

# CHATTANOOGA MSA LANDS TWO AMAZON CENTERS

Date: Dec 21, 2010; Section: Front Page; Page: 1

## Amazon.com deal finalized

### AMAZON SALES

North American sales for Amazon were up 46 percent in the first nine months of 2010 to nearly \$11.5 billion.

BY MIKE PARE  
STAFF WRITER

The world's biggest Internet retailer is ready to set up shop in Hamilton and Bradley counties.

With plans to hire several thousand people and inject at least \$64 million in annual payroll into the area, Amazon.com on Monday officially agreed to build two huge distribution centers in Southeast Tennessee.

Already, dirt is being moved

at the planned Chattanooga facility at Enterprise South industrial park, with building construction to start early next year.

"We're excited to be opening two new facilities in Tennessee to allow us to serve customers more quickly and efficiently," said Dave Clark, the Seattle-based company's vice president of North American operations.

The two 1 million-square-foot distribution centers, a \$139 mil-

lion investment, are slated to be up and running a year from now.

Amazon plans to create 1,400 full-time jobs and employ more than 2,000 people seasonally once the centers are fully ramped up in three years. Officials have said they'll likely have job fairs in mid-2011 to start hiring workers.

Gov. Phil Bredesen termed Amazon's announcement "a

See AMAZON, Page A6



STAFF PHOTO BY TRACY TRUMBULL

Heavy equipment moves earth and debris at Enterprise South on Monday.

Date: Dec 21, 2010; Section: Nation/World; Page: 6

## Amazon

● Continued from Page A1  
strong endorsement of Tennessee's business climate."

In the past couple of years, Southeast Tennessee has benefited from \$1 billion plant announcements by Volkswagen and Wacker Chemical — Wacker recently added an additional \$450 million to the plans for its plant — along with key investments by Alstom and VW suppliers.

While local transportation companies want to leverage Amazon's presence, Chattanooga Metropolitan Airport officials say they're looking at how it can benefit in terms of growing air cargo volume.

"We're working hard behind the scenes to try to figure that out," said airport spokeswoman Christina Siebold.

At Amazon's Phoenix distribution center, the company shipped about 250,000 packages on the most recent Cyber Monday in November.

Uncertain is whether Amazon customers from Tennessee will have to pay sales taxes on purchases, something they don't do now. Unlike conventional brick-and-mortar retailers, Amazon doesn't collect taxes on most of its sales in Tennessee and 44 other states.

Fred Kiga, director of policy for Amazon, has said the distribution centers here wouldn't be retailers, but rather shippers.

Sara Jo Houghland from the state Department of Revenue wouldn't talk about Amazon specifically, but said a retailer "with Tennessee nexus" is required to collect sales tax. If a retailer does not collect the tax on a taxable sale, the purchaser owes use tax equal to the amount of sales tax that was not collected, she said.

The purchaser has an obligation to report and pay the tax to the department, Houghland said.

Amazon has resisted collecting sales taxes in all but five of the states where it sells goods. That includes most of the 18 states where it operates

distribution centers like those planned in Southeast Tennessee.

Hamilton County Mayor Claude Ramsey, who will leave office in January to serve as deputy to Gov.-elect Bill Haslam and chief of staff, said many thought Amazon was a done deal for weeks.

But he lauded the Hamilton County Commission and Chattanooga City Council for their support in finalizing the investment. Both entities approved financial incentives for the project that will last over the next decade, while the state is expected to provide tax credits and training.

Chattanooga Mayor Ron Littlefield said Amazon's investment represents new jobs and investment by a world-class company that stretches across county lines.

"Amazon.com is helping us keep our local economy diverse while demonstrating our ability to work together as a region," he said.

Trevor Hamilton, vice president of economic development for the Chattanooga Area Chamber of Commerce,

touted the business group's job-growth program called Chattanooga Can Do.

"Seamless cooperation among our public and private partners drives our ability to win job creation projects," he said, also mentioning Volkswagen's willingness to give up a lease on the 80-acre Amazon site at Enterprise South.

Bradley County officials lauded the company's decision to build a planned facility at Lauderdale Memorial Highway and Interstate 75.

Ross Tarver, chairman of the Bradley/Cleveland Industrial Development Board, said the jobs created by Amazon "will be another major boost to the diversity of our local and regional economy."

Amazon is expanding its distribution facilities to help respond to growing sales of its increasing inventory of goods and services it sells online. From its start as an online book seller in 1995, Amazon has grown into the No. 1 Internet retailer.

Contact Mike Pare at [mpare@timesfreepress.com](mailto:mpare@timesfreepress.com) or 423-757-6318.