



ROOSEVELT ROADS REDEVELOPMENT

ADDENDUM TO THE 2004 REUSE PLAN

April 30, 2010

Prepared for: Autoridad para el Redesarrollo Local para Roosevelt Roads
Prepared by: The Chicago Consultants Studio, Inc © CCS April 2010

- **PREFACE**
- **REDEVELOPMENT STRATEGY BRIEF**
- **MASTER PLAN ILLUSTRATED**
- **MARKET AND ECONOMICS UPDATE**
- **REFERENCE DATA**



Exploring the potential



Creating the master plan



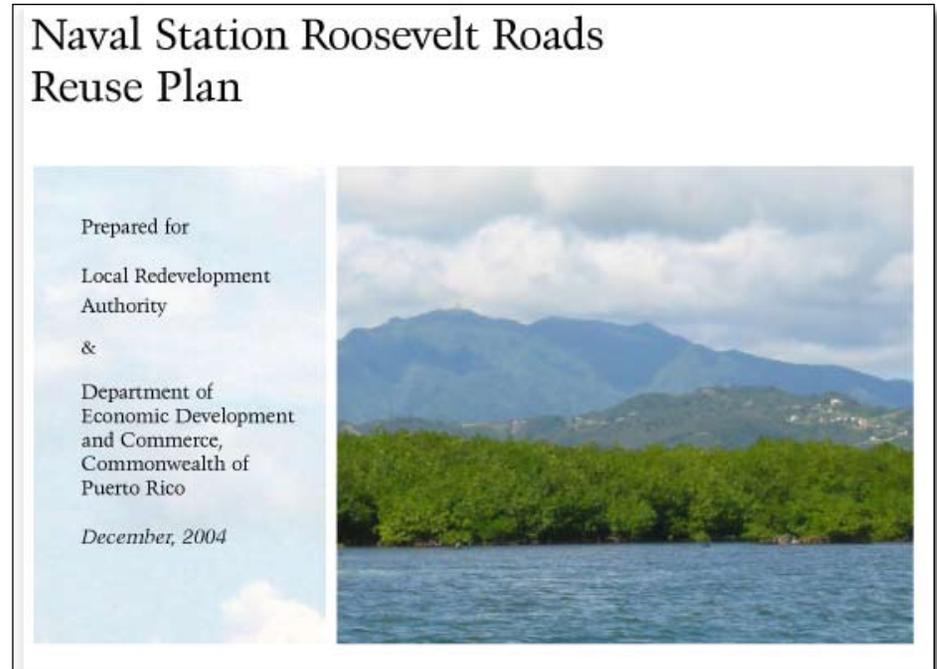
Crafting the strategic vision

PREFACE

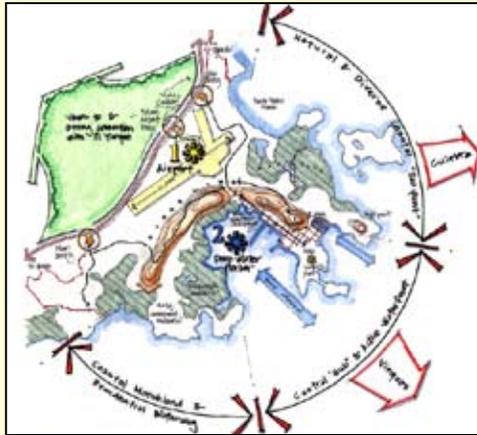
A Supplement to the 2004 Reuse Plan

The LRA presents this Addendum to the 2004 Reuse Plan to serve as a supplemental update to reflect market changes and economic development enhancements. Building on the factual inventory and assessment of the 2004 plan, this Addendum sets forth an enhanced vision and related program derived from further site due diligence, community input and creative physical and market study. The Addendum is not intended to replace the 2004 Plan, but rather supplement and redirect the focus of development planned to better leverage site opportunities, current market potentials and strategic economic development opportunities.

The Addendum should be considered in conjunction with the background provided by the 2004 Reuse Plan and the extensive documentation contained in that plan related to existing conditions, infrastructure and building inventory. Together with the Addendum, the Reuse Plan reflects a bold vision for the strategic redevelopment of the entire Roosevelt Roads property to maximize its inherent value and to create lasting local, regional and Commonwealth-wide economic development.



2004 Reuse Plan Cover



IN CONSULTING, INC.

2004

tourism industry accounts for around 15.8 percent of the region's economy, generating US\$47.7 million in 2003. As shown in the Dominican Republic, which can securely consider Puerto Rico as the largest tourism base in the region, the industry in the region. There is however significant variation in the value of the tourism industry in each of these locations, but as a proportion of total GDP, accounts for 17.2 percent of the total economy in the Dominican Republic, compared to Puerto Rico. Puerto Rico has a more diversified economy.

Table 1

Country	Value added in tourism industry (US\$ million)	Value added in total GDP (US\$ million)	Percentage of total GDP
Dominican Republic	1,100	6,390	17.2%
Puerto Rico	47,700	301,800	15.8%

Table 2

Year	Number of visitors (thousands)	Number of arrivals (thousands)	Number of departures (thousands)
2000	1,100	550	550
2001	1,150	575	575
2002	1,200	600	600
2003	1,250	625	625
2004	1,300	650	650

This project is important for Puerto Rico. Puerto Rico has a higher operating cost structure than other island destinations and must offer higher value products. Security, a US US. Standards issue in 2004, it is important that Puerto Rico can value issue to be considered. Forecasts prepared by the Caribbean Tourism Organization (CTO) suggest 3.0 percent growth in tourism activity throughout the Caribbean in 2010, on the basis of broader improvements to global and regional economies. According to the World Tourism and Tourism Council by 2020 it is anticipated that the Caribbean will attract 27.5 million visitors. So, if Puerto Rico sustains its current tourism rate, visitors to Puerto Rico should increase \$10,000 to \$15 billion (average) visitors. This growth is by its nature, guaranteed tourism, because each, September is working hard to compete for new arrivals. Puerto Rico must define its niche and attack the market if it plans to keep or grow market share.

Page 7
July 2004

REDEVELOPMENT STRATEGY BRIEF

ADDENDUM TO THE 2004 REUSE PLAN

REDEVELOPMENT STRATEGY BRIEF

I. FRAMING THE OPPORTUNITY

II. ASSESSING THE PHYSICAL PROPERTY

III. THE STRATEGIC VISION

IV. DEVELOPMENT ZONES

- Zone 1: Port Caribe
- Zone 2: Caribbean Riviera
- Zone 3: El Yunque Grande
- Zone 4: Marsh Vista
- Zone 5: Eco-Outpost Base Camp
- Zone 6: Uplands
- Zone 7: Main Street
- Zone 8: Sports Core
- Zone 9: Island Paradise
- Zone 10: Capehart
- Zone 11: Ceiba Park

V. PARTNERS IN REDEVELOPMENT

- The Conservation Trust Lands
- The International Airport
- The Communities

VI. MASTER PLAN IMPLEMENTATION PROCESS

- The LRA's Role as Redevelopment Agent
- Precedent Examples
- Sequencing and Schedule



Exploring the potential



Creating the master plan



Crafting the strategic vision

I FRAMING THE OPPORTUNITY

Closure of the Naval Station Roosevelt Roads, Puerto Rico (“Roosevelt Roads”) on March 31, 2004 created sudden and severe economic hardship to both the local communities and the Commonwealth of Puerto Rico (“Commonwealth”). While a reuse plan prepared by the Puerto Rico Department of Economic Development and Commerce in December 2004 presented a collection of various program uses to help guide the redevelopment of the physical asset, the 2004 Reuse Plan did not craft a true strategic

vision of how to best leverage the unique and significant characteristics of the 8,000 acre property to serve as a “game changer” for Commonwealth tourism, economic expansion, job creation and local community initiatives. Equally important, many of the land uses cited in the 2004 Reuse Plan required significant government investment and economic stimulation to execute before private investment was attracted. With no self-sustaining destination attraction to bring private developers and investors, and to justify and offset the necessary infrastructure investment, the 2004 Reuse Plan did not provide a viable mechanism for realization.



An Immense economic development opportunity

Since then, the local and global economies have only worsened, making the need for a rigorous, strategic vision even more demanding. The Governor’s proposal for the Caribbean Riviera Initiative, initially presented at the 2009 Economic summit, is merely one of several anchors, or “invitations” in that strategic vision which must address the entire property, as well as the connectivity and linkage with the neighboring communities. When examined from the perspective of the best use of the former naval base property and resources, Roosevelt Roads unveils an exciting, dynamic and once-

in-a-lifetime opportunity for the Commonwealth to craft a vision which serves to:

- Create value by understanding, analyzing and leveraging the inherent amenities of a lush, diverse, beautiful and well-situated real estate asset, rather than merely proposing a menu of disparate land uses
- Increase overall visitation to the Commonwealth (and extend length of existing visits) and re-energize as a catalyst for an island-wide regional planning strategy to enhance the position of Puerto Rico in the Caribbean and world marketplace



Adaptive reuse potential

- Create an economic development “game-changer” which serves to define and leverage markets rather than merely follow trends

To that end, the Roosevelt Roads Local Redevelopment Authority (“LRA”) has chosen to supplement the 2004 Reuse Plan in a manner that strengthens its economic feasibility and enhances its overall character and attraction as a bold and credible initiative to be realized.

Implemented properly, this addendum to the 2004 Reuse Plan (“Addendum”) anticipates significant positive economic impact for the adjoining communities of Ceiba and Naguabo, the nearby island communities of Vieques and Culebra, the region, and with regard to enhanced competitiveness in the varied tourism markets - the entire Commonwealth. The Addendum recognizes the present challenges in the various development market sectors and approaches implementation with a market-making strategy rather than a market-following strategy.

The economic and fiscal impact of the redevelopment could be significant. In the first 20 - 25 years, the construction phase of the re-use of Roosevelt Roads will produce 21,000 direct jobs. When considering the multiplier effect, 29,000 direct, indirect and induced jobs will be created in this phase. Fiscal impacts resulting from the increased economic activity will reach \$280 million from the construction and \$660 million from the operation during the first 20 -25 years.

Paramount in this is the potential for the redevelopment of Roosevelt Roads to significantly enhance and increase annual Puerto Rican tourism visitation number by bringing some 1 million unique visitors annually to the Roosevelt Road by year 20. That impact will result in a much enhanced competitive position for Puerto Rico and all of its communities, attractions, destinations and amenities – with more visitors, extended lengths of stay, increased convention/meeting business, greater demand for dining, shopping and recreation, and the ability to truly become the Caribbean business and leisure destination.

The proximity of the property to the El Yunque National Forest is a significant inherent asset to be leveraged in achieving a positive impact for the overall tourism attraction of the Commonwealth. With its 1.2 million annual visitors, El Yunque is already Puerto Rico’s signature, natural destination attraction, unique as the United States’ only tropical rainforest. The potential of adding the US National Park Service brand to El Yunque in some fashion would further enhance its national and international tourism appeal, and create for the Commonwealth a potential destination on par with some the US’s great national parks and forests, like Yellowstone. The US national park concept is often acclaimed as one of the best ideas ever exported and adopted by many foreign countries over the years.



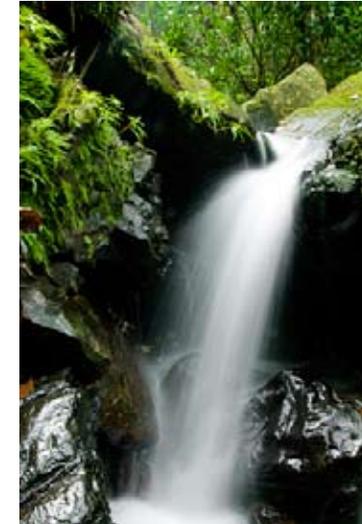
Enhancing tourism competitiveness for the Commonwealth



Pristine wetlands and waterways



Gateway To Vieques, Culebra and the West Indies



El Yunque National Forest

II

ASSESSING THE PHYSICAL PROPERTY

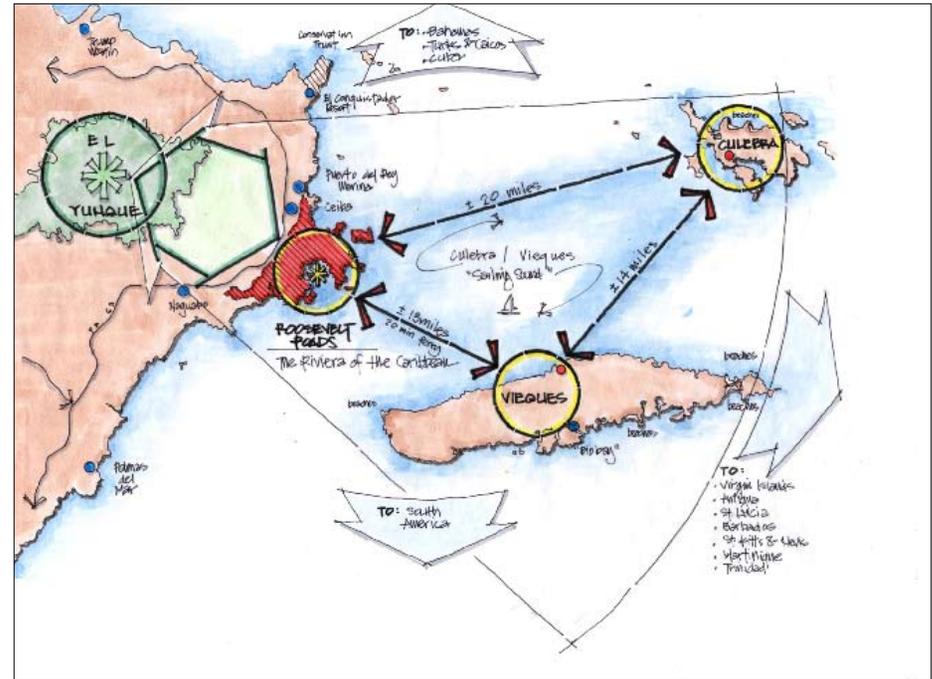
The former naval station property is truly a unique and rare resource, having been isolated from normal development trends since the early part of the last century, and situated at the foothills of El Yunque – one of the world’s greatest natural wonders. The property represents an interesting mix of natural ecological areas (most already under the care of the Conservation Trust), physical infrastructure (including a major airfield with an 11,000 foot runway), and waterfront development areas (providing distinctive destination development potentials). Taken together as a composite “place” these factors represent one of most exciting redevelopment opportunities anywhere in the Caribbean, and in fact anywhere along the eastern coast of North America.

Of paramount importance in crafting a strategic vision is the ability to leverage together these unique assets to create value for investors and communities alike. Significant to that equation are:

- The continued enhancement and improvements to the existing airfield to allow it to ultimately become a critical airport hub and tourism entry gateway
- The utilization of two existing deep water ports to allow Roosevelt Roads to also become a second major port-of-call

for cruise ships, ferries and linkages to the outlying Green Triangle of island and the entire West Indies (the Green Triangle is an innovative initiative to link and leverage the unique island character of the Puerto Rican and West Indies heritage)

- The proximity of El Yunque to allow one of the great national parks of the world (operated by the US Forest Service) to have an enhanced, high quality point of entry and supportive interpretive initiatives which create a must-see, one-of-a-kind ecotourism destination
- The thousands of acres of unique and beautiful Conservation Trust lands on-site and in the foreground of El Yunque that provide a dynamic natural flora and fauna resource – as evidenced in the recent Conservation Trust investment in Las Cabezas
- Existing community structures such as the bowling alley, schools, hotel and retail which have adaptive reuse potential
- The waterfront development lands which provide a foundation for the creation of a world-class destination anchor development



Roosevelt Roads as part of El Yunque and the Green Triangle

Spectacular harbors



Lush tropical green environment



Secluded beachfront



THE STRATEGIC VISION

Properly redeveloped, Roosevelt Roads can become a significant economic development opportunity for the adjacent communities, the region and the Commonwealth, under the strategic leadership of the LRA. The master plan principles that form the foundation of the redevelopment include community insights, economic underpinnings, creative urban design, sustainability and smart growth planning. In many ways, the redevelopment of Roosevelt Roads can and should be a model for future large-scale redevelopments throughout North America.

Critical in the strategic planning process has been:

- Crafting a vision of the future with “game changing” positive local, regional and island-wide impacts
- Attracting both private investors/developers and opportunities with local investors and businesses
- Articulating a comprehensive vision to best utilize the inherent resources of the property and create value for the site, the local communities and the region
- Creating one-of-a-kind waterfront amenities with public attractions and destinations
- Promoting sustainability and renewable energy compatible and in concert with with the character and quality of the adjoining Conservation Trust lands
- Providing connectivity by water, land and air to the region through trails, roads, portals, water transit and shuttles
- Developing a range of residential uses and housing types - from resort villas to quality local housing to elderly components to multi-family to collegiate student housing - creating a dynamic part of the regional fabric and social life
- Leveraging and enhancing unique community and tourism amenities adjoining the property including El Yunque

The master plan begins as an organized patchwork of various development zones related to their physical site attributes and examined so as to leverage and enhance those inherent characteristics. By crafting a multi-dimensional, strategic vision for each of these eleven “zones” and then weaving them all together using the Conservation Trust fabric and brand to help create a pride of place, Roosevelt Roads is transformed over time into a distinctly unique destination place to visit, recreation, live and work.



The 2004 Reuse Plan provides a baseline of reference data, and building and facilities inventory information which all remain valid and useful. This Addendum is intended to supplement and enhance that information, and provide a strategic vision for the creation of a destination attraction around which a compelling, smart and sustainable redevelopment can be realized.

The Addendum begins with and focuses directly on the inherent assets of the physical property, and the potential to create value in **sustainable job creation and economic impact**. To that end, the Addendum addresses a series of “zones” which together make up the “fabric” of the redevelopment. These zones are merely a means to create distinct “places” which, when stitched all together, will create a vision and promise of a spectacular place – one that will attract tourism, enhance regional commerce, and benefit/engage the local community.

While the redevelopment will necessarily be phased, the zone numbering does not reflect any particular sequencing. Rather, it is anticipated that initial development will start within a variety of zones with the grouping of Zones 1, 2, 3 & 4 being an early phase, along with the grouping of Zones 6, 7 & 8. The only zone which is consciously considered as a later phase component is Zone 10 as its value will be greatly enhanced and impacted by redevelopment activity in other areas, and should strategically take advantage of such to maximize its ultimate development program.



Proposed master development zones

The Addendum development program remains consistent in density and scale with the 2004 Reuse Plan, so it does not appear that any significant changes will be required to the overall environmental impact assessment previously completed.

Zone 1: Port Caribe – “The Commercial Heart”

Roosevelt Roads is blessed with two very distinct harbor areas, the main port which allows for the creation of an exciting commercial heart for the overall redevelopment, a concept which the community and all previous iterations of reuse plans have endorsed. *Port*

Caribe is intended to provide a signature Caribbean style harborfront development with the following key program uses:

- Attractive shopping and entertainment-style retail along a waterfront promenade
- Major destination dining and world-class entertainment venues (such as Cirque du Soleil) which will serve to attract locals and tourists alike, and serve to extend the stay of visitors to Puerto Rico
- An international cruise ship port and terminal which will provide Puerto Rico with two major tourist ports-of-call (Old San Juan and now *Port Caribe*) strengthening the island's Caribbean tourist draw and appeal, and enhancing cruise ship offerings
- Ferry terminal to serve the "Green Triangle" developing as an exciting part of Puerto Rico's distinction as the heart of the Caribbean; the ferry terminal is also designed to serve local and regional water connectivity for the Ceiba, Fajardo, and Naguabo region as well as Vieques and Culebra
- to complement *Port Caribe*, expansion of the existing small boat marina as a distinctive new community waterfront yachting basin to serve the local community with public moorings and fishing piers – and provide a blending of tourist, visitor and local traffic which is essential to the creation of a real "place" and character; additional harbor and marina opportunities are planned for other zones to attract foreign and transient yacht enthusiasts to enhance the tourism invitations
- potential reuse of the Tank Farm area for new, sustainable infrastructure and utility improvements and possible recycling options



Zone 2: Caribbean Riviera – “The Destination Anchor”



The *Caribbean Riviera* initiative brings an international quality entertainment, lodging and gaming tourist destination to Roosevelt Roads, anchoring the most prominent point on the coastline, and creating a signature icon similar to what the landmark Sydney Opera House has done for Sydney Harbor in Australia. Reached via an esplanade boulevard through *Port Caribe*, the *Caribbean Riviera* development provides an economic engine to enhance the value and viability of the overall Roosevelt Roads redevelopment.

- The world-class entertainment venue would reflect the best in resort development with great architecture, integration with the natural environment, elegant arrival spaces and a symbol which will be a source of pride for the local community – not unlike how the most notable tourist attractions in Monaco (the Grand Opera House, Grand Casino, hotel resort



and other amenities) were consciously developed together as a symbol of civic pride for the residents of the Mediterranean.

- Flanking the entertainment resort is a signature hotel which wraps the arrival space and is afforded spectacular resort views and amenities in all directions.
- The world-class resort composition is placed within the context of a seaside “civic gardens” with public access to the waterside, and the landscaped elegance of a five diamond golf course.



Sydney Opera House's signature architecture

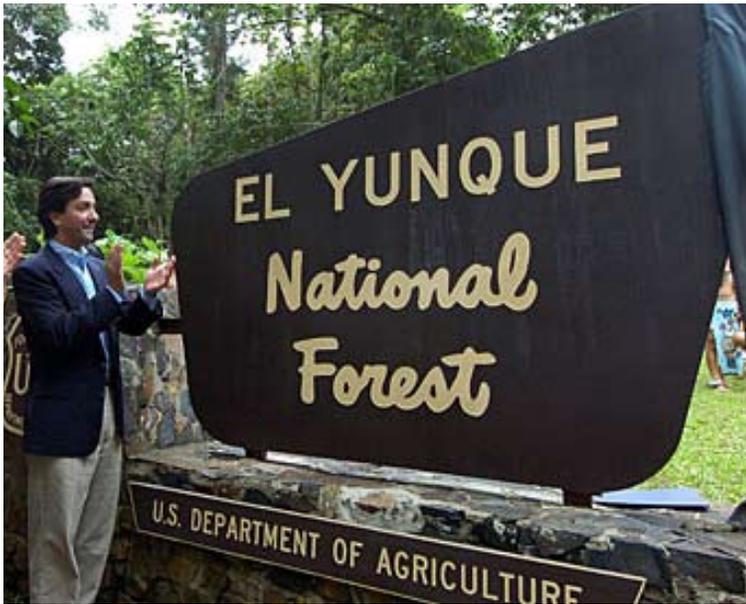
Should the project proceed without an expanded gaming component and under current regulations, the Addendum remains unchanged with the casino reconfigured as allowed and the inclusion of comparable destination attraction(s) which supports the overall vision and which is consistent with the overall planning objectives and principles.

Zone 3: El Yunque Grande – “The Premiere Eco-Tourism Resort”

Roosevelt Roads’ second distinctive harbor is smaller in scale and more Mediterranean in character than the larger port, and set apart as a distinct environment. The harbor edge is comprised of smaller scale, local fishing and sailing retail amenities which create a unique fishing village with distinctive charm and appeal to visitors seeking a lower key dining and shopping experience. Overlooking the harbor from the Punta Puerca peninsula is the *El Yunque Grande*, a classic, national park quality lodge creating a high quality natural environment with key views to the new harbor village that rivals other classic Caribbean waterfront settings such as Curacao.

- The *El Yunque Grande* will finally provide one of the great natural wonders of the world with a destination lodge, and in so doing link the redevelopment of Roosevelt Roads with the El Yunque National Forest





El Yunque is North America's only rain forest park

“brand” and the Conservation Trust “brand” with lands surrounding the lodge.

- To further reinforce and leverage these quality “brands” for tourists and visitors, the Addendum contemplates creating an enhanced El Yunque National Forest visitor and arrival center strategically positioned between the lodge and the Conservation Trust lands. This center would include visitor orientation, interpretive museum, an eco-institute and serve as a launching point for both National Forest Service and Conservation Trust guided tours and environmental education programs (not unlike Las Cabezas de San Juan and El Faro). Investigation of a south entry gateway to El Yunque National Forest is also warranted, with the potential for Roosevelt Roads to become the arrival center for all visits to the famous El Yunque – showcasing in the process the unique work of the Conservation Trust and its partners.

Also to be explored is a joint venture with the Smithsonian, Discovery Channel, Audubon Society or other such sympathetic and compatible environmental education brand which could greatly expand the appeal and attraction of the interpretive center.

- Along the ridgelines flanking the *El Yunque Grande* are residential resort villas sensitively integrated into the natural landscape providing a further dimension to the resort character.
- Along the harbor edge is the village of small shops, vendors, lodging and unique retail/dining representing a one-of-kind experience for a visitor, and reflecting a distinctive Caribbean character and flavor which enhances Puerto Rico's appeal as the tourist destination. Not unlike the unique character and experience of Curacao, this village will be attractive to day sailors from the outer islands, overnight visits from the West Indies, local residents looking for a sport fishing excursion and people merely wishing to experience the quaintness and scale of a Caribbean fishing village.



Curacao waterfront village

Zone 4: Marsh Vista – “The Golf/Country Club Amenity”

Creating a buffer between the *Port Caribe* and the *El Yunque Grande* is a state-of-the-art, eco-friendly golf course and clubhouse (employing sustainable methods of irrigation, water management and environmental sensitivity). With spectacular views of the

Caribbean Riviera Initiative entertainment destination, the ocean, and the marshlands, the golf course also serves as a means to buffer the ecologically sensitive Conservation Trust lands from the commercial port development in a manner which celebrates rather than hides these most unique amenities. The quality and character of this course is essential and will elevate the Commonwealth's overall golf penetration and attractiveness in the region.

A limited number of residential sites overlook the golf course providing a sense of ownership and a resort community presence. Together the course and the residential leverage the incredible value created overlooking the marshland and the water.



5 diamond destination golf at Kohler, WI

Zone 5: Eco-Outpost Base Camp – “The Environmentalist Retreat”



Unique natural recreational environment

Surrounded on all sides by Conservation Trust lands, water and the serenely beautiful island of Pineros, this small piece of development land must be tied directly to the mission, brand and unique attributes of the Conservation Trust and its partners. With its topography as a former shooting range providing disparate and separate plateaus ideal for creating “camps” for interpretive excursions and overnight experiences, the *Eco-Outpost Base Camp* provides a most unique specialty lodging venue not unlike the best and most sought after environmental excursion compounds elsewhere in the world. Whether it be for Boy Scout or school children educational overnights beyond the urban light pollution of San Juan, or for college program extended environmental research, or for scientific endeavors, the *Eco-Outpost Base Camp* creates an opportunity to truly make Puerto Rico a respected and attractive eco-tourism destination.



Composition of Zones 1, 2, 3, 4 & 5 *A Non-Derivative Homerun*

Taken individually, these five zones reflect a compelling vision for a critical portion of the Roosevelt Roads redevelopment property. Considered strategically together, they represent the opportunity for Puerto Rico to create a true economic development “game changer” destination like nothing that has ever been achieved before. The combination of unique lands, respected brands, tourist attractions, multi-invitations and an existing airport – all in the shadow of El Yunque – provide an opportunity to partner amongst quality brands and craft something that exists nowhere else in the world – a “non-derivative homerun”.

Zone 6: Uplands – “The Collateral Development”

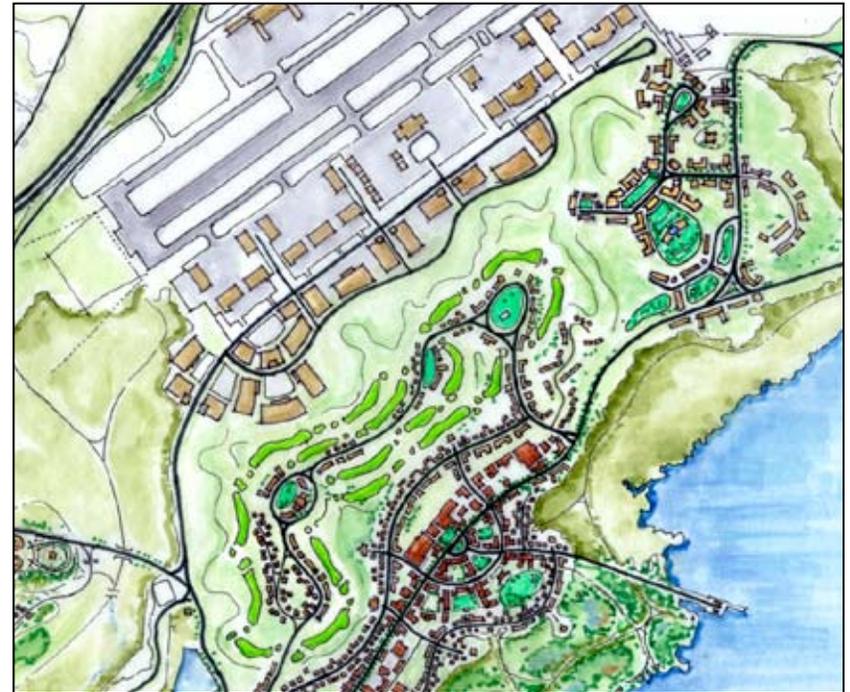
Although set back from the valuable water frontage, the development lands alongside the airport runway offer a wide range of collateral development potentials given its proximity to the airport and adjacency to other key development zones. Through its elevated, uplands location, Zone 6 shares spectacular “overlook” views to the new main street area (Zone 7), the port and waterfront as well as El Yunque and can serve as to enhance the tourist destination attraction character of the *Port Caribe, Caribbean Riviera and El Yunque Grande*, through:

- an additional world-class 18-hole golf course, which when combined with the existing great courses elsewhere in the area could establish Roosevelt Roads and the region as a golf destination not unlike the five-diamond Kohler Resort in Wisconsin, the Bandon Dunes in Oregon, Cap Cana in the Dominican Republic, Pebble Beach, Palm Desert, Pinehurst and others that attract international attention in the golf tourism world; the sweeping views of El Yunque and across the new international port certainly match the backdrops embodied in any world-class course setting.
- related golf resort development, including a new clubhouse, hotel/ lodging, spa and future resort residential that leverage the value created with the golf course

By providing two, unique, world-class courses (here and in Zone 4), Roosevelt Roads provides a multi-day visit environment for tourists to Puerto Rico that competitive venues such as the Bahamas cannot offer. Extending visitor stays serves to enhance a wide range of existing commerce and resort developments throughout the region.

Closer to the airfield runway, the Addendum provides for airside light industrial which maximizes the unique benefit of adjacency to a 11,000 foot runway:

- Distribution/warehouse/staging centers attractive to transshipment users, overnight delivery companies, airside maintenance and parts supply, and other such functions that directly rely on the airport and are provided a competitive opportunity to any international transport industry operating in the Caribbean region.
- Possible “airside” business/industrial park to provide the area with office space and light manufacturing facilities for other businesses that benefit from proximity to the airport (including possible military/government uses, movie production facilities, etc)



Zone 7: Main Street – “The Town Center”

Situated right in the center heart of Roosevelt Roads is the community *Main Street* which both reinforces the commercial viability of Ceiba and Naguabo, and solidly integrates the local community into the fabric of all new development investment at Roosevelt Roads. The existing structures in this area represent inherent reuse and adaptive reuse value to the local communities to better serve the residents.

- The existing commercial structures, with strategic infill of new buildings, will create a unique shopping and commerce *Main Street*.
- Second level offices for local businesses and commerce, as well as community incubator and entrepreneur centers are also envisioned.
- The original Navy Lodge hotel with two wings provides for a great

neighborhood guest hotel suited for overnight stays, weddings, receptions, community events as a centerpiece of the *Main Street*. Adjacent lands provide area for expansion of the hotel with cabana units and related hotel amenity spaces to meet community needs and desires – including the potential for a neighborhood “parador”.



Navy Lodge community reuse



Seaside, FL village

- Existing schools, bowling alleys, retail and related support facilities lend themselves for adaptive reuse throughout the *Main Street* corridor.
- At the head of the *Main Street* is a new university and community college developed to serve the college, job training and continuing education needs of the community, complimented at the west end of the *Main Street* with a primary and secondary education campus utilizing the existing school infrastructure, including special needs and autistic learning facilities.
- Overlooking the *Main Street* with spectacular views of the port and the outer islands of Vieques and Culebra, existing, high quality housing creates a hillside residential village within walking distance of the *Main Street*, ideal for seniors, area workers and others in the community. Additionally, a full range of community housing types including family, seniors, students, and special needs residences will create a vibrant and dynamic neighborhood environment within the *Main Street*.



Zone 8: Sports Core – “The Community’s Recreational Hub”

Through a series of interactive *ideas workshops*, the community appropriately recommended that the main entry to the redeveloped Roosevelt Roads not be cluttered by strip malls or unsightly development, but rather should be a welcoming, open, landscaped gateway to the community. The *Sports Core* takes advantage of the old naval golf course and heeds the community’s desire to create an open, gracious gateway image.



