



# COUNTY OF ERIE

**MARK C. POLONCARZ**

COUNTY EXECUTIVE

February 5, 2021

Andrew Palmer, Chairman  
Hamburg Industrial Development Agency  
6122 South Park Avenue  
Hamburg, NY 14075

**RE: Bayview Road Associates, LLC and Amazon.com Services, LLC, Project**

Dear Chairman Palmer,

My office is in receipt of two public hearing notices, one on January 15<sup>th</sup> and another on February 1<sup>st</sup>, from the Hamburg Industrial Development Agency ("HIDA") regarding the Bayview Road Associates, LLC and Amazon.com Services LLC, Project ("Hamburg Project"). After careful consideration of the facts, including review of the project's application and other similar projects by Amazon in the County, I am writing to express my opposition to this project. In addition, I call on your board to reject the \$4,276,807 in tax incentives for this project, which includes a portion of Erie County taxes.

Amazon has already shown an ability and willingness to undertake these types of smaller projects in Erie County and make them work financially for the company without the aid of tax breaks. Just last year Amazon completed a \$25 million, 134,000-square-foot warehouse and distribution facility in the Town of Tonawanda without any tax incentives from the Erie County Industrial Development Agency ("ECIDA"), which is the same type of facility they are looking to construct in the Town of Hamburg. Furthermore, the Tonawanda project created 600 jobs (full and part-time) compared to the 100 jobs the company is committing to in their application, half which are part-time positions.

Additionally, in recent years the company transformed a former supermarket warehouse in the Town of Lancaster for \$18 million into a 488,000-square-foot sortation center without any tax incentives from the Lancaster Industrial Development Agency ("LIDA"), creating a reported 500 full and part-time positions. It is my understanding that neither the Towanda nor the Lancaster project received any incentives from Empire State Development.

Furthermore, based on information provided to me by senior representatives of New York State, it is the policy of New York State to not provide tax incentives to any regional or final mile Amazon warehouse and distribution centers, including the Hamburg Project. If approved by your board, this would mean that HIDA would be the **only** local or state body providing incentives for this type of project anywhere in Erie County.

**Poloncarz letter to Hamburg Industrial Development Agency – Amazon.com Services, LLC Project**

**February 5, 2021**

**Page 2 of 2**

While one might argue that the Tonawanda and Lancaster projects were undertaken in a far different economic climate, and without the duress created by the COVID-19 pandemic, the Wall Street Journal reported on October 29, 2020 that Amazon revenue soared 37% from a year ago and profit nearly tripled to \$6.3 billion. Quite simply, Amazon does not need the incentives to make the project work.

Given the facts stated above, it is evident that any argument suggesting that this project would not be undertaken but for the financial assistance of the HIDA is moot, leaving only the common corporate practice of pitting one community's offer against another as the sole reason the company is seeking incentives.

Let me be clear, I support Amazon building this facility and creating jobs in Hamburg and Erie County. I have supported the company's other investments and job creation in the County, including in Towanda and Lancaster. I also supported giving a reasonable level of tax incentives to the company for the proposed project in Grand Island, otherwise known as Project Olive, in exchange for an over \$300 million investment and over 1,000 full-time jobs. But unlike Project Olive, we have seen evidence in our County and elsewhere of the company's willingness to build projects similar to the one proposed in Hamburg without any incentives from an IDA or the State and with significantly higher job creation.

Again, I call upon you and your fellow HIDA board members to reject any incentives proposed for this project. If you have any questions or wish to discuss this matter further please contact me at your earliest convenience.

Sincerely yours,

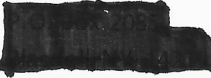


Mark C. Poloncarz, Esq.  
Erie County Executive

cc: John Cappellino, President and CEO, ECIDA  
Sean Doyle, Executive Director, HIDA  
Jim Shaw, Supervisor, Town of Hamburg



Michael J. Ritchie  
M.J.R of WNY LLC.

  
Feb. 8, 2021

Mr. Doyle  
Town of Hamburg  
SDOYLE@TOWNOFHAMBURGNY.COM

To Whom it may concern,

I am writing to in reference to the proposed Amazon facility. While Amazon may be granted some local tax incentives for a limited time, eventually they will be required to pay their fair share. The facilities proposed location on Route 5, across from the FedEx complex has already had major improvements for traffic. Currently the property is vacant, with no significant contribution to our town. Why let another township with vacant land obtain this opportunity?

Furthermore, my belief is that Amazon will provide:

- Jobs for local citizens, temporary and permanent positions, i.e.: construction, driving positions, packaging, sorting, maintenance technicians, facility management, both skilled and non-skilled workers alike will gain employment opportunities. They will train, along with inhouse promotions which will allow for different careers paths.
- Economic growth for the community and surrounding areas, local businesses will benefit from Amazon employees spending in the area, i.e.: shopping after work for grocery and retail, local restaurants may also see increased lunch and dinner revenue, gas purchases, outsourcing of vehicle maintenance to local shops with so much more.
- Taxation income benefitting our municipality.
- After conversing with a district manager from another facility, they also donate to the local school system and provide disaster assistance to local families in times of hardship.

In my opinion these are substantial reasons for proposal be allowed to proceed. If there is any more information you may need or to further discuss my position on this matter please feel free to contact me at (716)912-5824 or by email at [Towingautorecovery@gmail.com](mailto:Towingautorecovery@gmail.com).

Sincerely,

Michael J. Ritchie  
M.J.R of WNY LLC.

## HIDA proposal for Amazon

Annalise Biondolillo [REDACTED]

Tue 2/9/2021 10:42 PM

To: Sean Doyle <sdoyle@townofhamburgny.com>

Hamburg IDA,

My name is Annalise Biondolillo. I have lived in the town of Hamburg for 40 years. My husband owns a professional business in Hamburg and pays above minimum wage, offers a retirement plan with matching of employee contributions, paid sick leave and vacation time, and annual bonuses. He has paid 100% of his taxes every year. He did not benefit from an IDA deal to pay only 10%, and he has remained here for 41 years, not just 10. This is but one of many small businesses who carry the tax burdens and don't have billionaire owners.

