Amazon hires public relations firm to counter popular hostility to headquarters project in New York City

Clare Hurley
11 January 2019

"Happy New Year from your future neighbors at Amazon! Going in to 2019, we want to express how excited we are about becoming your neighbors in Long Island City, Queens," proclaimed a propaganda ad that appeared in local news and social media last weekend.

The Amazon conglomerate faces growing popular opposition over its low wages and brutal working conditions, as well as over its ability to unilaterally dictate terms to both political parties. Following a bidding process in which state and local politicians, both Republican and Democrat, competed amongst each other to offer the most favorable terms, Amazon decided to split its second headquarters between Queens in New York City, a short distance from Wall Street, and Crystal City, Virginia, a short distance from the Pentagon.

In New York City, where Amazon plans to build a 4 million square foot office complex in a former industrial area on the East River across from midtown Manhattan, Amazon has launched a charm offensive. It has hired former elected official-turned lobbyist Mark Weprin and the public relations firm SKDKnickerbocker, which boasts such high profile clients as former president Barack Obama, New York State governor Andrew Cuomo, and former New York City mayor Michael Bloomberg.

As part of its charm offensive, Amazon is claiming that locating one of its two new headquarters in New York City will be a boon to local residents. All of Amazon's claims along these lines should be treated with skepticism if not outright contempt. This is, after all, the same corporation that only months ago proclaimed that it was doing workers a favor when it gave many of them a pay cut.

With its headquarters project, Amazon is pursuing nothing more than naked business interests, as well as its objectives of further integrating itself into headquarters of finance capital (Wall Street) and the headquarters of the apparatus of military aggression and internal repression (Washington, D.C.). Amazon's after-the-fact public relations campaign is aimed at ironing out popular opposition to what Amazon has already decided to do.

In addition to its promise to create 25,000 "well-paying" tech jobs over the next 10 years—in exchange for which it will reap as much as $1.7 billion in state and local tax breaks—Amazon claims that the building of its campus in Anable Basin, a stone's throw from the largest public housing complex in the US, will result in tens of thousands more "indirect" (and mostly lower paying) jobs in construction, building services and hospitality. It also pledges to offer career training for local residents, many of whom are immigrant and minority, with a median income of $58,243 for those ages 25–44, and considerably lower for those under 25 or older than 44.

This is nothing more than a rehash of the old trope of "trickle-down" economics. The rich, by virtue of being rich, spend lots of money, for which the population should supposedly be thankful because this behavior "creates" jobs.

Moreover, the number of jobs Amazon is required to "create" under the terms of the agreement is an ever-shifting and nebulous target. First announced in November 2018 by Governor Andrew Cuomo and Mayor Bill De Blasio to be fifty thousand in ten years, it became clear that it actually will be twenty five thousand jobs since the overall number is to be split between Queens and the other headquarters that will be built in Arlington, Virginia. To obscure matters further, de Blasio has been citing a longer term number of forty thousand over 15 years.

Skepticism is widespread. Greg LeRoy of the watchdog organization Good Jobs First believes the actual number of jobs Amazon would create would likely be much lower. "I can't identify another corporate headquarters that employs 50,000 people when they already have people elsewhere."

Even if Amazon were to create the full number of jobs, there is no guarantee that they would be full-time jobs maintained long-term at the promised $150,000 per year. Moreover, this cynical figure of $150,000 can in no way be accepted at face value, since it appears to involve averaging the pay of the high-paid Amazon executives with the rest of the workforce.

Hostility to the Amazon headquarters project in New York City is more far-reaching than questions of the conglomerate's misleading and ever-shifting promises. There is a growing mood of combativeness among Amazon workers internationally over conditions in the company's network of fulfillment centers, which is bound up with mounting opposition in other industries and sections of the working class. Moreover, the secretive and quasi-dictatorial way in which Amazon dictates terms to cities like New York City has exposed in stark terms the relationship between conglomerates like Amazon and America's politicians. In New York City, Amazon demanded (and politicians dutifully agreed) that Amazon's development plans would be allowed to circumvent review by the City Council and be exempt from the usual land-use regulations.

Bypassed entirely and left with no political cover whatsoever, a number of local elected officials have publicly denounced Amazon's behavior, including City Council Speaker Cory Johnson and Councilmember for Queens, Jimmy Van Bramer.

Van Bramer, embarrassed by having supported the deal a year ago before the full terms were clear (which among other provisions mandated a helipad for Amazon VIPs), issued a scathing report with State Senator Michael Gianaris in November, in which both politicians said they were not elected to "serve as Amazon drones."

