Southeastern Arizona Contractors Association

Construction News & Views

www.saca-az.org March-April 2019

A Message from your President

Tait Wilcox

Hello everyone, I'm not sure what happened to January and February, but time is certainly passing quickly! Spring is right around the corner, and members of our community will soon be thinking about those home projects such as renovations, landscaping, and even new home and car purchases. SACA encourages you to support our SACA members by giving them the opportunity to be involved in your projects. Our Board Members make it a point to promote SACA with companies they partner with, Mike Rutherford has been one of SACA's greatest advocates by inviting his vendors to join SACA.

SACA is committed this year to increase our membership, if you are, or are planning to use a business that is not a member, I ask you to invite them to join SACA. If you don't feel comfortable doing that, give Cathy a call at the SACA office and she will be happy to contact them.

SACA Membership has great benefits, we are a respected voice in the community. (*...continued on page 7.)*

Construction Labor Shortage Creates Increasingly Lucrative Career Paths.

Jim Morrison, Forbes

The construction labor shortage is expected to amplify in the coming years, resulting in more, better opportunities for young people interested in the trades. College isn't for everyone and there are strong reasons to support students who decide to opt out of the college track and get jobs in the trades.

Jobs

A 2017 study form the Georgetown University Center on Education and the Workforce found between 1991-2015: "Good jobs in nonmanufacturing blue-collar industries, such as construction and transportation, increased in 38 states. North Dakota, South Dakota, and Utah experienced the most robust job growth in non-manufacturing blue collar industries, as well as in the total number of blue -collar jobs."

The growth has been uneven, though. The study says 12 states, particularly in the Northeast lost those kinds of good jobs. California, Texas and Florida have had the largest gains.

Earnings

The study says there are 3,477,000 people have good-paying construction jobs in the U.S. and earn a median salary of 59k

Bob Ernst, president of FBN Construction , a high-end construction firm in Boston, said the labor shortage has forced him to increase salaries to retain good talent. "We've had to increase salaries significantly in the last five years, " Ernst said. "We generally do what we have to do to keep them. Some of our skilled carpenters are making 80k to 110k a year."

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2019 SACA Board of Directors

Tait Wilcox, President
Castle & Cooke

Robbie Cain, Vice-President
Southwest Desert Images

Ben Carter, Secretary
KE&G

Mike Rutherford, Treasurer
Rutherford Diversified Industries

Bill Goethe, Director
Properties Plus

Shauna Valdez, Director
Pioneer Title

Dave Thompson, Director

Virtual Plan Room

(for SACA members only)

Visit www.saca-az.org
for more information or
call (520)458-0488

SACA Calendar of Events

March 20, 2019 General Membership Meeting

US Congresswoman, Ann Kirkpatrick

Serving Arizona's 2nd Congressional District

April 20, 2019 General Membership Meeting

Chuck Potucek, Sierra Vista City Managr

$18 SACA GMM Buffet Lunch

Membership Meetings are held 11:30 A.M. to 1 P.M. at Pueblo del Sol Country Club.

A buffet-style lunch. Try your luck with our 50/50 raffle.

Please, **RSVP** by registering for this event online at:

www.saca-az.org or by calling 520.458.0488

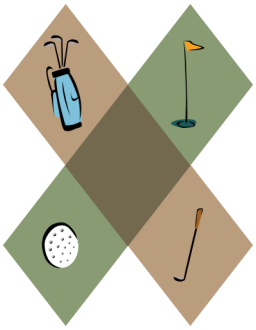
Payment is not required to register. Credit card payments are available through the SACA website. Cash, check or credit card accepted on day of event.

Government Meetings

Cochise County Board of Supervisors	Every Tues, 10am	County Buildings, Bisbee
Sierra Vista City Council	2nd & 4th Th, 5pm	City Hall, 2nd Floor
Benson City Council	2nd & 4th Mon, 7pm	City Hall
Bisbee City Council	1st & 3rd Tues, 7 pm	City Hall
Willcox City Council	1st & 3rd Mon, 7pm	City Hall

SACA hosted Mr. McCutcheon's construction class from Bisbee High at our January General Membership Meeting. Teacher McCutcheon wanted to introduce his class to the business and networking side of construction. Larry Portouw, Huachuca 50 shared his knowledge of the impact of Ft Huachuca on Sierra Vista.

