



Priority Issues

AIA North Carolina 2015 Legislative Day

Invest North Carolina A Blueprint for Economic Recovery

Objective: Stimulate North Carolina's economy and provide jobs: AIA supports these strategies:

- 1. Reinstate the Historic Tax Credits, pass HB 152 / SB 287**
- 2. Repair and Renovate Neglected Public Buildings**
- 3. Support the Governor's Bond Proposals of \$1.4 billion for both Transportation and Public Building Infrastructure**
- 4. Convene the Blue Ribbon Commission on Building & Infrastructure Needs Authorized Under HB 1043 from 2014**

Analysis: Facts about design and construction jobs:

- Since 2006 there has been a national loss of 2.1 million jobs in the construction sector.
- Since the beginning of the recession there has been a 34% decrease in construction employment in North Carolina.
- Since 2008 the architectural industry has lost 33% of its work force.
- In 10 years North Carolina will see an 11% increase in population.
- In 10 years North Carolina will be the 7th most populous state in the nation.

Facts about the construction economy:

- Every \$1 Billion invested in Design & Construction creates or sustains 28,500 jobs.
- Every \$10 million invested in construction creates or sustains 285 jobs.
- Unemployment in the Design & Construction industry is still above the national average.
- It takes 12-24 months for the planning & design of a construction project. Delaying funding in this area will delay economic recovery.

The quality and functionality of North Carolina's public infrastructure has a major impact on attracting new business to the state and on growing our existing businesses. The efficient operation of government services, the quality of public education (secondary and higher), the ability to move about without traffic jams, improved utility systems, the availability of recreational resources, all contribute to business and employment growth in our state. Investing in essential public infrastructure influences job creation in two direct ways: an immediate impact in design and construction job creation; and long-term job creation through attracting new business to the state and growing existing businesses.



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Invest North Carolina

A Blueprint for Economic Recovery

Our agenda includes these focus areas:

1. Reinstate the Historic Tax Credits, pass HB 152 / SB 287

The Historic Tax Credit program provides jobs, bolsters the tax base and revitalizes existing buildings and infrastructure while preserving the state's priceless historic character. It creates economic opportunity across the state, turning old buildings into new centers of development.

Under the old program nearly \$1.5 billion in private investment occurred in 90 of the states 100 counties. The program would attract 2.5 times more jobs and longer term economic benefits for the state and local communities at the same cost to the state treasury as an equivalent across the board tax reduction.

2. Repair, Renovate and Invest in Neglected Public Buildings & Infrastructure

Deferred maintenance, energy efficiency improvements, water efficiency improvements and other critical repairs and renovations are needed for numerous public buildings—at a time when many material prices are starting to rise. Allocating funds for this work in 2015 will have an immediate impact on putting our design and construction industry to work as these are projects that can immediately move into design and then quickly into construction.

It costs the State 40% more annually for neglected buildings that are not adequately repaired and renovated. Funding to industry standard levels would save the State over \$700 million a year.

\$	1.4 Billion	-	The cost of doing nothing
\$	<u>630 Million</u>	-	Cost to fix the problems
\$	<u>770 Million</u>	-	Annual savings to the State

3. Support the Governor's Proposals For Infrastructure Bonds

In the Governor's state of the state address and in his recently released budget plan, he calls for two new infrastructure plans to help meet North Carolina's ever growing needs in transportation and public buildings. He is calling for two separate \$1.4 billion bonds to jump start North Carolina's stagnant progress in keeping pace with infrastructure demands of one of this country's fastest growing states.

4. Begin the Comprehensive Study on State Building Needs

In 2013 the Legislature and the Governor's administration undertook a process by which the Department of Transportation would evaluate road construction on an as need basis. They created the Mobility Fund that eliminates much of the politics that drove road funding in the past and instead instituted an objective formula for delivering transportation relief to points in the state with the most need.

In 2014 HB 1043 was passed by the General Assembly and signed by the Governor. The measure created a Blue Ribbon Commission on Building and Infrastructure Needs to establish a similar system for cataloging and assigning a priority system to the state's vertical infrastructure requirements. Unfortunately the work of that Commission has been stymied by the Senate's unwillingness to appoint members to the panel.

The Senate needs to finish its appointments and the Commission needs to begin its work.