



"It's been a matter of learning about COVID, dealing with it, and keeping people safe."

— Jeff Grundahl, JG Development

but also projected how the pandemic may impact construction well into the future.

The good news? Most of the February projects were completed on time because they were already in progress when COVID-19 first hit. The bad news is that there's no end in sight relative to restrictions forced by COVID-19, and supplies of various materials, particularly lumber, could drive prices much higher and impact affordability.

The construction industry was not hurt nearly as much as the hospitality and restaurant sectors because construction was deemed essential by the Evers administration. Projects could continue with safety measures in place, although some were temporarily delayed by external factors, such as supply-chain issues.

#### ORDERING EARLY

Jeff Grundahl, who co-owns JG Development with his wife, Mary, was in the process of building the new Hotel of the Arts/Baymont Inn & Suites on Coho Street in Madison. In February, the project was on track to be completed in July. Now the plan is to open before the holidays.

Baymont is a brand of Wyndham Hotels, and delays, Grundahl says, were due primarily to other factors. That said, he adds that COVID has impacted hotel construction as well as his job as a contractor.

"We've seen materials delayed and delivery surcharges," Grundahl says, but because the project was well underway prior to COVID, the impact has been fairly minor and no jobs were cut. The Baymont, he says, used wood-frame construction and materials that were purchased prior to the pandemic. Other contractors may not have been so lucky.

Immediately, JG Development went into an emergency response mode, which

## CONSTRUCTION AND COVID-19

COVID-19's construction impacts include less material availability, higher prices, and potentially a long-term suppression of demand for office space.

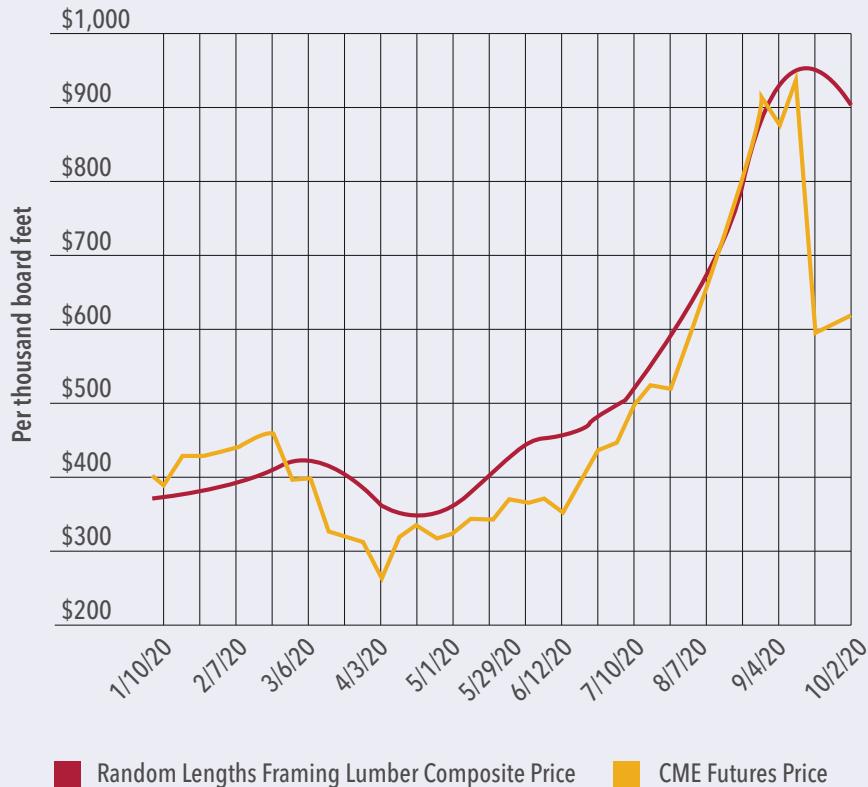
BY JAN WILSON

**W**hen *In Business* published its annual "What's Going Up" feature in February profiling 24 projects scheduled to be completed throughout Dane County in 2020, a global pandemic was little more than a plot in a science fiction movie. Unfortunately, COVID-19, like Godzilla, reared its ugly head in March, attacking thousands of people throughout the state and bringing the retail, hospitality, and tourism industries to their knees.

An especially virulent respiratory virus, COVID-19 had sickened 158,578 people since March 15, according to the Wis-

consin Department of Health Services. Statewide, there were 31,595 active cases on Oct. 14, with 125,411 people recovered and 1,536 deaths. The numbers are spiking again, however, and health officials worry about Wisconsin's winter forcing people inside where germs can be spread more easily.

