

LRA-24-136

**LOCAL REDEVELOPMENT AUTHORITY  
FOR ROOSEVELT ROADS**

**AMENDED AND RESTATED NOTICE OF AWARD  
RFP-2024-001**

**DATE OF FILING OF RECORD OF NOTICE  
June 14, 2024**

**REQUEST FOR PROPOSALS RFP-2024-001  
Capehart Coastal Resort & Golf Club Development at Roosevelt Roads, Ceiba, PR**

This Amended and Restated Notice of Award RFP-2014-001 is delivered as an amendment to, and in substitution of certain notice of award of the Local Redevelopment Authority for Roosevelt Roads (hereinafter, the "LRA") delivered on June 7, 2024 and is intended to correct certain references to applicable legal authority and other non-substantive errors. The LRA hereby informs that it has completed the evaluation process of Request for Proposals RFP-2024-001. 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 in response to Request for Proposals RFP-2024-001 **Capehart Coastal Resort & Golf Club Development at Roosevelt Roads, Ceiba, PR**, dated March 1, 2024.

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

**Name of the selected Proponent:**

- DLC RR, LLC

**Award Date:** June 6, 2024

**Respondents/Proponents:**

- DLC RR, LLC (Discovery Land Company) ("DLC RR")
- Kingdom International LLC ("KI")

**Summary of Submitted Proposals:**

Respondent	Proposal Summary	Proposed Fee
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DLC RR	<p>DLC RR, LLC (Discovery Land Company) proposed a master planned, luxury lifestyle community centered around the amenities of world class golf, access to the ocean, conservation zones and outdoor environment. The project is envisioned to be developed on different sites at Roosevelt Roads and to include 50 hotel keys, 392 residences, 70 low income housing units, numerous amenities, including a tournament caliber 18-hole golf course, club house and related facilities, multiple restaurants and bars, a spa, a community farm, a town center, pools, retail shops, beach club and beach access within walking distance.</p>	<p>Purchase and Sale Option Total Value of the Offer: \$54,200,000 (NPV of \$43,690,656).</p> <p>Long-Term Lease Option Total Value of the Offer: \$34,053,000 for the 1st 10 years of the lease, (NPV of \$41,098,652).</p>
	<p>The proposal included most of the documents required in the RFP. In terms of its staff experience and qualifications, DLC RR proposal did not include certain documentation responsive to Section 4.4.3 of the RFP, which required proponents to present audited financial statements from the previous five (5) years. DLC RR has not issued audited financial statements from such years, because the company was recently incorporated. Instead, audited financial statements for the years ended December 31, 2021 and 2022 and unaudited financial statements for the 2023 fiscal year from its parent company, Discovery Land Consolidated, LLC and Subsidiaries ("DLCS"), were submitted to the LRA. The LRA proceeded to evaluate DLCS's financial capacity, by analyzing the financial information submitted to the LRA.</p>	
Kingdom International	<p>The proposal presented by Kingdom International LLC, proposes the redevelopment of Roosevelt Roads to bring new life to the region. The proposed project is based on honoring the environment through green-energy solutions as well as conservational and sustainable practices. The project is comprised of:</p> <ul style="list-style-type: none"> <li>• Revitalization of the city center, including the city executive redevelopment center, a farmer's market, a bank, church, a medical clinic, and an electric vehicles service center.</li> <li>• Oversee the rehabilitation of 1,700 homes and condominiums for an economically diverse population of residents.</li> <li>• Installation of solar panels on each home, connecting them together as a smart grid for reliable, renewable energy supply.</li> <li>• A farm designed considering an innovative agriculture system, featuring tiered farming with solar panels above, producing both energy and food security for the region.</li> <li>• An innovative medical clinic and wellness retreat center.</li> <li>• A Cruise-line route. Kingdom Cruise Line will bring a cruise industry to the port which will attract hospitality and touristic commerce to the region, and significant job opportunities.</li> </ul>	<p>Purchase and Sale Option \$58 million</p> <p>Long-Term Lease Option Annual payment of \$420 thousand</p>

The proposal did not include most of the documents required in the RFP, including those required by Section 4.4.3 of the RFP which required proponents to present audited financial statements for the previous five (5) years. The proposal also lacked projected payroll data and estimated sales and property tax information. The LRA was unable to assess the local economic impact the proposed project would have in the area.

