

Note: This is a sample copy of a comment submitted to the Department of Labor from thousands of individuals.

To Whom It May Concern,

I am a New York State resident and union worker and would like to submit these comments on behalf of the men and women I work with on public and private projects. We were very excited when section 224-a became law as we believed it would expand prevailing wages to private development that received public subsidies.

I was just made aware of this hearing by my Local Union and cannot believe that the DOL would consider amending the calculations on public funds to make it even harder for projects to qualify under section 224-a. The law was designed to grow the middle class and expand prevailing wage. Making a determination that undermines this intent would be very disappointing.

I ask you to allow for a calculation on both issues that provides the broadest meaning to the definition of 'public funds'.

Thank you very much for your time.

LOCAL 21
PLUMBERS / STEAMFITTERS / HVAC-R SERVICE

Of Westchester, Putnam, Dutchess & Ulster Counties, NY
1024 McKinley Street
Peekskill, NY 10566

PHONE: (914) 737-2166
FAX: (914) 737-2142

THOMAS O'BRIEN
BUSINESS MANAGER/
FINANCIAL SECRETARY

RE: **Testimony of Thomas O'Brien**
May 20, 2024, Public Subsidy Board Public Hearing
Calculating Tax Savings and Federal Funds administered by Public Entities

To the Members of the Public Subsidy Board,

My name is Thomas O'Brien and I am the Business Manager from Plumbers and Steamfitters Local 21. Our organization represents 1200 members who perform Piping Industry / HVACR across Westchester, Putnam, Dutchess and Ulster Counties. First, I would like to thank the Public Subsidy Board for providing us with the opportunity to submit written testimony regarding the calculation of tax savings under New York Labor Law section 224-a and the administration of federal funds by public entities pursuant to New York Labor Law section 224-a.

The purpose of New York Labor Law Section 224-a is to require the payment of prevailing wages to workers engaged on certain private construction projects that are funded with taxpayer dollars. The State of New York should ensure that where public monies are being spent, workers are fairly compensated. Additionally, public money should not be utilized to depress worker wages and benefits. New York Labor Law 224-a was enacted in 2020 and became effective on January 1, 2022. It is disappointing that we are here in May of 2024, over four years after the law was enacted and two years after its effective date addressing these issues. It is also disappointing that the public hearing process set forth in Labor Law Section 224-c is being utilized to delay full and effective implementation of the statute. The Public Subsidy Board and the public hearing process should not be deployed to weaken or diminish the clear statutory language. This process should not be engaged to minimize the scope of projects that require workers to receive the prevailing rate of wage. Such efforts are in clear contrast to the purpose of the statute, the legislative history, and the clear language of the statute itself.

I. Calculating Tax Savings

New York Labor Law 224-a expressly states that:

[a] 'covered project' shall mean construction work done under contract which is paid for in whole or in part out of public funds as such term is defined in this section where the amount of all such public funds, when aggregated, is at least thirty percent of the total construction project costs and where such project costs are over five million dollars except as provided for by section two hundred twenty-four-c of this article.

Among other things, the term “paid for in whole or in part out of public funds” includes:

savings achieved from fees, rents, interest rates, or other loan costs, or insurance costs that are lower than market rate costs; savings from reduced taxes as a result of tax credits, tax abatements, tax exemptions or tax increment financing; savings from payments in lieu of taxes; and any other savings from reduced, waived, or forgiven costs that would have otherwise been at a higher or market rate but for the involvement of the public entity;

This is a straight-forward formula. Any savings achieved from reduced tax credits, tax abatements, tax incentives count towards the calculation of the thirty percent threshold of aggregate public funds received by a project.

It is important to note that neither the statute, nor the legislature, makes any mention of valuing the savings achieved from tax credits, tax abatements, or tax exemptions at their present value. If the intention was to only account for the present value of future tax savings, the legislature could have clearly included such a calculation in the statute. The fact that the statute references “savings” without limitation, as opposed to the present value of such savings, is a clear expression of the intent to include any and all savings in the calculation of tax savings.

Furthermore, there is no doubt that prospective tax savings are a tax savings. Developers rely on these prospective savings when they assess the value of a project and whether or not it is worth building. Public funds are public funds, and whether the savings are realized now or in the future, they are realized. Workers today should not be deprived of a prevailing wage because Developers will continue to reap the benefit of a tax incentive twenty or thirty years down the road.

II. Consideration of Federal Funds Administered by Public Entities

New York Labor Law 224-a is modeled on the prevailing wage requirements set forth in New York Labor Law section 220. Labor Law 220 mandates the requirement to pay prevailing wages to workers performing construction on “public works”. Labor Law 224-a expands the requirement to pay prevailing wages on certain publicly funded private projects. When federal funds are utilized by State Agencies under Labor Law 220, the payment of the prevailing rate is required. Similarly, when federal funds are utilized by public entities to subsidize private projects, the payment of prevailing rates should be required when the applicable thresholds are met.

Please note that we are not suggesting that federal funds that go directly to a private entity must be included in the calculation of public funds. Likewise, if the State is prohibited from imposing additional requirements on the federal funds, then such funds would not be included in the calculation of public funds. However, Federal funds paid out, released, or administered by State agencies must be included in the calculation of public funds received by a project. New York Labor Law 224-a expressly states that:

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The term "is paid for in whole or in part out of public funds" includes:

The payment of money, by a public entity, or a third party acting on behalf of and for the benefit of a public entity, directly to or on behalf of the contractor, subcontractor, developer or owner that is not subject to repayment.

While the Federal government is not "public entity" as defined by Labor Law 224-a; the federal funds are provided by the Federal government to the public entity. This money is then paid by a public entity to or on behalf of a contractor, subcontractor, developer or owner. In determining whether something "is paid for in whole or in part out of public funds", Labor Law 224-a focuses on whether the money is paid "by" a public entity. This is enough to include such funds in the calculation of the aggregate 30% threshold. Labor Law 224-a does not require an inquiry on the source of the funds paid by the public entity.

Again, the entire purpose of Labor Law 224-a is to ensure that when a public entity provides public funds to an eligible private project, that those funds are utilized to ensure that workers receive the prevailing rate of wage and benefits. When a public entity receives federal funds to utilize for certain purposes, and the public entity decides to take such funds and provide them to a contractor, subcontractor, developer, or owner of a covered project, such funds must be included in the 30% aggregate and must require the payment of prevailing wages to workers.

Thank you for allowing us the opportunity to submit this testimony on these two items.


Thomas O'Brien
Business Manager



UNITED ASSOCIATION
*of Journeymen and Apprentices of the
Plumbing and Pipe Fitting Industry
of the United States and Canada*
LOCAL UNION No. 13

1850 MT. READ BLVD. • ROCHESTER, NEW YORK 14615 • TEL: (585) 338-2360

FAX: (585) 544-0600

EMAIL: office@ualocal13.org

WEBSITE: www.ualocal13.org

RE: Testimony of John Carpenter
May 20, 2024, Public Subsidy Board Public Hearing
Calculating Tax Savings and Federal Funds administered by Public Entities

To the Members of the Public Subsidy Board,

My name is John Carpenter, and I am the Business Manager of UA Local 13. Our organization represents 1200 members who perform Plumbing, Pipefitting, Welding, and HVACR across the Rochester, NY area. First, I would like to thank the Public Subsidy Board for providing us with the opportunity to submit written testimony regarding the calculation of tax savings under New York Labor Law section 224-a and the administration of federal funds by public entities pursuant to New York Labor Law section 224-a.

The purpose of New York Labor Law Section 224-a is to require the payment of prevailing wages to workers engaged on certain private construction projects that are funded with taxpayer dollars. The State of New York should ensure that where public monies are being spent, workers are fairly compensated. Additionally, public money should not be utilized to depress worker wages and benefits. New York Labor Law 224-a was enacted in 2020 and became effective on January 1, 2022. It is disappointing that we are here in May of 2024, over four years after the law was enacted and two years after its effective date addressing these issues. It is also disappointing that the public hearing process set forth in Labor Law Section 224-c is being utilized to delay full and effective implementation of the statute. The Public Subsidy Board and the public hearing process should not be deployed to weaken or diminish the clear statutory language. This process should not be engaged to minimize the scope of projects that require workers to receive the prevailing rate of wage. Such efforts are in clear contrast to the purpose of the statute, the legislative history, and the clear language of the statute itself.

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Among other things, the term “paid for in whole or in part out of public funds” includes:

savings achieved from fees, rents, interest rates, or other loan costs, or insurance costs that are lower than market rate costs; savings from reduced taxes as a result of tax credits, tax abatements, tax exemptions or tax increment financing; savings from payments in lieu of taxes; and any other savings from reduced, waived, or forgiven costs that would have otherwise been at a higher or market rate but for the involvement of the public entity;

This is a straight-forward formula. Any savings achieved from reduced tax credits, tax abatements, tax incentives count towards the calculation of the thirty percent threshold of aggregate public funds received by a project.

It is important to note that neither the statute, nor the legislature, makes any mention of valuing the savings achieved from tax credits, tax abatements, or tax exemptions at their present value. If the intention was to only account for the present value of future tax savings, the legislature could have clearly included such a calculation in the statute. The fact that the statute references “savings” without limitation, as opposed to the present value of such savings, is a clear expression of the intent to include any and all savings in the calculation of tax savings.

Furthermore, there is no doubt that prospective tax savings are a tax savings. Developers rely on these prospective savings when they assess the value of a project and whether or not it is worth building. Public funds are public funds, and whether the savings are realized now or in the future, they are realized. Workers today should not be deprived of a prevailing wage because Developers will continue to reap the benefit of a tax incentive twenty or thirty years down the road.

II. Consideration of Federal Funds Administered by Public Entities

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The term "is paid for in whole or in part out of public funds" includes:

The payment of money, by a public entity, or a third party acting on behalf of and for the benefit of a public entity, directly to or on behalf of the contractor, subcontractor, developer or owner that is not subject to repayment.

While the Federal government is not "public entity" as defined by Labor Law 224-a; the federal funds are provided by the Federal government to the public entity. This money is then paid by a public entity to or on behalf of a contractor, subcontractor, developer or owner. In determining whether something "is paid for in whole or in part out of public funds", Labor Law 224-a focuses on whether the money is paid "by" a public entity. This is enough to include such funds in the calculation of the aggregate 30% threshold. Labor Law 224-a does not require an inquiry on the source of the funds paid by the public entity.

Again, the entire purpose of Labor Law 224-a is to ensure that when a public entity provides public funds to an eligible private project, that those funds are utilized to ensure that workers receive the prevailing rate of wage and benefits. When a public entity receives federal funds to utilize for certain purposes, and the public entity decides to take such funds and provide them to a contractor, subcontractor, developer, or owner of a covered project, such funds must be included in the 30% aggregate and must require the payment of prevailing wages to workers.

Thank you for allowing us the opportunity to submit this testimony on these two items.



