

DBE News & Events

April 15, 2020

Big Scottsdale Projects Continue in Virus' Wake

By Wayne Schutsky for Scottsdale Progress

The economic downturn caused by the coronavirus pandemic could halt Scottsdale's development boom, though a number of high-profile new projects show no signs of slowing down.

From the **Nationwide Cavasson** project in the north to **Entrada** and **Papago Plaza** in the south, Scottsdale's major developments appear to be moving ahead in spite of the downturn, which has caused many local businesses to close and unemployment claims to soar.

"There is no impact at this time. Still pushing forward with vigor!" Papago Plaza developer Lee Mashburn told the Progress via email.

Just west of Papago Plaza, the Entrada mixed-use development appears to be moving forward on land that used to house an auto mall at 64th Street and McDowell Road.

A spokesperson declined to say if the project was impacted in any way by the pandemic, but **Banyan Residential** and **Bridge Investment** announced they had broken ground on Entrada on March 19th.

It is still unclear how the economic slowdown will affect the hotel building boom in Scottsdale.

In 2019, there were 10 hotels in various stages of development south of Camelback Road.

Experience Scottsdale reported

that occupancy rates at hotels in the Scottsdale area dipped to 10.5 percent on March 21st – down 89 percent from last year.

One major project, the **Caesars Republic Scottsdale** hotel next to **Scottsdale Fashion Square**, is delaying construction due to the governor's stay-at-home order. **Ducey's** order excluded construction.

There is a chance some commercial and residential developers in Scottsdale and throughout the Valley could be having second thoughts due to the uncertainty caused by the coronavirus.

Mark Stapp, the Fred E. Taylor professor in Real Estate at the **W. P. Carey School of Business** and director of the Master of Real

Estate Development program said you could also see lenders tighten their purse strings and pull back on loans that have not yet been closed.

However, existing financial commitments could be the driving force keeping certain developers from pressing pause on their projects.

"Take the Papago Plaza project that is under construction... assuming they have loan dollars involved, those are committed dollars," Stapp said. "It may be more difficult to stop construction than it would to continue, because by stopping you could be in default unless there is an agreement."

"You don't want to leave a half-constructed project; its value is

so much less," Stapp said.

Conversely, Stapp said projects that have not yet broken ground may be in a better position to pause or reverse course.

"I can see rational decision making being let's just wait; let's put it on hold for 30 days," Stapp said. "Let's wait a little bit here to see if we have a better understanding of what the future is."

Residential developers, who have been active in the East Valley over the past several years, could also be significantly impacted as the virus essentially halted migration into Arizona.

Read more at [Scottsdale Progress](https://www.scottsdaleprogress.com).



Credit: City of Scottsdale

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Construction in the Age of Pandemic

By Michael S. Dulberg for AZ Big Media

Like every industry, the construction industry is dealing with the ongoing uncertainty created by this global pandemic. The situation is evolving and the facts on the ground change constantly.

Governor Ducey's **Executive Order 2020-12** designated construction, building management, and landscape management as essential infrastructure operations, and building and construction trades as critical trades under the category of essential businesses and operations.

In addition, **Executive Order 2020-17** directs that for professional licenses that would otherwise expire between March 1st, 2020 and September 1st, 2020, renewal is deferred for six months from the date of expiration. This applies to registered Architects and Engineers regulated by the **Board of Technical Registration**; and licensed contractors regulated by the **Registrar of Contractors**.

Construction industry groups currently interpret the Federal guidelines as an acknowledgment that those construction activities are included in its list of essential critical infrastructure workers and that construction activity can continue to occur in a way that protects workers and the public from the spread.

What Should Construction Companies Do?

- Have a safety plan to reduce exposure
- Decide what operations are essential
- Establish staff rotations
- Review all contracts
- Review insurance policies
- Consult with your advisor(s)

What Should Contractors Do on Sites?

- Institute security procedures
- Document current conditions

What Should Contractors Anticipate?

