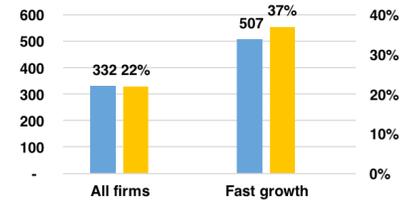


TRENDLINES

Submitted vs. shortlisted proposals



According to Zweig Group's 2016

Marketing Survey, fast growth firms on average submitted 507 proposals last year and were shortlisted 37 percent of the time. Compare that to the average of all respondents, where firms submitted 332 proposals and were shortlisted 22 percent of the time.

(Special discount to TZL subscribers:

Use code **SRVY35off** to order this survey at 35 percent off at zweiggroup.myshopify.com/collections/frontpage)

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What differentiates you from the other firms?

“Look for ways to be different – there are a million of them. Otherwise you’ll be lost in the pack. And that’s bad in a mature market!”



Mark Zweig

EDITORIAL

We are all a part of a very mature AEC industry. That means the market is huge but supply has long caught up with demand. When that happens, certain other things happen. These include:

- 1) Clients become a whole lot more concerned about price.
- 2) Clients become a whole lot more concerned about schedule.
- 3) Location/proximity to the client and project may be more critical.
- 4) Differentiating your firm from others that provide the same service becomes paramount.

It’s this last point I want to talk about today. Too many AEC firms look like each other. The lack of meaningful differentiation means that if the markets they serve are doing well, the AEC firms will do well. If the market has any kind of decline, most firms serving it decline also. The only way to avoid this scenario – other than cutting costs, doing the impossible schedule-wise, or starting a new office every time the client expects it, is to be different. How can you be different? Here are some thoughts:

- **Name.** These days, why is everyone named “ABC, Inc.,” or some alphabet-soup variation on it? Boring name means boring company – one no one remembers. A good example of a good name that isn’t boring is Big Red Dog in Austin. People will remember the company’s name – for better or worse – and that will help reduce the risk of hiring them in the eyes of their clients.

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MORE COLUMNS

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TRANSACTIONS

ALCOA INC. BOARD OF DIRECTORS APPROVES SEPARATION OF COMPANY Alcoa Inc. announced that its board of directors approved the completion of the company's separation into two independent, publicly-traded companies.

Arconic will be a leading global provider of high-performance materials and engineered products to the aerospace, automotive, and other growth industries, positioned for profitable growth. Alcoa Corporation will be a globally-competitive industry leader in bauxite, alumina and aluminum products, positioned to succeed throughout the market cycle.

Upon separation, Klaus Kleinfeld will serve as Arconic chairman and CEO. Michael Morris will become non-executive chairman of Alcoa Corporation and Roy Harvey, current group president of the Alcoa Global Primary Products business, will be its CEO.

As previously announced, the separation will occur by means of a pro rata distribution by Alcoa Inc. of 80.1 percent of the outstanding common stock of Alcoa Corporation. Arconic will retain 19.9 percent of Alcoa Corporation common stock. The distribution is intended to qualify as a tax-free transaction to Alcoa Inc. shareholders for U.S. federal income tax purposes.

In connection with this distribution, on November 1, 2016, Alcoa Inc. changed its name to Arconic Inc. and its ticker symbol on the New York Stock Exchange to ARNC. Alcoa Corporation will trade as an independent company on the New York Stock Exchange under the ticker symbol AA.

Earlier this year, Alcoa Inc. announced plans to undertake a reverse stock split of Alcoa Inc. common stock at a ratio of 1 for 3 and

a proportionate reduction in the number of authorized shares of its common stock. Alcoa Inc. held a special shareholder meeting on October 5, 2016 to seek approval of this reverse stock split and authorized share count reduction.

At the time of separation, shareholders of Alcoa Inc. will retain their shares of Alcoa Inc. Due to the name change of Alcoa Inc. to Arconic Inc. upon separation, these shares will become Arconic Inc. shares.

No fractional shares of Alcoa Corporation common stock will be issued in the distribution, and shareholders will receive cash in lieu of fractional shares.

No action is required by Alcoa Inc. shareholders to receive shares of Alcoa Corporation common stock in the distribution. Alcoa Inc. expects to mail an information statement to all shareholders entitled to receive the distribution of shares of Alcoa Corporation common stock. The information statement is an exhibit to Alcoa Upstream Corporation's Registration Statement on Form 10 and describes Alcoa Corporation, certain risks of owning Alcoa Corporation common stock and other details regarding the separation and distribution.

Two markets are expected for Alcoa Inc. common stock: the "regular-way" market and the "ex-distribution" market. Shares that trade in the "regular-way" market will be entitled to shares of Alcoa Corporation common stock distributed pursuant to the distribution; shares that trade in the "ex-distribution" market will trade under the symbol ARNC W1 and without an entitlement to shares of Alcoa Corporation common stock distributed pursuant to the distribution.

