



# MINNESOTA BUILDERS EXCHANGE **Weekly Bulletin**

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## Five Things To Know & Do This Week:

1.) Tune in: *Construction Executive's* Q1 Construction Economic Update & Forecast with ABC's chief economist Anirban Basu is Wednesday (3/27) at 1:00pm CT. The [60-minute presentation](#) will offer up-to-the-minute economic data, top market sectors and regions, the Fed's ongoing efforts to engineer a soft landing, and insights into whether we'll see a recession yet in 2024.

2.) Keeping tabs on this: A [large shipping vessel](#) struck a column of the Francis Scott Key Bridge in Baltimore, MD. Monday night, causing it to snap and collapse into the Patapsco River in a matter of seconds. Officials said the ship's crew warned of a power issue and sent out a "mayday" before the collision. A massive search effort was underway as of Tuesday morning for six construction workers who were on the bridge repairing potholes at the time of the incident. According to Maryland Gov. Wes Moore, the bridge was "up to code" and the crash seems to be an "accident."

3.) EV Charging Station providers, this one's for you: A new bipartisan bill signed into law by Wisconsin Gov. Tony Evers frees up nearly [\\$80-million in federal construction aid](#) to make it easier for gas stations, convenience stores and other businesses to operate electric vehicle charging stations.

4.) MBEX is selling two large format printers: (1) [OCE 350](#) black and white plotter, scanner, and printer; and (2) [Canon IPF 765](#) Color plotter / printer. Both are in excellent condition. If interested, please contact Don O'Connor for more information: [don@mbex.org](mailto:don@mbex.org) | [\(218\) 722-2836](tel:2187222836)

### 5.) **Test Your Knowledge:**

Skanska has started renovating the lower bowl of the MetLife Stadium in East Rutherford, New Jersey, in preparation for the FIFA World Cup 2026. Which of the following is \*actual\* work being done as part of the project?

- A.) Installing a retractable roof to accommodate weather conditions
- B.) Converting the field to synthetic turf
- C.) Adding an underwater viewing area beneath the players' benches
- D.) Installing a new modular steel composite seating system

[See the Answer](#)

*Construction is hard work, but it's even harder when you don't have a decent tool belt.*

## IN BRIEF:

- **Join Us:** MBEX POWER's first workshop & MBEX's Spring Social
- **Legislature 2024:** Permitting reform, underground utility locate laws & worker misclassification updates
- **Market Report:** March's snapshot of the U.S. construction market & key metrics
- **Starts Plunge:** Higher interest rates & labor issues catch up with the sector
- **Delayed + Abandoned Projects, Banning the Last Type of Asbestos, & Beck Properties Sues Minnesota Contractor:** Five construction headlines, and redevelopment plans for Minneapolis' Olson Memorial Highway
- **Member Benefit:** Save on office supplies with ODP Business Solutions



## Two Great MBEX Events Coming in April

As part of MBEX's commitment to enhance your membership experience, we're excited to invite member companies to two standout events scheduled for April that shouldn't be missed:



### MBEX POWER: Making It In a Male-Dominated World

**DATE:** Tuesday, April 2  
**TIME:** 3:00pm-5:00pm  
**COST:** Free!  
**LOCATION:** In-Person at [McGough Construction](#) (Roseville) or Virtual on Microsoft Teams

The number of women in male-dominated industries, like construction, engineering, and finances, is barely gaining traction.

Workshop leader Nicole Middendorf never planned on being in a male-dominated industry herself, and Nicole wants to accelerate that change of seeing more women in those male-dominated spaces.

This workshop will be an open discussion on diversity & inclusion, and how we can bring more women into male-dominated careers.

All women in construction and allies of women in construction are welcome to attend!



### MBEX Spring Social


**DATE:** Wednesday, April 17  
**TIME:** 3:00pm-5:30pm  
**COST:** \$40 - Early Bird special thru April 5  
**LOCATION:** [TPC Twin Cities](#) (Blaine)

An annual MBEX social, this event provides members the opportunity to mingle, network, and deepen their connections with other industry professionals.

Hear our special guest speaker, [Timothy O'Neill](#), regional analyst with the Department of Employment and Economic Development (DEED), share important insights into the state's construction workforce and its challenges.

Take a chance and purchase a mystery box from our Wine & Spirits Pull and the 50/50 raffle, all in support of the MBEX / TBG Construction Scholarship.

Plus delicious food, drinks, and the best of company.



## LEGISLATURE 2024 UPDATES

### Legislature 2024 Updates - Permitting Reform, Underground Utility Locate Laws & Worker Misclassification

#### Permitting Reform Bills

The Minnesota Chamber of Commerce and other organizations are backing two newly introduced bills designed to simplify the time-consuming process of obtaining air, water and wetland permits for projects.

