

Tejas "TJ" Patel, managing partner in charge of Houston operations at Level Construction Inc.: 'We now have the additional staff and crew to enable us to go after bigger projects.'

Building a reputation

Commercial and residential builder keeps focus on fast-growth headquarter cities

BY TANYA RUTLEDGE
SPECIAL TO HOUSTON BUSINESS JOURNAL

As the heads of a commercial and residential construction firm with dual headquarters in Houston and Chicago, the three partners in Level Construction Inc. are used to having a lot of balls in the air. And earlier this year, they tossed several more into the mix.

In the spring, Level Construction — which has made a name for itself in both the residential and commercial construction arenas since its founding in Houston in 2005 — launched two new companies under its growing umbrella: Level Infrastructure, which specializes in government construction contracts, and Level Maintenance, offering building maintenance services for commercial clients. Both units have begun actively bidding on projects.

And even though the company is biting off a lot of expansion at once, the partners have envisioned this type of growth from the beginning, said Tejas "TJ" Patel, Level's managing partner in charge of Houston operations.

"We always knew at the end of the day that we would be in both residential and commercial construction and in both the public and private sectors," Patel said. "We implement the same ideas and same way of doing business across the company, which helps us run everything efficiently."

And with revenue growing substantially last year, keeping the company running smoothly is a top priority. In fact, projections call for Level to top \$50 million in annual revenue in the next

five years.

Along with the rapid growth, the partners are beginning to make some large expenditures to help take the company to the next level, including the purchase of a 10,000-square-foot office/warehouse near Chicago O'Hare International Airport and another 10,000-square-foot building in Houston. Both buildings, purchased with cash, will be used to house corporate offices and fabrication and warehousing operations. Level also has started investing in its own equipment — including trucks, bulldozers and construction elevators — rather than leasing.

Patel said these moves will allow Level to begin bidding on larger-scale projects ranging in price from \$7 million to \$15 million. For the last couple of years, Level's typical construction project has ranged from \$2 million to \$5 million, having shifted from the \$500,000 to \$1.5 million range when the company first started.

With big-name franchise restaurant clients such as Dunkin' Donuts, KFC Corp., Firehouse Subs and Jersey Mike's Subs, the smaller-project work has remained steady, with between 25 and 30

SEE REPUTATION, PAGE 16A

LEVEL CONSTRUCTION INC.

2011 REVENUE: \$12.1 million

2010 REVENUE: \$7.8 million

TOP EXECS: Tejas "TJ" Patel, managing partner in charge of Houston operations; Mitesh Patel, managing partner in charge of Chicago operations; and Alex Johnson, managing partner in charge of financial, legal, marketing and acquisition and development

EMPLOYEES: 18

FOUNDED: 2005

BUSINESS: Commercial and residential construction
WEB: levelconstruction.net



CRAG HARTLEY/ABI

TOOLBOX

BE THERE

EVENT: The Transportation Club of Houston – Monthly Luncheon

SPEAKER: Harding Rome, Union Pacific Railroad

DATE/TIME: Oct. 2, 11 a.m. to 1 p.m.

LOCATION: The Houston Club, 811 Rusk St.

COST: Nonmembers \$45

MORE: russell@transclubhou.org or 281-435 9647

EVENT: Chase and the Greater Houston Partnership's Pulse of the Houston Consumer

PANELISTS: Gina Luna, JPMorgan Chase; Dr. Steven Klineberg, Kinder Institute for Urban Research; Patrick Jankowski, Greater Houston Partnership; and Rudy Cavoos, Money Management International

DATE/TIME: Oct. 2, 11:30 a.m. to 1:30 p.m.

LOCATION: Royal Sonesta Hotel Houston, 2222 West Loop South

COST: Partnership members \$60; nonmembers \$90

MORE: Rozenn Courtois at rcourtois@houston.org or 713-844-3682

EVENT: Houston Interactive Marketing Association – Interactive Strategies 2012: Pysch! Marketing to the Mind

DATE/TIME: Oct. 3, 9 a.m. to 5 p.m.

