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MESSAGE FROM THE IDAHO AGC CEO WAYNE HAMMON



Man, What a Year it has Been!

2020 has been a trial for all of us. The struggle to keep everyone safe and at work has been challenging, especially for Idaho contractors who peered into the unknown this spring, uncertain if they would be allowed to work, if they could get building permits, if inspectors would be available, or if suppliers could meet their deadlines. All of this uncertainty added more than a few grey hairs and kept many of us up at night. And of course, the year isn't over yet. There remain challenges and uncertainty ahead of us, especially in the privately funded retail market.

Yet through all of this upheaval, the Idaho AGC, our partners at the AGC of America, and our sister chapters around the nation have been hard at work calming the seas and helping contractors navigate troubled water.

The Idaho AGC is many things to many people. To some, it's a plan room service while others join to participate in our health plan. Many use the Idaho AGC as a tool to expand their network and interact with friends and business partners. While each of these roles is important, the events of this year demonstrate that the essential role of the Idaho AGC remains advocacy.

We most often use the term advocacy when discussing our legislative agenda (see

page 38 for a preview of 2021), or our work to ensure funding for highway construction (see page 24); however, in 2020 most of our focus shifted from the statehouse to county courthouses, city halls, and other locations in communities large and small in every corner of the state.

The Idaho AGC staff has spent countless hours working with mayors, city council members, county commissioners, planning and zoning officials, building inspectors, highway district commissions and employees, and many other local officials to ensure that construction kept moving forward as closures swept the nation. We are pleased to report that we won most of these battles. While construction in a few Idaho communities shut down, it continued in most of the state. This cannot be said for other industries lacking the strong advocacy provided by the Idaho AGC.

All of this is to say that none of this would have been possible without the continued support of YOU, our dedicated members. Thank you for being part of the Idaho AGC and fulfilling the essential role you play in our success.

Here's to a more stable, more secure, and more profitable 2021.

Thanks,

Wayne Hammon
CEO, Idaho AGC



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Construction Combine 2019.

The Growing *Construction Needs* of the Nuclear Industry

By Cindy Chan

There is no shortage of opportunities in the construction industry, especially in nuclear construction. In fact, there is a steady stream of projects at Idaho National Laboratory (INL) that will keep folks busy for a good number of years.

“A lot of construction can potentially occur at the INL site, and what that means is we need talent not only in construction but also in terms of maintenance to support long-term operations of new facilities,” Amy Lientz, director of supply chain at INL, explains.

Lientz says that INL recognizes a huge component of recruiting talent for them

is building partnerships with economic development organizations, education committees, and state government.

“We have a very good open dialogue with our trades and unions about what we can potentially see in the future,” Lientz continues. “All of that is important for us to work together to get the people we need at INL and with the subcontracting community to help support these projects.”

INL’s future projects will likely include a microreactor that will resolve key reactor needs with the Department of Defense and open new markets for nuclear energy; new advanced reactor deployments; and a versatile test reactor (VTR) to help with the testing required for advanced reactor

designs. Additionally, other organizations on the INL’s 890-square-mile site have new nuclear construction planned, which includes spent nuclear fuel-handling facilities at the Naval Reactors Facility and up to 12 small modular reactors that the Utah Associated Municipal Power Systems plans to operate by 2029.

If the aforementioned projects get the green light, within seven years the INL’s site will require 5,000 construction workers, with the high point of construction occurring between 2024 and 2027.

“One of the first things we had to do was create a timeline of when the construction needs are required, as well as details about the number of positions and the hardest-

to-fill positions we can anticipate,” Lientz says, adding they also considered what the other contractors are up against. “We wanted to make sure education and community leadership understood what it meant to take on big projects and to start working together to tackle these challenges.”

Hope Morrow, labor economist at INL, says she estimates there will be 1,000 available positions over the next five years just for INL projects. They will be a combination of both temporary and full-time construction positions. However, she anticipates that due to a tight labor market, especially in construction, roughly 75 percent of the talent is going to come from outside the region regardless of the project.

According to Eric K. Anderson, INL’s division director for projects with construction services, INL’s process to gather projections on construction needs includes robust testing policies and background checks, which is vastly different than other commercial, off-site construction.

“We demand the cream of the crop here to ensure the safety of others and themselves,” Anderson says. “Due to the nature of our work, we need someone with a significant level of training and expertise to make sure they do things right, and don’t harm the environment or someone here. Also, some of our buildings contain sensitive and proprietary information.”

INL combines education and labor to recruit more interest into construction careers, especially at INL. However, Lientz says they had to understand what the numbers were, so they had several conversations with the education community, discussing topics such as the highest job needs and if they have enough training facilities, instructors, and equipment.

“We are leaning on our education and economic development leaders to understand what the rest of industry needs in the region,” Lientz says.

“Due to the nature of our work, we need someone with a significant level of training and expertise to make sure they do things right, and don’t harm the environment or someone here. Also, some of our buildings contain sensitive and proprietary information.”

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INL is also generating more interest in construction careers through their work in STEM (science, technology, engineering, and math), which is important because a lot of people still have that old-fashioned view of construction just being hard hats and hard labor, when in actuality construction these days has a strong technology angle.

“We also have a Hiring our Heroes program that has been focused on bringing veterans into INL to fill opportunities, like engineering,” Lientz says.

Michelle Holt, Executive Director for Workforce Training and Continuing Education at the College of Eastern Idaho, and Debbie Borek, Programs Director of Workforce Training and Continuing Education at the college, are in support of INL’s mission to grow their workforce in nuclear construction.

“There is a huge push to have enough construction-related workforce to support all this demand that is happening at the

lab, as well as in our region,” Holt says.


The College is working on a few initiatives to create interest in the trades. For example, in partnership with Home Depot, the Idaho AGC, and the Idaho Homebuilders Association, they hold a program called the Construction Combine, which didn’t occur this year due to COVID-19, to successfully direct young people and other individuals towards construction careers. According to Holt and Borek, the Combine is a two-day event, originally created by Idaho State University, in which participants learn how to do a little bit of everything, from electrical work to plumbing to masonry while building outdoor sheds which are then donated to area disabled veterans.

Another initiative is a partnership with the trades unions in their region. Holt says they are developing an apprenticeship readiness program (pre-apprenticeship) that will introduce people to assorted careers

in the trades and provide them with the training and certification they need to work as an entry-level worker on a construction site. Completion of that program will ideally give those participants preferred entry into a union apprenticeship program in the region. Additionally, they have a recruiting department to bring students to the College of Eastern Idaho by attending career fairs and establishing solid relationships with trades programs at high schools. If they don’t have one, the College offers advice on how to start one because “having a pathway is important,” Borek says.

Idaho State University is also working with INL to build a construction and operations workforce, according to Gary Salazar, director for Continuing Education and Workforce Training at the College of Technology, and Vince Bowen, executive director of the Energy Systems Technology & Education Center (ESTEC).

“We focus on some of the trades and




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have an apprenticeship program where people can take HVAC, electrical, and plumbing courses,” Salazar says. “We also run a variety of registered apprenticeships and international programs, which are more specific to different ideas than traditional trades. We’re also trying to move into construction trades for housing, infrastructure, highways, and roads.”

Idaho State University is also closely linked to the reactors at INL because they have a nuclear operator technology program.

The Idaho Workforce Development Council (WDC) is contributing to building the workforce pipeline as well. Wendi Secrist, Executive Director of the WDC, says they are conducting surveys of project owners to understand what their workforce needs are going to be over the next 10 to 15 years.

With all these exciting programs and opportunities, there is a national shortage of workers and interest in construction – and a lot of that has to do with the outdated perception of the industry. They think of people working in flannel shirts and hard hats in either extreme hot or cold weather.

Construction also allows for plenty of growth. Someone might start out doing manual labor, but there are opportunities to get into more detailed and unique construction work. In other words, employees can graduate from flannel and hard hats to suits and ties. Anderson says a lot of construction personnel are showing up to sites in smarter apparel and smart helmets that mine data and take photos.

“Yes, hard hat and flannel shirt jobs exist, but at INL there are so many other different kinds of construction career opportunities that we want others to know about,” Lientz says.

Convincing the younger generation is going to be an uphill battle, as the National Association of Home Builders said only three percent were interested in construction as a career.

“Construction is a field where I think we, as a country, did ourselves a disservice,” Morrow adds. “We pushed four-year degrees for a long time. Even though I think higher and secondary education has changed, we are still

restricting ourselves when talking about all of the career opportunities.”

“There are multiple pathways to careers, and the emphasis on four-year degrees has maybe closed some doors so in some people’s minds they don’t see other opportunities as viable or sustainable careers,” Secrist agrees. “In Idaho, we’re doing a lot to level the playing field and celebrate all pathways to careers.”

For more information, visit inl.gov. ●



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RONALD McDONALD HOUSE: *‘The Best Place You Never Want to Be’*

By Cindy Chan



To be a home away from home – that is the goal of the Ronald McDonald House.

Ronald McDonald House Charities of Idaho has been in the state since 1988, says Mindy Plumlee, Executive Director of the organization. Ronald McDonald House provides a place for families to stay close to the hospital when they have to travel in order to receive medical care for their children.

“We serve several hundred families every year that come from throughout Idaho, eastern Oregon, northern Nevada, and beyond,” Plumlee says.

The doors to the first Ronald McDonald House in Idaho opened on Feb. 1, 1988, as a repurposed family home with four bedrooms. Since then, the home has undergone two renovations in 1993 to 1994, which expanded the house from four to 12 bedrooms, and 2001 to 2002, adding an additional five rooms for a total of 17.

“We had expanded as much as we could,” Plumlee says. “We needed more space.”

