

# Rio West Quarterly

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## 3 Reasons to Switch to Tank less Water Heating

If a steady supply of hot water is needed for your business operations, it may be time to ditch your old water heater. A tank less water heater will secure energy savings while delivering all the hot water your business needs. That said, the key advantages to tank less are as follows:

**Avoid Down Time.** Tankless water heaters run on either gas or electricity and can supply hot water for a variety of end uses including showers, dishwashers, laundry machines, lavatory faucets and sinks. "They are suitable for any commercial application that has high water demands even intermittent periods," according to Michael Stebbins, President and founder of Trutankless, a manufacturer. The benefits of tank less extend beyond longer showers, they will lower your water heating bill, ensure demand and free up space in the utility closet.

Rather than being limited by the number of gallons your storage tank holds, tank less heaters provide an infinite amount of hot water. "If your demand is high and your business depends on hot water you can't afford to have down time if you run out," says Ansley Houston, Director of Rinnai's Commercial division, which distributes heaters.

**Conserve Energy.** Tank less heaters only consume the energy to produce the water when there is a need. Traditional heaters are continuously using energy to keep a steady supply of hot water. Depending on use, switching from a traditional to tank less can yield a 30% savings on the water heating portion of your utility bill, says Jason Fleming with Noritz America, a water heater supplier.

**Save Space.** Tank less units have a small footprint compared to the traditional counterparts. They are lightweight enough to wall mount which frees up space as you don't need a dedicated mechanical room for the unit, says Fleming. You could save 12-15 square feet per unit of storage by converting.



## McDonald's Weighs Net-Zero Energy Fast Food Outlets

McDonald's Corp. is encouraged by the results of a Rocky Mountain Institute-led study of the technical and financial feasibility of building stand-alone restaurants that produce as much energy annually as they use. The fast-food giant, with 36,000 outlets in over 100 nations, hopes to lead the way toward reducing energy use in the fast-food industry by developing a road map, starting with a net-zero energy study.

### Food Outlets

"We are optimistic this can be done, but it's too early for a timetable," says Roy Buchert, energy director for McDonald's restaurant solutions group. According to the U.S. Dept. of Energy, the U.S. quick-service restaurant sector uses 120 trillion Btu of energy each year, spread across 260 million sq. ft at cost of \$2 billion. Efficient restaurant designs could save

more than 50% of that energy used, says Roy Torbert, the study's project manager for the Rocky Mountain Institute (RMI). For the work, RMI modeled energy-use scenarios for new, stand-alone restaurants in Chicago, Orlando and Washington, D.C. Among the findings, reaching net zero begins with a 60% energy- efficiency improvement against an already efficient prototype.

## McDonalds cont.

Remaining energy needs can be met with a 300-kW photovoltaic system installed over the building and parking lot. Energy costs could be slashed by 85% to 95% over the average U.S. restaurant's current energy costs.

For fast-food outlets, the big energy hogs are the air-conditioning and the kitchen equipment. Focusing on the energy hogs could reduce energy consumption by 65% to 75%. "To get to net zero,

we are going to need those kinds of savings," says Tobert. "The study is the starting point."

## Mesa, Az., Created Self-Certification Program for Contractor's

Construction projects in Mesa may finish sooner than they have in the past thanks to new innovations from City Hall.

In an effort to encourage construction, remodeling and other improvements to properties in the city, Mayor John Giles has worked since he took office to institute a self-certification process for permits, allowing approved contractors to use a streamlined process to approve documents and obtain permits, which normally require longer amounts of time to get the rubber stamp they need to go ahead. "We're excited with the kick-off of the self-certification program," Giles said. "I think Mesa has a really good reputation for providing very fast, very business friendly services, particularly when it comes to

big projects."

The system will cut some processes by as much as two weeks. Previous turnaround for permits has been 18 business days, whereas self-certified permits will be issued within five days.

In February, Giles met with Richard Clutter, president of Emc2 Architects, the city's first customer for the new process. Giles said Clutter emphasized to him that the time savings was just as important as any monetary savings.

"As an architect we're always under a lot of pressure from our clients," Clutter said.

"The self-certification process cuts a lot of time from our schedule." The first project itself is also a perfect example of the overall intentions of the program.

