



## VISION

To be the voice of the construction industry and continuously improve the quality of life for our employees, their families and our community.

## MISSION

The Arizona Chapter Associated General Contractors represents its members and serves the community by building and supporting a strong, sustainable, safe and responsible construction industry.

### Arizona Chapter Associated General Contractors



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Highway • Heavy • Federal • Municipal Utilities  
Construction

## VALUES

*Skill*

*Integrity*

*Responsibility*

*Quality*

# GOALS...

- ✓ Create and maintain effective relationships with all public and private entities that influence the construction industry.
- ✓ Lead the industry in environmental stewardship and green technologies.
- ✓ Educate the public on the value and necessity of the construction industry.
- ✓ Expand construction markets.
- ✓ Recruit and retain members, by providing practical and relevant services and benefits that decrease risk and increase profit.
- ✓ Recruit, train and retain the workforce.
- ✓ Maintain a financially and structurally sound organization.

# Arizona Chapter of the Associated General Contractors of America Arizona's Oldest and Most Influential Construction Association



## AGC of America – A National Leader

The Associated General Contractors of America, Inc. (AGC) is the nation's oldest and largest trade association representing the construction industry. It was formed in 1918 following a request by President Woodrow Wilson. Wilson, after meeting individually with different builders, suggested that they form an association so they could speak with one voice on matters of concern to the growing industry. AGC of America is headquartered in Arlington, Virginia. There are 93 local AGC chapters across the country, and AGC student chapters on many college campuses.

## The Arizona Chapter of the Associated General Contractors of America, Inc. is Born

On April 18, 1934 the Arizona Highway and Engineering Contractors met with the Builders, and a motion carried to join together and create one organization that represented all sectors of the construction industry in Arizona. On April 19, 1934, a similar meeting of the Building contractors was held, and a motion carried to join with the highway and engineering contractors. Both industry sectors agreed that it should be called the Arizona Chapter of the Associated General Contractors of America Inc., (AZAGC). Thus, the Arizona Chapter was born on June 8, 1934.

The chapter originally represented all sectors of the industry. Over the years board members included construction leaders such as Del E. Webb, John Sundt, R.C. Tanner, Halsey

Royden, Jack Mason, William Pulice, Karl Ronstadt and Harold Ashton to name a few. Our members have built diverse projects such as highways, roads, light rail, fire stations, public schools, and state buildings such as the Governor's tower and additions to Wildcat Stadium in Tucson.

## Political Involvement

Like the national association, the Arizona Chapter has branded itself as a leader in the industry. It is the oldest construction

association in Arizona. Our focus remains on staying involved in the political process where the AZAGC can advocate for its members. Over the last decade, the

association successfully lead a number of campaigns including Proposition 400 in Maricopa County, Proposition

400 in Pinal County and Question One and Two in Pima County increasing construction investment by nearly \$20 billion.

The association partnered with the Nature Conservancy and the education community to push two statewide initiatives intended to increase funding for transportation. Unfortunately, both the T.J.M.E. and the Quality Education and Jobs Initiative were not successful, but AZAGC members understand the importance to continually seek solutions for statewide transportation funding shortfalls.

Market share is important to the association, however, it is equally important that AZAGC stay involved in civic matters that increase risk to our industry. That is why the AZAGC, along with a number of other industry partners, fought and defeated Proposition 202, the Sierra Club's Initiative to stop growth. AZAGC also participated in "No on 105". Passage of 105 would've made it impossible for Arizona voters

to approve any additional investments in infrastructure.

While we are involved in issue campaigns, the association is also involved in helping candidates get elected to state, county and local offices. Our endorsements include a bi partisan list of candidates. The AZAGC reviews voting records, interviews candidates and has them fill out the AZAGC public policy survey which is used to understand their views.

AGC was named one of the top 50 trade associations by *The Washington Business Journal*. Also, AGC CEO Stephen Sandherr was named by *The Hill* newspaper as a "top association lobbyist."

AZAGC again has taken the lead by spearheading the *We Build Arizona* Coalition. The coalition's sole focus is to protect and increase state and local infrastructure funding and is a consortium of six other associations interested in increasing awareness of the importance of infrastructure to Arizona's economy.

AZAGC also understands the importance of environmental stewardship. In 2009 we signed a partnering agreement with the Nature Conservancy. The partnership begins a process of opening dialogue with reasonable members of the environmental community who know that balancing growth with an eye on preserving our future resources can be done civilly and respectfully. Both organizations understand it is important to preserve Arizona for future generations.

## Regulatory Advocacy

Along with government relations and political activity, AZAGC is aggressively involved in regulatory issues affecting contractors and our public and private clients every day.

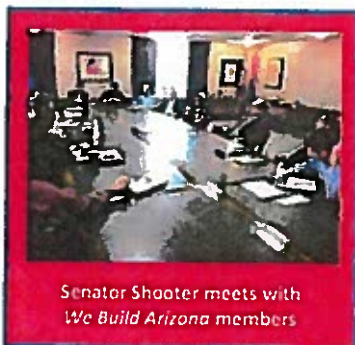
AZAGC is recognized as a champion of environmental innovation, developing the

first comprehensive dust and stormwater certification training courses, project notification of high wind events, dust permit streamlining all the while lobbying owners to budget the appropriate spending levels for environmental controls. We balance this cooperation while protecting the interests of the entire construction industry.

It is our top priority to keep the membership and key decision makers informed and involved in the parts of their daily business affected by regulatory agencies.

