TYLER SMITH, CAM SMITH AND MARK BOEHLE ANTICIPATE A STEADY INCREASE IN POPULATION FOR YAVAPAI PRECAST'S SERVICE AREA. LA NORMAN

An Arizona precaster is forecasting a bright future as area growth continues to rise.

destination

By Ron Hyink Photos by Mark Boehle

Despite the recent buzz in the news media about global warming, Arizona – known for its hot, arid climate – is the place to be. The state's population growth rate, according to the latest census reports, is tops in the nation.

That's OK with Campbell and Tyler Smith of Yavapai Precast in Prescott, because it means their wastewater and stormwater products business will be plenty busy for a long time to come. As more people pour into the state and establish residences outside city limits, they'll be needing the Smiths' septic tanks, and once the cities annex the new subdivisions, they'll then need the stormwater infrastructure. For the Smiths and Yavapai Precast, it's a win-win situation. breathe a little easier. Whatever the reason, at 3.6 percent growth, Arizona has elbowed its way past Nevada (at 3.5 percent) as the No. 1 growth area in the United States.

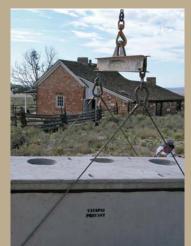
As of July last year, according to the U.S. Census Bureau, Arizona surpassed 6 million in population, up more than 213,000 from the previous year. That equates to nearly 600 new souls every day. Granted, the southern part of the state – primarily the Phoenix and Tucson areas – is taking in most of the growth, but Yavapai Precast's area of coverage in the northern part of the state is getting its share.

"In Arizona and the other Western states, we have a lot of miles between communities," said

Campbell, or Cam as he is called, president and majority owner of Yavapai Precast. "It's not like back East," he said, where the population is much denser and precasters are located within relatively close proximity compared with northern Arizona. "We're not set up that way. We have a town that we operate out of over an area, and we cover great distances, because there's

Suburban sprawl

Until the past few years, the desert Southwest had largely been ignored as a place to make a home for whatever reasons, but now it is definitely in vogue. Perhaps the attraction is the aridness itself, which is noted to be good therapy for people with respiratory problems, or perhaps it's the wideopen spaces that allow people to





nothing in between." He added that the surrounding states are hundreds of miles away and too far for him to service regularly, but there is plenty of market share within Arizona's borders.

"It's a big state," said Tyler, general manager and minority owner. "We're sitting pretty much in the middle of it." Tyler explained that Prescott, the largest city in Yavapai County, is surrounded by private land, which has enabled area growth. Flagstaff, a city two hours to the northeast, is surrounded by national forest. "So it's got finite growth." Payson, to the southeast, is in a similar situation. "Payson has the Mogollon Rim on one side but national forest everywhere else, so it has a heck of a time growing also. So from that standpoint I guess we've been blessed."

It's a situation that offers more growth potential to Yavapai County and puts Yavapai Precast in the center of that growth. For example, Prescott Valley, a relatively new town just to the east of Prescott, is attracting new growth, as is Chino Valley to the north.

Confined quarters

Like the cities in Arizona, Yavapai Precast and its sister division, Yavapai Block, are bursting at the seams and in need of more space. Even with no production facility – all precast production operations occur under open sky – Yavapai Precast has no room left to grow. The combined yard and production area, which is situated on a multi-tiered hillside, is long and narrow, and limited numbers of product can be stacked on one of the tiers until it can be delivered to customers.

As if that were not enough of a challenge, the batch plant – also outside – sits on leased land belonging to a local Native American tribe, who wants the property back. "We're going to move our batch plant down there," said Mark Boehle, sales manager, pointing to an empty spot at the opposite end of the property. "We're just waiting for the building permit." Although the move may have been made by



the smith odyssey

Campbell "Cam" Smith, president and majority owner of Yavapai Precast in Prescott, Ariz., described his father, Richard H. "Dick" Smith, as having always been filled with entrepreneurial spirit. And really, what other type of personality could have made its way onto a box of Wheaties? "My dad was an All-American at the University of Minnesota, and those were the glory days for Minnesota," said Cam. "They were national champs, they never lost a game during those years. And he got his picture on the Wheaties box."

But going from collegiate stardom in Minnesota to manufacturing precast concrete in Arizona took the Smiths on a circuitous route. Both Cam and his father were born in Illinois, but when Cam was very young his father moved the family to California. "We stayed out there during the war years," said Cam.

