



CONSTRUCTOR

■ The Voice of the Kansas City Construction Industry

■ WINTER/SPRING 2014

Missouri Roads Face Funding Crisis

Sales Tax Initiative Best Possible Solution

As transportation advocates prepare for another year of cuts and delays to critically-needed road projects, there is still hope that the Show Me State will get its transportation act back on the road.

The best hope is that the 2014 Missouri General Assembly will enact legislation to place a ballot initiative to raise the state's sales tax by a penny to fund critical road and bridge safety improvements. If approved, the new penny tax would generate some \$650 million a year for state transportation projects and about \$72 million for repairs and safety improvements to city and county roads.

As it stands now, Missouri cannot take care of its 33,000 miles of highways without a new source of funding. The state's transportation budget has suffered mightily from the impact of the Great Recession, with construction funding falling from \$1.2 billion to less than \$700 million in recent years.

Local Projects Suffer, Too

Budgets and forecasts for transportation maintenance and safety improvements are so weak that the Missouri Highways & Transportation Commission has stopped

adding projects to its 5-year funding plan and recently suspended a cost-sharing program that matches private or public funds for highways and bridge projects that encourage economic development.

Should politics in the current session of the Missouri legislature kill any new funding proposals, a citizens advocacy group, Missourians for Safe Transportation and New Jobs, is prepared to launch a petition that would force the legislature to put the 1-cent sales tax solution to a public vote next November.

The advocacy group believes Missouri's voters should be able to decide whether to:

- Increase funding for state, county and municipal street, road, bridge, highway and public transportation initiatives by increasing the state sales/use tax by 1 percent.
- Prohibit increases in gasoline taxes.
- Prohibit toll roads or bridges.
- Exempt food and medicine from the sales tax and require it to be reapproved by voters every 10 years.

Drivers Deserve Better

The Missouri Chamber of Commerce, the Missouri Farm Bureau, the Heavy Constructors Association and many other advocates of safer and better roads strongly support the one-cent sales tax solution.

"We believe that a dedicated statewide sales tax represents the best plan out there to halt the decline of Missouri's transportation system and give Missourians a safe, convenient transportation network that will foster business growth and new jobs," said

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MAKING IT BETTER

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KANSAS: Tax Axe Cuts Into Business Growth

The prospects in Kansas for comprehensive infrastructure improvements that could spur economic development appear dismal.

The legislature convened Jan. 13 in Topeka, with Gov. Sam Brownback presenting a state budget that appears to be on somewhat shaky ground. The bottom line is: Between the tax-cut movement, diversion of highway funds and a large chunk of money heading to local schools, the future of Kansas infrastructure is followed by a big question mark.

Highway Funding Slim

This state of Kansas' economy was highlighted in November, when the Kansas Consensus Revenue Estimating Group released its latest forecast for the current and next fiscal years. According to revised projections, tax collections were \$29 million less than anticipated from July through October. The 2014 estimate is seven percent lower than the \$6.3 billion collected during fiscal year 2013 because of massive personal income tax cuts.

To add to the financial anxiety, the Kansas Supreme Court could force increases in school funding levels, potentially adding another \$400 million-plus to the budget. Talk is that it might trigger a constitutional showdown between the court and the legislature, with the legislature refusing to follow the court's ruling.

Businesses Suffer

The fact is, Kansas maintains more than 130,000 miles of local roads, 10,000 miles of state highways, and 20,500 bridges, all of which serve as vital links in the state's economic infrastructure. Yet some Kansas House GOP members maintain that transportation programs have failed to produce economic benefits.

Critics across the state, the Heavies included, argue that without a viable transportation network there is no economy and no development—period. A good example is a new proposal for a \$350 million residential and commercial development at U.S. 69 and College Boulevard in Overland Park that comes on the heels of major highway improvements in that vicinity. A huge development was proposed for that site nearly 30 years ago but never materialized.



Jobs Being Lost?

