



JONES LANG  
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# Intermodal Is Leading The Way

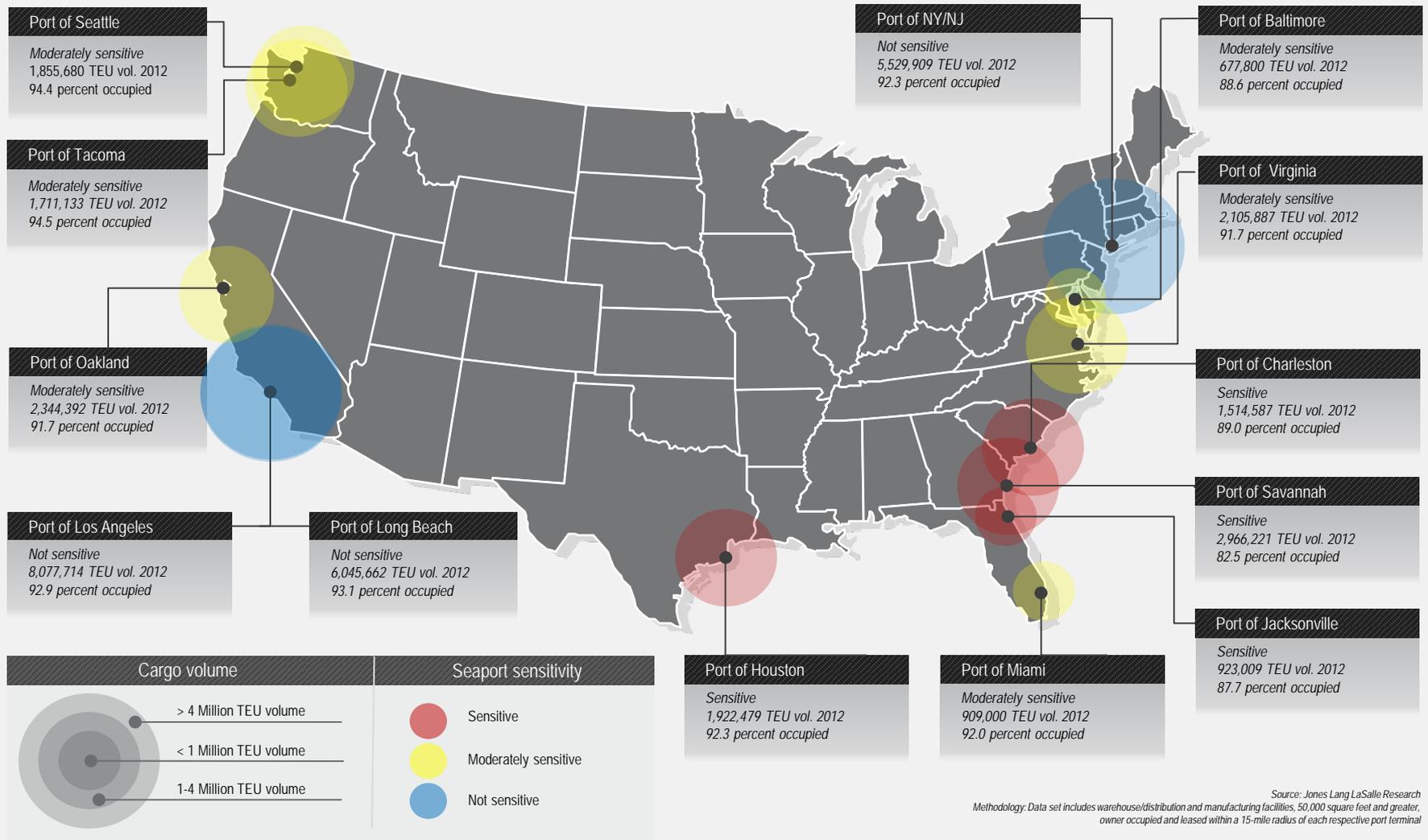
June 2013

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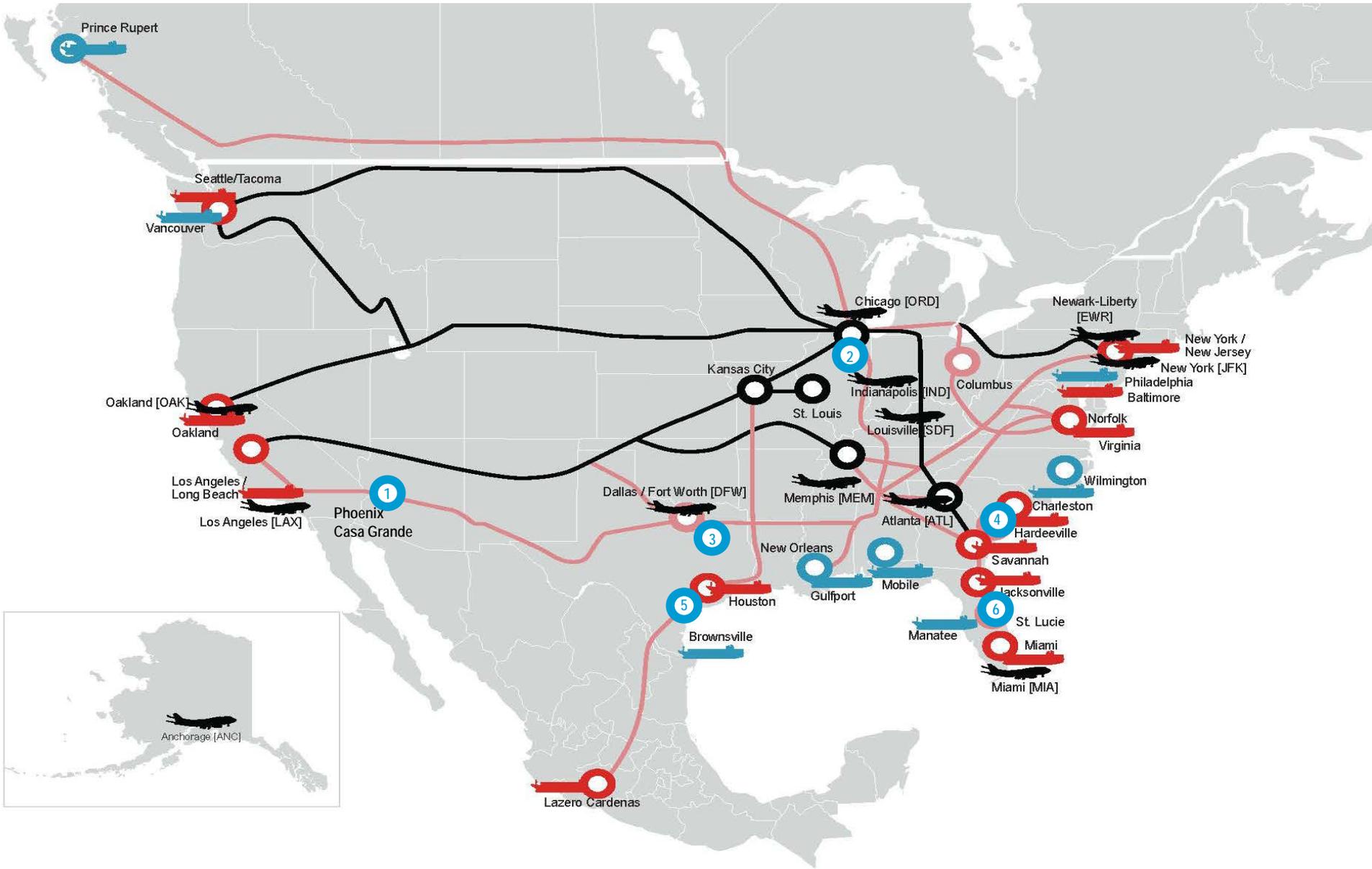
# Sensitivity Analysis

## The correlation between TEUs and industrial real estate occupancy

Port-centric real estate markets whose historic warehouse occupancy rates mirror swings in cargo volume are considered sensitive. Goods typically pass through these ports on their way to destinations further inland. In contrast, those markets found not to be sensitive typically support significant population bases and are robust and diverse enough to avoid these fluctuations.