MARK ZWEIG, from page 1

- **Responsiveness.** Why does it take so long for people to return phone calls and emails? Be the fastest and your clients will remember you and prefer you because of this one differentiator alone.
- **Phone answering.** Why do so many people rely on auto-attendants and complex menus? Be the firm that has a live person answer your phone – better yet, an intelligent and service-oriented one – and you will no doubt differentiate yourself from your competitors.
- **Website.** Why do so many firms have out-of-date and ugly websites? Be differentiated by having a site that changes daily and provides valuable content to all visitors. Look alive! Look better and more up-to-date than everyone else you compete with.
- **People.** Why is it OK to have people who are technically competent but have anything but a sparkling personality? Differentiate yourself by having better looking, better communicating people who are passionate about what they do. Be super selective. Invest in training.

I could go on and on. Look for ways to be different – there are a million of them. Otherwise you'll be lost in the pack. And that's bad in a mature market! ▀

MARK ZWEIG is Zweig Group's founder and CEO. Contact him at mzweig@zweiggroup.com.

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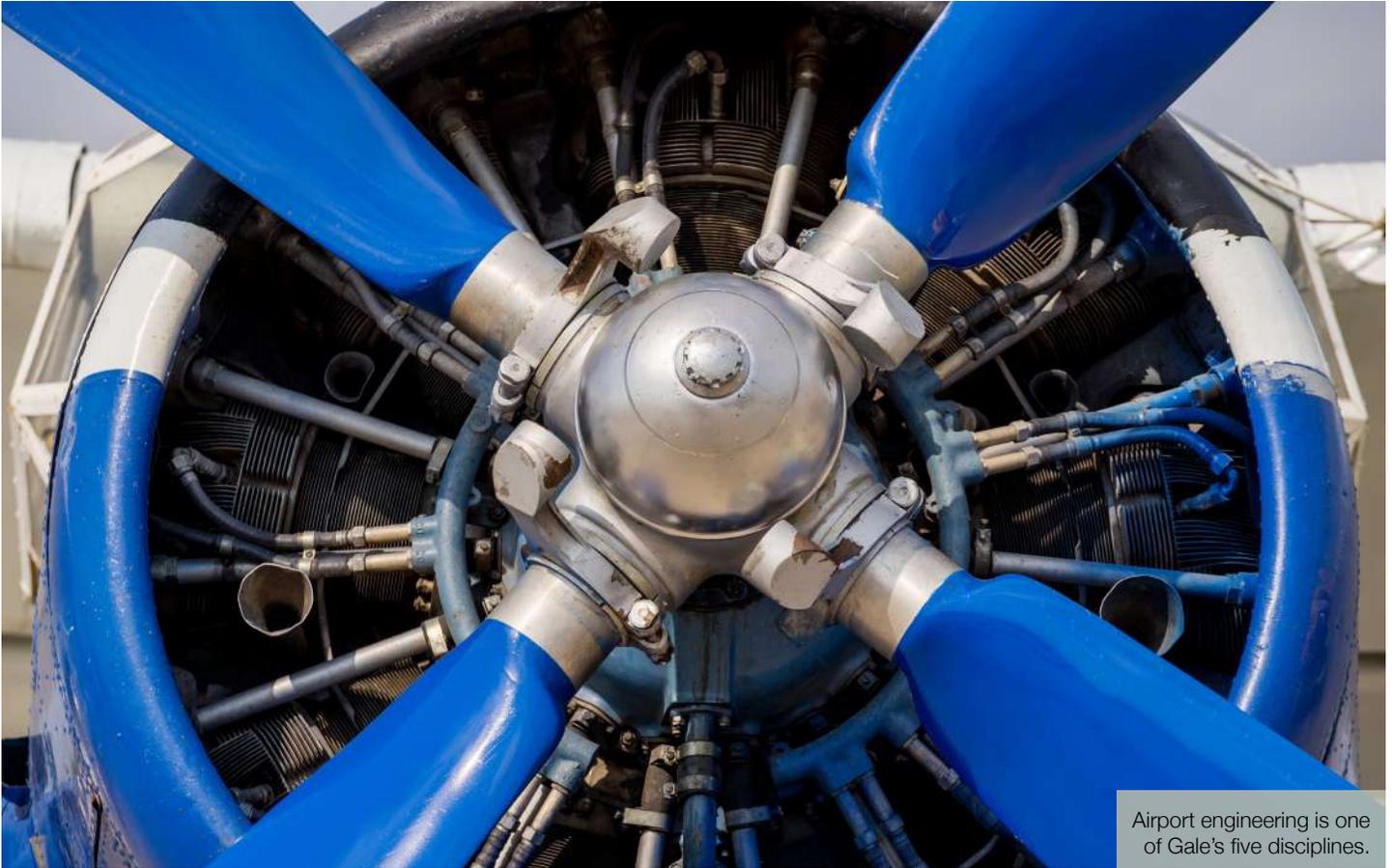
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PROFILE



Airport engineering is one of Gale's five disciplines.

