



BUILD UP!

NORTH AND SOUTH CAROLINA BUILDING DIVISIONS NEWSLETTER

CAROLINAS AGC – DECEMBER 19, 2008

JULY 9-12 BUSS MEETING IN HILTON HEAD

Please mark your calendars for our annual Building-Utility-Subcontractor/Specialty Contractor Divisions Meeting -- July 9-12, 2009 at the Hilton Head Westin. The "Economic Survival" meeting will give you up-to-the-minute information you will need for your business.

We'll also tell you how to find public and private work at your fingertips. Other issues will include how to avoid problems with unions and how to make the most with green building, including a unique approach used by Weaver Cooke in Greensboro. We'll have a discussion on how to ensure a successful construction team of contractors, subs and suppliers.

The keynote speaker will be Thurl Bailey, who was on N.C. State's national championship basketball team led by Coach Jim Valvano. The Headliners, a Hilton Head band, will perform for the Saturday night dinner-dance. The Building Division meeting will have a presentation on a construction photography program to document the stages of a job and avoid litigation.

NORTH CAROLINA GOVERNMENT RELATIONS

N.C. Legislative Outlook: The state Legislature will convene its long session on Jan. 28, 2009. House and Senate leaders have said at several recent CAGC district meetings that the session will be challenging amid projections of a \$2-\$3 billion budget shortfall. With the election of Lt. Gov. Beverly Perdue, a Democrat, and a solid Democratic majority in the Legislature (29-21 in the Senate; 68-52 in the House), look for a relatively smooth transition for both the executive and legislative branches. CAGC's top legislative priority will continue to be the state's infrastructure crisis – trying to get badly needed funding for building, transportation, and water and sewer needs.

Positive Economic Signs: Voters across the state on Nov. 4 approved \$835 million of \$935 million in local referenda, mostly for construction (for details, go to www.cagc.org, Building Division page, **NC** Referenda Bode Well on Election Day). Congress early next year is expected to release about \$110 billion for transportation funding, with an estimated \$1.5 billion going for N.C. transportation and other needs in each of the next two years. State legislative leaders have told CAGC they will push for a large infrastructure funding package for building, transportation, and utility work that could be on the statewide ballot in November 2009.

Gov. Mike Easley will ask the Council of State in January to release \$742 million of state and university construction funding, though design has not begun on some of the larger projects. The projects could lead to 26,000 new jobs and would pump millions of dollars into the state's economy. The 21st Century Transportation Committee is recommending a number of new funding sources – including a tax on vehicle miles traveled – for transportation needs. A UNC-Charlotte economist this month projected the state's economy will begin a rally in the second quarter of 2009.

CAGC will continue to play key leadership roles in *NC Go!* and the Partnership for North Carolina's Future. Top goals for those groups will be educating legislators about construction needs, new possible funding sources and how the industry can jump-start the economy.

Legislative Issues: With the huge budget shortfall, lawmakers will continue to look at cutting expenses, including possible additional state positions and programs. Issues involving unions and collective bargaining, the environment and stormwater runoff, immigration and minority participation on public work will surface. Other issues CAGC will be involved with will include public private partnerships and design-build for public work, trying to correct the franchise tax

inequities for the construction industry, workers' comp and combating legislation supported by trial attorneys.

Overbillings: Just before the Legislature adjourned last summer, CAGC staff, at the Board of Directors' request, was able to get legislation passed concerning overbilling. The board opposes what amounts to a new franchise tax being applied to overbillings. The legislation authorizes a study of the issue, a move that resulted in the N.C. Department of Revenue telling CAGC in December that it had temporarily suspended applying the franchise tax to overbillings.

Hurricane Insurance: Also at the board's request, CAGC staff and members provided written and verbal testimony at a meeting this month of a legislative committee looking at hurricane coverage at the coast.

Public Private Partnerships: At the board's request, an ad hoc committee was formed to provide input to CAGC staff on the issue. Committee members include James Triplett of United Contractors, Doug Allen of J. H. Allen, John Muter of Barnhill Contracting, John Rankin of Balfour Beatty, and Keith Coltrain of Elmore & Wall, as well as other members of the Building Division.

NC DOC/CAGC Pilot Project: CAGC has launched a pilot project with the N.C. Department of Correction to place skilled former inmates in the construction industry. Go to: http://www.cagc.org/advocacy/openwba/prison_reentry_project.cfm.

