



ADDENDUM No. 1
ISSUED ON OCTOBER 1ST, 2014

REFERENCE:

REQUEST FOR PROPOSALS

**Master Developer Services for the
Former Naval Station Roosevelt Roads, Ceiba, Puerto Rico**

Issued by the Local Redevelopment Authority for Naval Station Roosevelt Roads
Friday, August 29, 2014

Local Redevelopment Authority for Naval Station Roosevelt Roads
Fomento Industrial Building
#355 Roosevelt Ave. Suite 106
Hato Rey, PR 00918

For more information, visit WWW.ROOSEVELTROADS.PR.GOV

This addendum has been issued to address the following revisions to the RFP for Master Developer document published by the LRA on August 29th, 2014:

1. DELETE the following item (shown as ~~strikethrough~~ text), in **Exhibit List**. Zoning Master Plans:

Draft 2014 Special Plan (in Spanish)..... Exhibit H-1

2. INSERT the following items in **Exhibit List**.

Final 2014 Special Plan (in Spanish) Exhibit H-1
Final 2014 Zoning Map Exhibit H-3
Final 2014 Special Plan: Topic 4 (in English) Exhibit H-4
Luis Muñoz Marín International Airport Lease Agreement..... Exhibit R-1
(Section 3.22 is the one dealing with the limitations of the Ceiba Airport)
Extension of Law 508 (in Spanish)..... Exhibit T-1
Extension of Law 508 (in English)..... Exhibit T-2
Supplemental Environmental Assessment for the Disposal of FNSRR Exhibit U-1

3. DELETE the following item (shown as ~~strikethrough~~ text), and **INSERT** the following item (shown in red), in **3. PROPOSAL REQUIREMENTS**

3.4 Deposit. A standby, irrevocable Letter of Credit issued by a public banking institution in the amount of \$100,000.00 shall be included with each Proposal. The Letter of Credit shall be in the form attached hereto as Exhibit L. If a Respondent's Proposal is not selected, the Letter of Credit will be returned to the Respondent. If a Respondent is selected to enter into exclusive negotiations with the LRA, the Letter of Credit will be drawn upon and credited against the first payment owed to the LRA under the Land Disposition Agreement, Master Lease, or such other similar agreement. ~~In the event no such agreement is executed due to Respondent within one (1) year of submission of the Proposal, the LRA may draw upon and retain the proceeds of the Letter of Credit for use in its sole discretion.~~ **In the event the parties are unable to agree upon the terms for the Agreement after commercially reasonable efforts and no such agreement is executed within six (6) months of submission of the Proposal, the Letter of Credit shall be returned to the Respondent and, unless both parties mutually agree to extend the exclusive negotiations period, the negotiations shall terminate.**

4. DELETE the following items (shown as ~~strikethrough~~ text), and **INSERT** the following items (shown in red), in **3. PROPOSAL REQUIREMENTS** 3.6 Proposal Organization. 3.6.2 Part 2: Concept and Development Plan 3.6.2.2 Development Plans

~~3.6.2.2.1 Evidence of market demand for the Respondent's proposed uses.~~

3.6.2.2.2. Overall project timeline and phasing plan that describes the Respondent's strategy and timing for delivering various components of the Project, with building and land absorption projections, and potential temporary uses. The phasing plan shall take into account the Navy's environmental clean-up schedule and identify any concerns or alternatives to that schedule that are critical to the redevelopment. The Respondent's proposal shall include a ~~minimum/maximum~~ development schedule ~~by use per year~~ and shall identify a total development timeframe for full build-out. The development schedule must include a detailed development plan for the first two years (from the instance that the contract is signed), demonstrating immediate development plans and job creation. Include **overall** Gantt Chart with milestones.

3.6.2.2.3. A proposed merchandising plan/leasing plan for the retail, hospitality, and commercial spaces. Notices of Interest ("NOIs") or Letters of Intent ("LOIs") from prospective tenants should be provided **if available**. ~~The NOIs/LOIs should identify any known terms and conditions for the prospective tenant to be located within the Project.~~

3.6.2.2.4. The utility services plan must include:

- A **general** description of how utility services will be provided throughout the Project.
- A **general** schedule and timeframe of utility service operations during the different development stages.

5. INSERT the following item (shown in red), in **3. PROPOSAL REQUIREMENTS** 3.6 Proposal Organization. 3.6.2 Part 2: Concept and Development Plan

3.6.2.3. Conceptual Plans. Respondents should provide descriptive narratives and conceptual design drawings **or representative images** where appropriate that have sufficient detail and should include:

6. DELETE the following items (shown as ~~strikethrough~~ text), in **3. PROPOSAL REQUIREMENTS** 3.6 Proposal Organization. 3.6.2 Part 2: Concept and Development Plan 3.6.2.3 Conceptual Plans

3.6.2.3.1 Land Use Plans: Provide (i) An overall Land Use Plan showing the location of land use elements. This plan to be printed in a 30" x 42" sheet, landscape orientation and must include graphic scale; ~~(ii) Enlarged Land Use Plans for each individual zone (9 Enlarged Land Use Plans total). Each Land Use Plan for each individual zone must show land use details, and must be printed in a 30" x 42" sheet, landscape orientation and must include graphic scale.~~ Use 30" x 42" layout sheet format and drawing scales provided on Exhibit E-2.

