

Miscellany

Solvent Restrictions Spreading

Within a few years, high-solvent paints and other coatings may be a thing of the past, according to several sources within both government and industry.

Strict rules are already in place in several California counties, limiting volatile organic compounds (VOCs), a key ingredient in oil-based paints and finishes. Similar stringent restrictions are scheduled to go into effect within the next year in the New York City metropolitan area, New Jersey, and the Dallas-Fort Worth region of Texas.

The trend is expected to continue because metropolitan areas throughout the country are struggling to meet the ozone pollution standard established by the Federal Clean Air Act in the early 1970s.

The federal Environmental Protection Agency (EPA) does not prescribe ways to meet the standard, but it is exerting pressure on states to comply. Having already cracked down on some of the larger pollution sources -- including smokestack industries and automobiles -- states are shifting their focus to the VOCs in architectural coatings.

Many Products Affected

Ozone, the major component of smog, is formed when petroleum solvents dry, releasing VOCs into the air. The solvents are in a wide range of products, including enamel paints, varnishes, lacquers, wood stains, water-proof sealers, and roofing mastic.

"Over 50 metropolitan areas, as of the end of 1988, didn't meet the ozone standard," says Bill Johnson, environmental engineer

for the EPA's Air Quality Management Division. "Some of them missed [the standard] by quite a bit. They will have to do something they have not done in the past."

The areas not in compliance include every city with a population over 300,000 (with one exception: Minneapolis), and many smaller cities.

Virtually all of these areas may follow California's example, and restrict VOCs in architectural coatings. California, meanwhile, recently tightened its rules.

Loopholes, such as allowing use of products made before 1987 and products in quart-size containers, have been eliminated. (Older products turned out to be readily available, and caseloads of quart containers were reportedly being brought to large job sites.)

Products Re-Formulated or Withdrawn

Restrictions are causing some disruptions with the industries that make coatings and among the contractors who use them.

Ray Connor, spokesman for the National Paint and Coatings Association (NPCA), says many companies have re-formulated their products for the California market, but others have simply withdrawn from that market.

Latex flat paints are readily accepted, he notes. But higher gloss paints, varnishes, stains lacquers, and specialty coatings do not have low-solvent counterparts with the same surface characteristics. Many of these have been withdrawn," Connor says, "and there are no viable substitutes."

About 75 to 80 percent of all

coatings are water-based, Connor adds, but progress is more difficult "with the remaining 20 percent."

Learning New Techniques

Bill Price, who was a flooring contractor for 25 years, says he was initially reluctant to use water-based floor finishes, but is now confident that they work well. In fact, he now is a marketing executive for Basic Coatings, which manufactures only water-based finishes.

The old rule of thumb, he notes, was that water shouldn't be used on wood. But the rule of thumb is being superceded by state regulations, and Price says water-based coatings are proving their value. However, application techniques are different.

For example, solvent-based polyurethane dries slowly, so it can be applied in thick coats that settle and flow. The water-based counterparts dry quickly, so thinner multi-coat applications are needed. Different types of brushes and applicators are used, and ventilation needs are different.

The final surface appearance, Price concedes, is not exactly the same, but it can be just as durable as solvent-based coatings. He notes that his firm successfully markets water-based coatings for bowling alleys and gymnasium floors.

Thanks to the regulatory push, new breakthroughs in low-VOC coatings can be expected, Price says. "The incentive is there, and we will see these products improve."

A Regulatory Patchwork

While change seems inevitable,



Ready-Mix Prototype: This first-generation cement mixer is delivering fresh concrete to pour the foundations for the Ford Plant in St. Paul, Minn., circa 1919. Photo courtesy of Schewing America, Inc (White Bear, Minn.)

further disruptions and confusion can be expected along the way.

Speaking for coatings manufacturers, Connor decries the lack of uniformity in the standards being developed. The ultimate result could be a patchwork of rules that could make it difficult for paint and coating manufacturers to distribute products nationwide, he says.

NPCA has lobbied Congress, during the re-authorization of the Clean Air Act, to establish uniform national standards. Barring that, Connor faults EPA for not establishing guidelines. Although the agency does not have authority to mandate VOC regulations, EPA could have provided some

guidelines," he says.

