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## Paterson Prepares Wage Bill for Construction Sites

By [DANNY HAKIM](#)

ALBANY — In a bid to shore up his relations with labor unions, Gov. [David A. Paterson](#) is readying legislation that would require developers to pay prevailing wages on many construction projects that receive public financing, meaning that construction workers would have to be paid significantly more than minimum wage.

The legislation, which has the business community alarmed, would also impose wage requirements on large businesses that use space created by developments financed with public money, according to a draft of the bill. In New York City, those requirements would be \$19.20 an hour — nearly three times the minimum wage — for a wide variety of workers.

The bill would exempt some projects, though it would cover a great many developments involving both private business and civic institutions. The governor's proposal comes after labor unions and business leaders were unable to negotiate their own compromise earlier this year.

Labor advocates said the bill would ensure that fair wages are paid on projects financed with public money through [industrial development agencies](#), which provide below-market-rate financing throughout the state, particularly in New York City, for hospitals, private schools, malls and any number of other development projects. But the business community said the changes would render the development agencies useless, effectively killing an important economic development tool amid a recession.

The importance of industrial development agencies has grown as the state phases out its [Empire Zone](#) program, another incentive for development.

“Why — in the middle of the worst crisis since the Great Depression — would the governor want to kill an economic development program that has created over 200,000 new jobs?” said Kenneth Adams, the president

of the [Business Council of New York State](#). “It’s a proposal that destroys hope for economic recovery in New York.”

But Stuart Appelbaum, president of the national [Retail, Wholesale and Department Store Union](#), said, “If public resources are being used to finance development of any kind, there should be a notion that the community gets something back in return, and that notion is that we are creating good jobs.”

Mr. Appelbaum said of the governor: “Our group has been working with him and negotiating with him, but we haven’t seen final language.”

Mr. Paterson could introduce the legislation in the coming days, but little is certain as the governor’s office and the Legislature are consumed primarily by negotiations over how to close a budget deficit of more than \$3 billion. The bill would need approval of the full Legislature, where labor interests have considerable clout.

“Governor Paterson is working to achieve I.D.A. reform that will create jobs, stimulate the economy and allow long-stalled civic facility projects to move forward,” said Peter E. Kauffmann, the governor’s communications director.

The issues at stake in the legislation are already being played out in the Bronx, where a \$310 million development project would bring a new shopping mall to the Kingsbridge Armory. A coalition of community leaders has [pushed for requirements](#) that jobs at the mall pay a wage of \$11.50 an hour, or \$10 with benefits, as opposed to the \$7.25 minimum wage. The governor is proposing a far higher wage rate. The developer of the Bronx project, the [Related Companies](#), has said that it would give up the project if it faced such requirements.

The administration’s proposal would likely require the majority of for-profit projects in New York City financed through development agencies to pay prevailing wages to construction workers. The bill is particularly aimed at big-box stores. Under the plan, businesses that employ more than 100 workers and use publicly financed developments would also have to pay more than the minimum wage, though only for certain classes of workers — retail workers, janitors, elevator operators and cleaning people among them.

Nonprofit projects at institutions like colleges, hospitals or cultural organizations that have 500 or more employees would be required to pay the higher wage on projects above \$10 million.

The pay scale would also vary depending on three regions laid out in the legislation — New York City, its suburbs and upstate. The Legislature's ultimate support will depend on the fine print of the bill that the governor's office produces.

A similar measure has been passed twice in the Assembly in recent years, but it will face a more uncertain path in the narrowly divided State Senate, which has had a hard time passing controversial legislation of any kind.

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