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As Grand Island project stalls, massive Amazon center near Syracuse is built

Stephen T. Watson
Jul 26, 2020



Construction is underway on a massive Amazon warehouse and distribution center in the Town of Clay, just outside of Syracuse, Thursday, July 23, 2020. It's identical to the project proposed for Grand Island.

Derek Gee

A few miles north of Syracuse, the structural steel for one of the world's largest warehouses rises from the grounds of a former golf course.

Officials in Onondaga County and the Town of Clay embraced the \$350 million Amazon project, and the massive development **As Grand Island project stalls, massive Amazon center near Syracuse is built** faced no coordinated opposition. The five-story, nearly four million-square-foot complex won approval two months after it was introduced by the developer last fall and will have 1,000 workers when it opens in 2021.

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About 150 miles to the west, the overgrown former farm on Grand Island eyed for a nearly identical project sits undisturbed as anti-Amazon signs dot the lawns of surrounding homes.

A coalition of critics has formed, organizing a protest outside Grand Island Town Hall last week and collecting hundreds of signatures on an anti-Amazon petition. Local trade unions are running ads pressing the e-commerce giant to commit to hiring union workers.

And the town Planning Board earlier this month **voted down a key request** from the developer.

Why has one suburb welcomed Amazon and the other given it the cold shoulder?

There are important differences, observers say. The site in Clay is in a largely industrial corridor with few single-family homes surrounding the location. There was little debate over tax incentives or what Amazon could do in turn for the community. And town and county representatives eagerly welcomed the project.

"I think a lot of the residents saw that, too, saying, 'God, it's Christmas in July here, and let's take advantage of this opportunity because Santa Claus is not going to come to us very often,'" Clay Supervisor Damian Ulatowski said in an interview.

On Grand Island, where the project was introduced just before the Covid-19 pandemic struck, traffic and congestion at the bridges are major concerns for town residents. The island has light manufacturing and research and development facilities but the vast majority of property in the town is residential or open land.



Amazon's plan to build a 3.8 million-square-foot facility at 2780 Long Road in Grand Island may be up in the air. **As Grand Island project stalls, massive Amazon center near Syracuse is built**

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Erie County officials and business development leaders have said little about the project – at least until County Executive Mark Poloncarz late last week **offered full-throated support** for the development and its economic benefits.

Grand Island elected officials also haven't taken public positions on the project, but they have come up with a wish list of improvements for which they want the developer to pay.

This leaves the Amazon project on Grand Island "alive" but **"on pause,"** to use the developer's words, with critics hoping to strike a fatal blow and proponents worried the company will give up and move on.

"Looking at fifty million or so dollars coming back in to the community and not wanting it because it backs up to some people's homes is short-sighted and would be, I think, one of the biggest mistakes, financially, the town has ever made," said Eric Fiebelkorn, president of the Grand Island Chamber of Commerce.



An aerial view of the massive Amazon site under construction on a former golf course in Liverpool, just outside of Syracuse, Thursday, July 23, 2020.

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Clay project moved quickly

The details for the project outside Syracuse are almost identical to those for the Grand Island development.

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Central New Yorkers **first learned of the proposal last September**, when Trammell Crow Co. filed an application with the Onondaga County Industrial Development Agency for tax breaks for a massive warehouse and distribution center for an unnamed e-commerce tenant.

The company would build the five-story, 3.8 million-square-foot structure on a portion of the 110-acre Liverpool Public Golf and Country Club in Clay, a suburb of nearly 60,000 people.

Syracuse-area officials told The News last week that negotiations over tax incentives for the project went smoothly. The developer will receive just under \$71 million in tax breaks in exchange for investing \$350 million to build the facility and a promise to hire 1,000 workers within two years at an average salary of \$30,000 plus benefits.

The incentives included \$49 million in property tax breaks over 15 years, but the company still will pay nearly \$29 million to the Town of Clay, Onondaga County and the Liverpool School District over that time, **according to the Onondaga County Industrial Development Agency**. That's far beyond the \$800,000 in property taxes the golf course would have paid over the same period, the Post-Standard reported.

The golf course property was all but shovel-ready and attractive to the developer because of its proximity to an exit for Interstate 90.

