

“Roosevelt Roads Naval Station Facilities and Land Redevelopment Authority Act”

Act No. 508 of September 29, 2004

To create the Roosevelt Roads Naval Station Facilities and Land Redevelopment Authority Act; establish its powers, duties and responsibilities and provide the manner in which its operations shall be financed and other measures.

STATEMENT OF MOTIVES

The Government of the United States has considered, through legislation, reducing or closing the operations of the Roosevelt Roads Naval Station in Ceiba, Puerto Rico, an action which has led the Commonwealth to assume a proactive stance directed towards formulating the steps needed to put into effect a comprehensive approach to the possible impact this reduction or closing of operations would have on the Municipality of Ceiba, on the eastern coast of the Island and on Puerto Rico. The initiative for reducing or closing the Naval Station occurred in spite of the fact that a procedure for the closing or realignment of military installations is provided by Federal Law.

The Naval Station, deemed to be the most important military installation of the United States of America, is located in the senatorial districts of Carolina and Humacao. The Roosevelt Roads Naval Station in Ceiba covers an estimated extension of land of 8,600 cuerdas. Some of the facilities contained within said Naval Station include an airport and its installations, nine piers of great depth, housing, hotels, a sewage treatment plant, a garbage dump, three beaches, recreational and sports areas, schools, shopping centers, apartment complexes and ecological conservation areas, among others. The actual operation of this Base provides close to 5,000 military and civilian jobs with an economic impact estimated to be close to \$150 million.

Pursuant to the Memorandum of the Department of the Navy to the members of Congress concerned with the situation of the Naval Station of April 10, 2003, the Roosevelt Roads Naval Station had, by that date, over 60 Navy and Army Commands and other federal government agencies. In total there were 2,465 military personnel, 1, 527 civilian employees and 897 contractors. Within the next 24 months the actions of the Navy shall affect 16 Commands and personnel reductions would amount to a total of 1, 531 military personnel (1,367 active and 164 reserve), 333 civilian employees and 443 contractors. The number of contractors is updated to April 3, 2003. This is the official information the Navy Department has provided until now as to the number of military and civilian employees that shall be affected until the end of this fiscal year, since in spite of the fact that the Navy has said that the actions announced shall take place within a 24-month period as of April 2003, it is known that the goal is to terminate the reduction process on or before the end of this fiscal year. Other dependencies that are operational at present at the Naval Station, such as the Shopping

Center, the Commissary, the Gas Station and the Naval Hospital shall continue to operate since the official information available does not indicate otherwise.

The close of operations creates the possibility of developing joint projects between the Governments of Puerto Rico and the United States for the use of this valuable land, as well as the facilities included therein. This is a unique and irreplaceable opportunity for using said land and facilities to create an economic and social program that will produce a positive impact on the region and on Puerto Rico as a whole, both in the short and in the long term.

Section 8132 of Law 108-87, of the Department of Defense Appropriations Act, 2004, of September 30, 2003, ordered the Secretary of the Navy of the United States to close Roosevelt Roads Naval Station not later than six months after the date of effectiveness of the law. Section 8132(b) requires that said closing and the subsequent disposition of the land be done according to the procedures and authorities contained in the Defense Base Closure and Realignment Act of 1990 (Title XXIX of Law 101-510; 10 U.S.C. 2687 nota) (commonly known as “BRAC”).

The processes provided in BRAC are designed to maximize the potential economic development of the Base that is being closed. The process is one of collaboration between the Navy, the Authority for Local Development and the Department of Defense that provides technical assistance and economic support to the Authority for Local Development and acts as intermediary between the Navy and the Authority for Local Development whenever necessary.

On October 24, 2003, the Governor of the Commonwealth of Puerto Rico, Sila M. Calderón, designated through an Executive Order the Department of Economic Development and Commerce as the Authority for Local Development in charge of planning for the re-use and development of the Naval Station and appointed a Development Committee to work with the Authority for Local Development in the aforementioned plan, including the creation of a plan for the re-use as required by the BRAC law. On November 20, 2003, the Department of Defense officially recognized the DEDC as the Authority for Local Development for the Naval Station.

The Authority for Local Development and the Development Committee are working on the creation of a Plan for the Re-use which is expected to be completed by August 2004. Once the Plan for the Re-Use has been approved it shall be necessary for many years to continue the operation of the Naval Station which so significantly contributed to the economy of the Eastern Region of Puerto Rico. The close of this base through the processes established in the BRAC Law provide an unprecedented opportunity for establishing a Plan for the Re-Use that will respond to the needs of the Region, in particular to the Municipalities of Ceiba and Naguabo, through the implementation of sustained economic development strategies consonant with the protection of the environment.

An opportunity for development that shall have an impact as great as this requires that we devote sufficient resources and enough time, as has been done in other jurisdictions where closed military installations have been redeveloped so successfully. The redevelopment of the land and the facilities has to respond to the needs of the area residents, the municipalities and the regional surroundings. It must likewise be conducted in a closely integrated manner so as to broaden the opportunities for the economic development of the area. The projects to be promoted must also be the product of a profound and specific process of analysis

conceived with the involvement of all concerned sectors at the municipal, district, regional and national levels. Lastly, all actions and efforts must be undertaken within the framework of the federal laws that apply to the operation of the Base and by establishing uninterrupted and effective communication channels with the competent authorities of the Government of the United States.

To attain the purposes of this measure, it is essential to organize and establish through legislation, the mechanism and steps to follow to attend to any possible change in the operation of the Roosevelt Roads Naval Station, and to appropriate the resources needed to attend to the future of this installation in a responsible and beneficial manner for the present and future generations of Puerto Rico and the United States. By doing so we comply fully with the democratic commitments agreed of upon between both.

Be it enacted by the Legislature of Puerto Rico :

Section 1. — Title. (25 L.P.R.A. § 3051 note)

This Act shall be known as the “Roosevelt Roads Naval Station Facilities and Land Redevelopment Authority Act.”

