63rd Annual Home Show draws praise from all

By Paul F. Eno Editor

If what happened at the Rhode Island Builders Association’s booth at the 2013 Home Show is any indication, work opportunities may be starting to become easier for residential contractors in southeastern New England.

That’s the message from RIBA Executive Director John Marcantonio.

“Many more people than last year were approaching the RIBA booth, asking for contractors who could build new homes, put on additions and do remodeling for them. So the association passed out a lot more information and directories than previously. We know things are still difficult, but I really feel there was more opportunity for builders and remodelers at this show than there has been in the past,” Mr. Marcantonio said.

“This shows that, whether contractors are members of RIBA or not, they need to exhibit at the Home Show,” he added. “We passed out a load of copies of RIBA’s 2013 Membership Directory and Buyer’s Guide, but

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Table-Top Networking Night slated for May 8th at Rhodes

WHEN: Wednesday, May 8th, 5-8 p.m.
WHERE: Rhodes on the Pawtuxet, 1 Rhodes Pl., Cranston
COST: Free admission. Table rental, $100 for members, $150 for non-members
FOR INFORMATION OR FOR A TABLE: Contact Elizabeth Carpenter, ecarpenter@ribuilders.org or (401) 438-7400.

The Rhode Island Builders Association’s 2nd Annual Table-Top Networking Night will give contractors a chance to

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From the Board of Directors

Directors hear 2013 code update

State Building Code Commissioner John P. Leyden also discusses e-permitting, which should be in place within two years.

By Paul F. Eno Editor

Code changes for 2013 and e-permitting were prime topics at the April 2nd meeting of the Rhode Island Builders Association’s Board of Directors.

State Building Code Commissioner John P. Leyden was the guest speaker.

Discussion included the process, now under way with the Building Code Standards Committee, to adapt the 2012 International Residential Code for Rhode Island use. Rhode Island’s 2013 code books will have a new design that eliminates the “blue pages” and incorporates the Rhode Island amendments right into the appropriate code sections, set off by double lines to identify them, according to Mr. Leyden.

No change in insulation requirements will take place, although the code will include a new blower-door testing requirement for new construction, Mr. Leyden said.

“The purpose of this test will be for information only. There will be no penalty for failing the test.”

Designing and launching a new, statewide electronic permitting system, which should be up and running by 2015, also featured in the discussion. Mr. Leyden noted that several RIBA members will be key players in designing the software.

“We expect that this Internet-based system will streamline permitting all over the state,” Mr. Leyden said.

He noted that a planning committee is deciding in detail what the system’s software needs to do, and has heard a presentation about the e-permitting systems now in place in Providence, East Providence, Warren and North Kingstown.

“My office is working closely with state Fire Marshal John Chartier on this. We plan to make this a comprehensive system where all applications and reviews can take place online,” Mr. Leyden stated. He added that a timely $50,000 grant from the Rhode Island Foundation, made to his office and Mr. Chartier’s to upgrade computer equipment and software, will help speed this process.


At the April 2nd Board of Directors meeting, Rhode Island Building Code Commissioner John P. Leyden, right, reports on the progress of updating the state’s codes, and on an e-permitting system now in the planning stages.

Our Board of Directors often has guest speakers on key topics that are important to the residential construction industry. This information is passed on to members through this monthly Board Report in our magazine. This month’s story concerns the pending 2013 code changes and a new e-permitting system that is planned throughout the state within the next two years.

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DEADLINES FOR THE NEXT ISSUE

For the JUNE issue, all copy, ads and photos must be to us by MAY 3

Send material to The R.I. Builder Report, c/o RIBA, 450 Veterans Memorial Pkwy., Suite 301, East Providence, RI 02914 or e-mail to builder@newriverpress.com. Fax: (401) 356-0913
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Official publication of the Rhode Island Builders Association since 1951

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LOOKING AHEAD!

◊ April 24-25: Continuing Education for Massachusetts Construction Supervisor License Holders - 8 a.m. to 4:30 p.m. at RIBA headquarters, East Providence. Visit www.thecontractorcoachingpartnership.com and look for the “CSL/CEU Training” link at the top of the page, or call the Contractor Coaching Partnership Inc. at (978) 422-6354. Details on page 20.

◊ May 8: Table-Top Networking Night - 4-8 p.m., Rhodes on the Pawtuxet, One Rhodes Pl., Cranston. Admission FREE. Exhibits and networking opportunities of interest to all in the residential construction industry. Members and non-members are welcome. Also find out what RIBA has to offer. For table rentals, contact Elizabeth Carpenter at ecarpenter@ribuilders.org or (401) 438-7400. Details on page 1.

◊ May 13-14: OSHA 10-Hour Certification Course - RIBA headquarters, East Providence, 11:30 a.m. to 5 p.m. both days. Attendance both days is required for certification. Details on page 20.

◊ May 22: First Aid CPR/AED class - 4-9 p.m., RIBA headquarters, East Providence. To register, visit www.RIBUILDERS.org or contact Sheila McCarthy at smccarthy@ribuilders.org or (401) 438-7400. Details on page 20.

◊ May 22: Meeting and Networking Event for RIBA’s Professional Women in Building Council - 5:30-7:30 p.m., ABCLeads.Com, 42 Ladd St., East Greenwich. All RIBA members are invited. Contact Cheryl Boyd at cboyd@arnoldlumber.com or (401) 255-5910. Details on page 19.

◊ May 30: Quickbooks for Contractors - 3:30-5:30 p.m., with instructor James I. Goldman. To register, visit www.RIBUILDERS.org or contact Sheila McCarthy at smccarthy@ribuilders.org or (401) 438-7400. Details on page 21.

◊ August 9: 63rd Annual RIBA Summer Outing and Clambake - Noon to 7 p.m., Francis Farm, Rehoboth, Mass. Sponsors and prize donors are being sought. Please contact Elizabeth Carpenter at RIBA, ecarpenter@ribuilders.org or (401) 438-7400. Watch for more details.

◊ September 23: 22nd Annual RIBA Golf Classic - 11 a.m. to 8 p.m., Rhode Island Country Club, Barrington. Sponsors and prize donors are being sought. Please contact Elizabeth Carpenter at RIBA, ecarpenter@ribuilders.org or (401) 438-7400. Watch for more details.

More information, registration and payment for most RIBA events is available at RIBUILDERS.org

◊ Indicates a RIBA-sponsored event.
Many thanks to our Home Show champs!