Luckily, Plumlee, along with Cole Architects, found a new location that was right next door to the existing one.

“About five years ago, Mindy came to us and said, ‘we’ve outgrown our facility.’ We got the OK from corporate to expand so we can look at options. There were five or six options but none were close enough, and they didn’t provide enough area,” Stan Cole, principal emeritus and founder of Cole Architects, says. “This site came up about two years ago; we looked at it and it really worked because it was a small move from where they were currently located.”



Construction began on Feb. 1, 2019 and was completed one year later on Feb. 1, 2020. Heather Meyers, project manager for ESI, says there was some preconstruction, make-ready work done beforehand but construction officially broke ground on Feb. 1.

Ian Hoffman, senior project architect with Cole Architects, says the project took a total of 18 months in about three phases that included land acquisition, road realignment, and foundation and building permits, so that they could finish the design process during construction. Subcontractors that worked on the project included Kyco Services LLC (drywall), Shilo Automatic Sprinklers Inc. (fire sprinklers), DeBest Plumbing Inc. (plumbing), YMC, Inc. (HVAC), and Lea Electric, LLC (electrical).

“When we were looking for a contractor, we were looking more for a partner,” Plumlee says. “We knew we had an unrealistic time frame, and we knew we needed to work with someone who would really embrace the project and our mission as their own, and ESI really came to the table.”

“It was a very fast-tracked project,” Meyers says. “Prior to starting the actual project, we had to do some make-ready work, which included straightening the curved driveway into the existing parking structure for St. Luke’s Hospital and relocating some of Idaho Power’s main electrical feeds for the hospital and that area of Boise.”

After construction broke ground, ESI then demolished the surface parking lot and did all of their site work and foundations under the foundation permit. After receiving the building permit, the wood frame structure was built and then clad with a metal roof and high-end metal siding on the exterior and metal panels on the exterior. Plumlee emphasized the importance of having warm, welcoming, and durable materials for the Ronald McDonald House so that it would last for years to come.

When designing the Ronald McDonald House, Cole Architects looked to the surrounding neighborhood for inspiration.

“We are surrounded by historic buildings. We wanted the Ronald McDonald House to tie into the neighborhood while also being a functional facility for administration and guests,” Hoffman explains. He and Cole also took Plumlee’s request for the Ronald McDonald House to look like a home seriously.

“It’s a 44,000-square-foot house, which is hard to make look like a home,” Hoffman says. “The top priority is that we make it look like a home, which drove the contemporary, craftsman style, but with the durability of a commercial facility.”

“We selected materials specifically for longevity and durability,” Cole adds. “Even though it appears to be wood on the siding, it’s actually metal. We used metal siding to represent more of a shingle style.”





The facility was built with many energy-efficient considerations, including large overhang installation, LED light fixtures, and energy-efficient HVAC units, according to Meyers.

The new facility boasts 47 guest rooms, which include their own bathrooms. The guest rooms are located primarily on the second floor. Each room is sized differently because the Ronald McDonald House serves different-sized families, whether they're a single mother with one child or a large family with four kids. The house also features a large kitchen that includes five adjacent pods that act as separate, open kitchens.

"They allow multiple families or volunteers to cook while being in their own space, but they can still visit and talk," Plumlee says.

"We have a lot of different living alcoves throughout the house. As you walk through the house, these alcoves break up the hall, providing a lot of natural light. It's a place where families can be outside their rooms and relax," Plumlee adds.

There is also a large dining room and a courtyard area that foster a lot of family interaction. The courtyard includes a playground for the kids, as well as a healing garden with plenty of plants, wood, and stone.

Four residential laundry rooms are located in the building for families to do their personal laundry, as well as one commercial laundry room for staff use.

"Many of the families that stay with us have compromised health concerns, so we need to ensure everything is very, very clean. When a family checks out, we wash everything in the room," Plumlee says.

Of course, the Ronald McDonald House wouldn't be complete without rooms dedicated to the kids and teens they serve. The facility has a toy room located next to the dining room, which is dedicated for younger children, and a game room for kids of all ages and teens.

"My favorite place is the hidden toy closet," Corey Hockersmith, superintendent for ESI on the Ronald McDonald House project, says with a laugh. "When kids come to the Ronald McDonald House, after their parents check in, they get to choose a toy."

The exciting new features and rooms come second to the Ronald McDonald House's true focus – being a loving, welcoming, and clean home for families that are going through the toughest time of their lives.

"Families stay at the Ronald McDonald House and don't have to worry about where to stay and eat. They can be close to their children who are sick in the hospital. It's a wonderful thing," Meyers says.

"I would describe it as the best place you never want to be," Plumlee says. "No one plans on having a sick child. We provide a safe place where the family can spend as much time as possible with their child. We care for the family while the hospital cares for the child."

The Ronald McDonald House's capital campaign reached \$15.3 million in 18 months, with \$1.8 million serving as an operating reserve. The remainder covered the interiors, furniture, stoves, playgrounds, and more. People not only chipped in their money, but also their time and resources.

"I've never worked with such a great and dedicated group of people before," Hoffman says. "I definitely think that will be a fixture in my life." ●



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Building the Future, *Panel by Panel*

By Zach Kyle



The Treasure Valley has quietly developed into a hub for an up-and-coming segment of the construction industry: modular building.

That may come as a surprise to locals familiar with the construction labor shortage that's limiting building in Idaho and throughout the nation; but sure enough, six local modular building companies employ hundreds while churning out units for a plethora of end-uses, including hotels, offices, schools, temporary housing, multi-family housing, and even single-family housing.

With orders coming from up and down the West Coast and from as far east as Denver, the Treasure Valley modular building scene is starting to get attention, said Paul Dille, marketing manager for Boise-based Guerdon Modular Buildings.

"I was on a call with an industry trade show, and he called [the area] the 'unofficial headquarters of modular construction on the West Coast,'" Dille said. "It's good to see other manufacturers come online. That shows the demand. There's so much need for housing in general that everybody is looking at ways to make it faster, for cheaper, and with better quality."

To better understand modular building and why it has gained traction in the Treasure Valley, Idaho Builders spoke with representatives from Boise companies: Guerdon Modular Buildings and Nashua Builders, which both specialize in large-scale projects, and Caldwell-based IndieDwell, which uses innovative materials—including shipping containers—to build affordable single-family homes. Finally, Prefab Logic and



Paul Dille.



it's ambitious Autovol plant in Nampa may reset the paradigm for the industry in terms of factory automation and sheer production.

Together, the companies' stories illuminate why modular building is gaining market share and why the Treasure Valley makes for a natural home for the blossoming industry.

NASHUA BUILDERS

Today, Nashua builds all kinds of large-scale projects, including apartments, workforce housing, hotels, low-income housing, and townhouses. But the company's business model took some twists and turns since the current owners took over in 1988. The company has operated at its site on Federal Way in East Boise since 1989, at that time building only prefabricated single-family homes.

Business slowed during the recession, but a new opportunity presented itself in the form of "man camps"—or rapid deployment housing—springing up around oil fields in both the U.S. and in Canada.

Nashua built nothing but man camp units until 2016 when the oil industry tanked, said Jon Moon, who manages business development for the company.

"We had one customer—oil—and the bottom fell out of the oil industry," Moon said. "The spigot literally turned off overnight."

The resulting pivot took several years to execute for several reasons. To start, Nashua had to find new customers seeking new kinds of products. Fortunately, the economy had recovered and communities all over the U.S. faced housing shortages, stoking demand for many kinds of

housing. Nashua lined up work building multi-family housing, but because of the long planning horizon for modular building, those jobs often took more than a year to ship.

"Our transition was probably tougher than others, but Nashua always runs the business for the long term," Moon said. "Management was patient. Our employees were a top priority. We knew where we were going, and that if we made the right decisions, we'd get there."

Nashua thrives today, thanks in part to the housing shortage and nationwide push for more multi-family housing. Like

WHAT IS MODULAR CONSTRUCTION?

At its most basic, modular builders construct buildings with interlocking panels, or "modules." These units are constructed in a factory and then trucked to construction sites. Once there, crews can connect the panels however desired, including stacking them to create exterior walls and rooms, forming multi-level buildings.

Units can be more complex, but as an example, think of a module as a wall panel. Modules link with others, forming wall segments that become buildings ranging in size from a small house to a multistory hotel or office building. Employees fabricate modules in

factories that are then shipped to construction sites where they are assembled. The end result is a building that few would notice is any different from traditional construction.

Modular construction gained steam during the recent oil boom in North Dakota and Canada. Oil companies needed housing for the thousands of workers flocking to the area. Modular construction offered a practical solution. Not only were units faster to erect than other housing options, but the nature of modular buildings made it easy to add units as needed.



Guerdon, Nashua is a regional leader, delivering projects across the entire western United States. The company maintains a “Jenga schedule,” Moon said, meaning slotting construction time for multiple jobs as they come in.

“Everybody wants their product at the same time,” Moon said. “I’ve got one production line. We’re a first come, first serve industry. We’re trying to schedule 180 boxes here, 70 boxes there, 200 boxes there, so that the schedule is always full. Sometimes we start building earlier than a project needs the modules, but that’s when production space is open.”

INDIEDWELL

A relative newcomer, IndieDwell takes a different approach to modular building. First, the Caldwell company’s focus is on an underserved sector of the housing market: affordable, single-family homes. And IndieDwell is doing it with a fresh perspective on building materials. The company remains best known for building houses out of metal shipping containers, though it has expanded its offerings, especially modular steel built partially with recycled materials that won’t burn, warp, or attract pests.

