

Forest City Washington

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NEWS RELEASE

FOR IMMEDIATE RELEASE

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Groundbreaking at The Yards

*Construction now underway on major mixed-use project
in Near Southeast*

Washington D.C., ---(October 3, 2007)-----Forest City Washington, Inc. officially broke ground today on the company's large-scale, planned mixed-use redevelopment project known as The Yards. The groundbreaking ceremony took place on a central portion of the 42-acre site which fronts on the Anacostia River in Near Southeast D.C.

Congresswoman Eleanor Holmes Norton and D.C. Mayor Adrian Fenty participated in the event along with officials from the General Services Administration and the Environmental Protection Agency, as well as from Forest City Washington, the project's master developer.

"We're very excited to be at the point of beginning site work at The Yards," said Deborah Ratner Salzberg, president of Forest City Washington. "The extensive pre-development process has involved working with a few dozen governmental agencies, consultants and architects," she added. "This has been and will continue to be a very significant public/private partnership that will pay dividends for District residents for a long time to come."

While the event marked the ceremonial groundbreaking on the site, construction crews actually began working there a few weeks ago, beginning the process of site infrastructure work, as well as the demolition of one non-historic building.

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Page two-10/3/07

The Yards

The \$1.7 billion redevelopment project is the largest such project in the District of Columbia. Upon completion, it will ultimately include 5.5 million SF of new development/redevelopment including approximately 2,800 residential units (both rental and for sale), 1.8 million SF of office space, up to 400,000 SF of retail/dining space, a riverfront park including an esplanade along the banks of the Anacostia River.

The Yards project will blend adaptive reuse of five historically protected, former industrial buildings that were originally part of the neighboring Washington Navy Yard, as well as numerous sites of all-new construction.

With approximately 30 buildings planned overall, The Yards will ultimately generate millions of tax dollars annually from land that was previously not on the District's tax rolls, over 3,000 new residents, sustainable design elements including the adaptive reuse of several existing buildings onsite and hundreds of construction and permanent jobs for DC residents. In addition, the project will provide opportunities for Local, Small Disadvantaged Business Enterprises (LSDBEs), job training and First Source hiring programs throughout its multi-phase development plan.

“This isn't just a development project,” said Mayor Adrian Fenty. “We are standing on what will be a new Anacostia Waterfront neighborhood that will incorporate the site's great historic buildings and include a world-class waterfront public park. The Yards is really a testament to what can happen when we work in partnership with federal agencies and the private sector.”

A dozen buildings are in various stages of design and development with first phase completions expected in mid-2009 into 2010. The project's first phase will include the adaptive reuse of three former Navy Yard industrial buildings—two as residential and one as a retail center, as well as the all-new construction of an additional residential building and the project's initial office building.

Forest City Washington is a subsidiary of Forest City Enterprises, Inc., a \$9.5 billion NYSE-listed national real estate company. Forest City Enterprises is principally engaged in the ownership, development, acquisition and management of commercial and residential real estate and land throughout the United States.

Victor MacFarlane is also an equity partner in the overall development of The Yards.

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Page three-10/3/07
The Yards

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