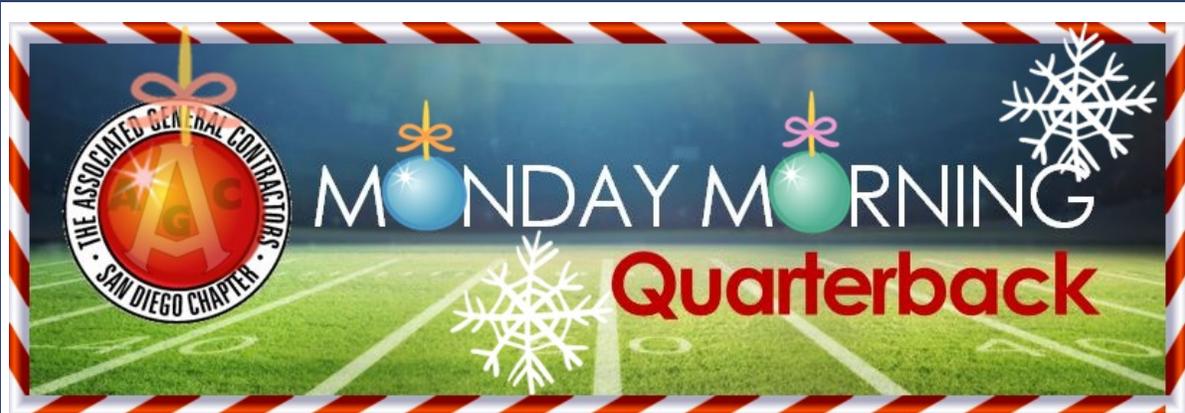


December 6, 2021

The VOICE of Construction



### **Pennies from Heaven**

By Dustin Steiner, Vice President Government Relations & Industry Relations

In a rather scathing [editorial in last week's Union Tribune](#), SANDAG Director Hasan Ikhtrata is quoted as saying, "I don't want to talk about fantasyland. I want to build things." The editorial goes on "But "fantasyland" is exactly what the San Diego regional transportation plan is." Nonetheless, SANDAG's Board of Directors voted Friday to move forward with an ambitious plan that at the moment does NOT contain the necessary funding mechanism(s) to pay the audacious \$160 billion dollar bill. How do they plan to pay for it? The good old-fashioned way – with new taxes and fees!

While the San Diego Building Trades are busy collecting signatures to put the first of possibly three sales tax increases on the ballot, one of the [major funding tenets was struck a major blow](#) this week when three mayors – including San Diego's Todd Gloria – publicly bucked Ikhtrata's vehicle mileage tax. [As previously discussed in MMQB](#), SANDAG is asking for *more* money while simultaneously scrapping the promises made in TransNet and trying to capitalize on an election loophole that may allow a tax measure to pass with 50%+1 instead of the usual 2/3 vote. And if this wasn't enough, on Friday, SANDAG will be moving forward with a vote on their controversial "[Community Benefits Agreement \(CBA\)](#)" which ironically carves out 80% of San Diego's construction workforce. This PLA DBA CBA promises to be "inclusive of all state and federally approved apprenticeship programs" and *only* applies to projects over \$5 million. \$5 million of \$160 billion...I'll do the math for you...amounts to any projects worth **0.003125%** of the overall budget being exempted from this discriminatory policy. I'm not even sure such a project of that size exists outside of "fantasyland."

Additionally, we know all contractors have difficulty complying with skilled and trained workforce (STW) requirements. This PLA tries to *hide* its numbers and leaves *enforcement up to the unions*. The same unions that pushed STW as a way to get a leg up on non-union contractors, despite the fact that unions can't meet the numbers either. "*To the maximum extent permissible under state law and regulation, including California Public Utilities Code section 132354.7(a)(3), Contractors and SANDAG shall be relieved of reporting and enforcement obligations and systems described in Public Contract Code section 2602 and 2603, and Contractors' requirement to utilize a skilled and trained workforce shall instead*

*be monitored and enforced by Unions and Contractors through provisions of this CBA.” So, the proverbial fox is guarding the hen house, only this time it’s not happening in “fantasyland.”*

SANDAG meets (virtually) *this* Friday at 9 a.m. To participate in the hearing, follow the instructions [HERE](#). If you need a refresher on the pitfalls of this proposal, read our MMQB article [HERE](#).

