

Subject: Residential vs. Building (Commercial) Davis Bacon Rates

As many of you already know, if a building is more than 4 stories, Building (Commercial) Davis Bacon wage rates apply. However, we have recently learned that the following criteria is applied to determine what consists of a story:

First Story (First Floor)

- A lowermost story is considered a first story (floor) if it is:
 - a) Primarily above exterior grade on one or more sides, and
 - b) contains at least 50% living accommodations or related nonresidential uses (laundry space, recreation/hobby rooms, commercial use, and/or corridor space).
- A lowermost story is considered a first story (floor) without regard to a percentage test if it is primarily above ground on two or more sides.
- A lowermost story is considered a first story (floor) if it contains the main entrance to the building.
- A lowermost story is considered a first story (floor) without regard to exterior grade if it is used for apartment space in a way substantially similar to the upper floors.

Basement: Stories below grade used for storage, parking, mechanical systems/equipment, etc are considered basement stories and are not counted in the determination.

Also, we have recently learned that some Assisted Living projects may have Building (Commercial) rates apply (i.e. if any of the units do not have a kitchen and a bathroom, Commercial rates would apply).

If you have any questions on this please let us know.

Tim