

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON CONTRACTS

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June 27, 2012  
Start: 12:40 p.m.  
Recess: 1:00 p.m.

HELD AT: Council Chambers  
City Hall

B E F O R E:  
DARLENE MEALY  
Chairperson

COUNCIL MEMBERS:  
Robert Jackson  
Letitia James  
Melissa Mark-Viverito  
Michael C. Nelson

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CHAIRPERSON MEALY: Good morning.  
Good afternoon. I serve as the chair of the New York City Council Committee on Contracts. It's my pleasure to welcome you here today and thank you for attending. Before we proceed, I would like to recognize my colleagues who are present today from the Committee: Council Member Letitia James, Council Member Mark-Viverito and Council Member—the sponsor of this bill—Oliver Koppell. On April 30<sup>th</sup>, 2012, the Committee voted on vote to pass Intro 251-A, which calls for a living wage for those who work on property developed by groups that receive economic development subsidies from the New York City. The bill was then passed by the Council with an overwhelming support. On May 30<sup>th</sup>, 2012, the Mayor issued a message a disapproval vetoing the legislation. Today the Committee will vote to re-pass Intro 251-A and to file the Mayor's veto message M816. Intro 251-A would add a new section to the charter one of title six of the city's Administration Code relating to contracts and purchases. The legislation mandates that covered employees provide an hourly compensation package of no less

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2 that the living wage rate plus a health benefit  
3 supplement. The living wage would initially be  
4 \$10 per hour and if a health care benefit is not  
5 provide, the health benefit supplement will be  
6 \$1.50 per hour. The two rates will increase  
7 annually starting in 2013 based upon the consumer  
8 price index and its medical care component.

9 Before we vote, this Committee held two lengthy  
10 and productive hearings on this legislation and  
11 since we passed the final version of this  
12 legislation just two months ago, there is no need  
13 for me to dwell on the details of this bill. I  
14 will just say that when we vote in support of  
15 Intro 251-A, we vote for striking a fair and  
16 appropriate balance of promoting economic  
17 development and creating good paying jobs in this  
18 city, and before we vote, we would like to hear  
19 from our proud sponsor, Mr. Oliver Koppell.

20 COUNCIL MEMBER KOPPELL: Thank you  
21 very much, Madam Chair and I appreciate not only  
22 your chairing the Committee and moving the bill  
23 forward, but also your sponsorship of the  
24 Committee yourself, which indicated your support  
25 before it passed. I also want to give credit to

1  
2 the borough president of the Bronx, Ruben Diaz,  
3 who initiated the idea of a living wage  
4 requirement in connection with city subsidized  
5 projects in connection particularly with the  
6 Kingsbridge Armory, which was the beginning of  
7 consideration of this subject. There has been a  
8 great deal of discussion of this measure, and I'm  
9 not going to lengthen the Committee hearing by  
10 going into it, but let me say that the Mayor's  
11 veto is really very much ill advised. I do  
12 believe that this bill will have adverse effect on  
13 the city's economy. I think it establishes a very  
14 important principle, and that principle is that  
15 where we use public subsidies and tax payer money,  
16 we insist that those who receive those subsidies  
17 provide at least a decent level of wages and  
18 benefits—hardly a rich level, if one looks at \$10  
19 an hour plus health benefits or 11.50 without.  
20 This is although an important piece of legislation  
21 and in some ways precedent setting; it is not  
22 unique. Other cities around the country have  
23 enacted similar legislation and there is  
24 absolutely no showing that this has had an adverse  
25 effect on their economies. In order to avoid any

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2 possibility that this legislation would have  
3 adverse consequences on economic development after  
4 hearings with the work of the Speaker and the  
5 Speaker's staff, the bill was narrowed so it only  
6 applies to the direct recipient of the subsidy,  
7 and there can be no claim whatsoever that we are  
8 putting a mandate on an organization, corporation  
9 or individual who is not benefitting from that  
10 subsidy. The legislation is so narrowly tailored,  
11 so it's only those who benefit from the subsidy  
12 that have to meet the mandate. I also might point  
13 that nobody is requiring anybody to take a  
14 subsidy. In fact there is a retail development  
15 coming up in my district where the sponsor of that  
16 development is not asking for any city subsidy and  
17 therefore, doesn't come within the provision of  
18 this bill, so obviously, developments can proceed  
19 without being burdened by these requirements if  
20 the sponsor so chooses. So we're not affecting  
21 the private market; we're only affecting the  
22 market where the public is involved, and it is  
23 more than appropriate, so therefore, Madam Chair,  
24 I fully support overriding the veto and I hope  
25 that the bill will go in to effect promptly, and I

1  
2 would urge the Mayor not to try and obstruct the  
3 bill with some lawsuit or litigation, which  
4 ultimately I believe will fail. Thank you.

5 CHAIRPERSON MEALY: My colleagues  
6 have anything? Mark-Viverito?

7 COUNCIL MEMBER MARK-VIVERITO:  
8 Thank you, Madam Chair. I will be very quick  
9 since we have spoken. I just also want to  
10 congratulate Council Member Koppell, Council  
11 Member Palma, but also very much the public  
12 because what we have been witnessing over this  
13 past year is really a great mobilization on many  
14 different issues, and I think - - when the  
15 community speaks in a united way and mobilized, it  
16 is imperative that we listen. I think that this  
17 was a collective effort over the past couple of  
18 years and so thank you, Council Member Koppell and  
19 thanks all the public that has expressed a  
20 position on this and that has attended different  
21 hearings. I think it is a proud day for this  
22 Council and for the city of New York. Thanks.

23 CHAIRPERSON MEALY: Thank you, and  
24 we just want to thank RWDSU [phonetic], the  
25 president - - for his leadership in this - - as

1  
2 well. I know his union is happy in regards to  
3 this. Again, thank you all for attending. With  
4 no further ado, we will now turn to the vote on  
5 the Introduction of the filing of the Mayor's veto  
6 message. The question before the Committee today  
7 is whether Intro 251-A should be re-passed  
8 notwithstanding the objections of the Mayor. I  
9 would ask the clerk to call the roll to vote on  
10 25-A [phonetic] and to file M816.

11 COMMITTEE CLERK: William Martin,  
12 Committee Clerk. Roll call vote Committee on  
13 Contracts. Council Member Mealy?

14 CHAIRPERSON MEALY:  
15 Congratulations, Oliver Koppell and DWDSU  
16 [phonetic] and I vote aye.

17 COMMITTEE CLERK: James?

18 COUNCIL MEMBER JAMES:  
19 Congratulations to all the sponsors. I vote aye.

20 COMMITTEE CLERK: Mark-Viverito?

21 COUNCIL MEMBER MARK-VIVERITO: I  
22 vote aye.

23 COMMITTEE CLERK: By a vote of  
24 three in the affirmative, zero in the negative and  
25 no abstentions, all items have been adopted.

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Members, please sign the Committee reports.

CHAIRPERSON MEALY: And thank you.

This hearing is not closed. We will keep it open to 15 minutes—one o'clock. Thank you all for attending.

COMMITTEE CLERK: Council Member

Jackson?

COUNCIL MEMBER JACKSON: Aye.

COMMITTEE CLERK: Final vote in the

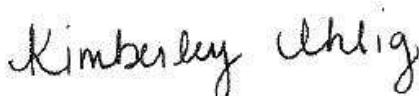
Committee on Contracts is now four in the affirmative, zero in the negative and no abstentions.



C E R T I F I C A T E

I, Kimberley Uhlig certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature

Handwritten signature of Kimberley Uhlig in cursive script, written over a horizontal line.Date 7/22/12