



Construction Commences at City Point Project in Downtown Brooklyn, NY

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NEW YORK, Jul 19, 2010 (BUSINESS WIRE) --

Acadia Realty Trust (NYSE: AKR - "Acadia"), in conjunction with its partners, P/A Associates and Washington Square Partners (collectively "Acadia P/A/T"), announced today that construction has commenced on the first phase of City Point, a mixed-use project located in Downtown Brooklyn. The construction is being financed with a \$20 million Recovery Zone Facility bond financing through the New York City Capital Resource Corporation (NYC CRC).

The first phase of the project will be a four-story, retail building of approximately 50,000 square feet, located on the Fulton Mall, Brooklyn's busiest shopping district. Designed by award-winning architects Cook + Fox and Greenberg Farrow, the project will be the first new building built on the Fulton Mall in decades. The building reflects its prominent setting on Albee Square and across from the landmark Dime Savings Bank building with an innovative terracotta façade that is a modern interpretation of the great commercial buildings on Fulton Street. The new building will be tenanted by first-class retailers, further enhancing the desirability of Downtown Brooklyn as a leading retail destination.

The new building is the first phase of the City Point project which will ultimately comprise approximately 1.5 million square feet of new construction, including retail and commercial space and a mixture of affordable and market-rate housing. Planning and design is underway for additional development that will seamlessly connect to the first phase. When completed, City Point will be a transformative project with a critical mass of new retail, residential and commercial development supporting and complementing the thriving commercial, residential and academic communities already present in Downtown Brooklyn.

The City Point site, which totals 127,000 square feet, is owned by the City of New York and leased on a long-term basis by Acadia P/A/T. The leasehold was acquired during 2007 together with an unaffiliated partner. On June 30, 2010, Acadia-P/A/T acquired its partner's interest and now owns the entire City Point project.

A concerted effort is underway to include local, minority-owned, and women-owned firms in the construction of the building. In addition, Acadia is working with Workforce One and the Downtown Brooklyn Partnership to insure that local residents benefit from permanent job opportunities.

Kenneth F. Bernstein, Acadia Realty Trust's President and Chief Executive Officer said, "We are excited to start construction at City Point, which will become an integral part of the continuing redevelopment and revitalization of Downtown Brooklyn. With the help of our partners, Paul Slayton, Aaron Malinsky and Paul Travis, as well as the patience and support of the City of New York, especially the Mayor's Office, the New York City Economic Development Corporation, and Borough President Marty Markowitz, we have a project that we will all be proud of and which will make a strong, positive contribution to Brooklyn and the City."

Borough President Marty Markowitz said, "City Point is a project I've been proud to support from day one, and I am delighted that construction is underway. The first phase will breathe new life into Downtown Brooklyn's business community and will serve as an anchor for the businesses on Fulton Street. The timing of City Point is perfect, because every day we become more of a destination for people living in Lower Manhattan--a destination for shopping, entertainment, arts, culture and, of course, sports with our very own Brooklyn Nets. Bravo to Acadia Realty and Ken Bernstein, Aaron Malinsky and P/A Associates, Paul Travis, the Economic Development Corporation and everyone who is helping to make City Point a reality."

"City Point promises to enhance the already vibrant neighborhood of Downtown Brooklyn, helping to make it a retail destination and a center for economic activity," said New York City Economic Development Corporation President Seth W. Pinsky. "By making good use of Recovery Zone Facility bonds, we were able to jump-start the project and get it back on the path to completion and success. City Point and projects like it are helping to spur our economic recovery by bringing jobs, economic activity and revenue to the City, and we look forward to using the Recovery Zone Facility bond program to facilitate growth in neighborhoods across the City."

P/A Associates is a real estate company involved principally in the development of commercial and industrial properties in metropolitan New York and New Jersey. Under the direction of founders Paul Slayton and Aaron Malinsky, P/A Associates has successfully developed a number of urban projects including, together with Acadia, Fordham Place in The Bronx.

Paul Travis is a partner in Washington Square Partners and Kingsbridge Development Partners, a real estate development firm that, together with P/A Associates, developed River Plaza, the first major private development in The Bronx in 20 years.

Acadia Realty Trust, headquartered in White Plains, NY, is a fully integrated, self-managed and self-administered equity REIT focused primarily on the ownership, acquisition, redevelopment and management of retail and mixed-use properties including neighborhood and community shopping centers located in urban and suburban markets in major metropolitan areas.

Certain matters in this press release may constitute forward-looking statements within the meaning of federal securities law and as such may involve known and unknown risk, uncertainties and other factors that may cause the actual results, performances or achievements of Acadia to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. These forward-looking statements include statements regarding Acadia's future financial results and its ability to capitalize on potential opportunities arising from the current economic environment. Factors that could cause the Company's forward-looking statements to differ from its future results include, but are not limited

to, those discussed under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's most recent annual report on Form 10-K filed with the SEC on March 1, 2010 ("Form 10-K") and other periodic reports filed with the SEC, including risks related to: (i) the current global financial environment and its effect on retail tenants, including potential bankruptcies of major retailers; (ii) the Company's reliance on revenues derived from major tenants; (iii) the Company's limited control over joint venture investments; (iv) the Company's partnership structure; (v) real estate and the geographic concentration of our properties; (vi) market interest rates; (vii) leverage; (viii) liability for environmental matters; (ix) the Company's growth strategy; (x) the Company's status as a REIT; (xi) uninsured losses and (xii) the loss of key executives. Copies of the Form 10-K and the other periodic reports Acadia files with the SEC are available on the Company's website at www.acadiarealty.com. Any forward-looking statements in this press release speak only as of the date hereof. Acadia expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Acadia's expectations with regard thereto or change in events, conditions or circumstances on which any such statement is based.

SOURCE: Acadia Realty Trust

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