



# COMMON GROUND



## Focus On:

### Construction Costs

The conditions of an economy in recession continue to persist even as we enter Fourth Quarter 2011. Construction industry experts such as Reed Construction Data and the Associated General Contractors of America (AGC) have reset their forecasted expectations of growth for 2011 and have tempered their outlooks for construction activity levels in 2012. However, as we have witnessed this past year, depressed activity within the construction market does not necessarily equate to lower prices.

In spite of the hard hit construction sector, material prices remain unusually volatile. Reed Construction Data and the AGC have noted that there have been year-over-year increases for items such as diesel fuel, plastic resins and copper ores particularly due to the fluctuations of these commodities within the global market. Reed Construction

## Common Goals – An Education in Student Housing

With enrollment in higher education at an all time high, the need for student housing has never been greater.

Existing facilities are becoming outdated as student requirements have become more sophisticated in terms of technology and amenities. Cadence McShane Construction is positioned to address

the needs of our clients in a diverse set of product types and geographical markets, including the student housing segment, representing a growing market segment within the commercial contracting community.

### Learning Curve

Traditionally, the on- and off-campus demand for student housing has been met by the

educational institution itself or by small local property owners in the vicinity of the campus.

This traditional model is being challenged due to the fiscal distress hitting most states in our nation. The ability and desire for institutions to develop and manage student housing is on the decline. Now, more than ever, institutions are focusing available capital on their core business function - education. This shift in the student housing delivery model has opened the door for private developers to step in as the experts to satisfy the housing demands of the institution.

### Public-Private Partnership

Private developers find themselves meeting this demand with either well located properties near campus or through the emerging use of the public-private partnership (P3) development platform. In the P3

model, the university will provide a ground lease to the developer that is typically around 50 years in length. In turn, the developer will develop and manage a housing product to meet the university's need for housing. This partnership allows each of the parties to concentrate on their core business functions while being complemented by the other team member's strengths.

### The Cadence McShane Expertise

In developing these teams and partnerships, it's essential that an experienced construction firm is brought in early to assist in the feasibility analysis, scheduling, code interpretation, logistics and constructability of the student housing development. As a highly experienced multi-family and higher education contractor, our team understands the unique demands of student housing development and construction adding additional value to your new or existing project. □



Neal L. Harper, President  
Cadence McShane Construction

Data noted that 2010 to 2011 year-over-year material price increases have spiked diesel fuel by 50%, copper ores are up 45.5% and iron and scrap steel have risen 29.5%.

Ken Simonson, Chief Economist for the AGC reports that prices of materials produced nationally and used primarily

by U.S. contractors such as brick, lumber and plywood remain down, mirroring reduced demand for these products. There has also been a slight decrease in the price of cement, concrete and gypsum in 2011. However, other costs

**CONTINUED ON BACK PAGE**

### In This Issue:

- The Carson Companies Facility Underway
- Award of Callejo Elementary from Dallas ISD
- Tomball Marketplace Assignment Completed
- Liberty Property's 212,000 S.F. LEED Award
- McMillen H.S. Completed for Plano ISD
- New H.S. Addition for Arlington ISD

## Cadence McShane Completes Corpus Christi FedEx Build-to-Suit for Jones Development Company

Cadence McShane recently completed a new FedEx build-to-suit facility located at 246 Glasson Drive in Corpus Christi, Texas. Constructed on behalf of owner/developer, Jones Development Company, the new 46,253 square foot package distribution center offers 4,200 square feet of office space, 11 external docks and two drive-in doors. The exterior of the facility features an attractive combination of masonry and metal materials to enhance durability and meet local building code requirements. Cadence McShane also installed security fencing around the property, an automated truck entry gate and secured employee access points. The project features a generous parking ratio offering 128 spaces, attractive sitework and comprehensive landscaping. Cadence McShane completed the FedEx project on a fast-track basis to meet the schedule that Jones Development required to install its package distribution equipment to commence operations. Meinhardt & Associates provided the comprehensive architectural services for this strategically positioned distribution facility. □



**Project Profile**

## The Carson Companies Selects Cadence McShane for 267,280 S.F. New Facility

Cadence McShane has been actively constructing a new 267,280 square foot multi-tenant industrial facility on behalf of developer, The Carson Companies, situated near the Barbour's Cut Container Terminal, the most modern inter-modal facility on the U.S. Gulf in La Porte, Texas. The new Sens Road Distribution Center is positioned on a 15.84-acre site located at 1445 Sens Road within close proximity to Highway 225 and 146 offering direct access to both Barbour's Cut and the new Bayport Container and Cruise Terminal. The attractively designed tilt-wall exterior provides a low maintenance aspect to the facility while incorporating 12 dock high doors, one ground level ramp, a 330' secure truck court, 50' x 49' typical bay spacing and a 30' clear height. Cadence McShane will also incorporate an ESFR fire sprinkler system. Houston-based Architects Plus is providing the design services for the facility slated for completion in March 2012. Only 76,320 square feet of the building remains available for lease at this popular location. Contact Dan Zoch, CCIM, at The Carson Companies (713.840.6455) to learn more about space availability at the Sens Road Distribution Center. □