We checked back with some of the contractors featured in February to see how COVID-19 had impacted their completion dates, if at all. Several declined to be interviewed, but others offered some insight not only into their local success



## KNOCK ON WOOD

Homebuilders plead for federal help

In September, executives from the National Association of Home Builders (NAHB) met virtually with Department of Commerce Secretary Wilbur Ross. At issue was the cost of lumber, which has seen a dramatic uptick due to the COVID-19 pandemic.

In mid-May, framing lumber experienced its largest two-week increase in more than a decade, and solid-yellow pine two-by-four prices rose 50% in four weeks, largely because home improvement stores also were deemed essential businesses, sparking a flurry of home DIY projects. While the futures price came down by early October (see chart), NAHB officials stressed how important lumber was to home building and how large spikes in the cost of lumber could impede the U.S. housing market.

Random Lengths, a trade publication for the wood products industry, reported an average 170% increase on lumber prices since mid-April, the largest spike since 1949, with residential builders absorbing most of the increase. On average, the unprecedented increase could add \$16,000 to the cost of a new single-family home, or \$6,000 to a multifamily unit.

NAHB's concern is that skyrocketing lumber prices will make it much more difficult to build affordable housing for low-and moderate-income families.

Ross told the industry executives that lumber mills are nervous that an uptick in housing is temporary, while the NAHB maintains that most lumber mills are running two shifts instead of three and can't catch up to the backlog caused earlier in the year when jobs were lost at the height of the pandemic.

included things the company hadn't considered previously — how to mask up, how to clean tools, and handwashing protocol. At the time of this interview, no employee had gotten sick with COVID-19. "We dedicated one person to safety supply delivery, sent him out in a truck with every kind of hand sanitizer solution we had, and had him rotate job sites every day," Grundahl notes.



"Double offices won't be required anymore, meaning we could see an office space shortage of thousands ..."

— Brian Hornung, J.H. Findorff & Son Inc.

Taking quick and decisive action was important but so was adaptability because in the early days of the pandemic, the government's guidance could change on a dime. "It gave our team confidence that we had control because the information we were getting from authorities seemed to change every six minutes; it became a full-time job for several people in our company."

Conversations are different now, he notes, regarding management systems, the number of employees allowed in a room, and entryways and exits as contractors and business owners figure out the new normal. Discussions tend to be about separating people and not requiring them to be congregated in one space. "Flexibility is key," Grundahl says.

"As a company, we already had several people trained in airborne particulate management like lead and asbestos," he adds. "It's been a matter of learning about COVID, dealing with it, and keeping people safe."

## MATERIAL SHORTAGES

The pandemic has led to a shortage of Plexiglas, he says, which is being used worldwide to keep face-to-face interactions at a minimum, and the lumber industry has been very hard-hit, forcing prices to skyrocket. The shortage has also affected the availability of treated lumber and plywood. "It's very hard to get lumber," Grundahl



**PARTNERS**  
FOR NEARLY 100 YEARS

During this challenging year, Findorff is committed to help meet the continued needs of our community through a successful partnership with United Way.

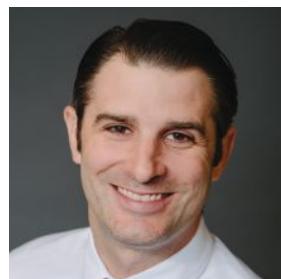
**Findorff**  
BUILDERS SINCE 1890

**OFFICE SPACE FOR LEASE**  
**REGENT x WEST WASH**  
**286 - 19,000 SF**

Alexander Company  
Andrew Schmidt  
ans@alexandercompany.com  
608.268.8116

states. "There's no availability and prices rose 100%, 150% in many cases."

Most lumber mills are located in the southern U.S., and some lumber comes from Canada. When the pandemic first hit, the mills furloughed most of their staffs in anticipation of a sharp decline in demand, but there was no such falloff. "Businesses sent everyone home to work virtually and it seems they all wanted to do a home DIY project!" Grundahl notes. "Nationally, we haven't seen any major slowdowns in construction starts related to housing, so the supply chain petered out on fear of COVID and staff reductions."



"I'm a glass-half-full guy ... I believe communication has been spurred in a positive way."

— Brian Horras, CG Schmidt

"Now, due to COVID restrictions, the number of employees that mills can call back are not enough to keep up with the standard demand for lumber much less a deferred demand over several months," he adds. "It's created a storm in the lumber industry and is now being discussed at the federal level to try to figure out what they can do."

