



NEWS

Service Employees International Union

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FOR IMMEDIATE RELEASE

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NEW PITTSBURGH LAW GUARANTEES GOOD SERVICE JOBS AT DEVELOPMENTS

Country's Most Comprehensive Law Requires Good Permanent Jobs at Subsidized Developments and through City Contracts

Pittsburgh, PA – The country's most comprehensive city-wide policy to create jobs that pay prevailing wages to service workers employed at city-subsidized developments became a law in Pittsburgh this week. The new law, which received a unanimous vote from City Council, requires developers receiving subsidies or other tax-incentives to pay the private-sector going rate to building service, food service, hotel and grocery workers.

"The law ensures Pittsburgh families will see more of their tax-dollars go toward creating good jobs," said Mike Fishman, 32BJ SEIU President. "Cities around the country should get out of the business of creating poverty jobs."

Although the Davis-Bacon Act requires prevailing wages be paid to construction workers on projects where federal dollars are used, no comparable requirements exist for permanent service jobs created at these sites. Some states and cities also require developments subsidized by state and local tax-dollars to pay prevailing wages to construction workers.

"Low-wage jobs in the service industry are keeping our families in poverty," said Gabe Morgan, 32BJ SEIU Western Pennsylvania Director. "Developers should not benefit from tax breaks unless their plans include good jobs for our city's working families."

"We cannot afford to spend our tax dollars creating poverty-wage jobs," said Allegheny County Executive Dan Onorato. Onorato is also a front-runner in the Pennsylvania gubernatorial race. "Working families in Pennsylvania and around the country need their elected leaders to be innovative and bold about creating and maintaining good jobs in their communities."

Over the past few years, individual projects have required prevailing wages be paid to workers in permanent jobs at subsidized developments, but to date, comprehensive city-wide policies have not been implemented. In New York City, for example, project agreements at several major developments, including Coney Island, require prevailing wages for building service workers and hotel workers. In Pittsburgh, Los Angeles and other cities, community benefit agreements which require good job creation have been negotiated between developers, cities and community organizations.

"Americans want government to promote and attract good jobs to their communities," said David Madland from the Center for American Progress. "The Pittsburgh law is a model for cities, states and counties that want to be sure their tax-incentive programs are benefiting the community."

"Being a responsible member of the communities where we develop helps our bottom-line," said Jeffrey Fleming,

Principle of Amazing Hospitality Group. Fleming has more than twenty-five years of hospitality management experience and is currently looking into developing a hotel around the Pittsburgh Convention Center, a project that has been on hold for nearly ten years. “We hurt our business and our workers if we don’t pay a decent wage.”

The law also requires city-contractors to pay prevailing wages to their workers. In this respect, Pittsburgh joins more than 140 cities that have set wage standards for their contracting programs, according to the National Employment Law Project (NELP). NELP reports these cities have seen little, if any, impact on costs for services.

“Communities across the country are demanding more for the development dollars that are being spent,” said Paul Sonn, National Employment Law Project Legal Co-Director. “The new Pittsburgh law will mean good jobs for working families at all future developments.”

Pittsburgh United, a coalition of faith, labor, environmental and community organizations, including 32BJ Service Employees International Union (SEIU), United Food and Commercial Workers (UFCW) Local 23 and Workers United, advocated for this bill.

“Pittsburgh has truly come together to support this legislation,” said Barney Oursler, Pittsburgh United Executive Director. “Faith leaders, environmentalists, working families and the entire City Council all want good jobs for our city.”

With more than 120,000 members, 32BJ is the largest property services union in the country.

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