

August 5, 2022

Niagara County Industrial Development Agency
6311 Inducon Corporate Drive
Samuel M. Ferraro Center,
Suite One, Sanborn, NY 14132

Dear Director Langdon, Chairperson Onesi, and Board of Directors,

The undersigned organizations write to oppose the proposed economic development deal that NCIDA is considering for an Amazon warehouse in Niagara.

Using public dollars to subsidize the expansion of Amazon's distribution network will only undercut the local economy, harm local workers, and expend precious resources on one of the world's largest and wealthiest corporations at a time when small businesses and local residents are struggling to deal with the effects of America's supply chain and inflation crises.

Amazon and its partners are surely making bold claims about the benefits the warehouse will supposedly have on the local economy. But here are the facts: Amazon warehouses [have no positive effect](#) on the economic growth of the area in which they're built. In fact, a recent study found that a new warehouse opening results [in a net loss of jobs](#) for the local communities, as jobs lost in local retail are not offset by new jobs in the Amazon facility.

They do, though, have a [negative effect on the wages](#) of warehouse workers and drivers, lowering their pay by thousands of dollars annually. While Amazon suggests it will create 1,000 new jobs within 3 years of project approval, by their own admission set forth in the application before the IDA, 95% of those jobs come with [wages that are significantly below the lowest wage jobs](#) in Niagara County – *and lower than Niagara's living wage*.

The project before you does nothing to mitigate substandard working conditions, for which Amazon is particularly notorious, and [under active investigation](#) by the United States Attorney's Office for the Southern District of New York. In fact, Amazon's injury rate in New York State [jumped 64 percent](#) between 2020 and 2021 alone.

Notably absent are a Project Labor Agreement, which would ensure site construction is performed pursuant to baseline worker safety requirements, and a labor peace agreement and card check neutrality, both of which would ensure basic dignity for the workers who stand to be employed by one of the world's wealthiest companies.

Providing subsidies to Amazon also gives it a leg up [over local small businesses](#), which do not receive public dollars to aid their distribution, and therefore often end up paying Amazon to handle distribution for them. This is a vicious cycle that local lawmakers likely don't intend, but nonetheless create, by using taxpayer money to aid Amazon's buildout.

The payment in lieu of taxes (PILOT) Amazon has applied for would also take resources directly out of the Niagara-Wheatfield School District. Already, between 2017 and 2021, the district lost \$16.7 million to economic development tax abatements such as these – more than \$3.3 million per year, which translates to an average loss of \$980 per student per year.

Finally, the cost-benefit analysis NCIDA is relying upon to justify the deal suffers from [serious flaws](#), and fails to account for some of the very knowable downsides of Amazon's presence in the community.

All this, for a company that has reaped huge profits in recent years due to the increased demand for its services during the pandemic.

There is also little reason to believe that Amazon's location decisions are dependent on a PILOT or any other form of subsidy. Amazon locates in areas in which [there are concentrations](#) of Amazon Prime subscribers and disposable income, as well as access to key transportation networks. Taxes and other fees have little to do with the company's decision, as shown by the fact that it is happy to cover the full cost of building new warehouses across the country, from [Connecticut](#) to [Michigan](#) to [Texas](#), and surely elsewhere.

The proposed project also arrives before the IDA with specious environmental analysis. In June 2022, the Niagara Town Board issued a "negative declaration" under New York's SEQRL law, finding the proposed 3 million square foot facility will have "no adverse environmental impact." A determination that the largest development in Niagara's history will have no environmental impacts – based solely on representations made by the applicant – borders on the absurd. At best, it will become a persistent drain on Niagara's public resources to ensure that the extraordinary uptick in vehicle miles traveled alone will not cause severe ongoing disruption to community life and local ecology. A project of this magnitude demands independent environmental review and enforceable mitigations.

During times of economic distress, any promised influx of new jobs sounds enticing, and can seem worth paying any price for. In practice, however, all local leaders accomplish by subsidizing Amazon is ensuring that local businesses – the kind that help build strong, sustainable, and equitable communities – find it ever more difficult to compete.

We urge you to oppose this deal. A deal that doesn't *at least* require one of the largest, richest corporations in the world to pay for community benefits, livable wages, and to mitigate clear environmental impacts, is no deal at all. We encourage the IDA to take into consideration the myriad better uses for \$120 million in public funds.

Sincerely,

Office and Professional Employees International Union (OPEIU) Local 153
Amazon Labor Union (ALU)
American Economic Liberties Project
Fight Corporate Monopolies
Good Jobs First
New Yorkers for Fiscal Fairness
Strong Economy for All