

So our fair city is now one of the finalists for the next AMAZON headquarters. Is this a good thing or a bad thing??? Almost everyone says it's Santa Clause while a select few think this might be the GRINCH.

First, why this is a GREAT thing! To bring somewhere between 10,000 and 50,000 jobs to one city in a matter of a few years could easily be transformative for all the right reasons. Jobs, collateral support businesses, increased tax payments to the local governments that allow increased services and solutions to our infrastructure, increased skill sets to the overall population and, did I mention JOBS – A LOT OF THEM!

If I was a business analyst with AMAZON (let me exercise my M&A experience) Western Pennsylvania makes total sense. Our work ethic is second to none. All you have to do is look at all of the unbelievable successful people that have come from Western Pennsylvania. They're from everywhere here. Why? We have a tendency to know that success requires hard work, and sustainable hard work – i.e. we work hard – constantly and continuously. Some say it's because of our DNA. I say it became a part of our DNA because of our values, diversity and that fact that we really do care about everyone here. Just ask the little old lady trying to drive out onto the four lane highway I saw last night, and the 5 other cars that stopped – TO LET HER OUT! It's just who we are. Sure we have our share of knuckleheads here, but they're a much smaller percentage of this population than most places. I credit knowing and appreciating what work means, and growing up that way, does for you. Ask your G-MA T – and how she pulled no punches with anyone, including her kids and grandkids. Most of us grew up with one of those individuals of significant influence in this region.

I'd also look at the much lower cost of living here, which requires a lower cost of wages here. In the long run that's going to save you billions of dollars that you can put right back into your employees, facilities, and future. I've had offices in Pittsburgh, Palo Alto, Boston, Minneapolis and Austin Texas. All great cities and I've loved every one of them. But do you know what it cost to own a house in Palo Alto or Boston, or most of the others. Can you imagine having to spend \$1 million on a 1,800 square foot home in a modest neighborhood like most do in Palo Alto. This is not something that overlooks the ocean!!!

We also have an unbelievably high number of colleges and universities in our region – more than 40 by my count – led by a number of rather world class prestigious scientific universities – Carnegie Mellon leading the way. More than 40% of the students there are from other countries – attracted to Pittsburgh from around the world - it is that well renowned – as is the medical school at the University of Pittsburgh. Those schools automatically force the other schools around them to up their game – otherwise they could not compete. I'm a little biased towards Saint Vincent's, Duquesne University, and Saint Francis University – but those are for personal reasons – Go Bearcats!

Personally if I'm an advisor to Jeff Bezos, I'd suggest the eastern side of Beaver County. Much lower taxes than Allegheny County, quick access to the airport (pretty important for their business!) and easy access to everywhere!!! Planes, trains, trucks and even a river barge or two if you need it – although that probably would delay the quick AMAZON PRIME delivery I've gotten so used to and spoiled by – thank you Jeff!

On the other side of this GREAT thing are some challenges everyone needs to be at least cognizant. AMAZON is going to be a huge magnet. This isn't a magnet that hangs on your refrigerator, this is a magnet that will attract planets towards it – kind of like Neptune attracting asteroids and meteors. That magnet, especially because this is a really well run company, is going to attract the best and the brightest in dozens, no wait, hundreds of professions and did I mention this is THOUSANDS of jobs. That magnet will cause a significant exodus from a number of local companies of some of their best talent. So any of you companies out there who haven't stepped up your game on employee retention, you'll be the first to lose those high performing, highly valuable employees. You think competition is healthy? I DO!!! But this will force everyone here to compete for talent. In a market that is already at full employment – (in labor economics 4.1% unemployment IS FULL EMPLOYMENT) finding replacement personnel for all of those individuals is going to be a significant challenge.

You do have time, it will take more than a few years to build the new Amazon city (e.g. did you see the television interview of the proposal made by Curtis Kossman of Kossman Development- just visionary!!!). But once they land everyone here should take keen notice. If you think those tremors of a positive change from the Marcellus and Utica discovery and now the advent of the new SHELL Ethane Cracker had an impact. AMAZON will be TECTONIC!

I'm pulling for them to pick us – quiet little western Pennsylvania. You want a passionate place to build a company? A place rooted with a work ethic like no other, who treat each other with respect, but love to win, to be the best??? Just go over to Heinz Field when the Rooney boys bring out their employees. Those towels aren't flying because they're cold – it's a signal to the rest of the country – there's something special here!

NOTE: The Marcellus/Utica companies and supporting businesses have already added more than 10,000 new jobs to our region! Although the SHELL Ethane Cracker plant will employ less than 1,000 when it is complete, the collateral companies that will build up around it could add more than 5,000 jobs.

We at Human Capital Advisors wish you and your families

Merry Christmas and Happy New Year everyone!

Dave, Lynn, Angie, Mary, Jim, Lauren, Laura, Lorrie, Maureen, Grant, Kate and Jared,