The bills adopt some of the changes suggested in a recently released permitting report from the Minnesota Chamber Foundation. Barr Engineering, the Policy Navigation Group, and the Squire Patton Boggs law firm collaborated with the Chamber Foundation on the report.

Released in February, the report finds that review times for air permits are 1.5 to 6 times longer in Minnesota compared with other states, and that the state could gain as much as \$910-million in annual economic output and add 3,400 full-time jobs by trimming review times.

Backers of the legislation say the changes would expedite permitting while also protecting the environment. The bills --- House File 5011 and Senate File 4876 --- have been introduced, but have not had a hearing.

#### Underground Utility Locate Laws

HF2717 and SF2723 would amend Statutes 216D to improve utility locates, enhance project communications and prioritize workers and public safety during road and building construction projects. The legislative push is in anticipation of a wave of projects over the next several years following recent state and federal infrastructure investments.

Proposed changes in HF2717 and SF2723 would improve the quality of mapped underground utilities by leveraging technology that didn't exist when the statutes were written. Geospatial location of newly installed underground lines would be required, beginning in 2026 to accurately document a line's vertical and horizontal placement.

Supportive legislators emphasized elements of the legislation that would improve information sharing amongst all parties involved in a construction project. Those changes include updated timelines for completing utility locate and implementing statewide tracking of unintentional hits and the accuracy of utility marks.

The House Transportation Finance and Policy Committee held a hearing on HF2717 on March 19th, and will consider including the legislation in this year's policy bill.

#### Worker Misclassification Bill

Legislation that establishes a new multi-part independent contractor test for building construction and improvement services made key legislative deadlines this week. The new multi-part test increases the current nine-factor test to 14 requirements to identify and classify as an independent contractor operating in construction and improvement services.

The legislation also provides for additional penalties and enforcement of misclassification of employees and construction employees, including individual and successor liability.

As currently written, HF 4444 / SF 4483 makes it extremely difficult to comply, and ensure and verify (sub)contractor compliance, with the 14-part independent construction contractor test, according to AGC government affairs staff who have been in discussions with legislators and the Department of Labor and Industry.

*The updates regarding permitting reform bills was provided by [Finance & Commerce](#), and updates regarding underground utility locate laws and the worker misclassification bill were provided by [Associated General Contractors of Minnesota](#) (AGC-MN). We thank them both for their coverage of these legislative proceedings.*

# MARKET REPORT

U.S. MARKET & KEY  
METRICS: MARCH 2024



## MARKET REPORT: March 2024

At MBEX, we understand the importance of staying informed about the latest trends and insights in the building construction industry.

That's why we rely on reputable sources to provide valuable insights into the health of various sectors, including commercial, multi-family, institutional, and industrial construction.

Here's a detailed snapshot offering members a big picture view of the U.S. market and its key metrics for the month:

### U.S. Construction Spending by Building Sector

U.S. construction spending for commercial, institutional, industrial, and multi-family buildings continues its historic run, rising to \$863.3-billion in annualized spending as of late January (up 1.4% from the previous month and 16.1% from the previous year).

- Manufacturing: \$224,947 (1.4% one-month change)
- Commercial: \$130,964 (2.1% one-month change)
- Multi-Family Housing: \$134,477 (-3.1% one-month change)
- Educational: \$126,546 (-0.8% one-month change)
- Office: \$101,975 (-0.1% one-month change)
- Healthcare: \$67,361 (0% one-month change)
- Amusement / Recreation: \$34,507 (-0.9% one-month change)
- Lodging / Hotel: \$23,807 (-0.6% one-month change)
- Public Safety: \$14,765 (-2.9% one-month change)
- Religious: \$3,921 (0.7% one-month change)

*\*Value of construction put in place in millions of dollars - seasonally adjusted annual rate*

Manufacturing, public safety, religious, educational, amusement / recreation, and healthcare saw the biggest spending growth year-over-year.

Source: U.S. Census Bureau | January 2024 AIA Consensus Construction Forecast

### Construction Backlog Indicator

As of February 2024, the average contractor had 8.1 months of building construction work in the pipeline; this is down 1.3 months from the same time last year. An increase in project postponements and cancellations, the high cost of capital, and inflation are all factors at play.



- February 2024 = 8.1
- January 2024 = 8.6
- February 2023 = 9.4

Source: Associated Builders and Contractors (ABC)

### Architecture Billings Index

AIA's Architecture Billings Index dipped to 45.4, marking seven months in a row of below-50 ratings. This means among the architecture firms surveyed in January, more firms than not reported a billings decrease.

