

# CCIA HIGHLIGHTS *of the week*

A weekly information bulletin for members of the Connecticut Construction Industries Association

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Connecticut Construction Industries Association

## ANNUAL MEETING & HOLIDAY RECEPTION

December 6, 2017 | 4:45 p.m. to 8:30 p.m.

The Aqua Turf Club, Kay's Pier North, Plantsville, CT

### 2017 PROGRAM SPONSORS



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**LESS THAN THREE WEEKS** after legislators approved a new state budget, a consensus report from Gov. Malloy's office and the legislature's Office of Fiscal Policy revealed that eroding revenues have opened deficits topping \$175 m. this fiscal year and approaching \$150 m. in 2018-2019, according to a [report](#) in *CT Mirror*. Even before this week's report, one of the chief criticisms of the new budget was that it sets up the winners of the next state election to face a deficit much worse than the one lawmakers just tackled. Analysts had said state finances, unless adjusted in the present budget, were on pace to run \$1.6 b. in deficit this fiscal year and \$1.9 b. in the red in 2018-19. Much of that gap is the result of surging retirement benefit costs and sluggish overall revenue growth.

**CONNECTICUT RESIDENTS** increasingly believe that overall business conditions in the state are worsening, and an increasing percentage, now nearly half, expect that conditions will be about the same six months from now, according to the results of the latest [InformCT Consumer Confidence Survey](#). More people believe that business conditions will continue to worsen than are of the view that they will improve. More than twice as many residents, 51 percent, do not believe the Connecticut economy is improving, compared with 24 percent that believe it is. That is a slightly less pessimistic view than the previous quarter, when the breakdown was 55 percent-21 percent.

**THE DEVELOPER OF THE \$105 m.** Outlets Shoppes at Rentschler Field says the project is suspended but "not dead yet" and that he is working to raise capital and reschedule commitments with retailers before a March ground lease with United Technologies expires. Horizon Group Properties CEO Gary Skoien told the [Hartford Business Journal](#) this week that he plans to reach out to the high-end fashion and shoe retailers and chain restaurants, among other future tenants, about extending the project timeline while he raises the funding needed after losing \$10 m. in financing from a lender from Los Angeles.

**COSTCO HAS DROPPED** its plans to open a big box store at the Gateway Commons site off I-95 in East Lyme, according to an [article](#) in *The Day*. A spokesperson for

**CCIA'S ANNUAL MEETING**, the premier year-end event, Wed., Dec. 6, 2017, begins at 4:45 pm at the Aqua Turf Club, Kay's Pier North. The program kicks-off at 5:00 pm and includes presentations of the CCIA Community Service Awards and Safety Recognition Awards. Promptly following will be the Holiday Reception featuring a fine variety of food stations and open bar. Registration and sponsorship information are available at this [link](#). Thank you to the 2017 Program Sponsors.

Sikon Development Corp. said Costco informed them that the retail company made the decision to pull out of the lease, but that the company did not provide a specific reason. He noted, though, that retail in general is in a "period of disruption." Early this year, Costco also announced that it would not build a 158,000-square foot store it had planned in Branford, the *Branford Eagle* [reported](#).

**ISO-NEW ENGLAND** recently released its [2017 Regional System Plan](#) which details needs of the region's power grid through 2026. According to the plan, demand for electricity is expected to decline over the next 10 years with total annual usage of electricity falling by 0.6 percent per year and the summer peak needs declining 0.1 percent annually by 2026 under normal weather conditions. Gordon van Welie, President and CEO of ISO-NE, said the region's energy system "is in the midst of a major evolution toward a cleaner, hybrid grid." It "will include renewable technologies such as wind and solar, and conservation measures such as energy-efficiency, as well as traditional resources, such as natural-gas-fired generation."

**THE SIERRA CLUB** of Connecticut, along with leading consumer, energy and environmental advocates, is demanding the State of Connecticut suspend and potentially redesign its planned Comprehensive Energy Strategy (CES), according to a [press release](#) carried on the Fairfield-Sun website. The CES is the roadmap for the state's energy market going forward. The CES calls for an increase in the use of natural gas for electricity generation while "severely limiting consumer energy choice and the deployment of distributed renewable energy like rooftop solar."

**CONNECTICUT WATER'S** Board of Directors recently approved an overall \$66 m. Capital Spending Plan for 2018 for its regulated public water and wastewater utilities, according to a [report](#) on the CNBC website. The 2018 Capital Spending Plan represents an increase of \$10.2 m., or 18 percent, compared to 2017's approved plan. The 2018 Plan includes capital spending for the two Connecticut

companies acquired in 2017 that were not included in the 2017 Plan.

**THE U.S. HOUSE YESTERDAY** passed its tax reform legislation, and the Senate is up next with its version of tax reform. AGC of America has created a [comparison](#) of key sections of each bill. The biggest tax-related concerns for the construction industry nationwide is how tax reform treats pass-through businesses and the lack of infrastructure financing. The bills each take a different approach at taxing pass-throughs and are granting a lot more tax relief to C corporations. The House bill also repeals private activity bonds and the Historic Tax Credit, which would devastate the market for the rehabilitation of historic buildings.

