



CONSTRUCTOR

The Voice of the Kansas City Construction Industry

SUMMER 2009

A Word From the President

Remember Why You're a Member

Remember running out of the high school locker room, under the banner that said: "When the going gets tough, the tough get going"?

Well, welcome back to the locker room, boys and girls. By all accounts, these are some tough times. Almost a million jobs have been lost in construction, and the nation's unemployment rate is expected to top 10 percent next year. A lot of expensive equipment is sitting idle and the competition for heavy projects is even more fierce than usual, with companies from all over the country foraging for work outside their usual turf.

No doubt, there's plenty of bad news out there. But the good news is, our associations in Kansas City and Washington have never let up in reminding policy and decision-makers of the importance of tangible, productive public works to countless working families and to our nation as a whole. Our associations didn't wait until the economy reached a crisis mode to push

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Greg Kaaz

As Infrastructure Improves, So Does Local Economy

For People and Communities, Projects Are Tax Dollars Well Spent

Is it any wonder the American Recovery and Reinvestment Act contained nearly \$30 billion for surface transportation infrastructure projects? Considering the immediate economic impacts on the people who build and repair our roads and bridges – and the communities they serve – it's a wonder the investment wasn't larger.

So many other economic stimulus investments take time to bear fruit. Things like tax cuts and credits, green energy projects and housing incentives. Investing in overdue infrastructure improvements delivers tangible dividends right now, as well as the long-term benefits our local economy requires for future safety and prosperity.

The Power of Paychecks

Last year, 3,147 heavy construction workers in Greater Kansas City put in 5.67 million hours on the job, earning total compensation of more than \$230 million. The Heavy Constructors Association estimates that about 3,600 workers will put in more than 6.5 million hours and earn more than \$264 million on area heavy construction projects this year. That's a nearly 13 percent jump, but it only tells part of the story.

In a slow economy, with unemployment as high as 20 percent in many construction sectors,

it's a serious shot in the arm. Under every hardhat, inside the cab of every truck and piece of equipment, and behind every yellow vest are real people. People who are earning strong wages, supporting families, paying mortgages and rent, and spending money at local businesses.

Thousands more jobs are created or sustained in the companies and industries that support heavy constructors.

For example, 2008 Federal Highway Administration estimates show that for every \$1 million highway expenditure, nearly 10 jobs and \$350,000 in direct construction-oriented income were generated. Another four jobs and \$175,000 in employment income were produced in supporting industries. The resulting economic activity produced 14 more jobs and "induced" employment income of more than \$492,000.

At the end of the day, it means more good paychecks in the hands of more of our neighbors — right here, right now.

Paving the Way to Recovery

The Kansas City bi-state area is home to one of the nation's most diverse economies. The region has fared comparatively well in the

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MAKING IT BETTER

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Heads Up, America: Recovery Is All About Paychecks!

By Edward R. DeSoignie

As Vice President Joe Biden's three-block-long entourage of media and security approached the U.S. 69 interchange at 103rd Street, news photographers focused their cameras on the men and women in hardhats and yellow vests, preparing to start work on a "shovel-ready" infrastructure project.

It's not that the media at the June event didn't care about the V.P.'s visit or weren't interested in what he would have to say about the Obama Administration's economic recovery plan. Rather, those reporters and camera people knew that what all the stimulus talk really boiled down to was jobs and paychecks for workers and their families.

At a time when unemployment in some sectors of construction is pushing 20 percent, there's a powerful story in thousands of people being put to work on overdue road improvements that will not only earn them good wages, but also make things better for their neighbors for years to come.

Let's face it, when you say "heavy constructors" to lawmakers, to the media, or to your next-door neighbor for that

matter, the first thing they think is "big contractors." They don't picture a signal-flagger or cement mason taking his or her family to the grocery store, or to a dealership to buy a new minivan.

But now, with America keenly aware of the need for good jobs, more people – including local councils, state legislatures and Congress – are starting to get it.

They are beginning to understand why it is so important that we aggressively maintain and upgrade our infrastructure year in and year out, and what a positive impact that can have on people's safety and America's quality of life.