The aforementioned storm has caused delays in construction of several months, with projects that were supposed to start in spring not breaking ground until late summer. In Grundahl's words, now everyone is "over-the-top busy," picking up jobs that should have been completed in September but just started in August.

The biggest challenge is that nobody knows for certain how things should be done, he explains, especially when contractors are trying to manage the expectations of authorities and staff and the public. "Everyone has their own opinions and there are very few facts. It makes it tough."

Given what has transpired, Grundahl predicts COVID-19 will impact construction for years to come. "But I also believe the pendulum will swing back. Americans are



FORWARD DEVELOPMENT GROUP

**Oakmont**  
SENIOR LIVING



### Oakmont Senior Living - Verona, WI

Construction is in full swing on the new 100-unit senior living facility in Verona. Oakmont Senior living will offer studio, one, and two bedroom units, underground parking, resident storage lockers, a library, hair salon, pub/lounge, outdoor deck, cafe, family room, game and crafts room, and wellness/fitness center. The project is expected to open Fall 2021.



Building Exceptional Communities | [forwarddevgroup.com](http://forwarddevgroup.com) | 608.848.9050

RENDERING PROVIDED BY SKETCHWORKS ARCHITECTURE

**JSD** Professional Services, Inc.  
• Engineers • Surveyors • Planners



**1848 CONSTRUCTION, INC.**

MADISON, WI

[www.JSDinc.com](http://www.JSDinc.com)

**"Building relationships with a commitment to client satisfaction through trust, quality, and experience."**



PLANNING AND DEVELOPMENT • CIVIL ENGINEERING • TRANSPORTATION ENGINEERING  
MUNICIPAL ENGINEERING • STRUCTURAL ENGINEERING • WATER RESOURCES • LANDSCAPE ARCHITECTURE  
CONSTRUCTION SERVICES • LAND SURVEYING AND MAPPING • ECOLOGICAL/ENVIRONMENTAL SERVICES

Create the Vision ➤ Tell the Story

MADISON • MILWAUKEE • KENOSHA • APPLETON • WAUSAU

Americans, and we'll go back to our standards as quickly as the world allows us."

### BACK TO SCHOOL?

Brian Hornung, executive vice president of J.H. Findorff & Son, noted some project delays early on, but says for the most part they finished on time.

In fact, the highly anticipated Verona Area High School project finished ahead of schedule, thanks in large part to students not being in school due to COVID restrictions. The school district showcased its \$150 million, 590,000-square-foot school and 160-acre campus in January, with scheduled tours and online drone flyovers in anticipation of the September start to the 2020–2021 school year. Ironically, the building now sits empty as virtual learning continues and sports are canceled.

Of those projects featured in February's magazine, Findorff completed all with only slight delays, Hornung reports. That includes two for Exact Sciences — Discovery Campus on the Beltline and Innovation One in University Research Park — and the UnityPoint Health–Meriter Child and Adolescent Psychiatry building. Each was scheduled for an April opening.

What complicated matters was not understanding the magnitude of COVID-19, Hornung explains. "Our first priority was conducting our business safely and keeping our employees, their families, the business owners, and subcontractors safe." The company became "hyper focused" on sanitation, he adds, which didn't add relative cost but quickly paid off in terms of the workforce because Findorff actually increased its employee count.

As for the long-term pandemic impact, office spaces will change, Hornung explains. "We've learned that there won't be as many people working in the office, and those who do work will need more space." COVID has forced new discussions about where to locate Plexiglas, how employees flow through a space, and whether automatic door openers or foot openers are necessary.

"Double offices won't be required anymore, meaning we could see an office space shortage of thousands, while people who will work from home may require home office improvements."

HVAC systems have taken on more prominence, with ionization systems and air exchangers for cleaner air.

Geography brings another complication. Findorff has current jobs in Illinois, Virginia, Arizona, and will soon begin projects in Washington state and Florida. Keeping abreast of each state's changing regula-

tions is also a challenge.

"In terms of the future, we're not optimistic, but we're not pessimistic, either," Hornung states, adding that Findorff is a 130-year-old company that has survived because of the relationships it has built. "COVID has completely changed how we pursue work, and we're really getting good at Zoom interviews, but we absolutely need to make sure that electronically, our points are getting through."

"That said," Hornung adds, "I don't think the industry will ever go back to how things were."

