

AGC Maine



CONSTRUCTION INDUSTRY REPORT



A little history...



- Founded in 1918
- Creation of Interstate Highway System
- 96 Chapters
- Legislative, Regulatory, Workforce Development



Our Structure



- Board of Directors
- Elected Board Members
- Committee Chairs (Serve on Board)
 - Energy & Industrial
 - Building
 - Site Work
 - Government Relations
 - Transportation



Team AGC



- **Company Structure**

- CEO Matthew Marks
- CLO Scott Lever, Esq.
- Don Partridge, Workforce Development & Safety Director
- Tiffany Hinkley, Finance & Administrative Assistant
- Sandra Metrano, Member Services Coordinator

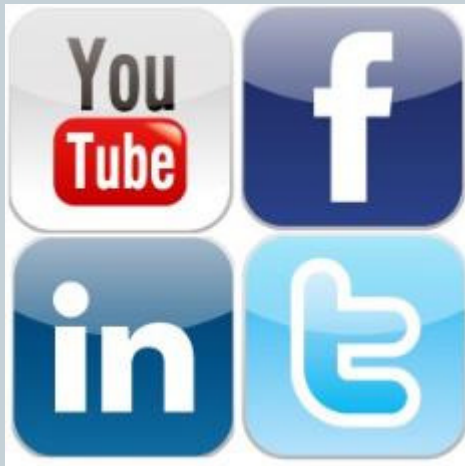
Where can you find us?



- In Person: 188 Whitten Road, Augusta



- Virtually



Communication

- Blueprint Magazine



- AGCTV



Networking



- Shop Talk @ 5 O'clock
- Coffee with Contractors
- Monthly Member Meetings
- Committee Meetings
- Lunch and Learns



By the Numbers



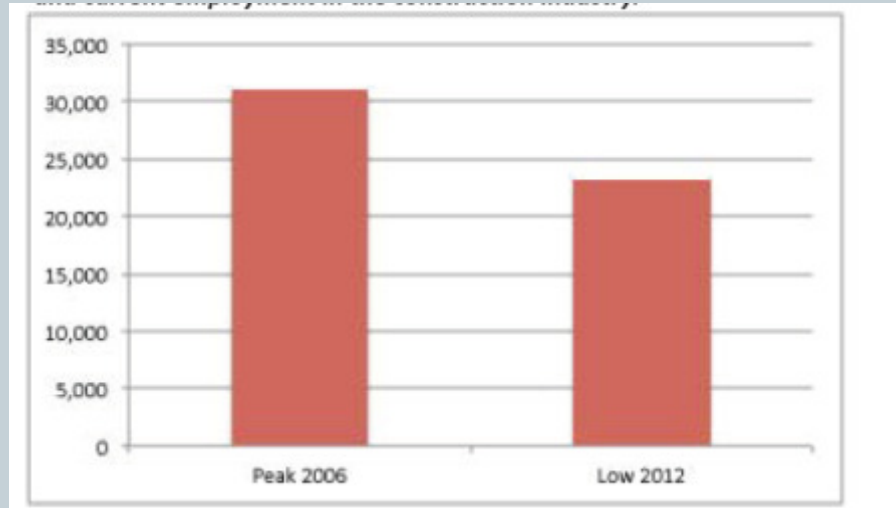
- Industry decline started in 2006 after peak construction provided over 32,000 jobs.
- In 2007-2012 industry struggled with employment facing 26% unemployment rate in the industry.



By the Numbers



- Over 8,000 workers left the industry and over six years the decline continued
- In 2013 national construction growth finally hit 3% adding 168,000 jobs, however providing little relief from the 1.9 million lost.



By the Numbers



- Maine added more jobs in 2013 with 17% unemployment and 26,400 jobs in the industry
- Keep in mind, Maine has 4,900 construction firms, 96% are small businesses (under >20 employees)

What saved us from collapse?



- Energy. First we had wind, then we had transmission, and now we have natural gas.
 - Wind
 - MPRP
 - Natural Gas



Current “Concerns”!



- Quantity of work opportunities: Traditional bid projects in Central and Southern Maine very competitive (and not very many of them!)
- Skilled workers are now harder to find ... and what about that aging workforce? The skills of the retiring construction trades person are leaving with them! In Maine, 45% of workers in the construction industry are 45 or older. The “knowledge gap” is growing.
- Business costs are rising: wages (?); employee benefits (ACA); business insurance; W/C insurance; HR requirement to better manage our work force; managing the pace of technology
- Rural Contractors are competing with large national firms for federal projects in rural areas of Maine,
- What is the next BIG thing? AGC Maine is ever vigilant in helping its members prepare

Public Policy – What Does AGC Do?



- **Public Investment**
 - Transportation
 - K-12 School Construction
 - Higher Ed
 - Housing

Housing



- Over 12,800 families are on the voucher waiting list
- Extremely low income housing deficits is 19,201 units
- Low income units 22,001 units
- 56% of renters are unable to buy a home at the state median home price of \$109, 900
- Federal Low Income Housing Tax Credit (LIHTC) at Risk



Moral Obligation Bonds



Moral Obligation Bonds

Transportation Challenges



- **MaineDOT is the only game in town!**
 - \$150 Million Funding Gap, Every Single Year
 - Over 350 Bridges Require Replacement or Upgrades
 - Road Construction vs. Maintenance Paving



K-12 School Construction



- Statewide Program
- AGC's Local Activity
- Local Construction
 - Delivery Methods
 - Total Package Price
 - Learning Curve Maine Construction Bid Depository



Higher Education



- Private Institutions
- Public System
 - UMaine System (7 Universities)
 - ✦ Estimated \$200 million infrastructure need
 - MCCS (7 Colleges)
 - ✦ Estimated \$140 million infrastructure need
 - ✦ 83% increase in students over ten years

Water & Sewer



- Water Main Breaks
- Federal Matching Program



Public / Private Investment



- Energy
- Affordable Housing
- Ports



- **Other Ways in which AGC helps private investment**
 - Advocate for business-friendly policy, including regulatory issues
 - Work with other business organizations to encourage and sell Maine to the rest of the world!

Greatest Challenges Facing the Construction Industry in Maine



- Regulatory threats
- Aging population and trained work force
- Infrastructure Investment – we've got to drive the conversation on what it means to adequately address the issue of funding infrastructure
- Managing the pace of technology for construction companies
- Bold thinking – legislators are hungry for real solutions, but aren't likely to invent them. They are not the experts, but we are! AGC will help with that!

AGC Maine Task List!



- Hospital Debt Plan (Cascade)
- Unissued Voter Approved Bonds
- November Bond Questions
- Moral Obligation Bonds
- Transportation Challenges
- Higher Education Challenges
- Energy Development Challenges
- PRIVATE INDUSTRY GROWTH



Working to Protect Jobs – A Successful Outcome!



- South Portland's Waterfront Protection Ordinance

