

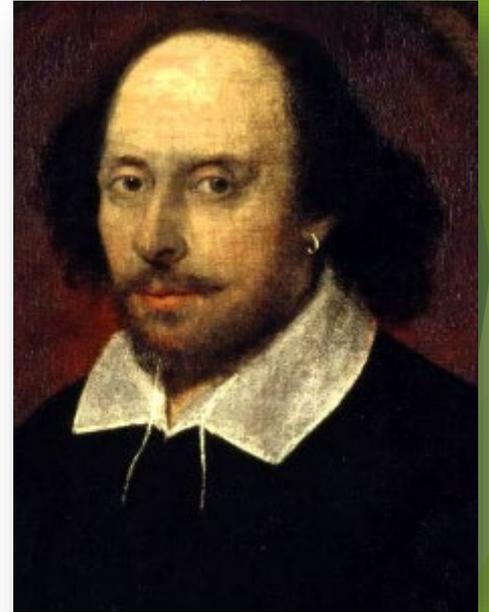
CTW Logistics FDRA Update

January 2023



An Ode to Warehousing

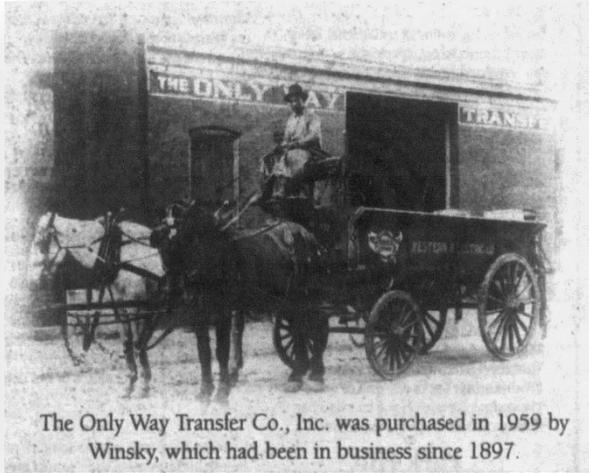
Warehousing, a place of great storage and care,
A place where boxes, crates, and pallets are kept,
A hub of activity, a hive of industry,
Where goods are stored and later shipped, then swept
Away to distant lands, or sold in stores near
Where customers shop for what they need and want.
Warehousing is a vital part of trade,
A place where goods are kept before they're sent,
Where merchandise is organized and displayed,
A center of the commerce, where time is spent
In sorting, stacking, and preparing for the road.
Warehousing, a place of work and wonder,
A place where goods are stored and sent asunder.



by Nick Nelson
(and chatGPT)

CTW Logistics Origins

Since 1897, CTW has offered warehousing and transportation services.



UNDER CONSTRUCTION. This is the architect's sketch of the building being built in North Kansas City, Mo., for The Only Way Transfer & Warehouse Co., Inc., and Consolidated Transfer & Warehouse Co., Inc. The facility will include a two-story office section (center), a garage (right) and a big warehouse with 22-foot ceilings.

Winsky companies start big warehouse in N. Kansas City

Ground was broken recently in North Kansas City, Mo., for a 100,000-

square-foot warehouse, office and garage building for The Only Way Transfer & Warehouse Co., Inc., and its parent, Consolidated Transfer & Warehouse Co., Inc.

Mayor Ralph B. Crain of North



R. WINSKY

The new building will double the warehousing space available to the two companies, Mr. Winsky said. The companies will have dock space for 22 over-the-road and local delivery trucks. Double tracking will provide siding for 18 freight cars.

Most of the warehouse, with 22-foot ceilings, will be palletized. The sprinklered building will be of masonry and steel, with dock-high floor. Offices will utilize about 4,000 square feet and the garage 12,000 square feet. Parking space for trucks and cars will total 55,000 square feet.

Only Way has been at 1404-10 St. Louis Avenue, Kansas City, for many years. Present location of Consolidated is 925 Liberty Street, Kansas City.



