This month marked the one-year anniversary of the announcement by Amazon that the company would seek a location for a second headquarters somewhere in North America, bringing with it $5 billion in investment and 50,000 jobs. The announcement sparked an intense competition among communities hoping to land HQ2 and resulted in 238 proposals that earlier this year were narrowed down to 20 finalists. With Amazon now expected to announce a winner before the end of the year, it’s time to check in on where things stand with the search, who’s most likely to come out on top and whether we know any more about the criteria the company will use to make their final decision.

When Will the Announcement Be Made?

Anticipation was high earlier this month that an announcement might be imminent when Amazon founder and CEO Jeff Bezos and the company’s board of directors arrived in Washington, DC for a series of appearances in and around the Nation’s Capital, The Washington Post reported. The DC area is home to three of the 20 HQ finalists. But during an event at The Economic Club of Washington, Bezos offered few specifics other than to say the HQ2 sweepstakes would be decided by December 31.

“We will announce a decision before the end of this year,” Bezos said, according to Washington Business Journal. “We’ve made tremendous progress. The team is working their butts off on this and we will get there.”

But if you’re looking to try to further pinpoint a date when a decision might be announced, some say not to expect anything from Amazon until after the midterm elections.

“They’re engaged in a number of high-profile lobbying activities and efforts,” John Boyd of location consultancy The Boyd Group told The Dallas Business Journal recently. “So, eliminating (Los Angeles) and eliminating California’s 57 members of Congress today rather than two months from now would not be the wisest thing.”

It was back in May that NBC News reported that Amazon had finished its initial visits to each of the top 20 HQ2 contenders.

Who Has the Inside Track?

There has been little in recent months to contradict the conventional wisdom that HQ2 is most likely to land in the Washington, D.C. area. As noted above, no less than three locations in the area were shortlisted in January. The Nation’s Capital offers a perch from which to advocate and lobby on behalf of the internet giant’s varied interests. It’s also home to key Amazon media property The Washington Post and to a $23 million Kalorama mansion owned by Bezos.

Of the three DC finalists, Northern Virginia now appears to be the odds-on favorite with the District itself coming in second and Montgomery County, Maryland down the list a bit. According to
Amazon recently has been expanding its presence near the proposed Virginia HQ2 site near Dulles International Airport, including locating its rapidly expanding cloud service, Amazon Web Services, there. The company is also building a 600,000-square-foot data center nearby.

Amazon’s recent hiring practices have also come under scrutiny as HQ2 watchers try to read the tea leaves. An analysis of Amazon job posts by GeekWire found that Virginia had the most open Amazon positions of any of the finalist cities from May to July of this year.

What Criteria is Amazon Using?

The year-long selection process has presented plenty of opportunities for speculation on the factors that Amazon will ultimately use to make their final decision.

A recent report by a global site selection firm found that it would cost Amazon more to operate in finalist cities like New York, Boston, Newark, Los Angeles and D.C. than it would in cheaper places like Nashville.

The Dallas Morning News reported recently that the development of a 26,000-acre project north of Fort Worth called AllianceTexas some 30 years ago could demonstrate to Amazon that the Dallas area knows how to do projects on a similar scale.

Some have speculated that Amazon ultimately could decide not just to build a second headquarters but to expand operations in a number of places on a number of fronts. The HQ2 process has allowed the company to collect plenty of data on factors like the labor forces of the nation’s major urban centers, quality of life in those places and the willingness of communities to extend incentives to attract Amazon.

As I’ve noted before (see here and here), many of the places seeking HQ2 touted transportation assets as a selling point and many believe transportation will factor heavily into Amazon’s final decision. Back in June I spoke with Elizabeth Weise of USA Today for an article that looked at how the promise of HQ2 may have encouraged recent transit investments in Atlanta and D.C. and how places like Nashville and Indianapolis may have had their chances hurt by recent political developments that derailed transit initiatives.

But urban studies theorist Richard Florida also noted back in May in a piece for The Atlantic Citylab that Amazon may not be following its own selection criteria all that closely since some of the 20 finalists seem to fall short on access to mass transit and having an international airport.

“While Detroit was told it failed to make the grade due to lack of a mass-transit network, the same thing can be said of nearly half of the finalists (eight of 18 metros),” Florida wrote. “In Raleigh, Nashville, and Indianapolis, roughly 1 percent of commuters use mass transit; in Dallas and Columbus, less than 2 percent do; and in Atlanta, Miami, and Denver, less than 5 percent do. Of these cities, only Dallas, Atlanta, Miami, and Denver have any sort of urban-rail mass transit, and these systems are not extensive.”

Florida also noted that the “international airports” in HQ2 finalist cities Pittsburgh, Columbus, Nashville, Raleigh and Indianapolis “have few direct flights to global cities.”

Whatever criteria Amazon is using to make its decision, it appears we’ll know (relatively) soon how this unprecedented economic development opportunity plays out. We may have to wait a little longer to see the full impact of the lengthy HQ2 search for all the other parts of the country that have demonstrated a willingness to chase the jobs of the future and all that might entail—for better and for worse.
Further Reading

- “Amazon was back in Chicago last month, as its search for HQ2 narrows.” [20] Chicago Tribune, September 26, 2018.
- “1 year later, Columbus among finalists still waiting for Amazon HQ2 choice.” [22] Columbus Dispatch, September 2, 2018.
- “Landing Amazon HQ2 isn’t the right way for a city to create jobs. Here’s what works instead.” [27] Brookings, August 7, 2018.
- “Amazon HQ2 bid is already paying off for some cities.” [29] CNN, July 31, 2018.
- “Hook Local Startups, Not the HQ2 Whale.”[34] City Lab, July 6, 2018.
- “HQ2 Employees Might Unwittingly Pay Their Taxes to Amazon.” [37] City Lab, June 15, 2018.
- “What Did Cities Actually Offer Amazon?” [38] City Lab, May 29, 2018.

By:
Friday, September 28, 2018 at 04:37 PM
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