



**Request for Proposals
Selection of Operator for Navy Lodge
and Coast Guard Pier (Alternate #1)
RFP 2016-002**

at Former Naval Station Roosevelt Roads, Ceiba, Puerto Rico

Issued by the
Local Redevelopment Authority for Naval Station Roosevelt Roads
Thursday, August 25, 2016

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

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

A. INVITATION TO SUBMIT PROPOSALS

I. Introduction.....4
II. Process.....4
a. Registration Form and Registration Fee4
b. Pre-Submittal Meeting and Property Tour.....4
c. Additional Information.....4
d. Operator Selection Timeline5

B. PROJECT SUMMARY

I. The Role of the LRA.....5
a. Law 508-20045
b. LRA's Redevelopment Goals6
c. Planning Efforts.....7
II. The Role of the Selected Operator.....8
a. Construction.....8
b. Financing9
c. Environmental Considerations9
d. Regulations and Certifications9
e. Community.....9
III. The Property.....11
a. Location and Facilities11
b. Buildings.....14
c. Infrastructure and Utilities16

C. PROPOSAL REQUIREMENTS

I. Identification of Applicant17
II. Organizational Eligibility of Applicant.....17
III. Services Applicant Plans to Offer.....18
IV. Experience of the Applicant18
V. Need for Services Offered by Applicant19
VI. Utilization of the Property by Applicant.....19
VII. Financial Offer, Capacity, and Strategy: Ability to Operate21
VIII. Local Impact.....22
IX. Other Information.....24

D. SELECTION CRITERIA AND PROCESS

I. Evaluation Factors.....26
a. Oral Presentations.....26
b. Best and Final Offer.....27

E. MISCELLANEOUS

I. Terms and Conditions Applicable to All Respondents.....28

- a. Legal Requirements..... 28
- b. Questions and Information 28
- c. Reference Documents 28
- d. Amendments to this DOCUMENT 28
- e. Authorizations by Proposal 28
- f. Teaming Arrangements and Special Purpose Entities 28
- g. Hold Harmless 29
- h. Public Information 29
- i. Organizational Conflicts of Interest 29
- j. Other Terms and Conditions 29
- k. Not a Contract..... 29
- l. Confidentiality of Information Associated to LRA 29
- m. Reservation of Rights..... 29
- n. Restriction of Damages..... 30
- o. Disclosure..... 30
- p. No Obligation to Accept Proposals 31
- q. No Collusion or Fraud 31

EXHIBIT LIST

(All Exhibits are available at www.rooseveltroads.pr.gov and incorporated herein by reference)

Maps of the Property:

Aerial Map of NSRR (Showing Parcels 1, 2, and 3).....Exhibit A-1

Navy Lodge and Coast Guard Pier Location Plan..... ..Exhibit A-2

Map of Location of Building 1205.....Exhibit A-3

Registration Form Exhibit B

Legal Requirements..... Exhibit C

Reuse Plans:

2014 Development Zones Master Plan (2010 Reuse Plan Addendum
updated by the 2014 Special Plan).....Exhibit D-1

2010 Reuse Plan Addendum (for reference only)Exhibit D-2

2004 Reuse Plan (for reference only).....Exhibit D-3

Existing Buildings:

Station Map	Exhibit E-1
CAD File of Station Map	Exhibit E-2
Existing Buildings Assessment.....	Exhibit E-3
Existing Navy Lodge Drawings	Exhibit E-4

Acts Containing Incentives:

Act No. 73 (Economic Incentives Act for the Development of Puerto Rico).....	Exhibit F-1
Act No. 20 (Act to Promote Export Services of 2012).....	Exhibit F-2
Act No. 74 (Puerto Rico Tourism Development Act of 2010).....	Exhibit F-3

Environmental Documents:

Navy's Environmental Remediation Schedules.....	Exhibit G-1
Navy's SWMU Location Map	Exhibit G-2
Navy's Environmental Reports (for reference only).....	Exhibit G-3
Geo marine Parcel Map	Exhibit G-4

Zoning Master Plans:

2014 Special Plan (in Spanish).....	Exhibit H-1
2014 Special Plan Topic 4 (in English)	Exhibit H-2
2014 Special Plan Map	Exhibit H-3
2011 Zoning Master Plan (for reference only)	Exhibit H-4

Infrastructure Documents:

2012 Infrastructure Master Plan (for reference only).....	Exhibit I-1
2012 Infrastructure Design Guidelines (for reference only)	Exhibit I-2

Amendment No. 1 EDC Agreement	Exhibit K-1
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Note: Respondents should review all the above plans and reports prior to creating a redevelopment vision for the Property.

A. INVITATION TO SUBMIT PROPOSALS

I. Introduction

On May 6th, 2013, the US Navy transferred the Parcel 1, which includes the Navy Lodge (the "Property") and the Coast Guard Pier ("Alternate #1"), to the Local Redevelopment Authority for Naval Station Roosevelt Roads ("LRA"). The LRA now wishes to select an Operator that will develop the property into a hotel/lodge facility or other type of facility/use determined by the Operator, to enable sustainable job creation and economic impact.

The Commonwealth of Puerto Rico ("Commonwealth"), through the LRA, is issuing this Request for Proposal ("RFP") to obtain proposals (a "Proposal") from interested Operators ("Operators") for a hotel/lodge facility at the Navy Lodge, located in Ceiba, Puerto Rico. This request is led by the LRA.

The Navy Lodge Project will be a long term partnership between the LRA and the Selected Operator to establish the Navy Lodge as a hotel/lodge or other type of facility/use determined by the Operator. Note that it is the LRA's preference to enter into a long-term ground lease with the Selected Operator. The LRA anticipates the Navy Lodge to be operational by 2017.

II. Process

- a. Registration Form and Registration Fee. Interested Operators must submit the Registration Form attached hereto as Exhibit-B to the LRA at the Pre-Submittal Meeting at Building 1205, in the Former Naval Station Roosevelt Roads, in Ceiba on **Wednesday, September 7, 2016** and pay a Registration Fee of one hundred dollars (\$100.00), payable by check or money order to the REDEVELOPMENT AUTHORITY FOR THE ROOSEVELT ROADS. This Registration Fee will not be refundable. **Registration will begin at 9:00AM-10:00AM AST.**
- b. Pre-Submittal Meeting and Property Tour. The LRA will host a pre-submittal meeting and Property tour on **Wednesday, September 7, 2016 at 10:00 AM AST.** The pre-submittal meeting will take place at 10:00 AM AST at Building 1205 in the Former Naval Station Roosevelt Roads in Ceiba. See Exhibit A-3 for location of Building 1205 in Roosevelt Roads. The Property Tour will take place thereafter. Only those Operators who submitted the Registration Form and paid the Registration Fee may attend. During such visit, the LRA will provide an overview of this RFP, provide a tour of the Property, and answer any questions. Any handouts and written responses to questions (which are the only binding responses) will be posted on www.rooseveltroads.pr.gov on the RFP Navy Lodge section, following the meeting. This pre-submittal meeting and Property tour will be the only opportunity for respondents to view the Property guided by LRA representatives, prior to submission of Proposals.

- c. Additional Information. All exhibits, additional information, and any questions/answers received on this document will be posted on the LRA's website at www.rooseveltroads.pr.gov on the Navy Lodge section. Questions can be submitted via e-mail to lradevelopment@lra.pr.gov.
- d. Operator Selection Timeline. The LRA's expected timeline for selection of the Proponent is set forth in the table below. Please note that activities and timeline are only a guide and are subject to change at the LRA's sole discretion.

