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COMMERCIAL REAL ESTATE

HBD Construction, one of St. Louis' oldest contractors, acquired by out-of-town company



Mike Perry of HBD Construction



By Steph Kukuljan
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HBD Construction, a nearly 100-year-old contractor, has been acquired by Davenport, Iowa-based Russell Construction in a deal that will expand HBD's technology capabilities and access to new markets.

HBD Construction is now known as Russell HBD and will continued to be led by Mike Perry, Brian Kowert Sr. and Brian Kowert Jr. Russell Construction's Chris Krieg serves as chief construction officer for the firm, while Sam Russell has relocated to St. Louis to further add to the team in pre-construction services. Russell HBD remains at its Cheltenham headquarters at 5517 Manchester Ave. along with all of its employees, officials said.

Terms of the deal, which closed in October, were not disclosed. Talks between HBD and Russell lasted about a year, pre-dating the Covid-19 pandemic.

Perry, now executive vice president, said the acquisition followed a series of internal conversations of how to best grow HBD amid St. Louis' ultra-competitive market for general contractors. The firm, prior to its acquisition, was the 24th largest general contractor in St. Louis by revenue with \$70 million, according to *Business Journal* research.

By comparison, Russell Construction generated about \$200 million in revenue in recent years. The combined firm is projected to bring in around \$270 million in revenue this year.

"It's hard to grow organically just in the St. Louis office, so we explored other opportunities through a third party and were introduced to Russell. Essentially, it was one of those 'stars aligned' type things," Perry said.

Russell brought new project management software, along with building modeling, laser scanning, drones and other technology to HBD. In addition, HBD will be able to tap into Russell's development services, a new area of focus for the St. Louis firm, as well as Russell's reach across the country where it's done work in hospitality, senior living, education and government sectors.

"The plan is to continue to grow the St. Louis office. And with Russell's help, we plan on doing that," Perry said.

HBD will give it a stronger foothold in St. Louis, where Russell most recently completed the \$20 million renovation of Le Meridien hotel in Clayton. Russell HBD will target opportunities with low-income housing tax credits, and will work together on the new 21c Museum Hotel in Downtown West.

"We've looked to expand here for a couple years. So to figure out a way to come together and get this rolling has

been a huge win for us," Krieg said. "There's a new energy since we've merged and excitement for the opportunities that we have in front of us because we're a combined entity."

About the companies

Founded: HBD in 1922; Russell in 1987

Located: Russell HBD, 5517 Manchester Ave. in the city neighborhood of Cheltenham; Russell Construction, Davenport, Iowa

Leadership: Mike Perry, executive vice president; Brian Kowert, executive vice president; Chris Krieg, chief construction officer; Jim Russell, president and CEO of Russel Construction

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