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UM construction bolsters area builders

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UM CONSTRUCTION BOLSTERS AREA BUILDERS

MISSOULA –

While the soft economy has been a body blow to builders nationwide, major construction projects at The University of Montana have boosted the bottom lines of contractors and suppliers in Missoula and the surrounding region.

Since 2007, more than $100 million in construction projects have been undertaken at UM. Three projects alone from this year – the Law Building addition, the Phyllis J. Washington Education Center and the Native American Center – have injected $38.5 million into the regional economy.

“UM projects have been huge for our company,” said Flint Olsen, president of Quality Construction in Missoula, which recently finished the $14.8 million law school addition. “In the last couple of years, UM has provided in the range of 30 percent of the overall work for our business.”

As the revamped Law Building rose on campus, Quality Construction had as many as 50 company employees working on that project alone, Olsen said.

“And then when you consider all the subcontractors and such, it’s in the range of 300 different people working on that project,” he said. “Then you have the products that are
fabricated and produced for the structure, creating jobs at factories and places we don't even see. And then there are all the suppliers.”

Patrick Barkey, director of UM's Bureau of Business and Economic Research, said construction employment in the Missoula economy has shown more strength than anticipated, despite downturns in the national economy.

“I think the construction industry in Missoula showed a lot more resilience than some other parts of the state,” Barkey said. “Part of that was highway construction and the Superfund work going on with the Milltown Dam. But UM projects definitely were a big part of it.”

While the current building boom at the University is significant, it's been busier in the past. Kevin Krebsbach, associate director for UM's Planning and Construction office, has been on campus 22 years. He said that a decade ago campus was hopping with construction of two phases of the University Villages housing, the Pantzer (residence) Hall, the Gallagher Business Building and the first phase of the Skaggs Building. UM also has had a lot of bond projects going on the other campuses in Butte, Helena and Dillon.

“But ever since then it’s been constant,” Krebsbach said. “We just opened the Law Building, the ($10 million) steam tunnel project will be done by the end of September, the ($15 million) Phyllis Washington education building will be dedicated at Homecoming and the ($8.6 million) Native American Center will be ready by January or February. Working on these projects ... they all have been very enriching and rewarding.”

Bob Duringer, UM's vice president for Administration and Finance, has been on campus nine years. During his tenure, the square footage of campus facilities has increased 596,000 – or about 25 percent.
Duringer is in charge of the “jigsaw puzzle of financing” unique to each UM building project. He said with most of the new buildings going up, 80 percent is not state money. So it’s his job to use available funds – often from a grant or major donor – to find matching dollars, campus revenue or some other mechanism to fully fund each project.

“Leverage is the key term,” he said, “because often you have to find a way to turn one into three.”

Take, for example, the project that added 4,000 seats to the north end zone of Washington-Grizzly Stadium six years ago, Duringer said. The construction company that did the project loaned UM the money to get under way. Then all proceeds from the tickets in that section were used to pay for the expansion. When the north-side addition was paid off, it freed up $500,000 in revenue. That provided the money necessary to add 2,000 more seats to the stadium’s east side two years ago when coupled with east-side ticket proceeds, a student fee that sunsets in five years and contributions from campus organizations such as the Bookstore at UM and University Dining Services.

Duringer said UM strives to buy all supplies and building materials from vendors within 500 miles of campus. “It’s good for business and more sustainable for the environment when you aren’t trucking it too many miles,” he said.

Doug Jackson, president of Missoula’s Jackson Contractor Group Inc., is the lead builder for UM’s Washington Education Center and the Native American Center. When contacted for this story, he had 22 people from his company working on campus and about 100 subcontractors.
When the recession hit, building definitely slowed down in the Missoula area, Jackson said. Luckily, about 25 percent of his company’s overall business comes from UM building contracts that definitely have helped maintain his bottom line.

“Without a doubt they helped us,” Jackson said. “These are great jobs, and architecturally they will be among the most stunning buildings on campus. We are very fortunate and are just happy to have the opportunity.”

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