

2017 GENERAL MEETING 1 – WINTER MEETING

Date: Thursday, February 9, 2017

Time: 11:30 am – 1:30 pm

Location: Crush Wine Bar & Deli, 701 S Polk St., Amarillo, TX 79101

Presiding:

Melissa Walker, AIA Amarillo Chapter President-Elect

Members Present:

John Abbot, Kerry Bender, Gregory Billman, Jay Bingham, Gregg Bliss, Nolan Brown, Amber Buscarello, Nichole Carroway, Richard Constancio, Jim Doche, Tony Fazzone, Brian Griggs, Kim Hooker, Charles Lynch, Denise Lynch, Spence Lynch, Dan Patterson, Dan Purdy, Bryan Rhodes, Barry Taylor, Melissa Walker, Wendy Weatherly.

Members Absent:

Stephen Butler, Sarah deGrood, Darrell Fleming, Sean Fugua, Jon Gamel, Paul Hare, Timothy Harris, John Jenkins, Tom Lavin, Russell Megert, Ryan Miller, John Moya Jr., Rick O'Loughlin, Kent Parge, Garrett Pendergraft, Mark Phillips, Jorge Ramirez, Mason Rogers, Jim Sims, Sheila Sims, Dana Williams-Walton, Jim Williams, and Jim Wilson.

I. CALL TO ORDER

A. CHAPTER PRESENTATION – AMoA Biennial 600: ARCHITECTURE

1. Deana Craighead, Director of Public Programs at the Amarillo Museum of Art, described the upcoming AMOA Biennial 600: Architecture. See the attached brochure for entry procedures and exhibit dates.
2. This event occurs every other year and the “600” welcomes any entries within the 600 mile radius from Amarillo. See the attached flyer for the event.
3. Discussion: Family Day occurs on August 12 and volunteers are needed. It was suggested that our chapter could compile a list of interested volunteers and send one list to Deanna in late June/early July.

II. NOTIFICATION OF APPROVED MINUTES: These are on the website. Notify ExCom of any discrepancies.

III. OFFICER REPORTS:

- A. Melissa Walker President
- B. Wendy Weatherly V.P. of Development

1. Encourages everyone to submit photos/articles of examples off engaging with the community and promoting architecture. This is a chapter requirement and documentation is critical to prove compliance when reviewed by AIA.
2. Clay Shoot. The purpose is to raise funds for scholarships. Current committee includes Wendy Weatherly, Amber Buscarello (\$/Registration), Tony Fazzone (stations), Denise Lynch, Spence Lynch, Sean Fuqua, and Melissa Walker (Planning/Logistics).
 - See the attached sponsor list. Everyone is asked to seek sponsorship. Try to pass along to three companies.
 - This year our chapter will pay for lunch for all members. This is incentive to attend and participate.

C. Amber Buscarello Treasurer

1. Budget distributed to attendees (see attached).
2. Accreditation of the chapter requires that a General Liability Policy be in place by 2019. This is outstanding. There is a policy in place for chapter officers (Richard Walton) but General Liability is not yet in place.

D. Kerry Bender Associate Director

1. Architect's Registration Exam Assistance Project: Assembling testing materials for associates to rent.
2. Reviewing the new registration requirements/testing procedures to have materials ready.

E. Gregg Bliss TxA Director

1. This is a legislative year. The Texas Architects Committee (TAC) is the political action group for architects. TxA represents our profession. The TAC promotes the interests of architects in Texas and raised funds to make campaign contributions to those seeking election or re-election to political office. Fundraising goal of \$160,000, and \$140,000 was raised. Amarillo achieved 85% of the target goal. There are 7600 members and 749 contribute to the PAC – or 11%.
2. Architect's are under attack all the time and need representation. Tremendous effort is spent just maintaining the protections we currently have. It is difficult to make big changes. Our participation/contributions are very important.
3. Architect's Day in Austin – an opportunity to meet legislators. Big issues are:
 - Statute of Repose: In Texas is currently 10 years. Trying to reduce to 5 years. Half of the states have a Statute of Repose of 3-5 years.
 - Right to Repair: Construction correction after completion/occupancy.
 - Preservation of Historic Courthouses.
 - The state faces budget shortfall. Meet with Smithy, Price, Seliger.