Section 2. — Definitions. (25 L.P.R.A. § 3051)

The following terms shall have the meaning expressed below, except when the context clearly indicates otherwise and the words used in singular shall include the plural and vice-versa:

- (a) *Federal Agency.* — The United States of America, its President, any of the department of the Executive Branch of the Government of the United States of America or any corporation, agency or instrumentality created or that may be created, designated or established by the United States of America.
- (b) *Authority.* — The Authority for the Redevelopment of the Land and the Facilities of the Roosevelt Roads Naval Station created by this Act.
- (c) *Bonds.* — The bonds, temporary bonds, refinancing bonds, provisional bonds, notes, promissory notes, receipts, certificates and any other evidence of debt of the Authority issued pursuant to the provisions of this Act.
- (d) *Executive Director.* — The Executive Director of the Authority for the Redevelopment of the Land and the Facilities of the Roosevelt Roads Naval Station.
- (e) *Contracted Entity.* — The natural or juridical, private or public person, or a consortium of these, chosen by the Authority to study and plan the redevelopment of the facilities and land of the Roosevelt Roads Naval Station.
- (f) *Board or Board of Directors.* — The Board of Directors of the Authority.
- (g) *Person.* — Any natural or juridical person, including but not limited to, any government agency or instrumentality or any individual, firm, partnership, society, stock company, public or private association or corporation, organized or existing under the laws of the

Commonwealth of Puerto Rico, the United States of America, any of its states or of any foreign country any federal agency or any combination of the above.

(h) *Property*. — Any property, real or personal, tangible or intangible.

(i) *Naval Station*. — The land and facilities located in the Municipality of Ceiba and Naguabo that comprise the Roosevelt Roads Naval Station.

(j) *Bondholder*. — Any person who bears any outstanding bonds, registered in his/her name or not registered, or the owner, according to the registry of any outstanding bonds which to date is registered in the name of a person other than the bearer.

Section 3. — Creation. (25 L.P.R.A. § 3051a)

A public corporation and government instrumentality of the Commonwealth of Puerto Rico is hereby created that shall constitute an independent corporate and political body named the Authority for the Redevelopment of the Land and the Facilities of the Roosevelt Roads Naval Station.

Section 4. — Board of Directors. (25 L.P.R.A. § 3051b)

(a) The Authority shall be directed by a Board of Directors constituted by the Secretary of Economic Development and Commerce, who shall be the Chairperson, two persons designated by the Mayor of the Municipality of Ceiba, a person designated by the Mayor of the Municipality of Naguabo, a person designated by the President of the Senate, a person designated by the Speaker of the House of Representatives and three persons designated by the Governor.

The persons designated by the Governor, by the Mayors of Ceiba and Naguabo and by the President of the Senate and the Speaker of the House of Representatives shall be persons of known experience in one of the following areas: (1) planning; (2) commercial, tourism, residential or institutional development; (3) real estate; (4) administration of tourist or recreation facilities; or (5) management of infrastructure projects.

Of the members designated by the Governor, one shall be designated for an initial term of one year, another for an initial term of two years and the other for an initial term of three years until their successors are appointed. When their terms have concluded, the latter or their successors to be designated by the Governor shall become members of the Board for a term of three (3) years until their successors are appointed.

The members designated by the Mayors of Ceiba and Naguabo and by the President of the Senate and the Speaker of the House of Representatives shall hold said office for a term of two years until their successors are appointed.

Any vacant position on the Board held by the members designated by the Governor, by the Mayors of Ceiba and Naguabo and by the President of the Senate and the Speaker of the House of Representatives that arises before the term of said position has expired shall be covered by a new appointment for the unfinished term.

The Board shall choose from among its members a Vice Chairperson, who shall substitute the Chairperson in his/her absence, as well as a Secretary.

(b) A majority of the active members of the Board shall constitute quorum for all purposes and the agreements shall be reached by a majority of those present. Any necessary or permitted action taken at any meeting of the Board or by any committee of the Board shall be authorized without the need of a meeting provided all members of the Board or of a committee of the Board, as the case may be, give their written consent to said action, except when the regulations of the Board so prohibit or restrict. In such a case the written document shall be included in the minutes of the Board or of the committee of the Board, as the case may be. The members of the Board or of any committee of the Board may participate in any meeting of the Board or of any committee of the latter, respectively, through telephone conference or through any other communications medium, through which all participants in the meeting may be heard simultaneously, except should the regulations of the Board provide otherwise. Participation of any member of the Board or of any committee of the latter in the manner described above shall constitute attendance to said meeting.

(c) The members of the Board who are officials of the Government of the Commonwealth of Puerto Rico or of its dependencies, including the Municipalities shall not receive any compensation for their services. All other members shall be entitled to receive compensation as per diem for each day of session they attend and to be reimbursed for the expenses they may incur while performing any task entrusted to them by the Board or its Chairperson. The per diem shall be the same as that established for the members of the Legislature. The members shall also be entitled to be reimbursed for the travel expenses necessarily incurred while in the performance of their official duties according to the applicable regulations of the Department of the Treasury.

(d) The Board, its Executive Director and the officials, agents or employees of the Authority shall not incur any civil liability for any action or omission while in the performance of their duties, except when conduct which constitutes a crime or crass negligence are involved.

(e) The Board shall have, without it being construed as a limitation, the following duties and powers. —

- (i) Establish the general policy of the Authority to comply with objectives of this Act;
- (ii) authorize the work plan and annual budget of the Authority;
- (iii) appoint the Executive Director of the Authority, establish his/her duties and powers in harmony with the provisions of this Act and fix his/her compensation;
- (iv) adopt and approve rules and regulations to govern its internal operations as well as those needed to put into effect the duties and powers conferred under this Act;
- (v) require from the Executive Director or from any other official or employee of the Authority the reports and statistical data deemed necessary;
- (vi) delegate on any committee of the Board or on the Executive Director any of the powers and duties of the Board under this Act; and
- (vii) take any action deemed convenient or necessary to achieve the purposes of the Authority pursuant to the provisions of this Act.

Section 5. — Executive Director — Powers, duties and functions. (25 L.P.R.A. § 3051c)

The Authority shall operate under the direction of an Executive Director who shall be appointed by the Board and who shall exercise his/her office at the will of the latter.

Regardless of the existence of other legal restrictions, the Board may contract the Executive Director through a professional services contract of up to two (2) years duration. Regardless of the manner in which the Executive Director is contracted, the latter shall be bound to comply with the provisions of Act No. 12 of July 24, 1985, as amended, known as the Ethics in Government Act. Without it constituting a limitation, his/her functions shall be the following:

- (a) Be the main executive officer of the Authority;
- (b) draft and present to the Board the work plan and the annual budget of the Authority;
- (c) supervise, oversee and audit compliance by the Contracted Entity of its obligations under its contract with the Authority;
- (d) authorize and supervise any other contract needed for the proper operations of the Authority subject to the norms established by the Board;
- (e) attend all meetings of the Board; but without being entitled to vote;
- (f) establish, organize, direct and supervise the administrative structure of the Authority;
- (g) establish the achievement levels of the operations of the Authority, including the power to recruit and contract any of the officials or employees under his/her supervision, subject to the norms established by the Board;
- (h) direct the preparation of the short and long term plans of the Authority for contracting and for the development of personnel, of the operations, administrative controls, marketing strategies and all other functions needed to ensure the success of the Authority in the effective and efficient achievement of its objectives; and
- (i) carry out any other functions assigned by the Board.

