



**Victory
in Rancho
Palos Verdes #5**

BUILDING TRADES NEWS

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May 2011

Marriott and Unions to Build More Hotels Downtown

■ 22-Story Tower Will House Residence Inn and Courtyard Marquees on Olympic

By Anne-Marie Otey
Editor

Today it's a parking lot, but the corner of Francisco Street and Olympic Boulevard in downtown Los Angeles will soon be a busy job site. A 22-story Marriott hotel tower will break ground in March 2012 and provide hundreds of union construction jobs, officials announced.

The \$120 million building will hold two hotels, Courtyard by Marriott and Residence Inn by Marriott, with 377 rooms. The new tower will rise directly across from the JW Marriott and Ritz-Carlton hotels, completed in 2010 by Building Trades members.

"This is a great opportunity,"

said Homer Williams of Williams/Dame & Associates, developer of the new Marriotts. "It's the right time and the right investment for us."

This is a big opportunity for Building Trades members as well. The hotels will be built under an agreement with the Building Trades.

Williams, a veteran developer who created the high-profile residential mixed-use projects Elleven, Luma and Evo in Los Angeles, said he has built \$2.5 billion worth of work with union labor.

"We have a strong, long-term relationship with the Building Trades," he said.

Dozens of leaders and members of construction unions came out to cheer the project at an April 19 press conference at the site of the new hotel.



High hopes: Building Trades members, civic leaders and developers applaud the upcoming Marriott hotels.

"This will be a spark to rejuvenate the economy in Los Angeles," said Robbie Hunter,

Executive Secretary of the Los Angeles/Orange Counties Building and Construction

Trades Council. He noted that high unemployment in the

(Continued on page 9)

Irvine City Council Approves Prevailing Wage by 3-2 Vote

By Chuck Harvey
Contributing Writer

The City of Irvine has adopted prevailing wage as its official policy, making it possible for union workers to construct millions of dollars in projects during fiscal 2011-2012.

About 40 Building Trades members applauded the decision as the much-discussed ordinance, the final council action of the evening, was approved April 26.

The Irvine City Council voted 3-2 in favor of the ordinance, with Mayor Sukhee Kang and council



Jim Adams, Council Rep. for Orange County, members Beth Krom and Larry Agran in favor. Jeffrey Lalloway and Steven Choi were opposed.

The ordinance goes into effect 30 days after final

(Continued on page 6)

Building Trades Score Supreme Court Win

■ Top Judges Say 'No' to ABC Plea

In a major victory for the Building Trades, a lawsuit challenging Project Stabilization Agreements has reached a final, dead end with the United States Supreme Court.

On April 18, the nation's highest court refused to hear an appeal by the plaintiffs, the Associated Builders and Contractors and the National Right to Work Legal Defense Foundation, of an earlier verdict against them by the Ninth Circuit Court of Appeals. The two groups originally filed their lawsuit in 2004, arguing that the Los Angeles/

Orange Counties Building and Construction Trades Council and the Rancho Santiago Community College District were not legally allowed to enter into a Project Stabilization Agreement, also known as a Project Labor Agreement.

After layers of court challenges, though, the right to enter into such agreements stands. The PSA covered \$337 million in construction work, providing employment to thousands of workers.

"This is a proud day for the Rancho Santiago Community College District, the Los

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Is a Decent Wage Un-American?



By Robbie Hunter
Executive-Secretary

I start with good news. Just as we did in the November election, California is bucking the national trend. The City Council of Irvine, just days ago, passed an ordinance reinstating prevailing wage for all workers on city-funded projects. In the small city of Rancho Palos Verdes, south of Los Angeles, voters overwhelmingly turned down a ballot measure to become a charter city, which would have allowed the city to abolish prevailing wage on city-funded projects.

Two victories! We need every one we can get now. Because prevailing wage is under attack across our country, including in the California State Legislature. Our allies assure us that in our home state, these bills will never make it out of committee. But we can't be complacent in LA and Orange County. We need to watch out for anti-worker forces, defeat them at every opportunity and keep them from coming to get us.

On a federal level, prevailing wage is required by the Davis-Bacon Act. It was two Republican lawmakers, hard as it is to believe today, who gave their names to this legislation. They realized that as federal money poured into states to relieve the pressure of the Depression, contractors would be eager to grab the funds and cut their costs by paying low wages. And desperate laborers, on the road searching for work, would sell themselves for pennies per hour just to be on the job again.

The answer was not to race to the bottom and undercut our fellow workers. It was to raise the standards for all.

