



CenterPoint Properties®

www.centerpoint.com

THE HAGESTAD SANDHOUSE GANG



FEBRUARY 23, 2012

CenterPoint Overview



- ▶ Experienced infrastructure and transportation-related industrial property company
- ▶ Fully integrated: large scale development, redevelopment, investment and operations
- ▶ Founded in 1984, public in 1993 on NYSE, 25 years of successful innovation
- ▶ Acquired and privatized in 2006 by CalPERS, largest U.S. Pension Fund

- ▶ \$3.5 billion company

- ▶ 6,600+ acres in development

- ▶ 40 million SF portfolio

- ▶ Annual activity ~ \$1 billion

- ▶ Offices:

- ▶ Chicago, IL - Headquarters
- ▶ Milwaukee, WI
- ▶ Kansas City, MO
- ▶ Norfolk, VA
- ▶ Los Angeles, CA

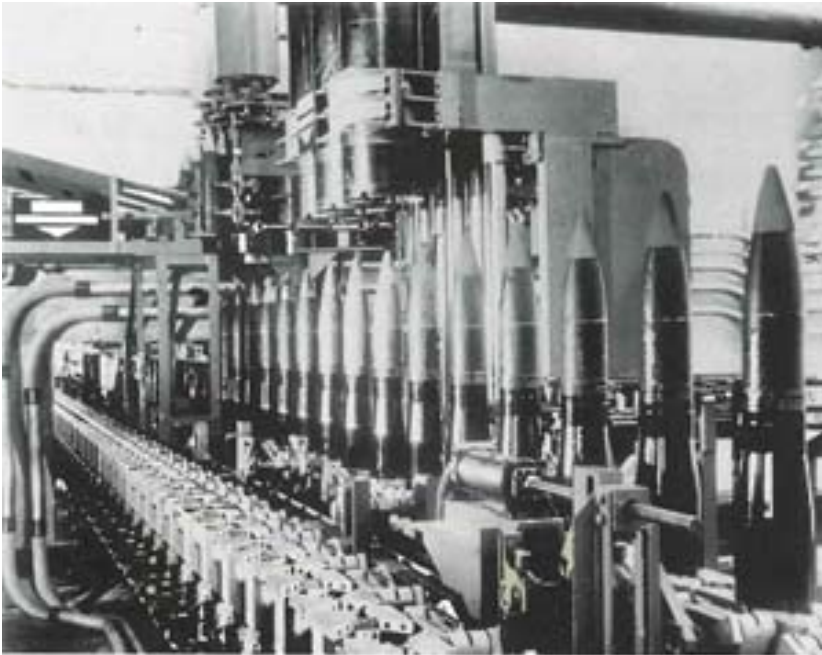


WWII Production Line Joliet Ammunition Production Arsenal Factory



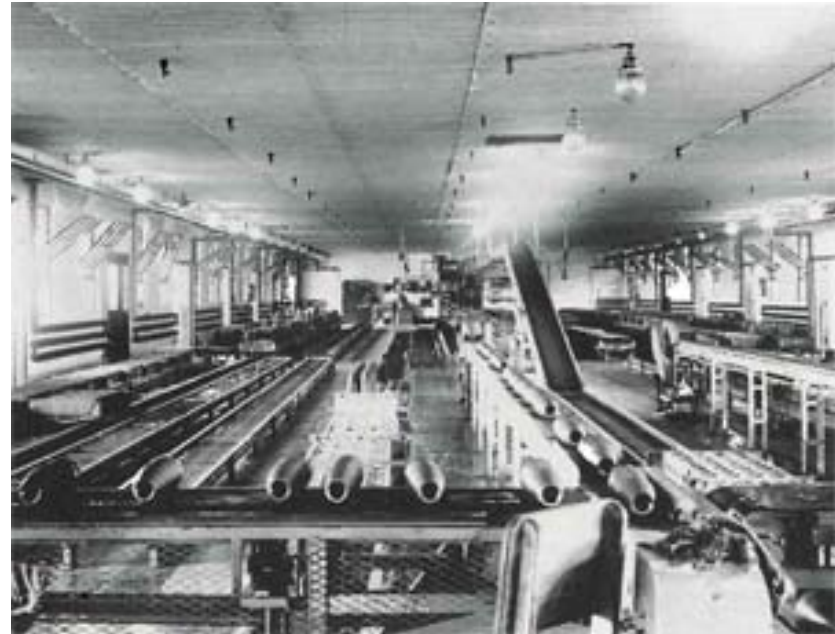
Source: Chicago Tribune staff
photographer

