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LRA-24-319

**LOCAL REDEVELOPMENT AUTHORITY
FOR ROOSEVELT ROADS**

**NOTICE OF AWARD
RFP 2024-003**

**DATE OF FILING OF RECORD
September 12, 2024**

**REQUEST FOR PROPOSALS RFP-2024-003
Mixed-Income Residential, Hospitality & Golf Course at Roosevelt Roads, Ceiba, PR**

The Local Redevelopment Authority for Roosevelt Roads (hereinafter, the "LRA") hereby informs that it has completed the evaluation process of Request for Proposals RFP-2024-003. Pursuant to Section 26.00 of the Regulation for the Disposal of Real Estate and the Acquisition of Goods and Services for the Implementation of the Master Development Plan of the LRA (hereinafter the "Regulation") (RE: LRA 2024-001), the LRA provides the following information to the parties who submitted proposals for Request for Proposals RFP-2024-003 **Mixed-Income Residential, Hospitality & Golf Course at Roosevelt Roads, Ceiba, PR** issued on July 8, 2024.

Details of the selected proponent and corresponding process are as follows:

Name of the selected Proponent:

- SW Porto Beach LLC

Award Date: September 10, 2024

Respondents/Proponents:

- SW Porto Beach LLC



Summary of Submitted Proposals:

Respondent	Proposal Summary	Proposed Fee
SW Porto Beach LLC	SW Porto Beach proposes to deliver a world class project alongside important community improvements, and they have proven expertise and wherewithal for success. SWPB proposal is divided into three phases. In phase 1, SWPB proposes to develop 300 residential units, a 120-room eco-hotel, an eighteen-hole PGA Tour-level golf course, infrastructure and site development. In its phase 2, SWPB proposes to develop a community medical facility, 283 residential units and lots, a retail and commercial marine village, infrastructure and site development. In its phase 3, SWPB proposes to develop a communal sports facility, 59 low-cost homes, infrastructure and site development.	Total Proposal Cost for Development \$26,230,000

Selection criteria are taken into consideration:

- Development Concept
- Qualification and Past Performance
- Financial Capability and Strategy
- Local Impact
- Consideration

Evaluation Process:

Proposal was submitted on August 23,2024. Only one (1) proposal was received. Pursuant to the provisions of the Regulation (RE: LRA 2024-001), the Evaluation Committee was composed of the following:

- Director of Development and Project Management
- Director of Facilities Management
- Director of Finance Affairs

Meetings of the Evaluation Committee were convened and held on September 10, 2024. The Evaluation Committee proceeded with the evaluation of the proposal in accordance with **Section 5.00** of the RFP document in which the evaluation factors are established. The evaluation factors were the following:

<p>Factor 1: Development Concept</p>	<ul style="list-style-type: none"> • Proposal presents financially stable, market-viable, and concrete ideas for the Project; the Project is compatible with the 2014 Development Zones Master Plan and complies with the Roosevelt Roads ROTFU. • The proposal presents a credible and viable project timeline with clear milestones that comply with the conditions' preceding period, the construction schedule, and the project's operational phase.
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	<ul style="list-style-type: none"> ○ If the Proposal presents a construction period beginning (after receiving all the construction permits) within twelve (12) months of signing the Development Agreement, it will receive a 5% bonus. ○ If the Proposal presents a construction period beginning (after receiving all the construction permits) within twenty-four (24) months of signing the Development Agreement, it will receive a 3% bonus. ● The Proposal presents developments aligned with LRA’s best interest. ● The proposal considers and includes current LRA tenants within the Project Property. In addition, it identifies prospective tenants and presents a clear plan for engaging existing and prospective tenants to demonstrate an optimal occupancy level for the Project. ● The proposal’s Executive Summary and Conceptual plans demonstrate an understanding of the LRA’s goals (as established in Sections 3.1, 3.2, 3.4, and 3.5) and present a clear plan for implementation, including an undeniable understanding of the principles of Universal Design. ● Environmental considerations: <ul style="list-style-type: none"> ○ Proposal demonstrates a thorough understanding of the Management of Environmental Restrictions per <u>Exhibits E-1 through E-4</u>. Conceptual Plans show an understanding of the environmental restrictions on the site. ○ The proposal includes a sustainable design approach considering the project’s development and operational phase. 	25%
<p>Factor 2: Qualification and Past Performance</p>	<ul style="list-style-type: none"> ● Proposal demonstrates, through the experience and expertise of key personnel and past projects, that the proposed Project Team is qualified to execute the proposed development plan. ● Proposal demonstrates that the Project Team members have successfully completed, within their respective disciplines, projects of a similar scale and scope to the proposed Project. ● Proposal provides evidence of the Project Team’s organizational and financial capability to ensure successful and timely delivery of the Project. ● Proposal shows that the Project Team is well-organized, has a clear management structure, and has experience working together on similar projects. 	20%
<p>Factor 3: Financial Capability and Strategy</p>	<ul style="list-style-type: none"> ● Proposal demonstrates that the Proposed Project is financially viable. The financial information indicates that the project’s development costs will inject significant money into the region and the municipality of Ceiba. ● Proposal demonstrates that Proponent has the financial means to finance the development and operation of the Project. ● The proposal includes evidence of the developer’s financial resources (capital) and commitment to execute the project. ● Proposal demonstrates that Proponent has access to, or has available, liquid assets, unencumbered real assets, lines of credit, and other financial means sufficient to meet construction cash flow requirements for a minimal amount of \$5,000,000. 	25%