I’m pleased but not surprised to report that the Rhode Island Builders Association’s 2013 Home Show was a huge success! It will be a while before the final numbers are in, but everyone who participated commented on the crowds, the enthusiasm and the positive spirit that permeated the event.

Member involvement in the Home Show has made for a tremendous improvement over the last two years. Ron Smith and the Home Show Committee (Cheryl Boyd, Elizabeth Carpenter, Karen Corinha, Lou Cotoia, Joe Cracco, Carol O’Donnell and Bob Yoffe) did an outstanding job and came up with some great new ideas. They all point, me included, to the tireless work and encouragement of John Marcantonio, our young and dynamic executive director! And Bob Yoffe did his usual great job as our show producer.

We also couldn’t have had such success without the help of our member volunteers. They helped staff the model home, control crowds, hand out literature for our Builders Helping Heroes (BHH) charity, and much more.

Then there were our member exhibitors, who were at the forefront of their annual marketing by presenting their products and services to the thousands of enthusiastic Home Show visitors. I myself spent many hours at and near the RIBA booth at the show entrance, telling visitors about BHH. There was a huge and steady stream of people, especially over the weekend.

If you didn’t exhibit this year, plan to do so next year. RIBA makes the process easy, and there are financial incentives. Watch for more information about the 2014 Home Show.

Whether you took advantage of the Home Show or not, you will have another chance to showcase your business on May 8th at Rhodes on the Pawtuxet in Cranston, where RIBA’s 2nd Annual Table-Top Networking Night will take place.

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"We are more than happy to do this, and to welcome Cpl. Kevin Dubois to our community!"

That was the word from Nancy F. Binns, president of the Burrillville Town Council, on March 13th as the council agreed unanimously to waive all fees in the construction process for a house to be built for a wounded Afghan War veteran. The 2,650 square-foot, specially adapted home is to be built this year by the Rhode Island Builders Association’s Builders Helping Heroes (BHH) charity and its partner, Homes for Our Troops (HFOT).

The council meeting was attended by RIBA President Felix A. Carlone, BHH President Robert J. Baldwin, HFOT Property Transfer Manager John Silvia, member Vincent J. Marcantonio and Executive Director John Marcantonio.

Mr. Baldwin, Mr. Silvia and John Marcantonio each addressed the council to request the waiver, explaining the project in detail.

The only question came from Councilman Wallace F. Lees, who stressed that he was not against the waiver, but wondered who would take care of the property after the Dubois family moved in. Mr. Silvia explained that HFOT has a thorough follow-up program that assists disabled veterans with property upkeep and many other tasks.

In his remarks to the council, Mr. Baldwin summed it up. “It’s not a matter of can you approve this waiver, it’s...”

Wounded Marine veteran Kevin Dubois, at left, visits the homesite with his wife, Kayla, on April 10th. Reviewing site plans with them are Builders Helping Heroes President Robert J. Baldwin, pointing, and Domenico Picozzi of RIBA member ABC Concrete Form Co., which is contributing to the project.

At the Burrillville Town Hall after attending the Town Council meeting on March 13th are, from left, RIBA member Vincent J. Marcantonio, Homes for Our Troops Property Transfer Manager John Silvia, Builders Helping Heroes President Robert J. Baldwin, RIBA President Felix A. Carlone, and Executive Director John Marcantonio.
The Rhode Island Builders Association’s 63rd Annual Home Show took place at the Rhode Island Convention Center, Providence, April 4th-7th. Opening ceremonies were held at the 902 square-foot model home on the show floor. With the lady who made the model home possible, Carol O’Donnell of CRM Modular Homes, are, from left, RIBA member Jack Bentz, Immediate Past President Bob Baldwin, Executive Director John Marcantonio, Providence Mayor Angel Tavares, RIBA Secretary Dave Caldwell, local director Tom Lopatosky and President Felix Carlone, who holds a citation to RIBA presented by the mayor.

The RIBA booth at the entrance to the show saw a steady stream of members and visitors seeking information. From left are RIBA Event Coordinator Katelyn Lombardi, Education Coordinator Sheila McCarthy and Bill Hofius of Riverhead Building Supply.

Tanya Donahue of R.I. Kitchen & Bath and Bill Geddes of Geddes Builders.

Linda and John Nilan of John F. Nilan Plastering, left, enjoy Member Night, April 4th, with Judy Letourneau.

As the Home Show begins, Executive Director John Marcantonio gives instructions to, from left, RIBA staffers Robin Barlow, Elise Geddes and Elizabeth Carpenter at the RIBA booth.

It’s the opening minutes of the Home Show, and Arnold Lumber Co. President Bruce Charlson, right, and Bob Rocchio are ready to drum up some leads.
Bob Pesce of Consolidated Concrete Corp., right, with General Manager Ron DeCosta. Behind them, one of the many children who had a chance to sit in the cement-mixer truck during the show is watched by her mom.

Visitors crowd the aisles on Saturday, April 6th.

Longtime exhibitors Lighting & Design by J&K Electric Supply Co. were in their usual prime location. From left are Joe Falvo of J&K, fellow exhibitor Steve Fitzgerald of Fitzgerald Building and Remodeling, and J&K owners Jeanine and Ken Lantini.

Ryan Motta walks away with his new bike after a winning spin of the wheel during RIBA’s on-the-half-hour bicycle giveaway. Looking on are RIBA staffers Katelyn Lombardi and Robin Barlow.

Stopping by the RIBA booth are applicants for membership Jay White and Phil Mazzone of ADT, with member Arthur Dwyer of Wood’s Heating Service.
Congressman Jim Langevin, at right, visited the show on Saturday. Here, on the model home’s patio, he shares a laugh with, from left, President Carlone, Mike DeCesare of DeCesare Building Co., and Bruce Charlson and Cheryl Boyd of Arnold Lumber Co.

The guys from Lopco Contracting, Tom Lopatosky, right, and Mike Gorman, field questions from a potential customer.

Tom Gibaldo of Overhead Door Garage Headquarters seems as if he has his hands full when it comes to prospects.

So too Lou Cotoia and Cheryl Boyd at the Arnold Lumber Booth.

Prudence Stoddard of R.I. Kitchen & Bath presents a workshop on “Kitchen and Bath Design Trends for 2013.”

At the Washington Trust Company booth, Jason Quinlan and Cathleen Studley show off gifts based on their bank’s “I Love RI” campaign.
RIBA President Felix Carlone and Matt Davitt of Davitt Design Build Inc. help promote the $100,000 fundraising campaign for the Builders Helping Heroes project to build a home in Burrillville for a wounded Marine. See page 6.

