

Featured Client

Finding the Perfect Solution for Janesville Acoustics

Janesville Acoustics is a long-time client of Agracel's with locations in both Ohio and Michigan. When the company was in need of a facility in the Kansas City area, Agracel immediately went to work to find a solution. The solution: A 155,000 SF facility in Warrensburg, Missouri. In order to accommodate the client's needs, an immediate 40,430 SF expansion is also underway. The Agracel Team takes great pride in being able to assist our existing clients whatever their needs may be. A special thank you to Joe Orscheln with CBRE in Kansas City who also assisted with the transaction.



Originally founded in 1874 to manufacture cotton rolls and batting for the furniture industry, Janesville Acoustics shifted to the transportation market with the rise of mass-produced automobiles. Today, Janesville Acoustics is one of the world's largest producers of acoustical fiber insulation to a variety of automotive applications.

The company operates as a Tier I and Tier II supplier to the automotive and transportation industry worldwide and leads the industry in fiber expertise and manufacturing capabilities. Janesville Acoustics sets the standard. Their quality, performance, and functionality benchmarks serve as the performance reference for fiber-based acoustical applications worldwide.

To learn more about Janesville Acoustics, visit www.janesvilleacoustics.com.

Front Page News

Neapco Acquisition

Agracel's purchase of the 243,350 SF Neapco Building in Beatrice, Nebraska marks our first development in the Cornhusker State. As part of the transaction, Agracel has entered into a long term lease with Neapco Holdings, LLC.

We are thrilled to add this tenant and property to our portfolio. In 2012, Inc. Magazine recognized Neapco Holdings, LLC as the 16th fastest growing private U.S. manufacturing company during the period 2008 to 2011. With a growth rate of 409% during an economically challenging timeframe, Neapco was the 4th fastest growing company of the group whose revenues were between \$500 million and \$1 billion, and the 10th fastest of those companies with between 1,000 and 10,000 employees.

Neapco designs, manufactures, and distributes driveline systems and service parts for Tier One automotive and light vehicle, commercial vehicle and heavy truck, small and all-terrain vehicle, agriculture, off-highway construction, and industrial OEM customers, as well as aftermarket driveline specialists and major heavy-duty parts distributors. The company currently operates facilities in Michigan, Nebraska, California, and Pennsylvania in the U.S., and in Mexico, Canada, Poland, Germany, and China.



To learn more about Neapco, visit www.neapco.com.

Acquisition Activity

Agracel Continues to build Columbus, Mississippi portfolio

In December 2013, Agracel purchased the 57,600 SF SMS Siemag facility located in Columbus, Mississippi. The facility is situated near the campus of Severstal North America and serves as a vendor to the steel mill. The acquisition is accompanied by a long-term lease with SMS Siemag.

Present in the U.S. since 1921, SMS Siemag LLC and/or its predecessors have been developing, designing, and building machinery and plants for the steel and aluminum industries since its beginning. Their range covers the entire process chain. First rate, high-performance products, along with a customer-centered approach and service form the basis of the company's good reputation. Plants and solutions from SMS Siemag provide top technology and cost effectiveness with outstanding quality and reliability.

The SMS facility marks Agracel's third investment in Columbus. The Columbus region has proven itself as an economic development powerhouse.

"We have taken notice, are beyond impressed with what is going on, and want to make sure we are part of the action," states Justyn Dixon, Regional Director of Development, of Agracel's Mid-South office.



Current Activity

Michelin Locates in Greer Industrial Facility

In 2012 Agracel purchased a 45,000 SF facility in Greer (Spartanburg County), South Carolina. The building is located adjacent to the BMW manufacturing operation in Upstate South Carolina. When looking for facilities to help grow Agracel's footprint in the Carolinas, the Greer facility made perfect sense.



Michelin recently signed a long term lease with Agracel on the Greer facility. Some minor upfit on the property was completed to accommodate Michelin's needs. We are pleased to announce the addition of Michelin to our client list.

Trey Pennington of CBRE-The Furman Company in Greenville, South Carolina represented Michelin.



Park Activity

DeWitt, IA Sale

After being a presence in the DeWitt, Iowa, industrial market since 2004, Agracel recently sold our 122,350 SF facility in the DeWitt Industrial Park. Upon completion of some major upgrades, including painting the entire exterior of the building, removing interior walls, installing guttering, and adding two new doors, to the former Johnston Industries building in mid-2013, an offer to purchase was submitted and accepted.



Italian manufacturer Maschio Gaspardo, an international company specializing in the production of agricultural machinery for tillage, seeding, haying, landscaping, and crop care, will move its North American base of operations to the DeWitt facility early this year. The location will also serve as the logistics

hub for the company, which will produce planters and cycle mowers in DeWitt. In addition, Maschio Gaspardo will use a portion of the 20-acre cropland site for demonstrations and field events.

Community Profile

Owensboro, Kentucky



The first European descendants settled in Owensboro in 1797. The settlement was originally known as Yellow Banks, a reference to the color of the banks of the Ohio River. In 1817, Yellow Banks was incorporated as a city under the name of Owensborough, named after Colonel Abraham Owen. In 1893, the spelling was shortened to its current Owensboro.