**Selection criteria taken into consideration:**

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

**Evaluation Process:**

Proposals were submitted on April 9, 2024. Only two (2) proposals were 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
- LRA Project Manager 1
- LRA Project Manager 2
- LRA Attorney

A meeting of the Evaluation Committee was convened and celebrated on April 10 and April 26, 2024. The Evaluation Committee proceeded with the evaluation of the proposals in accordance with Section 5.00 of the RFP document, in which the evaluation factors are established. The evaluation factors were the following:

<b>Factor 1: Development Concept</b>	<ul style="list-style-type: none"><li>• 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.</li><li>• 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.<ul style="list-style-type: none"><li>○ If the Proposal presents a construction period beginning (after receiving all the construction permits) within twelve (12)</li></ul></li></ul>	<b>25%</b>
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	<p>months of signing the Development Agreement, it will receive a 5% bonus.</p> <ul style="list-style-type: none"> <li>○ 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.</li> </ul> <ul style="list-style-type: none"> <li>• The Proposal presents developments aligned with LRA's best interest.</li> <li>• Proposal considers and includes current LRA tenants within the Project Property. In addition, the Proposal identifies prospective tenants, and a clear plan is presented for how to engage existing and prospective tenants to demonstrate an optimal occupancy level for the Project.</li> <li>• 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.</li> <li>• Environmental considerations:           <ul style="list-style-type: none"> <li>○ 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.</li> <li>○ The proposal includes a sustainable design approach considering the project's development and operational phase.</li> </ul> </li> </ul>	
<p><b>Factor 2:          Qualification and Past Performance</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Proposal provides evidence of the Project Team's organizational and financial capability to ensure successful and timely delivery of the Project.</li> <li>• Proposal shows that the Project Team is well-organized, has a clear management structure, and has experience working together on similar projects.</li> </ul>	<p><b>20%</b></p>

<p><b>Factor 3: Financial Capability and Strategy</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Proposal demonstrates that Proponent has the financial means to finance the development and operation of the Project.</li> <li>• The proposal includes evidence of the developer's financial resources (capital) and commitment to execute the project.</li> <li>• 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.</li> <li>• Proformas required are included and completed. The included information is valid and reasonable.</li> <li>• Proposal Certification Form is signed and included.</li> <li>• Proposal acknowledges and includes a No Financing Contingency</li> </ul>	<p><b>25%</b></p>
<p><b>Factor 4: Local Impact</b></p>	<ul style="list-style-type: none"> <li>• Proposal demonstrates how the proposed components of the Project will improve the quality of life for the surrounding communities of Ceiba and the region.</li> <li>• The proposal includes a solid Communication and Outreach Plan involving community members who respond to community concerns through the development and operational period.</li> <li>• Proposal includes detailed information regarding job creations: <ul style="list-style-type: none"> <li>○ Forecasted direct jobs</li> <li>○ Forecasted indirect jobs</li> <li>○ Forecasted-induced jobs</li> </ul> </li> </ul>	<p><b>15%</b></p>
<p><b>Factor 5: Consideration of the LRA</b></p>	<ul style="list-style-type: none"> <li>• 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"> <li>○ For portions of the Project Property proposed to be leased by Proponent, <ul style="list-style-type: none"> <li>▪ Interim Rent</li> <li>▪ Stabilization Period Rent</li> <li>▪ Operational Period Rent</li> <li>▪ Percentage Rent</li> </ul> </li> </ul> </li> </ul>	<p><b>15%</b></p>

	<ul style="list-style-type: none"> <li>○ For portions of the Project Property proposed to be purchased by Proponent           <ul style="list-style-type: none"> <li>▪ Purchase Price</li> <li>▪ Manner of Payment</li> </ul> </li> <li>○ Percentage Participation in Capital Events</li> </ul> <p><b><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></b></p>	
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The Evaluation Committee then proceeded to score respondents, in accordance with the provisions of Section 23.00 of the Regulation. The score for the evaluation resulted as follows:

<b>Respondent</b>	<b>DLC RR, LLC</b>	<b>Kingdom International</b>
Total Factors	89.28	9.58

DLC RR submitted a more comprehensive proposal with an outstanding presentation, only lacking the audited financial statements due to having been newly created for this project. Their proposal was highly detailed, providing a thorough outline of the project and its implementation timeline.