Meanwhile, George Salter of Enviro Clean Inc. signs one of the 2x4s that will be used in building the Burrillville house.

Ty Ereio of New England Sola Concepts Inc. was exhibiting at his 17th Home Show.

Ross Rosen of Champion Windows.

Carol O’Donnell of CRM Modular Homes, left, answers some questions for a visitor to the model home, the show’s centerpiece. A member of RIBA’s Home Show Committee, Carol organized the display of the 902 square-foot house.

Joe DeFeo of J&J Hardware & Appliance, at right, can boast of some happy prospects.

Visitors line up at the Verizon booth on April 6th to get an autograph from former New England Patriots running back and fullback Patrick Pass.
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Fiore named to RIEDC Board of Directors

Roland J. Fiore, president of South County Sand & Gravel Co., Inc., and vice president of the Rhode Island Builders Association, has been named to the Board of the Rhode Island Economic Development Corp. (RIEDC).

Mr. Fiore’s appointment was confirmed by the state Senate in April.

A longtime RIBA member and director, Mr. Fiore is a graduate of the University of Rhode Island and has been involved in community service for many years. He has headed South Kingstown-based South County Sand & Gravel since 1988.

Founded in 1949, the company manufactures construction material and is also a residential and commercial real estate developer. South County Sand & Gravel and its affiliates have carried out operations as diverse as road building, concrete manufacturing, property development and, of course, sand and gravel production. Along with RIBA and the National Association of Home Builders, Mr. Fiore and his company belong to the National Sand & Stone Association, the Rhode Island Aggregates Association, the Construction Industries of Rhode Island, and the National Utility Contractors Association of Rhode Island.

NETWORKING NIGHT
...from page 1

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Member News

Lopatosky wins national award

Thomas J. Lopatosky, owner of Lopco Contracting and a local director of the Rhode Island Builders Association, is a winner of the 2013 Humanitarian of the Year Award from the Painting and Decorating Contractors of America (PDCA) for his community service.

PDCA presents this award in recognition of “extraordinarily compassionate contributions that may or may not be painting and decorating industry related…benevolent acts of humanity that rise above daily business routines and family obligations, which are in alignment with PDCA ideals.”

Mr. Lopatosky and LOPCO Contracting have been painting homes in southern New England for the past 19 years. The award was presented at the PDCA Expo and National Convention in St. Louis, Mo., in March.

Overhead Door donates to Seabee Museum

Overhead Door/Garage Headquarters has helped get the new Seabee Museum under way by contributing labor to install an insulated rolling steel door, donated by McKeon Door, at the new North Kingstown facility.

The new steel, Quonset hut-style museum building in Davisville is 102 feet wide, 65 feet deep and 24 feet high. It was erected last fall and paid for with funds raised by volunteers. One critical item needed was the 14 foot-wide garage door.

“The door we suggested has additional insulation for energy conservation and protection against elements of nature, is more reliable for high-use applications by the public, provides significant safety for fire and security needs, and will last longer than the door originally specified in the building plans,” stated Scott Grace, president of Overhead Door/Garage Headquarters.

“Since it is part of a modern evolution of the Quonset hut, which most everyone knows was originally designed and manufactured at the Davisville base, we recognized the importance of this museum project to the history of our state and of the world. Once we let McKeon Door know this, they immediately stepped up to donate the door. We are honored to donate the labor and installation to make this historic building complete,” Mr. Grace added.

The Seabee Museum and Memorial Park’s mission is to document the history of the U.S. Navy Seabees and provide an educational learning site for area students.

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Member Profile: Paul Schurman of P. Schurman Contractors Inc.

He has a reputation and a niche!

By Paul F. Eno Editor

If any member of the Rhode Island Builders Association has a valuable geographic “niche,” it must be Paul Schurman of P. Schurman Contractors Inc. According to the longtime member of the Rhode Island Builders Association, he has rarely worked more than five miles from his South County home.

“My clients have passed me around one friend to another for over 35 years. I have almost never worked more than five miles from my home. Actually, I worked with one client in East Greenwich who then had me work on other homes he owned in Newport. That’s about the extent of my travel,” Paul remembers.

Paul came to the home builder trade through summer jobs while he was at the University of New Hampshire, where he earned a degree in education. As he learned carpentry and worked as a carpenter between semesters, he was hooked.

“I worked for local builders for three years until a slowdown forced me to go out on my own,” Paul says. That was in 1975.

“I began like most, with small jobs, basement renovations, kitchens, etc., for parents and parents’ friends.”

He incorporated P. Schurman Contractors in 1978. Meanwhile, Paul bought his own first house on his 25th birthday for $12,500, with 5 percent ($625) down.

“I was able to sell this house three years later at a profit and bought a piece of land to build a home for myself. I felt this was important, since no one would be interested in having me build their house until they could see one I had built,” Paul says.

“The second house I built was for a next-door neighbor, and then it all began.”

Paul spent the next eight years building mostly self-designed, modified post-and-beam homes, with his wife as the self-taught draftsperson.

“Because we had so little experience in design, I decided to approach different architects. This opened a whole new world for me, and I went from being a carpenter to a general contractor.”

Paul found that his interpersonal skills allowed him to work well with subcontractors, architects and, most of all, clients.

“The word spread and, before long, I was able to do multiple jobs at once. Of course, I had to step back from the physical work more and more to run the business and get new jobs, but I found that South County was full of very talented craftspeople.”

Paul decided early on not to advertise.

“I didn’t want to spend all my time chasing work I had very little chance of getting. I thought that if I provided a client with the best work we could do at a fair price, with all the costs on the table, including my fees, I would have little risk and continuous work. This turned out to be the formula for my success.”

He stresses “total honesty” with his clients, paying his employees and subs on time, and never being late to a supplier.

“This has brought me great loyalty and a lot of friendships in the trade. I’ve been working with some of the same people that I started relationships with well over 30 years ago.”

He says he has built or remodeled as many as five projects for individual clients over the years, and that now he is working for the children of some of those clients.

Paul joined RIBA in 1977, and he says he really appreciates the networking and educational opportunities.

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*Tile Gallery
Professional Women in Building slates networking event in May

WHEN: Wednesday, May 22nd, 5:30 to 7:30 p.m.
WHERE: ABCLeads.Com, 42 Ladd St., East Greenwich, RI 02818
COST: Free
DEADLINE TO REGISTER: May 16th
FOR INFORMATION AND TO REGISTER: Contact Cheryl Boyd at cboyd@arnoldlumber.com or (401) 255-5910.