My husband and I have raised 3 children here and they graduated from Hamburg High School in 2002, 2004, 2007. All of our children left the area for higher education and work. They have all since moved back to the area in 2015. Two live in the village of Hamburg, own homes and will be sending their children to Hamburg Central Schools as well. We all pay Hamburg taxes; 2 pay village taxes in addition to school and town taxes. My husband and our children are all professionals. Hamburg has been a great area for us to raise our family. That is why our children are back here raising theirs.

That said, I have concerns over a 7.5 mil tax break over 10 years for the proposed Amazon warehouse in the town of Hamburg. The 95 or so minimum wage jobs, ( half are part time positions) does not seem enough to justify the money that the retail giant is requesting. Are those minimum wage jobs going to allow the purchase of homes in Hamburg? The cost of purchasing a home in Hamburg has been escalating over recent years. Will all those new positions be Hamburg residents? If so, those minimum wage staffers will also be subsidizing their own jobs ie: property taxes, higher rents to pay for said property taxes. Is there any guarantee that Amazon will be staying beyond 10 years? Business models change. Will the construction contracts be awarded to Hamburg companies who employ Hamburg residents? I can guess the answers to these questions. Cornell University weighed the cost-benefit of the Amazon tax breaks and concluded that Hamburg loses in this deal.

I trust you will make the right decision for the residents of Hamburg and decline the tax breaks for Amazon.

Thank you for your consideration.

Annalise Biondolillo

[REDACTED]  
Hamburg



February 9, 2021

Sean Doyle, Executive Director  
Hamburg Industrial Development Agency  
6122 South Park Avenue  
Hamburg, New York 14075

Re: Amazon Project

I served on the Hamburg Development Corporation (HDC) from 1994 until 1997 (I was President in 1997). I also served on the Hamburg Industrial Development Agency (HIDA) and the Hamburg Land Corporation (HLDC) from 2000 until 2015 (where I served as Secretary).

In all those years, we hoped and planned to be able to purchase the former Bethlem Steel property on Lake Shore Road and develop it in a manner similar to what is currently on the site as well as what is currently being proposed (Amazon type project).

The Town of Hamburg has done an outstanding job with the pre-approval process of this site so as to expedite any proposed development that may be interested. We always knew that in order to attract a major employer we would have to offer tax incentives (that's what IDA's do), in order to compete with other municipalities in this state as well as adjoining states, tax incentives are a must.

I cannot help but feel that if this project was for any company other than Amazon, the approval for the tax incentives would fly through (just like they did for Ford and FedEx). I urge the HIDA Board to approve the tax incentives.

Michael J. Sendor

## Proposed PILOT breaks for Amazon at Bayview and Route 5

Deborah Kent 

Tue 2/9/2021 10:26 PM

To: Sean Doyle <sdoyle@townofhamburgny.com>; Hamburg IDA <hamburgida@townofhamburgny.com>

S. Doyle:

As a concerned citizen, I am writing to express my concerns over the proposed PILOT program that Amazon has requested for property at Bayview and Route 5. I am an almost lifetime resident of Hamburg having grown up on Clifton Parkway in the Town of Hamburg; and for the last 33 years having resided on Sharon Avenue in the Village of Hamburg where I raised my two children who attended all Hamburg schools. They both live in Buffalo now, but consider Hamburg their home.

I have no problem with an Amazon facility at this parcel, but I see no reason to give them a tax break when they are only promising 50 full-time and 50 part-time, basically minimum wage jobs. As seems to be a growing trend these days, local residents and small businesses will be paying more taxes than the big corporation. There is not even a guarantee that Amazon would stick around after their 10 year old tax break expires. We have seen this happen before when Evans Bank took our tax break for 7 years and then took another deal from Amherst IDA.

Staying on point with taxes, there is no reason for Hamburg to rush into this. This is prime real estate and we have already spent a lot of money building the infrastructure. We could get a real tax paying corporation that pays honest wages and their fair share of taxes. Frontier Central would certainly benefit from that. Also, we all know that Amazon has built bigger facilities in Tonawanda and Lancaster without any tax incentives. How stupid are we. They need us more than we need them.

Finally, it has been shown that the \$15 per hour jobs that they are offering would not allow a person to live and raise their family in Hamburg without public assistance. So, we will be giving tax breaks to a corporation not paying their fair share of taxes to hire employees who are not even going to be able to live in Hamburg and pay Hamburg taxes. Again, HOW STUPID ARE WE!

I beg you to turn this request down. It is not good for Hamburg government, it is not good for Hamburg businesses and it is definitely not good for Hamburg residents.

Thank you.

Deborah J. Kent  


Sent from [Mail](#) for Windows 10



David Adrian



Sean Doyle  
Hamburg Development Corporation  
Hamburg, NY 14075

Mr. Doyle,

Please accept this letter as my opinion and feedback regarding the proposed Amazon project on Bayview Road. As a former chairman of the Planning Commission and Trustee in the Village of Blasdell and board member of the Hamburg Chamber of Commerce, I feel I am qualified to provide some perspective on this issue.

Having watched our area go from a productive and predictable source of employment to massive job losses in the 1960's through the 1980's, it has been difficult to conceive of a more depressed region than our area, specifically when the Ford and Steel Plants were decimated. I watched as many of my friends' parents and relatives lost their jobs and moved out of the area. I saw first-hand, how the decreased tax revenue, as a result of these shut downs and decreased production, while the corresponding decrease in resident population, was saddled with the ever increasing municipal tax burden. Finally, the local job market for inexperienced high school graduates declined significantly during this era.

This facility would ultimately be a great contribution to the community, first by utilizing vacant land which has not been used in many years. The availability of jobs to inexperienced unskilled workers would be extremely good timing, considering many seniors and juniors that will graduate have suffered through the COVID version of their education. Finally, my understanding is, after a specified time, the facility will contribute to the tax rolls and provide a much needed addition shot in the arm for the Town of Hamburg Economy.

Thank You for the Opportunity,

David J. Adrian  
President – AquaTech Environmental, Inc.