Employee number thirteen

Jon F. Lindberg has been at the same firm for 36 years, so it's safe to say he has a roof over his head and a room with a view.

By LIISA ANDREASSEN
Correspondent



Jon F.
Lindberg,
President,
Gale

He says he was fortunate to be in the right place at the right time, and no doubt he was. Jon F. Lindberg, president of Massachusetts-based **Gale Associates** (Best Firm #4 Multidiscipline for 2016) began his career as a technician directly out of college. His role was to conduct evaluations of exterior building enclosure systems and observe construction repairs to those systems and assemblies (roofs, walls, windows, waterproofing). He was given opportunities for advancement as the firm grew – that firm was Gale – and this is his 36th year working there. He has been president since 2009.

A CONVERSATION WITH LINDBERG.

The Zweig Letter: How have you seen Gale evolve over the past 36 years?

Jon Lindberg: When I started with the company, I was employee number 13. Today, we are 110 and

growing. Gale was pretty much a two-discipline firm providing civil/site engineering and roof consulting. Since that time, we have grown to a five-discipline company (building enclosure design and consulting, athletic facilities planning and design, civil engineering, airport engineering, and planning and structural engineering). We are staffed with architects, engineers, planners, and other professionals in six offices along the East Coast (New Hampshire to Florida).

“Staying organized, focused on goals, and hiring intelligent, driven employees are all important to successfully lead a firm.”

TZL: What are your key strengths? What do you

See Q&A, page 4



Q&A, from page 3

feel the key strengths are for an effective leader?

JL: I believe my key strengths include the ability to listen, weigh the options, and make a decision. My decisions may not always be the best, but it keeps the firm moving. Staying organized, focused on goals, and hiring intelligent, driven employees are all important to successfully lead a firm.

TZL: How would you describe your leadership style?

JL: Involved, responsive, supportive, and committed.

TZL: To date, as president, what has been your greatest challenge?

JL: We have two ongoing challenges:

- Finding, hiring, and retaining staff
- Ownership transition – past and future

TZL: What is your vision for the future of Gale?

JL: Growth and creating opportunities for our staff. We will achieve this by bringing all of our disciplines to each of our offices, while remaining open and nimble to consider new opportunities for expansion.

TZL: Tell me about a recent project you are especially proud of and why.

JL: Honestly, I would have to choose at least five projects to represent our five disciplines. I am most proud of our ability to grow client relationships, which fuels our success.

TZL: How have you helped your firm to outperform some competitors? What do you feel sets you apart?

JL: We find and hire the best talent, invest in that talent, retain that talent, and then let them do their thing. Our people, our service, and our specialization are what set us apart from our competitors.

“I believe my key strengths include the ability to listen, weigh the options, and make a decision. My decisions may not always be the best, but it keeps the firm moving.”

TZL: Is there any news you care to share about Gale projects or anything else?

JL: As mentioned above, we are expanding and growing Gale to bring all five disciplines to each of our six offices. When we initially decided to expand geographically, we did so as a specialist in building enclosure consulting. Now that each of our offices is established, we are successfully introducing aviation/civil/athletics to Florida and athletics/civil/structural to our mid-Atlantic offices. Our next goal is to expand services in our New Hampshire and Connecticut offices.

TZL: Are you married? Do you have children? Pets?

JL: I have been married for 36 years and have two successful, grown children. Currently, we have two dogs, but I would not rule out the potential for more in the future. My first grandchild is due to arrive this fall.

TZL: What’s one thing most people at the firm don’t know about you?

JL: I am pretty much an open book. It’s my nature to say what’s on my mind. I guess most would not know I have an allergy to melons – go figure.

“We find and hire the best talent, invest in that talent, retain that talent, and then let them do their thing. Our people, our service, and our specialization are what set us apart from our competitors.”

TZL: Do you have a favorite vacation spot or a dream destination?

JL: So far, my best vacation has been to a Dude ranch in Wyoming. I took the vacation with my family years ago. We slept under the stars halfway up a mountain; it was memorable. Dream vacation? Anywhere off the grid.

TZL: What’s the last book you read (digital or print)?

JL: *Desert Solitaire* by Edward Abbey (digital).

TZL: What’s the last movie you saw?

JL: *Star Trek* with my son. It seemed the same, only different.

TZL: What’s the best piece of work-related advice you’ve ever received?

JL: “Relax, pause, and consider.” – Charlie Gale, the firm’s founder

TZL: Who is a leader you admire and why?

JL: My associate and friend, Ed Stewart. We have worked together for 30-plus years. He has helped grow Gale to what we are today. Ed has shown exceptional vision on how and what Gale needed to do to be a national expert in enclosures. Staff stays and has fun because of Ed. He doesn’t know it, but he helps to lead all of us, in one way or another.

TZL: When you’re not working, what types of activities do you enjoy?

JL: Hiking, fly fishing, biking, and golf. I guess if I can disconnect for a while, I want to do it.

TZL: What’s your favorite lunch?