Conveyor Belts at Joliet Arsenal



*Source: Chicago Tribune staff
photographer*

*Source: Chicago Tribune staff
photographer*



24,000 Acre Joliet Arsenal



- ▶ Facility ceased all operations in the early 1990's
- ▶ Thousands of jobs lost to the community, and largest contiguous parcel of property in the region, pays no taxes
- ▶ 19,000 Acres given to the National Forest Service to create the Midewin Tall Grass Prairie
- ▶ 3,000 Acres given to the Veterans Administration to build the Abraham Lincoln Veterans Cemetery (Arlington West)
- ▶ Remaining 2,000 acres, a US-EPA Superfund site, is offered for sale

West Side of Joliet Arsenal



Source: Terry Evans, *Disarming the Prairie*

Manufacturing Area of Joliet Arsenal



Source: Terry Evans, *Disarming the Prairie*

Manufacturing Area of Joliet Arsenal



Source: Terry Evans, *Disarming the Prairie*

Source: Terry Evans, *Disarming the Prairie*



Main Office Building Destroyed by Fire



Source: Terry Evans, *Disarming the Prairie*

Power Line!



Source: Terry Evans, *Disarming the Prairie*

Railroad Tracks!!!



Source: Terry Evans, Disarming the Prairie

CENTERPOINT INTERMODAL CENTER – ELWOOD, IL



- ▶ \$1 Billion+ CenterPoint Investment
- ▶ 2,500-Acre Integrated Logistics Center
- ▶ 1,400-Acre Industrial Park
- ▶ 1,000-Acre BNSF Intermodal Facility
- ▶ Excellent National Connectivity
- ▶ International Service
- ▶ 12+ Million SF Industrial Facilities
- ▶ 100-Acre Equipment Management Area

BNSF-LOGISTICS PARK CHICAGO



- ▶ 770 acre facility opened in August 2002
- ▶ LPC achieved more than 800,000 lifts in 2010
- ▶ Provides international intermodal service to and from every major West Coast port
- ▶ 24 hour/seven day per week operation

INTERMODAL USAGE	309 ACRES
CLASSIFICATION TRACKS	190 ACRES
AUTOMOTIVE	160 ACRES
MAIN YARD PARKING SPOTS	5,200
WORKING TRACK	8,000 LF



CENTERPOINT INTERMODAL CENTER — JOLIET, IL



- ▶ \$2 Billion+ CenterPoint Investment
- ▶ 3,600-Acre Integrated Logistics Center
- ▶ 2,200-Acre Industrial Park
- ▶ 950-Acre Intermodal Facility
- ▶ Excellent National Connectivity
- ▶ International and Domestic Service
- ▶ 18 Million SF Industrial Facilities
- ▶ 450-Acre Equipment Management Area

Recent Aerial Photo



UNION PACIFIC-JOLIET INTERMODAL TERMINAL



- ▶ 785-acre terminal opened in August 2010
- ▶ JIT offers international and well as domestic intermodal service
- ▶ 24 hour/seven day per week operation

INTERMODAL USAGE	550 ACRES*
ANNUAL LIFT CAPACITY	500,000
PARKING SPOTS	4,000
AUTOMATED GATE SYSTEM	10-LANE
WORKING TRACKS	4 (8,000 FT. EACH)
SUPPORTING TRACKS	6 @ 8,000 FT. EACH
SWITCHING TRACKS	6 @ 8,000 FT. EACH

