DISTRICT
PUERTO RICO

PRCCDA-2026-02-RFP

Comprehensive Mixed-Use Development Request for Proposals

1. INTRODUCTION AND OVERVIEW.

The PUERTO RICO CONVENTION CENTER DISTRICT AUTHORITY (the "**Authority**") was created pursuant the P.R. Act No. 351-2000, as amended, to oversee the development of the Puerto Rico Convention Center District (the "**District**").

Originally, the District consisted of some 113 acres located in the former Isla Grande Naval Base (the "**Naval Base**"). The Authority was then tasked with spearheading the development of the "Golden Triangle", an area spanning the Miramar section of Santurce, the original District, and the Puerta de Tierra section of San Juan.

In 2009, the Puerto Rico Planning Board (the "**PRPB**") approved a master plan (the "**District's Master Plan**"), that aimed to transform the Golden Triangle –and especially the District– into a vibrant hub for conventions and meetings; tourism activities; food and beverage operations, including restaurants; entertainment venues; residential and commercial activities, including hotels.

Today, the centerpiece of the District is the DR. PEDRO ROSSELLÓ GONZÁLEZ PUERTO RICO CONVENTION CENTER (the "**Convention Center**"), a 600,000 square foot multi-level, state-of-the-art facility designed by TVS Design. In operation since 2005, it is the largest such facility in the Caribbean, and one of the most technologically advanced in the Americas. The Convention Center includes a 152,700 square-foot Exhibition Hall that can seat up to 17,000 people and a 39,500 square-foot ballroom that can accommodate more than 4,000 people.

Since then, the District has expanded its offerings for conventioneers, tourists, locals, and cruise ship passengers. Projects developed to date include but are not limited to the Sheraton Hotel, which among its several amenities includes a casino; the Hyatt House San Juan; the Hyatt Place San Juan; and the vibrant "Distrito T-Mobile" (the "**T-Mobile District**") with its various venues for concerts, including the Coca-Cola Music Hall that accommodates 6,000 spectators, its numerous restaurants and similar businesses that opened in 2021. Thereafter, a hotel and other facilities were developed in the T-Mobile District, including the Aloft Hotel with 177 rooms, raising the District's population of hotel rooms to nearly 1,000. Two (2) additional hotels, which together will operate 257 hotel rooms, are currently under construction in the District.

To date, the Authority has developed the District with innovative thinking from both the public and private sectors, deploying the broad powers granted to the Authority by P.R. Act 351-2000. As a result, the District already features the variety of hotel offerings under marquee brands, with more presently under construction; entertainment and food and beverage venues led by the T-Mobile District, commercial activity, and abundant residential development–at all levels.

The remaining approximately 53 acres of as-yet undeveloped land and waterfront area that comprises the District represents the "beating heart" of the San Juan Metropolitan Area, and the largest and most precious piece of undeveloped prime real estate in the Condado-Ocean Park-Santurce, Isla Grande, Puerta de Tierra, and Old San Juan areas, not only surrounding the Convention Center, but with some 5000 linear feet of frontage on the San Juan Bay.

The Authority will complete the development of the District, through the development of the remaining area into a vibrant, integrated community hub featuring:

- Residential units to be sold across various socioeconomic markets
- Tourism and convention venues complementing the existing District community
- A mix of retail, office, entertainment, hotel, restaurant, and other service establishments, creating employment opportunities and economic growth
- Accessible public parks featuring green spaces designed for universal enjoyment
- Restoration of historic structures within the District, including the Miraflores Fort, and adjacent culturally relevant places
- Sustainable and resilient infrastructure

The Authority intends to advance responsible economic development, private investment, tourism competitiveness, and long-term fiscal sustainability, recognizing that the Certified Fiscal Plans for Puerto Rico emphasize fiscal sustainability, efficient public services, and a more competitive economy. This RFP seeks to further those objectives by using a competitive process to attract private capital, promote productive use of public assets, generate long-term economic activity, support tourism and convention-related demand, and reduce reliance on public funding for the completion of the District.

2. DEFINITIONS.

For purposes of this RFP, the following terms shall have the meanings set forth below. Capitalized terms used but not otherwise defined in this RFP shall have the meaning assigned to them in P.R. Act No. 351-2000, as amended, or in the applicable exhibits to this RFP.

2.1. Addendum or **Addenda** means any written clarification, amendment, modification, supplement, answer to questions, or other document issued by the Authority modifying, interpreting, or supplementing this RFP.

2.2. Applicable Law means all applicable federal, Puerto Rico, and municipal laws, statutes, ordinances, codes, rules, regulations, executive orders, administrative orders, permits, approvals, judgments, decrees, and lawful requirements of any governmental entity having jurisdiction over the RFP, the Development Parcels, the Project, the Proponent, the Selected Proponent, the Development Agreement, or any related transaction document.

2.3. Authority means the Puerto Rico Convention Center District Authority, a public corporation and governmental instrumentality of the Government created pursuant to P.R. Act 351-2000.

2.4. BAFO means a best and final offer submitted by one or more Proponents upon request of the Authority, which may include revised financial terms, development concepts, financing commitments, public benefits, public-space commitments, phasing, legal structure, implementation schedule, risk allocation, or other terms requested by the Authority.

2.5. Board of Directors or **Board** means the Board of Directors of the Authority.

2.6. Convention Center means the DR. PEDRO ROSSELLÓ GONZÁLEZ PUERTO RICO CONVENTION CENTER, located within the District.

2.7. Development Agreement means the definitive agreement to be negotiated and, if approved, executed between the Authority and the Selected Proponent for the planning, financing, design, development, construction, phasing, operation, maintenance, and/or implementation of the Project, together with any related ground lease, sale agreement, conveyance document, development-rights agreement, financing agreement, public-improvement agreement, maintenance agreement, declaration, easement, restrictive covenant, or ancillary transaction document.

2.8. Development Parcels means Parcel No. L-1, the remnant of Parcel No. L-4, Parcel No. L-5a, Parcel No. L-6, Parcel No. L-7, Parcel No. L-8, and the remnant of the former Naval Base, as applicable and as more particularly described in the exhibits to this RFP, collectively. Each may be referred to individually as a **Development Parcel**. The RFP currently describes the Project Property as approximately 53 to 60 acres of remaining District property.

2.9. District means the Puerto Rico Convention Center District, as established and governed by P.R. Act 351-2000, including the real property owned, acquired, assigned, leased, or otherwise controlled by the Authority and designated as part of the District. P.R. Act 351-2000 defines the District broadly to include property held or acquired by the Authority that is consistent with the purposes of the Act.

2.10. District's Master Plan means the master plan for the District approved by the PRPB, as it may be amended, extended, supplemented, or replaced from time to time.

2.11. Evaluation Record means the administrative and procurement record maintained by the Authority in connection with this RFP, which may include the RFP, Addenda, Proposals, questions and answers, clarification requests and responses, evaluation forms, scoring sheets, advisor memoranda, reference checks, background checks, oral presentation materials, BAFO requests and responses, conflict-of-interest certifications, Committee recommendations, Executive Director recommendations, Board materials, Board resolutions, and documents related to FOMB review or approval.

2.12. FOMB means the FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO.

2.13. Government means the Government of Puerto Rico, including its departments, agencies, public corporations, instrumentalities, municipalities, and other governmental entities, as applicable.

2.14. Key Member means any member of a Proponent Team whose qualifications, experience, financial capacity, control rights, equity participation, guaranty, role, or other attributes are material to the Proposal or are relied upon by the Authority in evaluating the Proposal, including the Lead Developer or Master Developer, material equity providers, material guarantors, primary financing entities, principal design firms, and any other person or entity whose removal or substitution would materially alter the Proposal.

2.15. Lead Developer or **Master Developer** means the single person or entity, or the designated lead person or entity within a Group Proponent, that will have primary responsibility to the Authority for the overall planning, financing, design, development, phasing, coordination, delivery, implementation, and long-term execution of the Project.

2.16. Notice of Award means the written notice issued by the Authority identifying a Preferred Proponent or Selected Proponent for purposes of entering into due diligence, negotiations, or other next steps. A Notice of Award shall not constitute a final binding obligation of the Authority unless and until the Board of Directors approves the final award and definitive agreements, any required FOMB approval, review, or non-objection is obtained, and the applicable agreements are fully executed and delivered.

2.17. P.R. Act 351-2000 means Act No. 351-2000, as amended, known as the PUERTO RICO CONVENTION CENTER DISTRICT ACT, which created the Authority and grants it the power to develop, lease, sell, transfer, administer, operate, maintain, and promote the District, private parcels, and related improvement projects. The Act expressly authorizes the Authority to enter into contracts, leases, joint ventures, partnerships, and other agreements to induce third parties to develop, improve, operate, and administer private parcels within the District.

2.18. Preferred Proponent means the Proponent, if any, selected by the Authority to enter into exclusive or priority negotiations with the Authority. Designation as Preferred Proponent shall not create vested rights or a binding obligation of the Authority.

2.19. Project means the comprehensive, master-planned, mixed-use development contemplated by this RFP for the Development Parcels, including residential, hotel, tourism, entertainment, commercial, food and beverage, public-space, infrastructure, historic preservation, mobility, resilience, and related components.