JL: Basil pad thai or grilled cheese and tomato. ▀

OPINION



Flextime and client service

The two don't have to be at odds with each other. Make sure someone's at least answering the phones so perks don't impede responsiveness.



**Chad
Clinehens**

BRAND BUILDING

Coming off the high of our annual Hot Firm and A/E Industry Awards Conference at the Arizona Biltmore in Phoenix, we are transitioning our focus toward end-of-year strategic planning for our clients. Likewise, my hope is that every firm leader reading this article does the same for their organization. I also hope you get help from an industry expert like ourselves as opposed to local “facilitators.” Comprehensive knowledge of this industry is critical to understanding your firm at a deep enough level to design a meaningful plan that is more than clichés and empty buzzwords.

I say all this to stress the importance of understanding the industry and what your peer firms are doing. Our planning process is intense in data collection and analysis. One part of that process is interviewing clients of the AEC firms that we are engaged with. One of the growing complaints we get from your clients is related to responsiveness.

“There’s a growing conflict between employee retention and client service – two of the biggest challenges faced by AEC firms.”

They are specifically referencing the problems they are having with firms that have modified working hours. Programs like “Four 10s with Friday off,” or “Half Day Fridays,” or “Modified Summertime Hours” are commonly referenced by your clients.

Going back to the subject of awards, our largest program is the Best Firms to Work For. We survey

more than 11,000 employees from hundreds of firms in the United States and Canada. One of the top perks earning points with your employees is modified work schedules like those referenced above. And therein lies the problem. There’s a growing conflict between employee retention and client service – two of the biggest challenges faced by AEC firms.

Even if your company does not have one of these modified work-hours programs, this emerging conflict still applies to you. As more millennials enter the workforce, they will dictate new policies and programs in your organization, many of which will provide a greater level of flexibility in some form. If your firm does have one of these programs, I would strongly encourage you to survey your clients using a third party to find out how your people are doing meeting their needs.

All of this speaks to the importance of an annual review and update of your strategic and business plans. Things are changing fast out there and we

See CHAD CLINEHENS, page 8



SPOTLIGHT ON: BRA

PROFILE



The Boston Redevelopment Authority recently rebranded to the Boston Planning and Development Agency, but locals aren't convinced the heavy-handed bureaucracy will truly change.

A Boston rebrand

Beantown's tarnished redevelopment agency comes up with a new name, a new logo, and a new mission, but locals aren't convinced it'll do any good.



Boston Mayor
Martin Walsh

By RICHARD MASSEY
Managing Editor

The Boston Redevelopment Authority may have rebranded itself to the Boston Planning and Development Agency, but in a town where memories die hard, a new name and a new logo might not be enough to dispel the scorn heaped on the department for decades.

Perhaps known best for its decision to scrape off the West End "slums" back in the 1960s, displacing thousands in the process, the agency formerly known as the BRA has also overseen the current construction and development boom that has encroached on neighborhoods across the city.

To explain the rebranding, the BPDA, as it's now known, issued this simple statement in its marketing collateral: "This was an effort to redefine what we do, why we do it, and how we do it."

While the laundry list of the BPDA's aspirations is long, it essentially comes down to one big point – to actually do urban planning so that Boston's quilt work of neighborhoods is not destroyed by real estate development, much of it in the form of office and residential towers. To do that, according to Boston Mayor Martin Walsh and agency director Brian Golden, the BPDA will seek more input from residents and community groups.

