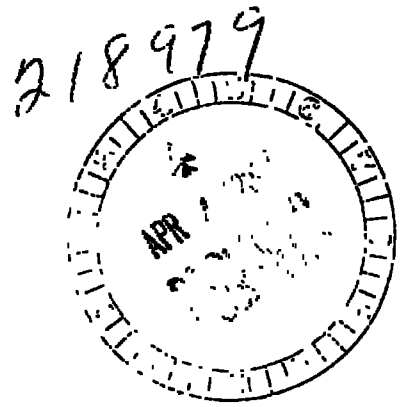


**BEFORE THE
SURFACE TRANSPORTATION BOARD**



**EX PARTE NO 671
RAIL CAPACITY AND INFRASTRUCTURE**

PRESENTATION OF DANIEL HEMMER OF **ENTERED**
CENTERPOINT PROPERTIES TRUST **Office of Proceedings**
FOR APRIL 11, 2007 HEARING **APR 4 - 2007**
Part of
Public Record

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April 4, 2007

CenterPoint Properties: A national leader in intermodal development

CenterPoint's new intermodal business parks are following the same successful model of public/private partnership that made CenterPoint Intermodal Center – Elwood a national success story. Most importantly, these new developments are being carefully located and master engineered to reduce congestion and strain on the nation's transportation system.

In metro-Chicago and beyond, the major freight bottlenecks offer viable investment opportunities for the private sector, but only with the continued partnership of the federal, state and local governments. To establish that critical partnership, CenterPoint is applying for private activity bond financing for its newest intermodal projects, and working diligently to explore TIFIA financing as well.

CenterPoint's completed intermodal developments include the BNSF Logistics Park Chicago in Elwood, IL and Union Pacific Global III Intermodal in Rochelle, IL, both of which continue to receive national recognition.

CenterPoint Intermodal Center, Elwood, IL

CenterPoint Intermodal Center, the redevelopment of the former Joliet Arsenal, brought together virtually all levels of government, more than a dozen public agencies and private industry to benefit the community under a common plan. One of the largest private developments ever undertaken in the United States, it encompasses over 2,200 acres with a total investment approaching \$1 billion. Upon the completion of the build-out, the project will create approximately 8,000 new jobs and eventually increase property tax revenue by as much as \$27 million per year. BNSF Logistics Park Chicago will increase BNSF's lift capacity by 1 million lifts per year by the year 2007.

- 2,200 acres
 - 770-acre BNSF Logistics Park – Chicago (intermodal)
 - 12 million sq. ft. for customers (adjacent industrial park)
- 7 million sq. ft. of customers to date:
 - Wal-Mart – 3.4 million sq. ft.
 - DSC Logistics – 1.0 million sq. ft.
 - Georgia Pacific – 1.0 million sq. ft.
 - Potlatch Corporation 624,000 sq. ft.
 - Partners Warehouse – 200,000 sq. ft.
 - Sanyo Logistics – 400,000 sq. ft.
 - California Cartage – 215,000 sq. ft.
- Secured \$200 million in government assistance
 - \$75 million of grants from IDOT and DCCA
 - \$125 million TIF
- Regional improvements include:
 - 1.5 MGD water/wastewater plant and tower
 - +12 miles of new 3 and 4 lane roadway system
 - Two 4-lane bridges over BNSF mainline
 - +20 miles of new buried utility network
 - +150-acre common storm water management system

Union Pacific Global III Intermodal

CenterPoint managed the construction of the Union Pacific Railroad's \$181 million, 1,230-acre intermodal facility in Rochelle, IL. This project was completed in two phases in less than two years and was delivered ahead of schedule and under budget in August 2003. The facility created 150 new jobs and is now operating 24 hours a day.

CenterPoint worked closely with the Union Pacific, the City of Rochelle, the Department of Commerce and Community Affairs (DCCA) and the Illinois Department of Transportation (IDOT) to secure funding for public improvements on and around the site.

CenterPoint is developing an industrial park, CenterPoint Intermodal Center – Rochelle, about 1 mile from this intermodal facility. The 362-acre industrial park can accommodate more than five million sq. ft. of customers and has already secured its first customer, RC2, which occupies a 400,000 sq. ft facility (expandable to 800,000 sq. ft.).

