



# The Broadway Bugle

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## Message from the CEO



To say that BMC has weathered and endured some choppy seas these past couple of years would be an understatement. I would say that we faced some repeated tidal waves and came out battered but better than before. Any time that you face adversity and I would say the turbulent times of the economic downturn were quite adverse, you have a few choices to make. Fold up shop and quit or you can regroup and hit the adversity head on. BMC as a company chose the latter. As company leaders, Kenny and I

had to look into the eye of the storm and determine how we were going to navigate through it. The paths and directions that we took were ever changing but one thing remained constant throughout this turbulence - the unwavering support of our employees.

A company is only as good as the individual parts that are assembled and we feel that we have some pretty damn good parts. Our growth as a company during

these uncertain times is a testament to the hard work and dedication that each and every one of you has endured. Our head count and sales have increased to historic highs these past twelve months as has our resolve to be a better company each and every day. Every single employee here at BMC has contributed to helping steer this company through this tidal wave of uncertainty and we have come out far stronger than before.

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As company leaders it brings a smile to our faces to know where we were and where we are headed now. It gives you a real appreciation of what we were able to accomplish. We hope each of you is able to look back with pride and admiration about how your contribution helped BMC. We hope it brings a smile to your face too. It is a story about a company who never gave into the challenges it faced day in and day out, yet found a way to come out better than before.

### “Staying the Course”

Many faces have changed here at BMC over the past couple of years, but the ones that remain coupled with the ones that have been added are the core reason that BMC is the company it is today. Kenny and I are most appreciative of the opportunity to lead this inspired group of employees. It truly is a testament to the values of hard work, dedication, and most of all, integrity, that our parents instilled in us that have remained at our core as leaders. Kenny and I would not

be here talking to you if those values had not been part of our DNA. We cannot thank you, the employees, enough for the efforts of the past and your continued hard work into the future. Kenny and I will continue to be inspired in your belief in us, knowing that we “stayed the course” and never wavered from our dedication to succeed.

Graciously,

Fred and Kenny

## Market Update



*“There are 31 new projects that have either been approved or are in planning that will bring over 18.3 million square feet of new office/retail space within the next 3 years..... there are an additional 73 residential projects either approved or in planning that will bring over 50,000 new units to the City in the next 3 years.”*

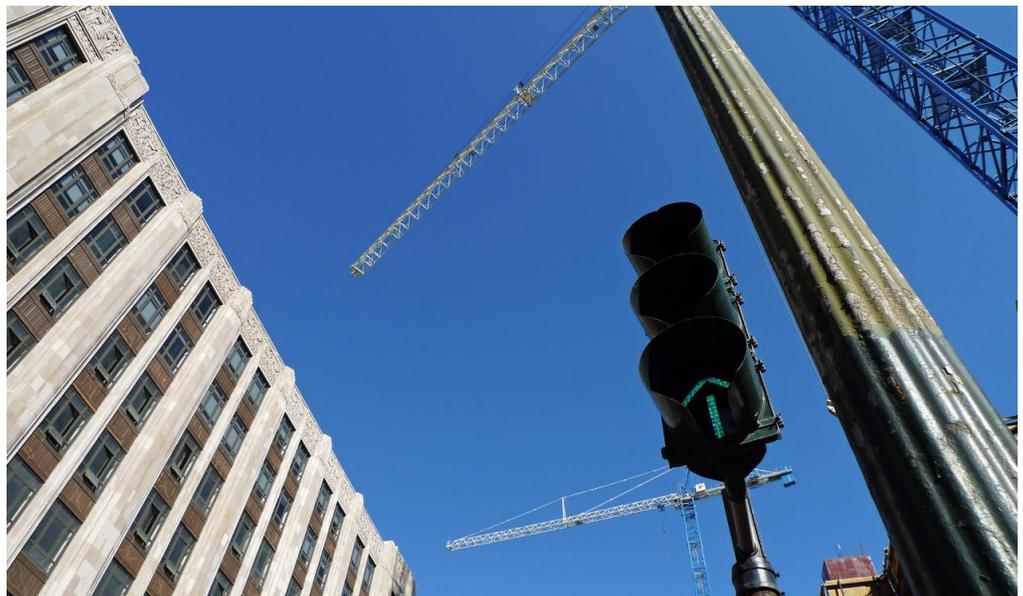
For the first time in years, the Bay Area construction market is thriving again.

San Francisco is currently leading the nation in new development, fueled by our region's burgeoning technology industry. The tech sector's massive growth has gobbled up most of the available office space in SOMA (vacancy rate at <4%) As a result, large tech companies have been forced to look elsewhere in the City to find room to expand. Twitter became the first large name company to look into the Mid-Market area of San Francisco for new office space. BMC just recently completed construction on the building that is their new headquarters at Market Square in the old Furniture and Exchange Mart on 10<sup>th</sup> & Market streets.

Twitter's decision to move to Mid-Market has since sparked a \$500 million investment in the neighborhood in just over one year. The tech companies that are leading this revitalization are well funded and hiring, which is skyrocketing the demand for housing and in turn, driving up rents in the City. At this moment developers are racing to bring both new office space and new residential space to the City to meet this demand. A recent article in the San Francisco Business Times reported that there are 31 new projects that have either been approved or are in planning that will bring over 18.3 million square feet of new office/retail space within the next 3 years. The same article reported that there are an additional 73 residential projects either approved or in

planning that will bring over 50,000 new units to the City in the next 3 years.