Public Gardens



Sports and Rec Center



Equestrian Trails

- A key “gateway” approach from Route 53, as well as the entire edge along the airport paralleling Route 53 will be highly landscaped and free of commercial development.
- The former Roosevelt Roads golf course will be reclaimed to include soccer pitches, recreation areas, outdoor sports venues, equestrian trails and other community exercise and recreational facilities, all within a botanically rich garden-like setting.
- The entire entry zone adjacent to Naguabo will be landscaped into a lush and vibrant botanical garden environment, creating a most unique community and visitor natural amenity and entry “brand,” and in so doing provide passive and active recreational opportunities for youth, active adults and seniors alike.
- Limited residential and possible lodging opportunities will leverage the proximity to this unique, equestrian and botanical environment

Zone 9: Island Paradise – “The Retreat, Conference, Learning Center”

The former Bundy property represents a remote, lush *Island Paradise* with minimal recollection of the land’s earlier use as a military base and no visual linkage to the main port and waterfront areas. Additionally, due its proximity to Naguabo and potential to reopen the former “Gate 4”, Zone 9 Island Paradise can also provide an important physical and programmatic link to the neighboring areas. With its rolling topography, “treetop” character and incredible distant views of the ocean, Zone 9 has immense value for:

- a secluded retreat, a corporate conference/training center, corporate or institutional headquarters or research installation - whether for private use, community use, educational purposes or a combination of uses to serve and enhance all of the other redevelopment planned for Roosevelt Roads.
- interim economic opportunities for paradors and tourism hotels through creative reuse of existing lodging structures, and longer term potential for enhanced eco-tourism lodging/resorts
- in conjunction with paradors and hotels, potential for a tourism/hospitality school and training center, perhaps crafted through an adaptive reuse of the former officers' club structures will further enhance the lifetime learning programs for the residents
- Long-term, added value through unique “treetop” residential



Spectacular Vistas from Island Paradise

The *Island Paradise* is intended to serve all of the Roosevelt Roads redevelopment zones – the community uses, the resort and tourist facilities, the eco-tourism components, the university and educational facilities, the hotels and the Conservation Trust components are all enhanced by functions planned for the *Island Paradise*.

Zone 10: Capehart – “The Residential, Corporate, Institutional Community”



The most obvious redevelopment program for *Capehart* and its current use, residential, may not be the only or best overall value long term. While it lends itself nicely to new residential, the Capehart area may benefit most by waiting until other key zones are redeveloped to determine its maximum potential for combination use with residential. Its isolated location and sizable areas are uniquely suited to a number of land uses which may provide other opportunities compatible with residential not yet contemplated.

- Residential is a natural potential for this zone particularly along the eastern tip; though relatively isolated from the rest of Roosevelt Roads, its value is derived from its oceanfront location, as well as its proximity and views to the new waterfront/port development
- As the fabric of the overall property is enhanced with the *Port Caribe* and other components, the *Capehart* property may also become a desirable and valuable economic development tool to attract new corporate users to Puerto Rico in a setting which is most wonderful, endowed with a great many support



Corporate Campus

elements, a short drive from San Juan once the divided highway is completed, and with extremely convenient commercial and private airport access.

- Similarly, one could envision an institutional campus developed on *Capehart* which is not obvious or apparent in today's market with Roosevelt Roads in its current undeveloped state that could also pair well with surrounding residential.

In short, *Capehart* stands to realize a great deal of value from the other uses planned for Roosevelt Roads, and as such needs to be considered in a strategic or perhaps phased manner. The likely best reuse potential may be a combined residential, corporate and institutional community as a fitting completion to the overall redevelopment of the unique Roosevelt Roads property.



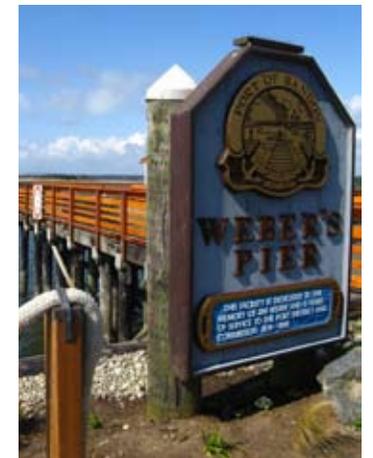
Hillside villas

Zone 11: Ceiba Park – “Gateway to Redevelopment Amenities”



Foothills of El Yunque

Originally contemplated as a park and fishing pier to serve Ceiba, the Addendum envisions *Ceiba Park* as one of the community's “gateways” to all of the redevelopment amenities which are embodied in the entire Amended Reuse Plan. Not unlike West Yellowstone or any of the gateway communities to great National Forest Service or Conservation Trust properties, *Ceiba Park* should be a key community portal with related commercial opportunities, beaches, fishing piers, water sports venues, restaurants and waterside dining and similar amenities which will contribute to an enhanced vitality for Ceiba.



Pubic fishing pier and docks

While the redevelopment of Roosevelt Roads is described here as a collection of development zones in order to represent the program and potential, its success will be in the merging of all zones into a seamless fabric which creates a new sense of place and presence out of the former naval station. Overlap between zones is definitely intended, as is a free and open flow for pedestrian and vehicular traffic so that a connectivity – both within the property and with the adjoining communities – is achieved. Connectivity will be enhanced with walking trails, shuttle routes, electric buses and linkages throughout the redevelopment.

Further, Roosevelt Roads is understood and planned within the rich context that exists which means that its success will also rely heavily on partnerships with others in its redevelopment.

The Conservation Trust Lands

3,400 acres, or roughly half of the total land area which comprises the former Roosevelt Roads, are under the direction and mission of the Conservation Trust. With the heritage and quality brand of the Conservation Trust through its programs and sensitive interpretive developments elsewhere, this brings a great value to the adjoining lands. So, truly a partnership in planning and executing the Addendum will be advantageous to the final end product.



Marshland waterways



Las Cabezas San Juan



Solar and sustainable initiatives

- The Trust lands currently reflect defined boundaries carved out of the Roosevelt Roads property, which results in a series of unconnected, distinct areas. One area where the Addendum seeks to aid is by providing linkages through adjacent land to all of the Trust's area together and maximize impact throughout the redevelopment. Not dissimilar to Cleveland's famous "emerald necklace" of open spaces, the plan facilitates a continuous linkage and trail "circuit" of Trust

lands stitched and woven through the new redevelopment zones.

- Functions which would compliment and enhance the Trust's management plan and mission, but which are not appropriate to locate on sensitive Trust land (such as visitor centers, tour operators, excursion base camps, etc.), are identified as uses within the various zones of the master plan.
- Since the closure of Roosevelt Roads in 2004 and the completion of the 2004 Reuse Plan, much has changed in the world with regard to embracing smart growth and sustainability integrated into the master plan process. The adjacency of Trust lands

provides the further impetus to require and implement many of these state-of-the-art aspects including eco-friendly golf courses and landscaping, reduced light-pollution techniques, green technologies and renewable energy.

- The Trust's presence brings with it the opportunity to leverage other like-minded partners in various ways in the redevelopment – such as the Smithsonian Institute, the Discovery Channel, National Forest Service, and National Park Service, just to name a few.

The Addendum embraces and leverages the inherent partnership with the Conservation Trust to make its redevelopment a model for the future.

The Airport and Puerto Rico Ports Authority

It is highly unusual for a major redevelopment of the scale of Roosevelt Roads to have an extensive airport infrastructure adjoining it. The potential this allows is truly unprecedented for serving the new development and maximizing job creation and economic development for region and for the Commonwealth. Continued enhancement and development of the airside and landside improvements outlined in the 2005 Airport Layout Plan is very important. In fact, the Addendum for Roosevelt Roads contemplates a number of elements, which reinforce that.

- A new vehicular link from Route 53 into the airport as proposed in the 2005 Airport Layout Plan could provide key direct access and coordination with the other regional highway improvements currently underway. This could provide a modern access and arrival sequence for the airport, and eliminate frustrating congestion in the neighboring communities.
- Doing so also sets up the opportunity for high quality commercial investment which typically accompanies the gateway at any world-class international airport, and which would provide the community of Ceiba with a distinct economic amenity (not unlike the community of Rosemont enjoys situated at the entry portal to O'Hare International Airport in Chicago).
- The Addendum also recommends that the entire perimeter of the airport be properly landscaped to create a high quality image and character.



Airside commerce

The Communities

Throughout this description of the strategic and creative components of the redevelopment plans and proposals has been imbedded a sense of the communities and neighborhoods into which this effort must be sewn in order to produce the best result for all parties. From previous proposals by the communities, and through workshops and meetings, the Addendum will embody many of the desires and values of the people, while creating economic development that is both feasible and sustainable.



Community Workshops

Many ideas have been put forth, and many more are anticipated, but the overall insights gleaned from the community are summed by the following planning principles:

- Create a plan that is a vision of the future with “game changing” positive local, regional and island-wide impacts.
- Incorporate smart growth planning and sustainable design as well as renewable energy consistent with state-of-the-art practices of today.
- Focus on connectivity and linkages throughout so that Roosevelt Roads ultimately is perceived of as part of the Puerto Rico urban fabric, and not as a carved out, reclaimed military installation.
- Leverage the tourism and eco-tourism opportunities inherent in the property to create a destination attraction accessible for visitors, tourist and local residents.
- Create value for all parties and partners in the redevelopment to ensure success, and to deliver an end product which all of Puerto Rico will be proud to have as part of its portfolio.

The LRA's Role as Redevelopment Agent

To avoid further stagnation and squandering of the unique assets of the Roosevelt Road property, it is essential that the Local Redevelopment Authority (LRA) properly manage and implement the strategic vision embodied in this Addendum to the 2004 Reuse Plan. Although the vast majority of the investment and development will come from private local, regional and international sources, the LRA must establish the guidelines of character, quality and performance to unlock the inherent value of the property and deliver the government's leadership objectives of sustainable **job creation and economic development**.

The LRA as redevelopment agent, or "steward," will be responsible for:

- Establishing baseline utility systems and methods of delivery
- Monitor and support the completion of all environmental remediation committed to by the Navy
- Coordination with public agencies to facilitate and support required off-site improvements (e.g. Route 53 airport access interchange)
- Function as the public entity in the development of high quality public infrastructure (streets, landscaping, parks, open space and amenities) necessary for overall value creation
- Lead the job creation and economic development performance of the redevelopment
- Effect a smooth and sequenced transition to private investors/developers, local communities and others while implementing essential guiding aspects of the redevelopment

Precedent Examples

Looking to successful examples of similar redevelopments provides a valuable insight into what Roosevelt Roads potential is and what the Addendum envisions. One such example is the critically acclaimed redevelopment of the London Docklands in the 1980s and 1990s. Similar to Roosevelt Roads, the Docklands were once a major source of employment, revenue and pride to the adjoining working-class communities. With the closure and subsequent decline of the dock activities, there was a need to utilize their inherent assets to create a new strategic vision. The formation of the LDDC (London Docklands Development Corporation) to act as an interim facilitator, pre-developer and steward on behalf of the communities to realize a dynamic and coordinated end result is very similar



Successful redevelopment of London's former dockland area

to the task ahead of the LRA at Roosevelt Roads. Although the work of the LDDC was initially resisted by local councils and residents, the LDDC process and results are today generally regarded as having been a success and is now used as an exemplar of large-scale regeneration.

The LDDC redevelopment of the Docklands resulted in over 120,000 local and community jobs in its 18 year existence, and served to revitalize an economically depressed region of London which continues to prosper today some three decades later.

Sequencing and Schedule

At this point in the master planning process, it is important to retain the perspective that the majority build-out of the property's potential will entail a minimum 25 years timeframe, with another 10+ year timeframe to realize its full value. Within that context, the LRA anticipates a sequence of phases for the project which will be coordinated with and integral to related infrastructure and other pre-development efforts. Subject to change and further refinement, the sequencing will likely be:

- Phase One Launch: initial projects in Zones 1, 2, 3, 4 & 7 which will establish the destination anchor uses and begin to realize the community main street potentials
- Phase Two Launch: initial projects in Zones 5, 6, 8 & 11 which will start the collateral and related development once the Phase One Launch has established greater value and direction
- Phase Three Launch: initial projects in Zones 9 and 10 which will benefit from the development projects which have already been completed in the other Zones
- Pre-Development Launches: within each sequenced phase will be a series of “public” sector initiatives necessary to entice investment or provide infrastructure or insure quality guidance and zoning; it is anticipated these will overlay on each phased launch and be managed and directed by the LRA



Phase I launch



Phase II launch



Phase III launch



Redevelopment Team Credits:

<i>Local Redevelopment Authority:</i>	Autoridad para el Redesarrollo Local para Roosevelt Roads
<i>Master Development Planner:</i>	The Chicago Consultants Studio, Inc.
<i>Associate Architect & Planner:</i>	De Lemos Architects
<i>Economic and Fiscal Impact:</i>	C. H. Johnson Consulting, Inc. / Estudios Tecnicos, Inc.
<i>Legal Advisor:</i>	Kutak Rock LLP
<i>Engineering Consultant:</i>	Environmental Resources Management

For more information, contact:

LRA, Autoridad para el Redesarrollo Local para Roosevelt Roads

Erwin Kiess, Executive Director

Alfonso Martinez, Finance Director

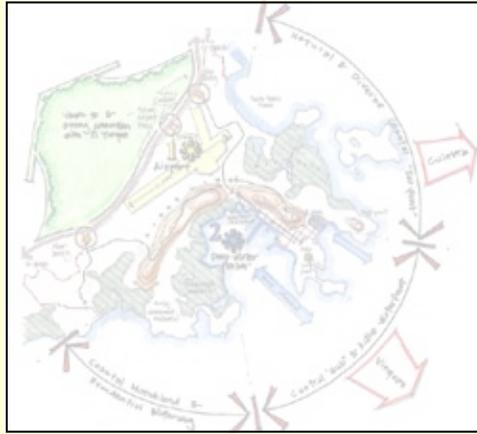
The New San Juan Office Building
Chardon # 159, 2nd Floor
Hato Rey, Puerto Rico 00919-5009
Phone: 787-294-0101
Email: ekiess@ddecpr.com
amartinez@ddecpr.com

Master Development Planner:

Kimbal Goluska

Timothy Brangle

The Chicago Consultants Studio, Inc.
19 S. LaSalle St, Suite 803
Chicago, IL 60603
Phone: 312 357-1557
Email: ccs@ccstudioinc.com



MASTER PLAN ILLUSTRATED
ADDENDUM TO THE 2004 REUSE PLAN

MASTER PLAN ILLUSTRATED

- **Land Use Diagram**
- **Illustrative Rendered Plan**
- **Illustrative Views**
- **Zones Plan**
- **Zone 1: Port Caribe**
- **Zone 2: Caribbean Riviera**
- **Zone 3: El Yunque Grande**
- **Zone 4: Marsh Vista**
- **Zone 5: Eco-Outpost Base Camp**
- **Zone 6: Uplands**
- **Zone 7: Main Street**
- **Zone 8: Sports Core**
- **Zone 9: Island Paradise**
- **Zone 10: Capehart**
- **Zone 11: Ceiba Park**
- **Overall Program Summary**
- **Overall Phasing/Sequencing Strategy**
- **Roadways Diagram**
- **Utilities/Infrastructure Diagram**



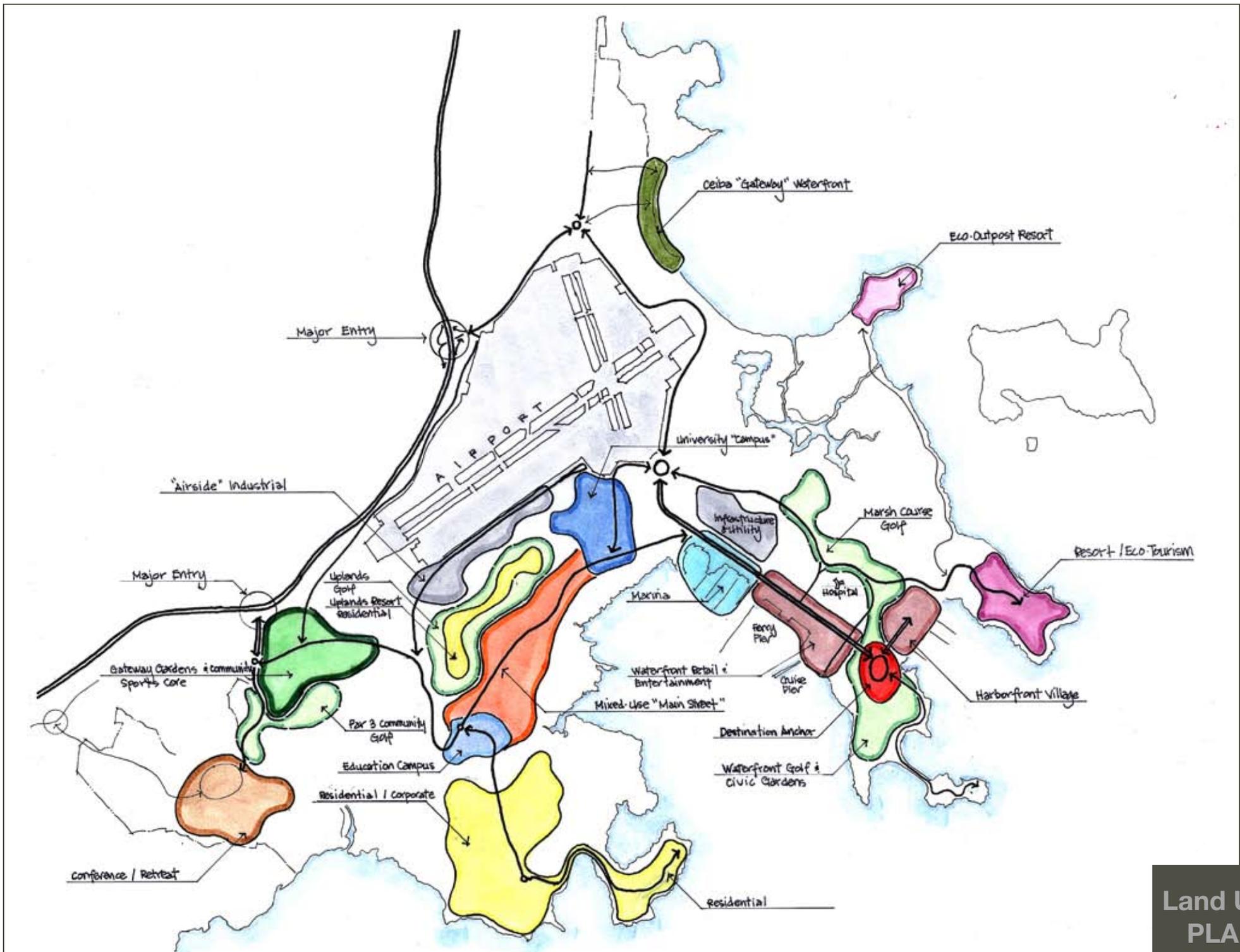
Leverage the Site

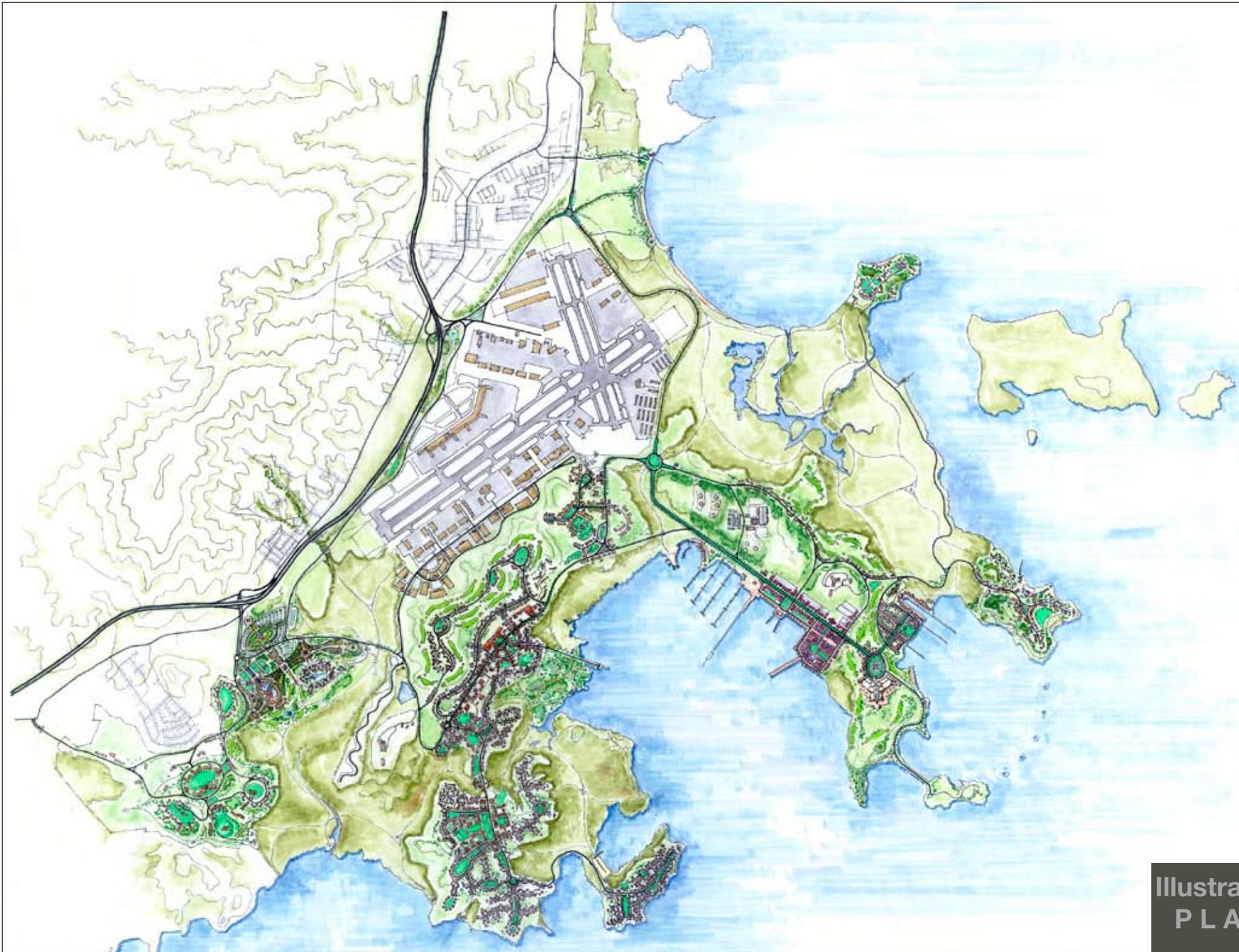


Understanding the Opportunity



Crafting the strategic vision



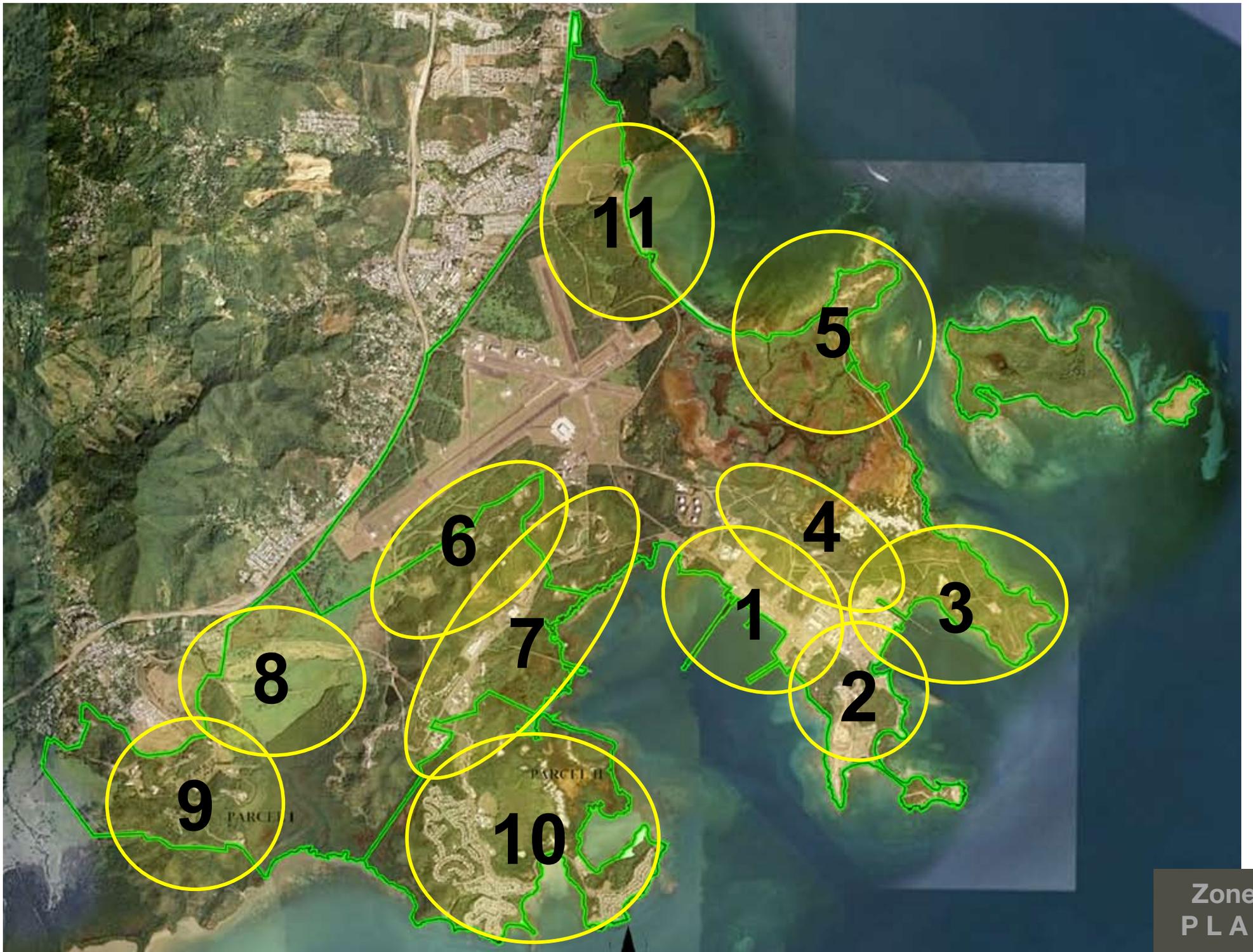


**Illustrative
PLAN**

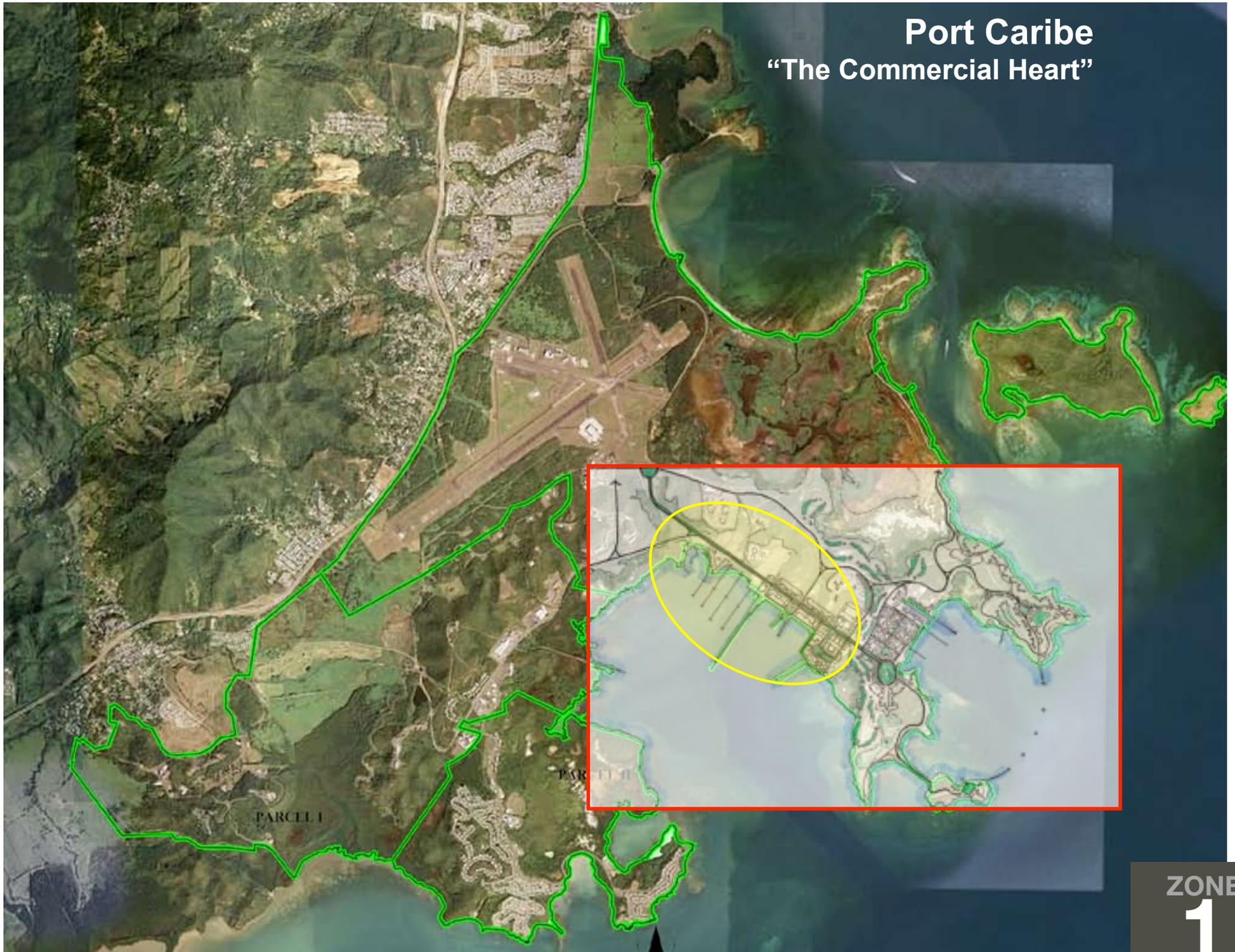
ROOSEVELT ROADS REDEVELOPMENT
Addendum to the 2004 Reuse Plan

Master Plan Illustrated





Port Caribe “The Commercial Heart”





