

EMPHASIS Architects & Engineers

‘Lean and Mean’

Memphis architecture industry emerging from depths of recession

By Amos Maki

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Architectural firms that were thrown into a deep, dark hole following the Great Recession are finally starting to see light again.

The only worry is that the light at the end of the tunnel is another recession-driven train, threatening to again pummel the architectural community.

“I wouldn’t say that boom times are around the corner,” said [Kirk Bobo](#) of [Hnedak Bobo Group Inc.](#) “But there are good things happening out there if you know where to look.”

Local architects say they believe the industry – and the broader economy architecture firms rely on – is getting back on track after being changed in fundamental ways.

“I’ve seen more of an increase in terms of marketing opportunities,” said [Jimmie Tucker](#), co-owner of Self-Tucker Architects. “At one point there wasn’t much going on in the engineering and construction businesses. It’s changed now and it’s very competitive for the projects we’re chasing. It seems like everybody is chasing after the same big projects.”

Tucker’s firm weathered the recession without major layoffs or filing for bankruptcy by relying on relationships he and partner [Juan Self](#) built during 18 years in the business.

“We survived the downturn and didn’t have to file bankruptcy or do many layoffs,” Tucker said. “We had to make some pay cuts but the firm stayed intact.”

Architectural nerves remain on edge. After eight straight months of revenue gains at architect firms, revenues dipped in April, according to the American Institute of Architects. However, AIA also said there is an “expectation is for a resumption of revenue growth in the coming months.”

Those are comforting words for an industry that was nearly leveled during the recession and its aftermath. In 2011, the chief economist for AIA said architecture firms had lost 25 percent of their employees since



Intern Brent Clayton, from left, with architects Valentina Shands-Puppione, David Schuermann and Joey Hagan look over blueprints at Architecture Inc., a local firm that has adapted to the new economy.

(Daily News/Lance Murphey)

the construction downturn started in summer 2008.

However, there is now more of an interest in building, Bobo said.

“There’s clearly a whole lot of interest in investors and lenders and developers in projects,” Bobo said. “The challenge is the investors and lenders have a lot more scrutiny on what they’re involved with.”

Bobo, whose company was forced to layoff 17 percent of its staff in 2010, said his firm has developed several methods to rely on in this difficult environment.

For one, he wants employees to think early on about cost and feasibility.

“We have our entire staff work to understand more about what makes for successful projects,” Bobo said. “Budgets are a very high level of concern. It’s not just about design. It’s about all these other things.”

Bobo expects a growing demand for multifamily developments, senior living facilities, higher education buildings and health care to help drive the industry.

Joey Hagan, principal with Architecture Inc. said the recession dramatically changed the industry.

“The whole face of our profession changed,” said Hagan. “We got lean and mean and we all became able to do more with less. Back in the good old days the future was so bright you had to wear shades and now you have to wear binoculars.”

One way Architecture Inc. kept its head above the financial waves whipping through his industry was in government projects.

HOPE VI was designed to reinvigorate America’s worst public housing units. In Memphis, Architecture Inc. worked on University Place, formerly Lamar Terrace, and Legends Park, formerly Dixie Homes. The firm is starting a HOPE VI project in Durham, N.C.

“The bulk of our work now is HOPE VI construction,” Hagan said. “It’s not a place I would have seen our firm 10 years ago.”

Frank Ricks, president and CEO of LRK Inc., said his firm is still private sector driven, but things have changed. In 2010, the former incarnation of Ricks’ firm, Looney Ricks Kiss, filed for reorganization under Chapter 11 bankruptcy. Within months the bankruptcy proceedings were finished and LRK emerged better suited for the changed economy.

“For the most part we’re still doing the types of projects we were doing before the recession,” Ricks said. “What’s changed is there are less of them.

“We are seeing an increase in the opportunities for community planning to mixed-used projects, but they’re still fewer and further between.”

Ricks said his Memphis-based firm, which has offices in Orlando, Fla., Baton Rouge, La., and Princeton, N.J., is up to around 70 employees. Ricks said having offices in multiple cities provided the firm with work it couldn’t get here in Memphis.

“Because of our Princeton office we were selected by New Jersey Transit to do transit-oriented development planning,” Ricks said.