The positive impact of transportation investment on jobs is well documented. An economic analysis of infrastructure investment, prepared in March 2012 by the U.S. Department of the Treasury and the Council of Economic Advisors, made the following observations:

“Investing in transportation infrastructure creates middle-class jobs. Our analysis suggests that 61 percent of the jobs directly created by investing in infrastructure would be in the construction sector, 12 percent would be in the manufacturing sector, and 7 percent would in the retail and wholesale trade sectors, for a total of 80 percent in these three sectors. Nearly 90 percent of the jobs in these three sectors most affected by infrastructure spending are middle-class jobs, defined as those paying between the 25th and 75th percentile of the national distribution of wages.”

Economic Lifelines, Kansas' leading transportation coalition, recently huddled up to prepare a response to the charge that the state's transportation programs have not proven to be drivers of the state's economy.

That effort will include communities and groups throughout Kansas contacting their legislators and urging them to keep highway dollars in the program to deliver planned improvements and create jobs statewide. ■

A Little Good News

The news out of Kansas isn't all bad. Good projects are underway, such as the Gateway project to upgrade the intersection of I-35/I-435/K-10 in Johnson County. But what will happen at the tail end of these projects is a big question mark, because the current transportation program is not bringing in enough revenue to do all that's needed. As things stand now, the Gateway project is not going to get built in its entirety, and the same holds true for many other crucial transportation projects.

A Word From the President

Fed Funding in a Political Deep Freezer

By Trey Bowen, HCAGKC President

Like our Midwestern landscape, the political machine in Washington was frozen stiff when I came in as President of the Heavy Constructors Association on January 1. And as we move toward spring, we are still waiting for the partisan political climate to thaw, and a long-term funding solution for transportation infrastructure to be found.



Action has been marked by one short-term measure after another. Most recently, in the summer of 2012, Washington enacted the federal surface transportation authorization, Moving Ahead for Progress in the 21st Century (MAP-21), which funds highway and transit investments through FY 2014 at current funding levels plus inflation.

But MAP-21 is scheduled to expire in September 2014. The Congressional Budget Office (CBO) estimates that the Highway Trust Fund will hit a gigantic pothole in Fiscal Year 2015—a shortfall of approximately \$8 billion. The CBO said in April that in order to keep the Highway Trust Fund above water, Congress would have to raise fuel taxes by 10 cents a gallon, cut spending to about 8 cents for every dollar it spends now or find more money for transportation elsewhere.

So Congress siphoned \$41 billion from the federal government's general funds to the specially designated account for surface transportation.

Gas Tax Can't Keep Pace

The last time Congress raised the federal gas tax was 20 years ago. It has remained at 18.4 cents per gallon for gasoline and 24.4 cents per gallon for diesel ever since. The rates do not rise with inflation. To wield the same buying power today as in 1993, the

gasoline tax would have to be 30 cents per gallon and the diesel tax 39 cents per gallon, according to the Pew Charitable Trusts.

Moreover, Americans are driving less and driving more fuel-efficient vehicles, habits that further deplete fuel tax revenues.

Other methods of funding infrastructure, such as taxing miles driven and putting tolls on more roads, have been debated for years. In early December, Oregon Congressman Earl Blumenauer reintroduced legislation that would require the government to study the most practical ways of taxing drivers based on how far they drive, along with a shorter-term plan to nearly double the gas tax, from 18.4 cents to 33.4 cents per gallon.

States and cities have long relied on Washington for a significant portion of their transportation funding. But with Washington sputtering year after year, some states and municipalities have taken matters into their own hands. Be they liberal or conservative, states around the country have been enacting a variety of tax and fee increases to pay for transportation.

Need Local Solutions

For example, Pennsylvania recently adopted a measure that will generate billions of dollars for roads, bridges and transit. It lifts the cap on taxes on the price of gasoline at the wholesale level, meaning drivers ultimately will pay more at the pump. They'll also pay more for driver's licenses and traffic violations.

The National League of Cities has identified public-private partnerships (PPPs) as a promising option for transportation infrastructure funding. Through a PPP, public agencies partner with a private entity to share responsibility for the completion, management and/or financing of a public project.

Despite flickers of hope and innovative approaches, the nation's contractors and safe transportation advocates are deeply concerned about the ongoing gridlock that threatens federal highway funding. Our association will join with other transportation interests to push for a long-term funding measure in Washington—as well as more solutions at the state and local levels. ■

Trey Bowen is vice president of Kansas City-based Superior Bowen Asphalt Company.

