

## Amazon's False Promises: The Reality of the AWS Project Blue Data Center Campus

Amazon Web Services (AWS) and Beale Infrastructure are proposing to build a massive data center project almost the size of downtown Tucson, near the Pima County Fairgrounds, called Project Blue. This hyperscale data center campus, like other facilities serving Amazon and Big Tech companies, may consume an unsustainable amount of water and energy while providing very few jobs. In other parts of the country, these projects have raised electricity rates for households and threatened both local water supply and overall grid reliability.

Although the project has been under discussion since 2023, a nondisclosure agreement (NDA) has prevented the public from having any meaningful opportunity to offer input or solicit independent expert assessments. Instead, Beale and AWS have painted a one-sided picture for local officials. Company representatives are now speaking about the project as a done deal, even before the cities have exhausted existing decision-making processes that would include public input.

While Amazon and Beale's lack of transparency has obscured critical information about Project Blue, years of evidence shows the true impact of data center development on communities across the United States. Project Blue raises similar, urgent concerns around misleading job promises, hundreds of millions in lost tax revenue, and unsustainable water and power use.

### Misleading Promises of Jobs and Economic Development

- **Data centers are not major job creators.**<sup>1</sup> Repeatedly, companies' public-facing promises for job creation have not matched contractual employment obligations and actual employment figures.<sup>2</sup> Construction jobs for these projects can last less than a year,<sup>3</sup> often less than three.<sup>4</sup> Most states require these projects to create 50 jobs or fewer to qualify for significant tax breaks. Data from Indiana shows that data centers create 100 times fewer jobs than other types of economic development, by energy used.<sup>5</sup>
- **The Project Blue job numbers don't add up.** Hypotheticals of thousands of jobs would be limited to temporary construction and could include subcontracted workers. In Indiana, Amazon

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<sup>1</sup> Tom Dotan, "The AI Data-Center Boom Is a Job-Creation Bust," *Wall St. Journal*, Feb. 25, 2020, <https://www.wsj.com/tech/ai-data-center-job-creation-48038b67>.

<sup>2</sup> Kasia Tarczynska, "Will data center job creation live up to hype? I have some concerns," Good Jobs First, Feb. 12, 2025, <https://goodjobsfirst.org/will-data-center-job-creation-live-up-to-hype-i-have-some-concerns>.

<sup>3</sup> Hannah Beckler et al., "Big Tech promised jobs. Cities gave millions. Where are the workers?," Business Insider, June 20, 2025, <https://www.businessinsider.com/data-centers-tax-subsidies-jobs-ohio-2025-5>.

<sup>4</sup> McKinsey & Co., "What the real estate industry needs to know about data centers," Oct. 15, 2024, <https://www.mckinsey.com/industries/real-estate/our-insights/what-the-real-estate-industry-needs-to-know-about-data-centers>.

<sup>5</sup> Citizens Action Coalition, "The Hidden Costs of Data Centers," Jan. 27, 2024, <https://www.citact.org/sites/default/files/CAC-Data-Center-Webinar-Slides-01-27-2024-1.pdf>.

publicly promised data center development would create over 1000 jobs,<sup>6</sup> but the actual subsidy agreement revealed the company would hire only 400 people directly for 16 campuses,<sup>7</sup> years down the line, while the rest would be subcontracted positions that tend to be temporary.<sup>8</sup> The Project Blue promises to create 180 jobs years away, in the third year of operations, and the purchase-sale agreement only requires Amazon to create 75 jobs for two years only.<sup>9</sup>

- **Amazon has broken labor and employment law in the past.** Amazon has been charged by the National Labor Relations Board with violating labor law,<sup>10</sup> cited for violations<sup>11</sup> at ten warehouses and was placed under an unprecedented company-wide settlement agreement by the Department of Labor's Occupational Safety and Health Administration (OSHA),<sup>12</sup> is under investigation by the Department of Justice to determine whether it misreported injury data,<sup>13</sup> and was subject to a Senate investigation into its injury crisis.<sup>14</sup> The company illegally fired two employee whistleblowers after they spoke out about Amazon's negative impact on the environment.<sup>15</sup>

### Millions Lost in Tax Revenue for Tucson and Arizona Residents

- **Across the US, states are disproportionately giving away hundreds of millions in tax breaks to some of the richest companies in history.** Nearly 60% of hyperscale data center infrastructure serves Amazon, Google, and Microsoft alone, companies with a collective market cap

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<sup>6</sup> Indiana Economic Development Corporation, "Gov. Holcomb announces Amazon Web Services plans to invest \$11B to create a new data center campus in Northern Indiana," Apr. 25, 2024, <https://iedc.in.gov/events/news/details/2024/04/25/gov-holcomb-announces-amazon-web-services-plans-to-invest-11b-to-create-a-new-data-center-campus-in-northern-indiana>.