- Supply chain disruptions
- Extended durations due to labor shortages and/or lower productivity
- Price escalation for labor and materials
- Project delays, suspensions, terminations

How should Contractors Address These Issues?

- Document
- Communicate with all stakeholders
- Update schedules
- Mitigate damages
- It is important to understand the legal landscape as it may relate to potential claims, delays, suspensions and terminations.
- Understand **Force Majeure** as well as Provisions in Contracts
- On Public Works Contracts understand any applicable regulations

Flexibility is important. Be prepared to negotiate:

- Remedies may vary in different contracts
- The attitudes of different owners may vary
- Plan how you will claim for impacts
- Discuss impacts with owner in advance
- Plan how to complete work and discuss with owner

Evaluate steps contractually required to excuse performance and reserve remedies:

- Timely notice
- Mitigation of damages
- Adhere to the contract's dispute resolution provisions
- Be aware of any ongoing reporting and due diligence obligations
- Understand that the failure to follow contractual terms could result in a waiver of force majeure

Congress has passed the **Coronavirus Aid Relief and Economic Security ("CARES") Act**.

- The CARES Act does not make Contractors whole for losses incurred due to the coronavirus or protect employee's retirement or health plans.
- The CARES Act does not provide additional federal funding for improving infrastructure. Instead, it provides Federal Agencies with additional funding and repurposes prior funding for operations and administrative expenses. It also assists "partners" with additional resources to support their operations and mitigating impacts of any lost revenue. Those partners are: airlines, airports, and public transit agencies.

Read more at [AZ Big Media](#).

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Families First Coronavirus Response Act: Questions and Answers

Source: U.S Department of Labor

The Families First Coronavirus Response Act (FFCRA or Act) requires certain employers to provide their employees with paid sick leave and expanded family and medical leave for specified reasons related to COVID-19. These provisions will apply from April 1, 2020 through December 31, 2020. The DOL is providing [information](#) and [posters](#) for use by employers on their website. Since guidance and new regulations are released almost daily, the [Families First Coronavirus Response Act: Questions and Answers](#) page may be more instructive for small business owners.

For example, [FFCRA Question #59](#) clarifies that “a small business is exempt from certain paid sick leave and expanded family and medical leave requirements if providing an employee such leave would jeopardize the viability of the business as a going concern. This means a small business is exempt from mandated paid sick leave or expanded family and medical leave requirements only if the:

- employer employs fewer than 50 employees;
- leave is requested because the child’s school or place of care is closed, or child care provider is unavailable, due to COVID-19 related reasons; and

- an authorized officer of the business has determined that at least one of the three conditions described [in Question 58](#) is satisfied.”

The Department of Labor encourages employers and employees to collaborate to reach the best solution for maintaining the business and ensuring employee safety.

NEWLY CERTIFIED DBE FIRMS

- **Macauley Trenchless, PLLC - Global Concessions Group, LLC (interstate)**
 - **American Patriot Construction LLC**
 - **Houston Chem Safe, Inc.**
 - **Tricia Lewis d.b.a. Northern AZ Partners**
 - **GT Business Supplies, LLC**
 - **Logic Compensation Group**
 - **Real Estate Partners LLC**
 - **Action Group Management, LLC (interstate)**
 - **Prevost Consulting Group LLC (interstate)**

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Lighter traffic allowing ADOT to expand project work hours

Source: Arizona Department of Transportation

PHOENIX – With many people staying at home during the current public health situation, lighter traffic has created an opportunity for the Arizona Department of Transportation to expand the times when construction and maintenance crews can advance improvement projects.

ADOT typically does much of its major freeway work at night and on weekends to reduce the inconvenience for drivers. But with traffic lighter than normal, crews can start earlier and some projects are adding work on weekdays.

That provides a safer environment for workers and can allow some work to be completed sooner within overall project timelines, said Randy Everett, senior division administrator for ADOT's Central District serving the Phoenix metropolitan area.

