

AS FEATURED IN *BUSINESS IN FOCUS*  
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When a quiet, intent man, Leon DeMatteis first opened his doors in Brooklyn, N.Y. in 1918, the Eiffel Tower was still the tallest man-made structure on the planet and here in New York City the Brooklyn Bridge was deemed the "Eighth Wonder of the World." The New York metropolitan area has changed exponentially during the nearly 100 years the company has been in existence, with the DeMatteis Organizations leaving their mark on the city's skyline.

# TRADITION *and* TRANSITION



## Written by Claire Suttles

**W**ith the family's fourth generation currently being mentored, Richard and Scott DeMatteis continue the organization's commitment to excellence which was personified by their father Fred DeMatteis. Under their guidance, the DeMatteis Organizations is recognized as one of the oldest continuously privately owned builders in New York City.

With a diverse set of development, construction and property management capabilities, the DeMatteis Organizations has been responsible for millions of square feet of private and public construction. Through the 1950s, DeMatteis built many of the K-12 schools, university dorms, hospitals and housing to support the area's post war growth. In the following decades, DeMatteis became a recognized fixture for the development of large-scale middle income and luxury housing, as well as office complexes throughout the metropolitan area including the transformation of the Ruppert Brewery site in Yorkville, the Museum Tower over MOMA and EAB Plaza in Uniondale, N.Y.

Today the firm continues a long tradition of constructing some of the area's most visible projects. Leon D. DeMatteis Construction Corp. exhibits a large and varied portfolio that demonstrates its General Contracting and Construction Management expertise. With its owner / developer's eye for detail, DeMatteis provides an invaluable ingredient to successful development by preparing precise budget estimates and reliable project schedules to preserve the reliability of the largest component of a development budget – "the cost of construction." A reputation for on-time, on-budget project delivery has enabled LDDCC to secure significant construction contracts with prominent public sector owners including the U.S Army Corp of Engineers, U.S. General Services Administration and the New York City School Construction Authority. Representative of their innovative approach to construction is the U.S. Mission to the United Nations, a 440 foot high, 27 story, 140,000 square foot office complex located in midtown Manhattan. This is the first major project by the GSA utilizing self-consolidating concrete, built to one of the highest possible security standards on a logistically challenged site.

These experiences and resources built the foundation for their leadership position in the NYC metro area education marketplace where the firm has been one of the most prolific constructors of K-12 school facilities for the NYC School Construction Authority. The DeMatteis team found a particularly fulfilling niche revisiting the public school marketplace it had



**P.S./I.S. 276**  
1st School Constructed Under the NYC Green Schools Guide

successfully engaged in nearly 50 years prior. The firm has successfully completed nearly 3 billion dollars of NYCSCA construction projects over the last 20 years. Some of the more prestigious examples include the '2008 Build New York Award' winner Bathgate High School in the Bronx, the Mott Haven Campus also in the Bronx, and in Queens, both the Metropolitan and Glen Oaks Campuses.

## Building Green

Several NYCSCA projects in their portfolio have highlighted The DeMatteis Organizations' commitment to green construction, with many of them being the first of their kind. P.S./I.S. 276 in Battery Park City is the first green school to be constructed under the auspices of the NYC School Construction Authority. Building on that success DeMatteis is constructing P.S. 62 in Staten Island, the first "Net Zero Energy" school to be delivered for the NYCSCA. Unique features of the school include a high performance envelope, geothermal mechanical systems, solar thermal and photovoltaic panels, and a green roof. Each of these systems contributes to an end result in which the building is designed to generate as much energy as it consumes.

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Another prominent example of the "Building Green" agenda is the nearly completed NYC Department of Sanitation New Manhattan Community Districts 1/2/5 Garage. This 395,000 square foot, \$200 million project will receive a LEED Silver rating, with a green roof and the uniquely designed glass curtain wall with a motorized sunshade façade being some of the design highlights. DeMatteis has been able to showcase their creative ►►





 Museum Tower



 United States Mission to the United Nations  
28-Story Self-Consolidating Concrete Tower - New York, NY

- ▶ problem solving capabilities in working with cutting edge and first of its kind sustainable technologies.

## Moving Forward

Frank DarConte, VP of Planning and Development explains, “flexibility is essential to successfully competing in an ever evolving marketplace. You need the organizational and financial resources to be resilient and you have to be agile.” During the global financial crisis (GFC), this meant transitioning from private sector programs to public works. “While financial markets were in chaos, government still had the ability to secure funding. Public works construction provided a good avenue for us to work through the recession,” explains Steve Tartaro, Vice President for Construction Services.

The firm is pleased to report that private development and building construction programs have re-emerged over the last couple of years. Financing has “loosened up” so opportunities are presenting themselves again, Mr. Tartaro explains, which has allowed previously stalled private development to finally get off the ground in New York City – and the DeMatteis

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Organizations are at the forefront of the revival. “During the downturn, our development work remained on the sidelines waiting for the economy to recover. Now that [recovery] has happened, we are getting back a number of programs that were put on hold and we are looking for new opportunities.”