Section 6. — Purpose, Faculties and Powers of the Authority. (25 L.P.R.A. § 3051d)

- (a) The Authority is created for the following purposes:
 - a. Implement the Plan for the Re-use of Roosevelt Roads Naval Station to be drafted by the Authority for Local Development.
 - b. Follow-up on all and any transactions made by the effective date of this Act by the Authority for Local Development.
 - c. Obtain the designation by the Department of Defense as Authority for Local Development in charge of implementing the Plan for the Re-use of the Roosevelt Roads Naval Station.
 - d. Direct, supervise, regulate and maintain the economic development of the land and facilities of the Roosevelt Roads Naval Station.
 - e. Conduct other activities deemed convenient and pertinent to the purposes of this Act.
- (b) In order to achieve the above purposes, the Authority is conferred, and shall have and may exercise, all the rights and powers necessary and convenient to make the same effective, including the following but without limiting their general nature:
 - a. Have the force and effect of a public corporation for a period of ten years as of the date of approval of this Act.
 - b. Adopt, alter and use a corporate seal of which judicial acknowledgement shall be taken.

- c. Draft, adopt, amend and repeal statutes for the administration of its corporate affairs and those norms, rules and regulations necessary or pertinent to exercise and carry out its functions, powers and duties.
- d. Have full control over all its properties.
- e. Determine the nature and the need for all expenses and the manner in which these are to be incurred, authorized and paid, without taking into consideration any provision of law which regulates the expenditure of public funds and such a determination shall be final and firm for all officials of the Commonwealth of Puerto Rico. It shall also adopt certain rules for the use and disbursement of its funds and be subject to the intervention of the Office of the Comptroller of Puerto Rico.
- f. Sue and be sued under its own name, complain and defend itself in all courts of justice and administrative bodies and participate in commercial arbitration procedures.
- g. Negotiate and exercise with any person, including any Federal or Commonwealth government agency, all types of contract, including but without it being construed as a limitation, administrative concession contracts pursuant to the provisions of this Act, lease contracts, sublease contracts, surface rights contracts and all those instruments and agreements needed or convenient to exercise the powers and functions conferred upon the Authority by this Act.
- h. Produce or contract for the production of plans, projects and budgetary costs for among other things, the design, construction, reconstruction, extension, improvement, expansion, repair, operation, maintenance or financing of any installation of the Naval Station, including the modification of said plans, projects and budgets.
- i. Design, build, reconstruct, expand, repair, maintain, finance or operate any installation the Authority may deem necessary or convenient to achieve its purposes or contract third parties to carry out any of these actions.
- j. Acquire any property inside the Naval Station or within a radius of five hundred (500) meters of the latter through any legal means, including but without limitation, through a purchase agreement, through the exercise of eminent domain initiated directly by the Authority in its own name, subject to the provisions of Section 9, subsection (d), or initiated by the Commonwealth at the request of the Authority, as provided by Section 9, subsection (b), or through offer, legacy or donation, and to possess, conserve, use and exploit any property it may deem necessary or convenient to achieve the purposes of the Authority.
- k. Exchange, sell, in this case with the prior authorization of the Legislature, lease, encumber and dispose of in any other way, of any property of the Authority when deemed proper, necessary, incidental or convenient in connection with its activities.
- l. Appoint and discharge those officers, agents or employees and grant them those faculties, impose those duties and fix, change and pay them the compensation the Authority may determine.
- m. Take money on loan and issue Authority bonds, with the prior authorization of the Legislature of Puerto Rico, in order to provide funds for covering the cost for acquiring or building any property of the Authority or to carry out any of its corporate ends or for the purpose of refinancing, paying or redeeming any of its outstanding bonds or

obligations. It may also guarantee the payment of its bonds and of the bonds of any of its subsidiaries and of all or any of its obligations or the obligations of any of its subsidiaries through assignment, pledge, mortgage or any other lien on all or any of its contracts, revenues, income or property.

n. Accept donations from any person and use the product of any of said donations for any corporate purpose.

o. Create through resolution those subsidiary corporations it may deem convenient to achieve the purposes of this Act and transfer, lend or donate funds or any of its properties to such subsidiary corporations or guarantee any of its obligations, provided that said subsidiary corporations created through resolution shall be public corporations possessed entirely by the Authority. The same shall have the powers and duties that have been conferred by the Authority under the provisions of this Act and that at the same time have been assigned to said subsidiary corporations by the Board; further provided that the Board shall appoint the members of the Board of Directors of any of such subsidiary corporations.

p. Acquire, possess and dispose of stock, shares in partnerships, the rights of members, contracts, bonds or other interest of other corporations or private partnerships and exercise any and all powers or rights it may have over these.

q. Procure insurance against losses for the amounts and with the insurers deemed desirable, whose insurance may include, without it being construed as a limitation, insurance against civil liability for directors, officers, agents and employees.

r. Exercise all those other corporate powers that are not incompatible with those herein expressed which, according to the laws of Puerto Rico, are conferred upon private corporations and exercise all those powers, in and outside of Puerto Rico, to the same degree to which a natural person would or might do.

s. Conduct all acts or take all measures needed or convenient to enforce the powers conferred by this Act or by any other law of the Legislature of Puerto Rico or of the Congress of the United States, and t. Accept donations from individuals, corporations or any other entity or person to achieve the purposes of the Authority.

Section 7. — Officers and employees. (25 L.P.R.A. § 3051e)

(a) The personnel of the Authority shall be excluded from Act Number 5 of October 14, 1975, as amended, known as the “Puerto Rico Public Service Personnel Act.” The appointments, separations, promotions, transfers, discharges, repositions, suspensions, leaves and changes in category, compensation or title of the officers and employees of the Authority shall be made and be allowed as provided by the norms and regulations prescribed by the Board and they shall be made pursuant to the merit principles established in the Puerto Rico Public Service Personnel Act.

(b) The Executive Director and the officers and employees of the Authority shall be entitled to the reimbursement of the necessary travel expenses or to the corresponding per diems, as authorized or approved according to the regulations adopted by the Board for the Authority.

