

TIER 1 GROUP

Thirst for knowledge helps remodeler bloom in green building field

by Kirsten Voinis

Some homeowners might feel uneasy to hear their remodeler openly talk about learning while on the job.

But for Bill McHugh, learning never stops. "Education, education, education" is the mantra for McHugh, founder and CEO of Tier 1 Group in Leander, just northwest of Austin.

For McHugh and one of his clients, his commitment toward continual education paid off in a big way. McHugh's remodel of a central Austin home, his first large-scale green building project, earned a five-star rating — the highest possible — from Austin Energy's Green Building Program. It is one of only 35 five-star awards given by the program, which has evaluated 7,000 homes since 1991.

As McHugh drew up the energy efficiency features of the home, he literally was learning about them through classes, research and consultations with Austin Energy and other experts.

"We are a young company, but have made it our focus to understand and implement green energy and new building technologies and concepts," McHugh said. "We educate ourselves, our partner alliances and our clients on building technology standards, codes and implementations."

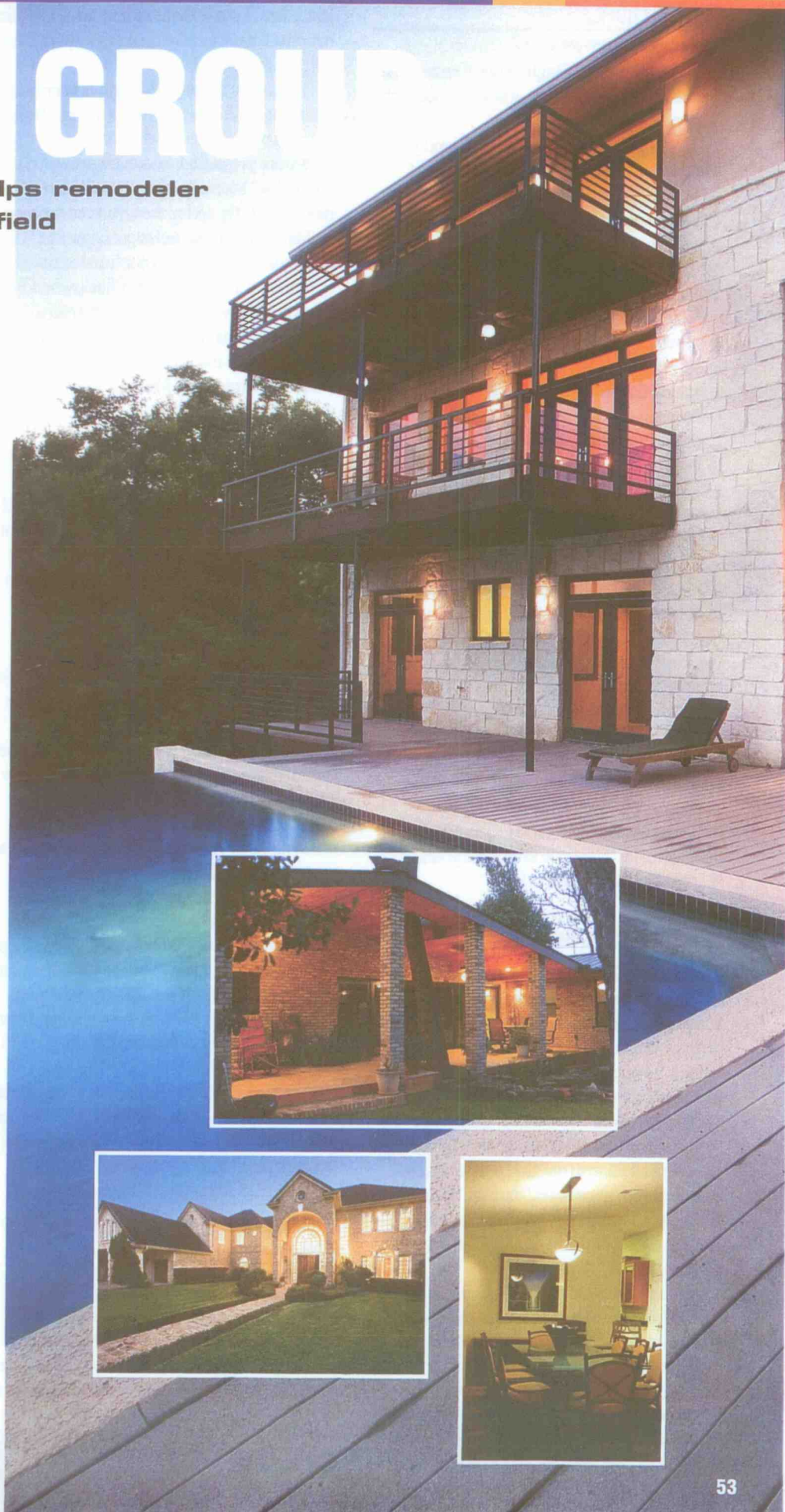
Technology — Not Remodeling — First Draws McHugh

McHugh's roots in the construction industry reach back to his grandfather, who helped build many inner city Chicago buildings during the Depression, and his father, a custom home builder in Chicago and throughout the Sun Belt before settling in Austin.

Yet, despite the family history, McHugh said his father actually dissuaded him from pursuing the home building business.

