

January 17, 2007



New Catellus Mixed-Use Project Approved in California

- ProLogis Business Unit to Redevelop Former U.S. Navy Supply Depot Near San Francisco -

DENVER, Jan. 17 /PRNewswire-FirstCall/ -- Catellus Development Group, a business unit of ProLogis (NYSE: PLD) specializing in mixed-use development, announced today that it has received approval for a major new project in Alameda, California, in the San Francisco Bay Area.

Alameda Landing will be developed on an 81-acre waterfront site that formerly served as a U.S. Navy industrial supply depot. When completed, it will include up to 300,000 square feet of new retail development, 400,000 square feet of offices, and 300 single-family homes and townhomes.

The Alameda City Council formally approved a new development agreement for the project on Tuesday, following years of planning and community input. Demolition work at the site is expected to begin this spring, with delivery of the first phase of office and retail buildings planned for the second half of 2008.

"We're extremely pleased to be moving forward with Alameda Landing," said Ted Antenucci, president of global development for ProLogis. "Over the past decade, Catellus built a national reputation as a mixed-use master developer through its lead role in projects like Mission Bay in San Francisco and Robert Mueller Municipal Airport in Austin, Texas. By maintaining Catellus as a business unit of ProLogis, we can continue to leverage the Catellus brand as we expand our mixed-use business in the U.S."

Alameda Landing is located on Oakland's inner harbor, across from the landmark Jack London Square retail and office project. For almost 50 years, it functioned as a U.S. Navy Fleet Industrial Supply Center, serving the adjacent Alameda Point naval air station and the Pacific fleet. Both the air station and supply depot closed in the 1990s. Catellus was selected as the master developer of the site in 1997. Prior to its 2005 merger with ProLogis, it focused on the entitlement process and on development of the 485-home Bayport residential project adjacent to the Alameda Landing property.

Under the approved Alameda Landing development agreement, the company will receive title to the land from the city. The company, in turn, has agreed to fund approximately \$103 million in planning, cleanup and public infrastructure costs at the site. The company expects to recoup up to \$56 million through proceeds from tax-increment bonds, community facilities districts and other public funds over time. Catellus will manage the entire development process, undertaking certain components of the project on its own and conducting transactions with other developers as appropriate.

"Alameda Landing will deliver enormous benefits to the city of Alameda and its citizens," said Greg Weaver, managing director for the Catellus business unit. "It will transform what is now a blighted property into something the entire community can be proud of, while delivering high-quality retail services, new jobs and a significantly enhanced tax base."

"Catellus has worked closely with Alamedans to create an exciting, long-term master plan for this site, one that embodies input received from residents and businesses across the city," said Alameda Mayor Beverly Johnson. "In doing so, they have built a strong relationship of trust with the city staff and with members of the community. We're very pleased to be partnering with Catellus and look forward to working with them on the development phase of this important project."

Alameda Landing will feature "new urbanist" planning and design concepts that have been successfully implemented at other mixed-use projects across the U.S. The master plan for the site is designed to encourage walking and cycling, and office and retail buildings will feature state-of-the-art environmental design techniques.

"We believe Alameda Landing, when complete, will rank among the very best mixed-use projects in the region," said Tom Marshall, executive vice president of the Catellus business unit. "This project has been a model of public-private partnership throughout the planning process, and will remain so as we move into implementation and development."

About ProLogis

ProLogis is the world's largest owner, manager and developer of distribution facilities, with operations in 81 markets across North America, Europe and Asia. The company has \$25.3 billion of assets owned, managed and under development, comprising 406.9 million square feet (37.8 million square meters) in 2,406 properties as of September 30, 2006. ProLogis' customers include manufacturers, retailers, transportation companies, third-party logistics providers and other enterprises with large-scale distribution needs. Headquartered in Denver, Colorado, ProLogis employs more than 1,200 people worldwide.

Catellus Development Group, a business unit of ProLogis, specializes in large-scale development projects that involve residential, retail and office facilities at brownfield sites, military bases, former airports and other locations suited for mixed-use. Catellus' expertise covers all aspects of mixed-use master development, including planning and entitlement, public infrastructure and amenities, tax-increment financing, environmental remediation, community relations and sustainable design. Catellus also has extensive experience developing retail centers with local and national retail customers. Sample Catellus projects include the Mission Bay development in San Francisco; the Mueller airport redevelopment in Austin, Texas; and Los Angeles Air Force Base in El Segundo, Calif.

For additional information about the company, go to www.prologis.com.

SOURCE ProLogis