



ORAL HISTORY PROJECT

in Celebration of the
City of Sugar Land
60th Anniversary



CITY OF SUGAR LAND

Gene Reed
CEO, E.E. Reed
Construction



GOODSILL: I am interviewing Gene Reed, CEO of E. E. Reed Management, LLC, and General Partner of E. E. Reed Construction, LP.

Let's start at the beginning.

REED: I was born in 1934 Houston at Saint Joseph's Hospital. I was born in the worst part of the Depression. I had two older brothers but they died at birth. My mother and father divorced during the Depression. The Depression lasted until World War II really, or maybe longer. Nobody knew the difference between the Depression and World War II because everyone was so poor anyway.

We moved to Rosenberg when I was about seven years old. This was during WW II and my grandparents were getting old and had lost their farm in the Pleak area. Because they

lost their farm they had to go somewhere, so my mother bought this little place about two miles outside of Rosenberg on Highway 36. They moved in with us. Rosenberg was a very conservative town. Most people were married. So we were kind of outliers. But it worked out.

I went to school in Rosenberg at Holy Rosary Catholic Church where I got a really good education. Everybody said you'd get a much better education in the public school system but when I got to high school, I didn't see it that way. I thought we were ahead of our peers in English. They had courses we didn't have, such as science. But it didn't take long to figure that out.

We were in some of the first classes at Lamar. Rosenberg had had its own high school and Richmond had their own high school, and they consolidated in 1947 to form Lamar Consolidated Independent School District. It was about the second year of the consolidation when I went to high school at Lamar.

GOODSILL: When you were a child, were you good at any particular area of study?

REED: I was pretty good in English and arithmetic. Numbers were always easy for me. I like to work with numbers. The nuns taught us grammar and gave us a good background. We did a lot of school plays and I was in them. I was pretty good at that. (chuckles) I played football and baseball.

During high school, I would go to the library and try to figure out what I was going to do with my life and career. I'd look in the paper in the classified section to see what kind of jobs there were. A lot of times they would show what the salary would be and I saw where draftsmen were making \$400 a month. I had no idea what a draftsman did but I thought that's what I wanted to do if they made \$400 a month! Later I found out what a draftsman did and it wasn't what I wanted to be.

After high school, I spent one semester at the University of Houston and then transferred to Texas and finished my education at UT. I got degrees in civil engineering and business.

The father of a close friend of mine started a sulfur company down in Damon Mound. First they had to build the plant so they asked me to work down there. I ended up working with carpenters. The engineer who laid out the buildings caught my eye and I got to work with him. In high school, I had worked for the highway department in the summers, cutting weeds and shoveling asphalt. They paid \$1.00 an hour, a lot of money. I'd see two guys drive up in a pick-up truck, stop and get out, and they had an instrument they set up and would shoot something. I didn't know what they were doing but I knew they were engineers. They would get back in their truck and head down to the local joint and have a Coke or something while we were out there working our tails off. And I thought, "That engineering looks like what I need to do."

They were surveyors. Back then a lot of civil engineering was surveying. This guy at the sulfur plant taught me how to set up the instrument and I ended up shooting grades for him. Then you get into college and you learn that surveying is a very small part of what engineers do. Nowadays professional surveyors are hired to verify the architect and engineers plans.

At UT, I got interested in transportation. Eisenhower was president and he came up with the idea that the country needed a whole new freeway system. We studied about the freeway system and I got interested. I always felt like it would lead me back into construction, mainly because of the surveying and working with the carpenters when I was at the sulfur plant.

They had a degree at UT called Engineering Route to Business. It was like industrial engineering; a combination of business and engineering. I ended up getting a degree in that. Unfortunately that was 1957 and the country went into a recession. Nobody was getting career jobs. I was working my way through college and I could still get summer jobs. I got a job with Ebasco Services working in engineering when they were building the HL&P plant near the George Ranch. I was lucky to get on with them that summer and I decided to get that civil engineering degree after all. When I got out, we were still in a bit of a recession. I got an offer to work at a big

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Boeing plant in Washington state. They sent me newspapers of what it was like in Washington. I kept looking at that and it was RAIN. (laughter) It rains every day there!

I had a military commitment to fulfill in 1959 so I went into the Air Force. It was between the Korean War and the Vietnam War. Since I had been in the Air Force ROTC, I decided to go into the regular Air Force, which was a six year commitment. You could go into the Army for two years or the Navy for three years. It was a period of time where the country was heavily armed but nothing was really happening. I went into the Air Force and went through boot camp and training school. Since I was an engineer, they tested me to see if I could qualify for these technical schools. Those tests were easy for me. They looked at my scores and said, "You can go to any of the schools you want to. Pick one." I had two choices: Wichita Falls or Amarillo. The school in Amarillo seemed to be more engineering oriented so I chose that. I did my basic training in San Antonio, and then they sent me to a tech school for six months.