Meanwhile, over at the City, the Rules Committee decided to move forward (4-1, Cate voting no) with a ballot measure to overturn 2012’s Proposition A, which put in place a ban on PLAs. Prop A was supported by 58% of the voters and the *San Diego Union-Tribune (UT)*. Current UT Reporter David Garrick wrote in an [article](#) last week, “*Project labor agreements are pro-union construction deals.*” **AGC CEO, Eddie Sprecco**, went on to say, “*the ballot measure would give the local chapter of the state Building and Construction Trades Council more leverage in getting city construction contracts, especially large ones. **It’s basically the Building Trades trying to push their big contracts.***”

While the City of San Diego and SANDAG face major infrastructure backlogs and funding shortfalls, their proposed remedy has been to shrink their coalition and engage in the same financial “creativity” that got them both in hot water in the past. With major storms on the horizon (literally and figuratively), perhaps SANDAG and the City are hoping the words of Bing Crosby’s 1936 classic (and now a Christmas standard thanks to Louis Prima’s version in Elf) are true:

*“Every time it rains it rains  
Pennies from heaven  
Don’t you know each cloud contains  
Pennies from heaven”*

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## **The California Comeback Is Still a Work in Progress**

By Mike McManus, Director of Engineering Construction & Industry Relations

A friend recently shared some good news. His son, who is a construction craft worker, just got a raise to \$57 per hour. That rate, if worked full time all year, would be over \$100,000 per year. In fact, if one looks at the most recent “prevailing wage” schedule for public works projects, which you can do by going to the AGC San Diego’s website, \$50-plus per hour wages are commonplace, and that doesn’t include \$30 per hour in fringe benefits which includes healthcare coverage and retirement savings. Do most young people and those who are underemployed know this? Probably not, but there are some signs that things are starting to change.

But, California still has a nagging problem with unemployment and poverty as much of the nation is rebounding from the pandemic, California struggles. Nationally, the unemployment rate stands at 4.6% which incidentally is where it was before the pandemic hammered the economy 21 months ago. California is a different story according to recently published job numbers. 19 million Californians, or just fewer than half the population, were counted in the labor force and 17.6 million are employed, while 1.4 million are jobless. That means that the unemployment rate is 7.3%, which is twice as high before the pandemic struck. This is not a “California comeback.”

Many states across the country have unemployment rates under 2% and are quickly rebounding from the effects of the pandemic. It could just be a coincidence that those rebounding states with low unemployment rates have regulatory and tax policies that

encourage job-creating investment. But, probably not California and other blue states with high jobless rates are perceived as being hostile to business and have high tax burdens, which is part of the reason why the recovery from the pandemic in California is anemic.

Oddly, although California has the nation's highest poverty rate and one of its highest unemployment rates, employers have hundreds of thousands of jobs going unfilled – from teachers, carpenters and auto mechanics, to farm workers and even hamburger flippers. It's not uncommon for fast food chains to offer \$15 per hour, but still not get enough applicants. How can we have high unemployment and hundreds of thousands of unfilled jobs? Probably, the wrong mix of what applicants can do versus what employers need.

The worker shortages indicate that the pandemic may have wrought at least a semi-permanent change in California's employment scene, and if it persists, it will have a negative impact on the state's economy. In past years, when California has experienced labor shortages we could count on an inflow of workers from other states and nations to fill the gaps. But foreign migration has slowed to a trickle and California loses more people to other states than it gains. Those people leaving tend to be, more so, blue-collar workers, and less so higher educated folks.

Ironically, California's high housing costs drive away the very people we need to build more housing. The situation implies that California must do better in generating skilled workers within itself rather than relying on migration, and there are some hopeful indications of that attitudinal change.

A recent announcement by Chaffey College, a community college in Riverside County, is one such indication. It has received a \$2.9 million state grant to build a new welding training facility that will double the number of trainees. Welders are much in demand and earn premium wages. Our own Engineering General Contractor Association Foundation is also jumping in as they have committed to participate in "tool scholarships" for folks getting welding training at Palomar College and the Grossmont Adult School.

Also recently, the Governor signed into law Assembly Bill 643 to promote blue-collar trades among high school students. The new law requires public schools to ensure that trade apprenticeships are presented as options to high schools students.

The Chaffey grant and Assembly Bill 643 are refreshing signs that the college-for-all mentality is finally giving way to the reality that we need to train more Californians to do our vital work in construction and manufacturing that will start a true "California comeback," and will make the Golden State what it once was.



## Registration for AGC San Diego Chapter's Annual Meeting - Tomorrow is the Last Day to Register Dec. 14

As we close the year, we invite you to the Chapter's 94th Annual Meeting on **Thursday, December 16th, from 10:30 a.m. - 12:30 p.m.** at the **San Diego Mission Bay Resort** (1775 East Mission Bay Drive, San Diego, CA 92109).



2021 was a very busy year, and much different from the one we had in 2020. It was also a very good year for the construction industry, and a productive year for your Association – outcomes made possible by the active involvement of the 900+ member firms of AGC San Diego.

At the Annual Meeting “Active Members” have the important task of electing individuals to fill open seats on the Board of Directors. Year round, this group of AGC leadership makes decisions on your behalf that influence local infrastructure funding, industry practices, public policy, and politics.