This is great news for BMC and we are already starting to see some results. As Broadway Bob can attest, he has never seen such a flurry of recent large budgets/bids in his over 40 years in the industry. Many of these large projects have been recently bid on and we await the results. A few recent conversions by our estimating team include projects at 333 Fremont, 121 Golden Gate, Piers 30/32, St. Mary's College Recreation Center and various schools in Oakland. As business is ramping up, so is our workforce. Since last December, our union head count has increased from 93 to over 265 today, representing a 185% increase in just over 7 months.



## New Look for BMC

### Recently Enhanced Logo

Over the past few years when the market was down, BMC was able to maintain a consistent level of volume by diversifying and expanding our market offerings, leading to a diversity of new projects, new partners, and larger, more powerful new developers. During this time we've also seen a number of changes in-house, with new personnel, new roles, and a new shared vision from management. As we continue to invest in our company to

bring BMC into the future, we felt that now was an appropriate time to update our logo to better reflect these new changes to our company. When we started this process, our goal was to keep many of the same elements of the past logo in order to carry forward our company's rich history, while at the same time, giving it a more modernized look to better reflect who we are today. We think that the new logo accomplishes this perfectly

and we hope that it instills in you the same sense of pride that our past logo has done over all these years. We will be rolling out the new logo over the next few weeks, beginning with new business cards, new company letterhead and new decals on all our vehicles. Please be on the lookout for emails from Laura Wright and Mike Tobin in the next few days with instructions on how these changes will be implemented.



### New Website

At the same time we were looking to modernize our logo, we wanted to bring the same new look and feel to our online presence. As advances in technology continue to drive our business, the next generation of workers, contractors and developers are utilizing the internet more than ever for news and information about our industry. As one of the leading mechanical contractors in the Bay Area, we felt it was important to have a website that better reflected our position as an industry leader. Our updated website

has been redesigned to give us a more professional platform in which we can display our work, provide information about our business and better communicate with our partners. We are also committed to using the updated website as a living document that will be updated continuously with the most current news about our company. Our new website went live August 8<sup>th</sup>, so take a look at it the next time you are online. We think you will be proud to see how well it represents our company. In

addition to the website, we are also committed to strengthening our presence in social media outlets such as LinkedIn, Twitter and Facebook. We now have company pages on all three social media sites. We will be using these pages as additional outlets to share news about the company and make announcements. If you are active on any of these platforms, please "link to", "follow" or "like" our new BMC pages and look for announcements to come from these sources in the near future.

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## Announcing the Broadway Bob Foundation

BMC has had the good fortune over the years to succeed and thrive in our local communities. We believe in corporate social responsibly and are dedicated to giving back to our community and our environment. In the second half of 2012, we will be establishing the Broadway Bob Foundation as the new charitable division of BMC. The Foundation is being created to manage and support all of BMC's future philanthropic activities. The name of the foundation serves as a tribute

to our father and mentor, "Broadway Bob", and is a starting point to recognize all that he has done for BMC and its employees over the years. It honors the support Bob has shown to local communities in BMC's name over the years and serves as a reminder that BMC is committed to improving the communities in which we work. The Broadway Bob Foundation will be seed funded by BMC and is the process of incorporating and filing of a 501(c)(3) charitable organization tax – exempt status. We have

reserved the web address [www.broadwaybob.org](http://www.broadwaybob.org). The Broadway Bob Foundation will target and select worthy charitable organizations in our community that BMC would like to sponsor and support and will promote volunteer opportunities for BMC employees. We think this is a fitting way to honor Broadway Bob and help preserve his legacy in communities and with organizations that he has so graciously supported over many years.

## Welcome New Hires

We would like to say welcome to some of our recent new hires here at BMC.

**Frank Perez** joins us as an Assistant Project Manager. Frank is retired Local 159 with over 36 years of plumbing experience that we brought out of retirement to help our Project Management Department. Before joining BMC, Frank worked at Lescure Company as a General Forman, Field Superintendent.

**John Lajeuness** joins us as a HVAC-plumbing drafter in the detailing department. Before joining BMC, John worked at ARUP in San Francisco and at Hydrosience Engineers in Sacramento.

**Nick Long** joins us as CAD drafter in our detailing department. Before joining BMC, Nick worked with Yu Strandberg Engineering as a

CAD manager and CAD drafter.

**Tyler Jank** joins our Project Management Department as a Project Engineer. Prior to joining BMC, Tyler worked at Mason-West, Inc where he was a project engineer.

**Ryan Duane** joins us as an IT Assistant specializing in computer maintenance. Before joining BMC, Ryan performed freelance IT work ranging from fixing guitars and videogame consoles to complete computer systems.

**Eloisa Furnaguera** joins us as an administrative assistant on our UCSF Team. Before joining BMC, Eloisa worked at Bay Equity as Manager of the Broker Equity Department.

**Mike Hohl** joins us as a Project Manager. Prior to joining BMC, Mike worked at Gilbane Building Company as a Project Manager.

**John Ryzinga** joins us as a Project Manager. Prior to joining BMC, John worked with DS&H Construction as Operations Manager and California Hydronics and Air Systems Inc as a Project Manager.

**Jessica Kaseman** joins us as our new Executive Assistant and Service Administrator. Prior to joining BMC, Jessica worked at TerraSmart, as an Executive Assistant and Business Service Manager.

**Ed Tellez** joins us in our shop department. Prior to joining BMC, Edward worked at Flores Construction and Development as a Project Manager.

**Eugene Vorontsov** joins us as a mechanical drafter in our detailing department. Prior to joining BMC, Eugene worked as a drafter at Lawson Mechanical Contractors.