IV. OLD BUSINESS

- A. Architect's Day in Austin: Attended by Amber Buscarello and Jim Williams
- B. Grassroots in Washington DC: To be attended by Wendy Weatherly.

V. NEW BUSINESS

A. 2017 Schedule

- 2/9/17 Winter General Meeting
- 5/3/17 Spring General Meeting
- 7/15/17 Summer Shoot
- 9/28/17 Summer Meeting – Membership Recognition Awards/President Elect Visit
- 11/2/17 Fall Meeting

B. Spring Meeting Guest Speaker: WTAMU President, Dr. Walter Wendler.

C. TAC Advisory Trustee: Jay Bingham nominated Melissa Walker to be the TAC Advisory Trustee. The motion was seconded by Jim Doche. The motion passed unanimously.

D. Design Awards: Committee chaired by Amber Buscarello. Late May target for submittal information.

VI. OPEN DISCUSSION

VII. CLOSING REMARKS & ADJOURN

1. Melissa Walker made a motion to adjourn. The motion was seconded by Jim Doche. Meeting Adjourned.

VIII. FOLLOWING THE MEETING:

- A. Wendy Weatherly attended AIA Grassroots in Washington DC. See attached AIA Grassroots Issue Briefings (8 pages)....

ENCL: AMA Biennial 600 Flyer (1 page); 2017 Sporting Clay Shoot Flyer (3 pages); Chapter Budget Development Worksheet (1 page); AIA Grassroots Issue Briefings (8 pages). Total of 13 pages.

Draft: 4/10/2017

Date accepted: xx/xx/2017

Kim Hooker, AIA

AIA Amarillo Secretary

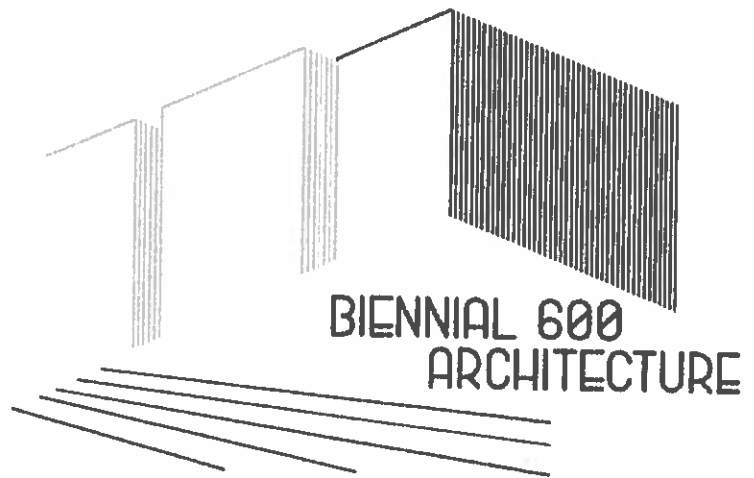


CALL FOR ENTRIES

The AMoA BIENNIAL-600: ARCHITECTURE will be an exhibition of works selected by a juror from proposals submitted by architects and artists residing within a 600 mile radius of Amarillo, Texas.

EXHIBITION DATES:

July 14, 2017 – October 1, 2017.



BIENNIAL-600: ARCHITECTURE is the seventh in an ongoing series of juried biennial exhibitions exploring specific areas of artistic practice, material, and/or content. Previous biennial exhibition focuses include Drawing ('05), Clay ('07), Glass ('09), Figurative Painting('11), Printmaking ('13), and Sculpture ('15). For the upcoming exhibition in 2017, the AMoA staff and Board of Trustees are excited to offer the museum's exhibition spaces to architects and artists working at the intersection of art and architecture.