I was in the reserves for 5-1/2 years. I had to go to the base every month for a weekend for 5-1/2 years and then we had summer camp. Luckily I missed the Cuban missile crisis by a little bit. Some

of the people in our wing were pulled into that. I made a good friend in the Naval Reserve and had to go to a meeting every week. We'd be sitting around, drinking beer, and I said, "I only have to go once a month, but it is for the whole weekend." He said, "I think I would really like that. I could live on a stationary boat in Galveston and go out there for a weekend like you do. I'm going to try that." So he transferred from the unit he was in to the boat. Unfortunately, during the Cuban missile crisis, they activated that boat and he spent three years circling Cuba. I asked him, "What did you do?" And he said, "We didn't do anything. We just circled around. Every so often we would shoot things to see if our guns still worked!" (laughing) I felt so sorry for him. He zigged when he should have zagged.

I got out of the service and didn't have a job. I figured I would get something with the degrees I had. I ended up going to work for a company here called Harvey Construction, which is now a really big company. I worked for them for 17 years. I was a project manager and became a vice-president.

GOODSILL: Tell us what a project manager does.

REED: We estimated the work and if you were successful in getting the job, we would contract with all the subcontractors and the different disciplines that are required to build a building. I made sure everybody showed up on time. I had to estimate the costs too, to make sure we could make some money on the project. You basically run the job. You have a superintendent who actually does the work in the field.

GOODSILL: It helped to be good with numbers?

REED: Yes. It really helped to be good with numbers. Nowadays we have so many subcontractors and insurance policies and all this other stuff. Back then it wasn't quite that way. A lot of times you would just send a guy a purchase order. Everybody knew what they were supposed to do.

I remember I managed this one small job. People stated what they were going to charge me for the electrical work and the plumbing, et cetera. I had all these numbers in my head. We went through the whole job and when it came time to pay these guys, I said, "Yes, this is what he gets." And another guy says, "Oh no. He's supposed to get this." We worked it all out and gave it to the gal who handled the books. We drove her crazy! She would say, "Where are your subcontracts?" I said, "I didn't get around to subcontracts." (laughing) I had it all in my head. Today you couldn't even THINK about doing things that way.

I was working with Harvey and they were part of Gerald D. Hines effort to build the Galleria. We would have a meeting every Monday morning with Gerry. We would give a subcontractor a purchase order to complete his work, it might be one sheet of paper. Back then there wasn't that much to a contract.

One time Gerry had been to New York looking for money to build more buildings in the Galleria. Mr. Harvey said, "Were we successful in getting some money?" And he said, "Yes, I think so. We talked to a lot of these investment fellows over there and they said they would loan us some money to build these buildings. But they have this paperwork that we have to sign and get the subcontractors to sign." Mr. Harvey said, "What do you mean? What kind of paperwork are you talking about?" He said, "Well, they call it a Release of Lien." Harvey said, "What does that mean?" He said, "That means that when you submit your bill, you tell them that you have paid all your bills and you release the lien on the property." When you go on a job and do work, you automatically have a lien on that property. When you get paid, you have to swear that you will pay your bills or you have paid your bills. Mr. Harvey looked at him and said, "WHAT?! (laughter) You mean, I have to tell that crusty old plumber that I use that he has to sign something like that? He'll probably punch me in the nose!" That's the way it was then. Their word was their bond, particularly true in the construction industry. If that guy told you, "You do this and I'm going to pay you", that's all you needed.



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In time I became an executive of Harvey and our family moved to Sugar Land. I built my own house in Venetian Estates. I had a good friend in Richmond who was a house builder and he helped me with some subcontractors. I needed a different type of subcontractor than what we used at Harvey, because it was residential instead of commercial. At the time Sugar Land had about 3,000 people. I got my building permit from Ellis Brooks who worked for the sugar company. Sugar Land was a company town. My mother said, "You don't want to live in Sugar Land! All people work for the sugar company." I said, "No, not any more. There are a few other people around here." This was 1977.

