



**The New Normal**

The term 'The New Normal' was popularized in 2009 when coined in an Investment Outlook report authored by William H. Gross of PIMCO that referred to the huge shift in the economy and the business world since 2008. The reality is that whatever condition the market is in at the present moment becomes the 'New Normal'.

As we know, change is constant. However, during this recent time period, the pace of change has accelerated: increasing government intervention; constantly changing rules for businesses; an unstable economy; increased state and local actions that affect real estate investments; and private sector directives that seek greater profits or reduced risk.

In light of these changes, the business of commercial real estate development and construction requires immediate and rapid decisions even though the results of those decisions may not be

**Common Goals – New Market Strategies**

While the pace of economic recovery and spending in various private market segments remains measured, Cadence McShane Construction's corporate philosophy of diversifying within the private and public markets has proven to be particularly beneficial. This divergent strategy has allowed us to remain stable and profitable notwithstanding this recessionary economy. Over the years, we have maintained a balanced workload within both the private and public sectors, and among a variety of product types within those broad categories. Although our public market work has outpaced the private market assignments for the last two years, we foresee new opportunities emerging in specific private sectors.



Neal L. Harper, President  
Cadence McShane Construction

In 2011, Cadence McShane is furthering its activity within the energy and technology markets, both of which have a strong presence

throughout the State of Texas. During the first part of this new year, our efforts will enhance our visibility in these two specific market segments. As we establish new breakthroughs into certain private markets, we will also adjust portions of our current market direction and emphasis. In the upcoming months, we also anticipate increasing our workload within the

healthcare and multi-family construction markets - two historically strong areas for Cadence McShane.

These initiatives are being led by executives in our regional offices and include team members from all levels of our staff. We are pursuing the new markets through existing relationships in addition to establishing new partnerships and contacts. As we embark on these ongoing efforts, we will call upon our current business allies to assist in

our networking and direction. Our goal is to reach out to ask for your support in furthering our efforts within these markets. We would also welcome direct contact with us to advise of opportunities that you may be aware of within these specific market segments.

Cadence McShane will continue to excel within the product segments that we have gained a solid footing and reputation. These new efforts complement those initiatives by furthering our capabilities to serve existing and new clients as their business plans are modified to address the ever changing market conditions. These initiatives represent a natural progression of our decades of expertise without pursuing work that would be foreign to our experience or capabilities. The expanded market scope will offer us potential new client opportunities that will provide numerous benefits to Cadence McShane and to its extensive group of business partners. We look forward to this pursuit in 2011 and to a productive and fulfilling new year. □

obvious until months after they are made.

The key to maneuvering through this minefield of unpredictability is to stay informed. The following provides a brief synopsis of how to adapt to the 'New Normal':

1. Be prepared to quickly make dramatic shifts in your

business plan to accommodate changes needed to redirect strategies for growth.

2. Acknowledge that certain geographical markets will no longer be as viable to execute your business plan and move swiftly to channel those

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**Cadence McShane Delivers Patterson Elementary School to Houston ISD Three Months Ahead of Schedule**

Students and staff are enjoying the advantages and conveniences of the new Patterson Elementary School located at 5302 Allendale in Houston, Texas. Utilizing expert project management and schedule enhancements, Cadence McShane completed the new 98,724 square foot educational facility for the Houston Independent School District (ISD) three months ahead of the scheduled completion date. The sizable elementary school includes 50 classrooms, comprehensive library, kitchen and cafeteria, and basketball pavilion. The new two-story LEED™-registered Patterson Elementary School includes energy efficient heating, air conditioning, refrigeration, lighting control and hot water systems providing cost savings and an enhanced learning environment. Cadence McShane also implemented a construction waste recycling system and incorporated environmentally-friendly building materials. Sustaita Architects provided the architectural services for the new LEED™-registered elementary school assignment. □



**Project Profile**

## Plano ISD Selects Cadence McShane for Two New Projects

After successfully completing numerous elementary and secondary school facilities for Plano Independent School District (ISD), the ISD recently awarded Cadence McShane two elementary school construction assignments. The new single-story, 77,000 square foot Memorial Elementary School will be located at 2600 Avenue R in Plano, Texas. The attractively designed masonry facility will replace an existing elementary school within the District and feature abundant classroom space, spacious library, kitchen/cafeteria and faculty and administrative areas. Cadence McShane's second assignment will be located at Weatherford Elementary School situated at 2941 Mollimar Drive in Plano. Cadence McShane will renovate and enhance 64,969 square feet of this existing school facility in addition to adding 3,396 square feet of new space. The firm will renovate 40 classrooms, library, kitchen/cafeteria and practice gymnasium. Since classes at Weatherford will be in session during construction safety precautions will be implemented by Cadence McShane to ensure student and staff safety. PBK is providing the architectural services for Memorial Elementary School scheduled for an August 2012 completion. Perkins + Will has been selected to serve as project architect for Weatherford Elementary School slated for completion in September 2012. □