## Amazon IDA project

Cathy mur [REDACTED]

Wed 2/10/2021 12:41 PM

To: Sean Doyle <sdoyle@townofhamburgny.com>

Cc: Hamburg IDA <hamburgida@townofhamburgny.com>

To: Sean Doyle, Executive Director Hamburg IDA and Board members, Hamburg NY IDA

After careful consideration of the facts known about this application I cannot at this time support it for mainly due to the following:

1. The current distressing financial state of affairs of state & local governments due to pandemic and
2. Disappointing hourly pay (\$15) and
3. Number of full-time jobs with benefits
4. Low number of good paying jobs (5- \$60,000 jobs)

Thank you for your consideration and work on this project for the benefit of the Town of Hamburg, NY.

C. Murray  
[REDACTED]

Sent from my iPad



February 10, 2021

Mr. Sean Doyle, Executive Director  
Hamburg Industrial Development Agency  
6122 South Park Avenue  
Hamburg, NY 14075

Dear Mr. Doyle:

We would like to jointly offer this letter of support related to the proposed \$47,000,000+ Amazon last mile distribution facility being considered for development at Lake Erie Commerce Center in the Town of Hamburg.

Not only is this Lakeshore Road location an ideal setting for such a project; it will also amplify recent infrastructure investments that have already successfully attracted and accommodated a large-scale distribution and logistics facility.

With the adjacent FedEx development, our community has experienced none of the alleged traffic or congestion issues that were originally brought up by project opponents when that project was considered. We therefore believe that the benefits of the Amazon proposal far outweigh any short-term incentive haggling gains. The Amazon facility has the potential to create upwards of 1,000 long-term job opportunities for area residents, and it will also offer an important injection of near-term construction dollars to our local construction community—with little downside.

Every economic development scenario requires different tools and incentives—no two deals are alike. And for that reason, it is more than reasonable to consider minimal tax breaks for the unquestionable positive long-term impacts of attracting Amazon to this development location.

While many non-residents have voiced concerns about this project, there are strong feelings from many Hamburg residents that this development is a great fit for our town.

We would be proud to see Amazon become a neighbor to two other important local employers in Ford Motor Company and FedEx. The Hamburg IDA and Town leaders (both current and past) should be applauded for their work to create an industrial development zone that can attract world-class companies, without sacrificing the Town's unique waterfront and village charm.

Sincerely,

Matthew & Deanna Braunscheidel  
Town of Hamburg Residents

Matthew & Jill Davison  
Town of Hamburg Residents

Matthew & Kelly Pokigo  
Town of Hamburg Residents

Timothy Eberle  
Town of Hamburg Resident

Cc: *Mr. Jim Shaw, Supervisor, Town of Hamburg*  
*Mr. Andrew Palmer, Board Chairman, Hamburg IDA*



## THE NEW YORK STATE LEGISLATURE

February 10, 2021

Sean Doyle, Executive Director  
Hamburg Industrial Development Agency  
6122 South Park Avenue  
Hamburg, NY 14075

Andrew Palmer, Chairman  
Hamburg Industrial Development Agency  
6122 South Park Avenue  
Hamburg, NY 14075

Dear Mr. Doyle and Chairman Palmer:

We write today regarding the proposed tax incentives for the project associated with Bayview Road Associates, LLC and Amazon.com Services, LLC. After listening to the concerns of our constituents, and reviewing the proposed tax incentives, we urge the Hamburg Industrial Development Agency (Hamburg IDA), to reject the proposal. We certainly welcome Amazon to the Hamburg community, and appreciate any jobs they may create, however that does not mean that Amazon should receive taxpayer dollars for this project.

In the Towns of Lancaster and Tonawanda, Amazon has already opened similar last-mile distribution centers, and the company has not received tax incentives to do so. Given this fact, it would not make sense to provide incentives to the same type of project in the Town of Hamburg. In addition, we are concerned about the wages of the jobs that will be created. A recent report conducted by the Cornell School of Industrial and Labor Relations (ILR) found the center would create mostly part-time jobs that pay \$15 an hour or about \$31,000 a year - well below the median wage of \$44,794 in the Town of Hamburg. The Cornell ILR report also showed the proposed tax breaks would amount to a subsidy of nearly \$85,000 per job, far above the subsidy caps many jurisdictions have of \$5,000 to \$35,000 per job. Taken all together, there are a number of red flags with this project that should cause the Hamburg IDA great concern.

After carefully reviewing the proposal for this project, we believe it is a bad deal for taxpayers. We know that municipalities and school districts across Erie County will lose much needed tax revenue because of this deal. At a time when these budgets are already stretched thin, the last thing we need is more lost revenue. Our IDAs should only provide incentives to companies who are creating good-paying jobs. This project fails to meet that critical test. Thank you for your attention to this important matter.

Sincerely,

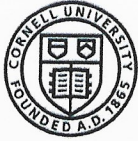
Handwritten signature of Sean M. Ryan in black ink.

Sean M. Ryan  
New York State Senator

Handwritten signature of Jonathan D. Rivera in black ink.

Jonathan D. Rivera  
Member of Assembly





**Russell Weaver, PhD**

Research Director, Cornell University ILR School Buffalo Co-Lab

Hamburg Industrial Development Agency Board of Director

February 10, 2021

Dear Mr. Doyle, Chairperson Palmer, and Members of the Board of the Hamburg Industrial Development Agency:

Thank you for convening this public hearing. I am grateful for the opportunity to contribute to the discussion on the question before the Hamburg Industrial Development Agency (HIDA), of whether to offer a generous tax incentive package to Amazon to construct and open a new last-mile warehouse in Hamburg.

My name is Russell Weaver and I am the Director of Research for Cornell University's Buffalo Co-Lab. My research focuses on High Road Economic Development, or development that is both guided by and dedicated to advancing values of shared prosperity, ecological sustainability, and participatory democracy. The work of building a High Road, democratic, inclusive economy requires constant critical reflection on how public dollars and other public resources are being used. One of the core tenets of this mission-driven form of development is that public resources be used always in service to the public good – that public dollars create broad-based public value.