With Davis-Bacon, contractors receiving federal funds must pay "prevailing wage," which is based on a survey of regional wage rates. States and cities passed their own versions, requiring prevailing wage on projects with public funds, starting with jobs of a certain minimum size.

Prevailing Wage Boosts Economy

Davis-Bacon was about setting the standard for quality as well as wages. The infrastructure of the United States was falling apart as

public works contracts were often awarded through nepotism and corruption. Corners were cut, the cheapest material used and shoddy workmanship ignored. Diluted concrete and missing rebar led to bridges that lasted only 10 to 15 years, roads that fell apart and dams that failed. A professional contracting system with wages that would sustain a skilled workforce, with apprenticeship, was necessary to provide public infrastructure that would last beyond decades.

The Hoover Dam, which began construction during the height of the Great Depression in 1931, the same year that Davis-Bacon was passed, was one of the first public works projects to benefit from this new legislation. The dam took five years to build and finished more than two years ahead of schedule and under budget. It has endured more than 70 years and functions as well today as when it was opened in 1936. It has paid for itself many times over.

It was well understood then and has not changed today: A hard-working, skilled construction workforce receiving a decent wage not only provides durable infrastructure that increases the productivity of a region, it also makes the projects themselves, through wages, a driving force for the economy.

Today, 21 states are suffering attacks on prevailing wage. Republicans are chipping away at it, cut by cut. They reduce the worth of what we do. In Ohio, the threshold would go from \$78,000 to \$5 million to require prevailing wage. That's thousands of jobs every year that will go from prevailing wage to "whatever the market will bear."

On a national level, two bills in the House of Representatives would simply abolish the Davis-Bacon Act. The argument: "It would save the federal government billions of dollars each year," one Virginia Congressman told the *Pilot* newspaper.

Sounds sensible, but it's not. In no country, at no time, has it made sense economically, in the long run, to reduce workers' wages in order to save money. It's a short-sighted strategy that's been proved wrong. Working people pump money into the economy. They provide the

billions of dollars in consumer spending that power the growth of cities, the building of homes and the innovation at car factories.

Ideology Trumps Facts

So let's get to the real reason that Republicans oppose Davis-Bacon. It's not about saving money. As it's so much of their far-right agenda, it's about ideology.

What is ideology? It's an idea not strongly wedded to the facts, spouted by one who is too powerful or too glib to know the difference. It is anger. It is putting emotions, often stirred by an outside force, above reality.

They contend that there's something strangely anti-American about regulating wages. We're a free market, they argue. Supply and demand. Let everyone pay whatever he or she wants. Let an employer pay \$100 an hour—or \$10.

The reality is, we as voters decide whether the federal government may be involved in setting wages. The minimum wage is federal and state law. Would the Republicans have us live without that?

Don't bother to answer. Plenty of them would. And now they are coming for competitive wages, for wages that reflect our skills and our experience. They insult our legacy; they take money from our families.

I traveled in April to Washington, DC with thousands of other delegates for the annual Legislative Conference of the Building Trades. We walked the halls of Congress and stepped into offices. We met face to face with the people who will vote when the bills in the House to abolish Davis-Bacon try to make it out of their committees and onto the floor, where the new right-wing majority will surely pass them.

It is only the slimmest majority in the Senate that will stop these attacks from becoming law. We must work hard to keep control of the Senate and we must work harder to regain the majority in the House that will respect and defend working American families.

State by state, city by city, in Irvine, in Rancho Palos Verdes, in Sacramento, we will hold onto our rights.

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Robert F. Kennedy Schools Complex Wins 2011 Q Award

■ Union Construction Alliance Salutes Ambitious and Historic Project

The Alliance for Quality Construction will present the ninth annual Q Award to the Los Angeles Unified School District for the Robert F. Kennedy Community Schools complex.

The ceremony will take place at the school June 28. The alliance is a southern California association of union contractors and building trades unions dedicated to promoting industry awareness of the value, quality and integrity of union contractors and their skilled craftspeople.

Building Trades News also recognized RFK as the top highlight of 2010.

The complex of six schools, opened in fall 2010 at a cost of \$578 million, is located on the site of the Ambassador Hotel, where Senator Robert F. Kennedy was assassinated in 1968. The complex re-creates and preserves some parts of the historic site.

"Not only is the concept of several schools on a single property unique, but the way in which the historical value of the pre-existing buildings was incorporated into the union-built project makes it truly deserving of the award," said AQC chairperson Pam

Ackrich.

