



**CenterPoint** Properties®

**INLAND DISTRIBUTION LOGISTICS**

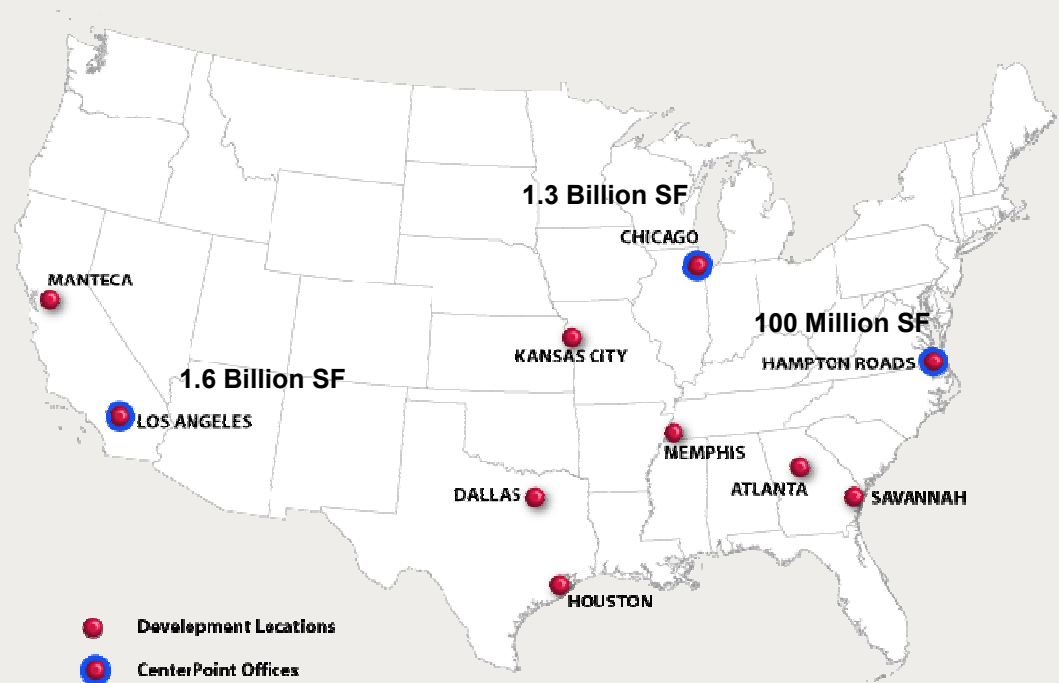
**PRESENTATION TO**

**AMERICAN ASSOCIATION OF PORT  
AUTHORITIES**

**November 19, 2009**

# About CenterPoint Properties

- » 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
- » Sources (CalPERS) = Uses (Infrastructure)
- » 9,000+ Acres in Development
- » 30 Million SF Portfolio
- » Extensive Logistics Relationships
- » Annual Activity \$1 Billion
- » Offices:
  - Chicago, IL - Headquarters
  - Hampton Roads, VA
  - Los Angeles, CA
  - Hong Kong, China



