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UTILIZING MUNICIPAL TREES: IDEAS FROM ACROSS THE COUNTRY

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OBTAINING START-UP CAPITAL THROUGH GRANTS

PACIFIC COAST LUMBER

SAN LUIS OBISPO, CALIFORNIA

Don Seawater has a clear vision for Pacific Coast Lumber: to have it become, in his words, “a full-blown company” with annual revenues exceeding \$1 million. Seawater’s plan is to reach his goal by producing both standard, exotic, and value-added lumber products from only municipal trees recycled from the city of San Luis Obispo, California (population 60,000).

Local Grant Helps With Start-Up

Before starting Pacific Coast Lumber, Seawater worked for 20 years in all phases of the lumber business including managing a molder operation, and owning and managing two retail lumber yards. In 1995 he borrowed a Wood-Mizer LT30 bandmill and began milling a few logs. In 1996 he received \$10,000 from the San Luis Obispo County Integrated Waste Management Authority’s Technical Assistance Grant Program. The grant money was used to help purchase a crane truck that was essential for log acquisition. In 1997 purchasing a Wood-Mizer LT40 HD portable bandsaw enabled Seawater to seriously enter the sawmilling business.

“The grants provided some critical capital during a time of need. It would have been difficult succeeding without them.”

Second Grant Used for Dry Kiln

A significant handicap in Pacific Coast Lumber’s early history was the lack of a lumber dryer. A temporary solution was provided by the California Department of Forestry and Fire Protection, which loaned Pacific Coast Lumber a portable dry kiln (see p. 9). The unit was a dehumidification kiln, with

a capacity of 1,500 board feet, housed in a 30-foot trailer. After gaining some experience with the “loaner unit,” Seawater obtained a second grant from San Luis Obispo County to purchase a Nyle model dehumidification kiln with a capacity of 2,000 to 4,000 board feet, depending on factors such as wood species and lumber thickness. The dry kiln has been a major asset in establishing Pacific Coast Lumber as a full-service lumber yard.

Finding a Niche

Pacific Coast Lumber focuses in three areas:

1. Custom milling for the general public
2. Producing Adirondack chairs, log benches, and related value- added products
3. Manufacturing and marketing exotic and standard building materials

It is the exotic and standard building materials product line that Seawater sees as the niche for Pacific Coast Lumber. For example, customers seeking redwood or treated lumber can use Seawater’s Monterey cypress lumber as a substitute. Or a shopper seeking pine boards or random-width hardwoods can find a wide array of "appearance-graded material" at Pacific Coast Lumber.



Adirondack chairs, sold primarily as kits, are the principal value-added product made by Pacific Coast Lumber. Photo by Eric Oldar

When Seawater had a retail lumber business he was known for supplying exotic building products in addition to standard products. With Pacific Coast Lumber his products are the same except that now he is manufacturing and marketing the exotics rather than just purchasing them wholesale.

Obtaining Logs

All of Pacific Coast Lumber's raw material is from free municipal trees. Seawater obtains his logs in three ways: homeowners drop trees at his mill site, he assists tree service firms in removal projects involving large trees, or he negotiates with tree service firms and municipalities for trees. He uses a wide range of species including Monterey cypress, redwood, incense cedar, and pines, such as ponderosa, coulter, and pinyon. Hardwoods include acacia, American elm, walnut, sycamore, ash, oak, and red gum eucalyptus.

As of mid 2000 Pacific Coast Lumber was utilizing 60,000 pounds of urban logs per month. Seawater attempts to use all tree species in the San Luis Obispo area and strives constantly to produce a "highest and best use" product. In addition to his niche of exotic and standard building products, Seawater seeks markets for small tree branches (sold to a log furniture manufacturer) to large palm tree logs (sold as carving wood).



A wide range of municipal tree species are transformed into a host of specialty products. Photo by Eric Oldar

Long-Term Vision

Seawater serves as the company's sole employee in addition to being owner and operator. He uses

three independent contractors for log sawing and general mill labor. His long-term vision is to employ four or five full-time workers.

Seawater credits the two county grants for the success of his business. "The grants provided some critical capital during a time of need. It would have been difficult succeeding without them."

For additional information:

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