St. Mary’s construction industry leaders blasted the lack of funding and increased regulations putting the pinch on their businesses March 18 at the roundtable hosted by the Dept. of Economic and Community Development. DECD attempted to bring businesses, small and large, together to network, discuss the critical issues impacting their stability and seek out solutions within the local community.

A few years back, the construction industry was booming in St. Mary’s County, with developments springing up left and right. In a seller’s market, the contractors stayed busy and thrived. According to Business Development Manager Hans Welch, when the building slowed, it impacted the whole industry from the prominent developers to the independent specialty contractors to the suppliers and support companies.

Welch said it was a visit from M & M Masonry, Inc’s Mike Grigsby, Sr. that got the ball rolling. At Thursday's meeting, Grigsby, a local contractor for more than 25 years, said, “It’s lousy down here. Every time we take a step forward, the banks knock us back.” He explained how, due to the credit crunch, lenders expect top-notch credit scores or large down payments to get financing. “It’s just hard for small businesses to swing that in a poor economy,” Grigsby said.

Edward R. “Guy” Curley III, Liberty Homebuilder founder and President of Maryland Home Builders Association, told the group, “In good times and bad, knowledge of the industry is important.” He suggested commercial building loans have been hard to obtain due to an abundance of regulations and a weak economy. Curley said, “I think you’ll see people getting creative to get projects off the ground in the near future.”

CMI General Contractors, Inc.’s John Parlett, Jr. commented, “Mercantile [Bank] used to provide the lion’s share [of loans for construction projects] until PNC took it over. This caused a lot of us to do a lot of refinancing, making us have to work harder.”

Due to stricter lending guidelines, according to many meeting attendees, banks are requiring more collateral and more proven profitability. Many smaller business owners said they’ve been forced to rely on personal and investor financing to keep projects going.

One local bank, Cedar Point Credit Union announced it recently started offering consumer loans and wants to help the community keep building. The bank’s President/CEO Barbara Horn told the crowd, “We do have money, so stop in and see us.”

Land Use and Growth Management’s Phil Shire said new home permits were down 60 percent and his department is “painfully aware of construction industry troubles.”

Suppliers like Dean Lumber and Dyson’s, as well as real estate, mortgage and insurance companies reported sales slumps and discussed diversifying their products and entering new niches. A representative from 84 Lumber said they’ve seen a temporary sales spike due to homeowners’ spring fever, but stated, “We’re ready for one more slow year.”

Parlett said he thinks 2010 will still be pretty weak, but looks for improvement in the next couple years. That coincides with the U.S. Bureau of Labor Statistics’ outlook for construction jobs. The agency said on their website, “Population growth, deteriorating infrastructure and aging buildings will generate employment growth…”

Those in the building business in St. Mary’s hope for the same on a local level. Upcoming capital improvement projects, new restaurant constructions, and contracts with Pax River were hot topics.

Welch told the group that while he