LOCATION: Rice University's Jones Graduate School of Business, McNair Hall, 6100 Main St.

COST: \$300

MORE: Tamara Floyd at tamara@floydandassoc.com or 832-736-8337, or Aimee Woodall at aimee@theblack-sheepagency.com or 832-971-7725

EVENT: Houston Technology Center's Innovation Conference & Showcase

DATE/TIME: Oct. 3, 10:30 a.m. to 6:30 p.m.

LOCATION: Hyatt Regency Houston, 1200 Louisiana St.

COST: \$250

MORE: houstontech.org/ics/

EVENT: Public Relations Society of America Houston Chapter – Annual Meeting & Monthly Luncheon

SPEAKER: Stephen Marino, MLSGROUP

DATE/TIME: Oct. 3, 11:30 a.m. to 1 p.m.

LOCATION: The Briar Club, 2603 Timmons

COST: \$30 to \$50

MORE: prsahouston.org or Paula Ruth at 281-870-1717

EVENT: Fort Bend Chamber of Commerce Volunteers Breakfast

SPEAKER: Fort Bend County Judge Bob Hebert

DATE/TIME: Oct. 4, 7:30 to 9:30 a.m.

LOCATION: Safari Texas Ranch, 11627 FM 1464 Road, Richmond

COST: \$40

MORE: FortBendChamber.com or David Crowl at 281-491-2497 or David@fortbendcc.org

EVENT: Houston Baptist University's Brown Distinguished Lecture Series – The Leader's Voice: A Conversation with David Weekley

DATE/TIME: Oct. 4, 6 p.m.

LOCATION: Houston Baptist University's Belin Chapel, 7502 Fondren Road

COST: Free

MORE: hbu.edu/BrownLecture

EVENT: Center for Houston's Future 2012 IMPACT Gala Honoring Sylvia Mayer, Ruthanne Mefford and Bill Boyar

SPEAKER: James Fallows

DATE/TIME: Oct. 4, 6 p.m.

LOCATION: River Oaks Country Club, 1600 River Oaks Blvd.

COST: Starts at \$250

MORE: 713-844-9328 or futurehouston.org

EVENT: World Affairs Council of Houston – Hugo Chavez

and Venezuela's Presidential Elections

DATE/TIME: Oct. 4, 6 p.m. to 7:30 p.m.

LOCATION: The Junior League, 1811 Briar Oaks Lane

COST: Members free; nonmembers \$20

MORE: wachouston.org

EVENT: Rice Global Engineering & Construction Forum: Transitioning From Technical Expert to Manager

SPEAKERS: Anthony Panos, Performance Training Inc. and Mark Gray, Bergaila & Associates Inc.

DATE/TIME: Oct. 5, 11:30 a.m. to 1 p.m.

LOCATION: Rice University's Ley Student Center, 6100 Main St.

COST: \$25

MORE: forum.rice.edu/upcoming-events/

EVENT: The North Channel Area Chamber of Commerce Monthly Luncheon: The Impact Identity Theft, Social Media and Cyber Bullying has on Business and Employees

DATE/TIME: Oct. 5, 11:30 a.m. to 1 p.m.

LOCATION: San Jacinto College North, 5800 Uvalde

COST: \$20 with RSVP, \$25 without RSVP

MORE: 713-450-3600 or northchannelarea.com

EVENT: 3rd Annual U.S. China Educational, Economic & Cultural Summit and Gala Awards Dinner

DATE/TIME: Oct. 6, 1 to 9:30 p.m.

LOCATION: Hilton Americas-Houston, 1600 Lamar

COST: Summit, free; Gala, \$60

MORE: uceccf.org/en/reg.asp

EVENT: Coffee With the Consuls: Doing Business With Brazil

DATE/TIME: Oct. 9, 8 to 10 a.m.

