



9th Annual Industrial Broker Breakfast

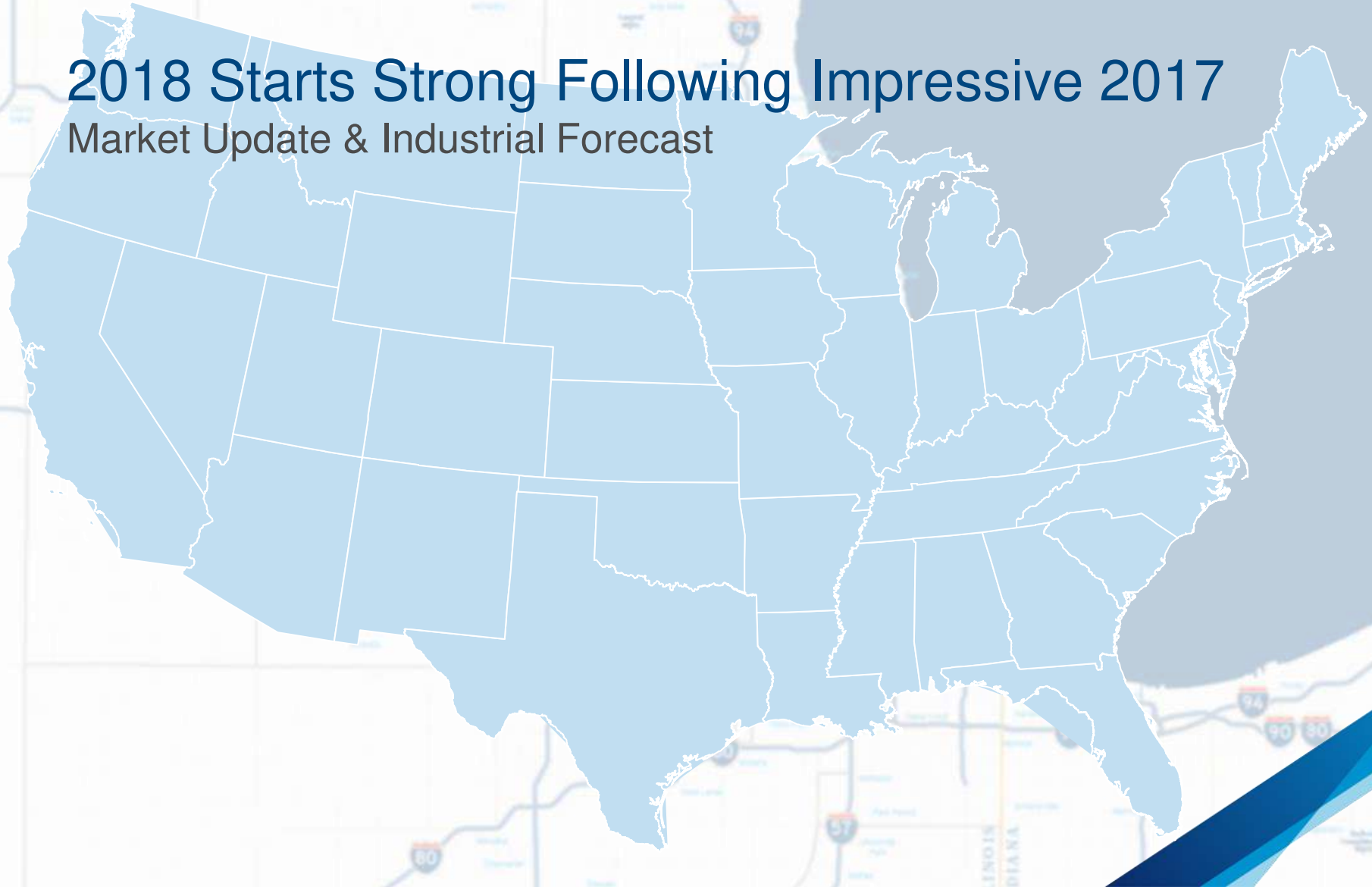
June 19, 2018

The Industrial Market



2018 Starts Strong Following Impressive 2017

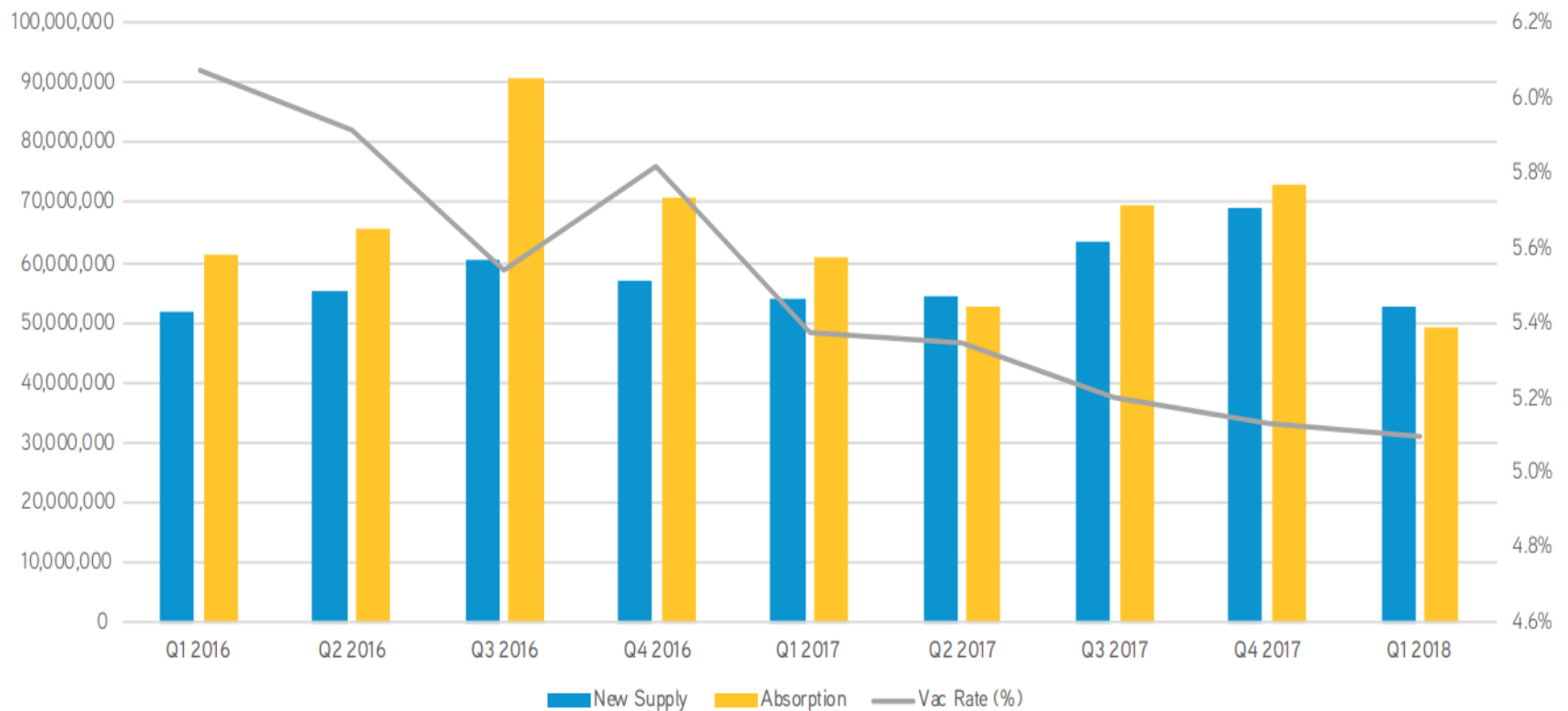
Market Update & Industrial Forecast



National Industrial Market



Absorption remains strong, vacancy continues to slowly drop



National Industrial Market



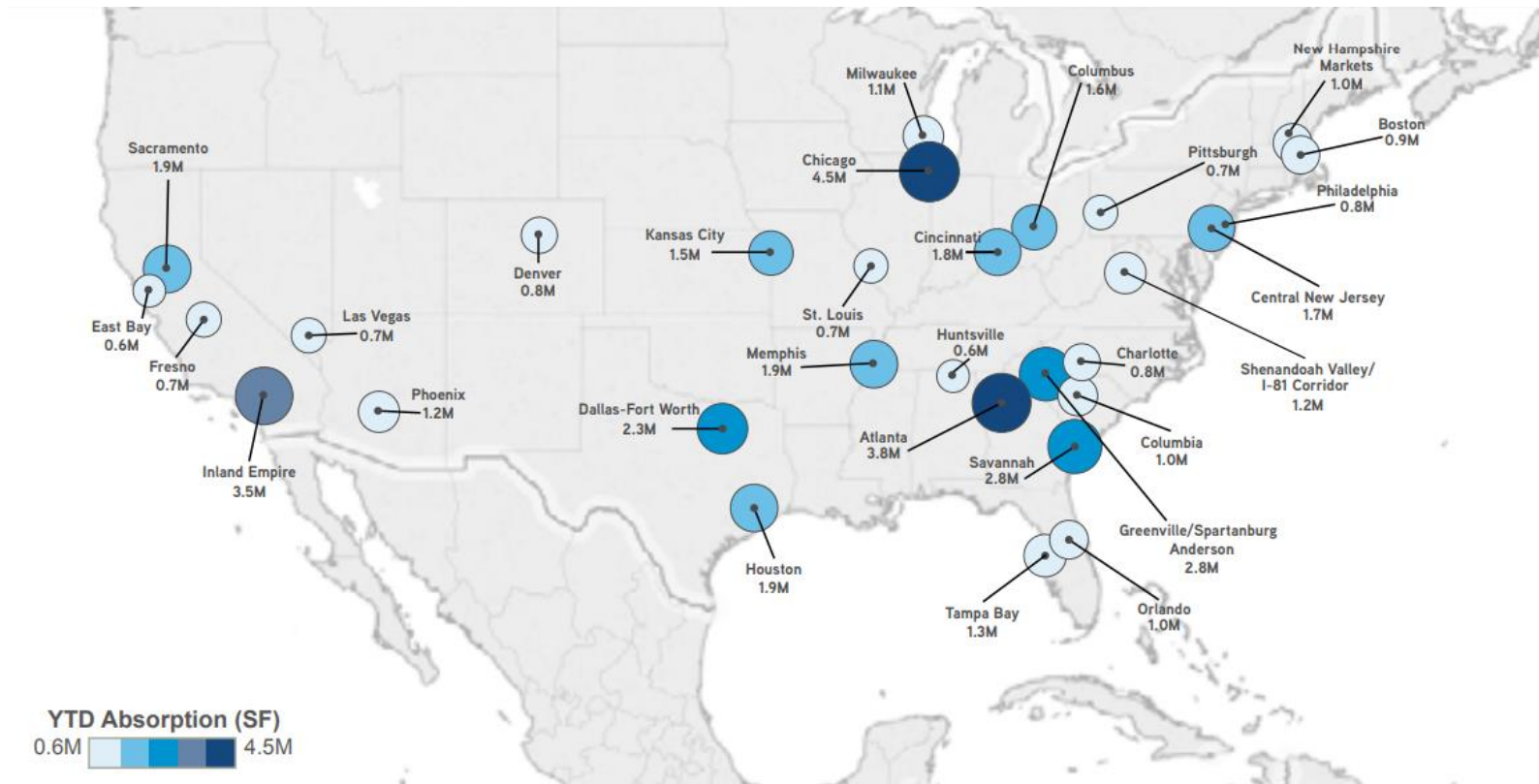
Vacancy lowest out west, but absorption strongest in south