Importantly, any single use of public dollars has limited potential to benefit all members of a community in even and material ways. Thus, not all public expenditures will lead to immediate and visible increases in broad-based community wealth; which raises a fair question: if individual projects cannot benefit everyone in a community – for example, not everyone who will want a job at an Amazon warehouse in Hamburg will be able to find one – then how can an agency like the HIDA enforce the criterion that public economic development dollars be used in service to the public good? Should the HIDA abandon the practice of subsidizing economic development projects altogether?

While I won't comment on the latter question, I'd like to think there is a straightforward answer to the former. Namely: ***if what the community wants is a more equitable, inclusive, High Road economy, then public agencies should subsidize only projects that advance those values; at the same time, allow "Low Road" projects to face the pressures of the "free market" competition that they consistently champion.***

Looking to the statement of High Road Principles adopted by the Erie Canal Harbor Development Corporation in 2013 in relation to waterfront development, some indicators that can be used to identify projects that meet these standards include whether the projects offer:

- Quality jobs that provide family-sustaining wages and benefits;
- Local worker opportunities;
- Local business opportunities;
- Innovation in environmental sustainability and conservation;
- Opportunities for community-building; and
- Opportunities for community participation in development.



It is my opinion that **the proposal under consideration does not satisfy these criteria**. For the sake of time, I'll support this claim by focusing solely on the quality of the jobs that the project aims to create.

According to Amazon's application to HIDA, the last-mile warehouse will create **just 50 full-time jobs, with a median annual salary of \$31,200** (\$15/hour x 40 hours/week x 52 weeks/year). For context, per to the 2019 release of the U.S. Census Bureau American Community Survey (ACS), the median annual earnings for a civilian employee (16 years or older) in the Hamburg Erie County subdivision is \$44,794. In the Transportation and Warehousing industry, median civilian employee earnings are \$49,571 per year per employee. For Erie County as a whole, the corresponding figures are \$39,680 per year for all workers, and \$40,091 per year for Transportation and Warehousing workers.<sup>1</sup> Thus, **only 10% (5 out of 50) of the full-time jobs promised by the project will pay workers at or above median wages** for the Transportation and Warehousing industry in Hamburg.

The remaining 90% of jobs will pay workers a mere \$15/hour, or the minimum wage that upstate New York is already in the process of progressing toward. Can those wages sustain a household in Hamburg? According to Zillow, the current (December 2020) seasonally adjusted median home value in the 14075 ZIP code is \$224,408.<sup>2</sup> Based on current mortgage rates,<sup>3</sup> buying a house in the 14075 ZIP code at that median price, with 5% down, would cost a buyer \$11,220 up-front as a down payment (plus closing costs), and over \$1,000 per month thereafter. These estimated monthly costs are consistent with the \$1,007 per month median housing costs reported by the U.S. Census Bureau for the Hamburg County Subdivision.<sup>4</sup> Even if a low-wage worker earning \$15/hour was somehow able to save the large sum needed for closing and a down-payment, a \$1,000-plus monthly housing expense would account for around 39% of that worker's gross monthly income. A household is considered to be *housing-cost burdened* when it spends more than 30% of its gross monthly income on housing.<sup>5</sup> Hence, unless they hold second jobs, are part of dual- or multi-earner households, or have other sources of income, it is unlikely that any of proposed full-time Amazon workers earning \$15/hour would be able to purchase a home in Hamburg.

As for renting, the Department of Housing and Urban Development (HUD) reports that a fair price for a one-bedroom rental unit in Hamburg's 14075 ZIP code is \$830 per month.<sup>6</sup> The gross monthly income of a worker earning \$15/hour is \$2,600. It follows that an \$830/month one-bedroom apartment would account for 32% of that worker's gross monthly income. By this metric, **even a one-bedroom rental apartment in Hamburg would be largely out of reach for a \$15/hour worker at the proposed Amazon warehouse**. While the rent-to-income ratio is close to the 30% threshold used to define cost-burden, it is inequitable and unsustainable to provide millions of dollars in public subsidies to a wealthy corporation while its workers struggle to meet their basic needs.

Based on these figures alone, **the proposal under consideration is a bad deal for Hamburg and Erie County residents**. I therefore strongly urge the Board to decline Amazon's request for financial assistance. For additional details to support this recommendation, I have attached a brief factsheet to be appended to my testimony. Thank you for your time.

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<sup>1</sup> U.S. Census Bureau American Community Survey Five-Year Estimates for 2015-2019. Table B24031. "Industry By Median Earnings In The Past 12 Months (In 2019 Inflation-Adjusted Dollars) For The Civilian Employed Population 16 Years And Over."

<sup>2</sup> <https://www.zillow.com/research/data/>

<sup>3</sup> <https://www.nerdwallet.com/mortgages/mortgage-rates/new-york>

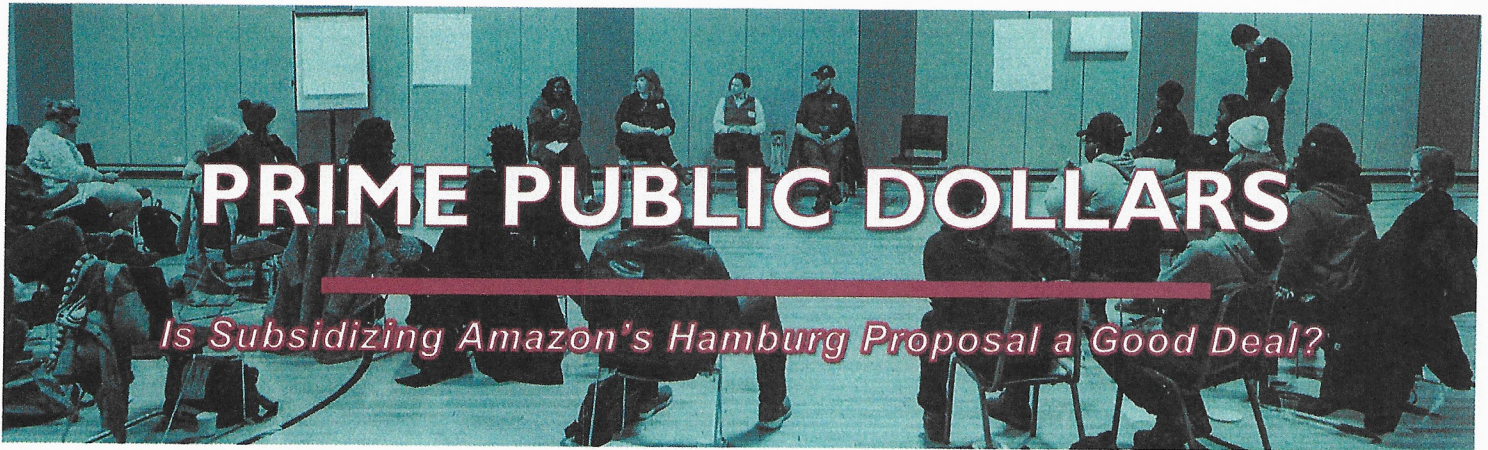
<sup>4</sup> U.S. Census Bureau American Community Survey Five-Year Estimates for 2015-2019. Table B25105. "Median Monthly Housing Costs (Dollars)."