The Case for Public/Private Partnership

Neither public entities nor private companies individually have the requisite tools to address the complex web of interrelated issues that are choking the nation's transportation network. Well-coordinated public/private partnerships are necessary to develop modern, efficient, strategically located intermodal rail facilities, outside of urban centers. Modern demand for rail terminal space cannot be met by expanding aging, "landlocked" rail terminals in major urban areas, where the connecting road infrastructure is inadequate to handle the required growth.

Public/private co-investment in solving the rail freight congestion problem in Chicago and elsewhere will have tremendous economic benefits. Ten years of intermodal development experience – and notably our CenterPoint Intermodal Center model (intermodal facility and adjacent industrial park) – is a strong platform for similar development opportunities.

The Next Wave of Intermodal Developments

CenterPoint recently announced its newest intermodal facility, CenterPoint Intermodal Center – Crete, in south suburban Chicago. After working closely with the Village of Crete to annex and rezone the land for intermodal/industrial use, focus is shifting toward financing options for the estimated \$500 million project. CenterPoint is actively pursuing the potential use of TIFIA and other low-cost federal and state financing mechanisms.

CenterPoint Intermodal Center – Crete, IL

Located approximately 35 miles south of Chicago, the 850-acre CenterPoint Intermodal Center – Crete will be Chicago's newest rail gateway and regional inland port. Rail service proposed by Class I railroads' Union Pacific and CSX to

CenterPoint's 'open' intermodal facility, makes this location ideal for the destination and transfer of goods shipped from Eastern and Southern U.S. markets.

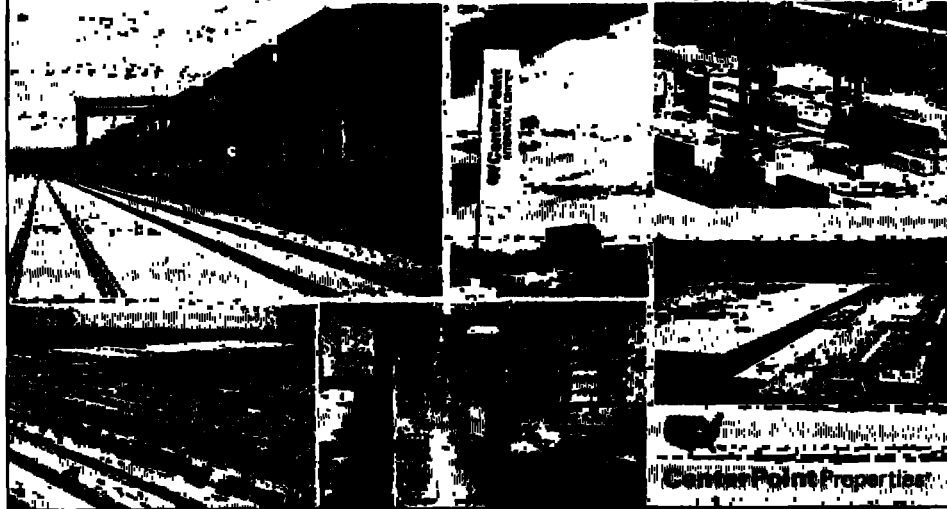
With containerized traffic increasingly shifting to these regional coastal U.S. ports, CIC – Crete is well-positioned to capture the resulting traffic flows by rail to Chicago, the nation's largest container hub. Land adjacent the site's intermodal facility will accommodate warehouse/distribution and light manufacturing customers and shipping equipment storage. Flexible zoning for industrial development and/or container storage allows the site to adapt to future market conditions. The site sits within minutes of major interstates I-80/94, I-57, I-65 and Hwy 394, critical transportation routes connecting international and domestic shippers, logistics providers, retailers and warehouse/manufacturers to move their products from the Midwest to the Ohio River Valley and beyond.

- **850-acre intermodal logistics park**
 - up to 550 acres dedicated to intermodal
 - up to 5 million square feet of warehouse/distribution
- **Zoned for intermodal, distribution and rail-served industrial uses**
- **Project is expected to produce:**
 - 300-400 rail yard related jobs
 - 1,000-1,200 industrial park related jobs
 - 1,000+ temporary construction jobs
- **Estimated Project Timeline:**
 - July 2007 – engineering and permitting complete
 - Sept. 2007 – topsoil stripping and berming complete
 - Nov. 2007 – mass grading and drainage complete
 - Dec. 2007 – on-site power and telecomm extensions complete
 - April 2008 – off-site public water and sanitary extensions
 - Sept. 2008 – railyard, access road, parking lot improvements
 - 2009 – begin intermodal yard operation

Together with CenterPoint's other intermodal developments, CIC – Crete further solidifies the company's commitment to significantly increase Illinois' freight capacity, while simultaneously addressing Chicago's rail and road congestion. Trucks and trains are redirected from the city center to more efficient distribution locations. Ultimately, these projects are the linchpins of Chicago's effort to fully realize its potential as the nation's freight hub.