2.20. Project Advisory Committee means the committee established by the Authority to provide strategic advice, monitor progress, address implementation issues, and support oversight of the Project after selection and during negotiation, development, and implementation, as further described in this RFP.

2.21. Proposal means the complete written response submitted by a Proponent in response to this RFP, including all required forms, certifications, exhibits, financial information, development concepts, plans, narratives, commitments, supporting documents, and any clarifications, supplements, presentations, or BAFO submissions accepted by the Authority.

2.22. Proposal Deposit means the deposit, bond, letter of credit, certified check, cashier's check, wire transfer, or other security required to be submitted with a Proposal as evidence of the Proponent's good-faith intent and financial capacity, subject to the return and forfeiture provisions of this RFP.

2.23. Proposal Evaluation Committee means the committee designated by the Authority to review, evaluate, score, rank, discuss, clarify, negotiate, and/or recommend Proposals in accordance with this RFP.

2.24. Proponent means any person, entity, joint venture, consortium, partnership, limited liability company, corporation, or other legal arrangement that submits a Proposal in response to this RFP.

2.25. Proponent Team means, collectively, the Proponent and all members, partners, equity participants, guarantors, lenders, developers, sub-developers, design professionals, contractors, operators, consultants, advisors, and other persons or entities identified as part of the Proposal.

2.26. Public Interest means the totality of benefits, protections, and long-term value to the Authority, the District, the Government, and the public, including but not limited to economic impact, job creation, tourism and convention-related activity, public spaces, historic preservation, design quality, financial sustainability, resilience, public access, long-term maintenance, operational reliability, and compatibility with the Authority's statutory purposes.

2.27. Qualified Proponent means a Proponent that the Authority determines has submitted a responsive Proposal and satisfies the minimum mandatory requirements, qualifications, financial capacity, and other threshold requirements set forth in this RFP.

2.28. RFP means this Request for Proposals, including all exhibits, attachments, forms, schedules, Addenda, answers to questions, and other documents issued by the Authority in connection with this procurement.

2.29. Selected Proponent means the Proponent, if any, ultimately selected by the Authority for final award and execution of the Development Agreement, subject to Board approval, any required FOMB approval, review, or non-objection, and execution of definitive agreements.

2.30. Sub-Developer means any person or entity engaged, retained, partnered with, assigned rights by, or otherwise participating with the Master Developer to perform, finance, design, construct, operate, maintain, lease, sell, or implement one or more components of the Project, subject to the Authority's approval rights under this RFP and the Development Agreement.

3. THE PROJECT AND THE PROJECT VISION.

The Authority intends to complete the development of the District through the execution of a "**Development Agreement**" with the successful Proponent as the "**Developer**" of the Project, with the Developer responsible for engaging, contracting, and performing discrete elements of the Project with "**Sub-Developers**," including design professionals; financing entities and experts; development professionals; environmental experts; permitting professionals, construction companies; hospitality entities including hotels, restaurants, and entertainment experts; end lenders, sales and marketing professionals, and such others as are necessary for the Developer to complete a successful Project– as many of them as possible Puerto Rican entities– and make the Project one of the World's foremost such developments, centered in the District. Among the responsibilities of the Developer are the following:

- Create a master-planned mixed-use Project that *completes* the development of the District and provides the foundations for the comprehensive development of the areas surrounding the District, including Miramar, Condado, Puerta de Tierra, Paseo Caribe, Escambrón, Puente Dos Hermanos, Santurce, etc.

- Generate a significant economic impact and job creation.

- Establish world-class tourism facilities that complement the existing District and incorporate the maritime proximity offered by the San Juan Bay frontage and the extensive cruise ship visitation to San Juan Bay, and the enormous economic opportunities presented thereby.

- Create a walkable, integrated space for visitors to Puerto Rico and local residents, with strong connections to surrounding areas for the enjoyment of convention-goers, tourists, cruise ship passengers, and residents of Puerto Rico, with maximum security for the emotional confidence and well-being of the visitors to the District.

- Create a cohesive design that will harmoniously integrate multiple land uses and address the requirements of Puerto Rico and federal administrative agencies.

Proponents should note that the Authority is interested in maximizing revenues received by the Authority, while at the same time ensuring the long-term financial viability and execution of the Project. Thus, the current policy of the Authority is not to sell its property but, instead, to enter into long-term leases as a means of assuring the Authority's financial stability and the adequate maintenance of the District and other properties owned by the Authority. However, the Authority will accept and is willing to consider proposals which include the conveyance of real estate in furtherance of residential projects or if the transfer is deemed proper in the public interest.

The Authority intends to preserve maximum flexibility to select and negotiate the transaction structure that best advances the long-term interests of the Authority, the District, the Government, and the public. Accordingly, Proponents may submit, and the Authority may consider, any transaction structure or combination of transaction structures deemed by the Authority to be in the public interest, including, without limitation, long-term ground leases, phased ground leases, conveyance of fee title for specific components where legally permissible and appropriate, development rights, revenue-sharing arrangements, minimum annual guaranteed payments, participation rents, benefit charges, public infrastructure commitments, maintenance obligations, offsets, in-kind consideration, or any other lawful form of consideration or public benefit. The Authority shall not be required to select the Proposal that offers the highest nominal purchase price, leasehold value, rent, or direct monetary consideration if the Authority determines, based on the Evaluation Record, that another Proposal provides superior overall value, feasibility, public benefit, design quality, long-term economic impact, operational reliability, or alignment with the Authority's statutory purposes.

The Development Agreement, together with any related ground lease, conveyance, development-rights agreement, financing agreement, public-improvement agreement, maintenance agreement, or ancillary transaction document, will be administered by the Authority and overseen by a "**Project Advisory Committee**", which will provide strategic advice, monitor project progress, address challenges, and ensure the project aligns with the Authority's objectives and standards to achieve successful outcomes. The Project Advisory Committee will be comprised of Authority's Executive Director, who will preside over the committee, and four (4) other individuals appointed by the Executive Director, including at least one (1) member of the Proposal Evaluation Committee.

The issuance of this RFP has been authorized by the Board of Directors. However, no selection, recommendation, designation of a Preferred Proponent, negotiation, award notice, term sheet, letter of intent, or other action taken in connection with this RFP shall constitute a final binding obligation of the Authority unless and until the Board of Directors approves the final award and the final Development Agreement, including any related lease, conveyance, financing, development rights, public improvement, or ancillary transaction documents, by formal resolution. In addition, any final Development Agreement and related transaction documents shall be subject to any required review, approval, non-objection, or other applicable process of the Financial Oversight and Management Board for Puerto Rico ("**FOMB**"). The Authority shall have no obligation to execute, close, or proceed with any Development Agreement unless all required Board and FOMB approvals have been obtained.

4. INVITATION TO SUBMIT PROPOSALS.

This Request for Proposals ("**RFP**") is being implemented to encourage the participation of highly qualified local, national, and international Proponent Teams, with meaningful Puerto Rico participation, capable of serving as a single Master Developer for the comprehensive development of the District, including Parcel No. L-1, the remnant of Parcel No. L-4, Parcel No. L-5a, Parcel No. L-6, Parcel No. L-7, Parcel No. L-8, and the remnant of the former Naval Base, as applicable and as more particularly described in the exhibits to this RFP (collectively, the "**Development Parcels**" and individually a "**Development Parcel**"), as shown on the aerial photograph and drawings included herewith as **Exhibits A and B.**

On April 21, 2026, the Board of Directors expanded the District's footprint by adopting Resolution 2026-14, which decreed that henceforth the Development Parcels are part of the District. In this Resolution, the Board of Directors also designated each Development Parcel as a Private Parcel under the purview of Article 1.03(b)(o) of P.R. Act 351-2000, thus permitting their development, construction and operation by the private sector. To enable the comprehensive development plan of the Development Parcels, the Authority will procure from the PRPB a Resolution that will authorize an amendment to the District's Master Plan, as envisioned and approved in the several Extensions of Location Approval (*Consulta de Ubicación*) No. 99-18-0900-JGU. The Amendment shall have the effect of extending to the Development Parcels the entitlements and parameters of a CT District, replicating in the Development Parcels the same entitlements and parameters that benefit the other Private Parcels that comprise the District. The Petition requesting this amendment will be filed at the PRPB no later than July 31, 2026.

The **Proposal Evaluation Committee** will be responsible for reviewing and assessing proposals submitted in response to the RFP. Collaborating with the Authority and consultants, this committee will evaluate proposals based on criteria such as technical expertise, cost, and feasibility, to select the most qualified Proposal from a single Master Developer, subject to the Authority's reserved rights and final approvals set forth in this RFP.