Construction for the schools began in December 2007. The design architect was Pasadena-based Gonzalez Goodale Architects, with building by Hensel Phelps Construction Co. Members of the Building Trades were on the job from demolition to detailed finishing work.

The park within the school serves as a memorial to Kennedy.

The Robert F. Kennedy Community Schools reflect the latest "green" building methods and materials, Ackrich said. It is the first in California to use a technology called "thermal displacement ventilation," where air is delivered from the lower portion of the walls, rather than from the ceiling. That results in a more energy-efficient way of cooling and improving air quality.

A full glass curtain wall facade on the north face of the high school building maximizes natural light in the classrooms. AQC's Q Award is given annually for outstanding contributions toward the attainment of quality construction within the building industry of southern California.

Recipients of previous Q Awards have been the new LAPD headquarters (2010), LAUSD's Performing Arts



The park within the school serves as a memorial to Robert Kennedy, including a stainless steel wall displaying excerpts from a speech the senator gave in South Africa.

High School #9 (2009), Nokia Theatre at L.A. Live (2008), Renee and Henry Segerstrom Concert Hall in Orange County (2007), Getty Villa in Malibu (2006), Home Depot Center in Dominguez Hills (2005), Walt Disney Concert Hall (2004) and Our Lady of the Angels Cathedral (2003).



Building Trades members take part in the demolition of the historic Ambassador Hotel, built in 1921.

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LAOC Building Trades leaders and members meet with Rep. Laura Richardson, center.

Building Trades Go to Congress

The Los Angeles/Orange Counties Building and Construction Trades Council joined thousands of delegates from building trades councils nationwide for the annual Legislative Conference April 3-6 in Washington, DC. Mark Ayers, president of the Building and Construction Trades Department, AFL-CIO, laid out the Trades' political

agenda, to fight in a "brutal struggle for democracy" as legislators target union rights.

Father Cletus Kiley gave the opening prayer and became a star of Internet sites as video views of his rousing speech spread far beyond the capital. "As you gave the prophet righteous anger, so let righteous anger pour down upon this house this morning!" he said. "We have had enough. We are Labor. We are the Building Trades. We are America's working people and we are one."

Armed with Fr. Kiley's words, the Building Trades lobbied Congress for fair trade, infrastructure funding and protection of the federal Davis-Bacon prevailing wage law.

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AFL-CIO/Painters and Allied Trades District Council 36

CIVIL SERVICE REPORT

Contract Deal Ends Furloughs

By Ron Miller
Council Representative

City of Los Angeles

With the Coalition of City Unions reaching a tentative agreement with the City of Los Angeles at the beginning of April, it was put out to the membership for ratification. The results of the vote taken by the Building and Construction Trades Council for MOU 2 and MOU 13 were announced along with other bargaining units of the Coalition of City Unions. The Building Trades Units affirmed ratification by a majority vote along with 14 of the other 18 bargaining units that make up the Coalition.

This agreement is nothing to crow about but for those bargaining units that voted for the amendment to the Letter of Agreement, it means the end of furloughs and a vested right to increases in the retiree health subsidy. It also gives a modicum of stability back to employees who have been furloughed and an increase in city services to the public, which had been cut because of furloughs. The City Council has plans to freeze the retiree health subsidy for those units that did not ratify. This agreement will extend out to 2014 and hopefully a better economy will exist to negotiate a successor agreement.

Los Angeles Unified School District

The Building Trades negotiating team for the Los Angeles Unified School District has reached a tentative agreement with the LAUSD. Information for ratification will be going out to affiliates the first week in May. While the school district is facing more than a \$400 million budget deficit, we worked to preserve jobs and conditions for our members. Our members still take great pride in being the best trained Craftsmen and women and providing a safe and comfortable environment for the children and faculty of the school district. I will report next month in more detail on the results of the ratification.

Los Angeles Housing Authority

The Building Trades attended a meeting called by the Housing Authority to update us on the recent cuts in funding from the state and federal government. While these cuts are serious, we have asked for more information. We will do our best to protect our members' jobs and conditions. I will provide an update next month when more information is available.

Building Trades Boost Prevailing Wage in Rancho Palos Verdes

■ Council Is Crucial in Defeating Charter Measure



The Point Vicente lighthouse is a landmark in Rancho Palos Verdes, where voters recently rejected a plan to become a charter city.

By Betty Luciano-Adams
Contributing Writer

While Bell's disgraced former leaders await their fate in court, the corruption scandal that tore through that tiny working-class town last year continues to reverberate throughout the Southland.

