

# Amazon's NYC exit:

LI biz leaders say nixed HQ2 plans a big loss, but not as bad as first feared

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When Amazon canceled plans for a second headquarters in Queens a year ago Friday, Long Island business leaders predicted the worst.

They feared the tech giant's Valentine's Day pullout in the face of fierce opposition from some elected officials and residents sent the message that New York was "closed for business."

Losing the \$2.5 billion Long Island City project, which was expected to produce \$27.5 billion in tax revenue over 25 years and bring up to 25,000 high-paying jobs to the region, would undermine efforts to attract and retain businesses, they said.

This week, economic development and business leaders said they still consider the loss a major missed opportunity, but the reality has not been as bad as they feared.

"The loss of this project made attracting businesses to the Empire State more difficult initially, but, in spite of those headwinds, we have redoubled our efforts to grow New York's tech economy and over the last year we've made great strides," Jack Sterne, a spokesman for Empire State Development, the state's primary business aid agency, said in a statement.

Thomas Stringer, a Bay Shore resident who helps large companies decide where to locate facilities as head of site selection services at BDO USA in Manhattan, said "there's no question this . . . [was] a loss for New York and a loss for Long Island in particular." Given the Island's economic ties to the city, the project "really would've benefited Long Island," he said.

Stringer didn't cite any businesses that left the region or decided not to locate here because of Amazon's move. Instead, it's an issue of "what could have been," he said.

In November 2018, Seattle-



A second Amazon headquarters in Long Island City would have added up to \$27.5 billion in expected city revenue over 25 years.

## THEN AND NOW

What LI officials said when Amazon pulled out on Feb. 14, 2019, and what they're saying now:

**Then:** "New York should be ashamed of itself. . . . You cannot counter what happened today with ads. . . . This will last for 20 years."

**Now:** "There's no question this . . . [was] a loss for New York and a loss for Long Island in particular."

— Thomas Stringer, head of site selection services at BDO USA in Manhattan

**Then:** "This retreat will have an enormous rippling effect, sending a strong signal to all Fortune 500 companies that New York State is closed for business."

**Now:** "It will always be a case of 'what coulda been, what mighta been' . . . Amazon's New York presence today is a fraction of what it could have been, and so the economic and job benefits are similarly incremental."

— Kyle Strober, executive director of the Association for a Better Long Island, a developer lobbying group

**Then:** "What this project would have brought to Nassau County is extraordinary. . . . This is a big 'no' to businesses. It's going to be a challenge going forward."

**Now:** "While it certainly wasn't helpful to us and what we're trying to do in terms of attracting new businesses, I think it wasn't as disastrous as it could have been."

— Richard Kessel, executive director of the Nassau County Industrial Development Agency

**Then:** "We believe our region was tarnished because Long Island City has 'Long Island' in its name. . . . There is a negative perception that we don't support development, and that is not true."

**Now:** "While chasing away Amazon was the most stupid action I have ever seen some of our elected officials take . . . our region is now reaping the benefits of other important projects," including construction of the new Belmont arena and Nassau and Ronkonkoma hubs, and the multibillion-dollar federal investment in Brookhaven National Lab's electron-ion collider.

— Kevin Law, president and chief executive of the Long Island Association business group

based Amazon announced it had cut a deal with Gov. Andrew M. Cuomo and Mayor Bill de Blasio to bring a second headquarters to the city but was quickly met with opposition from activists and some elected officials, including New York

State Sen. Michael Gianaris and U.S. Rep. Alexandria Ocasio-Cortez, who objected to the nearly \$3 billion in tax breaks the state was positioned to offer.

In recent months, two much smaller Amazon projects for the region have been in the



Protesters picket at City Hall in January 2019 against the HQ2 plan

news. In September, the company said it would move more than 1,500 employees from its consumer and advertising teams to leased offices on Manhattan's West Side. Amazon already has more than 3,500 employees in other New York offices. And last month, local officials said Amazon plans to open a third Long Island warehouse on the site of a former Waldbaum's in Carle Place.

Since abandoning the massive New York HQ2 project, Amazon has continued work on its twin HQ2 project in Crystal City, Virginia, where the company has created around 400 jobs out of an eventual 25,000, according to news reports. The project has been pointed out as a major driver of housing and rental price increases in and around the Washington, D.C., suburb.

For Long Island, "it will al-

# 1 year later



that would have given the tech giant nearly \$3 billion in tax breaks.

ways be a case of 'what coulda been, what mighta been,' said Kyle Strober, executive director of the Association for a Better Long Island, a developer lobbying group. "Amazon's New York presence today is a fraction of what it could have been, and so the economic and job benefits are similarly incremental."