The Authority reserves the right, without limitation, to:

a. Reject any or all Proposals, waive any informality in the RFP process, or terminate the RFP process at any time, if deemed to be in its best interests.

b. Reject and not consider any Proposal that does not meet the requirements of this RFP, including but not necessarily limited to, proposals offering Project and/or real estate transactions that do not meet the requirements set forth in this RFP or that are incomplete.

c. Cancel and reissue this RFP, or another version hereof, at any moment prior to the execution of a binding Development Agreement if it deems it to be in the best interest of the Authority and the Government, generally. The Authority shall not compensate any Proponent for any costs incurred in responding to this RFP.

d. Require additional information from one or more Proponents.

e. Contact any individuals, entities, firms, corporations, partnerships, or other organizations that have had a business relationship with any Proponent, whether included or not in the Proposal.

f. Require any contractor that is part of any Proponent's Proposal to be bonded by a surety company duly licensed in Puerto Rico and with no less than 10 years of experience issuing surety bonds in Puerto Rico, on both federal and Puerto Rico Government projects.

g. Proceed with the evaluation, negotiation, and award of the Development Agreement notwithstanding that only one (1) Proposal has been received, or that, at any point during the RFP process, all Proponents but one have withdrawn, been disqualified, or otherwise ceased participation. In such event, the Authority may, in its sole discretion and upon a written determination approved by its Board of Directors conclude that proceeding with the remaining Proponent is in the best interest of the Authority and the people of Puerto Rico, thus entering into exclusive negotiations with the remaining Proponent, provided that such Proponent has submitted a responsive Proposal that satisfies the minimum requirements set forth in this RFP. The Authority's election to proceed under this subsection shall not be construed as a waiver of any evaluation standard or award criterion set forth in this RFP. The procedures governing such negotiations are set forth in Section 11.6 (Single-Proponent Procedures).

h. In the event any resulting Development Agreement is prematurely terminated due to nonperformance and/or withdrawal by the Selected Proponent, the Authority reserves the right to seek monetary restitution (to include but not limited to withholding of monies owed or the execution of the payment and performance bond) from the Selected Proponent to cover costs for interim services and/or cover the difference of a higher cost (difference between the terminated Development Agreement and the new contract) beginning the date of Selected Proponent's termination.

i. Designate a single Preferred Proponent to serve as Master Developer for the comprehensive development of the Development Parcels. The Authority does not intend to make piecemeal awards for separate Development Parcels under this RFP. However, the Authority reserves the right to authorize the selected Master Developer to structure, phase, subcontract, sublease, assign development components, or otherwise partner with Sub-Developers, operators, capital providers, contractors, tenants, or other third parties, subject to the Authority's prior written approval and the terms of the final Development Agreement.

5. RFP PROCEDURE.

5.1. RFP Schedule.

Milestone	Date
Issuance of the RFP	July 17, 2026
Proponent Registration Form	August 7, 2026
Pre-Proposal Meeting; Site Visit	August 14, 2026 @ 10:00 AM AST
Deadline to submit questions about the RFP	August 28, 2026
Deadline for responses to questions about RFP	September 4, 2026
Proposal Submission Deadline	October 15, 2026
Opening Proposal Day	October 16, 2026
Presentations by Proponents, if Required	October 19 - 23, 2026
Notice of Award	December 22, 2026
Due Diligence	December 22, 2026 - January 29, 2027
Development Agreement Negotiation and Execution	January 29 – March 30, 2027

The Authority may, at its sole discretion, modify or extend any date or proposed timeline in the above schedule, or add/remove scheduled items. Any such changes will be posted on the Authority's website as an addendum to this RFP and shall be binding on all Proponents and shall be sent to Proponents who duly submitted the Proponent Registration Form.

5.2. Access to the Request for Proposal documents. The RFP documents are available for download at the Authority's website **https://prcda.com/procurements/.** To download the documents, prospective Proponents must go to the Procurement section of the Authority's website. RFP Documents will be available at the Authority's Website on the Issue Date stated in Section 5.1 (RFP Schedule). There will be no cost to download the documents.

5.3. Proponent's Registration Form. Proponents must submit the Proponent Registration Form attached hereto as **Form 1** to the Authority by e-mail at **202602rfp@prcda.pr.gov** no later than **August 7, 2026**. No Proponent Registration Form will be accepted after this date for any reason.

5.4. Compulsory Pre-Proposal Meeting and Property Tour. On **August 14, 2026** at 10:00 AM AST at the Authority's offices, located at 100 Convention Boulevard, San Juan, Puerto Rico 00907, a compulsory Pre-Proposal Meeting will be held (the "**Pre-Proposal Meeting & Tour**"). During this visit, the Authority will provide an overview of this RFP and one Tour of the Development Parcels for all Proponents.

Attendance at the Pre-Proposal Meeting is mandatory, and interested Proponents that do not attend will not be eligible to participate in the RFP process. This Pre-Proposal Meeting and Tour will be the only opportunity for Proponents to visit the Parcels guided by Authority's representatives before submission of Proposals.

No questions or inquiries will be addressed during the meeting; all requests must be made in writing. Handouts and/or written responses to questions will be posted on the Authority's website.

5.5. Proposal Submission Deadline. Ten (10) physical copies and one (1) digital copy of the proposal and all exhibits must be received the offices of the Authority, located at 100 Convention Boulevard, San Juan, Puerto Rico 00907, on or before **October 15, 2026**, not later than 5:00 PM AST at.

5.6. Addenda. The Authority reserves the right to amend this RFP at any time. Any amendments to the RFP will be issued as written Addenda. The Authority will post copies of each Addendum for Proponents to download at the Procurement section of the Authority's Website. Notice will be sent of any Addenda by the Authority to the email on record for any Proponent. Each Addenda will become part of this RFP.

All prospective Proponents are responsible for monitoring the Procurement section of the Authority's Website to retrieve Addenda, notwithstanding any notice of issuance of any Addenda that may be sent to Proponents by the Authority. Under no circumstances shall the Authority bear any responsibility for a Proponent's failure to receive any Addendum.

5.7. Correspondence and Communications. Inquiries and communications regarding the RFP must be submitted to the Proposal Evaluation Committee through the Authority's procurement portal at **https://prcda.com/procurements/**.

Any documents required to be submitted in relation to an inquiry or communication previously submitted through the Authority's procurement portal may be sent by email to **202602rfp@prcda.pr.gov** and must include the following text in the subject line of all such electronic communications: "PRCCDA-2026-02-RFP/ [PROPONENT'S NAME] Communication."

Questions may be submitted by prospective Proponents on or before the date established in this RFP for submission questions. Questions shall cite the section(s) and page number(s) of this RFP or other document that forms the basis of the question. Questions shall be submitted in English. Questions that may arise during the Pre-Proposal meeting shall also be submitted in writing. Only questions submitted in writing will be answered by the Authority.

Responses to all Proponents' questions will be distributed as an Addendum to this RFP on or before the date established in Section 5.1 (RFP Schedule) and will be posted on the Authority's website (**https://prcda.com/procurements/**).

Only notices using the **202602rfp@prcda.pr.gov** address will be considered official notices regarding this RFP, and Proponents may not rely on any other communications that are not received from such address.

5.8. Prohibited Communications. During the submission and selection processes, communications with the Authority and the members of the Proposal Evaluation Committee regarding the contents of this RFP are prohibited, except as explicitly authorized by this RFP. Failure to adhere to this requirement may result in the rejection of submitted Proposals.

6. PROJECT DESCRIPTION.

This RFP seeks Proposals from Proponents that are experienced and highly capable of designing, financing, building, marketing, operating, and maintaining a large-scale mixed-use development project on all of the Development Parcels (collectively, the "**Project**").

6.1. Project Uses. The Project should contemplate a wide variety of uses including but not limited to:

- Residential development across several socioeconomic markets
- Tourism venues that may include for example: Hotels and hospitality facilities; Entertainment venues; Cultural attractions
- Commercial spaces such as, for example: Retail establishments of all levels from modest (pharmacy) to exclusive (jewelry); Office space of several levels, from small spaces to spacious penthouses; Food and beverage venues, from fast food to world-class cuisine and fine dining; Service-oriented businesses of a wide variety
- Public use spaces including but not limited to: Parks and green spaces, large, small, and diverse, including a Baseball field; Soccer field, tennis and/or pickle-ball courts, and other recreational areas
- Public plazas and gathering spaces, large and small

6.2. Minimum Mandatory Project Requirements. Each Proposal must satisfy the following minimum mandatory requirements. Failure to satisfy any of these requirements may render the Proposal non-responsive:

a. Single Master Developer. The Proposal must designate one Lead Developer or Master Developer responsible for the overall planning, financing, development, phasing, coordination, delivery, and long-term implementation of the Project.

b. Comprehensive Development. The Proposal must address the comprehensive development of the Development Parcels as an integrated mixed-use project. The Authority does not intend to award separate parcels to separate proponents through this RFP.

c. Proof of Financing and Financial Capacity. The Proposal must include credible evidence of financial capacity and a financing strategy sufficient to demonstrate the Proponent's ability to undertake and complete the Project, including evidence of equity commitments, lender interest, capital sources, guarantor support, or other financing capacity acceptable to the Authority.

d. Historic Preservation. The Proposal must include a strategy for preserving, restoring, incorporating, and enhancing historic structures and culturally significant assets within or adjacent to the Development Parcels, including the Miraflores Fort and any other historic or culturally relevant structures identified in the RFP exhibits or during due diligence.

e. Hotel, Tourism, and Entertainment Components. The Proposal must include hotel, tourism, entertainment, food and beverage, or other visitor-serving components that complement the Convention Center, T-Mobile District, and the Authority's statutory mission to support conventions, meetings, tourism, cultural, entertainment, and related economic activity.

f. Public Spaces. The Proposal must include meaningful public spaces, including public plazas, green areas, waterfront access or activation where feasible, pedestrian connections, recreational areas, and other publicly accessible amenities designed to serve visitors, residents, convention-goers, and the people of Puerto Rico.

g. Compliance with Applicable Law. The Proposal must be capable of implementation in compliance with applicable federal, Puerto Rico, and municipal laws, regulations, permitting requirements, environmental requirements, historic preservation requirements, and any applicable FOMB review or approval process.

