

DAILY NEWS

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Mayor's 'waging' new war

Now, he bucks minimum salary

IT WAS the day after Labor Day when Mayor Bloomberg seemed to question the whole idea of a minimum wage.

"I've always wanted to let the marketplace set the wages," he said when asked about higher wages on projects that get city subsidies.

"Government should not be in the business of doing that," Bloomberg said. "The last government that tried that doesn't exist anymore. That was the Soviet Union."

It's a strong statement from a mayor who three years ago hailed Congress for hiking the minimum wage to \$7.25 an hour.

"Those that are working at the minimum wage are just, you can't possibly put, feed your family," Bloomberg said then. "There is no reputable economic study that says that it would hurt. . . . Businesses will be able to absorb it and we just have to do something."

What happened since then? The Kingsbridge Armory.

The Related Companies wanted to build a massive shopping center in the empty Bronx building, with \$14 million in city subsidies.

Some politicians, unions and community groups said businesses at the mall should pay higher-than-minimum wages to their employees in exchange for those subsidies.

The dispute killed the project last year, but the issue didn't die.

Most City Council members have signed on to a bill requiring a "living wage" — \$10 an hour plus health benefits, or \$11.50 without — on any development that includes a city subsidy.

Bloomberg doesn't like it. Council Speaker Christine Quinn, who comes from a liberal background but is wooing the business community for a mayoral run, hasn't lifted a finger to move it out of committee.



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"There's been meetings here with folks who are on both sides of the issue," said Quinn spokesman Jamie McShane.

To answer those questions, Bloomberg's Economic Development Corp., which manages city subsidy programs from its 110 William St. offices, hired an outside consultant for a \$1 million study of "the estimated impact of wage requirements."

Supporters of the bill say the city stacked the deck by drawing up the study terms without outside input — and hiring a firm whose lead economists are outright opposed to a minimum wage.

"It's not hard to see what is going on here," said Daniel Morris of the Drum Major Institute for Public Policy. "The EDC's study is a convenient political tool to delay public debate . . . and generate predetermined findings."

EDC spokesman David Lombino insists the firm doing the study, Charles River Associates, is unbiased and will listen to the arguments of living wage supporters.

"If individuals disagree with the results, they will, of course, have an opportunity to voice their concerns," Lombino said.

Living wage supporters aren't waiting. They're trying to discredit the study before it starts — and they think Bloomberg's crack about the Soviet Union is pretty ironic, for a guy who runs the power structure in this town.

"There's tremendous decisions being made at 110 William St. involving large amounts of public money," Controller John Liu said. "One could argue that the Politburo is alive and kicking at 110 William St." alisberg@nydailynews.com