



Public Finance Practice Groups

2020-2021 NYS Enacted Budget Requires Prevailing Wage on Industrial Development and Local Development Corporation Projects

Syracuse ♦ Ithaca ♦ New York City

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Pursuant to the enacted 2020-2021 NYS Budget (the "**Budget**"), covered projects undertaken by industrial development agencies ("**IDAs**") and local development corporations ("**LDCs**") will be subject to prevailing wage, effective January 1, 2022.

A "Covered Project" is any construction work done under contract that is paid for in whole or in part out of public funds where the amount of all such public funds, *when aggregated*, is at least 30% of the total construction project costs and where such project costs are over 5 million dollars.

"Public Funds" are broadly defined to include, but not limited to, any State or local grants, savings achieved from fees, rents, interest rates or other loan costs, reduced taxes, payments in lieu of taxes, tax credits, tax exemptions, abatements or increment financing or forgivable loans. There are a few exceptions to Public Funds including benefits related to brownfield remediation or brownfield redevelopment.

It is important to note that in determining whether a project meets the threshold of a Covered Project, you must aggregate *all* Public Funds received or allocated to the project.

Excluded from Covered Projects, and therefore not subject to prevailing wage, are projects involving historic rehabilitation, affordable housing, not for profit corporations, supportive housing, renewable energy production or storage with a capacity equal to or under five megawatts or those funded through the Restore New York initiative or the Downtown Revitalization initiative.

Should you have any questions on this topic or others, please do not hesitate to contact our firm at 315-422-1500.

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