Grand Island warehouse could mean 1,800 jobs in likely Amazon deal

By Stephen T. Watson

Published February 25, 2020|Updated February 25, 2020



2780 Long Road in Grand Island. (Derek Gee/Buffalo News)

It's a warehouse and distribution center that could fit three Seneca One towers, Buffalo's tallest building, inside it. The 3.8 million-square-foot, five-story structure on Grand Island could host as many as 1,800 workers at peak periods, town officials say.

The tenant? That's still officially confidential, but two sources have told The Buffalo News it's all but certainly Amazon. It's also a sign of Amazon's growing commitment to the region, where it has three other venues, as the e-commerce giant continues to upend traditional retailing and get packages delivered to customers even faster.

Western New York isn't alone. Amazon is reportedly behind a similar project in a Syracuse suburb that has an estimated \$350 million price tag. The long-discussed Grand Island project will receive public scrutiny now that the developer has filed plans for the facility with the town.

The Grand Island Town Board will begin what promises to be a lengthy review period at Monday's meeting, where public support is far from certain. "It remains to be seen. We really have to thoroughly vet this. This is a monstrous project," Supervisor John Whitney said in an interview. "We can't just take this at face value."

The prospect of at least 1,000 new jobs comes just weeks after a Grand Island landmark and major employer, Fantasy Island amusement park, announced it was closing.

Sources told The News last May that Amazon was <u>eyeing the property at 2780 Long Road</u> as a possible location for a warehouse and distribution center.

The 145-acre property is owned by developer William L. Huntress through his Grand Island Commerce Center joint venture. This is the property, on Long Road near the Interstate 190 exit, where TC Buffalo Development Associates is seeking permission to build on behalf of an unnamed e-commerce client.

Whitney said the developer is Trammell Crow Co., of Texas, which has developed a number of Amazon projects around the country. Whitney said he understands Huntress has an agreement in place to sell the property to make way for the development but this transaction hasn't closed yet. The town supervisor said he doesn't have an estimated cost for the structure, which would include robotics and other high-tech equipment for processing packages daily.

The five-story building would have a footprint of about 823,000 square feet and a total size of 3.8 million square feet. How big is that? It's more than three times the size of downtown's One Seneca tower, which has about 1.2 million square feet of space spread across 38 floors. And it's also more than three times the size of the Tesla gigafactory in South Buffalo, also 1.2 million square feet. Amazon declined comment on the project.

"Amazon is a dynamic business and we are constantly exploring new locations and weighing a variety of factors when deciding where to develop sites to best serve customers," spokeswoman Katelyn Chesley said in an email. "However, we have a policy of not commenting on our future roadmap and are not yet commenting on any specific operations plans in New York."

This would be the fourth Amazon facility in the region. Crews are constructing a \$25 million delivery station in a Town of Tonawanda industrial park that should open later this year. For perspective, that warehouse and distribution center is 117,000 square feet and is expected to create several hundred jobs. It's meant to help "last-mile" packages get to Amazon customers as quickly as possible as the company seeks to expand its next-day and same-day deliveries.

That project was identified as Project Bruno by developer TM Montante until it received final approvals last year and Amazon confirmed it was the tenant. The company also operates a sorting center in Lancaster and the Whole Foods Market in Amherst.

Whitney said he doesn't know whether he will support the proposal and he needs time to assess the project's pros and cons. He wants to learn more about what jobs Amazon would fill at the site and how much they would pay.

Many residents already complain about congestion and traffic backups during rush hour on the South and North Grand Island bridges, and this project would bring many more trucks to the island.

Nate McMurray, the Democratic congressional candidate, worked on this project during his term as Grand Island supervisor that ended in December. He said he welcomes the development's economic benefits but local, county and state officials should make sure the project provides good union jobs while minimizing the environmental impact.

"We shouldn't be suckers for Amazon. We have to be smart about this," McMurray said. He added the project wouldn't be possible without a new sewer line paid for by Huntress and the owner of the nearby Holiday Inn Express. It's not clear whether Amazon and Trammell Crow will seek tax breaks for the project. McMurray said he talked with Empire State Development Corp. about the project and he's aware state officials have discussed incentives with Amazon.

Empire State Development representatives did not respond to messages seeking comment Tuesday. Robbie Ann McPherson, a spokeswoman for the Erie County Industrial Development Agency, said the developer hasn't filed an application for tax breaks from the agency. Asked whether the IDA has discussed possible incentives with Trammell Crow, she said she couldn't comment.

The possible Grand Island project is similar to a development in the Syracuse suburb of Clay that is further along in the approval process. A look at that project reveals more details about what could be coming to the island. Another unnamed e-commerce company has received the OK to construct a 3.8 million-square-foot, five-story warehouse and distribution center on 111 acres of a golf course, according to Syracuse.com. The estimated cost is \$350 million and the developer received nearly \$71 million in tax breaks over 15 years. Officials there said the annual payroll could reach \$40 million. Construction is expected to start this spring. The developer in that case also is Trammell Crow.

News Business Reporter Samantha Christmann contributed to this report.