2018 SACA Charity Golf Sponsors



Cochise: Rutherford Diversified Industries;

Geronimo: KE&G, SSVEC, Star Pipe

Chief: Pioneer Title Agency, Su Casa Builders, Artistic Roofing, Nova Home Loans, Holbrook Asphalt, Guild Mortgage

Hole Prize: Guild Mortgage, American Flow Control, Carrie Prosser @ Tierra Antigua, M&R Auto Salvage

Tee/Green: Creative Pools and Spas, Rutherford Diversified Industries, Sierra Vista Builders Supply, Sierra Vista Electric, Southwest Desert Images, Southwest Gas Corp., , M&M Powder Coating, Sky Hawk Cleaning, Vista Haircutters, Farmers Insurance, Ginger Hernandez, Ninya & Moore, CEMEX, Dana Kepner

Annual Dinner 2018: SACA thanks the businesses who donated raffle items:

SSVEC, Mr Fix It, Southwest Desert Images, Rutherford Diversified Industries, Southwest Gas, Artistic Roofing, SV Builder's Supply, Cochise College Welding Dept., City Electric, Sky Hawk Cleaning, KE&G, Mr. Fix It,

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Worse, Bob said the workforce skews heavily toward middle-aged people and there aren't enough young people getting into the trades to eventually replace them. As the shortage intensifies, it will push salaries even higher. “We have management level positions made up of people who came from the trades and learned how to run projects,” Ernst said. “There is a career path. One of the reasons I grew FBN is to recreate a vertical ladder for my employees to climb”.

Construction managers earn $101K on average, according to the Bureau of Labor and Statistics (BLS)

Shawn McCadden earned a bachelors degree before becoming a residential contractor. Later he sold the business and became a consultant, teaching contractors all over the U.S. how to remodel their business. He said he recommends pursuing a career in the trades, but cautions young people to be selective about which companies they chose to work for. “There are companies that don’t use the proper safety equipment, don’t have workman's compensation policies and treat people like they’re disposable,” McCadden said. “A lot of companies use workers and don’t invest in advancing the skill of their employees. Find a company that will commit to advancing your career and show you the path to get there.”

COST

A bachelors degree now costs more than 100k on average, sometimes much more. In 2016, 42% of graduates borrowed money to pay for college, according to the Federal Reserve. On average those students graduated owing between $20k and $25k. Many grads are still paying these loans off well into their 30s.

A student who enters the trades right our of high school will have no student debt and four years work experience when their college-bound classmates are ready to enter the workforce. With a little ambition and a little luck, they could have enough experience to move into the management side of the business before the physical work takes its toll on their body.

Plus, an active job like working in the trades can help keep you fit, saving you the time and expense of going to the gym. Building and repairing homes is also much more mentally engaging than many people think.

Of course, the trades are also a good fit for many recent college grads who decide not to work in their field of study too.

FUTURE

Remodeling spending is at an all time high and expected to continue to climb through 2019. The construction labor shortage is expected to amplify in the coming years, resulting in even more, better opportunities for young people interested in the trades. Young people who work to develop their skills and become more than a nail-banger, can take advantage of the opportunity.

“If you think its bad now,” McCadden said. “Five to ten years from now it will be awful It might soon be more lucrative to be a plumber than a doctor. Professional craftsmen are going to be few and far between. Demand has outstripped supply and its getting worse.”

Empire State Building Part 2, Financing & Operations

Prior to October 1929 John J. Raskob, a member of Empire State Inc. secured funding for construction of the building. On October 24, 1929 the New York Stock Exchange crashed. Some of the other investors were affected, so in December 1929 he obtained a loan for $27.5 million so construction could begin. The crash resulted in no demand for new office space but they started construction anyway since canceling the project would have resulted in greater losses for the investors. The 102-story building opened on May 1, 1931, fourteen months after construction started. It cost $40,948,900, well under the $60 million budget.

The opening was in the depths of the Great Depression with only 23% of the space rented, leading it to be derided as the "Empty State Building." By 1935 it was losing $1 million per year. The building's lights were continuously left on, even in unrented spaces, to give the impression of occupancy. The building became a popular tourist attraction with tourists paying significantly more to visit the observation decks than tenants paid for office space. In fact, the owners failed to make a profit until the early 1950s.

