

Amazon's HQ2: Alaska's opportunity for economic diversification

By Curtis W. Thayer

Creating wealth unfortunately doesn't just happen; rather, it's a function of having a "can do" spirit, working hard, being smart and sometimes even a little luck comes into play.

We don't have to look very far, only to Seattle, to see the negative consequences of what happens when government places a local income tax on individuals. The reaction was swift and severe. Amazon's founder and chairman, Jeff Bezos, announced that his company — which from 2010 through 2016 provided \$38 billion to Seattle's economy — plans to open Amazon HQ2, a second company headquarters in North America. Amazon is now asking other cities and states across the nation to submit their proposals to home HQ2.

One city's mistake could be Alaska's gain.

Amazon's proposal for the initial investment for their new headquarters is \$5 billion. This would create more than 50,000 jobs averaging wages of more than \$100,000 a year in the first five to 10 years.

Amazon has stated that the criteria for selecting a location would be a metropolitan area with more than one million people, a stable and business-friendly environment (we need to work on this), urban or suburban locations with the potential to attract and retain strong technical talent.

Why Alaska? While no one city or metropolitan area has all the attributes that Amazon is seeking, Alaska offers a diverse workforce, a geographically strategic position in the world, quality schools, an international airport that is a cargo crossroad of the world and best of all, a place of majestic beauty, quality lifestyles and an abundance of outdoor activities that their "millennial workforce" demographic appreciates and values.

Landing Amazon HQ2 would be a prize for anyone. But for Alaska, it would be a home run that would play a huge role in diversifying our economy. The economic activity would shore up home prices, spur construction, generate new businesses to service Amazon and their employees, and substantially grow the property tax base of local governments.

Unfortunately, while many other states and municipalities across the country are scrambling to get in front of Amazon, Alaska's political hierarchy seems content to let this opportunity pass them by.

I'm sure the left will criticize my advocacy for wealth creation, screaming the need for more taxes. To them I say, "we can't tax ourselves into prosperity." Yes, taxes are a necessity to fund government; however, energizing the private sector and insuring its well-being, especially during a time of economic decline and uncertainty, is prudent. I realize that the politics of such are tricky. But that's not a reason to not try. Just like there's no reason not to try to lure Amazon to Alaska.

I think its time that we change the narrative from more taxes to focusing more on economic opportunities, resource development, growing our tourism market and the many other opportunities that are out there. This requires vision and hard work. Its time our elected officials start working with the private sector to grow the economy and create wealth. This will ensure that future generations have even better opportunities and benefits from this great state that we have experienced.

Can we get Amazon's HQ2 to Alaska? We'll never know if we don't try. If nothing else, it would be a good exercise in taking inventory and evaluating Alaska's business climate. It could also serve to pull us together as a state, to remind us of what we have and what we are capable of. Alaskans deserve vision from our elected officials. We need leaders who look to other areas to see what's worked and what hasn't worked. Amazon's announcement is proof that businesses want tax stability. We should heed that lesson for current and future businesses in Alaska, and we should strive for more.

Curtis W. Thayer is lifelong Alaskan and serves as president and CEO of the Alaska Chamber.

