

Texas Construction

West Texas in Full Swing

Texas Economy: Boom or Doom?
Controlling Material Costs
In Asphalt Paving, Warm is the New Hot

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On the Cover West Texas and the Panhandle are experiencing a boon in construction activity. Shown, C.F. Jordan crew performing infrastructure work at Fort Bliss in El Paso.

Photo courtesy of C.F. Jordan.

Epic Expansion Driving West Texas Market

El Paso's Fort Bliss among factors keeping region growing

by Debra Wood



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From the panhandle and the plains to the deserts of El Paso, West Texas is building like never before.

Despite a national economy in the doldrums, West Texas and the Panhandle are experiencing a boon in construction activity, in part due to military redeployments and industry moving into the region.

"El Paso is seeing unprecedented growth," says Ed Anderson, president of Diversified Interiors of El Paso and president of Associated General Contractors of El Paso. "It's mostly driven by the work at Fort Bliss. A new city is springing up."

The \$4.1 billion Fort Bliss expansion program includes 90 projects, involving 300 buildings to accommodate 30,000 new soldiers in four Heavy Brigade Combat Team complexes, two Infantry Brigade Combat Teams campuses and one Combat Aviation Brigade facility.

"We have experienced significant growth in the past three years," Anderson says. He adds that his firm has more than doubled its number of employees, from 250 to 600 during that period. "We have to pay attention to the work we are

looking at, because we could get in a position in which we have more than we could do."

Oscar Venegas, president of Venegas Engineering Management and Construction of El Paso and an AGC El Paso board member, also reports high volumes.

"In every sector, there is work," Venegas adds.

On the flip side, Paul Bauer, vice president of the commercial group for C.F. Jordon of El Paso, says that "private work is kind of slow." He attributes the downturn to difficulties developers face finding financing.

Industrial development, meanwhile, is driving growth and construction opportunities in the Panhandle. Hilmer Cheese opened a factory in Dalhart. The State Energy Conservation Office reports four ethanol plants will become operational this year, and two more are planned.

"There is industrial stuff coming in and bringing more people, causing the

ABOVE: C.F. Jordan is among dozens of contractors at work on the \$4.1 billion expansion of Fort Bliss in El Paso. Photo courtesy of C.F. Jordan.

city to grow," says Tonya Felder, executive director of the Amarillo-based Panhandle of Texas Chapter of the Associated General Contractors, who reports those projects have generated a need for retail, churches, schools and health care. "We have done \$20 million more [during] the first quarter of this year, compared to last year, and last year was a record year in building permits."

Wiley Hicks III, vice president of Wiley Hicks Jr., a general contracting firm in

ready by September. The second brigade complex will come online in September 2009, with additional complexes scheduled for 2010 and 2014.

Edward Rivera, a spokesperson for the Army Corps of Engineers in Fort Worth, says the corps has awarded about \$500 million in construction contracts to a pool of contractors. These include Hensel Phelps Construction of Austin, J.D. Abrams of Austin and Caddell Construction Co. of Montgomery, Ala.

"El Paso is seeing unprecedented growth. It's mostly driven by the work at Fort Bliss. A new city is springing up."

Amarillo, agrees. "Our backlog is as full as it has been in seven or eight years, and we have not seen any drop," Hicks says.

Hicks' firm primarily constructs schools and some churches.

Fort Bliss, El Paso The first two \$400 million brigade combat team complexes at Fort Bliss are under construction. They contain barracks, dining facilities, operation facilities, headquarters buildings, vehicle maintenance shops, equipment parking facilities and storage.

The aviation brigade, with hangers, began in September 2006 and will be troop

Although major national construction firms have snagged the large packages at Fort Bliss, local contractors also are spending considerable time on the base. Diversified Interiors, for instance, is working on three projects for Hensel Phelps Construction and a dining hall for SGS of Oklahoma City.

C.F. Jordan of El Paso is working as a subcontractor at Fort Bliss, performing concrete and infrastructure work. It is completing about \$37 million in sitework for military housing projects for Balfour Beatty Construction of Atlanta. Jordan also has contracts totaling about \$5 million to provide sitework and concrete paving for various facilities as a subcontractor to Hensel Phelps and has a \$17 million contract for similar work with Mapco of San Antonio.

"Local general contractors are shut out of that work, because they were huge packages," Anderson says. "The subcontractors are absolutely full. The preponderance of the work is being done by local subs."

Education According to the Department of Defense, five local school districts will absorb an estimated 12,000 students from Fort Bliss. Anderson says Socorro, El Paso and Ysleta independent school districts have begun building new schools.

In 2007, voters in the El Paso approved a \$230 bond program that includes \$142.5 million for new construction and \$55 million for additions. >>



ABOVE AND LEFT: C.F. Jordan of El Paso is working as a subcontractor at Fort Bliss, performing concrete and infrastructure work as well as site prep and concrete paving for various facilities. Photos courtesy of C.F. Jordan.