"We usually close lanes from 10 p.m. on a Friday until 5 a.m. on Monday," Everett said. "Now we're finding that when we put in closures at 8 p.m. or even 7:30, there's no line of traffic. We're able to get our work done without creating an inconvenience for drivers."

That has benefited projects across Arizona without creating delays for drivers.

- On the Loop 101 Pima Freeway and Loop 101 Price Freeway projects, work is beginning earlier in the evening, allowing crews to complete tasks during safer daylight hours and making it all but certain that the day's tasks will be finished before the scheduled 5 a.m. reopening time.
- On the Loop 202 South Mountain Freeway, paving recently began on Thursday night and continued through the day on Friday. Paving may be extended to additional weekdays to take advantage of lighter traffic.
- At Interstate 10 and Ruthrauff Road in Tucson, nighttime lane closures are beginning earlier in the evening. "We have not seen any significant impact to traffic with these changes," said Dan Casmer, ADOT's senior resident engineer on the project.
- In Flagstaff, ADOT is accelerating a project to widen and improve the Interstate 17 bridge over McConnell Drive. With Northern Arizona University shifting to online classes, full closures of McConnell will begin Monday, April 13, instead of waiting for summer. That will allow the project to finish ahead of schedule and potentially eliminate the need for intermittent closures that were originally planned during the fall semester.

Read more [here](#).



Credit: Jarred Schenke/Bisnow

Business & Industry Events

April 15, 2020

April Webinars

ADOT DBESS Town Halls: Coronavirus Business Response Resources

16

Techniques for Managing Stress | Staying Engaged with Customers Virtually | Tips for Making Tomorrow's Sales Today

Location: Webinar

Time: 9:00am - 10:00am

**ADOT/
BECO**

**Other
Associations**



REGISTER FOR THE LIVE WEBINARS BELOW:

APR. 17: COVID-19 Economic Injury Disaster Loans and Payroll Protection Program Webinar

APR. 21: COVID-19 Economic Injury Disaster Loans and Payroll Protection Program Webinar

APR. 22: Put Your Business Idea in Motion - OFFERED VIRTUALLY

APR. 23: Small Business Funding - Show Me The Money!!

APR. 23: COVID-19 Economic Injury Disaster Loans and Payroll Protection Program Webinar

[CLICK HERE TO VIEW ALL EVENTS](#)

****ATTENTION TO ALL FIRMS****

Need help preparing DBE Affidavits?

Please see our tutorial video below:

["Preparing DBE Affidavits"](#)

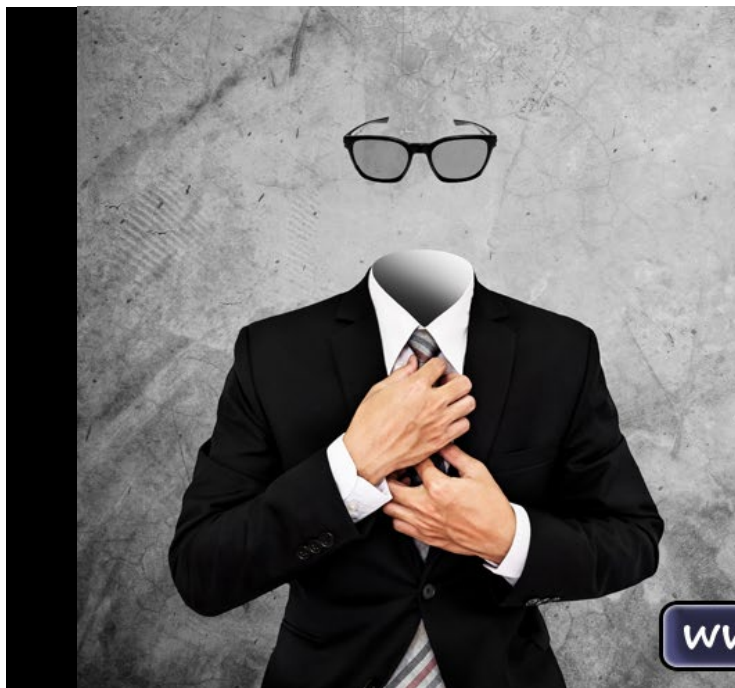
BUSINESS DEVELOPMENT



ADOT's Business Development program is designed to provide DBEs with general and firm-specific training and technical assistance to help them to become more competitive within the transportation industry. This program will give DBE firms an opportunity to gain a competitive edge within and outside the highway industry.