For residents of Rancho Palos Verdes, an exclusive coastal enclave south of Los Angeles, a proposed bid to become a charter city via special election on March 8 came perhaps too close to the path that put Bell on the map.

In Bell, it was a little-noticed special election, in which a handful of voters approved moving to a charter system without fully understanding what that would entail, that allowed corrupt leaders to sack millions from the city's general fund.

Charter cities are able to give themselves much more leeway in setting city taxes, salaries and fees. They don't need to follow the state's requirement to pay prevailing wage on city-funded projects. Looking to prevent another Bell and protect prevailing wage, the LAOC Building Trades Council stepped in to help mobilize awareness.

It hired an organizing firm to send out a series of informational mailers that explained the differences between charter and contract cities to voters.

"We were concerned that under the conditions of a special election, the voters would be less informed than in a traditional election cycle," said Victor Griego, president of Diverse Strategies for Organizing, which worked with the Trades to produce the mailers.

"We communicated the differences between a charter city and contract city," Griego said. "We explained what the duties and powers of a charter city would be, which are much broader and more flexible."

Their message, Griego said, was in line with what people in the city were already saying. "That message was

resonating in the local newspaper, so we wanted to make sure we continued the message to voters' homes directly."

On March 8, Rancho Palos Verdes voters overwhelmingly rejected the proposal, Measure C, which had been strongly backed by their city council and planning commission.

Voter Turnout Is Strong

And unlike Bell's special election, in which some 400 people turned out, more than 7,000 Rancho Palos Verdes voters showed up. More than 5,000 of them said "no" to becoming a charter city.

Measure C, explained LAOC Building Trades Council Executive Secretary Robbie Hunter, was driven by the perception that wasting free from prevailing wage standards would help save money.

"We've dealt with this issue in Lancaster, Palmdale, Rosemead and Buena Park," Hunter said. "In every one of those it was the same thing: It was the (city) manager bringing it in."

In the past, the Building Trades have met with mayors and city councils and successfully demonstrated the benefits of prevailing wage, showing a history of quality work and longevity of the projects themselves.

Hunter said that contractors often tout money that cities will save from paying lower wages but they rarely pass that savings on to the city. And sometimes, expenses are actually higher. "Contractors coming in with less experienced workers can also be a factor that drives up costs."

Protection of fair wages resonated with many Rancho Palos Verdes residents.

"For me, that was the biggest issue," Robert Nelson, a 30-year resident, said.

"The concept was that they did not want the state coming down and grabbing surplus moneys. That's what they told us. But what they really wanted to do is not pay prevailing

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Irvine City Council
(continued from page 1)
reading May 10.

Paying prevailing wage will expand the chance of union-ignitatory companies to bid for and win work from the city.

Jim Adams, Orange County representative for the Los Angeles/Orange Counties Building and Construction Trades Council, said Irvine deserves only the best contractors that compete based on skill and efficiency rather than cutting wages.

"Prevailing wage promotes the use of local workforce over cheap labor elsewhere," Adams said. "We believe that prevailing wages will result in having a better selection of top-notch contractors using skilled local workers. And the Building Trades and its affiliated local unions here tonight stand ready to support you in providing a prevailing wage for city-funded projects."

About eight contractors also spoke in favor of prevailing wage, including Greg McClelland, director of the Western Steel Council employers' association.

"It provides a level playing field," McClelland said. "We pay prevailing wage across the board. The quality

and craftsmanship we provide is because of prevailing wages."

Costs Will Rise Slightly

Irvine city staff determined that paying prevailing wages would increase costs by \$569,000 to \$962,000 based on last year's expenses, or an increase of 3.3 to 5.6 percent of the total value of the \$17.2 million in projects. Supporters of prevailing wage say that in the long run, the city will save money because of the safety, productivity and dependability of union work.

"Quality and workmanship is better in a prevailing wage project," Agran said. Also, better wages mean that workers will likely live in Irvine and spend money in the city. And supporters cited the importance to apprentice programs, which unions provide.

For union workers, the decision means opportunity for many different construction trades. Two examples of projects to be built under the new ordinance are a \$3.8 million modernization and expansion of the Northwood Park Community Center and a \$130,000 rehabilitation of the William Woollett Jr. Aquatics Center at Heritage Park.

The Northwood project will expand the current building to 9,500 square feet and make the structure eligible for



Irvine Mayor Sukhee Kang, left, and Councilman Larry Agran, center, voted for prevailing wage, but Councilman Jeffrey Lalloway disagreed.

LEED green building certification. The aquatics center will receive a heating, ventilating and air conditioning rehab.