*Plano Independent School District has selected Cadence McShane to complete two additional elementary school assignments including the new construction of the 77,000 square foot Memorial Elementary School (shown above) and the renovation and expansion at the Weatherford Elementary School both located in Plano, Texas.*

## Cadence McShane to Complete VA Medical Clinic in Texas City

The U.S. Department of Veterans Affairs (VA) is expanding its medical facilities and healthcare services nationwide to meet the growing medical needs of our country's deserving veterans. Recently, the Houston office of Cadence McShane was selected to complete its third assignment for the VA – the new ~10,000 square foot VA Outpatient Clinic located at

9300 Emmett F. Lowry Expressway in Texas City, Texas. Texas City serves as a busy deepwater port on the Gulf Coast located on the southwest shoreline of Galveston Bay. The new VA Clinic will feature 24 physician offices, 11 exam rooms, three audiology rooms, laboratory, X-ray and eye diagnostic services. Seeberger + Associates LP is providing the architectural services for the assignment that will be completed in late January 2011. Cadence McShane also completed the 11,237 square foot VA Clinic at the OakBend Doctors Center – Southwest Freeway medical office building located on the campus of



*Cadence McShane was recently selected to complete the new ~10,000 square foot U.S. Department of Veterans Affairs Outpatient Clinic in Texas City, Texas following its successful completion of the new 11,237 square foot VA Clinic at the OakBend Doctors Center – Southwest Freeway in Richmond, Texas (shown above).*

OakBend Medical Center in Richmond, Texas. The firm was also recently selected as design/builder for the new free-standing 32,950 square foot Veterans Affairs Outpatient Specialty Clinic in Corpus Christi, Texas scheduled to break ground in Spring 2011. □

## Significant Milestones Reached at Edgewood Elementary in Houston

Construction continues on schedule at the new Edgewood Elementary School in Houston, Texas currently underway by Cadence McShane for Spring Branch Independent School District (ISD). The District selected Cadence McShane to complete this 110,160 square foot school facility that broke ground in July 2010. Meeting the scheduled milestones, Cadence McShane has completed the placement of the structural steel allowing work to begin on the metal deck, roofing system, exterior framing, concrete areas and mechanical, electrical and plumbing systems. Located at Hollister Road and Kempwood Drive, the single-story elementary school will feature 38 classrooms, science lab, library, cafeteria/kitchen, practice gymnasium, administrative areas, music and choir room, art instruction and performing areas. The exterior will include a stone and masonry façade, complemented by large windowpanes that provide abundant natural light into the school's interior. A striking clock tower placed above a stone partition will contribute an additional element of archi-

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tectural interest. Cadence McShane will also complete all sitework, landscaping and parking areas. PBK Architects is serving as project architect for the assignment scheduled for a July 2011 completion. □

## Cadence McShane to Construct FedEx Facility for Jones Development

Cadence McShane is highly regarded for its fast-track capabilities and on-time project delivery reflecting many of the same characteristics of the future tenant of one of its latest projects. Developer, Jones Development Company, L.L.C., has selected Cadence McShane to construct a new 46,253 square foot distribution center on behalf of its global logistics client, FedEx Corporation. The new facility will be strategically located at 246 Glasson Drive in Corpus Christi, Texas and offer over 42,000 square feet of space devoted to package processing activities, 4,200 square feet of office space, 11 external docks and two drive-in doors. The center will be constructed with a metal panel exterior complemented by an attrac-



*Jones Development Company, L.L.C. has selected Cadence McShane to construct its new 46,253 square foot FedEx package distribution facility in Corpus Christi, Texas on a fast-track basis for completion in May 2011. The McShane organization has completed four additional FedEx assignments on behalf of Jones Development.*

tive masonry façade. Cadence McShane's construction team will complete the assignment on a fast-track basis to accommodate the client's aggressive schedule to operate from this fully-equipped and functional facility in May 2011. Meinhardt & Associates has been selected to provide the comprehensive architectural services for this fast-paced logistics facility. The Corpus Christi assignment marks the fifth FedEx facility that the McShane organization will complete for developer, Jones Development Company. □