Proponent Selection Timeline	
• Issuance of the RFP	Thursday, August 25, 2016
• Registration Form and \$100.00 Registration Fee	Wednesday, September 7, 2016 at 9:00AM-10:00AM AST at Building 1205, Roosevelt Roads, Ceiba
• Pre-Submittal Meeting and Property Tour	Wednesday, September 7, 2016 at 10:00 AM AST at Building 1205, Roosevelt Roads, Ceiba
• Deadline for Questions on the RFP	Monday, October 10, 2016
• Deadline for Posted Responses to Questions	Monday, October 17, 2016
• Submission Deadline	Monday, October 24, 2016 at 3:00 PM AST
• Selection of Proponent	On or about November, 2016

B. PROJECT SUMMARY

I. The Role of the LRA

On September 29, 2004, Puerto Rico Law 508 created the LRA for Naval Station Roosevelt Roads to implement the NSRR Redevelopment Project. The LRA's main objective is to work with the private sector, in collaboration with all government sectors, to redevelop Roosevelt Roads to its full potential to create a thriving community, stimulate economic activity and create employment opportunities.

- a. Section 6(a) of Law 508-2004, as amended, states the purposes of the LRA as follows:

"... (a) The Authority is created for the following purposes:

1. Implement the Plan for the Re-use of Roosevelt Roads Naval Station to be drafted by the Authority for Local Development.
2. Follow-up on all and any transactions made by the effective date of this Act by the Authority for Local Development.
3. Obtain the designation by the Department of Defense as Authority for Local Development in charge of implementing the Plan for the Re-use of the Roosevelt Roads Naval Station.

4. Direct, supervise, regulate and maintain the economic development of the land and facilities of the Roosevelt Roads Naval Station.
5. Conduct other activities deemed convenient and pertinent to the purposes of this Act.

...”

- b. LRA's Redevelopment Goals. The closure of NSRR by the Navy in 2004 created sudden and severe economic hardship to both the local communities and the Commonwealth. In 2008, the Navy began the Public Benefit Conveyance process of certain facilities – the airport and conservation areas to the Commonwealth of Puerto Rico, the Hospital Parcel to a non-profit organization and Los Machos Beach to the Municipality of Ceiba.

It wasn't until May 2013 that the Navy transferred the totality of 3,409 acres of lands and facilities through an Economic Development Conveyance process to the Local Redevelopment Authority, created through Law 508-2004, as amended. On December 20, 2011, the United States of America, acting by and through the Department of the Navy (“Navy”), and the LRA entered into that certain *Economic Development Conveyance Memorandum of Agreement between the United States of America acting by and through the Navy and the Local Redevelopment Authority for Naval Station Roosevelt Roads* (“EDC Agreement” for Parcel 3). On January 25-26, 2012, the Government transferred to the LRA approximately one thousand and three hundred and seventy (1,370) acres in Parcel 3 via 31 quitclaim deeds (hereinafter referred to as “Parcel 3”), and that certain *Lease in Furtherance of Conveyance between the United States of America and the Local Redevelopment Authority for Naval Station Roosevelt Roads* (as amended, the “LIFOC”); and on May 6, 2013, through EDC Amendment No. 1, the Navy conveyed to the LRA one parcel of approximately one thousand, five hundred forty-two (1,542) acres at NSRR referred to as Parcel 1 and a parcel consisting approximately of four hundred ninety-seven (497) acres at NSRR referred to as Parcel 2. Respondents are encouraged to familiarize themselves with the terms and conditions set forth in the Amendment No. 1 EDC Agreement, which is attached hereto as Exhibit K-1.

Some of the LRA's redevelopment goals include:

1. Achieve a high quality mixed use development which creates a sense of place and community by integrating the Project within the community.
2. Create new jobs and economic development for the region.
3. Incorporate the best applicable and sustainable design principles which encourage smart growth and best practices for neighborhood development by (i) promoting the location and design of neighborhoods that reduce vehicle miles travelled (VMT); (ii) creating developments where jobs and services are accessible

by foot or public transit; (iii) promoting an array of green building and green infrastructure practices, particularly more efficient energy and water use.

- c. Planning Efforts. To achieve the LRA's goals for the Property, in October 2014, the Puerto Rico Planning Board issued a new land use plan 2014 Special Plan (ROTFU) to further define the development parameters for the NSRR. To complement the new land use plan, the LRA issued the 2014 Development Zones Master Plan, (based on the amended 2010 Reuse Plan, which was linked to the Navy transfer of land in 2013).
1. 2014 Special Plan. This land use plan was published by the Puerto Rico Planning Board and is included as Exhibit H-1.
 2. 2014 Development Zones Master Plan. The LRA issued the 2014 Development Zones Master Plan (included as Exhibit D-1 in the document. The 2010 Addendum to the 2004 Reuse Plan is also attached as Exhibit D-2 and may be reviewed for reference purposes only). This plan presents nine (9) zones within the Property, ranging from an airside industrial park, institutional clusters, to a waterfront district, eco-tourism lodges and housing. The nine (9) zones are depicted in the image below:

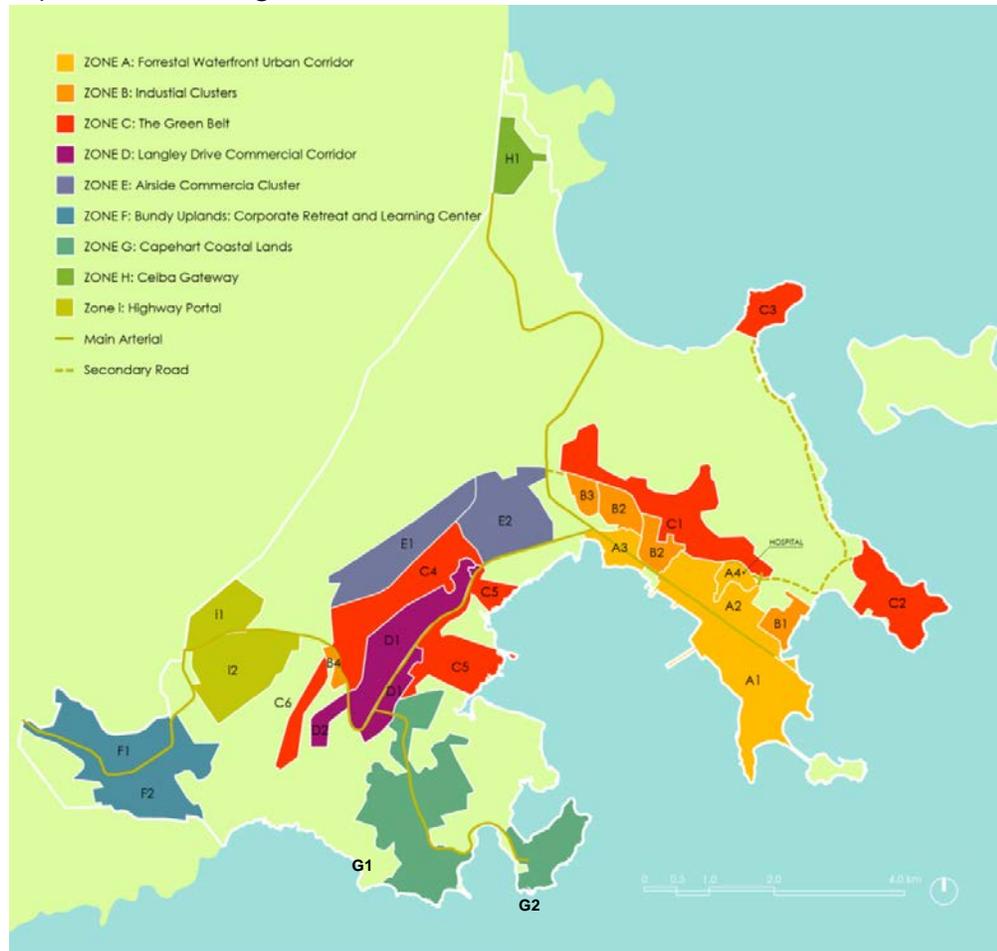


Image 1: 2014 Development Zones Master Plan

II. The Role of the Selected Operator

The Selected Operator must develop the Property in accordance with the specified use of Tourism Related Services or other type of facility/use determined by the Operator. As mentioned in Section A. Invitation to Submit Proposals. I. Introduction, the Navy Lodge Project will be a long term partnership between the LRA and the Selected Operator to establish the Navy Lodge as a hotel/lodge facility or other type of facility/use determined by the Operator.

As further set forth herein, the Selected Operator will be responsible for designing, constructing, commissioning, operating, maintaining, and financing the development of the Property. The Selected Operator will also be responsible for horizontal development, including utilities, roads, and other improvements.

The Selected Operator will be responsible for satisfying all requirements for hotel/lodge licensing and certification, applicable legislation and regulation, and delivering the services required to comply with those requirements.

The Selected Operator must achieve and maintain all service standards, licenses, certifications and accreditation required for the Property. The Selected Operator will obtain all requisite regulatory and governmental approvals and permits to enable the redevelopment of the Property. Regarding real property rights, the Selected Operator will acquire a long-term ground leasehold or other appropriate interests in the Property according to agreements between the LRA and the Selected Operator and adhering to the performance schedules contained therein related to the long-term development, financing, and management of the Property. The Selected Operator will coordinate all development activities with the LRA, in the terms described in the contract. The Selected Operator will define specific design standards and schemes based on the 2014 Special Plan and the 2014 Development Zones Master Plan. The Selected Operator will need to work with the LRA to make sure its development plan for the Property meets the criteria of the 2014 Development Zones Master Plan. The Selected Operator must comply with all applicable laws and regulations.

- a. Construction. The Selected Operator will be responsible for the construction and coordination of all selected off-site and all on-site improvements, including streetscapes, parking areas, utilities and roads, building cores and shells, tenant improvements, fixtures and equipment, and on-site landscaping. The Selected Operator will be required to comply with all applicable local, state and federal regulations. The Selected Operator will be responsible for the ongoing operation, maintenance and security of buildings, infrastructure, and grounds at the Property throughout all phases of development.

The Selected Operator will develop a flexible and innovative plan with a building and infrastructure that responds to the redevelopment plan sustainability goals and can easily evolve with technology and market demand.

- b. Financing. The Selected Operator will secure financing for construction of necessary buildings, land improvements and infrastructure. The Commonwealth will not provide any direct funding to the Selected Operator for this project but, several incentives have been identified. Respondents should familiarize themselves with incentives and federal financing programs.

Puerto Rico currently offers a wide array of economic incentives which include:

1. Economic Incentives for the Development of Puerto Rico Act, as amended (Act 73-2008), see Exhibit F-1
2. Act to Promote Export Services, as amended (Act 20-2012), Exhibit F-2
3. Puerto Rico Tourism Development Act of 2010 (Act No. 74), Exhibit F-3

Our economic incentives programs generally offer a 4% fixed corporate income tax rate, certain exemptions on municipal license and property tax exemptions. In addition, individuals who relocate to Puerto Rico can enjoy a 100% exemption on Puerto Rico income taxes from capital gains, interest and dividends. Research and Development tax credits for up to 50% of eligible investments are also available.

Puerto Rico Industrial Development Company (PRIDCO) offers funding from the Special Economic Development Fund (FEDE, Spanish acronym) based on job creation, infrastructure development, machinery and equipment, among others.

- c. Environmental Considerations. The Selected Operator shall provide the appropriate amount and type of General Liability Insurance (GL) and Pollution Legal Liability (PLL) Insurance policies to protect human health and the environment from any and all environmental releases or damages. In addition to protecting the Selected Operator, these policies shall include the LRA and its Board Members and staff and the Commonwealth of Puerto Rico as additional insured and hold them harmless from and against any and all claims related to development and environmental liability at the Property, if any.
- d. Regulations and Certifications. The Selected Operator must comply with all regulations and certifications required by the Commonwealth of Puerto Rico, applicable to the type of facility that will be developed.
- e. Community. The Selected Operator will work with the communities surrounding NSRR and other existing tenants at NSRR in implementing development and providing benefits in furtherance of the LRA's goals as set forth in this document and Law 508-2004. The Property is adjoined by the communities of the municipalities of Ceiba and Naguabo. Nearby islands municipalities are Vieques and Culebra. It is important to the LRA that these communities benefit from the redevelopment of the Property.

The LRA assumes that the Respondents in receipt of this document are fully informed and familiar with the 2014 Development Zones Master Plan and the Land Use Plan for Roosevelt Roads, included as exhibits. Respondents that submit a Proposal are responsible for becoming fully informed regarding all circumstances, information, laws and any other matters that might, in any way, affect the Respondent's roles and responsibilities in the Project. Any failure to become fully knowledgeable of any other matters that might, in any way, affect the Project will be at the Respondent's sole risk. The LRA assumes no responsibility for assumptions or conclusions made by Respondents on the basis of information provided in this document, or through any other sources.

III. The Property



Image 2: Location of the Navy Lodge within the NSRR, Development Zone D1

The former US Navy Lodge Roosevelt Roads, is located in Ceiba, Puerto Rico within the NSRR property. The location of the lodge and the surrounding area represents an interesting mix of natural ecological areas, physical infrastructure, a major airfield with an 11,000 foot runway (administered by the Puerto Rico Ports Authority), and waterfront development areas, which provide a unique and distinctive development potential. The LRA controls approximately 3,400 acres at NSRR and is seeking to redevelop the entire property, including the Navy Lodge and the Coast Guard Pier as an Add Alternate #1, in accordance with the uses outlined in this document.

- a. Location and Facilities. The Navy Lodge is located in approximately 6-acres of land in development SubZone D1. It is located adjacent to lush conservation land. Subzone D1, Langley Urban Strip, contains existing buildings and infrastructure appropriate for adaptive reuse. Among the existing buildings in addition to the former Navy Lodge, a fast food free standing building, a bowling alley, church, a big box (formerly the Navy Exchange) retail building, gas station, apartment buildings and a day care center. The area is the gateway to the Capehart zone, making it a viable commercial hub. Further Northwest from Langley Drive and up the Las Delicias Hills, this zone includes land apt for working-class residential and other suburban uses.

The gross development area for this subzone is about 1,895,000 sf. Promoted uses within Subzone D1 include:

- (i) Commercial. The existing buildings that housed the Navy Exchange and commissary will anchor the subzone’s retail component. Infill retail and food service buildings will be strategically planned for this strip of road. Other commercial uses include entertainment (bowling, game rooms) and foodservice (restaurants, supermarket, fast food).
- (ii) Residential. This area has zones where low-rise multifamily housing is desirable. The market for these communities can be directed towards the area’s working families, retired couples and short-term rentals.
- (iii) Hospitality. The former Navy Lodge will be the anchor of the hospitality component within Langley Drive. This area can serve business travelers, budget-oriented travelers and general tourism or other type of facility/use determined by the Operator.

