



MEMORANDUM OF OPPOSITION

BILL: A.11560 (Barrett) / S.10642 (Gonzalez)

SUBJECT: Data Center Moratorium / Stifles Economic Development / Improper Labor Provisions

DATE: June 3, 2026

The Associated General Contractors of New York State, (AGC NYS) the leading statewide trade association representing union and open shop construction companies strongly opposes A.11560 (Barrett) / S.10642 (Gonzalez), which places a one-year moratorium on the issuance of data center permits, stifles economic development, does not have a fiscal impact analysis, and improperly imposes labor provisions on private construction.

This is the wrong time for the Legislature to rush through and pass a poorly drafted bill without a fiscal note in the closing days of legislative session. Data centers are not new in New York State, and the Legislature had years to properly plan for this economic development opportunity which they did not. Furthermore, this bill improperly imposes prevailing wage and project labor agreements on a private construction project. This would set an economically damaging precedent in New York State by targeting a specific private business and investors with a prevailing wage mandate and the strictures of the public works law on private construction work.

The benefits of data centers are clear.

Immediate Economic Impact: Data center development delivers immediate economic impact through construction activity, strengthens local supply chains, and creates long-term workforce opportunities tied to high-paying construction careers. Nationally, data center spending increased 31% year-over-year in January 2026, reaching \$46.9 billion. Data centers continue to move forward despite higher interest rates, due to strong capital backing and AI-driven demand.

Benefit to Local Suppliers and Businesses: Data center construction creates economic spillovers through the multiplier effect, extending impact beyond the job site.

Direct effects: Activity at the project site: construction jobs, wages, materials, and equipment purchases

Indirect effects: Demand for upstream suppliers: increased orders for inputs such as transformers, electrical components, cooling systems, and building materials; and services such as architectural, engineering, and trucking services.

Induced effects: Local spending by workers and owners: income earned through construction and supply chain activity is spent on housing, food, and services, supporting local businesses.

Result: Economic activity spreads beyond the project site, supporting a broad network of contractors, manufacturers, and service providers.

This is the wrong time for the Assembly and Senate to rush through and pass a poorly drafted bill in the closing days of legislative session. Governor Hochul has indicated publicly that she is opposed to a data center moratorium and AGC NYS is thankful for that responsible position. Data centers are not new in New York State, and the Legislature had years to properly plan for this economic development opportunity which they did not. Therefore, AGC NYS urges the Legislature to reject A.11560 (Barrett) / S.10642 (Gonzalez).