Instead, his love of learning spurred him to enroll at St. Edward's University in Austin to study technology. After graduation, he worked at IBM for 13 years in various capacities including programming, database development and research.

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BUILDER PROFILE

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While at IBM, McHugh started Central Texas Construction Management, a small remodeling company, in 1996.

"You work in the corporate world, and you're just another small person in a big machine," he said. "A lot of times you can't see your contributions. Being able to go out and build something that you can draw and design and see it come to fruition was a compelling thing to me."

Moving from a corporate career, McHugh observed that management was often missing in the building field. In the beginning, he was asked to help manage jobs that had developed problems such as structural issues, out-of-control budgets or slipping timelines. His task was to gather together all the players and develop and implement a plan to move forward.

"It's not that I knew any more, but I was able to bring together the right people," he said.

McHugh merged his technical background into his remodeling company by approaching his job as an opportunity to blend craftsmanship with new technologies. He also adopted corporate business practices when handling reports, timelines and deliverables to make his new business operate more efficiently.

His IBM experience helped lay the foundation for his constant pursuit of knowledge as a remodeler.

"One of the things I learned from the corporate world is educate, educate, educate," McHugh said. "Continue to educate yourself, because there's so much to learn."

Student Also Serves as Teacher

McHugh learned his second career several ways. First, as a young man, he did some building with his father. Second, he sought mentors in the custom building business. Finally, he credits education opportunities offered through the Home Builders Association of Greater Austin.

"There are a lot of builders going to these classes, in addition to meeting people who talk about real-life experiences," he said. "Getting information from people who've been in the business a long time — you can hardly put a value on that."

McHugh envisions education as something to share, taking on the role of teacher to inspire his trade partners to become more knowledgeable about their roles.

"I dissect other people's work, and I'm finding a lot of these trades put stuff together the wrong way," he said. "They're not going out and learning the new techniques and

processes. I see it more so being a remodeler, because I have to take their stuff apart. I find horrific mistakes."

His goal is to help his trade leaders earn their National Association of Home Builders designations.

"I want to build a house that's going to last 100 years," McHugh said. "I don't want warranty issues. By taking the time to understand building science and techniques, you can build a good quality house that's not super expensive."

McHugh's role as teacher has carried into his volunteer work. He has participated in several projects for International Habitat for Humanity, managing build projects and student volunteers in Mexico, Romania and, soon, New Zealand.

Company's Growth Is Green

Although McHugh established his remodeling company in 1996, it wasn't until 1999 that he could afford to quit technology consulting on the side and devote himself to his business full time.

In the past seven years, his remodeling projects have gotten larger and more complex, sometimes topping \$1 million. Tier 1 focuses on high-end residential and some commercial remodels.

"At the same time, it's all about applying new technologies or new building practices or new materials," he said.

McHugh measures his company's growth based on how well it has learned to incorporate processes, procedures and customer service protocols that have reduced costly customer callbacks and warranty issues.

This also is due to the relationships McHugh has built with his trades, who he considers part of the team instead of just as subcontractors.

Tier 1 also is focused on incorporating green building and energy efficiency into its projects as much as possible.

"We have established ourselves as a high-end remodeler with a focus on quality, customer service and implementation of new energy/green technologies," McHugh said.

Remodel Earns Top Energy Efficiency Honors

McHugh is most proud of the residential remodel that earned the highest energy efficiency rating from Austin Energy's Green Building Program. It also received a certificate from the Texas EasyLiving Home Program, a voluntary certification program that specifies criteria to make a home cost effective, accessible and convenient.

The central Austin project was supposed to be a routine remodel to add 1,000 square foot to the 4,100-square-foot home. The project was quickly complicated by City of Austin restrictions on lot use and building height.

While McHugh struggled with these challenges, he was researching and taking classes about energy efficiency and green building. As he learned more, he began proposing new ideas to the homeowner, who was open to his suggestions.

The result was a home that went beyond the simple addition of square footage. Instead, the finished home featured — among other things — four-foot overhangs, a metal roof, recycled wood from removed flooring, a tankless water heater, reduced roof penetrations, low VOC paint, recycled glass countertops, low-E windows, UV lighting, spray-on insulation and low water use landscaping.

"As we went from the slab to the framing to the plumbing, we would evaluate each to see what changes we could make," McHugh said. "For example, how could we reduce roof penetrations? It was really an education process, not only for the trade alliances, but for some of the inspectors. As we moved forward, we kept analyzing everything."

The home also incorporated a number of universal design elements, such as curbless showers and raised floor plugs.

McHugh drew on a number of resources for his self-education, including Austin Energy's Green Building Program.

Not only did the completed home earn highest honors from the program, but Austin Energy convinced the homeowner to allow it to use the home as sort of a research lab, recording energy efficiency data such as temperature differences through measuring devices installed in the home. For example, readings found only a two-degree temperature difference between the attic and the home's interior during the winter months.

What McHugh learned on the project has only made him hungrier to learn more and to share more of what he's learned.

"We are currently working with a small city outside of Austin to help develop an awareness of the importance of energy efficiency and green products and technologies and their value to the new homeowners and general community," McHugh said. "We feel very strongly about contributing to our community and environment. If we could contribute to the establishment of a green building and energy efficiency standard for small, up-and-coming cities to reduce utilities bills by implementing new building technologies, I would be truly blessed by the opportunity to know that I am making a contribution." ■