

For Immediate Release

## ZETLIN & DE CHIARA LLP HOSTS "THE FUTURE OF LABOR IN CONSTRUCTION"

Industry Leaders Discuss Balancing Rising Construction Costs While Maintaining A Highly-Skilled Workforce For Complex, Urban Projects

(New York – June 9, 2017) Zetlin & De Chiara, LLP hosted a panel of New York City's leading real estate owners and developers, builders and union professionals on Wednesday, May 31, 2017 at the Union League Club to examine the state of union labor in New York and its impact on building. The breakfast forum was moderated by co-founding partner **Michael De Chiara**.

**De Chiara** guided a discussion that considered how market forces are influencing the future of New York's construction trades. He observed, "Organized labor is critical for the industry and we need to make sure workers have the skills and training to get the job done right. It's not good for New York and it's not good for business when the safety and integrity of complex projects are compromised by cutting corners, even for budgeting purposes."

Presenters included: **Richard T. Anderson**, past president of the New York Building Congress; **Jay Badame**, AECOM Tishman; **Sabrina L. Kanner**, Brookfield Properties; **Gary LaBarbera**, Building and Construction Trades Council of Greater New York; **Steve McInnis**, the New York City District Council of Carpenters; **Joseph G. Mizzi**, Sciame Construction; **Charles F. Murphy**, Turner Construction Company; and **Edward V. Piccinich**, SL Green Realty Corp.

The panel debated New York's high construction costs; the current trend towards open shop, which has become an accepted business practice in New York in the residential construction sector and is making inroads in the areas of commercial building and public works projects; and the ways in which unionized trades are working to become more competitive with open shops. They agreed that competition throughout the market is good for business, and the industry at large as owners and developers seek the "best value."

Yet even as the gap between open and union shops is narrowing, unions still dominate when it comes to providing safety and skills training, particularly for complex construction. In fact, by necessity, most open shops employ union members of the construction trades, where on some sites they make up as much as 80% of the workforce.

The panelists considered the benefits of Project Labor Agreements (PLAs), such as the one that Z&D crafted on behalf of SL Green for One Vanderbilt. This framework can deliver a skilled union workforce, who are compensated fairly, to developers and general contractors by offering better work terms such as defined schedules and no risk of a strike.

Creating an open dialogue between the trades was also discussed, as panelists noted that both sides understand the importance of a trained workforce, controlling costs and all sides meeting half way.

The panelists noted other significant factors contributing to the high cost of construction in New York include the challenges of building in a dense built environment and insurance costs that are among the highest in the nation, whether a project is union or open shop.

Zetlin & De Chiara LLP provides sophisticated, innovative legal representation and business counsel to domestic and international, real estate owners, commercial and residential developers, architects and engineers on all aspects of complex construction projects and disputes.

## Media Contacts:

Andrea K. Stimmel - Zetlin & DeChiara LLP astimmel@ZDLAW.com

Ilyse Fink/Kaitlin Lewis/Kimberly Bartok -- LAK Public Relations, Inc. <a href="mailto:ifink@lakpr.com">ifink@lakpr.com</a> / <a href="mailto:klewis@lakpr.com">klewis@lakpr.com</a> / <a href="mailto:klewis@lakpr.com">klewi

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