Top 10 Roadblocks to Safer Transportation in America

- Federal and state gas taxes not keeping up with inflation
- Motorists driving more fuel-efficient cars, and generating less gas tax revenue—but still wearing down the nation's transportation infrastructure
- Anti-government/anti-tax movements
- Public policy distractions with issues such as health care reform
- Transportation infrastructure spending not keeping up with needs in Kansas and Missouri
- Transportation infrastructure funding uncertainty in Kansas City, Mo.
- Resistance to user-focused toll roads
- Uncertainty surrounding alternative funding methods, such as a vehicle miles traveled tax
- Uncertainty surrounding infrastructure bank proposals
- American public's aversion to gasoline taxes



The Sales Tax Solution

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HCA Executive Director Edward DeSoignie. “The 1-cent solution will not only create work for thousands of men and women in the construction industry, it will benefit all Missouri residents and businesses.”

Missouri’s desperate need for an infusion of transportation funding is clearly spelled out in MoDOT’s new 20-year transportation plan: A Vision for Missouri’s Transportation Future. At a November meeting of the Missouri Highways and Transportation Commission in Kansas City, MoDOT Director Dave Nichols noted that MoDOT had held hearings in 232 communities and developed a plan that addresses all modes of transportation, unlike previous MoDOT plans. Based on 12,000-plus suggestions, the four main points heard from the public were:

- Take care of the transportation system and services we enjoy today.
- Keep all travelers safe, no matter the mode of transportation.
- Invest in projects that spur economic growth and create jobs.
- Give Missourians better transportation choices (more viable urban and rural transit, friendlier bike and pedestrian accommodations, improvements in rail, ports and airport operations).

But in the executive summary of the 20-year plan, Nichols wrote that “without a funding solution, we will be hard pressed to even maintain the existing system. Between 2005 and 2009, funds made available by Amendment 3 allowed us to make significant improvements in safety. However, while that funding was temporary, the need to make safety improvements will only continue to increase.” ■



Heavies Go the Extra Mile, Improve Traffic Flow Downtown

Working two 10-hour shifts, seven days a week for 40 weeks, Heavy Constructors Association members completed the upgrading of 18 bridges in the vicinity of downtown KCMO before Christmas.

The project rehabilitated, replaced or re-decked key bridges in or just outside the downtown loop. MoDOT had repeatedly repaired the bridges but they had reached their limit. For example, crews replaced a deck that had served I-35 over Southwest Boulevard to 20th Street since 1947.

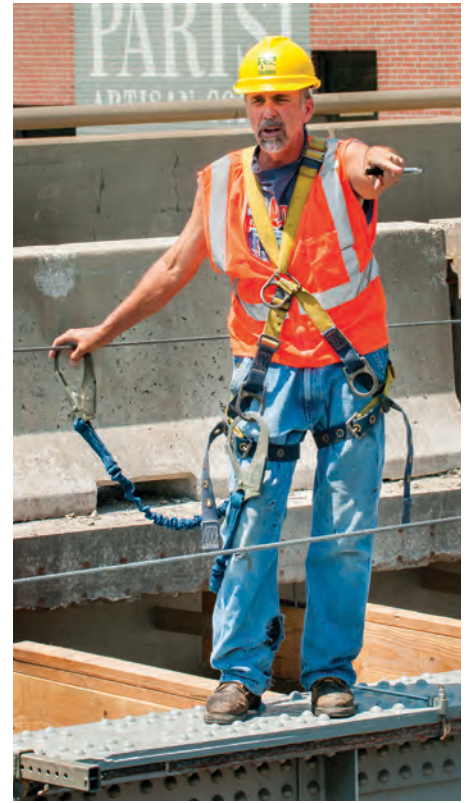
Heavy contractors including Clarkson Construction, Comanche Construction, Pyramid Contractors and other local constructors executed complex, carefully orchestrated projects.

And they completed the complex work in short order. Many of the bridges and ramps were finished earlier in the fall, but some got pushed into the second half of December because of an early, bitter cold snap.

The work will make travel safer along some of the most highly congested transportation arteries in the metropolitan area. The project will make its greatest impact on I-35 southwest of downtown, which carries an average 106,000 vehicles daily one way.

