

Real Estate & Asset Management

Jones Lang LaSalle

August 12, 2009



CHICAGO TRANSIT AUTHORITY

The logo features the lowercase letters 'cta' in a bold, white, italicized sans-serif font, centered within a black circle. This circle is positioned on a vertical bar that is red at the top and blue at the bottom, with a thick black outline.

cta[®]

Real Estate and Asset Management

Established May 2009

Mission Statement

We will efficiently manage the real estate and revenue generating assets of the CTA in order to increase revenues and improve operations for the benefit of riders and other stakeholders.



Project Team

- **Real Estate and Asset Management**
 - May 2009 Start Date
- **Jones Lang LaSalle**
 - August 2008 Start Date
- **Procurement Department**
 - RFP/IFB Review and Management
- **Law Department**
 - Contracts, Leases and Litigation
- **Finance Department**
 - Accounts Receivable and Audits



JLL Scope of Services

- **Brokerage Services**

- Sale or lease of surplus properties
- Lease of non-concession properties
- Marketing and public solicitations
- Acquisitions

- **Concessions Leasing and Management**

- Retail operations
- Vending
- ATMs
- Parking operations

- **Transit Oriented Development**



Overview of Accomplishments

OneView Tracker

Results:

- Established web enabled lease administration tracker
- All files and photos available electronically – 24/7
- Ease of Reporting

Scope of Services:

- Abstracted over 300 leases and licenses
- Scanned all existing leases and licenses
- Tracker used as repository for all site inspections

Link To: **Tracker Training Module** Go **Adhoc Reports**

BRIEF DESCRIPTION REQUESTER PRIORITY STATUS LEASE PORTFOLIO TYPE PROJECT LEAD PROJECT CONTACT INFO

Search **Advanced Search**

New Export

Page 1 of 3

Brief Description	Project Lead	Status	Priority	Line	Station	Other Site Type	Lease Portfolio Type	Requester	Project Contact Info
Exercise of Option; Lease expiring on 9/15/08	Sandi	- TBD -	- TBD -				Concessions/ATM		- TBD -
Office Space Lease	Kurt	- TBD -	- TBD -				Brokerage		- TBD -
Relocation of inside concession at Howard El Station; closed due to construction.	Sandi	- TBD -	- TBD -	Red	Howard		Concession		Sam Shpritzer
Evanston Purple Line concessions interest	Sandi	- TBD -	- TBD -	Purple			Concession		Donald Gordon
Various Rail line concessions; HDS Retail North America - RELAY	Sandi	- TBD -	- TBD -				Concession		Denise Whitefield
Midway Concessions interest	Sandi	- TBD -	- TBD -	Orange	Midway Airport		Concession		Steve Kim

Internet

Overview of Accomplishments

Website / Market Reach

Results:

- Created dedicated CTA Real Estate web site – www.ctarealestate.com
- Received over 50,000 web site hits
- Received over 1,000 property inquiries
- 260 RFP Downloads to date

Scope of Services:

- Secured domain name
- Designed site and functionality for ease of use
- Update to reflect CTA real estate offerings



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CTA Real Estate

The Chicago Transit Authority (CTA), the nation's second largest public transportation authority, operates bus and elevated/subway train service for the City of Chicago and 40 surrounding suburbs. The CTA's significant operations cover a fixed route bus service with 2,517 route miles and rail service with over 224 miles of track - in total providing 1.8 billion passenger trips on an average weekday.

In August 2008, the CTA launched a strategic partnership to outsource its real estate activities and operations to Jones Lang LaSalle, the world's leading real estate services firm headquartered in Chicago, Illinois.

Doing Business with Jones Lang LaSalle and the CTA

The strategic collaboration between the CTA and Jones Lang LaSalle is providing unique real estate opportunities to qualified candidates to capitalize upon offerings such as:

- Land / Buildings
- Parking
- Retail
- Office
- ATM
- Vending
- Transit Oriented Development

If you have a specific inquiry, click here.



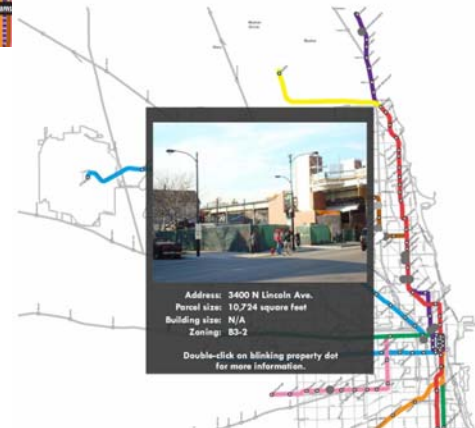
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Land / Buildings

The CTA is offering qualified buyers or tenants the opportunity to buy or lease property from the CTA's significant real holdings, located throughout the City of Chicago and its surrounding suburbs.

Current Offerings

The listing dots on the following map illustrate the locations of opportunities currently available. Please scroll over each opportunity for brief summary information, and double click on a particular opportunity to view the details of an available offering.



