



Next Score



STAY IN BOSTON'S MOST VIBRANT NEIGHBORHOOD

SEAPORT HOTEL & WORLD TRADE CENTER

BOOK NOW

How does Boston stack up in the Amazon sweepstakes? We dug into the numbers

E-MAIL

FACEBOOK

TWITTER

GOOGLE

LINKEDIN

38



TED S. WARREN/AP/GLOBE PHOTO ILLUSTRATION

By [Matt Rocheleau](#)

GLOBE STAFF SEPTEMBER 22, 2017

The big question on everyone's mind: How will Amazon choose?

In its hunt for a second home, the Seattle-based tech behemoth has [sketched out](#) a wish list of sorts to help cities handicap just how good their chances might be of winning the Amazon sweepstakes, and thus how best to sell themselves.

The eight-page [document](#) outlines Amazon's preferences (and a few must-haves) regarding the place where it will build a second headquarters for up to 50,000 people.

ADVERTISEMENT



Curious how Greater Boston stacks up, we dug into available data and regional rankings surrounding each of the major requirements outlined in the company's request for bids.

Get Talking Points in your inbox:

An afternoon recap of the day's most important business news, delivered weekdays.

Sign Up

Here's a by-the-numbers look at Boston's strengths and weaknesses in the areas Amazon has said are central to its decision making.

1. Market size



In Seattle, Amazon's growth defines a city

The Amazonians are mostly young, mostly male, and often wearing dress shirts and jeans. Sometimes, they carry bananas.

What Amazon says it wants: A metropolitan area with at least 1 million people.

The good: We have that, easily. [Greater Boston](#) is home to about 4.8 million residents, making it the 10th largest metropolitan area in the country. For context, just over 50 metro areas nationwide have a population above a million people.

2. Available space and costs

What Amazon says it wants: Up to 8 million square feet of space in an urban or suburban location where it can build its headquarters, with a budget of around \$5 billion. The company says it's flexible on both figures, and it will strongly consider offered incentives to help offset initial costs. Those incentives, along with the speed at which Amazon can build and grow its new campus are listed as critical decision drivers.

ADVERTISEMENT





The bad: As we all know, that amount of space is tough — but [not impossible](#) — to come by around here. And it isn't cheap to buy property or to build. Among major US cities, Boston ranks as the fourth-most-expensive place to build office space, at a per-square-foot cost of about \$306, on average.

The good: Even so, Boston has seen significant new construction growth in recent years. Just take a look at the number of cranes that dot the skyline. New construction of commercial and multifamily housing in Greater Boston topped \$7 billion in 2016, the [seventh-highest](#) total among the top 20 metropolitan areas nationwide.

3. Business climate

What Amazon says it wants: An economy that's stable and poised for growth and innovation, together with a climate and tax structure that's business friendly. And again, it will strongly consider incentives to help defray costs.

The good: There's no question that Boston has a strong economy. Greater Boston had the nation's [fourth-highest](#) per capita real gross domestic product as of 2015 among metro areas with at least 1 million residents.

[Various](#) state-level [rankings](#) have also cited Massachusetts as having one of the country's top economies, and researchers have said the state [weathered](#) the great recession better than others and [bounced back quickly](#). Add to that the fact that Bloomberg has [ranked](#) Massachusetts as the most innovative state in the country for two straight years, and it's a strong showing.

ADVERTISEMENT



The Boston area also does fairly well in terms of serving as a home to large companies. Thirteen Fortune 500 companies are based here, according to the [publication's latest list](#). That's the 14th highest total in the country.

The bad: It's not a cheap place to do business. Forbes's [ranking](#) of "Best Places for Business" put Massachusetts 19th in the country, in part because of the high cost of operating of a business here and because of the regulatory environment.

And the latest rankings from the [Tax Foundation](#) say that Massachusetts' tax code is particularly unfriendly to businesses — the state's corporate tax structure ranked 37th, its property tax structure was 45th, and its unemployment insurance tax structure was 49th.

4. Tech talent

What Amazon says it wants: A place with the potential to attract and retain strong technical talent, including software development engineers; executive and management ranks; and legal, accounting, and administrative workers. But it's also asked bidding communities to provide information about average salaries and noted that operational costs are an important consideration.

Just as important, the company repeatedly mentioned wanting to be surrounded by institutions of higher education. It said in its request for proposals, "A highly educated labor pool is critical and a strong university system is required."

The good: Massachusetts is the most educated state in the country, according to a [report](#) released last month. Half of the workforce here has a bachelor's degree, making this state the first to reach the 50 percent threshold. Undergraduate and graduate student populations in the Boston metro area

account for about 9.1 percent of the total population, the second-highest ratio in the country.

Boston is also a leading city for talent in the tech sector, in part because of the prestigious colleges and universities located here — led by the one-two punch of Harvard and MIT — and in part because of the network of tech companies already in the area.

All of that has helped attract talent. Real estate and investment firm CBRE recently [ranked](#) the 50 largest labor markets in the United States and Canada “according to their competitive advantages and appeal to tech employers and tech talent.” Boston came in ninth.

The bad: There’s already [a shortage of tech workers here](#). The Globe reported last year that an index published by the Massachusetts High Technology Council ranked Massachusetts as the most difficult state in the country to hire tech workers.