Tracey Boyajian and ABCLeads.Com will host the next networking and informational event for the Rhode Island Builders Association’s Professional Women in Building Council (PWB).

Make valuable business connections and learn about the unusual lead-generating power of ABCLeads.com. The company owns hundreds of websites that draw potential customers for contractors in the areas of bathtub liners, replacement windows, gutters, siding, sunrooms, roofing, central air conditioning systems, basement finishing, and bathroom and kitchen remodeling.

The event is free, open to all RIBA Members, and refreshments will be served. Please RSVP to PWB President Cheryl Boyd by May 16th.

Ms. Boyajian is vice president of PWB.

NAHB alerts members on proposed tax revision

By Rick Judson 2013 NAHB Chairman

During the past two years, the National Association of Home Builders has worked diligently to raise housing’s profile among many different stakeholders – the administration, Congress, regulators, the media, allied groups...

see TAXES...page 30

RIBA Member Rebate Program

www.HBArebates.com

What would you think if you could get a rebate for your loyalty to many of the nation’s leading housing industry Manufacturers? Well, now you can regardless of your volume!

We’re happy to introduce the RIBA Member Rebate Program, a free member benefit, aimed at increasing your bottom line. For the minimal effort of informing us about the products you use, and telling us when you close on a home or project, you’ll be putting money back in your pocket. When you participate in the RIBA Member Rebate Program, every home you build can earn you rebate checks! Remember, both Builders AND Remodelers qualify for the RIBA Member Rebate Program. Over 70% of the Builders & Remodelers who participated last year received back in rebates more than they paid in annual dues to the Association!
RIBA sets OSHA course in May

WHEN: May 13th and 14th, 11:30 a.m.-5 p.m.
WHERE: RIBA headquarters, 450 Veterans Memorial Pkwy., East Providence
COST: Members - $125, Non-members - $175.
Registration must be pre-paid. Cancellation deadline is May 6th.
FOR INFORMATION AND TO REGISTER: Logon to www.RIBUILDERS.org, click on this event under the “Events Calendar,” or contact Elizabeth Carpenter at ecarpenter@ribuilders.org or Sheila McCarthy at smccarthy@ribuilders.org, or call (401) 438-7400.

The Rhode Island Builders Association is once again offering the OSHA 10-Hour Certification Course in May. This course provides training in compliance with the Dept. of Labor & Training’s municipal jobsite requirements.

The course is geared to train safety directors, job foremen and field employees in OSHA construction standards. It highlights major safety concerns, with the intent to reduce jobsite accidents, saving time and money.

Each person completing the course will receive a copy of the OSHA Standard 29 CFR Part 1926 and an OSHA-10 certification card.

Everyone working on a municipal or state construction project with a total project cost of $100,000 or more must have a card certifying completion of this OSHA course at all times while work is being performed on site. This requirement includes “any private person or entity bound by a contractual agreement to provide goods or services to a contractor/developer who must physically enter the place where work is being performed or business is being conducted.”

First aid class to be held at RIBA

WHEN: Wednesday, May 22nd, 4-9 p.m.
WHERE: RIBA headquarters, 450 Veterans Memorial Pkwy., East Providence
COST: Members - $60, Non-members - $85.
DEADLINE TO REGISTER: May 17th
FOR INFORMATION AND TO REGISTER: Logon to www.RIBUILDERS.org, click on this event under the “Events Calendar,” or contact Elizabeth Carpenter at ecarpenter@ribuilders.org or Sheila McCarthy at smccarthy@ribuilders.org, or call (401) 438-7400.

The Rhode Island Builders Association presents a basic first aid course that could save a life on your jobsite or in your home. It includes instruction in CPR/AED (cardiopulmonary resuscitation/automated external defibrillation) on adults, children and infants. AEDs are the defibrillation machines that are becoming so common today.

The class also will help participants deal with choking in adults, children and infants. It will cover everything from protecting yourself and children to medical and trauma treatment and recognition.

Space is limited. Please register on or before May 17th.

Mass. licensing course reminder

WHEN: Wednesday, April 24th, and Thursday, April 25th, 8 a.m. to 4:30 p.m. each day.
WHERE: RIBA headquarters, 450 Veterans Memorial Pkwy., #301, East Providence
COST: Two-day program is $295 for unrestricted and restricted construction supervisor license holders. One-day program is $179 for specialty construction supervisor license holders. The fee includes lunch on both days.
FOR INFORMATION AND TO REGISTER: Visit www.thecontractorcoachingpartnership.com and look for the “CSL/CEU Training” link at the top of the page, or call the Contractor Coaching Partnership Inc. at (978) 422-6354.

If you work in Massachusetts, the requirements for all three levels of construction supervisor licenses have changed. This course will allow you to meet the requirements for renewal of your license.
‘Quickbooks for Contractors’ is May topic at RIBA

WHEN: Thursday, May 30th, 3:30 to 5:30 p.m.
WHERE: RIBA headquarters, 450 Veterans Memorial Pkwy., East Providence
COST: Free for members, $10 for non-members
DEADLINE TO REGISTER: May 28th
FOR INFORMATION AND TO REGISTER: Contact Sheila McCarthy at RIBA, smccarthy@ribuilders.org or (401) 438-7400.

“QuickBooks for Contractors” will be the subject this month as Rhode Island Builders Association member James I. Goldman CPA/ABV discusses ways that those in the residential construction industry can use the most popular bookkeeping software.

CAPS graduates hit the 5,000 mark

Jeffrey Tucker, president of Tucker Building & Design LLC in Wadsworth, Ohio, recently became the 5,000th graduate of the National Association of Home Builders Certified Aging-in-Place Specialist (CAPS) program.

The CAPS program, which launched in 2002, teaches the technical, business management and customer service skills essential for serving the fastest-growing segment of the residential remodeling industry.

To earn the designation, candidates must complete three classes: Marketing and Communications Strategies for Aging and Accessibility (CAPS I), Design/Build Solutions for Aging and Accessibility (CAPS II), and Business Management for Building Professionals, which shows remodelers, builders and others how to run a successful business in this market segment.

Watch The Rhode Island Builder Report for information on upcoming opportunities to receive CAPS training.
RIBA backs ‘Notice Bill’
to protect property rights and values

With landowners all over the state having their property rights and values affected by local regulatory actions, and not receiving adequate notice about it so they can attend hearings and make their voices heard, the Rhode Island Builders Association is actively backing the “Notice Bill,” House bill 5393.