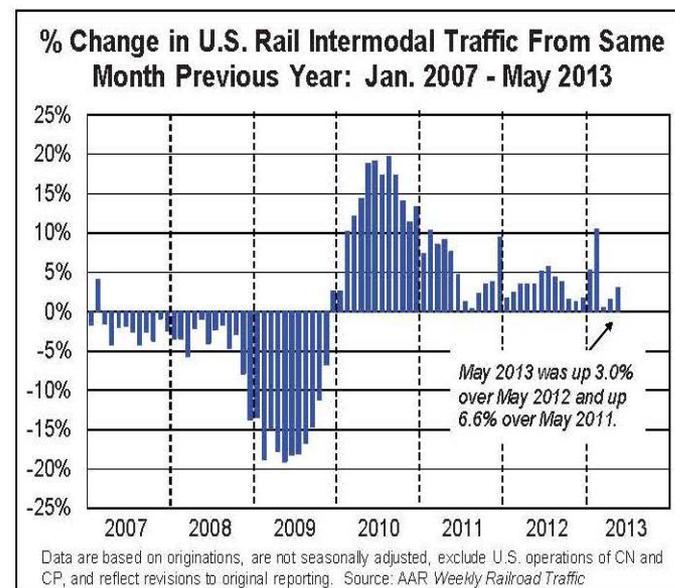
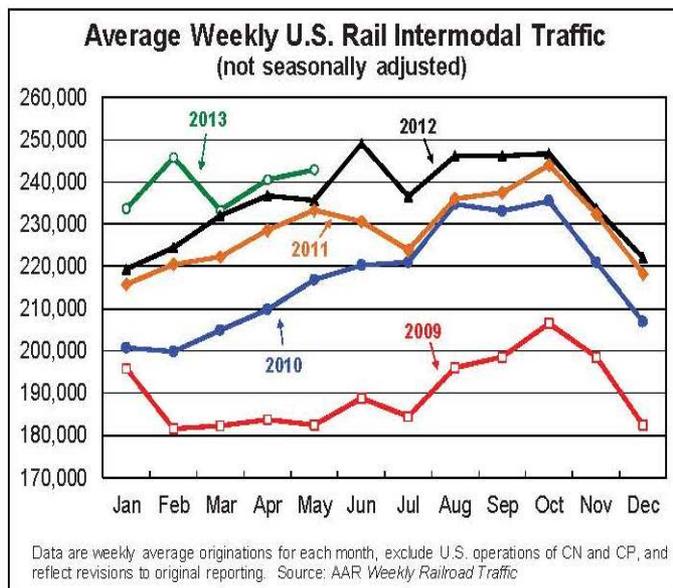


# Inland Port Connections



# Intermodal Traffic

- U.S. rail intermodal traffic rose 3.0% (35,790 containers and trailers) in May 2013 over May 2012, the 42<sup>nd</sup> straight year-over-year monthly increase. The highest weekly average for any May in history, and it's the 12<sup>th</sup> highest weekly average for any month in history for U.S. railroads.
- Year-to-date intermodal volume on U.S. railroads through May was 5,261,051 units, up 4.1% (207,236 units) over the same period in 2012.