## Cadence McShane Awarded 93,000 S.F. Red Oak Jr. High School Assignment

To support the growing community of Red Oak, Texas and its increasing student enrollment, Red Oak Independent School District (ISD), has selected the Dallas office of Cadence McShane to complete the 93,000 square foot renovation and upgrade

assignment to convert the former Red Oak High School building into the new Red Oak Junior High School. Located at 200 Live Oak Road in Red Oak, the former high school facility will undergo a substantial retrofit led by a highly-experienced Cadence McShane construction team. Cadence McShane had previously completed the District's new 340,000 square foot Red Oak High School facility located at 154 Louise Ritter Boulevard just southeast of the former high school site. The extensive interior renovation to retrofit the former high school into the new junior high will include updates to 40 separate classrooms, two libraries, six science laboratories and preparatory rooms, band and choir rooms, main reception area and administrative offices. Red Oak ISD currently serves more than 5,300 students and employs over 375 teachers and staff throughout four elementary schools, one intermediate school and two secondary schools. Corgan Associates, Inc. is providing the architectural services for this sizable renovation assignment that will reach completion in April 2011. □



*Following Cadence McShane's renovation of the former five-building, 1.2 million square foot HP office campus for Lone Star College (LSC), the firm was retained to complete 66,500 square feet of additional classroom construction at the LSC – University Center at University Park campus.*

## Cadence McShane Completes Several University Colleges at Lone Star College System's Campus

In 2009, Cadence McShane was selected to provide construction services to convert the former five-building, 1.2 million square foot office campus of Hewlett-Packard into the new Lone Star College – University Center at University Park campus. LSC is a premier community college system with over 85,000 students enrolled throughout its network of campus locations in Houston. LSC has recently formed strategic partnerships with several universities to serve the students enrolled at its Montgomery and University Park locations. Students who continue their education at one of LSC's partner universities (University of Houston – Downtown, University of Houston, Texas Southern University and Sam Houston State University) can complete a bachelor's or master's degree (or teaching certificate) without traveling to other university campuses. To accommodate this convenience, Cadence McShane was selected to complete over 66,500 square feet of specialized interior build-outs for these new college 'campuses' at this large University Park location. The assignment included the completion of general instruction areas, science laboratories, and student and staff support areas. Kirksey Architecture and VLK Architects provided the architectural services for this innovative higher education assignment. □

# Feature Department

## Projects in Progress



RANDHURST VILLAGE PARKING GARAGE – MT. PROSPECT, IL



ROBERT LEE FROST ELEMENTARY SCHOOL – HOUSTON, TX



SAM HOUSTON ELECTRIC COOPERATIVE, INC. – LIVINGSTON, TX



SENDERA RANCH EAST ELEMENTARY SCHOOL – HASLET, TX

Pictured are current projects under construction by Cadence McShane and McShane Construction that include build-to-suit, design/build and general construction projects for the educational, industrial, office, multi-family, mixed-use, and retail markets.



PHILLIPS SWIFT CREEK APARTMENTS – CARY, NC



NSK AMERICA CORPORATION – HOFFMAN ESTATES, IL



CVS/PHARMACY – HELENA, MT



PRATT INDUSTRIES (U.S.A.) INC. – FORT WORTH, TX

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resources into markets that possess security, stability and the potential for growth.

3. Be conservative in your decision-making – often the best deals are the ones that were not pursued.

4. Implement a sense of urgency in executing, changing or developing a new business plan for this ‘New Normal’.

Surviving the ‘New Normal’ means doing more with less – fewer projects, razor-thin

budgets and tight limits on resources. The times demand exploring new specialties or niches and adapting your firm’s best practices to work within this new economy.

Forecasters are quick to note that this ‘New Normal’ will be with us for an unpredictable, but extended period of time, causing us to consider it the permanent normal. However, economies and markets constantly shift and our focus should not be on the current conditions (although a healthy amount of business acumen and steady nerves are needed to

remain afloat today) but in seeking the opportunities that the future will certainly hold.

Reports indicate that the current economic recovery is stronger than the last two recoveries (2001 and 1991) in terms of profits, real gross domestic product growth and even job creation, although today’s employment figures remain severely depressed. Although companies are making money, most are not spending it, creating a significant pent-up demand that will materialize in the years to come.

This ‘New Normal’ will yield a future that is currently

unscripted. The most important point is that you stand ready to play a key role in that yet to be written economy. □

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