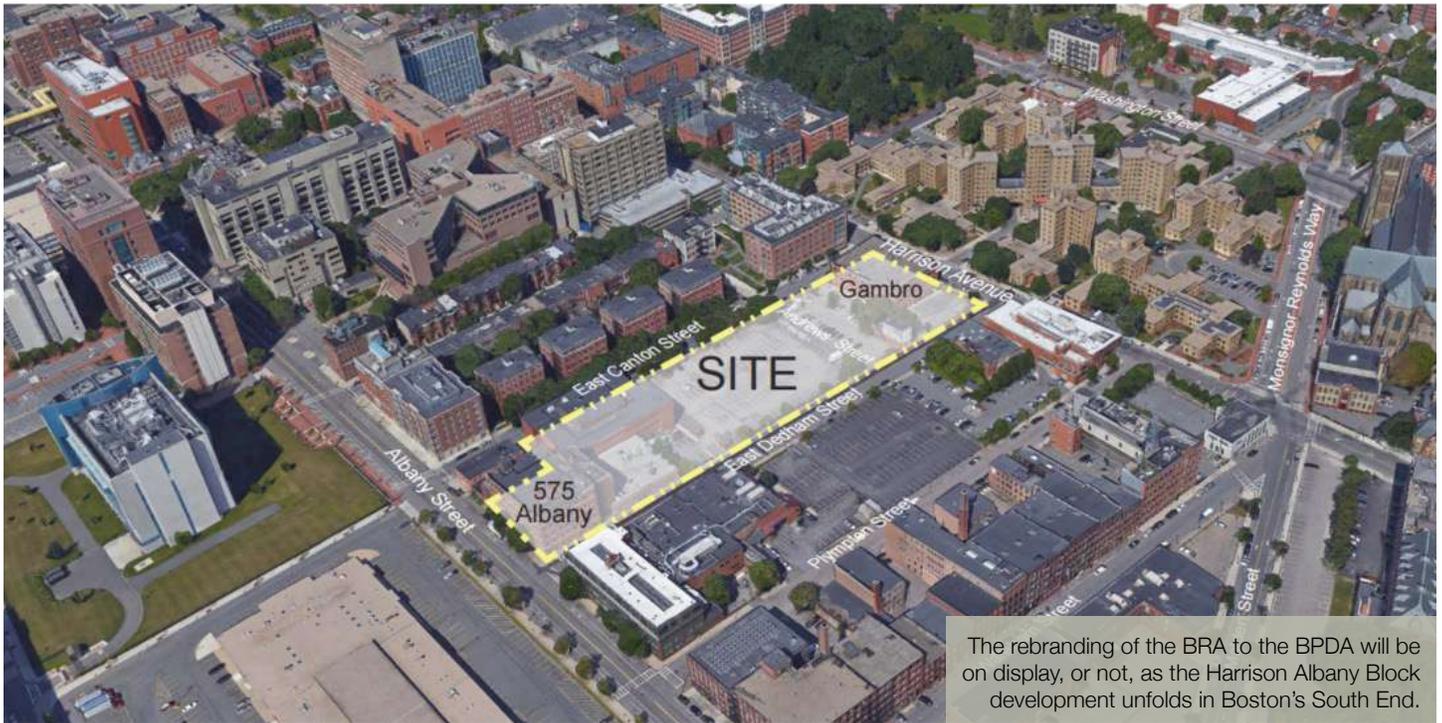
"This was an effort to redefine what we do, why we do it and how we do it."

"We expect to host conversations in the neighborhoods to have BPDA explain itself holistically," Golden said at the time the rebranding was announced.

And that's where the skepticism, much of it harsh,



Brian Golden,
Director, BPDA



comes in. As the old BRA had the reputation of a heavy handed bureaucracy that always sided with the developer, the rebranding was roundly panned by the Boston media. Radio host and columnist Howie Carr even asked, “Sure, there were issues with the BRA – hackerama, incompetence, greed etc. – but how does changing the name to the Boston Planning and Development Agency resolve them?”

And normal residents, at least those who are dealing with the agency in their own back yard, feel the same way.

“It’s a rebranding in name, but not in actuality,” says the Harrison Albany Alliance, speaking to *The Zweig Letter*. “The city is going to do what it wants.”

Members of the Harrison Albany Alliance live next to, or near, a development in the South End, currently under review by the BPDA, known as the Harrison Albany Block. Developed by Leggat McCall and Bentall Kennedy, it’s a four-building project that will entail 710 residential units, 14,100 square feet of retail, and 40,000 square feet of office. The Alliance, a community group monitoring the development, says the rebranding hasn’t had a noticeable effect on the project.

Neighborhood concerns include height and exterior design, surrounding infrastructure, affordable housing, traffic, parking, and public transit. But to date, the Alliance says the city has only given lip service to a more inclusive process.

“They’re going through the motions, but they’re not providing the residents anything,” says the Alliance. “It’s like no

one is listening.”

The rebranding comes on the heels of several major occurrences. In January 2014, Walsh succeeded Mayor Thomas Menino, in office for 20 years. Also in 2014, KPMG’s review of the BRA and the affiliated Economic Development Industrial Corp., found poor financial controls. And last year, an audit by McKinsey and Company found the following: the BRA had no vision, it wasn’t a one-stop shop for planning, the agency was understaffed and infected with poor morale, poor transparency, and inaccurate real estate records.

“It’s a rebranding in name, but not in actuality. The city is going to do what it wants.”

So what does the BRA do? It hires outside consulting firm Continuum – for a reported \$670,000 – to spearhead the rebranding. Continuum, a design consultancy that, among other things, helped Daisy design a new squeezable container for its sour cream, helped the BRA look at itself in the mirror. Here is what it saw:

- Growth has positive and negative outcomes; oftentimes the BPDA becomes associated with the negative ones.
- Often it is difficult for people to connect actions and their positive outcomes, so we do not get credit.
- People struggle to relate to our content.

See BOSTON, page 8

CHAD CLINEHENS, from page 5

are seeing the data change from year to year faster than ever in nearly 30 years of studying this industry. Having a great place to work has more importance than ever. Being competitive and having a strong brand built around great client service and quality is also more important than ever. Makes sure you keep the big picture in focus at all times and do not let achieving excellence in one area cost you excellence in another.

Employee flexibility and excellent client service can coexist. And if you currently have or are considering a flextime program, here are a couple of things you can do to ensure that impeccable client service is maintained:

■ **Have your phones answered during all business hours.**

Unfortunately, you may have to designate a few positions in your firm that are exempt from the modified work-hours benefit. An alternative is that people could trade off so that they can at least participate part time. Phones not being answered is the number one complaint from your clients regarding modified hours policies.

