

## Purchase of local contractor completes circuit for buyer

BY JAMES DORNBROOK | STAFF WRITER

A former area resident bought a Pleasant Valley electrical contracting company as part of his homecoming plans.

Terry Chapman, who grew up in Lee's Summit and has a degree from the University of Missouri, bought Palmer Electric Co. Although the purchase price was not disclosed, local merger-and-acquisition sources estimated that the business was worth between \$900,000 and \$1.3 million.

Palmer Electric has annual revenue of about \$3 million and 31 employees. Chapman said he will keep all the employees.

He said he wants to retain existing customers but will try to build the business by adding more commercial work. Residential work now makes up 70 percent of Palmer Electric's revenue.

After graduating from MU, Chapman, 37, took a job as a project engineer with MBK Real Estate Ltd. in Irvine, Calif., building movie theaters for AMC. After deciding to move back to the Kansas City area, he contacted Tim Skarda of Allied Business Group in Leawood to help find the right investment.

"I looked at about seven or eight businesses altogether before deciding on Palmer Electric," Chapman said. "It seemed a really good fit for me."

The California real estate market helped make the deal possible. Chapman recently sold his family's 2,200-square-foot house in Hollywood Hills, Calif., for \$1.2 million. He said he had paid

\$700,000 for the house three years ago.

Mark Palmer, 48, founded Palmer Electric as a one-man operation in 1990.

"I more or less stumbled into it," Palmer said. "I think a lot of people start just like me and build their business until they have too many clients to handle themselves. Then they need to hire people, and the next thing you know, you have a real business."

Skarda said Palmer started marketing his company for sale in February. Palmer said he decided to sell the business because he wants to try something new.

"I'm not 100 percent sure what I'll do now, but I really like the feeling of not knowing where I'm going to go," Palmer said. "It feels good to have a chance to get out there and see what will happen."

One possibility is computer programming. Palmer said he got frustrated several years ago while shopping for software for his business, so he bought about \$1,500 in books and taught himself programming. It took him about four years, but he wrote



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Terry Chapman, the new owner of Palmer Electric Co., says that returning from California to his hometown to buy the company "seemed a really good fit for me."

a program that helps give an accurate picture of costs associated with job bids.

Palmer will spend the next six months helping Chapman with the transition to new ownership.

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