



Author enjoying fruits of labor
Business Page 12

SCOTTSDALE REPUBLIC

CAMPBELL CAVE CREEK FOUNTAIN HILLS PARADISE VALLEY ARCADIA SALT RIVER COMMUNITY FORT McDOWELL



THURSDAY, JULY 26, 2007

SCOTTSDALEAZCENTRAL.COM

SECTION 5R

Quest leads to 'greener' version of concrete

Jane Larson

The Arizona Republic

Jul. 25, 2007 09:37 AM

All Las Vegas architect Andrew Dennis wanted was a strong, light-weight material to build a home in the Caribbean.

After years of experimenting, what he got is GigaCrete Inc., a company whose "greener" version of concrete is poised to grab its share of the growing market for environmentally friendly building materials.

GigaCrete last month landed \$3.5 million in venture capital from Craton Equity Partners, a Los Angeles-based investment firm that specializes in clean-technology growth companies. Craton will add another \$1.5 million if GigaCrete meets its goals.

GigaCrete Inc.

Business: Manufacture and sale of "green" Building Materials.

Founded: 2005

Headquarters: Moving from Las Vegas to Scottsdale area.

Employees: 6

Annual revenue: Factory operating one shift is capable of \$30 million.

Web site: www.gigacrete.com.

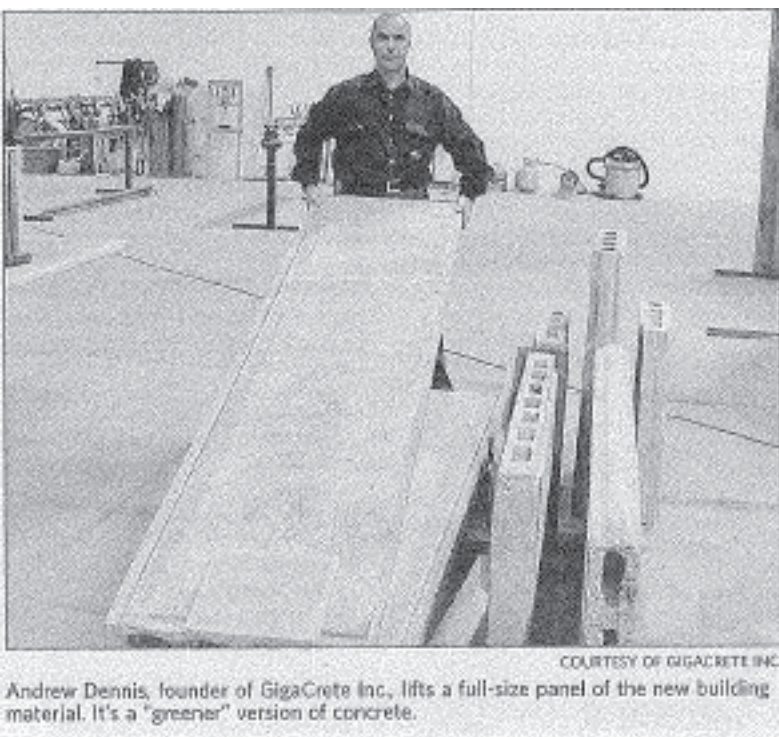
As part of the deal, chief executive officer Erik Hanson is moving GigaCrete's headquarters from Las Vegas to his home base in the Northeast Valley. The funding also will move GigaCrete out of the research-and-development stage and into manufacturing, Hanson said.

"I just really believe in what we're doing in terms of creating a new line of products in the market," Hanson said. "I

think the timing of the markets from a regulatory perspective, the consumer perspective, builders, architects and even developers are really pushing and moving in this direction."

GigaCrete will use the money to add executive and support staff, office space and marketing, he said. Its also will expand and equip its factory, which remains in Las Vegas.

Dennis's quest was for a building material that was lightweight, strong enough to resist hurricanes and didn't require heavy equipment or highly skilled labor during construction. Traditional concrete was out because of the heavy aggregates it uses.



Andrew Dennis, founder of GigaCrete Inc., lifts a full-size panel of the new building material. It's a "greener" version of concrete.

Recycled ash from power plants

GigaCrete uses either naturally occurring sand,

recycled fly ash or its preferred material, the bottom ash salvaged from coal-fired power plants. Future iterations would use other recycled materials, including waste paper, plastics and polystyrene.

The materials are blended with GigaCrete's proprietary cement that uses less water and yields less carbon dioxide than Portland cement during its production.

And the material has turned into an entire family of "green" building materials, ranging from concrete panels to stucco flooring, for the residential construction market. GigaCrete also developed steel connectors that hold its building panels together.



Company fired up over building 'green'



GigaCrete says its panels are fire-resistant. CEO Erik Hanson displays a GigaCrete Panel, a "greener" version of concrete, and StuccoMax. Pages 16-17

The 2-by-9-foot panels go up quickly, cutting the time and cost of constructing shells. Its StuccoMax products take one coat and bond directly to polystyrene instead of lathe, also saving time. The material also is fire resistant because it contains no petroleum products.

Hanson joined the firm two years ago after selling his direct-mail company in California.

Business seeks more space here

He is seeking space for GigaCrete's headquarters in Scottsdale or the Northeast Valley. Besides wanting to be close to his Scottsdale home, Hanson said he believes the Valley has a growing presence of green companies, a good pool of building talent and convenient air travel.

GigaCrete's first products this fall will be bagged materials, such as the concrete for interior floors, plaster products and StuccoMax stuccos.

Limited production of the building panels will begin the end of this year or early next year. The company is seeking International Code Council approval for the stucco and panel products.

Four more factories nationwide

It envisions four more factories around the country and could expand internationally. It plans to sell its products through wholesalers and directly to large customers. Retail sales are not planned for now, Hanson said.

Craton Equity Partners was attracted to the deal by GigaCrete's clean technology, its variety of products, and the amount of time and effort that Dennis and others put into the products, managing partner Robert MacDonald said.

The Leadership in Energy and Environmental Design, or LEED, rating system for green buildings also is helping drive builders' interest in clean materials, he said. That works in GigaCrete's favor.

"Unlike other businesses where they worry about marketing, this is more the case of if you have a company with the capital and the management team, you're able to scale up and you have a ready-made market," he said.

Hanson expects demand for green materials to be strong despite the current housing slump.

"We're actually pretty happy to be launching at the point we are," he said. "We think we'll be well positioned when the market takes off."

"We're actually pretty happy to be launching at the point we are. We think we'll be well positioned when the market takes off."

Erik Hanson
GigaCrete chief executive officer.

Send news about small businesses and Scottsdale Airpark businesses to jane.larson@arizonarepublic.com or call (602) 444-6868.