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DJIA ▼ 21320.04 -0.74%

S&P 500 ▼ 2409.75 -0.94%

Nasdaq ▼ 6089.46 -1.00%

U.S. 10 Yr ▼ -13/32 Yield 2.372%

Crude Oil ▲ 45.32

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BUSINESS

Aecom to Buy Shimmick Construction for \$175 Million

Engineering firm to expand reach in Western U.S. in anticipation of potential increase in infrastructure spending



The Golden Gate Bridge as seen from Fort Scott in San Francisco. Aecom is buying Oakland, Calif.-based Shimmick Construction Company Inc.—which has made improvements and repairs on the bridge in the past— ahead of a possible uptick in U.S. infrastructure spending. PHOTO: DAVID PAUL MORRIS/BLOOMBERG NEWS

By Erica E. Phillips

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LOS ANGELES—Infrastructure and engineering firm Aecom [ACM -1.17% ▼](#) is acquiring Shimmick Construction Company Inc. for \$175 million, expanding its reach in the Western U.S. in anticipation of hundreds of billions of dollars in infrastructure spending expected in the coming years.

Oakland, Calif.-based Shimmick has taken part in a number of infrastructure projects in the Western U.S., including improvements and repairs on the Golden Gate Bridge and public-transportation work in the San Francisco Bay Area and Honolulu. Aecom will take on the 27-year-old firm's \$1.35 billion project backlog, including a large project to replace a highway bridge near the Port of Long Beach.

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The Trump administration has proposed spending \$200 billion over 10 years on infrastructure programs, with a goal of spurring a total of \$1

trillion in financing with the inclusion of private investment. Those plans have fueled mergers and acquisitions in the infrastructure sector, as well as new interest from investors, including a planned \$100 billion fund from Blackstone Group LP.

In California and Washington, voters have passed ballot measures that call for nearly \$180 billion in infrastructure investment, and the California legislature recently approved another \$52 billion for road repairs. California's infrastructure market is expected to grow in double digits annually for the next several years, and Aecom said it aims to capture as much of those funds as possible.

"This is really a way to expand [Aecom's construction] business and give us more strength on the West Coast where we think there's going to be an immediate uptick in spending," said Dan McQuade, president of Aecom's construction services group.

Los Angeles-based Aecom designs, builds and operates infrastructure assets in more than 150 countries. Last year, Aecom's revenue was approximately \$17.4 billion, with about \$7 billion coming from construction. The company said it expects the Shimmick acquisition to close by the end of September.

In 2010, Aecom acquired Tishman Construction Corp., which is currently working on the Hudson Yards development project in Midtown Manhattan. In California, Aecom is working on the new stadium for the National Football League's Los Angeles Rams and is engaged in decommissioning the San Onofre Nuclear Generating Station.

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