Another source of confusion, according to Price, is that established brand-name products are being re-formulated to meet the new standards. "You see a label you're familiar with, and expect it to be the product you're familiar with," he comments. "Often it's not."

Price also notes that many longtime skilled contractors are understandably reluctant to adopt new materials and techniques. "But many of the younger people in the business have a different attitude," he says. "They're eager to learn something new, and they also don't want to breathe solvents."

—Steve Carlson

Color Me Construction

One construction company in the Burlington, Vt. area has taken to recruiting at a very early age. Pizzagalli Construction has published a coloring book for 7- to 8-year-olds. *Construction: A World of Fun and Excitement* takes in all the players: office workers, engineers, architects, contractors, and subcontractors such as plumbers, painters, and masons. Kids into action will probably go for the backhoe and bulldozer. The book isn't totally entertainment. It accurately follows the process of building from beginning to end and concludes with a young builder's glossary.

The 40-page book was written for the construction firm by Greg Sanders, and illustrated by Steve Frey. Pizzagalli sells it for \$3.95. ■



Product Warnings Announced

Two building-related products have been the subject of cautions by the Connecticut's Bureau of Consumer Protection, while another has been selected for warning by Underwriter's Laboratory (UL).

According to the Connecticut bureau, some power paint rollers produced by the Wagner Spray Tech Corp. of Minneapolis, Minn. have caused injuries due to faulty seals. Generally purchased by do-it-yourselfers, the power

paint roller consists of a pressure canister connected by hose to a paint roller. The can of paint is placed inside the canister, the lid attached, and the paint is driven to the roller under pressure. But in 41 reported incidents, the lid was suddenly ejected from the canister with enough force to cause facial and eye injuries. Wagner will supply two replacement seal rings for the pressure canister, a warning label, and new operating instructions to power paint rollers date coded E84 through L84 on the bottom of the unit, and identified as model

number 0155001 on the packaging. The rollers were sold at a variety of retailers such as K-Mart and Sears, where it was marketed under the Craftsman label. If you have a suspect paint roller, call Wagner toll-free at 800/365-7650, or write them at 1770 Fernbrook Lane, Minneapolis, MN 55447 for a free repair kit.

The Connecticut Commission also warns against a potential problem with some Challenger

brand circuit interrupters. The supplier (in Malvern, Pa.) is voluntarily offering free replacement of its 15 and 20 ampere type HAGF single-pole ground-fault circuit interrupter (GFCI) circuit breakers. The faulty circuit breakers - type HAGF-15, and HAGF-20 - were manufactured between February 22 and April 29, 1988. Although no electric shock incidents have been reported by Challenger, the firm is recalling the product because it has been determined that a mechanical part may become detached and prevent the

ground-fault feature of the circuit breaker from functioning.

In another product warning, the Insul-Mor Cellulose Mfg., Ltd., has been named by UL as labeling its WeatherKing cellulose fiber insulation with an unauthorized reference to the testing laboratory. Specifically the packaging for the product states that it is classified in accordance with UL-723-79. Tests by UL show that the product does not meet UL's current flame-retardant requirements.

Employer-Assisted Housing: A Growing Phenomenon

In San Francisco, Chevron, Colorox and more than a dozen other major employers have contributed several million dollars to facilitate the construction of over 3,000 moderate-income housing units.

In New York, Chase Manhattan Bank, Ernst and Whinney and 25 other employers have formed the Long Island Partnership, which is working with builders to promote the development of 2,000 affordable units. In Philadelphia, the University of Pennsylvania offers a 100 percent mortgage guarantee benefit program for its permanent employees. In Massachusetts, Tufts' New England Medical Center and the Children's Hospital of Boston have both purchased apartment buildings to

rent to their employees.