“Affordable housing” can seem like a misnomer, sometimes describing housing that would require above-average incomes to afford. But IndieDwell walks the walk, offering homes of nearly 1,000 square feet for less than \$130,000, Sales and Development Manager Chris Blanchard said. Those units come with fixtures and materials designed to outlast traditional siding, roofing, fixtures, and so on. For example, IndieDwell uses a roofing material more common in industrial buildings that is designed to reflect heat and last up to 30 years.

For its efforts, the company was named a finalist for the Ivory Prize for Housing Affordability, which honors companies lowering housing costs.

“We think everybody deserves dignified housing,” he said. “That’s why we put in the best stuff you can get. If you’re low-income, you probably aren’t setting aside maintenance money. We figure that in. If everything is top quality, you don’t have to defer maintenance because it doesn’t need maintaining to start with.”

IndieDwell started with eight employees when high-end homebuilder Jeff Flynn founded the company in 2017. The Caldwell plant now has more than 80 people, and the company is in the process of opening a 100,000 square-foot factory in Pueblo, Colorado that will ramp up to another 100 workers.

Why are Caldwell and Pueblo good places for factories? Both are economically distressed areas, Blanchard said. Most employees earn between \$16 and \$20—as well as full benefits. That’s a package strong enough to attract and retain workers, especially given that thousands in the steel

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industry near Pueblo have suffered layoffs in recent years, Blanchard said.

GUERDON MODULAR BUILDING

Guerdon shares similarities with Nashua in that it has been a longtime fixture on Federal Way in East Boise and transitioned in and out of the man camp business. Today, Guerdon focuses on large-scale projects usually three to five stories tall. A new class of project emerged in 2015 when Marriott Hotels started using modular building for new hotels. Other hoteliers followed suit, and Guerdon built itself into a major player in the hospitality sector in the West.

The Guerdon factory busts out about 1,000 square feet of finished units per day, Dille said. That translates to about three hotel units, four multi-family units or five workforce housing units per day.

Developers and general contractors sometimes take interest in modular building because they'll slash their building costs. While there are savings to seize, particularly on the labor side, the idea that modular building is a cheaper-and-faster route is widely a misconception, Dille said. The decision to go modular isn't a shortcut.

"Developers and general contractors don't typically come looking for this, but over and over, we hear them say they are astounded by the quality," Dille said.

Frequently, customers come to Guerdon wanting to finish projects and open doors for business as quickly as possible. Modular builders can offer speed advantages. However, customers must make a whole slate of decisions that would normally come later in the process. Interior paint colors, for example, could normally be hashed out after a building was constructed on-site. Modular building requires making those decisions on the front end, and it often takes a project for general contractors to grasp those differences, Dille said.

"We are up against a learning curve,"

he said. "This is a new concept for people, even though we've been doing it for 20 years. We invest heavily into getting general contractors and subs into the factory as early as we can—we prefer even before we bid—so they can see our process. So when a sub gives a quote, they are quoting for exactly what their scope will be and not just putting in a number."

AUTOVOL

Prefab Logic may redefine what the future looks like for modular building with Autovol, its new, massive and mostly-automated new plant in Nampa. According to BoiseDev.com, the \$102 million factory has 400,000 square feet sitting on 52 acres and will be capable of producing 1,600 units per year. Autovol plans to build apartment units but could likely accommodate other project types.

Here's the kicker: most of the work

will be automated. Partnering Autovol is a leading robotics company. The factory opened this year.

"Autovol will greatly accelerate the big and positive impact on cost and productivity that current volumetric modular construction already delivers to our projects," cofounder Curtis Fletcher said in a press release. This factory will create new breakthroughs in construction speed, capacity, efficiency, and excellence."

Prefab Logic contributes its experience working with modularly built housing, hotels, and factories, while Autovol is the operating partner and brings robotics expertise into the fold. The combination could reshape the industry, cofounder Rick Murdock said in a press release.

"Autovol will open up with automation far beyond what's being done in any modular factory today," he said. "It's construction 3.0." ●



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Scholarship Recipients 2020



**HOPE
STAUFFER**

Hope is a Construction Management major at Boise State University who completed a project internship with ESI. She is a member of BSU's Construction Management Association (CMA), and in the 2019-2020 school year she worked to start a new, on-campus group called WICED (Women in Construction, Engineering, and Development). She will graduate in spring of 2021.



**DEVIN
CLOUD**

Devin is a Construction Management major at Boise State University. He owns his own residential construction company and is a member of the construction management honor society, Sigma Lambda Chi. In the 2020-2021 school year, he will serve as president for the honor society. He is the former president of BSU's CMA and he will graduate in spring of 2021.



**GARRETT
LOVELL**

Garrett is a Construction Management major at Boise State University. This summer, he completed his second internship with Opus Group, working on a local project in Boise. He has been a member of the BSU CM student chapter for his entire college career, and for the 2020-2021 school year, he will serve as president of the group. He will graduate in spring of 2022.



**JOSIAH
BOURLAND**

Josiah is a Construction Management major at Boise State University. He is currently a construction manager for Eaglewood Homes. He has worked at Eaglewood Homes for two years. He will graduate in spring of 2022.



**NICOLINA
CARUSO**

Nicolina is a bilingual Construction Management major at Boise State University. She is an intern for an on-campus project, the new Micron Material Science and Research building. She is a CMA member and the vice president and founder of the WICED group on campus. She will graduate in spring of 2021.



**SETH
DIXON**

Seth is a bilingual Construction Management major at Boise State University. He is currently a project engineer intern for Anderson Construction. He is a member of Sigma Lambda Chi, the CMA, and the BSU honor society. He will graduate in spring of 2021.



**DERYN
FERGUSON**

Deryn is a Construction Management major at Boise State University. She was a project engineer in her internship this summer with Hoffman Construction. During the 2019-2020 school year, she was the secretary for Sigma Lambda Chi and will serve as vice president in the coming school year. She will graduate in spring of 2021.



**KENDRA
MATTSON**

Kendra is a Civil Engineer major at Boise State University. She transferred from College of Western Idaho (CWI) with an Intermediate Drafting certification to pursue her goals of becoming a civil engineer. She also earned an associate's degree while attending CWI. She will graduate from BSU in spring of 2023.



**TRISTON
HYLTON**

Triston is a Construction Management major at Boise State University. He has been a project manager intern since 2019 for Knife River Corporation in Boise, and he has worked on several local projects during his internship. He will graduate in the fall of 2021.



**YUKIE
HIRATSUKA**

Yukie is a bilingual Construction Management major at Boise State University. She holds a bachelor of science degree in international business and in accounting. She has spent the last 10 years of her life working as an accountant. She will graduate in spring of 2021.



**TYREE
LAIRD**

Tyree is a Construction Management major at Boise State University. He is currently a student project manager at BSU as he works to earn his degree. He is a member of Kappa Sigma, the CMA group, and Sigma Lambda Chi Honor Society on campus. He will graduate in fall of 2020.

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Without Adequate Funding, Highway 16 Extension May Take Up to 20 Years to Complete

By Erin Bamer

A highly anticipated \$450-million project to extend Highway 16, a major north-south connector in the Treasure Valley, may not get finished for another 20 years unless the state finds additional funding.

The Idaho Transportation Department is planning to one day extend Highway 16 from Chinden Boulevard (Highway 20/26) south to Interstate 84 – a more-than-four-mile stretch through the Star, Meridian, and Nampa areas that ITD spokesman Jake Melder said would cost an estimated \$450 million in 2019 dollars.

“As the Treasure Valley continues to grow, Highway 16 will keep people moving as a vital north-south connection to major east-west corridors in the heart of the metro area,” Melder said.

But that road construction can’t take place any time soon because the Highway 16 extension is currently unfunded, Melder said.

The urgency of the project was thrown into the spotlight after Amazon announced plans to build a major new fulfillment center in Nampa next year. Vehicles going to and from the facility would rely on Highway 16 as a close access point to Interstate 84.

The fulfillment center is expected to generate nearly 7,000 vehicle trips per day, according to a traffic impact study on the Amazon development, known publicly as “Project Bronco” at the time.

“Project Bronco came in out of left field,” said Mary Ann Waldinger, principal planner for the Community Planning Association of Southwest

Idaho, or Compass, the metro planning organization for Ada and Canyon counties.

Highway 16 extensions are currently unfunded, Melder said. Matt Stoll, executive director of Compass, said the state transportation department does not have the means to fund the construction any time soon.

As it stands, Stoll said there are several other major road projects that need to be finished before Highway 16 is addressed, some of which Stoll said should have been completed in the 1990s.

EXTENDING HIGHWAY 16

Construction of the extension is planned to occur in several phases. When finished, the extension will connect the highway to the interstate and create several interchanges and overpasses through some of the major corridors along the way.

In 2014, the state opened a 2.5-mile stretch of Highway 16 between Chinden Boulevard and State Street (Highway 44) near Star as the first phase of construction, which cost \$102 million. The project was western Ada County’s first new Boise River crossing in more than 20 years.

The next phase will connect Highway 16 to I-84 and is projected to cost \$265 million, though ITD has not determined a timeline for construction yet. The third phase will construct interchanges at several points including I-84, Franklin Road, Ustick Road, and Chinden, depending on when funding is available. The overall estimated cost of phase three

is \$185 million in 2019 dollars.

Nampa officials believe the Highway 16 extension will benefit Nampa drivers as a nearby access point to the interstate and ease some of the increasing congestion from the steady growth the city is experiencing. Nampa recently surpassed 100,000 people and is growing by about 3.7 percent every year, according to Compass.

Nampa officials have reached out to ITD officials to express their desire to expedite Highway 16’s construction timeline, Melder confirmed. But without adequate funding, and without plans to request additional funding from the state in the 2020 legislation session, ITD has not solidified the final design or construction timeline.

“We’re not speeding up anything, because there is nothing to speed up,” Melder said.