While the construction market has gained momentum, significant challenges certainly remain. “The subcontracting community is still smarting from the recession and the financial reserves

that they operated with prior to the downturn don’t exist right now,” says Mr. Tartaro. “Many of the trade subcontractors are working hand to mouth, which brings a unique set of challenges;

closer monitoring of the trade contractors, monitoring that payments are filtering down to the next tier of subcontractors and suppliers, which wasn’t really necessary prior [to the GFC].” Mr. DarConte explains, “The trade subcontracting community still doesn’t have the financial resources behind them to take on significant work without, in many cases, having partnerships with the developer and /or general contracting community. In many cases we may assume the role of serving as a financial backstop for the trade subcontractors that perform a significant amount of work for us.”



Another notable post-recession change is the dramatic shift toward the use of “open or merit” shop labor forces in New York City’s private construction projects. “It appears as we have emerged from this recession there is a boom in merit shop work, which is truly a game changer for the labor landscape in New York City,” Mr. DarConte reports. Mr. Tartaro adds, “This is the biggest change that we have seen in the last couple years within the industry from a purely contracting point of view. [It is] something that we are closely monitoring because it impacts our own approach to the work which had been traditionally union.”

Prior to the GFC, a project would be either 100 percent union or 100 percent non-union, with the vast majority of work being carried out by unionized labor. “The non-union work was typically on a small project scale,” Mr. DarConte remembers. “That is not the case anymore. It is not uncommon now for a 30 or 40-story building to be constructed open or merit shop, in many cases with union and non-union trade contractors working side by side. Budget constraints driven by land costs are largely responsible for the growing acceptance of non-union labor.” Mr. Tartaro remarks. “Frankly, that is because “in order to stay competitive, market conditions are dictating that open shop options need to be considered.”

Another trend worth noting is the condition that workplace safety is now a key project objective throughout the industry. “Safety has always been important, but it has really taken on a much larger role over the last decade,” Mr. DarConte reports. Mr. Tartaro explains, “In looking at any project’s objectives, [a] zero accident policy now is one of the top objectives. It

is elevated to the same project success criteria as profitability, schedule, and quality control.” A combination of factors is helping to drive this increased focus on safety, including insurance costs, federal and state regulations and greater efficiencies in construction practices. A good safety record is also good for business. “Even though you are coming from two distinct perspectives – one being a business model and the other being the public interest – the end game has been the same,” Mr. Tartaro remarks. “Safer worksites have been good for labor and good for productivity overall.”

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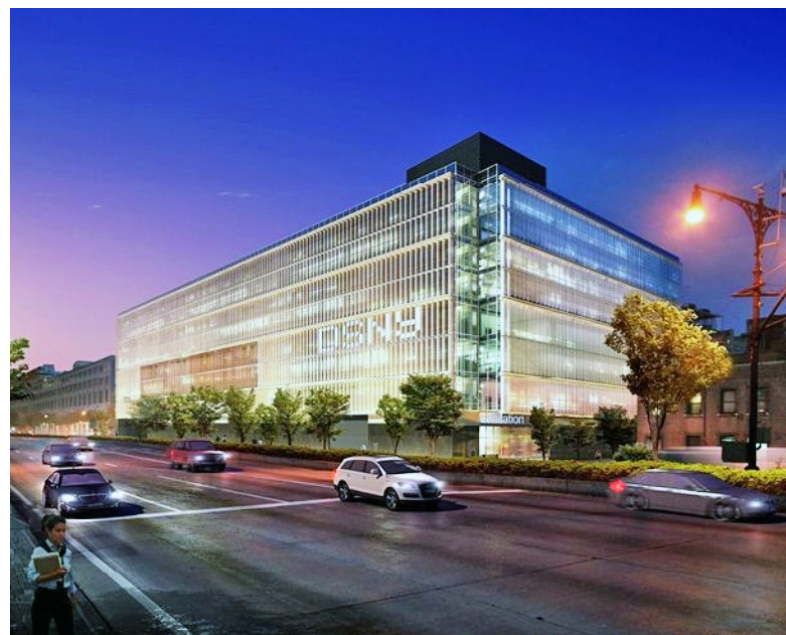
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The DeMatteis family recognizes that none of the company’s success would have been possible without the support of loyal clients, trade contractors and most importantly their dedicated staff. Scott DeMatteis, the company’s chief operating officer, speaks to the concept of employees, trade contractors, vendors and craftsmen as being part of an extended family. Most importantly, the firm’s lean management structure is designed to create more value for customers through proficient and innovative project execution. Long term relationships are created and supported by a *tradition* of an ethical and honest business philosophy which has been the foundation of the organization for nearly 10 decades of achievement and effectively *transition* the next generation of builders. ■

📷 RXR (Formerly EAB) Plaza  
(2) Twin 15-Story Elliptical Towers - Uniondale, NY



📷 New Manhattan Community Districts 1/2/5 Garage  
LEED Silver Maintenance/Storage Facility for (3) DSNY Districts and Truck Storage for United Parcel Service





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