Local unions and contractors are anxious to provide their services to Irvine.

Many Building Trades locals were represented at the meeting and all were pleased with the council's decision. No one in the audience spoke in opposition to a prevailing wage ordinance.

However, council members Lalloway and Choi warned that it is irresponsible

to approve a potentially costly amendment to the wage ordinance at a time when city dollars are short. Lalloway also challenged the assertion that union workers are more productive and provide better quality construction than non-union workers.

Choi agreed. "It is difficult to quantify productivity and safety," he said.

The two council members also warned of lack of competitiveness with a prevailing wage policy.

Charter Avoids State Law

As a charter city, Irvine was able to avoid the state's prevailing wage law, and instead could legally establish its own wage policies for municipal public works construction projects that receive financial assistance from a purely municipal source. It passed a living wage ordinance in regard to hourly wages, health benefits and paid time off.

But Mayor Kang and council members Krom and Agran insisted that the city's living wage ordinance did not really provide a livable wage for Irvine residents.

Along with the three council members, local unions wanted to see Irvine adopt California's prevailing wage law for all its public works projects, including municipal work.

And that's exactly what the council did.

The prevailing wage rate is the basic hourly rate paid on public works projects to a majority of workers engaged in a particular craft. Prevailing wage laws ensure that the ability to get a public works contract is not based on paying lower wage rates than a competitor. All bidders are required to use the same wage rates when bidding on a public works project.

Kang and Agran pointed out that the city has already lost money in not

initially providing a prevailing wage for construction at the Great Park, where new housing, lakes, orchards, athletic fields, museums and a huge park will be built. A balloon ride that gives visitors a spectacular view of the park area had to be shut down while repairs were made to initial work. It cost \$300,000 to \$400,000 to fix the balloon project, they pointed out.

Since then, the council made the Great Park a prevailing wage project.

Unions Bring Quality

Quality of workmanship was a theme during public comments to the board.

Robbie Hunter, Executive-Secretary of the Building Trades Council, stressed the need for quality standards. He cited the level of prevailing wage construction by union workers at Hoover Dam, which began construction in 1931.

The dam will still be standing 100 years from now, Hunter said.

Although union representatives were motivated by supportive speakers and thrilled with the council vote, attendees had to muffle their emotions. The mayor told the audience not to cheer or applaud public comments for or against the ordinance.



The community center modernization at Northwood Park will be one of the first projects under prevailing wage.

However, a respectful round of applause went up after the council took its vote.

The meeting started with about 150 people in attendance, but by the time the prevailing wage issue was addressed, some three hours later, only about 50 people remained in the audience. But those 50 were happy they stayed.



Plumbers & Fitters Local 582, Santa Ana, turns out to support prevailing wage, including 6-0 member Richard Christman, business agent Ray Aragon and organizer Carl Ritola.

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Supreme Court Win (continued from page 1)

Angles and Orange Counties Building and Construction Trades Council and the men and women who work every day under the terms and conditions of a PLA," said attorney Ray Van der Nat, who represented the Council. "The decision of the United States Supreme Court is refusing to hear the appeal of the ABC validates what construction unions have long said and what the ABC continues to deny: PLAs work, they standardize wages, fringe benefits and working conditions for all workers on the job while delivering the job on time and under budget; they train future generations of construction workers, they get the job done and they are legal."

A PLA enables all construction workers to be represented through collective bargaining. It is a contract negotiated by unions or a union council with a developer in this case the RSCCD.

More PLAs May Be Possible

"This is a wonderful decision," said Jim Adams, Council Representative in Orange County. "It's been a long battle for us, with depositions and court hearings." He said it may pave the way for more PLAs in Orange County. "We're ready to move forward. We hope this will change the atmosphere at some

public agencies."

As Adams noted, the case stretched on for many years. In 2004, seven individual non-union apprentices participating in two different ABC affiliated apprenticeship programs filed suit in the United States District Court in Santa Ana challenging, among other things, the requirement that contractors performing project work under the PLA use only those apprentices participating in a joint Labor Management Apprenticeship Committee to perform project work.

In September 2004, the district court

"PLAs work, they standardize wages, fringe benefits and working conditions for all workers on the job while delivering the job on time and under budget; they train future generations of construction workers, they get the job done and they are legal."

— Ray Van der Nat, Council attorney

dismissed the state apprenticeship law violation claim. In January 2006, the district court granted summary judgment as to all issues, with the exception of the issue of whether the District acted as a "market participant" when it entered into the PSA with the Council.

