

THE MAGAZINE FOR THE PEOPLE
WHO BUILD NORTH AMERICA

CONSTRUCTION

TODAY

MARCH/APRIL 2016

STAYING CONNECTED

JMA WIRELESS PROVIDES NETWORK SERVICE TO
THE SUPER BOWL AND BEYOND. → p.16

A photograph of the Levi's Stadium under construction. The stadium's seating bowl is visible, with the "Levi's STADIUM" logo prominently displayed on the facade. The structure is surrounded by scaffolding and construction equipment. The sky is clear and blue.

Levi's[®] STADIUM

TENDING TO THE GARDEN STATE

Industrial Urban Corp. is helping build
New Jersey's Hudson River skyline.

ONE TO TRUST

LMC Industrial Contractors Inc.
gives clients what they pay for.

Creating an Icon

SUMMA IS PUTTING ITS LEAN STRATEGY IN ACTION WITH ORLANDO'S CITI TOWER. BY TIM O'CONNOR

Throughout his 40-year career, property developer and architect Albert J. Socol has never lost money for his investors. Even on those projects where the market took a dive, Socol's company, Modulator Development Group, took the financial hit to protect its investors. "The whole purpose of this thing is making money for your investors," Socol says. "If your investors don't make money, you're not going to have them come back." Socol's reputation for integrity and transparency helped him emerge from the recession with a new company, SUMMA Development Group, and a new residential high-rise project, Orlando's Citi Tower.

Socol started Modulator Development in 1976. By the 1980s, the company had become one of the leading office and residential developers in Coral Gables, Fla., and Miami. The company specialized in large projects valued at more than \$20 million, such as the Fifth Third Center in Naples, Fl. Modulator Development owned its own construction company and provided a full range of services, including financing, management and leasing.

The company was responsible for creating more than 1.2 million square feet of building space throughout the course of four decades. Despite its operational strength, Modulator Development succumbed to the same market pressures as many of its competitors during the Great Recession. Financing dried up, leaving even healthy companies like Modulator Development with no way to fund projects.

As the recession marched on, Socol realized he would need a leaner development strategy once the economy rebounded. The all-encompassing services that Modulator was known for were too costly to continue. So Socol started a new company, SUMMA Development Group, in 2012 to execute on his new approach. Instead of hiring a large staff, SUMMA favors hiring independent workers

» Citi Tower represents Summa Development Group's lean approach to building.



CREDIT: Renderings by Baker Barrios Architects

to fulfill tasks and also uses its own capital to get projects started before seeking outside investors. "We have very low overhead, no autocracy," Socol says. "The buck stops with

me. All financial or technical [decisions] are concentrated on myself and a team of three others that report to me only."

Before jumping into its first project,

Socol wanted to make sure SUMMA understood the post-recession market. "We don't believe in 'build it and they will come,'" he says. SUMMA tapped Integral Realty Services to help it identify a good investment for a high-rise apartment building. "We're spending money in getting information because that's the basis in being successful," Socol says.

SUMMA found that ideal opportunity one block away from Lake Eola in downtown Orlando. Another developer previously had a joint venture with Northwest Mutual to build on the site, but the recession claimed that developer in 2008. Northwest Mutual took possession of the property, but wasn't making progress on developing the land, so the financial services company sold it to SUMMA.

Socol immediately began preparing the plot for SUMMA's rental aspirations. The company hired a local land-use attorney to navigate the municipal approval process. That process was further complicated because the proposed tower sat in the flight path for Orlando Executive Airport. Because of the proximity of the airport, the FAA originally restricted the site to a 16-story building. But Socol believed the project would be more successful with a 25-floor tower because SUMMA could then obtain more units, so he hired experts that proved the additional height would not impact safety of air traffic around the airport. SUMMA eventually received approval from the FAA and 10 Florida airports to move forward with the 485,452-square-foot building.

Once completed, Citi Tower will be like no other in downtown Orlando. The mixed-use building will feature 233 high luxury rental apartments, with 10,000 square feet of retail on the ground floor. There will be 340 covered parking spaces, 275 climate controlled storage units, a pool and state-of-the-art security. Additionally, the entire building will be outfitted with LED lighting to cut energy consumption. The building represents the realization of SUMMA's strategy for the post-recession development market. Instead of taking out a big bank loan, more than half of Citi Tower's cost is being funded by equity investors. To drive that investor interest, SUMMA brought in Epoch Residential, a management company led by Chairman and CEO Jim Pugh. Socol says lenders see Epoch as a success story in the Orlando rental market and its involvement with Citi Tower helped legitimize the project.

"I knew Jim [Pugh] was going to come in if we could find the right people to build it," Socol says.

Finding the Right Contractor

When Socol had access to an in-house construction company when he was with Modulus Development. But SUMMA's new model called for excising all those extraneous operations, so Socol had to look for outside help to build Citi Tower. SUMMA and Socol found that ideal builder in PCL Construction, a Canadian builder known for its high-rise projects in Edmonton and Seattle and its contribution to building Denver International Airport.

Citi Tower - PCL Construction

www.summadg.com

- Budget: \$58.5 million
- Location: Orlando, Fla.
- Employees on site at peak: 200

"The buck stops with me. All financial or technical [decisions] are concentrated on myself and a team of three others that report to me only." - Albert J. Socol, owner of SUMMA Development Group LLC

Socol says he chose PCL for two primary reasons: the company's financial strength and its ability to complete a high-rise project on a tight site, in a challenging municipality on a compact schedule. That timeframe was especially important. Socol wanted the building completed within 20 months of the start date - any longer and market rates might change, cutting into the profitability of the project. But most builders said they needed at least 24 to 28 months to erect a building of that magnitude. Only PCL was willing to undertake a 20-month construction schedule. "I knew

they were going to be able to perform in a very tight timetable," Socol says.

Another advantage for PCL was the company's use of building information modeling (BIM) software. Using BIM, PCL is able to integrate all the various disciplines of construction - from architects, consultants and builders - into one integrated 3-D system. BIM's precision allows anyone to see the entire project in one fell swoop, identify issues before building begins and reduce the need for expensive and time consuming change orders. "If you have these IT people on your team you have an upside," Socol says.

Socol calls BIM the next leap in construction technology and

**PROUD TO PARTNER WITH
PCL CONSTRUCTION**

MORETRENCH

1 (800) 394-MORE | www.moretrench.com



'We're spending money in getting information because that's the basis in being successful.'

contends that any builder who doesn't use the software will be left behind.

"I always look to learn," he says. "I never thought I knew everything in the world. I learned two things in life: The world changes and you have to educate yourself and understand that change. Every year there is going to be more and more technology going into these projects."

Working with PCL added to Citi Tower's construction budget, which now sits at \$58.5 million, but Socol considers it a worthwhile investment to make the apartment tower a success. "If you want somebody of the caliber of PCL, you have to pay more," he says. "And I decided I would pay more." SUMMA is making up some of that increased cost by leaning on the subcontractor relationships that carried over from Socol's days at Modulor Development to get better pricing on things such as carpeting and kitchen cabinets.

Citi Tower will be the first step for SUMMA in the new real estate market, but one that Socol expects will prove the company can put together a profitable development. "Our projects differentiate from our competitors because of our quality in design and execution," he explains. "Additionally, our company is oriented toward servicing our clients and tenants."

Once completed, Citi Tower will be one of the tallest and fanciest buildings in the Eola Park downtown Orlando; however, Socol says it will be priced competitively to other high-rises in the market thanks to SUMMA's investment in efficient, state-of-the-art building systems. "We want the building to become an icon," Socol says. ♦

CREDIT: Renderings by Baker Barrios Architects