Gaylord Entertainment Company Creates Joint Venture With the Peterson Companies to Develop Major Hotel and Convention Center in Washington, D.C., Market

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FORT WASHINGTON, Md.--(BUSINESS WIRE)--Jan. 11, 2000--Gaylord Entertainment Company (NYSE: GET) and the Peterson Companies today announced a joint venture to develop a self-contained 2,000-room destination hotel and convention center as the first component of National Harbor, a 534-acre site with 1 1/4 miles of frontage on the Potomac River in Prince George's County, Md.

The announcement was made at Oxon Hill Manor, an historic home that overlooks National Harbor and the Potomac River.

The project--Opryland Hotel Potomac--will feature 400,000 square feet of meeting and exhibit space in addition to 2,000 guest rooms and a signature atrium providing almost five acres under glass. Its convention space will be more than the Washington Convention Center's original 381,000 square feet. It will be the first major convention hotel built in the Washington area since 1986.

Gaylord Entertainment, a multi-faceted entertainment company headquartered in Nashville, Tenn., has been a major player in the meetings and conventions industry since opening the Opryland Hotel in Nashville in 1977. It has two other hotels under development, one in the Orlando market and one in the Dallas/Fort Worth market. The Peterson Companies and its affiliates, headquartered in Fairfax, Va., are one of the largest privately owned development companies in the Mid-Atlantic region and are the developer of National Harbor.

"Gaylord Entertainment pioneered the concept of having full-fledged entertainment and convention facilities directly in a hotel, and we are excited about bringing that proven concept to the capital region and to National Harbor. There is not another site of this scale and with such a spectacular setting in the entire Washington-Boston corridor, and we are delighted to establish a new home in Prince George's County, Maryland," said E. K. Gaylord II, chairman of Gaylord Entertainment.

National Harbor features a variety of landscapes ranging from high bluffs adjacent to the Capital Beltway to the shoreline of Smoot Bay on the Potomac River. It is just downriver from Reagan National Airport and across the Woodrow Wilson Bridge from Alexandria, Va. National Harbor will have a full interchange connecting it to I-495 (the Capital Beltway), I-95 and I-295. I-295 will connect National Harbor directly to downtown Washington. The interchange project is scheduled to begin in 2000.

"We have been eager to start a project at National Harbor with a company as established and as respected as Gaylord Entertainment," said Milton V. Peterson, principal and chairman of the Peterson Companies. "Development of the Opryland Hotel Potomac comes after four years of work and with the outstanding cooperation of our neighbors and of government officials at all levels--local, state and federal. We're all very happy with the new association with Gaylord Entertainment."

Gaylord Entertainment's components also include the Grand Ole Opry, the longest running live radio show in the world and the home of country music; Word Entertainment, one of the largest companies in contemporary Christian music; Acuff-Rose Music Publishing, which includes the songs of writers such as Don Gibson, Hank Williams and Roy Orbison; Nashville's Ryman Auditorium, which is listed on the National Register of Historic Places; Internet operations such as Musicforce.com and Lightsource.com; and television networks Z Music Television and Country Music Television International. "Everything we do has entertainment at its core," said Gaylord Entertainment president and CEO Terry E. London. "Our hotels are not just hotels. They are entertainment experiences. We create `wow' in all that we do."

The company's landmark Opryland Hotel in Nashville opened in 1977 with 600 rooms, a 20,000-square-foot ballroom and a 30,000-square-foot exhibit hall. It has been expanded three times. It now has 2,884 rooms and 600,000 square feet of meeting and exhibit space, including an exhibit hall with 289,000 square feet. It is the largest combined hotel and convention center under one roof anywhere.

"We have focused on accommodating the needs of the meetings and conventions industry, and our friends and clients in that industry have urged us to consider the Washington market. We're ready to bring our style of entertainment to our nation's capital," said Dave Jones, president of the Hospitality and Attractions Group, one of Gaylord Entertainment's three operating divisions.

Jones said that the Opryland Hotel Potomac will generate about 2,000 jobs for Prince George's County. While architects and contractors for the approximately $500 million project have not been signed, construction is planned to start in 2002.

The project is dependent upon the negotiation and execution of definitive agreements respecting the joint venture and the financing of the project as well as upon the receipt of customary governmental and corporate approvals and the completion of construction of interchanges providing access to National Harbor.

"If all goes well with related bridge and highway construction, we hope to welcome our first guests in 2004," Jones said, adding that subsequent dining, retailing and entertainment developments at National Harbor will increase the overall appeal of the hotel to both business and leisure guests. Gaylord Entertainment announced plans to take the concept of Nashville's Opryland Hotel to other markets in 1998. The 1,400-room Opryland Hotel Florida is under construction in Osceola County just outside the main gate to Walt Disney World and will open in 2002. The 1,500-room Opryland Hotel Texas is planned in Grapevine, Texas, adjacent to Dallas-Fort Worth International Airport. Groundbreaking for that hotel is expected later this year, with completion in 2003.

The Peterson Companies and its affiliates have been developing real estate in the Washington, D.C., area since the early 1970s. They have developed 22,000 residential lots, 6 million square feet of retail space and more than 9 million square feet of office space. Current projects in addition to National Harbor include Fair Lakes, Downtown Silver Spring, Fairfax Corner, Air & Space Discovery and Washingtonian Center.

Gaylord Entertainment Company operates in three groups: hospitality and attractions, creative content and interactive media. Its headquarters are in Nashville, Tenn.