- Billings = 45.4
- Design Contracts = 50.0
- Inquiries = 53.0

Source: American Institute of Architects (AIA)

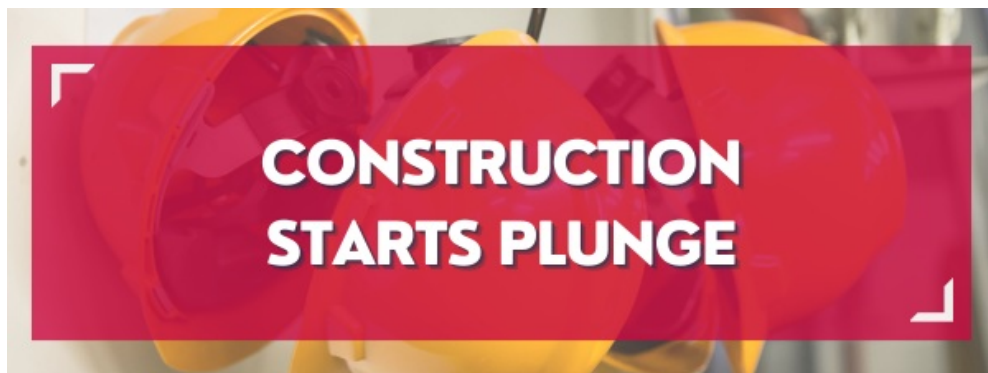
### Construction Input Prices

After three months of consecutive declines, January and February marked back-to-back months of rising construction material prices (they rose 1.4% in February).

- Asphalt, Tar Roofing & Siding Products: 1.1%
- Concrete Products: 0.3%
- Fabricated Structural Metal Products: -0.3%
- Gypsum Products: 2.6%
- Iron & Steel: 1.3%
- Plumbing Fixtures & Fittings: -0.2%
- Softwood Lumber: 1.7%
- Steel Mill Products: 2.9%

*\*Percentages reflect a one-month change*

Source: U.S. Bureau of Labor Statistics' Producer Price Index, February 2024



### Construction Starts Plunge 8% as Fed Toes Line on Rates

Total construction starts fell 8% in February to a seasonally adjusted annual rate of \$1.07-trillion, according to data collected by Dodge Construction Network. It was the biggest monthly starts drop since November, when starts cratered 15%.

Yet on a year-over-year basis, project kickoffs stayed in the black. For the 12 months ending February 2024, total construction starts were up 2% from the same time period ending February 2023, Dodge said. Despite that positive, the monthly numbers looked bleak.

February's starts could preface a prolonged period of sluggishness over the remainder of the year, following January's stagnant readings that were only kept positive by a manufacturing surge.

*Richard Branch, chief economist at Dodge, made his prediction that interest rate struggles would continue for some time, and said that some sectors wouldn't move the needle on starts through the end of 2024.*

## UPCOMING MBEX EVENTS

A valuable benefit of an MBEX membership is invitations to our social and educational events; by being an employee of a member company, you too can take advantage and attend any and all MBEX-sponsored events.

*\*\* indicates a newly added event*

### **March 27 - Q1 Construction Economic Update & Forecast**

Crafted with commercial contractors in mind, Anirban Basu's presentation will offer up-to-the-minute economic data, including the cost of labor and materials, top market sectors and regions, and the Fed's ongoing efforts to engineer a soft landing for a tumultuous economy. Basu will also provide his thoughts as to if, and, or when we'll actually see a recession and how that may affect construction. [Sign Up Here](#)

### **April 2 - POWER Workshop #1: Making It In a Male-Dominated World**

Join POWER and workshop leader Nicole Middendorf for an open discussion on diversity and inclusion, and how we can bring more women into male-dominated careers. The number of women these male-dominated industries, like construction, engineering, and finances, is barely gaining traction. Nicole herself never planned on being in a male-dominated industry, and Nicole wants to accelerate that change of seeing more women in these spaces. [Register Here](#)

### **April 17 - MBEX Spring Social**

Join us at TPC Golf Club in Blaine, Minn. with fellow construction business owners, executives, and industry professionals that includes a special guest speaker, drinks and delicious food, cash raffles benefiting the MBEX Construction Scholarship fund, and more. [Register Here](#)

### **April 18 - MBEX Online Plan Room Demo**

From navigating the Desktop, setting up filters, understanding project information, and bidders lists, this free, one-hour session is a great introduction to our Online Plan Room. There will be time at the end for questions and answers. [Register Here](#)

### **\*\* May 27 - Memorial Day**

MBEX will be closed on Monday, May 27 in observance of Memorial Day. Please plan any office visits and plan/spec/addenda orders accordingly.