<sup>5</sup> [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3778025](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3778025)

<sup>6</sup>

[https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2021\\_code/2021zip\\_code\\_calc.odn?zcta=14075&metro\\_code=METRO15380M15380&year=2021&hypo=hypo](https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2021_code/2021zip_code_calc.odn?zcta=14075&metro_code=METRO15380M15380&year=2021&hypo=hypo)





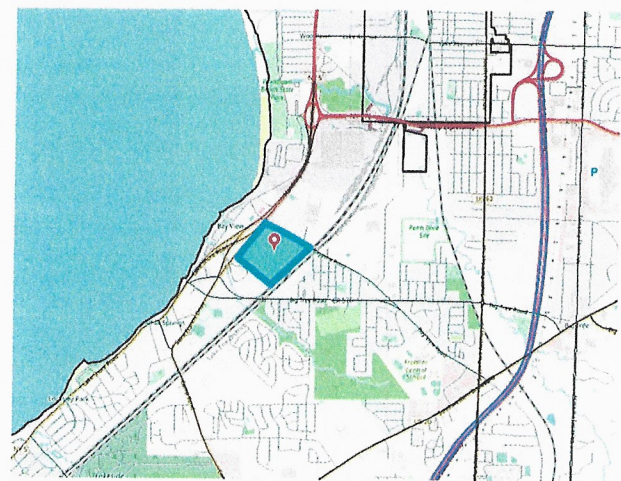
## What is Amazon's Proposal?

In its application to the Hamburg Industrial Development Agency (IDA), Bayview Road Associates, LLC, an agent of Amazon.com, proposes to develop a 181,500 square-foot, "last-mile" warehouse on roughly 58 acres at the corner of Lake Shore Road and Bayview Road in Hamburg, NY.

A last-mile facility functions as a small delivery hub. Unlike Amazon's large warehouses, which tend to be located out of the way and on "the fringes of suburbs," last-mile hubs are closer to – even embedded in – communities and neighborhoods. Because of their proximity to households, last-mile hubs improve Amazon's ability to deliver products quickly, which is seen in the company's aggressive expansion of same-day and one-day shipping options for "Prime" customers.

Yet, while last-mile hubs mean that some regional Amazon customers might get their orders delivered slightly faster, the already wealthy corporation's quarterly sales just topped \$100 billion for the first time; it is under seemingly constant fire for its treatment of workers; and, by flooding the market with fast-shipping services, it is putting excessive pressure on the environment and small businesses.

For these reasons and more, it is essential to ask whether subsidizing last-mile hubs – or any Amazon development project – is a wise use of a local community's **prime public dollars**. The remainder of this factsheet offers some initial answers to that question by examining the jobs that Amazon proposes to create (as described in its HIDA application), relative to the costs of the proposed tax incentives. Importantly, questions about jobs, job quality, wages, and subsidy costs are only a fraction of what communities should be asking before development incentives are approved. It is just as critical to engage with the environmental impacts of the proposal, as well as the spillover effects on local firms, small businesses, and, especially, the effects on





## PRIME PUBLIC DOLLARS

*Is Subsidizing Amazon's Hamburg Proposal a Good Deal?*

households and communities. Although these topics go beyond the scope of the current factsheet, they deserve to be brought up and deliberated in HIDA's upcoming public forum.

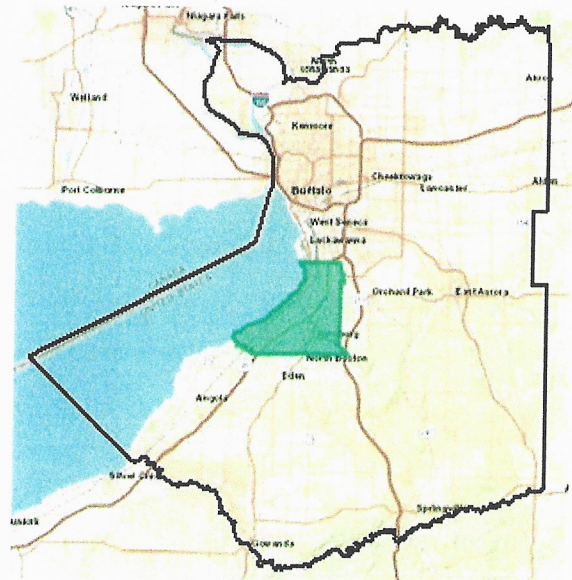
## How Many Jobs Will It Create?

According to Amazon's HIDA application, upon completion the proposed last-mile hub project will house 100 new jobs, to be distributed across three categories:

- **5 full-time management positions** (with benefits) at an average salary of **\$60,000 per year**;
- **45 full-time production jobs** (with limited benefits) at an average hourly wage of **\$15 per hour**;
- **50 part-time production jobs** (seemingly without benefits) at an average hourly wage of **\$15 per hour**.

By these measures, the project is expected to create **just 50 full-time jobs, with a median annual salary of \$31,200** (\$15/hour x 40 hours/week x 52 weeks/year).