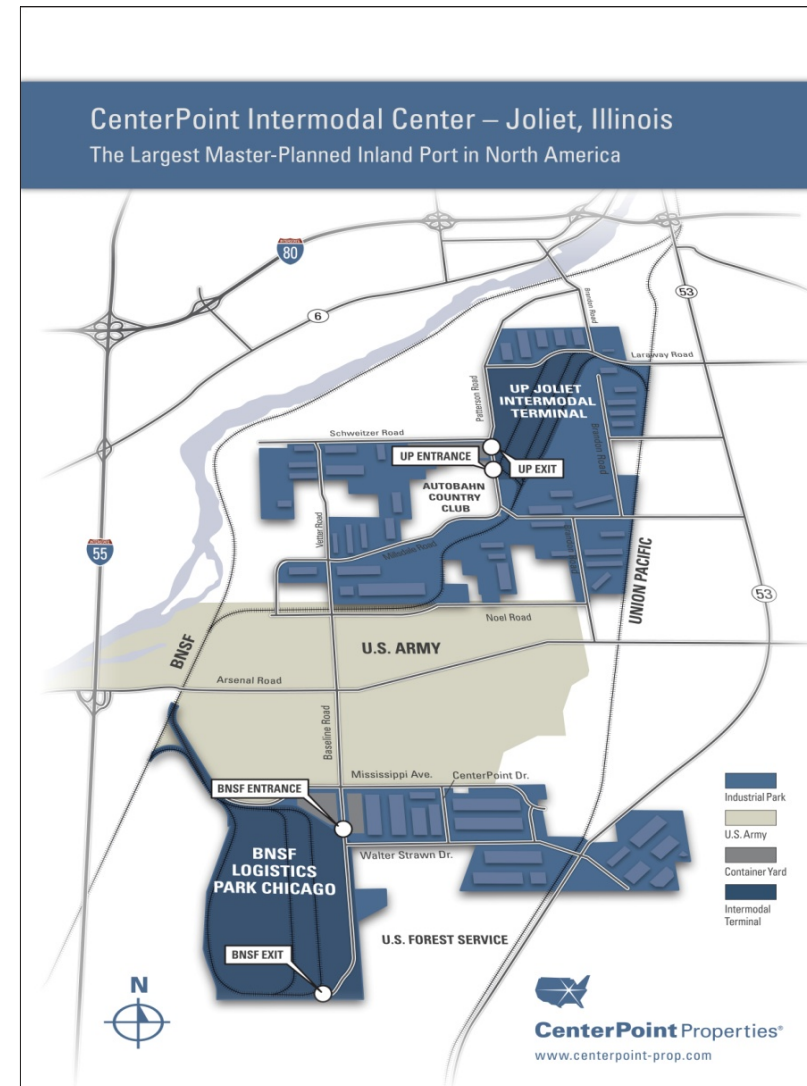


*550 ACRES IN PHASE I, 785 ACRES TOTAL

CENTERPOINT INTERMODAL CENTER- JOLIET, IL



- ▶ Nation's Largest Inland Port
 - ▶ Connects Chicago to West and East Coast Ports
 - ▶ 6,000+ Acres
 - ▶ BNSF's 785-Acre Intermodal Terminal
 - ▶ UPRR's 840-Acre Intermodal Terminal
 - ▶ 4-6 Million TEU's Per Annum in Future
 - ▶ 30 Million SF of Industrial Facilities
 - ▶ 450 Acre Equipment Management Area
 - ▶ Over \$50 Billion of Goods Past Through Both Facilities
 - ▶ Foreign Trade Zone #22
- ▶ \$3 Billion CenterPoint Investment
- ▶ Public-Private-Partnership



21ST CENTURY ECONOMIC ENGINE: THE INTEGRATED INTERMODAL CENTER



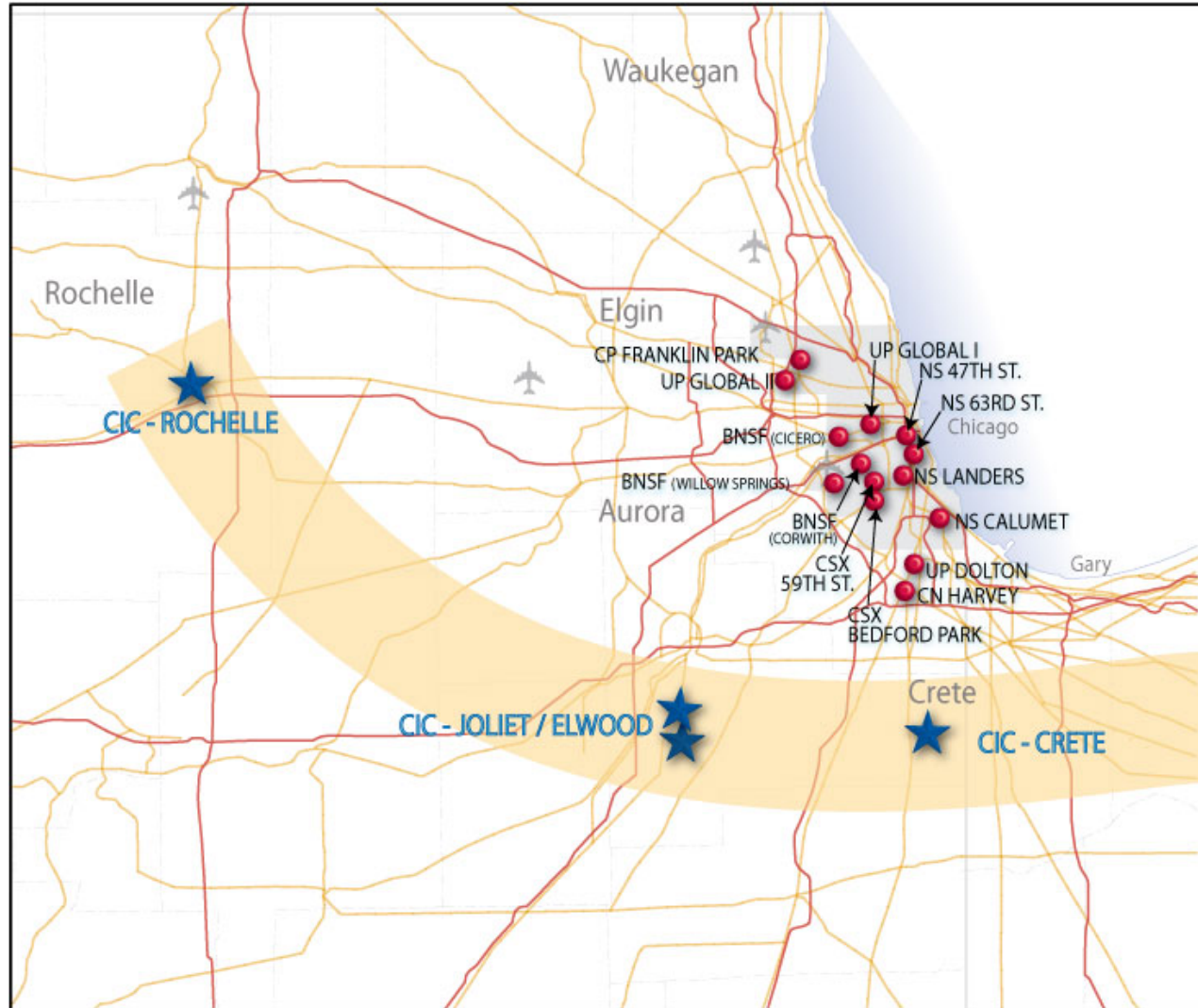
- ▶ Requires rail service, interstate proximity
- ▶ Adequate and available labor
- ▶ Integrates warehouses with rail terminals
- ▶ Foreign Trade Zone Savings
- ▶ Minimize drayage
- ▶ Eliminates demurrage
- ▶ Creates platform for corporate carbon footprint reductions
- ▶ Allows implementation of “supplier campus” initiative