This excellent legislation would be a major step toward safeguarding property rights and values. It would require cities and towns to establish and maintain a public notice registry of landowners, electors and nonprofit organizations within their boundaries in order to notify them about any changes to local subdivision regulations or zoning ordinances. Participants in the registry would “opt in.”

The required notification could be carried out through e-mail, costing the communities virtually nothing except a few moments of time once the e-mail list is set up. Currently, significant land-use regulations are approved, changed or otherwise acted upon without steps being taken to adequately notify property owners whose rights could be affected. That’s why there are so many empty planning and zoning board meetings.

see LEGISLATIVE COMMITTEE....next page
LEGISLATIVE COMMITTEE...from previous page

Communities tend to abide by the minimum notification requirements, which are set by the state. These usually involve a small advertisement in the back of the local “newspaper of record,” and a notice on the bulletin board at the town or city hall. In this age of ever-present electronic media, that kind of notice just doesn’t do it.

As John Marcantonio, our executive director, explains it: “Since communities often take it upon themselves to exceed state requirements in land-use regulations, the time has come for them to exceed the state’s requirements for notice. None of them has ever done that,” he says.

“As a result we have people’s property rights and property values being affected, essentially without adequate notice.”

John also points out something else that has come to RI-BA’s attention.

“Many landowners have told us that, when they hire an engineer to analyze what they can and can’t do with their property, they find out only then that some regulation or change to a regulation has taken their value away.”

And he adds: “The Notice Bill will remedy all that. The day of the ambiguous notice ad on the back page of the sports section, which no-one reads and no-one understands, will hopefully be behind us.”

There is no reason why communities shouldn’t use electronic media to help keep property owners informed. This can only be in the best interest of the landowners and the municipalities because it will place everyone “on the same page” regarding these regulatory matters. More information and less confusion are always better for everyone!

The Notice Bill also would help our industry by keeping everyone better informed. Please contact your local legislators and ask them to support this bill! As we have said many times, there is no better way to boost legislation than for state senators and representatives to hear support from their own constituents.

The bill is sponsored by Reps. K. Joseph Shekarchi (D-Warwick), Jared R. Nunes (D-Coventry/West Warwick), Charlene Lima (D-Cranston), Stephen R. Ucci (D-Johnston/Cranston) and Robert D. Phillips (D-Woonsocket/Cumberland).

CONTACTING RIBA

Members are encouraged to contact the Rhode Island Builders Association staff at any time for information about their membership and its many benefits, RIBA events and educational opportunities, chances for leadership or to help with the association’s legislative advocacy program, or with industry or business-related questions. General information is online at RIBUILDERS.org. RIBA’s headquarters is located at 450 Veterans Memorial Parkway, Building # 3, East Providence, RI 02914. Hours are Monday-Friday, 8:30 a.m. to 5 p.m. Phone: (401) 438-7400, Fax: (401) 438-7446. Here is a list of staff:

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OSHA releases new hazard communication rules for 2014

If you don’t think that your jobsite needs “all the bells and whistles,” think again. The Occupational Safety and Health Administration (OSHA) recently has been citing contractors for not having horns, sirens or a bell on their jobsites, along with an evacuation plan.

That’s the report from Betsey Thomson of Risk & Safety Management, a member of the Rhode Island Builders Association. It’s all part of OSHA’s Hazard Communication Standard, which will see more revisions taking effect on December 31. Watch The Rhode Island Builder Report for details.

-Paul Eno
A Conversation with...

Dr. Leonard Lardaro
Professor of Economics, University of Rhode Island

Prof. Leonard Lardaro has been a faculty member at the University of Rhode Island since 1981. He has spoken and published widely and is an expert on applying economics to current events. He has been analyzing and forecasting the Rhode Island economy since 1991, focusing on its labor and housing markets, demographic factors and the income created by the state’s economy. In 1995, he formulated and began to publish the monthly Current Conditions Index (CCI) for Rhode Island, an indicator of the present state of the economy. It is available online at www.LLARDARO.com/current.htm. In 1999, he created and published the Jobless Improvement Index, a measure that gauges each state’s unemployment rate “momentum.” Prof. Lardaro has served on a number of key committees, including the Labor Market Information Committee for the Human Resource Investment Council, and the Rhode Island Tax Policy Strategy Workgroup.

THE BUILDER: What is the current state of the Rhode Island economy?

LARDARO: Actually, Rhode Island has come through a period where we had defective labor-market data. That data painted a very negative picture of the economy. But in the Current Conditions Index (CCI), I moved around that and approximated where we really were the whole time. Unbeknownst to many Rhode Islanders, the state actually did fairly well in 2012, especially during the second half of the year. The CCI hit very high values. As a momentum indicator, Rhode Island’s recovery was becoming more broadly based. So it’s safe to say that the state’s economy shifted into a higher gear in the second half of the year, and that was sustained in the first month of 2013.

But here’s where we have to be careful. Yes, we have enhanced momentum, but Rhode Island had some of the most damage of any state from the Great Recession. We lost a terrific amount of employment, and we are still far below our prior employment peak, which was over six years ago. We’re still down about 6 percent. We have a long way to go.

We’re in third gear, and a lot of other states are in fourth or fifth gear.

THE BUILDER: Is this recovery because of or in spite of the state’s economic policies?

LARDARO: In spite of them. Our state has done absolutely nothing to reinvent itself. In my entire career, I have never seen a better time to reinvent the state: the Great Recession, when everything was falling apart. We knew what our weaknesses are, we knew what we’re lacking. In very well-run states, that was the opportunity to make things better, to take negatives and turn them into positives. In Rhode Island, a major part of our elected officials’ management style is denial. I don’t think they have the courage or the foresight to acknowledge the weaknesses, and you can’t improve on what you won’t acknowledge.

Now we find ourselves far too dependent on the national and global economies, and I’m very worried by that. The good news is that the national economy is improving, and that will help us. The bad news is that we’re way too dependent on tourism and gambling because we’ve been such failures in the areas of growth and technology. Our size alone could be a great advantage. But we have to have leaders willing to make changes. But our leaders today don’t understand what’s required.

THE BUILDER: One might ask a similar question on the national level. Is federal housing policy encouraging or discouraging the housing market?

