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That's Fit to Print"

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Late Edition

Today, mostly cloudy, a morning shower, high 71. Tonight, mostly clear, late fog, mild, low 62. Tomorrow, clouds then some sun, warmer, high 83. Weather map, Page D8.

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Wage Proposal for Workers at Subsidized Projects May Prompt a Fight at City Hall

By SAM DOLNICK

In what could set off a major City Hall battle, two City Council members from the Bronx plan to propose a bill on Tuesday that would guarantee wages of at least \$10 an hour, nearly \$3 above the minimum wage, to all workers at development projects receiving public subsidies.

The bill is likely to draw strong opposition from Mayor Michael R. Bloomberg, who vigorously fought, and ultimately lost, a struggle last year over similar wage requirements at a mall that was planned to be built inside the city-owned Kingsbridge Armory in the Bronx.

The plans for a mall were defeated by the Council because Mr. Bloomberg and the developer refused to include pay rates higher

than the minimum wage of \$7.25 an hour.

The Fair Wages for New Yorkers Act, as the bill is being called, would have wide-ranging implications for the largest development projects in New York, replacing agreements hammered out project by project with a broad standard intended to protect low-wage workers. It would affect only future projects, not projects that have already been approved.

Real estate groups typically oppose so-called living-wage requirements, arguing that they stifle development and hinder private investment.

Roughly 140 municipalities across the country have passed similar legislation, including Los Angeles, San Francisco and Santa Fe, N.M., said Robert Pollin, an

economics professor at the University of Massachusetts-Amherst who has studied living wage issues.

"The idea is, where government subsidies are involved, the people who receive those subsidies should not be paying poverty-level wages," said Councilman G. Oliver Koppell, who is co-sponsoring the bill with Annabel Palma.

A variety of unions, community groups, policy advocates are planning a major push to rally support for the bill. They have scheduled a news conference for Tuesday morning on the steps of City Hall.

The bill's fate will rest in large measure with the Council speaker, Christine C. Quinn, who voted against the Armory project last

Expanding a debate that doomed plans to build a mall at the Kingsbridge Armory.

year but whose office declined to comment on the wage bill.

The fight will feature many of the same faces that last year urged the Related Companies, the developer selected for the Kingsbridge Armory, to require that future tenants pay employees at least \$10 an hour. Higher wages were warranted, they argued, because Related would have received more than \$50 million in tax credits and exemp-

tions. Related and Mr. Bloomberg refused, arguing that the wage requirement would make it difficult to attract tenants.

While the Kingsbridge Armory battle centered on wages at one project, the wage bill seeks to expand the debate to developments across the city that receive public subsidies worth more than \$100,000, whether in discounted land sales, tax credits or other incentives.

The mandated wages will be \$10 an hour with benefits, or \$11.50 without. Wages would increase to keep up with inflation.

The Bloomberg administration is likely to oppose the bill on the grounds that projects needing subsidies should not be burdened with extra wage requirements, and that in a stagnant economy,

job creation should be paramount.

The Bloomberg administration and the city's Economic Development Corporation plan to commission a national study to examine how living wage laws have worked in other cities. Dr. Pollin, who has completed similar studies, said he found that businesses adjusted to the salary requirements by increasing productivity or raising prices slightly.

The bill's supporters view its introduction as a watershed moment.

"If you want charity, you have to be charitable," said Rubén Díaz Jr., the Bronx borough president. "If you want a public benefit to your project, then your project has to benefit the public. It's a simple equation."