<sup>7</sup> Public Hearing Agenda, St. Joseph City Council, Aug. 13, 2024, <https://www.sjcindiana.gov/AgendaCenter/ViewFile/Agenda/08132024-2021>.

<sup>8</sup> Joseph Dits, "Council gives final OK to Amazon's abatements as issue of electrical demand emerges," South Bend Trib. Aug. 13, 2024, <https://www.southbendtribune.com/story/news/local/2024/08/13/amazon-tax-abatement-passes-council-im-talks-about-electricity-demand/74779431007>; Stephan Bisaha, "Data centers bring money to small towns. But do they also bring jobs?," NPR, Apr. 10, 2025, <https://www.npr.org/2025/04/10/nx-s1-5355017/data-centers-bring-money-to-small-towns-but-do-they-also-bring-jobs>.

<sup>9</sup> 32 (PDF) under 17.6 Economic Performance.

<https://pima.legistar.com/View.ashx?M=F&ID=14286385&GUID=F263F723-3A1C-4255-BDD7-537E944E4ED4>

<sup>10</sup> Robert Iafolla, "Amazon Broke Labor Law in Anti-Union Push, NLRB Judge Rules," Bloomberg Law, Feb. 1, 2023.

<https://news.bloomberglaw.com/daily-labor-report/amazon-broke-labor-law-in-anti-union-push-nlr-judge-rules>.

<sup>11</sup> Annie Palmer, "Amazon cited by Labor Department for second time in a month over warehouse injuries," CNBC, Feb. 1, 2023, <https://www.cnbc.com/2023/02/01/amazon-cited-by-osha-again-over-warehouse-injuries.html>.

<sup>12</sup> OSHA, "US Department of Labor announces settlement with Amazon requiring corporate-wide ergonomic measures at facilities across the country," Dec. 19, 2024, <https://www.osha.gov/news/newsreleases/osha-national-news-release/20241219>.

<sup>13</sup> "SDNY Amazon Warehouse Investigation," United States Atty's Office, Southern District of N.Y., Last updated Aug. 5, 2025, <https://www.justice.gov/usao-sdny/webform/sdny-amazon-warehouse-investigation>.

<sup>14</sup> "News: Sanders Releases Sweeping Report Exposing How Amazon's Obsession with Speed Injures Workers at Unprecedented Rates," U.S. Senate Comm. on Health, Ed., Labor & Pensions, Dec. 16, 2024, <https://www.help.senate.gov/dem/newsroom/press/news-sanders-releases-sweeping-report-exposing-how-amazons-obsession-with-speed-injures-workers-at-unprecedented-rates>.

<sup>15</sup> Karen Weise, "Amazon Illegally Fired Activist Workers, Labor Board Finds," New York Times, Apr. 5, 2021, <https://www.nytimes.com/2021/04/05/technology/amazon-nlr-activist-workers.html>.

approaching 9 trillion USD.<sup>16</sup> And yet cities and states give these companies major tax breaks to entice data center construction, losing significant potential tax revenue from these companies.<sup>17</sup>

- **For Project Blue, Amazon would not pay approximately \$134.4 million in state sales taxes** in the first three years because of the state data center subsidy.<sup>18</sup> These funds could go to desperately needed infrastructure, such as public healthcare and transportation.
- **Additionally, Pima County could lose \$12 million over the first three years and Tucson could lose \$62.4 million in the first three years**, through sales tax exemptions for Project Blue. Amazon said it will spend \$2.4 billion on equipment, which is exempt from 5.6% state sales tax (called transaction privilege tax), 0.5% Pima County sales tax, and 2.6% city sales tax.<sup>19</sup>

### Immense Strain on Tucson's Scarce Water Resources

- **Data centers are using up precious water resources across the US.** Amazon, Google, and Microsoft have been making “water positive” pledges for years, but these ring hollow. In reality, Google and Microsoft have been reporting record water consumption figures due to their growing data center footprints – even as they build more data centers in water scarce locations.<sup>20</sup>
- **Data centers' water consumption isn't limited to the facilities themselves.** The energy infrastructure they rely on consumes additional water for cooling.<sup>21</sup> These numbers are not accounted for in most projections for how much water the facilities require.
- **Project Blue threatens to dry up the limited potable water that Tucson residents need to survive.** The project's current projected consumption of 283 million gallons per year<sup>22</sup> is equivalent to more than 3,000 Tucson households' annual water usage.<sup>23</sup> In central Texas,

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<sup>16</sup> Matt Ashare, “Cloud data centers get bigger, denser amid AI building boom,” UtilityDive, March 21, 2025, <https://www.utilitydive.com/news/cloud-ai-data-center-aws-microsoft-google-oracle/743290>.

