

Chicago made Amazon's short list. There's still plenty of competition.

Illinois, Chicago and Cook County teamed up to offer more than \$2 billion in incentives to Amazon, and offered 10 proposed sites.

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Amazon's list of 20 potential sites for HQ2, its second headquarters, didn't overlook any obvious contenders, including Chicago. A few dark horses made the cut too.

Who's the real competition for Chicago?

Chicago is one of "the big boys," along with Boston, New York City, Atlanta and Dallas, whose size and infrastructure make them contenders for just about any major corporate headquarters project, said Mark Sweeney, senior principal with Greenville, S.C.-based site selection and economic development consultancy McCallum Sweeney Consulting.

Chicago's population is comfortably above Amazon's stated preference for a metropolitan area with at least 1 million people, and it has an educated labor pool, access to prominent colleges and universities, a strong transportation network and access to a major international airport, and relatively affordable housing, site selection experts said.

Chicago doesn't have an obvious tech reputation, but wages in computer and mathematical occupations are lower here than in most other cities on Amazon's short list.

As for some other cities, Boston is tough to beat when it comes to prestigious universities, Atlanta and Dallas also have excellent access to international flights, and New York City is simply "too big to ignore," especially now that Amazon is expanding into other industries, said John H. Boyd, principal of The Boyd Co., a Princeton, N.J.-based corporate site selection consultancy.

The fact that three Washington, D.C.-area sites were included — the city itself as well as Northern Virginia and Montgomery County, Md. — suggests proximity to lawmakers and regulators is attractive.

Newark, N.J., meanwhile, could benefit from easy access to New York City, a major airport and willingness to offer big incentives — something Amazon's request for proposals suggested would be a significant factor, Sweeney added.

Even cities that haven't garnered much attention so far have selling points. Miami, for instance, has no personal income tax and is the "gateway to South and Central America," a region where Amazon hopes to grow, Boyd said.

Other cities seemed to have longer odds, including Chicago's fellow Midwestern candidates, Indianapolis and Columbus, Ohio, which don't have big reputations as tech hubs, experts said.

Chicago could be an "interesting hybrid" between cities too big to fulfill all of Amazon's wishes and underdogs too small to meet its needs, said Dennis McAndrew, founder and principal at Cleveland-based site selection consulting firm Silverlode Consulting.

"If Amazon wanted to walk that line, Chicago is a natural choice. ... Whereas some smaller cities are going to have to convince Amazon that its basic needs can be met, Chicago doesn't need to do that," he said.

Its biggest challenge is likely to be a reputation for fiscal woes, higher taxes and political dysfunction, McAndrew said.

Boyd agreed, but said he doesn't think those issues are deal-breakers.

"No city is perfect," Boyd said. A city "can marshal incentives to underwrite being in a high-cost state, and it's less of a cost-driven project than most. It's more about the labor market, brand of the city, air service and transportation infrastructure."

In an emailed statement, Mayor Rahm Emanuel noted the city's success in luring GE Healthcare, ConAgra, and McDonald's headquarters from the suburbs or out of state, and said the region would continue working "to make the case to Amazon that Chicago is the ideal location for HQ2."

"We are prepared to compete at the next level and the next level after that," he said.

Amazon shared little about how it narrowed the pool of 238 applicants beyond the fact that it used the criteria it laid out when announcing the search. The list of 20 contenders was unranked, and Amazon said it planned to work with each location in the coming months. Still, experts said it's unlikely Amazon thinks all 20 have an equal shot.

Keeping a longer list could help them "cover their tracks" and gives them a backup plan if problems crop up with an early front-runner, McAndrew said.

It's also good for Amazon's brand in every city on the list, said Boyd, even those he thinks have little chance of actually winning the project, like Los Angeles.

"The LA market is so large ... it would almost be malfeasance if it wasn't in the top 20," he said. "There's a PR benefit for Amazon in acknowledging them and saying they're seriously considering them."

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