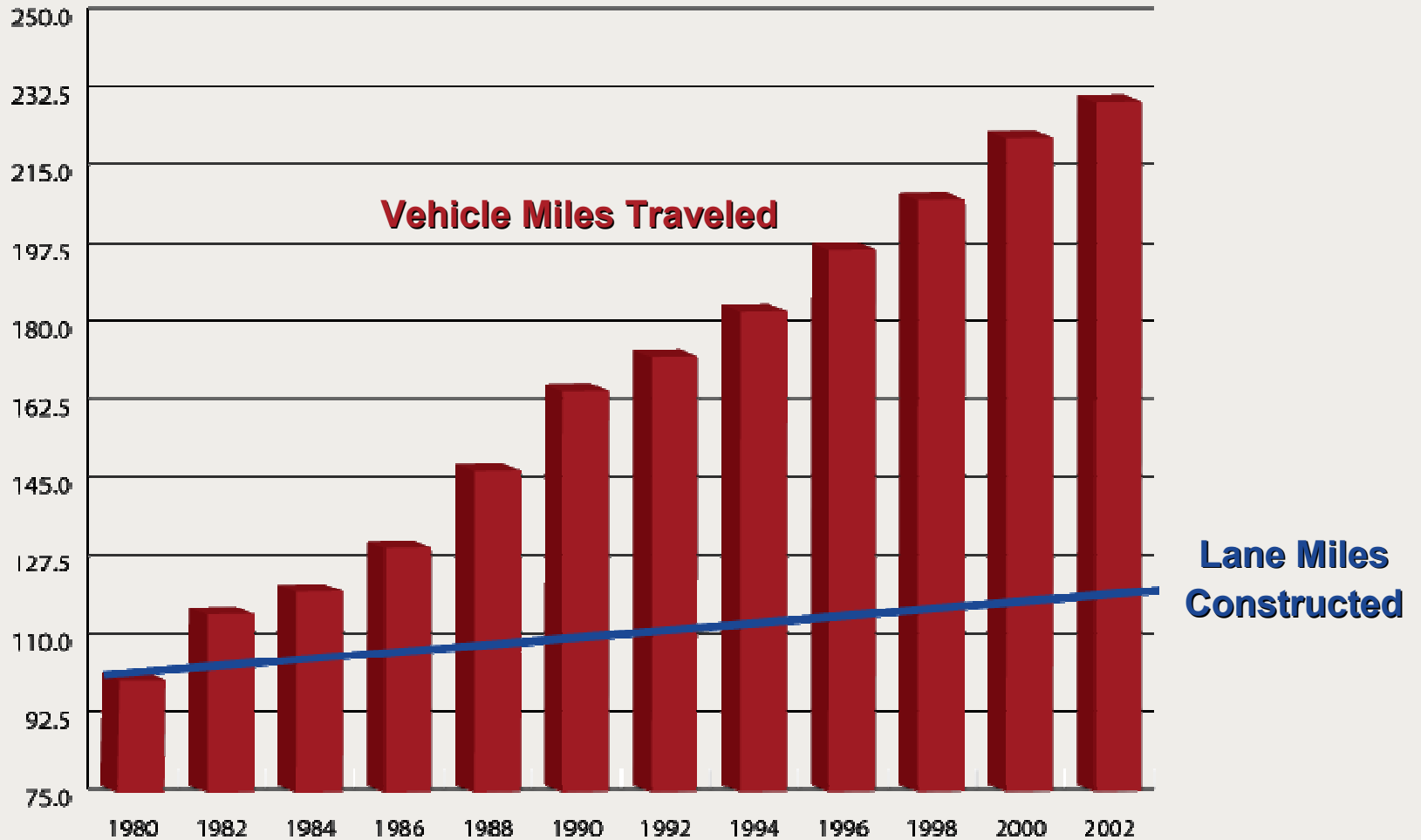
# Why Chicago Matters?



- » 12.25% of Nation's Space
- » 1.3B SF Industrial Market
- » As Diverse as the Nation
- » Vital U.S. Transportation, Agricultural and Manufacturing Hub
- » 60% of Nation's Rail Freight Moves Through Chicago
- » Only Place in North America All Six Class I Railroad's Converge
- » 1,200 Trains, 37,500 Freight Cars Pass Daily
- » Top 5 Container Hub in the World