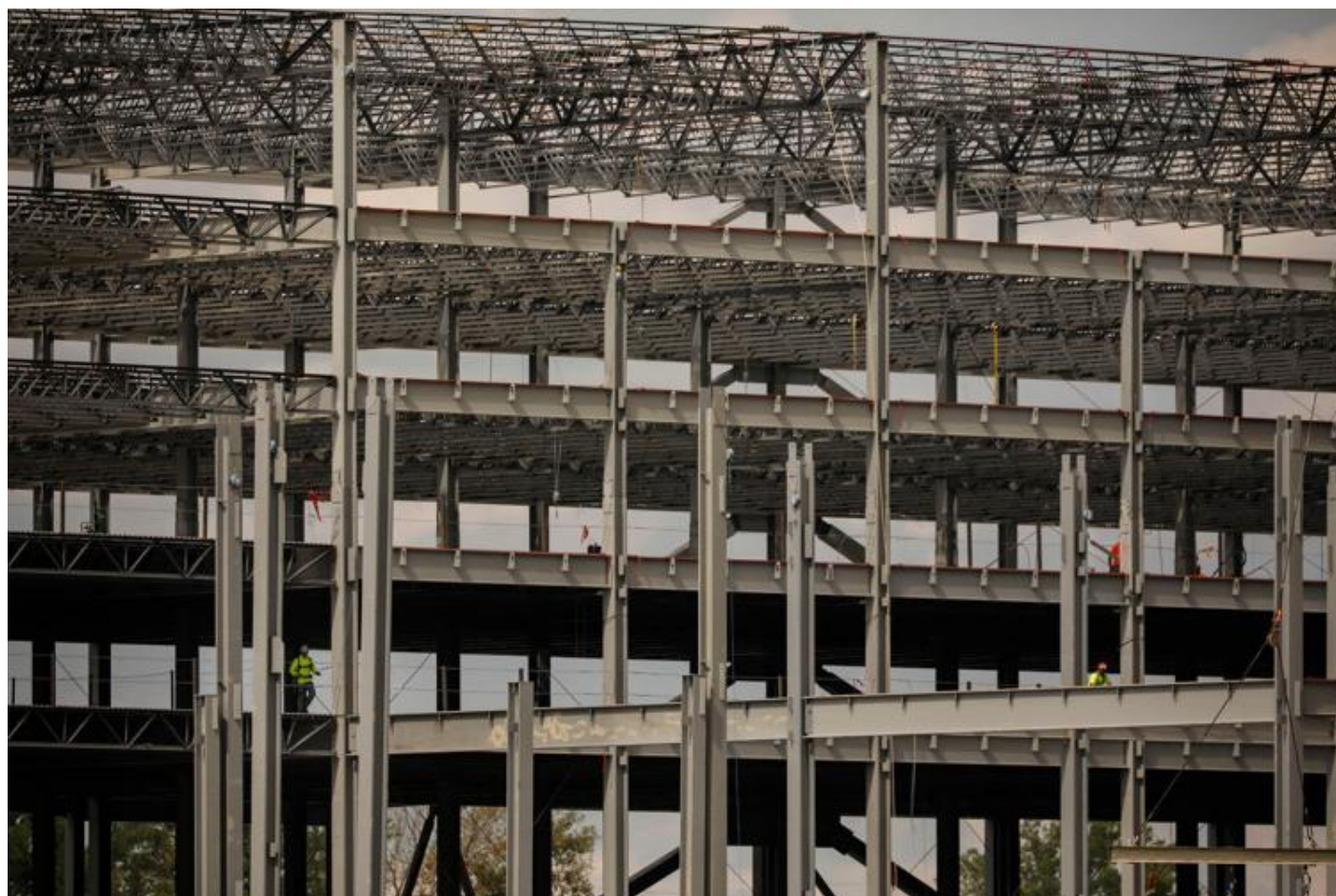
Hundreds of people attended a public hearing at the local high school and critics raised concerns about the anonymous tenant, increased traffic and paving over trees and green space, but Ulatowski, the Clay supervisor, said there was no coordinated opposition.

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The developer offered to improve several intersections around the property and agreed to the town's request to reconstruct one more, said Ulatowski.



Construction is underway on a massive Amazon site in Liverpool, just outside of Syracuse.

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The project breezed through the approval process. Introduced in early September, by mid-November the Clay Town Board, Zoning Board of Appeals and Planning Board all had signed off on the project, as did the Onondaga County IDA. The approvals **came within a span of 15 days.**

Construction began in the spring and **the official announcement that the tenant was Amazon came in May**, a time when the Syracuse-area unemployment rate had passed 15% because of the coronavirus-related shutdown, the Post-Standard reported.

Grand Island deal stalls

It's a different story on Grand Island.

The News in May 2019 first revealed Amazon was looking on the island at the 145-acre property at 2780 Long Road for the I-190.

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Trammell Crow filed its 2,202-page application with the town in February for a five-story, 3.8 million-square-foot warehouse and distribution center that would employ 1,000 people and operate around the clock.

A Town Board work session in early March where the developer's representatives introduced the plan, code-named Project Olive, drew a standing room-only crowd that spilled out into the hallway at Town Hall.

A planned April public hearing, moved to Grand Island High School's auditorium to accommodate the expected crowd, was canceled after the Covid-19 outbreak struck and later held virtually in June. **It drew complaints from the public** about Amazon's business record and the project's scale and environmental effects.



A rendering of the proposed e-commerce facility on Grand Island.

Image courtesy of Langan

Then, on July 13, following a lengthy discussion, town Planning Board members voted 3-2, with one abstention, to turn down Trammell Crow's request to rezone the property to a planned development district. The zoning change would make it easier to move forward with pieces of the project that don't conform to town code, such as a building height of 87 feet that exceeds the town's 45-foot limit.