(c) Before the nine (9) months of effectiveness of this Act have elapsed the Authority must submit a report to the Governor and to the Legislature recommending whether it may be

necessary to extend the effectiveness of the Authority for over the ten (10) years provided by this Act or whether the Authority shall be able to achieve its goals within the time provided in this Act.

Section 8. — Monies and accounts of the Authority. (25 L.P.R.A. § 3051f)

(a) All monies of the Authority shall be deposited in the Government Development Bank for Puerto Rico or in depositories qualified for receiving funds of the Commonwealth of Puerto Rico, but they shall be maintained in a separate account or in separate accounts in the name of the Authority. Disbursements shall be made by the Authority according to the regulations and budgets approved by the Board.

(b) The Authority shall be exempt from the provisions of Act 230 of July 23, 1974, as amended, known as the “Government of Puerto Rico Accounting Act.” The Authority, with the approval of the Secretary of the Treasury, shall establish the accounting system required to maintain the proper controls and statistical registers of all expenses and revenues of or administered or controlled by the Authority. The accounts of the Authority shall be kept so that they may be properly segregated as far as it would be advisable in relation to the various types of operations, projects and activities of the Authority.

Section 9. — Statement of Public Benefit; Acquisition of Properties through Eminent Domain. (25 L.P.R.A. § 3051g)

(a) All personal or real property and all rights or interests on the same the Authority may deem necessary to acquire to achieve its purposes are hereby declared to be of public benefit. Said assets may be expropriated without the prior statement of public benefit provided in the process of eminent domain. The process of eminent domain may be initiated directly by the Authority in its own name or at the request of the Authority when the Board may deem it convenient. It may be initiated following the procedure described in subsection (b) of this Section. The eminent domain procedures initiated by virtue of the provisions of this Act shall be transacted in the manner provided by this Act and according to the provisions of the laws of the Commonwealth of Puerto Rico related to eminent domain.

(b) At the request of the Authority, the Commonwealth of Puerto Rico shall have the power to purchase, be it through an agreement or through the exercise of the power of eminent domain, or through any other legal means, any property in the Naval Station at or at no more than five hundred (500) meters of the latter or interest on the same that the Board may deem necessary convenient for the purposes of the Authority. The Authority may put in advance at the disposal of the Commonwealth of Puerto Rico those funds that may be needed to pay for said property and once the same has been acquired, it may reimburse to the Commonwealth of Puerto Rico any amount paid which had not been previously delivered. After the Commonwealth of Puerto Rico has been reimbursed the title of the property thus acquired shall pass to the Authority. The Secretary of Transportation and Public Works, with the approval of the Governor, may make those arrangements he/she may deem proper for the exploitation and control of said property by the Authority during the period which may elapse before said title has passed to the Authority. In those cases in which the property was

acquired with funds of the Commonwealth of Puerto Rico and the Authority should lack the funds for totally reimbursing said funds to the Commonwealth of Puerto Rico, the Governor, if he/she should believe it to be necessary and convenient, may provide that the title on the assets and/or the rights so acquired must be directly registered in favor of the Authority to expedite compliance with the ends and purposes for which it was created. The Governor may so request from the Court at any time following the eminent domain procedure and the Court shall so order. In those cases, as well as in cases of acquisition by the Commonwealth of Puerto Rico in favor of the Authority after advance payment by the latter to the Commonwealth of Puerto Rico, the Property Registrar, preferentially and expeditiously, shall proceed to register the property title of the property or the rights in question in favor of the Authority, when the pertinent documents for registration have been submitted. The power hereby granted shall neither limit nor restrict in any manner whatsoever the power of the Authority to acquire properties by purchase or through the eminent domain process initiated directly by the Authority in its own name. The title of any property of the Commonwealth of Puerto Rico deemed necessary or convenient for the purposes of the Authority may be transferred to the latter by the officer in charge or in custody of said property, through terms and conditions that shall be fixed by the Governor.

(c) The provisions of Section 9 shall not limit the provisions of Section 11(d)(ii).

Section 10. — Transfer of Property. (25 L.P.R.A. § 3051h)

Any contrary provision of law notwithstanding, including the Autonomous Municipalities Act and the autonomous subdivisions of Puerto Rico are hereby authorized to assign and transfer or lease to the Authority, at its request, any property or interest thereon (including properties already devoted to public use) concession or franchise the Authority may deem necessary or convenient to achieve its purposes. The Municipalities of Ceiba and Naguabo shall be bound to negotiate in good faith with the Authority the terms under which any property, facility, concession, franchise or right belonging to the Municipality that would be necessary or convenient for the redevelopment of the land and facilities of the Naval Station are to be granted through lease or sub-concession. None of the provisions of this Section shall be understood to limit the powers of the Authority to acquire said properties or rights.

Section 11. — Design, Development, Construction, Financing, Operation and Maintenance Contract. (25 L.P.R.A. § 3051i)

(a) The Authority, through administrative concession contracts, lease contracts or other types of contract, may execute contracts with one or various persons to carry out the various or combination thereof for the planning, design, redevelopment, construction, financing, operation and maintenance of the land and facilities of the Naval Station subject to the conditions and following the procedures set forth in this Section. Private funds may be used to cover the cost of any and all such phases.

(b) The Authority is hereby given the power to grant administrative concessions for the design, redevelopment, construction, financing, operation and maintenance of the land and

facilities to the person or persons selected by the Authority under the provisions of this Section, this concession being subject to the approval of the Governor or of the executive officer delegated by the latter under the terms and conditions that meet the requirements of this Act.

(c) To carry out the planning, design, redevelopment, construction, financing, operation and maintenance of the land and facilities of the Naval Station, the Authority may employ any type of contract which separates or combines the planning, design, redevelopment, construction, financing, operation and maintenance phases. Said contracts shall be adjudicated through applications for proposals and a negotiation process as established in this Section and the procedures described in Section 12 of this Act shall not apply. The provisions herein set forth notwithstanding, the Authority may assume the rights and obligation that may be incurred by the Department of Economic Development and Commerce or any other agency or subdivisions of the Government of the Commonwealth of Puerto Rico for the purpose of redeveloping the land and facilities of the Naval Station.

(d) The Authority may negotiate and execute with the person or persons granted any contract for the planning, design, redevelopment, construction, financing, operation and maintenance of the land and facilities of the Naval Station, finance contracts or any type of necessary or convenient contract or instrument for the purpose of issuing bonds of the Authority to finance the redevelopment of the land and facilities of the Naval Station.