"Even though Mr. Clutter is a pretty sophisticated architect who does big projects, the actual project that is the initial project is a fairly small commercial remodel at Deseret Industries out on Broadway Road," Giles said. He went on to say the significance is in showing that not only does the city want to help big projects, but small ones as well. Clutter commented that the business friendly aspects of the city of Mesa has stood out to him in the past, and he hopes to be able to take advantage of further improvements in the city's systems.

"Of all the East Valley cities that we work with, they are the most accommodating," Clutter said. "We were just happy to be the pilot for this project. Hopefully, they will expand the program."

"Experience the power of integrity."

## VP Buildings Open Web Truss Framing

A clear advantage in commercial and industrial facilities

### Building Efficiency.

Engineered and built to carry heavy roof loads more economically than other framing options. VP's Open Web truss frames are ideal for building uses such as arenas, hangers, manufacturing and warehouse

facilities. Plus VP's use of optimized design and recycled steel will contribute to your sustainable building objectives.

### Architectural Appeal.

Open Web trusses give building interiors attractive, open structural

appearance. The lattice design of the rafter allows building mechanicals and duct work to be located within the web, providing more clearance beneath the rafter. The open web frame design allows for better light distribution and air circulation

## VP Buildings cont.

helps to make the building more efficient.

**Faster Construction.** Open Web frames are relatively light compared to alternatives, allowing for easier lifting and bolt up in

the field. When these systems are erected with supersets (assembled on the ground and lifted into place) these light but rigid assemblies can be erected faster and safer.

Varco Pruden Buildings is a recognized leader in providing quality steel building systems throughout North America. Open Web framing is one of the unique building solutions available through VP.



## Oil Price Drop and its Impact on Construction

The largest drop in energy cost in decades has both positive and negative impacts on the market depending on which side you view it from. On the whole, construction will see direct benefit but at the same time in various regions the impacts will be negative. On the negative side, oil rich state drillers and suppliers have canceled jobs and or put projects on hold impacting billions in construction spending and corresponding construction labor. The direct correlation creates lower retail sales, hotels stays, housing starts for those areas most directly impacted. On the positive side, contractors are finding some easing of skilled and experienced truck drivers, welders, and equipment operators. On the consumer side, Chief Economist Robert Murray with Dodge Data & Analytics believes lower oil prices

help boost consumer spending which should have an impact on both commercial and residential markets. Additionally, these lower costs are reducing the input costs of producers for most construction materials, especially the price on transportation and petrochemical products. According to Ken Simonson, Chief Economists with Associated General Contractors "the biggest benefits are yet to come. With the lower cost of crude and the projected annual U.S. savings the drop in crude will trigger a variety of new construction spending in every region". In the end, the overall winner of lower energy costs is the U.S. economy

*"Building green is growing."*

## Workforce Shortages

There is good news and not so good news for contractors following a few years of gradual activity. On the positive front, construction spending has increased by 25% since its low point in 2011 and contractors have added more than 600,000 workers to their payrolls. As the construction industry emerges from a severe downturn that began more than seven years ago, many firms report having a hard time finding enough skilled workers to fill key positions. These workforce shortages may at first seem counter intuitive for an industry that was forced to lay off more than 2 million workers since 2006. However, these shortages are the consequence of a series of policy, education, demographic and economic

factors that have decimated the once-robust education pipeline for training new construction workers.

"It's almost too much good news," says Ken Simonson, chief economist for AGC of America. He's talking about the latest number from the Bureau of Labor Statistics.

"Construction employment is up 3.9 percent from a year ago; 231,000 more workers."

Indeed the number of unemployed construction workers actively looking for work has shrunk to the lowest level in eight years. "And what that says to me is the industry is going to have more and more trouble finding workers," says Simonson. Indeed, the latest stats from AGC's national survey indicate some 83 percent of firms are reporting difficulties in finding qualified

## Workforce Shortages cont.

employees – particularly in the craft trades. It's a nationwide issue, affecting chapters from coast to coast.

"Back in the 1970s," says Tony Varamo, "we had three viable options when we finished high school. One was college. One was the military. The other was entering the workforce. Varamo is the workforce development manager for MetroPower, Inc.,

an Albany, Ga.-based electrical contractor and an AGC Georgia member. But now we've become more of an information technology society," he says. "The kids no longer have parents who taught them how to use a hammer, a screwdriver, an electrical switch ... they spend more time inside playing video games, using devices. Most don't perceive construction as a viable option."