■ **Project managers and client managers must be on-call.**

Related to the point above, your clients are complaining about not being able to reach their project contacts in your organization. Anyone in your firm with client contact must have the responsibility of being “on-call” during certain hours. At a minimum that is during regular business hours Monday

through Friday. One benefit you can offer that will conveniently reinforce this is a 100 percent paid cell phone. That means completely paid for, including the data plan. It is a great benefit and enforces an accountability for being responsive to clients during and after regular business hours.

“Things are changing fast out there and we are seeing the data change from year to year faster than ever in nearly 30 years of studying this industry. Having a great place to work has more importance than ever.”

There are ways to accomplish all of your firm’s strategic initiatives while avoiding the conflicts outlined above. To do that, you have to look at every decision through every lens possible to identify the costs and tradeoffs. You may need some industry data or trends or surveys of your clients to effectively analyze your options and make the best decisions possible. The strategy, or lack thereof, is what separates the award winning firms from the average performing firms. Employee flexibility and excellent client service can coexist. ▀

CHAD CLINEHENS is Zweig Group’s executive vice president. Contact him at cclinehens@zweiggroup.com.

BOSTON, from page 7

- The current stakeholder engagement model is sub-optimal for residents, developers, and employees.
- The outward focus of the BPDA has created a siege mentality at the expense of internal dynamics – i.e., team-building and communication.
- Our structure (how we’re organized and funded) results in confusion, distrust, and perceived conflicts of interest.

“They’re going through the motions, but they’re not providing the residents anything. It’s like no one is listening.”

One of the greatest sins committed in the history of Boston, according to some, was the BRA’s levelling of the West End, an area jammed with immigrants and the poor. Literally wiped off the face of the map, the neighborhood, characterized by dense rows of tenements, fell victim to the kind of brass-knuckled redevelopment taking place in the 1950s and 1960s – urban renewal.

Little remains of the West End, and most of what does is housed in the West End Museum. Its president, Susan Hanson, says she is hopeful that the BRA’s rebranding is truly the dawn of a new day.

“The Boston Redevelopment Authority has historically been criticized for emphasizing development over planning,” Hanson says. “The administration of Mayor Walsh has acknowledged the City’s past mistakes, such as what happened to the West End neighborhood in the 1960s, and has taken remedial steps like planning initiatives in several

neighborhoods. We think the name change reflects substantive improvement.”

But back in the South End, residents are leery.

Lauren Prescott, the executive director of the South End Historical Society, says she and plenty of others just aren’t convinced the BPDA is suddenly going to shed its big bureaucratic ways and cozy up to neighborhood groups and preservationists.

Just last year, the South End sent a strong letter to the BPDA asking it not to extend its urban renewal authority into the neighborhood, saying it was both “unnecessary and potentially harmful to the South End Neighborhood.”

To no avail. The authority was extended for another six years. For the foreseeable future, it looks like the South End is going to have to live with the BPDA. With that in mind, Prescott says plenty of people will be looking to see if the rebranding is real, or if it only exists on paper.

“I’m skeptical. I think it’s a smokescreen, but I’d like to be proved wrong. Are they engaging with neighborhoods? Are they engaging with residents? We’ll be watching.”

“I’m skeptical,” Prescott says. “I think it’s a smokescreen, but I’d like to be proved wrong. Are they engaging with neighborhoods? Are they engaging with residents? We’ll be watching.” ▀

OPINION



As the use of commercial drones by A/E firms expands, the insurance market is evolving as well.

Rise of the drones

By assessing how they plan to use drones, and by carefully evaluating related risks, A/E firms will benefit from this new capability.



**Rose
Haas**



**Allison
Barefoot**

GUEST SPEAKERS

As more A/E firms begin integrating drones into their operations, they need to comply with new Federal Aviation Authority regulations for drone use and address a new set of related risks.

Drones – also known as unmanned aerial systems or unmanned aerial vehicles – offer design firms safer and potentially more cost-effective ways to survey and inspect project sites and/or existing structures.

Since the FAA implemented new rules for drone use at the end of August, the agency estimates 7,500 small commercial drones will be in use by 2018, including a large number by the construction industry.

While many larger A/E firms are purchasing and operating their own drones, others are considering outsourcing the services to commercial drone operators. Both approaches require evaluating related risk management measures and insurance.

Historically, most commercial general liability policies written for organizations not primarily in the aviation business include an aircraft exclusion that would negate coverage for use of drones.

“Drones – also known as unmanned aerial systems or unmanned aerial vehicles – offer design firms safer and potentially more cost-effective ways to survey and inspect project sites and/or existing structures.”

However, several insurance companies have begun to offer endorsements to CGL policies that fill this coverage gap. Meanwhile, there is a rapidly emerging market for stand-alone drone liability and property coverage.

