

# Commercial Construction Outlook



Idaho Associated General Contractors  
January 4, 2007

# Commercial Construction

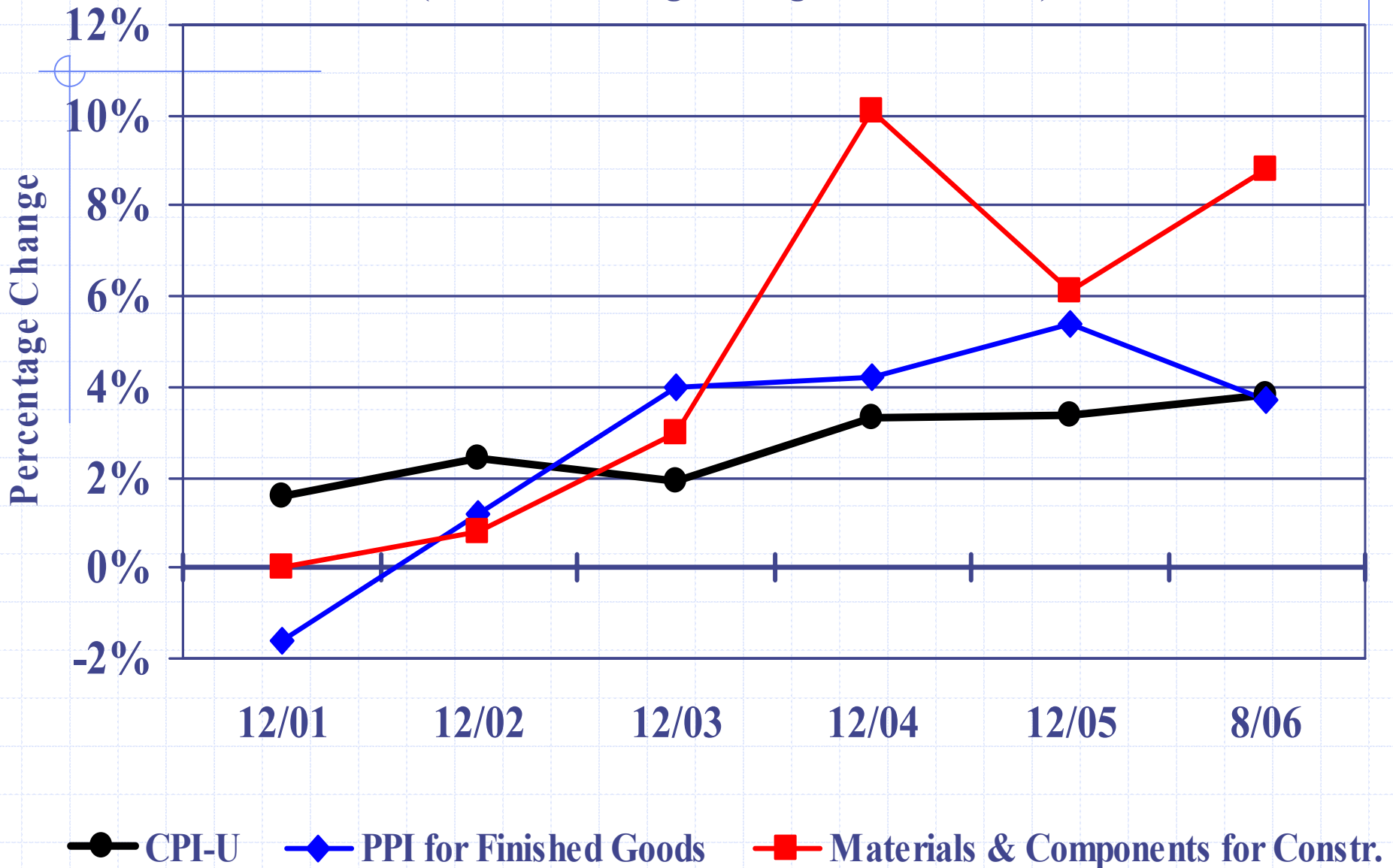
- ◆ Schools & university buildings
- ◆ Retail & warehouse
- ◆ Highways & local roads
- ◆ Office
- ◆ Healthcare
- ◆ Sewer, water & public works

