



AvalonBay
COMMUNITIES, INC.

PRESS RELEASE

For Immediate Release

**SMART GROWTH EAST BAY DEVELOPMENT
SET TO BREAK NEW GROUND**

**CEREMONY WILL MARK START OF TRANSIT VILLAGE
AT PLEASANT HILL BART STATION**

**SUCCESSFUL PUBLIC-PRIVATE PARTNERSHIP BRINGS TRANSIT-ORIENTED
MIXED-USE DEVELOPMENT TO CONTRA COSTA CENTRE**

Contra Costa County (July 15, 2008) – On July 17, 2008, at 10:30am, AvalonBay Communities, Inc., Millennium Partners, the San Francisco Bay Area Rapid Transit District (BART), and the County of Contra Costa will host a groundbreaking ceremony for an innovative public/private joint real estate venture, Avalon Walnut Creek at Contra Costa Centre. The four partners are jointly investing \$400 million in this residential/mixed-use Transit Village, which is adjacent to BART's Pleasant Hill station.

Contra Costa County Supervisor Susan Bonilla said: "The transit village will show the rest of California that providing adequate public infrastructure and services that keep pace with growth is the best way to increase density within transit rich locations. By creating a public/private partnership and engaging the local community, Contra Costa Centre and the BART Transit Village are providing over 2800 residential units and employment for 6500 people; and the Pleasant Hill BART station is serving 6500 BART customers daily."

Each party to the development had a stake in a flourishing community, as well as its own specific goals. The County's goals are to resolve regional circulation issues by achieving a better balance of jobs and housing, particularly near transit; to provide an opportunity for affordable housing; to recapture some of the value created by the significant public investment in the area (BART and the County Redevelopment Agency for Trails, infrastructure, parks, parking); and to provide the County with a significant new source of revenue with which to provide health and social services to our residents. BART was anxious to generate more transit ridership, and to create a new source of revenue to support its core mission of providing regional transit services. AvalonBay wanted to be involved in an innovative, environmentally-friendly, and profitable new development

TRANSIT VILLAGE BENEFITS THE ECONOMY AND THE ENVIRONMENT

The plan makes the most of the regional accessibility of the Pleasant Hill BART Station and its surroundings, using public and private investment that began in the early 1980s. The July 17th groundbreaking will mark the initiation of the second phase of a plan for a Transit Village on the Pleasant Hill BART station property, a project that benefits not only its residents but also local and regional taxpayers. Transit time from Pleasant Hill to San Francisco is approximately 35 minutes, so residents can enjoy an affordable, quick, and convenient commute without the need for private vehicles. Use of public transit reduces each community member's carbon footprint, and helps to maintain the environment of the entire Bay area.

PROJECT PHASES

The initial phase of construction of the Transit Village began in March 2006, when AvalonBay started work on the expansion of the BART parking garage, which opened earlier this month. Completion of the garage was critical to the continuation of the project, as it freed the parking surface for development. The County Redevelopment Agency provided most of the financing for the new BART parking garage.

When completed, this Avalon Walnut Creek Transit Village will include 422 residential apartments, of which 85 will be affordable units, 20% of the total. High-quality and multi-functional, Avalon Walnut Creek will also include 100 condominium units, 35,000 square feet of local service retail, a civic use, 19,400 square feet dedicated to a business conference center, and 270,000 square feet of office space.

PUBLIC/PRIVATE PARTNERSHIP

"In this uncertain economy, public agencies can no longer be the sole funding source for community redevelopment," BART Board President Gail Murray said. "The solution to this dilemma is forging a solid partnership between public and private entities that mobilize private resources for the public good. Throughout the region, BART is in the forefront of collaborating with partners who develop sustainable projects that not only meet regulatory requirements, but also enhance the community, both visually and economically."

As private automobile transportation has become a greater burden on commuters and as its environmental effects have become more of a public policy concern, public transit oriented development has drawn increasing attention. "Avalon Walnut Creek at Contra Costa Centre signifies another Milestone in AvalonBay's commitment to responsible, smart growth and transit oriented development. In the past five years we have successfully completed 1,086 apartments in four communities at Bay Area transit hubs. In addition to the 422 apartment homes at Avalon Walnut Creek, AvalonBay is constructing 698 apartment homes and securing the entitlements for an additional 405 apartment homes at significant Bay Area transit locations for a total of 2,600 to be delivered by 2010" said Steve Wilson, Senior Vice President of Development for AvalonBay.

About AvalonBay Communities, Inc.

As of March 31, 2008, AvalonBay owned or held a direct or indirect ownership interest in 183 apartment communities containing 52,167 apartment homes in ten states and the District of Columbia, of which 22 communities were under construction and eight communities were under reconstruction. The Company is an equity REIT in the business of developing, redeveloping, acquiring and managing apartment communities in high barrier-to-entry markets of the United States. More information may be found on the Company's website at the following address <http://www.avalonbay.com>.

About Millennium Partners

About San Francisco Bay Area Rapid Transit District (BART)

Established in 1957 by the California State Legislature, the BART system consists of 104 miles of track servicing four counties and 26 cities. The BART District is governed by an elected nine-member Board of Directors who serves four-year terms. BART's mission is to provide safe, reliable and affordable transportation to the more than 104 million passengers that it carries.

BART is the green commute choice for one-third of the Contra Costa County commuters traveling to Oakland or San Francisco. BART trains are 100% electric, powered by clean, hydro-electric sources. Annually, BART riders save over 500,000 metric tons of greenhouse gasses from spewing into our atmosphere. This makes BART the most effective way to fight climate change and protect the environment. For more information about BART, visit www.bart.gov.

About Contra Costa County

The County of Contra Costa, California (the "County") was incorporated in 1850 as one of the original 27 counties of the State of California (the "State"), with the City of Martinez as the County Seat. The County has one of the fastest growing work forces among Bay Area counties, with growth in its employment base being driven primarily by the need to provide services to an increasing local population. Due to the presence of relatively high-wage skilled jobs and relatively wealthy residents, the County achieves high rankings among all California counties on a variety of income measurements. The County is governed by a five-member Board of Supervisors elected by District.

Established in 1983, the Contra Costa County Redevelopment Agency is governed by the five members of the County Board of Supervisors. The Agency is charged with addressing redevelopment and blighting conditions in designated unincorporated areas. Contra Costa Centre is one of five redevelopment project areas administered by the County, and is one of the best models of transit-oriented development in the United States. More information may be found on the Agency's website at <http://www.ccreach.org>.

Contacts:

For AvalonBay

Mounir Ibrahim
(646) 284-9474
mibrahim@hfgcg.com

For Millennium Partners [details]

For BART

Linton Johnson
Chief Spokesperson
BART Media & Public Affairs
510-464-7139 Desk
510-899-2285 Pager
ljohnso@bart.gov

For Contra Costa County

James Kennedy, Redevelopment Director
(925) 335-7225
jkenn@cd.ccounty.us