**DEADLINE TO APPLY IS
APRIL 23, 2020**

APPLY HERE



A "ghost tax preparer" hides from the IRS by not signing your tax return, while carrying out fraud and scams to make a fast buck.

Choose a tax professional wisely:

www.irs.gov/chooseataxpro



Project Opportunities

April 15, 2020

Links

[ADOT Current Advertisements](#)
[ADOT Engineering Advertisements](#)
[ADOT Public-Private Partnership Initiatives](#)
[ADOT Advertised Alternative Delivery Projects](#)
[Bidding Opportunities Around the State](#)

Did You Know?

Valley Partnership has created and maintains a list of resources available to small businesses and local municipalities that are open and how they are functioning - <https://www.valleypartnership.org/page/Coronavirus>

Featured Federal-Aid Projects

General / Subcontractors Opportunities

Due Date	Project Valuation	DBE Goal	Solicitation / Project Number	Type	Project Owner and Description	Contact
4/24/20 4:30pm	N/A	2.67%	AIP No. 3-06-0006-053-2020	IFB	Mohave County Airport Authority, Inc. - Terminal Access Road Reconstruction & Drainage Improvements, Laughlin/Bullhead International Airport. The work consists of reconstruction of Laughlin View Dr (Terminal Access Rd), between Bullhead Pkwy & Airpark Dr, including the passenger drop-off / pick-up area, drainage improvements & additional work.	Jeremy Keating, Airport Director, at 928-754-2134 or jkeating@flyifp.com or Drew Seybold at drew.seybold@meadhunt.com.
5/1/20 11am MST REVISED	\$1.3M	6.07%	180-A(205)T; F006001C	IFB	ADOT - Construct Turn Lanes, B-40 & Aspen Ave, Flagstaff-Valle Hwy (US 180). The work consists of widening by adding turn lanes using Portland Cement Concrete Pavement, installation of curb & gutter, sidewalk, sidewalk ramps, storm drainage pipes, catch basins, traffic signals, pavement markings, & landscaping.	Ghalib Mahdi, Engineering Specialist, at GMahdi@azdot.gov or Steve Monroe, Construction Supervisor, at SMonroe@azdot.gov.
5/15/20 11am MST	\$700K	3.05%	260-C(204)T; H826901C	IFB	ADOT - Bridge Preservation & Scour Retrofit, Little Colorado River Bridge Str #416, Show Low-McNary-Eagar Hwy (SR 260). The work consists of constructing a new scour concrete floor underneath the existing bridge & repairing pier stem walls, including box culvert extension, shotcrete, pavement marking, & signing.	Farhana Jesmin, Engineering Specialist, at fjesmin@azdot.gov or Randy Routhier, Construction Supervisor, at rrouthier@azdot.gov
9/04/20 11am MST	\$21.6M	5.71%	019-A(237)T; F013801C; 019-A(238)T; F017401C	IFB	ADOT - Helmet Peak TI UP, & Duval Mine Rd TI to Pima Mine Rd TI, Nogales-Tucson Hwy (I-19). The work consists of replacing existing concrete bridge deck & concrete barrier walls, construction of new bridge barriers & bridge deck rehabilitation, pavement rehabilitation, including milling & repaving, guardrails, lighting, signing, pavement marking, & additional work.	Vian Rashid, Engineering Specialist, at VRashid@azdot.gov or Chris Page, Construction Supervisor, at CPage@azdot.gov