U.S. Industrial Overview | Q1 2018

	UNITED STATES	WEST	MIDWEST	SOUTH	NORTHEAST
Inventory (MSF)	15,019,812,495	3,992,846,190	4,331,212,496	4,553,709,014	2,142,044,795,
% of U.S. Inventory	100%	26.6%	28.8%	30.3%	14.3%
Q1 2018 New Supply	52,656,771	23,003,209	11,240,412	23,275,876	4,791,196
% of U.S. Q1 2018 New Supply	100%	25.9%	21.3%	43.7%	9.1%
Q1 2018 Absorption (MSF)	48,718,033	9,903,078	11,437,021	22,507,154	4,870,780
% of U.S. Q1 2018 Absorption	100%	20.3%	23.5%	46.2%	10.0%
YTD Vacancy Rate	5.1%	3.8%	5.4%	5.8%	5.5%

National Industrial Market

Atlanta, Chicago record strongest Q1 2018 net absorption



Additional national industrial trends

- **E-commerce sales grew 16.4% in Q1 2018** compared with the same time last year and now represents 10.5% of total non auto retail sales. E-commerce will be a driving force in industrial real estate for the foreseeable future.
- Tightening markets and new, higher-quality Class A industrial space hitting the market, drove up asking rents for warehouse/distribution space to \$5.46 per square foot per year in Q1 2018, 5% higher than the same time last year and **the highest asking rent on record**.
- Essential indicators for industrial real estate, including loaded inbound container volumes and intermodal rail volume, **continue to move in a positive direction**.
- **Growth in investor demand for industrial properties continues to surpass all other property types**. Nearly \$21 billion in industrial assets were purchased in the first quarter of 2018, 11% higher than the same period a year ago, while overall demand for commercial real estate fell.

The national industrial forecast

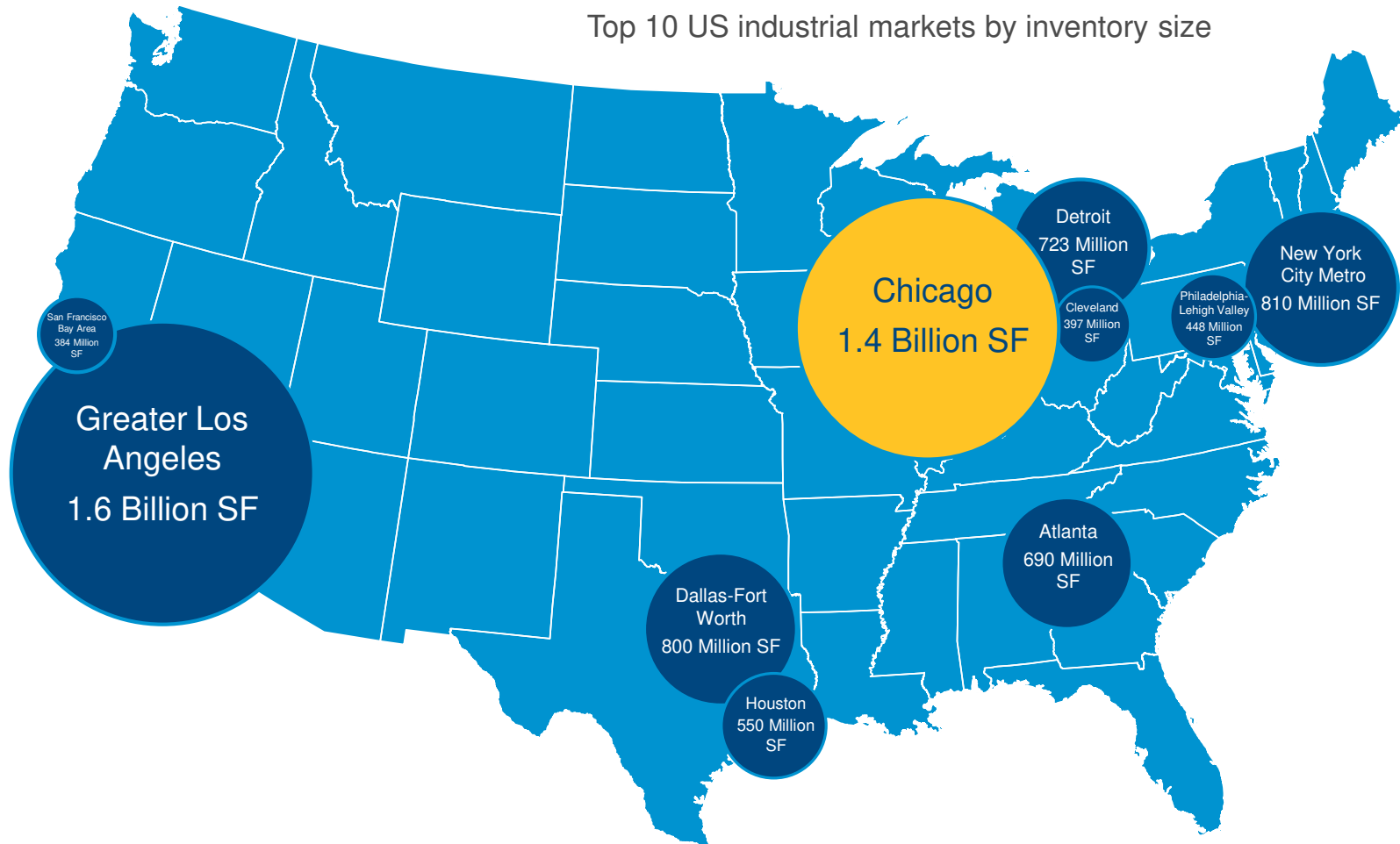
- The **industrial sector will continue to benefit** from supply chain modernization brought on by e-commerce demand for the foreseeable future.
- While regional big box distribution demand will remain strong, the product type with the most interest for the remainder of 2018 will be **final-mile urban warehousing**.
- Accordingly, look for **redevelopments of older manufacturing and warehouse buildings** to increase as well as tearing down functionally-obsolete office buildings to replace them with modern distribution centers in urban infill locations.
- Despite the fear of future trade wars with China, at this time **cargo volumes at U.S. ports are expected to remain strong** and heighten demand for warehousing near these locations.
- Another potential headwind is **labor availability**. Occupier demand for labor in modern fulfillment centers combined with an economy at or near full employment could delay or lower size requirements.

Chicago Industrial Market



Chicago is the second largest industrial market in the US

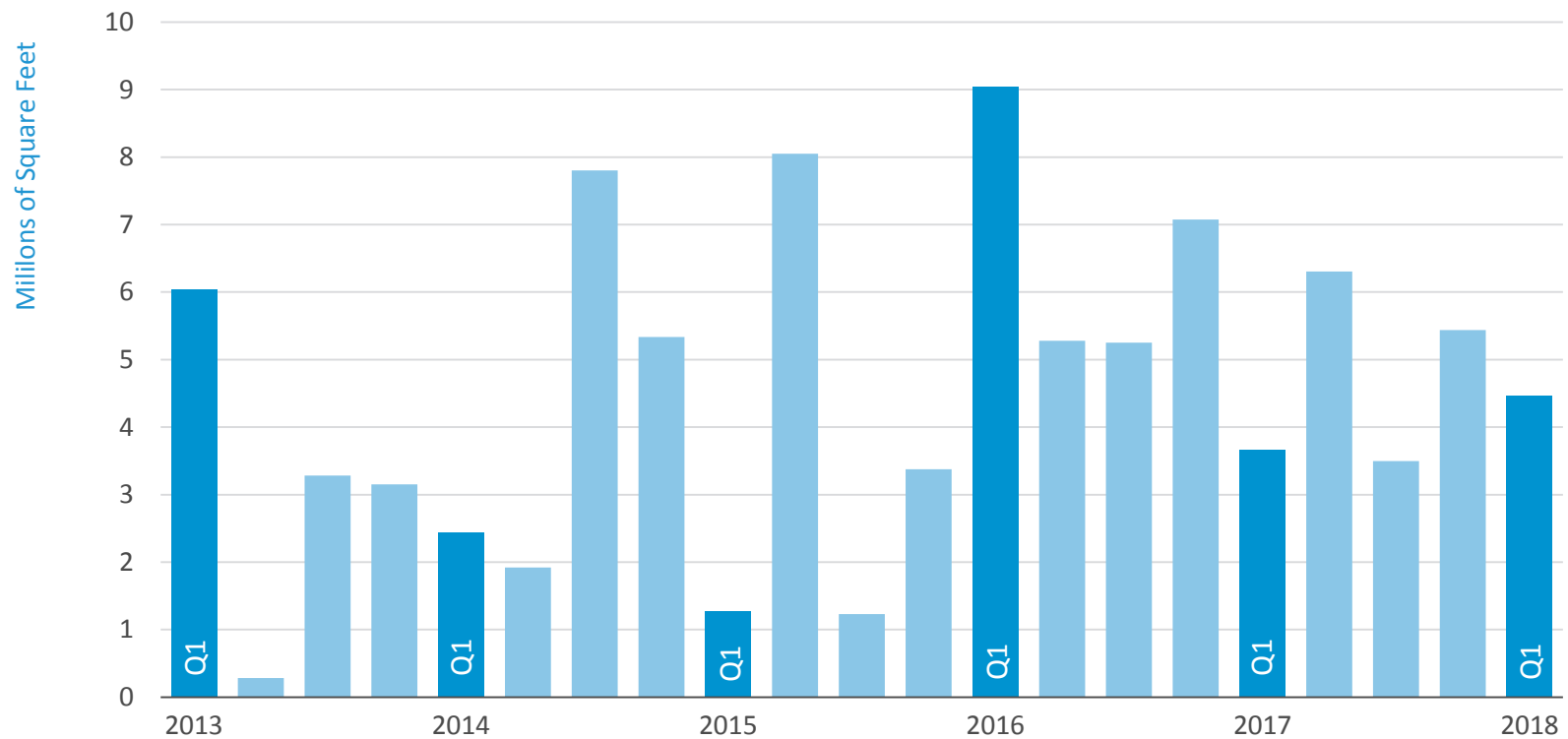
Top 10 US industrial markets by inventory size