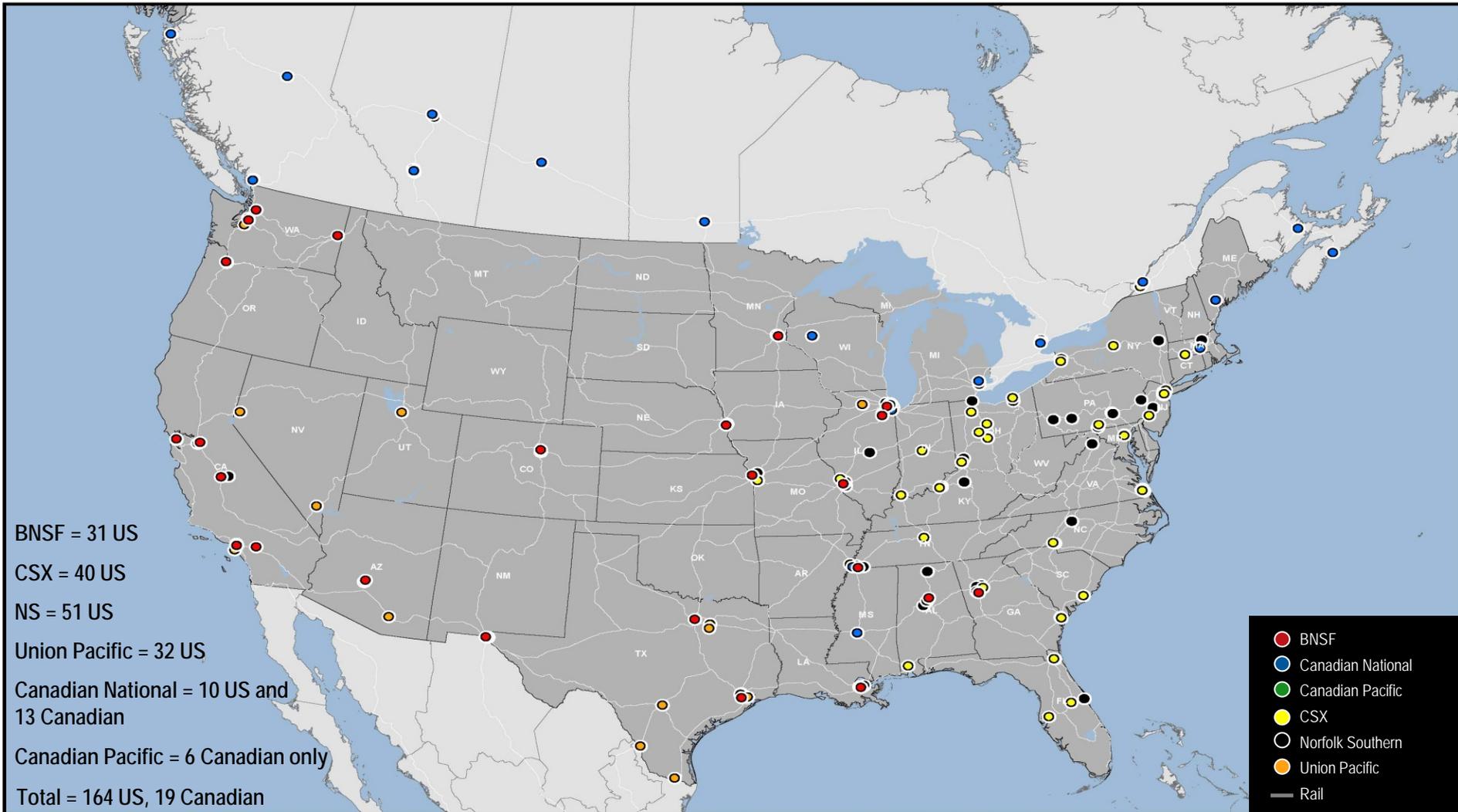
# Demand Drivers for Inland Ports and Intermodal Facilities

- **Truck driver shortage**
  - American Trucking Association (ATA) estimates there currently is a shortage of 20,000 – 30,000 truck drivers.
  - By 2022 shortage expected to grow to 240,000 drivers
- **Trucking regulations**
  - New Hours of Service to take effect July 1, 2013.
  - Will remove 3% - 5% of supply chain capacity from the market.
- **Domestic intermodal traffic (same day delivery phenomenon)**
- **New products – frozen and fresh food**

