

**WE CREATE VALUE FOR COMMUNITIES, COMPANIES, & SHAREHOLDERS.**

**HEICHE SURFACE TECHNOLOGIES**  
Jasper, AL

[www.agracel.com](http://www.agracel.com)

**Front Page News**

**Agracel chosen as developer for Heiche Surface Technologies**

Earlier this year, Heiche Surface Technologies announced Agracel as its development partner for their new 103,500 sf manufacturing facility. Agracel has purchased a 53,500 sf speculative building in Jasper, Alabama, for the company and are partnering with Dunn Building Company to expand the facility an additional 50,000 sf. Along with the expansion, Agracel is upfitting the current spec space to accommodate the needs of Heiche. The project marks Agracel's second project in Jasper.

A ceremonial groundbreaking and lease signing ceremony was held in January at the Jasper Industrial Park. The new operation will bring approximately 73 jobs to the area. Heiche will become the fifth automotive supplier, and the first German company, to operate a manufacturing facility in Jasper, which is located within 250 miles of 11 different automotive assembly plants in the Southeast. We are thrilled to be part of this growth in North Alabama.

With construction already underway, operations are expected to begin by July

2021. Founded in 1965, Heiche operates facilities in Germany, Hungary and Poland, as well as a U.S. operation in Spartanburg, South Carolina. Heiche, which specializes in the chemical surface treatment of metal parts, serves the automotive, machinery and electronics industries. In 2018, Heiche became part of the publicly traded KAP AG, and a key component of its surface technologies segment. Within this segment, the KAP Surface Technologies group operates in 10 locations with more than 800 employees.

"We are thrilled to be back in Jasper and look forward to our partnership with Heiche. We can not say enough about what a tremendous team effort this was in bringing this project to Jasper. A big thank you to the state, regional, and local leaders, as well as the executive team of Heiche for committing to and putting your trust in Agracel," states Mark Keller, Agracel's Executive Vice President and Director of Construction.

**Acquisition Activity**  
Ekornes

**Agracel is pleased to be adding another project in North Carolina to our portfolio, with the acquisition of a 100,000 sf manufacturing facility operated by J.E. Ekornes USA, Inc. in Morganton.**



A 100,000 sf expansion will take place immediately, bringing the building to 200,000 sf. Construction is slated for completion in November. At that time a long-term lease agreement will commence between Agracel and Ekornes.

Ekornes, a Norwegian company, established their Morganton operation in 2012, their first outside of Norway. Ekornes selected North Carolina because of the heritage for furniture production in that state. Currently, 47 full-time employees work at the Morganton location. Rapid growth over the past nine years has necessitated the expansion.

McCrary Construction has been selected as the contractor for the project. The expansion

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**35**  
YEARS OF  
EXPERIENCE

**22M**  
SQUARE FEET  
DEVELOPED

**16,725**  
NUMBER OF  
JOBS CREATED

**21**  
STATES WITH  
PROJECTS

**930M**  
COMBINED  
INVESTMENTS

## Community Profile

### Mattoon, IL

Mattoon, Illinois, is our home office's neighboring city to the north. Situated in Coles County, Mattoon was incorporated in 1861, and holds a long history with the family of Abraham Lincoln. The Lincoln family settled in the area in 1831, and although the future President never lived in Coles County, he frequently traveled through the area as a circuit lawyer and held one of his famous debates with Stephen Douglas in Coles County in 1858.

The present population of the city is 18,291, while the county boasts a population of 53,196.

Interstate 57 is situated to the east of Mattoon, while State Highways 45, 16, and 121 serve the community and region as well. The Coles County Memorial Airport, located between Mattoon and its nearby city of Charleston, provides charter air service to the area. In addition, Amtrak has a terminal in Mattoon for passenger rail service, and Canadian National and CSX provide industrial rail service.

Agracel has long been a development partner to the Mattoon area, first entering the industrial sector in the 1990s with

our Mattoon Enterprise Park development. Recently we had the opportunity to enter into a long-term lease agreement with North American Lighting for our 75,000 sf Mattoon Industrial Building in Mattoon's Enterprise Park. We have worked with NAL on a number of past projects and are thrilled to provide them with a solution for their manufacturing and warehousing needs.

In addition, as you may recall from past Development Quarterly newsletters, Agracel developed a 48,121 sf office facility

for Blue Cross Blue Shield's service center in our Coles Centre Business Park. Blue Cross Blue Shield is in the process of moving operations into the new two-story office building that can accommodate up to 250 workers.