~~3.6.2.3.2 Conceptual Site Plans: Provide (i) An overall Conceptual Site Plan indicating the proposed use, location, and height of building mass. This plan is to be printed in a 30" x 42" sheet, landscape orientation and must include graphic scale; (ii) Enlarged Conceptual Site Plans for each individual zone (9 Enlarged Conceptual Site Plans total). Each Conceptual Site Plan or each individual zone must show conceptual designs in more detail, must be printed in a 30" x 42" sheet, landscape orientation and must include graphic scale. Use 30" x 42" layout sheet format and drawing scales provided in Exhibit E-2.~~

~~3.6.2.3.3 Outline Utilities Site Plan: Provide (i) An overall Outline Utilities Site Plan indicating the proposed strategies for distributing utilities such as potable water, sanitary sewer, electricity and communications. This plan is to be printed in a 30" x 42" sheet, landscape orientation and must include graphic scale; (ii) Enlarged Outline Utilities Site Plans for each individual zone (9 Enlarged Utilities Site Plans total). Each Outline Utilities Site Plan for each individual zone must show outline designs in more detail, must be printed in a 30" x 42" sheet, landscape orientation and must include graphic scale. Use 30" x 42" layout sheet format and drawing scales provided on Exhibit E-2.~~

~~3.6.2.3.8 After reviewing the existing buildings, structures and infrastructure and their potential for re-use, Respondents should identify which the Respondent intends to reuse and which will be demolished (the timing for any demolition should be addressed in the phasing plan). A description of the Respondent's approach to the following should also be provided: building and infrastructure removal (project staging, methods, timing vis-à-vis the phasing plan); material reclamation, recycling, and on-site storage; hazardous materials and waste remediation and response (if any); noise, dust, vibration, truck traffic mitigation plans; and recycling of demolition material.~~

7. INSERT the following item (shown in red), in **3. PROPOSAL REQUIREMENTS** 3.6 Proposal Organization. 3.6.3. Part 3: Financial Offer, Capacity, and Strategy

3.6.3.1. Financial Offer Structure. Respondents shall propose the **structure of the** financial compensation that the Respondent proposes to pay to the LRA in exchange for the long-term lease or conveyance of the requested Property. Respondents should note that the LRA is interested in maximizing revenues received by the LRA, while at the same time ensuring the long-term financial viability of the Project. In developing its financial offer **structure**, Respondents should consider that the LRA must pay the Navy the amounts described in the EDC Agreement, has incurred significant costs to date to acquire, maintain, and plan for the redevelopment of the Property, will have on-going administrative and operational expenses for the duration of the Project, and expects to participate in the success that the Respondent will enjoy from successfully developing such a unique opportunity. The financial offer **structure** should include any assumptions and/or requirements for the proposed financial consideration to be provided to the LRA. Information should be presented in a **proposed** payment schedule.

8. DELETE the following items (shown as ~~strikethrough~~ text), and **INSERT** the following items (shown in red), in **3. PROPOSAL REQUIREMENTS** 3.6 Proposal Organization. 3.6.3. Part 3: Financial Offer, Capacity, and Strategy

3.6.3.3. Financing Strategy. It is critical to the LRA that Respondents be able to finance their proposed Project. While Respondents are encouraged to familiarize themselves with any available tax benefits, note that neither the LRA nor the Commonwealth intends to provide any public subsidy to fill any funding gaps or shortfalls. Respondents should provide a narrative description of the proposed ~~debt and equity composition of~~ **financing strategy** for the Project and other financial assumptions that will allow the LRA to evaluate the financial feasibility of the proposed Project. All financial models must be unlocked, fully functional with active formulas in Microsoft Excel and submitted on a CD-ROM. It is understood that all assumptions cannot be known at this time, but Respondents are asked to provide their best assumptions and/or specifically identify where it is not possible to make reasonable assumptions. The following information must be provided in this Section:

3.6.3.3.1. The Respondent's proposed equity commitment to the Project and the timing of disbursement of that commitment, including letters of commitment from each equity investor for its Proposal, stating the full terms and conditions under which such amounts will be provided to the Project. ~~and with a schedule of disbursement consistent with the Respondent's requirement for construction and permanent financing.~~

3.6.3.3.2. ~~Detailed~~ **General** description of which, if any, federal government or other public funding sources the Respondent intends to attract to the Project. ~~; coordination with the implementing agency and its timing.~~

3.6.3.3.5. **An estimated** conceptual level development budget showing the Project's total development costs, estimating the assumed value of the Property, construction costs, architectural, engineering and related fees. The Respondent should submit estimated total project costs. The submittal shall include, but is not limited to: hard and soft costs based on industry standards; all development fees, general contractor fees and overhead costs separately identified; demonstration of how equity and debt or other methods of financing fully fund this Project; operating expenses analysis, ~~affordable housing rent calculation broken down by unit type, family size, and any other project-specific return metrics;~~ and all the assumptions used in the financial model.