Business Manager
UA Local 13

From: [jo.ch](#)
To: [labor.sm.Counsel.FOILReq](#)
Subject: Att
Date: Thursday, May 16, 2024 2:47:46 PM

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To whom this may concern,

I am writing to express my strong support for the implementation of prevailing wages on publicly subsidized construction projects. Prevailing wages ensure that workers are fairly compensated for their labor and skills, leading to a more stable workforce and higher-quality workmanship. By guaranteeing a minimum wage rate for construction workers on projects funded by public subsidies, prevailing wage laws promote economic stability and help prevent the exploitation of labor. They also ensure that taxpayer dollars are used responsibly and ethically, by supporting fair wages for workers who contribute to public infrastructure projects. Furthermore, prevailing wage laws have been shown to enhance workplace safety and productivity, as well as stimulate local economies by increasing consumer spending power. These benefits are essential for fostering sustainable growth and prosperity in our communities. In conclusion, I urge you to prioritize the implementation and enforcement of prevailing wage laws on publicly subsidized construction projects. Doing so will not only promote fairness and equity in the workforce but also contribute to the overall well-being and vitality of our society.

Thank you for your attention to this important matter.

Joshua Cherkes
Joch2188@gmail.com
929.816.3072

From: [Reuben Cole](#)
To: [labor.sm.Counsel.FOILReq](#); [verolucigar@gmail.com](#)
Subject: New York State Public Subsidy Testimony
Date: Thursday, May 16, 2024 3:01:13 PM

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To Whom It May Concern,

I am a New York State resident and union worker and would like to submit these comments on behalf of the men and women I work with on public and private projects. We were very excited when section 224-a became law as we believed it would expand prevailing wages to private development that received public subsidies.

I was just made aware of this hearing by my Local Union and cannot believe that the DOL would consider amending the calculations on public funds to make it even harder for projects to qualify under section 224-a. The law was designed to grow the middle class and expand prevailing wage. Making a determination that undermines this intent would be very disappointing.

I ask you to allow for a calculation on both issues that provides the broadest meaning to the definition of 'public funds'.

rewrite the letter from Reuben Cole reubenmcole@gmail.com, place an image from my LinkedIn profile

Dear Members of the Public Subsidies Board,

As a skilled architectural artist and member of our union, I am writing to express my strong support for prevailing wage requirements on publicly-subsidized projects. Ensuring fair compensation for tradespeople like myself is crucial for preserving the craftsmanship and artistry required to maintain our nation's historic buildings and monuments

Without adequate wages, we risk losing the next generation of talented artisans capable of authentically restoring the intricate details and ornamentation that define these cultural treasures. The specialized training required to master fields like ornamental plasterwork, stone carving, and decorative painting is made possible by the funding provided through prevailing wage laws. If we fail to invest in fair pay for these skilled trades, we deprive communities of the resources needed to properly steward their architectural heritage.

Moreover, prevailing wages help attract and retain the most skilled craftspeople, ensuring high-quality workmanship on projects of historical significance. Cutting corners on labor costs risks compromising the integrity of these irreplaceable assets. We cannot afford to gamble with the preservation of our architectural patrimony.

As an artisan deeply committed to my craft, I implore you to uphold robust prevailing wage standards. By ensuring fair compensation for skilled tradespeople like myself, you invest in the preservation of our shared cultural legacy. Our iconic structures embody the artistry and craftsmanship that define our nation's identity – they deserve the highest caliber of care and restoration.

Thank you for your consideration of these vital issues.

Sincerely,
Reuben Cole
Architectural Artist
reubenmcole@gmail.com

Thank you very much for your time.

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PLUMBERS AND GASFITTERS LOCAL UNION NO. 1

OF THE

UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING
AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND CANADA
NEW YORK CITY



PAUL O'CONNOR
Business Manager

FREDDY DELLIGATTI
Financial Secretary-Treasurer

Business Agent-At-Large
RICHARD GILLIGAN

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RICHARD GARNER
JOHN HICKEY
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VICTOR ROSSI

Inside Sentry
MICHAEL PINTO

May 15, 2024

NYS Department of Labor
C/O Public Subsidy Board
Building 12
W.A. Harriman Campus
Albany, NY 12226

RE: **Testimony of Andrew Friscia, Organizer**
May 20, 2024, Public Subsidy Board Public Hearing
Calculating Tax Savings and Federal Funds administered by Public Entities

To the Members of the Public Subsidy Board,

My name is Andrew Friscia, and I am an Organizer from UA Plumbers Local Union No. 1. Our organization represents 6200 members who perform plumbing work across the five (5) boroughs of New York City.

My thanks to the Public Subsidy Board for affording us the opportunity to submit testimony on the calculation of tax savings under New York Labor Law section 224-a and the administration of federal funds by public entities pursuant to that law.

The purpose of 224-a is clear - to require the payment of prevailing wages to workers engaged on private construction projects, which are funded with taxpayer dollars. In short, where public money is being spent, New York State ensures workers are fairly compensated – the law was meant to grow the middle-class and expand prevailing wage.

It was not meant to have public money used to depress worker wages and benefits, and yet, a mere two years after 224-a goes into effect, it is extremely distressing to myself and my members that we are having to address these issues today.

Perhaps more distressing is that labor law's very public hearing process is being utilized to preclude the full enforcement of this statute. The hearing process and the Public Subsidy Board should not be mobilized to shrink the scope of projects that require workers to receive the prevailing rate of wage – the statute is clear.

PHONE (718) 738-7500 • FAX (718) 835-0896 • www.ualocal1.org
50-02 Fifth Street • Long Island City, New York 11101



When calculating tax savings, 224-a is straightforward – any savings from tax credits, abatements, and incentives count toward the calculation of the 30 percent start of aggregate public funds received by the project – there is absolutely nothing in the statute about present value of future tax savings. Any and all savings should be used to determine public funds – if the state legislature wanted to clarify this in the statute, it could have – it did not.

Public funds remain public funds, whether they accrue savings now or in the future. In fact, developers rely on future savings to secure private financing of their projects. To deny workers access to a prevailing wage because developers realize the benefit over years instead of right away, is both nonsensical and undermines the intent of the law.

With regards to Federal Funds administered by public entities, 224-a was modeled on New York Labor Law section 220 – 220 requires prevailing wage be paid to workers on public works projects. 224-a expands that requirement to specific private projects that are publicly funded.

When federal funds are given to state agencies to administer, they become public funds and are then subject to 224-a. Again, the law is clear, and payment of the prevailing wage is required.

And when a public entity receives federal funds to use for specific projects and then distributes those funds to a contractor, or developer or the owner of a privately owned project, those are public funds and therefore must be part of the calculations for 224-a.

My members and I are not suggesting that federal funding directed to a private entity be considered public funds, and if the state is not permitted to impose additional requirements on the federal funds, then those funds should also not be included in the public estimation.

However, we do expect that the impetus for Labor Law 224-a be fully respected – that when a public entity provides public funds to a private project, that those funds go toward ensuring workers receive a prevailing wage and benefits.

Again, my thanks for allowing us the opportunity to submit this testimony on these two items.

Sincerely,



Andrew Friscia
Organizer

AF:kp

From: [stephen kusa](#)
To: [labor.sm.Counsel.FOILReq](#)
Subject: New York State Public Subsidy Testimony
Date: Wednesday, May 15, 2024 4:12:24 PM

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To Whom It May Concern,

I am a New York State resident and union worker and would like to submit these comments on behalf of the men and women I work with on public and private projects. We were very excited when section 224-a became law as we believed it would expand prevailing wages to private development that received public subsidies.

I was just made aware of this hearing by my Local Union and cannot believe that the DOL would consider amending the calculations on public funds to make it even harder for projects to qualify under section 224-a. The law was designed to grow the middle class and expand prevailing wage. Making a determination that undermines this intent would be very disappointing.

I ask you to allow for a calculation on both issues that provides the broadest meaning to the definition of 'public funds'.

Thank you very much for your time.

Disappointing , to put it mildly! Unacceptable is more like it.

From: [stephen kusa](#)
To: [labor.sm.Counsel.FOILReq](#)
Subject: New York State Public Subsidy Testimony
Date: Wednesday, May 15, 2024 4:07:38 PM

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I ask you to allow for a calculation on both issues that provides the broadest meaning to the definition of 'public funds'.

Thank you very much for your time.

All the hub bub and banter regarding minimum wage and we are falling short on enforcement of prevailing wage rates on publicly funded projects requiring skilled craftsman? Let's work together so tradesman, and their families, can live a decent life. The alternative has proven to yeild shoddy results. It also tends to invite lower standards and potentially unsafe working conditions.

PLUMBERS AND GASFITTERS LOCAL UNION NO. 1

OF THE

UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING
AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND CANADA
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PIOTR AKSAMITOWSKI
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STRACY JONES
MICHAEL J. REED
VICTOR ROSSI

Inside Sentry
MICHAEL PINTO

May 15, 2024

NYS Department of Labor
C/O Public Subsidy Board
Building 12
W.A. Harriman Campus
Albany, NY 12226

RE: **Testimony of George Malandrakis, Business Agent**
May 20, 2024, Public Subsidy Board Public Hearing
Calculating Tax Savings and Federal Funds administered by Public
Entities

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Again, my thanks for allowing us the opportunity to submit this testimony on these two items.

Sincerely,

A handwritten signature in black ink, appearing to read "George Malandrakis", written in a cursive style.

George Malandrakis
Business Agent

GM:kp

From: [Brian Molloy](#)
To: [labor.sm.Counsel.FOILReq](#)
Subject: New York State Public Subsidy Testimony
Date: Wednesday, May 15, 2024 5:06:59 PM

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To Whom It May Concern,

The steam fitters have already endorsed Trump and we are not far behind

Sent from my iPhone

From: [Armando Moreno](#)
To: [labor.sm.Counsel.FOILReq](#)
Subject: 224a Determinations
Date: Thursday, May 16, 2024 8:00:13 AM

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Dear Public Subsidy Board,

To Whom It May Concern:

I am a resident and Union Carpenter in New York State and would like to submit these comments on behalf of the men and women I work with on public and private projects. New York State has always stood by its hard-working middle class families, like mine, so we were excited when section 224-a became law as we believed it would expand prevailing wages to private development that were receiving public subsidies. That is, after all, the idea of prevailing wage – a higher, livable wage being paid when New Yorker tax dollars are being used to fund projects.

I was just made aware of this hearing by my Local Union and cannot believe that New York State's DOL would consider amending the calculation on public funds to make it even harder for projects to qualify under section 224-a. The law was designed to grow the middle class and expand the prevailing wage. The idea that this board would make a determination that undermines the intent of this law is egregious.

I ask you to allow for a calculation on both issues that provides the broadest meaning to the definition of "public funds". Thank you very much for you time.

Sincerely,
Armando Moreno
248 Moresemere Avenue
Yonkers, NY 10703

PLUMBERS AND GASFITTERS LOCAL UNION NO. 1

OF THE

UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING
AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND CANADA
NEW YORK CITY



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Business Manager

FREDDY DELLIGATTI
Financial Secretary-Treasurer

Business Agent-At-Large
RICHARD GILLIGAN

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May 15, 2024

NYS Department of Labor
C/O Public Subsidy Board
Building 12
W.A. Harriman Campus
Albany, NY 12226

RE: **Testimony of Louis Pasquale, Business Agent**
May 20, 2024, Public Subsidy Board Public Hearing
Calculating Tax Savings and Federal Funds administered by Public
Entities

To the Members of the Public Subsidy Board,

My name is Louis Pasquale, and I am a Business Agent from UA Plumbers Local Union No. 1. Our organization represents 6200 members who perform plumbing work across the five (5) boroughs of New York City.