*Cadence McShane has been selected by developer, The Carson Companies, to construct the Sens Road Distribution Center, a new 267,280 square foot multi-tenant industrial facility in La Porte, Texas, offering direct access to both Barbour's Cut and the new Bayport Container and Cruise Terminal.*

## Cadence McShane Awarded 98,228 S.F. Callejo Elementary School Project from Dallas ISD

Cadence McShane has been selected by the Dallas Independent School District (Dallas ISD) to complete the 98,228 square foot construction of Adelfa Botello Callejo Elementary School. The school is named after a prominent attorney and civil rights activist, the first Hispanic woman to graduate

from Southern Methodist University's Dedman School of Law and practice law in Dallas. The new school can provide educational services for 810 students from pre-kindergarten through fifth grade and is located on a 12.65-acre site at 7817 Military Parkway in Dallas, Texas. The two-story elementary facility will incorporate numerous sustainable features in compliance with the Dallas ISD sustainable design board policy and the City of Dallas Green Building Ordinance. The green attributes include a geothermal heating and cooling system, heat reflective roof, water efficient plumbing and natural daylighting that will collectively contribute



*A June 2012 completion will be provided by Cadence McShane for the 98,228 square foot Adelfa Botello Callejo Elementary School on behalf of the Dallas ISD, named after this highly-accomplished Hispanic woman who serves as a prominent attorney and civil rights activist.*

to a 31% reduction in net energy usage. The elementary school will include 36 classrooms, including classrooms supporting art, music, special and behavioral needs, small groups and speech, a visual arts area, two computer labs, gymnasium, food service/cafe-teria areas and administrative space. Cadence McShane will also complete all sitework, landscaping and playground areas. HKS Architects is providing the comprehensive architectural services for the project that is scheduled for a June 2012 completion. □

## Cadence McShane Completes Tomball Marketplace Retail Assignment for Weingarten Realty

Cadence McShane recently completed a construction assignment for developer Weingarten Realty incorporating a series of new retail stores and expanded sitework at the Tomball Marketplace development in Tomball, Texas. Tomball Marketplace Shopping Center is a retail development located on the southwest corner of the new SH 249 bypass and FM 2920 that serves as a regional retail hub for Tomball and Montgomery County. Cadence McShane's assignment included the comprehensive infrastructure for the development's new Kohl's Department Store as well as the construction of two additional retail facilities. The 13,200 square foot Retail Building "C" shell facility features a tilt-wall exterior with cast stone accents along with attractive glass storefronts providing options for both single- or multi-tenant retail store environments. Cadence McShane also constructed a 25,000

**Cadence McShane Construction**

14860 Montfort Drive, Suite 270  
 Dallas, TX 75254  
 972.239.2336  
 972.239.1214 fax  
 e-mail: cmcdallas@cadencemcshane.com

**Cadence McShane Construction**

7701 W. Little York Road, Suite 400  
 Houston, TX 77040  
 713.681.8500  
 713.681.9990 fax  
 e-mail: cmchouston@cadencemcshane.com

**Cadence McShane Construction**

816 Congress Avenue, Suite 1540  
 Austin, TX 78701  
 512.328.1411  
 512.328.1432 fax  
 e-mail: cmcaustin@cadencemcshane.com

square foot store for a national retailer featuring an attractive and low-maintenance EIFS exterior that highlights the design details of both the retailer and the shopping complex. Over 38,200 square feet of new construction has been added to the popular Tomball Marketplace in concert with Houston, Texas-based CDA Architects that provided the architectural services for this multi-building retail project. □



*Developer Liberty Property Trust has selected Cadence McShane to complete two new LEED-registered facilities including an 84,000 square foot and a 128,000 square foot building totaling 212,000 square feet at its Liberty Northwest Business Park located on the Sam Houston Parkway, West, in Houston, Texas.*

## Cadence McShane to Construct Two Sustainable Bldgs. for Liberty Property Trust

The Liberty Northwest Business Park in Houston is the site of two new industrial facilities totaling 212,000 square feet that are currently under construction by Cadence McShane for developer Liberty Property Trust. The buildings represent Liberty Property Trust's second sustainable development project designed to be LEED-certified within the Houston market. Building 3, located at 5500 N. Sam Houston Parkway, West, will be constructed as an 84,000 square foot high-finish flex warehouse/distribution facility featuring 3,498 square feet of

spec office. Building 4, situated at 14031 Hollister Road, is a 128,000 square foot property offering 2,462 square feet of spec office space. The buildings will feature contemporary design attributes provided by project architect, Seeberger Architecture, together with tiltwall exteriors, advanced fire protection systems, a shared 200' truck court and extensive parking. Buildings 3 and 4 have been designed to meet LEED-certified standards incorporating high-performance features such as energy efficient MEP systems, Low-E double pane glass with generous daylighting, natural sitework, drought tolerant landscaping, and a white TPO roof membrane.

