

BUSINESS

Amazon to split second HQ between New York, Virginia while adding 50,000 jobs

Amazon says it will invest \$5 billion into creating the two new headquarters locations, creating more than 25,000 jobs in Long Island City.

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Amazon.com on Tuesday said it would locate 25,000 jobs in Long Island City, Queens, as part of a move to expand its operations on the East Coast. The jobs will pay an average salary of \$150,000, the company said.

The online retailer said it would also put a second East Coast headquarters in suburban Washington, D.C., with about the same number of jobs.

"We are excited to build new headquarters in New York City and Northern Virginia," said Jeff Bezos, founder and CEO of Amazon. "These two locations will allow us to attract world-class talent that will help us to continue inventing for customers for years to come. The team did a great job selecting these sites, and we look forward to becoming an even bigger part of these communities."



Amazon will split its second headquarters between Long Island City in New York and Crystal City in northern Virginia. (Credit: THE ASSOCIATED PRESS)

The company said it chose Long Island City, in part, because it has some of the best transit access in New York City, with eight subway lines, 13 bus lines, commuter rail, a bike-sharing service and ferries serving the area, as well as two major airports in proximity.

As part of the new headquarters, Amazon said New York will benefit from approximately \$2.5 billion in Amazon investment; 4 million square feet of energy-efficient office space with an opportunity to expand to 8 million square feet; and an estimated incremental tax revenue of more than \$10 billion over the next 20 years.

Amazon said it will receive performance-based direct incentives of \$1.525 billion based on the company creating 25,000 jobs in Long Island City. This includes a refundable tax credit through New York State's Excelsior Program of up to \$1.2 billion calculated as a percentage of the salaries Amazon expects to pay employees in the next 10 years, which equates to \$48,000 per job for 25,000 jobs with an average wage of more than \$150,000; and a cash grant from Empire State Development of \$325 million based on the square footage of buildings occupied in the next 10 years. Amazon will receive these incentives during the next decade based on the incremental jobs it creates each year and as it reaches building occupancy targets.

"New York can proudly say that we have attracted one of the largest, most competitive economic development investments in U.S. history," Gov. Andrew M. Cuomo said in a statement. "With an average salary of \$150,000 per year for the tens of thousands of new jobs Amazon is creating in Queens, economic opportunity and investment will flourish for the entire region."

Mayor Bill de Blasio added in a post on Twitter that New York is gaining "good paying jobs and Amazon is about to meet the most talented work force in the world in one of the most diverse places on the planet. Welcome to Queens."

But other elected officials are pushing back on the benefits package, arguing it's too friendly to the company and that it would displace middle-class New Yorkers.

"New Yorkers have real unmet needs from their government. Our subways are crumbling, our children lack school seats, and too many of our neighbors lack adequate health care. It is unfathomable that we would sign a \$3 billion check to Amazon in the face of these challenges," state Sen. Michael Gianaris and New York City councilmember Jimmy Van Bramer, said in a statement. "We are witness to a cynical game in which Amazon duped New York into offering unprecedented amounts of tax dollars to one of the wealthiest companies on Earth for a promise of jobs that would represent less than 3% of the jobs typically created in our city over a 10-year period."

The online retailer said last year it would choose a location for what it dubbed "HQ2." The company received 238 proposals before narrowing the list to 20 in January.

In addition, Amazon announced that it has selected Nashville for a new Center of Excellence for its Operations business, which is responsible for the company's customer fulfillment, transportation, supply chain, and other similar activities. The Operations Center of Excellence in Nashville will create more than 5,000 jobs.

Amazon has more than 610,000 employees worldwide, including more than 250,000 in North America.