My thanks to the Public Subsidy Board for affording us the opportunity to submit testimony on the calculation of tax savings under New York Labor Law section 224-a and the administration of federal funds by public entities pursuant to that law.

The purpose of 224-a is clear - to require the payment of prevailing wages to workers engaged on private construction projects, which are funded with taxpayer dollars. In short, where public money is being spent, New York State ensures workers are fairly compensated – the law was meant to grow the middle-class and expand prevailing wage.

It was not meant to have public money used to depress worker wages and benefits, and yet, a mere two years after 224-a goes into effect, it is extremely distressing to myself and my members that we are having to address these issues today.

Perhaps more distressing is that labor law's very public hearing process is being utilized to preclude the full enforcement of this statute. The hearing process and the Public Subsidy Board should not be mobilized to shrink the scope of projects that require workers to receive the prevailing rate of wage – the statute is clear.



When calculating tax savings, 224-a is straightforward – any savings from tax credits, abatements, and incentives count toward the calculation of the 30 percent start of aggregate public funds received by the project – there is absolutely nothing in the statute about present value of future tax savings. Any and all savings should be used to determine public funds – if the state legislature wanted to clarify this in the statute, it could have – it did not.

Public funds remain public funds, whether they accrue savings now or in the future. In fact, developers rely on future savings to secure private financing of their projects. To deny workers access to a prevailing wage because developers realize the benefit over years instead of right away, is both nonsensical and undermines the intent of the law.

With regards to Federal Funds administered by public entities, 224-a was modeled on New York Labor Law section 220 – 220 requires prevailing wage be paid to workers on public works projects. 224-a expands that requirement to specific private projects that are publicly funded.

When federal funds are given to state agencies to administer, they become public funds and are then subject to 224-a. Again, the law is clear, and payment of the prevailing wage is required.

And when a public entity receives federal funds to use for specific projects and then distributes those funds to a contractor, or developer or the owner of a privately owned project, those are public funds and therefore must be part of the calculations for 224-a.

My members and I are not suggesting that federal funding directed to a private entity be considered public funds, and if the state is not permitted to impose additional requirements on the federal funds, then those funds should also not be included in the public estimation.

However, we do expect that the impetus for Labor Law 224-a be fully respected – that when a public entity provides public funds to a private project, that those funds go toward ensuring workers receive a prevailing wage and benefits.

Again, my thanks for allowing us the opportunity to submit this testimony on these two items.

Sincerely,



Louis Pasquale
Business Agent

LP:kp

From: [Craig Rogers](#)
To: [labor.sm.Counsel.FOILReq](#)
Subject: 224a Determinations
Date: Wednesday, May 15, 2024 4:30:47 PM

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Dear Public Subsidy Board,

To Whom It May Concern:

I am a resident and Union Carpenter in New York State and would like to submit these comments on behalf of the men and women I work with on public and private projects. New York State has always stood by its hard-working middle class families, like mine, so we were excited when section 224-a became law as we believed it would expand prevailing wages to private development that were receiving public subsidies. That is, after all, the idea of prevailing wage – a higher, livable wage being paid when New Yorker tax dollars are being used to fund projects.

I was just made aware of this hearing by my Local Union and cannot believe that New York State's DOL would consider amending the calculation on public funds to make it even harder for projects to qualify under section 224-a. The law was designed to grow the middle class and expand the prevailing wage. The idea that this board would make a determination that undermines the intent of this law is egregious.

I ask you to allow for a calculation on both issues that provides the broadest meaning to the definition of "public funds". Thank you very much for your time.

Sincerely,
Craig Rogers
7 Wycomb Place
Coram, NY 11727

From: [Bob Scharf](#)
To: [labor.sm.Counsel.FOILReq](#)
Subject: 224a Determinations
Date: Wednesday, May 15, 2024 3:56:15 PM

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Dear Public Subsidy Board,

To Whom It May Concern:

I am a resident and Union Carpenter in New York State and would like to submit these comments on behalf of the men and women I work with on public and private projects. New York State has always stood by its hard-working middle class families, like mine, so we were excited when section 224-a became law as we believed it would expand prevailing wages to private development that were receiving public subsidies. That is, after all, the idea of prevailing wage – a higher, livable wage being paid when New Yorker tax dollars are being used to fund projects.

I was just made aware of this hearing by my Local Union and cannot believe that New York State's DOL would consider amending the calculation on public funds to make it even harder for projects to qualify under section 224-a. The law was designed to grow the middle class and expand the prevailing wage. The idea that this board would make a determination that undermines the intent of this law is egregious.

I ask you to allow for a calculation on both issues that provides the broadest meaning to the definition of "public funds". Thank you very much for you time.

Sincerely,
Bob Scharf
1601 spruce dr
Holbrook, NY 11741

From: [Philip Tenerelli](#)
To: [labor.sm.Counsel.FOILReq](#)
Subject: New York State Public Subsidy Testimony
Date: Wednesday, May 15, 2024 4:52:20 PM

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To Whom It May Concern,

I am a New York State resident and union worker and would like to submit these comments on behalf of the men and women I work with on public and private projects. We were very excited when section 224-a became law as we believed it would expand prevailing wages to private development that received public subsidies.

I was just made aware of this hearing by my Local Union and cannot believe that the DOL would consider amending the calculations on public funds to make it even harder for projects to qualify under section 224-a. The law was designed to grow the middle class and expand prevailing wage. Making a determination that undermines this intent would be very disappointing.

I ask you to allow for a calculation on both issues that provides the broadest meaning to the definition of 'public funds'.

Thank you very much for your time.

Union wages must be paid it is the law New York is a union if you want to do business here by the law proud member of the Union

From: [Tina capp](#)
To: [labor.sm.Counsel.FOILReq](#)
Subject: Publicly-Funded Projects Need to Pay Prevailing Wages
Date: Thursday, May 16, 2024 4:11:35 PM

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To Whom It May Concern,

Please accept this email as my written response to the topic of publicly funded projects.

My understanding is that there will be a public hearing this Monday, May 20, 2024, on this matter.

My position on this topic is that **publicly funded projects HAVE TO PAY WORKERS PREVAILING RATES!**

With the on-going rise in gas and food, why take money away from hard working middle class employees?

Sincerely
Gary D. Cappiello
Local 3 - Journeyman
917-977-1468



PLUMBERS AND GASFITTERS LOCAL UNION NO. 1
OF THE
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VICTOR ROSSI

Inside Sentry
MICHAEL PINTO

May 15, 2024

NYS Department of Labor
C/O Public Subsidy Board
Building 12
W.A. Harriman Campus
Albany, NY 12226

RE: Testimony of Paul Cotto, Organizer
May 20, 2024, Public Subsidy Board Public Hearing
Calculating Tax Savings and Federal Funds administered by Public
Entities

To the Members of the Public Subsidy Board,

My name is Paul Cotto, and I am an Organizer from UA Plumbers Local Union No. 1. Our organization represents 6200 members who perform plumbing work across the five (5) boroughs of New York City.

My thanks to the Public Subsidy Board for affording us the opportunity to submit testimony on the calculation of tax savings under New York Labor Law section 224-a and the administration of federal funds by public entities pursuant to that law.

The purpose of 224-a is clear - to require the payment of prevailing wages to workers engaged on private construction projects, which are funded with taxpayer dollars. In short, where public money is being spent, New York State ensures workers are fairly compensated – the law was meant to grow the middle-class and expand prevailing wage.

It was not meant to have public money used to depress worker wages and benefits, and yet, a mere two years after 224-a goes into effect, it is extremely distressing to myself and my members that we are having to address these issues today.

Perhaps more distressing is that labor law's very public hearing process is being utilized to preclude the full enforcement of this statute. The hearing process and the Public Subsidy Board should not be mobilized to shrink the scope of projects that require workers to receive the prevailing rate of wage – the statute is clear.

When calculating tax savings, 224-a is straightforward – any savings from tax credits, abatements, and incentives count toward the calculation of the 30 percent start of aggregate public funds received by the project – there is absolutely nothing in the statute about present value of future tax savings. Any and all savings should be used to determine public funds – if the state legislature wanted to clarify this in the statute, it could have – it did not.

Public funds remain public funds, whether they accrue savings now or in the future. In fact, developers rely on future savings to secure private financing of their projects. To deny workers access to a prevailing wage because developers realize the benefit over years instead of right away, is both nonsensical and undermines the intent of the law.

With regards to Federal Funds administered by public entities, 224-a was modeled on New York Labor Law section 220 – 220 requires prevailing wage be paid to workers on public works projects. 224-a expands that requirement to specific private projects that are publicly funded.

When federal funds are given to state agencies to administer, they become public funds and are then subject to 224-a. Again, the law is clear, and payment of the prevailing wage is required.

And when a public entity receives federal funds to use for specific projects and then distributes those funds to a contractor, or developer or the owner of a privately owned project, those are public funds and therefore must be part of the calculations for 224-a.

My members and I are not suggesting that federal funding directed to a private entity be considered public funds, and if the state is not permitted to impose additional requirements on the federal funds, then those funds should also not be included in the public estimation.

However, we do expect that the impetus for Labor Law 224-a be fully respected – that when a public entity provides public funds to a private project, that those funds go toward ensuring workers receive a prevailing wage and benefits.

Again, my thanks for allowing us the opportunity to submit this testimony on these two items.

Sincerely,



Paul Cotto
Organizer

PC:kp

PLUMBERS & PIPEFITTERS LOCAL UNION 112

Chartered 1893

11 Griswold Street
Binghamton, NY 13904
Voice: (607) 723-9593
FAX: (607) 723-9467
E-mail: dcrocker@ualocal112.org

May 16, 2024

NYS Department of Labor
Public Subsidy Board
Building 12
W.A. Harriman Campus
Albany, NY 12226

RE: Testimony of Daniel Crocker
May 20, 2024, Public Subsidy Board Public Hearing
Calculating Tax Savings and Federal Funds administered by Public Entities

To the Members of the Public Subsidy Board,

My name is Daniel Crocker and I am Business Manager from Plumbers & Pipefitters Local No. 112 in Binghamton, NY. Our organization represents 554 members who perform Plumbing, Pipefitting and HVAC work of every description across all of Broome, Chenango, Otsego, Oneida and Herkimer counties and portions of Tioga, Delaware, Cortland, Madison, Lewis and Hamilton Counties. First, I would like to thank the Public Subsidy Board for providing us with the opportunity to submit written testimony regarding the calculation of tax savings under New York Labor Law section 224-a and the administration of federal funds by public entities pursuant to New York Labor Law section 224-a.