So we moved in and the people who lived in Venetian Estates were viewed as silk stockings. I never thought I was that "upper". Old Sugar Land was on the other side of the tracks, like Saint Theresa's Catholic Church. We had young children and we were ferrying them back and forth to Sharpstown to the Catholic school over there. There was no Catholic school here at that time. We joined Saint Theresa's Catholic Church and there was a younger group of people, like us, moving in. A lot of them lived in The Meadows and we got to be friends. Then Sugar Land had a dance club, the Sugar Land Dance Club. I finally realized I had 'arrived' when somebody invited us to join the dance club with the old Sugar Landers. They were pretty stand-offish for a while even though some of us went to the same church, until they got to know us better. They dance club met at the Community Center. We got to know a lot of the sugar people, such as Al Bartolo, Bill Little, and Roy Cordes, the Mayor of Sugar Land. Mr. Cordes also ran a clothes cleaning company. It was a growing town. I left Harvey and the Hines arrangement and then Hines came out here and bought the land right across the street from where I lived. They had a development joint venture with an oil company, and called it Sugar Land Properties. My company, E. E. Reed Construction, built some of the buildings including the Home Depot shopping center. Hines kind of followed us to Sugar Land! (chuckles)

GOODSILL: When you moved to Sugar Land, and your business was in Houston, what kind of work was your company doing?

REED: Primarily we were doing warehouse work for Trammell Crow. With Tilt-up concrete you pour the slab and then you form up the wall panels on the ground. Then you get a rig and raise them up. Then you tie the steel together to it. It's a little more efficient and economical way to build a building.

Harvey was kind of the innovator that started that in Houston. Prior to that most everything was masonry, concrete block and brick. It's quicker to do tilt-up concrete then put an architectural finish on them. The walls are structural. You tie to them. So you don't have to have exterior columns all around the building. You tie to the panels. That's part of the savings. It's a structural savings and a wall savings. This is cheaper.

GOODSILL: You don't need columns because the walls will support the building.

REED: Yes. And the walls are cheaper to build than masonry. We opened an office in Washington, D. C., and when we went up there, tilt wall had not made it up there, and that was kind of strange. It's was 25 years ago and they were still doing a lot of masonry.

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GOODSILL: Was it because of weather concerns or temperature?

REED: You do have a little better conductivity index with masonry. There is more insulation to it. The primary thing is it confines the air. They just didn't think it was good enough for them. But now tiltup concrete design is rampant. When I first went to work for Harvey, most everything was done masonry. But as time went on, they figured they could save money if they could stack stuff higher so that means you need a taller building. With masonry, the cost is prohibitive to do that. With these buildings, it is cheap. You just have to put a little more reinforcing in and make a little thicker concrete. Now we go up 30 or 40 feet.

They make great warehouses. You have much more clear height for bulk storage. The big market these days is storing plastic pellets, which are used to make about everything these days. Companies such as Home Depot have big racks where they store things and have order pickers who pull the orders. Some of the first ones we did were for Foley's Department Store. When I was at Harvey, I build some warehouses for Foley's and they had never built a warehouse out of tilt-up concrete before.

GOODSILL: When did you decide to move your company out to Sugar Land?

REED: The first E.E. Reed Construction office was off the Southwest Freeway and Wilcrest in a building we built. When I decided to move to Sugar Land, we built all the buildings in this complex at 333 Commerce Green Boulevard, near the Chamber of Commerce in 1977. We have renovated our offices but still remain in our original building.

GOODSILL: Have you done a lot of work in the city of Sugar Land?

REED: Yes. I have a list. E.E. Reed has built fifty-nine projects in Sugar Land. And we are building another one

right now. All kinds of buildings like the Aerodrome Ice Skating Complex on Lexington. We built the Sugar Land Regional Airport buildings. We remodeled the Houston Museum of Natural Science building, it was an old prison farm building. The City was good to work with. The Museum was an interesting project because of the way it was built. The inmates built it and the construction wasn't really up to speed. I think we ended up taking the floor slab out because it was so uneven we couldn't make it work. It was better to take it out and start all over.

GOODSILL: I'm going to read the names of a few of these buildings on your list: Fort Bend Baptist Academy, Academy Store, CompUSA, Kelsey-Seybold Clinic, Methodist Sugar Land Hospital parking, Schlumberger, Tramontina, Saint Theresa's Catholic Church Education Center, Texas Instruments, and Fort Bend County University Branch Library.

REED: We are proud to have completed over 87 projects in Fort Bend County as well. Things are moving out this way. We built the Kent Electronics building on Gillingham, north of Jess Pirtle and right around the corner, right now we are building a big warehouse.

One thing we did that I'm kind of proud of it is we did the monument for the veterans at Sugar Land Memorial Park. Our company and our subcontractors donated that to the city of Sugar Land. An innovative architect friend of ours designed it. This architect Jeffrey Brown, owner of Powers Brown Architecture, is a friend of my son, Mark.

The Tilt-Up Concrete Association was holding their convention in Houston one year and Mark was on the board and so was Brown. They like to have a building or monument to give to the city that marks the fact that they were here, so Powers Brown designed this monument and we built it. It's on city property. Dean Carpenter of Houston Landscapes Unlimited provided some of the landscaping. The city has enhanced it since we completed the project. The Sugar Land Legacy Foundation (<http://sugarlandlegacy.org/projects.asp>) accepted the project for the benefit of the City of Sugar Land.