ITD has about \$90 million that was made available through a federal Infrastructure For Rebuilding America, or INFRA, grant, which was the biggest federal transportation grant Idaho has ever received. The grant money went toward ITD’s I-84 expansion, but it freed up the same amount of funding to go toward purchasing right-of-way for Highway 16, Melder said. The department has not purchased the right-of-way yet, he said.

THE HIGHWAY’S PATH

Between 75 to 100 parcels of land and 15 to 20 homes are expected to be impacted by the highway extension, said

The urgency of the project was thrown into the spotlight after Amazon announced plans to build a major new fulfillment center in Nampa next year.



Melder, adding that ITD is still working out the final details. The homes are located throughout area planned to one day hold the future corridor, although Melder said several are near the place where the I-84 interchange will be. He was not sure if any of the houses would be demolished as a result of the project.

Nampa resident Peggy Paul lives on about 80 acres of farmland in the path of the future highway. She said her family has lived on the property since 1970 and would like to preserve as much of the land as possible. But she's willing to work with ITD.

"Idaho is growing, so what can you do?" Paul said.

Paul's house is not in the way of the highway, but a portion of the farmland is, she said. ITD officials have discussed with her the possibility of purchasing part of the land. However, Paul said there has not been an appraisal of the property, and ITD officials have not made a final decision on what land they need. Paul said she does not plan to move out of her house.

"When they tell us exactly what they need, we can work with that," she said.

FUNDING

Beyond the \$90 million through the federal grant, there are no other major sources of funding allotted for the highway extension. Melder said ITD previously spent \$7.6 million on the environmental study for the project's first phase, along with the \$102 million for the construction.

According to an ITD report, the department received a total of \$333 million from federal reimbursements in fiscal year 2018, along with nearly \$348 million from the state. The majority of ITD's state funding comes from the state

registration and fuel tax, Melder said.

But the Treasure Valley is experiencing a major shortfall in transportation funds and needs \$235 million every year for the next 20 years to cover all unfunded transportation needs, Stoll said. Those

needs include long-term unfunded projects and deferred maintenance on the existing transportation system, and Stoll said the state should not expect much additional federal funding in the near future. Congress has not increased the



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federal gas tax since 1993, he said, which is a primary source of transportation funding for states.

The Highway 16 extension could qualify for Federal Highway Administration Grant Anticipation Revenue Vehicle or “GARVEE” bonds, which allows states to pay for road projects by borrowing against future federal highway payments. In 2017, the Idaho Legislature approved \$300 million in GARVEE bonds to go to ITD, a majority of which helped pay for the I-84 expansion. ITD has since allocated all of the \$300 million.

ITD could also use funding from the State Tax Anticipation Revenue or “STAR” program to fund part of the project. Stoll said the STAR program is a financing tool that uses sales taxes from local businesses to pay for transportation infrastructure.

Through the program, businesses build needed transportation improvements within the region of the business. The state then reimburses the business over an agreed-upon period of time through sales taxes generated by the business. This puts the responsibility on the business to bring in enough customers to get their money back, and is a little- to no-risk program for the state, Stoll said.

AMAZON

With a 650,000-square-foot Amazon fulfillment center in development in Nampa, Stoll said there was discussion about Amazon participating in the STAR program. However, Amazon spokesman

Zeshan Kazmi said the company is not interested.

There was some debate about whether Amazon was eligible for the program given that it’s developing a fulfillment center, which may not generate sales taxes, Stoll said. Melder said the Idaho Tax Commission determines whether a business is eligible for the program.

Whether Amazon or any other business is eligible is confidential under state law, commission spokeswoman Renee Eymann said.

The completion of Highway 16 would directly benefit Amazon, as the highway would serve as the closest connection to I-84 for the company’s vehicles. Currently the closest connection to I-84 for Amazon is the Garrity Interchange, which already is regularly congested and will only become more congested once the fulfillment center opens.

Amazon has committed to invest \$14.2 million in local transportation.

PROJECT PRIORITIES

Even if ITD received funding that could apply to Highway 16, Melder said there are several other partially or completely unfunded projects that are higher priorities and would get the money before Highway 16.

ITD’s highest priority is the I-84 widening, which is underway in Nampa and will eventually lead to Caldwell. The portion of the project through Nampa is funded, Melder said, but there is not

enough funding to finish the work through Caldwell yet.

Beyond I-84, ITD’s next priority is Highway 20/26, then Highway 44, then Highway 55 through Karcher Road in Nampa. Once those projects are funded, Melder said ITD would focus on funding Highway 16.

It’s necessary to finish those four projects first in order to keep traffic manageable, Stoll said. Compass expects Highway 16 to see a high volume of cars, so the major roadways connected to the highway must be equipped to handle the level of traffic coming off the interchanges or else the extended highway will create even more congestion.

The state has lagged on transportation funding for years, Stoll said. Several of ITD’s projects that are in the works, including on I-84 and Highway 20/26, should have been finished in the ‘90s, he said. That is partially because there has been resistance from residents and lawmakers to increase funding for transportation, even though Idaho’s transportation system is severely under-funded.

“When you’ve already cut to the bone, it’s difficult to say how you’re going to cut off a limb and still make a transportation system work,” Stoll said.

That doesn’t mean it’s impossible to fund Highway 16 earlier than Stoll expects. He said he did not expect I-84 to be under construction this soon, but ITD was able to find additional funding.

If the department can find additional funds again – through grants, the STAR program, or by other means – then it could take less than 20 years to finish Highway 16. But Stoll thought that unlikely.

“I wouldn’t bet your house on getting another \$90-million grant,” Stoll said.

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How the Construction Industry is Handling the Financial Impacts of COVID-19

By Josh Tyree, CPA – Partner at Harris CPAs

The year is well into its third quarter and already, the few months have many businesses reeling with the financial impacts of COVID-19 and no company has been immune to disruptions. If revenues are the measuring point for the impact of COVID-19, the construction industry has been spared the drastic impact that other industries, such as the hospitality industry, have faced. Yet construction businesses have still had to face disruptions on jobs, safety risks, scheduling challenges, and the inability to hire essential employees. These changes have caused construction companies to take a second look at their internal processes. Dealing with the realities of these first eight months of the year has provided the data and the necessary time to offer construction companies the opportunity to adapt quickly. They are now able to prepare for not only the last quarter of 2020, but for the changes that will be necessary in 2021. Construction business relies on the financial viability of other industries in order to perform its own services, so the impact of COVID-19 as it continues to move through the economy will further impact the construction industry itself.

INDUSTRY ASSESSMENT

As we look to 2021, financial leaders will be even more essential in ensuring that contractors are prepared to sustain or even capitalize on these changes to the industry.

CFOs and controllers can help prepare their businesses by taking a proactive approach and assessing the impacts of COVID-19 to date by asking some important questions: How has it affected our company? How has it affected our customers and their industry? How has it affected our vendors or suppliers? And lastly, how has it affected our workforce as a whole? With this important information, the construction industry can then quickly transition to understanding how these main areas could be impacted in 2021. Each area of the industry won't move in the exact same direction or even at the exact same time, so it is vital for your company to address each area with an independent and personalized approach. There will need to be careful predictions and planning for many alternative scenarios. Given the unpredictability of COVID-19, firmly planning out and projecting the unknown is next to impossible. Having multiple financial scenarios and a larger game plan will help ensure that thoughtful and proactive decisions are being made. The overall goal is to avoid the more dangerous reactive measures.

STEPS FOR PROACTIVE PREDICTIONS & PLANNING

As you look to develop a smart financial plan for your company in 2021, one thing is certain in the air of uncertainty, and that is cash. The old moniker, "cash is king", is even more true during recessions and

uncertain times. The push in the fall of 2020, for most contractors, should be to prepare your company by monitoring and, if necessary, stock piling cash. This will allow your company to be put in a position of strength as it enters 2021 – to not only weather unforeseen storms or swings in business, but to allow for the execution of plans that can capitalize on the market of other companies who may not be acting as proactively.

Construction companies should ask themselves if they are actively monitoring suppliers, vendors, and clients. Paying close attention to contracts and addressing the risk of increased pricing is necessary. The trend has been to focus more on cost plus types of arrangements, to protect against possible price increases in 2021. It is important to also review the financial capacity of your subcontractors and to ensure that they will have the financial wherewithal to complete the contract. Evaluating clients not only ensures collectability of receivables, but also monitors for potential delays or disruptions to the job. Reviewing contract schedules and staying on top of A/R is extremely important. Even with the increase in unemployment, government intervention and other opposing trends have continued to present challenges if your company is looking to add or replace employees. Consider a second look at current employees to be sure they are being

effectively utilized to avoid unnecessary outside hiring. Before replacing A with B, take a look at the schedule to determine if delays or disruptions could be handled with the placement of employees where the work needs to be done. Having people on the sidelines is the primary objective that companies should look to avoid. Even with the best scheduling, those contractors that find themselves in growth will still need to get creative in attracting top talent and this again, will require cash and a position of strength going into 2021.

FINANCIAL SOLUTIONS

Without addressing the PPP loan program, it is still important to focus on all other debt. Refinancing debt, loan covenant waivers, or restructuring and other debt modifications should be started now if they are anticipated to be an issue in 2021. The financial environment and access to capital can change quickly. Waiting to plan and address this issue until the first quarter of 2021 could cause disruptions to your company and will also give you less bargaining power. Part of managing cash is closely monitoring debt.