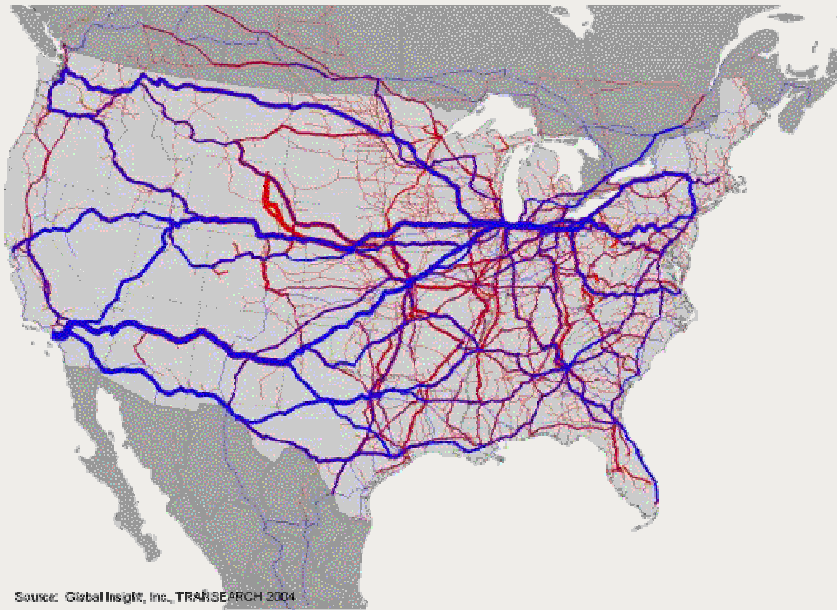
# Why The Intermodal Business?