JUROR: Rand Elliott, FAIA, Elliott + Associates Architects, Oklahoma City

ELIGIBLE WORKS

Artworks, objects, designs, actual or imagined projects including renderings, models, drawings, paintings, photographs, sculpture or digital media may be submitted for consideration. Architectural installations or projects that could be sited outdoors will be considered. Proposals can be the result of individual pursuits or collaborative work by a firm, class, or studio. Artists whose installations or projects require exceptionally challenging handling or installation will be required to assist with installation on-site.

The AMoA will publish a brochure to document the exhibition. Four awards will be chosen by the juror: Best of Show, 1st, 2nd, & 3rd place. Images of these works will be included in the publication. Each participating artist will receive two copies of the AMoA BIENNIAL-600: ARCHITECTURE brochure.

The museum does not take a commission on works sold as a result of the exhibition. Interested buyers will be referred directly to the artist.

ENTRY GUIDELINES

Artists must be 18 years of age or older and reside within a 600 mile radius of Amarillo, Texas.

Artists may submit images or video of up to three projects/designs/artworks with a maximum of three additional detail images of each work.

There is no entry fee.

TRANSIT AND LIABILITY

Individuals whose work(s) are accepted into the exhibition are responsible for shipping or hand-delivering artwork(s) to and from the museum. Artworks that are shipped to AMoA must include a prepaid return address label.

Participants are responsible for insuring their artworks in transit. The works included in the exhibition will be insured while in AMoA's possession. AMoA is not responsible for damage due to improper packing. As a courtesy, please refrain from using Styrofoam peanuts as packing material.

IMPORTANT DATES:

Deadline for Entries: Friday, May 5, 2017

Artist Notifications: on or before June 2, 2017

Accepted artworks due at the AMoA: June 30, 2017



AIA Amarillo Chapter 2017 Sporting Clay Shoot

A Benefit to Support the American Institute of Architects Amarillo Chapter Scholarship Fund

Saturday, July 15th, 2017

7:30 am, Registration Begins

8:00 am, Breakfast

8:30 am, Safety Meeting

9:00 am, Approximate Shoot Start

12:00 pm, Lunch

1:00 pm, Awards

What to Bring

Eye and Ear Protection

12 or 20 gauge shotgun capable
of firing 2 shots

Enough shot for 100 targets

Coat or Shell bag to carry shells

Prizes Awarded

Based on
Lewis Class System
Raffle Prizes

Sponsorship Levels:

The Benelli (Title Sponsor) - \$2,000

(3) Four-person teams

Breakfast and Lunch included for (12)

Company logo on Banner at Check-in

Company name and sponsorship level
announced at gun safety meeting and awards

(3) station signs

The Beretta - \$1,400

(2) Four-person teams

Breakfast and Lunch included for (8)

Company logo on Banner at Check-in

Company name and sponsorship level
announced at gun safety meeting and awards

(2) station signs

The Remington - \$800

(1) Four-person team

Breakfast and Lunch included for (4)