In October 2008, the court ruled in favor of the district and the Council, finding that the school district was acting as any other owner (proprietor)

would act when it came to purchasing construction services in the marketplace, and this was acting as a market participant when it entered into the PSA.

ABC Appeals Again

The ABC and NRWLD then appealed the decision to the Ninth Circuit Court of Appeals. The plaintiffs claimed that the district entered into the PSA to pay off the unions for their support in getting the funding needed by the district for its construction projects, that no private party would

participant.

As to the argument that no private party would have entered into such a deal with so few benefits, the court held that whether the PSA was a good deal for the district is not relevant.

Plaintiffs also argued that a private school in the district's position could not lawfully enter into a PLA with the Council, since a school is not an employer primarily engaged in the construction industry, as required by section 8(f) of the NLRA. The court held that whether or a private party could do what the District did is not relevant to whether the district was acting as a market participant. Nor did the fact that the Council entered into the PSA directly with the district, as opposed to entering into the agreement with a construction manager or general contractor affect whether the district acted as a market participant. Congress did not intend to limit state entities in entering into PLAs only if those entities use a construction industry middleman.

Accordingly, the Ninth Circuit affirmed the district court's dismissal of the entire complaint.

The ABC and the National Right to Work Committee were not too happy about this decision and filed an appeal with the U. S. Supreme Court, asking it to consider the case.

On April 18, the Supreme Court turned them down.

have entered into such an agreement providing so few benefits to the district, and that no private party in the district's position could have lawfully entered into such an agreement.

The court stated that it had no doubt that getting a no-strike guarantee, enabling the district to complete its construction projects without labor disruptions, was a legitimate interest in efficient procurement by a market

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More Hotels Downtown (continued from page 1)

Trades is still causing loss of homes for members, and loss of essential on-the-job hours for apprentices. "The developer has made a commitment to use local contractors and workers," he said.

Banners and Confetti to Celebrate

The mood at the conference was festive. Kevin Bass and Vince Ramos of U/PAT District 36 were among Building Trades members hoisted on a boom 25 feet into the sky as a huge banner was unveiled, showing a full-color picture of the building. Cannon shot strips of silver, blue and red sparkling confetti as music boomed.

"This is another piece in the big picture that started with the building of Staples Center in 1999," said Bass, a government affairs representative. "This is a 180-degree turn from the way things were 10 or 15 years ago, and it's a beautiful thing. Downtown is now a focal point."

Like many at the press conference, Bass tied the new building into the overall effort to build a football stadium and new convention center in the same area. "This shows the commitment and seriousness of the football and convention project," Bass said. "I am assuming we will move on it."

AEG, the developer of L.A. Live, is promoting the massive stadium and convention center plan. The proposal, Farmers Field, is currently being studied by several commissions, as well as awaiting word from the National Football League on whether a team is available to play in it. While the



U/PAT members Vince Ramos and Kevin Bass, on boom, look over the gathering of downtown developers, politicians and labor leaders on the Marriott site.

background work takes place, boosters at the press conference touted the plan's potential to drive downtown's growth in sports, entertainment and conventions.

Football Future Sparks Interest

Williams' group bought the land from AEG. "We're lucky to be in early," Williams noted. "Tod (Leiveke, president and CEO of AEG) has gotten a lot of phone calls."

That's true, Leiveke said. He

will announce two more hotels by the end of this year.

With hotels come hundreds of union jobs, both in construction and staffing. "This is a chance to recover from the recession," said the area's LA City Councilwoman, Jan Perry. "More investment leads to more jobs." Part of the financing is coming through foreign investors, using the US government's EB-5 Investor Green Card Program, which allows non-citizens investing at least \$500,000 to obtain green cards permitting legal US residency. The building will not have a mortgage.

The new hotels will fill the needs of moderate-budget travelers. In contrast to the high-end JW Marriott, Courtyard and Residence are less expensive brands. "This is a more affordable option for people who want to come to L.A. Live and the convention center," Williams said. The Courtyard is friendly to tech-savvy guests, while Residence will accommodate extended stays.

Showing their enthusiasm for the project, supporters were perhaps in a dress rehearsal for a much bigger one. "Downtown has gone from a 9-to-5 workplace to a 24/7 destination," said Carol Schatz, president of the Downtown Center Business Improvement District. "The stadium will come."

had predicted that the early word of Farmers Field would attract more interest to the L.A. Live area. "Fifty hotels are chasing us now," he said. "They smell the turn." He said AEG

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The Vermont Moves Forward to 2012 Groundbreaking

■ Residential Towers Will Provide More than 800 Construction Jobs

By Chuck Harvey
Contributing Writer

Cheers erupted in the Los Angeles Community Redevelopment Agency's packed auditorium April 21 after the agency approved the \$169 million project known as The Vermont, a two-tower, 464-unit apartment complex that will be built by union workers at Wilshire Boulevard and Vermont Avenue in the Mid-Wilshire district.

