

Bidding war heats up for \$5bn second Amazon HQ

NEW YORK, US - It's the prize of a lifetime - a \$5 billion investment creating 50,000 well-paid jobs that everyone wants, but only one US city will get.



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From East to West, from North to South, metropolises across the United States are locked in a frenzied bidding war desperate to woo Amazon into favouring them as the site of the e-commerce giant's second headquarters.

From \$7 billion in tax breaks in Newark, New Jersey - 50 years ago aflame by deadly race riots - to a giant cactus shipped inter-state, bids range from the colossally ambitious to the silly before Thursday's deadline for submissions.

The e-commerce giant announced last month that it planned to invest more than \$5 billion in opening Amazon HQ2, a second company headquarters in North America that would create up to 50,000 jobs, and tens of thousands of spin-off jobs.

"We expect HQ2 to be a full equal to our Seattle headquarters," promised Amazon founder Jeff Bezos, America's second richest billionaire worth \$85.8 billion.

The Seattle-based company's unusual announcement unleashed nationwide competitive juices as some of America's most glittering cities - New York and Chicago vie with lesser-known backwaters looking to exit oblivion.

"Let any state go and try to beat that package," announced a typically bombastic New Jersey Governor Chris Christie on behalf of Newark's bid.

Christie, a Republican ally of US President Donald Trump, reached across the increasingly bitter US partisan divide to join forces with Democratic Senator Cory Booker and champion Newark's chances.

New Jersey dangled the prospect of \$5 billion in tax incentives over 10 years, \$1 billion in property tax abatement and wage tax waivers that would allow Amazon employees to keep around \$1 billion of their hard earned money over 20 years.

As part of New York's metropolitan area, Newark fulfills Amazon's preference for places with more than one million people, a business-friendly environment and urban or suburban locations able to attract and retain strong technical talent.



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But that wishlist hasn't stopped lesser contenders resorting to gimmicks in a bid to win attention and perhaps circumvent the stipulations from Amazon.

Atlanta suburb Stonecrest, Georgia has offered to surrender 345 acres to create a new city called - wait for it - Amazon. "They have an eternal brand if they create and live in Amazon," Mayor Jason Lary told Fox Business. "Their own zipcode."

Birmingham, Alabama erected giant replicas of Amazon's distinctive grey shipping boxes downtown, a business group in Tucson, Arizona, uprooted a 21-foot (6.5-metre) cactus and shipped it to Amazon's Seattle head office.

"Unfortunately, we can't accept gifts (even really cool ones)," tweeted the retailer in response, saying they had donated it to the Desert Museum.

Then there have been the letters. Basketball legend Michael Jordan reportedly wrote to Bezos recommending Charlotte, North Carolina.

So did the city of Gary, Indiana - part of the US Rust Belt where more than a third of the population is believed to live in poverty.

"I know locating (to Gary) may seem far-fetched," it said in an advertisement taken out in *The New York Times*. "But far-fetched is what we do in America. It was far-fetched for 13 scrawny American colonies to succeed against the might of the British Empire."

Gary didn't make the top-10 shortlist drawn up by Moody's Analytics, which put Austin, Texas in pole position, but included Atlanta, Philadelphia, burgeoning tech hub Pittsburgh, New York metropolitan area and Boston and Salt Lake City.

Chicago, America's third largest city, has also jumped into the fray but "to ensure the competitiveness" of the bid, made few details available.

A study commissioned by World Business Chicago claimed that in 17 years, HQ2 would generate \$341 billion in total spending, including \$71 billion in salaries.

But not everyone is over the moon at the prospect of Amazon, which has attracted criticism for offshore tax dodging, coming to town.

Writing to Bezos on Tuesday, leaders from more than 80 civic groups warned that Amazon must be ready to hire locally, pay its fair share of taxes, and make sure that the entire community benefits.

"We're expecting Amazon to pay your fair share if you end up being our neighbour," it said.

Source: AFP

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