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A COMMUNITY IS COMPRISED OF BASIC ELEMENTS: buildings, land and people. These form a symbiotic relationship that spur growth and expansion, the key forces at work at Pattillo Construction Company, the largest privately held industrial developer in the fast-growing market of the Southeastern United States.

After 55 years in business, Pattillo is embarking on its most aggressive expansion program since the early days of the company, showing that the entrepreneurial spirit that guided its growth is still at work. "We're aggressively opening up markets and bringing jobs to communities," stresses CEO Larry Callahan. Through this activity, he says, every facet of the community awakens: Jobs focus human effort and create the income that attracts retail and housing development centers which bring families that insist on quality education. "Industrial development tends to spark that growth cycle," Callahan says. "The whole process tends to start when farms and pastures are converted to Industrial Parks."

And so, to keep community expansion alive and well in the South, Pattillo Construction Company is developing three huge tracts spanning nearly 1,800 acres: two in Georgia and one in Florida. The Georgia sites include the 755-acre Coweta Industrial Park on I-85 about 20 minutes south of the Atlanta's Hartsfield-Jackson International Airport, the largest airport in the world. The development is expected to generate seven million square feet of manufacturing or distribution space in 25 buildings. North of Atlanta on I-85 is 640-acre McClure Industrial Park, which will contain about six million square feet in 20 buildings. Pattillo offers complete turnkey design/build services and protective covenants to protect the investment for the long term.

"Tone and style add value in residential development so people know they will be surrounded with similar quality construction," Callahan says. "We do the same thing in industrial development: put covenants and restrictions on activities, require quality construction materials and landscaping to create an overall environment that is conducive to business."

Adding to the new spaces and places is a 400-acre tract in

Jacksonville, Fla. NorthPoint Industrial Park is open for business with two speculative buildings available now. All sites are fully entitled with water management district permits and zoning, convenient to interstate highways all located eight miles from the airport and four miles from the port.

"We look at the world through the eyes of our customers, and we ask ourselves, 'Where is the next environment where they would succeed?' We look for leadership in the communities and then we try to be the catalyst that sets the development cycle in motion," Callahan notes.

A SIMPLE PAST

Pattillo Construction was founded by a frugal family of Georgia farmers; as Callahan phrases it: "This company was built from dirty boots and sweat." In particular Pat Pattillo was not only a smart farmer and shrewd businessman but a person who believed in the values of a cohesive community. A founding member of Leadership Georgia, one of the nation's oldest and most successful leadership-training programs for young business, civic and community leaders, Pattillo also sat on the board of directors of numerous companies, including Sun Trust Bank, Southern Company and Eaton Corporation. He also chaired the Board of Regents of the University System of Georgia and was Chairman of the Atlanta Federal Reserve Bank board of directors. Pattillo, Callahan explains, understood that every community needs leadership. "You look for leadership first – from that everything flows."

To stay mindful of its down-to-earth past, the original wooden John Deere wagon used on the Pattillo family's farm occupies a spot in the company's lobby. "We put it there so everyone remembers where we came from," Callahan says.

Pattillo started out shortly after World War II building schools and churches but eventually found his niche in the design and construction of industrial buildings. It has now built more than 1,000

Pictured bottom left: Multi-unit speculative building rendering, Montgomery, AL; bottom right: multi-tenant building, Oakwood, GA.

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EXPANSION PLANS



buildings totaling 60 million square feet. At the forefront of industrial park development – an activity that mirrored the growing presence of residential subdivisions in the 1950s – Pattillo introduced some of the earliest industrial parks in the South. It now owns and leases 16 million square feet of industrial space.

Stone Mountain Industrial Park outside Atlanta was the first big industrial park started in the mid-1960s. Pattillo built one facility each month in that park for 12 years, which amounted to 144 buildings in all. The 10 million square feet eventually brought in 10,000 jobs making the park a primary source of employment and property taxes for the DeKalb County region.

MANY FACETS, ONE COMPANY

There are many more ways Pattillo Construction Company fosters growth as both an industrial general contracting firm and a real estate developer. It now offers clients a diversity of properties and arrangements from turnkey, design/build service to maintenance. “If a customer has an industrial space need, we can take care of it,” Callahan explains. “We have an inventory of industrial space available to lease. We have speculative buildings ready to be finished to suit customers. If they want to build their own building on their own land or our land, we are a design/build general contractor.”