The purpose of New York Labor Law Section 224-a is to require the payment of prevailing wages to workers engaged on certain private construction projects that are funded with taxpayer dollars. The State of New York should ensure that where public monies are being spent, workers are fairly compensated. Additionally, public money should not be utilized to depress worker wages and benefits. New York Labor Law 224-a was enacted in 2020 and became effective on January 1, 2022. It is disappointing that we are here in May of 2024, over four years after the law was enacted and two years after its effective date addressing these issues. It is also disappointing that the public hearing process set forth in Labor Law Section 224-c is being utilized to delay full and effective implementation of the statute. The Public Subsidy Board and the public hearing process should not be deployed to weaken or diminish the clear statutory language. This process should not be engaged to minimize the scope of projects that require workers to receive the prevailing rate of wage. Such efforts are in clear contrast to the purpose of the statute, the legislative history, and the clear language of the statute itself.

I. Calculating Tax Savings

New York Labor Law 224-a expressly states that:

[a] ‘covered project’ shall mean construction work done under contract which is paid for in whole or in part out of public funds as such term is defined in this section where the amount of all such public funds, when aggregated, is at least thirty percent of the total construction project costs and where such project costs are over five million dollars except as provided for by section two hundred twenty-four-c of this article.

Among other things, the term “paid for in whole or in part out of public funds” includes:

savings achieved from fees, rents, interest rates, or other loan costs, or insurance costs that are lower than market rate costs; savings from reduced taxes as a result of tax credits, tax abatements, tax exemptions or tax increment financing; savings from payments in lieu of taxes; and any other savings from reduced, waived, or forgiven costs that would have otherwise been at a higher or market rate but for the involvement of the public entity;

This is a straight-forward formula. Any savings achieved from reduced tax credits, tax abatements, tax incentives count towards the calculation of the thirty percent threshold of aggregate public funds received by a project.

It is important to note that neither the statute, nor the legislature, makes any mention of valuing the savings achieved from tax credits, tax abatements, or tax exemptions at their present value. If the intention was to only account for the present value of future tax savings, the legislature could have clearly included such a calculation in the statute. The fact that the statute references “savings” without limitation, as opposed to the present value of such savings, is a clear expression of the intent to include any and all savings in the calculation of tax savings.

Furthermore, there is no doubt that prospective tax savings are a tax savings. Developers rely on these prospective savings when they assess the value of a project and whether or not it is worth building. Public funds are public funds, and whether the savings are realized now or in the future, they are realized. Workers today should not be deprived of a prevailing wage because Developers will continue to reap the benefit of a tax incentive twenty or thirty years down the road.

II. Consideration of Federal Funds Administered by Public Entities

New York Labor Law 224-a is modeled on the prevailing wage requirements set forth in New York Labor Law section 220. Labor Law 220 mandates the requirement to pay prevailing wages to workers performing construction on “public works”. Labor Law 224-a expands the requirement to pay prevailing wages on certain publicly funded private projects. When federal

funds are utilized by State Agencies under Labor Law 220, the payment of the prevailing rate is required. Similarly, when federal funds are utilized by public entities to subsidize private projects, the payment of prevailing rates should be required when the applicable thresholds are met.

Please note that we are not suggesting that federal funds that go directly to a private entity must be included in the calculation of public funds. Likewise, if the State is prohibited from imposing additional requirements on the federal funds, then such funds would not be included in the calculation of public funds. However, Federal funds paid out, released, or administered by State agencies must be included in the calculation of public funds received by a project. New York Labor Law 224-a expressly states that:

[a] ‘covered project’ shall mean construction work done under contract which is paid for in whole or in part out of public funds as such term is defined in this section where the amount of all such public funds, when aggregated, is at least thirty percent of the total construction project costs and where such project costs are over five million dollars except as provided for by section two hundred twenty-four-c of this article.

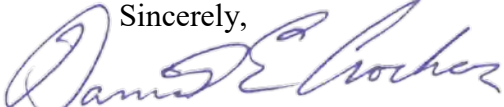
The term “is paid for in whole or in part out of public funds” includes:

The payment of money, by a public entity, or a third party acting on behalf of and for the benefit of a public entity, directly to or on behalf of the contractor, subcontractor, developer or owner that is not subject to repayment.

While the Federal government is not “public entity” as defined by Labor Law 224-a; the federal funds are provided by the Federal government to the public entity. This money is then paid by a public entity to or on behalf of a contractor, subcontractor, developer or owner. In determining whether something “is paid for in whole or in part out of public funds”, Labor Law 224-a focuses on whether the money is paid “by” a public entity. This is enough to include such funds in the calculation of the aggregate 30% threshold. Labor Law 224-a does not require an inquiry on the source of the funds paid by the public entity.

Again, the entire purpose of Labor Law 224-a is to ensure that when a public entity provides public funds to an eligible private project, that those funds are utilized to ensure that workers receive the prevailing rate of wage and benefits. When a public entity receives federal funds to utilize for certain purposes, and the public entity decides to take such funds and provide them to a contractor, subcontractor, developer, or owner of a covered project, such funds must be included in the 30% aggregate and must require the payment of prevailing wages to workers.

Thank you for allowing us the opportunity to submit this testimony on these two items.

Sincerely,

Daniel E. Crocker

PLUMBERS AND GASFITTERS LOCAL UNION NO. 1

OF THE

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MICHAEL PINTO

May 15, 2024

NYS Department of Labor
C/O Public Subsidy Board
Building 12
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Albany, NY 12226

RE: **Testimony of Freddy Delligatti, Financial Secretary-Treasurer**
May 20, 2024, Public Subsidy Board Public Hearing
Calculating Tax Savings and Federal Funds administered by Public
Entities

To the Members of the Public Subsidy Board,

My name is Freddy Delligatti, and I am the Financial Secretary-Treasurer from UA Plumbers Local Union No. 1. Our organization represents 6200 members who perform plumbing work across the five (5) boroughs of New York City.

My thanks to the Public Subsidy Board for affording us the opportunity to submit testimony on the calculation of tax savings under New York Labor Law section 224-a and the administration of federal funds by public entities pursuant to that law.

The purpose of 224-a is clear - to require the payment of prevailing wages to workers engaged on private construction projects, which are funded with taxpayer dollars. In short, where public money is being spent, New York State ensures workers are fairly compensated – the law was meant to grow the middle-class and expand prevailing wage.

It was not meant to have public money used to depress worker wages and benefits, and yet, a mere two years after 224-a goes into effect, it is extremely distressing to myself and my members that we are having to address these issues today.

Perhaps more distressing is that labor law's very public hearing process is being utilized to preclude the full enforcement of this statute. The hearing process and the Public Subsidy Board should not be mobilized to shrink the scope of projects that require workers to receive the prevailing rate of wage – the statute is clear.

When calculating tax savings, 224-a is straightforward – any savings from tax credits, abatements, and incentives count toward the calculation of the 30 percent start of aggregate public funds received by the project – there is absolutely nothing in the statute about present value of future tax savings. Any and all savings should be used to determine public funds – if the state legislature wanted to clarify this in the statute, it could have – it did not.

Public funds remain public funds, whether they accrue savings now or in the future. In fact, developers rely on future savings to secure private financing of their projects. To deny workers access to a prevailing wage because developers realize the benefit over years instead of right away, is both nonsensical and undermines the intent of the law.

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However, we do expect that the impetus for Labor Law 224-a be fully respected – that when a public entity provides public funds to a private project, that those funds go toward ensuring workers receive a prevailing wage and benefits.

Again, my thanks for allowing us the opportunity to submit this testimony on these two items.

Sincerely,



Freddy Delligatti
Financial Secretary-Treasurer

FD:kp

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May 15, 2024

NYS Department of Labor
C/O Public Subsidy Board
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Albany, NY 12226

RE: **Testimony of Richard J. Gilligan, Jr., Business Agent-At-Large**
May 20, 2024, Public Subsidy Board Public Hearing
Calculating Tax Savings and Federal Funds administered by Public
Entities

To the Members of the Public Subsidy Board,

My name is Richard J. Gilligan, Jr., and I am the Business Agent-At-Large from UA Plumbers Local Union No. 1. Our organization represents 6200 members who perform plumbing work across the five (5) boroughs of New York City.

My thanks to the Public Subsidy Board for affording us the opportunity to submit testimony on the calculation of tax savings under New York Labor Law section 224-a and the administration of federal funds by public entities pursuant to that law.

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It was not meant to have public money used to depress worker wages and benefits, and yet, a mere two years after 224-a goes into effect, it is extremely distressing to myself and my members that we are having to address these issues today.

Perhaps more distressing is that labor law's very public hearing process is being utilized to preclude the full enforcement of this statute. The hearing process and the Public Subsidy Board should not be mobilized to shrink the scope of projects that require workers to receive the prevailing rate of wage – the statute is clear.

PHONE (718) 738-7500 • FAX (718) 835-0896 • www.ualocal1.org
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When calculating tax savings, 224-a is straightforward – any savings from tax credits, abatements, and incentives count toward the calculation of the 30 percent start of aggregate public funds received by the project – there is absolutely nothing in the statute about present value of future tax savings. Any and all savings should be used to determine public funds – if the state legislature wanted to clarify this in the statute, it could have – it did not.

Public funds remain public funds, whether they accrue savings now or in the future. In fact, developers rely on future savings to secure private financing of their projects. To deny workers access to a prevailing wage because developers realize the benefit over years instead of right away, is both nonsensical and undermines the intent of the law.

With regards to Federal Funds administered by public entities, 224-a was modeled on New York Labor Law section 220 – 220 requires prevailing wage be paid to workers on public works projects. 224-a expands that requirement to specific private projects that are publicly funded.

When federal funds are given to state agencies to administer, they become public funds and are then subject to 224-a. Again, the law is clear, and payment of the prevailing wage is required.

And when a public entity receives federal funds to use for specific projects and then distributes those funds to a contractor, or developer or the owner of a privately owned project, those are public funds and therefore must be part of the calculations for 224-a.

My members and I are not suggesting that federal funding directed to a private entity be considered public funds, and if the state is not permitted to impose additional requirements on the federal funds, then those funds should also not be included in the public estimation.

However, we do expect that the impetus for Labor Law 224-a be fully respected – that when a public entity provides public funds to a private project, that those funds go toward ensuring workers receive a prevailing wage and benefits.

Again, my thanks for allowing us the opportunity to submit this testimony on these two items.

Sincerely,



Richard J. Gilligan, Jr.
Business Agent-At-Large

RJG:kp

From: jg427@aol.com
To: [labor.sm.Counsel.FOILReq](#)
Subject: Prevailing Wage
Date: Thursday, May 16, 2024 5:02:21 PM

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I believe that all jobs that are subsidized by city state or federal government should be a prevailing wage job. This is no matter what the price of the job is. If government money is used in any way than the job should fall completely under the prevailing wage laws.

Thanks

Jeff Gruter

From: [Al Hoverson](#)
To: [labor.sm.Counsel.FOILReq](#)
Subject: New York State Public Subsidy Testimony
Date: Thursday, May 16, 2024 5:57:28 PM

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To Whom It May Concern,

I am a New York State resident and union worker and would like to submit these comments on behalf of the men and women I work with on public and private projects. We were very excited when section 224-a became law as we believed it would expand prevailing wages to private development that received public subsidies.

I was just made aware of this hearing by my Local Union and cannot believe that the DOL would consider amending the calculations on public funds to make it even harder for projects to qualify under section 224-a. The law was designed to grow the middle class and expand prevailing wage. Making a determination that undermines this intent would be very disappointing.

