



NJBMDA

New Jersey Building Materials
Dealers Association

BULLETIN

Industry News

Attention NJBM members: FEMA assistance is available. We are all sympathetic to the plight of those whose homes and businesses have been damaged by Hurricane Irene. They need to know that assistance is available from FEMA. Please post the information below in a prominent location so customers coming into your business for emergency supplies will see it. If you can email the information to any customer lists you may have, please do so. Individuals and businesses in all New Jersey counties whose homes or business locations have been damaged by Hurricane Irene should contact FEMA to apply for federal aid immediately. Claims for damage must be made within 60 days. **Register online at www.disasterassistance.gov or call FEMA at (800) 621-FEMA (3362)**

With many industry consultants calling 2011 the year cloud computing comes of age, it's beneficial for LBM dealers and distributors to look at cloud-based data management systems and see whether it makes sense for their operations. "The Cloud" is an off-site data management facility that houses data server farms. One of the many benefits is that all software updates and regular data back-ups are completed by the hosting site. For many companies, it saves them money, time and many headaches associated with antiquated data management systems. Another benefit of cloud computing is that the data can be accessed from anywhere that has an internet connection. And yes, there is an app for that. iPhone and iPad users are able to access their company's data while on the road. Cloud computing won't suit every construction supply operation, but before sinking big bucks into replacing aging servers, take a look at your options. You may find that cloud data management can improve your bottom line-and perhaps even offer some unexpected benefits.

One man's trash is Better World Material's treasure. Better World Material's business is based around recyclables such as milk jugs and cereal boxes that recycling centers - for whatever reason - have rejected. Instead of letting those unwanted items go to the dump, Better World Materials grinds them down and processes them into a wood-like substance that could someday serve as the framework for homes, the foundation for railroad tracks, the posts for fences or the pylons for docks. "Our goal is to take garbage and make it as valuable of a resource as we possibly can," said Dalyn Judd, president and CEO of Better World Materials.

From the double trouble of Hurricane Irene and Tropical Storm Lee to the earthquake that devastated Japan, it is more important than ever to discuss what role the design and construction industry can play in mitigating the impact from these

disasters. There are four major areas of concern: communicating effectively, overcoming obstacles, encouraging investments and using research and technology to prepare for the future. Another suggestion is to encourage private sector owners to partner with insurance loss-prevention experts to quantify the risks and build a stronger case for resiliency in buildings.

Large U.S. home building companies are under investigation for violating the wage-and-hour laws as part of a multi-industry crackdown. Under Labor Secretary Hilda Solis, 300 new investigators were hired to look into complaints of nonpayment for work, lack of overtime and minimum wage violations. The department wants to find out whether home builders are complying with the Fair Labor Standards Act. Violations are prevalent among immigrant workers who don't speak English or are afraid of jeopardizing their immigration status.

Activities of the Joint Select Committee on Deficit Reduction, otherwise known as the "super committee," are starting to accelerate. The bipartisan group of 12 Senators and Representatives must find \$1.5 trillion in deficit reduction recommendations. Several major deadlines loom for the deficit panel. Standing committees in the House and Senate have until October 14 to make recommendations to the super committee. The super committee then has until November 23 to vote on legislative proposals, with a 10-year deficit reduction goal of \$1.5 trillion. And by December 23, the House and Senate must vote on the super committee proposal without any changes.

Stakes are high. Should the super committee fail to make recommendations to Congress or Congress fails to pass the super committee's recommendations, automatic, across-the-board spending cuts totaling as much as \$1.2 trillion beginning in 2013 will be triggered. Those cuts would be spread evenly from Fiscal Years 2013 through 2021, and would be divided equally between defense and nondefense spending.

House Majority Leader Eric Cantor (R-Virginia) is looking to repeal "job-destroying regulations" in the hopes of removing uncertainty for businesses. Described as a regulatory relief agenda, the legislative proposals include repeal of specific regulations, as well as fundamental and structural reform of the rule-making system through legislation like the Regulations from the Executive In Need of Scrutiny (REINS) Act and the Regulatory Flexibility Improvements Act.

Both pieces of legislation are expected to come to the House floor before the end of the year. The REINS Act would require Congress to take an up-or-down vote on every rule with an economic effect of at least \$100 million before it could be enforced. The Regulatory Flexibility Improvements Act would require agencies to assess the effects of regulations on small companies. In addition, Cantor has proposed the House look to pass a 20 percent small business tax deduction. The deduction would free up funds for small businesses to retain and hire new employees, and reinvest in their businesses. To view the Cantor memo, [click here](#).

Businesses will have to add another employee rights poster to their already

sizable collections starting November 14. Employers subject to the National Labor Relations Act will have to post details of employees' labor relations rights.