Employer-assisted housing is a new phenomenon. For most of the 20th century, U.S. employers, unlike their counterparts in Western Europe and Japan, kept out of the business of housing workers. In the 1980s, however, thousands of American corporations are operating or financing housing programs for some or all of their workers. These programs include subsidies for homes, apartments, mortgages, and building lots. Most of this activity, conservatively estimated at more than \$20 billion per year, is for the relocation of transferred workers or new hires. Substantial resources are also spent for executive compensation programs and company-built or company assisted housing around new

plants. Employer-assisted housing programs are now beginning to be targeted to low- and moderate-income workers or toward expanding the supply of affordable housing. With federal money for affordable housing so restricted, employer-assisted housing may be one of the few new avenues to significantly affect the supply.

Businesses suffer in places like New York, New Jersey, California, New England, and Washington, D.C. Area, where high housing costs have resulted in labor shortages, higher wage and benefit demands, high employee relocation costs, and increased inability to hold on to experienced employees. This is the primary reason that corporations have gotten involved in housing their workers. Other reasons include that fact that new housing-related employee-benefit products, such as group mortgage insurance, are likely to become available very soon. Also, labor

unions have begun to bargain for housing benefits, and it is becoming clear that housing benefits can help improve or stabilize communities located near corporate facilities.

There are seven basic forms of employer-assisted housing programs presently being used. Five help workers buy homes: mortgage guarantee and insurance programs, group mortgage-origination plans, mortgage-interest rate subsidies, downpayment loans (usually second-mortgage loans or deferred-payment loans) and shared-equity loans. Two help workers buy or rent: corporate-construction subsidies and corporate donations to community-housing programs (with or without explicit reservation of units for employees).

Employer-assisted housing may get encouragement from the federal government if recent proposals by the National Housing Task Force are heeded. It suggests tax advantages to both employers

and employees for this purpose, federal-matching funds, and amendments to personnel-benefit regulations that would encourage corporate personnel and legal departments interested in adopted employer-assisted housing.

Because it is in the interests of business and labor, it's likely that employer-assisted housing will continue to grow in this country. Government support would help speed it along. ■

David C. Schwartz is political science professor at Rutgers University, and Executive Director of the American Affordable Housing Institute. This article is adapted with permission from an article originally published in the NAHB publication Housing and Economics, 11/88, and based on New Housing Policy for America: Recapturing the American Dream, a book Schwartz co-authored with Rich Ferlauto and Dan Hoffman, and published by Temple University Press.



Apprentices are busy trying to impress the judges at the 1987 International Competition for Apprentice Cement Masons and Plasterers, held in Atlantic City, N.J. May Hartness was the only woman entered in plastering competition and managed to place in the top ten (inset).

Competition for Apprentices in the Masonry and Plastering Field Set

In an effort to motivate entry-level apprentices, the 1989 International Apprenticeship Competition for Plasterers and Cement masons (IAC) has been set for August 7 to 11, 1989 in Las Vegas, Nevada.

Entry kits, blueprints, and project plans for the competition were mailed to apprentices all over the U.S. and Canada this past January. At local and regional levels, apprentices will be chosen to attend the international event. The young cement masons will be judged on their ability to put together a set of steps, a landing, a curb, and a gutter. On the first day of the contest, they'll build the form and place the cement. On the second they'll remove the form and provide any finishing touches. They'll get a chance to be creative with different color aggregates. Apprentice plasterers will be expected to blend old and new techniques in their project. For more information contact the IAC committee at 202/347-2500. ■

Tax Talk:

Who Should Own Business Real Estate

By Irving Blackman

Your business is about to take another giant step - moving into its own building. Your company is typical, and does business as a corporation. Should the corporation own the real estate? Or should you own the real estate and lease it to the corporation? Hands down, the tax answer is, you should own and lease.

Putting the real estate into your operating corporation could lead to double taxation when the property is sold down the road. The corporation would suffer the first tax on the sale's profit and the stockholders would be hit with a second tax on distribution. If your corporation already owns the real

estate, look into electing S corporation status as a way to avoid the second tax after a 10-year waiting period.

Charge the corporation a reasonable rent — the same amount that would be paid if dealing with a stranger — to avoid any problems with the IRS. With the depreciation period for commercial real estate at 31.5 years, the real estate venture should show a net profit.

