

# Amazon dictates terms to New York over second headquarters

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Following the announcement that Amazon will divide its second corporate headquarters between Long Island City in Queens, New York and Crystal City in Arlington, Virginia, press reports indicate that the online shopping and logistics giant will reap \$3.3 billion in incentives from New York state and New York City alone.

While Amazon will capitalize on locations adjacent to the centers of American finance and militarism, respectively—the Crystal City location is literally across the street from the Pentagon—capitalist politicians like Governor Andrew Cuomo and New York City Mayor Bill de Blasio have sought to turn the relationship on its head, lauding the arrival of Amazon a boon to New York City.

Both the governor and mayor have pointed to Amazon's promise of bringing 25,000 jobs with an average salary above \$150,000, although this seems dubious given that the starting wage for Amazon employees is barely one-tenth that sum.

The agreement reached between Amazon and the State of New York comes at a cost of \$1.525 billion to state taxpayers. \$1.2 billion of the \$1.5 billion state expenditure is coming from the state's Excelsior Job Program and is based on the number of new hires. In essence, New York is offering to pay \$48,000 per employee—almost one-third of Amazon's purported labor cost.

The state will also pay Amazon a \$325 million construction grant if it meets certain hiring deadlines, a figure that will increase to \$505 million if the corporation hires 40,000 individuals by 2034.

The establishment of Amazon HQ2 in Queens will also impact the finances of the City of New York. According to officials cited in the *New York Post*, New York City has given Amazon \$1.28 billion in tax

incentives. These incentives include a Payment In Lieu Of Tax (PILOT) program, where the company would pay no property tax on part of its site, New York City's Relocation and Employment Assistance Program (REAP), and its Industrial & Commercial Abatement Program (ICAP). Further public investment of \$180 million in Long Island City was clearly allocated to entice the tech giant.

Between the state and city of New York, Amazon will receive at least \$3.3 billion in public funds over the next ten years, to be paid for by cuts to already woefully underfunded social services and infrastructure that the city's workers rely on.

The presentation of these massive corporate handouts as "performance-based incentives" concerning hiring and building commitments is nothing but a pretense by politicians such as Cuomo and de Blasio to sell the contract as something beneficial to the public. The unfolding, and final result of, the negotiations between New York City and Amazon reveal the fundamental relationship in American and global society: the corporate executives dictate their terms and their politicians hurry to accept and implement them.

In an indication of the dictatorial character of the proceedings, Amazon maintained total control over the state and local governments with which they negotiated. Amazon's ruthlessness encountered no resistance from elected officials, as all applicants were forced to sign non-disclosure agreements. The details of the agreements were not publicly available—or even known by several key local political figures—until Amazon's announcement.

Amazon also ran roughshod over government regulations. The waterfront site that Amazon intends to use is not currently zoned for commercial development, meaning that it would typically have to be rezoned

before construction could begin. Usually, a business entity needs to start a Uniform Land Use Review Procedure (ULURP), which allows for public discussion and oversight from public bodies such as the City Planning Commission, the Department of City Planning, and the City Council. However, to expedite the process for Bezos, the \$164 billion man, Governor Cuomo has promised Amazon exemption from New York City's land use proceedings.

A prior proposal to use the land for much-needed affordable housing has been shelved. And the potential site of Amazon's corporate headquarters, next door to Queensbridge Houses, the largest public housing project in the country, has been glossed over with the unlikely prospect that some of the thousands of residents, with median household incomes of \$15,843, well below the federal poverty line for a family of four, might be lucky enough to find employment at Amazon!

The contrast between the city government's largesse to Amazon and its stingy treatment of the residents of public housing was so stark that even the *Wall Street Journal* editorial page—an adamant defender of the most ruthless free market nostrums—was compelled to publish an editorial contrasting, “Billions for Amazon but rats, lead paint and mold for public housing.” The editorial was headlined, “A Tale of Two New Yorks,” an obvious jibe at Mayor de Blasio, who first won office by claiming to oppose the division of New York into two cities, one for the super-rich and one for everyone else. Once in office, of course, De Blasio has been just as much a servant of the financial oligarchy as any other mayor.

In a final stipulation that epitomizes the arrogance of the whole deal, Bezos has demanded a helipad in both locations. It has been written into the contract that New York state and the city help Amazon obtain federal approval so that Bezos and other top-level executives can take helicopters to work. According to the wording of the contract, in the case that “an onsite helipad is not feasible, the Public Parties will assist the Company in securing access to a helipad in an alternative location in reasonable proximity to the Development Sites.”

As the workers of New York City contend with the increased stress on infrastructure, public transportation, and higher rents that the influx of Amazon corporate functionaries will bring, Bezos and his cronies will enjoy the New York skyline from their helicopters

funded with public monies. Such is the inequality that defines New York and global society in 2018.

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