Locates all supply chain components on ONE CAMPUS

*550 ACRES IN PHASE I, 785 ACRES TOTAL

CHICAGOLAND'S INTERMODAL GROWTH CORRIDOR

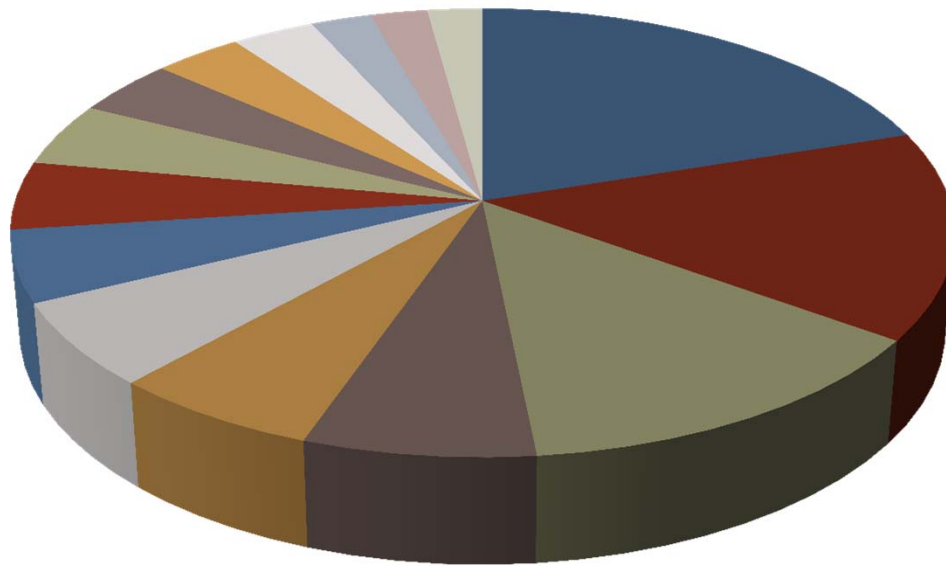


NORTH AMERICAN CONTAINER PORT RANKING



2010 Total TEUs

*CIC-Joliet/Elwood 3,000,000 (Base Case)



CIC-Elwood 1,414,000 (Actual)

■ Los Angeles	6,748,995
■ Long Beach	5,067,597
■ NY/NJ	4,561,597
■ Savannah	2,356,512
■ Vancouver (BC)	2,152,462
■ Oakland	2,050,030
■ Hampton Roads (VA)	1,745,228
■ Seattle	1,658,625
■ Tacoma	1,545,855
■ Houston	1,366,243
■ Charleston	1,181,353
■ Manzanillo (COL)	1,110,350
■ Miami	807,069
■ Jacksonville	757,647
■ Montreal	729,896

* Total Loads Including Empties & Domestic
Source: AAPA Advisory May 2010

INLAND IMPORT DISTRIBUTION CENTER - WALMART



- ▶ 3.4 Million SF, 168 Acres
- ▶ Delivered in 10 Months
- ▶ Largest Distribution Center in Chicagoland History??
- ▶ Walmart's Only Inland Import DC
- ▶ 2,126 Trailer Stalls
- ▶ 308 Exterior Docks
- ▶ 600 New Full-Time Jobs