<sup>17</sup> Kasia Tarczynska & Greg LeRoy, “Cloud with a Loss of Spending Control: How Data Centers Are Endangering State Budgets,” Good Jobs First, April 2025, <https://goodjobsfirst.org/cloudy-with-a-loss-of-spending-control-how-data-centers-are-endangering-state-budgets>.

<sup>18</sup> Arizona's data center sale and use tax exemption will allow Amazon to pay no sales tax on purchases of equipment. Arizona Commerce Authority, “Computer Data Center Program,” Last accessed Aug. 5, 2025, <https://www.azcommerce.com/incentives/computer-data-center-program>. These rates were used to calculate Amazon's potential unpaid taxes, based on the \$2.4 billion in equipment it expects to purchase over 3 years. Pima County, “Sales Tax Rates in Tucson and Pima County,” Last updated July 22, 2025, <https://www.library.pima.gov/content/sales-tax-rates-in-tucson-and-pima-county>.

<sup>19</sup> *Ibid.*

<sup>20</sup> Luke Barratt, “Revealed: Big tech's new datacentres will take water from the world's driest areas,” The Guardian, April 9, 2025, <https://www.theguardian.com/environment/2025/apr/09/big-tech-datacentres-water>.

<sup>21</sup> Jake Bittle, “Amazon says it's going ‘water positive’ – but there's a problem,” Grist, Aug. 29, 2024, <https://grist.org/technology/amazon-data-centers-water-positive-energy>.

<sup>22</sup> Craig Smith, “City of Tucson shares details on Project Blue potential water and energy use,” KGUN 9 Tucson, July 14, 2025, <https://www.kgun9.com/news/community-inspired-journalism/southeast-side-news/city-of-tucson-shares-details-on-project-blue-potential-water-and-energy-use>.

<sup>23</sup> Paul Ingram, “3rd time ain't the charm: City leaders, developers try to convince Tucsonans to accept Project Blue,” Tucson Sentinel, Aug. 5, 2025, [https://www.tucsonsentinel.com/local/report/080525\\_project\\_blue\\_hearing/3rd-time-aint-charm-city-leaders-developers-try-convince-tucsonans-accept-project-blue](https://www.tucsonsentinel.com/local/report/080525_project_blue_hearing/3rd-time-aint-charm-city-leaders-developers-try-convince-tucsonans-accept-project-blue).

hyperscale data centers are similarly consuming hundreds of thousands of gallons per day even while residential uses are restricted under escalating drought conditions.<sup>24</sup>

- **Amazon hides its water consumption numbers from the public.** Amazon does not disclose its overall water consumption information, even while claiming the company will be “water positive” by 2030. Major technology companies, including Amazon, frequently claim that precise water and energy consumption data is proprietary information, often making public transparency and accountability next to impossible.<sup>25</sup>
- **Amazon’s water replenishment promises do not preserve critical drinking water resources.** Amazon’s own 2024 Sustainability Report shows that the company has only been able to replenish 53% of the gallons of water it uses.<sup>26</sup> Even those figures don’t correspond directly to consumptive uses within specific watersheds and don’t take into account further criticisms of its self-evaluation methodologies.<sup>27</sup>

### Rising Electricity Costs and Risks of Blackouts

- **Everyday people regularly pay data center energy costs for the wealthiest companies in the world.** Major technology companies building data centers across the country have promised they will pay the costs of the energy infrastructure needed to support their projects. But from Georgia<sup>28</sup> to Ohio,<sup>29</sup> the industry has fought against concrete obligations to ensure its costs aren’t passed along to ratepayers. Meanwhile, from Washington, D.C. to Ohio, energy costs have gone up for regular consumers,<sup>30</sup> directly attributable to data centers and associated energy infrastructure.<sup>31</sup>
- **Tucson is no exception.** The plans have little detail about Tucson Electric Power’s obligations, their deal with AWS, who pays for the interconnection costs, and even the sources of power.

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<sup>24</sup> Stephanie Koithan, “San Antonio data centers guzzled 463 million gallons of water as area faced drought,” San Antonio Current, July 30, 2025, <https://www.sacurrent.com/news/san-antonio-data-centers-guzzled-463-million-gallons-of-water-as-area-faced-drought-38116670>.