Especially important is planning out debt, cash, and taxes at the end of 2020. If, over the last several years, year-end equipment purchases (whether through debt or cash) have been used to minimize taxes, you are sitting on a tax liability. It must be taken into account when deciding to keep debt to a minimum and to hold on to cash. There will be an offset to this, which will be a tax bill coming in 2021 as these deferrals from the prior years reverse. Depending on a company's views of the current tax rates, 2020 could or could not be the right time to catch up on this deferred tax liability. In any case, proper planning at year-end will be required.

As the construction industry puts together financial plans for 2021 and strategically tackles the uncertainty of the fourth quarter of 2020, try to embrace these challenges as opportunities. There are lessons learned and good processes that have come forth as a result of the challenges of COVID-19. Unfortunate

as these challenges have been, they have allowed companies, employees, and the industry as a whole to reevaluate their current finances and to make improvements for the future. With the right mindset and some planning, you can forge through this pandemic and come out stronger and more successful in the end.

ABOUT

Josh has over 16 years of experience in public accounting, and provides audit and

assurance, tax, and business consulting services to companies, primarily in the construction and engineering, nonprofit, government and real estate industries. Josh has advised companies ranging from startups to those with revenues over \$500 million. Yet, no matter the company's income, Josh's goal is first and foremost to help his clients understand their numbers, to address issues and opportunities as they arise, and to make informed decisions. ●



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Mountain America Center: *Stalled But Not Stopped*

By Cindy Chan



The Mountain America Center may be at a standstill for now due to COVID-19, but the town of Idaho Falls will have a beautiful new facility to look forward to in the future.

Construction officially began on Mountain America Center in September 2019 with the letting of the site development and underground utility packages, both of which are now complete, according to Rob Spear, Executive Director of the Idaho Falls Auditorium District, who is responsible for the center.

“The Mountain America Center is going to be an event center with a convention space attached to it,” Spear says. “It’s a well-needed facility in Idaho Falls because there are no facilities that accommodate more than 2,000 people here.”

According to Spear, there is a misconception that the project is funded by property taxes. “When someone travels in the area and stays at a hotel, they pay five percent tax and that money comes into the Auditorium District,” he says.

“We do not have the ability to levy or collect property tax, so this facility does not impact property tax. The District has been finding ways to construct the facility in the last year, and we made significant progress. We took a lot of unknowns and made them into ‘knowns.’”

Construction of surrounding roads and bridges began in 2018, according to Kevin DeKold, managing principal and senior architect for CRSA Architecture. Spear says what has been done so far was broken up into two phases. Phase 1 is complete, and consisted of installing underground utilities, constructing the building pad, and reconfiguring and repaving Pioneer Road. Phase 2 is vertical construction, which is estimated to take 18 to 22 months.

“This project has temporarily gone on hold,” Trenton Saxton, project manager with CRSA Architecture, says. “Right now, it is estimated to reactivate next spring, but that is all based on COVID-19.”

“There was quite a bit of rock on site, so we did rock removal,” Mike Clements, CEO of Bateman-Hall, Inc., says. “The

parking lots are ready for finish grading and then asphalt. The building pad has been prepped and is ready for foundation.”

The primary material for the exterior of the center is tilt-up concrete. The exterior façade is thin brick with some metal paneling and exposed concrete. The roof is a steel truss structure. The approximately 124,000-square-foot Mountain America Center will be a 4,000-hockey-seat facility, and will accommodate all kinds of different events, from sports to concerts to trade shows. While hockey games can seat 4,000 people, concerts can have a capacity of 5,500 people. Twelve private suites and 12 semi-private Loge Boxes, varying in size, will be available to accommodate anywhere from eight to 40 people. The banquet room can be broken up into five spaces or remain as one large space.

“At one end, there are administration spaces for hockey teams and the Auditorium District,” DeKold says, adding there are five concession stands that can accommodate 12 carts/kiosks for guests to purchase popcorn and snacks. The Mountain America Center will also include two exterior patios up in the suite level.

Even though the center is inactive at the moment, there is still a lot of support for the project. Spear says the project is going to bring entertainment to the area and create tons of economic interaction.

“People want to see this happen. They would like to have concerts and events here,” Clements says.

“This amenity is positive in many ways – one is entertainment and the second is increasing business,” DeKold agrees. ●

Focus On Safety – Save Money Through Workers’ Compensation



By Rick Ferguson, CEO, SIF (Idaho State Insurance Fund)

Learning about workers’ compensation pricing can help you win contracts, keep skilled workers, increase efficiency, and save money.

Several key elements are taken into consideration when pricing a work comp policy, including a business’s experience rating and safety practices.

EXPERIENCE RATING

Experience modification ratings (e-mod), determined by the National Council on Compensation Insurance (NCCI), increase or decrease premium based on claims experience. An e-mod of 1.0 reflects average performance compared to similar companies. Higher claims costs result in a higher e-mod. Construction contracts are often contingent on maintaining a low e-mod with winning contracts going to the bidder with the lowest rating.

SCHEDULE RATING

Schedule rating is a dynamic pricing tool allowing insurance companies to more accurately price premium through the use of credits and debits at each renewal cycle. This pricing method enables construction firms with strong safety programs to enjoy lower premiums than competitors with less effective risk management.

Examples of superior risk management measures:

- Written safety program customized to your operations with job site emergency plans, fall protection, excavation, or other applicable protocols
- Return to Work and modified duty
- Formal hiring practices including physical examinations, drug screening, and background checks
- Formal apprenticeship or on-the-job

training

- Investigation of accidents and near-misses with lessons learned to prevent future injuries
- Tailgate safety talks
- Enforced PPE use
- Containment, ventilation, suppression and other controls for silica and other respirable substances
- Heat illness prevention with frequent hydration and shaded rest areas
- Supervisor accountability at all job sites
- Utilize a PPO network
- First aid / CPR certifications

Disciplined and ongoing commitment to these practices may yield up to a 25-percent premium discount at renewal. A written and enforced drug-free workplace program can add another five-percent savings.

IMPLEMENTING EFFECTIVE PROGRAMS

Customizing risk management measures into an effective safety program is unique to each business. For example, one way to demonstrate supervisor accountability is to include safety as a category on annual reviews with enough weighting to influence the overall score. By doing so, you are reinforcing the need for safety at a management level while empowering supervisors to make safer choices on the job site. This reinforces an attentive safety culture that can influence what credit or debits you receive in your rating. Working closely with your insurance provider’s Loss Control team will help you understand what steps are best suited to your business.

TIMELY ACCIDENT REPORTING

Employers and supervisors should report accidents to their insurance company quickly. Idaho code requires employers to

report accidents within ten days of an injury. According to the NCCI, a reporting delay of one to two weeks can result in up to 51-percent higher cost and delays of two weeks or longer significantly increase the chance of litigation.

RETURN TO WORK

Even with effective safety programs, injuries may still occur. Return to Work (RTW) programs bring injured workers back to the job, often in a modified capacity, as soon as they’re medically able. Good RTW programs represent “work as therapy” to help heal the physical injury along with the psychological effects like feeling isolated or fearful.

SAFETY SAVES MONEY

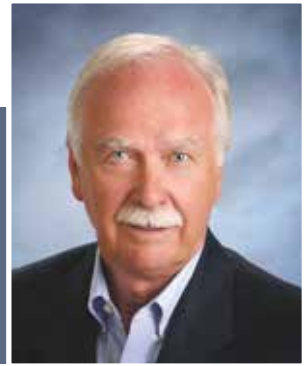
Workers’ compensation expenses don’t have to be a fixed line-item cost. Reducing the frequency and severity of claims will lower e-mods and may make your firm more competitive when bidding on projects. In contrast, unsafe work practices may increase an e-mod or cause the loss of schedule credits, which drives up insurance premiums. If the policy renewal occurs after a bid is submitted, the result could be an unprofitable bid.

Work closely with your insurance agent and loss control representative to understand job site safety, claims management, and cost drivers that directly affect your company’s risk profile, price of insurance, and bottom line.

SIF

For over 100 years, SIF (the Idaho State Insurance Fund) has been Idaho’s reliable and competitive source of workers’ compensation insurance. It is our goal to ensure a better future for Idaho. Contact SIF or your insurance agent to learn more. ●

IDAHO INFLUENCER: Wayne Meuleman



Construction law has a special place in Wayne Meuleman's life. Below, Meuleman talks about how he got started in that field and how construction law is now a family business.

Q: You are known for specializing in construction law. How did you get started in this field?

A: Out of law school, I worked at the Idaho attorney general's office and represented state agencies involved in construction of state government projects and agencies involved in construction industry regulatory matters. As I became familiar with legal issues affecting the construction industry, I found it to be both interesting and challenging. When I left that job and began a private law practice, I concluded that specializing was important to gain the experience needed

to effectively and efficiently represent clients and chose to focus on construction law and real estate law, and have done so since 1980.

Q: In addition to your private work, you serve as the executive director of the Idaho State Building Authority. What is it? How does it impact Idaho's public works?

A: The Idaho State Building Authority was created in 1974 to provide for issuing bonds to finance the costs of state government projects in Idaho. The Idaho Constitution limits the ability of state to borrow money to fund needed government facilities, so the Authority is used to provide financing for many of the larger government projects critical to the operation of state government. The Authority has financed and managed construction of numerous projects,

including state office buildings, prisons, college and university facilities, and renovation and expansion of the Idaho State Capitol.

Q: You served on the Idaho AGC board on four separate occasions. What is it about the AGC that you find so valuable?

A: When I decided to commit my practice to focus on the construction industry, I thought it was important to understand the industry and the legal issues that affect operation of construction businesses. My involvement in the AGC and other construction groups provides insight into how those businesses work and keeps me abreast of evolving legal issues affecting the industry. It has allowed me to better serve my construction clients, and I enjoy meeting and getting to know the people involved in the construction industry.

Q: The Meuleman family has a long, multi-generational connection to the University of Idaho. How did that start? What makes you a proud Vandal?