Because of this Pattillo has seen many trends over the last several decades and despite the most recent trend to move operations overseas, Callahan maintains there will always be a need for a solid manufacturing base in the U.S. “I can tell you that most of our work in recent years has been tied into manufacturing,” he observes. “The nature of what we build and the companies we build for evolves over time, but there will always be a need for a place to make things, a place to warehouse and distribute things.” The top four industries represented most among the company’s

recent work are automotive/heavy equipment parts suppliers, plastics, medical products and food.

“A lot of production is going overseas, but U.S. production hasn’t disappeared,” Callahan says. “The nature of it keeps changing, but certain segments of manufacturing are expanding and plants are being built. Everything being built must be world class and highly efficient.”

As just one example of how industrial business is generated, when BMW built its South Carolina plant, 36 suppliers moved to the region, all needing industrial plants built. “Business is now truly international,” he says. Meanwhile, Pattillo Construction Company’s clients include Kraft Foods, Heinz, ALPLA, Pactiv, Decoma, BMW, Kubota Tractor, Komatsu, W.W. Grainger, C.R. Bard and many other big names.

Pattillo Construction aims to be in the right market at the right time. The prospects in the South are most promising – and show no sign of ebbing – as the population shifts to warmer climes and manufacturers also find a fertile environment with attractive lower-



Pictured above: Lawrence P. Callahan, Chief Executive Officer; right: Lochridge Industrial Park, Covington, Ga.



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cost electricity and labor, along with proximity to interstate highways. And this population shift to the South will continue. The Southeast population is expected to grow 46 percent over the next 25 years while the Northeast is projected to grow only 9 percent.

BUILD TO SUIT

In addition to favorable market trends, a closer look at Pattillo Construction Company's full range of services shows why it is poised for growth. The design/build process is simplified for clients by Pattillo's team of staff architects, engineers, estimators, and project managers with years of experience and hundreds of projects under their belts. Projects take shape with a facility design leading to a detailed estimate. A comprehensive proposal letter integrates the design and estimate. Contract or lease agreements are attached to the proposal. A track record of on-time, on-budget performance seals the deal.

Building on Pattillo-owned property is a similar, painless process in master-planned existing industrial park developments throughout the Southeast. Locations are next to strategic transportation hubs in communities that are ripe for industrial development.

Some clients contract Pattillo Construction Company to modify existing properties, change a door or entrance, replace the roof, or renovate an entire facility. Pattillo Property Management can design, remodel and renovate any space while minimizing business interruption. Pattillo Property Management provides full-service facility management including new tenant build out, HVAC services, and renovation of existing facilities. It includes a 24-hour emergency dispatching service. Pattillo Grounds Management provides professional landscape installation and maintenance services at competitive rates. The company also has a roofing division. Project

Pictured above: Duro Tire and Wheel, Covington, Ga; right: build to suit for C.R. Bard, Covington Ga.



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management is a critical dimension of industrial development and Pattillo Construction Company uses a Web-based portal in addition to constant personal client contact. Announcements, updates, weather reports, drawings, and other documents and information are at customers' fingertips at all times.

FAMILY MATTERS

Enduring principles guide the company above and beyond the goal of financial success. "We are here to serve the customer. Some people in the real estate business are focused on trying to create value and then sell out so they can retire. That's not our mission," Callahan stresses. "Our mission is to be a catalyst to bring jobs to the South. That's what we do and that's what we have been doing for 55 years. The mission continues."

In addition, Pattillo Construction Company helps customers anticipate growth needs. "We ask, what happens five to 10 years from now when you want to be twice the size? What configuration would your manufacturing or distribution processes be in? How would materials, components and products come in and flow out of the facility? If you had to expand offices, where would you expand? You don't place heavy machinery in the natural path of the office expansion. We help the customer think through such things."

Into the fourth generation, Pattillo still recognizes that its success is tied to the success of local communities. Leadership is the foundation. And the company acknowledges that its suppliers and subcontractors are an integral part of its past and future. As Callahan says, "We draw the blueprints, but we don't do this by ourselves. Some of our suppliers and subcontractors have been part of our team for decades. They are an integral part of our strength. We grow together and work to be developers in the best sense of that word."

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