

October 24, 2007

Council Member,

You have probably read the Mackinac Center's report on the State of Michigan's prevailing wage law, but if not, you can do so at <http://www.mackinac.org/article.aspx?ID=8907>. The report contains information you should consider when deciding whether to extend prevailing wage restrictions to construction jobs receiving tax breaks from the City. Michigan's prevailing wage law for state-supported construction projects, enacted in 1965, was not enforced between 1994 and 1997 due to a federal court ruling. The result of that temporary suspension was that an additional 11,000 construction jobs were created in Michigan.

The State's prevailing wage law increases the cost of construction by 10 percent to 15 percent. That is enough to torpedo a project. I urge you to put the welfare of this city ahead of interest of the unions.

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