

**(S.B. 1110)**

17<sup>th</sup> LEGISLATIVE 4<sup>TH</sup> ORDINARY  
ASSEMBLY SESSION  
Law No. 158-2014  
(Enacted on Sept. 18, 2014)

## **LAW**

To amend Articles 2, 4, 6, 7, and 11 of Law 508-2004, known as the “Roosevelt Roads Naval Base Lands and Facilities Redevelopment Authority Act,” in order to extend its term for an additional period of thirty (30) years, until the Authority fulfills the commitments assumed with the United States Department of the Navy; to clarify some of the provisions of the Law in connection with the scope of the powers of the Authority and temper others to the current law; and for other related purposes.

### **PREAMBLE**

The project for the redevelopment of the lands of the Former Roosevelt Roads Naval Base is considered one of the large scale sustainable economic development initiatives on the Island. This project, which comprises the premises occupied by the Former Roosevelt Roads Naval Base and which has approximately 8,720 acres of land of high economic, natural, historical, and cultural value, will have a positive impact on Puerto Rico’s economy by generating investment and creating jobs. Precisely, economic activity has already been experienced in the region as a result of the signing of certain agreements for the development of film projects, and as a result of the occupation on lease of some of the Naval Base’s premises. In light of that, it is an indisputable fact that the redevelopment of the Roosevelt Roads lands constitutes an important part of the Government’s economic strategies and will enure to great benefits for Puerto Rico, which is why we are committed to giving continuity and providing the necessary resources to see it to a successful conclusion.

Due to the importance of this project for the economic development of Puerto Rico, pursuant to Law 508-2004, as amended, known as the “Roosevelt Roads Naval Base Lands and Facilities Redevelopment Authority Act,” the Roosevelt Roads Naval Base Lands and Facilities Redevelopment Authority (the “Authority”) was created as a separate, autonomous entity that would be in charge of responsibly and diligently to the future of the Roosevelt Roads facilities. In that sense, the creation of the Authority responds to the need for the redevelopment of the lands be implemented in an integrated manner, maximizing the opportunities for economic development in the area.

Without a doubt, the Authority has directed the project effectively and responsibly. Among its achievements, the Authority completed the preparation of the Roosevelt Roads Lands and Facilities Reuse Plan in December 2004, and the Supplement to the 2004 Reuse Plan in April 2010. In turn, in June 2012, the Authority completed the preparation of the Infrastructure Master Plan, which will serve as a guide for improvements to be done to the infrastructure framework and the utilities at Roosevelt Roads, including the potable water, sanitary water, electrical, telecommunications, and roadway systems. At present, the Authority is preparing the necessary documents for a “Request for Qualifications” (RFQ) and “Request for Proposals” (RFP) process in order to make way for the awarding of proposals and the contracting of the development projects.

Similarly, given the acknowledgment of the Authority as the entity in charge of the redevelopment of the Roosevelt Roads lands pursuant to Law 508-2004, the United States Department of the Navy subscribed herewith a series of agreements – based on the Supplement to the 2004 Reuse Plan completed in 2010 – so that the lands and facilities of the Naval Base would be transferred to it. These transfers took place on January 26, 2012 (Parcel III, 1,370 acres) and on May 6, 2013 (Parcels I and II, 2,039 acres). As a result, there is a total of 3,409 developable acres under the Authority’s ownership, and the contractual obligation with the Department of the Navy for the payment of such Parcels comes to \$16.5 million. The term stipulated for payment of the debt is from 2015 to 2044.

However, Article 6 of 508-2004 provides for the Authority to be in effect a public corporation for a period of ten (10) years as of enactment of the Law; to wit, until September 2014. Clearly, what remains on said term is not sufficient for the Authority to be able to implement its Development Plan and initiate the various projects that are contemplated in the Supplement to the 2010 Reuse Plan. Nor is it sufficient to comply with the agreements subscribed with the United States Department of the Navy, which, as stated above, are in effect until 2014.

In view of that, and since the Authority has played a fundamental role in the redevelopment of the lands, we believe it is necessary to extend its term as a public corporation for an additional period of thirty (30) years or until the Authority fulfills the agreements subscribed with the United States Department of the Navy. Note that Law 508-2004 itself recognizes such possibility by incorporating a provision that empowers the Authority to recommend to the Legislative Assembly the need to extend its term beyond the ten (10) years term.

Similarly, we believe it is necessary to clarify some of the provisions of Law 508-2004 relative to the Authority’s powers in order to give greater flexibility and swiftness to subsequent processes and procedures, as well as adapt it to the current legislation. Thus, for example, the name under which the Authority is currently known is included and the granting of per diems to the members of the Board of Directors is eliminated, in accordance with Law 72-2013, known as the “Law to Eliminate the Payment of All Compensation to Boards of Directors of Public Corporation.” That way, we clarify the provisions of the Law in question and we adapt it to the current laws.