At a raucous City Council meeting in December, city officials grandstanded and protesters unfurled a banner and heckled from the balcony. For the benefit of those in attendance, Johnson, Van Bramer and others grilled two Amazon executives, who barely deigned to answer their questions. By that point, the deal was already an accomplished fact, having been structured by the governor's office to circumvent the council's approval altogether.

Having saved face, Van Bramer is now more reconciled to drone status. "We're putting a lot of pressure on them to answer for what they've agreed to in the deal. I think that's a good thing and I do believe that will produce some changes here."

Local residents have voiced significant concerns over the impact of the headquarters on housing availability, transportation infrastructure, even sewage management, all of which were already inadequate in the area before the HQ2 deal. These concerns have been seized upon by "grassroots activists" led in large part by the Democratic Socialists of America (DSA) for their own political ends.

In several community meetings in December packed with DSA supporters, tenant organizers and assorted other activist groups, speakers decried gentrification, although the area has been gentrifying over the past 10 years, and denounced Amazon's exploitative labor practices. A resident of the public housing complex Queensbridge Houses spoke in Arabic of her fear that the additional 25,000 people would overcrowd the working class neighborhood, and other immigrant residents worried that Amazon's close connections with ICE would jeopardize their safety.

Keely Mullen, a representative from Socialist Alternative, brought greetings to the meeting from Kshama Sawant, SA's member on the Seattle City Council. Mullen described a tax measure that SA had organized in Seattle that would tax Amazon to guarantee high quality housing. Sawant, she said, "doesn't fear going toe-to-toe with billionaires." But then she had to admit that the billionaires mounted a counter ballot measure which nullified the tax because with the "shameful City Council under capitalism there's no guarantee." Nevertheless, the meeting concluded with renewed resolve to use everything in their power to take on Wall Street "by pressuring our politicians!"

Under conditions where "our politicians" are utterly prostrate before Amazon, as demonstrated so clearly by the HQ2 bidding process, the perspective of exerting "pressure" on these same politicians approaches the comically absurd.

City officials for the most part have been enthusiastic about the deal, including particularly the prospect of $27.5 billion of additional tax revenue that will allegedly be generated over the next 25 years by Amazon's "investment" in the neighborhood. In its public relations campaign, Amazon suggested "these new tax revenues can be used to help the neighborhood, improve subways and buses, and build more affordable housing."

However, there is no mechanism to guarantee that this is how this money will be used. The home of Wall Street, with one of the highest concentration of millionaires and billionaires in the world, routinely claims there is "no money" for public education, transportation, or to adequately maintain public housing, which is often vermin infested and subject to heat shortages, let alone to build the number of affordable units required by the working population.

The city's "421-a" tax abatement, through which Amazon will get most of its tax break, has been used in various iterations since it was first enacted in 1971 to incentivize real estate developers to build in areas deemed in need of development. It allows developers to maximize profit on high-end units provided a mere 25 to 30 percent of the total units built are "affordable." If these cheaper units are on-site they are tax exempt for 15 years. Or they can be built in an entirely different, less desirable, location in which case they are tax-free for 10 years.

As for the dire predictions that the city lacks housing to absorb this influx of newcomers, this is a misleading way of framing the issue. As a preliminary matter, these predictions assume that tens of thousands of jobs are created, *and* that a significant number of them are not taken by people who currently live in the city, *and* that these individuals all seek to live in the immediate vicinity of their job, Moreover, the area of Amazon's new HQ2 location in eastern Queens has already seen a building boom of sleek glass luxury condo and rental towers over the past ten years, which reached a frenzied pitch last year.

According to Localize.city, a building data site, "in the first six months of 2018, about 3,000 apartments were completed, representing about a quarter of all the new units in the city, and another 3,300 apartments are expected to come to market there by 2020." This made Long Island City the busiest area for new construction in the city even before Amazon's announcement.

Nor has this building craze been limited to Queens. The *New York Times* reported recently that a new interactive map documents that the Department of Buildings issued a "whopping" 168,233 construction permits in 2018. Though this includes all size projects, examples of "megaprojects" include the 28-acre Hudson Yards in west midtown Manhattan and "Essex Crossing," a 1.65 million-square-foot project including 1,000 luxury apartments that towers over Chinatown, a neighborhood of crowded walk-up brick tenements and public housing that has housed waves of the city's impoverished immigrant population for over a century.

Ultimately, the issue is not the availability of housing, but the fact that the new housing is being constructed and earmarked for the wealthy. Moreover, the gyrations of financial markets at the opening of 2019 are an initial sign that the music could soon come to an end, in which case the glut of high-end housing will only aggravate the consequences of a crash.

Working class residents of the city confront a situation where they have no effective control over any of these important decisions, which are worked out between politicians, corporations and the wealthy behind their backs.