7. PROJECT PROPERTY.

The Authority owns approximately 117 acres in the District, as depicted in **Exhibit A** hereto (Aerial Map of Convention Center District). Under the auspices of the Authority, some 60 acres of the property in the District (the "**District's Property**"), approximately forty seven percent (47%) of the District's Property, has already been or is presently being developed.

The Project will include **most** of the remaining District's Property not heretofore developed, comprising approximately 53 to 60 acres. Refer to **Exhibit B** for maps, plans, and description of the Parcels.

8. ENVIRONMENTAL CONDITIONS.

The Parcels will be made available for development to the selected Proponent in "as-is" condition, without representation or warranty by the Authority as to the physical or environmental condition of the land or any existing structures or their suitability for any purpose.

The Authority makes no representations regarding the environmental conditions that may be encountered in the Development Parcels beyond what is disclosed in **Exhibit C** regarding lead-based paint, asbestos containing materials, leaking underground storage tanks and pipelines, soil and groundwater contamination, unidentified containers, or solid waste disposal areas. Proponents are encouraged to review all available environmental documentation and to conduct their own environmental assessments as part of their due diligence process.

The selected Proponent (the "**Selected Proponent**") may, at its sole cost and expense, conduct due diligence on the Development Parcels following Notice of Award and prior to contract execution. This environmental assessment period shall not exceed 90 days from the date of the Selected Proponent's receipt of the Notice of Award of the Project.

8.1. Environmental Remediation Responsibilities. The Selected Proponent will be responsible for all necessary environmental remediation of the Development Parcels, including addressing all recognized/pre-existing environmental conditions and any other environmental conditions that may be discovered after the execution of the Development Agreement. The Authority will not provide any funding for environmental cleanup or remediation activities.

8.2. Withdrawal Rights. Should the Selected Proponent's due diligence reveal conditions that, in the Selected Proponent's reasonable judgment, present unacceptable environmental risks, compliance costs or liabilities, the Selected Proponent may withdraw from the procurement process by providing written notice to the Authority within five (5) business days after completing its environmental assessment and due diligence which must be concluded no later than 90 days from the date of the Selected Proponent's receipt of the Notice of Award of the Project.

8.3. No Penalty Provision. Withdrawal pursuant to this Section 8 (Environmental Conditions) shall not result in any penalties, forfeitures, or liability to the Selected Proponent. Except as otherwise noted herein, any Proposal security, performance bonds, or deposits submitted shall be returned in full upon such withdrawal. The Selected Proponent shall have no obligation to proceed with Development Agreement negotiations or execution thereof following such withdrawal.

8.4. Alternative Selection Process. In the event of withdrawal under this provision, the Authority reserves the right to enter into negotiations with the next-ranked proponent or to re-issue the RFP, as it shall deem appropriate under the circumstances.

8.5. Hazardous Substances Requirements. The Selected Proponent is expected to:

(i) Take all remedial action as required by Applicable Law with respect to any Hazardous Substances on, under, or about the Development Parcels identified and not identified by the Proponent or the Authority at or prior to the effective date of the Development Agreement or attributable or not to the actions or omissions of the Selected Proponent.

(ii) Take all remedial actions as required by Applicable Law with respect to any existing environmental condition on, under, or about the Development Parcels regardless of its source.

(iii) Comply with all applicable federal, Puerto Rico, and local environmental laws and regulations regarding the handling, treatment, storage, disposal, and remediation of Hazardous Substances regardless of its source.

8.6. Environmental Costs Considerations. Proponents should carefully consider the costs associated with environmental remediation in their development plans and financial projections. These costs should be fully accounted for in the

Proposal, as the Authority will not provide any funding for environmental cleanup activities, nor will the Authority accept any financial responsibility for remediation of existing or future environmental conditions. **The Development Agreement will provide for the complete exculpation from liability of the Authority for the consequences of any environmental conditions on the District Property subject to the Development Agreement.**

9. INFRASTRUCTURE, ZONING AND UTILITIES.

To the extent available to the Authority, information regarding existing infrastructure and utilities is provided in **Exhibits D through Exhibit F**. The development of the Project may require upgrades to existing infrastructure and utilities. The Selected Proponent will be responsible for coordinating with appropriate utility providers and authorities regarding any necessary upgrades or connection.

9.1. Potable Water Utilities. Information regarding existing potable water infrastructure is provided in **Exhibit D** hereto.

9.2. Sanitary Sewer Lines. Information regarding existing sanitary sewer infrastructure is provided in **Exhibit D** hereto.

9.3. Electrical Power System. Information regarding existing electrical power infrastructure is provided in **Exhibit D** hereto.

9.4. Zoning. Information regarding current zoning designations is provided in **Exhibit E** hereto. Proponents should ensure their proposed development conforms to applicable zoning requirements or identify any variances that may be needed and propose a strategy and plan to address such variances in light of the amendment of the District Master Plan that the Authority will procure which is particularly described in Section 4 (Invitation to Submit Proposals).

9.5. Existing Buildings. Information regarding existing buildings is provided in **Exhibit F** hereto. Buildings existing within the Development Parcels will be sold in an "as is, where is" condition along with their underlying land.

10. PROPOSAL REQUIREMENTS.

10.1. Format. To ensure uniformity to specific requirements and prompt reference among all Proposals, the format of the Proposals shall adhere to the following parameters:

- While there is no page limitation for the Proposals, Proponents are strongly encouraged to be concise.
- Proposals shall be typewritten on standard 8 ½" x 11" pages.
- Pages shall have a one-inch margin.
- Written content of the Proposal must be set at one and one-half (1.5) line spacing.

- Larger paper (up to 11″ x 17″) and smaller fonts are permissible for charts, diagrams, spreadsheets, etc.

10.2. Language. All Proposals must be submitted entirely in English. Any documents included in any Proponent's documents in any other language, including in Spanish, must be accompanied by a certified translation into English.

10.3. Cover Transmittal Letter. Proponents should submit a signed cover letter acknowledging that the Proponent has received, examined, and is familiar with the RFP, including all documents, exhibits, addenda and information posted on the Authority's website.

The cover letter should provide an executive summary of the Proposal and be signed by a person who has full authority to bind the Proponent to the Proposal and all terms and conditions of the Proposal. The cover letter shall also include a certification stating that the Proposal will be valid for at least one (1) year from the date the Authority opens the Proposals, as scheduled in this RFP.

10.4. Presentation of Qualifications. Information enabling the Authority to evaluate the Proponent's qualifications and past performance must be presented in a clear and concise format.

It must include an executive summary highlighting key personnel and their qualifications, high-quality images of completed projects, and well-organized supporting documentation. At a minimum, the following items should be addressed:

10.4.1. Proponent's Track Record. Proponent must provide a track record demonstrating his experience in successfully designing, financing, building, selling/leasing, operating, and maintaining large-scale mixed-use projects in Puerto Rico, and elsewhere, including the records of any key team members, including architects, engineers, financing entities, construction contractors, hotel operators, restaurant owners, and the like. Specifically, the track record documentation must include, but is not limited to:

- Project Portfolio Summary
- A comprehensive overview of all relevant projects completed and operated by the Proponent and its key team members within the last ten (10) years
- Total development value developed by the Proponent in the last ten (10) years
- Geographic distribution of projects (local, national, international)
- Types of projects by category (mixed-use, residential, hospitality, commercial, marine, etc.)
- Scale and complexity of previous projects

- Specific evidence of experience with mixed-use developments; public-private partnerships; projects that combine residential, commercial, and tourism components; projects involving marina and project development in waters of the United States; projects involving public space, including parking; projects of similar scale and complexity to the proposed Project
- Evidence of the Proponent's ability to successfully operate and maintain mixed-use developments; manage complex tenant relationships; implement effective property management systems, establish and maintain productive community relationships at all levels; and create and sustain economically successful developments over time
- A summary of financial performance history, including success in securing financing for similar projects and proven ability to deliver projects on budget
- Summary of community engagement in similar projects

10.4.2. Key Team Members and Previous Experience. Proponents must provide biographies for key team members who will be responsible for designing, financing, building, selling and marketing, operating, and maintaining the Project. These biographies should include relevant information such as professional qualifications, licenses and certifications, years of relevant experience, experience working on comparable projects in Puerto Rico and in other jurisdictions.

Proponents must identify each team member by the specific role and responsibilities in the proposed Project.

Advisors and consultants in the following areas are also considered key team members for which biographies must also be submitted: (1) Legal; (2) Environmental; (3) Permitting; (4) Financing; (5) Bonding, and (6) Contractors.

