

# PUGET SOUND BUSINESS JOURNAL



## Port Blakely's roots run deep in the Northwest

THE CENTURY-OLD FORESTRY COMPANY EMBRACES CHANGE AND FAMILY VALUES

**BY BRAD BROBERG**  
Contributing writer

The Civil War was raging and Washington was still a territory when former sea captain William Renton made a \$10 down payment on 165 acres of land at Blakeley Harbor on Bainbridge Island.

The price: \$1.25 an acre, according to HistoryLink.org's profile of the captain. After purchasing the land in 1863, Renton opened a sawmill in 1864. By 1882, the sawmill was the largest on the West Coast with the capacity to produce 200,000 board feet of lumber a day.

A century-and-a-half later, the sawmill is long gone, but the company that grew out of it, Port Blakely, is a model for how to maintain family ownership of a business – and prosper – generation after generation.

“A lot of families run a great

family business, but not a great business, and a lot of families run a great business, but not a great family business,” said Christian Schiller, managing director at Cascadia Capital, a Seattle investment bank. “That intersection between family and business ... is the part that Port Blakely has really nailed.”

While sawing lumber gave Port Blakely its start, growing trees has been its primary focus for most of the last century after the business passed into the hands of the Eddy family. The company, based in Seattle, currently owns and manages 200,000 acres of timberland in Washington, Oregon and New Zealand that provide logs to customers around the world.

Compared to forestry giants like Weyerhaeuser, which owns 11 million acres, Port Blakely is small, but the company is one

of the 100 largest family landowners in the United States, said CEO René Ancinas, who has led the company since 2010 and is a fourth-generation member of family leadership.

Port Blakely does not disclose revenue figures but told the Business Journal its 2018 revenue was somewhere in the range of \$100 million to \$125 million.

Ancinas is one of just two family members who work at the 120-employee company. The other is Mike Warjone, vice president of operations for its U.S. forestry division.

But the number of family members employed in a family company isn't the only gauge of family involvement, Ancinas said. What matters is that a significant number of family members are actively engaged whether they occupy a cubicle there or not.



FAMILY BUSINESS OF THE YEAR 2019

Five of Port Blakely's 11 board members are family members and nine members serve on a family advisory council.

“Our current employees are energized because the family

# PUGET SOUND BUSINESS JOURNAL

cares so much about the business,” Ancinas said. “That’s a really defining feature (of the company).”

That’s no accident. Back in the 1990s, Port Blakely’s previous CEO, Jim Warjone, worried that the family was growing away from the company – a trend with potentially dire consequences. If family members feel disaffected, they may start to treat a company mostly as an investment and believe they can get a better return elsewhere.

“If enough people feel like that, they sell the company,” said John Davis, who leads the Cambridge Family Enterprise Group. He consulted with Jim Warjone, a once-removed cousin of Ancinas and the uncle of Mike Warjone, to develop strategies to bind the 140 members of the family closer to the company, including creating the family advisory council.

“Once a family grows in size, they absolutely need an organization to support them if you really want to keep them united and committed to ... the company,” Davis said. “You need to not only keep them informed, but include them in meetings (and) find a way of building a strong sense of pride in the business

and the family’s contribution to the business.”

Aligning family and company values is the glue that holds family businesses together, Ancinas said. Port Blakely family members expect to make money, but they also expect the company to be a strong environmental steward, develop employees, give back to the community and maintain the highest ethical standards.

“In terms of ethical, high-quality, very progressive, socially minded businesses ... Port Blakely is way, way up at the top,” he said. “It’s just built into the way they do things.”

Ancinas is the great-grandson of James Eddy, whose brother, John, bought the Port Blakely Mill and surrounding timberlands in 1903 with partner Ned Skinner.

Over the next 20 years the pair pursued many ventures, including launching the Skinner and Eddy Shipbuilding Co., before dissolving their partnership in 1923. Skinner kept the shipbuilding business while John, James and a third brother, Robert, took the Port Blakely Mill and timberlands.

That was the fork in the road that led Port Blakely to where it is

today. The brothers soon shuttered the sawmill and doubled down on acquiring more timberlands.

Right from the get-go they were keen to advance the practice of sustainable forest management as James Eddy founded the Institute of Forest Genetics in Placerville, California, in 1925 and then donated the research facility to the U.S. Forest Service in 1935.

“Port Blakely has this reputation of being so progressive in forestry management that the Environmental Protection Agency and other environmental groups check with them about (proposing a new practice) because they’re probably already doing it,” Davis said.

While forestry has been the company’s backbone for the last 100 years, Port Blakely has made two forays into real estate development. In 1962, the company formed the Renton Village Co., a partnership with Puget Sound Power & Light that ended in 1987.

In 1990, it launched Port Blakely Communities, which developed the award-winning master-planned urban village of Issaquah Highlands.

