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**The Building Tradesman Newspaper**

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**Stimulus money is construction's one and only bright spot  
Heavy and highway work are the major beneficiaries**

The one-year anniversary of the federal economic stimulus program came and went last month, and while the U.S. construction industry has performed miserably during that time, apparently, things could have been much worse.

"The stimulus is one of the very few bright spots the construction industry experienced last year and is one of the few hopes keeping it going in 2010," said Ken Simonson, chief economist for the Associated General Contractors of America. "The stimulus is saving construction jobs, driving demand for new equipment and delivering better and more efficient infrastructure for our economy."

Stimulus funded infrastructure projects under the \$787 billion American Recovery and Reinvestment Act (ARRA) "are saving and creating more direct construction jobs than initially estimated," according to an analysis of federal data released Feb. 16 by the AGC. The analysis also found that more

contractors are likely to perform stimulus funded work this year as work starts on many of the non-transportation projects funded in the initial package.

AFL-CIO Building Trades Department President Mark Ayers was also upbeat regarding the stimulus.

"As the ARRA funds have worked their way through the economy over the past year, the economic free-fall that defined our nation one year ago today has abate," Ayers said in a Feb. 17 statement. "In fact, the Council of Economic Advisors has found that the ARRA has had a positive impact on our nation's GDP. Recent upticks in GDP growth are heartening for the U.S. construction industry, which is struggling with unprecedented unemployment that has now reached 25% nationwide, a number that would have certainly been greater had no action been taken."

Simonson noted that a new federal report shows the \$20.6 billion dollars worth of stimulus highway projects initiated over the past twelve months have saved or created nearly 280,000 direct construction jobs. That amounts to 15,000 jobs per billion dollars invested, well above pre-stimulus estimates that every billion invested in infrastructure projects would create 9,700 direct construction jobs.

The economist added that heavy and civil engineering construction employment was stable in January even as total construction employment declined by 75,000. Meanwhile, highway and road construction was one of the only areas to see an increase in spending last year even as total construction spending fell by \$100 billion. The two figures are a clear sign the stimulus is having a significant, and stabilizing, impact on the industry, Simonson said.

"The stimulus will keep a bad situation from deteriorating further," Simonson said. "That may not make for great headlines, but it is welcome news for construction workers anxious to continue receiving paychecks."

President Barack Obama, Vice President Joseph Biden and other top administration officials were touring the country on the one-year anniversary of the stimulus, pointing out that there have been jobs created by the stimulus – while trying to change constituents' minds, egged on by GOP opposition, that the law has done nothing.

White House National Economic Council official Jason Furman, in a subsequent conference call, said only one-fifth of the stimulus law's planned construction project spending has occurred so far.

Jared Bernstein, Biden's top economic aide, said in the second year of the stimulus, "project-based spending goes from \$3 billion a month to \$7 billion a month."

*(Press Associates contributed).*

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**Slow mo: Industry momentum hard to find**

The value of new construction starts slipped 1% in January to a seasonally adjusted annual rate of \$419.3 billion, McGraw-Hill Construction reported on Feb. 19.

The slight loss of momentum was due to a pullback for non-building construction (public works and electric utilities), after this sector's elevated performance in December. Meanwhile, residential building in January held steady, and nonresidential building was able to register growth as the result of gains for a few structure types.

"While down slightly from the previous month, January's activity is consistent with the sense that construction starts have at least stabilized at a low level," stated Robert A. Murray, vice president of economic affairs for McGraw-Hill Construction. "Relative to the extended decline that took place from 2006 through early 2009, that's good news.

"The cautionary note," Murray added, "is that it's still too early to say that renewed expansion for overall construction activity has taken hold. On the plus side, the public works sector is seeing strength for transportation-related projects, supported by the federal stimulus funding. Single family housing reached bottom in early 2009 and has since shown modest improvement. Nonresidential building has seen a pickup for such publicly-funded structure types as transportation terminals and courthouses.

"However, the commercial categories remain extremely depressed, and given tight bank lending and weak employment are likely to stay that way throughout 2010."

By region, the 12 months ending January 2010 showed this behavior for total construction – the West, down 28%; the Midwest, down 24%; the South Atlantic, down 23%; the South Central, down 21%, and the Northeast, down 18%.