Last Monday, after requesting the chance to appear before the Town Board to correct "misinformation" circulating about the project, the developer called Grand Island Supervisor John Whitney to say Project Olive was "on pause."

Why Clay embraced

Why has the project in Clay moved forward while its counterpart on Grand Island stalled?

For starters, the Clay site is in an industrial corridor, across from Raymour & Flanigan's main northeastern distribution center, and people in the area are used to truck traffic.

Onondaga County and Syracuse officials had connected with Amazon during the region's unsuccessful pitch to bring the company's second headquarters to Central New York and talks about a potential warehouse and fulfillment center project date back two years, said Robert Simpson, president and CEO of CenterState CEO, the region's main economic development and business organization.

"Overwhelmingly, our community embraced this opportunity from the beginning," Simpson said, "and understood the economic potential and the benefits associated with it."



A bulldozer moves material around the massive Amazon construction site in Liverpool, just outside of Syracuse, Thursday, July 23, 2020.

Derek Gee

There are dissenting voices. Roger Misso, a former congressional candidate from the Syracuse area, has publicly blasted the Amazon project as a bad deal for workers and said it was rushed through with little transparency .

But there was little debate over incentives and no wish list from Clay for public improvements, such as a community center or recreational facility, Ulatowski said.

"We didn't ask for anything like that," he said. "I wasn't going to make it a quid pro quo here: 'You do this and we do that.'"

"Buffalo is a little bit ahead of us in its resurgence in the economy," Ulatowski said. "But Central New York is really turning into a Rust Belt and this had the potential to breath new vitality into the community."

Chilly on the island

It's a different story on Grand Island, however – starting with the fact that it's an island. **As Grand Island project stalls, massive Amazon center near Syracuse is built**

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The developer has produced traffic studies showing that the project won't substantially add to bridge congestion, even with nearly 500 truck trips per day as well as commuting employees. But many islanders say the transportation network onto and within the island is strained as it is.

"The effect of this kind of project would be devastating," Dave Reilly said at the June public hearing. "This project would absolutely overwhelm the island."

The site is zoned for manufacturing but it's surrounded by more single-family homes, along with some business properties and a hotel, and the island as a whole hasn't seen a commercial development of this scale in its history.

Late last Monday afternoon, more than 50 members of a coalition of project critics protested outside Town Hall. The same group said it has collected nearly 1,000 signatures on anti-Amazon petitions and has a goal of collecting 1,000 more.



Some Grand Island residents are urging people to oppose the Amazon "Project Olive" development in the town.

James P. McCoy

Grand Island has a list of investments it wants Amazon to make in the town. Whitney has declined to make the list public while negotiations continue but sources have described it as substantial.

Finally, while Onondaga County officials made a public push for the project, their counterparts in Erie County had said little about Project Olive since February. This changed late last week when Poloncarz touted the project's value to the region in an interview with The News and at a news conference the following day.

Poloncarz said his office has worked on the project for two years and he doesn't want to see Erie County lose it.

While the amount of tax breaks Trammell Crow and Amazon would receive hasn't been made public, the developer anticipated payment-in-lieu-of-taxes, or PILOT, agreement would pay \$51 million to Grand Island, Erie County and the Grand Island School District over 15 years.

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That compares to the just under \$29 million the developer is paying in Clay over the same period of time.

"We believe we've negotiated a very fair deal that ensures the governments are receiving fair value for their taxes," Poloncarz said. "It certainly is much better than the deal that was negotiated by Onondaga County."

Island future unknown

What happens next? In Clay, they're preparing for the facility opening in a little over a year's time.

In the nearby suburb of DeWitt, a smaller distribution center for an unnamed e-commerce company, code named Project Orange, **started construction this month.**

Amazon opened a similar, \$25 million "last-mile" warehouse and fulfillment center last month in a Town of Tonawanda business park.

"It went very smoothly, at least from the town's standpoint," Tonawanda Supervisor Joseph Emminger said of the smaller development. "My office received no opposition on our project."

But the massive project on Grand Island is up in the air with no vote scheduled by the Town Board.

That's just fine as far as Cathy Rayhill, a co-founder of the opposition group, is concerned.

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Michael Huntress, who owns the land on Long Road on Grand Island where Amazon wants to build a warehouse put a piece of heavy equipment with an American flag 87 feet into the air at the site to show how tall Amazon's warehouse would be.

James P. McCoy

"We are not against business," Rayhill said. "If they want to do something with that property that stays with the character and the comprehensive plan of our town and provides good jobs, just like many of the other businesses on the island, we would be very supportive."

Poloncarz and other backers of the project say the region can't afford to turn down jobs and new tax revenue.

"What happens if they leave us and go to Niagara County?" said David Bruno, chairman of Grand Island's Planning Board. "We're going to have all the traffic and no benefits."

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Stephen T. Watson

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