

Labor Monitoring Report for Crossroads Court



Crossroads Court Real Estate, LLC
Hampton Inn and Suites Hotel
10 Crossroads Court
Newburgh, New York 12550

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Executive Summary

As authorized and contracted by the Orange County IDA, the auditing team represented by Fellenzer Engineering, LLP has begun monitoring the Local Labor Policy compliance of the Crossroads Court project. The Local Labor Policy creates two major requirements for projects that receive benefits from the OCIDA; a labor requirement mandating the use of 85% local labor and a procedural requirement that “every effort” be made to use local vendors, material suppliers, subcontractors, and professional services. For the purpose of our audits, we have decided to focus on the first 85% local labor requirement.

Fellenzer Engineering, LLP’s visited the site on February 17th, 2017 and received an updated set of contractor and worker lists on December 13th, 2017. The documentation received can be used to compliance of the project, but only if Maurer Construction’s alternative metric for 85% local labor is used. Several contractors are not yet reflected in the documentation received from Maurer. Based on the documentation received, he project has employed a total of 230 workers in construction related trades, of which 170 are local to the seven county area. Factoring in exemptions, the project stands at 85.7% local labor participation, which meets the required the 85% mandated by the labor policy.

Authorization

Fellenzer Engineering, LLP as the prime contact for our labor audit team consisting of Fellenzer Engineering, LLP, Judelson, Giordano, & Siegel, CPA, PC, and Blustein, Shapiro, Rich & Barone, LLP were authorized, via an audit agreement dated August 15, 2016. This authorization retained the auditing team to assist with monitoring adherence to the OCIDA Local Labor Policy and assigned them to monitor the Crossroads Court Project.

Overview of the IDA's Labor Policy

The IDA's Labor Policy creates two labor based restrictions for projects benefiting from IRA benefits. Both of these restrictions exist to benefit construction workers and construction related companies that are local to Orange, Ulster, Sullivan, Dutchess, Putnam, Rockland, and Westchester Counties and to promote the general welfare of Orange County.

First, 85% of the construction labor for IDA approved projects must be provided by workers living in the 7 counties area. The scope of this 85% is limited to construction workers as outlined by the IDA, not including suppliers, professional services, and vendors. The labor policy does not define whether the 85% compliance is in regards to total hours or value (in dollars). For compliance, the IDA requires the construction manager to "keep a log book on site detailing the number of workers on the job for each trade and the counties in which they reside" and to make these records available for periodic inspection. Based on Fellenzer Engineering's discussions with the IDA, the 85% local labor amount was meant to be calculated by hours of labor worked across contractors and sub-contractors. It is noted that the log book of workers onsite and their home counties may be insufficient for determining the percentage of local labor hours spent on the project, as workers across different trades may have different lengths of time on the job site.

Exemptions are available on warranty support, specialized construction, cost differential, labor scarcity, and special skills bases. Exempted construction labor does not count against the 85% requirement. These exemptions are at the discretion of the Executive Director of the IDA and are reported to the Board of Directors at each meeting.

Second, the IDA applicant and contractors "shall make every effort to utilize vendors, material suppliers, subcontractors, and professional services from Orange County and the surrounding counties." This is a much wider requirement; it establishes a very high priority for both local construction labor and local construction related businesses. The meaning of "every effort" isn't rigorously defined, but the IDA's labor policy requires records of solicitations and awards to demonstrate compliance.

Interim Findings

On February 17th, Fellenzer Engineering visited the Crossroads Court site and met with Rex DeClue, Maurer Construction's onsite manager. Rex stated that the project is in its final weeks. Several additional local contractors and finishing trades were on-site to complete

The contractor employee lists from Maurer Construction were delayed until March 31st, 2017, as Maurer wanted to submit as complete a set of worker lists as possible. The additional contractors and workers listed ranged from cleaning services to drywall and landscaping. Maurer Construction still has a few final contractors who have yet to supply these lists.

The employee lists and sign-ins provided by Maurer show that the project has involved 230 workers, of which 170 were from the seven county area. A further 29 workers were exempt under the three exemption requests approved by the IDA. Of the 31 sub-contractors under Maurer Construction, 23 were local to the area.

Based on the supplied employee lists and the approved exemptions, the project is currently at 85.7% local labor participation. This meets the minimum 85% local labor participation required by the IDA labor policy. Since the last report, this measure has increased because the construction manager provided additional labor reporting from Euro Fence, Maurer Construction, Paramount Building Construction, People Ready, and SteelFabNY.

Appendix, Table of Contractors

Sub-Contractor	Employee List Provided	Total Labor	Local Labor	Percent Local	Exempt	Local Company
A.M.P. Masonry	Yes	13	13	100%	No	Yes
Accomplished Walls, Inc	Yes	7	7	100%	No	Yes
Allstate Interior Floorings of NY	Yes	8	8	100%	No	Yes
B&B Pool & Spa Center	Yes	6	6	100%	No	Yes
B.DeVries & Son Concrete	Yes	10	10	100%	No	Yes
Beam Enterprises	Yes	5	3	60%	No	Yes
Blend Air Mechanical Corp	Yes	6	6	100%	No	Yes
Boss Construction	Yes	6	6	100%	No	Yes
Christiana Glass	Yes	4	4	100%	No	Yes
Comfort Controls	No	7	1	14%	No	No
Control Wizards	Yes	4	1	25%	No	No
D.C White Line Striping	Yes	3	0	0%	No	No
DRD Drywall	Yes	2	2	100%	No	Yes
Euro Fence, Inc.	Yes	3	3	100%	No	Yes
Extrordinary Glassworks	Yes	7	7	100%	No	Yes
Fishkill Flooring, Inc	Yes	7	7	100%	No	Yes
J Lent & Sons	Yes	4	4	100%	No	Yes
Klassic Stone LTD	Yes	5	0	0%	No	No
LCS Facility Group	Yes	13	13	100%	No	Yes
LWS Quality Paint & Paper	Yes	2	0	0%	No	No
Maple Leaves Kitchen	Yes	7	7	100%	No	Yes
Maser Consulting	Yes	11	5	45%	No	Yes
Maurer Construction	Yes	1	1	100%	No	No
Modernfold/Styles Inc	Yes	4	2	50%	No	No
Nebrasky Plumbing, Heating & Cooling	Yes	13	13	100%	No	Yes
Olympic Electric	Yes	7	7	100%	No	Yes
Paramount Building Construction	Yes	3	3	100%	No	Yes
PE Colucci Excavating, Inc.	Yes	7	7	100%	No	Yes
People Ready	Yes	2	2	100%	No	No
R.Brewer Landscaping	Yes	5	5	100%	No	Yes
Shapiro Plumbing and Heating	Yes	2	2	100%	No	Yes
Sonata Group	Yes	9	2	22%	No	Yes
Sullivan Fire Protection	Yes	5	3	60%	No	Yes
SteelFabNY, Inc.	Yes	6	6	100%	No	Yes
SuperSeal Insulation Inc	Yes	20	18	90%	No	Yes
8 Aces	Yes	24	8	33%	Yes	No
Old Castle Precast	Yes	13	0	0%	Yes	No
Schindler Elevator	No				Yes	N/A

Appendix, Bulletin Board Pictures