INLAND IMPORT DISTRIBUTION CENTER - BISSELL

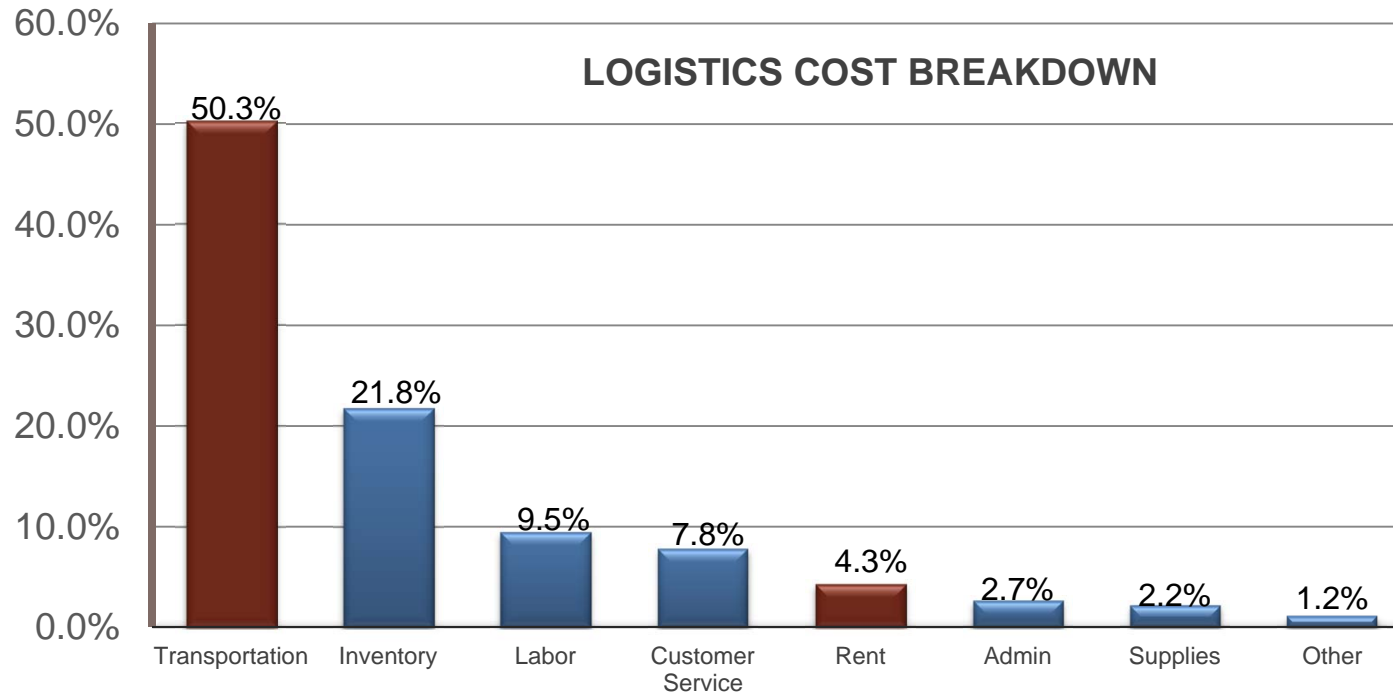


- ▶ 36 Acres
- ▶ 499,200 SF BTS Lease
- ▶ Midwest Distribution Center
- ▶ Walmart Tier One Supplier
- ▶ 229 Trailer Stalls
- ▶ 120 Dock Doors, 4 Drive-in Doors

CENTERPOINT INTERMODAL CENTER – JOLIET LOGISTICS COST BREAKDOWN



MAXIMUM VALUE IS SEEN WHEN CONNECTING GOALS-REAL ESTATE & TRANSPORTATION



SOURCE: ESTABLISH, INC/HERBERT W. DAVIS AND COMPANY 2006 DATABASE

THE FUTURE OF REAL ESTATE IS DRIVEN BY TRANSPORTATION

CENTERPOINT INTERMODAL CENTER – JOLIET ANNUAL SAVINGS



ANALYSIS BASED ON 600,000 SF FACILITY & 5,000 CONTAINERS PER YEAR

INTERMODAL CENTER ANNUALIZED SAVINGS

	Vs. MINOOKA	Vs. TINLEY PARK
Dray & Fuel Savings (www.cicdraysavings.com)	\$570,000	\$775,000
FTZ Benefits of the Intermodal Center	\$474,780	\$474,780
Heavyweight Savings	TBD	TBD
Container Storage Savings	TBD	TBD
TOTAL ANNUAL SAVINGS IMPACT	\$1,044,780 = \$1.74 per SF	\$1,249,780 = \$2.08 per SF

