



MEMORANDUM IN SUPPORT OF VETO OF S5379/A4914

NAIOP Upstate New York Chapter is comprised of approximately 150 commercial real estate developers and owners and related professionals in office, industrial, and mixed-use real estate.

NAIOP Upstate New York respectfully requests Governor Hochul to veto S5379/A4914, which would require developers to pay prevailing wages on private-sector brownfield remediation projects costing more than \$5 million, provided at least 30% of the funding comes from public sources such as tax credits.

This legislation would raise development costs at a time when projects are on hold due to increasing expenses for construction, energy, and labor. This bill will deter developers from investing in brownfield sites that are remediated into environmental and economic development initiatives that create jobs, housing, and are transformed into industries that benefit communities across New York.

Through 2020, the DEC's Brownfield Cleanup Program has generated over \$17 billion in capital investment and has remediated over 500 sites across New York. If developers did not invest in brownfields, these sites would continue to pose negative health and environmental impacts, diminish surrounding properties, and decrease the economic value of communities.

The program has been especially beneficial to upstate New York which because of its long history of manufacturing has a significant number of contaminated sites that without the incentives provided through the program would not be feasible to remediate and redevelop. The program has revitalized urban centers across upstate, including Buffalo, Rochester, Syracuse, Albany and Binghamton among others.

Many of these contaminated sites are present in disadvantaged communities. Our members are steadfast with the Governor's goal to create over 100,000 affordable homes by 2027, but this legislation if signed into law would jeopardize that goal. Although affordable housing projects will be excluded from the prevailing wage pay, the implementation of this bill will escalate the costs to build affordable and market-rate housing.

The commercial real estate sector in upstate New York contributes approximately \$27.2 billion to the state's economy and \$8 billion in wages and benefits. The reason why this sector generates significant economic development investment is because of economically viable state-level programs, such as the Brownfield Clean Up Program, that incentivize development.

We must continue to eliminate further barriers to entry into land development. Signing this bill would add another barrier that would have detrimental effects on brownfield development and employers across the state.

For these reasons, NAIOP Upstate New York opposes S5379/A4914 and respectfully urges the Governor's veto of this legislation.