



Labor & Employment Issues

Client Alert

Pitta LLP
For Clients and Friends
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GOVERNOR HOCHUL ANNOUNCES JOINT PUBLIC-PRIVATE AGREEMENT TO ENSURE THE BUFFALO BILLS REMAIN IN NEW YORK STATE

A \$600 Million Investment from New York State Will Be Matched by Investments from the NFL, Bills, and Erie County

Largest Construction Project in Western New York History Will Be Built with Union Labor, Projected to Create 10,000 Construction Jobs

Governor Kathy Hochul today announced an agreement between New York State, Erie County and the NFL's Buffalo Bills franchise for a \$1.4 billion new stadium in Orchard Park. The project is estimated to create over 10,000 construction jobs.

Governor Hochul's negotiations secured a 30-year commitment for the Bills to remain in Buffalo, and a combined \$550 million from the NFL and Bills - approved today by the NFL owners. The Governor will advance a \$600 million proposal in the state budget, and Erie County will contribute \$250 million. According to the Governor, the economic and tax impacts generated from the team will support more than 100 percent of the public share of the new stadium cost.

The stadium project is projected to create approximately 10,000 construction jobs and will be constructed using union labor in accordance with a Project Labor Agreement (PLA). The Bills will negotiate a PLA with the Building and Construction Trades Council of Buffalo, New York and Vicinity, AFL-CIO, on behalf of its affiliated local unions. The deal requires the Bills to agree to a Community Benefits Agreement, which is to be negotiated.

"I went into these negotiations trying to answer three questions - how long can we keep the Bills in Buffalo, how can we make sure this project benefits the hard-working men and women of Western New York and how can we get the best deal for taxpayers?" Governor Hochul said. "I'm pleased that after months of negotiations, we've come out with the best answers possible - the Bills will stay in Buffalo for another 30 years, the project will create 10,000 union jobs and New Yorkers can rest assured that their investment will be recouped by the economic activity the team generates."

The 30-year agreement details the construction of a new stadium with a minimum of 60,000 seats in Orchard Park, Erie County to be designed and constructed by the Buffalo Bills. The deal includes a commitment from the Bills to play at the new stadium for the next 30 years. The Bills will begin design of the new stadium immediately, and all parties will begin negotiations on extending the team's current lease for Highmark Stadium that expires in 2023.

"We want to thank Governor Hochul, the Pegula family, and Buffalo Bills for making union labor the focal point of the new Bills Stadium construction project," President of the New

York State Building and Construction Trades Council Gary LaBarbera said. "The new Bills Stadium will create 10,000 good paying union jobs, and after two difficult years of the pandemic, this public-private investment is exactly what's needed for hard working families in Western New York. On behalf of the 200,000 tradespeople we represent across the state, New York State Building and Construction Trades Council is proud to support this project, and our members look forward to getting to work and keeping the Bills in Western New York."

According to the Governor, the Bills generate \$27 million annually in direct income, sales and use taxes for New York State, Erie County and Buffalo. These revenues are projected to grow and will cumulatively amount to more than \$1.6 billion over the 30-year lease period. In addition, out-of-town fans are estimated to bring in more than \$385 million annually.

Erie County will transfer ownership of the current stadium and adjoining complex, which includes practice facilities and office space, to the State. The State will own the new stadium and adjoining complex, which will be leased to the Bills. In the event the Bills default on the agreement, the State and County have the right to go to court to enforce non-relocation terms.