Rather than drag out the many needed improvements over several years, MoDOT officials wanted to get the work done, all together, in the shortest time possible, to minimize inconveniences to motorists.

MoDOT noted that re-decking requires removal of the 10-inch concrete deck and side barriers all the way down to steel, then cleaning and replacing some of the steel. Once the concrete deck is poured it must cure. That may seem like idle time to motorists, but it is during this critical period that concrete reaches its maximum strength and durability. Properly cured concrete means it will be many years before MoDOT must make repairs. ■



Team Takes Pride in Local Work

Pyramid Contractors Takes on Tough Projects

Gavin Barmby feels a surge of pride whenever his eye meets the 127th Street bridge over I-35 in Olathe. The bridge was built by Barmby's company, Olathe-based Pyramid Contractors Inc., and it stands as a testament to Pyramid's success and stature in the community.

"The 127th Street overpass has been a monument for me to drive by every day," said Barmby, who grew up in the Kansas City area and has lived in Olathe for more than 45 years. "It's still a great looking structure. After a while, people know who did what structure, what roadway. If you're going to live in your back yard, you'd better keep it mowed, and you'd better make it look good."

In addition, the 127th Street Bridge has been a boon to motorists and opened the door to housing development in its vicinity.

Pyramid's impact on Kansas City-area infrastructure can be seen throughout the metropolitan area—from the Grandview Triangle to the 12th Street Bridge downtown to the I-35 tunnels in Johnson County. Pyramid has built a reputation for taking on challenging projects and finishing them on time and within budget.

For a company with 75 to 80 employees, attaining success on such projects requires a hands-on owner who knows the business from front to back. But Barmby credits his success to a wide circle of individuals. "I'm only as good as my people. I've got good people. I respect them and they know it, and they respect me."

How it Started

Barmby founded Pyramid Contractors in March 1994. "I started with three contracts and a crew of about 24 men."

Though Pyramid has since grown and prospered, making a living in the heavy construction industry is still a challenging task, especially for a small business owner. Barmby said area heavy construction work is down at least 7% to 10% from 10 years ago, and bidding for the work that's out there requires a sharp pencil.

"At the price the work is going for, you have to be more creative today," Barmby said.

Reconnecting the Triangle

One of the projects Pyramid is best known for—and one that grew a lot of gray hair on Barmby's head—was an emergency reconstruction job at the Grandview Triangle.



Pyramid rebuilt the I-470 flyover at the triangle—which was renamed Three Trails Crossing—43 days after it collapsed due to rain saturation. For finishing the \$4.5 million project 19 days early, Pyramid received an incentive payment of about \$760,000.

"It was the unknown," Barmby said. "That job was put out for bid just a week after it (the collapse) had happened. It was a build-design, not design-build. We were digging it during the day, and the design team from HNTB was designing it at

night. It was a group effort. MoDOT was a great partner on that deal. We all worked together. We all knew what had to be done."

All About Teamwork

The concept of teamwork and cooperation extends to every phase of Pyramid's business.

"A lot of people have helped me," Barmby said. "RoadBuilders Machinery & Supply Co. was huge in my startup. Up until last year I still had the same banker I started with. I still have the same bonding agent today. I still have the same accountant today that I started with. It goes back to where you're only as good as the people you surround yourself with. Mark Holmes, my project manager on bridges and roadways, has been with me about 16 years and is my right-hand man."

Barmby said Pyramid also benefits from his friendships with area competitors and the relationships they have built through the Heavy Constructors Association. ■



Contractors Working Again, but Still Wary

The past year's surge in Kansas City area heavy construction activity gave our members some work to be thankful for. While the overall project numbers are still slim, 2014 will see some much needed heavy construction activity.