The proposal then won speedy approval from the Los Angeles City Council, after a hearing April 27 before the council's committee on Housing, Community and Economic Development.

David Bloom, spokesman for the CRA, said the project should begin in early 2012. Completion is expected sometime in 2013. One tower will rise 28

Local 105.

A group representing the local Korean-American community voiced support after positive discussions with J.H. Snyder Development Co. Some residents had early concerns but said they were satisfied after changes from Snyder.

That includes a commitment to build 96 affordable housing units in Koreatown.

The Vermont, aimed at mid-to-high-income earners, will include ground-floor retail units and a public park.

A Commitment to Workers

Along with hiring union workers, the company has agreed to living wage, prevailing wage and local hire policies in constructing and maintaining the complex. The board estimates the project will need 857 union workers for construction.

A total of 250 permanent living wage jobs would be created.

Union members see the project as beneficial for workers and the community. "I represent 6,300 sheet metal workers," Pellicino noted. He pledged that labor will respond to the needs of the local community.

"I don't live in the area, but I work in the area and I represent each and every one of you," he said. "And I give you the commitment from us in organized labor that we will do whatever it takes to help you people."

Alex Lopez, representing IUPAT District Council 36, Altadena, said that his union will bring in local painters, drywall finishers, glaziers and floor layers. Workers involved in local apprenticeship programs will also participate.

"We have been able to complete projects," Lopez said. "We support the project and hope you will too."

Robbie Hunter, Executive-Secretary of the Los Angeles/Orange Counties



The design for The Vermont, by Jerde, will feature ground-floor retail and a park.

Building and Construction Trades Council, pointed out that although the project has been delayed by economic conditions, it has the right developer and project plan.

"This is a wonderful opportunity to get some people back to work," Hunter said.

He said the project has passed all city and environmental approval processes. "It has gone through all the hurdles," Hunter said. "It's not easy to build in Los Angeles."

"This project could spark other work and other development," he added.

The apartment complex is designed to be environmentally friendly, certified Silver LEED.

Original Plan Stalled in 2008

The project is the first mixed-used development in the area to receive financial assistance from the CRA.

The CRA will provide a promissory note up to \$12.5 million based on increased tax revenues and a deferred loan up to \$5 million. The promissory note carries 6 percent

annual interest rate and must be paid off by 2041.

The deferred loan, which does not carry interest, must be repaid in full or in part upon the sale or refinancing of the project.

The remainder of the cost to build the project will be provided through equity and a loan or syndicate of loans. The site, currently vacant, is valued at \$23 million, which provides equity for the loans.

In addition to providing the 96 affordable units outside the project, J.H. Snyder Co. agreed to make a \$1 million contribution to a Community Benefit Trust Fund, which would be used toward developing a new neighborhood art and cultural center and other capital projects for the community.

Also, the developer will set aside 77 parking spaces within the project's underground parking garage that the public can use on a non-reserved basis.

The large vacant site for the project was originally purchased in 2006 by an affiliate of the Gerding Edlen Development Co., which planned to build a condominium project. It

stalled because of the downturn in the housing and credit markets.

In 2008, the original developer attempted to purchase the site from Gerding Edlen for a multi-story retail project. But the two parties were not able to agree on a land price.

Later, Washington Capital Management foreclosed on the site and took control of the property. Washington Capital remains as an equity partner in the project.

SACRAMENTO REPORT

A Light at the End of the Tunnel? Maybe, But We Cannot Give Up the Fight

By Robert Balsparovich
President, State Building Trades Council

Our terrible national recession, born from the George W. Bush-era policies of coddling Wall Street billions and made worse in California by the anti-worker fervor of Arnold Schwarzenegger, is now approaching 5 years old.

As horrible as things have been, and still are, for California Building Trades workers who have seen hundreds of thousands of their jobs disappear, there are now some hopeful signs that perhaps there is a light at the end of the tunnel.

According to data from the state Employment Development Department, during this recession, from October 2006, all the way to January 2011 — for 52 consecutive months — there were year-to-year drops in construction employment in California. Fifty-two straight months!