For context, according to the 2019 release of the U.S. Census Bureau American Community Survey (ACS), the median annual earnings for a civilian employee (16 years or older) in the Hamburg Erie County subdivision is \$44,794. In the Transportation and Warehousing industry, median civilian employee earnings are \$49,571 per year per employee. For Erie County as a whole, the corresponding figures are \$39,680 per year for all workers, and \$40,091 per year for Transportation and Warehousing workers.<sup>1</sup>



Boundaries of the Hamburg County Subdivision in Erie County

Thus, **only 10% (5 out of 50) of the full-time jobs promised by the project will pay workers at or above median wages** for the Transportation and Warehousing industry in Hamburg. The remaining 90% of jobs will pay workers just over 60% of local median industry wages.

Adding to that observation, researchers at the Cornell University School of Industrial Labor Relations Buffalo Co-Lab scraped all active job postings for Hamburg, NY from Indeed.com on February 2, 2021. After removing exact duplicate entries through an automated process, the data scrape yielded 274 job postings for locations in Hamburg. The median advertised wage of





## PRIME PUBLIC DOLLARS

*Is Subsidizing Amazon's Hamburg Proposal a Good Deal?*

those job postings was \$16.50 per hour, with an average wage of \$22.03 per hour. Two-thirds of the jobs (180 of 274) had advertised wages above \$15 per hour.<sup>2</sup> In other words, most of the (presumably unsubsidized) jobs available in Hamburg are paying more than the \$15/hour wage that Amazon intends to pay workers in its proposed delivery hub.

## What Will the Project Cost Hamburg Taxpayers?

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According to both the HIDA application and minutes from the public hearing held for the project in late January 2021, the total **tax incentives being offered to Amazon amount to nearly \$4.3 million** over ten years. However, the actual value of the giveaway could be even higher. In its announcement for an upcoming public hearing on the project, HIDA notes that the total public subsidy could reach as high as \$6.85 million.

At present, the lower bound of the incentive package (\$4.3 million) breaks down as follows:

- \$2.256 million in property tax discounts, spread over ten years;
- \$253,200 in waived mortgage recording fees; and
- Nearly \$1.8 million in sales tax exemptions related to developing the site.

The sum of these figures works out to a **subsidy of about \$85,500 per full time job created**. For comparison, many jurisdictions place subsidy caps on development projects in the range of \$5,000 to \$35,000 per qualifying job. Legislation introduced to the New York State Assembly last session called for all development projects in New York to be subject to a strict \$6,000 incentive cap per qualifying job. While that bill has yet to come to the floor for a vote, using that \$6,000 per job aspiration as a benchmark suggests that the value of the proposed Amazon subsidy is about 14.25 times higher than what the legislation deems to be appropriate.

If giving up sales tax, mortgage recording fees, and County and Town tax revenues were not problematic enough, consider that more than half of the \$2.256 million in property tax discounts are associated with revenues that would otherwise be collected by the Frontier School District. Specifically, under the proposed agreement, Amazon would pay just under \$350,000 in school taxes over ten years. Without the discount, the value of those taxes (not including increases that could occur by increases in tax rates and/or assessed property value) would be \$1.66 million. Hence, **the proposed incentive package shortchanges Frontier School District by more than \$1.3 million in revenue**.

One response to the preceding statement is that nearly \$350,000 in tax revenues over ten years is better than the \$0 that might occur if the project site were not developed. However, according to Amazon's HIDA application, the firm purchased the land from the Hamburg Land Development Corporation on December 2, 2020. That means the land is no longer held in public ownership and is (or should be) back on the property tax rolls this year. Even though the





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assessed value of the vacant land is currently low, and any resulting tax revenue would be small (and not a source of revenue for the schools), the point is that the property is in private hands. If Amazon elects not to develop the site, then the land becomes a stranded asset. Given the firm's wealth, negligible annual property taxes will not even register on its bottom line. Still, it remains unlikely that a profit-hungry company would sit on taxable land rather than move forward with the delivery hub or sell the property to an entity seeking to develop it.

## Are the Jobs “Good” Jobs? For Hamburg Residents?

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As noted above, only half of the proposed jobs are full-time jobs with benefits. And nine of every ten full-time jobs pay just \$15 per hour – well below the median earnings for a Hamburg resident working in Transportation and Warehousing, and less than the advertised hourly wage of roughly two-thirds of the 270+ jobs currently listed for Hamburg on Indeed.com. Simply put, the jobs expected to be created by the last-mile warehouse are predominantly low-wage and precarious (half are part-time). The “low-wage” qualifier is all the more appropriate given the national push for a \$15/hour federal *minimum wage*, and the fact that New York State is already phasing in a \$15/hour state minimum wage. As of 2021, all areas downstate are already under a \$15/hour state minimum wage. The rest of New York is at a \$12.50/hour minimum and progressively scaling up to \$15/hour.

Projects that promise only low-wage jobs are not worthy of public subsidies. They are not good deals for local residents. Consider that, according to the real estate firm Zillow, the current (December 2020), seasonally adjusted median home value in the 14075 ZIP code is \$224,408. Based on current mortgage rates, buying a house in the 14075 ZIP code at that median price, with 5% down, would cost a buyer \$11,220 up-front as a down payment (plus closing costs), and between \$1,002 and \$1,045 per month thereafter. These estimated monthly costs are nearly identical to the \$1,007 per month median housing costs reported in the U.S. Census Bureau's 2019 ACS data for the Hamburg County Subdivision.<sup>3</sup>

On that note, even if a low-wage worker earning \$15/hour was somehow able to save the \$11,000-plus dollars needed for closing and a down-payment, a \$1,000-plus monthly housing payment would account for around 39% of that worker's gross monthly income. According to both policymakers and affordable housing advocates, a household is considered to be **housing-cost burdened** when it spends more than 30% of its gross monthly income on housing. Hence, unless they hold second jobs, are part of dual- or multi-earner households, or have other sources of income, it is unlikely that any of proposed full-time Amazon workers earning \$15/hour would be able to purchase a home in Hamburg.