Owensboro considers itself the "BBQ Capital of the world"; it holds its International BBQ festival and competition every second weekend in May. Since 1979, cooking teams have competed for the Governor's Cup, awarded to the team judged to have the best barbecued cuisine. It is estimated that some 85,000 attendees enjoy the annual festival.

Owensboro, with a population of just over 58,000, is the fourth largest city by population in the State of Kentucky. It is the county seat of Daviess County, which has nearly 98,000 residents. Owensboro is located on U.S. Route 60, and has direct access to a number of nearby highway arteries, including U.S. Highways 231 and 431, and Interstates 24, 64, and 69. Owensboro-Daviess County Regional Airport serves, along with Evansville Regional Airport (32 miles northwest), as one of the region's primary commercial airports.



A number of major manufacturers make their home in the Owensboro area, including Unilever Foods North America with their Ragu spaghetti sauce plant, with 582 employees; Specialty Food Group, a meat processor, with 490 workers; and automotive parts manufacturer Toyotetsu Mid-America, with 390 employees. Other well-known employers in the region include US Bank Home Mortgage, Kimberly-Clark, AT&T, Sara Lee Bakery Group, and Sun Windows.

In spring 2013, Agracel entered the Owensboro market, with our acquisition of OMICO Plastics, a manufacturer of quality blow-molded plastic parts and assemblies. The 109,000 SF facility marks our third development in Kentucky. The acquisition is accompanied by a long term lease.

Learn more about Owensboro, Kentucky, by visiting www.owensboro.org and edc.owensboro.com.

Economic Update

Industrial Production Increased 0.3% in December

Brian S. Wesbury - Chief Economist

- Industrial production increased 0.3% in December, matching consensus expectations, but was up 0.5% including revisions to prior months. Production is up 3.7% in the past year.
- Manufacturing, which excludes mining/utilities, rose 0.4% in December (+0.6% including revisions to prior months). Auto production rose 1.6% in December, while non-auto manufacturing was up 0.3%. Auto production is up 7.2% versus a year ago while non-auto manufacturing is up 2.2%.
- The production of high-tech equipment rose 1.7% in December, and is up 9.9% versus a year ago.
- Overall capacity utilization rose to 79.2% in December from 79.1% in November. Manufacturing capacity increased to 77.2% in December.

Implications: The plow horse economy is starting to trot. Another strong report today on industrial production, which reached a new all-time high in December. Production rose 0.3% for the month and an even stronger 0.5% including revisions to prior months. Taking out mining and utilities gives us manufacturing, which was up 0.4% in December and up 2.8% in the past year. Auto production was up 1.6% in December, but even non-auto manufacturing was up 0.3%. We expect continued gains in production as the housing recovery is still young and demand for autos and other durables remains strong. Over the past year, production in the auto sector has expanded by 7.2%. Excluding autos, manufacturing output is up 2.2% in the past year and 6.0% at an annual rate in the past three months. We expect the growth gap between auto and non-auto manufacturing to narrow substantially in the year ahead, with slower growth (but still growth!) in autos and faster growth elsewhere in manufacturing. Capacity utilization rose to 79.2% in December. This is a new high for the recovery and above the average of 78.9% in the past 20 years. As a result, further gains in production in the year ahead should push capacity use higher, which means companies will have an increasing incentive to build out plants and equipment. Meanwhile, corporate profits and cash on the balance sheet are at record highs, showing companies have the ability to make these investments.



AGRACEL, INC.

Industrial Developers

www.agracel.com
1.800.600.8085

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Effingham, IL 62401

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Covering Your World

William Flemming, Jr., Skip Skaggs

- ◆ Congratulations go out to William Fleming, Jr., as he will begin a role as the President and CEO of Marlboro Electric Cooperative in South Carolina. William comes to his new position with over ten years of cooperative experience, having also served with Pee Dee Electric Cooperative. William has been instrumental in getting Agracel involved in development in the Florence, South Carolina region. We look forward to continuing that relationship in the Marlboro/Dillon County region.
- ◆ William "Skip" Skaggs recently accepted the position of Executive Director of the Monroe County (MS) Chamber of Commerce in Northeast Mississippi. Skip was the former director of Existing Industry and Business Division of the Mississippi Development Authority. Congratulations, Skip!

TQW

TQW Expands Relationship with Ahlstrom



TQW has been working with Ahlstrom Filtration since 2011, primarily with vendor managed inventory of automotive filtration media for Champion Labs/Fram. Recently we expanded our handling of Ahlstrom product to include filtration media for the Donaldson Company. Unlike the transportation media (air filters/oil filters) produced for Champion/Fram, this new media is used in industrial air filtration systems, primarily in factories. Donaldson is an industry leader in filtration, world-known especially for their industrial Torit dust collector systems. Ahlstrom currently imports this nano-web technology media from a plant in Italy that is already qualified for this technology level but they anticipate that their US plants will be certified for this production in the near future.

Donaldson is headquartered in Minneapolis, MN and has locations worldwide including regional facilities in Dixon, IL; Champaign, IL; Frankfort, IN; and Rensselaer, IN.