### **Save the Date - June 5 - MBEX Member Appreciation BBQ**

Let MBEX treat you to lunch as a thank you for your continued membership and support! Join us for a casual afternoon of Famous Dave's barbecue, cold beverages, a handful of door prizes, and great company and networking. Each member company receives 2 complimentary tickets.

[View Full 2024 MBEX Event Calendar](#)

## CONSTRUCTION HEADLINES



### ECONOMIC REPORTS

#### □ [More Construction Projects are Being Delayed or Abandoned Entirely](#)

The number of U.S. construction projects that are being abandoned, paused or seeing a delayed bid date was up 1.7% over the last month for the week ending on March 2nd, according to ConstructConnect. Fourteen percent more public projects, which includes infrastructure work, are on hold compared to the same week in 2023. On the private side, 9% more projects are on hold. (*BisNow*)

### ENVIRONMENTAL HEALTH

#### 🌐 [U.S. Bans the Last Type of Asbestos Still in Use](#)

Chrysotile is the only raw form of asbestos known to be currently imported, processed or distributed for use in the United States. Known as white asbestos, the mineral is used in roofing materials, textiles and cement as well as gaskets, clutches, brake pads and other automotive parts. It is also a component in diaphragms used to make chlorine. In some ways, the ban is a weaker version of a proposal the EPA announced in 2022, which would have required a two-year phaseout for most commercial uses. (*New York Times*)

### LOCAL HEADLINE

#### □ [Developer Sues Minnesota Contractor After \\$735K Payment Disappears](#)

Developer Beck Properties Minnesota is suing Mendota Heights, Minnesota-based contractor R.J. Ryan and Stillwater, Minnesota-based FSA Title for negligence, civil theft and fraud after they allegedly allowed \$735,000 in funds, which were intended to pay subs on the job for a warehouse and office project, to be rerouted electronically without following proper protocols. The diversions came at the behest of "one or more insiders" who improperly accessed an executive's email account and doctored a notary's form to approve the transfer, court documents claim. (*Construction Dive*)

### LEGAL + REGULATION

#### ⚠️ [Final Build America, Buy America Act Guidance Released](#)

This new guidance tightens U.S. content requirements for federally funded infrastructure projects, expands the definition of infrastructure and provides calculation methodologies for manufactured products. Companies supplying federally funded infrastructure projects in 2024 and beyond should conduct a supply-chain review to ensure their products meet the new domestic content requirements. While waivers exist, few are expected to be granted. (*Construction Executive*)

### CIVIL ENGINEERING

#### □ [Get Ready for an All-New P.E. Exam Format](#)

The Principles and Practice of Engineering, or P.E., exam format is changing April 1 to focus its content more specifically on the discipline area the test-taker is pursuing. Will this make the exam easier? More difficult? How will it change the way civil engineers prepare for the exam? (*ASCE - American Society of Civil Engineers*)



#### PROJECT OF THE WEEK

##### [Advocates Win Planning Grant to Redesign Olson Memorial Highway](#)

The federal government awarded \$1.6-million to a Minneapolis advocacy group to study redeveloping Olson Memorial Highway as a transit-and-pedestrian-oriented boulevard. Highway 55 is currently one of Minneapolis' deadliest streets. Advocates want to address that and restore a long-lost commercial district that the highway paved over. MnDOT also received a \$3.6-million planning grant from the same federal program to study bus rapid transit on a longer stretch of Highway 55 between Minneapolis and Medina. (*Axios Twin Cities*)



A rendering of a reimagined Olson Memorial Highway corridor. (Image: Our Streets MPLS)

## INDUSTRY EVENTS



### **Working with Unions: What Contractors Should Know** Presented by North Central States Regional Council of Carpenters

**DATE:** Wednesday, March 27

**TIME:** 1:30pm - 2:30pm

**LOCATION:** North Central States  
Regional Council of Carpenters (730 Olive  
St., St Paul, MN 55130)

[Register Here](#)

**COST:** Free

Many contractors have considered partnering with unions, but aren't sure what that would entail for their business. Other contractors have already signed a union contract, but would like more insight on how to manage that relationship and what it means.

In this session, attendees will hear from a labor lawyer who represents contractor



interest, a union representative, and an administrator of the union fringe benefit funds. They will review union structures and related terminology, tips for paying union fringe funds, and best practices for working with unions.

They will also answer questions and concerns that the audience may have about being or becoming a union contractor.

