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O'HAGIN'S PLANS TO EXPAND LOCALLY
Deal keeps attic vent manufacturer in California

Staying in Sonoma County has been the goal of Sebastopol's rapidly growing O'Hagin's, Inc. But doing so has been challenging, as the 35-year-old producer of specialty attic vents becomes more of a national player and insurance and materials costs soar, according to CEO David Mutter.

But O'Hagin's will stay now that it has signed a five-year lease with San Francisco-based Waldman Management Group for 59,000sf at 5600 State Farm Drive in Rohnert Park. The plan is to move 50 employees and equipment there from Sebastopol in March, according to Mr. Mutter.

He knew the company needed more room when revenue increased 46% to \$15 million last year. The situation has become more urgent with sales on track for a 50% increase this year.

Driving that growth is expansion nationwide into what Mr. Mutter figures is a half-billion-dollar U.S. market for attic vents. Another driver is increased attention on the health effects of mold and mildew, which can grow in poorly ventilated attics.

Three years ago, O'Hagin's was primarily a West Coast supplier that had just won a seven-year legal battle to protect patents on its cloaked vent system. Now, the company has a sales staff of 25 and has expanded, as more architects specify the O'Hagin's vents and various national homebuilders install them.

"We have a plant in Florida and are opening one in the Midwest, but the majority of our employees are in California and will be for the foreseeable future, thanks to this lease," Mr. Mutter says.

The new facility, about three times the size of its current one, will allow more efficient staging of raw materials – primarily sheet metal – and work in progress, he notes. The extra room will allow for more automation, too, he says, adding that the company spends "seven figures" on new automated equipment and research and development.

At the same time, because of the global steel shortage, the company has faced a 60% price increase over the past 12 months for the millions of pounds of sheet metal procured annually. So far, the company has hedged much of its exposure to rising steel metal prices, but it has had to absorb other cost increases, according to Mr. Mutter.

Carolina O'Hagin combined her administrative acumen with the roofing know-how of her husband Harry to form C&H Roofing in the South Bay in 1969. They moved to Sebastopol in 1972.

In 1992, O'Hagin's switched from roofing to manufacturing of a covert attic vent Mr. O'Hagin developed in his garage at night. Starting with Mr. O'Hagin, son Brian Anderson, and five roofers, the company workforce has recruited largely through existing employees, reaching outside the area mainly to attract experts in attic ventilation.

Jim Sartain of **Keegan & Coppin** represented O'Hagin's in the lease deal. Steven Leonard and Trevor Buck of Meridian Commercial and **Mike Flitner** of **Keegan & Coppin** assisted Waldman.