Rowes Wharf, Boston



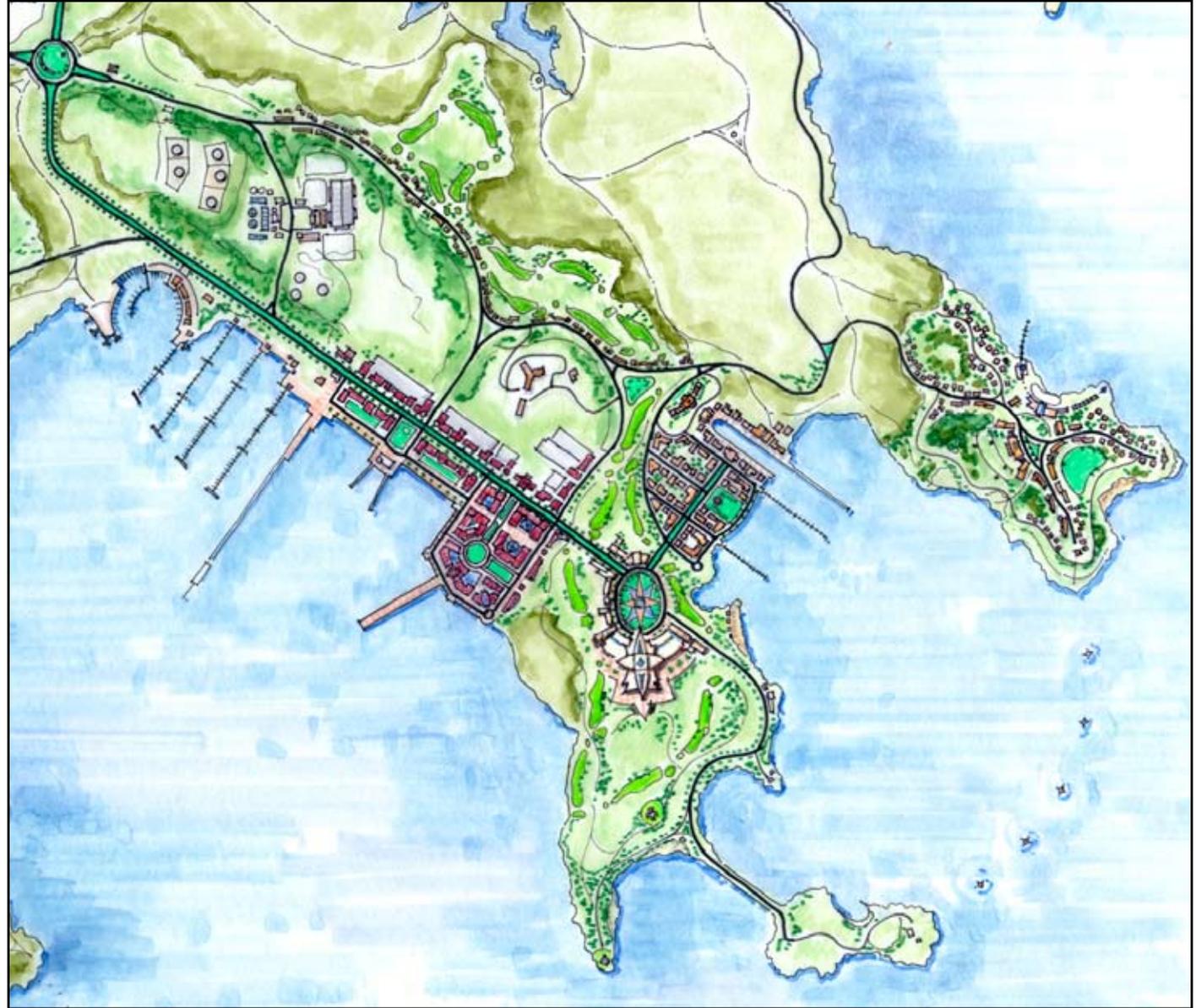
Mall of America



Cruise Port



Caesar's Forum Shops



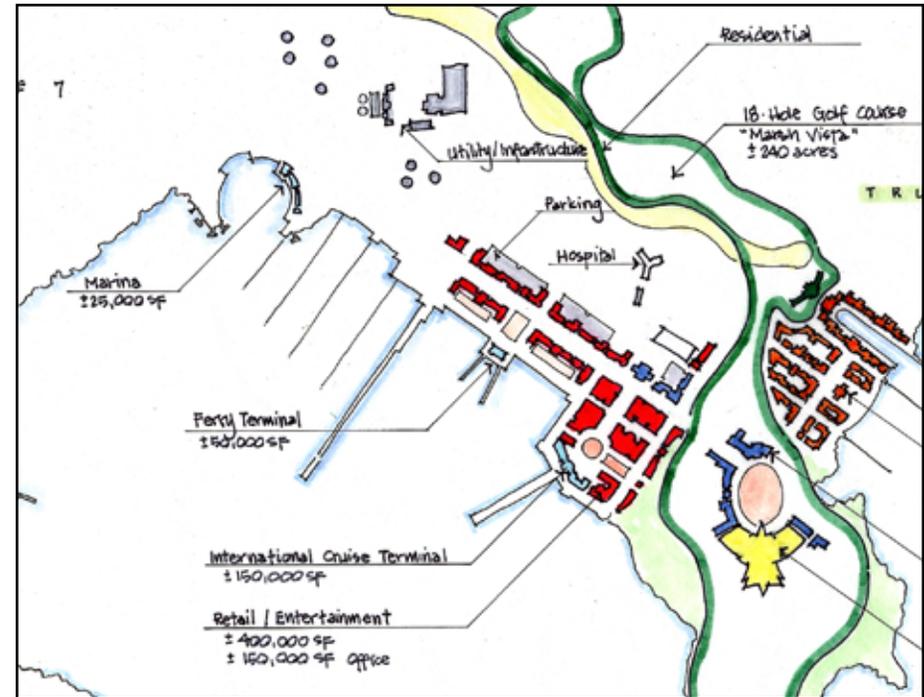
Port Caribe - "The Commercial Heart"

- Entertainment and retail waterfront promenade
- International cruise port and ferry terminal
- Local and tourist gateway to the "green triangle"
- Small craft marina and fishing piers

Program Summary

(square feet)

- Retail/Restaurants/Entertainment 200K
- Hotel and Lodging 320K
- International Cruise Terminal Complex 150K
- Regional and Island Ferry Terminal 50K
- Office and Commercial 50K
- Back of House / Industrial 200K
- Community Marina and Fishing Docks 25K
(±300 Slips, with expansion potential for ±200 more)
- Expanded Hospital and Health Care 130K
(by others)



Zone 1 Program Diagram

Cost and Jobs Estimates

- 2,340 Direct Jobs
- \$189 Million Full Build-out Investment
- 1,125,000SF of Total Development

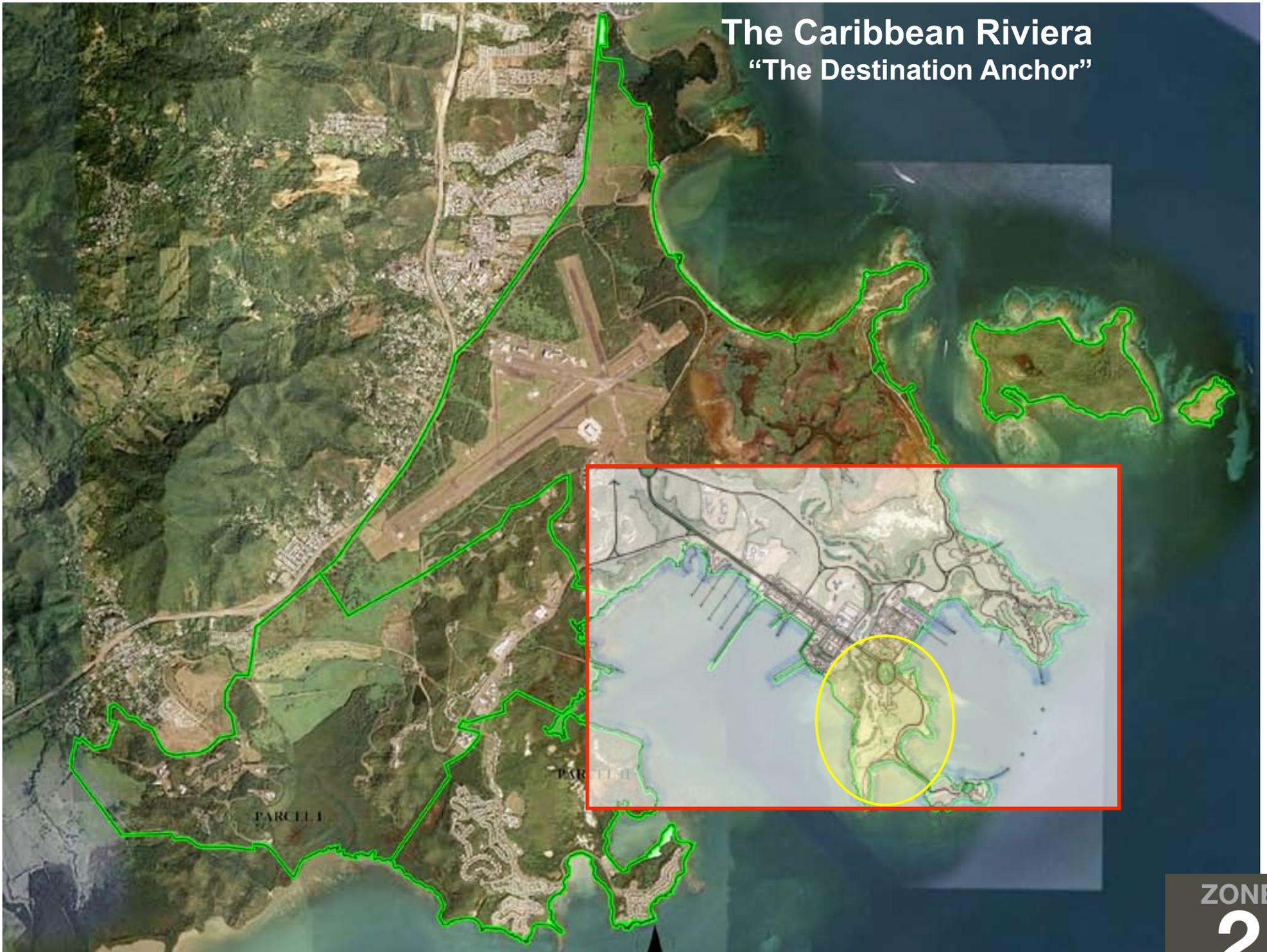


Zone 1 Model Area

Port Caribe
"The Commercial Heart"

ZONE
1

The Caribbean Riviera “The Destination Anchor”





Montreal Casino



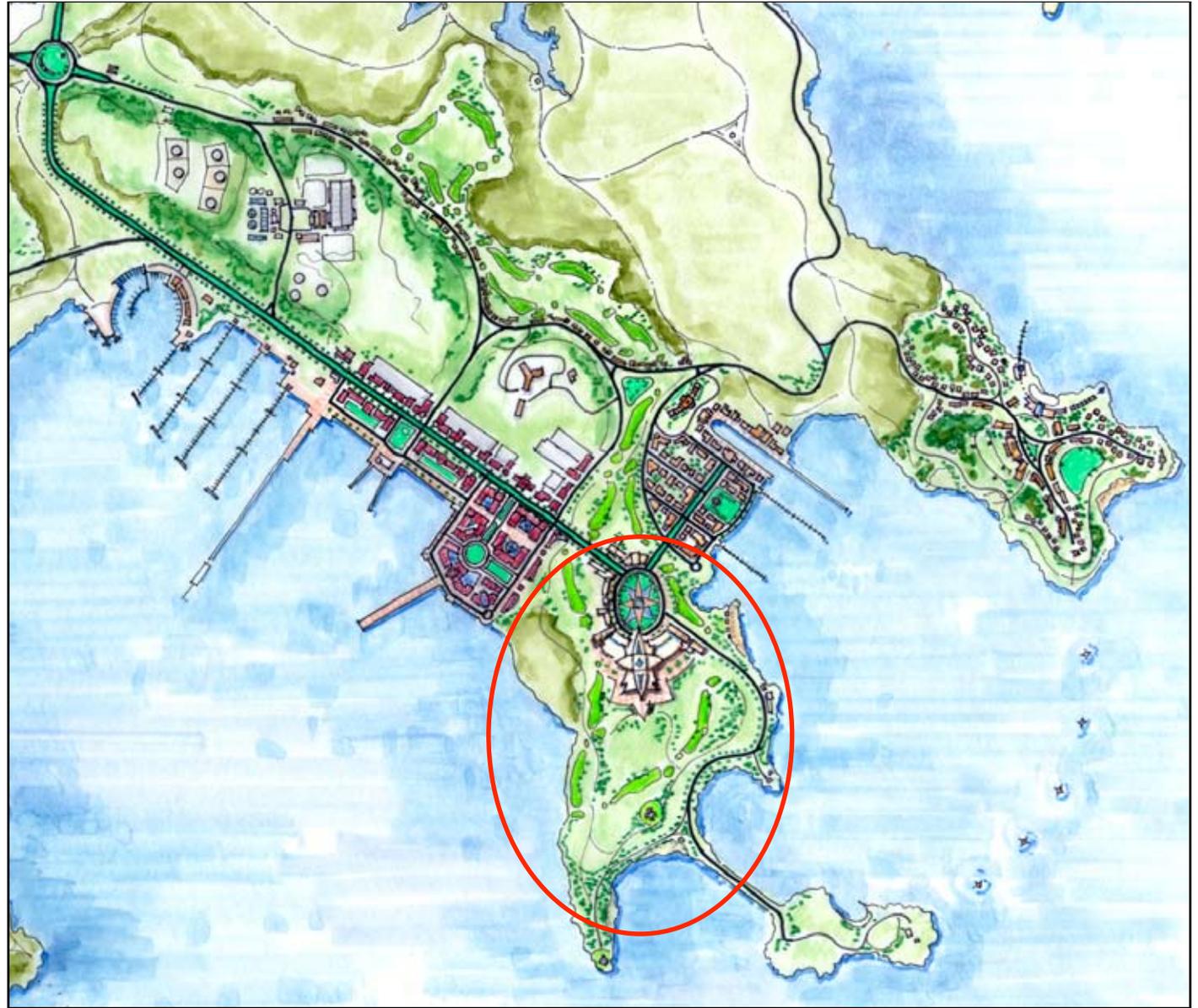
Civic Plaza



Waterfront Golf



Sydney Opera House



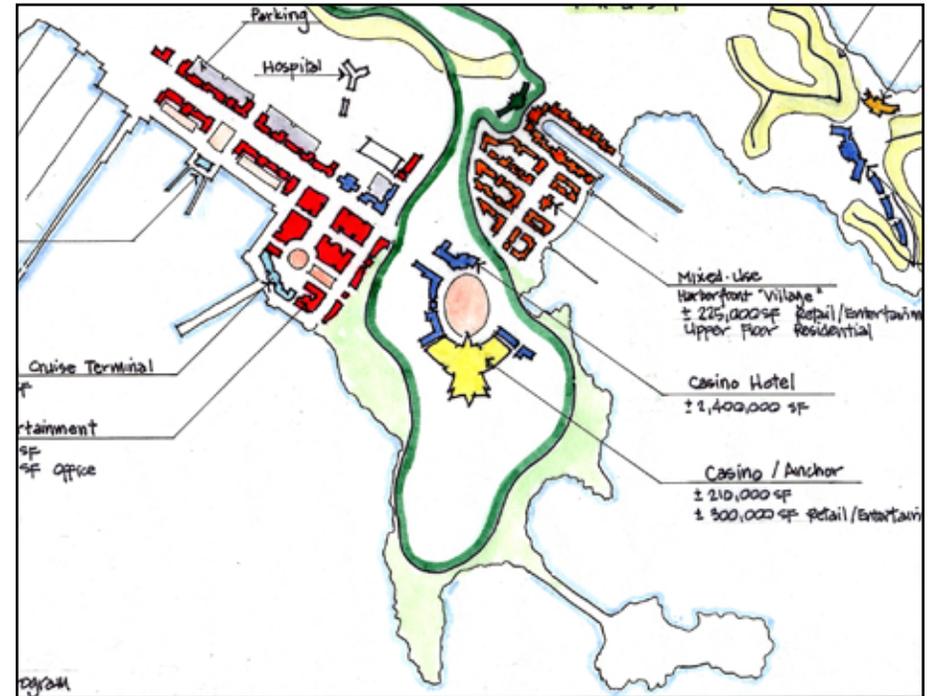
Caribbean Riviera - "The Destination Anchor"

- Signature hotel, dining, shopping and recreation
- Complete tourism complex and attraction
- World-class entertainment - gaming resort
- Waterfront civic gardens & premier golf destination

Program Summary

(square feet)

- Destination Anchor / Casino 210K
- Hotel and Lodging 2,400K
- Retail / Restaurants / Entertainment 200K



Cost and Jobs Estimates

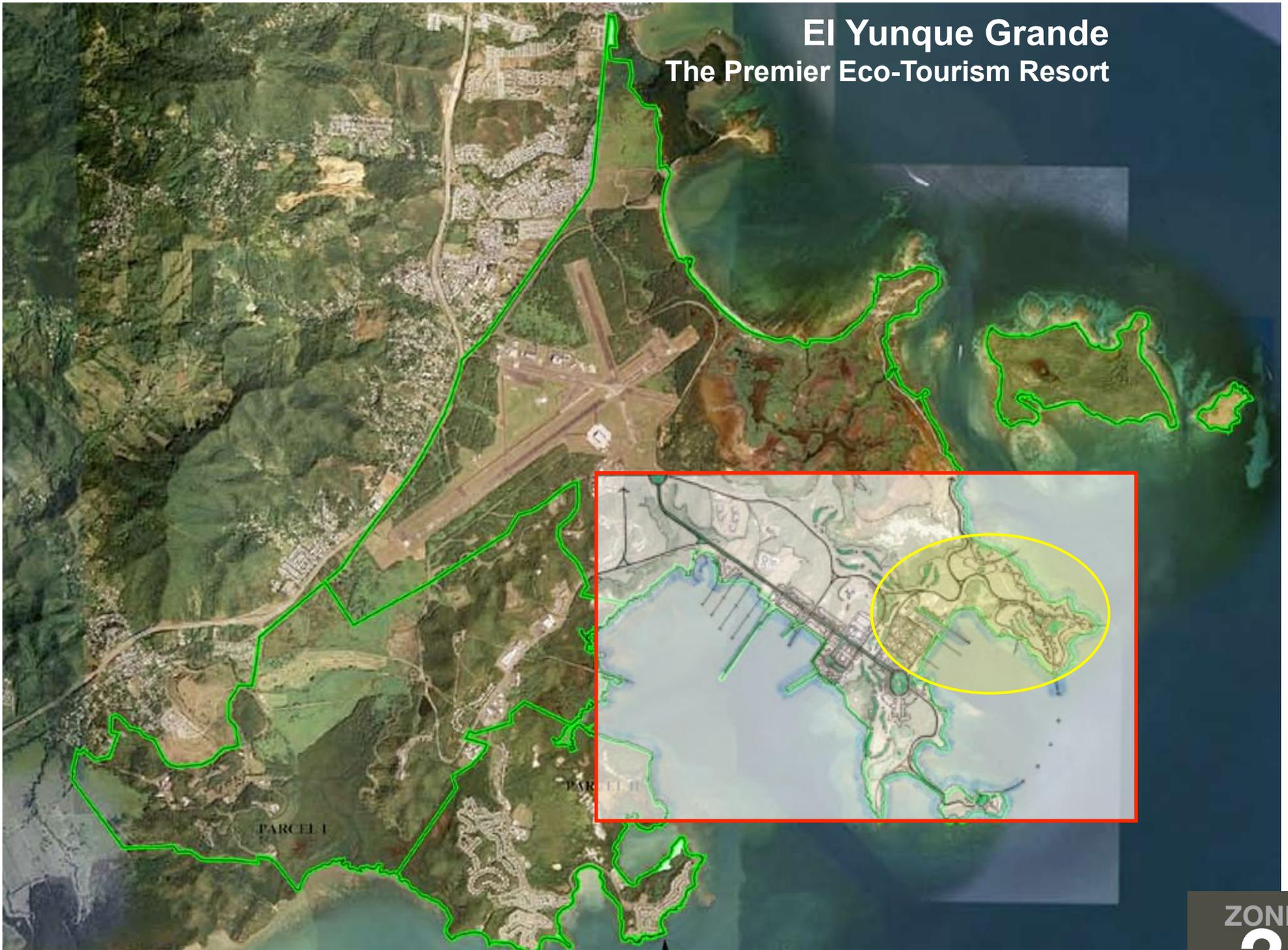
- 7,970 Direct Jobs
- \$907 Million Full Build-out Investment
- 2,810,000 SF of Total Development



Caribbean Riviera
“The Destination Anchor”

ZONE
2

El Yunque Grande The Premier Eco-Tourism Resort





Cabo San Lucas



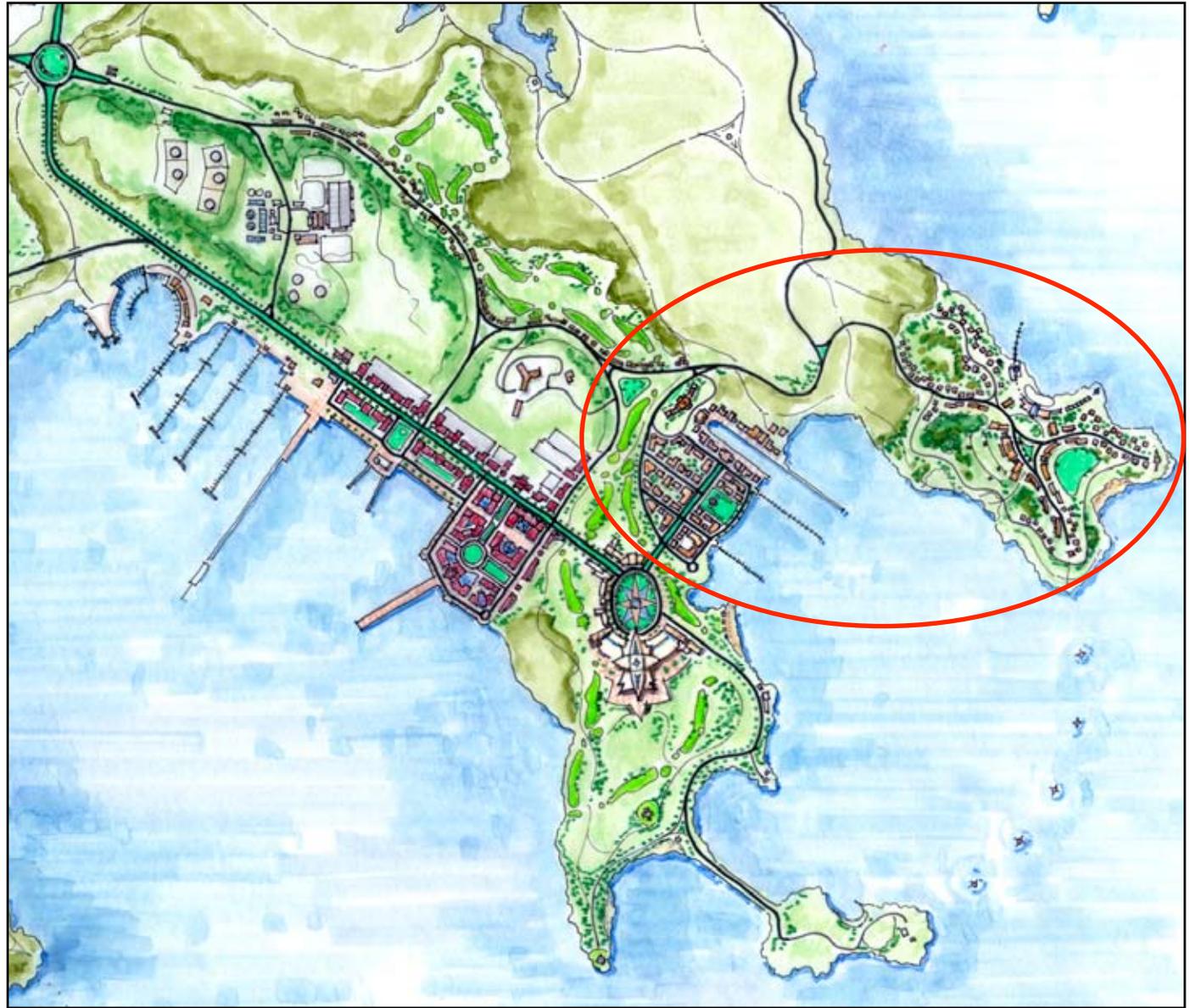
Old Faithful Inn



St. Thomas



Curacao

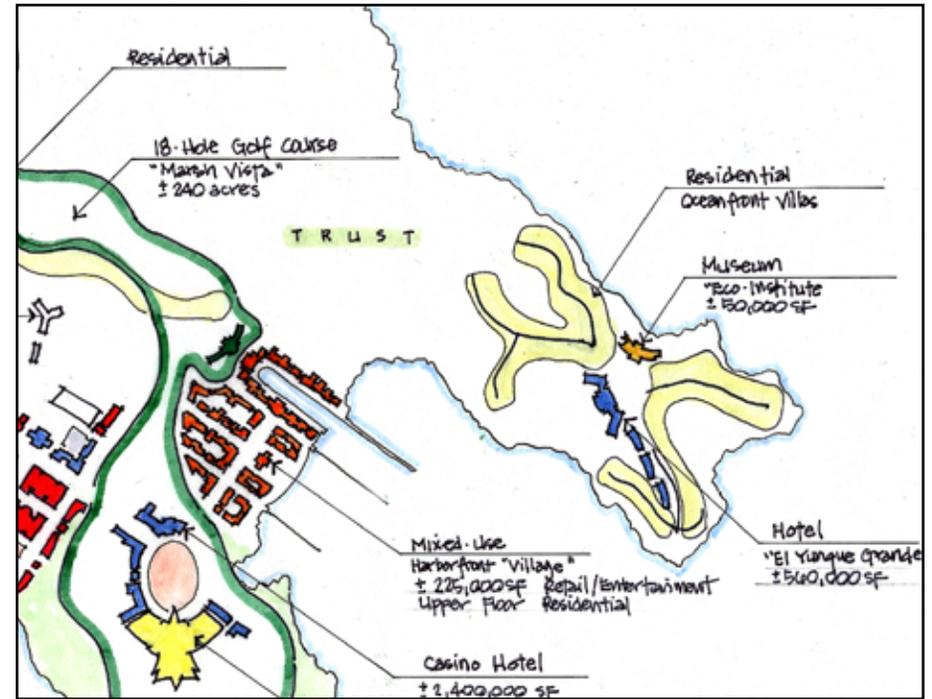


El Yunque Grande -“The Premier Eco-Tourism Resort”

- National park marquee lodge
- Eco-Institute research and visitor center
- Ocean-front and harbor-front resort villas
- Curacao-style harborside fishing village

Program Summary (square feet)

- Eco-Tourism Park Lodge 560K
- El Yunque & Park Interpretive Center 50K
- Entertainment Fishing Village 100K
- Residential Villas 650K
- Office & Support 30K
- Marina (±200 slips) 25K
- Water Taxi Terminal and Pier 20K



Zone 3 Program Diagram

Cost and Jobs Estimates

- 1,590 Direct Jobs
- \$294 Million Full Build-Out Investment
- 1,435,000SF of Total Development

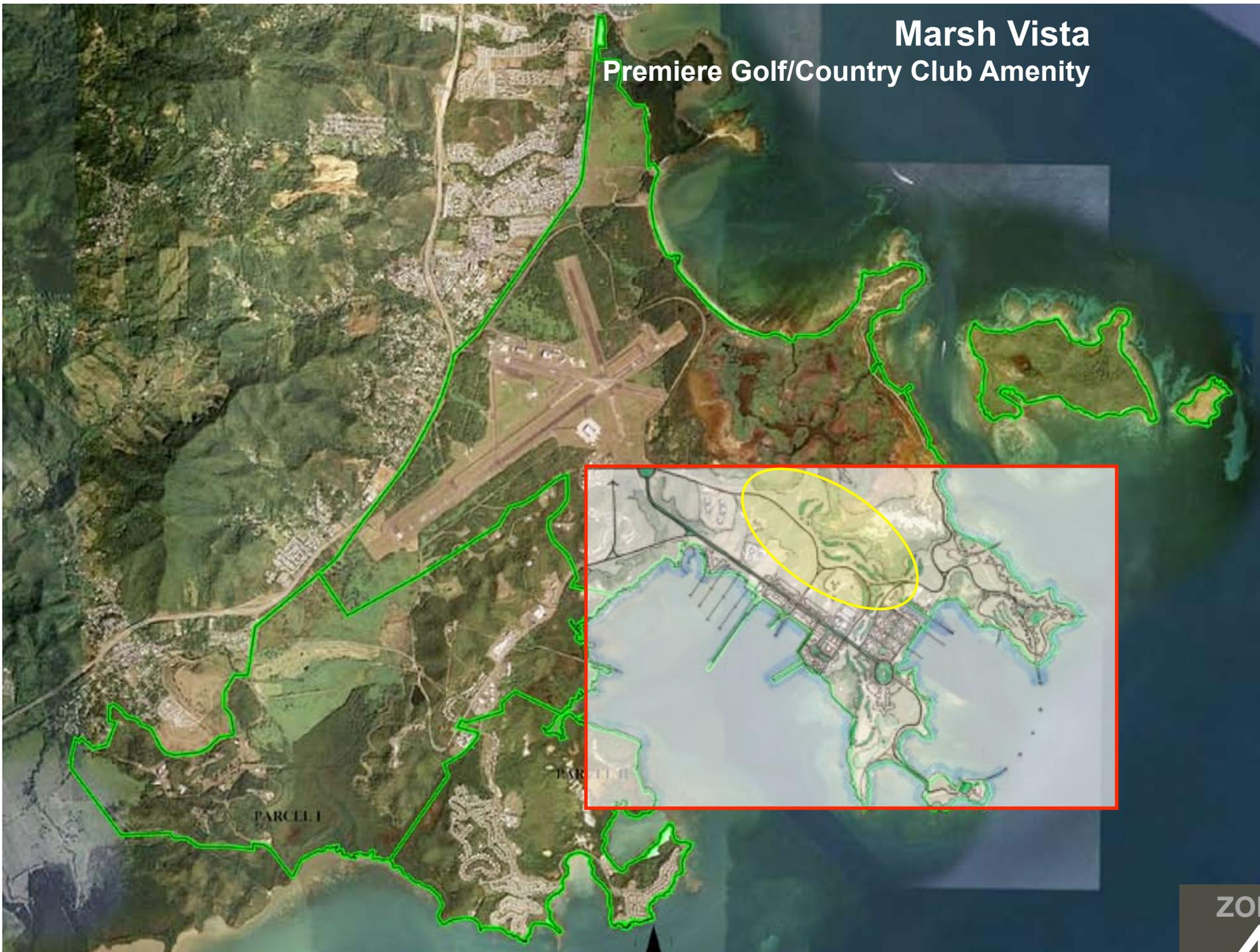


Zone 3 Model Area

El Yunque Grande
The Premier Eco-Tourism Resort

ZONE
3

Marsh Vista Premiere Golf/Country Club Amenity





Premiere Facilities



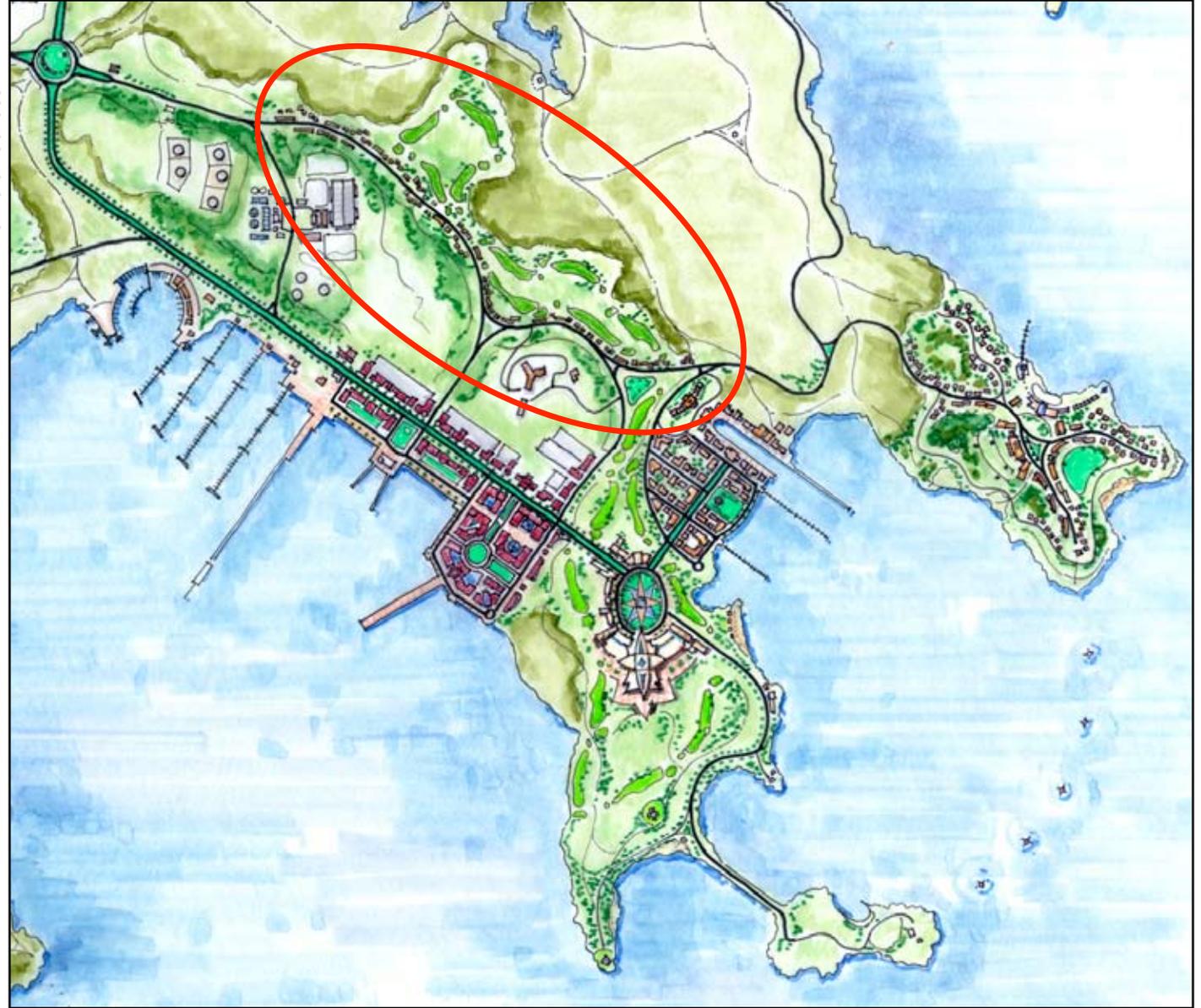
Marshland Overlook



Marshfront Residential



Waterfront Golf



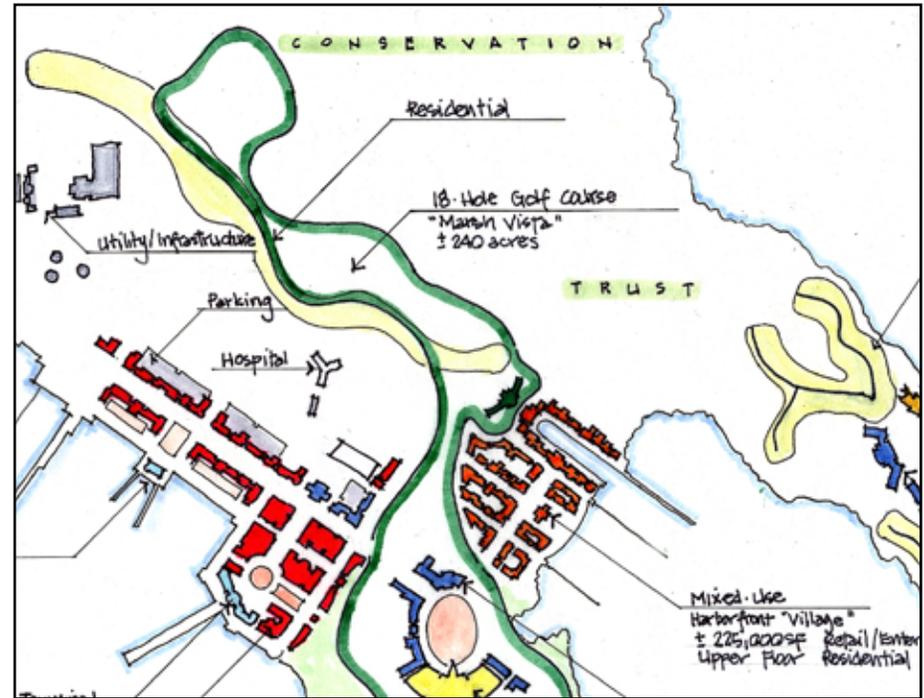
Marsh Vista – “The Golf/Country Club Amenity”

