

## News Release

For Immediate Release  
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# Hines

### **HINES WITHDRAWS FROM SAN DIEGO CIVIC CENTER COMPETITION**

SAN DIEGO, CA – The San Diego office of Hines, the international real estate firm and finalist in the competition to redevelop the San Diego Civic Center, announced the firm's withdrawal from the development contest today.

“Hines firmly believes in the process the City of San Diego has embarked upon to explore ways to efficiently and effectively house its workforce. After thoroughly studying the issue, we are convinced that building a new Civic Center facility can be done in a manner that saves San Diego taxpayers money in the short and long run,” said Paul Twardowski, San Diego vice president for Hines in a letter addressed to Centre City Development Corporation (CCDC) chairman Fred Maas.

“While we remain confident in the strength of our proposal, it is clear that the initial analysis conducted in this process does not favor our approach. For that reason, we have made a business decision to withdraw from the competition and to focus our efforts on our other projects in San Diego. As a company and as citizens of San Diego, our commitment to the Civic Center redevelopment process and to the City is unwavering,” Twardowski added.

Hines, which has maintained an office in San Diego for 15 years, will remain focused on managing its current properties and seeking new projects in the local market. Hines is developing a new “green” office building called La Jolla Commons in University City and owns and manages the high-rise tower, 525 B Street, in Downtown San Diego. Hines also provides facility management of PETCO Park after having managed the development of the ballpark.

## 1 – 1 – 1 – Hines Withdraws from San Diego Civic Center Competition...

Hines' announcement followed the release of financial projections for the redevelopment of San Diego's aging City Hall complex by CCDC. Hines' proposal was projected to save taxpayers \$268 million over the next 50 years in 2013 dollars.

Development proposals submitted by Hines and its competitor Gerding Edlen of Portland, Oregon, both showed that building a new City Hall would be more cost effective than the City's current situation. Currently, the City leases more than a half million square feet of office space throughout downtown to house many of its more than 3,000 employees. The City outgrew its current office building at 202 C Street in the 1980s.

The Hines team included Pelli Clarke Pelli Architects, ROMA Design Group, Clark Construction, and Charles Black of CB Urban Development, who headed the development of PETCO Park, overseeing Hines as the ballpark's development management company.

In addition to the completion of local projects including PETCO Park and Tony Gwynn Stadium at San Diego State University, Hines developed the San Francisco Civic Center. Similarly, ROMA Design Group created the urban design plan for the Santa Monica Civic Center. Pelli Clarke Pelli also designed the Orange County Performing Arts Center in Southern California.

### About Hines

Hines is an international real estate firm that has provided the highest level of quality, service and value to its clients and investors for more than 50 years. As one of the largest real estate organizations in the world, with offices in 100 cities in 16 countries, Hines controls approximately \$22.9 billion in assets. Hines is involved in real estate development, investment, and property management worldwide and currently has over 3,500 employees. The firm's portfolio of projects completed, underway and managed consists of 1,000 properties representing approximately 435 million square feet of office, mixed-use, hotel, retail, residential, medical and sports facilities.

Hines is a national leader in "green" office development. The company was a founding member of the U.S. Green Building Council and the first real estate company to be recognized by the U.S. Department of Energy with the ENERGY STAR® Sustained Excellence Award and to have won "Partner of the Year" for four consecutive years (2001-2004). Hines' rapidly expanding sustainable real estate portfolio includes more than 125 ENERGY STAR-labeled buildings and more than 75 LEED® certified, pre-certified or registered projects around the world.

Hines opened its San Diego office in 1993. The company has 45 local employees and currently owns and manages more than 1.6 million square feet including PETCO Park and two commercial office properties: La Jolla Commons in University City and 525 B Street in Downtown San Diego. Hines San Diego served as development manager of PETCO Park and the Tony Gwynn Stadium at San Diego State University.

August 15, 2008

Mr. Fred Maas  
Chairman  
Centre City Development Corporation  
401 B Street, Suite 400  
San Diego, CA 92101  
Dear Mr. Maas:

**Hines**

Hines firmly believes in the process the City of San Diego has embarked upon to explore ways to efficiently and effectively house the City's workforce.

After thoroughly studying the issue, we are convinced that building a new Civic Center facility can be done in a manner that saves San Diego taxpayers money in the short and long run.

While we remain confident in the strength of our proposal, it is clear that the initial analysis conducted in this process does not favor our approach. For that reason, we have made a business decision to withdraw from the competition and to focus our efforts on our other projects in San Diego.

As a company and as citizens of San Diego, our commitment to the Civic Center redevelopment process and to the City is unwavering.

On behalf of the entire Hines team, we thank you for the opportunity to participate in this exciting and important civic project.

Sincerely,



Paul Twardowski  
Vice President

cc: Mayor Jerry Sanders  
Council President Scott Peters  
Councilmember Kevin Faulconer  
Councilmember Toni Atkins  
Councilmember Tony Young  
Councilmember Brian Maienschein  
Councilmember Donna Frye  
Councilmember Jim Madaffer  
Councilmember Ben Hueso