



Keeping their eggs out of one basket

Tony Leonardo is Northern California's one stop shop

By Kathy Coatney

Born and raised on a dairy farm, Tony Leonardo was used to hard work. Being the oldest, he was up at dawn helping his father feed calves and milk cows. But the dairy life wasn't for him. After graduating from high school in 1972, he struck out on his own in search of his dream.

That year, Leonardo went into the woods, and he's been there ever since. After a couple decades in the woods, he thought it was time to stop working for others and start his own business.

Lucky Friday the Thirteenth

While Friday the thirteenth may be considered bad luck by many, not so for Leonardo. On Friday, August 13, 1993, Tony and his wife, Janice, started Leonardo Logging and Construction Inc.

"It's a day I'll never forget," Leonardo says. That Friday, he purchased the logging outfit from a local company that was going under. It was the foot in the door he needed to get started.

With no bank willing to finance the operation, Leonardo took out a \$30,000 home equity loan against his house. A few weeks later, he took over payments on some of the previous owner's equipment.

"Eventually I ended up buying a 255 Thunderbird yarder, and I took the \$30,000 and bought an old rotary head, some pickups, and an old D-8 Cat, and that's how I got started," he says. It turns out it was a wise and lucrative decision.

A few years later, Leonardo got rid of the old equipment (other than the 255 Thunderbird yarder) and bought another Cat loader.

"I bought another yarder and started another yarder side," Leonardo says. Those purchases were followed by another Cat in the next four years, and he just kept on growing.

Currently, Leonardo works for two lumber companies, Green Diamond Resource Company and Humboldt Redwood Company. Between the two companies they own the majority of timberland in Humboldt County — approximately to 700,000 acres.

"We really don't run out of Humboldt County for work," Leonardo says.

Mixing It up

Leonardo quickly discovered that, if he was going to stay in logging, diversification was the name of the game. To keep his crew working year round, he has added road building and trucking to the company's portfolio. Today, 40 percent of Leonardo's income is from logging, 40 percent is from road building, and 20 percent is from the trucking side.



When the opportunity to do road work arose in 1999, Leonardo made the leap of faith and got in on the ground floor.

“I bought an old Linkbelt 2800 (a used one), and I started out doing some road work,” Leonardo says.

Later he purchased a second Cat dozer (D7G), and he began doing rehab work on creeks and upgrading roads and culverts.

This turned out to be another profitable decision by Leonardo. “I got in when it was first starting to happen with the rules and regulations coming down in California. Now I’m up six road sides, six excavators, and six bulldozers building roads, and five dump trucks.”

Keeping a Lot of Equipment on Hand

Doing different kinds of work means having a lot of productive equipment on hand. Out of his six excavators, there are three Cat 325s and a Cat 322, 318, and 305. There are also five Cat log loaders, two 322Cs and a 325, 324D, and 320D.

Leonardo uses all Cat equipment except for the yarders. “I’ve got three yarders, and they’re all Thunderbirds,” he said, adding that they are two 155 swing yarders and a 6240 Madill yarder. (The Madill/Cyprus Group purchased Ross, the manufacturer of Thunderbirds.)

Also on the job are five Cat skidders; four are 527 track skidders, and the fifth one is 525 rubber tire. “We have two D6Rs (dozers) with grapples, and we have a D5G (dozer) with grapples and a D5G with a winch,” Leonardo says.

“Cat has treated me good. They’ve always been there when I needed them,” Leonardo said, plus Caterpillar is the only local company that services big equipment.

That’s a big plus, Leonardo says, “If we need a part, they’re five minutes away.”

Other Sides

Not everything Leonardo has tried has been successful. Seven years ago, he started a mechanical side using a feller buncher, but that didn’t work out. He sold the feller buncher and turned all the cutting over to a contractor.

Leonardo doesn’t fight fires any longer or do state contracts. “It’s our busy time of the season when the fires are going on. If we pull equipment off of what we’re supposed to be doing, we just lose time,” he says. But, he adds, they do remove timber after a fire on private ground.

2011

While many in the industry were struggling in 2010, Leonardo was having a good year. “We stayed busy, and I think the reason we did is because we’re diversified, and we can do anything,” he says.

2011 is looking good as well. “The logging side has picked up for 2011, and the strong export market in California has



helped too," he says. "We've got quite a bit of volume ahead of us. We're going into a job right now that's got 16 million feet on it. We'll have two yarders working there most of the summer, and we'll have five skidding machines on the cat side."

The challenge now is the rising fuel costs that continue to impact the company.

"One of our big expenses is fuel, especially with all the trucks on the highway every day and all the equipment. When we're going full bore in the summer time, we're burning probably 6,000 to 7,000 gallons of diesel a week," he says, adding fuel prices on the California coast are probably the highest in the nation.

Diversification

Despite the challenges, it's Leonardo's "diversification" philosophy that has paid off for the company.

"When we go in to do a job, we do everything," says Leonardo. "We do the road work, we do the logging, we put stuff to bed, rehab; anything that needs to be done out there, we can do. We've got our own lowbeds, we've got our own log trucks, our own dump trucks, our own water trucks."

He adds, "From the start to the finish we can do it all, and we're probably one of the only companies down here that can do that. We're a one stop shop."