A: I went to the University of Idaho from high school and received degrees in business and law. My two sons also have degrees from the University of Idaho and are also loyal Vandals. However, our enthusiasm as Vandals is tempered by my wife who attended both Idaho State University and Boise State University.

Q: You are now in practice with your son. What special challenges and unique opportunities does working with family offer?

A: I haven't found it to be particularly challenging. Joe is an excellent construction



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lawyer and has also become very active in the construction industry groups. He is currently an Idaho AGC board member, is involved in committees of the National AGC, and is a member of the Boise State University Construction Management Advisory Board. I am proud to be working with my son and proud that he will continue to serve construction businesses throughout Idaho and the west. Construction companies are often family-owned and I am pleased to join in that tradition.

Q: What of your many professional accomplishments are you most proud?

A: I am most proud that I decided early in my career, with strong encouragement from my wife, to start a law firm that specializes in real estate and construction law. Doing so has allowed me to work with people I enjoy knowing, has given me the opportunity to develop expertise, and has allowed me to develop a successful law practice.

Q: What do you see as the most pressing challenges ahead for Idaho contractors and those connected to construction?

A: The immediate challenge and a growing concern is COVID-19. By nature of the business, construction projects often require hundreds of skilled people to come together on a confined construction site and work closely to construct complex facilities. That is challenging in the best of times and COVID-19 has made managing a safe construction project even more challenging. Safety in construction is a serious concern for all involved. Generally, construction companies have handled it very well, but with the spread of COVID-19 increasing in many places those challenges will grow. Additionally, the long-term economic impact of COVID-19 may affect the success or even survival of many in the construction industry.

Q: What advice would you give to a new contractor just launching their career in Idaho?

A: The construction industry is very competitive. A new contractor must be prepared to compete. To build a successful business, follow AGC's adopted principles of "skill, integrity, and responsibility".

Q: When it comes to how the Idaho law treats contractors, what is the most troublesome problem you would like to see fixed?

A: The construction industry evolves over time. I've been involved for years in helping to update and modernize laws to allow for new and innovative practices of the construction industry. The industry will continue to evolve but at present there isn't a particular troublesome problem to be fixed in Idaho. ●

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Developers and building professionals can enjoy many benefits by selecting prefinished siding from Northwest Factory Finishes, a subsidiary of UFP Retail. Those benefits include durable, consistent aesthetics, high design options,

extended warranties, and less risk that there will be delays because of challenging weather.

By using factory-ground pigments and adding only the highest quality ingredients, Northwest Factory Finishes gets a strong, durable finish with much better color

retention than field-applied paints, so the siding will maintain its beauty for many years to come. Northwest Factory Finishes boasts finish warranties of up to 30 years on siding and trim substrates.

Northwest Factory Finishes produces prefinished wood, fiber cement, and





UFP RETAIL SOLUTIONS

A UFP INDUSTRIES COMPANY

engineered wood siding and trim profiles within two climate-controlled locations: Bonner, Montana and White City, Oregon. The company stores all siding inside its factory before, during, and after the painting process, which cuts out the variables the weather may have on the finish of the siding and eliminates the varying moisture levels that adversely affect siding products stored outdoors before being finished. By keeping products indoors and inspecting them prior to finish, the company can ensure the most consistent and highest quality finish available.

Installing pre-finished siding has a list of significant benefits. Not only does the project get done quicker, but prefinished siding is also typically handled a little more carefully than primed siding and looks better immediately. Building pros can take advantage of Northwest Factory Finishes' ability to create unique and distinct two-toned colors as well as add complementary solid colors or vice versa. Modern or rustic, two-toned siding provides a distinctly different look from every other home and cannot be replicated on-site.

By finishing siding in a controlled environment, project delays due to weather are virtually eliminated. The contractor has the benefit of scheduling one subcontractor to install the siding and can avoid scheduling painters who can slow

the entire job with masking, scaffolding, etc. This is ultimately important to staying on schedule and being able to close the project on time without any "holdouts" from the bank. The quality of paint used by Northwest Factory Finishes enables the product to be installed with minimal scuffs or mars, requiring only slight touch up and making installation very user-friendly.

UFP Retail Solutions' Idaho Western facility stocks a large amount of factory-finished siding from Northwest Factory Finishes in both solid and two-toned colors, making the planning and timing much easier on the builder. In-stock programs are readily available and reduce concerns of ordering too much or not enough. Our quality practices ensure that our colors always match batch to batch,

eliminating concerns over color variation. We also finish all the accessories needed to make any job complete.

An additional benefit is that, in most cases, the stocked product is delivered within a day or two of being ordered. This is extremely helpful in the fast-paced building world where planning ahead means "tomorrow." Northwest Factory Finishes and Idaho Western have a very strong reputation with lumber yards for exceptional customer service and quality both before and after the sale.

Ready to eliminate the field-applied painting process and variables for your next project?

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Moving Idaho Forward

Just over a decade ago, the governor appointed a task force of state leaders to produce a report on the condition of Idaho's transportation infrastructure and how much funding it would take to maintain the system of roads and bridges so essential to the state's economy. The task force determined in 2011 that Idaho needed an additional \$262 million annually if it was to keep up with the system's need.

Since that time, the Idaho AGC and its partners have worked nonstop to secure the necessary funding identified by the report. Over multiple legislative sessions spread out over the last decade, these efforts have resulted in an annual

increase of over \$130 million and several additional, one-time bonding efforts for expansion. Despite all this work, the \$262 million goal was never reached.

Fast forward to 2020: a lot has changed in Idaho since the 2011 report was issued. In addition to inflation, Idaho's population has exploded, GARVEE and other funding programs have added significant lane miles to the system, and vast amounts of infrastructure built in the post-World War II boom have aged beyond their useful lifespan.

Because of these changes, the Idaho AGC led a team of private businesses, trade associations, government groups, local jurisdictions, and others in updating

the 2011 report. To ensure that the update was unbiased, the coalition engaged the Idaho Policy Institute, a nonpartisan research organization at Boise State University, to do the calculations.

The report, issued in August 2020 and summarized on the following pages, concludes that an additional \$241.8 million will be needed annually to keep Idaho moving.

The Idaho AGC and its partners are now hard at work discussing this information with key policymakers. We are looking forward to tackling this new challenge in the upcoming 2021 session of the Idaho Legislature. ●

GUESS THAT PROJECT!



Congratulations, Jan Yorvig of YMC, Inc., who correctly guessed a CAT Compactor from last issue's photo challenge. He received a custom Idaho AGC beanie, custom-knit AGC socks, and a WeBuildIdaho.org coffee mug with mini bucket-boss.

In each edition of Building Idaho, we will share a photo of a place, project, or piece of equipment. The first reader to identify it correctly will receive an Idaho AGC swag bundle, and be mentioned in the following edition. To identify this project, email Hailey Reyes at hreyes@idahoagc.org with your answer, name, company, and mailing address.

IDAHO'S TRANSPORTATION INFRASTRUCTURE: MOVING IDAHO FORWARD

IDAHO'S TRANSPORTATION SYSTEM AND INFRASTRUCTURE ARE VITAL TO THE STATE'S ECONOMY. The state's vast network of critical infrastructure, from its roads and bridges to the systems that support transit, bikes, and pedestrians, enables personal freedom and spurs responsible growth in employment, job creation, business retention, and property development. However, Idaho must determine how to properly fund this essential system to ensure it is maintained and accommodates the state's unprecedented growth. In 2010, a task force appointed by Governor C.L. "Butch" Otter and led by then Lieutenant Governor Brad Little began addressing these issues. In 2011 the group released a report, *Modernizing Transportation Funding in Idaho*. Since then, the Idaho legislature has passed revenue enhancements, while the state's population has grown significantly. These changes have spurred a diverse group of stakeholders to re-examine Idaho's transportation infrastructure and identify alternatives available to meet the needs of the state now and in the future. These stakeholders engaged Idaho Policy Institute, a nonpartisan research organization, to conduct an independent analysis for this report.



POPULATION GROWTH
14%
2010-2019

31%
INCREASE IN REGISTERED VEHICLES
2010-2018

ANNUAL REVENUE ENHANCEMENT
over \$130 MILLION
SINCE 2015

BY THE NUMBERS

FREIGHT BY TRUCK
24,227 REGISTRATIONS



256 million tons of products are transported annually on Idaho roads

BIKES/PEDESTRIANS



Nearly 27,000 of Idaho's commuters walk or bike to work

TRANSIT



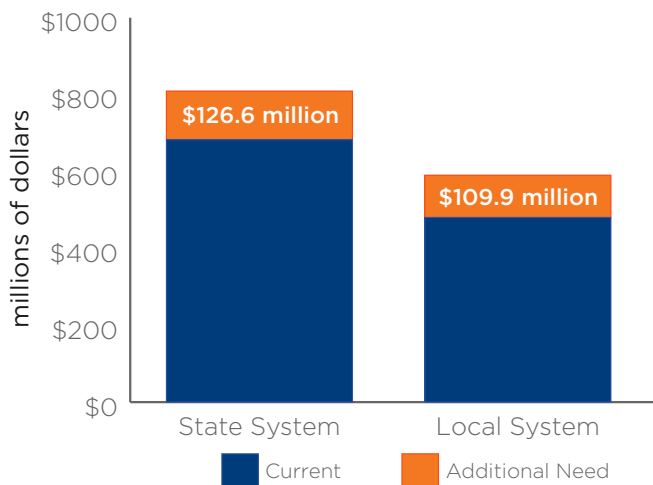
3.7 million passenger trips are taken each year on public transportation

PASSENGER VEHICLES
1.8 MILLION REGISTRATIONS



The average Idahoan drives 12,480 miles per year on Idaho's roads

ESTIMATED REVENUE REQUIREMENTS



\$241.8 MILLION

Idaho needs an *additional \$236.5 million per year* in revenue in order to meet preservation and restoration goals of the state and local systems. If funding is not available and maintenance is deferred, then this annual figure compounds making the funding requirement significantly larger in the future.

