

# GET NEW YORK BUILDING

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IDEAS FROM THE  
BUILDING INDUSTRY  
TO BUILD BACK  
STRONGER THAN EVER

MAY 2020



# ENGINE FOR RECOVERY

Over the past 99 years, the New York Building Congress and our members have been committed to promoting the growth and success of the building industry in New York. After every crisis our region has faced, including September 11th and Superstorm Sandy, the building industry has rushed to those in need and helped rebuild communities afterward. The outbreak of COVID-19 and the current crisis we face are no different.

As we continue to grapple with this devastating pandemic, we must also look toward our eventual recovery. That begins with significant investment in 21st century infrastructure to prepare for the challenges ahead. History shows that investing now rather than later will jumpstart recovery. Large investments in infrastructure during times of emergency have a track record of transforming our city for the better, creating good-paying, local jobs and spurring additional economic growth.

In New York City alone, construction spending accounted for \$61.5 billion in 2019. While the Building Congress forecasted that 2020 would see a record-breaking \$65.9 billion in construction spending before the COVID-19 pandemic, actual spending will be considerably less with the State-ordered halt of non-essential construction and the downturn in the regional economy. Our annual Construction Outlook in October will further detail the impact of the COVID-19 pandemic on long-term construction spending.

As one of the largest industries in the city and state, we must strengthen our commitment to projects that help our neighbors get back to work and support our communities, including affordable housing, schools and healthcare and life science facilities, as well as key public works.



# RESULTS OF OUR SURVEY

The impact of the pandemic is evident across New York, the region and the country, and we need an aggressive, coordinated push to ensure our infrastructure, workers and businesses are given the support needed to recover even stronger than before.

To understand the specific effects the pandemic is having on the building industry, the New York Building Congress conducted a survey of its members. The 92 responses were collected between March 20 and April 17, 2020.

## KEY FINDINGS



### Protracted Recovery

Just one in four companies expects to return to “business as usual” within a month after the crisis ends. Forty-six percent of respondents estimate their recovery will take three months or longer.



### 2020 Revenue Down

The vast majority of respondents (86 percent) are projecting a decline in company revenue and/or profits this year.



### Clampdown on Costs

Most companies have experienced workforce reductions, with 37 percent of respondents reporting layoffs and 63 percent reporting temporary furloughs due to less work.



### Work Stalled

With the government-mandated halt on non-essential construction, 99 percent of respondents have delayed or stopped projects in New York City and 83 percent have work paused outside of New York City.

# RECOMMENDATIONS FOR IMMEDIATE ACTIONS

To respond to the current crisis and meet the needs of the economy, the Building Congress has outlined the following recommendations for the City, State and federal government focused on the building industry's recovery.

These recommendations were collected from our members and represent the full diversity of the building industry: both small and large businesses, minority and women-owned business enterprises (M/WBE), healthcare, educational and cultural institutions and organizations across varying sectors including organized labor, architects, contractors, subcontractors, engineers, service providers, manufactures, suppliers, law firms, developers and owners.

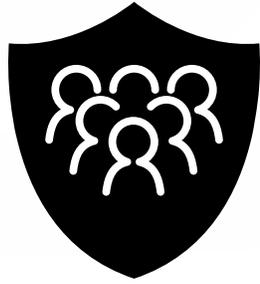
If successfully implemented, these recommendations will help put people back to work, make projects shovel ready and get construction sites up and running. Together, we can build a better New York for all.

# INCREASE CAPITAL FUNDING



- Significant federal infrastructure investment in the form of a comprehensive, nationwide building plan on the scale of or greater than the New Deal. The plan would provide direct funding to state and local governments to allocate to critical public works projects. Entities including the Metropolitan Transportation Authority and Port Authority of New York and New Jersey would also receive additional capital funding under the plan.
- A nationwide building plan would provide critical funding for and fast-track the planning, design and construction of the following public projects:
  - » Gateway Program
  - » New JFK
  - » Completing the ongoing redevelopment of LaGuardia Airport
  - » New LaGuardia Airtrain
  - » Empire Station Complex
  - » Brooklyn-Queens Connector (BQX)
  - » Sunnyside Yard
  - » New Port Authority Bus Terminal
  - » Phases 2 and 3 of the Second Avenue Subway
  - » Rehabilitated Brooklyn-Queens Expressway corridor (Staten Island to Queens)
  - » Extension of the 7 line south along the west side of Manhattan
  - » Extension of the Utica Avenue line in Brooklyn
  - » Completing the I-86 roadway
  - » New Outerbridge Crossing
  - » New east-west transit solution from Rockland to Westchester county via the Mario M. Cuomo Bridge
  - » Critical maintenance and redevelopment of New York City Housing Authority facilities
- Avoid reducing the upcoming City and State capital budgets and maintain funding at pre-COVID 19 levels. Unlike the operating budget, capital funding is not needed in the immediate, but is instead deployed over multiple years, only being spent upon reaching the next phase in design or construction.
- Support the capital program of City agencies including the School Construction Authority and Department of Design and Construction, with a focus on completing impactful public projects, such as the borough-based jail system.
- Achieve a five-borough capital investment strategy through an infrastructure council established by the New York City Charter to coordinate with elected officials, government agencies and the public and address our most critical needs.
- Focus the efforts and financial resources of the City and State on projects that are in construction, are shovel ready or can be shovel ready in 12 months or less. The goal should be to enable the projects to immediately satisfy eligibility requirements when federal funding for infrastructure becomes available.
- Increased use of design-build, public-private partnerships and integrated project delivery for large public projects, which help expedite construction delivery, avoid cost overruns and reduce the burden on taxpayers.
- Ensure passage of the “Restore Mother Nature Bond Act” on the November ballot through a coordinated public education campaign.
- Rebuild and modernize our region’s energy production and distribution network to comply with recently enacted State and City laws on energy use, prioritizing green tech and alternate energy sources.

