

Texas & Louisiana

News, Data and
Analysis for the
Construction
Industry From
Arkansas,
Louisiana,
Mississippi,
Oklahoma and Texas



The Star: New Headquarters for the Dallas Cowboys, a Part of Frisco's \$5-Billion Mile

DESIGN FIRM OF THE YEAR: KIMLEY-HORN

Individuals Drive Firm's Growth

TOP DESIGN FIRMS • GROUND VEXES CREW ON ROADWAY JOB



‘Practice Builders’ Help Steer Success

Kimley-Horn, ENR Texas & Louisiana’s Design Firm of the Year, allows its employees to leverage their interests in pursuing projects **BY LOUISE POIRIER**

FAMILY FRIENDLY

Kimley-Horn is providing full civil engineering services for the 1,700-acre Trinity Falls residential master-planned community in McKinney, Texas.

People are at the heart of Kimley-Horn’s steady growth over the last several years. An employee-driven market strategy has brought both solid talent and more work to the firm.

Since 2013, Kimley-Horn has grown its regional revenue from \$84.39 million to \$144.58 million in 2016, an average increase of more than \$15 million per year. The firm grew by \$27.1 million in 2016 alone.

“Our growth is almost exclusively organic,” says Aaron Nathan, the firm’s senior vice president and Texas regional leader. “The vast majority of our project growth comes from existing clients, who make up

more than 90% of Kimley-Horn’s business.”

The strong design market across Texas and surrounding states has further bolstered the company’s performance. But what makes Kimley-Horn unique is that its design portfolio is driven by its employees’ interests and specialties. The firm allows its “practice builders” to seek out opportunities in new or existing service areas.

“So the markets that we serve are as much a function of where our practice builders take us as they are strategic firm initiatives,” Nathan explains. “There are certain markets that we’re interested in pursuing and targeting,

PHOTO COURTESY OF KIMLEY-HORN

but we need practice builders to lead us into those things.”

This business philosophy works well in a market like Texas, one of the fastest-growing states and economies in the country, Nathan adds. The growth model pushes the firm’s younger practice builders to find new market sectors to develop and attracts senior professionals to the firm as well.

The incentive-based approach appeals to many new engineering graduates, Nathan says. The firm invests heavily in training and mentoring young professionals over four or five years, and then they are ready to find new clients and opportunities on their own, he says.

“How are we able to grow without an acquisition or a merger? It’s because we have invested in people who are now stepping up into practice roles and serving their own clients, both existing and new,” Nathan says.

So far in 2017, Kimley-Horn has made 54 new hires in its Texas office, bringing its employee total to 562, surpassing 2015’s 33 new hires, and the firm is on track to beat the 76 new hires it made in 2016.

The company remains employee owned by more than 400 active workers, with no individual owning more than 5% of the firm.

“Our strength and stability as a privately held firm, and seeing all of the consolidation in the industry around us, has created opportunities not just to attract senior professionals to the firm but also creates consistency and stability with our clients,” Nathan says.

For the 10th year in a row, Kimley-Horn was named one of Fortune’s 100 Best Companies to Work For, most recently ranking 11th on the list. “

I haven’t had a negative personal interaction with anyone at Kimley-Horn,” says Ryan Martin, manager of facilities business planning and support at Bell Helicopter. “They really seem to both enjoy what they do, and they’re good at what they do. And that makes a difference.” Kimley-Horn has worked as Bell Helicopter’s primary civil engineer for more than five years.

“We’ve done a couple of pretty high-profile recent projects with them involving some runways and floodplains and other exciting things that don’t typically mix well together,” Martin adds. “Kimley-Horn was consistently quick, responsive and supportive of our schedule, even when our schedule was completely unreasonable.”

Gender Balance

An increasing number of the college graduates that Kimley-Horn is hiring are women. Three years ago,



MASSIVE SCALE
Kimley-Horn is providing development services, roadway design and civil engineering for various properties within the 240-acre Legacy West mixed-use project in Plano, Texas.

Kimley-Horn decided to focus on recruiting, developing and retaining women in the practice. Company leadership discovered that the retention rate for women in the practice was lower than the retention rate for men, even though the number of women in engineering was increasing.

“We’re working to increase the rate of retention of women in practice so that ultimately more women can contribute in the way we know they’re capable of doing and are already doing,” Nathan says.

Included in the program, called Lasting Impact For Tomorrow, or LIFT, is increased support for women during pregnancy, maternity leave and the period after returning to work; career forums to facilitate networking and career development; emergency backup child care; and career development workshops focused on topics pertinent to women.

