

## Triangle viewed as long shot for Amazon HQ2 by firm; Triad not on radar screen

By Richard Craver *Winston-Salem Journal* - Nov 7, 2017



People grab bananas from a free banana stand provided by Amazon in Seattle. Memo to the many places vying for Amazon's second headquarters: It ain't all food trucks and free bananas. A New York real estate firm has rated the Triangle as a long-shot possibility. The Triad is probably not even on the radar.

A New York real-estate firm ranks the Triangle as a long shot for landing Amazon's second North American headquarters, with the remaining three North Carolina sites, among them the Triad, not even on the radar screen.

The white paper analysis by Reis was released Friday. It has the Triangle ranked 23rd in its top-25 listing.

An early ranking by The New York Times listed Denver as the early favorite and the Triangle among the final nine candidates. A Bloomberg News' analysis lists the favorites as Atlanta, Boston, Dallas, Denver, Toronto and Washington.

The Seattle online giant is expected to make a decision in 2018. Most analysts and economists do not expect Amazon to choose a West Coast site for the coveted \$5 billion and 50,000-employee North American project. That scenario eliminates three potential prime contenders.

Amazon has said the average wage of the 50,000 employees at the second headquarters would approach \$100,000 a year. Amazon has indicated HQ2 initially would require 500,000 square feet of office space, but that is expected to expand to 8 million square feet divided among three buildings.

The Reis rankings put New York City first, followed by San Francisco, Washington, D.C., Seattle, San Jose, Calif., and suburban Virginia. All are technology hubs.

Site-selection experts and economists project the odds of the Triad winning HQ2 as very slim. The Triad has plenty of company — as in 237 competitors — in its quest, including Charlotte and Hickory in North Carolina.

### **Following the facts**

As Reis acknowledged other Amazon HQ2 site studies, it said its report differs in that the rankings "was purely data driven" on eight categories "and covers nearly every 'decision driver' mentioned in Amazon's request for proposal."

That's based primarily on the criteria which, among other things, call for a metropolitan area of at least 1 million residents, a stable business climate for growth, an international airport within 45 minutes of its campus and a highly educated local workforce.

Reis measured eight main categories: public transportation access; cost of doing business; cost of living; concentration of professional employment; concentration of technology employment; quality of life (cultural amenities); access to higher education; and business taxes.

"It objectively sums a set of values that measures every indicator by metro as a percentage better or worse than the U.S. average for that indicator," Reis said. "Most of these metros have a high percentage of its labor pool that takes public transportation to work, good cultural amenities and

access to higher learning. Those that rank low have limited public transportation and relatively high cost of doing business.”

Reis did not factor in incentives that analysts and economists say are likely to range in the tens of billions of dollars.

“The tax measure, however, may be mitigated if cities are willing to provide ample incentives to lure Amazon,” Reis analysts said.

Reis cautioned that the location decision could come down to criteria that isn’t data or technology driven, such as Amazon founder Jeff Bezos owning The Washington Post, or non-core business amenities such as being near the mountains or ocean.

John H. Boyd, a site-selection expert based in Princeton, N.J., said Monday his industry describes site selection “as both a science and an art.”

“The science is measuring the quantitative factors, such as business costs and taxes, and the qualitative is measuring skill sets and lifestyle. This Reis study does a good job of measuring both.”

Boyd has said since the Amazon project surfaced that the Triangle is probably the strongest N.C. contender for Amazon’s HQ2.

“I do think the greater New York City metro area and Washington, D.C. are leading contenders. This project will not be driven primarily by costs — so the strong labor markets, transportation factors and those markets being global magnets for talent distinguish them as front-runners.”