Company logo on Banner at Check-in

Company name and sponsorship level
announced at gun safety meeting and awards

(1) station sign

Station Sign Sponsor - \$100

Signage with company logo at a shooting station

Raffle Sponsor - \$500

Company logo on Banner at the raffle table

Company name and sponsorship level announced
at awards ceremony

Breakfast Sponsor- \$300

AIA to provide breakfast: coffee, juice, water &
breakfast burritos

Company logo on banner in dining area

Lunch Sponsor - \$500

Lunch cooked and provided by River Breaks Ranch

Company logo on banner in dining area

Water Station Sponsor - \$250

Signage with company logo at a water station
on the course

Spectator Lunch - \$35

Raffle Tickets - \$5 each or (5) for \$20

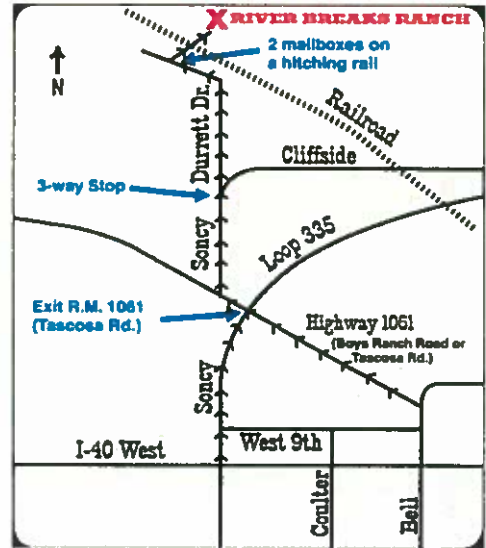
Raffle tickets will be sold at the event

For questions about sponsorship please call Wendy Weatherly, 806.376.8199



River Breaks Ranch
7802 Durrett Drive
Amarillo, TX 79124
806.374.0357

Company Name _____
Contact Name _____
Address _____
Phone _____
Email _____



Please select your options below:

TEAM OPTIONS

- The Benelli (Title Sponsor)**
\$2,000 (1 available)
- The Beretta**
\$1,400
- The Remington**
\$800
- Individual - \$150**, breakfast & lunch included for (1)
(you will be teamed up with other individual shooters)
- Four-Person Team - \$600**
(1) Four-person team, breakfast & lunch included for (4)

Number of Golf Carts - \$100 Each
Each golf cart seats two people. Two golf carts for a team of four is recommended. You may bring your own cart/mule to the shoot.

ADDITIONAL OPTIONS

- Number of Station Signs**
\$100 Each
- Raffle Sponsor**
\$500
- Breakfast Sponsor**
\$300
- Lunch Sponsor**
\$500
- Water Station Sponsor**
\$250
- Number of Spectator Lunches**
\$35 Each

Please register by June 28th

Check Payable to AIA Amarillo Chapter
Mail this form and payment to:
Attn: AIA Shoot Registration
1001 S. Harrison St. Suite A
Amarillo, TX, 79101

Or pay on our website using PayPal at:
www.aia-amarillo.org/scholarshipsdonations.html
Donate to TAF/AIA Amarillo Annual Scholarship
and email this registration form with receipt of
payment to aia.amarillo@gmail.com

\$ _____ **Total Amount**

E-mail LOGO by June 28th to aia.amarillo@gmail.com

The Beretta



The Benelli



daltile®



The Remington

DEKKER
PERICH
SABATINI | ARCHITECTURE
DESIGN
INSPIRATION



AIA Amarillo

Member of The American Institute of Architects

2016 SPORTING CLAY SHOOT

A Benefit to Support the American Institute of Architects Amarillo Chapter Scholarship Fund