I ask you to allow for a calculation on both issues that provides the broadest meaning to the definition of 'public funds'.

Thank you very much for your time.

Remember a rising tide lifts all boats. Higher pay means better quality of life for workers and thier families . It also lessen the need for government subsidies for families to survive in nyc. All good things for everyone

Thank you

Albert Hoverson IBEW LOCAL #3 RETIRED

Sent from my Verizon, Samsung Galaxy smartphone

From: [John J Kelly III](#)
To: [labor.sm.Counsel.FOILReq](#)
Subject: New York State Public Subsidy Testimony
Date: Thursday, May 16, 2024 4:37:29 PM

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To Whom It May Concern,

Every month someone gets killed on a construction job in nyc. Every day someone gets seriously injured. Over 20.000 fraudulent SST cards in the industry.

Unions provide safe workplaces a fair wage excellent training health care and pensions. We built the middle class.

Corporation's have no soul and only care for excessive profits.

It's time stand up for integrity.

Silence is complicity ...

I am a New York State resident and union worker and would like to submit these comments on behalf of the men and women I work with on public and private projects. We were very excited when section 224-a became law as we believed it would expand prevailing wages to private development that received public subsidies.

I was just made aware of this hearing by my Local Union and cannot believe that the DOL would consider amending the calculations on public funds to make it even harder for projects to qualify under section 224-a. The law was designed to grow the middle class and expand prevailing wage. Making a determination that undermines this intent would be very disappointing.

I ask you to allow for a calculation on both issues that provides the broadest meaning to the definition of 'public funds'.

Thank you very much for your time.

From: ncncwniuefrrn
To: labor.sm.Counsel.FOILReq
Subject: New York State Public Subsidy Testimony
Date: Thursday, May 16, 2024 7:15:15 PM

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To Whom It May Concern,

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I was just made aware of this hearing by my Local Union and cannot believe that the DOL would consider amending the calculations on public funds to make it even harder for projects to qualify under section 224-a. The law was designed to grow the middle class and expand prevailing wage. Making a determination that undermines this intent would be very disappointing.

I ask you to allow for a calculation on both issues that provides the broadest meaning to the definition of 'public funds'.

Over the years I have worked on projects that have received public funding to build luxury housing. They receive a significant amount of tax funds to allocate 10% of their units as affordable housing for a minimum of 10 years. Yet they sell units for upwards of 2+ million dollars. And they list rent in the amount of 3-4000 dollars per month for a single bedroom apartment. And they get away with having non-union companies build at the same, if not more, cost to the customer. While they pay their workers even less than minimum wages under the table with no benefits in order to make more profit for themselves. Sacrificing their safety because they know these people will not say anything in order to keep their jobs to make money.

I don't discourage anyone who has to make money to feed their family. But to allow such negligence is a desperate attempt to make maximum profits at the cost of human life. To which I cannot stand by and watch.

Which is why I feel that federally funded projects should be prevailing wage jobs. Because if you continue to allow these multi billion dollar developers to bend the rules in order to increase profits, you will open the door to a slippery slope of greed from those who do not care about the growth and integrity of our city.

Union labor built New York City. And union labor will continue to do its job. But in order to receive federal benefits the developers have to pay proper wages to keep the benefits they receive from the state or federal governments. There is a quality that needs to be upheld in this city. The product lasts long after the cost is forgotten. Which is evidence from the multiple multi billion dollar projects that have been built in the last decade.

Thank you very much for your time.

Sincerely,
Vincent Licastro
IBEW Local #3
7800453

From: [Thomas McKeon](#)
To: [labor.sm.Counsel.FOILReq](#)
Subject: New York State Public Subsidy Testimony
Date: Wednesday, May 15, 2024 5:55:12 PM

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To Whom It May Concern,

I am a New York State resident and union worker and would like to submit these comments on behalf of the men and women I work with on public and private projects. We were very excited when section 224-a became law as we believed it would expand prevailing wages to private development that received public subsidies.

I was just made aware of this hearing by my Local Union and cannot believe that the DOL would consider amending the calculations on public funds to make it even harder for projects to qualify under section 224-a. The law was designed to grow the middle class and expand prevailing wage. Making a determination that undermines this intent would be very disappointing.

I ask you to allow for a calculation on both issues that provides the broadest meaning to the definition of 'public funds'.

"Is it to much to ask of our governmrnt representatives to look out for the working men and women of this city".

The tactics of the Contractors that are pushing for this are nothing short of oppressive, unscrupulous, dangerous, and they are just looking to line their own pockets on the workers backs and the taxpayers wallet

Thank you very much for your time.

From: [Harold Muth](#)
To: [labor.sm.Counsel.FOILReq](#)
Subject: New York State Public Subsidy Testimony
Date: Friday, May 17, 2024 10:16:36 AM

[You don't often get email from haroldmuth28@gmail.com. Learn why this is important at <https://aka.ms/LearnAboutSenderIdentification>]

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To Whom It May Concern,

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I was just made aware of this hearing by my Local Union and cannot believe that the DOL would consider amending the calculations on public funds to make it even harder for projects to qualify under section 224-a. The law was designed to grow the middle class and expand prevailing wage. Making a determination that undermines this intent would be very disappointing.

I ask you to allow for a calculation on both issues that provides the broadest meaning to the definition of 'public funds'.

Thank you very much for your time.

We work hard and we work safe, we work efficiently and complete the projects on time. I have complete confidence, that you will be glad you backed the Union Trades We will come through for you , and you and your constituents, will see positive results... Thank you,, from Harold Muth , Bricklayers Local Union #1, New York .

PLUMBERS AND GASFITTERS LOCAL UNION NO. 1

OF THE

UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING
AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND CANADA
NEW YORK CITY



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Business Manager

FREDDY DELLIGATTI
Financial Secretary-Treasurer

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MICHAEL J. REED
VICTOR ROSSI

Inside Sentry
MICHAEL PINTO

May 15, 2024

NYS Department of Labor
C/O Public Subsidy Board
Building 12
W.A. Harriman Campus
Albany, NY 12226

RE: **Testimony of Paul O'Connor, Business Manager**
May 20, 2024, Public Subsidy Board Public Hearing
Calculating Tax Savings and Federal Funds administered by Public
Entities

To the Members of the Public Subsidy Board,

My name is Paul O'Connor, and I am a Business Manager from UA Plumbers Local Union No. 1. Our organization represents 6200 members who perform plumbing work across the five (5) boroughs of New York City.

My thanks to the Public Subsidy Board for affording us the opportunity to submit testimony on the calculation of tax savings under New York Labor Law section 224-a and the administration of federal funds by public entities pursuant to that law.

The purpose of 224-a is clear - to require the payment of prevailing wages to workers engaged on private construction projects, which are funded with taxpayer dollars. In short, where public money is being spent, New York State ensures workers are fairly compensated – the law was meant to grow the middle-class and expand prevailing wage.

It was not meant to have public money used to depress worker wages and benefits, and yet, a mere two years after 224-a goes into effect, it is extremely distressing to myself and my members that we are having to address these issues today.

Perhaps more distressing is that labor law's very public hearing process is being utilized to preclude the full enforcement of this statute. The hearing process and the Public Subsidy Board should not be mobilized to shrink the scope of projects that require workers to receive the prevailing rate of wage – the statute is clear.

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When calculating tax savings, 224-a is straightforward – any savings from tax credits, abatements, and incentives count toward the calculation of the 30 percent start of aggregate public funds received by the project – there is absolutely nothing in the statute about present value of future tax savings. Any and all savings should be used to determine public funds – if the state legislature wanted to clarify this in the statute, it could have – it did not.

Public funds remain public funds, whether they accrue savings now or in the future. In fact, developers rely on future savings to secure private financing of their projects. To deny workers access to a prevailing wage because developers realize the benefit over years instead of right away, is both nonsensical and undermines the intent of the law.

With regards to Federal Funds administered by public entities, 224-a was modeled on New York Labor Law section 220 – 220 requires prevailing wage be paid to workers on public works projects. 224-a expands that requirement to specific private projects that are publicly funded.

When federal funds are given to state agencies to administer, they become public funds and are then subject to 224-a. Again, the law is clear, and payment of the prevailing wage is required.

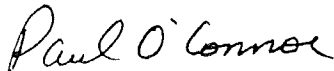
And when a public entity receives federal funds to use for specific projects and then distributes those funds to a contractor, or developer or the owner of a privately owned project, those are public funds and therefore must be part of the calculations for 224-a.

My members and I are not suggesting that federal funding directed to a private entity be considered public funds, and if the state is not permitted to impose additional requirements on the federal funds, then those funds should also not be included in the public estimation.

However, we do expect that the impetus for Labor Law 224-a be fully respected – that when a public entity provides public funds to a private project, that those funds go toward ensuring workers receive a prevailing wage and benefits.

Again, my thanks for allowing us the opportunity to submit this testimony on these two items.

Sincerely,

A handwritten signature in black ink that reads "Paul O'Connor". The signature is written in a cursive, slightly slanted style.

Paul O'Connor
Business Manager

PO:kp

From: [Tristan Quinn](#)
To: [labor.sm.Counsel.FOILReq](#)
Subject: Prevailing rate
Date: Friday, May 17, 2024 1:01:34 PM

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The purpose of this law is to ensure public funded projects must pay prevailing rate. If there is no prevailing rate companies will hire very cheap labor and not get the job done properly. This is a big deal with making sure the workers are qualified and capable of getting the job done properly. With prevailing rate companies tend to hire more qualified workers which benefits the people who have the most qualifications and put in the most time to their craft. Thank you

From: [Cornelius Skeahan](#)
To: [labor.sm.Counsel.FOILReq](#)
Subject: New York State Public Subsidy Testimony
Date: Friday, May 17, 2024 10:04:11 AM

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To The Public Subsidy Board,

I am a New York State resident and union worker and would like to submit the following comments on behalf of men and women who I work alongside with on public and private projects. When section 224-a became law it was a real shot in the arm to the expansion of prevailing wage law requirement to private development that accepted public subsidies.

To learn from my union that the Public Subsidies Board is holding a hearing to consider amending the calculations on public funds to increase public funding threshold for projects to meet requirements of section 224-a is alarming for all workers striving for middle-class opportunities and for the continued support of prevailing wage law to meet that goal. Amending the calculations to raise the bar making it more challenging for projects to qualify under 224-a will defeat the intention of 224-a.

This testimony is a petition to allow for a proper calculation that delivers the broadest meaning of public funds retaining the essence of 224-a, publicly funded projects must pay prevailing rate.

Thank you for your service to the public.

Cornelius Skeahan

From: [Michael White](#)
To: [labor.sm.Counsel.FOILReq](#)
Date: Friday, May 17, 2024 1:13:30 PM

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Publicly funded projects have to pay workers prevailing wages.

From: [Everton Whyte](#)
To: [labor.sm.Counsel.FOILReq](#)
Subject: Funding
Date: Friday, May 17, 2024 10:11:59 AM

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that the purpose of the law is to ensure publicly funded projects must pay the prevailing rate

Sent from my iPhone

May 18, 2024

Public Subsidy Board
NYS Department of Labor
Building 12
W.A. Harriman Campus
Albany, NY 12226

Re: Tax Structure on Real Estate Projects and Excelsior tax credits

Dear Members of the Public Subsidy Board:

We are writing to provide information with respect to how New York State Urban Development Corporation d/b/a Empire State Development (“ESD”) structures real estate projects that are affected by ESD’s statutory tax exemption and Excelsior Tax Credits.

