

Dear Governor Northam:

As independently owned businesses in Virginia, we are writing to express our strong opposition to your decision to provide massive subsidies of public funds and tax incentives to a large mega-corporation to locate in the state. Rather than using public funds to lure Amazon to open its second headquarters here (which in all likelihood it would have done without any monetary incentives), we urge you to find ways to support in-state businesses like ours, which are the real engine of the state's economy.

We would welcome an opportunity to meet with you at your convenience to discuss ways in which the state can support local businesses.

We were extremely disheartened to learn of the millions in subsidies Virginia will be giving Amazon to locate a new headquarters in Crystal City. It is unconscionable that the tax dollars we pay to the state would be redirected to subsidize our direct competitor—one of the world's largest and most profitable companies, which among other things has a long history of failing to pay its fair share of taxes. This kind of policy is not only bad for our businesses, it's bad for the state's economy, and it's bad for Virginia communities of all sizes.

These subsidies will direct public money away from infrastructure, first responders, and public schools, which benefit all Virginians. It is made all the worse that these crucial dollars are going to a single international mega-corporation with a market capitalization that dwarfs virtually every other company.

In the study, [Amazon and Empty Storefronts](#), commissioned by the American Booksellers Association and conducted by Civic Economics, in 2015 Amazon sold \$1.6 billion worth of retail goods in Virginia -- that is the equivalent of 1,102 retail storefronts, 3.8 million square feet of commercial space, which might have paid \$7.6 million in property taxes. The end result was a total of more than \$7.6 million in revenue lost to state and local governments. Overall, even counting all the jobs in Amazon distribution centers, Amazon sales produced a net loss of more than 5,897 retail jobs in Virginia.

Amazon's third-party marketplace, much like that of eBay's, hosts sellers from around the country. Though the sales mechanism is facilitated by Amazon, only a small portion of sellers collect and remit sales tax where it is due. This has resulted in lost sales tax revenue in communities across the country, including Virginia. Far from being a boon to states, Amazon represents more of an economic black hole.

Moreover, the recent Civic Economics study, [Prime Numbers: Amazon and American Communities](#), noted that, in 2016, Amazon and its third-party marketplace vendors sold \$3.8 billion of retail goods in the state. These transactions resulted in 1,240 displaced shops, or 10.7 million square feet, and some \$79 to \$101 million in uncollected sales taxes.

And while Amazon undermines the revenue sources of local and state governments, it also imposes direct costs on the public, according to [Amazon's Stranglehold](#), a report from the Institute for Local Self-Reliance. The report points out that one example is infrastructure. "Trucks laden with Amazon delivery boxes put wear-and-tear on roads," the report notes, "and Amazon not only skirts the taxes that pay for upkeep on those roads, it's also skilled at getting local governments—desperate for employment in an Amazon economy that is shrinking opportunity—to pay for new ones." Amazon also imposes costs such as increased traffic, the study further noted. In New Jersey, after Amazon opened up a new fulfillment center, the mass of employees driving to the site led to gridlocked roads and a 300 percent increase in the accident count.

For whatever pluses you think Amazon may bring our state, those purported gains are far outweighed by costly tax incentives, job losses, and Amazon's refusal to collect and remit sales tax for third-party marketplace sales into the state. Sadly, Virginia will find this out in the long run, and at the expense of its small businesses across the state, the true drivers of sustainable economic growth.

Businesses like ours are the real backbone of our state's fiscal health. Instead of subsidizing the world's largest and most profitable corporations, our state should be asking what it can do to support Main Street.

We look forward to meeting with your office to discuss these issues further.

Sincerely,