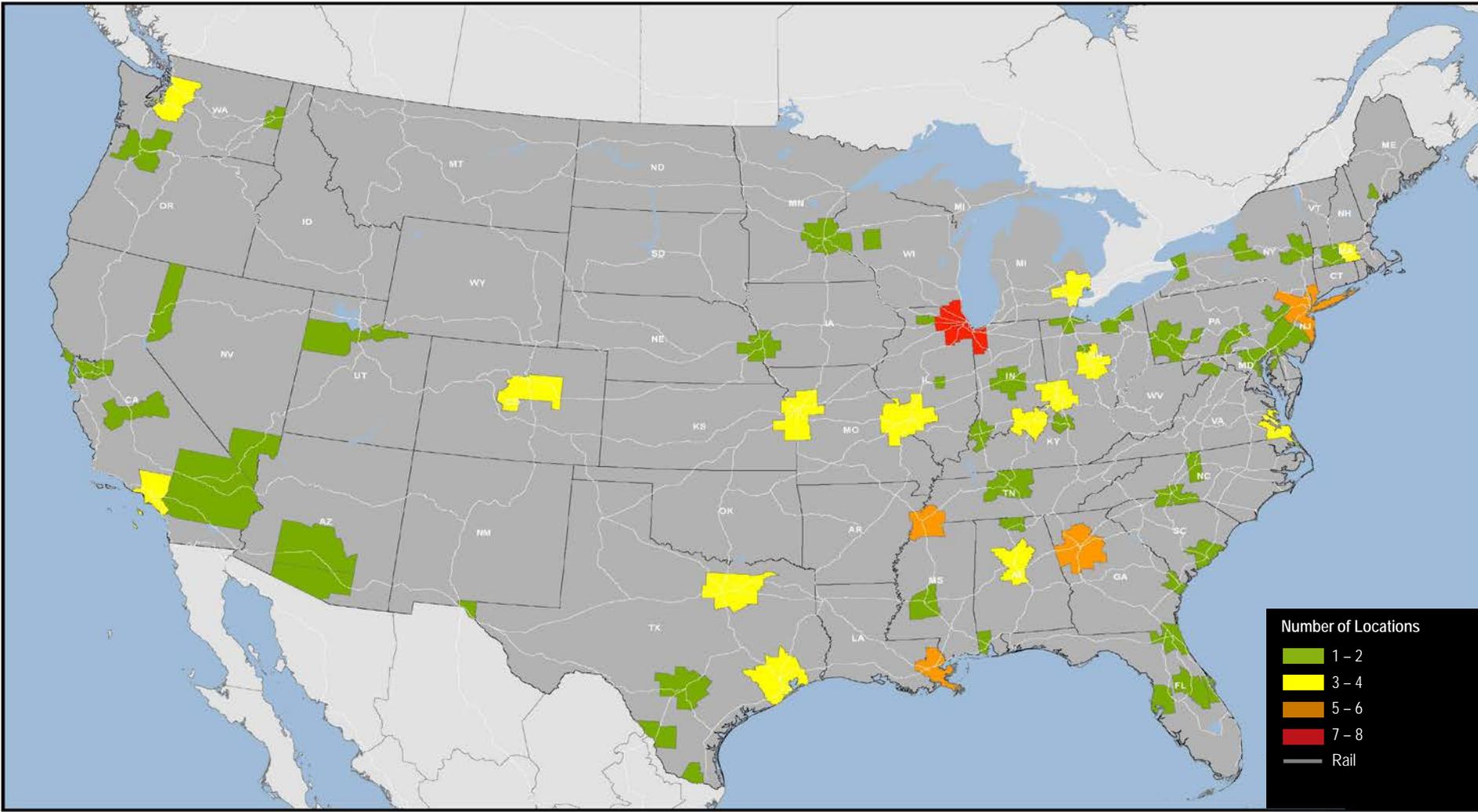
# Intermodal Rail – Things to Consider

- **Transportation costs** account for 50% of the average distributor's bottom line.
- Intermodal rail is **one-third the cost of trucking**.
- Labor costs in China are nearly on par with Mexico's; Mexico's political environment is more stable than China's. **Near-shoring** is here to stay.
- Heavy durable goods (such as furniture) to be increasingly manufactured **closer to home**. Why? **Reduces shipping costs**.
- **The break-even point for trucking** is presently 1,000 miles. (Revenue exceeds expenses past this mark.) A few years from now, it will be 500 miles.
- **Today's institutional developers and investors** are focused on markets with domestic intermodal infrastructure in-place.
- Markets with intermodal rail usually have the **highest rent growth**.

# Class I Intermodal Facilities



# Class I Intermodal Facilities



# Notable Inland Ports

## Dallas/Ft. Worth

- Alliance = 9,600 acres (BNSF/Union Pacific)

## Chicago

- Logistics Park Chicago = 3,000 acres (BNSF)
- Joliet Intermodal Center = 3,000 acres (Union Pacific)
- RidgePort Logistics Center = 1,500 acres (BNSF)

## Kansas City

- Logistics Park Kansas City = 1,000 acres (BNSF-new)

## Memphis

- RidgePort Memphis = +1,000 acres (CN)

# Inland Ports – Keys to Success

- Access to sea ports
- Proximity to consumption zones
- Have products and goods to provide for backhaul
- Connectivity to multiple interstates



# JLL Port Projects

## 1. Inland Port Arizona | Casa Grande, Arizona

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Inland Port Arizona (IPA) totals over 580 acres of rail-oriented, industrial land and will provide direct rail connectivity to the Ports of Los Angeles & Long Beach, uniquely positioning this site to be a strategic location for supply chains connecting to international markets. IPA will introduce the ability for port customers, 3PL's and others to benefit from a more streamlined supply chain, reducing point to point transportation time and unit costs. IPA will also create a location solution for more effective preparation, loading and handling of cargo containers for their final transport to port terminals.

