



COVID-19 UPDATE (MARCH 28, 2020)
To the Members of the Syracuse Builders Exchange
Earl R. Hall, Executive Director

As the spread of the coronavirus continues across New York State, elected officials continue to implement new regulations while amending others. This past Friday saw the passage of the \$2 trillion Coronavirus Aid, Relief, and Economic Security (“CARES”) Act and New York State Empire State Development (“ESD”) amending their guidance for determining whether a business is subject to a workforce reduction, under Governor Cuomo’s Executive Order 202.6.

CARES ACT

Legislation passed Friday by Congress includes billions of dollars in aid to small and large businesses, direct payments to individuals, significant funding for the healthcare industry and an expansion of unemployment insurance.

Some highlights of the CARES Act include:

Support Businesses

1. Paycheck Protection Program (\$350 billion): Zero-fee loans for up to \$10 million for payroll - forgiven if businesses retain employees and salary levels.
2. Economic Injury Grants (\$10 billion) - \$10,000 to small businesses and non-profits grants while waiting for paycheck protection program to process. May be used for payroll, increased production costs, pay business obligations.
3. Debt Relief for Existing Small Business Administration Borrowers - Relief to small businesses with Small Business Administration BA 7(a), 504 or microloans.
4. Small Business Administration will cover all loan payments for six months.

Additional Unemployment Benefits

1. Extends unemployment insurance to those not able to work as a result of coronavirus: sick, quarantined, or those needed to care for children home from school due to mandatory closures.
2. Extends unemployment insurance to sole proprietors.
3. Federal government will provide additional \$600 per week on top of existing state unemployment insurance benefits (average \$300 per week) for 4 months.
4. Additional unemployment benefits funded by federal government, not employers.

Additional Funding

1. More than \$6.5 billion in Federal funding for Economic Development.
2. State and Local Governments - \$150 billion for states and \$8 billion for localities.

Business Tax Cuts

1. Interest deduction goes from 30% to 50%.
2. Delays payroll taxes on wages. 6.2% tax paid over following two years (anticipating half in 2021 and half in 2022).

The United States Senate Committee on Small Businesses created the below link which better describes the provisions of the CARES Act:

https://www.sbc.senate.gov/public/_cache/files/9/7/97ac840c-28b7-4e49-b872-d30a995d8dae/F2CF1DD78E6D6C8C8C3BF58C6D1DDB2B.small-business-owner-s-guide-to-the-cares-act-final-.pdf

EMPIRE STATE DEVELOPMENT GUIDELINES AMENDED

On Friday, Governor Cuomo and ESD amended guidelines, ordering all non-essential construction to shut down, except emergency construction, (e.g. a project necessary to protect health and safety of the occupants, or to continue a project if it would be unsafe to allow to remain undone until it is safe to shut the site). This of course created significant confusion once again among our member employers and the construction industry in general. As a result, attorney Ed Sheats of Sheats & Bailey, PC and I held a webinar at 2:00 PM addressing the revised guidelines. The webinar was viewed by over 1,600 people on Friday. Below please find the ESD guidance which was issued on March 27, 2020:

<https://esd.ny.gov/guidance-executive-order-2026>

NEW YORK STATE OFFICE OF GENERAL SERVICES ANNOUNCEMENT

On Saturday morning (3/28/2020) OGS issued the following:

"Empire State Development has issued updated guidance for determining whether a business enterprise is subject to a workforce reduction under recent executive orders.

The updated guidance relating to construction is as follows:

- All non-essential construction must shut down except emergency construction, (e.g. a project necessary to protect health and safety of the occupants, or to continue a project if it would be unsafe to allow to remain undone until it is safe to shut the site).
- Essential construction may continue and includes roads, bridges, transit facilities, utilities, hospitals or health care facilities, affordable housing, and homeless shelters. At every site, if essential or emergency non-essential construction, this includes maintaining social distance, including for purposes of elevators/meals/entry and exit. Sites that cannot maintain distance and safety best practices must close and enforcement will be provided by the state in coordination with the city/local governments. This will include fines of up to \$10,000 per violation.
- For purposes of this section construction work does not include a single worker, who is the sole employee/worker on a job site

OGS and our client agencies are currently evaluating all projects to determine which contracts are impacted by this directive.

In the event the State decides to shut down the contract work, a stop work order will be issued pursuant to the General Conditions. Any delays associated with this directive will be evaluated in accordance with the provisions of the contract General Conditions.

At the direction of the regional supervisor, your firm may be required to submit a shutdown plan.

The shutdown plan should include provisions to ensure you are appropriately securing and maintaining the site, providing for periodic inspections of site conditions throughout the shutdown period, that there are no code violations, safety hazards, or security issues during the shutdown period.

If you receive a request to submit a shutdown plan, please do so within two business days so OGS may undertake the appropriate reviews, notifications, and have the necessary precautions put in place."

FUTURE WEBINARS

On Monday, March 30th at 1:00 PM, the Syracuse Builders Exchange, in conjunction with our team from OneGroup and attorney Jason Bailey of Sheats & Bailey, PLLC, will host a "Risk Management" webinar specific to issues related to COVID-19 in the construction industry. Information on this webinar is attached.

On Wednesday, our team from OneGroup will host another webinar to address the CARES Act and other HR related issues, and how such impacts construction employers. Information on this webinar will be sent out on Monday evening.

* ALL WEBINARS ARE AVAILABLE AT WWW.SYRABEX.COM; CLICK COVID-19 UPDATE *

Of course as events change and information is gathered which directly impacts construction industry employers and/or your employees, the Syracuse Builders Exchange will continue to disseminate such to the industry via the below platforms.

Our employees are working from home, updating timely project for bid and post bidding information, project addenda, bidding documents and other information on a daily basis. Dimi and Lori are committed to our members that have insurance benefits via The Exchange Agency and Beth is assisting members with their cellular and data device needs. We continue to communicate with our members via telephone, text messages, email and social media (Facebook/Twitter). I remain working from the office with Melissa, so use the many resources your Builders Exchange has to offer, especially in a time of crisis.

Please stay tuned to the above communication outlets for additional daily updates.

A handwritten signature in blue ink, appearing to read "E. D. Lee".