This is a story that needs to be told. Which is why, in our 2009 marketing and public relations campaign, we have zoomed in on the men and women who move the dirt, build the bridges and pave the roads.

You may already have heard them in

our radio commercials or seen them on billboards with a simple, but resonant message: "Our neighbors, our taxes at work. Heavy Constructors ... making it better."

These hard-working folks speak for all of us. And, you know what? Kansas City and America are listening! ■



Edward DeSoignie
HCA Executive
Director



Remember Why You're a Member

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new infrastructure projects forward. Fact is, our associations pound away every day to help ensure that there is always more work in the pipeline.

While as individuals we have been out scrambling to start, finish or find jobs, our associations have been clogging the halls of congress, our state legislatures and local city halls to insure that a lion's share of stimulus dollars flow into much-needed and justifiable infrastructure projects. Already, the American Recovery and Reinvestment Act has allowed funding for more than 5,000 transportation projects and is set to fund more than \$152 billion in infrastructure work. Thanks to the efforts of our associations and the supporters they have

earned, more federal dollars are being channeled into hardhat construction and less into tax cuts.

The HCA's dogged efforts in our own backyard have paid off well: Because of strong input, stimulus money funneled through our MoDOT district is going to dozens of good, solid projects in and around KC, including \$27 million to improve the intersection of I-70 and 435, \$80 million for new bridges on I-70 and the Troost Bridge over Brush Creek, and millions more for projects in Independence, Liberty, Lee's Summit, Lone Jack and Grandview.

It is in times like these that our elected officials and the public begin to truly understand that more jobs are created, and the local economy is truly and

positively stimulated, when cities and states repair their roads and other vital infrastructure.

While our association advocates in D.C. push for a second stimulus bill and authorization of a longer-term highway and public transportation bill, you can be sure your HCA will be dogging the legislatures in Kansas and Missouri to extend workable transportation spending plans – and looking over the shoulder of cash-strapped cities like Kansas City to make sure that money earmarked for infrastructure improvements gets spent as promised.

The bottom line is, we as contractors and suppliers have always survived and thrived because we bust out of the locker room as a team. And working together in association, we always win! ■

VP Biden Sees Jobs in 69 Highway Improvements

Stimulus Projects Provide 'A Ray of Hope'

Vice President Joe Biden touted the benefits of stimulus money well spent and praised the work and reputation of Kansas City's heavy constructors as he led this summer's groundbreaking of the \$82.3 million contract to widen U.S. 69 in Overland Park.

The vice president told a cadre of reporters that the much-needed improvements to the busy Johnson County corridor were exactly what the Recovery and Reinvestment Act was designed to do: help rebuild America's infrastructure and create jobs.

"The impact of this goes well beyond the shovels we're putting in the ground today," Biden said. "There are companies that make the asphalt you're going to be pouring. They will be employing more people. There are people who build the machinery you're using, and repair it. They will be continuing to employ people."

HCA member Clarkson Construction Co., the contractor on the project, has estimated that the work will enable it to employ up to 300 people a week for more than two and a half years.

"And if Bill's (Bill Clarkson Jr.) crew is getting their morning coffee at Mimi's Café or eating lunch at the Paradise Diner, it means more people at work in that café. These are real jobs, real live spin-offs," Biden said.

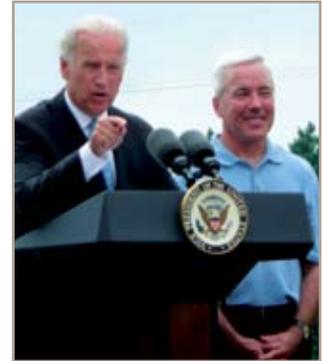
Sharing the podium with Biden were Kansas Governor Mark Parkinson; U.S. Transportation Secretary Ray LaHood; U.S. Health and Human Services Secretary (and former Kansas Governor) Kathleen Sebelius; and Bill Clarkson Jr., vice president of Clarkson Construction Co. and Superior Bowen Asphalt Co.

In his remarks, Clarkson said the U.S. 69 project had given a "ray of hope" to heavy construction workers in the area.

