

NEWS FROM RESTON

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FOR RELEASE

IMMEDIATELY

SUMMARY: GULF OIL CORPORATION FORMS SUBSIDIARY TO ACCELERATE AND EXPAND DEVELOPMENT OF "PLANNED CITY" AT RESTON, VA.

Robert H. Ryan named president and chief operating officer of Gulf Reston, Inc.; Robert E. Simon, Jr., Reston's founder, to be board chairman.

RESTON, Va. -- The formation of a subsidiary of Gulf Oil Corporation to accelerate the development of Reston, Va., one of the nation's first "planned cities," was announced jointly today by Gulf and Robert E. Simon, Jr.

Gulf will have a majority interest in the new company, to be known as Gulf Reston, Inc., and will assume a greatly expanded role at Reston. Mr. Simon, who initiated the development of Reston on an 11-square-mile site 18 miles from Washington, D. C., near Dulles International Airport, will become board chairman.

Robert H. Ryan, who has been associated in executive positions with a wide range of corporate and governmental real estate development projects across the nation, has been named president and chief operating officer of the subsidiary.

The John Hancock Mutual Life Insurance Company also will have an interest in the subsidiary. Both Gulf and John Hancock became involved in Reston's development several years after Mr. Simon acquired the giant block of rolling farmland in 1961.

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To date, Gulf has invested more than \$15 million in the project, and John Hancock has provided financing totaling \$24 million. Included in this financing is \$4 million which John Hancock has made available in permanent financing this year for the construction in Reston of three industrial structures and four middle income apartment buildings. Gulf provided construction financing for these projects.

After obtaining the land, Mr. Simon announced imaginative plans to develop seven villages with a total population of more than 75,000 by the early 1980's. Today, Reston has some 2,500 residents. The first village is located around a 30-acre lake, 16 companies have opened at or announced plans to move into a 970-acre industrial park, and a number of cultural and recreational projects including a community center, a golf course and three swimming pools have been completed.

Mr. Ryan's experience in this field includes key roles in the development of such projects as Goodyear's Litchfield Park in Arizona. He also helped put together the Golden Gateway Urban Renewal Project in San Francisco, in which the Perini Corporation and the Aluminum Company of America are major stockholders.

Currently he is president of Ryan Development Associates Inc. of Pittsburgh, a consulting firm for several large corporations with investments in real estate developments. Earlier he served as vice president of Cabot, Cabot and Forbes of Boston, a nationally successful real estate investment and development company; executive vice president of the Perini Corporation, one of the world's largest construction companies; president of Perini Land & Development Company; and president of the Regional Industrial Development Corporation of Southwestern Pennsylvania.

Robert E. Slater, John Hancock president, said, "we are pleased to continue our association with Gulf in Reston because we are concerned with the orderly development of our suburban areas as well as our cities."

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W. L. Henry, vice president of corporate development for Gulf, commented that "Gulf's interest in Reston until now has been simply as an investor. Now we intend a more active interest.

"As the nation's tenth largest corporation in terms of sales, Gulf will give to Reston the long-term patience and capital investment which such a bold and far-reaching project demands."

Mr. Henry noted that economists have predicted that in the next decade "housing construction must rise between 40 and 70 per cent over the average annual rate in the past decade." He continued:

"Our primary corporate interest remains to obtain an adequate return for Gulf's shareholders. But we believe the nation's expanding urban population requires the development of such 'new communities' as Reston, planned and built from the ground up. If this job is to be done, we feel industry must provide capital for this type of investment over the long term, to supplement the more traditional money sources."

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