Dick then moved them to Utah for a short while, and then it was back to Illinois for three years to help run a car dealership. But something had come over his parents, and that was an overwhelming desire to go back West. "Once you've been out West and the climate grows on you, it's very difficult to go back to the humidity and cold weather," said Cam. "So then they came looking."

In his search for a place to finally settle down, Dick Smith had narrowed his options to just a few places, including Prescott, whose downtown area was modeled after the courthouse and town square configurations that are so prevalent in the Midwestern states. "I think my dad and mother are typical of what could have taken place with most people who moved here," said Cam. "It's a fantastic climate – you've got the four seasons. They didn't move here for health reasons, but they moved here from a climate standpoint."

Dick started business in Prescott by purchasing a sports store. He eventually sold that and went into business with a partner in a bowling alley. He sold his share in that and got into the lumber business with another partner. "Then we got into the block business," said Cam. That was in 1966. "So it was block and lumber and concrete." Cam's father finally sold the lumber yard, and then Cam bought the block plant and a ready-mix operation in 1978, as well as the precast operation manufacturing septic tanks, but Cam later sold the ready-mixed business.

Cam and son Tyler, general manager and minority owner, now have their eyes firmly fixed on the future. Company growth has done well over the years, and they are looking for new real estate on which to expand the business. "So we'll have a nice store, we'll have plenty of acreage for precast, we'll have plenty of acreage for the block plant," said Cam. "We'll have plenty of room to grow and do anything we want to looking out at least 20 years from now."





the time this is published, production will continue to take place outside — at least until the company can move to a new location with more acreage. That's also in the plans for the company's future. For the time being,

however, things will proceed as they always have, although working outside has not been so much of an issue as one might think. Prescott is at the 5,300-foot level, which gives the area some relief from the stereotypical hot Arizona climate. "It doesn't get that hot here," said Mark. "It's a real good climate." Rain is rare, but winters do get some precipitation. "We get a little bit of snow. We definitely get the seasons," he said.

When it does rain or temperatures become unbearably cold or hot, workers can knock off, although it doesn't happen all that often. Glenn Ross, production manager, and his crew take it in stride. "I think it's great! You get a sun tan in the summer," he quipped. "Sometimes we get temperatures as low as zero, but those are days you primarily don't do a whole lot. We might get a bunch of stuff stripped and partly set up for the next day."

Tyler is hoping for a building once the company moves to more spacious environs. "We're looking for a bigger

piece of land right now, something flat," he said. "We're sitting on 17 acres here, believe it or not, but we'd like to get on a nice 30- to 40-acre piece."

The Smiths already have a place in mind and are in negotiations to acquire it. "The new plant will actually give us some flexibility," said Cam, because in another five to 10 years it will be in the midst of the surrounding communities and their expected growth patterns. "Prescott will annex another 11,000 acres in this area, probably another 4,000 acres with Chino, and another 4,000 acres with Prescott Valley," added Cam. "So it puts that property right at the apex, because we believe in bringing the retail business to the customer."

Doing business

Retail sales is another thing that sets Yavapai Precast apart from most other precasters. "We sell on a direct basis to everybody," said Cam, adding that it opens up the entire



product line to direct buy. "And the customers like that very well."

The company does have its contractor pricing, of course, and



most of its business is contractor-focused, as the contractors resell and install the precast products. And because Yavapai Precast does not do the installations, it results in a good working relationship. "We should not in any way be in competition with the people we sell to," said Cam. "We should be driven by customer service and quality, and not be in competition with anybody that installs our product. The same thing in the masonry business that we're in – we will never have a masonry license."

The real competition comes from manufacturers of other materials – and from careless installers from which those other manufacturers can draw a trump card in the competition game. For example, Cam and Tyler explained that one inexperienced installer used no sealants of any kind on a twopiece precast septic tank installation. The resulting leaks





helped feed the false perception that twopiece precast tanks are less reliable than the one-piece tanks offered by the

competition. But rather than fighting the negative perception, the Smiths have deemed it more advantageous to swap out their two-piece tank molds for one-piece molds.

"That was a tough decision for us. It's costing about a quarter of a million to replace the molds," said Tyler. "Every two-piece tank is just as good as the one-piece if installed properly in the field. However, the perception has hurt enough in our area of Arizona to warrant us having to make the change to the one-piece tank."

Cam added that they are interested in staying ahead of state regulations, which could very likely start enforcing a one-piece design with little advance notification.

Adapt or die. It's a part of the Smiths' strategic planning. One-piece septic tanks, retail sales and a larger piece of property on which to build will set Yavapai Precast on the road to a successful future.



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