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BY ROBERT W. ANDREWS PHOTOS BY DICK BLUME

#### **MONTREAL CONSTRUCTION** has

managed to survive and grow profitable every year despite economic conditions. Owners Samuel Flatt and Len Montreal say it's because they service the heck out of their customers and tenants.

amuel T. Flatt bolted awake at 2 a.m. one Sunday in 2007.

It was Time Warner, one of the clients of Montreal Construction. "I hate to bother you," the caller said before telling Flatt that a fire had damaged a substation in Sayre, Pa. Could Flatt do something to help? Flatt knew

nothing in his contract with Time Warner required any response. Instead of falling back asleep, Flatt wiped the cobwebs from his eyes.

"All I said was I need directions and I asked him where was the nearest lumberyard," Flatt recalls.

By 9 a.m., a crew from Montreal Construction was on its way to >

Pennsylvania, and it got the substation up and running in 24 hours.

It was one of many examples cited by Montreal's owners — Leonard M. Montreal and Flatt — to explain how the company has managed to survive and grow profitable every year despite the economic and housing recession.

They run Montreal Construction and Salt City Enterprises LLC.

Salt City is the real estate arm of Montreal Construction, and it does much of the highly praised reconstruction work in Syracuse's lakefront area around Liberty and Spencer streets.

In 2007 and 2008, the combined gross revenues were about \$11 million, and its properties are 90 percent occupied.

This year, both add, will be even better, and the work will begin with a pet project.

"We'll be starting our 'green building,' that's \$2 million, and we have work scheduled for three other buildings," Montreal says.

Its plans for reconstruction of the former Har-Rob Fire Apparatus repair building at 519 Liberty St. include environmental construction so advanced that it likely will become one of the first few commercial buildings in this area to receive the U.S. Green Building Council's Leadership in Energy and Environmental Design certification. Right now, only one building in Syracuse (Enable) has received LEED certification.

Both men say they prefer the tough jobs, adding that there's more of a profit margin in those.

They cite the task of putting a new roof on Oberdorfer Foundry in Syracuse when an explosion blew the old roof off in the early '90s. "We had to work in and amongst molten kettles of aluminum," Montreal says.

Montreal Construction specializes in commercial and grocery store renovation and decor upgrades for grocery, auto parts and fitness facilities. Its employees include carpenters, plumbers and electricians.

Its main customers are Advance Auto Parts, Golub Corp. (Price Chopper), Time Warner and Dupli Envelope & Graphics.

Clients, even grocery stores, keep their operations running while Montreal is at work.

Its employees are trained to work around the operation, Montreal says. "If there's glue on the floor, my guy will pick up the groceries for the cus-



A Montreal Construction has put a lot of energy and resources into the lakefront development project. This map highlights the several buildings along Spencer and Liberty streets in Syracuse that the company purchased and renovated.



Montreal Construction is taking on a new challenge this year by renovating an old repair shop into a LEED-certified office space.

tomer who wants a loaf of bread or carton of milk or whatever."

In a recent interview, Montreal uses the words "service, service, service" no fewer than seven times.

On several jobs for Price Chopper, Montreal schedules its work after normal hours, having employees labor through the night. Flatt cites the time that plumbing work had to be done in a bakery section. His workers jacked out the floor, put in a temporary floor, did work on plumbing, poured concrete for new flooring and made sure it was all done so the bakery could be operating the next morning.

"We can work in an active store and not disrupt their business," Mon-

treal says. "Doing that over and over can make you a preferred vendor."

#### BACK TO THE BEGINNING

In the late '80s, Flatt owned S.T. Flatt Construction Co. He had a business degree from Le Moyne College. He hired Montreal, who had a business administration degree from Morrisville State College, and taught him the business of construction management. Flatt is 60; Montreal, 46.

In 1991, Montreal went out on his own and formed Montreal Construction Co., but the two men found they were still working together. Flatt closed his own company in 1994 and joined Montreal in business, and



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▲ Montreal and Flatt share an office space and make all decisions regarding the company together. "We're equal partners," says Montreal, president of Montreal Construction.

### PIECES OF BUSINESS ADVICE

- It's a business, not a hobby.
   Everything you do has to be done in a businesslike manner.
- Your word is your bond. You have to live with your word.
- On't create foolish debt.
- If you work hard and do a good job and don't lie to any body, work comes at you. You don't have to go looking.
- Don't procrastinate on anything. . . . Handle that sheet of paper just once.
- Advice from Samuel
   T. Flatt, co-owner

### MONTREAL CONSTRUCTION CO.

Owners: Leonard M. Montreal, president; Samuel T. Flatt, vice president

Founded: 1991, although Flatt and Montreal joined forces in 1994

Location: 920 Spencer St., Syracuse

Employees: 16

Affiliation: Salt City Enterprises, also owned by Montreal and Flatt, handles real estate and lakefront development work.

Gross revenues: \$8.4 million in gross revenues for Montreal in 2008 and \$2.6 million for Salt City

Quote: "We service the heck out of our customers and our tenants," says Montreal. ing — especially important in the grocery store business.

Serving their clients takes them to six states: Maryland, Massachusetts, New Jersey, Vermont, Pennsylvania and New York.

But they've also developed a niche involving work in Syracuse's lakefront area, buying ugly, broken-down former industrial buildings and turning them into attractive office buildings.

They own 15 properties and have remodeled 13 of them with 29 tenants, so far, with plans for at least three more acquisitions.

It's all in the area best known as the neighborhood near the Barge Canal park and the Little Gem Diner. While others may have seen it as lacking the pizzazz of high-class business sections, Montreal and Flatt saw a neighborhood with great access to routes 81 and 690, plenty of car traffic, a low crime rate and plenty of potential.

Hogan says he's been amazed by the "dynamic things they've done to the area."

