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AMAZON CANCELS PLANS FOR HQ2 IN NEW YORK. WHAT DOES IT MEAN FOR AUSTIN?

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By Sebastian Herrera

Online retailer Amazon said Thursday that it no longer plans to build part of its second headquarters in New York, opening up questions about what the decision means for cities like Austin, which had been among the finalists for the project known as HQ2.

Amazon's announcement comes three months after the company said it would split the \$5 billion development between New York's Long Island City and Arlington, Va., ending an international competition that lasted more than a year. In addition to HQ2, Amazon is also planning to open an operations center in Nashville.

Amazon has faced backlash in New York from residents, lawmakers and unions mainly due to the more than \$1.5 billion in financial incentives the city offered the company for the new campus. In total, Amazon was in line to receive more than \$2 billion from New York and Virginia.

In a written statement Thursday, Amazon said it does not intend to reopen the HQ2 search.

"We will proceed as planned in Northern Virginia and Nashville," the company said. "And we will continue to hire and grow across our 17 corporate offices and tech hubs in the U.S. and Canada."

The Greater Austin Chamber of Commerce, which led the Austin area's bid for the development, said that it has not received any communication from Amazon related to the project, but that it would be open to talking to the retailer again if approached.

"The chamber is always open to working with companies that want to consider doing business and creating jobs for families in Central Texas," chamber spokeswoman Danielle Trevino said.

Amazon announced plans for HQ2 in September 2017, saying that the project would create 50,000 high-paying jobs and be equivalent to its headquarters in Seattle. More than 230 cities throughout North America applied, in what became one of the most public and unusual economic development sagas ever.

In January of 2018, Amazon named Austin and Dallas among 20 finalists before picking New York and Virginia in November.

Although Amazon said it is not reopening the competition, that doesn't mean it won't look again for sites that could host a major expansion, said Angelos Angelou, an Austin-based economist.

"There's nothing to be gained by reopening the competition," Angelou said. "They already have over 200 applications from all over the country."

Almost as soon as the HQ2 hunt begun, Austin showed a largely dispassionate approach toward the project.

While many cities offered lavish incentives and promoted their locations through videos and gifts to the company, Austin mostly stayed mum.

It did not include any city-funded incentives in its bid package. Austin City Council Member Leslie Pool criticized Amazon's push for financial incentives and the company's "Hunger Games"-style search process. The Austin area is already a major hub for the retailer, with more than 5,500 workers here split among the company's corporate offices, a warehouse in San Marcos and at Whole Foods Market sites, which Amazon owns.

For months, Austin residents showed through polls and interviews that they had concerns about what HQ2 could potentially do to the city's traffic and affordability issues. Mayor Steve Adler, who did not respond to a request for comment Thursday, told Amazon in a letter after the company announced the competition that HQ2 would only work in Austin if Amazon also helped the city solve some of its problems.

Austin, which is already home to many technology companies and will be the site of a new \$1 billion Apple campus announced in December, didn't believe it needed Amazon's second headquarters to raise its status in the tech world, industry analysts said.

The approach was very different in Dallas, where Mayor Mike Rawlings spoke often about the city's desire to land HQ2, with the city envisioning Amazon transforming its downtown into a regional tech hub.

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Dallas offered Amazon about \$600 million in local incentives and included perks in its bid for company employees, such as 2,000 nights of free downtown hotel service, free one-year memberships to the Dallas Zoo and free microchip services for pets. In both the Dallas and Austin applications, the state also offered a still-undisclosed amount of financial incentives.

“They’d be in good company,” Dan Noble, president of architect firm HKS, which helped lead Dallas’ HQ2 bid, told The Dallas Morning News on Thursday about how the city would embrace Amazon.

Some Texas leaders said they’d still welcome a second crack at wooing Amazon to the state, if it turns out the company will reconsider some locations.

At the least, the company has the support of the business community, said [Justin Yancy](#), president of the [Texas Business Leadership Council](#).

“If there is an opportunity, Texas will be glad to be back at the table,” [Yancy](#) said. “While there is some negative backlash on incentive plans in Texas, I don’t think it’s the same as you’d see on the East Coast.”

American-Statesman business reporter Bob Sechler contributed to this report.