**DEMOCRATIC AND REPUBLICAN** lawmakers in Congress are fighting to save tax-exempt bonds in the Republican tax bill that are used to finance infrastructure projects around the country, *The Hill* [reports](#). In a bipartisan letter written earlier this year, more than 150 members of Congress urged House leadership to keep the deduction on tax-exempt municipal bonds, which are considered a critical tool for public-private partnerships and infrastructure rebuilding efforts. Leaders of the Congressional Municipal Finance Caucus are renewing those calls following the passage of the House Republican tax bill, which would no longer exempt interest on newly issued private activity bonds, saving \$38.9 b.

**MASSDOT OFFICIALS** said this week that it will cost \$1 b. to replace the Massachusetts Turnpike viaduct along I-90 which runs through Boston along the Charles River, [according](#) to MassLive. Although transportation officials said the elevated roadway did not pose a safety risk, reinforcing steel is visible on the columns supporting the viaduct and its barriers are crumbling. Maintenance on the structurally-deficient viaduct costs \$800,000 a year, with inspection crews checking the span every six months instead of the usual two years.

**CONNDOT BID RESULTS** for November 15, 2017: [Proposal No. 0084-0099-R1](#): Route 25 (Main St.) Replacement of Bridge No. 02219 & 02220 (Monroe): C.J. Fucci, Inc.: \$5,594,999.98; Waters Construction Co., Inc.: \$5,668,977.25; Dayton Construction Company, Inc.: \$6,099,415.25. [Proposal No. 0171-0427](#), Tank Replacement (Middletown, Windsor): SRS Petroleum Services Corp.: \$1,760,892.06; Old Colony Construction, LLC: \$1,839,360.00; CTR Industries, Inc.: \$2,033,204.75. [Proposal No. 0118-0169](#), Replacement of Bridge 03163 & 03164 Route 160 Over I-91 (Rocky Hill): MIG Corporation Inc.: \$11,436,781.05; Northern Construction Service LLC: \$11,764,501.00; Manafort Brothers, Inc.: \$12,373,077.92.

**TRANSPORTATION WAS THE** second-highest growth category for state spending among all states after Medicaid, according to an [article](#) in *Governing*. The more than 6 percent hike in spending is largely due to revenue-focused initiatives such as increased gas taxes and new or increased vehicle registration fees. John Hicks, Executive Director of

the National Association of State Budget Officials (NASBO), which released the report, noted that transportation spending growth in recent years has outpaced state's median spending growth. "That's intentional resource-driven activity," he said. "We expect to see it and we are."

**ARTBA CHIEF ECONOMIST** Dr. Alison Premo Black will provide her 2018 national transportation construction market forecast during a 75-minute [webinar](#) on Thurs., Nov. 30, 2017 at 12 noon ET. The association's top lobbyist, Senior Vice President of Government Relations Dave Bauer, will also discuss the timing and potential impacts of key transportation policy initiatives pending in Congress. Major topics to be covered include: National market forecast and state transportation funding trends; modal forecast: highway, bridge, airport runway, transit, freight, rail, and ports/waterway markets; and ongoing implementation of the 2015 FAST Act surface transportation law.

**THE CONNECTICUT DOL** has released the ["Employer Resource Guide,"](#) a document created to educate employers on the wide array of programs, services, and incentives available in the state.

**THE YOUNG CONTRACTORS** Forum Annual Membership Meeting & Holiday Get-Together will be held Thurs., Dec. 14, 2017 at City Steam Brewery Café, Hartford. Registration, toy drop and cocktail reception begin at 4:30 followed by a legislative briefing and then a small-plate dinner. [Register](#) online or return [\[printable pdf\]](#) via email to [Jean Barlage](#). The (new, unwrapped) [toy donation](#) will benefit the patients and siblings at the Connecticut Children's Medical Center.

**AGC/CT BUILD CT** Award [applications](#) are due Fri., Dec. 15, 2017. Awards will be presented for large (>\$30 m), mid-size (\$10 m -\$30 m), and small (<\$10 m) New Construction projects for CM/GC firms; large (>\$30 m), mid-size (\$10 m-\$30 m), and small (<\$10 m) Renovation Projects for CM/GC firms; and seven categories for Specialty Contractors.

**FLIERS INCLUDED IN HIGHLIGHTS**, 11/17/17: 1) [CCIA November Calendar](#); 2) [CCIA Annual Meeting & Holiday Reception](#), 12/7; 3) [2018 AGC/CT Build CT Award Application](#), Due 12/15.

**FROM THE INTERNET:** On November 17, 1968, NBC cut away from the final minutes of a New York Jets-Oakland Raiders game to begin a TV special, "Heidi," on schedule. The Raiders came from behind to beat the Jets, 43-32. Each of the suits on a deck of cards represents four major pillars of the economy in the middle ages: hearts represented the Church; spades represented the military, clubs represented agriculture, and diamonds represented the merchant class.