The Environmental Protection Agency (EPA) has established an online portal for information and updates about the Lead Renovation, Repair and Painting (RRP) program. The GovDelivery program is intended for the RRP industry, so much of the information will be technical or regulatory in nature. GovDelivery will provide material to the industry, but it will not be a forum for discussion. The EPA directs interested parties to continue to direct dialogue towards normal contacts or the National Lead Information Center at 1-800-424-LEAD.

The New Jersey Economic Development Authority is taking steps to offer enhanced benefits to those businesses impacted by Hurricane Irene. Through the New Jersey Main Street Business Assistance Program, businesses can receive a credit guarantee of up to the lesser of \$500,000 or 50 percent of the amount of the line of credit at the time of default. These funds will help businesses cover costs while they wait for their insurance payout. Applicants have until December 31, 2011 to apply. The guarantee will last for 12 months.

As consumer spending starts a gradual rise, sales of industrial real estate tags along for the ride. Sales of industrial properties nearly tripled from last year, while the vacancy rates fell for three consecutive quarters. In Edison, the first industrial property is being built since the recession. J.G. Petrucci Company is building a 570,000-square-foot warehouse, despite not having any tenants signed on to lease space. "We are at the inflection point in the market," said Alec Taylor, a principal of Matrix Development. "Building values are still low, but rental activity and absorption rates are improving. Now is the time to buy buildings and in six months to a year, lease them up and improve their value."

In New Jersey

Although the estimated damage total went from \$14.7 million down to \$11 million, Sussex County may not receive any financial aid from the state or the federal government. According to County Administrator John Eskilson, the county's portion of the bill will be \$5 million. If the federal government doesn't come through, Sussex county citizens will be tapped to pay the entire bill. County freeholders approved an emergency declaration allowing them to bypass some state regulations on contracts, hiring contractors and getting the work done. Almost a dozen Irene-related construction projects are already underway.

Much of Asbury Park's west side was decimated after the riots in July 1970. Forty years later, Interfaith Neighbors, the nonprofit developer that has played a dominant role the past decade in rebuilding the city's west side, is leading the charge in its redevelopment. Interfaith's new 27,500-square-foot Springwood Center is on schedule to open up next spring. The three-story concrete-and-glass building will be the anchor of the Springwood Avenue redevelopment plan. The first floor will hold retail storefronts as well as a space for some police department divisions. A senior

center, with an arts and crafts room and computer rooms, will be housed on the second floor. The third floor will contain eight affordable apartments, ranging from one to three bedrooms.

Senate President Stephen Sweeney has released his own proposed legislative package to jump start NJ's economy and create jobs. His package is a mix of old and new ideas, such as tax credits to businesses that create jobs; energy tax exemptions for the state's manufacturers; and tax exemptions to businesses employing National Guard or reserve members. His new proposals would expand tax credits to LLCs and S-corps; establishing a Small Business Loan Program, where certain businesses would be eligible for 2 percent interest rate loans to expand. Sweeney hopes to work with Gov. Chris Christie to pass these proposals, many of which have Republican sponsors.

President Obama rolled out his jobs, which could give New Jersey \$1.3 billion for transportation projects, \$519 million for school improvements, and \$831 million to rehire or prevent layoffs of teachers, police and firefighters, among other things. The catch is how it is paid for. Obama wants to cap the income tax deductions for individuals earning more than \$200,000 or couples earning \$250,000. The cap will affect how much these people can deduct for their mortgage interest, charitable contributions and local property taxes. Gov. Christie wants to read the fine print before deciding if he supports Obama's plan. He is concerned about what happens when the money runs out. "I'm sure they're putting out numbers to try to make people support the plan, but the devil is in the details. What's it mean? Is this aid going to be sustained over a period of time or is just going to be sent to us and then to say, 'You have to replace that \$830 million next year?'" Christie said.

Local businesses aren't jumping on Obama's jobs plan bandwagon just yet. While the cut in payroll taxes and tax credit for hiring people unemployed for over six months sounds good in theory, reality is a different story. Some businesses would prefer to pass their savings on to their current employees, not necessarily hire new people that need to be trained. New Jersey businesses want to hire people based on qualifications, not because they will get a tax credit. "Employers want to hire workers who'll be as productive as possible, whether that's someone who's already working, been unemployed for two months, six months or more," said Philip Kirschner, president of the New Jersey Business & Industry Association.

President Obama vows to not hold victims of Hurricane Irene and Tropical Storm Lee hostages in the ongoing political feud in Washington. During his visit to towns crippled by floods, Obama praised Gov. Christie, FEMA and local officials for their response to the storms. He said that citizens should have no doubt that the federal government will come through with aid. "We're one country, and when one part of the country gets affected, whether it's a tornado in Joplin, Mo., or a hurricane that affects the Eastern Seaboard, then we come together as one country and we make sure that everybody gets the help that they need," Mr. Obama said. "And the last thing that the residents of Paterson or the residents of Vermont or the residents of upstate New York need is Washington politics getting in the way."

