Real Estate & Asset Management

Jones Lang LaSalle

August 12, 2009
Real Estate and Asset Management

Established May 2009
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
Overview of Accomplishments

**Website / Market Reach**

**Results:**
- Created dedicated CTA Real Estate website – [www.ctarealestate.com](http://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
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

- $1,263,000, 52%
- $814,000, 34%
- $350,000, 14%

• 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
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.

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

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

**79th and Halsted**- Cooperative development effort with the City of Chicago.
# Real Estate Brokerage and TOD

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Action Plan</th>
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<tbody>
<tr>
<td>• Economic Downturn</td>
<td>• Engaging in strategic planning to maximize current opportunities</td>
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<td>• Reviewing creative options to monetize assets</td>
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## Concessions

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<tr>
<td>• Process Integration</td>
<td>• Partnering to streamline processes</td>
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<td>• Condition of Concession Locations</td>
<td>• Retail Concession RFP out to the market – due back on 8/28/2009</td>
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<td>• ATM RFP out to market – due back on 8/28/2009</td>
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Parking

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<tr>
<td>• Best and Final Offer</td>
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<td>• Recommendation for October</td>
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<td>• New contract for January 2010</td>
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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