10.4.3. Required Supporting Documentation. Three (3) reference letters from project owners, partners or lenders on comparable projects with direct knowledge of the Proponent's past performance must be submitted.

10.5. Government Contracting Requirements. Because this RFP seeks a Master Developer to perform the Project over a period of years as a Consultant to the Authority, Proponents must comply with all government contracting requirements and must not be barred from contracting with the Government by Applicable Law. This includes the necessity of registering in the **Unique Bidder's Registry** (RUL, by its Spanish acronym) prior to the execution of a Development Agreement.

Within ten (10) business days following the Award Notice, the Selected Proponent must be prepared to provide the following legal documents that do not exceed thirty (30) days after being issued:

- Certificate of Good Standing (Department of State)
- Certificate of Existence or Certificate of Authorization to do Business in Puerto Rico (Department of State)
- Income Tax Filing Certification (Department of Treasury)
- Debt Certification (Department of Treasury)
- Merchants' Registration Certificate (Department of Treasury)
- Certification of filing of Sales and Use Tax (known as IVU) (Department of Treasury)
- Debt Certificate for all Concepts (CRIM)
- Certificate of Filing Income Tax for Movable Objects (CRIM)
- Certificate of Registration as Employer and Debt Certification for Unemployment Insurance and Disability Insurance (Department of Labor and Human Resources)
- Certificate of Registration as Employer and Debt Certification for Social Security Insurance for Drivers (Department of Labor and Human Resources)
- ASUME Compliance Status Certificate
- Corporate Resolution
- Affidavit Act 2-2018
- Acknowledge of Receipt (Ethics and Anti-corruption)
- Government Contracts Certification
- Legal Entities Certification

10.6. Group Proponents – Mandatory Identification of All Members at Proposal Submission. Where a Proposal is submitted by or on behalf of a joint venture, consortium, partnership, limited liability company, or any other multi-party arrangement or combination of entities (each, a "Group Proponent"), all members, partners, equity participants, and other constituent entities that form part of the Group Proponent at the time of submission (collectively, the "Proponent Team") must be fully and completely identified in the Proposal at the time of submission.

10.6.1. Required Disclosures at Submission. Each Group Proponent must include the following as part of its Proposal:

a. complete and current list of all Proponent Team members, identifying for each: (A) full legal name; (B) jurisdiction of formation or incorporation; (C) principal place of business; (D) percentage equity interest or other participating interest in the Group Proponent; and (E) the specific role(s) to be performed in connection with the Project;

b. designation of which Proponent Team members are Key Members (as defined in Section 2.14 and subsection 10.6.2 below) and which are non-Key Members;

c. written consortium, joint venture, or team agreement — or a binding letter of intent to execute the same — executed by all Proponent Team members, confirming each member's commitment to the Proposal and to the Project if selected; no Proponent Team member may be identified in the Proposal unless it has formally consented in writing to be so listed;

d. duly executed authority certificate from each Key Member confirming that the signatory to the Proposal cover letter has full authority to bind that Key Member to the terms of the Proposal; and

e. financial statements for the most recent three (3) fiscal years for each Key Member that is a legal entity, which may be submitted in a separate sealed financial envelope.

10.6.2. Definition of Key Members. "**Key Members**" are those Proponent Team members whose qualifications, experience, financial capacity, or other attributes are material to the Proposal and/or are relied upon by the Authority in the evaluation of the Proposal, including without limitation:

a. the designated Lead Developer or Master Developer;

b. any equity provider that holds, directly or indirectly, ten percent (10%) or more of the equity interest in the Group Proponent or in any project entity to be formed in connection with the Project;

c. any guarantor covering ten percent (10%) or more of the total proposed purchase price and/or leasehold value of the Parcels or of the total estimated Project development cost, whichever is greater;

d. the primary financing entity, if identified at the time of submission;

e. any architect or design firm identified in connection with the Project Master Plan; and

f. any other member whose removal or substitution would, in the Authority's reasonable judgment, materially alter the qualifications presented in the Proposal.

For the avoidance of doubt, equity providers and guarantors that fall below the thresholds set forth in clauses (b) and (c) above shall be treated as non-

Key Members subject to the disclosure and notification requirements of Section 10.11.5 (Non-Key Members); provided, however, that the Authority reserves the right, in its sole discretion, to reclassify any such participant as a Key Member where the Authority determines that such participant exercises effective control over the Group Proponent or holds a disproportionate economic interest relative to its stated ownership or guarantee percentage.

10.6.3. Non-Compliance. A Proposal submitted by a Group Proponent that, as reasonably determined by the Authority, fails to comply with the requirements of this Section shall be deemed non-responsive and shall not be further evaluated by the Authority.

10.7. Concept and Master Development Plan. Each Proponent must submit a detailed, comprehensive Master Plan for the Project. The Project Master Plan must include, at minimum, the following components:

10.7.1. Overall Vision and Development Framework. Proponent must include a conceptual vision for the Development Parcels; a description of the design philosophy and guiding principles; and a detailed explanation as to how the vision is generally consistent with the Authority's design guidelines attached as **Exhibit G.**

10.7.2. Land Use Plan and Program. Proponent must provide a detailed land use allocation plan showing the proposed distribution of residential uses; tourism venues and hospitality facilities; commercial spaces (retail, office, food and beverage, entertainment); public spaces (parks, plazas, etc.); shared amenities and support facilities. The details must include (i) square footage allocation for each type of use; (ii) unit counts and typologies for residential components; (iii) room counts and categories for hospitality components, (iv) conceptual massing showing building heights and volumes.

10.7.3. Phasing Plan and Implementation Timeline. Proponent must submit a detailed phasing strategy with clear delineation of development phases, with a timeline for each phase showing: (i) pre-development period activities (permitting, financing, design, etc.) (ii) construction period milestones; (iii) operational commencement dates; (iv) a critical path analysis for key project components, and (v) a graphic representation of the phasing plan overlaid on the site plan.

10.7.4. Public and Open Space Strategy. Proponent should explain its programming and management approach for public spaces, including the landscape design approach, environmental enhancement features, accessibility and universal design implementation, and security and safety considerations.

10.7.5. Environmental Management Plan Requirement. Proposals must include a basic environmental management plan that details the Proponent's approach to addressing all environmental conditions identified in **Exhibit C**.

10.7.6. Public Interest and Best Value Narrative. Each Proposal must include a narrative explaining why the Proposal represents the best overall value and best fit for the Authority, the District, the Government, and the public. The narrative should address, at minimum: long-term public benefit; design quality; economic impact; feasibility; financial sustainability; public-space benefits; tourism and convention-center synergies; historic preservation; resilience; implementation risk; long-term maintenance and operations; and alignment with the Authority's statutory mission.

10.7.7. Mandatory Requirements Compliance Matrix. Each Proposal must include a compliance matrix identifying where in the Proposal the Proponent satisfies each minimum mandatory requirement set forth in Section 6.2 (Minimum Mandatory Project Requirements).

10.7.8. Entitlement, Permitting, and Regulatory Strategy. Each Proposal must include a permitting and entitlement strategy identifying anticipated approvals, permits, consultations, environmental reviews, historic preservation reviews, zoning or master plan actions, utility approvals, maritime or waterfront-related approvals, and any federal, Puerto Rico, or municipal agency action expected to be required for the Project.

10.8. Financial Offer. Proponents should propose financial consideration, public benefits, infrastructure commitments, maintenance obligations, revenue participation, lease payments, purchase price components, or other forms of consideration to be provided to the Authority in connection with the development of the Project.

Proponents should note that financial consideration to the Authority is an important evaluation factor, but it is not the sole or necessarily predominant determinant of selection. The Authority will evaluate financial consideration together with the Proposal's feasibility, financing certainty, implementation risk, design quality, public benefits, long-term economic impact, compatibility with the District, contribution to tourism and convention-related activity, historic preservation, public spaces, and overall alignment with the Authority's statutory mission. The Authority may determine that a Proposal offering lower direct monetary consideration provides superior overall value if it offers stronger execution certainty, better long-term public benefit, greater economic impact, superior design, stronger public-space commitments, or better alignment with the Authority's long-term interests.

The financial offer should include any assumptions and/or requirements for the proposed financial consideration to be provided to the Authority. *Proponents must evidence readily available funds in amounts sufficient to carry out the Project*. Such evidence is a requirement for executing the Development Agreement.

10.8.1. Financial Capacity. Proponents must include information enabling the Authority to evaluate the Proponent's financial offer and capacity to perform the Proposed Project, including: (1) conceptual development budget; (2) economic feasibility narrative; and (3) financial statements for the previous 3 years.

Proponents must include in their Proposals an explicit acknowledgment signed by an authorized representative of the Proponent, stating the following:

> **[Proponent Name] certifies that it has the financial capacity to complete the proposed Project and understands that failure to close on the Development Agreement due to financing issues will result in (i) the cancellation of the award of this RFP and (ii) the forfeiture of the Proposal Deposit and any additional deposit required by the Development Agreement.**

10.8.2. Good Faith Deposit; Staged Return; Forfeiture.

10.8.2.1. Deposit Requirement. Each Proponent shall submit, together with its Proposal, a deposit equal to five percent (5%) of the proposed purchase price and/or leasehold value of the proposed Project ("**Proposal Deposit**"), up to a maximum deposit of $5,000,000.00, as security evidencing the Proponent's good-faith intent and financial capacity to proceed with the transaction contemplated by this RFP.