More from New Jersey

STATEWIDE - While New Jersey isn't getting the additional commuter rail tunnel into New York we desperately need, about \$1.25 billion budgeted for the project is being redirected to pay for critical road and bridge repair. We're going to need this aging infrastructure to be in tip-top shape to try and handle the massive bottlenecks created by not having the tunnel. More than 5,000 bridges are functionally obsolete or deficient in New Jersey; half the state's roadways are deemed "poor." State officials want 80 percent of the state's asphalt in good repair in a decade. Christie abandoned the \$9.8 billion tunnel project last October, calling it too expensive for New Jersey.

SOUTH JERSEY - What recession? It sure is a good time to be in the road repair racket in New Jersey. Besides all this infrastructure repair, state officials just awarded \$157 million for construction of an additional lane in each direction of the Garden State Parkway, with bridge and overpass widening, to provide a total of three lanes in each direction between mileposts 63 and 48.

STATEWIDE - Remember all the political backstabbing in the spring when the state's legislative districts were reconfigured? Expect the same, but on a grander scale, as talks begin to shrink New Jersey's 13 congressional districts into 12. Population shifts recorded in the 2010 Census will cause the state to lose a congressman before next year's election. New Jersey has seven Democrats and six Republicans in Congress. One has to go - and it won't be without plenty of kicking, screaming and perhaps biting.

STATEWIDE - Speaking of congressional (in)action, labor unions are scared to death that more than 1,900 highway and transit projects in New Jersey could be put on ice, and nearly 23,000 people put out of work, if Congress does not extend the Surface Transportation Act - and the 18.4-cent-a-gallon gasoline tax that finances it - before Sept. 30. Workers are justifiably worried, as politicians have shown they are willing to shut down projects to "send a message" to colleagues across the aisle. Remember last month, when the FAA was caught in a two-week standoff that forced thousands out of work and \$400 million in uncollected airline fees?

WASHINGTON - While most eyes are on the state legislative races that will dominate media this fall, some are already thinking about Sen. Bob Menendez's re-election bid in 2012. Even though Menendez has lousy approval ratings, there doesn't seem to be any Republicans able to challenge him and his hefty war chest. Only attorney Ian Linker has declared his intent to run, while state Sen. Michael Doherty and state Sen. Joe Kyrillos are thinking about it. Unless a rich Republican can step in (and we know you are out there), it looks like six more years with our senior senator.

TRENTON - Local politicians scramble to raise cash for their campaigns for office this November. New Jersey State Comptroller Matthew Boxer and ELEC

Executive Director Jeffrey Brindle will be called for "systemic and critical changes" in the local government "Pay-To-Play" law. Such law would make it more difficult for vendors to legally pay off government officials with campaign contributions in return for contracts. It would also make it even tougher for politicians to raise the tens of thousands of dollars required to flood people's mailboxes and airwaves in the days preceding the election.

ATLANTIC CITY - As the casinos fight for survival in an era of shrinking revenue and crazy competition, now is the time for voters to allow professional sports betting. The Casino Association of New Jersey (aka Trump) is pushing for a public question on the November ballot to allow for legalizing sports betting. (Actual bets could not be accepted until a federal law is overturned). New Jersey had a shot at sports betting in the 1990s, but missed a deadline to apply. Meanwhile, the only states allowing it are Nevada (of course), Montana, Oregon and Delaware. Atlantic City needs a major shot in the arm; sports betting may be one. Eliminating the seediness is another.

TRENTON - The state's woefully obsolete computer system has gotten so bad that even our penny-pinching Governor wants to spend \$5.5 million to begin fixing it, but he needs the Democrats on board, which, of course, is never easy. Christie's initiative - a five-year, \$60 million plan - has been bounced around Trenton all summer, but is still up in the air. Meanwhile, the state's antique computers will attempt to start up this morning, yet again.

ATLANTIC CITY - There's more bad news for the Pier Shops at Caesars - pending foreclosure - with the Game On! sports bar and Trinity Irish Pub abruptly shutting its doors - with no plans to reopen. The two were among about 75 stores and restaurants at the Pier Shops at Caesars, which opened about five years ago and is now awaiting a foreclosure auction.

WASHINGTON - Irene is almost certain to be the costliest category one hurricane in history and one of the 10 costliest ever. The price tag could top \$10 billion, but FEMA has less than \$800 million in its coffers. It'll be up to Congress to appropriate more money - the same guys who brought you this summer's debt ceiling crisis and swore off any new spending. Senate Democrats are unveiling legislation that provides \$6 billion to help victims of disasters dating to Hurricane Katrina. Expect a battle with tea party-backed House Republicans, who want federal spending slashed elsewhere to pay for disaster aid.

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