Thank you to our 2016 Sponsors

Special thanks to
Jim Williams

Raffle



Breakfast



Lunch



Water on the Course



4

Rec'd 2-9-17

**AIA Amarillo
Chapter Budget Development Spreadsheet**

November 19, 2015 Edition

CURRENT FISCAL YEAR - 2016		PROJECTED (NOT ACTUAL)			
Line Item (By Income and Expense):	Amount	2017	2018	2019	2020
INCOME					
Existing End-of-Previous Year Account Balance:	\$ 10,059.32	\$ 11,570.23	\$ 3,786.09	\$ 3,161.01	\$ 2,827.21
Membership Dues	Actual: \$ 6,480.00	\$ 1,960.00	\$ -	\$ -	\$ -
Architect Members:	x \$ 140.00	\$ -	\$ 6,240.00	\$ 6,400.00	\$ 6,720.00
Associate Members:	x \$ 140.00	\$ -	\$ 1,600.00	\$ 1,920.00	\$ 2,240.00
Contract Document / Convention / AIAU Revenue Sharing:	\$ 368.82	\$ 850.00	\$ 1,112.49	\$ 1,370.50	\$ 1,631.88
Note Card Sales Revenue:	\$ -	\$ -	\$ -	\$ -	\$ -
Chapter Travel Reimbursement From TxA:	\$ -	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Clay Shoot Income	\$ 18,068.52	\$ 100.00	\$ -	\$ -	\$ -
TxA Convention Member Registration Share	\$ 912.69	\$ -	\$ -	\$ -	\$ -
Income Subtotal:	\$ 35,889.35	\$ 15,480.23	\$ 13,738.58	\$ 13,851.51	\$ 14,419.09
EXPENSES					
Support Services From TxA:	\$ -	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00
Chapter Website Hosting:	\$ 142.50	\$ 142.50	\$ 142.50	\$ 142.50	\$ 142.50
State / IRS Annual Filing Fees:	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance					
General Liability Policy:	\$ -	\$ 1,000.00	\$ 1,030.00	\$ 1,030.00	\$ 1,060.00
Directors & Officers Liability Policy:	\$ -	\$ 650.00	\$ 669.50	\$ 669.50	\$ 689.00
Post Office Box Rental	\$ -	\$ 170.00	\$ 60.00	\$ 60.00	\$ 60.00
Events & Activities					
Winter General Membership Meeting:	\$ 198.28	\$ 204.23	\$ 210.36	\$ 216.67	\$ 223.17
TxA President-Elect Meeting:	\$ 1,532.22	\$ 2,491.00	\$ 2,561.50	\$ 2,632.00	\$ 2,702.50
Late Summer General Membership Meeting:	\$ 471.31	\$ 556.20	\$ 556.20	\$ 572.89	\$ 590.07
Late Fall General Membership Meeting:	\$ 296.32	\$ 305.21	\$ 314.37	\$ 556.20	\$ 556.20
Associate Member Activities	\$ -	\$ 1,000.00	\$ 750.00	\$ 750.00	\$ 1,000.00
Design Conference Planning Meeting	\$ 149.08	\$ -	\$ -	\$ -	\$ -
Accreditation Meetings	\$ 192.99	\$ -	\$ -	\$ -	\$ -
Ex Comm Meetings	\$ 85.00	\$ -	\$ -	\$ -	\$ 1,000.00
Clay Shoot	\$ 7,307.62	\$ 1,000.00	\$ -	\$ -	\$ -
Public Outreach Program	\$ -	\$ -	\$ -	\$ -	\$ -
Chapter Design Awards	\$ -	\$ -	\$ -	\$ -	\$ -
Jury Travel / Hotel / Expenses:	\$ -	\$ -	\$ -	\$ -	\$ -
Awards Event Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Communications & Awards:	\$ -	\$ -	\$ -	\$ -	\$ -
Officer Travel Expenses:	\$ 1,519.38	\$ 3,605.00	\$ 3,713.15	\$ 3,824.54	\$ 3,939.28
Outreach Activities:	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellany:	\$ -	\$ -	\$ -	\$ -	\$ -
Allied Organization Contributions & Sponsorships:	\$ 1,250.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
CSI Golf Tournament, TxA, TAC Lounge Sponsorship	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses Subtotal:	\$ 13,144.70	\$ 11,694.14	\$ 10,577.57	\$ 11,024.30	\$ 12,532.72
Transfer to TAF:	\$ 11,000.00	\$ -	\$ -	\$ -	\$ -
	\$ 11,744.65	\$ 11,744.65	\$ 3,786.09	\$ 3,161.01	\$ 2,827.21
					\$ 1,886.38

TBD / FOR CONSIDERATION

LT

Issue Brief

AIA Government Relations Issue Position and Analysis

February 2017

AIA POSITION

The American Institute of Architects supports a federal procurement process that ensures compensation for design services is commensurate with the work performed.

Reform Procurement Laws That Inhibit Good Design

The Construction Consensus Procurement Improvement Act of 2017 (H.R. 679) would give architecture firms better odds of winning a government contract and save federal agencies time and money.

