
STONEBRIDGE CARRAS

REAL ESTATE INVESTMENT

FOR IMMEDIATE RELEASE – March 13, 2008

NoMa's Constitution Square Attracts 50,000 Square Foot Harris Teeter Grocery Store



Washington, DC – StonebridgeCarras announces that Harris Teeter has signed a 50,000 square foot 20-year lease to open a full-service grocery store at Constitution Square – a mixed-use development directly adjacent to the New York Avenue Metro Station. The upscale North Carolina-based grocery chain will be located at the corner of First and M Streets, NE at the heart of NoMa (North of Massachusetts Avenue) neighborhood in Washington, DC. Harris Teeter is scheduled to open this 50,000 square foot

ground floor store in the winter of 2010/2011, at which time it will be the third Harris Teeter in the District of Columbia. This announcement comes one week after the Department of Justice's commitment to occupy 521,000 square feet at Two Constitution Square and National Public Radio's announcement to move its headquarters to NoMa.

Constitution Square's 1.6 million square foot first phase of development will break ground in April and deliver in 2010. In addition to the Harris Teeter grocery store, Constitution Square's first phase will also include One Constitution Square, with 340,000 square feet of speculative office space; Two Constitution Square, with 589,000 square feet, of which 88% is pre-leased to the Department of Justice; a residential building with 440 apartment units; and 30,000 square feet of additional retail space.

The project is a joint development of affiliates of StonebridgeCarras of Bethesda, MD and Walton Street Capital of Chicago, IL. The KLNB Retail team of Cary Judd and Melissa Lower Welch represented Harris Teeter in this lease, while StonebridgeCarras directly handled the negotiations for Constitution Square. JBG Rosenfeld Retail is the leasing agent for the balance of Constitution Square's retail. SK&I Architectural Design Group of Bethesda, MD is the architect for the retail and residential components of Constitution Square.

"The vision of NoMa is a true mixed-use environment –office, retail and residential - that would create a neighborhood from its prior industrial uses. To truly accomplish that vision requires a great grocery store – Harris Teeter simply represents the best grocer to help us create this neighborhood," commented StonebridgeCarras Principal Doug Firstenberg. "Constitution Square now provides all of the key ingredients for successful developments of the future – the New

York Avenue Metro station at the site, office space, residential units and a Harris Teeter that will be the hub of activity in NoMa.”

“Harris Teeter has been studying the NoMa market for the past several years,” noted Harris Teeter President Fred Morganthall. “Constitution Square’s mixed-use plan provides the type of urban location where we can provide an outstanding grocery store and become an integral member of this emerging commercial and residential community.”

Morganthall added, “To create a 50,000 square foot store on a single level is highly unusual at the hub of a burgeoning urban area like NoMa. The combination of the location, the quality of the Constitution Square development and the floor plan of the store will allow us to bring all of the best aspects of Harris Teeter stores to NoMa. These include our Fresh Foods Market, Fisherman’s Market and Farmer’s Market departments.”

A key aspect of completing this transaction was the District’s commitment to provide a tax incentive to assist with the cost of the parking for the Harris Teeter store. The Constitution Square Economic Development Act of 2008 was passed by the City Council in January 2008 and signed into law on January 29, 2008 by Mayor Adrian M. Fenty.

"We talk a lot about the importance of building dynamic new neighborhoods. Well, NoMa is exhibit A," said Mayor Fenty. "First NPR, then the Justice Department and now a high-end, full service-grocery store -- all within a few feet of Metrorail station -- NoMa is no longer just a plan, it's a reality."

“We appreciate the District’s support with the enactment of this legislation to address the challenges of providing the right plan and parking necessary to attract a quality store such as Harris Teeter to an urban location,” Firstenberg said. “The support of the Mayor and the leadership of Council Members Tommy Wells and Jack Evans in sponsoring this legislation were critical to our ability to announce this lease with Harris Teeter.”

“Our shared vision for NoMa has been a mixed-use, walkable, livable community that enhances the quality of life for the existing residents while also attracting new residents to this growing area,” noted Council Member Tommy Wells whose District includes Constitution Square. “A critical component to achieving this vision is having an easily accessible full-service grocery store; bringing Harris Teeter to Constitution Square and NoMa fulfills this key need”.