"This stimulus project, just for our company, will employ up to 300 people a week for over two and a half years or over three years," Clarkson said. In fact, KDOT has estimated the U.S. 69

project will create and sustain more than 2,400 jobs, including all spin-off employment, over the life of the project.

Clarkson added that the project will make U.S. 69 in Overland Park a much safer, less congested road. "That's the bottom line here — lives saved." ■



Vice President Joe Biden addresses the crowd with Bill Clarkson, Jr., driving home the point of rebuilding America's vital infrastructure.

Proud Moments Abound at HCA Safety Awards

We at the Heavy Constructors Association take special pride in the efforts of our members to create a safe working environment. On May 8, the annual Heavy Constructors Association Safety Awards were presented to the following companies in recognition of their efforts to build and maintain a safe working environment for their employees.

The following awards were presented at a reception following the 10th Annual Don Clarkson Classic golf tournament:

- Class A (More than 300,000 work hours): **APAC-Kansas City Division**
- Class B (200,000 to 299,999 work hours): **Ideker, Inc.**
- Class C (100,000 to 199,999 work hours): **O'Donnell and Sons Construction Co.**
- Class D (50,000-99,999 work hours): **LEXECO**
- Class E (10,000 to 49,999 work hours): **Wiedenmann & Godfrey Construction, Inc.**

Congratulations also to Jim Kidwell Construction for having zero incidents in 2008 in the Class C category.

In addition to the HCA Safety Awards, a number of our members have also been recognized by the AGC with Certificates of Commendations for Excellent Safety Records:

- **APAC-Kansas Reno Division** (zero incidence rate in the 50,000-work-hours-and-over Heavy/Industrial Division)
- **Clarkson Construction Co.** (incident rate 25 percent below the division incidence rate in the Highway Division)
- **LEXECO** (zero incident rate in the 50,000-work-hours-and-over Highway Division)
- **O'Donnell and Sons Construction** (zero incident rate in the 50,000-work-hours-and-over Highway Division)
- **Wiedenmann & Godfrey Construction** (zero incident rate in the 10,000-to-50,000-work-hours Highway Division)

Congratulations to all of this year's recipients!



Bill Ernst, Aggregate Manager, APAC-Kansas Inc.



Russ Stark, Vice President, LEXECO



Pat O'Donnell and Sons Construction.

The Faces of Economic Recovery- Awareness Campaign Shows Infrastructure Impact at Work

For now at least, things in the industry are looking up – and in more ways than one. Heavy construction is getting a welcome boost from the American Recovery and Reinvestment Act, which has earmarked \$27.5 billion in funds for states to provide critical repairs to our nation’s crumbling roads and bridges. That includes hundreds of millions of dollars for Missouri and Kansas.



And drivers throughout the metro are looking up to see the faces of actual heavy constructors on a dozen billboards along area highways. The Heavy Constructors Association’s 2009 public awareness campaign showcases the hardworking employees in hardhats and vests who are out there in the heat building our highways, streets, bridges, sewers and water systems. Under the words “Our neighbors, our taxes at work” and “Heavy Constructors ... making it better” are laborers, operators, mechanics, safety flaggers and crew supervisors.

The awareness campaign, backed up by drive-time radio commercials that include verbal testimonials from heavy constructors who are proud to be working in a down economy, is designed to reinforce the need for, and benefits of, public investment in infrastructure.

In fact, money from the federal stimulus program this year will have a truly positive impact in the Kansas City area. The HCA estimates that about 3,600 workers will put in more than 6.5 million hours and earn more than \$264 million on area heavy construction projects this year, up 15 percent from 2008. And those numbers don’t include several thousand office support personnel, material and construction equipment suppliers and their employees.

“We are proud of our people and excited to help tell their stories,” said HCA Executive Director Edward DeSoignie. “The real impact of infrastructure investment is on the lives and careers of the dedicated individuals who make this key sector of our economy run.” ■

KcHeavyConstruction.org

New HCA Web Site Is on the Job

In a world that expects information at its fingertips, good Web sites work overtime.