**Highway Infrastructure vs. Miles Traveled**  
Indexed: 1980 = 100%



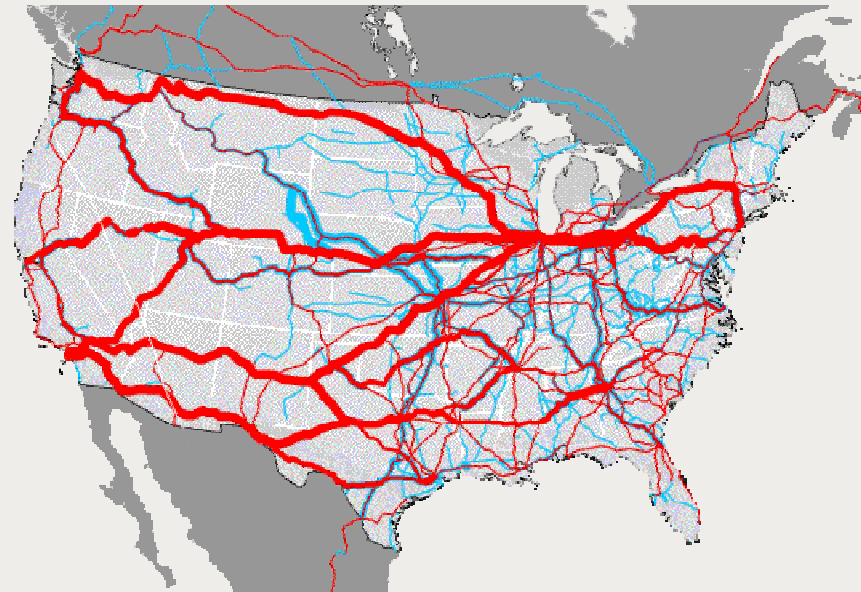
# Growth of Freight Rail

2004



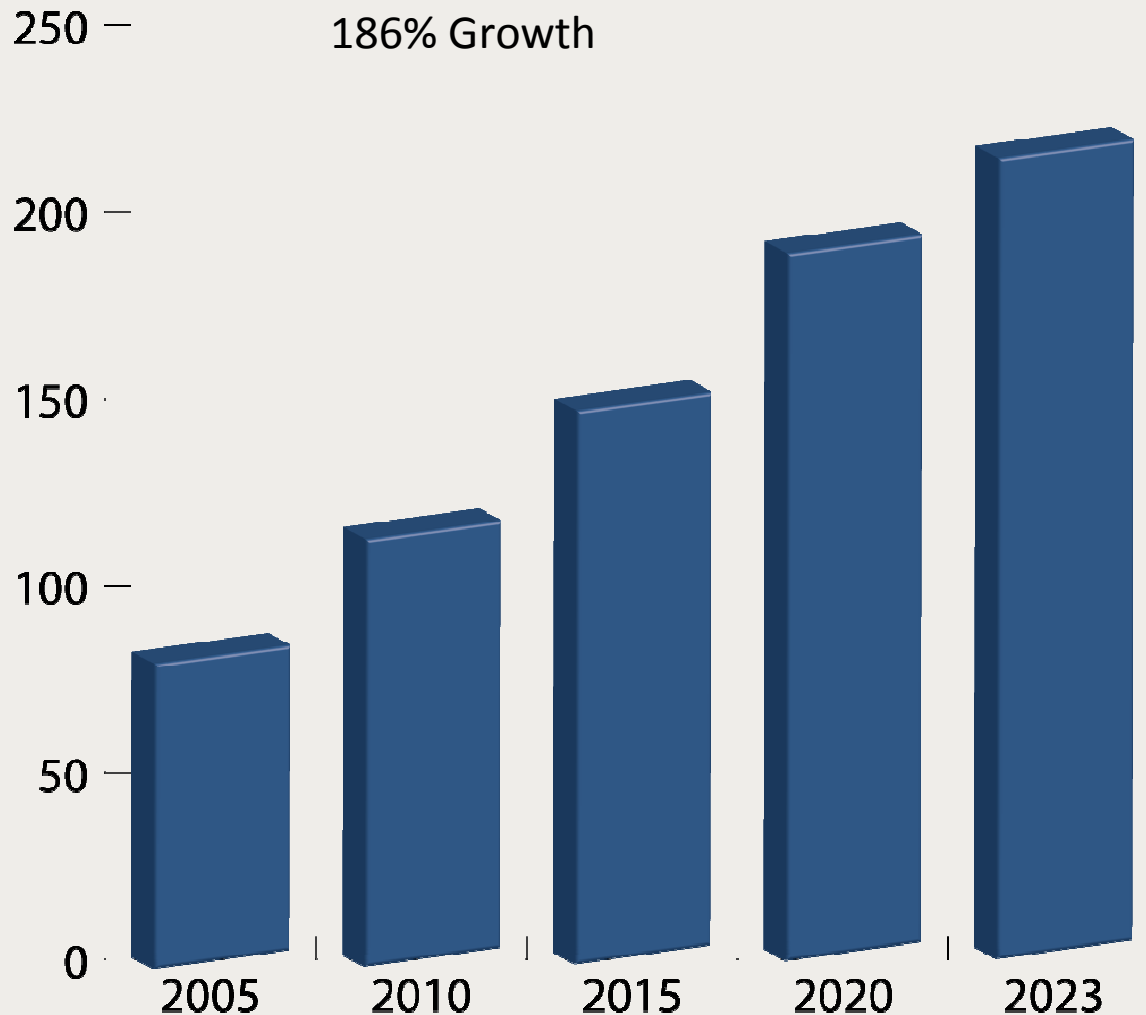
Source: Global Insight, Inc., TRANSEARCH 2004