<sup>25</sup> Karen Hao, “AI is taking water from the desert,” The Atlantic, March 1, 2024, <https://www.theatlantic.com/technology/archive/2024/03/ai-water-climate-microsoft/677602>.

<sup>26</sup> Amazon Sustainability Report, 2024, <https://sustainability.aboutamazon.com/2024-amazon-sustainability-report.pdf>.

<sup>27</sup> Jake Bittle, “Critics Slam Amazon’s ‘Water Positivity’ Pledge as Data Centers Strain Local Resources,” Gizmodo, Sept. 1, 2024, <https://gizmodo.com/critics-slam-amazons-water-positive-pledge-as-data-centers-strain-local-resources-2000493389>.

<sup>28</sup> Drew Kann & Zachary Hansen, “Data centers use lots of energy. Will Georgia lawmakers make them pay more?,” Atlanta Journal Constitution, Feb. 11, 2025, <https://www.ajc.com/news/business/data-centers-use-lots-of-energy-georgia-lawmakers-might-make-them-pay-more/YW3BUT7ISVDTEGS2BVVIUCY3FM>.

<sup>29</sup> Ellen Thomas, “Here’s how we all ended up paying Big Tech’s power bill,” Business Insider, Aug. 1, 2025, <https://www.businessinsider.com/why-utility-customers-are-paying-big-tech-power-bill-2025-7>.

<sup>30</sup> Peter Whoriskey, “The AI explosion means millions are paying more for electricity,” The Washington Post, July 27, 2025, <https://www.washingtonpost.com/business/2025/07/27/electricity-rates-ohio-data-centers-ai>.

<sup>31</sup> Cathay Kunkel, “Projected data center growth spurs PJM capacity prices by factor of 10,” Institute for Energy Economics & Financial Analysis, July 30, 2025, <https://ieefa.org/resources/projected-data-center-growth-spurs-pjm-capacity-prices-factor-10>.

Residents have no guarantee they will be protected from paying Amazon’s Project Blue energy costs or that the project will in fact be “eventually be powered by renewable energy.”<sup>32</sup>

- **Data centers increase risk of blackouts and grid instability.** In June 2024, data centers operators nearly caused blackouts across Virginia as they prioritized their own facilities’ uninterrupted operations following an equipment failure.<sup>33</sup> The North American Electric Reliability Corporation (NERC) has cited data center growth as “one of the greatest near-term reliability challenges” for U.S. power grids.<sup>34</sup>
- **The tech industry has lobbied against bipartisan bills to regulate data centers, including the cost of electricity.** Amazon is part of the industry-backed Data Center Coalition, which has donated to politicians through a PAC and lobbied against bipartisan, common sense data center regulation in Virginia, including legislation around noise pollution and electricity costs.<sup>35</sup>

### Who Benefits?

Across the country, communities that have welcomed hyperscale data center development are now facing rising utility rates, increasing water scarcity, and growing grid insecurity. Amazon’s record suggests that Project Blue will similarly benefit the company over local residents, who will likely face higher electricity bills, even more limited access to precious groundwater, and missing tax revenue for schools, roads, and healthcare.

***About Us:** This factsheet was compiled by Athena for All, the AI Now Institute, Free Press, Good Jobs First, and MediaJustice, based on years of documentation, research, and analysis of data center development across the United States.*

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<sup>32</sup> Yana Kunichoff, “The Project Blue data center proposal sprang up fast – so did the organizing,” AZ Luminaria, July 21, 2025, <https://azluminaria.org/2025/07/21/the-project-blue-data-center-sprang-up-fast-so-did-the-organizing>.

<sup>33</sup> Tim McLaughlin, “Big Tech’s data center boom poses new risk to US grid operators,” Reuters, March 19, 2025, <https://www.reuters.com/technology/big-techs-data-center-boom-poses-new-risk-us-grid-operators-2025-03-19>.

<sup>34</sup> Peter Behr, “NERC: Data center growth ranks among ‘greatest near-term reliability challenges,’ E&E News, June 13, 2025,

<https://www.eenews.net/articles/nerc-data-center-growth-ranks-among-greatest-near-term-reliability-challenges>.

<sup>35</sup> Ellen Thomas, “In the biggest market for data centers, Big Tech flashes cash and influence,” Business Insider, Feb. 21, 2025, <https://www.businessinsider.com/data-centers-political-power-big-tech-backing-2025-2>.