With that condition many contractors don't think the labor market will improve soon because they have a low opinion of the training pipeline for construction workers. The result is that the worker shortage is prompting many firms to increase pay and benefits in an effort to retain and attract workers. Sound familiar?

## Iconic Church Restored From Fire



The former First Baptist Church, the iconic West University landmark property, located at 604 N. 6<sup>th</sup> Ave. is now home to University City Church. The church was constructed in 1925 and was the church that began the Conservative Baptist Association back in the 1940's with Dr. Richard Beal as Pastor. Beal was looking for a dry climate to locate a church date to the tuberculosis condition in America. Beal selected Tucson over Phoenix due to the presence of the University of Arizona and the railroad service coming into town.

University City acquired the property and began services in January 2013 and ten months later the church building caught on fire which caused extensive damage.

Rio West was hired by the church and insurance company to begin the restoration. The church desired to keep the historic nature of the structure in place while adding modern amenities that included central air, sound systems and projection screen TV's. The church is currently set up with a seating capacity of approximately 900.

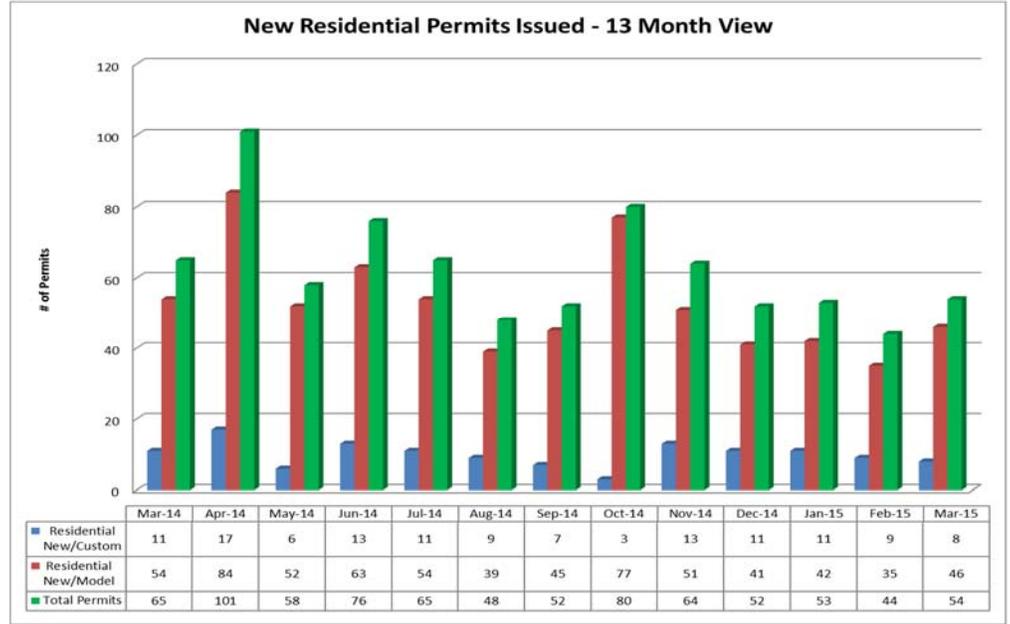
All said and done the renovation/restoration entailed a multi-million dollar effort. With the sanctuary and classrooms now complete the church is back holding weekly Sunday services.

## Just the Facts!

This chart reflects the commercial building permit activity within Pima County over the last 13 months ending March 31, 2015.

During this period 56 new commercial building permits were issued. By comparison the 13 months ending March 31, 2014, forty-one

commercial permits were issued. The balance of the chart reflects additions & tenant improvement activity.



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We're on the Web!  
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Founded in August 1994 by brothers Brad & Walter Hoge, Rio West will be celebrating its 20 year anniversary this year. Over the course of the last 20 years, we have constructed or developed projects in all jurisdictions in Pima County that include; medical buildings, office buildings, retail centers, industrial buildings, schools, assisted living facilities and other specialty type buildings. Our work experience includes:

- Pre-Construction Services
- Design Build
- CM@ Risk
- Building Inspection Services
- Development
- Solar Installations

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