2035



*Projected Rail Freight Growth in United States  
Greater Chicago is the Hub*

# Strategic Focus Aligned With Intermodal Freight Growth



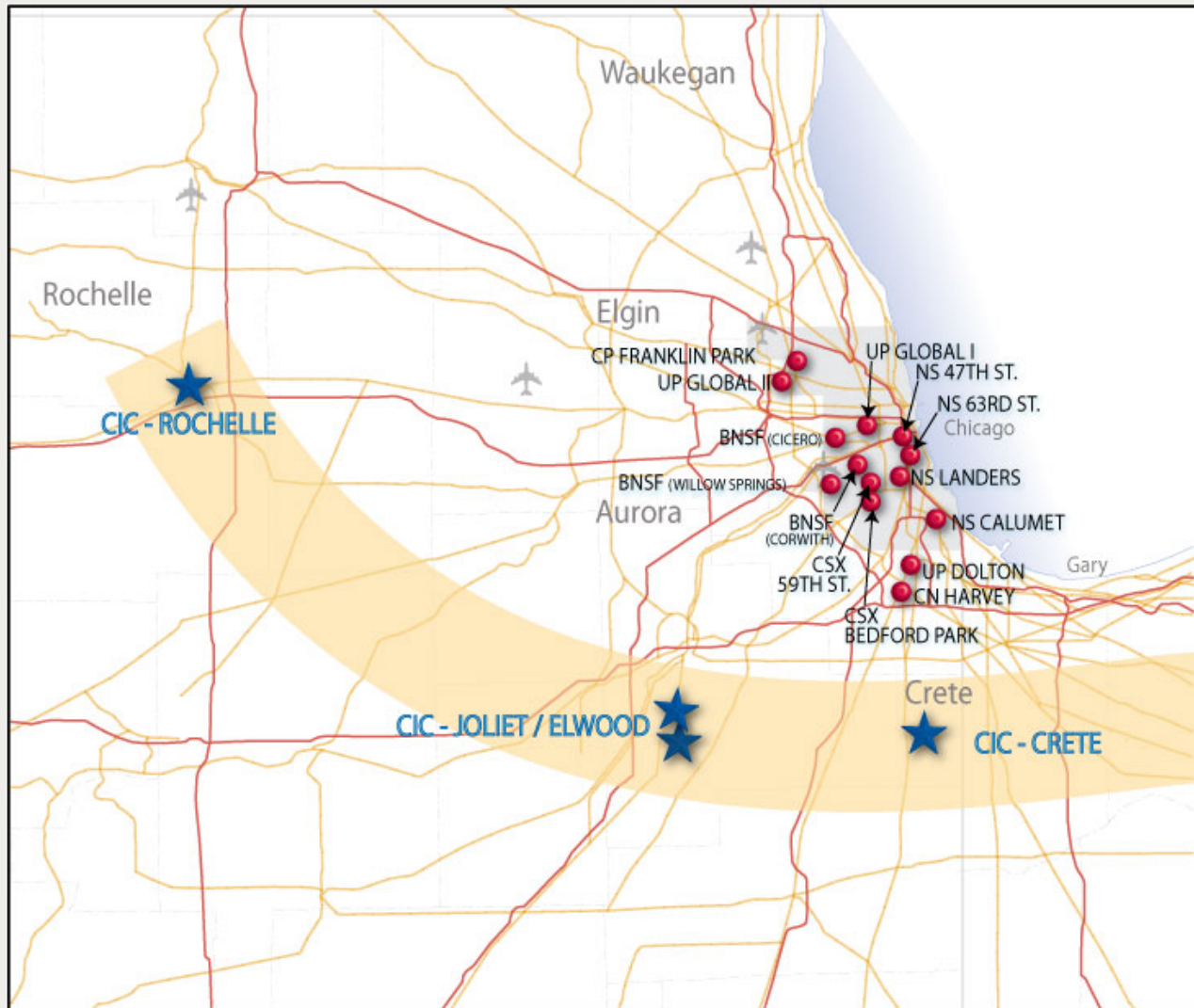
- » Container freight growth will translate to intermodal rail demand
- » Efficiency will demand that freight moves on fewer, more dense lanes that serve population centers
- » Cities with significant port and intermodal traffic will support large and active industrial real estate markets

TEU- Twenty Foot Equivalent Units  
Source: Global Insight, 2009

## 21<sup>st</sup> Century Economic Engine: The Integrated Intermodal Center

- » Rail service, interstate proximity, labor
- » Minimizes drayage and eliminates demurrage
- » Foreign Trade Zone
- » Locates all supply chain components on ONE CAMPUS:
  - Rail Terminal, Cross-Dock, Container Storage Yards, DC
- » Relieves rail, truck and commuter congestion in the region
- » Creates thousands of construction and permanent jobs
- » Expands and improves regional infrastructure
- » Private road system allows overweight loads, utilization of yard hostlers
- » Size and scale allows for next wave of “Green” initiatives
- » Creates platform for corporate carbon footprint reductions
- » Allows implementation of “supplier campus”
- » Dense atmosphere for flexible real estate terms

