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## Two local firms partner to form LCG Pence

BY LEE SCOPEL  
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Salem's Pence/Kelly Construction Inc. will have a firmer grasp on the Portland market now that it has partnered with LCG Co., formerly a subsidiary of The Kelly Group, to create LCG Pence general contractors.

Because of the economic slowdown, The Kelly Group was interested in scaling back, which opened up the opportunity for LCG owner Terry Loerke to purchase LCG from The Kelly Group.

Loerke went looking for a partner in the purchase and found Pence/Kelly owner Curt Pence interested.

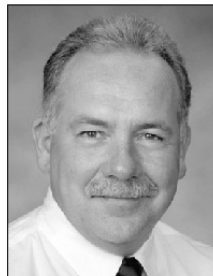
The two firms' combined experience and expertise were a natural fit.

A full-service general construction company, LCG has been in business since 1923. The company recently moved its offices to Vancouver, Wash., but with the formation of LCG Pence, the firm has moved back to its Portland office at 16427 N.E. Airport Way.

Established in 1949, Pence/Kelly has a long history of experience in commercial, retail, industrial and institutional construction. Recent projects include Hermiston High School in Hermiston and the new Food Services of America facility in Woodburn.

"We come from the same background and we just seemed to talk the same language," said Loerke of Curt Pence.

Partnering with LCG seemed to fit in



TERRY LOERKE



CURT PENCE

with Pence/Kelly's business plan as well.

"Pence/Kelly was trying to do some strategic planning and break into the Portland market," said Terry Simmons, business development manager for LCG Pence. "And LCG has a lot of great relationships we could build on."

LCG also capitalized on Pence/Kelly's 50-year history and strong business relationships in Salem and the southern and mid-Willamette Valley regions.

"I have strong relationships in the northern valley, so we complimented each other well," said Loerke.

Loerke will serve as LCG Pence's president and Pence will be the firm's chief executive officer.

Pence/Kelly will remain its own entity and will continue its general contractor services with more emphasis on complex concrete construction.

Pence will also remain president and owner of Pence/Kelly along with co-owners Wes McWhorter, vice president of construction, Bob Hill, vice president of finance, and Dave Hays, vice president of operations.

Simmons said McWhorter, Hill and Hays will also be principals in LCG Pence.

Merging the two firms into LCG Pence will combine the specific talents of each company.

"We have a greater depth in project management and also in project supervision by joining with Pence than we did with just LCG," said Loerke. "With their expertise and personnel we'll be able to perform larger and more diverse projects and have the experience and staff to perform them well."

Paperwork finalizing the merger was finished last week and projects are already underway including the Helen Gordon Child Development Center at Portland State University and a remodel of the county courthouse in Tillamook.

LCG Pence plans to continue developing its general contracting business in Oregon and over the long term, slowly expand into Washington, California and Idaho, said Loerke.

"The short-term goal is to make it through the slow times here and we're fairly well-positioned to do that," said Loerke. "We have some very good clients that are loyal to us and as the economy gets better, they will start expanding and we will have great opportunities with them."

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