# National Outlook

- ◆ Commercial in good shape
- ◆ Commercial up 13% YTD
- ◆ Prediction is an 8-10% increase in 2007
- ◆ Construction materials will increase 6-8% next year vs. 2-4% for inflation
- ◆ Construction materials increases will challenge state building & highway budgets
- ◆ Source: AGC America Chief Economist Ken Simonsen

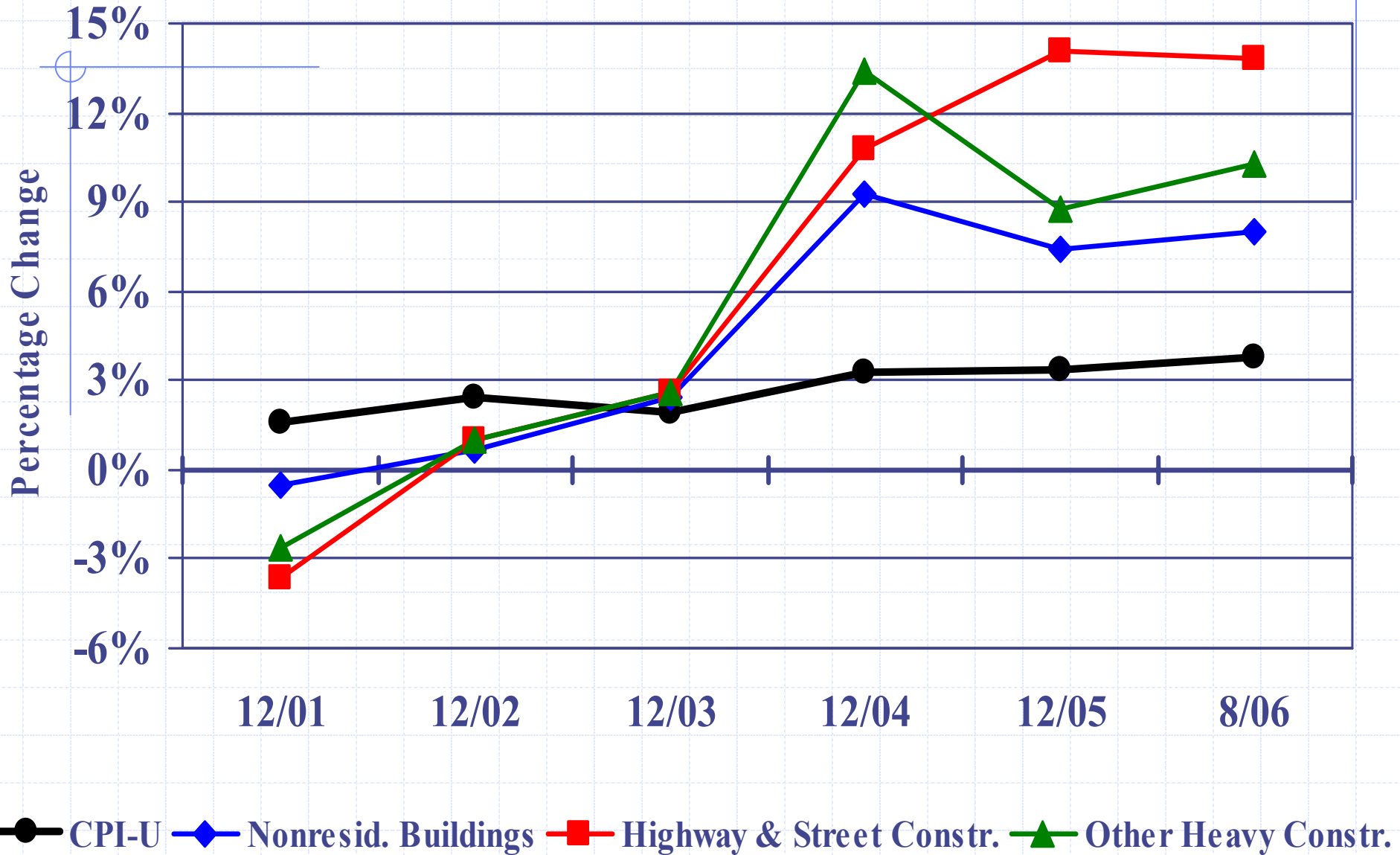
# Construction Materials Costs vs. CPI-U and PPI

