

S.5868 (Harckham)

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| BILL S.5868 (Harckham) |
| SUBJECT Imposes Public Works Prevailing Wage Mandate on Brownfield Projects |
| DATE May 05, 2023 |
| OPPOSE |

The Business Council strongly opposes this legislation that would make both overall eligibility for the state's brownfield program and eligibility for the program's redevelopment credit for tangible property investments contingent on a project sponsor paying public works prevailing wage for all remedial project related construction work. Specifically, the bill would require public works prevailing wage payments for all remedial construction, interim remedial actions and environmental restoration efforts, as defined in §27-1405 of the Environmental Conservation Law, when performed at brownfield sites.

The sponsor's memo provides virtually no justification or rationale for this proposed mandate, other than saying "Brownfield remediation is dangerous work and requires the use of a trained and skilled workforce." Yet the bill proposes no workforce safety or training requirements, only new wage mandates.

According to the state's on-line brownfield program database, since 2007, nearly 1,200 projects have entered the brownfield program, and in aggregate the private sector has invested nearly \$3 billion in brownfield site cleanups and more than \$19 billion in site redevelopment investments, bringing long-contaminated and often long-abandoned sites back into productive use, creating new jobs, new local economic activity (mostly in urban areas), and new state and local tax revenues.

Overall, the program has produced more than \$6 in direct investment for every \$1 in tax incentives.

All of these benefits have been achieved without the need for a prevailing wage mandate.

It is questionable that this wage mandate would provide any necessary workplace safety improvements at brownfield cleanup sites. There is little doubt that it would add to cleanup costs, especially in upstate areas. Comparing total mandated prevailing wages and supplemental benefits to actual average wages for specific construction occupations in upstate labor regions shows differentials rarely under 40 percent, and as high as 100 percent or more.

The state's brownfield program has been a proven success, with the program addressing environmental and public health risks posed by contaminated and often dangerous sites, and restoring them to safe and productive economic use, with local and statewide economic benefits.

We strongly oppose this legislation that would simply impose higher project costs on brownfield cleanup projects.

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