

Amazon's HQ2: With the Winners Selected, What Have We Lost?

By David Kim, J.D. Candidate 2021 | November 27, 2018

"We no longer worship at the altar of character and kindness but of innovators and money." –
Scott Galloway, NYU Stern School of Business

The 14-month parade by Amazon in search of its new home for what is dubbed "HQ2" has finally come to an end, and it seems one city was simply not enough. Amongst 238 cities that submitted bids in the hopes of courting the online retail juggernaut, the D.C. suburb of Arlington, VA and New York City have been selected as grounds for a linked headquarters that will share upwards of [50,000 high-paying jobs](#) and \$5 billion in investment that the company is expected to create through its expansion.

Though the decision to split HQ2 across two locations came as a surprise to many, Amazon's choices themselves reinforce expert predictions as to the company's aspirations. Mere speculation of Amazon entering an industry [has led to wild fluctuations](#) in stock prices—a power that no other company in recent history has held. The ability to immediately bulldoze most competitors by its presence alone raises serious antitrust concerns that legislators seem ill-equipped to handle. Consequently, Amazon's long-term strategy of loss-leading to gain market share has created a perfect storm of dominance that shows no signs of stopping, short of regulation—hence the D.C. stomping grounds. As one of the first \$1 trillion market cap companies, Amazon seems well-poised to rally its army of lobbyists within the nation's capital, possibly dismantling the only force that stands in its way towards the next trillion.

More shocking, however, was the [unapologetic pandering by municipalities](#) in their attempts to woo the e-commerce giant with billions in tax breaks and various other incentives. Make no mistake—the campuses will likely prove to be a big win for the two cities. But there are real concerns about gentrification in the two metros; the cities already [rank among the top 10 cities with the worst income inequality](#). Meanwhile, crumbling infrastructure and a dearth of funding for public services plague many of the other cities that threw their hat in the ring. For example, Montgomery County, MD offered a package worth upwards of \$8.5 billion; Philadelphia, PA upwards of \$5.7 billion. It may have served these municipalities well to take a step back from the trees to see the forest. No matter how luscious and green, the forest's roots ultimately hinged on



one question: *Where does Jeff Bezos want to spend a significant portion of his time?* As the most valuable man alive, no other human better embodies the proverb “*time is money.*”

With this in mind, it could be argued that the magnetic quality of mega-cities shortlisted the possible locations before the free-for-all even began. So, what came about from 14 months of incessant analyst chatter? New York Governor Andrew Cuomo [offering to change his name to “Amazon” Cuomo](#) in a half-cry of desperation, billions in tax incentives for a company that likely would have chosen the same cities regardless, and smaller municipalities groveling for a chance to bring appealing new jobs to their cities, only to be shown the door.

Welcome to the altar. Shoes off, please.