LARDARO: Nationally, the recovery does have a basis in federal policy. Thank God for the Federal Reserve doing what they did, and for the bailout by the government of the auto industry and others. And even though it’s not very popular, that stimulus program really did help us because we were right at the edge globally in late 2008, early 2009. We were flirting with a global depression. Those federal measures weren’t perfect, but they improved things enough so that we can even raise the question: Were they needed? If they weren’t done, we’d be in a much worse place.

see INTERVIEW...next page
**INTERVIEW...from previous page**

As for the national housing market, the government, for obvious reasons, couldn’t do much of what would have worked, like forgiving the debt of people who took those crazy mortgages. They have taken a far more gradual path, though the banking sector hasn’t done as much as it needs to (such as easing up on credit).

Should some of the people from Wall Street and the banks have gone to jail? There’s no doubt in my mind. (Treasury Secretary) Timothy Geitner has drawn this crisis out because he did not try to impose the needed discipline.

**THE BUILDER: You read the interview with economist Elliot Eisenberg in our March issue. Given what you’ve said, you seem to agree with his points about the housing market improving.**

**LARDARO:** In many ways I do. But as people from other states look at Rhode Island, they usually don’t understand how idiosyncratic we are. I think Eisenberg was trying to attribute too many of our problems to excessive regulation.

Remember that Rhode Island had been among the states – or the state -- with the highest unemployment rate for over five years now. That generates a tremendous demand for affordable housing. So it’s not a supply problem, it’s a demand problem, and I think Eisenberg totally missed that.

**THE BUILDER:** The whole state has been buzzing about the March 16th *Washington Post* article on Woonsocket as a “food stamp town.” When it comes to the housing market, does this sort of reputation hurt – as in “not a good place to live,” or can it help, as in “a great place to invest in less expensive properties”? 

**LARDARO:** That’s the kind of press we get, and that’s because Rhode Island has not had any effective economic leadership for well over a decade. The manifestations of that are high unemployment, incredibly high reliance on entitlement programs like food stamps, and more. The lack of leadership by the elected state officials has led to Rhode Island now being defined by other people and not us.

Specifically, Rhode Island is now known as much for its unemployment rate as for its beaches. That’s totally unacceptable.

As for reputation and investment, you know how the housing market works. You will find some very inexpensive properties, and if an investor sees some prospects for the future here, some defined direction, they might buy now and hold on to the property until it appreciates. The question then becomes, how will Woonsocket or Central Falls get out of this mess and, more specifically, how are lots of our municipalities going to do better unless the state gets going with some leadership?

**THE BUILDER:** What’s your opinion of land-use regulations and how they affect the state’s housing market?

**LARDARO:** If you look at Rhode Island overall, there are two things that we truly excel at: fees and regulations. For the rest of the world, that’s a negative.

At the same time, I seriously doubt that anyone has gone back and looked at decades-old regulations that might be totally irrelevant by now. And we probably miss the need to add regulations for some other elements. I believe there are now two people who are trying to go through a quarter of our regulations per year. And not all those regulations are land-use related.

We do have a problem with regulation. Let’s make it better. But the approach of our state officials is more mañana than anything else. They don’t see a crisis, that all these negative elements tie together, and that’s why they’re not leaders.

**THE BUILDER:** Rhode Island is losing population to neighboring states. Has the housing market played a role in that?

**LARDARO:** For years, I was the only economist talking about that. Rhode Island’s population has been declining since July 2004. Not only that, but if you look at more recent data, our prime working-age population, 25-54, has gone down by about 10 percent in the last six years.

That’s scary because the most glaring deficiency in this state is the lack of a skilled workforce. Losing skilled people as we have been is only going to make a fiscal turnaround in this state much harder.

Because housing took such a beating nationally, there was virtually no mobility anywhere. So even if someone was highly skilled and had a good job prospect in another state, they probably couldn’t sell their home. With the national housing market improving, we’re starting to see this mobility again. And for Rhode Island, that’s a frightening prospect. With more people able to sell their homes, those most likely to leave are exactly the people we can’t afford to lose. But they can’t find the jobs they need in this state.

**THE BUILDER:** So if our elected officials did want to improve the housing market here, what should they do?

**LARDARO:** The biggest thing: Create jobs. For housing, interest rates are not a barrier now. If people have jobs, they have incomes, and they can qualify for mortgages. Rates are very favorable, but still: If people have any blemish on their credit history, lenders are very reluctant. So if people can get well-paying jobs and can repair their balance sheets, that would ultimately turn the economy around. But, as I said, our leaders are doing nothing to bring this
INTERVIEW...from previous page

about.

On top of that, and for the record, Rhode Island’s “fiscal cliff” is coming within five years. That’s when Massachusetts will have legalized widespread gambling, and it’s online. All those people from north of Rhode Island will go to Massachusetts, not come here. We will lose a great deal of revenue, and the state is way too dependent on that revenue.

That will be a true crisis for Rhode Island, and there’s no way we can avert it the way we’re going.

THE BUILDER: How do affordable housing programs, such as the $25 million housing bond that passed last year, help the market and how do they hinder it?

LARDARO: They help somewhat, but you have to look at supply and demand. As long as we have a state with large numbers of unemployed and underemployed people, and when job growth is lagging, it will create a real strain. Whatever your supply of affordable homes might be, it won’t be able to keep up with demand.

THE BUILDER: Last year the Rhode Island Builders Association proposed a bill that would prevent property taxes from being assessed on new construction unless the unit was sold or occupied. The bill was vetoed by Gov. Lincoln Chafee. How would such a bill affect the market, and is there any reason to believe that it would drive up housing costs?

LARDARO: Here’s what we’re doing: You build a property and, if it sits for a while, we’re going to tax it. If that goes on, it will discourage the completion of houses and will have a negative effect on housing starts. As it is, housing starts in Rhode Island are unbelievably low. Even in a good month in this market, there are fewer than 60 permits. That’s scary compared with where we once were.

Such a bill wouldn’t turn the market around, but it would help. But again, our leaders don’t see the big picture. They look at everything as separate from everything else.

THE BUILDER: Suppose that the population drain turns around at some point. What is the actual effect of population growth on a municipality’s “bottom line”?

LARDARO: If you have no job growth, it makes staying in a city or town less affordable. It brings us back to the same point: We need rapid employment growth. That will cure a lot of ills, including municipalities’ “bottom lines.” Things would start to fall into place. In the current situation, the state cannot provide as much money to communities.

In addition, Rhode Island has an amazing commitment to redundancy in municipal services. We are the smallest state in the country! We don’t need 39 city and town governments. We can consolidate. And even though education is the biggest expense, there are real economies of scale in other municipal services that could really cut down costs. I’m amazed that we have come so far in this (fiscal crisis) and still have this degree of redundancy. Redundancy is inefficiency.

