



CANADA'S GREAT GLAZING

Our annual look at the
projects that made
a difference

GLASS CANADA

glasscanadamag.com | April 2020



*For news and advice on COVID-19
in the manufacturing sector,
visit www.glasscanadamag.com*

TOP GLASS COMING SEPT. 29

RUNNING THE GAUNTLET

by RICH PORAYKO

If you weren't at the 2020 Building Envelope Contractors (BEC) conference in March, you missed one hell of an unforgettable event. Over 680 glass and glazing professionals slathered themselves in hand sanitizer and ran the coronavirus gauntlet to Nashville, Tenn., creating the highest attendance in over a decade.

Everyone knows the coronavirus won't last since it was made in China, however the fear is real and many attendees did their best to kill the virus with copious amounts of alcohol in Nashville's entertainment district. COVID-19 was the talk of the show until the tornados touched down, killing 24 people, destroying hundreds of buildings and



BEC proved worth the risks.

causing a state of emergency. As the twisters approached the JW Marriott around 1:00 a.m. local time, the hotel evacuated hundreds of guests to their basement for several hours.

It feels like a lifetime ago since the 2019 BEC when it was just tariffs that everyone was talking about. Crippling taxes actually seem kind of nice compared to pandemics, economic plunges and natural disasters. Black swan events tend to emphasize the big picture while underscoring that we truly need to be grateful during the good times.

"We have grown by over 100 attendees from last year," said emcee and installation committee chair, Matt Kamper of Woodbridge Glass. "The theme of this year's BEC conference is 'Glazing 2020: Advanced. Innovative. Complex.' Your attendance at this conference is just one indication that the contract glazing industry is ready to kick it up a notch."

"This year's BEC has a new energy to it, due much in part to the highest attendance in over a decade," shared Andrew Haring,

vice-president of business development for the National Glass Association. "This tells me a few things: the market is strong, NGA is reaching new companies and people dig a non-Vegas venue. It's always amazing to see folks take off their competitive hats for a few days and come together to share ideas to grow this industry together. It's not only encouraging, but essential. This is what the National Glass Association is all about."

Joe Puishys, CEO of Apogee Enterprises reminded the audience that he had also given the state-of-the-industry address for BEC in 2015. "I didn't know repeat performances were allowed," joked Puishys as he did often during his presentation. "A lot has changed and a lot has not changed in five years. Our industry moves at glacial speed with regards to the implementation of new technology but we're moving at lightning speed in other areas."

Apogee was formed over 70 years ago. "We have nine separate operating companies in four segments," said Puishys. "We

ABOVE: Nashville attracted a record number of BEC attendees and gave them their money's worth, with a tornado and threat of viral infection thrown in.

operate in four different countries, primarily in the western hemisphere. I have over 7,230 employees as of last week. We are not ginormous but we're not insignificant either at almost \$1.5 billion in revenue. We make and install a lot of great products and I'm proud of that."

As one of the world's largest glass fabricators, Viracon is Apogee's largest stand-alone company. "We do everything but melt sand," said Puishys.

Puishys told the audience he wasn't an economist but he spends a lot of time reading economic reports. "There's a question mark. Is our end market going to be robust in the foreseeable future? I'll tell you that the last page in my book says yes."

Puishys shared with attendees that he had listened to a forum a few hours earlier with a panel of lead economists. "It was all about the coronavirus. It was quite fascinating. The bottom line is that they are lowering their projection for GDP for this country from 3.4 per cent for the year down to 2 per cent. This is a big deal. They are predicting Q1 will be negative and Q2 will be just slightly positive, which means pretty good growth for the second half of the year."

China makes up almost 20 per cent of the global economy. "They say 90 per cent of the state-owned enterprises are back and open, however the migrant workers have not returned yet from western China and probably won't for a few more weeks," said Puishys. Even though the factories are open, having the lights on and the doors unlocked does not necessarily mean there is any production, but it is turning back on. Fifty per cent of non-state owned enterprises are also getting fired up. "There is some hope.

There is a lot of room for panic."

Puishys told the nearly sold-out audience that the biggest industries that will be impacted will be travel and businesses that cater to large groups of people in one room. "The reality is that it's probably not a time to panic. Over 120,000 people have died from influenza since the beginning of the season. You don't get a news headline every day that 111 people died of the flu. But you do get a headline that two people in Oregon passed away. It's tragic but we need to keep it in perspective. We shall see. One thing we're certain of is that no one knows what to expect. Things should be okay. There will be supply interruptions for sure. Domestic spending will take a hit. The biggest risk will be if they will be wrong about Q2 being slightly improved. This could drag on for a while. We're in for a rocky ride."

According to Puishys, approaching a score of 60 on the Architectural Billing Index (ABI) is overbuilding territory. "If you were to look at the ABI prior to the financial crisis, it was over 65. Most can hopefully attest that buildings are not going up on spec like 2007 and 2008. Most have a high lease rate of at least 70 per cent with an anchor tenant before they build. We feel good about the ABI and it's recently ticked up again. I think we're bumping along the top. I think there's some opportunity for low growth for the foreseeable future. Another two years maybe. I'm not predicting a downturn. We feel good about construction starts as well."