BACKGROUND

Design-build is a type of project delivery method where architects, engineers, and constructors team together to submit bids on federal work. To select teams the federal government generally employs a two-step selection process: in the first step, agencies review the qualifications of applicant teams and narrow the competition down to up to five firms; in the second step, teams develop designs, and a winner is selected based on the plans that are put forward.

The cost of competing is high for architects in design-build. Firms must provide detailed plans and schematics so that the general contractor can set an accurate price estimate. In some cases, firms perform up to 80 percent of the design work upfront as part of the second stage of the competition.

Architecture firms spend a median of \$260,000 to participate in design-build competitions, with some spending over \$1 million competing for large federal projects.

Architecture firms are reporting that in recent years the number of shortlisted firms for federal design-build projects has grown from three-to-five firms to as many as ten or more firms on a shortlist.

To combat this dynamic, the AIA supported language in the FY2015 National Defense Authorization Act which limited the number of shortlisted firms to five for military projects with a value of over \$4 million. The language was later applied to civilian agencies, and both are now currently written into law.

H.R. 679 would build on these commonsense reforms by limiting the use of one-step selection, whereby the first step of shortlisting up to five firms (based on their qualifications) is skipped entirely. One-step selection is especially pernicious because there is no limit on

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the number of firms which can compete, and firms often are not made aware of how many other teams they must compete against.

There are reports of firms spending hundreds of thousands of dollars, only to find out later that they faced competition of 20 or more teams and never had a reasonable chance of being selected. For smaller businesses often represents a sizeable portion of their annual revenue, and discourages them from pursuing federal contracts. The legislation mentioned earlier, which is bipartisan, would limit the use of one-step selection, thereby attracting talented firms to the federal stage while also streamlining the selection process and saving taxpayer dollars.



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AIA POSITION

The AIA urges Congress to pass comprehensive tax reform that results in simple, commonsense tax policies for businesses of all sizes, aimed to spur innovative, economically vibrant, sustainable, and resilient buildings and communities

Promote a Comprehensive, Fair, Pro-Growth Tax Code

The AIA strongly supports comprehensive tax reform that lowers marginal tax rates for individuals, pass-through entities, and corporations, while broadening the tax base and simplifying the tax code.

Tax reform is an opportunity to provide taxpayers with much-needed certainty, simplicity, and fairness, while at the same time encouraging economic growth and job creation.

Our strong hope is that tax reform results in simple, commonsense tax policies for businesses of all sizes, aimed to spur innovative, economically vibrant, sustainable, and resilient buildings and communities. As Congress pursues reform, we urge consideration of the following principles:

- Preserve tax policies that support and strengthen small businesses, which account for the vast majority of U.S. architecture firms;
- Advance tax policies that support economically vibrant, innovative, sustainable, and resilient buildings and communities;
- Ensure fairness in the tax code.

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AIA PRIORITIES

Strengthen Small Business

In the architecture profession, as in the broader economy, small businesses are an engine of economic growth and opportunity. The overwhelming majority of U.S. architecture firms are small businesses with fewer than 50 employees.

A significant portion of these firms are organized as pass-through entities, including partnerships and S corporations. Support for these small businesses should be a critical part of any tax reform effort.

Comprehensive, Not Piecemeal, Reform

Tax reform can help small businesses expand their operations and drive job creation – but only if Congress takes a comprehensive approach to addressing tax issues for individuals, pass-



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through entities, and corporations. “Corporate-only” tax reform would leave pass-through entities at a severe disadvantage, harming architecture firms and other small businesses.

Reduced Tax Burdens for Pass-through Businesses

Architecture firms organized as pass-through businesses can face combined tax rates of 45 percent or more when federal, state and local taxes are accounted for – which amounts to one of the highest effective tax rates in the world. As such, we strongly support the blueprint’s proposal to reduce marginal tax rates for all business entities. Allowing businesses to keep more of their hard-earned money will encourage them to reinvest and hire more workers.

