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MHG, Normandy and Ames Hotel Ptrs. enter JV for new hotel project

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Morgans Hotel Group Co., Normandy Real Estate Partners and Ames Hotel Partners have entered a new joint venture to develop The Ames Hotel. The Ames, located near Government Center, Boston Common and Faneuil Hall, will be operated by MHG under a long-term management contract and is expected to open in the third quarter of 2009. The Ames will represent a new addition to the MHG brand portfolio.

The total development budget for the project is \$75 million with MHG committing \$10 million for a 35% interest in the joint venture. The project is expected to qualify for federal and state historic rehabilitation tax credits. Normandy has closed on a development loan from UBS for up to \$46.5 million.

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