LOCATION: Greater Houston Partnership, 1200 Smith

COST: Members \$20; nonmembers \$30

MORE: Rozenn Courtois at rcourtois@houston.org or 713-844-3682

EVENT: Oil Council – North America Assembly

DATES: Oct. 9-10

LOCATION: The Four Seasons Hotel, 1300 Lamar St.

COST: \$1,495

MORE: oilcouncil.com/event/northam/contacts-2/

EVENT: National Association of Health Services Executives 27th Annual Educational Conference: Navigating the Healthcare Destiny

DATES: Oct. 10-13

LOCATION: Hyatt Regency Hotel, 1200 Louisiana St.

COST: Members \$840; nonmembers \$1,140

MORE: nahse.org

EVENT: Webster Business Alliance

SPEAKER: Gene Kranz

DATE/TIME: Oct. 11, 11 a.m. to 1 p.m.

LOCATION: Webster Civic Center, 311 Pennsylvania Ave.

COST: Free.

MORE: Karen Coglianese at 281-316-4135 or kcoglianese@cityofwebster.com

EVENT: 2012 Rice Design Alliance Gala Celebrating

Stephen Klineberg

DATE/TIME: Oct. 14, 6 p.m.

LOCATION: Rice University, 6100 Main St.

COST: Starts at \$65

MORE: 713-348-4876 or ricedesignalliance.org

EVENT: Texas Society of Certified Public Accountants – The Basics of Business Insurance

DATE/TIME: Oct. 16, 8 a.m. to noon

LOCATION: Federal Reserve Bank Building, 1801 Allan Parkway

COST: Members \$50; nonmembers \$75

MORE: Traci Lawrence at 713-961-2848

REPUTATION: Builder continues growth by entering government bidding process



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FROM PAGE 15A

restaurants going up per year. Recent midtier work has included the BIG Cinemas/AD Labs Theater, a five-screen theater and restaurant lounge in Illinois; a Best Western Plus hotel in Galveston; and a new building for Katy Orthodontics.

"We wouldn't want to discontinue doing the smaller projects, but we will no longer concentrate just on that," Patel said. "We now have the additional staff and crew to enable us to go after bigger projects."

On the custom home side, Level has already entered the top-end market, including the recent completion of an 18,000-square-foot home in Sugar Land and a 17,000-square-foot home in Illinois that is nearing completion.

Currently, commercial construction makes up about 85 percent of Level's revenue stream, with the other 15 percent coming from the residential business.

Level keeps several subcontracted crews, totaling about 75 or 80 people combined, engaged on projects at all times.

Patel said the company has dedicated internal staff and external crews — which work solely for Level — to handle the different types of business. And that compartmentalized set-up will extend into the government contracting arena and building maintenance sector, as well.

"That helps create economies of scale," he said.

WEATHERING THE STORM

Patel started Level Construction with

two Chicago-based partners — Mitesh Patel (no relation), who runs operations in Chicago; and Alex Johnson, who manages the financial, legal, marketing and acquisition and development functions companywide — with an eye on Houston and Chicago as potential high-growth construction markets. And although the economic downturn took hold just two years after the company was launched, Level's business plan stood up to the storm.

"We ran it pretty efficiently, and since the downturn came soon after we started, we still didn't have much overhead at the time," Patel said.

It also helped that the company was split between two major cities, which gave it geographical diversity and local roots in two places, he said.

Currently, eight of Level's corporate employees are based out of Houston, with the other 10 in Chicago.

The offices stay linked through regular weekly meetings via Skype and in-person quarterly meetings among the partners to go over project statuses and company financials. The three partners travel regularly between the two locations.

Having a physical presence in the two markets where it does business is important to the owners, so Patel said expansion into other markets isn't in the cards for now. Instead, the company prefers to work on building its dominance in Houston and Chicago.

"That's not part of our growth strategy right now," he said. "We don't feel the need to expand into other markets when there is so much potential in the markets we are in."

TANYA RUTLEDGE is a freelance writer.