- 18-Hole premier golf course and clubhouse
- Conservation Trust and marshland overlook
- Walking and interpretive hiking trails
- Residential marsh-view villas and fairway homes

Program Summary

(square feet)

- 18 Hole Signature Golf Course 35K
- Clubhouse and Dining 250K
- Marsh-view and Fairway Villas



Zone 4 Program Diagram

Cost and Jobs Estimates

- 110 Direct Jobs
- \$61 Million Full Build-Out Investment
- 285,000SF of Total Development

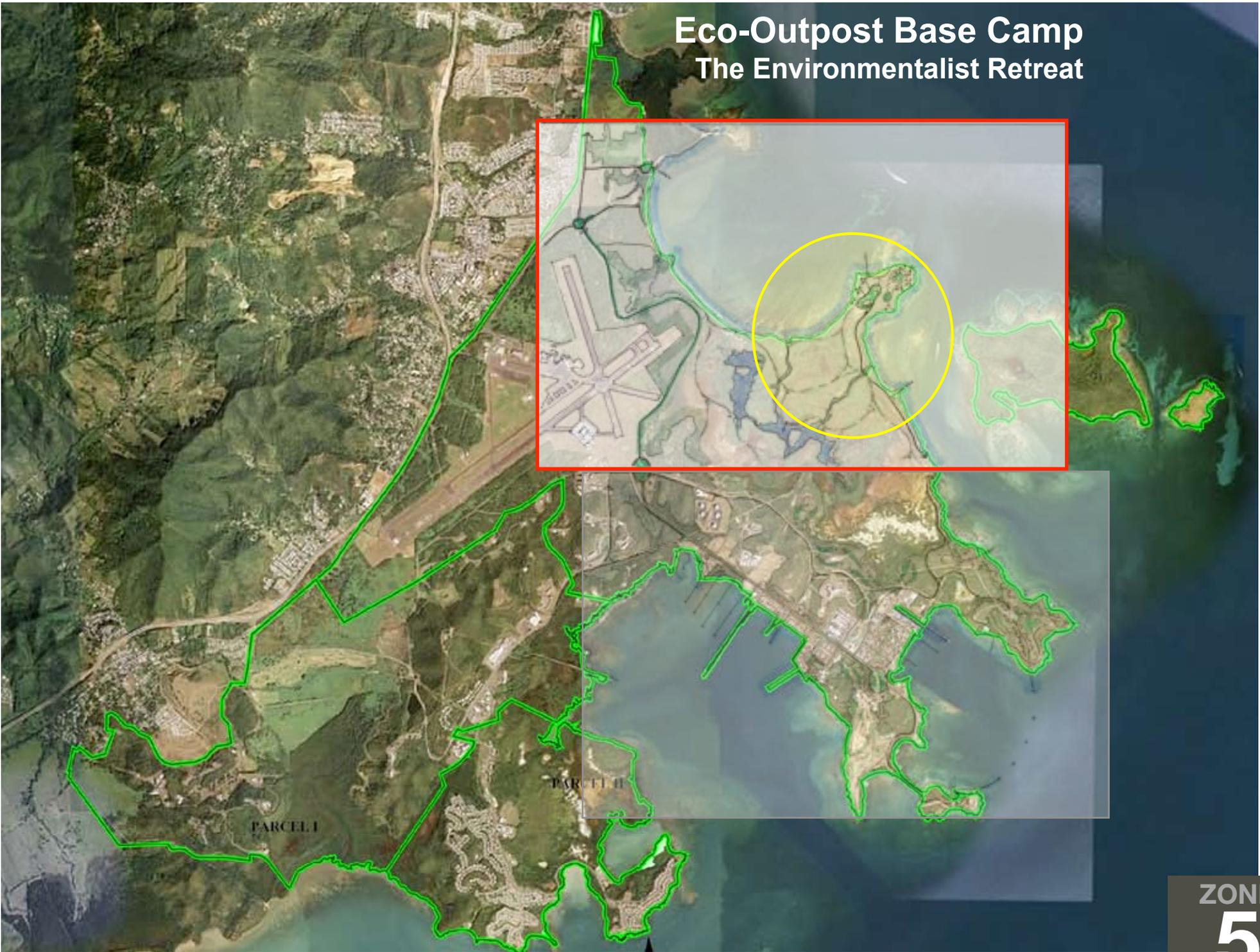


Zone 4 Model Area

Marsh Vista
The Golf / Country Club Amenity

ZONE
4

Eco-Outpost Base Camp The Environmentalist Retreat





Wetlands boardwalk trails



Marshland Eco-Adventures



Research / Interpretive Center



Eco-camp Lodging



Eco-Outpost Base Camp - "The Environmentalist Retreat"

- Specialty lodging eco-camp and campsites
- Interpretative and research programming
- Wetlands boardwalk and marsh launch

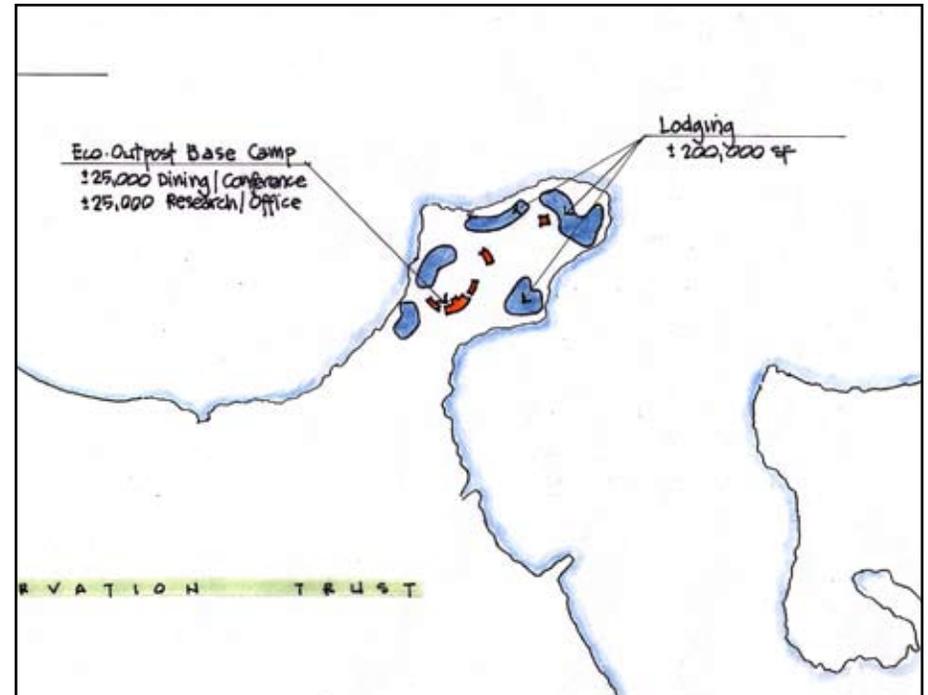
Program Summary

(square feet)

- Outpost Eco-Lodge/Lodging 100K
- Dining / Conference 25K
- Office / Research Facilities 25K

Cost and Jobs Estimates

- 112 Direct Jobs
- \$18 Million Full Build-Out Investment
- 150,000SF of Total Development



Zone 5 Program Diagram

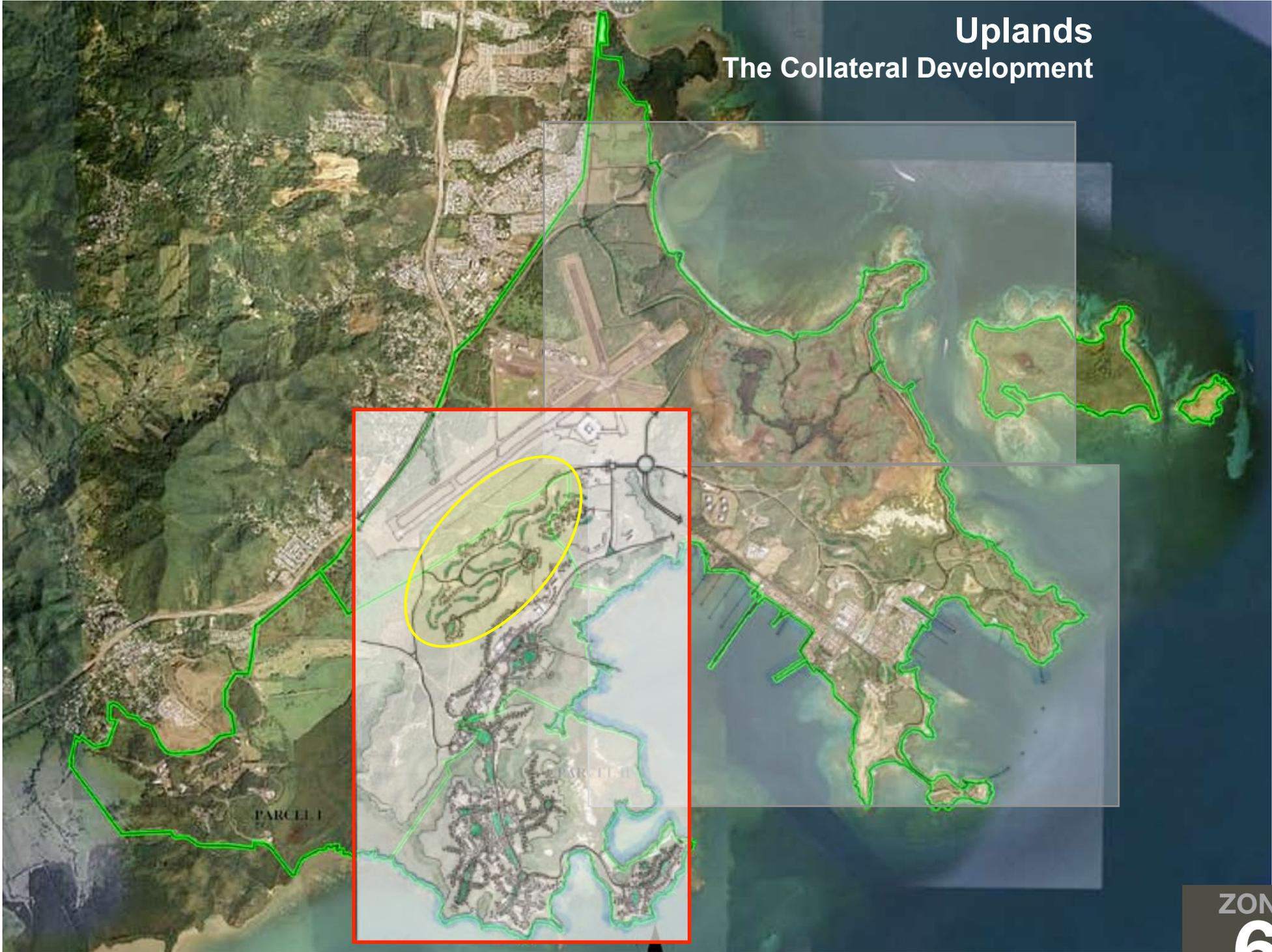


Zone 5 Model Area

Eco-Outpost Base Camp
Environmentalist Retreat

ZONE
5

Uplands The Collateral Development



PARCEL 1

PARCEL 2



Airport related business/industry



Hillside Golf



Hilltop Clubhouse



Waterfront views/overlook



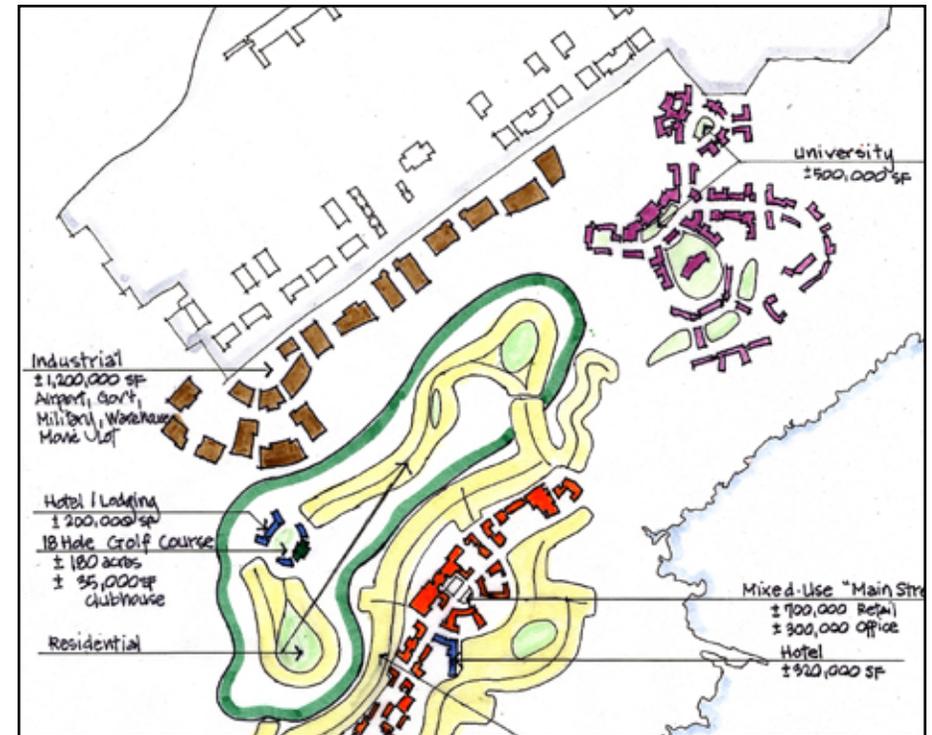
Uplands - “The Collateral Development”

- Range of economic opportunity
- Multi-terrain golf course and clubhouse
- Hillside villas and fairway homes
- Airside industrial, warehousing and assembly

Program Summary

(square feet)

- Airside Industrial 500K
- Light Industrial 500K
- Specialty Industrial 200K
- Support Office and Retail 150K
- Specialty Golf Course and Clubhouse 35K
- Residential 250K



Zone 6 Program Diagram

Cost and Jobs Estimates

- 1,751 Direct Jobs
- \$174 Million Full Build-out Investment
- 1,635,000SF of Total Development



Zone 6 Model Area

Uplands
The Collateral Development

ZONE
6

Main Street The Town Center





Community College Campus



Multiple Building Reuse



Mixed Use Town Center



Seaside, FL



Main Street - “The Town Center”

- Adaptive reuse of commercial corridor buildings
- Neighborhood amenities, offices and shopping
- Hillside and port-view apartments and midrise homes
- College town, student housing and schools

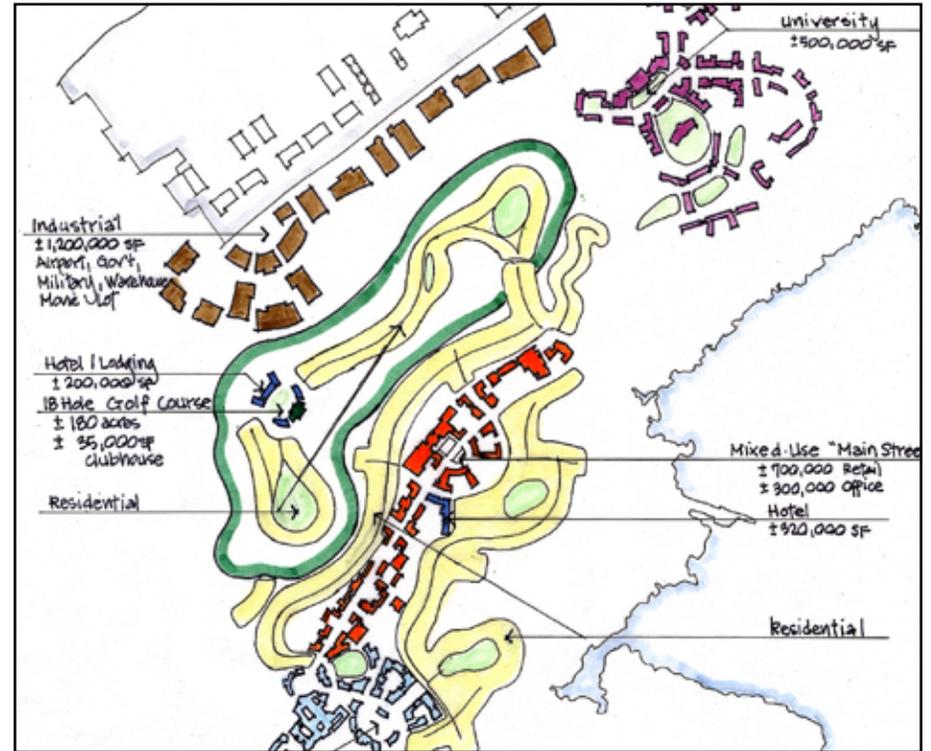
Program Summary

(square feet)

• Neighborhood Retail and Entertainment	400K
• Neighborhood Office and Support	100K
• Community Residential	1,500K
• Navy Lodge Redevelopment	320K
• University	200K

Cost and Jobs Estimates

- 2,746 Direct Jobs
- \$429 Million Full Build-out Investment
- 2,750,000SF of Total Development



Zone 7 Program Diagram

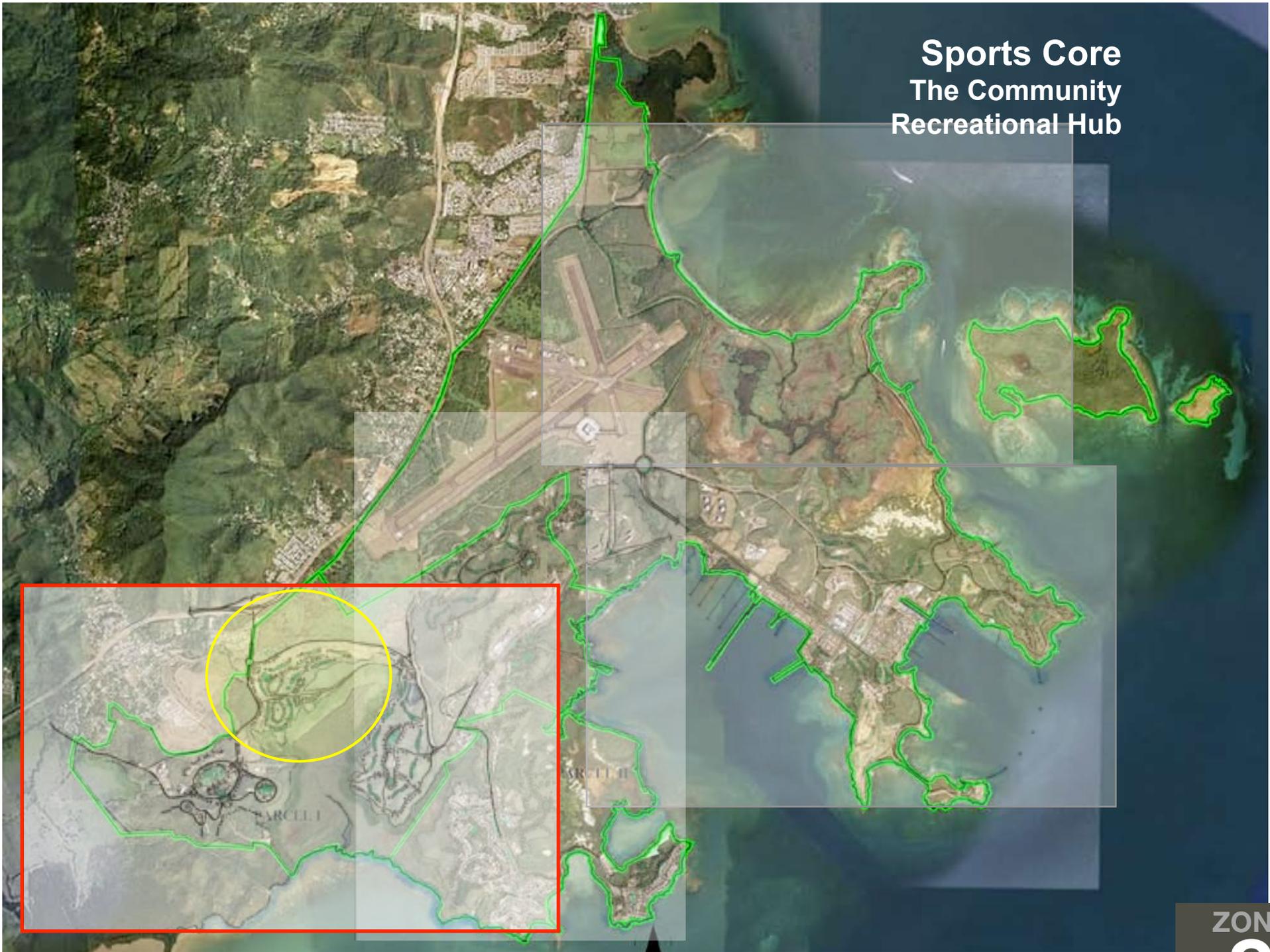


Zone 7 Model Area

**Main Street
The Town Center**

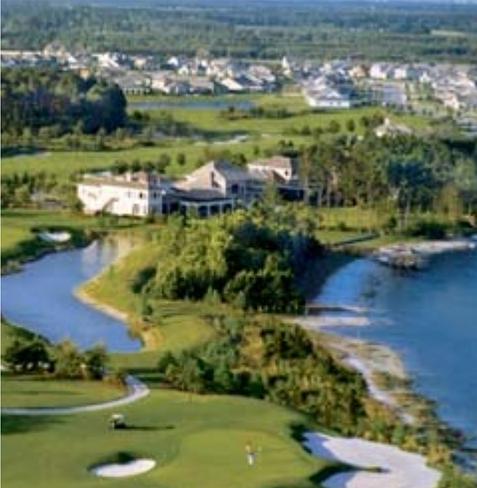
**ZONE
7**

Sports Core The Community Recreational Hub





Community Sports



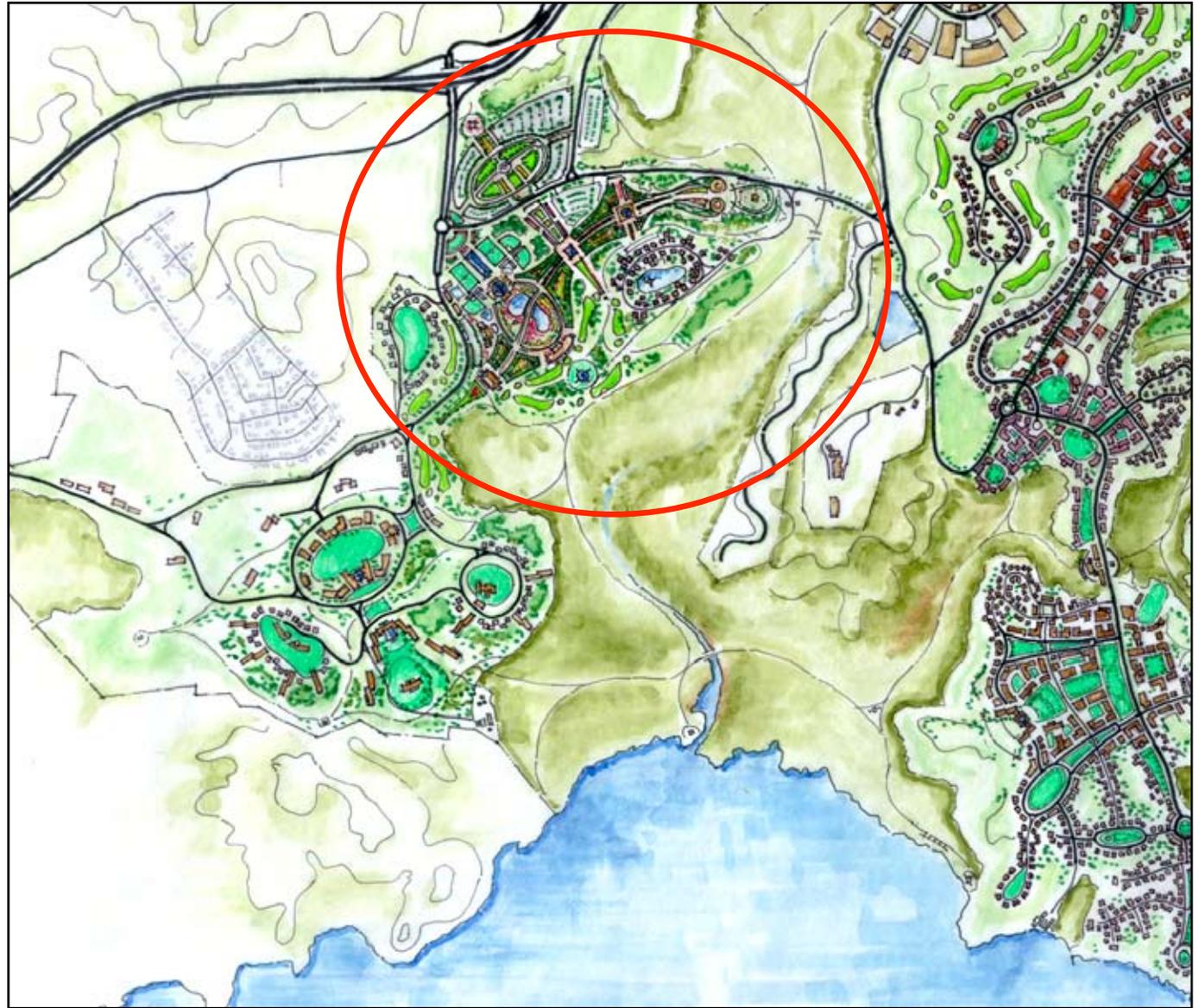
Community Recreation/Golf



Trails and Amenities



Gateway Gardens & Landscape



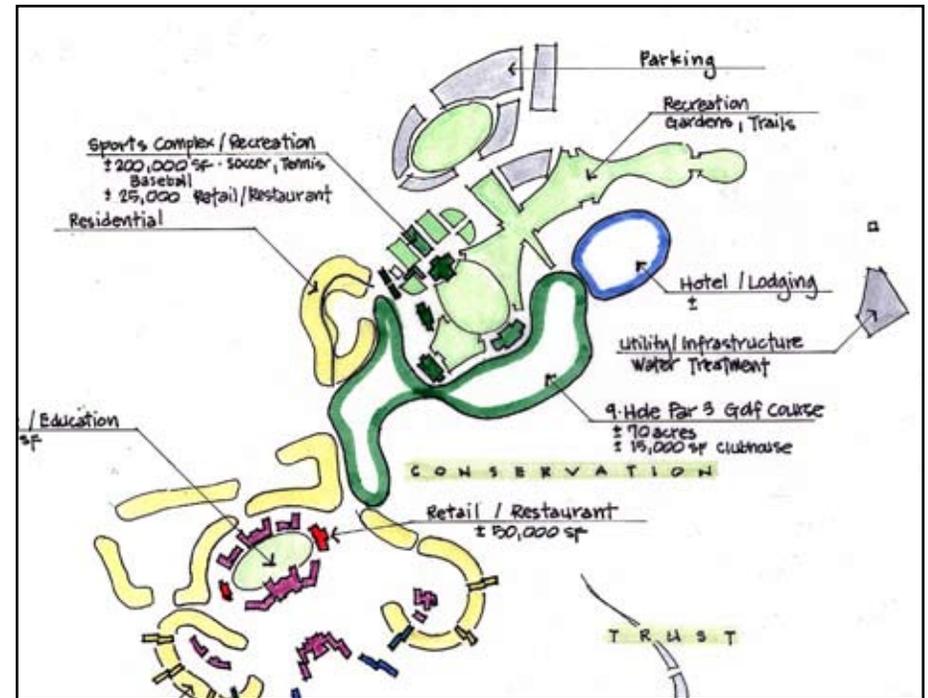
Sports Core - The Community Recreational Hub

- Parks and garden entry environment
- Community athletic fields and facilities
- Equestrian trails, amenities and village

Program Summary

(square feet)

• Community Sports and Recreation	200K
• Office and Support	50K
• Specialty Lodge	80K
• Retail and Dining	30K
• Specialty Golf Training Course	15K
• Industrial	50K
• Residential	200K



Zone 8 Program Diagram

Cost and Jobs Estimates

- 673 Direct Jobs
- \$81 Million Full Build-out Investment
- 625,000SF of Total Development