CIC CARBON EMISSION BENEFITS

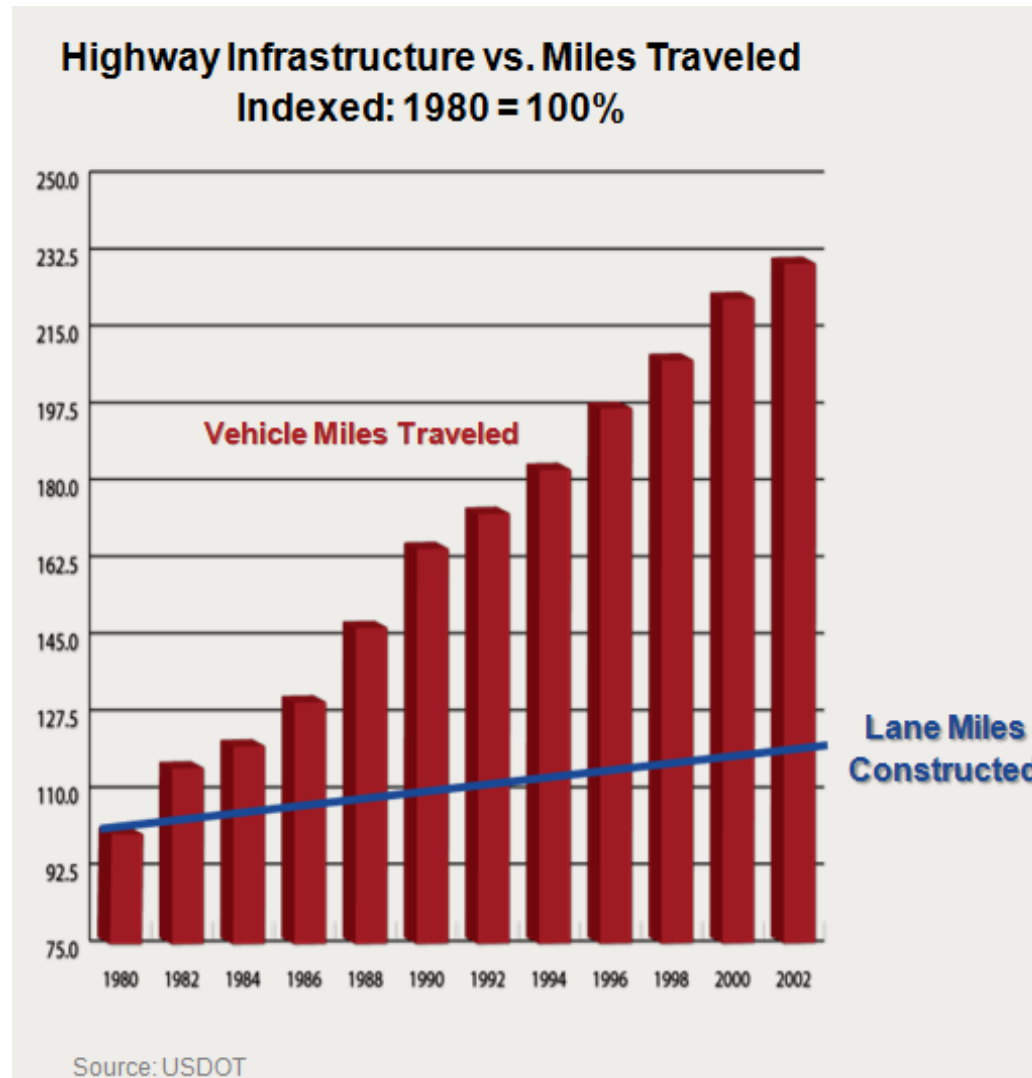


- ▶ Companies who locate within CIC benefit from reduced carbon emissions due to reduced drayage miles
- ▶ Based on an estimate of 5,000 annual intermodal loads, a company located at CIC will save approximately:
 - ▶ 44,962 gallons of fuel annually or 760,211 total pounds of CO₂e versus operating in Minooka
 - ▶ 47,170 gallons of fuel annually or 1,055,849 pounds of CO₂e versus operating in Tinley Park