In contrast, Kingdom International’s proposal raised a concern from the Evaluation Committee regarding its quality. Many documents required by the RFP were not submitted initially, casting doubt on the respondent’s ability to meet the LRA’s needs. The proposal lacked attention to detail and was general in its content, failing to clearly address specific items of the required documents. Additionally, the Evaluation Committee expressed concerns about the qualifications of the team and past projects, as no information on these aspects was provided in the proposal. Furthermore, Kingdom International failed to provide the detailed information requested as part of the evaluation factors, complying with only 1 of the 5 evaluation criteria. The aforementioned deficiencies left the Evaluation Committee unable to conduct a proper assessment of the proposal, which resembled a general project concept, lacking sufficient detail and requiring further development.

Regarding DLC RR’s proposal, the Evaluation Committee acknowledges that certain required documents, mentioned above, were not initially included. Nonetheless, the DLC RR proposal was well organized, with a high-quality, detailed and thorough presentation. The proposal clearly addressed RFP requirements, including, among other matters, the topographical conditions of the property and the environmental restrictions posed by SWMUs within the RFP site. DLC RR demonstrated an advanced state of project planning, demonstrative of extensive due diligence on the project’s execution.

**Award**

Upon evaluating the proposals and the Evaluation Committee’s recommendation, the LRA Board of Directors resolved, during a meeting held at the Roosevelt Roads offices of the LRA on June 6, 2024, to award the RFP 2024-001 **Capehart Coastal Resort & Golf Club Development at Roosevelt Roads, Ceiba, PR** to DLC RR, LLC.

This award grants authorization to the LRA to initiate a negotiation process with DLC RR for the development of the project.

#### **REVIEW AND RECONSIDERATION PROCEDURE**

In accordance with Section 3.19 of Act 38-2017, as amended known as the Uniform Administrative Procedure Act of the Government of Puerto Rico, the party adversely affected by a decision may within ten (10) working days from the date of deposit of notice of the award in the federal mail or notification by email, whichever occurs first, file a request for administrative review before the Bidding Review Board of the General Services Administration. The Bidding Review Board of the General Services Administration must decide whether to accept or reject the request for administrative review within ten (10) working days of the filing of the request. If, within this period, the Bidding Review Board of the General Services Administration decides to accept the request, it will have an additional thirty (30) calendar days to adjudicate it, counted from the expiration of the ten (10) working days it had to decide whether to accept it or not. The Bidding Review Board of the General Services Administration may extend the thirty (30) calendar days period only once, for an additional term of fifteen (15) working days.

If a determination is made in the administrative review, the 20-day period to file for judicial review before the Court of Appeals will begin to run from the date on which a copy of the notification of the decision of the Bidding Review Board of the General Services Administration adjudicating the request for administrative review was deposited in the federal mail or notified by email, whichever occurs first. If the Bidding Review Board of the General Services Administration fails to take any action regarding the request for administrative review within the terms provided in this Law, it will be understood that it has been flatly rejected, and from that date, the period to file for judicial review will begin to run. Filing for administrative review before the Bidding Review Board of the General Services Administration is a jurisdictional requirement before filing for judicial review before the Court of Appeals.

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## NOTICE OF AWARD CERTIFICATION

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

Saul Scherl  
DLC RR, LLC  
E-mail: [sscherl@discoverylandco.com](mailto:sscherl@discoverylandco.com)

William Matos  
Kingdom International, LLC  
E-mail: [bill@electrica.com](mailto:bill@electrica.com)

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

In San Juan, Puerto Rico, on June 14, 2024.



Joel Pizá Batiz  
Executive Director