At least an *additional \$5.3 million per year* is needed to maintain existing transit equipment and infrastructure.

This additional revenue requirement does not include equipment replacement or unfunded expansion and related operations for all infrastructure (road, bridge, bike, pedestrian, and transit).

A PEEK BEHIND THE CURTAIN –

What to Expect in *Next Year's Legislative Session*

Ask the average Idahoan to explain the construction process and most won't be able to give you a very complete answer even though the construction industry and what we build impacts them every day. Unfortunately the same is true for the government. Despite the fact that every single Idahoan — and every single construction company — is directly impacted by what happens at the Legislature, very few understand the process or how they can impact the decisions being made.

Here are a few little known “secrets” to help you peek behind the curtain and prepare for next year's legislative session.

SECRET 1 – EVEN THOUGH IDAHO HAS A “PART-TIME” LEGISLATURE THAT MEETS JANUARY THROUGH APRIL, THE LEGISLATIVE PROCESS TAKES PLACE ALL YEAR LONG.

Much hype is made when the 105 legislators arrive in Boise each January. The Governor gives a speech, receptions are held, and the media starts doing live shots from outside the statehouse. While the session officially starts at noon “on the Monday on or nearest the ninth day in January,” legislative work is a 24-hours-a-day, seven-days-a-week, 365-days-a-year task. As soon as one session ends, work for the next one begins.

All summer long, interim and study committees (specially

appointed groups of legislators authorized to conduct official business outside the time constraints of the official session) hold hearings, take testimony, and work to draft legislation. In 2020, interim committees advanced work on topics as diverse as child protection, federalism, property tax relief, intrastate commercial air travel, and many others (see the full list at <https://legislature.idaho.gov/sessioninfo/2020/interim/>).

These summer meetings allow citizens and interest groups, including the Idaho AGC and its lobbyists, to provide input at the very start of the process. Accordingly, they can't be ignored and your team at the Idaho AGC spends a lot of time “during the interim” meeting with members of these special committees, providing testimony at committee hearings, and educating decision-makers about the needs of the construction industry and how their work impacts every one of our member companies.

SECRET 2 – EVEN THOUGH MOST LEGISLATORS WIN RE-ELECTION, THERE IS A GREAT DEAL OF TURN OVER IN THE LEGISLATURE AS A WHOLE.

The work of meeting and building relationships with legislators — the main job of a lobbyist — is an ever ongoing task. While some of our friends in the legislature have been there a while, there are a lot of new faces as well. For example, of the 105 legislators who will make up the 2021 session, less than half

held those seats in 2015, the year the Idaho AGC led the effort to increase funding for the state's transportation infrastructure network.

None of these new legislators saw the multiple presentations our coalition put together to educate decisionmakers on the need for transportation funding, none have toured a GARVEE-funded construction site, and none received hundreds of letters and emails from constituents supporting an increase in funding: all efforts the Idaho AGC undertook in 2014-2015 to secure passage of the legislation in 2015. As a result, each of these new legislators has to be individually educated on the topic to ensure that they make the correct decision when called upon to support funding increases in the future.

Accordingly, the Idaho AGC's lobbyists dedicate significant time (and money) reinforcing relationships with our friends and forging connections with the new members of the legislature. This upfront investment is necessary to ensure that the continual flow of new legislators understands the importance of the construction industry to the state's economy and the issues important to Idaho AGC member companies.

SECRET 3 – EVEN THOUGH LEGISLATIVE BILLS ARE CARRIED BY ELECTED LEGISLATORS, MOST ARE DEVELOPED BY OTHERS.

There are three primary sources of legislation. 1) Individual legislators or someone from their home district has an idea to improve the statute or address an issue important to them and they spend the time developing that idea into legislation. 2) Government agencies see a need for additional authority or to clarify their existing operations and put the idea forward for consideration. 3) Organizations like the Idaho AGC identify a solution to a problem faced by its members and prepare legislation for consideration.

In preparation for the 2021 legislative session, the Idaho AGC is actively working on legislation on the following topics:

- **Quality-Based Selection.** In 2020, an over-enthusiastic legislator from Eastern Idaho introduced legislation that would have significantly impacted the process by which public entities hire construction managers, engineers, architects, and landscape architects — professions hired on qualifications, not price. The Idaho AGC led the effort to prevent this bill from progressing and has worked with organizations representing the other impacted professions to develop legislation for 2021 that addresses the concerns raised by the 2020 bill and advances reforms supported by industry.
- **Employer Liability.** The Idaho AGC is part of a coalition of employers, schools, and government agencies working to ensure that Idaho statute includes proper protections for employers who may face lawsuits and/or workers' compensation claims stemming from exposure to COVID-19 in the workplace. Legislation is being developed that would establish minimum

standards for employers large and small and provide safe harbor once they have been met.

- **Career Technical Education.** Working with the U.S. Chamber of Commerce, Idaho Association of Commerce and Industry, Idaho Workforce Development Council, the state's community colleges, workforce training centers, and other partners, the Idaho AGC is actively engaged in reshaping how CTE education is delivered across Idaho to ensure that it aligns with employer needs. Idaho AGC members will have the opportunity to directly contribute to this process. The coalition is exploring what changes, if any, are necessary in state law to further this effort and ensure its proper funding.
- **Transportation Infrastructure.** The Idaho AGC is working with Governor Brad Little to explore the possibility of advancing legislation in 2021 to address the shortfall in the funding necessary to maintain the state's system of roads and bridges (see related article). A top priority for Governor Little, this issue will remain on the agenda for the next several years to come.

SECRET 4 – EVEN THOUGH IT LOOKS DIFFICULT, YOU CAN MAKE A DIFFERENCE.

As Woody Allen says, “80 percent of life is showing up.” This simple principle applies to politics as well. By being an active member of the Idaho AGC you are already engaged in the process. This engagement empowers Idaho AGC's lobbyists with the resources necessary to impact the process. How can you get to 80 percent? It's simple:

- **Join the Legislative Committee.** Idaho AGC's advocacy work is governed by its Legislative Committee. Participating in this effort is simple, just email Wayne at the AGC office (whammon@idahoagc.org) and ask to be added to the list. You will receive regular updates during the legislative session and the opportunity to provide feedback as the Idaho AGC makes its advocacy decisions.
- **Donate to the PAC.** It's a simple principle: money talks. The Idaho AGC Political Action Committee (PAC) is an essential part of our advocacy effort. Funds from the PAC open doors and help ensure that the Idaho AGC's lobbying team gains and maintains access to the policymakers whose decisions directly impact your daily operation. Donate today by visiting the Idaho AGC website (www.idahoagc.org) and clicking on the “make a payment/donation” button at the top of the page.
- **Befriend a Legislator.** Nothing is more impactful to an individual legislator than a relationship with a contractor from their home district. Your individual effort to educate them on your operation, the challenges you face, and your impact on your local community will yield tremendous results for the entire industry. Reach out to Sean in the AGC office (sschupack@idahoagc.org) and he will be happy to make the introduction and provide you the tools necessary to ensure that your effort is successful. ●

Idaho Construction Stays Ahead of the Curve (So Far)

By Ken Simonson, AGC of America Chief Economist

Idaho contractors have fared much better than most of their peers during the first six months of the pandemic. While the future course of the outbreak — and the economy — remains murky, there are reasons for contractors to be optimistic.

The 2020 AGC of America-Autodesk Workforce Survey, released on September 2, illustrates Idaho contractors' relative success to date and their positive outlook. For instance, 60 percent of the 23 respondents who listed Idaho as their principal state of operations reported that business at the firm had already matched or exceeded year-ago levels. That was double the 29 percent nationally who said business was back to normal. Only 10 percent of Idaho contractors thought business would remain below year-ago levels for more than six months, compared to 38 percent of respondents nationally.

One reason for the success so far is that far fewer construction projects were shut down by government action or owners in Idaho than in other states. Only 22 percent of Idaho respondents said a project under way had been halted by the pandemic, versus 33 percent of all respondents.

Measures to slow the spread of the virus have taken slightly less of a toll in terms of project costs or completion times in Idaho. Thirty percent of Idaho contractors reported costs have been higher than they had anticipated as a result of the pandemic, compared with 32 percent nationally. And 39 percent of Idaho firms said projects had taken longer than anticipated,

less than the 44 percent nationally who experienced longer completion times.

Construction was booming in Idaho much more than elsewhere before the pandemic struck. Construction employment rose on a year-over-year basis anywhere from two to four times as fast as the national growth rate. The high level of construction activity in the state probably helped delay and cushion the downturn.

Seasonally adjusted construction employment decreased from February to March nationally but reached a new record high in Idaho. (Seasonal adjustment is a standard statistical procedure to remove the distortions caused by regularly occurring annual variations due to factors such as normal weather or holidays. Weather makes a large difference in construction employment in Idaho and other northern or mountainous states.)

