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ET contractors busy building new schools

By ROGER HARRIS, harrisr@knews.com September 17, 2006

Schools and colleges across East Tennessee have been on a building binge the last few years, and that's meant big business for area contractors.

Knoxville-based Merit Construction Inc. is among the top beneficiaries.

Merit currently has under construction or recently completed nine education-related projects in Knox, Blount, Grainger, Claiborne and Campbell counties. Combined value of the projects is more than \$148 million; total space under roof - more than 1.1 million-square-feet.

One of the completed projects most noticeable in Knoxville is the new South College campus on Lonas Road. The hilltop brick building with a gold dome on the roof is easily visible from Interstate 40/75.

Merit also is working on the Hardin Valley School project in West Knox County and building the new DeBusk College of Osteopathic Medicine building at Lincoln Memorial University in Harrogate, Tenn.

"The education market has really started to take off. It's been a very strong market segment for us in the last five years," said Merit President Bosse.

Merit's business is far from exclusively school related. The company's also does office and industrial buildings, restaurants, medical facilities, hotels and other projects.

At any one time Merit could have about 22 to 25 different projects in various stages of construction. The jobs are likely to include office space, warehouses or medical buildings.

Merit also has worked on IdleAire Technologies Corp. installations in Indiana, Pennsylvania, Ohio and New York. Knoxville-based IdleAire provides in-cab heating and air, electricity, Internet connections and other amenities to long-haul trucks through equipment installed at truck stops.

Although Merit's portfolio is varied, education projects have been a major contributor to the company's bottom line for many years.

"It wasn't a conscious decision to go after education projects, it just sort of evolved," Bosse said.

Since the company started in 1982 it has done 79 school jobs - including those now under construction - in Tennessee, Kentucky, Georgia and Pennsylvania. Total value of the projects is about \$410.2 million and total square footage is just over 5.6 million.

"The (education) market has been there and what we've tried to do is take advantage of that," Bosse said.

The surge in school construction spending is expected to continue for at least the next several years, said Sandy Loy, president of Construction Plus Inc. in Knoxville.

"For right now I think it's going to keep going. The school population is still growing in this area and that's going to put increased demand on the education system. Just look at Loudon County. I think it's got five schools ready to come up," Loy said.

Construction Plus has seen its share of school projects. Loy's company has been the contractor or construction manager on 10 school projects in the last four years.

Construction Plus' most recent education project is the Grace Christian Academy High School building on Oak Ridge Highway. Construction Plus also has built or is working on schools in Claiborne and Greene counties and Sweetwater, Tenn.

All construction work requires flexibility on the contractor's part. Customers may want to tweak the design to reduce construction costs or if their business is booming the may want a larger showroom than originally planned.

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But education projects often demand a little extra dexterity, construction company officials said.

That makes communication between the contractor and the schools vital.

"I would much rather err on the side of over communication than not communicating enough," Bosse said.

Eventually the surge in school construction will slow, but for now the need for new classroom buildings, libraries, gymnasiums and other school facilities will keep area contractors busy.

Business writer Roger Harris may be reached at 865-342-6342.



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