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**Durant Hotel gets new lease on life**

**By Marty Mulcahy**  
**Managing Editor**

FLINT – Shuttered since 1973, the historic Durant Hotel is getting new life: its old walls will enclose modern apartments aimed at serving the student population at the nearby University of Michigan-Flint.

Wolverine Construction is serving as general contractor on the \$30 million project, which is currently employing about 60 Hardhats. The entire building has been gutted, leaving open floors that will be reconfigured into apartments. Construction is now moving quickly after a balky start that included initial hazardous material abatement and the arrangement of several sources of financing. Initial work began in the spring of 2008 and is expected to conclude in mid-August.

"It's a really sound building," said Ernie Bannister, site supervisor for the owners, Prater Development and Karp and Associates. "It was engineered right, and even though the power was shut down in 1973, it has held up well."

The revamped building will have 93 apartments, each about 900 square-feet. There will be 14 apartments per floor, and of those, 10 will have two bedrooms.

Named for General Motors founder William C. Durant, the hotel for years was the largest and grandest in Flint. The eight-story, 264-room hotel opened on Dec. 14, 1920. Durant, who had an eight-room suite on the sixth floor, wanted a nice hotel in the city to serve visitors and suppliers to the city's burgeoning automotive industry.

Over the years, the hotel hosted luminaries like Frank Sinatra, Glenn Miller and Doris Day. The Durant became headquarters for Gov. Frank Murphy in 1936-37, as he helped negotiate the end of the violence associated with the Flint Sit-Down Strike.

The Durant had its share of booms and busts. Even though the hotel was completely refurbished in the mid-1930s, tough economic times led to it being put up for auction in 1940. Pick Hotels acquired the property in 1942, and the next 20 years were good for the renamed Pick-Durant hotel, as it was heavily used by GM for corporate meetings.

The hotel was again remodeled in 1969, with rooms made larger and given separate controls for heat and air conditioning. But that work failed to save the property: the hotel was closed in 1973. Over the years, numerous development plans fell by the wayside, until the Genesee County Land Bank acquired the building in 2005.

"The redevelopment of the Durant Hotel is a major step forward for the City of Flint," said Dan Kildee, the Genesee County Land Bank chairman who helped arrange the financing for the hotel's renovation. "This transformed building will offer urban enthusiasts an attractive option for living downtown near the University of Michigan-Flint, and hopefully will generate opportunities for the creation of additional amenities – such as shops and eateries – that will lend excitement to downtown living."

Except for one weathered area of brick and mortar that needed to be replaced, the vast majority of the building's exterior masonry was found to be in good condition, Bannister said. New windows to match the appearance of the originals will be installed. The property will be served by a new two-level parking deck on the north side of the hotel. The owners will be looking to fill commercial space on the first floor of the property.

"Just about every floor is framed out, and were getting the plumbing in line so that we can start with the drywall," Bannister said last month. "We're really hauling, things are moving along nicely."



**COMPLETED IN 1920 – the start of an automotive boom era for the City of Flint – the Durant Hotel will reopen this year as an apartment building that would appeal to students at the nearby U-M Flint campus. The first floor lobby and ballroom will be restored to their original appearance, while upper floors have been**

totally gutted and will be reconfigured for modern apartments.



**FEEDING NO. 2 WIRE up to the seventh floor of the Durant Hotel in Flint is Aaron Allen of IBEW Local 948, working for Goyette Mechanical.**

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### **Local 333 sends helping hands to New Orleans**

Plumbers & Pipefitters, LU 333, of Lansing, Michigan has certainly suffered its share in the downed economy but not enough to prevent the Local from giving generously to others in need. In February the Local donated enough money to underwrite a team of four to travel to New Orleans to lend Helping Hands.

"Helping Hands" is one part of the larger group that serves New Orleans since 2005. It joins with AmeriCorps and others who utilize local and national volunteers to gut and clear the homes of the elderly, the disabled or those uninsured who were victims of Hurricane Katrina. Through Local 333's donation, specifically, four Lansing skilled volunteers worked for five days in the upper and lower ninth ward.