(12-Month Change through Month Shown)



# Change in Costs Among Construction Types

(12-Month Change through Month Shown)



# Idaho Construction

- ◆ 60,643 employed in construction
- ◆ Construction employment up 65% in last 5 years (fastest growing sector in the state)
- ◆ Personal income equal with Health Care, Retail & Government as top industries
- ◆ Annual wages average \$32,064
- ◆ Small business is big in construction - 18,562 firms are registered with another 800 applications pending
- ◆ Source: AGC America, Idaho Dept. of Commerce & Labor, Idaho State Contractors Board

# Idaho Outlook

- ◆ Total construction value up 6.2% through August 2006 v. August 2005
- ◆ Residential value down 4.9%
- ◆ Commercial construction value up 32.8%
- ◆ Alterations & Repairs value up 37.2%
- ◆ Source: Wells Fargo Idaho Construction Report
- ◆ **Conservative prediction is a 0-5% increase in commercial construction in 2007**
- ◆ Future Planning jobs have almost doubled since last year in the AGC Bid Information System (137 to 235)

# The Road to Economic Growth

- ◆ Investment in roads pays dividends
- ◆ Tremendous investment is underway along anticipated Garvee routes. Examples:
  - ◆ I-84 Boise-Caldwell & Orchard-Isaacs Canyon
  - ◆ Future Hwy 16 route to Hwy 44
  - ◆ I-95 in CDA
  - ◆ 93 Alternate Route in Twins Falls



# Traffic to increase 150% by 2030

IDAHO STATESMAN • IDAHOSTATESMAN.COM

NATION & WORLD

THURSDAY, AUGUST 31, 2006

MAIN 15

## Drivers can expect more gridlock, report says

Longest commutes still will be in big urban centers, but congestion growing fastest in Boise, other smaller cities

BY EMILY BAZAR  
USA TODAY

Drivers in small urban communities will experience the worst increase in traffic congestion from now to 2030, and some will see rush-hour delays more than double, according to a study out today.

The report by the libertarian Reason Foundation shows that commuters in big urban centers still will face the longest commutes in the nation. However,

smaller cities such as Albany, N.Y., and Boise are expected to narrow the gap. "Moving to small-town America is not going to solve your problem," says David Hartgen, lead author of the study and a professor of transportation at the University of North Carolina at Charlotte. "The growth in congestion is going to be worse there."

The study, using 2003 data from state and federal officials, predicts:

► In the next quarter-century,

gridlock will increase by 51 percent, from 39,500 lane miles to 59,700. A lane mile is a measure of pavement: A two-lane stretch of road a mile long is 2 lane miles.

► Commuters in metropolitan areas with at least 3 million residents will spend 65 percent more time in gridlock than they do now.

► Steeper increases are in store for communities with 500,000 or fewer residents. Drivers will spend up to 150 percent more time in bumper-to-bumper traffic.

► By 2030, many midsize metropolitan areas will experience congestion worse than present-day Chicago. Among them: Sacra-

mento, Charlotte, Tucson and Orlando.

Population growth and commuters' preference for driving are key factors, the study says.

The solution? Hartgen and the other authors argue for building or widening roads and increasing traffic-management techniques such as signal timing and toll roads.

To relieve congestion and save 7.7 billion driving hours a year by 2030, they say, 104,000 new lane miles will be needed at a cost of about \$21 billion a year.

The authors say that is a fraction of what communities plan to spend on transportation, includ-

ing roads, pedestrian-friendly improvements and mass transit.

Virginia Miller, a spokeswoman for the American Public Transportation Association, calls it "short-sighted" to ignore public transportation such as buses and

subway systems. She cited a 2005 report by the Texas Transportation Institute at Texas A&M University that said public transportation saved 1.1 billion hours of travel time in 85 urban areas in 2003.

