

From the Denver Business Journal:

<https://www.bizjournals.com/denver/news/2022/10/31/pcl-hensel-phelps-highest-revenue-private-company.html>

Commercial Real Estate

## Top Front Range revenue-earners share their secrets to success

Hensel Phelps and PCL have been locked in a neck-in-neck race for the No. 1 spot on our Private Companies List since 2009.



Construction cranes along 12th Avenue in Denver on Oct. 11.

SETH MCCONNELL | DENVER BUSINESS JOURNAL

By [Matt Wolfinger](#) – Data reporter, Denver Business Journal  
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Fast-growing Denver has long been a lucrative home base for construction companies, and recent revenue figures show that this trend continued last year.

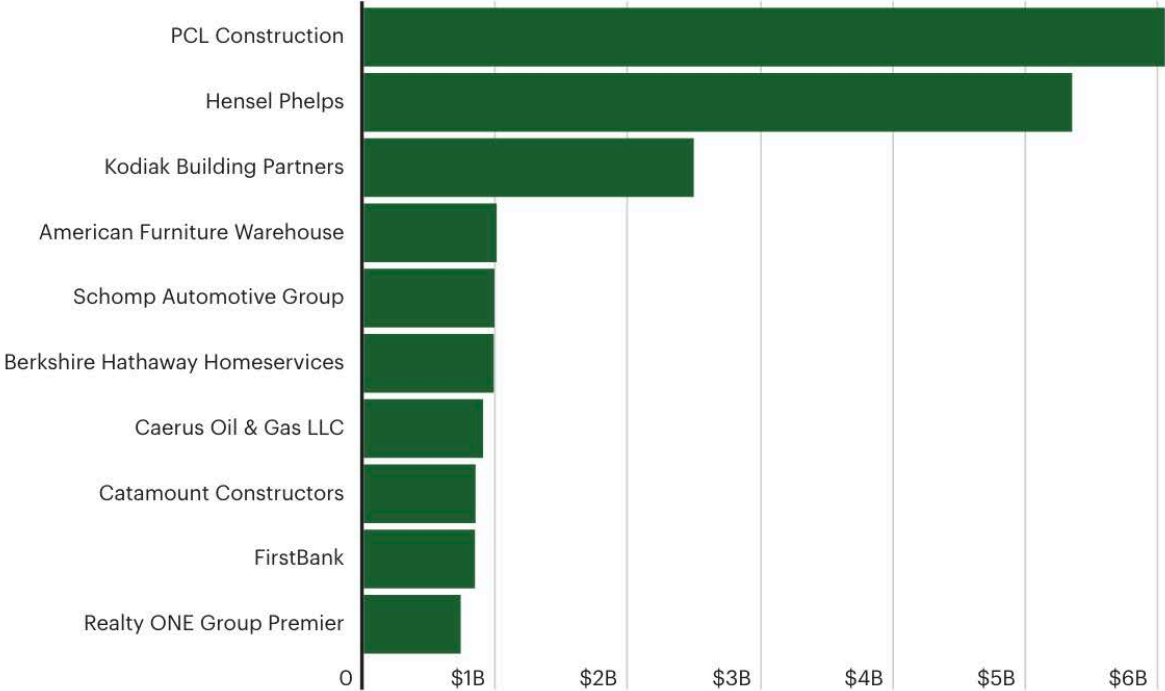
Two construction companies in the Denver metro in particular – Hensel Phelps Construction Co. and PCL Construction Enterprises Inc – have been mainstays on [Denver Business Journal’s List](#) of the top 100 private companies on the Front Range, which ranks each business by their total revenue from the prior year, for nearly a decade.

After spending several years in the No. 2 slot, employee-owned Hensel Phelps ranked No. 1 for the first time on DBJ’s 2021 List, raking in \$5.88 billion in revenue in 2020. PCL placed No. 2 on last year’s List after reporting that it earned \$5.67 billion in revenue in 2020.

On DBJ’s 2022 List, however, the two companies switched places. PCL reported a 2021 revenue of \$6.05 billion, representing a 6% increase over its 2020 revenue and allowing it to take the No. 1. Hensel Phelps, on the other hand, brought in \$5.34 billion in 2021, a 9% decrease from its 2020 revenue, moving the company down to the No. 2 position.

# Front Range construction saw another lucrative year

The 10 highest-earning private companies on the Front Range, ranked by 2021 revenue



Source: Denver Business Journal Research

While Hensel Phelps may have suffered a dip in revenue, the amount of money it netted in 2021 still puts it well above Kodiak Building Partners, which placed No. 3 on this year's List with a 2021 revenue of \$2.49 billion – meaning Hensel Phelps' 2021 revenue was more than double that of Kodiak's.