With the completion of Issaquah Highlands at hand, Port Blakely is



## PORT BLAKELY HISTORY

1852

Captain Renton first built a small sawmill on Alki Point which failed because of the wind and waves.

1864

He purchased land around Port Blakely Harbor on Bainbridge Island. There ships could easily pass, and the sheltered waters allowed for storing log rafts to supply the mill.

1888

A devastating fire burned the Port Blakely mill to the ground and was rebuilt.

1903

Ned Skinner and John W. Eddy purchased all the assets of the Port Blakely Mill Co.

1907

A devastating fire destroyed the mill a second time. The Port Blakely mill was once again rebuilt.

1923

Skinner and Eddy dissolved their partnership and divided their assets.

1925

James G. Eddy founded what is now known as the Institute of Forest Genetics.

1962

The company created a real estate subsidiary, which managed Renton Village Co.

1990

Launched a new real estate venture called Port Blakely Communities to create innovative urban villages.

2005

Acquired the 73-year-old export log-trading firm, Pacific Lumber & Shipping.

2010

Transitioned leadership from third-generation Chairman and CEO Jim Warjone to fourth-generation CEO René Ancinas.

SOURCE: PORTBLAKELY.COM

## CAPTAIN RENTON

Nova Scotia sea captain William Renton came to the Puget Sound area in 1852. Seeing the region’s calm waters, he realized the area’s potential for marketing timber from the surrounding forests. In 1864, Captain Renton purchased land around Port Blakely Harbor on Bainbridge Island. During the next four decades, the Port Blakely Mill flourished, at one point becoming the world’s largest sawmill under one roof.



“The DNA of a founder can last in a company for years and I think his definitely has – tenacity, humility, entrepreneurialism and certainly perseverance.”

RENÉ ANCINAS, Port Blakely CEO on the founder, William Renton

# PUGET SOUND BUSINESS JOURNAL

not contemplating any new real estate ventures.

“I would never say never ... but we’re very focused on forestry and forestry products and I don’t see us back involved in real estate,” Ancinas said.

That doesn’t mean Port Blakely is standing pat. For example, the company recently began offering carbon credits to help other businesses offset their carbon footprint by preserving trees on some of Port Blakely’s timberlands. Meanwhile, a team in New Zealand is exploring how to extract essential oils from Douglas fir.

“You can’t just try to protect what you have,” Ancinas said. “You have to grow and you have to embrace change.”

And what about Captain Renton?

He died in 1892, but not before the salty entrepreneur built an empire that included not only the Port Blakely Mill, but investments in banks, real estate, railways and coal mines. The city of Renton, which began as a coal town, is named after him.

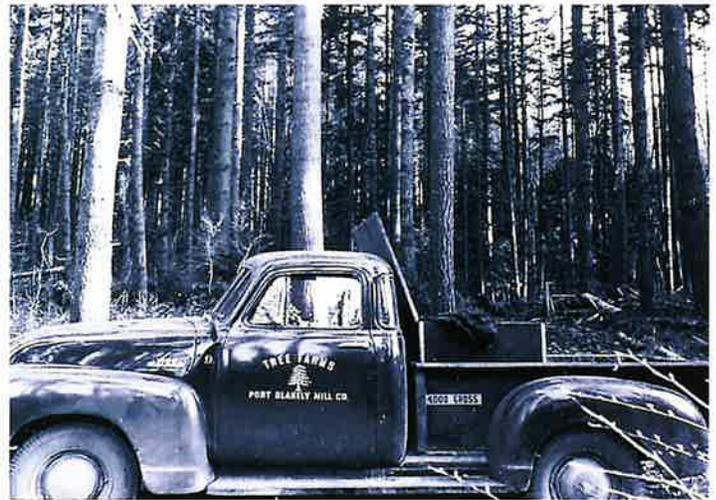
While any direct ties between the William Renton family and the Port Blakely Co. were severed by the time the Eddy brothers bought the sawmill, you can still detect traces of his character, Ancinas said.

“The DNA of a founder can last in a company for years and I think his definitely has – tenacity, humility, entrepreneurialism and certainly perseverance,” Ancinas said.

Cascadia Capital’s Christian Schiller said Port Blakely would be “an amazing acquisition” target for outside investors, but Captain Renton would be pleased to know his legacy is likely to remain in the hands of a family that treasures it.

It would take an extraordinary offer to pry the company out of the Eddy family’s hands after all of the efforts to tie Port Blakely and the family closer together, Ancinas said.

“It would be such a significant premium that I don’t think any reasonable buyer would pay it,” he said. “When you try to put a value on people’s hearts, there’s no way to know what that value is.”



*Port Blakely has dabbled in real estate development twice in its history, but CEO René Ancinas says the company is not considering any real estate projects at this time as it remains focused on forestry products.*

PHOTOS COURTESY PORT BLAKELY ARCHIVE