

Manufacturer of rubber products to bring 75-80 jobs to region

BY ROB SABO *NNBW - 11/8/10*

Scougal Rubber Corp. will bring 75 to 80 jobs to northern Nevada as it moves from Seattle to share manufacturing facilities with its sister company and to relocate near its largest West Coast market.

Scougal Rubber will split space with Dynamic Isolation Systems, which occupies half of a 100,000-square-foot manufacturing facility on Denmark Drive in the Tahoe Reno

Industrial Center. Scougal makes rubber and steel-reinforced bearing pads that set under steel girders during bridge construction, while DIS manufactures the large rubber pads used for seismic construction and retrofitting of buildings and bridges.

Growth also is propelling Scougal's move from the Pacific Northwest, says Scougal President Matt Bowman.

"With the need to replace our country's crumbling infrastructure of roads and bridges

we have seen an uptick in our business volume," he says. "There is lot of upgrading of the existing inventory of bridges."

Scougal's rubber pads allow a bridge's steel girders to move laterally as the steel's temperature varies with hot and cold weather. The rubber pads are constructed from layers of thin steel and rubber built up and bonded with heat. The pads are about the size of a few cases of beer, Bowman says, while Dynamic Isolation System makes rubber pads about the

size of a small coffee table.

Scougal employs nearly 100 at its Seattle manufacturing plant, but only 15 to 20 workers are expected to relocate to northern Nevada. Scougal expects to hire production workers in the Reno-Sparks area using Nevada JobConnect, as well as Craigslist and Monster. The company expects to begin production in northern Nevada on Jan. 1 and be fully

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operational by the middle of the first quarter of 2011.

"It will take us several months to get to that level, but it is a three-shift, five-day operation," Bowman says.

The company will maintain a small footprint in the Seattle area, but its long-term plan is to transfer much of its manufacturing capacity to Tahoe Reno Industrial Center. Bowman says Scougal will share some business synergies with Dynamic Isolation Systems and also be much better positioned to serve California, its primary West Coast market.

"We are excited about being co-located next to (DIS), and the business environment in northern Nevada is every attractive," Bowman says.

The move requires transfer of about a dozen pieces of heavy equipment, which will be refurbished as they are established at TRIC. Scougal also is investing in new rubber processing machinery, equipment to paint

bearings, and a new boiler because its presses operate with steam.

Bowman says the main challenge is to keep up manufacturing levels during the transition, because many machines will be out of production during the move.

"We are real excited about the move — we are fortunate to be in a market that is growing, and the move to a new facility hopefully positions us for new growth. It's good for the company, good for employees, and good for the customers that supply us."

Scougal must use steel from a domestic foundry for federally funded bridge projects, and it imports rubber from Asia and synthetic rubber from U.S. suppliers Asia, and Germany.

Scougal qualified for business tax and sales tax abatements and training grants from the Nevada Commission on Economic Development. The company is expected to generate an economic impact of nearly \$200 million over a 10-year period.