



HR0655

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1 HOUSE RESOLUTION

2 WHEREAS, The State of Illinois has a strategic interest in
3 developing the best possible strategy to create the most jobs
4 for the least amount of taxpayer money; and

5 WHEREAS, State of Illinois and City of Chicago officials
6 have responded to Amazon.com, Inc.'s "Request For Proposal" for
7 their new facility with a package that likely includes
8 subsidies and other taxpayer-funded incentives to entice them
9 to choose Illinois; and

10 WHEREAS, Amazon.com, Inc. has a market value of nearly \$400
11 billion and the necessary capital to construct a new facility
12 without taxpayer assistance; and

13 WHEREAS, The State of Illinois has a bill backlog of nearly
14 \$16 billion, which includes social service agencies,
15 small-business medical providers and many others who are
16 struggling to continue operating without the funds they are
17 duly owed; and

18 WHEREAS, The State of Illinois has already awarded more
19 than \$112 million in subsidies to Amazon.com, Inc. for
20 constructing distribution facilities that its business model
21 requires, with little credible evidence of benefit to the

1 State's economy; and

2 WHEREAS, The average wages at Amazon.com, Inc. warehouses
3 are significantly lower than the prevailing wage for comparable
4 work within the same areas; and

5 WHEREAS, In 2015, Amazon.com, Inc. generated approximately
6 \$1.5 million in sales in Illinois for every full-time warehouse
7 worker it employed, while the State's brick-and-mortar retail
8 stores employ about seven people to accomplish the same sales;
9 and

10 WHEREAS, The actual economic impact of trading large
11 taxpayer subsidies to corporations for promised jobs is poorly
12 understood, and the supposed benefits are disputed by many
13 academics and experts in the field; and

14 WHEREAS, Foxconn Technology Group was recently awarded
15 more than \$3 billion in taxpayer subsidies to locate a plant in
16 Wisconsin, at a cost of more than \$230,000 per job created,
17 representing a massive transfer of wealth from Wisconsin
18 taxpayers to corporate shareholders; and

19 WHEREAS, It is of crucial importance for policymakers to
20 understand whether the cost of potential future subsidies to
21 Amazon.com, Inc. is justified based on the job creation and

1 retention benefits generated by an agreement; therefore, be it

2 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE ONE
3 HUNDREDTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we
4 urge extreme caution in the pursuit of Amazon.com, Inc.'s new
5 facility, as an offer of subsidies approximating the Foxconn
6 Technology Group deal in Wisconsin is almost certain to be a
7 net negative for Illinois taxpayers; and be it further

8 RESOLVED, That we believe job growth and retention is
9 crucial, but fighting with taxpayer money to win a bid from a
10 corporation that has absolutely no financial need for
11 subsidization is a dangerous path to tread; and be it further

12 RESOLVED, That it violates both free-market principles and
13 good common sense to subsidize Amazon.com, Inc.'s facility with
14 more public money per new job than is likely to be repaid in
15 state and local taxes; and be it further

16 RESOLVED, That we urge policymakers to hold public hearings
17 before any final deal is agreed to, complete with expert
18 testimony in order to fully demonstrate to the public the
19 potential economic merits and drawbacks.