July/August 2009

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The official publication of the Snow & Ice Management Association | www.snowbusiness.net

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Building on solid ground

Constructing a new facility takes time, patience and attention to detail; but the benefits are increased efficiencies and growth opportunities





here comes a time in the life of nearly every successful business when the owner needs to take a

hard look at the operations and make that all-important decision to either expand the company's facilities or risk future growth. It's a tightrope walk riddled with potential pitfalls, but if planned and executed properly, it can be extremely rewarding and ripe with opportunity.

This is specifically true for snow and ice management operations that need access to multipurpose facilities where they run administrative operations, repair and maintain their equipment, and store bulk materials.

Looking for the right lot and planning to build on it is a time-consuming process for owners who have to deal with architects, designers, general contractors and zoning and planning board officials—all while running their business.

Just ask Rick Kier, CSP, president of Pro Scapes, Inc., a 30-year-old locally owned \$3 million snow removal and

landscaping operation. Pro Scapes moved into its new facility in Jamesville, NY, in June. Although the company decided to remain on the 40-acre plot of land it owned and was using, it was a two-year process from drawing board to finish.

"We knew we wanted to do this for years, but about two years ago we enlisted an architect and formally starting pursuing the process," he says.

Room to move

Previously, Pro Scapes operated out of three office trailers, a 900-sq.-ft. repair shop, and a 40-ft. by 110-ft. barn, Kier says. The separate trailers made com-



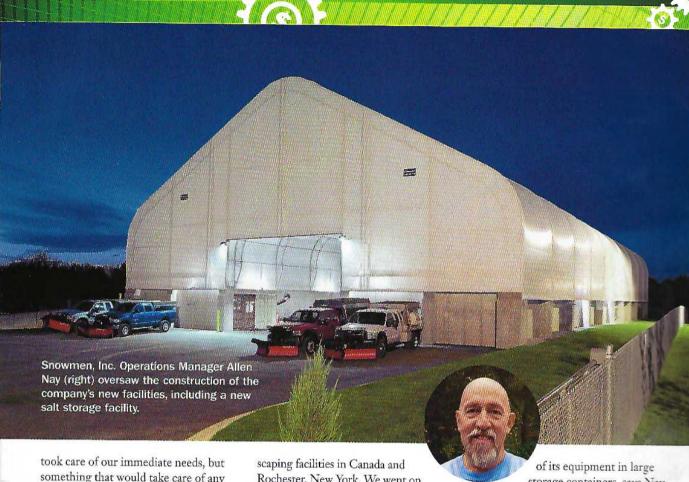




Pro Scapes' President Rick Kier, left, moved his company into a new facility in June after a two-year process. Kier said it was necessary to expand because the company's growth was being hindered by the smaller facility.

munication difficult, and the small repair and storage space was hindering growth. Without removing any of the old structures, the company built a 52,000-sq.-ft. office building, a 14,000-sq.-ft. shop and constructed a 70-ft. by 30-ft. bulk material storage building with 2,100 sq. ft. of storage for rock salt and top soil, he says.

"We are continuing to grow and didn't want to build something that just



took care of our immediate needs, but something that would take care of any needs for the future," Kier says. "This facility, the way it is structured, will allow us to expand for many years without expanding the infrastructure."

While the process was long and distracting at times, it was entirely necessary, he explains. "Different parts of the business needed new structures for different reasons. As we've been growing the business for the last years, we needed a larger repair facility. We only had one-and-a-half bays in the old repair shop with two full-time mechanics." As a result, each mechanic could not be involved with a major repair project at the same time.

"It was very inefficient. If we had a long-term project, it would tie up the whole shop for a month," Kier says.

Pro Scapes' new repair shop is four bays wide and each bay has double depths, which allows Kier's crews to work simultaneously with two vehicles in each bay.

To ensure the company embarked on the right strategy for its needs, Pro Scapes rented an RV and went on field trips to look at other facilities. "We visited landscaping facilities in Canada and Rochester, New York. We went on a lot of tours and took a lot of pictures," Kier says.

One of the best and most important decisions Pro Scapes made was to hire a local architect, Kier explains. "It was extremely important. When local [development and zoning] issues came up, he knew what to do. I can't even imagine using an out-of-town architect that was not familiar with local ordinances. It really made the process go much smoother."

Building infrastructure

Snowmen, Inc. recently went through a similar process. The snow and ice management company moved this year from its old facility in Stillwell, KS, into a new facility 20 miles away in Grand View, MO, according to Allen Nay, operations manager. "We started looking for property in the spring of 2008. We looked at several pieces of land and we settled on a 5-acre, totally underdeveloped lot."

Previously, the company was operating out of a rented office and housed all of its equipment in large storage containers, says Nay, adding that any time employees needed to service or repair any equipment, they had to do it out on the gravel.

The situation was far from ideal and was hampering the company's growth.

"We looked at the rate in which we were growing and realized we couldn't continue operating with the lack of infrastructure," Nay says. When the company started in 2004, it had 200 acres of contracted property to service; by 2007, Snowmen had more than 1,000 acres. "We just couldn't do it with the facilities we had. We had to do something and be decisive."

Although it only took a year for the company to break down and move into its new facilities, the original plan was to be up and running by September 2008, before the winter season kicked in. However, that ended up being pushed back to February, "which was interesting trying to relocate the entire company in between storms," he says.

Snowmen put two structures on the new site. One serves as both administra-

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Snowmen, Inc.'s new facility includes a large service facility that allows the company to do preventive maintenance and minor repairs in-house.

Continued from page 21 tive offices and a maintenance facility with 3,500 sq. ft. each. Above the office is another 3,500 sq. ft. of unfinished space for expansion.