But in February and March of this year, according to the EDD, that miserable streak finally ended, and year-to-year construction employment in California increased, for two straight months. Yes, for the first time in five years, jobs are coming back. Both nationally and in California, the

unemployment rate is actually dropping. So far, it's not much compared to what was lost. But if you are one of those 10,000 men and women in construction in California who finally went back to work this year, then it's a pretty big deal.

President Leads on Rebuilding

President Obama's leadership on restoring America's prosperity through rebuilding our infrastructure, such as high-speed rail and other transportation projects, is starting to get good results.

Governor Brown has been in office just a few months, but he has steered away from the disastrous Schwarzenegger course in ways that will reward Californians in the months and years ahead.

For example, two years ago Schwarzenegger vetoed a bill strongly supported by the Building Trades to increase California's use of renewable energy. Had he signed that bill then, tens of thousands of Californians would be at work today building those new renewable energy facilities. This

year, Gov. Brown signed that legislation. And now, those jobs are coming.

So there is reason to be hopeful. But make no mistake about it: The richest 1 percent are benefiting far too much from the war on workers to give up their fight against us.

They have already hoarded a greater share of America's wealth than at any time since the Great Depression, and had their taxes cut to boot. But they still want more. Now, the Republicans in Congress and the Legislature want to cut Medicare and Medi-Cal and Social Security, to finance more tax cuts for the rich.

They also want a new corporate tax cut. Consider that last year Hewlett Packard made \$11 billion, paid its CEO \$24 million and three other execs more than \$9 million each. But they still ask for another new windfall on the backs of workers, and Republicans are determined to give it to them!

ABC Pushes Unfair Bills

Yes, coddling the rich and attacking workers are part of the same strategy. The Wall Street Journal reports that in at least 21 states, Republican governors

are trying to weaken prevailing wages for construction workers, so they can pay for more tax cuts for the rich. Even here in California, the ABC has found Republicans to introduce five bills to weaken prevailing wage. We have fought ABC to a standstill, but they are not going away.

President Obama recently described the Republican vision as one that says, "If our roads crumble and our bridges collapse, we can't afford to fix them." He refuses to accept that vision, and he's right.

Finally, we have a president who believes that rebuilding our country and putting our people to work is a higher priority than more tax breaks for millionaires and billionaires. But Republicans and their wealthy corporate backers are fighting him.

Brothers and sisters, we have won some important battles and are just beginning to see some beneficial results. But as a result, our enemies are attacking workers and unions as furiously as ever. You'd better believe that we can't afford to ease up in this fight one bit.

Forget FARMERS to fill out the card? Go back to P. 5

stories and the other, 22. "We are thrilled that the CRA board has approved our plans to move forward," said Michael Wise, senior partner with J.H. Snyder Development Co., manager and developer for The Vermont. "This makes a significant step toward delivering a new, vibrant mixed-use community to this already energetic neighborhood."

More than 150 people stood and applauded the board's unanimous decision. "We are working very feverishly with private industry to bring work back to Los Angeles," said Michael "Rocky" Pellicino, business representative for Sheet Metal Workers



Rocky Pellicino of Sheet Metal Local 105 emphasizes jobs.



Developer J.H. Snyder agreed to build affordable housing.



Alex Lopez of IUPAT DC 36 speaks in favor of The Vermont.

Rancho Palos Verdes
(continued from page 5)
wage on a couple of very large construction projects, like a \$20 million storm drain project. They thought they could save \$2 or \$3 million."
Nelson, who is now retired but describes himself as "very active" in local civic life, noted all five city council members and all seven planning commissioners supported the bid to become a charter city. "They are the major dominos in the community, and we couldn't

figure out any way in the world to successfully argue our case," Nelson said, adding, "I think the Building Trades Council is the reason it was defeated."
Nelson said concerned citizens did not have the funds to launch a campaign to counter advertisements promoting Measure C, but said the Building Trades Council's three "professional, effective" fliers worked.

For Ken DeLong, a 35-year Rancho Palos Verdes resident, Measure C was simply "poorly written and gave too much power to few elected officials." As for prevailing wages, DeLong

said, "we need to be cognizant that it's not always that the cheapest is the best. I think everyone ought to be treated fairly. You should be sure whoever you're doing business with is qualified to do what they're doing."

"When you have a licensing authority or apprentice program," Nelson added, "you're going to get good work. I come from a steelworker family, so I understand the value of being able to get out there and support your constituents in an area on an issue."
"And we could not have won without the Building Trades."

"We could not have won without the Building Trades."
—Ken DeLong
Rancho Palos Verdes resident

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