Builders pull permits for nearly $40 million worth of projects in July

Fireworks, apparently, weren't the only things exploding in July. A new report out of Lawrence City Hall shows construction activity in the city was booming, too.

City officials issued building permits for a whopping $39.7 million worth of projects in July, the highest monthly total in at least three years. The numbers are creating new optimism at City Hall.

"It looks like Lawrence's growth is back," City Manager David Corliss said recently when summarizing the report. "That's good to see."
The numbers, though, aren't yet clear-cut evidence that private sector spending has fully bounced back. About $17.2 million worth of the projects were government or publicly funded projects. A $10.5 million building permit for the long-talked-about Rock Chalk Park recreation center was the largest public project of the month. But officials also issued a $6.6 million permit for the expansion of the Bioscience and Technology Incubator on Kansas University’s West Campus.

For the year, about $28.7 million worth of projects, or about a third of all the new construction projects in the city, have been publicly funded. The library expansion, at about $9 million in permits thus far for 2013, has been the other major publicly funded project. (As a reminder, construction that happens on the main campus of KU is not included in these numbers. KU isn’t required to get a city building permit for those projects. The numbers also don’t include the millions of dollars being spent to build new roads at the Farmland site and elsewhere because such excavation work doesn’t require a building permit.)

The impact of public spending in the construction industry has been significant compared to past years. In 2012, the city issued $8.9 million worth of permits for publicly funded projects. In 2011, the total was $7.9 million. It is as if public entities, with the help of the voters, in the case of the library, have banded together to create their own stimulus program.

There certainly are signs that private sector construction spending is starting to follow suit. The largest project of the month was a private one: the long-talked-about Marriott hotel and retail building at the southeast corner of Ninth and New Hampshire streets. Construction permits for the project totaled $13.8 million.

The housing market, though, may have local economy watchers as optimistic as anything. The city issued permits for 20 single family homes in July. That was the second month this year that the city had issued 20 or more single family permits. Not once in 2011 or 2012 did the city issue 20 or more permits in a month. For the year, the city has issued 107 permits for single family or duplex homes. With five more months left in 2013, those totals almost exceed the totals for all of 2012, when 126 permits were issued.

Here are some other year-to-date numbers through July:

• The total construction value for the year is at $114.9 million, up 89 percent from the same period in 2012 and up 117 percent from the same period in 2011.

• While there was no new apartment construction in July, it has been a busy year for the sector thus far. The city has issued permits for 374 units in 2013, up from 184 during the same time period in 2012 and 64 during the same time period in 2011.