(e) The processes for qualifying and selecting the proponents and for the negotiation of the contract with the entity or entities selected shall be conducted pursuant to the processes and norms established by the Board which shall be consistent with the following principles:

(i) The Board shall establish through regulations the procedures and guidelines that shall govern the process for selecting the proponents and for the negotiation of the contract, including the process for submitting the applications for proposals so as to expedite the process for the selection and evaluation of proponents, for obtaining proposals from proponents qualified to carry out the project, for promoting competition among the proponents, should there be more than one and after considering all relevant factors as established by the Board, for maximizing the benefits for Puerto Rico.

(ii) During the proponent selection and evaluation processes, the confidentiality of the information furnished by the proponents and the information related to the process for selecting, evaluating and adjudicating the proposals, shall be governed by criteria pertaining to the confidentiality which is strictly necessary as established by the Board. The information submitted by the proponents shall be public and be published in the Internet once the Board of Directors has adjudicated the contract, with the exception of the information which constitutes (1) business secrets, (2) proprietary information and (3) privileged or confidential information.

(iii) The regulations adopted by the Board for conducting the process for the selection of proponents and for the negotiations with the proponent(s) selected, shall include the criteria the Board shall apply when making its decisions as to the qualifications and selection of the proponents and the adjudication of the contracts. The selection criteria shall include, without it being construed as a limitation or without the order herein provided defining their importance, the following:

- (A) the business and financial reputation of proponents and their economic, technical or professional capacity and the experience of the proponents in matters concerning the planning, design, redevelopment, construction, financing, operation and maintenance of the land and facilities of closed military installations;
- (B) the quality of the proposal submitted by the proponent as to, among others, the aspects of the design, engineering and estimated time of construction;
- (C) the capital the proponent is willing to invest and the time for recouping said capital;
- (D) the financing plans of the proponent and economic capacity of the latter to achieve them;
- (E) the fees the operator intends to charge, the internal rate of yield employed by the proponent and the flow if net income projected; and
- (F) the terms of the contract with the Authority which the proponent is willing to accept.

All proponents shall certify that neither they nor their officers or agents have been the object of formal accusations nor been convicted for acts of corruption in Puerto Rico or any foreign country.

(iv) The Board shall approve the contract or contracts which it, in its discretion, has determined best meets the criteria established by the Board.

(f) Contracts with the Contracted Entity.

(i) The contract with the Contracted Entity may include the planning, design, redevelopment, construction, financing, operation and maintenance of the land and facilities of the Naval Station or, at the discretion of the Board, some of these phases may be part of another separate contract executed with the same person or with a different person. The Executive Director of the Authority shall be responsible for negotiating the terms and conditions of the contracts referred to in this Section. Said contracts shall have to be approved by the Board and shall be subject to the norms established in this Section.

(ii) The Board shall have the authority to allow the Contracted Entity to assign, sublease, grant a sub-concession or encumber its interests under the contract with the Authority. The Authority may determine and establish in the contract with the Contracted Entity the conditions under which the latter may assign, sublease, grant a sub-concession or encumber said interests.

(iii) The Contracted Entity shall post a bond guaranteeing to the Authority faithful compliance with all the obligations of the contract whose amount shall be determined by the Board taking as criteria the investment estimated for the project or for the work or stage in question.

(g) The Authority is hereby exempted from the procedures and the actions authorized in this Section of the provisions of Act No. 170 of August 12, 1988, as amended, known as the “Commonwealth of Puerto Rico Uniform Administrative Procedures Act,” except for the provisions of Chapter IV of said law about judicial review.

Section 12. — Construction and Purchasing Contracts. (25 L.P.R.A. § 3051j)

All supplies or services purchases and contracts, except those for personal services, executed by the Authority, including contracts for the construction of works, except all those contracts with the Contracting Entity related to the planning, design, redevelopment, construction, financing, operation and maintenance of the land and facilities of the Naval Station to which the provisions of Section 11 apply, shall be done through a notice for bids submitted sufficiently in advance of the date of the opening of the sealed proposals so that the Authority may ensure the proper notice and opportunity for attendance; provided that when the amount estimated for the purchase does not exceed one hundred thousand (100,000) dollars and the value of the construction project does not exceed two hundred thousand (200,000) dollars, the same may be conducted without a notice for bids. For purchases whose value fluctuates between five thousand (5,000) and one hundred thousand (100,000) dollars and the value of the construction project fluctuates between forty thousand (40,000) and two hundred thousand (200,000) dollars, the Authority shall solicit written quotes from at least three (3) suppliers.

Neither notices for bids nor the quotes requirement shall be necessary in the following cases:

- (a) When the delivery of materials, supplies and equipment and the rendering of services or the execution of construction works are immediately required due to unforeseen extraordinary circumstances;
- (b) when spare parts for supplies or services previously furnished or contracted are needed;
- (c) when the prices are not subject to competition because there is only one supplier or because they are regulated by law; or
- (d) when the Authority has held two (2) biddings and they have been deserted or when only one bidder has appeared whose offer is not competitive with open market prices. In such cases the purchase of materials, supplies and equipment or the rendering of such services may be made in the open market under the usual business practices;
- (e) when expert professional services or works are required and the Authority believes that in the interest of good administration practices such services or works should be contracted without such notices for bids.

When comparing proposals and making adjudications due consideration must be given to those factors (besides considering whether the bidder has met the specifications) such as the lowest price, the capacity of the bidder to do work of the nature involved in the contract under consideration, the relative quality and adaptability of the materials, supplies equipment or service, the financial liability of the bidder, its expertise, experience, business integrity reputation and capacity to render the services under consideration and the time of delivery or execution submitted. The Authority may adopt regulations for presenting bids or proposals in terms similar to those commonly used and practiced by public corporations in Puerto Rico or in the states of the United States of America.

In the case of construction contracts and other contracts that because of their nature could be adjudicated through this Section 12 or Section 11, the Board shall have the discretion of making said adjudication under the provisions of Section 11 or Section 12.

The Authority shall be exempted from making its purchases through the General Services Administration and from the application of the provisions of the Sole Register of Bidders, established by Act No. 164 of July 23, 1974, as amended.

Section 13. — Authority Bonds. (25 L.P.R.A. § 3051k)

(a) The Authority, with the prior authority of the Legislature, is hereby authorized to issue bonds from time to time for those amounts which in the opinion of the Authority are necessary to provide sufficient funds for any of its purposes, to include financing the expenses incurred by the Authority or incurred by the Contracted Entity for the planning, redevelopment, design and construction of the land and facilities of the Naval Station.