On the maintenance side, it has the capacity for four service areas with a 20,000-lb., four-post lift with all the latest welding equipment. "It is quite a large and well-equipped maintenance area, and we are able to do all of our preventive maintenance and minor repairs ourselves," he explains.

The other structure is a 20,000-sq.-ft. salt storage area. "It has 10-ft. walls that are solid concrete, and on top of that is a 42-ft. Cover-All storage system. We can store approximately 15,000 tons of salt now," Nay says. Previously, all of Snowmen's salt was uncovered and stored in the parking lot of an abandoned mall, he says. "Because of the limitations, we had to have constant salt deliveries, which made

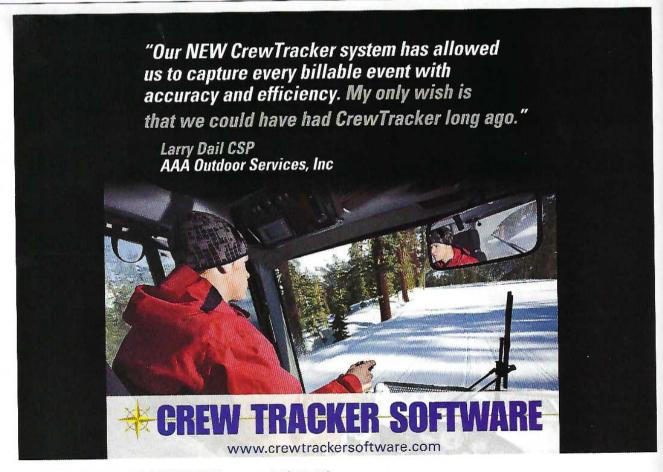
running the business more difficult."

Like Pro Scapes, Snowmen brought in a local general contractor that had a strong history of working with the city and knew how to get things done. "That is the biggest tip I can give anyone looking to do a project like this: Stay local," Nay says.

Looking to the future

Chris James, CSP, president of Chris James Landscaping agrees with using a local architect and general contractor for any business looking to expand—he even acted as his own general contractor for his relocation project two years ago. James moved his business into a new facility in Waldwick, NJ, from Midland Park, NJ, in September 2007. The 28-year-old company does about \$1.5 million in sales, between snow removal services, irrigation and landscaping and grounds and maintenance enhancements.

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Although the company has been in its new facilities for almost two years, James remembers the arduous process as if it were yesterday.

"We basically had two locations for many years. I was fortunate enough to be able to rent yard space 17 years ago. I owned a single-family home and ran the office operations out of my home," he says.

As the company grew, running the business became more difficult because the crews reported to one location and the office was in another location.

"The idea was to get everyone under one roof to streamline operations and save on costs," James says.

His decision to act as general contrac-

tor, James says, may have saved him a lot of money but carried its fair share of headaches and distractions.

"There are pros and cons to being your own GC. I saved 15 percent to 20 percent on the project. I was able to hire all independents and do some barter deals such as IT and landscaping," James says, "However, there is a reason you pay a GC 20 percent. The amount of time I had to put into this project really took me away from my core business, especially during the last month or two. It went from being a great experience for 18 months to very intense, dealing with

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- CHRIS JAMES, CSP

punch-list stuff," he says.

James' facility is on three-quarters of an acre with a pre-existing building that was refurbished. Chris James Landscaping controls about 60% of the 8,000-sq.ft. building and leases the rest to a local tree removal company.

"We have about 2,400 sq. ft. of shop space and 2,000 sq. ft. of office," James says. "We use the yard for equipment storage. We did a pallet rack system throughout the warehouse, ceiling to floor. We have onsite forklifts and rotate the equipment based on the season."

Although the company looked at larger lot sizes, the decision kept coming back to location, location, location.

"We have a service radius of 10 miles from our facility. We looked at larger properties farther away, but the cost analysis didn't add up. This facility will save us \$750,000 over the next 20 years if you add up what we would have spent on extra payroll, wear and tear on equipment and fuel," he explains.

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James says the entire process still took two-and-a-half years to complete.

"This facility required 19 variances or waivers. It took time to get these through the zoning board. It was a lengthy and more expensive process than I had hoped," he says. "But the bottom line is that now we are zoned for everything,

which was part of our long-term strategy. I can rent this property to another type of business if I want, or knock it down and develop something else."

Energy efficiencies in play

With a growing focus on sustainability and building "green" facilities, all three companies interviewed said they explored the application process to have their buildings Leadership in Energy and Environmental Design (LEED)-certified by the U.S. Green Building Council; but all three opted against pursuing the certification-mainly because of cost and time restraints.

James did not apply for LEED certification, he says, because of the amount of time and paperwork needed. To James, though, lack of the certification is a mere technicality. His facility exceeds LEED certification standards in terms of its plumbing and heating. The roof has a second overlay of recycled materials; there are sensor lights in all the offices; and auto-flush toilets were installed, he says.

"If you want to go for LEED certification, you need to file the paperwork long before you design anything. We looked into it as the project was under way, and the amount of paperwork we had to submit and the time I had to wait was not worth the tax credits," James says.

Nay and Kier tell similar stories about trying to obtain certification; but both companies used whatever measures they could to save energy and be more environmentally friendly.

"We looked into the process, but we couldn't meet the requirements in the time period we wanted," Nay says. "We did everything we could to maintain the salt inside the concrete storage areas. And the nature of the building with the Cover-All, there is more than adequate ventilation; it's probably as environmentally safe as any salt container storage area can be," he says.

"Our architects told us there would be a lot of additional costs involved," says Kier. "The payback over a great period of time wasn't worth it. Looking back I am not sure it was the best decision, because there are some benefits with a greener building from a public relationship view. But that payback doesn't show up on the balance sheet." \$B

Elliot Markowitz is a freelance writer based in Long Island, NY. Contact him at snowbusiness@questex.com.

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