

Developer pulls Amazon megaproject eyed for Grand Island

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James P. McCoy

The developer behind the massive proposed Amazon warehouse on Grand Island pulled the project after growing uncomfortable with the costs and roadblocks it faced along the uncertain path to approval, officials said. Town Supervisor John Whitney and Eric Fiebelkorn, president of the Grand Island Chamber of Commerce, confirmed to The Buffalo News the developer has withdrawn the \$300 million-plus project.

Amazon and the developer, Trammell Crow Co., made the decision late Tuesday or early Wednesday following a final consultation and informed Whitney in a call late Wednesday afternoon. The town was set to hold a public hearing on the plan Thursday night, a meeting that is now canceled. Fiebelkorn said Amazon may consider other locations in Western New York, such as Niagara or Genesee counties, but the company will not pursue the megaproject in Erie County. "I can tell you, 100%, they're out," said Fiebelkorn, a staunch project supporter who kept in close contact with Trammell Crow and its legal team.

Fiebelkorn said the company's representatives raised concerns about the growing costs of infrastructure improvements and the ability to find enough local construction workers to meet requirements of the Erie County Industrial Development Agency, feared time-consuming legal challenges and took note of rising public opposition, though the latter wasn't the main consideration. "They cited costs, the IDA labor requirement and that they are looking at other sites," Whitney said. Neither representatives of the developer, nor the property owners, William and Michael Huntress of Acquest Development, responded to requests for comment late Wednesday.

Erie County Executive Mark Poloncarz, who supported the project, said in a statement the company had informed his office "the fit is not right at the current time." He pointed out Amazon's investment in smaller facilities in the towns of Tonawanda and Lancaster and added "so while the Grand Island location is now off the table, my team is prepared to work with them, if necessary, to identify another possible location for this regionally important project or any other project."

Poloncarz previously had tried but failed to interest the Amazon developer in a portion of the former Bethlehem Steel property in Lackawanna.

Grand Island Councilman Michael Madigan said the town still is awaiting confirmation of the withdrawal in writing. The developer once before abruptly put the project “on pause” before continuing to negotiate with town officials. Madigan noted residents have organized to oppose the project, but said that’s to be expected with a development of this scale and shouldn’t have scared off Amazon. “That’s part of the public discourse,” Madigan said.

Amazon’s withdrawal from the island comes 18 months after the e-commerce giant pulled the plug on its planned second headquarters complex in Queens for 25,000 workers in the face of local opposition. The News in May 2019 was the first to report Amazon’s interest in a 145-acre site at 2780 Long Road, but confidential discussions among the developer and local officials had taken place for at least a year before that.

Trammell Crow waited until February to submit plans to build the facility, known as Project Olive, on the undeveloped parcel of former farmland off the I-190. The 3.8 million-square-foot national distribution center would have been one of the world’s largest warehouses and is nearly identical to a facility now under construction outside Syracuse. Proponents said the region couldn’t afford to turn down the projected economic benefits, with more than 300 construction workers required to build the facility and at least 1,000 full-time employees working there after it opens. Poloncarz said it would be one of the region’s largest developments in decades and compared its potential impact to that generated by the construction of the University at Buffalo’s Amherst campus.

The island’s business community welcomed the development coming on the heels of the closing of the Fantasy Island amusement park and wondered what, if anything, could take Amazon’s place. The facility would have had a nearly \$31 million annual payroll and would have generated an estimated \$51 million in property tax revenue over its first 15 years. Amazon also had offered to pay \$10 million to the town for public amenities such as a new community center. But the project faced a raft of criticism from residents who said it was too big for the island and would generate too much traffic in the town and on its bridges. They also raised fears about lost green space, air pollution and other environmental effects, though the developer had adjusted the plan to address some of those concerns.

Both the town Planning Board and the town Conservation Advisory Board had urged the Town Board to reject the developer’s rezoning request, signs the project faced an uphill battle to win approval. Members of the public had crowded in-person and online meetings since March to express their opposition to the project. Protesters had picketed outside Town Hall at least twice and a large contingent was expected again for Thursday night’s now-canceled hearing. Some critics said they would welcome the development if Amazon could find a more suitable location, such as a brownfield site.

“Obviously, I’m very pleased with the news, if it’s true,” said Cathy Rayhill, a co-founder of a coalition that opposed Project Olive. “We have been saying all along this is an inappropriately sized project for Grand Island.”