CTW Today: Current / Planned Locations



CTW Today: Executive Team



Nick Nelson, President & CEO

- Took over ownership and management of CTW in 2021
- Board member at Hopstack, a cloud-based WMS provider
- Former partner at law firm of Wick Phillips Gould & Martin, LLP



Jeremy Austin, VP of Operations

- Twenty years of experience in fulfillment
- Former Director of Operations for Amerisource Bergen
- Former Director of Operations for Glazer's Distributors



Rich Misialek, Director Midwest Operations

- Thirty years of experience in cold and dry storage operations
- Former Operations Manager for Glazers, Imperial Beverage, MWI
- BA in Industrial Technology from Southwest Oklahoma State



Bob Cosby, Director West Coast Operations

- Twenty-three years of experience in cold storage operations
- Former Director of Cold Storage Operations for Naumes, Inc.
- Relationship with Valley Fine Foods, Nestle-Gerber, Dole

CTW Today: Executive Team



Marty Schlenker, Rail Operations & Design Consultant

- Twenty years of experience with BNSF in various roles
- Retained by CTW to consult on CTW rail projects
- President at Schlenker, LLC; MS in Transportation from MIT



Leslie Cunningham, Rail Operations Specialist

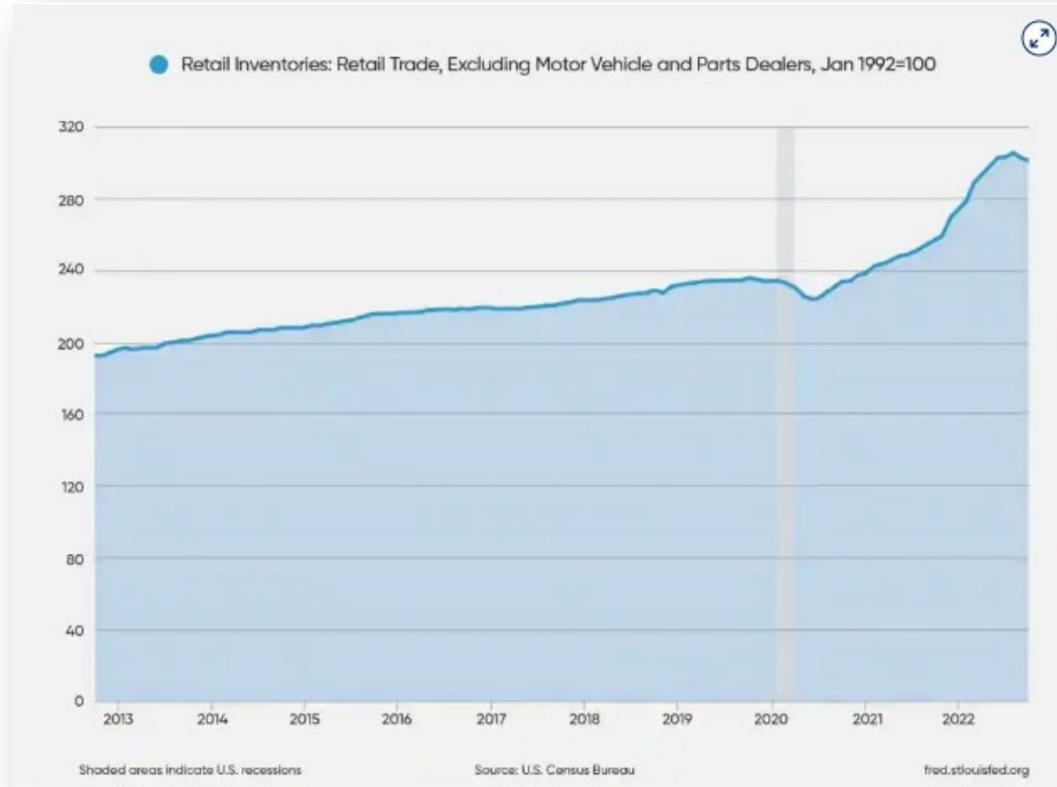
- Twenty-five years of rail and supply chain experience
- Former master scheduler for Superior Silica
- Has coordinated rail movements for 100s of railcars simultaneously

CTW origins in apparel distribution



Inventories tapering off but still *high*...