Volunteers' quarters were in need of plumbing repair. Four running toilets were repaired as well as the Sloan valve problem addressed; sprinkler piping was re-hung. An outdoor five-stall shower facility, built for volunteers, was re-plumbed since all of its pipes were frozen in New Orleans' January freeze;

copper pipe was removed and replaced with pex. The walls were torn down and rebuilt because of severe water damage. In addition, two laundry trays, waste and water piping were installed at the volunteers' merchandise and tool warehouse.

It is unions that have built this country to its strength and its greatness. Even in difficult times, trade unions show the way; that way is paved with the union's labor and the laborer's compassion and generosity.

New Orleans salutes Plumbers and Pipefitters, LU 333.

For more information on the New Orleans Helping Hands project, go to [www.handsonneworleans.org](http://www.handsonneworleans.org).

*(Submitted by David E. Greenburg (Plumbers & Pipefitters Local 333) one of the volunteers who traveled to perform work in New Orleans the week of Feb. 2-5).*

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### **Nicely built... in Michigan**

The volume of construction work in Michigan has certainly declined – but not the quality of work.

The Associated General Contractors of Michigan handed out their annual "Build Michigan Awards" on Jan. 29, recognizing excellence in commercial construction around the state. Seven projects and construction teams were recognized as winners during the AGC of Michigan's Annual Meeting Friday, Jan. 29, 2010 in Detroit.

"The Build Michigan Awards represent some of the most outstanding commercial construction projects completed in our state in any given year," said Andrew Shmina, AGC Chairman. "These projects contribute to our quality of life whether they are schools for our children, office buildings for our businesses, or hospitals for our citizens."

The awards recognize new construction and renovation projects in building construction (\$5 million or less), building construction (over \$5 million), environmental, construction management, and design-build. Awards also are considered for first-time entries. Projects are judged on: meeting the challenge of a difficult job, excellence in project management, innovation in construction techniques, sensitivity to the environment, responsiveness to client needs, and the contractor's contribution to the community.

The projects were also overwhelmingly built with union labor.

Following are some of the 2009 Build Michigan Award Winners:

**Turner Construction Co., Detroit**

**Project: Henry Ford West Bloomfield Hospital, West Bloomfield**

**Owner: Henry Ford Health System**

The project included 560,000 square feet of new hospital space and power generation facilities built by Turner and the adjacent renovation of 270,000 square feet of a medical office building and clinic by Auch and Kasco.

"Maintaining uninterrupted service at the existing medical clinic while moving underground utilities in order to build the new buildings was our biggest challenge on this project," said Cliff Kazmierczak, Turner vice president and project director. "The owner's vision was for a facility that focuses on the patients first and treats everyone like a guest. We are honored to have been part of making the new hospital a reality."

**Contractor: Walbridge-Barton Malow, Southfield**

**Project: Detroit Metropolitan Airport North Terminal, Romulus**

**Owner: Wayne County Airport Authority**

One of the first airport complexes fully designed and constructed post-9/11, the 26-gate, 850,000 square foot North Terminal can accommodate 14 million passengers annually. The linear footprint creates a faster, more efficient path for taxiing aircraft, which conserves fuel, reduces environmental emissions, and saves time for travelers.

Natural daylight, bright color, and dramatic lighting enhance the passenger experience and impression of the facility. Built within a budget of \$431 million, the North Terminal establishes a new benchmark for value-conscious airport planners.

"We extend our thanks to the local contracting community, which understood the significance of this work, and was committed to excellence throughout," said Barton Malow Project Executive Doug Maibach.

"Walbridge was pleased to contribute our innovations to this project," added Walbridge Chairman and CEO John Rakolta, Jr. "The North Terminal team not only achieved ambitious goals in costs, logistics, and deadlines, it has enhanced the role of Detroit Metro Airport as a world-class gateway to the Metro Detroit Region."

**Contractor: Clark Construction Company, Lansing**  
**Project: FireKeepers Casino, Battle Creek**  
**Owner: Nottawaseppi Band of Huron Potawatomis**

The project included a new 236,000 square foot casino, offsite utilities, and a 636,000 square foot parking structure. "This project was important to Michigan's struggling economy, providing work for hundreds of local subcontractors and long term employment for 1,500 casino employees," said Charles Clark, CEO of Clark Construction. "Our team was able to meet some serious construction challenges and bring the project in ahead of schedule, within budget and without any injuries."