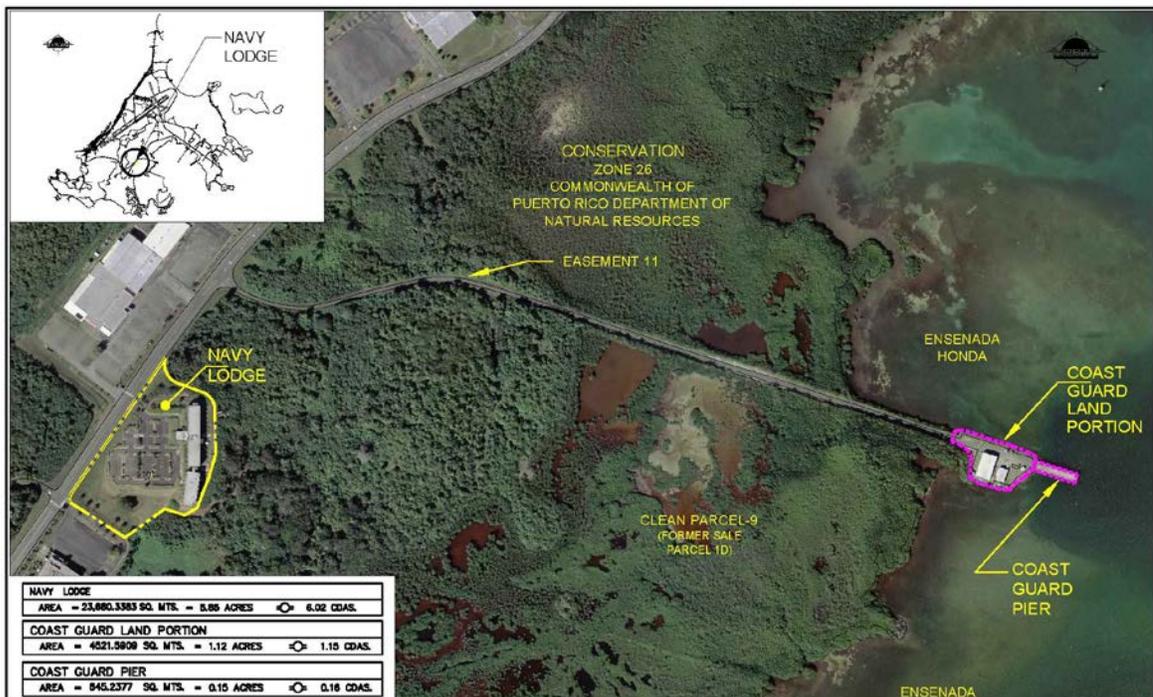


Image 3: Location of the Navy Lodge within Development Zone D1 and Coast Guard Pier within C5.

The area where the available property is located is comprised of multiple numbered facilities related to the former Navy Lodge complex. Major buildings on the approximately 6-acres subject property are: Building 2303 - Former Navy Lodge, Building 2317 - Former Playground Area, Building 2318 – Former Storage Shed.

Alternate #1: Operators may include the former US Coast Guard Pier (“CG Pier”) in their proposal. The CG Pier is available on a non-exclusive basis. Operator should indicate the desired area within the pier and the proposed use. The CG Pier is located in development Zone C5. The land within this zone is partly a protected coastal wetland. This facility can be reused for uses such as water-based tourism tours and other commercial uses.

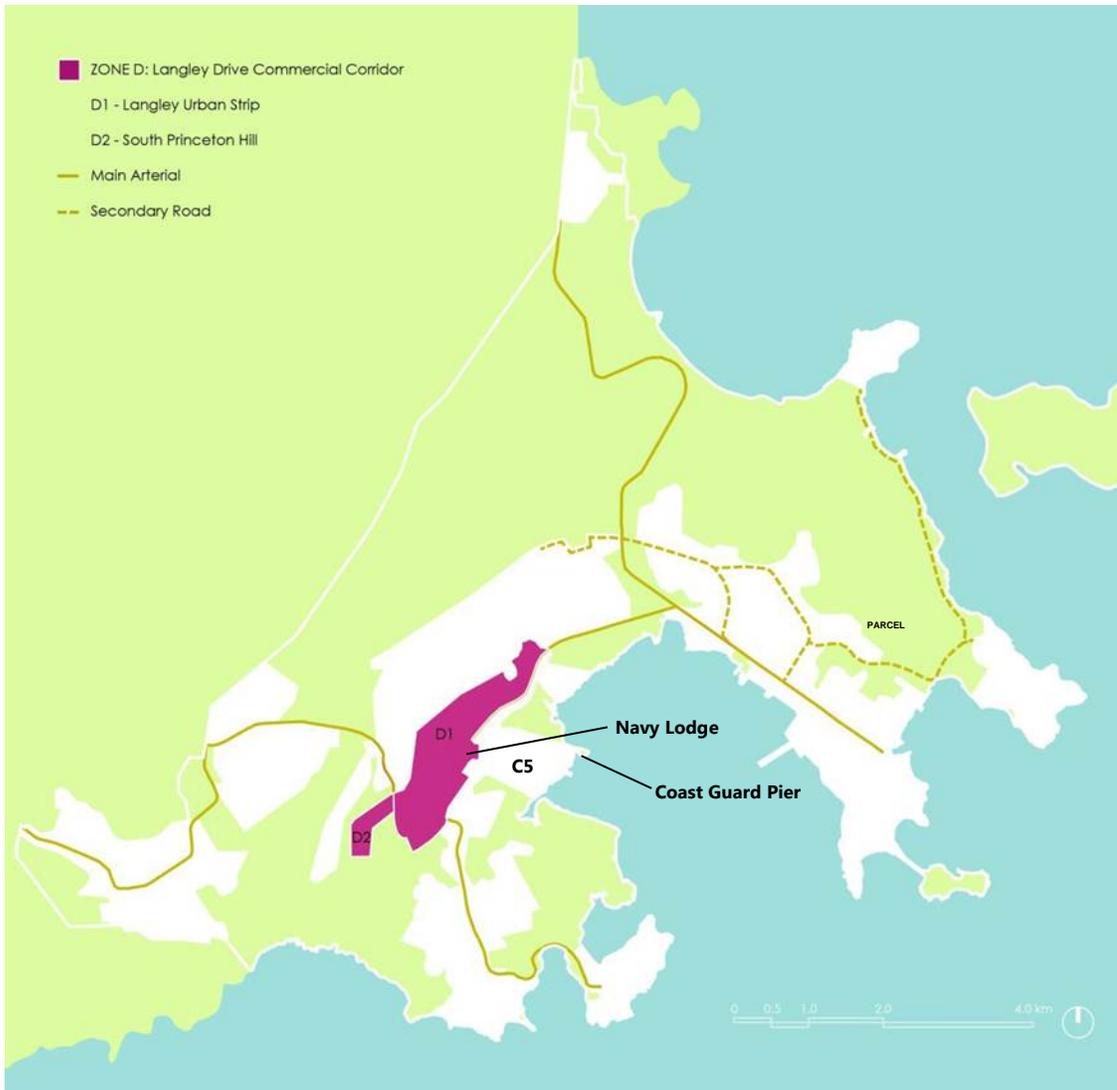


Image 4: Location of the Navy Lodge within Development Zone D1

The Property will be provided to the Selected Operator in “as-is” condition, without representation or warranty by the LRA as to physical or environmental condition of the land or any existing structures. Please note that all related property including equipment and built-in furniture, within the available real property is included. The LRA makes no representations regarding the character or extent of soil or subsurface conditions or the conditions and existence of utilities that may be encountered during the course of any work, development, construction or occupancy of the Property.