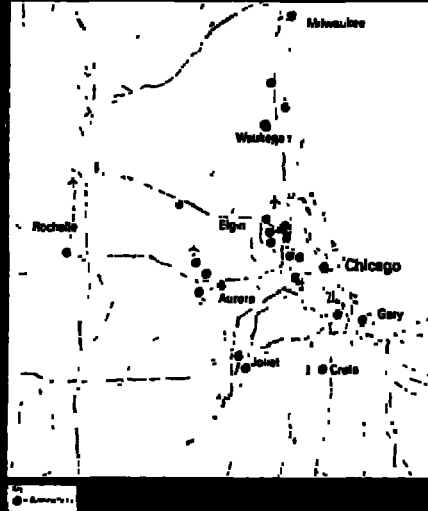
CenterPoint Properties Trust

April 11, 2007



CenterPoint Properties

- Chicago's largest land and industrial property owner
- 24 business parks
- 47M sq. ft. portfolio
- 5,000 developable acres
- Strong track record of public/private partnership



CenterPoint Intermodal Center - Elwood



CenterPoint Intermodal Center - Elwood

- 2,200 acre intermodal business park
- Approximately 750-acre BNSF Logistics Park Chicago
- Approximately 1,100 acres for industrial park
- 7.5 MSF built-out to date
- Up to 12 MSF at full build-out
- Features the 3.4 MSF Wal-Mart bulk distribution facility, the largest build-to-suit distribution center in Chicago history
- BNSF LPC currently handles nearly 1 million lifts per year
- Facility could max out at nearly 2 million lifts per year
- Vast majority of trains are coming direct from Port of Long Beach, so international containers

CIC-Elwood: Public/Private Partnership

- Critical Partners (i.e. DCEO, IDOT, EPA, IEPA, Army Corps, Village of Elwood)
- \$75 million in State grants to help fund overall infrastructure
- \$125 million Tax Increment Financing
- Total private investment will approach \$1 billion

- **Deal structure: privately owned and leased to the railroad**

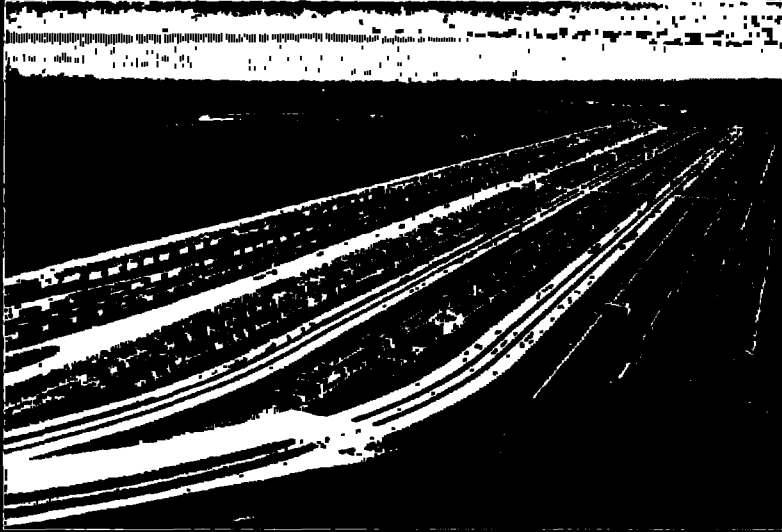
Public / Private Partnership

- CenterPoint Properties Trust
- Burlington Northern Santa Fe (BNSF) Railroad
- Joliet Arsenal Development Authority (JADA)
- US: Army, Army Corps, Customs, VA, EPA, DOT, OSHA, USFS
- State of Illinois: DCEO, IEPA, IDOT
- Will County & Village of Elwood

Project Funding Sources

- \$450M: CenterPoint Properties (to date)
- \$150M: BNSF (to date)
- \$25M: State of Illinois (DCEO) Grant/Loan
- \$50M: State of Illinois (DOT) Grant
- \$125M: Tax Increment Financing

