



## Commonwealth of Puerto Rico

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### PRESS RELEASE

#### **Construction of the first hotel of the Convention Center District begins**

**San Juan, Puerto Rico** – To foster economic development in the Island and as part of the *Ciudad Mayor* project promoted by this administration to transform the metropolitan area into the Caribbean Metropolis, Governor Aníbal Acevedo Vilá announced today the beginning of the construction of the Sheraton Hotel at the Puerto Rico Convention Center, the first hotel to be constructed at the site.

“Beginning the construction of what will be the main hotel of the Convention District is fundamental to the activities of the district, making it more competitive and increasing its appeal as a tourist destination. The development of new hotel rooms in the vicinity of the Convention Center, and in particular in the district, is essential to guaranteeing that the site is successfully used at its full potential”, the Governor said.

The Governor made these remarks after taking part of the groundbreaking ceremony for the construction of the new hotel together with the Convention Center District director, Manuel Sánchez-Biscombe; the Secretary of Economic Development and Commerce, Ricardo Rivera, the Executive Director of the Puerto Rico Tourism Company, Terestella González Denton; and with directives of the Sheraton Hotel Chain, among others.

Governor Acevedo-Vilá stressed that the development of the Convention Center District and its location near the San Juan Port, airports, the banking and financial zone, sports complexes and coliseums, place Puerto Rico at vanguard to compete in an industry that generates over \$122,000 per year in the United States.

“The construction of the project that we start today, which is scheduled for inauguration in December 2008, and the public and private projects under construction in the area, such as the Ciudad Mayor projects, represent what I want for Puerto Rico: infrastructure and planning for the future; acceleration of public and private works, job creation, state of the art facilities, improvement of our urban surrounding and the protection of our environment,” the Governor said.

The Governor also said that this hotel is the first one financed by the private banking sector. First Bank will finance the construction up to \$153 million, which will be guaranteed by the Government Development Bank’s Tourism Development Fund in its permanent financing stage.

Acevedo-Vilá explained that the Sheraton Hotel, designed by the architect firm RTKL International and Ray Architects Engineers, will contribute with 500 of the 1,700 new rooms that are projected for the Convention Center District, which has over 100,000 sq. ft. of commercial space, activity rooms, restaurants, gymnasium, spa, casino and 400 parking spaces.

“This project contributes to achieving our programmatic commitment of constructing new hotels and developing five thousand new rooms during this term to continue advancing our economy,” the Governor said.

He stated that in the construction stage the Sheraton Hotel will generate approximately 1,000 jobs, with an estimated payroll of \$30 million, and once completed and in operation will create over 750 jobs with annual wages estimated in \$15 million.

The Mandatary stated that the project will be developed by a group of investors headed by Interlink Group. Also part of the group is Muñoz Holdings, Commercial Centers Management, and Starwood Hotels and resorts Worldwide, Inc., which have a \$53.7 million participation and will operate the hotel under the Sheraton brand. The Puerto Rico Tourism Company will also form part of the investor’s group through the Hotel Development Corporation.

The fact that we have such a group of investors shows the confidence that the financial and private capital sectors have on the Convention International District, and particularly in this hotel that will be developed with a total investment of approximately \$290 million. Total private investment in the 11 parcels of the Convention Center District will reach \$900 million and public investment will be \$415.7 million,” the Governor said.

He stated that once the construction of the entire District is completed, it will have an economic impact of over \$300 million per year, which translates in an income of \$23 million per year to the General Fund.

The Convention Center District development, which comprises 113 acres of land, forms part of the *Ciudad Mayor* project that includes the rehabilitation of all the San Juan Port Front up to El Condado, and passing through Puerta de Tierra and its new San Juan Waterfront, including Miramar, Santurce, Hato Rey and Río Piedras, up to Bayamón, Carolina, Guaynabo and Trujillo Alto.

“*Ciudad Mayor*, a concept that is already transforming our metropolitan area by maximizing the use of land and strategically transforming it into the principal and most modern urban center in the Caribbean. A *Ciudad Mayor* interconnected and with green areas aimed at achieving the redevelopment and modernization of important metropolitan sectors in an integrated, efficient, and sustainable way in order to have a more humane and inhabitable, dynamic and safe city,” the Governor concluded.

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