GOODSILL: Please tell me the names of your wife and children.

REED: My wife is Patricia Ann Labay Reed, of Czech and German heritage. She was raised in Garwood, Texas. My mother was Czech. We were married in the church down in Nada. It's called Garwood Nada, both real small communities. The church is actually in Nada.

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GOODSILL: Did any of them go to UT?

Denise, Deborah, Donna, and Mark are my children. Mark runs the company now. We have 9 grandchildren. Two of our daughters graduated from UT and one from Notre Dame. Mark started at Vanderbilt and then finished at A&M.

We are very proud of our grandchildren: one graduated from SMU with a business and law degree, one graduated from UT in the business college, one graduated from Baylor Nursing, two have graduated from Notre Dame in the business college, and one graduated from Davidson and recently got his masters from UT in Accounting. Three are still in college at A&M, Notre Dame and UT.

GOODSILL: Is there anything else I should have asked you, about your career or about business?

REED: It's been a hell of a ride I'll say that. It's been an interesting career. It's funny how life or the good Lord points you in the right direction. When I first got out of the service, I didn't have a job. Right before I went into the service, I had talked to Mr. Harvey and he said they were completing their first year in business and they might have a million dollars in construction volume, I was very impressed. He told me, "When you get through, give me call and we'll see if we have anything for you." I always remember that when I see that we are approaching a billion in sales at the Reed Family of Companies.

So I got out of the service and ran into a friend of mine who worked for U. S. Gypsum, over on the ship channel, in Galena Park, which was not a desirable part of town to live in, in my opinion. He told me they might hire me with my degrees. So I interviewed. The guy at U. S. Gypsum offered me a job right on the spot. He said, "How much money do you want?" Back then engineers were getting \$500 a month salary. That was the going rate. Business degreed people were making \$350-\$400 a month. He said, "I can pay you \$500 a month." So salary was not a consideration but I was going to be working in this warehouse, I guess in a managerial position. I talked to Harvey, who's company way very small at the time. He said, "We're really not sure we can hire anybody right now." Long story short, Harvey did hire me.

I ran into a friend of mine, a guy I knew at school, Joe Russo. He was a real estate broker and formed Russo Schindler, which was real active back in the 1970s. I had just gone to work for Harvey and he walked in one day and said, "What are you doing here?" I said, "I work here." He said, "Really? How did you find these people? You are in a great spot!" That was because of the Hines Harvey relationship. He said, "Hines is really going to do a lot of work." Hines became an international developer and does work all over the world. His business just took off like a rocket. I can remember some days when he was right on the edge where he easily could have gone broke.

I think every company has had their time in the barrel. I can remember we were building a building on Richmond Avenue and had an office in one of them. My boss, Charlie Brown, said something had happened. A big change in the economic

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cycle and things went really bad and it looked like there were going to be a lot of foreclosures. Hines had just gotten going on the Galleria. Harvey and Charlie told me, "How would you like to be in Hines's shoes right now?" (laughs) We were building a 22-story office building in the Galleria, the first one to be built there. He wanted to start the shopping area. He had this land that was all tied up. He had a bunch of Houston investors who expected him to make this happen and the economy went south because oil prices dropped. New York investors said, "Oooh, we're out!"

Hines desperately needed to lease space in the building we were building to make his loan. There was a large company in the petrochemical industry, and they were negotiating for space in that building. He had to give away the farm for them to lease the top floor of that building. He got that lease done and he got the money to continue the development. If they hadn't leased that floor, he wouldn't have gotten the loan, and the whole deal might have fallen out. He was a big risk taker. He skated along the edge a lot and we skated right there with him.

Joe Russo tried to get me to leave Harvey and go with him. He and another guy were building stick

frame apartments. I had another chance with a friend of mine who had left Harvey, and was working with another contractor. They were church builders and wanted to have a commercial division. They wanted me as a partner. That would have been a mistake, yet I came within an inch of doing that. I was going over there to meet the owner and make the deal. I'm about halfway over there, and I said to myself, "I don't know what the hell I'm doing." I walked in and they all expected me to sign up and I said, "I'm sorry, but I'm not going to do it." They almost fell on the floor! (laughs) That's when I decided to do my own thing. There were times when I wondered what the hell I was doing because I left a real good job!

GOODSILL: Seems to have worked out okay but it is sometimes nerve wracking! Thank you for your time and your reflections on your life and career!

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Sugar Land 
HERITAGE
FOUNDATION

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