The new Heavy Constructors Association Web site has been rebuilt from the ground up to provide useful information and an industry perspective to its members, the public and media 24 hours a day.

In addition to a new look and a host of user-friendly features like regularly updated news and policy links, the site now has additional “doors” to provide broader access. While typing “heavyconstructors.org” will always get you to our site, now the public and media are also able to find us at kcheavyconstruction.org (the word “constructors” often throws people off) and at constructingthefuture.org (which has been discontinued as a stand-alone Web site).

The new site’s Members Only section offers special news and action alerts, event sign-up forms and even membership renewal options with a credit card payment feature. The Public home page links people with local and national construction news updates, career information and training programs.

A limited number of advertising opportunities are available on the new site. E-mail info@heavyconstructors.org for rates and schedules. ■



As Infrastructure Improves, So Does Local Economy

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current recession because the local economy isn’t overly dependent on any one industry. But it does depend on safe, efficient transportation.

“The crumbling infrastructure of our transportation network and other critical lifelines requires major surgery to be able to serve our current and future needs.”

Kansas City has more miles of freeway per capita than any U.S. metro area with more than 1 million residents. The crumbling infrastructure of our transportation network and other critical lifelines requires major surgery to be able to serve our current and future needs. For example:

- 35 percent of Missouri bridges and 23 percent of Kansas bridges are structurally deficient or functionally obsolete.
- Congestion in metropolitan Kansas City costs commuters \$503 per person annually in excess fuel and lost time.
- The average annual cost of inadequate roadways is \$1,129 per driver in the Kansas City area.

Remember: Investing in infrastructure provides good jobs today and lays the groundwork for Kansas City’s economic future. The cities and communities with the best and safest infrastructure are the ones in position to prosper most when the economy rebounds – that’s a bridge to somewhere we all want to be. ■

ARRA Funding Stimulates But Doesn't Solve

Welcomed Dollars Only Scratch the Surface in Addressing Needs

The Kansas City bi-state region became one of the first areas in the country to allocate funding from the American Recovery and Reinvestment Act (ARRA).

The approximately \$51 million in funding for 39 priority projects is providing a much-needed and most-welcomed boost to local transportation infrastructure work. However, one only has to look at the sheer number of projects submitted for consideration – as well as those that couldn't be put together in time for submission – to understand the magnitude of the region's needs.

First, the Good News

In March, the Mid-America Regional Council's (MARC) board of directors, in its role as governing body of the Greater Kansas City metropolitan planning organization, voted to accept recommendations received from its regional transportation committees.

The resulting 39 projects were selected from a total of 365 that had been recommended for potential funding. Missouri's 23 projects total \$27 million; Kansas has \$24 million for 16 projects. Some of the more notable projects include:

- \$8 million for the Troost Bridge replacement and Volker intersection improvements in Kansas City, Mo.
- \$3.3 million for Little Blue Parkway/R.D. Mize Road in Independence
- \$2.5 million for the Route 9 and Briarcliff interchange in Kansas City North
- \$5 million for State Avenue improvements in Kansas City, Kan.
- \$3.5 million for 127th Street, Mur-Len to Blackbob in Olathe

- \$2.8 million for College Boulevard resurfacing, Benson to Nall, in Overland Park

Hurried Pace, Heavy Pressure

In December 2008, in anticipation of soon-to-be-available stimulus money, MARC issued a call for surface transportation infrastructure projects from local jurisdictions. By February, the database was populated with roughly 1,200 shovel-ready projects totaling more than \$6 billion!

MARC committees compressed six months of proposal evaluation work into six weeks before presenting a narrowed list of 49 project recommendations to the MARC board.

"We needed the ability to communicate to the federal government the true extent of the area's needs," said MARC Transportation Director Mell Henderson. "And remember, these were only the projects that could be started in the next three to six months."

No one expected as much as \$6 billion from ARRA, but few thought funding would amount to just \$51 million. Many projects that scored high on ARRA criteria were bypassed, and even some approved projects had funding come in at less than requested levels, Henderson said.

"There was huge pressure on every jurisdiction to come back with a piece of what turned out to be not a lot of money," he said. "Many of the projects that did receive funding do support the preservation of



the existing road network, which is a high policy priority of MARC and the public. However, they're not necessarily strategic."