Real Estate Projects

By statute,¹ ESD and its properties are exempt and free from New York State, municipal and local taxation. ESD, in consultation with the relevant municipality or locality (each a “Locality”), requires the private developer/tenant to pay an additional rent that is equal to or less than the tax (including available exemptions) that would have otherwise been due if the property had not been statutorily exempted from real estate taxes.

While ESD typically uses the term “PILOT” (payment in lieu of taxes) to refer to lease payments made by private developers/tenants on its projects, these payments differ from those of local Industrial Development Agencies that are frequently used as economic development incentives.²

When ESD utilizes a PILOT in one of its projects, ESD relies on the Locality’s calculation of the amount of the local taxes that would have been due in the absence of the statutory ESD tax exemption. PILOT agreements among ESD, developer/tenant and Localities generally run several decades and are based on each Locality’s assessment tax regime (including, fluctuations in assessments). For this reason, determining the total payments that will ultimately be made under

¹ Section 22 of New York State Urban Development Corporation Act.

² An Industrial Development Agency (“IDA”) is a public benefit corporation governed by Article 18-A of the General Municipal Law. IDAs facilitate economic development in specific localities, with one in each of the State’s counties, as well as in certain cities, towns, and villages. An IDA attempts to attract, retain, and expand private business entities within the IDA’s jurisdiction through financial incentives provided by the IDA. Property owned or controlled by an IDA is statutorily exempt from real property taxes. This exemption allows the IDA to offer to the private entity a financial incentive that lowers the entity’s operating costs. The entity occupying IDA-owned properties typically makes to the IDA contractual payments in-lieu-of-taxes (“PILOT”). These PILOT amounts are typically less than the amounts of real property tax that would have been paid by the private entity without the IDA’s statutory exemption. PILOT collected passes to local governments within the IDA’s area.

a PILOT agreement is at best an estimate and depends not only on the Localities future tax assessments but also on estimating the net present value of the potentially fluctuating payments. Additionally, while total construction costs of a project can be estimated they also may not be known with precision prior to the completion of construction.

Excelsior Tax Credits

The group of tax credits, colloquially known as the Excelsior tax credits,³ are discretionary tax credits that allow businesses that meet and maintain predetermined goals, including job creation and investment thresholds,⁴ to claim the tax credits over a benefit period of up to 10 years.⁵ The job and investment goals and value of the tax credits are established in the preliminary schedule of benefits between the business and ESD. However, if a business falls short of its employment and investment targets, the Excelsior tax credit can be reduced or lost for a given year depending on how close the business comes to achieving the predetermined goals.

In ESD's experience, the possibility of a business earning partial tax credit or no credit for any given year during the benefit period makes determining with certainty the ultimate value of one or more Excelsior tax credits impossible before and during the construction period. An estimate of the value of the Excelsior tax credits established in the preliminary schedule of benefits at the beginning of the construction period may overestimate the actual value of the Excelsior tax credit to a construction project at the end of the benefit period. Finally, it is important to note that while Excelsior tax credits can be part of the incentives offered to encourage the undertaking of a construction project, each of the Excelsior tax credits can be earned without any construction at all, as companies often receive Excelsior tax credits while leasing or acquiring existing space for which no construction is necessary.

Sincerely,

Joshua Bloodworth

³ Excelsior tax credits include five specific tax credit programs: Excelsior Jobs Tax Credit, Excelsior Investment Tax Credit, Excelsior Research and Development Tax Credit, Excelsior Real Property Tax Credit and the Excelsior Child Care Services Tax Credit.

⁴ See [Exhibit A](#) attached hereto for a summary of the tax credits.

⁵ Or up to 20 years in the case of Green CHIPS projects, which have heightened minimum investment and hiring requirements.

Exhibit A
Basic Criteria for Excelsior Tax Credits.

Excelsior Jobs Tax Credit:

- A credit of up to 6.85% of wages per net new job.
- For a qualified green project or green CHIPS project, a credit of up to 7.5% of wages per net new job.

Excelsior Investment Tax Credit:

- A credit valued to 2% of qualified investments.
- For a qualified green project or green CHIPS project, a credit of up to 5% of qualified investments.
- For investments in childcare services, a credit up to 5% of qualified investments.

Excelsior Research and Development Tax Credit:

- A credit of 50% of the portion of the Federal Research and Development tax credit that relates to expenditures in NYS up to credit up to 6% of research expenditures attributable to activities conducted in NYS.
- For a qualified green project or green CHIPS project, a credit of 50% of the portion of the Federal Research and Development tax credit that relates to expenditures in NYS up to 8% of research expenditures attributable to activities conducted in NYS.

Excelsior Real Property Tax Credit:

- Available to firms locating in certain distressed areas and to firms in targeted industries that meet higher employment and investment thresholds (Regionally Significant Project).

The Excelsior Child Care Services Tax Credit:

- A credit of up to 6% of net new childcare services expenditures for the operation, sponsorship, or direct financial support of a childcare services program.

PLUMBERS AND GASFITTERS LOCAL UNION NO. 1

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PIOTR AKSAMITOWSKI
RAFAEL CRUZ
MICHAEL FUSCO
STRACY JONES
MICHAEL J. REED
VICTOR ROSSI

Inside Sentry
MICHAEL PINTO

May 15, 2024

NYS Department of Labor
C/O Public Subsidy Board
Building 12
W.A. Harriman Campus
Albany, NY 12226

RE: **Testimony of Richard Garner, Business Agent**
May 20, 2024, Public Subsidy Board Public Hearing
Calculating Tax Savings and Federal Funds administered by Public
Entities

To the Members of the Public Subsidy Board,

My name is Richard Garner, and I am a Business Agent from UA Plumbers Local Union No. 1. Our organization represents 6200 members who perform plumbing work across the five (5) boroughs of New York City.

My thanks to the Public Subsidy Board for affording us the opportunity to submit testimony on the calculation of tax savings under New York Labor Law section 224-a and the administration of federal funds by public entities pursuant to that law.

The purpose of 224-a is clear - to require the payment of prevailing wages to workers engaged on private construction projects, which are funded with taxpayer dollars. In short, where public money is being spent, New York State ensures workers are fairly compensated – the law was meant to grow the middle-class and expand prevailing wage.

It was not meant to have public money used to depress worker wages and benefits, and yet, a mere two years after 224-a goes into effect, it is extremely distressing to myself and my members that we are having to address these issues today.

Perhaps more distressing is that labor law's very public hearing process is being utilized to preclude the full enforcement of this statute. The hearing process and the Public Subsidy Board should not be mobilized to shrink the scope of projects that require workers to receive the prevailing rate of wage – the statute is clear.

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And when a public entity receives federal funds to use for specific projects and then distributes those funds to a contractor, or developer or the owner of a privately owned project, those are public funds and therefore must be part of the calculations for 224-a.

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However, we do expect that the impetus for Labor Law 224-a be fully respected – that when a public entity provides public funds to a private project, that those funds go toward ensuring workers receive a prevailing wage and benefits.

Again, my thanks for allowing us the opportunity to submit this testimony on these two items.

Sincerely,



Richard Garner
Business Agent

RG:kp

PLUMBERS AND GASFITTERS LOCAL UNION NO. 1

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Inside Sentry
MICHAEL PINTO

May 15, 2024

NYS Department of Labor
C/O Public Subsidy Board
Building 12
W.A. Harriman Campus
Albany, NY 12226

RE: **Testimony of John Hickey, Business Agent**
May 20, 2024, Public Subsidy Board Public Hearing
Calculating Tax Savings and Federal Funds administered by Public
Entities

To the Members of the Public Subsidy Board,

My name is John Hickey, and I am a Business Agent from UA Plumbers Local Union No. 1. Our organization represents 6200 members who perform plumbing work across the five (5) boroughs of New York City.

My thanks to the Public Subsidy Board for affording us the opportunity to submit testimony on the calculation of tax savings under New York Labor Law section 224-a and the administration of federal funds by public entities pursuant to that law.

The purpose of 224-a is clear - to require the payment of prevailing wages to workers engaged on private construction projects, which are funded with taxpayer dollars. In short, where public money is being spent, New York State ensures workers are fairly compensated – the law was meant to grow the middle-class and expand prevailing wage.

It was not meant to have public money used to depress worker wages and benefits, and yet, a mere two years after 224-a goes into effect, it is extremely distressing to myself and my members that we are having to address these issues today.

Perhaps more distressing is that labor law's very public hearing process is being utilized to preclude the full enforcement of this statute. The hearing process and the Public Subsidy Board should not be mobilized to shrink the scope of projects that require workers to receive the prevailing rate of wage – the statute is clear.

PHONE (718) 738-7500 • FAX (718) 835-0896 • www.ualocal1.org
50-02 Fifth Street • Long Island City, New York 11101



When calculating tax savings, 224-a is straightforward – any savings from tax credits, abatements, and incentives count toward the calculation of the 30 percent start of aggregate public funds received by the project – there is absolutely nothing in the statute about present value of future tax savings. Any and all savings should be used to determine public funds – if the state legislature wanted to clarify this in the statute, it could have – it did not.

Public funds remain public funds, whether they accrue savings now or in the future. In fact, developers rely on future savings to secure private financing of their projects. To deny workers access to a prevailing wage because developers realize the benefit over years instead of right away, is both nonsensical and undermines the intent of the law.

With regards to Federal Funds administered by public entities, 224-a was modeled on New York Labor Law section 220 – 220 requires prevailing wage be paid to workers on public works projects. 224-a expands that requirement to specific private projects that are publicly funded.

When federal funds are given to state agencies to administer, they become public funds and are then subject to 224-a. Again, the law is clear, and payment of the prevailing wage is required.

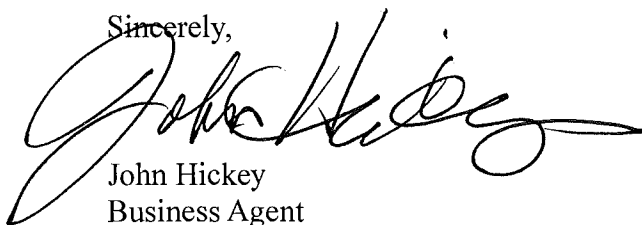
And when a public entity receives federal funds to use for specific projects and then distributes those funds to a contractor, or developer or the owner of a privately owned project, those are public funds and therefore must be part of the calculations for 224-a.

My members and I are not suggesting that federal funding directed to a private entity be considered public funds, and if the state is not permitted to impose additional requirements on the federal funds, then those funds should also not be included in the public estimation.

However, we do expect that the impetus for Labor Law 224-a be fully respected – that when a public entity provides public funds to a private project, that those funds go toward ensuring workers receive a prevailing wage and benefits.

Again, my thanks for allowing us the opportunity to submit this testimony on these two items.

Sincerely,

A handwritten signature in black ink, appearing to read "John Hickey", with a large, sweeping flourish extending to the right.