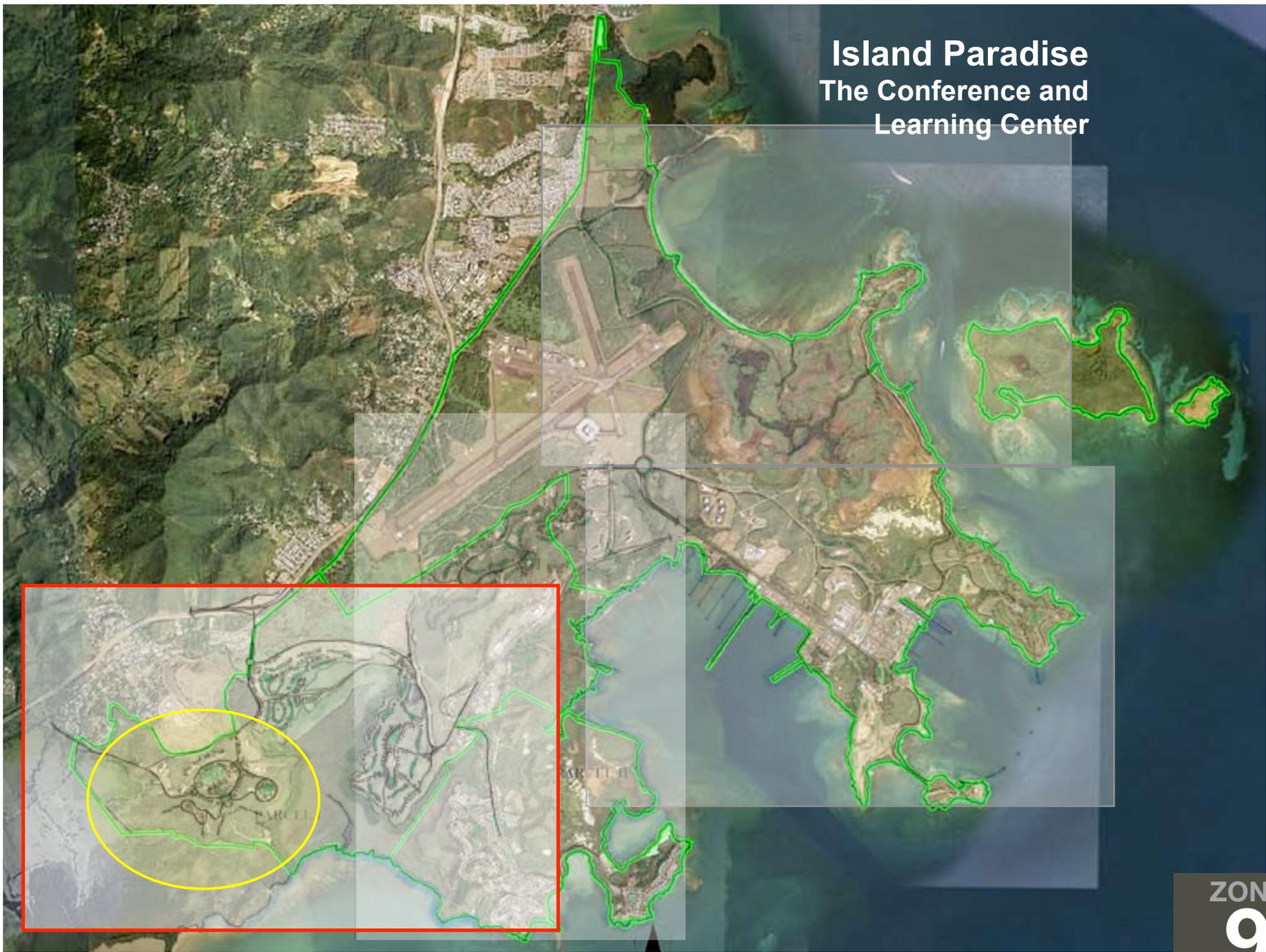


Zone 8 Model Area

Sports Core
The Community Recreational Hub

ZONE
8

Island Paradise The Conference and Learning Center





Prime Location / Views



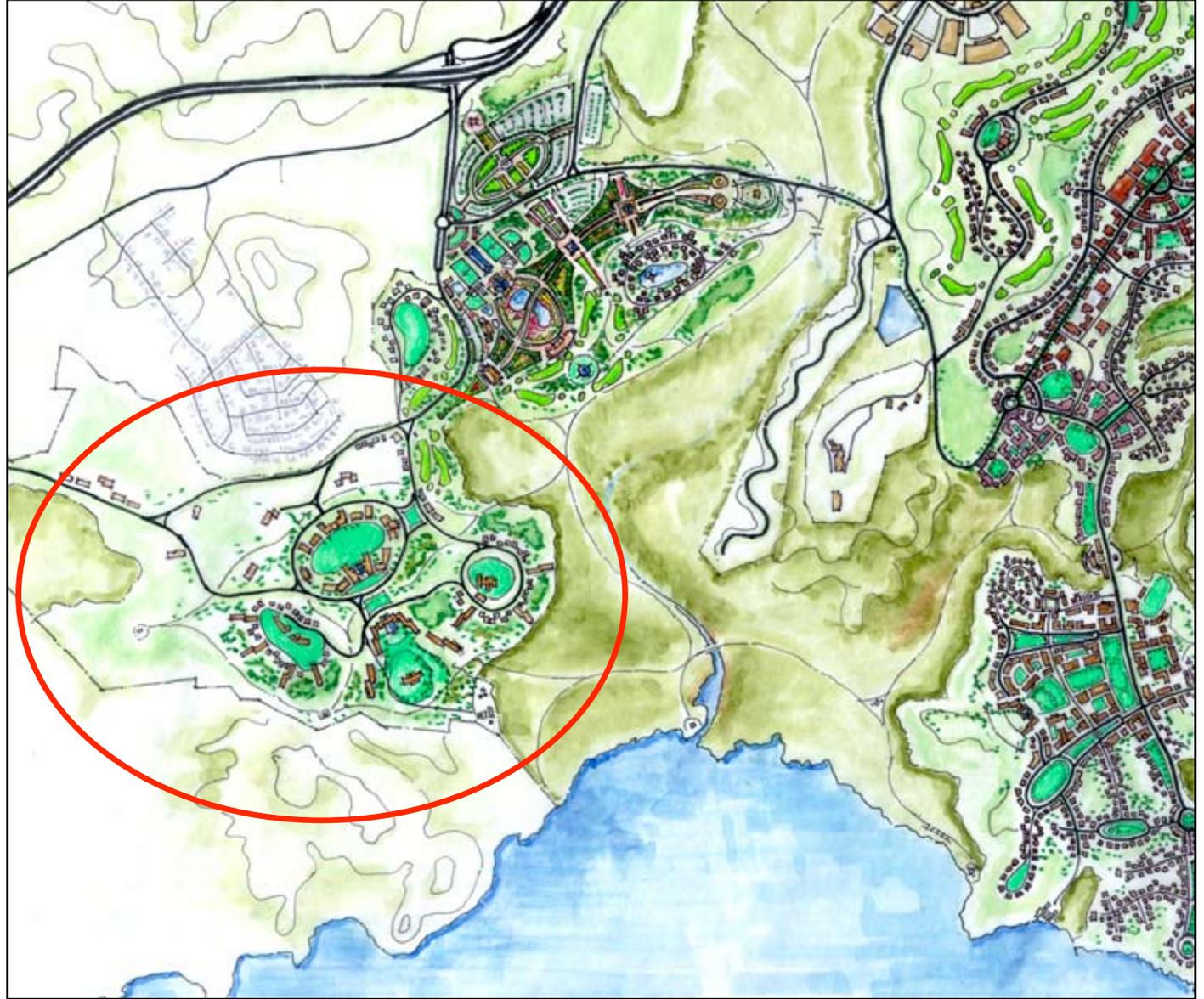
Conference Facilities



Educational/Corporate Retreat



Premiere Lodging



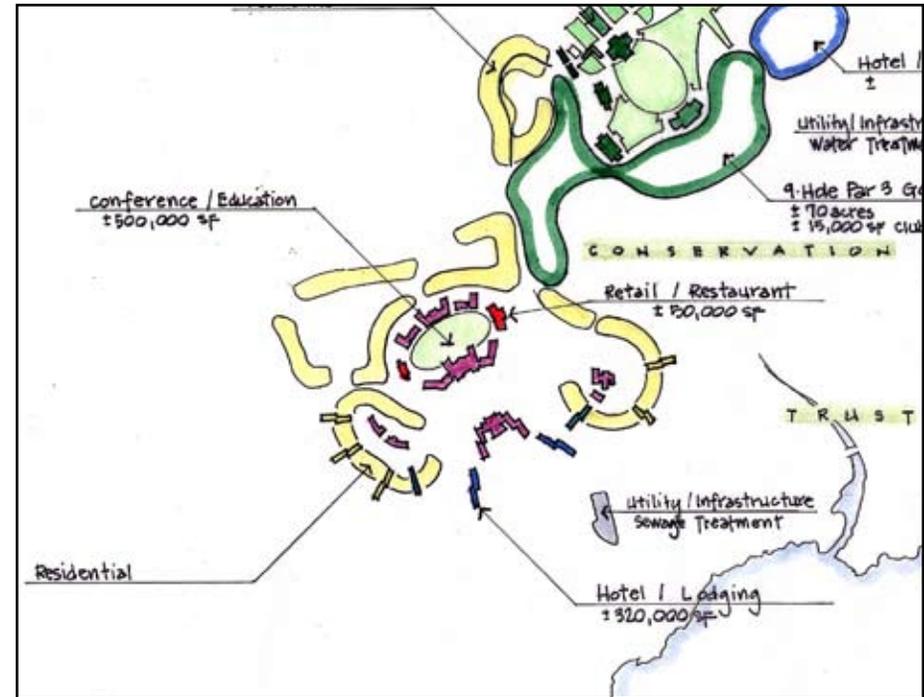
Island Paradise - "The Conference & Learning Center"

- Unique destination retreat center
- Multi-faceted and multi-invitational
- Variety of lodging and meeting/training opportunities

Program Summary

(square feet)

- Conference and Retreat 500K
- Lodging 320K
- Retail and Support 50K
- Homes and Villas future



Zone 9 Program Diagram

Cost and Jobs Estimates

- 2,117 Direct Jobs
- \$47 Million Full Build-out Investment
- 970,000SF of Total Development



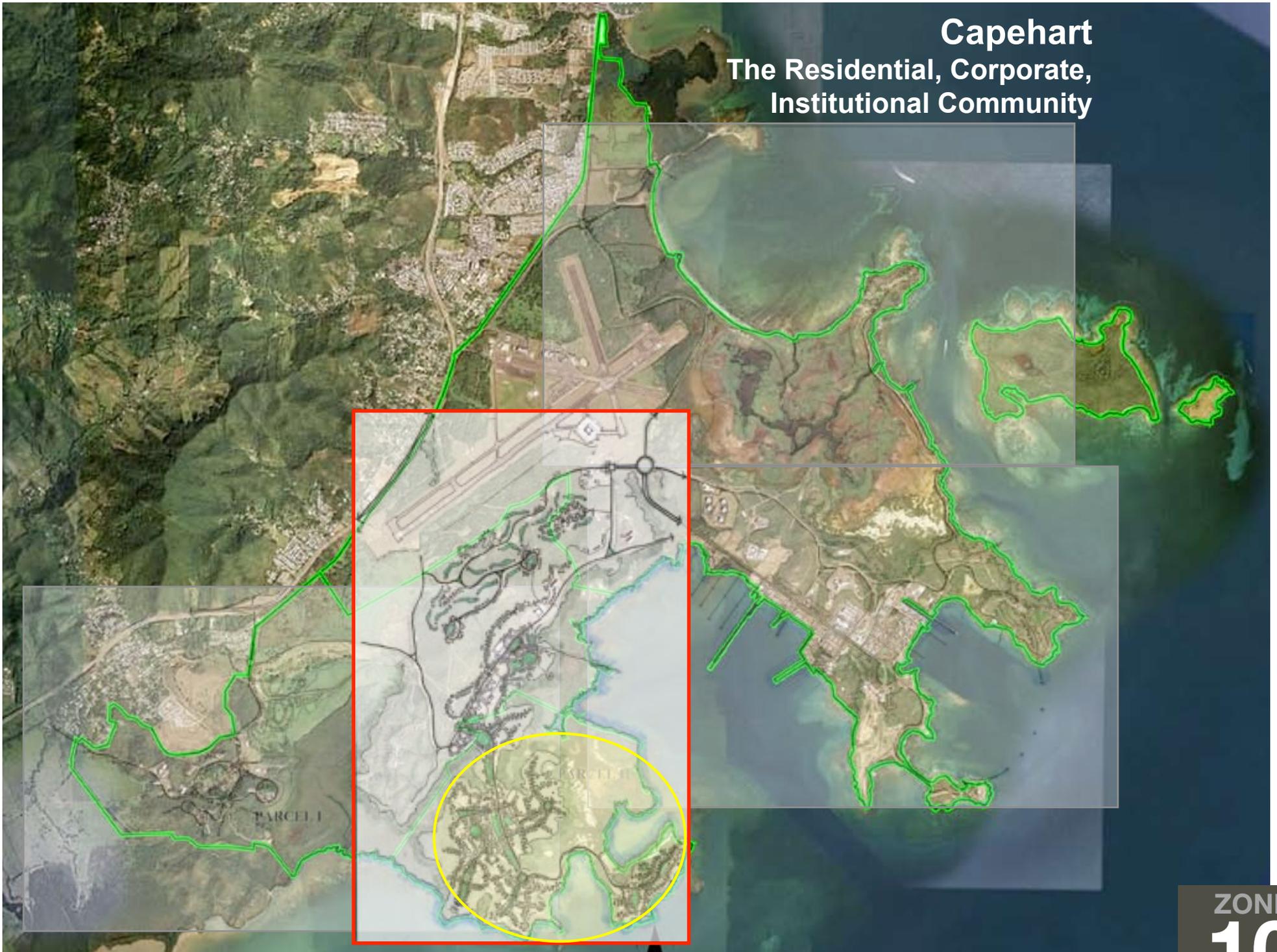
Zone 9 Model Area

Island Paradise
The Conference & Learning Center

ZONE
9

Capehart

The Residential, Corporate,
Institutional Community





Prime Resort Residences



Residential Community



Corporate Campus - Weyerhaeuser Inc.



Waterfront Residential



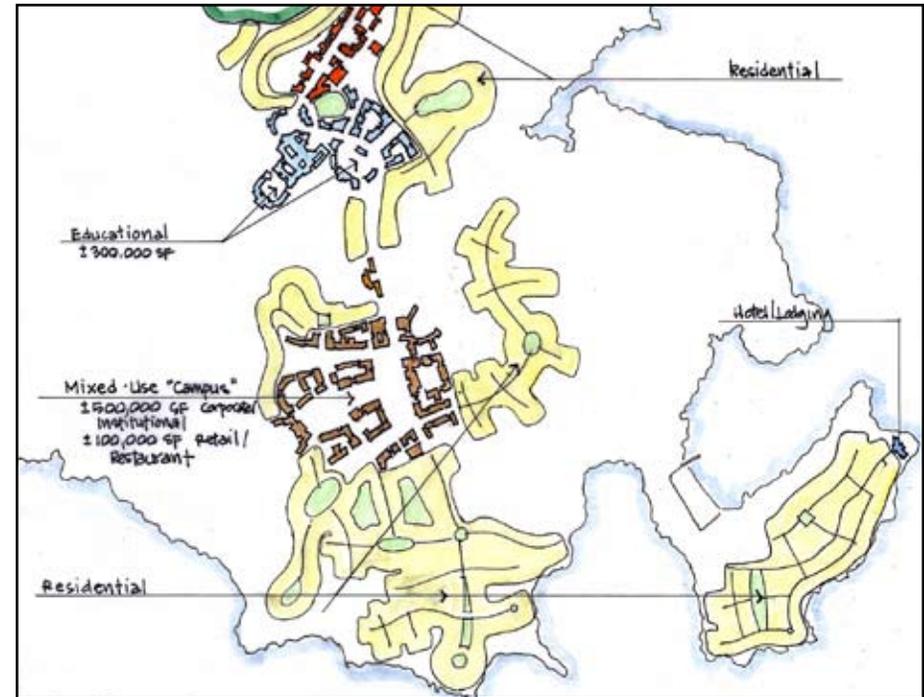
Capeheart - “The Residential, Corporate, Institutional Community”

- Reclamation of residential neighborhood
- Campus opportunity - corporate or institutional
- Range of future uses and inherent value

Program Summary

(square feet)

- Corporate/Institutional 500K
- Retail and Dining 50K
- Homes and Villas 450K



Zone 10 Program Diagram

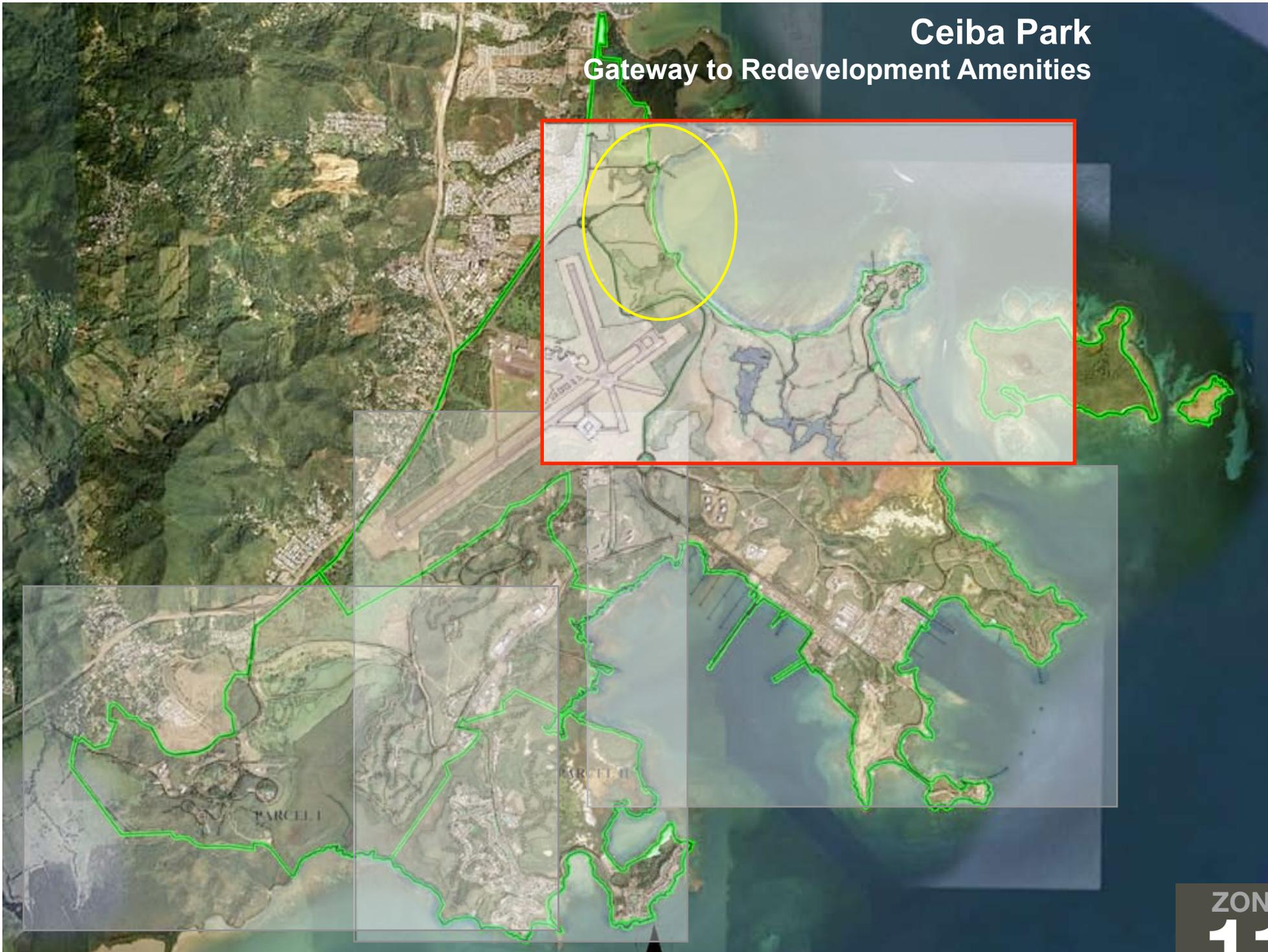
Cost and Jobs Estimates

- 1,439 Direct Jobs
- \$213 Million Full Build-out Investment
- 1,000,000SF of Total Development



Zone 10 Model Area

Ceiba Park Gateway to Redevelopment Amenities





Conservation Trust Access/Gateway



Community Pier



Beachfront Amenities



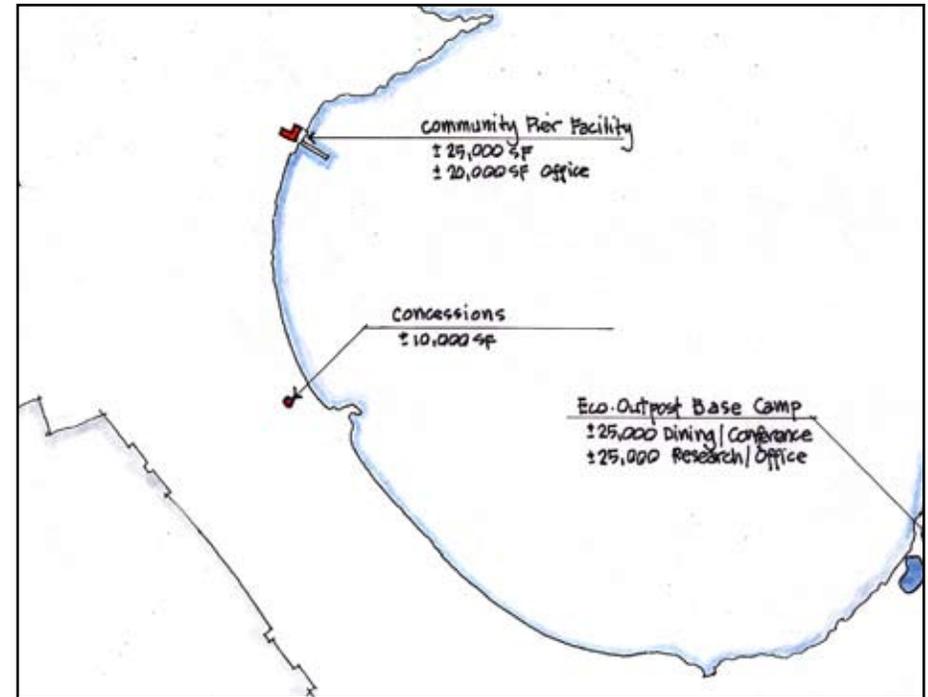
Ceiba Park - "Gateway to Redevelopment Amenities"

- Community fishing pier and beach amenities
- Community gateway to Conservation Trust experience and interpretive opportunities
- Collateral community development opportunities

Program Summary

(square feet)

- Fishing Pier and Dock 25K
- Community Concessions & Dining 10K
- Office 20K
- Collateral Community Development TBD



Zone 11 Program Diagram

Cost and Jobs Estimates

- 90 Direct Jobs
- \$7 Million Full Build-out Investment
- 55,000SF of Total Development



Zone 11 Model Area

NSRR - Preliminary Reuse Plan Summary, Job Creation Estimates, and Order of Magnitude Cost
April 30, 2010 Addendum to 2004 Reuse Plan

Zone	Location	Projected Use	Development Area (GSF)	Job Creation (Direct and Induced)	Order of Magnitude Development Cost
1	Port Caribe	Commercial Heart			
		Retail/ Restaurants/ Entertainment District	200,000	667	\$40,000,000
		Hotel	320,000	600	96,000,000
		Hospital	130,000	650	by others
		Office	50,000	125	7,500,000
		Marina	25,000	50	3,500,000
		International Cruise Terminal	150,000	38	19,500,000
		Industrial/ Back of House	200,000	200	16,000,000
Ferry Terminal	50,000	13	6,500,000		
		Zone Total	1,125,000	2,342	\$189,000,000
2	Caribbean Riviera	Destination Anchor			
		Casino	210,000	2,800	\$147,000,000
		Casino Hotel	2,400,000	4,500	720,000,000
		Retail/ Restaurants/ Entertainment	200,000	667	40,000,000
		Zone Total	2,810,000	7,967	\$907,000,000
3	El Yunque Grande	Premier Eco-Tourism Resort			
		Hotels - "Lodge"	560,000	1,050	\$168,000,000
		Eco Museum/ Visitor's Center	50,000	50	6,500,000
		Office	30,000	75	3,000,000
		Retail/ Restaurants/ Entertainment "Village"	100,000	333	13,000,000
		Residential Villas	650,000	26	97,500,000
		Marina	25,000	50	3,500,000
		Water Taxi Terminal/ Pier	20,000	5	2,800,000
		Zone Total	1,435,000	1,589	\$294,300,000
4	Marsh Vista	Golf/Country Club Amenity			
		18 hole Golf Course and Clubhouse	35,000	100	\$23,400,000
		Residential	250,000	10	37,500,000
		Zone Total	285,000	110	\$60,900,000
5	Eco-Outpost Camp	Environmental Retreat			
		Dining/ Conference	25,000	21	\$4,625,000
		Lodging	100,000	75	10,000,000
		Office/ Research	25,000	16	3,250,000
		Zone Total	150,000	112	\$17,875,000
6	Airport Uplands	Collateral Development			
		Airport, Government, Military	500,000	500	\$40,000,000
		Industrial/ Warehouse	500,000	500	40,000,000
		Specialty Industrial	200,000	200	16,000,000
		Office	75,000	188	7,500,000
		Retail	75,000	250	15,000,000
		Residential	250,000	25	32,500,000
		18-hole Golf Course & Clubhouse	35,000	88	23,400,000
		Zone Total	1,635,000	1,751	\$174,400,000

NSRR - Preliminary Reuse Plan Summary, Job Creation Estimates, and Order of Magnitude Cost
April 30, 2010 Addendum to 2004 Reuse Plan

Zone	Location	Projected Use	Development Area (GSF)	Job Creation (Direct and Induced)	Order of Magnitude Development Cost
7	Main Street	Town Center			
		Educational Facilities/ Schools	80,000	80	\$10,400,000
		Office	100,000	250	15,000,000
		Retail, Restaurant, Entertainment	400,000	1,333	80,000,000
		Residential	1,450,000	83	217,500,000
		Industrial/ Back of House	200,000	200	16,000,000
		Hotel	320,000	600	64,000,000
		University	200,000	200	26,000,000
	Zone Total	2,750,000	2,746	\$428,900,000	
8	Sports Core	Community Sports			
		Golf Course (par 3)	15,000	38	\$6,000,000
		Retail, Restaurant, Entertainment	30,000	100	3,000,000
		Hotel	80,000	150	24,000,000
		Industrial	50,000	50	4,000,000
		Office	50,000	125	7,500,000
		Sports Complex/ Recreation Fields	200,000	200	6,000,000
		Residential	200,000	10	30,000,000
	Zone Total	625,000	673	\$80,500,000	
9	Island Paradise	Retreat, Conference, Learning			
		Retail, Restaurant, Entertainment	50,000	167	\$10,000,000
		Hotels	320,000	600	64,000,000
		Industrial	100,000	100	8,000,000
		Conference/ Educational	500,000	1,250	65,000,000
	Zone Total	970,000	2,117	\$147,000,000	
10	Capeheart	Residential/ Corporate			
		Corporate/ Institutional	500,000	1,250	\$90,000,000
		Retail, Restaurant, Entertainment	50,000	167	10,000,000
		Residential	450,000	23	112,500,000
	Zone Total	1,000,000	1,439	\$212,500,000	
11	Ceiba Park	Gateway			
		Concessions	10,000	33	\$1,300,000
		Office	20,000	50	2,600,000
		Pier	25,000	6	3,250,000
	Zone Total	55,000	90	\$7,150,000	
	Infrastructure Preliminary Allowance:				\$365,000,000
	Utility system upgrades				
	Roadways, transit and circulation enhancements				
	Structured and surface public parking				
	Landscaping, streetscape and urbanscape elements				
			12,840,000	20,934	\$2,702,025,000
				1.4 (multiplier)	
				29,308	

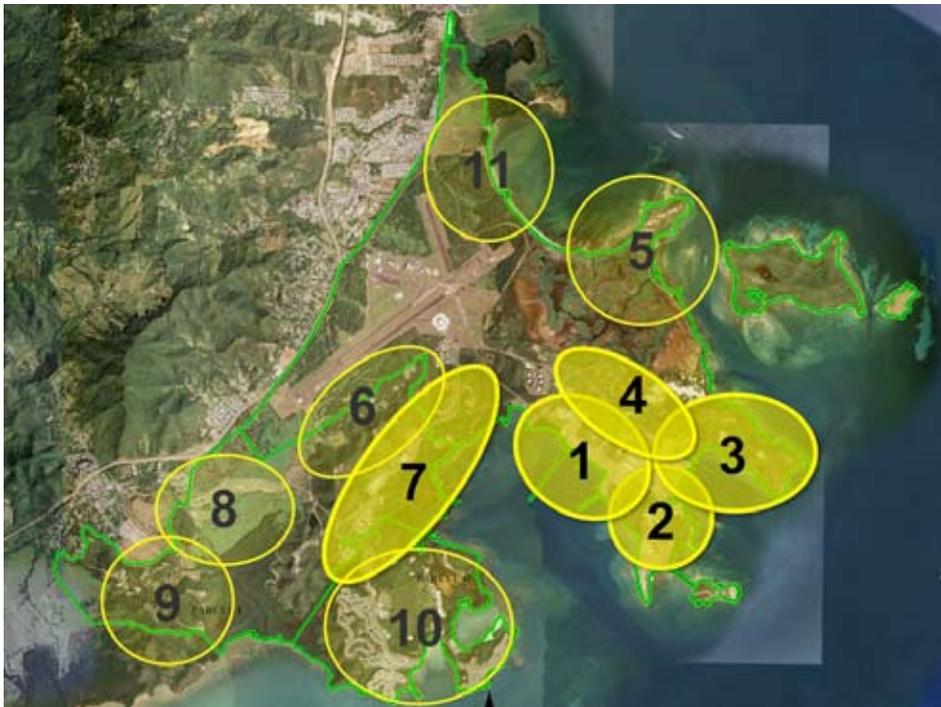
Sources: Johnson Consulting; CCS; Manuel DeLemos; Estudios Tecnicos, Inc.; Data from 9 similar casinos; National Association of Home Builders; Mid- Ohio Regional Planning Council



Pre Development Launch

Pre development Launch:

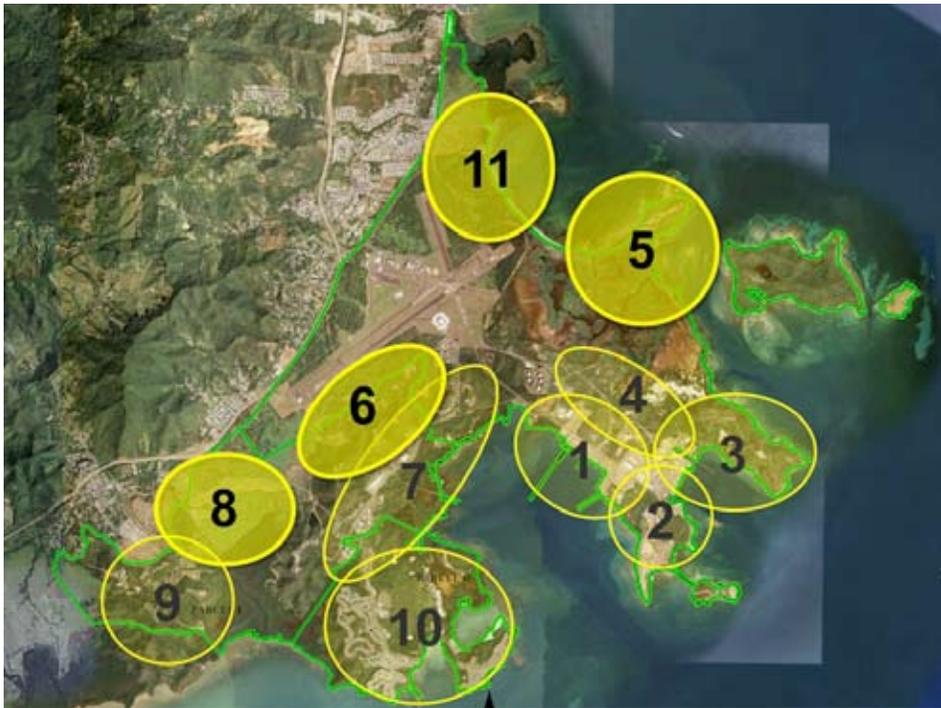
- Pre development Launches: within each sequenced phase will be a series of “site preparation” initiatives necessary to entice investment, provide a framework for redevelopment, establish critical infrastructure or ensure quality guidance and zoning; it is anticipated these will overlay on each phased launch and be facilitated, managed and directed by the LRA through both public and private sector means



Phase I Launch

Phase I Launch

- Phase One Launch: critical to the success of the redevelopment are the initial projects in Zones 1, 2, 3, & 4 which establish the framework and foundation for the destination anchor and tourism uses, and in parallel in Zone 7 which initiates the community main street opportunities and potentials; by stressing both in the initial launch a range of markets will be met (and created) as well as the establishment of redevelopment energies in two distinct geographic areas of the site – affording the opportunity for adaptive reuse and quick return from the Zone 7 facilities.



Phase II Launch



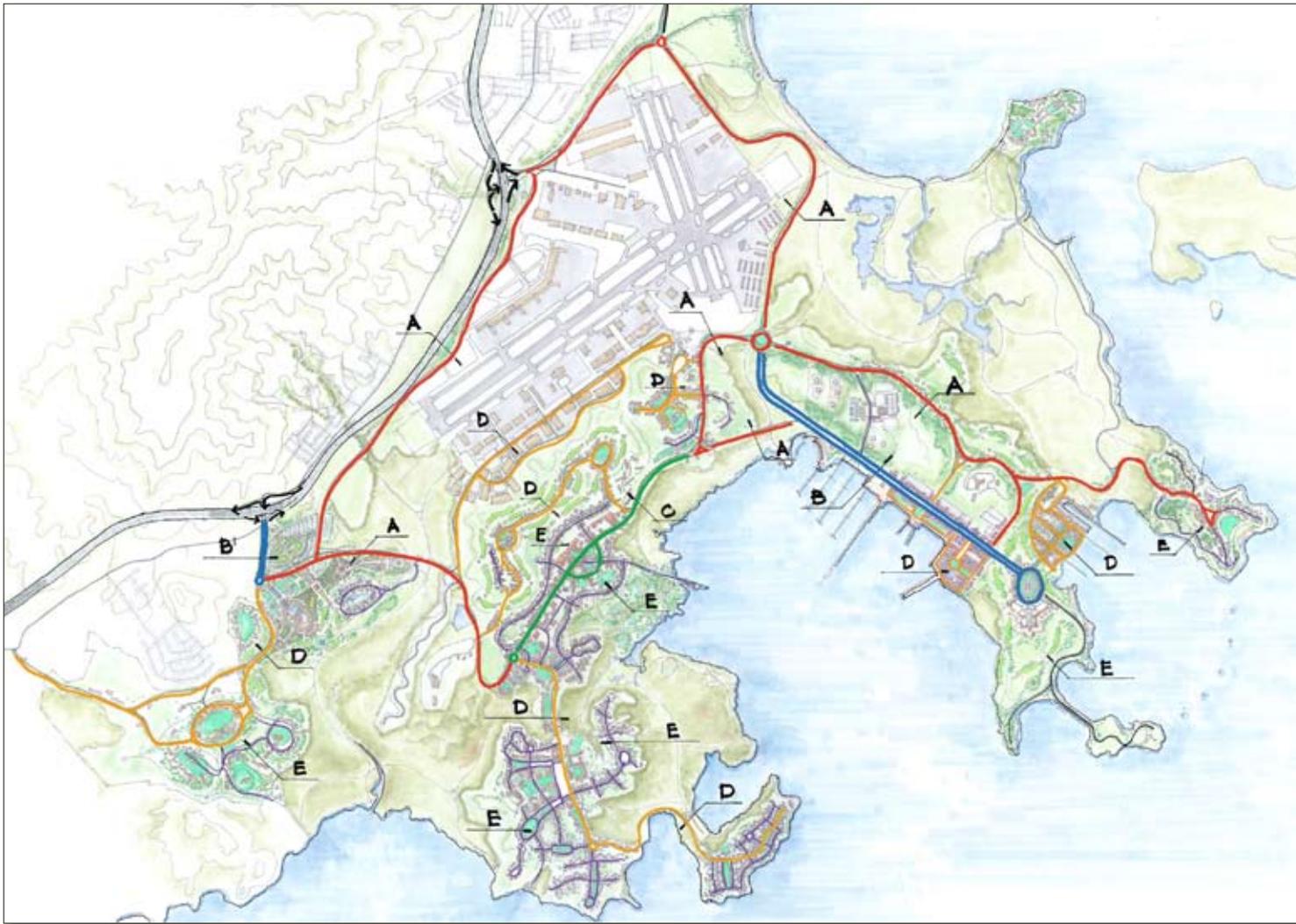
Phase III Launch

Phase II Launch:

- Phase Two Launch: initial projects in Zones 5, 6, 8 & 11 which will start the collateral and related development once the Phase One Launch projects have established greater value and direction; by so doing, the redevelopment will create value throughout its course rather than merely following and reacting to market conditions alone.