The Respondents will be responsible for undertaking an independent analysis of the Property conditions including any environmental, health and safety issues and should not rely on any reports or information related to such issues provided to the Selected Operator by the LRA.



Image 5: Location of existing buildings within the Navy Lodge area

- b. **Buildings.** Maps and assessments relating to existing buildings on the Property are included as exhibits. See [Exhibit E-1](#), [Exhibit E-2](#), and [Exhibit E-3](#). See [Exhibit E-4](#) for Existing Navy Lodge Drawings.
1. **Description of the Building 2303 (North Wing) & 2317 (South Wing):** The subject is improved with a 120-room former lodging facility served by a 143-vehicle surface parking lot. The building improvements are divided into two (2) wings. The north wing was built in 1991, and it is a 3-story building with 72 rooms. The central section at each floor included the domestic/common areas, and the guests' rooms were located at each side along a central hallway. The ground floor included the main lobby and reception area, the manager's office, and retail and vending areas. The maids' room and a small office, elevator, domestic laundry, and guest Laundromat were located across the central hallway from the main lobby at the ground floor as well. The south wing was built during the late 90's and it added an additional 48 rooms to the former lodging operation. The structure includes three (3) floors above street grade and a ground floor below street grade. The ground floor included a small lobby, elevator and guest laundry area, as well as nine (9) rooms. The upper levels had identical layouts with elevator and storage areas and thirteen (13) rooms each. Each building included emergency exits at each side opening towards exterior

stairways. The north and south wing buildings are connected through covered/open hallways. The following table details the areas of the subject building improvements:

Navy Lodge Building Improvements Summary Table

North Wing	Domestic Area	Common Areas	Guest Rooms		Totals
Ground floor	1,664	3,586	9,346	22	14,597
Second floor	848	2,701	10,194	24	13,742
Third floor	-	2,701	11,043	26	13,744
Subtotal	2,511 sq. ft.	8,988 sq. ft.	30,583 sq. ft.	72	42,082 sq. ft.
South Wing					
Ground floor	-	2,314	3,892	9	6,206
First floor	-	1,588	5,640	13	7,228
Second floor	-	1,588	5,640	13	7,228
Third floor	-	1,588	5,640	13	7,228
Subtotal	- sq. ft.	7,077 sq. ft.	20,813 sq. ft.	48	27,890 sq. ft.
Totals	2,511 sq. ft.	16,065 sq. ft.	51,396 sq. ft.	120	69,972 sq. ft.

Image 6: Navy Lodge area summary table

Each guest room included an open room area (average of 250 sq. ft.) with a wall mini-split a/c unit, a kitchenette, and one full bathroom with a single-basin vanity top, storage shelves and a hanging closet. Average room size (interior wall-to-wall) is approximately 372 square feet. Interior finishes included carpet floors, plastered/painted gypsum board and cement block partitions, glazed tile bathroom wainscot, stucco painted ceilings at the rooms, and acoustic hung ceilings at hallways and common areas. Ceiling height per room is approximately 10 feet.



Image 7: Navy Lodge front façade



Image 8: Navy Lodge front façade

The following image shows the typical unit floor plan, as extracted from the plans included as Exhibit, of the subject original north wing building.

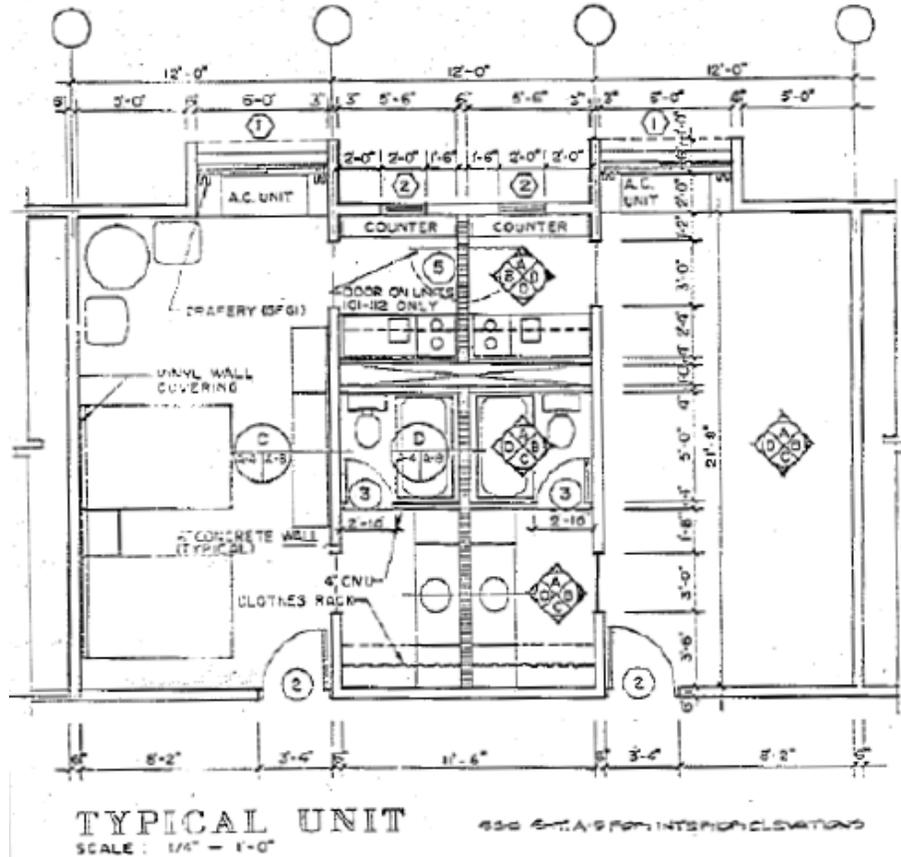


Image 9: Floor Plan of typical unit at Navy Lodge

2. Description of the Building 2318: Former Storage Shed. It is a single-story building of approximately 216 square feet.
- c. Infrastructure and Utilities. The LRA currently owns all of the utility systems and infrastructure at the NSRR. In essence, the design was capable of supplying all of the naval base operation demands of residents, including schools, office buildings, community buildings, golf course with clubhouse, shops, commercial areas, hospital, tank farm, piers, recycling plant, landfill and a shipyard, among others. These systems are completely independent from the public networks adjacent to the naval base, which are property of PRASA (Puerto Rico Aqueducts and Sewer Authority) and PREPA (Puerto Rico Electrical Power Authority) among other utility companies.

Although the utility infrastructure may be transferred to Puerto Rico's utility companies in the future, the LRA currently operates all of the utilities and must enter into a utilities agreement with the Selected Operator to specify connection fees and utility rates.

For reference only, see Exhibit I-1, 2012 Infrastructure Master Plan and Exhibit I-2, 2012 Infrastructure Guidelines.

C. PROPOSAL REQUIREMENTS

Respondents must submit a complete package in order to be considered. The ideal proposal submission package identifies each of the sections below.

Respondents should submit a signed cover letter which acknowledges that the respondent has received, examined, and is familiar with the document, including all exhibits and information posted on www.rooseveltroads.pr.gov. The cover letter should provide an executive summary of the proposal. The cover letter should be signed by a person that has full authority to bind the Respondent to all terms and conditions of the Proposal.