### Location

- Off the I-8 (1 mile) & I-10 intersection, known as Arizona's Sun Corridor; Site is directly served by Union Pacific rail

### Project

- 580 acres
- FTZ capability offers 75% real/personal property tax reduction
- Shovel ready site with all horizontal infrastructure in place

## 2. RidgePort Logistics Center | Wilmington, Illinois

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Located minutes from Chicago, the fastest growing inland port in the nation, RidgePort Logistics Center is a master-planned 1,500 acre development of Ridge Property Trust. It is anchored by three significant pieces of permanent infrastructure including frontage on the BNSF Railway's transcontinental mainline, three miles of frontage on I-55 with a full interchange at Lorenzo Road, and 1,500 acres of developable land.

### Location

- Strategically positioned near the BNSF Logistics Park-Chicago in Elwood, IL, and the Union Pacific-Joliet Intermodal Terminal

### Project

- Distribution, manufacturing and storage
- Served by BNSF Railway's transcontinental mainline
- Heavy utilities; no height restrictions
- Multiple building material allowances
- Master-planned industrial park to include over 20 million square feet
- Full ancillary services and amenities (retail, restaurants, etc.)

# JLL Port Projects

## 3. Dallas Logistics Hub (DLH) | Dallas, Texas

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Dallas Logistics Hub, one of the most sophisticated inland ports in North America, is located 12 miles south of downtown Dallas. This 2,000 acre master-planned logistics park is adjacent to three major highways (I-45, I-20, and I-35), mainline rail, intermodal facilities and a regional airport. The Dallas Logistics Hub is the prime location to give your company a competitive advantage by reducing transportation costs and improving the supply chain process.

### Location

Situated around three major highways, Union Pacific's Dallas Intermodal Terminal, proposed BNSF Intermodal Terminal and Lancaster Regional Airport

### Project

- Over 2,000 acres of developable land
- Union Pacific Dallas Intermodal Terminal
- Proposed BNSF Intermodal Terminal
- Foreign Trade Zone, EB-5 visa, local economic incentives
- Entitled and development ready

## 4. RiverPort Business Park | Hardeeville, South Carolina

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RiverPort represents the future of port-centric development in the U.S. providing near-dock infrastructure on a grand scale. The project is designed to provide a scalable development capable of creating new synergies and cost efficiencies for logistics, manufacturing and other businesses seeking entry or expansion within one of the strongest port systems in the country. The RiverPort Business Park is part of a 5,200 acre mixed use development aimed at providing a full spectrum of commercial, industrial, residential and support services.

### Location

Nine miles from the port terminals of Savannah, GA with Highway 17 connectivity to terminals.

### Project

- 1,200 gross acres available for industrial development
- Rail serviced by CSX
- ± 5 million square feet of industrial, logistics, and mixed-use space
- 30" water line being installed, existing sewer available
- Gas and electric utility available by end of 2014

# JLL Port Projects

## 5. CenterPoint Intermodal Center | Houston, Texas

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CenterPoint's development, CenterPoint Intermodal Center (CIC - Houston) is a state of the art inland port providing full intermodal capabilities for both the import and export of goods to the United States and Mexico. Located on the future NAFTA Highway, southwest of Houston, CIC - Houston will provide over 7.5 million square feet of Class A warehouse and distribution facilities applicable to a wide range of end users.

### Location

- KCS rail provides direct connection to Houston from the Port of Lazaro Cardenas
- Adjacent to the Kansas City Southern Intermodal Terminal on US-59/69 (future NAFTA Corridor)

### Project

- Site designated Foreign Trade Zone
- 689 acres of available land
- 7.5+ million square feet of warehouse space upon full build-out

## 6. Florida Inland Port (FIP) | St. Lucie County, Florida

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The FIP (formerly known as Treasure Coast Intermodal Campus) offers up to 4,000 acres of rail-oriented, industrial land. The FIP is planned as an "integrated logistics center," meaning it will emphasize multi-modal access (rail and highway) around which clusters of related businesses, such as warehousing, distribution centers and assembly plants will be developed. Activities relating to transportation, logistics and the distribution of goods for regional, national and international transit will be carried out on property.