Phase III Launch

- Phase Three Launch: Zones 9 and 10 are most unique in that their greatest value and utilization will depend on how the Phase I and II launches enhance and impact the redevelopment; by sequencing these two zones later in the process their assets will be better deployed to serve the economic and social benefit of the overall project and region.



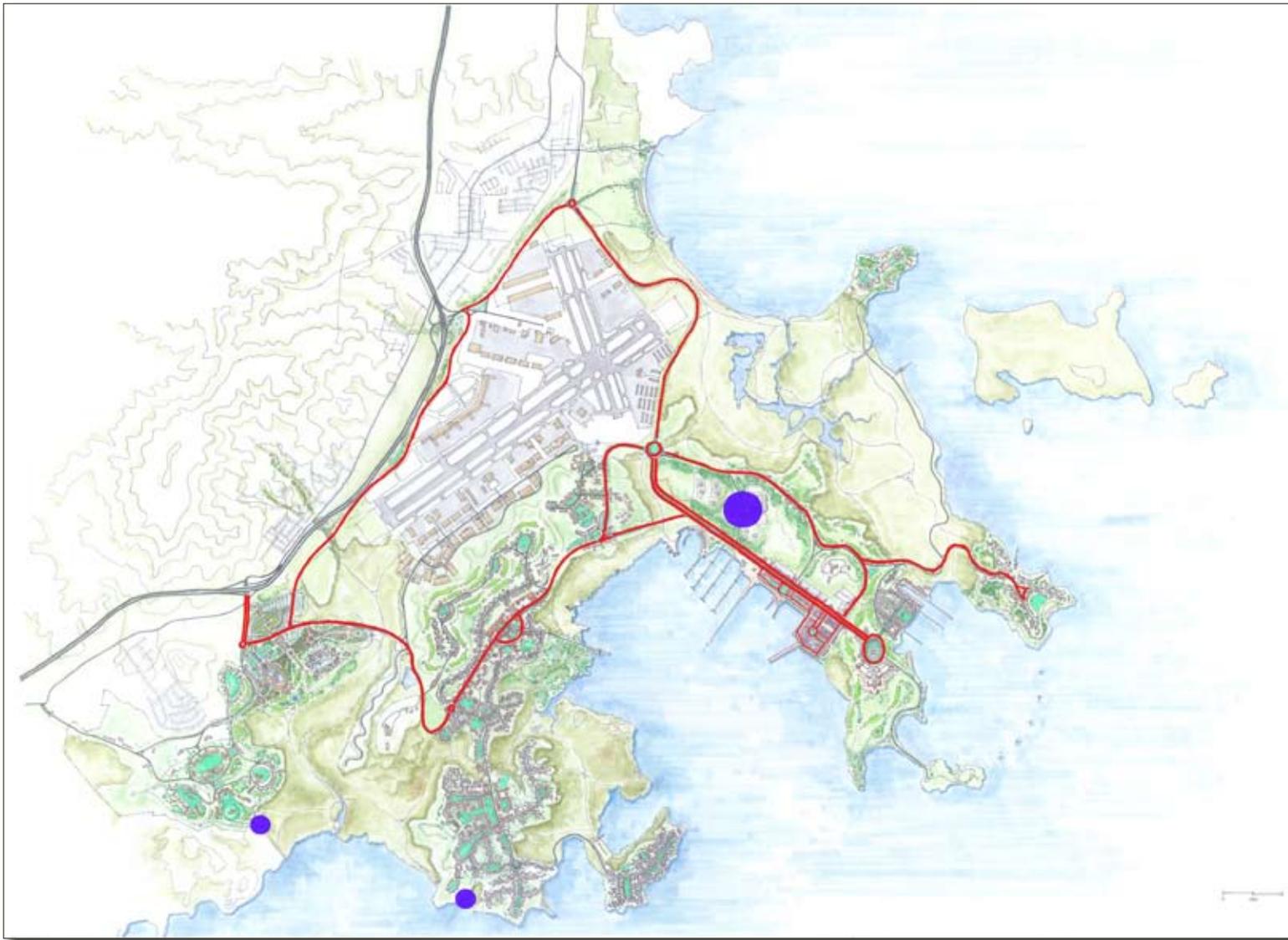
LEGEND (2004 Reuse)

- Blue (B): Type "A & F"
- Red (A): Type "B"
- Green (C): Type "D"
- Orange (D): Type "I"
- Purple (E): Type "G & H"

Roadway Strategy

A majority of the existing road alignments will remain with general enhancements and improvements to establish an overall hierarchy including increased street widths and streetscape/landscape improvements. In limited areas, new streets, reconfigured streets and plazas/open spaces have been proposed to improve overall access/flow and create both a logical framework for development to occur – and a “connectivity” to enhance pedestrian, vehicular and transit movement within the site and between neighboring communities. For planning purposes, the roads illustrated above and suggested in the legend follow the various street sections established in the 2004 Reuse plan.

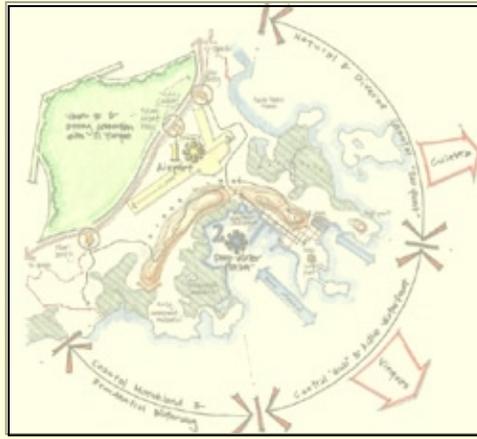
The entire roadway network will require a more detailed traffic study once development plans advance further. For planning purposes, the roads illustrated above and suggested in the legend follow the various street geometric design sections established in the 2004 Reuse plan.



Utility Infrastructure

The Addendum contemplates a modern, efficient and sustainable utility infrastructure system throughout. Essential to this is the upgrading and consolidation of the wastewater treatment plants into a modular and expandable central plant, utilizing the existing plants as pumping stations and redundant capacity during implementation. This will better facilitate smart growth over time, and greatly diminish ongoing operating costs. Similar strategies will be put in place for water supply, electrical supply, gas, communication and other networks through the coordination by the LRA of both public and private sector utility providers.

Infrastructure development will be strategically phased in order to help facilitate and anticipate new development and investment, and to maintain the objectives of smart growth, energy efficiency and sustainability. Renewable energy sources such as wind and solar, as well as a central recycling center are contemplated in the redevelopment.



MARKET & ECONOMICS UPDATE
ADDENDUM TO THE 2004 REUSE PLAN

Market and Economics Update

I. Market Analyses

- **Tourism Market**
- **Origin of Visitors**
- **Air Travel Industry**
- **Cruise Industry**
- **Eco-tourism**
- **Local Market**

II. Land Use Analysis

- **Hotel Market Analysis**
- **Gaming Analysis**
- **Retail Market Analysis**
- **Residential Market Analysis**
- **Commercial Office Market Analysis**
- **Industrial Market Analysis**
- **Support Land Uses**

III. Market and Economics Analysis

- **Development Vision**
- **Development Summary**
- **Development Visitation and Visitor Profile**
- **Development Impact**
- **Comparison with 2004 Reuse Plan**
- **Conclusions**

MARKET ANALYSES

Tourism Market

The Caribbean tourism industry accounts for around 15.6 percent of the region's economy, generating US\$41.7 billion in 2008. As shown the following table, the Dominican Republic, which just recently surpassed Puerto Rico as the largest tourism force in the region, has the largest tourism economy in the region. There is however significant variation in the value of the tourism industry in each of these locations. For example, tourism as a proportion of total GDP, accounts for 17.9 percent of the total economy in the Dominican Republic compared to only 6.3 percent in Puerto Rico. Puerto Rico has a more diversified economy.

The Caribbean is one of the most popular tourist destinations throughout the world, as evidenced by the steady increase observed in the number of visitors to the region over recent years. Table 2 summarizes the number of visitors to the Caribbean between 2002 and 2008, with overall increases of 19.6 percent (3.2 percent per annum) in total tourist arrivals and 18.5 percent (2.9 percent per annum) in cruise ship passenger visits.

Table 2

Caribbean Tourism Visitors 2002-2008				
	Tourist Arrivals (millions) % Change		Cruise Passenger Visits (millions) % Change	
2002	19.0	-	15.9	-
2003	20.4	7.4%	18.0	13.2%
2004	21.8	6.9%	19.9	10.6%
2005	22.2	1.8%	18.8	-5.5%
2006	22.2	0.0%	18.9	0.5%
2007	22.7	2.3%	19.2	1.6%
2008	23.0	1.3%	18.9	-1.8%
CAGR* 02-08	3.2%		2.9%	

* Compounded Annual Growth Rate
 Source: Caribbean Tourism Organization, Johnson Consulting

Table 1

Puerto Rico Tourism Contribution to Economy 2008			
	Tourism Economy (US\$ billions)	2008 GDP (US\$ billions)	Tourism Share of GDP (%)
Puerto Rico	5.6	88.0	6.3
Cuba	3.3	54.7	6.1
Dominican Republic	8.1	45.6	17.9
Jamaica	4.0	14.4	27.8
Bahamas	4.1	7.5	54.4
Aruba	2.1	2.3	90.4
Caribbean	41.7	268.1	15.6

Source: PRTC, Johnson Consulting

This project is important for Puerto Rico. Puerto Rico has a higher operating cost structure than other island destinations and must offer higher value products. Secondly, if the US liberalizes travel to Cuba, it is important that Puerto Rico has taken steps to be competitive. Forecasts prepared by the Caribbean Tourism Organization (CTO) suggest 2-3 percent growth in tourism activity throughout the Caribbean in 2010, on the back of broader improvements to global and regional economies. According to the World Travel and Tourism Council, by 2020 it is anticipated that the Caribbean will attract 27.5 million visitors. So, if Puerto Rico sustains its current capture rate, visitation to Puerto Rico should increase 855,000 to 4.76 million overnight visitors. This growth is by no means guaranteed however, because each destination is working hard to compete for new arrivals. Puerto Rico must define its niches and attack the market if it plans to keep or grow market share.

Origin of Visitors

Puerto Rico is a major player in the Caribbean tourism market. It has the busiest airport in the region, the best infrastructure of all the islands and the best portfolio of offerings. Nevertheless, as shown in Figure 1 the Puerto Rican tourism market is overwhelmingly dominated by visitors from the United States, even more so than many if not all other locations in the Caribbean that experience a much greater proportion of demand emanating from Europe, particularly the Dominican Republic and Cuba, and the 550 million residents of Latin America.

Figure 1

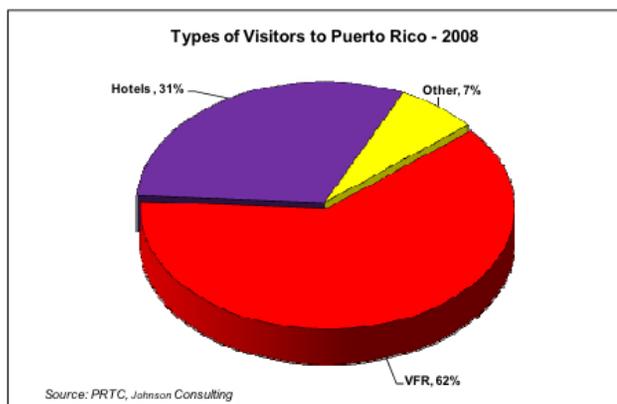
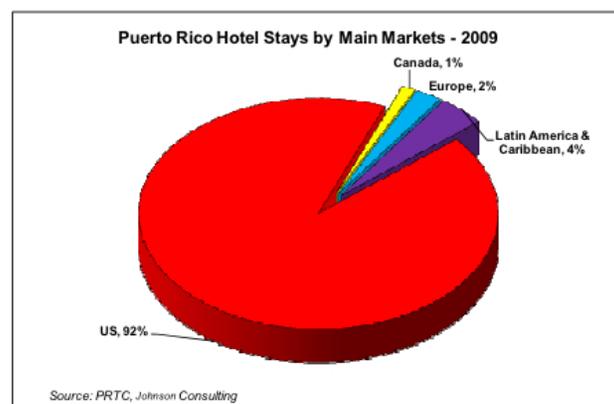


Figure 2



The predominant type of visitor travelling to Puerto Rico has consistently been those visiting friends or relatives (VFR), with only 31% of overnight visitors staying in hotels or paradores in 2008.

The PRTC has identified an opportunity to implement strategies to increase the number of visitors to Puerto Rico who stay in hotels, but to do so it must increase available room inventory. This category of visitor typically spends more than those who are staying with friends or relatives, and as such, will play a crucial role in future growth and development in the tourism industry.

In 2008 the average length of stay of visitors to Puerto Rico was 7 days. With specific regard to hotels, the average length of stay was 4 days which was considerably lower than the average recorded across the Caribbean (8 days). Even longer average stays were recorded in the Dominican Republic (9 days), Cuba (11) and Jamaica (10), reflecting the cheaper per day cost and greater penetration of the longer vacationing European market in these locations.

Air Travel Industry

Puerto Rico continues to dominate the Caribbean market in terms of market share of seat capacity from both international and US destinations. It is however noted that this primarily reflects the role of SJU as a stopover destination, as opposed to a final destination for international tourists. By way of comparison, 35 of the 66 destinations linked to the Dominican Republic by direct flights are located in Canada, South America, Central America and Europe, totaling more than 34,000 weekly seats, each way. Charter operations to Roosevelt Roads is a growth market for Puerto Rico. Lift will also increase as the convention center expands and as the tourism market expands.

Improvements in technology are a threat to Puerto Rico's air industry as aircraft can now fly point-to-point better. As such, charter opportunities and improved product offerings in Puerto Rico itself are essential for Puerto Rico to grow market share.

Cruise Industry

The cruise industry continues to expand, with the number of cruise passengers worldwide having more than doubled to 13 million over the last decade. Of these, the vast majority of passengers (78 percent) originate from the United States, with particularly strong growth in patronage having been observed in the past 5 years. According to CLIA, the Caribbean is the number one tourist destination of choice worldwide. Puerto Rico is home to the largest homeport in the Caribbean. with 28 vessels using San Juan as their homeport.

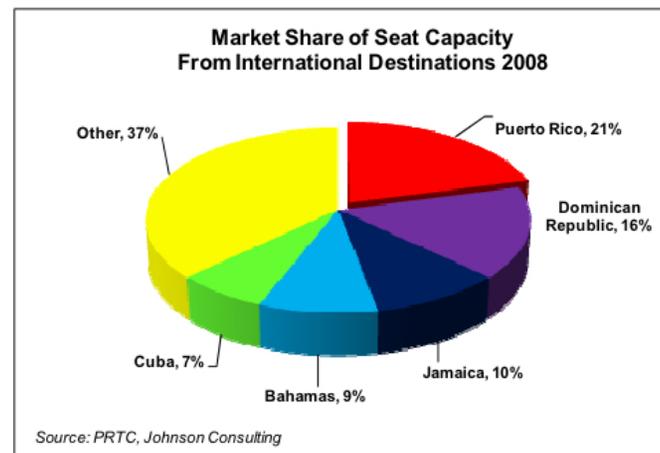
Table 3

Puerto Rico Tourism			
Cruise Ship Passenger Arrivals 2001-2009			
	Transit	Homeport	TOTAL
2000-01	609,819	745,426	1,355,245
2001-02	677,271	599,030	1,276,301
2002-03	633,297	530,640	1,163,937
2003-04	717,973	630,190	1,348,163
2004-05	786,432	599,779	1,386,211
2005-06	744,286	555,037	1,299,323
2006-07	960,334	414,415	1,374,749
2007-08	1,039,954	456,899	1,496,853
2008-09	832,508	403,613	1,236,121

Source: PRTC, Johnson Consulting

Approximately 1.2 million cruise passengers visited Puerto Rico in 2009, of which 70 percent were in transit and 30 percent were homeport passengers. Since 1998, the total number of transit passengers has grown by 7 percent annually, while the number of homeport passengers has fallen by 5 percent. The harbor at Roosevelt Roads has the potential to accommodate small cruise ships, as well as large ships. The smaller vessels typically carry between 100 and 200 passengers and range between 200 and 400 feet in length. Three smaller ship cruise ship companies currently operate in Puerto Rico - Windstar, Seabourn and Sea Dream. Ports of call for cruise ships are selected based upon their appeal to the high-end customers that generate the majority of demand for these lines. As such, these destinations are typically characterized by beautiful natural settings, unique shopping and dining experiences, and a choice among many attractions for daytime excursions. The unique offering proposed at Roosevelt Roads would

Figure 3



serve as an ideal port of call for cruise lines operating in the local area. An enhanced charter operation at the on-site airport could attract visitors to Puerto Rico and create packaging for a selected schedule of services to regional locations. This would further enhance the activities available to port of call passengers.

Ecotourism

Ecotourism has been rapidly gaining popularity since the early 1990s, driven by increasing environmental awareness and a desire to travel to natural locations, as opposed to built-up tourist destinations. At its core, ecotourism involves travel to natural destinations which minimizes any negative effects on the environment and local community. As public concern for the environment has grown, ecotourism has proven to be a financially lucrative industry, most notably for the country of Costa Rica. This developing third world nation has been able to leverage its natural amenities, varied geology and thin isthmus into a multi-billion dollar tourist industry. Puerto Rico has yet to fully tap into either the nature-based or ecotourism markets. Spanning 28,000 acres across the northeastern region of the Island and adjacent to the Roosevelt Roads site, El Yunque National Forest is the only rainforest in the United States, made famous for its world-renowned biodiversity. Indeed, the Forest is one of 28 finalists in the 'New 7 Wonders of Nature' campaign. Data from the National Visitor Monitoring program indicates that El Yunque received close to 1.2 million visitors in 2006, 63 percent of which are visitors to Puerto Rico. The average length of visit to the Forest was 6.1 hours, despite almost 50 percent of visitors claiming that the main purpose of their trip was to visit El Yunque. This suggests that, if presented with an attractive ecotourism branded offering, including accommodation and other activities and attractions, visitors may be encouraged to stay longer in the region.

Unlike the well-developed inventory in Costa Rica, ecotourism lodging options in and around El Yunque are not aimed at that market specifically. In the forest itself, there are no hotels and only a few bed & breakfasts and private rentals available. While many hotels surround the area, true ecotourism is not available. Because of the size of the conservation trust holdings next to El Yunque and within Roosevelt Roads, the redevelopment of Roosevelt Roads offers Puerto Rico a unique opportunity to capitalize on this established and growing industry by offering an ecotourism and nature-based destination which both accessible and within the US. The underlying ecotourism theme of the proposed development concept for Roosevelt Roads, along with its proximity to El Yunque National Forest, suggests that it would be well placed to encourage visitors to stay in the eastern region of Puerto Rico for longer periods of time.

LOCAL MARKET

Puerto Rico has one of the most diverse economies in the Caribbean. Traditionally focused upon the agricultural sector, Puerto Rico's economy is now driven primarily by manufacturing (40.4 percent of GDP), finance, insurance and real estate (16.6 percent), and trade (12.7 percent), with the tourism sector contributing around 6 percent to GDP (as at 2008). Puerto Rico's economy shrank by 5.5 percent in 2009, following a contraction of 2.5 percent in 2008 and 1.5 percent in 2007.

Puerto Rico is known as one of the bright economic stars in Latin America, some ranking it just behind Chile as best places to do business. This is largely attributable to its connection with the US and its economic transparency, while still participating in the Latin American marketplace. There are comparative obstacles to economic growth including high production costs, and an institutional framework that may not always respond to the needs investors. Like the US, Puerto Rico has had a reduction in industrial production, the impacts of which have been felt across all sectors of the economy. This has resulted in the loss of thousands of jobs. In 2008-09 exports fell by 5 percent, representing the largest decline since 1992-93 (6 percent). The commercial sector recorded 1.7 percent decline in sales over the first six months of 2009, a significant proportion of which was attributable to a \$190.6 million drop in motor vehicle sales. Retail stores were also affected by unfavorable economic conditions, resulting in job losses and continuing closures of small to medium-sized businesses.

A prolonged period of decline in construction activity has also impacted significantly upon the economy, with the total value of construction permits falling by \$407 million (31.4 percent) in the first seven months of 2009. The real estate market, particularly the residential, retail and office sectors, have been particularly hard hit by declining activity in the construction industry.

The Planning Board of Puerto Rico has recently (March 2010) revised its forecasts for 2010, projecting that the economy will contract by 3.6 percent over the current fiscal year (previously forecast 2.0 percent contraction), before growing slightly by 0.4 percent in 2011. This outlook is based upon several factors that are expected to have a positive impact on the economy, including construction, investment, federal transfers, visitor spending and an improvement in the United States' economy. Furthermore, Puerto Rico will receive just over \$6 billion in funding under the American Recovery and Investment Act. It is anticipated that this funding will slow the economy's rate of decline, and help mitigate further damage caused by economic contraction.

This situation follows the US contraction, but is somewhat deeper and will probably be somewhat more protracted than in the US mainland.

LAND USE ANALYSES

Hotel Market Analysis

Data from the Puerto Rico Tourism Company (PRTC) indicates that the endorsed Puerto Rican hotel inventory was comprised of 13,315 rooms in 2008 for all of Puerto Rico. In 2010, this figure is forecast to increase to 15,543 rooms. When compared to a number of other destinations throughout the Caribbean, Puerto Rico's room inventory is relatively small, particularly given the overall broad offering of the Island's tourism economy.

The reasons for this overall low inventory relate to an absence of affordable high quality sites in urban San Juan, absence of meaningful demand generators in Puerto Rico that offer a depth of experience to attract hotel room development.

There are 54 hotels located outside of the metropolitan area, offering a total of 4,620 rooms. Throughout the eastern region of Puerto Rico the main concentrations of hotels are along the north east coast, in and around Fajardo and Luquillo, and on the east coast of the Island, to the south of Roosevelt Roads.

Puerto Rico's current tourism product, while very attractive and growing, is somewhat stale. Except for the new convention center, nothing bold has occurred recently. Puerto Rico has not yet become the "Singapore" between North and South America, which it has the strong desire to be. It's European and South American visitation lags behind other Caribbean destinations, and in order to bolster the identity and international appeal of Puerto Rico, and create much needed jobs, a dynamic tourism project is needed. Such a project would be a natural fit at Roosevelt Roads and can be the ingredient that is needed to move along the effort to make Puerto Rico a bridge between North and Latin America and help stabilize and grow the economy, especially on the eastern side of the Island.

Lodging Trends

In the midst of a recession, worsened by the global economic downturn, heavy discounting by hotel operators proved an effective means of attracting tourists to Puerto Rico in 2007-08. In 2008-09 the Average Daily Rate (ADR) increased significantly, suggesting optimism about conditions in the market, although it is observed that that demand and occupancy rates fell significantly during the same period.

Table 4

Caribbean Tourism Hotel Rooms 2008		
Destination	Rooms	% of Caribbean
Puerto Rico	13,315	5.1%
Bahamas	14,800	5.7%
Jamaica	26,039	10.0%
Cuba	45,644	17.5%
Dominican Republic	59,870	23.0%
CARIBBEAN	260,196	-

Source: Caribbean Tourism Organization, Johnson Consulting

Table 5

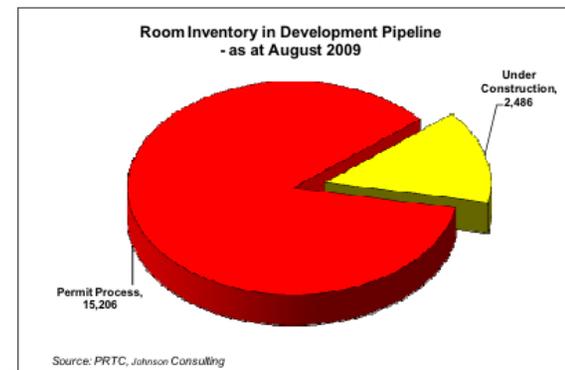
Puerto Rico Tourism Summary of Hotel Trends										
	Supply		Demand		Occupancy		Average Daily		RevPAR	
	(Avail. Room Nights)	% Change	(Occ. Room Nights)	% Change	Rate	% Change	Rate (ADR)	% Change	RevPAR	% Change
2003-04	3,745,519	-	2,668,363	-	71.2%	-	\$206.18	-	\$72.39	-
2004-05	3,960,197	5.7%	2,767,401	3.7%	69.9%	-1.4%	220.63	7.0%	78.93	9.0%
2005-06	4,124,724	4.2%	2,887,456	4.3%	70.0%	0.1%	235.29	6.6%	80.51	2.0%
2006-07	3,873,607	-6.1%	2,745,031	-4.9%	70.9%	0.9%	254.14	8.0%	84.20	4.6%
2007-08	3,956,968	2.2%	2,747,399	0.1%	69.4%	-1.4%	244.35	-3.9%	84.81	0.7%
2008-09	4,012,850	1.4%	2,628,025	-4.3%	65.5%	-3.9%	245.35	0.4%	75.87	-10.5%
CAGR* 04-09		1.7%		-0.4%		-2.1%		4.4%		1.2%

* Compounded Annual Growth Rate
 Source: PRTC, Johnson Consulting

Additions to Supply

Depressed economic conditions have significantly impacted the construction of new hotels and resorts in Puerto Rico, with many projects unable to receive financing. As such, governments have had to assume an important role in hotel development through funding and guarantees. In Puerto Rico, there is still healthy pipeline of future hotel developments, driven primarily by the incentives on offer by the government. These projects, which are in various stages of development, relate primarily to the high-end segment and comprise a total of 18,024 rooms, according to the PRTC. It is expected that many of these rooms will not materialize due to a variety of reasons. The interest level is promising however, showing optimism for the market and reflects Puerto Rico's diversified economy, which allows for commercial, group meeting, leisure and resort oriented products.

Figure 4



Project Considerations

The Roosevelt Roads development will be a diversified community launched by a major attraction. It will have an extensive resort profile and fills the gap between southeast Puerto Rico and northeast Puerto Rico. The water front setting, anticipated amenities, commercial and tourist sectors will all provide opportunities for inducing demand to Puerto Rico. The driver will be the airport, cruise dock and waterfront, and gaming/ attraction. The secondary driver will be the evolution of this project as the nexus of the eastern region of Puerto Rico. The

other advantage of this area is the presence of available sites, controlled by one land steward, which will help in fostering and coordination in the delivery of sites for hotel development.

Using the metric of a recent history of 400 to 600 rooms added to the San Juan and East Puerto Rico market annually, we estimate this site can induce or serve demand growth at an amount averaging 100 to 200 rooms annually, for 5,000 to 7,000 rooms over a 25-plus year period. This analysis assumes the lower end of the range, just over 5,000 rooms.

Gaming Analysis

There are currently 22 casinos located throughout Puerto Rico. The venues are small by international standards (ranging from 5,000 to 19,000 square feet) and operate as hotel amenities under restrictive gaming and advertising laws. The main players at existing venues are locals, with 90% of gaming relating to locals using slot machines. As such, Puerto Rico has not become a major gaming destination regionally or nationally.

There is great evidence that major casinos and associated development can occur in markets with natural amenities like Puerto Rico, if the proper tax structure is provided. Research suggests that a project at the scale of this is feasible in Puerto Rico if an amenable tax structure is provided and if the government works hard to encourage investment.

Project Considerations

The market analysis conducted for this assignment identifies the opportunity for a gaming venue offering 130,000 square feet of gaming space along with a 2,000-room resort property. A smaller venue could be considered, but a venue too small will not be sufficient to be a game changer for the market. Similar venues in the Bahamas, South Africa, Singapore and Malaysia blend gaming, attractions, economic development and ecotourism along the lines envisioned for Roosevelt Roads. Any venue such as this should contemplate expansion, to keep market share and diversify the project.

Retail Market Analysis

Puerto Rico Retail Space Development

During the 1990's, shopping center construction in Puerto Rico reached record highs with most towns having at least one shopping center. According to the Regulations and Permit Authority (known as ARPE, its Spanish acronym), 26 shopping centers were built between 1995 and 1999, and another 36 malls underwent expansions and upgrades. All of Puerto Rico's 20 largest shopping centers were either

developed or underwent expansion during the 1990's. More specifically, eleven of the largest centers were established since 1992, while the remaining nine centers underwent significant expansions between 1994 and 2000.

The construction boom was driven primarily by U.S. shopping center developers, who came from over-saturated markets, as well as local developers who ventured into the previously untapped retail market. More recently, high levels of demand for retail space has been driven primarily by the stateside chains that identified Puerto Rico as the "best kept secret" based on the high rate of sales per square foot as compared to mainland centers. Retail heavy-hitters, in the midst of globalization, have concentrated on worldwide expansion to growing markets, including Puerto Rico. Retail chains already established on the Island have responded to this increased competition by embarking on substantial, and often Island-wide, expansion programs. Developers insist that there is still room for further expansion of the retail industry on the Island, with some economists and consultants identifying the local market as "under-served", prior to the deterioration of the Puerto Rico economy. Of the existing inventory, 41 percent of Puerto Rico's shopping centers are located in the San Juan Metropolitan Area.

Current estimates indicate that existing shopping centers comprise approximately 27.3 million square feet, relating to centers larger than 100,000 sq. ft. This equates to around 7.0 square feet per capita. If smaller centers are included in the analysis, the total floorspace is estimated to reach as high as 40 million square feet, equating to 10.3 square feet per capita. In comparison an overbuilt market, such as Phoenix, offers 18 to 19 square feet of space per capita. Thus, retail space per capita for the island is lower than the U.S. mainland, with data from the National Research Bureau Shopping Center Database and Statistical Model indicating that there are approximately 20.5 square feet of retail space per capita on the mainland. This suggests that there is still room for further retail space growth in Puerto Rico, although it is noted that there are significant socio-economic and geographical differences between the mainland and Puerto Rico

Project Considerations

Historical retail expenditure in the trade area indicates a strong demand for retail space, which is expected to continue. Indeed, the extracted annual growth rate in retail expenditures of 6.5 percent in the primary trade area and 5.9 percent in the entire trade area shows that demand for retail within the region has grown at a steady rate over recent years (until 2002 which is the most recent data available at a municipal level). The estimated demand for retail goods and the value of retail expenditures in the subject trade area are considered sufficient to support more than 2 million square feet of additional retail floorspace.

Table 6

Puerto Rico Retail Trade Area - Retail Space Demand Conclusion	
Excess Demand in Trade Area (\$)	\$722,828,914
Benchmark for \$/SF	\$300
Additional Space Demand (sf)	2,409,430

Table 7

Puerto Rico Retail Roosevelt Roads - Retail Demand (Supportable Floorspace - sf)				
	Year 1	Year 10	Year 20	Year 25
Proposed Retail Space	200,000	620,000	1,015,000	1,140,000
Total Demand from Visitors	1,099,753	1,736,976	2,087,088	2,342,191

The retail component of the proposed Roosevelt Roads base redevelopment should be able to capture some portion of this trade area demand. Since the redevelopment plan is based on upon an independently created economic base that will attract a significant number of tourist visitors as well as local visitors from outside the trade area, an independent retail space demand is over and above demand generated from the trade area. More

specifically, the development concept for Roosevelt Roads includes 1,140,000 square feet of retail space (including entertainment and dining in the gaming attraction and the project overall) throughout the project's expected development phasing. Demand will also be served by other establishments in Fajardo, Las Palmas, Cieba, and Naguabo, among other areas.