Chicago Industrial Market



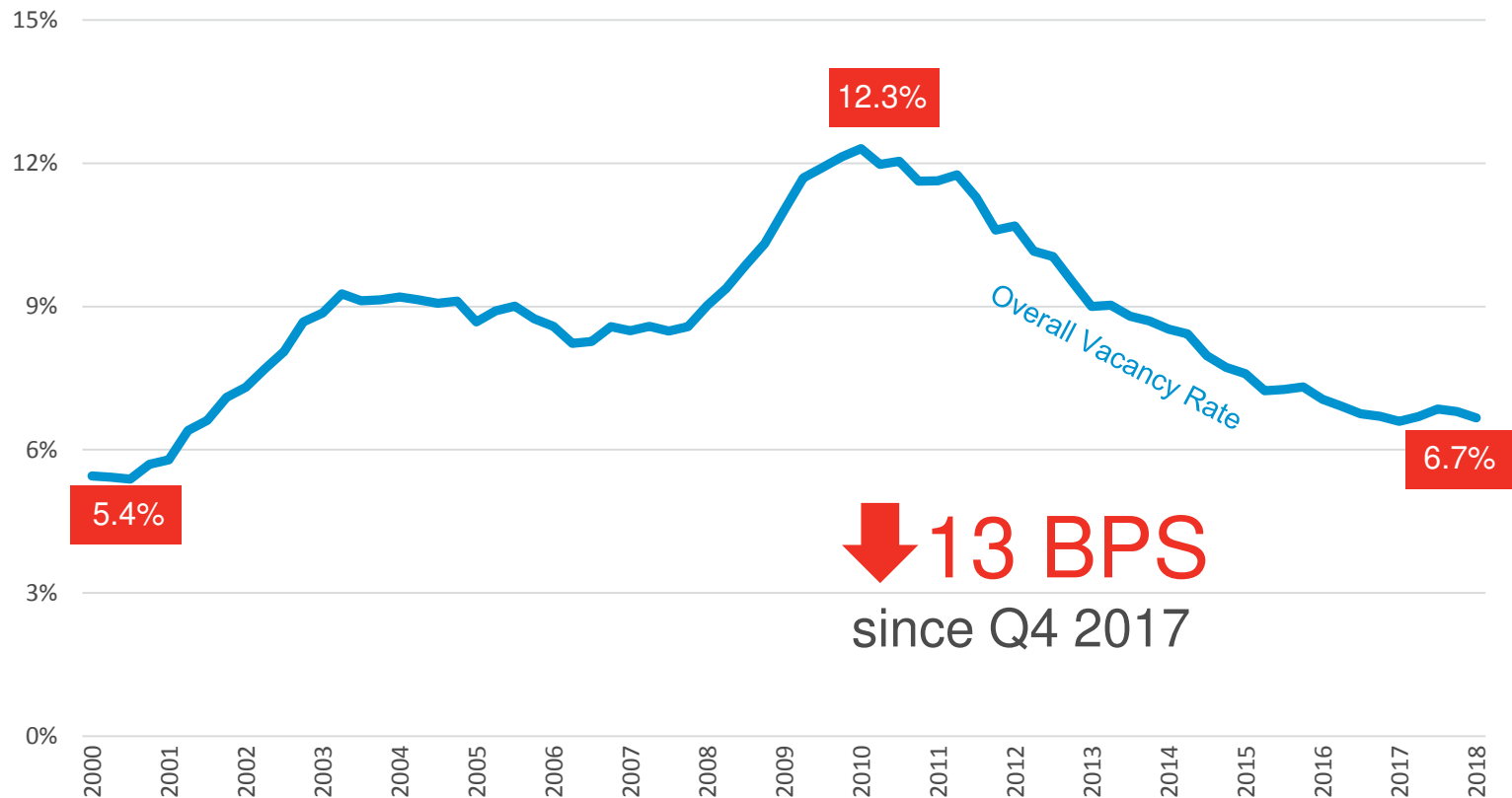
Greatest first quarter net absorption tally since 2016



Chicago Industrial Market



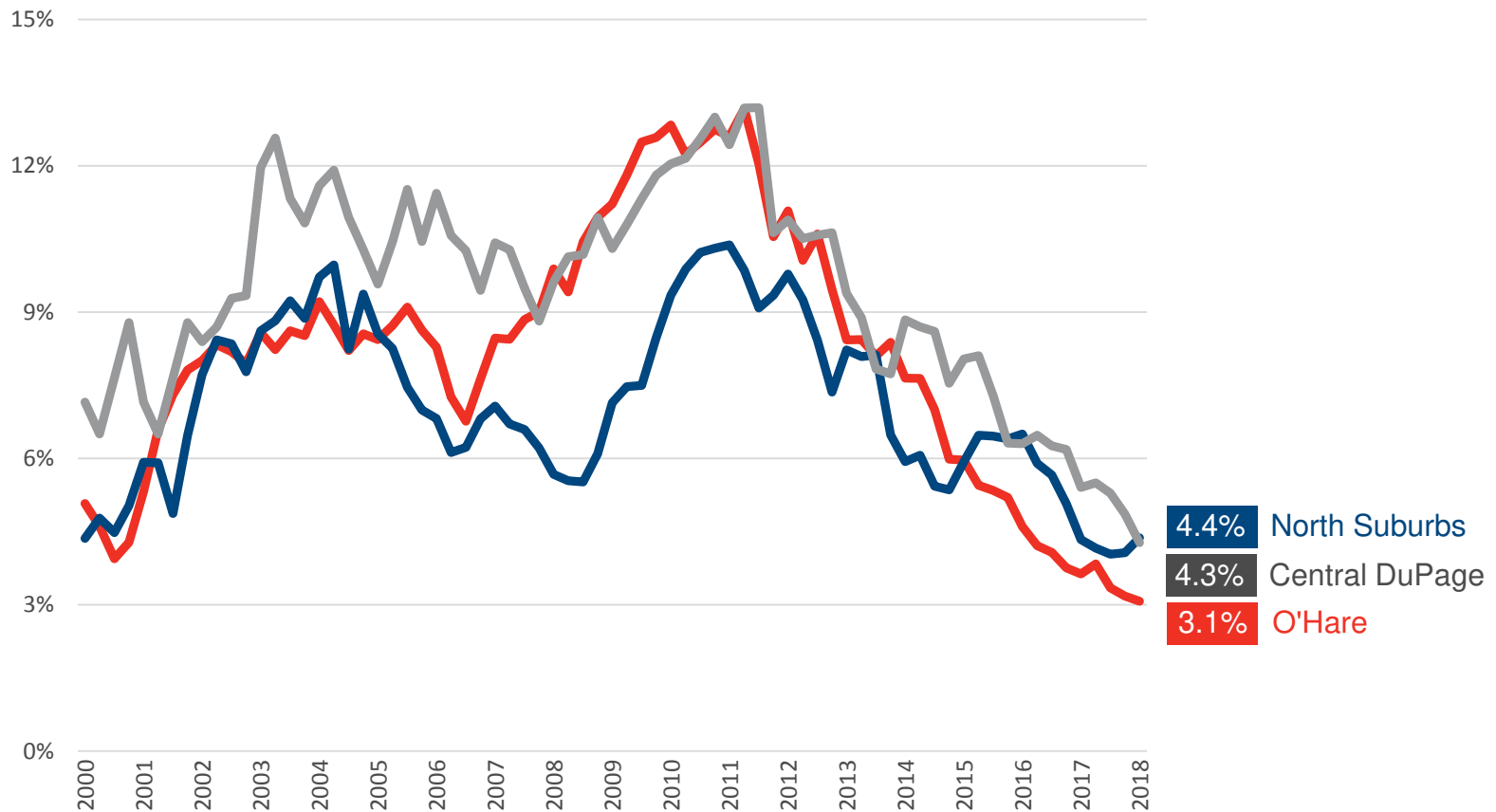
Vacancy rate improves for second quarter in a row



Chicago Industrial Market



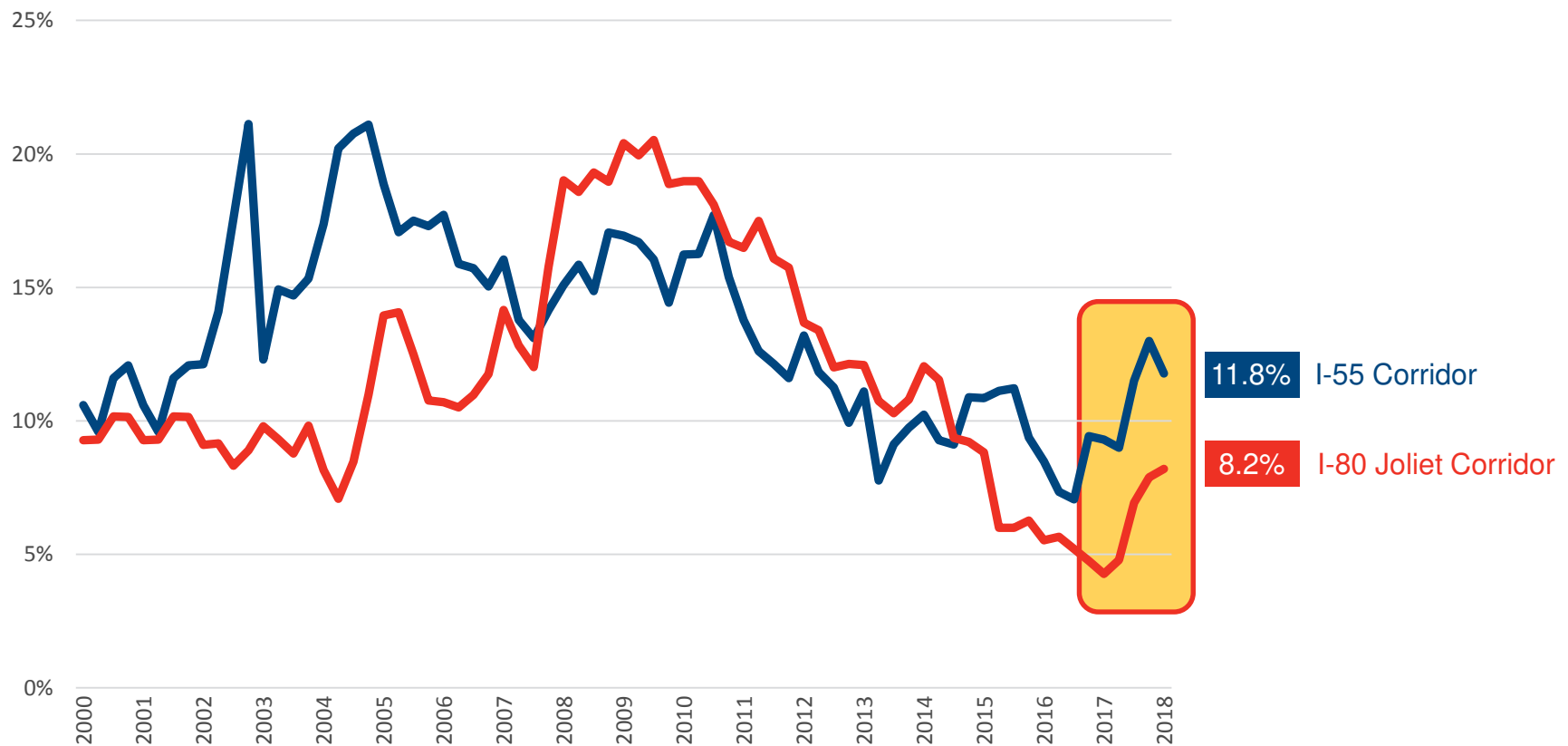
Infill submarkets continue to set new vacancy rate record lows