As for renting, per the Department of Housing and Urban Development's (HUD's) Fair Market Rent (FMR) Documentation system, a fair price for a one-bedroom rental unit in Hamburg's





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14075 ZIP code is currently \$830 per month. The gross monthly income of a worker earning \$15/hour is \$2,600. It follows that an \$830/month one-bedroom apartment would account for 32% of that worker's gross monthly income. By this metric, **even a one-bedroom rental apartment in Hamburg would be largely out of reach for a \$15/hour worker at the proposed Amazon warehouse.** While the rent-to-income ratio is close to the 30% threshold used to define cost-burden, it is both inequitable and unsustainable to provide millions of dollars in public subsidies to a wealthy corporation while its workers struggle to meet their basic needs.

## What is "High Road" Economic Development?



Conventional economic strategies are geared exclusively toward growth, or quantitative increases in some variable (population, jobs, aggregate income, etc.). These growth-oriented strategies are generally termed "Low Road" economics, in that they put profit ahead of people and planet. By contrast, "High Road" economic strategies are about development – making qualitative increases in social, environmental, and economic conditions that enhance people's

well-being and build local economic and ecological resilience. Within the framework of High Road economics and High Road policy, public dollars are used for the public good. They are invested in projects that contribute to creating an economy characterized by shared prosperity for all, as opposed to prosperity for rich corporations while workers struggle to pay for their basic needs (let alone participate in activities that enable them to live flourishing lives). High Road economic development is concerned with ensuring that all people and households have access to family-sustaining sources of income, and that all people enjoy equal opportunities to participate in and benefit from the projects that affect their lives and/or communities. Common "High Road" economic development demands along these lines include, as articulated in the Erie Canal Harbor Development Corporation's 2013 Public Statement of Principles for High Road Development:

- Quality jobs that provide family-sustaining wages and benefits;
- Local worker opportunities;





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- Local business opportunities;
- Innovation in environmental sustainability and conservation;
- Community-building civic infrastructure;
- Affordable housing; and
- Collaborative decision-making, implementation, and monitoring processes.

Based on the foregoing, cursory analyses of wages and subsidies related to the proposed Amazon last-mile warehouse in Hamburg, it is reasonable to conclude that **the project does not live up to the standards and demands of High Road economic development.**

## Is the Project a Good Deal?

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To recap, the analyses in this factsheet led to the following key takeaways about the proposed Amazon warehouse in Hamburg and the incentive package being considered by HIDA:

- Only 5% of all proposed jobs (10% of full-time jobs) will pay above median wages for Transportation and Warehousing work in Hamburg;
- The total effective cost of the incentives per full-time job is more than \$85,500 – roughly 14.25 times the subsidy cap recommended by a legislative proposal introduced last year to the New York State Assembly;
- Nearly all (90%) of the full-time jobs are low-wage jobs that pay less than the majority of jobs currently available and being advertised in Hamburg;
- If the project were to proceed, nearly all (90%) of the full-time workers would experience housing cost-burden if they wished to live in Hamburg – at a \$15 hourly wage, even a “fair price” for a one-bedroom rental unit in Hamburg would be unaffordable for an Amazon production worker based on established thresholds of housing cost-burden;
- Compared to the full freight price of taxes on the project, the subsidy package will enable Amazon to shortchange the Frontier School District by more than \$1.3 million over the life of the incentive deal;
- As such, the proposed subsidized development violates the norms and expectations of High Road economic development.

Based on these findings, **the project is not a good deal for Hamburg or Erie County.**

## What are the Next Steps?

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The HIDA is convening a second public hearing on the project for Wednesday, February 10, 2021 at 6pm in person or via Zoom. [Details for that meeting can be found by clicking here.](#)



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### Notes

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<sup>1</sup> U.S. Census Bureau American Community Survey Five-Year Estimates for 2015-2019. Table B24031. "Industry By Median Earnings In The Past 12 Months (In 2019 Inflation-Adjusted Dollars) For The Civilian Employed Population 16 Years And Over."

<sup>2</sup> Scraping was carried out in the R statistical computing environment. The code used to perform the operation can be accessed at: <https://cpb-us-e1.wpmucdn.com/blogs.cornell.edu/dist/d/9245/files/2021/02/hamburg-ny-indeed-job-scraping-R.txt>

<sup>3</sup> U.S. Census Bureau American Community Survey Five-Year Estimates for 2015-2019. Table B25105. "Median Monthly Housing Costs (Dollars)."

This memo was prepared by Rusty Weaver, Ph.D., economic geographer and  
Director of Research for the Cornell ILR Buffalo Co-Lab.





## Tax Breaks for Amazon

Joseph Biondolillo [REDACTED]

Wed 2/10/2021 2:24 PM

To: Sean Doyle <sdoyle@townofhamburgny.com>

I am opposed to giving Amazon a tax break to locate a distribution center in Hamburg. Recently Amazon was planning on a facility on Grand Island without requiring a tax reduction. It is also a poor plan to have no agreement with Amazon to not cut and run once the tax agreement ends. The promise of one hundred jobs tied to the facility is also misleading. Not all the jobs will be full time and most will be for minimum wage. In closing, did the town learn nothing from the agreement with UPS that made many job promises but was not accurate? Respectfully, Dr Biondolillo

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## For Consideration for today's 6pm meeting re. Bayview Rd Ass, LLC and Amazon.com Service, LLC Consideration 4 Warehouse Operation

Mary Strnad [REDACTED]

Wed 2/10/2021 3:43 PM

To: Hamburg IDA <hamburgida@townofhamburgny.com>; Sean Doyle <sdoyle@townofhamburgny.com>

Dear Board Members:

As a very nearby resident (residing at S-3634 Wabash Avenue, Blasdell, NY 14219), I am STRONGLY OPPOSED to allowing these LLC to operate any warehouse for the following reasons:

I refused to be exploited anymore; Bethlehem Steel not only polluted the air and water, but it lied about harmful asbestos to its workers, then robbed them of their pensions; and more recently, we have another group of Limited Liability Corporations, the Great Lake folks who concealed their dangerous conditions that in 2016 caused a toxic, hazardous, chemical fire doing great harm (including death) to the nearby public. Amazon has a terrible track record of nothing but exploitation:

