



May 14, 2015

*The Honorable Mark Dayton
116 Veterans Service Building
20 W 12th Street
St. Paul, MN 55155*

Re: Tax Incentives for Amazon.com

Dear Governor Dayton,

On behalf of our over three hundred Twin Cities small business and citizen members, we encourage you to oppose paying tax subsidies to Amazon.com for their distribution center in Shakopee.

Amazon.com is a fierce competitor to many of our member businesses. With the ability to offer next-day delivery of over 50,000 items throughout the Twin Cities, they will be even more of a threat to brick and mortar stores.

Our locally-owned retailers make our community unique, support the local tax base, and reinvest in their communities. Amazon.com does none of these and, as you know, fought tooth and nail to avoid paying one cent of sales tax in Minnesota until late last year when its negotiations with Shakopee began.

We recognize that Amazon's project would generate jobs, which looks good on paper. However, these will be almost entirely low-wage jobs paying less than \$13 per hour. Moreover, multiple studies have shown that Amazon actually destroys more jobs than it creates. The venture capitalist Nick Hanauer, an early backer of Amazon.com, estimates that "Amazon probably destroyed a million jobs in our economy" since its inception.

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Jeff Milchen of the American Independent Business Alliance writes, "While Amazon's gaining a greater share of retail spending is a boon for its shareholders, it only exacerbates unemployment because jobs added at Amazon yield a net job loss for the country." And, Stacy Mitchell from the Minnesota-based Institute for Local Self-Reliance calculated that "Amazon employs only 14 people per \$10 million in revenue" while "Brick-and-mortar retailers employ 47 people for every \$10 million in sales," a ratio of about seven jobs destroyed for every two Amazon creates.

Working conditions in Amazon warehouses are also sub-par, with employees tracked by computers and forced to meet aggressive work quotas. In fact, Amazon.com is so hostile to workers' concerns that it fought all the way to the US Supreme Court in order to avoid paying for the time it takes to frisk employees at the end of every shift, a process which can take up to 25 minutes per day.

Amazon.com is not a company worthy of public support. Giving them \$6.2 Million dollars in tax breaks and road improvements is not a good investment for the city of Shakopee or the State of Minnesota.

Thank you,

A handwritten signature in black ink, appearing to read "Chris Hanson". The signature is fluid and cursive, with a large initial "C" and "H".

*Chris Hanson
Co-founder & CEO, thedatbank, gbc.
President, Twin Cities MetroIBA*