Net Gain or Future Pain?

By the time it was passed and signed, ARRA contained only \$27.5 billion for roadway structures and \$1.5 billion for multi-modal federal discretionary grants.

"I think a lot of people in the transportation community heard the word 'infrastructure' tied to all these billions of dollars and were led to believe there would be a massive infusion of transportation dollars," he said. "In reality, it turned out to be less than one year's worth of normal highway funding."

Which, Henderson said, underscores the need for a viable successor to SAFETEA-LU.

"I think there is some concern in the community that Congress believes it bought time for itself, that ARRA might delay a multi-year transportation bill," he said. "Our needs are pretty dramatic, but in the absence of such a bill, it's difficult to plan ways to address them in any meaningful way." ■

Charlie Wilson's Banquet

Former Texas Congressman Keynotes Annual Event

The more than 350 people who attended the Feb. 18 HCA annual banquet at the Downtown Marriott were treated to an exciting history lesson. Former Texas Congressman Charlie Wilson, the subject of the movie "Charlie Wilson's War," recounted the role he played in helping to drive Soviet military forces from Afghanistan. Mr. Wilson took questions from the audience and was interviewed by KMBC's Michael Mahoney.

HCA President Greg Kaaz (left) and former U.S. Representative Charlie Wilson.





Want more information on
Constructing the Future?

Check out our Web site,
www.KcHeavyConstruction.org,
for the latest information on
the campaign.

This newsletter is brought to you by
the Heavy Constructors Association.
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ARTBA American Road &
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Association

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SAFETEA-LU vs. STAA: The Jury is Still Out

At press time for this issue of *Constructor*, Congress was in the middle of its August recess. Consumed with health care reform, there seemed little hope for progress on another vitally important issue: the Surface Transportation Authorization Act (STAA) of 2009.

Results of the session so far were a mixed bag. The Senate Environment and Public Works Committee voted 18-1 in July to extend the current federal highway funding law, SAFETEA-LU, by 18 months beyond its Sept. 30 expiration date. Such an extension would serve to delay passage of the STAA, a new, six-year highway bill.

The extension had been proposed a month earlier by the Obama administration. Support for the administration's position is not unanimous on Capitol Hill, however. Within days of the committee vote, U.S. Rep. James Oberstar (D-Minn.) joined U.S. Sen. George Voinovich (R-Ohio) and House Subcommittee on Highways Chairman Peter DeFazio (D-Ore.) in a display of bipartisan support for the new STAA bill, which would provide more than \$300 billion in new funds for highway investments.

The problem with short-term extensions is they give neither local governments nor contractors a sufficient timeframe to

plan budgets, hiring or heavy equipment purchases. Congress faces challenges of its own, however, due to the impact of the recession on revenues; tax collections now are not sufficient to even continue the SAFETEA-LU level of investments, never mind an increase. That means even the status quo will require Congress to find new revenues, such as an increased fuel tax, for the highway trust fund.

Local legislators say they are supportive of highway infrastructure investments, but doubtful that Congress can get the job done in the short term.

U.S. Senator Pat Roberts (R-Kan.) would prefer a long-term bill such as STAA.

"The last thing Kansas counties, cities and towns need is confusion about whether or not the federal government will keep its word on highway funding," Roberts said. "Last time around Congress passed short-term extension after short-term extension,

inhibiting local governments' ability to make decisions. Until we on the Finance Committee can address the funding situation, an extension is likely all that is able to pass the Senate."



U.S. Rep. Dennis Moore (D-Kan.) said he also favors a long-term bill but said a short-term measure is needed for now.

"I look forward to an agreement on a full, six-year transportation bill, but I also recognize the importance of our short-term transportation needs. Meeting these needs keeps Americans in the contracting industry employed and maintains the security and safety of our public transportation," Moore said.

"Meeting our long-term goals – investing in the next generation of high-speed passenger rail, improving and repairing our nation's aging highway system and modernizing our air traffic control system – are also of import. I will continue to advocate for a six-year authorization." ■