Hensel Phelps and PCL have been locked in a neck-in-neck race for the No. 1 spot on our Private Companies List since 2009 – making their strategies to weather the pandemic and insights into the future all the more valuable.

Read below the following List to learn more about their strategies.

## **Hensel Phelps**

DBJ's digital archives of self-reported private company revenues stretch back to 2006, and since then, Hensel Phelps' earnings have grown an average of 7.6% year over year, increasing from \$2.13 billion to \$5.34 billion in 2021.

The general contractor and construction company was [founded in Greeley](#) in 1937. It's since built over 100 million square feet of commercial and office space, valued at over \$18.7 billion.

The company stayed strong through the pandemic by leveraging widespread connections and providing frequent updates to customers, according to Vice President and Business Manager Derek Hoffine.

“We have increased the level of due diligence on suppliers and trade partners to make sure resources are delivered,” he told the Denver Business Journal in an email. “And we have turned over every stone on our projects to find equipment and materials that are available and still work within the budget and vision for the project.”

The company's [first massive aviation project](#) occurred in 1964, when it worked on the first phase of the Stapleton International Airport Terminal in Denver nearly 60 years ago. That project set the stage for Hensel Phelps' ongoing involvement with air travel infrastructure.

After a [falling out with its previous partner](#) in late 2019, the DIA enlisted Hensel Phelps as its project manager to complete the final stage of its Great Hall project.

The Denver International Airport, [the third busiest in the world last year](#), has undergone multiple phases of terminal renovation, scheduled for completion by 2028.

The airport first began operation in 1995, serving 25 million passengers per year with capacity for 50 million. But as traffic at the airport has grown – DIA leadership has [projected a total](#) of 72 million passengers in 2022 – its facilities have needed to expand and improve.

The [multistage process](#) will improve the airport's flow of passengers by adding ticketing counters, speeding up the bag check process and adding more security lanes.

A recent [\\$1.1 billion contract extension granted by Denver City Council](#) in January awarded Hensel Phelps the largest pay raise of any DIA partner with an additional \$900 million on top of the \$365 million gained from its previous contract.

The DIA project isn't the only one on Hensel Phelps' docket. Hoffine explained that the company's best avenues of growth take shape in multiresidential projects, as well as data centers, manufacturing and transportation/infrastructure.

Hensel Phelps is set to act as the general contractor for the construction of Limelight Boulder, a [250-room hotel and conference center](#) that will be the largest in Boulder upon its expected completion in 2025.

## **PCL Construction**

According to DBJ's online archives, PCL Construction has been a top contender every year it has submitted its revenue. The company's annual reported revenue between 2006 and 2021 has seen an average growth rate of 3.9% year over year.

The design-build company's presence in Denver has been a powerful player since its Denver office, acting as its U.S. headquarters, [opened in 1975](#). Back then, the company was known as Poole Construction Company Limited.

President and COO of U.S. Operations Deron Brown has been with the company in some capacity since 1996, according to [Global Newswire](#), and after the 2008 recession, he made it a priority to ensure the company can stay recession-proof. That strategy paid off during the recent pandemic.

Brown said the recent supply chain issues posed no threat to PCL, citing the company's decade-long global procurement strategy.

“As part of this strategy, we partner with firms around the world to get ahead of supply chain issues,” he said in an email to DBJ. “On many of our projects, we have had to buy materials ahead of time, knowing there will be associated storage costs. However, with these storage costs comes a level of certainty in material procurement which makes it worth it in the long run, especially for our clients.”

Brown went on to explain that the company often asks its clients to pay a deposit in advance to secure PCL's place in line when ordering materials.

PCL's role as the design/build company for the ongoing [16th Street Mall expansion](#) – a project focused on renovating the infrastructure and sidewalks – earned it a contract of \$149 million to increase walkability and minimize long-term maintenance costs.

Looking ahead, PCL will continue to invest in its existing markets, with a particular focus on solar.

“PCL is expanding our solar operation globally with a dedicated office in Denver,” Brown said. “This new operation comes at a great time with the recent Inflation Reduction Act, further increasing the demand for renewable energy.”

The Inflation Reduction Act, signed by President Joe Biden in August of this year, will expand existing tax credits for developers of solar projects to [lower clean energy costs](#) through billions of dollars in tax incentives. PCL reported a [60% increase](#) in revenue year over year from solar construction.

The company wants to focus on strengthening relations with its newer offices in North Dakota, Miami and Orange County before refocusing on diversifying geographically, a long-term strategy that Brown said has played an integral role in maintaining the company's success during hard times.