

Building boom a boon for Oregon factories

Between bridges and condos, newly retooled metal fabricators have hit the mother lode

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Oregon's metal-fabrication factories -- where welders and machinists make steel structures for bridges and metal components for the condominiums changing Portland's skyline -- are approaching the record employment levels of the late 1990s.

"It's wonderful," Drew Park, president of Columbia Wire & Iron Works in Portland, said of the sustained boom. "Things are the most backlogged we've ever seen."

The number of Oregonians employed by metal fabrication plants rose almost 9 percent over the past 12 months, from 16,400 to 17,800, according to preliminary state estimates. Compare that with the more dismal numbers for all manufacturing, which includes metal fabrication. Manufacturing employment is down 2 percent in the last 12 months -- a loss of 3,600 jobs. That's 15 percent below a 1998 high.

"Within manufacturing, metal fabrication is one of the bright spots," said Art Ayre, the state's employment economist. "But it's not enough to make up for dark spots in other areas."

Talk to owners and workers in the metal-fabrication industry, and you wouldn't guess that the state is nearly 10 years into a manufacturing decline. Some are giddy.

"It's been a lot of fun," said Ron Davis Jr., chief executive of Davis Tool, a Hillsboro metal fabricator that increased its work force from 180 last spring year to 214 today. "We're struggling to keep up with demand." The company's Web site lists 52 open positions.

Some of the forces driving the fabrication industry's boom are obvious: increased business brought by Oregon's \$1.3 billion bridge-renovation program, construction of condominium towers in Portland, and a boom in the aerospace industry. But such factors don't explain everything.

Norm Eder, executive director of the Manufacturing 21 Coalition, believes the sector is booming because companies that survived the shakeout of 2001-02 have become very effective manufacturers. The organization was created in 2004 to increase the skilled work force in Oregon and to support innovation.

"There has been a revolution in high-performance manufacturing," Eder said. "An old-line industry has modernized itself to compete globally."

Davis Tool is an example of a company that has become more efficient. Ron Davis said average production time has been shortened from 45 days two years ago to 25 days now. "We're doing everything nearly twice as fast," he said.

Marks Metal Technology in Clackamas was once focused almost entirely on products for the construction industry. It now makes such things as steel chambers for a Pennsylvania medical company and concrete forms used to rebuild Portland's sewage system.

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The company has 56 employees now, more than double the 23 it had when last year began. The current head count beats the company's previous record, 42 in the year 2000.

Ron Schoenheit, president of Cascade Coil Drapery Inc. in Portland, thinks steady population growth has fueled demand for the wire-mesh fabrics his company makes. The mesh is used for everything from zoo aviaries to fireplace screens.

Most fabricators say the majority of their jobs are in Oregon. Others, though, are getting work elsewhere in the West, including in Boise and in Alaska.

Another factor boosting the fabrication industry in Oregon is the "cluster effect," said Park of Columbia Wire & Iron, who is also director of the Pacific Northwest Steel Fabricators Association. The abundance of fabricators in Oregon and the Northwest means companies can easily subcontract out for specialized work, such as galvanizing finished parts. Transportation costs for supplies are also lower. "When you have groups (of similar companies) you have efficiencies," Park said.

But the large amount of traditional fabrication-industry work is an undeniably powerful reason for the boom. The average condominium tower uses about \$1.5 million in fabricated steel for such things as emergency stairways, railings and rooftop infrastructure. And bridgework is fundamental.

American Bridge Corp. of Reedsport, for example, expects to ramp up to 65 employees by the end of the year, up from 52 now. That number would tie the company's previous employment record, said Fred Jacquot, the plant manager.

"We appreciate this year," he said. "It's very good."

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