A/E firms choosing to operate their own drones must comply with the FAA’s new small UAS rule – Part 107, which includes requirements with respect to the weight of the drone (less than 55

See ROSE HAAS & ALLISON BAREFOOT, page 10



ROSE HAAS & ALLISON BAREFOOT, from page 9

pounds), as well as drone registration, operation, pilot certification, and certain restrictions.

For instance, drones must be controlled or directly supervised by an individual with “Remote Pilot in Command” certification from the FAA. The agency also stipulates that drones can be flown at a maximum altitude of 400 feet and only during daylight hours. They must be flown within the operator’s visual line of sight and cannot fly above any persons not directly participating in the operation or under a covered structure or inside a covered stationery vehicle.

“As the use of commercial drones by A/E firms expands, the insurance market is evolving as well.”

Meanwhile, insurers have established their own rules for businesses, such as design firms, seeking to obtain coverage for drones. Above all, insurers have stated they will not provide coverage for any firm not in compliance with the FAA Rule 107 requirements. Thus, any drone utilized must be registered with the FAA and operated according to the agency’s rules.

In addition, applicants for drone insurance will need to provide the following information:

- Intended use of the drone (operations/services provided)
- Size of the drone
- Number of drones operated
- Expected number of flights per year
- Controls to address privacy implications (management of video or captured images)
- Intended use of the video and images captured
- Name and remote pilot certification information of any operators

Once they qualify for drone insurance, design firms can opt to add drone coverage to an existing commercial general liability policy or obtain a quote for a mono-line drone policy. The former may be the most cost-effective option, with many insurers charging either no premium for this additional exposure or minimal additional premiums (\$250-\$500).

Note, however, that some insurers currently are not offering “Personal and Advertising Injury” coverage for drones. In these cases, drone operators would have no coverage for lawsuits claiming invasion of privacy or similar offenses.

Further, under these endorsements there is no “non-owned coverage” for utilizing subcontracted drone services. These arrangements may call for purchasing a separate insurance policy.

Additionally, at present, most insurers will not extend drone coverage to umbrella/excess policies. As a result, only the CGL policy limit (typically \$1 million) is available

to pay claims, which could leave design firms operating drones underinsured.

Finally, under this approach, there may not be any “property” coverage for damage to the drone itself or its payload (such as expensive video or electronic equipment). This protection will require purchase of separate “hull” coverage.

ASSESSING STAND-ALONE DRONE INSURANCE. The market for stand-alone drone insurance is currently competitive and evolving rapidly. Coverage can be obtained for: physical damage (hull), including the drone, cameras, sensors, and ground station equipment; as well as for liability, including non-owned aviation liability.

Many insurers now offer limits of up to \$1 million for hull/physical damage and as much as \$100 million or more for liability. Nonetheless, be sure to evaluate any stand-alone drone policies carefully and assess any coverage restrictions, such as exclusions or sublimits.

MANAGING OUTSOURCED DRONE EXPOSURES. A/E firms choosing to use outsourced drone vendors should make sure the vendor has related experience or can demonstrate the capabilities required to effectively and safely undertake your work.

A key issue in using outsourced drone operators involves contractual risk transfer. The contract should define obligations and describe services provided. It should also contain an indemnity clause in favor of the A/E firm. The contract should spell out insurance requirements and name the A/E firm as an additional insured on the drone operator’s liability policy.

“By assessing how they plan to use drones, carefully evaluating related risks and taking appropriate measures to manage them, design firms will be in position to get the most from this exciting new capability.”

Because drone insurance coverage can vary, it may be prudent to contractually require the subcontracted drone operator to provide you with a copy of the actual insurance policy and all endorsements. That way, you can review any exclusions or other coverage terms to ensure you are truly protected.

As the use of commercial drones by A/E firms expands, the insurance market is evolving as well. By assessing how they plan to use drones, carefully evaluating related risks and taking appropriate measures to manage them, design firms will be in position to get the most from this exciting new capability. ▀

ROSE HAAS, senior account manager in the Boston office, and ALLISON BAREFOOT, vice president and senior broker in the Washington, D.C. office, work with Ames & Gough. Haas can be reached at rhaas@amesgough.com; Barefoot can be reached at abarefoot@amesgough.com.

OPINION



Friends or adversaries

If you want to achieve great things and have fun in the process, it's best to foster a collaborative attitude.



**Ed
Friedrichs**

**FROM THE
CHAIRMAN**

Review and approval processes vary greatly around our country, and two extremes are California and Nevada. I'm from California and practiced there throughout my career. For the past two years, I have been exposed to processes in Nevada.

My experience in California was much different than what I'm experiencing now. Beginning with the discretionary review cycles with planning commissions, architectural review boards, and city councils, not to mention outside agencies such as the Coastal Commission, review and approval often stretched into a multi-year process. Some requirements were so outlandish that we would often abandon a creative and excellent approach for a more mundane solution.