"They never see obstacles," Hogan says. "They see challenges to be overcome. It now has the reputation as a coming area and it's because of them."

The company never sought a dime from the government for the reconstruction work. Hogan says that alone was unusual, that developers usually seek a PILOT agreement and maybe some direct subsidy.

Syracuse Mayor Matt Driscoll saw Montreal's work and pledged \$450,000 worth of curbs, sidewalks and landscaping for the entire area to promote the city's own goals of making the area pedestrian-friendly. That money comes from fees paid by Destiny USA as part of its tax agreement.

The company's headquarters at 920 Spencer St. is in a building Montreal renovated and

they've been together ever since.

Although Montreal is the president and Flatt vice president, they have equal ownership and make all decisions jointly. The two share the same unpartitioned office space, sitting across a desk from each another and often hearing each other's conversations. They say there's never been an important issue on which they've disagreed.

"We're equal partners," Montreal insists. "Sam has never been afraid to work and neither have I. If a person does exactly what is expected and it is successful, there's no reason to have an issue."

Peter Bonanno, project engineer, says he's never seen the two bosses argue. "They're very different personalities, but they mesh."

Flatt is an outdoorsman, a hunter and fisherman, a hot rod enthusiast and a downhill skier. He grew up in Fayette-ville. Montreal worked and wrestled his way through college. He enjoys assisting as coach for soccer and basket-ball with his 10-year-old twin daughters, skiing and spending a lot of time with his family. He is from Solvay.

Patrick Hogan, a Syracuse Common Council member who has watched them grow as businessmen in his ward, says there's one big thing they have in common.

"They're both working-class guys," he says, adding that he often gets calls late at night or early in the morning from Montreal.

Every workday starts at 6 a.m., sometimes earlier, and both say they spend about two of every four Saturdays at work.

Owning your own business is fun but hard work, Flatt says.

"When you're busy, you're busy," Flatt quips. "When you're not busy, then you are real busy." It's something, he adds, every business owner understands.

#### LAKEFRONT WORK

Montreal offers several secrets to their success.

They want to grow, steadily and not rapidly, he says. No failed jobs. No taking six jobs when there's only time to do five. "The lure of increased sales," he says, "is tempered by the fact you can only perform at a certain level. We're not interested in a high growth spike that diminishes our ability to service our customers."

Also, he adds, they know their niche. It's that "service, service, service" mantra, and it's keeping the client operating while Montreal's people are work-

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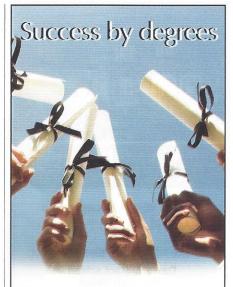
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# PIECES OF BUSINESS ADVICE

- Always be early. If I have an appointment with you at 11 a.m., I will be there at 10:45.
- 2 Do the right thing even if it costs a little more.
- 3 Service the heck out of your customers.
- Hire people who are respectful, skilled, loyal and hard-working, then take care of them.
- Luck is where preparation meets opportunity.
- Advice from Leonard M. Montreal, co-owner

now shares with three other tenants. When the "green building" is done across the street, Montreal will move its headquarters there. Leonard Montreal already has other tenants lined up, including the Manzano law firm, the Rampart American Land and Title Agency and one he won't name now.

"We have relocated five times in six years," Montreal says. "When we redo our own space, a tenant always has wanted it."

#### A GREEN BUILDING, MAYBE A NEW NICHE

For several years, Flatt and Montreal talked about environmental construction, and in 2008 they pulled the trigger. They decided their next reconstruction would use green technology.

Again, it's without any direct government aid.

Using the U.S. Green Building Council's Leadership in Energy and Environmental Design standards, they decided to make 18,000 square feet of space in the former Har-Rob building at 519 Liberty St. into a "green building."

Aspects that make it green include:

- All the concrete will be recycled by being ground down and returned to the site for fill.
- Steel trusses also will be reused.



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Workers will disassemble and set the steel bars on the ground, then build a second story on the one-story building. Eventually, the steel trusses will be hoisted and installed on top of the building. It's \$70,000 worth of steel that Montreal won't have to buy.

- Parking lot pavement will be porous, allowing rainwater to enter the ground instead of the city's combined sewer and drainage system. To research this, the two principals went to Ithaca College, believed to be the only other site with this pavement in New York.
- There will be sensor lighting, highenergy values in the HVAC units and windows, and high insulation values throughout. Floor drains and sewers will be retained.

The New York State Energy and Research Development Authority will help pay for 50 percent of the increased costs in HVAC and electrical upgrades. And the company will get a 4 percent credit on mortgage interest rates for energy costs.

But don't get the impression that green building is cheaper.

Of the \$2 million renovation cost, Montreal estimates about \$200,000 is



A This is the old Har-Rob Fire Apparatus building at 519 Liberty St. Montreal Construction is renovating the building into one of the greenest buildings in Syracuse by including permeable pavement, sensor lighting and energy-efficient HVAC units and reusing much of the remaining materials.

spent to comply with the high environmental standards for LEED certification.

"I'd like to tell you we're doing it because Sam and I are socially aware business people, but dollars in the budget drive every project," Montreal says. "The profit needs to be there."

But it's more. The two businessmen want green construction to become part of the company's niche and also believe green construction is a big selling point.

"Our pitch is, 'Wouldn't it be great to occupy a building that is green,'" Mon-

treal says. "To a customer who asks you what you are doing environmentally, a good way to start the conversation is to say we're in a green building. We think we could market it that way."

Hogan thinks the company is savvy.

"They know it's the wave of the future," he says. "They know down the road that the costs will be comparable. Instead of saying that doesn't work or that costs more, they have a vision. It's the mark of good business owners."



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