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## BUSINESS

# The ‘Prosperity Bomb’ of an Amazonian Invasion

A lesson from Seattle for New York and Virginia: Amazon’s arrival could be transformative but will bring its own headaches

By Jay Greene

Nov. 15, 2018 7:00 a.m. ET

SEATTLE—It’s hard to miss the Amazonians downtown here.

“They want cheap, and they travel in packs,” said Seattle celebrity chef Tom Douglas of the young techies who fill the 10-seat tables at his Brave Horse Tavern for lunch. Then they come back for happy hour.

They wear color-coded ID badges signaling how long they’ve worked for Amazon.com Inc. [AMZN -1.97% ▼](#) Many take their dogs for midday walks; Amazon lets thousands of canines accompany their owners to the office—so many it had to install pee-proof shrubbery around its campus.

If Seattle is a guide for the just-announced future hosts of the online giant’s second headquarters, Amazon’s arrival will be transformative. Restaurants and new infrastructure are likely to follow—what some Seattleites call the Amazon prosperity bomb—but the invasion of workers will also bring headaches like traffic jams and a jump in housing prices.



Customers browse an Amazon Go store in downtown Seattle, near the company’s sprawling headquarters. PHOTO: LINDSEY WASSON/REUTERS

The company announced Tuesday that it will divide its second headquarters evenly between New York’s Long Island City and Northern Virginia, with some 25,000 employees in each location. In a more than a yearlong public contest, metro areas across the U.S. had offered the company lucrative financial incentives, lured by the prospect of investment, high-wage workers and a surge of businesses to support them.

In Seattle, Amazon rewrote the book on how a big company makes its home in an urban area, putting thousands of employees in the downtown core rather than a suburban campus.

As Amazon’s workforce in the city center has increased more than ninefold over the past decade, to 45,000, the number of restaurants and other food-service businesses in the city has jumped 27%, according to data from the Washington State Department of Revenue.

Overall, Amazon's workforce accounted for roughly 8% of the 581,780 total jobs in Seattle in 2017, according to data from the Puget Sound Regional Council.

Lines of workers waiting for burgers, sandwiches and burritos still stream down city streets at lunchtime. Mr. Douglas says the Amazon workers who flood his downtown restaurants skew young and eschew lavish meals and expensive cocktails.



Amazon offers free bananas near its sprawling campus in downtown Seattle. PHOTO: PAUL GORDON/ZUMA PRESS

Amazon's campus, which spans over several city blocks, has its own banana

stands that hand out thousands of free bananas. Some workers have said there is a shortage of bananas at nearby grocery stores as a result.

Amazon's arrival is likely to strain any city's mass transit—which could mean much-needed upgrades. The company paid for a fourth streetcar to ease downtown congestion, as part of a deal with Seattle. But riders there have found that buses packed with Amazonians, who receive transit passes from the company, zip past stops during rush hour, unable to fit more passengers.



A Seattle streetcar is wrapped in an ad for Amazon. PHOTO: ELAINE THOMPSON/ASSOCIATED PRESS

That may not bode well for the New York headquarters site. Long Island City's rush-hour commutes are already nightmarish, with overcrowded subway cars and delays. Another 25,000

employees could further hobble the system, though New York has promised infrastructure upgrades.

The most striking change Amazon has brought to Seattle is a new skyline. Amazon moved into a ramshackle neighborhood north of downtown called South Lake Union, transforming it from a hodgepodge of parking lots, tire shops and small warehouses into a collection of modern office buildings, apartments and teeming restaurants.

"It was a pit," said Margaret O'Mara, a history professor at the University of Washington and author of "The Code: Silicon Valley and the Remaking of America," due out next year. "They are having an impact on the city that's positive and generative."

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At the same time, the rapid growth of Amazon's footprint downtown has created its own set of challenges, Ms. O'Mara said. Unlike Microsoft Corp. , which built its main campus in the suburb of Redmond, and Boeing Co. , whose factories are in nearby Everett and Renton, Amazon's offices are close to Seattle's sports venues, museums and auditoriums. About 15% of Amazon's Seattle workforce live within the same

ZIP Code as their office, and 20% walk to work, according to the company. While their presence has spurred the arrival of bike-share services in the city center, traffic barely budges at the end of most work days.



Amazon's offices are close to many Seattle downtown attractions, snarling traffic on many weekdays. PHOTO: ELAINE THOMPSON/ASSOCIATED PRESS

As Amazon has outgrown South Lake Union, it has expanded into office towers closer in the city center. The company now uses 10 million square feet of Seattle office space, spread out over more than 40 buildings.

Seattle's economic boom, fueled in part by Amazon's growth, has put home prices out of reach for many. Seattle led the nation in home-price increases for nearly two years—prices grew 12.8% in the year ending in June—until Las Vegas passed it this summer, according to the monthly S&P CoreLogic Case-Shiller National Home Price Index.

Amazon's growing footprint is making it a local political target. It's not uncommon to see protesters outside Amazon buildings, raising concerns about everything from the company's sale of facial-recognition software to law-enforcement agencies to cargo pilots contracted by the company seeking better pay.

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Ultimately, as the so-called HQ2 contest showed, having Amazon come to town is a challenge cities were more than willing to take on. New York Mayor Bill de Blasio has said it would be "the single biggest economic development deal in the history of New York City."

Despite all the challenges that Amazon's rise has created in Seattle, many politicians there are eager to keep it happy.

In May, the city passed an "Amazon tax," a per-employee levy on big companies to fund homeless services, only to repeal the measure a month later after pressure from Amazon and other

businesses.

City leaders don't hide their pride that Amazon calls Seattle home. So much so that Seattle Mayor Jenny Durkan said last week, when The Wall Street Journal reported that Amazon was splitting HQ2 in two, that was "good news."

“I’d call those branch offices,” Ms. Durkan told a local television news reporter.

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