The Proposal Deposit shall be submitted in one of the following forms: (i) wire transfer; (ii) certified or cashier's check; (iii) irrevocable letter of credit issued by a financial institution acceptable to the Authority; or (iv) a Proposal Bond issued by a surety company duly licensed in Puerto Rico and acceptable to the Authority. Proposal Deposits submitted by wire transfer or by certified or cashier's check shall be held by the Authority in a segregated, non-interest-bearing account for the benefit of the Proponent pending application or return in accordance with this Section. Irrevocable letters of credit and Proposal Bonds shall be held by the Authority in accordance with their respective terms.

10.8.2.2. Staged Return of Proposal Deposits. Proposal Deposits shall be returned as follows:

(a) Proposal Deposits submitted by Proponents not designated as the Preferred Proponent shall be returned, without interest, within thirty (30) days following the Authority's designation of the Preferred Proponent.

(b) The Proposal Deposit of the Preferred Proponent shall be retained by the Authority and applied toward the Master Development at closing or returned to the Preferred Proponent upon full execution of the Development Agreement, as determined by the Authority in its sole discretion.

10.8.2.3. <u>Forfeiture as Liquidated Damages</u>. The Proposal Deposit of a Proponent shall be forfeited to the Authority as liquidated damages, and not as a penalty, upon the occurrence of any of the following events:

(a) withdrawal of the Proposal after the Proposal Submission Deadline; submission of a Proposal which, in the Authority's reasonable judgment, does not comply with the requirements of this RFP; or if the Proponent is disqualified;

(b) failure of the Preferred Proponent to execute the Development Agreement within the time period specified in this RFP or as otherwise established by the Authority; or

(c) failure to satisfy required closing conditions that are solely within the control of the Preferred Proponent; or

(d) material misrepresentation or omission in the Proposal or in any certification or supporting documentation submitted in connection therewith, as reasonably determined by the Authority; or

(e) failure of a Proponent invited to submit a BAFO to submit such BAFO by the deadline established by the Authority, or unilateral withdrawal from the BAFO process after invitation.

10.8.2.4. <u>Authority Cancellation</u>. In the event the Authority elects to cancel this RFP or reject all Proposals, all Proposal Deposits shall be returned to Proponents, without interest, within thirty (30) days of the Authority's notice of cancellation or rejection. For the avoidance of doubt, the environmental-based withdrawal right set forth in Section 8 (Environmental Conditions) shall not constitute a forfeiture event under this Section, and any Proposal Deposit held at the time of such withdrawal shall be returned to the Preferred Proponent in full.

10.9. <u>Economic Impact of the Project</u>. Proponents shall provide an economic impact analysis focusing on two key areas: (i) job creation and (ii) tax revenues for the Government, including the Municipality of San Juan.

10.9.1. <u>Job Creation</u>. For job creation, Proponents must detail direct employment during both construction and operational phases, while also calculating indirect jobs and induced employment to be generated by the Project.

10.9.2. <u>Tax Revenues</u>. Regarding tax revenues for the Government, Proponents shall provide projections of direct Project contributions including corporate income tax, sales tax, property tax, municipal taxes, and special fees, as well as indirect contributions such as employee income taxes, sales and use tax from generated economic activity. **The Proposal must include a five-year fiscal projection including the above information.**

10.10. <u>Legal Action History</u>. Proponents must list and provide a description of all legal actions for the past five (5) years in which the Proponent has been:

(a) a debtor in bankruptcy;

(b) a defendant or a plaintiff in a lawsuit for deficient performance under a contract or failure to comply with laws or regulations;

(c) a defendant in an administrative action for deficient performance on a project or failure to comply with laws or regulations; or

(d) a defendant in any criminal action or a plaintiff or a defendant in any lawsuit for breach of contract involving a claim valued in excess of $1,000,000. Please clearly state if no such legal action against the Proponent has occurred.

10.11. <u>Substitution and Removal of Proponent Team Members</u>.

10.11.1. <u>General Rule</u>. From the date of Proposal submission through the date of issuance of the Notice of Award (the "**Review Period**"), no Proponent and no Group Proponent may, without the prior written approval of the Authority: (i) add any new member to its Proponent Team; (ii) remove any Key Member from its Proponent Team; (iii) substitute any Key Member with another entity or individual; or (iv) materially alter the role, equity interest, or level of participation of any Key Member as disclosed in the Proposal (each of the foregoing, a "**Team Change**").

10.11.2. <u>Substitution Request</u>. A Proponent that wishes to make a Team Change during the Review Period must submit a written request to the Authority (a "**Substitution Request**") that includes: (i) a detailed explanation of the reasons for the proposed Team Change; (ii) the full identity and qualifications of any proposed substitute Key Member, presented in the same format required under Section 10.6 (Group Proponents – Mandatory Identification of All Members at Proposal Submission); (iii) objective evidence demonstrating that the proposed substitute Key Member possesses professional qualifications and experience equal to or greater than those of the departing Key Member as presented in the Proposal; (iv) a written commitment from the proposed substitute Key Member, in form and substance acceptable to the Authority, confirming its agreement to be bound by the terms of the Proposal; and (v) a certification signed by an authorized representative of the Proponent that the Team Change is not the result of collusion, fraud, or an attempt to circumvent the evaluation criteria of this RFP.

The Authority will review Substitution Requests in its sole discretion, provided that it will not unreasonably withhold approval in cases of demonstrably involuntary Team Changes, such as the bankruptcy, dissolution, or legal incapacity of a Key Member. The Authority will provide written notice of its determination within fifteen (15) business days of receipt of a complete Substitution Request. A Substitution Request will not be deemed complete unless all items required under this subsection have been submitted. The Authority will not approve any substitution that, in its reasonable judgment, would materially diminish the overall qualifications of the Proponent Team as evaluated against the criteria in Section 11.1 (Evaluation Factors).

10.11.3. <u>Involuntary Changes; Mandatory Notice</u>. In the event that a Key Member involuntarily ceases to be part of a Proponent Team for any reason during the Review Period — including by reason of bankruptcy, insolvency, merger, acquisition, or dissolution — the Proponent must notify the Authority in writing within five (5) business days of becoming aware of such event. Such notice must describe the circumstances giving rise to the change and indicate whether the Proponent intends to submit a Substitution Request pursuant to Section 10.11.2. Failure to provide timely notice shall constitute a material breach of this RFP process and may result in disqualification of the Proposal.

10.11.4. <u>Consequence of Unauthorized Team Change</u>. Any Team Change made without the prior written approval of the Authority, as required by this Section 10.11, shall result in the automatic disqualification of the Proposal and forfeiture of the Proposal Deposit as liquidated damages. The Authority may, in its sole discretion, determine that a particular change does not constitute a Team Change requiring approval under Section 10.11, but no such determination shall be implied from the Authority's silence or inaction.

10.11.5. <u>Non-Key Members</u>. Changes to non-Key Members of a Proponent Team during the Review Period do not require the prior written approval of the Authority but must be disclosed to the Authority in writing within ten (10) business days of such change taking effect. The Authority reserves the right, following review of any such disclosure, to reclassify the affected member as a Key Member and require compliance with the full Substitution Request process under Section 10.11.2.

10.11.6. <u>No Circumvention</u>. Proponents may not, directly or indirectly, achieve through indirect means what is prohibited directly under Section 10.11.1, including by restructuring their Proponent Team through intermediate entities, transfers of ownership interests in a member entity, or any other arrangement that has the practical effect of substituting or removing a Key Member without prior written Authority approval.

10.12. <u>Insurance</u>. The Proponent must provide evidence that, if selected for the award of this RFP, the Proponent will be able to obtain and maintain a minimum of required insurance policies and coverages which are customary for developments of this type, including payment and performance bonds and wage payment bonds; commercial liability insurance against claims for bodily injury, property damage, personal injury and advertising injury; worker's compensation insurance with statutory limits, as required by Act 45 of April 18, 1935, as amended, known as "The Workmen's Accident Compensation Act" (*Ley del Sistema de Compensaciones por Accidentes del Trabajo*); umbrella/excess liability insurance; and such others as are reasonable and consistent with industry standards.

All policies must include the Authority, the Government, its officers, officials, agents, and employees, as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Selected Proponent. It must also contain a waiver of subrogation for any action against the Authority, the Government, its officers, officials, agents, and employees.

10.13. <u>Proposal Execution</u>. The Proposals must be properly executed by an authorized representative of the Proponent. In order to constitute proper execution, the Proposal shall be in strict compliance with the following:

10.13.1. <u>Individuals</u>: Proposals submitted by Individuals shall be signed by them. If the Proposal is signed by an authorized representative, a power of attorney, dated and executed by the individual, shall be attached to the Proposal as evidence of the representative's authority to sign the Proposal and to bind the Proponent thereto.