At the same time, we urge caution in establishing any requirement for sole proprietorships and pass-through businesses to pay or be treated as having paid “reasonable compensation” to their owners. We are concerned that such a requirement could inappropriately recategorize legitimate business income as compensation, leading to an effective tax increase on pass-through businesses. While the AIA recognizes the need to distinguish business income from compensation, this distinction must be drawn carefully to avoid penalizing the pass-through community.

Driving Investment in Energy Efficient Buildings

Recent proposals to shift to full and immediate expensing of capital investment reflect the strong link between cost recovery and economic growth. In the simplest terms, expensing puts more money back in the hands of business owners faster – encouraging investment in new products and services.

Architects are familiar with the powerful positive effects of accelerated cost recovery through our experience with the Section 179D deduction for energy efficient commercial building property. By allowing business owners to immediately expense to cost of energy efficient improvements, Section 179D has encouraged billions of dollars in capital investment and has supported hundreds of thousands of jobs in the construction, engineering, design, and manufacturing industries since it was added to the tax code in 2005.

While there may not be a place for a deduction like Section 179D in the context of full expensing, the AIA believes that it remains important to offer tax incentives for energy efficient design. The benefits of greater energy efficiency – cost savings, energy independence, and reduced carbon emissions, to name a few – are significant and demonstrate the impressive “return” on taxpayer investment in provisions like Section 179D.

Improving International Competitiveness

Architecture is a global profession in which America leads the world. Overseas demand for American architects is immense and growing as architecture firms engage with developing markets abroad. In this context, we strongly support the blueprint’s proposals to enhance the international competitiveness of the U.S. tax code. For too long, our country’s disproportionately high tax rates and complex “worldwide” method of taxation have curbed the potential for American businesses operating overseas. Eliminating these policies will make it easier for architecture firms and other American companies to compete abroad, driving growth here at home.



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Supporting a Vibrant Built Environment

The tax code can be a powerful tool to support innovative, economically vibrant, sustainable, and resilient buildings and communities. To that end, we encourage Congress to continue and improve tax policies aimed at historic preservation and innovation.

Preserve Incentives for Historic Preservation

Among the most important incentives supporting revitalization of communities throughout the country is the Section 47 Historic Rehabilitation Tax Credit (“HTC”). Weakening or eliminating this credit would endanger the economic feasibility of nearly all historic rehabilitation projects. Without the HTC, the numbers simply do not work. The rehabilitation of historic building suffers from a financing gap because rehabilitation is more expensive than new construction. Also, 84 percent of all HTC transactions are located in low-income census tracts. Without tax incentive support, these properties could sit vacant for decades, exerting a blighting influence on the surrounding neighborhood.

Research conducted for the National Park Service by the Rutgers Center for Urban Policy Research documents that since enactment of the HTC in 1981, the credit has leveraged \$117 billion in private investment in historic rehabilitation, created nearly 2.5 million jobs and supported the rehabilitation of more than 40,000 historic buildings. The HTC is the most significant federal investment in historic preservation. It has also proven to be an efficient use of taxpayer dollars. Over the credit’s 34 year history, the federal government has allocated just over \$24 billion in tax credits, but collected \$28.6 billion in federal tax revenue from rehabilitation projects – more than paying for the program. For every dollar of public expenditure, private investors contribute four dollars toward the rehabilitation of historic properties.

Rehabilitation projects across the country are putting Americans back to work. In a typical project, 60-70 percent of the total cost is labor as compared to new construction where labor often accounts for less than 50 percent of the total cost. Laborers on a rehabilitation project are more likely to be hired locally, so their earnings support the local economy. In fact, 75 percent of the total economic impact of a historic rehabilitation project accrues to the state and city where the property is located. Moreover, projects are ideally suited to completion by emerging small businesses.

Given the HTC’s proven track record of driving economic and employment growth across the country, we strongly urge Congress to retain this important incentive in tax reform.

Enhance Incentives for Innovation

As buildings become more complex and clients demand more from their designs, architects must innovate to develop new ways to redefine what is possible. This often requires complex modeling and advanced computational analysis to assess everything from soil composition to wind resistance, supported by bespoke software and other tools. The R&D Credit provides a critical incentive for firms to pursue these innovations.