In 2008 the building was temporarily "stolen" by the *New York Daily News* to show how easy it was to transfer the deed on a property. The paperwork submitted to the city included the names of Fay Wray, the heroine of *King Kong*, and Willie Sutton, a notorious New York bank robber. The newspaper then transferred the deed back to the legitimate owners.

In 1961 an investment group bought the building for $65 million. In a separate transaction the land underneath the building was sold to Prudential Insurance for $29 million. In 1991 the land was purchased by hotelier Hideki Yokoi who was imprisoned at the time in connection with a deadly fire at a hotel in Tokyo. In 1994 the land was bought jointly by Yokoi and Donald Trump. Then Trump tried to take ownership of the building itself which led to a series of lawsuits and countersuits that lasted several years.

On July 28, 1945 a B-25 Mitchell bomber flying in thick fog crashed into the building between the 79th and 80th floors. One engine completely penetrated the building, landing on the roof of a nearby building. The other engine and part of the landing gear plummeted down an elevator shaft, causing a fire. Fourteen people were killed, but elevator operator Betty Lou Oliver survived a plunge of 75 stories inside an elevator, which is still a Guinness World Record. Despite the damage and fatalities, the building was open for business on many floors two days later.

The building also became a popular location for suicide jumps, with most attempts being successful.

From April 1931 to December 1970 the Empire State Building was the tallest building in New York. After 9/11 it was again the tallest building in New York City until One World Trade Center reached a greater height in April 2012. The building became a National Historic Landmark in 1980 and was added to the National Register of Historic Places in 1981 due to its architectural significance.

Dave Thompson worked in the shadow of the Empire State Building while going to college at night. Two decades later he helped build two high rises in Dallas. He later taught estimating and investing classes in Denver. He can be reached at David.Thompson1415@gmail.com.

Southeastern Arizona Contractors Association

2019-2020 Cochise College Scholarship

We are now accepting applications for those seeking a certificate or a 2-year degree within the construction industry.

Please visit SACA-AZ.ORG or call (520) 458-0488.

Cochise College Center for Economic Research

In the 4th Quarter 2018 (Oct-Dec) home sales in Cochise County were up 4.4% from the 4th Quarter 2017. For the year, home sales countywide were up 6.8% in 2018. The median home price countywide was $152,500 in 2018, up 13% from 2017. Foreclosures accounted for 11.5% of countywide home sales last year (down from 14.2% in 2017). For complete MLS Home Sales data, including breakout by area of the county (SW, SE, NW, NE) visit the CER website, Data & Statistics page (https://cochiseeconomy.com/data-and-statistics).

In November, Cochise County retail sales were up 7.5% compared to November 2017 (after adjusting for inflation). For the first 11 months of 2018, countywide retail sales were up 2.7%. Restaurant & bar sales were up 4.7% in November and 1.1% for the first 11 months, while lodging was down 14.7% in the November comparisons and down 5.5% for January thru November. For complete Major Industry Sales numbers, check out the data and statistics page of the CER website: www.CochiseEconomy.com/data-and-statistics

PLEASE JOIN US

SACA has invited Attorney Paul Melo to host a Trust Seminar on March 27,2019 at 9:30am and 6:00pm (location TBD)

Learn how to avoid probate using a Revocable Trust as part of your Estate Planning. Go to saca-az.org or call SACA at

520-458-0488 to register

Registrar of Contractors

(Phoenix) 877.692.9762

www.roc.az.gov

Registrar of Contractors

400 W. Congress # 212

Tucson, AZ 85701

520.628.6345

SACA's General Membership Meetings

are held on the 3rd Wednesday of each month

Construction News & Views

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Southeastern Arizona Contractors Association

Attention SACA Members!

This is YOUR newsletter!

If you have news or a story that you would like to share about your business, please contact the SACA office.

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Sierra Vista, AZ 85635

Email/Website:

office@saca-az.org

www.saca-az.org

520.458.0488

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SACA is a contributor to many local charities, including our Cochise College Scholarship. This scholarship is designated to the construction department. If you know of anyone that is interested in a career in construction, please have them contact SACA for an application.

I expect SACA to grow in the coming years as Sierra Vista is rebounding. With that being said, we are hoping to once again host the SACA Home Show. And as the Association Health Insurance rolls out, I plan to present a plan that will benefit our members in the near future.