10.13.2. <u>Partnerships</u>: Proposals submitted by a partnership shall be signed on the partnership's behalf by at least one general partner or by an authorized representative of the partnership. If an authorized representative signs the Proposal, a power of attorney, dated and executed by all partners of the Proponent, shall be attached to the Proposal as evidence of the representative's authority to sign the Proposal and to bind the Proponent.

10.13.3. <u>Corporations</u>: Proposals submitted by corporations shall state the correct name of the corporation and must be signed by an authorized officer, whose authority to bind the corporation must be evidenced by the corresponding corporate resolution. The title or position occupied by the corporate officer executing the Proposal shall appear below the signature.

10.13.4. <u>Joint Venture</u>: Proposals submitted by a joint venture shall be signed by all members of the joint venture. If the Proposal is signed by only one member of the joint venture entity, the Proposal shall be accompanied by a copy of the joint venture agreement evidencing that the Proposal is signed by a member with authority to bind the joint venture. The joint venture agreement shall be executed before the date and time specified for proposal submission.

11. <u>SELECTION CRITERIA AND PROCESS</u>.

Proposals will be evaluated by a Proposal Evaluation Committee of not less than seven (7) individuals designated by the Executive Director through a comprehensive assessment based on the evaluation factors outlined below. The Authority will conduct this evaluation with the objective of selecting the Proposal that provides the best overall value and best fit for the long-term interests of the Authority, the District, the Government, and the public.

The evaluation factors and weights set forth in this Section are intended to guide the Proposal Evaluation Committee's review and to support a transparent and defensible Evaluation Record. The resulting score shall be an important component of the evaluation, but the Authority's final recommendation and award may also consider the totality of each Proposal, including qualitative factors, implementation risk, financing certainty, public benefits, public-space commitments, historic preservation, long-term operational performance, compatibility with the District, and alignment with the Authority's statutory purposes. Financial consideration is important, but the Authority shall not be required to recommend or select the Proposal offering the highest nominal financial return if another Proposal is determined to provide superior best value, best fit, or public interest benefits.

In conducting its evaluation, the Authority may utilize information from various sources, including written Proposal content, oral presentations, responses to clarification requests, BAFO submissions, reference checks, background investigations, advisor reports, subject-matter expert reviews, and any other relevant information obtained during the selection process.

11.1. <u>Evaluation Factors</u>. The following evaluation factors will guide the Authority's and the Proposal Evaluation Committee's assessment of Proposals. The Proposal Evaluation Committee may assign numerical scores under each factor, but the final recommendation shall be based on the Proposal that provides the best overall value, best fit, and public interest benefit, considering the Evaluation Record as a whole.

Factor	Description	Weight
Factor 1: Development Concept, Design Quality, and District Integration	Compatibility with the District's Master Plan and design guidelines; quality of the master development concept; quality and integration of residential, hotel, tourism, entertainment, commercial, food and beverage, and public-space components; walkability; waterfront activation where feasible; urban design; connectivity to existing District assets; compatibility with the Convention Center and T-Mobile District; and ability to create a world-class mixed-use destination.	25%
Factor 2: Execution Capacity, Qualifications, and Past Performance	Experience and expertise of the Master Developer and Key Members; track record delivering comparable large-scale mixed-use projects; experience with public-private or public-sector development; experience with hotel, entertainment, residential, commercial, and public-space components; team structure; demonstrated ability to coordinate sub-developers, operators, contractors, lenders, and public agencies; and history of completing projects on time and on budget.	20%
Factor 3: Financial Capacity, Financing Certainty, and Implementation Feasibility	Financial resources and commitments; credibility of financing plan; evidence of equity, debt, guarantor support, lender interest, or other capital sources; reasonableness of development budget; feasibility of phasing plan; risk allocation; ability to fund environmental, infrastructure, permitting, and public-space obligations; and overall likelihood of successful implementation.	20%
Factor 4: Public Benefit, Historic Preservation, Public Spaces, and Long-Term District Value	Quality and enforceability of public-space commitments; preservation and integration of historic and culturally significant assets; public access and activation; resilience and sustainability; long-term maintenance and operations strategy; contribution to safety, accessibility, universal design, and public enjoyment; and enhancement of the District's long-term value and civic identity.	15%
Factor 5: Financial Consideration to the Authority and Long-Term Fiscal Benefit	Ground rent, purchase price, revenue share, participation rent, public infrastructure commitments, maintenance obligations, offsets, in-kind consideration, benefit charges, or other consideration proposed for the Authority; long-term fiscal sustainability; revenue reliability; and the extent to which the financial structure supports the Authority's mission and maintenance of the District.	10%

Factor 6: Economic Impact and Local Economic Development	Direct and indirect job creation; tax revenues; local procurement commitments; participation of Puerto Rico-based contractors, subcontractors, consultants, vendors, and service providers; permanent operations in Puerto Rico; workforce development; and broader economic impact.	10%

The Authority reserves the right to determine that a Proposal with a lower numerical score provides superior best value, best fit, or public interest benefits, provided that the Proposal Evaluation Committee, Executive Director, or Board of Directors, as applicable, states the reasons for such determination in the Evaluation Record or award resolution.

11.2. Local Participation. The Authority encourages Proponents to engage local subcontractors, professionals, and relevant service providers headquartered in Puerto Rico, or that 75% of the staff dedicated to the project resides in Puerto Rico; or do business primarily in Puerto Rico ("**Local Parties**") as Team Members and Key Staff to the greatest extent possible. Proponents are encouraged as part of this RFP to provide descriptions of their current and/or anticipated business arrangements with Local Parties and, in particular, Local Parties which are Team Members and Key Staff for the Project, as applicable.

11.3. Oral Presentations. At its sole discretion, the Authority may require all or shortlisted Proponents to participate in oral presentations.

11.4. Negotiations; BAFO. The Proposal Evaluation Committee may recommend that discussions and negotiations are necessary with one or more Qualified Proponents. Negotiations are exchanges between the Authority and Proponents undertaken with the intent of allowing the Proponents to clarify, refine, supplement, or improve their Proposals, including their financial offers, financing commitments, development concepts, public-space commitments, historic preservation strategies, phasing plans, implementation schedules, risk allocation, legal structure, and other material terms. The primary objective of discussions is to maximize the Authority's ability to obtain the best overall value, best fit, and public interest outcome based on the requirements set forth in this RFP.

The Authority reserves the right to request a BAFO from one or more of the highest-ranked, highest-qualified, or shortlisted Proponents, if any, if it deems such an approach necessary or otherwise in the best interest of the Authority, the District, the Government, or the public. The BAFO may request updated financial terms, revised development concepts, additional financing evidence, improved public benefits, enhanced public-space commitments, revised phasing, responses to specific concerns identified during evaluation, or any other information the Authority deems relevant.

11.5. Selection and Award Process. The Proposal Evaluation Committee may rely on specialized advisors, consultants, legal counsel, financial advisors, technical experts, and/or subject-matter experts to complete the review and rating of Proposals, assist in the preparation of the Evaluation Record, and support the Committee's recommendation to the Executive Director.

After completing its evaluation, negotiations, and BAFO process, if any, the Proposal Evaluation Committee shall prepare a written recommendation to the Executive Director. The recommendation shall identify the Proposal that, based on the Evaluation Record as a whole, provides the best overall value, best fit, and public interest benefit for the Authority, the District, the Government, and the public. The recommendation shall include, at minimum: (i) a summary of the evaluation process; (ii) the scoring results; (iii) the basis for the recommended selection; (iv) the reasons why the recommended Proposal satisfies the minimum mandatory requirements; (v) the reasons why the recommended Proposal provides the best value, best fit, and public interest benefit; and (vi) any material risks, assumptions, conditions, or approvals required before execution of the Development Agreement.

The Proposal receiving the highest numerical score shall not automatically be deemed the Selected Proponent. The Proposal Evaluation Committee may recommend, and the Executive Director may present to the Board of Directors, a Proposal that does not receive the highest numerical score if the record supports a determination that such Proposal provides superior best value, best fit, feasibility, public benefit, long-term District value, financing certainty, design quality, public-space commitments, historic preservation, or alignment with the Authority's statutory purposes.

After considering the recommendation of the Proposal Evaluation Committee and the Executive Director, the Board of Directors may approve the recommended award, reject the recommendation, request additional evaluation or negotiations, designate a different Proponent if supported by the record, cancel the RFP, or take any other action authorized by this RFP and Applicable Law. Any final award shall be made by resolution of the Board of Directors and shall remain subject to the execution of definitive agreements and any required FOMB approval, review, or non-objection.

11.6. <u>Single-Proponent Procedures.</u>

11.6.1. <u>Applicability.</u> This Section 11.6 applies in either of the following circumstances: (i) only one (1) responsive Proposal is received by the Proposal Submission Deadline; or (ii) at any point during the evaluation, short-listing, BAFO, or negotiation phases of this RFP, all Proponents except one have withdrawn, been disqualified, or otherwise ceased active participation in the process (each, a "Single-Proponent Event").