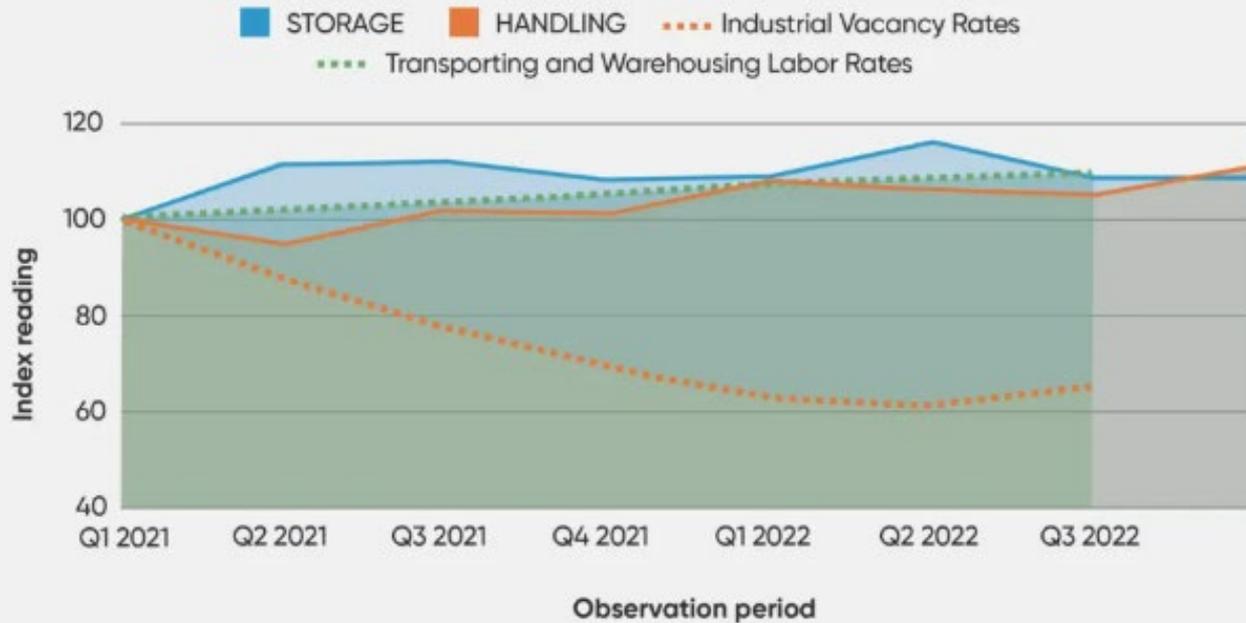
THE WALL STREET JOURNAL.



“Real-estate services firm Cushman & Wakefield reported this month that new leases for industrial space in the U.S. fell 28.2% from the third quarter to the fourth quarter of 2022, a sign that the market is cooling after several years of red-hot demand and rising rates based on tight capacity.”