## Networking, Social and Philanthropy

Aside from political and regulatory involvement, AZAGC is also involved in numerous philanthropic and social events. Whether it's collecting - literally tons of - food for the homeless or building roads for Sunshine Acres Orphanage in Mesa, sponsoring university students at the Reno construction competition, or providing gifts to children during the holidays, AZAGC cares. Many of these are accomplished by raising money through our numerous social events such as golf tournaments, the annual clay shoot, formal dinner-dances or silent auctions to name a few.



Senator Shooter meets with We Build Arizona members

**WE BUILD ARIZONA**

AZAGC leads We Build Arizona a coalition focusing on infrastructure investment.



**Background of Arizona's Construction Industry Employment**

Construction and Extraction occupations have started to recover from heavy losses showing strong growth and net gains over the 2010-2020 time period. The Construction forecast is a net gain of about 47,225 jobs with an expansion of 36.4% from 2010 to 2020. (Source: Occupations Projections Report - Arizona Office of Employment and Population Statistics)

For the first time in five years, Arizona contractors saw construction market activity rise two years in a row. The \$9.5 billion total volume is a result of a 6.2% jump over 2011 and marks the return to a growing market. Activity for fiscal 2012 increased more than \$500M above 2011, but just barely topped 2010's \$9.3 billion market.

While it's good news in the marketplace, the dollar volume in 2012 is still less than half the \$22.4 billion the State Tax Facts shows

**Transportation's Influence on the Economy and the Multiplier Effect**

Numerous studies have been done that show the direct correlation between transportation investment and the overall economy. Commercial development which sustains hospitals, businesses, schools and other vital services to the economy have

**The Economics of Construction Investment**

Private nonresidential spending in Arizona totaled \$6.6 billion in 2012. (Public spending is not available by state.)

**Construction Industry Pay**

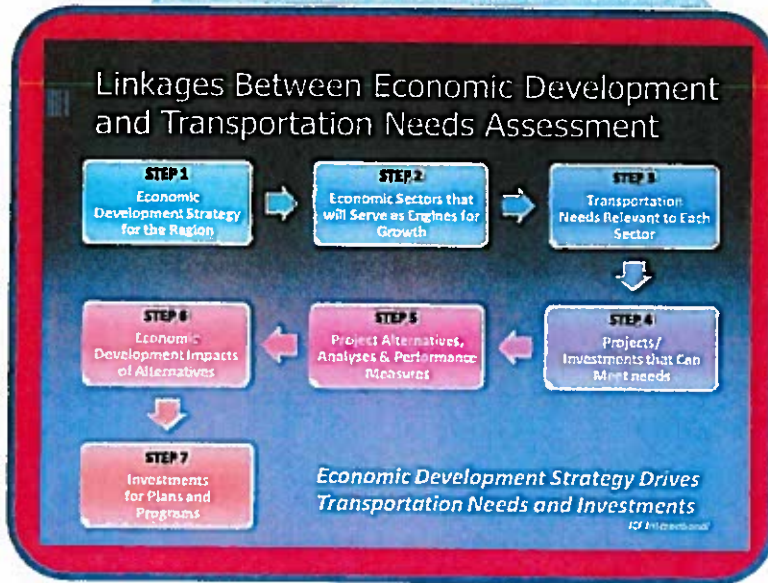
In 2012, annual pay of all construction workers in the United States averaged \$52,300, 6% more than the average for all private sector employees. Construction workers' pay in Arizona averaged \$47,000, 4% more than all private sector employees in the state.

**Small Business**

Arizona had 11,400 construction firms in 2011, of which 90% were small with less than 20 employees.

**Investing in Infrastructure**

Every \$1 billion in nonresidential construction spending would add about \$2.3 billion to the state's Gross Domestic Product (GDP), about \$740 million to personal earnings and create or sustain 21,000 jobs.



- ✓ 7,100 jobs would be direct construction jobs located in the state.
- ✓ 3,400 jobs would be indirect jobs from supplying construction materials and services. The majority of these jobs would be located within the state of investment but there would be some out of state jobs supported.
- ✓ 10,500 jobs would be induced when workers and owners in construction and supplier businesses spend their incomes locally and nationwide.

long been supported by a good infrastructure system.

The ICF International diagram above illustrates this correlation.

The correlation between transportation/construction investment and the overall economy is clear. When workers in Arizona lose their jobs, whether they are construction laborers, retail workers or state employees, the negative consequences are multiplied. Unemployed and underemployed workers – and even workers who are simply concerned about a

recession – spend less on consumer goods, delay replacing old cars and other durable goods, and abandon their plans of buying new homes. This sets off a chain reaction that negatively impacts retail stores, construction companies and construction material suppliers, car dealers, real estate developers and sales companies, and other industries whose owners and employees then also reduce their spending.

*“Infrastructure is another key consideration for attracting and retaining the jobs Arizona wants. In particular, transportation and data transfer infrastructure are especially important.”*

Arizona 96<sup>th</sup> Town Hall Report  
 (2007-2008) Arizona State University, November 2007

for the fiscal year ending June, 2007—the last year of increasing contracting sales in Arizona.

Jumping 8.4 percent over 2011's volume, activity in June kept the momentum going. Close to \$850 million was reported, marking three consecutive months of increases. It's a positive trend upward, however, recovery has a long way to go. (Source: Arizona Builders' Exchange).

Construction employment in Arizona in August 2013 totaled 122,700, an increase of 6.0% from August 2012 and a decrease of 50% from the state's peak in June 2006.

*“For every \$1 Billion invested in non-residential construction 21,000 direct and indirect jobs are created in Arizona”*

Ken Simonson, Chief Economist  
 AGC of America