

Mayor Adrian Fenty and Hines|Archstone Close Deal

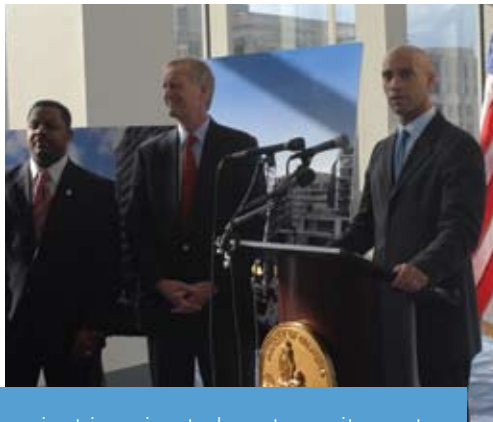
NEW \$850-MILLION MIXED-USE PROJECT WILL BE CAPSTONE TO DOWNTOWN'S REVIVAL

On December 17, 2007, Mayor Adrian M. Fenty announced at a press conference held at the Walter E. Washington Convention Center that the District had closed on its deal with Hines|Archstone, making way for the \$850 million retail, residential and office project on the former site of the Washington Convention Center.

The Mayor was joined at the podium by Council members Jack Evans and Kwame Brown, Hines Senior Vice President Bill Alsup and Archstone Senior Vice President Ken Miller, as they addressed an overflow audience of District business and

neighborhood leaders, interested citizens and the media.

“We are creating a place, designed by one of the world’s most pre-eminent architects, which will complete the recent transformation of our downtown,” stated the Mayor as he unveiled the six new renderings of the project.



“This project is going to be a true city center – our downtown retail anchor – befitting a world-class city.” — MAYOR ADRIAN FENTY



Loretta Caldwell, Dawn Marcus and D.K. Brockett at Pre-Invitation Conference

The Hines|Archstone team expects to break ground on the project in March 2009. The project will create a pedestrian-friendly neighborhood with 250,000 square feet of retail; 674 apartment and condominium units -- including approximately 134 affordable units; 465,000 square feet of office space; and parks and entertainment areas.

The design effort has been led by London-based Foster + Partners, the internationally acclaimed architecture studio headed by Lord Norman Foster; District-based Shalom Baranes Associates and Lee + Papa and Associates; and Gustafson Guthrie Nichol Ltd. of

Seattle. Construction is anticipated to continue for 35 months, with initial occupancy slated for September 2011.

The office buildings will strive for the

Gold or Platinum rating from the U.S. Green Building Council's LEED certification system. The residential buildings are expected to achieve a Silver rating. The entire development has

been accepted into USGBC's pilot program for the LEED Neighborhood Development (LEED ND) certification. District Benefits include:

- Jobs. Project is projected to generate 3,000 development-related jobs and 2,500 direct permanent jobs.

"This development will further the transformation of our Nation's Capital into one of the most thriving, dynamic and culturally rich cities in America."

— ARCHSTONE SENIOR VICE PRESIDENT, KEN MILLER

Development Schedule

11/03

Hines/Archstone
Selection

3/30/05

Advisory Committee
Meeting

06/05

ERA/LDA City
Council Approval

07/05–09/06

Master Plan
Approval
15 months

10/20/05

Advisory Committee
Meeting



Pre-Invitation Conference Attendees.



- **Fiscal Benefits.** Project is expected to generate over \$32 million a year in annual direct tax revenues.
- **Affordable Housing.** 20% of all housing units will be affordable at a range of incomes for buyers and renters earning 30% of the Area Median Income (AMI), 60% of AMI and 80% of AMI.
- **CBE Commitment.** The development will create significant opportunities for Certified Business Entities (CBE). CBEs will own 20% of developer equity. At least 35% of construction and operations

contracts will go to CBE contractors. Five CBEs are equity partners on this project and 33 CBEs have been or currently are serving as consultants.

- **First Source Commitment.** District residents will be given priority for at least 51% of all new jobs created in relation to the project.