(b) The bonds issued by the Authority may be made payable from and be guaranteed by a pledge of or the constitution of another lien on the total or part of the gross or net income of the Authority which may include, subject to the provisions of Section 8 of Article VI of the Constitution of the Commonwealth of Puerto Rico, those funds which may be made available to the Authority by the Commonwealth of Puerto Rico, as provided in the trust agreement or resolution under which the bonds are issued. All bonds issued by the Authority may also be made payable from and be guaranteed by a pledge of or the constitution of another lien on the total or part of the income derived by the Authority under the clauses of a finance contract with the Contracted Entity, whose revenues have been pledged for the payment of said bonds under said finance contract and the trust agreement under which the bonds are issued. The pledge of or constitution of another lien on said income or funds of the Authority shall be valid and obligatory from the moment this is done without the need for executing a public or notarized document. The income thus encumbered, including those the Authority may receive subsequently shall be immediately subject to said lien without the need for physically delivering the same or of any other act, and said lien shall be valid and obligatory and shall prevail against any third party with any type of claim for damages, noncompliance of contract or another motive against the Authority regardless of whether said third party has not been notified in that respect. Neither the trust agreement or the resolution nor any collateral contract through which the rights of the Authority over any income are pledged or assigned shall have to be presented or registered to perfect the lien on the same against any third party.

(c) The resolution or resolutions authorizing the bond issue or the trust agreement guaranteeing the same may contain provisions which shall be part of the contract with the holders of the bonds issued under said resolution or resolutions or under said trust agreement with respect to: the disposition of the total gross or net income and present or future income of the Authority; the guarantee and creation of the lien on the income and assets of the Authority; the charges and tariffs to be imposed and the application, use and disposition of the amounts collected through the collection of said tariffs and other income of the Authority; the creation and maintenance of redemption funds and reserves; the limitations relative to the purposes for which the product of said bonds or the bonds to be issued in the future may be used; the limitations as to the issue of additional bonds; the limitations as to the introduction of amendments and attachments to the resolution or resolutions or to the trust agreement; the procedure through which the terms of any resolution authorizing bonds or any other contract

with the bond holder may be amended or repealed; and as to the total amount of the bonds whose holders must give their consent to that effect, as well as the manner in which said consent must be given; the class and amount of the insurance the Authority must maintain on its properties and the use and disposition of the insurance money; the commitment to not encumber all or part of the income of the Authority, both as to the right it may have then as well as the right that may arise in the future; the concession of rights, faculties and privileges and the imposition of obligations and responsibilities of the trustee under any trust agreement or resolution; the cases of noncompliance and the terms and conditions under which any or all bonds should come due or may be declared due before their due date; and as to the terms and conditions for which said declaration and its consequences may be waived; the rights, faculties, obligations and responsibilities that shall arise in the event of noncompliance with any obligation under said resolution or resolutions or under said trust agreement; any rights, faculties or privileges conferred upon the bond holders as security for the same to increase the saleability of the bonds; and other matters not in conflict with this Act that may be necessary or convenient to guarantee the bonds or that tend to make the bonds more negotiable.

(d) The bonds may be authorized through a resolution or resolutions of the Board and issued in a series; bear the date or dates authorized by the Board, come due in an installment or installments that do not exceed fifty (50) years after their respective dates of issue; accrue interest at the type or types that do not exceed the maximum type then permitted by law; be of the denomination or denominations authorized by the Board and as bonds with coupons or registered; have the privilege of registration or conversion, be granted in the manner authorized by the Board; be payable through the means for payment and at the place or places; and be subject to the terms of redemption with or without premium; be declared mature or come due on a date prior to their maturity; provide for the replacement of mutilated, destroyed, stolen or lost bonds; be authenticated in such a way once the conditions have been met and contain all other terms and stipulations provided by said resolution or resolutions approved by the Board. The Bonds may be sold publicly or privately, at the price or prices determined by the Authority; provided that convertible bonds may be exchanged for outstanding bonds of the Authority according to the terms the Authority may deem beneficial to the best interests of the Authority. Their text and form notwithstanding and lacking an express statement in the bond that the latter is not negotiable, all bonds of the Authority shall be and shall be deemed to be at all times negotiable bonds for all purposes.

(e) At the discretion of the Authority any bonds issued under the provisions of this Act may be secured by a trust agreement by and between the Authority and any bank or trust company described in the following paragraph, which may be a bank or a trust company in or outside of the Commonwealth of Puerto Rico. Any provision of law to the contrary notwithstanding, said trust agreement shall not have to be executed through a public deed for it to be a valid trust under the laws of the Commonwealth of Puerto Rico. The trust agreement may contain all those provisions the Authority may deem reasonable and appropriate concerning the security of the bondholders.

(f) It shall be lawful for any bank or trust company incorporated under the laws of the Commonwealth of Puerto Rico, of the United States of America or of any state of the United States of America to act as depository of the product of the bonds, revenues and other

monies, and to grant indemnification bonds or provide as surety those securities required by the authority.

(g) The bonds of the Authority that bear the signatures of the officers of the Authority while holding office at the date of signing the same shall be valid and shall constitute unavoidable obligations even when before the delivery of and payment for said bonds any or all officers whose signatures or facsimiles thereof appear in said bonds have ceased to hold office as such in the Authority. The validity of the authorization and issue of bonds shall not depend or be affected in any manner whatsoever by any procedure related to the construction, acquisition, expansion or improvement of the installation for which the bonds are issued or by any contract executed in relation to such installations. Any resolution authorizing bonds may provide that said bonds contain a statement indicating that they are issued in accordance with this Act and any bond containing said statement authorized by such a resolution shall conclusively be considered valid and issued according to the provisions of this Act.

(h) Provisional or temporary bonds and receipts or certificates may be issued while the definitive bonds are granted and delivered, in the manner and with the provisions set forth in the resolution or resolutions authorizing said bonds.

(i) Neither the members of the Board or the Executive Director nor any other person who grants the bonds shall be personally responsible for said bonds.

(j) The Authority is authorized to purchase with any funds available for such a purpose, any outstanding bonds issued or assumed by the Authority at a price that shall not exceed the total amount of the principal or of the current redemption value of the same plus the accrued interest.

(k) The Authority is hereby authorized to issue refinancing bonds of the Authority for the purpose of refinancing those bonds that are outstanding and in force and effect at that time and that have been issued under the provisions of this Chapter, including the payment of any redemption premium in relation thereto and any interest accrued or to be accrued by the date of redemption or maturity of said bonds and, should the Board deem it advisable, for any of the purpose for which the Authority may issue bonds. The issue of said bonds, their maturity and other details regarding the same, the rights of the holders of said bonds and the rights, duties and obligations of the Authority concerning the same shall be governed by the provisions of this Act related to the issue of bonds as far as said provisions may be applicable.