**550 ACRES IN PHASE I, 785 ACRES TOTAL*

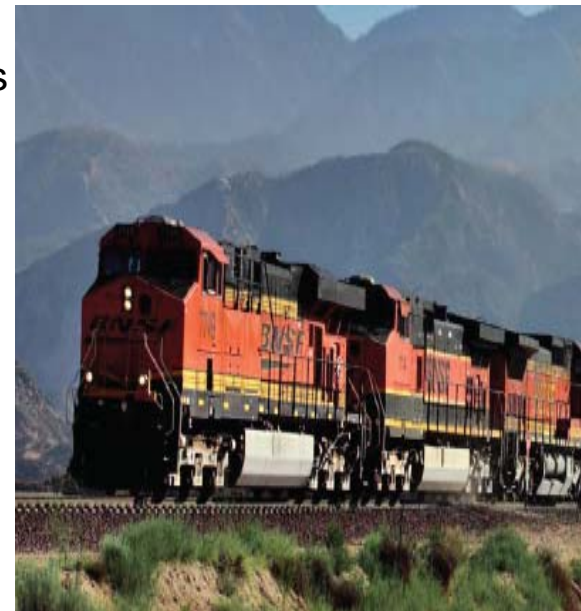
WHY WE ARE IN THE INTERMODAL BUSINESS



BENEFITS OF LONG-HAUL RAIL VS. TRUCK



- ▶ Economies of scale – lower delivered cost
 - ▶ One gallon of diesel fuel moves one ton of freight
 - Nearly 500 miles via rail
 - 155 miles via truck
- ▶ Eases highway congestion
 - ▶ A single intermodal train can take 300 long haul trucks off the highway
- ▶ Rail is the “Green” alternative
 - ▶ Trucks emit 4X more Greenhouse gases than rail for same load of freight
- ▶ Trucking industry facing increased costs / regulation
 - ▶ Hours of service change
 - ▶ High driver turnover (100%)
 - ▶ Rising insurance costs
 - ▶ Highway congestion
 - ▶ Quality of life for drivers



CIC – SUFFOLK, VA



- ▶ \$350 million CenterPoint investment
- ▶ 900-acre integrated logistics center
- ▶ 25 miles to VPA
- ▶ Large land assemblage, zoned and annexed
- ▶ 5-6 million SF for cross-doc, transload, CY
- ▶ Adjacent to 1.5 million SF Target distribution center
- ▶ Worked closely with VPA, VDOT, city of Suffolk



CIC – SAVANNAH, GA



- ▶ \$150 million CenterPoint investment
- ▶ 250-acre integrated logistics center
- ▶ 2.5 million SF for DC, transload, cross-dock facilities
- ▶ Building private road to intermodal entrance
- ▶ Norfolk-Southern direct rail service
- ▶ Domestic intermodal service
- ▶ 4 miles to gate at GPA – Garden City terminal
- ▶ Zoned for 3-high CY storage



CIC – MANTECA, CA



- ▶ \$250 million CenterPoint investment
- ▶ 200-acre integrated logistics center
- ▶ Adjacent to UP domestic intermodal facility – 250,000 lifts annually
- ▶ 1-99 & I-5 (north/south routes extending from Canada to Mexico) are within 5 miles
- ▶ 4 million SF industrial facilities
- ▶ One hour drive from port of Oakland



CIC – HOUSTON, TX



- ▶ \$300 million CenterPoint investment
- ▶ 650-acre integrated logistics center
- ▶ 200-acre KCS Intermodal facility
- ▶ 7.5+ million SF of industrial facilities
- ▶ Potential car load facility



CIC – KANSAS CITY, MO



- ▶ \$300 million+ CenterPoint investment
- ▶ Public-private partnership
- ▶ 1,400-acre integrated logistics center
- ▶ 900-acre industrial park
- ▶ 500-acre KCS intermodal facility
- ▶ Intermodal traffic from Mexico to US
- ▶ International and domestic service
- ▶ 5 million SF industrial facilities



CIC – CRETE, IL



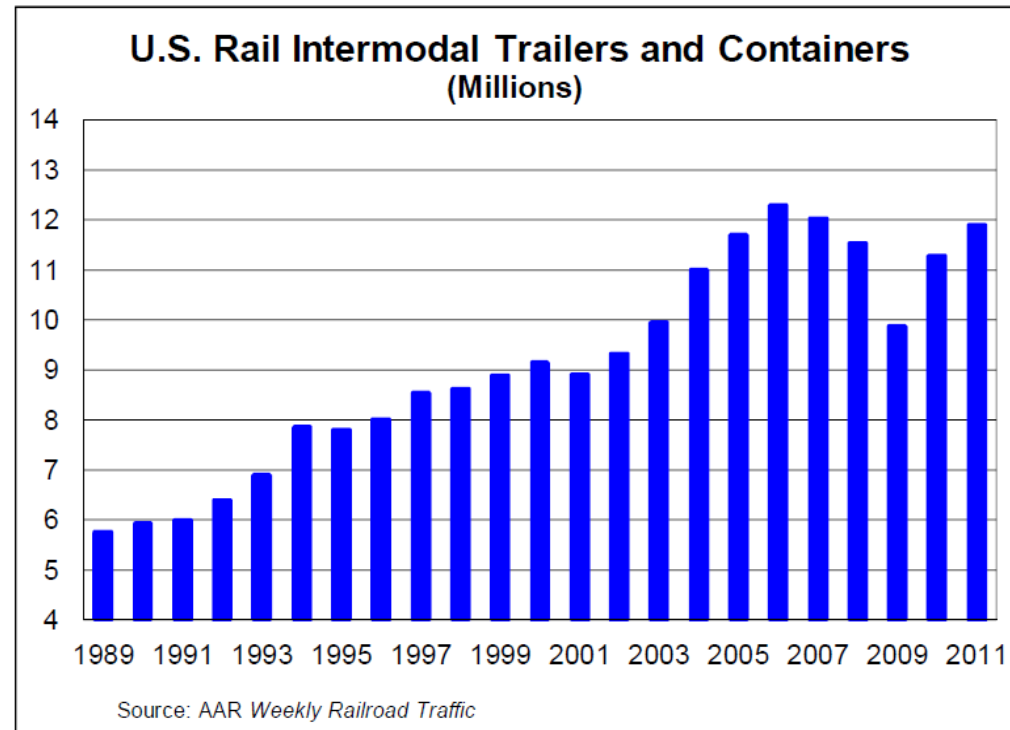
- ▶ \$500 million+ CenterPoint investment
- ▶ 1,000-acre integrated logistics center
- ▶ 300-acre industrial park
- ▶ 700-acre intermodal facility
- ▶ Excellent East, mid-Atlantic and Gulf Coast connectivity
- ▶ 6 million SF industrial facilities



