

Labor Management Viewpoints: Let's reconsider public benefits for Park East

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Labor Day 2004 is upon us. And on this important holiday, as we always do, we should honor the American worker and his or her right to organize. At the same time, we should celebrate the positive impact that public benefits programs, specifically the prevailing-wage law, have had on our community. And we should decide to include public benefits in the plans for the Park East corridor.

In many ways, public benefits projects have defined our city in recent years. Just think what our community would be like without the Calatrava addition to the Milwaukee Art Museum, without the Midwest Express Convention Center, without Miller Park.

In recent months, our community has been embroiled in a debate over how best to redevelop the Park East corridor. The Milwaukee Common Council voted not to include a community benefits program primarily because potential developers said that the prevailing-wage law, part of the public benefits program, would require them to pay their employees too much. The developers also said that the program would deny opportunities to minority workers and that we can't slow down the project by making any changes at this stage of the game.

Now the County Board is considering its own plan for the corridor. And the developers are back with their same arguments.

Kill project?

What the developers are saying constitutes a "reverse Field of Dreams" argument. Rather than saying, "Build it and they will come," they're saying, "Include public benefits and we won't come." In essence, including public benefits will kill this project, they say.

Let's take a closer look at the developers' arguments and see if they have any merit. First, the notion that paying the prevailing wage will lead to a higher price tag is not supported by the studies that have been done on the impact of prevailing-wage law on costs. They show that prevailing-wage laws do not lead to higher costs. In fact, in many cases, they lead to lower costs.

Take, for example, the analysis of Federal Highway Administration data by Robert Gasperow, director of the Construction Labor Research Council. It is the only study that has used data compiled by a government agency to show the relationship between wages, man-hours and construction expenditures.

The study's conclusion: The man-hours to complete a mile of highway are 40 percent lower in higher-wage states. And total dollar costs per mile are 11 percent less expensive in higher wage states, reaping an average \$123,057 per mile savings in those states.

The study's findings illustrated that skills and productivity – not differences in wage rates – are the critical determiners of bottom-line labor costs.

Project's quality at stake

Would the developers of Park East be able to pay their employees a lower hourly wage without prevailing wage? Sure. And would they be able to squeeze out a bit more profit by cutting corners with their lower paid employees? Probably. But the end result will be a lower-quality project.

As for opportunities for minorities, the Joint Apprenticeship Committee, a labor-management initiative, has been leading the way in recruiting minorities into the construction trades. Minorities are 152 percent more likely to graduate from a JAC program than from the competing nonunion apprenticeship program.

And, in today's world, shouldn't it be an insult to minorities to say that, in order to get a job, you need to get paid less than others doing the same work?

Regarding the argument that we shouldn't be making changes to the plans at this point, did anyone see County Executive Scott Walker's very recent plan to lease Park East land? Talk about a major change in plans. Implementing a public benefits program will be a piece of cake compared to the changes that would need to be considered with Walker's proposal.

As you can see, the arguments against public benefits and prevailing wage don't hold much water. The developers may not be crazy about public benefits, but they can live with them, just as they have done in the past. Like that cornfield in Iowa, "If you built it (with public benefits), they (the developers) will come."

There is a reason "community benefits" programs have their name. They benefit the community in a variety of important ways. The Park East land is public property and should be developed in ways that benefit the public.

The members of the Milwaukee Office of the Chicago Regional Council of Carpenters urge the County Board to reject the arrogance of the developers and approve a public benefits program for the Park East corridor. We implore the Common Council to reconsider its stand.

The result will be a high-quality product at an affordable cost, and one that benefits the public.

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