

Who We Are: Casto

- Casto
- 80 years in business
- 7,000 multifamily residences
- Specialty in mixed-use redevelopment opportunities
- 20 million square feet of owned, leased and managed retail space
- 90+ community and lifestyle centers
- Corporate culture is to hold properties long term

Retail Industry Challenges - 2009

Deterioration of the economy and global credit crisis.....

- Consumer confidence index at all time low
- Retailer bankruptcies accelerating – Linen’s ‘n Things, Sharper Image, Circuit City
- Reduced rent from struggling tenants
- Landlords focusing on reducing operating costs – ie. water, electric, maintenance, etc.
- In today’s tough economic conditions, are property owners interested in environmental sustainability?

Defining Sustainability

Definition of Sustainability – “Meeting the needs of the present without compromising the ability of future generations to meet their own needs”

LEED “Leadership in Energy and Environmental Design”

Third party verification system for buildings on various metrics including

- Energy savings
- Water efficiency
- CO₂ emissions reduction
- Improved indoor environmental quality
- Stewardship of resources and sensitivity to their impacts

Premise for Going Green

3 reasons why sustainability matters

- Property owners focusing on reducing operating costs – ie. water, electric, maintenance, etc.
- Consumers demanding sustainability from retailers & property owners
- Policy makers mandating energy efficiency and sustainability

Premise for Going Green

Scarcity of resources predicted, landlords focusing on conserving resources...

- World population exploding, 6.7 billion today increasing to 9.2 billion by 2050
- Studies suggest that by 2050, Earth's increased population will require 50% more energy resources than today's need
- Buildings use 40% of all energy use in the U.S. vs. 27% for transportation
- Competition for energy and building resources will increase, driving up cost of electric, cost of water, cost of materials, etc.

Premise for Going Green

Environmentally aware consumers pushing retailers to respond

- Retailers have responded
 - Home Depot – Eco Options product line educates consumers on everything from energy efficient light bulbs to sustainable forestry to water conservation
 - Walmart – World's largest retailer has been reducing their carbon footprint for some time through reducing energy efficiency measures
 - Walmart recently announced plans to develop a sustainability index that measures the life cycle of its product
 - Publix, Bed Bath Beyond, Lowes, Chipotle, Whole Foods, countless others...
- Retailers now pushing developers and property owners to respond

Whole Foods Market Sarasota, FL



- Casto built 1st LEED certified Whole Food Market

Randhurst Village, Mount Prospect IL



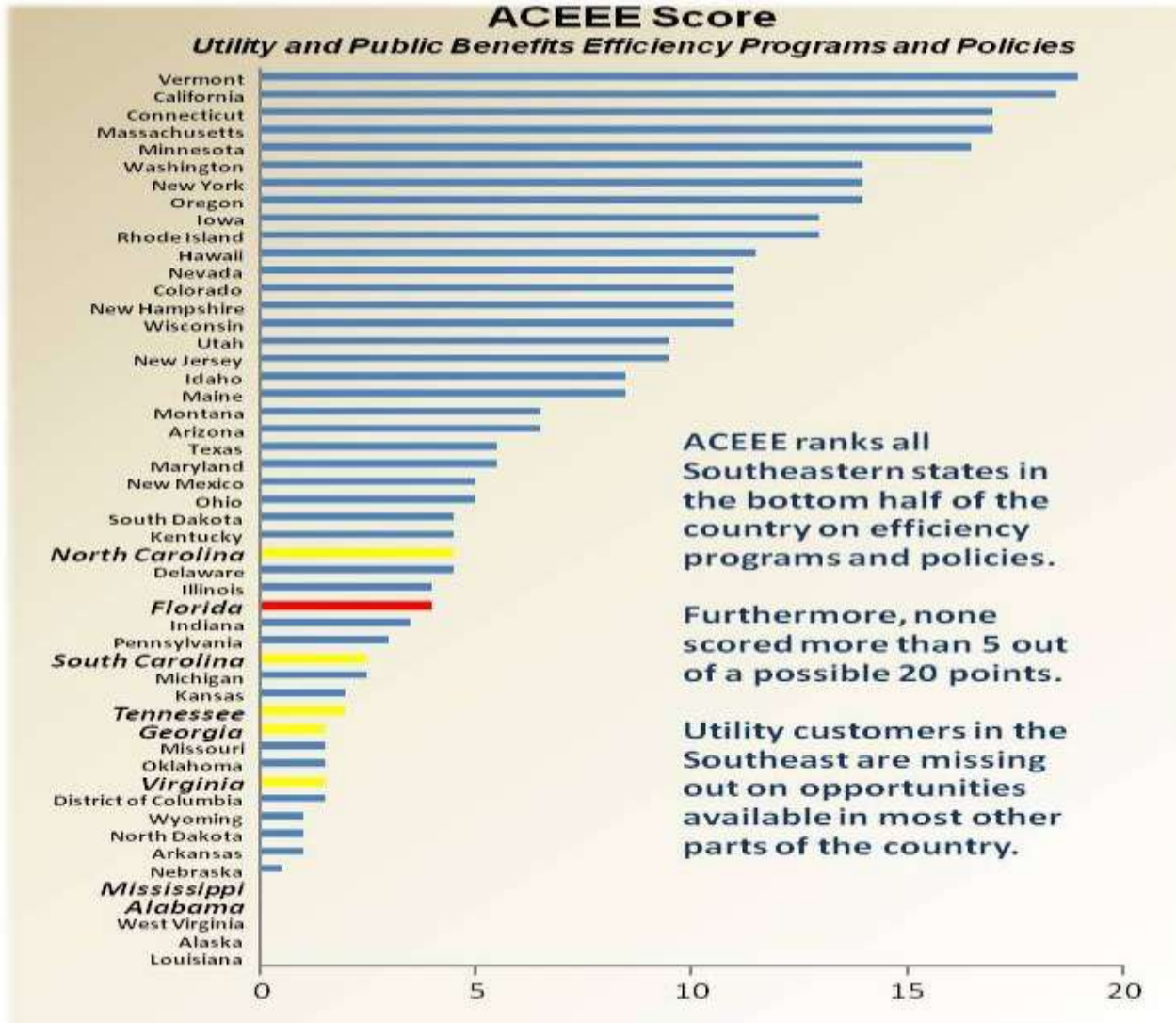
- Randhurst Village in Chicago IL – Going for LEED's certification in 2011

Premise for Going Green

Legislation Mandating sustainability sweeping through legislative halls across the US...

- U.S. Conference of Mayors – 720 mayors from all states have signed the U.S. Mayors Climate Protection Act committing their cities to meet or exceed the Kyoto Protocol targets within their own communities
- Twenty-two states, 50 municipal governments have passed legislation mandating LEED certified public buildings when using public funds to build them
- Some cities and states are incorporating green building requirements into building codes for private buildings
- DOE, EPA, federal government all have various initiatives to promote green building and sustainability
- Developers and property owners recognize the trend and want to stay ahead of it
- How is Florida doing in its energy efficiency programs and policies?

FL ranks 30th in energy efficiency efforts



Promoting sustainability through state, city and county incentives

Incentives that appeal to private development

- Expedited building permit process for sustainable building designs
- Density bonus
- Property tax incentives for renewable energy
- Tax incentives
- Providing low interest or no interest loans to purchase energy efficient or renewable energy equipment
- Using TIF's & CRA's to fund energy efficient or renewable energy equipment for property owners
- Partnering with local utility companies to establish rebates and other production based incentives to encourage sustainability
- Support a Statewide Renewable Portfolio Standard in 2010