### Location

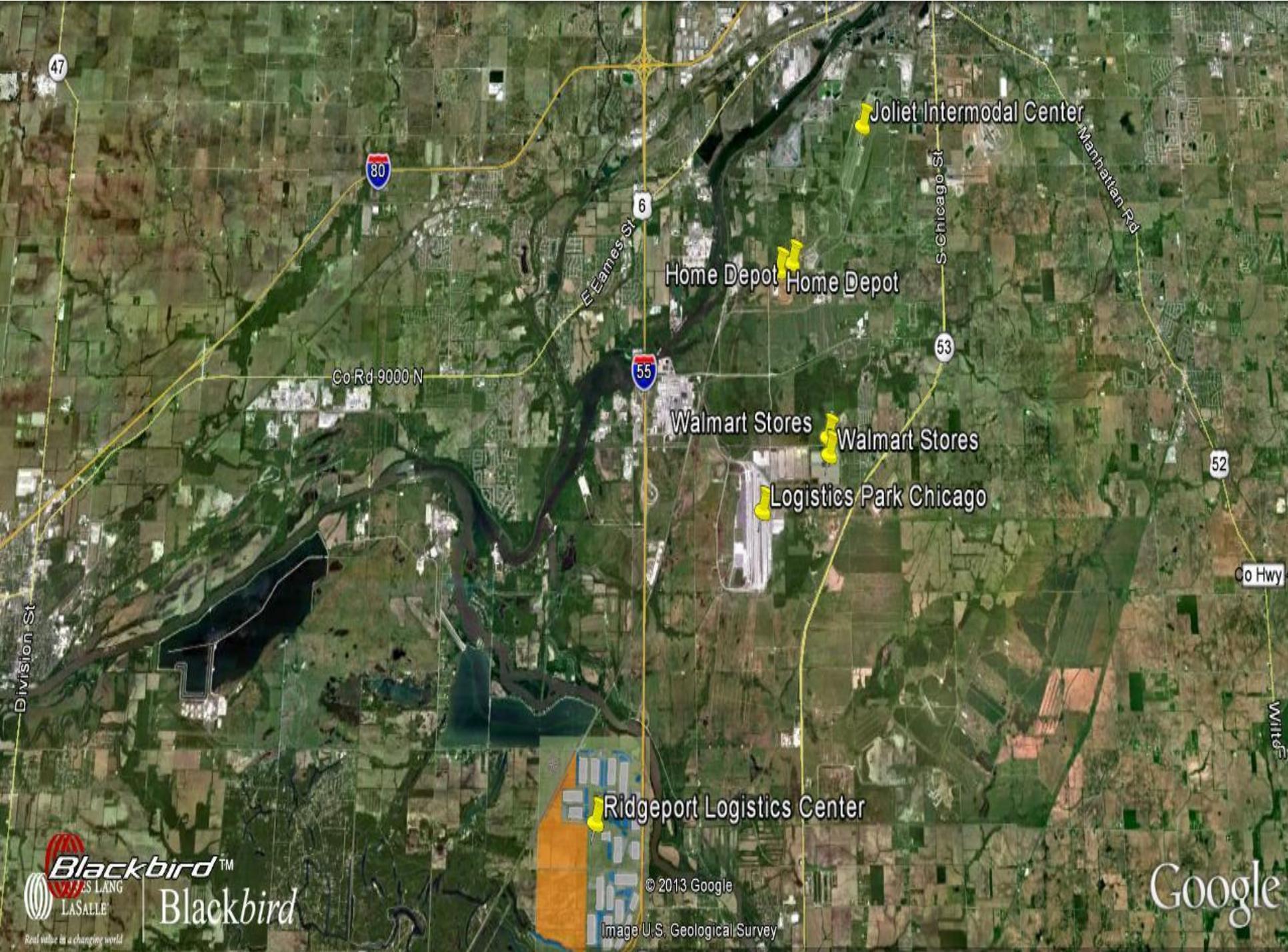
FIP is Florida's inland port, connected via FEC Railways to the Port of Miami and Port Everglades (Fort Lauderdale), with direct access to I-95, the Florida Turnpike and all major highways

### Project

- 500 acre intermodal facility
- Up to 4,000 acres of distribution and industrial land
- Mixed use, commercial, retail and support development

# Why Chicago Succeeds As An Inland Port

- 1.3 billion s.f. of industrial space in the Chicagoland area
- 9 million people in the Chicago Metro area
- All of the major institutional investors have a presence in the Chicago industrial real estate market.
- Chicago is one on the busiest “ports” in the US with over 3 million TEU’s per year. Compare to LA/Long Beach @ 14 million TEU’s per year.
- Six Class I railroads converge in Chicago
  - BNSF, Union Pacific, CSX, NSF, Canadian National and Canadian Pacific



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Division St

Go Rd 9000 N

E Eames St

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Manhattan Rd

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Joliet Intermodal Center

Home Depot Home Depot

Walmart Stores Walmart Stores

Logistics Park Chicago

Ridgeport Logistics Center