**BE IT DECREED BY THE PUERTO RICO LEGISLATIVE ASSEMBLY:**

Article 1.– Article 2 of Law 508-2004 is amended to read as follows:

“Article 2.– Definitions

The following terms will have the meanings stated below, except where the context clearly indicates otherwise, and the words used in the singular will include the plural, and vice versa:

- (a) ...
- (b) ...
- (c) ...
- (d) ...
- (e) ...

(f) ...  
(g) ...  
(h) Master Development Plan: The long-term comprehensive plan for the redevelopment of the Lands of the former Roosevelt Roads Naval Base in the municipalities of Ceiba and Naguabo, which includes analysis, recommendations, and proposals for the protection of natural resources, the use of the lands in a sustainable manner, the economic development of the area, the provision of housing, transportation, and community facilities, among others, as contained in the Reuse Plan submitted by the Economic Development and Commerce Department to the United States of America Department of the Navy in the month of December 2004, as amended on April 10, 2010, and as amended or modified from time to time.

- (i) ...
- (j) ...
- (k) ...”

Article 2. – Article 4 of Law 508-2004 is amended to read as follows:

“Article 4. – Board of Directors

(a) ...  
(b) ...  
(c) The members of the Board who are officials of the Government of the Commonwealth of Puerto Rico or its agencies, including the Municipalities, will not receive any compensation for their services. The members will be entitled to be reimbursed for travel expenses necessarily incurred in the performance of their official duties according to the applicable regulations of the Department of the Treasury.

- (d) ...
- (e) ...”

Article 3. – Article 6 of Law 508-2004 is amended to read as follows:

“Article 6. – Purpose, Authorities, and Powers of the Authority

(a) ...  
a. ...  
b. ...  
c. ...  
d. ...  
e. ...  
(b) In order to achieve the purposes defined above, the Authority is granted and will have and may exercise, all of the rights and powers that may be necessary and convenient to carry out the same, including, but without limiting the generality of the foregoing, the following:

- a. Function as a public corporation for a period of forty (40) years as of the enactment of this Law, or until the Authority fulfills the agreements subscribed with the United States Department of the Navy. This makes it viable for the Authority to be able to carry out on a long-term basis its strategic plan for the sustainable redevelopment and

reuse of the lands and facilities of the territorial region under its charge. In addition, the term provided herein will be sufficient to guarantee compliance with the provisions of Article 15 on agreements of the Government of the Commonwealth of Puerto Rico.

- b. ...
- c. ...
- d. ...
- e. ...
- f. ...
- g. Except as provided in Article 11 with respect to contracting for the development of the Master Development Plan, to negotiate and grant, with any person, including any government, federal, or state agency, all types of contracts, including, without limitation, administrative grant contracts pursuant to the provisions of this Law, lease, sublease, surface rights agreements, and all those instruments and agreements necessary or convenient to exercise the powers and authorities conferred on the Authority by this Law;
- h. ...
- i. ...
- j. ...
- k. to exchange, sell, in such case with the prior authorization of the Legislative Assembly, lease, encumber, and otherwise dispose of any property of the Authority when deemed proper, necessary, incidental, or convenient in connection with its activities and in order to facilitate the procurement of the Master Development Plan or of those other projects that are being carried out or may be carried out in the future by the Authority;
- l. ...
- m. to take money on loan, and issue bonds of the Authority, with the authorization of the Puerto Rico Legislative Assembly, in order to provide funds to pay the cost of the acquisition or construction of any property of the Authority or to carry out any of its corporate purposes or for the purpose of refinancing, paying, or redeeming any of its bonds or outstanding obligations, and it may guarantee the payment of its bonds and of the bonds of any of its subsidiaries and of any and all of its obligations or obligations of any of its subsidiaries through assignment, pledge, mortgage, or any other lien on any or all of its contracts, rents, revenues, or property;
- n. ...
- o. to charge fees for services to the owners, tenants, and users of facilities within the premises of the former Roosevelt Roads Naval Base, such as, but not limited to, charging fees for the maintenance of common areas, security within the premises, and the collection and disposal of solid wastes;
- p. to require the payment of a contribution from the developers of projects within the premises of the former Roosevelt Roads Naval Base, to defray expenses for providing additional uses of public domain, including infrastructure, such as, but not limited to, roads, public transportation, aqueducts, sanitary sewers, telephones, ports, and airports, outside or inside the lands and facilities of the former Roosevelt Roads Naval Base, according to the regulation adopted to those effects by the Board of Directors of the Authority. Development projects that have an impact on providing

endowment uses, including infrastructure, will be subject to such impact fee. The Authority will dedicate the fees charged to the project developers to a special fund to provide infrastructure or other endowment facilities in the region of the former Roosevelt Roads Naval Base and in the municipalities of Ceiba and Naguabo;