While there is no page limitation for the Proposals, Respondents are *strongly* encouraged to be concise in their responses.

All Proposals must be submitted in English.

Use the following format to complete your Proposal. Include any supporting documentation as attachments. Each Proposal should address all of the following items, in the order listed below.

I. Identification of Proponent

- a. State the legal name of the Respondent.
- b. Give the name, title, contact information and address of the person authorized to act on behalf of the Respondent's team.
- c. Give the address and telephone number of Respondent.
- d. A description of the Respondent's organizational history and background should be included. Respondent should provide an organizational chart and information that clearly explains the relationship, as well as the ownership and management structure among the lead Respondent and any team members, their respective roles and contributions to the Project, and the structure of team decision-making.

II. Organizational Eligibility of Proponent

- a. Provide a copy of the document showing statutory or other authority under which your organization is permitted to acquire a leasehold for the proposed use. A copy of the applicable certification from the Corporations Division of the Secretary of State's Office, where the Proponent is registered, will satisfy this requirement.
- b. Identify all possible lessees, sub-organizations, affiliates, etc., that may participate in

and/or operate the proposed program on the requested property. Identify which portions of the Navy Lodge Property and the Coast Guard Pier (Alternate #1) the Respondent seeks to sub-lease (if any) to third party developers and specify the methods for qualifying such companies (RFP, by invitation, etc.). Clarify which role (if any) the LRA will have in vetting such third parties.

1. If any of the above entities will be paying rent to the Proponent, provide a draft agreement detailing the rental terms, including the amount to be charged.
 2. Provide commitment letters, memorandums of agreement, or any other documentation detailing the planned cooperation between the Proponent and all entities listed above.
- c. Indicate whether the Respondent is accredited, approved, or licensed by Federal or State accrediting, approving, or licensing authority. If so, give the name of such authority and provide documentation.

III. Services Proponent Plans to Offer

- a. Identify the services the Proponent will provide through the use of the Property. Please provide a specific and detailed account. Information should be provided that will enable the LRA to evaluate the Respondent's concept and development plan for the Project.
1. Respondents should describe in detail their overall concept and vision for the Project, including how the Property will be developed and the type of lodging facility that will be developed.

IV. Experience of the Proponent

- a. Demonstrate that the Proponent is qualified to implement the program of use. Provide a description of:
1. The full range of services currently provided by Proponent and the length of time any current programs have been operating;
 2. The organization's present staff in terms of numbers and qualifications;
 3. The proposed level of staffing and qualifications of such staff as needed for the proposed program; and
 4. Past experience and demonstrated success of the Proponent relevant to the proposed program. A summary of the Respondent's experience in operating

hotel facilities of similar nature for which interest is being expressed. To the extent possible, the narrative should specifically describe how the Respondent's experience demonstrates that it has the skills and experience necessary as a team to develop the Property at NSRR.

- b. Identify whether the services proposed by the Proponent are similar in scope to those currently being offered by Proponent. If proposed services are greater or different than services currently offered by Proponent, how does Proponent intend to account for this gap in experience?
- c. If possible, please provide written recommendations, endorsements, and studies from appropriate State agencies, public officials of State and local governments, and recognized national or local sponsoring associations or organizations, attesting to the successful operation of your organization.

V. Need for Services Offered by Proponent

- a. Identify the need for the services the Proponent will provide through the use of the Property. Indicate the service area (city, county, etc.), and population to be served,
- b. List other facilities in the service area that currently offer the same type of service you propose to offer, including the number of clients and/or beds. Provide information to support the need for additional services in the service area. Include any surveys, reports, or documentation to support your analysis.
- c. Identify any real estate owned or leased by the Respondent. If applicable, include a statement that the real estate owned or leased by the Respondent is not suitable for the proposed program of utilization.

VI. Utilization of the Property by Proponent

- a. After reviewing the existing buildings, structures and infrastructure and their potential for re-use, Respondents should identify which the Respondent intends to reuse and which will be demolished. Give a general description of the development plan. The description should include the amount of acreage and improvements, e.g., buildings, structures, etc. Identify buildings as follows:

Building No.:
Building Name:
Area (square feet):

- b. Identify which additional portions of the Property (if any), in addition to the Navy Lodge, the Respondent seeks to lease from the LRA. For example the Coast Guard Pier (Alternate #1).
- c. Give information for items (1), (2), (3) and (4) as applicable:
 1. Indicate any zoning/land use regulations that are applicable to the subject property, and assure that the proposed program will conform to such regulations.
 2. State that the renovation of existing buildings, or construction of any new structures, will meet State and local building codes and/or regulations for the proposed program of use.
 3. Report the exact description of utilities required.
 4. Identify any easements, including overhead and underground, which are reported with the property, or are to be otherwise acquired for use in connection with the property.
- d. Submit a rough draft plan of the entire property, including:
 1. The nature and location of existing improvements and details of any proposed renovations;
 2. The location of proposed services within the building;
 3. The estimated square-footage use of each component of the proposed program; and
 4. The location, type, size, and proposed use of any new structures to be built on the property.
- e. Implementation Time. Describe the time required for completion of improvements and for bringing the property to full utilization. Please note that the Proponent must place the property into its proposed use within twelve (12) months from the date of transfer, or thirty-six (36) months where new construction or major renovations are required.
- f. A description of how the proposed improvements will promote the use of all means and measures, including best practices and technologies, to encourage and promote sustainable and balanced development, by incorporating the latest principles in ecological and sustainable design. Describe how the Property will be developed by using low impact design, energy efficiency/renewable energy strategies best practices. Special attention will be given to the design/construction and maintenance measures taken to avoid impacts to the surrounding protected lands and the endangered species found near the property.

VII. Financial Offer, Capacity, and Strategy: Ability to Operate

Information should be provided that will enable the LRA to evaluate the Respondent's financial offer and capacity to undertake the proposed Project.

- a. Financial Offer. Respondent shall propose the financial compensation that the Respondent proposes to pay to the LRA in exchange for the long-term lease of the requested Property. Respondents should note that the LRA is interested in maximizing revenues received by the LRA, while at the same time ensuring the long-term financial viability of the Project. The financial offer should detail any assumptions and/or requirements for the proposed financial consideration to be provided to the LRA. Information should be presented in a payment schedule.
- b. Financial Capacity. Respondent shall include a description of the financial capacity of Respondent and provide supporting documentation in the form of annual reports, audited statements, balance sheets, profit and loss statements, evidence of lines of credit and uncommitted discretionary sources of equity, and/or any other material financial statements. Financial statements for the last three (3) years must be provided. If Respondent is a new company, all company team members' personal financial statements shall be provided. Financial statements can be marked as confidential and submitted separately.
- c. Financing Strategy. It is critical to the LRA that Respondents be able to finance their proposed Project. While Respondents are encouraged to familiarize themselves with any available tax benefits, note that neither the LRA nor the Commonwealth intends to provide any public subsidy to fill any funding gaps or shortfalls. Respondents should provide a narrative description of the proposed debt and equity composition of the Project and other financial assumptions that will allow the LRA to evaluate the financial feasibility of the proposed Project. All financial models must be unlocked, fully functional with active formulas in Microsoft Excel and submitted on a CD-ROM. It is understood that all assumptions cannot be known at this time, but Respondents are asked to provide their best assumptions and/or specifically identify where it is not possible to make reasonable assumptions. The following information must be provided in this Section:
 1. The Respondent's proposed equity commitment to the Project and the timing of disbursement of that commitment, including letters of commitment from each equity investor for its Proposal, stating the full terms and conditions under which such amounts will be provided to the Project and with a schedule of disbursement consistent with the Respondent's requirement for construction and permanent financing.