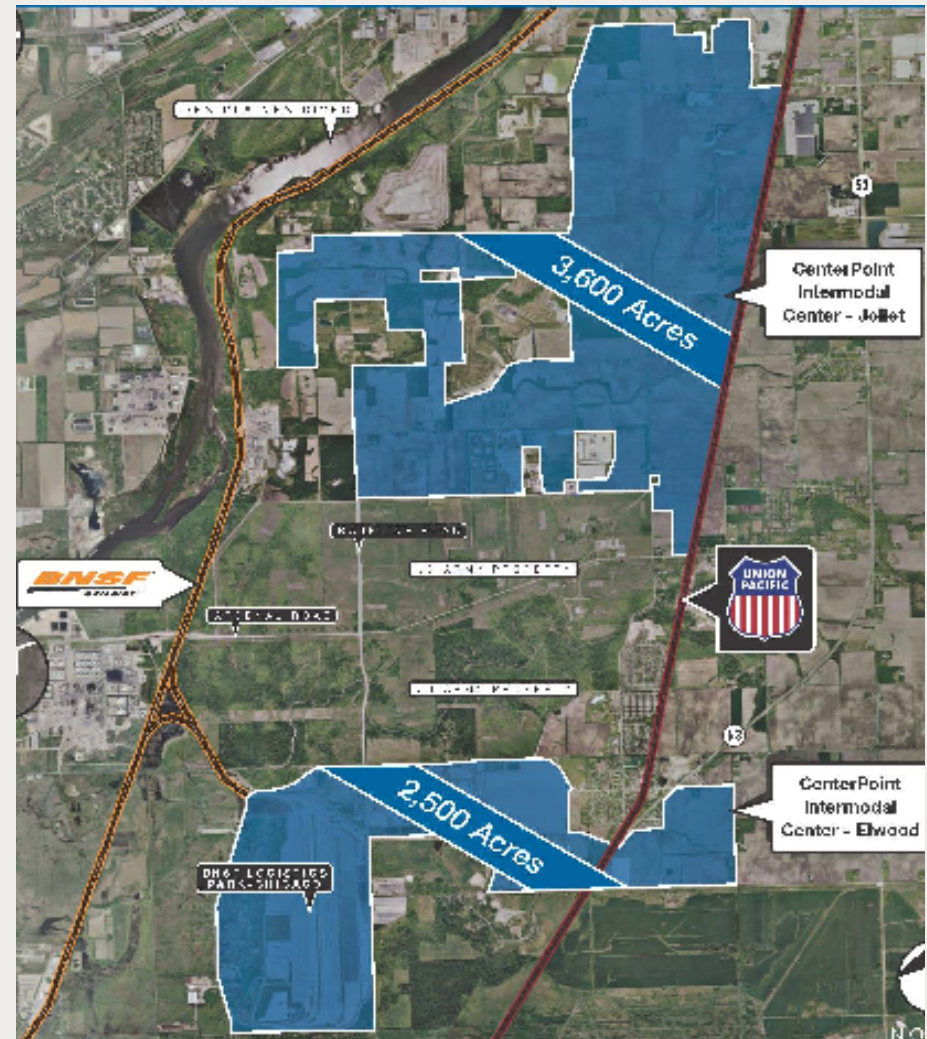
# Chicagoland's Intermodal Growth Corridor





# CenterPoint Intermodal Center-Joliet, IL

- » Nation's Largest Inland Port
  - Connects Chicago to West and East Coast ports
  - 6,000+ acres
  - Multi-Use Zoning
  - BNSF's 750-acre intermodal terminal
  - UPRR's 780-acre intermodal terminal
  - 4-6 million TEUs per annum
  - 30 million SF of industrial facilities
  - 10,000 jobs today – 25,000 at completion
  - Foreign Trade Zone
- » \$3 Billion CenterPoint Investment
- » Public-Private Partnership
  - 60% industrial submarket growth since opening ( 90M SF → 140M SF )