Federal Military Work: About \$5 billion is expected to be spent in Eastern North Carolina for military construction work: http://www.cagc.org/advocacy/openwba/nc_military_con_needs.cfm.

UNION DEVELOPMNETS IN THE CAROLINAS

The U.S. House last year approved a bill to allow law enforcement officers, firefighters and other emergency public employees to engage in collective bargaining -- a measure aimed at the Carolinas. If the legislation gets through both houses of Congress, it would create two categories of public employees: police and emergency workers who can negotiate a contract and the rest of the state employees who cannot.

In addition, labor leaders are seeking support for the Employee Free Choice Act, also known as the "card check bill," to make it easier for workers to organize into a union. Instead of a secret election, as the law currently requires, the proposal would permit employees to organize a union if 50 percent of employees signed a union membership card. CAGC is working with a business coalition, led by the N.C. Retail Merchants Association, to oppose this measure with members of the state's Congressional delegation. Steve Gennett, President & CEO of CAGC, is mailing related letters to members of the Congressional delegation in both states.

SOUTH CAROLINA LEGISLATION

Over \$1 Billion in Bonds and Sales Tax Measures Approved: Voters in South Carolina recently approved over \$1 billion in bond referendums across the state. Lexington-Richland 5 voters approved \$243 million to renovate seven existing schools and to build three new schools. Lexington District One voters approved a \$336 million bond for three new schools and renovations to thirteen school and facilities. While voters in Richland Two approved a bond referendum in the amount of \$306 million to renovate nine schools and facilities and build six new schools.

In Berkeley County, voters approved a 1-cent sales tax measure to pay for new roads. The increase in the sales tax is for seven years and will increase the sales tax in that county to 8 cents as a result of the vote. Voters also supported borrowing \$150 million in bonds to pay for the road work and the money will be paid back as the tax money from the increase is collected.

A 1-cent local option sales tax increase was approved in Horry County by a 2-1 margin. The vote will increase the sales tax rate to eight percent on most items purchased. As approved, the tax will be in effect for 15 years and will be split with 80 percent going to Horry County schools and the remaining 20 percent divided between Coastal Carolina University and Horry-Georgetown Technical College. All proceeds will be used for building maintenance and construction.

Voters in Anderson County, however, defeated a capital project sales tax referendum by a vote of 32,349 to 21,757. The seven-year, 1-cent sales tax initiative would have been used to fund 124 projects throughout the county totaling \$145 million.

2009 Legislative Session: Legislators return to Columbia in January and, after the recent election, there will be over 30 new legislators representing their constituents in the Capital City. There will be a lot of committee changes in the House with more than five seats open in two committees and three committees that will be getting new chairs. The SC Legislative Reception is scheduled for Tuesday, February 3, 2009 – so be sure to save the date and plan to join Carolinas AGC in Columbia for an evening with the members of the SC Legislature.

BUILDING DIVISION LEADERSHIP

Congratulations to new Building Division Chairman **Tim Kennedy**, Trident Construction Co., Inc., and Vice Chair **John Muter**, Barnhill Contracting Co., who began serving in that capacity on the CAGC Board of Directors on Oct. 1. Also, here are Building Division members of the CAGC Board: **Mark Hood**, Hood Construction Co., Inc., Columbia; **Pat Rodgers**, Rodgers Builders, Inc., Charlotte; **Darryl Mansel**, Mansel Contractors, LLC, Charlotte; **Jamie Kilgallen**, Hightower Construction Co., Inc., Charleston; **Lynn Shealy**, Mashburn Construction Co., Inc., Columbia.

AIA NC/CAGC Joint Committee: **John Martin**, Committee Chair, Rentenbach Constructors, Inc., Greensboro; **Katherine Carter**, Graka Builders, Inc., Whiteville; **Edison Cassels**, Edison Foard, Inc., Charlotte; **Jim Edwards**, Inland Construction Co., Raleigh; **Barry Gardner**, Shelco, Inc., Raleigh; **Commie Johnson**, Johnson & Lee, LLC, Stokesdale; **Allen Jones**, Skanska USA Building, Inc., Durham; **Darryl Mansel**, Mansel Contractors, LLC, Charlotte; **Ron Pantuso**, Pinnix, Inc., Gastonia; **Cleve Paul**, D. S. Simmons, Inc., Goldsboro; **David Price**, McCarroll Construction, Inc., Arden; **Johnny Rankin**, Balfour Beatty Construction Co., LLC, Raleigh; **Ray Rouse**, R. N. Rouse & Co., Inc., Goldsboro; **Bob Ruffner, Jr.**, Clancy & Theys Construction Co., Wilmington; **Scott Tuttle**, Carmel Contractors, Inc., Charlotte; **David Walters**, New Atlantic Contracting, Inc., Winston-Salem; **Keith Wayne**, Wayne Brothers, Inc., Kannapolis; **Chuck Wilson**, C. T. Wilson Construction Co., Inc., Durham.