The new Las Vegas-style FireKeepers Casino is located along Interstate 94 near Battle Creek. The facility includes state-of-the-art lighting, 2,680 slot machines, 78 gaming tables, 120-seat poker room, a food court and several sit-down restaurants. Clark's professionalism and attention to detail earned them high praise from the Nottawaseppi for a job well done.

**Contractor: Granger Construction Co., Lansing**  
**Project: Sparrow West Wing Addition and Central Utility Plant, Lansing**  
**Owner: Sparrow Health System**

The Sparrow Hospital West Wing Addition/Central Utility Plant project included construction of a 450,000 square foot, eleven-story addition and a new central utility plant all completed during full and uninterrupted hospital operations. "Hospital construction work has its unique challenges and Sparrow is one of our most valued clients so this project was very important to us," said Glenn Granger, president of Granger Construction. "There were some pretty significant project changes along the way, but our team's attention to detail and understanding of Sparrow's patients' first philosophy helped us succeed."

The new 11-story addition houses operating rooms, prep and recovery areas, a new emergency department, an ICU department, a cardiology floor, a rooftop helipad and a six-level parking structure connected to the hospital.

Sparrow's praise of Granger's effort was notable. "Since the facility opened, we have received hundreds of positive comments from patients, physicians and staff. The entire tower should be a testimony to what can happen when two first class corporations work together for a common goal," said Ira Ginsburg, Sparrow's Senior V.P. of Operations.

**Contractor: Auch/W-3 Team, Pontiac**  
**Project: Henry Ford Health System West Pavilion Vertical Expansion, Detroit**  
**Owner: Henry Ford Health System**

The Henry Ford Health System West Pavilion Vertical Expansion project added a 5th and 6th floor plus a mechanical/electrical services penthouse to an existing four-story wing of a hospital while maintaining full hospital operations.

"The owner was focused on the patient and family's care and concern in developing private rooms with comfortable amenities in a state-of-the art healthcare facility," said David E. Williams, Auch vice president and project director. "The Henry Ford Health System has a long proud history of delivering top quality healthcare and we proud of adding to that legacy with the Henry Ford West Pavilion."

The owner summed it up best by saying, "Thanks to your team's sensitivity, creative problem solving and adopting Henry Ford's philosophy of 'Each Patient First' we were able to successfully complete the project not only under budget and ahead of schedule but with minimal impact to patient care."

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## NEWS BRIEFS

### What are you going to do, fire us?

Here's a new one.

Whirlpool is planning to shut down a refrigerator factory in Evansville, Indiana by June and ship its operations, and 1,100 jobs, to Mexico.

The labor community, naturally, has been in an uproar, pointing to the loss of jobs and the \$20 million that the Whirlpool Corp. received as part of the president's economic stimulus package. And since the announcement, a number of efforts were made to persuade the company to revisit its decision, with union leaders petitioning state and local officials to explore avenues to keep the plant on site and the mayor forming a "rapid response team" to help support soon-to-be-unemployed workers.

Activists held a high-profile protest on Feb. 26, with AFL-CIO president Richard Trumka visiting the plant for the first time. But Whirlpool says the effort was futile – they are fully committed to shutting the plant down. The company, however, still seems quite wary of the potential for bad publicity. In a memo sent to its employees and passed along to the Huffington Post, Paul Coburn, division vice president for Whirlpool's Evansville Division, offers a fairly explicit warning to his workers: If they join Trumka's protest they would seriously risk future employment opportunity.

"In the last six months," Coburn said in a letter to workers, "we have delivered strong results in spite of having to see a good deal of our equipment taken out of the building and moved to its new location. I believe that it is a testament to your character that you have continued to work hard to preserve the positive reputation of the Evansville workforce during this period.

"With this in mind, we have shared our concern with CWA Local 808 leaders that these negative activities will only hamper employees when they look for future jobs. The entire community is aware and sympathetic towards the situation we all face. We fear that potential employers will view the actions of a few and determine whether they would want to hire any of Evansville Division employees in the future. We hope that this is not the case, but think it is certainly a consideration."

A union official who passed the memo to the Huffington Post labeled it a "potentially illegal" effort to suppress speech and said that the local union is examining whether it violates labor law rules. The irony was not lost that a company closing a plant to ship jobs abroad would threaten workers with the possibility of unemployment –even after it moved.

*(From the AFL-CIO)*

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