

Amazon scouting locations in Grand Island, Tonawanda



Amazon's new projects in the Buffalo area would likely be warehouse and distribution facilities, sources told The News. (Jim Young/Bloomberg file photo)

By Stephen T. Watson, Jonathan D. Epstein and Tom Precious | Published May 24, 2019 | Updated May 24, 2019

Amazon has been scouting locations for at least one new distribution facility in the Buffalo Niagara region, two sources have told The Buffalo News. Representatives for the online retailer for months have looked at locations throughout the region, from Niagara County to Lackawanna, and in recent months have had detailed discussions about two locations in Grand Island and in a Town of Tonawanda industrial park, according to information from the two sources. Amazon already has a "sortation" center that opened in a former supermarket warehouse on Walden Avenue in Lancaster in 2017. The new projects, if developed, would also be warehouse and distribution facilities, the sources said.

The company has identified one location for a possible 133,000-square-foot warehouse and distribution facility in TM Montante Development's Riverview Solar Technology Park, a source familiar with the property said. That project, at 400 Riverwalk Parkway, came before the town's Planning Board for discussion at its May meeting, without identifying the potential tenant. That tenant would be Amazon, the source said on condition of anonymity for fear of upsetting the global online retailer. Earl Wells, spokesman for TM Montante, declined to comment.

A second location that the company is eyeing is a 184-acre undeveloped property on Grand Island. A source familiar with the potential Grand Island location, who spoke on condition of anonymity because Amazon is requiring parties to the transaction to sign nondisclosure agreements, said Amazon is engaging in serious negotiations over vacant land on Long Road, between West River Road and the Niagara Thruway.

Empire State Development and Invest Buffalo Niagara officials both declined to comment. Amazon spokeswoman Rachael Lighty also declined to comment, citing company policy regarding "rumors or speculation." "The company is constantly investigating new locations to support the growth and increase the flexibility of its North American fulfillment network to address customers' needs," she said. "However, Amazon is not yet commenting on any specific plans in New York."

Amazon is making a major push to expand its network of distribution centers across the country as it tries to speed up delivery times for its Prime customers, offering free one-day shipping in more areas, rather than the two-day shipping it now provides.

Amazon executives told analysts last month that the company is making major strides to speed up delivery times for its Prime customers – and it plans to spend \$800 million on the effort. "This is all about the core free two-day offer morphing into – or evolving into – a free one-day offer," Amazon Chief Financial Officer Brian Olsavsky said in general terms during a conference call with analysts. "We've already started down this path. We've in the past months significantly expanded our one-day eligible selection and also expanded the number of ZIP codes eligible for one-day shipping."

"It's a significant step and it will take us time to achieve," Olsavsky said. "We do need to build out more one-day capacity along with our transportation partners, but we're moving quickly and we've got a good head start. "We've started to do that and you'll see that very quickly in [the second quarter]. And then stay tuned, because we'll be building this – most of this capacity – through the year in 2019." Those efforts include new distribution and warehouse facilities in places like Dayton, Ohio; Winston-Salem, N.C.; South Bend, Ind.; and the Albany suburb of Colonie.

The Grand Island property at 2780 Long Road is just south of the former Dunlop Tire headquarters that was recently transformed into a Holiday Inn Express hotel. The development of that project included the installation of a new sewer line that could serve the prospective Amazon parcel as well, one of the sources said. William Huntress of Amherst-based Acquest Development is the owner of the 2780 Long property, purchased in the early 1990s through a joint venture. Huntress did not respond to messages seeking comment.

The Grand Island project, which would also be a warehouse and distribution facility, is far from certain. Details weren't provided but it's believed it would be considerably larger than the Tonawanda location. Sources could not say how the two facilities would complement each other, nor how many employees they would have. But a source said Grand Island officials have been working for some time on the potential deal.

Amazon, at least at the Tonawanda site and perhaps at both, is not expected to seek a package of tax incentives.

Amazon already employs more than 300 people in a 525,000-square-foot building in Lancaster, where it sorts packages for delivery. While that facility has some full-time positions, most of the jobs are part-time. Amazon advertises a \$15 an hour starting wage for those part-time warehouse jobs.

Speculation about Amazon scouting sites in Western New York has been simmering for months.

After a February state budget hearing, Howard Zemsky, who recently announced his departure as the state's economic development czar, said he had heard nothing about Amazon looking to open any new facilities in the Buffalo area. Other state officials, including state lawmakers in the Assembly and Senate, said the same thing in late winter as well as this week.

Deputy Business Editor David Robinson contributed to this report.