By Paul BergerFollow
Jan. 18, 2023

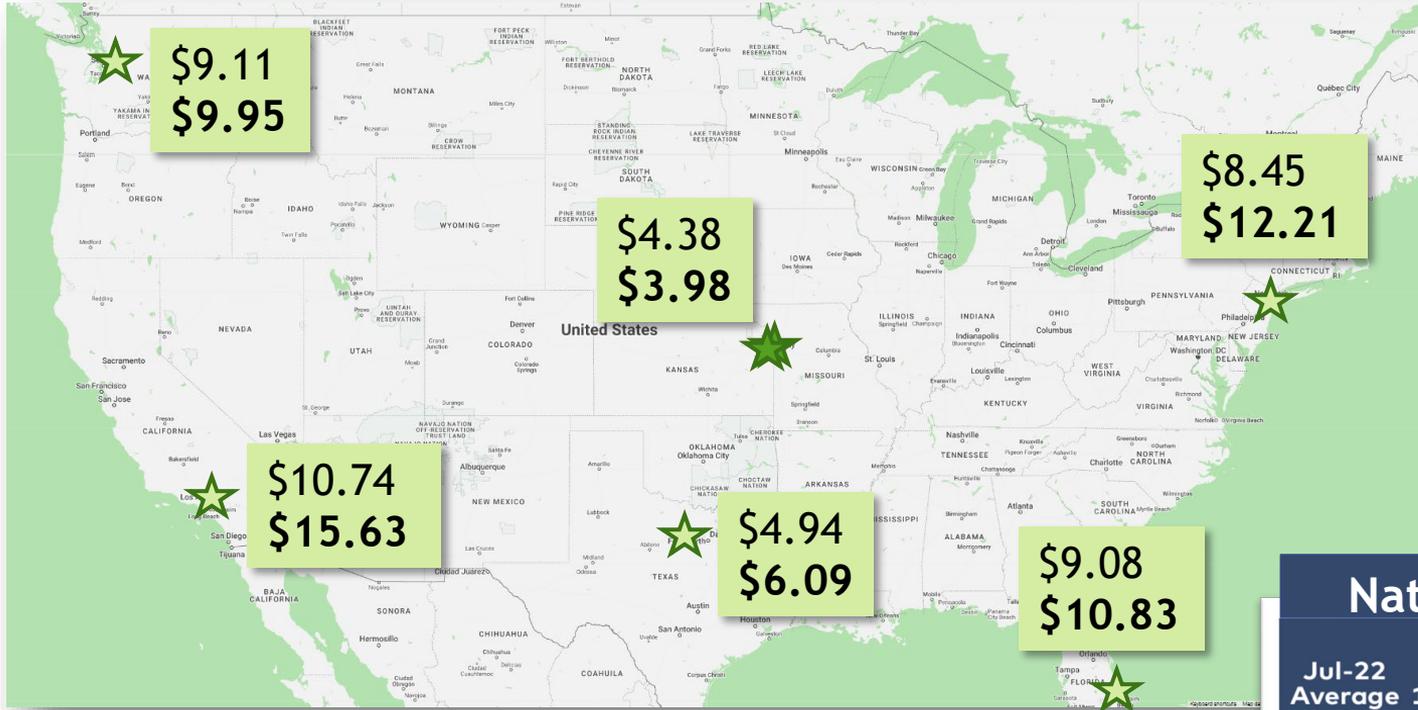
National Storage, Handling, Industrial Real Estate Vacancy Rates, and Transportation and Warehousing Labor Rates



Source:

<https://www.cnbc.com/2023/01/12/what-new-warehouse-data-is-signaling-about-inflation-and-the-economy.html>

Average rent / average rent last 12 months



National Average			
Jul-22 Average Rent	12-Month Change	Avg Rate Signed in Last 12 Months	Vacancy Rate
\$6.60	5.3%	\$8.05	4.4%

Source: CommercialEdge Industrial Report, August 2022, available at <https://www.commercialedge.com/blog/wp-content/uploads/sites/42/securepdfs/2022/08/CommercialEdge-Industrial-Report-August-2022.pdf>

Matt Priest's "What I'm Hearing"

