



Executive of the Month: Louis Coletti, senior adviser, at Davidoff Hutcher & Citron LLP

November 28, 2023 - Front Section



Lou Coletti at BTEA (2019)

Manhattan, NY Louis Coletti, a longtime leader in New York's real estate and construction industry, has joined the firm of Davidoff Hutcher & Citron LLP, (DHC) as a senior adviser in the government relations, real estate and construction law practices, operating from the DHC headquarters on Third Ave. in New York City. Coletti joins the firm following a 26-year career as president and CEO of the Building Trades Employers' Association (BTEA), the largest contractor association in the U.S., representing 1,200 union construction contractors. As the face of the BTEA, Coletti advocated for New York City's commercial construction industry, working to increase MWBE access to critical construction projects and speaking out about rules and legislation that impacted members' ability to conduct business in the city. Throughout his career, Coletti has worked with many of New York's top public servants to advise the government on issues affecting his membership. He took part in mayor Eric Adams' NYC Capital Process Reform Task Force and Buildings Department Reform Commission aimed at building a better New York post-COVID. As well as part of mayor de Blasio's COVID-19 Task Force, governor Andrew Cuomo's Rebuild New York Task Force, and NYC comptroller Scott Stringer's MWBE Advisory Council.

Shown (from left) are: Gary LaBarbera, president of Building and Construction Trades Council of

Greater N.Y.,

president of N.Y. State Building and Construction Trades Council and founder and chairman of the board of the N.Y.C. chapter of Helmets to Hardhats;

Kathryn Garcia, director of State Operations and Infrastructure; Peter Vrankovic owner of KSW Mechanical; Pat DiFilippo, executive VP of Turner Construction;

and Lou Coletti, BTEA co-chairs (2022) at Transformative Projects Conference.

How did you get started in construction? I answered an ad in The New York Times! They were looking for a president for the New York Building Congress, and they wanted to become a leader in public policy. It was being guided by some of the greatest men New York has ever seen: Howard Rubenstein, John and Dan Tishman, Jack and Lew Rudin, who later founded the Association for a Better New York (ABNY). Despite initially not knowing what I was doing, my passion and determination shone through, and I was embraced and supported by so many industry luminaries. My career took off, and I had the opportunity to work on monumental projects like Grand Central Station, a variety of courthouses, and even the Atlanta Olympics.

Why is it so challenging to build in New York City? On the one hand, it should be. We don't want buildings going up that take away from the city; we want everything that is built to contribute to how we work and live. But things are more challenging than ever, and don't need to be. It's one of the most difficult places to build in the country, if not the world. Land is more expensive than ever, there are byzantine laws and bureaucratic hurdles, the most stringent building codes anywhere, and the highest insurance rates on the planet. That's something that needs to be changed. New York City's 240 scaffold law places 100% liability on construction companies, resulting in astronomical insurance rates, currently standing at \$45 per s/f. Unions and attorneys play a pivotal role in making change exceedingly difficult, which ultimately affects developers' ability to build. And that's a problem.

Shown (from left) are: Pat DiFilippo, executive VP of Turner Construction;

Lou Coletti, and Peter Vrankovic, owner of KSW Mechanical,

BTEA co-chairs (2022).

Shown are: Lou Coletti receives a proclamation from N.Y. governor Kathy Hochul for outstanding leadership at BTEA (2023 Safety Conference).

Yet buildings are going up in Long Island City non-stop. Those are mostly residential and that's a product of COVID. People got used to working from home - or at least, not in an office - and so the need for that space has contracted. Commercial construction is all but stopped. The financial community is hesitant to invest in projects unless they make financial sense, which is often contingent on tax incentives. With the expiration of the 421a tax incentive program, there is a dearth of commercial construction projects in the pipeline. Without these incentives, projects become less viable, presenting a potential hurdle for future development.

Real estate and construction are key drivers to the New York City economy. What happens if that dries up? The construction industry is not only a pillar of the New York City economy but also a national economic force. A study done by Urbanics Research firm for The Building Trades Employers' Association (BTA), construction accounts for 20% of New York City GDP, provides 10% of all jobs, and contributes 5% of wages. This impressive economic impact is largely driven by small businesses, with 75% of construction companies falling into this category.

Who benefits from a strong construction industry? There's no doubt that the construction industry is a vital player in rebuilding the New York City middle class. It is the last remaining blue-collar industry in the economy, as manufacturing jobs have dwindled, and tech hasn't fully filled the void. Union apprentice programs play a pivotal role in helping people earn a decent living, and these programs require partnerships that address the fact that 47% of New Yorkers who lack a high school diploma or GED.

Has construction rebounded from COVID? The COVID-19 pandemic has reshaped the landscape of New York City. Many businesses migrated south to places like Texas and Tennessee. However, the strength of the construction sector and revenue generation is aiding the public sector's rebound, thanks to infrastructure investments from Washington, D.C. We need to keep a generational view of what we build to help New York maintain its strength and attraction. It's still the greatest city in the

world.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540