John Hickey
Business Agent

JH:kp

PLUMBERS AND GASFITTERS LOCAL UNION NO. 1

OF THE

UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING
AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND CANADA
NEW YORK CITY

PAUL O'CONNOR
Business Manager

FREDDY DELLIGATTI
Financial Secretary-Treasurer



Business Agent-At-Large
RICHARD GILLIGAN

Business Agents
RICHARD GARNER
JOHN HICKEY
CARL L. JOHNSON, JR.
TOMMY KINIRONS
GEORGE MALANDRAKIS
ROBERT MURRAY
LOUIS J. PASQUALE
RAYMOND V. RONDINO
JOHN TOTINO

Organizers
PAUL COTTO
ANDREW FRISCIA

President
TIMOTHY J. SPELLMAN

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Recording Secretary
ALBERT ESPOSITO

Executive Board
MICHAEL ALOISI
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Finance Committee
ANDREW DONLEVY
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PIOTR AKSAMITOWSKI
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VICTOR ROSSI

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May 15, 2024

NYS Department of Labor
C/O Public Subsidy Board
Building 12
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Albany, NY 12226

RE: **Testimony of Thomas Kinirons, Business Agent**
May 20, 2024, Public Subsidy Board Public Hearing
Calculating Tax Savings and Federal Funds administered by Public
Entities

To the Members of the Public Subsidy Board,

My name is Thomas Kinirons, and I am a Business Agent from UA Plumbers Local Union No. 1. Our organization represents 6200 members who perform plumbing work across the five (5) boroughs of New York City.

My thanks to the Public Subsidy Board for affording us the opportunity to submit testimony on the calculation of tax savings under New York Labor Law section 224-a and the administration of federal funds by public entities pursuant to that law.

The purpose of 224-a is clear - to require the payment of prevailing wages to workers engaged on private construction projects, which are funded with taxpayer dollars. In short, where public money is being spent, New York State ensures workers are fairly compensated – the law was meant to grow the middle-class and expand prevailing wage.

It was not meant to have public money used to depress worker wages and benefits, and yet, a mere two years after 224-a goes into effect, it is extremely distressing to myself and my members that we are having to address these issues today.

Perhaps more distressing is that labor law's very public hearing process is being utilized to preclude the full enforcement of this statute. The hearing process and the Public Subsidy Board should not be mobilized to shrink the scope of projects that require workers to receive the prevailing rate of wage – the statute is clear.

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Public funds remain public funds, whether they accrue savings now or in the future. In fact, developers rely on future savings to secure private financing of their projects. To deny workers access to a prevailing wage because developers realize the benefit over years instead of right away, is both nonsensical and undermines the intent of the law.

With regards to Federal Funds administered by public entities, 224-a was modeled on New York Labor Law section 220 – 220 requires prevailing wage be paid to workers on public works projects. 224-a expands that requirement to specific private projects that are publicly funded.

When federal funds are given to state agencies to administer, they become public funds and are then subject to 224-a. Again, the law is clear, and payment of the prevailing wage is required.

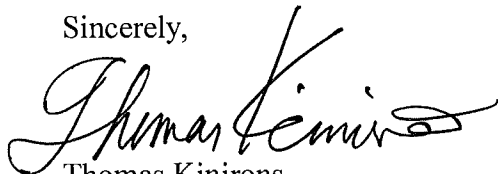
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My members and I are not suggesting that federal funding directed to a private entity be considered public funds, and if the state is not permitted to impose additional requirements on the federal funds, then those funds should also not be included in the public estimation.

However, we do expect that the impetus for Labor Law 224-a be fully respected – that when a public entity provides public funds to a private project, that those funds go toward ensuring workers receive a prevailing wage and benefits.

Again, my thanks for allowing us the opportunity to submit this testimony on these two items.

Sincerely,

A handwritten signature in cursive script that reads "Thomas Kinirons". The signature is written in black ink and is positioned above the printed name and title.

Thomas Kinirons
Business Agent

TK:kp



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RE: Testimony of Raymond Rondino, Business Agent
May 20, 2024, Public Subsidy Board Public Hearing
Calculating Tax Savings and Federal Funds administered by Public
Entities

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My name is Raymond Rondino, and I am a Business Agent from UA Plumbers Local Union No. 1. Our organization represents 6200 members who perform plumbing work across the five (5) boroughs of New York City.

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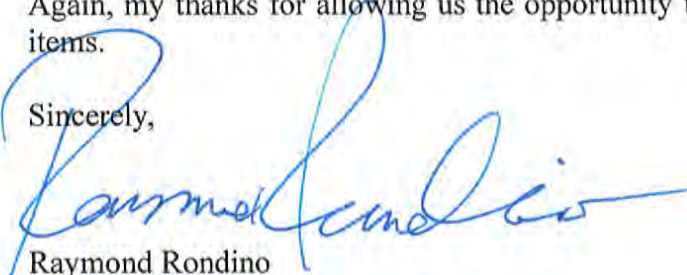
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Again, my thanks for allowing us the opportunity to submit this testimony on these two items.

Sincerely,



Raymond Rondino
Business Agent

RR:kp

May 20, 2024

677 BROADWAY, SUITE 1101
ALBANY, NY 12207
(518) 427-9700

JUSTIN S. MILLER

Hon. Roberta Reardon, Commissioner and Chair
New York State Department of Labor
Bureau of Public Work – Public Subsidy Board

DIRECT: (518) 701-2710
FAX: (518) 427-0235
JMILLER@HARRISBEACH.COM

Shaun McCready, Director
Bureau of Public Work

RE: Public Subsidy Board Hearing - May 20, 2024
Presentation on Calculating Future Tax Savings
Pursuant to Labor Law Section 224-a

Please accept my thanks for the opportunity to submit testimony to the Public Subsidy Board with respect to calculating prospective, future tax savings on publicly subsidized projects and determining whether a project is covered by Labor Law Section 224-a.

Please accept the following as an outline of the topics and specific issues I will present to your board and the public for consideration as you continue to finalize the framework for determining whether a project is covered by Labor Law Section 224-a. In particular, I appreciate the opportunity to present to the Public Subsidy Board as much detail as possible on how economic development agencies have responded to the Labor Law 224-a legislation, and how the calculation of the value of prospective, future tax savings on publicly subsidized projects cannot be accurately calculated at the time work is actually performed (LL Section 224-a(3)(d)).

I. Personal Background – Harris Beach PLLC

Member of Public Finance and Economic Development Practice Group
Leader of Municipalities Industry Team
Representation of Municipalities, Authorities and Development Agencies
Industrial Development Agency Practice and Financial Assistance, generally.

II. Industrial Development Agency and other Local Authority Assistance

Forms of local subsidies – sales tax, mortgage tax and real property tax abatements
Benefits provided immediately; Prospective, Future Tax Savings under PILOTs
IDA Process, Regulations, Oversight
IDA Application Requirements – All project costs and sources (GML 859-a(4)(e))
IDA Application Supplements for LL 224-a Evaluation (See, attached PW Checklist)
IDA Cost-Benefit Analysis (CBA) Requirements
IDA Materials and Approvals of Public Record

III. IDA Calculation of Prospective, Future Tax Abatements

NYS Assessment Process, generally
Classification of Ratables; Assessor and ORPS Discretion
Determination of Value – Cost Basis, Comps and/or Project Income Capitalization
Full Market Value vs. Assessed Value – Equalization Rates
IDA collaboration with Assessors; As-built Appraisal Requirements
Timing of Assessment after Work; Tax Status Date and Prospective Tax Years
NYS Municipal Taxation, generally
Municipal Budgets, Tax Cap and Overall Millage Rates
Future Variables – Budgets, Millage, Local, Regional and National influences

All Metrics Associated with Calculating Future Taxes are Speculative

IV. Examples of CBAs and Rough Estimation

IDA and Local Agency CBAs and Calculating Tools
Examples of CBAs and the Impact of Assumptions (attachments)
Examples of Aggregation of known Public Subsidies with Speculative Calculations
Examples of Historic Influences on Long Term Agreements

V. Concluding Remarks and Thanks

PREVAILING WAGE CHECKLIST & MWBE GUIDANCE
(NY Labor Law § 224-a)

On January 1, 2022, certain projects receiving financial assistance from a public entity (e.g., industrial development agencies (IDA) and local development corporations (LDC)) will be subject to prevailing wage requirements. While prevailing wage was previously limited to government contracting, this legislation will subject certain projects approved by an IDA or an LDC to prevailing wage under the New York Labor Law and MWBE requirements. Please use the following table as a checklist to confirm if a project will be subject to prevailing wage if approved:

1. Exempt Project:	<ul style="list-style-type: none"> a. Residential real estate (less than 4 units), b. Certain not-for-profit corporations with revenue under \$5 million, c. Certain Affordable Housing projects, d. Certain manufactured home park projects, e. Certain projects performed under a pre-hire collective bargaining agreement (e.g., labor peace agreement or project labor agreement), f. Projects funded by § 16-n of the Urban Development Corporation Act or the Downtown Revitalization Initiative, g. The installation of renewable energy systems, renewable heating or cooling systems, or energy storage systems with a capacity of five (5) megawatts (AC) or less, h. NYC IDA Food Retail Expansion to Support Health projects, i. NYC EDC Small Business Incubator programs under 10,000 sq. ft., j. NYC Dept. of Education school construction under 60,000 sq. ft., and k. Projects that receive certain tax benefits related to historic rehabilitation. 	Yes <input type="checkbox"/> No <input type="checkbox"/>
2. Covered Project:	Construction projects throughout the state whose total costs exceed \$5 million and for which at least 30% of these costs are met through use of public subsidies. ¹	Yes <input type="checkbox"/> No <input type="checkbox"/>
3. Public Fund Exemptions:	<ul style="list-style-type: none"> a. Affordable New York Housing Program benefits, b. Funds that are not provided primarily to promote, incentivize, or ensure that construction work is performed, which would otherwise be considered public funds (as defined below), c. Funds received for sewer projects or connections to existing sewer lines, d. Tax benefits where the value is unknown at time of construction, e. Tax benefits for Brownfield Cleanup Program, f. Funds for charter school facilities, and g. Any public monies, credits, savings or loans deemed exempt by the Public Subsidy Board. 	Exclude from above total.
4. Public Funds (Public Subsidies):	<ul style="list-style-type: none"> 1. Public entity grants, 2. Savings from fees, rents, interest rates, or loan costs, or insurance costs that are lower than market rate costs, 3. Savings from reduced taxes as a result of tax credits, tax abatements, tax exemptions (i.e., sales tax and mortgage recording tax), or tax increment financing, PILOTs, and 4. Savings from reduced, waived, or forgiven costs (e.g., contingent loan repayments). 	Total: \$ _____

¹ "Notice of Expanded Legal Obligations under NYS Prevailing Wage" published on or about September 21, 2021 by the NYS Department of Labor.

5. Effective Date	The prevailing wage and MWBE requirements take effect on January 1, 2022, and shall apply to contracts for construction executed, incentive agreements executed, procurements or solicitations issued, or applications for building permits on or after such date.	
6. Reporting Requirement	A project beneficiary must certify if a project is a Covered Project within five (5) days of commencement of construction. A Covered Project is subject to stop work orders by the NY Commissioner of Labor.	