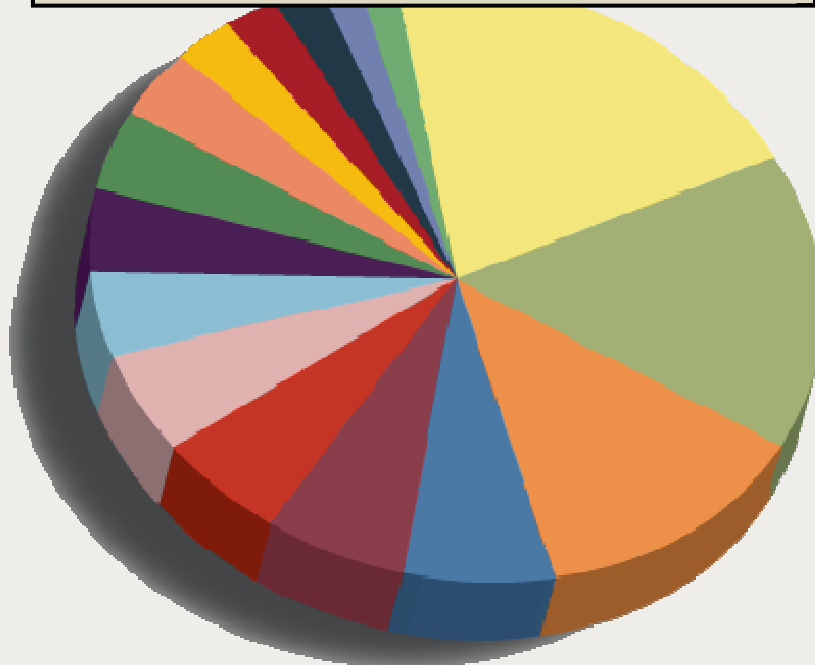


# Top 15 North American Container Port Rankings

#4

## 2008 TOTAL TEU

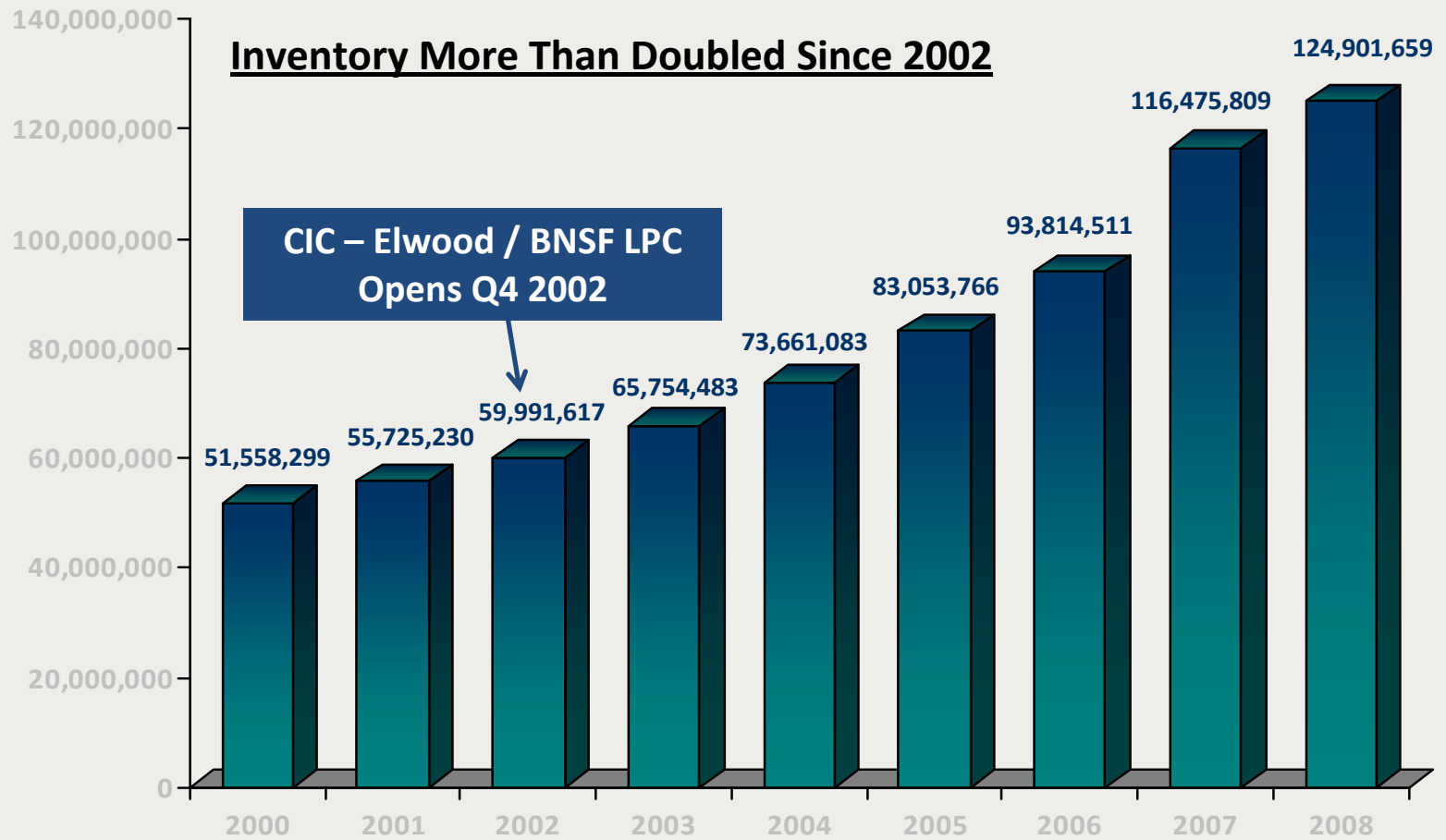
\*CIC-Joliet/Elwood 3,000,000 (Base Case)



Los Angeles	7,849,985
Long Beach	6,350,125
New York/New Jersey	5,265,058
Savannah	2,616,126
Vancouver	2,492,107
Oakland	2,236,244
Hampton Roads (VA)	2,083,278
Tacoma	1,861,352
Houston	1,794,309
Seattle	1,704,482
Charleston	1,635,534
• Elwood	CIC - Elwood 1,500,000 (Actual)
Honolulu	1,124,388
Port Everglades	985,095
Miami	828,349
Jacksonville	697,494
Baltimore	612,877

#12

# Will County Industrial Inventory Growth



# 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



# 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

# Virginia: Situational Assessment

## Strengths

- » Deep water & Air draft
- » Expansion capacity
  - APMT/VIT venture
  - Craney Island development
- » Dual Class I railroad service
  - Norfolk Southern
  - CSX Transportation
- » VIT operating expertise
- » VPA global marketing platform
- » Strength of maritime community

## Challenges

- » Lack of capital funding for infrastructure improvements at the Port to improve efficiency
- » Lack of capital funding for regional transportation projects that will constrain port volumes
- » Need a stronger inland distribution and supply chain strategy both in Virginia and in key markets such as Chicago

# The Virginia Partnership: Philosophy

## » **SIGNIFICANT FUNDING:**

- \$8.9 Billion in total value over the life of the concession; \$3.5 Billion in present dollars

## » **PROFIT SHARING ALIGNS OUR INTERESTS:**

- Incentive-based contract will ensure public interest is protected

## » **LONG-TERM PERSPECTIVE:**

- CenterPoint's business model is not reliant on dangerous leverage
- Risk transfers from the Commonwealth to CenterPoint

## » **LONG TERM OPERATING CONTRACT, NOT A ONE-TIME SALE:**

- VPA retains ownership; CenterPoint granted concession
- A 60 year partnership

# Thank You