

# ENR New York

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New York Construction News

New York

## Transportation Pushes Revenue for Regional Firms

Total regional design revenue fell due to list participant changes, but large bridge projects drove work for a number of top companies in 2015



Engineering is key on the \$900-million Kosciuszko Bridge replacement.

PHOTO COURTESY OF NYC DEPT. OF TRANSPORTATION

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The top architecture and engineering firms in the New York region posted \$3.6 billion in revenue in 2015, according to this year's ENR New York Top Design Firm ranking. While a number of the largest 75 firms enjoyed higher revenue, others reported declines, with total revenue for all firms falling from last year's \$4.7 billion as some previously ranked firms did not participate this year.

AECOM continues to hold the No. 1 spot in the ranking, even as its regional revenue in New York and New Jersey declined to \$434 million in 2015 from \$595 million in the prior year. WSP | Parsons Brinckerhoff and Arcadis North America retained second and third place, respectively, with the former reporting \$354 million for 2015—a significant increase for the acquisition-enlarged firm over the prior year’s \$274 million total. The \$202 million in revenue that Arcadis North America reported was down from the previous year’s \$225 million. Overall, the top 10 firms had combined revenue of \$1.98 billion in 2015, down 4.4% from \$2.07 billion in 2014.

Work in the transportation sector dominated construction activity, accounting for more than 50% of revenue for eight of the top 10 firms.

Construction starts in the public works sector, which includes transportation, reached \$3.4 billion in 2015, according to the New York Building Congress.

While that number is down slightly from the \$3.8 billion total in 2014, several large construction projects are currently underway in New York City, such as the Second Avenue subway and East Side Access transit projects.

HNTB Corp., which ranked ninth this year, is working on three major bridge renovations in the region: the \$3.9-billion Tappan Zee Bridge, which crosses the Hudson River; the \$1.5-billion Goethals Bridge replacement, connecting Elizabeth, N.J., to Staten Island, N.Y.; and the \$900-million replacement of the Kosciuszko Bridge, which links Brooklyn and Queens.

“It’s a very exciting time for us,” said Thomas J. Spearing III, senior vice president at HNTB.

Construction in the education sector was particularly strong in 2015, according to the Building Congress. “The city is experiencing what appears to be a sustained building boom” in higher education, Richard T. Anderson, Building Congress president, said in a press release. “With increasing enrollment and multiple universities embarking on multiyear expansion plans, led by NYU and Columbia University, New York’s colleges and universities will continue to be a vital source of construction activity for many years to come.”

Elementary and secondary school education also is experiencing an increase in construction starts. The Building Congress reported that \$240 million was spent on 83 projects in 2015, up nearly \$100 million from the total spent in 2014 on 77 projects. The increase is a result of the growing population in New York City, Anderson said.

Education construction was a strong factor in New Jersey’s 2015 construction spending as well, generated by expansion and ongoing development at schools across the state. New Jersey City University, Rutgers University and New Jersey Institute of Technology are among numerous universities with construction programs of at least \$100 million.

The largest design firms reported about \$996 million in total revenue from work in New Jersey. The New Jersey Alliance for Action, a construction industry advocacy group in the state, foresees construction spending for the 2016-2017 period at \$39.4 billion, 1% below the \$39.8 billion it recorded for 2015-2016. Construction spending is projected to reach \$22.2 billion in 2016 alone before dropping to \$17.3 billion in 2017, the group says.

AECOM also held the top spot in New Jersey, with revenue in the state totaling \$90.8 million from projects for the New Jersey Dept. of Transportation and New Jersey Turnpike Authority breaking ground in 2015. Arcadis was in the second spot with \$84.9 million.