



Commonwealth of Puerto Rico

Office of the Governor
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PRESS RELEASE

Governor announces historical Tourism Company bond issue

San Juan, Puerto Rico— Determined to promote Puerto Rico as a tourist destination that competes with the best in the World, and as part of the Economic Development and Government Transformation Plan for Puerto Rico, Governor Aníbal Acevedo Vilá announced today that the Puerto Rico Tourism Company will sell a bond issue for the first time in history in 2007. The issue could generate \$100 million to create an infrastructure fund that enables the agency to acquire properties for tourism development.

“The Economic Development and Government Transformation Plan for Puerto Rico announced last Sunday includes as of its principal strategies making the tourism industry an engine for economic development in Puerto Rico. To this end, the Tourism Company plans to sell its first bond issue ever in 2007, which could generate \$100 million that will be used to capitalize an infrastructure fund that will allow the agency to acquire properties for tourist developments and to create a fund to finance improvements of tourist facilities (state and municipal). This initiative advances tourist infrastructure in our Island,” highlighted the Governor.

The Governor added that the bond issue will be guaranteed with \$10 million from the Tourist Development Fund managed by the Tourism Company, which is funded with revenues from the slot machines.

“Our commitment is to position the whole Island of Puerto Rico—and not just San Juan—as one of the best tourist destinations in the Caribbean. We have repeated the formula, in the west with Porta del Sol and in the south with Porta Caribe, so that our tourists will get to know our Island beyond our beaches,” the Governor said.

Acevedo Vilá made these comments during an inspection visit several hotels, including Condado Lagoon, Sheraton, Normandie and the Condado Duo, which includes La Concha and Vanderbilt hotels. The Governor made the inspection in the company of Terestella González-Dentón, Tourism Company Executive Director; Ricardo Rivera, Economic Development Secretary; Alfredo Salazar, Government Development Bank Acting President, and personnel from the different hotels.

The Governor expressed that he is confident that González-Denton and her staff at the Tourism Company will achieve the goal set by this Administration of developing 5,000 new hotel rooms during this term. To this date, we have reached 50% of this goal with the construction of 489 new rooms, and the construction of 2,308 additional rooms is projected, representing a \$777 million investment and the creation of 2,106 direct jobs.

“We continue promoting tourism and today we visited several hotels. We say the development of Phase 2 of the Condado Lagoon Hotel slated to have 54 new condo-hotel rooms that will be ready for the summer of 2008. These rooms are in addition to the 168 rooms developed in Phase 1, for a total of 222 new rooms for the inventory of the Caribe Hilton Hotel, owner of this development”, the Governor informed adding that this is constructed with a \$32.4 million investment and will create 500 jobs during the construction phase and 1,900 indirect jobs.

Similarly, the Sheraton Hotel, which will have 500 rooms, create 850 construction jobs, and 1,000 new jobs once it is operational, is currently under development with a \$209.4 million investment and will be ready during the first semester of 2009.

“Another stop was at the Normandie Hotel, which was acquired by the prestigious W Hotel chain and will be refurbished at a cost of \$15 million, creating 120 jobs during the construction phase and 200 direct jobs once in operation. The works include improvements to 170 rooms, the common areas, the ballroom, and the swimming pool,” the Governor detailed.

Governor Acevedo Vilá ended the site visits at eh Condado Duo— comprised of La Concha and Condado Vanderbilt Hotels—under construction with a total investment of \$315 million.

“La Concha Hotel is being refurbished at a cost of \$93 million and will have 248 hotel rooms that will be ready during the second quarter of 2007. These projects include the construction of La Concha Tower, a 235-suite condo-hotel, developed with an \$87 million investment. They will create 200 jobs in construction, 300 direct jobs when operational and 609 indirect and induced jobs,” Acevedo-Vilá said.

The Governor indicated that the 93-room Condado Vanderbilt Hotel will be refurbished with an investment of \$61 million. In addition, the Condado Vanderbilt Towers, developed at a cost of \$85 million, will have 212 condo-hotel rooms and will be ready in June 2009. This project will create 130 direct jobs, and 264 indirect and induced jobs.

Hence, the Vanderbilt, the Martineau Bay in Vieques, and the St. Regis in Río Grande, will offer our tourists a choice of five-star hotels with the highest quality and service standards in the industry, the Governor summarized while stressing the importance of all these projects developed at a total investment of \$408.8 million, to create 500 new rooms, 501 condo-hotel rooms, refurbishing 511 rooms, and generating 1,470 jobs in the construction phases and 5,100 direct and induced jobs.

“Together we will continue to support tourism to develop a top rate and competitive tourist industry in Puerto Rico that can become one of the engines of our economy, Acevedo-Vilá concluded.

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Contacto: Carmen Serrano, Subsecretaria de Prensa (787) 721-9166