



## CITYLIMITS

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### UNION WAGE PUSH MEETS RESISTANCE

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*The City Council might require buildings that receive tax breaks to pay their staff higher wages. The real estate industry opposes the idea. Where does the mayor stand?*

By Jake Mooney

As a porter on the unionized staff at the Caledonia, a luxury mixed condominium and rental high-rise in Chelsea, Noe Ramirez makes \$19.50 an hour. In his 15-year career as a building services worker, this is the first job he's had that pays enough on its own to support his family.

His union SEIU Local 32BJ and its allies on the New York City Council, who are pushing to raise salaries for thousands of building service workers around the city, see Ramirez' much-improved income as a template. The Council is considering a bill that would mandate the "prevailing wage"—a pay-scale comparable to Ramirez' union salary—for porters, doormen, security guards and all other building service workers in new developments that receive tax breaks and similar valuable incentives from the city.

But the Bloomberg administration isn't backing the bill, saying only that it will study its impact. And the real estate industry opposes it.

The bill is the latest of several efforts seeking to use the city's contractual powers to compel higher wages for workers on the lowest rungs of the wage ladder. Advocates say situations like Ramirez' illustrate that a few more dollars an hour in salary can dramatically improve the lives of building maintenance staff workers around the city.

Ramirez started working for The Related Companies, the real estate giant that owns the Caledonia, in 1995. He worked in a string of non-unionized buildings where his pay eventually rose to \$16 an hour. In earlier years, he headed from his main job to work at a second maintenance job, and got home after his children were asleep. Now, after a day of cleaning common areas and maintaining the Caledonia's garbage recycling system, he leaves the building around sunset, arriving home in East Harlem in time to help his teenage son and daughter with their homework. As for his former colleagues working at lower-wage buildings, he said they still need another job on the side.

“It’s not easy, but that’s part of life,” Ramirez said one recent afternoon after his shift had ended. “Life’s not easy nowhere,” he said.

His interview with a reporter was encouraged by 32BJ, which is promoting support of the Council bill that would also raise pay levels for some non-union workers. The pay scale would rise for workers in new buildings that receive at least \$10,000 annually in city financial assistance, and also require prevailing wage standards in buildings where the city leases space. Introduced last fall and reintroduced in February by Councilwoman Melissa Mark-Viverito, the bill is co-sponsored by 29 other members.

The prevailing wage is set annually by the city comptroller, but because 32BJ’s members make up a large percentage of New York building workers, the prevailing wage and the union’s contract rate tend to coincide.

Mark-Viverito, who represents East Harlem, Manhattan Valley and the South Bronx, said the bill is part of an ongoing discussion about wage issues.

“The conversation that always comes up is ‘How we can ensure that the jobs that we create are going to afford people the opportunity to have a good life in the city?’” she said. “My struggle is about having the investment of city dollars, first and foremost, strengthen the base that’s here,” she added, comparing her preference for improving opportunities for wage workers to Mayor Michael Bloomberg’s focus on facilitating new development.

In recent years, activists and city officials have successfully linked wage standards to city subsidies in large individual development initiatives, including the Greenpoint-Williamsburg rezoning and the Willets Point, Coney Island and Hudson Yards redevelopment plans. In December the City Council rejected a city-subsidized redevelopment of the Kingsbridge Armory in the Bronx, after the mall project’s developer, Related Companies, refused to guarantee a minimum pay rate of \$10 for all jobs there.

In the wake of the debates over those projects, Mark-Viverito said, “We have to look at this citywide. It can’t just be project-by-project, piecemeal.” The bill is New York’s effort to exert control over how companies doing business with the government pay their employees.

Paul Sonn, legal co-director of the National Employment Law Project, cited similar initiatives nationwide. Los Angeles now has wage standards for projects that involve city-owned land. And a few weeks ago, over mayoral objections, the Pittsburgh City Council passed an even broader law, applying to both building service workers and laborers in several other industries.

In New York, Sonn’s organization helped create a law—signed by Mayor Bloomberg in 2002—that mandates a living wage for employees of companies doing contract work for the City of New York. Sonn has also consulted on the current prevailing wage effort, and on a related bill proposed in the last Council session but not yet reintroduced. That law would require recipients of economic development subsidies to pay a living wage to employees in addition to building service workers.

“I think the principle is, if we’re investing taxpayer subsidies, we should be asking developers in return to create quality jobs for low-income workers,” Sonn said.

Similar efforts, though, have met with stiff opposition from business and development groups nationwide. In Pittsburgh, Mayor Luke Ravenstahl vetoed an early version of the council's bill, and then refused to sign a revised version. Even as he allowed it to pass into law, he objected that imposing wage restrictions would drive new business and development money away to lower-wage cities.

In New York, Mark Viverito said her office is planning to push the finance committee to schedule a public hearing on the issue. Although she's heard only rumblings so far, she's expecting opposition to her bill.

In a statement released on March 29, Steven Spinola, president of the Real Estate Board of New York, said the industry group opposes mandated wages. "It will ... lead to higher office rents for city agencies because it would restrict the options for the city," Spinola said, among several objections.

Despite the local bill's many co-sponsors, however, it does not have the support of a veto-proof majority and the mayor. Bloomberg's take on the bill is unpredictable, but he expressed strong opposition to wage demands in the Kingsbridge Armory plan, calling that project's defeat "disappointing and irrational".

A few weeks ago, David Lombino, a spokesman for the city's Economic Development Corporation, confirmed a report, first published in Crain's New York Business, that the EDC is commissioning a study of wage- and subsidy-related issues to determine the feasibility of government regulations.

Lombino declined to offer details, but he said an outside consultant would be chosen to talk with "stakeholders" including organized labor and developers. But selecting that consultant, conducting a study and issuing a report could take until early 2011.