- q. to create by resolution those subsidiary, affiliates, or associated companies, partnerships, corporations, deemed convenient to carry out the purposes of this Law and to transfer, lend, or donate funds or any of its properties to such subsidiary corporations or entities or guarantee any of their obligations; provided that such subsidiary corporations or entities created by resolution will be public corporations or entities wholly owned by the Authority and they will have the authorities and duties that have been granted to the Authority under the provisions of this Law and that, in turn, have been assigned to such subsidiary corporations or entities by the Board; provided, further, that the Board will appoint the members of the Board of Directors of any such subsidiary corporations;
- r. to acquire, possess, and dispose of stocks, shares in partnerships, members' rights, contracts, bonds, or other interests of other private corporations, partnerships, or private entities and exercise any and all powers or rights held thereon, as well as invest its funds in the form or forms deemed appropriate provided that in the opinion of the Board of Directors such endeavor is necessary, appropriate, or convenient to achieve the purposes of the Authority or to exercise its powers;
- s. ...
- t. ...
- u. ...
- v. ...”

Article 4. – Article 7 of Law 508-2004 is amended to read as follows:

“Article 7. – Officials and Employees

- (a) ...
- (b) ...
- (c) Before this Law has been in effect for thirty-nine (39) years, the Authority must issue a report to the Governor and to the Legislative Assembly recommending whether it is necessary to extend the Authority’s term beyond the forty (40) years provided by this Law or whether the Authority will be able to fulfill its goals within the time provided by this Law.”

Article 5. – Article 11 of Law 508-2004 is amended to read as follows:

“Article 11. – Design, Development, Construction, Financing, Operation, and Maintenance Contract for the Development of the Master Plan on the Roosevelt Roads Lands

- (a) Without prejudice to the general powers granted to the Authority in Article 6 to negotiate and execute any type of contract, in order to develop and regulate the execution of the Master Development Plan, the Authority may, through administrative grant contracts, lease contracts, or any other type of contract, enter into a contract with one or several persons to carry out the different phases or combinations thereof of the planning, design, redevelopment, construction, financing, operation, and maintenance of the lands and

facilities of the Naval Base, subject to the conditions and following the procedure outlined in this Article. Private funds may be used to pay the costs of any or all of such phases.

(b) In accordance with the foregoing, and in order to develop the Master Development Plan, the Authority may grant administrative grants for the design, redevelopment, construction, financing, operation, and maintenance of the lands and facilities to the person or persons selected by it under the provisions of this Article, subject to the approval of such grant by the Governor or by the executive officer delegated by the Governor, under the terms and conditions that comply with the requirements of this Law.

(c) To carry out the planning, design, redevelopment, construction, financing, operation, and maintenance of the lands and facilities of the Naval Base, the Authority may use any type of contract that separate or combines the planning, design, redevelopment, construction, financing, operation, and maintenance phases. Such contracts, leading to the implementation or development of the Master Development Plan, will be awarded through a request for proposals and negotiation process, as established in this Article, and the procedure described in Article 12 of this Law will not apply. Notwithstanding the foregoing, the Authority may assume the rights and obligations incurred by the Economic Development and Commerce Department or any other agency or subdivision of the Government of the Commonwealth of Puerto Rico in order to redevelop the lands and facilities of the Naval Base.

(d) ...

(e) The processes for qualifying and selecting the proponents and negotiating the contracts with the entity(ies) selected for the development of the Master Development Plan will be carried out in accordance with the processes and norms established by the Board, which will be consistent with the following principles:

- (i) ...
- (ii) ...
- (iii) ...
  - (A) ...
  - (B) ...
  - (C) ...
  - (D) ...
  - (E) ...
  - (F) ...
- (iv) ...
- (f) ...
  - (i) ...
  - (ii) ...
  - (iii) ...
- (g) ...”

Article 6. – Severability Clause.

If any clause, paragraph, article, section, title, or part of this Law is declared unconstitutional or defective by a Court with jurisdiction, the judgment entered to that effect will not affect, prejudice, or

invalidate the rest of this Law. The effect of such judgment will be limited exclusively to the clause, paragraph, article, section, title, or part thereof that has been so declared unconstitutional or defective.

Article 7. – Effectiveness.

This Law will enter into effect immediately after its enactment.

CERTIFICATION

I, OLGA M. ALICEA, AN ENGLISH-SPANISH INTERPRETER AND TRANSLATOR CERTIFIED TO THAT EFFECT BY THE ADMINISTRATIVE OFFICE OF THE U.S. COURTS AND BY THE NATIONAL ASSOCIATION OF JUDICIARY INTERPRETERS & TRANSLATORS, AND MEMBER IN GOOD STANDING OF THE AMERICAN TRANSLATORS ASSOCIATION, DO HEREBY CERTIFY THAT I HAVE PERSONALLY TRANSLATED THE FOREGOING DOCUMENT FROM SPANISH TO ENGLISH AND THAT THE TRANSLATION IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND ABILITIES.

S/ OLGA M. ALICEA

OLGA M. ALICEA, FCCI, NJITCE-S (FED. CERT. No. 98-005)

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DATE