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## **DOT Hazardous Material & Hazardous Waste Management Training Seminar** **| Presented by Safety-Kleen**

**DATE:** Thursday, March 28

**TIME:** HazMat Training: 8:00am-11:15am | RCRA Training: 11:30am-12:30pm

[\*\*Register Here\*\*](#)

**LOCATION:** Online

**COST:** \$400 / person

Join Safety-Kleen for their offered DOT / RCRA Compliance Training: DOT Hazardous Materials (HazMat) and Hazardous Waste Management (RCRA).

### **HazMat Training**

This seminar will teach employees the proper prepping, packaging, placarding, and labeling required to ship Hazardous Materials. Every employee involved in shipping, transporting, or handling hazardous materials must receive training to be certified; the training must be repeated at least every 36 months; and the training must be updated whenever there is a regulation change affecting an employee's job duties.

### **RCRA Training**

This seminar will teach employees how to identify hazardous waste, proper waste management of hazardous waste and universal waste, how to complete manifests accurately, emergency preparedness and release reporting.

For additional information on the seminar program or to enroll, please contact Michael Fisher: [\(612\) 283-7007](tel:6122837007) or [michael.fisher@safety-kleen.com](mailto:michael.fisher@safety-kleen.com). You can also [download this flyer](#).

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## **Managing Your Business Through a Crisis** **Presented by the DBE Academy**

**DATE:** Wednesday, April 3

**TIME:** 8:00am-10:00am

**LOCATION:** Online - receive a link when you register

[\*\*Register Here\*\*](#)

**COST:** Free!

This class will provide business owners considerations and tools to use when one's business is faced with problems relating to cash flow or credit needs, accidents and insurance, employee problems, and public and client relationship problems.

The instructor (Ross Jentink, PE) will also provide resources for cyber security and technology challenges.

Contact Ann Johnson with questions: [ann.johnson@peservices.com](mailto:ann.johnson@peservices.com)

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## MEMBER BENEFITS



### Benefits of the Week: ODP Business Solutions

Through NPP and ODP Business Solutions (formerly Office Depot), MBEX Members can save on the office supplies purchased every day.

Members have access to 3,200+ discounted ODP products and services, access to 400+ customizable items, savings in-store and online, and FREE shipping with a \$35 minimum order.



Below are a few examples of the ODP Business Solutions' prices members can take advantage of once [enrolled with NPP](#) (it's free!):

#### Paper - OD Copy

20lbs - 10 Reams

- List Price: \$295
- NPP Price: \$39.99 (while supplies last)

#### Office Depot Brand 6" x 9" Manila Envelopes

Clasp Closure - Brown Kraft - Box of 100

- List Price: \$23.99
- NPP Price: \$6.64

#### BIC Round Stic Ballpoint Pens

Medium Point - Translucent Barrel - Blue Ink - Box of 60

- List Price: \$14.80
- NPP Price: \$8.15

#### Office Depot Brand File Folders

1/3 Cut - Letter Size - Pack of 100 Folders

- List Price: \$15.59
- NPP Price: \$7.69

NPP (National Purchasing Partners) is a member benefit provider of the Minnesota Builders Exchange (MBEX), offering savings on products and services that businesses and employees use every day.

Start saving by enrolling your business with NPP for free to activate this offer (and others like it) here: <https://mynpp.com/association/mbex/>. Restrictions many apply.

# PROJECT INFORMATION + UPDATES

- Total Projects Received at MBEX from 3/18/2024 - 3/22/2024: **111**
- Total Active Projects Received/Reported on at MBEX as of 3/26/2024: **355**
- Total Projects in the Online Plan Room as of 3/26/2024: **1,253**

[DOWNLOAD HERE](#)

Click the button above to view the most recent project data from 3/20/2024-3/26/2024.

For information about the *Bulletin's* content, technical issues, or to place an ad (such as a Minority Notice, Job Posting, or Event Notice), contact [Ashlee](#), Membership + Communications Manager.



The MBEX *Weekly Bulletin* brought to you in part by [The Builders Group \(TBG\)](#).

## UPCOMING MBEX EVENTS

- **March 27** - 2024 Q1 Construction Economic Update & Forecast
- **March 28** - DOT Hazardous Material & Hazardous Waste Management Training Seminar
- **April 2** - POWER Workshop #1 - Making It in a Male-Dominated World
- **April 17** - MBEX Spring Social
- **April 18** - Online Plan Room Demo
- **May 27** - MBEX Closed (Memorial Day)

Connect with the Builders Exchange:



Revisit Past Bulletins:

[March 20 - No. 12](#) | [March 13 - No. 11](#) | [March 6 - No. 10](#) | [February 28 - No. 9](#)

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