While Specialty and Affiliate members will not be able to vote, the Board is convinced that sharing the valuable information about the association with the entire membership is important.

In addition to the election of members to the Board of Directors, AGC San Diego CEO, Eddie Sprecco, will present the AGC's 2021 Annual Report, detailing the important activities and finances of the AGC. This will include acknowledging dedicated members who are the backbone of the San Diego chapter, as well as our major sponsors, and our chairmen and chairwomen who head up the many AGC committees.

Your involvement is critical, and the 2021 Annual Report will detail how valuable member resources are working for you.

We encourage all AGC firms to take a couple of hours out of your schedule on December 16 to attend this final meeting of the year.

[Click to Register For Members Only Event](#)



**Announcing The AGC Installation Dinner - Thursday, January 20, 2022 at the Marriott Marquis, San Diego Marina**  
(Sponsored by Surety Associates of Southern California)

It's going to be a big night, and we welcome you to join us as we install **Kari Kyne** of *Kyne Construction, Inc.* as the incoming 2022 President of the AGC San Diego Board of Directors. Kari will be the second woman to hold the highest leadership position on our Board.

This event is an opportunity for the industry to hear from the **outgoing President, Mike Williamson**, of *Pacific Coast Iron*, and his comments on the progress of the AGC and the accomplishments of the industry during the past year. It is also an opportunity to hear the incoming President's vision for 2022.

Each member in the AGC is a major "stakeholder" in the Association. It is important that you attend and understand the messages these individuals have concerning the direction of the AGC.

The evening's program will also include the following recognitions:

- Acknowledgment of our retiring AGC Committee Chairs and Board Members
- Presentation of the coveted, AGC Member Awards...given to individual members and firms that played major roles in leading the industry during 2021
- Graduation of AGC Apprentices with honors
- Presentation of the significant, Annual Construction Safety Excellence Awards
- Graduation of members completing the AGC Project Management Certificate Program

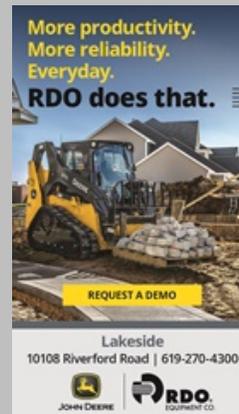
Bottom line...this is an opportunity to give those in attendance a real "feel" for the San Diego construction industry, and to give recognition to those that have volunteered to lead the industry in 2021 and in 2022.

The program is proudly sponsored by another woman owned business:



We depend on the support of companies like these for supplying the funds that we need to make a difference in the quality of our events. Thank you Cyndi Beilman. It is very much appreciated. [REGISTRATION FLYER](#)

[Click to Register Online](#)



**EDUCATION & TRAINING CLASSES**

## December Classes

Dec. 13 - **Basic Rigging & Qualified Signal Person** - @ Ferris  
Dec. 15-16 - **CQM** via Zoom  
Dec. 16 - **Trenching & Excavating** @ Ferris Square  
Dec. 16 - **Excel - Advanced** - offsite

## CLASSES

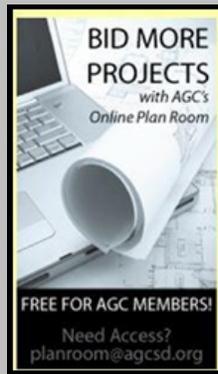
For more information on classes, contact:  
[Becca Schaffer](#), 619-592-4533

The [2022 Education Catalog](#) is now available for viewing.



**Training  
Calendar &  
Class  
Registration**

## ONLINE PLAN ROOM



## COMMITTEE/COUNCIL MEETINGS

[Committee Meeting Calendar](#)

[Get Involved - Join a Committee](#)

## AGC LOCATIONS



**AGC East County Facility &  
Apprenticeship Training Center**  
10140 Riverford Road  
Lakeside, CA 92040  
(858) 558-7444  
[DIRECTIONS](#)



**AGC Government Affairs Office &  
Fall Protection Training Campus**  
6212 Ferris Square  
San Diego, CA 92121  
2nd floor  
[DIRECTIONS](#)

### About Monday Morning Quarterback

AGC San Diego Chapter's Monday Morning Quarterback is a "hot off the press" and to the point Monday morning briefing on the important issues facing San Diego's construction industry. It is prepared by AGC Chief Executive Officer, Eddie Sprecco, and Vice President Government & Industry Relations, Dustin Steiner.

Please contact [Eddie Sprecco](#) or [Dustin Steiner](#) with your comments, or with information that should be conveyed to the industry through this service. Well over 3,000 individuals employed by AGC member firms are part of this system.

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The Associated General Contractors, San Diego Chapter, Inc. | 10140 Riverford Road, Lakeside, Lakeside, CA 92040