PRESIDENT...from page 5

place. Those who were there last year were so excited that they wanted to have the event more than once a year! See page 1.

With the Home Show behind us, we now turn our full attention to the 2013 General Assembly session and a beneficial outcome for the residential construction industry. See page 22.

All things considered, there’s still a long way to go, but things are looking up! This is the time to use your RIBA membership benefits to make your business better and more prosperous, and to prepare for busier days to come. If you’re not a member of this, your trade association, or have a colleague who isn’t, help them and yourself by doing a little recruiting! Visit www.RIBUILDERS.org or call (401) 438-7400.
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www.nahb.org/MA
Town receives planning grant

South Kingstown has received a $40,000 grant from the Rhode Island Statewide Planning Program for a planning study of West Kingston Village. In a public meeting on March 19th, West Kingston residents expressed a desire for more commercial development in the area, such as restaurants and theaters.

HOME SHOW...from page 1

there’s nothing like contractors being at the Home Show in person.”

That show visitors were really interested in finding contractors was echoed by Stephen Fitzgerald, of Fitzgerald Building and Remodeling, one of many RIBA members who exhibited at the show, April 4th-7th at the Rhode Island Convention Center, Providence. It was the 63rd annual Home Show that RIBA has presented for the homeowners of southeastern New England.

“There are lots of people and interest, and the weekend is young,” Mr. Fitzgerald told The Rhode Island Builder Report early on Saturday, April 6th, the show’s third day.

The Home Show opened on Thursday, April 4th, with a ribbon cutting at the show heart: the 902 square-foot Saco Bay Model Modular Home organized and set up through CRM Modular Homes and member Carol O’Donnell. Providence Mayor Angel Tavares cut the ribbon just after 3 p.m., and was the first visitor to tour the house. He was accompanied by RIBA President Felix A. Carlone, Immediate Past President Robert J. Baldwin, Secretary David A. Caldwell Jr., Ms. O’Donnell, members John Bentz and Thomas A. Lopatosky, and Executive Director John Marcantonio.

During the ribbon-cutting ceremony, the mayor presented RIBA with a citation “in celebration of your completion of a full-sized house on the floor of the Rhode Island Convention Center at the 63rd Annual Home Show, in partnership with CRM Modular Homes....”

As the show’s centerpiece, the model home was the showcase for everything from paint and lighting to appliances, furniture and landscaping. The house was decorated by 2011 White House holiday decorator Karen Corinha of Corinha Design, assisted by Beth Champlin of Expressive Interiors. Landscaping was provided by the Rhode Island Nursery and Landscape Association.

Suppliers and vendors from all over New England helped make the model home a success.

Elsewhere in the show, there was something for everyone. Two separate seminar areas offered cooking demonstrations by famous chefs, homeowner advice on various topics from a number of speakers, including RIBA members Steven L. St. Onge and Prudence Stoddard of R.I. Kitchen & Bath Inc.

City still has high foreclosure rate

Residential foreclosures dropped 11.4 percent statewide in 2012, but Woonsocket still has one of the highest rates in the state, according to a survey by HousingWorks RI. The survey counts 86 foreclosures in Woonsocket last year, affecting 1.7 percent of the housing stock, the third highest in the state after Central Falls and Providence.

In his 17th year at the show, Ty Ereio of New England Solar Concepts Inc. noted large crowds and considerable interest in his products.

At the RIBA booth, at the show entrance, Mr. Marcantonio, along with staffs Elizabeth Carpenter, Robin Barlow, Elise Geddes, Sheila McCarthy and Katelyn Lombardi put in long hours to welcome guests, offer show information, provide material about RIBA for potential members, and distribute the 2013 Membership Directory and Buyer’s Guide.

Adjacent to the booth, member volunteers offered visitors information about RIBA’s Builders Helping Heroes charity and the project in Burrillville to build a home for a wounded Afghan War veteran, and took donations. Donors were able to sign 2x4s that will be used in building the house.

Dan and Trina Crowell of East Providence, in the market for a new wall and some paving work, headed for the Consolidated Concrete Corp. booth with their 6 year-old nephew. Later, Ms. Crowell summed up their show experience.

“We really liked the show! Consolidated is going to put us in touch with some contractors, and our nephew was thrilled about sitting in the cement-mixer truck!”

Watch for news of the 2014 Home Show and plan now to exhibit your products and services. If you’re a RIBA member, there will be many great incentives to become an exhibitor.
BHH...from page 6

how can you not.”
Council members agreed.
HFOT, based in Taunton, Mass., has acquired a two-acre lot on Sherman Farm Road, and BHH will be the general contractor of record. Mr. Baldwin, of R.B. Homes Inc., is handling scheduling and arrangements for subcontractors from land clearing through site work and the foundation, with BHH director and RIBA Secretary David A. Caldwell Jr. of Caldwell and Johnson Inc. as site manager.
Mr. Caldwell is himself a Marine Corps veteran of the Gulf War.

Cpl. Dubois, a native of Lincoln, lost both legs at the hip while on his second deployment in Afghanistan. Most recently he has been in San Diego, Calif., for rehabilitation.
The project is already under way, with the homesite having been staked out on April 1st by DiPrete Engineering Associates, a RIBA member that is donating site plan and septic system design services.
“Having a specially adapted home will benefit me greatly because it will help improve my daily living challenges,” Cpl. Dubois was quoted as saying. “It will improve my life overall, making me more independent, and it will give me a better quality of life. Thank you for supporting me!”
Cpl. Dubois and his wife, Kayla, visited the building site, still in the process of being cleared, to review site plans with Mr. Baldwin on April 10th. He told The Rhode Island Builder Report that the Town of Burrillville is welcoming them with open arms.
“The (Harrisville) fire department put on a dinner for us, and local school children have sent cards welcoming us to town. It’s wonderful,” Cpl. Dubois said.