	<ul style="list-style-type: none"> • Proformas required are included and completed. The included information is valid and reasonable. • Proposal Certification Form is signed and included. • Proposal acknowledges and includes a No Financing Contingency 	
Factor 4: Local Impact	<ul style="list-style-type: none"> • Proposal demonstrates how the proposed components of the Project will improve the quality of life for the surrounding communities of Ceiba and the region. • The proposal includes a solid Communication and Outreach Plan involving community members who respond to community concerns through the development and operational period. • Proposal includes detailed information regarding job creations: <ul style="list-style-type: none"> ○ Forecasted direct jobs ○ Forecasted indirect jobs ○ Forecasted-induced jobs 	15%
Factor 5: Consideration of the LRA	<ul style="list-style-type: none"> • Proposal includes a completed and signed Exhibit C-4: <i>Economic Consideration to the LRA</i> containing the following, as applicable: <ul style="list-style-type: none"> ○ For portions of the Project Property proposed to be leased by Proponent, <ul style="list-style-type: none"> ▪ Interim Rent ▪ Stabilization Period Rent ▪ Operational Period Rent ▪ Percentage Rent ○ For portions of the Project Property proposed to be purchased by Proponent <ul style="list-style-type: none"> ▪ Purchase Price ▪ Manner of Payment ○ Percentage Participation in Capital Events • <i>Proponents must consider in their development plans and include in their Proposals both a long-term lease and a purchase and sale alternative for the Project Property or any portion thereof for which either a lease or a purchase and sale would be most suitable.</i> 	15%

The Evaluation Committee then proceeded to score respondent in accordance with the provisions of Section 26.00 of the Regulation (RE: LRA 2024-001). Each Evaluation Committee member evaluated independently and objectively, ensuring that the proposal was evaluated under the proposed parameters.

The Evaluation Committee then proceeded to score respondent in accordance with the RFP provisions of **Section 5** of the Regulation. The score for the evaluation resulted as follows:

Respondent	SW PORTO BEACH LLC
Total Factors	73.83

Award

The Evaluation Committee presented its recommendation to the Executive Director, who, following a thorough analysis of the proposal, elected to accept it. With this endorsement, the executive director has authorized the award of the **RFP-2024-003 Mixed-Income Residential, Hospitality & Golf Course at Roosevelt Roads, Ceiba PR to: SW Porto Beach LLC** and the initiation of negotiations aimed at formalizing a development contract that will facilitate the advancement of the project's implementation, in accordance with the criteria previously established by the Evaluation Committee.

This award grants authorization to the LRA to initiate a negotiation process with SW PORTO BEACH LLC for the proposed project.

REVIEW AND RECONSIDERATION PROCEDURE

In accordance with Article 30 of the Regulation for the Disposal of Real Estate and the Acquisition of Goods and Services for the Implementation of the Master Development Plan of the Local Redevelopment Authority for Roosevelt Roads, Reg_LRA_2024-001, issued on February 22, 2024, the party adversely affected by a decision of the LRA may file a motion for reconsideration with the Board of Directors of the LRA within twenty (20) days from the date notice of the award is deposited in the federal mail or notified by email, whichever occurs first. This motion shall be submitted at LRA offices, with an electronic copy sent to lradevelopment@lra.gov. The Board of Directors must consider the motion for reconsideration within thirty (30) days of its submission. This period may be extended only once by an additional fifteen (15) days.

Should any determination be made during this period, the deadline to file for judicial review will begin from the date the Board of Directors' decision is deposited in the federal mail or sent via email. If the Board of Directors fails to act within the specified period, the motion for reconsideration will be considered denied, and the time allotted for judicial review will commence from the date of expiration of the period.

Pursuant to Article 4.2 of Act 38-2017, known as the Uniform Administrative Procedure Act, any aggrieved party may file a request for review with the Court of Appeals within a period of thirty (30) days, from the date the Board of Directors' determination is notified, or from expiration of the period prescribed for consideration by the Board of Directors if no action is taken, whichever is applicable. The mere filing of a review request shall not have the effect of suspending this award.

NOTICE OF AWARD CERTIFICATION

I, hereby certify, that a copy of this Notice of Award was registered today in the administrative record and notified today to the following persons, at the address indicated in the proposals:

Jeffrey F. DiModica
Starwood Property Trust President
E-mail: jdimodica@strawood.com

Evidence of having notified the Notice of Award was also registered in the administrative record.

In San Juan, Puerto Rico, September 12, 2024.


Joel Pizá Batiz
Executive Director