Development of Atlanta did in fact submit the plans on behalf of Amazon, confirming several other strong indicators of a correlation.

Jeff Hatling, community development director for Kernersville, told Triad Business Journal he does not know the identity of the tenant and Kernersville has not received a request for incentives.

In fact, Kernersville does not have a policy of approving incentives for expanding or new businesses, according to Hatling and Kernersville Mayor Dawn Morgan.

Morgan said, though she is unaware of who the tenant may be, "the Kernersville Triad Business Park is an economic incentive."

The park is home to a FedEx Ground Hub, and the necessary water and sewer infrastructure is already in place, not just for an Amazon facility, but for any potential business looking to located in TBP, Morgan said.

As it appears that Amazon has indicated its intent to locate a distribution facility in the park, could incentives be a possibility in down the road?

It's tough to say.

Bob Leak, president of Winston-Salem Business Inc., noted that the business park is located in Guilford County, though it involved an extensive collaboration between the city of High Point, Forsyth County, Guilford County and the Town of Kernersville when it was developed. Incentives would most likely originate in Guilford County. He said he hasn't been approached about any sort of a regional approach to offering incentives, and said such an approach might be hard to justify for Forsyth County or Winston-Salem since it is outside their tax base.

So how have incentives been offered elsewhere? The Kannapolis City Council approved a \$562,275 incentives grant for an \$85 million, 1 million-square-foot Amazon distribution center that was announced in August last year.

The incentives were approved for the construction of the structure that will employ 600 people in Kannapolis. John Boyd, a New Jersey-based site consultant, estimated that the project in consideration in the Triad would likely employ between 500 and 1,000 people. The incentives offered in Kannapolis were not tied to jobs and the project did not receive a state Job Development Investment Grant.

But, in a similar process, plans for the Kannapolis distribution center were submitted by TPA of Atlanta in December 2016, almost a year before an official announcement, though the tenant was not known when plans were submitted, according to Charlotte Business Journal, a sister publication.

Boyd told Triad Business Journal though incentives might not dictate the location of the distribution facility, incentives could lead to a more "expeditious and successful" project.

Other Triad economic developers could not be immediately reached by Triad Business Journal to comment on whether a local or regional performance-based incentive package could be an option if requested by Amazon.

Amazon (NYSE:AMZN) has not returned requests for comment from TBJ.

Guilford County Commissioner Carlvena Foster told Triad Business Journal, though the county has not received a request for incentives, "we would welcome the opportunity to review an economic incentive request."

Foster noted, however, she is not sure what the benefit would be for the county if incentives were approved if Amazon has potentially already settled on the Triad Business Park.

"It would really depend on what the request was," Foster said. "We don't even have any idea what they would ask for. It's kind of puzzling right now without having all of the details. Generally people base moves on economic incentives. The purpose of incentives is to encourage them to come here. That's not what's happening."



**Luke Bollinger**

Reporter

*Triad Business Journal*