Work Ahead:

- A Johnson County District Court Judge upheld Mission's transportation fee, known as the "driveway tax," in a victory for the fair financing of better road maintenance. The move should prompt more work in the near future.
- Work is beginning on the big Johnson County Gateway I-435/I-35/K10 interchange improvement project. The Gateway is a \$285 million project—the largest ever in Johnson County—and will continue into the summer of 2017.
- More street improvements will soon be under way in Overland Park, thanks to voters last year approving a 10-year extension of a one-eighth-cent sales tax to pay for transportation infrastructure needs.
- Olathe will also see some new work, thanks to voters last year approving a three-eighth-cent sales tax for street improvements.
- Work is set to begin on the long-awaited, \$64 million Manchester Bridge replacement project near I-70 and I-435 on the Missouri side.
- Plans are in the works for an \$80 million replacement of the Fairfax and Platte Purchase bridges where U.S. 69 goes over the Missouri River.
- A package of 14 bridges on I-29 and I-635 is in the Northland project hopper.
- Construction is slated for the new 118th Street overpass over I-70 in Wyandotte County.
- Our contractors will be replacing the bridge and creating a new interchange configuration at I-435 and Roe Boulevard in Johnson County.

KC Biting Into Backlog

Sherri McIntyre, KCMO's public works director and assistant city manager, said in late November that while the city is not where it needs to be in regard to deferred street maintenance, "the boost we had with the vote on Question 1 certainly puts us in a much better position than we would be otherwise."



Overall, McIntyre said the city had delivered on all public works projects that were promised during the past year. The work that was accomplished included \$14 million worth of mill and overlay.

"We are working on the budget for next year," McIntyre said. "We're hoping we'll have at least a \$10 million contract for mill and overlay. We had a spike (over the past year), and are probably going to drop it down to more of a leveled-out approach. We're putting together a five-year picture of our mills and overlays."

For the record, the Heavy Constructors Association is advocating a much higher level of investment in street resurfacing as agreed to by the Mayor and Council and promised to voters in 2012.

On Our Radar ...

- **KC WATER BONDS:** The KCMO City Council voted to put \$500 million in bonds for water projects on the ballot in April of this year. The funds would be used for replacement of water mains, expansion of the water distribution system, and rehab of water treatment plants and pump stations.

- **OFF TRACK:** Kansas City is moving ahead on the \$100 million downtown streetcar "starter line," using an out-of-town planning and construction team to manage the project. Out-of-town workers laid the first section of rail on the new Main Street bridge—while the bridge, itself, was being built by a local contractor and HCAGKC member. This in spite of the fact that the project was sold to voters as a way to employ more local workers!
- **MORE STREETCAR NOISE:** In August, KC voters will be asked to approve creation of a new Transportation Development District that would allow for future expansion of the streetcar system. If voters say yes, they will be asked in November to approve sales and property tax increases to pay for construction of the additional lines.
- **FOLLOW THE MONEY:** Watchdog groups in KCMO continue to worry about money promised for infrastructure repairs being diverted to artistic and other endeavors. Repeatedly, over the years, various factions in the city have sought to divert infrastructure funding for other purposes. Kansas City isn't even close to spending the amount of maintenance dollars needed to keep our streets from deteriorating. ■



MAKING IT BETTER

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Want more information on our Association, members and issues?

Check out our website, KCHeavyConstruction.org. Regarding membership, contact Ed DeSoignie at (816) 753-6443



photography by Jeff Roberts

Heavy Constructors Announce New Leadership

Kansas City's Heavy Constructors Association represents more than 150 companies that build area highways, streets, bridges, sewers and water systems. The Association's Board of Directors is made up of experienced constructors who actively promote quality and fairness in the industry and advocate for better, safer infrastructure in the Midwestern region. The HCAGKC is proud to announce the election of new officers for 2014.

Executive Committee

- **President, Trey Bowen**, Superior Bowen Asphalt Company
- **Vice-President, Barclay Hornung**, Comanche Construction
- **Treasurer, David Kissick**, Kissick Construction

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- **David Grossman**, (Bridge-River Division) L.G. Barcus & Sons
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At Large Directors

- **Gavin Barmby**, Pyramid Contractors
- **John Bowen**, Superior Bowen Asphalt Company
- **Bill Clarkson, Jr.**, Clarkson Construction Company
- **Kevin Fahey**, J.M. Fahey Construction Co.
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Past President

- **Jerry Wiedenmann**, Wiedenmann Inc.

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- **Bridgette Williams**, Deputy Director
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The HCAGKC is a chapter of the Associated General Contractors of America (AGC) and the American Road and Transportation Builders Association (ARTBA).