2. Detailed description of which, if any, federal government or other public funding sources the Respondent intends to attract to the Project, coordination with the implementing agency and its timing.
 3. Satisfactory evidence of Respondent's ability to secure project debt, including tentative commitment letters from prospective lenders.
- d. Detail the estimated costs anticipated to prepare the property for full utilization, including:
1. A sources and uses table which includes an initial "order of magnitude" estimate of the cost of the Project along with potential sources and expected construction and development fees.
 2. A conceptual level development budget showing the Project's total development costs, estimating the assumed value of the Property, construction costs, architectural, engineering and related fees. The Respondent should submit estimated total project costs. The submittal shall include, but is not limited to: hard and soft costs based on industry standards; all development fees, general contractor fees and overhead costs separately identified; demonstration of how equity and debt or other methods of financing fully fund this Project; operating expenses analysis, and any other project-specific return metrics; and all the assumptions used in the financial model.
 3. A narrative statement explaining the economic feasibility of the proposed development. Respondents should provide full term conceptual development pro-formas describing estimated development costs and projected project income for income producing elements of the Project.
- e. Detail the estimated costs anticipated to operate the Property, including any maintenance costs.

VIII. Local Impact

- a. Local Job Generation. Information should be provided that will enable the LRA to evaluate the expected local impact from the proposed Project. One of the LRA's primary goals for this Project is to create local jobs. Respondents should
 1. Identify the percentage of contract dollar volume of the conceptual level development budget, the Respondent will strive to award to firms based in Puerto Rico. Please note that the LRA's goal is for at least 33% (a higher percentage will improve your overall evaluation) of the redevelopment budget to be awarded to firms based in Puerto Rico.

2. Provide an economic impact plan which identifies: (i) the number, type and phasing of local jobs to be created, indicate the share of local vs. expat jobs that the Respondent plans to hire. The higher the local jobs vs. expats, the better; (ii) projected local annual payroll associated with the proposed redevelopment plan at full build-out.
- b. Benefits to Community. The LRA promotes the hiring of Puerto Rican workers, particularly from the immediate community, as available by the prevailing labor market. The community includes the residents of Ceiba, Naguabo and the adjoining towns of Culebra, Fajardo, Humacao, Las Piedras, Luquillo, Rio Grande and Vieques. Describe the benefits the Project will provide to the community. Proposals shall include a draft of a Community Benefit Agreement (CBA), which should establish initiatives related to community involvement strategies in the areas of project design, communications, community relations and community economic development. Proposals shall also include the process the Respondent will follow to validate the CBA with the community. Initiatives included in the CBA may include, but are not limited to:
1. Include first choice offer to community local business and residents and the opportunity to implement socioeconomic projects approved by the coalition and the LRA's board of directors;
 2. Create a local hiring program with a minimum of 15% of total job opportunities set aside for local community residents for the construction phase and the implementation of the project subject to this DOCUMENT. Show how the Respondent will meet local hiring goals;
 3. Establish a local contracting, job referral and training center for local community residents, to maintain a data base of available opportunities for local business and job seekers. Show how the Respondent will meet this requirement.
 4. Establish other community benefits the Respondent is willing to provide. Describe how the Respondent will meet these benefits.

IX. Other Information

- a. Legal Action History. Provide a listing and brief description of all legal actions for the past five years in which any firm that is part of the Respondent's team has been: a debtor in bankruptcy; a defendant in a lawsuit for deficient performance under a contract or failure to comply with laws or regulations; a defendant in an administrative action for deficient performance on a project or failure to comply with laws or regulations; or a defendant in any criminal action. Please clearly state if no legal action against the Respondent and Respondent team members have occurred.

- b. Acknowledgment of Responsibilities. Respondents should specifically acknowledge and address the following responsibilities. Respondents should reference these responsibilities in the Proposal by section and page. The responsibilities of the Selected Operator will be defined and described in the agreements to be negotiated between the Selected Operator and the LRA. For purposes of this Proposal, Respondents should assume the following Selected Operator responsibilities, in addition to those mentioned in Section II Role of the Selected Operator (with the express understanding that the actual Selected Operator responsibilities may be expanded during negotiations):
 1. Obtaining all requisite regulatory and governmental approvals to enable the redevelopment of the Property.
 2. Acquiring leasehold, fee-simple or other appropriate interests in the Property according to any agreements between the LRA and the Selected Operator and adhering to the performance schedules contained therein related to the long-term development, financing, and management of the Property.
 3. Securing financing for construction of the entire Project, including buildings, land improvements, infrastructure, pre-development costs, and any development costs.
 4. Being responsible for the on-going operation, maintenance and security of buildings, infrastructure, and grounds under the agreement with the LRA, in the Property throughout all phases of development. In the case of sub-leasing or selling to third party developers, being ultimately responsible for the same issues.
 5. Complying with all applicable laws and regulations.
 6. Working in cooperation with the communities surrounding NSRR and other existing tenants at NSRR in implementing development in furtherance of the LRA's goals.

7. Developing detailed schedules for the planning, design, financing, construction and maintenance activities. These activities include the coordination of all agencies, consultants, architects, engineers, contractors, and property management functions.
 8. Working in cooperation with the LRA.
- c. Deadline for Proposals. **All Proposals must be received by the LRA prior to 3:00 PM AST on Monday, October 24, 2016.** All Proposals must contain one (1) signed original, seven (7) copies, and one (1) electronic copy on CD-ROM. The materials shall be submitted in sealed packages and addressed to: Malu Blázquez, Executive Director, Local Redevelopment Authority for Naval Station Roosevelt Roads, Fomento Industrial Building, #355 Roosevelt Ave. Suite 106, Hato Rey, PR 00918. The sealed package should be labeled with the Respondent's name, address, and contact person, and will be time-stamped upon receipt. Electronic, telegraphic and facsimile offers and modifications will not be considered without express prior written authorization. Any Proposal received after the time and date specified above may be rejected and may be returned to the sender unopened.

D. SELECTION CRITERIA AND PROCESS

I. Evaluation Factors

Respondents will be evaluated based upon the evaluation factors listed below. All Respondents will be evaluated based on the strength of their entire proposal as compared with the criteria listed below, along with balancing the best interests of the LRA.

<p>Factor 1: Experience of the Proponent</p>	<ul style="list-style-type: none"> • Demonstrates, through the experience and expertise of the organization in past projects, that the proposed team is qualified to execute the proposed development plan. • Has successfully completed and operated projects of a similar scale and scope to the proposed Project. • Proposed team is well-organized, has clear management structure, and has experience working together on similar projects. 	<p>25%</p>
<p>Factor 2: Financial Capability and Strategy</p>	<ul style="list-style-type: none"> • Presentation of a financially viable Project. • Possession of financial resources and commitments to execute the Project requirements with no LRA or Commonwealth-based subsidy. • Provides evidence of organizational and financial capability to ensure successful and timely delivery of the Project. 	<p>25%</p>
<p>Factor 3: Development Concept: Services Proponent Plans to Offer</p>	<ul style="list-style-type: none"> • Presents market-viable, concrete ideas for the Property redevelopment • Realistic Project timelines and phasing plans are presented with clear milestones that will enable the Property to be put into reuse as soon as practicable. • Conceptual plans demonstrate an understanding of the LRA's development goals and present a clear plan for implementation. 	<p>20%</p>
<p>Factor 4: Financial Offer</p>	<ul style="list-style-type: none"> • Willingness to provide the LRA with a competitive offer as fair consideration. 	<p>15%</p>
<p>Factor 5: Local Impact</p>	<ul style="list-style-type: none"> • Elements of the Project may improve the quality of life for the surrounding community. • Share of total contracting/subcontracting dollars to local companies (construction including: design and construction management and other professional services such as accounting, legal, etc.) in excess of minimums requested. • Ratio of total projected local vs. expat jobs to be hired. • Project will result in new jobs being created for local residents. 	<p>15%</p>

- a. Oral Presentations. The LRA, at its sole discretion, expects to require all or a short-listed group of the Respondents to participate in oral presentations. Details regarding the date, format, and other logistics for oral presentations will be provided to Respondents at a later date.