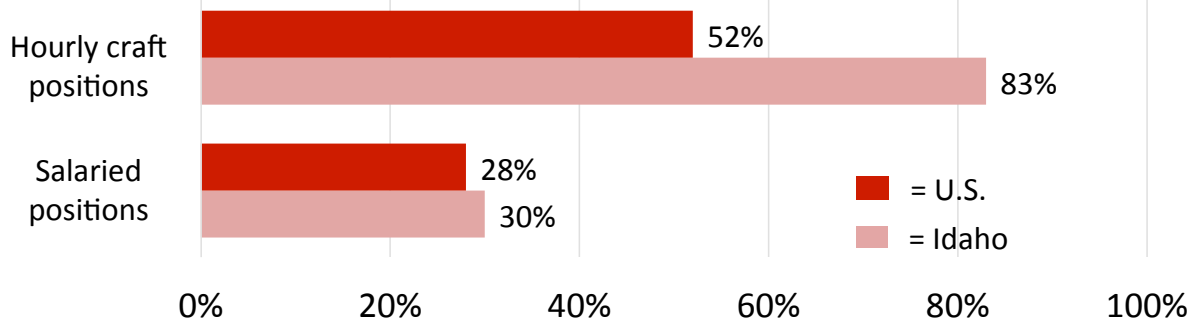
Then, from March to April, the nation lost more than a million construction jobs or 13 percent of the March total. Idaho was one of 49 states that lost construction jobs that month. (South Dakota was the only exception.) But the decline, 2,500 jobs, amounted to less than five percent.

Moreover, three-quarters of the industry's employment loss in the state was reversed the next month, thanks in part to contractors quickly applying for, receiving, and making use of Paycheck Protection Program loans, which enabled firms to rehire laid-off workers or avoid layoffs in the first place. As of July, construction employment in Idaho totaled 54,200, down

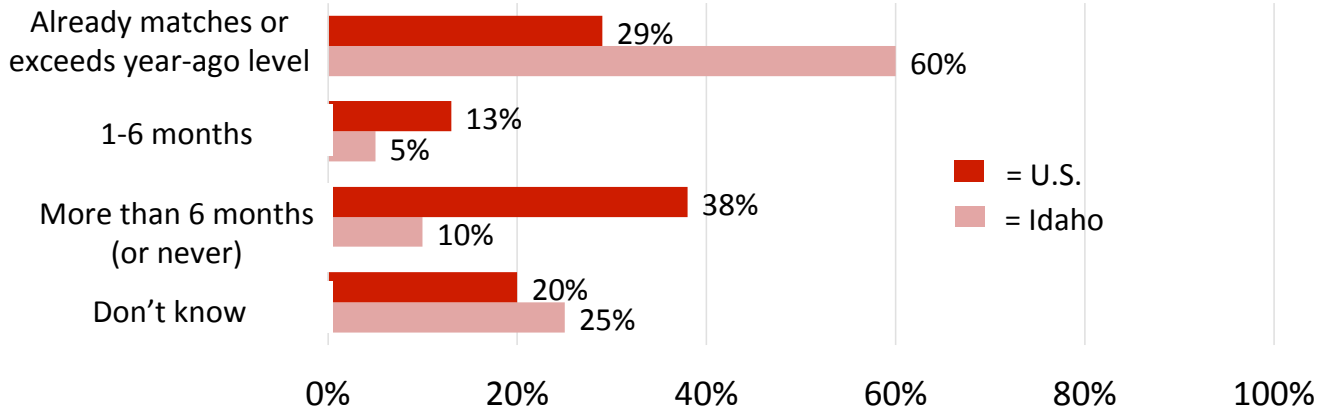
Nationally, only 52 percent of firms in the AGC survey said they were having a hard time filling hourly craft positions; that was down sharply from the 80 percent who reported difficulty a year ago. But the share in Idaho was unchanged from last year, at 83 percent.

2020 AGC Workforce Survey Results

We are having a hard time filling some or all positions



When do you expect your firm's volume of business will return to its normal level relative to one year earlier?



just one percent from the record set in March. In contrast, U.S. construction employment in July was still six percent below the most recent national recent peak in February.

With such a relatively strong construction market, it is not surprising that Idaho contractors are having difficulty filling some positions. Nationally, only 52 percent of firms in the AGC survey said they were having a hard time filling hourly craft positions; that was down sharply from the 80 percent who reported difficulty a year ago. But the share in Idaho was unchanged from last year, at 83 percent.

Those recruitment difficulties persisted even though Idaho contractors were much more likely to increase workers' pay or benefits. In the 2020 survey, 65 percent of Idaho respondents said they had increased base pay rates in the last six months and 35 percent had provided incentives or bonuses. Nationally, only 38 percent had raised base pay rates and 17 percent had provided incentives or bonuses.

A major reason for the robust construction market in Idaho is population growth. The state's population expanded by 2.1 percent from July 1, 2018 to July 1, 2019 — the fastest growth in the nation. Idaho was also No. 1 in 2017 and No. 2, just behind Nevada, in 2016 and 2018.

The pandemic has had unforeseeable effects on this growth, much of which resulted from individuals relocating from other states, especially high-cost West Coast states. As businesses in Silicon Valley, San Francisco, and Puget Sound adapt to having employees work remotely on a long-term or even permanent basis, the influx to Idaho could accelerate. However, it is too early to tell whether more than a few workers will be able to choose this option.

Until the pandemic subsides for good and the economy regains its footing, the outlook for construction everywhere remains problematic. But the evidence is strong that Idaho contractors should continue to fare better than most. ●

Idaho AGC Northwest Online Plan Room Evolves to Meet Member Needs

By Hailey Reyes

Gone are the days of tedious hours spent reviewing printed plans in a physical plan room at your local Idaho AGC office.

Back in 2015, the Idaho AGC invested in providing its own online plan room services with the goal of creating a reliable, local, robust plan room service free to member companies. Idaho AGC CEO Wayne Hammon says the decision came about because “Idaho contractors needed a plan room that was fully comprehensive for the entire region, including plans from Idaho, Washington, Oregon, Montana, Utah, Wyoming, and Nevada. Most other platforms charge to add each additional state, and then are missing many projects anyway. Or they charged for each individual accessing the plans or each download performed, all of which added up to an expensive resource. We wanted to do better for our members.”

The first iteration of that plan room bears little resemblance to the product now available, as it has undergone numerous updates based on member feedback and technological advancements.

Not only is the most recent version of the online plan room more user friendly, but it also offers a host of personalization

options. “Once the user explores the plan room, it becomes very intuitive and simple to track projects. In particular, the ‘Save Search’ feature simplifies things tremendously. Once a user dials in their usual search criteria, they can save it and save time on future searches,” says plan room manager Deren Martinez.

“Users have the ability to keyword search entire documents,” adds Martinez. “They can search for any term on any page of any project and automatically filter new project postings to see only those that are applicable to their company, including sorting results by geography, bid date, or even a specific item their company supplies.”

New to the latest version is also the ability to stay up to date by subscribing

to customized daily emails. “Once a user establishes their desired search criteria, they receive an email every morning that pulls only those criteria, including new projects, updates, and changes such as addendums. If a member’s criteria is only concrete work in Southern Idaho, those are the only things that will be delivered to their inbox,” Martinez explains.

All functionality aside, the plan room is only as good as the plans held in it, which is why the Idaho AGC has been focusing on encouraging members to post their projects (including general contractors and engineering and architectural firms) in addition to continually investing significant time harvesting projects to deliver more than any other plan room.

Kris NiCastro with On-Site Services



All functionality aside, the plan room is only as good as the plans held in it, which is why the Idaho AGC has been focusing on encouraging members to post their projects...

notes that his company utilizes multiple plan room services, and observes that “projects seem to appear more quickly on the AGC plan room than on other platforms, and we’ve definitely noticed there are projects in it that never appear on other platforms.”

But why would GCs, engineers, and architects utilize the plan room? Isn’t the plan room only useful for subcontractors? “Not at all,” says Sean Schupack, Idaho AGC’s director of public policy and member services. “This is a valuable tool for most of our members, and it can be used differently for each member category’s various goals.”

GENERAL CONTRACTORS

The plan room can be of value to GC members in two different areas. One is by allowing them to expand their subcontractor base by posting projects that they are in the process of bidding to get more sub-bids for each trade. In theory, this allows them to increase the competitiveness of their bids. The second is finding actual projects to bid on and doing so efficiently, which is especially true on the highway side: all of the Idaho Public Works projects are listed on the plan room. General contractors can go to one convenient place to search and

bid on these projects instead of having to individually search every county, city, and state website. This results in a huge savings of time and effort.

SUBCONTRACTORS

The plan room probably adds the most value for subcontractors. They can submit bids to GCs for all of the projects listed on the plan room. This includes public works and private projects. The plan room is about 60 percent public works, 40 percent private. For subcontractors entering the public works arena or coming from the residential side this is a great opportunity to bid on and get work. This is also true for subs looking to grow their business. In addition to bidding on the projects, it gives the subcontractors brand visibility to the major players/GCs in the area.

SUPPLIERS


Similar to subcontractors, suppliers can see what projects are coming up and can then communicate with the relevant party (subcontractor, GC, architect) to get listed as a supplier on the project. “The latest version of the platform makes it simple for even really specialized suppliers to search for projects that call for their specific product,” notes Martinez.

ASSOCIATES

This category is the most variable, and the value of the plan room to the member will really be dependent on what services the company provides, but that doesn’t mean it should be overlooked as a resource. For example, it would be a great resource for bonding companies, janitorial services, or safety services to see what projects have been awarded — and to whom — as leads for business. Even generally speaking, associate members that rely on partnerships within the construction community would do well to surf the plan room simply to stay in the know on what projects are in the works and stay connected with the world their clients operate in.


“If a member isn’t using the plan room, they could really be missing out on an important resource. Every employee at every member company is eligible for their own free online plan room account, which they can access from anywhere that has an Internet connection, on any device, at any time,” says Schupack.

Getting started is easy: call the Idaho AGC today at (208) 344-2531 or email planroom@idahoagc.org to get access to the plan room or schedule a free in-person or over-the-phone tutorial. ●



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