1. It doesn't care how it makes money or what they sell. Back several years ago a local news report had complained that a prank itching powder was sold on line (from Amazon) that didn't reveal the ingredients even after many inquiries by the news station as well. It not only harmed a man, but his dog as well. Without knowing what the ingredients were it was impossible to fully know the damage or help his pet. Why do we need to sell harmful itching powder anyway? Why weren't they required to inform the effected parties of the ingredients? Where is the integrity?
2. Furthermore, all they do is cut into the profits of small companies who can't compete with Amazon's large presence. I thought monopolies are illegal?
3. \$31,000 isn't even what the new minimum wage is for NY (much of it is already at \$15//\$31,200 for 2080 hours for the year, and the rest will be there by 2023 or earlier). I don't call that a living wage; it's barely enough to support 1 in a tiny apartment...don't go having any pets or hobbies!
4. Good jobs???? I went to [indeed.com](https://www.indeed.com) to look up some of the comments about their warehouse jobs; much the same: over stressed rushing to make quotas, timed bathroom breaks (God forbid if you have diarrhea or other similar concerns), mental hardships of monotonous work performed for 10 hour shifts at rushing speeds, "treat employees like machines—a robot slave", on 1/18/21 one young lady (in Lancaster, NY) was forced to take a 30 day UNPAID leave due to pregnancy, on 1/29/21 (in Portland, OR) no health or dental insurance, etc.
5. Further support for Amazon's abuse of its workers is in an article by the Daily Beast (entitled: '*Colony of Hell': 911 Calls From Inside Amazon Warehouses*', by Max Zahn and Sharif Paget published on 3/11/19 and updated 5/8/19) found that over a period of 5 years, 189 emergency calls were made from 46 Amazon warehouse sites for employee suicide, suicidal ideation and self harm. The report made me cry to read it; my God we can't do better than this in this day and age of high tech! How long do you think most will work there for—3 to 4 months at best. Where will the workers come from when they dry up or kill the unfortunate ones living here? Amazon heartlessly chooses to do nothing except continue to exploit its workers and next local town to build more of it blood sucking warehouses. Also, will there then be violence at this location by farmed in mindless, desperate people in great need?
6. \$6.8 million may sound like a lot of money for an individual (my school taxes have increased by that in just the last 2 years alone for less than 500 students), but it is the maximum they want to pay to lease or own. How do you think Amazon founder, Jeff Bezos got to be the richest man? I'll tell you, by exploiting its workers and governments to give them cheap lease deals (for prime water front real estate) and tax incentives because he doesn't want to pay any taxes. Oh yeah, I almost forget LLC....limit their liability so they don't pay for any of the damages they cause. I think we can do much better; it is water front property. You know, we won't we the first to say NO to them; Grand Island made a smart decision not to have them.



7. If you are so desperate and foolish to go through with this deal...no LLC corporations, no tax breaks, make them pay the full realty price, and pay nearby residents like myself a disturbance and nuisance fee of at least \$300 per month.

Thank you kindly for your consideration; I will be attending today's 6 pm meeting via zoom

Much true success to us all,  
Mary T. Strnad

Sent from [Mail](#) for Windows 10

## Deny Hamburg Amazon tax breaks

Mary Wall [REDACTED]

Wed 2/10/2021 7:03 PM

To: ryan@nyenate.gov <ryan@nyenate.gov>; riverajd@nyassembly.gov <riverajd@nyassembly.gov>; James M. Shaw <jshaw@townofhamburgny.com>; Karen Hoak <khoak@townofhamburgny.com>; Shawn Connolly <sconnolly@townofhamburgny.com>

Cc: Sean Doyle <sdoyle@townofhamburgny.com>; Hamburg IDA <hamburgida@townofhamburgny.com>

Thank you for attending the public meeting on the proposed Amazon development on Bayview Road.

I was able to attend the first meeting, and put comments into the record then. I am on now, but unfortunately, have to leave at 7PM.

I would like to express my concerns about this project to you, as my elected representatives. I would urge you, in whatever influence you may have, to deny tax breaks to Amazon. Amazon had huge profits in 2020, one of the few companies to do so in the pandemic. They do not need a \$6.85 million dollar tax break.

The jobs they are offering are minimal both in numbers of employees and pay. Five jobs at \$60,000 \*may\* be able to sustain a family in Hamburg. Forty-five jobs at \$31,000 and 50 jobs at \$15/hour for 20 hours per week will not sustain even a single person at full-time and certainly not at part-time. Even as Supervisor Shaw said in the meeting this will not help people live in Hamburg. Even a full-time job at \$31,000 would likely require another income. These are not the number of jobs or wages that warrant not receiving \$6.85 million in taxes with no guarantee that Amazon will stay after its 10 year tax abatement (although in my opinion, tax breaks like this is akin to charity, and Amazon does not need charity).

We have to be better. Supervisor Shaw mentions that we are not South Carolina or Mississippi. This project is not in competition with other states. It is a local, end of line distribution facility. Every time we lower the bar for these companies, the bar remains lower, both in Hamburg and Erie County, and life does not improve for people in Hamburg or Erie County.

Also, I do not like the tone of the Amazon representative as he discusses how many other sites are under consideration for this site. He is trying to create a sense of panic and competition. I urge you to see through this and deny tax breaks to Amazon.

I also want to express concern about the claim that Amazon supports small businesses by selling through their site. As a filmmaker, I can attest to conversations with other independent filmmakers that talk about the inability to reap any profits from Amazon placement. Independent filmmakers are paid pennies for time watched. Amazon also provides various barriers to being on their site that make it difficult for small businesses.

We can set a new precedent here. We have the ability to define our values as a town. I urge you to consider that our values are not what amounts to charity to one of the richest companies in the world. We can set the tone for a better world when every town doesn't compete to get the least from corporations, yet decide to grow local businesses.

I agree with the speaker who mentioned that Amazon can still build here with no tax breaks. That can happen. If they opt not to, we will not be losing much of value.



Mary

Mary Wall  
*The Fan Connection*