“It’s not a social effort, it’s a business-based reason to develop our practice builders, and more and more so, those practice builders are women,” Nathan explains. “We’re not doing LIFT to get external validation. We’re doing LIFT because there is a clear business case to why we should add more support for this group of practicing professionals.”

The second full year of results from this program showed a significant decrease in the retention gap between men and women, and the number of women with practices of more than \$1 million per year at the firm has increased by more than 90%.

Practice builders also shape the firm’s charitable efforts, choosing causes they feel strongly about and initiating collaborations. Kimley-Horn was named one of People magazine’s first 50 Companies That Care in 2017, with volunteers contributing to organizations that include Sammy’s House, Homes For Our Troops, Engineers Without Borders, Boys and Girls Club Building Industry Leaders Program, Dallas Children’s Charities and Habitat for Humanity.

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President, Texas
Regional Leader,
Kimley-Horn

PUBLIC SPACE On the Baylor Scott & White Medical Center-Irving project, Kimley-Horn designed a 535-space parking structure and pedestrian plaza.



Abundant Work

In 2016, the company completed work on 3,613 projects in Texas, about 500 more than in the previous year. Work for public-sector clients such as the Texas Dept. of Transportation, local municipalities and others has increased as funding for infrastructure improves, Nathan says.

In Texas, the firm has nearly 10% of its portfolio in aviation and transit projects, 20% in water and environmental work, 45% in land development (which includes retail, residential, commercial, health care and hospitality) and 25% in transportation design, mostly bridges and roadways.

Despite the firm's more than 80 offices across the country, Kimley-Horn operates as a single profit center, explains Brian Parker, vice president and leader of the Austin office. This structure also lends itself well to widespread collaboration and shared expertise with colleagues in the same office or in one across the state or the country, he adds. Clients cite the firm's responsiveness and the efficient collaboration of its project teams.

Among the many projects in the firm's portfolio is Frisco's \$5-Billion Mile, a catch-all name for several large projects located along a one-mile stretch of the Dallas North Tollway, some of them planned, others already under construction. Kimley-Horn has a major role in three of the four developments, including The Star, which is the new headquarters for the Dallas Cowboys, and Wade Park.

The third is Frisco Station, a 230-acre residential community being developed by Hillwood Properties. Kimley-Horn is the civil engineer of record on that job, selected for its expertise in mixed-use developments and its leadership within the city of Frisco and the region, says Robert Folzenlogen, senior vice president with Hillwood.

"For long-term projects like this, we prefer firms, or individuals within firms, that are very nimble and can think like a land developer," he says. "They've done a very good job, and, in particular, a gentleman named Joe Riccardi, who's the lead, has done a very good job in helping us to set up a long-term 15-year infrastructure plan and work with us on a day by day basis for building our own projects and making sure that our third-party development customers are successful."

Private-sector investments, particularly in single-family and multi-family residential projects, continue to expand in Texas, Parker says.

"There's quite a few master-planned communities planned throughout Central Texas. It seems like home builders and developers can't get houses on the ground fast enough," he says. One such project is the 1,700-acre Trinity Falls residential master-planned community in McKinney, for which Kimley-Horn is providing civil engineering services.

The number of mixed-use projects also continues to grow, such as the \$3-billion, 240-acre Legacy West, a mixed-use project in Plano for which Kimley-Horn is providing development services, roadway design and civil engineering for various properties.

Another of the firm's major projects is Cedar Port in Houston, one of the largest master-planned industrial parks in the country, Nathan says.

"A lot of these projects are multi-year efforts, multidisciplinary efforts that serve us very well because they require practice builders to really partner together, not just with their clients but also with each other on things that they're working on," Nathan says.

But the big developments such as Legacy West or Frisco Station are not necessarily the bread-and-butter projects at Kimley-Horn. "I think oftentimes we gravitate to talking about these big, mega, multi-year projects, but at the same time, there are hundreds of smaller projects—from a multifamily project or a small three-acre commercial site or a parking lot repaving project," Nathan points out. "We are very happy to do a small project, and we're happy to serve any client with whatever their needs are."

The smaller jobs also provide a venue for younger members of the team to gain leadership experience. That helps both the individual and the firm, Nathan says.

"There's not a threshold of project size for something that we'll pursue. We have a lot of people whose careers are defined by leading \$20,000 to \$30,000 projects," he says. ■

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