And labor doesn’t come cheap here. Wages in Boston are among the country’s highest, Census [data](#) show. The median household income for Greater Boston in 2016 was \$82,380, trailing only three other metro areas with more than a million people. Amazon says it plans to offer generous salaries (averaging above \$100,000), but it also emphasizes that the cost of doing business is a critical factor. Boston’s high wages might be out of the company’s comfort zone.

5. Transportation

What Amazon says it wants: Ideally, direct access to rail and bus routes, along with close proximity — within a mile or two — to major highways and arterial roads.

The company specifically asks bidders to list how their areas rank in terms of traffic congestion during peak commuting times, calling that and roadway capacity “key factors.” It also wants information about bike lanes and pedestrian access.

The bad: We don’t need to tell you that driving in the Boston area is already rough, even at off-peak hours. In 2016, Boston [ranked](#) as the eighth-most-gridlocked metro area in the country. The typical rush-hour commuter in the Boston area spent an estimated 57.6 hours, or nearly two and a half days, sitting in traffic last year.

Then there is the parking. [Another study](#) found that Boston drivers, on average, waste about 53 hours a year looking for parking, the seventh-highest parking search time, and far above the national

average of 17 hours. And let's not forget the trains. The subway and commuter rail systems have had their share of mechanical, logistical, and financial problems.

The good: Believe it or not though, there's also good news on the rail front, and it's this: Not every major city even has a subway or commuter rail system. We do. And our public transit systems don't perform as poorly as we might think, relative to those in other cities. [One study](#) based on various data points, including average commute times for transit users, placed Boston as the third-best city for public transit, behind Washington and San Francisco. Another [survey](#) ranked Boston third in the country in terms of access to public transit. The MBTA is also [among the more affordable city subway systems](#).

Plus, Boston is an intensely walkable city, lacking the sprawl that characterizes other metropolitan areas. It placed third in walkability, behind New York and San Francisco, according to the latest rankings from [Walk Score](#). Meanwhile, [Bicycling magazine](#) ranked Cambridge eighth and Boston 17th in its 2016 rankings of the best bike cities in the country.

Get all that?

6. Airport access

What Amazon says it wants: A headquarters no further than about 45 minutes from an international airport with daily direct flights to four key cities: Seattle, New York, San Francisco, and Washington.

The good: Not every city has an international airport, or one with daily direct flights to the key US cities Amazon listed. Boston has all of that.

The bad: [Data](#) also show that Logan ranks toward the bottom in several key measures of on-time performance, which could be a knock against us.

7. Culture and community

What Amazon says it wants: The company said the right cultural fit is important, including the presence and support of a diverse population, along with local government and elected officials eager to work with the company. It also wants an area where its employees will enjoy an overall high quality of life.

The good: Boston consistently ranks high in terms of quality of life, with U.S. News & World Report [ranking](#) the metro area as the eighth best in which to live, while Deutsche Bank [placed](#) Boston as the eighth best city in the world in terms of quality of life.

Among 500 of the largest cities, Boston ranked as the eighth most diverse, according to an [analysis](#) by Wallet Hub that considered a number of types of diversity, including racial and ethnic, religious, and economic.

The bad: But Boston also has a long history with racism, and the city today remains quite segregated in terms of [race and ethnicity](#), as well as from an [economic](#) standpoint. And, [income inequality](#) in Boston — and statewide — ranks among the highest in the country.

That brings us to the cost of living, which we know is high. Kiplinger [ranks](#) Boston as the country's eighth most expensive place to live. In 2016, the [median sale price](#) of a single-family home in Greater Boston was about \$421,000, the eighth highest among metro areas with at least a million people.

8. And all those intangibles...

Take a look at the metrics, and Boston's chances look pretty good. On most points, available data ranks this metropolitan area above average. But the secret recipe needed to persuade the retail giant to open here is about much more than just rankings.

And there are key considerations listed in Amazon's request for proposals that are hard, if not impossible to measure. For example, the company says it has a preference for "communities that think big and creatively when considering locations and real estate options."

And it's unclear how heavily Amazon will weigh each of the various factors. Are the initial and long-term costs, and potential incentives, the most important criteria? Or is the company most concerned about selecting an area that can offer enough highly educated, tech-savvy talent?

Time will tell. Proposals are due back to Amazon Oct. 19, and the company is expected to announce a decision next year.

Matt Rocheleau can be reached at matthew.rocheleau@globe.com. Follow him on Twitter [@mrochele](#).

SHOW 38 COMMENTS

Top 10 Trending Articles

Most Viewed

Most Commented

Most Shared

Sarah Sanders starts press briefing with a lengthy story abo...

Former Channel 5 anchor Heather Unruh tweets about Kevi...

Is the George Papadopoulos case the real bombshell today?

Sizing up some possible Patriots trade targets

Big men with broken minds: The largely forgotten faces of t...

Netflix says it will end 'House of Cards'
My Account

The huge significance of the Papadopoulos plea deal
Manage my Account

Mobile Customer Service
Mobile Customer Service

Sign Up For Newsletters
Former Trump campaign chairman Paul Manafort surrende...

Contact
House washed away by New Hampshire river

Help

FAQs

Globe newsroom

Advertise

Social

Facebook

Twitter

Google+

More

ePaper

[News in Education](#)

[Archives](#)

[Privacy policy](#)

[Terms of service](#)

[Terms of purchase](#)

[Work at Boston Globe Media](#)

© 2017 Boston Globe Media Partners, LLC