October 31, 2023

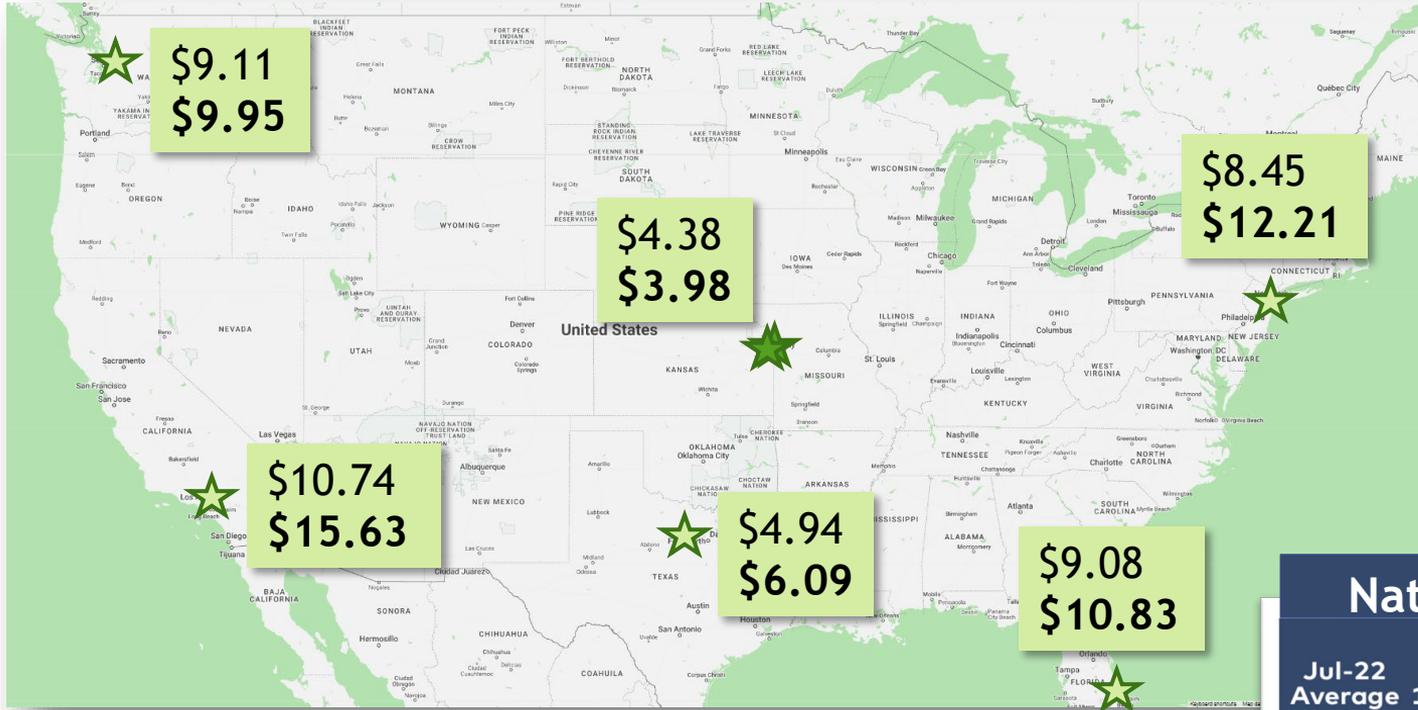
What I'm hearing: CTW president and CEO Nick Nelson tells me companies are getting creative.

Higher real estate prices are being passed down to the 3PL customer as higher storage costs. Manufacturers sitting on large inventories near the ports should assess whether it's cheaper to transport product to lower-rent but still strategic regions such as Kansas City or Dallas-Fort Worth for storage. Many of our apparel customers are doing this right now.

Responses fell into two categories...

- Urgent need for large inventories
- Long-term strategy to move DCs inland

Average rent / average rent last 12 months



National Average			
Avg Rate Signed in Last 12 Months	Vacancy Rate	Average Rent	12-Month Change
\$8.05	4.4%	\$6.60	5.3%

Source: CommercialEdge Industrial Report, August 2022, available at <https://www.commercialedge.com/blog/wp-content/uploads/sites/42/securepdfs/2022/08/CommercialEdge-Industrial-Report-August-2022.pdf>



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