I remember, in particular, a second home which I was designing for myself. At the end of an informal review session with a planner in Santa Cruz County, which was notorious for its excruciating approach, the planner complimented me on my most creative solution to site drainage, and then asked me how old I was. At the time, I was 63. She then asked the following, "Did you plan on occupying this house within your lifetime?" Enough said. At least she gave me fair

warning, saving me a long, drawn-out variance process, which she assured me I would lose in the end. On to plan "B."

"Do not accept an adversarial relationship between your design and development team and governing agencies."

The lesson I learned: Do not accept an adversarial relationship between your design and development team and governing agencies. Start from the beginning by explaining your goals for the project, making certain they align with the city's, and then, demonstrate a collaborative attitude at all times. Always listen carefully to

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ON THE MOVE

JOHN FRIEDMAN, PE, PROMOTED TO DEPARTMENT MANAGER IN AUSTIN Texas-based civil engineering firm **RPS Klotz Associates** (Hot Firm # 43 for 2016) has promoted **John Friedman, PE**, to manager of its Municipal Services Department in Austin.

Friedman joined RPS Klotz Associates

in 2001 and has more than 20 years of experience delivering on a variety of civil engineering projects for cities, counties and land development clients across central Texas. In his new role, he will oversee the quality, planning and delivery of the water, wastewater, drainage and transportation projects out of the Austin office.

RPS Klotz Associates is the engineering arm of RPS Group, a multidisciplinary company with U.S. headquarters in Houston. With a staff of 165 professionals in Austin, Dallas, Houston and San Antonio, the firm provides transportation, traffic, ITS, water and sewer, aviation, drainage, land development and environmental engineering services.

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city agencies’ concerns, and always work to solve them together. Remember, they have the authority to say “no,” and you’ll never win trying to force officials to change. Over time, I’ve managed to develop strong relationships with most of the elected officials and staff in the cities in which I’ve worked.

Reno, on the opposite end of this spectrum, requires little or no discretionary review and approval on our West 2nd District project. But that doesn’t mean there aren’t hurdles. We’re in a redevelopment district which, due to some historic decisions and a horrid recession in 2008, carries a senior debt against our site of \$24.1 million. This and a few other municipal challenges leave the city with zero bonding capacity. Reno is unable to bond against future tax revenues to pay for the normal public improvements such as streets, sidewalks, curb and gutters, streetlights, and utilities which are normally a city’s responsibility.

In this situation, we determined the first and most important issue was to negotiate a Disposition Development Agreement that allows these improvements to be self-funded (by us), and to be reimbursed from the future, presumably higher, tax revenues. We would be reimbursed only after the city’s senior debt has been retired. We are working with the City as partners, not adversaries. This allows the city to facilitate dramatic redevelopment improvements to a blighted area of its downtown while taking on no risk. Obviously, we must be successful in this project in order to recover our investment. We assume the risk, as do our investors in land purchase and construction, so we do not consider failure to complete a successful project to be an option.

“Always listen carefully to city agencies’ concerns, and always work to solve them together. Remember, they have the authority to say ‘no,’ and you’ll never win trying to force officials to change.”

This collaborative approach extends to virtually every other major piece of the project. With our waste water treatment system, which dramatically reduces our potable water consumption, we’re dealing with two entities: the City, which has built and manages the sewer system and the Truckee Meadows Water Authority. Current law precludes building a private utility within a public utility district.

Working collaboratively, rather than as adversaries, all parties agree this is the right thing to do, setting a precedent for the future. Together, we’re committed to making compromises in a thoughtful fashion, so this approach can be replicated in future developments.

“I’ve found it sad over the years as I’ve watched developers, and sometimes architects, being treated by government agencies as adversaries, whose every move is doubted, and whose motives are considered less than noble.”

Another issue, which we are not by law required to do, is the relocation of people living in the weekly motels on various parcels we are buying. We know these low-income residents of the district will be challenged to find accommodation elsewhere in the area. We believe that, as responsible developers, we have an obligation to facilitate dignified and effective relocation. There are numerous housing and social service agencies in both the city and county, but they didn’t have a history of working with a developer on this common problem. So, we convened a strategic session to figure out how we could all work together. With the various agencies, which were pleased to participate, we have been able to share ideas on a collaborative basis, setting a new pattern of working together that did not exist before.

As a community, we are actively and collaboratively solving problems together. This is not the “normal” function of design and development professionals. I’ve found it sad over the years as I’ve watched developers, and sometimes architects, being treated by government agencies as adversaries, whose every move is doubted, and whose motives are considered less than noble.

With the West 2nd District project, we began our work with a completely open book, and encouraged the governmental agencies to do the same. As the shields began to come down, we have been able to speak and work as partners on a common mission. It is more fun this way. All it takes is great resilience and perseverance. Through the same process of figuring out how we can all work toward a common end, we can actually achieve something great – and have fun doing it. ▀

ED FRIEDRICHS, FAIA, FIIDA, is a consultant with Zweig Group and the former CEO and president of Gensler. Contact him at efriedrichs@zweiggroup.com.