During the initial phasing of retail development at Roosevelt Roads, a large proportion of demand will be generated by hotel and on island visitors with some demand also required from the broader trade area to support the proposed space. Demand from visitors and on property residents alone will be sufficient to support the retail space at Roosevelt Roads. However, as the retail offering continues to evolve and expand considerable demand is expected to occur in Ceiba, Naguabo and surrounding municipalities, thereby providing additional economic infusion into those regions.

Residential Market Analysis

The residential market in Puerto Rico has, in general, been greatly affected by the current economic recession, with many units remaining for sale in residential developments that have been completed within the last four years. This inventory has been estimated by some economists to be enough to attend market demand for around 4 years, varying upwards for higher-priced units and downwards for lower-priced units.

First Home Market

There is an overbuilt situation for housing in eastern Puerto Rico today. Due to illiquidity of banks, the current inventory of housing should largely be absorbed by the time this project opens in 2015, assuming little new product is added.

First home development in the eastern region has primarily been targeted towards middle/working class purchasers, reflected in sale prices in the range of \$150,000-\$300,000, as well offering low-income unsubsidized housing, which relates to dwellings priced between \$100,000 and \$150,000. The most recent first home developments in the three municipalities surrounding Roosevelt Roads have been exclusively focused in a price range below \$400,000, with the unit distribution comprising a mix single family and multifamily dwellings

Based upon current market lending parameters, and current income distribution, it is estimated that around 15 percent of the first home market in Ceiba, Fajardo and Naguabo will be able to afford a first home within the pricing considered for Roosevelt Roads (\$100,000-\$350,000). Of these, a safe capture rate of 30 percent is estimated for Roosevelt Roads, taking into consideration other competition within the local market. Accordingly, the local demand analysis corresponds to a yearly demand for 11 units from the local market. However, this analysis does not consider the demand that will be generated from the creation of new jobs and the resultant working class population that will emerge as a result of the Roosevelt Roads base redevelopment. In accordance with the 2010 addendum, 7,300 permanent jobs will be created during the first year of development, with this figure increasing to around 23,600 permanent jobs by year 20.

Second Home / Residential Tourist Market

Within the municipalities of Naguabo, Ceiba, and Fajardo, only Fajardo and portions of Ceiba include developments that specifically target the second home/residential tourist market. Accordingly, in order to adequately analyze this submarket, the northern municipality of Rio Grande, which has been the most active municipality within the second home market, will also be included, along with additional market data for the Palmas del Mar Resort in Humacao, which is situated to the south of

Table 8

Puerto Rico Residential Eastern Region - Recent Second Home Market Projects		
Municipality	Resort	Hotel Flag
Fajardo	El Conquistador	Waldorf Astoria Collection
Rio Grande	Rio Mar	Wyndham
Rio Grande	Bahía Beach	St. Regis
Rio Grande	Trump Coco Beach	Gran Meliá / J.W. Marriott
Humacao	Palmas del Mar	Sheraton / Regent / Mandarin

Naguabo, along the eastern coast of the Island.

Capture Rate – Roosevelt Roads

Assuming a stabilized absorption of 150 units per year in the second home resort market, which mostly consists of local demand plus a small percentage of U.S. demand, the capture rate for Roosevelt Roads should be analyzed as related to the proposed amenities that will be associated with the development. Of the existing competitive supply, Palmas del Mar is considered to have the most complete set of amenities (beach, golf, tennis, church, school, etc). This is considered to be the main driver of the high capture rate of Palmas del Mar.

However, there is some component of first-home market in the Palmas del Mar numbers that could mean that the capture rate has been overestimated. Nevertheless, Roosevelt Roads is proposed to have a balanced component of first and second home residential products, so an overall capture close to Palmas del Mar should be expected, particularly given that Roosevelt Roads’ proposed amenities are considered to be superior to those at Palmas in terms of the overall level of amenity offerings at Roosevelt Roads. Palmas del Mar has averaged 87 new unit sales per annum over the last seven years, with a similar rate of absorption expected at Roosevelt Roads for the second home market. It has done so, but it is now only beginning to benefit from opening of the Interstate from San Juan and developing internal retail and community offerings such as churches and civic amenities, which had been lacking.

Project Considerations

As shown, there is an estimated demand for around 4,900 residential units at Roosevelt Roads by year 25. This exceeds the proposed supply of housing units (1,764) and represents an absorption rate of around 210 units per year and a capture rate of 35 percent of all new units in Ceiba, Naguabo and Fajardo, based on an average of 600 unit sales per year according to Estudios Técnicos. However, if we consider that this average is based on data reported over three recessionary years and that in 2007 945 sales were reported, projected sales at Roosevelt Roads would in fact show reflect a lower capture rate of just 22 percent.

It is noted that this analysis only considers residential demand generated from within the base redevelopment, with an estimated employee capture rate of 9.5 percent. The remaining employees are assumed to generate demand for housing within the surrounding region, including Ceiba, with the proposed ferry terminal creating an opportunity to boost demand for housing in Vieques and Culebra, which would also provide a much needed boost to the economic situation in these municipalities.

In conclusion, it is clear that the current and foreseeable local

Table 9

Puerto Rico Residential				
Roosevelt Roads - Estimated Residential Demand from New Employment				
	Year 1	Year 10	Year 20	Year 25
New Employees	6,108	12,256	17,784	20,226
Participation Rate (9.5%)	580	1,164	1,689	1,922
Local Market Demand (11 units/year)	11	110	220	330
Second Home Demand (87 units / year)	87	870	1,740	2,610
DEMAND	678	2,144	3,649	4,862
Proposed Development (units)	200	740	1,380	1,764

market demand for housing provides sufficient support for the units proposed within the Roosevelt Roads base redevelopment. Furthermore, the phased development will facilitate growth in demand going forward, with the fact that the economics behind the plan do not rely on the current local market for housing demand, but instead create demand for units both within the base and throughout the surrounding region, is considered to provide a solid and successful residential outlook for the development.

Commercial Office Market Analysis

Office Market Overview

The core office market in Puerto Rico centers on the San Juan Metropolitan Area (SJMA) with other submarkets also located across the Island, surrounding the main population centers in each region and including Ponce in the south and Mayagüez in the west. Needless to say, the core office market in the SJMA is the largest and most representative of current market conditions. The office market in SJMA is generally divided into six sub-markets: Hato Rey, Santurce/Miramar, Old San Juan, Buchanan/Pueblo Viejo, San Patricio, and Río Piedras.

Roosevelt Roads Demand Capture

Demand for office space at Roosevelt Roads is expected to emanate primarily from the economic activity related to other activities on the site. During the initial phases of the redevelopment, demand for office space will be low, since the anchor developments will internally house their own administrative and support facilities. That said however, the initial phases of development will also involve several private sector groups that are likely to generate demand for office space. Assuming that initial commercial office space absorption reflects the worst case scenario of current absorption in the SJMA market, this equates to 30,000 square feet per annum. Residential development and lodging facilities will subsequently generate additional demand for office space, with medical private practitioners being one example of potential tenants. A more accurate benchmark used is net square feet of absorption per job created, which usually varies between 250 and 300 square feet per job. In order to remain conservative, a benchmark of 250 square feet of net office space per job has been adopted for Roosevelt Roads

Project Considerations

Office potential in the local area is untested, since most office space is located within the core market of the SJMA. Nevertheless, employment induced by the economic base at Roosevelt Roads will generate demand for an approximate one million square feet over the course of the proposed 25-year project. The wild card for the office market is Route 66 and the notion that Roosevelt Roads will become a nexus between southeast and northeast Puerto Rico. If that is the case, and the site evolves as proposed, there could be considerably

interest from corporate and research institutions. The strategy here would be to devise flexibility in the site plan, targeting campus office users, but in the event that they do not materialize, refine the site plan for additional residential or retail uses.

Industrial Market Analysis

Industrial Market Overview

The Puerto Rico industrial real estate market is primarily divided into two major sectors, the first being the manufacturing sector, where the Puerto Rico Industrial Development Company (PRIDCO) is the major player, together with manufacturing entities that own their facilities. The second is the warehouse and distribution sector, which is controlled by private investors. This market is unique in that there are only two significant private players, a few mid-size players, and a substantial number of investors that own only a limited amount of space.

Warehouse/Distribution Sector

The warehouse and distribution market in Puerto Rico is concentrated in five sub-markets of the SJMA, specifically in the municipalities of Carolina, Bayamón, Cataño, Guaynabo and San Juan. In all, these municipalities house approximately 17 million square feet of warehouse space. The strength of the warehousing market reflects the fact that as the economy of Puerto Rico continues to expand, the desire for U.S. mainland manufacturers and distributors (consumer/household goods/pharmaceuticals products, medical supplies and cargo forwarders/couriers) to service the Puerto Rican market increases.

Project Considerations

Industrial space, be it distribution or light manufacturing is a natural fit for a small segment of the site closest to the airport. The Federal and Commonwealth Governments need emergency staging areas near airports and a concentration of military uses already exists there. The airport itself can also attract cargo, plane refurbishment, and distribution uses. Given the volume of commodities required for the site itself, some provisioning areas will be needed for hotels, cruise ships and the attractions developed.

Ramey Air Force Base in Aguadilla, Puerto Rico provides a useful comparison in estimating likely demand or warehouse space at Roosevelt Road. Although Ramey base is currently in a dilapidated condition, the airport is open for commercial airlines to use. Immediately surrounding the airport, there is approximately 500,000 square feet of warehouse structures currently occupied, with uses mostly related to the airport. Less than one mile to the southeast of the Ramey airport just outside the perimeter of the base is an industrial park, which houses a total of 1,300,000 square feet of industrial, distribution, and manufacturing space.

SUPPORT LAND USES

Golf

Golf is not highly profitable, however it is clear that world class golf would and should be an extremely valuable component to the Roosevelt Roads project. The golf components at Roosevelt Roads are contemplated not only as an amenity to the overall development and project, but also an amenity for several major hotels on the site. In addition, it is also anticipated that they would also serve as a boost for world class golf in Puerto Rico and assist in positioning Puerto Rico as the number one golf destination in the Caribbean. In order for that to occur, the quality of the golf courses should meet or exceed what is currently in Puerto Rico and other well known Caribbean locations. Careful thought should be given to the architect selection, not only from a golf course quality point of view, but from a long term marketing value, image and brand point of view as well.

Marine Recreation

Although there is considered to be an adequate supply of marinas to meet current demand, changing industry trends geared towards modern, high end facilities that cater to the luxury yachting market, and mega yachts, means that many of the older, outdated marinas will ultimately become redundant. Indeed, the construction of mega yachts has increased by 58 percent globally over the past five years, according to the New York Times. This has resulted in significant interest from investors in marinas with mega yacht slips, particularly as mega yacht owners tend to be more concerned about the quality of facilities than berthing costs.

The local marina market in Puerto Rico primarily caters to long term storage demands from local owners, with many facilities not providing the associated infrastructure and amenities necessary to attract transient dockage. There are however plans to expand the transient market through the proposed San Juan Waterfront Development. This, along with the locational attributes of the Island and the strength of the transient market elsewhere in the Caribbean, suggests that there is some potential for transient dockage.

By providing a destination in itself, the development concept for Roosevelt Roads provides an ideal opportunity to tap into the market for transient dockage on the Island. The proximity of the site to Vieques and Culebra islands further enhances this potential and is particularly relevant given the PRTC's plans to boost the marketing of these islands over coming months. The W Retreat and Spa on Vieques Island (open 25 March 2010) will also play a key role in attracting tourists to eastern Puerto Rico, with the marina at Roosevelt Roads being well placed to attract transient dockage by visitors to the main Island.

Sports and Equestrian

Adequate sports and recreation facilities are an essential component to building a vibrant and desirable community. Cities across the US have developed programs and facilities which not only serve as a welcome amenity to the local population, but also serve as generators for increased visitation, hotel demand and spending. As participation rates increase, youth and adult sports leagues and tournaments are gaining popularity and providing an economic boost to communities which have developed the proper facilities to serve this growing trend. In addition, these facilities will be utilized by the local population, thus providing the vehicle for improving the athletic skill and fitness of the community as a whole, the importance of which cannot be denied.

Preliminary programming calls for the inclusion of six soccer fields and 4 baseball/softball wheels along with supporting amenities, such as a multipurpose sports center, concessions stands, and related outdoor recreation features. In addition, an equestrian center has been identified as a potential generator for both hospitality demand and the potential for an equestrian-based residential development.

INFRASTRUCTURE

Education

The Roosevelt Roads base has two existing schools, a 58-room (85,000 square foot) elementary school and a 46-room (52,000 square foot) middle/high school. As presented in the 2004 Reuse Plan, the Department of Education has expressed interest in obtaining the use of these facilities. Between the school districts in Ceiba and Naguabo, there are approximately 3,500 elementary school students, 1,500 middle school students, and 1,200 high school students. In addition, vocational courses are not offered despite a strong interest in them. The anticipated increases in local population will only increase demand for educational facilities. To serve this existing and future demand 80,000 square feet of educational facilities are anticipated in the Main Street Zone. It is unclear at this point whether the existing facilities will be remodeled or whether new facilities will be built to replace them.

Hospital

A new state-of-the-art hospital complex at the Roosevelt Roads redevelopment could potentially fill a service gap in the current health care delivery system in Puerto Rico. The majority of hospitals are clustered in San Juan, 30 – 40 miles west of the Roosevelt Roads area. There are also several hospitals southwest of Roosevelt Roads in the city of Humacao and other facilities north of Roosevelt Roads in Fajardo. This report has outlined the framework for determining the need for a Roosevelt Roads' facility within the health care system in Puerto Rico. It needs to be determined if a new hospital in this location will more effectively and efficiently serve the immediate area population and any potential users created by the Roosevelt Roads development.

Given the number of hospitals in Humacao, Fajardo and San Juan, the feasibility of a hospital at Roosevelt Roads would make the most sense in a second phase of the project development. It would appear that a successful hospital at this location would be dependent upon not only the local, existing population but additional residential, commercial, hotel and gaming facilities built at the development. Once the success of these other facilities is established, the need for a hospital at this location may become more apparent to not only the local area population but all of the other decision makers on the island.

With a potential population of 319,000 in the vicinity of Roosevelt Roads and an existing hospital bed count of 660 there are 2.07 beds per 1000 people. An additional bed per 1,000 people could be added to this to bring the eastern region ratio in line with the rest of Puerto Rico. Therefore a new development at Roosevelt Roads could (theoretically) support a new hospital with 250 – 300 beds. Not included in this calculation are any tourists or cruise ship occupants that may need to use the hospital facilities.

Ferry Terminal

Passenger and cargo ferry services between Puerto Rico and Culebra and Vieques islands are currently facilitated via a terminal located at Fajardo. The Puerto Rico Ports Authority previously expressed an interest in relocating the Fajardo terminal to the harbor at Roosevelt Roads, as this would reduce travel times to the islands, minimize operating costs and provide a solution to the currently congested conditions surrounding the existing terminal.

The Puerto Rico Port Authority has 10 ferries (4 passenger and cargo, and 6 passenger-only). The capacities of the vessels vary between 270 and 572 passengers. There are 10 services to and from the islands on Monday-Friday and 7 weekend services. A significant proportion of passengers are locals, because it is an employment and family visitor means of transportation and it is cheaper and more practical than air service. As such, it is considered that a well-designed ferry terminal, convenient access and a high standard of operation and maintenance would be a very appropriate use at Roosevelt Roads. It is estimated, that given the growth in the area, plus the increase in tourists, a 50 percent increase in ferry volume is reasonable for Roosevelt Roads.

Route 66

The ease of access of Roosevelt Roads from the population center in San Juan is of supreme importance to the overall success of the development. Completion of Highway 66 will provide great benefits to the visibility and accessibility of the site.

MARKET AND ECONOMICS ANALYSIS

The redevelopment of Roosevelt Roads Naval Base represents a seminal moment in Puerto Rico's evolution as a Commonwealth and as a player in the international tourism market. The size and scale of the project, combined with its world-class setting provide this unique opportunity.

The consulting team advising the LRA consists of economists, appraisers, community master planners and infrastructure technical advisors. They have been working dedicatedly to help assess a project development format that recognizes the following principles:

- The local communities do not have a resource base to meet the capital challenges of the site, nor does the State government. The LRA has accepted the challenge of seeking investors to develop the project and use public private partnerships to fund infrastructure development.
- Be respectful to Green Triangle communities, develop this project in a manner that helps their economies, and provide an amenity and economic base for their wellbeing.
- The natural attributes of the site must be leveraged. The existing airport, waterfront, port infrastructure and conservation lands, as well as the adjacent communities must be integrated into a robust solution for the site.
- Quality is key. Doing a project that is minimalist in quality, investment and wisdom, will exacerbate the poor economic climate of eastern Puerto Rico. A well conceived project is essential. This goal requires upfront investment, good planning and foresight. It also takes time and perseverance.

There is a myriad of ideas that have been put forward for the project. The most codified example put forward is the 2004 Reuse Plan, submitted to the Navy. This plan had very good ideas and information, but it did not fully leverage the site attributes;

Development Vision

In real estate development, leverage and linkages are essential. For a project such as Roosevelt Roads, a long period of reference is required. Under a best-case scenario, a 25-year time horizon is expected and used in this analysis. Meanwhile, infrastructure investment is needed to set the stage for development. There are initial development projects that will be undertaken immediately, such as conversion of existing buildings into productive use, reuse of the tank farm and some utility and road improvements.

The timing for this project is ripening:

- The closing of the base was very detrimental for the adjacent communities, economically. There is great need for economic vitalization.
- Just this year the Dominican Republic surpassed Puerto Rico as the top tourism destination in the Caribbean.
- The eastern side of Puerto Rico is reaching a critical mass where its economic profile is such that it is becoming an entire economic region in its own right. Roosevelt Roads is in the center of that region which extends from the Wyndham Rio Mar area, south to Humacao. The opening of Route 66, an expressway from San Juan to Fajardo by approximately 2015 to 2020, along with the airport create an economic opportunity for Roosevelt Roads to enhance the adjacent communities and become a development magnet in its own right by participating in the evolution of a nexus for development in eastern Puerto Rico

Given the above information, what is the best strategy to leverage linkages and the site? It is the consulting team's considered view that a phased development that blends tourism demand and local community evolution will result in a very effective strategy. The following elements are seen:

- A very large tourism investment is needed to launch a world-class project. Various anchor development options exist which would fully leverage the site amenities, complement and support proposed community uses and produce the necessary levels of tourism to support investment.
- A series of developments within the site have been carefully crafted for the site based upon the basic needs of the local communities coupled with an assessment of the highest and best use of the available land. These individual development areas will be oriented towards the local and regional residential, corporate, and institutional, research and tourist markets as measured in this market analysis.

Development Summary

There are essentially three sub-projects within Roosevelt Roads: A world class destination resort, a community-based development; and, a corporate resort community. In addition, the execution of these projects should complement the natural amenities of the site, including El Yunque and the Green Triangle, and fully leverage the conservation trust branding as a world-class eco-destination. The execution and phasing of these projects are described below.

- Roosevelt Roads presents a unique opportunity to leverage the inherent amenities of the site to create a premier, showcase redevelopment for the region and the Island. The stage for the development is set by the “game changer” elements of the strategic vision, commencing with a world-class resort and entertainment destination, incorporating a range of retail and dining opportunities, and flanked by a signature hotel that will afford spectacular views in all directions. A marina and ferry terminal will enhance the overall appeal of the destination, with civic gardens and public access to the waterfront, helping to create a destination that will become a source of pride for the local community.
- Concurrently, a town center begins to evolve, integrating retail, commercial, residential (including low to middle income housing) and educational uses, and creating a focal point for the local community that will ensue. Industrial development will capitalize on the existing airport infrastructure, contributing to the enhanced economic vitality of the region.
- In the following year, a five diamond state-of-the-art, eco-friendly golf course and clubhouse, offering spectacular views of the entertainment venue, the ocean and the marshlands, adds another level of appeal to the destination. An eco-lodge reinforces the ecotourism theme, while a water taxi terminal further enhances access to the destination. An international cruise ship port and terminal, serving either as a homeport or port of call, also serves to strengthen the draw and tourism appeal of both Roosevelt Roads and the Island as a whole.
- A sports complex, incorporating soccer pitches, recreation areas, outdoor sports venues, equestrian trails and other community facilities, commences near the entry to the site. This area will be extensively landscaped into a botanic garden environment, responding to the community’s desire for a welcoming and open gateway to the overall development.
- An additional world-class golf course adjacent to the airport establishes Roosevelt Roads as a golf destination. The newest course offers sweeping views of El Yunque and the new international port, rivaling the backdrops embodied in any world-class course settings.
- The opening of the eco-outpost adds another unique element to the project, offering a specialty-lodging venue not unlike the best and most sought after environmental excursion camps elsewhere in the world. Surrounded by Conservation Trust land, with views to the ocean and the island of Pineros, the unique offering of the camp will help to establish Puerto Rico as a respected and attractive ecotourism destination.
- The overall development is reenergized in subsequent years with the development of a new corporate retreat community in a location on the southern coastline of the site that offers immense value for a secluded retreat, corporate training center, corporate or institutional headquarters or research facility, while also providing an ideal setting for second home and resort housing.
- The phased development of a series of upscale second home and resort housing ensues, along with speculative and corporate office developments. As the corporate resort community continues to evolve, the strong linkages between it and the town center

C.H. JOHNSON CONSULTING, INC.

EXPERTS IN CONVENTION, SPORT AND REAL ESTATE CONSULTING

generate sufficient demand to support a substantial expansion to the commercial and retail offering therein. Given current market conditions, a twenty five year build out period is anticipated for the corporate retreat community, however strengthening economic conditions may allow it to occur sooner.

Given the long timeframe, there is room to adjust the phasing of the various project elements to create offerings that best respond to the market at the time. This will help maximize the economic benefits of the project for the local and regional communities, as well as the Island as a whole.

The following table takes the anticipated land uses and presents the total anticipated net square feet of development at full build-out. The columnar data presents how development will be distributed throughout each of the eleven development zones. Specific market analyses which outline the program basis for each major land use presented below are discussed in subsequent sections of this report

Table 10

NSRR - Reuse Plan Summary by Land Use												
Land Use	Total Built-Out (NSF)	Development Area by Zone (GSF)										
		Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11
1 Casino Gaming	210,000	-	210,000	-	-	-	-	-	-	-	-	-
2 Hotel/ Hospitality	4,100,000	320,000	2,400,000	560,000	-	100,000	-	-	80,000	320,000	-	-
3 Retail/ Dining/ Entertainment	1,140,000	200,000	200,000	100,000	-	25,000	75,000	400,000	30,000	50,000	50,000	10,000
4 Office	1,350,000	50,000	-	30,000	-	25,000	75,000	100,000	50,000	500,000	500,000	20,000
5 Residential	3,250,000	-	-	650,000	250,000	-	250,000	1,450,000	200,000	-	450,000	-
6 Airport, Gov't, Military, Industrial	1,750,000	200,000	-	-	-	-	1,200,000	200,000	50,000	100,000	-	-
7 Golf Course	85,000	-	-	-	35,000	-	35,000	-	15,000	-	-	-
8 Marina	50,000	25,000	-	25,000	-	-	-	-	-	-	-	-
9 Terminal and Piers	245,000	200,000	-	20,000	-	-	-	-	-	-	-	25,000
10 Hospital	130,000	130,000	-	-	-	-	-	-	-	-	-	-
11 Educational	280,000	-	-	-	-	-	-	280,000	-	-	-	-
12 Tourism	50,000	-	-	50,000	-	-	-	-	-	-	-	-
13 Sports / Equestrian	200,000	-	-	-	-	-	-	-	200,000	-	-	-
14 Parking	0	-	-	-	-	-	-	-	-	-	-	-
Total	12,840,000	1,125,000	2,810,000	1,435,000	285,000	150,000	1,635,000	2,430,000	625,000	970,000	1,000,000	55,000

Sources: Johnson Consulting; CCS

The development costs associated with the land use program are presented below. Costs represent the full build-out scenario in 2010 dollars.

Table 11

NSRR - Reuse Plan Summary by Land Use												
Land Use	Order of Magnitude Development Cost (\$000's)	Development Cost by Zone (\$000's)										
		Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	Zone 11
1 Casino Gaming	\$126,000	\$-	\$126,000	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
2 Hotel/ Hospitality	1,146,000	96,000	720,000	168,000	-	10,000	-	64,000	24,000	64,000	-	-
3 Retail/ Dining/ Entertainment	216,925	40,000	40,000	13,000	-	4,625	15,000	80,000	3,000	10,000	10,000	1,300
4 Office	\$201,350	7,500	-	3,000	-	3,250	7,500	15,000	7,500	65,000	90,000	2,600
5 Residential	527,500	-	-	97,500	37,500	-	32,500	217,500	30,000	-	112,500	-
6 Airport, Gov't, Military, Industrial	140,000	16,000	-	-	-	-	96,000	16,000	4,000	8,000	-	-
7 Golf Course	52,800	-	-	-	23,400	-	23,400	-	6,000	-	-	-
8 Marina	7,000	3,500	-	3,500	-	-	-	-	-	-	-	-
9 Terminal and Piers	32,050	26,000	-	2,800	-	-	-	-	-	-	-	3,250
10 Hospital	\$0	-	-	-	-	-	-	-	-	-	-	-
11 Educational	36,400	-	-	-	-	-	-	36,400	-	-	-	-
12 Tourism	6,500	-	-	6,500	-	-	-	-	-	-	-	-
13 Sports / Equestrian	6,000	-	-	-	-	-	-	-	6,000	-	-	-
14 Parking	0	-	-	-	-	-	-	-	-	-	-	-
Total	\$2,498,525	\$189,000	\$886,000	\$294,300	\$60,900	\$17,875	\$174,400	\$428,900	\$80,500	\$147,000	\$212,500	\$7,150

Sources: Johnson Consulting; CCS; Manuel DeLemos

The importance of the phasing of the project cannot be underestimated. Table 12 presents the timeline of development for the specific land uses at key points in the project timeline.

Table 12

Summary of Development- Product Developed				
By End Of Year →	1	10	20	25
Casino Gaming Net Gaming Floor Area	130,000	130,000	200,000	200,000
Hotel/ Hospitality- Rooms	2,000	3,675	4,525	5,125
Retail/ Dining/ Entertainment- NSF	200,000	620,000	1,015,000	1,140,000
Office-NSF	50,000	370,000	975,000	1,350,000
Residential-Units	200	740	1,380	1,764
Airport, Gov't, Military, Industrial- NSF	250,000	1,100,000	1,600,000	1,750,000
Golf Course- # Holes	0	36	54	54
Marina- # Slips	150	500	500	500
Terminal and Piers-NSF	50,000	245,000	245,000	245,000
Hospital- Number of Beds	137	137	300	300
Educational-NSF	100,000	200,000	280,000	280,000
Tourism Support Facilities-NSF	50,000	50,000	50,000	50,000
Sports / Equestrian- NSF	-	100,000	200,000	200,000

Development Visitation and Visitor Profile

As a key source of the economic and fiscal impacts noted below, special attention is paid to the anticipated visitation volume. Visitor volume represents over 16 percent of the Puerto Rico economy today. Competition is fierce in the Caribbean. This project has special capabilities to enhance tourism and provides product that will allow the visitor economy to grow and meet growth targets set forth by the PRTC.

The Tourism Company of Puerto Rico has the goal and vision of expanding Puerto Rico's appeal as a destination to both US and international travelers. The type of development proposed which fully leverages the site amenities is designed to provide Puerto Rico with the appropriate vehicle to place itself in a position of strength in the Caribbean tourism industry. Together, with tourism incentive laws and other initiatives, the Tourism Company will have a solid base with which to expand the tourism market, thus maximizing economic impact and job creation.

Site Tourism Projections

In order to determine the total visitation to the site, overnight, non-local visitors have been separated into 5 main categories. Hotel visitors, both on and off-site, have been conservatively estimated using a 65 percent occupancy rate based on supply. It is assumed that there are 2.5 visitors per room and, according to the PRTC, the average length of stay is five nights. On-site hotel supply is based upon the absorption estimates projected in this report. Off-site hotel inventory is currently estimated at 2,250 rooms. A 1.5 percent annual growth rate is applied for subsequent years.

The number of visitors staying with friends and relatives (VFRs) is based upon the number of households. According to the PRTC, current visitation figures show that there are 1.8 visitors per household annually. The on-site household number is based upon the residential absorption estimated projected in this report. Due to the appeal of an on-site visit, annual visitation to an on-site home is projected at approximately 3 times the current average or 5.5 times the number of households. The average length of stay at on on-site residence is estimated at 7 days, slightly longer than that reported by the PRTC. There are currently around 100,000 households in the Eastern region of Puerto Rico. The standard 1.8 visitors per household is used and the number of households is grown by 1.5 percent annually. It is conservatively assumed that visitors staying at off-site residences will visit the site for 2 days during their visit. Cruise ship visitors in Year 1 are estimated at 10 percent the current figure arriving in San Juan. A 3 percent annual growth rate is applied through Year 15.

The following tables present the total number of visitor-days anticipated on the site and the number of unique visitors that are anticipated. While demand from local residents will be generated by the site amenities, this element of demand is not included in the visitor projections as summarized in the tables below.

Table 13

	Unique Visitors per Year			
	Year 1	Year 10	Year 20	Year 25
Overnight Visitors (Non-local Visits)				
On-site Hotel Guests	237,250	435,947	536,778	607,953
Cruise Visitors	0	86,091	99,803	99,803
Off-site Hotel Guests	133,453	152,589	177,086	190,772
VFRs On-site Residential	1,100	4,070	7,590	9,702
VFRs Off-site Residential	180,000	205,810	238,851	257,311
Total Visitors	551,803	884,507	1,060,108	1,165,541

Table 14

	Visitor-Days per Year			
	Year 1	Year 10	Year 20	Year 25
Overnight Visitors (Non-local Visits)				
On-site Hotel Guests	1,186,250	2,179,734	2,683,891	3,039,766
Cruise Visitors	0	172,182	199,607	199,607
Off-site Hotel Guests	133,453	152,589	177,086	190,772
VFRs On-site Residential	7,700	28,490	53,130	67,914
VFRs Off-site Residential	360,000	360,000	360,000	360,000
Total Visitor Days	1,687,403	2,892,996	3,473,713	3,858,058

The tourism projections presented above suggest that by applying a series of conservative visitation assumptions, the proposed development will easily maintain and most likely increase its share in the Caribbean tourism market. In addition, the internationally appealing destination that is proposed will entice the type of visitors that will cause a shift the visitor profile from friends and relatives

staying in private homes to hotel-based visitors who are visiting the island solely to enjoy its many offerings. With this shift in visitor profile comes a marked increase in visitor spending, tax revenue generation, job creation and overall economic growth. This will also leak to all of Puerto Rico's tourism, given the size and scale of this project.

Development Impact

Each land uses represent a source of positive economic impact in the form of direct spending, job support and tax revenue. The tables which follow present these impacts for the phased development program.

