



Photo by Rombout Photography

PROJECT PROFILE

LITHIA VOLKSWAGEN ADDITION AND ALTERATIONS

Dave Hengelsberg likes building car dealerships. Hengelsberg, vice president of sales for Uhl Construction, has been the project manager for roughly a dozen dealership projects over the past decade. Although Uhl Construction had dealership projects in its portfolio for 50 years, the recent changes in the way the auto industry has evolved fit the general contractor's way of doing business like a glove.

Car and truck manufacturers get to market through a network of dealers. As the economy and buying habits of consumers have changed through the years, the independence and influence of the dealers has waxed and waned. Manufacturers have consolidated and have become increasingly focused on their brands. Since the late 1990s, that has translated into regular renovations to the dealership networks to keep up with new branding or corporate mergers and acquisitions. Those renovations have been imposed upon the dealers, even during economic downturns. Well-capitalized dealers have been able to acquire competitors and add brands. In recent years, that trend has accelerated, with large corporate entities acquiring dealers in cities across the nation. This latest trend brought Lithia Motors to Western PA, acquiring Baierl Auto Group and Day Automotive Group in 2017 and 2018.

Uhl Construction had developed a relationship with Baierl Auto Group and Lee Baierl that established the contractor as an expert in the auto dealership niche. When Baierl was acquired by Lithia in May 2017, Hengelsberg presumed that the working relationship might end. Instead, the acquisition led to more work immediately and the chance to develop a new customer in Lithia Motors.

"We went from thinking we would never hear from them again to getting a call out of the blue, saying that there were three projects lined up for us. Lithia retained Lee after the sale and for that first wave of three projects they turned us loose to get them moving," Hengelsberg says. "That was the reconditioning center in Moon, renovating the Kia into Acura, and the additions and renovations to Toyota in Wexford."

At the time of the Baierl and Day acquisitions, Lithia Motors was in the process of growing from less than 10 dealerships to more than 100 nationwide. Lithia was building an internal construction management department and a team of consultants to handle the re-branding and new construction in markets across the U.S. By the beginning of 2020, their approach had changed.

"When we moved to working strictly with the Lithia group from Oregon, they got competitive numbers from 50 percent drawings

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The former Day Apollo Volkswagen before renovations.

for South Hills Subaru and the Volkswagen project,” Hendsberg recalls.

Although Lithia asked for competitive proposals, the projects were not decided strictly on a low-bid basis. Lithia analyzed the contractors’ approaches and interviewed key personnel. Anne Breck, senior project manager with Lithia Motors, explains that her company values relationships as much as price.

“We are a company based in Medford, Oregon. Pittsburgh is three time zones away. We needed to develop trusting relationships with contractors,” says Breck. “Uhl had a long-standing relationship with Baierl. When we acquire dealerships, our goal is to grow relationships, not sever them. I was starting a couple of large projects in the Pittsburgh market. Uhl had successfully completed several smaller renovations during the transition. We had them hard bid Subaru and Moon Township but, as we tell all contractors, lowest price does not always win. So, like any good negotiator I asked Dave what kind of deal he would give me on Moon Township Volkswagen if we gave him South Hills Subaru.”

The negotiating approach worked.

“We got South Hills Subaru and the Volkswagen job within one day of each other,” Hengelsberg laughs.

While work started in early 2020 on the Subaru dealership expansion in Peters Township, the decision-making process about the Volkswagen project put the project on hold for a while. The dealership



had not been a high-volume operation for Day Automotive, and the investment in renovating and re-branding a facility built in 1972 was pushing the limits of what was financially sound. After several months of evaluation that coincided with the onset of the COVID-19 pandemic, Lithia chose to move forward with the project. That did not end the tough decisions about construction.

The program for the project involved renovating 30,000 square feet of service and administrative space and adding 8,500 square feet of showroom, after demolishing the existing showroom. There was a litany of legacy problems associated with the buildings, however, and an unusual level of renovation needed for the shop. Both contractor and construction team could see the advantage of demolishing the dealership and starting from scratch.

"We are run by auto dealers, not construction professionals. After they buy buildings, they have the hardest time wrapping their heads around why you would tear something down," says Breck. "In their minds that was a perfectly good building, but we basically rebuilt the dealership. We took the showroom off the front of the building and built a new one."

The latter part of the program was the simplest part of the scope of work, of course. Two major problems drove the scope and sequencing of the project. First was correcting the sins of the past, particularly regarding the site and service building. The second was the necessity to keep both sales and service operations functioning fully.

"Part of the challenge was the site. One of the big issues was learning how to mitigate all the runoff," says Breck. "Prior to starting the design of that Pittsburgh received this unusual rainstorm of six or eight inches of rain in a very short period of time. The mud from the top of the hill flowed into the building and there was six inches of mud throughout the building."

"We ended up completely redoing the storm water system. From a topographic standpoint, if you were building this building brand new, you would build the finish floor two inches higher. We talked about possibly raising the floor in the showroom, but it didn't make any sense," says Hengelsberg. "The engineer designed a large swale at the top of the hill to slow water coming down and we added larger catch basins. We regraded and recontoured all the asphalt. They said they got water in every door during heavy rains. We've

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An addition replaced the showroom of the existing dealership. Photo by Rombout Photography.

had a number of those kind of storms since and it seems to have eliminated that issue.”