# PROTECT OUR WORKERS



- Establish State and federally funded programs that encourage healthier work environments and experiences through smart building technology, active design and components such as better air quality, natural lighting and green spaces.
- Ensure the New York State Unemployment Insurance Fund has enough money to provide benefits to all unemployed building industry workers.
- Ensure workers who must leave their jobs due to exposure to the coronavirus, regardless of whether they are on or off construction sites, are entitled to unemployment benefits even if they are not themselves sick or symptomatic.
- Promptly disseminate coordinated ordinances between federal, State and City authorities affecting when and how construction sites and offices can reopen.
- Compensate businesses working on essential construction projects for the unanticipated increase of costs associated with providing additional personal protective equipment, site cleaning, social distancing and keeping workers healthy.
- Enhance efforts by the New York State Department of Labor (DOL) to notify the public about opportunities to attain training through DOL registered and approved apprentice programs for the relevant trades in the construction industry.
- Enhance efforts by DOL to notify the public about the benefits and career opportunities available through Direct Entry Programs such as the Edward J. Malloy Initiative for Construction Skills, Helmets to Hardhats, Nontraditional Employment for Women and Pathways to Apprenticeship.
- Support and promote Employee Assistance Programs as a vital resource.
- Allow safety and construction workforce programs operated by certified non-profits, associations, unions and companies that require in-person, hands-on training to be included with construction in Phase I of the NY Forward reopening plan.
- Create a safe and sensible system that allows for commercial drone use to protect workers on construction sites.



# SUPPORT ECONOMIC DEVELOPMENT



- Pass the Emergency Responders Bill. The legislation, which protects members of the building industry from liability when they respond to a declared emergency, is a matter of public safety.
- Increased liability protection for the essential businesses that preformed worked during the crisis.
- Accelerate New York City's and New York State's life science economic development initiatives with additional programs with municipal land, buildings, grants and tax abatements.
- Promote the construction of healthcare facilities. Empower healthcare owners through zoning mechanisms, grants and tax abatements to expand their capacity and fast-track projects ready for construction, like the Hospital for Special Surgery's new River Building.
- Encourage public and private owners to prepay fees to vendors and pay deposits for work to be put in place, helping smaller companies with liquidity and saving many from going out of business.
- Ensure payments continue to be made in a timely manner to all vendors and contractors for work performed. Any delay in payments not only impacts the prime vendor/contractor, but also disproportionately impacts small businesses and MWBEs who are most often subcontractors to larger firms.
- Promote manufacturing in New York to offset the imbalance of overseas production of vital materials necessary for drug and technology production.
- Ensure contractors and design firms are not put out of business due to the imposition of penalties for delayed construction schedules and timelines because of the pandemic or government orders to stop non-essential work.
- Create real estate tax deferral programs that are aligned with the tenant rent deferment programs, which some landlords have already enacted.
- Enact a city-wide public space master plan that incorporates streets, sidewalks and other open space to expand the public realm and provide new, safe opportunities for people and businesses to interact.





# ENHANCE REVIEW AND OVERSIGHT



- Vastly expand after-hours variances and allow more time for construction to facilitate staggered work shifts and social distancing on sites.
- Explore options to expedite Uniform Land Use Review Procedure (ULURP) for all projects, prioritizing those with the greatest public need.
- Waive ULURP for mandatory inclusionary housing projects in order to boost affordable housing production.
- Systematic elimination of all in-person building and construction document submissions and convert all processes for State and City agencies to digital only.
- Establish a floor area ratio (FAR) bonus for school construction in residential and non-residential projects.
- Lift the 12.0 FAR limit on residential construction in order to create more affordable housing.
- Increase staff at key government agencies including the New York City Department of Buildings, Fire Department and Department of City Planning, ensuring timely approvals of projects.
- Allow building violations to be rectified by submitting photos and evidence for approval electronically.
- Extend deadlines for requirements related to building codes to allow landlords time to complete work without receiving fines.
- Expedite non-critical government reviews, including Landmarks Preservation Commission and Board of Standards and Appeals reviews
- Help NYCHA meet its capital needs and improve housing stability through expedited Permanent Affordability Commitment Together efforts.
- Promote virtual participation using video platforms in community and public forums such as City Council hearings and community board meetings.

# KEEP NEW YORK BUILDING

History shows that an investment in infrastructure is an investment in people. Investing now rather than later will jumpstart our economic recovery, create hundreds of thousands of jobs, counter the millions of dollars lost in wages and add billions in economic growth across the United States.

That's why we must keep New York building. Infrastructure, public works and our building projects are not only at the heart of our economy, but they are critical to maintaining New York's status as a global leader, from well-maintained parks and reliable public transportation to quality schools and libraries, world-class public hospitals and access to affordable housing.

As we continue to grapple with this devastating pandemic, we must also look toward our recovery. That begins with significant investment in 21st century infrastructure to prepare for the challenges ahead. Supporting this critical work today will help prepare New York for recovery once this crisis is over.