Table 15

By End Of Year	Summary of Sales and Rental Volume			
	1	10	20	25
Casino Gaming	\$245,011	\$348,727	\$743,632	\$821,030
Hotel/ Hospitality	200,000	439,197	527,366	824,324
Retail/ Dining/ Entertainment	48,000	177,830	355,071	440,068
Office	800	7,075	22,726	34,742
Residential	36,857	13,214	17,450	36,628
Airport, Gov't, Military, Industrial	2,700	14,198	25,174	30,399
Golf Courses	0	3,012	5,507	6,080
Marina	900	3,585	4,370	4,825
Total	\$534,268	\$1,006,837	\$1,701,297	\$2,198,098

Table 16

By End Of Year	Summary of Employment- Direct, Indirect, and Induced				
	Metric	1	10	20	25
Casino Gaming	75 SF / Job	1,733	1,733	1,733	1,733
Hotel/ Hospitality	1.2 Jobs / Room	3,000	5,513	6,788	7,688
Retail/ Dining/ Entertainment	300 SF / Job	667	2,067	3,383	3,800
Office	400 SF / Job	125	925	2,438	3,375
Residential	5 Units/ Job	20	74	138	176
Airport, Gov't, Military, Industrial	1,000 SF / Job	250	1,100	1,600	1,750
Golf Courses	70 Jobs/ Course	-	243	243	243
Marina	500 SF / Job	30	70	100	100
Terminal and Piers	4,000 SF / Job	13	61	61	61
Hospital	200 SF / Job	-	-	650	650
Educational	1,000 SF / Job	100	200	280	280
Tourism Support Facilities	1,000 SF / Job	50	50	50	50
Sports / Equestrian	1,000 SF / Job	-	100	200	200
Total Direct		6,108	12,256	17,784	20,226
Multiplier @ .5 Times		3,054	6,128	8,892	10,113
Total Direct, Induced and Indirect		9,161	18,383	26,676	30,340

Table 17

By End Of Year	Summary of Tax Collections			
	1	10	20	25
Gaming Tax	\$49,002	\$69,745	\$148,726	\$164,206
Sales Tax	1,980	7,460	14,874	18,404
Local Options Sales Tax	405	1,526	3,042	3,764
Municipal Excise Tax	135	509	1,014	1,255
Hotel Tax	22,000	48,312	58,010	90,676
Property Tax - Hotel and Residential	0	7,915	12,904	16,621
Property Tax - Office and Retail	0	2,498	5,230	6,820
Personal Income Tax - direct	12,215	29,293	51,815	65,066
Personal Income Tax - indirect	3,665	7,353	10,670	12,136
Total	\$89,402	\$174,610	\$306,286	\$378,946

Comparison with 2004 Reuse Plan

The following table presents a summary of development area expected job creation by each anticipated land use, and provides a comparison between the 2004 Reuse Plan and this Addendum. The 2004 Reuse Plan phasing plan indicates the anticipated development in years 10, 20 and at full build-out (Year 34). In the 2004 plan, years one and two are be dedicated to land acquisition and public sale. Therefore, in order to maintain a consistent timeline, these two years are not considered and comparisons with the 2010 Addendum are made in Years 8, 18 and at full build-out. Direct jobs as presented in the table relate to those employed on site as a direct result of the developments

Table 18

2004 Reuse Plan Comparison with 2010 Addendum												
Phased Absorption & Total Job Creation by Land Use												
Land Use	Through Year 8				Through Year 18				Through Year 32 (Year 25 for 2010 Plan)			
	2004 Reuse Plan		2010 Addendum		2004 Reuse Plan		2010 Addendum		2004 Reuse Plan		2010 Addendum	
	Area (sf)	Total Jobs	Area (sf)	Direct Jobs	Area (sf)	Total Jobs	Area (sf)	Direct Jobs	Area (sf)	Total Jobs	Area (sf)	Direct Jobs
Casino Gaming	-		130,000	1,733	-		130,000	1,733	-		130,000	1,733
Hotel/ Hospitality	320,000	N	2,700,000	5,063	570,000	O	3,620,000	6,788	570,000	200	4,100,000	7,688
Retail/ Dining/ Entertainment	100,000	T	555,000	1,850	480,000	T	965,000	3,217	960,000	4,450	1,140,000	3,800
Office	120,000		310,000	775	420,000		845,000	2,113	920,000	3,300	1,350,000	3,375
Residential	1,662,500		1,142,568	62	3,526,250		2,303,564	125	3,526,250	tbd	3,250,000	176
Airport, Gov't, Military, Industrial	1,000,000	A	950,000	950	3,500,000	A	1,500,000	1,500	7,000,000	7,280	1,750,000	1,750
Golf Course	50,000	V	70,000	200	50,000	V	85,000	243	50,000	15	85,000	243
Marina	25,000	A	30,000	60	25,000	A	50,000	100	25,000	40	50,000	100
Terminal and Piers	300,000	I	220,000	55	300,000	I	245,000	61	300,000	400	245,000	61
Hospital	280,000	L	-	0	280,000	L	130,000	650	280,000	tbd	130,000	650
Educational	337,000	A	150,000	150	737,000	A	250,000	250	1,037,000	50+	280,000	280
Tourism	-	B	50,000	50	-	B	50,000	50	-	-	50,000	50
Sports / Equestrian	-	L	100,000	100	-	L	200,000	200	-	-	200,000	200
Science Park	350,000	E	-	-	1,100,000	E	-	-	2,350,000	4,000	-	-
TOTAL	4,544,500		10,923,135	11,048	10,988,250		10,373,564	17,029	17,018,250	19,735	12,760,000	20,106

Source: 2004 Reuse Plan, Johnson Consulting

Summary and Conclusions

The Addendum to the Reuse Plan for Roosevelt Roads provides for the following:

- It considers the trends in various markets addressed in the Plan, including tourism, airport related commercial activities, nature based developments, and educational services.
- It represents a commitment to incorporate community points of view in the Plan and has done so through a number of meetings and workshops with community groups.
- The economic impacts are significant for the two municipalities and for Puerto Rico as a whole. As mentioned in the text, over 29,000 jobs will be created in the 20 - 25 year construction time frame, many of these will be held by residents of the two municipalities.
- The Plan will impact the two municipalities – Ceiba and Naguabo – through the creation of jobs, by stimulating new residential and commercial construction within and outside the Base’s perimeter. A major source of income for the two municipalities will be generated once the various facilities are operational.

Although not explicitly included in the Plan, the Government is committed to providing the means to assure that the regional workforce has the skills necessary to benefit from the jobs that will be created by the Re-use Plan.

Another benefit to Puerto Rico include a major change in its positioning as a tourism destination. In this sense, the Addendum to the Reuse Plan will be what could be called a “game changer”. In other words, it will not only reflect potential estimated demand based on historical trends for the various uses considered, but will also generate new demand due to the synergies to be created among them.



REFERENCE DATA

ADDENDUM TO THE 2004 REUSE PLAN

Reference Data Appendix

- A. Reference Drawings**
 - Illustrative Plan
 - Illustrative View

- B. Community Input Report**

- C. Conveyance Update**
 - Navy “Transferred Parcel Map” Update

A. Reference Drawings



A. Reference Drawings



INFORME DE LA COMUNIDAD

febrero 2010

COMMUNITY WORKSHOPS CEIBA AND NAGUABO



ADDENDUM TO THE 2004 ROOSEVELT ROADS RE-USE PLAN

PLAN DE DESARROLLO ANTIGUA BASE ROOSEVELT ROADS

INDICE

INDEX

Participantes	1
<i>Participants</i>	
Introducción	2
<i>Introduction</i>	
Mapa de Contexto	3
<i>Context Map</i>	
Proceso de los Talleres	4
<i>Workshop Process</i>	
Idéas Cláves que Surgieron del Taller	6
<i>Key Ideas from Workshops</i>	
Matriz de Comparables	12
<i>Matrix Chart Comparison</i>	
Conclusión	13
<i>Conclusion</i>	
Agradecimientos	14
<i>Acknowledgments</i>	

PARTICIPANTES

PARTICIPANTS

Ingeniero Erwin Kiess, Director Ejecutivo Portal del Futuro

Engineer Erwin Kiess, Executive Director Portal del Futuro

Alfonso Martínez - Staff

Freddy de Jesús - Staff

Arquitectos:

Architects

Manuel de Lemos

Moderador

Moderator

Rafael Castro

Carlos Betancourt

Fernando Pagán

Miguel del Río

Manuel Bermudez

Consultores

Consultants

CCS Studio, Chicago, Illinois

Arquitectos en Entrenamiento:

Architects in Training

Manuel Alfonso de Lemos

Javier A. Camay

Estudiantes:

Students

Mariela Bravo - Universidad Politecnica de Puerto Rico

Cynthia Michelle Burgos - Universidad Politecnica de Puerto Rico

The New San Juan Office Building, Chardon # 159, 2nd Floor Hato Rey, Puerto Rico 00919-5009
Teléfono 787-294-0101 x 5202 Fax: 787-294-0125



INTRODUCCION

INTRODUCTION

Este informe provee un resumen de los procedimientos llevados a cabo en los talleres comunitarios de febrero de 2010 en Ceiba y Naguabo en relación al suplemento del plan de re-utilización de la Base de Roosevelt Roads del 2004, el cual tomó en consideración los comentarios de la comunidad.

Estos talleres se formaron basados en los análisis recogidos en los tres meses anteriores. Se presenta un breve repaso de los hallazgos.

Intención de Este Documento

La intención de los resultados de los Talleres no representan el programa final del plan de re-utilización, sino mas bien un paso en calibrar el proceso en su totalidad y cómo las necesidades de la comunidad se están atendiendo por el plan y la creación de un conjunto de guías de planificación.

This report provides a summary of the proceedings held during the February 2010 Community workshops at Ceiba and Naguabo regarding the addendum to the Roosevelt Roads re-use plan of 2004, which took in consideration comments of the community.

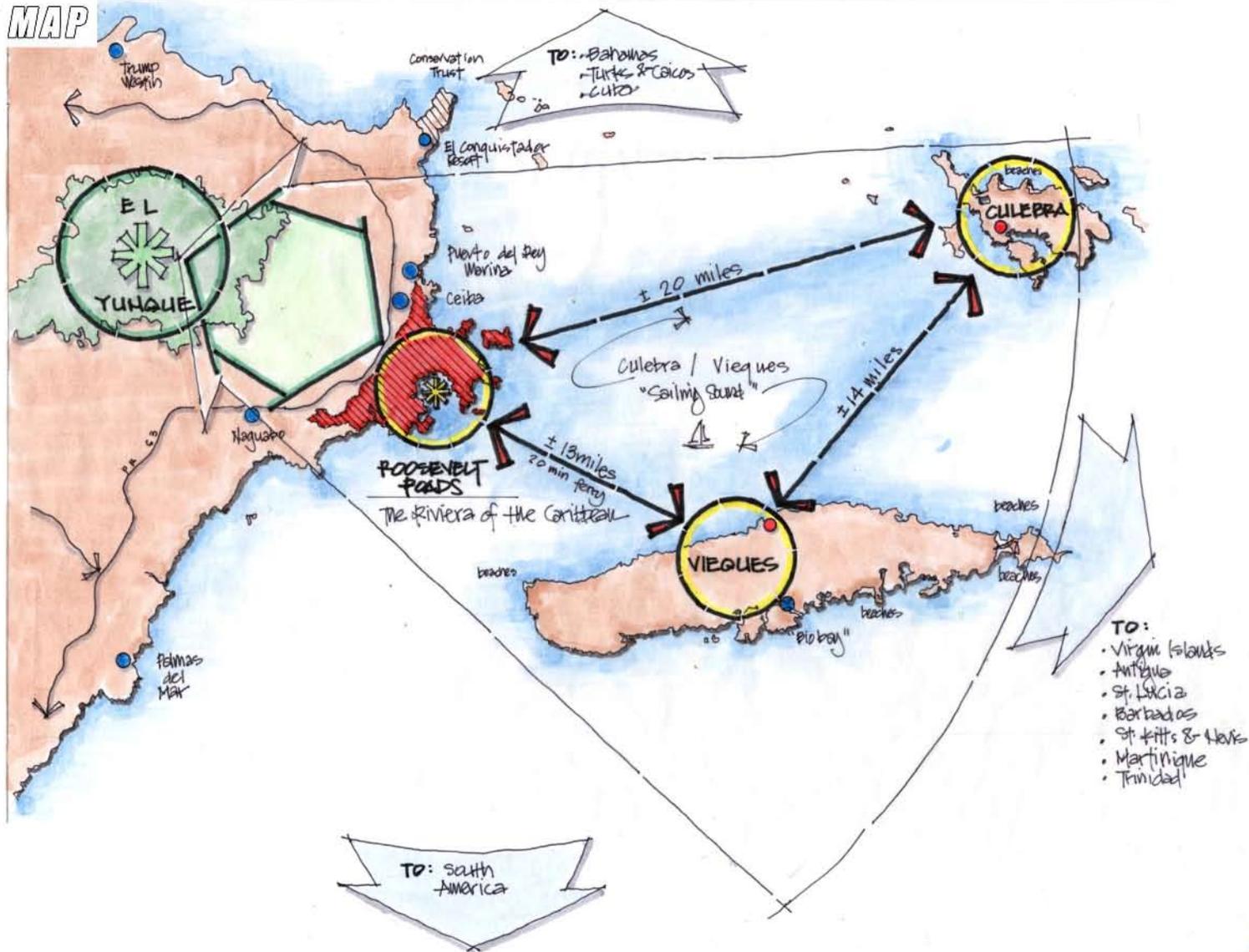
The workshops built on the analysis that had been completed in the preceding three months. A brief review of findings follows.

Intent of this Document

The results of the Workshops are not intended to represent the final program of the re-use plan but rather a step in the calibration of the overall process and how the community needs are being addressed by the plan and the creation of a set of planning guidelines.

MAPA DE CONTEXTO

CONTEXT MAP



PROCESO DE LOS TALLERES

WORKSHOP PROCESS

EL PROCESO

El martes 16 y miércoles 17 de febrero, aproximadamente 12 profesionales y estudiantes, dirigidos por el Ingeniero Erwin Kiess, participaron en talleres con la comunidad para presentar ideas al suplemento del plan de re-utilización para la Base de Roosevelt Roads. Los talleres se llevaron a cabo en Ceiba y Naguabo y una reunión de resumen se llevó a cabo el siguiente viernes para ambas comunidades. Sobre 140 residentes participaron en ambas sesiones y en la reunión final.

METODOLOGIA

En ambos talleres, se invito a los residentes a ubicarse en mesas al azar y un profesional fue asignado a cada mesa para dirigir el proceso y ocupar la atención de cada una de las personas en la mesa.

Luego de que el Ingeniero Erwin Kiess presentara el estatus del proyecto, el moderador le pidió a cada mesa que sugirieran al menos cinco (5) ideas principales que querían incluir o que se consideraran en el plan. Estas ideas fueron discutidas en cada mesa y luego leídas en voz alta y también escrito en "flip charts".

PROCESS

On Tuesday 16 and Wednesday 17 of February, over a dozen professionals and students led by Engineer Erwin Kiess participated in workshops with the community to bring ideas set-forth for the addendum re-use plan for the Roosevelt Roads Base. The workshops were held in Ceiba and Naguabo and a re-cap meeting was held the next Friday in Ceiba for both communities. Over one hundred and forty residents participated in both sessions and in the final meeting.

METHODOLOGY

On both workshops, residents were invited to sit at tables randomly and a professional was assigned to each table in order to guide the process and engage every person sitting at a table.

Following a general presentation of the status of the project by Engineer Erwin Kiess, the moderator asked each table to come-up with at least five (5) major ideas that they wanted included or considered in the plan. These ideas were discussed at each table and then read out loud and written down in flip charts.



PROCESO DE LOS TALLERES

WORKSHOP PROCESS

Al final del proceso, se le solicitó a cada mesa que explicaran al público, sus ideas más importantes al resto de los grupos. Al cabo de la presentación individual de los grupos, los profesionales y los participantes tuvieron una discusión informal de los procedimientos de la noche.

Sesión Final de Cierre

El viernes subsiguiente a los talleres, los miembros del equipo de diseño se reunieron con la comunidad y presentaron todas las ideas presentadas por categoría y explicaron en términos generales lo que quería decir y cómo se analizarán en los próximos pasos de planificación.

Se notó que muchas ideas estaban incluidas en el plan, otras ideas nuevas se incluirán en el addendum y otras ideas serán evaluadas más a fondo.

At the end of the process, each table was asked to explain in public their most important ideas to the rest of the groups. Following the individual group's presentation, the professionals and the participants held an informal discussion of the proceedings of the night.

Final Wrap-up Session

On the next Friday following the workshops, the design team members met with the community and presented all of the ideas by category set forth at the workshops and explained in general terms what they meant and how they would be analyzed in the next planning steps.

It has been noted that many ideas had been included in the plan. Some new ideas will be brought in as part of the addendum and some ideas will need further evaluation.



IDEAS CLAVES QUE SURGIERON DEL TALLER

KEY IDEAS FROM WORKSHOP

I. TURISMO

IDEAS

- Diálogo constructivo en torno a la industria del turismo y su valor para la economía, incluyendo el establecimiento de un Centro de Información Turística.
- Canales para kayaks.
- Torre de Observación.
- Areas de acampar en Piñero y Punta Puerca.
- Promover el eco-turismo a escala internacional y mundial.
- Crear un campus con facilidades para reuniones.
- Promover facilidades de turismo local como parte del concepto de plan de re-utilización.
- Centro de Convenciones.
- Hoteles de mediano costo.
- Concepto parador.
- Primera mención para el establecimiento de un museo naval.
- Paseo ecológico de montañas a mar.

PRINCIPIO DE PLANIFICACION

Crear varias areas culturales que distingan el contexto historico de los terrenos.

I. TOURISM AND HOSPITALITY

IDEAS

- Good deal of positive discussion about tourism and value of the industry, including the establishment of a Tourism Information Center.
- Kayak Canals
- Observation Tower.
- Camping Areas in Piñero and Punta Puerca.
- Promote eco-tourism projects at an international and world class scale.
- Create a campus with appropriate meeting facilities.
- Promote local tourism facilities as part of the re-use plan concept.
- Convention Center.
- Moderate Budget Lodging.
- Parador hospitality concept.
- First-time mention for establishing a Naval Museum.
- Ecological walk-way.

PLANNING PRINCIPLES

Create various cultural venues which enhance the historic context of the base lands.



IDEAS CLAVES QUE SURGIERON DEL TALLER

KEY IDEAS FROM WORKSHOP

II. COMERCIO

- Centro de Desarrollo Empresarial.
- Oportunidades para negocios existentes en el pueblo de poder establecerse en la base, incluyendo restaurantes, centro de bienes raíces y otros pequeños negocios.
- Centro comercial.
- Re-establecer usos comerciales en el "Main-street".
- Puerto libre de impuestos (duty free).
- Empresa de ensamblaje de piezas usando materiales reciclados.
- Villa Pesquera.
- Usar modelo cooperativista para el desarrollo económico.
- Dar prioridad a los residentes de Ceiba y Naguabo para establecer negocios.
- Acuicultura artesanal.

PRINCIPIO DE PLANIFICACION

Promover oportunidades de inversión local como parte del plan financiero.

III. SALUD

- Facilidades de medicina deportiva.
- Usar hospital de la base para cuidado de envejecientes.
- Hospital con unidad de trauma.

The New San Juan Office Building, Chardon # 159, 2nd Floor
Teléfono 787-294-0101 x 5202 Fax: 787-294-0125

II. BUSINESS AND COMMERCE

- Business Training Center.
- Opportunities for existing businesses to establish operations at the base, including restaurants, real estate centers and other small businesses; including coops.
- Commercial Center.
- Re-establish commercial activity in "Main-street".
- Tax free port (duty free)
- Assembly factory that utilizes recycled materials.
- Fishing village.
- Use coop model for economic development.
- Give priority to the residents of Ceiba and Naguabo to establish their businesses.
- Small scale aquaculture farm.

PLANNING PRINCIPLES

Promote local investment opportunities as part of the financial plan.

III. HEALTHCARE

- Sports medicine facilities.
- Hospital for elderly care.
- Hospital with trauma unit.

Hato Rey, Puerto Rico 00919-5009



IDEAS CLAVES QUE SURGIERON DEL TALLER

KEY IDEAS FROM WORKSHOP

III. SALUD

continuado

- Centro medico con unidad de cancer.

PRINCIPIO DE PLANIFICACION

Coordinar oportunidades del mercado con el operador del hospital y la comunidad a la cual le servirá.

IV. ECOLOGIA Y CONSERVACION

- Conservación y protección del bosque seco.
- Centro de vida marina, incluyendo Coopertativas marinas y centro educativo de biología marina.
- Facilidades eco-turísticas.
- Alternativas de energia renovable.

PRINCIPIO DE PLANIFICACION

Crear valor adicional con el uso de la marca Fideicomiso de Conservación como parte del desarrollo.

V. EDUCACION

- Escuela de Aviación
- Facilidades educativas y universidades, incluyendo la creación de una ciudad colegial en el "Mainstreet".
- Instituto agrícola.
- Escuela para niños autistas.
- Universidad y escuela superior vocacional.

III. HEALTHCARE

continued

- Cancer treatment center.

PLANNING PRINCIPLES

Coordinate market opportunities with the operator of the hospital and the community it will serve.

IV. CONSERVATION

- Conservation and protection of the dry forest.
- Marine life center.
- Eco-tourism facilities.
- Alternatives of renewable energy.

PLANNING PRINCIPLES

Create additional value with the use of the Conservation Trust brand as part of the development.

V. EDUCATION

- Aviation School.
- Many comments regarding continuing education – and college and a town environment.
- Agricultural institute.
- School for autistic children.
- University and technical schools.



IDEAS CLAVES QUE SURGIERON DEL TALLER

KEY IDEAS FROM WORKSHOP

V. EDUCATION

continuado

- Campamento intensivo con énfasis en mecánica marítima.

PRINCIPIO DE PLANIFICACION

Promover oportunidades para que los ciudadanos del área sean entrenados para empleos que se crearán como parte del plan de re-utilización.

VI. RECREACION Y DEPORTES

- Velódromo.
- Parques temáticos y recreativos.
- Acuario.
- Museos arqueológicos y centros de bellas artes.
- Parque ecuestre.
- Complejo deportivo para niños.
- Pista de aceleración.
- Veredas desde la costa hasta Naguabo.
- Veredas peatonales y para bicicletas.
- Muelles para pescar.
- Transferir el complejo deportivo de Bundy a Naguabo.

V. EDUCATION

continued

- Intensive summer programs with emphasis on marine mechanics.

PLANNING PRINCIPLES

Promote opportunities for locals to be trained for the jobs to be created as part of the re-use plan.

VI. SPORTING AND RECREATION

- Velodrome.
- Theme parks.
- Aquarium
- Archeological museum and fine arts facilities.
- Equestrian facility.
- Sports complex for children.
- Speed way.
- Walkways from the coastline to Naguabo.
- Walkways and bicycle paths.
- Fishing piers.
- Transfer the sports complex in Bundy to Naguabo.



IDEAS CLAVES QUE SURGIERON DEL TALLER

KEY IDEAS FROM WORKSHOP

VI. RECREACION Y DEPORTES *continuado*

PRINCIPIO DE PLANIFICACION

Promover la re-utilización de la mayor cantidad de facilidades existente para deportes y cultura.

VII. INFRAESTRUCTURA

- Conectividad con los cascos urbanos a través de transporte colectivo, paseos peatonales, bicicletas y autobuses eléctricos (biodiesel).
- Alternativas de energía renovable, reciclaje y tecnologías verdes.
- Aeropuerto internacional.
- Parque eólico.
- Parque industrial para tecnología verde.
- Puente a Vieques como idea para generar energía con turbinas de vientos.
- Edificio o zona para albergue y almacén para desastres naturales.
- Desarrollo del puerto marítimo como facilidad para barcos cruceros.
- Vías de acceso no deben impactar directamente al barrio Daguao.
- Conectar la infraestructura de agua y alcantarillado de la base a Daguao y Naguabo.

VI. SPORTING AND RECREATION *continued*

PLANNING PRINCIPLES

Promote the re-use of as many of the existing facilities for sports and culture.

VII. INFRASTRUCTURE

- Connectivity to neighboring urban centers by means of mass transportation, pedestrian walkways, bicycle paths and electric buses.
- Alternatives of renewable energy, recycling and green technologies.
- International airport.
- Aeolic Wind Farm.
- Industrial park for green technologies.
- Bridge to Vieques as a wind energy tool.
- Disaster area emergency preparedness building (i.e. Haiti).
- Development of the Maritime Port as a cruise ship facility.
- New access routes should not impact the Daguao community.
- Connect water provisions of the base to Daguao and Naguabo.



IDEAS CLAVES QUE SURGIERON DEL TALLER

KEY IDEAS FROM WORKSHOP

VII. INFRAESTRUCTURA

continuado

- Puerto más grande del Caribe usando los recursos existentes en la base.
- Crear un sistema regional de transporte colectivo con ferries y autobuses eléctricos.

PRINCIPIO DE PLANIFICACION

Coordinar plan maestro para el aeropuerto y crear conexiones distintas y atractivas para Ceiba (Parque Ceiba).

Crear un plan para re-utilizar varios edificios existentes como beneficio a las comunidades.

Promover la transferencia de las facilidades existentes de puertos, al Gobierno de Puerto Rico al menor costo posible.

Promover el uso de energía renovable en todo el desarrollo.

VIII. VIVIENDA

- Residencias para veteranos.
- Vivienda para envejecientes.
- Ciudad solar.
- Apartamentos (tipo time-share).

PRINCIPIO DE PLANIFICACION

Proveer vivienda disponible para los residentes de Ceiba y Naguabo.

VII. INFRASTRUCTURE

continued

- Build the largest port in the Caribbean by re-using existing port facilities.
- Integrate a regional transportation hub with ferries and electric buses.

PLANNING PRINCIPLES

Coordinate the airport master plan with the base redevelopment and create a new and attractive access to Ceiba (Ceiba Park).

Create a plan for re-use of several existing buildings for the benefit of the communities.

Promote the transfer of the existing port facility to the Government of Puerto Rico at the lowest cost possible.

Promote use of renewable energy sources for all of the development.

VIII. HOUSING

- Housing for veterans.
- Homes for the elderly.
- Solar City.
- Apartments (time-shares).

PLANNING PRINCIPLES

Provide housing that is accesible to residents of Ceiba and Naguabo.



B. Community Input Report

MATRIZ DE COMPARABLES

del plan de reuso del 2004, la enmienda al plan del 2010 y las ideas esbozadas en los talleres comunitarios del 2010

MATRIX CHART COMPARISON

of 2004 Reuse plan, the 2010 addendum to the plan and the 2010 community workshops ideas

ROOSEVELT ROADS REDEVELOPMENT																							
STRATEGIC CORRELATION MATRIX: Anchor Use Scenarios		REDEVELOPMENT SCENARIOS AND INITIATIVES / IDEAS												COMMUNITY INITIATIVES									
		DESTINATION ENTERTAINMENT ATTRACTION				INDUSTRIAL		RESIDENTIAL		EXISTING REUSE PLAN													
		Big Box Retailing/Entertainment Center	Theme Park	World Class Eco-Tourism Resort	Caribbean Riviera	Transshipment and Intermodal Center	Shipyard and Airside Maintenance Center	Vacation and Tourism	Employee	Science Park	University	Residential	Town Center Commercial	Industrial	Connectivity	Smart Growth / Sustainability	Recreation / Parks / Sports / Public Amenities	Tourism / Hospitality / Civic	Medical / Health Care / Elderly Care	Infrastructure	Business / Commerce	Community Education	Special Programming
Leverage Unique Amenities/Assets of the Site																							
Utilization of Airport Facility		●	●	●	●	●	●	○	○	○	○	○	○	●	●	●	●	○	○	●	⊕	⊕	
Utilization of Waterfront and Port		○	●	●	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	
Utilization of Conservation Areas		○	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	
Reuse of Facilities / Buildings		○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	
Leveraging Proximity to El Yunque		○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	
Leveraging Proximity to Vieques / Culebra		○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	
Leveraging Strategic Caribbean Location		●	●	●	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	
Other Site Aspects																							
Revenue Creation																							
Direct Tax Revenues		●	○	○	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○	⊕	○	⊕	
Indirect Tax Revenues		●	○	○	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○	⊕	○	⊕	
Level of Investment		○	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	
Job Creation																							
Development Specific		●	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	
Local Communities		●	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	
Overall		●	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	
Ability to Attract Investors		○	○	○	○	○	○	⊕	○	○	⊕	⊕	○	○	○	○	○	○	○	○	○	○	
Ability to Stimulate Collateral Development		●	●	●	●	○	○	○	○	○	⊕	⊕	○	○	○	○	○	○	○	⊕	○	⊕	
Short Term Value Creation		○	○	○	○	○	○	○	○	○	○	⊕	⊕	○	○	○	○	○	○	○	○	○	
Long Term Value Creation		●	○	○	○	○	○	○	○	○	○	⊕	⊕	○	○	○	○	○	○	○	○	○	
Time To Implement																							
Feasibility		○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	
Infrastructure Demand		●	●	●	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	
Overall Economic Impact: Ceiba & Naguabo		○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	

KEY
 ○ no strong relationship / NA
 ● potentially strong relationship / Good
 ● very strong relationship / Best
 ⊕ relationship varies

RESULTADO: Esta matriz demuestra que las ideas y elementos principales de diseño esbozados en el suplemento al plan (2010) se alinean (circuitos negros) con las ideas presentadas en los talleres en casi más de 70%
RESULTS: This chart shows that the 2010 addendum to the plan shows that our ideas and elements (black dots) align with the community ideas in over 70%



CONCLUSION

CONCLUSION

Los talleres de la comunidad son uno de los componentes del proceso de involucramiento de las comunidades al proceso de planificación. Los talleres usaron como base todo aquello que se aprendió de reuniones anteriores con residentes individuales, funcionarios electos, y organizaciones comunitarias para enlazar aquellas entidades claves identificadas con el proyecto y ayudar en la conceptualización de ideas que refuerzan el suplemento del plan de reuso del 2004, establecer ideas para su análisis posterior y permitir un proceso abierto y participativo.

The workshops are one component of the public involvement process. The workshops used what was learned from previous meetings with individual residents, the elected officials and community organizations to engage key stakeholders in the conceptualization of ideas that would reinforce the 2004 reuse plan addendum, establish ideas for review once and for all, and allow the public to participate and experience the planning process.



AGRADECIMIENTO

ACKNOWLEDGEMENT

Hon. Pedro Colón - Alcalde de Ceiba
Mayor of Ceiba

Hon. Maritza Menéndez- Alcaldesa de Naguabo
Mayor of Naguabo

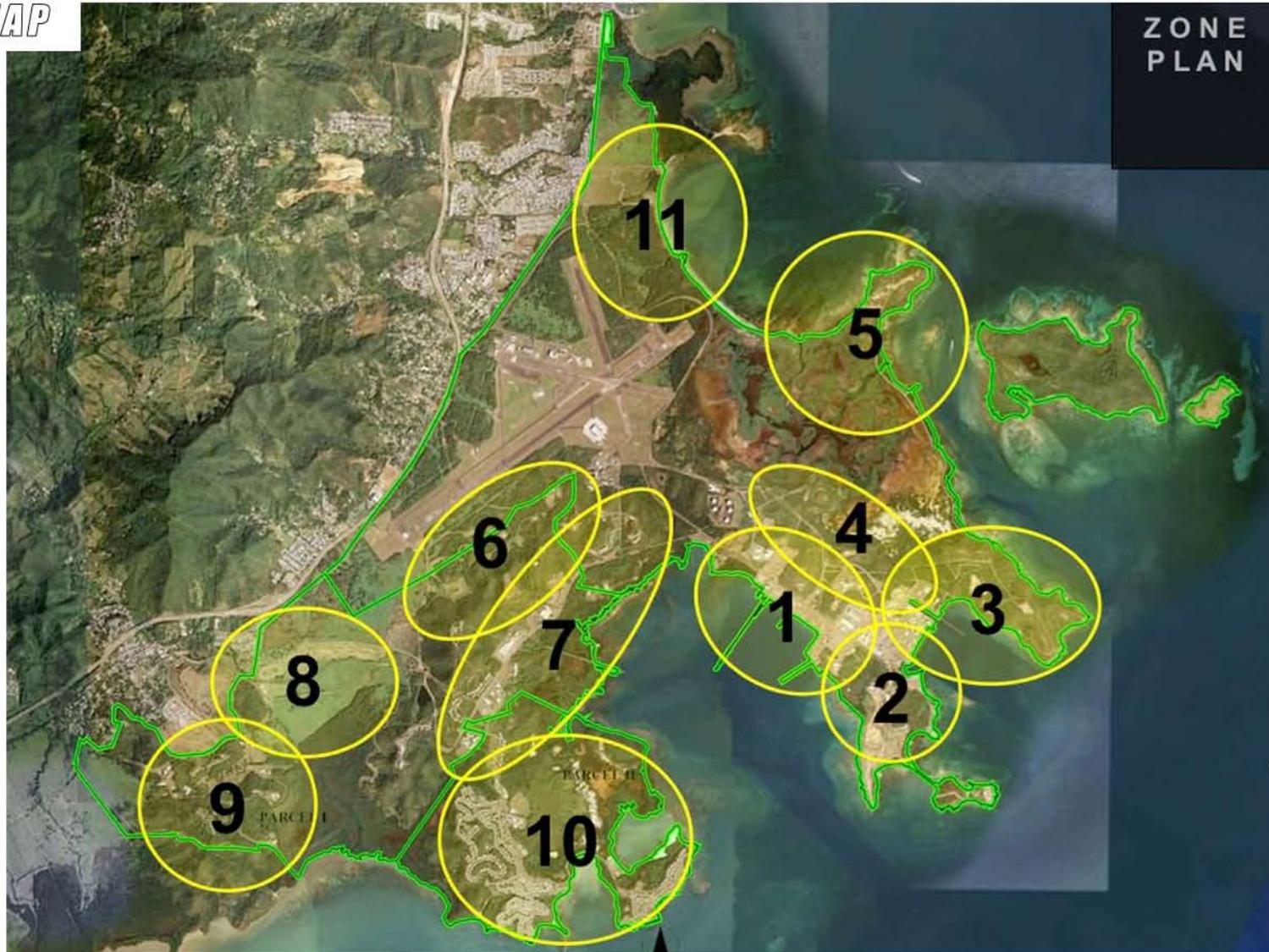
Y ESPECIALMENTE A LOS SOBRE 250 PARTICIPANTES DE CEIBA Y NAGUABO

AND TO THE OVER 250 RESIDENTS OF CEIBA AND NAGUABO WHO PARTICIPATED



MAPA DE ZONAS

ZONE MAP



The New San Juan Office Building, Chardon # 159, 2nd Floor Hato Rey, Puerto Rico 00919-5009
Teléfono 787-294-0101 x 5202 Fax: 787-294-0125

AUTORIDAD PARA EL REDESARROLLO LOCAL
ROOSEVELT ROADS



C. Navy Current Transferred Parcels Map

