



OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

**ACQUISITION,
 TECHNOLOGY
 AND LOGISTICS**

ACTION MEMO

NOV 20 2012

FOR: ACTING DEPUTY UNDER SECRETARY OF DEFENSE (INSTALLATIONS AND ENVIRONMENT)

FROM: Mr. Patrick J. O'Brien, Director, Office of Economic Adjustment *PJO*

SUBJECT: Proposed Economic Development Conveyance of Property at the Former Naval Station Roosevelt Roads, Puerto Rico

- Through Section 8132 of the Department of Defense Appropriations Act, 2004, Public Law 108-87, Congress directed the Navy to close Naval Station Roosevelt Roads (NSRR), Puerto Rico, in accordance with the procedures and authorities contained in the Defense Base Closure and Realignment Act of 1990.
- The Navy proposes to amend the existing NSRR Economic Development Conveyance (EDC) to provide the Portal del Futuro, as the recognized Local Redevelopment Authority (LRA), an additional ~2,100 acres with improvements and related personal property after two failed attempts to dispose of the property via Navy public sales (TAB A).
- The existing NSRR EDC received OSD coordination on October 3, 2011, and consists of 1,370 acres that were conveyed to the LRA on January 25, 2012.
- The terms for the conveyance of this additional property include a promissory note for \$8.5 million plus interest over 15 years. Consideration also includes payment of 40 percent of the gross real estate proceeds in excess of \$80 million received by the LRA through September 30, 2035, for all EDC property (approximately 3,470 acres). The conveyance of this additional property also eliminates the Navy's continued care and maintenance costs.
- The Services are required to obtain your prior coordination for an amendment that makes material changes to an approved EDC, and any related Congressional or public announcements.
- This conveyance is projected to create 4,800 jobs over a twenty-year period and is consistent with applicable law, regulation, and Department policies.

RECOMMENDATION: You concur by initialing below.

Concur *PC* Nonconcur _____ *NOV 30, 2012*

COORDINATION: TAB B

Attachments:
 As stated

Prepared by: Mr. Bryant Monroe/Robert Hertzfeld, OEA, 703-697-2105