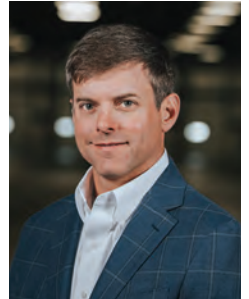
Learn more about Mattoon and Coles County by visiting [Mattoon.Illinois.gov](http://Mattoon.Illinois.gov), [MattoonChamber.com](http://MattoonChamber.com), or [ColesTogether.com](http://ColesTogether.com).



## Covering Your World

### Clayton McKinnon

Agracel is pleased to announce Clayton McKinnon as the new Regional Development Director for the Gulf States Region. The Gulf States Office will now be based out of Birmingham, Alabama, and will continue to cover the Mississippi, Alabama, Louisiana, and Florida Panhandle markets.



Clayton is a graduate of Auburn University with his BS in Civil Engineering and Masters in Business Administration. Clayton comes to Agracel with a wealth of experience in construction and business development. Prior to joining Agracel, Clayton served as a project manager and most recently, the Director of Business Development for Hoar Construction. During his time as the Director of Business Development, his focus was primarily on growing the number of projects Hoar was building within the industrial sector. Through those efforts, Hoar secured multiple automotive, food and beverage, and distribution projects

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## Under Construction

### Treves, Kelvion and Faurecia

Agracel's Construction Management team is full steam ahead going into the second quarter of 2021, as they are currently overseeing more than a dozen projects throughout the Midwest, South, and Southeast U.S. Expansions for new and existing tenants remains a vital segment of our development services.

Treves



In 2017, Treves Corporation sought the site selection services of Agracel to locate their first Midwest U.S. production facility. A 40,000 sf shell building in Fostoria, Ohio, was selected and the building was finished per Treves' specifications. Now, less than four years later, Treves' business is growing and the need for a major expansion became necessary to meet production demand.

Whitta Construction has undertaken the 63,500 sf expansion that will build out the site for Treves. Construction is expected

to be complete by the end of 2021.

Kelvion



Agracel entered the east Tennessee market in late 2020 with the acquisition of the Kelvion facility in Knoxville. As part of the lease agreement, an expansion was immediately undertaken by Hale Construction to bring the building to 145,168 sf. Kelvion is a global manufacturer of heat transfer equipment and manufactures air coolers for the Refrigeration and HVAC industries at the Knoxville location. Construction will be complete later this quarter.

Faurecia



The 128,440 sf expansion at our Faurecia facility in Spring Hill, Tennessee, continues to progress. Agracel built the original facility in 2019. With the current expansion, the building will grow to 276,057 sf. Completion is scheduled for later this year.

## Featured Partner The Alliance, Cornith

We are pleased to highlight The Alliance of Corinth, Mississippi, as our featured partner for this quarter's newsletter. Over the past year we have had the pleasure of working with Clayton Stanley, President and COO, and GT McCollough, Director of Business Development, on a Spec Building Partnership in the community. The spec partnership marks Agracel's first project in Corinth, and we have been nothing short of impressed with the progressive mindset of The Alliance staff, the City of Corinth, and Alcorn County.

The Alliance serves as the economic development agency as well as the chamber of commerce for Corinth and Alcorn County, Mississippi. The team at The Alliance understands that in order to effectively promote your community in the industrial arena, you must have product. Quality buildings are scarce in many regions. The Alliance saw the great need to add viable product to their community and simply found a way to make it happen! Sitting in the heart of the Southeast automotive corridor, they are perfectly positioned for marketing a spec facility. Agracel will be heading the construction management of the project and jointly marketing the facility with The Alliance.



The new 50,000 sf spec facility, which is scheduled for completion in October, is on a 25-acre site in Alcorn County and will include a 100,000 sf pad. The building will be easily expandable to 200,000 sf or greater. Located in a well-established industrial park, this site has power, water, natural gas, sewer, and fiber present. The facility location will offer immediate highway access in all four directions, being just one mile from both U.S. Highway 45 and U.S. Highway 72, both divided four-lane highways. A Kansas City Southern rail spur borders the property to the north. This site is also located in a designated

New Market Tax Credit Census Tract and certified Opportunity Zone. It will be publicly owned by The Alliance.

To learn more about The Alliance or the new spec facility please visit [www.corinthalliance.com](http://www.corinthalliance.com).