In Summary



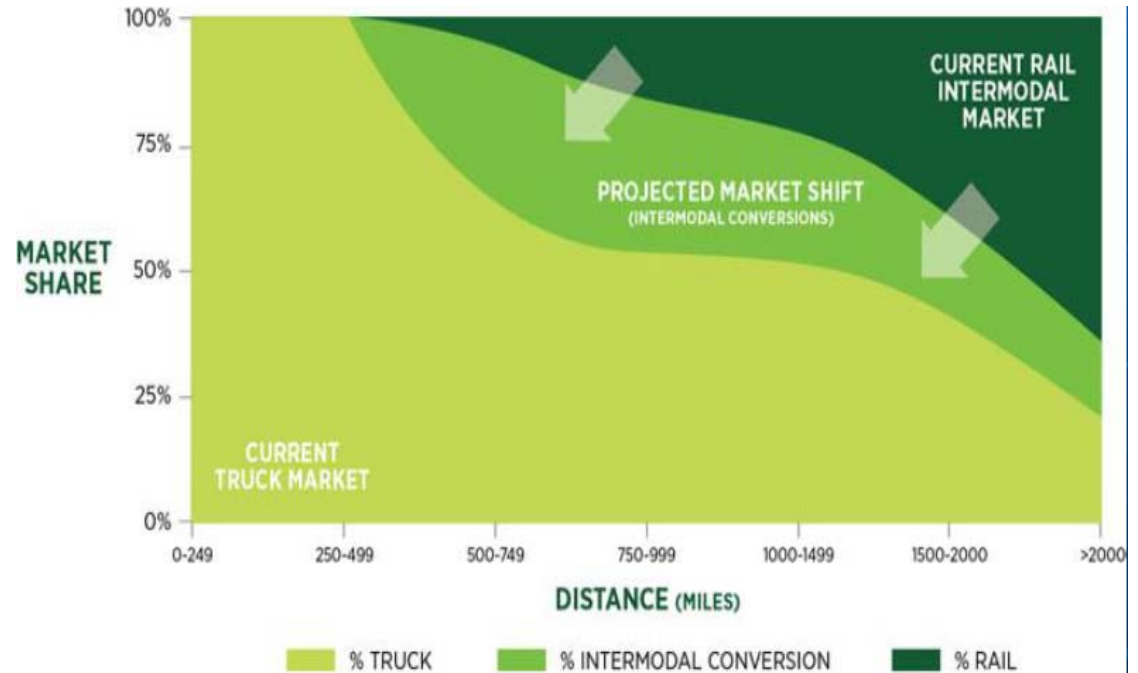
- ▶ Total intermodal volume in the U.S. was up 5.4% in 2011 over 2010 (Rail Time Indicators).
- ▶ Intermodal volumes have been slowly rising and are just 3.2% short of the 2006 peak (AAR).
- ▶ Domestic intermodal continues to show strength as more truck traffic is being moved to rail because of cost savings, rising 8.2% in 2011 (RSE Consulting)



In Summary (cont'd)



- ▶ Continued capital investment in the rail industry has made domestic intermodal more attractive due to increased efficiency and reliability.
- ▶ The distance at which intermodal is viable continues to decrease as the trucking industry faces increased costs and capacity issues.
- ▶ BNSF believes there are 7-8 million loads in its service corridor that it can convert to intermodal. UP believes there are 11 million loads (Journal of Commerce).



Source: FRA's National Rail Plan