Thank you for supporting SACA!

Tait

SAVE THE DATE

October 18th, 2019

15th Annual Charity Golf Classic

Southeastern Arizona Contractors Membership List

Antelope Run Electric, Inc.
(520) 803-0922

Artistic Roofing Systems LLC
(520) 458-6781
www.roofingcompanysierravista.com

Berg's Heating & Air Conditioning
(520) 378-9333
www.bergshvac.com

Castle & Cooke of Arizona, Inc.
(520) 378-9344
www.catlecookearizona.com

Cemex Materials South, LLC
(520) 236-2573
www.cemexusa.com

City of Sierra Vista
(520) 458-5775
www.sierravistaaz.gov

Cochise College
(520) 515-4509 / 800-966-7943
www.cochise.edu

Cochise County
(520) 432-9440
www.cochise.az.gov

Creative Pools and Spas
(520) 508-6051
www.creativepoolsaz.com

Crest Insurance Group
(520) 458-1655
www.crestins.com

Dana Kepner Company
(520) 624-7180
www.DanaKepner.com

El Dorado Benson, LLC
(602) 955-2424
www.eldoradoholdings.net

Empire Homes, Inc.
(520) 455-5506
www.empirehomes-az.com

GEN-TECH
(602) 510-0639
www.gentechusa.com

Gilbert Technical Services
(520) 458-5730
www.gilberttechnicalservices.com

Grasshopper Landscaping
(520) 456-8945
www.grasshopper-landscaping.com

Greater SV Chamber Of Commerce
(520) 458-6940
www.sierravistachamber.org

Guild Mortgage Company
(520) 227-5484
www.guildmortgage.com

Harvey Plumbing Inc.
(520) 378-3154
www.harveyplumbing.com

Hudbay Rosemont Project
(520) 495-3504 / (520)878-6858
www.hudbayminerals.com

Isaacson Homes, LLC
(520) 559-0288
www.iqconstruction.biz

KE&G Construction, Inc.
(520) 458-9594
www.kegtus.com

Mountain View AC & Heating LLC
(520) 803-8884
www.mountainviewac.com

Mr. Fix It of Sierra Vista, LLC
(520) 227-8194
www.mrfixitsv.com

Mr. Shed
(520) 255-1073
www.mrshed.net

MW Morrissey Construction
(520) 589-2723
www.mwmorrissey.com

Perrill Construction
(520) 378-9467
www.perrillconstruction.com

Pioneer Title Agency
(520) 459-4592
www.pioneertitleagency.com

R.L. Workman Homes
(520) 458-0771
www.rlworkmanhomes.com

Rutherford Diversified Industries
(520) 458-8761
www.rutherforddiversified.com

Sierra Remodeling
(520) 459-3164
www.sierraremodeling.com

San Pedro Plumbing
(520) 378-4696

Sierra Vista Builders Supply
(520) 459-3263
facebook.com/
SierraVistaBuildersSupply/

Sierra Vista Electric, Inc.
(520) 458-7196
www.sierravistaelectric.com

Sierra Vista Herald
(520) 458-9440
www.svherald.com

Sierra Vista Tile, Inc.
(520) 378-0841
www.sierravistatile.com

Southern AZ Home Builders Assoc.
(520) 795-5114
www.sahba.org

Southwest Desert Images
(520) 803-0063
www.southwestdesert.com

Southwest Gas Corp
(520) 452-4103
www.swgas.com

Southwest Home and Hearth
(520) 378-3008
www.southwesthomeandhearth.com

Stan Greer Millworks
(520) 378-9311
www.stangreer.com

Stan's Fence Company, Inc.
(520) 456-2650
www.stansfenceaz.com

Stickler-Webb Insurance
(520) 236-4848
www.sticklerwebb.com

Sulphur Springs Valley Electric
(520) 515-3470
www.ssvec.org

Sun Drywall & Stucco Inc.
(520) 378-2384

Truly Nolen Pest Control
(520) 458-5095
www.trulynolen.com

Weatherguard Metal Construction
(520) 378-3221 / (800)678-3853
www.wgmetal.com

Members of SACA have invested their resources to support the local construction industry. Please honor them by giving them priority when choosing business partners.