Overview of Accomplishments

Surplus Properties

Results:

- Prepared 13 Invitation for Bids
- Secured Purchase offers for 4 sites - \$2.9 Million +/- (Phase 1)
- Two additional properties in market (September Bids)

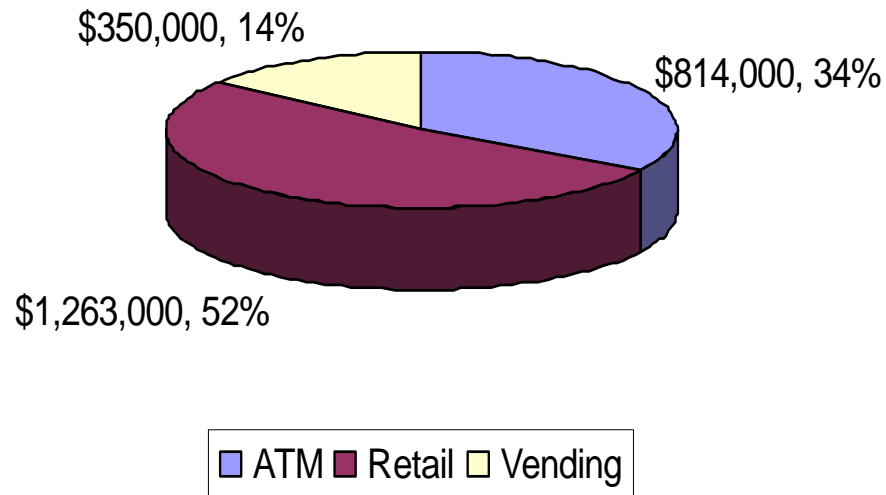
Scope of Services:

- Performed Property valuations for 20 sites
- Created CTA website to highlight offerings
- \$7 Million +/- for 17 sites (Phase 2) pending



CTA Concessions Revenue 2008

\$2.4 Million in 2008 Annual Concession Revenues



- Retail Concessions
 - 137 locations in 76 transit stations
 - Size range: 50-3,000 sq ft

Overview of Accomplishments

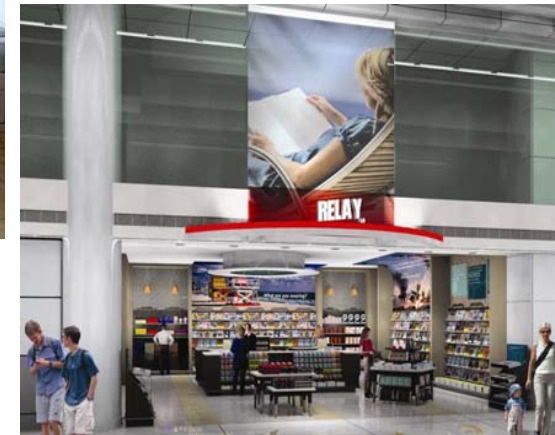
Retail / Concessions

Results:

- Issued RFP's for 29 locations; anticipated to add \$275,000 to annual revenues
- Defined new management standards to enhance store appearance, sales performance and CTA revenues

Scope of Services:

- Performed Financial and Market analyses of all 144 transit stations and entrances
- Pre-marketing of CTA Retail through website, direct marketing, industry forums, community outreach
- Outreach to more than 850 potential retail operators/developers/brokers
- Development of new leading edge marketing approaches, as well as RFP and contract standards.
- Incorporate Key Stakeholder priorities



Overview of Accomplishments

Facilities Management

Results:

- Completed Baseline Assessments of all concession spaces
- Developed operating budget for maintaining the spaces
- Aggressive collections efforts
 - Issued (10) notice to cure letters, resulting in collection of about \$100,000 of past due rent
- Concluded that almost 40% of all concession spaces require roof replacements.

Scope of Services:

- Serve as single point of contact for concession tenant maintenance and miscellaneous requests
- Weekly JLL/CTA-Finance meetings to maximize collection of past due rent.
- Perform routine property inspections to enforce requirements established in lease and concession operator's handbook.



Overview of Accomplishments

Vending

Results:

- Generated proposals from multiple automated retail/information vendors for unique leading edge transit vending
- Issued system wide Beverage Vending IFB to enhance revenues and improve standards

Scope of Services:

- Financial and market analysis of existing vending (beverage) portfolio
- Prospective Vending:
 - DVD
 - I-Pod
 - Electronics
 - Magazines
 - Snacks



Overview of Accomplishments

ATMs

Results:

- Issued RFP for 144 transit stations and 9 employee locations
- RFP designed to maximize ATM installation / revenues

Scope of Services:

- Financial and market analysis of existing ATM portfolio
- Direct banking meetings to clarify CTA ATM business opportunity
- Outreach campaign to generate market interest from community, small and large banks
- Site selection/coordination with CTA operations for new ATM locations



Overview of Accomplishments

Parking

Results:

- Received multiple bids via RFP process
- New agreement will improve operations and enhance revenue
- Secured state of the art fee collection technology

Scope of Services:

- Inventoried all parking locations and performed market assessments
- Performed car counts at select locations
- Prepared RFP to include best practices for fare collection technology
- Pre Bid Conference held February 9th
 - 33 attendees



Overview of Accomplishments

Asset Monetization

Results:

- Secured \$8.5 Million +/- offer for 1 floor of 567 (purchase)
- Lease discussions for 1 to 2 floors of 567
- Performed Sale-Lease Back analysis for \$100-150 Million

Scope of Services:

- Evaluated lease and for sale markets
- Extensively marketed opportunity via JLL network and web sites
- Conducted direct market outreach to City and Government agencies
- Performed lease vs. sale analysis
- Coordinated site tours

JONES LANG LASALLE | SPACE AVAILABLE

CTA Building - 567 West Lake Up to 105,000 s.f. contiguous for lease

Lease Availability

- * Divisible to 35,000 s.f.
- * 10th & 11th floors – 35,000 s.f. each, existing conditions
- * 12th floor – 35,000 s.f., raw space
- * Rate and term negotiable
- * Lease opportunities limited to government agencies

Building Amenities

- * West loop location adjacent to the CTA green line
- * 35,000 s.f. floorplates provide large, efficient and flexible blocks of space
- * Open, light-filled work environment
- * A LEED-EB certified building



JONES LANG LASALLE | SPACE AVAILABLE

CTA Building, 567 West Lake 11th floor



Leasing contact

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www.joneslanglasalle.com

Overview of Accomplishments

TOD

Results:

- Evaluated 144 CTA stations for TOD Potential
- Completed 13 Phase 1 evaluations
- Conducted stakeholder meetings
- Two RFP's in process

Scope of Services:

- Evaluated development potential for Phase 1 sites
- Performing detailed due diligence and marketing activities for phase 2 sites



Garfield (Green Line)

Cermak (Green Line)

Linden (Purple Line)

79th and Halsted

Loyola (Red Line)

Belmont (Brown Line)

Kimball (Brown Line)

Wilson (Red Line)

Berwyn (Red Line)

Forest Park (Blue Line)

Division (Blue Line)

1801 W. Grace

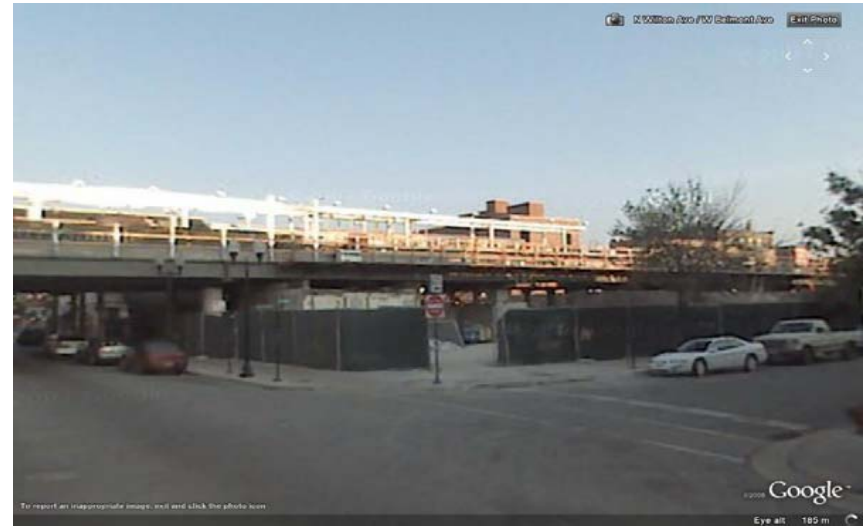
Ashland/63rd (Green Line)

TOD Projects - Upcoming RFP's

Linden Station- Development of up to 50,000 sf at the existing parking and ride lot.



Belmont Station- 26,000 sf land parcel adjacent to CTA transit platform.



TOD Projects- In Planning

Kimball Station- Coordinating a study of the station's TOD potential with local CDC.



1801 W. Grace- 27,700 sf parcel at former CTA storage facility.



Ashland & 63rd- Marketing potential pad site at the park and ride lot.



79th and Halsted- Cooperative development effort with the City of Chicago.



Real Estate Brokerage and TOD

Challenges

- Economic Downturn

Action Plan

- Engaging in strategic planning to maximize current opportunities
- Reviewing creative options to monetize assets

Concessions

Challenges

- Process Integration
- Condition of Concession Locations

Action Plan

- Partnering to streamline processes
- Retail Concession RFP out to the market – due back on 8/28/2009
- ATM RFP out to market – due back on 8/28/2009

Parking

Action Plan

- Best and Final Offer
- Recommendation for October
- New contract for January 2010

Contract Status

- Five year term
- First year fees higher to cover start-up cost that include:
 - www.ctarealestate.com
 - Lease tracking program (over 300 leases)
 - Property assessments
 - TOD inventory and recommendations
- **\$3.4 million contract**
 - Up to \$995,000 deducted from brokerage fees
 - With credits, net average annual cost to CTA: \$481,000
 - 12 FTE's from JLL / TRA