However, while a number of activities associated with architectural design qualify for the R&D Credit, over the years AIA members have reported a variety of complications in claiming the incentive, leading



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to costly and time-consuming audits. We note the Committee's interest in evaluating options for making the R&D Credit more effective and efficient, and submit that improving the administrability of the R&D Credit for design-related innovations should be an area of focus. Making it easier for design firms to claim the credit will help drive new advances in design, and enhance architects' efforts to transform the built environment.



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AIA POSITION

The AIA supports investments in all types of infrastructure, from public buildings like universities and community centers to “horizontal” infrastructure like roads and bridges.

Investing in Our Nation’s Infrastructure

For years experts have warned of the dire conditions of our current stock of infrastructure. Every day, communities in every corner of the country are forced to make do with crumbling buildings and highways, many of which are in desperate need of repair or replacement.

Investments in infrastructure are not only necessary, but have the potential to provide vast economic benefits. These upgrades can also dramatically cut lifecycle costs and boost the resiliency of critical infrastructure, thereby helping to ensure the physical and financial security of generations to come.

As lawmakers consider ways to make much-needed investments in our nation’s infrastructure, it is critical that all types of infrastructure -- including “vertical” infrastructure such as public buildings – are included as part of the discussion.

A recent survey conducted by The Harris Poll found that a large majority of Americans (83 percent) consider public buildings—schools, libraries, community centers, and parks—part of their community’s infrastructure. Furthermore, 83 percent of survey respondents agreed that investment in these public buildings is just as important as investment in roads and bridges.

BACKGROUND

2017 has the potential to be a pivotal year for infrastructure policy. Despite continued pressure on federal, state, and local government budgets, policymakers on both sides of the aisle have called for significant increases in infrastructure spending.

Private capital offers a promising way to bridge this “infrastructure gap.” Public-private partnerships (P3s) and other innovative financing options will likely be a focus of the infrastructure policy debate over the coming year and beyond. However, the success of P3s depends largely on the manner in which they are deployed. As such, the AIA encourages members of Congress to implement certain aspects of federal procurement law to any future P3 or private financing legislation.

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- The AIA supports the use of Qualifications-Based Selection (QBS), as mandated by the Brooks Act of 1972, in the procurement of architecture services. QBS ensures that design firms are chosen based on their qualifications, rather than solely on the basis of price, which can otherwise lead to low-quality work. In the long run, not using QBS can be costly at best, and dangerous at worst.
 - The AIA also encourages lawmakers to incorporate aspects of existing federal law that limit the number of shortlisted firms in the second step of the selection process. Design-build selection calls for firms to first be evaluated on the basis of their qualifications, and then on specific designs. By employing this two-step process, and by limiting the number of firms in the second step to no more than five, competing firms have more of an incentive to produce their best work. The practice also rewards talent over sheer size or resources, and encourages small but talented firms to compete for contracts.
 - Stipends should be given to firms who advance to the second phase of contract selection. In this phase, the cost of competing is high; firms spend a median of more than \$250,000 dollars developing detailed proposals and designs. Compensating firms fairly will further incentivize them to compete for future contracts, even if they are not ultimately selected.

Other Financing Mechanisms

The current tax code discourages the use of private finance for public buildings, and unlike transportation PPPs, no federal financing vehicle currently exists to facilitate private investment in the replacement and renovation of public buildings. To remedy this, the AIA supports efforts that incentivize private investment in public vertical infrastructure projects, most notably through legislation that would create a new category of Private Activity Bonds, tax-exempt bonds issued explicitly for public buildings like schools, police stations, and courthouses.

The AIA supports the expansion of such tax incentives, which are currently available for certain horizontal infrastructure projects, to also include public vertical infrastructure. The AIA asks lawmakers to support H.R. 960 and S. 326, both of which would amend the Internal Revenue Code to provide for the tax-exempt financing of certain public buildings.



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