NC Construction Office/CAGC Joint Committee: **John Thompson**, Committee Chair, J. M. Thompson Co., Raleigh; **Doug Allen**, J. H. Allen, Inc., Asheboro; **Marshall Bailes**, Beam Construction Co., Inc., Cherryville; **Dwight Best**, R. N. Rouse & Co., Inc., Goldsboro; **Blair Bordeaux**, Bordeaux Construction Co., Inc., Durham; **Alan Demaske**, Streamline, LLC, Mooresville; **Shella Sykes Farrior**, Dixie General Contractors, Inc., Wallace; **Bob Ferguson**, Hunter Roberts Construction Group, LLC, Charlotte; **Bob Garren**, McCarroll Construction Co., Inc., Arden; **Bob Glusenkamp**, Rodgers Builders, Inc., Charlotte; **Brent Hartness**, Blue Rock Structures, Inc., Pollocksville; **Marshall Hildebrand**, BE&K Building Group, Charlotte; **Anthony Howerton**, R. L. Casey, Inc., Greensboro; **Justin Hyatt**, Hy-Tech Construction, Inc., Raleigh; **Damon Jones**, Daniels and Daniels Construction, Goldsboro; **Mark Kolb**, Edison Foard, Inc., Charlotte; **John Muter**, Barnhill Contracting Co., Raleigh; **Preston Nisbet**, Turner Construction Co., Raleigh; **Cleve Paul**, D. S. Simmons, Inc., Goldsboro; **Andy Penry**, Penry Riemann, PLLC, Raleigh; **Michael Richter**, T. A. Loving Co., Goldsboro; **Paul Sevene**, LeChase Construction Services, LLC, Huntersville; **Daniel Simmons**, H B S Contractors, Inc., Lumberton; **Tony Stoneking**, Balfour Beatty Construction Co., LLC, Raleigh; **Gary Strickland**, Hugh G. Strickland, Inc., Winston Salem; **Bryan Thomas**, Monteith Construction Corporation, Wilmington; **Ed Widman**, N. C. Monroe Construction Co., Greensboro.

UNC System/CAGC Joint Committee: **Chuck Wilson**, Committee Chair, C. T. Wilson Construction Co., Inc., Durham; **Doug Allen**, J. H. Allen, Inc., Asheboro; **Dwight Best**, R. N. Rouse & Co., Inc., Goldsboro; **Tom Bordeaux, Jr.**, Bordeaux Construction Co., Inc., Durham; **Rob Bridgers**, Clancy & Theys Construction Co.; Wilmington; **Walter Davis**, Walter B. Davis Co., Charlotte; **Bob Ferguson**, Hunter Roberts Construction Group, LLC, Charlotte; **Bob Glusenkamp**, Rodgers Builders, Inc., Charlotte; **Marshall Hildebrand**, BE&K Building Group, Charlotte; **Anthony Howerton**, R. L. Casey, Inc., Greensboro; **Allen Jones**, Skanska USA Building, Inc., Durham; **Bruce Kohn**, Faulconer Construction Co., Cary; **Henry Lanier**, Lanier Construction Co., Snow Hill; **John Martin**, Rentenbach Constructors, Inc., Greensboro; **John Muter**, Barnhill Contracting Co., Raleigh; **Preston Nisbet**, Turner Construction Co., Raleigh; **Cleve Paul**, D. S. Simmons, Inc., Goldsboro; **Dan Perry**, Shelco, Inc., Raleigh; **Roy Pogrzeba**, Bovis Lend Lease, Raleigh; **Johnny Rankin**, Balfour Beatty Construction Co., LLC, Raleigh; **David Walters**, New Atlantic Contracting, Inc., Winston Salem.