Contracting

On January 10, 2008, Hines | Archstone, in partnership with the Office of the Deputy Mayor for Planning and Economic Development, held a Pre-Invitation Conference to discuss upcoming general contracting and sub-contracting opportunities. Over 225 people representing 140 small and local businesses attended the event, which was held at the Walter E. Washington Convention Center.

“This is a tremendous milestone for the city and the Hines | Archstone team.”

— HINES SENIOR VICE PRESIDENT WILLIAM B. ALSUP, III.

11/08/05

Community Design
Workshop #1

04/24/06

Advisory Committee
Meeting

05/04/06

Community Design
Workshop #2

10/06 – 07/07

Schematic Design/
Zoning Approvals
10 months

04/18/07

Advisory Committee
Meeting



Who's On The Team?

Lee + Papa and Associates - Landscape Architect (www.leeandpapa.com) is a Washington, DC-based design studio committed to creative problem solving - finding the most creative, functional and efficient solutions to the challenges presented by the project, the client and themselves. They do so with a commitment to environmental, aesthetic and fiscal responsibility, with no preconceived ideas or design style. Instead, they are inspired by the history, context and appropriateness of each project. The firm specializes in Landscape Architecture, Master Planning, Urban Design, Strategic Land Planning, Construction Review and Consulting. Jeff Lee and Mark Papa are the principals of the firm.

NEIGHBORHOOD LINK

VOLUME 1, NUMBER 3

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c/o Hines

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Developer Partners

Hines is a privately owned real estate firm involved in real estate investment, development and property management worldwide. The Hines portfolio of projects includes more than 1,000 properties representing approximately 416 million square feet of mixed-use, office, residential, hotel, retail, cultural and other uses. Local projects include Columbus Square, Franklin Square, Postal Square and 600 13th Street in Washington, DC.

Archstone is a recognized leader in apartment investment and operations and a market leader in the development and management of urban high-rise apartments. As of October 5, 2007, the company owned or had an ownership position in 359 communities, representing 87,667 units, including units under construction. Currently Archstone owns and manage 4,000 apartment units in DC and 18,000 units in the Washington metropolitan area. Charles E. Smith began developing apartment buildings in the District over fifty years ago.

ADDITIONAL DEVELOPER PARTNERS

A-1 Construction and Consulting, LLC
Bundy Development Corporation
The Jarvis Company, LLC
The Mayhood Company
The Neighborhood Development Company
Triden Development Group

RETAIL MERCHANDISING

Williams Jackson Ewing, Inc.
Lewis Real Estate Services, Inc.
Avenue A Realty Advisors

CONSULTANTS

Eason Associates Inc.
DP Consultants
Harlan Enterprises
Hill/A Marketing Design Group
Interactive Strategies
JPM Group
Karen Bacon Events Inc.
LISBOA, Inc.
L. S. Caldwell & Associates, Inc.
Mumin & Associates
Neoscape Inc.
Studio Red at Rockwell Group

ARCHITECTURE AND ENGINEERING CONSULTANTS

Lead Design Consultants

Foster + Partners
Shalom Baranes Associates, PC
Gustafson Guthrie Nichol Ltd/Lee + Papa and Associates

Additional Design Consultants

Balfour Beatty (Pricing)
BVM Engineering/OPX
Clark/McKissick & McKissick (Pricing)
Claude R. Engle
Colonial Parking
Delon Hampton & Associates/Jackson & Tutl/S.C. Myers/Insight/Volkert
Envision PLLC
Gorove/Slade
IBTS/Indigo Engineering
McDonough & Partners
Persohn Hahn
Polysonics Corp.
ReStl/Walter P. Moore
Richter & Associates
Rolf Jensen/Setty Associates
Rockwell Architecture Planning and Design, PC
Schnabel Engineering/AMT, LLC
SK&A/Thornton Tomasetti
Turner (Pricing)
TOLK, Inc.

04/19/07

Public Meeting

12/07 - 02/09

Plans, Bid, Permit
15 months

03/09 - 01/12

Construction
35 months

09/11 - 02/12

Occupancy