

# **\$200 Million Westin Hotel Breaks Ground In Boston**

## **790-Room Hotel Will Connect to the New Convention Center**

BOSTON, June 4, 2004 – Boston Mayor Thomas M. Menino and local development partners – Stephen Karp, Steven Fischman, Joseph Fallon, Joseph O'Donnell and Carpenter & Company – and others, gathered to break ground on the new \$200 million Westin hotel. Located on the South Boston waterfront, the 790-room Westin will be joined to the new Boston Convention & Exhibition Center (BCEC), which officially opens on June 10. The hotel, which will carry the Starwood Hotels & Resorts'

(NYSE:HOT) Westin flag, will serve as the headquarters hotel for the new convention center.

The construction loan has been provided by a consortium of banks led by Scotia Capital, a member of Scotiabank Group with eight participating banks. The hotel, which is scheduled to be completed by the summer of 2006, will be integrated with the BCEC, providing open space and a pedestrian-friendly plaza. When it opens, the hotel is expected to employ more than 400 full-time associates.

"The new Westin headquarters hotel will secure the success of our world-class convention center," said Mayor Thomas M. Menino. "Together, these two cornerstones of the South Boston waterfront will anchor our tourism industry and further establish the area as a vibrant, 24-hour neighborhood."

Stephen Karp, CEO of New England Development, said of the groundbreaking. "We are eager to get this project underway as it clearly will serve as an important catalyst, along with the Convention Center, to jump-start other development activity in the area. Our company is strongly committed to re-energizing this important part of Boston.

"This is a challenging but very exciting project, which we believe represents a great partnership among the development team, Starwood, the Massachusetts Convention Center Authority (MCCA), and our lenders," said Joe Fallon of The Fallon Company. "The Westin Hotel will be an exciting addition to the South Boston waterfront, and we are proud to be involved with this development."

"I have always said that when we held our opening ceremonies for the BCEC, our guests would look over and see construction of our headquarters hotel," said Gloria C. Larson, Chairman of the MCCA Board of Directors. "Well, next week, they will and both regular customers and prospective customers will recognize its significance. This hotel is one more reason why the BCEC will be a success and why people will choose Boston."

"By beginning the construction of this hotel, Starwood, international banks, lending institutions and prominent local developers have validated our confidence in the long term success of the BCEC and the South Boston waterfront. These entities would not be making this investment if they did not believe Boston was going to be a winner in the conventions marketplace," said James E. Rooney, MCCA Executive Director. This groundbreaking marks a huge achievement for everyone involved in the project and the new design provides the neighborhood with a hotel that is pedestrian friendly and more visually pleasing."

"The Westin brand represents an icon for guest service and meetings excellence and we are thrilled to be working with our local partners and the City of Boston on this important development," stated Geoff Ballotti, President North America Hotel Operations for Starwood. "Nobody has more sales, marketing and operating experience in the Boston meetings and convention market than Starwood. Along with our downtown sister properties, The Westin Copley Place, the Sheraton Boston and the historic Boston Park Plaza, the new Westin

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Hotel will bring Starwood's portfolio of Westin, Sheraton and Four Points by Sheraton hotels to 17 in the Greater Boston market. Our team has been operating convention hotels here since the 1970's and we're all very excited to now begin to market and sell what will soon become the number one meetings destination hotel in New England."

The hotel will be constructed in two phases, with Phase I featuring 790 guest rooms including two Presidential Suites and a club lounge. There will be 32,000 square feet of meeting space including a 15,000 square foot ballroom. Westin's modern luxury delivers unmatched comfort and outstanding service to professional business and leisure travelers in an environment characterized by an elegant, calming and subdued sense of style. The Westin Boston Seaport will feature all of the brand's signature services and amenities including Westin Service Express®, Westin Guest Office®, Westin One Call®, and the highly acclaimed Heavenly Bed® and Heavenly Bath®.

Additional guest services include a 125-seat signature restaurant, 80-seat lobby/lounge, pool and health club featuring WestinWORKOUTsm Powered by Reebok. The second phase of the hotel may include an additional 330 guest rooms.

The hotel was designed by Arrowstreet, Inc. a local Boston architectural firm with Interior Design by Brennan Beer Gorman Interiors of New York. The general contractor, Suffolk Construction of Boston is expected to employ approximately two hundred workers per day throughout the construction period.

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