Chicago Industrial Market



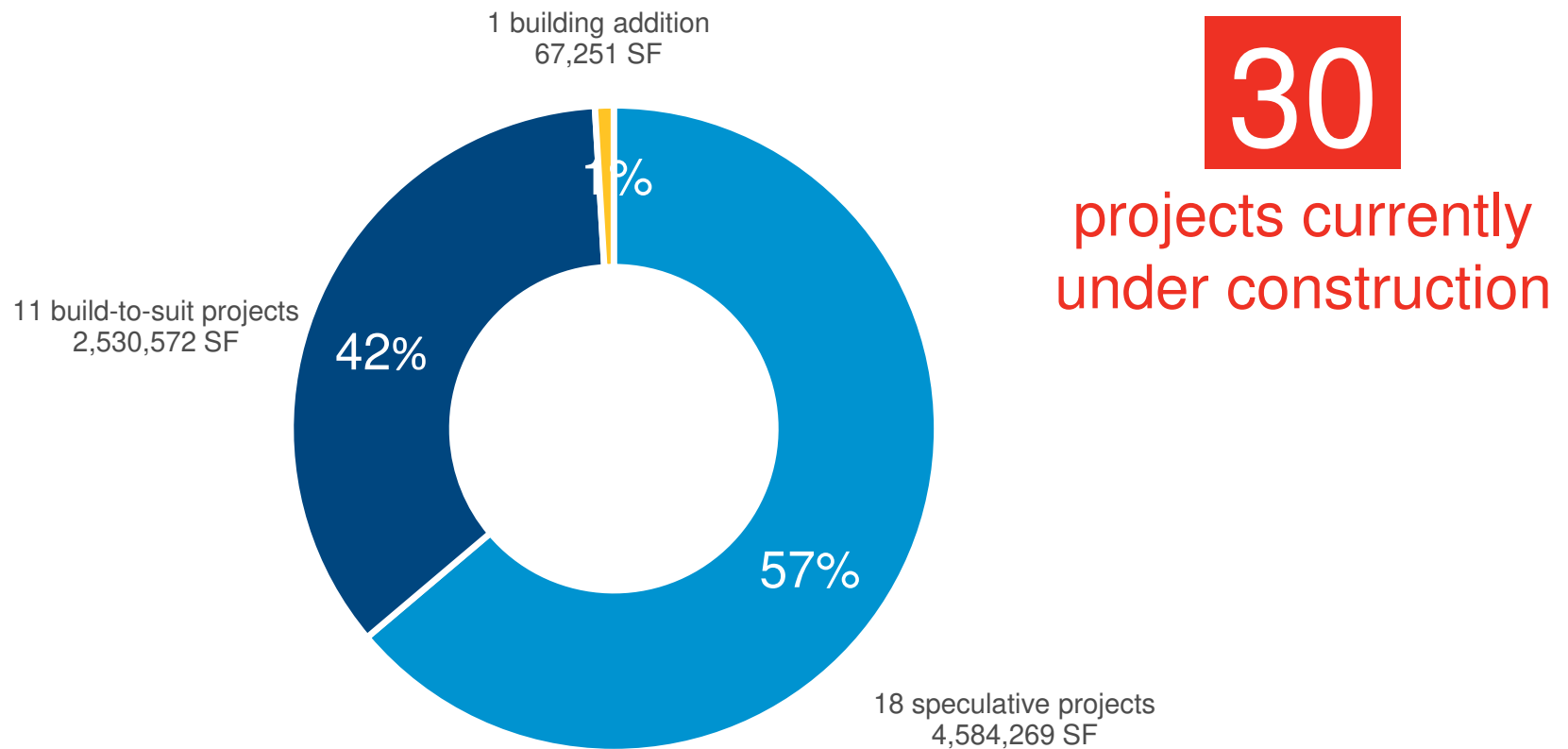
Vacant spec deliveries push vacancy rate higher in others



Chicago Industrial Market



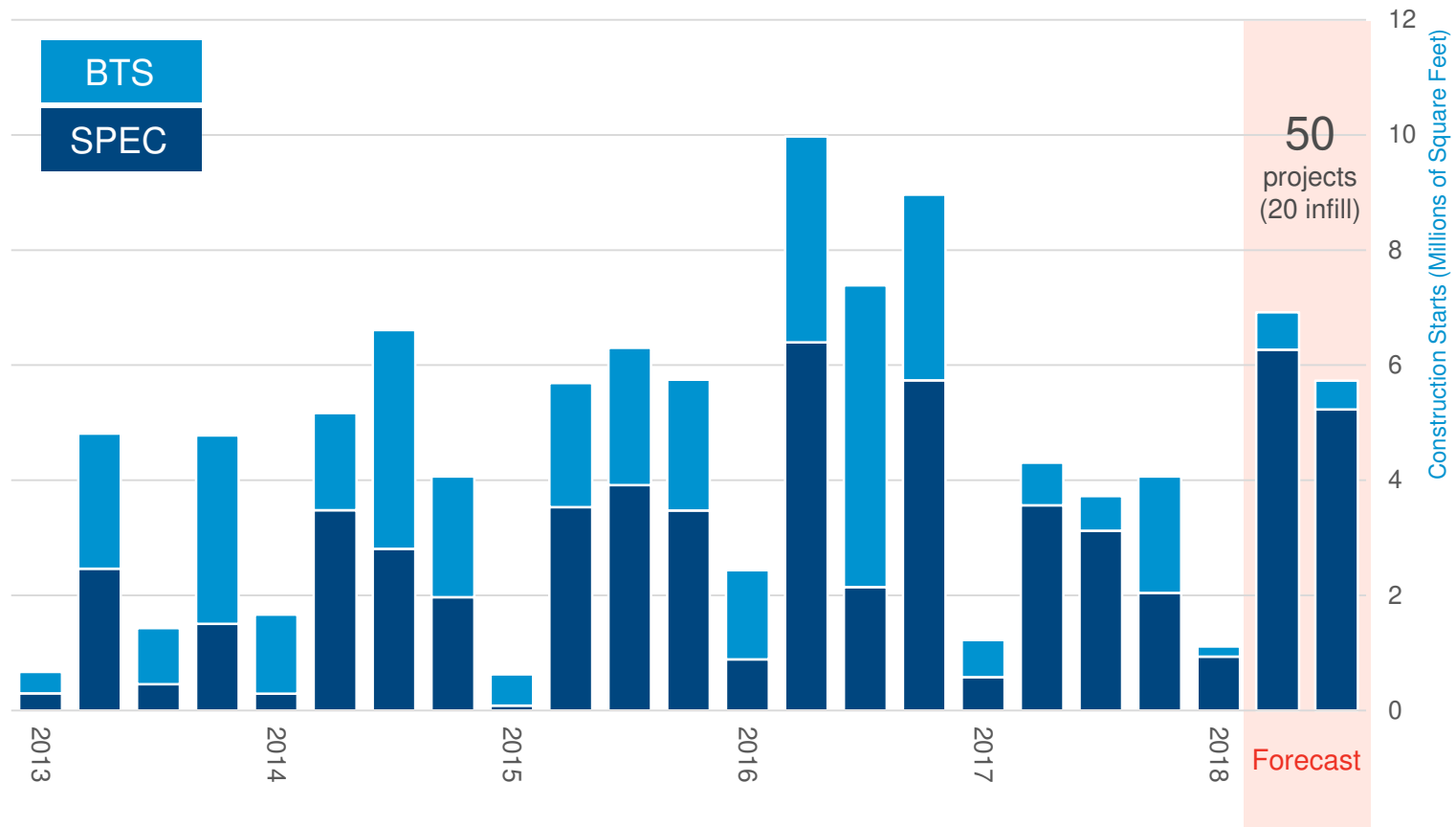
Least amount under construction since 2013



Chicago Industrial Market



Few construction starts in Q1, but new surge coming



Chicago Industrial Market



2018 YTD – largest new leases signed



Whirlpool Corporation
1,001,184 SF
Joliet, IL
Lease expansion/renewal



The Home Depot
588,233 SF
Northlake, IL
New lease



Glanbia
452,153 SF
North Aurora, IL
New lease



Dart Warehouse
429,756 SF
North Aurora, IL
New lease



Uline
417,384 SF
Pleasant Prairie, WI
New lease



RJW Transport
405,844 SF
Bolingbrook, IL
New lease



The Clorox Company
402,092 SF
University Park, IL
New lease



BOX Partners
385,372 SF
Elgin, IL
New lease

Chicago Industrial Market



2017 – largest new leases signed



Kenco Logistics Services, LLC
599,317 SF
Monee, IL
New lease



CTDI, Inc.
501,313 SF
Joliet, IL
New lease



Central American Group, Ltd.
500,160 SF
Romeoville, IL
New lease



Amazon.com
438,150 SF
Crest Hill, IL
New lease

Richwill
Enterprises, Inc.

Richwill Enterprises,
Inc.
388,262 SF
Alsip, IL
Sublease

SAMSUNG

Samsung
352,338 SF
Bolingbrook, IL
New lease

Expeditors[®]

Expeditors International
310,458 SF
Franklin Park, IL
New lease

MADDEN

Madden Communications
301,174 SF
Somers, WI
New lease

Chicago Industrial Market



2016 – largest new leases signed



General Mills
1,507,545 SF
Wilmington, IL
BTS lease



Georgia-Pacific
1,000,560 SF
University Park, IL
BTS lease



Amazon.com
954,720 SF
Aurora, IL
BTS lease



Amazon.com
856,605 SF
Monee, IL
BTS lease



Amazon.com
767,161 SF
Romeoville, IL
New lease



Amazon.com
746,772 SF
Joliet, IL
New lease



Reviva Logistics
728,044 SF
Monee, IL
New lease



MOM Brands
719,542 SF
Wilmington, IL
New lease



Amazon.com
626,848 SF
Waukegan, IL
New lease



Best Buy
615,160 SF
Bolingbrook, IL
BTS lease

Current supply in I-55/I-80 Corridor submarkets

9 existing 500,000+ SF buildings on the market

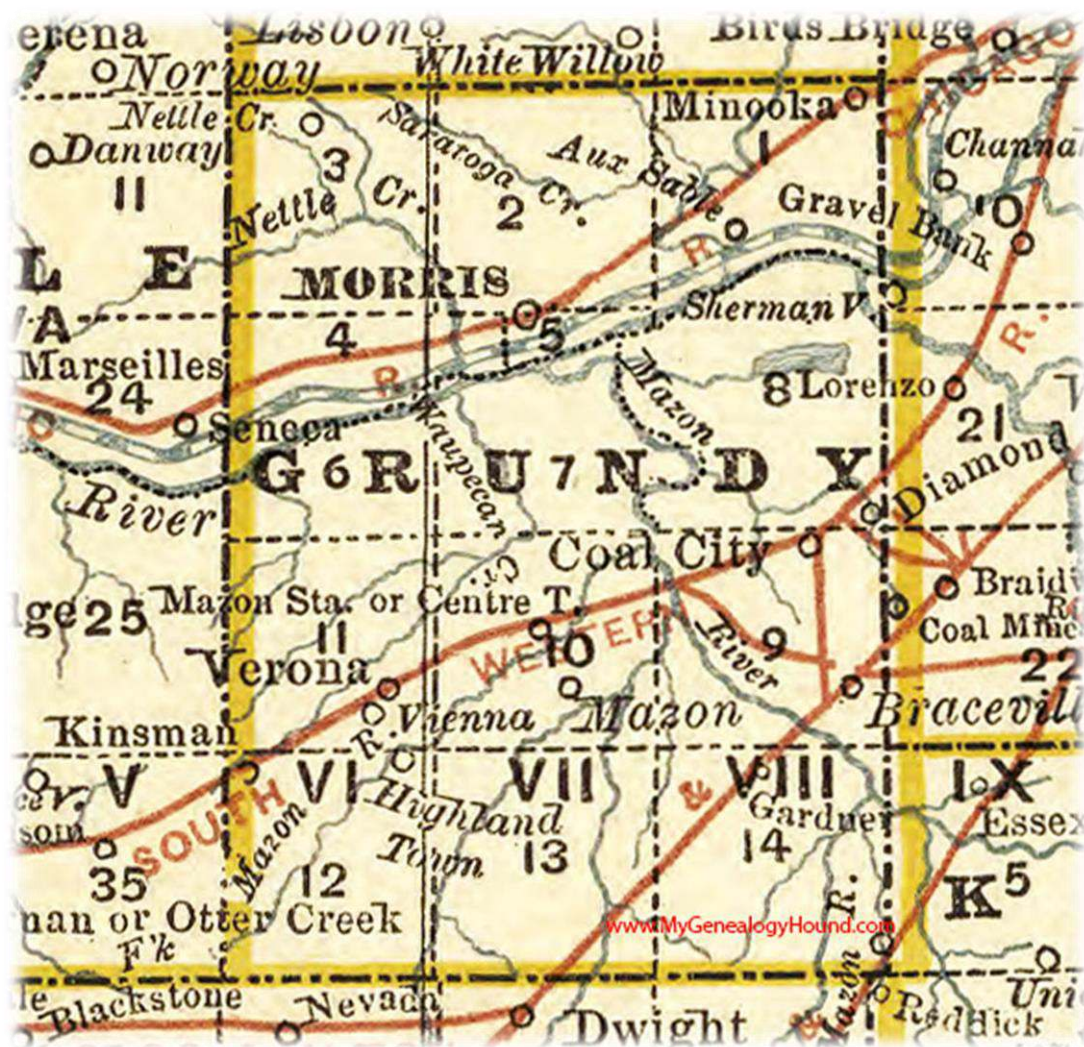
5 more 500,000+ SF buildings under construction or expected to begin construction within the next 6 months

3+ years of supply (11.6 million SF) based on recent absorption rates once these development projects are delivered

Eight year of good news – does the bottom fall out?