With project costs expected to be about $400,000, Mr. Caldwell said that donations of time, materials and money are needed.
“Our fundraising goal is $100,000, and we have received commitments from RIBA members and vendors for approximately $300,000 worth of labor and materials,” he stated.
BHH is a fully IRS approved, non-profit subsidiary of RIBA, and all donations are tax deductible. BHH also is a registered Rhode Island residential contractor (#19).
Along with DiPrete Engineering Associates, other members who have agreed to contribute include Jonathan Dember and Robert Sherwood of Conservation Services Group, who will contribute the consultation on “green” building so that the house conforms with Energy Star® requirements and the National Association of Home Builders Green Building Standard™.
BuilderTREND is donating project management software, and more national vendors are expected to sign on, according to Mr. Caldwell, who added that well-drilling services and an office trailer for the project are still needed.
“Along with the tax deduction, anyone donating to the project will be entitled to use the ‘Proud sponsor, Builders Helping Heroes’ logo,” he said.
Members will be able to follow the progress of the project through monthly updates in The Rhode Island Builder Report and online at www.BUILDERSHELPINGHEROES.org.
To find out more about donating time or materials, please visit www.BUILDERSHELPINGHEROES.org, contact Mr. Baldwin at bob@rbhomesinc.com or (401) 255-6546, or Mr. Caldwell at dave.caldwell@caldwellandjohnson.com or (401) 885-1770.
Cash donations are needed and may be made online at www.HOMESFOROURTROOPS.org/dubois.

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At the same time, Mr. Leyden noted that the e-permitting system will be an option, not a requirement.
“Any contractor who prefers to go to a building department and file the paperwork may still do so. I know how much you all enjoy doing that!”
In response to questions, Mr. Leyden stated that four- to five-day training sessions in the new system will be available to building officials and contractors, and that no change in fees is anticipated.
Allowing for software design, hardware upgrades and training, he estimated that it would take roughly two years for the e-permitting system to be fully operational.

Legislative issues
Executive Director John Marcantonio updated directors on the association’s legislative program for 2013. This includes the “Notice Bill” that would require communities to provide an option for property owners to receive electronic notification of pending municipal actions that could affect their property values. See page 22.
Mr. Marcantonio stated that a BuildPAC event will be held in late spring.

Home Show
Ronald J. Smith of Ron Smith Homes LLC, chairman of the Home Show Committee, once again thanked members who had volunteered to help at the show. See page 1.

Builders Helping Heroes
RIBA Secretary David A. Caldwell reported that the project to build a home in Burrillville for a wounded Afghan War veteran is now under way in partnership with Homes for Our Troops. The homesite, on a two-acre lot on Sherman Farm Road, was staked off on April 1st, he stated.
A groundbreaking ceremony is planned for May 18th, Mr. Caldwell said. Donations of labor, materials and cash are still needed for the project. There is particular need for well drilling and an office trailer, he added. See page 6.
and others – all with the aim to ensure that NAHB has a seat at the table as Washington policymakers decide issues that will affect our industry and our livelihoods.

On March 13th, NAHB’s senior officers received a briefing from our government affairs staff. I felt it was important that I share this with our entire membership. I think you will agree with me that our efforts to make housing a national priority are paying off. This is an example that goes to the very heart of the value of NAHB membership and what your association does for you day in and day out. The substance of the briefing was as follows.

I, along with NAHB’s Jim Tobin, J.P. Delmore and Rob Dietz, met with Reps. Sam Johnson (R-Texas) and Bill Pascrell (D-N.J.), the two congressmen who head the Real Estate Working Group, one of 11 working groups set up by the House Ways and Means Committee to study tax revision.

Also attending the meeting were Reps. Tom Reed (R-N.Y.) and Lloyd Doggett (D-Texas), along with approximately 10 staff representing the Ways and Means Committee, the Joint Committee on Taxation (JCT), and several other members from the Ways and Means Committee. It was a standing-room-only crowd.

**Making every point**

We were scheduled for a 30-minute session, but our presentation was so impactful that the meeting ultimately lasted for 1 hour and 20 minutes. By the end of the meeting, we were able to make every single point we hoped to cover, and we feel that we made a real impact.

No one can match the data and research NAHB has done, and we were able to make a strong case for preserving the existing tax incentives. Of course, it helps when the facts are so clearly on our side. We started our presentation by looking at some of the less visible items in the tax code: completed contract rules, the home equity deduction and remodeling, and depreciation.

The Low Income Housing Tax Credit (LIHTC) generated significant discussion. Rep. Pascrell asked if the credit could be better targeted for seniors, and he asked us to dig deeper into that issue. We were asked by several members to follow up with more information related to demand for the credits.

The discussion then switched to the state and local property tax deduction. Next, we moved to the mortgage interest deduction (MID), including the deduction for second homes. We presented data that show that the MID makes the tax code more progressive and also targets the middle class. We also discussed how the MID is used by looking at the demographics, which everyone in the room found to be compelling, if we can judge by the notes taken.

Both Reps. Johnson and Pascrell agreed with us that the deduction for second homes is often demonized in discussions on tax reform. We were able to provide impressive data on second homes, which seemed to resonate with both representatives.

Rep. Pascrell raised an interesting argument about the gains exclusion on the sale of a principal residence. He pointed out that the tax code was designed to tax wealth, so why should so much housing wealth be tax free?

We made an argument that housing wealth often transfers to retirement wealth, so the gains exclusion can and should be viewed as equivalent to a Roth IRA. Rep. Pascrell asked us to do more research in this area.

**Other working groups**

All in all, we fought the good fight and came out of the meeting in a good place. And there are several other working groups that we are engaging with.

On March 18th, we spent more than an hour with Rep. Kenny Marchant (R-Texas), who is heading up a working group focused on “debt, equity, and capital.” Obviously, debt and capital have a major impact on all levels of construction. So next to the real estate group, we identified debt, equity, and capital as our No. 2 priority.

Rep. Marchant was a home builder in the 1980s, and his brother still builds, so his familiarity with our issues is second to none. We discussed everything ranging from AD&C loans, carried interest, debt forgiveness (aka phantom income), depreciation, home equity loans and the MID.

We had particularly lengthy conversations about credit availability and phantom income. In particular, we discussed possible modifications to the Real Estate Mortgage Investment Conduit (REMIC) rules to ease the creation of a secondary market for AD&C loans, and he offered some suggestions that we will research. He was also sympathetic to our problems with phantom income.

As an aside, Rep. Marchant mentioned the meeting that same day between President Barack Obama and the House Republican Conference. One of the issues raised was tax reform. The president, as relayed to us, said he would support a corporate-only tax reform bill that was revenue-neutral. But he said that if the House wants to do comprehensive tax reform, the bill would need to raise revenue.

This is, of course, the underlying divide between the two parties: Whether higher taxes are needed to deal with the deficit, or if revenue should go to lower rates.

Corporate-only reform has been dismissed by both parties in the House and Senate as impractical because of “pass-thrus.” So when it comes to comprehensive reform, it is clear that the two parties remain far apart on the issue of revenue.