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Center City Development Corporation (CCDC) Board Unanimously Votes to Recommend City Take Next Step in Development of Sustainable New Civic Center Complex

SAN DIEGO (May 20, 2009)—The Center City Development Corporation Board of Directors voted unanimously to recommend that the San Diego City Council move into an exclusive negotiating agreement (ENA) with Gerding Edlen Development (GED) to build a new civic center complex, thoughtfully designed to be sustainably superior and the city's model for green development.

The GED proposal has been thoroughly vetted by Jones Lang LaSalle (JLL) and Ernst & Young (E&Y) over the last year and a half and has shown to save significant taxpayer dollars over the short and long term.

At a specially scheduled CCDC board meeting this morning, advocates of the project including the San Diego County Taxpayers Association, San Diego Regional Chamber of Commerce, Downtown San Diego Partnership, Building Owners and Managers Association, San Diego Downtown Residents Group, San Diego Theaters and Move San Diego voiced their support for the ENA.

A recent study by E&Y also concluded:

- *“Scenario 5 (Hold Steady) is only practical over a very short term given the condition of the subject buildings and costs \$315M (NPV) over 10 years which could be spent on better plans. Continuing to renovate these buildings on an emergency basis is not an appropriate management plan for a City. This scenario has the most significant risk potential for the City.”*

Short-term repair and maintenance on civic center complex buildings is estimated to cost more than \$40 million over 10 years.

During the public comment portion of today's meeting, Attorney Lee Burdick, with Higgs, Fletcher & Mack, said, "The current reality is that the civic center buildings are asbestos-filled with no seismic retrofit and no sprinkler system. The buildings are a disaster of historic magnitude waiting to happen, that would result in extraordinary liability to the City."

The ENA process typically specifies a date by which the two parties would be required to reach concurrence on the terms of the development agreement. An ENA does not approve any project; it merely specifies the terms by which the two parties will negotiate.

“We look forward to identifying and solidifying the best solution for a new civic center complex and getting started so we can take advantage of opportunities that didn't exist

when we originally presented our proposal – such as construction cost savings and financing incentive programs.” said Tom Cody, GED representative.

The issue is scheduled to go in front on City Council in July.

From solar photovoltaic panels and garden rooftops to wind turbines and a central cooling and heating plant, the proposed new San Diego City Hall and council chambers – along with adjacent cultural, residential and office buildings – would meet or exceed the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED) Platinum rating.

The biggest sustainability component will be an onsite wastewater treatment and reclamation system that will achieve a net-zero water system for the entire complex.

“This is an extremely exciting opportunity for the city and its residents to create a civic center complex that will thrive – economically, socially and just as importantly – environmentally,” said Cody.

For more information about Gerding Edlen and its many sustainable design and urban reuse projects, visit www.gerdingedlen.com. The public is invited to send comments on the Civic Center project to sandiegociviccenter@gerdingedlen.com.

About Gerding Edlen Development

Gerding Edlen Development, Inc. (GED) is currently the nation’s leader in the development of “green buildings” as certified by the Leadership in Energy and Environmental Design (LEED) standard with 40 LEED certified/registered buildings. This includes several that are the first, or first of their type, to achieve a LEED Platinum or Gold certification. They have developed approximately 5% of the total LEED – New Construction (NC) certified Gold/Platinum buildings in the U.S.

For more than 15 years, GED has demonstrated a consistent return to investors with over \$4.8 billion of green real estate, while pioneering the development and re-development of “green buildings” in the United States. They are the independent, privately-owned specialist in the development, re-development and management of mixed-use, urban infill commercial real estate projects, with 56 projects developed or presently in the development process in cities on the West Coast of the U.S. GED believes it is not about creating buildings, it is about creating great places to live, work and play. They believe in collaboration amongst the sectors to build a healthy environment, renovate our cities and create and maintain living wage jobs through the new green economy.

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