- Minimal change in vacancy expected in 2018 as **supply matches demand**
- **Multiple big box transactions** in the pipeline – when will they get done?
- Fewer construction deliveries in 2018 than the past two years, but a **new wave of development** beginning in spring
- **Continued positive net absorption** during 2018 (likely below 2016 & 2017 levels)

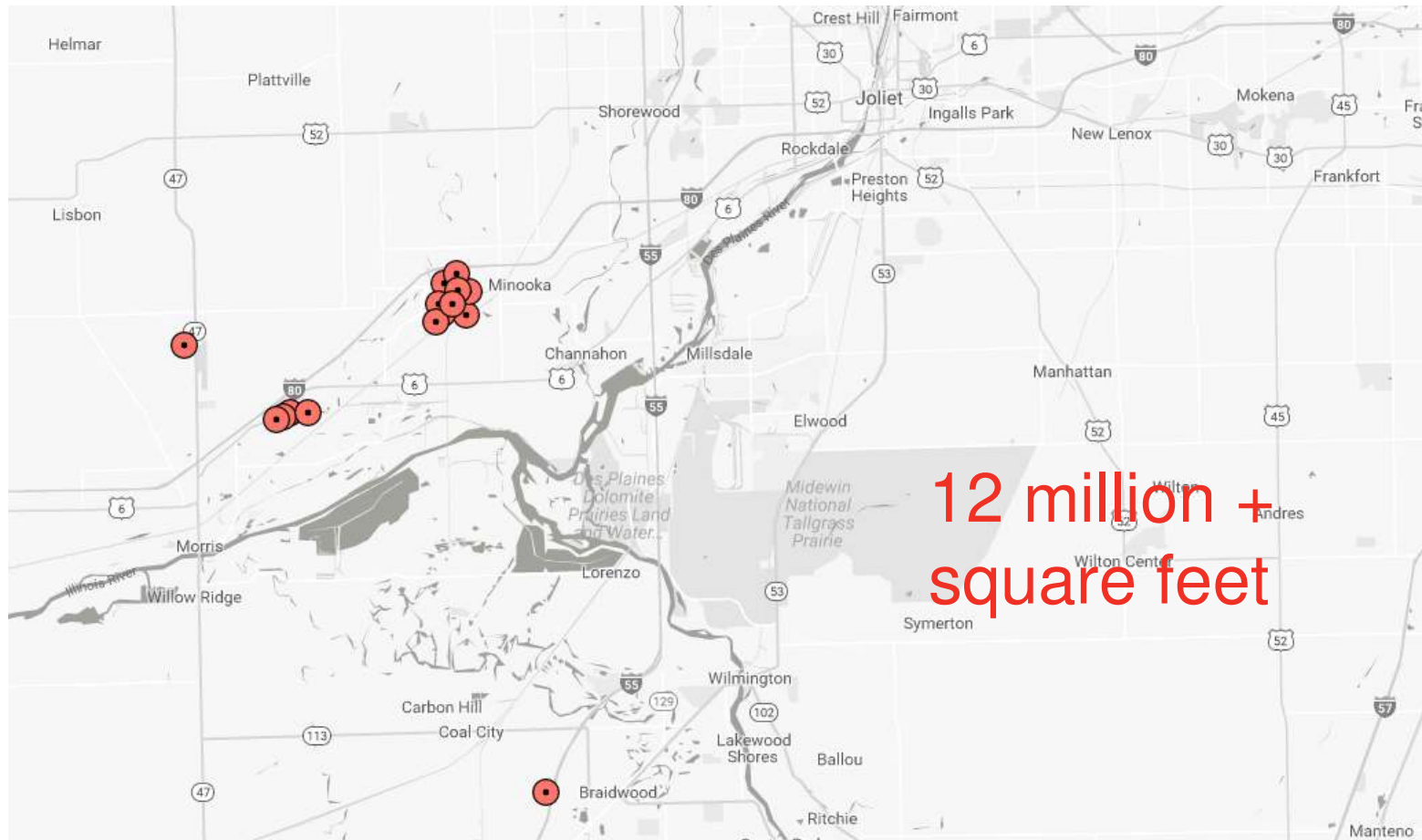
Grundy County Industrial Market



Grundy County Industrial Market



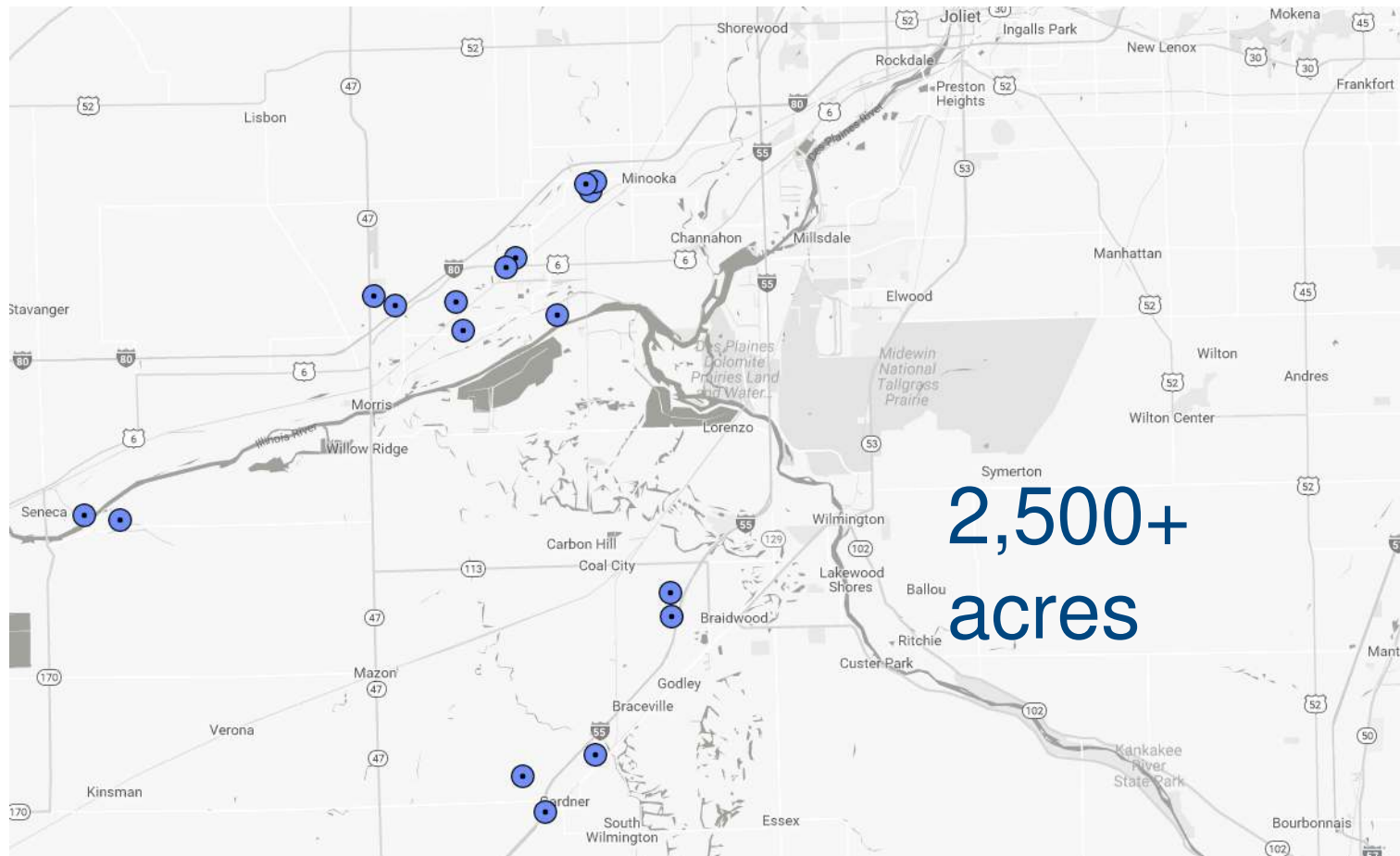
Proposed Grundy County industrial developments



Grundy County Industrial Market



17 industrial land sites for sale greater than 10 acres



Grundy County Industrial Market



Recent Grundy County big box lease transactions



Costco Wholesale
255,996 SF
Build-to-suit
Morris, IL
2016



Mondelez International
806,400 SF
Lease renewal
Morris, IL
2017

Grundy County Industrial Market



Opportunities for Grundy County



All examples of occupiers that want to own real estate.

When specialized/build-to-suit opportunities arise,
Grundy County can be as business-friendly as possible
to attract them.

Grundy County

The Next Industrial Playground

Grundy County at a Glance

3rd fastest growing county in Illinois 2000 - 2010
(Kendall - 1st, Will - 2nd)

Massive Consumption Zone

½ day drive: 30 million people

1-day drive: 120 million people

1.5 million labor force in a 45-mile radius

Top 10% of all Illinois counties for
Average wage per job
Median household income










Grundy County at a Glance

The Right Attitude

- Pro-Business Leadership
- Responsive and timely for zoning, development and incentives

The Right Accessibility

- Two Interstates  
- Four Class One Railroads    
- Regional Airport – 5,500 ft. runway 
- Illinois River Ports with access to the Gulf and the world





Energy

Heavy concentration of utility/energy sectors jobs – more than 20x the average of similar markets



Manufacturing

5x higher concentration of chemical manufacturing jobs

Did you know?



