

Greensboro-High Point area gets high marks in Amazon HQ2 competition from CNBC

*By Richard M. Barron
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GREENSBORO — While cities like Denver and New York have been grabbing headlines as possible homes for Amazon's HQ2, the Greensboro-High Point region may be more worthy of mention after all.

It sits among top contenders with "the best chance of winning the war for Amazon's second headquarters", according to the cable business news network CNBC.



This is one of Amazon's buildings in Seattle, the online retailer's home.

CNBC, using its ratings for "Americas Top States for Business" and U.S. Census figures, rated all three of North Carolina's top metro areas among the top contenders for Amazon's highly publicized second headquarters, for which the online giant has received proposals from nearly every city with more than a million people.

Amazon said it will spend \$5 billion and employ up to 50,000 people at its second full-scale headquarters outside its Seattle home. The company has said it wants a city with more than a million people — the Triad's cities collectively meet that standard — and a business-friendly environment. CNBC reports this week that it used its survey to stack up cities that might not be garnering publicity on their own. The Greensboro-High Point metro, which covers Guilford, Randolph and Rockingham counties, gets a B grade along with the Raleigh-Durham and Charlotte metros. It's not clear whether the network factored in Winston-Salem, but the city's population is key to pushing this metro's numbers into Amazon territory.

"B" is the highest grade on the list of cities CNBC evaluated. None scored an "A" rating.

North Carolina presumably made CNBC's list in part because of its willingness to offer incentives. While not mentioned in CNBC's report, the General Assembly voted this year to grant major tax breaks to any "transformative" company that spends more than \$4 billion and hires more than 5,000 people that qualify under the terms of the incentives.

Though it was written into the state budget for Foxconn, a prospective employer that ultimately chose Wisconsin for a new U.S. operation, the provision remains on the books for another qualifying project. Foxconn has promised to build a \$10 billion factory with up to 13,000 employees making flat screens.

Atlanta, always a darling of corporate recruiters, fared slightly less well with a B-, along with Washington, D.C., and Texas' three metros of Austin, Dallas and Houston.

Meanwhile, other reports have mentioned Chicago, the New York area and other major cities as leaders in the competition, which has drawn bids from nearly 238 proposals from "54 states, provinces, districts and territories in North America by the Oct. 19 deadline" CNBC reports.

Those big cities with high hopes, like Newark, N.J., and Chicago might as well pack it in, CNBC reckons.

Its report ranks both D+ on the list despite, for example, New Jersey Gov. Chris Christie's offer of \$7 billion in incentives for the headquarters, "even though the state faces more than \$60 billion in unfunded pension obligations."

Some regions that have applied apparently hope Amazon will set aside its population demand.

CNBC reports that Hickory, with 40,000 people, doesn't come close, but its surrounding metro including Lenoir and Morganton, with about 600,000, benefits from the same business-friendly environment that puts North Carolina near the top.

CNBC pegs North Carolina at No. 1 in Amazon HQ2 derby

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CNBC is bullish on the emerging tigers in the South when it comes to landing Amazon's \$5 billion second headquarters.

The business news channel rated North Carolina's Charlotte/Raleigh-Durham/Greensboro-High Point as having the best odds of landing HQ2's 50,000 proposed jobs. The TV news channel essentially grouped the state's largest metro areas as one region.

CNBC gave the region an overall B grade, the highest grade on the list, which ranked cities on Amazon's four main criteria for HQ2: a metro area with more than 1 million people; a stable, business friendly

environment, ability to attract and retain strong talent, and creative thinking when considering locations.

Atlanta received a B-, along with Austin, Seattle, Salt Lake City, Washington DC/Virginia and Nashville.

Seattle-based Amazon's (Nasdaq: AMZN) search has set off an economic development feeding frenzy drawing more than 230 bids from cities across North America. The company has begun site visits in Atlanta and other cities, and could have a shortlist of cities by Dec. 1. A decision will be made next year.

Similar rankings are all over the map. The Wall Street Journal has Atlanta trailing Dallas and Boston in the HQ2 derby. Atlanta is tied with Washington D.C. and Seattle at No. 3. Competitor New York Times famously picked Denver as the site for the 8-million-square-foot HQ2.

The North Carolina cities bidding for HQ2 benefit from a "state with one of the best workforces in the country and a heritage of innovation dating back to the Wright Brothers," CNBC noted. Counting against the state is a lack of mass transportation and a nagging lack of inclusiveness. North Carolina repealed the most controversial parts of its so-called bathroom bill, but it still lacks statewide protections against discrimination and expressly bars them at the local level.

Incentives, on the other hand make Texas attractive to Bezos, who grew up in Houston. "No state has a more developed infrastructure, and few offer more options for higher education," CNBC said of Texas.

A Moody's Analytics study in September listed Austin as the most likely winner of HQ2.

"But the sluggish energy economy has hit Texas' once pristine finances, hurting the state in the stability department," CNBC said. "And quality of life, including a lack of inclusiveness — not to mention a lack of health insurance — could be a problem."

Amazon has structured the HQ2 competition to elicit the maximum response — and the greatest possible range of incentive offers.

"They brilliantly crafted a document that everybody can read as they wish, to convince themselves that they should apply" Greg LeRoy, executive director of the non-partisan think tank Good Jobs First told CNBC. "You've got all these politicians out there who feel like they've got to be active on jobs."