11.6.2. <u>Authority's Discretion to Proceed</u>. Upon the occurrence of a Single-Proponent Event, the Authority shall not be required to cancel or re-issue the RFP. The Proposal Evaluation Committee shall prepare a written determination (the "Single-Proponent Determination") documenting: (i) the competitive outreach conducted by the Authority prior to and during the RFP process; (ii) the circumstances giving rise to the Single-Proponent Event; and (iii) an affirmative finding that proceeding with the remaining Proponent is in the best interest of the Authority, the District, the Government, and the public.

The Single-Proponent Determination shall be presented to the Executive Director for recommendation to the Board of Directors, which must approve the Single-Proponent Determination by resolution before the Authority may enter into negotiations with the remaining Proponent. The Board's resolution approving the Single-Proponent Determination shall be included in the procurement record and shall be separate from and in addition to the final award resolution required under Section 11.5 (Selection and Award Process).

11.6.3. Continued Application of Evaluation Standards. Notwithstanding a Single-Proponent Event, the remaining Proponent must continue to satisfy all minimum qualification, responsiveness, and proposal content requirements set forth in this RFP. The Proposal Evaluation Committee shall complete its full evaluation of the remaining Proposal against the factors and weights set forth in Section 11.1 (Evaluation Factors). The Authority shall not be required to award the Development Agreement to the remaining Proponent if the Proposal Evaluation Committee and the Executive Director determine that such Proposal does not adequately serve the Authority's objectives or fails to meet the standards of this RFP, and the Authority may in such case cancel the RFP or pursue alternative procurement methods as it determines to be in the public interest.

11.6.4. Negotiation Authority. Following the Board's approval of the Single-Proponent Determination under Section 11.6.2 (Authority's Decision to Proceed) and a positive evaluation finding under Section 11.6.3 (Continued Application of Evaluation Standards), the Authority may designate the remaining Proponent as the Preferred Proponent and enter into exclusive negotiations with it toward the execution of a Development Agreement, in accordance with the process described in Section 11.4 (Negotiations; BAFO) and subject to the final award resolution by the Board of Directors. During such negotiations, the Authority retains the right to require a BAFO pursuant to Section 11.4 (Negotiations; BAFO).

Any designation of a Preferred Proponent under this Section shall remain subject to the final award resolution of the Board of Directors, execution of definitive agreements, and any required FOMB approval, review, or non-objection.

11.6.5. Authority's Right to Cancel. Nothing in this Section 11.6 (Single Proponent Procedures) shall limit the Authority's right, at any time, to cancel this RFP, re-issue it, or pursue alternative procurement methods, if the Authority determines that doing so would better serve the public interest. In the event of cancellation following a Single-Proponent Event, all Proposal Deposits shall be returned in accordance with Section 10.8.2.4 (Authority Cancellation).

11.7. Appellate Remedies. A party adversely affected by the Board of Directors' resolution may, within twenty (20) days of the notification of the resolution, file for judicial review before the Puerto Rico Court of Appeal.

Any request for judicial review before the Court of Appeals will require the posting of a bond with the Clerk of the Court of Appeals in an amount equal to ten percent (10%) of the purchase price and/or leasehold value for the Development Parcels proposed by the Selected Proponent. Failure to deliver the foregoing bond concurrently with filing for judicial review before the Court of Appeals will result in the immediate dismissal with prejudice of the filing.

For avoidance of doubt, a filing for judicial review before the Court of Appeals will not stop the process of awarding the RFP and/or the negotiation of the Development Agreement with the Selected Proponent, which shall continue as provided herein and in Applicable Laws and Regulations.

12. MISCELLANEOUS TERMS AND CONDITIONS APPLICABLE TO ALL PROPONENTS.

12.1. Legal Requirements. Proponents are responsible for complying with all legal requirements set forth in this RFP, including all applicable regulations.

12.2. Familiarity with Information. Proponents should be fully informed about and familiar with the contents of the RFP and all of the Exhibits hereto (A through G). Proponents are responsible for becoming fully informed regarding all circumstances, information, laws, and any other matters that might affect the Project.

12.3. Authorizations by Proposal. The Authority may use any information provided by a Proponent and its team members to conduct credit and background checks. At its sole discretion, the Authority staff may contact references, investigate previous projects and current commitments, interview team members, and consider other information in order to evaluate Proponent responses.

12.4. Evaluation Record. The Authority shall maintain an Evaluation Record for this RFP which may include, without limitation, the RFP, addenda, registration forms, questions and answers, Proposals, clarification requests, Proponent responses, evaluation forms, scoring sheets, advisor memoranda, reference checks, background checks, oral presentation materials, BAFO requests and responses, Committee memoranda, conflict-of-interest certifications, recommendations to the Executive Director, Board materials, Board resolutions, and any documents related to FOMB review or approval. The Evaluation Record shall support the Authority's determination that the selected Proposal provides the best overall value, best fit, and public interest benefit, and that the selection was made in accordance with this RFP and Applicable Law.

12.5. No Responsibility over RFP Costs. All costs associated with the response to this RFP are the sole responsibility of the Proponent. Neither the Authority, the Government, nor any of its government entities or its instrumentalities will be responsible for any expenses in the preparation and/or presentation of the Proposals, oral presentations or for the disclosure of any information or material received in connection with this RFP.

12.6. Hold Harmless. By participating in this RFP process, each Proponent agrees to indemnify and hold harmless the Authority and its officers, directors, employees, contractors, attorneys, agents and advisors from and against any and all fees, commissions, and liabilities related to this RFP process.

12.7. <u>Confidentiality of Responses and Proprietary Information</u>. All information submitted in response to this RFP will be considered property of the Authority. Therefore, any document or information provided by the Proponent that contains privileged or confidential information must be identified and marked as such. Upon completion of the RFP process, the Authority will make public its report regarding the qualification, procurement, and selection process, which shall contain information related to this RFP process, except trade secrets, proprietary information, or privileged and confidential information of the Proponents as identified by the Proponents. The ultimately awarded contract and all prices set forth therein shall not be considered confidential or proprietary and such information may be made publicly available.

12.8. <u>Conflicts of Interest</u>. Proponents must submit in their response to this RFP: (i) Form A (Non-Conflict of Interest Certification), and (ii) Form B (Sworn Statement Under Act 2-2018), duly completed and notarized, if applicable.

Moreover, each Proponent should identify any person or entity that has been contracted by the Proponent to prepare or assist in the preparation of the Proponent's Proposal, who to the best of the Proponent's knowledge and information has been contracted by or has advised the Authority on any aspect of the development at the District within the last five (5) years or is currently contracted by or advising the Authority.

Each member of the Proposal Evaluation Committee and each advisor materially participating in the evaluation shall execute a conflict-of-interest and confidentiality certification before receiving access to Proposals. Any person who has a personal, financial, professional, familial, or other relationship that could reasonably be perceived as affecting impartiality with respect to any Proponent or Proponent Team member shall disclose the relationship and, if required by the Authority, recuse himself or herself from the evaluation.

The Authority reserves the right, without limitations, to make such investigations as it deems necessary as to the qualifications or perceived conflicts of interest of any and all firms submitting Proposals in response to this RFP, the members of the Proposal Evaluation Committee and each advisor materially participating in the evaluation.

12.9. <u>No Assurance; Not a Contract; No Commitment to Award</u>. No individual, or firm, is assured of obtaining any work because of this RFP process. This RFP does not constitute an offer to enter into a contract between any individual or entity and the Authority. A contractual obligation will exist only upon the execution of the Development Agreement duly signed by authorized representatives of the Authority and the Proponent. Issuance of this RFP does not constitute a commitment by the Government and/or the Authority to award a Contract.

12.10. <u>No Vested Rights Before Final Approval and Closing</u>. No Proponent, Preferred Proponent, or Selected Proponent shall acquire any vested right, property interest, leasehold interest, development right, entitlement, or claim against the Authority by virtue of submitting a Proposal, being shortlisted, receiving a high score, participating in negotiations, submitting a BAFO, receiving a Notice of Award, or being recommended by the Proposal Evaluation Committee or Executive Director. Any rights shall arise only if and when definitive agreements are approved by the Board of Directors, any required FOMB approval, review, or non-objection is obtained, and the applicable agreements are fully executed and delivered by all required parties.

12.11. Limitation of Liability. Proponents agree that the Authority will not be liable if Proposals are rejected or the RFP is modified, suspended, or canceled. Proponents also agree to indemnify the Authority against any claims arising from participation in the RFP process.

12.12. No Collusion or Fraud. Each Proponent is responsible for ensuring that its participation in this RFP process is conducted without collusion or fraud.

12.13. List of Exhibits and Forms.

- Exhibit A - Aerial Map of Convention Center District (1 page)
- Exhibit B - Maps, Plans and Description of the Parcels (7 pages)
- Exhibit C - Environmental Documents (601 pages)
- Exhibit D - Potable Water Utilities, Sanitary Sewer Lines, and Electrical Power System Information (36 pages)
- Exhibit E - Zoning information (3 pages)
- Exhibit F - Information Regarding Existing Buildings (14 pages)
- Exhibit G - District Design Guidelines (232 pages)
- Form 1 – Proponent Registration Form (1 page)
- Form 2- Non-Conflict of Interest Certification (2 pages)
- Form 3 - Sworn Statement Under P.R. Act 2-2018 (4 pages)