Healthcare

Total jobs up 50% 2004 – 2014, with high additional growth through 2020



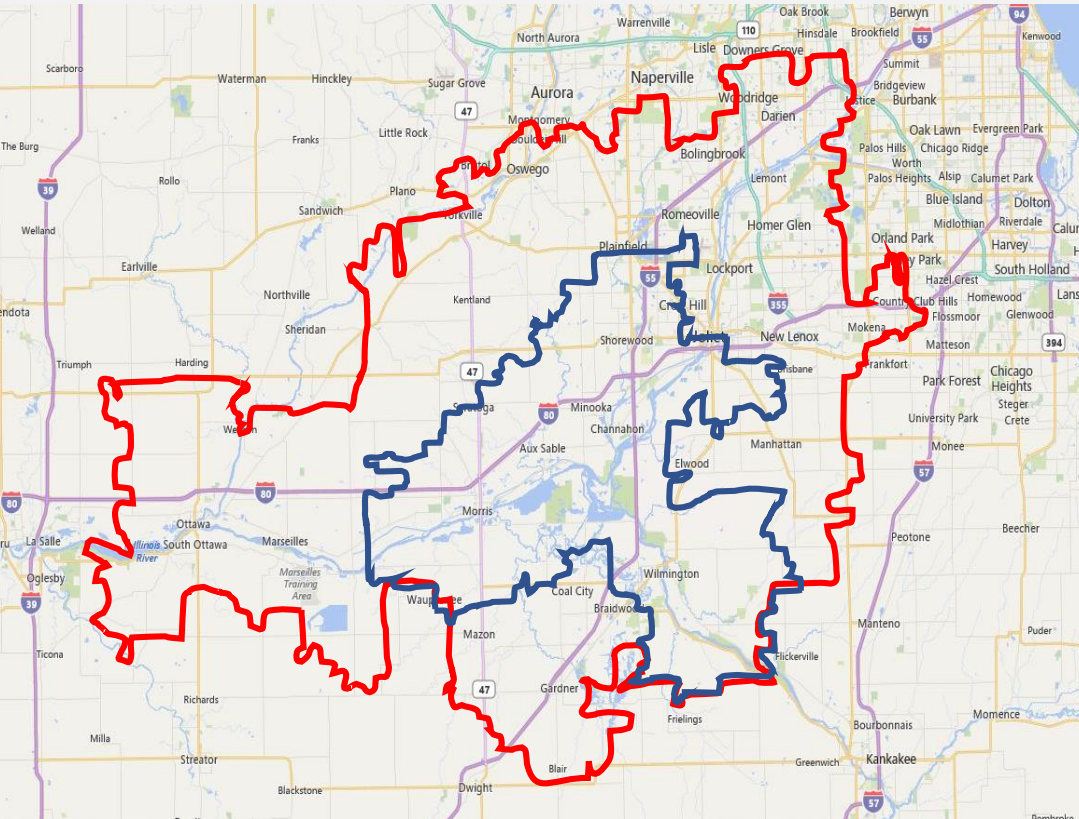
Transportation & Logistics

10.2 million sq. ft.

1.8% vacancy rate (Q1 – 2018)

Labor

Grundy County's Vast Labor Shed



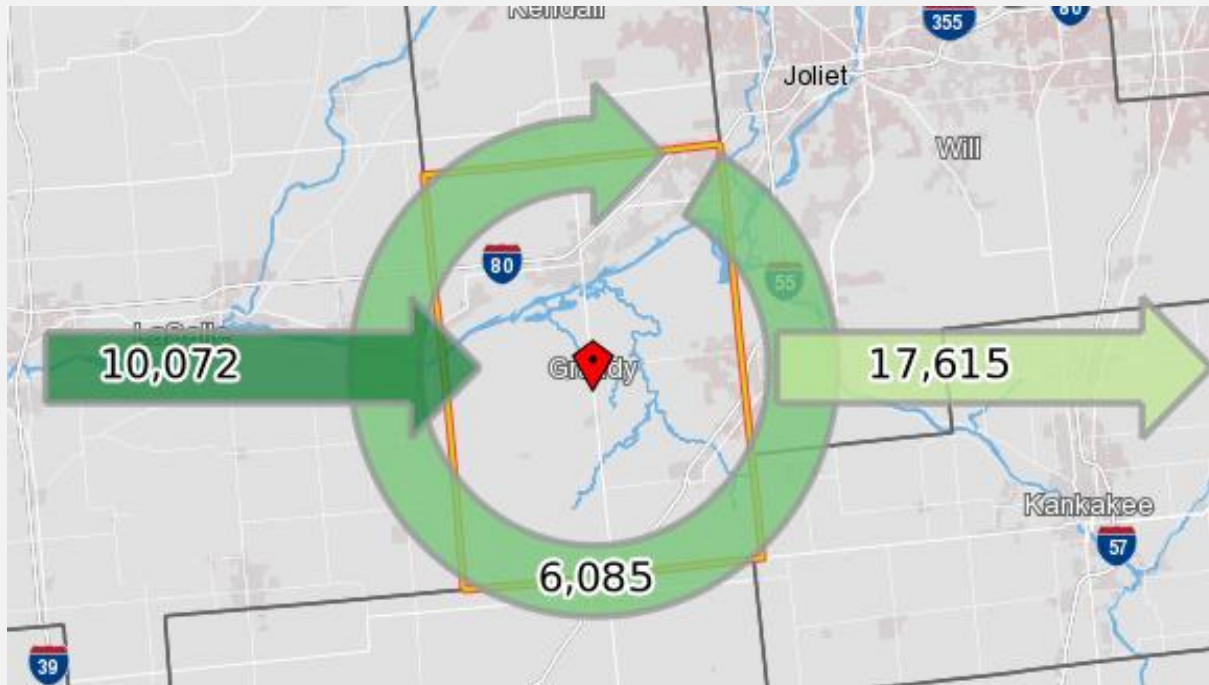
Excellent Transportation Assets Allow Labor to Move Freely

<u>AVAILABLE WORKFORCE</u>	
15 minutes	136,576
30 minutes	489,410
45 minutes	1,518,131

Labor

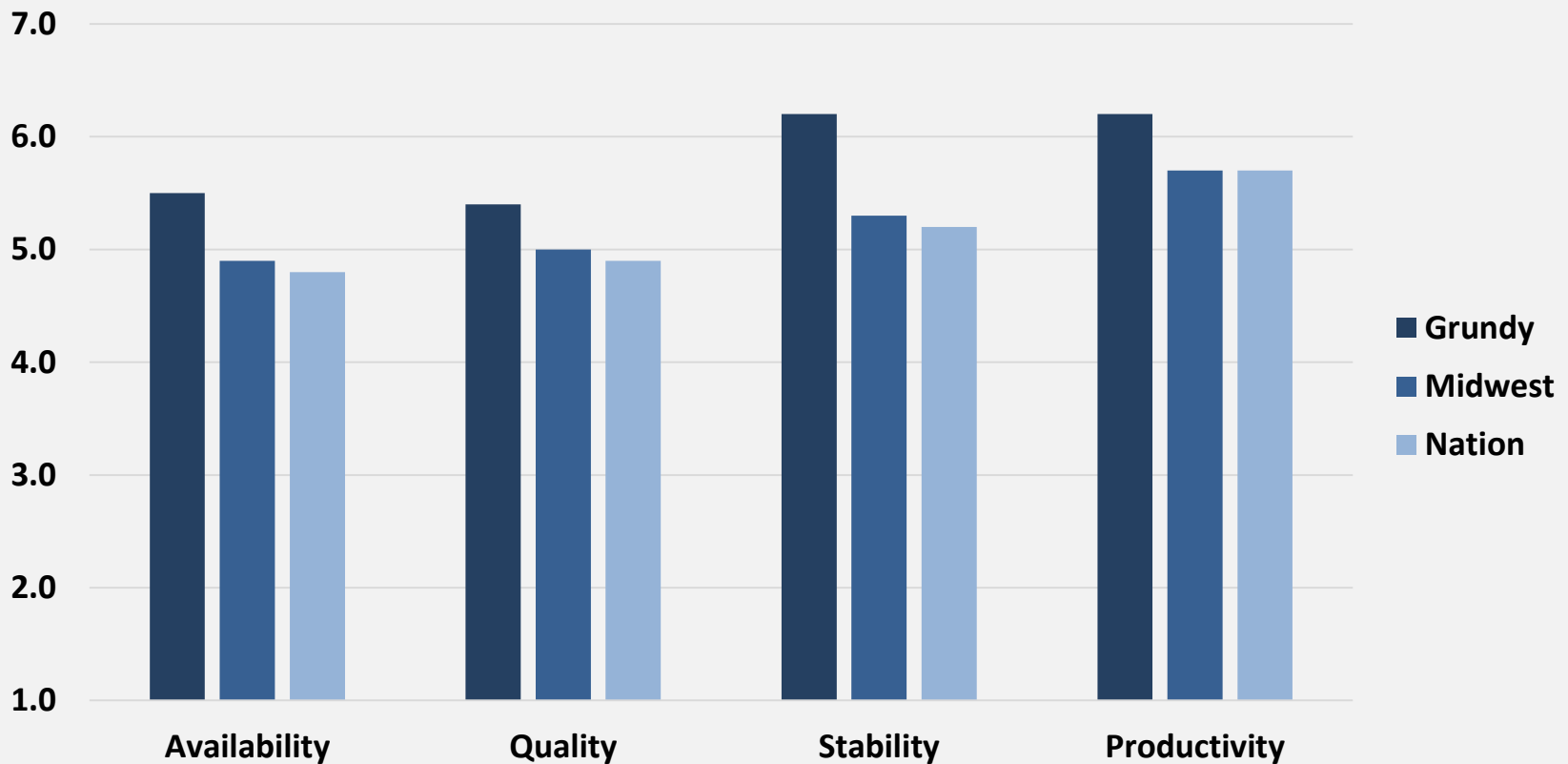
We've Got It! Commuting Patterns

Nearly three-quarters of Grundy County residents commute outside the County for work.



Grundy County's Workforce

Grundy's workforce is highly skilled and is consistently ranked above the national average by local employers.

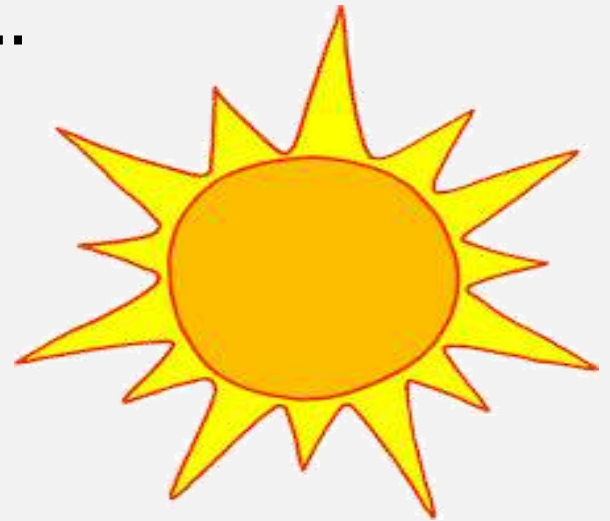


Here Comes the Sun – SOLAR

Solar Energy Makes Financial Sense - Future Energy Jobs Act

Grundy County Projects to Date...