Job growth is the most important metric to Puishys. "Buildings are built to house people that have jobs. That's what we care about. Over nine years or 112 months of consecutive job creation in the United States. This is not a phenomenon in the last three years. It's a good indicator for the next couple years that you should take comfort in."

Some post-WWII recessions were very short while other were much longer. "Our current recovery is 10-plus years. It's the longest recovery on record. Where's the cliff? Thirty-three year-old analysts always like to predict the cliff. Why? Because they are too young. They've only lived through one downturn: 2009. Most of us have lived through three or four."

"Is there a cliff coming? I say no," says Puishys. "This same recovery is actually the weakest when it comes to growth and GDP because it hasn't been a big spike. It's been a slow, steady ascent."

The economic engine is fueled by consumer spending. "Overall, I think we have a healthy market. The caveat I always give is that the world we live in overreacts to both good news and bad news at lightning speed. If the consumer puts their wallet in their safe, that's when things start to turn down. And then owners hold off building buildings and we all feel the effect."

According to Puishys, the U.S. dollar has strengthened 33 per cent over the last five years against the Euro. "This is hard to work with. It makes foreign competitors much more price competitive. For glaziers, this is good news. You have competitive options from offshore. For us local manufacturers, it's a tougher story. I have sound advice for my team: get over it. Suck it up. Put your man-pants on. It's not going away."

The higher the standards, the better for quality players. Puishys told the audience that the mayor of New York City did not call for a ban on glass buildings, even though that's kind of how the press treated it. "They are enacting standards that have substantial powers for new construction and renovation. The days of double IGUs with metal spacers and one low-E coating in colder climates are numbered. Glacial speed

Alumicor™
BUILDING EXCELLENCE

**PROUD
GOLD SPONSOR
TOP GLASS 2020**

**Curtain Wall
Integral Windows
Fixed & Operable Windows
Storefront & Entrance Doors
Sliding Patio Doors
Sliding Windows
Skylights**

Specifications Catalogue Pages CAD details

www.alumicor.com

The Leader in Architectural Aluminum Products



Joe Puishys of Apogee is the highlight of every BEC conference with his status as a major player in the North American glass industry and his sharp wit and insights.

will not be in play. It will be much faster than the adoption of triple-glazed IG units with two low-E coatings and non-metal spacer.”

Five years ago, a major issue was the visible light transmittance of glass was affecting the migratory path of turtles primarily in Florida. They would head in the wrong direction off the beach because of the light coming off the buildings. Standards were enacted, Turtle Glass became a thing and the issue is being resolved.

Two years ago, the Minneapolis Vikings’ U.S. Bank Stadium was showcased across the United States and the world during Super Bowl LII. “That’s our glass,” said Puishys. “Wonderfully installed by

Interclad. An amazing project.”

“I have to hang my hat in this city,” Puishys said, eluding to the ongoing ire of bird lovers who see the huge glass walls of U.S. Bank Stadium as a death-trap for birds. “I’m in an organization of CEOs in Minnesota and everyone was torturing me over the politics that were going on. The Wilf family that owns the Vikings did not want any pattern on their glass. We discussed a digital print that would address the needs of the National Audubon Society. I actually had one CEO ask me why I didn’t just donate the extra cost of applying the frit. What the fuck, right? To a billionaire owner when half his stadium was supported by tax initiatives?”

After the audience regained composure, Puishys told attendees that 50 per cent of Apogee’s workforce are Millennials. “As the Baby Boomers retire, there are not enough Generation Xers to fill the leadership roles so we need to rely on Millennials to fill these leadership positions.”

Moderated by Sole Source Consulting’s Max Perilstein, “Navigating the Technology Landscape” covered using innovation such as BIM to grow your company and drones to inspect your projects for quality assurance.

“BIM is only at about one per cent of its journey in our industry,” said Nick Bagatelos from Bagatelos Architectural Glass Systems. “We started with Revit about 14 years ago. It’s been the thing that’s driven my company through the roof over the last decade and a half for bottom line and efficiency. We kind of lucked up on a project six times larger than any project we had ever got. We were invited into the room because we’d completed hospitals and this giant hospital wanted it done in Revit. Saying yes allowed me to do a project five times larger than I’d ever been on.”

Major League Baseball player Jim “The Rookie” Morris delivered a powerful keynote on “Remembering Who You Are.” “My definition of a dream-killer is someone who wants to see you fail. For whatever reason they tried and failed or were too afraid to try, so if they can drag you where they are, they feel better where they are.”

The first dream killer in Morris’ life was his father who was physically and verbally abusive. “I could not stand my father. The only way I could get away from him was in between the white lines of a ball field. Whether it was football, basketball or baseball, I did anything I could to stay out of the house. In between the white lines, I got to be the kid I was supposed to be, if only for two hours at a time.”

Additional sessions included panels on delegated design, understanding the mind of an architect, bird-friendly glazing and much more. Save the date for the 25th anniversary BEC, March 14 to 16 at Caesars Palace in Vegas where all bets are that things will be perfectly steady and completely normal with no catastrophes or contagions. •

[This article was filed in mid-March before the full extent of the coronavirus outbreak was known. - ed.]