MWBE & SDVOB

Additionally, a Covered Project must comply with the objectives and goals of minority and women-owned business enterprises (MWBE) pursuant to Article 15-A of the New York Executive Law and service-disabled veteran-owned businesses (SDVOB) pursuant to Article 17-B of the Executive Law.

The newest participation goal is 30% for MWBE and 6% for SDVOB. Contractors must demonstrate a "good faith" effort to comply with the MWBE and SDVOB requirements. Good faith efforts can include the identification of participation areas for MWBEs and SDVOBs and full utilization of lists of certified MWBEs and SDVOBs.

If, despite good faith efforts, a contractor is not able to retain an MWBE or SDVOB for a project, the company must submit a Request for Waiver along with documentation of good faith efforts and the reason they were unable to obtain an MWBE or SDVOB.

Good faith efforts can be evidenced by:

- Copies of solicitations (advertisements in MWBE or SDVOB-centered publications, those made to vendors in MWBE or SDVOB directories, those made to MWBE or SDVOB-oriented trade and labor organizations, etc.)
- If these solicitations are answered, the contractor must also record specific reasons why the MWBE or SDVOB enterprise was not selected.
 - Dates of any pre-bid, pre-award or other meetings attended by the contractor, if any, scheduled by the Department of Labor with certified MWBE or SDVOB enterprises.
 - Information describing the steps taken to ensure MWBE and SDVOB participation in a project.
 - Descriptions of any other actions undertaken by the bidder to document good faith efforts to retain MWBE and SDVOB enterprises.

Compliance:

Although full participation compliance is the preferred method, partial or no participation is acceptable so long as the project beneficiary conforms to the requirements to fulfill and receive the waiver. Project beneficiaries of Covered Projects may want to engage monitoring firms to ensure that good faith efforts are met and properly documented to avoid penalties.

Resources:

Helpful resources and administration forms for the MWBE and SDVOB programs can be found on the NYS Department of Labor website in the middle of the page at the following address: <https://dol.ny.gov/contract-bid-grant-opportunities>.

SAMPLE IDA CBA High AV and Mil Rate Assumptions

Current A/V \$ 1,000,000
 Added Value \$10,000,000
 Equalization 100% **Projected Finished AV \$ 11,000,000**

PILOT Year	CALENDAR YEAR:	PILOT Base Assessed Valuation	Abatement Schedule for Added Value	Estimated PILOT Payments for Base Value	** Estimated Abated Assessment	***Estimated Full Taxes with No PILOT	Estimated PILOT Payments for Added Value	Estimated Total PILOT Payments	Estimated Mil Rate
Interim	2024								35.00
Year 1	2025	\$1,000,000	100.00%	\$36,020	\$360,200	\$396,220	\$0	\$36,020	36.02
Year 2	2026	\$1,000,000	100.00%	\$37,040	\$370,400	\$407,440	\$0	\$37,040	37.04
Year 3	2027	\$1,000,000	100.00%	\$38,060	\$380,600	\$418,660	\$0	\$38,060	38.06
Year 4	2028	\$1,000,000	100.00%	\$39,080	\$390,800	\$429,880	\$0	\$39,080	39.08
Year 5	2029	\$1,000,000	100.00%	\$40,100	\$401,000	\$441,100	\$0	\$40,100	40.10
Year 6	2030	\$1,000,000	50.00%	\$41,120	\$205,600	\$452,320	\$205,600	\$246,720	41.12
Year 7	2031	\$1,000,000	50.00%	\$42,140	\$210,700	\$463,540	\$210,700	\$252,840	42.14
Year 8	2032	\$1,000,000	50.00%	\$42,983	\$214,914	\$472,811	\$214,914	\$257,897	42.98
Year 9	2033	\$1,000,000	50.00%	\$43,842	\$219,212	\$482,267	\$219,212	\$263,055	43.84
Year 10	2034	\$1,000,000	50.00%	\$44,719	\$223,597	\$491,912	\$223,597	\$268,316	44.72
Total PILOT Payments		\$ 1,479,127		\$ 405,105		\$ 4,456,150	\$ 1,074,023	\$ 1,479,127	
Taxes w/o Improvements		\$ 405,105							
Full Taxes no PILOT		\$ 4,456,150							
Estimated Real Estate Tax Savings		\$ 2,977,023							
Estimated Mortgages Tax Savings		\$ 80,000	\$ 8,000,000	Mortgage					
Estimated Sales Tax Savings		\$ 600,000	\$ 7,500,000	Exempted materials					
Estimated Financial Assistance		\$ 3,657,023							
Estimated Financial Assistance		36.57%	of total cost						

* assumption of a \$ 11,000,000 assessment once project is completed

Added Value	\$ 10,000,000	ASSUMPTIONS	\$11,000,000 ASSESSMENT BASED ON FULL PROJECT COSTS MIL RATE ESCALATION AT 2%
Project Cost	\$ 10,000,000		
Finished Val	\$ 11,000,000		
Base Value	\$ 1,000,000	RESULT	BASIC 10 YEAR PILOT AGREEMENT INDICATES 36.57% PUBLIC SUBSIDY

TRIGGERING PUBLIC WORK REQUIREMENTS

SAMPLE IDA CBA

MODEST AV and Mil Rate Assumptions, Plus \$1M Green Energy Grant

Current A/V \$ 1,000,000

Added Value \$5,000,000

Equalization 100% Est. Finished AV \$ 6,000,000

PILOT Year	CALENDAR YEAR:	PILOT Base Assessed Valuation	Abatement Schedule for Added Value	Estimated PILOT Payments for Base Value	** Estimated Abated Assessment	***Estimated Full Taxes with No PILOT	Estimated PILOT Payments for Added Value	Estimated Total PILOT Payments	Estimated Mil Rate
Interim	2024								35.00
Year 1	2025	\$1,000,000	100.00%	\$36,010	\$180,050	\$216,060	\$0	\$36,010	36.01
Year 2	2026	\$1,000,000	100.00%	\$37,020	\$185,100	\$222,120	\$0	\$37,020	37.02
Year 3	2027	\$1,000,000	100.00%	\$38,030	\$190,150	\$228,180	\$0	\$38,030	38.03
Year 4	2028	\$1,000,000	100.00%	\$39,040	\$195,200	\$234,240	\$0	\$39,040	39.04
Year 5	2029	\$1,000,000	100.00%	\$40,050	\$200,250	\$240,300	\$0	\$40,050	40.05
Year 6	2030	\$1,000,000	50.00%	\$41,060	\$102,650	\$246,360	\$102,650	\$143,710	41.06
Year 7	2031	\$1,000,000	50.00%	\$42,070	\$105,175	\$252,420	\$105,175	\$147,245	42.07
Year 8	2032	\$1,000,000	50.00%	\$42,491	\$106,227	\$254,944	\$106,227	\$148,717	42.49
Year 9	2033	\$1,000,000	50.00%	\$42,916	\$107,289	\$257,494	\$107,289	\$150,205	42.92
Year 10	2034	\$1,000,000	50.00%	\$43,345	\$108,362	\$260,069	\$108,362	\$151,707	43.34
Total PILOT Payments		\$ 931,734		\$ 402,031		\$ 2,412,186	\$ 529,703	\$ 931,734	
Taxes w/o Improvements		\$ 402,031							
Full Taxes no PILOT		\$ 2,412,186							
Estimated Real Estate Tax Savings		\$ 1,480,453							
Estimated Mortgages Tax Savings		\$ 80,000	\$ 8,000,000	Mortgage					
Estimated Sales Tax Savings		\$ 600,000	\$ 7,500,000	Exempted materials					
Estimated Financial Assistance		\$ 2,160,453			PLUS NYSERDA GRANT	\$ 1,000,000			
Estimated Financial Assistance		31.60%	of total cost						

* assumption of a \$ 6,000,000 assessment once project is completed

Added Value	\$ 5,000,000	ASSUMPTIONS	\$6,000,000 ASSESSMENT BASED ON FULL PROJECT COSTS
Project Cost	\$ 10,000,000		MIL RATE ESCALATION AT 1%
Finished Val	\$ 6,000,000		\$1M NYSERDA GRANT FOR GREEN ENERGY SYSTEM
Base Value	\$ 1,000,000	RESULT	BASIC 10 YEAR PILOT AGREEMENT PLUS GRANTT INDICATES 31.60% PUBLIC SUBSIDY -

TRIGGERING PUBLIC WORK REQUIREMENTS

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Current A/V \$ 1,000,000
 Added Value \$5,000,000
 Equalization 100% **Projected Finished AV \$ 6,000,000**

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Year 1	2025	\$1,000,000	100.00%	\$36,010	\$180,050	\$216,060	\$0	\$36,010	36.01
Year 2	2026	\$1,000,000	100.00%	\$37,020	\$185,100	\$222,120	\$0	\$37,020	37.02
Year 3	2027	\$1,000,000	100.00%	\$38,030	\$190,150	\$228,180	\$0	\$38,030	38.03
Year 4	2028	\$1,000,000	100.00%	\$39,040	\$195,200	\$234,240	\$0	\$39,040	39.04
Year 5	2029	\$1,000,000	100.00%	\$40,050	\$200,250	\$240,300	\$0	\$40,050	40.05
Year 6	2030	\$1,000,000	50.00%	\$41,060	\$102,650	\$246,360	\$102,650	\$143,710	41.06
Year 7	2031	\$1,000,000	50.00%	\$42,070	\$105,175	\$252,420	\$105,175	\$147,245	42.07
Year 8	2032	\$1,000,000	50.00%	\$42,491	\$106,227	\$254,944	\$106,227	\$148,717	42.49
Year 9	2033	\$1,000,000	50.00%	\$42,916	\$107,289	\$257,494	\$107,289	\$150,205	42.92
Year 10	2034	\$1,000,000	50.00%	\$43,345	\$108,362	\$260,069	\$108,362	\$151,707	43.34
Total PILOT Payments		\$ 931,734		\$ 402,031		\$ 2,412,186	\$ 529,703	\$ 931,734	
Taxes w/o Improvements		\$ 402,031							
Full Taxes no PILOT		\$ 2,412,186							
Estimated Real Estate Tax Savings		\$ 1,480,453							
Estimated Mortgages Tax Savings		\$ 80,000	\$ 8,000,000	Mortgage					
Estimated Sales Tax Savings		\$ 600,000	\$ 7,500,000	Exempted materials					
Estimated Financial Assistance		\$ 2,160,453							
Estimated Financial Assistance		21.60%	of total cost						

* assumption of a \$ 6,000,000 assessment once project is completed

Added Value	\$ 5,000,000	ASSUMPTIONS	\$6,000,000 ASSESSMENT BASED ON FULL PROJECT COSTS	
Project Cost	\$ 10,000,000			MIL RATE ESCALATION AT 1%
Finished Val	\$ 6,000,000			
Base Value	\$ 1,000,000	RESULT	BASIC 10 YEAR PILOT AGREEMENT INDICATES 21.60% PUBLIC SUBSIDY	

NO PUBLIC WORK REQUIREMENTS