NC Prison Construction/CAGC Joint Committee: **Doug Allen**, Committee Chair, J. H. Allen, Inc., Asheboro; **Keith Allen**, Inland Construction Co., Raleigh; **James Beasley**, Bryant-Durham Electric Co., Inc., Durham; **Blair Bordeaux**, Bordeaux Construction Co., Inc., Durham; **Keith Coltrain**, Elmore & Wall, P.A., Raleigh; **Steve Fijalkowski**, Turner Construction Co., Charlotte; **Doug Harrell**, Roanoke Cement, Troutville, Va.; **David Helm**, Pinnix, Inc., Gastonia; **Bruce Kerr**, Balfour Beatty Construction Co., LLC, Charlotte; **Chuck Moss**, Hickory Construction Co., Inc., Hickory; **John Muter**, Barnhill Contracting Co., Raleigh; **Cleve Paul**, D. S. Simmons, Inc., Goldsboro; **Roy Pogrzeba**, Bovis Lend Lease, Raleigh; **Daniel Simmons**, H B S Contractors, Inc., Lumberton; **Calvin Stevens**, Balfour Beatty Construction Co., LLC, Raleigh.

NC Bar Association/CAGC Joint Committee: **Bill Gammon**, Committee Chair, Nelson Mullins Riley & Scarborough, LLP, Raleigh; **Doug Allen**, J. H. Allen, Inc., Asheboro; **Kelly Barnhill, Sr.**, Hendrix-Barnhill Co., Inc., Greenville, NC; **Jeff Beam**, Balfour Beatty Construction Co., LLC, Raleigh; **Bob Burchette**, Johnston, Allison & Hord, PA, Charlotte; **Keith Coltrain**, Elmore & Wall, P.A., Raleigh; **Paul Davis**, Conner Gwyn Schenck, PLLC, Raleigh; **Daily Derr**, Daily J. Derr, P.A., Durham; **George Freeman, Jr.**, Poyner & Spruill, LLP, Raleigh; **Barry Gardner**, Shelco, Inc., Raleigh; **Bob Greene**, Smith, Currie & Hancock, LLP, Charlotte; **Marshall Gurley, Sr.**, Centurion Construction Co., Raleigh; **Joe Hatcher**, Resolute Building Co., Chapel Hill; **Rev. Harper Heckman**, Adams Kleemeier Hagan Hannah & Fouts, PLLC, Greensboro; **Hank Jarrett**, Conner Gwyn Schenck, PLLC, Raleigh; **Damon Jones**, Daniels and Daniels Construction, Goldsboro; **Kay Lantrip**, Skanska USA Building, Inc., Durham; **Susan Lewis**, Beam Construction Co., Inc., Cherryville; **Pete Marino**, Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, LLP, Raleigh; **Bill Marshburn**, D. J. Rose & Son, Inc., Rocky Mount; **John Martin**, Rentenbach Constructors, Inc., Greensboro; **Randy McNeely**, Skanska USA Building, Inc., Durham; **Graham Moore**, Barnhill Contracting Co., Fayetteville; **John Muter**, Barnhill Contracting Co., Raleigh; **Cleve Paul**, D. S. Simmons, Inc., Goldsboro; **Pat Rodgers**, Rodgers Builders, Inc., Charlotte; **Theresa Rosenberg**, Theresa Joan Rosenberg, Architect & Attorney, Raleigh; **Tony Stoneking**, Balfour Beatty Construction Co., LLC, Raleigh; **Ricky Vick**, S. T. Wooten Corporation, Wilson; **Chuck Wilson**, C. T. Wilson Construction Co., Inc., Durham.

SC AIA/CAGC Joint Committee: **Pete Richards**, Committee Chair, Hood Construction Co., Columbia; **James Braswell**, Langston Construction Co., Inc., Piedmont; **Todd Bulwinkle**, Trident Construction Co., North Charleston; **John Harper, IV**, The Harper Corporation, Greenville; **Kynn Harris**, M. B. Kahn Construction Co., Inc., Columbia; **Tim Heichelbech**, Thompson Industrial Services, Sumter; **David Jones**, Marsh/Bell Construction Co., Piedmont; **Dave Looney**, Sumwalt Associates, Inc., Columbia; **Rich Spicer**, Tyler Construction Group, Columbia; **Jim Sturzenbecker**, Sturzenbecker Construction Co., Inc., Myrtle Beach; **Ralph Trinter**, McCrory Construction Co., LLC, Columbia.

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Merry Christmas

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