

# CONSTRUCTION INSIDER

## VOLUME 9 :: ISSUE 1

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## Canada To Begin Initial Steps To New Bridge Project In 2014

As the 2014 year begins, US and Canadian citizens who transport daily between countries for occupational reasons have a bright future ahead for their commute. In 2020, Canada is expecting to have completed a new bridge, providing another option of transportation between Detroit and Windsor.

According to Roy Norton, Canada's consul general in Detroit, Canada is preparing to begin acquiring parcels of Detroit land for their new bridge construction project. The name of new bridge will be the New International Trade Crossing (NITC). NITC

will be located two miles south of the Ambassador Bridge. The goal of NITC is to reduce the traffic bottleneck on current border crossings and provide highway access to Canada from I-75, therefore lowering traffic in residential communities. Although speculation begins to build as to whether the US government will fund \$200 million of a \$2 billion project, Canadian officials do not want to delay the project and estimate to have a majority of the parcels purchased by 2015. The remaining parcels are estimated to be acquired in 2016 depending on length of condemnation proceedings

but residents' refusal to sell won't delay bridge construction. The project completion date is set for 2020.

Canada will be providing majority of the cost but request the US to pay a small portion and build a customs plaza for car and truck inspections. In order for NITC to have a US customs plaza, 1,000 parcels of land will need to be acquired from Detroit's Delray neighborhood. Many Delray residents are enthusiastic about construction and hope to reach a formal agreement with Canadian and Michigan officials, giving them financial relief by providing numerous jobs on the project.

In June 2012, Governor Rick Snyder and Canadian officials signed an agreement, giving Michigan's Department of Transportation (MDOT) authority to handle land acquisition and be reimbursed by Canada, while Canada is repaid through future tolls. This agreement protects taxpayers from financing any of NITC's costs. Aside from traffic reduction, Snyder believes NITC will provide many other benefits including creating job demand, new global markets for farmers and manufacturers, new investment

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*The next level  
of service*

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attraction to Michigan, cost reduction to auto and transportation industry, and turning Michigan into a global transportation center.

The agreement gives the Canadian entity called the Crossing Authority primary responsibility for the design, construction, finance, operation and maintenance of NITC. Canada has

begun a search for a CEO and is currently working on utility relocation for the Detroit side.

The most recent reported cost estimate for utility relocation, land acquisition, and I-75 construction was \$325 million in 2010 by MDOT. While US officials were present during negotiations of the 2012 agreement, both Norton

and Snyder hope that President Barack Obama includes the bridge cost in the 2014 budget. Canadian officials label NITC as essential to the growth of commerce in both nations. Pictured below is a diagram of the affected areas of the NITC project and locations of the new plazas and bridge.



Photo by ROMAIN BLANQUART; Graphic by DETROIT FREE PRESS

## 10 Surprising Tax Deductions The IRS Allows



It's tax time again! That means it is time to get creative with those deductions. Taxpayers, in an attempt to reduce their taxable income, often claim deductions that teeter on the edge of legality. Sometimes this craftiness pays off, and we find the following deductions actually permitted by the IRS:

1. **Body oil.** The Tax Court ruled that a professional bodybuilder could deduct the cost of body oil used in competitions to make his muscles glisten in the lights. Deductions for buffalo meat and vitamin supplements used to enhance strength and muscle development, however, were denied.
2. **Landscaping.** Sole proprietors who regularly meet clients in their home office can deduct a portion of landscaping costs, including regular lawn care and driveway repairs.
3. **Cat food.** Owners of a junkyard were allowed to write off the cost of cat food used to attract wild cats. IRS lawyers conceded that the cat food was deductible since the cats made the junkyard safer for customers by eradicating snakes, mice and rats.
4. **Power of prayer.** If you are a Christian Scientist and don't believe in medical doctors, you can deduct the cost of visiting a Christian Scientist practitioner as a medical expense.
5. **Swimming pool.** A taxpayer with emphysema put in a pool after his doctor told him to develop an exercise regime. The Tax Court allowed him to deduct the cost of the pool (to the extent the cost exceeded the amount it added value to the property) as a medical expense. The cost of heating the pool, pool chemicals and a proportionate part of insuring the pool area were also treated as medical expenses.
6. **Clarinet lessons.** The cost of clarinet lessons for one child was allowed as a medical expense to help correct an overbite.
7. **More cat food.** A woman spent more than \$12,000 on food, vet bills and other miscellaneous items while fostering feral cats. The Tax Court ruled that she could claim a charitable deduction for her expenses.
8. **African safari.** Owners of a dairy business claimed that an African safari was business related because it focused on the activities of wild animals. The IRS allowed the claim.
9. **Loan to a deadbeat.** You know that \$500 you loaned your deadbeat friend who disappeared without paying you a penny? The IRS has been known to allow non-business bad debt deductions for such instances.
10. **Breast pump.** If you are breastfeeding your child, you can deduct the cost of a breast pump in your itemized deductions.

Hope these inventive deductions inspire some creativity this season!

## MDOT Begins Monitoring Frost Depth



MITA has just learned that the MDOT regions have begun monitoring frost depth to determine when spring weight restrictions will be imposed.

With the extreme cold temperatures we've experienced this winter, the frost depth is deeper than normal, and MDOT has warned us that weight restrictions may be imposed for longer periods of time this spring.

If you have equipment or materials you need to move in preparation for the

upcoming construction season, you may want to start those moves soon, as at some point in time your efforts will be impacted by spring weight restrictions. Remember that axle limitations on seasonal routes are reduced to less than legal loads, and permits to move overweight loads and loads over 14-foot wide are suspended during spring weight restriction periods.

MITA will keep you informed of all imposed weight restrictions statewide as we are notified about them.

To check the status of any current restrictions on MDOT trunkline routes [click here](#).

To check the status of any current restrictions on county jurisdiction roadways [click here](#).

If you have any questions or comments, contact your MITA representative at 517 347 8336.

## Consensus Docs Releases Updated Federal Subcontract To Help Construction Firms Perform Federal Work

A newly revised standard subcontract will serve as an essential tool for any general contractor working in the federal market. In 2012, this standard subcontract was updated with consideration from all segments of the industry to remain current and relevant in today's federal construction practice. ConsensusDOCS is the company responsible for making the newly revised contract that is now being used by the federal government.

It will make it easier for general contractors and subcontractors to perform federal work by addressing recent changes in federal contracting such as requirements for small business entities and new reporting of executive compensation requirements. These updates will be especially helpful to contractors that don't routinely perform federal government contracts but now seek federal work in a construction market. It is designed to make it easier for contractors to comply with Federal Acquisition Regulations (FAR) by including a special exhibit listing all FAR regulations that apply to the contract. Another significant new revision is one that provides for attorney fees if the contractor withholds payments based on a Miller Act claim made in bad faith.

The new contracts also make it easier and more economic for the federal government to use by saving time and money while ensuring qualified contractors perform the work. It does this by making it easier for federal officials to write effective contracts that help keep the work on time and on budget.



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## CONSTRUCTION INDUSTRY INSIGHT

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As active members of various national, state and local construction associations, state housing councils and specialty trade groups, our team keeps alert to industry trends and opportunities. Our

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