- Cypress Creek Energy
- Trajectory Energy
- Geronimo Energy
- Community Power Group



Rooftop Solar

Consider:

1 million sq. ft. building
23 acres of roof
2.3 MW of power

2.1 million sq. ft. building
48 acres of roof
4.8 MW of power



As Prologis Grows Worldwide, So Do Its Sustainability Goals
Bisnow, June 12, 2018

Energy Resources to Power Business

Robust Supply of Natural Gas and Infrastructure Pipelines



Alliance Pipeline

- 2,000 miles from British Columbia
- 1.8 billion cubic feet per day

Aux Sable Liquid Products **AUX SABLE**

- 7.2 trillion cubic ft. natural gas processed (8 million homes/annual)

Grundy and the Shale Gas Revolution

- Revitalizing U.S. energy industry
- Increasing opportunities for projects that use natural gas as feedstock, including plastics and chemical manufacturing in the Grundy County industrial cluster



Energy Resources to Power Business



Significant Local Power Generation

- 3 nuclear generating stations, 6,400 MW
- 2 natural gas generation sites, 1,400 MW
- 132 Wind Turbines, 300 MW



Strong Electrical Transmission

- One of four 765kV lines in the country



Competitive Development Tools

Economic Development Project Areas

- 14,000 acres ready for industrial development
- EDPA #1 available through 2029
- EDPA #2 available through 2035

Property Tax Abatements

- 3 year tax abatements – 75%, 50%, 25%
- 4 and 5 year programs available

TIF Districts

- 9 located throughout the county

New Enterprise Zones

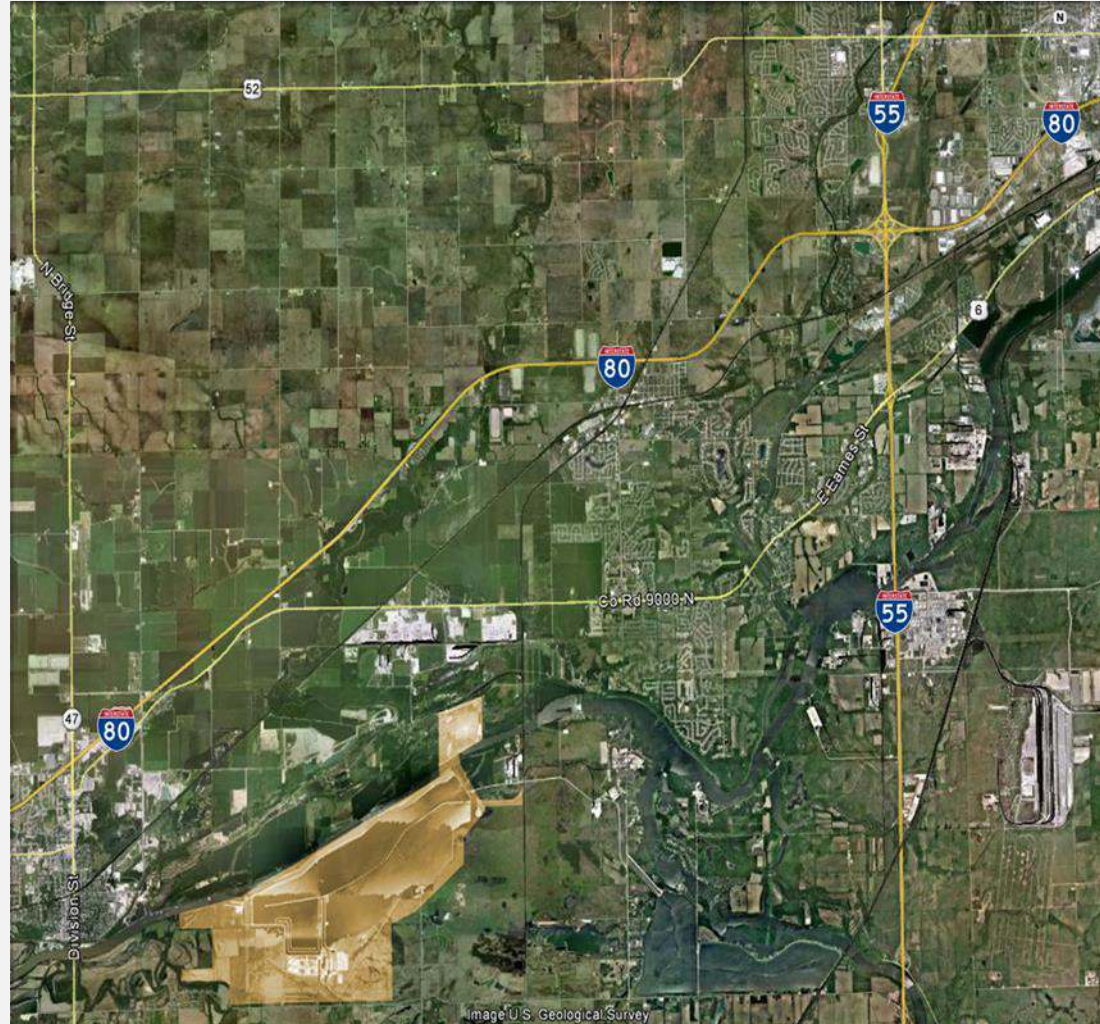
- 2 zones awarded January 1, 2016



How can an EDPA work for you?

Similar to a TIF, the EDPA provides a tool for reimbursement of eligible costs including:

- Construction costs of public works or improvements
- Job training & relocation
- Interest costs up to 30% of the annual interest incurred
- Property acquisition costs
- Site preparation costs
- Property taxes based on specific criteria

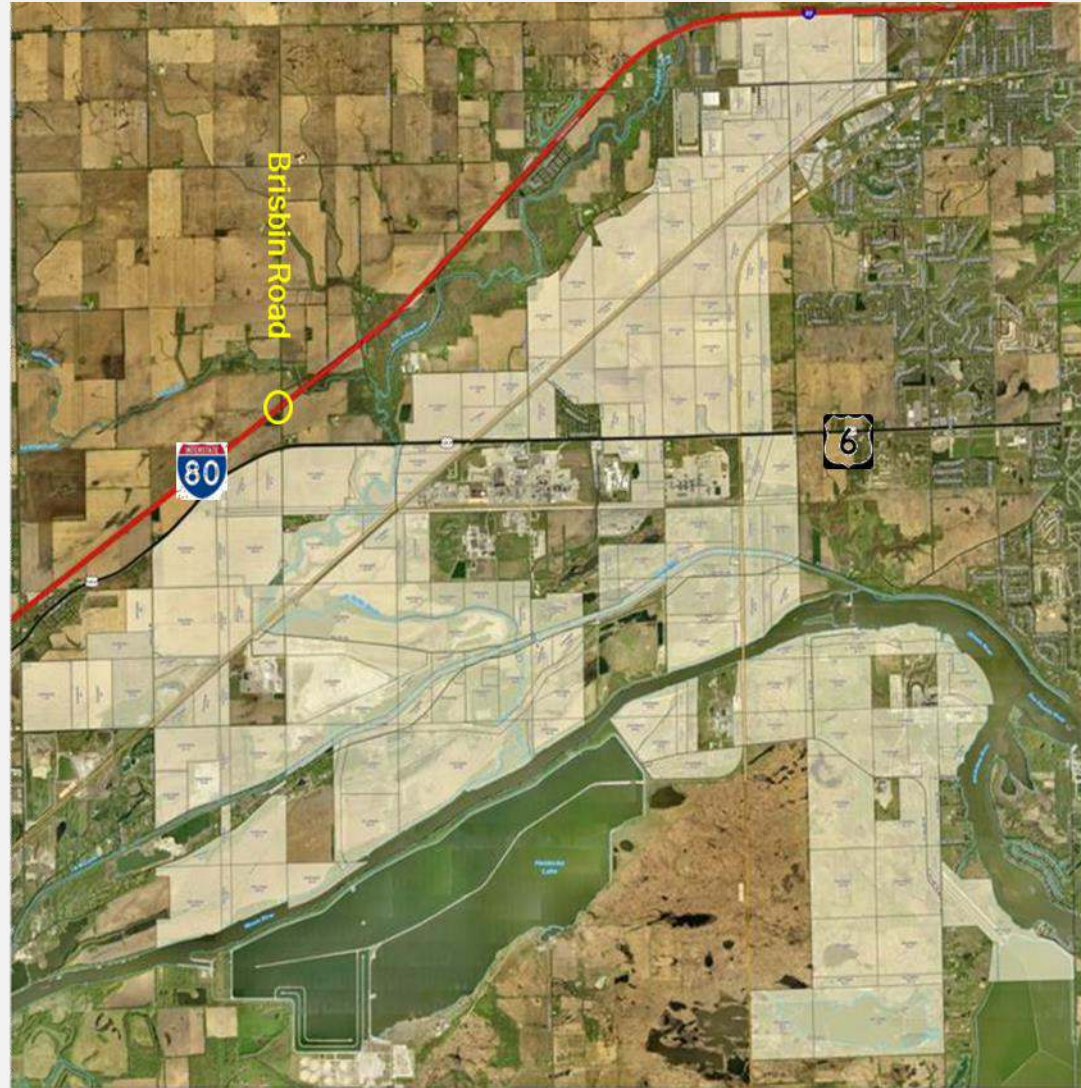


Economic Development Project Area (EDPA 2)

Midwest Generation - Grundy County, Illinois

Economic Development Project Area (EDPA 1)

- 12,000 acres zoned industrial
- Existing industrial base along U.S. Route 6:
 - A&R Transport
 - Akzo Nobel
 - Aux Sable
 - LyondellBasell
- Located adjacent to three communities with thousands of acres of opportunity in
 - Channahon
 - Minooka
 - Morris



I-80 & Brisbin Road Interchange

Just minutes from the crossroads of Interstates 80 & 55

12,000 acres of industrial land

- Municipal services to western boundaries
- ComEd substation expanded adjacent to interchange
- Nicor service extension completed
- Full 5 lane intersection at Route 6 and Brisbin Road
- Brisbin Road north upgrade to a 80,000 pound truck route



Chicagoland Sites with River, Rail and 1,000+ Acres

NRG – Former Midwest Generation

- CN rail served
- 1,000 ft. slip dock on Illinois River
- Huge Power – Substation on site
- 2 gas lines
- 1,700+ acres cooling lake
- EDPA benefits



New Projects

Welcome to:



- \$150+ million meat processing
- 200+ new jobs
- Opened Q4 2017



- 131 acre UP rail served industrial park
- 400,000 sq. ft. building – plastics
- 569 rail car position
- Under Construction

Project Updates

In Development:

CPV Three Rivers Energy Center

- \$1 billion investment
- 1,250 MW natural gas generation station



Status

- Passed legislation
- Incentive amendments
- Public hearings

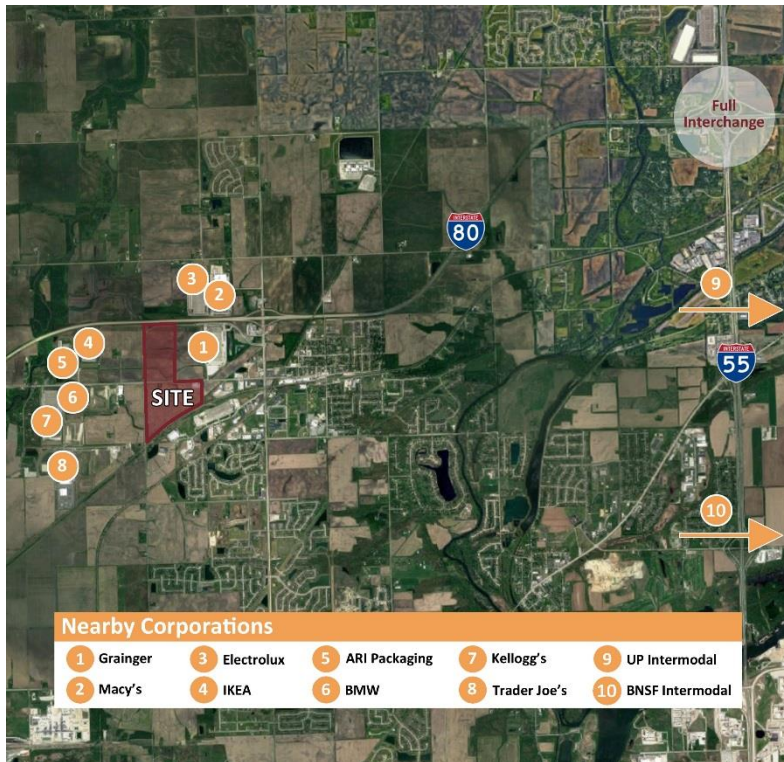


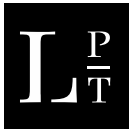
Featured Industrial Parks in Grundy County