“The District needs to carefully target its investment in development projects that will both meet the needs of our citizens as well as provide a reasonable return on our investment,” said Council Member Jack Evans who Co-Sponsored this legislation. “At Constitution Square, the District has been able to help secure a Harris Teeter grocery store that will meet the needs of our current citizens and help attract new residents and has already been instrumental in attracting the Department of Justice and NPR to NoMa.”

“The announcement of this key amenity that will benefit both the existing neighborhood and attract future residents is an example of the public and private sectors successfully working together to achieve the vision for NoMa,” noted Council Chair Vincent C. Gray. “NoMa is now set to be a key part of the District’s growth and meeting the needs of our citizens.”

"It is quite unique for a high end, full service grocery store like Harris Teeter to commit to a new store so early in the development of an emerging neighborhood. You just have to look at how grocery stores have transformed neighborhoods in other parts of the District to realize the significance of this lease," said Elizabeth Price, President of the NoMa Business Improvement District. "Now we will have a first-rate grocery store to serve the thousands of people who will soon be working in NoMa and the thousands more who will be living here."

Constitution Square is a more than 2 million square foot development that is indisputably the best development site in NoMa, which is one of the last remaining areas in Washington, DC for large-scale, in-fill development. It is part of a neighborhood that is a linchpin in the DC Government's strategic goals of attracting 100,000 net new residents to the District and meeting the office requirements of large-scale federal government agencies and private sector tenants within the City. Located at the epicenter of the dynamic NoMa submarket, this project uniquely boasts a location adjacent to both entrances of the New York Avenue Metro station and at the defined commercial, vehicular and pedestrian heart of NoMa, the intersection of 1st and M Streets, NE. Also, just a few blocks south is Union Station, which offers 130 restaurants and retailers and is Washington DC's primary transportation hub for visitors and commuters, serving Amtrak, VRE and MARC and Metrorail's Red Line.

About Harris Teeter, Inc Harris Teeter, Inc. with headquarters in Matthews, NC, is a subsidiary of Ruddick Corporation (NYSE:RDK). Harris Teeter is the 36th largest supermarket in the United States with 2007 sales of \$3.30 billion. The grocery store chain employs over 18,000 associates and has 167 stores in North and South Carolina, Virginia, Georgia, Tennessee, Maryland, Delaware, and Florida. Harris Teeter will be opening its first two stores in the District of Columbia this spring in Adams Morgan and on Capitol Hill. Constitution Square represents Harris Teeter's third store in the District of Columbia.

About StonebridgeCarras, LLC StonebridgeCarras, LLC is a privately held real estate investment and development firm based in Bethesda, Maryland which focuses primarily on developing mixed-use properties in the Washington, DC metropolitan region. During the past twenty years, the principals of StonebridgeCarras, LLC have been involved in the acquisition, development, joint venture, financing and disposition of real estate assets in the Washington area exceeding \$5.0 billion in value.

About Walton Street Capital, L.L.C. Walton Street Capital, L.L.C. was founded in 1995 and is a premier, private real estate investment company operating in the U.S. and abroad. Since its inception, Walton Street has received equity commitments in excess of \$4.5 billion from public and corporate pension funds, foreign institutions, endowments and foundations, trusts and high net worth individuals. Through its series of opportunistic and value-added funds, Walton Street has invested or committed to invest more than \$3.5 billion of equity in over \$13 billion of gross assets in approximately 160 separate transactions in U.S. and international real estate, including the development and acquisition of office, hotel, retail, industrial, multi-family, for-sale residential, senior and student housing, and golf assets through individual, portfolio and company-level transactions.

About Cassidy & Pinkard Colliers Cassidy & Pinkard Colliers (www.cassidypinkard.com) is the largest locally owned full-service commercial real estate services company in the Washington metropolitan region. In 2007, Cassidy & Pinkard Colliers completed over \$4.2 billion in commercial sales, finance and lease transactions, \$75 million in project management, and at year-end, managed over 13 million square feet in commercial and retail properties. Cassidy & Pinkard Colliers was recognized in June 2007 by the *Washington Business Journal* as one of the top five “Best Places to Work in Greater Washington” in the Large Companies with Local Headquarters category. An independently owned and operated business founded in 1981, the company is a member firm of Colliers International, a global affiliation of independently owned and operated commercial real estate firms.