Do not put the real estate in another corporation. Let a family partnership own the real estate. This gives you an opportunity to spread income to other family members and reduce the overall income tax cost. Lower-bracket family members are the

best choice. For example, children, and grandchildren or elderly parents on a fixed income can be the perfect partners. Remember, children under age 14 are taxed at their parents' rate on unearned income over \$1,000. ■

Irving Blackman, CPA, J.D., is with Blackman, Kallick, Bartelstein, Chicago, Ill. He specializes in closely held business. For more information about getting cash out of your business send for How to Take Money Out of Your Closely Held Corporation. Cost is \$25 from Blackman, Kallick Bartelstein, 300 South Riverside Plaza, Chicago, IL 60606.

New Additive Keeps Mortar Fresh for Later Use

Imagine using a mortar that stayed fresh for up to 40 hours. Actually, such a product has existed for many years. It has been used extensively in Europe for almost 15 years, and it has been around for at least five years in this country. Yet, because a standard has not yet been written for this product, its performance has been mistrusted.

All this might change soon, since the American Society for Testing and Materials (ASTM) plans to write the specifications this year for extended-life mortar. This should widen the acceptance of this innovative product among ready-mix suppliers and increase its availability to the builder.

In the past, mixing mortar has always been done on site in small batches to keep it from setting up before use. mix proportions have necessarily been a bit free-form and seldom has the consistency

of each batch on a project been uniform. But with the addition of an extended-life mortar admixture, a ready-mix supplier can deliver controlled quantities of mortar to a site for immediate or later use. Extended life mortar is reported to stay trowel-ready for up to 40 hours.

The admixture works by coating the cement particles to temporarily halt their reaction with water. When used, both the water admixture are absorbed into the brick or block to allow normal setting to occur. Manufacturers of the admixture claim that compressive strengths of the mortar are even a bit higher than those of conventionally mixed mortar.

For more information contact Mike Hornsbeck, president of The Extended Life Mortar Association, 50 Illinois Ave. Reading, OH 45215; 513/761-7800.

—Clayton DeKorne.

Concrete Deck Franchises Available

In a move to control the quality of concrete-deck installation, Mortex Manufacturing (Tucson, Ariz.), a long-time producer of concrete deck products, has created "Deck Directors, Inc." Deck Directors offers franchises for the sale and installation of light traffic and recreational-concrete decks, and it will provide training in all aspects of the business. Franchisees will have exclusive use of Marquee decking products, a new line to be produced by Mortex, and an enhanced version of its Keystone Kool Deck line.



Quality control is the main motivation for Deck Director's, Inc. (headquartered in Tucson, Arizona). The company sells franchises for the sale and installation of recreational and light-traffic concrete decks.



Computer Bits:

Masons looking for software...should check out the January issue of *The Magazine of Masonry Construction*. In addition to a six-page catalog on masonry software, the issue features two articles on the subject. Write to the publishers at 426 South Westgate, Addison, IL 60101.

Forms on diskettes that you can customize...are available for residential builders and subcontractors. "Construction Documents" includes builder/owner contracts, subcontractor agreements, specifications, estimating forms, and more. It works on all computers except for IBM mainframes. For info, contact Wilhelm Publishing, Inc. Box 922, Columbia, MO 65205; 314/442-6134.

IBM-compatible software written for contractors by contractors...promises to be user-friendly. Once you input job specifications and corresponding labor and material amounts, and decide on overhead and profit percentages, the program does the rest. "Lazy Susan" software is published by Lewis Software Solutions, and marketed by Morris Marketing, 870 Seminole Drive, Livermore, CA 94550; 415/449-8277.

Reduce decision-making time...with "Plan Finder." The program provides a database of floorplans that can be viewed on any IBM PC, XT AT or compatible. Searches use characteristics such as number of rooms, architectural style, room placement, or site conditions. For more information, contact Computer Plan Source, Inc. 9603 Flintrock Circle, Dept. PF, Austin, TX 78737; 800/223-1472 or 522/328-0860.

CADD Conference promises to better your return...on your CADD investment. "Making Money with CADD" will be held June 8, 1989 in Anaheim, California. Contact Sheila Hanley at PSMJ, 10 Midland Ave., Newton, MA 02158; 800/537-7765. ■