- b. Best and Final Offer. If Respondents are asked to submit a "Best and Final Offer" (BAFO), Respondents are expected to adhere to the additional guidance of the LRA and submit a final revised Proposal for the LRA's final consideration. Upon receiving the BAFO, the LRA reserves the right to conduct additional rounds of requests for information, interviews, and request further discussions and negotiations if the BAFO lacks adequate information to make a final selection.

E. MISCELLANEOUS

I. Terms and Conditions Applicable to All Respondents

- a. Legal Requirements. Respondents are responsible for complying with all legal requirements set forth in Exhibit C.
- b. Questions and Information. Any questions, requests for clarification, and general information requests must be sent by e-mail to the LRA at lradevelopment@lra.pr.gov in accordance with the deadlines set forth above; no telephone inquiries will be accepted. The LRA will provide all prospective Respondents with copies of any questions it receives and any answers, clarifications and/or information it provides in response thereto. Such information will be posted on www.rooseveltroads.pr.gov on the Navy Lodge section, on a rolling basis. Only written responses posted on the website will be considered binding.
- c. Reference Documents. To assist Respondents in preparing to respond to this document, the LRA has created a website at www.rooseveltroads.pr.gov Navy Lodge section. The website contains all exhibits and other documents which will be of assistance in the development of the Proposals.
- d. Amendments to this document. This document may be amended by formal amendment, document, letter, or facsimile. If this document is amended, then all terms and conditions that are not amended remain unchanged. Any amendments will be posted on www.rooseveltroads.pr.gov on the Navy Lodge section and sent to Participants by email.
- e. Authorizations by Proposal. Any and all information provided by a Respondent and its team members may be used by the LRA to conduct credit and background checks. The Respondent agrees to execute any additional documentation requested by the LRA to evidence this consent. At its discretion, LRA staff may contact references and industry sources, investigate previous projects and current commitments, interview some or all of the proposed development team members, and take any other information into account in its evaluation of the responses. The LRA reserves the right to request clarifications or additional information and to request that Respondents make presentations to the LRA, community groups, or others.
- f. Teaming Arrangements and Special Purpose Entities. Multiple Respondents may form a joint venture for the purpose of submitting a Proposal. A special purpose entity may be created for the purpose of submitting a Proposal. The LRA may require that financial and performance guarantees be provided by these and other Respondents as well as team members. (Note: the LRA will not be involved in facilitating partnering or teaming arrangements.) When a joint venture will be utilized, please present information for both

entities and include with your Proposal a copy of the legal documentation establishing the joint venture.

- g. Hold Harmless. By participating in this process, each Respondent agrees to indemnify and hold harmless the LRA and its officers, employees, contractors and advisors from and against any and all real estate and other brokerage fees or commissions, finder's fees, and any other forms of compensation related in any way to activities undertaken by any person as a result of such person's efforts towards and/or participation in this process or the submission by such person of a proposal, and liabilities, losses, costs, and expenses (including reasonable attorney's fees and expenses) incurred by any indemnified party as a result of, or in connection with, any claim asserted or arising as a result of, or in connection with, this process. This includes any and all activities related to the LRA's negotiations with the Selected Operator.
- h. Public Information. All information submitted in response to this document becomes property of the LRA. The documents and other records submitted to the LRA are part of the public record and may be subject to public disclosure; accordingly, information submitted should be expected to be subject to public availability. Therefore, any response submitted which contains confidential information must be conspicuously marked on the outside as containing confidential information, and each page upon which confidential information appears must be conspicuously marked as containing confidential information.
- i. Organizational Conflicts of Interest. Each Respondent should clearly identify in its Proposal any person or entity that has assisted the Respondent to prepare its Proposal that has advised, or is currently advising, the LRA on any aspect of the redevelopment at NSRR.
- j. Other Terms and Conditions. Law No. 508 and its regulations, as well as all applicable Puerto Rico and Federal laws and regulations, will govern this process and all agreements entered into in connection with this process.
- k. Not a Contract. This document does not constitute an offer to enter into a contract with any individual or entity, thus no contract of any kind is formed under, or arises from, this document, except where specifically stated otherwise.
- l. Confidentiality of Information Associated to LRA. Information associated to the LRA or a government entity obtained by the Respondents as a result of participation in this process is to be deemed confidential by the Respondents and must not be disclosed without prior written authorization from the LRA.
- m. Reservation of Rights. The LRA reserves the right, in its sole and absolute discretion, to:
 - 1. Change or amend the business opportunities described in this document;

2. Cancel or suspend this process or any or all phases, at any time for any reason;
3. Accept or reject any Proposal based on the selection criteria and as determined by the discretion of the LRA;
4. Waive any defect as to form or content of this document or any response thereto;
5. Not accept any or all Proposals;
6. Select one or multiple Respondents that will best meet the LRA's needs and objectives, regardless of differences in fees and expenses among responders to this document;
7. Reject all or any Proposals without any obligation, compensation or reimbursement to any Respondent or any of its team members; and
8. Extend any date, time period or deadline provided in this document, upon notice to all Respondents.

n. Restriction of Damages. Each Respondent agrees that:

1. In the event that any or all Proposals are rejected, or this document is modified, suspended or cancelled for any reason, neither the LRA nor any of its officers, employees, contractors or advisors will be liable, under any circumstances.
2. By participating in this process, each Respondent agrees to indemnify and hold harmless the LRA and its officers, employees, contractors and advisors from and against any and all real estate and other brokerage fees or commissions, finder's fees, and any other forms of compensation related in any way to activities undertaken by any person as a result of such person's efforts towards and/or participation in this process or the submission by such person of a proposal, and liabilities, losses, costs, and expenses (including reasonable attorney's fees and expenses) incurred by any indemnified party as a result of, or in connection with, any claim asserted or arising as a result of, or in connection with, this process. This includes any and all activities related to the LRA's negotiations with the Selected Operator.

o. Disclosure.

1. As required by Law No. 508, the information submitted by the Respondents will be published on the Internet once the RFP is adjudicated, with the exception of the information identified as confidential.

2. All public information generated in relation to the process, including communications with the media and the public, must be coordinated with, and is subject to prior approval of the LRA.

p. No Obligation to Accept Proposals. The LRA is not obligated to accept a Proposal where, at the discretion of the LRA, it is not in compliance with the requirements of this DOCUMENT; or it includes a false or misleading statement, claim or information; or background checks reveal any false statements in the Proposal.

q. No Collusion or Fraud. Each Respondent is held responsible to ensure that its participation in this process is conducted without collusion or fraud.