Liberty Business Center - Minooka

Two sites to accommodate 500,000 - 1,200,000 SF

- Now pad ready!
- Abundant trailer parking
- I-80 coast-to-coast interstate
- Only 3.5 miles from I-80/I-55 interchange
- Direct visibility onto I-80
- Close proximity to BNSF and UP Intermodals





LIBERTY
PROPERTY
TRUST

Liberty Business Center - Minooka



Prologis Park Minooka

SITE H - Cargo Road

Minooka, IL 60447 USA

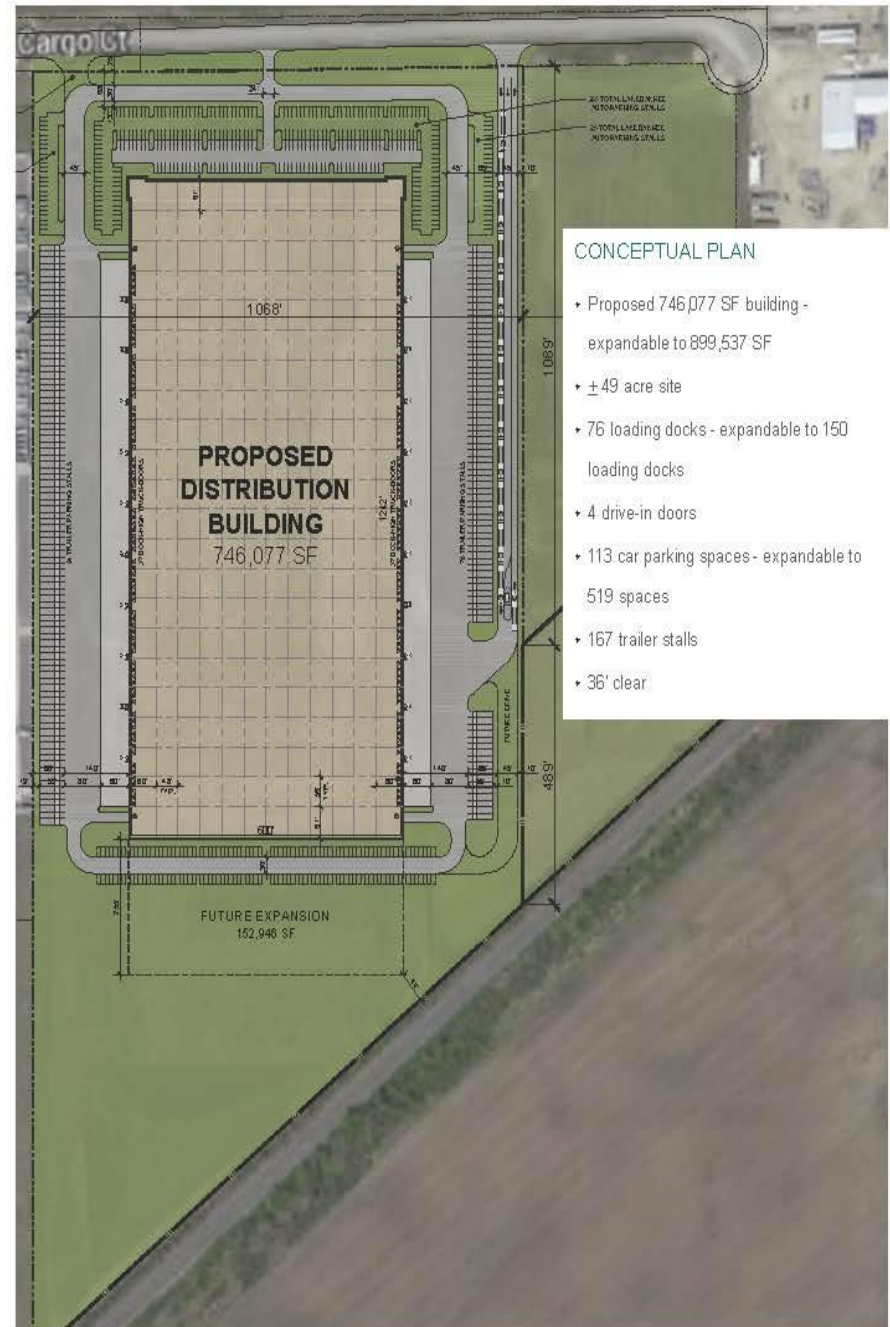
746,077 Square Feet Industrial Space For Lease



Advantages and Amenities

- **Superior Interstate Access:** with immediate access to the Ridge Road/I-80 Full Interchange via dedicated, truck ready roads with signalized intersections.
- **Major Highway Proximity:** Located only four (4) miles from the intersection of two of the country's major freight routes, Interstate 80 and Interstate 55.
- **Competitive Economics:** Lower land costs and low Grundy County property taxes significantly reduce total occupancy costs within the park.
- **Corporate Neighborhood:** Home to prominent corporate neighbors such as Kellogg's, WW Grainger, BMW, Trader Joe's, Ikea, Macy's and Electrolux.

- **Tax Abatement:** Grundy County offers a pre-negotiated three year property tax abatement to qualifying companies. Eligible companies with qualifying projects can receive an abatement:
 - 75% during the first fully assessed tax year.
 - 50% the second year
 - 25% the third year
 Grundy County also offers four and five year property tax abatements at 50% each year to qualifying high impact companies.
- **Growing Labor Force:** Within 30-Mile radius, a work force of over 850,000 people offers a wide range of skills and stands ready to serve local companies.



FOR SALE/LEASE > 1,500,800 SQUARE FEET

MINOOKA I-80 DISTRIBUTION CENTER

11075 N. MCLINDEN RD., MINOOKA, IL (SW SUBURBAN CHICAGO, IL)

Colliers
INTERNATIONAL

PAD READY



About This Property

- > Building Size: 1,500,800 SF
- > Dimensions: 640' x 2,345'
- > Site Size: 79.72 acres
- > Construction: Precast
- > Office Size: To suit
- > Ceiling Height: 36'/40' clear
- > Roof: Single ply 43-mil ballasted over two layers of 2.6" insulation (R-30)
- > Lighting: LED or T-5 to suit
- > Loading Docks: 302 exterior docks (expandable)

Contact Us

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MOLTO
PROPERTIES

No warranty or representation is made to the accuracy of the foregoing information.
Terms of sale or lease and availability are subject to change or withdrawal without notice.

COLLIERS INTERNATIONAL
6250 N. River Road, Suite 11-100
Rosemont, IL 60018
www.colliers.com

MINOOKA I-80 DISTRIBUTION CENTER



Colliers
INTERNATIONAL

About This Property | Continued

- | | |
|--------------------------|--|
| > Dock Equipment: | 45,000 lb. – 7' x 8' inflatable air bag |
| > Drive-in Doors: | 4 |
| > Floor Slab: | 7" unreinforced |
| > Column Spacing: | 52' x 50' 70' speed bay |
| > Sprinkler System: | ESFR with K22 heads |
| > Trailer Parking: | 378 spaces (expandable) |
| > Car Parking: | 280 spaces (expandable) |
| > Electrical Service: | 4,000 amps, 277/480 volt – 3 phase |
| > Sale Price/Lease Rate: | Subject to offer |
| > Comments: | Excellent I-80 access via I-80 at Ridge Road
Ideal for office/distribution
Professional occupied and managed
Low Grundy County Real Estate Taxes
Close proximity to BNSF – UP Intermodal |

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Offered by top Chicago-area industrial developer Molto Properties, Minooka I-80 Distribution Center is an ideal site for warehouse and manufacturing users. A rare new construction opportunity in Chicago's mature I-80 submarket, Minooka I-80 Distribution Center is the perfect choice for tenants valuing modern features and convenient access to both I-80 and I-55.



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AREA AMENITIES



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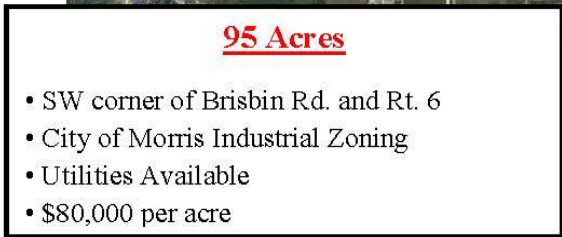
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75.88 Acres Industrial Property – Minooka, IL



Marquette Properties, Inc.
(815) 941-0207 • Morris, IL
www.MARQUETTEPROPERTIES.com

[illegible]

- NE corner of Bungalow Rd. and Ashley Rd.
- City of Morris Industrial Zoning
- Utilities Adjacent to Site on existing truck rte.
- \$49,900 per acre



Marquette Properties, Inc.
(815) 941-0207 • Morris, IL
www.MARQUETTEPROPERTIES.com

Five Star Industrial Park | Morris, IL

AVISON
YOUNG



PARK FEATURES:

- Immediate access via I-80/Brisbin Road
- Build-to-suits up to 1,500,000 SF
- Ideal for manufacturing and distribution
- Rail served by CSX
- Robust supply of natural gas via Alliance Pipeline
- Significant local power generation
- Competitive economic development tools



CORPORATE NEIGHBORS:

1. Aux Sable
2. Lyondell Basel
3. A&R Logistics
4. Akzo Nobel
5. Costco Distribution
6. Kraft
7. Morris Municipal Airport



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Flexible Build-to-Suit Concepts Up to 1.5M Square Feet

**AVISON
YOUNG**



SITE AREAS:

*Building 1:	998,400 SF / 50.3 Acres	Building 8A:	17.94 Acres
Building 2:	1,258,320 SF / 53.4 Acres	Building 8B:	16.98 Acres
Building 3:	996,384 SF / 42.9 Acres	Building 9:	57.17 Acres
Building 7:	32.70 Acres	Building 10:	75.17 Acres

* This site represented by Pete Fleming/Marquette Properties

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I-80 & Brisbin Road:	0.5 miles
I-80 & IL Route 47:	2.5 miles
BNSF Intermodal:	15 miles
I-55 via I-80:	11 miles





02-17-2017
CONCEPTUAL ARCHITECTURAL RENDERING

BUILDING #3
FIVE STAR INDUSTRIAL PARK
MORRIS, ILLINOIS

CLARIUS PARK MORRIS



BRISBIN ROAD

Clarius Park Morris

- Clarius Park Morris – Master Planned Class A Industrial Park entitled for 2.96 Million SF
- I-80 visibility, located less than 1 mile from the Brisbin Road interchange
- Annexed and Zoned M-1 within the City of Morris
- Pro-business environment with both City of Morris and Grundy County
- Available 3-year Tax Abatement Program through Grundy County
- Located within the Grundy County Economic Development Project Area #1
- New City of Morris water and sewer utilities installed onsite



CONCEPTUAL MASTER PLAN

Highfield Rail Park - Chicago

Highfield Investment Group



CONCEPTUAL MASTER PLAN HIGHFIELD RAIL PARK - CHICAGO

HIGHFIELD INVESTMENT GROUP
#18, 11410 27TH STREET SE
CALGARY, ALBERTA CANADA

SITE PLAN

HARRIS ARCHITECTS, INC.
WWW.HARRISARCHITECTS.COM

Rail-Served Land For Sale – Coal City, IL



Village of Mazon – Mazon Commercial Park

- 7 lots available
- Zoned business & manufacturing
- Sizes vary from 1 - 4 acres
- Municipal water & sewer
- TIF incentives available
- Located on Route 47
 - Just miles to I-55 and I-80



Thank you!



Grundy Economic Development Council

Promoting a healthy business environment
in Grundy County

Local Workforce Analysis

Local, State & Federal Incentive

Local Relationships with

- Elected Officials
- Landowners
- Professional Services Providers

Nancy Norton
President & CEO