#### DESIGNS ON COVID

Milwaukee-based CG Schmidt was in the process of renovating its new Madison office in February. Scheduled to relocate in June, the office actually opened in early July, but not because of COVID-related issues. In fact, CG Schmidt hasn't had any deadlines breached by the pandemic, according to Brian Horras, project executive.

Previously, the company had rented its Madison space until purchasing an existing 1960's building on West Washington Avenue to signal its commitment to the local market. Inside, CG Schmidt occupies the first two floors and plans to lease floors three, four, and five.

The building's two staircases are designated "up" and "down" to direct human movement; elevator access is restricted; and Plexiglas partitions were added to the lobby desk. The flexible space includes individual offices, each with a sliding glass door, and "hoteling" space is available on a first-come, first-served basis for visiting field personnel who may need to work on paperwork. "Our workforce comes and goes at different times, so there isn't much crossover," Horras explains.

That said, the number of employees allowed in the office at one time is limited, and employees working on jobsites are discouraged from visiting unless absolutely necessary.

CG Schmidt staff also put together a COVID task force that meets twice a week to keep up to date on changing recommendations, and cleaning and sanitizing is conducted daily. "We all wear masks," Horras adds, but working virtually is the company's most significant change.

"We used to have weekly in-person meetings with architects and engineers, especially on school projects. It was tricky, but I'm a glass-half-full guy," he says. "Now I see the benefits. Virtual meetings are saving time and travel, and I believe communication has been spurred in a positive way." ■

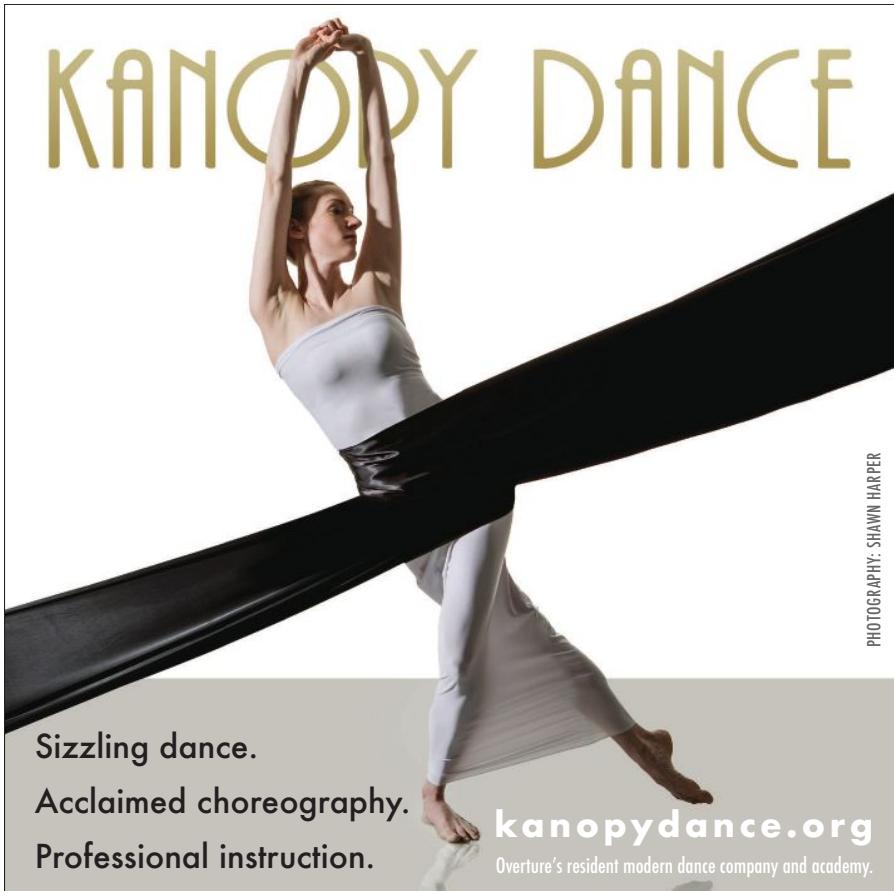


**YOUR IDEAL BUILDER.  
YOUR IDEAL EXPERIENCE.**

Serving Commercial Clients in Madison and Beyond



(608) 271-8111 [idealbuilders.com](http://idealbuilders.com)



KANOOPY DANCE

**Sizzling dance.**  
**Acclaimed choreography.**  
**Professional instruction.**

**kanopydance.org**  
Overture's resident modern dance company and academy.

PHOTOGRAPHY: SHAWN HARPER