## Agracel Perspective from Ryan Witges... Our Take on Today's Environment



**Yet another quarter has passed, and we feel we can now say we are navigating past the peak of the COVID-19 period. We are ready to put the past year behind us and are proud of the progress we are witnessing to resume normalcy in both our work and personal lives.** However, this period is not coming without its own set of challenges. We are constantly being asked, "What are you seeing in the industry? What's different in today's environment?" Our biggest hurdle right now is in pricing and availability of building materials. Vendors are simply not able to deliver materials, especially steel, in the same time frame as pre-COVID-19. The demand has driven construction prices to an all-time high. While this is super challenging for us as we price build-to-suit projects, we feel this surge in pricing should lead to increased value for our existing properties. In addition, though pricing is high, thankfully interest rates continue to remain at record lows, thus offsetting the skyrocketing prices.

If you have been with us long, you know we follow the ISM Manufacturing Index closely. Economic activity in the manufacturing sector grew in March, with the overall economy notching a 10th consecutive month of growth. The March index registered at 64.7 percent. Any number over 50 signals expansion. We see all positive roads ahead in terms of recovery and growth. All of the six biggest manufacturing industries — Computer & Electronic Products; Fabricated Metal Products; Food, Beverage & Tobacco Products; Transportation Equipment; Chemical Products; and Petroleum & Coal Products, all registered strong growth in March. What is most impressive is that these same companies are growing in the face of supplier shortages and increased demands as a result of the lack of availability of parts and materials due to the lasting effects of COVID-19. The key here is that GROWTH in Manufacturing is alive and well.

We look forward to 2021 and beyond. As you can see from the pages that surround this article, Agracel remains steadfast in our work to keep manufacturers and the communities they are in pacing towards a bigger and even brighter tomorrow.

## Who We Are...

Agracel, Inc., an industrial development firm, provides development services to owners, managers, and investors of industrial and commercial facilities. Agracel has developed projects in **21 states** totaling over **22 million square feet**. So...what makes Agracel so unique from other developers? The difference is where we choose to develop. The small town market is one that many developers ignore. Not Agracel. As an industrial development company that focuses on developing projects and creating jobs in rural towns, Agracel has created a unique model in the industry.

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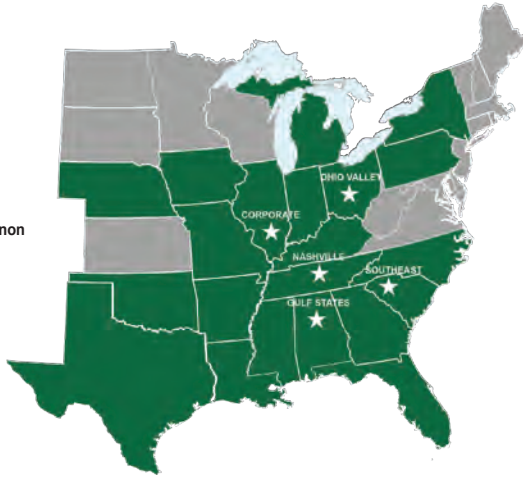
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## Covering Your World (continued) Clayton McKinnon

across the Southeast. He is a Registered Professional Engineer in Alabama and is a LEED Accredited Professional with a building design and construction specialty.

His professional affiliations include the Urban Land Institute, Associated Builders and Contractors' Future Leaders in Construction, Birmingham Multiple Sclerosis Society, Leadership Vestavia Hills, International Council of Shopping Centers, and the Young Professionals Board of Associated Builders & Contractors. He serves on the alumni advisory board for the Auburn University Civil Engineering Department as an industry liaison. He is actively involved with the Alabama Chapter of NAIOP, the Economic Association of Alabama, and the Southern Economic Development Council.

In his role as Regional Development Director, Clayton will lead our industrial development efforts for the Gulf States office and focus primarily on industrial site development, acquisitions, and build-to-suit opportunities.

Clayton and his wife Shealy live in Vestavia Hills, Alabama, with their two daughters.

In a statement from Clayton, he said, "The excitement and support I have received from the economic development community has been overwhelming. I am grateful for this opportunity to lead Agracel's growth efforts within the region. The potential for Agracel to be successful in this region is exciting and I'm looking forward to connecting with old relationships and making new ones as we continue that growth."

## Acquisition Activity (continued) Ekornes

**EKORNES**<sup>®</sup> is projected to create 102 new jobs. With the expansion and increase in labor force, Ekornes plans to increase their production and add additional products, as well as expand warehouse and distribution space. Completion is scheduled for later this year.

"The Ekornes project will be a great addition to the Agracel portfolio," states Jason Vaughn, Agracel's Regional Development Director for the Southeast. "The expansion and job growth solidifies Ekornes' presence in Burke County."