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**PANATTONI DEVELOPMENT BREAKS GROUND ON PIEMONTE AT THE ONTARIO  
CENTER, A ONE MILLION-SQUARE-FOOT MIXED-USE URBAN CENTER**

***Major retail component of \$900 million lifestyle center will be anchored by Target and Best Buy in first phase of development***

**ONTARIO, California (November 28, 2006) – Panattoni Development**

**Company, LLC**, a privately held development company headquartered in Sacramento, California, announced that it has broken ground on Piemonte at The Ontario Center, a one million-square-foot mixed-use urban center in Ontario, California. Located along I-10 and bordered by Fourth Street to the north, Milliken Avenue to the east and Haven Avenue to the west, the 120-acre project is situated in the heart of Ontario's business and retail area, with high-end housing surrounding the site.

A fully integrated mixed-use urban center, Piemonte at The Ontario Center will include approximately 500,000 square feet of retail; approximately 268,000 square feet of Class A office space; a seven-story 256-room full service hotel; approximately 800 luxury condominiums built by **Toll Brothers, Inc.**, some of which will be adjacent to and above specialty retail; and an 11,000-seat capacity sports and entertainment arena. When complete in 2009, the \$900 million development will be a vibrant Main Street-style, central hub serving the interests and needs of millions of residents, employees and visitors. First phase of development includes:

- 252,000-square-foot power retail component that will be anchored by national retailers **Target** and **Best Buy**. Completion is expected in fall 2007.
- Approximately 268,000 square feet of corporate office space in six buildings with one to five stories, ranging in size from 6,261 square feet to 125,000 square feet. Completion of the first building, a 125,000-square-foot, five-story Class A office building, is expected in winter 2008. Additional buildings will be completed in the following 12 to 24 months.
- 217 luxury for-sale condominiums built above 32,300 square feet of specialty retail.

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In a strategic partnership with the City of Ontario Redevelopment Agency, Panattoni Development Company purchased the land for \$26 million in 2004. The city's investment in the Italian-themed Inland Empire destination and lifestyle venue is expected to generate \$7 to \$8 million in annual revenues.

"Piemonte at The Ontario Center will meet the pent-up demand for an upscale integrated lifestyle center in this rapidly evolving region, where Southern California residents can live, work, shop, dine, mingle and relax," commented Jeff Phelan, partner for Panattoni Development Company. "In addition to serving the local population, we predict it will become a regional draw that will continue to support Ontario as the new urban center for commerce, business and entertainment."

Contributing to the new reality will be an 11,000-seat world-class sports and entertainment arena adjacent to Piemonte at The Ontario Center, which will be developed by the City of Ontario (using funds from the Panattoni land sale) on 36 acres along Concourse Avenue, between Haven and Milliken Avenues. The 225,000-square-foot arena will attract approximately 140 events annually including minor league hockey, NBADL basketball, arena football, concerts and family shows—more than any other arena of its size currently in the nation, according to the operator, **Anschutz Entertainment Group (AEG)**, one of the leading sports and entertainment presenters in the world. As the only major enclosed entertainment center in the Inland Empire, the arena will be the largest and highest quality entertainment destination for the region, meeting the needs of an underserved community. Completion is expected in winter 2008.

According to **CB Richard Ellis**, the firm that will handle all leasing and sales at the development, Piemonte at The Ontario Center will benefit from the more than one million employees and more than 2.6 million residents located within a 20 mile radius of the project. With immediate accessibility from the I-10 and I-15 freeways and high profile visibility along I-10, Piemonte will also draw from the 21 million annual customer base of neighboring Ontario Mills, deemed one of the most successful malls in the country. Additionally, the project will benefit from its proximity to LA-Ontario International Airport, the second busiest airport in Southern California and the preferred airport for business travelers.

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“The City of Ontario’s vision for an urban lifestyle center and regional destination venue that will raise the standard for future development in our community while also tapping into the rich history of the land has been perfectly translated by Panattoni Development Company” observed Ontario’s Mayor Paul S. Leon. “This premier mixed-use neighborhood in the hub of Ontario’s primary business area will cater to our city’s changing demographic through quality housing, retail, restaurant and entertainment amenities geared for contemporary families, upwardly mobile professionals and executives.”

Once owned by a group of winegrowers from the fertile Piemonte region of northwestern Italy, the land for Piemonte at The Ontario Center was covered by vineyards at one time. Beyond its Italianate moniker, the new complex will draw from its historic roots through the incorporation of Italian village thematic components, including walkways laced with olive trees.

Noting that the city will benefit from millions of dollars annually from property tax, transient occupancy tax, sales tax and operator payments, Mayor Leon noted that the ongoing revenue from the regional destination venue will be reinvested back into the community. “Piemonte at The Ontario Center is a true boon for the city’s economy that will create jobs and significant revenue while enhancing the unfolding upscale urban character of Ontario and the greater Southern California region,” he concluded.

#### **About Panattoni Development Company**

Panattoni Development Company is a privately held, full service development company founded in 1986 by Carl Panattoni. Over the last five years, the firm has averaged nearly 10 million square feet of development annually, one of the most active records in the United States. Panattoni Development Company has developed and managed industrial, office and retail facilities in more than 100 markets. The firm is headquartered in Sacramento, California, and maintains 22 offices throughout the United States, Canada and Europe. [www.Panattoni.com](http://www.Panattoni.com)

#### **About Ontario**

Ontario is increasingly identified for the competitive advantages it provides to businesses that want to succeed in the global marketplace and for its growing importance to the state, national and international economies. Just 35 miles from Los Angeles and uniquely positioned within the hub of Los Angeles, Orange, San Bernardino and Riverside Counties, the City of Ontario is the "economic engine" of one of the fastest growing regions in the United States. It features an exceptional pro-business environment, competitive commercial lease rates, technical amenities, a skilled and abundant work force, and an innovation corridor of fourteen colleges and universities. These factors are driving one of the hottest office markets in the country with vacancy rates in the single digits and 2 million square feet under development. Three mixed-use projects are underway in the City bringing 24/7 lifestyle to a growing sector of young professionals.

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As a major global gateway, Ontario is home to LA-Ontario International Airport (ONT), the center of a rapidly developing freight movement system that includes the airport, two railroads, four major freeways and an expanding network of freight forwarders. ONT is one of the fastest growing and ambitious cargo airports outside the booming Asia-Pacific market and home to United Parcel Service's Western Regional Hub providing direct flights to China. In 2003, ONT was listed among six of the best cargo airports in the world by the leading international airport magazine, *Airport World*. The Ontario Foreign Trade Zone is also of significance to businesses involved in international trade. ONT is the second busiest air passenger facility in Southern California, handling 7.2 million people in 2005, and growing each year. ONT is projected to reach 30 million annual passengers by 2025. For more information, visit [www.ontariocalifornia.us](http://www.ontariocalifornia.us).

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