(l) The refinancing bonds issued under this Section may be sold or exchanged for outstanding bonds issued under this Act and if sold the product of said sale may be devoted, in addition to any authorized purpose, to the purchase, redemption or payment of those bonds that are outstanding and in force and effect and may be invested depending on said application. The refinancing bonds may be issued, at the discretion of the Authority, at any time, on or before their date of maturity or maturities or the date selected for the redemption of the bonds being refinanced.

(m) The bonds and other obligations issued by the Authority shall not constitute a debt of the Commonwealth of Puerto Rico nor of any of its municipalities or other political subdivisions and neither the Commonwealth of Puerto Rico or any of its municipalities nor political subdivisions shall be liable concerning these, nor shall the bonds or other obligations payable with funds other than those of the Authority. The Authority shall have no power whatsoever

at any time or in any manner to pledge the credit or the power to impose taxes of the Commonwealth of Puerto Rico or of any of its political subdivisions.

(n) The bonds of the Authority shall constitute lawful investments and may be accepted as security for any special or public trust fund whose investment or deposit is under the authority or the dominion of the Government of the Commonwealth of Puerto Rico or of any officer or officers of the latter.

(o) The provisions of subsection (m) of this Section notwithstanding, and with the understanding that the Authority has been created for an effective term of ten years, any bond issued under the provisions of this Act may be subscribed jointly by another public corporation or government instrumentality of the Commonwealth of Puerto Rico, a government instrumentality which shall assume the title of the properties pledged in the bonds and/or which assume the rights and responsibilities related to the bonds once the Authority ceases to exist as provided in this Act.

Section 14. — Tax Exemption. (25 L.P.R.A. § 3051l)

(a) It is hereby resolved and declared that the purpose for which the Authority is created and for which it shall exercise its powers is to promote the general welfare and foster commerce and prosperity, these being public ends to benefit the People of Puerto Rico. The Authority shall therefore be exempted from the payment of any income tax imposed by the Commonwealth of Puerto Rico or its municipalities on any of the properties acquired by it and under its power, dominion or possession, or on its activities for the construction, exploitation and conservation of any property or on the revenues derived from any of its activities.

(b) The Authority shall also be exempted from the payment of any type of fees, surtaxes and taxes required or that may be required by the laws for transacting judicial proceedings, for the issue of certifications from all offices and dependencies of the Commonwealth of Puerto Rico and for granting public documents and registering the same in any public register or registry in Puerto Rico.

(c) For the purpose of enabling the Authority to obtain the funds that will allow it to achieve its corporate purposes, the bonds issued by the Authority under this Act, their transfer and the income that may be obtained therefrom, including any profits obtained from the sale of said bonds, shall be and shall remain at all times exempted from the payment of the income tax imposed by the Commonwealth of Puerto Rico or any of its municipalities.

Section 15. — Agreements of the Government of the Commonwealth of Puerto Rico. (25 L.P.R.A. § 3051m)

The Government of the Commonwealth of Puerto Rico hereby commits itself and agrees with any person who subscribes or acquires bonds of the Authority to not limit or restrict the rights or powers hereby conferred upon the Authority until said bonds, their date notwithstanding, together with the interest on the same, are totally paid and withdrawn. The Government of the Commonwealth of Puerto Rico furthermore commits itself and agrees with any federal agency which, in case any federal agency builds, extends, improves or

expands, or contributes with any funds for the construction, extension, improvement or expansion of any property of the Authority to not alter nor limit the rights or powers of the Authority in any manner whatsoever that may be incompatible with the continuous conservation and exploitation of said property or the extension, improvement or expansion of the same, or that may be incompatible with the proper execution of any agreements between the Authority and said federal agency; and the Authority shall continue to have and may exercise for as long as may be necessary or convenient for achieving the purposes of this Act and for the purpose of any federal agency in building, extending, improving, expanding or contributing with the funds for building, extending, improving or expanding said property or part thereof, all the rights and powers conferred by this Act.

Section 16. — Right to appointment of trustee for lack of payment. (25 L.P.R.A. § 3051n)

(a) In case the Authority may be in default in the payment of the principal or the interest on any of its bonds after such payment or payments are due, be it in default in the payment of the principal or interest only at the maturity of said bonds or when their redemption is announced, and said default in the payment persists for a period of thirty (30) days, or in case the Authority or its officers, agents or employees violate any agreement with the bondholders, any bondholder or bondholders (subject to any contractual limitation as to any specific percentage of said bondholders) or trustee thereof, shall be entitled to solicit from any Court with competent jurisdiction in Puerto Rico and through the proper judicial proceeding, the appointment of a trustee for the properties or part thereof whose income or revenues are committed for the payment of the overdrawn bonds whether all bonds have been declared matured and payable and whether said bondholder or trustee solicits or not or has solicited or not that any other right be complied with or that any other remedy be exercised in relation to said bonds. The Court, according to said petition, may designate a trustee for said properties but if the petition is made by the holders of twenty-five percent (25%) or more of the total of the principal of the outstanding bonds or by any trustee of the bondholders for said amount of the principal, the Court shall be bound to appoint a trustee for said properties.

(b) The trustee so appointed may immediately proceed, on his/her own or through his/her agents and attorneys, to enter into and take possession of said properties and may totally exclude the Authority, its officers, agents and employees and all those under these, from said properties and shall have, possess, use, exploit, administer and regulate the same, and in the name of the Authority or otherwise, as the trustee may believe is better, he/she shall exercise all the rights and powers of the Authority regarding said properties as the Authority itself would. Said trustee shall conserve, restore, insure and keep insured said properties and shall make the necessary and proper repairs which from time to time he/she may deem opportune and shall establish, impose, maintain and collect the tariffs, fees, rental payments and other charges in relation to said properties which said trustee may deem necessary, proper and reasonable and shall collect and receive all revenues and rental payments and deposit these in a separate account and apply the revenues and rental payments thus collected and received in the manner ordered by the Court.