Cadence McShane will complete the facilities in January 2012. □

## Arlington ISD Selects Cadence McShane for High School Addition

Responding to growing enrollment and modernization objectives, Arlington Independent School District (Arlington ISD) selected Cadence McShane to complete the new two-story 44,605 square foot expansion to Arlington High School in Arlington, Texas. Cadence

McShane will complete the addition utilizing a steel structure with a masonry and glass façade. The expanded areas will offer generous window lines allowing an abundance of natural light into the facility. The curved glass windows will form the front of the new student cafeteria providing a contemporary design and modern aesthetics to the large open space. The addition has been designed to seamlessly blend into the existing architecture of the high school campus thereby offering a sense of continuity and scale to this large secondary school environment. This state-of-the-art educational facility will include 14 new classrooms, a kitchen and spacious student cafeteria. The exterior sitework includes a separate entrance to the cafeteria space accented by landscaping and a concrete sidewalk. Arlington High School, one of the six high schools within the district, offers a current enrollment of 3,000. Arlington ISD is ranked as the eighth largest school district within the State of Texas. Huckabee is providing the architectural services for the project that will reach completion in July 2012. □



*Plano ISD recently opened the new \$35.3 million, 282,000 square foot McMillen High School in Murphy, Texas, welcoming 1,100 students to its 2011-12 inaugural school year following Cadence McShane's on-time completion of this sizable, two-story educational campus.*

## New 282,000 S.F. McMillen High School Completed in Murphy, Texas for Plano Independent School District

A new \$35.3 million, 282,000 square foot educational campus for McMillen High School recently welcomed 1,100 students to its 2011-12 inaugural school year. Cadence McShane completed this sizable new construction assignment on behalf of Plano Independent School District (Plano ISD). The high school is situated on the northern segment of the 103-acre parcel at 750 N. Murphy Road in the growing community of Murphy, Texas. The assignment included 67 instructional spaces, 10 comprehensive science laboratories, band and music spaces, library, competition and practice gymnasiums, full-service cafeteria and kitchen, and several on-campus athletic venues such as a practice softball and baseball field, batting cages, a running track and practice football fields. The exterior of the two-story, state-of-the-art facility utilized masonry, prairie stone and cast stone elements. McMillen High School accommodates the increase in ninth and tenth grade Plano ISD students living in Murphy and far east Plano for the 2011-2012 school year. SHW Group provided the comprehensive architectural services for this sizable educational assignment. □

# Feature Department

## Recently Completed Projects



W.W. GRAINGER, INC. – PATTERSON, CA



NSK AMERICA CORPORATION – HOFFMAN ESTATES, IL



OLD NAVY (THE VILLAGE AT FAIRVIEW) – FAIRVIEW, TX



LAKE WORTH HIGH SCHOOL – LAKE WORTH, TX



Follow us on Twitter

[www.twitter.com/cadencemcshane](http://www.twitter.com/cadencemcshane)

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



WEST YARD LOFTS – NORTH CHARLESTON, SC



CAMELBACK ESPLANADE – PHOENIX, AZ



VETERANS AFFAIRS OUTPATIENT CLINIC – TEXAS CITY, TX



EDGEWOOD ELEMENTARY SCHOOL – HOUSTON, TX

## CONTINUED FROM FRONT PAGE Construction Costs

have risen substantially even with a continued decrease in spending in overall construction.

The American Institute of Architects recently noted that construction material prices have risen by 7.5% over the past year, even higher than the 7.3% increase in overall wholesale prices. The rise in energy costs has contributed more than 5% to that increase. The steady increase in the price of metals including steel,

copper and aluminum have risen more than 10% over last year offsetting any cost savings realized by the slight reduction in other materials.

The AGC predicts that overall 2011 prices will increase between 3% to 8% depending upon the project being constructed and the geographical area where the construction is taking place.

### Looking Ahead

A fairly modest recovery in the overall construction market is anticipated for 2012. Since the homebuilding market is still in substantial recession, it will

not yet provide the stimulus for new non-residential construction projects as it has done in the past. An employment recovery has also not yet taken place contributing to the lowered levels of growth and activity within the residential and non-residential markets. It appears that time – and a lot of it – is the single most important ingredient to this economic recovery.

The professionals at McShane Construction and Cadence McShane can provide current material prices and alternatives allowing our clients to arrive at cost-effective and

investment worthy decisions on behalf of their next construction project. Let our experience, knowledge and time work for you. □

COMMON GROUND is published in January, May and October of each year by:

**Cadence McShane – Dallas**  
972.239.2336  
972.239.1214 fax

**Cadence McShane – Houston**  
713.681.8500  
713.681.9990 fax

[www.cadencemcshane.com](http://www.cadencemcshane.com)