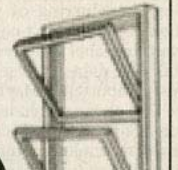
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# The Road to Economic Growth

## I-84 widening to start next fall

Meridian-Nampa stretch will get 3rd lane each way

BY SANDRA FORESTER  
IDAHO STATESMAN

On the heels of opening the new Karcher interchange, Idaho

Transportation Department officials were back in Nampa on Wednesday, with the word on plans to widen Interstate 84 between Meridian and Nampa.

Residents and officials said they believe the expansion is one of the most crucial projects in Idaho and can't happen soon

enough.

"Hurry up and do it," said Jodey Luke of Nampa, who drives to Boise five days a week for work. "It should have been done in 1980."

Luke and other residents at Wednesday's open house said they welcome the state's plan to

add a third lane in each direction, but it won't be enough — especially by the time the widened roadway is completed in 2009.

"Every morning that traffic is backed up, and I think even if they put in three lanes it will be the

### ONLINE

[IdahoStatesman.com](http://IdahoStatesman.com)

- ▶ Idaho Transportation Department planning and traffic counts for Interstate 84
- ▶ Community Planning Association of Southwest Idaho

SEE I-84 ON MAIN 6

# The Road to Economic Growth

## Business

- > YOUR BUSINESS COMMUNITY BUSINESS 2
- > Dilbert BUSINESS 2
- > Stocks BUSINESS 4

IDAHO STATESMAN • IDAHOSTATESMAN.COM 12.14.06 THURSDAY

### Executives bullish on Boise economy

Survey finds leaders at private companies say city has 'greatest potential for growth' of any city in region

BY JOE ESTRELLA  
IDAHO STATESMAN

Boise is poised for more economic growth in the coming years, according to a KeyBank survey of 300 owners and executives of privately held companies.

One in eight respondents to

Key Bank's 2007 Rocky Mountain Region Privately Held Companies Forecast said Boise has the "greatest potential for growth in the next five years" of any city in the five-state region surveyed. The states are Idaho, Colorado, Utah, Wyoming and Montana.

Other cities named as candi-

dates for economic growth over the same period included Denver (12 percent), Salt Lake City (10 percent) and Colorado Springs (6 percent).

Idaho respondents were among the most bullish in the survey, with 65 percent believing the state economy will improve in 2007, while 90 percent predicted employment will increase.

Half of all Idaho respondents indicated that they plan to increase employment at their own

companies next year, and 68 percent expect to expand in 2007.

"The impressive thing to me was the 65 percent who said they expect the economy will improve," said Joel Hickman, KeyBank Idaho District president in Boise.

"We've already been on a pretty good economic roll."

The only potential dangers for the economy would be a lack of investment in the Treasure Valley's transportation infrastruc-

ture needed to accommodate the thousands of people migrating to Idaho or a halt in investment by businesses, Hickman said.

"Then things could grind to halt," he said. "But right now, it doesn't get much better than this."

Paul Hiller, executive director of the Boise Valley Economic Partnership, said he was not surprised at the survey's results.

"When I look at what we have in Boise, all the elements that are in place for expansion," he said.

"It's not surprising that others would share that opinion."

The survey will be released publicly today.

To offer story ideas or comments, contact reporter Joe Estrella at [jestrella@idahostatesman.com](mailto:jestrella@idahostatesman.com) or 377-6465.

ONLINE  
[IdahoStatesman.com](http://IdahoStatesman.com)  
Link to KeyBank Web site

"The only potential dangers for the economy would be a lack of investment in the Treasure Valley's transportation infrastructure needed to accommodate the thousands of people migrating to Idaho..." Joel Hickman, Key Bank Idaho District President

# The Road to Economic Growth

## ◆ Short Run

Approve 2<sup>nd</sup> Garvee Bond at \$200 million

## ◆ Long Run

Additional transportation funding

(Idaho has not raised road funding in 11 years)

## ◆ Other

◆ Community Colleges

# Questions?



Michael Gifford  
Idaho AGC  
Executive Director