Kevin Law, president and chief executive of the Long Island Association business

group, derided the actions of city officials who criticized the Amazon project, but pointed to local economic development projects that have softened the blow of Amazon's pullout.

"While chasing away Amazon was the most stupid action I have ever seen of our elected officials take . . . our region is now reaping the benefits of other important projects," Law said.

He cited projects such as the construction of the new Belmont arena and the Nassau and Ronkonkoma hubs, and the multibillion-dollar federal investment for Brookhaven National Lab's electron-ion collider.

"There's no question that Amazon's decision to withdraw was a punch in the gut to New York and the region," said Richard Kessel, chairman of the Nassau County Industrial Development Agency. Kessel said the IDA was working on plans to award tax breaks for housing projects in western Nassau within an easy commute of Long Island City, though after the collapse of HQ2, those plans "fell off the drawing board."

Still, he said, since Amazon passed on the project, the IDA has tackled business retention and growth projects with renewed vigor. One of the major takeaways from the loss of Amazon is the importance of working with local community and elected officials, especially "when a large, potentially controversial project is coming to the county," Kessel said.

"New York is tough, and I think while it certainly wasn't helpful to us and what we're trying to do in terms of attracting new businesses, I think it wasn't as disastrous as it could have been," he said.

Citing productive talks the IDA has had with Amazon over the planned Carle Place distribution center, Kessel said "the welcome sign is up in Nassau County for Amazon or any other business that wants to do business here."

Law said that one year after Amazon's departure, it's difficult to "feel the loss of something that you never had."

Record low unemployment rates in the region, a strong real estate market, growing 401ks and the overall healthy economy have helped to stave off any negative effects of Amazon's departure, he said. But given the cyclical nature of economic conditions, eventually, regret will set in, Law said.

"Those things sort of mask the impacts of the terrible decision of chasing Amazon away," he said. "But when the next economic cycle happens . . . then I think people are going to begin to miss what might have been."

# Quarantined on ship, then on U.S. bases

The Associated Press

TOKYO — Americans Cheryl and Paul Molesky are trading one coronavirus quarantine for another.

The couple from Syracuse are cutting short a 14-day quarantine on the Diamond Princess cruise ship in the port of Yokohama, near Tokyo, to be flown back to the United States. But they will have to spend another two-week quarantine period at a U.S. military facility to make sure they don't have the new virus that's been sweeping across Asia.

About 380 Americans are on the cruise ship. The Japanese defense ministry said around 300 of them are preparing to leave. Some Americans disembarked Sunday night and boarded buses to take them to Tokyo's Haneda Airport. The U.S. State Department has arranged for charter flights to fly the Americans back to the United States. Canada, Hong Kong and Italy said they were planning similar flights of passengers.

The U.S. Embassy in Tokyo said Washington was evacuating the Americans because the passengers and crew members on board the Diamond Princess were at a high risk of exposure to the virus.

The Americans will be flown to Travis Air Force Base in California, with some continuing to Lackland Air Force Base in Texas. After arriving in the United States, all of the passengers will need to go through another 14 days of quarantine — meaning they will have been under quarantine for a total of nearly four weeks. Other governments, including Canada and Hong Kong, also will require the passengers to undergo a second 14-day quarantine.

"We are glad to be going home," Cheryl Molesky told NHK TV in Japan. "It's just a little bit disappointing that we'll have to go through quarantine again, and we

will probably not be as comfortable as the Diamond Princess, possibly."

"The biggest challenge has been the uncertainty," she added.

Molesky also said she was getting concerned about the rising number of patients on the ship.

"It's a little bit scary with the numbers going up of the people being taken off the ship for the (virus), so I think its time to go. I think its time to cut our losses and take off," she said.

Japan on Sunday announced another 70 infections on the Diamond Princess, raising the ship's total number of cases to 355. Overall, Japan has 413 confirmed cases of the virus, including one death.

Dr. Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases at the National Institutes of Health, said Sunday on CBS' "Face the Nation" that 40 Americans have gotten infected, and those showing symptoms will not be able to get on the evacuation plane.

"If people on the plane start to develop symptoms, they'll be segregated within the plane," Fauci said, adding that the additional 14-day quarantine is because of the "degree of transmissibility on that cruise ship is essentially akin to being in a hot spot."

He added that an infected person who shows minimal symptoms could still pass the virus to someone else.

Asked how they felt about the additional 14-day quarantine in the United States, Cheryl Molesky sighed, and her husband said, "If we have to go through that, we will go through that."

Everyone will get a check-up before being allowed on the chartered flight.

LI native on what life is like now living in China A10