The service department bore the brunt of the rain and mud infiltration, but that was hardly the only legacy problem associated with the existing building.

“The standing seam roof was beyond its useful life. The exterior walls were some sort of exterior panel that had EIFS directly applied to OSB that was screwed to the existing walls,” says Hengelsberg. “The other challenge was that any time they added anything to that shop, whether it was water lines, lighting, air lines, or electrical, they just screwed it to the sheathing. There were also three generations of lights in the shop. We had to go through piece by piece to determine what was still needed and what we could demolish.”

“We suggested doing a roof-over system, which is basically running hat channel, standing seam clips, and a standing seam roof over the existing so that we did not have to shut down the service department. We also put a new skin on the exterior of the building,” he continues.

Uhl Construction also suggested adding a second full bathroom in the service area so that female and male technicians did not have to share a bathroom. The contractor also agreed to a major change to the sequence of the project to minimize disruption to the sales and service operations. After relocating parts storage from behind the existing showroom, Uhl then constructed the service drive, which is the enclosed area into which service customers bring their cars to the facility. Because the service drive sat outside the footprint of the building, temporary barriers at both ends could serve as exterior walls and the interior could be finished to serve as an interim sales showroom during the time that the new showroom was demolished and

rebuilt. The solution utilized a portion of the new construction to avoid the expense of renting sales trailers, which was a less desirable option.

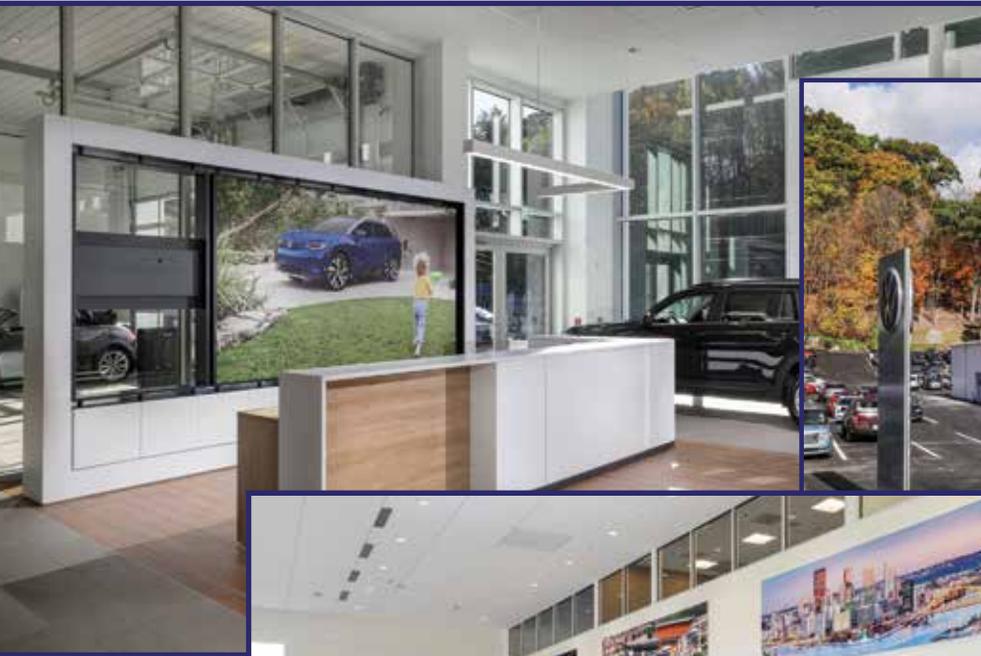
“In hindsight, we should have brought temporary trailers in to give us a head start on that area. I’m not sure we would do that again,” says Hengelsberg. “It was a great idea for the owner. It saved them a lot of money compared to the trailer and saved us space. From a time standpoint, it set us back. Moving around of the sales department added the two months.”

After the delays in spring and summer 2020, the project got underway in September 2020, wrapping up 12 months later. Breck notes that the project was like two projects in one, with the new construction going much more smoothly than the renovations, which produced unforeseen issues almost weekly.

“We hardly heard a peep from Dave when he was building the showroom. We ran into a lot of deferred maintenance issues on this project because the building was in pretty rough shape when we took it on,” Breck says. “Overall, the store team is incredibly happy. The manufacturer, Volkswagen, is very pleased with the results of the project. We feel like we delivered a building that both our customers and the community can be proud of now.”

Hengelsberg credits the relationships forged during the construction of multiple dealership projects for success of Lithia Volkswagen. The design intent documents done by Carlson Veit Junge Architects are meant to be project specific, but there is ample room for interpretation and for recommendations from the local project team. The mechanical and electrical systems were done design-build. Likewise, most of the specialties – like lift equipment and signage – were manufactured and installed by firms that Uhl has worked with on other dealerships.

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Hengelsberg believes that gave them an advantage that helped save time and headaches.

"We've done enough dealerships that now we know the players.

We know who they buy lifts from. We know who they buy the signage from," he says. "Signage used to be a big issue because the owner would never tell us up front where they were getting the signage. One day someone would just show up from a

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