



**OFFICE OF
STATE TREASURER
DENISE L. NAPIER**

NEWS

FOR IMMEDIATE RELEASE

Thursday, September 8, 2005

**State Pension Fund Completes Sale of Hartford's Goodwin Square
to Northland Investment Corp.**

State Treasurer Says Successful Sale Reflects Growing Confidence in City's Future

The Connecticut state pension fund has completed the sale of Goodwin Square in downtown Hartford to Northland Investment Corporation for \$41 million, less than a year after the landmark property was first put on the market, ending the state's investment interest in the Goodwin Square hotel and office complex, which began in 1989.

Nappier said that the price achieved in the transfer of the property "exceeded our expectations and is a win/win for the state pension fund and every individual with an interest in the continued economic renaissance of the City of Hartford." The sale includes the 124-room five-story historic Goodwin Hotel, 330,901 square foot 30-story office tower, adjoining atrium and eight-level parking garage.

The closing on the real estate transaction concludes a competitive process that was first announced by the Treasurer's Office on September 29, 2004. Northland submitted the "highest qualified offer" for the well-known downtown Hartford property, and a purchase/sale agreement was announced on June 10, 2005. Significant interest in the property came from regional, national and international investors.

Nappier, principal fiduciary of the state's \$21 billion Connecticut Retirement Plans and Trust Funds, which owned the Goodwin Square property, said "This sale achieved our primary objective -- to generate proceeds representing solid price performance for the pension fund. At the same time, it is a reflection of the solid real estate market and growing confidence in Hartford's future, and will help to advance the city's economic vibrancy."

"As the largest private property owner in the region, Northland believes in Hartford and is excited to be such an active participant in the city's revitalization," said Lawrence R. Gottesdiener, Chairman and Chief Executive Officer of Northland Investment Corporation. "We are especially proud of our commitment to the heart of the central business district, where The Goodwin represents Hartford's rich history, while Hartford 21 holds the promise for the city's future."

The Goodwin, originally built in 1881, served as a home for Hartford-born J.P. Morgan, American's leading financier in the 19th century and is on the National Registry of Historic

CONTACT: **BERNARD L. KAVALER**, DIRECTOR OF COMMUNICATION
(860) 702-3277 FAX (860) 702-3043
BERNARD.KAVALER@PO.STATE.CT.US

Places. The hotel and office properties are connected by a five-story atrium, just across from the site of Hartford 21, Northland's \$160 million mixed-use redevelopment of the former Civic Center mall. Construction for Hartford 21 began in June of 2004, and the topping off is slated for later this month. Completion of the project is scheduled for Summer 2006.

Nappier, who has demonstrated a longstanding commitment to exercise her fiduciary responsibilities in the management of state pension fund assets while considering the ancillary benefits associated with the state's investment activities, had expressed her sensitivity to the concerns of current tenants and employees, in particular, the 85 union hotel workers. At the outset of the process, she stressed the importance of the winning bidder embracing a worker-friendly environment, including assessing the feasibility of maintaining the union contract, without compromising the bid price. All the leading bids, including Northland's, agreed to assume the current bargaining agreement with employees of the hotel and retain all of the hotel's union employees on the same terms and conditions of employment as currently exist. Northland has said it intends to continue to operate the Goodwin Hotel property as a hotel.

"This closes the books on the pension fund's longstanding relationship with the Goodwin. We are confident that the result is responsive to the unique needs of our capital city, its residents and workers and does not in any way compromise the primary interest of the state's pension fund beneficiaries. In our industry, this is what we call a true 'double bottom line' return," Nappier said.

Nappier explained that strategic revisions to the real estate asset class within the state pension fund portfolio were central to the decision to sell the property. Those revisions, approved last year by the state's Investment Advisory Council, will result in a restructuring of the pension fund's real estate holdings to better diversify the real estate portfolio. The investment in Goodwin Square was not deemed to be consistent with the revised structure.

Founded in 1970, Northland Investment Corporation is a privately held, fully integrated real estate company focused on commercial, multifamily, retail, industrial and hospitality operations and long-term ownership of commercial, retail and multifamily real estate throughout the United States. Northland owns a \$1.25 billion diversified portfolio of 15 million square feet of real estate, with major concentrations in New England and along the southern tier of the United States.

In addition to Hartford 21, Northland also owns Metro Center, CityPlace II, The Crosthwaite Building and Trumbull Place, all within Hartford's central business district, as well as The Pavilions and Bigelow Commons in suburban Hartford. Northland's acquisition of Goodwin Square will bring Northland's regional portfolio to approximately 4.5 million square feet, valued at \$500 million.