(c) When all that is owed on the bonds, including the interest on these and on any other promissory notes, bonds or other obligations and the interest on these which constitutes a burden, obligation or lien on the rental payments of said properties, according to any of the terms of any contract or agreement with the bondholders, has been paid or deposited as specified in said bonds, and all violations as a consequence of which a trustee may be designated, have been remedied and corrected, the Court at its discretion, after the notice and the public hearing as the latter may deem reasonable and proper, may order the trustee to give possession of said properties to the Authority and in cases of subsequent violations the same rights of the bondholders shall remain for obtaining the appointment of a trustee as provided above.

(d) Said trustee, in compliance with the powers herein conferred, shall act under the direction and inspection of the Court, shall always be subject to its orders and decrees and may be discharged thereby. None of the contents of this Act shall limit or restrict the jurisdiction of the Court to issue those other additional decrees or orders it may deem necessary or proper for the exercise by the trustee of any of the functions specifically indicated in this Act.

(e) Any provision contrary to the contents of this Section notwithstanding, said trustee shall not have the power to sell, transfer, mortgage or otherwise dispose of the properties of the Authority, but the powers of said trustee shall be limited to the exploitation and conservation of said properties and to the collection and application of their revenues and rental payments and the Court shall have no jurisdiction to issue any order or decree requiring or permitting that said trustee sell, mortgage or otherwise dispose of any property.

Section 17. — Remedies of the bondholders. (25 L.P.R.A. § 3051o)

(a) Any bondholder or his/her trustee, subject to any contractual limitations binding the bondholders of any bond issue or its trustees, including but not limited to the restriction of a specific portion or percentage of said bondholders to exercise any recourse, shall have the right and the power, for the equal benefit and protection of all bondholders that are in similar conditions to:

(1) Assert their rights against the Authority and its Board, officers, agents and employees so that they perform and fulfill their duties and obligations under this Act, as well as its agreements and contracts with the bondholders through a mandamus or other complaint, action or procedure in law or equity;

(2) demand that the Board and the Authority take responsibility as if they were the trustees of an express trust through action or bill of equity;

(3) prohibit any acts or matters that might be unlawful or violate the rights of the bondholders through action or bill of equity; and

(4) file suits over any controversy that may arise related to the bonds.

(b) No recourse granted by this Act to any bondholder or trustee thereof is meant to exclude any other recourse, but any of such recourses is accumulative and additional to all others and may be exercised without exhausting and without considering any other recourse granted by this Act or by any other law. If any bondholder or trustee thereof fails to impugn any fault or violation of duties or contract, this would neither cover nor affect the faults or subsequent noncompliance with the duties or the contract nor impair any right or recourse over these. No

delay or omission by any bondholder or trustee thereof, in exercising any right or power he/she may have in the case of any violation, shall impair said right or power nor shall it be understood as overlooking said fault or as being in accord with the same. Any substantive right and any recourse conferred upon bondholders may be enforced or be exercised periodically and as frequently as deemed convenient. In case any suit, action or procedure to enforce any right or to exercise any recourse were to be filed or initiated and then interrupted or abandoned or decided against the bondholder or any trustee thereof, then and in any of such cases the Authority and said bondholder or trustee thereof shall be reinstated to its former position, and its rights and recourses restored as if said suite, action or procedure had never been filed or initiated.

Section 18. — Reports. (25 L.P.R.A. § 3051p)

The Authority shall submit to the Legislature and to the Governor, not later than ninety (90) days after receiving its audited financial statement for the preceding fiscal year the following: (1) its audited financial statement; and (2) a full report of the transactions of the Authority during the preceding fiscal year and the status and progress of all its activities from the creation of the Authority or from the last of said reports.

Section 19. — Appropriation of funds. (25 L.P.R.A. § 3051 note)

The Authority is hereby appropriated the amount of five hundred thousand (500,000) dollars from unencumbered funds of the General Fund to defray the operating expenses for Fiscal year 2004-2005. For subsequent fiscal years the corresponding amount shall be consigned to cover the operating expenses of the Authority in the Operating Expenses Budget of the Government of the Commonwealth of Puerto Rico.

The Authority may receive from any agency or public corporation of the Commonwealth of Puerto Rico, transfers of funds or services in the measure needed to achieve the objectives of the Authority and of the concerned agency or public corporation.

Section 20. — Distribution of funds to the General Fund. (25 L.P.R.A. § 3051q)

The Board of Directors of the Authority may from time to time distribute to the General Fund revenues of the Authority which in the judgment of the Board are not necessary to cover operating and maintenance expenses, the principal and interest on its obligations and the reserves for the payment of obligations and costs.

Section 21. — Exemption from the requirements of the Puerto Rico Public Service Act. (25 L.P.R.A. § 3051r)

The Authority and the Contracted Entity are hereby exempted from Act No. 109 of June 28, 1962, as amended, known as the “Puerto Rico Public Service Act.”

Section 22. — Provisions in conflict rendered ineffective. (25 L.P.R.A. § 3051s)

In those cases in which the provisions of this Act are in conflict with the provisions of any other Law, of the Legislature of Puerto Rico, the provisions of this Act shall prevail unless the provisions of such other law specifically amend or repeal some or all the provisions of this Act. Furthermore, unless otherwise strictly provided, no other law approved subsequently for regulating the administration of the Government of the Commonwealth of Puerto Rico or any parts, offices, bureaus, departments, commission, dependencies, municipalities, branches, agents, officers or employees of the latter, shall be interpreted as applicable to the Authority although the matters and affairs of the Authority shall be administered pursuant to the provisions of this Act.

Section 23. — Construction norms of this Chapter. (25 L.P.R.A. § 3051 note)

The powers and faculties conferred upon the Authority by this Act shall be liberally construed so as to achieve the purposes of this Act.

Section 24. — Severability Clause. (25 L.P.R.A. § 3051 note)

Should any provisions of this Act or the application of said provisions to any person or under any circumstances were to be declared unconstitutional, the rest of this Act and its application shall not be affected by said declaration of unconstitutionality.

Section 25. — Transitory provisions. (25 L.P.R.A. § 3051 note)

(a) The Department of Economic Development and Commerce of the Commonwealth of Puerto Rico is hereby authorized, as the Authority for Local Development, to continue taking the steps necessary or convenient for the planning, design, redevelopment, construction, financing, operation and maintenance of the land and facilities of the Naval Station under the provisions of this Act until the Authority determines, through the mechanism described in subsection (c), that it is willing to continue taking such steps.

(c) The Authority shall continue the procedures initiated by the Department of Economic Development and Commerce of the Commonwealth of Puerto Rico in whichever stage they are in, once the Board determines through a resolution that the Authority is operationally capable of assuming said procedures.

Section 26. — Effectiveness.

This Act shall take effect immediately after its approval.

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