Union Pacific Global III Intermodal



UP Global III Intermodal

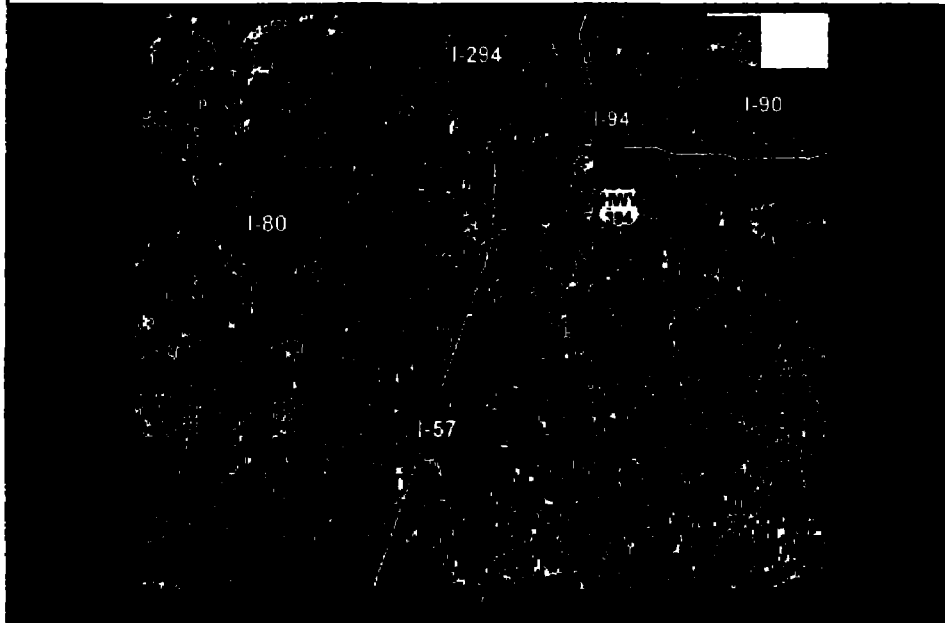
- Rochelle, IL
- 1,200-acre intermodal facility
- 365-acre industrial park proximate to intermodal
- Up to 5 million SF of industrial facilities
- \$400M total private investment
- Fee development model – business park owned by developer

CenterPoint Intermodal Center - Crete

- New structure – independently owned and operated
- 850 acres
 - 500 acre intermodal yard
 - 1M lifts per year
 - 350 acre industrial park
 - 5M sq. ft. of buildings
- \$500M investment
- 2007 construction start
- Excellent shipper demand
- Free of Chicago congestion
- Minutes to I-80/94, I-57, I-65



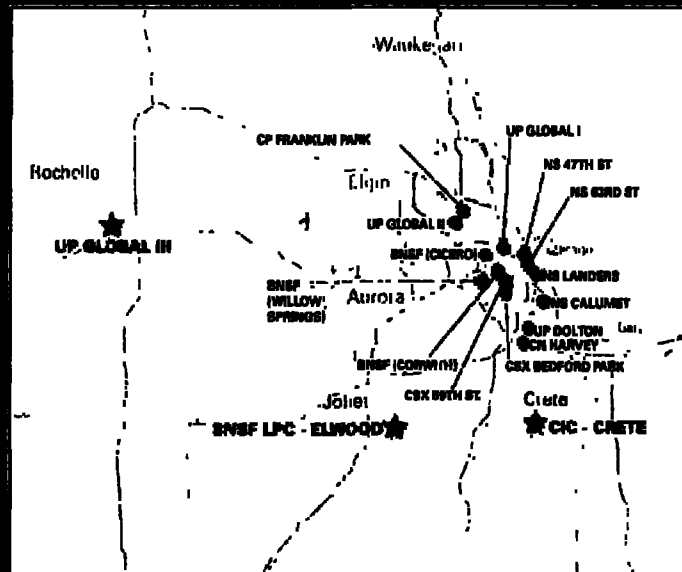
CIC-Crete Proximity to Interstates



CIC – Crete Proximity to Interstates

- IL 394 provides 4-lane highway access direct to I-80/94
- Less than 2-day truck drive to more than two-thirds of nation's population
- Near the proposed Illiana Expressway

New Intermodal Corridor



New Intermodal Corridor

- Outside congestion
- Closer to region's distribution and manufacturing
- Midwest regional access
- Coordinated infrastructure planning
- Modern integrated intermodal and container facilities
- Creates jobs, new taxes
- Expands intermodal capacity by more than 4 million lifts
- Protects US competitiveness