

# CONSTRUCTION INDUSTRY PARTNERSHIP OF NEW YORK



Building and  
Construction  
Trades Council



Building Trades  
Employers'  
Association

*A Message from Louis J. Coletti,  
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Employers' Association (BTEA)  
and Gary LaBarbera, President  
of the Building & Construction  
Trades Council*

## Construction Industry Adapting to New Economics

Last year, New York City's unionized construction industry was standing at the most important threshold in its history: after an economic crash sent shock waves through the real estate community, financing large-scale construction projects became a thing of the past and thousands of construction-related jobs and businesses were threatened.

Quick action was needed, so the Building Trades Employers' Association (BTEA) and the Building and Construction Trades Council (BCTC) took

on a shared sacrifice to launch the historic "Economic Recovery Project Labor Agreement," (PLA) which aimed to stimulate private construction projects stalled by the regional and national recession.

We understood that the financial crisis permanently changed the cost structure of the construction industry. The PLA was a great step forward in demonstrating to the development and financial community that our industry understands the new economic realities of building in today's market, and that we are willing to make the necessary changes to remain competitive.

And what a difference a year can make! The cost of private unionized construction projects has been reduced by an impressive 10-20 percent through labor and total project cost reductions. In just one year, the PLA jump-started 48 projects worth \$11.5 billion, saving 25,000 construction jobs. Without the PLA, it's estimated that the unemployment rate in New York City would be at least 40 percent.

However, the industry did not stop with just the "Economic Recovery" PLA. We continued working at the negotiating table and ironed out several major labor agreements on public projects. Working with Mayor Bloomberg we were able to secure four project labor agreements that covered \$5.3 billion in public projects comprising 32,000 construction jobs over the next four years. Collectively, the agreements will save the City nearly \$300 million, all of which will be used for public works projects that otherwise would have had to have been cut due to the economic downturn.

We have seen first-hand the profound and immediate effects these PLA's have played in jump-starting projects that were stalled, and this has doubled our commitment to making long-term, permanent changes that will keep unionized construction at work.

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